



FINANCE (BUDGET GENERAL-I) DEPARTMENT

G.O.No.282, dated 3rd September 2019
(Vihari, Aavani-17, Thiruvalluvar Aandu 2050)

Preparation of Budget for the year 2020-2021 – Medium Term Expenditure Framework - Consolidated instructions for the preparation thereof – Issued.

Read the following:-

1. G.O.Ms.No.404, Finance (BG-I) Department, dated 16.06.1992.
2. G.O.Ms.No.520, Finance (BG-I) Department, dated 27.06.1994.
3. G.O.Ms.No.148, Finance (BG-II) Department, dated 31.03.2000.
4. Tamil Nadu Fiscal Responsibility Act (No.16 of 2003) as amended lastly in Act No.16 of 2017.
5. G.O.Ms.No.287, Finance (BG-I) Department, dated 28.08.2018.
6. Government Letter No.30501/ Finance (BG.I) Department / 2019-1, dated 17.08.2019.

ORDER:

The Annual Budget is a key fiscal policy document of the Government outlining the policies and programmes of the Government and shows the allocation of funds for various schemes in accordance with the said policies and priorities. The Budget is bound by the Tamil Nadu Fiscal Responsibility Act-2003 as amended from time to time which prescribes the annual fiscal targets and also provides for a medium term fiscal policy perspective. It enables the Government to obtain the approval of the Legislature for the budgeted receipts and expenditure of the Government as per the fiscal parameters defined in the Tamil Nadu Fiscal Responsibility Act-2003.

2) The Government has the dual responsibility of sustaining rapid socio-economic development keeping in mind the aspirations of the people while at the same time adhering to the fiscal targets set out in the Tamil Nadu Fiscal Responsibility Act-2003. This requires optimum utilization of available scarce resources with better delivery of services and programmes to the public. Thus prioritizing and right-sizing expenditure assumes great significance to enable introduction of new schemes to meet the developmental aspirations of the society. Improved fiscal workmanship through greater accuracy of budget estimates is an important fiscal norm in itself enabling better fiscal discipline and avoiding unnecessary mid-year sanctions.

3) Under the Tamil Nadu Fiscal Responsibility Act-2003, the Government prepares a Medium Term Fiscal Plan to monitor and maintain the fiscal health of the

State. It envisages a three year rolling fiscal target, projecting the anticipated receipts and the likely expenditure based on the current policies and programmes. The estimates for the next year, (i.e.) **2020-2021** will become the Budget Estimates for that year and the Estimates **for 2021-2022 and 2022-2023** will be referred to as Advance Estimates for those years. Due importance should be given to fixation of Advance Estimates like the Budget Estimates, since the advance estimates are the base for preparing the fiscal forecast which is critical to determining fiscal limits for the future.

4) The preparation and successful execution of the Medium Term Fiscal Plan requires active involvement of all the Heads of Departments in the budgeting process. The decentralized budgeting exercise is designed to provide ample opportunity to all the Heads of Departments to present their budgetary requirements and secure allocation for schemes. Therefore, the Heads of Departments should understand the budgeting process thoroughly, in particular the detailed guidelines prescribed in this order and involve themselves in the preparation of Budget Estimates of their departments.

5) All the receipt proposals for Revised Estimates for 2019-2020 and the Budget Estimates for 2020-2021 should be sent in accordance with the rates of tax / non-tax revenue approved by the Government along with copies of relevant Government Orders. **The expenditure proposals will be examined only after a thorough review of the receipt proposals.** The Heads of Departments have to confer special attention to measures for controlling expenditure while proposing provisions to be made in the Revised Estimates for the current year and Budget Estimates for the year 2020-2021. **Further, separate proposals should be submitted for the items of receipt and expenditure exceeding Rs.20.00 crore, with accompanying detailed notes and working sheets.**

6) **The Government has decided to specially focus on the following areas during the current budgeting exercise and hence the Heads of Departments are advised to pay due attention and be ready with all relevant documents and data for a detailed discussion on each of the items:**

- a) Non-Tax Revenues under the Major Heads '0046' to '1475', especially where the annual receipts realized/ projected are for Rs.20 crore or more. A new format is introduced for this purpose as Format III of Annexure IV.
- b) Grants-in-Aid from the Centre under the Major Head '1601', in particular the Central grants pending for the expenditure already incurred by the State Government, expenditure awaiting Central assistance for which provision is made in the State budget, cut in the Central funds during the current financial year compared to the projections in the budget both under the receipts and expenditure sides. The existing Format II at Annexure IV is slightly modified in this regard.
- c) Recovery of Loans & Advances / Ways & Means Advances sanctioned to various Boards / Corporations / Cooperative Sugar Mills, together with interest dues, more specifically in the context of consolidation of old outstanding loans into a fresh loan with a new repayment period starting from June 2019 at a lower rate of interest.
- d) Guarantee Fees outstanding and recoverable from various Boards / Corporations / Societies

- e) Arrears of Tax Revenue including pending recoveries due to arbitration in Tax Appellate Tribunals / Courts, etc.
- f) Avoidance of mid-year / adhoc additional funds requests for expenditure on various items. The number of requests for additional funds during the course of the year through ASL is on the rise which is not desirable. Hence, the Government has decided to curb this tendency and restrict the additional fund sanctions only to new schemes, unless there is an urgent / critical need. It is noticed that the Budget Estimates are not properly framed even for the routine nature of expenditure like HBA in the case of Secretariat departments, Pleader Fees in respect of all departments, charges involved in putting up stalls for the annual Trade Fairs, etc. There is also a growing tendency to ask for additional funds for non-specific expenditure like Office Expenses, Maintenance, Advertisement Charges, etc., where the entire budget allotment is set-aside as if it is meant for specific schemes. All these needs to be carefully analyzed and requisite funds sought in Budget Estimates 2020-2021. Ordinarily no additional funds should be sought in Revised Estimates 2019-2020.
- g) Any backlog / spillover in expenditure should be specifically proposed in the estimates through special noting and brought to the attention during the DCB meetings. However, once the budget is fixed after discussion, the expenditure must be controlled within the appropriation provided by the Legislature and this should not be cited as the reason for additional funds requests.
- h) A few new Detailed and Sub-Detailed heads have been created for use from BE 2020-21 to enhance the monitoring of identified expenditure. These include split up of 'Interest' payment on land compensation as a separate sub detailed head under the detailed head '464 Lands', etc.

7) In order to attain the above objectives and taking into consideration the budget instructions issued in the previous years, the consolidated schedule of budget is furnished in the Appendix to this order. These instructions have been organized into sections wherein the budgeting process and the guidelines to be followed for estimation of receipts and expenditure are explained.

8) The Heads of Departments are aware that earnest efforts are being taken to launch the State-wide 'GOLIVE' of the Integrated Financial and Human Resources Management System (IFHRMS) very soon and the entire gamut of financial activities of the Government in the future will be under the new system only. Further, the officials dealing with the budget at all levels in different Government offices, right from the Head of Department to the level of taluk / block have been trained in the budget activities created under the IFHRMS. In view of this, the Government has decided to do a parallel budgeting exercise for the Revised Estimates 2019-20 and Budget Estimates 2020-21, wherein the conventional offline-paper mode of budgeting will be supplemented with online budget preparation being done in the IFHRMS also. Accordingly, **the Heads of Departments are directed to prepare / workout the estimates manually in the conventional method at all the levels in their departments and send the offline paper based budget proposals as was done till the previous financial year and in addition, propose the same estimates as prepared manually through the IFHRMS also for the RE 2019-20 and BE 2020-21.** A guidance note on this subject is given in Section III which should be carefully read and adhered to.

9) The Government has issued instructions for preparation and submission of Number Statement in Government Letter No.30501 / Finance (BG.I) Department / 2019-1, dated 17.08.2019 and the Heads of Departments should adhere to the cut-off date of 30.08.2019 prescribed for submission of the Number Statements. Further, the Heads of Departments are requested to send the **Revised Estimates for the current year and the Budget Estimates for next financial year 2020-2021 with Advance Estimates for the years 2021-2022 and 2022-2023 to Finance Department on or before 24.09.2019 without fail (both in the conventional paper proposals and through IFHRMS)**. Compliance of these timelines is absolutely essential as the Decentralized Budget Meetings shall be convened within the stipulated time.

10) **All the administrative departments in the Secretariat and all the Heads of Departments are therefore requested to bestow their personal attention in this matter, get the officials concerned in the process fully acquainted with these guidelines and ensure that the proposed estimates relating to their department are prepared in accordance with the instructions therein and sent to the Finance Department within the timeframe as indicated in paragraph 9 above.**

(BY ORDER OF THE GOVERNOR)

S.KRISHNAN

PRINCIPAL SECRETARY TO GOVERNMENT

To

The Additional Chief Secretaries / Principal Secretaries / Secretaries to Government,
All Departments in Secretariat, Chennai-9.

All Heads of Department.

The Secretary, Legislative Assembly Secretariat, Chennai-9.

The Additional Chief Secretary to Governor, Raj Bhavan, Chennai-22.

The Secretary, Tamil Nadu Public Service Commission, Chennai-3.

The Registrar, High Court, Chennai-104.

All State Public Sector Undertakings / Boards.

The Accountant General (A&E), Chennai-18.

The Principal Accountant General (Audit-I), Chennai-18.

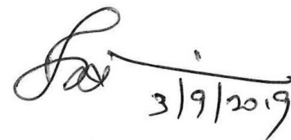
The Principal Accountant General (Audit-II), Chennai-18.

Copy to:

All Officers / Programme-cum-Budget units / Core Budget Sections in Finance
Department, Chennai-9.

Stock File / Spare Copy.

//Forwarded / By Order //



SECTION OFFICER

APPENDIX

SECTION – I

THE BUDGET SCHEDULE

	ACTIVITY	PERIOD
1.	Submission of completed Number Statement	On or before 30 th August, 2019
2.	Meeting of Deputy Secretary (Budget) with the Chief Accounts Officers of the departments for explaining the procedures and the budget data entry software including Budget preparation in IFHRMS	12 th September, 2019–11.00 A.M.
3.	Submission of Budget proposals in complete shape, as per the checklist, in one consolidated form by each HOD including online Budget proposals through IFHRMS	On or before 24 th September, 2019
4.	Decentralized Budget Meetings	October 2019
5.	Submission of finalized estimates by the Estimating Officers based on the decisions taken in the decentralized budget meetings in CDs and in IFHRMS	Within five days from the decentralized budget meeting.
6.	Communication of Revised Estimates by Finance Department (including data transmission through IFHRMS)	January, 2020

SECTION – II

RECAP OF RECENT CHANGES IN THE ACCOUNTING PROCEDURE

1) Merger of Plan and Non-Plan Group Heads:

The Plan and Non-Plan group heads (formerly coded in Roman characters like I Non-Plan / II State Plan, etc.) had been merged in the year 2017-18 in consonance with the decision taken by the Government of India. Consequently, the group heads had been re-classified and the group head coding had been removed. Further, the separate provisioning of funds made till 2017-18 under Non-Plan and Plan group heads of accounts had been stopped in the Budget for 2018-19 and unified funds had been provided in one place in respect of 71 identical heads of accounts. The same procedure will continue and the old practice of seeking or providing funds under the two heads of accounts should not be resorted to which will be viewed very seriously.

(U.O. Note No. 62000 / Fin.(BG.II) Dept. / 2016-2, dated 09.02.2017; G.O.Ms. No.66, Finance (BG.II) Dept., dated 15.03.2017; and Government Letter No.24000 / Fin. (B.Coord) Dept. / 2018, dated 17.07.2018 – Copies enclosed as Annexure V)

2) Re-Classification / Introduction of New Minor Heads of Accounts:

New Minor Heads of account for expenditure related to Scheduled Castes (Minor Head 793)/ Scheduled Tribes (Minor Head 794) in respect of all the Centrally Assisted (Sponsored) schemes irrespective of the sharing pattern had been introduced in the Budget 2018-19, through reclassification from the Minor Heads 789 and 796 respectively. This shall be continued as per Government Letter No.4116 / Finance (BG-II) Department/ 2018, dated 05.02.2018. The 100% expenditure borne by the State Government, shall, however be booked under the related Minor Heads 789 and 796. Copy of the above G.O. is enclosed as Annexure-V.

3) Restructured Heads of Accounts:

As part of standardization and bringing in structural uniformity in the accounting codes under the IFHRMS and at the same time to derive maximum values for analytical and decision making purposes, a few new concepts and minor modifications have been introduced in the Heads of Accounts structure, at various levels vide G.O.(Ms) No.85, Finance (BG-II) Department, dated 04.03.2019. The major changes have been the creation of separate set of Detailed and Sub-Detailed Heads for each type of Receipt and Expenditure, creation of a Group Code at Detailed Head level to identify the nature/ type of Receipt and Expenditure, removal of the check-digit and providing two digit slot for Sub-Detailed Heads, distinguishing 'Charged' expenditure at Sub-Detailed head level for all the object heads other than 'Salaries' and converting the 15 digit DP Code to 16 digit Code.

The standard object of expenditure has been strengthened with introduction of Group Code prefixed to the Detailed Heads, i.e., 3 - Revenue Expenditure, 4 - Capital Expenditure, 5 - Loans and Advances, 6 – Public Debt, 7 – Contingency Fund and 8 – Public Account. Thus, the Group Code is prefixed with the Detailed Head for classification of expenditure. For example Detailed Head "01 Salaries" will be displayed as "301 Salaries". Further, a standard set of Detailed and Sub Detailed Heads have been created for Revenue Receipts, Loans and Advances, Public Debt and Public Account Heads. For having a uniformity and proper

correlation between Detailed and Sub-Detailed Heads, Sub-Detailed Head '01' has been introduced under all the Detailed Heads where there is no Sub-Detailed Head and the nomenclature of the new Sub-Detailed Head '01' would be the same of that Detailed Head. All non-salary items of expenditure has been distinguished as 'Voted' and 'Charged' based on the head of Account structure and brought in at Sub-Detailed head level i.e., sub-detailed heads for 'Voted' would have a sequence of '01 to 49' and the corresponding sub-detailed heads for 'Charged' would be sequently represented from '51 to 99'. In the case of salary items of expenditure, the distinction between 'Voted' and 'Charged' expenditure would be at Sub-Head level only.

The new system had already been incorporated in the Budget Estimates for 2019-20 and came into effect from 01.04.2019. This shall be continued in the future also. Copy of the above G.O. is enclosed as Annexure-V. Further, the Mapping Table of New Codes and corresponding Old Codes was also published in March 2019 and has been made available in the Finance Department and IFHRMS websites.

SECTION – III

NEW INITIATIVES TO BE INTRODUCED

1) Parallel Budgeting Exercise in IFHRMS

The IFHRMS budget preparation is designed to commence the budget activities on 'Bottom-up Approach' basis based on the HoD-BCO-DDO hierarchy mapping, i.e., from the base / bottom level Drawing & Disbursing Officers (DDOs) in Taluk / Block offices, to be compiled at the intermediary level(s) of Budget Controlling Officers (BCOs) in the District/ Regions and further final compilation at Head of Department level for submission to the Finance Department in the Government. The system also facilitates proposing/ correcting the budget proposals proposed by DDO / BCO at the lower level offices by the BCO / HOD respectively, as defined in the hierarchy mapping. Administrative hierarchy mapping has been completed through the officials of Heads of Departments and loaded in the system.

2) The IFHRMS has several in-built key functionalities like preparation of Number Statement for each office and department-wise consolidated statement, displaying/ pre-populating the actual expenditure till date, system calculated Revised Estimates (i.e. BE allotment + additional funds sanctioned through ASLs), system calculated dues for Salaries / Wages / Telephone expenses / Fuel charges, etc. However, these are dependent on the regular and real-time updation of HR entries and Stock registers by the designated officials at all the levels of governance.

3) Hence, enough sensitization and orientation / refresher programmes are continuously conducted through the Treasuries and Accounts Department. Further, the officials from Heads of Departments to the Taluk/ Block levels have been given specific training on using IFHRMS for Budget preparation and allotment activities.

4) However, **due to some gaps in the updation activities in HR module by DDOs currently, the IFHRMS system generated values shall be treated only for reference purposes at present.** Currently, the values of "Dues" for the Detailed Heads '01 Salaries / '79 Salary Grants' and their Sub-Detailed heads / Wages /

Telephone expenses / Fuel Charges and 'Calculated RE' comprising BE allotment plus additional funds sanctioned through ASLs, to be displayed in the System / Excel file download for preparation of RE 2019-20 and BE 2020-21 are based on the data available in the system. Hence, **these should not be assumed as the estimate figures and each office should prepare/ work out the requirements manually in the conventional method as was done till the previous financial year** and send the budget proposals to the respective higher offices. But, the pre-populated values will display accurate estimates only if related data in HR modules are updated to the current level. It is the responsibility of DDO / HoD concerned to make it work properly by feeding the correct data and doing the updates on regular/ real-time basis.

5) After the preparation of RE/ BE proposals in the conventional manual process, the finalized figures should be entered as the proposed values in the IFHRMS system, irrespective of the figures already displayed therein and they should be overwritten wherever required. This offline paper mode of budget proposal submission and the online IFHRMS budget preparation and submission should be done in parallel and the proposals in both the modes should be submitted to the Government within the due date prescribed in the main Government Order.

6) Proper build-up of budget proposals from the base/ bottom level will be of great help at the time of allotment of the Revised Estimate provisions and Budget allotment later on, because the system, by default will prepopulate the amount to be allotted to the BCOs/ DDOs based on their initial requirement and allocation given, on proportionate basis.

7) Therefore, the Heads of Department are requested to take note of the requirements, give suitable instructions to their sub-ordinate officers to follow the procedure envisaged for parallel budgeting in IFHRMS also and ensure that the budget proposals are submitted in time to the Finance Department.

2) Opening of new Detailed/ Sub-Detailed Heads to be used from BE 2020-21

S. No.	Existing / New Detailed Head	New Sub-Detailed Head	Remarks
I)	Existing Detailed Head		
1.	342. Service or Commitment Charges	52 Service or Commitment Charges under EAPs-Charged	<p>This new Sub-Detailed head is created to identify the expenditure incurred on Externally Aided Projects towards Commitment charges and should be used under the Major Head '2049 Interest Payments' only.</p> <p>Consequently, the nomenclature of the existing Sub-Detailed head '51 Service or Commitment</p>

S. No.	Existing / New Detailed Head	New Sub-Detailed Head	Remarks
			Charges-Charged' is renamed as '51 Service or Commitment Charges under non-EAPs-Charged'.
2.	464 Lands	25 Interest 75 Interest-Charged	<p>These two Sub-Detailed heads are created to watch the expenditure incurred on payment of interest in the Land Compensation cases, ordered by various Courts.</p> <p>The Sub-Detailed head '25 Interest' should be used if the interest is paid by the departments based on existing rules, without the intervention of Courts.</p> <p>The Sub-Detailed head '75 Interest' should be used if the interest is paid on the basis of Court orders.</p>
3.	330 Inter-Account Transfers	02 Inter-Account Transfers-Pro-Rata Charges	In order to segregate different types of inter-account transfers, these two new Sub-Detailed Heads are created.
4.	430 Inter-Account Transfers	02 Inter-Account Transfers-Pro-Rata Charges	Consequently, the nomenclature of the existing Sub-Detailed Head '01 Inter-Account Transfers' is renamed as '01 Inter-Account Transfers -Reserve Funds'.
II) New Detailed Head			
5.	381 Networking and Connectivity	01 Networking	This new Detailed and its Sub-Detailed head is created to account for the expenditure on the growing need for internet connectivity in view of computerization activities in various departments. The cost of installation/ re-installations should be booked under this head.

S. No.	Existing / New Detailed Head	New Sub-Detailed Head	Remarks
6.	381 Networking and Connectivity	02 Connectivity Charges	This new Sub-Detailed head is created to pay for the one-time charges including payment for obtaining 'Static IP Address' and subsequent payment of monthly internet charges alone. <u>If Broad Band-cum-Landline connection is established, the charges should be debited to 30501 Telephone Charges only and it should be claimed in two places.</u>

SECTION – IV

INSTRUCTIONS FOR PREPARING THE REVISED ESTIMATES 2019-2020 AND BUDGET ESTIMATES 2020-2021

The budgeting exercise broadly consists of the following steps:

Part I ESTIMATES (based on current Policies and Priorities for ongoing schemes):

- The **Revenue Receipts** are estimated at the first instance based on existing rates of taxes, user charges, rates and fees. Estimates for revenue receipts are called for from all the Estimating Officers and will be discussed in the decentralized budget meetings as indicated in Section I These estimates enable the Finance Department to assess the total revenue receipts for the respective financial years.
- The **Expenditure** on existing schemes are estimated by calling for estimates from the Heads of Departments who are designated as Estimating Officers for their department. These expenditures are called Part I expenditure. Estimates for expenditure under Part I include expenditure which are expected to be incurred during the current financial year and in the ensuing financial year in accordance with the existing sanctions.
- The Estimating Officers have to furnish Part I Estimates of Receipts and Expenditure to PCB unit concerned in the Finance Department directly. The estimates of most of the departments are examined and finalized through decentralized budget meetings. The estimates of departments which operate very few sub-heads are examined in on-file by the Finance Department based on the proposals sent by the Estimating Officer concerned. In respect of such departments not covered under decentralized budget meetings, the Estimating Officers concerned have to furnish the subhead-wise estimates in Form III of Annexure II along with sufficient supporting data.

Part II ESTIMATES (for New Schemes: Tamil Nadu Innovation Initiatives - TANII Schemes):

The detailed procedure for preparation of TANII [Part II] Schemes along with ceilings for TANII [Part II] Schemes for the year 2020-2021 and time schedule for completion of the TANII [Part II] Schemes process by the State Planning Commission will be issued separately by Planning, Development and Special Initiatives Department in the Secretariat.

THE REVISED ESTIMATES (for Expenditure and Receipts)

While proposing the Revised Estimates for the current financial year 2019-20, the Estimating Officers have to take note of the following instructions:

- Seeking increase in the Revised Estimates for any item of expenditure should be avoided. Departments should restrict their expenditure to the provisions made in the Budget Estimates. The cases where additional expenditure has been sanctioned by the Government pending inclusion in the Revised Estimates / Final Modified Appropriation shall alone be included in the Revised Estimates. In all such cases, the proposals have to be accompanied with copies of relevant Government Orders.
- Revised Estimates should be as close as possible to the actual requirement for the year. **The Estimating Officers are cautioned that requests for changes in provisions made in the Revised Estimates at the time of the Final Modified Appropriation will not be entertained and any excess or surrenders thereafter will make the Estimating Officers answerable to the Public Accounts Committee.**
- **The Final Modified Appropriation will be based on the Revised Estimates.** The cases of **specific sanction of the Government by authorizing to incur the expenditure through pending provision of funds in FMA will only be permitted to be added in the FMA proposal.** Hence, the Estimating Officers should take special precaution to ensure that the Revised Estimates are accurate and that they do not propose changes later at the FMA stage.
- **Additional funds will not be provided after finalization of the FMA.** Therefore, the Heads of Departments are responsible for any additional provisions / surrenders and have to avoid the problem of excess expenditure over voted grants or surrender of voted grants.
- The Revenue Receipts shall also be re-assessed based on the trends in inflows during the first 4 or 5 months of the current financial year, any deviations expected due to extraneous factors, shortfall in collections / arrears to be collected and a specific mention for the variations is to be clearly mentioned in the proposals.

THE BUDGET ESTIMATES AND THE ADVANCE ESTIMATES (for Expenditure and Receipts)

It is mandatory for the Administrative Departments / Heads of Departments to prepare a medium term expenditure framework which includes preparing Budget Estimates for the year 2020-2021 and Advance Estimates for the years 2021-2022 and 2022-2023. Proposals without this estimation will be deemed to be incomplete and returned.

The Estimating Officers also need to ensure that the proposed estimates take into account the normal anticipated increases within the existing definitions of the schemes, if any, due to price escalations, increase in tax rates / duties levied by competent authorities, etc. Further, any other increase authorized through a Government Order should also be considered.

It has been noticed for a while that proposals soliciting additional fund over and above the Budget Estimates are received immediately after the presentation of the Budget and continue to increase during the whole year. This includes ongoing major schemes for which it has been observed that ASLs are created during the course of the Financial Year when the amounts should have been included in the Budget. The sanction of additional fund over and above the Budget Estimates defeats the very purpose of Medium Term Fiscal Plan (MTFP) norms. Therefore, the Estimating Officers should thoroughly scrutinize their budget proposal taking into account all the immediate and committed expenditure. While distributing the object-wise allocation finalized by the Finance Department, the Estimating Officer should distribute the expenditure to the sub-heads as required.

THE ESTIMATES OF REVEURE RECEIPTS

The Revenue Receipts must also be estimated meticulously keeping in mind the past trends, future contingencies, assumed changes in the targeted group/ volume and value of trade and business, plugging leakages, status of arrears collections and expected recovery, buoyancy / growth anticipated, etc.

Apart from 'Share of Central Taxes', for which the estimates will be fixed at Government level, the concerned Estimating Officers have to furnish the Detailed Estimates for State's Own Tax Revenue and Non-Tax Revenue and the Grants-in-Aid from the Centre.

- The Estimating Officers have to furnish the estimates for each receipt head of account relating to their department upto Detailed / Sub-Detailed levels, in 16 digit code prescribed in the Budget for 2019-20.
- The estimates should be based on existing structure of taxes and fees, user charges, etc. For each of the items, the basis for the proposed estimates, the assumptions made thereon, the structure of the taxes and fees, etc., should be clearly indicated in the remarks column. The details of statements regarding the demand, collection and balance should be furnished wherever the estimates assume collection of arrears.
- **For items exceeding Rs.20.00 crore under receipts estimation should be proposed separately** and should be accompanied by detailed notes with working sheets. Each of these proposals will be discussed in detail in the Decentralized Budget Meetings.

- **If any change is made in the rate of tax or introduction of any new cess, surcharge, user charges, fees, fine, etc., during the current financial year, it must be specifically mentioned along with supporting Government Orders.**
- The Estimating Officers in respect of Public Works Department/ Highways Department have to furnish details of receipts to be collected from the Contractors under concerned Receipts head of account by way of Penal charges (like additional cost to be borne by the Contractor on account of failure in completion of work; for not having executed Tender conditions due to various reasons; etc.).
- Apart from the detailed and thorough scrutiny of State's Own Tax Revenue which are constantly reviewed in the quarterly meetings by the Chief Secretary, the major Non-Tax Receipts and Grants-in-Aid from the Centre will also be taken up for a complete analysis during the ensuing Decentralized budget meetings.

CENTRALLY SPONSORED / CENTRAL SECTOR SCHEMES

- The Estimating Officers should ensure the inclusion of likely receipts from Government of India towards Central Sector/ Centrally Sponsored Schemes for which expenditure estimates are proposed for implementation.
- To properly estimate the Government of India funding for the Central Sector / Centrally Sponsored Schemes, the latest sharing pattern of the schemes should be specifically mentioned. Assistance likely to be received from the Government of India during the course of the financial year should be proposed with supporting documents. If there is any uncertainty in receipt of the same, a token provision should be proposed. The receipt proposal on any Centrally assisted schemes should be consistent with the expenditure proposed and vice versa.

There is already a separate format for providing particulars on Grants-in-Aid from the Centre which is slightly modified to take into account the pending grant from the Centre for the expenditure already incurred by the Government in anticipation, funds provided in the budget waiting for central assistance to incur the expenditure, reduction in central allocation than provided in the budget, etc.

- All relevant details shall be furnished in Form - II under Annexure – IV (in duplicate) without fail and copy of the same shall be handed over to Finance (G.B.C / B.G.M) Department. **This will be specifically looked into during the DCB meetings.**

NON-TAX REVENUES

- Similarly, a new format is prescribed to analyze major items of Non-Tax Revenues in order to improve and regulate the revenues due to the Government. **This will also be specifically discussed during the DCB meetings.**

THE PART I ESTIMATES OF REVENUE EXPENDITURE

As the Estimating Officers are already aware, the examination of the Budget Estimates for Revenue Expenditure made through decentralized budget meeting is done on the basis of object-wise requirements only and not at sub-head level. Objects of revenue expenditure were standardized in G.O.Ms.No.148, Finance (BG-II) Department, dated 31.3.2000 and further strengthened in the G.O.Ms. No.85, Finance (BG-II) Department, dated 04.03.2019. A detailed head read with its prefixing group code and suffixing sub-detailed head is the standard object of revenue expenditure. Thus, '301 Salaries – 01 Pay', '309 Grants-in-Aid – 01 Grants for Current Expenditure', '311 Subsidies – 01 Individual based Subsidy' are some of the examples for standard objects of revenue expenditure.

The revenue estimates for use during the meetings are called for in all standardized printed Forms I, II and III of Annexure II and Form T of Annexure III. **The estimates will have to be furnished in CDs and in all the Forms I, II and III generated by the Estimates Data Entry software provided by the Finance (BC) Department except for Form T of Annexure III.** In addition to the estimates for the Revised Estimates for 2019-2020 and the Budget Estimates for 2020-2021, the **Estimating Officers have to furnish estimates for two more years, i.e. for 2021-2022 and 2022-2023, for the preparation of the Medium Term Fiscal Plan,** as already explained in this section.

The officials of the various Departments are already conversant with the procedure for entering the data into the Estimates Data Entry software. Detailed instructions on how to use this software for data entry and printing of various reports will be given at the time of receiving software in Compact Discs from the Finance (BC) Department.

Skeleton forms shall be generated from the Estimates Data Entry Software which will contain the sub-heads, detailed heads and sub-detailed heads exist in the budget publication which are operated by the Estimating Officer, without the estimate figures. The Estimating Officers have to compile the estimates for each sub-head operated by them in the skeleton forms. After filling-up the blank skeleton forms, the Estimating Officer shall enter the data from these forms into the Estimates Data Entry Software and then get print out of the Forms I, II and III generated from the software. **These auto generated forms will have to be submitted to the Finance Department for scrutiny before 24th September, 2019.**

For each item of substantial variation from the Budget Estimates 2019-2020 in the Form-I, the Estimating Officers have to furnish detailed explanatory notes on how the Revised Estimates suggested have been arrived at. This is necessary for useful discussion and taking quick decisions during the Decentralized Budget Meetings.

The Estimating Officers have to take utmost care and ensure TANII [Part II] provisions of previous year (Non-recurring) and provision made in the current year BE 2019-20 for payment of any arrears and one time sanction pertaining to the previous years, are not included in the Budget proposal for the year 2020-2021.

At the same time, the Estimating Officers shall also ensure that arrear or one-time settlement pending to be paid by the Government which are not covered in the BE 2019-20 are promptly included in RE 2019-20 or BE 2020-21,

as the case may be and specifically mention the reasons for the same in the remarks and make presentation during the DCB meetings.

THE ESTIMATES FOR RUPEES TWENTY CRORE AND ABOVE

As mentioned above, proposals for items of expenditure for Rs.20.00 crore and above will have to be accompanied by detailed notes with working sheets containing the following information very clearly:

- The existing guidelines / norms of the scheme
- The assumptions made in forecasting the estimates
- The anticipated changes in the parameters such as number of beneficiaries, revisions in the eligibility criteria, Government of India guidelines change, etc.

INSTRUCTIONS FOR ESTIMATING VARIOUS OBJECTS OF REVENUE EXPENDITURE

The following guidelines need to be followed by the Estimating Officers while preparing the estimates for various objects / items of revenue expenditure.

SALARY RELATED OBJECTS OF REVENUE EXPENDITURE	
01 Pay	<p><u>R.E. 2019-2020:</u></p> <p>As per the pay structure “Pay in the Level” means pay drawn in the appropriate Cell of the Level as specified in the Pay Matrix;</p> <ul style="list-style-type: none"> ▪ The actuals for March (paid in April), April, May, June and July of the current year have to be provided separately. ▪ There should not be major variation between the pay proposed and the sum of {{(4 months actual of Pay / 5) x 12}} <p>Vacant posts in the Number Statement should be excluded while estimating pay. If there is any proposal to fill-up the vacancies in the following months of this year, minimum pay of the corresponding level in the pay matrix may be added for the subsequent months. In this regard, the working sheet should be furnished.</p> <p><u>B.E. 2020-2021, A.E. 2021-2022 and A.E. 2022-2023:</u></p> <ul style="list-style-type: none"> ▪ The Budget Estimates for the year 2020-2021 should be based on the Number Statement. ▪ All the existing sanctioned posts which are filled-up should be taken into account. ▪ Pay corresponding to the posts which are likely to remain vacant during the year 2020-2021 must be excluded from the pay arrived as per Number

	<p>Statement. The pay for the posts likely to be filled-up during the course of the current financial year may be included and the minimum pay of the corresponding level in the pay matrix from the expected month of filling-up of the post.</p> <p>Advance Estimates for 2021-2022 and 2022-2023 may be arrived at after giving annual growth of 4% over the previous year's estimate.</p>
02 Medical Allowance	This should be based on the number of persons drawing medical allowance as furnished in Annexure – III (e) of the Number Statement.
03 Medical Charges	This should be based on the trend of expenditure during the last three years and revised rates
04 Other Allowances	<ul style="list-style-type: none"> ▪ This object contains washing allowance, cash allowance etc. ▪ This estimate may be prepared based on Annexure - III (d) of the Number Statement. ▪ Bonus out of Other Allowances should be based on the number of persons drawing Adhoc Bonus and Special Adhoc Bonus as specified in Annexure – III (f) of the Number Statement. ▪ The Estimates for the above should tally with the figures furnished in the Number Statement.
06 H.R.A & 08 C.C.A.	This should be prepared based on Annexure III (a), (b) and (c) of the Number Statement. The headquarters of staff should be taken into account for this estimate.
07 Travel Concession	This should be based on number of persons who are likely to avail Leave Travel Concession.
302 Wages	It is mandatory for Administrative Departments seeking provisions under wages to produce details of the persons getting wages along with the relevant order wherein the hiring of such workers was authorized.
303 Dearness Allowance	<p>R.E. 2019-2020: (Pay in the Level) x 14%</p> <p>B.E. 2020-2021: (Pay in the Level) x 17%</p> <p>For Advance Estimates 4% growth should be given.</p>
349 Festival Advances	In G.O.Ms. No.240, Finance (Salaries) Department, dated 02.08.2019, Government have enhanced the Festival Advance from Rs.5,000/- to Rs.10,000/-. This should be based on the numbers of persons availing Festival Advance and revised rates for the remaining period of RE 2019-20 and the entire year for BE 2020-21.

379 Salary Grants	This should be estimated following the guidelines as above for salary related items.
OBJECTS RELATING TO OTHER ADMINISTRATIVE EXPENDITURE	
304 Travel Expenses	Estimates should be made separately for Tour T.A. and Fixed T.A. They should be based on the norms prescribed. In this regard, instructions on minimizing the expenditure on travel expenses issued in G.O.Ms.No.404, Finance (BG I) Department, dated 16.06.1992 should be adhered to. Details should be furnished in Form - T given in Annexure III. Departments have to submit a working sheet explaining the proposed provisions.
305 Office Expenses 01 Telephone Charges	This should be made against the sub-detailed heads. Telephone charges should be estimated as per norms and details should be furnished in Form - T of Annexure III. A detailed working sheet for the proposed provisions should be furnished along with the proposal, separately.
305 02 Other Contingencies	This should be based on the actual requirements and sanctions. If any excess provision is proposed for Budget Estimates for the year 2020-2021, it should be justified in detail.
306 Rent, Rates and Taxes	This should be made against the sub-detailed heads. Rent should be estimated as per P.W.D norms. Estimation for this item should be projected as per the actual requirement.
317 Minor Works	Details of works proposed to be undertaken should be furnished along with the supporting documents.
319 Machinery and Equipments	This should be based on the delegation of powers / sanction order.
320 Tools and Plant	Items to be purchased under Tools and Plant should be clearly indicated.
321 Motor Vehicles	<p>Provision for purchase of vehicle will be allowed only on the basis of sanction order.</p> <ul style="list-style-type: none"> ■ It shall be the responsibility of Heads of Department to furnish the details pertaining to their existing vehicle strength. ■ Estimates on Maintenance should be made as per the norms prescribed for road worthy vehicles. ■ Details should be furnished in Form-T of Annexure III. Incomplete details will lead to disallow of request for provisions.

324 Materials and Supplies	Items to be purchased under Materials and Supplies should be clearly indicated.
334 Other Charges	The residuary sub-detailed head "01. Other Items" under the detailed head "334. Other Charges" should be sparingly used, only where the cost of expenditure does not exceed Rs.25,000/- and the actual detailed head therefore is not identifiable correctly. Cost exceeding Rs.25,000/- should be shown under the appropriate specific detailed / sub-detailed head.
345 Petroleum, Oil and Lubricant	Revised Estimates should be based on the norms prescribed for each class of road worthy vehicles operated during this financial year and should be commensurate with present rates. The details of vehicle strength will alone form the basis for estimation under this head. The Budget Estimates for 2020-2021 may also be prepared assuming the current fuel prices.
347 Stores and Equipments	Estimates should be furnished separately under the sub-detailed heads 347. 01 Stores, 347. 02 Equipments and 347. 03 X-rays . The Estimating Officers have to furnish the estimates along with list of items being purchased under 347. 01 Stores, 347. 02 Equipments and 347. 03 X-rays , separately.
367 Feeding / Dietary charges	The Estimating Officers have to furnish the details of expenditure booked under 367. 09 Others separately. Supporting Government orders for revision of rate or enhancement of quantity should be furnished, if enhanced provision is proposed.
376 Computer and Accessories	<ul style="list-style-type: none"> ▪ Provision for purchase of computers under 376. 01 will be made only on the basis of sanction order. ▪ No funds shall be provided for maintenance under 376. 02 in case of Computers for which warranty period has not expired. The Computers for which the warranty period expired shall only be covered under this head by way of provision towards AMC / Renewal of AMC. This should be furnished along with relevant AMC copies. Particulars should be furnished in Form-T of Annexure-III. ▪ It is expected that all the items of Computers except cartridge and printer should be covered by AMC. If any of the items not covered by AMC should be included under 376. 02. Any expenditure required towards cartridge should be covered under 376. 03 along with stationery required for Computers.

THE ESTIMATES OF CAPITAL EXPENDITURE – Part I Estimates

The Capital Expenditure of the Government is generally on Major Works inter alia linked to Lands and Investments in State owned entities.

Though Object-wise Form I statement is required for the Capital Expenditure items also, the scrutiny will be more on sub-head level only and more specifically scheme-wise also under the respective sub-heads. Hence, the Estimating Officers have to furnish the sub head-wise estimates for heads of account under the capital account along with details of works.

Estimates on works shall be supported by work-wise/ scheme-wise details of administrative sanction/ revised administrative sanction, expenditure incurred so far, balance of provisions available and estimated level of completion of work in each of the years. Further, since the Advance Estimates are required to reflect the expenditure under the existing set of policies and schemes only, the Estimating Officers have to furnish projections in the estimates **only for those works which have been sanctioned by the Government.**

Further, in case of any delay in the Land Acquisition programme which will affect the commencement of the works also, the implications/ impact of such delay on financial requirements for the year should be clearly spelt out under the relevant schemes/ sub-heads.

THE ESTIMATES OF LOANS AND ADVANCES

Estimation of loans and advances sanctioned from the Government to the Statutory Boards, Public Sector Undertakings, Corporations, Cooperatives, Individuals etc., is an important part of Budget preparation. **It is mandatory on the part of Estimating Officers to provide full details of loans sanctioned, repayments and outstanding etc.**

It is also pertinent to mention that the long pending adverse balances and the reconciliation issues that had adversely affected the Loans & Advances segment for decades have been settled through a one-time major exercise of restructuring of all the outstanding loans (except EAP based and a few policy decision based cases) sanctioned till 2017-18 including the Ways & Means Advances given upto 2016-17.

This restructuring process was done based on agency balance reconciliation through write-off of the differential amount to the Ledger Balancing Account, revenue account write-off of select irrecoverable loans, pruning of heads of accounts and standardizing to institution and loan-type based heads of accounts and finally consolidation of the remaining reconciled loans into fresh term loans with a new repayment period and at a lower interest rate. The orders in this regard were issued in G.Os. (Ms.) No. 68 to 72, Finance (L&A Cell) Department, dated 25.2.2019. The repayment of the consolidated loans starts from June 2019 only. Therefore, the no. of effective loan outstanding and the heads of accounts-wise balances will be less and easy to monitor and prepare the accurate estimates of repayment and interest payment dues to the Government.

It is clarified that the Administrative Department in Secretariat / Heads of Department have the administrative control over the Boards and Corporations and

therefore they are the Estimating Officers. The functional Registrars concerned are the Estimating Officers for the Co-operative Societies. **It is therefore necessary that proposals of these institutions are furnished to the Finance Department by the Administrative Department in Secretariat / Heads of Department concerned and not by the institutions directly. The following should also be borne in mind while furnishing the estimates:**

- The Estimating Officers have to furnish the head of account-wise estimates of loan recovery and loans expected to be released during each year, including the anticipated opening and closing balances of the loan account. This should be done separately for Loans and Ways and Means Advances.
- **It is also necessary to watch whether the interest on such loans is paid promptly and correctly besides ensuring timely repayment of the principal amount.**
- The Estimating Officers often give estimates for the outgoing amounts only. Care should also be exercised that the estimates are properly **prepared for the recoveries and interest payments. For this purpose, the recoveries and interest payments due should also be indicated as per the terms and conditions of loans.**
- It should be ensured that the Revised Estimates for the year 2019-2020 and the Budget Estimates for the year 2020-2021 under loan receipts are worked out correctly with reference to the terms and conditions of the loans. **The reasons for difference between the amount due as per the terms and conditions and the amount actually expected to be collected should be furnished.**
- In addition to this, each sub-head of account for loan should be supported by loan-wise breakup details, viz., amount of sanction and relevant sanction order in Form I of Annexure - I.
- The Estimating Officers have to furnish the estimates for loan repayments and sanctions in Form II of Annexure-I.
- **As already mentioned, these estimates will also be discussed in the Decentralized Budget Meetings.**

THE DATA ON GUARANTEE SANCTIONED BY THE GOVERNMENT

The sanction of guarantee by the Government to the lenders from whom Statutory Boards, Public Sector Undertakings and Co-operative Institutions, etc., mobilize funds by availing loans, etc., does have an impact on the finances of the Government as a Contingent liability and the ceilings on Government issued Guarantees is also defined in the Tamil Nadu Fiscal Responsibility Act-2003.

Besides, the Government has to maintain a reserve to tackle unforeseen events and hence collection of Guarantee Fees from the Government owned entities is also an important aspect of the budgeting. To monitor the remittance of Guarantee fee etc., the data on the guarantees sanctioned by the Government is required.

These data should be furnished in Form III of Annexure-I which will also be reviewed critically during the ensuing DCB meetings.

THE ACCOUNTS DATA FOR PREPARING BUDGET ESTIMATES

The actual for the current financial year 2019-2020 furnished in soft copy in the CD contains data for the first four months, i.e. from April 2019 to July 2019. Hence, the Heads of Department are requested to take this into consideration while working out the requirements for the remaining 8 months (7 months in the case of Salaries and Pensions) of the current financial year August 2019 to March 2020. The data entry software for entering Revised Estimates 2019-2020 / Budget Estimates 2020-2021 / Advance Estimates 2021-2022 and 2022-2023 shall be collected from the Finance (BC) Department immediately after the meeting to be held on 12.09.2019.

THE DATABASE ON MAJOR SCHEMES

In order to establish a comprehensive database for all major schemes / expenditure items and strengthen the cash flow mechanism further, certain essential information like delegation of powers for sanction of expenditure, mode of drawal, connected PAO / Treasury, drawal pattern, etc. are essentially required and this information is called for every year. But till date, the database could not be created in full shape due incomplete particulars furnished by the Heads of Departments. **Therefore, this aspect should also be looked into and the required details must be furnished in full in the Form I of Annexure IV. The guidelines for furnishing the information are also provided.**

SECTION – V

DECENTRALISED BUDGET MEETINGS

Decentralized Budget Meetings with the Estimating Officers/ Heads of Department are to be conducted by the Deputy Secretary to Government (Budget) and concerned officers of the Finance Department, to finalize the estimates for various objects of expenditure under the sub-heads operated by the concerned Heads of Department. **The Decentralized Budget Meetings for this year will be conducted from October 2019, for which the schedule will be communicated separately.** The Decentralized Budget Meetings will cover discussion on revenue receipts, revenue expenditure, capital expenditure, loan receipts and expenditure.

SECTION – VI

STATEMENT OF WELFARE EXPENDITURE

Consequent to merger of Plan and Non-Plan classification such merged existing Group sub-heads consisting of I - Non-Plan & II - State Plan have been re-named as "State's Expenditure" vide G.O. Ms. No. 66, Finance (BG-II) Department, dated 15.03.2017. The schemes under State's Expenditure finding place in the budget could be either Part I schemes, i.e. ongoing schemes introduced in the earlier years or TANII [Part II] schemes which are proposed to be introduced in the budget year.

The estimates for State's Expenditure schemes are called for along with the Part I proposals itself. As already mentioned in Section IV, the Part I proposals are obtained separately for State's Expenditure schemes, Central Sector / Centrally Sponsored Schemes and other schemes, if any. New schemes are to be introduced through the TANII [Part II] procedure.

The Statement of Welfare Expenditure is being published to monitor budget allocations to the Scheduled Caste and Scheduled Tribes, wherein, individual beneficiary linked schemes are listed with budgetary allocations to SC, ST and General Categories.

The Welfare scheme of the Scheduled Castes should be budgeted under SCSP minor head based on their population ratio. The SCSP components of the allocations for most of the ongoing schemes have already been identified and separate sub-heads of account have been assigned. Similarly, there is a separate minor head for Sub-Plan for Tribal Communities. The Estimating officers may review these aspects and send separate proposals for these wherever necessary.

SECTION- VII

MISCELLANEOUS

REMARKS OF PUBLIC ACCOUNTS COMMITTEE TO BE BORNE IN MIND

The Public Accounts Committee had pointed out certain persistent problems in the past that have been observed in budgeting and has given certain recommendations to avoid such lapses, which should be borne in mind while proposing estimates. These have been summarized in the following paragraphs.

- The Committee has emphasized that the Departments should be scrupulous in not only confining themselves to the objects for which funds have been voted by the Legislature, but also in observing the limits set out by the Legislature for expenditure on these objects.
- Substantial savings are consistently found to occur under certain grants. To avoid this, the estimates should be fixed taking into account:
 - i) the probability of the schemes being implemented during the year;
 - ii) the difficulties that are likely to be encountered in execution; and
 - iii) all essential prerequisite activities such as acquisition of land, etc., and the extent to which the scheme could reasonably be expected to be executed.
- In cases where expenditure is dependent on the fulfillment of certain conditions, full provision should be made only if it could be ensured beyond reasonable doubt that the prerequisite conditions would be fulfilled. In doubtful cases, only a token provision should be made initially. However, in such cases, the reason for proposing token provision should be substantiated.
- To avoid bulk surrender during FMA, in case of purchase of materials, estimates should be arrived at taking into account various stages of

procurement such as calling for tenders, placing of orders, issue of sanction orders, etc., after proper planning.

- When several departments are responsible for the execution of a scheme, they should work in close co-ordination in budgeting their requirements in respect of that scheme. The Controlling Officer is responsible for the scheme should get full particulars from the departments concerned before sending the budget proposals to the Government.
- It is noticed that certain departments fails to get full particulars in time from the subordinate officers and they finalize the estimates on the basis of past actuals. The Controlling Officers should issue instructions to the subordinate officers to avoid such delay so as to arrive estimates accurately.
- To estimate the requirements correctly, the Departments should watch the progress of expenditure and reconcile the departmental actuals with those of the Accountant-General's office.

All the expenditure incurred and receipts are booked under the head of account furnished in bills / challans by the Treasury Office / Pay and Accounts Office / Office of Accountant General. Reconciliation of departmental figures with figures of Treasury Office / Pay and Accounts Office/ Office of Accountant General is vital to confirm the correctness of such bookings under the head of account intended by the Department. Budget Estimates are fixed based on the accounts from the Accountant General, (i.e) trends in expenditure and receipts. Non-reconciliation of accounts mislead the expenditure and receipts projection which result in gross variation in budgetary estimates. Hence, reconciliation is essential for accuracy in the fixation of Budget Estimates. Therefore, acknowledgment for having completed the reconciliation for the months of April, May, June and July 2019 shall be obtained from the Accountant General and furnished along with the budget proposal. In case of misclassification found and brought to the notice of Accountant General for rectification, if any, shall also be furnished.

- It is noticed that excess over voted grants are attributed to the failure to provide required funds to meet expenditure, which is obviously avoidable. Hence, the HoDs should emphasis the need for provision of funds for such items during the DCB meeting with justification. It should be ensured that inevitable or emergent expenditure is fully provided for and that excess under grants is avoided.
- The provision in the Budget Estimates should not be made for grants or subsidies for which Government's in-principle approval for continuance is not available. If the Administrative Department wants to have a second look at the policy of the Government in any such case, it should propose only a token provision. Making unnecessary provision in the Budget Estimates without immediate need for the work and later surrendering the provision should be avoided.
- **Incurring expenditure in excess of Grants voted by the Legislative Assembly is unconstitutional and such excesses occur mainly due to lack of correct assessment and maintenance of Accounts.**

SECTION – VIII

CHECKLIST

Estimating Officers have to submit proposals for Part I in one consolidated report, consisting of the following items:

- ❑ Estimates for receipts and outgo and additional details of Loans and Advances in Form I and II of Annexure I.
- ❑ Details of Government Guarantee in Form III of Annexure I.
- ❑ Estimates in filled-up skeleton forms for Revenue Receipts, Revenue Expenditure and Capital Expenditure in Forms I, II and III of Annexure II.
- ❑ Details on Vehicle strength in Form T of Annexure III.
- ❑ Details on Telephones in Form T of Annexure III.
- ❑ Details of employees drawing Wages in Form T of Annexure III.
- ❑ Details of Computers with Warranty / AMC in Form T of Annexure III.
- ❑ **Detailed separate proposals for items of Revenue Receipts/ Revenue Expenditure exceeding Rs.20.00 crore.**
- ❑ Data for the purpose of strengthening the Cash Flow mechanism in Form I of Annexure IV.
- ❑ Data on Central Sector / Centrally Sponsored Schemes in Form II of Annexure IV.
- ❑ Data on Major Non-Tax Receipts in Form III of Annexure IV
- ❑ Acknowledgement for having completed reconciliation of departmental figures with the Accountant General's figures for the months of April, May, June and July 2019.
- ❑ For Departments covered by Decentralized Budget Meetings, examination sheets in all the Forms of Annexures I, II, III and IV generated from the Estimates Data Entry Software.
- ❑ In addition to the above, supporting documents including relevant Government Orders, working sheets, details of pending bills with reasons for pending.

Instructions for filling Form I of Annexure I

SECTION A.	The Heads of the Department are requested to furnish the overall outstanding loan as on 31.03.2019 pertaining to all the Boards / Corporations and Co-operative Institutions under their control. The grand total of field 6(i) of Section B of all Loanees / Borrowers under the control of Head of the Department should tally with this amount. In case of variation from the books of accounts of Board / Corporation with the books of accounts of the Government, reason for variation needs to be mentioned.		
SECTION B.	The detailed break-up of the outstanding loan mentioned in Section A is to be furnished in this Section. The details to be furnished are as mentioned below. The break-up shall be on the basis of Government Orders in which the loans were sanctioned.		
Field	1.	The name of loanee institution, under the control of Head of the Department, to which the loan was sanctioned shall be selected from the drop down list which is available in the soft copy of the Form.	
Field	2.	The Government Order Number along with the date in which the said loan was sanctioned and further amendments issued to the Government Order, if any.	
Field	3.	Terms of loan as per Government Order.	
		(i)	Rate of Interest
		(ii)	Tenure of loan should be mentioned in terms of Financial Year
		(iii)	Moratorium Period, if any
Field	4.	(i)	The loan amount sanctioned as per the Government Order.
		(ii)	The loan amount availed or drawn by the borrower out of the sanctioned amount. In case the amount was not paid in cash but credited to the Public Deposit A/c / Personal Deposit A/c, the amount so credited should be mentioned rather than the amount drawn by the borrower from the PD account.
		(iii)	The head of account under which the loan was drawn.
Field	5.	(i)	The repayment of Principal amount made up to 31.03.2019 out of the loan availed (4(ii)).
		(ii)	The head of account under which the repayment of Principal is being made.
		(iii)	The payment of interest made so far on the loan availed and due from time to time.
		(iv)	The head of account under which the interest is being paid.
Field	6.	(i)	The outstanding amount of Principal as on 31.03.2019 out of the loan availed [4(ii) – 5(i)].
		(ii)	Interest due as on 31.03.2019.

SECTION C.	The Heads of the Department are requested to furnish the overall outstanding Ways & Means Advance as on 31.03.2019 pertaining to all the Boards/Corporations and Co-operative Institutions under their control . The grand total of field 6(i) of Section D of all Loanees/ Borrowers under the control of Head of the Department should tally with this amount. In case of variation from the books of accounts of Board / Corporation with the books of accounts of the Government, reason for variation needs to be mentioned.		
SECTION D.	The detailed break-up of the outstanding Ways & Means Advance mentioned in Section C is to be furnished in this Section. The details to be furnished are as mentioned below.		
Field	1.	The name of loanee / borrower, under the control of the Head of Department, to whom the Ways & Means Advance was sanctioned shall be selected from the drop down list, which is available in the soft copy of the Form.	
Field	2.	The Government Order Number along with the date in which the said Ways & Means Advance was sanctioned and further amendments issued to the Government Order, if any.	
Field	3.	Rate of Interest per annum to be paid on the Ways and Means Advance.	
Field	4.	(i)	The amount of Ways & Means Advance sanctioned in the Government Order.
		(ii)	The amount of Ways & Means Advance availed or drawn out of the sanctioned amount.
		(iii)	The head of account under which the Ways & Means Advance was drawn.
Field	5.	(i)	The repayment of Principal amount made up to 31.03.2019 out of the Ways & Means Advance availed.
		(ii)	The head of account under which the repayment is being made for that particular Ways and Means Advance availed.
		(iii)	The payment of interest made so far on the Ways & Means Advance availed.
		(iv)	The head of account under which the interest is being paid.
Field	6.	(i)	The outstanding amount of Principal as on 31.03.2019 out of the Ways and Means Advance availed [4(ii) – 5(i)].
		(ii)	The interest due for the Ways & Means Advance as on 31.03.2019.

ANNEXURE-I
FORM-II
ESTIMATES FOR LOANS AND ADVANCES

DEMAND NO./NAME :

HOD CODE / NAME :

[Rupees in Thousands]													
Head of Account [up to Sub-Detailed Head Level]	Opening balance as on 1 st April 2019	Moratorium Period if any	Repayment Period as per the terms and conditions	Cumulative Repayments due but not paid till 2018-19	RECEIPTS (Recovery of Loans/ WMA)					OUTGOINGS (Sanction of Loans/ WMA)			Closing Balance as on 31 st March 2021
					Due during 2019-20 as per terms & conditions	B.E. 2019-2020	R.E. 2019-2020*	Due during 2020-21 as per terms & conditions	B.E. 2020-2021*	B.E. 2019-2020	R.E. 2019-2020^	B.E. 2020-2021^	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Major Head :													
Sub-Major Head :													
Minor Head :													
Sub-Head :													
Detailed Head :													
Sub-Detailed Head :													

1 Column (5) should tally with Column 6 (i) of (B) Details of Outstanding Loans and (D) Details of Outstanding Ways and Means Advances appearing in Form-I / Annexure-I

2 Reason for variations in Column (8) with reference to dues shown in columns (5)+(6) for RE 2019-20 and Column (10) with reference to dues as per Columns (5)+(6) - (8)+(9) for BE 2020-21 should be explained clearly.
This should also include estimated disbursements / receipts of loans under the head during the year.

3 Specific reasons with supporting G.Os./ sanctions should be explained

29
ANNEXURE - I

FORM-III
Details of Guarantee

Demand No. and Name :

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Head of Department Code / Name :

--	--

(Rupees In Thousands)

(A) Outstanding Guarantee as on 31.03.2019

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(B) Details of outstanding Guarantee

(1) Name of the Board / Public Sector Undertaking / Co-operative Institution on behalf of whom Guarantee was sanctioned						
G.O.No. & Date (2)	Guaranteed Loan Amount (3)		Repayment made till 31.3.2019 (4)	Outstanding Loan as on 31.3.2019 (5)	Repayment due during April-Sep. 2019 (6)	Outstanding Loan as on 30.9.2019 (7)
	Sanctioned (i)	Availed (ii)	Principal	Principal	Principal	Principal

Instructions for filling Form III of Annexure I

SECTION A.	The Heads of Department are requested to furnish the overall outstanding Guarantee as on 31.03.2019 pertaining to all the Boards / Corporations and Co-operative Institutions under their control. The grand total of field 5 of Section B of all parties under the control of Head of the Department should tally with this amount. In case of variation, if any, from these data with data already furnished to the office of the Accountant General / Government for finalising the Finance Accounts 2018-2019, reason for the same needs to be mentioned.		
SECTION B.	The detailed break-up of the outstanding Guarantee mentioned in Section A is to be furnished in this Section. The details to be furnished are as mentioned below.		
Field	1.	The Name of the institutions under the control of the Head of the Department to which the Guarantee was sanctioned.	
Field	2.	The Government Order Number and date in which the said Guarantee was sanctioned and further amendments issued to the Government Order, if any, shall be furnished.	
Field	3.	(i)	The amount of Guarantee sanctioned in the Government Order.
		(ii)	The amount availed out of the guaranteed amount.
Field	4.	The repayment of Principal made as on 31.03.2019 out of the funds raised using Guarantee.	
Field	5.	The outstanding amount of Principal as on 31.03.2019 out of the availed Guarantee amount [3(ii) – 4].	
Field	6.	The repayment of Principal during April-September 2019 out of the funds raised using Guarantee.	
Field	7.	The outstanding amount of Principal as on 30.09.2019 out of the availed Guarantee amount [5 – 6].	

DECENTRALISED BUDGET ESTIMATES - GROUP-WISE / OBJECT WISE STATEMENT

GROUP HEAD :

[Rupees in Thousands]

[illegible]

OBJECT-WISE TALLY SHEET

DEMAND NO./NAME	:		
-----------------	---	--	--

HOD CODE / NAME	:		
-----------------	---	--	--

GROUP HEAD	:	
------------	---	--

OBJECT HEAD	:		
-------------	---	--	--

[illegible]

FORM-III

SUBHEAD-WISE TALLY SHEET

DEMAND NO./NAME	:	<div></div>	<div></div>
HOD CODE / NAME	:	<div></div>	<div></div>
GROUP HEAD	:	<div></div>	<div></div>

[Rupees in Thousands]

[illegible]

ANNEXURE-III**Form - T****ADDITIONAL PARTICULARS FOR EACH SUB-HEAD TO BE SENT BY THE ESTIMATING OFFICERS ALONG WITH THE DETAILED ESTIMATES**

DEMAND NO./NAME :

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HOD CODE / NAME :

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HEAD OF ACCOUNT :

--

		State's Expenditure			
1. WAGES					
(a) Number of workers on Daily Wages [Details of sanction orders to confirm the number of workers under Wage Employment should be attached]					
(b) Rate of Wages					
2. TELEPHONES		State's Expenditure			
		with STD		without STD	
(a) Number of Telephones and Ceilings fixed thereon for which estimates have been proposed (working sheet to be enclosed)					
(b) Details of sanction order for new installations, if any					
(c) Number of officers provided with cell phones and ceiling per month (working sheet to be enclosed)					
3. TRAVEL EXPENSES					
(a) Number of Touring Officers					
(b) Working Sheet for the estimates proposed					
4. COMPUTERS		Coverd by Warranty	Coverd by AMC	Uncoverd by Warranty/AMC	Total

NOTE: *Wherever Government Orders are quoted in support of the Estimates proposed, copies of the orders should invariably be enclosed.*

Signature and Designation

ANNEXURE-III**Form - T****MOTOR VEHICLES****ADDITIONAL PARTICULARS FOR EACH SUB-HEAD TO BE SENT BY THE ESTIMATING OFFICERS ALONG WITH THE DETAILED ESTIMATES**

DEMAND NO./NAME	:	<input type="text"/>	<input type="text"/>	<input type="text"/>
HOD CODE / NAME	:	<input type="text"/>	<input type="text"/>	<input type="text"/>
HEAD OF ACCOUNT	:	<input type="text"/>		

		STATE'S EXPENDITURE					
		Petrol		Diesel			
1. Total Number of Vehicles including condemned							
2. Number of condemned Vehicles							
A. Off-Road							
B. On-Road							
TOTAL							
3. Functional Vehicle Details [Existing Vehicles + Condemned Vehicles but on road]							
Type	PETROL		DIESEL		TOTAL		
	No. of Vehicles	Ceiling	No. of Vehicles	Ceiling	No. of Vehicles	Ceiling	
(a) Heavy Vehicles							
(b) Cars							
(c) Jeeps							
(d) Three Wheelers							
(e) Two Wheelers							
(f)							
(g)							
TOTAL							
4. Ceiling per vehicle per month according to type							
5. Working sheet for estimation of Fuel requirements ^{\$}							

NOTE: Government Orders to validate the sanction of vehicles should be attached.

Certificates from MVMO stating condemned vehicles are road worthy should be attached.

^{\$} Separate working sheet for State's Expenditure, Central Sector / Centrally Sponsored, Shared between State and Centre and Autonomous Bodies should be given.

Signature and Designation

ANNEXURE – IV

FORM – I

FORM FOR FURNISHING DETAILS OF SCHEMES HAVING ALLOCATION OF Rs.20.00 CRORE AND ABOVE UNDER REVENUE, CAPITAL AND LOANS & ADVANCES

Section A:

1.	Demand No.	
2.	Demand Name	
3.	Secretariat Department	
4.	Head of Department Code	
5.	Head of Department Name	
6.	Name of the Scheme	
7.	Head of Account	
8.	Budgetary Appropriation	Rs. Thousands

Section B:

9.	Authority sanctioning the expenditure	Govt./ HOD/ Dist. Officer/ Others	
10.	Amount drawn by	Admin. Dept./ HOD/ Dist. Officers/ Taluk Officers/ Others	
11.	Mode of Drawal through	PAO / Treasury / Book adjustment/ Others	
12.	PAO / Treasury	Mofussil / PAO South/ PAO North/ PAO Secretariat / PAO East/ PAO High Court/ Pension & Pay Officer / Not Applicable	
13.	PD Account Details	Not Applicable / Applicable	
		a) Name of the Board / PSU	
		b) PD A/C No.	
		c) Credit Head of Account	
14.	Drawal Pattern	Monthly	
		Quarterly	
		Half Yearly	
		Annual - One time	
		Based on requirement	

GUIDELINES FOR FILLING FORM – I OF ANNEXURE IV

I) GENERAL INSTRUCTIONS:

Data for the fields in Section A of the Form – I Annexure – IV is supplied by the Finance (BC) Department based on budgetary appropriation for the current financial year. Data for the fields in Section B of the form shall be furnished by the Head of Department / Secretariat Department. Fields with serial number 9, 10, 11, 12 & 14 shall be filled by selecting from the drop-down box options. For field with serial number 13, relevant data as applicable to the respective departments shall be mentioned.

II) ITEM BY ITEM INSTRUCTIONS:

Field 9	<u>Authority sanctioning the expenditure:</u> Select the relevant option from the drop down box based on the delegation of powers for sanction of expenditure.
Field 10	<u>Amount drawn by:</u> Select the relevant option from the drop down box based on the drawal of bills by the office concerned. It shall not be mistaken with the Drawing and Disbursing Officer of the office.
Field 11	<p><u>Mode of Drawal through:</u> Select the relevant option from the drop down box based on drawal of money from the Consolidated Fund. The option 'Book Adjustments' shall be <i>applicable generally to object head '30. Inter Account Transfers'</i>. This shall be chosen for transfer of budgetary appropriation to Fund Accounts under (J) Reserve Funds of Public Account and the expenditure met from such Funds by exhibiting minus debit under the Revenue / Capital heads of account <i>and for pro-rata charges</i> that are being carried out by the Accountant General (A&E) at the year end.</p> <p><u>If drawal is through PAO / Treasury:</u> This sub-field is provided to ascertain the finality of the expenditure drawn from the PAO / Treasury. The expenditure, if directly settled / paid to concerned, then it becomes a direct expenditure. Instead, if it is credited to either the departmental PD account or the PD account of the Boards / Corporations from where the payments are made, then the appropriate option shall be selected. In cases, where there is no drawal of money involved and the expenditure is off-set against receipts and vice versa by presentation of adjustment bills, then last option shall be selected. The option 'Others' is meant for transactions other than through PAO / Treasury mode.</p>
Field 12	<u>PAO / Treasury:</u> This field shall be filled by choosing from the options provided in the drop down box in the case of drawals through PAO / Treasury only and the related Pay and Accounts Office where the bills are presented must be selected. For drawals at places other than PAOs/ PPO, the option 'Mofussil' is sufficient.

Field 13	<u>PD Account Details:</u> This field shall be filled for expenditure drawn at PAOs / Treasuries and credited to the PD account of Boards / Corporations mentioned under field 11. Type in the relevant sub-fields the name of the Board / Corporation along with the PD account number of the institution and the Deposit Head of Account (namely Major Heads starting with '8342' or '8443') of the Public Account under which the amount is remitted through Challan.
Field 14	<u>Drawal Pattern:</u> This field shall be filled for drawals through PAO/ Treasury mode and the drawal pattern shall be in accordance with the Government orders / instructions, loan agreements in the case of repayment / interest, etc. Selection of the month shall be based on the first due during the year.

ANNEXURE – IV
FORM-II

**“GRANTS-IN-AID” - FORM FOR FURNISHING DETAILS OF CENTRAL SECTOR /
CENTRALLY SPONSORED / SHARED SCHEMES**

(Rs in Thousand)

1	Name of the Central Scheme/ Programme		
2	Name of the Sponsoring Central Ministry		
3	Name of the Controlling Authority in the State		
4	Name of the Implementing Agency in the State		
5	Sharing Pattern (%) (Component-wise details to be given in separate sheet)	Centre	
State			
Others, if any			
6	Receipt Head of Account for credit of Gol Grant (To be obtained from O/o AG or Fin.(BG.M) Dept. in case of existing scheme)		
7	Grants-in-Aid projected in BE 2019-20		
8	Amount of the Central Grant approved by the Gol for the current year (2019-2020) as per AWP		
9	Unspent balances/ Excess release of Gol Grant of previous year (if any)		
10 (a)	Arrears receivable from Gol (if any)	Related to years preceding the previous year 2018-19	(Specify year wise amount)
		For previous year 2018-19	
10 (b)	Reason for non-release of arrear by the Gol		
10 (c)	Whether expenditure already incurred in anticipation of receipt of arrear from the Gol? If yes, indicate the amount due from Gol.		
10 (d)	Action taken by HoD to receive dues from the Gol (copies of communication to be enclosed)		
11	Amount released by the Gol in the year 2019-2020, till 31.08.2019	a. Against previous years' arrear	
		b. For current year	
12	Further Gol Grant expected during 2019-20	Against Arrear for previous years (Sl. No. 10a – 11a)	
		Against the originally approved amount (Sl. No.8 – 11b)	

13	Name of the Scheme / Programme under which provision is proposed to be included in the Budget		
14	Expenditure provision made/ proposed in	(a) B.E. 2019-2020	Of which for a. Unspent balance of previous year b. Against Current year Grant
		(b) R.E. 2019-2020	Of which for a. Unspent balance of previous year b. Against Current year Grant
		(c) B.E. 2020-2021	
15	Expenditure Head of Account (must be indicated in case of existing scheme)		
16	Central Share of Sl. No. (14)	(a) B.E. 2019-2020	Of which for a. Unspent balance of previous year b. Against Current year Grant
		(b) R.E. 2019-2020	Of which for a. Unspent balance of previous year b. Against Current year Grant
		(c) B.E. 2020-2021	

ANNEXURE - IV**FORM - III**

STATE'S OWN NON-TAX REVENUES
- FORM FOR FURNISHING DETAILS OF MAJOR RECEIPT ITEMS

S.N.	Information solicited	Department's Reply		
1	Head of Department Name			
2	HoD Code/ Demand No.			
3	Name of the Non-Tax Item			
4	Brief Description & Scope of the Non-Tax Item			
5	Nature of Non-Tax Item (Like Fees/ Fine/ User Charge/ Hire Charges/ Rent/ Sale Proceeds/ etc.)			
6	Targeted Group (like Individuals, Society, Trade, Business, Industry, Contractors, Lessees, etc.)			
7	Receipts/ Reimbursements from Gol; if yes, periodicity of settlement by Gol			
8	Head of Account (Complete 16 digit Code, with Nomenclature for Sub-Head and Detailed Head) for the credit of the Non-Tax item			
9	Receipts realized in the last 3 years	2016-17	2017-18	2018-19
	Amount in Rs. Thousands			
10	Amount proposed in BE/ RE/ BE	BE 2019-20	RE 2019-20	BE 2020-21
	Amount in Rs. Thousands			
11	Date/ Period from which the current rate is levied on the Non-Tax item (i.e. last revision made)			
12	Backlog/ Arrear if any to be collected and if so specify the amount (in Rs. Thds.)			
13	If arrear can be realized, whether included in RE 2019-20/ BE 2020-21			

ANNEXURE - V



U.O. No. 62000/Fin(BG-II)/2016-2, Date:09.02.2017

Sub: Budget - Merger of Plan and Non-plan Classification -
Implementation from 2017-2018 – Reg.

Ref: From the Govt. of India, Ministry of Finance, Dept. of
Economic Affairs (Budget Division), Office Memorandum
No.F1(16)-B(AC)/2011, Dated: 23.08.2016.

The Union Finance Minister while presenting the Central Budget for 2016-2017, had announced that Plan and Non-plan classification will be done away from fiscal year 2017-2018. Eventually, in the reference cited the Government of India had communicated a Guidance Note on merger of Plan and Non-plan classification and the State Governments are expected to implement the same from 2017-2018 onwards.

2) The CGA has also issued necessary correction slips to the List of Major and Minor Heads in respect of Sub-Major and Minor heads under Major Heads 0049, 1601, 2049, 3601, 3602, 6004, 7601 and 7602 so as to implement the merger of Plan and Non-plan classification.

3) Accordingly, it has been proposed to implement the same in the State from the Budget 2017-2018 with following modifications in the Group Heads:-

Existing			Proposed	
Group Head		Alfa codification of group Sub-heads	Group Head	Alfa codification of group Sub- heads
I	Non Plan	AA – IZ	State Expenditure	AA -OZ
II	State Plan	JA – OZ		
III	Centrally Sponsored	SA – TZ	Central Sector Schemes	SA – TZ
V	Schemes Financed by Autonomous Bodies	ZA – ZZ	Schemes shared between State and Centre	UA – YZ
VI	Schemes shared between State and Centre	UA – YZ	Schemes Financed by Autonomous Bodies	ZA – ZZ
			Externally Aided Projects	PA – RZ

State Expenditure: Under this group head the establishment and scheme expenditure shall continue to be classified under group Sub-heads AA-IZ and JA-OZ respectively so as to enable to identify the scheme expenditure separately.

Central Sector Scheme: The schemes of Government of India implemented in the State with 100% funding from the Government of India shall be classified under this group head.

Schemes shared between State and Centre: The schemes of Government of India implemented in the State, expenditure of which is shared between the State and Centre shall be classified under this group head.

Schemes Financed by Autonomous Bodies: The schemes implemented with Financial Assistance from Autonomous Bodies, Public Finance Institutions etc. shall be classified under this group head.

Assigning of roman numbers for each group heads shall be dispensed with.

4) The PCB Units of Finance Department are therefore requested to take necessary immediate action to move the estimates for 2017-18 to relevant group head/ group sub head wherever necessary. Finance (BG-I) and Finance (T&A -III) Sections shall take necessary action to issue suitable amendments to the Tamil Nadu Budget Manual and Tamil Nadu Account Code & Tamil Nadu Treasury Code respectively. The Finance (B.Coord) shall take necessary action to make necessary modifications in the budget documents wherever necessary with the approval of the DS (B).

K.SHANMUGAM
ADDITIONAL CHIEF SECRETARY TO GOVERNMENT

To :

All PCB & Core Budget Units Finance Dept.
Copy to All Officers in Finance Dept.
Spare Copy / Stock File.

//Forwarded / By Order//

[Signature]
SECTION OFFICER

[Signature]
9/2/17



ABSTRACT

Merger of Plan and Non-Plan classification in the Budget and Accounts - Implementation from 2017-18 – Orders - Issued.

FINANCE (BG-II) DEPARTMENT

G.O.(Ms) No. 66

Date : 15-03-2017

துன்முகி வருடம், பங்குனி 2
திருவள்ளூர் ஆண்டு 2048

Read :

1. From the Govt. of India, Ministry of Finance, Dept. of Economic Affairs (Budget Division), Office Memorandum No. F1(16)-B(AC)/2011, Dated 23.08.2016.
2. Government Letter No. 62000/Fin(BG-II)/2016, Finance Department, Dated. 26-01-2017 addressed to the Accountant General (A&E), Tamil Nadu.
3. From the office of the Accountant General (A&E), Tamil Nadu, Letter No. AG(A&E)/Book-1/G1/2016-17/105183, Dated 02-02-2017
4. D.O. Letter No. 62000/Fin(BG-II)/2016-2, from the Additional Chief Secretary to Government, Finance Department, Dated 08-03-2017 addressed to the Secretary, Tamil Nadu Legislative Assembly Secretariat.
5. From the Secretary, Tamil Nadu Legislative Assembly Secretariat D.O. Letter No. 2443/2017-1 LAS(EC), Dated 14-03-2017.

ORDER :

The Union Finance Minister while presenting the Central Budget for 2016-2017, interalia, had announced that Plan and Non-plan classification will be done away from the fiscal 2017-2018. Subsequently, based on the deliberations had in the Internal Working Group (IWG) constituted to consider the issue, the Government of India had issued a "Guidance Note on merger of Plan and Non-Plan classification" for preparation of budget from the financial year 2017-18. Accordingly, the union budget for the year 2017-18 had been presented to the Parliament on 01-02-2017.

2. The Comptroller General of Accounts has also issued necessary correction slips to the List of Major and Minor heads in respect of Sub-Major and Minor Heads under Major Heads 0049, 1601, 2049, 3601, 3602, 6004, 7601 and 7602 to give effect to the merger of Plan and Non-plan classification. Wherein, among others, it has been indicated that the Minor Heads '101' to '109' under the

(P.T.O)

Sub Major Head '04'-Interest on Loans and Advances from Central Government and Major Head **2049 Interest Payments** will continue to operate till earlier loans are fully repaid and the Sub-Major Heads '01' to '07' and Minor Heads under Major Head **6004 Loans and Advances from the Central Government** will not be operational for fresh transactions w.e.f.01.04.2017.

3. The Government after careful consideration, has decided to implement the same in the State Budget and Accounts. Accordingly, the Government direct that:

I. The Plan and Non-Plan classification in the State Budget and Accounts shall be done away with effect from the fiscal 2017-18.

II. The Planning, Development & Special Initiatives Department shall continue the exercise of thorough review of all the existing schemes/projects for de-duplication and weeding out the overlapping / redundant schemes annually, through State Planning Commission.

III. Consequent to merger of Plan and Non-Plan classification such merged existing Group sub-heads consisting of I.Non-Plan & II.State Plan shall be re-named as "**State's Expenditure**" and existing Group sub-head III.Centrally Sponsored Schemes shall be re-named as "**Central Sector Schemes**". Eventually, the Group sub-heads and Sub-heads classification shall be re-arranged as detailed below:

Group sub-head	Sub-heads
State's Expenditure	AA – OZ
Externally Aided Projects	PA – RZ
Central Sector Schemes	SA – TZ
Schemes shared between State and Centre	UA – YZ
Schemes Financed by Autonomous Bodies	ZA – ZZ

State's Expenditure: Under this Group sub-head, the establishment and scheme expenditure shall continue to be classified under Group sub-heads AA-IZ and JA-OZ respectively so as to enable to identify the scheme expenditure separately.

Externally Aided Projects: The schemes implemented with assistance from external agencies viz., World Bank, Asian Development Bank, German Development Bank (KfW), Japan International Cooperation Agency (JICA) etc., shall be classified under sub-heads PA to RZ and exhibited as a separate Group sub-head, though it forms State's Expenditure.

Central Sector Schemes: The schemes of Government of India implemented in the State with 100% funding from the Government of India shall be classified under this Group sub-head.

Schemes shared between State and Centre: The schemes of Government of India wherein the expenditure is shared between the State and Centre shall be classified under this Group sub-head.

Schemes Financed by Autonomous Bodies: The schemes implemented with Financial Assistance from Autonomous Bodies, Public Finance Institutions etc., shall be classified under this Group sub-head.

Assigning of roman numerical for each Group sub-head shall be dispensed with.

4. Necessary amendments to modify the context Plan & Non-Plan occurs in Tamil Nadu Budget Manual, Tamil Nadu Account Code, Tamil Nadu Treasury Code and any other Rule/Act shall be issued separately. The statements/tables in Budget Memorandum Part – I & II, Appendices to Budget Memorandum and Introduction to Budget shall also be modified suitably.

5. In order to monitor the budget provisions and expenditure incurred for Scheduled Castes and Scheduled Tribes, the present practice of providing funds under minor heads 789 and 796 shall continue so as to monitor the share of budget provisions under these two Minor Heads.

6. As there shall not be Annual Plan from 2017-18, publishing of Plan – **Budget Link** book shall be discontinued. Instead, a publication called "**Statement on Welfare Expenditure**" to monitor budget allocations to Scheduled Caste and Scheduled Tribe communities, shall be published. Wherein, individual beneficiary linked schemes shall be listed with budgetary allocations to SC, ST and General Categories.

(BY ORDER OF THE GOVERNOR)

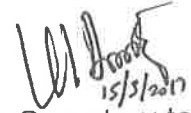
K. SHANMUGAM

ADDITIONAL CHIEF SECRETARY TO GOVERNMENT

To

- ✓ The Additional Chief Secretaries / Principal Secretaries / Secretaries to Government, Departments of Secretariat.
- The Secretary, Tamil Nadu Legislative Assembly Secretariat, Chennai-9
- All Heads of Department.
- The Registrar General, High Court, Chennai-104.
- The Secretary, Tamil Nadu Public Service Commission, Chennai-03
- The Principal Secretary to Governor, Governor Estate, Chennai-22.
- The Principal Secretary/Commissioner of Treasuries and Accounts, Chennai-15.
- The Commissioner, Government Data Centre, Chennai-25.
- The Accountant General (A&E), Chennai-18
- The Accountant General (Audit-I) Chennai-18
- The Accountant General (F&A Cell) Chennai-18
- All Officers in Finance Department, Chennai-9.
- All Sections in Finance Department, Chennai-9.
- Stock File / Spare Copies.

//FORWARDED BY ORDER//


Under Secretary to Government
(Budget)



Finance (B.Coord) Department,
Secretariat,
Chennai -9

Letter No.24000 / B.Coord /2018, Dated:17.07.2018

From
Thiru H.Krishnanunni, I.A.S.,
Deputy Secretary to Government (Budget).

To
The Principal Secretary / Commissioner of Treasuries and Accounts, Chennai -35.
Additional Chief Secretaries / Principal Secretaries / Secretaries to Government,
Department of Secretariat Concerned, Chennai-9.
The Head of Department concerned.
The Accountant General (A&E / G&SSA / E&RA), Chennai -18.

Sir,

Sub: Budget - Heads of Accounts – Removal of Non Plan and Plan expenditure classification- Merger of existing heads in Budget Estimates 2018-19 – Instructions -Communicated.

Ref: G.O.Ms.No.66, Finance (BG-II) Department, Dated:15.03.2017.

I am to invite your attention to the Government Order cited.

2. As per the Government Order cited, the Plan and Non-Plan expenditure classification in the State Budget had been done away with from the Budget for the year 2017-18. Consequent on this, the existing group sub-heads and sub head classifications had been re-arranged as detailed below:

Till Budget 2016-17		From Budget 2017-18 onwards	
Group Head	Sub – Heads under each Group	Group Head	Sub – Heads under each Group
Non –Plan I	AA to IZ	State's Expenditure	AA - OZ
State Plan II	JA to RZ	Externally Aided Projects	PA - RZ
Centrally Sponsored III	SA to TZ	Central Sector Schemes	SA - TZ
Schemes financed by Autonomous Bodies V	ZA to ZZ	Schemes shared between State and Centre	UA - YZ
Schemes shared equally between State and Centre VI	UA to YZ	Schemes Financed by Autonomous Bodies	ZA - ZZ

3. After removal of Non-Plan and Plan expenditure Group Heads and the introduction of a new group head called “State’s Expenditure” combining both the Non–Plan and Plan group Heads in the Budget for 2017-18, the Account General had suggested for a review of the practice of providing funds under two different Heads of Accounts for a single scheme in the future Budgets and to take necessary remedial action in this regard.

4. A detailed study of the entire Budget under the different Demands for Grants for the year 2017-2018 had been carried out in this regard. Based on the position emerged, the Government had felt that it was no more necessary to continue with dual provisioning of funds for a single scheme under two different heads of accounts. Hence the Government had decided to merge such dual heads of accounts under which separate provisions were being made for a single scheme into one single head of account and make suitable provisions there under from the Budget for 2018-2019 onwards. Accordingly necessary changes have been effected in the Budget for the year 2018-2019.

5. The merger of heads of accounts in respect of individual scheme under the Demands for Grants / Heads of Departments, that is to say the combined provision of funds in BE 2018-2019 has been made under either of the two existing heads of accounts only and no new head has been opened for this purpose.

6. The details of Demand / HoD wise merger of Heads of Account carried out in the Budget for the year 2018-2019 is furnished in the Annexure to this letter, for information and necessary action by all concerned. The following instructions are also issued in this regard:

- i. The Heads of Departments shall issue suitable guidelines / instructions wherever necessary to their Sub-ordinate offices regarding incurring of expenditure under each object head of account, from Salaries to Contingencies to Maintenance and all sundry items under individual scheme head of account. The admissibility of the expenditure at each level of his sub–ordinate office shall be ensured through distribution of budgetary allocation of QCA (Quarterly Control Appropriation) and Non –QCA items.
- ii. The Heads of Departments shall consult the concerned Programme cum – Budget unit in Finance Department as indicated in the annexure, regarding doubts / clarifications if any on the provision of funds in the Budget Estimate 2018-2019 and admissibility of expenditure under individual scheme.
- iii. The Heads of Departments are also requested to keep in mind the merger of heads of accounts and combined provision of funds and accordingly bring it to the notice of Account General (AE / G & SSA / E& RA) at appropriate time so as to secure Utilization Certificate for the entire amount incurred without any omission.
- iv. The Heads of Departments are further requested to review the existing Government Order of respective schemes and obtain suitable amendments from the Administrative Departments concerned

wherever required, so as to fulfill the conditionalities / guidelines if any of the Central Ministries in order to get uninterrupted flow of Central assistance.

- v. The Heads of Departments are requested in addition to carry out required changes in the PFMS (Public Finance Management System) website also, duly informing Finance (BG -M) Department.
- vi. The Principal Secretary / Commissioner of Treasuries and Accounts is requested to suitably advise all the PAOs / District Treasuries / Sub-Treasuries regarding the merger of heads of account and combined provision of funds provided in Budget Estimate 2018-2019 so as to have a smooth bill processing, if found otherwise correct.

Enclosure : List of the Merged heads of accounts in BE 2018-19.

Yours faithfully,


17/10/2018
for Deputy Secretary to Government (Budget)
DM
17/7/18

Copy to:

All Officers of Finance Department,

All PCB Units / Core Sections of Finance Department, Chennai-9 (w.e.)

The PAO/ TO/ ATO and STO concerned.

(Through HOD / Subordinate Office concerned)



Finance (BG-II) Department
Secretariat,
Chennai-600 009.

Letter No. 4116/BG.II/2018, Dated: 05.02.2018

From
Thiru M. Arvind, I.A.S.,
Deputy Secretary to Government (Budget).

To
The Accountant General (A&E),
361, Anna Salai,
Teynampet,
Chennai – 600 018.

Sir,

Sub: Heads of Accounts – Centrally Assisted schemes – Reclassification of Minor Heads for Special Component Plan for scheduled Caste and Tribal Sub Plan - Amendment – Orders - Issued.

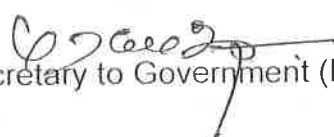
Ref: Minutes of the Meeting of the Exit Conference on Certification of Finance and Appropriation Accounts and Report on State Finances for the year ended 31 March 2017, held on 9th November 2017

In the reference cited, the Principal Accountant has pointed out that the expenditure on Centrally Sponsored Schemes for Scheduled caste under Special Component has been classified under the minor head 789 instead of minor head 793 and similarly for Tribal Area sub Plan is classified under 796 instead of 794.

2. Based on the suggestion made by the Principal Accountant General in the Exit Conference on certification of Finance and Appropriation accounts held on 09.11.2017, the following amendments are issued to the Minor heads and Sub heads of Account of the various Demands as detailed in the Annexure to this letter and the reclassification of heads of account shall take effect from the Budget Estimates 2018-2019.

3. The Treasury Officers / Pay and Accounts Officers are directed to take note of the revised head of account as detailed in the Annexure to this Letter.

Yours faithfully,


for Deputy Secretary to Government (Budget)

Copy to:

The Accountant General (AAD/F&A Cell /Audit I /Audit II), Chennai-18.
Concerned Administrative Department of Secretariat. Chennai – 09.
Concerned Head of the Departments.
The PCB Units concerned, Finance Department, Chennai-09.
SF/SC.



ABSTRACT

BUDGET – Classification of Accounts – Restructuring of Head of Account – Integrated Financial and Human Resources Management System – Restructuring – Orders – Issued.

FINANCE [BUDGET GENERAL- II] DEPARTMENT

G.O.(Ms). No.85

Dated : 04 .03.2019

விளம்பி வருடம், மாசி - 20,
திருவள்ளூர் ஆண்டு 2050.

Read:-

1. G.O.Ms.No.148, Finance (BG.II) Department, dated 31.3.2000.
2. G.O.Ms.No.400, Finance (T&A-III) Department, dated 10.10.2013.
3. G.O.Ms.No.106, Finance (T&A-III) Department, dated 31.03.2016.
4. Legislative Assembly Secretariat, Lr.No.812/2019-6, LAS (EC), dated 11.02.2019.

* * * * *

ORDER:

The Government had conceived the idea of an Integrated Financial and Human Resources Management System (IFHRMS) and issued suitable administrative sanctions in the Government Orders second and third read above. The IFHRMS will be at the core of transformation of the way in which the public finances are managed by the State. The IFHRMS shall take care of activities of the budget and treasury functions to a larger extent by bringing the Finance Department, Treasuries Department and other departments online and ensuring real time updating of the Government financial transactions.

2. As part of standardization and bringing in structural uniformity in the accounting codes under the IFHRMS project and at the same time to derive maximum values for analytical and decision making purposes, a few new concepts and minor modifications have been introduced in the Heads of Accounts structure, at various levels. A new concept of Group Code is introduced in the Data Processing Code Structure. These are all explained with suitable illustrations in the Annexure-I to this Order.

P.T.O.

3. In the Estimate Committee Meeting held on 28.01.2019, the above changes both in concept as well as in structure of the Head of Account were approved, as communicated in the reference fourth read above. This new system will take effect from the financial year 2019-2020.

4. This new system has been incorporated in the budget documents for 2019-2020. Accordingly, wherever non-standard sub-detailed heads existed in the old system, they have already been replaced by standard sub-detailed heads. The correlation between the old head of account and the new head of account has been provided as separate booklets of four volumes for ready reference by the drawing and disbursing officers and the Treasury Officers / Pay and Account Officers. The complete set of correlation will be uploaded in the Government web-portal for reference.

5. The Heads of Departments and other Estimating Officers, are requested to take note of these changes and issue suitable instructions to their subordinate controlling and drawing officers to follow the appropriate revised head of accounts. All Heads of Departments are also to note that the Revised Estimates for 2019-2020 and Budget Estimates for 2020-2021 onwards will be required to be furnished using the revised head of accounts.

(BY ORDER OF THE GOVERNOR)

K. SHANMUGAM

ADDITIONAL CHIEF SECRETARY TO GOVERNMENT

To

All the Departments of Secretariat, Chennai -600 009.

All Heads of Departments.

The Principal Secretary/Commissioner of Treasuries and Accounts,
Chennai-35. (10 copies each)

The Director, Government Data Centre, Chennai-25.

All District Treasury Officers, (3 copies each).

All Pay and Accounts Officers, (3 copies each).

The Accountant General (Audit-I), Chennai-18. (10 copies each)

The Accountant General (A&E), Chennai -18. (10 copies each)

The Residential Audit Officer, Chennai – 9. (3 copies each)

All Sub-Treasury Officers.

Copy to :-

All Officers of Finance Department, Chennai – 600 009.

(incl. those are on Deputation / Foreign Service)

All Sections in Finance Department, Chennai – 600 009.

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04/03/19
SECTION OFFICER
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04/03/19

ANNEXURE

Concepts and Changes in Head of Account Structure for IFHRMS

A) Group Code

In the current six segment Head of Account structure with 15 digit Data Processing Code, the coding starts from Major Head (4 digit numeric), Sub-Major Head (2 digit numeric), Minor Head (3 digit numeric), Group Nomenclature (no code), Sub-Head (two digit alpha), Detailed Head (2 digit numeric) and ends with Sub-Detailed Head (2 digit numeric including the check digit as the last code). In IFHRMS, it will be a 16 digit DP Code, with the introduction of a new Group Code for classification of Receipts and Expenditure, the additional digit being prefixed to Detailed Head/ Sub-Detailed Heads. The Group Code Classification is as below:

Group Digit	Group Description
1.	Central Receipts (SCT & GIA)
2.	State Resources (Tax, Non-Tax and Capital Receipts)
3.	Revenue Expenditure
4.	Capital Expenditure
5.	Loans and Advances
6.	Public Debt
7.	Contingency Fund
8.	Public Account

Few examples are:-

Detailed Head '01 Salaries' will be displayed as '301 Salaries'

Detailed Head '18 Maintenance' will be displayed as '318 Maintenance'.

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B) Removal of Check Digit Code and expanding Sub-Detailed Head Code from single digit to double digits

With end-to-end computerization envisaged under IFHRMS, starting from RE/ BE preparation to allocation of budgetary appropriation, raising of Bills for incurring expenditure and remittance of e-challan, all facilitated with selection of pre-loaded heads of accounts set, based on which the further accounting will also happen, the need for maintaining the 'check digit' in the DP Code is obviated. Hence, in its place, it is planned to have a double digit Sub-Detailed head (SDH) code instead of currently used single digit. This will help to create SDH upto '99' from the present restriction of upto '9' only.

C) Bringing in 'Voted' and 'Charged' classifications under the Head of Account structure

All non-salary items of expenditure is to be distinguished as 'Voted' and 'Charged' based on the head of account structure and brought in at Sub-Detailed head level. For this purpose, the sub-detailed heads for 'Voted' will have a sequence of '01 to 49' and the corresponding sub-detailed heads for 'Charged' will be sequently represented from '51 to 99'. In the case of salary items of expenditure, the distinction between 'Voted' and 'Charged' expenditure will be at Sub-Head level only.

D) Categorization of Head of Account Code

The new 16 digit Head of Account code in IFHRMS will be shown in two categories, i.e., the first 11 digits from Major Head to Sub Head will be forming the first category which is called as 'Scheme' and the remaining last 5 digits comprising Group, Detailed and Sub-Detailed Heads will be the second category known as 'Objects'. Further, the Demands for Grants Budget Publications will be numbered in 3 digits from the present 2 digits and there is no change in the 2 digit code for Head of Department in the same Budget publications. For example, the Code for the Demand for Grant Agriculture will be published as '005' instead of the present '05' and there is no change in the suffixing Head of Department Code. For instance, 'Director of Agriculture' which will be shown as '00502' instead of '0502'.

In addition, all Demand Numbers will have default Head of Department Code as '01', wherever such code is currently marked as '00'. For example, Head of Department Code for Demand No.50 is currently displayed as

'50 00 Pension and Other Retirement Benefits', whereas under IFHRMS, it will be shown as '50 01 Pension and Other Retirement Benefits'.

E) New Sets of Detailed and Sub-Detailed Heads

Currently, a single set of standardized Detailed and Sub-Detailed Codes/ Heads are used for both Revenue and Capital Expenditure. But, there are no such pre-defined Detailed and Sub-Detailed Heads in respect of Revenue Receipts, Loans and Advances, Public Debt and the Public Account Heads and the non-standard ones have been used wherever required. Now, a standard set of Detailed and Sub Detailed Heads have been created for Revenue Receipts, Loans and Advances, Public Debt and Public Account Heads.

F) Default Sub-Detailed Heads

In order to have uniformity and proper correlation between Detailed and Sub-Detailed Heads, it has been decided to introduce Sub-Detailed Head '01' below all the Detailed Heads where there is no Sub-Detailed Head and which is marked as '00' currently. Initially, the nomenclature of the new Sub-Detailed Head '01' will be the same that of the Detailed Head. This change is also included in the new sets of Detailed and Sub-Detailed Heads under IFHRMS.

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