CHAPTER I

GENERAL

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1.1 Trend of revenue receipts

1.1.1 Tax and non-tax revenue raised by the Government of Tamil Nadu, the State's share of net proceeds of divisible Union taxes and duties assigned to States and grants-in-aid received from the Government of India during the year 2023-24 and the corresponding figures for the preceding four years are mentioned in **Table 1.1**.

Table 1.1: Trend of Revenue Receipts

(₹in crore)

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
1	**Revenue raised by the State Government**					
	Tax revenue	1,07,462.28	1,06,152.96	1,22,866.29	1,50,222.75	1,67,278.39[1]
	Non-tax revenue	12,887.84	10,421.85	12,116.52	17,060.95	25,903.84
	Total	**1,20,350.12**	**1,16,574.81**	**1,34,982.81**	**1,67,283.70**	**1,93,182.23**
2	**Receipts from the Government of India**					
	State's share of divisible Union taxes	26,392.41	24,924.51	37,458.62	38,731.24	46,072.28
	Grants-in-aid	27,783.37	32,576.98	35,050.97	37,734.40	25,342.16
	Total	**54,175.78**	**57,501.49**	**72,509.59**	**76,465.64**	**71,414.44**
3	**Total revenue receipts of the State Government (1 + 2)**	**1,74,525.90**	**1,74,076.30**	**2,07,492.40**	**2,43,749.34**	**2,64,596.66**
4	**Percentage of 1 to 3**	***69***	***67***	***65***	***69***	***73***

(Source: Finance Accounts of Government of Tamil Nadu)

During the year 2023-24, the revenue raised by the State Government (₹1,93,182.23 crore) was 73 *per cent* of the total revenue receipts. The remaining 27 *per cent* (₹71,414.44 crore) of the receipts during 2023-24 was from the Government of India. Decrease in Grant-in-aid from Central Government (₹12,392.24 Crore) is due to decrease in receipts under compensation of loss of revenue arising out of implementation of Goods and Service Tax by ₹11,640.63 Crore. The percentage of revenue raised by the State Government to Total revenue receipts of the State Government is on steady increase since 2021-22.

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1 For details, please see Statement No. 14 – Detailed statements of revenue by minor heads of the Finance Accounts of the Government of Tamil Nadu for the year 2023-24. Figures under various heads relating to 'Share of net proceeds assigned to States' booked in the Finance Accounts under 'A – Tax revenue' have been excluded from the revenue raised by the State and included in 'State's share of divisible Union taxes' in this statement.

1.1.2 Table 1.2 presents the details of tax revenue raised during the period from 2019-20 to 2023-24.

Table 1.2: Details of Tax revenue raised

(₹ in crore)

Sl. No.	Head of revenue	2019-20		2020-21		2021-22		2022-23		2023-24		Percentage of increase (+) or decrease (-) in 2023-24 over 2022-23
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	
1	State Goods and Services Tax	48,157.40	38,376.19	46,195.55	37,942.10	45,395.50	45,276.49	49,565.13	53,822.69	66,967.08	61,960.29	15.12
2	Taxes on Sales, Trade etc.,	48,033.65	44,515.44	56,046.29	43,489.31	57,070.17	48,668.21	57,203.37	59,143.55	65,859.73	60,199.80	1.79
3	Stamps and Registration Fees	13,122.81	10,855.65	14,435.09	11,675.04	14,879.37	14,330.98	16,322.73	17,559.89	25,567.30	19,013.35	8.28
4	State Excise	7,262.33	7,205.97	8,133.80	7,821.66	9,613.90	8,236.63	10,589.12	10,422.71	11,819.48	10,774.29	3.37
5	Taxes on Vehicles	6,510.70	5,674.64	6,897.73	4,561.17	6,581.75	5,627.40	7,149.25	7,513.43	8,782.79	9,374.63	24.77
6	Taxes and Duties on Electricity	1,364.45	574.20	1,480.35	482.47	1,514.27	494.10	1,633.12	1,506.09	1,889.68	5,679.84	277.13
7	Other Receipts[2]	361.72	260.19	341.49	181.21	586.82	232.47	337.21	254.39	296.15	276.19	8.57
	Total	**1,24,813.06**	**1,07,462.28**	**1,33,530.30**	**1,06,152.96**	**1,35,641.78**	**1,22,866.28**	**1,42,799.93**	**1,50,222.75**	**1,81,182.21**	**1,67,278.39**	

(Source: Finance Accounts and Annual Financial Statement of Government of Tamil Nadu)

Tax revenue accounted for 63.22 *per cent* (₹1,67,278.39 crore) of the total revenue (₹2,64,596.66 crore) of the State for the year 2023-24. There was an increase of ₹17,055.64 crore (11.35 *per cent*) in tax revenue raised by State Government in 2023-24 over the previous year (₹1,50,222.75 crore).

Reasons for increase in revenue under various heads is as below:

- State Goods and Services Tax (₹8,137.60 Crore) was mainly due to higher receipts under State Goods and Services Tax.
- Taxes and Duties on Electricity (₹4,173.75 Crore) was mainly due to increase in receipts under tax on consumption and sale of electricity.
- Taxes on vehicles (₹1,861.20 Crore) was mainly due to huge increase in receipts under Tamil Nadu Motor Vehicles Taxation Act, 1974.
- Stamp Duty and Registration Fees (₹1,453.46 Crore) was mainly due to huge increase in duty on impressing documents.
- Taxes on Sales and Trade (₹1,056.24 Crore) was mainly due to increase in receipts under State Sales Tax Act.
- State Excise (₹351.58 Crore) was mainly due to increase in receipts under Foreign Liquors and spirits and receipt under Malt Liquor and Other Receipts.

1.1.3 Table 1.3 presents the details of non-tax revenue raised during the period from 2019-20 to 2023-24.

2 'Other Receipts' represent tax receipts pertaining to heads (i) Land Revenue, (ii) Taxes on Goods and Passengers, (iii) Taxes on Agricultural Income, (iv) Taxes on Immovable Property other than Agricultural Land and (v) Commodities and Service.

Table 1.3: Details of Non-tax revenue raised

(₹ in crore)

Sl. No.	Head of revenue	2019-20		2020-21		2021-22		2022-23		2023-24		Percentage of increase (+) or decrease (-) in 2023-24 over 2022-23
		Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	
1	Interest receipts, dividends and profits	4,631.01	4,547.74	5,596.49	3,729.44	6,544.22	4,189.78	6,728.81	5,047.97	8,230.84	10,669.06	111.35
2	Medical and Public Health	789.26	1,654.68	1,295.25	819.26	1,317.54	1,553.51	1,396.63	1,607.57	1,403.80	2,635.05	63.91
3	Non-Ferrous Mining and Metallurgical industries	1,987.50	1,150.12	2,222.35	765.24	2,023.93	1,004.83	2,118.76	1,200.47	1,450.67	1,550.24	29.14
4	Education, Sports, Art and culture	1,264.59	1,792.96	1,919.96	1,649.63	1,179.58	1,064.66	1,144.93	2,206.06	1,193.66	1,470.00	(-)33.37
5	Urban Development	1,071.36	780.75	1,176.04	829.42	1,046.19	742.58	1,016.11	1,091.90	966.57	1,469.38	34.57
6	Other receipts[3]	3,583.18	2,961.59	3,688.72	2,628.86	3,536.96	3,561.16	3,132.00	5,906.98	6,977.97	8,110.10	37.30
	Total	**13,326.90**	**12,887.84**	**15,898.81**	**10,421.85**	**15,648.42**	**12,116.52**	**15,537.24**	**17,060.95**	**20,223.51**	**25,903.83**	

(Source: Finance Accounts and Annual Financial Statement of Government of Tamil Nadu)

The non-tax revenue accounted for was 9.79 *per cent* (₹25,903.84 crore) of the total revenue (₹2,64,596.66 crore) of the State for the year 2023-24. There was an increase of ₹8,842.89 crore in non-tax revenue raised by State Government (51.83 *per cent*) in 2023-24 over the previous year (₹17,060.95 crore).

Reasons for increase in revenue under various heads of Non-Tax Revenue is as below:

- Interest receipts, dividends and profits (₹5,621.09 Crore) was due to increase in interest and dividends from Public Sector Undertakings.
- Medical and Public Health (₹1,027.48 Crore) was due to increase in receipts from Government of India for National Rural Health Mission (NRHM) and Pradhan Mantri Jan Arogya Yojana (PMJAY).
- Non-ferrous Mining and Metallurgical Industries (₹349.78 Crore) was mainly due to increase in receipts under rents and royalties and other receipts.
- Urban Development (₹377.48 Crore) was due to increase in receipts from Municipalities and receipts under other receipts.

The decrease in collection under Education, Sports, Arts and Culture (₹736.06 Crore) was mainly due to decrease in receipts under Elementary Education and under Secondary Education.

3 'Other receipts' represent non-tax receipts pertaining to heads (i) Police; (ii) Miscellaneous General Services; (iii) Other Social Services; and (iv) Other General Economic Services etc.

1.2 Analysis of arrears of revenue

The arrears of revenue, as on 31 March 2024, on some principal heads of revenue amounted to ₹49,756.18 crore, of which ₹24,643.69 crore was outstanding for more than five years, as detailed in **Table 1.4**.

Table 1.4: Arrears of revenue

(₹ in crore)

Sl. No.	Head of revenue	Total amount outstanding as on 31 March 2024	Amount outstanding for more than five years as on 31 March 2024	Replies of Department
1	Taxes on Sales, Trade etc.	25,065.89	15,830.38	Recovery of ₹7,467.78 crore was covered by Recovery Certificates. Recovery of ₹5,142.19 crore was stayed by High Court and other judicial authorities. Government had stayed recovery of ₹29.86 crore. Recovery of ₹975.87 crore was held up due to rectification/ review application. Recovery of ₹2,480.36 crore held up due to persons becoming insolvent. ₹752.84 crore was likely to be written off. ₹161.67 crore was since collected. Remaining arrears of ₹8,055.32 crore was at various stages of recovery.
2	State Goods and Services Tax	16,139.47	2,889.11	Recovery of ₹11,008.98 crore was covered by Recovery Certificates. Recovery of ₹4,490.55 crore was stayed by High Court, other judicial authorities and the Government. Recovery of ₹441.19 crore was held up due to rectification/ review application and recovery of ₹31.36 crore was held up due to person becoming insolvent. Remaining arrears of ₹167.38 crore was at various stages of recovery.
3	Non-Ferrous Mining and Metallurgical industries	7,423.20	4,888.16	Recovery of ₹897.17 crore was covered by Recovery Certificates. Recovery of ₹1,685.22 crore was stayed by High Court and other judicial authorities. Government had stayed recovery of ₹643.18 crore. Recovery of ₹5.60 crore was held up due to rectification/ review application. ₹.02 crore was likely to be written off. ₹31.33 crore was since collected. Remaining arrears of ₹4,160.67 crore were at various stages of recovery.
4	Stamp Duty and Registration Fee	444.19	386.46	Recovery of ₹444.14 crore was covered by recovery certificates. Recovery of ₹0.05 crore was stayed by High Court and other judicial authorities.
5	Electricity Taxes	438.78	443.50	Recovery of ₹34.19 crore was covered by Recovery Certificates. Recovery of ₹68.51 crore was stayed by Government. Recovery of ₹202.31 crore was covered by rectification/ review of application. Recovery of ₹74.11 crore was held up due to persons becoming insolvent. Remaining arrears of ₹60.03 crore was at various stages of recovery. An amount of ₹0.37 crore has since been collected.
6	Urban Land Tax	203.74	174.34	Detailed break-up was not furnished by the Department.
7	State Excise	31.47	31.18	Recovery of ₹13.02 crore was covered by Recovery Certificates. Recovery of ₹1.74 crore was stayed by High Court and other judicial authorities. Recovery of ₹0.47 crore was covered by rectification / review application. Recovery of ₹0.29 crore held up due to persons becoming insolvent. ₹3.21 crore is likely to be written off. Remaining arrears of ₹12.46 crore was at various stages of recovery. An amount of ₹0.29 crore has since been collected.
8	Taxes on vehicles	12.07	Nil	Recovery of ₹0.64 crore was covered by recovery certificates. Recovery of ₹0.19 crore was stayed by High Court and other judicial authorities. Recovery of ₹11.25 crore were at various stages of collection.

(Source: Details furnished by the Department)

The total uncollected revenue of ₹49,756.18 crore for the year 2023-24 is 12.34 *per cent* higher than ₹44,289.54 crore for the year 2022-23.

Recommendation 1.1:

The Government may order expeditious collection of arrears of revenue besides taking necessary measures to boost collection efficiency in the current period.

1.3 Arrears in assessments

The details of assessssments relating to Central Sales Tax and Other taxes pending in the Commercial Taxes Department are given in **Table 1.5**.

Table 1.5: Arrears in assessments

Description	CST and Other assessments	State Goods and Services tax
Opening balance of pending assessment of the previous year as on 01-04-2023	47	54,413
Assessment due for the current assessment year 2023-24	Nil	2,29,847
Total	**47**	**2,84,260**
Assessment completed during the year 2023-24	7	1,48,649
Closing balance of assessments pending at the end of the year as on 31-03-2024	40	1,35,611

(Source: Details furnished by the Department)

Recommendation 1.2:

Government may instruct the Department to complete the pending Goods and Service Tax assessments expeditiously.

1.4 Evasion of tax detected by the Department

Tax evasion is the willful act of not paying taxes liable to be paid to the Government. The modus operandi normally involves under reporting income, over reporting expenses through false deductions and mis representing assets. The Intelligence Wing under Commercial Tax Department is primarily tasked with detecting tax evasion by conducting inspection in the places of business and checking the goods in transit.

The details of cases of evasion of tax detected by the Commercial Taxes Department in respect of State Goods and Services Tax and other Taxes, cases finalised and the demands for additional tax raised are given in **Table 1.6**.

Table 1.6: Evasion of Tax

Sl. No.	Head of revenue	Cases pending as on 31 March 2023	Cases detected during 2023-24	Total	Number of cases in which assessment / investigation completed and additional demand with penalty etc. raised		Details of cases pending for finalisation as on 31 March 2024	
					Number of cases	Amount of demand (₹ in crore)	Number of cases	Amount of demand (₹ in crore)
1	State Goods and Services Tax	1,838	33,970	35,808	32,530	7,438.31	3,278	19,205.04
2	Taxes on Sales, Trade etc., (Other than State Goods and Services Tax)	293	0	293	56	25.03	237	2,052.23

(Source: Details furnished by the Department)

₹1,332.96 Crore has been collected during inspection and post finalisation of cases. The pendency of cases in SGST has increased by 78 *per cent* when compared to previous year. Further, Value Added Tax has almost been subsumed into Goods and Services Tax in 2017. Delay in passing final orders within stipulated time frame would result in loss of revenue to the Government. The Government may, therefore, instruct the Commercial Taxes Department to complete the assessment / investigation of pending cases expeditiously.

1.5 Pendency of Refund Cases

The number of refund cases pending at the beginning of the year 2023-24, claims received during the year, refunds allowed during the year and cases pending at the close of the year 2023-24 relating to the Commercial Taxes Department (Value Added Tax and State Goods and Services Tax) and Home (Transport) Department are given in **Table 1.7**.

Table 1.7: Details of pendency of refund cases

(₹ in crore)

Sl. No.	Particulars	Value Added Tax		State Goods and Services Tax		Motor Vehicles Tax	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1	Claims outstanding at the beginning of the year	13,245	123.13	931	381.41	22	0.07
2	Claims received during the year	353	35.18	17,416	2,660.69	168	1.49
3	Total (1+2)	13,598	158.31	18,347	3,042.10	190	1.56
4.	Refunds finalised during the year (including rejected cases)	621	41.96	15,524	2,370.42	172	1.41
5	Balance outstanding at the end of the year	12,977	116.35	2,823	671.68	18	0.15

(Source: Replies of Departments concerned)

Recommendation 1.3:

Since the Tamil Nadu Value Added Tax and Tamil Nadu Goods and Services Tax Acts provide for interest on belated refunds, the Commercial Taxes Department may finalise the refund claims expeditiously.

1.6 Response of the Departments / Government towards audit

The Principal Accountant General (Audit-I), Tamil Nadu (AG) conducts periodical inspection of the Government Departments to test check the transactions and verify the maintenance of important accounts and other records as prescribed in the rules and procedures. These inspections are followed up with Inspection Reports (IRs) incorporating irregularities detected during the inspection and not settled on the spot, which are issued to the heads of the offices inspected with copies to the next higher authorities for taking prompt corrective action. The heads of the offices / Government are required to comply with the observations contained in the IRs, rectify the defects and omissions and report compliance through initial replies to the AG within one month from the date of issue of the IRs. Serious financial irregularities are referred to the heads of the Departments and the Government.

IRs issued up to 31 March 2024 disclosed that 26,585 paragraphs, involving ₹3,293.43 crore relating to 5,257 IRs, remained outstanding at the end of June 2024 as mentioned below along with the corresponding figures for the preceding two years in **Table 1.8**.

Table 1.8: Details of pending IRs

Particulars	June 2022	June 2023	June 2024
Number of IRs pending for settlement	5,274	5,217	5,257
Number of outstanding audit observations	27,547	26,606	26,585
Amount of revenue involved (₹ in crore)	5,242.45	3,795.08	3,293.43

(Source: As per data maintained in office of the Principal AG (Audit-I) and data relating to Home (Transport), Natural Resources and Energy Department in office of Principal AG (Audit-II) (Tamil Nadu)

1.6.1 Department-wise details of the Inspection Reports and Audit observations

The Department-wise details of the IRs and Audit observations issued up to 31 March 2024 and outstanding as on 30 June 2024 and the amounts involved are mentioned in **Table 1.9**.

Table 1.9: Department-wise details of IRs

(₹ in crore)

Sl. No.	Name of the Department	Nature of receipts	Number of outstanding IRs	Number of outstanding audit observations	Money value involved (₹ in crore)
1	Commercial Taxes and Registration	Value Added Tax and other taxes	1,602	13,187	1,719.83
		Stamp Duty and Registration Fee	1,856	7,436	1,149.39
2	Revenue and Disaster Management	Land revenue	942	3,841	10.22
		Urban land tax	18	29	0
3	Home (Transport)	Taxes on vehicles	348	914	53.39
4	Home (Prohibition and Excise)	State excise	258	564	200.20
5	Natural Resources	Mines and minerals	201	516	96.46
6	Energy	Electricity tax	32	98	63.94
		Total	**5,257**	**26,585**	**3,293.43**

(Source: As per data maintained in office of the Principal AG (Audit-I) and Principal AG (Audit-II), Tamil Nadu)

The large pendency of the IRs, due to non-receipt of the replies, is indicative of failure by heads of offices and departments to initiate action to rectify defects, omissions and irregularities pointed out by the AG through the IRs. The Government may instruct the Departments to furnish replies to the audit observations in time and to take remedial action to clear the outstanding paragraphs.

1.6.2 Departmental Audit Committee Meetings

As per Regulation 145 of the Regulations on Audit and Accounts (Amendments), 2020, Government shall establish audit committees for the purpose of monitoring and ensuring compliance and settlement of pending audit observations. The Government has set up Audit Committees (during various periods) and during the meeting, the Secretaries of the Departments discuss the pendency and direct the Head of the Departments to take immediate action to clear the outstanding audit observations.

Transport Department, Natural Resources and Revenue and Disaster Management Department had held Audit committee meetings for discussion of paras July 2023 and February 2024 and 120 paragraphs were settled, and 42 paragraphs were transferred to the Revenue and Disaster Management Department for further pursuance as deemed fit. Other departments such as Commercial Taxes, Registration Department, State Excise, did not hold Audit Committee meetings during 2023-24.

Recommendation 1.4:

Government should instruct all the Departments to conduct Audit Committee meetings periodically so that the outstanding audit observations are settled.

1.6.3 Response of the Departments to draft Audit Paragraphs

The draft Audit paragraphs proposed for inclusion in the Report of the CAG are forwarded by the PAG to the Secretaries of the Departments concerned, drawing their attention to audit findings and requesting them to send their response within six weeks.

Eleven draft paragraphs proposed for inclusion in the Report of the CAG for the year ended March 2024 were forwarded to the Secretary to Government, Home (Transport) Department, Commercial Taxes and Registration Department and Backward Classes, Most Backward Classes and Minorities Welfare Department and Revenue and Disaster Management Department between January 2025 and July 2025. The Government furnished reply to all eleven draft paragraphs however replies for nine draft paragraphs were furnished after stipulated time limit of six weeks.

1.6.4 Follow-up of Audit Reports

With a view to ensuring accountability of the executive in respect of the issues dealt with in the Audit Reports, the Public Accounts Committee (PAC) laid down in 1997 that after the presentation of the Report of the CAG in the Legislative Assembly, the Departments shall initiate action on the Audit paragraphs and the action taken explanatory notes thereon should be submitted by the Government within two months of tabling the Report, for consideration of the PAC. We observed that 162 paragraphs included in the Reports of the CAG on the Revenue Receipts of the Government of Tamil Nadu up to the year ended March 2024 were pending discussion by PAC. Out of the above, the Departments had not furnished explanatory notes in respect of 16 paragraphs. Review of the outstanding action taken notes (ATNs) as on 31 March 2023 on paragraphs included in the Report of the CAG, Revenue Receipts, Government of Tamil Nadu indicated that the Departments had not submitted ATNs for 729 recommendations discussed by PAC.

1.7 Analysis of the mechanism for dealing with the issues raised by Audit in Home Department

To analyse the system of addressing the issues highlighted in the IRs / Audit Reports by the Departments / Government, the action taken on the paragraphs and Performance Audits included in the Audit Reports of the last 10 years for one Department is evaluated and included in this Audit Report.

1.7.1 Status of Inspection Reports

The summarised position of the IRs issued to Home Department relating to State Excise during the last 10 years, paragraphs included in these reports and their status as on 31 March 2024 are tabulated in **Table 1.10**.

Table 1.10: Position of Inspection Reports

(₹ in crore)

Year	Opening balance			Additions during the year			Clearance during the year			Closing balance		
	IRs	Paras	Money value	IRs	Paras	Money value	IRs	Paras	Money value	IRs	Paras	Money value
2014-15	204	309	71.67	16	58	0.25	4	9	0.17	216	358	71.75
2015-16	216	358	71.75	16	37	1.10	2	14	0.12	230	381	72.73
2016-17	230	381	72.73	16	42	228.36	18	37	0.27	228	386	300.82
2017-18	228	386	300.82	0	0	0	27	70	2.25	201	316	298.57
2018-19	201	316	298.57	0	0	0	7	28	0.22	194	288	298.35
2019-20	194	288	298.35	44	222	561.67	15	44	227.58	223	466	632.44
2020-21	223	466	632.44	0	0	0	2	9	0.13	221	457	632.31
2021-22	221	457	632.31	17	95	2.39	5	19	0.22	233	533	634.48
2022-23	233	533	634.48	25	106	2.67	12	42	0.11	246	597	637.04
2023-24	246	597	637.04	20	80	22.30	21	157	480.2	245	520	179.14

(Source: As per data maintained in office of the Principal AG (Audit-I), Tamil Nadu)

As against 204 paragraphs involving money value of ₹71.67 crore which were pending at the beginning of 2014-15, the number at the end of 2023-24 had increased to 245 paragraphs involving money value of ₹179.14 crore. This indicates that the response to the local audit reports was inadequate. Therefore, the Department should furnish replies expeditiously to clear the outstanding paragraphs.

1.7.2 Recovery of accepted cases

During the last ten years, five draft paragraphs including one Performance Audit and one Compliance Audit involving ₹473.36 crore were included in the Report of the CAG, Revenue Sector, Government of Tamil Nadu. The Department accepted the audit observations in three cases involving ₹159.84 crore and recovered ₹129.70 crore.

Out of these five draft paragraphs, four paragraphs are yet to be discussed by the PAC.

1.8 Audit planning

The offices under various Departments are categorised into high, medium, and low risk units according to their revenue position, past trends of audit observations, nature/volume of transactions. The annual audit plan is prepared on the basis of risk analysis which, *inter alia*, includes statistical analysis of the revenue earnings during the past five years, features of the tax administration, audit coverage and its impact during the past five years.

During the year 2023-24, the audit universe comprised 1800 auditable offices, of which 177 offices were planned and 173 offices were audited i.e., 9 *per cent* of the total auditable offices as mentioned in **Table 1.11**.

Table 1.11: Audits planned and conducted during the year 2023-24

Sl. No.	Name of the Department	Nature of Receipts / Expenditure	Auditable Offices	Offices planned	Offices audited
1	Commercial Taxes and Registration	State Goods and Services Tax, Value Added Tax, Sales Tax and other receipts	397	4	4
		Stamp Duty and Registration Fee	647	114	114
2	Revenue	Urban Land Tax	50	0	0
		Land Revenue	447	32	32
3	Home (Transport)	Taxes on vehicles	105	3	0
4	Transport	Motor Vehicle Maintenance Department	21	0	0
5	Home (Prohibition and Excise)	State Excise	75	21	21
6	Natural Resources	Mines and minerals	33	3	1
7	Energy	Electricity duty	25	0	1
		Total	**1,800**	**177**	**173**

(Source: As per data maintained in offices of the Principal AG (Audit-I) and Principal AG (Audit-II), Tamil Nadu)

1.9 Results of audit

Status of local audit conducted during the year

During the year 2023-24, records maintained in the 173 offices were test checked and observations amounting to ₹121.35 crore were noticed in 1,643 cases. During the year, the Departments accepted 403 observations and recovered/adjusted a sum of ₹3.81 crore. All these cases pertained to observations raised in earlier years.

1.10 Scope of this Report

This Report contains eleven paragraphs involving financial effect of ₹27.96 crore. The Department/Government accepted audit observations involving ₹9.59 crore. The audit observations discussed in the subsequent paragraphs were identified from the test check of records in the selected offices only. Most of the observations are of a nature that may reflect similar deficiencies/under assessments in other offices, not test-checked by Audit. Department may, therefore, carry out internal audit in these offices to ensure that such irregularities and deficiencies, if any, stand rectified.