

TABLE OF CONTENTS

	Paragraph	Page
Preface		vii
Basis and Approach to State Finances Audit Report		ix
Executive Summary		xiii
CHAPTER I – Overview of the Finances of the State		
Profile of Tamil Nadu	1.1	1
Demography of the State	1.1.1	1
Economy of the State	1.1.2	2
<i>Gross State Domestic Product and Per capita income</i>	<i>1.1.2.1</i>	2
<i>Sectoral contribution to GSVA</i>	<i>1.1.2.2</i>	3
Snapshot of Finances	1.1.3	5
Source and Application of Funds	1.1.4	6
Snapshot of Assets and liabilities of the Government	1.1.5	6
Consolidated Fund of the State	1.2	8
Revenue Receipts	1.2.1	8
Capital Receipts	1.2.2	21
Finance Commission Projections and Actuals	1.2.3	22
Expenditure	1.2.4	23
<i>Revenue Expenditure</i>	<i>1.2.4.1</i>	26
<i>Capital Expenditure</i>	<i>1.2.4.2</i>	32
Contingency Fund	1.3	36
Public Account	1.4	37
Net Public Account balances	1.4.1	37
Reserve Fund	1.4.2	38
Cash Balances	1.4.3	38
Fiscal Sustainability	1.5	40
Debt and other Liability Management	1.5.1	41
<i>Liability profile: Components</i>	<i>1.5.1.1</i>	41
<i>Utilisation of borrowed funds</i>	<i>1.5.1.2</i>	44
<i>Debt profile: maturity and Repayment</i>	<i>1.5.1.3</i>	45

	Paragraph	Page
<i>Financing pattern of fiscal deficit</i>	1.5.1.4	45
Post Audit Deficit Indicators	1.5.2	46
Fiscal Balance: Achievement of deficit and total debt targets	1.5.3	47
Comparison of State's key fiscal indicators with aggregate of all States	1.5.4	49
Debt Sustainability Analysis	1.5.5	50
Status of Guarantees – Contingent Liabilities	1.5.6	52
Pathway to Fiscal Stability	1.5.7	53
<i>Improving revenues of the State</i>	1.5.7.1	54
<i>Issues on expenditure side</i>	1.5.7.2	55
<i>Expenditure priorities</i>	1.5.7.3	58
Conclusions	1.6	60
Recommendations	1.7	60
CHAPTER II – Budgetary Management		
Budget Process	2.1	63
Budget projection and gap between expectation and actual	2.2	63
Component/Services wise analysis of budgetary provisions and expenditure	2.2.1	65
Budget marksmanship	2.3	66
Appropriation Accounts	2.4	68
Budgetary and accounting process	2.5	68
Expenditure incurred without authority of law	2.5.1	68
Excess expenditure and its regularization	2.5.2	69
<i>Persistent excess expenditure in certain Grants</i>	2.5.2.1	70
Supplementary grants rendered unnecessary	2.5.3	72
Injudicious re-appropriation of funds	2.5.4	72
Unspent amount and surrendered appropriation and/or Large Savings/Surrenders	2.5.5	72
Misclassification between Revenue Expenditure and Capital Expenditure	2.5.6	76
Major policy pronouncements in budget and their actual funding for ensuring implementation	2.5.7	77

	Paragraph	Page
Non-adherence to the Quarterly Expenditure Limit	2.5.8	78
Implementation of Selected Centrally Sponsored Schemes (CSS) in the State	2.6	80
Single Nodal Agency- Central and State Share Transfer to Centrally Sponsored Schemes	2.6.1	80
Other issues noticed in Detailed Review of Selected grants	2.6.2	81
Recoveries under Minor head – 911 – Recoveries of overpayment / unspent balances of previous	2.6.3	82
Contingency Fund	2.7	83
Advances from Contingency Fund	2.7.1	83
Other issues	2.8	84
Operation of omnibus detailed head “99 – Miscellaneous” and unauthorised reappropriation	2.8.1	84
Conclusions	2.9	85
Good Practices	2.10	86
Recommendations	2.11	86
CHAPTER III – Financial Reporting Practices		
Off budget borrowings through State owned PSUs/Authorities	3.1	87
Undischarged liabilities of the Government	3.2	90
Undischarged Interest liability	3.2.1	90
Short contribution to the Defined Contributory Pension Scheme	3.2.2	90
National Mineral Exploration Trust Fund	3.2.3	91
State Mineral Exploration Trust / State Mineral Development Fund	3.2.4	91
Pendency of refund cases	3.2.5	92
Funds lying unspent in the Bank Accounts of DDOs	3.3	92
Delay in submission of Utilisation Certificates	3.4	93
Un adjusted Temporary Advances	3.5	94
Personal Deposit Accounts	3.6	96
Operation of Minor Head-800	3.7	97
Outstanding balance under major Suspense and DDR Heads	3.8	97

	Paragraph	Page
Reconciliation of Departmental Figures	3.9	98
Reconciliation of cash balances	3.10	99
Lapse of deposits to the Government	3.11	100
Compliance with Accounting Standards	3.12	100
Submission of accounts of Autonomous Bodies	3.13	101
Performance of State DISCOMs in Tamil Nadu	3.14	102
Misappropriations, losses, thefts, etc.	3.15	104
Follow up action on State Finances Audit Report	3.16	105
Status of discussion of the State Finances Audit Reports by the Public Accounts Committee (PAC)	3.16.1	105
Action Taken Notes (ATNs) pending from the Department	3.16.2	106
Conclusion	3.17	106
Recommendations	3.18	106

Appendices

Appendix No.	Subject	Reference to Paragraph	Page
1.1	Time series data on the State Government finances	1.1.3	109
1.2	Abstract of receipts and disbursements for the year 2024-25	1.1.4, 1.2.4.1A, 1.2.4.2A	112
1.3	Summarised financial position of the Government of Tamil Nadu as on 31 March 2025	1.1.5	114
2.1	Cases where supplementary provision (₹3 crore or more in each case) proved unnecessary	2.5.3	115
2.2	Cases where supplementary provision (₹3 crore or more in each case) proved excessive	2.5.3	117
2.3	Unnecessary/Inadequate re-appropriation of funds (exceeding ₹3 crore), during 2024-25	2.5.4	119
2.4	Grants having large savings, after surrender (exceeding ₹3 crore), during 2024-25	2.5.5	120
2.5	Grants having persistent savings (exceeding ₹3 crore) during 2022-23 to 2024-25	2.5.5	121
2.6	Grant-wise-percentage of utilisation of budget and savings, during 2024-25	2.5.5	123
2.7	Surrender of funds in excess of ₹3 crore, on the last day of March 2025	2.5.5	127
2.8	Surrenders of more than ₹100 crore for 2024-25	2.5.5	131
2.9	Budget provision was more than ₹100 crore, no expenditure incurred resulting in 100 <i>per cent</i> savings during 2024-25	2.5.5	135
2.10	Misclassification of revenue expenditure as capital expenditure & vice-versa for 2024-25	2.5.6	137
2.11	Sub-heads where entire expenditure was incurred in March 2025	2.5.8	138
2.12	Quarter wise expenditure for all grants during 2024-25	2.5.8	151
2.13	“Grants for unforeseen expenditure provided to Secretaries to the Government” under detailed head”99 – Miscellaneous”	2.8.1	156
3.1	Arrears of accounts of Autonomous Bodies as on 31 March 2025	3.13	157
3.2	Details of pending cases of misappropriation, losses, theft, etc.	3.15	160
	Glossary of terms and abbreviations used in the Report		161