

# Tamil Nadu Budget Analysis 2023-24

The Finance Minister of Tamil Nadu, Dr. Palanivel Thiaga Rajan, presented the Budget for the state for the financial year 2023-24 on March 20, 2023.

## Budget Highlights

- The **Gross State Domestic Product (GSDP)** of Tamil Nadu for 2023-24 (at current prices) is projected to be Rs 28.3 lakh crore, amounting to growth of 14% over 2022-23 (Rs 24.8 lakh crore).
- **Expenditure (excluding debt repayment)** in 2023-24 is estimated to be Rs 3,65,321 crore, an increase of 14% over the revised estimate of 2022-23. In addition, debt of Rs 43,826 crore will be repaid by the state. In 2022-23, expenditure (excluding debt repayment) is estimated to be 4% lower than the budget estimate.
- **Receipts (excluding borrowings)** for 2023-24 are estimated to be Rs 2,73,246 crore, an increase of 11% over the revised estimate of 2022-23. In 2022-23, receipts (excluding borrowings) are estimated to be 4% higher than the budget estimate.
- **Revenue deficit** in 2023-24 is estimated to be Rs 37,540 crore (1.3% of GSDP). In 2022-23, the state is expected to observe a revenue deficit of Rs 30,476 crore as per the revised estimates (1.2% of GSDP), lower than the budget estimate (Rs 52,781 crore or 2.1% of GSDP).
- **Fiscal deficit** in 2023-24 is targeted at 3.25% of GSDP (Rs 92,075 crore). In 2022-23, as per the revised estimates, fiscal deficit is expected to be 3% of GSDP, lower than the budget estimate (3.63% of GSDP).

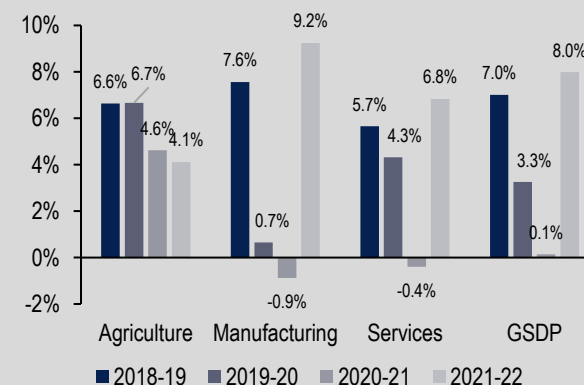
## Policy Highlights

- **Magalir Urimai Thogai:** Women heads of eligible households will be provided Rs 1,000 per month in the upcoming financial year. The programme has been allocated Rs 7,000 crore in 2023-24.
- **Metro rail and IT parks:** Metro rail projects will be implemented in Coimbatore and Madurai. Tamil Nadu Tech City will be established in Chennai, Coimbatore, and Hosur. IT parks will be set up in Erode, Tirunelveli, and Chengalpattu.
- **Energy:** 33 GW of electricity generation capacity will be added by 2030, with high priority to renewables. A special purpose vehicle will be created for renewables. A new policy for wind mills will be prepared.
- **Chief Minister’s breakfast scheme** will be expanded to cover all government primary schools.
- **Registration Fees:** Guideline value will be revised to rates prevailing till June 2017, and registration fee will be reduced from 4% to 2%.
- **Legislation on Sub Plans:** A new law will be enacted to ensure adequate allocation of funds and effective implementation of the Scheduled Castes and Tribal Sub Plans.

## Tamil Nadu’s Economy

- **GSDP:** In 2021-22, Tamil Nadu’s GSDP (at constant prices) is estimated to grow at 8%, after a muted growth of 0.1% in 2020-21 (COVID year). In comparison, national GDP is estimated to grow by 9.1% in 2021-22, after a contraction of 5.8% in 2020-21.
- **Sectors:** In 2021-22, agriculture, manufacturing, and services sectors are estimated to contribute 13%, 32%, and 55% of Tamil Nadu’s economy, respectively (at current prices).
- **Per Capita GSDP:** In 2021-22, Tamil Nadu’s per capita GSDP is estimated to be Rs 2.69 lakh (at current prices), higher than the per capita GDP at the national level (Rs 1.97 lakh).

**Figure 1: Growth in Tamil Nadu’s GSDP at constant prices (2011-12)**



Note: These numbers are as per constant prices (2011-12) which implies that the growth rate is adjusted for inflation.  
Sources: MoSPI; PRS.

## Budget Estimates for 2023-24

- **Expenditure (excluding debt repayment)** in 2023-24 is targeted at Rs 3,65,321 crore, an increase of 14% over the revised estimate of 2022-23. This expenditure is proposed to be met **receipts (excluding borrowings)** of Rs 2,73,246 crore and net borrowing of Rs 90,120 crore. Total receipts in 2023-24 (other than borrowings) are expected to register an increase of 11% over the revised estimates of 2022-23.
- In 2023-24, the state has estimated a **revenue deficit** of Rs 37,540 crore, which is 1.3% of GSDP. In comparison, revenue deficit in 2022-23 is estimated to be Rs 30,476 crore (1.2% of GSDP) as per the revised estimates. **Fiscal deficit** in 2023-24 is estimated to be 3.25% of GSDP, which is within the limit of 3.5% of GSDP permitted by the central government as per the Union Budget 2023-24 (of which, 0.5% of GSDP will be made available upon undertaking power sector reforms). Both fiscal deficit and revenue deficit as % of GSDP in 2023-24 are expected to be higher than the revised estimates of 2022-23.
- In 2022-23, as per the revised estimates, expenditure (excluding debt repayment) is expected to be 4% lower than the budget estimate (Rs 11,926 crore less). In comparison, receipts (excluding borrowings) are expected to be 4% higher than budgeted (by Rs 10,163 crore). Consequently, both revenue deficit and fiscal deficit are expected to be lower than the respective budget estimates.

**Table 1: Budget 2023-24 - Key figures (in Rs crore)**

Items	2021-22 Actuals	2022-23 BE	2022-23 RE	% change from BE 22-23 to RE 22-23	2023-24 BE	% change from RE 22-23 to BE 23-24
Total Expenditure	3,14,419	3,60,379	3,48,450	-3%	4,09,147	17%
(-) Repayment of debt	19,737	27,128	27,125	0%	43,826	62%
<b>Net Expenditure (E)</b>	<b>2,94,682</b>	<b>3,33,251</b>	<b>3,21,325</b>	<b>-4%</b>	<b>3,65,321</b>	<b>14%</b>
Total Receipts	3,17,332	3,57,617	3,46,790	-3%	4,07,192	17%
(-) Borrowings*	1,04,485	1,20,979	99,989	-17%	1,33,945	34%
<b>Net Receipts (R)</b>	<b>2,12,847</b>	<b>2,36,638</b>	<b>2,46,800</b>	<b>4%</b>	<b>2,73,246</b>	<b>11%</b>
<b>Fiscal Deficit (E-R)*</b>	<b>73,739</b>	<b>90,114</b>	<b>74,525</b>	<b>-17%</b>	<b>92,075</b>	<b>24%</b>
as % of GSDP	3.38%	3.63%	3.00%		3.25%	
<b>Revenue Deficit</b>	<b>46,538</b>	<b>52,781</b>	<b>30,476</b>	<b>-42%</b>	<b>37,540</b>	<b>23%</b>
as % of GSDP	2.14%	2.12%	1.23%		1.33%	
<b>Primary Deficit</b>	<b>32,175</b>	<b>43,387</b>	<b>27,629</b>	<b>-36%</b>	<b>37,399</b>	<b>35%</b>
as % of GSDP	1.48%	1.75%	1.11%		1.32%	

Note: BE is Budget Estimates; RE is Revised Estimates. \*Borrowings include receipts of back-to-back loan in lieu of GST compensation of: (i) Rs 8,095 crore in 2021-22, and (iii) Rs 6,500 crore in 2022-23 (only at the budget stage). As per the medium-term fiscal plan statement, this loan is to be serviced out of the GST compensation cess fund of the central government, and does not form part of the fiscal deficit and debt to GSDP ratio of the state. Fiscal deficit and primary deficit have been reported after discounting for this loan. Sources: Annual Financial Statement, Budget Memorandum, Medium Term Fiscal Plan, Tamil Nadu Budget 2023-24; PRS.

## Expenditure in 2023-24

- **Revenue expenditure** for 2023-24 is proposed to be Rs 3,08,056 crore, an increase of 12% over the revised estimate of 2022-23. This includes the expenditure on salaries, pensions, interest, grants, and subsidies. In 2022-23, revenue expenditure is estimated to be 3% lower than the budgeted.
- **Capital outlay** for 2023-24 is proposed to be Rs 44,366 crore, an increase of 16% over the revised estimate of 2022-23. Capital outlay indicates the expenditure towards creation of assets. In 2022-23, as per revised estimates, capital outlay is expected to be 11% lower than the budget estimate. Capital outlay towards water supply and sanitation in 2022-23 is expected to be 43% lower than the budget estimate (Rs 2,161 crore less). Capital outlay towards roads and bridges in 2022-23 is expected to be 15% lower than the budget estimate (Rs 2,464 crore less).

### Subsidies

Tamil Nadu has estimated total subsidy disbursement of Rs 35,280 crore in 2023-24. This estimate includes Rs 7,000 crore towards the new scheme for cash transfer to women, which is in nature of transfer, mis-categorised as a subsidy. Also, the subsidy estimate does not include Rs 6,537 crore towards payment to TANGEDCO for farmer pump sets, which is essentially a subsidy. Adjusting for these two large items, the subsidy in 2023-24 is expected to be Rs 34,816 crore, a decrease of 1% from the revised estimates for 2022-23. Major subsidies include power, food, and transport.

**Table 2: Expenditure budget 2023-24 (in Rs crore)**

Items	2021-22 Actuals	2022-23 BE	2022-23 RE	% change from BE 22-23 to RE 22-23	2023-24 BE	% change from RE 22-23 to BE 23-24
Revenue Expenditure	2,54,030	2,84,188	2,76,136	-3%	3,08,056	12%
Capital Outlay	37,011	43,043	38,347	-11%	44,366	16%
Loans given by the state	3,641	6,020	6,842	14%	12,900	89%
<b>Net Expenditure</b>	<b>2,94,682</b>	<b>3,33,251</b>	<b>3,21,325</b>	<b>-4%</b>	<b>3,65,321</b>	<b>14%</b>

Sources: Annual Financial Statement, Tamil Nadu Budget 2023-24; PRS.

**Committed expenditure:** Committed expenditure of a state includes expenditure on payment of salaries, pension, and interest. In 2023-24, Tamil Nadu is estimated to spend Rs 1,73,148 crore on committed expenditure, which is 64% of its revenue receipts. This comprises spending on salaries (29% of revenue receipts), pension (15%), and interest (20%). In 2022-23, on average, states had allocated 54% of their revenue receipts towards committed expenditure items. In 2023-24, expenditure towards pension is estimated to register an increase of 29% over the revised estimate of 2022-23. However, in 2022-23, spending towards pension is estimated to be 19% lower than budgeted.

**Table 3: Committed Expenditure in 2023-24 (in Rs crore)**

Items	2021-22 Actuals	2022-23 BE	2022-23 RE	% change from BE 22-23 to RE 22-23	2023-24 BE	% change from RE 22-23 to BE 23-24
Salaries	60,625	71,567	67,674	-5%	77,240	14%
Pension	26,250	39,508	31,950	-19%	41,232	29%
Interest Payment	41,564	46,727	46,896	0%	54,676	17%
<b>Total Committed Expenditure</b>	<b>1,28,439</b>	<b>1,57,802</b>	<b>1,46,520</b>	<b>-7%</b>	<b>1,73,148</b>	<b>18%</b>

Sources: Annual Financial Statement, Budget Memorandum, Medium Term Fiscal Plan, Tamil Nadu Budget 2023-24; PRS.

**Sector-wise expenditure:** The sectors listed below account for 51% of the total expenditure on sectors in 2023-24. A comparison of Tamil Nadu's expenditure on key sectors with that by other states is shown in Annexure 1.

**Table 4: Sector-wise expenditure under Tamil Nadu Budget 2023-24 (in Rs crore)**

Sectors	2021-22 Actuals	2022-23 BE	2022-23 RE	2023-24 BE	% change from RE 22-23 to BE 23-24	Budget Provisions 2023-24 BE
Education, Sports, Arts, and Culture	38,678	43,799	43,517	49,700	14%	Government secondary schools and primary schools have been allocated Rs 13,199 crore and Rs 12,016 crore, respectively.
Social Welfare and Nutrition	24,087	16,674	17,498	26,614	52%	Rs 7,000 crore has been allocated towards the Magalir Urimai Thogai scheme, which provides cash transfer to women.
Agriculture and Allied Activities	21,497	21,363	23,374	22,971	-2%	Rs 6,537 crore has been allocated towards power subsidy for farmers. Rs 1,761 crore has been allocated towards crop insurance.
Roads and Bridges	14,612	17,652	14,854	18,861	27%	Rs 17,421 crore has been allocated towards the capital outlay on roads and bridges.
Health and Family Welfare	19,012	17,733	18,065	18,545	3%	Rs 1,416 crore has been allocated towards Chief Minister's Comprehensive Health Insurance Scheme.
Police	8,051	9,857	9,869	10,368	5%	District police has been allocated Rs 5,976 crore.
Rural Development	8,817	9,562	9,713	9,413	-3%	MGNREGS has been allocated Rs 3,100 crore.
Energy	15,584	17,433	17,830	8,426	-53%	Rs 6,722 crore has been allocated towards subsidy to domestic consumers. Rs 1,523 crore has been allocated towards covering losses of TANGEDCO under UDAY scheme.
Urban Development	9,827	10,396	10,269	8,331	-19%	Rs 2,050 crore has been allocated towards Chennai Metropolitan Development Authority.
Irrigation and Flood Control	4,695	6,785	6,368	7,755	22%	Rs 5,071 crore has been allocated towards the capital outlay on irrigation and flood control.
<b>% of total expenditure on all sectors</b>	<b>57%</b>	<b>52%</b>	<b>54%</b>	<b>51%</b>	<b>-6%</b>	

Sources: Annual Financial Statement, Tamil Nadu Budget 2023-24; PRS.

## Receipts in 2023-24

- **Total revenue receipts** for 2023-24 are estimated to be Rs 2,70,515 crore, an increase of `10% over the revised estimate of 2022-23. Of this, Rs 2,01,406 crore (74%) will be raised by the state through its **own resources**, and Rs 69,110 crore (26%) will come **from the centre**. Resources from the centre will be in the form of state's share in central taxes (16% of revenue receipts) and grants (10% of revenue receipts).
- **State's own tax revenue:** Tamil Nadu's total own tax revenue is estimated to be Rs 1,81,182 crore in 2023-24, an increase of 19% over the revised estimates of 2022-23. Own tax revenue as a percentage of GSDP is estimated at 6.4% in 2023-24. For 2022-23, the state had estimated this ratio at 5.7% at the budget stage, however, as per revised estimates, it is expected to be higher (6.1%).
- **State's own non-tax revenue:** Revenue from own non-tax sources is estimated to be Rs 20,224 crore in 2023-24, an increase of 32% over the revised estimate of 2022-23. In 2023-24, Rs 2,929 crore is estimated to come from other administrative services, an increase of 568% over the revised estimates of 2022-23 (Rs 438 crore).
- **Transfers from Centre:** In 2023-24, state's share in central taxes is estimated at Rs 41,665 crore, an increase of 8% over the revised estimate of 2022-23. Receipts in the form of grants from centre is estimated at Rs 27,445 crore for 2023-24, a decrease of 31% over the previous year. One of the key reasons for a lower grant level is discontinuation of provision of GST compensation grants after June 2022. Although, the state has budgeted a receipt of GST compensation grant of Rs 4,573 crore in 2023-24. For 2022-23, the state has estimated Rs 16,215 crore on this account at the revised stage. Note that GST compensation grant was available only for the first three months of 2022-23.

**Table 5: Break-up of the state government's receipts (in Rs crore)**

Sources	2021-22 Actuals	2022-23 BE	2022-23 RE	% change from BE 22-23 to RE 22-23	2023-24 BE	% change from RE 22-23 to BE 23-24
State's Own Tax	1,22,866	1,42,800	1,51,871	6%	1,81,182	19%
State's Own Non-Tax	12,117	15,537	15,309	-1%	20,224	32%
Share in Central Taxes	37,459	33,311	38,731	16%	41,665	8%
Grants-in-aid from Centre	35,051	39,759	39,748	0%	27,445	-31%
<b>Revenue Receipts</b>	<b>2,07,492</b>	<b>2,31,407</b>	<b>2,45,660</b>	<b>6%</b>	<b>2,70,515</b>	<b>10%</b>
Non-debt Capital Receipts	5,355	5,230	1,141	-78%	2,731	139%
<b>Net Receipts</b>	<b>2,12,847</b>	<b>2,36,638</b>	<b>2,46,800</b>	<b>4%</b>	<b>2,73,246</b>	<b>11%</b>

Note: BE is Budget Estimates; RE is Revised Estimates.

Sources: Annual Financial Statement, Tamil Nadu Budget 2023-24; PRS.

- In 2023-24, State GST (SGST) is estimated to be the largest source of own tax revenue, (37% of the total), closely followed by Sales Tax/VAT (36%). SGST revenue is estimated to grow by 21% over the revised estimate for 2022-23. In 2023-24, revenue from stamps duty and registration fees is expected to register a significant increase over the revised estimates of 2022-23 (46%). This may be owing to rationalisation of guideline value of properties and registration fees.
- In 2022-23, revenue from most own tax sources is expected to be higher than the budget estimate. SGST collection in 2022-23 is expected to be 12% higher than budgeted.

**Table 6: Major sources of state's own-tax revenue (in Rs crore)**

Taxes	2021-22 Actuals	2022-23 BE	2022-23 RE	% change from BE 22-23 to RE 22-23	2023-24 BE	% change from RE 22-23 to BE 23-24
State GST	45,276	49,565	55,390	12%	66,967	21%
Sales Tax/ VAT	48,668	57,203	58,857	3%	65,860	12%
Stamps Duty and Registration Fees	14,331	16,323	17,548	8%	25,567	46%
State Excise	8,237	10,589	10,553	0%	11,819	12%
Taxes on Vehicles	5,627	7,149	7,637	7%	8,783	15%
Taxes and Duties on Electricity	494	1,633	1,625	0%	1,890	16%
Land Revenue	205	326	261	-20%	296	13%
GST Compensation Grants	7,236	11,972	16,215	35%	4,573	-72%
GST Compensation Loans	8,095	6,500	0	-100%	0	-

Sources: Annual Financial Statement, Detailed Estimates of Revenue and Capital Receipts, Tamil Nadu Budget 2023-24; PRS.

## Deficits, Debt, and FRBM Targets for 2023-24

The Tamil Nadu Fiscal Responsibility Act, 2003 (2003 Act) provides annual targets to progressively reduce the outstanding liabilities, revenue deficit and fiscal deficit of the state government.

**Revenue Deficit:** It is the difference of revenue expenditure and revenue receipts. A revenue deficit implies that the government needs to borrow to finance its expenses which do not increase its assets or reduce its liabilities. The 2003 Act requires elimination of revenue deficit by 2023-24. In 2023-24, the state is estimated to observe a revenue deficit of 1.3% of GSDP, slightly higher than revenue deficit of 1.2% of GSDP in 2022-23 (as per revised estimates). This is after accounting for revenue deficit grant of Rs 806 crore in 2022-23 and Rs 846 crore in 2023-24. As per the medium term fiscal plan, the state is expected to observe a revenue surplus in 2025-26.

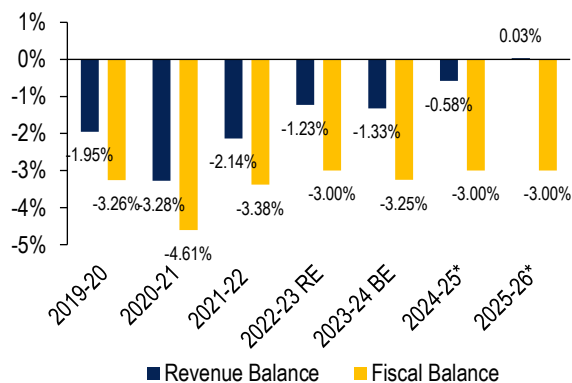
**Fiscal deficit:** It is the excess of total expenditure over total receipts. This gap is filled by borrowings by the government and leads to an increase in total liabilities of the state government. In 2023-24, fiscal deficit is estimated to be 3.25% of GSDP. It is within the limit of 3.5% of GSDP permitted by the central government for 2022-23 (of which, 0.5% of GSDP will be made available upon undertaking power sector reforms). Fiscal deficit in 2023-24 is estimated to be higher than the revised estimates of 2022-23 (3% of GSDP). In 2022-23, fiscal deficit is expected to be significantly lower when compared to the budget estimate (3.6% of GSDP), helped by both a cutback in expenditure and an increase in revenue. For 2022-23, the fiscal deficit limit permitted by the central government is 4% of GSDP (of which, 0.5% of GSDP becomes available upon undertaking power sector reforms). As per the medium-term fiscal plan, fiscal deficit is projected to be 3% of GSDP in both 2024-25 and 2025-26.

### Losses and liabilities of TANGEDCO

As per the budget speech, in 2022-23, TANGEDCO is expected to register a loss of Rs 7,825 crore, lower than 2021-22 (Rs 11,955 crore). The state government has estimated to provide Rs 12,315 crore in 2022-23 and Rs 1,523 crore in 2023-24 to TANGEDCO for absorbing its losses as per the UDAY scheme. The state government has also provided guarantee for TANGEDCO's borrowings worth Rs 66,633 crore as of March 2022 (3.1% of GSDP).

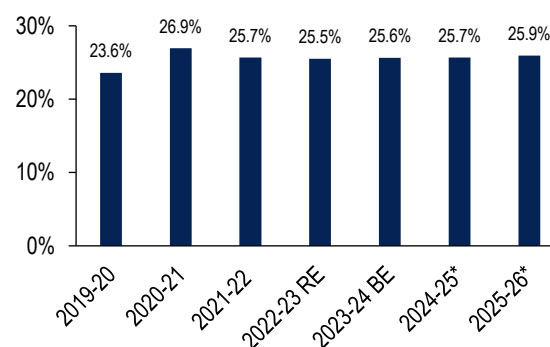
**Outstanding debt:** Outstanding debt is the accumulation of total borrowings at the end of a financial year, it also includes certain liabilities on the public account. Outstanding debt of Tamil Nadu at the end of March 2024 is estimated to be 25.6% of GSDP. Outstanding debt is estimated to increase to 25.9% of GSDP at the end of March 2026. As per the 2003 Act, outstanding debt was to be maintained below 25.2% of GSDP by the end of 2014-15, and be maintained at such a percentage subsequently, as may be prescribed.

**Figure 2: Revenue and Fiscal Balance (% of GSDP)**



Note: \*Figures for 2024-25 and 2025-26 are projections; RE is Revised Estimates; BE is Budget Estimates. Fiscal deficit for 2020-21 and 2021-22 reported after accounting for back-to-back GST compensation loan as grants.  
Sources: Annual Financial Statement, Budget Memorandum, Medium Term Fiscal Plan, Tamil Nadu Budget 2023-24; PRS.

**Figure 3: Outstanding Debt (% of GSDP)**



Note: \*Figures for 2024-25 and 2025-26 are projections; RE: Revised Estimates; BE: Budget Estimates. Figures for 2019-20 and 2020-21 is as per CAG report. Outstanding debt does not include ways and means advances, reserve funds and deposits. It also excludes back-to-back GST compensation loan.  
Sources: Annual Financial Statement, Budget Memorandum, Medium Term Fiscal Plan, Tamil Nadu Budget 2023-24; CAG; PRS.

**Outstanding Government Guarantees:** Outstanding liabilities of states do not include a few other liabilities that are contingent in nature, which states may have to honour in certain cases. State governments guarantee the borrowings of State Public Sector Enterprises (SPSEs) from financial institutions. As per the Budget Speech, at the end of 2021-22, outstanding government guarantees were 4.22% of GSDP or 44.33% of the total revenue receipts of the preceding year. The 2003 Act specifies that the outstanding guarantee should be lower than: (i) 10% of GSDP, or (ii) 100% of the revenue receipts of the preceding year, whichever is lower. Outstanding government guarantee at the end of 2021-22 was lower than these limits.

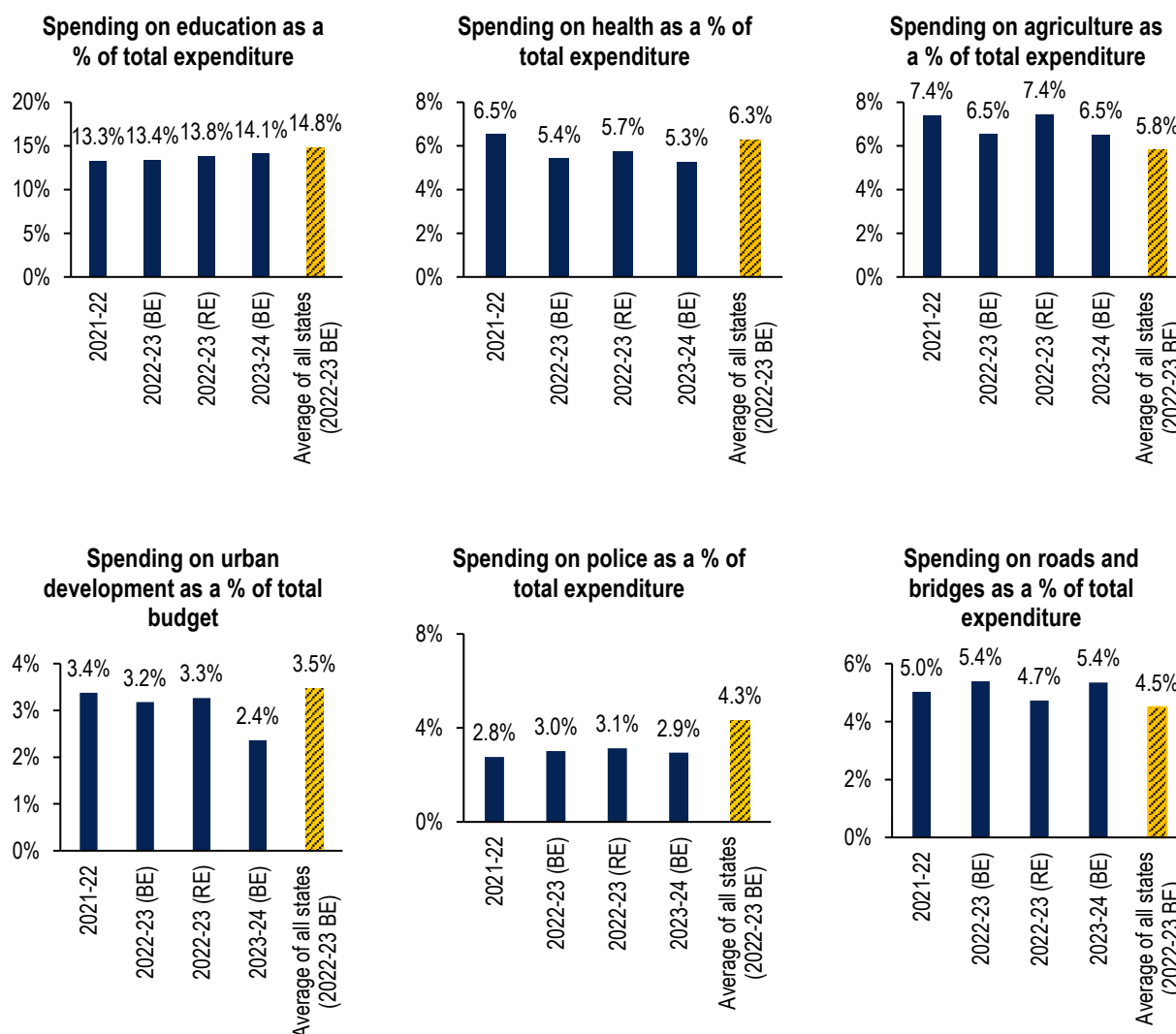
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## Annexure 1: Comparison of states' expenditure on key sectors

The graphs below compare Tamil Nadu's expenditure in 2023-24 on six key sectors as a proportion of its total expenditure on all sectors. The average for a sector indicates the average expenditure in that sector by 31 states (including Tamil Nadu) as per their budget estimates of 2022-23.<sup>1</sup>

- **Education:** Tamil Nadu has allocated 14.1% of its expenditure towards education in 2023-24. This is lower than the average allocation for education by states in 2022-23 (14.8%).
- **Health:** Tamil Nadu has allocated 5.3% of its total expenditure towards health, which is lower than the average allocation for health by states (6.3%).
- **Agriculture:** Tamil Nadu has allocated 6.5% of its expenditure towards agriculture. This is higher than the average allocation towards agriculture by states (5.8%).
- **Urban Development:** Tamil Nadu has allocated 2.4% of its budget towards urban development in 2023-24. This is lower than the average allocation by states (3.5%).
- **Police:** Tamil Nadu has allocated 2.9% of its total expenditure towards police, which is lower than the average expenditure on police by states (4.3%).
- **Roads and bridges:** Tamil Nadu has allocated 5.4% of its total expenditure towards roads and bridges, which is higher than the average allocation by states (4.5%).



Note: 2021-22, 2022-23 (BE), 2022-23 (RE), and 2023-24 (BE) figures are for Tamil Nadu.  
Sources: Annual Financial Statement, Tamil Nadu Budget 2023-24; various state budgets; PRS.

<sup>1</sup> The 31 states include the Union Territories of Delhi, Jammu and Kashmir, and Puducherry.

## Annexure 2: Comparison of 2021-22 Budget Estimates and Actuals

The following tables compare the actuals of 2021-22 with budget estimates for that year.

**Table 7: Overview of Receipts and Expenditure (in Rs crore)**

Particular	2021-22 BE	2021-22 Actuals	% change from BE to Actuals
<b>Net Receipts (1+2)</b>	<b>2,08,553</b>	<b>2,12,847</b>	<b>2%</b>
1. Revenue Receipts (a+b+c+d)	2,02,496	2,07,492	2%
a. Own Tax Revenue	1,26,644	1,22,866	-3%
b. Own Non-Tax Revenue	14,139	12,117	-14%
c. Share in central taxes	27,148	37,459	38%
d. Grants-in-aid from the Centre	34,564	35,051	1%
Of which GST compensation grants	7,705	7,236	-11%
2. Non-Debt Capital Receipts	6,057	5,355	-12%
3. Borrowings	1,18,250	1,04,485	-12%
Of which GST compensation loan	8,095	8,095	-
<b>Net Expenditure (4+5+6)</b>	<b>3,09,177</b>	<b>2,94,682</b>	<b>-5%</b>
4. Revenue Expenditure	2,61,189	2,54,030	-3%
5. Capital Outlay	42,181	37,011	-12%
6. Loans and Advances	5,808	3,641	-37%
7. Debt Repayment	19,857	19,737	-1%
Revenue Deficit	58,693	46,538	-21%
<b>Revenue Deficit (as % of GSDP)</b>	<b>2.7%</b>	<b>2.1%</b>	
Fiscal Deficit*	92,529	73,739	45%
<b>Fiscal Deficit (as % of GSDP)</b>	<b>4.3%</b>	<b>3.4%</b>	

Note: BE: Budget Estimates. \*Fiscal deficit reported after accounting for back-to-back GST compensation loan as grants.

Sources: Tamil Nadu Budget Documents of various years; PRS.

**Table 8: Key Components of State's Own Tax Revenue (in Rs crore)**

Tax Source	2021-22 BE	2021-22 Actuals	% change from BE to Actuals
Taxes and Duties on Electricity	1,355	494	-64%
Land Revenue	560	205	-63%
Taxes on Vehicles	6,582	5,627	-14%
Sales Tax/ VAT	53,798	48,668	-10%
State Excise	8,770	8,237	-6%
State GST	42,300	45,276	7%
Stamps Duty and Registration Fees	13,253	14,331	8%

Sources: Tamil Nadu Budget Documents of various years; PRS.

**Table 9: Allocation towards Key Sectors (in Rs crore)**

Sector	2021-22 BE	2021-22 Actuals	% change from BE to Actuals
Welfare of SC, ST, OBC, and Minorities	5,325	3,269	-39%
Housing	5,719	4,169	-27%
Water Supply and Sanitation	4,444	3,560	-20%
Irrigation and Flood Control	5,761	4,695	-18%
Agriculture and Allied Activities	23,398	21,497	-8%
Police	8,601	8,051	-6%
Transport	18,156	17,431	-4%
of which Roads and Bridges	15,206	14,612	-4%
Education, Sports, Arts, and Culture	40,208	38,678	-4%
Energy	16,020	15,584	-3%
Social Welfare and Nutrition	24,527	24,087	-2%
Rural Development	8,965	8,817	-2%
Health and Family Welfare	18,632	19,012	2%
Urban Development	8,803	9,827	12%

Sources: Tamil Nadu Budget Documents of various years; PRS.