

Tamil Nadu Debt Will Continue to Rise: State Finance Secretary

Tamil Nadu Finance Secretary M.A. Siddique outlined the state's growing debt metrics and financial projections.

An analysis of Tamil Nadu's fiscal status, including total estimated receipts, overall expenditure, and revenue deficit.

KEY EXAM POINTS

- State **Finance Secretary M.A. Siddique** stated that Tamil Nadu's debt cannot be reduced immediately and will increase each year.
- Tamil Nadu's **total receipts** are estimated at **₹3,50,766 crore** for the financial period.
- **Total expenditure** of the state is projected at **₹14,72,585 crore**
- The estimated **revenue deficit** for Tamil Nadu stands at **₹55,775 crore**
- The Finance Secretary emphasized that the **rate of revenue growth** must exceed the rate of **debt accumulation** to balance state finances.

STATICS & SYLLABUS FOCUS

Tamil Nadu enacted the **Fiscal Responsibility Act** in **2003** to ensure long-term macro-fiscal stability.

Article 293 of the Indian Constitution governs **borrowing procedures** and limits for State Governments.

Revenue Deficit arises when current revenue receipts fall short of current revenue expenditures.

Fiscal Deficit measures the total borrowing requirements of the government in a financial year.

Article 202 mandates the laying of the **Annual Financial Statement** (Budget) before the State Legislative Assembly.

Under the **15th Finance Commission** recommendations, Tamil Nadu's share in the central tax pool was fixed at **4.079%**.

Article 243-I mandates the establishment of a **State Finance Commission** every five years to review local body finances.

REVISION FLASHCARD

Tamil Nadu total receipts: ₹3,50,766 crore; expenditure: ₹14,72,585 crore; revenue deficit: ₹55,775 crore.

Syllabus Relevance: Highly relevant for Group 1, 2, and 4 questions on TN economy, FRBM Act, Article 293, and state budget figures.

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