



**REVIEW OF TRENDS IN
RECEIPTS AND EXPENDITURE
IN RELATION TO THE
BUDGET ESTIMATES 2024-2025**

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AND EXPENDITURE IN RELATION TO
THE BUDGET ESTIMATES 2024-2025

The Tamil Nadu Fiscal Responsibility Act, 2003 (Act No.16 of 2003) was enacted by the Tamil Nadu Legislative Assembly. Section 6(2) of this Act states that the Minister-in-charge of the Department of Finance shall review every half year, the trends in receipts and expenditure in relation to the Budget Estimates and the remedial measures to be taken to achieve the budget targets, and place the outcome of such reviews before the Legislative Assembly.

Section 6(3) of the Act states that while placing the outcome of such review before the Legislative Assembly, the Minister shall make a statement explaining:

- a) Any deviation in meeting the obligations cast on the State Government under this Act;
- b) Whether such deviation is substantial and relates to the actual or the potential budgetary outcomes; and
- c) The remedial measures the State Government proposes to take.

In consonance with these sections of the Act, the Hon'ble Minister for Finance and Environment & Climate Change has reviewed

the trends in receipts and expenditure in relation to the Budget Estimates for 2024-25 on 4th December 2024. The outcome of this review is placed before the Legislative Assembly.

REVIEW OF REVENUE RECEIPTS

The Total Revenue Receipts of the Government include the following:

- a) State's Own Tax Revenue
- b) State's Own Non-Tax Revenue
- c) Tamil Nadu's Share in Central Taxes
- d) Grants-in-Aid from the Union Government

The Total Revenue Receipts, including Central Transfers through Grants-in-Aid and Share in Central Taxes, were estimated at Rs.2,99,010 crore in the Budget Estimates 2024-25. The Total Revenue Receipts collected till the month of October, 2024 are Rs.1,49,242 crore. This constitutes 49.91 percent of the budgeted revenue and represents a growth of 13.68 percent over the revenue receipts of the corresponding period of the previous year. The following table provides a comparative picture of the Total Revenue Receipts of the State Government.

**TRENDS IN REVENUE RECEIPTS
OF GOVERNMENT OF TAMIL NADU DURING
THE FIRST SEVEN MONTHS OF THE
FINANCIAL YEAR 2024-25**

Revenue Receipts	Accounts 2023-2024	Budget Estimates 2024-25	Accounts up to October 2023	Collections up to October 2024	Growth rate in 2024-25 over 2023-2024 (up to October)	% of Budget Estimates 2024-25
	(Rs. in Crore)				(%)	
State's Own Tax Revenue	1,67,278	1,95,173	89,916	1,02,466	13.96	52.50
State's Own Non-Tax Revenue	25,904	30,728	7,954	7,375	-7.28	24.00
Share in Central Taxes	46,072	49,755	21,554	29,423	36.51	59.14
Grants-in-Aid	25,342	23,354	11,861	9,978	-15.88	42.72
Total	2,64,596	2,99,010	1,31,285	1,49,242	13.68	49.91

a) State's Own Tax Revenue:

The State's Own Tax Revenue (SOTR) receipts in the first seven months of this financial year up to October 2024 are Rs.1,02,466 crore. This constitutes 52.50 percent of that estimated in the Budget 2024-25.

The summary of the trends in State's Own Tax Revenue during the first seven months is given below:

State Taxes	Accounts 2023-2024	Budget Estimates 2024-25	Accounts up to October 2023	Collections up to October 2024	Growth rate in 2024-25 over 2023-24 (up to October)	% of Budget Estimates 2024-25
	(Rs. in Crore)				(%)	
Commercial Taxes	1,22,170	1,43,381	67,759	76,956	13.57	53.67
State Excise	10,774	12,247	6,225	6,620	6.34	54.05
Stamps and Registration Fees	19,013	23,370	10,805	12,185	12.77	52.14
Taxes on Vehicles	9,375	11,560	4,921	6,422	30.51	55.55
Others	5,946	4,615	206	283	37.77	6.15
Total	1,67,278	1,95,173	89,916	1,02,466	13.96	52.50

The growth in State's Own Tax Revenue is 13.96 percent over the receipts in the corresponding period of the financial year 2023-2024, as against the projected growth of 16.68 percent. The Government has been taking several measures to improve the efficiency in tax collection through data analysis and use of technology. The trend in receipts is expected to continue and improve further during the rest of the financial year.

b) State's Own Non-Tax Revenue:

The collection of State's Own Non-Tax Revenue up to the month of

October 2024 has been Rs.7,375 crore, as against the Budget Estimates 2024-25 of Rs.30,728 crore. The collection till October 2024 shows a negative growth of 7.28 percent against Rs.7,954 crore received during the corresponding period of the previous year and it constitutes 24 percent of Budget Estimates 2024-25. The Government is conducting periodical reviews and taking necessary steps, such as revision of fees and use of advanced technological measures, to augment the revenue receipts from non-tax resources such as royalties, fees and fines. Due to the concerted efforts of the Government, the

State's Own Non-Tax Revenue receipts are expected to achieve the Budgeted levels.

c) State's Share in Central Taxes:

As per the 15th Finance Commission recommendations, the inter-se share of Tamil Nadu in the general divisible tax pool of the Union Government is 4.079 percent. Accordingly, in Budget Estimates 2024-25, it has been estimated that Rs.49,755 crore will be received from the Union Government in the current year. A sum of Rs.29,423 crore has been received up to the month of October 2024, which constitutes 59.14 percent in Budget Estimate 2024-25.

The collection till October 2024 shows a growth of 36.51 percent over the corresponding period of the previous year. Considering the growth in tax collections of the Union Government in the first seven months, it is expected that the budgeted levels of share in central taxes will be received.

d) Grants-in-Aid from the Union Government:

In the Budget Estimates 2024-25, the Grants-in-Aid from the Union Government, including Centrally Sponsored Schemes, were estimated at Rs.23,354 crore. This was 7.84 percent lower than the grants

received in the previous year, primarily owing to the end of the GST Compensation regime.

The total Grants-in-Aid received from the Union Government till the month of October 2024 is Rs.9,978 crore. This is about 42.72 percent of the estimated receipts for 2024-25. The collection till October 2024 shows a reduction of 15.88 percent over the receipt of Rs.11,861 crore during the corresponding period of previous year. *Inter alia*, this reduction is due to the non-receipt of funds under Samagra Shiksha Abhiyaan.

REVIEW OF EXPENDITURE

(a) Revenue Expenditure

The total revenue expenditure estimated for the year 2024-25 is Rs.3,48,289 crore. The total revenue expenditure incurred till the month of October 2024 is Rs.1,81,230 crore and it constitutes 52.03 percent of the budgetary estimates. In comparison, the revenue expenditure incurred during the corresponding period of the previous year was Rs.1,53,489 crore. The growth of 18.07 percent over the corresponding period of previous year is on account of advance release of the entire loss funding

amount to TANGEDCO to the tune of Rs.16,077 crore.

The summary of trends in Revenue Expenditure during the first seven months of the current financial year is as follows:

Revenue Expenditure	Accounts 2023-24	Budget Estimate 2024-25	Accounts up to October 2023	Expenditure up to October 2024	Growth rate in 2024-25 over 2023-24 (up to October)	% of Budget Estimate 2024-25
	(Rs. in Crore)				(%)	
Salaries (Including Grants-in-Aid for Educational Institutions)	75,030	84,932	45,356	51,649	13.87	60.81
Pensions & Retirement Benefits	33,550	37,664	22,243	24,188	8.74	64.22
Non-wage operation & Maintenance	13,074	15,013	5,989	5,433	-9.29	36.18
Subsidies and Transfers	1,33,236	1,46,908	55,514	72,585	30.75	49.41
Interest Payments	54,803	63,722	24,381	27,368	12.25	42.95
Others	25	50	6	7	19.93	14.53
Total	3,09,718	3,48,289	1,53,489	1,81,230	18.07	52.03

The Government is taking earnest efforts to curtail non-development expenditure and bring efficiency in expenditure by ensuring just-in-time release of funds. Through these efforts, the Government will manage the revenue expenditure to the levels estimated in Budget Estimates 2024-25.

(b) Capital Expenditure

An amount of Rs.47,681 crore has been allocated towards Capital Expenditure for 2024-25. Till October 2024, a sum of Rs.19,869 crore has been incurred and it constitutes 41.67 percent of the expenditure estimated in the Budget Estimates.

The capital expenditure incurred during the corresponding period of the previous year was Rs.20,474 crore. The capital expenditure for the first seven months of 2024-25 has shown a reduction of 2.95 percent over the expenditure incurred during the corresponding period of the previous year. Excluding Share Capital Assistance for Chennai Metro Rail Phase-2 Project which was paid up in the previous year, the capital expenditure has grown by 16.37 per cent during the first seven months of this year over the corresponding period of last year. In 2024-25, out of Rs.12,001 crore allocated for this project in Budget, an amount of

Rs.9,077 crore has been spent till October under the Loan component. The Government is closely monitoring and reviewing the progress of capital works to expedite their pace of implementation.

FISCAL INDICATORS OVER THE YEARS

As per the accounts of 2023-24, the revenue deficit was Rs.45,121 crore, as against the estimated Rs.37,540 crore. This year, taking into account the expenditure for Kalaingar Magalir Urimai Thogai Thittam, the revenue deficit was estimated at Rs.49,279 crore in the Budget Estimates.

The Revenue Deficit up to the month of October 2024 is Rs.31,987 crore. In comparison to this, the revenue deficit for the corresponding period was Rs.22,203 crore. While the revenue realization is moderate in comparison to the Budgetary Estimates, owing to the broad-based reforms that we have undertaken, both on the receipts and expenditure front, the Government will manage the revenue deficit at the budgeted levels.

For the financial year 2024-25, the 15th Finance Commission had recommended

a normal borrowing ceiling of 3 percent of the Gross State Domestic Product (GSDP), with an additional borrowing space of 0.50 percent contingent on implementing power sector reforms. Accordingly, the total borrowing ceiling for the States in 2024-25 is fixed at 3.44 percent of GSDP inclusive of the incentive based extra borrowing space for power sector reforms and carry forward of unutilized borrowings from the previous year.

The Government strives to stay within the Fiscal Deficit target and manage the Debt to GSDP ratio within the prescribed

limits through revenue augmentation and effective fiscal consolidation.

The year-wise position of the fiscal indicators since the enactment of Tamil Nadu Fiscal Responsibility Act, 2003 is furnished in the Annexure. The fiscal indicators at the end of the first seven months of the current financial year are as follows:

Fiscal Indicators in the current year

Fiscal Indicators	Budget Estimate 2024-25	Till the month of October 2024
	(Rs. in crore)	
Total Revenue Receipts (TRR)	2,99,010	1,49,243
Revenue Expenditure	3,48,289	1,81,230
Revenue Surplus (+)/Deficit (-)	-49,279	-31,987
Total Capital Expenditure (including Loans and Advances Net)	59,411	29,081
Total Expenditure	4,07,700	2,10,311
Fiscal Deficit	-1,08,690	-61,069
Gross State Domestic Product	31,55,096	31,55,096
	(%)	
Revenue Surplus (+)/Deficit (-) over TRR (%) (Target)	---	---
Revenue Surplus (+)/Deficit (-) over TRR (%) (Actual)	-16.48	-21.43
% of Fiscal Deficit to Gross State Domestic Product (Target)	<3.50	---
% of Fiscal Deficit to Gross State Domestic Product (Budgeted)	-3.44	-1.94

A Medium-Term Fiscal Plan (MTFP) is being presented by the Government along with the Budget on the management of the State's Finances with regard to the Tamil Nadu Fiscal Responsibility Act, 2003 (as amended).

This review of trends in Receipts and Expenditure in relation to the Budget Estimates 2024-25 is intended to present the actual status of State's Finances and the efforts being taken by the State Government to bridge the revenue-expenditure gap, if any, in the Medium-Term Fiscal Plan.

Annexure**YEARWISE POSITION OF
FISCAL INDICATORS**

Details	REVENUE SURPLUS / DEFICIT			FISCAL DEFICIT		
	OVER TRR % (Target)	(Rs. in Crore)	OVER TRR % (Actual)	% to GSDP (Target)	(Rs. in Crore)	% to GSDP (Actual)
2003-04 Accounts	-20.28	-1565.24	-6.60	4.01	5591.16	3.19
2004-05 Accounts	-17.28	-703.34	-2.47	3.76	5569.76	2.54
2005-06 Accounts	-14.28	1951.33	5.75	3.51	2250.61	0.87
2006-07 Accounts	-11.28	2648.26	6.47	3.26	3956.00	1.27
2007-08 Accounts	-8.28	4545.49	9.57	3.01	3685.59	1.05
2008-09 Accounts	< -5.00	1452.25	2.64	<3.00	8547.76	2.13
2009-10 Accounts	**	-3531.22	-6.32	<4.00	11807.26	2.46
2010-11 Accounts	< -5.00	-2728.69	-3.89	<4.00	16646.62	2.85

Details	REVENUE SURPLUS / DEFICIT			FISCAL DEFICIT		
	OVER TRR % (Target)	(Rs. in Crore)	OVER TRR % (Actual)	% to GSDP (Target)	(Rs. in Crore)	% to GSDP (Actual)
2011-12 Accounts	0 / surplus	1364.10	1.60	<3.00	17274.08	2.30
2012-13 Accounts	0 / surplus	1760.27	1.78	<3.00	16518.99	1.93
2013-14 Accounts	< -5.00	-1788.24	-1.66	<3.00	20583.49	2.12
2014-15 Accounts	**	-6407.56	-5.23	<3.00	27162.44	2.49
2015-16 Accounts	**	-11985.35	-9.29	<3.00	32627.56	2.69
2016-17 Accounts	**	-12964.13	-9.24	<3.00	56171.35	4.20
2017-18 Accounts	**	-21593.88	-14.76	<3.00	39839.51	2.76
2018-19 Accounts	< -5.00	-23459.45	-13.50	<3.00	47334.90	2.97
2019-20 Accounts	**	-35908.82	-20.57	<3.00	60178.64	3.24
2020-21 Accounts	**	-62325.88	-35.80	<5.00	87742.11	4.61

Details	REVENUE SURPLUS / DEFICIT			FISCAL DEFICIT		
	OVER TRR % (Target)	(Rs. in Crore)	OVER TRR % (Actual)	% to GSDP (Target)	(Rs. in Crore)	% to GSDP (Actual)
2021-22 Accounts	**	-46538.03	-22.43	<4.50	73739.31	3.38
2022-23 Accounts	**	-36215.15	-14.86	<3.50	81885.82	3.46
2023-24 Accounts	**	-45121.12	-17.05	<3.50	90430.09	3.32
BE 2024-25	**	-49278.73	-16.48	<3.50	108689.92	3.44

** Target not fixed
GSDP – Gross State Domestic Product
TRR – Total Revenue Receipts