

Tamil Nadu Budget Analysis 2022-23

The Finance Minister of Tamil Nadu, Dr. Palanivel Thiaga Rajan, presented the Budget for the state for the financial year 2022-23 on March 18, 2022.

Budget Highlights

- The **Gross State Domestic Product (GSDP)** of Tamil Nadu for 2022-23 is projected to be Rs 24,84,807 crore (at current prices), a growth of 14% over the revised estimate of GSDP for 2021-22 (Rs 21,79,655 crore). In 2021-22, GSDP (at current prices) is estimated to grow by 14.6% over the previous year.
- **Expenditure (excluding debt repayment)** in 2022-23 is estimated to be Rs 3,33,251 crore, an increase of 11% over the revised estimates of 2021-22 (Rs 3,00,651 crore). In addition, debt of Rs 27,128 crore will be repaid by the state in 2022-23. In 2021-22, expenditure (excluding debt repayment) is estimated to be 3% lower than the budget estimate.
- **Receipts (excluding borrowings)** for 2022-23 are estimated to be Rs 2,36,638 crore, an increase of 13% over the revised estimates of 2021-22 (Rs 2,09,824 crore). In 2021-22, receipts (excluding borrowings) are estimated to be 1% higher than the budget estimate.
- **Fiscal deficit** for 2022-23 is targeted at Rs 90,114 crore (3.63% of GSDP). In 2021-22, as per the revised estimates, fiscal deficit is expected to be 3.80% of GSDP, lower than the budget estimate of 4.33% of GSDP.
- **Revenue deficit** in 2022-23 is estimated to be Rs 52,781 crore (2.12% of the GSDP). In 2021-22, revenue deficit is estimated to be 2.54% of GSDP, lower than the budget estimate of 2.75% of GSDP.

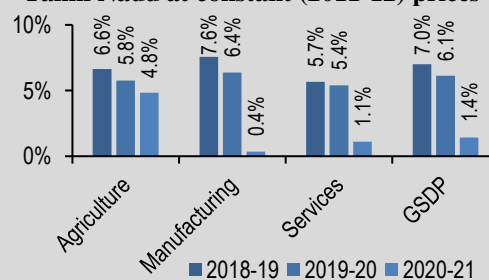
Policy Highlights

- **Education:** 'Perasiriyar Anbazhagan School Development Scheme' will be launched to modernise government schools over next five years. A knowledge city will be developed through international collaboration. A new scheme will be implemented to improve infrastructure in government colleges and polytechnics. Girl students, who studied from Class 6 to 12 in government schools, will be provided Rs 1,000 per month till the uninterrupted completion of their undergraduate degree, diploma, and ITI courses.
- **MSMEs and Industry:** A new program will be launched to develop various clusters of micro enterprises. New industrial parks will be set up in five districts. A special fund of Rs 100 crore will be set up to build public infrastructure for export. Regional startup hubs will be set up in three districts. Direct government procurement of innovative manufactured products up to Rs 50 lakh will be permitted to support the startups. A new Footwear and Leather Industry Development Policy will be released.
- **Environment and land:** Tamil Nadu Green Climate Change fund will be set up to fund climate change initiatives. A Commission will be set up to recommend policy changes for the protection and augmentation of forest cover. A comprehensive policy on leasing of government land will be formulated.
- **Administrative Reforms:** The government will constitute a committee to propose a roadmap for reforms in human resource management in view of high salary and pension burden despite high vacancy.

Tamil Nadu's Economy

- **GSDP:** Tamil Nadu's GSDP (at constant prices) registered a growth of 1.4% in 2020-21. In comparison, national GDP registered a negative growth of 6.6% in 2020-21.
- **Sectors:** In 2020-21, at current prices, agriculture, manufacturing, and services sectors contributed to 13%, 33%, and 54% of the economy.
- **Per capita GSDP:** The per capita GSDP of Tamil Nadu in 2020-21 (at current prices) was Rs 2,49,517; 5.4% higher than the corresponding figure in 2019-20. In comparison, per capita GDP at the national level was Rs 1,46,087 in 2020-21 (at current prices).

Figure 1: Growth in GSDP and sectors in Tamil Nadu at constant (2011-12) prices



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

Budget Estimates for 2022-23

- **Expenditure (excluding debt repayment)** in 2022-23 is targeted at Rs 3,33,251 crore. This is an increase of 11% over the revised estimate of 2021-22 (Rs 3,00,651 crore). This expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 2,36,638 crore and **net borrowings** of Rs 93,851 crore. Receipts (excluding borrowings) for 2022-23 are expected to register an increase of 13% over the revised estimate of 2021-22. In 2021-22, receipts are estimated to be 1% higher than the budget estimates.
- In 2022-23, the state is estimated to observe a **revenue deficit** of Rs 52,781 crore, which is 2.12% of its GSDP. In comparison, in 2020-21, the state observed a revenue deficit of 3.28% of GSDP (Rs 62,326 crore). In 2021-22, the state is estimated to observe a revenue deficit of 2.54% of GSDP (Rs 55,273 crore), lower than the budget estimate of 2.75% of GSDP.
- **Fiscal deficit** in 2022-23 is estimated to be 3.63% of GSDP which is within the limit of 4% of GSDP permitted by the central government as per the Union Budget 2022-23 (of which, 0.5% of GSDP will be made available upon undertaking power sector reforms). In 2021-22, the state has estimated a fiscal deficit of 3.80% of GSDP, within the limit of 4.5% of GSDP permitted by the central government (of which, 0.5% of GSDP becomes available upon undertaking power sector reforms). As per the revised estimates, fiscal deficit in 2021-22 is expected to be lower than the budget estimate of 4.33% of GSDP.

Table 1: Budget 2022-23 - Key figures (in Rs crore)

Items	2020-21 Actuals	2021-22 BE	2021-22 RE	% change from BE 21-22 to RE 21-22	2022-23 BE	% change from RE 21-22 to BE 22-23
Total Expenditure	2,89,533	3,29,035	3,20,376	-3%	3,60,379	12%
(-) Repayment of debt	16,229	19,857	19,724	-1%	27,128	38%
Net Expenditure (E)	2,73,305	3,09,177	3,00,651	-3%	3,33,251	11%
Total Receipts	2,82,189	3,26,803	3,18,000	-3%	3,57,617	12%
(-) Borrowings*	1,02,867	1,18,250	1,08,175	-9%	1,20,979	12%
Net Receipts (R)	1,79,322	2,08,553	2,09,824	1%	2,36,638	13%
Fiscal Deficit (E-R)*	87,742	92,529	82,732	-11%	90,114	9%
as % of GSDP	4.61%	4.33%	3.80%		3.63%	
Revenue Deficit	62,326	58,693	55,273	-6%	52,781	-5%
as % of GSDP	3.28%	2.75%	2.54%		2.12%	
Primary Deficit	51,245	50,926	41,272	-19%	43,387	5%
as % of GSDP	2.69%	2.38%	1.89%		1.75%	

Note: *Borrowings include receipts of back-to-back loan in lieu of GST compensation of: (i) Rs 6,241 crore in 2020-21, (ii) Rs 8,095 crore in 2021-22 (same at budget and revised stage), and (iii) Rs 6,500 crore in 2022-23. As per the medium term fiscal plan statement of Tamil Nadu government, 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: Tamil Nadu Budget Documents 2022-23; PRS.

Expenditure in 2022-23

- **Revenue expenditure** in 2022-23 is estimated to be Rs 2,84,188 crore, which is an increase of 10% over the revised estimate for 2021-22 (Rs 2,59,151 crore). This expenditure includes the payment of salaries, pensions, interest, and subsidies. In 2021-22, as per the revised estimates, revenue expenditure is expected to be 1% lower than the budget estimate.
- **Capital outlay** in 2022-23 is estimated to be Rs 43,043 crore, which is an increase of 13% over the revised estimate of 2021-22. Capital outlay comprises expenditure towards the creation of assets. This includes expenditure on building schools, hospitals, and roads and bridges. In 2021-22, capital outlay is estimated to be 10% lower than the budget estimate.

Funding of losses of TANGEDCO

TANGEDCO is a state-owned power generation and distribution company. Under the UDAY scheme, the state government is required to progressively take over losses incurred by TANGEDCO. The state provides equivalent grants in the next financial year. 100% of losses incurred in 2021-22 are required to be funded by the state government. The state government has allocated following amounts for funding losses of TANGEDCO: (i) Rs 8,373 crore in 2020-21, (ii) Rs 7,108 crore in 2021-22 (revised estimate), (iii) Rs 13,108 crore in 2022-23 (budget estimate).

Table 2: Expenditure Budget 2022-23 (in Rs crore)

Items	2020-21 Actuals	2021-22 BE	2021-22 RE	% change from BE 21-22 to RE 21-22	2022-23 BE	% change from RE 21-22 to BE 22-23
Revenue Expenditure	2,36,402	2,61,189	2,59,151	-1%	2,84,188	10%
Capital Outlay	33,068	42,181	37,936	-10%	43,043	13%
Loans given by the state	3,835	5,808	3,564	-39%	6,020	69%
Net Expenditure	2,73,305	3,09,177	3,00,651	-3%	3,33,251	11%

Sources: Tamil Nadu Budget Documents 2022-23; PRS.

Committed expenditure: Committed expenditure of a state typically includes expenditure on payment of salaries, pensions, and interest. Allocation of a large portion of the budget for committed expenditure items limits the state's flexibility to decide on other expenditure priorities such as developmental schemes and capital outlay. In 2022-23, Tamil Nadu is estimated to spend Rs 1,57,802 crore on committed expenditure items, which is 68% of its revenue receipts. This comprises spending on salaries (31% of revenue receipts), pension (17%), and interest payments (20%). Committed expenditure in 2022-23 is estimated to increase by 21% over the revised estimate of 2021-22. Interest payments are estimated to increase by 13% whereas salaries and pension are estimated to increase by 14% and 50%, respectively.

A high increase in pension in 2022-23 is mainly on account of an estimated increase of: (i) Rs 4,697 crore in expense towards superannuation and retirement allowances, (ii) Rs 1,866 crore towards leave encashment benefits, (iii) Rs 1,854 crore towards pension to employees of state-aided educational institutes, (iv) Rs 1,840 crore towards the commuted value of pensions, and (v) Rs 1,668 crore towards gratuities.

Table 3: Committed Expenditure in 2022-23 (in Rs crore)

Items	2020-21 Actuals	2021-22 BE	2021-22 RE	% change from BE 21-22 to RE 21-22	2022-23 BE	% change from RE 21-22 to BE 22-23
Salaries	57,373	63,919	62,873	-2%	71,567	14%
Pensions	27,115	28,251	26,410	-7%	39,508	50%
Interest Payment	36,497	41,603	41,461	0%	46,727	13%
Total Committed Expenditure	1,20,985	1,33,773	1,30,743	-2%	1,57,802	21%
as % of Revenue Receipts	70%	66%	64%		68%	

Note: Figures for salaries also include certain grants in aid for education.

Sources: Tamil Nadu Budget Documents 2022-23; PRS.

Sector-wise expenditure: The sectors listed below account for 53% of the total expenditure on sectors by the state in 2022-23. A comparison of Tamil Nadu's expenditure on the key sectors with that by other states is shown in Annexure 1.

Table 4: Sector-wise expenditure under Tamil Nadu Budget 2022-23 (in Rs crore)

Sectors	2020-21 Actuals	2021-22 BE	2021-22 RE	2022-23 BE	% change from RE 21-22 to BE 22-23	Budget Provisions 2022-23 BE
Education, Sports, Arts, and Culture	38,578	40,208	38,775	43,799	13%	Government secondary schools and primary schools have been allocated Rs 12,427 crore and Rs 11,246 crore, respectively.
Agriculture and allied activities	15,455	23,398	21,833	21,363	-2%	Rs 1,760 crore has been allocated towards crop insurance. Rs 487 crore has been allocated towards agricultural research and education.
Transport	15,116	18,156	15,842	20,059	27%	Rs 16,311 crore has been allocated towards capital outlay on roads and bridges.
Health and Family Welfare	17,394	18,632	20,080	17,733	-12%	Rs 1,576 crore has been allocated towards the primary health centre.
Energy	16,577	16,020	15,626	17,433	12%	Rs 13,108 crore has been allocated towards funding losses of TANGEDCO as per the UDAY scheme.
Social Welfare and Nutrition	24,520	24,527	25,448	16,674	-34%	Rs 3,350 crore has been allocated towards pension under social security schemes.
Urban Development	5,702	8,803	9,455	10,396	10%	Rs 1,875 crore has been allocated towards the implementation of the SMART cities mission.
Police	7,710	8,601	8,493	9,857	16%	District police has been allocated Rs 5,458 crore.
Rural Development	5,122	8,965	8,876	9,562	8%	Rs 2,800 crore has been allocated towards MGNREGS. Rs 440 crore has been allocated towards road/bridge works under PMGSY-III.
Housing	5,382	5,719	5,530	7,218	31%	Rural housing has been allocated Rs 2,527 crore.
% of total expenditure on all sectors	56%	57%	57%	53%		

Sources: Tamil Nadu Budget Documents 2022-23; PRS.

Receipts in 2022-23

- **Total revenue receipts** for 2022-23 are estimated to be Rs 2,31,407 crore, an increase of 14% over the revised estimate of 2021-22. Of this, Rs 1,58,337 crore (68%) will be raised by the state through its **own resources**, and Rs 73,070 crore (32%) will come **from the centre**. Resources from the centre will be in the form of state's share in central taxes (14.4% of revenue receipts) and grants (17.2% of revenue receipts).
- **Devolution:** In 2022-23, the state estimates to receive Rs 33,311 crore in the form of share in central taxes, a decrease of 1% over the revised estimates of 2021-22. In 2021-22, as per the revised estimate, receipts from the share in central taxes are expected to be 24% higher than the budget estimate.
- **State's own tax revenue:** Total own tax revenue of Tamil Nadu is estimated to be Rs 1,42,800 crore in 2022-23, an increase of 17% over the revised estimate of 2021-22. Tamil Nadu's own tax revenue as a percentage of GSDP is estimated to rise from 5.6% of GSDP in 2020-21 (as per actuals) to 5.7% of GSDP in 2022-23 (as per budget estimate).
- **State's non-tax revenue:** In 2022-23, the state is estimated to earn Rs 15,537 crore in the form of the state's own non-tax revenue, an increase of 31% over the revised estimates of 2021-22. A high increase in non-tax revenue in 2022-23 is mainly on account of an estimated increase of: (i) Rs 1,612 crore in interest receipts, and (ii) Rs 1,008 crore in receipts from non-ferrous mining and metallurgical industries. In 2021-22, the state's own non-tax revenue is estimated to be 16% lower than the budget estimate.

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

Sources	2020-21 Actuals	2021-22 BE	2021-22 RE	% change from BE 21-22 to RE 21-22	2022-23 BE	% change from RE 21-22 to BE 22-23
State's Own Tax	1,06,153	1,26,644	1,21,858	-4%	1,42,800	17%
State's Own Non-Tax	10,422	14,139	11,831	-16%	15,537	31%
Share in Central Taxes	24,925	27,148	33,580	24%	33,311	-1%
Grants-in-aid from Centre	32,577	34,564	36,609	6%	39,759	9%
Revenue Receipts	1,74,076	2,02,496	2,03,878	1%	2,31,407	14%
Non-debt Capital Receipts	5,245	6,057	5,946	-2%	5,230	-12%
Net Receipts	1,79,322	2,08,553	2,09,824	1%	2,36,638	13%

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

Sources: Tamil Nadu Budget Documents 2022-23; PRS.

- In 2022-23, Sales Tax/VAT is estimated to be the largest source of own tax revenue (40% of own tax revenue). Sales Tax/VAT revenue in 2022-23 is estimated at Rs 57,203 crore, an increase of 17% over the revised estimates of 2021-22.
- SGST is estimated to be the second largest source of own tax revenue (35%). In 2022-23, SGST revenue is estimated at Rs 49,565 crore, an increase of 15% over the revised estimates of 2021-22. State excise duty in 2022-23 is estimated to increase by 30% over the revised estimates of 2021-22 whereas revenue from taxes on vehicles is estimated to increase by 27%.

GST Compensation ends in June 2022

When the GST was introduced, the central government guaranteed states a 14% compounded annual growth in their GST revenue for a period of five years. Any shortfall in a state's GST revenue from this level is covered by the Centre by providing compensation grants to the state. This guarantee ends in June 2022. During 2017-22, Tamil Nadu has relied on GST compensation grants to achieve the guaranteed SGST revenue level. In 2021-22, Tamil Nadu is estimated to receive Rs 15,050 crore in the form of GST compensation grants, which is about 12.4% of its own tax revenue. Hence, beyond June 2022, Tamil Nadu might see a decline in the level of revenue receipts. As per the budget speech, a revenue loss of Rs 20,000 crore is expected as a result of discontinuation of GST compensation grants in 2022-23. Note that although there is no public confirmation on continuation of back-to-back GST compensation loan in 2022-23, the state has estimated a receipt of Rs 6,500 crore on this account.

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

Taxes	2020-21 Actuals	2021-22 BE	2021-22 RE	% change from BE 21-22 to RE 21-22	2022-23 BE	% change from RE 21-22 to BE 22-23
Sales Tax/ VAT	43,489	53,798	48,822	-9%	57,203	17%
State GST	37,942	42,300	43,023	2%	49,565	15%
Stamps Duty and Registration Fees	11,675	13,253	14,325	8%	16,323	14%
State Excise	7,822	8,770	8,167	-7%	10,589	30%
Taxes on Vehicles	4,561	6,582	5,635	-14%	7,149	27%
Taxes and Duties on Electricity	482	1,355	1,579	17%	1,633	3%
Land Revenue	211	560	297	-47%	326	10%
GST Compensation Grants	10,603	7,705	6,955	-10%	11,972	72%
GST Compensation Loans	6,241	8,095	8,095	0%	6,500	-20%

Note: GST compensation loan number has been calculated based on reported fiscal deficit under medium term fiscal plan statement. It has also been corroborated with numbers given in the Budget speech and press releases of the GST Council and the Union Ministry of Finance. Sources: Tamil Nadu Budget Documents 2022-23; PRS.

Deficits and Debt Targets for 2022-23

The Tamil Nadu Fiscal Responsibility Act, 2003 (FRA 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. As per the amendment in 2016, the FRA Act had set the target of eliminating revenue deficit by the end of 2019-20 and maintaining a revenue surplus thereafter. The state observed a revenue deficit of 1.95% of GSDP in 2019-20. In 2020-21 (COVID year), revenue deficit increased to 3.28% of GSDP (Rs 62,326 crore). The FRA Act was further amended in 2021 to set the target of eliminating revenue deficit by 2023-24. In 2022-23, the state is estimated to observe a revenue deficit of 2.12% of its GSDP, lower than revenue deficit of 2.54% of GSDP in 2021-22 (as per the revised estimates). As per the medium term fiscal plan, the revenue deficit is expected to reduce to 0.42% of GSDP in 2024-25.

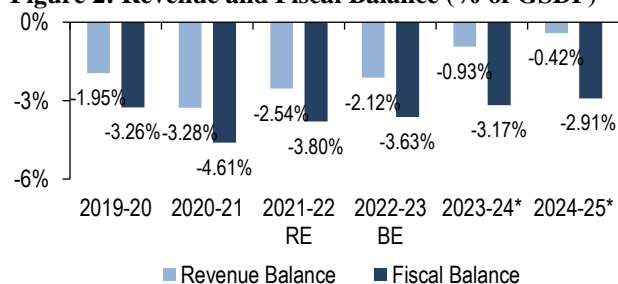
Fiscal deficit: It is the excess of total expenditure over total receipts. This gap is filled by borrowings by the government and leads to an increase in total liabilities of the state government. In 2022-23, the fiscal deficit is estimated to be 3.63% of GSDP. It is within the limit of 4% of GSDP permitted by the central government in 2022-23 (of which, 0.5% of GSDP will be made available upon undertaking power sector reforms). In 2021-22, fiscal deficit is estimated to be 3.80% of GSDP, lower than the budget estimate of 4.33% of GSDP. Fiscal deficit in 2021-22 is within the limit of 4.5% of GSDP permitted by the central government (of which, 0.5% of GSDP becomes available upon undertaking power sector reforms). As per the 2021 amendment, the FRA Act has set a target of reducing fiscal deficit to 3% of GSDP by 2023-24. As per the medium term fiscal plan statement, fiscal deficit is estimated to reduce to 3.17% of GSDP in 2023-24 and 2.91% of GSDP in 2024-25.

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. As per the Budget Speech, outstanding debt of Tamil Nadu at the end of March 2023 is estimated to be 26.29% of GSDP. Outstanding debt is estimated to decline to 25.93% of GSDP at the end of March 2025 (Figure 3). As per the FRA Act, outstanding debt was to be maintained below 25.2% of GSDP by the end of 2014-15, and be maintained thereafter at such percentage, as may be prescribed.

CAG observations on Definition of Outstanding Debt

In its Report No 4 of 2021, CAG observed that the broader definition of the total outstanding debt/liabilities should include: (i) liabilities upon consolidated fund (market borrowings, loans from central government), (ii) liabilities on public account (small savings, provident funds, reserve funds, and deposits), and (iii) borrowings by state PSUs and special purpose vehicles (SPVs) where principal or interest are to be serviced out of state budgets (termed as off budget borrowings). However, the definition of "Outstanding Debt" under the Tamil Nadu Fiscal Responsibility Act, 2003 does not include such borrowings by state PSUs and SPVs. CAG observed that as these borrowings are not depicted in finance accounts, there is a lack of transparency regarding the outstanding liabilities of the state. As per CAG, at the end of March 2020, the total outstanding off-budget borrowing was Rs 704 crore (about 0.03% of GSDP).

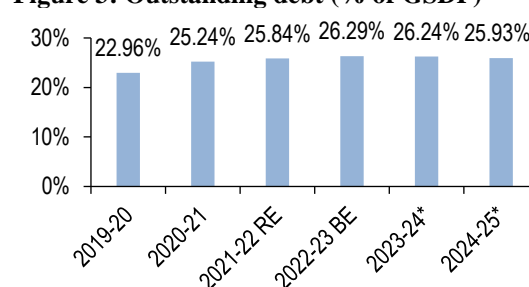
Figure 2: Revenue and Fiscal Balance (% of GSDP)



Note: RE is Revised Estimates; BE is budget estimates. Positive sign indicates a surplus, negative sign indicates a deficit. *Figures for 2023-24 and 2024-25 are projections.

Sources: Medium Term Fiscal Plan, Tamil Nadu Budget Documents 2022-23; PRS.

Figure 3: Outstanding debt (% of GSDP)



Note: BE is budget estimates. *Figures for 2023-24 and 2024-25 are projections. Number for 2019-20 is as per CAG report.

Sources: Tamil Nadu Budget Documents 2022-23; CAG; PRS.

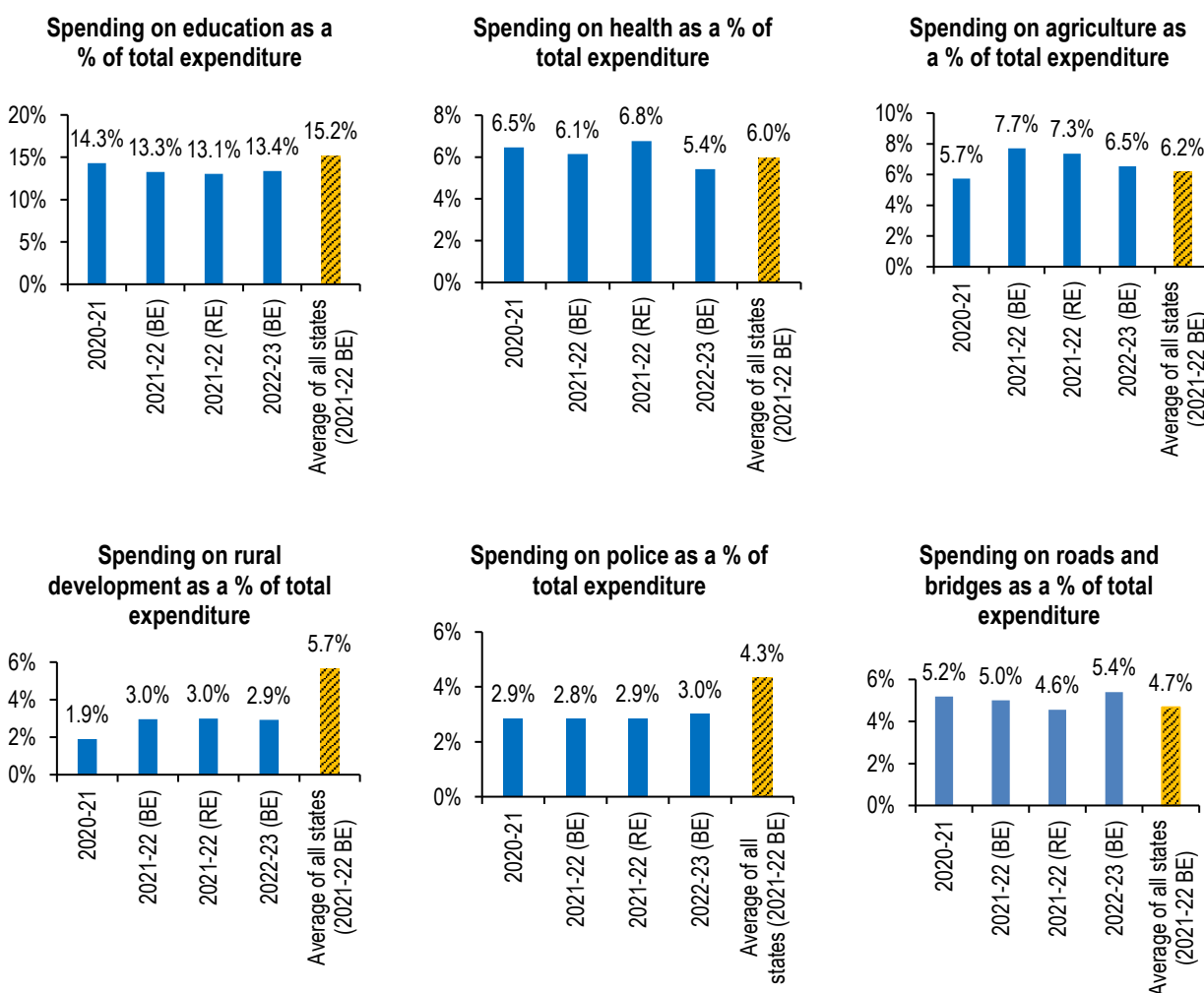
Outstanding Government Guarantees: Outstanding liabilities of states do not include a few other liabilities that are contingent in nature, which states may have to honour in certain cases. State governments guarantee the borrowings of State Public Sector Enterprises (SPSEs) from financial institutions. As per the Budget Speech, at the end of 2020-21, outstanding government guarantees were 2.79% of GSDP or 31.08% of revenue receipts of the preceding year. The FRA 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 2020-21 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 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 30 states (including Tamil Nadu) as per their budget estimates of 2021-22.¹

- **Education:** Tamil Nadu has allocated 13.4% of its total expenditure for education in 2022-23. This is lower than the average allocation (15.2%) for education by all states (as per 2021-22 Budget Estimates).
- **Health:** Tamil Nadu has allocated 5.4% of its total expenditure on health, which is lower than the average allocation for health by states (6%).
- **Agriculture:** The state has allocated 6.5% of its total expenditure towards agriculture and allied activities. This is higher than the average allocation for agriculture by states (6.2%).
- **Rural development:** Tamil Nadu has allocated 2.9% of its expenditure towards rural development. This is lower than the average allocation for rural development by states (5.7%).
- **Police:** Tamil Nadu has allocated 3% of its total expenditure on 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 on roads and bridges, which is higher than the average allocation by states (4.7%).



Note: 2020-21, 2021-22 (BE), 2021-22 (RE), and 2022-23 (BE) figures are for Tamil Nadu.
Sources: Tamil Nadu Budget Documents 2022-23; various state budgets; PRS.

¹ The 30 states include the Union Territory of Delhi and Union Territory of Jammu and Kashmir.

Annexure 2: Comparison of 2020-21 Budget Estimates and Actuals

The following tables compare the actuals of 2020-21 with budget estimates for that year.

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

Particular	2020-21 BE	2020-21 Actuals	% change from BE to Actuals
Net Receipts (1+2)	2,24,739	1,79,322	-20%
1. Revenue Receipts (a+b+c+d)	2,19,375	1,74,076	-21%
a. Own Tax Revenue	1,33,530	1,06,153	-21%
b. Own Non-Tax Revenue	15,899	10,422	-34%
c. Share in central taxes	32,849	24,925	-24%
d. Grants-in-aid from the Centre	37,097	32,577	-12%
Of which GST compensation grants	10,300	10,603	3%
2. Non-Debt Capital Receipts	5,364	5,245	-2%
3. Borrowings	74,107	1,02,867	39%
Of which GST compensation loan	0	6,241	-
Net Expenditure (4+5+6)	2,84,086	2,73,305	-4%
4. Revenue Expenditure	2,40,993	2,36,402	-2%
5. Capital Outlay	36,368	33,068	-9%
6. Loans and Advances	6,725	3,835	-43%
7. Debt Repayment	16,304	16,229	0%
Revenue Deficit	21,618	62,326	188%
Revenue Deficit (as % of GSDP)	1.03%	3.28%	
Fiscal Deficit	59,346	87,742	48%
Fiscal Deficit (as % of GSDP)	2.84%	4.61%	

Note: BE: Budget Estimates.

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

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

Sector	2020-21 BE	2020-21 Actuals	% change from BE to Actuals
Taxes and Duties on Electricity	1,480	482	-67%
Land Revenue	328	211	-36%
Taxes on Vehicles	6,898	4,561	-34%
Sales Tax/VAT	56,046	43,489	-22%
Stamps Duty and Registration Fees	14,435	11,675	-19%
SGST	46,196	37,942	-18%
State Excise Duty	8,134	7,822	-4%

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

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

Sector	2020-21 BE	2020-21 Actuals	% change from BE to Actuals
Rural Development	8,004	5,122	-36%
Urban Development	7,869	5,702	-28%
Welfare of SC, ST, OBC, and Minorities	5,204	4,574	-12%
Police	8,517	7,710	-9%
Agriculture and allied activities	16,986	15,455	-9%
Education, Sports, Arts, and Culture	41,627	38,578	-7%
Housing	5,649	5,382	-5%
Irrigation and Flood Control	6,342	6,318	0%
Transport	14,745	15,116	3%
of which Roads and Bridges	14,223	13,986	-2%
Water Supply and Sanitation	3,112	3,410	10%
Health and Family Welfare	15,773	17,394	10%
Energy	13,118	16,577	26%
Social Welfare and Nutrition	14,071	24,520	74%

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