SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Report of the
Comptroller and Auditor General of India
on State Finances for the year 2024-25

Government of Tamil Nadu
Report No. 2 of 2026
(State Finances Audit Report)

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PREFACE

This Report has been prepared for submission to the Governor of Tamil Nadu under Article 151 of the Constitution.

The State Finances Audit Report of the Government of Tamil Nadu intends to assess the financial performance of the State, during the financial year 2024-25 and to provide the State Legislature with inputs, based on audit analysis of financial data. The Report contains three Chapters.

Chapter I – Overview of the Finances of the State

This Chapter describes the basis and approach to the Report and provides a broad perspective of the finances of the State. It includes a macro-fiscal analysis of key indices and State's fiscal position including deficits/ surplus, debt profile and key Public Account transactions.

Chapter II – Budgetary Management

This chapter is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.

Chapter III – Financial Reporting Practices

This chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departments of the State Government.

The Reports containing the findings of Performance Audit and audit of transactions in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.

BASIS AND APPROACH TO STATE FINANCES AUDIT REPORT

BASIS AND APPROACH TO STATE FINANCES AUDIT REPORT

In terms of Article 151(2) of the Constitution of India, the reports of the Comptroller and Auditor General of India (CAG) relating to the accounts of a State are to be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State.

The Accountant General (Accounts and Entitlements) compiles the annual Finance Accounts and Appropriation Accounts of the State based on vouchers, challans, and initial and subsidiary accounts submitted by treasuries, offices, and departments under the control of the State Government, as well as statements received from the Reserve Bank of India. These accounts are independently audited by the Accountant General (Audit) and certified by the Comptroller and Auditor General of India.

Finance Accounts and Appropriation Accounts of the State constitute the core data for this report. Other sources include the following:

- Budget of the State: for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, as well as for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures.
- Results of audit carried out by the office of the Accountant General (Audit)
- Other data with departmental authorities and treasuries (accounting as well as MIS)
- GSDP data and other State related statistics
- State's Fiscal Responsibility and Budget Management (FRBM) Act
- Finance Commission recommendations
- Various audit reports of the CAG of India
- best practices, and guidelines of the Government of India (GoI)

An Entry Conference was held on 05 June 2025 with the Principal Secretary, Finance, Government of Tamil Nadu, wherein the audit approach followed in the preparation of the SFAR was explained. Exit meeting was held with Additional Chief Secretary to Government on 08 January 2026 wherein Audit findings were discussed. The responses of the Government have been incorporated in the Report appropriately.

STRUCTURE OF THE GOVERNMENT ACCOUNT

The Accounts of the State Government are kept in three parts.

1. Consolidated Fund of the State (Article 266 (1) of the Constitution of India)

This Fund comprises all revenues received by the State Government, all loans raised by the State Government (market loans, bonds, loans from the Central Government, loans from Financial Institutions, Special Securities issued to National Small Savings Fund, etc.), Ways and Means advances extended by the Reserve Bank of India and all moneys received by the State Government in repayment of loans. No moneys can be appropriated from this Fund except in accordance with law and for the purposes and in the manner provided by the Constitution of India. Certain categories of expenditure (e.g., salaries of Constitutional authorities, loan repayments etc.), constitute a charge on the Consolidated Fund of the State (Charged expenditure) and are not subject to vote by the Legislature. All other expenditure (Voted expenditure) is voted by the Legislature.

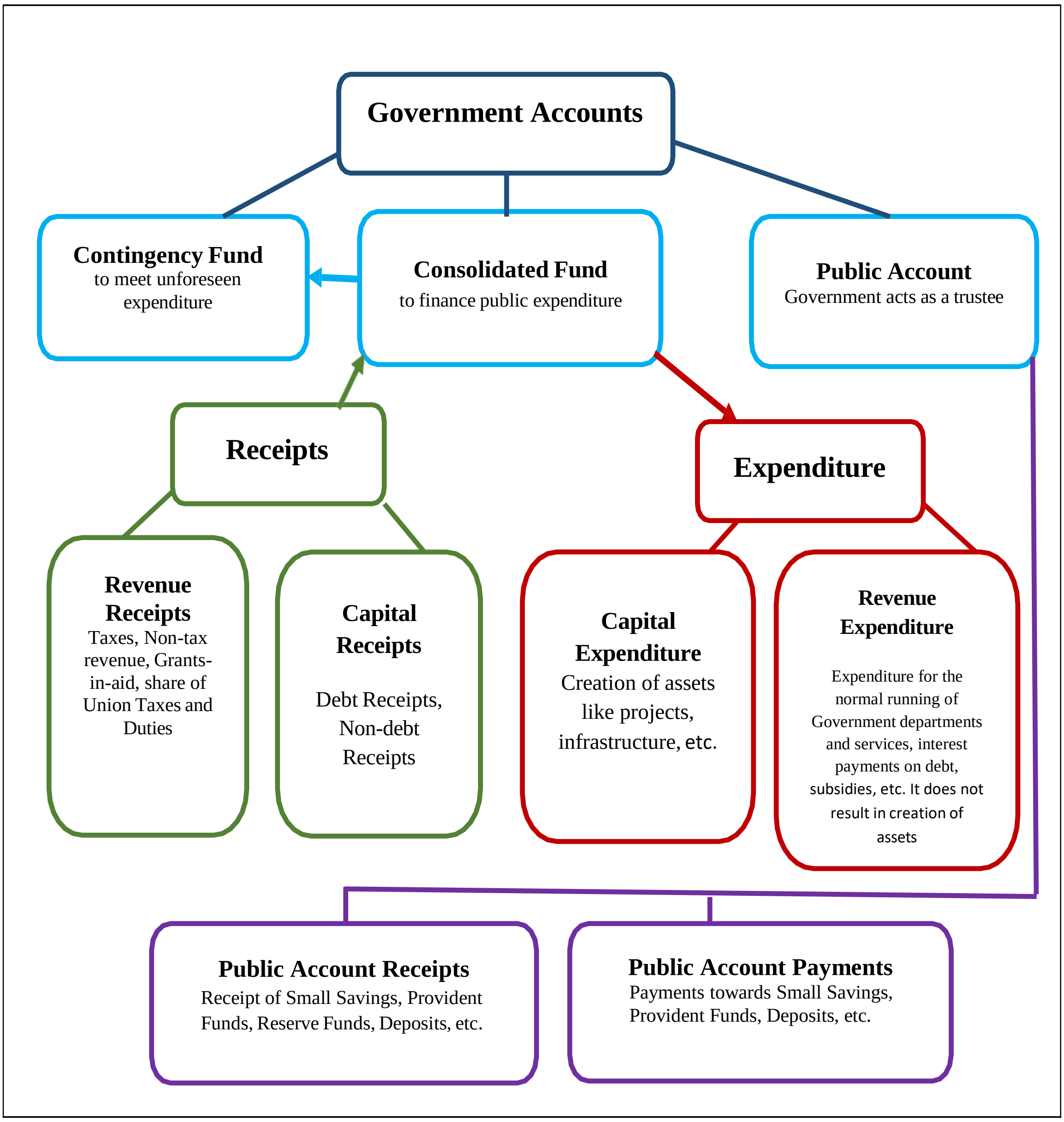
2. Contingency Fund of the State (Article 267 (2) of the Constitution of India)

This Fund is in the nature of an imprest which is established by the State Legislature by law, and is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the concerned functional major head relating to the Consolidated Fund of the State.

3. Public Accounts of the State (Article 266 (2) of the Constitution)

Apart from above, all other public moneys received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to the Public Account. The Public Account includes repayables like Small Savings and Provident Funds, Deposits (bearing interest and not bearing interest), Advances, Reserve Funds (bearing interest and not bearing interest), Remittances and Suspense heads (both of which are transitory heads, pending final booking). The net cash balance available with the Government is also included under the Public Account. The Public Account is not subject to the vote of the Legislature.

Structure of Government Accounts



EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

This State Finances Audit Report presents an independent, descriptive overview of the fiscal position of the State of Tamil Nadu for the year 2024-25. It examines trends in economic growth, receipts and expenditure, debt sustainability, budgetary management, and financial reporting practices, with a view to presenting a comprehensive picture of public finances and their management during the year.

During 2024-25, the State's economy exhibited robust growth, with GSDP expanding by 15.98 *per cent* as against 13.34 *per cent* in the previous year, driven by both Tertiary and Secondary sectors. The State consistently outperformed the national average in per capita income, which indicates that the State has a strong and more resilient economy. Despite this favourable macroeconomic environment, the State's fiscal position remained under stress. Revenue receipts increased to ₹2,82,829 crore, but their growth (6.89 *per cent*) lagged significantly behind GSDP growth, resulting in subdued revenue buoyancy. The State recorded a revenue deficit of ₹45,840 crore (1.47 *per cent* of GSDP) and a fiscal deficit of ₹1,01,344 crore (3.25 *per cent* of GSDP), both largely within budgeted levels but indicative of persistent structural imbalances. Although the fiscal deficit marginally exceeded the three *per cent* threshold prescribed under the Tamil Nadu Fiscal Responsibility Act, it declined from 3.36 *per cent* in 2023-24 and has shown a moderating trend over the past five years, indicating gradual fiscal consolidation. Outstanding liabilities increased to ₹8,53,765 crore, however, the debt-GSDP ratio at 27.38 *per cent* remained within the limit prescribed by the Fifteenth Finance Commission.

Non-tax revenue increased by 29.72 *per cent*, primarily due to accounting of interest receipts on deposits under the Defined Contributory Pension Scheme (DCPS) with the Life Insurance Corporation of India for the years 2022-23 to 2024-25. Despite a decline in grants-in-aid from the Government of India by 34.86 *per cent*, the impact on revenue receipts was partly cushioned by an increase in the State's share of Union taxes (13.93 *per cent*) and growth in Own Tax Revenue (7.74 *per cent*). This helped moderate the overall effect of reduced central transfers. In addition, the Government released the entire funds recommended by the Sixth State Finance Commission to Local Bodies during the first three years of the award period, underscoring its commitment to decentralised governance.

Despite these positive developments, several areas warrant closer attention. Revenue mobilisation remained weak, as reflected in own-tax buoyancy ratio remaining below unity, indicating that revenues did not keep pace with economic growth. Arrears of revenue amounted to 27.18 *per cent* of the State's Own Revenue (₹2,13,828 crore). Own Tax Revenue, at 5.78 *per cent* of GSDP, was lower than the all-States average, and actual collections fell short of both Budget Estimates and Revised Estimates. The persistence of revenue and fiscal deficits over the years highlights the need for sustained measures to improve revenue realisation and address the accumulation of arrears.

During the year, Loans and Advances disbursed by the State increased by ₹3,060 crore (34.60 *per cent*), while recoveries declined by ₹208 crore (5.17 *per cent*). This divergence adversely affected the quality of capital receipts and weakened fiscal space. In addition, a significant portion of borrowings was utilised for debt servicing rather than for creating capital assets, thereby constraining resources available for long-term development. Returns on Government investments remained low at 0.83 *per cent* compared to the average cost of borrowings exceeding seven *per cent*, indicating inefficiencies in the deployment of public funds.

Committed expenditure accounted for 53.75 *per cent* of revenue expenditure, driven mainly by increases in salaries, interest payments and subsidies, thereby limiting fiscal flexibility. The combined burden of interest and subsidies remained high at around 34.23 *per cent* of revenue expenditure, well above the all-States average. In addition, ₹14,592.76 crore stood committed to the State's share in GoI's Centrally Sponsored Schemes. Total expenditure during the year amounted to ₹3,88,032 crore, of which 84.70 *per cent* was revenue expenditure, reflecting a predominantly consumption-oriented spending pattern. Although capital expenditure increased in absolute terms, it constituted only 12.14 *per cent* of total expenditure (11.28 *per cent* in the previous year) and 1.51 *per cent* of GSDP, which is lower than the all-States average. Only about 33 *per cent* of public debt receipts translated into capital expenditure, indicating limited asset creation out of borrowed funds.

The State relied predominantly on own tax and non-tax revenues, which together constituted about 76 *per cent* of revenue receipts, demonstrating a reasonable degree of fiscal autonomy. However, the sustainability of revenue growth was affected by reliance on accounting-driven non-tax receipts. Capital receipts continued to be dominated by public debt, reflecting increased dependence on borrowings amid declining central grants. Capital receipts were increasingly dominated by public debt, highlighting growing reliance on borrowings. Recovery of loans and advances remained weak, and declining central grants further accentuated fiscal pressures. Overall, while the structure of receipts shows resilience, their quality and buoyancy need strengthening for long-term fiscal sustainability.

Budgetary management continued to exhibit gaps between estimates and actuals. During the year, savings exceeding ₹3 crore were observed in 12 cases across 11 grants, excluding surrenders. The remittance of ₹4,445.90 crore relating to unspent balances of previous years under Minor Head "911" reflects corrective action taken pursuant to the constitution of a Special Task Force by the Government to identify, reconcile and bring back funds kept outside the Government account. However, unspent balances of ₹565.39 crore continued to remain in the bank accounts of Drawing and Disbursing Officers as on 31 March 2025.

We noted that the State did not resort to Ways and Means Advances or overdrafts during the year and maintained adequate cash balances. Debt sustainability indicators showed marginal improvement, with the debt-GSDP ratio declining from 2023-24 onwards, broadly aligning with the indicative debt trajectory recommended by the Finance Commission. We observed that all disbursements during the year were incurred within the authorisations granted by the State Legislature and no expenditure exceeded the sanctioned grants during 2024-25, reflecting adherence to legislative control over expenditure. Regularisation of excess expenditure relating to grants of previous years has been completed, except for the excess pertaining to the year 2023-24, which remains pending.

The State's finances during 2024-25 reflect a paradox of strong economic growth alongside persistent fiscal stress. While deficit levels and debt ratios remain within prescribed limits, the underlying fiscal structure is characterised by weak revenue buoyancy, high committed expenditure, increasing subsidy dependence, and sub-optimal utilisation of borrowings.

We recommend that the State strengthen own-revenue mobilisation, contain committed expenditure, improve the quality of capital spending, enhance returns from public investments, and expedite the recovery of loans and advances. The Government may also take sustained measures to strengthen revenue realisation and address the accumulation of arrears in view of the continued revenue and fiscal deficits. Sustained fiscal consolidation, coupled with a reorientation towards growth-enhancing and revenue-generating expenditure, will be critical for ensuring the State's long-term fiscal sustainability and economic resilience.

CHAPTER I

OVERVIEW OF THE FINANCES OF THE STATE

Chapter – I: Overview of the Finances of the State

This chapter provides a snapshot of Tamil Nadu's finances for 2024-25, covering demographics, economic indicators and the State's fiscal structure. It analyses trends in revenue and expenditure, debt levels, and fiscal deficits, highlighting persistent imbalances and reliance on borrowings. It also flags issues like high committed expenditure and low returns on investments.

1.1 Profile of Tamil Nadu

Tamil Nadu, with a geographical area of 1,30,060 Sq. km is the 11th largest State in India. It comprises of 38 Districts and 313 Taluks. As per the census 2011, the State's population was 7.21 crore, making it the seventh largest State in terms of population. As per population projections for India and States 2011-2036 by the National Commission on Population, Ministry of Health & Family Welfare, the projected population of the State in 2024-25 stands at 7.73 crore.

1.1.1 Demography of the State

The State's demographic details vis-à-vis national average are presented in **Table 1.1** below

Table 1.1: Demographic profile of the State

Parameters	Tamil Nadu	India
Rural Population *(per cent)* (Report of the Technical Group on Population)	*45.43*	*64.30*
Urban Population *(per cent)* (Report of the Technical Group on Population)	*54.57*	*35.70*
Population density (Population Projections for India and States 2011-2036) (per square km)	594	430
Females per 1,000 Males (Population Projections for India and States 2011-2036)	1,005	947
Infant Mortality Rate per 1,000 Live births (SRS Bulletin September 2025)	12	25
Maternal Mortality Rate per lakh women in the age group of 15-49 (SRS Special Bulletin on Maternal Mortality in India – 2021-23)	2	5
Total Fertility Rate (children per woman) (NFHS-5, 2019-21)	1.76	1.99
Life Expectancy at Birth (SRS Based Abridged Life Tables 2019-23), RGI of India, GoI	73.40	70.30
Population below Poverty Line (*per cent*) (Multidimensional Poverty Index, 2023, NITI Aayog), MoSPI	2.20	14.96
Literacy Rate (*per cent*) (PLFS 2023-24, Ministry of Statistics and Programme Implementation (MoSPI))	*85.50*	*80.90*
Labour Force Participation (*per cent*) (PLFS 2023-24, MoSPI)	*64.60*	*64.30*

1.1.2 Economy of the State

Gross State Domestic Product (GSDP) and per capita income (PCI) are important indicators of the State's economy as discussed in the succeeding paragraphs.

1.1.2.1 Gross State Domestic Product and Per capita income

Gross Domestic Product (GDP) refers to the total value of goods and services produced within a country, while GSDP measures the same at the State level, and both reflect economic development and overall progress. Trends of GSDP and GDP is given in **Table 1.2**. Year on year growth (Y-o-Y) of GSDP and GDP and GSDP contribution in GDP is given in **Chart 1.1** and per capita income (PCI) of the country and per capita income (PCI) of the State is depicted in **Chart 1.2**

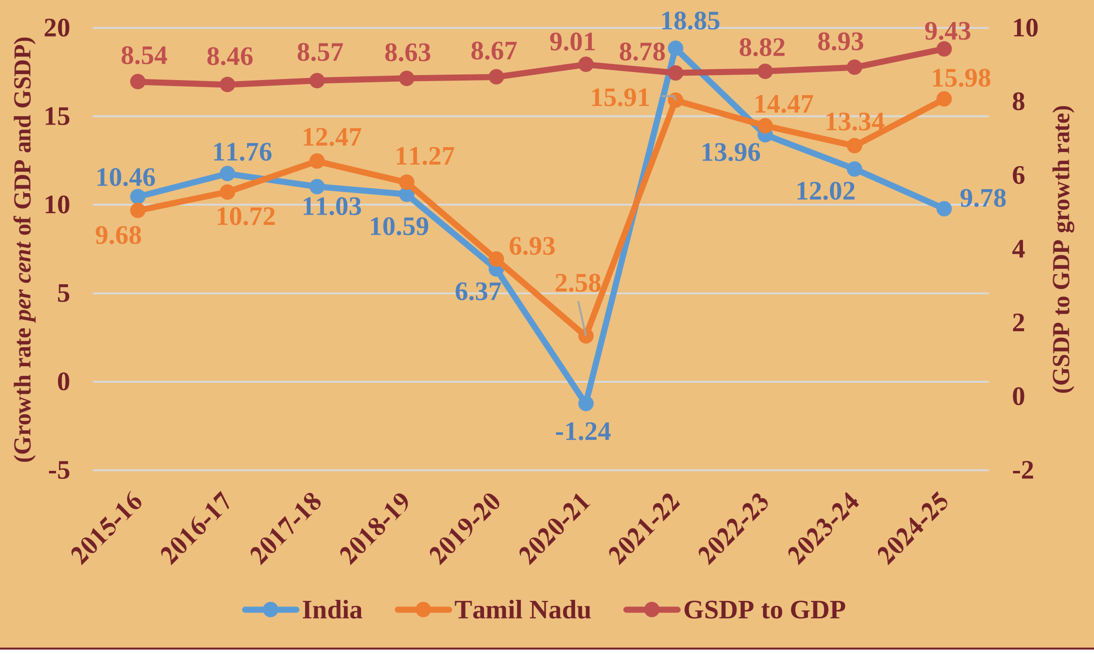
Table 1.2: Trends in GDP and GSDP (at current prices-2011-12 Series)

Year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 (FE)	2023-24 (FRE)	2024-25 (PE)
GDP (₹ in crore)	1,37,71,874	1,53,91,669	1,70,90,042	1,88,99,668	2,01,03,593	1,98,54,096	2,35,97,399	2,68,90,473	3,01,22,956	3,30,68,145
GSDP (₹ in crore)	11,76,500	13,02,639	14,65,051	16,30,209	17,43,144	17,88,074	20,72,496	23,72,469	26,88,963	31,18,590
PCI of India (in ₹)	94,797	1,04,880	1,15,224	1,25,946	1,32,341	1,27,244	1,50,906	1,69,145	1,88,892	2,05,324
PCI of Tamil Nadu (in ₹)	1,42,028	1,56,595	1,75,276	1,94,373	2,06,165	2,09,628	2,42,339	2,75,272	3,13,329	3,61,619

(Source: Ministry of Statistics and Programme Implementation (MoSPI))

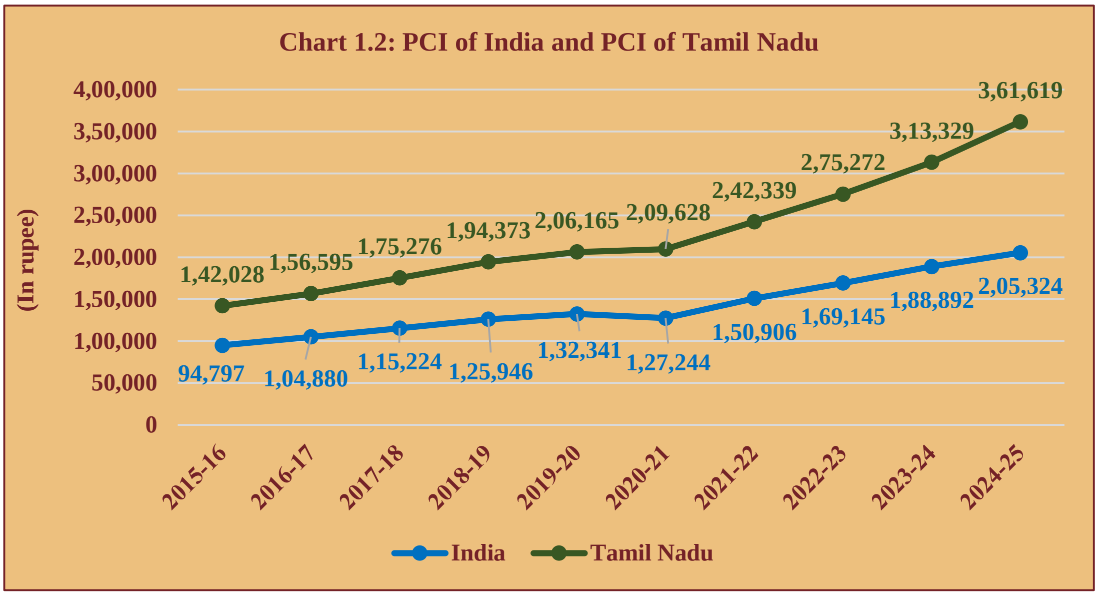
(**FE** – Final Estimate, **FRE** – First Revised Estimate, **PE** – Provisional Estimate)

Chart 1.1: Y-o-Y growth of GDP & GSDP and ratio of GSDP to GDP



(Source: Finance Accounts and MoSPI data)

The growth rate of GSDP (15.98 *per cent*) was significantly higher than the growth rate of GDP (9.78 *per cent*). From **Chart 1.1**, it can be seen that the decadal growth rate of GSDP was more than the GDP except for the years 2015-16, 2016-17 and 2021-22. The State share in National GDP was more than 8 *per cent* during the decade reaching a high of 9.43 *per cent* during the year 2024-25.

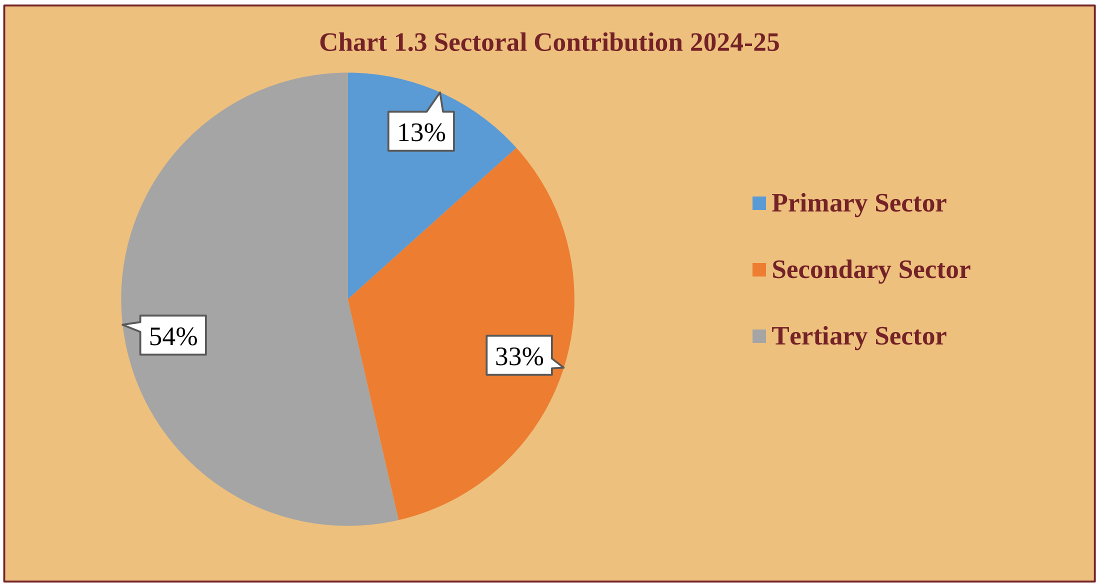


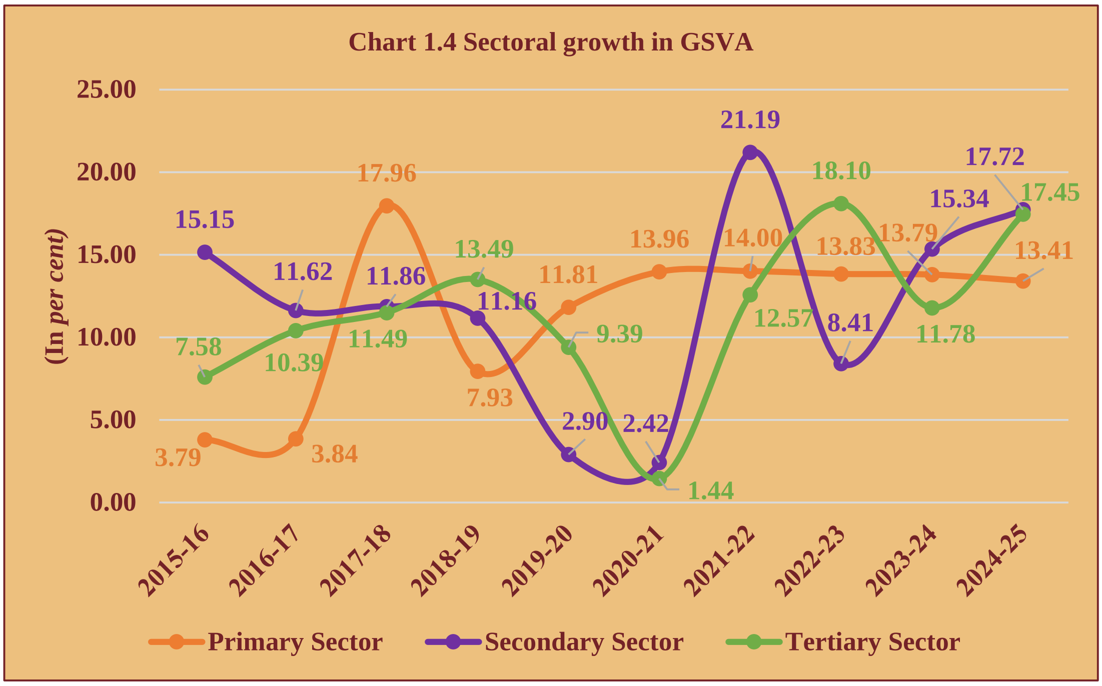
(Source: Finance Accounts and MoSPI data)

From **Chart 1.2**, it may be seen that the State's PCI was consistently and significantly higher than the National average during the period 2015-16 to 2024-25.

1.1.2.2 Sectoral contribution to GSVA

The sectoral contribution by various sectors during 2024-25 and sectoral growth in Gross State Value Added (GSVA) during the last 10 years are depicted in **Chart 1.3** and **Chart 1.4** respectively.



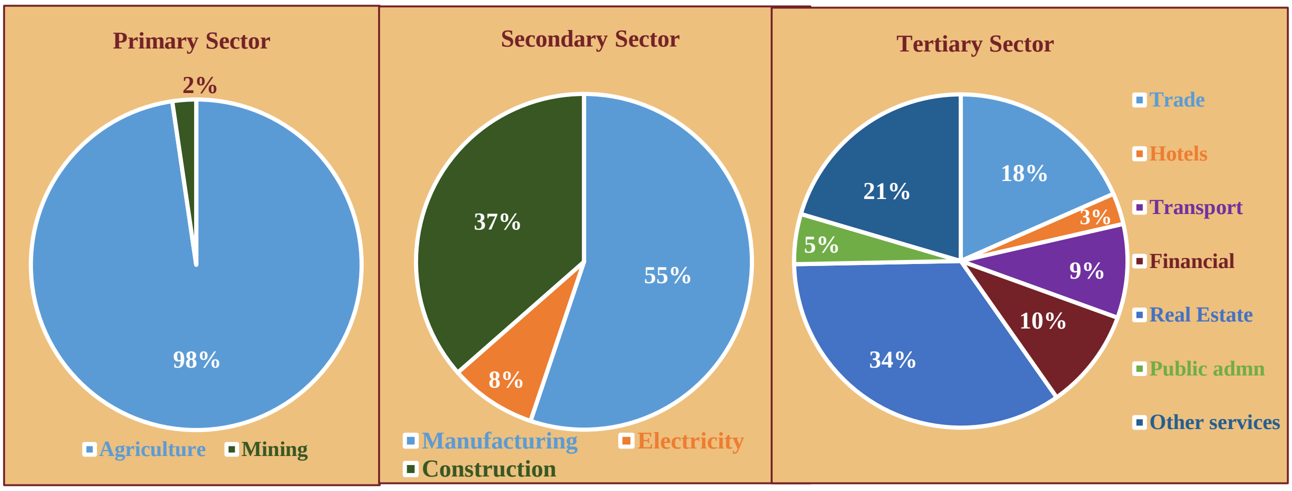


(Source: Finance Accounts and MoSPI data)

The contribution of the Secondary and Tertiary sectors exhibited fluctuations during the decade 2015-16 to 2024-25, whereas the Primary sector's share remained broadly stable from 2020-21 onwards. Compared to the previous year, the output of the Primary sector increased by 13.41 *per cent*, the Secondary sector by 17.72 *per cent* and the Tertiary sector by 17.45 *per cent*.

Chart 1.5 shows the composition of each sector during financial year (FY) 2024-25, in terms of its major contributing segments.

Chart 1.5: Sector-wise distribution, FY 2024-25



(Source: Ministry of Statistics and Programme Implementation)

The Tertiary Sector, the largest contributor to the State's GSVA, recorded a growth of 17.45 *per cent* during the year. Within this sector, Real estate, ownership of dwellings and professional services remained the main contributors, registering a growth of 17.87 *per cent* over the previous year. This was followed by Trade, repair, hotels and restaurants, the second-largest contributor within the sector, which grew by 18.28 *per cent*.

The Secondary Sector, the second-largest contributor to GSVA, continued to be led by Manufacturing, followed by Construction. Manufacturing registered a growth of 16.42 *per cent*, while Construction grew by 17.33 *per cent* during the year.

In the Primary Sector, Crops and Livestock, the main contributors, recorded growth rates of 15.71 *per cent* and 9.75 *per cent* respectively compared to the previous year. Fishing and aquaculture as well as Mining and quarrying also exhibited an increasing trend during the year.

1.1.3 Snapshot of Finances

Table 1.3 shows the details of actual financial results of the State for the years 2023-24 and 2024-25 vis-a-vis Budget Estimates (BE), Revised Estimates (RE) and GSDP for the year 2024-25.

Table 1.3: Snapshot of Finances

(₹ in crore)

Sl. No	Components	2023-24 (Actuals)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actuals)	Percentage of Actuals to BE	Percentage of Actuals to GSDP
1	**Tax Revenue**	**2,13,351**	**2,44,928**	**2,45,244**	**2,32,717**	***95.01***	***7.46***
(i)	*Own Tax Revenue*	1,67,279	1,95,173	1,92,752	1,80,225	*92.34*	*5.78*
(ii)	*Share of Union taxes/duties*	46,072	49,755	52,492	52,492	*105.50*	*1.68*
2	Non-Tax Revenue	25,904	30,728	28,124	33,603	*109.36*	*1.08*
3	Grants-in-aid and Contributions	25,342	23,354	20,538	16,509	*70.69*	*0.53*
4	**Revenue Receipts (1+2+3)**	**2,64,597**	**2,99,010**	**2,93,906**	**2,82,829**	***94.59***	***9.07***
5	Recovery of Loans and Advances	4,024	4,800	3,940	3,816	*79.49*	*0.12*
6	Other Receipts	12	3	9	43	*1,433.33*	*0.00*
7	Borrowings and other liabilities*	90,430	1,08,690	1,01,348	1,01,344	*93.24*	*3.25*
8	**Capital Receipts (5+6+7)**	**94,466**	**1,13,493**	**1,05,297**	**1,05,203**	***92.70***	***3.37***
9	**Total Receipts (4+8)**	**3,59,063**	**4,12,503**	**3,99,203**	**3,88,032**	***94.07***	***12.44***
10	Revenue Expenditure	3,09,718	3,48,289	3,40,374	3,28,669	*94.37*	*10.54*
11	Interest payments	53,566	63,722	61,883	59,909	*94.02*	*1.92*
12	Capital Expenditure	40,500	47,680	46,766	47,108	*98.80*	*1.51*
13	Loans and advances	8,845	16,534	12,063	11,905	*72.00*	*0.38*
14	Appropriation to contingency fund	0	0	350	350	-	*0.01*
15	**Total Expenditure (10+12+13+14)**	**3,59,063**	**4,12,503**	**3,99,553**	**3,88,032**	***94.07***	***12.44***
16	**Revenue Surplus (-)/Deficit (+) (4-10)**	**45,121**	**49,279**	**46,468**	**45,840[1]**	***93.02***	***1.47***
17	**Fiscal Surplus (-)/Deficit (+) {(4+5+6)-15}**	**90,430**	**1,08,690**	**1,01,698**	**1,01,344[2]**	***93.24***	***3.25***
18	**Primary Deficit (+)/ Surplus(-) (17-11)**	**36,864**	**44,968**	**39,815**	**41,434**	***92.14***	***1.33***

** Borrowings and other Liabilities: Net (Receipts – Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts – Disbursements) of Public Account + Net of Opening and Closing Cash Balance.*
(Source: Finance Accounts and Annual Financial Statement)

[1] Post Audit adjusted Revenue Deficit is ₹45,946.17 crore.
[2] Post Audit adjusted Fiscal Deficit is ₹1,01,449.79 crore.

The variation between the Budget Estimates/Revised Estimates and Actuals under revenue receipts was largely attributable to lower realisation under Own Tax Revenue, mainly under State Goods and Services Tax (SGST) (0005) and Taxes on Sales, Trade, etc. (0040), reduced receipts under Grants-in-Aid from the Government of India particularly under MGNREGA and lower recovery of Loans and Advances under capital receipts. However, the actual receipt of the State's share of Union Taxes and Duties was broadly in line with the Revised Estimates.

Under Capital Receipts, no amount was realised against the Budget Estimate of ₹1,177 crore under the head of account "6215 - Loans for Water Supply and Sanitation", towards recovery of loans extended by the Government during 2024-25. During the Exit Conference held on 08 January 2026, the department stated that the recovery would be effected along with penal interest.

The details of State Government Finances for the FY 2015-16 to 2024-25 are given in ***Appendix 1.1***

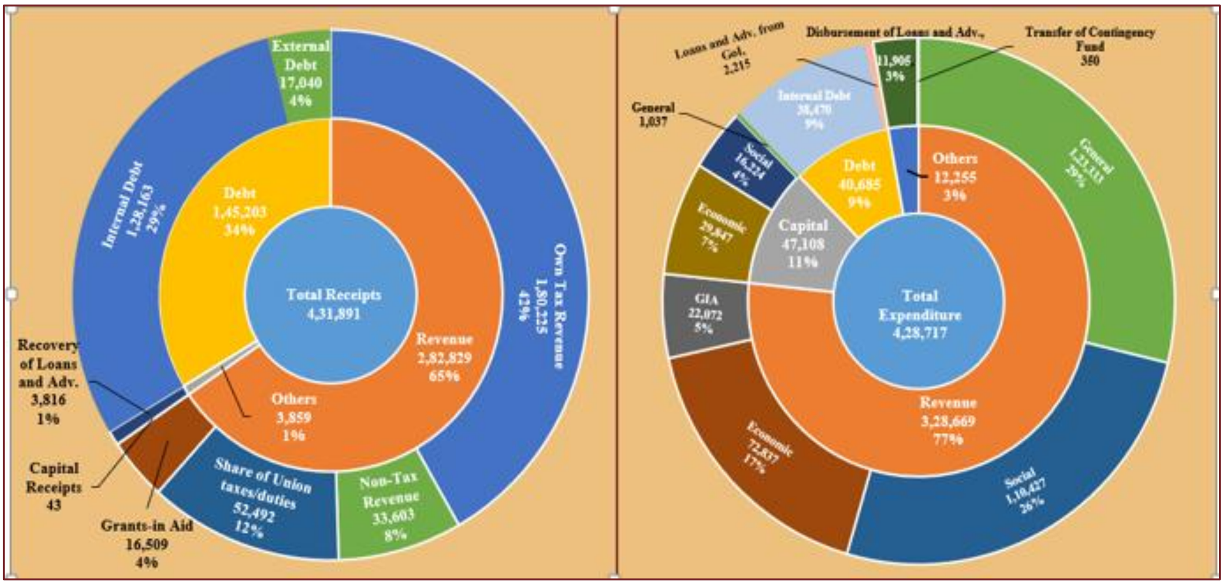
1.1.4 Source and Application of Funds

Comparison of components of the sources and application of funds of the State during the current year is given in **Chart 1.6.**

Chart 1.6: Details of sources and application of funds during 2024-25

Sources of Fund **Application of Fund**

(₹ in crore)



(Source: Finance Accounts)

Appendix 1.2 provides details of receipts and disbursements and the overall fiscal position of the State during the current year as well as the previous year.

1.1.5 Snapshot of Assets and liabilities of the Government

Government accounts capture the financial liabilities of the Government and the assets created out of the expenditure incurred. ***Appendix 1.3*** gives an abstract of such liabilities and assets, as on 31 March 2025, compared with the corresponding position of the previous year. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from the Public Account and Reserve Funds. Assets comprise mainly of Capital Expenditure, and loans and advances given by the State Government and cash balances. A summarised position of assets and liabilities, for the financial years 2023-24 and 2024-25, is given in **Table 1.4.**

Table 1.4: Summarised position of assets and liabilities

(₹ in crore)

Liabilities					Assets				
		2023-24	2024-25	*Per cent* increase/ decrease			2023-24	2024-25	*Per cent* increase/ decrease
Consolidated Fund									
A	Internal Debt	6,42,594.00	7,32,287.63	*13.96*	A	Gross Capital Expenditure	3,95,740.93	4,42,848.89	*11.90*
B	Loans and Advances from GoI*	61,331.57	65,256.70	*6.40*	B	Loan and Advances	47,875.80	55,965.11	*16.90*
Contingency Fund		**150.00**	**500.00**	***233.33***		Contingency Fund (Corpus)	0.00	350.00	
						Contingency Fund (un-recouped)	5.47	0.00	
Public Account									
A	Small Savings, Provident Fund, etc.	35,199.41	36,212.81	*2.88*	A	Advances with Departmental officers	7.56	7.56	*0.00*
B	Deposits	99,011.63	1,08,294.10	*9.38*	B	Remittances	15.65	9.94	*(-) 36.49*
C	Reserve Funds	9,598.63	11,929.08	*24.28*	C	Suspense and Miscellaneous	462.96	284.89	*(-) 38.46*
D	Remittances	0.00	0.00			**Cash balances (including investment in Earmarked funds)**	**85,333.91**	**1,02,373.78**	***19.97***
E	Suspense and Miscellaneous	0.00	0.00			**Total**	**5,29,442.28**	**6,01,840.17**	***13.67***
						difference on account of rounding - off			
						Deficit in Revenue Account	**3,18,442.96**	**3,52,640.17**	***10.74***
	Total	**8,47,885.24**	**9,54,480.34**	***12.57***			**8,47,885.24**	**9,54,480.34**	***12.57***

* Loans and Advances of ₹65,256.70 crore in 2024-25 and ₹61,331.57 crore in 2023-24 includes GST compensation of ₹3,437 crore and ₹10,045 crore received during respective years. GoI communicated that the back to back loan should not be treated as a debt of the State.

(Source: Finance Accounts of the respective years)

During the year, Loans and Advances disbursed by the State government increased by 16.90 *per cent* over the previous year. The major portion of the Loans and Advances disbursed were utilised towards Social Services (58.62 *per cent*) and Economic Services (39.67 *per cent*), reflecting the State's prioritization of welfare-oriented programmes and growth-supporting activities.

1.2 Consolidated Fund of the State

All revenues received by the State Government, all loans raised by the State Government, ways and means advances extended by the Reserve Bank of India and all money received by the State Government in repayment of loans form part of the Consolidated fund of the State.

1.2.1 Revenue Receipts

Trends and growth of Tamil Nadu's revenue receipts with respect to GSDP over the 10 years period (2015-16 to 2024-25) are shown in **Table 1.5**.

Table 1.5: Trends in Revenue Receipts

(₹ in crore)

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Revenue Receipts	**1,29,008**	**1,40,231**	**1,46,280**	**1,73,741**	**1,74,526**	**1,74,076**	**2,07,492**	**2,43,749**	**2,64,597**	**2,82,829**
Tax Revenue	**1,00,830**	**1,10,479**	**1,20,837**	**1,36,173**	**1,33,855**	**1,31,077**	**1,60,324**	**1,88,954**	**2,13,351**	**2,32,717**
Own Tax Revenue	80,476	85,941	93,737	1,05,534	1,07,462	1,06,153	1,22,866	1,50,223	1,67,279	1,80,225
State's share in Union taxes and duties	20,354	24,538	27,100	30,639	26,393	24,924	37,458	38,731	46,072	52,492
Non-Tax Revenue	**8,918**	**9,914**	**10,764**	**14,200**	**12,888**	**10,422**	**12,117**	**17,061**	**25,904**	**33,603**
Grants-in aid from GoI	**19,260**	**19,838**	**14,679**	**23,368**	**27,783**	**32,577**	**35,051**	**37,734**	**25,342**	**16,509**
State's Own Revenue (Own Tax and Non-Tax Revenue)	89,394	95,855	1,04,501	1,19,734	1,20,350	1,16,575	1,34,983	1,67,284	1,93,183	2,13,828
GSDP (2011-12 series)	11,76,500	13,02,639	14,65,051	16,30,209	17,43,144	17,88,074	20,72,496	23,72,469	26,88,963	31,18,590
Year-on-year growth rates (in *per cent*)										
Revenue Receipts	*5.38*	*8.70*	*4.31*	*18.77*	*0.45*	*(-) 0.26*	*19.20*	*17.47*	*8.55*	*6.89*
State's Own Tax Revenue	*2.31*	*6.79*	*9.07*	*12.59*	*1.83*	*(-) 1.22*	*15.74*	*22.27*	*11.35*	*7.74*
GSDP	*9.68*	*10.72*	*12.47*	*11.27*	*6.93*	*2.58*	*15.91*	*14.47*	*13.34*	*15.98*
Buoyancy Ratios[3]										
State's Own Tax Revenue Buoyancy w.r.t GSDP	0.24	0.63	0.73	1.12	0.26	*(-) 0.47*	0.99	1.54	0.85	0.48

(Source: Finance Accounts for Revenue Receipts and MoSPI for GSDP figures)

Revenue Receipts continued to grow (6.89 *per cent*) but not as fast as the State's economy (15.98 *per cent*). The State relied mainly on its own tax and non-tax revenues, showing financial strength despite decreased grants from GoI.

[3] Buoyancy ratio indicates the degree of responsiveness of a fiscal variable with respect to a given change in the base variable

The Buoyancy ratio for State Own Tax Revenue with respect to GSDP for the year 2024-25 stood at 0.48. This value, being below one, indicates that State's Own Tax Revenue grew at a slower pace than the growth in GSDP during the year.

Revenue Receipts as a percentage of GSDP and contribution from various sources in revenue receipts is given in **Chart 1.7** and **Chart 1.8** respectively.

Chart 1.7: Revenue Receipts as a percentage of GSDP

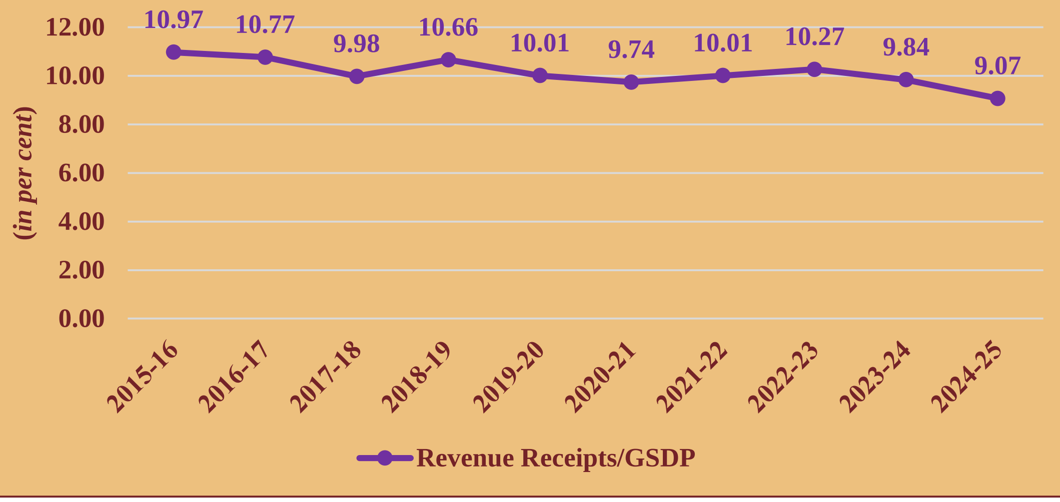
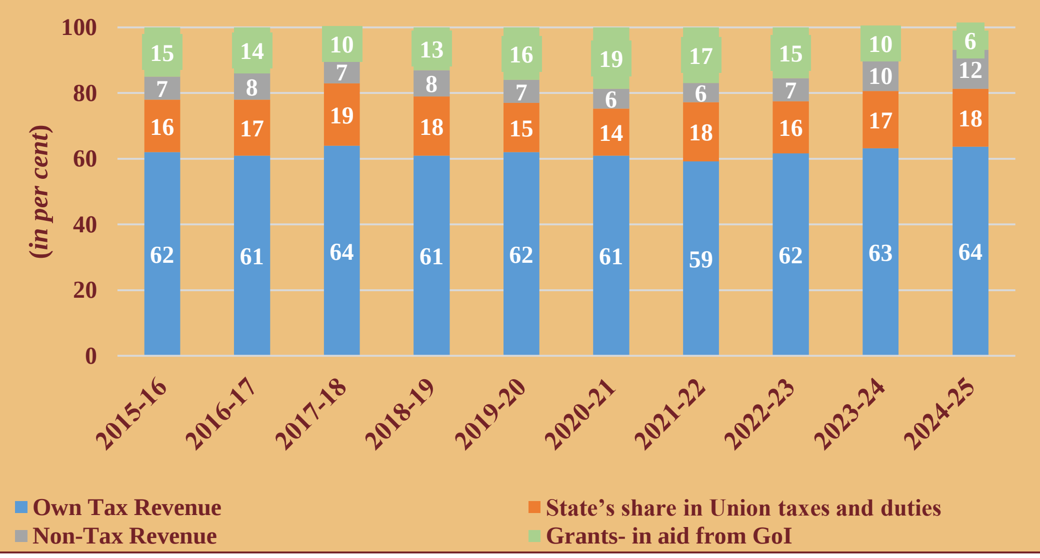


Chart 1.8: Contribution in revenue receipts



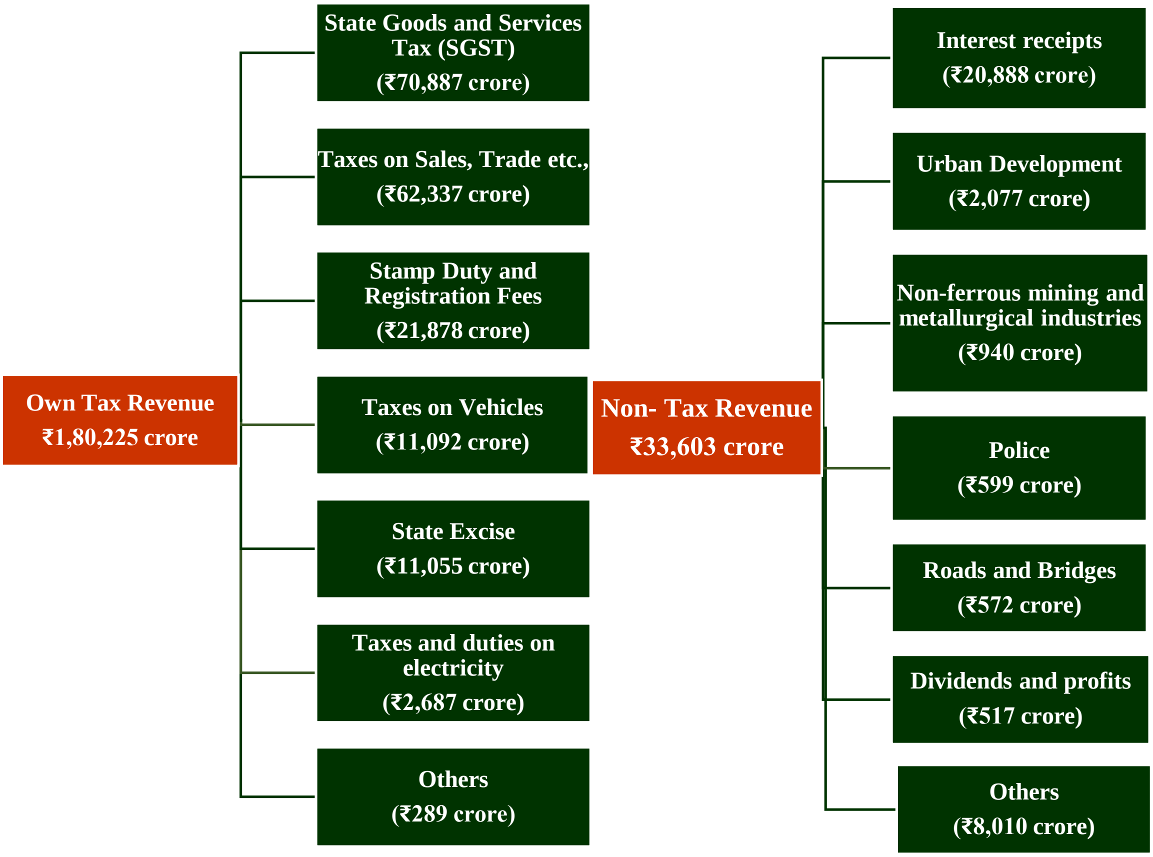
(Source: Finance Accounts)

As seen from **Chart 1.7**, the ratio of Revenue Receipts to GSDP declined during the last two years, 2023-24 and 2024-25, primarily due to a reduction in Grants-in-Aid received from the Government of India.

Chart 1.8 indicates that over the decade, the State's share in Union taxes and duties ranged between 14 and 19 *per cent*. The increase in the State's share during 2024-25 was mainly attributable to higher devolution from the net proceeds of Central Goods and Services Tax (CGST), Taxes on Income other than Corporation Tax and Customs Duties.

A. State's Own Resources

Chart 1.9: Details of State's Own Revenue



(i) Own Tax Revenue

Own Tax Revenue is the revenue collected by the State Government through taxes it is empowered to levy under the Constitution of India. Actuals for FY 2023-24, Budget Estimate (BE), Revised Estimate (RE), and actuals of Own Tax Revenue for the FY 2024-25 is given in **Table 1.6.**

Table 1.6: Own Tax Revenue: 2023-24 (Actuals) and 2024-25 (BE, RE, and Actuals)

(₹ in crore)

Tax Revenue	2023-24 (Actual)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actuals)
State Goods and Services Tax (SGST)	61,961	73,788	76,277	70,887
Taxes on Sales, Trade etc.,	60,200	69,588	65,486	62,337
State Excise	10,774	12,247	11,857	11,055
Taxes on Vehicles	9,375	11,560	11,998	11,092
Stamp Duty and Registration Fees	19,013	23,370	22,815	21,878
Land Revenue	256	370	319	278
Taxes and duties on Electricity	5,680	4,231	3,988	2,687
Others	20	19	13	11
TOTAL	**1,67,279**	**1,95,173**	**1,92,753**	**1,80,225**

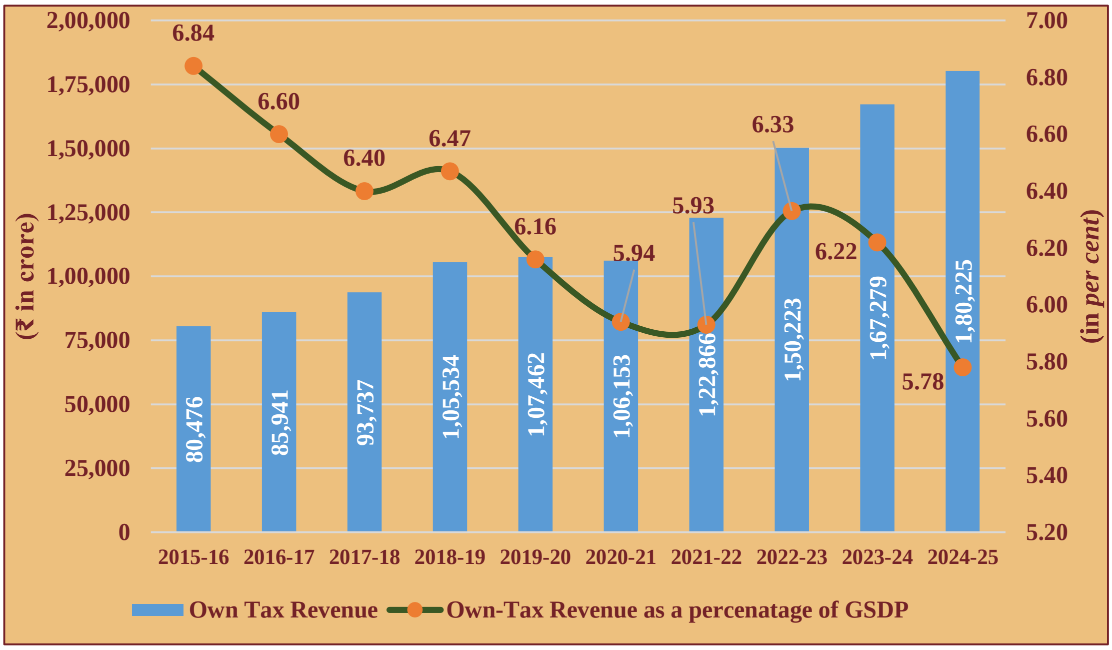
(Source: Finance Accounts and Annual Finance Statement (AFS) of the State)

Though the annual growth rate of own tax revenue increased by 7.74 *per cent*, the actual collections were lower than both Budget Estimate and Revised Estimate.

Further, there was significant decrease of 52.69 *per cent* under Taxes and duties on Electricity compared to the previous year's actuals.

Trends of own tax revenue and its components during the period 2015-16 to 2024-25 are shown in **Chart 1.10** and **Chart 1.11** respectively.

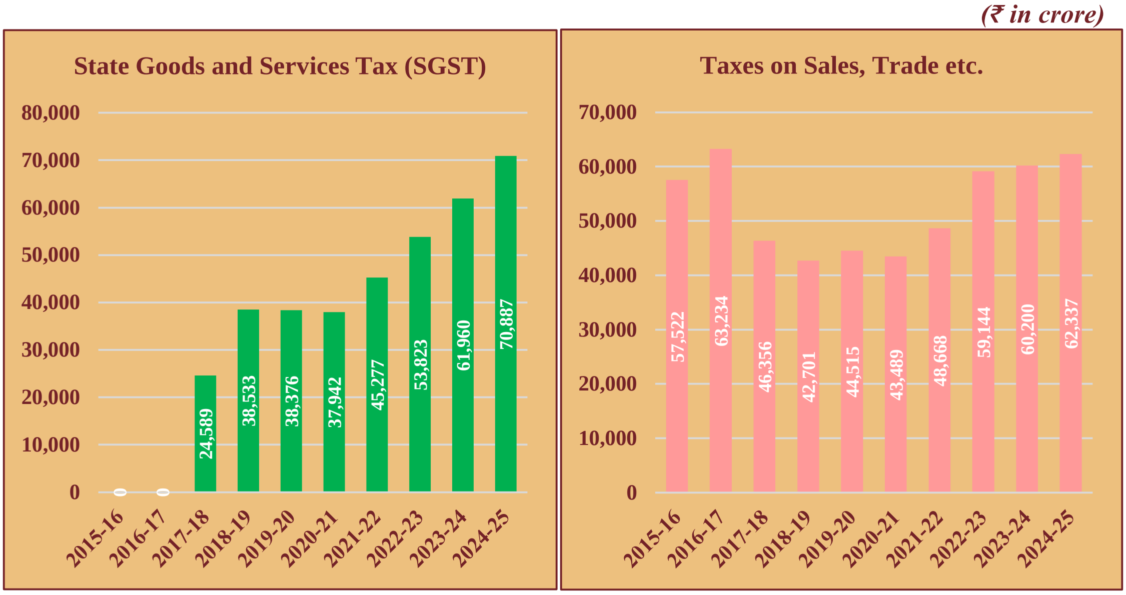
Chart 1.10: Trends of Own Tax Revenue during FY 2015-16 to FY 2024-25



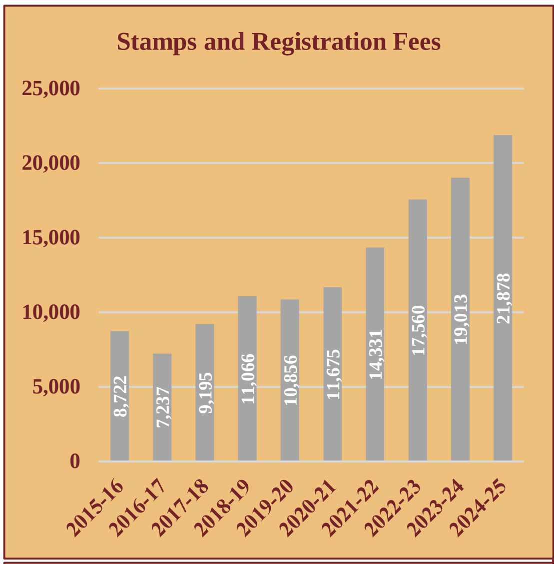
(Source: Finance Accounts and MoSPI data for GSDP)

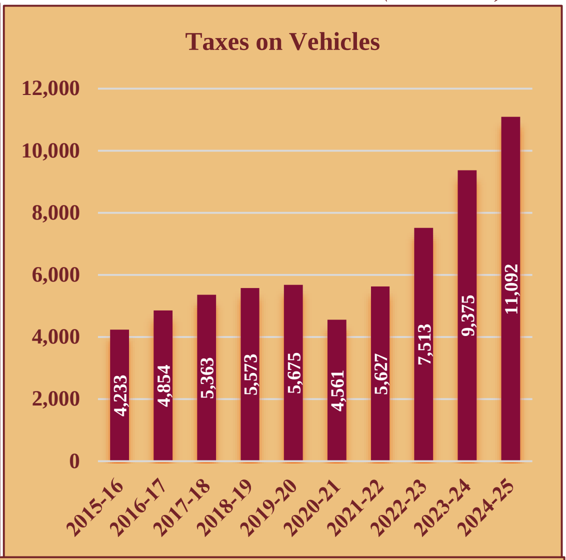
Chart 1.11: Major components of State's Own-Tax Revenue

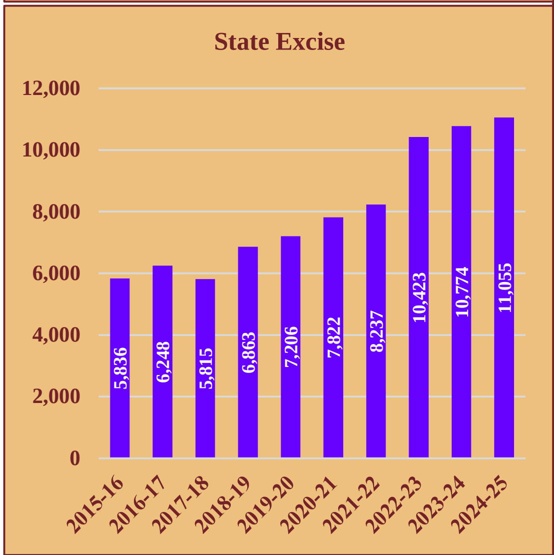
(₹ in crore)

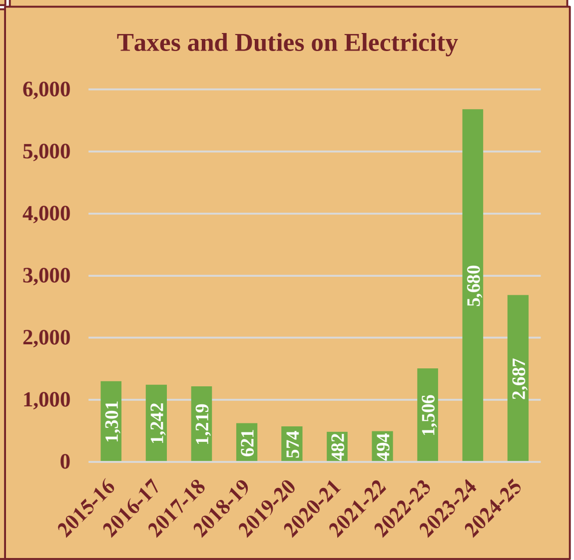


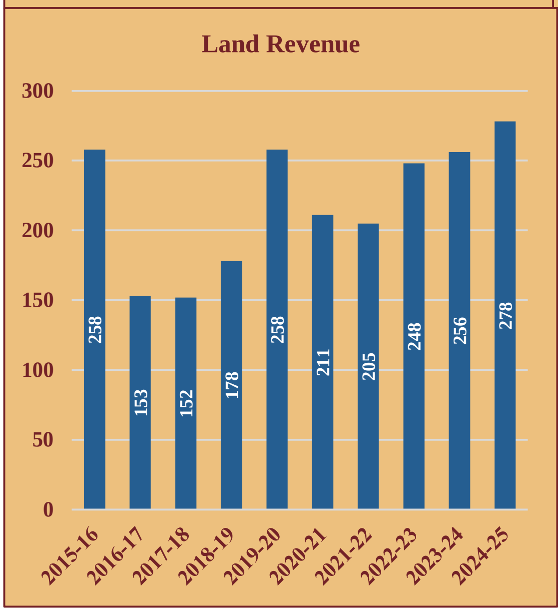
(₹ in crore)

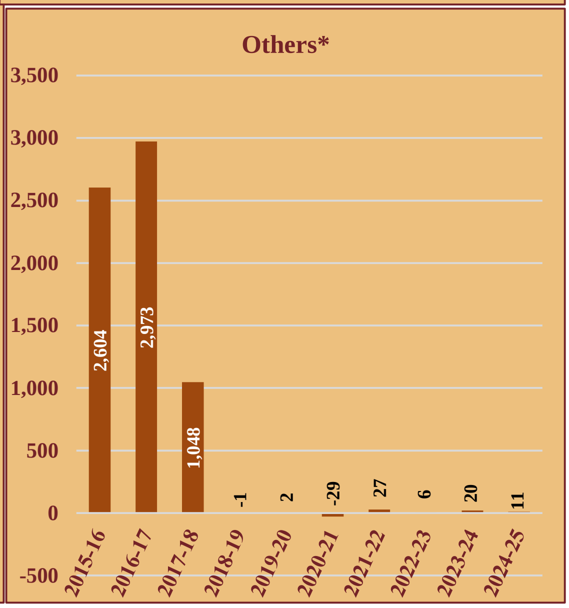












*(*Others include Other Taxes and Duties on Commodities and Services, Taxes on Goods and Passengers and Taxes on Immovable Property other than Agricultural Land)*
(Source: Finance Accounts)

The State's Own Tax Revenue constituted 64 *per cent* of the total revenue receipts during the year. When compared with the all-States (excluding UTs) average ratio of Own Tax Revenue to GSDP of 6.14 *per cent* during 2024-25, the State's corresponding ratio stood at 5.78 *per cent*.

During the year, the annual growth rate of Own Tax Revenue at 7.74 *per cent* was mainly attributable to an increase in receipts under apportionment of Integrated Goods and Services Tax (IGST) amounting to ₹5,155 crore (transfer-in tax component) and the tax component under SGST, which increased by ₹4,350 crore. The increased receipts in SGST and IGST settlement during the year 2024-25 is due to economic and market factors such as inflation, GSDP and increased consumption. Taxes on vehicles also increased by ₹1,558 crore due to the revision of taxes under the State Motor Vehicle Taxation Act.

Further, receipts under Taxes on Sales, Trade, etc. increased by ₹2,137 crore, mainly on account of higher collections from the sale of Indian Made Foreign Liquor (IMFL) and beer, which rose by ₹2,039 crore as well as revenue from Petrol, Diesel, ATF, CNG and Petroleum Crude. This increase was attributable to price increase in Alcohol with effect from February 2024 and the higher taxable turnover of goods by way of quantity supplied and consumed during the year.

Under the Major Head "0030 - Stamps and Registration Fees", although receipts under the Minor Head "103 - Duty on Impressing of Documents" increased by ₹4,157 crore, this was partly offset by a decrease of ₹1,181 crore under "104 - Fees for Registering Documents" during the year. In reply, the Department of Registration stated that the reduction in rate of Registration Fees from 4 *per cent* to 2 *per cent* without an increase in the market value guideline has led to a decrease in the collection of Registration Fees during 2024-25.

Collections from State Excise and Land Revenue remained stable over the last three years. However, compared to the previous year, receipts under Taxes and Duties on Electricity declined sharply by ₹2,993 crore, mainly because electricity tax arrears of ₹5,880.21 crore for the period August 2020 (part) to February 2024 (part) were remitted by Tamil Nadu Power Distribution Corporation Limited (TNPDCL) in 2023-24, while only ₹2,576.89 crore relating to the remaining period (February 2024–March 2025) was remitted during the current year.

The increase in receipts under Tertiary and Secondary sectors like Taxes on sales, trade, stamps and registrations, vehicle tax, SGST and IGST contributed to the growth of GSDP in the respective sectors.

(ii) Non-Tax Revenue

Non-tax Revenue of a State refers to the rent, fees, royalties and other receipts, of the State Government from sources other than taxes.

Actuals for FY 2023-24, Budget Estimate (BE), Revised Estimate (RE), and Actuals of Non-tax Revenue for the FY 2024-25 is given in **Table 1.7**

Table 1.7: Major Non-Tax Revenue: 2023-24 (Actuals) and 2024-25 (BE, RE, and Actuals)

(₹ in crore)

Non-Tax Revenue	2023-24 (Actual)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actual)
Interest Receipts	9,969	9,694	13,322	20,888
Dividends and Profits	700	607	397	517
User charges[4]	4,197	4,284	2,626	2,563
Others	11,038	16,143	11,779	9,635
Total	**25,904**	**30,728**	**28,124**	**33,603**

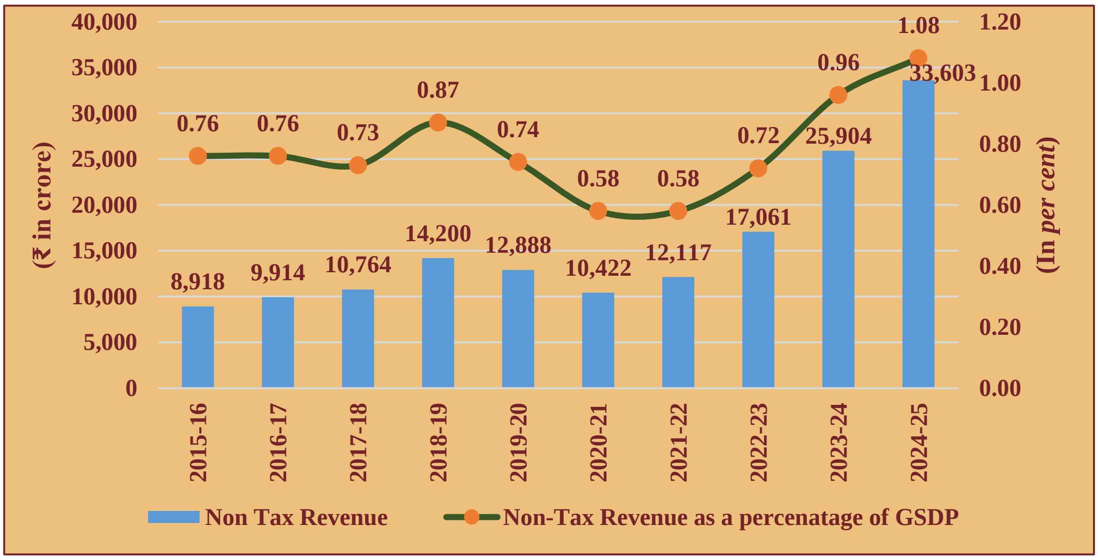
(Source: Finance Accounts and Budget documents of the State)

During the year, total Non-tax Revenue increased by ₹7,699 crore (29.72 *per cent*) over the previous year, mainly on account of an increase of ₹10,919 crore in interest receipts. The rise in interest receipts was largely attributable to the accounting of interest on Defined Contributory Pension Scheme (DCPS) deposits with the Life Insurance Corporation of India for the years 2022-23, 2023-24 and 2024-25, which was recognised as receipts during 2024-25. The amount so recognised was subsequently credited back to the DCPS fund account and reinvested, resulting in a one-time increase in interest receipts during the year.

In addition, interest receipts also increased on account of higher recoveries from (i) Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) on consolidated loans up to 2017-18, amounting to ₹2,174 crore and (ii) Tamil Nadu Transmission Corporation Limited (TANTRANSCO) amounting to ₹297 crore, in connection with the ADB-assisted Chennai–Kanyakumari Industrial Corridor Project.

Trends of non-tax revenue and its components during the period 2015-16 to 2024-25 are shown in **Chart 1.12** and **Chart 1.13** respectively.

Chart 1.12: Trends in Non-Tax Revenue

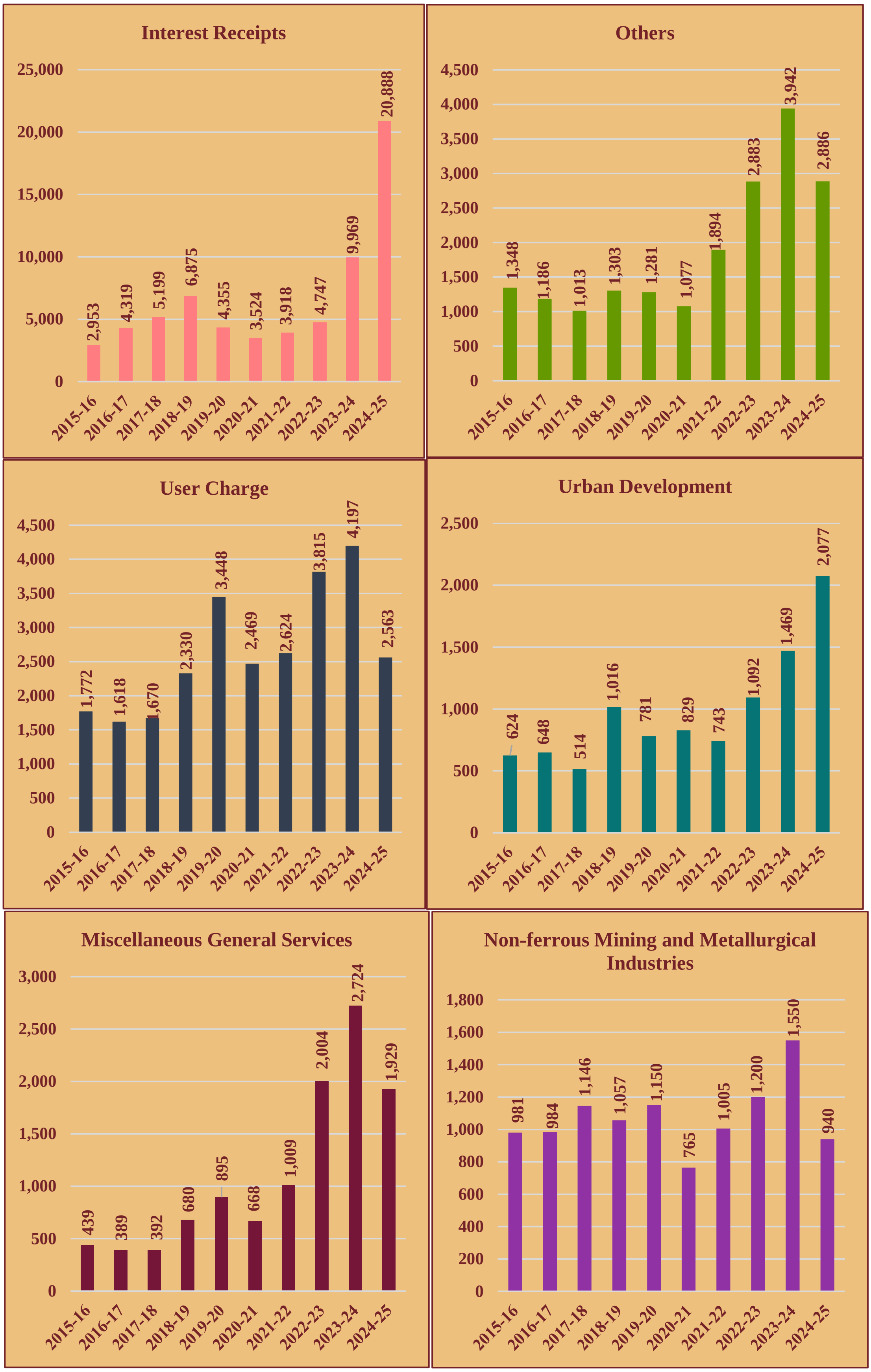


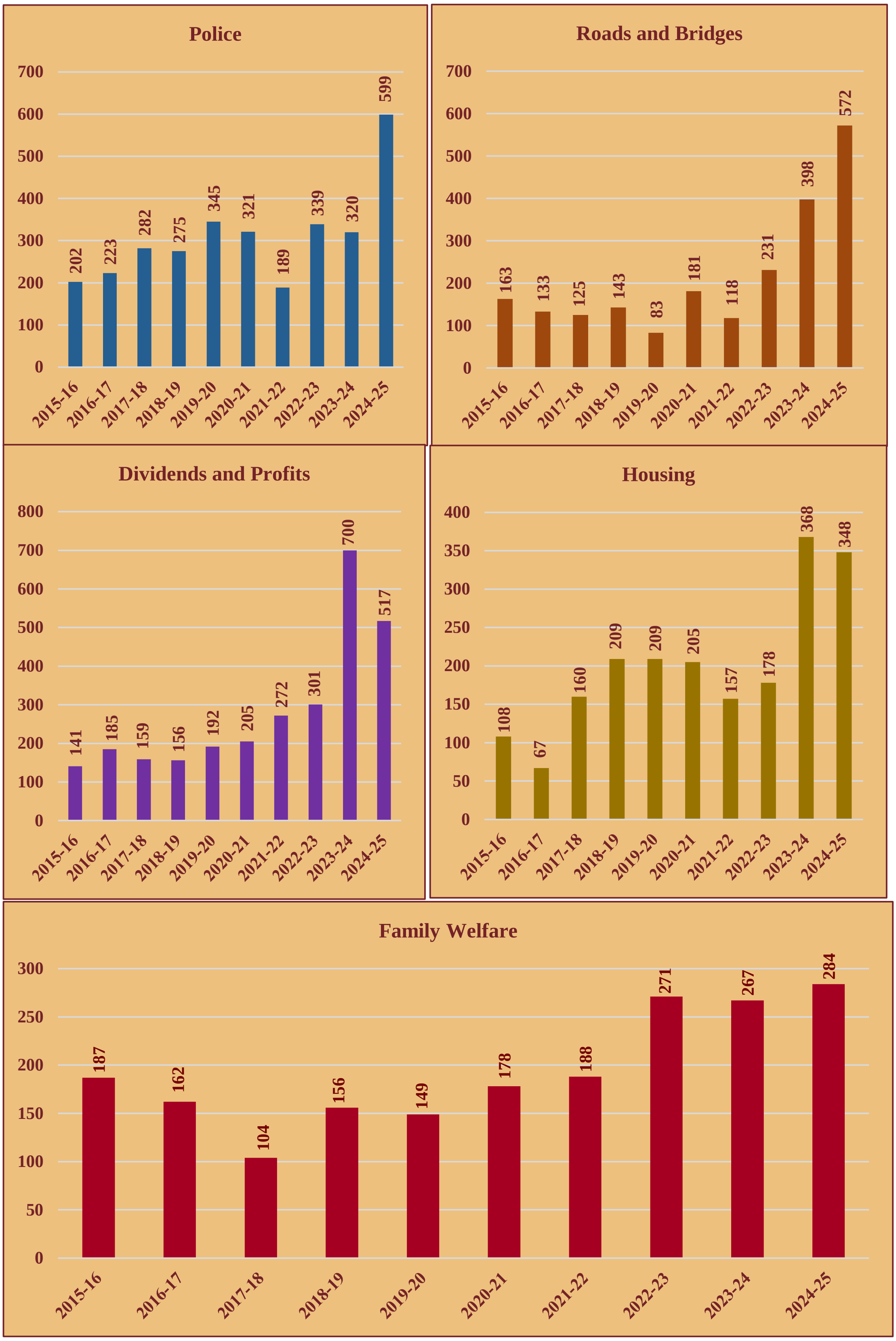
(Source: Finance Accounts of respective years)

4 User charges include MH '0202-'Education, Sports, Art and Culture', '0210-Medical and Public Health', '0215-Water Supply and Sanitation' and '1452-Tourism'.

Chart 1.13: Major components of State's Non-Tax Revenue

(₹ in crore)





(Source: Finance Accounts of respective years)

User charges are collected by the States against supply or use of different services and facilities such as education, health, water supply and sanitation and tourism. Audit observed a significant decline of ₹1,307 crore in receipts from the education sector during the year, along with a decrease of ₹183 crore under Dividend and Profits. In addition, receipts under the Non-Ferrous Mining and Metallurgical Industries component declined by ₹610 crore, mainly due to an increase in refunds made by the Government amounting to ₹431 crore issued during the year.

B. State's share in Union Taxes and Duties

Trends in the components of State's share in Union taxes and duties are shown in **Table 1.8.**

Table 1.8: State's Share in Union Taxes and Duties

(₹ in crore)

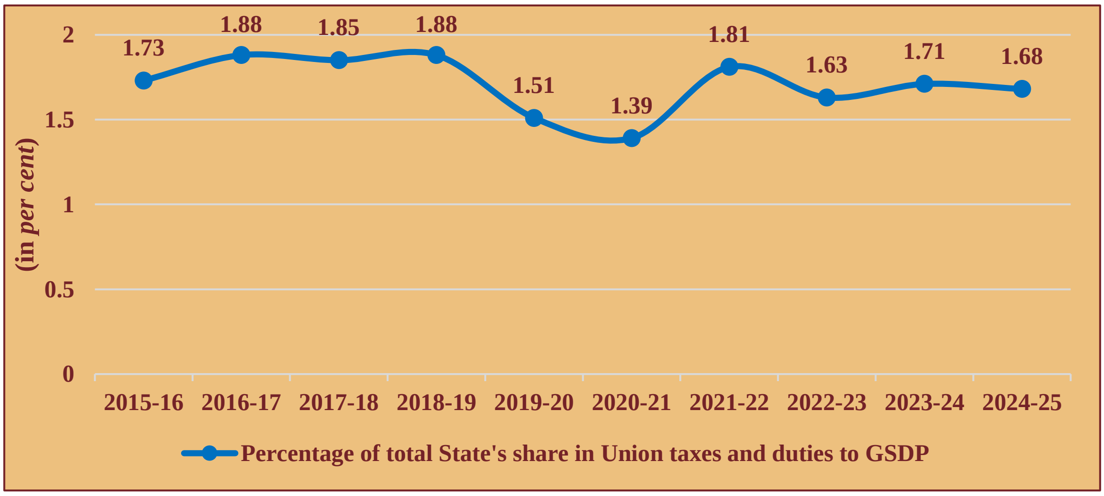
Components	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Central Goods and Services Tax (CGST)	-	-	383	7,562	7,489	7,407	10,308	10,945	13,982	15,331
Integrated Goods and Services Tax (IGST)	-	-	2,735	603	-	-	-	-	-	-
Corporation Tax	6,380	7,863	8,298	10,655	8,999	7,520	10,913	12,983	13,829	14,895
Taxes on Income other than Corporation Tax	4,403	5,464	7,007	7,847	7,051	7,710	10,911	12,678	15,970	18,995
Customs	3,266	3,124	2,735	2,172	1,673	1,324	2,920	1,523	1,615	2,671
Union Excise Duties	2,749	4,120	2,859	1,443	1,163	838	1,754	478	611	514
Service Tax	3,535	3,949	3,083	282	-	108	610	61	9	2
Other Taxes[5]	21	18	-	75	17	18	42	64	57	84
Total	**20,354**	**24,538**	**27,100**	**30,639**	**26,392**	**24,925**	**37,458**	**38,732**	**46,073**	**52,492**

(Source: Finance Accounts of respective years)

The State's share in Union Taxes and Duties contributed 18.56 *per cent* of the total revenue receipts, registering an increase of 13.93 *per cent* over the previous year. The increase was mainly due to higher allocation of the Share of Net proceeds of CGST, Corporation tax and Income other than Corporation Tax' by the GoI to the State Government during the year.

Percentage of total State's share in Union taxes and duties to GSDP during the period 2015-16 to 2024-25 is given in **Chart 1.14.**

Chart 1.14: Percentage of total State's share in Union taxes and duties to GSDP



(Source: Finance Accounts of respective years and MoSPI data for GSDP)

5 Includes Taxes on wealth, other taxes on Income and Expenditure and Other taxes and duties on commodities and services

The ratio of the State's share in Union taxes to GSDP fluctuated during 2018-19 to 2022-23 but remained stable during the last two years, indicating that the growth in central devolution has broadly kept pace with the expansion of the State's economy.

C. Grants-in-aid from Government of India

Trend of Grants-in-aid (GIA) from GoI and its components are shown in **Table 1.9**.

Table 1.9: Grants-in-aid from Government of India

(₹ in crore)

Components	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Grants for Centrally Sponsored Schemes (CSS)	-	-	10,983	14,820	12,464	12,484	17,251	15,270	13,972	10,423
Finance Commission Grants	-	-	1,951	3,705	5,905	8,643	9,550	5,792	6,251	5,198
Non-Plan Grants	5,832	6,757	-	-	-	-	-	-	-	-
Grants for State Plan Schemes	12,017	10,550	-	-	(-) 72	-	-	-	-	-
Grants for Central Plan Schemes	694	496	-	-	-	-	-	-	-	-
Grant for Centrally Sponsored Plan Schemes	717	2,035	-	-	-	-	-	-	-	-
Other transfers/Grants to States/Union Territories with Legislature	-	-	1,745	4,843	9,486	11,450	8,250	16,673	5,120	889
Total	**19,260**	**19,838**	**14,679**	**23,368**	**27,783**	**32,577**	**35,051**	**37,735**	**25,343**	**16,510**

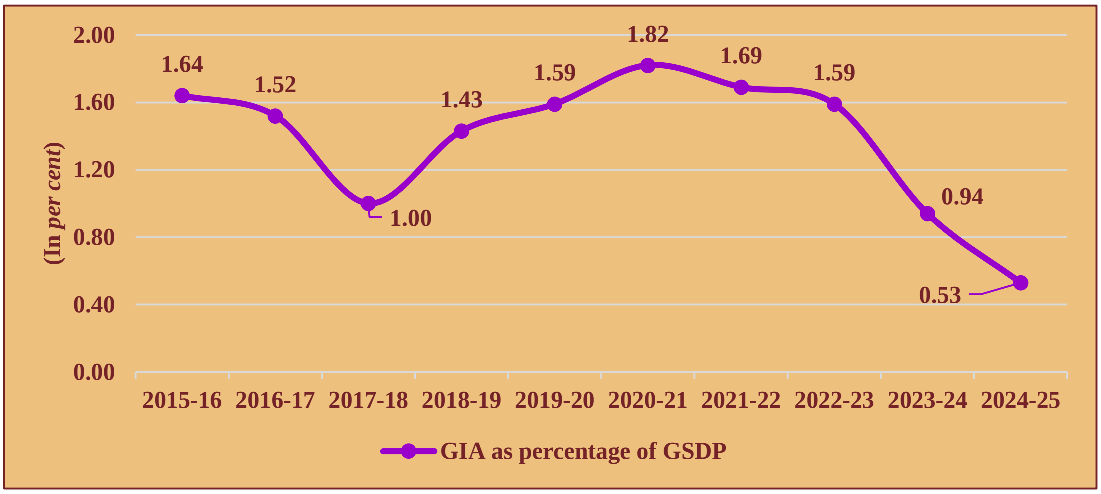
(Source: Finance Accounts of respective years)

The Grants-in-aid decreased significantly by ₹8,833 crore (34.85 *per cent*) in the current year over the previous year. The decrease was mainly due to decrease in receipts of share in compensation for loss of revenue arising out of implementation of Goods and Services Tax (GST) (₹4,574 crore) and decrease in central assistance, Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) (₹831 crore), Pradhan Mantri Awaas Yojana (PMAY) - Urban (₹654 crore) and Atul Mission for Rejuvenation and Urban Transmission (AMRUT) (₹561 crore).

The decrease in Grants-in-aid is primarily attributable to the post pandemic normalisation of implementation and fund release cycles. The higher receipts recorded during 2023-24 were largely on account of the clearance of accumulated liabilities pertaining to the COVID-19 period and therefore, constituted a high base for comparison. Consequently, the decline observed during 2024-25 does not indicate a structural reduction in inter-governmental transfers.

Percentage of Grants-in-aid from Government of India to GSDP is given in **Chart 1.15.**

Chart 1.15: Percentage of Grants-in-aid from Government of India to GSDP



(Source: Finance Accounts of respective years and MoSPI data for GSDP)

Over the decade, Grants-in-Aid from GoI exhibited an upward trend up to 2022-23, followed by a declining trend thereafter. The decline was mainly attributable to reduction in other transfers/Grants to States. The percentage of Grants-in-Aid to GSDP was also on a declining trend since 2020-21.

(i) Grants for Centrally Sponsored Scheme

Out of the Grants of ₹ 10,422.79 crore received for Centrally Sponsored Schemes (CSS) during 2024-25, major allocations were made to the schemes shown in **Table 1.10**.

Table 1.10: Major Schemes receiving grants

Name of the Scheme	2024-25 Amount (₹ in crore)	2023-24 Amount (₹ in crore)	Percentage change over previous year
Mahatma Gandhi National Rural Employment Guarantee Scheme	1,580.46	2,411.72	*(-) 34.47*
Mission Flexible Pool (RCH)	976.33	0.00	-
Atul Mission for Rejuvenation and Urban Transmission (AMRUT)	769.07	1329.73	*(-) 42.16*
Integrated Child Development Services - General Component	644.35	877.67	*(-) 26.58*
District and other Roads (Pradhan Mantri Gramin Sadak Yojana (PMGSY))	638.66	411.36	*55.26*
Liquidation of Arrears for implementation of Family Welfare Programme	556.55	851.39	*(-) 34.63*
Intra-state movement handing of food grains and FPS dealers margin under NFSA	524.60	145.90	*259.56*
Additional Central Assistance under Stream II of Rashtriya Krishi Vikas Yojana	481.07	694.65	*(-) 30.75*
National Programme for Mid-Day meals in Schools	459.78	398.52	*15.37*
National Social Assistance Programme - National Old Age Pension Scheme	413.65	427.97	*(-) 3.35*

Name of the Scheme	2024-25 Amount (₹ in crore)	2023-24 Amount (₹ in crore)	Percentage change over previous year
National Rural Livelihood Mission (NRLM)	381.70	345.55	*10.46*
Pradhan Mantri Adarsh Gram Yojana (PMAGY)	321.87	280.81	*14.62*
Pradhan Mantri Awaas Yojana (Urban)	229.20	883.66	*(-) 74.06*
Pradhan Mantri Ayushman Bharat Health Infrastructure	224.99	279.36	*(-) 19.46*
National Social Assistance Programme - National Widow Pension Scheme	197.37	214.96	*(-) 8.18*
Swachh Bharat Mission (URBAN)	180.04	69.05	*160.74*
Cost Adjustment for commodity grant - NRHM - RCH flexipool Routine Immunization Programme	153.84	149.39	*2.98*
Pradhan Mantri Awas Yojana (Rural) (Indira Awas Yojana)	125.52	14.75	*750.98*
Integrated Child Protection Scheme (ICPS)	122.82	128.70	*(-) 4.57*
Post Matric Scholarships to Other Backward Class students	119.37	135.00	*(-) 11.58*

(Source: Finance Accounts)

(ii) Fifteenth Finance Commission Grants

The Fifteenth Finance Commission (XV FC) grants were provided to the States for Local Bodies (LB) and State Disaster Response Fund (SDRF), State Disaster Mitigation Fund (SDMF) and Health Sector. Details of grants provided by GoI are given in **Table 1.11.**

Table 1.11: Recommended amount, actual release and transfers of Grant-in- aid

(₹ in crore)

Transfers		Recommendation of XV FC for 2024-25	Actual release by GoI, during 2024-25	Release by State Government (Total percentage of the amount released by GoI)
(i) Grants to PRIs		**2,956.80**	**1,813.23**	**1,478.50 (*81.54*)**
(a) Performance/Tied Grants		1,774.00	1,087.94	887.10 (*81.54*)
(b) Untied Grants		1,182.80	725.29	591.40 (*81.54*)
(ii) Grants to ULBs		**1,036.00**	**972.91**	972.91 (*100*)
(a) Non-Million Plus Cities (Performance/Tied Grant)		621.60	583.75	583.75 (*100*)
(b) Non-Million Plus Cities (General Basic/Untied Grant)		414.40	389.16	389.16 (*100*)
(iii) Grant for Health Sector		**889.00**	**870.40**	**870.40 (*100*)**
Total for Local Bodies (i + ii + iii)		**4,881.80**	**3,656.54**	**3,321.81 (*90.85*)**
State Disaster Response Fund (SDRF)	Central Share	944.80	944.80	944.80 (*100*)
	State Share	315.20	315.20	315.20 (*100*)
State Disaster Mitigation Fund (SDMF)	Central Share	236.25	236.20	236.20 (*100*)
	State Share	78.75	78.80	78.80 (*100*)
Total for SDRMF		**1,575.00**	**1,575.00**	**1,575.00 (*100*)**

(Source: Details as furnished by the State Finance Department)

Further, a portion of both Tied Grants amounting to ₹200.84 crore and Untied Grants amounting to ₹133.89 crore remained unreleased by the State Government during 2024-25. The non-release of these amounts resulted in partial or non-implementation of activities planned under the Tied and Untied components of Panchayati Raj Institutions. In reply (November 2025), the State Government stated that GoI released ₹1,087.94 crore as Tied Grants and ₹725.29 crore as Untied Grants in two instalments during the financial year 2024-25. Of these, the second instalment, amounting to ₹200.84 crore under Tied Grants and ₹133.89 crore under Untied Grants, was released by GoI only on 31 March 2025. Consequently, the grants could not be released to the Panchayati Raj Institutions within the financial year 2024-25. The pending amounts were, however, released to the Rural Local Bodies on 08 April 2025.

1.2.2 Capital Receipts

Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI.

Trends of capital receipts and its components during 2015-16 to 2024-25 are shown in **Table 1.12.**

Table 1.12: Trends in growth and composition of capital receipts

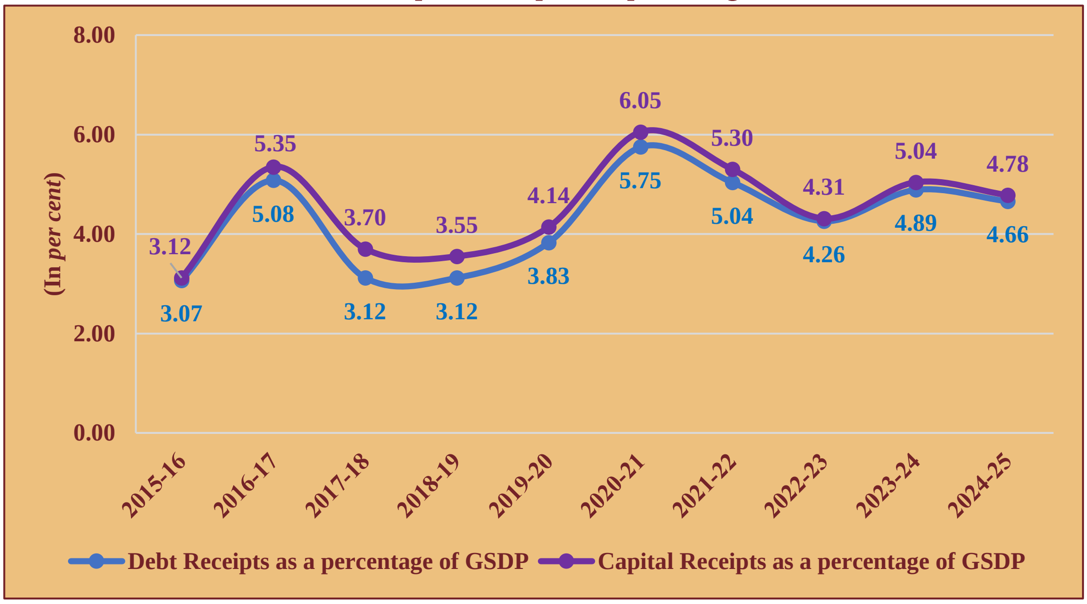
(₹ in crore)

Sources of State's Receipts	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Capital Receipts	**36,751**	**69,692**	**54,196**	**57,849**	**72,159**	**1,08,112**	**1,09,840**	**1,02,181**	**1,35,633**	**1,49,062**
Miscellaneous Capital Receipts	-	1	2	-	-	-	-	42	12	43
Recovery of Loans and Advances	684	3,548	8,472	6,913	5,384	5,245	5,355	1,078	4,024	3,816
Public Debt Receipts	**36,067**	**66,143**	**45,722**	**50,936**	**66,775**	**1,02,867**	**1,04,485**	**1,01,061**	**1,31,597**	**1,45,203**
Internal Debt	34,696	64,283	42,969	45,596	64,785	91,997	90,843	90,806	1,16,602	1,28,163
Loans and Advances from GoI	1,371	1,860	2,753	5,340	1,990	10,870	13,642	10,255	14,995	17,040
Year-on Year growth rates (in *per cent*)										
GSDP	*9.68*	*10.72*	*12.47*	*11.27*	*6.93*	*2.58*	*15.91*	*14.47*	*13.34*	*15.98*
Capital Receipts	*13.26*	*89.63*	*(-) 22.23*	*6.74*	*24.74*	*49.82*	*1.60*	*(-) 6.97*	*32.74*	*9.90*
Public Debt Receipts	*16.05*	*83.39*	*(-) 30.87*	*11.40*	*31.10*	*54.05*	*1.57*	*(-) 3.28*	*30.22*	*10.34*
Internal debt	*17.36*	*85.27*	*(-) 33.16*	*6.11*	*42.08*	*42.00*	*(-) 1.25*	*(-) 0.04*	*28.41*	*9.91*
Loans and Advances from GoI	*(-) 9.62*	*35.67*	*48.01*	*93.97*	*(-) 62.73*	*446.23*	*25.50*	*(-) 24.83*	*46.22*	*13.64*

(Source: Finance Accounts of respective years)

Capital receipts as a percentage of GSDP is depicted in **Chart 1.16**

Chart: 1.16 Capital Receipts as a percentage of GSDP



(Source: Finance Accounts of respective years and MoSPI data for GSDP)

During 2024-25, the State's capital receipts increased by ₹13,429 crore (9.90 *per cent*) over the previous year. This increase was largely driven by Public Debt Receipts, indicating a continued and growing reliance on public borrowings to finance capital requirements as well as other expenditure obligations.

The increasing dependence on public debt receipts points to a structural imbalance in the composition of capital receipts and has significant implications for fiscal sustainability. Higher borrowings add to the State's committed liabilities, particularly in the form of interest payments, which may constrain fiscal space in the medium to long term and limit the Government's capacity to allocate resources towards developmental and priority sectors.

1.2.3 Finance Commission Projections and Actuals

The projected revenue, deficits and GSDP by the XV FC and actuals for the financial year 2020-21 to 2024-25 are given in the **Table 1.13.**

Table 1.13: XV FC Projection *vis-à-vis* actuals

(₹ in crore)

	2020-21		2021-22		2022-23		2023-24		2024-25	
	Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual
GSDP (2011-12 Series - Current Prices)	19,87,311	17,88,074	19,79,856	20,72,496	22,07,540	23,72,469	24,72,444	26,88,963	27,80,264	31,18,590
Own Revenue Receipts	1,57,163	1,16,575	1,45,947	1,34,983	1,66,890	1,67,284	1,91,887	193,182	2,21,714	2,13,828
State's Own Tax Revenue	1,42,588	1,06,153	1,28,351	1,22,866	1,47,068	1,50,223	1,69,449	1,67,278	1,96,203	1,80,225
State's Own Non-Tax Revenue	14,575	10,422	17,596	12,117	19,822	17,061	22,438	25,904	25,511	33,603
State's share in Union Taxes/ Duties	35,823	24,925	26,864	37,458	29,884	38,731	33,627	46,072	38,203	52,492

(₹ in crore)

	2020-21		2021-22		2022-23		2023-24		2024-25	
	Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual
Revenue Deficit (RD) / Surplus (RS) as percentage of GSDP RD (+) / RS (-)	*0.00*	*3.49*	*0.00*	*2.25*	*(-) 0.53*	*1.53*	*(-) 1.13*	*1.68*	*(-) 1.74*	*1.47*
Fiscal Deficit (FD) as percentage of GSDP[6]	*4.50*	*5.26*	*4.00*	*3.95*	*3.50*	*3.45*	*3.00*	*3.36*	*3.00*	*3.25*

(Source: XV FC Report, MoSPI and Finance Accounts)

From **Table 1.13**, it may be seen that though the XV FC projected the State to achieve a revenue surplus from the year 2022-23 onwards, the State continued to experience revenue deficit, despite the increase in GSDP.

1.2.4 Expenditure

Government expenditure is classified into revenue expenditure, capital expenditure, and loans and advances. Revenue expenditure includes costs for maintenance, repairs, and day-to-day functioning of departments, including administrative and establishment expenses. Capital expenditure relates to the initial construction of projects and sanctioned improvements or additions to assets. Loans and advances comprise funds provided by the government to Public Sector Undertakings and other entities, which are recoverable over time. Details of expenditure, total expenditure as percentage of GSDP and share of its components is given in **Table 1.14, Chart 1.17** and **Chart 1.18** respectively.

Table 1.14: Total expenditure and its compositions

(₹ in crore)

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Total Expenditure (TE)	**1,62,319**	**1,99,951**	**1,94,594**	**2,27,989**	**2,40,089**	**2,73,305**	**2,94,682**	**3,26,755**	**3,59,063**	**3,88,032**
Revenue Expenditure (RE)	1,40,993	1,53,195	1,67,874	1,97,200	2,10,435	2,36,402	2,54,030	2,79,964	3,09,718	3,28,669
Capital Expenditure (CE)	18,995	20,709	20,203	24,311	25,632	33,068	37,011	39,530	40,500	47,108
Loans and Advances	2,331	26,047	6,517	6,478	4,022	3,835	3,641	7,261	8,845	11,905
Appropriation to contingency fund	0	0	0	0	0	0	0	0	0	350

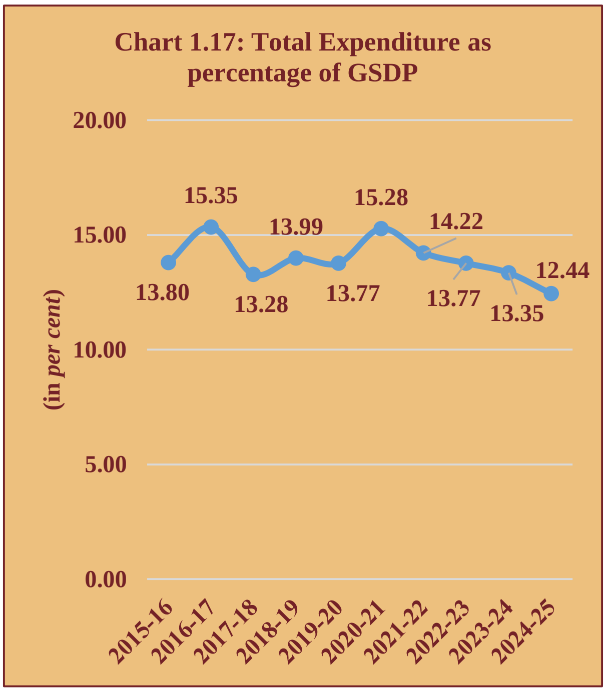
(Source: Finance Accounts)

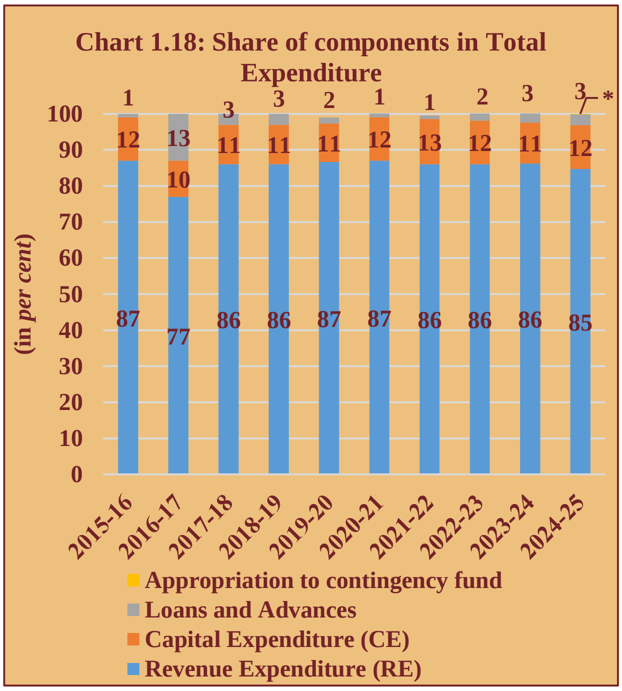
The State's revenue expenditure continued to increase over the years and remained the dominant component of total expenditure. Over the last decade, revenue expenditure increased by 133 *per cent*. However, its growth moderated to 6.12 *per cent* in 2024-25 from 10.63 *per cent* in 2023-24.

Capital Expenditure (including loans and advances) of the State recorded significant decadal growth and increased by 16.32 *per cent* in 2024-25 as compared to 2023-24. However, its ratio to Total Expenditure remained lower than that of all States (excluding UTs) during 2015-16 to 2024-25, except in 2016-17 and 2020-21. The share of Capital Expenditure (including loans and advances) in Total Expenditure

6 As per Net Borrowing Ceiling (NBC) fixed by the Department of Expenditure (DoE) for the respective years.

stood at 15.21 *per cent* in 2024-25, compared to 16.59 *per cent* for all States (excluding UTs).





(Share of Appropriation to contingency fund in total expenditure during 2024-25 stood at* 0.09 *per cent)*

(Source: Finance Accounts)

Out of the total expenditure of ₹3,88,032.21 crore incurred by the State during 2024-25, an amount of ₹3,321.81 crore pertained to pass-through transactions relating to Finance Commission grants. Of this, ₹1,478.50 crore was disbursed as grants to Panchayati Raj Institutions, ₹972.91 crore to Urban Local Bodies, and ₹870.40 crore to the Health Sector.

Sector-wise Total Expenditure

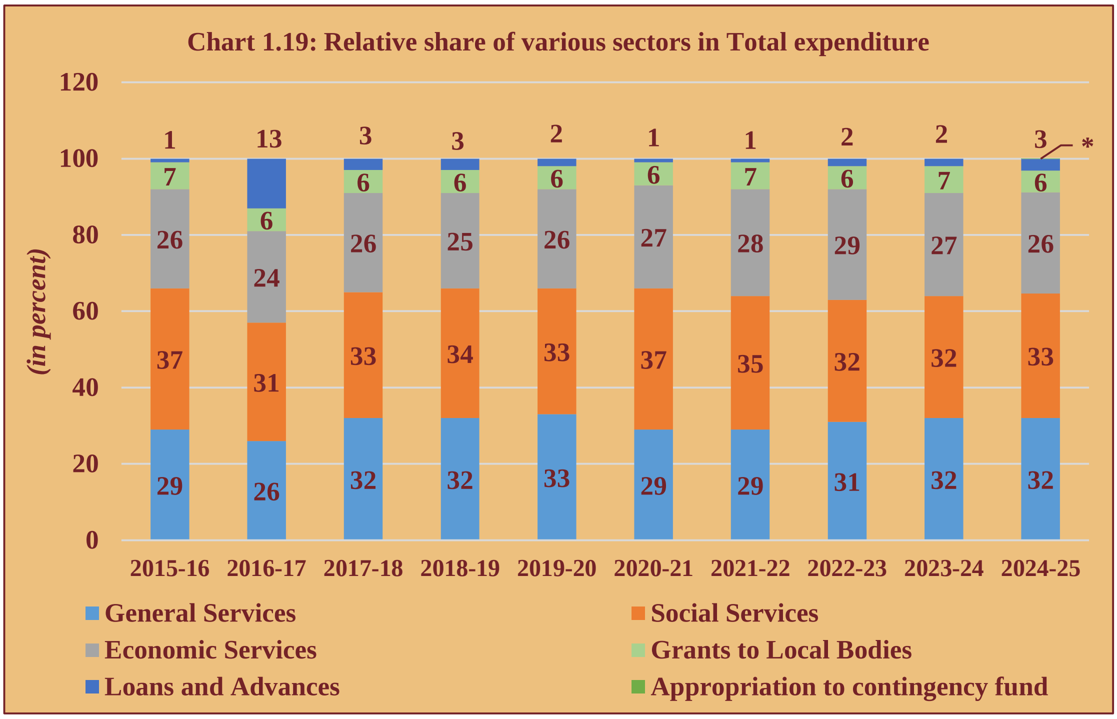
Sector-wise composition of expenditure is given in **Table 1.15** and relative share of various sectors in total expenditure is depicted in **Chart 1.19.**

Table 1.15: Sector-wise total expenditure

(₹ in crore)

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	46,566	52,202	61,298	73,308	79,202	79,929	85,674	1,00,138	1,14,286	1,24,370
Social Services	60,466	61,338	64,521	77,198	79,859	1,00,636	1,03,734	1,03,291	1,15,643	1,26,651
Economic Services	42,224	47,898	50,787	56,126	61,318	73,108	82,144	96,139	96,725	1,02,684
Grants to Local Bodies	10,732	12,466	11,471	14,879	15,688	15,796	19,489	19,926	23,564	22,072
Loans and Advances	2,331	26,046	6,517	6,478	4,022	3,835	3,641	7,261	8,845	11,905
Appropriation to contingency fund	-	-	-	-	-	-	-	-	-	350

(Source: Finance Accounts)



*Appropriation to contingency fund 0.09 *per cent*

(Source: Finance Accounts of respective years)

In 2024-25, the State incurred a total expenditure of ₹3,88,032 crore, of which the General, Social and Economic Sectors accounted for 32.05 *per cent*, 32.64 *per cent* and 26.46 *per cent* respectively. As can be seen from the sector-wise expenditure pattern depicted in **Chart 1.19,** the State prioritised Social Services and General Services over Economic Services during 2015-16 to 2024-25.

Over the decade, a significant increase in expenditure under the Social Services sector was observed, particularly in Health and Family Welfare (from ₹7,765 crore to ₹18,417 crore), Education, Sports, Art and Culture (from ₹25,016 crore to ₹45,263 crore), and Social Welfare and Nutrition (from ₹15,348 crore to ₹34,727 crore). Audit however observed that, compared to all States (excluding UTs) except in 2015-16, the share of Social Services in the State's total expenditure is consistently lower during the period. In 2024-25, the share stood at 32.64 *per cent* for the State as against 39.00 *per cent* for all States (excluding UTs).

The share of General Services in the State's total expenditure during 2024-25 was 32.05 *per cent*, which was higher than the corresponding all-States (excluding UTs) average of 29.79 *per cent*.

The share of Economic Services in total expenditure increased steadily during 2015-16 to 2024-25. Under it, Substantial increases were observed in Energy (from ₹3,920 crore to ₹24,637 crore), Agriculture and Allied Activities (from ₹7,825 crore to ₹19,248 crore) and Civil Supplies (from ₹5,425 crore to ₹11,515 crore). However, expenditure under Rural Development declined from ₹7,359 crore to ₹5,609 crore. Further, Audit observed that share of Economic Services in total expenditure remained lower than that of all States (excluding UTs) except 2022-23 during the decade and stood at 26.46 *per cent* compared to 28.68 *per cent* for all States (excluding UTs) during 2024-25.

The share of loans and advances in the State's Total Expenditure during 2024-25 was 3.07 *per cent*, which was significantly higher than the corresponding all-States average of 1.45 *per cent*.

An overall analysis indicates a greater emphasis on welfare and administrative needs over growth-oriented investment, reflecting the State's prioritisation of administrative functions and social welfare programmes.

1.2.4.1 Revenue Expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for past obligation. As such, it does not result in any addition to the State's infrastructure and service network. Growth of revenue expenditure, its ratio to total expenditure, GSDP and revenue receipts are shown in **Table 1.16.**

Table 1.16: Revenue Expenditure – Basic Parameters

(₹ in crore)

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Total Expenditure (TE)	1,62,319	1,99,951	1,94,594	2,27,989	2,40,089	2,73,305	2,94,682	3,26,755	3,59,063	3,88,032
Revenue Expenditure (RE)	1,40,993	1,53,195	1,67,874	1,97,200	2,10,435	2,36,402	2,54,030	2,79,964	3,09,718	3,28,669
RE as percentage of Revenue Receipts	*109.29*	*109.24*	*114.76*	*113.50*	*120.58*	*135.80*	*122.43*	*114.86*	*117.05*	*116.21*
RE as percentage of TE	*86.86*	*76.62*	*86.27*	*86.50*	*87.65*	*86.50*	*86.21*	*85.68*	*86.26*	*84.70*
RE/GSDP (*per cent*)	*11.98*	*11.76*	*11.46*	*12.10*	*12.07*	*13.22*	*12.26*	*11.80*	*11.52*	*10.54*
Year-on-year growth (in *per cent*)										
Revenue Expenditure	*9.44*	*8.65*	*9.58*	*17.47*	*6.71*	*12.34*	*7.46*	*10.21*	*10.63*	*6.12*
GSDP Growth rate	*9.68*	*10.72*	*12.47*	*11.27*	*6.93*	*2.58*	*15.91*	*14.47*	*13.34*	*15.98*

(Source: Finance Accounts of respective years and MoSPI data for GSDP)

The ratio of revenue expenditure to revenue receipts remaining well above 100 *per cent* indicates that the state's routine expenditure consistently exceeded its revenue receipts. Persistent excess of revenue expenditure over revenue receipts reduces fiscal flexibility and heightens the risk of long-term debt accumulation.

Further, the ratio of revenue expenditure to total expenditure also remained very high ranging between 76.62 *per cent* to 87.65 *per cent* during the decade.

The share of revenue expenditure in total expenditure was higher than that of all States (excluding UTs) in most years, except 2016-17 and 2020-21 and stood at 84.70 *per cent* in 2024-25, broadly in line with the all-States average (excluding UTs) of 83.41 *per cent*.

Committed expenditure, comprising salaries, pensions, and interest payments, accounted for a substantial share of revenue expenditure and constituted 53.75 *per cent* during the year.

A. Sector-wise Revenue Expenditure

Sector-wise composition of Revenue expenditure is given in **Table 1.17** and relative share of various sectors in Revenue expenditure is depicted in **Chart 1.20**. Detailed Sector-wise expenditure is given in ***Appendix 1.2.***

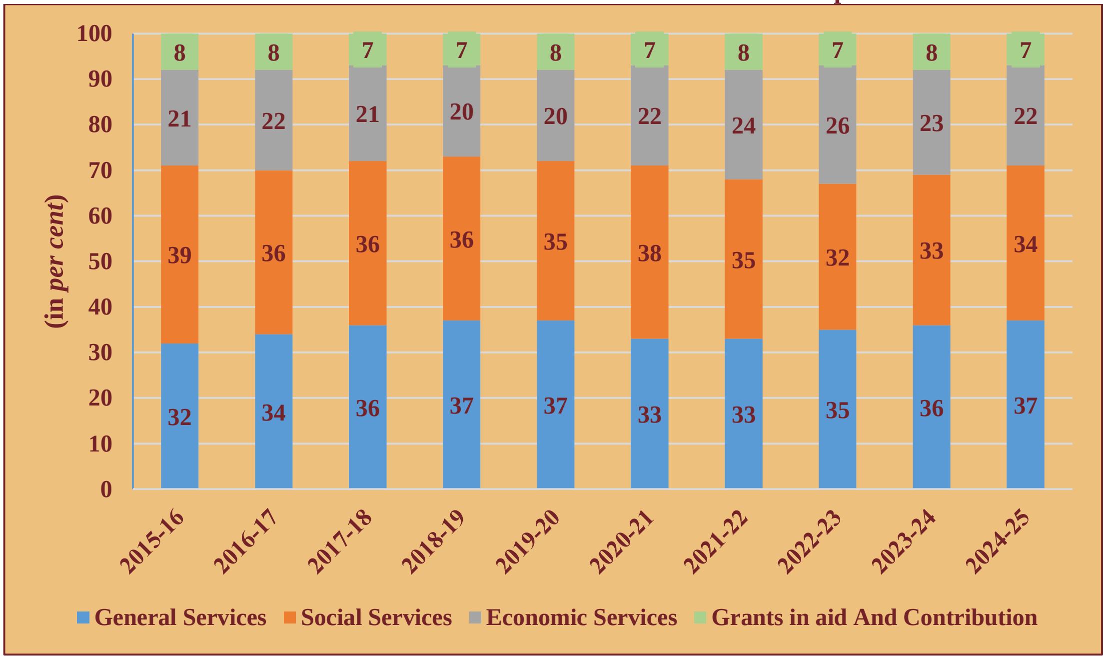
Table 1.17: Sector-wise Revenue Expenditure

(₹ in crore)

Revenue	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	45,512	51,452	60,451	72,450	78,138	78,993	84,894	99,097	1,13,336	1,23,333
Social Services	54,806	55,297	59,790	70,202	73,999	89,805	88,749	88,967	1,01,245	1,10,426
Economic Services	29,943	33,980	36,162	39,669	42,610	51,808	60,898	71,974	71,573	72,838
Grants in aid And Contribution	10,732	12,466	11,471	14,879	15,688	15,796	19,489	19,926	23,564	22,072

(Source: Finance Accounts)

Chart: 1.20: Relative share of various sectors in Revenue expenditure



(Source: Finance Accounts of respective years)

B. Committed expenditure

The committed expenditure of the State Government on revenue account consists of interest payments, expenditure on salaries and wages; and pensions. These expenditure has first charge on Government resources. The components of committed expenditure is given in **Table 1.18** and committed expenditure as a percentage of revenue receipts and remaining fiscal space for other expenditure is given in **Chart 1.21.**

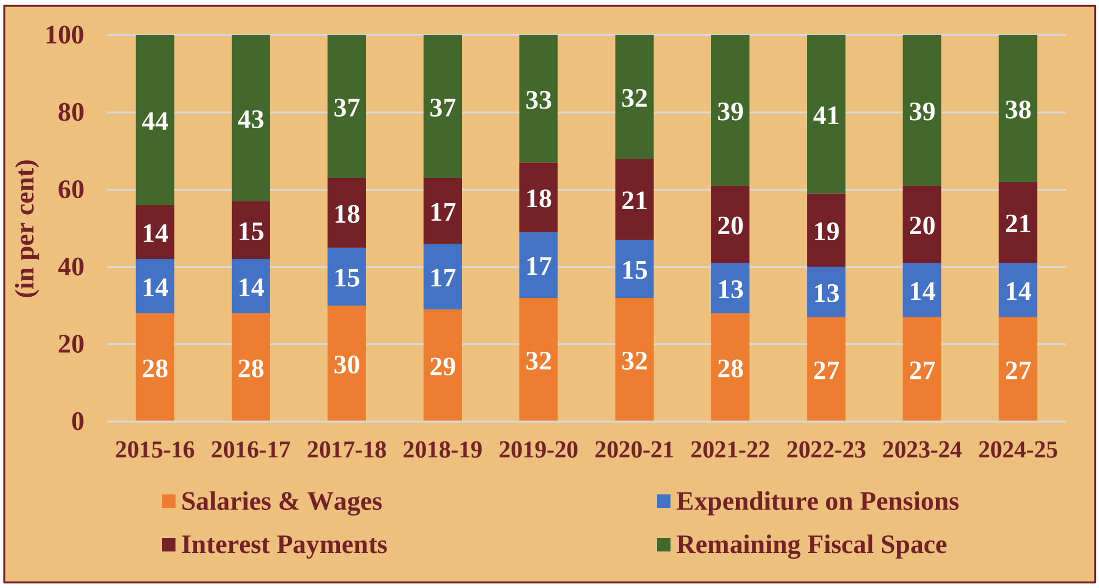
Table 1.18: Components of Committed Expenditure

(₹ in crore)

Components of Committed Expenditure	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Salaries & Wages[7]	36,376	39,246	43,959	51,187	55,637	55,360	58,709	66,218	72,092	76,116
Expenditure on Pensions	18,246	19,973	22,360	29,630	30,202	27,115	26,250	32,177	37,697	40,651
Interest Payments	17,391	20,533	26,012	28,757	31,980	36,497	41,564	46,911	53,566	59,909
Total	**72,013**	**79,752**	**92,331**	**1,09,574**	**1,17,819**	**1,18,972**	**1,26,523**	**1,45,306**	**1,63,355**	**1,76,676**
Committed Expenditure as a percentage of Revenue Expenditure	*51.08*	*52.06*	*55.00*	*55.56*	*55.99*	*50.33*	*49.81*	*51.90*	*52.74*	*53.75*

(Source: Finance Accounts of respective years)

Chart 1.21: Committed Expenditure as a percentage of Revenue receipts and remaining fiscal space



(Source: Finance Accounts)

From **Chart 1.21**, it could be seen that the percentage of the fiscal space available in revenue receipts after meeting the committed expenditure had been fluctuating from 44 *per cent* to 32 *per cent* during the period 2015-16 to 2024-25. Committed expenditure grew by 8.15 *per cent* over the previous year consuming a growing share of revenue receipts leaving lesser space for development sector during the year.

Further, audit observed that committed expenditure as a percentage of revenue expenditure has been on an increasing trend over the last four years and accounted for 53.75 *per cent* of revenue expenditure during the year. Salaries and wages, which constituted the major component of committed expenditure, increased by 5.58 *per cent* during the year. Interest payments which was attributable to the repayment of public debt, also exhibited an upward trend during the last two years and increased by 11.84 *per cent* during the year. While the all-States average (excluding UTs) for interest payments stood at 12.83 *per cent* of total revenue expenditure, the State's

[7] Includes Salary Grants: 2015-16 (₹5,712 crore), 2016-17 (₹6,088 crore), 2017-18 (₹6,819 crore), 2018-19 (₹7,792 crore), 2019-20 (₹8,190 crore), 2020-21 (₹8,027 crore), 2021-22 (₹8,416 crore), 2022-23 (₹9,248 crore), 2023-24 (₹9,922 crore) and 2024-25 (₹10,216 crore).

corresponding share was significantly higher at 18.23 *per cent*, reflecting an increasing debt burden.

C. Subsidies

Subsidies formed 13.56 *per cent* of the Total Expenditure. Department-wise major subsidies for FYs 2015-16 to 2024-25, are shown in **Table 1.19.**

Table 1.19: Department-wise subsidies during FYs 2015-16 to 2024-25

(₹ in crore)

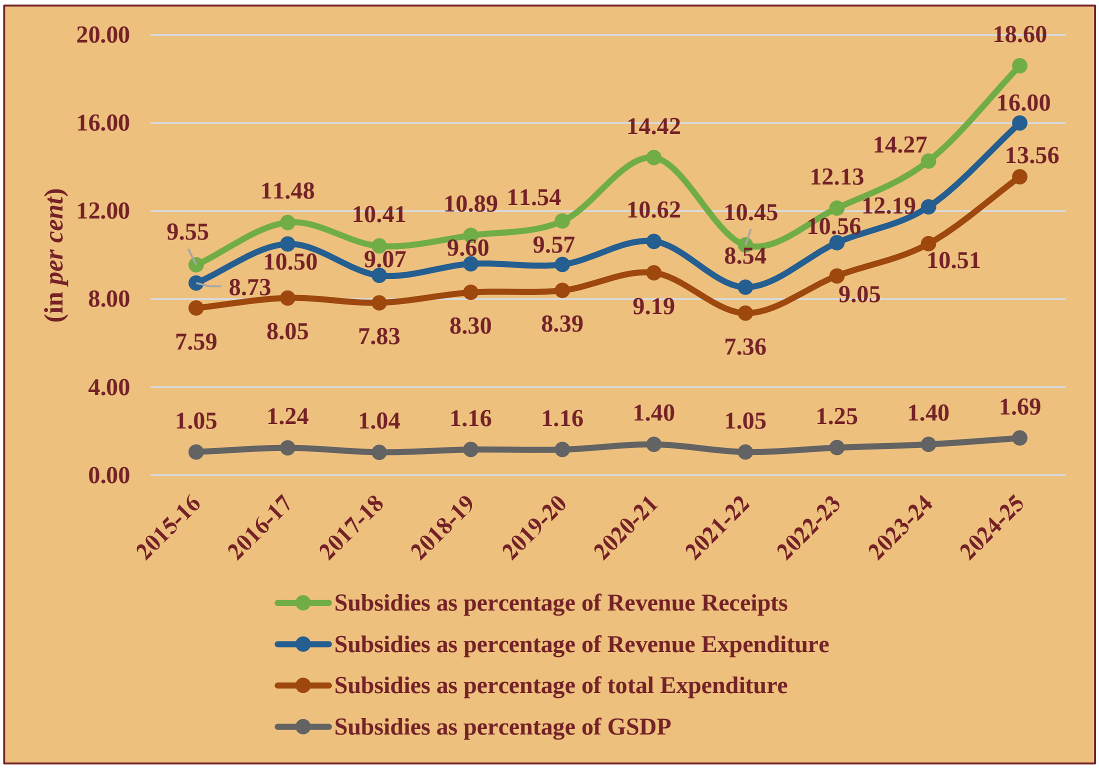
Sl. No.	Departments	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
1	Department of Special Programme Implementation	0	0	0	0	0	0	0	0	7,937	14,046
2	Food And Consumer Protection (Co-operation, Food and Consumer Protection Department)	5,300	5,500	6,000	7,989	8,363	9,604	9,324	13,578	11,412	11,794
3	Agriculture And Farmer's Welfare Department	806	842	1,232	1,904	1,976	2,752	1,706	2,112	2,823	9,404
4	Energy Department	2,902	4291	3,640	3,094	3,382	3,533	3,463	5,261	6,922	7,516
5	Transport Department	480	509	565	798	1,321	3,436	2,522	4,118	4,524	4,893
6	Handlooms And Textiles (Handlooms, Handicrafts, Textiles and Khadi Department)	888	951	991	981	993	1,197	1,190	1,372	1,300	1,333
7	Micro, Small And Medium Enterprises Department	209	205	262	466	330	396	499	444	941	1,087
8	Industries, Investment Promotion And Commerce Department	1,009	1,608	1,600	2,057	2,588	1,428	1,670	1,529	511	1,002
9	Co-Operation (Co-operation , Food and Consumer Protection Department)	225	225	438	461	479	401	602	500	508	638
10	Fisheries And Fishermen Welfare (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department)	83	77	155	126	136	180	196	404	258	395
11	Rural Development And Panchayat Raj Department	0	0	203	329	305	384	0	0	0	377
12	Others Departments[8]	413	1,884	144	717	271	1,799	517	241	613	118
Total Subsidy		**12,315**	**16,092**	**15,230**	**18,922**	**20,144**	**25,110**	**21,689**	**29,559**	**37,749**	**52,603**

(Source: Finance Accounts of respective years)

[8] *Other Departments include i. Khadi, Village Industries & Handicrafts (Handlooms, Handicrafts, Textiles and Khadi Department), ii. Animal Husbandry (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department), iii. Backward Classes, Most Backward Classes & Minorities Welfare Department, iv. Police (Home, Prohibition and Excise Department), v. Prohibition & Excise (Home, Prohibition and Excise Department), vi. Public Department, vii. Relief on Account of Natural Calamities, viii. Adi-Dravidar & Tribal Welfare Department, ix. Tourism – Art & Culture (Tourism, Culture and Religious Endowments Department), x. Fire and Rescue Services (Home, Prohibition and Excise Department), xi. Prisons & Correctional Services (Home, Prohibition and Excise Department) xii. Department for the Welfare of Differently Abled Persons, xiii. Public Department, xiv. Finance Department, xv. Housing and Urban Development Department and xvi. Forest (Environment, Climate change and Forest Department).*

During 2024-25, subsidies increased by ₹14,854 crore (39.35 *per cent*) over the previous year, mainly due to a subsidy of ₹6,916 crore extended to the Tamil Nadu Electricity Board on behalf of farmers using farm pump sets (Agriculture Department) and an increase of ₹5,854 crore under the Magalir Urimai Thogai Scheme (Department of Special Programme Implementation). Audit scrutiny revealed that the subsidy to Tamil Nadu Electricity Board (TNEB) for farm pump sets was classified as a subsidy in 2024-25 only, whereas it had been booked as Grants-in-Aid in earlier years. The increase in expenditure under the Magalir Urimai Thogai Scheme was largely attributable to its launch in mid-September 2023, as expenditure in the previous year covered only six months of implementation.

Chart 1.22: Trend analysis of subsidies



(Source: Finance Accounts and MoSPI data for GSDP)

During the year, subsidies constituted 10.08 *per cent* of total revenue expenditure at the all-States average level (excluding UTs), while the corresponding share in the State was significantly higher at 16.00 *per cent*. This elevated subsidy burden constraints fiscal space for developmental spending and may adversely impact fiscal sustainability over the long term.

D. Financial assistance by the State Government to Local Bodies and Other Institutions

Assistance provided by way of grants to the Local Bodies and other institutions during the period 2015-16 to 2024-25 is presented in **Table 1.20 (a).**

Table 1.20 (a): Financial assistance to Local Bodies and other Institutions

(₹ in crore)

Institutions	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
(A) Local Bodies										
Municipal Corporations and Municipalities (a)	2,872	3,617	3,209	4,161	4,446	4,370	5,039	6,795	7,688	7,905
GIA for creation of Capital assets to Municipal Corporations and Municipalities	**2,281**	**2,576**	**2,717**	**3,182**	**3,214**	**2,842**	**3,161**	**2,383**	**369**	**710**
Zilla parishads and other Panchayati Raj Institutions (b)	6,645	7,599	5,702	7,731	7,756	8,425	10,691	9,420	12,270	10,853
GIA for creation of Capital assets to PRIs	**5,160**	**5,704**	**4,746**	**5,631**	**5,434**	**4,975**	**5,792**	**6,649**	**6,399**	**7,101**
Total (A) (a+b)	**9,517**	**11,216**	**8,911**	**11,892**	**12,203**	**12,795**	**15,730**	**16,215**	**19,958**	**18,757**
(B) Others										
Other Institutions	25,196	28,178	31,720	35,934	38,401	57,884	66,856	62,788	63,489	53,974
Total (A+B)	**34,713**	**39,394**	**40,631**	**47,826**	**50,604**	**70,679**	**82,586**	**79,003**	**83,447**	**72,731**
Total GIA for creation of Capital assets	**9,640**	**10,223**	**12,124**	**14,831**	**13,832**	**15,238**	**14,967**	**15,544**	**12,493**	**12,250**
Revenue Expenditure	1,40,993	1,53,195	1,67,874	1,97,201	2,10,435	2,36,402	2,54,030	2,79,964	3,09,718	3,28,669
Assistance as percentage of Revenue Expenditure	*24.62*	*25.71*	*24.20*	*24.25*	*24.05*	*29.90*	*32.51*	*28.22*	*26.94*	*22.13*

(Source: Finance Accounts of respective years)

During the year, financial assistance to the Local Bodies and other institutions decreased by ₹10,716 crore (12.84 *per cent*) over the previous year. This was mainly due to decrease in assistance to Zilla Parishads and other PRIs by ₹1,417 crore (11.55 *per cent)* and financial assistance to other institutions by ₹ 9,515 crore (14.99 *per cent*). The overall quantum of financial assistance to the local bodies and other institutions as a percentage to revenue expenditure decreased to 22.13 *per cent* during the current year from 26.94 *per cent* of the previous year.

State Finance Commission

In exercise of the powers conferred by Sub – section (1) of Section 198 of the Tamil Nadu Panchayats Act (Tamil Nadu Act 21 of 1994), the Governor of Tamil Nadu constituted a Finance Commission referred to in Article 243-I of the Constitution of India.

The First State Finance Commission (SFC) was constituted in 1994. Presently, the State is in the third year of the sixth SFC for the award period 2022-23 to 2027-28.

The status of the sixth SFC recommendation for the award period 2022-23 to 2027-28 is given in **Table 1.20 (b).**

Table 1.20 (b): Status of Sixth SFC recommendation

SFC Period	Total No. of Recommendations	Accepted by the Government	Deferred	Not Accepted	Partially Accepted with modification
2022-23 to 2027-28	280	235	4	16	25

(Source: Departmental information)

Audit observed that the funds recommended by the Sixth SFC and accepted by the State Government for Local Bodies were fully released during the first three years of the award period (2022-23 to 2024-25) as detailed in **Table 1.20(c)**.

Table 1.20 (c): Details of grants due and released to Local Bodies during the first three years of the Sixth FC award period 2022-23 to 2024-25

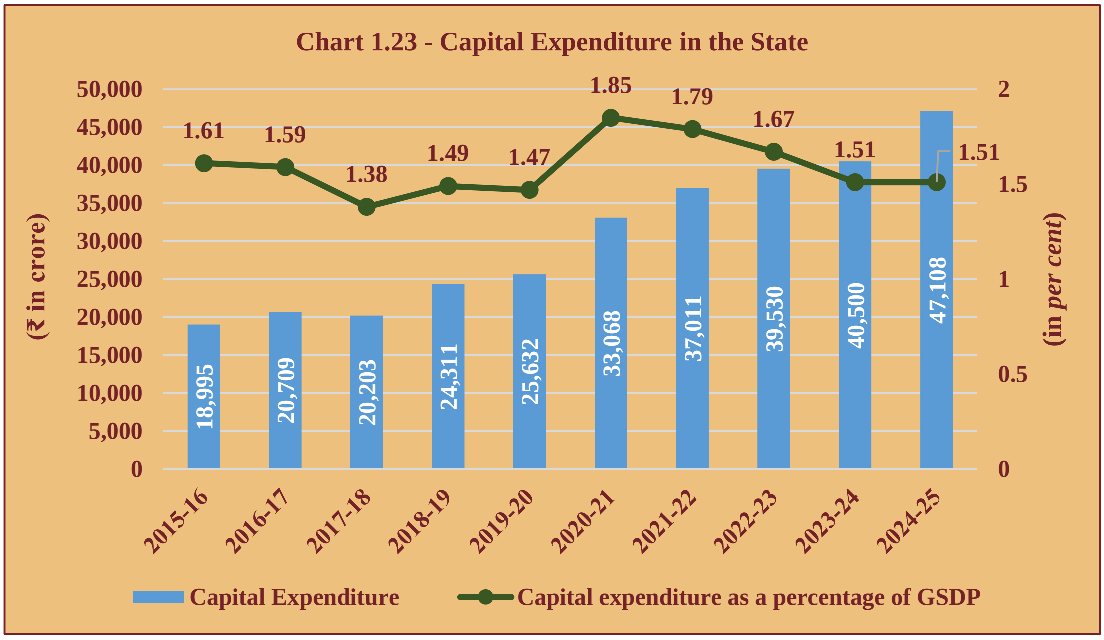
(₹ in crore)

Year	Funds recommended by Sixth SFC and as accepted by State for Local Bodies			Actual release by State Government			Short release (-) / Excess (+)
	RLB	ULB	Total	RLB	ULB	Total	
2022-23	7,985.46	2,821.99	10,807.45	7,985.46	2,821.99	10,807.45	-
2023-24	6,217.60	3,000.34	9,217.94	6,217.60	3,000.34	9,217.94	-
2024-25	6,902.60	3,196.29	10,098.89	6,902.60	3,196.29	10,098.89	-

(Source: Departmental information)

1.2.4.2 Capital Expenditure

Capital expenditure (excluding loans and advances) is primarily expenditure on creation of fixed infrastructure assets, such as roads and buildings. Capital expenditure, in both the Centre and the State, is being met from budgetary support and extra budgetary resources/off-budget borrowings. It also includes investments made by the State Government in Companies/Corporations. Trend of capital expenditure in the State over the last 10 years is given in **Chart 1.23**



(Source: Finance Accounts and Annual Financial Statements of respective years)

As can be seen from the ratio of capital expenditure to GSDP fluctuated up to 2020-21, exhibited a declining trend up to 2023-24 and remained at the same level in 2024-25.

Audit observed that the share of capital expenditure in total expenditure also fluctuated over the last decade. While the share stood at 11.70 *per cent* in 2015-16, it remained relatively stable during the period from 2016-17 to 2019-20, ranging between 10.36 *per cent* and 10.68 *per cent*. During 2020-21 to 2024-25, the share of capital expenditure ranged between 11.28 *per cent* and 12.56 *per cent*.

In addition to capital expenditure of ₹47,107.95 crore incurred during the year, the State Government also transferred ₹12,249.93 crore as Grants-in-Aid for the creation of capital assets to local bodies and other institutions. However, Grants-in-Aid for the creation of capital assets declined by 1.94 *per cent* as compared to the previous year.

Further, capital expenditure constituted only 32.44 *per cent* of Public Debt Receipts, indicating that a relatively limited proportion of borrowings were translated into infrastructure and capital asset creation.

A. Sector-wise Capital Expenditure

Sector-wise composition of Capital expenditure is given in **Table 1.21**. Detailed Sector-wise expenditure is given in ***Appendix 1.2*.**

Table 1.21: Sector-wise Capital expenditure

(₹ in crore)

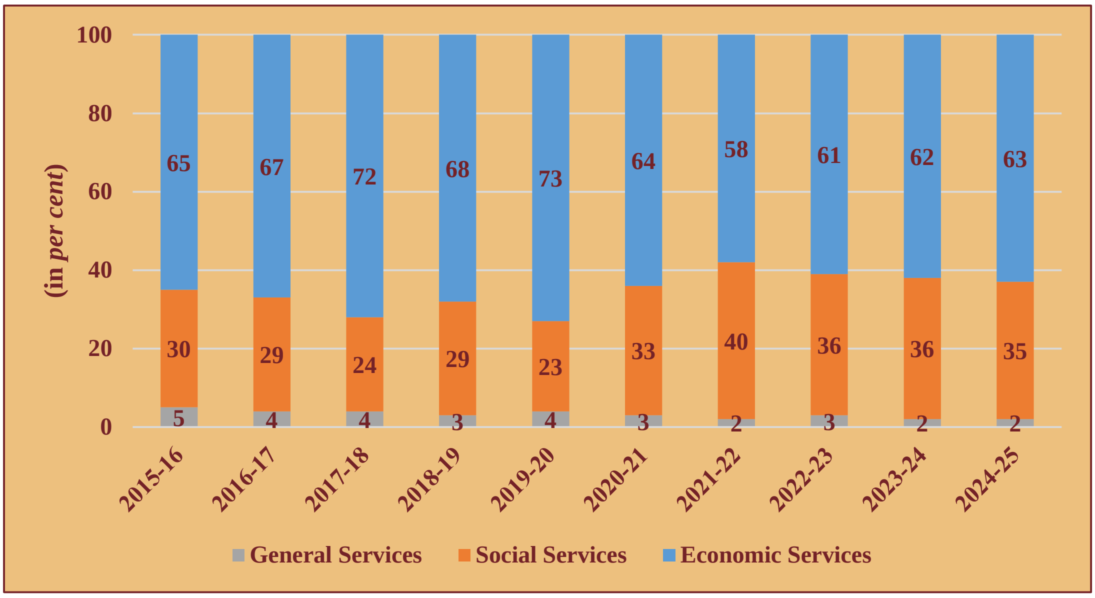
Parameters	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	1,054	750	847	858	1,064	937	780	1,041	950	1,037
Social Services	5,660	6,041	4,731	6,996	5,860	10,831	14,985	14,324	14,398	16,224
Economic Services	12,281	13,918	14,625	16,457	18,708	21,300	21,246	24,165	25,152	29,847

(Source: Finance Accounts)

Audit observed that out of the total expenditure of ₹3,88,032 crore in 2024-25, capital expenditure (excluding Loans and Advances) amounted to ₹47,108 crore. Sector wise allocation of Capital Expenditure revealed that major contribution was towards Economic Sector (29.41 *per cent*) and Social Sector (12.81 *per cent*), indicating that capital was primarily directed towards infrastructure-related activities such as industry and trade. This expenditure pattern aligned with the State’s growth profile, as the Tertiary Sector, the largest contributor to GSDP, grew by 17.45 *per cent* during the year, while the Secondary Sector also recorded robust growth of 17.72 *per cent*.

Trend of relative share of various sectors in capital expenditure over the last 10 years is given in **Chart 1.24.**

Chart 1.24: Relative share of various sectors in Capital expenditure



(Source: Finance Accounts)

B. Quality of investments in the companies, corporations and other bodies

As of 31 March 2025, the State Government's investment in companies, corporations and other bodies stood at ₹61,734.90 crore, comprising Government Companies (₹61,231.53 crore), Co-operative Institutions (₹498.85 crore), Statutory Corporations (₹3.81 crore) and Joint Stock Companies (₹0.71 crore).

Trends of investment at the end of the year in companies, corporations, co-operative institutions and other bodies, and return on these investment is depicted in **Chart 1.25**. Rate of return on investment made vis-à-vis average rate of interest on Government borrowing is depicted in **Chart 1.26.**

Chart 1.25: Investment and Return

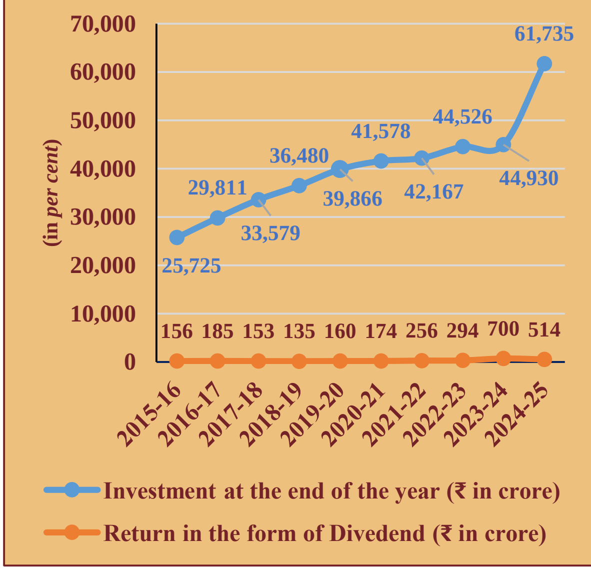
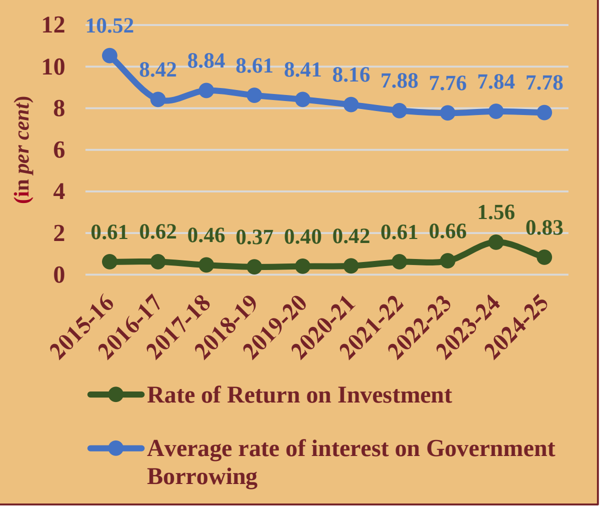


Chart 1.26: Rate of return on investment vis-a-vis average rate of interest on Government borrowings



(Source: Finance Accounts of respective years)

During 2024-25, the return on investment[9] was ₹514 crore (0.83 *per cent*) against the total investment of ₹61,734.90 crore made by the Government in Government companies, Co-operative institutions, Statutory Corporations and Joint Stock Companies as of March 2025. The rate of return on such investments ranged between 0.37 *per cent* and 1.56 *per cent* during the period from 2015-16 to 2024-25. In contrast, the average rate of interest paid by the State Government on its borrowings during the same period ranged between 7.76 *per cent* and 10.52 *per cent*. The consistently low returns on the Government's substantial equity investments indicate sub-optimal utilisation of public funds and constraints the Government's ability to augment its revenue.

Further, audit observed that during the year the Government made fresh investments amounting to ₹42,393.15 crore in 13 companies. Of this, ₹38,664.32 crore was invested in loss making companies *viz.*, Tamil Nadu Electricity Board (₹26,378.11 crore), Tamil Nadu Power Distribution Corporation Limited (erstwhile TANGEDCO) (₹11,393.88 crore) and seven[10] State Transport Corporations (₹892.33 crore). Only ₹497.20 crore was invested in profit making companies *viz.*, Tamil Nadu Transport Development Finance Corporation Limited (₹372.06 crore), Tamil Nadu Industrial Development Corporation Limited (₹100 crore) and Tamil Nade Small Industries Development Corporation Limited (₹25.14 crore). The remaining fresh investment of ₹3231.63 crore pertained to Chennai Metro Rail Limited (CMRL).

Dividend Policy of the Government

A well-defined dividend policy mandating a minimum return from profit- making enterprises, enables the State Government to optimise its returns from investments in State Public Sector Enterprises (SPSEs) and enhances monitoring of the SPSEs financial performance. As per a common dividend policy formulated (May 2014) and guidelines issued (March 2015) by the Government, all Public Sector Undertakings (PSUs) shall declare a dividend @ 30 per cent net profit (after tax) or 30 *per cent* of paid-up share capital, whichever is higher, subject to the availability of disposable profits. The Government had also requested (October 2025) the PSUs to consider declaring at least 90 *per cent* of the annual dividend as interim dividend, after factoring in reserves, capital expenditure and business needs, subject to availability of disposal profits.

The Government stated that, out of total dividend of ₹513.53 crore during the year, ₹390.55 crore pertains to the interim dividend received from PSUs during the year which was 35 *per cent* higher than the interim dividend of ₹289.90 crore received in the previous year. Further, there was a difference of ₹3.19 crore dividend declared by the Government and booked in the accounts during the year 2024-25 as observed from the Finance Account. The reason for difference was stated as under reconciliation.

C. Loans and advances by State Government

In addition to the investments in co-operative societies, corporations and companies, the State Government has also been providing loans and advances to many

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9 Based on historical cost and not on net present value basis.

10 Tamil Nadu State Transport Corporation Ltd., (Coimbatore, Kumbakonam, Madurai, Salem, Tirunelveli, Villupuram) and State Express Transport Corporation Tamil Nadu Ltd.,

institutions/organisations. **Table 1.22** presents the position of outstanding loans and advances as on 31 March 2025 and interest receipts vis-à-vis interest payments by the State Government on its borrowings during the last ten years.

Table 1.22: Quantum of loans disbursed and recovered during 2015-16 to 2024-25

(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Opening balance of loans outstanding	19,604	21,251	43,749	41,794	41,359	39,997	38,587	36,872	43,055	47,876
Amount advanced during the year	2,331	26,046	6,517	6,478	4,022	3,835	3,640	7,261	8,845	11,905
Amount repaid during the year	684	3,548	8,472	6,913	5,384	5,245	5,355	1,078	4,024	3,816
Closing balance of the loans outstanding	21,251	43,749	41,794	41,359	39,997	38,587	36,872	43,055	47,876	55,965
Net increase (+)/ decrease (-)	1,647	22,498	(-) 1,955	(-) 435	(-) 1,362	(-) 1,410	(-) 1,715	6,183	4,821	8,089
Interest received	186	1,372	1,484	2,703	4	346	320	372	1,093	2,808
Interest rate on Loans and Advances given by the government (*per cent*)	*0.91*	*4.22*	*3.47*	*6.5*	*0.01*	*0.88*	*0.85*	*0.93*	*2.40*	*5.41*
Average rate of Interest on Government Borrowings (*per cent*)	*10.52*	*8.42*	*8.84*	*8.61*	*8.41*	*8.16*	*7.88*	*7.76*	*7.84*	*7.78*
Difference between the rate of interest received and interest paid (*per cent*)	*(-)9.61*	*(-)4.20*	*(-)5.37*	*(-)2.11*	*(-)8.40*	*(-)7.28*	*(-)7.03*	*(-)6.83*	*(-)5.44*	*(-)2.37*

(Source: Finance Accounts of respective years)

During the year, Loans and Advances disbursed by the Government increased by 3,060 crore (34.60 *per cent*) whereas its recovery declined by ₹208 crore (5.17 *per cent*). Audit observed that, out of the total Loans and Advances disbursed (₹55,965 crore) by the Government to various institutions as of March 2025, fresh loans disbursed (₹11,905 crore) during the year include loans to (i) Chennai Metro Rail Limited (₹8,550 crore) and (ii) Transport Corporations (₹1,360 crore).

Further, at the end of March 2025, repayment of loans by 22 institutions were in arrears amounting to ₹17,327.91 crore (principal: ₹11,159.41 crore and interest ₹6,168.90 crore), of which 81.33 *per cent* of principal (₹9,076.34 crore) and interest (₹5,327.95 crore) relates to eight State Transport Corporations.

Effective measures to recover the outstanding loans would strengthen the Government's fiscal position.

1.3 Contingency Fund

The Contingency Fund of the Government of Tamil Nadu is intended to provide advances for meeting unforeseen expenditure, pending its authorisation by the State Legislature. The fund is recouped once the Legislature approves the additional expenditure. The corpus of the fund has been increased from ₹150 crore to ₹500 crore in 2024-25.

During 2024-25, ₹56.27 crore has been withdrawn from the fund under various budgetary heads and same has been replenished by the end of the FY 2024-25. Thus as on 31 March 2025, the Contingency Fund had a balance of ₹500 crore.

Details of expenditure made out of the Contingency Fund are discussed in ***Paragraph 2.7*** *of Chapter-II.*

1.4 Public Account

Receipts and Disbursements in respect of certain transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense and Remittances, which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution of India and are not subject to vote by the State Legislature. The balance after disbursements during the year is the fund available with the Government for use for various purposes.

1.4.1 Net Public Account balances

The component-wise net balances in Public Account of the State is given in **Table 1.23**.

Table 1.23: Component-wise net Public Account balances as of 31 March of the year 2025

(₹ in crore)

Sector	Sub-Sector	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
I. Small Savings, Provident Funds	Small Savings, Provident Funds, etc.	(-)16,970	(-)19,325	(-)21,660	(-)24,110	(-)26,475	(-)29,352	(-)32,033	(-)33,884	(-)35,199	(-)36,213
J. Reserve Funds	(a) Reserve Funds bearing Interest	0	0	0	0	(-)113	(-)113	(-)113	(-)1,199	(-)134	(-)451
	(b) Reserve Funds not bearing Interest	(-)1,304	(-)1,342	(-)1,877	(-)1,330	(-)2,045	(-)2,031	(-)2,273	(-)2,212	(-)2,932	(-)3,785
K. Deposits and Advances	(a) Deposits bearing Interest	(-)2,902	(-)2,581	(-)4,128	(-)8,008	(-)9,324	(-)8,015	(-)7,644	(-)9,992	(-)9,875	(-)2,233
	(b) Deposits not bearing Interest	(-)7,759	(-)8,107	(-)10,083	(-)13,646	(-)15,235	(-)22,097	(-)26,668	(-)28,411	(-)20,356	(-)16,976
	(c) Advances	9	9	9	8	8	8	8	8	8	8
L. Suspense and Miscellaneous	(b) Suspense	(-)625	(-)134	(-)121	(-)142	(-)283	29	58	132	116	(-)17
	(c) Other Accounts	8,555	11,579	14,619	10,100	3,693	5,841	15,109	14,402	10,461	5,913
	(d) Accounts with Governments of Foreign Countries	1	1	1	1	1	1	1	1	1	1
	(e) Miscellaneous	0	0	0	0	0	0	0	0	(-)5,600	(-)700
M. Remittances	(a) Money Orders, and other Remittances	(-)749	197	199	(-)1	(-)1	0	5	6	6	6
	(b) Inter-Governmental Adjustment Account	5	7	13	5	9	8	9	5	10	4
Total		**(-)21,739**	**(-)19,696**	**(-)23,028**	**(-)37,123**	**(-)49,765**	**(-)55,721**	**(-)53,541**	**(-)61,144**	**(-)63,494**	**(-)54,443**

Note: (+) ve denotes debit balance and (–) ve denotes credit balances

(*Source: Finance Accounts of the respective years*)

During the year 2024-25, the net public account liability of the Government decreased to 14.26 *per cent* compared to an increase of 3.85 *per cent* during 2023-24, indicating a positive shift despite continuing stress on financial resources.

1.4.2 Reserve Fund

Reserve Funds are created for specific and defined purposes under the Public Account of the State Government. These funds are met from contributions or grants from the Consolidated Fund or from outside agencies. It comprises interest bearing reserve funds and reserve funds not bearing interest.

There were three interest bearing funds and four Reserve Funds not bearing interest as on 31 March 2025. The fund balances lying in these Reserve Funds as on 31 March 2025 are given in **Table 1.24**.

Table 1.24: Detail of Major Reserve Funds

(₹ in crore)

Sl. No.	Name of Reserve Fund	Opening Balance	Receipts during the year	Interest receipts	Repayments during the year	Balance as on 31 March 2025
A.	**Reserve Funds bearing Interest**	**134.23**	**1,931.12**	**22.22**[11]	**1,614.43**	**450.92**
1.	State Disaster Response fund	0.00	1,260.00	0.00	1,260.00	0.00
2.	State Compensatory Afforestation Fund	134.23	56.12	14.66	19.71	170.64
3.	State Disaster Mitigation Fund	0.00	615.00	0.00	334.72	280.28
B.	**Reserve Funds not bearing Interest**	**2,932.33**	**10158.06**	**0.00**	**9,305.73**	**3,784.66**
1.	Sinking Fund	1,130.24	392.60	0.00	1,098.78	424.06
2.	Depreciation/Renewal Reserve Fund	26.97	2.92	0.00	0.62	29.27
3.	Development and Welfare Fund	1,189.57	1,779.17	0.00	356.67	2,612.07
4.	General and other Reserve Funds	585.55	7,983.37	0.00	7,849.66	719.26
Grand Total (A+B)		**3,066.56**	**12,089.18**	**22.22**	**10,920.16**	**4,235.58**

(Source: Finance Accounts)

1.4.3 Cash Balances

As per an agreement with the Reserve Bank of India (RBI), the State Government has to maintain a minimum daily cash balance of ₹3.25 crore with RBI. If the balance falls below this minimum, the shortfall is met through instruments like Ways and Means Advances (WMA)/Special Ways and Means Advances (SWMA)/Special Drawing Facility (SDF)/Overdrafts (OD), with the WMA limit revised periodically by RBI. With effect from 31 March 2022, the limit for WMA to the State Government is ₹3,601 crore.

During 2024-25, the State maintained a minimum daily cash balance with the RBI and no WMA/ SWMA/ OD was availed during the year. Audit also observed that no Ways and Means Advances were availed by the State during the past 10 year period.

11 Includes ₹7.47 crore and ₹9.30 crore for Advance payment of interest on purchase of securities and Management of Non-Obligatory Sinking funds and towards discharge of Open Market Loans, Central Government loans and Special Securities issued to National Small Savings Fund respectively. .

The State Government invests surplus cash balances, including those from earmarked reserve funds in GoI securities and Treasury Bills. Earnings from these investments are credited under '0049-Interest Receipts'. The cash balances are invested in the Consolidated Sinking Fund and Guarantee Redemption Fund.

Cash balance and investment details for 2023-24 and 2024-25 are provided in **Table 1.25**.

Table 1.25: Cash Balances and their investment

(₹ in crore)

	Opening balance on 1 April 2024	Closing balance on 31 March 2025
A. General Cash Balance		
Cash in treasuries	--	--
Deposits with Reserve Bank of India	(-) 110.02	(-) 33.95
Deposits with other Banks	--	--
Remittances in transit – Local	16.80	16.80
Total	**(-) 93.22**	**(-) 17.15**
Investments held in Cash Balance investment account	10,103.03	5,601.49
Total (A)	**10,009.81**	**5,584.34**
B. Other Cash Balances and Investments		
Cash with departmental officers *viz.*, Public Works, Forest Officers	4.16	4.16
Permanent advances for contingent expenditure with department officers	7.21	7.12
Investment in earmarked funds	75,312.73	96,778.16
Total (B)	**75,324.10**	**96,789.44**
Total (A + B)	**85,333.91**	**1,02,373.78**
Interest realized	**9,968.76**	**20,888.42**

(Source: Finance Accounts 2024-25)

Cash Balances and investments at the end of the current year increased by ₹17,039.87 crore (19.97 *per cent*) over the previous year.

The Government had earned an interest of ₹97.49 crore during 2024-25 from the investments made in GoI securities for ₹3,507 crore (Consolidated Sinking Fund) and Treasury Bills for ₹4,177 crore (Guarantee Redemption Fund) besides DCPS investment in LIC for ₹89,085 crore and deposits of ₹10 crore with State Bank of India.

The trend of cash balance investment account of the Government during the period 2015-16 to 2024-25 is shown in **Table 1.26**.

Table 1.26: Cash Balance Investment Account (Major Head-8673)

(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+) / decrease (-)	Interest earned
2015-16	11,964.07	9,415.86	(-) 2,548.21	487.51
2016-17	9,415.86	15,144.29	5,728.43	521.57
2017-18	15,144.29	18,585.03	3,440.74	564.26
2018-19	18,585.03	11,008.09	(-) 7,576.94	729.20

(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+) / decrease (-)	Interest earned
2019-20	11,008.09	10,141.94	(-) 866.15	300.72
2020-21	10,141.94	5,622.30	(-) 4,519.64	214.51
2021-22	5,622.30	14,875.95	9,253.65	120.58
2022-23	14,875.95	14,123.55	(-) 752.40	130.32
2023-24	14,123.55	10,103.03	(-) 4,020.52	98.60
2024-25	10,103.03	5,601.49	(-) 4,501.54	97.49

(Source: Finance Accounts of the respective years)

At the end of March 2025, General Cash Balance was ₹5,584.34 crore.

1.5 Fiscal Sustainability

Fiscal Sustainability is the ability of a government to manage its revenue and expenditure in a manner that ensures it can meet its current and future obligations such as public services, infrastructure, and debt repayments without excessive borrowing or accumulating unsustainable debt. It implies maintaining a stable balance between revenue generation and expenditure over the long term. **Chart 1.27** and **Chart 1.28** respectively shows receipts and expenditure of the State as a percentage of GSDP, during the financial years 2015-16 to 2024-25.

Chart 1.27: Receipts of the State

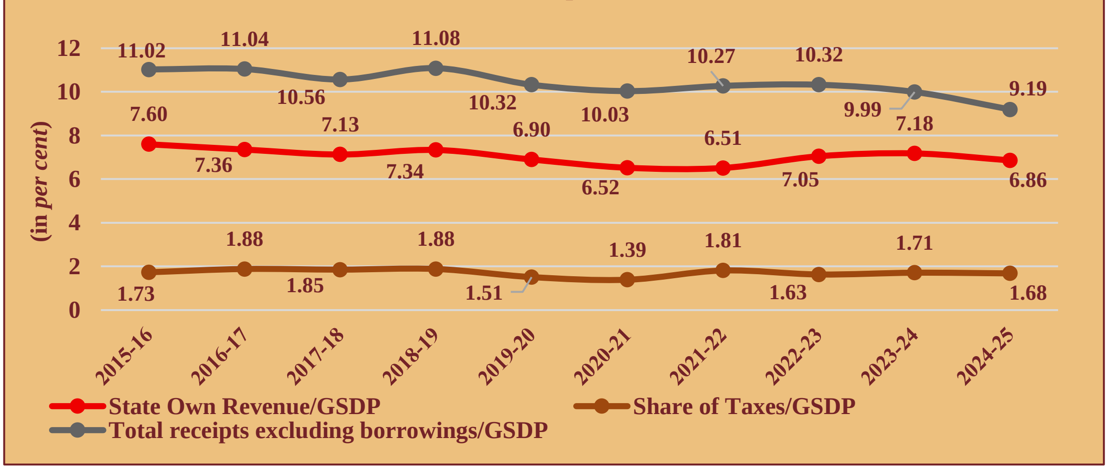
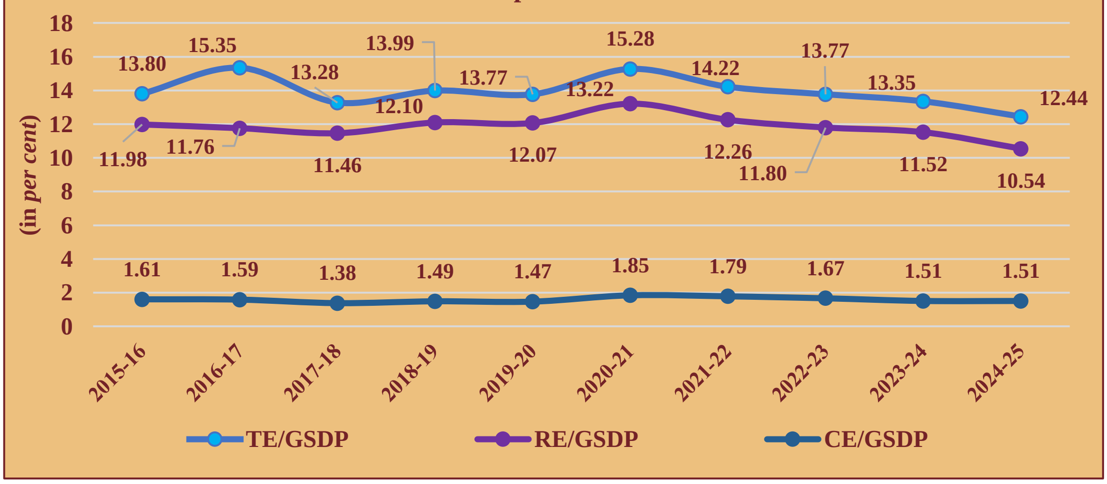


Chart 1.28: Expenditure of the State



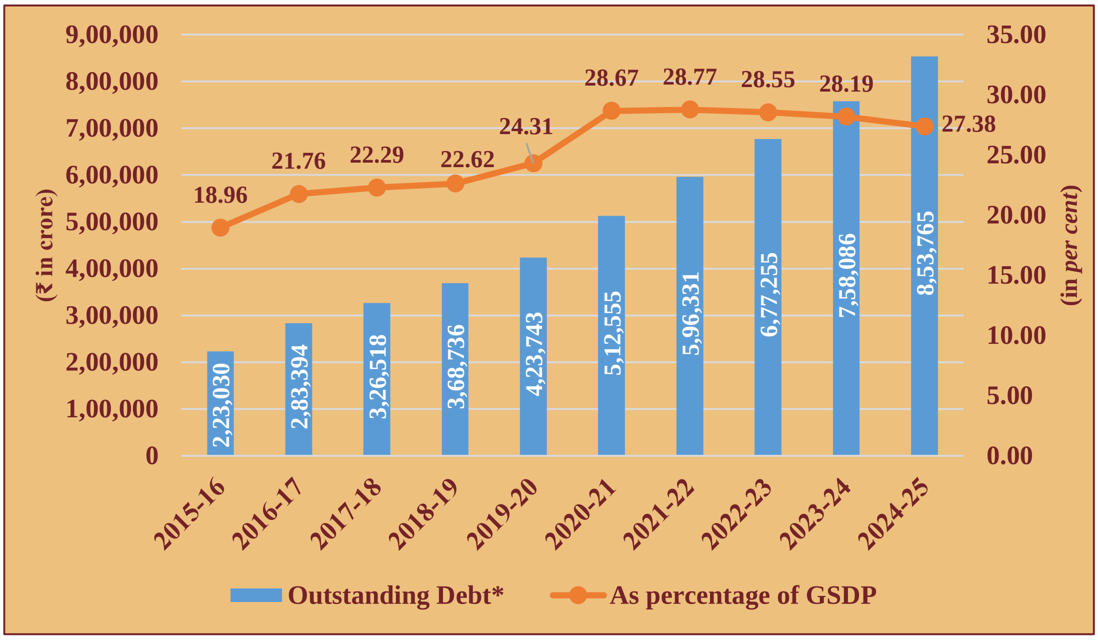
(Source: Finance Accounts of the respective years)

During the year, total own revenue as a percentage of GSDP for all States (excluding UTs) stood at 7.14 *per cent*, whereas the State's own revenue as a percentage of GSDP was comparatively lower at 6.86 *per cent*. Similarly, revenue expenditure and capital expenditure of all States (excluding UTs), as a percentage of GSDP, were 12.91 *per cent* and 2.57 *per cent* respectively, while the corresponding ratios for the State were lower at 10.54 *per cent* for revenue expenditure and 1.51 *per cent* for capital expenditure during the year.

1.5.1 Debt and other Liability Management

Outstanding liability of the State along with its percentage to GSDP for the years 2015-16 to 2024-25 is depicted in **Chart 1.29.**

Chart 1.29: Outstanding Liability and its percentage to GSDP



(*Source: Finance Accounts*)

**Outstanding back-to-back loan (₹ 6,241 crore (2020-21), ₹14,336 crore (2021-22 and 2022-23) and ₹3,437 crore (2023-24 and 2024-25)) included as outstanding debt in respective Finance Accounts has been excluded since these are non-repayable by the State to the GoI.*

As seen from **Chart 1.29**, on a decadal basis, the debt-to-GSDP ratio exhibited an increasing trend from 2015-16 to 2022-23 and thereafter showed a slight declining trend from 2023-24 onwards. The XV FC in its report brought out the debt path of States for the years 2020-21 to 2024-25. Audit observed that the State had maintained the debt indicative path during the last five years except in 2021-22. During the year 2024-25, the debt to GSDP ratio was 27.38 *per cent* as against the prescribed limit of 28.90 *per cent.*

1.5.1.1 Liability profile: Components

Total liabilities of the State Government typically constitutes Internal Debt of the State (market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund and loans from financial institutions, etc.), loans and advances from the Central Government, and Public Account Liabilities. The component-wise liability trends of the State for the period of ten years beginning from 2015-16 are presented in **Table 1.27**.

Table 1.27: Component - wise liability trends

(₹ in crore)

Components of fiscal liability	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Outstanding Total Liability (A+B)	**2,23,030**	**2,83,394**	**3,26,518**	**3,68,736**	**4,23,743**	**5,12,555**	**5,96,331**	**6,77,255**	**7,58,086**	**8,53,765**
A. Public Debt	**1,94,096**	**2,52,039**	**2,88,769**	**3,21,642**	**3,70,550**	**4,50,947**	**5,27,600**	**6,01,557**	**6,89,589**	**7,94,107**
Internal Debt	1,80,693	2,37,701	2,72,634	3,04,350	3,52,625	4,29,748	5,02,205	5,67,635	6,42,594	7,32,288
Loans from GoI (excluding back to back loans)*	13,403	14,338	16,135	17,292	17,925	21,199	25,395	33,922	46,995	61,819
B. Public Account Liabilities	**28,934**	**31,355**	**37,749**	**47,094**	**53,193**	**61,608**	**68,731**	**75,698**	**68,497**	**59,658**
Small Savings, Provident Funds, etc.	16,970	19,325	21,660	24,110	26,475	29,352	32,033	33,884	35,200	36,213
Reserve Funds bearing Interest	-	-	-	-	114	113	113	1,199	134	451
Reserve Funds not bearing Interest	1,303	1,342	1,877	1,330	2,045	2,031	2,273	2,212	2,932	3,785
Deposits bearing Interest	2,902	2,581	4,129	8,008	9,324	8,015	7,644	9,992	9,875	2,233
Deposits not bearing Interest	7,759	8,107	10,083	13,646	15,235	22,097	26,668	28,411	20,356	16,976
Rate of growth of outstanding total liability (*per cent*)	*16.13*	*27.07*	*15.22*	*12.93*	*14.92*	*20.96*	*16.34*	*13.57*	*11.94*	*12.62*
Gross State Domestic Product (GSDP)	11,76,500	13,02,639	14,65,051	16,30,209	17,43,144	17,88,074	20,72,496	23,72,469	26,88,963	31,18,590
Outstanding Total Liability/GSDP (*per cent*)	*18.96*	*21.76*	*22.29*	*22.62*	*24.31*	*28.67*	*28.77*	*28.55*	*28.19*	*27.38*
Total Receipts	1,21,368	1,52,903	1,62,088	1,63,335	1,87,208	2,44,197	2,48,996	2,28,906	2,75,517	2,92,179
Total Repayments	90,185	91,539	1,18,964	1,21,117	1,32,202	1,49,143	1,57,125	1,47,982	1,94,686	1,96,500
Net funds available	31,183	61,364	43,124	42,218	55,006	95,054	91,871	80,924	80,831	95,679
Repayments/ Receipts (*per cent*)	*74.31*	*59.87*	*73.39*	*74.15*	*70.62*	*61.07*	*63.10*	*64.65*	*70.66*	*67.25*

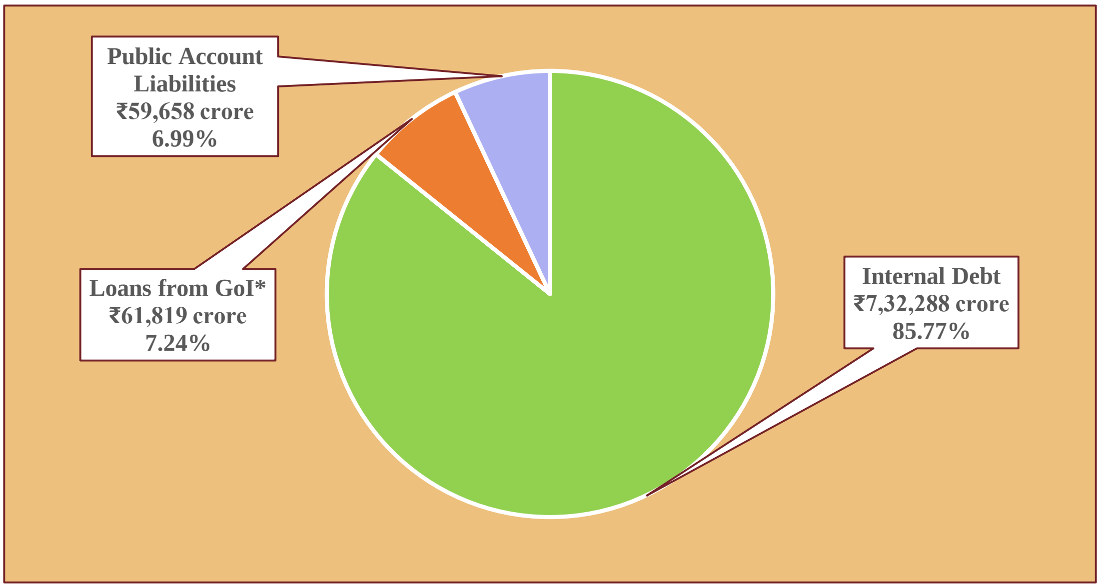
(*Source: Finance Accounts*)

** Outstanding back to-back loan (₹ 6,241 crore (2020-21), ₹14,336 crore (2021-22 and 2022-23) and ₹3,437 crore (2023-24 and 2024-25)) included as outstanding debt in respective Finance Accounts has been excluded since these are non-repayable by the State to the GoI.*

It can be seen from **Table 1.27** that the total outstanding public debt of the State increased significantly during the decade from 2015-16 to 2024-25, rising from ₹1,94,096 crore to ₹7,94,107 crore (309 *per cent*). During the year, outstanding public debt increased by 15.16 *per cent*, with internal debt constituting the major portion of the increase.

Break-up of the outstanding total liabilities at the end of 2024-25 is shown in **Chart 1.30**.

Chart 1.30: Break-up of outstanding total liabilities at the end of 2024-25



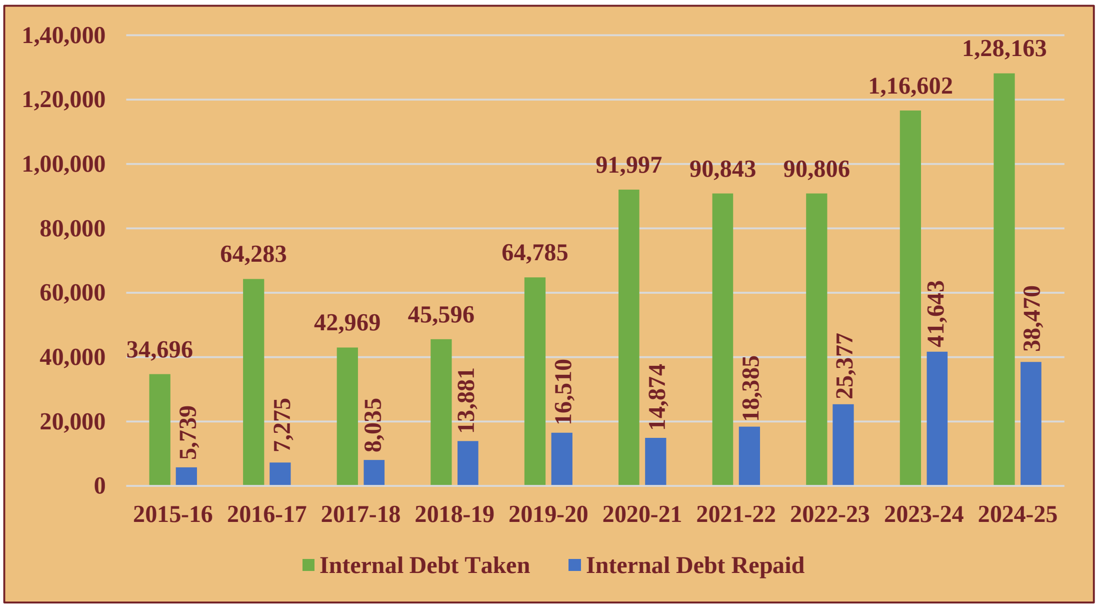
(***Source: Finance Accounts***)

** After excluding outstanding back-to-back loan of ₹3,437 crore, since these are non-repayable by the State to the GoI.*

Chart 1.31 depicts the quantum of internal debt taken vis-à-vis repaid during the period of ten years i.e. 2015-16 to 2024-25.

Chart 1.31: Internal debt taken *vis-à-vis* repaid during the period 2015-16 to 2024-25

(₹ in crore)



(***Source: Finance Accounts***)

It can be seen from **Chart 1.31** that internal debt increased by nearly 3.69 times over the last ten years, while the corresponding repayment increased by about 6.70 times during the same period. Audit observed that the increase in the repayment burden was attributable to moratoriums on loans availed in previous years, coupled with the servicing of accumulated past debt.

Further, it was observed that the interest paid during the year amounted to ₹48,852 crore, which exceeded the repayment of principal amounting to

₹38,470 crore. This reflects the rising level of committed expenditure arising from the State's debt obligations.

1.5.1.2 Utilisation of borrowed funds

Borrowed funds should ideally be used to fund capital creation and developmental activities. Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans is not a healthy trend. **Table 1.28** and **Chart 1.32** respectively depict the utilisation and trends of borrowed funds during 2015-16 to 2024-25.

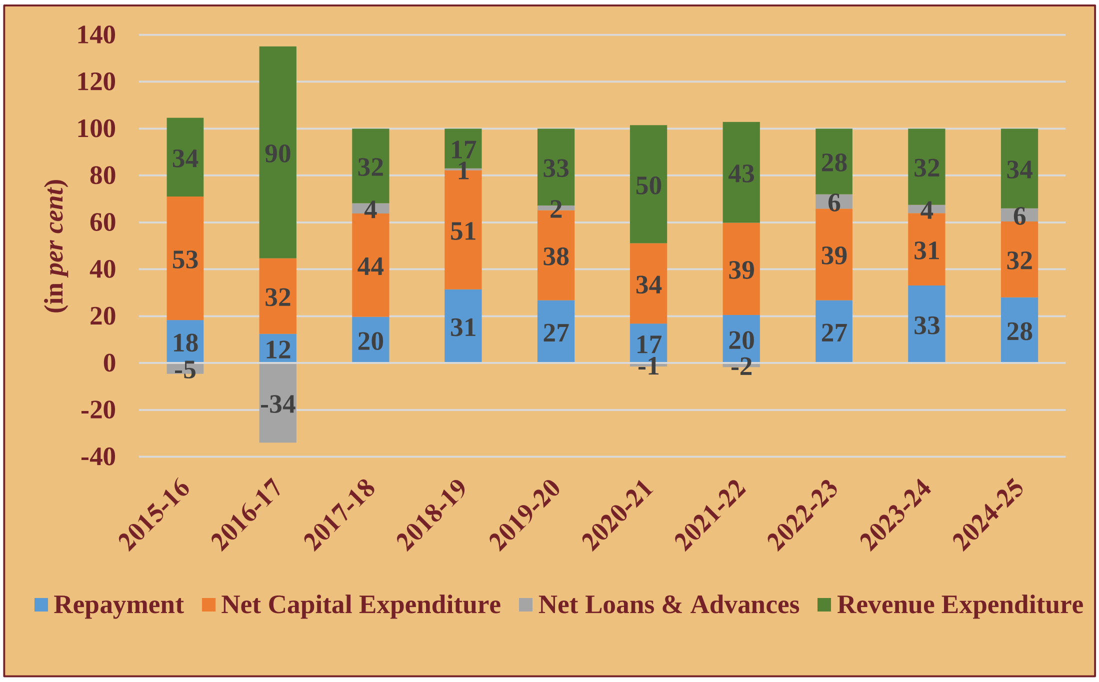
Table 1.28: Utilisation of borrowed funds

(₹ in crore)

Year		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Total Borrowings (Public Debt)	**A**	36,067	66,143	45,722	47,936	66,774	96,626*	96,390*	1,01,062	1,31,597	1,45,203
Repayment of earlier borrowings (Principal)	**B**	6,605	8,200	8,991	15,064	17,866	16,229	19,737	27,104	43,565	40,684
Net capital expenditure	**C**	18,995	20,709	20,203	24,311	25,632	33,067	37,011	39,488	40,488	47,065
Net loans and advances	**D**	(-) 1,647	(-) 22,498	1,955	435	1,362	(-) 1,410	(-) 1,714	6,183	4,821	8,089
Portion of Revenue expenditure met out of net available borrowings	**E = A-(B+C+D)**	12,114	59,732	14,573	8,126	21,914	48,740	41,356	28,287	42,723	49,365

(***Source: Finance Accounts of the respective years***)
*excluding back to back loan received in lieu of the GST compensation i.e., ₹6,241 crore (2020-21) and ₹8,095 crore (2021-22).

Chart 1.32: Trends of utilisation of borrowed funds



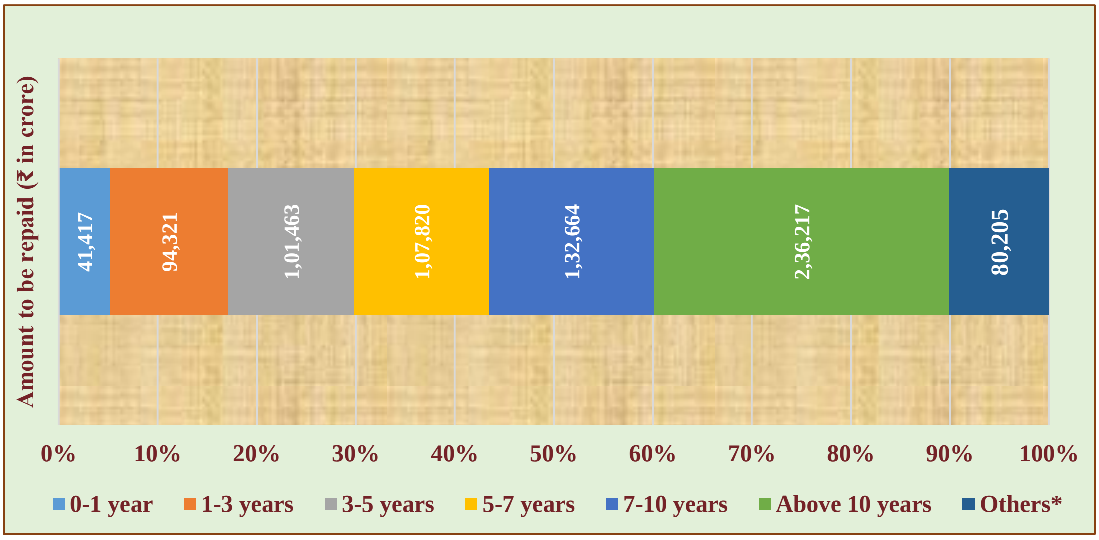
(***Source: Finance Accounts***)

From **Chart 1.32** above, it may be seen that during the year, a substantive portion of borrowed funds (public debt) had been utilised towards revenue expenditure (34 *per cent*) and repayment of debt (28 *per cent*) leaving a lesser fiscal space for capital creation and developmental activities.

1.5.1.3 Debt profile: maturity and Repayment

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing. Debt maturity profile of the State is depicted in **Chart 1.33**.

Chart 1.33: Maturity Profile of Public Debt



*Excluding back to back loan. Maturity profile of ₹80,205 crore is not available.

(*Source: Finance Accounts*)

It may be seen from **Chart 1.33** above that a large chunk of debt (around 43 *per cent*) is scheduled for repayment within a relatively short to medium term (0-7 years), indicating increasing liquidity pressure on the State. This may create an overwhelming fiscal obligation in later years which may compel the State to rely heavily on fresh borrowings during such years.

1.5.1.4 Financing pattern of fiscal deficit

Table 1.29 depicts financing pattern of the fiscal deficit during 2024-25.

Table 1.29: Components of fiscal deficit and its financing pattern

(₹ in crore)

	Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Composition of Fiscal Deficit		**32,627**	**56,170**	**39,840**	**47,335**	**60,179**	**93,983**	**81,835**	**81,886**	**90,430**	**1,01,344**
1	Revenue Deficit	11,985	12,964	21,594	23,459	35,909	62,326	46,538	36,215	45,121	45,840
2	Net Capital	18,995	20,708	20,201	24,311	25,632	33,067	37,011	39,488	40,488	47,065
3	Net Loans and Advances	1,647	22,498	(-) 1,955	(-) 435	(-) 1,362	(-) 1,410	(-) 1,714	6,183	4,821	8,089
4	Increase in Contingency Fund	-	-	-	-	-	-	-	-	-	350
Financing Pattern of Fiscal Deficit											
1	Market Borrowings	27,623	34,993	36,023	32,278	49,826	76,796	72,500	68,003	78,252	92,175
2	Loans from GOI	505	935	1,797	1,157	633	9,515	12,290	8,528	13,073	14,825

(₹ in crore)

	Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
3	Special Securities issued to NSSF	595	(-)1,749	(-)1,749	(-)1,777	(-)1,803	(-) 1,803	(-) 1,803	(-) 1,803	(-) 1,803	(-) 1,803
4	Loans from Financial Institutions	739	23,763	660	1,215	252	2,130	1,761	(-)770	(-) 1,490	(-) 678
5	Small Savings, PF, etc.	1,638	2,355	2,334	2,450	2,365	2,877	2,680	1,851	1,315	1,013
6	Deposits and Advances	4,145	4,405	8,074	10,635	8,123	16,437	10,714	12,416	3,970	9,283
7	Suspense and Miscellaneous	(-) 902	2,213	388	(-) 3,037	5,682	(-) 6,981	(-) 43	(-) 120	5,537	878
8	Remittances	(-) 180	(-) 948	(-) 7	207	(-) 3	--	(-) 6	4	(-) 5	6
9	Reserve Fund	401	443	991	253	1,293	656	1,055	2,732	(-) 4,421	2,330
10	Contingency Fund	(-) 19	19	0	0	10	--	--	--	(-) 5	355
11	**Overall Deficit**	**34,545**	**66,429**	**48,511**	**43,381**	**66,378**	**99,627**	**99,148**	**90,841**	**94,423**	**1,18,384**
12	Increase/Decrease in cash balance	1,918	10,259	8,671	(-)3,954	6,199	5,644	17,313	8,955	3,993	17,040
13	**Gross Fiscal Deficit**	**32,627**	**56,170**	**39,840**	**47,335**	**60,179**	**93,983**	**81,835**	**81,886**	**90,430**	**1,01,344**

(Source: Finance Accounts)

1.5.2 Post Audit Deficit Indicators

As per the Finance Accounts of the State for the year 2024-25, the revenue deficit of the State was ₹45,840 crore (1.47 *per cent* of GSDP), fiscal deficit was ₹1,01,344 crore (3.25 *per cent* of GSDP) whereas primary deficit was ₹41,435 crore (1.33 *per cent* of GSDP).

Audit scrutiny of transactions during the year revealed that, revenue deficit, fiscal deficit and primary deficit were understated due to transactions detailed in **Table 1.30**.

Table 1.30: Under/Over statement of Revenue and Fiscal Deficit

Particulars	Impact on Revenue Deficit (Understated (+) / overstated (-)) (₹ in crore)	Impact on Fiscal Deficit (Understated (+) / overstated (-)) (₹ in crore)
Misclassification between Revenue & Capital	(+) 0.38	0.00
Interest Adjustment	(+) 5.08	(+) 5.08
Short contribution by Government	(+) 100.71	(+) 100.71
Total	**(+) 106.17**	**(+)105.79**

(Source: NTFA of Finance Accounts and Post audit analysis)

From **Table 1.30** above, it could be seen that, the post audit Revenue Deficit works out to ₹45,946.17 crore (1.47 *per cent* of the GSDP) and Fiscal Deficit to ₹1,01,449.79 crore (3.25 *per cent* of the GSDP). However, if Off Budget Borrowings

(₹593.24 crore) made by the Government during the year are considered as part of State's liabilities, the ratio of Fiscal Deficit to GSDP would be 3.27 *per cent.*

1.5.3 Fiscal Balance: Achievement of deficit and total debt targets

As per the Tamil Nadu Fiscal Responsibility (TNFR) Act of 2003 and its amendments aligned with the XV FC, the State aims to:

- eliminate revenue deficit by 2026-27.
- maintain the fiscal deficit within the ceiling of 3 *per cent* of GSDP, with an additional 0.5 *per cent* permitted based on certain performance criteria in the Power sector.
- achieve Debt-GSDP ratio at 28.90 *per cent*.
- the State also follows a Medium-Term Fiscal Plan (MTFP) and is required to disclose contingent liabilities and off-budget borrowings.

Achievements, vis-à-vis the fiscal targets, prescribed in the TNFR Act for the year 2015-16 to 2024-25, are detailed in **Table 1.31** and **Chart 1.34**.

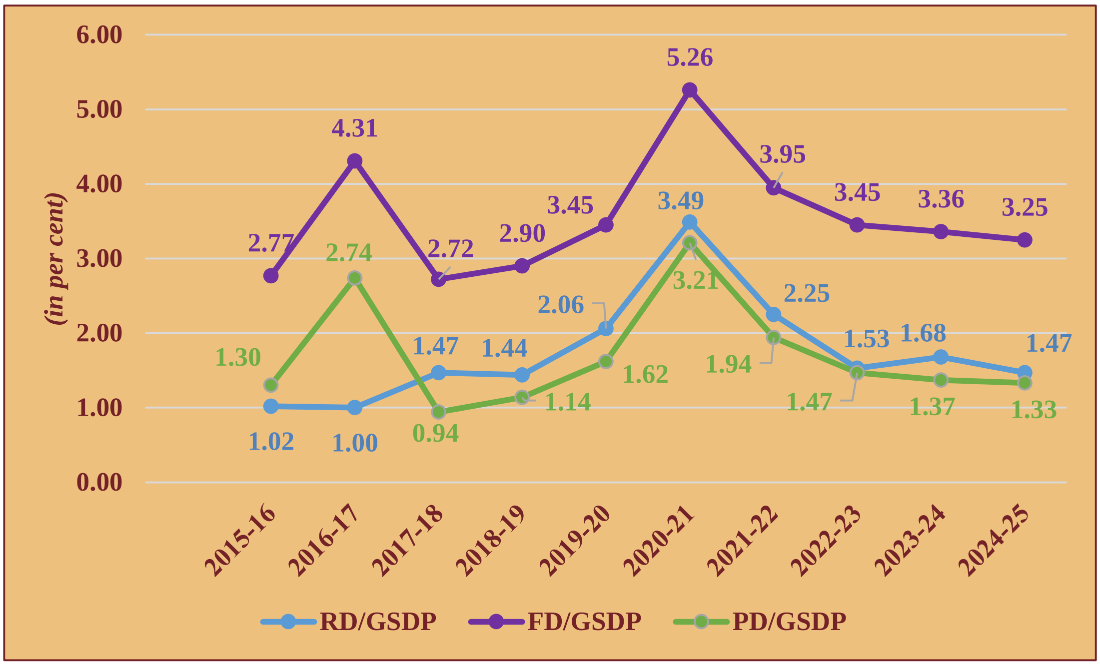
Table 1.31: Compliance with provisions of TNFR Act

Fiscal Parameters		Achievement *vis-a-vis* targets set in the TNFR/MTFP									
		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Revenue Deficit (+) / Surplus (-) (₹ in crore)	Target	Eliminate RD by 2019-20					Eliminate RD by 2021-22	Eliminate RD by 2023-24		Eliminate RD by 2025-26	Eliminate RD by 2026-27
	Achievement	11,985	12,964	21,594	23,459	35,909	62,326	46,538	36,215	45,121	45,840
Fiscal Deficit (+) / Surplus (-) (as percentage of GSDP)	Target	*3.00*	*3.00*	*3.00*	*3.00*	*3.00*	*3.00*	*3.00*	*3.00*	*3.00*	*3.00*
	Achievement	32,627 (2.77)	56,170 (4.31)	39,840 (2.72)	47,335 (2.90)	60,179 (3.45)	93,983 *(5.26)*	81,835 *(3.95)*	81,886 *(3.45)*	90,430 *(3.36)*	1,01,344 *(3.25)*
Ratio of total outstanding liability * to GSDP (in *per cent)*	Target	25.20	25.20	25.20	25.20	25.20	25.20	28.70	29.30	29.10	28.90
	Achievement	2,23,030 *(18.96)*	2,83,394 *(21.76)*	3,26,518 *(22.29)*	3,68,736 *(22.62)*	4,23,743 (24.31)	5,12,555 *(28.67)*	5,96,331 *(28.77)*	6,77,255 *(28.55)*	7,58,086 *(28.19)*	8,53,765 *(27.38)*

(Source: Finance Accounts, TNFR Act 2003 amended from time to time and MTFP)

**After excluding outstanding back-to-back loans received from GoI in lieu of GST compensation, since these are non-repayable by the State to the GoI.*

Chart 1.34: Trend analysis of deficit indicators



(Source: Finance Accounts)

Though the State could not contain the ratio of Fiscal Deficit to GSDP within 3 *per cent* as per the TNFR Act, it could be seen from **Chart 1.34** above that the percentage had decreased from 3.36 in 2023-24 to 3.25 during the year and also declined during the past five years, which is an encouraging trend.

Audit observed that though the State had improved in Debt to GSDP ratio, it continues to reel under revenue deficit as could not achieve the XV FC projection of Revenue Surplus from the year 2022-23 onwards. Actual performance when compared to the target set in MTFP is given in **Table 1.32**

Table 1.32: Actuals *vis-à-vis* projection in MTFP for 2024-25

(₹ in crore)

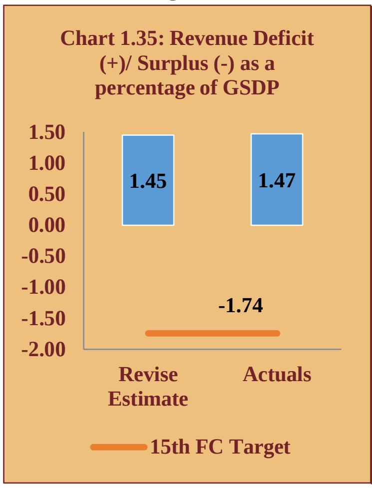
Sl. No	Fiscal Variables	Projection as per MTFP	Actuals (2024-25)	Variation (*in per cent*)
1	Own Tax Revenue	2,13,795	1,80,225	*(-) 15.70*
2	Non-Tax Revenue	23,864	33,603	*40.81*
3	Share of Central Taxes	48,331	52,492	*8.61*
4	Grants-in-aid from GoI	25,249	16,509	*(-) 34.62*
5	**Revenue Receipts (1+2+3+4)**	3,11,239	2,82,829	*(-) 9.13*
6	Revenue Expenditure	3,29,822	3,28,669	*(-) 0.35*
7	**Revenue Deficit (+) / Surplus (-) (5-6)**	18,583	45,840	*146.68*
8	**Fiscal Deficit (+) / Surplus (-)**	96,031	1,01,344	*5.53*
9	Debt-GSDP ratio (*per cent*)	*28.90*	*27.38#*	
10	GSDP growth rate at current prices (*per cent*)	*17.61*	*15.98*	

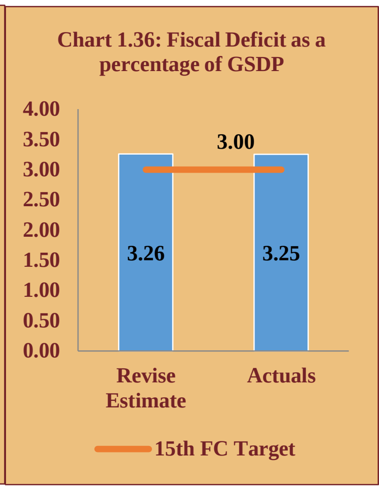
 # After excluding outstanding back to back loans of ₹3,437 crore received from GoI in lieu of GST compensation, since these are non-repayable by the State to the GoI.

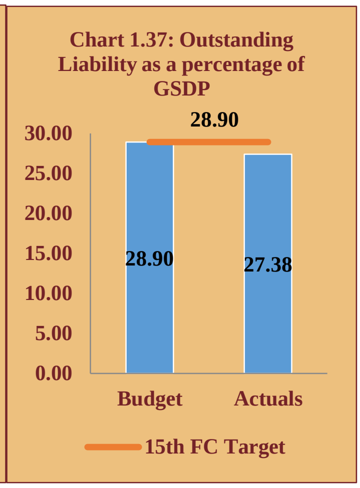
(Source: (i) MTFP, (ii) Finance Accounts and GSDP figures from Central Statistics Office)

It may be seen from **Table 1.32** above that there was a significant increase in receipts under non-tax revenue and Share of Central Taxes against the MTFP projection for the year 2024-25. However, the revenue and fiscal deficits were also higher than the projection made in the MTFP.

The targets set by XV FC and those projected in the State budget vis-à-vis achievements in respect of major fiscal aggregates with reference to GSDP during 2024-25 are given in **Chart 1.35**, **Chart 1.36** and **Chart 1.37**.







(***Source: Finance Accounts, MTFP and XV FC***)

During the year 2024-25, the State was unable to contain the revenue surplus-GSDP and fiscal deficit-GSDP ratios within the limit fixed by the XV FC and those projected in the revised budget estimates. However, outstanding liabilities/debt as percentage of GSDP remained within the target.

1.5.4 Comparison of State's key fiscal indicators with aggregate of all States

The comparison of key fiscal indicator of the State relative to GSDP *viz.* Revenue Deficit, Fiscal Deficit and overall debt/liability with aggregate of all States for the period 2015-16 to 2024-25 are given in **Chart 1.38**, **1.39** and **1.40**.

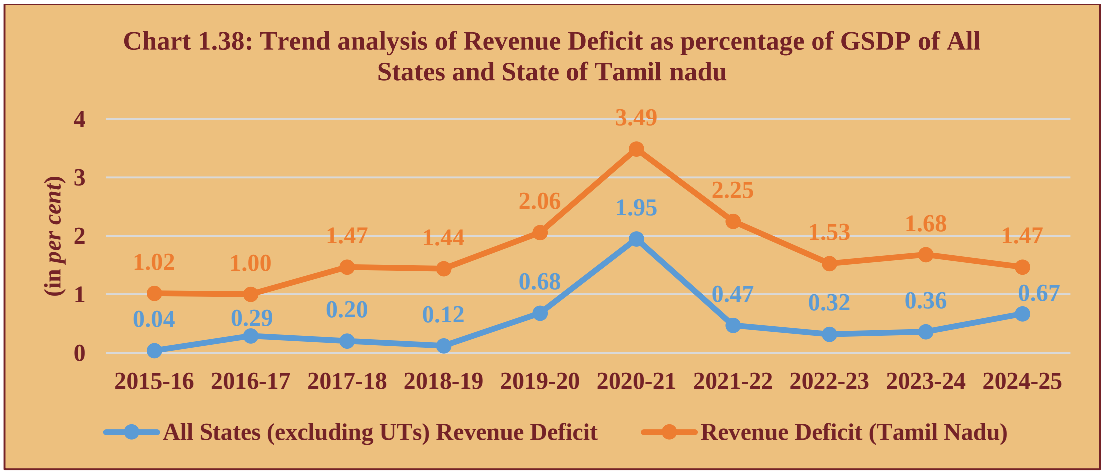


Chart 1.39: Trend analysis of Fiscal Deficit as percentage of GSDP of All States and State of Tamil nadu

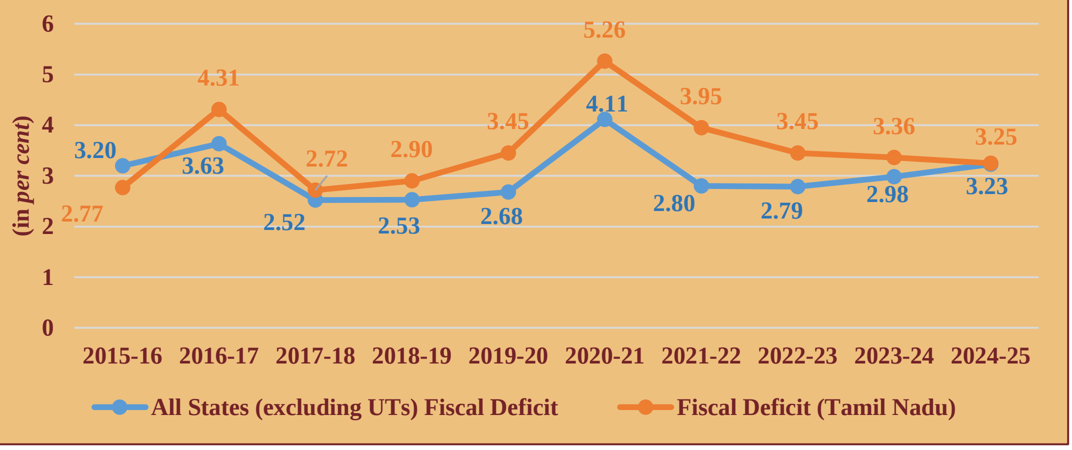
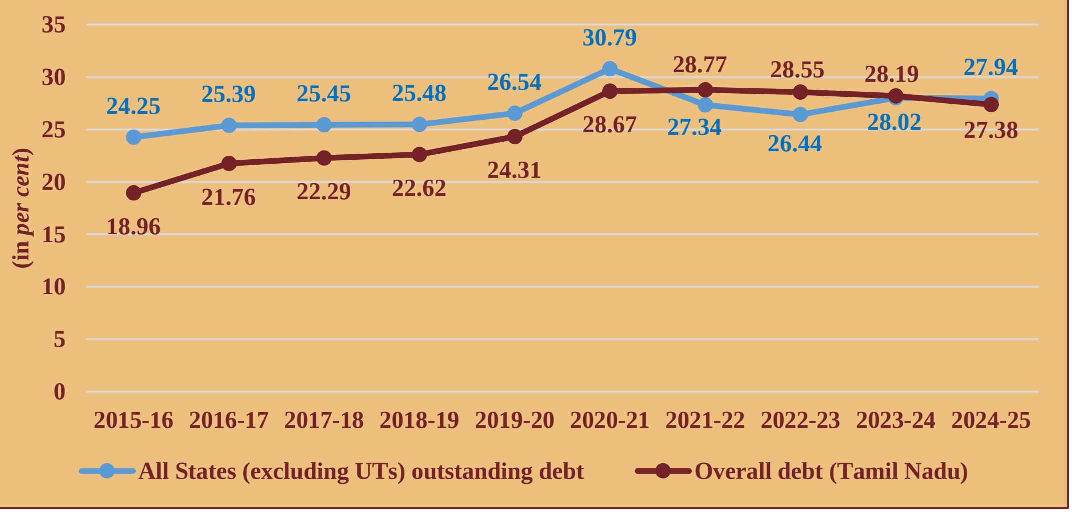


Chart 1.40: Trend Analysis of Overall debt/liability as percentage of GSDP of all States and State of Tamil Nadu



(*Source: Finance Accounts and data from Economic wing of Hqrs*)

Over the decade, the State's revenue deficit as a percentage of GSDP was higher than that of all States (excluding UTs). The State's fiscal deficit as a percentage of GSDP was also higher than that of all States (excluding UTs) except for the year 2015-16. In 2024-25, the fiscal deficit stood at 3.25 *per cent*, broadly aligned with 3.23 *per cent* for all States (excluding UTs).

The State's overall debt as a percentage of GSDP was lower than that of all the States (excluding UTs) except for the year 2021-22 to 2023-24. In 2024-25, it stood at 27.38 *per cent* compared to 27.94 *per cent* for all the States (excluding UTs).

Audit observed that the overall State's debt-GSDP ratio remained within the debt path trajectory prescribed by the Fifteenth Finance Commission.

1.5.5 Debt Sustainability Analysis

Debt sustainability refers to the ability of the State to service its debt obligation now and in the future. Analysis of variations in debt sustainability indicators is given in **Table 1.33**.

Table 1.33: Trends in Debt Sustainability Indicators

(₹ in crore)

S.No.	Debt Sustainability Indicators	2020-21	2021-22	2022-23	2023-24	2024-25
1	Overall Liabilities or Overall Debt *	5,12,555	5,96,331	6,77,255	7,58,086	8,53,765
2	Rate of Growth of Overall Debt (*per cent*)	*20.96*	*16.34*	*13.57*	*11.94*	*12.62*
3	GSDP (in nominal terms)	17,88,074	20,72,496	23,72,469	26,88,963	31,18,590
4	Nominal GSDP growth (*per cent*)	*2.58*	*15.91*	*14.47*	*13.34*	*15.98*
5	Overall Debt/GSDP (*per cent*)	*28.67*	*28.77*	*28.55*	*28.19*	*27.38*
6	Repayment to Gross Borrowings (*per cent*)	*76.02*	*79.99*	*85.14*	*90.10*	*87.76*
7	Net borrowings available as a percentage of Gross Borrowings	*23.98*	*20.01*	*14.86*	*9.90*	*12.24*
8	Interest payments on Overall Debt	36,497	41,564	46,911	53,566	59,909
9	Effective rate of interest on Overall Debt (*per cent*)	*8.16*	*7.88*	*7.76*	*7.84*	*7.78*
10	Interest payment to Revenue Receipts (*per cent*)	*20.97*	*20.03*	*19.25*	*20.24*	*21.18*
11	Revenue Deficit/Surplus	(-)62,326	(-)46,538	(-)36,215	(-)45,121	(-)45,840
12	Primary Revenue Balance (PRB)	(-)25,829	(-)4,974	10,696	8,445	14,069
13	Primary Balance (PB)	(-)57,486	(-)40,271	(-)34,975	(-)36,864	(-)41,435
14	PB/GSDP (*per cent*)	*(-)3.21*	*(-)1.94*	*(-)1.47*	*(-)1.37*	*(-)1.33*
15	Difference between RoI and effective rate of interest on Overall Debt	(-)7.28	(-)7.03	(-)6.83	(-)5.44	(-)2.37
16	Liquidity Management (use of financial accommodation instruments available with RBI) (in number of occasions)	-	-	-	-	-
17	Debt Stabilisation (Quantum spread + Primary balance)	(-)84,736	5,247	8,135	3,035	25,469
18	**Domar Criteria**					
a	GSDP (in constant terms)	12,44,650	13,42,817	14,25,736	15,57,821	17,32,189
b	Real Growth (in constant terms) (*per cent*)	*0.07*	*7.89*	*6.18*	*9.26*	*11.19*
c	Inflation based on CPI (*per cent*)	*6.81*	*5.67*	*5.96*	*5.41*	*4.65*
d	Effective Rate of interest	*8.16*	*7.88*	*7.76*	*7.84*	*7.78*
e	Real effective rate of interest (Effective rate of interest-Inflation)	*1.35*	*2.21*	*1.80*	*2.43*	*3.13*
f	Growth Interest Differential (Real growth-Real effective rate of interest)	(-)1.28	5.68	4.37	6.84	8.07
g	Primary Balance (PB)	(-)57,486	(-)40,271	(-)34,975	(-)36,864	(-)41,435

(*Source: Finance Accounts of the respective years*)

** Outstanding back to-back loan (₹ 6,241 crore (2020-21), ₹14,336 crore (2021-22 and 2022-23) and ₹3,437 crore (2023-24 and 2024-25)) included as outstanding debt in respective Finance Accounts has been excluded since these are non-repayable by the State to the GoI.*

PRB: Revenue Receipts-Revenue Expenditure (net of interest payments), where (-) PB implies Primary Deficit and vice-versa.
PB: Total Receipts (net of borrowings) -Total Expenditure (net of interest payments), where (-) PB implies Primary Deficit and vice-versa.
Effective Rate of Interest: {Interest Payments/[(Average Outstanding Debt of Previous and Current Financial Year (Excluding Non-Interest Bearing Liabilities)
Liquidity Management: Amount availed against SDF, WMA & OD
Quantum Spread: Interest Spread × Debt
Return on Investment (RoI) as measured by effective rate of interest receipts.
RoI = Interest Receipts/Average of Outstanding Loans and Advances Disbursed of Previous and Current Financial Year × 100.

Analysis of the data exhibited in **Table 1.33** indicates that the growth rate of overall debt declined from 20.96 *per cent* to 12.62 *per cent* during the period from 2020-21 to 2024-25. The target for debt as a percentage of GSDP, as projected by the Fifteenth Finance Commission, was achieved in all years except 2021-22.

Audit further observed that a substantial portion of the State's gross borrowings continued to be utilised for the repayment of existing debt. This indicates that a significant share of new borrowings was used for debt rollovers rather than for financing productive capital expenditure, resulting in lower net availability of borrowed funds. Such a pattern constrains the State's capacity to undertake new developmental projects and increases the risk of entering a debt-servicing cycle instead of supporting productive investment.

The ratio of interest payments to revenue receipts, which measures the affordability of debt servicing, increased to 21.18 *per cent* during 2024-25. The rising level of debt servicing costs is a matter of concern.

During the last five years, debt stabilisation was negative only in 2020-21. From 2021-22 onwards, it turned positive and remained so through 2024-25. The positive debt stabilisation reflects a decline in the debt-to-GSDP ratio and indicates that the State is presently in a stable position with respect to its debt repayment capacity.

1.5.6 Status of Guarantees – Contingent Liabilities

Guarantees are contingent liabilities on the Consolidated Fund in case of borrower defaults. The State extends guarantees for loans raised by entities like statutory corporations, boards, local bodies, and co-operative institutions.

As per Article 293 of the Constitution of India, limits for giving guarantees by the State Government have to be fixed by the State Legislature. The Tamil Nadu Fiscal Responsibility Act 2003 prescribes (i) a cap on total outstanding guarantees to 100 *per cent* of total Revenue Receipts of the preceding year or 10 *per cent* of GSDP, whichever is lower and (ii) a cap on risk weighted guarantees to 75 *per cent* of total Revenue Receipts of the preceding year or 7.5 *per cent* of GSDP, whichever is lower.

The State Government created the Guarantee Redemption Fund (GRF) in March 2003 for meeting the expenditure towards discharging the guarantees invoked. The fund is administered by the Reserve Bank of India and the amount is invested in treasury bills. As per the guidelines of GRF scheme, the Government has to contribute an amount equivalent to at least $1/5^{th}$ of the outstanding invoked guarantee and amount likely to be invoked as a result of the incremental guarantees issued during the year. The transactions of the Fund are reflected in the Finance Accounts (Statement 21) under "8235 – General and other Reserve Fund – 117 – Guarantee Redemption Fund.

The balance in the Guarantee Redemption Fund at the commencement of the year 2024-25 was ₹3,293.64 crore. During the year, an amount of ₹903.93 crore was credited to the Fund, which included ₹720.58 crore received as guarantee fees and ₹183.34 crore representing gains on the sale of securities.

As on 31 March 2025, the total accumulation of the Fund was ₹4,197.57 crore, out of which, ₹4,176.90 crore was invested in treasury bills. No guarantee was invoked during the year.

Details of the guarantees for the last ten years is given in **Table 1.34**.

Table 1.34: Guarantees given by the State Government

(₹ in crore)

Guarantees	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Ceiling applicable to the outstanding amount of guarantees	(i) To cap the total outstanding guarantee to 100 *per cent* of the total revenue receipt in the preceding year or 10 *per cent* of GSDP whichever is lover. (ii) To cap the Risk Weighted Guarantees to 75 *per cent* of the total revenue receipts in the preceding year or at 7.5 *per cent* of GSDP, whichever is lower.									
Outstanding amount of guarantees at the beginning of the year	53,698	51,586	[12]29,540	36,131	[13]44,163	[14]47,420	[15]68,149	91,975	90,709	1,22,270
Outstanding guarantees at the end of the year	51,586	29,145	36,131	43,661	47,319	65,659	91,975	90,709	1,22,270	1,45,011

(*Source: Finance Accounts of the respective years*)

Audit observed that the outstanding guarantees for ₹1,45,011 crore as on 31 March 2025 related to Power Sector (₹1,13,435 crore), State Finance Corporations (₹5,903 crore), Co-operatives (₹279 crore), Urban Development and Housing (₹207 crore) and Others (₹25,187 crore).

Further, it was observed that the total outstanding guarantees of the State Government constituted 54.80 *per cent* of the total revenue receipts of the previous year 2023–24 (₹2,64,597 crore) and 4.65 *per cent* of the GSDP at current prices (₹31,18,590 crore). These levels were well within the ceilings prescribed for guarantees by the Government.

However, against the estimated receivable guarantee fees of ₹776.33 crore, the Government realised only ₹720.58 crore, resulting in a shortfall in the collection of guarantee fees amounting to ₹55.75 crore.

1.5.7 Pathway to Fiscal Stability

Deficits can be improved by enhancing revenues and rationalizing expenditures. This includes strengthening tax compliance, widening the tax base, revising user charges, and monetizing idle government assets. On the spending side, better targeting of subsidies, controlling salary and pension growth, and ensuring proper classification of expenditure are key factors. Prioritizing productive capital investment and improving debt management through transparent and efficient borrowing can further ease fiscal pressure. These measures collectively create fiscal space and help reduce revenue,

[12] Differs from the outstanding guarantees at the end of 2016-17 due to inclusion of outstanding guarantees to the tune of ₹394.71 crore under Industries sector.

[13] Differs from outstanding (OS) guarantees at the end of 2018-19 due to revision of balances by TANGEDCO and Tamil Nadu Rural Housing and Infrastructure Development Corporation (TNRHIDC) Limited during 2019-20.

[14] Differs from OS guarantees at the end of 2019-20 due to revision of balances by TANGEDCO during 2020-21.

[15] Differs from OS guarantees at the end of 2020-21 by ₹2,559.10 crore which was under examination (TANGEDCO)

fiscal, and primary deficits in a sustainable manner. These issues are discussed in the succeeding paragraphs.

1.5.7.1 Improving revenues of the State

Untapped revenue potential, if harnessed effectively, can significantly enhance fiscal space and reduce dependence on debt. Inefficiencies in assessment, undervaluation, and limited enforcement mechanisms of key tax streams such as State GST, Stamp Duty, and Excise will lead to subdued revenue growth. Under-realized non-tax revenues, with low user charges, poor cost recovery, and suboptimal returns on public assets and investments also impede the fiscal space. Timely realization of pending arrears is (tax and non- tax) another step towards enhancing the fiscal space.

A. Arrears of revenue

As on 31 March 2025, the arrears of revenue in respect of principal heads of revenue were ₹ 58,110.16 crore, of which ₹ 28,726.53 crore were outstanding for more than five years, as depicted in **Table 1.35**.

Table 1.35: Arrears of revenue

(₹ in crore)

Sl. No.	Head of Revenue	Amount outstanding as on 31 March 2025	Amount outstanding for more than five years as on 31 March 2025
1	Registration Department	415.74	386.46
2	Prohibition and Excise Department	31.59	31.59
3.	Transport Department	10.34	---
4.	Commercial Taxes Department (Other than GST)	24,389.10	16,277
5.	Commercial Taxes Department (SGST)	33,263.39	12,031.48
Total		**58,110.16**	**28,726.53**

(Source: Departmental information)

Arrears of revenue of the State accounted to 27.18 *per cent* of the State's Own Revenue (₹2,13,828 crore).

The department replied (January 2026) that the outstanding amount was distributed under various heads *viz.*, arrears covered by First Appeal, NCLT, High Court Stay, remanded by Appellate forums and stopped business cases where no property details were available in the registration file of taxpayers. Further, it was stated that collectable arrears as on 31 March 2025 under SGST and GST were ₹600.18 crore and ₹244.18 crore respectively for which continuous follow up is made by initiating recovery process.

In view of the persistent revenue deficit and fiscal deficit experienced by the State Government over the years, there is a need for the Government to undertake substantive and sustained measures to improve revenue realisation and clear the accumulated arrears.

B. Arrears of assessment

The information on number of cases pending assessment at the beginning of the year, cases becoming due for assessment, cases disposed off during the year and number of cases pending for finalisation at the end of the year, as furnished by the Department of Excise and Department of Taxation in respect of Sales Tax/VAT is depicted in **Table 1.36**.

Table 1.36: Arrears of assessment

Sl. No.	Head of Revenue	Cases pending at the beginning of 2024-25	New cased due for assessment during 2024-25	Total cases due for assessment	Cases disposed of during 2024-25	Balance at the end of the year	Percentage of disposal
1.	Taxes/VAT on Sales, Trade etc. (other than GST)	40	643	683	639	44	*93.56*
Total		**40**	**643**	**683**	**639**	**44**	***93.56***

(Source: Departmental information)

C. Details of evasion of tax detected by the Department, refund cases, etc.

The cases of evasion of tax detected, cases finalised and the demands for additional tax raised are important indicators of revenue collection efforts of the State Government.

The details of cases of evasion of tax detected by the Excise and Taxation, cases finalised and the demand for additional tax raised; during the year 2024- 25, as reported by the departments concerned, are depicted in **Table 1.37**

Table 1.37: Evasion of tax detected

Sl. No.	Head of Revenue	Cases pending as on 31 March 2024	Cases detected during 2024-25	Total	No. of cases in which assessment/ investigation completed and additional demand with penalty, etc. raised		No. of cases pending for finalisation as on 31 March 2025
					No. of cases	Amount of demand (₹ in crore)	
1.	Taxes/VAT on Sales, Trade etc	237	0	237	30	1,298.84	207
2.	GST	3,278	25,967	29,245	26,348	15,724.13	2,897
Total		**3,515**	**25,967**	**29,482**	**26,378**	**17,022.97**	**3,104**

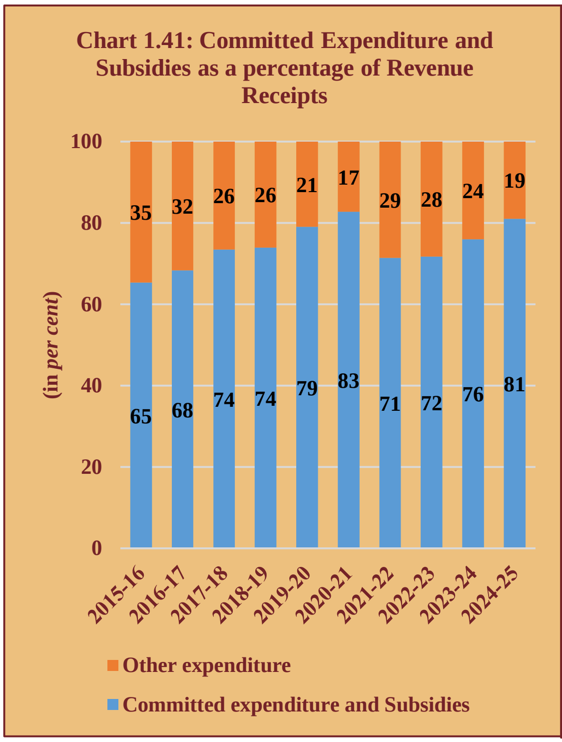
(Source: Departmental information)

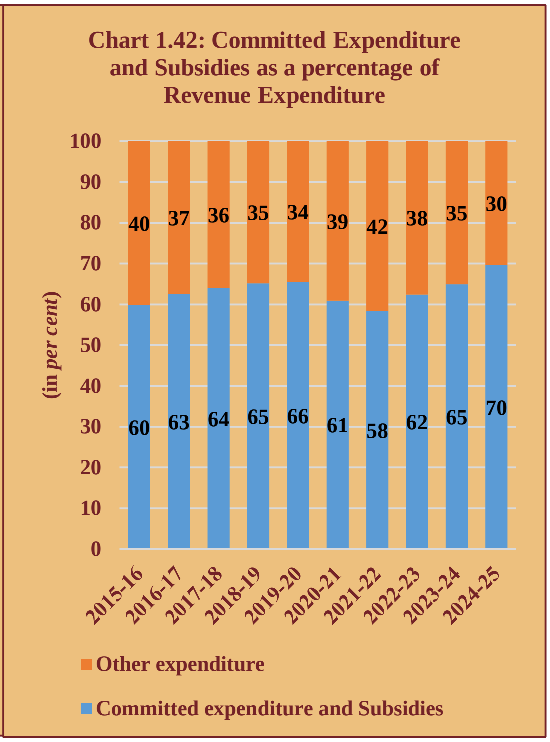
Considering the substantial number of cases and the amount involved, the State may adopt a time bound approach to ensure completion of assessment and investigation and realise the pending revenue.

1.5.7.2 Issues on expenditure side

A. Fiscal stress from committed expenditure and subsides

Chart 1.41 and **Chart 1.42** depict committed expenditure and subsidies together as a percentage of Revenue Receipts and Revenue Expenditure during the FY 2015-16 to 2024-25 respectively.





(Source: Finance Accounts of the respective years)

In 2024-25, the State's committed expenditure of ₹1,76,676 crore comprising salaries and wages (₹76,116 crore), pensions (₹40,651 crore) and interest payments (₹59,909 crore) accounted for approximately 61.47 *per cent* of the Revenue Receipts. In addition, subsidies amounted to ₹52,603 crore, bringing the total rigid expenditure to ₹2,29,279 crore, which was 81.07 *per cent* of the State's revenue receipts.

During the decade, the ratio of State's committed expenditure including subsidies to Revenue Receipts (ranging from 65 *per cent* to 83 *per cent*) which was consistently higher than that of all States (excluding UTs). The ratio of State's committed expenditure including subsidies to Revenue Expenditure (ranging from 58 *per cent* to 70 *per cent*) was higher during the decade except for the year 2021-22 than that of all States (excluding UTs).

The high and inflexible nature of such expenditure significantly compresses fiscal space, limiting the State's ability to allocate resources towards capital investment and developmental priorities. This structural imbalance increases the risk of persistent revenue and primary deficits, constrains long-term fiscal sustainability and reduces the government's capacity to respond to emergent socio-economic challenges.

There is an urgent need for expenditure reform through rationalization of subsidies, improved targeting, and prudent management of salary and pension commitments, to enhance fiscal flexibility and ensure a sustainable fiscal path.

B. Capital blocked in incomplete projects

An assessment of capital blocked in incomplete capital projects would also indicate the quality of Capital Expenditure. Blocking of funds in incomplete projects/ works impinges negatively on the quality of expenditure and deprives the State of the intended benefits of the projects for prolonged periods. Further, funds borrowed for implementation of these projects, during the respective years would lead to an extra burden, in terms of servicing of debt and interest liabilities. Details of the incomplete projects are shown in **Table 1.38** (Based on information provided by the State Government for ***Appendix-IX*** of the Finance Accounts for the year 2024-25).

Table 1.38: Age profile of incomplete projects as on 31 March 2025

(₹ in crore)

Completion Year	No. of incomplete projects*	Estimated cost	Expenditure incurred during the year	Progressive expenditure
2015	1	79.50	0	40.01
2017	1	1.60	0	0.12
2020	1	14.81	1.94	13.04
2022	1	2.08	0.73	2.68
2023	4	6,775.17	306.67	5,595.61
2024	67	1,028.77	240.55	526.69
Total	**75**	**7,901.93**	**549.89**	**6,178.15**

(Source: Finance Accounts)

Table: 1.39: Department-wise profile of incomplete projects

(₹ in crore)

Department	No. of incomplete projects*	*Estimated cost	Expenditure incurred during the year	Progressive expenditure
Highways and Minor Ports	31	6,840.04	338.77	5,621.95
Water Resources	29	912.67	144.02	434.85
Higher Education	13	86.52	24.86	78.55
Animal Husbandry, Dairying, Fisheries and Fishermen Welfare	1	60	41.99	41.99
Tourism, Culture and Religious Endowments	1	2.7	0.25	0.81
Total	**75**	**7,901.93**	**549.89**	**6,178.15**

* Only those projects whose target year of completion is mentioned as 2024 are included as per Appendix IX of Finance Accounts 2024-25.

(Source: Finance Accounts)

Analysis of four incomplete projects which are due for completion between the period 2015 to 2022 revealed the followings -

1. The project for creation of additional water storage in Nemam Tank was scheduled for completion in 2015. However, it could not be completed due to extraordinary circumstances and difficulties encountered during execution. Consequently, a proposal for pre-closure of the project was recommended to the Government by the Executive Engineer in January 2025. As of March 2025, progressive expenditure on the project amounted to ₹40.01 crore against the sanctioned cost of ₹79.50 crore. The Government's decision on the proposal for pre-closure of the project is awaited.

2. The work relating to the construction of a barrel across the Kannadian Channel to divert drainage water from Kallidakurichi Town in Ambasamudram Taluk of Tirunelveli District was scheduled for completion in 2017. The work commenced in February 2016 but encountered significant delays due to public representations, legal challenges and the grant of an interim stay by the Madras High Court. Owing to continued court intervention and public obstruction, the project could not be completed and a proposal for abandonment of the project was submitted in April 2024. As of March 2025, progressive expenditure on the project amounted to ₹0.12 crore against the estimated cost of ₹1.60 crore.

3. The work relating to the restoration of the heritage building at the Government Arts College, Kumbakonam, commenced in 2019 at an estimated cost of ₹14.81 crore and was scheduled for completion in 2024. The reasons for non-completion within the stipulated period were called for from the department. In its reply, the department stated that the delay was due to non-availability of river sand, skilled labour, lime and flooring tiles, primarily on account of the adverse conditions arising from the COVID-19 pandemic. However, the project was completed within the original administrative sanction, and the Completion Report was recorded on 11 November 2025.

4. The work relating to the construction of a weir-cum-check dam across the Vaigai River at Kadamalaikundu Village in Andipatti Taluk of Theni District commenced in 2021 at an estimated cost of ₹207.91 crore and was scheduled for completion in 2022. The reasons for non-completion within the stipulated period were called for from the department. In its reply, the department stated that, owing to necessary design modifications based on the designs received from the Design Circle, Chennai, the estimated cost was revised to ₹285.90 crore, and revised administrative sanction was accorded on 03 September 2024. As of November 2025, about 98 *per cent* of the work had been completed, with progressive expenditure amounting to ₹267.92 crore. The remaining works are proposed to be taken up and completed after the monsoon season.

Delays in the completion of projects result in cost escalation and defer the intended benefits to society. Timely and effective measures are required to ensure completion of projects within the stipulated timeframe so as to avoid cost overruns and delays in the realisation of envisaged benefits.

1.5.7.3 Expenditure priorities

Enhancing human development levels requires the States to step up their expenditure on key social services like education and health. Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector, if the allocation is below the respective national average. The higher the ratio of these components to total expenditure, the quality of expenditure is considered to be better. Expenditure priority of the State with regard to Health, Education and Capital expenditure are shown in **Table 1.40** below:

Table 1.40: Expenditure priorities

(in per cent)

		TE/GSDP	CE/TE	Education/TE	Health/TE
2020-21	General category States	*16.69*	*13.07*	*14.99*	*5.80*
	Tamil Nadu	*15.28*	*13.50*	*13.76*	*5.44*
	Karnataka	*13.66*	*21.45*	*10.63*	*4.36*
	Kerala	*18.00*	*11.12*	*11.59*	*6.11*
2024-25	General Category States	*15.37*	*16.33*	*13.92*	*5.89*
	Tamil Nadu	*12.43*	*15.21*	*11.44*	*4.75*
	Karnataka	*11.92*	*18.77*	*9.33*	*3.71*
	Kerala	*13.92*	*10.29*	*13.07*	*5.85*

TE: Total Expenditure, CE: Capital Expenditure, which includes Loans and advances disbursed.

(Source: Data from Economic Advisor)

From **Table 1.40** above, it can be seen that the ratio of expenditure on education to total expenditure has come down from 13.76 *per cent* in 2020-21 to 11.44 *per cent* in 2024-25. Similarly, ratio of expenditure on health to total expenditure has dropped from 5.44 *per cent* in 2020-21 to 4.75 *per cent* in 2024-25 indicating a decline in priorities on these sectors in the past five years by the State Government.

C. Un-discharged liabilities on Fiscal Space

Undischarged/deferred liabilities, if not addressed timely, will reduce the available fiscal space for future developmental and infrastructure spending. Besides creating lack of transparency and credibility, this impair the state's ability to raise resources in a sustainable manner, thereby impacting overall fiscal health and long-term sustainability.

Audit observed that the State Government had accumulated several undischarged liabilities over the years, which have significant implications for fiscal sustainability. These include:

- Non-transfer of Central Road and Infrastructure Fund (CRIF) amounting to ₹298.46 crore.
- Un-discharged interest liabilities totalling ₹45.94 crore.
- Off-budget borrowings and other liabilities not captured in the debt stock amounting to ₹ 593.24 crore.
- Short/non-transfer of State Government's contribution to the Defined Contributory Pension Scheme (DCPS) amounting to ₹100.71 crore.
- Non-transfer of Central Finance Commission grants to local bodies, aggregating ₹334.73 crore.
- Pending refund cases amounting to ₹ 0.32 crore.

The cumulative value of these un-discharged liabilities amounted to ₹1,038.67 crore[16] which is equivalent to 0.03 *per cent* of the GSDP and 1.02 *per cent* of the Fiscal Deficit for the year.

Audit recommends that the State Government disclose and address all un- discharged liabilities transparently, and make provisions for timely discharge of these obligations to avoid future fiscal stress.

[16] Excluded ₹334.73 crore received from GoI as Finance commission grant was released to state by GoI on 31-03-2025.

1.6 Conclusions

The review of the State's Finances for 2024-25 indicates a phase of strong economic expansion alongside continuing fiscal pressures. The State recorded robust growth in GSDP (15.98 *per cent*), with per capita income remaining consistently above the national average, reflecting favourable demographic and socio-economic fundamentals.

Though the State had improved in Debt to GSDP ratio, it continued to reel under revenue deficit as could not achieve the XV FC projection of Revenue Surplus from the year 2024-25 and Fiscal Deficit to GSDP ratio within 3 *per cent* as prescribed in TNFR Act 2003.

However, this macroeconomic strength did not fully translate into commensurate fiscal consolidation. Revenue receipts grew at a relatively modest pace (6.89 *per cent*), resulting in subdued revenue buoyancy and the continuation of a revenue deficit (₹45,840 crore). The State's finances remained characterised by a high share of revenue expenditure (84.70 *per cent* of total expenditure), rising committed expenditure (53.75 *per cent* of revenue expenditure), and an expanding subsidy burden (16 *per cent* of revenue expenditure), which collectively constrained fiscal flexibility.

Capital expenditure increased in absolute terms, reflecting continued emphasis on infrastructure and development; nevertheless, a significant portion of borrowings was utilised for revenue expenditure and debt servicing rather than asset creation. Declining grants-in-aid from the Government of India and weak recovery of loans and advances further accentuated reliance on public debt to finance expenditure.

Overall, while the State demonstrated adherence to debt sustainability norms, the fiscal structure continues to be marked by structural imbalances, particularly in revenue mobilisation, expenditure composition, and the utilisation of borrowed funds. Addressing these issues is essential to ensure the durability and quality of fiscal outcomes in the medium term.

1.7 Recommendations

1. *The State Government may strengthen mobilisation of own tax and non-tax revenues through improved assessment, monitoring, and enforcement mechanisms to ensure that collections are aligned with budgeted targets and economic growth.*
2. *In view of the increasing reliance on borrowings, the State Government may accord priority to prudent debt management and ensure that a higher proportion of public debt is utilised for productive capital expenditure and asset creation.*
3. *The State Government may take substantive efforts to clear arrears of revenue, which will help mitigate the persistent revenue deficit and fiscal deficit experienced by the State Government over the years.*
4. *Given the decline in Grants-in-Aid from the Government of India, the State Government may strengthen cash flow planning and coordination with implementing departments to mitigate the impact of timing mismatches in fund releases.*

5. *The State Government may institute a comprehensive mechanism for monitoring, timely clearance of arrears and transparent reporting of off-budget obligations to reduce fiscal risks and enhance credibility.*

6. *The State Government may periodically review the financial performance of Public Sector Undertakings and other institutions, with a view to improving returns on investments, recovery of dues, and dividend realisation.*

CHAPTER II
BUDGETARY MANAGEMENT

Chapter – II: Budgetary Management

This chapter reviews Tamil Nadu's budgetary process, revealing significant gaps between budget estimates and actual expenditure, with issues like excess spending, persistent savings, and last-minute fund surrenders. It highlights weaknesses in financial planning, controls and compliance, stressing the need for realistic budgeting, timely fund utilisation, and deviations from Constitutional provisions.

2.1 Budget Process

In compliance with Article 202 of the Constitution of India, a statement of the estimated receipts and expenditure of the State for that financial year, called "The Annual Financial Statement (Budget)" is to be laid before the State Legislature. The estimates of the expenditure show 'charged' and 'voted' items[1] of expenditure separately and distinguish expenditure on revenue account from other expenditure. Legislative authorisation is necessary before incurring any expenditure by the State Government.

As per the Tamil Nadu Budget Manual, the Finance Department is responsible for preparing the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the heads of departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the Detailed Estimates called 'Demand for Grants'. The State budget majorly comprises the following documents:

- ✓ Annual Financial Statement
- ✓ Demand for Grants
- ✓ Detailed Estimates of Receipts
- ✓ FRBM statement
- ✓ Medium Term Fiscal Plan
- ✓ Others

2.2 Budget projection and gap between expectation and actual

Efficient management of tax administration/other receipts and public expenditure holds the balance for optimum utilization of resources, strengthen scheme implementation and monitoring capacity and achievement of fiscal targets. Persistent savings/excesses indicate need for improvement in the underlying budgetary processes.

Details of total appropriation obtained from State Legislature, actual expenditure and savings are summarized in **Table 2.1**.

1 **Charged Expenditure:** Certain categories of expenditure (e.g. salaries of Constitutional authorities, loan repayments, etc.) constitute a charge on the Consolidated Fund of the State and are not subject to vote by the Legislature.
Voted Expenditure: All expenditures that are voted by the Legislature.

Table 2.1: Actual expenditure vis-à-vis budget provision during the financial year 2024-25

(₹ in crore)

	Nature of Expenditure	Original Grant/ App.	Supplementary Grant/ App.	Total Budget	Actual expenditure	Savings	Surrender during 2024-25	
							Amount	*Per cent*
Voted	I. Revenue	2,89,343.47	14,901.78	3,04,245.25	2,76,439.21	27,806.04	27,010.43	*97.14*
	II. Capital	47,684.38	6,815.65	54,500.03	47,122.93	7,377.10	7,619.76	*103.29*
	III. Loans & Advances	16,533.61	508.30	17,041.91	11,904.86	5,137.05	5,136.62	*99.99*
Total		**3,53,561.46**	**22,225.73**	**3,75,787.19**	**3,35,467.00**	**40,320.19**	**39,766.81**	***98.63***
Charged	IV. Revenue	*64,254.91*	*110.26*	*64,365.17*	*60,855.23*	*3,509.94*	*3,509.34*	*99.98*
	V. Capital	*8.19*	*132.50*	*140.69*	*132.53*	*8.16*	*8.16*	*100.00*
	VI. Public Debt-Repayment	*41,178.25*	*0.00*	*41,178.25*	*40,684.40*	*493.85*	*493.85*	*100.00*
Total		**1,05,441.35**	**242.76**	**1,05,684.11**	**1,01,672.16**	**4,011.95**	**4,011.35**	***99.99***
Appropriation to Contingency Fund		0.00	350.00	**350.00**	**350.00**	0.00	0.00	*0.00*
Grand Total		**4,59,002.81**	**22,818.49**	**4,81,821.30**	**4,37,489.16**	**44,332.14**	**43,778.16**	***98.75***

(Source: Appropriation Accounts for the year 2024-25)

Note: The expenditure shown above are gross figures without taking into account the recoveries adjusted in the accounts as reduction of expenditure under Revenue Heads (₹8,625.04 crore) and Capital Heads (₹147.50 crore). The amount of ₹8,625.04 crore relating to reduction of expenditure under Revenue Heads includes ₹4,445.90 crore being the recovery of overpayments / unspent balances of the previous years booked under the minor head "911"and also an amount of ₹100 crore relating to reimbursement by the Union Government towards Lok Sabha Election expenses initially incurred by the State Government during the year.

It may be seen from **Table 2.1** that under Capital Voted section, where surrender exceeded the savings, the departments could not ascertain the exact amount to be surrendered during re-appropriation at the end of the financial year. This highlights the insufficient oversight of the State's finances, despite the implementation of Integrated Financial and Human Resources Management System (IFHRMS).

Trends in the original budget, revised estimate, and actual expenditure for the period 2020-21 to 2024-25 are given in **Table 2.2**

Table 2.2: Original Budget, Revised Estimate and Actual Expenditure during Financial Years 2020-21 to 2024-25

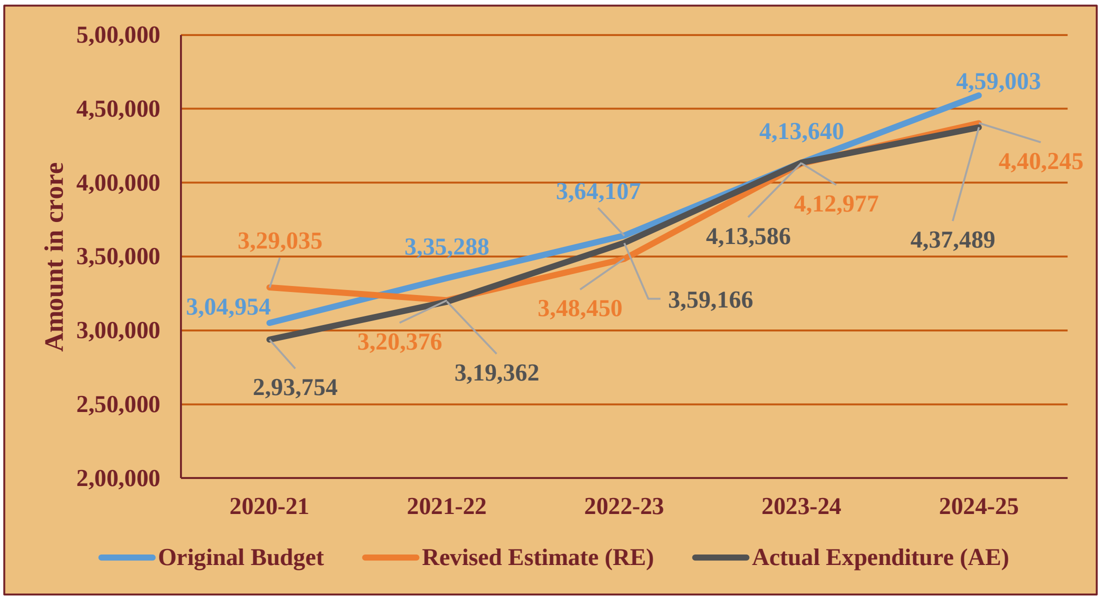
(₹ in crore)

	2020-21	2021-22	2022-23	2023-24	2024-25
Original budget	3,04,954.44	3,35,288.14	3,64,107.02	4,13,639.78	4,59,002.81
Supplementary budget	34,018.02	14,451.49	30,148.70	33,248.48	22,818.49
Total Budget (TB)	3,38,972.45	3,49,739.63	3,94,255.72	4,46,888.26	4,81,821.30
Revised Estimate (RE)	3,29,034.84	3,20,375.66	3,48,450.41	4,12,976.84	4,40,245.19
Actual Expenditure (AE)	2,93,753.73	3,19,361.82	3,59,166.33	4,13,585.72	4,37,489.16
Savings	(-) 45,218.72	(-) 30,377.81	(-) 35,089.39	(-) 33,302.54	(-) 44,332.14
Percentage of supplementary to the original budget	*11.16*	*4.31*	*8.28*	*8.04*	*4.97*
Percentage of overall savings/excess to the overall provision	*13.34*	*8.69*	*8.90*	*7.45*	*9.20*
TB-RE	9,937.61	29,363.97	45,805.31	33,911.42	41,576.10
RE-AE	35,281.11	1,013.84	(-) 10,715.92	(-) 608.88	2,756.03
(TB-RE) as % of TB	*2.93*	*8.40*	*11.62*	*7.59*	*8.63*
(RE-AE) as % of TB	*10.41*	*0.29*	*(-) 2.72*	*(-) 0.14*	*0.57*

(Source: Appropriation Accounts and Annual Financial statements of the respective years)

Though the supplementary provision of ₹22,818.49 crore during 2024-25 constituted only 4.97 *per cent* of the original provision as against 8.04 *per cent* in the previous year, the percentage of total utilisation of budget was only 90.80 *per cent* resulting in overall saving of 9.20 *per cent* during the year as against 7.45 *per cent* in the previous year. The variation between the revised estimates and the actual expenditure incurred has fluctuated over the years and has widened during the year as compared to the previous year. Further, **Table 2.2** indicates that the actual expenditure during the year was much less than the original budget allocation highlighting the deficiencies in the budget preparation.

Chart 2.1: Trend showing BE, RE and Actuals during 2020-21 to 2024-25



(Source: Appropriation Accounts and Annual Financial statements of the respective years)

From **Chart 2.1**, it can be observed that during 2020-21, there was a divergence between total original budget and revised estimate. This narrowed steadily from 2021-22 and converged during 2023-24 and then widened again in 2024-25, reflecting inconsistencies in the budgetary process.

2.2.1 Component/Services wise analysis of budgetary provisions and expenditure

Component wise analysis of the Budget and Expenditure for the FY 2024-25 is summarized in **Table 2.3.** The summary of explanations received in case of variations in Appropriation Accounts is depicted in **Chart 2.2.**

Table 2.3: Component Wise Budget and Expenditure for the year 2024-25

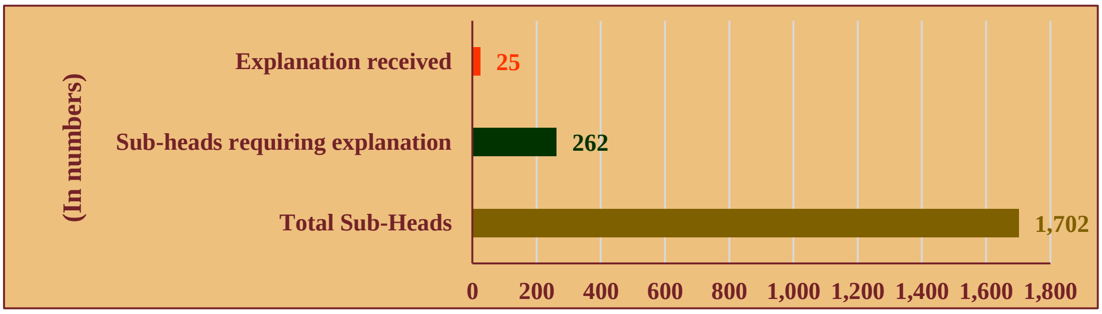
(₹ in crore)

Component	Total Budget	Total Expenditure	Percentage of Total Budget	Percentage of Total Expenditure	Percentage of expenditure against the total Budget
(1)	(2)	(3)	(4)	(5)	(6=3/2*100)
Committed Expenditure	1,76,775	1,76,676	*36.69*	*40.38*	*99.94*
State Schemes	1,14,622	64,958	*23.79*	*14.85*	*56.67*
Central Share for CSS	13,581	14,918	*2.82*	*3.41*	*109.84*
State Share for CSS	9,476	9,423	*1.97*	*2.15*	*99.44*
EAP – Externally Aided Projects	25,099	13,572	*5.21*	*3.10*	*54.07*

(Source: Finance Accounts for the year 2024-25)

The committed expenditure of the Government on revenue account comprises of interest payments, expenditure on salaries and wages, salary grants and pensions. This collectively has the first charge on Government resources. It could be seen from the accounts that the Committed expenditure increased by ₹13,321 crore (8.15 *per cent)* over the previous year i.e. from ₹1,63,355 crore in 2023-24 to ₹1,76,676 crore in 2024-25. Upward trend on committed expenditure leaves the Government with lesser flexibility for development sector.

Chart 2.2: Summary of Explanation for variation in Appropriation Accounts



(Source: Detailed furnished by O/o AG(A&E))

Out of 1,702 sub-heads for which comments for excess/savings were included, explanations were required for 262 sub-heads. However, reasons for variations were received from the State Government only for 25 sub-heads.

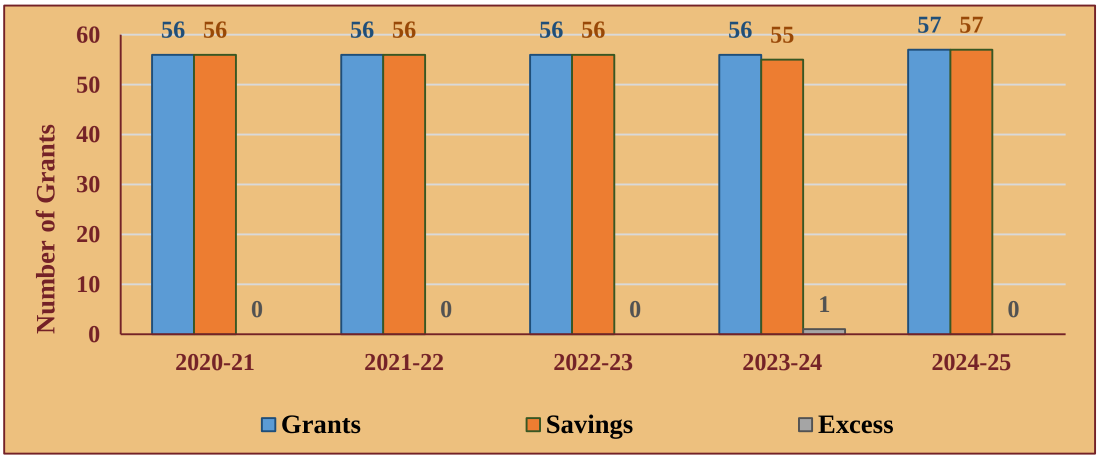
2.3 Budget markmanship

Expenditure Composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution have contributed to variance in expenditure composition.

A year-wise analysis of grants, excesses, and savings provides valuable insights into the efficiency of budget execution and financial management by the State. This has been depicted in **Chart 2.3**.

Chart 2.3: Year-wise Grants, Savings and Excesses



(Source: Appropriation Accounts of the respective years)

It may be seen from the above chart that there was no excess expenditure under the grant during the years from 2020-21 to 2024-25 except in 2023-24 where excess expenditure was incurred under one grant. The expenditure composition outturn for the FY 2024-25 is given in **Table 2.4.**

Table 2.4: Expenditure composition overall deviation FY 2024-25

Section	Overall Deviation (*per cent*)	Range of Deviation (*per cent*)	Number of Grants
Revenue (Voted)	*(-) 10.25*	0 to ± 25	51
		± 26 to ± 50	3
		± 51 to ± 100	1
Capital (Voted)	*(-) 36.52*	0 to ± 25	23
		± 26 to ± 50	5
		± 51 to ± 100	14
Revenue (Charged)	*(-) 59.08*	0 to ± 25	21
		± 26 to ± 50	2
		± 51 to ± 100	30
Capital (Charged)	*(-) 58.89*	0 to ± 25	3
		± 26 to ± 50	1
		± 51 to ± 100	5
No provision was, however, made in respect of 13 grants (Grant nos. 1, 2, 3, 10, 11, 18, 31, 33, 37, 46, 50, 51, 53) of the Capital section.			

(Source: Appropriation Accounts 2024-25)

Though the overall deviation under voted items was much lower than that under charged items, which exceeded 50 *per cent* of the budgetary estimates, further analysis revealed that deviations under Revenue voted items (savings) exceeded 50 *per cent* in one grant, *viz.*, Grant No. 31 – Information Technology and Digital Services Department, with savings of ₹92.76 crore. Similarly, under Capital voted items, savings exceeding 50 *per cent* were observed in 14 grants, with Grant No. 17 – Handlooms and Textiles (Handlooms, Handicrafts, Textiles and Khadi Department) recording the highest savings of 100 *per cent* amounting to ₹113 crore.

2.4 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act passed under Article 204 of the Constitution of India. These Accounts depict actual expenditure as against the original budget provision, supplementary grants, surrenders and re- appropriations distinctly in gross basis.

Audit of appropriations by the Comptroller and Auditor General (CAG) seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution (Article 202) is so charged. It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

2.5 Budgetary and accounting process

The budgetary and accounting process compares actual financial performance to the planned budget to ensure funds utilised are authorised. This process enables planning, control and performance evaluation of financial activities. The outcome of this process is discussed in the succeeding paragraphs.

2.5.1 Expenditure incurred without authority of law

Article 266(3) of the Constitution of India prohibits withdrawal of money from the Consolidated Fund of the State unless relevant Appropriation Acts under Articles 204 and 205 of the Constitution of India are passed by the Legislature. Further, Paragraph 153 of the Tamil Nadu Budget Manual also provides that expenditure on a new scheme not contemplated in the Budget estimates should not be incurred until it is included either in the Supplementary estimates or drawn as an advance from the Contingency Fund of the State.

It was, however, observed that an expenditure of ₹0.08 crore, shown below in **Table 2.5** was incurred in two cases (more than ₹ one lakh in each case) under one scheme each in two grants during the year 2024-25 without any provision in the original budget estimates/supplementary demands.

Table 2.5 - Expenditure without Budget Provision or Re-appropriation

Sl. No.	Grant Number & Name	Head of Account & Nomenclature	No. of cases	Expenditure Incurred (₹ in crore)
1	42 - Rural Development and Panchayat Raj Department	2505.01.702.JP - Sampoorna Grameen Rozgar Yojana - Village Panchayat	1	0.07
2	51 - Relief on Account of Natural Calamities	2245.02.112.AC - Reimbursement (Ministry of Defence, New Delhi) assistance during flood relief and rescue operations	1	0.01
Total				**0.08**

(Source: Appropriation Accounts for the year 2024-25)

Audit observed that, in respect of the first scheme, '*Sampoorna Grameen Rozgar Yojana – Village Panchayat*', expenditure was incurred towards Salary, Dearness

Allowance and travel expenses, while under the second scheme, *'Reimbursement (Ministry of Defence, New Delhi) assistance during flood relief and rescue operations'*, expenditure was incurred towards payment for Professional and Special Services.

In response to an audit enquiry regarding inadequate controls in IFHRMS that permitted expenditure to be incurred without budget provision, the State Government stated during the Exit Conference that the expenditure related to the salary component, for which exceptions are allowed under the in-built controls of the IFHRMS system.

Further, in respect of the heads shown below in **Table 2.6**, expenditure was incurred only through re-appropriation orders issued in the month of March 2025. It was also noticed that for the scheme mentioned in Sl.No.1, expenditure had been incurred from the month of November 2024. However, provision for the same was omitted from the subsequent supplementary estimates in March 2025.

Table 2.6 - Expenditure incurred only through Re-appropriation

Sl. No.	Grant Number & Name	Head of Account & Nomenclature	No. of cases	Expenditure Incurred (₹ in crore)
1	21 – Highways and Minor Ports Department	3054.80.001.AR Special Staff for Land Acquisition under Tamil Nadu Urban Development Project	1	0.12
2	43 – School Education Department	2202.02.109.KX Perasiriyar Anbazhagan Award to Best Schools	1	0.07
Total				**0.19**

(Source: Appropriation Accounts for the year 2024-25)

Failure to observe the prescribed procedure had led to expenditure on the schemes without the authority of the legislature. Also, this clearly highlighted the lack of proper control mechanism in IFHRMS as the expenditure was incurred without any budget provision.

2.5.2 Excess expenditure and its regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excesses over grants/appropriations regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee.

A. Excess expenditure during current year

During 2024-25, all the disbursements made were within the authorisation made by the State Legislature which is appreciable.

B. Regularisation of excess expenditure of previous financial years

Excess disbursements pertaining to previous years pending regularization from State Legislature as shown in **Table 2.7**.

Table 2.7: Excess expenditure relating to previous years requiring regularisation

Year	Grant No./ Appropriation	Grant/ Appropriation details	Amount of excess required to be regularized as commented in the Appropriation Accounts *(₹ in crore)*
2022-23	51	Relief on Account of Natural Calamities **(Revenue-Charged)**	*0.01**
2023-24	10	Commercial Taxes (Commercial Tax and Registration Department)- **(Loans-Voted)**	0.03
	17	Handlooms and Textiles (Handlooms, Handicrafts, Textiles and Khadi Department) - **(Revenue-Voted)**	0.75
	19	Health and Family Welfare Department **(Revenue-Charged)**	*0.01*
	43	School Education Department **(Loans-Voted)**	0.17
Total			**0.97**

* ₹50,000

(Source: Appropriation Accounts of the respective years)

The regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Committee of Public Accounts (PAC). The excess expenditure under one grant for the year 2022-23 was discussed by the Public Accounts Committee and recommendations are awaited. The SFAR for the year 2023-24 was placed in the legislative assembly on 17 October 2025.

2.5.2.1 Persistent excess expenditure in certain Grants

Audit scrutiny revealed that in six cases under two grants (Grant 19 and 50), there was persistent excess expenditure of more than ₹ one crore in each case during the last five years as detailed in **Table 2.8**. In one case (Sl. No. 6), during 2020-21, the expenditure was incurred without any budget provision.

Table 2.8: Persistent excess expenditure during 2020-21 to 2024-25

(₹ in crore)

Sl. No.	Description of Grant/Appropriation	2020-21	2021-22	2022-23	2023-24	2024-25
1.	**Grant No.-19-Health & Family Welfare Department** 2210- Medical and Public Health 01- Urban Health Services - Allopathy 110 - Hospital and Dispensaries- EB - CEMONC posts in the District Head Quarters Hospitals					
	Grant (O+S) Expenditure Excess	35.03 37.37 2.34	26.95 28.50 1.55	30.84 32.64 1.80	31.69 34.29 2.60	35.61 37.14 1.53
2.	**Grant No.-19-Health & Family Welfare Department** 2210- Medical and Public Health 05 - Medical Education 105- Allopathy AC- Kilpauk Medical College, Chennai					

(₹ in crore)

Sl. No.	Description of Grant/Appropriation	2020-21	2021-22	2022-23	2023-24	2024-25
	Grant (O+S) Expenditure Excess	44.19 64.74 20.55	65.38 67.49 2.11	73.88 76.75 2.87	86.70 88.42 1.72	88.75 103.87 15.12
3.	**Grant No.-19-Health & Family Welfare Department** 2210- Medical and Public Health 05 - Medical Education 105- Allopathy CA- Government Medical College at Omandurar Government Estate					
	Grant (O+S) Expenditure Excess	42.81 48.28 5.47	49.54 52.31 2.77	45.73 57.52 11.79	63.89 65.58 1.69	70.24 75.14 4.90
4.	**Grant No.-50 – Pension and Other Retirement Benefits** 2071- Pensions and other Retirement Benefits 01 - Civil 101- Superannuation and Retirement Allowances AO- Additional Pension to Tamil Nadu Government Pensioners Aged above 80 years					
	Grant (O+S) Expenditure Excess	181.29 266.97 85.66	218.71 391.40 172.69	293.66 433.86 140.20	428.56 480.49 51.93	477.24 520.50 43.26
5.	**Grant No.-50 – Pension and Other Retirement Benefits** 2071- Pensions and other Retirement Benefits 01 - Civil 105- Family Pensions AH- Additional Family Pension to Tamil Nadu Government Pensioners Aged above 80 years					
	Grant (O+S) Expenditure Excess	31.40 41.22 9.82	32.18 68.74 36.56	47.40 84.69 37.29	72.18 93.09 20.91	93.16 100.03 6.87
6.	**Grant No.-50 – Pension and Other Retirement Benefits** 2071- Pensions and other Retirement Benefits 01 - Civil 800 - Other Expenditure AO- Corpus Fund for COVID-19 treatment in empanelled Hospitals under New Health Insurance Scheme for Pensioners / Family Pensioners					
	Grant (O+S) Expenditure Excess	0.00 10.00 10.00	5.00 25.00 20.00	2.50 15.00 12.50	2.50 27.50 25.00	2.50 7.50 5.00

(Source: Detailed Appropriation Accounts of the respective years)

During the year, while the overall expenditure of departments remained within the total grants allotted, expenditure under two grants, involving three schemes each, exceeded the budget provision at the scheme level. This indicates deficiencies in budget formulation and expenditure control. The departments need to strengthen scrutiny of budget proposals at both the stages of preparation of Demands for Grants and Supplementary Demands for Grants. Further, effective planning and closer monitoring of expenditure vis-à-vis voted grants are required to prevent recurrence of excess expenditure under the schemes.

2.5.3 Supplementary grants rendered unnecessary

Article 205 of the Constitution of India prescribes the requirement of a Supplementary or Additional Grant or Appropriation to cater to the requirements in excess of the original provisions.

It was noticed that in 21 instances (***Appendix 2.1)*** even though the supplementary provisions of ₹3,803.56 crore were made, the actual expenditure was less than the original provision during the year 2024-25. Similarly, the supplementary provisions of ₹12,673.55 crore in 33 cases (more than ₹ three crore in each case) proved to be excessive (***Appendix 2.2***).

2.5.4 Injudicious re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation to another unit where additional funds are needed. During 2024-25, re-appropriation orders under 55 grants and two appropriations amounting to ₹43,778.16 crore were issued. All re-appropriation orders were issued in two stages *viz.*, Re-appropriation-I (₹17,673.51 crore) on 21 March 2025 and Re-appropriation-II (₹26,104.65 crore) on 31 March 2025.

Audit observed that in four schemes (***Appendix 2.3*** - Sl. Nos. 1 to 4), provision (exceeding ₹ three crore) was withdrawn through re-appropriation orders issued by two departments *viz*. Grant No.05 - Agriculture and Farmers' Welfare Department and Grant No.19 - Health and Family Welfare Department. These withdrawals were injudicious as this resulted in excess expenditure in those cases. Further, in two schemes under Grant No.05 - Agriculture and Farmers Welfare Department, (***Appendix 2.3*** - Sl. Nos. 5 and 6) enhancement of provision (exceeding ₹ three crore) through re-appropriation orders proved unnecessary as no expenditure was incurred.

2.5.5 Unspent amount and surrendered appropriation and/or Large Savings/Surrenders

Budget proposals should strive to achieve/optimize all foreseeable expenditure to appropriate spending levels for balancing the quality of expenditure and reduce underutilization of budgeted funds. Timely surrenders by the spending units are an important mechanism for optimal reallocation within the approved budget.

The analysis of grants and appropriations showed that in 12 cases (under 11 grants) during the year 2024-25, the savings (excluding surrenders) exceeded ₹3 crore in each case (***Appendix 2.4***). It was further noticed that in four grants no expenditure was incurred vis-à-vis total grant amounting to ₹113.80 crore as given in **Table 2.9** during the year resulting in the entire budget allocation remaining unutilized and futile.

Table 2.9: Entire grant remaining unutilised during the financial year 2024-25

(₹ in crore)

Sl. No.	Number and name of grant	Amount
1.	17 – Handlooms and Textiles (Handlooms, Handicrafts, Textiles and Khadi Department (Capital – Voted)	113.00
2.	44 - Micro, Small and Medium Enterprises Department (Capital – Voted)	0.70
3.	*51 - Relief on Account of Natural Calamities (Revenue – Charged)*	*0.04*
4.	*55 - Natural Resources Department (Revenue – Charged)*	*0.06*
	Total	**113.80**

(Source: Appropriation Accounts)

On enquiry regarding surrender of the entire budget provision of ₹113 crore under the Head of Account "4851-00-103-AC – Construction of Unity Malls" under Grant No. 17 – Handlooms and Textiles (Sl. No. 1 above), the Department stated that pursuant to the announcement in the Union Budget 2023-24 to establish PM Ekta Malls (Unity Malls) in 27 States for promotion of One District One Product (ODOP), Geographical Indication (GI) products and other handicrafts, an interest-free loan of ₹223 crore was earmarked for Tamil Nadu. A Detailed Project Report was accordingly prepared for construction of the Unity Mall at the Co-optex premises, Egmore, Chennai, at a total cost of ₹227 crore (GoI share: ₹223 crore; GoTN share: ₹4 crore). The GoI sanctioned the first instalment of ₹111.50 crore in January 2024, stipulating that release of the second instalment would be subject to reporting of physical and financial progress.

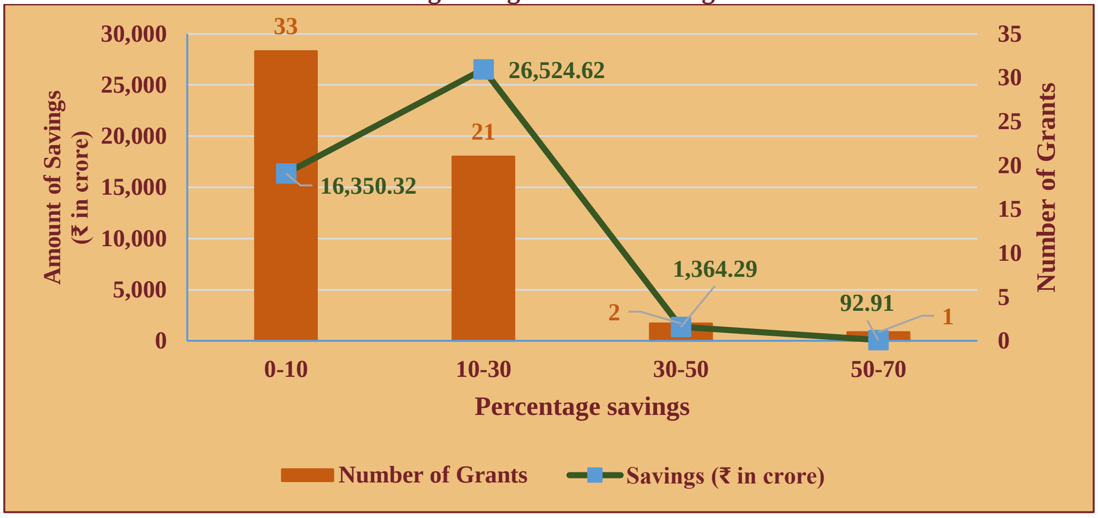
The State Government accorded administrative sanction during 2023-24 and the sanctioned amount was drawn and deposited in the Single Nodal Agency (SNA) account. Anticipating release of the second instalment, provision of ₹113 crore was made in the Budget Estimate 2024-25. However, demolition of the existing structure at the project site was not completed during the year and the foundation stone was laid only on 29 January 2025. Consequently, construction commenced only on 14 February 2025 and no significant physical or financial progress could be reported during 2024-25. As a result, the second instalment was not released by the GoI and the entire provision made in the Budget Estimate 2024-25 was surrendered.

The Department further stated that, as per revised guidelines of the GoI, release of the balance funds is contingent upon utilisation of 75 *per cent* of the funds released earlier. As of end of November 2025, utilisation of ₹97.61 crore was reported and budget provision has been made in the Budget Estimate 2025-26, anticipating release of the remaining funds.

Further, it was observed that in 37 cases under 29 grants, there was persistent savings of more than five *per cent* of the total grant and exceeding ₹3 crore in each case (***Appendix 2.5***) during 2022-23 to 2024-25. These issues continued despite being highlighted in previous State Finance Audit Reports. Persistent savings is indicative of defective budgeting process as well as under-utilisation of the total Grant or Appropriation and the need for critical review of budgetary process.

Detail of grants grouped by the percentage of savings along with total savings during 2024-25 has been shown in ***Appendix 2.6*** and **Chart 2.4**

Chart 2.4: Distribution of the number of Grants/Appropriations grouped by the percentage of Savings along with total savings

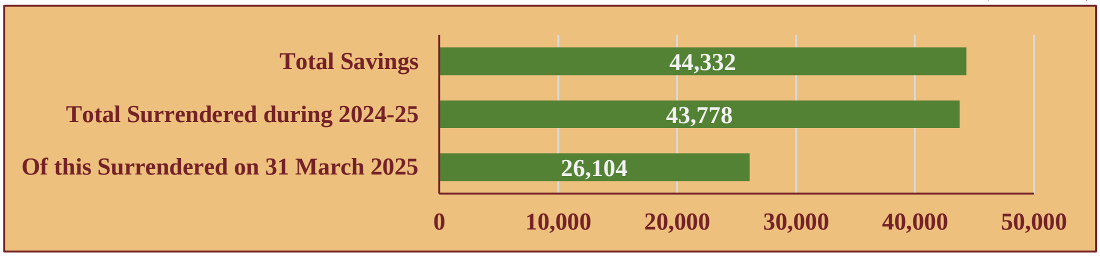


(Source: Appropriation Accounts)

Out of the total savings of ₹44,332.14 crore, an amount of ₹26,098.42 crore in 53 grants and one appropriation (exceeding ₹3 crore in each case) were surrendered on the last day of March 2025 as depicted in ***Appendix 2.7.***

Chart 2.5: Savings and Surrenders during the year 2024-25

(₹ in crore)



(Source: Appropriation Accounts)

Analysis of **Chart 2.5** revealed that 98.75 *per cent* of the savings were surrendered. Out of the total surrendered amount of ₹43,778 crore, ₹26,104 crore (59.63 *per cent*) was surrendered on 31 March 2025. It was seen that major surrenders were made by five departments (***Appendix 2.7***) *viz*., School Education Department (₹6,997.99 crore), Rural Development & Panchayat Raj Department (₹5,228.45 crore), Municipal Administration & Water Supply Department (₹2,246.91 crore), Health & Family Welfare Department (₹1,990.71 crore) and Higher Education Department (₹1,084.99 crore). Further scrutiny revealed the following:

In Grant No. 43 – School Education Department, savings amounted to 15.32 *per cent* of the total budget under the Grant. Out of the total savings of ₹7,012.56 crore, amounts exceeding ₹100 crore each were surrendered under 12 schemes during the year.

In Grant No. 42 – Rural Development and Panchayat Raj Department, savings constituted 20.56 *per cent* of the total budget under the Grant. Of the total savings of ₹6,083.81 crore, surrenders exceeding ₹100 crore each were made under 16 schemes during the year.

In Grant No. 34 – Municipal Administration and Water Supply Department, savings accounted for 9.92 *per cent* of the total budget under the Grant. Of the total savings of ₹2,718.46 crore, amounts exceeding ₹100 crore each were surrendered under six schemes during the year.

In Grant No. 19 - Health and Family Welfare Department, savings accounted for 8.09 *per cent* of the total budget under the Grant. Of the total savings of ₹1,833.64 crore, surrenders exceeding ₹100 crore each were made under five schemes during the year. In respect of one such scheme, the Department stated that additional funds anticipated from the Government of India for the "*National Health Mission*" were provided for in the Revised Estimates; however, as these funds were not released, an amount of ₹162.45 crore was surrendered under the scheme.

In Grant No. 20 - Higher Education Department, savings amounted to 24.52 *per cent* of the total budget under the Grant. Of the total savings of ₹2,052.10 crore, amounts exceeding ₹100 crore each were surrendered under five schemes during the year. In reply, it was stated that under one of the schemes *viz.*, "*Upgradation of Polytechnics*", the tender process could not be completed until March 2025, which resulted in the surrender of ₹410.44 crore.

Details of surrenders exceeding ₹100 crore are furnished in ***Appendix 2.8***.

Further, during the year, in nine grants, under 23 schemes where the budget provision exceeded ₹100 crore, no expenditure was incurred, resulting in 100 *per cent* savings. The details are given in ***Appendix 2.9***. The non-utilisation of budgetary allocations in these cases indicates non-achievement of the projected financial outlay.

Budget review of Grant 52 – Department for the Welfare of Differently Abled Persons, revealed that in respect of schemes mentioned in **Table 2.10**, the entire Budget provision remained unutilised and was surrendered.

Table 2.10: Entire provision surrendered during the year 2024-25

(₹ in crore)

Sl. No.	Head of Account	Nomenclature	Provision (O+S)	Re-appropriation	Expenditure
1.	2235.02.001.AK	Conduct of Access Audit in Tourist Spots	0.49	(-) 0.49	0.00
2.	2235.02.001.AL	Conduct of Access Audit in all Government Offices	1.97	(-) 1.97	0.00
3.	2235.02.101.DO	Development of Integrated Services Ability Platform / Super App – Schemes under State Innovation Fund	0.56	(-) 0.56	0.00
4.	2235.02.101.MZ	Augmentative and Alternative Communication system for persons affected by Cerebral Palsy	1.36	(-) 1.36	0.00
5.	2235.02.101.NR	Providing Sign Language interpreter Training through Non-Government Organisation	0.11	(-) 0.11	0.00
6.	2235.02.101.NS	Interest Free Loan Assistance to Differently Abled for paying beneficiaries Share to Housing facilities allotted by Government to Differently Abled Person	1.20	(-) 1.20	0.00
7.	4235.02.101.SA	Scheme for Implementation of Persons with Disabilities Act - (SIPDA)	5.00	(-)5.00	0.00
Total			**10.69**	**(-) 10.69**	**0.00**

(Source: Appropriation Accounts for the year 2024-25)

The Department for the Welfare of Differently Abled Persons in its reply stated that,

(i) Although budget provision was made for the creation of a new website (Super PP Web Portal) (Sl.No.3), the website was developed under another scheme, *viz*., "Tamil Nadu Skill Development Corporation and Tamil Nadu Rights Scheme", resulting in the surrender of the entire provision through re-appropriation.

(ii) During the tendering process for procurement of equipment for "Augmentative and Alternative Communication system for persons affected by Cerebral Palsy" (Sl.No.4), no eligible company was selected. Hence, the budget provision could not be utilised.

(iii) Budget allocated towards the scheme for providing Sign Language Interpreter Training in Charal Thakkar College (Autonomous) at Tirunelveli District (Sl.No.5) could not be utilised due to non-receipt of Rehabilitation Council of India Registration Certificate for conducting the related training.

(iv) An amount of ₹1.20 crore was allocated to Tamil Nadu State Co-operative Bank (Sl.No.6) to provide interest free Housing loan assistance to the beneficiaries for contributing their share towards the houses allocated by the Government for persons with disabilities. However, due to non-submission of utilisation certificate (UC) for the year 2023-24, the entire amount of ₹1.20 crore allocated for the year 2024-25 was surrendered.

(v) Being a Centrally Sponsored scheme (Sl.No.7), in accordance with the PWD's proposal, the Government of India had sanctioned 1st instalment of Grants-in-aid for creation of barrier free environment in the Government Buildings in Chennai and Coimbatore for Accessible India Campaign. Further, as approval of 2nd instalment subsequently forwarded to the Government of India was yet to be received, an amount of ₹5.00 crore was surrendered.

No reasons were provided for non-conducting of Access Audit (Sl.No.1 & 2). In other cases, though the reasons for surrendering the entire budget allocation appears to be valid, the fact remains that the intended schemes could not take off (except Sl. No. 3) during the year.

2.5.6 Misclassification between Revenue Expenditure and Capital Expenditure

As per rule 30 of the Government Accounting Rules, 1990, expenditure that only results in the creation of concrete, material, and permanent assets should be classified as capital expenditure.

During the financial year 2024-25, the State Government had wrongly booked ₹0.88 crore as Capital Expenditure and ₹1.00 crore as Revenue Expenditure as given in ***Appendix 2.10***. Further analysis revealed that,

(i) An expenditure of ₹0.50 crore towards Grants in Aid for creation of capital assets under the scheme Support to Tribal Research Institute was wrongly classified under Capital Expenditure instead of Revenue Expenditure and

(ii) An expenditure of ₹0.38 crore towards the compensation paid by the Joint Commissioner (Labour) was wrongly classified under Capital Account instead of Revenue Expenditure. The above misclassifications resulted in Understatement of Revenue Expenditure to that extent and overstatement of Capital Expenditure.

(iii) Further, an expenditure of ₹1.00 crore towards the scheme 'Seed fund for Clean Tamil Nadu Company Limited' was wrongly classified under Revenue Account instead of Capital Account as the expenditure incurred was towards share capital subscription resulting in overstatement of Revenue Expenditure and understatement of Capital Expenditure

2.5.7 Major policy pronouncements in budget and their actual funding for ensuring implementation

The State Government declares new policies /schemes as a part of major policy announcements during the budget speech every year. To implement the same, there should be a commitment on the part of the State Government to allocate sufficient funds in the budget and sanction the funds for timely implementation. Several policy initiatives taken up by the Government are wholly or partially not executed due to non-approval of scheme guidelines/modalities, non-commencement of works for want of administrative sanction and non-release of budget.

Scrutiny of budget speech, budget documents and appropriation accounts for the year 2024-25 revealed that the Government had announced a new scheme "Kalaignarin Kanavu Illam" with a budget outlay of ₹3,500 crore under the Rural Development and Panchayat Raj Department to construct one lakh houses at a unit cost of ₹3.50 lakh during the year 2024-25. The Government accorded administrative sanction (March 2024) for the above amount for implementation of the Scheme during 2024-25 and had also prescribed scheme guidelines for implementation. The scheme guidelines stipulate that the budget allocation would be 40 *per cent* for SC/ST beneficiaries and the remaining 60 *per cent* for others. However, it was observed that the Government had provided only ₹1,700 crore (48.57 *per cent*) as against the budget commitment of ₹3,500 crore (₹680 crore for SC/ST against ₹1,400 crore and ₹1,020 crore for general category as against ₹2,100 crore) which clearly reflects that the budget pronouncements were not fully translated into actual budget allocation.

Further, the Government had announced a new scheme "Chief Minister Thayumanavar Scheme" with a budget outlay of ₹27,922 crore under the Rural Development and Panchayat Raj Department to provide special assistances to the most vulnerable sections of the society *viz*., the destitute, elderly persons living alone, single parent families and orphaned children. However, it was observed that the Government had not provided any funds for the above scheme during 2024-25 as the scheme was administratively sanctioned and launched only during the month of August of the succeeding year. This indicates a gap between budget policy announcements and their translation into budgetary allocations.

2.5.8 Non-adherence to the Quarterly Expenditure Limit

According to Article 39 of the Tamil Nadu Financial Code read with the Government Order on expenditure control issued (March 2024) by the Government of Tamil Nadu, government funds should be evenly spent throughout the year and rush of expenditure, particularly in the closing months of the financial year, should be avoided. The rush of expenditure towards the end of the financial year is considered as a breach of financial propriety. The details of expenditure incurred during the last quarter, in the month of March and on the last day of the financial year is shown in **Table 2.11** below:

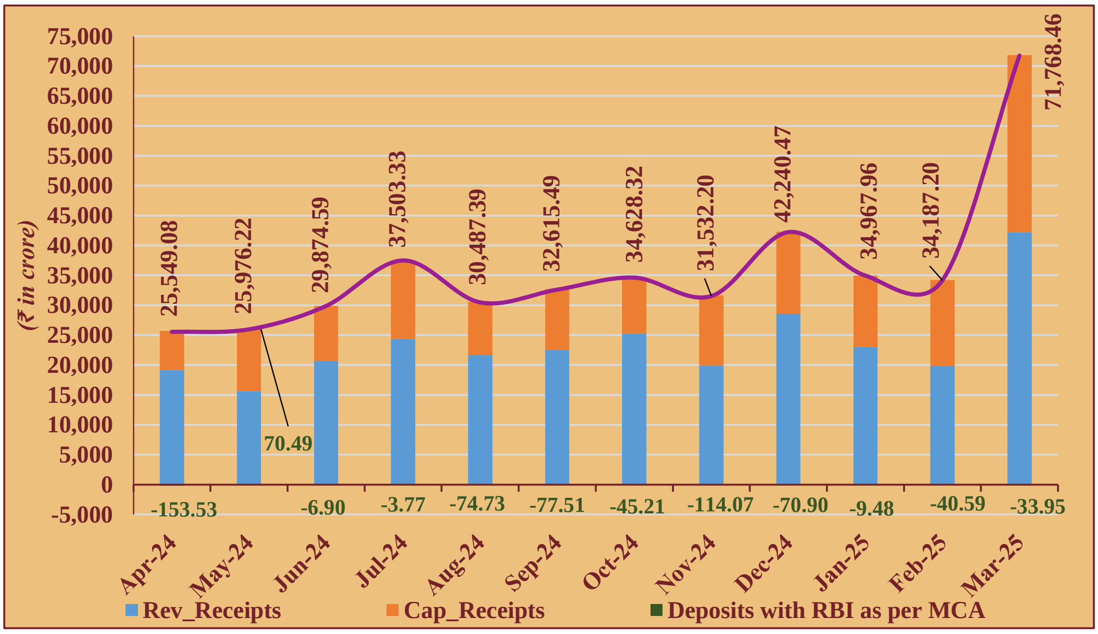
Table 2.11: Rush of Expenditure during 2024-25

	Amount (*₹ in crore*)	Percentage of Total expenditure in the year
Last Quarter of the year (Jan-2025 to Mar-2025)	1,32,580.36	*30.30*
Last month of the year (Mar-2025)	72,600.97	*16.59*
Last day of the year (31st March 2025)	2,049.84	*0.47*

(Source: Compilation from VLC data of O/o AG (A&E))

Trend of total Monthly receipts (Revenue Receipts, Capital Receipts and cash balance) and expenditure during financial year 2024-25 is shown in **Chart 2.6 and Chart 2.7**

Chart 2.6: Trend analysis of receipts (Month wise)

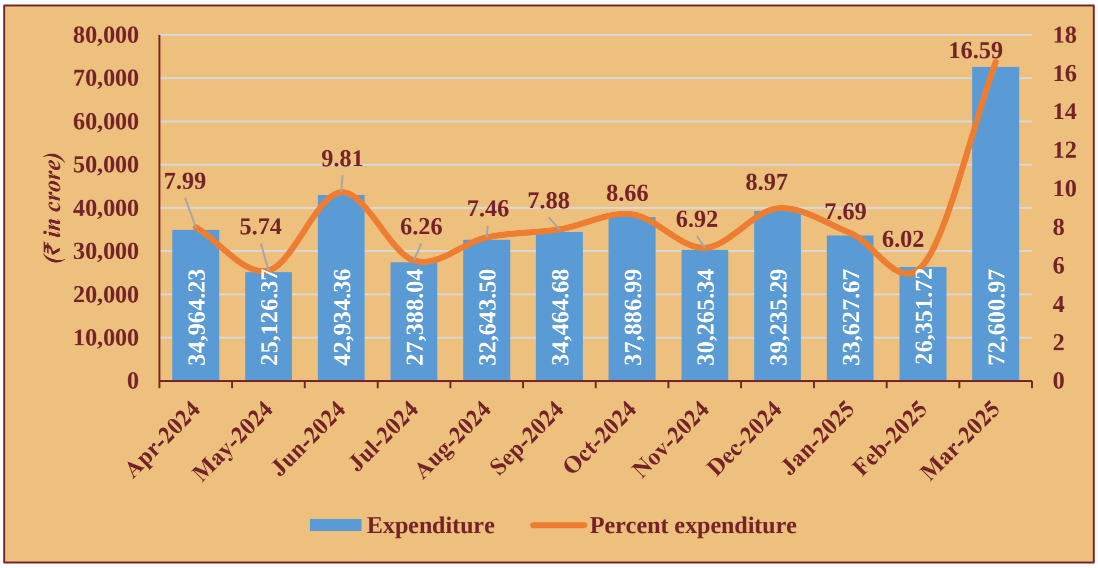


(Source: Compilation from VLC data of O/o AG (A&E))

Chart 2.6 indicates that receipts increased by ₹37,581.26 crore during March 2025 as compared to February 2025. Further analysis revealed that this sharp increase was mainly attributable to substantial interest receipts, particularly interest on investments under DCPS and higher collections under the Tax on Consumption or Sale of Electricity Act, 2003.

The monthly expenditure trend depicted in the **Chart 2.7** below indicates a pronounced skewness in the month of March 2025, as the expenditure increased by ₹46,249.25 crore compared to February 2025. Further scrutiny of March 2025 expenditure revealed that the increase was mainly due to major payments made towards interest on various pension schemes, provident funds, compensation and assignments to local bodies, capital expenditure on water supply and sanitation and Roads and bridges.

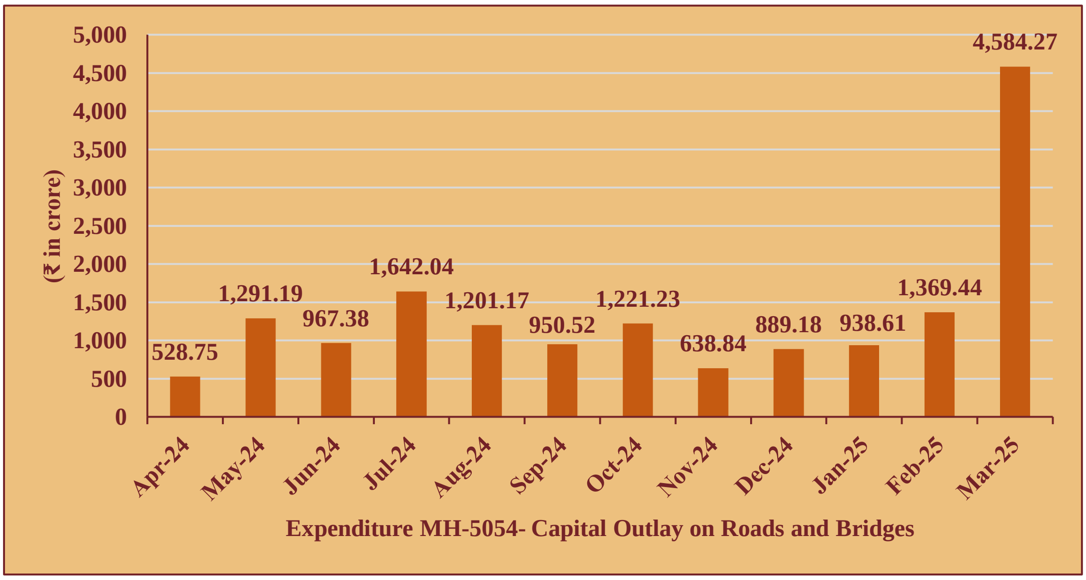
Chart 2.7: Trend analysis of expenditure (Month wise)



(Source: Compilation from VLC data of O/o AG (A&E))

Out of ₹72,600.97 crore (16.59 *per cent* of total expenditure) incurred during the month of March 2025, for 122 sub heads, entire expenditure (₹12,469.02 crore) was incurred only in the month of March 2025 (***Appendix 2.11***). Further, Audit observed that the maximum amount was incurred under the Major Head "5054 – Capital Outlay on Roads and Bridges" during the month of March 2025. The month wise expenditure incurred under the Major Head 5054 is given in **Chart 2.8**.

Chart 2.8: Month wise expenditure under Major Head 5054-Capital Outlay on Roads and Bridges during 2024-25



(Source: Compilation from VLC data of O/o AG (A&E))

Further, the State Government has prescribed quarter-wise percentages *viz.*, 1st Quarter-25 *per cent*; 2nd Quarter-25 *per cent*; 3rd Quarter-25 *per cent*; 4th Quarter-25 *per cent*) for incurring expenditure during the year, with the aim of regulating the expenditure in a phased manner. Audit observed that in

2,185 sub heads, expenditure in the 4th Quarter was 30.30 *per cent*. In the previous Quarters, it ranged from 21.60 *per cent* to 24.55 *per cent*. The quarterly details of expenditures incurred across all Grants are shown in the ***Appendix 2.12***.

Maintaining a steady pace of expenditure is a crucial component of sound public financial management as it prevents fiscal imbalances and temporary cash crunches.

2.6 Implementation of Selected Centrally Sponsored Schemes (CSS) in the State

Centrally Sponsored Schemes (CSS) represent a key component of India's cooperative federalism, with the Union Government providing Grants-in-Aid to States for social sector programmes. Despite reforms to improve fund flow efficiency-such as the introduction of the Single Nodal Agency (SNA) model, SNA-SPARSH platform and Just-in-Time releases via Public Financial Management System (PFMS), challenges persist in budgeting, accounting, and reconciling Central and State shares. The GoI has incentivized States to adopt these reforms through performance-based grants, encouraging adoption of digital tools and integration of financial systems.

2.6.1 Single Nodal Agency- Central and State Share Transfer to Centrally Sponsored Schemes

The Ministry of Finance, Government of India, mandated (March 2021) that funds for each Centrally Sponsored Scheme (CSS) be released through a Single Nodal Agency (SNA) designated for that particular scheme. The SNA is responsible for monitoring the utilisation of these funds. Each SNA must maintain a dedicated bank account in an authorized Scheduled Commercial Bank. The State Government is required to transfer the Central Share received, to the respective SNA's account, along with the corresponding State share.

Details of fund transfers relating to one CSS is given below:-

Jal Jeevan Mission

The Jal Jeevan Mission (JJM) is a flagship Indian government program launched in 2019 to provide safe and adequate drinking water to every rural household through individual tap connections by 2024. As per GoI's Operational Guidelines for implementation of JJM, the Centre-State funding pattern for implementation of the scheme is 50:50 for Coverage i.e., infrastructure in terms of Functional Household Tap Connections (FHTCs) provided to rural households and 60:40 for Support Activities including Water Quality Monitoring and Surveillance (WQM&S). Till 2022-23, the Centre's share was credited to the State Government through the Public Financial Management System portal. Thereafter, the State was required to release or transfer the sanctioned amount to the 'Single Nodal Account' (SNA) of the scheme maintained by the Mission Director, along with the matching State share, within 15 days of receipt. From January 2023, both the Centre and State's share of funds were directly released to the SNA. All payments were made by the implementing agencies through the portal by using the SNA.

The details of funds received and expenditure incurred under JJM in Tamil Nadu for the period 2019-2025 are given in **Table 2.12**

Table 2.12 Receipts and expenditure of JJM funds at State level

(₹ in crore)

Year	Opening Balance (OB)	Receipts during the year	Total	Expenditure during the year	Closing Balance (CB)
2019-20	11.76[2]	561.47	573.23	199.10	374.13
2020-21	374.13	1,366.95	1,741.08	965.10	775.98
2021-22	775.98	1,479.36	2,255.34	973.93	1,281.41
2022-23	1,281.41	1,753.90	3,035.31	1,290.40	1,744.91
2023-24	1,744.91	5,209.67	6,954.58	5,303.60	1,650.98
2024-25	1,650.98	3,313.03	4,964.01	4,740.42	223.59

(Source: TWAD Board, Chennai and Appropriation accounts of the respective years)

Delayed release of Central Assistance

Audit scrutiny revealed that, the GoI share received by the State Government were released to the SNA with delays ranging from 6 to 104 days beyond the stipulated transfer date. Further, delays ranging from 14 to 313 days were noticed in the release of State's share to SNA upto the year 2022-23, though there had been no delay during the last two years. Audit however observed that though there was delay in release of funds, the progress of the works under JJM was not affected for want of funds.

2.6.2 Other issues noticed in Detailed Review of Selected grants

As per the SNA Report-01 of PFMS Portal, the State Government received ₹9,080.03 crore being SNA's Central Share of CSS during the year. The Government stated that Central share of ₹9,556.48 crore (includes the amount not reflected in PFMS report due to transfer of funds before on-boarding) and State share of ₹10,130.68 crore was transferred to the SNAs during the year. However, related vouchers and supporting documents were not received by the Office of the PAG(A&E). As of 31 March 2025, the unspent amount in the SNA Account stood at ₹4,976.23 crore.

On enquiry regarding the status of unspent amount in the SNA account, it was replied by the Government (December 2025) that 46 State Level Societies (SLS) under 17 CSS have been on-boarded to SNA SPARSH account during February and March 2025. Further, it was stated that based on continuous follow-up action, the proportionate Central share amounting to ₹246.42 crore under 39 SLS had been remitted back to the GoI as of November 2025. The Government further stated that suitable instructions had been issued to all departments to adhere to the GoI guidelines regarding remittance of unspent balances to the SPARSH account.

During the review of the selected "Grant 42 – Rural Development & Panchayat Raj Department", Audit observed that the SNA accounts of the department showed an unspent balance of ₹799.58 crore as of March 2025. It was also noticed that in the SNA account of the Centrally Sponsored Scheme, Prime Minister Awaas Yojana (PMAY), there was a huge balance of ₹690.22 crore as on 31 March 2025. As sufficient unspent funds were already available in the Single Nodal Agency (SNA) account from the previous financial year, no further funds were released by the GoI during 2024–25.

[2] OB taken from erstwhile National Rural Drinking Water Programme.

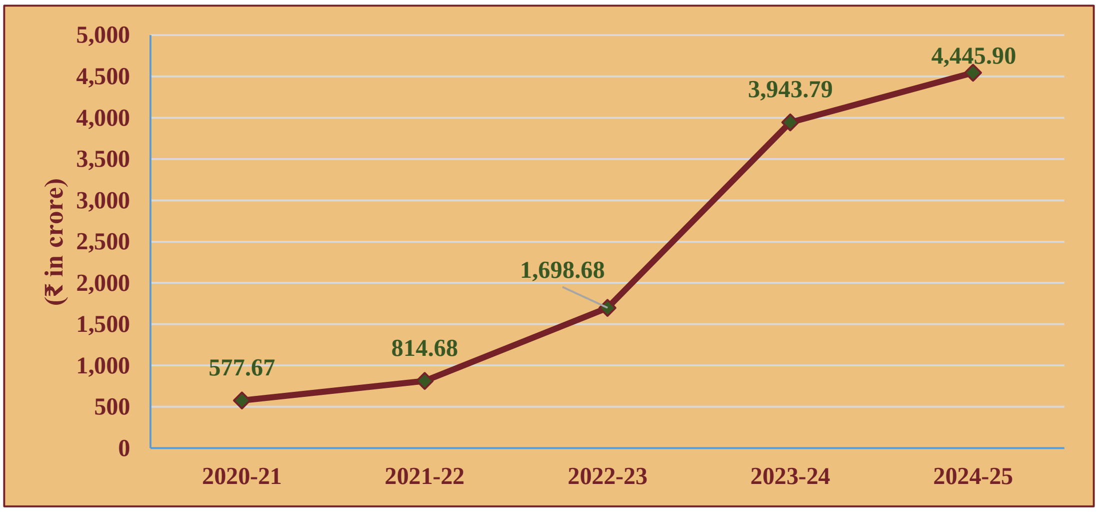
2.6.3 Recoveries under Minor head – 911 – Recoveries of overpayment unspent balances of previous years

As per Para 178 of the Tamil Nadu Budget Manual, it is irregular to draw funds from the Government account without immediate requirement. Further, as per Article 39 of the Tamil Nadu Financial Code (Vol I), all appropriations lapse at the close of the financial year and no funds should be drawn from the treasury to avoid lapse of budget. Hence, all appropriations which remain unspent must be surrendered to the Government in the same financial year.

During the year, an unspent amount of ₹4,445.90 crore relating to previous years pertaining to 829 heads of account/Schemes across Grants was remitted into the Government account under the Minor Head “911 - Deduct - Recoveries of overpayment”.

Further scrutiny revealed that during the period 2020-21 to 2024-25 the remittances under minor head “911” was on an increasing trend and had increased by 7.87 times over the past five years as depicted in **Chart 2.9**.

Chart 2.9: 911-Recoveries of Overpayments for the period 2020-21 to 2024-25



(Source: Appropriation Accounts of the respective years)

Further analysis of these bookings under the Grant selected for review, *viz*., “Grant 42 – Rural Development & Panchayat Raj Department”, revealed that, a total amount of ₹1,466.47 crore was remitted under 20 sub heads of account during the year. On audit enquiry, the department replied that these amounts remitted related mainly towards the works which did not take off.

The impact of these unspent balances is that not only was the actual expenditure inflated during the year of drawal but that it also inflated revenue deficit to that extent.

In the Exit conference, it was stated that, the government has constituted a “Special Task Force” (September 2021) to reconcile, identify and assess the funds kept outside the government account, relating to unspent balances of the previous years and remit the balance funds into the Government account.

2.7 Contingency Fund

The Contingency Fund (CF) of the State was established under the Tamil Nadu Contingency Fund Act, 1954 in terms of provisions of Article 267(2) and 283(2) of the Constitution of India. Further, in exercise of the powers conferred by section 3 of the Tamil Nadu Contingency Fund Act, 1954 (Tamil Nadu Act II of 1954), the State established the Tamil Nadu Contingency Fund Rules, 1963 for regulating all matters connected with or ancillary to the custody of payment of monies into and the withdrawal of monies from the Contingency Fund of the State for meeting unforeseen expenditure. The fund is in the nature of an imprest. The Fund is recouped when the State Legislature authorises the additional expenditure. The corpus of the Fund was increased from ₹150 crore to ₹500 crore during the year.

2.7.1 Advances from Contingency Fund

Advances from the Contingency Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable.

During the financial year 2024-25, an amount of ₹56.27 crore was withdrawn as an advance by Six Departments[3] from the Contingency Fund in respect of six schemes/programmes.

Details of schemes in which amounts were withdrawn as advances from the Contingency Fund are given in **Table 2.13**.

Table 2.13: Details of schemes in which amount was withdrawn as an advance from Contingency Fund

(₹ in crore)

Sl. No.	Demand No, HOA and Nomenclature of the Scheme	CFA Number and Date of Sanction	Original Budget	Supplementary Budget	Total	Expenditure	Savings / Excess	Advance from Contingency Fund
1.	Demand No.22 2055-00-109-AL Commissioner of Police in Districts	CF No.4, dt.07.11.2024	1,761.93	0.37	1,762.30	1,726.35	(-) 35.95	0.37
2.	Demand No.33 2052-00-091-AA State Official Language (Legislation) Commission	CF No.3, dt.28.10.2024	3.69	0.89	4.58	4.45	(-) 0.13	0.73
3.	Demand No.38 2070-00-105-DC Commission of Inquiry to Inquire the incident of consuming arrack admixed with methanol at Karunapuram in Kallakurichi District	CF No.1, dt.29.08.2024 CF No.2, dt.24.10.2024 CF No.6, dt.27.11.2024	0.00	0.65	0.65	0.89	0.25	0.65
4.	Demand No.41 2053-00-094-AB Taluk Establishments	CF No.5, dt.14.11.2024	491.14	0.30	491.44	479.54	(-) 11.90	0.30
5.	Demand No.42 2216-03-796-JG	CF No.7, dt.26.02.2025	0.00	108.71	108.71	108.71	0.00	54.00

[3] Police, Law, Public, Revenue and Disaster Management, Rural Development & Panchayat Raj and Welfare of Differently Abled Persons)

(₹ in crore)

Sl. No.	Demand No, HOA and Nomenclature of the Scheme	CFA Number and Date of Sanction	Original Budget	Supplementary Budget	Total	Expenditure	Savings / Excess	Advance from Contingency Fund
	Additional Unit cost for the houses under the Pradhan Mantri JANMAN Scheme							
6.	Demand No.52 2235-02-101-NT Centre of Excellence for Autism Spectrum Disorder	CF No.8, 28.03.2025	0.00	0.00	0.00	0.00	0.00	0.22
Total			**2,256.76**	**110.92**	**2,367.68**	**2,319.94**	**(-) 47.74**	**56.27**

(Source: State Government CFA Orders and Details furnished by O/o AG (A&E))

As per Para 6 of the Tamil Nadu Contingency Fund Rules, if an amount drawn from the Contingency Fund remains unutilised, an application is required to be submitted to the sanctioning authority for cancellation of the sanction. Audit, however, observed that CFA No. 8 dated 28 March 2025, issued to the Department of Welfare of Differently Abled Persons, remained unutilised at the end of the financial year and was subsequently utilised in the succeeding year.

Audit scrutiny also revealed that although a proposal was made during the Budget Session 2024-25 (February 2024) to establish a Centre of Excellence (CoE) for persons with Autism Spectrum Disorder (ASD) in Chennai District at an estimated cost of ₹25 crore, and the Centre commenced functioning from December 2024 by engaging specialists/therapists and procuring materials in anticipation of administrative sanction, the Contingency Fund sanction was accorded only on 28 March 2025 and remained unutilised during the year.

2.8 Other issues

2.8.1 Operation of omnibus detailed head "99 – Miscellaneous" and unauthorised reappropriation

Under Rule 10 read with Rule 39 of the Tamil Nadu Government Business Rules and Secretariat Instructions, all cases involving the State's finances have to be referred to the Finance Department except those for which general delegations have been indicated by the Finance Department. Accordingly, the Finance Department (vide G.O.Ms.No.519, Finance (Salaries) Department dated 29.09.1997) had delegated certain financial powers upto ₹25 lakhs to the Secretaries to the Government and Departments of Secretariat to dispose of cases expeditiously without reference to Finance Department.

Subsequently, during 2022-23, the Finance Department (vide G.O.No.334 dated 22.10.2022) enhanced the delegation of powers to the Secretaries from ₹25 lakhs to ₹75 lakhs to enable disposal of cases without reference to Finance Department. Hence, expenditure incurred based on this G.O. does not require concurrence of the Finance Department. The Secretaries to the Government Departments were also given powers to sanction certain expenditure, listed in the said Government Order (G.O.), subject to availability of budgetary allocation with following directions *viz.*,

(i) A Grant for unforeseen expenditure with an annual cap of ₹75 lakh to all Secretaries to the Government of Administrative Departments will be annually provided in the Budget.

(ii) This grant shall be utilized only in the manner and for the items of expenditure specified in the G.O.

(iii) This grant is inapplicable to the items of expenditure which are charged on the Consolidated Fund of the State.

(iv) This grant cannot be reappropriated.

During the year 2024-25, under 37 demands for Grants[4], budget allocation totalling to ₹27.75 crore (₹75 lakh under each grant) was made towards the scheme *viz*., "Grants for unforeseen expenditure provided to Secretaries to the Government" under detailed head "*99 – Miscellaneous*" against which ₹14.47 crore was incurred. (Grant wise details given in ***Appendix 2.13***)

During certification process, it was observed that except the Finance Department (Grant No.16), Secretaries of all the departments for whom the budget was allocated had incurred expenditure against it. The expenditure incurred was mostly towards purchase of furniture, works related to repairs, alteration, minor improvement in office buildings, payment of pleader fees and towards professional and special services. It is pertinent to mention that all such expenses are not unforeseen and had specific related detailed heads available to record each such expenditure in the books of accounts.

Further, it was also observed that at the end of March 2025, a proposal was made by the Department of Animal Husbandry (Grant No.6) to transfer ₹5 lakh from the head of account "3451-00-090-AQ-Grants for unforeseen expenditure provided to Secretaries to the Government" to "2404-00-001-JA-Headquarters - Establishment of Milk Production and Dairy Development Department - 305- Office expenses – 05 Furniture" under Dairy Development Department (Grant No.8). Audit scrutiny revealed that the expenditure of ₹4,99,492/- incurred towards purchase of furniture was drawn by the Commissioner of Animal Husbandry under Grant No. 8 - Dairy Development Department based on the proposal. It was seen that both the Grants fall under the same Department, the Secretary being the same. This is clearly in violation of the conditions specified in the G.O. that the grant provided to meet unforeseen expenditure cannot be re-appropriated.

As grants provided under this scheme do not require the approval of the Finance Department, there is always a room for such violations leading to indirect method of Grant-to-Grant re-appropriation which is not admissible as per the Tamil Nadu Budget Manual. Also incurring expenditure under omnibus detailed head "*99-Miscellaneous*" impacts the transparency in financial reporting.

2.9 Conclusions

The audit of budgetary management for 2024-25 indicates that while aggregate expenditure remained within the authorisation of the Legislature, gaps persisted between budget estimates, revised estimates and actual expenditure.

[4] Grant Nos. 4, 5, 6, 9, 10, 12, 14, 15, 16, 17, 19, 20, 21, 22, 26, 27, 29, 31, 32, 33, 34, 35, 36, 38, 39, 40, 41, 42, 43, 44, 45, 46, 48, 49, 52, 53 and 55

Persistent savings, large-scale year-end surrenders and instances of unnecessary supplementary grants point to weak alignment between budgeting and implementation capacity. Entire provisions aggregating ₹113.80 crore under four grants remained unutilised, while several schemes with substantial allocations recorded no expenditure. More than half of the total surrenders (₹26,104 crore) occurred on the last day of the financial year, limiting the scope for effective reallocation.

Although the quantum of expenditure incurred without budget provision was small (₹0.08 crore), such instances indicate gaps in expenditure controls and system-level safeguards. Recurrent excess expenditure at the scheme level under select grants over multiple years further highlights the need for stronger scrutiny during budget formulation and execution.

The audit also noted a rush of expenditure towards the year-end, with 30.30 *per cent* incurred in the last quarter and 16.59 *per cent* in March 2025, contrary to prescribed expenditure norms. Significant unspent balances in Single Nodal Agency accounts and partial translation of budget policy announcements into actual allocations affected fiscal discipline.

Overall, the chapter highlights the need to improve budget planning, strengthen expenditure controls and enhance the linkage between policy announcements, budget provisioning and actual implementation.

2.10 Good Practices

(i) All the disbursements during the year were well within the authorization made by the State and no expenditure was incurred in excess of the total grant allocated to the departments.

(ii) Excess expenditure relating to grants of previous years has been regularised, except for the year 2023-24, which was placed before the Legislative Assembly on 17.10.2025.

2.11 Recommendations

(i) The State may enforce proper implementation and monitoring of the budget mechanism to ensure identification of anticipated savings and avoid last minute surrender as well as rush of expenditure. It should also ensure continuous monitoring of the progress of expenditure through the Business Intelligence module of IFHRMS.

(ii) Expenditure controls, including system validations within IFHRMS, may be strengthened to prevent incurrence of expenditure without budget provision.

(iii) The State should ensure that adequate provisions were made for major policies /schemes announced in the Budget.

CHAPTER III
FINANCIAL REPORTING PRACTICES

Chapter – III: Financial Reporting Practices

This chapter provides a broad-based perspective of quality of the State Government Accounts rendered by various authorities of the State Government and status of compliance with prescribed financial rules, procedures and directives.

Compliance with financial rules, procedures and directives as well as the completeness, timeliness and quality of reporting on the status of such compliance enhances relevance and reliability of the information presented in the financial reports

Issues related to completeness of accounts

3.1 Off budget borrowings through State owned PSUs/Authorities

Article 293(3) of the Constitution of India mandates consent of the GoI for a State Government's borrowing if it has any outstanding loans or guarantees from the GoI. Further, the XV Finance Commission recommended that the normal net borrowing ceiling (NBC) to the State Governments for 2023-24 to 2025-26 may be fixed at three *per cent* of GSDP.

Bypassing the above stipulated net borrowing ceiling by routing loans outside the budget through various State Government Public Sector Undertaking (SPSUs)/Corporations/ other Bodies despite the State being responsible for repayment of such loans, pose significant risk to fiscal health and to transparency in the Government finances. Borrowing ceilings for a financial year of the State Governments are being now reduced by GoI to the extent of Off-Budget Borrowings (OBBs).

The Fiscal Responsibility and Budget Management (FRBM) Act, 2003, outlined that the State Government shall take suitable measures to ensure greater transparency in its fiscal operations in public interest by disclosing the actual liabilities arising out of OBBs by PSUs, Special Purpose Vehicles and other equivalent instruments where liability for repayment is on the State Government.

Further, the TNFR Act, 2003, provided that a Medium-Term Fiscal Plan (MTFP) laid before the Legislature along with the Budget documents shall contain a five-year rolling target with respect to Revenue Deficit, Fiscal Deficit and total outstanding debt[1] of the State Government.

For the year 2024-25, the State targeted the debt stock to be within 28.90 *per cent* of GSDP and fiscal deficit at 3.26 *per cent* (as per the revised estimates reflected under MTFP) which includes additional borrowing of 0.5 *per cent* of GSDP over and above three *per cent* on fulfilment of Power Sector Reforms as recommended by the XV Finance Commission. During the year, the fiscal deficit stood at 3.25 *per cent* and ratio of debt to GSDP was 27.49 *per cent*. Thus, the debt stock as a percentage of GSDP as well as the fiscal deficit were within the targets fixed.

The State Government provided the details of OBBs as on 31 March 2024 in its

[1] As defined in the State FRBM Act, total outstanding debt of the State includes Internal Debt, Loans and Advances from GoI, Small Savings, Provident Funds, etc., Reserve Funds and Deposits.

publication "Appendices to the Budget Memorandum" released along with the Budget document 2025-26. In Appendix IV of Budget document, the details were reflected as "Guarantees given by the Government with zero risk", due to the fact that, there is no possibility of invocation of Guarantee as the amount required for repayments are provided in the State Budget. Further, based on the information furnished by the State Government to Audit, as on 31 March 2025, the outstanding of OBBs was ₹3,886.55 crore, which included fresh borrowings of ₹593.24 crore made by the Tamil Nadu Water Resource Conservation and River Restoration (TNWRCRR) during 2024-25 as detailed in **Table 3.1** below. It was also noticed that the State Government reported net figure of ₹27.74 crore (fresh borrowings minus repayments) made during the year to GoI.

Table 3.1: Details of outstanding Off-Budget Borrowings

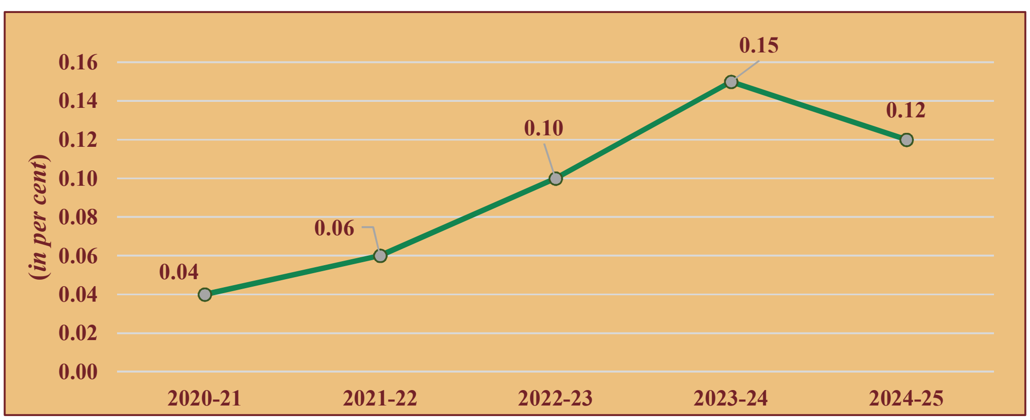
(₹ in crore)

Sl. No	Name of the Agency	Off-Budget borrowings as on 31 March 2024	Off-Budget Borrowings during the year	Borrowings repaid by Government during the year	Off-Budget borrowings as of 31 March 2025
1	Tamil Nadu Rural Housing and Infrastructure Development Corporation	257.28	---	51.46	205.82
2	Water and Sanitation Pooled Fund – Tamil Nadu Urban Infrastructure Financial Services Limited	460.62	--	34.57	426.05
3	Tamil Nadu Water Resources Conservation and River Restoration (TNWRCRR)	3,140.92	593.24	479.48	3,254.68
Total		**3,858.82**	**593.24**	**565.51**	**3,886.55**

(Source: Budget documents and details furnished by the Finance Department)

The total outstanding OBBs as a percentage of GSDP is depicted in **Chart 3.1** below:

Chart 3.1: Outstanding Off-Budget Borrowings as a percentage of GSDP as on 31 March 2025



(Source: Budget documents and details furnished by the Finance Department)

From **Chart 3.1**, it is evident that although outstanding OBBs as a percentage of GSDP showed a gradual increase up to 2023-24, a marginal decline was observed during 2024-25. This reduction was attributable to a significant decrease in fresh OBBs undertaken by the State Government during the year (₹593.24 crore) compared to the previous year (₹1,672.01 crore), coupled with a growth in GSDP of 15.98 *per cent*.

Apart from the OBBs as depicted in **Table 3.1** above, audit scrutiny revealed that the

Government had been servicing the loans (₹164.62 crore) taken by the Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB) since the year 2013 from the Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO) and the Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL) for providing water supply and underground facilities on behalf of local bodies. However, the Government had not disclosed the above borrowings as OBBs in their statements. In exit conference, the Government accepted the audit observation and stated that CMWSSB borrowings pertain to earlier years and that repayments are currently in progress.

The details of OBBs not disclosed by the State Government along with the total amount outstanding as on 31st March 2025 is detailed in **Table 3.2** below.

Table 3.2: Details of off budget borrowings as on 31 March 2025 in addition to those detailed in Table 3.1

(₹ in crore)

Entities borrowed on behalf of Government	Year of off budget borrowings	Lending Financial Institution	Loan Sanctioned	Loan disbursed	Purpose of loan	Outstanding loan as on 31 March 2025
Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB)	2013-14	1.Tamil Nadu Urban Infrastructure Financial Services Limited (TNUIFSL)	34.88	34.88	For providing water supply and underground facilities to local bodies under the jurisdiction of CMWSSB.	TNUIFSL - 0.38
		2. Tamil Nadu Urban Finance and Infrastructure Development Corporation (TUFIDCO)	129.74	129.74		TUFIDCO - 9.15

(Source: Information provided by the respective entities)

The above borrowings were serviced from the budget of the State Government and during the year, CMWSSB repaid ₹3.57 crore (principal ₹2.64 crore and interest ₹0.93 crore) through financial assistance of the Government.

The details of assistance for payment of interest and repayment of principal during the year including the above are detailed in **Table 3.3** below**.**

Table 3.3: Details of assistance for payment of interest and repayment of principal during 2024-25

(₹ in crore)

Sl. No.	Name of the Entities	Assistance for payment towards interest	Assistance for repayment towards principal
1	Tamil Nadu Rural Housing and Infrastructure Development Corporation	20.36	51.46
2	Tamil Nadu Water Resources Conservation and Rivers Restoration Corporation Limited	284.57	479.48
3	Water Sanitation Pooled Fund	40.71	34.57
4.	Chennai Metropolitan Water Supply and Sewerage Board	0.93	2.64
	Total	**346.57**	**568.15**

(Source: Information provided by the respective entities)

Since these OBBs do not form part of the outstanding liabilities shown in the Finance Accounts, there was a lack of transparency in the actual outstanding borrowings of the Government at the end of the year. This practice not only contravenes codal provisions but also erodes fiscal transparency, legislative oversight and the State's cash management capacity management.

3.2 Undischarged liabilities of the Government

Undischarged liabilities, such as Undischarged Interest liability, non-transfer of collected cess to designated bodies or short remittances to the National Pension System (NPS) can have significant long-term fiscal and governance implications. These unpaid obligations accumulate over time, creating hidden liabilities that distort the true financial position of the State. Similarly, short transfers to NPS not only violate statutory commitments but also compromise the financial security of employees. Over the years, such practices can erode trust, trigger legal liabilities and increase future expenditure obligations, thereby, constraining fiscal space and weakening fiscal sustainability. Cases of undischarged liabilities are discussed in the succeeding paragraphs.

3.2.1 Undischarged Interest liability

The Government has a liability to provide and pay interest on the amounts in the Interest-bearing Deposits/Reserve Funds.

Audit observed that ₹ 45.94 crore required to be paid as interest on the balance of ₹3,261.59 crore lying under interest bearing Deposits/Reserve Funds as on 1 April 2024 was not paid as shown in **Table 3.4** below.

Table 3.4: Details of interest liability not discharged in respect of Reserve Funds/Interest- bearing Deposits

(₹ in crore)

Sl. No.	Name/Head of the interest-bearing deposit	Opening Balance as on 1 April 2024	Basis for calculation of interest	Amount of interest not paid
1.	State Compensatory Afforestation Fund	134.22	Rate of Interest is 3.35 *per cent* as per the circular issued by the Ministry of Environment, Forest & Climate Change, dated 9.1.25 for 2024-25.	5.08
2.	Other Interest-bearing deposits	3,127.37	No specific interest rate prescribed by the Government. Hence, the rate applicable for 14 days treasury bills calculated at 6.50 *per cent* (Repo rate) is taken into account	40.86
Total		**3,261.59**		**45.94**

(Source: Finance Accounts 2024-25)

The non-payment of interest liability has resulted in understatement of Revenue Deficit and also Fiscal Deficit to that extent during the year.

3.2.2 Short contribution to the Defined Contributory Pension Scheme

GoTN employees recruited on or after 1 April 2003 are covered under the Defined Contributory Pension Scheme (DCPS). In terms of the Scheme, the employee contributes 10 *per cent* of his/her basic pay and dearness allowance which is matched by the State Government. Both the employer's and employee's contribution are initially transferred to the Public Account under Major Head '8342-117- Defined Contributory Pension Scheme' and there after needs to be transferred to the third-party Fund Manager, Pension Fund Regulatory and Development Authority (PFRDA) or any other agency authorised by PFRDA. On creation of the National Pension System

(NPS) architecture, the Pension Fund Regulatory and Development Authority (PFRDA) requested (2008 and 2009) GoTN to join the NPS. GoTN however, declined (2010) to join the NPS architecture, initially citing the non-enactment of PFRDA Act by the Parliament as justification for continuing with the existing system of retaining pension fund money in the Public Accounts of the State.

The State Government has continued to operate DCPS without joining NPS and has not designated a fund manager even after 22 years. The State Government, however, has invested the amount under the "New Group Superannuation Scheme with Cash Accumulation Plan" with the Life Insurance Corporation of India (LIC). As on 31 March 2025, a total amount of ₹89,084.64 crore was invested. The interest of ₹6,198.69 crore received from LIC during the year 2024-25 was reinvested in the same fund.

DCPS accounts of individual Government employees are maintained by the Government Data Centre (GDC). Every year GDC calculates the interest due at the notified rates and credits the interest to the DCPS Account of individual Government employee. Interest paid by the Government on DCPS fund balance was ₹5,642.51 crore during the year.

During the year 2024-25, the State employee's and the Government's contributions towards DCPS were ₹4,238.75 crore and ₹4,139.91 crore respectively, the short fall in contribution by the Government being ₹98.84 crore. In respect of AIS officers, against the employees' contribution of 10 *per cent* amounting to ₹5.50 crore, the Government was required to contribute 14 *per cent*, amounting to ₹7.70 crore. However, the Government contributed only ₹5.83 crore, resulting in a shortfall of ₹1.87 crore.

The Government's overall contribution to the DCPS was thus less by ₹100.71 crore (₹98.84 crore plus ₹1.87 crore), which resulted in understatement of Revenue Expenditure to that extent.

3.2.3 National Mineral Exploration Trust Fund

The National Mineral Exploration Trust (NMET) was established in August 2015 under Section 9C of the Mines and Minerals (Development and Regulation) Act, (MMDR) 1957. As per Section 9C (4) of this Act, the holder of the mining lease or a mineral concession is required to contribute two *per cent* of the royalty paid to the trust. As per the NMET Rules, the State Government is responsible for collecting these contributions, depositing them in the Public Account under Major Head '8449-Other Deposits - 123-National Mineral Exploration Trust Deposits', and transferring the funds monthly to the Consolidated Fund of India.

During 2024-25, audit observed that against the required two *per cent* royalty amounting to ₹9.80 crore on the amount of royalty deposited (₹489.87 crore), an amount of ₹8.98 crore was transferred to NMET during the year. The non-transfer of the balance amount of ₹0.82 crore has resulted in overstatement of Cash Balance to that extent.

3.2.4 State Mineral Development Fund/State Mineral Exploration Trust

The Government of India, advised (November 2024) all State Governments to establish a State Mineral Exploration Trust (SMET)/State Mineral Development Fund

(SMDF) on the lines of the National Mineral Exploration Trust (NMET), as mandated under clause (g) of sub-section (A) of Section 15 of the Mines and Minerals (Development and Regulation) Act, 1957.

During the presentation of budget 2025-26, an announcement was made to establish SMET. Following the announcement, the Department of Geology and Mining, accorded administrative (June 2025) sanction for establishment of SMET with a corpus fund of ₹ one crore for conducting explorations in the State.

Audit, however, observed that the establishment of SMET is still under preparation. (October 2025).

3.2.5 Pendency of refund cases

Promptness in disposal of refund cases is an important indicator of performance of the Department concerned. The details of refund cases during the year 2024-25, as reported by the departments concerned are depicted in **Table 3.5** below.

Table 3.5: Details of refund cases

(₹ in crore)

Sl. No.	Particulars	GST[2]		Sales Tax/VAT		State Excise		Taxes on Vehicles		Total	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1.	Claims outstanding at the beginning of the year	3,260	3,454.77	12,969	116.30	-	-	19	0.17	16,248	3,571.24
2.	Claims received during the year	22,865	8,373.67	258	70.44	1	0.09	176	2.67	23,300	8,446.87
3.	Refunds made during the year	18,334	6,431.01	262	80.97	-	-	177	2.52	18,773	6,514.50
4.	Refunds rejected during the year	3,619	1,593.24	4	0.09	-	-	-	-	3,623	1,593.33
5.	Balance outstanding at the end of year	4,172	3,804.19	12,961	105.68	1	0.09	18	0.32	17,152	3,910.28

(Source: Departmental information)

It could be seen from **Table 3.5** above that major pendency of refund cases related to GST amounting to ₹3,804.19 crore. The Government should take efforts to clear the pending refund cases at the earliest.

3.3 Funds lying unspent in the Bank Accounts of DDOs

The Government of Tamil Nadu stipulated[3] that, no money shall be drawn from the treasury unless it is required for immediate disbursement. It is not permissible to draw money from the treasury in anticipation of demands or to prevent the lapse of the budget allotted. However, as per the information received from the State Government, as of 31 March 2025, an amount of ₹565.39 crore was lying unspent in the Bank accounts of DDOs.

Test check of records revealed that an amount of ₹3.58 crore lying with the Divisional Engineer, National Highways, Chennai and ₹18.60 crore lying with the Executive Engineer (PWD), Chennai were remitted into Government Account after the end of

2 Relates to Prohibition and excise department
3 GO Ms.No.453 dated 7th June 1983

the Financial year 2024-25, i.e., in April 2025 and June 2025 respectively. It was further seen that ₹1.61 crore lying idle with the Divisional Engineer – Highways, Construction and Maintenance, Madurai and ₹0.53 crore lying with the Deputy Director, Geology and Mining Madurai were yet to be remitted into the Government account.

Retention of such unspent balances lying idle, not only carry an opportunity cost but also undermine fiscal responsibility and debt sustainability.

Issue related to transparency

3.4 Delay in submission of Utilisation Certificates

Article 210(A) of the Tamil Nadu Financial Code Volume I-1991 specifies that Utilization Certificate (UC) for the grants released by the Government of Tamil Nadu to the State Autonomous bodies should be submitted to the Accountant General (A&E) and due dates should be fixed based on the nature of expenditure for which the grant is made. The sanctioning authority should make it incumbent upon the grantee institution to submit the statements within the stipulated period by including a clause to this effect in the sanction order itself.

As per the instructions given in Chapter 16 of the Manual of Standing Orders (Accounts and Entitlements), UCs in respect of conditional Grants-in-Aid for creation of Capital Assets and/or as required by the sanction received by the grantee should be furnished by the grantee to the authority that sanctioned it within 12 months from the date of receipt of the grant or before applying for a further grant on the same purpose, whichever is earlier. To the extent of non-submission of UCs, there is a risk that the amount shown in the State Finance Accounts may not have reached the beneficiaries.

As of March 2025, 310 outstanding UCs amounting to ₹6,632.30 crore became due for submission. Out of these, 198 UCs amounting to ₹4,443.66 crore were cleared during the year. It was noticed that out of the remaining 112 UCs (₹2,188.65 crore) relating to 13 grants, 37 UCs (₹336.28 crore) pertains to Centrally Sponsored Schemes. The position of pending UCs and outstanding UCs in respect of the top four departments for grants as on 31st March 2025 are given in **Table 3.6** and **Chart 3.2** respectively.

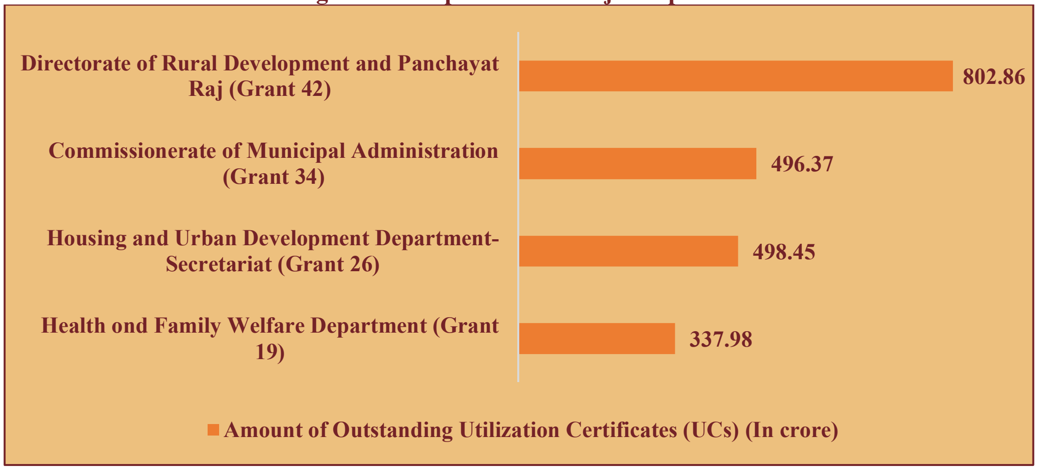
Table 3.6: Age-wise pendency of Utilization Certificates

(₹ in crore)

UC due year	Number of pending UCs	Amount
Upto 2016-17	2	6.23
2017-18	2	3.40
2018-19	0	0.00
2019-20	1	0.11
2020-21	5	51.59
2021-22	11	41.99
2022-23	26	1,199.93
2023-24	65	885.40
Total	**112**	**2,188.65**

(Source: Finance Accounts 2024-25 and Office of the Accountant General (A&E))

Chart 3.2: Outstanding UCs in respect of four major Departments as on 31 March 2025



(Source: Office of the Accountant General (A&E))

Review of outstanding UCs under "Grant 42 – Directorate of Rural Development and Panchayat Raj" revealed that, out of ₹802.86 crore, ₹800 crore was towards grants-in-aid for creation of capital assets for the scheme "Child Friendly School Infrastructure Development" (2202-01-103-AE-090-002) relating to 2022-23. Audit observed that the UC was submitted in October 2025 after a delay of more than one year from the due date of submission.

Non-submission/delay in submission of UCs indicates the failure of the departmental officers to comply with the rules to ensure accountability. It is imperative that the State Government monitor this aspect of pendency as non-submission of UCs is fraught with the risk of misappropriation of funds. Further, the Government should evolve a mechanism and ensure timely submission/hold the persons concerned accountable for delay in submission.

3.5 Un adjusted Temporary Advances

When money is required in advance or it is difficult to calculate the exact amount required, the Drawing and Disbursing Officers (DDOs) are permitted to draw money without supporting documents, through Temporary Advance (TA) bills, by debiting the service heads. Such expenditure is then reflected as an expense under the respective service heads.

Unlike other States, the Government of Tamil Nadu does not follow the system of drawal of Abstract Contingent (AC) bills followed by submission of Detailed Contingent (DC) bills. Instead, the DDOs have been empowered to draw Temporary Advances (TAs) under Article 99 of Tamil Nadu Financial Code. Such advances are required to be adjusted by presenting detailed bills and vouchers within three months from the date of drawal of advances.

During the year, 2,184 TA bills amounting to ₹284.62 crore were drawn. The details of TA bills, pending adjustment, as on 31 March 2025 is given in **Table 3.7** below**.**

Table 3.7: Age-wise pending adjustment of TA bills

(₹ in crore)

Due Year	No. of TA bills	Amount
More than 10 years	2	0.67
More than 5 years & less than 10 years	4	12.58
More than 1 year & less than 5 years	42	59.65
less than 1 year	457	85.23
TOTAL	**505**	**158.13**

(Source: Finance Accounts 2024-25 and Office of the Accountant General (A&E))

Quarterly analysis of Temporary Advance (TA) bills drawn during the year revealed that 26 *per cent* of the total amount was drawn in the first quarter, eight *per cent* in the second quarter, four *per cent* in the third quarter, and 62 *per cent* in the fourth quarter. Further, 61 *per cent* of the amount drawn in the fourth quarter pertained to the month of February.

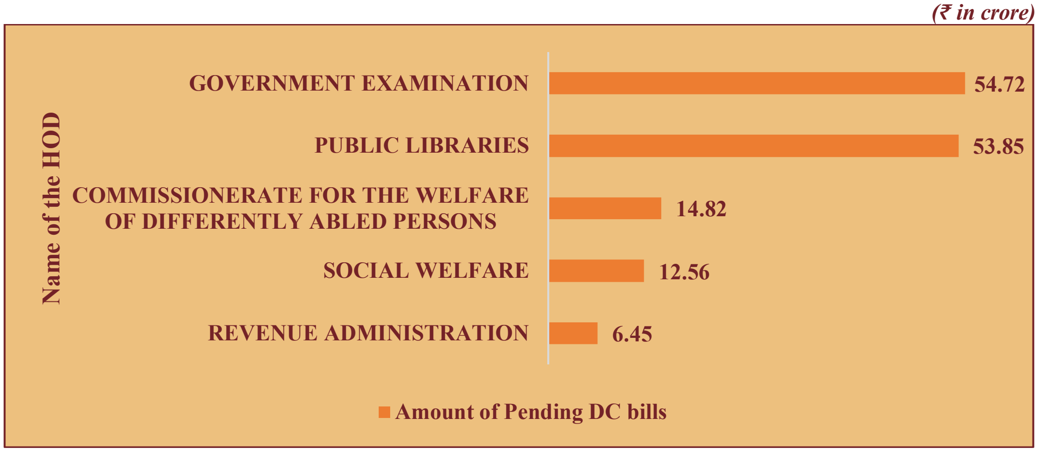
Test check of details of bills remaining unadjusted for more than 10 years as shown in **Table 3.7** above revealed that one bill amounting to ₹0.14 crore was drawn on 31 March 2005 by the DDO, Directorate of Animal Husbandry towards expenditure on training and seminar and was adjusted only in July 2025. Another bill was drawn on 13 March 2002 for an amount of ₹0.53 crore by the Director General of Police (DGP) under the jurisdiction of Pay and Accounts Office (PAO) (East) towards purchase of traffic signals. Audit scrutiny revealed that though this bill continued to appear as pending to be adjusted in the records of PAO (East), the adjustment details were not traceable, as the DDO, the Chennai City Police under DGP who had initially drawn the bill was subsequently transferred to PAO (South) jurisdiction.

It was also observed that under the category more than one year and less than five years, one bill drawn by the DDO, Anna Centenary Library in October 2022 for ₹0.38 crore towards TN Talk function was adjusted only in July 2025. Similarly, fours bills under PAOs jurisdiction amounting to ₹12.58 crore drawn during the period (March 2019 to March 2020) were remitted back into the government account between July 2025 and October 2025.

The **Chart 3.3** shown below depicts the top five Heads of the Departments (HOD) with whom TA bills remained unadjusted.

Chart 3.3: Pending TA Bills in respect of five major Heads of the Departments

(₹ in crore)



(Source: Office of the Accountant General (A&E))

Further, audit scrutiny on pending TA bills remaining unadjusted relating to Grant 52 – Commissionerate for Welfare of Differently abled persons, which was taken up for budget review, revealed that 15 bills were drawn during March 2023 to March 2025. Of these, nine bills amounting to ₹14.54 crore were drawn in March 2023 and November 2023, another bill (₹0.05 crore) in December 2024 and the remaining five bills amounting to ₹0.23 crore in March 2025. Audit observed, from the reply of the department, that in respect of the TA bills drawn during 2023, adjustment bills were submitted in the months of May, August and October 2025. For the remaining bills, the Department stated (November 2025) that the submission of adjustment bills was still under process.

Failure to adjust advances over prolonged periods and delays in submitting adjustment bills weaken compliance with fiscal responsibility norms. Further, in the absence of such adjustment bills against the advances drawn, the expenditure reflected in the Finance Accounts cannot be considered accurate or final.

3.6 Personal Deposit Accounts

Personal Deposit (PD) account is intended for a specific purpose for which it is created. It is governed by Article 269 of the Tamil Nadu Financial code – Vol I. These PD accounts are created by transferring funds from the Consolidated Fund to the Public Account for discharging the liabilities of the Government arising out of special enactments. PD Accounts are operated during the financial year period 1st April to 31st March next year. No money may be accepted for deposit under PD account in a treasury, except under an order of the Government and authority from the Accountant General, (A&E). These PD accounts are of the nature of deposits not bearing interest and operated under the Head of Account "8443 – Civil Deposits – 106 – Personal Deposits" as per the List of Major and Minor Heads of Union and States (LMMH).

During the year 2024-25, an amount of ₹253.95 crore was transferred from the Consolidated Fund of the State to Personal Deposit (PD) Accounts. This includes ₹16.73 crore transferred to PD Accounts in March 2025. Details of PD accounts as of 31 March 2025 are given in **Table 3.8** below.

Table 3.8: Status of PD Accounts during the year 2024-25

(₹ in crore)

Opening Balance (As on 01-04-2024)		Addition during the year 2024-25		Disbursement during the year 2024-25		Closing Balance (As on 31-03-2025)	
No. of Adminis -trators	Amount	No. of Adminis-trators	Amount	No. of Adminis-trators	Amount	No. of Adminis -trators	Amount
0	0	47	253.95	47	254.03	0	(-) 0.08*

**Minus balance is under reconciliation.*
(Source: Finance Accounts 2024-25 and data maintained by the AG (A&E) Tamil Nadu)

The above 47 PD accounts were operated under the sub-head "AA" below HOA "8443-106" and were closed at the end of the year. There are also no PD accounts which are inoperative under the above HOA for more than 3 years.

Audit, however, observed that in addition to the above PD Accounts which were authorised by the Accountant General (A&E), another PD account with the nomenclature "Personal Deposits – Funds deposited from other sources – Other than Consolidated Fund -under sub-head "AC" below the same HOA, is still under operation having ₹74.31 crore as closing balance.

Operation of this kind of PD accounts not only results in lack of transparency but is also violative of the extant Financial Code.

3.7 Operation of Minor Head-800

Minor Head-800 relating to "Other Receipts" and "Other Expenditure" is intended to be operated only when the appropriate minor head has not been provided in the accounts. Regular operation of Minor Head-800 is to be discouraged, since it renders the accounts opaque. Classification of large amounts under the omnibus Minor Head 800 affects transparency in financial reporting and distorts proper analysis of allocative priorities and quality of expenditure.

During the year 2024-25, ₹33,806.60 crore under 70 Major Heads of account, constituting 8.99 *per cent* of the total expenditure (₹ 3,75,777.35 crore) was classified under the Minor Head - 800 - Other Expenditure in the accounts. Similarly, ₹24,017.90 crore under 46 Major Heads of account, constituting 8.49 *per cent* of total Revenue Receipts (₹2,82,829.28 crore) was classified under "800 - Other Receipts". In comparison, during 2023-24, 9.12 *per cent* of revenue expenditure and 6.47 *per cent* of receipt were booked under this Minor Head.

Audit observed that out of 469 instances of booking under Minor Head 800 – Other Expenditure/Receipts, alternative minor heads were identified by the Office of the PAG (A&E) and communicated to the State in 97 cases, of which 51 suggested alternative minor heads were accepted by the State. Similarly, in respect of "Other Receipts", alternative minor heads were adopted by the State in 11 instances. Further, during the Exit Conference, it was stated that an exercise is underway to reclassify receipts and expenditure booked under Minor Head 800 - Other Receipts/Expenditure, wherever feasible.

The fact that such substantial proportions of the expenditure/receipts is booked under the omnibus Minor head "800" is a cause of concern, since it adversely impacts transparency in financial reporting as a transparent public accounting system is not merely an administrative necessity but is a cornerstone of good governance.

Issue related to measurement

3.8 Outstanding balance under major Suspense and DDR Heads

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. Significant suspense items balances for the last three years have been shown in **Table 3.9** below.

Table 3.9: Balances under Suspense and Remittance Heads

(₹ in crore)

Head of Account		2022-23		2023-24		2024-25	
1		Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
8658	**Suspense Account**						
101	Pay and Accounts Office-Suspense	83.81	(-)9.08	(-)75.85	0.42	(-)101.35	2.93
	Net Debit (Dr.) / Credit (Cr.)	**(+)92.89**		**(-)76.26**		**(-)104.27**	
102	Suspense Account-(Civil)	1.71	(-)0.19	14.04	0.00	(-)12.63	(-)0.08
	Net Debit (Dr.) / Credit (Cr.)	**(+)1.90**		**(+)14.04**		**(-)12.55**	
109	Reserve Bank Suspense-(Headquarters)	4.29	(-)0.88	0.91	(-)0.08	0.02	(-)1.01
	Net Debit (Dr.) / Credit (Cr.)	**(-)5.17**		**(-)0.62**		**(-)1.03**	
110	Reserve Bank Suspense- (Central Accounts Office)	(-)22.63	(-)0.57	(-)0.01	0.00	(-)0.01	0.00
	Net Debit (Dr.) / Credit (Cr.)	**(-)22.06**		**(-)0.01**		**(-)0.01**	
112	Tax Deducted at Source (TDS) Suspense	0.00	3.80	0.00	(-)45.05	0.12	19.24
	Net Debit (Dr.) / Credit (Cr.)	**(-)3.80**		**(+)45.05**		**(+)19.12**	
123	AIS Officers' Group Insurance Scheme	0.07	0.07	0.10	0.08	0.07	0.09
	Net Debit (Dr.) / Credit (Cr.)	**0.00**		**(+)0.02**		**(-)0.01**	

(Source: Finance Accounts of the respective years)

The Head "8658 – 101 – PAO Suspense" is intended for settlement of transactions between the Accountant General (A&E) and various other Pay and Accounts Offices (PAOs) of the Government of India. The transactions under this head mainly relate to the payments made by the State Government to Central Government Civil Pensioners. It could be seen from **Table 3.9** above that an outstanding balance of ₹104.27 crore exists under this head. Out of this ₹104.27 crore, one payment relates to Central Freedom Fighters pensioners (₹89.16 crore) and another amounting to ₹11 crore relates to dues from the Ministry of Shipping and Transport.

Non-clearance of outstanding balances under these heads affects the accuracy of receipt/expenditure figure under different heads of accounts which are carried forward from year to year of the State Government.

3.9 Reconciliation of Departmental Figures

To exercise effective budgetary control over revenue/expenditure and to ensure accuracy in accounts, State Financial Rules stipulate that the Chief Controlling Officers (CCOs)/Controlling Officers (COs) are to reconcile every month, the receipts and expenditure recorded in their books with the figures of the Accountant General (A&E). As per Rules 124 and 127 of the Tamil Nadu Budget Manual, departmental accounts maintained by the CCOs and the progressive actuals, month by month are required to be reconciled with figures maintained by the Accountant General(A&E).

During 2024-25, out of 148 CCOs for Receipts and 213 CCOs for Expenditure, 19 CCOs relating to receipts and 21 CCOs with respect to expenditure did not reconcile the figures. Further, trend analysis for the past three years revealed that the number of CCOs not reconciling the figures has been on the increasing trend as shown in **Table 3.10** below. Such instances call for necessary action to restore fiscal discipline and strengthen State's Public Finance architecture.

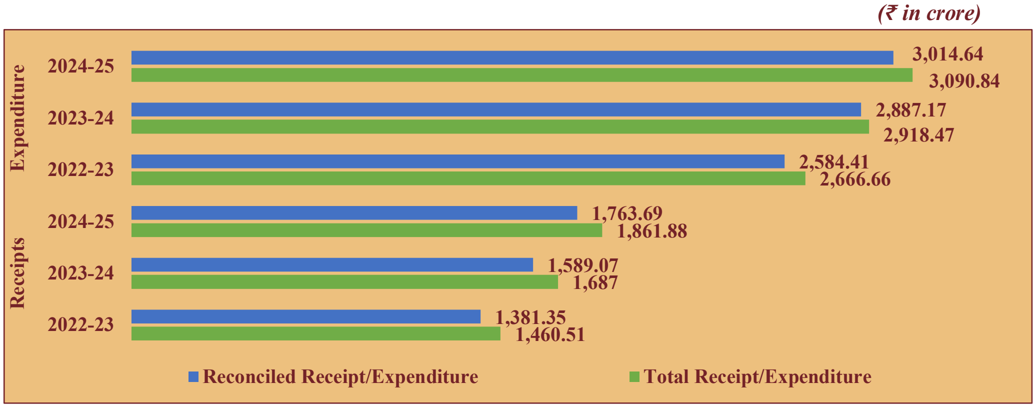
Table 3.10: Status of Reconciliation of Receipts and Expenditure by Controlling Officers

Year	Total No. of Controlling Officers	No. of Controlling Officers reconciled their receipts/ expenditure		
		Fully reconciled	Partially reconciled	Not reconciled
Receipts				
2022-23	122	73	44	5
2023-24	140	82	54	4
2024-25	148	4	125	19
Expenditure				
2022-23	214	120	89	5
2023-24	215	132	79	4
2024-25	213	0	192	21

(Source: Information maintained by office of the Accountant General (A&E))

Chart 3.4.: Status of reconciliation of Receipts and Expenditure during the period 2022-23 to 2024-25

(₹ in crore)



(Source: Information maintained by the Accountant General (A&E))

As non-reconciliation of figures can lead to discrepancies/inaccuracies in the books of accounts, necessary action for the reconciliation of all receipts and expenditure is required to be taken.

3.10 Reconciliation of cash balances

In terms of Section 20, 21 and 21 A of the Reserve Bank of India (RBI) Act, 1934, the RBI acts as a banker to the Central and State Governments. While the principal deposit accounts of the State Governments are maintained at the Central Accounts Section (CAS) of RBI at Nagpur, the regional offices of RBI account for the State Government transactions reported by the agency banks through link offices and report to CAS, Nagpur. The agency banks have to send the receipts/payment scrolls on a daily basis in the prescribed form to the sub-treasury/treasury concerned without delay. Further, the consolidated monthly statement of the agency banks prepared by the link banks are to be sent to RBI which in turn should forward the monthly consolidated statement to the Accountant General (A&E). The above system being in place, there should not be any difference between the cash balance position as per the books of the Accountant General (A&E) and CAS, Nagpur. Even if differences occur in the month wise balance, there should not be any difference between cash balance position at the closing of the Annual Accounts by April 25 of every year.

It was, however, seen that as per accounts of the Accountant General (A&E), the cash balance of the State Government as on 31 March 2025 was ₹33.95 crore (credit) while the same was reported as ₹35.62 crore (credit) by the Reserve Bank of India. As such, there was an unreconciled difference of ₹69.57 crore (credit), which was under reconciliation between the Accountant General (A&E), Tamil Nadu and the State Government. It was reported that the difference was mainly due to non-reporting of receipts by the banks to the Treasuries.

The trend of differences in cash balance in the last five years is given in **Table 3.11** below.

Table 3.11 Trend of differences in cash balances

(₹ in crore)

Year	Cash balances as per books of AG (A&E)	Cash balances as reported by RBI	Difference
2020-21	467.24(Cr.)	5.70 (Cr.)	472.94 (Cr.)
2021-22	266.95 (Dr.)	426.56 (Cr.)	159.61 (Cr.)
2022-23	59.17 (Cr.)	43.90 (Cr.)	103.07 (Cr.)
2023-24	110.02 (Cr.)	1.98 (Cr.)	112.00 (Cr.)
2024-25	33.95 (Cr)	35.62 (Cr.)	69.57 (Cr)

(Source: Annexure to Statement 2 of Finance Accounts of the respective years)

3.11 Lapse of deposits to the Government

In connection with the transactions of public business, the Government receives moneys deposited with them for various purposes, by or on behalf of various public bodies and members of the public and afterwards account for them by repayments or otherwise. In this regard, as per Article 271 of the Tamil Nadu Financial Code Vol. I, in certain circumstances, the following types of Deposits *viz.,* (i) Revenue Deposits and Public Works Deposits remaining unclaimed for more than four complete financial years and (ii) Security deposits according to intended completion date of each class of deposit are to be credited to the Government under appropriate revenue head of account.

From the details furnished by the Office of the Accountant General (A&E), it was seen that the total amount of ₹76.78 crore under various types of deposits, *viz.,* Revenue deposits (₹45.67 crore), Public works deposits (₹19.88 crore) and Security deposits (₹11.23 crore) continue to remain unclaimed after the respective scheduled period under deposits heads of account and were not credited/taken to the appropriated revenue heads of account.

The absence of timely action to bring these amounts to the Government Accounts not only contravenes the codal provisions but also reflects the fact that, to that extent, cash remains outside the State's active cash management framework.

Issue related to disclosure

3.12 Compliance with Accounting Standards

As per Article 150 of the Constitution of India, the President of India may, on the advice of the Comptroller and Auditor General of India (CAG), prescribe the form of accounts of the Union and of the States. On the advice of the CAG, the President of India has so far notified four Indian Government Accounting Standards (IGAS). Compliance to these Accounting Standards by the State Government as well as deficiencies therein during 2024-25 are detailed in **Table 3.12** below**.**

Table 3.12: Compliance to Accounting Standards

Sl. No.	Accounting Standards	Essence of IGAS	Compliance by State Government
1.	IGAS-1:	Guarantees Given by the Government –Disclosure requirements	Complied (Statement 9 and 20 of Finance Accounts)
2.	IGAS-2:	Accounting and Classification of Grants-in-aid	As per IGAS 2, the grants-in-aid for creation of capital assets should be classified under Revenue expenditure. However, expenditure of ₹0.50 crore towards Grants in Aid for creation of capital assets under the scheme "Support to Tribal Research Institute" was incorrectly classified under Capital Account resulting in understatement of Revenue Expenditure to that extent. (Statement 10 of Finance Accounts)
3.	IGAS-3:	Loans and Advances made by Government	Partially complied. The Government of Tamil Nadu restructured the old loans given by it during 2018-19. Though Statements 7 & 18 of the Finance Accounts on Loans and Advances given by the State Government have been prepared as per prescribed format of IGAS-3, the reconciliation of figures booked under the loan heads remained pending during 2024-25, following the restructuring undertaken in 2018-19. Hence, details relating to the repayment of arrears of loan entities could not be included in the Finance Accounts Statements. Reconciliation with the State Government is under progress. (Statement 7 and 18 of Finance Accounts)
4	IGAS-4:	Prior period adjustments	Complied (Statement 13 of Finance Accounts)

(Source: Finance Accounts)

3.13 Submission of accounts of Autonomous Bodies

Section 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (DPC Act) envisages audit of accounts of institutions receiving Government grants, subject to conditions stipulated based on the quantum of the grants received, etc. In order to identify the institutions which attract audit under the DPC Act, every year, the heads of department were required to furnish to Audit the information about the financial assistance given to various institutions, the purposes for which the assistance was granted and the total expenditure of such institutions/bodies.

Upto the year 2024-25, there are 86 Institutions/Bodies whose Accounts were pending for the period ranging from 1 year to 5 years. The details of pending accounts are given in ***Appendix 3.1*** and their age-wise pendency is presented in **Table 3.13** below.

Table 3.13: Age-wise analysis of arrears of Accounts of bodies/authorities

Sl. No.	Delay in number of years	Number of Institutions
1	Upto one year	56
2	More than one year and upto three years	24
3	More than three years and upto five years	6
Total		**86**

(Source: Data compiled from information furnished by Heads of Department)

The major defaulting institutions/bodies were those receiving grants towards salaries and maintenance, predominantly relating to educational institutions. In reply, the Government stated that the delays in submission were attributable to the non-finalisation of accounts by the Auditor.

Audit scrutiny of autonomous bodies further revealed that the accounts of the Voluntary Health Service, a unit under the Health and Family Welfare Department were pending for submission to Audit for the period from 2020-21 to 2022-23 and subsequently were submitted only on 13 January 2026. In response, the Department stated that the delay was due to temporary staff shortages arising from an increased workload and the lapse was inadvertent.

As the delay in finalisation of accounts hampers Audit in providing an assurance to the Legislature that the grants were utilized for the intended objective, the departments need to take action to submit the accounts in a timely manner.

Other issues

3.14 Performance of State DISCOMs in Tamil Nadu

1. Evolution and Structural Reorganization of State DISCOM in Tamil Nadu.

The Tamil Nadu Electricity Board (TNEB) was formed on 01 July 1957 under Section 54 of the Electricity (Supply) Act 1948 as a vertically integrated utility responsible for generation, transmission and distribution of electricity in the State.

Subsequently, in pursuance of Section 131 of the Electricity Act, 2003, the Government of Tamil Nadu (GoTN) approved[4] the re-organization of TNEB into three Companies. Accordingly, three Companies namely TNEB Limited, Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) and Tamil Nadu Transmission Corporation Limited (TANTRANSCO) were incorporated during 2009. TANGEDCO, an integrated utility engaged in generation and distribution activities and TANTRANSCO, a transmission utility were brought under TNEB Limited as subsidiary companies.

A second major reorganization was made[5] in March 2024, by which, the generation activities of TANGEDCO were hived off into two separated companies namely the Tamil Nadu Power Generation Corporation Limited (TNPGCL), for handling fossil fuel-based generation and the Tamil Nadu Green Energy Corporation Limited (TNGECL), for hydel and wind generation and for facilitation of renewable energy generation by the private sector. TANGEDCO, which was left with Distribution activity was renamed as the Tamil Nadu Power Distribution Corporation Limited (TNPDCL) on 27 June 2024.

2. Implementation of UDAY Scheme and its salient features

With the objective of improving the health of state-owned DISCOMs[6], the Ministry

[4] On 08 October 2008
[5] Vide G.O. No. 32 dated 06 March 2024
[6] DISCOMs for the purpose of UDAY included combined Generation, Transmission and Distribution Undertakings.

of Power (MoP), Government of India (GoI) launched the Ujwal DISCOM Assurance Yojana (UDAY) Scheme in November 2015. The Scheme envisaged reforms for realising affordable and accessible 24x7 Power for All with the following main objectives:

- Financial turnaround of the DISCOMs, and
- Improving operational efficiency of the DISCOMs.

As prescribed in the Scheme, a tripartite Memorandum of Understanding (MoU) was signed by and amongst GoI, GoTN and TANGEDCO (Integrated Utility) on 09 January 2017 specifying the responsibilities of the respective parties for achieving the financial and operational milestones. The salient features of the Scheme/MoU, inter alia, include;

- Reduction in gap between Average Cost of Supply (ACS) and Average Revenue Realised (ARR) to zero by 2018-19.
- States shall take over 75 *per cent* of DISCOM's debt as on 30 September 2015.
- States shall take over the future losses of DISCOMs in a graded manner up to the year 2020-21.

The key performance insights in implementation of the Scheme in the state of Tamil Nadu includes**:**

- **Debt Takeover Shortfall**: GoTN was obligated to take over 75 *per cent* of the debt (₹56,317 crore) but ultimately took over only 34.38 *per cent* (₹22,815 crore), citing financial constraints.
- **Interest Burden:** Failure to convert the remaining 25 *per cent* of debt into low-interest bonds, combined with increased borrowing for capital and working capital, led to an additional interest burden of ₹10,154.46 crore during 2017–20.
- **Financial Health:** The primary objective of eliminating the ACS-ARR gap (Average Cost of Supply vs. Average Revenue Realized) also failed. The gap worsened from (-) 0.60 in 2015-16 to (-)1.07 in 2019-20, with total outstanding debts rising from ₹81,312 crore to ₹1,23,895.68 crore as on 31 March 2020.

3. RDSS Scheme and its salient features

After UDAY Scheme, the Government of India approved the Revamped Distribution Sector Scheme (RDSS) on 30 June 2021 having total outlay of ₹3,03,758 crore with an estimated Gross Budgetary Support (GBS) of ₹97,631 crore from the Central Government. The objectives of the scheme are:

(i) Reducing the AT&C losses to 12 to 15 *per cent* by 2024-25 and,
(ii) Reducing the gap between the Average Cost of Supply (ACS) and Average Revenue Realised (ARR) to zero by 2024-25.

The total outlay approved for Tamil Nadu stood at ₹28,731.74 crore which includes ₹19,163.50 crore for smart metering and ₹9,568.24 crore for loss reduction works. The scheme is under initial stages of implementation as tendering and award of works are in progress.

4. Government Financial Support and Subsidies to DISCOMs

The State government has consistently increased its financial support to sustain TANGEDCO's operations. Details of the tariff subsidy and grants extended by the Government to TANGEDCO during the period from 2013-14 to 2024-25 are presented in **Table 3.14.**

Table 3.14: Year-wise of tariff subsidy and grants provided during 2013-14 to 2024-25

(₹ in crore)

Year	Tariff Subsidy	Grants	Total
2013-14	4,985.09	962.00	5,947.09
2014-15	5,953.00	2,000.00	7,953.00
2015-16	6,879.33	1,053.00	7,932.33
2016-17	8,484.91	2,350.00	10,834.91
2017-18	7,724.30	4,857.77	12,582.07
2018-19	7,693.92	5,013.00	12,706.92
2019-20	8,053.11	5,345.08	13,398.19
2020-21	8,269.73	7,563.00	15,832.73
2021-22	8,876.36	11,671.06	20,547.42
2022-23	12,069.97	12,315.36	24,385.33
2023-24	14,976.42	17,127.18	32,103.60
2024-25	7,515.95	17,121.03	24,636.98
Total	**1,01,482.09**	**87,378.48**	**1,88,860.57**

(Source: 2013-14 to 2023-24 - Policy note of Energy Department and Appropriation Accounts 2024-25)

It could be seen from **Table 3.14**, that both tariff subsidy and grants exhibit an overall increasing trend during the period under review. The total financial support, in the form of subsidy and grants, increased significantly from ₹5,947.09 crore in 2013–14 to ₹24,636.98 crore in 2024–25, representing an increase of nearly 314 *per cent*.

Audit also noted that timely finalisation of Ind AS Accounts up to 2022–23 enabled TANGEDCO to avail additional financial support of ₹6,000 crore (equivalent to 0.25 *per cent* of GSDP) from the Government.

The UDAY scheme's implementation in Tamil Nadu was hindered from the outset by **partial debt takeover** and the treatment of assistance as **loans rather than grants**. While the recent 2024 unbundling into green and fossil-fuel corporations marks a strategic shift, the utility continues to face a widening ACS-ARR gap and a heavy debt-servicing burden.

3.15 Misappropriations, losses, thefts, etc.

Article 294 of the Tamil Nadu Financial Code (Vol-I) stipulates that the Heads of Office should report all cases of defalcations or loss of public money, stores or other movable or immovable properties to the Accountant General (A&E). Further, the Financial Code prescribes the principles and procedures to be followed for enforcing responsibility for losses and disposal of cases.

As on 31 March 2025, 340 cases of misappropriation, losses and theft, involving ₹ 27.92 crore were pending disposal. The department-wise break-up of pending cases is given in ***Appendix 3.2***. The age-wise profile along with reasons for pendency is given in **Tables 3.15 and 3.16** respectively.

Table 3.15: Profile of misappropriations, losses, defalcations, etc.

Range in years	No. of cases	Amount involved (₹ in crore)
0-5	60	3.43
6-10	15	9.44
11-15	29	3.37
16-20	29	2.95
21 and above	207	8.73
Total	**340**	**27.92**

(Source: Departmental data/information)

Table 3.16 Reasons for pendency of the cases

(₹ in crore)

Sl. No.	Reasons for pendency	No. of cases	Amount involved
1	Awaiting departmental and criminal investigation	139	10.65
2	Departmental action initiated but not finalized.	99	4.99
3	Criminal proceedings finalized but recovery of the amount still pending.	12	0.76
4	Awaiting orders for recovery or write off	65	3.72
5	Pending in Courts of law	25	7.80
	Total	**340**	**27.92**

(Source: Departmental data/information)

Analysis of a case of misappropriation involving ₹20.13 lakh in the Health and Family Welfare Department during 2005-06 revealed that the individual concerned was dismissed from service in July 2015. After a lapse of five years, in 2020, the individual sought a review of the dismissal, citing the pendency of a criminal case as the reason for the delay. Subsequently, in 2023, he filed a writ petition before the Madras High Court seeking to quash the dismissal order and for reinstatement with all consequential benefits. The Hon'ble Court dismissed the writ petition and granted 16 weeks' time to the Department to dispose of the matter. Accordingly, the Department disposed of the case in September 2025 and the individual was not reinstated. The misappropriated amount could not be recovered, as no dues were payable to the individual.

3.16 Follow up action on State Finances Audit Report

In every State, the Public Accounts Committee (PAC)/Finance Department require the line departments to provide a *suo-motu* Explanatory Note (EN) on the paragraphs featuring in the Audit Reports within one month of placing the Reports in the Legislature. The line departments are also required to provide Action Taken Notes (ATNs) to the Accountant General (Audit) (for vetting and onward transmission to the PAC) within three months of tabling the Reports.

3.16.1 Status of discussion of the State Finances Audit Reports by the Public Accounts Committee (PAC)

Out of 273 pending paragraphs included in the SFARs from 2008-09 to 2023-24 pending for discussion, only 31 paragraphs have been discussed (as of November 2025).

3.16.2 Action Taken Notes (ATNs) pending from the Departments

Action Taken Notes are pending from various departments in respect of five paras (2020-21 to 2022-23) relating to persistent savings, 11 paras (2009-10 to 2017-18) relating to Appropriation *vis-a-vis* Allocative priorities, three paras (2020-21 to 2022-23) on unnecessary/excessive/inadequate supplementary provision, four paras on anticipated savings partially surrendered or not surrendered (2008-09 and 2015-16) and four paras on expenditure without provision for the period from (2014-15 to 2022-23).

3.17 Conclusion

This chapter highlights systemic issues affecting the completeness, transparency and reliability of the State's financial reporting. In addition to non-achievement of the targets relating to Fiscal indicators (Revenue and Fiscal Deficit) during the year, quality of account was affected due to weaknesses in accounting and financial management practices thereby diluting the accuracy of the State's reported financial position.

Audit observed that off-budget borrowings, undischarged liabilities and partial transfer of statutory levies resulted in understated liabilities and reduced transparency. Funds remained outside the Government's active cash management framework due to unspent balances in DDO bank accounts, lapsed deposits not brought to revenue, delays in submission of utilisation certificates, non-adjustment of temporary advances over extended periods and continued operation of unauthorised personal deposit accounts further weakened accountability and financial reporting.

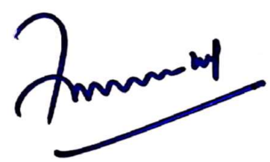
The extensive use of the omnibus Minor Head "800 – Other Receipts/Expenditure" obscured the true nature of receipts and expenditure, limiting meaningful analysis of allocative priorities. In addition, arrears in submission of accounts by autonomous bodies and long-pending cases of misappropriation and losses point to gaps in internal controls and follow-up mechanisms.

Overall, while the accounting framework is in place, deficiencies in compliance, disclosure and timeliness continue to affect the quality of financial reporting and transparency.

3.18 Recommendations

1. *The Audit recommends that the State Government strengthen financial reporting and accountability through focused corrective measures. All liabilities, including off-budget borrowings undertaken through public sector undertakings and statutory bodies, should be comprehensively disclosed to present a transparent picture of the State's debt position.*
2. *Timely discharge of statutory and contractual obligations such as interest payments, pension contributions, and transfers to designated funds should be ensured to avoid accumulation of hidden liabilities and misstatement of fiscal indicators. Mechanisms for strict monitoring of utilisation certificates and adjustment of temporary advances should be institutionalised.*

3. *Classification of transactions under appropriate heads of account should be strengthened by restricting the routine use of Minor Head "800" and completing reclassification exercises in a time-bound manner.*
4. *Expeditious investigation and closure of cases relating to misappropriation, losses and thefts are essential to safeguard public funds and reinforce fiscal discipline.*



(FREDERICK SYIEMLIEH)

Chennai
The 12 May 2026

Principal Accountant General (Audit-I),
Tamil Nadu

Countersigned

(K. SANJAY MURTHY)

New Delhi
The 22 May 2026

Comptroller and Auditor General of India

APPENDICES

Appendix 1.1

(Reference: Paragraph 1.1.3 Page 6)
Time series data on the State Government finances

(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Part A. Receipts										
1 Revenue Receipts	**1,29,008 (37)**	**1,40,231 (36)**	**1,46,280 (37)**	**1,73,741 (38)**	**1,74,526 (34)**	**1,74,076 (28)**	**2,07,492 (33)**	**2,43,749 (30)**	**2,64,597 (28)**	**2,82,829 (28)**
(i) Own Tax Revenue	**80,476 (62)**	**85,941 (61)**	**93,737 (64)**	**1,05,534 (61)**	**1,07,462 (62)**	**1,06,153 (61)**	**1,22,866 (59)**	**1,50,223 (62)**	**1,67,279 (63)**	**1,80,225 (64)**
State Goods and Service Tax (SGST)	..	..	24,589 (26)	38,533 (37)	38,376 (36)	37,942 (36)	45,277 (37)	53,823 (36)	61,961 (37)	70,887 (39)
Taxes on Agricultural Income	..	..	..	..		..	..	..	..	..
Taxes on Sales, Trade, etc.	57,522 (72)	63,234 (74)	46,356 (49)	42,701 (40)	44,515 (41)	43,489 (41)	48,668 (40)	59,143 (39)	60,200 (36)	62,337 (35)
State Excise	5,836 (7)	6,248 (7)	5,815(6)	6,863 (7)	7,206 (7)	7,822 (7)	8,237 (7)	10,423 (7)	10,774 (6)	11,055 (6)
Taxes on Vehicles	4,233 (5)	4,854 (6)	5,363 (6)	5,573 (5)	5,675 (5)	4,561 (4)	5,627(5)	7,513 (5)	9,375 (6)	11,092 (6)
Stamps and Registration fees	8,721 (11)	7,237 (8)	9,195 (10)	11,066 (10)	10,856 (10)	11,675 (11)	14,331 (12)	17,560 (12)	19,013 (11)	21,878 (12)
Land Revenue	258 (..)	153 (..)	152 (..)	178 (..)	258 (..)	211 (..)	205 (..)	248 (..)	256 (..)	278 (..)
Taxes on Goods and Passengers	2,153 (3)	2,551 (3)	900 (1)	3 (..)	11 (..)	2 (..)	12 (..)	5 (..)	7 (..)	1 (..)
Other Taxes	1,753 (2)	1,664 (2)	1,367 (2)	617 (1)	565 (1)	451 (..)	509 (..)	1,508 (1)	5,693 (3)	2,697 (1)
(ii) Non-Tax Revenue	**8,918 (7)**	**9,914 (7)**	**10,764 (7)**	**14,200 (8)**	**12,888 (7)**	**10,422 (6)**	**12,117 (6)**	**17,061 (7)**	**25,904 (10)**	**33,603 (12)**
(iii) State's share of Union taxes and duties	**20,354 (16)**	**24,538 (18)**	**27,100 (19)**	**30,639 (18)**	**26,393 (15)**	**24,924 (14)**	**37,458 (18)**	**38,731 (16)**	**46,072 (17)**	**52,492 (19)**
(iv) Grants-in-aid from Government of India	**19,260 (15)**	**19,838 (14)**	**14,679 (10)**	**23,368 (13)**	**27,783 (16)**	**32,577 (19)**	**35,051 (17)**	**37,734 (15)**	**25,342 (10)**	**16,509 (6)**
2 Miscellaneous Capital Receipts	**..**	**1 (..)**	**2 (..)**	**..**	**..**	**..**	**..**	**42 (..)**	**12 (..)**	**43 (..)**
3 Recoveries of Loans and Advances	**684 (..)**	**3,548 (1)**	**8,472 (2)**	**6,913 (1)**	**5,384 (1)**	**5,245 (1)**	**5,355 (1)**	**1,078 (..)**	**4,024 (..)**	**3,816 (..)**
4 Total Revenue and Non debt capital receipts (1+2+3)	**1,29,692**	**1,43,780**	**1,54,754**	**1,80,654**	**1,79,910**	**1,79,321**	**2,12,847**	**2,44,869**	**2,68,633**	**2,86,688**
5 Public Debt Receipts	**36,066 (10)**	**66,143 (17)**	**45,722 (12)**	**47,936 (10)**	**66,774 (13)**	**1,02,867 (17)**	**1,04,485 (17)**	**1,01,062 (12)**	**1,31,597 (14)**	**1,45,203 (14)**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	34,695	64,283	42,969	45,596	64,784	91,997	90,843	90,807	1,16,602	1,28,163
Net transactions under Ways and Means Advances and Overdrafts	..	..	..	..	..	..	..	..	..	..
Loans and Advances from Government of India	1,371	1,860	2,753	2,340	1,990	10,870	13,642	10,255	14,995	17,040
6 Total Receipts in the Consolidated Fund (4+5)	**1,65,758**	**2,09,923**	**2,00,476**	**2,28,590**	**2,46,684**	**2,82,188**	**3,17,332**	**3,45,931**	**4,00,230**	**4,31,891**
7 Contingency Fund Receipts	**..**	**19**	**..**	**..**	**10**	**..**	**..**	**..**	**..**	**355**
8 Public Account Receipts	**1,82,545 (53)**	**1,81,475 (46)**	**1,95,989 (49)**	**2,34,439 (51)**	**2,61,483 (52)**	**3,36,178 (54)**	**3,98,157 (56)**	**4,79,342 (58)**	**5,44,412 (58)**	**5,89,701 (58)**
9 Total Receipts of the State (6+7+8)	**3,48,303**	**3,91,417**	**3,96,465**	**4,63,029**	**5,08,177**	**6,18,366**	**7,15,489**	**8,25,273**	**9,44,642**	**10,21,947**
Part B. Expenditure/Disbursement										

(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
10 Revenue Expenditure	**1,40,993 (41)**	**1,53,195 (40)**	**1,67,874 (43)**	**1,97,200 (42)**	**2,10,435 (42)**	**2,36,402 (39)**	**2,54,030(36)**	**2,79,964 (34)**	**3,09,718 (33)**	**3,28,669 (33)**
General Services (including interest payments)	45,512	51,452	60,451	72,450	78,138	78,993	84,894	99,097	1,13,336	1,23,333 (38)
Social Services	54,806	55,297	59,790	70,202	73,999	89,805	88,749	88,967	1,01,245	1,10,427 (34)
Economic Services	29,943	33,980	36,162	39,669	42,610	51,808	60,898	71,974	71,573	72,837 (22)
Grants-in-aid and contributions	10,732	12,466	11,471	14,879	15,688	15,796	19,489	19,926	23,564	22,072 (7)
11 Capital Expenditure	**18,995 (5)**	**20,709 (6)**	**20,203 (5)**	**24,311 (5)**	**25,632 (5)**	**33,067 (5)**	**37,011 (5)**	**39,530 (5)**	**40,500**	**47,108 (2)**
Plan	18,411 (97)	20,293 (98)	..	..	..	..	..	..	....	
Non Plan	584 (3)	416 (2)	..	..	..	..	..	..	..	
General Services	1,054	750	847	858	1,064	936	780	1,041	950	1,037 (2)
Social Services	5,660	6,041	4,731	6,996	5,860	10,831	14,985	14,324	14,398	16,224 (34)
Economic Services	12,281	13,918	14,625	16,457	18,708	21,300	21,246	24,165	25,152	29,847 (63)
12 Disbursement of Loans and Advances	**2,331 (1)**	**26,046 (7)**	**6,517 (2)**	**6,478 (1)**	**4,022 (1)**	**3,835 (1)**	**3,641 (1)**	**7,261 (1)**	**8845 (1)**	**11,905 (1)**
13 Appropriation to Contingency Fund	..	..	..	..	..	..	..	..	..	**350**
14 Total Expenditure (10+11+12+13)	**1,62,319**	**1,99,950**	**1,94,594**	**2,27,989**	**2,40,089**	**2,73,304**	**2,94,682**	**3,26,755**	**3,59,063**	**3,88,032**
15 Repayments of Public Debt	**6,605 (2)**	**8,200 (2)**	**8,991 (2)**	**15,064 (3)**	**17,866 (3)**	**16,228 (3)**	**19,737 (3)**	**27,105 (3)**	**43,565**	**40,685**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	5,739	7,275	8,035	13,881	16,510	14,874	18,385	25,377	41643	38,470
Net transactions under Ways and Means Advances and Overdraft	..	..	..	..	..	..	..	..	..	..
Loans and Advances from Government of India	866	925	956	1,183	1,356	1,354	1,352	1,728	1,922	2,215
16 Total disbursement out of Consolidated Fund (14+15)	**1,68,924**	**2,08,150**	**2,03,585**	**2,43,053**	**2,57,955**	**2,89,532**	**3,14,419**	**3,53,860**	**4,02,628**	**4,28,717**
17 Contingency Fund disbursements	**19**	..	..	**10**	..	..	..	..	**5**	..
18 Public Account disbursements	**1,77,442((51)**	**1,73,007 (45)**	**1,84,209 (48)**	**2,23,930 (48)**	**2,44,023 (49)**	**3,23,189 (53)**	**3,83,757 (55)**	**4,62,459 (57)**	**5,38,016 (57)**	**5,76,191 (57)**
19 Total disbursement by the State (16+17+18)	**3,46,385**	**3,81,157**	**3,87,794**	**4,66,993**	**5,01,978**	**6,12,721**	**6,98,176**	**8,16,319**	**9,40,649**	**10,04,908**
Part C. Deficits/Surplus										
20 Revenue Deficit (1-10)	**11,985**	**12,964**	**21,594**	**23,459**	**35,909**	**62,326**	**46,538**	**36,215**	**45,121**	**45,840**
21 Fiscal Deficit (4-14)	**32,627**	**56,170**	**39,840**	**47,335**	**60,179**	**93,983**	**81,835**	**81,886**	**90,430**	**1,01,344**
22 Primary Deficit (21+23)	**15,236**	**35,637**	**13,828**	**18,578**	**28,199**	**57,486**	**40,271**	**34,975**	**36,864**	**41,435**
Part D. Other data										
23 Interest Payments (included in revenue expenditure)	**17,391**	**20,533**	**26,012**	**28,757**	**31,980**	**36,497**	**41,564**	**46,911**	**53,566**	**59,909**
24 Financial Assistance to Local Bodies, etc.,	**36,307**	**39,397**	**40,631**	**47,826**	**50,604**	**15,796**	**19,489**	**19,926**	**23,564**	**22,072**
25 Ways and Means Advances/Overdraft availed (days)										
Ways and Means Advances availed (days)						..	..	..	..	
Overdraft availed (days)						..	..	..	..	
26 Interest on Ways and Means Advances/Overdraft	..	..	..	..	..	..	..	..	..	
27 Gross State Domestic Product (GSDP)	**11,76,500**	**13,02,639**	**14,65,051**	**16,30,209**	**17,43,144**	**17,88,074**	**20,72,496**	**23,72,469**	**26,88,963**	**31,18,590**
28 Outstanding Fiscal liabilities (year-end)	**2,23,030**	**2,83,394**	**3,26,518**	**3,68,736**	**4,23,743**	**5,18,796**	**6,10,667**	**6,91,591**	**7,72,422**	**8,57,202**

(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
29 Outstanding guarantees (year-end) (including interest)	51,586	29,540	36,131	43,661	47,319	65,659	91,975	90,709	1,22.270	1,45,011
30 Maximum amount guaranteed (year-end)	3,162	9,128	15,517	83,140	4,669	44,656	64,176	40,565	70,567	72,057
Part E: Fiscal Health Indicators										
I Resource Mobilisation										
31 Own Tax revenue/GSDP	6.84	6.60	6.40	6.47	6.16	5.94	5.93	6.33	6.22	5.78
32 Own Non-Tax Revenue/GSDP	0.76	0.76	0.73	0.87	0.74	0.58	0.58	0.92	0.96	1.08
33 Central Transfers/GSDP	1.73	1.88	1.85	1.88	1.51	1.39	1.81	1.63	1.71	1.68
II Expenditure Management										
34 Total Expenditure/GSDP	13.80	15.35	13.28	13.99	13.77	15.28	14.22	13.77	13.35	12.44
35 Total Expenditure/Revenue Receipts	125.82	142.59	133.03	131.22	137.57	157.00	142.02	134.05	135.70	137.20
36 Revenue Expenditure/Total Expenditure	86.86	76.62	86.27	86.50	87.65	86.50	86.20	85.68	86.26	84.70
37 Revenue Expenditure on Social Services/Total Expenditure	33.76	27.66	30.73	30.79	30.82	32.86	30.12	27.23	28.20	28.46
38 Revenue Expenditure on Economic Services/Total Expenditure	18.45	16.99	18.58	17.40	17.75	18.96	20.67	22.03	19.93	18.77
39 Capital Expenditure/Total Expenditure	11.70	10.36	10.38	10.66	10.68	12.10	12.56	12.10	11.28	12.14
40 Capital Expenditure on Social and Economic Services/Total Expenditure	11.05	9.98	9.95	10.29	10.23	11.76	12.29	11.78	11.01	11.87
III Management of Fiscal Imbalances										
41 Revenue deficit/GSDP	1.02	1.00	1.47	1.44	2.06	3.49	2.25	1.53	1.68	1.47
42 Fiscal deficit/GSDP	2.77	4.31	2.72	2.90	3.45	5.26	3.95	3.45	3.36	3.25
43 Primary Deficit/GSDP	1.30	2.74	0.94	1.14	1.62	3.21	1.94	1.47	1.37	1.33
IV Debt Sustainability										
44 Outstanding Liabilities */GSDP	18.96	21.76	22.29	22.62	24.31	28.67	28.77	28.55	28.19	27.38
45 Interest Payments/Revenue Receipts	13.48	14.64	17.78	16.55	18.32	20.97	20.03	19.25	20.24	21.18

Figures in brackets represent percentages (rounded) to total of each sub-heading

**Outstanding amount relating to back-to-back loan received from GoI in lieu of GST compensation shortfall included as outstanding fiscal liabilities in Finance Accounts depicted under Sl. No. 28 above has been excluded for arriving at Outstanding Liabilities/GSDP as they are non-repayable by the State to GoI.*

(Source: Finance Accounts of respective years)

Explanatory Notes

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis, the deficit on Government account, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other ending settlements, etc.

Appendix 1.2
(Refer paragraph 1.1.4, 1.2.4.1 A and 1.2.4.2 A, Pages 6, 26 and 33)
Abstract of receipts and disbursements for the year 2024-25

(₹ in crore)

Receipts	2023-24	2024-25	Disbursements	2023-24	2024-25
Section A: Revenue					
I. Revenue Receipts	**2,64,596.66**	**2,82,829.28**	**I. Revenue Expenditure-**	**3,09,717.77**	**3,28,669.41**
State's Own Tax Revenue	1,67,278.40	1,80,225.40	**General Services**	**1,13,335.69**	**1,23,333.07**
Non-Tax Revenue	25,903.84	33,602.62	**Social Services-**	**1,01,245.52**	**1,10,426.89**
State's Share of Union Taxes	46,072.27	52,491.88	Education, Sports, Art and Culture	46,213.02	45,263.46
Grants for Centrally Sponsored Scheme	13,971.63	10,422.79	Health and Family Welfare	16,556.97	18,416.66
Finance Commission Grants	6,250.76	5,198.01	Water Supply, Sanitation, Housing and Urban Development	4,458.03	6,010.88
Other Transfer/Grants to States	5,119.76	888.58	Information and Broadcasting	159.31	81.93
			Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	4,262.15	4,381.71
			Labour and Labour Welfare	1,020.31	978.68
			Social Welfare and Nutrition	27,946.05	34,726.93
			Others	629.68	566.64
			Economic Services-	**71,572.85**	**72,837.54**
			Agriculture and Allied Activities	19,658.57	19,248.36
			Rural Development	6,763.30	5,608.81
			Special Areas Programmes	19.08	4.69
			Irrigation and Flood Control	2,860.76	3,648.07
			Energy	24,037.19	24,637.01
			Industry and Minerals	3,299.86	3,870.44
			Transport	3,303.49	3,774.7
			Science, Technology and Environment	45.87	54.51
			General Economic Services	11,584.73	11,990.95
			Grants-in-aid and Contributions-	23,563.71	22,071.91
II. Revenue deficit carried over to	(-) 45,121.11	(-) 45,840.13	**II. Revenue Surplus carried over**	0	0
Section B : Capital					
III. Opening Cash balance including Permanent Advances and Cash Balance Investment	**81,340.72**	**85,333.91**	**III. Opening Overdraft from Reserve Bank of India**	0	0
IV. Miscellaneous Capital Receipts	**11.88**	**43.34**	**IV. Capital Outlay-**	**40,500.20**	**47,107.95**
			General Services-	**950.05**	**1,037.30**
			Social Services-	**14,398.05**	**16,223.86**
			Education, Sports, Art and Culture	1,009.55	1,699.50
			Health and Family Welfare	1,216.02	1,794.46
			Water Supply, Sanitation, Housing and Urban Development	10,919.69	11,187.45
			Information and Broadcasting	147.40	109.93
			Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	769.83	1,044.38
			Social Welfare and Nutrition	209.30	210.21
			Others	126.26	177.93
			Economic Services-	**25,152.10**	**29,846.79**
			Agriculture and Allied Activities	1,572.43	3,954.56
			Rural Development	2,158.69	3,624.17

(₹ in crore)

Receipts	2023-24	2024-25	Disbursements	2023-24	2024-25
			Special Areas Programmes	74.25	74.25
			Irrigation and Flood Control	3,746.37	3,146.34
			Energy	129.31	372.48
			Industry and Minerals	211.49	5.08
			Transport	17,129.97	18,487.59
			Science Technology and Environment	0	41.00
			General Economic Services	129.59	141.32
V. Recoveries of Loans and Advances-	**4,024.47**	**3,815.53**	**V. Loans and Advances disbursed-**	**8,845.11**	**11,904.86**
From Power Projects	1,977.79	2,447.60	For Power Projects	955.22	114.57
From Government Servants	240.10	243.89	To Government Servants	348.33	362.66
From Others	1,806.58	1,124.04	To Others	7,541.56	11,427.63
VI. Revenue Surplus brought down			**VI. Revenue Deficit brought down**	**(-) 45,121.11**	**(-) 45,840.13**
VII. Public Debt Receipts-	**1,31,597.14**	**1,45,202.72**	**VII. Repayment of Public Debt-**	**43,564.79**	**40,684.40**
Internal debt	1,16,602.22	1,28,163.22	Internal debt	41,643.20	38,469.59
Internal debt other than Ways and Means Advances and Overdrafts	0	0	Internal Debt other than Ways and Means Advances and Overdrafts	0	0
Net transactions under Ways and Means Advances	0	0	Net transactions under Ways and Means Advances	0	0
Net transactions under Overdraft	0	0	Net transactions under Overdraft	0	0
Loans and Advances from Central Government (External debt)	14,994.92	17,039.50	Repayment of Loans and Advances to Central Government (External debt)	1,921.59	2,214.81
VIII. Appropriation to Contingency Fund	0	0	**VIII. Appropriation to Contingency Fund**	0	350
IX. Amount transferred to Contingency Fund	0	355.47	**IX. Expenditure from Contingency Fund**	5.47	0
X. Public Account Receipts-	**5,44,412.09**	**5,89,700.74**	**X. Public Account Disbursements-**	**5,38,015.71**	**5,76,190.59**
Small Savings and Provident Fund	9,304.56	9,184.27	Small Savings and Provident Funds	7,989.18	8,170.86
Reserve Funds	5,050.82	5,714.77	Reserve Funds	9,472.40	3,384.31
Suspense and Miscellaneous	4,11,345.63	4,49,614.70	Suspense and Miscellaneous	4,05,808.32	4,48,736.62
Remittance	(-) 0.17	(-) 0.13	Remittances	4.91	(-) 5.84
Deposits and Advances	1,18,711.25	1,25,187.13	Deposits and Advances	1,14,740.9	1,15,904.64
XI. Closing Overdraft from Reserve Bank of India	0	0	**XI. Cash Balance at end-**	**85,333.91**	**1,02,373.78**
			Cash in Treasuries and Local Remittances	16.80	16.80
			Deposits with Reserve Bank	(-) 110.02	(-) 33.95
			Departmental Cash Balance including permanent Advances	11.37	11.28
			Cash Balance Investment Account	10,103.03	5,601.49
			Investments of Earmarked Funds	75,312.73	96,778.16
TOTAL	**9,80,861.85**	**10,61,440.86**	**TOTAL**	**9,80,861.85**	**10,61,440.86**

(Source: Finance Accounts of respective years)

Appendix 1.3
(Refer paragraph 1.1.5, Page 6)
Summarised financial position of the Government of Tamil Nadu as on 31 March 2025

(₹ in crore)

As on 31 March 2024		As on 31 March 2025
	Liabilities	
6,42,594.00	**Internal Debt -**	**7,32,287.63**
5,96,618.56	Market Loans bearing interest	68,8793.67
0.74	Market Loans not bearing interest	0.84
204.85	Loans from Life Insurance Corporation of India	153.13
45,769.85	Loans from other Corporations/Banks/bonds/Special Securities/Institutions	43,339.99
0.00	Ways and Means Advances	0.00
0.00	Overdrafts from Reserve Bank of India	0.00
61,331.57	**Loans and Advances from Central Government -**	**65,256.70**
5.62	Pre 1984-85 Loans	5.62
24.33	Non-Plan Loans	20.04
5,346.22	Loans for State Plan Schemes	3,988.43
0.31	Loans for Central Plan Schemes	0.31
4.22	Loans for Central Sponsored Schemes	3.17
55,950.87	Loans for State/UTs with Legislature Schemes	61,239.13
150.00	**Contingency Fund**	**500.00**
35,199.41	**Small Savings, Provident Funds, etc.**	**36,212.81**
99,011.63	**Deposits**	**1,08,294.12**
9,598.63	**Reserve Funds Advances**	**11,929.08**
0.00	**Suspense and Miscellaneous Balances**	**0.00**
0.00	**Remittance Balances**	**0.00**
0.00	**Miscellaneous Capital Receipts**	**0.00**
0.00	**Cumulative excess of receipts over expenditure**	**0.00**
8,47,885.24	**TOTAL**	**9,54,480.34**
	Assets	
3,95,740.93	**Gross Capital Outlay on Fixed Assets -**	**4,42,848.89**
55,946.26	Investments in shares of Companies, Corporations *etc.*	60,339.18
3,39,794.67	Other Capital Outlay	3,82,509.71
47,875.80	**Loans and Advances -**	**55,965.11**
7,519.30	Loans for Power Projects	5,186.27
39,518.73	Other Development Loans	49,822.34
837.77	Loans to Government servants and Miscellaneous loans	956.50
7.56	**Advances**	**7.56**
15.65	**Remittance Balances**	**9.94**
462.96	**Suspense and Miscellaneous Balances**	**284.89**
85,333.91	**Cash -**	**1,02,373.78**
16.80	Cash in Treasuries and Local Remittances	16.80
(-) 110.02	Deposits with Reserve Bank	(-) 33.95
11.37	Departmental Cash Balance including Permanent Cash Imprest	11.28
0.00	Security Deposits	0.00
75,312.73	Investment of Earmarked Funds	96,778.16
10,103.03	Cash Balance Investments	5,601.49
3,18,442.96	**Deficit on Government Account -**	**3,52,990.17**
0.00	(i) Less Revenue Surplus of the current year	0.00
0.00	(ii) Appropriation to Contingency Fund	350.00
3,18,442.96	Accumulated deficit at the beginning of the year	3,52,640.17
5.47	**Contingency Fund**	**0.00**
8,47,885.24	**Total**	**9,54,480.34**

(Source: Finance Accounts of 2024-25)

Appendix-2.1
(Refer paragraph 2.5.3, Page 72)

Cases where supplementary provision (₹3 crore or more in each case) proved unnecessary

(₹ in crore)

Sl. No	Number and Name of Grant	Original Provision	Supplementary Provision	Actual Expenditure	Saving out of Original provision
A-Revenue (Voted)					
1.	06 - Animal Husbandry (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department)	1,400.74	14.58	1,298.20	(-) 102.54
2.	09 - Backward Classes, Most Backward Classes and Minorities Welfare Department	1,333.72	72.66	1,279.97	(-) 53.75
3.	21 - Highways and Minor Ports Department	2,152.55	23.91	2,134.37	(-) 18.18
4.	24 - Prisons and Correctional Services (Home, Prohibition and Excise Department)	520.22	10.02	503.91	(-) 16.31
5.	29 - Tourism - Art and Culture (Tourism, Culture and Religious Endowments Department)	203.60	32.78	202.45	(-) 1.15
6.	31 - Information Technology And Digital Services Department	119.92	47.51	74.66	(-) 45.26
7.	32 - Labour Welfare and Skill Development Department	1,649.91	58.69	1,619.67	(-) 30.24
8.	34 - Municipal Administration and Water Supply Department	14,226.81	373.62	12,903.86	(-) 1,322.95
9.	35 - Human Resources Management Department	169.47	8.24	168.41	(-) 1.06
10.	38 - Public Department	1,362.90	81.21	1,266.65	(-) 96.25
11.	40 - Water Resources Department	4,336.68	138.31	4,236.34	(-) 100.34
12.	41 - Revenue and Disaster Management Department	8,382.23	158.01	8,198.48	(-) 183.75
13.	42 - Rural Development and Panchayat Raj Department	22,698.80	1,672.74	20,056.12	(-) 2,642.68
14.	43 - School Education Department	43,524.82	771.44	37,756.70	(-) 5,768.12
15.	44 - Micro, Small and Medium Enterprises Department	1,516.66	10.93	1,370.11	(-) 146.55
16.	47 - Hindu Religious and Charitable Endowments (Tourism, Culture and Religious Endowments Department)	621.00	45.75	606.49	(-) 14.51
17.	49 - Youth Welfare and Sports Development Department	438.47	35.46	317.89	(-) 120.58
Total		**1,04,658.50**	**3,555.86**	**93,994.28**	**(-) 10,664.22**
B - Capital (Voted)					
18.	20 - Higher Education Department	644.27	156.55	428.83	(-) 215.44
19.	30 - Stationery and Printing (Tamil Development and Information Department)	18.50	14.62	15.29	(-) 3.21
20.	39 - Buildings (Public Works Department)	1,360.35	27.84	1,340.61	(-) 19.73
Total		**2,023.12**	**199.01**	**1,784.73**	**(-) 238.38**

(₹ in crore)

Sl. No	Number and Name of Grant	Original Provision	Supplementary Provision	Actual Expenditure	Saving out of Original provision
C - Loan (Voted)					
21.	26 - Housing and Urban Development Department	12,261.70	48.69	8,831.47	(-) 3,430.23
Total		**12,261.70**	**48.69**	**8,831.47**	**(-) 3,430.23**
Grand Total		**1,18,952.32**	**3,803.56**	**1,04,610.48**	**(-) 14,332.84**

(Source: Appropriation Accounts for the year 2024-25)

Appendix-2.2
(Refer paragraph 2.5.3, Page 72)

Cases where supplementary provision (₹3 crore or more in each case) proved excessive

(₹ in crore)

Sl. No	Number and Name of Grant	Original Provision	Supplementary Provision	Total Budget	Actual Expenditure	Excessive Supplementary provision (savings)
A-Revenue (Charged)						
1.	03 - Administration of Justice	*379.64*	*45.20*	*424.84*	*396.15*	*28.69*
2.	35 - Human Resources Management Department	*139.11*	*18.69*	*157.80*	*153.14*	*4.66*
3.	50 - Pensions and other retirement benefits	*40.27*	*26.89*	*67.16*	*60.30*	*6.86*
Total		***559.02***	***90.78***	***649.80***	***609.59***	***40.21***
A-Revenue (Voted)						
4.	02 - Governor and Council of Ministers	56.61	18.70	75.31	71.46	3.85
5.	03 - Administration of Justice	1,537.77	722.34	2,260.11	1,855.72	404.39
6.	04 – Adi-Dravidar and Tribal Welfare Department	2,852.02	170.76	3,022.78	2,961.45	61.33
7.	07 - Fisheries and Fishermen Welfare (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department)	714.69	126.94	841.63	740.43	101.20
8.	10 - Commercial Taxes (Commercial Tax and Registration Department)	546.78	122.24	669.02	660.11	8.91
9.	13 - Food and Consumer Protection (Co-operation , Food and Consumer Protection Department)	11,367.29	839.87	12,207.16	12,112.88	94.28
10.	15 - Environment and Climate Change (Environment, Climate Change and Forests Department)	57.54	11.48	69.02	64.44	4.58
11.	16 - Finance Department	1,714.15	492.43	2,206.58	2,122.45	84.13
12.	17 - Handlooms and Textiles (Handlooms, Handicrafts, Textiles and Khadi Department)	1,117.00	358.58	1,475.58	1,467.68	7.90
13.	18 - Khadi, Village Industries and Handicrafts (Handlooms, Handicrafts, Textiles and Khadi Department)	250.05	34.03	284.08	260.73	23.35
14.	19 - Health and Family Welfare Department	19,090.06	1,825.63	20,915.69	19,116.14	1,799.55
15.	23 - Fire and Rescue Services (Home, Prohibition and Excise Department)	488.96	18.13	507.09	492.16	14.93
16.	28 - Information and Publicity (Tamil Development and Information Department)	151.03	102.16	253.19	226.62	26.57
17.	39 - Buildings (Public Works Department)	434.73	44.45	479.18	453.84	25.34
18.	46 - Tamil Development (Tamil Development and Information Department)	116.57	29.26	145.83	134.12	11.71
19.	51 - Relief on Account of Natural Calamities	1,575.02	2,448.36	4,023.38	3,747.04	276.34
20.	54 - Forests (Environment, Climate Change and Forests Department)	662.99	149.42	812.41	687.17	125.24
21.	55 - Natural Resources Department	57.68	189.08	246.76	242.41	4.35
Total		**42,790.94**	**7,703.86**	**50,494.80**	**47,416.85**	**3,077.95**

(₹ in crore)

Sl. No	Number and Name of Grant	Original Provision	Supplementary Provision	Total Budget	Actual Expenditure	Excessive Supplementary provision (savings)
B-Capital (Charged)						
22.	40 - Water Resources Department	*8.19*	*18.57*	*26.76*	*18.60*	*8.16*
Total		***8.19***	***18.57***	***26.76***	***18.60***	***8.16***
B-Capital (Voted)						
23.	04 - Adi-Dravidar and Tribal Welfare Department	833.52	80.03	913.55	904.10	9.45
24.	07 - Fisheries and Fishermen Welfare (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department)	606.28	320.72	927.00	757.61	169.39
25.	09 - Backward Classes, Most Backward Classes and Minorities Welfare Department	92.14	278.98	371.12	141.55	229.57
26.	19 - Health and Family Welfare Department	1,107.33	634.37	1,741.70	1,707.70	34.00
27.	29 - Tourism - Art and Culture (Tourism, Culture and Religious Endowments Department)	173.54	76.24	249.78	189.54	60.24
28.	34 - Municipal Administration and Water Supply Department	10,372.14	1,169.64	11,541.78	11,190.48	351.30
29.	43 - School Education Department	516.76	958.34	1,475.10	1,002.47	472.63
30.	45 - Social Welfare and Women Empowerment Department	66.57	121.22	187.79	172.85	14.94
31.	47 - Hindu Religious and Charitable Endowments (Tourism, Culture and Religious Endowments Department)	15.00	94.84	109.84	98.55	11.29
32.	48 - Transport Department	1,165.00	927.06	2,092.06	2,035.48	56.58
Total		**14,948.28**	**4,661.44**	**19,609.72**	**18,200.33**	**1,409.39**
C-Loan (Voted)						
33.	48 - Transport Department	1,235.80	198.90	1,434.70	1,360.84	73.86
Total		**1,235.80**	**198.90**	**1,434.70**	**1,360.84**	**73.86**
Grand Total		**59,542.23**	**12,673.55**	**72,215.78**	**67,606.21**	**4,609.57**

(Source: Appropriation Accounts for the year 2024-25)

Appendix-2.3
(Refer paragraph 2.5.4, Page 72)
Unnecessary/Inadequate re-appropriation of funds (exceeding ₹3 crore), during 2024-25

(₹ in crore)

Sl. No	Number and Name of the Grant and Head of Account	Original Grant	Supplementary Grant	Re-appropriation	Total	Expenditure	Savings (-) / Excess (+)
Reduction of provision through Re-appropriation orders, which was excess expenditure occurred							
Grant No.05 - Agriculture and Farmers Welfare Department							
1.	2401.00.103.AA - Establishment of State Seed farms	171.88	0.00	(-) 91.54	80.35	127.24	(+) 46.89
2.	2401.00.109.AB - Agricultural Extension Centres	81.16	0.00	(-) 12.64	68.52	71.54	(+) 3.02
3.	2402.00.101.AA – Soil Testing Laboratories	56.76	0.00	(-) 4.31	52.45	57.61	(+) 5.16
Grant No.19 - Health and Family Welfare Department							
4.	2210.05.105.KG - Payment of all Type of Fees for the Students admitted under the 7.5% preferential allotment of Seats in MBBS/BDS Course	70.00	0.00	(-) 41.18	28.82	95.70	(+) 66.88
Augmentation of provision proved injudicious							
Grant No.05 - Agriculture and Farmers Welfare Department							
5.	2401.00.103.AN - Establishment of seed centres for procurement and distribution of seeds	0.00	0.00	46.94	46.94	0.00	(-) 46.94
6.	2401.00.109.AF - Farmers Training Centre	0.00	0.00	3.01	3.01	0.00	(-) 3.01
Grand Total		**379.80**	**0.00**	**(-) 99.72**	**280.09**	**352.09**	**(+) 72.00**

(Source: Detailed Appropriation Accounts for the year 2024-25)

Appendix-2.4
(Refer paragraph 2.5.5, Page 72)
Grants having large savings, after surrender (exceeding ₹3 crore), during 2024-25

(₹ in crore)

Sl. No	Number and Name of the Grant	Total Budget Provision	Actual Expenditure	Saving	Surrendered	Saving (after surrender)
A-Revenue (Voted)						
1.	13 - Food and Consumer Protection (Co-operation, Food and Consumer Protection Department)	12,207.15	12,112.88	(-) 94.27	60.86	(-) 33.41
2.	22 - Police (Home, Prohibition and Excise Department)	12,101.61	11,414.65	(-) 686.96	667.03	(-) 19.93
3.	26 - Housing and Urban Development Department	3,606.53	2,390.97	(-) 1,215.56	1,137.92	(-) 77.64
4.	27- Industries, Investment Promotion and Commerce Department	1,805.52	1,050.52	(-) 755.00	255.00	(-) 500.00
5.	40- Water Resources Department	4,474.99	4,236.34	(-) 238.65	123.87	(-) 114.78
6.	41 - Revenue and Disaster Management Department	8,540.24	8,198.48	(-) 341.76	330.60	(-) 11.16
7.	43 - School Education Department	44,296.25	37,756.70	(-) 6,539.55	6,525.08	(-) 14.47
8.	45 - Social Welfare and Women Empowerment Department	7,762.46	7,303.94	(-) 458.52	425.93	(-) 32.59
9.	50 - Pensions and other retirement benefits	42,468.99	40,604.01	(-) 1,864.98	1,842.04	(-) 22.94
10.	54 - Forests (Environment, Climate Change and Forests Department)	812.42	687.17	(-) 125.25	110.37	(-) 14.88
Total		**1,38,076.16**	**1,25,755.66**	**(-) 12,320.50**	**11,478.70**	**(-) 841.80**
B-Capital (Voted)						
11.	21 - Highways and Minor Ports Department	17,889.82	16,190.19	(-) 1,699.63	1,693.63	(-) 6.00
12.	40 - Water Resources Department	4,052.79	3,191.19	(-) 861.60	843.95	(-) 17.65
Total		**21,942.61**	**19,381.38**	**(-) 2,561.23**	**2,537.58**	**(-) 23.65**
Grand Total		**1,60,018.77**	**1,45,137.04**	**(-) 14,881.73**	**14,016.28**	**(-) 865.45**

(Source: Appropriation Accounts for the year 2024-25)

Appendix 2.5
(Refer paragraph 2.5.5, Page 73)
Grants having persistent savings (exceeding ₹ 3 crore) during 2022-23 to 2024-25

(₹ in crore)

Sl. No	Grant No./ Name of the Department	Savings		
		2022-23	2023-24	2024-25
Revenue (Voted)				
1.	01 - State Legislature	9.72 *(10.83)*	9.03 *(10.30)*	17.24 *(20.56)*
2.	02 - Governor and Council of Ministers	7.09 *(13.79)*	3.68 *(5.99)*	3.84 *(5.11)*
3.	06 - Animal Husbandry (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department)	124.93 *(9.43)*	72.70 *(5.55)*	117.12 *(8.27)*
4.	11 - Stamps And Registration (Commercial Taxes and Registration Department)	31.53 *(7.54)*	59.72 *(13.02)*	32.44 *(6.64)*
5.	20 - Higher Education Department	316.65 *(5.65)*	610.00 *(9.42)*	1,680.11 *(22.20)*
6.	26 - Housing and Urban Development Department	2,816.21 *(49.16)*	508.09 *(13.58)*	1,215.56 *(33.70)*
7.	27 - Industries, Investment Promotion and Commerce Department	574.59 *(24.48)*	1,244.60 *(60.31)*	754.99 *(41.82)*
8.	28 - Information and Publicity (Tamil Development and Information Department)	28.90 *(17.21)*	16.41 *(9.35)*	26.57 *(10.49)*
9.	29 - Tourism - Art and Culture (Tourism, Culture and Religious Endowments Department)	10.03 *(5.71)*	12.86 *(6.32)*	33.93 *(14.35)*
10.	31 - Information Technology and Digital Services Department	109.17 *(54.80)*	43.63 *(33.24)*	92.76 *(55.40)*
11.	34 - Municipal Administration and Water Supply Department	1,592.73 *(11.82)*	1,334.85 *(9.36)*	1,696.58 *(11.62)*
12.	38 - Public Department	51.14 *(7.65)*	96.06 *(12.89)*	177.45 *(12.29)*
13.	42 - Rural Development and Panchayat Raj Department	1,621.71 *(7.17)*	1,863.38 *(8.65)*	4,315.42 *(17.71)*
14.	44 - Micro, Small and Medium Enterprises Department	119.27 *(13.09)*	148.00 *(10.38)*	157.48 *(10.31)*
15.	45 - Social Welfare and Women Empowerment Department	838.26 *(13.64)*	936.27 *(12.19)*	458.52 *(5.91)*
16.	46 - Tamil Development (Tamil Development And Information Department)	13.03 *(11.07)*	11.09 *(8.75)*	11.71 *(8.03)*
17.	47 - Hindu Religious and Charitable Endowments (Tourism, Culture and Religious Endowments Department)	32.62 *(6.53)*	33.13 *(5.40)*	60.26 *(9.04)*
18.	49 - Youth Welfare and Sports Development Department	69.64 *(16.99)*	121.68 *(18.93)*	156.04 *(32.92)*
19.	52 - Department for the Welfare of Differently Abled Persons	83.19 *(8.90)*	152.32 *(13.79)*	301.54 *(21.98)*
20.	54 - Forests (Environment, Climate Change and Forests Department)	87.49 *(13.17)*	93.78 *(12.84)*	125.25 *(15.42)*
Capital (Voted)				
26.	06 - Animal Husbandry (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department)	9.37 *(6.99)*	74.91 *(53.10)*	11.91 *(24.98)*
22.	15 - Environment and Climate Change (Environment, Climate Change and Forests Department)	5.29 *(100)*	4.99 *(100)*	29.00 *(41.43)*
23.	16 - Finance Department	675.45 *(91.20)*	238.42 *(61.13)*	102.08 *(67.96)*
24.	20 - Higher Education Department	172.49 *(44.62)*	277.53 *(39.03)*	371.99 *(46.45)*
25.	22 - Police (Home, Prohibition and Excise Department)	126.83 *(63.42)*	41.13 *(17.79)*	275.53 *(66.67)*
26.	23 - Fire and Rescue Services (Home, Prohibition and Excise Department)	12.79 *(37.47)*	52.59 *(65.73)*	37.61 *(43.01)*

(₹ in crore)

Sl. No	Grant No./ Name of the Department	Savings		
		2022-23	2023-24	2024-25
27.	29 - Tourism - Art and Culture (Tourism, Culture and Religious Endowments Department)	60.51 *(41.69)*	28.15 *(17.91)*	60.24 *(24.12)*
28.	32 - Labour Welfare and Skill Development Department	56.47 *(8.51)*	80.30 *(39.58)*	22.70 *(22.23)*
29.	40 - Water Resources Department	819.66 *(18.26)*	1,431.83 *(27.66)*	861.59 *(21.26)*
30.	42 - Rural Development and Panchayat Raj Department	1,661.80 *(37.85)*	359.90 *(14.93)*	1,767.90 *(33.85)*
31.	43 - School Education Department	327.42 *(60.08)*	246.43 *(41.18)*	472.63 *(32.04)*
32.	45 - Social Welfare and Women Empowerment Department	30.78 *(56.96)*	40.25 *(49.22)*	14.94 *(7.96)*
33.	52 - Department for the Welfare of Differently Abled Persons	9.46 *(49.25)*	6.30 *(86.29)*	15.50 *(91.13)*
34.	54 - Forests (Environment, Climate Change and Forests Department)	16.35 *(6.48)*	161.59 *(41.26)*	106.47 *(23.31)*
Loans (Voted)				
35.	14 - Energy Department	1,464.18 *(79.41)*	1,286.17 *(57.37)*	568.83 *(83.24)*
36.	16 - Finance Department	71.89 *(55.74)*	33.68 *(29.90)*	36.71 *(8.03)*
37.	22 - Police (Home, Prohibition and Excise Department)	11.94 *(56.47)*	17.67 *(82.01)*	13.84 *(62.90)*

(Figures in brackets indicate savings as a percentage of total provision)

(Source: Appropriation Accounts for the respective financial years)

Appendix-2.6
(Refer paragraph 2.5.5, Page 73)
Grant-wise percentage of utilisation of budget and savings, during 2024-25

(₹ in crore)

Sl. No	Number and Name of Grant	Total Budget	Total Expenditure	Savings	Percentage of Savings	Range of Savings *(per cent)*
1	01- State Legislature	85.76	68.26	(-) 17.50	*20.41*	Up to 50
2	02- Governor and Council of Ministers	98.65	94.23	(-) 4.41	*4.47*	
3	03- Administration of Justice	2,684.94	2,251.86	(-) 433.08	*16.13*	
4	04- Adi Dravidar and Tribal Welfare Department	3,960.95	3,890.14	(-) 70.81	*1.79*	
5	05- Agriculture and Farmers Welfare Department	15,021.32	12,784.45	(-) 2,236.87	*14.89*	
6	06- Animal Husbandry (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department)	1,464.28	1,335.25	(-) 129.03	*8.81*	
7	07- Fisheries and Fishermen Welfare (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department)	1,768.63	1,498.04	(-) 270.59	*15.30*	
8	08- Dairy Development (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department)	953.28	795.88	(-) 157.40	*16.51*	
9	09- Backward Classes, Most Backward Classes And Minorities Welfare Department	1,780.84	1,423.33	(-) 357.51	*20.08*	
10	10- Commercial Taxes (Commercial Tax and Registration Department)	669.97	660.89	(-) 9.08	*1.36*	
11	11- Stamps and Registration (Commercial Taxes and Registration Department)	488.58	456.14	(-) 32.44	*6.64*	
12	12- Co-Operation (Co-operation , Food and Consumer Protection Department)	5,641.74	4,803.86	(-) 837.88	*14.85*	
13	13- Food and Consumer Protection (Co-operation , Food and Consumer Protection Department)	14,364.53	14,270.26	(-) 94.28	*0.66*	
14	14- Energy Department	25,739.36	25,147.42	(-) 591.94	*2.30*	
15	15- Environment and Climate Change (Environment, Climate Change and Forests Department)	150.67	116.35	(-) 34.32	*22.78*	
16	16- Finance Department	2,814.20	2,591.29	(-) 222.92	*7.92*	
17	17- Handlooms and Textiles (Handlooms,	1,594.70	1,473.80	(-) 120.90	*7.58*	

(₹ in crore)

Sl. No	Number and Name of Grant	Total Budget	Total Expenditure	Savings	Percentage of Savings	Range of Savings (*per cent*)
	Handicrafts, Textiles and Khadi Department)					
18	18- Khadi, Village Industries and Handicrafts (Handlooms, Handicrafts, Textiles and Khadi Department)	284.12	260.77	(-) 23.35	*8.22*	
19	19- Health And Family Welfare Department	22,660.10	20,826.46	(-) 1,833.64	*8.09*	
20	20- Higher Education Department	8,368.33	6,316.23	(-) 2,052.10	*24.52*	
21	21- Highways and Minor Ports Department	20,177.04	18,434.82	(-) 1,742.23	*8.63*	
22	22- Police (Home, Prohibition and Excise Department)	12,543.07	11,565.38	(-) 977.69	*7.79*	Up to 50
23	23- Fire and Rescue Services (Home, Prohibition and Excise Department)	594.94	542.40	(-) 52.53	*8.83*	
24	24- Prisons and Correctional Services (Home, Prohibition and Excise Department)	539.74	513.20	(-) 26.54	*4.92*	
25	25- Motor Vehicles Acts-Administration (Home, Prohibition and Excise Department)	671.50	670.47	(-) 1.03	*0.15*	
26	26- Housing And Urban Development Department	15,924.06	11,225.48	(-) 4,698.57	*29.51*	
27	27- Industries, Investment Promotion And Commerce Department	2,924.98	1,717.38	(-) 1,207.60	*41.29*	
28	28- Information and Publicity (Tamil Development and Information Department)	253.19	226.63	(-) 26.57	*10.49*	
29	29- Tourism - Art and Culture (Tourism, Culture and Religious Endowments Department)	488.15	393.49	(-) 94.66	*19.39*	
30	30- Stationery and Printing (Tamil Development and Information Department)	220.28	195.33	(-) 24.95	*11.33*	
31	32- Labour Welfare and Skill Development Department	1,812.69	1,699.60	(-) 113.09	*6.24*	
32	33- Law Department	98.66	94.56	(-) 4.10	*4.16*	
33	34- Municipal Administration And Water Supply Department	27,401.22	24,682.76	(-) 2,718.46	*9.92*	

(₹ in crore)

Sl. No	Number and Name of Grant	Total Budget	Total Expenditure	Savings	Percentage of Savings	Range of Savings *(per cent)*
34	35- Human Resources Management Department	342.66	328.16	(-) 14.50	*4.23*	
35	36- Planning, Development And Special Initiatives Department	433.43	355.54	(-) 77.89	*17.97*	
36	37- Prohibition and Excise (Home, Prohibition and Excise Department)	212.20	209.72	(-) 2.49	*1.17*	
37	38- Public Department	1,575.05	1,318.52	(-) 256.53	*16.29*	
38	39- Buildings (Public Works Department)	1,868.65	1,795.67	(-) 72.98	*3.91*	
39	40- Water Resources Department	8,555.15	7,446.73	(-) 1,108.42	*12.96*	
40	41- Revenue And Disaster Management Department	8,545.56	8,203.55	(-) 342.01	*4.00*	
41	42- Rural Development And Panchayat Raj Department	29,596.23	23,512.42	(-) 6,083.81	*20.56*	Up to 50
42	43- School Education Department	45,772.36	38,759.80	(-) 7,012.56	*15.32*	
43	44- Micro, Small and Medium Enterprises Department	1,568.90	1,374.23	(-) 194.67	*12.41*	
44	45- Social Welfare and Women Empowerment Department	7,951.16	7,477.04	(-) 474.11	*5.96*	
45	46- Tamil Development (Tamil Development and Information Department)	146.33	134.62	(-) 11.71	*8.00*	
46	47- Hindu Religious and Charitable Endowments (Tourism, Culture and Religious Endowments Department)	789.59	718.04	(-) 71.55	*9.06*	
47	48- Transport Department	10,912.85	10,630.07	(-) 282.78	*2.59*	
48	49- Youth Welfare and Sports Development Department	475.38	318.68	(-) 156.69	*32.96*	
49	50- Pensions and other retirement benefits	42,536.14	40,664.31	(-) 1,871.83	*4.40*	
50	51- Relief On Account of Natural Calamities	4,023.42	3,747.04	(-) 276.38	*6.87*	
51	52- Department for the Welfare of Differently Abled Persons	1,389.17	1,072.13	(-) 317.03	*22.82*	
52	53- Department Of Special Programme Implementation	14,372.73	14,175.34	(-) 197.40	*1.37*	
53	54- Forests (Environment, Climate Change and Forests Department)	1,269.24	1,037.52	(-) 231.72	*18.26*	
54	55- Natural Resources Department	259.32	253.41	(-) 5.91	*2.28*	

(₹ in crore)

Sl. No	Number and Name of Grant	Total Budget	Total Expenditure	Savings	Percentage of Savings	Range of Savings (*per cent*)
55	*56- Debt Charges (Charged Appropriation)*	*63,635.22*	*60,170.86*	*(-) 3,464.36*	*5.44*	
56	*57- Public Debt-Repayment (Charged Appropriation)*	*41,178.26*	*40,684.40*	*(-) 493.85*	*1.20*	
57	31- Information Technology And Digital Services Department	167.83	74.91	(-) 92.91	*55.36*	51 to 75
Total		**4,81,821.31**	**4,37,489.16**	**44,332.15**		

(Source: Appropriation Accounts for the year 2024-25)

Appendix 2.7
(Refer paragraph 2.5.5, Page 74)
Surrender of funds in excess of ₹3 crore, on the last day of March 2025

(₹ in crore)

Sl. No	Number and Name of Grant	Original Budget	Supplemen-tary Budget	Total Provision	Actual Expenditure	Savings	Amount Surrendered on 31.03.2025
1.	01 - State Legislature	85.42	0.35	85.76	68.26	(-) 17.50	(-) 11.53
2.	02 - Governor and Council of Ministers	75.56	23.09	98.65	94.23	(-) 4.41	(-) 4.37
3.	03 - Administration of Justice	1,917.41	767.53	2,684.94	2,251.86	(-) 433.08	(-) 431.09
4.	04 - Adi-Dravidar and Tribal Welfare Department	3,706.05	254.89	3,960.95	3,890.14	(-) 70.81	(-) 70.31
5.	05 - Agriculture and Farmers Welfare Department	14,762.54	258.79	15,021.32	12,784.45	(-) 2,236.87	(-) 451.80
6.	06 - Animal Husbandry (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department)	1,448.94	15.34	1,464.28	1,335.25	(-) 129.03	(-) 126.74
7.	07 - Fisheries and Fishermen Welfare (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department)	1,320.97	447.66	1,768.63	1,498.04	(-) 270.59	(-) 270.63
8.	08 - Dairy Development (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department)	881.92	71.36	953.28	795.88	(-) 157.40	(-) 121.87
9.	09 - Backward Classes, Most Backward Classes and Minorities Welfare Department	1,428.86	351.98	1,780.84	1,423.33	(-) 357.51	(-) 355.48
10.	10 - Commercial Taxes (Commercial Tax and Registration Department)	547.28	122.69	669.97	660.89	(-) 9.08	(-) 7.84
11.	11 - Stamps and Registration (Commercial Taxes and Registration Department)	488.58	0.00	488.58	456.14	(-) 32.44	(-) 12.66
12.	12 - Co-operation (Co-operation , Food and Consumer Protection Department)	5,641.74	0.00	5,641.74	4,803.86	(-) 837.88	(-) 55.33
13.	13 - Food and Consumer Protection (Co-operation , Food and Consumer Protection Department)	11,630.67	2,733.86	14,364.53	14,270.26	(-) 94.28	(-) 60.86

(₹ in crore)

Sl. No	Number and Name of Grant	Original Budget	Supplementary Budget	Total Provision	Actual Expenditure	Savings	Amount Surrendered on 31.03.2025
14.	14 - Energy Department	22,309.64	3,429.73	25,739.36	25,147.42	(-) 591.94	(-) 107.54
15.	15 - Environment and Climate Change (Environment, Climate Change and Forests Department)	132.38	18.29	150.67	116.35	(-) 34.32	(-) 5.31
16.	16 - Finance Department	1,971.69	842.52	2,814.20	2,591.29	(-) 222.92	(-) 101.42
17.	17 - Handlooms and Textiles (Handlooms, Handicrafts, Textiles and Khadi Department)	1,230.00	364.70	1,594.70	1,473.80	(-) 120.90	(-) 7.90
18.	18 - Khadi, Village Industries and Handicrafts (Handlooms, Handicrafts, Textiles and Khadi Department)	250.05	34.07	284.12	260.77	(-) 23.35	(-) 23.33
19.	19 - Health and Family Welfare Department	20,197.83	2,462.27	22,660.10	20,826.46	(-) 1,833.64	(-) 1,990.71
20.	20 - Higher Education Department	8,211.78	156.55	8,368.33	6,316.23	(-) 2,052.10	(-) 1,084.99
21.	21 - Highways and Minor Ports Department	20,042.86	134.18	20,177.04	18,434.82	(-) 1,742.23	(-) 743.57
22.	22 - Police (Home, Prohibition and Excise Department)	12,542.69	0.38	12,543.07	11,565.38	(-) 977.69	(-) 317.90
23.	23 - Fire and Rescue Services (Home, Prohibition and Excise Department)	576.40	18.53	594.94	542.40	(-) 52.53	(-) 35.17
24.	24 - Prisons and Correctional Services (Home, Prohibition and Excise Department)	520.47	19.28	539.74	513.20	(-) 26.54	(-) 26.09
25.	26 - Housing and Urban Development Department	15,875.36	48.69	15,924.06	11,225.48	(-) 4,698.57	(-) 729.26
26.	27 - Industries, Investment Promotion and Commerce Department	2,924.65	0.33	2,924.98	1,717.38	(-) 1,207.60	(-) 228.65
27.	28 - Information and Publicity (Tamil Development and Information Department)	151.03	102.17	253.19	226.63	(-) 26.57	(-) 26.46
28.	29 - Tourism - Art and Culture	378.63	109.52	488.15	393.49	(-) 94.66	(-) 94.43

(₹ in crore)

Sl. No	Number and Name of Grant	Original Budget	Supplementary Budget	Total Provision	Actual Expenditure	Savings	Amount Surrendered on 31.03.2025
	(Tourism, Culture and Religious Endowments Department)						
29.	30 - Stationery and Printing (Tamil Development and Information Department)	205.66	14.62	220.28	195.33	(-) 24.95	(-) 23.73
30.	31 - Information Technology and Digital Services Department	120.32	47.51	167.83	74.91	(-) 92.91	(-) 92.91
31.	32 - Labour Welfare and Skill Development Department	1,753.99	58.70	1,812.69	1,699.60	(-) 113.09	(-) 103.13
32.	33 - Law Department	91.96	6.70	98.66	94.56	(-) 4.10	(-) 4.11
33.	34 - Municipal Administration and Water Supply Department	25,857.95	1,543.27	27,401.22	24,682.76	(-) 2,718.46	(-) 2,246.91
34.	35 - Human Resources Management Department	311.58	31.08	342.66	328.16	(-) 14.50	(-) 14.00
35.	36 - Planning, Development and Special Initiatives Department	412.30	21.13	433.43	355.54	(-) 77.89	(-) 44.97
36.	38 - Public Department	1,486.21	88.84	1,575.05	1,318.52	(-) 256.53	(-) 229.78
37.	39 - Buildings (Public Works Department)	1,795.58	73.07	1,868.65	1,795.67	(-) 72.98	(-) 236.12
38.	40 - Water Resources Department	8,398.04	157.11	8,555.15	7,446.73	(-) 1,108.42	(-) 438.65
39.	41 - Revenue and Disaster Management Department	8,383.04	162.52	8,545.56	8,203.55	(-) 342.01	(-) 330.85
40.	42 - Rural Development and Panchayat Raj Department	27,922.35	1,673.88	29,596.23	23,512.42	(-) 6,083.81	(-) 5,228.45
41.	43 - School Education Department	44,042.08	1,730.28	45,772.36	38,759.80	(-) 7,012.56	(-) 6,997.99
42.	44 - Micro, Small and Medium Enterprises Department	1,556.66	12.23	1,568.90	1,374.23	(-) 194.67	(-) 157.94
43.	45 - Social Welfare and Women Empowerment Department	7,829.93	121.23	7,951.16	7,477.04	(-) 474.11	(-) 250.06
44.	46 - Tamil Development (Tamil Development and	117.07	29.26	146.33	134.62	(-) 11.71	(-) 11.05

(₹ in crore)

Sl. No	Number and Name of Grant	Original Budget	Supplementary Budget	Total Provision	Actual Expenditure	Savings	Amount Surrendered on 31.03.2025
	Information Department)						
45.	47 - Hindu Religious and Charitable Endowments (Tourism, Culture and Religious Endowments Department)	644.00	145.59	789.59	718.04	(-) 71.55	(-) 71.62
46.	48 - Transport Department	9,786.89	1,125.96	10,912.85	10,630.07	(-) 282.78	(-) 210.34
47.	49 - Youth Welfare and Sports Development Department	439.77	35.61	475.38	318.68	(-) 156.69	(-) 156.10
48.	50 - Pensions and other retirement benefits	42,509.25	26.89	42,536.14	40,664.31	(-) 1,871.83	(-) 750.20
49.	51 - Relief on Account of Natural Calamities	1,575.02	2,448.40	4,023.42	3,747.04	(-) 276.38	(-) 276.26
50.	52 - Department for the Welfare of Differently Abled Persons	1,389.16	0.00	1,389.17	1,072.13	(-) 317.03	(-) 65.75
51.	53 - Department of Special Programme Implementation	14,372.52	0.22	14,372.73	14,175.34	(-) 197.40	(-) 72.22
52.	54 - Forests (Environment, Climate Change and Forests Department)	1,119.77	149.47	1,269.24	1,037.52	(-) 231.72	(-) 173.51
53.	55 - Natural Resources Department	69.93	189.39	259.32	253.41	(-) 5.91	(-) 5.88
54.	56 - Debt Charges (Charged Appropriation)	63,634.27	0.96	63,635.22	60,170.86	(-) 3,464.36	(-) 402.65
Grand Total		**4,17,076.69**	**22,682.65**	**4,39,759.35**	**3,95,924.57**	**(-) 43,834.77**	**(-) 26,098.42**

(Source: Appropriation Accounts for the year 2024-25)

Appendix-2.8
(Refer paragraph 2.5.5, Page 75)
Surrenders of more than ₹100 crore for 2024-25

(₹ in crore)

Sl. No	Grant No and Description	HOA and Description	Original	Supplemen-tary	Re-appropriation	Expenditure	Savings
1.	19 - Health and Family Welfare Department	2210.01.110.JJ - Improvements to Teaching Hospitals	114.31	536.30	(-) 548.76	101.81	(-) 548.81
2.		2210.03.103.BI - Primary Health Centres	1,206.33	0.00	(-) 255.16	950.07	(-) 256.26
3.		2235.60.200.KG - Dr. Muthulakshmi Reddy Maternity Assistance Scheme for the female members of Below Poverty Line families for delivery	619.72	105.21	(-) 202.11	522.25	(-) 202.68
4.		2211.00.103.UD - National Health Mission Schemes - State Share	805.23	409.89	(-) 162.45	1,052.67	(-) 162.45
5.		4210.01.200.PC – Tamil Nadu Health Systems Reforms Project	447.53	59.56	(-) 106.51	400.58	(-) 106.51
6.	20 - Higher Education Department	2202.03.104.AA - Grants to Private colleges (Arts and Oriental colleges)	2,255.19	0.00	(-) 463.73	1,790.98	(-) 464.20
7.		2203.00.105.AP - Upgradation of Polytechnics	410.44	0.00	(-) 410.44	0.00	(-) 410.44
8.		2202.03.103.AA - Arts College (Men)	1,377.45	0.00	(-) 198.13	1,179.05	(-) 198.40
9.		2203.00.001.AG - Learning Management system integrated with enterprise Resource Planning software for all higher education institution in Tamil Nadu	172.97	0.00	(-) 172.79	0.18	(-) 172.79
10.		4202.02.104.JA - Buildings	297.31	0.00	(-) 192.83	104.48	(-) 192.83
11.	34 - Municipal Administration and Water Supply Department	2217.05.800.KA - Schemes implemented in Urban Local Bodies under Infrastructure and Amenities Fund	400.00	0.00	(-) 168.76	231.24	(-) 168.76
12.		3604.00.191.SG - Air Quality Grants to Million Plus Cities as per the recommendation of 15th Finance Commission - Municipal Corporation	137.00	0.00	(-) 116.28	20.72	(-) 116.28
13.		4217.60.800.QC - Capital Grants to PSGF under Kfw SMIF - Phase III	300.00	0.00	(-) 130.00	170.00	(-) 130.00

(₹ in crore)

Sl. No	Grant No and Description	HOA and Description	Original	Supplementary	Re-appropriation	Expenditure	Savings
14.		6217.60.190.PN - Loans for Construction of Integrated Storm Water Drain for the M3 Component of Kovalam Basin area with the assistance of KfW	350.00	0.00	(-) 170.00	180.00	(-) 170.00
15.		6217.60.190.PR - Loans for construction for Integrated Storm Water Drain in Kosasthalaiyar basin with the assistance of ADB	275.00	0.00	(-) 275.00	0.00	(-) 275.00
16.		6217.60.190.PT - Loans to Tamil Nadu Urban Development Fund (TNUDF) for implementing KfW assisted Sustainable Municipal Infrastructure Financing in Tamil Nadu –Phase III (SMIF TN – III) Program	350.00	0.00	(-) 250.00	100.00	(-) 250.00
17.	42 - Rural Development and Panchayat Raj Department	2015.00.109.AA - Elections to Panchayats	371.42	0.00	(-) 368.38	3.04	(-) 368.38
18.		2215.02.105.UB - Total Sanitation Campaign - Swacch Bharat Mission	158.40	0.00	(-) 123.78	34.62	(-) 123.78
19.		2505.02.101.UA - Mahatma Gandhi Rural Employment Guarantee Scheme	1,732.50	0.00	(-) 808.14	924.36	(-) 808.14
20.		2505.02.793.UA - Mahatma Gandhi Rural Employment Guarantee Scheme under Special Component Plan	717.75	0.00	(-) 334.80	382.95	(-) 334.80
21.		2505.02.101.UB - Mahatma Gandhi Rural Employment Guarantee Scheme - State Share	577.50	0.00	(-) 269.38	308.12	(-) 269.38
22.		2505.02.101.SB - Administrative cost	529.20	0.00	(-) 256.59	272.61	(-) 256.59
23.		2505.02.793.UB - Mahatma Gandhi Rural Employment Guarantee Scheme under Special Component Plan - State Share	239.25	0.00	(-) 111.60	127.65	(-) 111.60
24.		2216.03.800.JA - Roofing cost for construction of Concrete Houses for Other Backward Classes	414.00	34.42	(-) 241.42	207.00	(-) 241.42

(₹ in crore)

Sl. No	Grant No and Description	HOA and Description	Original	Supplementary	Re-appropriation	Expenditure	Savings
25.		2216.03.789.JB - Roofing cost for construction of Concrete Houses for Scheduled Castes	180.00	114.08	(-) 204.08	90.00	(-) 204.08
26.		3604.00.197.SB - Tied / Performance Grants to Block Panchayats as per the Recommendations of the 15th Finance Commission	266.13	0.00	(-) 133.07	133.07	(-) 133.07
27.		3604.00.198.SC - Basic Grants to Village Panchayat as per the Recommendations of the 15th Finance Commission	946.24	0.00	(-) 473.12	473.12	(-) 473.12
28.		3604.00.198.SD - Tied / Performance Grants to Village Panchayats as per the Recommendations of the 15th Finance Commission	1,419.36	0.00	(-) 709.68	709.68	(-) 709.68
29.		4515.00.103.UC - Road / Bridge Works under PMGSY-III	1,341.00	0.00	(-) 715.07	625.93	(-) 715.07
30.		4515.00.103.JC - Implementation of Road Works with NABARD assistance	889.54	0.00	(-) 670.00	219.54	(-) 670.00
31.		4515.00.103.UF - Road / Bridge Works under PMGSY-III - State Share	894.00	0.00	(-) 456.72	437.28	(-) 456.72
32.		4515.00.789.JD - Implementation of Road Works with NABARD assistance under Special Component Plan for Scheduled Castes - Controlled by DRD	266.86	0.00	(-) 201.00	65.86	(-) 201.00
33.	43 - School Education Department	2202.02.109.AA - Salary of Teachers and staff in Government Secondary and Higher Secondary Schools	10,836.71	9.45	(-) 815.10	10,028.11	(-) 818.05
34.		2202.01.101.AC - Salaries to Panchayat Union Elementary School Teachers	9,181.94	0.00	(-) 676.60	8,499.77	(-) 682.17
35.		2202.02.110.AA - Assistance to Aided High Schools and Higher Secondary Schools	4,560.93	39.99	(-) 458.80	4141.80	(-) 459.11

(₹ in crore)

Sl. No	Grant No and Description	HOA and Description	Original	Supplementary	Re-appropriation	Expenditure	Savings
36.		2202.01.102.AD - Grants to Non-Government Elementary Schools	4,009.31	302.03	(-) 426.03	3,883.17	(-) 428.17
37.		2202.01.793.UA - Implementation of SSA (Sarva Shiksha Abhiyan) under Samagra Shiksha Abhiyan	341.30	0.00	(-) 205.94	135.36	(-) 205.94
38.		2202.01.108.JC - Supply of Text Books to Students	132.97	39.59	(-) 163.12	9.45	(-) 163.12
39.		2202.02.113.UE - Implementation of Rashtriya Madhyamik Shiksha Abhiyan (RMSA) under Samagra Shiksha Abhiyan (Recurring) - State Share	188.06	8.57	(-) 153.88	42.75	(-) 153.88
40.		2202.01.113.UD - Implementation of SSA (Sarva Shiksha Abhiyan) under Samagra Shiksha Abhiyan - State Share	686.42	5.69	(-) 148.35	543.75	(-) 148.35
41.		2202.01.101.AD - Payment of Salaries to Teachers under Sarva Shiksha Abhiyan (SSA)	2,682.53	0.00	(-) 127.82	2,553.28	(-) 129.25
42.		2202.02.106.JC - Supply of Text Books to Students	98.88	10.71	(-) 104.59	5.00	(-) 104.59
43.		4202.01.201.JJ - Providing infrastructure facilities for Government Panchayat Primary and Middle Schools with loan assistance from NABARD under Rural Infrastructure Development Fund (RIDF)	0.00	187.45	(-) 187.45	0.00	(-) 187.45
44.		4202.01.202.JG - Construction of School Buildings and Other Infrastructure Facilities with Loan assistance from NABARD under Rural Infrastructure Development Fund (RIDF)	264.00	404.97	(-) 107.11	561.85	(-) 107.13
Total			**53,444.68**	**2,267.91**	**(-) 13,474.60**	**42,223.15**	**(-) 13,489.50**

(Source: Detailed Appropriation Accounts for the year 2024-25)

Appendix-2.9
(Refer paragraph 2.5.5, Page 75)
Budget provision was more than ₹100 crore, no expenditure incurred resulting in 100 *per cent* savings during 2024-25

(₹ in crore)

Sl. No	Grant No and Description	HOA and Description	Original	Supplemen-tary	Re-appropriation	Expen-diture	Savings
1.	12 - CO-OPERATION (Co-operation, Food and Consumer Protection Department)	2425.00.108.KD - Interest Subsidy to Co-operative institutions towards reduced interest for crop loans to the farmers	650.00	0.00	(-) 650.00	0.00	(-) 650.00
2.		2425.00.108.KO - Interest Subvention to Co-operative Institutions towards reduced interest for Animal Husbandry and its allied loans to the farmers under KCC Scheme.	160.00	0.00	(-) 160.00	0.00	(-) 160.00
3.	17 - HANDLOOMS AND TEXTILES (Handlooms, Handicrafts, Textiles and Khadi Department)	4851.00.103.AC - Construction of Unity Malls	113.00	0.00	(-) 113.00	0.00	(-) 113.00
4.	20 - HIGHER EDUCATION DEPARTMENT	2203.00.105.AP - Upgradation of Polytechnics	410.44	0.00	(-) 410.44	0.00	(-) 410.44
5.		2202.03.102.BU - Additionality / Advance Grant	235.35	0.00	(-) 235.35	0.00	(-) 235.35
6.		4202.02.104.JD - Upgradation of Polytechnics	0.00	156.55	(-) 156.55	0.00	(-) 156.55
7.	22 - POLICE (Home, Prohibition and Excise Department)	4055.00.211.SA - Payment to Tamil Nadu Police Housing Corporation Limited for construction works controlled by Director General of Police	108.19	0.00	(-) 108.19	0.00	(-) 108.19
8.	27 - INDUSTRIES, INVESTMENT PROMOTION AND COMMERCE DEPARTMENT	2852.08.600.AB - Industrial ECO System Fund	150.00	0.00	(-) 150.00	0.00	(-) 150.00
9.		5053.02.102.AK - Expansion of Coimbatore Airport	100.00	0.00	(-) 100.00	0.00	(-) 100.00
10.	34 - MUNICIPAL ADMINISTRATI ON AND WATER SUPPLY DEPARTMENT	3604.00.191.SF - Solid Waste Management and Sanitation Grants to Million Plus Cities as per the recommendation of 15th Finance Commission - Municipal Corporations.	350.00	0.00	(-) 350.00	0.00	(-) 350.00
11.		4217.60.800.AC - Adyar River Cleaning Revival Project	300.00	0.00	(-) 300.00	0.00	(-) 300.00
12.		2217.05.191.UH - Implementation of Swachh Bharat Mission 2.0 in Corporations / Municipalities	252.00	0.00	(-) 252.00	0.00	(-) 252.00
13.		2217.05.191.UI - Implementation of Swachh Bharat Mission 2.0 in	168.00	0.00	(-) 168.00	0.00	(-) 168.00

(₹ in crore)

Sl. No	Grant No and Description	HOA and Description	Original	Supplementary	Re-appropriation	Expenditure	Savings
		Corporations / Municipalities - State Share					
14.		4217.60.800.JP - Adyar River Restoration Project	159.46	0.00	(-) 159.46	0.00	(-) 159.46
15.		2215.01.101.KB - Viability Gap Support for Desalination Plant at Chennai	100.00	0.00	(-) 100.00	0.00	(-) 100.00
16.	43 - School Education Department	2202.01.113.UA - Implementation of SSA (Sarva Shiksha Abhiyan) under Samagra Shiksha Abhiyan	1,029.62	8.53	(-) 1,038.16	0.00	(-) 1,038.16
17.		2202.01.800.KU - Reimbursement of fee claimed as per the provision of section 12(1)(c) of Right of Children to Free and Compulsory Education Act, 2009	450.00	0.00	(-) 450.00	0.00	(-) 450.00
18.		2202.02.113.UC - Implementation of Rashtriya Madhyamik Shiksha Abhiyan (RMSA) under Samagra Shiksha Abhiyan (Recurring)	281.51	13.43	(-) 294.94	0.00	(-) 294.94
19.		4202.01.201.JJ - Providing infrastructure facilities for Government Panchayat Primary and Middle Schools with loan assistance from NABARD under Rural Infrastructure Development Fund (RIDF)	0.00	187.45	(-) 87.45	0.00	(-) 187.45
20.		2202.02.109.BI - Housekeeping, Sanitation, Security Services etc., in Govt. High Schools and Higher Secondary Schools	100.00	0.00	(-) 100.00	0.00	(-) 100.00
21.	*56 - Debt Charges (Charged Appropriation)*	*2049.01.101.AB (C)- Lumpsum provision for the New Loans to be floated during the current Financial Year*	*3,836.78*	*0.00*	*(-) 3,836.78*	*0.00*	*(-) 3,836.78*
22.		*2049.01.101.AC (C) - Lumpsum provision for the New Loans to be floated during next Financial Year*	*2,250.00*	*0.00*	*(-) 2,250.00*	*0.00*	*(-) 2,250.00*
Total			**11,204.34**	**365.96**	**(-) 11,570.30**	**0.00**	**(-) 11,570.30**

(Source: Detailed Appropriation Accounts for the year 2024-25)

Appendix-2.10
(Refer paragraph 2.5.6, Page 76)
Misclassification of revenue expenditure as capital expenditure & vice-versa for 2024-25

Sl.No	No. and Name of the Grant /Department	No. of sanction order	Misclassified (Amount in ₹)	Head of Account	Audit observation
1	04- Adi Dravidar and Tribal Welfare Department	G.O (Ms) No. 215	50,00,000	4225.02.794.SB	Government of Tamil Nadu incurred expenditure of ₹0.50 crore towards Grants in Aid for creation of capital assets under the scheme Support to Tribal Research Institute. The same has been wrongly classified under Capital Account instead of Revenue Account resulting in understatement of Revenue Expenditure.
2	39- Buildings (Public Works Department)	G.O (Ms) No.02	38,00,000	4210.01.110.JA	Expenditure of ₹0.38 crore towards the compensation paid by the Joint Commissioner (Labour) has been wrongly classified under Capital Account instead of Revenue Account resulting in over statement of Capital Expenditure.
3	42- Rural Development and Panchayat Raj Department	G.O (Ms) No.13	1,00,00,000	2215.02.105.JO	Expenditure of ₹1.00 crore towards the scheme 'Seed fund for Clean Tamil Nadu Company Limited' was wrongly classified under Revenue Account instead of Capital Account as the expenditure was towards share capital subscription resulting in overstatement of Revenue Expenditure.

(Source: Notes to Finance Accounts for the year 2024-25)

Appendix-2.11
(Refer paragraph 2.5.8, Page 79)
Sub-heads where entire expenditure was incurred in March 2025

(₹ in crore)

Sl. No	Grant No.	Name and Department	Head of Accounts	Name of Scheme	Types of Budget	Actual Expenditure during March
1.	04	Adi Dravidar and Tribal Welfare Department	2225.01.277.AH	Compensation to Universities	O	9.81
2.			2225.01.277.BD	Compensation to Government Aided Polytechnics / Engineering Colleges	O	3.90
3.			2225.02.794.SA	Welfare Schemes for Scheduled Tribes in Integrated Rural Development Project Blocks under Tribal Sub-Plan	O, S2	4.61
4.			4225.01.277.AB	Upgradation of Adi Dravidar Welfare Hostels	O, S1, S2	71.76
5.			4225.01.277.JM	Construction of Hostels with Loan assistance of NABARD	O	30.05
6.			4225.01.277.JN	Upgrading infrastructure facilities in the Schools of Adi-Dravidar Department with loan assistance of NABARD under RIDF	O	50.00
7.	05	Agriculture and Farmers Welfare Department	2401.00.109.UD	National e-Governance plan in Agriculture and National Mission on Agricultural Extension Technology	O, S2, R1	10.76
8.			2401.00.109.VE	National e-Governance plan in Agriculture and National Mission on Agricultural Extension Technology - State Share	O, S2, R1	7.17
9.			4435.01.101.PE	Improving farmer access to markets and promoting enterprises for Tank and Non-Tank Irrigation under Tamil Nadu	O, S1, R1	4.00

(₹ in crore)

Sl. No	Grant No.	Name and Department	Head of Accounts	Name of Scheme	Types of Budget	Actual Expenditure during March
				Irrigated Agriculture Modernisation Project-II (TNIAMP-II)		
10.	06	Animal Husbandry (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department)	2403.00.101.LD	Implementation of Bio Medical Waste management in veterinary Institution.	O	3.78
11.			2403.00.101.UT	Establishment and Strengthening of Veterinary Hospitals and Dispensaries - Mobile Veterinary Units (ESVHD-MVU) - State Share	O, S2, R1	7.85
12.			2403.00.107.JH	Distribution of Grass Cutters and Chaff Cutters	S1, S2, R1	4.83
13.	07	Fisheries and Fishermen Welfare (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department)	4405.00.101.PD	Setting up of Fish seed rearing farm under Tamil Nadu Irrigated Agriculture Modernization Project II (TNIAMP II) in Fisheries and Fishermen Welfare Department	S1, S2	3.28
14.			4405.00.104.UE	Construction of Fish Landing Centre - State Share	O, S2	3.80
15.	08	Dairy Development (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department)	4404.00.102.JF	NABARD assisted schemes for providing infrastructure facilities to Dairies and expansion of Cattle Feeds	O	10.00
16.			6404.00.190.AB	Ways and Means Advance to the Tamil Nadu Co-operative Milk Producer's Federation Limited	O	200.00
17.	09	Backward Classes, Most Backward Classes and Minorities Welfare Department	2225.03.190.JA	Assistance to Tamil Nadu Backward Classes Economic Development Corporation for Subsidy to Backward and	O	4.50

(₹ in crore)

Sl. No	Grant No.	Name and Department	Head of Accounts	Name of Scheme	Types of Budget	Actual Expenditure during March
				Most Backward Class farmers for Irrigation Facilities		
18.	12	Co-operation (Co-operation , Food and Consumer Protection Department)	2425.00.789.AB	Interest Subvention to Co-operative Institutions towards reduced interest for Animal Husbandry and its allied loans to the farmers under KCC Scheme	O	6.84
19.			2425.00.789.JA	Interest subsidy to Co-operative institutions for crop loan to the farmers Under Special Component Plan	O	50.00
20.	13	FOOD AND CONSUMER PROTECTION (Co-operation , Food and Consumer Protection Department)	4408.01.190.JB	Share Capital contribution to Tamil Nadu Civil Supplies Corporation Limited - Government Contribution	S2, R1	2,000.00
21.	14	Energy Department	2801.80.101.JI	Lumpsum provision for Electricity Charges dues to Power Utilities	S2	1,036.00
22.			4801.05.190.AA	Share Capital - Assistance to TANTRANSCO for Chennai-Kanyakumari Industrial Corridor(CKIC) Project	O	350.00
23.	17	HANDLOOMS AND TEXTILES (Handlooms, Handicrafts, Textiles and Khadi Department)	2851.00.103.BD	Handloom Support Programme	O	7.87
24.	19	Health and Family Welfare Department	2210.06.200.UA	National Mission on AYUSH - State Share	O, S2, R1	20.92
25.			2210.80.793.UA	National Mission on AYUSH under Special Component Plan for Scheduled Castes	O, S2, R1	4.63

(₹ in crore)

Sl. No	Grant No.	Name and Department	Head of Accounts	Name of Scheme	Types of Budget	Actual Expenditure during March
26.			2210.80.793.UB	National Mission on AYUSH under Special Component Plan for Scheduled Castes - State Share	O, S2, R1	3.08
27.			2210.80.800.UB	National Mission on AYUSH	O, S2, R1	31.38
28.			2235.02.102.UO	Pradhan Mantri Matru Vandana Yojana (PMMVY).	O, S2	38.68
29.			2235.02.793.UE	Pradhan Mantri Matru Vandana Yojana (PMMVY).	O, S2	8.68
30.	20	Higher Education Department	2202.03.104.UA	Grants for implementation of Rashtriya Uchhatar Siksha Abhiyan (RUSA)	O, S2, R1	5.71
31.			2203.00.001.AE	Internship Training for the Students of Engineering and Polytechnic Colleges.	O	16.60
32.	21	Highways and Minor Ports Department	5054.03.337.JA	Original works	S2, R1	35.51
33.			5054.04.337.KM	Acquisition of lands for formation of Chennai peripheral Ring Road (CPRR) for Section - V	O	14.52
34.	22	POLICE (Home, Prohibition and Excise Department)	2055.00.001.AS	Crime and Criminal Tracking Network Systems (CCTNS) under State fund	O, R1	16.48
35.			4055.00.211.AO	Payment to Tamil Nadu Police Housing Corporation for construction works Controlled by Director of Forensic Sciences	O	5.07
36.	24	PRISONS AND CORRECTIONAL SERVICES (Home, Prohibition and Excise Department)	4070.00.800.KE	Construction of Buildings for Prison Department	O, S1, S2	8.99
37.	26	HOUSING AND URBAN	2216.02.190.AF	Grants to Tamil Nadu Shelter Fund	O	40.00

(₹ in crore)

Sl. No	Grant No.	Name and Department	Head of Accounts	Name of Scheme	Types of Budget	Actual Expenditure during March
		DEVELOPMENT DEPARTMENT		under Housing Habitat Development Project		
38.			6217.60.190.PV	Loans to Chennai Metro Rail Limited for meeting expenditure towards repayment of Senior - Term Debt and cash losses	O, R2	2,650.00
39.	27	Industries, Investment Promotion and Commerce Department	4860.01.800.AA	The Pradhan Mantri Mega Integrated Textile Region and Apparel	S2, R1	5.10
40.			5053.02.102.AP	Land Acquisition for New Airport	O	200.00
41.			6860.60.600.AC	Soft loans to Industrial units under Structured Assistance Package - Controlled by the Industries Commissioner and Director of Industries and Commerce	O	200.00
42.			6875.60.190.AM	Establishment Food Parks at SIPCOT Industrial Parks Manapparai and Theni with loan assistance from NABARD	O	65.00
43.			6875.60.800.AC	Loan Assistance from SIDBI under Cluster Development Fund	O, S2, R1	165.56
44.	29	TOURISM - ART AND CULTURE (Tourism, Culture and Religious Endowments Department)	4202.04.800.KH	Repairs, Renovation and Maintenance of Monuments etc., of Archaeological Sites	O, S1, S2, R1	5.83
45.			5452.01.101.AD	Tourism - Infrastructure Project	S1, R1	4.00
46.	32	Labour Welfare and Skill Development Department	2230.01.103.AC	Labour Welfare Fund - controlled by the Commissioner of Labour	O	9.25

(₹ in crore)

Sl. No	Grant No.	Name and Department	Head of Accounts	Name of Scheme	Types of Budget	Actual Expenditure during March
47.			2230.03.789.JD	Supply of Bi-cycles to Government ITI Students	O, S2	3.80
48.	34	Municipal Administration and Water Supply Department	2217.05.191.UL	Implementation of Swachh Bharat Mission 2.0 for Solid Waste Management in Corporation and Municipalities	S2, R1	6.02
49.			2217.80.800.PN	Technical Assistance Grants to CMA for implementing World Bank assisted Tamil Nadu Climate Resilient Urban Development Project (TNCRUDP)	S2, R1	6.58
50.			3604.00.191.AS	Grants for Improvement of School Infrastructure as per the recommendation of 6th SFC.	O	120.00
51.			3604.00.191.AW	Grant for studies and documentation as per the recommendation of 6th SFC	O	5.00
52.			3604.00.191.AY	Advance Library Cess to the Public Libraries for other ULBs other than GCC as per the recommendation of 6th SFC	O	108.00
53.			3604.00.191.AZ	Grant to Sanitary Workers Welfare Board as per the recommendation of 6th SFC	O	10.00
54.			3604.00.192.AJ	Capital Grant Fund - Municipalities as per the recommendation of 6th SFC	O	216.00
55.			3604.00.192.AM	Grant to TNIUS for training needs as per the recommendation of 6th SFC.	O	5.00
56.			4215.01.101.BE	Design, Construction and	S1, R1	15.46

(₹ in crore)

Sl. No	Grant No.	Name and Department	Head of Accounts	Name of Scheme	Types of Budget	Actual Expenditure during March
				Commissioning of 54 MLD Capacity Sewage Treatment Plant at Sholinganallur based on Sequential Batch Reactor Technology		
57.			4215.01.101.BF	Design, Build and Operate of 45 MLD capacity Tertiary Treatment Reverse Osmosis (TTRO) Plant at Koyambedu	S1, R1	30.39
58.			4215.01.101.BG	Improvement works, including modifications/ rehabilitation works to all existing Sewage Treatment Plants (STP) at Kodungaiyur, Koyambedu, Nesapakkam , Perungudi	S1, R1	100.00
59.			4215.01.101.BH	Plugging 158 sewage outfalls and strengthening of existing sewerage system in chennai City - Phase - II	S1, R1	31.40
60.			4215.01.101.BI	Adyar River Cleaning Revival Project	S2	300.00
61.			4215.01.101.KD	Comprehensive Water Supply scheme to Neelankarai	S1, R1	32.58
62.			4215.01.101.KE	Comprehensive Water Supply scheme to Puzhal, Puthagaram, Surapet and Kathirvedu	S1, R1	10.15
63.			4215.01.800.AA	Hogenakkal Operation & Maintenance for Gap Fund	O, S2, R1	100.00
64.			4215.02.101.AB	Comprehensive Underground Sewerage Scheme at Perungudi	S1, R1	17.99

(₹ in crore)

Sl. No	Grant No.	Name and Department	Head of Accounts	Name of Scheme	Types of Budget	Actual Expenditure during March
65.			4215.02.101.AC	Comprehensive Underground Sewerage Scheme at Porur	S1, R1	4.84
66.			4217.60.051.AA	Eco-Restoration Project for Ennore Creek.	O	20.99
67.			6217.60.190.PN	Loans for Construction of Integrated Storm Water Drain for the M3 Component of Kovalam Basin area with the assistance of KfW	O, S2, R1	180.00
68.	39	Buildings (Public Works Department)	4059.01.051.LH	International Convention Centre	S1, R1	72.72
69.	40	Water Resources Department	2216.02.800.AF	Grants for Resettlement of People living along Water Bodies of Water Resource Department	O, S2, R1	3.76
70.			2700.01.101.AC	Athikadavu - Avinashi Pumping Project.	O, S1, R1	71.56
71.			4215.01.101.JB (C)	Construction of Dam for Storage of Krishna River water	O, S1	*3.42*
72.			4700.02.800.AA (C)	Reservoirs	O, S2	*3.97*
73.			4700.04.800.EB	Water Courses NABARD assistance	S1, R1	3.00
74.			4701.03.352.PA	Renovation of Dam and Canal of Palar(Coimbatore) Sub Basin under Tamil Nadu Irrigated Agriculture Modernization and Water Bodies Restoration and Management Project (IAMWARM)	S2, R1	11.68
75.			4701.04.800.DB	Weir -NABARD assistance	O, S1, R1	3.56
76.			4702.00.101.JA (C)	Special Minor Irrigation Programme	S2	*3.26*

(₹ in crore)

Sl. No	Grant No.	Name and Department	Head of Accounts	Name of Scheme	Types of Budget	Actual Expenditure during March
77.	41	Revenue And Disaster Management Department	2070.00.800.CK	Grants to Tamil Nadu Disaster Risk Reduction Agency	S1, S2, R1	11.52
78.	42	Rural Development and Panchayat Raj Department	2216.03.789.JG	Kalaignarin Kanavu Illam under Special Component Plan for Scheduled Castes	S2	646.00
79.			2216.03.796.JG	Additional unit cost for the houses under the Pradhan Mantri JANMAN Scheme	S2	108.71
80.			2216.03.796.JH	Kalaignarin Kanavu Illam under Tribal Area Sub-Plan	S2	34.00
81.			2501.06.003.UB	Deen Dayal Upadhyaya Grameen Kaushal Yojana (DDU-GKY)	O, S2, R1	19.76
82.			2501.06.003.UE	Deen Dayal Upadhyaya Grameen Kaushal Yojana (DDU-GKY) - State Share	O, S2, R1	13.17
83.			2501.06.793.UA	Deen Dayal Upadhyaya Grameen Kaushal Yojana (DDU-GKY)	O, S2, R1	5.08
84.			2501.06.793.UE	Deen Dayal Upadhyaya Grameen Kaushal Yojana (DDU-GKY) - State Share	O, S2, R1	3.39
85.			2501.06.794.UA	Deen Dayal Upadhyaya Grameen Kaushal Yojana (DDU-GKY)	O, S2, R1	3.06
86.			4515.00.796.JA	Implementation of Road Works with NABARD assistance under Tribal Sub-Plan	O	4.45
87.	43	School Education Department	2202.01.108.JC	Supply of Text Books to Students	O, S2	9.45
88.			2202.01.800.BB	Assistance to the students studying 1 - 8 std. of Government/Aided	O, S2	5.60

(₹ in crore)

Sl. No	Grant No.	Name and Department	Head of Accounts	Name of Scheme	Types of Budget	Actual Expenditure during March
				Schools where breadwinning father or mother dies in an accident or permanently incapaciated - Controlled by the Director of Elementary Education		
89.			2202.01.800.BC	Free Supply of Text Books, Note Books, Uniforms, School Bags, Footwears, Crayons, Colour Pencils, Geometry Boxes, Maps, Woollen Sweaters etc.,	O, S2	5.31
90.			2202.02.106.JC	Supply of Text Books to Students	O, S2	5.00
91.			2202.02.109.KJ	Incentive to Students to reduce drop out in Secondary Education level	O	146.35
92.			2202.02.789.JH	Incentive to Students to reduce drop out in Higher Secondary Education level	O	44.88
93.			2202.02.789.JO	Information and Communication Technology (ICT) in Schools	O, S2	20.68
94.			2202.02.796.JB	Incentive to Students to reduce drop out in Secondary Education level	O	3.90
95.			2202.02.800.JQ	Free Supply of Bicycles to the students studying in XI and XII standard in Government Schools and Aided Schools in which classes are conducted on self financing basis	O	3.35
96.			2225.01.789.JD	Supply of Text Books under Special Component Plan under School Education	O, S2	50.06

(₹ in crore)

Sl. No	Grant No.	Name and Department	Head of Accounts	Name of Scheme	Types of Budget	Actual Expenditure during March
97.			2225.02.796.KB	Supply of Text Books to Students under Tribal area sub plan - Controlled by Director of School Education	O, S2	4.84
98.			4202.04.105.AA	Construction of Muthazh Arignar Kalaignar Memorial Library at Madurai	O, S2	3.64
99.	44	Micro, Small and Medium Enterprises Department	2851.00.102.MG	Provision of Common Facilities for Small Industries Cluster Development Programme	O	6.00
100.			2851.00.102.SB	Pradhan Mantri Formalization of Micro Food Processing Enterprises (PMFME) Scheme	S2, R1	14.86
101.			6851.00.102.AH	SIDBI Funded Cluster Development Programme	O	3.52
102.	45	Social Welfare and Women Empowerment Department	2235.02.103.CH	Free Supply of Uniform to Students	S2, R1	7.68
103.			2235.02.103.SL	Special Assistance to States for Capital Investment (SASCI) Part - X (Construction of Hostels for Working Women)	S2, R1	147.18
104.			2236.02.101.BA	Ensure Nutrition Scheme - Uttasathai Uruthi Sei	S1, S2, R1	22.20
105.			4236.80.800.AD	Construction of Kitchen-cum-Stores	S1, S2	25.74
106.	48	Transport Department	2235.02.789.AC	Reimbursement of loss due to issue of free bus passes to Women under Special Component Plan.	S2, R2	1,189.55
107.			2235.02.796.AA	Reimbursement of loss due to issue of free bus passes to Women under Tribal Sub Plan.	S2, R2	64.30

(₹ in crore)

Sl. No	Grant No.	Name and Department	Head of Accounts	Name of Scheme	Types of Budget	Actual Expenditure during March
108.			3055.00.190.AK	Grants to State Transport Undertakings	O, S1, R1	7.50
109.	50	Pensions and other retirement benefits	2071.01.117.AB	Government Contribution for Employees of Tamil Nadu Aided Educational Institutions	O, R2	444.19
110.			2071.01.117.AC	Government Contribution for Employees of Panchayat Union Schools	O, R2	246.84
111.			2071.01.117.AD	Government Contribution for Employees of Municipal Schools	O, R2	16.72
112.	51	Relief on Account of Natural Calamities	2245.02.106.AA	Repairs and Restoration of Damaged Roads and Bridges due to Floods	O, S2	14.94
113.			2245.02.122.AD	Repairs and restoration carried out by the Water Resources Organisation	O, S2	4.12
114.			2245.02.190.AB	Assistance to Tamil Nadu Electricity Board	O, S2	15.00
115.			2245.02.190.AF	Assistance to Tamil Nadu Water Supply and Drainage Board	O, S2	5.00
116.			2245.02.193.AX	Assistance to Town Panchayats for repairs and restoration of roads, buildings, street lights, drainage, etc.	O, S2	5.00
117.			2245.02.282.AA	Medical and Public Health Measures to Flood Affected Areas	O, S2	5.00
118.			2245.80.103.AB	Assistance to Expansion and Modernization of Fire Services	S2	5.42
119.	52	Department for the Welfare of Differently Abled Persons	2235.02.101.NP	Grants to RKMVERI, Coimbatore for conducting Disability Management and Special Education Courses	O	3.06

(₹ in crore)

Sl. No	Grant No.	Name and Department	Head of Accounts	Name of Scheme	Types of Budget	Actual Expenditure during March
120.	53	Department of Special Program Implementation	2230.03.789.JF	Grants to Tamil Nadu Skill Development Corporation	O	4.20
121.			2230.03.800.AK	Grants to Tamil Nadu Skill Development Corporation	O	15.60
122.	54	FORESTS (Environment, Climate Change and Forests Department)	4406.01.101.AD	Establishment of Fencing for Protection of Wildlife	S2, R1	4.01
Total						**12,469.02**

(Source: VLC data from O/o AG(A&E))

Appendix-2.12
(Refer paragraph 2.5.8, Page 80)
Quarter wise expenditure for all grants during 2024-25

(₹ in crore)

Sl. No	Grant	Description	Allocation during 2024-25	Total expenditure during 2024-25					Total Expenditure during 2024-25	Expenditure in 4th Quarter as percentage of total expenditure	Expenditure in March 2025 as percentage of total expenditure
				1st quater.	2nd quater.	3rd quater.	4th quarter.	In March			
1.	01	State Legislature	68.29	26.87	10.12	21.48	9.78	2.43	68.26	*14.33*	*3.56*
2.	02	Governor and Council of Ministers	94.28	21.33	19.11	18.67	35.12	21.68	94.22	*37.27*	*23.01*
3.	03	Administration of Justice	2,240.79	588.65	487.00	610.58	564.01	168.30	2,250.23	*25.06*	*7.48*
4.	04	Adi-Dravidar and Tribal Welfare Department	3,890.63	399.79	657.79	1,382.54	1,390.85	762.55	3,830.96	*36.31*	*19.90*
5.	05	Agriculture and Farmer's Welfare Department	12,783.90	2,274.86	2,947.85	3,425.35	3,813.28	3,018.57	12,461.34	*30.60*	*24.22*
6.	06	Animal Husbandry (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department)	1,334.41	350.09	266.21	307.24	319.53	175.25	1,243.06	*25.70*	*14.10*
7.	07	Fisheries and Fishermen Welfare (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department)	1,498.00	294.77	246.45	445.82	479.97	297.06	1,467.01	*32.72*	*20.25*
8.	08	Dairy Development (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department)	795.88	12.15	134.13	151.70	497.91	491.41	795.88	*62.56*	*61.74*
9.	09	Backward Classes, Most Backward Classes and Minorities Welfare Department	1,423.88	236.36	152.29	512.55	507.43	362.88	1,408.63	*36.02*	*25.76*

(₹ in crore)

Sl. No	Grant	Description	Allocation during 2024-25	Total expenditure during 2024-25					Total Expenditure during 2024-25	Expenditure in 4th Quarter as percentage of total expenditure	Expenditure in March 2025 as percentage of total expenditure
				1st quater.	2nd quater.	3rd quater.	4th quarter.	In March			
10.	10	Commercial Taxes (Commercial Taxes and Registration Department)	662.13	209.82	157.81	141.18	151.65	66.20	660.46	*22.96*	*10.02*
11.	11	Stamps and Registration (Commercial Taxes and Registration Department)	456.89	152.72	66.64	113.97	122.67	76.78	455.99	*26.90*	*16.84*
12.	12	Co-operation (Co-operation, Food and Consumer Protection Department)	4,804.00	74.75	370.66	2,803.23	1,554.08	1,174.81	4,802.73	*32.36*	*24.46*
13.	13	Food and Consumer Protection (Co-operation, Food and Consumer Protection Department)	14,303.67	2,981.52	2,657.76	3,862.59	4,201.76	1,577.12	13,703.63	*30.66*	*11.51*
14.	14	Energy Department	25,147.41	16,265.20	1,865.74	3,637.17	3,221.16	3,195.77	24,989.27	*12.89*	*12.79*
15.	15	Environment and Climate Change (Environment, Climate Change and Forests Department)	111.50	7.21	11.46	53.32	39.35	27.95	111.34	*35.34*	*25.10*
16.	16	Finance Department	2,591.54	504.75	471.63	588.91	1,025.11	824.82	2,590.41	*39.57*	*31.84*
17.	17	Handlooms and Textiles (Handlooms, Handicrafts, Textiles and Khadi Department)	1,473.80	168.77	219.11	598.36	473.59	283.02	1,459.83	*32.44*	*19.39*
18.	18	Khadi, Village Industries and Handicrafts (Handlooms, Handicrafts, Textiles and Khadi Department)	258.79	42.12	60.38	88.21	67.18	20.37	257.89	*26.05*	*7.90*
19.	19	Health and Family Welfare Department	20,668.04	4,631.72	5,314.59	4,577.63	5,959.01	1,771.32	20,482.95	*29.09*	*8.65*

(₹ in crore)

Sl. No	Grant	Description	Allocation during 2024-25	Total expenditure during 2024-25					Total Expenditure during 2024-25	Expenditure in 4th Quarter as percentage of total expenditure	Expenditure in March 2025 as percentage of total expenditure
				1st quater.	2nd quater.	3rd quater.	4th quarter.	In March			
20.	20	Higher Education Department	6,317.92	1,506.86	1,313.77	1,739.05	1,526.62	292.52	6,086.30	*25.08*	*4.81*
21.	21	Highways and Minor Ports Department	17,833.45	3,172.95	4,110.12	3,146.57	7,323.99	4,605.93	17,753.63	*41.25*	*25.94*
22.	22	Police (Home, Prohibition and Excise Department)	11,571.23	3,426.77	2,653.05	3,014.21	2,458.71	482.02	11,552.74	*21.28*	*4.17*
23.	23	Fire and Rescue Services (Home, Prohibition and Excise Department)	542.69	148.04	122.43	140.10	129.87	48.43	540.44	*24.03*	*8.96*
24.	24	Prisons and Correctional Services (Home, Prohibition and Excise Department)	513.02	124.59	116.06	115.06	157.33	70.91	513.03	*30.67*	*13.82*
25.	25	Motor Vehicles Acts - Administration (Home, Prohibition and Excise Department)	605.50	81.83	122.72	121.66	288.62	224.73	614.84	*46.94*	*36.55*
26.	26	Housing and Urban Development Department	10,871.67	3,037.82	6,247.28	577.53	1,277.16	839.71	11,139.80	*11.46*	*7.54*
27.	27	Industries, Investment, Promotion and Commerce Department	2,217.38	3.85	19.03	521.91	1,172.05	915.00	1,716.84	*68.27*	*53.30*
28.	28	Information and Publicity (Tamil Development and Information Department)	226.73	78.24	48.87	63.19	35.80	13.57	226.10	*15.83*	*6.00*
29.	29	Tourism - Art and Culture (Tourism, Culture and Religious Endowments Department)	383.72	39.07	52.85	176.57	116.58	69.54	385.07	*30.27*	*18.06*
30.	30	Stationery and Printing (Tamil Development and Information Department)	194.07	58.00	41.49	50.54	44.69	11.92	194.71	*22.95*	*6.12*

(₹ in crore)

Sl. No	Grant	Description	Allocation during 2024-25	Total expenditure during 2024-25					Total Expenditure during 2024-25	Expenditure in 4th Quarter as percentage of total expenditure	Expenditure in March 2025 as percentage of total expenditure
				1st quater.	2nd quater.	3rd quater.	4th quarter.	In March			
31.	31	Information Technology and Digital Services Department	74.91	2.90	23.31	13.03	(-) 120.07	(-) 141.25	(-) 80.83	*148.55*	*174.75*
32.	32	Labour Welfare and Skill Development Department	1,694.40	416.81	363.76	530.74	310.59	40.20	1,621.90	*19.15*	*2.48*
33.	33	Law Department	94.55	23.22	21.28	20.82	29.00	11.99	94.32	*30.75*	*12.71*
34.	34	Municipal Administration and Water Supply Department	24,275.17	2,468.02	4,837.77	6,469.10	10,721.83	7,989.63	24,496.73	*43.77*	*32.62*
35.	35	Human Resources Management Department	328.65	113.92	57.33	86.35	67.53	23.13	325.13	*20.77*	*7.11*
36.	36	Planning, Development and Special Initiatives Department	350.19	44.71	61.08	143.54	105.27	40.19	354.60	*29.69*	*11.33*
37.	37	Prohibition and Excise (Home, Prohibition and Excise Department)	209.73	51.86	47.09	56.01	54.74	21.27	209.70	*26.10*	*10.14*
38.	38	Public Department	1,319.74	219.48	414.38	318.60	195.23	52.01	1,147.69	*17.01*	*4.53*
39.	39	Buildings (Public Works Department)	1,499.44	162.40	263.16	439.23	528.90	307.73	1,393.69	*37.95*	*22.08*
40.	40	Water Resources Department	7,092.12	772.16	931.92	1,054.88	4,176.20	3,634.05	6,935.15	*60.22*	*52.40*
41.	41	Revenue and Disaster Management Department	8,214.70	2,072.39	1,933.59	2,012.21	2,166.65	865.64	8,184.83	*26.47*	*10.58*
42.	42	Rural Development and Panchayat Raj Department	22,726.17	2,539.23	7,195.88	6,279.62	6,031.23	3,810.63	22,045.95	*27.36*	*17.28*
43.	43	School Education Department	38,684.66	11,659.03	9,685.32	9,754.74	7,601.46	1,136.69	38,700.54	*19.64*	*2.94*
44.	44	Micro, Small and Medium Enterprises Department	1,374.47	226.23	313.20	367.55	459.97	304.88	1,366.95	*33.65*	*22.30*

(₹ in crore)

Sl. No	Grant	Description	Allocation during 2024-25	Total expenditure during 2024-25					Total Expenditure during 2024-25	Expenditure in 4th Quarter as percentage of total expenditure	Expenditure in March 2025 as percentage of total expenditure
				1st quater.	2nd quater.	3rd quater.	4th quarter.	In March			
45.	45	Social Welfare and Women Empowerment Department	6,993.04	1,731.90	1,365.43	2,095.70	1,620.91	793.03	6,813.95	*23.79*	*11.64*
46.	46	Tamil Development(Tamil Development and Information Department)	135.28	20.26	34.09	38.78	39.77	19.64	132.89	*29.92*	*14.78*
47.	47	Hindu Religious and Charitable Endowments (Tourism, Culture and Religious Endowments Department)	577.25	45.23	48.68	48.60	298.16	161.97	440.66	*67.66*	*36.76*
48.	48	Transport Department	10,630.12	1,428.89	3,234.71	2,406.64	3,559.83	1,678.36	10,630.07	*33.49*	*15.79*
49.	49	Youth Welfare and Sports Development Department	318.71	16.65	48.93	78.73	174.33	95.27	318.63	*54.71*	*29.90*
50.	50	Pension and Other Retirement Benefits	40,687.24	11,527.07	9,808.27	9,098.49	10,217.37	4,657.88	40,651.20	*25.13*	*11.46*
51.	51	Relief on account of Natural Calamities	2,172.16	(-) 7.04	19.00	2,371.57	(-) 658.31	(-) 781.79	1,725.22	*(-) 38.16*	*(-) 45.32*
52.	52	Department for the Welfare of Differently Abled Persons	1,059.55	136.31	215.78	306.63	411.62	171.39	1,070.34	*38.46*	*16.01*
53.	53	Department of Special Programme Implementation	14,175.34	3,459.19	3,512.63	3,597.56	3,605.96	1,236.33	14,175.34	*25.44*	*8.72*
54.	54	Forests (Environment, Climate Change and Forests Department)	1,040.56	174.58	232.22	269.43	333.25	191.19	1,009.48	*33.01*	*18.94*
55.	55	Natural Resources Department	253.44	9.49	8.06	9.91	216.78	209.66	244.24	*88.75*	*85.84*
56.	*56*	*Debt Charges*	*60,171.01*	*11,491.71*	*11,346.58*	*14,740.52*	*22,587.43*	*13,223.41*	*60,166.24*	*37.54*	*21.98*
57.	*57*	*Public Debt - Repayment*	*40,684.41*	*10,930.85*	*7,091.75*	*11,410.69*	*11,251.11*	*3,849.22*	*40,684.40*	*27.65*	*9.46*

(Source: VLC data from O/o AG(A&E))

Appendix 2.13
(Refer paragraph 2.8.1, Page 85)
"Grants for unforeseen expenditure provided to Secretaries to the Government" under detailed head "*99 – Miscellaneous*"

(₹ in crore)

Sl. No.	Number and Name of Grant	HOA	Actual Expenditure
1.	04 - Adi Dravidiar and Tribal Welfare Department	2251.00.090.BK (V)	0.75
2.	05 - Agriculture and Farmers Welfare Department	3451.00.090.AP (V)	0.60
3.	06 - Animal Husbandry (Animal Husbandry, Dairying, Fisheries and Fishermen Welfare Department)	3451.00.090.AQ (V)	0.51
4.	09 - Backward Classes, Most Backward Classes and Minorities Welfare Department	2251.00.090.BL (V)	0.17
5.	10 - Commercial Taxes (Commercial Tax and Registration Department)	2052.00.090.CR (V)	0.44
6.	12 - Co-operation (Co-operation, Food and Consumer Protection Department)	3451.00.090.AR (V)	0.38
7.	14 - Energy Department	2052.00.090.CS (V)	0.23
8.	15 - Environment and Climate Change (Environment, Climate Change and Forests Department)	3451.00.090.AS (V)	0.75
9.	17 - Handlooms and Textiles (Handlooms, Handicrafts, Textiles and Khadi Department)	3451.00.090.AT (V)	0.30
10.	19 - Health and Family Welfare Department	2251.00.090.BM (V)	0.61
11.	20 - Higher Education Department	2251.00.090.BN (V)	0.35
12.	21 - Highways and Minor Ports Department	2052.00.090.CU (V)	0.16
13.	22 - POLICE (Home, Prohibition and Excise Department)	2052.00.090.CV (V)	0.24
14.	26 - Housing and Urban Development Department	2251.00.090.BO (V)	0.41
15.	27 - Industries, Investment Promotion and Commerce Department	3451.00.090.AU (V)	0.26
16.	29 - Tourism - Art and Culture (Tourism, Culture and Religious Endowments Department)	2251.00.090.BP (V)	0.71
17.	31 - Information Technology and Digital Services Department	3451.00.090.AV (V)	0.29
18.	32 - Labour Welfare and Skill Development Department	2251.00.090.BQ (V)	0.59
19.	33 - Law Department	2052.00.090.CW (V)	0.56
20.	34 - Municipal Administration and Water Supply Department	2251.00.090.BR (V)	0.58
21.	35 - Human Resources Management Department	2052.00.090.CX (V)	0.55
22.	36 - Planning, Development and Special Initiatives Department	2052.00.090.CY (V)	0.05
23.	38 - Public Department	2052.00.090.CZ (V)	0.20
24.	39 - Buildings (Public Works Department)	2052.00.090.DA (V)	0.41
25.	40 - Water Resources Department	2052.00.090.DB (V)	0.61
26.	41 - Revenue and Disaster Management Department	2052.00.090.DC (V)	0.63
27.	42 - Rural Development and Panchayat Raj Department	2251.00.090.BS (V)	0.46
28.	43 - School Education Department	2251.00.090.BT (V)	0.42
29.	44 - Micro, Small and Medium Enterprises Department	3451.00.090.AW (V)	0.20
30.	45 - Social Welfare and Women Empowerment Department	2251.00.090.BU (V)	0.49
31.	46 - Tamil Development (Tamil Development and Information Department)	2251.00.090.BV (V)	0.33
32.	48 - Transport Department	3451.00.090.AX (V)	0.31
33.	49 - Youth Welfare and Sports Development Department	2251.00.090.BW (V)	0.22
34.	52 - Department for the Welfare of Differently Abled Persons	2251.00.090.BX (V)	0.26
35.	53 - Department of Special Programme Implementation	2052.00.090.DD (V)	0.32
36.	55 - Natural Resources Department	3451.00.090.AZ (V)	0.16
Total			**14.47**

(Source: Detailed Appropriation Accounts for the year 2024-25)

Appendix 3.1
(Reference: Paragraph 3.13, Page 101)
Arrears of accounts of Autonomous Bodies as on 31 March 2025

Sl. No	Name of Body or Authority	Accounts pending since	No. of Accounts pending
University			
1.	Anna University, Chennai-25	2024-25	1
2.	Annamalai University, Chidambaram	2023-24	2
3.	Bharathiyar University, Coimbatore	2024-25	1
4.	Bharathidasan University, Trichy	2024-25	1
5.	Periyar University, Salem	2024-25	1
6.	Tamil Nadu Open University, Guindy, Chennai-25	2024-25	1
7.	Thiruvallur University, Fort Campus, Vellore	2024-25	1
8.	University of Madras, Chennai-5	2024-25	1
9.	TN Dr.MGR Medical University	2023-24	2
10.	Tamil Nadu Agriculture University, Coimbatore	2021-22	3
11.	Tamil Nadu Veterinary & Animal Science University, Madhavaram, Chennai	2020-21	4
12.	Tamil Nadu Fisheries University, Nagapattinam	2022-23	2
Engineering Colleges			
13.	Coimbatore College of Engineering	2023-24	2
14.	PSG College of Technology, Coimbatore	2023-24	2
Arts And Science Colleges			
15.	Rajah's College of Sanskrit, Tamil and Music Studies, Thiruvaiyaru	2023-24	1
16.	A.Veeriya Vandayar Memorial Sri Pushpam College, Poondi, Thanjavur Dt.	2024-25	1
17.	D.R.B.C.C.C. Hindu College, Pattabiram, Chennai	2024-25	1
18.	Justice Basheer Ahmed Syed Women's College, Teynampet, Chennai	2024-25	1
19.	Loyala College, Nungambakkam, Chennaí - 600 034	2024-25	1
20.	Madras Christian College, Tambaram, Chennai	2024-25	1
21.	Meenakshi College for Women, Kodambakkam, Chennai	2024-25	1
22.	Quaid-E-Millath College for Men, Medavakkam, Chennai	2024-25	1
23.	Shrimathi Devkumar Nanalal Bhatt Vaishnav College for Women, Chromepet, Chennai	2024-25	1
24.	Sir Theagaraya College, T.H. Road, Old Washermenpet, Chennai – 600 021	2024-25	1
25.	Stella Maris College, 17, Cathedral Road, Chennai – 600 086	2024-25	1
26.	The Ethiraj College for Women, Chennai	2024-25	1
27.	The Madras School of Social Work, Egmore, Chennai	2024-25	1
28.	Tranqueber Bishop Manikam Lutheran College, Porayar	2024-25	1
29.	Urumu Dhanalakshmi College, Trichy	2024-25	1
30.	YMCA College of Physical Education, Nandanam, Chennai	2024-25	1
31.	A.Doraisamy Nadar Maragathavalli Ammal College (A.D.M College for Women), Vellipalayam, Nagapattinam	2024-25	1
32.	AVC College, Mayladuthurai	2024-25	1

Sl. No	Name of Body or Authority	Accounts pending since	No. of Accounts pending
33.	Bishop Heber College, Trichy	2024-25	1
34.	Chikkaiah Naicker College, Veerappanchatram (PO) , Erode 638004	2024-25	1
35.	Dwraka Doss Govardhan Doss Vaishnav College, 445 Periyar EVR High Road, Arumbakkam, Chennai-600106	2024-25	1
36.	Hajee Karutha Rowther Howdia College, Uthamapalayam-626533	2022-23	1
37.	Jamal Mohammed College, No. 7, Race Course Road, Khaja Nagar, Tiruchirappalli-620020	2024-25	1
38.	Jamia Darussalam Arbic College, Oomerabad, Thirupattur	2024-25	1
39.	Kalai Kaviri College of Fine Arts, Trichy	2024-25	1
40.	Khadir Mohideen College, Adirampattinam	2024-25	1
41.	Meston College of Education, Royapettah, Chennai	2024-25	1
42.	Nallamuthu Gounder Mahalingam College, Pollachi	2024-25	1
43.	National College, Tiruchirappali-620001	2024-25	1
44.	Nehru Memorial College, Puthanampatti, Tiruchirappalli 621007	2024-25	1
45.	NKT National College of Education, Triplicane, Chennai	2024-25	1
46.	Pachaiyappa's College Chetput, Chennai	2023-24	1
47.	Pachaiyappa's College for Men, Kancheepuram	2024-25	1
48.	PSG College of Arts and Science (Autonomous), Coimbatore	2024-25	1
49.	Seethalakshmi Ramaswami College for Women, Trichy	2024-25	1
50.	Sri Vasavi College, Erode	2024-25	1
51.	St. Christopher's College of Education, Veperi, Periament, Chennai	2024-25	1
52.	St.Joseph's College, Teppakulam, Trichy	2024-25	1
53.	Tamilavel Umamaheswaranar Karanthai Arts College, Karunthattankudi, Thanjavur-613002	2024-25	1
54.	The New College, Chennai	2024-25	1
55.	Voorhees College, Vellore	2024-25	1
56.	Agurchand Manmull Jain College, Meenambakkam, Chennai 600 114	2024-25	1
Polytechnic Colleges			
57.	A.D.J. Dharmambal Polytechnic College, Nagapattinam	2023-24	2
58.	A.M.K. Technology Polytechnic College, Sembarambakkam, Chennai	2023-24	2
59.	CIT Sandwich Polytechnic College, Coimbatore	2023-24	2
60.	Murugappa Polytechnic College, Avadi, Chennai	2023-24	1
61.	Nachimuthu Polytechnic College, Pollachi	2023-24	2
62.	P.T. Lee Chengalvaraya Naickar Polytechnic, Vepery, Chennai	2023-24	2
63.	PSG Polytechnic College, Coimbatore	2023-24	2
64.	Seshasayee Institute of Technology, Trichy	2023-24	2
65.	Thiyagarajar Polytechnic College, Salem	2023-24	2

Sl. No	Name of Body or Authority	Accounts pending since	No. of Accounts pending
66.	Bhakthavachalam Polytechnic College, Kanchipuram	2024-25	1
67.	Periyar Centenary Girls Polytechnic College, Vallam	2024-25	1
68.	Rajagopal Polytechnic College, Gudiyatham	2024-25	1
69.	Sri Krishna Polytechnic College, Coimbatore	2024-25	1
70.	Vallivalam Desikar Polytechnic, Nagapattinam	2024-25	1
71.	GRG Polytechnic College for Women, Coimbatore	2022-23	2
72.	NPA Centenary Polytechnic College, Kotagiri	2024-25	1
73.	Sakthi Polytechnic College, Sakthinagar	2023-24	2
74.	SSM Polytechnic College, Komarapalayam	2024-25	1
Others			
75.	Science City	2022-23	1
76.	Tamil Nadu State Council for Science and Technology, Dote Campus, Chennai	2024-25	1
77.	Tamil Nadu State Council for Technical Education	2024-25	1
78.	TN Health System Project	2024-25	1
79.	TN Voluntary Health Association	2023-24	2
80.	CMWSSB	2022-23	2
81.	Tamil Nadu State Agricultural Marketing Board, Chennai	2021-22	3
82.	Tamil Nadu Horticulture Development Agency, Chennai	2021-22	3
83.	Tamil Nadu Watershed Development Agency, Chennai	2022-23	2
84.	Irrigation Management Training Institute, Trichy	2021-22	3
85.	Tamil Nadu Livestock Development Agency. Chennai	2022-23	2
86.	Tamil Nadu Seed Development Agency, Chennai	2021-22	3

(Source: Information furnished by the Heads of Departments)

Appendix 3.2
(Reference: Paragraph 3.15, Page 104)
Details of pending cases of misappropriation, losses, theft, etc.

Sl.No	Name of the department	Theft		Shortage		Misappropriation		Total	
		No. of cases	Amount (₹ in lakh)	No. of cases	Amount (₹ in lakh)	No. of cases	Amount (₹ in lakh)	No. of cases	Amount (₹ in lakh)
1	Agriculture	7	9.26	97	223.03	13	208.69	117	440.98
2	Animal husbandry	4	0.04	1	0.04	1	87.85	6	87.93
3	Higher Education	8	1.08	6	16.29	8	34.81	22	52.18
4	Commercial Tax	0	0	0	0	3	127.68	3	127.68
5	Co-operation	1	0.02	0	0	1	0.14	2	0.16
6	Election	0	0	1	0.23	0	0	1	0.23
7	Elementary Education	1	0	0	0	1	68	2	68
8	Energy	1	0.07	0	0	0	0	1	0.07
9	Finance	0	0	0	0	4	234.11	4	234.11
10	Forest	0	0	2	0.32	0	0	2	0.32
11	Health and Family Welfare	4	2.30	6	4.16	19	109.50	29	115.96
12	Highways	0	0	2	16.79	0	0	2	16.79
13	Home	1	0.96	1	0	6	22.54	8	23.50
14	Horticulture	0	0	4	9.73	1	1.14	5	10.87
15	Inspector of factories	1	0	0	0	1	1.43	2	1.43
16	Labour and Employment	0	0	0	0	2	2.14	2	2.14
17	Museum	0	0	0	0	1	14.57	1	14.57
18	Public Works	0	0	9	3.46	0	0	9	3.46
19	Rural Development and Panchayat Raj	0	0	3	3.13	1	7.16	4	10.29
20	Revenue	0	0	2	1.27	74	172.15	76	173.42
21	School Education	0	0	1	12.16	4	38.12	5	50.28
22	Sericulture	0	0	0	0	1	1.36	1	1.36
23	Social Welfare	0	0	0	0	5	2.32	5	2.32
24	Transport	1	1.97	0	0	1	12.80	2	14.77
25	Treasury	0	0	1	4	28	1,335.37	29	1,339.37
	TOTAL	**29**	**15.70**	**136**	**294.61**	**175**	**2,481.88**	**340**	**2,792.19**

(Source: Information furnished by the Heads of Departments)

Glossary of terms and abbreviations used in the Report

Terms	Description
Accounts or actuals	**'Accounts' or 'actuals'** of a year - are the amounts of receipts and disbursements for the financial year beginning on April 1st and ending on March 31st following, as finally recorded in the Accounting authority's books (as audited by C&AG). Provisional Accounts refers to the unaudited accounts.
Administrative approval	**'Administrative approval'** of a scheme, proposal or work - is the formal acceptance thereof by the competent authority for the purpose of incurring expenditure. Taken with the provision of funds in the budget, it operates as a financial sanction to the work during that particular year in which the Administrative Approval is issued.
Annual financial statement	**'Annual financial statement'** – Also referred to as Budget means the statement of estimated receipts and expenditure of the Central/State Government for each financial year, laid before the Parliament /State Legislature.
Appropriation	**'Appropriation'** - means the amount authorized by the Parliament/State Legislature for expenditure under different primary unit of appropriation or part thereof placed at the disposal of a disbursing officer.
Average interest rate	**Average interest rate** is defined as the percentage of interest payment made to average financial liabilities of the State during the year i.e. (sum of opening and closing balances of fiscal liabilities/2) x 100
Buoyancy ratio	**Buoyancy ratio** indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.6 implies that revenue receipts tend to increase by 0.6 percentage points, if the GSDP increases by one *per cent*.
Charged Expenditure	**'Charged Expenditure'** - means such expenditure as is not to be submitted to the vote of the Legislature under the provisions of the Constitution.
Consolidated Fund of India/ State	**'Consolidated Fund of India/State'** - All revenues of the Union/State Government, loans raised by it and all moneys received in repayment of loans form the Consolidated Fund of India/ State. No moneys out of this Fund can be appropriated except in accordance with the law and for the purposes and in the manner provided in the Constitution.
Contingency Fund	**'Contingency Fund'** is in the nature of an imprest. The Contingency Fund is intended to provide advances to the executive /Government to meet unforeseen expenditure arising in the course of a year pending its authorization by the Parliament/State Legislature. The amounts drawn from the Contingency Fund are recouped after the Parliament/State Legislature approves it through the Supplementary Demands.
Controlling Officer (Budget)	**'Controlling Officer (budget)'** - means an officer entrusted by a Department with the responsibility of controlling the incurring of

Terms	Description
	expenditure and/or the collection of revenue. The term includes the Heads of Department and also the Administrators.
Debt stabilisation	A necessary condition for stability states that if the rate of growth of the economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided primary balances are either zero, positive or moderately negative. Given the rate spread (GSDP growth rate - interest rate) and the quantum spread (Debt X rate spread), the debt sustainability condition states that if the quantum spread together with the primary deficit is zero, the debt-GSDP ratio would be constant or the debt would stabilise eventually. On the other hand, if the primary deficit together with the quantum spread turns out to be negative, the debt-GSDP ratio would be rising. In case it is positive, the debt-GSDP ratio would eventually be falling.
Debt sustainability	**Debt sustainability** is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. It also refers to the sufficiency of liquid assets to meet current or committed obligations and the capacity to keep a balance between the costs of additional borrowings and the returns from such borrowings.
Development expenditure	The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorised into Social Services, Economic Services and General Services. Broadly, the Social and Economic Services constitute **development expenditure**, while expenditure on General Services is treated as non-development expenditure.
Drawing and Disbursing Officer (DDO)	**'Drawing and Disbursing Officer' (DDO)** – means a Head of Office and also any other Officer so designated by the Finance Department of the State Government, to draw bills and make payments on behalf of the State Government. The term shall also include a Head of Department where he himself discharges such function.
Excess Grant	**'Excess Grant'** – Excess grant means the amount of expenditure over and above the provision allowed through the original/supplementary grant, that requires regularization by obtaining excess grant from the Parliament /State Legislature under Article 115/205 of the Constitution.
GSDP	**GSDP** is defined as the total income of the State or the market value of goods and services produced using labour and all other factors of production at current prices.
Liability of borrowed funds	Defined as the ratio of the debt redemption (principal + interest payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption, indicating the net availability of borrowed funds.

Terms	Description
Major Head	**'Major Head'** - means a Major Head of account for the purpose of recording and classifying the receipts and disbursements of the State. A Major Head, particularly the one falling within the Consolidated Fund, generally corresponds to a 'function' of Government such as Agriculture, Education, Health, etc.
Major Work	**'Major Work'** - means an original work, the estimated cost of which exclusive of departmental charges exceeds the amount as notified by the Government from time to time.
Minor Head	**'Minor Head'** - means a head subordinate to a Major Head or a Sub-Major Head. A Minor Head subordinate to a Major Head identifies a "programme" undertaken to achieve the objectives of the function represented by the Major Head.
Minor Work	**'Minor Work'** - means an original work, the estimated cost of which exclusive of departmental charges does not exceed the amount as notified by the Government from time to time.
Modified Grant or Appropriation	**'Modified Grant or Appropriation'** - means the sum allotted to any Sub-Head of Appropriation as it stands after Re-Appropriation or the sanction of an Additional or Supplementary Grant by competent authority.
New Instrument of Service	**'New Instrument of Service'**- means relatively large expenditure arising out of important expansion of an existing activity.
New Service	**'New Service'** – As appearing in Article 115(1)(a)/205(1)(a) of the Constitution, New Service means expenditure arising out of a new policy decision, not brought to the notice of Parliament/State Legislature earlier, including a new activity or a new form of investment.
Primary expenditure	Primary expenditure of the State, defined as the total expenditure net of the interest payments, indicates the expenditure incurred on the transactions undertaken during the year.
Primary revenue deficit	Primary revenue deficit defined as gap between non-interest revenue expenditure of the State and its non-debt receipts indicates the extent to which the non-debt receipts of the State are able to meet the primary expenditure incurred under revenue account.
Public Accounts	**'Public Accounts'**- means the Public Account referred to in Article 266(2) of the Constitution. The receipts and disbursements such as deposits, reserve funds, remittances, etc. which do not form part of the Consolidated Fund are included in the Public Account. Disbursements from the Public Account are not subject to vote by the Parliament/State Legislature, as they are not moneys issued out of the Consolidated Fund of India/State.
Re-appropriation	**'Re-appropriation'** - means the transfer, by a competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same grant or charged appropriation.
Revised Estimate	**'Revised Estimate'** - is an estimate of the probable receipts or expenditure for a financial year, framed in the course of that year, with reference to the transactions already recorded and anticipation

Terms	Description
	for the remainder of the year in the light of the orders already issued.
Schedule of New Expenditure	**'Schedule of New Expenditure'** - means a statement of items of new expenditure proposed for inclusion in the Budget for the ensuing year.
Sub-Head	**'Sub-Head'** - means a unit of account next subordinate to a Minor Head which normally denotes the scheme or organisation under that Minor Head or programme.
Sub-Major Head	**'Sub-Major Head'** - means an intermediate head of account introduced between a Major Head and the Minor Heads under it, when the Minor Heads are numerous and can conveniently be grouped together under such intermediate Head.
Sufficiency of Non-debt receipts	Adequacy of incremental non-debt receipts of the State to cover incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.
Supplementary Demands for Grants	**'Supplementary Demands for Grants'**- means the statement of supplementary demands laid before the legislature, showing the estimated amount of further expenditure necessary in respect of a financial year over and above the expenditure authorized in the Annual Financial Statement for that year. The demand for supplementary may be token, technical or substantive/cash. a) **Cash Supplementary** is over and above the original budget provisions and results in enhancement of the allocation for the Demand/Grant. It should be obtained as a last resort and after proper due diligence. Presently, this method is followed by the State. b) There are four Sections in each Demand i.e., Revenue Voted, Revenue Charged, Capital Voted and Capital Charged. **Technical Supplementary**, after obtaining the approval of the State Legislature, allows to utilize the savings of one of the Sections for any other Section. c) **Token Supplementary** allows to utilize the savings within the same section of the grant.
Supplementary or Additional Grant or Appropriation	**'Supplementary or Additional Grant or Appropriation'** - means a provision included in an Appropriation Act, during the course of a financial year, to meet expenditure in excess of the amount previously included in an Appropriation Act for that year.
Token demand	**'Token demand'**- means a demand made to the Assembly for a nominal or token sum when, for example, it is proposed to meet the entire expenditure on a new service from savings out of the sanctioned budget grant.

Abbreviations	Full form
AC	Abstract Contingent
ACS	Average Cost of Supply
ADB	Asian Development Bank
AE	Actual Expenditure
AFS	Annual Finance Statement
AIS	All India Services
AMRUT	Atul Mission for Rejuvenation and Urban Transmission
ARR	Average Revenue Realised
ASD	Autism Spectrum Disorder
AT&C	Aggregate Technical and Commercial Losses
ATF	Aviation Turbine Fuel
ATNs	Action Taken Notes
BE	Budget Estimates
CAG	Comptroller and Auditor General of India
CAS	Central Accounts Section
CCOs	Chief Controlling Officers
CE	Capital Expenditure
CF	Contingency Fund
CFA	Contingency Fund Advance
CGST	Central Goods and Services Tax
CMRL	Chennai Metro Rail Limited
CMWSSB	Chennai Metropolitan Water Supply and Sewerage Board
CNG	Compressed Natural Gas
CoE	Centre of excellence
COs	Controlling Officers
Cr.	Credit
CRIF	Central Road and Infrastructure Fund
CSS	Centrally Sponsored Schemes
DC	Detailed Contingent
DCPS	Defined Contributory Pension Scheme
DDOs	Drawing and Disbursing Officers
DDR	Debt, Deposit and Remittance
DISCOM	Distribution Company
DoE	Department of Expenditure
DPC	Duties, Powers and Conditions of Service
Dr.	Debit
EAP	Externally Aided Projects
EN	Explanatory Note
FC	Finance Commission
FE	Final Estimate

Abbreviations	Full form
FHTCs	Functional Household Tap Connections
FPS	Fair Price Shop
FRBM	Fiscal Responsibility and Budget Management
FRE	First Revised Estimate
FY	Financial Year
GBS	Gross Budgetary Support
GDC	Government Data Centre
GDP	Gross Domestic Product
GI	Geographical Indication
GIA	Grants-in-Aid
G.O.	Government Order
GoI	Government of India
GoTN	Government of Tamil Nadu
GRF	Guarantee Redemption Fund
GSDP	Gross State Domestic Product
GST	Goods and Services Tax
GSVA	Gross State Value Added
HOA	Head of Account
HOD	Heads of the Department
ICPS	Integrated Child Protection Scheme
IFHRMS	Integrated Financial and Human Resources Management System
IGAS	Indian Government Accounting Standards
IGST	Integrated Goods and Services Tax
IMFL	Indian Made Foreign Liquor
Ind AS	Indian Accounting Standard
JJM	Jal Jeevan Mission
LB	Local Bodies
LIC	Life Insurance Corporation of India
LMMH	List of Major and Minor Heads of Union and States
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MH	Major Head
MMDR	Mines and Minerals (Development and Regulation)
MoP	Ministry of Power
MoSPI	Ministry of Statistics and Programme Implementation
MoU	Memorandum of Understanding
MTFP	Medium-Term Fiscal Plan
NBC	Net Borrowing Ceiling
NFHS	National Family Health Survey
NFSA	National Food Security Act

Abbreviations	Full form
NITI	National Institution for Transforming India
NMET	National Mineral Exploration Trust
NPS	National Pension System
NRHM	National Rural Health Mission
NRLM	National Rural Livelihood Mission
OBBs	Off-Budget Borrowings
OD	Overdrafts
ODOP	One District One Product
PAC	Public Accounts Committee
PAOs	Pay and Accounts Offices
PB	Primary Balance
PCI	Per Capita Income
PD	Personal Deposit
PE	Provisional Estimate
PFMS	Public Financial Management System
PFRDA	Pension Fund Regulatory and Development Authority
PLFS	Periodic Labour Force Survey
PMAGY	Pradhan Mantri Adarsh Gram Yojana
PMAY	Pradhan Mantri Awaas Yojana
PMGSY	Pradhan Mantri Gramin Sadak Yojana
PRB	Primary Revenue Balance
PSUs	Public Sector Undertakings
PWD	Public Works Department
RBI	Reserve Bank of India
RCH	Reproductive and Child Health
RD	Revenue Deficit
RDSS	Revamped Distribution Sector Scheme
RE	Revised Estimate
RGI	Registrar General of India
RLB	Rural Local Bodies
RS	Revenue Surplus
SDF	Special Drawing Facility
SDMF	State Disaster Mitigation Fund
SDRF	State Disaster Response Fund
SDRMF	State Disaster Risk Management Fund
SFC	State Finance Commission
SGST	State Goods and Services Tax
SIPDA	Scheme for Implementation of Persons with Disabilities Act
SLS	State Level Societies
SMDF	State Mineral Development Fund

Abbreviations	Full form
SMET	State Mineral Exploration Trust
SNA	Single Nodal Agency
SPSEs	State Public Sector Enterprises
SPSUs	State Public Sector Undertaking
SRS	Sample Registration System
SWMA	Special Ways and Means Advances
TA	Temporary Advance
TANGEDCO	Tamil Nadu General and Distribution Corporation Limited
TANTRANSCO	Tamil Nadu Transmission Corporation Limited
TB	Total Budget
TE	Total Expenditure
TNEB	Tamil Nadu Electricity Board
TNFR	Tamil Nadu Fiscal Responsibility
TNGECL	Tamil Nadu Green Energy Corporation Limited
TNPDCL	Tamil Nadu Power Distribution Corporation Limited
TNPGCL	Tamil Nadu Power Generation Corporation Limited
TNRHIDC	Tamil Nadu Rural Housing and Infrastructure Development Corporation
TNUIFSL	Tamil Nadu Urban Infrastructure Financial Services Limited
TNWRCRR	Tamil Nadu Water Resource Conservation and River Restoration
TUFIDCO	Tamil Nadu Urban Finance and Infrastructure Development Corporation
UCs	Utilisation Certificates
UDAY	Ujwal DISCOM Assurance Yojana
ULB	Urban Local Bodies
UTs	Union Territories
WMA	Ways and Means Advances
WQM&S	Water Quality Monitoring and Surveillance
XV FC	Fifteenth Finance Commission

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