

**Report of the
Comptroller and Auditor General of India
on
State Finances**

for the year ended March 2012

Government of Tamil Nadu

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PREFACE

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
2. Chapters I and II of this Report respectively contain audit observations on matters arising from examination of the Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2012.
3. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

EXECUTIVE SUMMARY

Executive Summary

The Report

Based on the audited accounts of the Government of Tamil Nadu for the year ending March 2012, this report provides an analytical review of the Annual Accounts of the State Government. The financial performance of the State has been assessed with reference to the Tamil Nadu Fiscal Responsibility Act, 2003 and its amendments in 2010 and 2011, Budget documents, Thirteenth Finance Commission Report and other financial data obtained from various Government departments and organisations. The report is structured in three Chapters.

Chapter I is based on the audit of Finance Accounts and makes an assessment of Tamil Nadu Government's fiscal position as on 31 March 2012. It provides an insight into trends in inevitable expenditure and borrowing pattern, besides giving a brief account of central funds transferred directly to State implementing agencies through the off-budget route.

Chapter II is based on the audit of Appropriation Accounts and it gives the grant-by-grant description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

Chapter III is an inventory of Tamil Nadu Government's compliance with various reporting requirements and financial rules. The report also has an appendage of additional data collated from several sources in support of the findings.

Audit findings

During the year 2011-12, the State has made some positive achievements such as moving from revenue deficit into revenue surplus, better mobilisation of resources, containing the percentage of outstanding fiscal liabilities to the Gross State Domestic Product (GSDP) and percentage of fiscal deficit to GSDP within the norms prescribed in the Tamil Nadu Fiscal Responsibility Act, 2003 and living within the budgeted estimates for some of the fiscal parameters. Summary of the Audit analysis of State finances are as under:-

Revenue Receipts: During the year, revenue receipts of the State increased by ₹ 15,014 crore (21.39 *per cent*) over the previous year. The growth in revenue receipts was mainly due to improved tax and non-tax revenue mobilisation. Though the State's revenue receipts, as a percentage of GSDP marginally increased from 12.39 *per cent* in 2010-11 to 13.33 *per cent* in 2011-12, it remained more or less at the same level of about 13 *per cent* during 2007-12.

The non-tax revenue of the State increased by ₹ 1,032 crore in 2011-12 (22.18 *per cent*) over the previous year. As a proportion to the States' own resources, it was 10.04 *per cent* in 2007-08 and 8.72 *per cent* in 2011-12.

Revenue expenditure: Of the total expenditure of ₹ 1,05,657 crore during 2011-12, revenue expenditure (₹ 83,838 crore) accounted for 79.35 *per cent* of the total expenditure. Out of the revenue expenditure ₹ 66,262 crore (79.04 *per cent*) was incurred on the non-plan component. The committed expenditure (₹ 55,172 crore) stood at 64.75 *per cent* of the total revenue receipts of the State during 2011-12.

Capital expenditure: The capital expenditure (₹ 16,336 crore) during the current year increased by ₹ 3,900 crore (31.36 *per cent*) over the previous year. It ranged between 12.21 *per cent* and 15.46 *per cent* of the total expenditure during 2007-12 showing no significant improvement.

Adequacy and priority of expenditure: In the year 2011-12, the State had spent marginally higher proportion of its GSDP on aggregate expenditure (16.53) as compared to general category states (16.09) in the country. Development expenditure (Expenditure on Social and Economic services) as a proportion of aggregate expenditure in the State was lower (65.06) than the general category states' average (66.44) implying low priority.

Investment and returns: As of March 2012, the State had invested ₹ 14,455.65 crore in various Government companies and corporations. While the Government paid at an average interest rate of 7.43 *per cent* on its borrowings during 2011-12, the average return on its investments was only 0.21 *per cent*.

Debt management: The outstanding fiscal liabilities steeply increased from ₹ 71,072 crore in 2007-08 to ₹ 1,27,128 crore at the end of 2011-12. However, the outstanding liabilities as a percentage of GSDP was 19.89, which was well within the norm of 24.50 *per cent* prescribed for the year 2011-12 in the Tamil Nadu Fiscal Responsibility Act. However, the negative debt stabilisation and resource gap, continued burden of interest payment at about 11 *per cent* of revenue receipts every year suggest that the State's sustainability of debt is continued to be strained. Due to borrowings made by the State in excess/close to the level of fiscal deficits, there were huge cash balances varying between ₹ 12,172 crore at the end of 2007-08 to ₹ 19,487 crore in 2009-10 and ₹ 15,212 crore in 2011-12.

Fiscal position: The State had revenue deficit of ₹ 2,728 crore in 2010-11, but, it turned into a revenue surplus of ₹ 1,364 crore in 2011-12. The primary deficit had marginally decreased from ₹ 8,706 crore in 2010-11 to ₹ 8,404 crore in 2011-12. In absolute term, though the fiscal deficit increased from ₹ 16,646 crore in 2010-11 to ₹ 17,275 crore in 2011-12, the ratio of fiscal deficit to GSDP, which was 2.70 in 2011-12 was within the target of three *per cent* to be achieved by 31 March 2012.

Financial management and budgetary control: During 2011-12 expenditure of ₹ 1,12,427.48 crore was incurred against the total grants and appropriations of ₹ 1,23,744.35 crore, resulting in savings of ₹ 11,316.87 crore. This overall savings were the net result of savings of ₹ 11,672.44 crore offset by excess expenditure of ₹ 355.57 crore. There were persistent savings of more than five per cent of the total grant in 16 cases. Excess expenditure of ₹ 6,247.51 crore pertaining to the period 1998 to 2011 was not regularised. Supplementary provisions of ₹ 1,070.44 crore obtained in 31 cases of ₹ 50 lakh or more in each case during 2011-12 proved unnecessary as the

expenditure was less than the original provisions. In 33 cases, the amounts surrendered (₹ 50 lakh or more) were in excess of the actual savings. As against savings of ₹ 4,404.54 crore, the amount surrendered was ₹ 5,685.70 crore, resulting in excess surrender of ₹ 1,281.16 crore. In 48 cases of surrender of funds in excess of ₹ 10 crore, ₹ 5,520.10 crore were surrendered on the last working day of March 2012. In 62 out of 105 sanctions issued by Government for drawal of advances from the Contingency Fund, advances to the tune of ₹ 78.63 crore were not drawn implying no urgency for the advances.

Financial reporting: Some departmental officers failed to ensure adherence to the terms and conditions relating to timely submission of utilisation certificates and annual accounts by the grantee institutions. Temporary advances drawn upto 31 March 2012 by the Drawing and Disbursing Officers involving an amount of ₹ 369.47 crore in 5080 cases remained unadjusted. The State Government departments reported 493 cases of misappropriation, defalcation, etc., involving a total amount of ₹ 20.27 crore up to March 2012, on which final action was pending. As per the books of three Pay and Accounts Officers, 49,568 cheques involving an amount of ₹ 518.50 crore remained uncashed for a period upto 25 years.

CHAPTER I

FINANCES OF THE STATE GOVERNMENT

CHAPTER I

FINANCES OF THE STATE GOVERNMENT

Profile of Tamil Nadu

Tamil Nadu is located on the eastern coast, surrounded by the States of Andhra Pradesh, Karnataka and Kerala. It is the 11th largest State in terms of geographical area (1,30,058 sq.km) and the seventh largest by population. It is one of the most urbanised States in India. The State's population increased from 6.24 crore in 2001 to 7.21 crore in 2011 (Provisional figure) recording a decadal growth of 15.54 *per cent*. The percentage of population below the poverty line was lower than the all-India average. The State's Gross State Domestic Product (GSDP) in 2011-12 at current prices was ₹ 6,39,025 crore, which was higher than that of the general category states' average. The State's literacy rate increased from 73.45 *per cent* (as per 2001 census) to 80.33 *per cent* (as per 2011 census). General data relating to the State is given in **Appendix 1.1**.

1.1 Introduction

This chapter provides a broad perspective of the finances of the Government of Tamil Nadu during the current year (2011-12) and analyses critical changes in the major fiscal aggregates relative to the previous year (2010-11), keeping in view the overall trends during the last five years.

Some of the Acts and Rules which regulate the receipts of the State Government are the Tamil Nadu Value Added Tax Act, 2006; Tamil Nadu Motor Vehicles Act, 1974; Tamil Nadu Prohibition Act, 1937; Medicinal and Toilet Preparations (Excise Duty) Act, 1955; Indian Stamp Act, 1899 and the Registration Act, 1908, as amended from time to time.

All receipts of the Government of Tamil Nadu are accounted for in the Consolidated Fund of the State constituted under Article 266 (1) of the Constitution of India. Expenditure therefrom is authorised by the State Legislature through Appropriation Act. Money so authorised by the Appropriation Act is required to be spent as per provisions contained in the Tamil Nadu Financial Code and instructions issued by the Finance Department from time to time. The Tamil Nadu Financial Code contains the financial regulations of general nature issued by the Finance Department for the guidance of various offices and departments.

Apart from the above, the Government of Tamil Nadu enacted the Tamil Nadu Fiscal Responsibility Act, 2003 (TNFR Act), which was amended in 2010 and 2011 to ensure long-term financial stability by achieving revenue surplus, containing fiscal deficit and prudential debt management. The salient features of the TNFR Act, 2003 (as amended till September 2011) are given in **Appendix 1.3 – Part B**.

The structure of Government Accounts and the layout of Finance Accounts are shown in **Appendix 1.2**. The methodology adopted for assessment of the fiscal position of the State is given in **Appendix 1.3 - Part A**. A time series data on the State Government finances is given in **Appendix 1.4**.

1.1.1 Summary of Fiscal Transactions in 2011-12

The **Table 1.1** presents the summary of the State Government's fiscal transactions during the current year (2011-12) *vis-à-vis* the previous year (2010-11), while **Appendix 1.5** provides details of receipts and disbursements as well as the overall fiscal position during the current year.

Table 1.1: Summary of Fiscal operations in 2011-12

(₹ in crore)

2010-11	Receipts	2011-12	2010-11	Disbursements	2011-12		
Section-A: Revenue					Non Plan	Plan	Total
70,188	Revenue receipts	85,202	72,916	Revenue expenditure	66,262	17,576	83,838
47,782	Tax revenue	59,517	25,924	General Services	28,889	52	28,941
4,652	Non-tax revenue	5,684	28,909	Social Services	19,534	13,728	33,262
10,914	Share of Union Taxes/ Duties	12,715	12,222	Economic Services	10,970	3,172	14,142
6,840	Grants from Government of India	7,286	5,861	Grants-in-aid and Contributions	6,869	624	7,493
Section-B: Capital							
..	Misc. Capital Receipts	..	12,436	Capital Outlay	120	16,216	16,336
770	Recoveries of Loans and Advances	3,180	2,252	Loans and Advances disbursed	5,145	338	5,483
14,492	Public Debt receipts	16,780	3,297	Repayment of Public Debt	-	-	3,830
..	Contingency Fund	30	30	Contingency Fund	-	-	..
1,06,700	Public Account receipts	1,24,713	1,04,959	Public Account disbursements	-	-	1,20,953
19,487	Opening Cash Balance	15,747	15,747	Closing Cash Balance	-	-	15,212
2,11,637	Total	2,45,652	2,11,637	Total			2,45,652

(Source: Finance Accounts for the respective years)

The significant changes that occurred during 2011-12, as compared to the previous year are enumerated below:

- **Revenue receipts** of the State increased by ₹ 15,014 crore (21.39 *per cent*) over the previous year. This was due to increase in the State's own tax revenue (₹ 11,735 crore), share of Union taxes/duties (₹ 1,801 crore), grants from Government of India (₹ 446 crore) and non-tax revenue (₹ 1,032 crore).
- **Revenue expenditure** increased by ₹ 10,922 crore (14.98 *per cent*) over the previous year, due to increase in expenditure on General Services

(₹ 3,017 crore), Social Services (₹ 4,353 crore), Economic Services (₹ 1,920 crore) and Grants-in-aid and contributions (₹ 1,632 crore).

- The expenditure on General Services, Social Services and Economic Services registered an increase of 11.64 *per cent*, 15.06 *per cent* and 15.71 *per cent* respectively in 2011-12 over the previous year.
- **Capital expenditure** increased by ₹ 3,900 crore (31.36 *per cent*) over the previous year and repayment of public debt increased by ₹ 533 crore (16.17 *per cent*). The rise in capital expenditure was mainly on power projects, urban development, water supply and sanitation, flood control projects, roads and bridges, co-operation, major and medium irrigation and minor irrigation which was partly offset by decrease in capital expenditure on housing, other rural development programmes, public works, nutrition, medical and public health and consumer industries.
- **Recoveries of loans and advances** increased by ₹ 2,410 crore (312.99 *per cent*) over the previous year mainly due to increase in recoveries under “Loans for agriculture and allied activities” and “Power projects”.
- **Public Account receipts and disbursements** increased by ₹ 18,013 crore (16.88 *per cent*) and ₹ 15,994 crore (15.24 *per cent*) respectively. Net receipts under Public Account increased by ₹ 2,019 crore over the previous year.
- The net impact of these transactions led to a decrease of ₹ 535 crore in the **cash balance** at the end of the year over the previous year.

1.1.2 Review of the fiscal situation

The State Government had enacted the Tamil Nadu Fiscal Responsibility Act, 2003 to ensure long-term financial stability by achieving revenue surplus, containing fiscal deficit and prudential debt management. In compliance of this Act, the State Government had prepared a Medium Term Fiscal Plan (MTFP) with the projections for the period 2010-13. In line with the recommendation of the Thirteenth Finance Commission (TFC) and as per MTFP, the State was to eliminate revenue deficit by the end of 2011-12 and contain the fiscal deficit as a percentage of Gross State Domestic Product (GSDP) within three *per cent* by 2011-12.

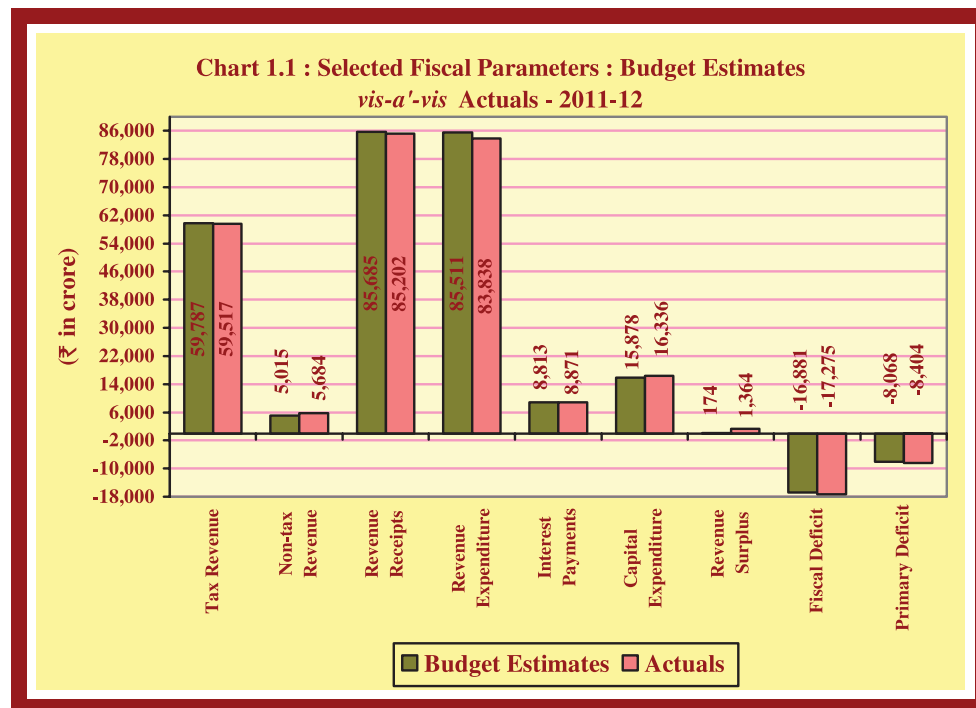
The State was able to achieve revenue surplus during 2011-12 as projected in MTFP. The revenue surplus of the State was ₹ 1,364 crore (0.21 *per cent* of GSDP) during 2011-12. It was also able to contain the fiscal deficit as a percentage of GSDP to 2.70 *per cent* during 2011-12, which was within three *per cent* envisaged in MTFP.

1.1.3 Budget estimates and actuals

The budget papers presented by the State Government provide descriptions of projections or estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviations from the Budget

Estimates are indicative of non-attainment and non-optimisation of the desired fiscal objectives due to a variety of causes, some within the control of the Government and some beyond the control of the Government.

Chart 1.1 presents the budget estimates and actuals for some important fiscal parameters in 2011-12.



(Source: Annual Financial Statement and Finance Accounts for 2011-12)

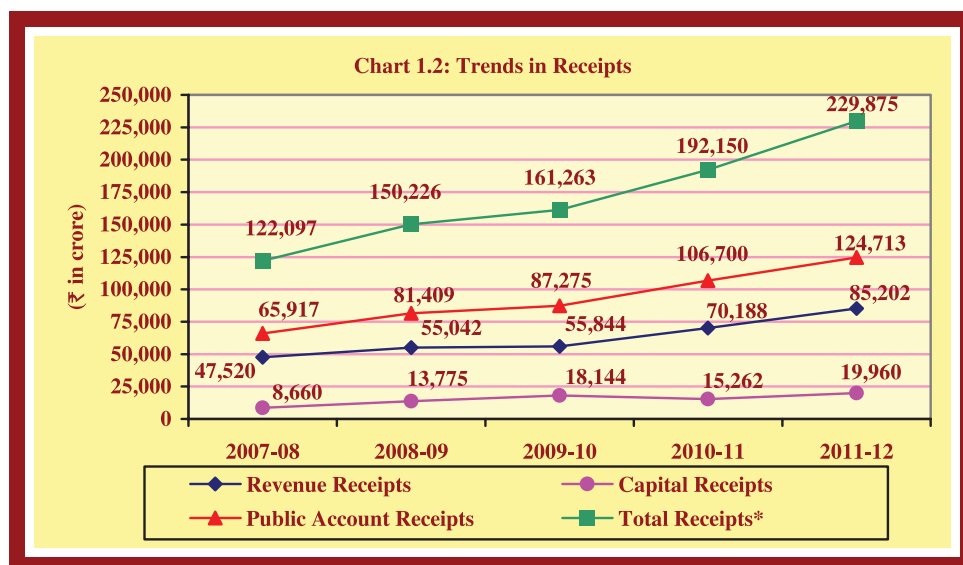
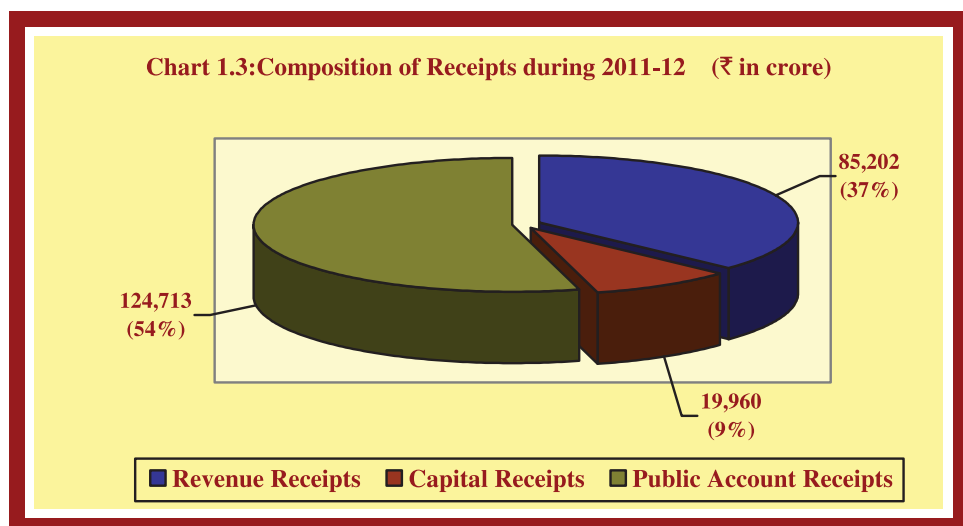
The actuals were generally in line with the estimates.

As against the estimated revenue surplus of ₹ 174 crore, the actual revenue surplus was ₹ 1,364 crore, which includes central loans written off to the extent of ₹ 98.18 crore shown under Non-tax revenue.

1.2 Resources of the State

1.2.1 Resources of the State as per the Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of Union taxes and duties and grants-in-aid from the Government of India (GOI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GOI as well as accruals from the Public Account. **Table 1.1** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts, while **Chart 1.2** depicts the trends in various components of the receipts of the State during 2007-12. **Chart 1.3** depicts the composition of resources of the State during the current year.



- The total receipts of the State Government in the year 2011-12 were ₹ 2,29,875 crore. Of these, revenue receipts were ₹ 85,202 crore constituting 37 per cent. The capital (₹ 19,960 crore) and public account receipts (₹ 1,24,713 crore) constituted 9 per cent and 54 per cent of the total receipts, respectively.
- The total resources of the State increased by ₹ 37,725 crore (19.63 per cent) over the previous year, mainly due to increase of ₹ 18,013 crore (16.88 per cent) in Public Account receipts and ₹ 15,014 crore (21.39 per cent) in revenue receipts.
- The capital receipts increased by ₹ 4,698 crore, an increase of 30.78 per cent over the previous year. This was mainly due to increase in Public Debt receipts by ₹ 2,288 crore, an increase of 15.79 per cent over the previous year, due to a substantial increase in open market borrowings and also due to increase in recoveries of loans and advances by ₹ 2,410 crore, an increase of 312.99 per cent over the previous year.

- The State's tax revenue increased from ₹ 47,782 crore in 2010-11 to ₹ 59,517 crore in 2011-12 (increase of 24.56 per cent), while the percentage of tax receipts to revenue receipts increased only by 1.77 per cent i.e., from 68.08 per cent in 2010-11 to 69.85 per cent in 2011-12.

1.2.2 Funds transferred to State Implementing Agencies outside the State Budget

The Central Government has been transferring a sizeable quantum of funds directly to the State implementing agencies¹ for implementation of various schemes/programmes in social and economic sectors, which are recognised as critical. As these funds are not routed through the State Budget/State Treasury System, the Annual Finance Accounts do not capture the flow of these funds and to that extent, the State's receipts and expenditure as well as other fiscal parameters derived from them are underestimated. During the year 2011-12, central funds of ₹ 7,608.01 crore were transferred directly to the State implementing agencies. The programmes assisted by Government of India whose funds were, thus, transferred are presented in **Table 1.2**.

Table 1.2: Funds transferred directly to State Implementing Agencies

(₹ in crore)

Programme/scheme	Implementing agency in the State	Funds transferred directly by Government of India during 2011-12
Mahatma Gandhi National Rural Employment Guarantee Scheme	District Rural Development Agencies	2,815.52
Rural Housing - Indira Awaas Yojana	District Rural Development Agencies	330.76
Aajeevika (National Rural Livelihoods Mission)	District Rural Development Agencies	103.61
Externally Aided Projects / Pass through Assistance to all Metro Rail Corporations	Chennai Metro Rail Corporation	1,290.00
Equity to all Metro Rail Corporation	Chennai Metro Rail Corporation	545.00
Sarva Shiksha Abhiyan	Tamil Nadu State Mission of Education for All	681.42
National Rural Drinking Water Programme	Tamil Nadu Water Supply and Drainage Board	429.55
National Rural Health Mission	Tamil Nadu State Health Society	424.49
Rashtriya Madhyamik Shiksha Abhiyan (RMSA)	Tamil Nadu State Mission of RMSA	197.19
Pradhan Mantri Gram Sadak Yojana	State Rural Roads Development Agency	160.00
	Other Agencies	630.47
Total		7,608.01

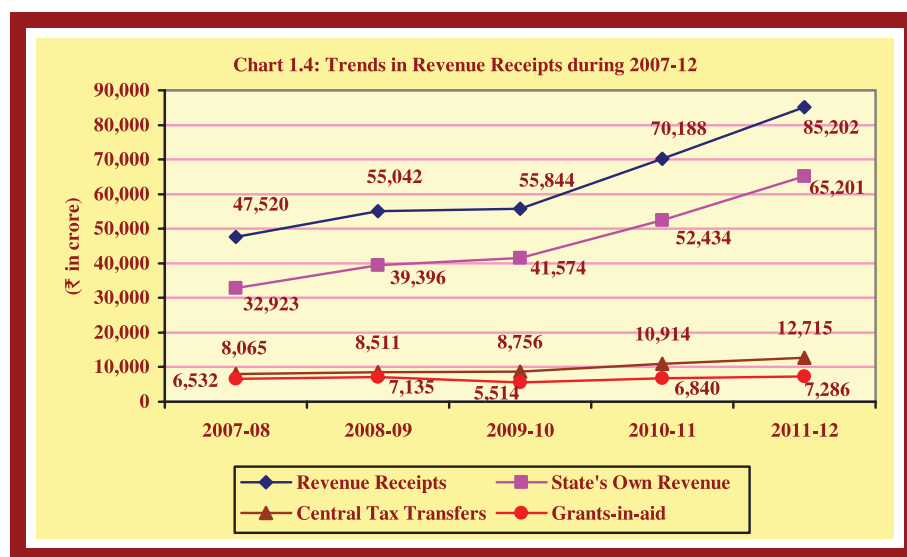
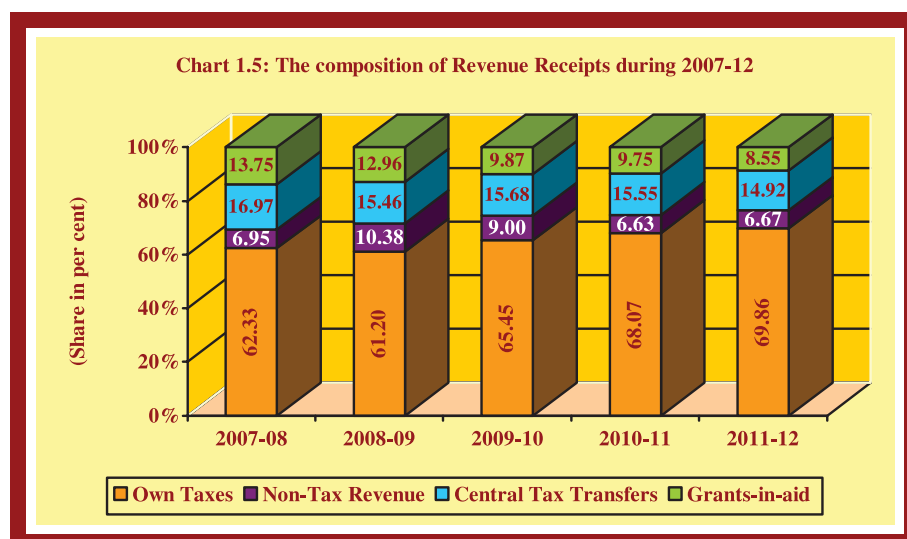
(Source: Information furnished by the Principal Accountant General (A&E), Tamil Nadu)

¹ State implementing agencies include any organization/institution including Non-Governmental organisation which is authorized by the State Government to receive funds from the Government of India for implementing specific programmes in the State.

- Out of the funds transferred to State implementing agencies, a major amount of ₹ 3,249.89 crore (42.72 *per cent*) was transferred to the District Rural Development Agencies (DRDAs) in respect of the programmes/schemes as mentioned in the **Table 1.2**. In respect of these programmes, the fund transfer was raised from ₹ 936 crore in 2008-09 to ₹ 3,250 crore in 2011-12 showing an increase of 247 *per cent* in four years. Direct transfer of funds from Government of India to State implementing agencies, ran the risk of improper utilisation of funds by these agencies. Unless uniform accounting policies are followed by all these agencies with proper documentation and timely reporting of expenditure, it would be difficult to monitor the end use of these direct transfers.

1.3 Revenue Receipts

Statement-11 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of the State's own taxes and non-tax revenues, central tax transfers and grants-in-aid from GOI. The trends and composition of revenue receipts over the period 2007-12 are presented in **Appendix 1.4** and depicted in **Charts 1.4** and **1.5** respectively.



- The compound annual growth rate of revenue receipts stood at 15.12 *per cent* in the current decade, which was less than that of the general category states (16.86 *per cent*).
- The revenue receipts of the State grew by ₹ 15,014 crore in 2011-12 over the previous year. The growth in 2011-12 was buoyant at 21.39 *per cent* as against 25.69 *per cent* in 2010-11 and the average annual growth was 14.78 *per cent* during 2007-11. The robust growth in revenue receipts was mainly due to improved tax revenue of ₹ 11,735 crore during 2011-12.
- The contribution of the State's own taxes increased from 62.33 *per cent* in 2007-08 to 69.86 *per cent* in 2011-12. On the other hand, the non-tax revenue decreased from 10.38 *per cent* of the total revenue receipts in 2008-09 to 6.67 *per cent* in 2011-12.
- The central tax transfers and the grants-in-aid decreased from 16.97 *per cent* to 14.92 *per cent* and from 13.75 *per cent* to 8.55 *per cent* respectively, during 2007-12.

The trends in revenue receipts relative to GSDP are presented in **Table 1.3**.

Table 1.3: Trends in Revenue Receipts relative to GSDP

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Receipts (RR) (₹ in crore)	47,520	55,042	55,844	70,188	85,202
Rate of growth of RR (<i>per cent</i>)	16.15	15.83	1.46	25.69	21.39
RR/GSDP ² (<i>per cent</i>)	13.55	13.71	11.64*	12.39*	13.33
Buoyancy Ratios³					
Revenue Buoyancy with reference to GSDP (ratio)	1.24	1.10	0.07	1.42	1.67
State's own tax buoyancy with reference to GSDP (ratio)	0.51	0.95	0.44	1.70	1.92
Revenue Buoyancy with reference to State's own taxes (ratio)	2.43	1.15	0.17	0.84	0.87

(Source: Finance Accounts for the respective years)

* Revised GSDP figures furnished by Government for 2009-10 and 2010-11 were adopted.

- The GSDP at the current rate was estimated to increase from ₹ 5,66,422 crore in 2010-11 to ₹ 6,39,025 crore in 2011-12, representing an increase of 12.82 *per cent*.
- Though revenue receipts as a percentage of GSDP increased from 11.64 *per cent* in 2009-10 to 13.33 *per cent* in the current year, it remained more or less at the same level of about 13 *per cent* during 2007-12.
- Revenue buoyancy with reference to GSDP and with reference to State's own taxes has gone up during the year. The revenue buoyancy with reference to State's own taxes, which had started to decline from 2008-09 showed a reversal in trend since 2010-11.

² Advance estimate of GSDP of ₹ 6,39,025 crore has been adopted for 2011-12.

³ Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.6 implies that revenue receipts tend to increase by 0.6 percentage points, if the GSDP increases by one *per cent*.

1.3.1 State's Own Resources

As the State's share in central taxes and grants-in-aid is determined on the basis of recommendations of the Finance Commission, the State's performance in mobilisation of resources was assessed in terms of its own resources comprising own tax and non-tax sources. The gross collection in respect of major taxes and duties as well as the components of non-tax receipts are given in **Table 1.4**.

Table 1.4: Components of State's own resources

(₹ in crore)

Revenue Head	2007-08	2008-09	2009-10	2010-11	2011-12
Taxes on sales, trades etc.	18,156	20,675	22,662	28,614	36,289
State excise	4,764	5,756	6,741	8,116	9,975
Taxes on vehicles	1,483	1,710	2,025	2,660	3,101
Stamp duty and Registration fees	3,805	3,794	3,662	4,651	6,581
Land revenue	78	208	117	113	87
Taxes on goods and passengers	1,097	979	1,092	1,626	2,123
Other taxes ⁴	236	562	248	2,002	1,361
Total	29,619	33,684	36,547	47,782	59,517
Interest receipts	1,242	1,465	1,797	1,663	2,021
Dividends & Profits	40	36	48	27	36
Other non-tax receipts	2,022	4,211	3,182	2,962	3,627
Total	3,304	5,712	5,027	4,652	5,684

(Source: Finance Accounts for the respective years)

- The compound annual growth rate of own tax revenue stood at 15.29 *per cent* in the current decade, which was less than the general category states⁵ average (16.74 *per cent*) (**Appendix 1.1**).
- The own tax revenue of the State increased by ₹ 11,735 crore over the previous year. The growth rate of its own tax revenue, which was at 6.65 *per cent* in 2007-08 picked up to 30.74 *per cent* in 2010-11, but decreased to 24.56 *per cent* in 2011-12.
- The growth rate of own tax revenue was mainly due to increase in collection of taxes on sales, trade, etc. (26.82 *per cent*), stamps and registration (41.5 *per cent*), taxes on goods and passengers (30.57 *per cent*).
- The non-tax revenue of the State increased by ₹ 1032 crore in 2011-12 (22.18 *per cent*) over the previous year. As a proportion to the State's own resources, it was 10.04 *per cent* in 2007-08 and 8.72 *per cent* in 2011-12. There was decrease in land revenue in 2011-12 due to decrease in sale proceeds of waste lands and redemption of land tax.

1.4 Application of Resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted

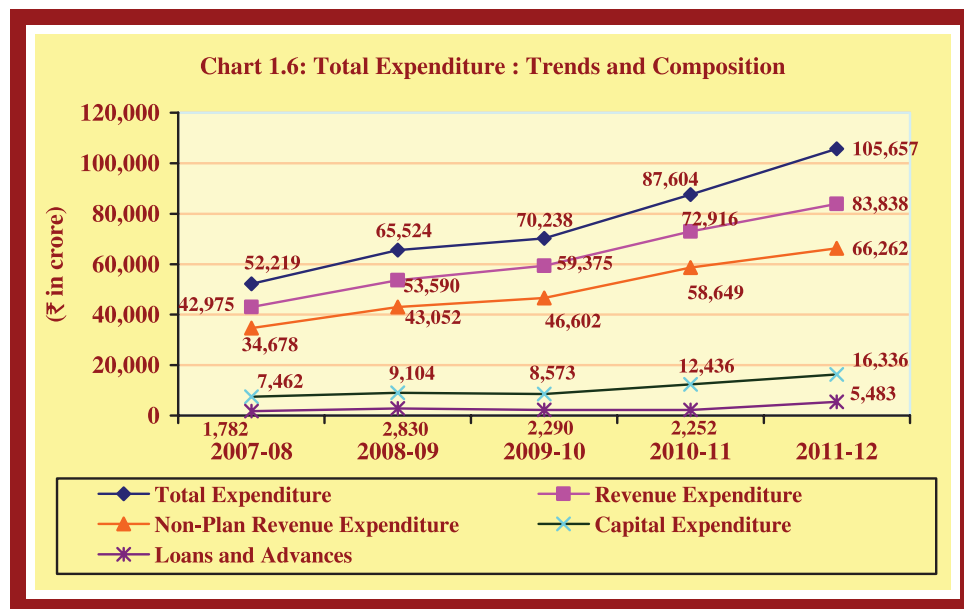
⁴ Other taxes include taxes on immovable property other than agricultural land, taxes and duties on electricity and agricultural income

⁵ General category states exclude Delhi, Goa and Puducherry

with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit or borrowings. It is, therefore, important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of expenditure, especially the expenditure directed towards development of social sector.

1.4.1 Growth and Composition of Expenditure

Chart 1.6 presents the trends in total expenditure⁶ over a period of five years (2007-12) and its composition both in terms of ‘economic classification’ and ‘expenditure by activities’ is depicted in **Charts 1.7 and 1.8** respectively.

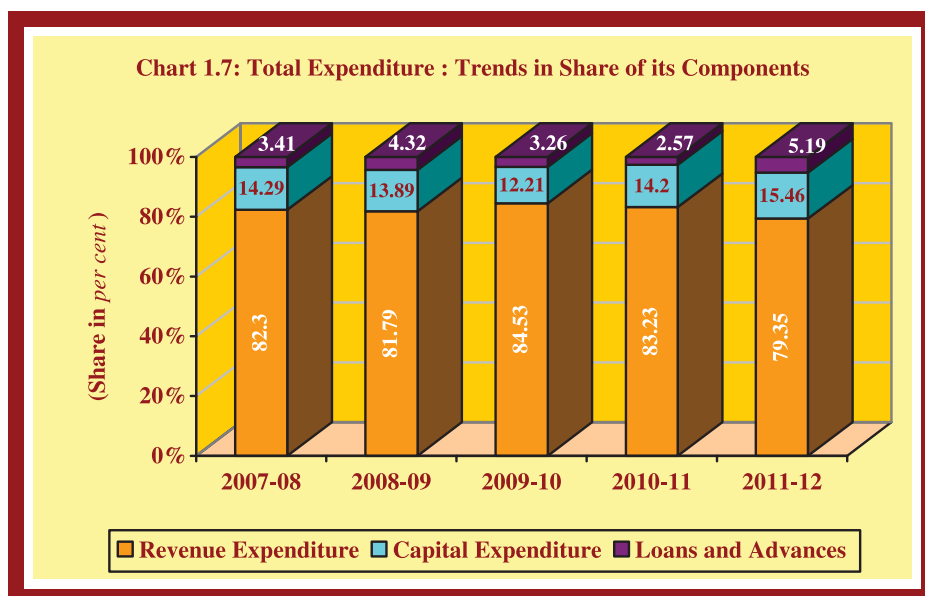
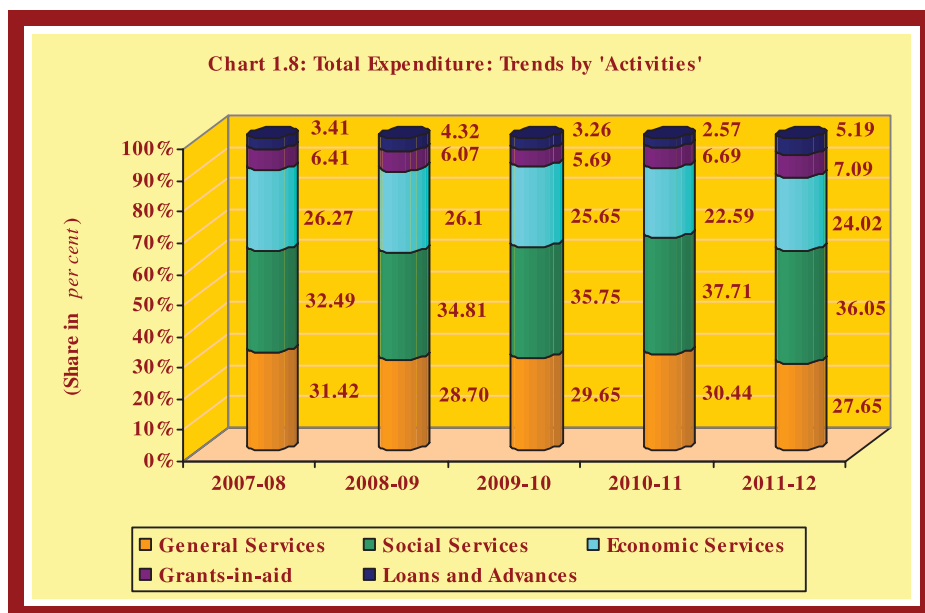


- During the five year period 2007-12, nearly 79 to 85 *per cent* of the total expenditure constituted revenue expenditure, whereas capital expenditure ranged between 12 and 15 *per cent* of the total expenditure during the same period.
- Of the total expenditure of ₹ 1,05,657 crore during 2011-12, revenue expenditure (₹ 83,838 crore) accounted for 79.35 *per cent* of the total expenditure.
- The total expenditure during 2011-12 increased by ₹ 18,053 crore (20.61 *per cent*) over the previous year. The revenue expenditure increased by ₹ 10,922 crore (14.98 *per cent*) and non-plan revenue expenditure increased by ₹ 7,613 crore (12.98 *per cent*). The revenue expenditure (₹ 83,838 crore) was 79.35 *per cent* of the total expenditure, of which 79.04 *per cent* was on the non-plan component.
- During the current year, the capital expenditure increased by ₹ 3,900 crore (31.36 *per cent*) mainly due to increase in investments in

⁶ Total expenditure includes revenue expenditure, capital expenditure and disbursement of loans and advances

Public Sector and other undertakings. The capital expenditure ranged between 12.21 *per cent* and 15.46 *per cent* of the total expenditure during 2007-12 showing no significant improvement.

- Revenue receipts of the State met 80.64 *per cent* of the total expenditure during 2011-12 as against 80.12 *per cent* of the total expenditure during 2010-11 and 79.51 *per cent* during 2009-10.



- The expenditure on General Services, Social Services and Economic Services during 2011-12 was 27.65, 36.05 and 24.02 *per cent* of the total expenditure and the expenditure grew by 9.56 *per cent*, 15.30 *per cent* and 28.23 *per cent* respectively over the previous year.

- The increase in the expenditure on Economic Services in 2011-12 was mainly on account of increased spending of ₹ 1,005 crore on Civil Supplies and ₹ 3,273 crore on Power.
- During 2007-12, about one third of the total expenditure was on social services. But, the proportion of expenditure on social, economic and general services to the total expenditure remained more or less at the same levels during the said period.

1.4.2 Committed Expenditure

(i) The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.5** presents the trend in the expenditure on these components during 2007-12.

Table 1.5: Components of Committed Expenditure

(₹ in crore)

Components of committed expenditure	2007-08	2008-09	2009-10	2010-11	2011-12
Salaries and wages, of which	9,690 (20.39)	12,859 (23.36)	15,638 (28.00)	19,029 (27.11)	21,466 (25.20)
Non-Plan Head	8,641	11,470	14,141	17,150	19,278
Plan Head*	1,049	1,389	1,497	1,879	2,188
Salary grants**	2,072 (4.36)	2,756 (5.00)	3,219 (5.76)	4,017 (5.72)	4,390 (5.15)
Interest Payments	6,086 (12.81)	5,963 (10.83)	6,667 (11.93)	7,940 (11.31)	8,871 (10.41)
Expenditure on Pension	6,017 (12.66)	7,735 (14.05)	8,385 (15.01)	10,951 (15.60)	11,747 (13.79)
Subsidies	4,305 (9.06)	6,600 (11.99)	6,653 (11.91)	7,739 (11.02)	8,698 (10.20)
Total	28,170 (59.28)	35,913 (65.25)	40,562 (72.63)	49,676 (70.77)	55,172 (64.75)

(Source: Finance Accounts for the respective years)

Figures in the brackets indicate percentage of revenue receipts

* Plan head also includes the salaries and wages paid under Centrally Sponsored Schemes

** Salary grants are released to aided educational institutions and Urban Local Bodies towards meeting the expenditure on salaries of teachers and staff.

- The committed expenditure (₹ 55,172 crore) stood at 64.75 per cent of the total revenue receipts (₹ 85,202 crore) of the State during 2011-12 as against 70.77 per cent during 2010-11. It had increased from 59.28 per cent in 2007-08 to 72.63 per cent of the total revenue receipts in 2009-10. However, in the last two years, it has been decreasing and stood at 64.75 per cent in 2011-12.
- Expenditure on salaries and wages, inclusive of salary grants was ₹ 25,856 crore and accounted for 40.90 per cent of the revenue

expenditure net of interest and pension, as against the TFC's normative prescription of 35 *per cent*.

- The expenditure towards interest payments increased by ₹ 931 crore (11.73 *per cent*) over the previous year. This was mainly due to repayment of interest on market loans to the extent of ₹ 630 crore. As a percentage of Non-Plan revenue expenditure, it decreased from 13.54 *per cent* in 2010-11 to 13.39 *per cent* in 2011-12.
- Subsidies increased from ₹ 4305 crore in 2007-08 to ₹ 8698 crore in 2011-12. A list of major schemes for which the State Government has been giving subsidy year after year from 2008-09 till 2011-12 is given in **Table 1.5 A** below:

Table 1.5 A: List of major schemes for which subsidy was given by the State Government

(₹ in crore)

Name of the scheme	2008-09	2009-10	2010-11	2011-12
Social safety Net – Food Security – Public Distribution System Support	2,700.00	4,000.00	3,950.00	4,900.00
Electricity – Compensation to TNEB due to reduction in tariff to domestic consumers	1,160.45	1,301.05	1,254.77	1,763.07
Reimbursement of Social cost on student concessions in bus fares	300.62	300.83	302.22	389.84
Free distribution of handloom cloth to the people below poverty line	256.00	256.01	256.00	350.00
National Agriculture Development Programme	42.78	48.56	49.47	88.07
Capital subsidy to micro, small, medium and agro-based industries	19.96	29.86	44.99	49.83

(Source: Finance Accounts for the respective years)

(As the figures for the year 2007-08 could not be identified from the Finance Accounts correctly, the figures for four years from 2008-09 are given in the **Table 1.5A**)

- The food subsidy increased from ₹ 2,700 crore in 2008-09 to ₹ 4,900 crore in 2011-12.

(ii) The State Government had also given implicit subsidies⁷ in 2011-12, some of which are listed in **Table 1.5 B**.

⁷ Subsidies which were not booked under the detailed head “11-Subsidies” under relevant major head of account are “Implicit Subsidies”

Table 1.5 B: Implicit Subsidies given in 2011-12

(₹ in crore)

Name of the scheme	Expenditure incurred
Free supply of grinders, mixies etc.	830.02
Marriage Assistance Scheme – Distribution of four gram gold coins for Thirumangalyam	658.93
Free supply of uniform to school children	191.49
Free supply of bicycles to students studying in Standard XI and XII in Government/Government Aided Higher Secondary Schools	164.70
Free distribution of sheep/goat to the persons living below poverty line	127.80
Providing sanitary napkins free of cost to adolescent girls to reduce the risk of infection and infertility in future	43.59
Free distribution of milch cows to each family living below poverty line	41.98
Free distribution of laptops to students	29.00
Total	2,087.51

(Source: Finance Accounts 2011-12)

Expenditure of ₹ 29 crore incurred on the scheme ‘Free distribution of laptops to students’ was incorrectly classified under the capital head of account and to that extent the capital expenditure of the year 2011-12 was overstated.

1.4.3 Financial Assistance by State Government to Local Bodies and other institutions

The 73rd and 74th Constitutional amendments gave Constitutional status to Panchayat Raj Institutions (PRIs) and Urban Local Bodies (ULBs) respectively and established a system of uniform structure, regular elections, regular flow of funds through Finance Commission etc. In Tamil Nadu, there are 719 ULBs (10 Municipal Corporations, 150 Municipalities, 559 Town Panchayats) and 12,940 Panchayat Raj Institutions (31 District Panchayats, 385 Panchayat Unions and 12,524 Village Panchayats).

The quantum of assistance provided by way of grants and loans to the local bodies and others during the current year and in the previous years is presented in **Table 1.6**.

Table 1.6: Financial assistance to Local Bodies, etc

(₹ in crore)

Financial Assistance to Institutions	2007-08	2008-09	2009-10	2010-11	2011-12
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	605	433	703	940	1,249
Urban Local Bodies	393	1,865	1,965	2,841	3,031
Panchayat Raj Institutions	3,216	1,890	2,101	3,071	3,585
Development Agencies	920	217	286	190	336
Hospitals and Other Charitable Institutions	19	106	126	314	363
Other Institutions ⁸	3,248	5,726	5,636	6,559	7,361
Total	8,401	10,237	10,817	13,915	15,925
Assistance as percentage of Revenue Expenditure	19.55	19.10	18.22	19.08	19.00

(Source: Information furnished by the Principal Accountant General (A&E), Tamil Nadu)

⁸ Institutions/agencies connected with water supply and sanitation, housing, social welfare, labour and employment, forestry and wild life, agriculture and allied activities, village and small industries, industries and minerals and relief on account of natural calamities

- Financial assistance to the local bodies and other institutions increased from ₹ 8,401 crore in 2007-08 to ₹ 15,925 crore in 2011-12. As a percentage of revenue expenditure, it remained more or less at the same level of 19 *per cent* during 2007-12.
- The financial assistance to educational institutions and development agencies increased by ₹ 309 crore and ₹ 146 crore respectively during 2011-12 over the previous year.

1.5 Quality of Expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves three aspects *viz.*, adequacy of expenditure (i.e. adequate provisions for providing public services), efficiency of expenditure use and its effectiveness (assessment of outlay-outcome relationships for selected services).

1.5.1 Adequacy of Public Expenditure

The responsibilities relating to the expenditure on social sector and the economic sector are largely State subjects. Enhancing human development level requires the States to step up their expenditure on key social services like education, health etc. Low fiscal priority (ratio of expenditure category to aggregate expenditure) would be deemed to have been given to a particular sector, if it was below the national average. **Table 1.7** analyses the fiscal priority of the State Government with regard to development expenditure, social sector expenditure and capital expenditure during 2011-12.

Table 1.7: Fiscal Priority of the State in 2008-09 and 2011-12

(In per cent)						
Fiscal Priority of the State	AE/GSDP	DE [#] /AE	SSE/AE	CE/AE	Education/AE	Health/ AE
General Category States* Average (Ratio) 2008-09	17.00	67.09	34.28	16.47	15.41	3.97
Tamil Nadu State's Average (Ratio) 2008-09	16.33	65.12	36.11	13.89	13.59	3.79
General Category States* Average (Ratio) 2011-12	16.09	66.44	36.57	13.25	17.18	4.30
Tamil Nadu State's Average (Ratio) 2011-12	16.53	65.06	36.42	15.46	14.80	4.18
*: General Category States exclude three states i.e., Delhi, Goa and Puducherry.						
AE : Aggregate Expenditure DE : Development Expenditure SSE : Social Sector Expenditure						
CE : Capital Expenditure						
# Development expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed.						
(Source : For GSDP, the information was collected from the State's Directorate of Economics and Statistics)						

- In 2011-12, Tamil Nadu had spent marginally higher proportion of its GSDP on aggregate expenditure as compared to the general category states. As compared to 2008-09, Tamil Nadu had spent more or less the same proportion of its GSDP on aggregate expenditure in the year 2011-12.
- Development expenditure consists of both economic and social sector expenditure. Development expenditure as a proportion of aggregate expenditure in the State was lower (65.06) than the general category States' average (66.44) implying low priority to these sectors.

- During the year 2011-12, priority given by the State to social sector was similar to the position in the general category States. As a proportion of aggregate expenditure, the expenditure on education and health increased from 13.59 *per cent* in 2008-09 to 14.80 *per cent* in 2011-12 and 3.79 *per cent* in 2008-09 to 4.18 *per cent* in 2011-12 respectively.
- In Tamil Nadu, though the proportion of capital expenditure to aggregate expenditure was lower in 2008-09, it increased considerably in 2011-12 as compared to the general category States' average.

1.5.2 Efficiency of Expenditure Use

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods⁹. Apart from improving the allocation towards development expenditure¹⁰, the efficiency of expenditure use reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and the proportion of revenue expenditure on operation and maintenance of the existing Social and Economic Services need to be kept in mind. The higher the ratio of these components to the total expenditure (and/or GSDP), the better would be the quality of expenditure. **Table 1.8** presents the trends in development expenditure relative to the aggregate expenditure of the State during 2007-12.

Table 1.8: Development Expenditure

(₹ in crore)

Components of Development Expenditure	2007-08	2008-09	2009-10	2010-11	2011-12
Development Expenditure (a to c)	32,464 (62.16)	42,736 (65.22)	45,412 (64.65)	54,917 (62.69)	68,742 (65.06)
a. Development Revenue Expenditure	23,497 (45.00)	31,032 (47.36)	35,079 (49.94)	41,131 (46.95)	47,404 (44.86)
b. Development Capital Expenditure	7,185 (13.76)	8,874 (13.54)	8,043 (11.45)	11,694 (13.35)	16,062 (15.20)
c. Development Loans and Advances	1,718 (3.29)	2,761 (4.22)	2,290 (3.26)	2,092 (2.39)	5,276 (5.00)

(Source: Finance Accounts for the respective years)

Figures in brackets indicate percentage to aggregate expenditure

⁹ Core public goods are goods which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g., enforcement of law and order, security and protection of rights; pollution free air and other environmental goods, road infrastructure etc., Merit goods are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than the ability and willingness to pay the Government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc

¹⁰ The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorized into Social Services, Economic Services and General Services. Broadly, the Social and Economic Services constitute development expenditure, while expenditure on General Services is treated as non-development expenditure

Though development expenditure, in real term was increasing continuously during 2007-12, as a percentage to aggregate expenditure of the State it remained more or less at 65 *per cent* during 2007-12 except 2007-08 and 2010-11.

The development capital expenditure as a percentage to aggregate expenditure of the State has been showing an increasing trend from 2009-10. It has increased from 11.45 *per cent* in 2009-10 to 15.20 *per cent* in 2011-12.

Table 1.9 provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected Social and Economic Services during 2010-11 and 2011-12.

Table 1.9: Efficiency of Expenditure Use in Selected Social and Economic Services

(Percentage)

Social/Economic Infrastructure	2010-11		2011-12	
	Ratio of CE to TE	Ratio of S&W to RE	Ratio of CE to TE	Ratio of S&W to RE
Social Services (SS)				
General Education	2.58	55.26	2.39	55.38
Health and Family Welfare	7.40	58.05	4.53	65.26
Water Supply, Sanitation, Housing and Urban Development	59.03	2.29	70.63	2.55
Total (SS)	16.21	50.91	18.14	53.08
Economic Services (ES)				
Agri & Allied Activities	11.18	36.86	12.91	34.85
Irrigation and Flood Control	50.81	33.91	66.04	36.88
Power & Energy	51.29	0.13	46.42	0.11
Transport	69.71	26.18	72.02	19.33
Total (ES)	44.99	27.19	45.81	24.29
Total (SS+ES)	26.41	45.48	30.82	45.86

(Source: Finance Accounts for the respective years)

TE : Total expenditure on the Sector/Service concerned; CE : Capital Expenditure on the Sector/Service concerned; RE : Revenue Expenditure on the Sector/Service concerned and S&W : Salaries and Wages on the Sector/Service concerned.

Expenditure on Social Services

- Though the capital expenditure on Social Services had increased from ₹ 4,123 crore in 2010-11 to ₹ 4,823 crore in 2011-12 (16.98 *per cent*) in real terms, as a percentage of aggregate expenditure of the State, it had marginally decreased from 4.71 in 2010-11 to 4.56 in 2011-12 (**Appendix 1.4**).
- Among the selected social services given in **Table 1.9**, the ratio of capital expenditure to the aggregate expenditure had decreased under all the services except Water Supply, Sanitation, Housing and Urban Development which increased from 59.03 in 2010-11 to 70.63 in 2011-12.

Expenditure on Economic Services

- The capital expenditure on Economic Services had increased from ₹ 7,571 crore in 2010-11 to ₹ 11,239 crore in 2011-12.
- The capital expenditure on Agriculture and Allied Activities increased from ₹ 459 crore in 2010-11 to ₹ 728 crore in 2011-12. As a percentage

of capital expenditure on Agriculture and Allied Activities to total expenditure increased from 11.18 in 2010-11 to 12.91 in 2011-12. This was mainly due to increase under all activities except Soil and Water Conservation under which the capital expenditure declined from ₹ 48 crore in 2010-11 to ₹ 38 crore in 2011-12.

- The capital expenditure on Power and Energy increased from ₹ 1,335 crore in 2010-11 to ₹ 4,100 crore in 2011-12. The increase was due to higher investments in the State Electricity Board. But as a percentage to total expenditure on Power and Energy, the capital expenditure decreased from 51.29 *per cent* in 2010-11 to 46.42 *per cent* in 2011-12.
- The ratio of expenditure on salaries and wages to the Revenue expenditure under social services increased from 50.91 in 2010-11 to 53.08 in 2011-12, whereas under economic services the ratio decreased from 27.19 in 2010-11 to 24.29 in 2011-12.

1.6 Financial Analysis of Government Expenditure and Investments

In the post-Fiscal Responsibility and Budget Management framework, the State is expected to keep its fiscal deficit (and borrowings) at low levels without compromising its capital expenditure/investment (including loans and advances) requirements. In addition, in a transition to dependence on market-based resources, the State Government needs to initiate measures to earn adequate returns on its investments, recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidies and take requisite steps to infuse transparency in financial operations. This section presents a broad financial analysis of investments and other capital expenditure undertaken by the Government during the current year *vis-à-vis* the previous years.

1.6.1 Financial Results of Irrigation projects

Ensuring the commercial viability of irrigation projects through realisation of adequate revenue by way of user charges has been a policy of Government. However, it was observed that the revenue from irrigation projects (₹ 26.77 crore) during 2011-12 was only 3.66 *per cent* of the maintenance expenditure (₹ 731.51 crore).

Appendix IX of the Finance Accounts depicts the financial results of five major and 47 medium irrigation projects. The revenue realised from these projects during 2011-12 was ₹ 10.18 crore. After meeting the working and maintenance expenditure (₹ 264.44 crore) and interest charges (₹ 120.83 crore), these 52 projects suffered a net loss of ₹ 375.09 crore during 2011-12.

1.6.2 Incomplete projects

The department-wise information pertaining to incomplete projects as on 31 March 2012 is given in **Table 1.10**.

Table 1.10: Department-wise profile of incomplete projects

(₹ in crore)

Department	No. of Incomplete Projects*	Initial Budgeted Cost	Revised Total Cost of Projects**	Cost Over-runs	Cumulative actual expenditure as on 31.3.2012
Buildings	18	806.56	815.77	9.21	585.16
Roads and Bridges	11	2,149.93	2,150.63	0.70	2,201.81
Irrigation (Water Resources) and Flood Control	6	138.90	212.25	73.35	129.75
Total	35	3,095.39	3,178.65	83.26	2,916.72

(Source: Finance Accounts of Government of Tamil Nadu).

* Only those projects which were scheduled to be completed before 31 March 2012 were included.

** Indicates the revised total cost of the projects as per the last revision by the State Government as of March 2012

- Failure to complete the projects on time leads to escalation of project costs and delays the accrual of the projects' benefits to the society at large. Further, delays also result in postponement of revenue realization from the projects.

1.6.3 Investment and returns

As of 31 March 2012, Government had invested ₹ 14,455.65 crore in statutory corporations, rural banks, joint stock companies and co-operatives (Table 1.11).

Table 1.11: Return on Investment

Investment/Return/Cost of Borrowings	2007-08	2008-09	2009-10	2010-11	2011-12
Investment at the end of the year (₹ in crore)	6,230.40	6,471.22	8,107.24	10,222.64	14,455.65
Return (₹ in crore)	22.10	35.59	30.18	22.33	30.23
Return (in <i>per cent</i>)	0.35	0.55	0.37	0.22	0.21
Average rate of interest on Government borrowing (in <i>per cent</i>)	8.86	7.71	7.29	7.53	7.43
Difference between interest rate and return (in <i>per cent</i>)	8.51	7.16	6.92	7.31	7.22

(Source: Finance Accounts for the respective years)

As of March 2012, Government had invested in two statutory corporations (₹ 7,909 crore), 68 Government companies (₹ 3,511 crore), six Joint Stock companies (₹ 2 crore) and 9,136 co-operatives (₹ 3,034 crore). During 2011-12, Government infused an additional capital of ₹ 144.13 crore into five ailing State Transport Undertakings, which had accumulated loss of ₹ 5,297.59 crore. There was one major investment of ₹ 4,100 crore made by

the Government in 2011-12 in Tamil Nadu Generation and Distribution Corporation Limited (formerly Tamil Nadu Electricity Board).

It may be observed that the return from the investment was meagre. The average rate of return had declined from 0.55 *per cent* in 2008-09 to 0.21 *per cent* in 2011-12. On the other hand, Government paid an average interest rate of 7.43 *per cent* on its borrowings during 2011-12.

1.6.4 Loans and advances by State Government

In addition to the investments in co-operative societies, corporations and companies, Government has also been providing loans and advances to many of these institutions/ organizations. **Table 1.12** presents the outstanding loans and advances as on 31 March 2012 and interest receipts *vis-à-vis* interest payments during the last three years.

Table 1.12: Average interest received on loans advanced by the State Government

(₹ in crore)

Quantum of Loans/Interest receipts/ cost of borrowings	2009-10	2010-11	2011-12
Opening Balance	7,814	7,517	8,999
Amount advanced during the year	2,290	2,252	5,483
Amount repaid during the year	2,587	770	3,180
Closing Balance	7,517	8,999	11,302
Net increase (+) / decrease (-)	(-) 297	1,482	2,303
Interest receipts	266	78	497.20
Interest receipts as percentage of outstanding Loans and advances	3.47	0.94	4.90
Interest payments as percentage of outstanding fiscal liabilities of the State Government.	7.29	7.53	7.43
Difference between interest payments and interest receipts (<i>per cent</i>)	(-) 3.82	(-) 6.59	(-) 2.53

(Source: Finance Accounts for the respective years)

- The quantum of loans advanced increased from ₹ 2,252 crore in 2010-11 to ₹ 5,483 crore in 2011-12. Repayments also increased from ₹ 770 crore in 2010-11 to ₹ 3,180 crore in 2011-12. The difference between the interest payments and interest receipts decreased from 6.59 *per cent* in 2010-11 to 2.53 *per cent* in 2011-12 due to better recovery.
- The major recipients of loans and advances were (i) Social Sector- water supply, sanitation, housing and urban development (₹ 397 crore), out of which ₹ 161 crore were advanced to Tamil Nadu Cooperative Housing Federation Limited as ways and means advance and ₹ 154 crore were advanced to Public Sector and other undertakings (ii) Economic Sector- (a) Agriculture and Allied Activities (₹ 1378 crore), out of which ₹ 130.50 crore and ₹ 129.05 crore were advanced as ways and means advances to Tamil Nadu Cooperative Marketing Federation Limited and Tamil Nadu Cooperative Milk Producers' Federation Limited respectively and ₹ 1000 crore were given as loan for food storage and warehousing, (b) Energy (₹ 2955 crore), the entire amount was advanced as ways and

means advances for Electricity Schemes, and (c) Transport Sector (₹ 446 crore), out of which ₹ 309 crore was advanced as ways and means advances to Transport undertakings and ₹ 138 crore were given as short term loan to State Transport undertakings.

1.6.5 Cash Balances and Investment of Cash Balances

Table 1.13 depicts the cash balances and investments made by the State Government out of cash balances during the year.

Table 1.13: Cash Balances and Investment of Cash Balances

(₹ in crore)

Particulars	As on 31 March 2011	As on 31 March 2012	Increase (+)/ Decrease (-)
Cash Balances	15,747	15,212	(-) 535
Investments from Cash Balances (a to d)			
(a) GOI Treasury Bills	9,877	10,687	810
(b) GOI Securities	3,620	979	(-) 2,641
(c) Other Securities	2,224	3,520	1,296
(d) Others (Treasury/departmental cash balance, remittance etc.)	26	26	..
Funds-wise break-up of Investment from Earmarked balances (a and b)			
(a) Sinking Fund	2,653	2,864	211
(b) Infrastructure Development Fund	109	503	394
Interest realised	683	652	(-) 31

(Source: Finance Accounts for the respective years)

- The cash balance as on 31 March 2012 decreased by ₹ 535 crore over the previous year. The cash balance (₹ 15,212 crore) available with the State Government continued to be high.

The State Government maintained the minimum required cash balance of ₹ 3.25 crore with the Reserve Bank of India during 2011-12 under an agreement with the Reserve Bank of India. No ways and means advance or overdraft was taken during the year.

1.7 Assets and Liabilities

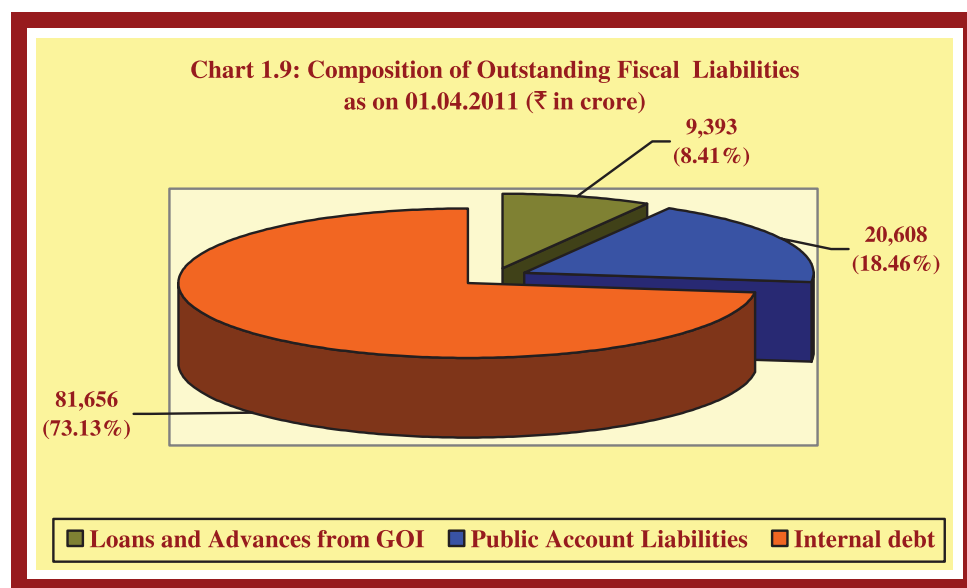
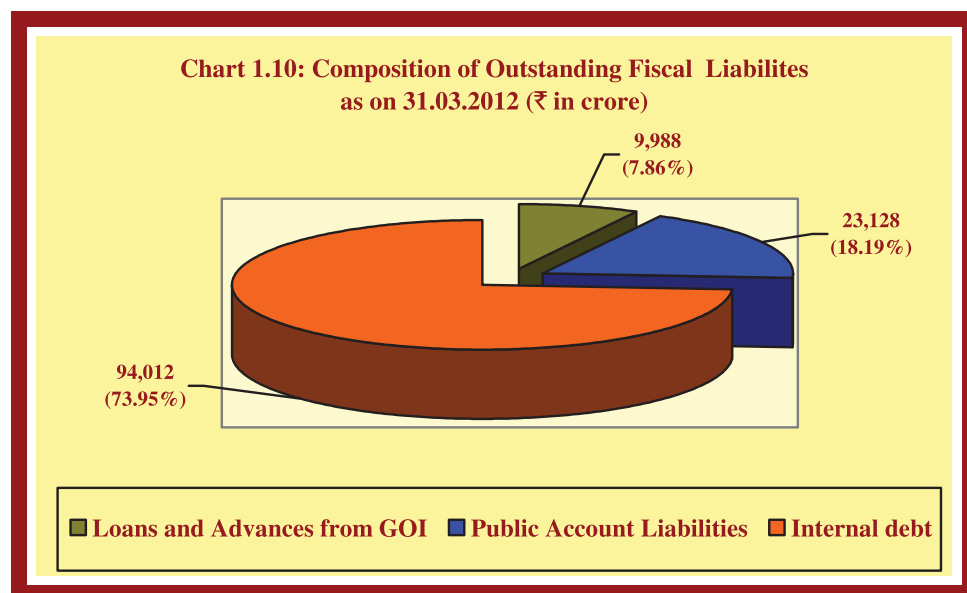
1.7.1 Growth and Composition of Assets and Liabilities

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.5** gives an abstract of such liabilities and assets as on 31 March 2012, compared with the corresponding position on 31 March 2011. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from GOI, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay, loans and advances given by the State Government and cash balances.

The Tamil Nadu Fiscal Responsibility Act, 2003 defines the total liability of the State as ‘the liabilities under the Consolidated Fund of the State and the Public Account of the State’, which include loans and advances from the Central Government, open market borrowings, loans from financial institutions, Provident Fund balances of Government employees, Reserve funds, Deposits etc.

1.7.2 Fiscal Liabilities

The trends in outstanding fiscal liabilities of the State are presented in **Appendix 1.4**. The composition of fiscal liabilities during the current year *vis-à-vis* the previous year is presented in **Charts 1.9** and **1.10**.



- The outstanding fiscal liabilities steeply increased from ₹ 71,072 crore at the end of 2007-08 to ₹ 1,27,128 crore at the end of 2011-12.
- The fiscal liabilities at the end of 2011-12 represented 149.21 *per cent* of the revenue receipts during the year, as against 159.08 *per cent* of the revenue receipts during 2010-11. However, the outstanding liabilities as a percentage of GSDP was 19.89, which was well within the norm of 24.50 *per cent* prescribed for the year 2011-12 in the Tamil Nadu Fiscal Responsibility Act.
- Public Account liabilities as a percentage of the total fiscal liabilities decreased marginally from 18.46 *per cent* at the end of 2010-11 to 18.19 *per cent* in 2011-12. Internal debt at 73.95 *per cent* of the fiscal liabilities was marginally higher than that of the previous year (73.13 *per cent*), whereas the percentage of outstanding loans and advances decreased from 8.41 *per cent* in 2010-11 to 7.86 *per cent* in 2011-12.

1.7.3 Status of Guarantees – Contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in cases of defaults by borrowers for whom the guarantees have been extended. As per Statement 9 of the Finance Accounts, the maximum amount for which guarantees were given by the State and the outstanding guarantees for the last three years is given in **Table 1.14**.

Table 1.14: Guarantees given by the Government of Tamil Nadu

Guarantees	(₹ in crore)		
	2009-10	2010-11	2011-12
Maximum amount guaranteed	12,830	16,884	10,431
Outstanding amount of guarantees	6,297	15,955	9,751
Percentage of maximum amount guaranteed to total Revenue receipts of previous year	23.31	30.23	14.86
Percentage of maximum amount guaranteed to GSDP	2.67	2.98	1.63
Criteria as per the TN Fiscal Responsibility Act, 2003	Maximum amount of guarantees was to be within cent <i>per cent</i> revenue receipts of the previous year or 10 <i>per cent</i> of GSDP, whichever is lower.		

(Source: Finance Accounts for the respective years)

- The Government had given 21 guarantees for an amount of ₹ 10,431 crore upto March 2012 of which three guarantees amounting to ₹ 48.72 crore were invoked during 2011-12.
- Government had constituted (March 2003) a “Guarantees Redemption Fund” for discharge of invoked guarantees. An amount of ₹ 402.46 crore was credited to and ₹ 391.77 crore was disbursed from the fund during 2011-12. The balance in the Fund as of March 2012 was ₹ 29.93 crore.
- The maximum amount guaranteed was well within the stipulations (i.e. within cent *per cent* revenue receipts of the previous year) of the Tamil Nadu Fiscal Responsibility Act, 2003. As a percentage of revenue receipts of previous year, it decreased from 30.23 in 2010-11 to 14.86 in 2011-12. Similarly as a percentage of GSDP, it decreased from 2.98 in 2010-11 to 1.63 in 2011-12.
- But, as against a guarantee fee of ₹ 17.29 crore receivable, only ₹ 1.74 crore was realised during the year 2011-12.

1.7.4 Analysis of Borrowings of Government

The Thirteenth Finance Commission in their report observed that, the primary reason for accumulation of cash balances with the States is borrowing more than the fiscal deficit and that accumulation of cash balance beyond a certain level to be treated as inefficient as it would lead to interest burden. The cash balances and the borrowings made by the State during 2007-12 are given in **Table 1.15**.

Table 1.15: Details of borrowings and cash balances

(₹ in crore)

Year	Fiscal Deficit	Borrowings	Excess of borrowings over the fiscal deficit	Cash balances as of 31 March
2007-08	3,686	7,647	3,961	12,172
2008-09	8,548	11,841	3,293	16,229
2009-10	11,807	15,557	3,750	19,487
2010-11	16,646	14,492	-2,154	15,747
2011-12	17,275	16,780	-495	15,212

(Source: Finance Accounts for the respective years)

It may be observed from the above that the borrowings exceeded the fiscal deficit by ₹ 3,961 crore, ₹ 3,293 crore and ₹ 3,750 crore during the years 2007-08, 2008-09 and 2009-10 respectively. Though during 2010-11 and 2011-12, the borrowings were lesser than the fiscal deficit by ₹ 2,154 crore, and ₹ 495 crore respectively, there were huge cash balances in these years. The huge cash balances varying between ₹ 12,172 crore at the end of 2007-08 and ₹ 19,487 crore in 2009-10 and ₹ 15,212 crore in 2011-12 could be attributed to the borrowings made in excess/close to the level of the fiscal deficits. As indicated in **Table 1.13**, the interest earned on the cash balances was less as compared to the cost of borrowings.

1.7.5 Off-Budget Borrowings

The borrowings of a State are governed under Article 293 of the Constitution of India. In addition to the liabilities shown in **Appendix 1.5**, the State guarantees loans availed of by Government companies/corporations. These companies/corporations borrow funds from the market/financial institutions for implementation of various State Plan programmes projected outside the State budget. Although the State Government specify that funds for these programmes would be met out of the resources mobilized by these companies/corporations outside the State budget, in reality, the borrowings of many of these concerns are repaid by the Government and ultimately turn out to be liabilities of the State Government termed as 'off-budget borrowings'. Though off-budget borrowings are not permissible under Article 293 (3), the State undertook such off-budget borrowings. Details of such borrowings collected from two agencies are given in **Table 1.16** below:

Table 1.16 : Details of off-budget borrowings

(₹ in crore)

Sl. No.	Name of Agency	Off-budget borrowings outstanding as of March 2012	Borrowings repaid by Government
1	Tamil Nadu Water Supply and Drainage Board	65.12	19.17
2.	Tamil Nadu Cooperative Housing Federation Limited	41.16	23.41
	Total	106.28	42.58

The State Government had undertaken to repay the principal and interest, but the off-budget borrowings which add to the fiscal liability of the State are not captured in the Finance Accounts of the State.

1.8 Debt Sustainability

Apart from the magnitude of debt of the State Government, it is important to analyze the various indicators that determine the debt sustainability¹¹ of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilisation¹²; sufficiency of non-debt receipts¹³; net availability of borrowed funds¹⁴; burden of interest payments (measured by interest payments to revenue receipts ratio) and the maturity profile of State Government debts. **Table 1.17** analyzes the debt sustainability of the State according to these indicators for a period of three years beginning from 2009-10.

¹¹ Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. It also refers to the sufficiency of liquid assets to meet current or committed obligations and the capacity to keep a balance between the costs of additional borrowings and the returns from such borrowings.

¹² A necessary condition for stability states that if the rate of growth of the economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided primary balances are either zero, positive or moderately negative. Given the rate spread (GSDP growth rate – interest rate) and the quantum spread (Debt X rate spread), the debt sustainability condition states that if the quantum spread together with the primary deficit is zero, the debt-GSDP ratio would be constant or the debt would stabilize eventually. On the other hand, if the primary deficit together with the quantum spread turns out to be negative, the debt-GSDP ratio would be rising. In case it is positive, the debt-GSDP ratio would eventually be falling.

¹³ Adequacy of incremental non-debt receipts of the State to cover incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

¹⁴ Defined as the ratio of the debt redemption (principal + interest payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption, indicating the net availability of borrowed funds.

Table 1.17: Debt Sustainability: Indicators and Trends

(₹ in crore)

Indicators of Debt Sustainability	2009-10	2010-11	2011-12
Debt Stabilization (Quantum Spread + Primary Deficit)	(-) 1,300	(-) 732	(-) 2,386
Sufficiency of Non-debt Receipts (Resource Gap)	(-) 3,259	(-) 4,839	(-) 628
Net Availability of Borrowed Funds	7,287	4,375	5,374
Burden of Interest Payments (IP/RR Ratio)	11.9	11.3	10.41
Maturity Profile of internal debts & GOI loans (in years)			
0 – 1	1,997 (2.79)	2,800 (3.08)	3,930 (3.78)
1 – 3	5,966 (8.35)	7,658 (8.41)	7,778 (7.48)
3 – 5	7,101 (9.93)	7,944 (8.73)	7,944 (7.64)
5 – 7	9,778 (13.68)	10,865 (11.93)	18,193 (17.49)
7 and above	46,656 (65.25)	58,384 (64.12)	55,883 (53.73)
Year wise details not available		3,399 (3.73)	10,272 (9.88)

(Source: Finance Accounts for the respective years)

Figures in brackets represent percentage to total outstanding internal debts and GOI loans

- The quantum spread together with the primary deficit has been negative and increased from ₹ (-) 1,300 crore in 2009-10 to ₹ (-) 2,386 crore in 2011-12, although it dropped to ₹ (-) 732 crore in 2010-11. Negative figures of debt stabilisation indicate the rising debt-GSDP ratio, which would affect the State's ability to service the debt.
- Another indicator for debt sustainability is the adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental expenditure. Positive resource gaps strengthen the capacity of State to sustain the debt. The State experienced a negative resource gap in 2009-10 and it continued to be so in 2010-11 and in 2011-12. These trends indicate that the State needs to make sustainable efforts to mobilise more resources of its own to meet the incremental liabilities arising on account of additional primary expenditure and interest payments during the year. If the negative resource gap persists or increases in the ensuing years, the State's capacity to sustain the additional debt liabilities would tend to deteriorate.
- The net availability of borrowed funds during 2011-12 was ₹ 5,374 crore, an increase of ₹ 999 crore over the previous year. This was mainly due to increase in receipts under internal debts.
- Negative debt stabilisation, negative resource gap, continued burden of interest payment at about 11 *per cent* of revenue receipts every year suggest that the State's sustainability of debt continued to be strained.
- Bunching of repayments in any particular year will cause financial stress to that year's budget. The maturity profile of the State's debt indicates a year-on-year increase in its repayment burden. If the Government is well aware of future debt payments, it will be in a position to ensure that fresh borrowings will not have to be scheduled for repayment in those years

where maximum repayment is due. In Tamil Nadu, greater portion of repayments would happen between five and seven years and beyond seven years from borrowings. The State did not have details of repayment schedule for an amount of ₹ 10,272 crore. Scheduling of huge repayment liabilities to future years is not a welcome step, as in future Government may have difficulty to meet the huge liabilities of past.

1.8.1 Debt consolidation and relief facility

As per the XIII Finance Commission recommendations, benefit of interest relief on loans availed from National Small Savings Fund (NSSF) and the write-off of outstanding loans by Government of India and State specific grants would be made available to the States on bringing the necessary amendments/ enactments of FRBM Act to include targets for debt-GSDP ratio for the period from 2011-12 to 2014-15. The State Government was able to maintain the debt-GSDP ratio within the limits of 24.1 in 2010-11 and 24.5 in 2011-12 set in the TNFR Act, 2003 as amended in September 2011.

The State Government was entitled for interest relief from 2010-11 as given in **Table 1.18**:

Table 1.18: Interest relief on the loan availed from National Small Savings Fund

(₹ in crore)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Interest relief on NSSF loans	166.69	158.25	148.81	139.36	129.92

(Source: Report of the XIII Finance Commission)

But the TNFR Act, 2003 was amended only in September 2011 and the amendment took effect from 3 November 2011. As the State Government failed to amend the TNFR Act in time, it lost the scope to get interest relief of ₹ 166.69 crore for the year 2010-11 and part of ₹ 158.25 crore for the year 2011-12. The matter was taken up (May 2012) with GOI and their reply is awaited (July 2012).

1.9 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set for the financial year 2011-12 under TNFR Act.

1.9.1 Trends in Deficits

Charts 1.11 and **1.12** presents the trends in deficit indicators over the period 2007-12.

Chart 1.11 : Trends in Deficit Indicators

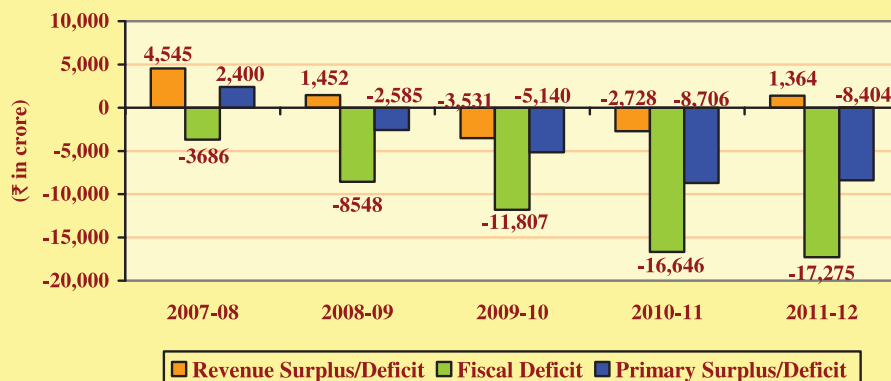
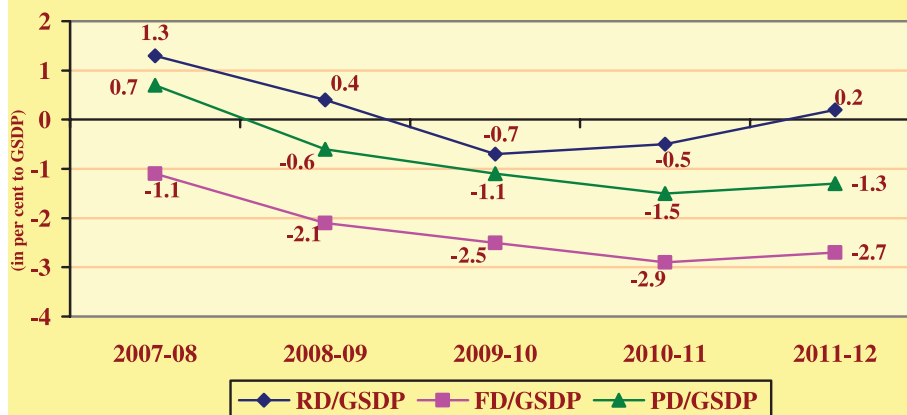


Chart 1.12: Trends in Deficit Indicators relative to GSDP



- The revenue deficit, which prevailed during 2009-10 and 2010-11 turned positive in 2011-12 with a revenue surplus of ₹ 1,364 crore.
- The primary surplus of ₹ 2,400 crore in 2007-08 turned into primary deficit of ₹ 2,585 crore in 2008-09 and the deficit increased further to ₹ 5,140 and ₹ 8,706 in 2009-10 and 2010-11 respectively, but has slightly decreased to ₹ 8,404 crore in 2011-12.
- Though the ratio of fiscal deficit to GSDP increased from 1.1 in 2007-08 to 2.9 in 2010-11, it has marginally reduced to 2.7 in 2011-12 against the target of 3 per cent to be achieved by 31 March 2012 as envisaged in TNFR Act. The fiscal deficit for the year 2011-12 stood at ₹ 17,275 crore as compared to ₹ 16,646 crore in 2010-11.

1.9.2 Composition of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in **Table 1.19**.

Table 1.19: Components of Fiscal Deficit and its Financing Pattern

(₹ in crore)

Sl. No.	Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Decomposition of Fiscal Deficit		(-) 3,686	(-) 8,548	(-) 11,807	(-) 16,646	(-) 17,275
1.	Revenue Surplus/Deficit (-)	4,545	1,452	(-) 3,531	(-) 2,728	1,364
2.	Net Capital Expenditure	(-) 7,462	(-) 9,104	(-) 8,573	(-) 12,436	(-) 16,336
3.	Net Loans and Advances	(-) 769	(-) 896	297	(-) 1,482	(-) 2,303
Financing Pattern of Fiscal Deficit*						
1.	Market Borrowings	4,127	8,792	11,725	8,704	13,109
2.	Loans from GOI	469	724	698	1,036	594
3.	Special Securities issued to National Small Savings Fund	(-) 782	(-) 173	271	1,540	(-) 1,024
4.	Loans from Financial Institutions	287	282	351	(-) 85	270
5.	Small Savings, PF etc	383	578	980	1,272	1,113
6.	Deposits and Advances	138	1,576	712	1,426	1,727
7.	Suspense and Miscellaneous	162	194	(-) 547	18	498
8.	Remittances	(-) 130	78	57	131	136
9.	Reserve Funds	130	553	817	(-) 1,106	287
10.	Contingency Fund	-	-	1	(-) 30	30
Total		4,784	12,604	15,065	12,906	16,740
11.	Overall Surplus / Deficit (-) (Cash Balance)	1,098	4,056	3,258	(-) 3,740	(-) 535

(Source: Finance Accounts for the respective years)

* All these figures are net of disbursements/outflows during the year.

- The factor contributing to the increase in fiscal deficit was the increase in capital expenditure, which increased from ₹ 12,436 crore in 2010-11 to ₹ 16,336 crore in 2011-12 and reduction in net availability of loans and advances.
- The fiscal deficit was largely managed by market borrowings, loan from GOI and other financial institutions and from the proceeds of Small savings, deposits and advances.

1.9.3 Quality of Deficit/Surplus

The decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the States' finances. The bifurcation of the primary deficit (Table 1.20) would indicate the extent to which the deficit had been on account of enhancement in capital expenditure, which may have been desirable to improve the productive capacity of the State's economy.

Table 1.20: Primary deficit/Surplus – Bifurcation of factors

(₹ in crore)

Year	Non-debt receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure	Primary revenue deficit (-) / surplus (+)	Primary deficit (-) / surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2007-08	48,533	36,889	7,462	1,782	46,133	11,644	2,400
2008-09	56,976	47,627	9,104	2,830	59,561	9,349	(-) 2,585
2009-10	58,431	52,708	8,573	2,290	63,571	5,723	(-) 5,140
2010-11	70,958	64,976	12,436	2,252	79,664	5,982	(-) 8,706
2011-12	88,382	74,967	16,336	5,483	96,786	13,415	(-) 8,404

(Source: Finance Accounts of Government of Tamil Nadu)

- The primary revenue expenditure, capital expenditure and loans and advances increased by 15.38 *per cent*, 31.36 *per cent* and 143.47 *per cent* in 2011-12 over the previous year.
- During the period 2007-08 to 2011-12, non-debt receipts increased from ₹ 48,533 crore to ₹ 88,382 crore (82.11 *per cent*) against an increase of 103.22 *per cent* in primary revenue expenditure, 118.92 *per cent* in capital expenditure and 109.80 *per cent* in primary expenditure. Thus, the non-debt receipts did not match with the expenditure.
- Capital expenditure as a percentage of primary expenditure increased only marginally from 16.17 in 2007-08 to 16.88 in 2011-12. Loans and advances as a percentage of primary expenditure increased just from 3.86 in 2007-08 to 5.67 in 2011-12. Thus, the primary deficit was mostly on account of increase in the primary revenue expenditure.
- The adequacy of non-debt receipts to meet the primary expenditure led to the emergence of primary surplus in 2007-08. However, the non-debt receipts were not enough to meet the expenditure requirements from 2008-09 onwards, resulting in primary deficit, which increased from ₹ 2,585 crore in 2008-09 to ₹ 8,404 crore in 2011-12.

1.10 Conclusion and Recommendations

Revenue Receipts: During the current year, the State's revenue receipts (₹ 85,202 crore) increased by 21.39 *per cent* over the previous year. The robust growth in revenue receipts was mainly due to increased tax revenue. The State's revenue receipts as a percentage of GSDP marginally increased from 12.39 *per cent* in 2010-11 to 13.33 *per cent* in 2011-12. But it remained more or less at the same level of about 13 *per cent* during 2007-12.

The non-tax revenue of the State increased by ₹ 1,032 crore in 2011-12 (22.18 *per cent*) over the previous year. As a proportion to the States' own resources, it was 10.04 *per cent* in 2007-08 and 8.72 *per cent* in 2011-12.

Revenue expenditure: Of the total expenditure of ₹ 1,05,657 crore during 2011-12, revenue expenditure (₹ 83,838 crore) accounted for 79.35 *per cent* of the total expenditure. Out of the revenue expenditure, 79.04 *per cent* (₹ 66,262 crore) was incurred on the non-plan component. The committed expenditure (₹ 55,172 crore) stood at 64.75 *per cent* of the total revenue receipts (₹ 85,202 crore) of the State during 2011-12 as against 70.77 *per cent* during 2010-11. *There is a necessity to contain the committed expenditure particularly the salaries and subsidies.*

Capital expenditure: The capital expenditure (₹ 16,336 crore) during the current year increased by ₹ 3,900 crore (31.36 *per cent*) over the previous year. It ranged between 12.21 *per cent* and 15.46 *per cent* of the total expenditure during 2007-12 showing no significant improvement. *Increased priority to physical capital formation will increase the growth prospects of the State by creating durable assets.*

Adequacy and priority of expenditure: In the year 2011-12, the State had spent marginally higher proportion of its GSDP on aggregate expenditure (16.53) as compared to general category States (16.09). Development expenditure (Expenditure on Social and Economic services) as a proportion of aggregate expenditure in the State was lower (65.06) than the general category States' average (66.44) implying low priority. *The State should plan its expenditure in such a way that maximum priority is given to development expenditure.*

Investment and returns: As of March 2012, the State had invested ₹ 14,456 crore in various Government Companies and Corporations. While the Government paid at an average interest rate of 7.43 *per cent* on its borrowings during 2011-12, the average return on its investments was only 0.21 *per cent*. *Government should ensure better value for its investments.*

Debt Management: The outstanding fiscal liabilities steeply increased from ₹ 71,072 crore in 2007-08 to ₹ 1,27,128 crore at the end of 2011-12. However, the outstanding liabilities as a percentage of Gross State Domestic Product (GSDP) was 19.89, which was well within the norm of 24.50 *per cent* prescribed for the year 2011-12 in the Tamil Nadu Fiscal Responsibility Act. However, the negative debt stabilisation and resource gap, continued burden of interest payment at about 11 *per cent* of revenue receipts every year suggest that the State's sustainability of debt continued to be strained. Due to borrowings made by the State in excess/close to the level of the fiscal deficits, there were huge cash balances. *Restricted borrowings will go a long way in prudent debt management.*

Fiscal position: The State had revenue deficit of ₹ 2,728 crore in 2010-11, but, it turned into a revenue surplus of ₹ 1,364 crore in 2011-12. The primary deficit had marginally decreased from ₹ 8,706 crore in 2010-11 to ₹ 8,404 crore in 2011-12. In absolute term, though the fiscal deficit increased from ₹ 16,646 crore in 2010-11 to ₹ 17,275 crore in 2011-12, the ratio of fiscal deficit to GSDP which was 2.7 in 2011-12 was within the target of 3 per cent to be achieved by 31 March 2012.

CHAPTER II

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

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FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

2.1 Introduction

2.1.1 The Appropriation Accounts are accounts of the expenditure, voted and charged, of the government for each financial year, compared with the amounts of the voted grants¹ and appropriations charged² for different purposes as specified in the schedules appended to the Appropriation Acts. These Accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations and indicate the actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Acts in respect of both charged and voted items of budget. The Appropriation Accounts, thus, facilitate the management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

2.1.2 Audit of appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Acts and whether the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules and regulations and instructions.

2.2 Summary of Appropriation Accounts

There are 37 departments in the State at the Secretariat level headed by Principal Secretaries/Secretaries. Each department is operating one or more than one demand and the demand for grant generally reflects the allocation for a department. For the year 2011-12, there were 54 demands for grants and two appropriations (one each for Debt Charges and Public Debt - Repayment). The summarised position of actual expenditure during 2011-12 against 56 grants/appropriations is given in **Table 2.1**.

¹ Amounts voted by the State Legislature in respect of demands for grants for specific purposes.

² Amounts directly charged to the Consolidated Fund of the State, which are not subjected to the vote of the State Legislature.

Table 2.1: Position of actual expenditure vis-à-vis original/supplementary provisions

(₹ in crore)

	Nature of expenditure	Original grant/ Appropriation	Supplementary grant/ Appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	78,185.92	5944.90	84,130.82	77,496.84	(-) 6,633.98
	II Capital	15,938.03	4,136.42	20,074.45	16,369.38	(-) 3,705.07
	III Loans and Advances	1544.54	4,643.69	6,188.23	5,483.15	(-) 7,05.08
Total Voted		95,668.49	14,725.01	1,10,393.50	99,349.37	(-) 11,044.13
Charged	IV Revenue	9,419.37	9.91	9,429.28	9,236.85	(-) 192.43
	V Capital	2.99	9.06	12.05	11.36	(-) 0.69
	VI Public Debt- Repayment	3,909.52	**	3,909.52	3,829.90	(-) 79.62
Total Charged		13,331.88	18.97	13,350.85	13,078.11	(-) 272.74
Appropriation to Contingency Fund (if any)		..	..	..	..	..
Grand Total		1,09,000.37	14,743.98	1,23,744.35	1,12,427.48	(-) 11,316.87

** ₹ 15,000 only

(Source: Appropriation Accounts of Government of Tamil Nadu)

Supplementary provisions of ₹ 14,743.98 crore obtained during the year constituted 13.53 *per cent* of the original provisions. The overall saving of ₹ 11,316.87 crore was the result of savings of ₹ 11,672.44 crore in 51 grants and 55 appropriations under the Revenue Section, 38 grants and three appropriations under the Capital Section and 32 grants and one appropriation under the Loan Section, offset by excess of ₹ 355.57 crore in three grants under the Revenue Section and two grants under the Loans Section.

As against the original provisions of ₹ 1,09,000.37 crore, expenditure of ₹ 1,12,427.48 crore was incurred. The overall savings of ₹ 11,316.87 crore, constituting 76.76 *per cent* of the Supplementary provisions of ₹ 14,743.98 crore, clearly indicate inaccurate estimation of funds and lack of control mechanism. Cases of supplementary provisions that proved unnecessary are discussed in paragraph 2.3.6. The savings/excesses were intimated (July 2012) to the Controlling Officers, requesting them to state the reasons for significant variations. Out of 906 sub-heads, explanations for the variations were not received (October 2012) in respect of 354 sub-heads (saving: 213 sub-heads and excess: 141 sub-heads).

The trend of savings and surrenders during the period from 2007-08 to 2011-12 is indicated in **Table 2.2**.

Table 2.2 : Trend of savings and surrenders

(₹ in crore)

Year	Total Provision	Expenditure	Savings	Surrender
2007-08	62,625.64	56,707.43	5,918.21 (9.5)	5,739.36 (9.2)
2008-09	76,523.94	69,212.49	7,311.45 (9.6)	5,257.10 (6.9)
2009-10	82,777.01	73,898.57	8,878.44 (10.7)	8,650.87 (10.5)
2010-11	1,00,467.34	94,218.57	6,248.77 (6.2)	5,904.86 (5.9)
2011-12	1,23,744.35	1,12,427.48	11,316.87 (9.1)	12,408.15 (10.0)

(Source: Appropriation Accounts for the respective years)

(Figures indicated in brackets are percentages to total provision)

It may be observed from the above that in all the years except 2010-11, the savings were about 10 *per cent* of the total provision, while surrender of total provision varied between 5.9 *per cent* and 10.5 *per cent* during 2007-12.

2.3 Financial Accountability and Budget Management

2.3.1 Appropriations *vis-à-vis* allocative priorities

The outcome of appropriation audit revealed that during 2011-12, savings in 22 cases exceeded ₹ 10 crore in each case and also by more than 20 *per cent* of the total provision (**Appendix 2.1**). Against the total savings of ₹ 11,316.87 crore, savings of ₹ 10,888.33 crore (96.21 *per cent*) occurred in 32 cases by ₹ 50 crore and above in each case in 20 grants and two appropriations as indicated in **Table 2.3**.

Table 2.3: List of Grants having savings of ₹ 50 crore and above

(₹ in crore)

Sl. No.	No. and Name of the Grant/ Appropriation	Original Grant / Appropriation	Supplementary Grant / Appropriation	Total	Actual Expenditure	Savings
	(A) Revenue – Voted					
1	04 – Adi Dravidar and Tribal Welfare	1,003.39	323.17	1,326.56	1,271.45	55.11
2	05 – Agriculture	2,263.50	80.48	2,343.98	1,831.52	512.46
3	06 – Animal Husbandry	676.49	68.41	744.90	671.62	73.28
4	07 – Fisheries	332.36	13.47	345.83	255.44	90.39
5	14 – Energy	1,911.03	..	1,911.03	1,787.76	123.27
6	19 – Health and Family Welfare	4,413.33	620.13	5,033.46	4,702.20	331.26
7	20- Higher Education	2,162.52	208.12	2,370.64	2,238.12	132.52
8	21 – Highways and Minor Ports	1,674.76	..	1,674.76	1,535.80	138.96
9	22 – Police (Home, Prohibition and Excise)	3,332.32	606.03	3,938.35	3,468.10	470.25
10	26 – Housing and Urban Development	495.83	40.00	535.83	221.72	314.11
11	27 – Industries	1,180.02	..	1,180.02	43.13	1,136.89
12	34 – Municipal Administration and Water Supply	5,087.07	..	5,087.07	4,263.11	823.96
13	41 – Revenue	4,115.59	371.94	4,487.53	4,193.62	293.91
14	42 – Rural Development and Panchayat Raj	7,200.30	87.85	7,288.15	6,566.03	722.12
15	43 – School Education	12,919.91	376.73	13,296.64	12,650.64	646.00
16	45 – Social Welfare and Nutritious Meal Programme	2,928.97	312.95	3,241.92	3,060.32	181.60

(₹ in crore)

Sl. No.	No. and Name of the Grant/ Appropriation	Original Grant / Appropriation	Supplementary Grant / Appropriation	Total	Actual Expenditure	Savings
17	51 – Relief on account of Natural Calamities	704.79	1,685.91	2,390.70	2,340.11	50.59
18	53 – Special Programme Implementation	1,252.94	..	1,252.94	832.48	420.46
	(A) Revenue - Charged					
19	56 - Debt Charges	9,263.36	0.01	9,263.37	9,089.92	173.45
	(B) Capital - Voted					
20	05 – Agriculture	273.92	..	273.92	218.47	55.45
21	19 – Health and Family Welfare	92.36	2.00	94.36	30.84	63.52
22	21 – Highways and Minor Ports	3,540.25	5.50	3,545.75	3,431.82	113.93
23	22 - Police (Home, Prohibition and Excise)	159.00	40.50	199.50	116.92	82.58
24	26 - Housing and Urban Development	954.21	.	954.21	401.74	552.47
25	34 - Municipal Administration and Water Supply	3,195.52	156.34	3,351.86	2,338.58	1,013.28
26	39 - Buildings (Public Works)	785.01	0.20	785.21	388.33	396.88
27	40 - Irrigation (Public Works)	1,735.04	2.58	1,737.62	1,541.97	195.65
28	43 – School Education	413.65	--	413.65	268.34	145.31
29	53 - Special Programme Implementation	912.00	--	912.00	29.00	883.00
	(C) Loans - Voted					
30	27 - Industries	457.32	35.00	492.32	67.44	424.88
31	34 - Municipal Administration and Water Supply	381.06	41.96	423.02	231.85	191.17
	(C) Public Debt - Charged					
32	57 - Public Debt - Repayment	3,909.52	--	3,909.52	3829.90	79.62
	Total	79,727.34	5,079.28	84,806.62	73,918.29	10,888.33

(Source: Appropriation Accounts of Government of Tamil Nadu)

The departments that had major savings were Industries, Municipal Administration and Water Supply, Rural Development and Panchayat Raj, Housing and Urban Development and Special Programme Implementation.

2.3.2 Persistent Savings

In 13 grants and two appropriations, under Revenue Section, there were persistent savings of more than five *per cent* of the total grant during the last five years as indicated in **Table 2.4**.

Table 2.4: List of Grants having Persistent Savings during 2007-12

(₹ in crore)

Sl. No.	No. and Name of the Grant / Appropriation	Amount of Savings				
		2007-08	2008-09	2009-10	2010-11	2011-12
Revenue - Voted						
1.	1 - State Legislature	1.12 (5.60)	2.29 (9.33)	3.22 (10.33)	2.89 (7.95)	3.78 (10.00)
2.	2 - Governor and Council of Ministers	1.32 (6.94)	2.99 (13.38)	4.43 (17.90)	3.76 (14.44)	6.9 (22.55)
3.	3 – Administration of Justice	29.32 (12.97)	16.50 (5.91)	17.87 (5.40)	60.06 (12.78)	40.97 (7.26)
4.	5 - Agriculture	168.51 (14.97)	113.43 (7.62)	138.05 (6.93)	159.95 (8.02)	512.46 (21.86)
5.	7 - Fisheries	28.67 (29.64)	36.69 (32.99)	37.53 (19.51)	11.74 (8.62)	90.39 (26.14)
6.	9 - Backward Classes, Most Backward Classes and Minorities Welfare	36.74 (9.91)	31.18 (7.70)	37.37 (8.58)	56.75 (11.06)	48.02 (8.44)
7.	15 - Environment	24.59 (13.42)	19.13 (9.08)	14.24 (5.84)	14.30 (5.04)	3.60 (19.42)
8.	21- Highways and Minor Ports	165.71 (13.78)	155.90 (12.35)	155.29 (11.85)	143.91 (12.37)	138.97 (8.30)
9.	27 - Industries	45.05 (56.29)	161.25 (46.17)	658.18 (94.44)	158.09 (19.10)	1136.89 (96.34)
10.	35 - Personnel and Administrative Reforms	3.69 (10.71)	3.17 (8.12)	4.51 (10.06)	4.07 (8.08)	3.89 (6.70)
11.	36 - Planning, Development and Special Initiatives	6.01 (15.16)	4.86 (11.12)	5.66 (11.12)	7.99 (13.75)	8.24 (12.49)
12.	39 - Buildings (Public Works)	25.49 (19.32)	18.97 (12.55)	12.44 (8.23)	9.39 (5.26)	13.42 (6.72)
13.	46 - Tamil Development	4.08 (14.49)	4.19 (14.98)	2.76 (8.86)	24.97 (11.17)	3.80 (12.29)
Revenue - Charged						
14.	4 – Adi- Dravidar and Tribal Welfare	1.17 (29.24)	3.15 (64.58)	4.00 (100.00)	2.10 (50.03)	1.95 (21.19)
15.	19 – Health and Family Welfare	0.06 (18.92)	0.20 (31.15)	0.06 (9.62)	0.51 (51.42)	0.60 (54.20)

(Source: Appropriation Accounts for the respective years)

(Figures in brackets indicate *per cent* of savings)

From the above table, it may be seen that the savings continued over the years indicating unrealistic estimation of the anticipated expenditure or poor control over expenditure. Savings in the “Grant 27 – Industries” during 2011-12 were mainly under the sub-head “Value Added Tax input subsidy for promotion of industries”, the payments of which were deferred to the subsequent financial years. On a specific analysis of reasons for saving in the year 2011-12, it was noticed that the entire provision of ₹ 1,100 crore and ₹ 7.50 crore made in the budget under the heads of account “2852.80.800.BC - Value Added Tax refund subsidy for promotion of industries” and “2852.08.600 JB - Implementation of Structured package of assistance for industrial projects” were withdrawn through re-appropriation, resulting in a total saving of ₹ 1,107.50 crore in these two heads. Further, test check of records of Pay and Accounts Office, East in Chennai (PAO) and reply received (October 2012) from the PAO revealed that the bills for ₹ 505 crore and ₹ 3 crore presented to the PAO on 2 March 2012 for drawal of the amount under the above mentioned heads of account respectively, were returned as per the oral

instructions of the Deputy Secretary (Budget), Finance Department, with instructions to the Commissioner and Director of Industries and Commerce to prefer the claims during the financial year 2012-13.

2.3.3 Expenditure without provision of funds

As per Paragraph 14 (ii) of the Tamil Nadu Budget Manual Volume I, expenditure should not be incurred on a scheme or service without provision of funds. It was, however, noticed that in 17 cases as detailed in **Table 2.5**, though the provisions made in the original and supplementary stages were fully withdrawn by re-appropriations, expenditure of ₹ 18.63 crore was incurred under the heads.

Table 2.5: Expenditure without provision

(In ₹)

Sl. No	Grant No	Name of the Grant	Head of Account	Original Provision	Supplementary Provision	Re-appropriation	Actual Expenditure
1.	07	Fisheries	2405.00.103.JL (V)	1,000	0	-1,000	10,596
2.	21	Highways and Minor Ports	3054.80.004.AC (V)	14,000	0	-14,000	93,17,208
3.	29	Tourism-Art and Culture	2205.00.105.JC (V)	1,000	0	-1,000	3,000
4.	38	Public	2015.00.105.AA (V)	16,000	0	-16,000	16,74,834
5.	38	Public	2015.00.106.AB (V)	22,14,000	0	-22,14,000	17,81,373
6.	38	Public	2075.00.800.AK (V)	18,000	0	-18,000	18,000
7.	38	Public	2075.00.800.BQ (V)	74,000	1,000	-75,000	5,21,936
8.	38	Public	2075.00.800.GY (V)	8,80,000	0	-8,80,000	3,21,012
9.	40	Irrigation (Public Works)	2059.01.053.CS (V)	1,00,000	0	-1,00,000	97,700
10.	40	Irrigation (Public Works)	4701.03.245.JB (V)	1,000	0	-1,000	22,37,672
11.	40	Irrigation (Public Works)	4701.03.345.JA (V)	1,000	0	-1,000	16,93,44,529
12.	41	Revenue	2070.00.800.AT (V)	11,09,000	0	-11,09,000	4,218
13.	41	Revenue	3604.00.200.AA (V)	1,000	0	-1,000	1,177
14.	41	Revenue	3604.00.200.AF (V)	50,000	0	-50,000	37,320
15.	41	Revenue	3604.00.200.AG (V)	1,10,30,000	0	-1,10,30,000	7,89,991
16.	46	Tamil Development	2202.05.102.AF (V)	84,000	0	-84,000	1,73,396
17.	56	Debt Charges	2049.01.305.AD (C)	2,000	0	-2,000	116
Total				1,55,96,000	1,000	-1,55,97,000	18,63,34,078 (or) ₹ 18.63 crore

(Source: Appropriation Accounts of Government of Tamil Nadu)

2.3.4 Excess over provisions relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee. Excess expenditure amounting to ₹ 6,247.51 crore for the years 1998-2011 was yet to be regularised as detailed in **Appendix 2.2**. Non-regularisation of the excess expenditure, for many years is a breach of Legislative control over appropriation.

2.3.5 Excess over provisions during 2011-12 requiring regularisation

Table 2.6 contains a summary of the excess expenditure under five grants amounting to ₹ 355.57 crore from the Consolidated Fund of the State over the amounts authorised by the State Legislature during 2011-12, which requires regularisation under Article 205 of the Constitution.

Table 2.6: Excess over provisions during 2011-12 requiring regularisation

(₹ in crore)

Sl. No.	Grant Number and Description		Total grant	Expenditure	Excess
Voted Grants					
1.	11	Stamps and Registration (Commercial Taxes and Registration) – Revenue	184.21	186.48	2.27
2.	12	Cooperation (Co-operation, Food and Consumer Protection) – Loans	20.05	20.05	0.00 ³
3.	16	Finance – Loans	68.82	69.06	0.24
4.	37	Prohibition and Excise (Home, Prohibition and Excise) – Revenue	73.33	73.69	0.36
5.	50	Pension and Other Retirement Benefits – Revenue	12,334.11	12,686.81	352.70
Total			12,680.52	13,036.09	355.57

(Source: Appropriation Accounts of Government of Tamil Nadu)

2.3.6 Unnecessary/Inadequate supplementary provisions

Supplementary provisions aggregating ₹ 1070.44 crore obtained in 31 cases of ₹ 50 lakh or more in each case during the year, proved unnecessary as the expenditure did not come up to the levels of the original provisions as detailed in **Appendix 2.3**. On the other hand, in two cases, supplementary provisions of ₹ 23.00 crore proved insufficient leaving an aggregate uncovered excess expenditure of ₹ 354.97 crore as detailed in **Table 2.7**.

Table 2.7: Cases where supplementary provisions (₹ 1 crore or more in each case) proved insufficient

(₹ in crore)

Sl. No.	Grant Number and Description	Original Provision	Supplementary Provision	Total Provision	Actual Expenditure	Excess Expenditure
Voted						
1.	11 – Stamps and Registration - Revenue	171.48	12.73	184.21	186.48	2.27
2.	50 – Pension and Other Retirement Benefits - Revenue	12,323.84	10.27	12,334.11	12,686.81	352.70
Total		12,495.32	23.00	12,518.32	12,873.29	354.97

(Source: Appropriation Accounts of Government of Tamil Nadu)

2.3.7 Excessive/insufficient re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional

³ ₹ 1,600 only

funds are needed. Injudicious re-appropriations proved excessive or insufficient and resulted in savings/excess of over ₹ 10 lakh under 698 sub-heads. The excess/savings of more than ₹ 2 crore each, resulting from the injudicious re-appropriations was ₹ 1,149.73 crore (62 items under savings) and ₹ 1,533.93 crore (74 items under excess) in 136 sub-heads as detailed in **Appendix 2.4**.

2.3.8 Inadequate reasons for re-appropriations

According to paragraph 151 (ii) of the Tamil Nadu Budget Manual, Volume I, reasons for the additional expenditure and the savings should be explained in the re-appropriation statement and vague expressions such as “based on actuals”, “based on progress of expenditure”, etc., should be avoided. However, scrutiny of re-appropriation orders issued by the Finance Department revealed that in respect of 9,998 out of 18,244 items (54.80 *per cent*), no reasons were given for additional provisions/withdrawal of provisions in the re-appropriation orders.

2.3.9 Substantial surrenders

Substantial surrenders (the cases where more than ₹ 10 crore and 50 *per cent* of the total provision was surrendered) were made in 248 sub-heads on account of either non-implementation or slow implementation of the schemes/programmes. Out of the total provisions of ₹ 14,852.93 crore made in 248 sub heads, ₹ 11,571.34 crore (77.91 *per cent*) were surrendered, which included cent *per cent* surrender in 74 sub heads (₹ 4359.78 crore). Details are given in **Appendix 2.5**. Some of the departments which surrendered huge amounts are Agriculture, Health and Family Welfare, Housing and Urban Development, Industries, Municipal Administration and Water Supply, Rural Development and Panchayat Raj, School Education and Forests (Environment and Forests).

2.3.10 Surrender in excess of actual savings

In 33 cases, the amounts surrendered (₹ 50 lakh or more in each case) were in excess of the actual savings, indicating lack of or inadequate budgetary control in these departments. As against savings of ₹ 4,404.54 crore, the amount surrendered was ₹ 5,685.70 crore, resulting in excess surrender of ₹ 1281.16 crore. Details are given in **Appendix 2.6**. Some of the departments which surrendered funds in excess of savings are Adi Dravidar and Tribal Welfare, Municipal Administration and Water Supply, Special Programme Implementation, Highways and Minor Ports, Irrigation (Public Works) and Finance (Public Debt - Repayment).

2.3.11 Anticipated savings not surrendered

As per Paragraph 140 of the Tamil Nadu Budget Manual Volume I, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when savings are anticipated. At the close of the year 2011-12, in six cases, no part of the savings was surrendered by the concerned departments. The amount involved in these cases was ₹ 11.03 crore as indicated in **Table 2.8**.

Table 2.8: Statement of grants/appropriations in which savings occurred but not surrendered at all

(₹ in crore)

Sl. No.	Grant Number	Name of grant/appropriation	Savings
		Revenue - Charged	
1.	21	Highways and Minor Ports	0.11
		Capital - Charged	
2.	21	Highways and Minor Ports	0.11
		Loans - Voted	
3.	06	Animal Husbandry	0.42
4.	15	Environment	10.02
5.	41	Revenue	0.24
6.	52	Welfare of Differently Abled Persons	0.13
		Total	11.03

(Source: Appropriation Accounts of Government of Tamil Nadu)

The details of 24 cases, where savings of ₹ 1 crore and above noticed against each grant/appropriation, but not surrendered, are given in **Appendix 2.7**. Out of the total savings of ₹ 4,061.28 crore in the 24 cases, savings of ₹ 733.07 crore (6.48 *per cent* of the total savings of ₹ 11,316.87 crore) was not surrendered. In 48 cases of surrender of funds in excess of ₹ 10 crore, ₹ 5,520.10 crore (**Appendix 2.8**), were surrendered on the last working day of March 2012, indicating inadequate financial control and denying of utilisation of the funds elsewhere.

2.3.12 Rush of expenditure

According to Article 39 of the Tamil Nadu Financial Code, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of the 81 sub-heads listed in **Appendix 2.9**, expenditure exceeding ₹ 10 crore and also more than 50 *per cent* of the total expenditure for the year was incurred in March 2012 in violation of codal provisions.

2.4 Review of a selected Grant

A review of budgetary procedure and control over expenditure was conducted (June-July 2012) in respect of Grant number 23 - Fire and Rescue Services. The Director of Fire and Rescue Services is the Chief Controlling Officer for this Grant. There were nine sub-heads operated under this Grant, which included seven non-plan sub-heads, one plan sub-head and one sub-head for the Centrally Sponsored Scheme. The grant was selected for specific review due to persistent savings noticed in five years as discussed below:

- (i) There were persistent savings under the Grant during 2007-12 as shown in **Table 2.9**.

Table 2.9: Persistent savings under Grant number 23 - Fire and Rescue Services

(₹ in crore)

Year	Provision	Expenditure	Savings
2007-08	115.96	86.00	29.96
2008-09	134.18	109.17	25.01
2009-10	180.56	135.79	44.77
2010-11	182.95	160.05	22.90
2011-12	171.94	160.23	11.71

(Source: Appropriation Accounts for the respective years)

Failure to utilise the entire provisions indicated that the budget provisions were unrealistic.

(ii) As per the Appropriation Accounts for the year 2011-12, there was a saving of ₹ 12.41 crore under the sub-head “2070 00 108 AB – Protection and control – fire stations including workshops and mobile repair squads”. The saving was partly offset by the excess (₹ 2.72 crore) under the sub-head “2070 00 108 SA – Strengthening of fire and emergency services”, and the net saving of ₹ 9.69 crore mainly contributed to the overall saving of ₹ 11.71 crore under the grant.

When reasons for the savings were called for (June 2012), the Director of Fire and Rescue Services stated (July 2012) that the budget provision was made on the basis of minimum pay and allowances for the personnel anticipated to be recruited by the Tamil Nadu Uniformed Services Recruitment Board (Board) and since recruitment for the post of firemen could not be made against the vacancies, the funds had to be surrendered.

The reply of the Director is not acceptable as test check of records revealed that in the number statement prepared by the Director and sent to Government, for preparation of the Budget for 2011-12, the entire sanctioned strength of 3,996 under the category of “Firemen” including vacant posts of 1,207 was taken into account for budgeting in contravention to the guidelines issued (July 2010) by the Finance Department that pay corresponding to the posts which were likely to remain vacant during 2011-12 must be excluded from the pay arrived as per the number statement. It was, however, noticed that a proposal (July 2011) to fill-up only 879 posts of Firemen out of 1,207 posts to be filled, was sent to the Board. Further, while arriving the budget provision for salary, the anticipated retirement vacancies of 170 under various posts during 2011-12 were not taken into account. Thus, the unrealistic budgeting resulted in significant savings under the Grant. Savings occurred under the sub-head in the preceding four years also.

2.5 Advances from the Contingency Fund

The Contingency Fund of the State has been established under the Tamil Nadu Contingency Fund Act, 1954 in terms of provisions of Article 267 (2) and 283 (2) of the Constitution of India. Advances from the fund are to be made only for meeting expenditure of an unforeseen and emergent character,

postponement of which, till its authorisation by the Legislature, would be undesirable. The fund is in the nature of an imprest and its corpus is ₹ 150 crore.

During the year 2011-12, it was noticed that in 62 out of 105 sanctions issued by Government for drawal of advances from the Contingency Fund, ₹ 78.63 crore, were not drawn indicating that the funds were not required to meet urgent expenditure, as detailed in **Appendix 2.10**. In respect of three other sanctions, the actual expenditure was less than 50 *per cent* of the sanctioned amount as detailed in **Appendix 2.11**.

2.6 Conclusion

During 2011-12 expenditure of ₹ 1,12,427.48 crore was incurred against the total grants and appropriations of ₹ 1,23,744.35 crore, resulting in savings of ₹ 11,316.87 crore. This overall savings were the net result of savings of ₹ 11,672.44 crore offset by excess expenditure of ₹ 355.57 crore. There were persistent savings of more than five *per cent* of the total grant in 16 cases. Excess expenditure of ₹ 6,247.51 crore pertaining to the period 1998 to 2011 was pending for regularization. Supplementary provisions of ₹ 1,070.44 crore obtained in 31 cases of ₹ 50 lakh or more in each case during 2011-12 proved unnecessary as the expenditure was less than the original provisions. In 33 cases, the amounts surrendered (₹ 50 lakh or more) were in excess of the actual savings. As against savings of ₹ 4,404.54 crore, the amount surrendered was ₹ 5,685.70 crore, resulting in excess surrender of ₹ 1281.16 crore. In 48 cases of surrender of funds in excess of ₹ 10 crore, ₹ 5,520.10 crore were surrendered on the last working day of March 2012. In 62 out of 105 sanctions issued by Government for drawal of advances from the Contingency Fund, advances to the tune of ₹ 78.63 crore were not drawn implying no urgency for the advances.

2.7 Recommendations

- The budgetary controls need to be strengthened especially in those departments where there were huge savings, persistent savings, non-surrender of funds and expenditure incurred without provision of funds.
- The excess expenditure pending for regularisation since 1998 need to be regularised.

CHAPTER III

FINANCIAL REPORTING

CHAPTER III

FINANCIAL REPORTING

A sound internal financial reporting system and the availability of relevant and reliable information significantly contribute to efficient and effective governance by a State Government. Compliance with financial rules, procedures and directives as well as timeliness and quality of reporting are some of the attributes of good governance. Reports on compliance and controls, if effective and operational, assist State Governments in meeting their basic stewardship responsibilities, including strategic planning and decision-making. This chapter provides an overview of the State Government's compliance with some of the financial rules, procedures and directives during 2011-12.

3.1 Delay in furnishing of Utilisation Certificates

Article 210A of the Tamil Nadu Financial Code provided that for grants released during a year for specific purposes, Utilisation Certificates (UCs) should be obtained by the departmental officers from the organisations to whom grants were given and after verification, the UCs should be forwarded to the Accountant General within 18 months from the date of release of the grants, unless specified otherwise. It was found that in respect of grants and loans given upto 2010-11, 813 UCs for ₹ 5,169.37 crore were not furnished by the grantees as of September 2012. The department-wise break-up of outstanding UCs is given in **Appendix 3.1** and the year-wise analysis of delays in submission of UCs is summarised in **Table 3.1**.

Table 3.1: Year-wise position of the Utilisation Certificates

Period	Utilisation certificates outstanding	
	Number	Amount (₹ in crore)
2010-11	698	3,884.50
2006-10	113	1,281.43
2004-06	2	3.44
Total	813	5,169.37

(Source: Compiled from the information furnished by the Principal Accountant General (A&E), Tamil Nadu)

Out of the above, 436 UCs for ₹ 848.80 crore were due from the Department of Adi Dravidar and Tribal Welfare, 102 UCs for ₹ 731.50 crore were due from the Department of Municipal Administration and Water Supply and 132 UCs for ₹ 1,894.01 crore were due from the Revenue Department. Non-receipt of UCs for huge amounts indicates that the departmental officers failed to comply with the rules to ensure accountability of the agencies that received Government funds.

3.2 Non-submission/delay in submission of Accounts

In order to identify the institutions which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the heads of departments are required to furnish to Audit every year, detailed information about the financial assistance given to various institutions, the purposes for which the assistance was granted and the total expenditure of these institutions.

The annual accounts of 275 autonomous bodies/ authorities due upto 2011-12 had not been received as of July 2012 by the Principal Accountant General (General and Social Sector Audit). The details are given in **Appendix 3.2** and their age-wise pendency is presented in **Table 3.2**

Table 3.2: Age-wise arrears of Annual Accounts due from Autonomous Bodies/Authorities

Sl. No.	Delay in Number of Years	Number of the Bodies/ Authorities
1.	0 – 1	97
2.	1 – 3	88
3.	3 – 5	40
4.	5 & above	50
Total		275

(Source: Data compiled by Audit from information furnished by the Head of Departments)

The major defaulters were educational institutions receiving Government grants for salaries, maintenance etc. The heads of departments failed to ensure that the bodies/authorities submit their accounts to Audit.

3.3 Non-adjustment of Temporary Advances

The Drawing and Disbursing Officers (DDOs) draw temporary advances for the purpose of meeting contingent expenditure either on the authority of standing orders or specific sanctions of the State Government. According to Article 99 of the Tamil Nadu Financial Code, the advances should be adjusted by presenting detailed bills and vouchers as soon as possible.

It was noticed that 5,080 temporary advances drawn upto 31 March 2012 by DDOs through 30 Pay and Accounts offices/District Treasury Offices amounting to ₹ 369.47 crore were remaining unadjusted as on 30 June 2012. Age-wise analysis of the advances pending is given in **Table 3.3**.

Table 3.3 Age-wise Analysis of Advances Pending

Sl. No	Pendency	No of Advances	Amount (₹ in crore)
1	More than 10 years	33	0.28
2	More than five years upto 10 years	81	0.89
3	More than one year but less than five years	936	61.09
4	Less than one year	4,030	307.21
Total		5,080	369.47

(Source: Data furnished by the Principal Accountant General (A&E), Tamil Nadu)

The pendency indicated laxity on the part of departmental officers in enforcing the codal provisions regarding adjustment of the advances involving substantial amount.

Test check of records maintained by the Principals, District Institute of Education and Training revealed that out of 370 advances pertaining to 2007-11 under Article 99 of Tamil Nadu Financial Code, Volume I, 204 advances amounting to ₹ 8.08 crore were adjusted belatedly, ranging from over one to three years as detailed in **Table 3.4**:

Table 3.4 Details of temporary advances adjusted belatedly

Year	Delay of more than 3 years		Delay of more than 2 years		Delay of more than one year		Total	
	Number of advances	Amount (in ₹)	Number of advances	Amount (in ₹)	Number of advances	Amount (in ₹)	Number of advances	Amount (in ₹)
2007-08	--	--	24	9649400	57	23410000	81	33059400
2008-09	6	2235451	14	4663641	37	14334627	57	21233719
2009-10	--	--	--	--	28	11390272	28	11390272
2010-11	--	--	--	--	38	15158808	38	15158808
Total	6	2235451	38	14313041	160	64293707	204	80842199

(Source: Data furnished by the Director, State Council of Educational Research and Training, Chennai)

3.4 Operation of the Personal Deposit Accounts

Personal Deposit (PD) Accounts are created for specific purposes by debit to service heads in the Consolidated Fund of the State and are required to be closed by the administrators of PD Accounts at the end of the financial year by minus debit to the relevant service heads. There were 1,297 PD accounts in operation in 31 District Treasuries and five Pay and Accounts Offices. Of these accounts 987 accounts were not closed as of March 2012 and the balance of ₹ 368.19 crore in these accounts was not transferred back to the respective service heads. Out of 987 accounts, 439 accounts with a balance of ₹ 18.08 crore were not operated at all during 2011-12. The PAOs/District Treasuries having large number of such accounts are Coimbatore (22 Accounts - ₹ 6.32 crore), PAO, East (13 Accounts - ₹ 3.65 crore), Tirunelveli (13 Accounts - ₹ 1.46 crore) and Villupuram (26 Accounts - ₹ 1.11 crore). There were negative balances as of March 2012 in respect of 34 PD accounts aggregating to ₹ 8.34 crore.

3.5 Misappropriations, losses, defalcations, etc.

Article 294 of the Tamil Nadu Financial Code stipulates that heads of offices should report all cases of defalcations or loss of public moneys, stores or other movable or immovable properties to the Accountant General. Further, the Financial Code prescribes the principles and procedures to be followed for enforcing responsibility for losses and disposal of such cases.

(i) The State Government departments reported 493 cases of misappropriation, shortages, theft and loss involving a total amount of ₹ 20.27 crore upto March 2012, on which final action was pending. The department-wise break-up of pending cases and the nature of these cases are given in **Appendix 3.3**. The age-profile of the pending cases and the number of cases pending in each category – misappropriation, defalcation, loss, theft etc., are summarised in **Table 3.5**.

Table 3.5: Profile of misappropriations, defalcations, thefts, losses, etc.

Age-Profile of the Pending Cases			Nature of the Pending Cases		
Range in years	Number of cases	Amount involved (₹ in lakh)	Nature of the cases	Number of cases	Amount involved (₹ in lakh)
0 - 5	42	870.70	Theft, loss, shortages etc.	219	288.57
5 - 10	51	429.14	Misappropriation / defalcation	274	1738.80
10 - 15	49	338.69	Total	493	2,027.37
15 - 20	99	118.40	Cases of losses, written off during the year	Nil	Nil
20 - 25	97	167.30			
25 and above	155	103.14			
Total	493	2,027.37	Total pending cases	493	2,027.37

(Source: Compiled from the information received from heads of departments)

The reasons for the outstanding cases could be classified under the categories listed in **Table 3.6**.

Table 3.6: Reasons for the outstanding cases of misappropriation, defalcation, theft, loss etc.

Reasons for the delays		Number of cases	Amount (₹ in lakh)
(i)	Awaiting departmental and criminal investigation	234	737.70
(ii)	Departmental action initiated but not finalised	154	816.02
(iii)	Criminal proceedings finalised but recovery of the amount still pending	21	174.06
(iv)	Awaiting orders for recovery or write off	54	78.64
(v)	Pending in courts of law	30	220.95
Total		493	2,027.37

(Source: Compiled from the information received from heads of departments)

(ii) Test check (August 2012) of records of the Commissioner of Labour by Audit revealed that one case of defalcation of ₹ 75.19 lakh committed by the Deputy Commissioner of Labour, Salem in August 2010 was not reported to the Accountant General. When specific reasons for not reporting the case were called for, the Commissioner of Labour, while stating that a criminal case was filed against the officer and is pending in the court, stated that due to administrative reasons the case could not be reported to Accountant General. The reply of the Commissioner of Labour was not acceptable as he failed to follow the codal provisions.

3.6 State Funds kept in Bank Accounts

The Government permitted the drawing and disbursing officers and agencies under their control to keep funds of certain schemes in bank accounts, so that the funds could be easily accessed. A review of such funds kept in bank accounts by the departmental officers/agencies in four districts viz. Coimbatore, Dharmapuri, Madurai and Thanjavur showed that State funds of ₹ 19.89 crore, were kept in bank accounts (as of March 2012) by those officers/agencies without incurring expenditure therefrom for periods ranging from six to 36 months, as detailed in **Appendix 3.4**. The fund balances included interest of ₹ 1.48 crore.

As Anaithu Grama Anna Marumalarchi Thittam has been discontinued from 2011-12, the balance available in the bank accounts of the scheme should have been remitted to the Government Account. But, funds of ₹ 10.13 crore relating to the scheme in three districts (Dharmapuri, Madurai and Thanjavur) were available with the officers/agencies without being remitted into the Government account.

Accumulation of funds in bank accounts, without expenditure being incurred therefrom shows that the departments/heads of departments do not have sufficient control over the funds kept in bank accounts by the drawing and disbursing officers/agencies.

3.7 Deficiencies noticed in the Pay and Accounts Offices and Treasury Offices

Audit of vouchers at the Pay and Accounts Office, South (PAO), Chennai for the period 2008-09 and 2010-11 revealed non-compliance to the provisions of the Tamil Nadu Treasury Code and Pay and Accounts Office Manual as discussed below:

(i) Non-checking of the arithmetical accuracy

Rules 16 and 26 of the Tamil Nadu Treasury code provide that the sub-vouchers attached to the contingent bills are passed for the correct amount as per the totals, after checking the arithmetical accuracy.

In March 2009, a bill for ₹ 81.91 lakh presented to the PAO (South), Chennai by the Director of School Education was passed for payment to the Tamil Nadu Text Book Corporation towards supply of text books. Audit of the paid vouchers revealed that a sum of ₹ 31.45 lakh was claimed in excess due to wrong exhibition of the total number of books supplied as 3,25,874 against the actual supply of 19,732 books. The PAO passed the bill for the total claim of ₹ 81.91 lakh without ensuring the arithmetical accuracy resulting in excess payment of ₹ 31.45 lakh. On this being pointed out by Audit (March 2010), the department admitted the excess payment, recovered the amount from the Corporation and remitted ₹ 31.45 lakh to Government account in December 2010.

The PAO stated (September 2012) that this lapse occurred due to rush of bills for payment at the end of the year i.e., March 2009.

(ii) Accumulation of uncashed cheques

Paragraph 92 (iii) of the Pay and Accounts Office Manual and Rule 49 of Tamil Nadu Treasury Code specify that in cases where cheques are not cashed within three months after the month of their issue, the payees should be advised by the PAO/Treasury of the fact of those cheques having become time-barred and should be requested to obtain fresh cheques surrendering the time-barred cheques. If no reply is received from the payee, within a month after the issue of intimation by the PAO/Treasury and the fact of non-payment of cheque is also certified by the bank, action should be taken to cancel the cheque.

It was noticed from the details of uncashed cheques furnished by three PAOs, that 49,568 cheques for ₹ 518.50 crore remained uncashed (July 2012) for periods upto 25 years. The age-wise profile of the number of cases and the value of cheques depicted as uncashed as per the books of PAOs are summarised in **Table 3.7**.

Table 3.7: Details of uncashed cheques

Delay in number of years	Number of cases	Value of cheques (₹ in crore)
0 – 5	17,496	477.23
5 – 10	17,125	26.80
10 – 15	7,954	5.42
15 – 20	5,150	5.97
20 – 25	1,843	3.08
Total	49,568	518.50

(Source: Information furnished by PAOs)

The PAO (South) stated (July and September 2012) that due to shortage of manpower and as large number of cheques (2,500 per month) were being returned by the banks, all the payees could not be addressed and that strictly following the manual provisions was very difficult in view of shortage of manpower. Replies from the PAO (East) and PAO (Madurai) were not received.

Information furnished by the PAOs on the pendency of huge number of such cheques for a long period reflects that the PAOs failed to exercise the required action and in the process some of the payees might have lost the payment due to them.

3.8 Large scale booking under Minor Head “800”

Booking of receipts or expenditure under the minor head – “800 Other Receipts” and “800 - Other Expenditure” is considered opaque classification of receipts and expenditure as these heads do not disclose the schemes, programmes, etc, to which the amounts relate. These minor heads normally accommodate the receipts/expenditure which cannot be classified under the available programme minor heads.

During 2011-12, expenditure aggregating ₹ 3,630.52 crore (74.15 *per cent* of the total expenditure of ₹ 4,896.47 crore), was classified under the minor head – 800 – Other Expenditure in 11 major heads in the Revenue and Capital Sections. The entire expenditure under “Flood Control and Drainage” and “Capital Outlay on Other Administrative Services” were classified under the omnibus minor head 800-Other Expenditure, instead of depicting the same under relevant minor heads below the functional major heads in the Finance Accounts as indicated in **Appendix 3.5**.

Similarly, Revenue Receipts aggregating ₹ 1,289.44 crore (83.32 *per cent* of the total receipt of ₹ 1,547.52 crore), were classified under minor head – 800 – Other Receipts under 10 major heads. The entire receipts under “Family Welfare”, “Urban Development” and “Ports and Light Houses” were classified under the omnibus minor head 800 – Other Receipts as indicated in **Appendix 3.6**.

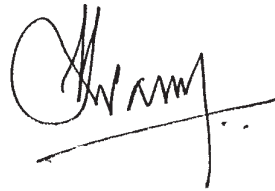
Classification of the large amount under the omnibus minor head ‘800 – Other Expenditure/Receipts’ reflected lack of transparency in financial reporting.

3.9 Conclusion

Some departmental officers failed to ensure adherence to the terms and conditions relating to timely submission of utilisation certificates and annual accounts by the grantee institutions. Temporary advances drawn upto 31 March 2012 by the Drawing and Disbursing Officers involving an amount of ₹ 369.47 crore in 5080 cases remained unadjusted. The State Government departments reported 493 cases of misappropriation, defalcation, etc., involving a total amount of ₹ 20.27 crore up to March 2012, on which final action was pending. In three Pay and Accounts Offices, 49568 cheques involving an amount of ₹ 518.50 crore remained uncashed for a period upto 25 years.

3.10 Recommendations

- The internal control mechanism of the Government departments needs to be strengthened to watch timely submission of the utilisation certificates by the organisations to whom grants were given.
- Timely submission of accounts by the autonomous bodies to Audit should be ensured.
- Action to clear the pendency in adjustment of temporary advances and recovery/write off of the outstanding cases of misappropriation, theft, loss, etc., needs to be initiated by the Government.
- Action to clear the large number of cheques issued by the Pay and Accounts Offices, but remained uncashed for a long period after expiry of validity period of the cheques needs to be expedited by the Government.



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Comptroller and Auditor General of India

New Delhi
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APPENDICES

Appendix 1.1 (Refer Page 1)

State Profile

A. General Data				
Sl. No.	Particulars			Figures
1	Area			1,30,058 sq.km.
2	Population			
	(a) As per 2001 Census.			6.24 crore
	(b) As per 2011 Census			7.21 crore
3	(a) Density of Population (as per 2001 Census) (All India Density = 325 persons per sq.km)			480 persons per sq.km.
	(b) Density of Population (as per 2011 Census) (All India Density = 382 persons per sq.km)			555 persons per sq.km.
4	Population below poverty line* (BPL) (All India Average = 27.5 per cent)			22.5 per cent
5	(a) Literacy (as per 2001 Census) (All India Average = 64.8 per cent)			73.45 per cent
	(b) Literacy (as per 2011 Census) (All India Average = 74.0 per cent)			80.33 per cent
6	Infant mortality** (per 1000 live births). (All India Average = 47 per 1000 live births)			24
7	Life Expectancy at birth*** (All India Average =63.5 years)			66.2 years
8	Gini Coefficient****			
	(a) Rural (All India = 0.30)			0.32
	(b) Urban (All India = 0.37)			0.36
9	Gross State Domestic Product (GSDP) 2011-2012 at current prices			₹ 6,39,025 crore
	Per capita GSDP CAGR (2002-03 to 2011-12)	Tamil Nadu		12.27 per cent
		General Category States*****		13.09 per cent
10	GSDP CAGR (2002-03 to 2011-12)	Tamil Nadu		15.55 per cent
		General Category States*****		14.46 per cent
11	Population Growth (2001 to 2011)	Tamil Nadu		15.54 per cent
		General Category States*****		13.90 per cent
B. Financial Data				
	Particulars			
CAGR		2002-03 to 2010-11		2002-03 to 2011-12
		General Category States*****	Tamil Nadu	Tamil Nadu
		(In per cent)		
a.	of Revenue Receipts.	16.86	14.45	15.12
b.	of Tax Revenue.	16.74	14.31	15.29
c.	of Non Tax Revenue.	12.84	10.72	11.81
d.	of Total Expenditure.	14.58	13.51	14.20
e.	of Capital Expenditure.	21.25	25.35	25.94
f.	of Revenue Expenditure on Education.	15.41	13.99	13.92
g.	of Revenue Expenditure on Health.	14.00	14.68	13.52
h.	of Salary and Wages	13.43	11.36	11.50
i.	of Pension.	16.89	14.15	13.45

* Source of General data: BPL (Planning Commission and NSSO data, 61st Round),

** Infant mortality rate (SRS Bulletin December 2011), Financial data is based on Finance Accounts of State Government,

*** Life Expectancy at birth (Office of the Registrar General of India; Ministry of Home Affairs) Economic Review 2010-11,

**** Gini-coefficient (Unofficial estimates of Planning Commission and NSSO data, 61st Round 2004-05 MRP).

***** Excluding three states i.e., Delhi, Goa and Puducherry

Gini-coefficient is a measure of inequality of income among the population. Value rate is from zero to one, closer to zero inequality is less; closer to one inequality is higher.

CAGR = Compound Annual Growth Rate

Appendix 1.2
(Reference: Paragraph 1.1; Page 2)

Part A: Structure and Form of Government Accounts		
Structure of Government Accounts: The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.		
Part I: Consolidated Fund: All Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances forms the Consolidated Fund of the State.		
Part II: Contingency Fund: Legislature may by law establish a Contingency Fund which is in the nature of an imprest. The Fund is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorization of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the concerned functional major head in the Consolidated Fund of the State.		
Part III: Public Account: All other public moneys received by or on behalf of the Government are credited to the Public Account. The expenditure out of this account is not subject to the vote of the Legislature. In respect of the receipts into this account, the Government acts as a banker or trustee. Transactions relating to Debt (other than Public Debt in Part I), Deposits, Advances, Reserve Funds, Remittances and Suspense form the Public Account.		
Part B: Layout of Finance Accounts		
Statement	Title	Layout
	Volume I	
Statement No.1	Statement of Financial Position	Cumulative figures of assets and liabilities of the Government, as they stand at the end of the year, are depicted in the statement. The assets are valued at historical cost. The assets comprise Financial Assets and Physical Assets. The latter are shown against “(i) Capital Expenditure and (ii) Other Capital Expenditure” in this Statement.
Statement No.2	Statement of Receipts and Disbursements	This is a summarised statement showing all receipts and disbursements of the Government during the year in all the three parts in which Government account is kept, namely, the consolidated fund, contingency fund and public account. Further within the consolidated fund, receipts and expenditure on revenue and capital account are depicted distinctly.
Statement No.3	Statement of Receipts (Consolidated Fund)	This statement comprises revenue and capital receipts and receipts from borrowings of the Government consisting of loans from the Government of India, other institutions, market loans raised by the Government and recoveries on account of loans and advances made by the Government.
Statement No.4	Statement of Expenditure (Consolidated Fund)	This statement not only gives expenditure by function (activity) but also summarises expenditure by nature of activity (objects of expenditure).
	Volume II	
Statement No. 5	Statement of Progressive Capital expenditure	This statement details progressive capital expenditure by functions, the aggregate of which is depicted in statement 1.
Statement No.6	Statement of Borrowings and other Liabilities	Borrowings of the Government comprise market loans raised by it (internal debt) and Loans and Advances received from the Government of India. Both these together form the public debt of the State Government. In addition, this summary statement depicts ‘other liabilities’ which are the balances under various sectors in the Public Account. In respect of the latter, the Government as a trustee or custodian of the funds, hence these constitute liabilities of the Government. The statement also contains an Explanatory Note, i.e a note on the quantum of net interest charges met from Revenue Receipts.

Statement	Title	Layout
Statement No.7	Statement of Loans and Advances given by the Government	The loans and advances given by the State Government are depicted in statement 1 and recoveries, disbursements feature in statements 2, 3 and 4. Here, loans and advances are summarised sector and loanee group wise. This is followed by a note on the recoveries in arrear in respect of loans, details of which are maintained by the State departments.
Statement No.8	Statement of Grants-in-aid given by the Government	Presented grantee institutions group wise. It includes a note on grants given in kind also.
Statement No.9	Statement of Guarantees given by the Government	Guarantees given by the State Government for repayment of loans, etc., raised by Statutory Corporations, Government Companies, Local Bodies and other institutions during the year and sums guaranteed outstanding as at the end of the year are presented in this statement.
Statement No.10	Statement of Voted and Charged Expenditure	This statement presents details of voted and charged expenditure of the Government.
Statement No.11	Detailed Statement of Revenue and Capital Receipts by minor heads	This statement presents the revenue and capital receipts of the Government in detail.
Statement No.12	Detailed Statement of Revenue Expenditure by minor heads	This statement presents the details of revenue expenditure of the Government in detail. Non-Plan and Plan figures are depicted separately and a comparison with the figures for the previous year are available.
Statement No.13	Detailed Statement of Capital Expenditure	This statement presents the details of capital expenditure of the Government in detail. Non-Plan and Plan figures are depicted separately and a comparison with the figures for the previous year are available. Cumulative capital expenditure upto the end of the year is also depicted.
Statement No.14	Detailed Statement of Investments of the Government	The position of Government Investment in the share capital of different concerns is depicted in this statement for the current and previous year. Details include type of shares held, face value, dividend received etc.
Statement No.15	Detailed Statement on Borrowings and other Liabilities	Details of borrowings (market loans raised by the Government and Loans etc from GOI) by minor heads, the maturity and repayment profile of all loans is provided in this statement. This is the detailed statement corresponding to statement 6.
Statement No.16	Detailed Statement on Loans and Advances made by Government	The details of loans and advances given by the Government, the changes in loan balances, loans written off, interest received on loans etc., is presented in this statement. It also presents plan loans separately. This is the detailed statement corresponding to statement 7.
Statement No.17	Detailed Statement on Sources and Application of funds for expenditure other than on Revenue Account	The capital and other expenditure (other than on revenue account) and the sources of fund for the expenditure are depicted in this statement.
Statement No.18	Detailed Statement on Contingency Fund and Public Account transactions	The statement shows changes in Contingency Fund during the year, the appropriations to the Fund, expenditure, amount recouped etc. It also depicts the transactions in Public Account in detail.
Statement No.19	Detailed Statement on Investments of Earmarked Funds	This statement shows the details of investment out of Reserve Funds in Public Account.

Appendix 1.3 (Reference: Paragraph 1.1; Page 2)

Part A: Methodology adopted for assessment of fiscal position

The norms/Ceilings prescribed by the TFC for selected fiscal variable along with its projections for a set of fiscal aggregates and the commitments/projections made by the Governments in Tamil Nadu Fiscal Responsibility Act, 2003 and in other Statements required to be laid in the legislature under the Act (**Part B of this Appendix**) are used to make qualitative assessment of the trends and patterns of major fiscal aggregates. Assuming that GSDP is the good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the GSDP at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilization of resources, pattern of expenditure etc, are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP. The trends in GSDP for the last five years are indicated below:

Trends in Gross State Domestic Product (GSDP)

	2007-08	2008-09	2009-2010	2010-11	2011-12
Gross State Domestic Product (₹ in crore)	3,50,819	4,01,336	4,79,720	5,66,422	6,39,025
Growth rate of GSDP (per cent)	12.98	14.40	19.53	18.07	12.82
<i>Source: Directorate of Economics and Statistics</i>					

The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given below:

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) With respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$
Development Expenditure	Social Services expenditure + Economic Services expenditure
Average interest paid by the State	$\text{Interest payment} / [(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities}) / 2] * 100$
Interest spread	GSDP growth – Average Interest Rate
Quantum spread	Debt stock * Interest spread
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} [(\text{Opening balance} + \text{Closing balance of Loans and Advances}) / 2] * 100$
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts minus all Plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction or Avoidance of debt

Part B: The Tamil Nadu Fiscal Responsibility Act, 2003

The State Government enacted the Tamil Nadu Fiscal Responsibility Act, 2003 which was amended first to bring it in line with the requirements prescribed by the Twelfth Finance Commission and then by the Thirteenth Finance Commission to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, sustainable debt management consistent with fiscal stability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term fiscal framework. The Act prescribed the following fiscal management targets:

- (a) Reduce the ratio of revenue deficit to revenue receipt every year by three *per cent* to five *per cent* depending on the economic situation in that year beginning from financial year 2002-03 to a level not exceeding five *per cent* by 31st march 2011, eliminate revenue deficit by 2011-12 and adhere to it thereafter.
- (b) Reduce the ratio of fiscal deficit to Gross State Domestic Product every year by 0.25 *per cent* to 0.30 *per cent* beginning from financial year 2002-03 with medium term goal of not being more than three *per cent* of fiscal deficit to Gross State Domestic Product to be attained by 31 March 2012 and adhere to it thereafter.
- (bb) Maintain the ratio of total outstanding debt to GSDP with medium term goal of not being more than 24.5 *per cent* during 2011-12; 24.8 *per cent* during 2012-13; 25.0 *per cent* during 2013-14; 25.2 *per cent* during 2014-15 and thereafter maintain such *per cent* as may be prescribed.
- (c) Cap outstanding guarantees within cent *per cent* of revenue receipts of previous year or 10 *per cent* of GSDP, whichever is lower.

Appendix 1.4

(Reference: Paragraphs 1.1, 1.3, 1.5.2 and 1.7.2; Pages 2, 7, 17 and 22)

Time series data on the State Government finances

(₹ in crore)

	2007-2008	2008-2009	2009-2010	2010-11	2011-12
Part A. Receipts					
1. Revenue Receipts	47,520 (39)	55,042 (37)	55,844 (35)	70,188 (37)	85,202 (37)
(i) Tax Revenue	29,619 (62)	33,684 (61)	36,547 (65)	47,782 (68)	59,517 (70)
Taxes on Agricultural Income	..	..	..	1	..
Taxes on Sales, Trade, etc	18,156 (61)	20,675 (61)	22,662 (62)	28,614 (60)	36,289 (61)
State Excise	4,764 (16)	5,756 (17)	6,741 (18)	8,116 (17)	9,975 (17)
Taxes on Vehicles	1,483 (5)	1,710 (5)	2,025 (6)	2,660 (6)	3,101 (5)
Stamps and Registration fees	3,805 (13)	3,794 (11)	3,662 (10)	4,651 (10)	6,581 (11)
Land Revenue	78 (..)	208 (1)	117 (-)	113 (..)	87(..)
Taxes on Goods and Passengers	1097 (4)	979 (3)	1,092 (3)	1,626 (3)	2,123 (4)
Other Taxes	236 (1)	562 (2)	248 (1)	2,001 (4)	1,361 (2)
(ii) Non Tax Revenue	3,304 (7)	5,712 (10)	5,027 (9)	4,652 (7)	5,684 (7)
(iii) State's share of Union taxes and duties	8,065 (17)	8,511 (16)	8,756 (16)	10,914 (15)	12,715 (15)
(iv) Grants in aid from Government of India	6,532 (14)	7,135 (13)	5,514 (10)	6,840 (10)	7,286 (8)
2. Miscellaneous Capital Receipts		..	..	..	..
3. Recoveries of Loans and Advances	1013 (1)	1934 (1)	2,587 (2)	770 (-)	3,180 (2)
4. Total Revenue and Non debt capital receipts (1+2+3)	48,533	56,976	58,431	70,958	88,382
5. Public Debt Receipts	7,647 (6)	11,841 (8)	15,557 (9)	14,492 (8)	16,780 (7)
Internal Debt (excluding Ways and Means Advances and Overdrafts)	6,868	10,798	14,527	13,045	15,600
Net transactions under Ways and Means Advances and Overdrafts	..	..	..	..	..
Loans and Advances from Government of India	779	1,043	1,030	1,447	1,180
6. Total Receipts in the Consolidated Fund (4+5)	56,180	68,817	73,988	85,450	1,05,162
7. Contingency Fund Receipts	..	..	1	..	30
8. Public Account Receipts	65,917 (54)	81,409 (54)	87,275 (54)	1,06,700 (55)	1,24,713 (54)
9. Total Receipts of the State (6+7+8)	1,22,097	1,50,226	1,61,264	1,92,150	2,29,905
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	42,975 (36)	53,590 (37)	59,375 (38)	72,916 (37)	83,838 (36)
Plan	8,297 (19)	10,538 (20)	12,773 (22)	14,267 (20)	17,576 (21)
Non Plan	34,678 (81)	43,052 (80)	46,602 (78)	58,649 (80)	66,262 (79)
General Services (including interest payments)	16,129	18,578	20,297	25,924	28,941
Social Services	15,726	21,371	22,957	28,909	33,262
Economic Services	7,771	9,661	12,122	12,222	14,142
Grants-in-aid and contributions	3,349	3,980	3,999	5,861	7,493
11. Capital Expenditure	7,462 (6)	9,104 (6)	8,573 (5)	12,436 (6)	16,336 (7)
Plan	7,259 (97)	9,071 (100)	8,425 (98)	12,219 (98)	16,216 (99)
Non Plan	203 (3)	33	148 (2)	217 (2)	120 (1)
General Services	277	230	530	742	274
Social Services	1,239	1,434	2,151	4,123	4,823
Economic Services	5,946	7,440	5,892	7,571	11,239
12. Disbursement of Loans and Advances	1,782 (1)	2,830 (2)	2,290 (1)	2,252 (1)	5,483 (2)
13. Total (10+11+12)	52,219	65,524	70,238	87,604	1,05,657
14. Repayments of Public Debt	3,546 (3)	2,216 (1)	2,512 (2)	3,297 (2)	3,830 (2)
Internal Debt (excluding Ways and Means Advances and Overdrafts)	3,235	1,897	2,180	2,886	3,245
Net transactions under Ways and Means Advances and Overdraft	..	..	..	..	..
Loans and Advances from Government of India	310	319	332	411	585

(₹ in crore)

	2007-2008	2008-2009	2009-2010	2010-11	2011-12
15. Appropriation to Contingency Fund	..	..	..	..	..
16. Total disbursement out of Consolidated Fund (13+14+15)	55,765	67,740	72,750	90,901	1,09,487
17. Contingency Fund disbursements	..	1	..	30	..
18. Public Account disbursements	64,661 (54)	78,429 (54)	85,256 (54)	1,04,959 (54)	1,20,953 (53)
19. Total disbursement by the State (16+17+18)	1,20,426	1,46,170	1,58,006	1,95,890	2,30,440
Part C. Deficits/Surplus					
20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)	4545	1452	(-) 3,531	(-) 2,728	(+) 1,364
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	(-) 3686	(-) 8,548	(-) 11,807	(-) 16,646	(-) 17,275
22. Primary Deficit (21+23)	2,400	(-) 2,585	(-) 5,140	(-) 8,706	(-) 8,404
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	6,086	5,963	6,667	7,940	8,871
24. Financial Assistance to local bodies etc.,	8,401	10,237	10,817	13,915	15,926
25. Ways and Means Advances/Overdraft availed (days)					..
Ways and Means Advances availed (days)	..	..	..	..	..
Overdraft availed (days)	..	..	..	..	..
26. Interest on Ways and Means Advances/Overdraft		..	..	..	..
27 Gross State Domestic Product (GSDP) [®]	3,50,819	4,01,336	4,79,720	5,66,422	6,39,025
28 Outstanding Fiscal liabilities (year end)	71,072	83,662	99,180	1,11,657	1,27,128
29. Outstanding guarantees (year end) (including interest)	5,410	4,633	6,297	15,955	9,751
30. Maximum amount guaranteed (year end)	20,090	11,062	12,830	16,884	10,431
31. Number of incomplete projects (in numbers)	49	56	59	62	35
32. Capital blocked in incomplete projects	1,223	309	723	1,209	2917
Part E: Fiscal Health Indicators	Ratio's				
I Resource Mobilization					
33. Own Tax revenue/GSDP	8.4	8.4	7.6	8.44	9.32
34. Own Non-Tax Revenue/GSDP	0.9	1.4	1.1	0.82	0.89
35. Central Transfers/GSDP	4.2	3.9	3.0	3.13	3.13
II Expenditure Management					
36. Total Expenditure/GSDP	14.9	16.3	14.6	15.47	16.53
37. Total Expenditure/Revenue Receipts	109.9	119.0	125.8	124.81	124.01
38. Revenue Expenditure/Total Expenditure	82.3	81.8	84.5	83.23	79.35
39. Expenditure on Social Services/Total Expenditure	30.1	32.6	32.7	33.00	31.48
40. Expenditure on Economic Services/Total Expenditure	14.9	14.7	17.3	13.95	13.38
41. Capital Expenditure/Total Expenditure	14.3	13.9	12.2	14.20	15.46
42. Capital Expenditure on Social and Economic Services/Total Expenditure.	13.8	13.5	11.5	13.34	15.20
III Management of Fiscal Imbalances					
43. Revenue surplus (deficit)/GSDP	1.3	0.4	(-) 0.7	(-) 0.48	(+) 0.21
44. Fiscal deficit/GSDP	(-) 1.1	(-) 2.1	(-) 2.5	(-) 2.94	(-) 2.70
45. Primary Deficit (surplus) /GSDP	0.7	(-) 0.6	(-) 1.1	(-) 1.54	(-) 1.31
46. Revenue Deficit (surplus)/Fiscal Deficit	(-) 123.3	(-) 17.0	29.9	16.39	(-) 7.90
47. Primary Revenue Balance/GSDP	3.0	1.9	0.7	0.95	1.6
IV Management of Fiscal Liabilities					
48. Fiscal Liabilities/GSDP	20.3	20.8	20.8	19.71	19.89
49. Fiscal Liabilities/RR	149.6	152.0	177.6	159.08	149.21
50. Primary deficit vis-à-vis quantum spread	80.2	(-) 26.4	(-) 133.9	(-) 109.18	(-) 139.63
51. Debt Redemption (Principal +Interest)/ Total Debt Receipts	46.4	18.7	16.1	22.75	22.82
V Other Fiscal Health Indicators					
52. Return on Investment	0.4	0.5	0.4	0.22	0.21
53. Balance from Current Revenue (₹ in crore)	10,223	7,931	5,710	7,709	14,458
54. Financial Assets/Liabilities	0.76	0.81	0.80	0.80	0.84

Figures in bracket represent percentages (rounded) to total of each sub-heading
 @ GSDP figures communicated by the Government adopted.

Appendix 1.5

(Reference: Paragraphs 1.1.1, 1.7.1 and 1.7.5; Page 2, 21 and 24)

Part A: Abstract of Receipts and Disbursements for the year 2011-12

(₹ in crore)

2010-11		Receipts		2011-12	2010-11		Disbursements	Non-Plan	Plan	Total	2011-12
		Section-A: Revenue									
70,187.62	I	Revenue receipts		85,202.14	72,916.31	I	Revenue expenditure-				83,838.04
47,782.18		-Tax revenue	59,517.31		25,923.43		General services	28,888.76	52.43	28,941.19	
					28,909.15		Social Services-	19,533.77	13,727.98	33,261.75	
4,651.45		-Non-tax revenue	5,683.57		13,465.77		-Education, Sports, Art and Culture	13,688.66	1,577.18	15,265.84	
					4,075.68		-Health and Family Welfare	2,862.99	1,356.59	4,219.58	
10,913.97		-State's share of Union Taxes	12,714.95		1,802.71		-Water Supply, Sanitation, Housing and Urban Development	137.46	1,576.05	1,713.51	
					1,054.03		-Information and Broadcasting	52.62	(-) 175.03	(-)122.41	
2,812.55		-Non-Plan grants	2,585.39		1,425.44		-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	658.61	1,221.86	1,880.47	
2,141.95		-Grants for State Plan Schemes	2,561.90		287.41		-Labour and labour Welfare	190.97	50.66	241.63	
					6,736.39		-Social Welfare and Nutrition	1,818.46	8,097.81	9,916.27	
1,885.52		-Grants for Central and Centrally sponsored Plan Schemes	2,139.02		61.72		-Others	124.00	22.86	146.86	
					12,222.36		Economic Services-	10,970.00	3,172.09	14,142.09	
					3,022.49		-Agriculture and Allied Activities	1,781.39	1,751.03	3,532.42	
					806.83		-Rural Development	354.60	814.24	1,168.84	
					9.08		-Special Areas Programmes	1.02	6.19	7.21	
					832.10		-Irrigation and Flood control	781.65	44.29	825.94	
					1,268.22		-Energy	1,774.46	2.04	1,776.50	
					1,392.80		-Industry and Minerals	258.39	341.01	599.40	
					621.65		-Transport	934.45	17.61	952.06	
					21.01		-Science, Technology and Environment	0.82	18.68	19.50	
					4,248.18		-General Economic Services	5,083.22	177.00	5,260.22	
					5,861.37		Grants-in-aid and Contributions-	6,869.27	623.74	7,493.01	
		Total of I		85,202.14	72,916.31		Total of I	66,261.80	17,576.24	83838.04	
2,728.69	II	Revenue deficit carried over to Section B			..	II	Revenue Surplus carried over to Section B				1,364.10
72,916.31		Total		85,202.14	72,916.31		Total				85202.14
		Section-B : Others									
19,486.45	III	Opening Cash balance including Permanent Advances and Cash Balance Investment		15,746.45	..	III	Opening Overdraft from Reserve Bank of India				..
..	IV	Miscellaneous Capital receipts		..	12,436.27	IV	Capital Outlay-				16,335.65
					741.66		General Services-	124.06	150.01	274.07	
					4,123.17		Social Services-	2.31	4,820.34	4,822.65	
					358.47		-Education, Sports, Art and Culture	..	374.43	374.43	
					325.62		-Health and Family Welfare	..	200.42	200.42	
					3,140.36		-Water Supply, Sanitation, Housing and Urban Development	..	4,121.70	4,121.70	
					3.00		-Information and Broadcasting	2.13	0.43	2.56	

		Receipts					Disbursements				
					76.80		-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	..	107.73	107.73	
					199.85		-Social Welfare and Nutrition	..	5.34	5.34	
					19.07		-Others	0.18	10.29	10.47	
					7,571.44		Economic Services-	(-) 6.17	11,245.10	11,238.93	
					459.38		-Agriculture and Allied Activities	(-) 6.36	734.03	727.67	
					1,615.52		-Rural Development	..	1094.09	1094.09	
					36.69		-Special Areas Programmes	..	40.72	40.72	
					859.54		-Irrigation and Flood Control	..	1,606.10	1,606.10	
					1,335.13		-Energy	..	4,100.00	4,100.00	
					75.91		-Industry and Minerals	(-) 0.06	0.64	0.58	
					3,177.76		-Transport	0.24	3597.83	3,598.07	
							Science Technology and Environment	..	50.00	50.00	
					11.51		-General Economic Services	0.01..	21.69	21.70	
					12,436.27		Total of IV	120.20	16215.45		16,335.65
770.25	V	Recoveries of Loans and Advances-		3,180.63	2,251.91	V	Loans and Advances disbursed-				5,483.15
43.28		-From Power Projects	1,536.60		..		-For Power Projects			2,955.16	
96.02		-From Government Servants	108.15		159.25		-To Government Servants			206.60	
630.95		-From Others	1,535.88		2,092.66		-To Others			2321.39	
	VI	Revenue Surplus		1,364.10	2,728.69	VI	Revenue Deficit brought down				..
14,492.48	VII	Public debt receipts-		16,779.97	3,297.19	VII	Repayment of Public debt-				3,829.91
..		-External debt		..			-External debt			..	
13,045.47		-Internal debt other than Ways and Means Advances and overdrafts	15,600.23		2,886.50		-Internal debt other than Ways and Means Advances and Overdrafts			3,245.01	
..		- Net transactions under Ways and Means Advances			..		- Net transactions under Ways and Means Advances			..	
..		- Net transactions under overdraft			410.69		-Repayment of Loans and Advances to Central Government			584.90	
1,447.01		-Loans and Advances from Central Government	1179.74								
..	VIII	Appropriation to Contingency Fund			..	VIII	Appropriation to Contingency Fund				
..	IX	Amount transferred to Contingency Fund		29.56	29.56	IX	Expenditure from Contingency Fund				
1,06,699.60	X	Public Account receipts-		1,24,712.90	1,04,958.71	X	Public Account disbursements-				1,20,953.27
5,049.86		-Small Savings and Provident Funds	5,555.32		3,778.20		-Small Savings and Provident Funds			4,442.47	
1,461.55		-Reserve Funds	2,247.74		2,567.54		-Reserve Funds			1,961.30	
73,897.92		-Suspense and Miscellaneous	87,463.89		73,879.78		-Suspense and Miscellaneous			86,966.21	
4,095.86		-Remittance	4,124.23		3,965.01		-Remittances			3,988.58	
22,194.41		-Deposits and Advances	25,321.72		20,768.18		-Deposits and Advances			23,594.71	
..	XI	Closing Overdraft from Reserve Bank of India			15,746.45	XI	Cash Balance at end-				15,211.63
					16.80		-Cash in Treasuries and Local Remittances			16.80	
					(-) 537.98		-Deposits with Reserve Bank			151.73	
					9.07		-Departmental Cash Balance including permanent Advances			9.45	
					16,258.56		Cash Balance Investment and Investment from earmarked funds			15,033.65	
2,14,365.09		Total		2,47,015.75	2,14,365.09		Total				2,47,015.75

Appendix 1.5 (concl.d.)
Part B: Summarised financial position of the Government of Tamil Nadu
as on 31 March 2012

(₹ in crore)

As on 31.03.2011	Liabilities	As on 31.03.2012
81,656.52	Internal Debt -	94,011.75
49,722.12	Market Loans bearing interest	62,829.32
1.37	Market Loans not bearing interest	3.17
977.89	Loans from Life Insurance Corporation of India	903.11
30,955.14	Loans from other Institutions	30,276.15
..	Ways and Means Advances	..
..	Overdrafts from Reserve Bank of India	..
9,392.99	Loans and Advances from Central Government -	9,987.83
5.62	Pre 1984-85 Loans	5.62
92.27	Non-Plan Loans	86.49
9,187.71	Loans for State Plan Schemes	9,895.41
20.96	Loans for Central Plan Schemes	0.31
86.43	Loans for Centrally Sponsored Plan Schemes	..
120.44	Contingency Fund	150.00
10,299.95	Small Savings, Provident Funds, etc.	11,412.80
9,465.47	Deposits	11,192.12
3,604.77	Reserve Funds	3,891.21
595.85	Remittance Balances	731.50
1,15,135.99	Total	1,31,377.21
Assets		
69,909.38	Gross Capital Outlay on Fixed Assets -	86,247.95
10,222.64	Investments in shares of Companies, Corporations, etc.	14,455.65
59,686.74	Other Capital Outlay	71,792.30
8,998.95	Loans and Advances -	11,301.48
145.28	Loans for Power Projects	1,563.84
8,387.20	Other Development Loans	9,172.63
466.47	Loans to Government servants and Miscellaneous loans	565.01
2,762.29	Reserve Fund Investments	3,367.81
8.53	Advances	8.17
(-) 2,480.06	Suspense and Miscellaneous Balances	(-)2,952.71
12,984.16	Cash -	11,843.82
16.80	Cash in Treasuries and Local Remittances	16.80
(-) 537.98	Deposits with Reserve Bank	151.73
9.07	Departmental Cash Balance including Permanent Advances	9.45
13,496.27	Cash Balance Investments	11,665.84
22,952.74	Deficit on Government Account -	21,560.69
(-) 2,728.69	(i) Revenue Deficit/Surplus of the current year	(+) 1,364.10
24.67	(ii) Miscellaneous Deficit	25.04
20,199.38 [@]	Accumulated deficit at the beginning of the year	22,899.75 [@]
1,15,135.99	Total	1,31,377.21

@ Differs from the figures shown in the previous years' account due to proforma corrections.

Explanatory Notes for Appendices 1.4 and 1.5:

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis, the deficit on Government account, as shown in Appendix 1.5, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts.

Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlements, etc.

There was a difference of ₹ 48.10 crore (Net Debit) comprising of ₹ 90.13 crore (Debit) and ₹ 42.03 crore (Credit) between the figures reflected in the Accounts - ₹ 151.73 crore (Net Debit) and that intimated by the Reserve Bank of India: ₹ 103.63 crore (Net Credit). Difference to the extent of ₹ 56.34 crore (Net Debit) comprising of ₹ 73.22 crore (Debit) and ₹ 16.88 crore (Credit) stands cleared at the end of June 2012 leaving a balance ₹ 8.24 crore (Net Credit). (Debit balance of ₹ 16.91 crore and a Credit balance of ₹ 25.15 crore).

Appendix 2.1
(Reference: Paragraph 2.3.1; Page 35)

**Statement showing cases where savings exceeded ₹ 10 crore in each case and also
by 20 per cent or more of the total provision**

Sl. No.	Grant Number	Name of Grant	Provi- sion	Actual expen- diture	Saving	Percentage of Savings over Provision
			(₹ in crore)			
		Voted Grants				
		(A) Revenue				
1	05	Agriculture	2343.98	1831.52	512.46	21.86
2	07	Fisheries	345.83	255.44	90.39	26.14
3	26	Housing and Urban Development	535.83	221.72	314.11	58.62
4	27	Industries	1180.02	43.13	1136.89	96.34
5	53	Special Programme Implementation	1252.94	832.48	420.46	33.56
		(B) Capital				
6	05	Agriculture	273.92	218.47	55.45	20.24
7	07	Fisheries	67.32	49.72	17.60	26.14
8	09	Backward Classes, Most Backward Classes and Minorities Welfare	37.52	24.73	12.79	34.09
9	15	Environment	100.00	50.00	50.00	50.00
10	17	Handlooms and Textiles	50.00	0.00	50.00	100.00
11	19	Health and Family Welfare	94.36	30.84	63.52	67.32
12	22	Police (Home, Prohibition and Excise)	199.51	116.92	82.59	41.40
13	26	Housing and Urban Development	954.21	401.74	552.47	57.90
14	27	Industries	14.92	3.88	11.04	73.99
15	34	Municipal Administration and Water Supply	3,351.86	2,338.58	1,013.28	30.23
16	39	Buildings (Public Works)	785.21	388.33	396.88	50.54
17	43	School Education	413.65	268.34	145.31	35.13
18	53	Special Programme Implementation	912.00	29.00	883.00	96.82
		(C) Loans				
19	22	Police (Home, Prohibition and Excise)	20.00	0.00	20.00	100.00
20	27	Industries	492.32	67.44	424.88	86.30
21	34	Municipal Administration and Water Supply	423.02	231.85	191.17	45.19
22	38	Public	30.08	0.00	30.08	100.00

Appendix 2.2
(Reference: Paragraph 2.3.4; Page 38)

Excess over provisions relating to previous years requiring regularisation

Year	Number of grants/ appropriations	Grant/ appropriation numbers	Amount of excess (₹ in crore)	Stage of consideration by Public Accounts Committee (PAC)
1998-99	16 Grants 2 Appropriations	3,5,6,17,20,27,30,33,35,38,39,40,48,50, 52 and 57 45 and Debt Charges	232.85	Explanatory notes are awaited. Not yet discussed by PAC
1999- 2000	9 Grants 1 Appropriation	2,17,26,33,35,38,41,45, and 46 29	362.99	Explanatory notes are awaited. Not yet discussed by PAC
2000-01	6 Grants 7 Appropriations	6, 21, 29, 35, 47 and 61 Debt Charges, 29, 35, 41, 42, 54 and Public Debt-Repayment	2,239.47	Explanatory notes are awaited. Not yet discussed by PAC
2001-02	3 Grants 4 Appropriations	32, 35 and 41 16, 42, 54 and Public Debt- Repayment	379.38	Explanatory notes are awaited. Not yet discussed by PAC
2002-03	12 Grants 4 Appropriations	Revenue – 1, 14, 16, 20, 35, 38, 48 and 49 Capital – 6 and 26 Loans – 5, 20 and 40 Revenue – 1 and 21 Capital – 20 Loans – Public Debt – Repayment	2,436.71	Explanatory notes are awaited. Not yet discussed by PAC
2003-04	7 Grants 5 Appropriations	Revenue – 33, 40 Capital – 5, 27, 28, 43, 47 Revenue – 1, 14, 38, 48, Debt Charges	154.61	Explanatory notes are awaited. Not yet discussed by PAC
2004-05	7 Grants 5 Appropriations	Revenue – 14, 33 and 36 Capital – 19 and 22 Loans – 20 and 21 Revenue – 1,14,37,40 and 48	2.82	Explanatory notes are awaited. Not yet discussed by PAC
2005-06	6 Grants 4 Appropriations	Revenue – 8 and 38 Capital – 3 and 46 Loans – 12 and 21 Revenue – 22,23,37 and 48	9.00	Explanatory notes are awaited. Not yet discussed by PAC
2006-07	6 Grants 2 Appropriations	Revenue –40 Capital – 5, 28, 44 and 47 Loans – 49 Revenue – 2 and 38	95.61	Explanatory notes are awaited. Not yet discussed by PAC
2007-08	6 Grants	Revenue –18, 40, 42, 51 Capital – 35 and 48	113.04	Explanatory notes are awaited. Not yet discussed by PAC
2008-09	4 Grants 2 Appropriations	Revenue –40 Capital –48 Loans – 12 and 26 Revenue –3 ; Capital –21	153.65	Explanatory notes are awaited. Not yet discussed by PAC
2009-10	8 Grants 2 Appropriations	Revenue –26,40 and 43 Capital – 14,44 and 47 Loans – 16 and 43 Revenue –2 and 50	54.60	Explanatory notes are awaited. Not yet discussed by PAC
2010-11	7 Grants 2 Appropriations	Revenue – 08,11,33 and 37 Capital – 32 and 48 Loans – 16 Revenue – 38 and 40	12.78	Explanatory notes are awaited. Not yet discussed by PAC
		Total	6,247.51	

Appendix 2.3
(Reference: Paragraph 2.3.6; Page 39)

**Cases where supplementary provision (₹ 50 lakh or more in each case)
proved unnecessary**

(₹ in thousands)					
Sl. No.	Grant Number	Original Provision	Actual expenditure	Savings out of Original provision	Supplementary provision
	(A) Revenue (Voted)				
1.	01	36,52,27	34,07,95	2,44,32	1,33,77
2.	02	27,67,99	23,75,25	3,92,74	2,98,76
3.	03	5,40,68,03	5,23,23,26	17,44,77	23,52,77
4.	05	22,63,50,42	18,31,52,42	4,31,98,00	80,47,88
5.	06	6,76,49,26	6,71,62,50	4,86,76	68,41,11
6.	07	3,32,36,20	2,55,43,93	76,92,27	13,47,12
7.	10	2,27,71,02	2,23,90,72	3,80,30	36,04,26
8.	16	5,39,55,31	5,00,91,80	38,63,51	8,85,52
9.	23	1,70,08,63	1,59,54,73	10,53,90	1,13,62
10.	26	4,95,83,45	2,21,72,05	2,74,11,40	40,00,07
11.	32	5,15,35,11	4,69,31,75	46,03,36	1,17,30
12.	35	55,09,37	54,11,18	98,19	2,90,58
13.	36	62,16,55	57,70,01	4,46,54	3,77,32
14.	42	72,00,30,39	65,66,03,13	6,34,27,26	87,85,21
15.	43	1,29,19,90,93	1,26,50,64,34	2,69,26,59	3,76,73,26
16.	46	28,63,56	27,09,98	1,53,58	2,26,26
17.	49	68,92,79	60,35,46	8,57,33	1,03,71
18.	54	2,92,59,29	2,74,31,49	18,27,80	27,03,07
Total - Revenue (Voted)		2,64,53,40,57	2,46,05,31,95	7,79,01,59	18,48,08,62
	(B) Capital (Voted)				
19.	09	36,09,32	24,72,52	11,36,80	1,42,93
20.	19	92,35,63	30,83,65	61,51,98	2,00,05
21.	21	35,40,24,59	34,31,81,86	1,08,42,73	5,50,24
22.	22	1,59,00,60	1,16,91,88	42,08,72	40,49,62
23.	30	9	0	9	1,10,00
24.	34	31,95,52,19	23,38,58,02	8,56,94,17	1,56,34,12
25.	40	17,35,03,92	15,41,97,35	1,93,06,57	2,57,80
26.	47	50,00	18,84	31,16	76,31
Total - Capital (Voted)		87,58,76,34	74,85,04,12	2,10,21,07	12,73,72,22

(₹ in thousands)					
Sl. No.	Grant Number	Original Provision	Actual expenditure	Savings out of Original provision	Supplementary provision
	(C) Loans (Charged)				
27.	01	1	0	1	74,99
28.	27	4,57,32,03	67,44,00	3,89,88,03	35,00,01
29.	31	3,00,01	3,00,00	1	3,00,00
30.	34	3,81,06,29	2,31,85,04	1,49,21,25	41,96,01
31.	39	1	0	1	50,49
Total – Loans (Charged)		8,41,38,35	3,02,29,04	81,21,50	5,39,09,31
Grand Total		3,60,53,55,26	3,23,92,65,11	10,70,44,16	36,60,90,15

Appendix 2.4

(Reference: Paragraph 2.3.7; Page 40)

Excessive/insufficient re-appropriation of funds

(₹ in lakh)

Sl. No.	Grant No.	Name of the grant	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
1.	02	Governor and Council of Ministers	2052.00.090.AC	-79.29	-249.77
2.	04	Adi Dravidar and Tribal Welfare	2225.01.277.AA	-2,201.91	1,148.08
3.	04	Adi Dravidar and Tribal Welfare	2225.01.283.JA	-234.55	309.71
4.	04	Adi Dravidar and Tribal Welfare	2225.02.277.AA	349.14	246.55
5.	04	Adi Dravidar and Tribal Welfare	2225.80.001.AA	-242.04	263.06
6.	05	Agriculture	2401.00.102.JE	5,999.99	-1,265.00
7.	05	Agriculture	2401.00.109.AK	988.96	-511.10
8.	05	Agriculture	2401.00.789.JQ	3,999.99	-844.00
9.	05	Agriculture	2415.01.120.JA	974.27	248.96
10.	06	Animal Husbandry	2403.00.101.AA	764.90	-422.13
11.	07	Fisheries	2405.00.101.PC	4.22	430.20
12.	09	Backward Classes, Most Backward Classes and Minorities Welfare	4225.03.277.JY	-540.38	-488.55
13.	09	Backward Classes, Most Backward Classes and Minorities Welfare	4225.03.277.JZ	-300.21	-331.28
14.	09	Backward Classes, Most Backward Classes and Minorities Welfare	4225.03.277.UB	449.98	-419.28
15.	10	Commercial Taxes	2040.00.001.AA	-1070.56	207.17
16.	10	Commercial Taxes	2040.00.101.AB	-983.17	-801.57
17.	16	Finance	2059.01.053.AK	1,008.24	-521.13
18.	16	Finance	7610.00.800.AB	-37.58	590.78
19.	19	Health and Family Welfare	2210.01.110.AA	900.75	322.97
20.	19	Health and Family Welfare	2210.01.110.AB	273.04	574.54
21.	19	Health and Family Welfare	2210.01.110.AP	-296.80	222.48
22.	19	Health and Family Welfare	2210.01.110.AW	1,690.89	2,637.50
23.	19	Health and Family Welfare	2210.01.110.AY	56.54	-574.10
24.	19	Health and Family Welfare	2210.01.110.DH	-1112.31	317.31
25.	19	Health and Family Welfare	2210.01.110.DJ	74.52	531.82
26.	19	Health and Family Welfare	2210.01.110.DK	-845.95	784.11
27.	19	Health and Family Welfare	2210.01.110.DN	681.27	-433.55
28.	19	Health and Family Welfare	2210.02.104.AF	87.95	201.42

(₹ in lakh)

Sl. No.	Grant No.	Name of the grant	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
29.	19	Health and Family Welfare	2210.03.103.BI	-1,303.77	936.89
30.	19	Health and Family Welfare	2210.05.105.AA	173.54	-760.71
31.	19	Health and Family Welfare	2210.05.105.AB	-190.92	272.01
32.	19	Health and Family Welfare	2210.05.105.AD	-56.68	-213.89
33.	19	Health and Family Welfare	2210.05.105.AL	21.97	-2985.31
34.	19	Health and Family Welfare	2210.05.105.BD	-68.29	252.11
35.	19	Health and Family Welfare	2210.05.105.BG	203.45	-1367.24
36.	19	Health and Family Welfare	2210.05.105.BM	948.50	-767.47
37.	19	Health and Family Welfare	2210.80.789.JA	-0.77	-897.41
38.	19	Health and Family Welfare	2210.80.800.JB	-1,527.16	-1,745.67
39.	19	Health and Family Welfare	2211.00.101.AA	126.13	203.00
40.	19	Health and Family Welfare	2211.00.101.SC	1,025.47	341.76
41.	19	Health and Family Welfare	2235.60.200.KG	-10,248.22	758.27
42.	19	Health and Family Welfare	2235.60.789.JC	-4471.80	1538.82
43.	19	Health and Family Welfare	4210.80.800.JD	-3,569.18	-253.60
44.	19	Health and Family Welfare	4211.00.103.SA	2,108.85	-574.29
45.	20	Higher Education	2202.03.103.AA	-1,956.25	-937.66
46.	20	Higher Education	2202.03.103.AB	617.70	322.94
47.	20	Higher Education	2202.03.104.AA	-2,199.04	-461.60
48.	20	Higher Education	2202.03.104.AB	-577.39	357.76
49.	20	Higher Education	2203.00.105.SA	-146.06	-205.37
50.	20	Higher Education	2203.00.789.JB	-930.64	-216.54
51.	21	Highways and Minor ports	3054.04.337.AA	139.62	495.28
52.	21	Highways and Minor ports	3054.80.001.AE	297.92	504.49
53.	22	Police (Home, Prohibition and Excise)	2055.00.001.AA	-1,927.01	-624.40
54.	22	Police (Home, Prohibition and Excise)	2055.00.104.AA	-10,894.43	621.42
55.	22	Police (Home, Prohibition and Excise)	2055.00.108.AB	-1,351.91	557.99
56.	22	Police (Home, Prohibition and Excise)	2055.00.108.AC	-1,493.38	1,275.50
57.	22	Police (Home, Prohibition and Excise)	2055.00.108.AD	-838.67	812.33
58.	22	Police (Home, Prohibition and Excise)	2055.00.109.AA	-9,640.14	-2,134.69
59.	22	Police (Home, Prohibition and Excise)	2055.00.109.AL	-2,038.30	301.58
60.	22	Police (Home, Prohibition and Excise)	2055.00.111.AA	-1,440.97	327.84
61.	22	Police (Home, Prohibition and Excise)	2055.00.800.AL	-29.45	263.01
62.	22	Police (Home, Prohibition and Excise)	7610.00.201.AE	-1,482.70	-517.30

(₹ in lakh)					
Sl. No.	Grant No.	Name of the grant	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
63.	26	Housing and Urban Development	2217.04.190.AF	-0.69	-999.31
64.	26	Housing and Urban Development	4216.02.800.JA	-4500.00	-500.00
65.	26	Housing and Urban Development	7610.00.201.AB	-1002.13	521.52
66.	30	Stationery and Printing	2058.00.103.AA	-623.65	216.32
67.	32	Labour and Employment	2210.01.102.AG	10.62	250.07
68.	32	Labour and Employment	2230.03.101.AA	-584.25	-343.66
69.	34	Municipal Administration and Water Supply	2217.80.001.AD	-416.61	377.40
70.	34	Municipal Administration and Water Supply	3475.00.108.UC	-344.02	248.71
71.	34	Municipal Administration and Water Supply	3604.00.193.AC	-0.01	553.00
72.	34	Municipal Administration and Water Supply	4215.01.800.JF	8631.99	1224.49
73.	34	Municipal Administration and Water Supply	4215.01.800.PB	12821.46	1362.38
74.	39	Buildings (Public Works)	2059.80.001.BH	-22.32	-315.20
75.	39	Buildings (Public Works)	2059.80.001.BI	-132.85	-233.54
76.	39	Buildings (Public Works)	4210.01.110.JA	-9719.47	-451.27
77.	40	Irrigation (Public Works)	2701.80.001.AF	159.33	-424.22
78.	40	Irrigation (Public Works)	2701.80.800.AA	326.79	-50729.80
79.	40	Irrigation (Public Works)	2701.80.800.AB	17.51	-299.37
80.	40	Irrigation (Public Works)	2711.01.800.AC	99.04	3165.30
81.	40	Irrigation (Public Works)	4701.01.211.JA	0.24	306.31
82.	40	Irrigation (Public Works)	4701.03.345.JA	-0.01	1693.45
83.	40	Irrigation (Public Works)	4701.03.381.JA	-4829.39	2962.84
84.	41	Revenue	2029.00.102.AF	-534.71	-449.79
85.	41	Revenue	2029.00.102.AG	1509.31	359.19
86.	41	Revenue	2053.00.093.AA	-1484.47	304.72
87.	41	Revenue	2053.00.094.AB	-5616.66	292.53
88.	41	Revenue	2053.00.094.AN	256.15	-213.50
89.	41	Revenue	2235.60.102.JA	-8608.85	-1147.70
90.	41	Revenue	2235.60.102.JC	17.63	828.55
91.	41	Revenue	2235.60.102.SB	-2453.45	-614.22
92.	41	Revenue	2235.60.200.JS	-677.57	-262.53
93.	41	Revenue	2235.60.789.JG	-343.10	252.66
94.	41	Revenue	2235.60.789.JO	-78.08	-218.33
95.	41	Revenue	2235.60.789.JT	-686.59	-352.94

(₹ in lakh)

Sl. No.	Grant No.	Name of the grant	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
96.	41	Revenue	2235.60.789.SB	-395.82	-501.10
97.	41	Revenue	2235.60.796.JO	-21.62	-536.67
98.	41	Revenue	3454.01.800.SA	-1509.47	-1721.79
99.	43	School Education	2202.01.101.AA	-1456.40	-806.98
100.	43	School Education	2202.01.101.AB	-1152.65	-1245.63
101.	43	School Education	2202.01.101.AD	4843.98	8144.93
102.	43	School Education	2202.01.101.JD	-20903.75	-7506.41
103.	43	School Education	2202.01.104.AA	-3003.12	-3035.88
104.	43	School Education	2202.01.108.JC	-48.06	-1510.45
105.	43	School Education	2202.01.789.JA	-9531.11	8236.28
106.	43	School Education	2202.02.105.SA	20.04	-458.82
107.	43	School Education	2202.02.109.KH	-6882.99	-304.95
108.	43	School Education	2202.02.110.AA	10060.48	-9443.26
109.	43	School Education	4202.01.202.JG	-18230.49	-292.81
110.	43	School Education	4202.01.789.JA	5115.43	-566.14
111.	45	Social Welfare and Nutritious Meal Programme	2236.02.101.SF	-2424.52	492.84
112.	45	Social Welfare and Nutritious Meal Programme	2236.02.102.KL	2155.73	1068.11
113.	45	Social Welfare and Nutritious Meal Programme	2236.02.102.KW	-5432.73	-211.85
114.	50	Pension and Other Retirement Benefits	2071.01.101.AA	-24875.77	2770.16
115.	50	Pension and Other Retirement Benefits	2071.01.104.AB	-61377.96	52038.44
116.	50	Pension and Other Retirement Benefits	2071.01.105.AA	3973.82	599.12
117.	50	Pension and Other Retirement Benefits	2071.01.109.AB	2929.45	380.53
118.	51	Relief on account of Natural Calamities	2245.02.101.AB	-81184.46	206.82
119.	51	Relief on account of Natural Calamities	2245.02.106.AA	20699.99	-4671.56
120.	51	Relief on account of Natural Calamities	2245.02.113.AB	16083.98	1976.68
121.	51	Relief on account of Natural Calamities	2245.02.122.AA	5108.71	-1460.30
122.	52	Welfare of Differently Abled Persons	2235.02.101.CH	70.84	362.95
123.	53	Special Programme Implementation	2235.60.200.KU	-55500.00	24422.00
124.	53	Special Programme Implementation	2235.60.789.JU	-18750.00	8250.00
125.	53	Special Programme Implementation	2235.60.796.JR	-750.00	330.00
126.	56	Debt Charges	2049.01.305.AA	-94.18	-653.23
127.	56	Debt Charges	2049.03.104.AA	799.99	-965.37
128.	56	Debt Charges	2049.03.104.AJ	-219.00	222.00
129.	57	Public Debt - Repayment	6004.03.207.AA	-307.43	307.43

(₹ in lakh)					
Sl. No.	Grant No.	Name of the grant	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
130.	57	Public Debt - Repayment	6004.03.207.AB	-1047.84	1033.46
131.	57	Public Debt - Repayment	6004.03.211.AA	-583.34	583.33
132.	57	Public Debt - Repayment	6004.04.202.AA	-541.89	541.88
133.	57	Public Debt - Repayment	6004.04.203.AB	-555.04	555.04
134.	57	Public Debt - Repayment	6004.04.203.AC	-5615.24	5615.23
135.	57	Public Debt - Repayment	6004.04.204.AA	-550.44	550.43
136.	57	Public Debt – Repayment	6004.04.212.AA	-606.04	606.03
		Total – Savings Excess			(-) 114973.19 153392.79

Appendix 2.5

(Reference: Paragraph 2.3.9; Page 40)

Cases of surrender of entire provision

(In ₹)

Sl. No.	Grant No.	Name of the grant	Head of Account	Provision	Amount of surrender
1.	03	Administration of Justice	2014.00.800.AQ (V)	32608000	32608000
2.	03	Administration of Justice	2014.00.800.AN (V)	81501000	81501000
3.	03	Administration of Justice	2235.60.200.DI (V)	25000000	25000000
4.	03	Administration of Justice	2014.00.800.AP (V)	24700000	24700000
5.	04	Adi Dravidar and Tribal Welfare	4225.01.277.SB (V)	50000000	50000000
6.	05	Agriculture	4401.00.800.JH (V)	100000000	100000000
7.	05	Agriculture	4402.00.796.JA (V)	15620000	15620000
8.	05	Agriculture	2501.02.800.UD (V)	100000000	100000000
9.	05	Agriculture	2401.00.789.PC (V)	13320000	13320000
10.	05	Agriculture	2401.00.796.JK (V)	43789000	43789000
11.	05	Agriculture	2401.00.108.KM (V)	50200000	50200000
12.	07	Fisheries	2405.00.800.UC (V)	50000000	50000000
13.	14	Energy	2801.80.101.AG (V)	1250000000	1250000000
14.	15	Environment	5425.00.797.JA (V)	500000000	500000000
15.	15	Environment	5425.00.208.JA (V)	500000000	500000000
16.	17	Handlooms and Textiles	4851.00.800.JC (V)	500000000	500000000
17.	17	Handlooms and Textiles	2851.00.800.AG (V)	12500000	12500000
18.	19	Health and Family Welfare	2210.80.800.UA (V)	165612000	165612000
19.	19	Health and Family Welfare	4210.01.110.PC (V)	17700000	17700000
20.	19	Health and Family Welfare	2210.04.104.SH (V)	12269000	12269000
21.	19	Health and Family Welfare	2210.04.800.UA (V)	31728000	31728000
22.	20	Higher Education	2203.00.112.UA (V)	101300000	101300000
23.	21	Highways and Minor ports	5054.80.800.KH (V)	500001000	500001000
24.	26	Housing and Urban Development	4217.60.190.JY (V)	700000000	700000000
25.	26	Housing and Urban Development	2216.02.800.AC (V)	53200000	53200000
26.	26	Housing and Urban Development	2217.05.797.JA (V)	3000000000	3000000000
27.	27	Industries	2852.08.600.JB (V)	75000000	75000000
28.	27	Industries	2852.80.800.JK (V)	25000000	25000000
29.	27	Industries	6860.60.600.AC (V)	4250000000	4250000000
30.	27	Industries	2852.80.800.BC (V)	11000000000	11000000000

(In ₹)

Sl. No.	Grant No.	Name of the grant	Head of Account	Provision	Amount of surrender
31.	27	Industries	5054.80.800.KD (V)	50000000	50000000
32.	27	Industries	2852.80.800.JJ (V)	150000000	150000000
33.	30	Stationery and Printing	4058.00.103.AH (V)	11001000	11001000
34.	31	Information Technology	6221.00.190.AB (V)	30000000	30000000
35.	34	Municipal Administration and Water Supply	2217.80.800.PC (V)	30000000	30000000
36.	34	Municipal Administration and Water Supply	3604.00.191.JD (V)	271448000	271448000
37.	34	Municipal Administration and Water Supply	3604.00.103.AF (V)	90000000	90000000
38.	34	Municipal Administration and Water Supply	3604.00.193.JE (V)	245719000	245719000
39.	34	Municipal Administration and Water Supply	2215.01.191.JX (V)	1500000000	1500000000
40.	34	Municipal Administration and Water Supply	3604.00.192.JG (V)	60754000	60754000
41.	34	Municipal Administration and Water Supply	4217.01.800.JA (V)	5000000000	5000000000
42.	34	Municipal Administration and Water Supply	3604.00.192.JF (V)	297717000	297717000
43.	34	Municipal Administration and Water Supply	4217.60.051.JJ (V)	100000000	100000000
44.	34	Municipal Administration and Water Supply	2217.80.800.PB (V)	30000000	30000000
45.	37	Prohibition and Excise (Home, Prohibition and Excise)	2235.01.202.JA (V)	22000000	22000000
46.	37	Prohibition and Excise (Home, Prohibition and Excise)	2235.01.797.JA (V)	22000000	22000000
47.	40	Irrigation (Public Works)	4701.03.426.PA (V)	22420000	22420000
48.	40	Irrigation (Public Works)	4701.03.381.JC (V)	600000000	600000000
49.	41	Revenue	3604.00.200.AG (V)	11030000	11030000
50.	41	Revenue	2075.00.800.IA (V)	291200000	291200000
51.	42	Rural Development and Panchayat Raj	2515.00.800.PA (V)	208700000	208700000
52.	42	Rural Development and Panchayat Raj	2505.01.797.JA (V)	3573000000	3573000000
53.	42	Rural Development and Panchayat Raj	3604.00.197.JF (V)	1138300000	1138300000
54.	43	School Education	2202.02.107.JG (V)	12500000	12500000
55.	43	School Education	2202.02.107.JH (V)	50185000	50185000
56.	43	School Education	2202.02.789.JD (V)	15900000	15900000
57.	43	School Education	2202.02.800.SI (V)	370000000	370000000
58.	43	School Education	4202.01.202.JH (V)	20001000	20001000
59.	43	School Education	2225.01.789.JE (V)	47501000	47501000
60.	43	School Education	4202.01.796.JA (V)	41025000	41025000
61.	45	Social Welfare and Nutritious Meal Programme	2236.02.101.SG (V)	25000000	25000000
62.	51	Relief on account of Natural Calamities	2245.05.101.AD (V)	3171700000	3171700000
63.	52	Welfare of Differently Abled Persons	2235.02.101.MP (V)	24000000	24000000
64.	54	Forests (Environment and Forests)	3604.00.196.AB (V)	164400000	164400000

(In ₹)

Sl. No.	Grant No.	Name of the grant	Head of Account	Provision	Amount of surrender
65.	54	Forests (Environment and Forests)	4406.02.111.JH (V)	44207000	44207000
66.	54	Forests (Environment and Forests)	4406.01.800.SB (V)	35750000	35750000
67.	54	Forests (Environment and Forests)	4406.02.800.QA (V)	13200000	13200000
68.	56	Debt Charges	2049.03.111.AG (C)	20000000	20000000
69.	56	Debt Charges	2049.01.101.AB (C)	2205879000	2205879000
70.	57	Public Debt - Repayment	6004.01.203.AA (C)	17399000	17399000
71.	57	Public Debt - Repayment	6004.07.102.AA (C)	56190000	56190000
72.	57	Public Debt - Repayment	6004.03.207.AB (C)	104784000	104784000
73.	57	Public Debt - Repayment	6004.03.207.AA (C)	30743000	30743000
74.	57	Public Debt - Repayment	6004.01.207.AB (C)	91107000	91107000
		Total		43597808000	43597808000

Appendix 2.6
(Reference: Paragraph 2.3.10; Page 40)

Cases of surrenders in excess of actual savings (₹ 50 lakh or more)

(₹ in crore)

Sl. No.	Grant Number	Name of the grant/ appropriation	Total grant/ appropriation	Saving	Amount surrendered	Amount surrendered in excess
		Revenue – Voted				
1.	04	Adi Dravidar and Tribal Welfare	1326.56	55.11	74.17	19.06
2.	07	Fisheries	345.83	90.39	94.48	4.09
3.	09	Backward Classes, Most Backward Classes and Minorities Welfare	569.31	48.02	48.30	0.28
4.	13	Food and Consumer Protection	5041.47	7.92	10.84	2.92
5.	22	Police (Home, Prohibition and Excise)	3938.35	470.25	482.69	12.44
6.	23	Fire and Rescue Services (Home, Prohibition and Excise)	171.22	11.68	12.01	0.33
7.	25	Motor Vehicles Acts - Administration (Home, Prohibition and Excise)	128.04	3.56	4.17	0.61
8.	28	Information and Publicity	58.14	2.18	2.21	0.03
9.	29	Tourism - Art and Culture	85.50	16.87	18.29	1.42
10.	30	Stationery and Printing	78.02	3.81	6.70	2.89
11.	32	Labour and Employment	516.52	47.21	49.78	2.57
12.	33	Law	17.66	0.64	1.14	0.50
13.	34	Municipal Administration and Water Supply	5087.07	823.96	1018.57	194.61
14.	35	Personnel and Administrative Reforms	58.00	3.89	4.57	0.68
15.	38	Public	382.99	16.79	21.78	4.99
16.	40	Irrigation (Public Works)	1304.76	4.23	20.57	16.34
17.	42	Rural Development and Panchayat Raj	7288.16	722.12	727.52	5.40
18.	44	Micro, Small and Medium Enterprises	143.50	1.42	1.51	0.09
19.	45	Social Welfare and Nutritious Meal Programme	3241.92	181.60	198.28	16.68
20.	47	Hindu Religious and Charitable Endowments	143.44	5.76	6.00	0.24
21.	48	Transport	464.81	2.84	3.72	0.88
22.	52	Welfare of Differently Abled Persons	217.12	2.52	4.68	2.16
23.	53	Special Programme Implementation	1252.94	420.46	750.49	330.03
24.	54	Forests	319.62	45.31	45.70	0.39
		Revenue - Charged				
25.	35	Personnel and Administrative Reforms	32.15	0.73	0.79	0.06

(₹ in crore)						
Sl. No.	Grant Number	Name of the grant/ appropriation	Total grant/ appropriation	Saving	Amount surrendered	Amount surrendered in excess
		Capital – Voted				
26.	04	Adi Dravidar and Tribal Welfare	85.45	5.44	5.59	0.15
27.	13	Food and Consumer Protection	14.62	1.70	1.81	0.11
28.	21	Highways and Minor Ports	3545.75	113.93	397.33	283.40
29.	32	Labour and Employment	12.80	2.51	2.97	0.46
30.	34	Municipal Administration and Water Supply	3351.86	1013.28	1027.00	13.72
31.	40	Irrigation (Public Works)	1737.62	195.64	456.61	260.97
		Public Debt – Charged				
32.	57	Public Debt - Repayment	3909.52	79.62	175.77	96.15
		Loans – Voted				
33.	26	Housing and Urban Development	305.77	3.15	9.66	6.51
		Total	45176.49	4404.54	5685.70	1281.16

Appendix 2.7
(Reference Paragraph 2.3.11; Page 41)

Cases where savings of ₹ 1 crore and above not surrendered

(₹ in crore)

Sl. No.	Grant Number	Name of Grant/Appropriation	Savings	Surrenders	Savings which remained to be surrendered
I Grant					
		A - Revenue			
1.	01	State Legislature	3.78	2.07	1.71
2.	02	Governor and Council of Ministers	6.92	3.98	2.94
3.	05	Agriculture	512.46	489.67	22.79
4.	06	Animal Husbandry	73.28	61.93	11.35
5.	10	Commercial Taxes	39.85	34.28	5.57
6.	16	Finance	47.49	39.19	8.30
7.	19	Health and Family Welfare	331.26	303.13	28.13
8.	20	Higher Education	132.52	123.82	8.70
9.	21	Highways and Minor Ports	138.97	20.51	118.46
10.	26	Housing and Urban Development	314.11	300.61	13.50
11.	39	Buildings (Public Works)	13.42	2.91	10.51
12.	41	Revenue	293.91	244.96	48.95
13.	43	School Education	646.00	483.26	162.74
14.	51	Relief on account of Natural Calamities	50.59	19.07	31.52
		B - Capital			
15.	05	Agriculture	55.45	54.06	1.39
16.	09	Backward Classes, Most Backward Classes and Minorities Welfare	12.80	0.41	12.39
17.	19	Health and Family Welfare	63.52	57.03	6.49
18.	20	Higher Education	6.78	4.92	1.86
19.	26	Housing and Urban Development	552.46	537.45	15.01
20.	39	Buildings (Public Works)	396.88	210.87	186.01
21.	43	School Education	145.30	136.48	8.82

(₹ in crore)					
Sl. No.	Grant Number	Name of Grant/Appropriation	Savings	Surrenders	Savings which remained to be surrendered
		C - Loans			
22.	22	Police (Home, Prohibition and Excise)	20.00	14.83	5.17
23.	38	Public	30.08	28.20	1.88
		Total	3887.83	3173.64	714.19
II Appropriations					
		A - Revenue			
24.	56	Debt Charges	173.45	154.57	18.88
		Total	173.45	154.57	18.88
		Grand Total	4061.28	3328.21	733.07

Appendix 2.8
(Reference Paragraph 2.3.11; Page 41)

Cases of surrender of funds in excess of ₹ 10 crore on 31 March 2012

(₹ in crore)

Sl. No.	Grant Number	Major Head	Description	Amount surrendered
1.	03	2014	Administration of Justice	36.60
2.	04	2225	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	71.60
3.	05	2401	Crop Husbandry	408.28
4.	05	2501	Special Programmes for Rural Development	22.00
5.	05	4401	Capital Outlay on Crop Husbandry	17.04
6.	05	4402	Capital Outlay on Soil and Water Conservation	27.03
7.	06	2403	Animal Husbandry	59.68
8.	07	2405	Fisheries	10.75
9.	09	2225	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	46.58
10.	10	2040	Taxes on Sales, Trade etc.	32.37
11.	12	2425	Co-operation	25.87
12.	16	2054	Treasury and Accounts Administration	10.97
13.	17	2235	Social Security and Welfare	12.80
14.	19	2210	Medical and Public Health	122.21
15.	19	2211	Family Welfare	27.12
16.	19	2235	Social Security and Welfare	153.16
17.	20	2202	General Education	90.18
18.	20	2203	Technical Education	26.84
19.	21	5054	Capital Outlay on Roads and Bridges	35.33
20.	22	2055	Police	463.15
21.	22	2235	Social Security and Welfare	12.57
22.	22	4055	Capital Outlay on Police	82.58
23.	22	7610	Loans to Government Servants etc.	14.83
24.	26	2216	Housing	33.62
25.	26	4217	Capital Outlay on Urban Development	46.00
26.	27	2852	Industries	12.59
27.	29	3452	Tourism	12.22
28.	32	2230	Labour and Employment	16.19
29.	34	2217	Urban Development	238.31

(₹ in crore)

Sl. No.	Grant Number	Major Head	Description	Amount surrendered
30.	34	4215	Capital Outlay on Water Supply and Sanitation	177.00
31.	34	4217	Capital Outlay on Urban Development	850.00
32.	34	6215	Loans for Water Supply and Sanitation	32.50
33.	38	2015	Elections	26.94
34.	38	7610	Loans to Government Servants etc.	28.20
35.	40	2701	Major and Medium Irrigation	18.88
36.	40	4701	Capital Outlay on Major and Medium Irrigation	42.09
37.	41	2235	Social Security and Welfare	190.23
38.	42	2235	Social Security and Welfare	175.30
39.	42	2505	Rural Employment	358.34
40.	43	2202	General Education	475.11
41.	45	2236	Nutrition	188.36
42.	51	2245	Relief on account of Natural Calamities	19.07
43.	53	2235	Social Security and Welfare	330.00
44.	53	4202	Capital Outlay on Education, Sports, Art and Culture	271.00
45.	54	2406	Forestry and Wild Life	29.57
46.	54	3604	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	16.44
47.	54	4406	Capital Outlay on Forestry and Wild Life	15.90
48.	57	6004	Loans and Advances from the Central Government	106.70
			Total	5,520.10

Appendix 2.9
(Reference: Paragraph 2.3.12; Page 41)

Rush of Expenditure

(₹ in crore)

Sl. No.	Grant No	Head of Account	Description	Expenditure incurred during January to March 2012	Expenditure incurred in March 2012	Total expenditure	Percentage to total expenditure	
							January to March 2012	March 2012
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	04	2225.01.277.KJ	Supply of free bicycle to all girl students belonging to Scheduled Caste/Scheduled Tribe/Scheduled Caste Converts Christianity studying in Standard XI and XII in the Government/Government Aided Higher Secondary Schools	29.15	21.54	26.49 ¹	100.00	81.31
2.	04	2225.01.277.KO	Supply of free bicycles to all boy students belonging to Scheduled Castes/Scheduled Tribes/Scheduled Caste converts to Christianity studying in Standard XI and XII in the Government/Government Aided Higher Secondary Schools	20.35	18.48	22.98	88.55	80.42
3.	04	2225.01.277.SA	Educational Concessions	169.60	142.58	247.86	68.43	57.52
4.	04	4225.01.277.JB	Construction of Adi-Dravidar Welfare School Buildings	10.76	10.76	10.76	100.00	100.00
5.	05	2401.00.102.SB	Production and Distribution of Quality Seeds	24.87	18.87	28.35	87.73	66.56
6.	05	2401.00.103.JB	Procurement and Distribution of paddy and millet seeds	21.04	16.91	31.15	67.54	54.29
7.	05	2401.00.109.PE	Improved Agriculture for Tank Irrigation under Tamil Nadu Irrigated Agriculture Modernization and Water Bodies Restoration and Management (IAMWARM) Project	22.51	15.37	24.07	93.53	63.86
8.	05	2401.00.110.JE	National Agricultural Insurance Scheme to Non-Loanee/Tenant farmers and Loanee farmers	12.00	12.00	20.78	57.73	57.75
9.	05	2401.00.113.JI	Tractor and combined Harvester hiring Scheme	34.55	34.12	34.53	100.00	98.81
10.	05	2401.00.113.PA	Micro Irrigation in Tank Command Area under TNIAMWARM Project	15.28	13.65	16.95	90.13	80.53
11.	05	2401.00.119.LA	National Agriculture Development Programme (NADP-RKVY)- Horticulture Department	25.34	24.66	29.36	86.32	83.99

¹ After rectification of misclassification

(₹ in crore)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
12.	05	2401.00.789.JK	National Agriculture Development Programme (NADP-RKVY) under Special Component Plan- Agriculture Department	15.19	13.46	18.04	84.21	74.61
13.	05	2401.00.800.KF	National Agriculture Development Programme (NADP-RKVY)- Agriculture Department	82.67	71.50	94.78	87.22	75.44
14.	06	2403.00.102.KR	National Agricultural Development Programme (NADP) - Animal Husbandry	25.23	18.36	25.28	99.83	72.63
15.	06	4403.00.106.JA	National Bank for Agriculture and Rural Development (NABARD) assisted scheme for providing infrastructure facilities under Tamil Nadu Veterinary Infrastructure Improvement Project	16.84	13.56	16.97	99.22	79.91
16.	07	4405.00.104.QA	Works under Emergency Tsunami Reconstruction Project (ETRP) with assistance from World Bank - Fisheries	25.00	25.00	35.00	71.43	71.43
17.	09	2225.03.277.KR	Free supply of bicycles to Most Backward classes and Denotified Communities Girls Students studying in Standard XI and XII in the Government/Government Aided Higher Secondary Schools	25.05	18.36	25.48	98.31	72.06
18.	09	2225.03.277.KS	Free supply of bicycles to Backward Classes Girls Students studying in Standard XI and XII in the Government/Government Aided Higher Secondary Schools	33.23	23.66	35.80	92.80	66.09
19.	09	2225.03.277.KT	Free Supply of bicycles to Most Backward Classes and Denotified Communities boy students studying in Std XI and XII in the Government /Government Aided Higher Secondary School and Government aided Schools in which +1 and +2 courses are conducted on self financing basis	22.14	16.75	22.49	98.43	74.48
20.	09	2225.03.277.KU	Free Supply of bicycles to Backward classes boy students studying in Standard XI and XII in the Government/Government Aided Higher Secondary School and Government aided Schools in which +1 and +2 courses are conducted on self financing basis	26.16	18.71	28.30	92.42	66.11
21.	09	2225.03.277.SC	Scholarships to Students belonging to minority communities	12.23	12.23	20.68	59.15	59.14
22.	12	2425.00.108.AH	Reimbursement of loss incurred by Rural and Urban Fair Price Shops	120.00	120.00	120.00	100.00	100.00

(₹ in crore)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
23.	12	4425.00.107.JU	Investments in Credit Co-operatives under the scheme of Integrated Co-operative Development Project	-3.84	23.75	39.33	-9.77	60.39
24.	12	4425.00.200.JB	Construction of Godowns with loan assistance from NABARD	85.43	85.43	105.47	81.00	81.00
25.	14	4801.80.101.JA	Share Capital Assistance to Tamil Nadu Electricity Board	3500.00	2500.00	4100.00	85.37	60.98
26.	16	2235.60.110.BU	Payment of premium to the Life Insurance Corporation of India under Group Insurance Scheme	27.75	27.73	34.74	79.87	79.82
27.	16	2235.60.200.BE	Tamil Nadu Government Employees Special Provident Fund-cum-Gratuity Scheme	25.28	25.28	25.27	100.00	100.04
28.	17	2851.00.103.UX	Marketing Incentive under Integrated Handloom Development Scheme	63.29	54.87	87.50	72.33	62.71
29.	19	2059.01.053.BV	Buildings - Medical Education (Administered by Chief Engineer (Buildings))	23.44	18.23	33.18	70.66	54.94
30.	19	2059.01.053.BW	Buildings - Medical and Rural Health Services (Administered by Chief Engineer (Buildings))	21.62	17.26	26.48	81.65	65.18
31.	19	2059.01.053.CB	Buildings - Health Centres and Health Sub-centres (Administered by Chief Engineer (Buildings))	15.82	11.83	20.69	76.48	57.18
32.	19	2210.01.110.JJ	Improvements to Teaching Hospitals	20.62	17.52	26.61	77.50	65.84
33.	19	2210.01.800.PA	Tamil Nadu Health System Society	27.56	77.56	128.01	21.53	60.59
34.	19	2210.03.103.KS	Hospital on Wheels in Primary Health Centres	26.97	26.97	26.96	100.00	100.04
35.	19	2210.05.105.JA	Improvements to Medical Colleges	12.69	11.95	15.70	80.86	76.11
36.	19	2210.06.101.KE	Menstrual Hygiene Programme	43.58	43.49	43.59	99.96	99.77
37.	19	2210.80.800.JH	Improvement to Health Infrastructure by using 13th Finance Commission Grant	14.26	11.16	14.76	96.65	75.61
38.	19	2235.60.200.KG	Dr. Muthulakshmi Reddy Maternity Assistance Scheme for the female members of below poverty line families for delivery	270.53	205.60	390.27	69.32	52.68
39.	19	2235.60.789.JC	Dr. Muthulakshmi Reddy Maternity Assistance Scheme for the female members of below poverty line families for delivery under Special Component Plan	97.95	71.19	135.67	72.20	52.47
40.	19	4211.00.103.SA	National Component - Reproductive and Child Health Project	15.32	15.23	15.35	99.83	99.22

(₹ in crore)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
41.	20	2202.03.102.AC	Madurai Kamaraj University	11.56	10.92	14.10	81.95	77.45
42.	20	2203.00.102.AA	Anna University	22.87	22.87	22.87	99.98	100.00
43.	20	2203.00.102.AJ	Anna University - Madurai	19.18	19.18	19.18	100.00	100.00
44.	21	5054.03.101.JD	Construction of Road over Bridges in Chennai Metro Area for Traffic Management	71.74	61.10	108.89	65.89	56.11
45.	21	5054.03.337.JJ	Improvement of vital roads in developing industrial areas through Tamil Nadu Road Infrastructure Development Corporation	40.00	40.00	40.00	100.00	100.00
46.	21	5054.80.800.JW	Chennai Metropolitan Development Plan - Traffic and Transport Improvement in Chennai City	37.89	33.99	50.01	75.76	67.97
47.	22	2055.00.115.AA	Modernisation of Police with 75 per cent assistance from Government of India	10.27	10.22	15.26	67.32	66.97
48.	22	4055.00.207.UA	Modernisation of Police	14.92	14.92	14.92	100.00	100.00
49.	26	2217.05.800.JR	Assistance to State Infrastructure and Amenities Fund for the schemes executed by Chennai Metro Water Supply and Sewerage Board	40.00	40.00	40.00	100.00	100.00
50.	26	4217.60.800.PB	Works under Tamil Nadu Urban Development Project III - Executed by Chennai Metropolitan Development Authority	13.20	13.20	23.00	57.39	57.39
51.	34	2215.01.101.AP	Grants to Chennai Metropolitan Water Supply and Sewerage Board for water charges to Slum Tenements	15.82	15.82	18.32	86.34	86.35
52.	34	2217.01.191.PD	Capital Grant to Tamil Nadu Urban Development Fund for implementing underground drainage project under National River conservation Project	11.66	11.66	11.66	100.00	100.00
53.	34	2217.05.800.JL	Jawaharlal Nehru Urban Renewal Mission (JNNURM) - Submission for Urban Infrastructure and Governance	219.67	190.48	347.65	63.19	54.79
54.	34	3475.00.108.JA	The Urban Self Employment Programme (USEP)	11.42	11.42	11.42	100.00	100.00
55.	34	3475.00.108.JB	The Urban Wage Employment Programme (UWEP)	13.75	13.75	13.75	100.00	100.00
56.	34	3604.00.191.AB	Contribution to the Infrastructure Gap filling Fund	21.72	13.99	21.72	100.00	64.41
57.	34	3604.00.191.AC	Contribution to the Operational and Maintenance Gap filling Fund	14.48	14.48	14.48	100.00	100.00

(₹ in crore)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
58.	34	3604.00.191.JC	Grants to Municipal Corporations as per the recommendations of 13th Finance Commission - Controlled by Commissioner of Municipal Administration	44.32	44.32	84.02	52.76	52.75
59.	34	3604.00.192.AE	Contribution to the Infrastructure Gap filling fund	43.98	39.00	43.98	100.00	88.68
60.	34	3604.00.192.AF	Contribution to the operational and Maintenance Gap filling fund	19.79	19.79	19.79	100.00	100.00
61.	34	3604.00.192.JD	Grants to Municipalities as per the recommendations of 13th Finance Commission, Controlled by Commissioner of Municipal Administration	48.64	48.64	92.19	52.77	52.76
62.	34	3604.00.193.AC	Contribution to the Infrastructure Gap filling fund	26.52	23.52	26.52	100.00	88.69
63.	34	3604.00.193.AD	Contribution to the Operational and Maintenance Gap filling fund	14.00	14.00	14.00	100.00	100.00
64.	34	3604.00.200.BG	Contribution to Tamil Nadu Urban Road Infrastructure Fund from assigned revenue-Stamp Duty (Director of Municipal Administration)	116.57	116.57	116.57	100.00	100.00
65.	34	3604.00.200.BH	Sharing of Assigned Revenue-Stamp Duty (Director of Municipal Administration)	170.36	170.36	171.83	99.14	99.14
66.	34	3604.00.200.BI	Contributions to Tamil Nadu Urban Road Infrastructure Fund(TURIF) from assigned Revenue-Stamp Duty(DTP)	50.57	33.00	50.57	100.00	65.26
67.	34	4215.02.190.JA	Share Capital Assistance to New Tirupur Area Development Corporation Limited	55.00	55.00	55.00	100.00	100.00
68.	34	4217.60.800.PC	Capital grant to Grant Fund-I - Japan Bank for International Co-operation (JBIC) line of credit	30.00	30.00	50.00	60.00	60.00
69.	41	2059.01.053.AJ	Buildings-Land Revenue (Administered by Chief Engineer (Buildings))	28.08	25.04	28.19	99.62	88.83
70.	41	2235.60.200.JQ	Supply of Dhoties/Sarees to Old Age Pensioners	34.20	25.19	49.57	68.99	50.82
71.	42	2215.02.105.JL	Total Sanitation Campaign	11.51	11.51	19.69	58.48	58.46
72.	42	2515.00.800.KS	Implementation of Schemes under Backward Regions Grant Fund	82.84	69.80	90.00	92.04	77.56
73.	43	2202.01.800.BA	Elementary Education Development Schemes under Upgradation of standards of Administration by using 13th Finance Commission Grant	126.00	126.00	126.00	100.00	100.00

(₹ in crore)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
74.	44	2851.00.102.LW	Small Tea Growers Protection Scheme	8.40	8.40	11.20	75.00	75.00
75.	45	2236.02.101.UA	Supplementary Nutrition to Adolescent Girls under Rajiv Gandhi Scheme for Empowerment of Adolescent Girls SABLA	54.29	54.29	54.23	100.00	100.11
76.	45	2236.02.102.SA	National Programme of Nutritional Support to Primary Education (Mid-day Meals Scheme)	12.99	10.97	12.99	100.00	84.45
77.	48	5055.00.190.KC	Share capital assistance to State Transport Undertakings	119.37	119.37	155.26	76.89	76.88
78.	51	2245.02.101.AB	Distribution of Free Supply of Rice, Cloth, Food, Kerosene etc. in flood affected areas	41.08	20.47	40.82	100.00	50.15
79.	51	2245.02.122.AA	Repairs to irrigation sources (items eligible for assistance from Union Government)	36.48	36.48	36.48	100.00	100.00
80.	52	2235.02.101.LZ	National Programme for Rehabilitation of differently abled persons	14.00	14.14	16.65	84.06	84.92
81.	53	4202.01.800.JA	Free Distribution of Laptop Computers to the Students	14.80	14.80	21.46	68.97	68.97
			Total	6,871.40	5,594.24	8,379.92		

Appendix 2.10
(Reference: Paragraph 2.5; Page 43)

Statement showing cases where advances from the Contingency Fund were sanctioned during 2011-12 but not drawn

(In ₹)

Sl.No.	Government Order No. and Date	Head of Account	Amount sanctioned
1.	278 dated 06.04.2011	2055.00.108.AB	22,00,000
		2055.00.109.AA	2,46,75,000
		2055.00.109.AL	18,25,000
		2055.00.109.AQ	13,00,000
2.	279 dated 07.04.2011	2235.60.200.AZ	17,44,000
3.	291 dated 08.04.2011	2055.00.001.AA	30,00,000
4.	295 dated 09.04.2011	2055.00.001.AA	11,76,72,000
5.	296 dated 9.4.2011	2055.00.001.AA	60,11,000
6.	308 dated 12.04.2011	2055.00.117.AC	2,69,83,000
7.	317 dated 18.4.2011	3425.60.200.JB	32,04,000
8.	418 dated 8.6.2011	2235.60.200.AZ	6,20,000
9.	431 dated 10.6.2011	2055.00.003.AG	38,34,000
10.	437 dated 14.06.2011	2058.00.001.AA	98,26,000
11.	473 dated 22.06.2011	2014.00.105.AB	34,23,000
12.	474 dated 23.06.2011	2052.00.090.CA	17,80,000
13.	477 dated 24.06.2011	2052.00.090.CA	6,14,000
14.	536 dated 14.07.2011	2058.00.001.AA	14,12,000
15.	557 dated 25.07.2011	2225.01.277.AE	2,00,00,000
16.	563 dated 26..2011	2055.00.109.AA	26,94,000
17.	566 dated 28.7.2011	2052.00.090.CA	45,50,000
18.	650 dated 29.8.2011	2415.01.120.JA	10,00,000
19.	699 dated 23.9.2011	2401.00.113.JI	28,60,000
20.	710 dated 29.9.2011	4225.03.277.JI	10,00,000
21.	720 dated 07.10.2011	4059.01.051.BD	20,06,000
22.	727 dated 10.10.2011	2851.00.102.LW	7,00,00,000
23.	728 dated 10.10.2011	2401.00.001.JA	6,96,30,000
24.	731 dated 11.10.2011	2055.00.001.AA	49,73,000
		2055.00.109.AL	67,000
		2055.00.109.AQ	13,000
		2055.00.108.AB	14,000
		2055.00.109.AA	3,75,000
25.	738 dated 13.10.2011	4406.02.110.JM	1,25,00,000

(In ₹)			
Sl.No.	Government Order No. and Date	Head of Account	Amount sanctioned
26.	754 dated 19.10.2011	2250.00.102.AF	39,000
		2250.00.800.AR	68,000
		2250.00.800.AQ	3,65,000
		2250.00.800.AP	11,000
27.	761 dated 21.10.2011	2210.00.110.JB	1,40,00,000
28.	779 dated 28.10.2011	2220.06.001.AA	22,00,000
		2220.06.110.AC	7,50,000
		2220.06.106.AC	1,95,00,000
29.	793 dated 03.11.2011	2055.00.108.AA	34,80,000
30.	814 dated 11.11.2011	2055.00.108.AB	3,63,000
31.	815 dated 11.11.2011	2401.00.109.AF	3,87,000
32.	839 dated 18.11.2011	2055.00.001.AA	3,00,000
33.	848 dated 21.11.2011	4403.00.101.UA	1,00,00,000
34.	849 dated 21.11.2011	2415.03.277.JA	50,00,000
35.	850 dated 21.11.2011	2055.00.001.AA	1,50,00,000
36.	851 dated 21.11.2011	2055.00.001.AA	6,95,17,000
37.	853 dated 21.11.2011	2415.01.120.JA	13,82,000
38.	871 dated 24.11.2011	2056.00.101.AA	1,58,00,000
39.	878 dated 29.11.2011	2030.03.001.AD	78,78,000
40.	879 dated 29.11.2011	2401.00.112.JB	88,42,000
41.	883 dated 29.11.2011	5452.01.101.SY	7,37,50,000
42.	888 dated 01.12.2011	5054.04.800.JD	82,00,000
43.	897 dated 02.12.2011	2851.00.102.LW	2,80,00,000
44.	935 dated 12.12.2011	2210.01.110.AB	26,31,000
45.	951 dated 14.12.2011	4403.00.101.UA	2,00,00,000
46.	956 dated 15.12.2011	2415.01.120.JA	1,00,00,000
47.	963 dated 20.12.2011	2402.00.101.JG	1,00,00,000
48.	971 dated 21.12.2011	2055.00.001.AA	12,54,000
49.	973 dated 22.12.2011	2415.03.277.AA	50,00,000
50.	976 dated 23.12.2011	2851.00.102.ME	50,00,000
51.	985 dated 29.12.2011	4406.02.110.JM	1,00,00,000
52.	5 dated 02.01.2012	2401.00.108.KU	18,75,000
53.	22 dated 05.01.2012	4204.04.101.JE	10,00,000
54.	24 dated 05.01.2012	2205.00.101.AO	3,99,000
55.	40 dated 12.01.2012	2055.00.001.AA	2,29,000
56.	60 dated 27.01.2012	2403.00.001.AA	4,13,000
		2403.00.001.AC	85,87,000

(In ₹)			
Sl.No.	Government Order No. and Date	Head of Account	Amount sanctioned
57.	172 dated 06.03.2012	3454.02.203.AA	35,80,000
58.	193 dated 12.03.2012	5054.04.337.JP	1,25,93,000
59.	194 dated 12.03.2012	2055.00.111.AA	10,46,000
60.	218 dated 16.03.2012	2225.01.277.JL	3,92,000
61.	219 dated 16.03.2012	2225.01.277.KF	3,53,000
62.	220 dated 17.03.2012	2055.00.109.AA	52,74,000
Total			78,62,63,000

Appendix 2.11
(Reference: Paragraph 2.5; Page 43)

Details of sanctions from the contingency fund where expenditure incurred was less than 50 per cent of the sanction

(In ₹)

Sl. No.	CFA No.	Government Order No. and Date	Head of account	Sanctioned amount	Amount utilised with percentage
1.	32	355 dated 4/5/2011	2055.00.003.AA	1,00,00,000	11,42,100 (11.42)
2.	77	772 dated 24/10/2011	2202.02.109.AA 2202.02.109.AB	2,00,00,000	6,49,098 (3.25)
3.	113	987 dated 29/12/2011	2402.00.796.JA	1,00,00,000	19,36,024 (19.36)
		Total			37,27,222 (9.32)

Appendix 3.1
(Reference: paragraph 3.1; Page 45)

Utilisation certificates outstanding as on 30 September 2012

Sl. No.	Department	Utilisation certificate outstanding	
		Number	Amount (₹ in crore)
1.	Adi Dravidar and Tribal Welfare	436	848.80
2.	Backward Classes, Most Backward Classes and Minorities Welfare	1	0.08
3.	Food and Consumer Protection (Cooperation, Food and Consumer Protection Department)	5	7.04
4.	Health & Family Welfare	4	369.84
5.	Police (Home, Prohibition and Excise department)	1	0.02
6.	Motor Vehicles Acts - Administration (Home, Prohibition & Excise)	2	0.93
7.	Tourism - Art and Culture (Tourism and Culture Department)	1	0.37
8.	Information Technology	1	0.50
9.	Labour and Employment	3	41.88
10.	Municipal Administration and Water Supply	102	731.51
11.	Planning, Development and Special initiatives	2	3.44
12.	Revenue Department	132	1894.01
13.	Rural Development and Panchayat Raj	32	496.09
14.	School Education Department	23	169.00
15.	Social Welfare and Nutritious Meal Programme Department	33	491.73
16.	Transport Department	7	1.63
17.	Department for the welfare of Differently abled persons	28	112.50
Total		813	5,169.37

Appendix 3.2
(Reference: paragraph 3.2; Page 46)

Statement showing names of bodies and authorities, the accounts of which had not been received

Sl.No.	Name of the body/authority	Year for which accounts have not been received
	Universities	
1.	Alagappa University, Karaikudi – 623 003	2009-10 to 2011-12
2.	Anna University, Chennai – 600 025	2010-11 to 2011-12
3.	Annamalai University, Annamalai Nagar, Chidambaram, Cuddalore – 608 002	2010-11 to 2011-12
4.	Avinashilingam Institute for Home Science & Higher Education for Women (DEEMED UNIVERSITY) Coimbatore	2011-12
5.	Bharathiar University, Coimbatore – 641 046	2010-11 to 2011-12
6.	Bharathidasan University, Trichy	2010-11 to 2011-12
7.	Madurai Kamarajar University, Madurai	2010-11 to 2011-12
8.	Manonmaniam Sundaranar University, Tirunelveli	2010-11 to 2011-12
9.	Mother Teresa Women's University, Kodaikanal – 624 102	2009-10 and 2010-11
10.	Periyar University, Salem – 636 011	2010-11 to 2011-12
11.	Shri. Chandrasekarendra Saraswathi Vishwa Vidyalaya, Chennai	2007-08 to 2011-12
12.	Tamil University, Thanjavur – 613 010	2010-11 to 2011-12
13.	Thiruvallur University, Fort Campus, Vellore – 632 004	2010-11 to 2011-12
14.	University of Madras, Chennai – 600 005	2010-11 to 2011-12
15.	Dr. MGR Medical University, Guindy, Chennai – 600 032	2011-12
16.	Dr. Ambedkar Law University, Chennai – 600 028.	2011-12
17.	Tamil Nadu Open University, Guindy, Chennai – 600 025	2010-11 to 2011-12
18.	Anna University of Technology, Coimbatore	2010-11 to 2011-12
19.	Tamil Nadu Physical Education & Sports University, Chennai	Since inception
20.	Anna University of Technology, Trichy	2010-11 to 2011-12
21.	Anna University of Technology, Madurai	Since inception
22.	Anna University of Technology, Chennai – 600 113	Since inception
	Colleges	
23.	D.D.G.D. Vaishnav College, Arumbakkam, Chennai 600 106	2010-11 to 2011-12
24.	Meston College of Education, Royapettah, Chennai – 600 014.	2011-12
25.	Sri Ramakrishna Mission Vivekananda College, Chennai – 600 004	2011-12
26.	Loyola College, Nungambakkam, Chennai – 600 034	2011-12
27.	Sri Thyagaraja College, Old Washermanpet, Chennai – 600 021	2011-12
28.	Ethiraj College for Women, Chennai – 600 005	2011-12
29.	Chellammal Women's College, Chennai – 600 032	2011-12
30.	The New College, Peter's Road, Royapettah, Chennai – 600 014	2010-11 to 2011-12
31.	Gurunanak College, Guindy, Chennai – 600 032	2011-12

Sl.No.	Name of the body/authority	Year for which accounts have not been received
32.	St. Christopher's College of education, Vepery, Chennai – 600 007	2011-12
33.	Y.M.C.A. College of Physical Education, Nandanam, Chennai 600 035	2011-12
34.	Meenakshi College for Women, Chennai 600 024	2010-11 to 2011-12
35.	C. Kandaswamy Naidu College for Men, Anna Nagar, Chennai 102	2010-11 to 2011-12
36.	Pachaiappaa's College, Chetput, Chennai – 600 030	2011-12
37.	Stella Maris College, Chennai – 600 086	2010-11 to 2011-12
38.	Stella Matutina College of Education, Ashok Nagar, Chennai – 600 083	2011-12
39.	N.K.T. National College of Education, Dr.Besant Road, Chennai – 5	2010-11 to 2011-12
40.	The Women's Christian College, Chennai – 600 006	2011-12
41.	Madras Christian College, Tambaram, East Tambaram – 14, Kancheepuram	2010-11 to 2011-12
42.	S I V E T College, Gowrivakkam, Chennai – 601 302	2011-12
43.	The Quaid-E-Milleth College for Men, Medavakkam, Chennai – 600 073	2010-11 to 2011-12
44.	D.R.B.C.C.C. Hindu College, Pattabiram, Chennai – 600 072	2011-12
45.	S D N B Vaishnav for Women, Chromepet, Chennai – 600 044	2011-12
46.	D B Jain College, Thoraipakkam, Chennai – 600 096	2005-06 to 2011-12
47.	A M Jain College, Meenambakkam, Chennai – 600 114	2010-11 to 2011-12
48.	Calava Cunnan Chetty's Hindu College, Pattabiram, Chennai – 600 072	2010-11 to 2011-12
49.	D.K.M. College for Women, Vellore – 632 001	2011-12
50.	Auxilium College for Women, Vellore – 632 006	2009-10 to 2011-12
51.	Voorhees College, Vellore – 632 001	2005-06 to 2011-12
52.	C. Abdul Hakkam College, Melvisharam – 632 509	2009-10 to 2011-12
53.	Islamiah College, Vaniambadi – 635 752, Vellore Dist	2009-10 to 2011-12
54.	Mazharul Uloom College, Ambur – 635 802	2005-06 to 2011-12
55.	Sacred Heart College, Tirupattur – 635 601	2009-10 to 2011-12
56.	Pachiyappa's College for Men, Kancheepuram – 631 503	2009-10 to 2011-12
57.	Pachiyappa's College for Women, Kancheepuram – 631 503	2011-12
58.	Jamia Darussalam Arabic College, Oomerabad – 635 808	2005-06 to 2011-12
59.	Kandasamy Naidu College, Vellore	2007-08 to 2011-12
60.	Nirmala College for Women, Coimbatore – 16	2008-09 to 2011-12
61.	P S G R Krishnammal College for Women, Coimbatore – 4	2011-12
62.	Kongunadu Arts and Science College, G N Mills P.O., Coimbatore – 29	2009-10 to 2011-12
63.	Sri Ramakrishna Mission Vidyalaya College Arts & Science, Periyanaicken Palayam, Coimbatore – 20	2011-12
64.	P S G College of Arts & Science Civil Aerodrome Post, Vidya Nagar, Coimbatore – 641 014	2009-10 to 2011-12
65.	C B M College, Sakethapuri, Kovaipudur, Coimbatore – 641 042	2011-12
66.	Thavathiru Santhalinga Adigalar Arts & Science & Tamil College, Perur Post, Coimbatore – 10	2011-12

Sl.No.	Name of the body/authority	Year for which accounts have not been received
67.	Sri Ramakrishna Mission Vidyalaya College of Education, Periyanaicken Palayam, Coimbatore – 20	2011-12
68.	Sri Ramakrishna Mission Vidyalaya Maruthi College of Physical Education, Arts & Science, Periyanaicken Palayam, Coimbatore – 20	2011-12
69.	Nallamuthu Gownder Mahalingam College, Pollachi – 642 001	2007-08 to 2011-12
70.	G V G Visalakshi College for Women, Udumalpet – 642 128	2011-12
71.	Providence College for Women, Coonoor - 643 104	2011-12
72.	Emerald Heights College for Women, Uthagamandalam – 643 006	2009-10 to 2011-12
73.	Vellalar College for Women, Erode – 638 006	2007-08 to 2011-12
74.	Erode Arts College, Erode – 608 009	2011-12
75.	Chikkiah Naicker College, Erode – 638 004	2011-12
76.	Sri Vasavi College, Erode – 638 316	2008-09 to 2011-12
77.	Gopal Arts & Science college, Gobichettipalayam – 638 453, Karattadipalayam	2008-09 to 2011-12
78.	Alamelu Angappan College for Women, Komarapalayam – 638 183	2010-11 to 2011-12
79.	Salem Sowdeswari College, Salem – 636 010	2009-10 to 2011-12
80.	Sri Sarada College for Women, Fair Lands, Salem – 636 016	2011-12
81.	Sri Sarada College of Education, Fair Lands, Salem – 636 016	2011-12
82.	Kandasami Kandar's College, salem – 638 182	2009-10 and 2011-12
83.	J.K.K. Nataraja College of Art's & Science, Natarajapuram, Komarapalayam, Namakkal – 638 183	2008-09 to 2011-12
84.	G B M College, Kovaipudur, Coimbatore	2006-07 to 2011-12
85.	C. Kandaswami Naidu College for Women, Cuddalore – 607 001	2006-07 to 2011-12
86.	P.S.G. College of Technology, Peelamedu, Coimbatore – 4	2011-12
87.	A.D.M. College for Women, Vellipalayam, Nagapattinam -611 001	2011-12
88.	A.V.C. College, Mannampandal, Mayiladuthurai – 609 305	2011-12
89.	Dharmapuram Adinam Arts College, Dharmapuram, Mayiladuthurai – 609 001	2005-06 to 2011-12
90.	Poombuhar College, Malaiyur, Mayiladuthurai – 609 107	2005-06 to 2011-12
91.	T.B. Manickam Luthern College, Porayar – 609 107	2010-11 to 2011-12
92.	Ganesan Senthamil College, Melasivapuri, Pudukottai - 622 403	2005-06 to 2011-12
93.	A.V.V.M Sri Pushpam College, Poondi – 613 503, Thanjavur	2009-10 and 2011-12
94.	Khadir Mohideen College, Adirampattinam – 614 704, Thanjavur	2011-12
95.	Rajah's College for Sanskrit & Tamil, Thiruvaiyaru – 613 204, Thanjavur	2009-10 and 2011-12
96.	Sri K.V.S.S. Art's College, Tirupanandal, Thanjavur – 612 504	2005-06 to 2011-12
97.	Tamizavel Uma Maheswaranar Karanthi Art's College, Thanjavur	2010-11 to 2011-12
98.	Sacred Heart College, Trichy	2008-09 to 2011-12
99.	Bishop Heber College, Trichy – 620 017	2009-10 to 2011-12
100.	Holy Cross College, Teppakulam, Trichy	2009-10 to 2011-12

Sl.No.	Name of the body/authority	Year for which accounts have not been received
101.	Kalai kaveri College, Trichy	2011-12
102.	Jamal Mohamed College, No.7, Race Course Road, Khaja Nagar, Trichy – 620 020	2011-12
103.	National College, Trichy – 620 001	2011-12
104.	Nehru Memorial College, Puthanampatti – 621 007	2011-12
105.	Seetha Lakshmi Ramaswamy College for Women, Trichy – 620 002	2011-12
106.	St. Joseph's College, Trichy – 620 002	2011-12
107.	Urumu Dhanalakshmi College, Trichy – 620 019	2010-11 and 2011-12
108.	Srimath Siva Gnana balaya Swamigal Tamil College, Mailam – 604 304	2010-11 to 2011-12
109.	Sri-La-Sri kasivasi Swaminatha Swamigal Art's College, Trichy	2009-10 and 2011-12
110.	The American College, Madurai – 625 002	2005-06 to 2011-12
111.	Madura College, Madurai – 625 001	2009-10 and 2011-12
112.	Arulanandar College, Karumathur – 621 514	2010-11 to 2011-12
113.	Muqyyath Sha Sirfura Wakf Board College, Madurai – 625 020	2010-11 to 2011-12
114.	Mannar Thirumalai Naicker College, Pasumalai, Madurai – 4	2011-12
115.	Madurai Institute of Social Sciences, Alagar Koil Road, Madurai – 625 002	2006-07 to 2011-12
116.	Saraswathi Narayanan College, Madurai – 625 022	2005-06 to 2011-12
117.	Senthamil College, Tamil Sangam Salai, Madurai – 625 001	2006-07 to 2011-12
118.	Senthamil Oriental College, Madurai – 1	2006-07 to 2011-12
119.	Sourashtra College, Madurai – 4	2011-12
120.	Sri Satguru sangeetha Vidyalayam(College of Music) Ghokale Road, Madurai – 2	2007-08 to 2011-12
121.	Thiagarajar College of Preceptors, Madurai – 9	2011-12
122.	Nadar Mahajana Sangam SVN College, Nagamalai, Madurai	2009-10 to 2011-12
123.	Yadava College, Madurai – 14	2011-12
124.	Vivekananda College, Tiruvengdam West, Scholavandan railway Station	2010-11 to 2011-12
125.	Fathima College, Madurai – 625 018	2011-12
126.	E M G Kone Yadava Women's College, Madurai – 14	2011-12
127.	Lady Doak College, Madurai – 2	2011-12
128.	St. Justin's College of Education, Madurai – 625 009	2011-12
129.	Pasumpon Thiru Muthuramalinga Thever College, Usilampatti	2010-11 to 2011-12
130.	H.K.R. Howdia College, Uthamapalayam – 626 533	2009-10 to 2011-12
131.	Cardomom Planter's Association College, Bodinayakanur – 626 513	2011-12
132.	Jayaraj Annapackiam College for Women, Periakulam – 626 501	2011-12
133.	Arulmigu Palani Andaver College of Art's & Culture, Palani – 624 602	2011-12
134.	Arulmigu Palani Andaver College for Women, Palani – 624 615	2010-11 to 2011-12
135.	G.T.N Art's College, Dindigul – 624 004	2009-10 to 2011-12
136.	Lakshmi College of Education, Gandhipuram Post – 624 302	2010-11 to 2011-12
137.	Arumugam Pillai Seethaiyammal College, Tirupattur – 623 211	2010-11 to 2011-12

Sl.No.	Name of the body/authority	Year for which accounts have not been received
138.	Dr. Zakir Hussain College, Ilayankudi – 623 762	2009-10 to 2011-12
139.	Sree Sevugan Annamalai College, Devakottai	2010-11 to 2011-12
140.	Ramasamy Tamil College, Karaikudi – 623 001	2008-09 to 2011-12
141.	Seethalakshmi Achi College for Women, Pallathur – 630 107	2011-12
142.	Pasumpon Muthuramalinga Thever Memorial College, Kamuthi – 623 604	2008-09 to 2011-12
143.	Ayya nadar janaki Ammal College, Sivakasi – 626 123	2011-12
144.	Saiva Banu Kshatriya College, Aruppukottai – 626 101	2010-11 to 2011-12
145.	Sri Ramasamy Naidu Memorial College, Sattur – 626 203	2011-12
146.	The S F R Women's College for Women, Sivakasi – 626 123	2011-12
147.	Devanga Art's College, Aruppukottai – 626 101	2010-11 to 2011-12
148.	Rajapalayam Raju's College, Rajapalayam – 626 117	2011-12
149.	VHNSN College, Virudhunagar – 626 001	2010-11 to 2011-12
150.	V.V.Vanniaperumal College for Women, Virudhunagar – 626 001	2010-11 to 2011-12
151.	Ambal Art's College, Ambasamudram – 627 401	2007-08 to 2011-12
152.	The M D T Hindu College, Tirunelveli – 627 010	2010-11 to 2011-12
153.	Pasumpon Muthuramalinga Thevar College, Melaneelinathanallur	2008-09 to 2011-12
154.	Sadhakathullah Appa College, Tirunelveli – 627 001	2008-09 to 2011-12
155.	Sarah Taucker College, Palayamkottai, Tirunelveli – 627 007	2008-09 to 2011-12
156.	Sri Paramakalyani College, Alwarkurichi – 627 412	2011-12
157.	Sri Parasakthi College for Women, Courtallam	2007-08 to 2011-12
158.	St. John's College, Tirunelveli – 67 002	2006-07 to 2011-12
159.	St. Xavier's College, Tirunelveli – 627 002	2008-09 to 2011-12
160.	Tirunelveli Dakshinamara Nadir Sangam College, T. Kallikulam – 627 113	2011-12
161.	Thiruvallur College, Pothigaiyadi, Papanasam – 627 425	2007-08 to 2011-12
162.	St. Ignatius College of Education, Palayamkottai -627 002	2010-11 to 2011-12
163.	St. Xavier's College of Education, Tirunelveli – 627 002	2008-09 to 2011-12
164.	Aditanar College of Art's and Science, Tiruchendur – 628 216	2006-07 to 2011-12
165.	A P C Mahalaksmi College for Women, Tuticorin – 628 002	2011-12
166.	G V N College, Kovilpatti – 628 502	2011-12
167.	Kamaraj College, Turicorin – 628 003	2009-10 to 2011-12
168.	Nazareth Margosesis College, Pillaiyanmamal, Nazareth – 628 617	2008-09 to 2011-12
169.	Pope's College, Sayarpuram – 628 251	2011-12
170.	Sri Kumaragurupara Swamigal Art's College, Padmanabhamangalam, Srivaikuntam – 628 619	2011-12
171.	St. Mary's College, Turicorin – 628 001	2008-09 to 2011-12
172.	V.O. Chidambaram College, Turicorin – 628 008	2011-12
173.	Annammal College of Education for Women, Tuticorin – 628 002	2008-09 to 2011-12
174.	V O C College of Education, Tuticorin – 628 002	2011-12
175.	Arignar Anna College, Aralvoymoli -629 301	2011-12
176.	Holy Cross College, Nagercoil -629 004	2011-12

Sl.No.	Name of the body/authority	Year for which accounts have not been received
177.	Lakshmipuram College of Art's & Science, Neyyar – 629 802	2006-07 to 2011-12
178.	Nesamony Memorial Christian College, Marthandam – 629 165	2010-11 to 2011-12
179.	Pioneer Kumaraswamy College, Nagercoil	2010-11 to 2011-12
180.	S T Hindu College, Nagercoil – 629 002	2011-12
181.	Scot Christian College, Nagercoil – 629 003	2005-06 to 2011-12
182.	Sri Ayyappa College for Women, Nagercoil	2006-07 to 2011-12
183.	Sree Devikumari Women's College, Kuzhithurai – 629 163	2008-09 to 2011-12
184.	St. Judes College, Thoothoor – 629 176	2006-07 to 2011-12
185.	Vivekananda College, Agasteeswaram -629 701	2011-12
186.	Women's Christian College, Nagercoil – 629 001	2010-11 to 2011-12
187.	N V K S D College of Education, Tiruvattar – 629 191	2011-12
	Polytechnics	
188.	Annamalai Polytechnic College, Chettinad – 632 102	2011-12
189.	A.M.K. Technology Polytechnic College, Chennai-Bangalore Road, Sembarambakkam, Chennai – 602 103	2010-11 to 2011-12
190.	Bhakthavachalam Polytechnic College, Kariapettai, kanchipuram – 631 552	2009-10 and 2011-12
191.	CIT Sandwich Polytechnic College, Aerodrome Post, Coimbatore – 641 014	2011-12
192.	P.T. Lee Chengalvaraya Naickar Polytechnic, Vepery, Chennai – 600 007	2011-12
193.	EIT Polythnic College, Kavindapadi – 638 455	2011-12
194.	GRG Polytechnic College for Women, Kuppepalayam, Sarcarsamkulam Post, Coimbatore – 641 107	2011-12
195.	Murugappa Polytechnic College, Sathiyamurthy Nagar, Thirumullaivoil Village, Avadi, Chennai – 600 062	2011-12
196.	Nachimuthu Polytechnic College, Mackinaickenpatty Post, Pollachi -642 003	2010-11 to 2011-12
197.	NPA Centenary Polytechnic College, Belvede, Kothagiri – 643 217	2009-10 and 2011-12
198.	Pattukottai Polytechnic College, Pattukkottai	2011-12
199.	PN Ramasamy Memorial Polytechnic College for Girls, P.B.No.349, Trichy – 620 002	2011-12
200.	Periyar Centenary Polytechnic College, Vallam – 613 403	2011-12
201.	PSG Polytechnic College, P.B.No.1611, Peelamedu, Coimbatore – 641 004	2011-12
202.	Rajagopal Polytechnic College, Gandhi Nagar, Gudiyatham – 632 604	2010-11 to 2011-12
203.	Ramakrishna Mission Polytechnic College, 101, Sir P.S. Sivaswamy Salai, Mylapore, Chennai – 600 004	2009-10 to 2011-12
204.	Sri Ramakrishna Mission Vidyalaya Polytechnic College, Sri Ramakrishna Vidyalaya P.O, Coimbatore – 641 020	2011-12
205.	Sakthi Polytechnic College, Sakthinagar – 638 315	2009-10 to 2011-12
206.	SSM Institute of Textile Technology Polytechnic, SSM Nagar, Valayarkanoor, Komarapalayam – 638 183	2011-12
207.	Thiyagarajar Polytechnic College, Salem – 636 005	2011-12

Sl.No.	Name of the body/authority	Year for which accounts have not been received
208.	Seshasayee Institute of Technology, Trichy – 620 010	2009-10 to 2011-12
209.	Vallivalam Desikar polytechnic, Nagapattinam – 611 001	2011-12
210.	VLB Janaki Ammal Polytechnic College, Kovaipudur, Coimbatore – 641 042	2011-12
211.	A.D.J. Dharmambal Polytechnic College, Nagapattinam – 611 001	2011-12
212.	Kamaraj Polytechnic College, Pazhavilai – 629 501	2011-12
213.	Mohammed Sathak Polytechnic College, Chairman Sathak Salai, P.B.No.5, Kilakarai – 623 806	2010-11 to 2011-12
214.	PAC Ramasamy Raja Polytechnic College, Kumarasamy Raja Nagar P.O. Rajapalayam – 626 108	2010-11 to 2011-12
215.	Rukmani Shanmugam Polytechnic College, Varichiyur, Madurai – 625 020	2010-11 to 2011-12
216.	Sankar Polytechnic College, Talaiyuthu R.S. Sankarnagar – 627 357	2008-09 to 2011-12
217.	VSV Nadar Polytechnic College, Virudhunagar – 626 001	2010-11 to 2011-12
218.	Arasan Ganesan Polytechnic College, Virudhunagar Main Road, Annaikuttam P.O., Sivakasi – 626 123	2011-12
219.	Ayya Nadar Janaki Ammal Polytechnic College, Chinnakkamanpatti, Sivakasi East – 626 189	2009-10 to 2011-12
220.	Arulmigu Palaniandavar Polytechnic College, Palani – 624 601	2007-08 to 2011-12
	State Miscellaneous Institutions	
221.	Andra Mahila Sabha, Durgabai Deshmukh General Hospital & Research Centre, Chennai – 600 028	2008-09 to 2011-12
222.	Avvai Home, Chennai	2007-08 to 2011-12
223.	Cancer Institute, Chennai	2008-09 to 2011-12
224.	Chennai Metropolitan Development Authority, Chennai	2009-10 to 2011-12
225.	Coimbatore Aviation Training Academy, Chennai	2005-06 to 2011-12
226.	Institute of Asian Studies, Chennai	2005-06 to 2011-12
227.	Institute of Co-operative Management, Madurai	2005-06 to 2011-12
228.	International Institute of Tamil Studies, Taramani, Chennai	2005-06 to 2011-12
229.	Kandaswamy Kandar's Trust, Chennai	2005-06 to 2011-12
230.	Karandai Tamil Sangam, Tanjore	2005-06 to 2011-12
231.	Kuppusamy Shastri Research Institute, Chennai	2005-06 to 2011-12
232.	Madras School of Social Works, 32, Casamajor Road, Egmore, Chennai – 8	2011-12
233.	New Century Welfare Society, Chennai	2005-06 to 2011-12
234.	Salem District Blindness Control Society, Chennai	2007-08 to 2011-12
235.	Society for Social Forestry Research & Development, Chennai	2005-06 to 2011-12
236.	Southern Languages Books Trust Chennai	2005-06 to 2011-12
237.	Squash Federation of India, Chennai	2007-08 to 2011-12
238.	Sri Avinashilingam Education Trust Institute, Coimbatore	2005-06 to 2011-12

Sl.No.	Name of the body/authority	Year for which accounts have not been received
239.	State Agriculture Marketing Board, Chennai	2005-06 to 2011-12
240.	State Institute of Hotel Management & Catering Technology, Trichy	2005-06 to 2011-12
241.	Tamil Nadu Basket Ball Association, Chennai	2005-06 to 2011-12
242.	Tamil Nadu Board of Continuing Education, Chennai	2007-08 to 2011-12
243.	Tamil Nadu Energy Development Agency, Chennai	2009-10 to 2011-12
244.	Tamil Nadu Iyal Esai Nataka Manram, Chennai	2009-10 to 2011-12
245.	Tamil Nadu Samugaseva Sangam, Kallikudi, Madurai District	2005-06 to 2011-12
246.	Tamil Nadu Science & Technology Centre, Chennai	2009-10 and 2011-12
247.	Tamil Nadu Slum Clearance Board, Chennai	2005-06 to 2011-12
248.	Tamil Nadu Social Welfare Board, Chennai	2011-12
249.	Tamil Nadu State Mission of Education for all, Chennai	2005-06 to 2011-12
250.	Tamil Nadu Board of Rural Development, T. Nagar, Chennai	2008-09 to 2011-12
251.	Tamil Nadu Voluntary Health Association, Chennai	2008-09 to 2011-12
252.	Tamil Nadu Pollution Control Board, Chennai	2011-12
253.	Tamil Nadu Continuing Education Scheme, Ramnad	2005-06 to 2011-12
254.	Tamil Nadu Continuing Education Scheme, Trichy	2005-06 to 2011-12
255.	Vellore District Water & Sanitation Mission, Chennai	2005-06 to 2011-12
256.	Perambalur District Water & Sanitation Mission, Chennai	2005-06 to 2011-12
257.	Viruchunagar District Water & Sanitation Mission, Chennai	2005-06 to 2011-12
258.	Tamil Nadu Urban Finance & Infrastructure Development Corporation Limited, Chennai	2005-06 to 2011-12
259.	Voluntary Health Services, Chennai	2011-12
260.	Vivekananda Rock Memorial & Vivekananda Kendra, Kanyakumari	2007-08 to 2011-12
261.	Volley ball Federation of India, Chennai	2011-12
262.	Women's Indian Association, Chennai	2007-08 to 2011-12
263.	Working Women's Forum, Chennai	2008-09 to 2011-12
264.	Women's Voluntary Service of Tamil Nadu, Chennai	2005-06 to 2011-12
265.	Tamil Nadu Cooperative Housing Federation , Chennai	2009-10 and 2011-12
266.	District Blindness Control Society, Salem	2008-09 to 2011-12
267.	Tamil Nadu Wakf Board, Chennai	2009-10 and 2011-12

Sl.No.	Name of the body/authority	Year for which accounts have not been received
268.	Tamil Nadu Co-operative Marketing Federation Ltd, Chennai	2006-07 to 2011-12
269.	Water & Sanitation Mission, Vellore	2007-08 to 2011-12
270.	National Child labour Project, Dharmapuri	2011-12
271.	State TB Society, DMS Compound, Chennai	2004-05 to 2011-12
272.	Tamil Nadu Health System Project, Chennai	2005-06 to 2011-12
273.	Kothari institute of Integrated Rural Development & Technology, Chennai	2006-07 to 2011-12
274.	Tamil Nadu Construction Worker's Welfare board, Chennai – 34	2011-12
275.	Tamil Nadu Watershed, Chennai	2010-11 to 2011-12

Appendix 3.3
(Reference: Paragraph 3.5; Page 48)

**Department/category-wise details of loss to Government
due to theft, misappropriation, shortage etc.**

Sl.No.	Name of the department	Theft		Misappropriation/ shortage of Government material		Total	
		Number of cases	Amount (₹ in lakh)	Number of cases	Amount (₹ in lakh)	Number of cases	Amount (₹ in lakh)
1.	Agriculture	8	1.53	139	477.36	147	478.89
2.	Animal Husbandry	9	0.25	5	88.77	14	89.02
3.	Higher Education	9	1.47	16	37.69	25	39.16
4.	Commercial Tax	..	..	3	127.68	3	127.68
5.	Co-operation	1	0.02	1	0.14	2	0.16
6.	Health and Family Welfare	4	4.27	36	237.12	40	241.39
7.	Elementary Education	1	..	6	540.17	7	540.17
8.	Election	..	..	1	0.23	1	0.23
9.	Labour and Employment	6	4.04	9	58.47	15	62.51
10.	Energy	1	0.07	1	68.14	2	68.21
11.	Finance	1	0.90	5	66.86	6	67.76
12.	Home	1	0.97	9	33.01	10	33.98
13.	Horticulture	..	..	6	14.68	6	14.68
14.	Inspector of factories	..	..	1	1.43	1	1.43
15.	Museum	..	..	1	14.57	1	14.57
16.	Public	..	..	2	1.04	2	1.04
17.	Rural Development and Panchayati Raj	1	3.60	7	11.69	8	15.29
18.	Revenue	..	..	144	108.34	144	108.34
19.	School Education	1	0.02	22	74.89	23	74.91
20.	Sericulture	1	0.05	3	1.75	4	1.80
21.	Social Welfare	2	2.93	9	3.08	11	6.01
22.	Planning and development	1	0.09	..	..	1	0.09
23.	Transport	1	1.97	1	12.80	2	14.77
24.	Environment and Forests	1	0.01	3	2.31	4	2.32
25.	Highways	..	..	2	16.79	2	16.79
26.	Industries	1	..	..	..	1	..
27.	Public Works	..	..	10	4.26	10	4.26
28.	Personnel and Administrative Reforms	..	..	1	1.91	1	1.91
Total		50	22.19	443	2005.18	493	2027.37

Appendix 3.4
(Reference: Paragraph 3.6; Page 49)
State Funds kept in Bank Accounts

Name of the District	Name of the DDO/agency	Name of the Scheme	Amount available in the Bank Account as on 31 March 2012 (₹ in lakh)	Month from which no expenditure was incurred from the account	Interest portion of the amount available as on 31 March 2012 (₹ in lakh)
Dharmapuri	District Rural Development Agency (DRDA)	Anaithu Grama Anna Marumalarchi Thittam (AGAMT) – 2006-07 and 2007-08	13.54	June 2011	1.51
		AGAMT – 2008-09	9.60	February 2011	3.90
		AGAMT – 2009-10	4.11	March 2011	4.11
		AGAMT – 2010-11	58.51	August 2011	7.45
		AGAMT – Library	14.53	July 2011	3.77
		AGAMT – Sports Fund	77.29	September 2011	6.92
		Namadhu Gramam	11.52	March 2011	1.12
		Eleventh Finance Commission	11.43	April 2009	0.47
		Periyar Ninaivu Samathuvapuram	42.20	April 2011	3.97
		Comprehensive Road Infrastructure Development Programme (CRIDP)	10.37	February 2011	2.39
	Collectorate – Development section	Construction of Nallampalli Block staff quarters (Part II Scheme – 2001-02) – Funds released in October 2001	5.86	April 2009	1.92
	Collectorate – PA Noon Meal section	Grant for purchase of Aluminium vessels grant	1.17	January 2010	0.42
Madurai	District Rural Development Agency (DRDA)	AGAMT	257.19	April 2011	0.14
		Panchayat school renovation	109.55	January 2011	9.33
Coimbatore	District Rural Development Agency (DRDA)	Jatropha/Nursery	12.28	April 2009	0.94
		Panchayat school Renovation programme	73.18	November 2010	7.48
		Provision of basic amenities to Rural and Urban Areas	216.09	April 2009	22.11
		Western Ghat Development Programme	71.43	February 2011	9.49
		Empowerment and Poverty reduction programme	1.24	April 2009	0.11
		SBI Account No. 01G0309975096	146.09	April 2009 (₹ 3.79 lakh shown as expenditure in March 2012)	0

Name of the District	Name of the DDO/agency	Name of the Scheme	Amount available in the Bank Account as on 31 March 2012 (₹ in lakh)	Month from which no expenditure was incurred from the account	Interest portion of the amount available as on 31 March 2012 (₹ in lakh)
	Project Office, Mahalir Thittam, Collectorate, Coimbatore	SGSY- Special Project	29.79	April 2009	1.54
	Assistant Director of Town Panchayats, Coimbatore Zone	Collector's Discretionary Fund	2.19	November 2009	0.08
Thanjavur	District Rural Development Agency (DRDA)	Periyar Ninaivu Samathuvapuram	120.04	March 2011	4.65
		Tsunami Rehabilitation	14.15	April 2009	0.48
		AGAMT	577.89	May 2011	47.31
		Kalaigarnar Housing Scheme – Administration	44.73	July 2011	0
	Assistant Director of Town Panchayats, Thanjavur Zone	Devolution Fund	52.72	April 2009 (except for an expenditure of ₹ 4.84 lakh in January 2011)	6.30
Total			1,988.69		147.91

Appendix 3.5
(Reference: Paragraph 3.8; Page 51)

Operation of Minor Head '800 – Other Expenditure' (50 per cent and above)

(₹ in crore)

S.No.	Major Head	Description	Total Expenditure	Expenditure under minor head - 800	Percentage of Col. 4 to Col. 5
(1)	(2)	(3)	(4)	(5)	(6)
1	2711	Flood Control and Drainage	75.11	75.11	100.00
2	4070	Capital Outlay on Other Administrative Services	3.19	3.19	100.00
3	2075	Miscellaneous General Services	75.40	74.05	98.21
4	4216	Capital Outlay on Housing	1436.36	1240.31	86.35
5	4515	Capital Outlay on Other Rural Development Programmes	1094.09	924.81	84.53
6	4408	Capital Outlay on Food, Storage and Warehousing	11.90	9.50	79.83
7	2250	Other Social Services	94.43	70.86	75.04
8	4217	Capital Outlay on Urban Development	1047.66	663.00	63.28
9	3454	Census, Surveys and Statistics	106.86	58.05	54.32
10	2852	Industries	50.54	27.22	53.86
11	2217	Urban Development	900.93	484.42	53.77
		Total	4896.47	3630.52	

Appendix 3.6
(Reference: Paragraph 3.8; Page 51)

Operation of Minor Head '800 – Other Receipts' (50 per cent and above)

(₹ in crore)

S.No.	Major Head	Description	Total Receipts	Receipts under minor head- 800	Percentage of Col. 4 to Col. 5
(1)	(2)	(3)	(4)	(5)	(6)
1	0211	Family Welfare	56.56	56.56	100.00
2	0217	Urban Development	587.87	587.87	100.00
3	1051	Ports and Light Houses	4.75	4.75	100.00
4	1054	Roads and Bridges	61.79	60.91	98.58
5	0075	Miscellaneous General Services	171.05	162.50	95.00
6	0425	Co-operation	19.58	17.70	90.40
7	0435	Other Agricultural Programmes	26.85	22.81	84.95
8	0070	Other Administrative Services	288.98	204.03	70.60
9	0701	Major and Medium Irrigation	25.27	13.48	53.34
10	0210	Medical and Public Health	304.82	158.83	52.11
		Total	1,547.52	1,289.44	

Glossary of terms and abbreviations used in the Report

Terms	Description
GSDP	GSDP is defined as the total income of the State or the market value of goods and services produced using labour and all other factors of production at current prices.
Buoyancy ratio	Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.6 implies that revenue receipts tend to increase by 0.6 percentage points, if the GSDP increases by one <i>per cent</i> .
Debt Consolidation and Relief Facility	As per the XIII Finance Commission recommendations, benefit of interest relief on loans availed from National Small Savings Fund (NSSF) and the write-off of outstanding loans by Government of India and State specific grants would be made available to the States on bringing the necessary amendments/ enactments of FRBM Act to include targets for debt-GSDP ratio for the period from 2011-12 to 2014-15.
Merit goods	Core public goods are goods which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g., enforcement of law and order, security and protection of rights; pollution free air and other environmental goods, road infrastructure etc., Merit goods are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than the ability and willingness to pay the Government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.

Terms	Description
Development expenditure	The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorized into Social Services, Economic Services and General Services. Broadly, the Social and Economic Services constitute development expenditure, while expenditure on General Services is treated as non-development expenditure.
Average interest rate	Average interest rate is defined as the percentage of interest payment made to average financial liabilities of the State during the year i.e. $(\text{sum of opening and closing balances of fiscal liabilities} / 2) \times 100$
Debt sustainability	Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. It also refers to the sufficiency of liquid assets to meet current or committed obligations and the capacity to keep a balance between the costs of additional borrowings and the returns from such borrowings.
Debt stabilisation	A necessary condition for stability states that if the rate of growth of the economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided primary balances are either zero, positive or moderately negative. Given the rate spread (GSDP growth rate – interest rate) and the quantum spread (Debt X rate spread), the debt sustainability condition states that if the quantum spread together with the primary deficit is zero, the debt-GSDP ratio would be constant or the debt would stabilize eventually. On the other hand, if the primary deficit together with the quantum spread turns out to be negative, the debt-GSDP ratio would be rising. In case it is positive, the debt-GSDP ratio would eventually be falling.
Non-debt receipts	Adequacy of incremental non-debt receipts of the State to cover incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

Terms	Description
Borrowed funds	Defined as the ratio of the debt redemption (principal + interest payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption, indicating the net availability of borrowed funds.
Primary revenue deficit	Primary revenue deficit defined as gap between non-interest revenue expenditure of the State and its non-debt receipts indicates the extent to which the non-debt receipts of the State are able to meet the primary expenditure incurred under revenue account.
Primary expenditure	Primary expenditure of the State, defined as the total expenditure net of the interest payments, indicates the expenditure incurred on the transactions undertaken during the year.
Abbreviations	Full form
BCR	Balance from Current Revenue
BPL	Below Poverty Line
CAGR	Compounded Annual Growth Rate
DDOs	Drawing and Disbursing Officers
DRDAs	District Rural Development Agencies
FRBM Act	Fiscal Responsibility and Budget Management Act
GOI	Government of India
GSDP	Gross State Domestic Product
HODs	Head of Departments
MTFP	Medium Term Fiscal Plan
NSSF	National Small Savings Fund
PAO	Pay and Accounts Office
PD	Personal Deposit
PRIs	Panchayat Raj Institutions
RMSA	Rashtriya Madhyamik Shiksha Abhiyan
ROG	Rate of Growth
RR	Revenue Receipts

Abbreviations	Full form
TFC	Thirteenth Finance Commission
TNFR Act	Tamil Nadu Fiscal Responsibility Act
UCs	Utilisation Certificates
ULBs	Urban Local Bodies