TN Budget 2026: State Debt to Rise, Says Finance Secretary

> Tamil Nadu Finance Secretary M.A. Siddique briefed the press on the State Budget 2026-27 and state fiscal management in Chennai.

> An official briefing on Tamil Nadu's debt situation, fiscal management, total estimated receipts, and revenue growth strategies for 2026-27.

KEY EXAM POINTS

- Tamil Nadu Finance Secretary **M.A. Siddique** stated that the **State's overall debt** will continue to rise every year.
- The Finance Secretary emphasized that the rate of **income growth** must outpace the rate of **debt growth** to maintain fiscal stability.
- Tamil Nadu's total receipts for the fiscal year **2026-2027** are estimated at **[1]3,50,766 crore**.
- The state government implemented key **financial reform** actions over the past **three months** to improve fiscal health.

STATICS & SYLLABUS FOCUS

> **Article 293** of the Constitution of India governs the **borrowing powers** and limits of State Governments.

> Under **Article 293(3)**, a State cannot raise any loan without the **consent of the Centre** if it has outstanding Central loans.

> The **Tamil Nadu Fiscal Responsibility Act** (TNFRA) was enacted in **2003** to ensure long-term macro-fiscal stability.

> The Fiscal Deficit target as per the Fiscal Responsibility and Budget Management (FRBM) guidelines is generally capped at **3% of GSDP**.

> **Consolidated Fund** of the State is established under **Article 266(1)** of the Indian Constitution.

> Contingency Fund of the State is set up under **Article 267(2)** and placed at the disposal of the **Governor**.

REVISION FLASHCARD

TN total receipts for 2026-27 are estimated at [1]3,50,766 crore under Article 293 borrowing guidelines.

Syllabus Relevance: High relevance for TNPSC Group 1, 2, 2A, and 4 exams under State Finances, FRBM Act, and Constitutional borrowing provisions.