



Macro and Fiscal Landscape of the State of Tamil Nadu

Macro and Fiscal Brief: Tamil Nadu

March 2025

Contents:

1. Summary
2. Demography and Employment
3. Economic Structure (Growth and Sectoral Composition)
4. Socio-Economic Indicators (Education and Health)
5. Fiscal Indicators
6. Devolution to Tamil Nadu from Centre in 14th & 15th Finance Commission
7. Tamil Nadu's Fiscal Rules
8. Extra Slides on Fiscal Indicators
9. Annexure

1. Summary and Overview of the State of Tamil Nadu

Demography and Employment

- As per Census population projections for 2022-23, Tamil Nadu has a population of 76.9 million and represents 6 percent of India's total population. The State's projected population growth rate at 0.3 percent is significantly lower than the national average of 0.9 percent, as of 2022-23.
- The State's population density at 587 persons per sq. km. is higher than the national average of 415 persons per sq. km. but its dependency ratio (50.4 percent) is lower than the national average (55.7 percent), as of 2021 . About 54 percent of the State's population resides in urban areas, which exceeds the national average, as of 2023.
- The Sex Ratio at Birth (female births per 1000 male births), as per the National Family Health Survey (NFHS 2019-21), is below the national estimate.
- As of 2022-23, both annual unemployment rate at 4.3 percent and the Female Labour Force Participation rate at 40.5 percent in the State are above their respective national averages.
- The working population in the State is predominantly concentrated in Services (35.2 percent); Agriculture, Forestry, and Fishing (28.9 percent); Construction (18 percent); and, Manufacturing (16.8 percent) sectors, as of 2022-23.

Economic Structure (Growth and Sectoral Composition)

- Tamil Nadu's real GSDP has grown at an average rate of 6 percent between 2012-13 and 2021-22, close to the national average growth of 5.6 percent.
- The State's share in the country's GDP, which was 7.8 percent in 1990-91 has increased to 8.8 percent by 2021-22. Its nominal per capita income is 60 percent higher than the national per capita income, as of 2021-22.
- Among various sectors, Services sector is the largest contributor to the State's GSVA with a share of 53 percent followed by Industry (33.9 percent) and Agriculture (13.2 percent) sectors, respectively in that order, as of 2021-22.
- During the last decade from 2013-14 to 2022-23, manufacturing and agriculture sectors have witnessed the highest growth rates at 6.9 percent and 6.6 percent per annum, respectively*.

Socio-Economic Indicators (Health and Education)

- Tamil Nadu's literacy rate at 80.1 percent is higher than the national average of 73 percent, as of 2011 .
- As of 2016-17, the State had significantly lower school dropout rates (10 percent for Classes VIII to X) and higher pass percentages (97 percent for Class X and 100 percent for XII) compared to their respective national averages.
- The Gross Enrolment Ratios at the Higher Secondary level (82 percent in 2015-16) and at the Higher Education level (46.9 percent in 2021) are above their respective national averages.
- For people aged between 18 to 23 years, the Gender Parity Index in higher education (the ratio of girls to boys enrolled in higher education institutions) is near the national benchmark, as of 2021.
- As of 2020, the life expectancy in Tamil Nadu at 73.2 years is higher than the national average of 70 years.
- The infant mortality rate in the State is significantly below the national average benchmark and total fertility rate is close to the national average. The percentage of fully immunized children is significantly above the national average, as of 2019-21.
- The State has improved on basic “quality of life” indicators. Nearly all households in the State have access to electricity. The share of households with access to drinking water is slightly above the national average as of 2019-21 while household access to sanitation facilities mimics the all-India trend across the decades.

State of Public Finances and Tax Devolutions

- Tamil Nadu's debt-to-GSDP ratio at 31.4 percent in 2022-23 is slightly higher than that of a median State. But, its contingent liabilities are higher those of a median State, as of 2021-22. The fiscal and primary deficit levels at 3.2 percent and 1.2 percent of GSDP respectively, are lower than that of the median State as of 2022-23. The State runs a revenue deficit of 1.3 percent of GSDP as of 2022-23.
- The State collects much less revenue compared to a median State. In 2022-23, the State's total Revenue Receipts (own tax, own non-tax, and shared by the Centre) at about 10.4 percent of its GSDP, were lower than those of the median State. The State's expenditure-to-GSDP ratio is also lower compared to a median State, as of 2022-23.
- Debt Sustainability Analysis assessment and projections shows that under the baseline scenario (where debt level, primary deficit, real GDP growth, real effective interest rate remain at their respective average levels from 2012-13 to 2021-22), for the State, reveal an upward and increasing trajectory, under all the scenarios, during the period from 2022-23 to 2026-27.
- The State's share in taxes from the Centre, as per the FC recommendations, remained consistent under 14th and 15th Finance Commission recommendations at about 4 percent. The State's share in the total grants-in-aid has increased by 0.2 percentage points under the 15th FC, compared to the 14th FC.

Source: Reserve Bank of India, State Finances Report 2022-23.

Note: For calculation of median State, variable as a percentage of GSDP was computed for each State, with the median across 22 major States shown (excluding all Union Territories and North Eastern States, except Assam).

Fiscal Rules

- As per recommendations of the 12th FC, Tamil Nadu Fiscal Responsibility Act (FRA) 2003, was enacted. The Act has been amended eight times after its enactment – in 2004, 2005, 2010, 2011, 2015, 2020, 2021 and 2023, respectively.
- **Revenue Deficit:** The original Act the State to reduce its revenue deficit-to-revenue receipt ratio to a level of below 5 percent by March 31, 2007. A 2004 amendment extended the deadline to March 31, 2008, with a 3-5 percent annual reduction target. A 2005 amendment mandated elimination of the revenue deficit by 2008-09. The timeline has been revised multiple times, the latest amendment in 2023 mandates elimination of the revenue deficit by 2025-26.
- **Fiscal Deficit:** In 2003, the FRA aimed to reduce State's fiscal deficit to 2.5 percent of GSDP by March 31, 2007. The 2004 amendment raised the limit to 3 percent of GSDP, which remains unchanged. Though the timeline has been revised over the years, but the latest 2023 amendment mandates a fiscal deficit of not exceeding 3 percent of GSDP by March 31, 2025.
- **Debt:** The 2011 amendment capped State's total outstanding debt for the each of the financial years starting from 24.5 percent in 2011-12 to 25.2 percent in 2014-15. As per the FRA, the limit of 25.2 percent of GSDP has prevailed for total outstanding debt.
- **Fiscal Discipline:** As per the State Finances Audit Report of the Comptroller and Auditor General of India (CAG), during the period from 2017-18 to 2021-22, the State was unable to achieve a revenue surplus; the fiscal deficit targets were met only for two years (2017-18 and 2018-19); and, was able to limit outstanding liabilities only for three years (2017-18 to 2019-20).

2. Demography and Employment

- Population data covers the Census period 1951 – 2011;
- Population Projections cover the period 2012 – 2023;
- Employment data covers the period 2017-18 to 2022-23.

Table 1: Area and Demography of Tamil Nadu

Indicator	Most Recent Value	As of Year	Decadal Change (b/w 2011 and 2021)	India's estimates for benchmark (iii)
Area (i)	130,060 sq. km.	2011		4.0% of national total
Forest Cover	26,419 sq. km.	2021	+ 0.3% points	3.7% of national total
Total Population	76.9 million persons	2023*		5.5% of national total
Population Growth Rate	0.3%	2023*	- 0.4% points (b/w 2012 and 2021)	0.9% (India)
Population Density (ii)	587 persons per sq. km.	2021*		415 persons per sq. km. (India)
Dependency Ratio	50.4%	2021*	- 1.1% points	55.7 % (India)
Sex Ratio	946 females per 1000 males	2011		914 females per 1000 males (India)
Urban Population	53.7 % of State population	2023*	+ 4.4% points	35.1% of total population (India)
Rural Population	46.3 % of State population	2023*	- 4.4% points	64.9% of total population (India)
Urbanization Rate	2.3%	2023*	-11.5% (b/w 2011 and 2021)	3.7% (India)

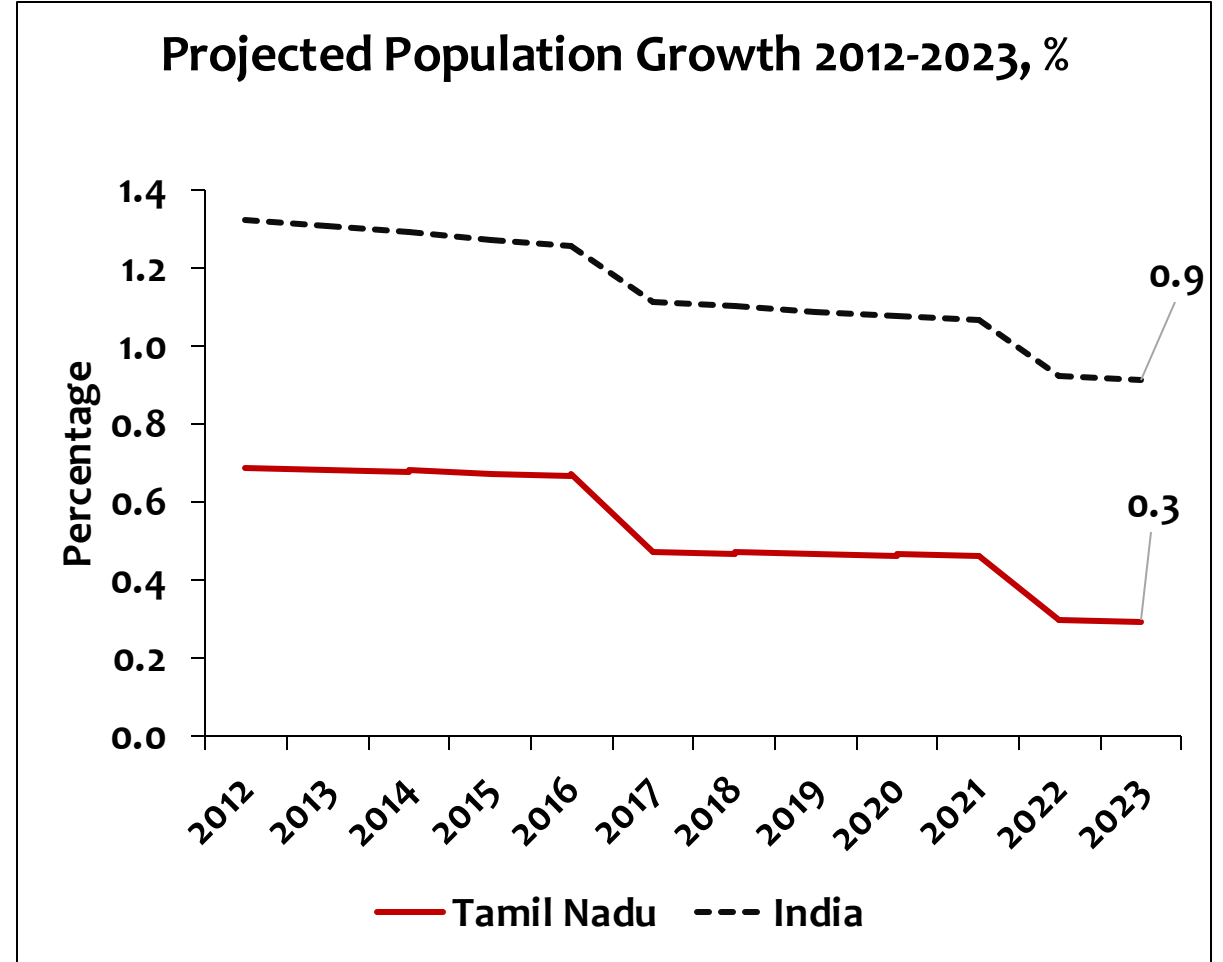
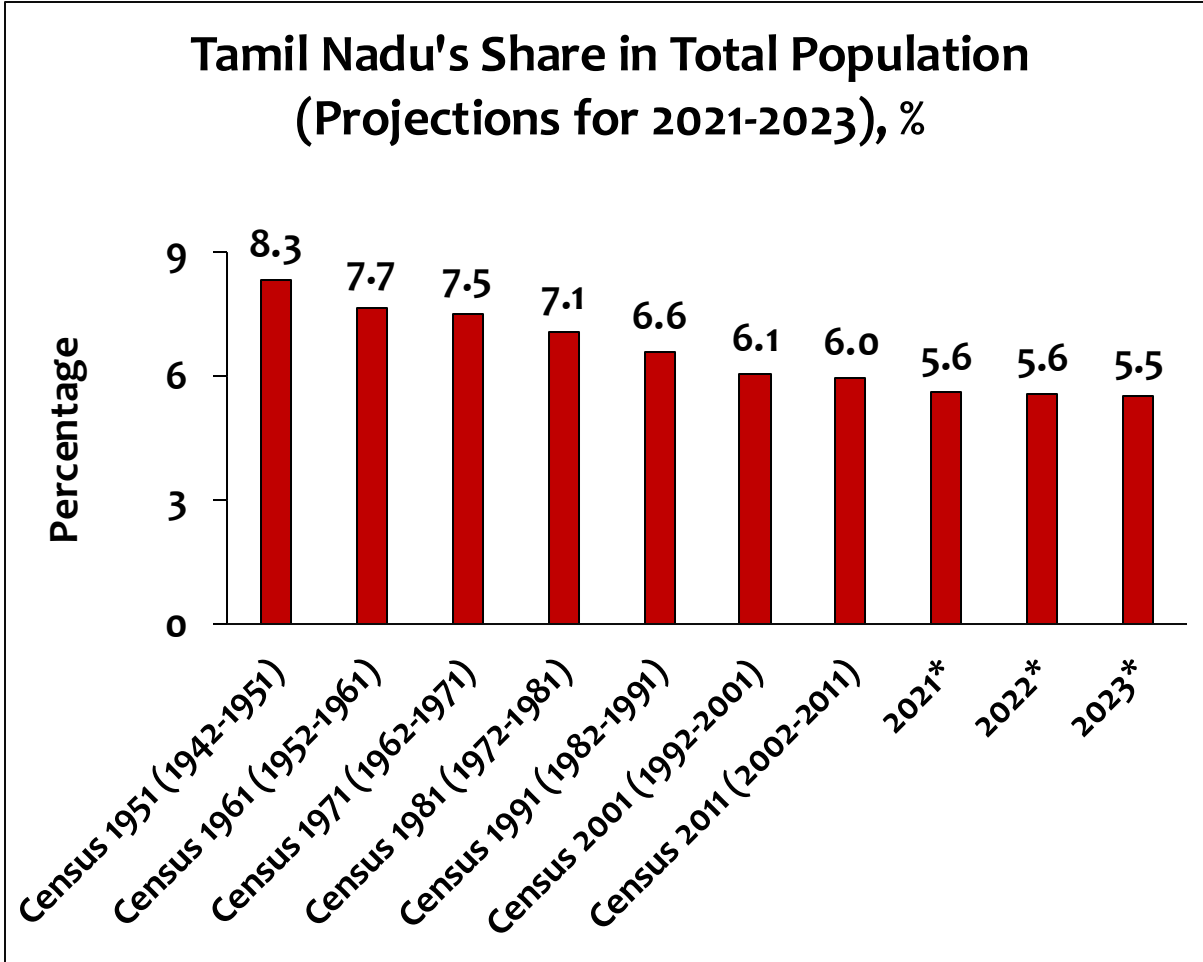
* Projected

Source: Census, Forest Survey of India, Ministry of Environment, Forest and Climate Change, and “Population Projections for Indian States 2011-2036” by the Technical Group on Population Projections, National Commission on Population Ministry of Health and Family Welfare, Government of India.

Note:

- i. Area figure for India (national total) includes the area under unlawful occupation of Pakistan and China. The area includes 78,114 Sq.km under illegal occupation of Pakistan, 5180 Sq.km illegally handed over by Pakistan to China and 37,555 Sq.km under illegal occupation of China.
- ii. For working out the density of India, the entire area and population of those portions of Jammu & Kashmir which are under illegal occupation of Pakistan and China have not been taken into account, except for 2011 census.
- iii. India's estimates for benchmark pertain to the actual data for India (except for Area, Forest Cover, and Total Population where the State's share in India's estimates have been shown).¹⁰

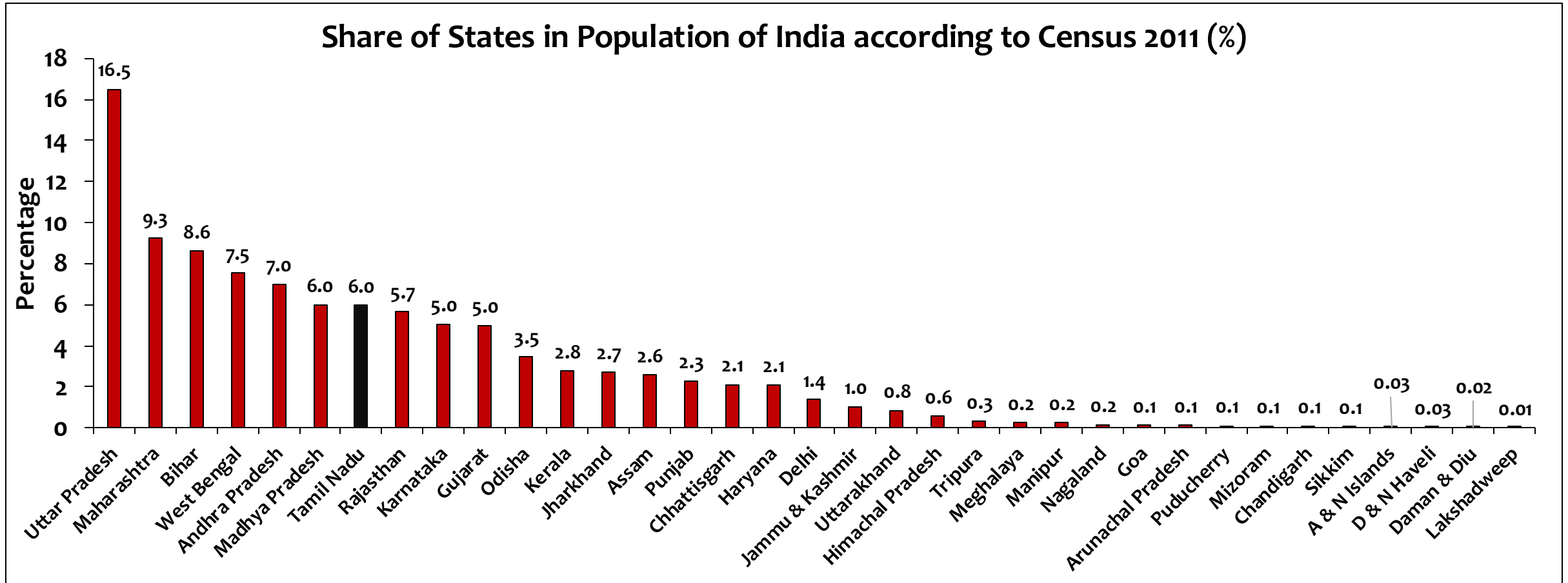
Tamil Nadu has a share a of 5.5 percent of National Population and its Population Growth Rate is slower than the national average



Source: i. Census data (1951-2011) is sourced from Office of the Registrar General of India, Ministry of Home Affairs; ii. Projections are sourced from the “Report of the Technical group on Population Projections”, (July 2020) by National Commission on Population and Ministry of Health and Family Welfare.

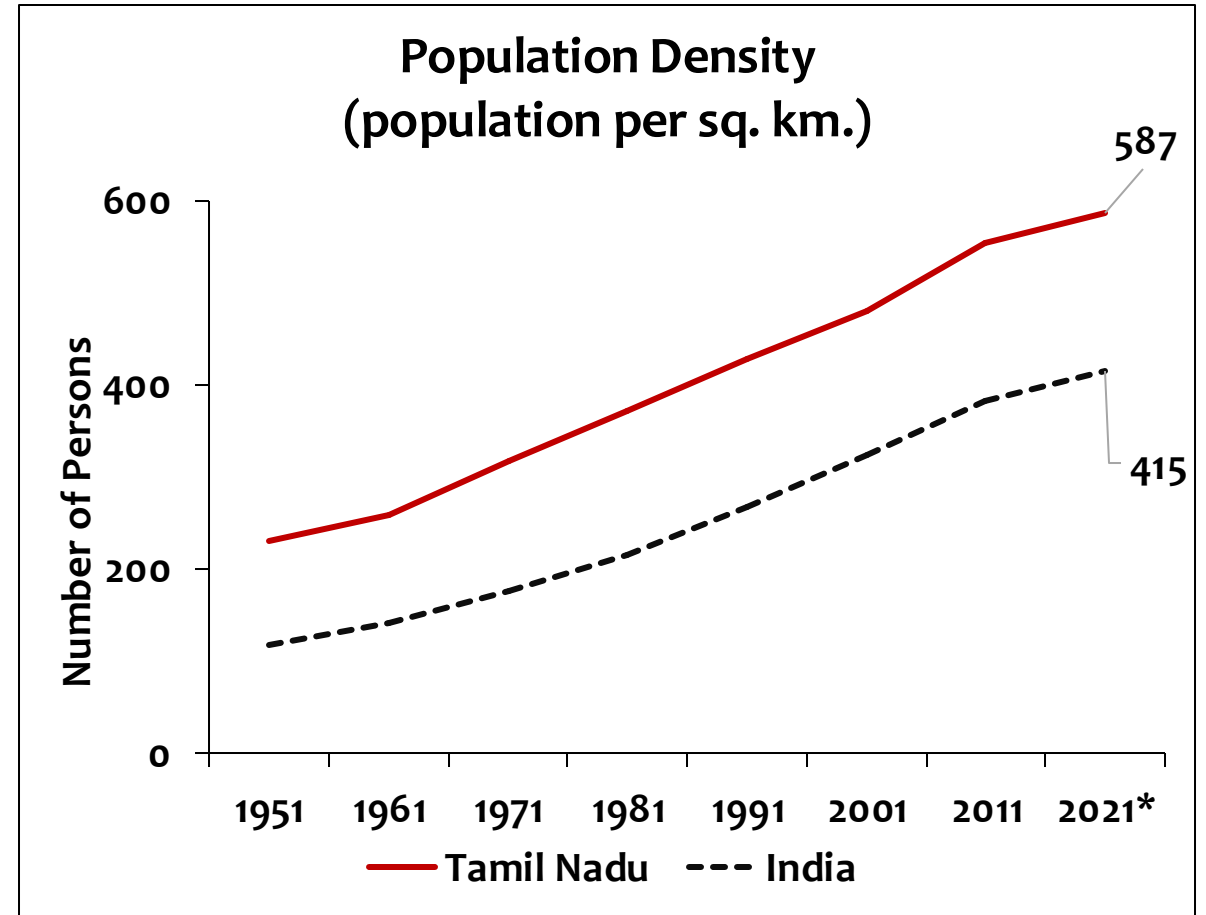
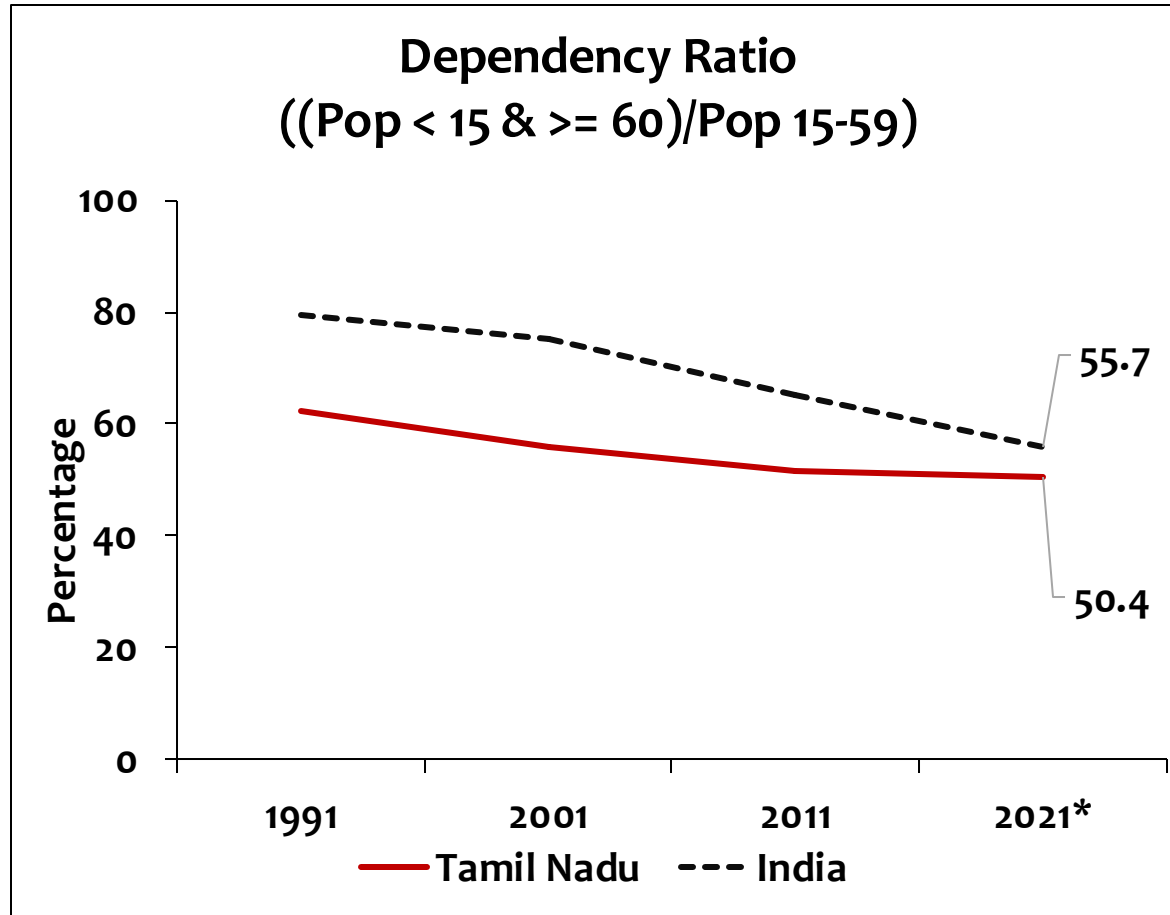
Note: i. Census Population Projections are constructed using the Cohort Component Method, where the components of population change (fertility, mortality and net migration) are used to project the base population each year separately for each birth cohort (persons born in a given year). The detailed methodology can be found in Chapter 2, [Population Projection Report 2011-2036](#).

As per the Census of 2011, Tamil Nadu ranked as the seventh-largest State in terms of its share of the total population



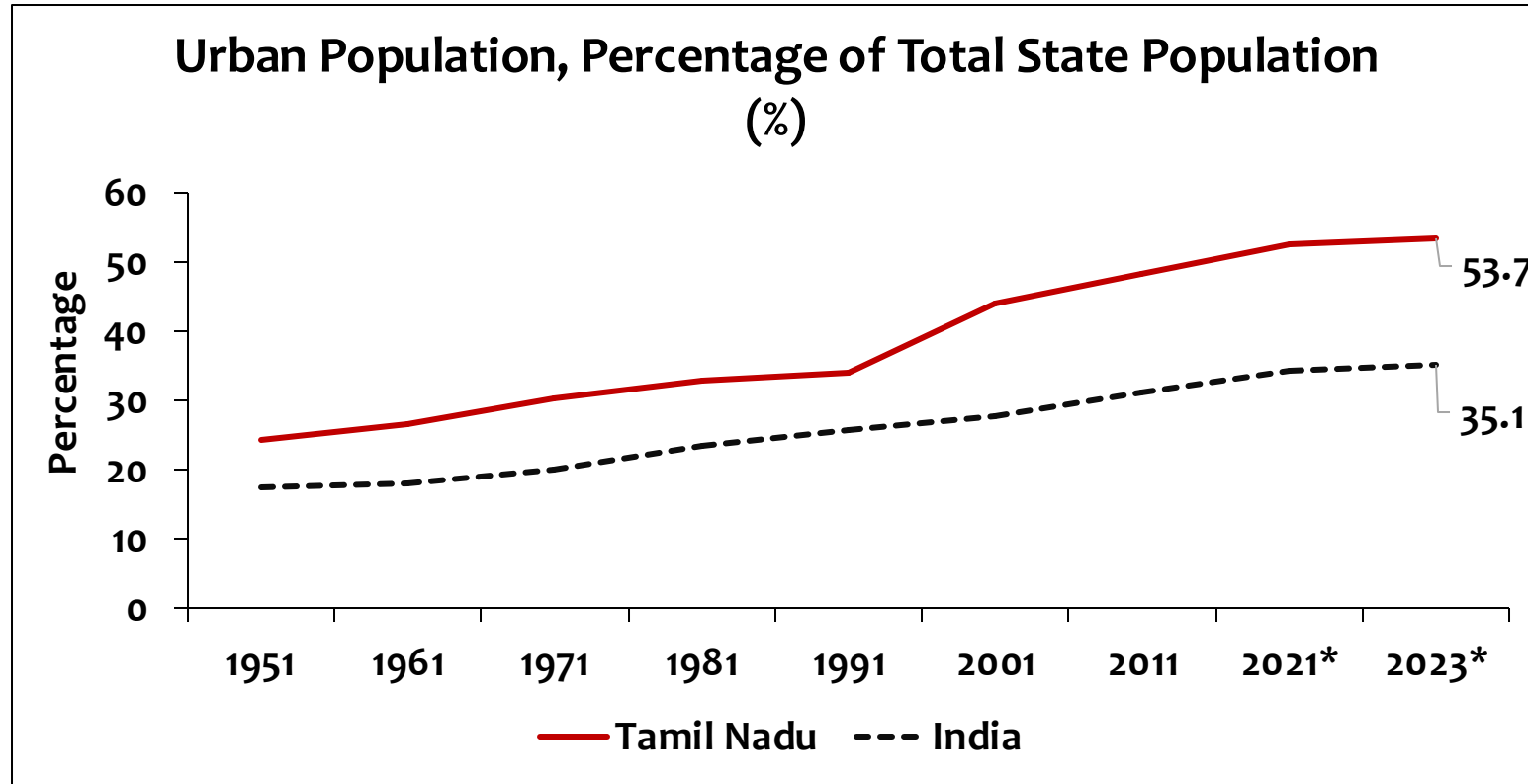
Source: Census data (1951-2011) is sourced from Office of the Registrar General of India, Ministry of Home Affairs.

Dependency Ratio in Tamil Nadu has consistently remained below the national estimates until 2011 and it is expected to remain below the national estimate in 2021. Population Density has increased over the decades, while consistently exceeding the national estimates



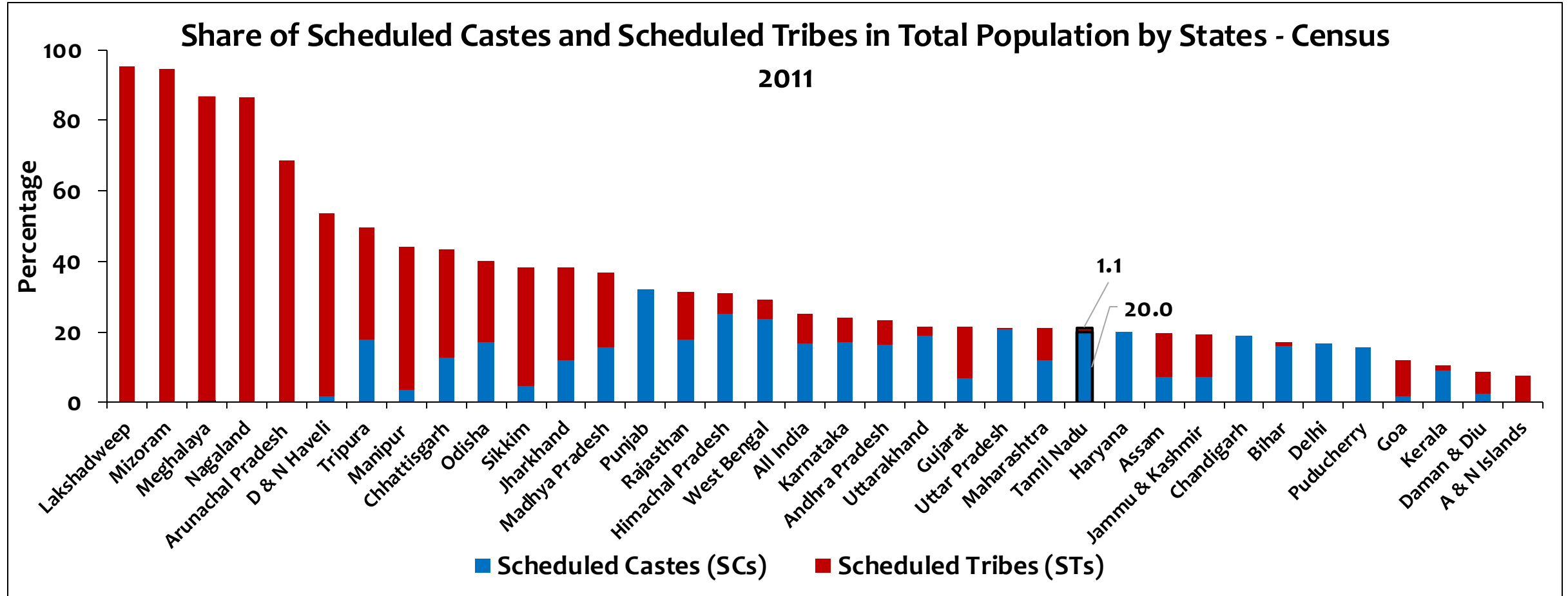
Source: Census data and “Population Projections for Indian States 2011-2036” by the Technical Group on Population Projections, National Commission on Population Ministry of Health and Family Welfare, Government of India.

Urban Population in Tamil Nadu has consistently exceeded the national estimates, and the gap between the two has widened particularly over the past three decades



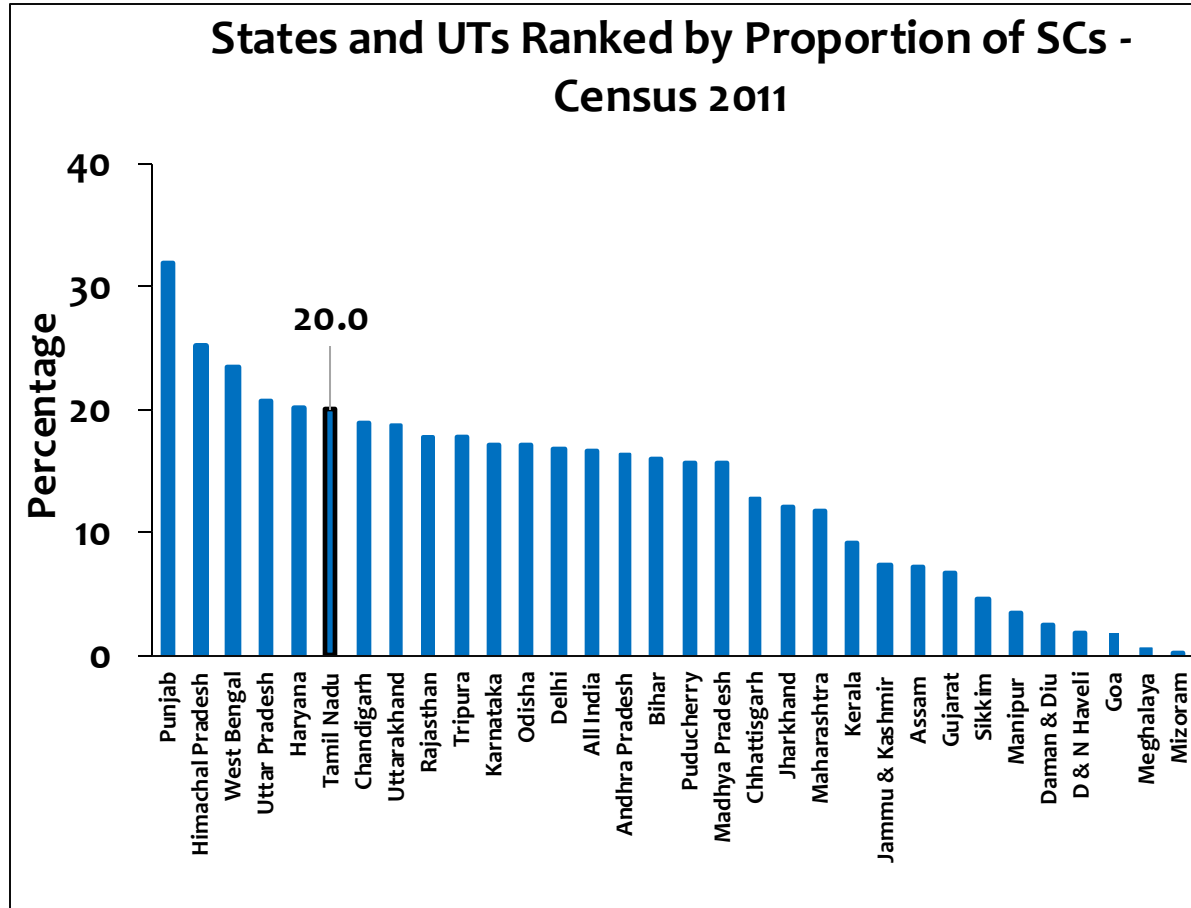
Source: Census data and “Population Projections for Indian States 2011-2036” by the Technical Group on Population Projections, National Commission on Population Ministry of Health and Family Welfare, Government of India.

In Tamil Nadu, Scheduled Castes (SCs) constituted 20 percent of its total population while Scheduled Tribes constituted 1.1 percent of its total population as per the 2011 Census



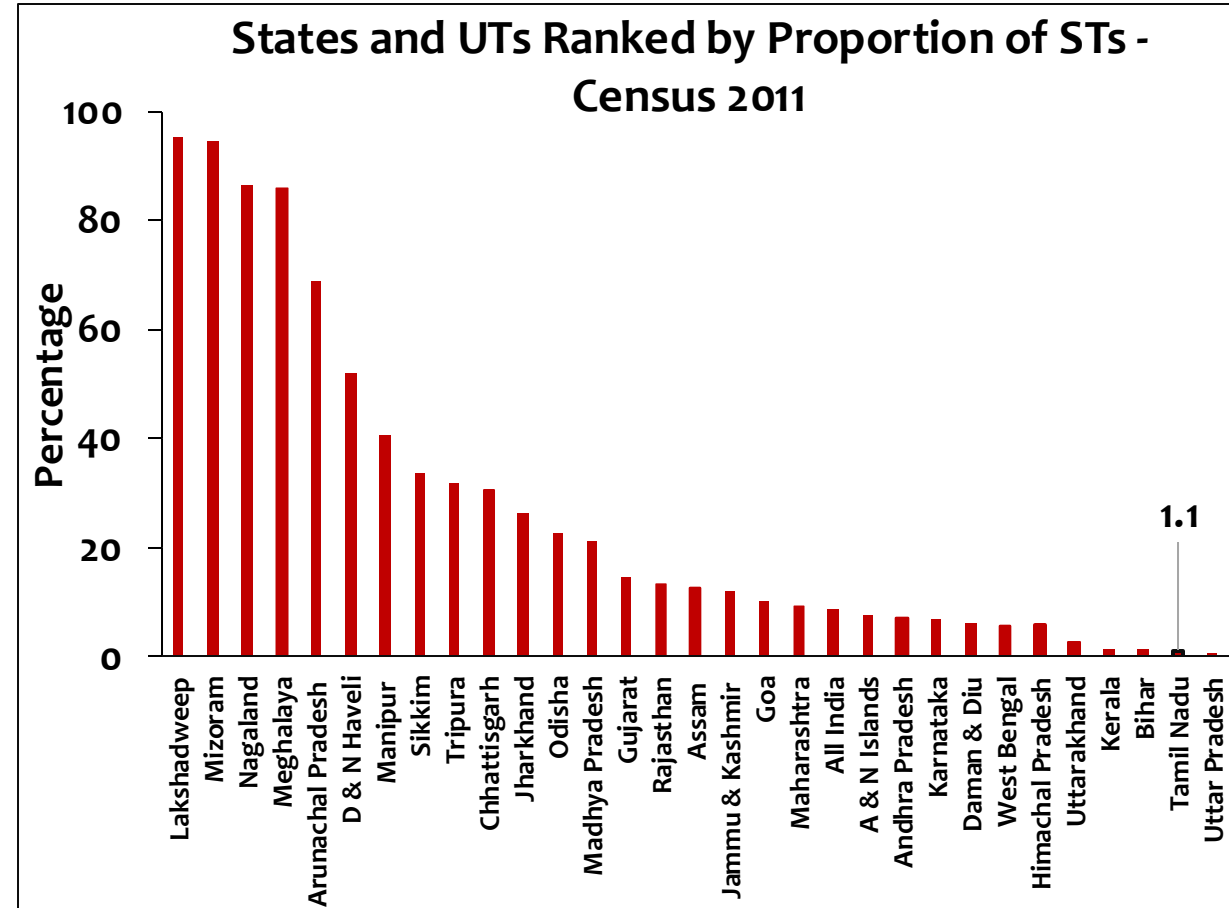
Source: Census data for 2011 is sourced from Office of the Registrar General of India, Ministry of Home Affairs.

Tamil Nadu is ranked as the sixth largest among States with regard to the percentage of SC population. It is ranked as the bottom second among States with regard to the percentage of ST population



Source: Census data for 2011 is sourced from Office of the Registrar General of India, Ministry of Home Affairs.

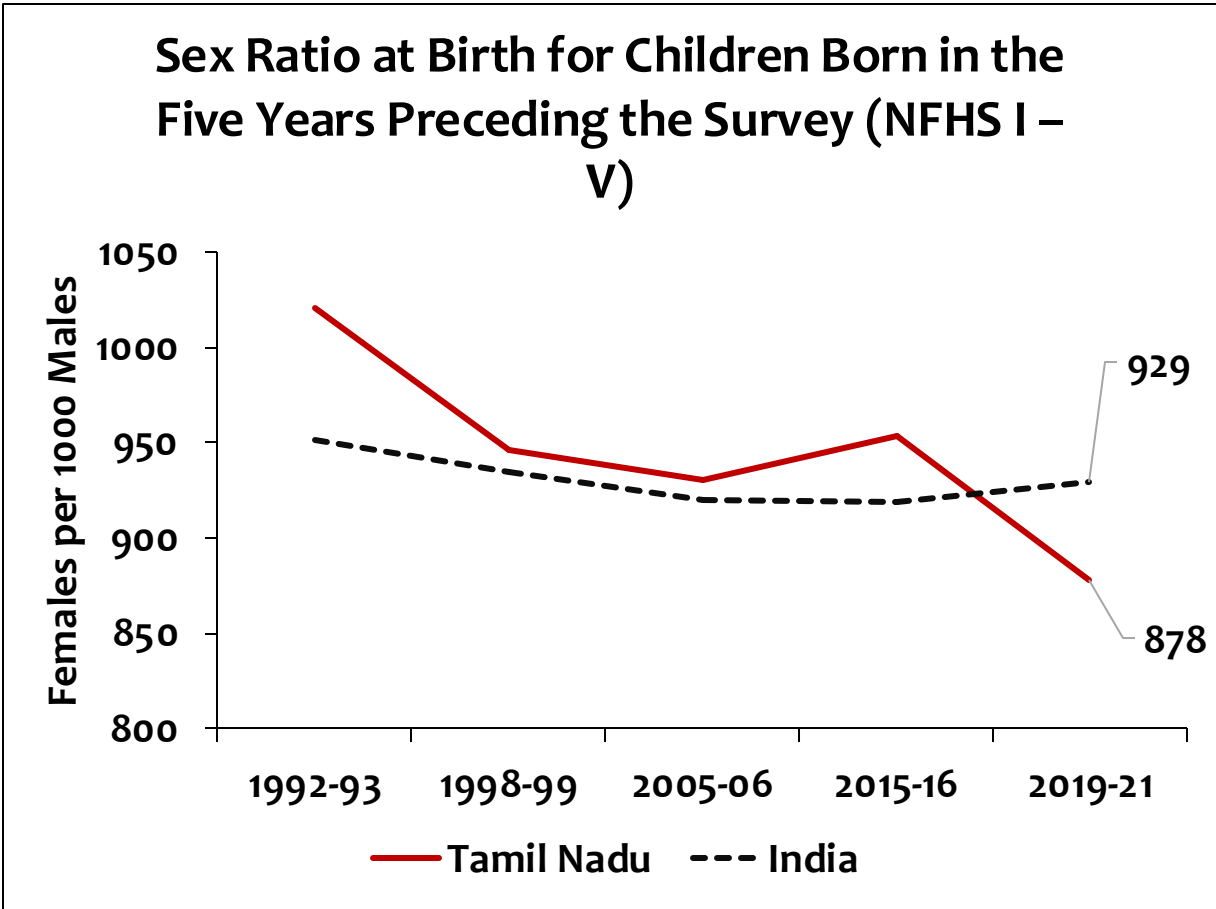
Note: As per the census data, Lakshadweep, Nagaland, Arunachal Pradesh, and Andaman & Nicobar Islands do not report any SC Population.



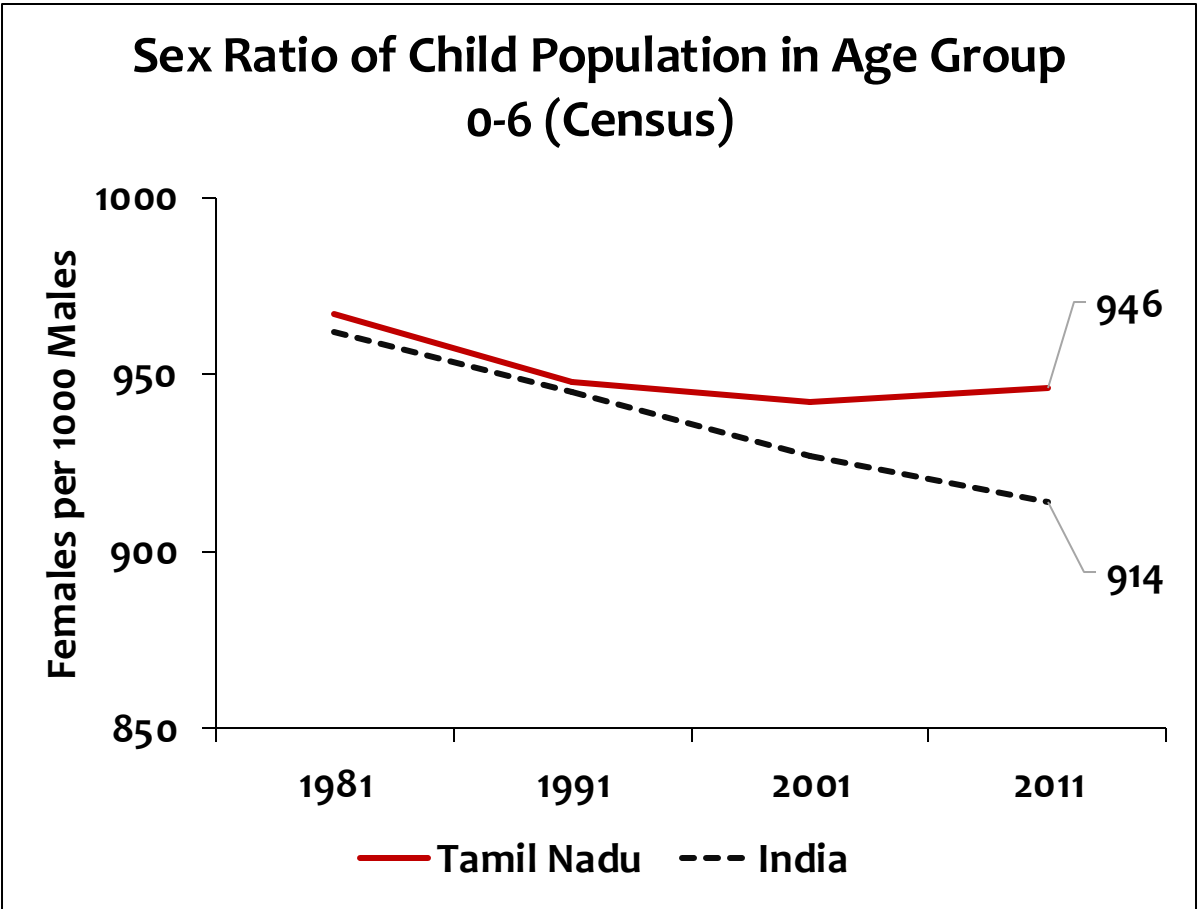
Source: Census data for 2011 is sourced from Office of the Registrar General of India, Ministry of Home Affairs.

Note: As per the census data, Punjab, Haryana, Chandigarh, Delhi, and Puducherry do not report any ST population.

Sex Ratio at Birth (female births per 1000 male births in a given population), as per the National Family Health Survey (NFHS), which had remained above national average until 2015-16, has now fallen below the national estimate. Since Census estimates are available only until 2011, the Census Sex Ratio of population in 0-6 age group has remained above the national estimates

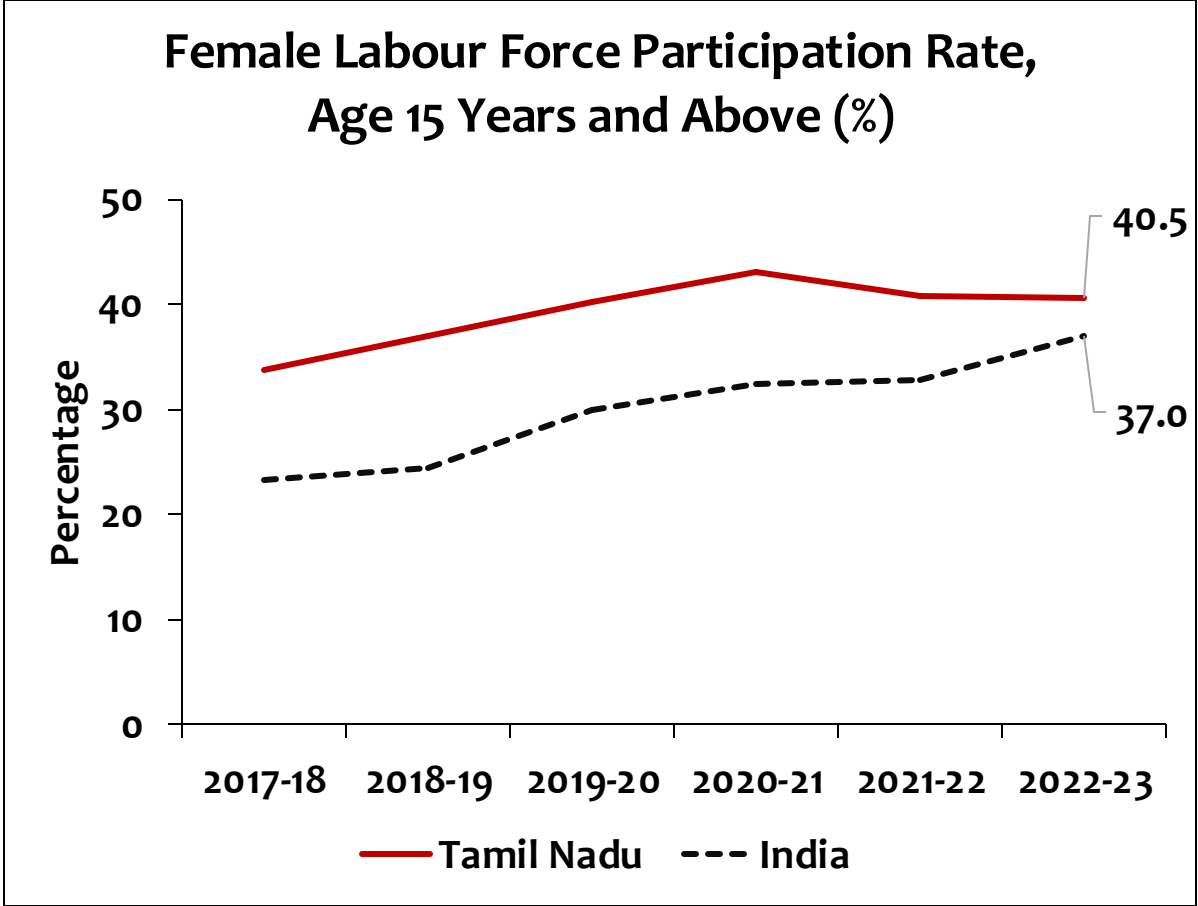
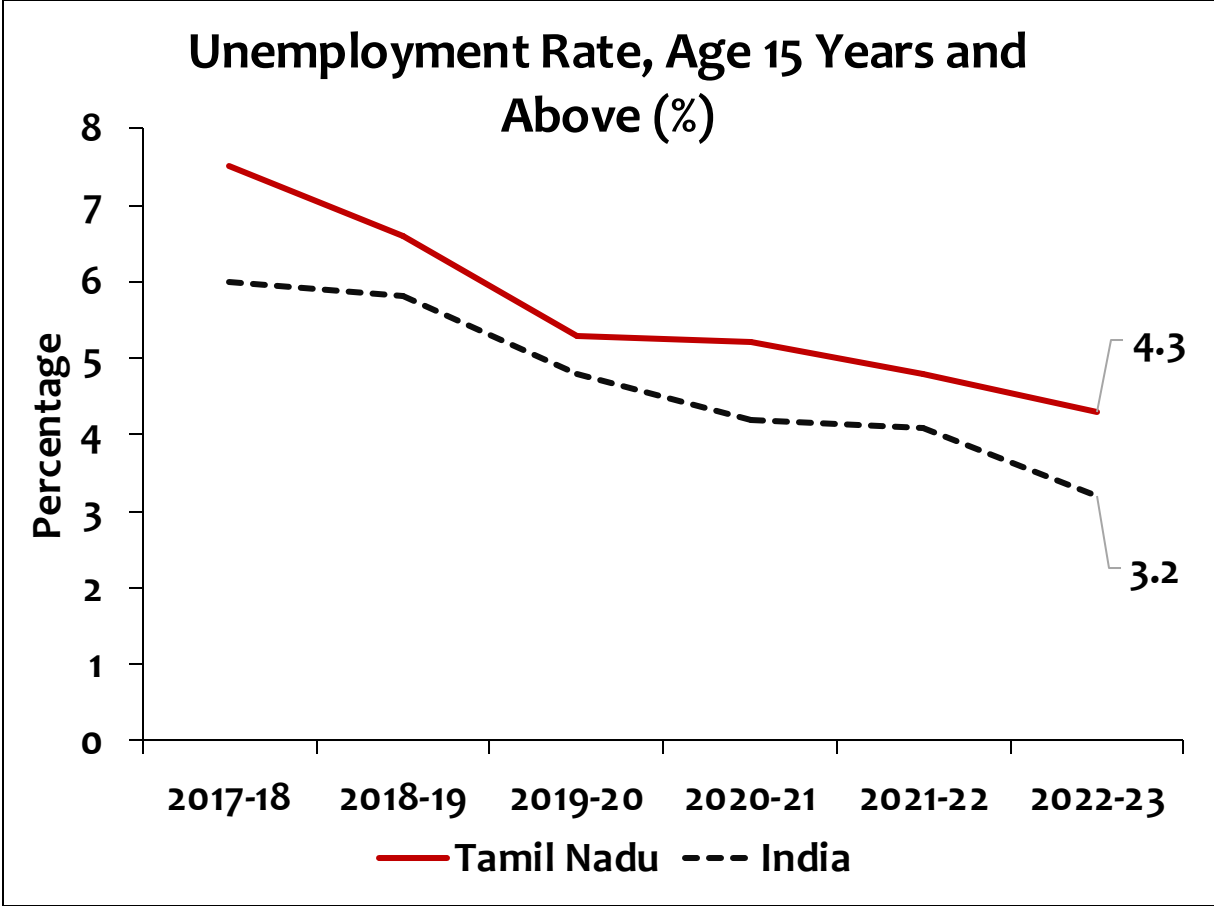


Source: NFHS I – V



Source: Census of India

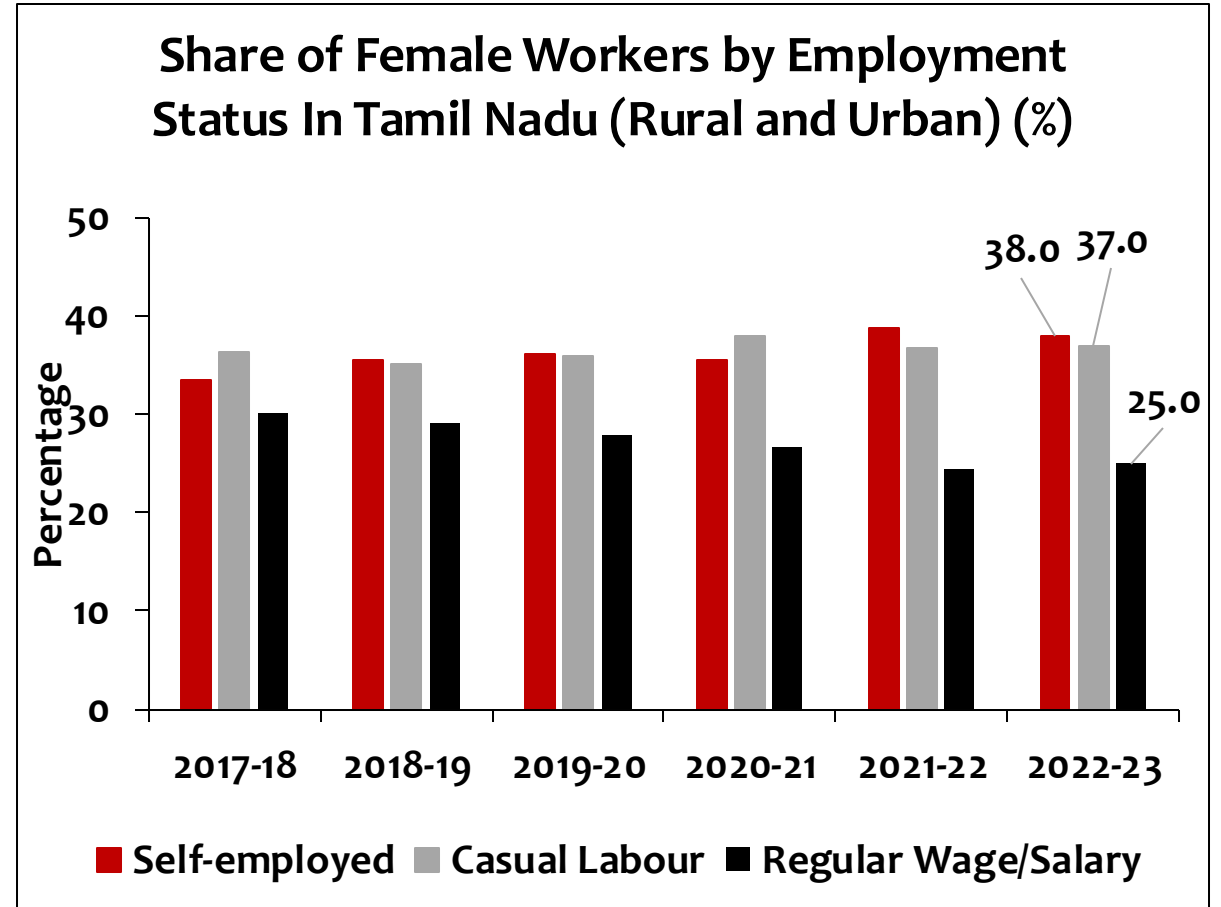
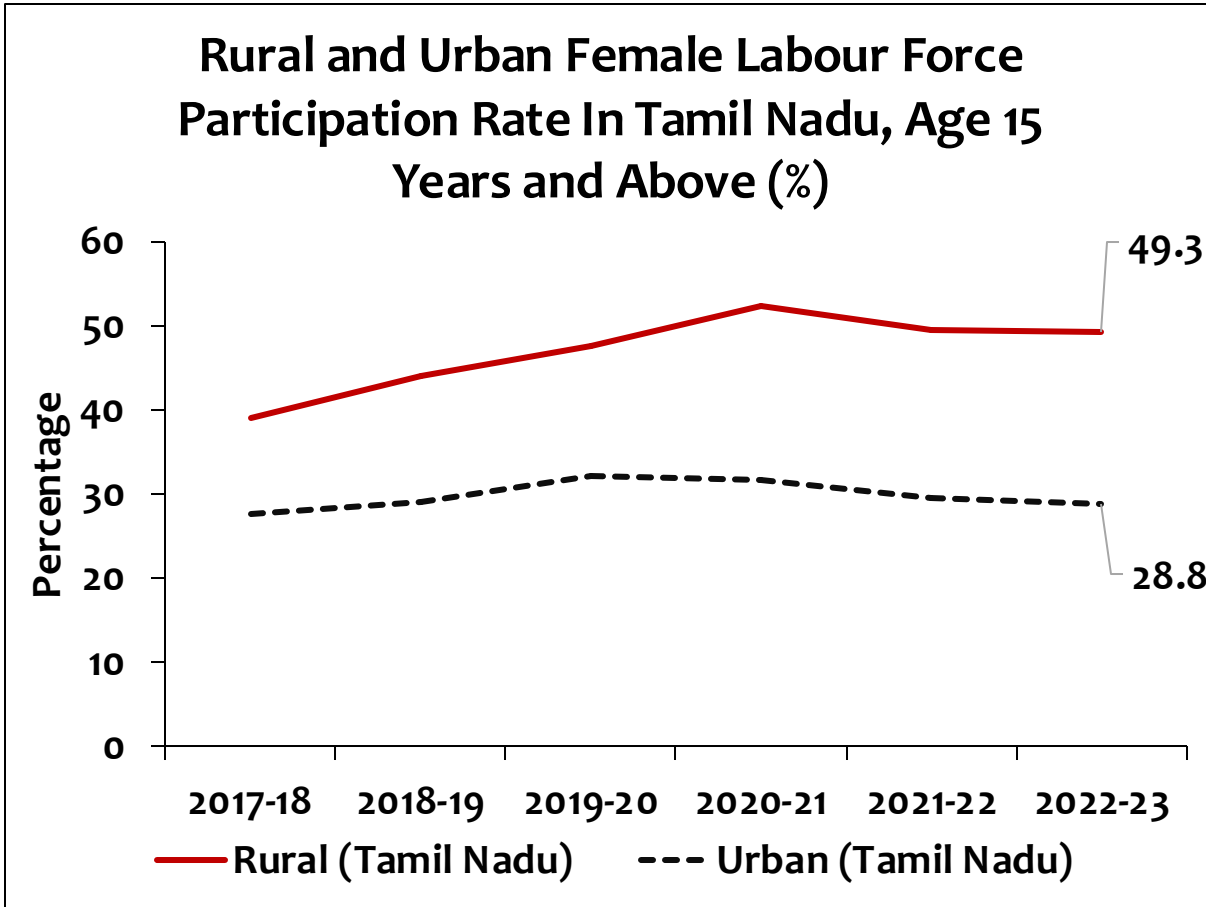
Annual Unemployment Rate for Tamil Nadu decreased to 4.3 percent in 2022-23 but it has consistently exceeded the national estimates. Female Labour Force Participation has also improved relative to 2017-18 and it has exceeded the national estimates throughout this period from 2017-18 to 2022-23



Source: Periodic Labour Force Survey (PLFS) Annual Report 2022-2023.

Note: i. Number for India has been taken directly from the source; ii. The Unemployment and Female Labour Force Participation Rate (FLFPR), is as per the Usual Status (PS+SS) approach, considering both Rural and Urban labour force for the age group 15 years and above. The PLFS uses two reference periods for measuring employment status, Principal Status (PS) and Subsidiary Status (SS). The PS+SS category combines information from both reference periods to determine the usual status of employment.

In Tamil Nadu, Female Labour Force Participation is predominantly higher in rural areas. Additionally, majority of the female workforce comprises of Self-Employed workers

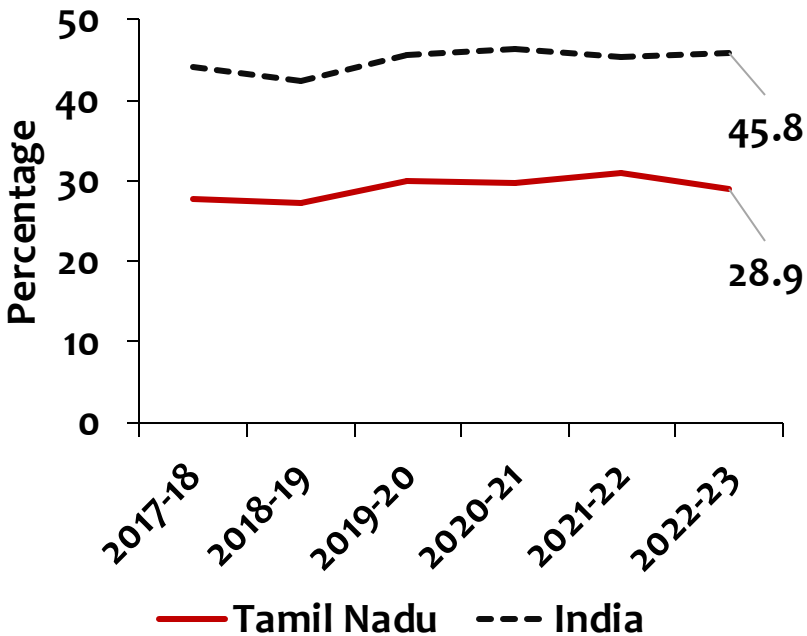


Source: Periodic Labour Force Survey (PLFS) Annual Report 2022-2023.

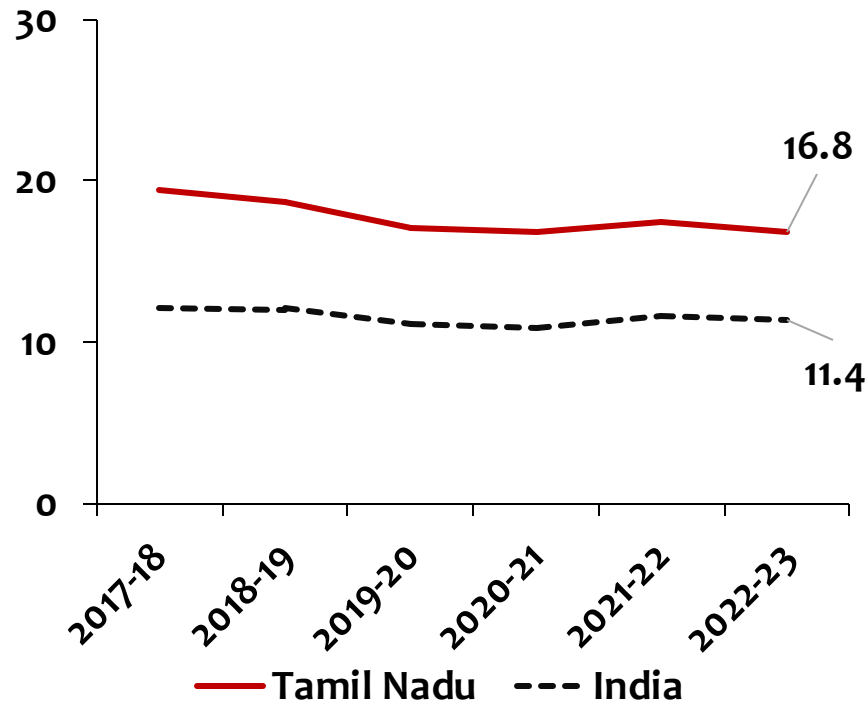
Note: i. Number for India has been taken directly from the source; ii. The Rural and Urban Female Labour Force Participation Rate (FLFPR) and Distribution of Female Workers by Employment Status, is as per the Usual Status (PS+SS) approach, considering both Rural and Urban labour force for the agegroup 15 years and above. The PLFS uses two reference periods for measuring employment status, Principal Status (PS) and Subsidiary Status (SS). The PS+SS category combines information from both reference periods to determine the usual status of employment.

Working population in Tamil Nadu is predominantly concentrated in Services, Agriculture, Forestry, and Fishing, Construction and Manufacturing sectors. Manufacturing constituted 16.8 percent of the total share of workers in 2022-23. The proportion of workers engaged in Mining and Quarrying and Other Industries is small

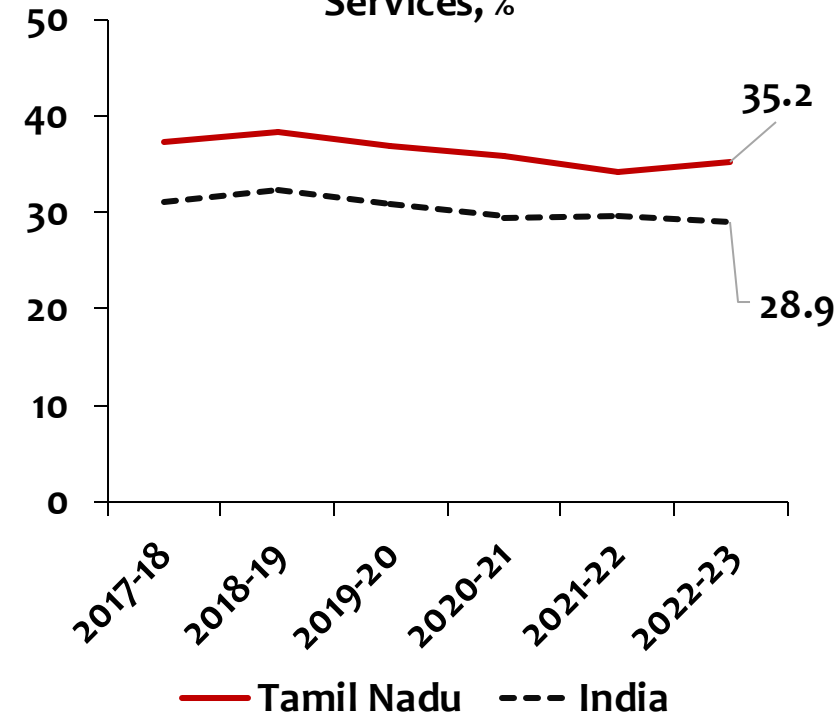
Share of Workers in Agriculture, Forestry and Fishing, %



Share of Workers in Manufacturing, %



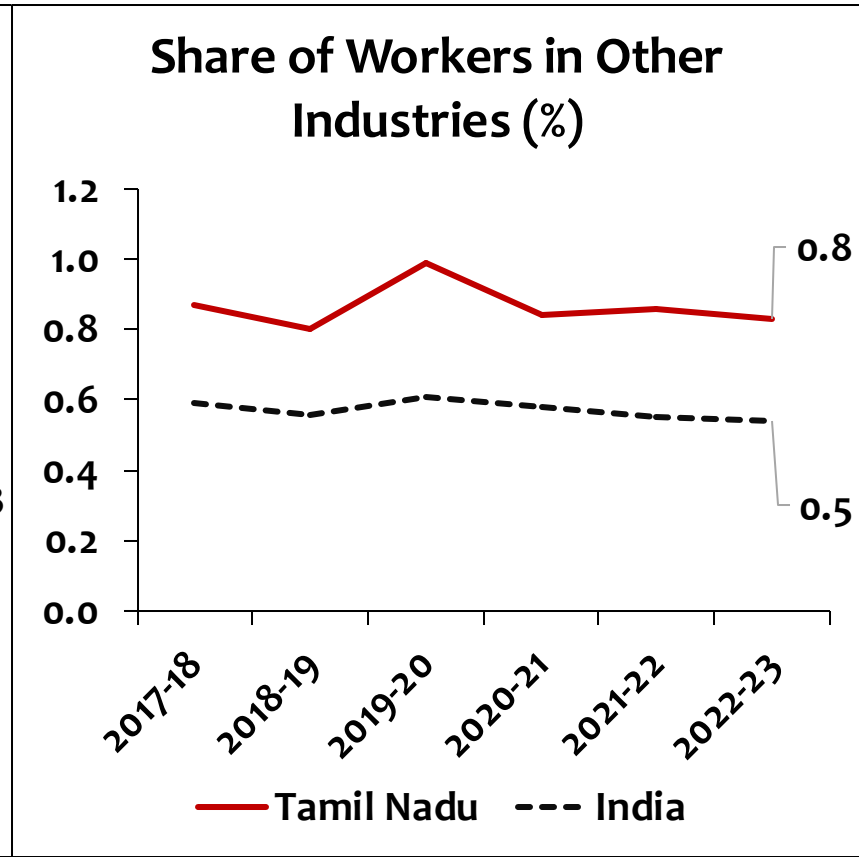
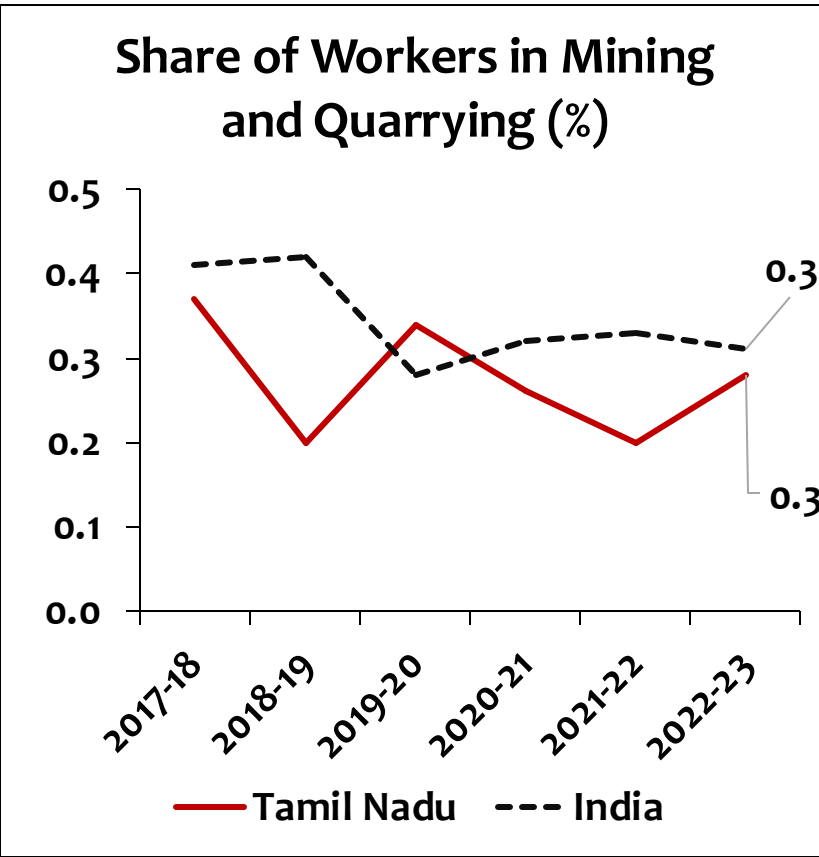
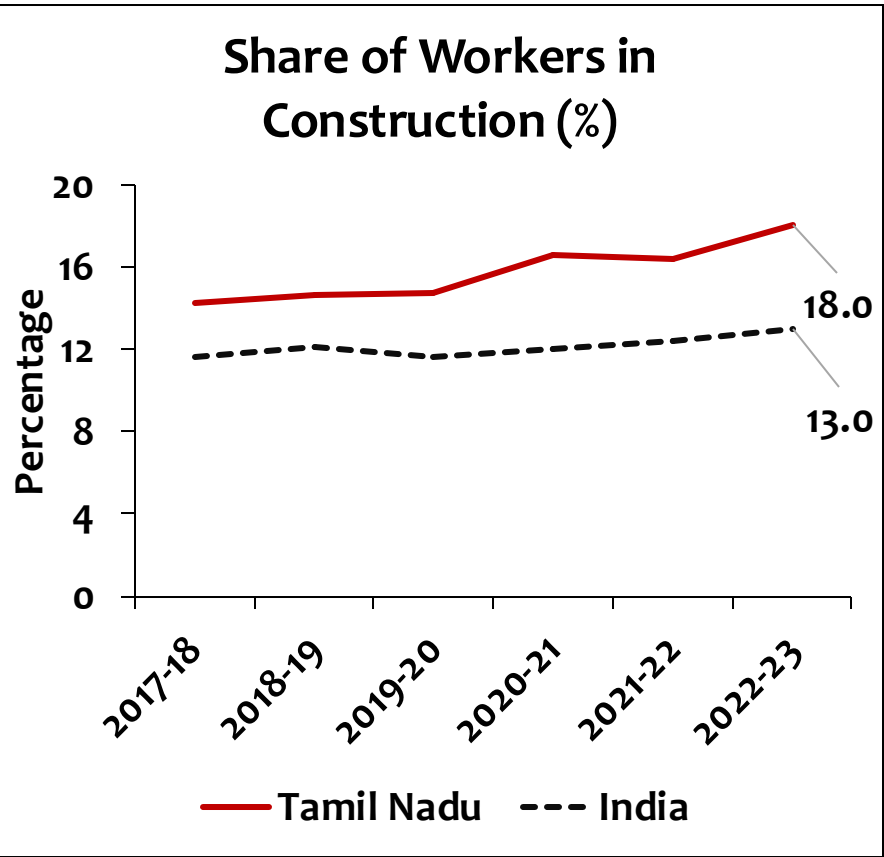
Share of Workers in Services, %



Source: Periodic Labour Force Survey (PLFS) Annual Report 2022-2023.

Note: i. Number for India has been taken directly from the source; ii. Services includes Transportation and Storage; Accommodation and Food Service Activities; Information and Communication; Financial and Insurance Activities; Real Estate Activities; Professional, Scientific and Technical Activities; Administrative and Support Service Activities; Public Administration and Defense; Compulsory Social Security; Education; Human Health and Social Work Activities; Arts, Entertainment and Recreation; Activities of Households as Employers; Undifferentiated Goods and Services Producing Activities of Households for Own Use; Activities of Extraterritorial Organizations and Bodies; Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles; and other Services.

Working population in Tamil Nadu is predominantly concentrated in Services, Agriculture, Forestry, and Fishing, Construction and Manufacturing sectors. Manufacturing constituted 16.8 percent of the total share of workers in 2022-23. The proportion of workers engaged in Mining and Quarrying and Other Industries is small



Source: Periodic Labour Force Survey (PLFS) Annual Report 2022-2023.

Note: i. Number for India has been taken directly from the source; ii. Other industries include, Electricity, Gas, Steam and Air Conditioning Supply; and Water Supply, Sewerage, Waste Management and Remediation Activities.

3. Economic Structure (Growth and Sectoral Composition)

- Income data covers the fiscal period 1990-91 – 2022-23

Table 2A: State Domestic Product, Per Capita Income, and Sectoral Shares for Tamil Nadu

Indicator	Most Recent Value	States' Average	Decadal Change, % (b/w 2012-13 and 2021-22)	Source
Nominal Gross State Domestic Product (GSDP)	Rs. 207,128,616 (Lakh) (FY 2021-22)	Rs. 2,347,101,174 (Lakh; India) (FY 2021-22)	+142.3% growth	MoSPI; EPWRF
Nominal GSDP share in India's Nominal GDP, %	8.8% (FY 2021-22)	-	+0.2 points	MoSPI; EPWRF
Real Gross State Domestic Product Growth Rate, %	6.0% (Decadal avg. b/w 2012-13 and 2021-22)	5.6% (Decadal avg. b/w 2012- 13 and 2021-22 for India)	+2.6% points	MoSPI; EPWRF
Nominal Per Capita GSDP	Rs. 270,629 (FY 2021-2022)	Rs. 171,498 (India) (FY 2021-22)	+130.9% growth	MoSPI; EPWRF
Nominal Per Capita GSDP in India's Nominal Per Capita GSDP (Ratio)	1.6 (FY 2021-22)	-	+0.1 points	MoSPI; EPWRF
Share of Agricultural Sector to Total Gross State Value Added (GSVA) (Nominal), %	13.2% (FY 2021-22)	19.7% (FY 2021-22)	+2.4% points	MoSPI; EPWRF
Share of Industry Sector to Total GSVA (Nominal), %	33.9% (FY 2021-2022)	29.3% (FY 2021-22)	-3.9% points	MoSPI; EPWRF
Within Industry: Share of Manufacturing Sector to Total GSVA (Nominal), %	19.7% (FY 2021-22)	14.8% (FY 2021-22)	-3.0% points	MoSPI; EPWRF
Within Industry: Share of Construction Sector to Total GSVA (Nominal), %	11.9% (FY 2021-22)	7.7% (FY 2021-22)	-1.1% points	MoSPI; EPWRF
Share of Services Sector to Total GSVA (Nominal), %	53.0% (FY 2021-2022)	51.0% (FY 2021-22)	+1.5% points	MoSPI; EPWRF
Within Services: Share of Real Estate and Business Services Sector to Total GSVA (Nominal), %	18.1% (FY 2021-2022)	11.4% (FY 2021-22)	+2.8% points	MoSPI; EPWRF
Within Services: Share of Trade and Hospitality Sector to Total GSVA (Nominal), %	11.0% (FY 2021-2022)	11.3% (FY 2021-22)	-1.4% points	MoSPI; EPWRF

Source: Data is taken from MOSPI, as of August 2023.

Note: i. States' Average for shares are simple averages of each State's/UT's share for that year; ii. States' average growth rates are calculated as the simple average of each State/UT's growth rate for that year.

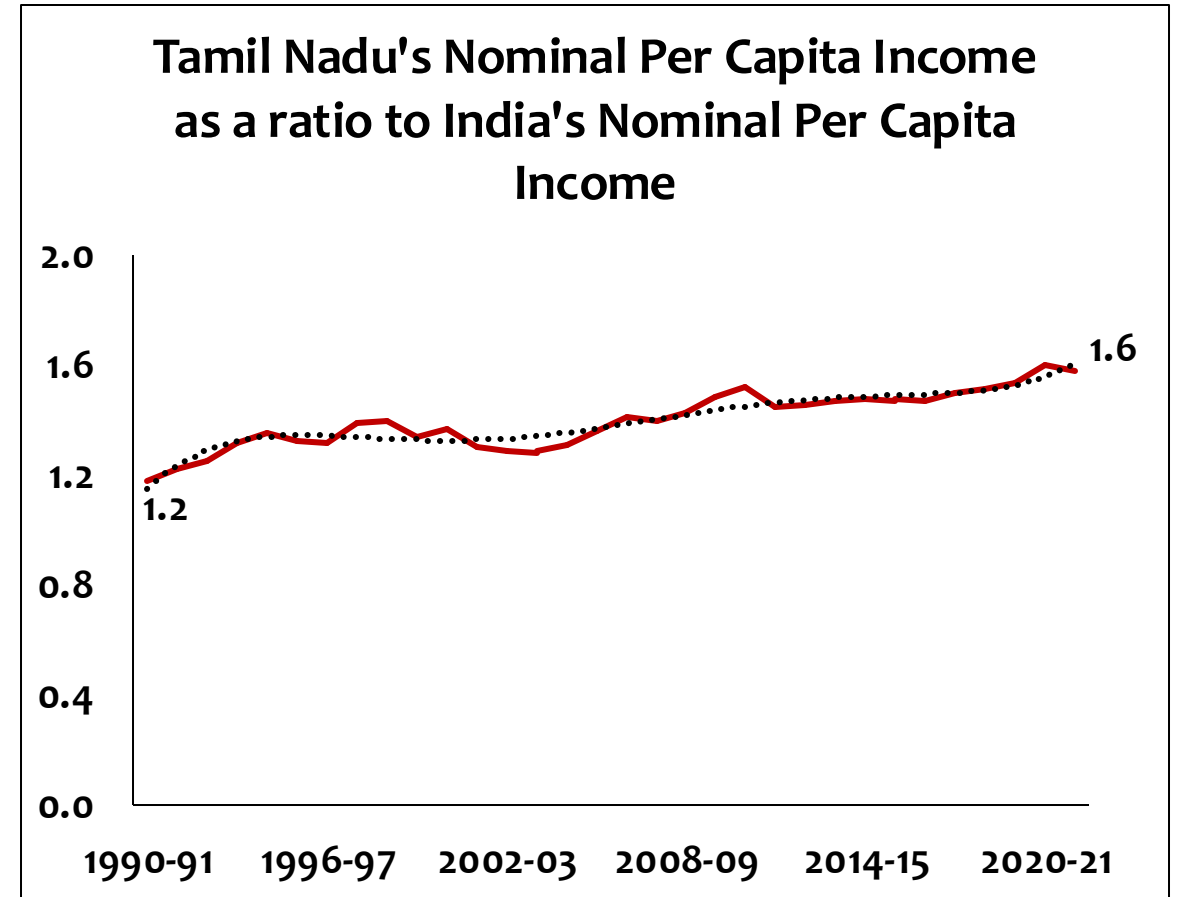
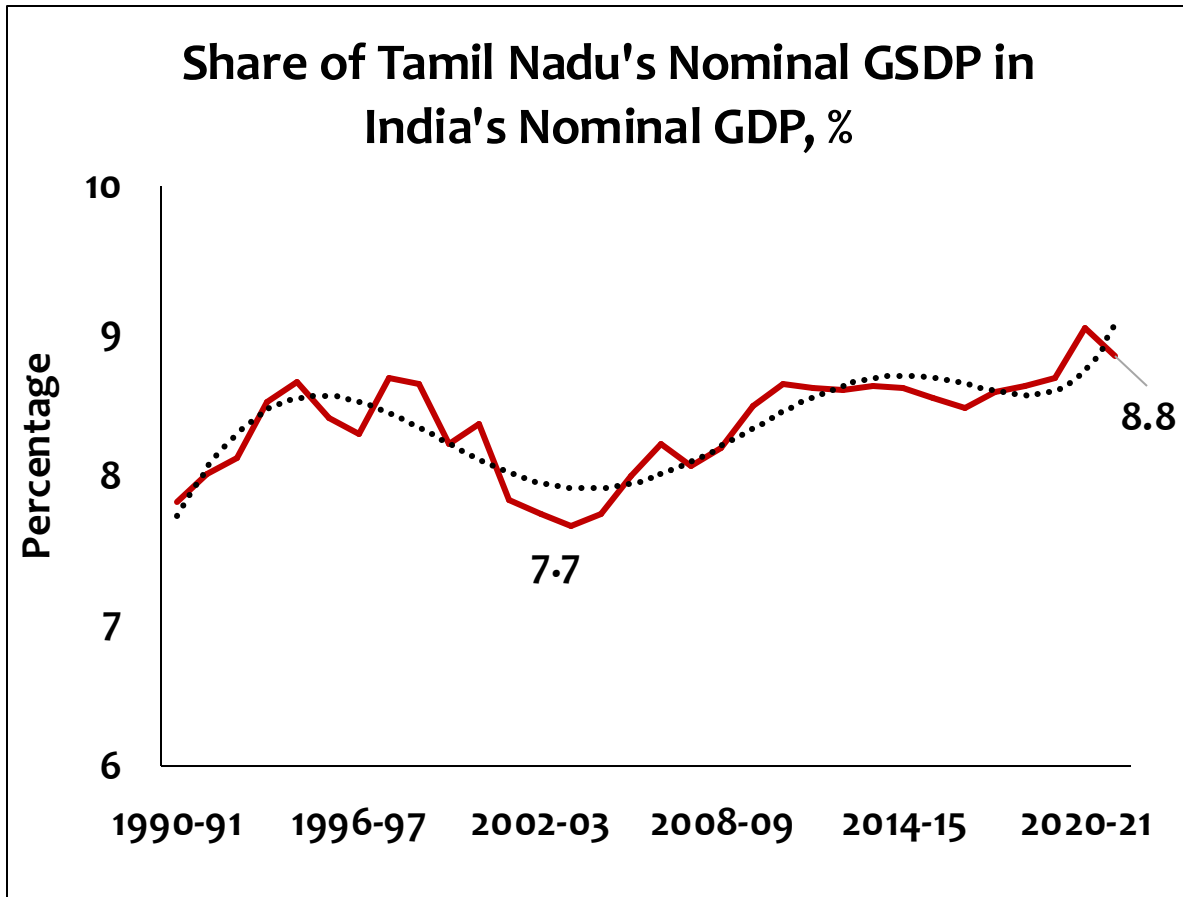
Table 2B: State Domestic Product, Per Capita Income, Sectoral Shares, Inflation, FDI inflow and Exports for Tamil Nadu

Indicator	Most Recent Value	States' Average	Decadal Change, % (b/w 2013-14 to 2022-23)	Source
Share of Agricultural Sector to Total GSDP (Nominal), %	11.6% (FY 2022-23)	15.8% (FY 2022-23)	+0.4% points	MoSPI; EPWRF
Share of Industry Sector to Total GSDP (Nominal), %	31.7% (FY 2022-23)	25.3% (FY 2022-23)	-0.5% points	MoSPI; EPWRF
Within Industry: Share of Manufacturing Sector to Total GSDP (Nominal), %	18.8% (FY 2022-23)	13.1% (FY 2022-23)	+0.1% points	MoSPI; EPWRF
Share of Service Sector to Total GSDP (Nominal), %	48.8% (FY 2022-23)	42.6% (FY 2022-23)	+0.6% points	MoSPI; EPWRF
Inflation Rate (based on Consumer Price Index)	+6.0% (FY 2022-23)	+ 5.5 % (FY 2022-23)	-0.4% points	MoSPI; EPWRF
FDI Inflow	5.5 % of India FDI Inflow (2023-24)	3% of India FDI Inflow	1.6 % of India FDI Inflow (b/w 2020-21 and 2023-24)	Department for Promotion of Industry and Internal Trade (DPIIT)
Exports	40,655 Million \$ (2022-23)	15,346 Million \$	13,718 Million \$ (b/w 2013-14 and 2022-23)	Multiple Sources*

Source: i. Data on sectoral shares to GSDP is taken from MOSPI, as of March 2024; ii. (*)Multiple sources for exports are various Issues of Economic Survey, Department of Economic Affairs, (data.gov.in); Various Issues of Bulletin on Foreign Trade Statistics, Directorate General of Foreign Trade (DGFT).

Note: i. FDI data is available State-wise in a cumulative format with the starting date as December 2019 till the month and year of the DPIIT publication; iii. The State average for FDI has been calculated as the sum of all States/region divided by the number of States/regions, and this is divided by India's FDI inflow, multiplied by 100; iv. Benchmark number for exports is an average of all States/UT number.

Tamil Nadu's share in India's Nominal GDP has increased after 2003-04 and its Nominal Per Capita Income as a ratio to India's Nominal Per Capita Income has increased by 0.4 points since 1990-91



Source: The Ministry of Statistics and Programme Implementation (MoSPI). Back series with 2011-12 base has been taken from Economic and Political Weekly Research Foundation (EPWRF).

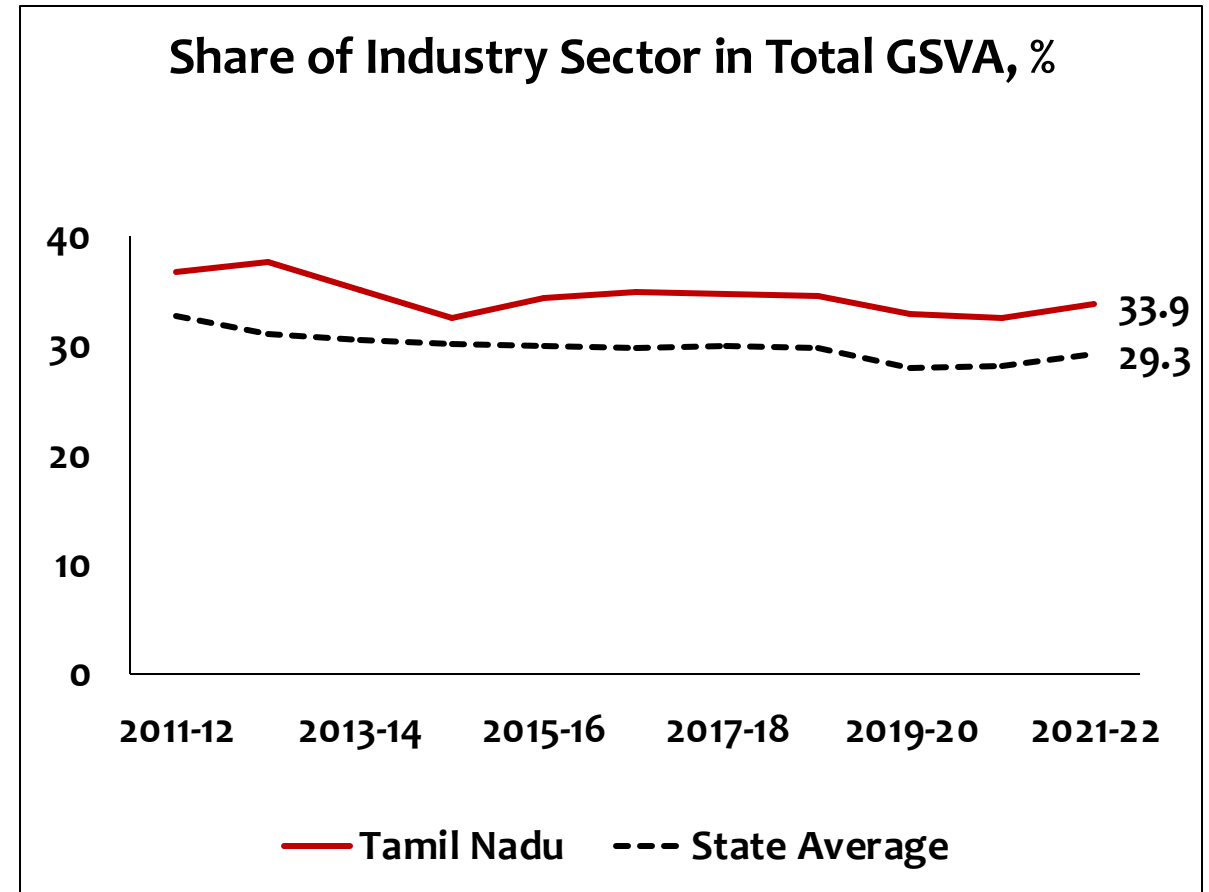
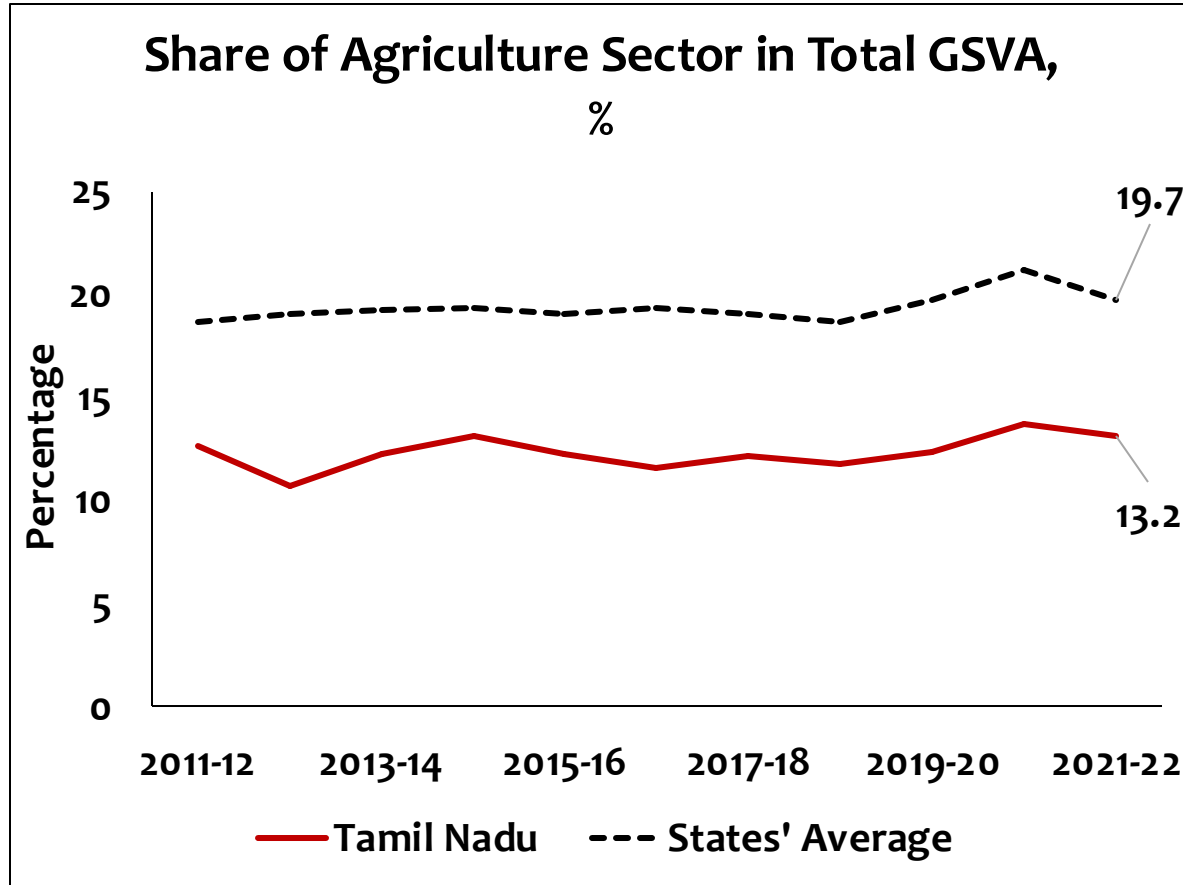
Note: i. GSDP refers to Gross State Domestic Product at current market prices; ii. As per EPWRF, this series is spliced with earlier GSDP series to generate the long time series; iii. National GDP is the National Gross Domestic Product of India at current market prices; iv. This series has been spliced with earlier GDP series to generate the long time series.

Sectoral Gross State Value Added (GSVA): Tamil Nadu vis-à-vis rest of India (FY2021-22)

- According to official estimates for FY 2021-22, Services sector contributes 53 percent share to the GSVA in Tamil Nadu, while the States' average stands at 51 percent. Within the services sector, the largest contributors are Real Estate, Ownership of Dwellings and Business Services (18.1 percent) and Trade, Hotels, and Restaurants (11 percent).
- For FY 2021-22, The Industry sector has a 33.9 percent share of Tamil Nadu's GSVA, whereas the States' average stands at 29.3 percent. This sector is driven primarily by Manufacturing (19.7 percent) and Construction (11.9 percent) with minor contributions from Electricity (1.9 percent) and Mining (0.3 percent).
- For FY 2021-22, Tamil Nadu's Agriculture sector is 13.2 percent of its GSVA, lower than the States' average of 19.7 percent.
- For FY 2021-22, Tamil Nadu ranks 14th out of 33 States and UTs in its share of GSVA in the Services sector (53 percent) and ranks 10th in its share of GSVA in the Industry Sector (33.9 percent).

Note: Gross State Value Added (GSVA) is defined as the sum of the value added by each of the sectors under agriculture, industry, and services. This series currently is available at basic prices with 2011-12 base and it can be spliced with the earlier GSVA series to obtain the long-time series for this variable.

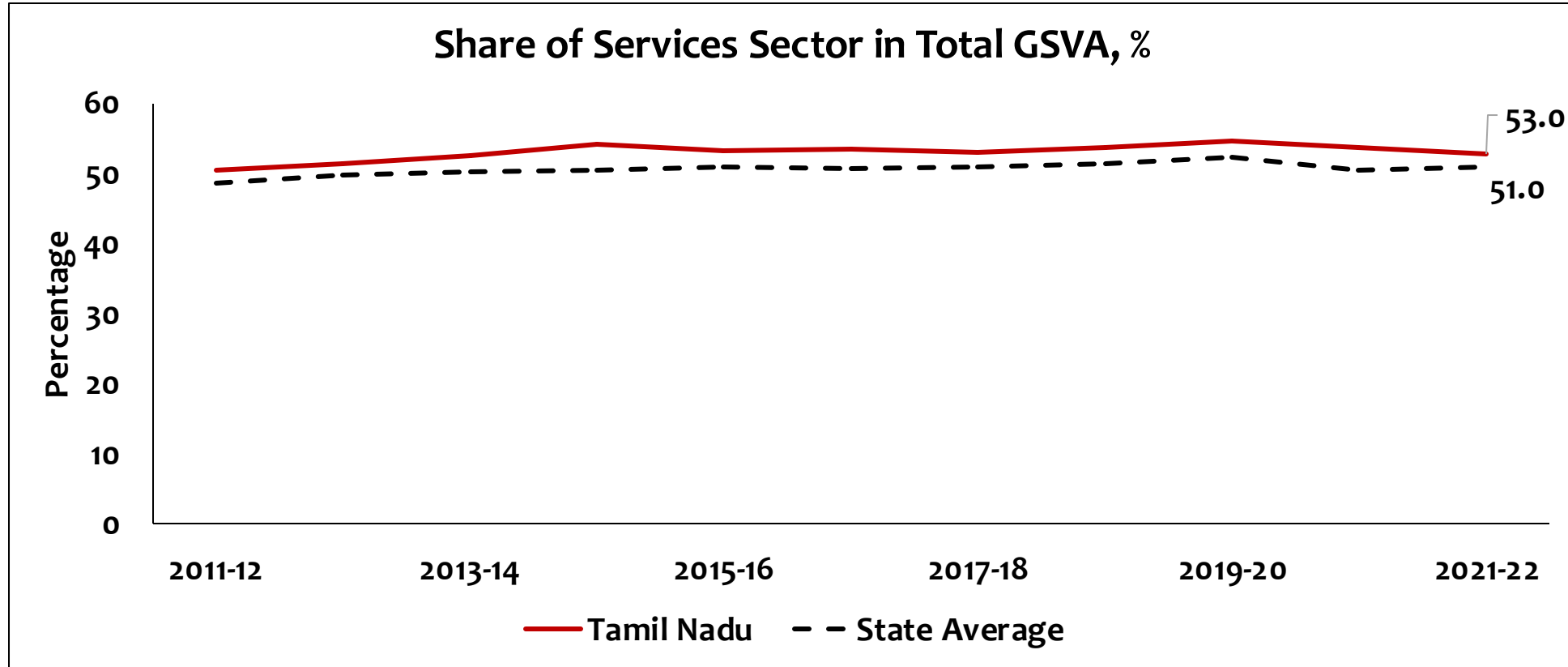
The share of Agriculture in GSVA has remained below the average share of States and that of Industry has remained above the average share of States



Source: MoSPI, as of August 2023

Note: i. States' average refers to a simple average of the shares of 33 States and UTs; ii. Nominal variables have been used to calculate the shares; iii. Agriculture refers to Agriculture and its allied activities such as fishing, animal husbandry, crops etc.; iv. Industry includes Mining & Quarrying, Manufacturing, Construction, and Supply of Electricity & Water.

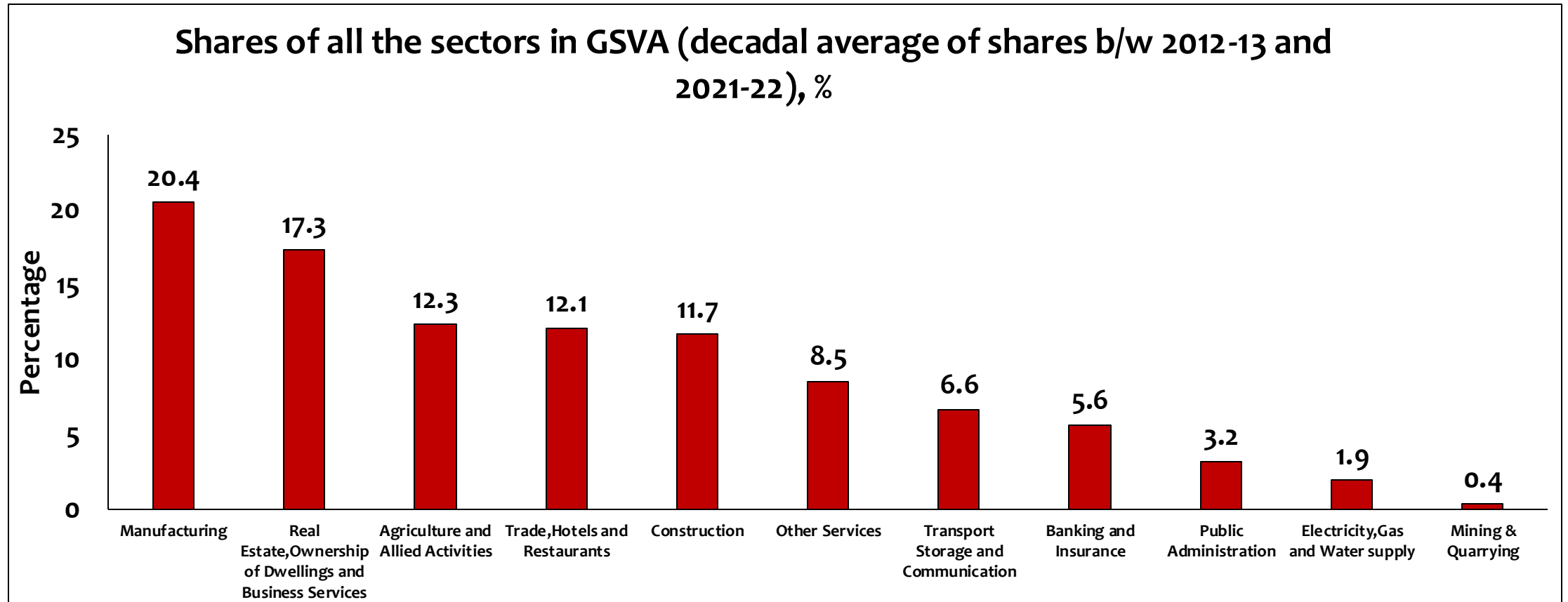
Tamil Nadu's share of the Services sector accounts for more than half of its total GSVA and has consistently been higher than the State average



Source: MoSPI, as of August 2023

Note: i. States' average refers to a simple average of the shares of 33 States and UTs; ii. Nominal variables have been used to calculate the shares; iii. Services includes Transport, Storage & Communications, Trade, Hotels and Restaurants, Real Estate, Banking and Financial Services, Public Administration and some other miscellaneous services.

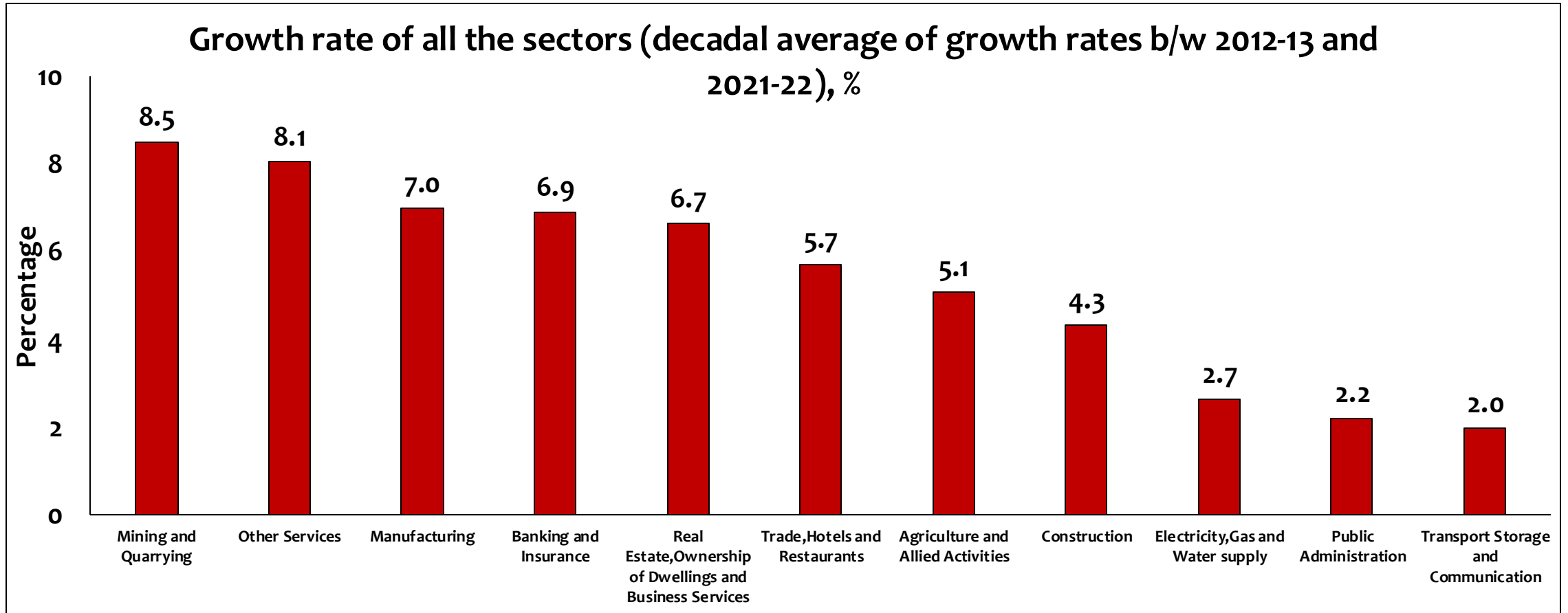
Among all major sectors, the Manufacturing sector has had the largest share in Gross State Value Added (GSVA) in the past 10 years



Source: MoSPI, as of August 2023

Note: i. Nominal variables have been used to calculate the shares; ii. Agriculture refers to Agriculture and its allied activities such as fishing, animal husbandry, crops etc.; iii. Industry includes Mining & Quarrying, Manufacturing, Construction, and Supply of Electricity & Water; iv. Services includes Transport, Storage & Communications, Trade, Hotels and Restaurants, Real Estate, Banking and Financial Services, Public Administration and some other miscellaneous services.

Out of all major sectors, the Mining and Quarrying and the Other Services sector have shown the highest growth in Gross State Value Added over the last decade



Source: MoSPI, as of August 2023

Note: i. Real variables have been used to calculate the shares; ii. Agriculture refers to Agriculture and its allied activities such as fishing, animal husbandry, crops etc. iii. Industry includes Mining & Quarrying, Manufacturing, Construction, and Supply of Electricity & Water; iv. Services include Transport, Storage & Communications, Trade, Hotels and Restaurants, Real Estate, Banking and Financial Services, Public Administration and some other miscellaneous services.

Table 2C: Tamil Nadu's Sectoral Growth Rates and Decadal Averages

Sector	Latest Annual Growth Rate (2019-20)	Decadal Average of Growth rates (b/w 2010-11 and 2019-20)	Decadal Average of Growth rates for India (b/w 2010-11 and 2019-20)
Agriculture	7.6%	5.8%	4.4%
Industry	0.5%	7.1%	5.3%
Manufacturing	-0.6%	7.5%	6.0%
Services	4.3%	7.3%	7.7%
GVA	3.2%	7.0%	6.4%
GDP	3.3%	7.3%	6.6%

Source: MoSPI, as of August 2023. Back series with 2011-12 base has been taken from EPWRF.

Note: i. Real variables have been used to calculate the growth rate; ii. Agriculture refers to Agriculture and its allied activities such as fishing, animal husbandry, crops etc.; iii. Industry includes Mining & Quarrying, Manufacturing, Construction, and Supply of Electricity & Water; iv. Services includes Transport, Storage & Communications, Trade, Hotels and Restaurants, Real Estate, Banking and Financial Services, Public Administration and some other miscellaneous services.

Table 2D: Tamil Nadu's Sectoral Growth Rates and Decadal Averages of Growth Rates

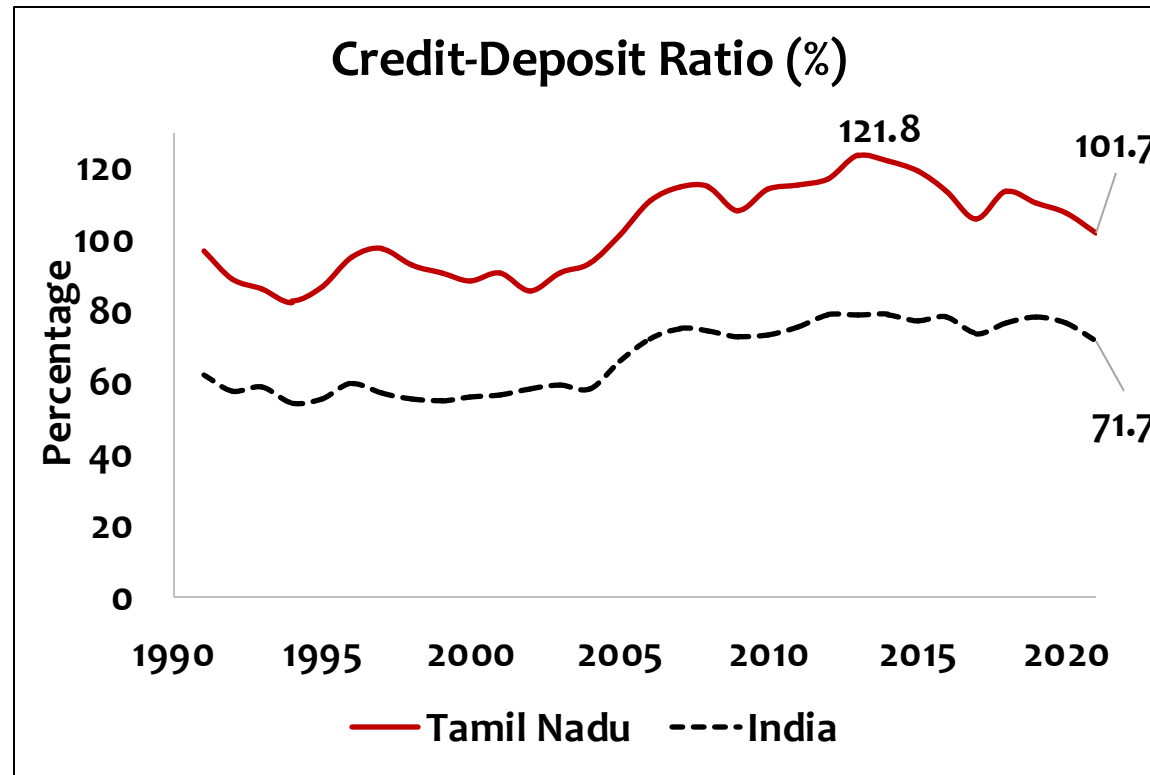
Sector	Latest Annual Growth Rate (2022-23)	Average of Growth rates (b/w 2018-19 and 2022-23)	Decadal Average of Growth rates (b/w 2013-14 and 2022-23)	Decadal Average of Growth rate for India (b/w 2013-14 and 2022-23)
Agriculture	3.9%	5.6%	6.6%	4.1%
Industry	9.2%	5.1%	6.1%	5.2%
Manufacturing	10.4%	5.3%	6.9%	5.5%
Services	7.8%	4.8%	5.8%	6.6%
GSVA	7.9%	5.0%	6.0%	5.7%
GSDP	8.2%	5.3%	6.3%	5.8%

Source: MoSPI, as of March 2024. Back series with 2011-12 base has been taken from EPWRF.

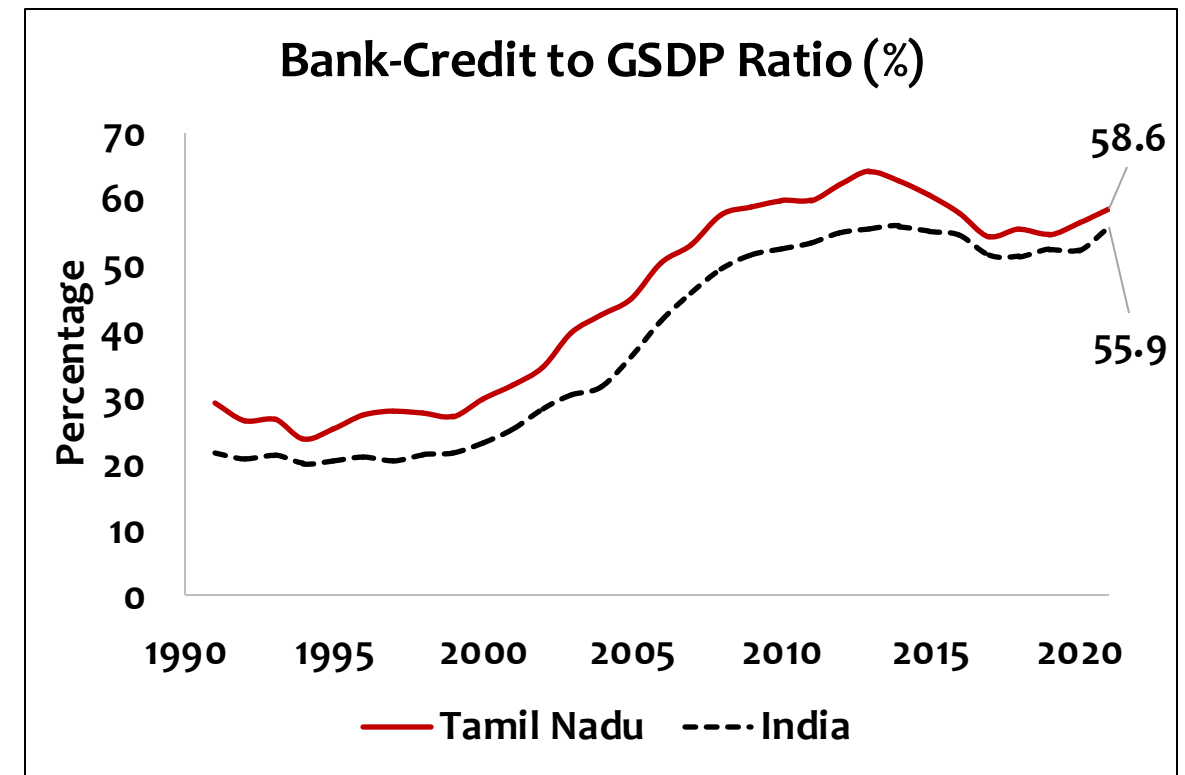
Note: i. India's GVA has been calculated taking a simple sum of the three sectors; ii. Real variables have been used to calculate the growth rate; iii. Sectoral growth rates are calculated based on GSVA numbers; iv. Agriculture refers to Agriculture and its allied activities such as fishing, animal husbandry, crops etc.; v. Industry includes Mining & Quarrying, Manufacturing, Construction, and Supply of Electricity & Water; vi. Services includes Transport, Storage & Communications, Trade, Hotels and Restaurants, Real Estate, Banking and Financial Services, Public Administration and some other miscellaneous services.

Tamil Nadu's Credit-Deposit Ratio is higher than the all-India figure, with a 30 percent point difference with it as of 2021. Tamil Nadu's Credit to GSDP Ratio has remained closely aligned with the national estimate, consistently maintaining a slight edge over the India figure for the past three decades.

Indicators	Most Recent Value	Year	Decadal Change (b/w 2011-12 & 2020-21)	India
Credit - Deposit Ratio (%)	101.7%	2020-21	-15.2% points	71.7%
Credit - GSDP Ratio (%)	58.6%	2020-21	-3.5% points	55.9%



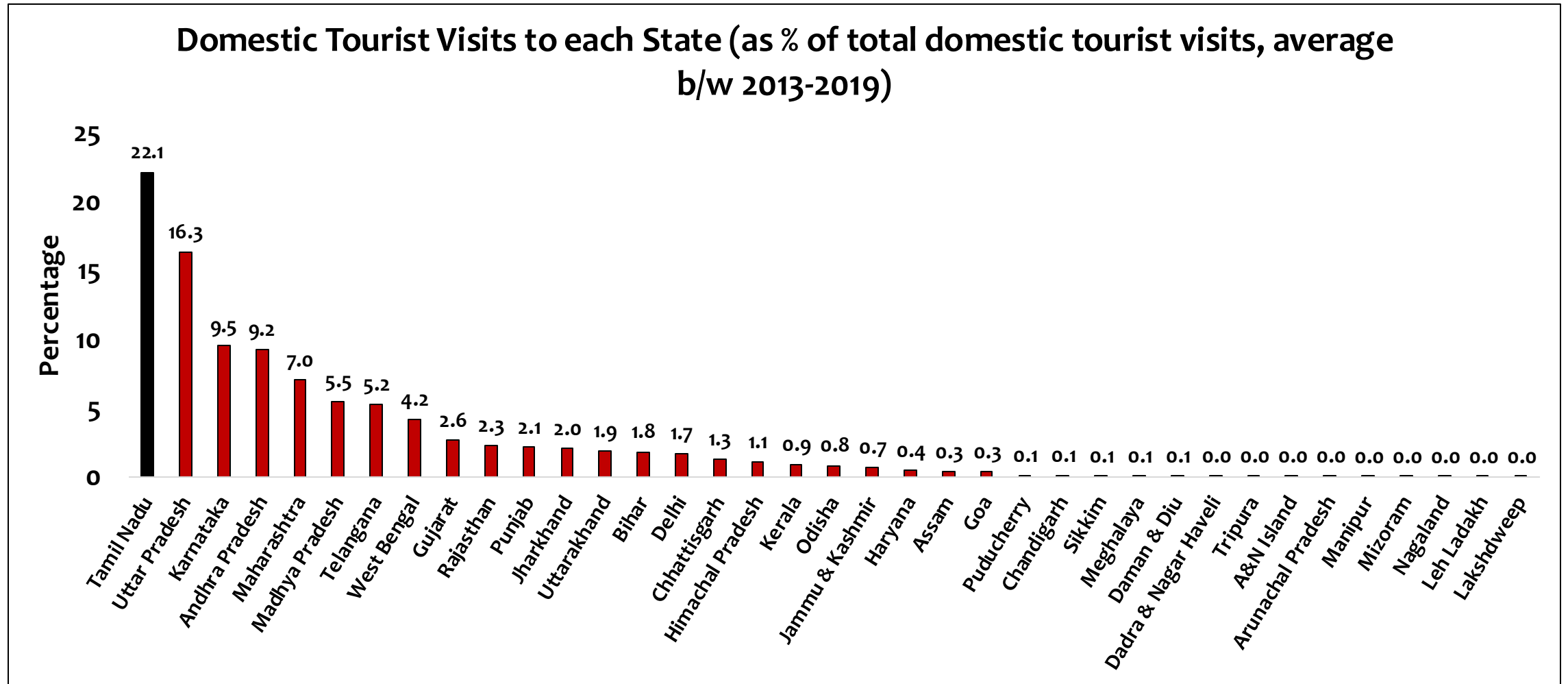
Source: Basic Statistical Returns (BSR) of Scheduled Commercial Banks, RBI, (2021-22).
 Note: India's numbers have been taken directly from the source.



Source: i. Bank-Credit: Basic Statistical Returns (BSR) of Scheduled Commercial Banks, RBI (2020-21); ii. GSDP: MOSPI (2020-21). Back series with 2011-12 base has been taken from EPWRF.

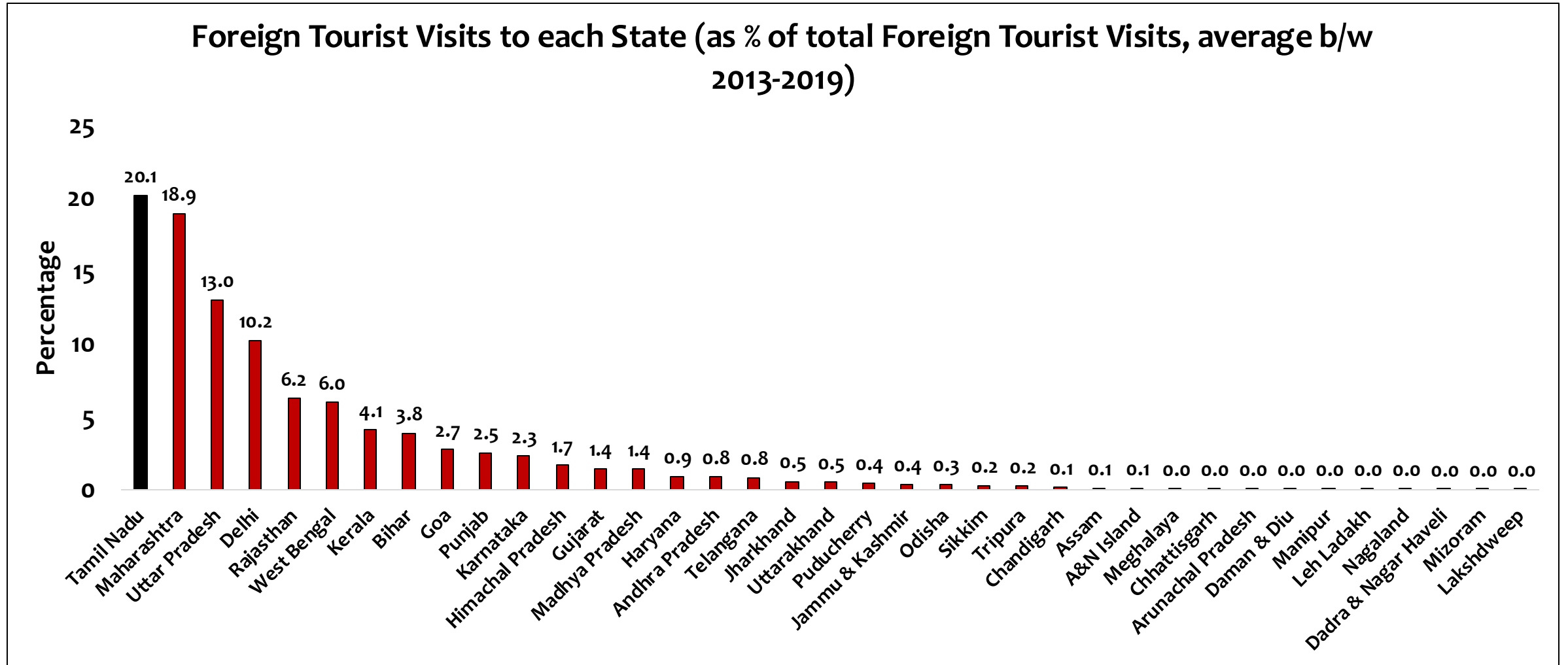
Note: The Credit variable used is Credit Outstanding as per Sanction.

Tamil Nadu holds an average 22.1 percent share of total Domestic Tourist Visits between 2013 - 2019



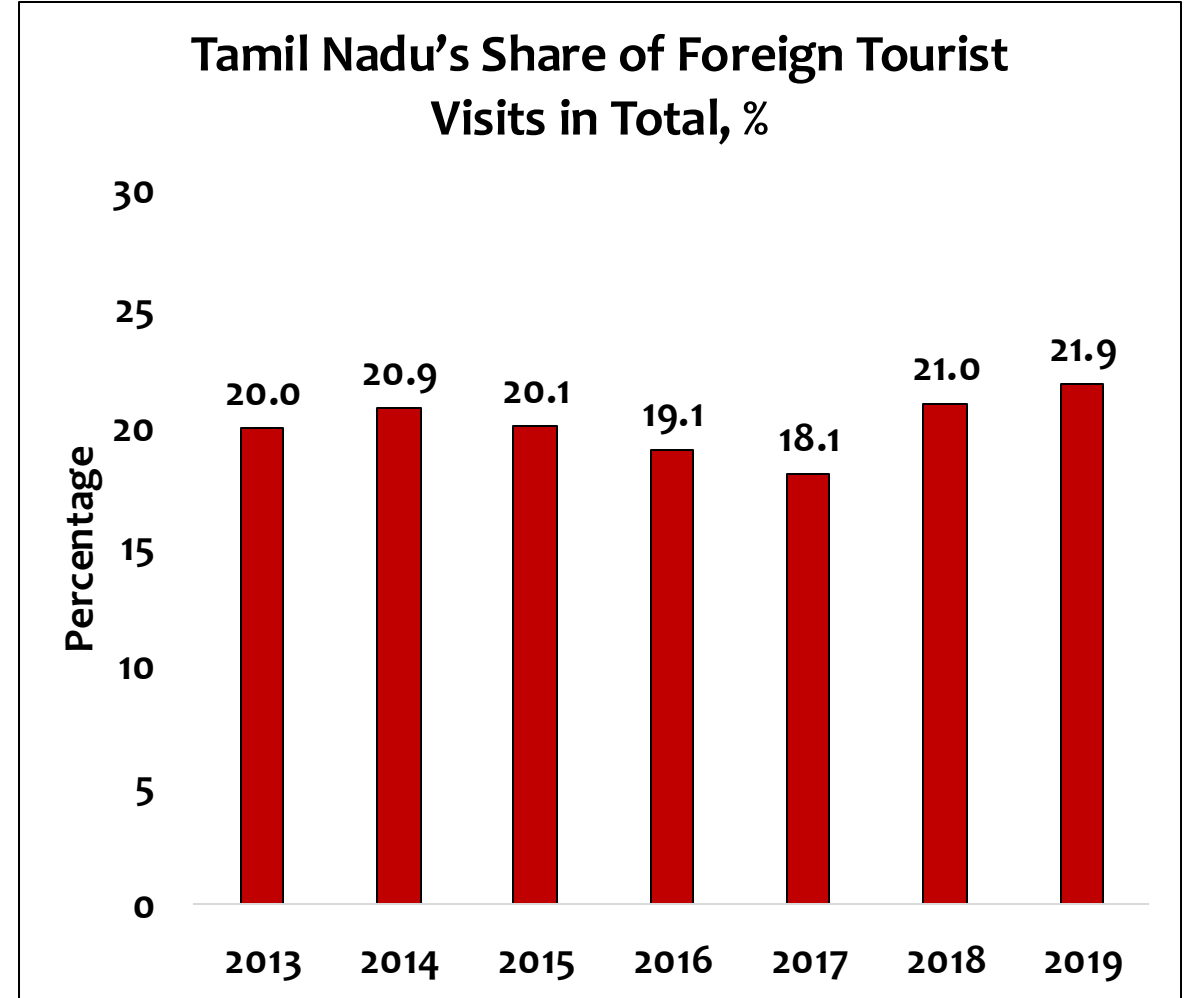
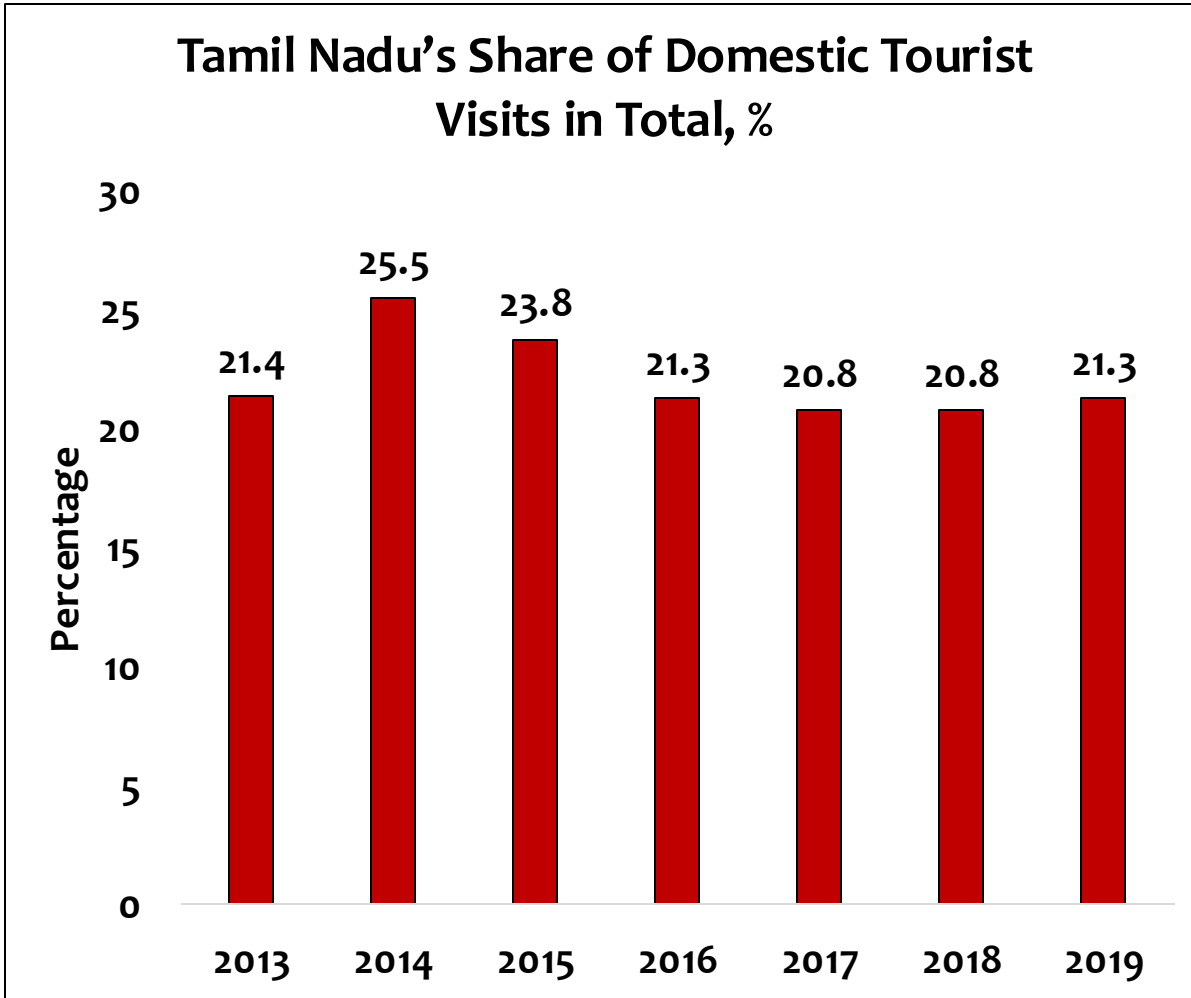
Source: Data on tourist visits have been compiled from multiple issues of India Tourism Statistics published by the Ministry of Tourism (2013-2019).

Tamil Nadu holds an average 20.1 percent share of total Foreign Tourist Visits between 2013 - 2019



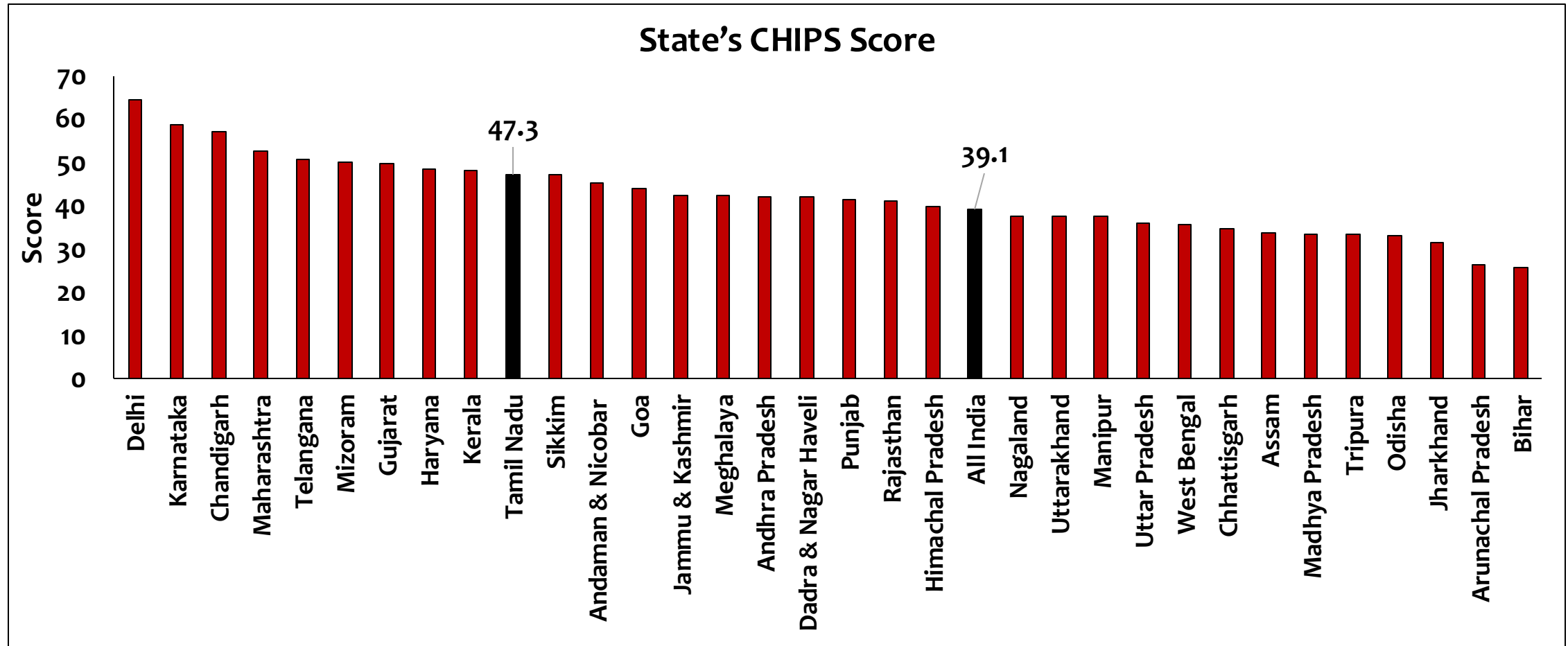
Source: Data on tourist visits have been compiled from multiple issues of India Tourism Statistics published by the Ministry of Tourism (2013-2019)

Domestic and Foreign Tourist Visits over the years in Tamil Nadu



Source: Data on tourist visits have been compiled from multiple issues of India Tourism Statistics published by the Ministry of Tourism (2013-2019).

Tamil Nadu's Connect, Harness, Innovate, Protect and Sustain (CHIPS) score is 8.2 points higher than the All-India score



Source: The State of India's Digital Economy Report 2024 by Indian Council for Research on International Economic Relations (ICRIER).

Note: 50 indicators have been used to measure the CHIPS score.

4. Socio-Economic Indicators (Education and Health)

- School Education data covers the period 2012-13 to 2016-17;
- Higher Education data covers the period 2012 to 2021;
- Health data covers the period 2011 – 2020 (SRS) and 1992-93 to 2019-21 (NFHS)

Table 3A: Education Indicators for Tamil Nadu

Indicator	Most Recent Value	India Value	Decadal Change (% points)	Source
Literacy Rate	80.1% (2011)	73.0%	+6.6% points (b/w 2001 & 2011)	Census of India
Drop-Out Rates (Class X)	16.7% (2016-17)	35.2%	-1.8% points (b/w 2013-14 & 2016-17)	U-DISE
Drop-Out Rates (Class VIII-X)	10.0% (2016-17)	21.1%	-0.2% points (b/w 2013-14 & 2016-17)	U-DISE
Students passing Board Examinations (Class X)	97.0% (2016-17)	86.1%	+3.1% points (b/w 2012-13 & 2016-17)	U-DISE
Student passing Board Examinations (Class XII)	100.0% (2016-17)	87.3%	+8.2% points (b/w 2012-13 & 2016-17)	U-DISE
Gross Enrolment Ratio (Higher Secondary)	82.0% (2015-16)	56.2%	+16.6% points (b/w 2012-13 & 2015-16)	U-DISE
Gross Enrolment Ratio (Higher Education)	46.9% (2021)	27.3%	+6.9% points (b/w 2012 & 2021)	AISHE
Gender Parity Index (Higher Education)	1.07 (2021)	1.05	+0.22 points (b/w 2012 & 2021)	AISHE
Colleges per 100,000 population	40 (2021)	31	+10.4 points (b/w 2012 & 2021)	AISHE

Note: i. Indicators for Higher Education are based on the population of the age group 18-23 years; ii. India number has been taken directly from the source; iii. Decadal changes are across a period of 10 years unless data is available for a lesser period.

Table 3B: Health Indicators for Tamil Nadu

Indicator	Most Recent Value	India Value	Decadal Change (% points)	Source
Infant Mortality Rate	13 deaths per 1000 live births (2020)	28 deaths per 1000 live births	22 deaths per 1000 live births (2011)	Sample Registration System
Total Fertility Rate	1.8 children per woman (2019-21)	2 children per woman	1.8 children per woman (2005-06)	NFHS
Life Expectancy	73.2 years (2020)	70 years	+3.8 years	Sample Registration System
Children Fully Immunized	89.2% (2019-21)	76.4%	+8.3% points	NFHS
Households with Access to Improved Drinking Water Source	98.6% (2019-21)	95.9%	+4.8% points	NFHS
Households with Access to Electricity	99.0% (2019-21)	96.5%	+10.4% points	NFHS
Households with Access to Sanitation Facilities	71.2% (2019-21)	69.3%	+48.8% points	NFHS

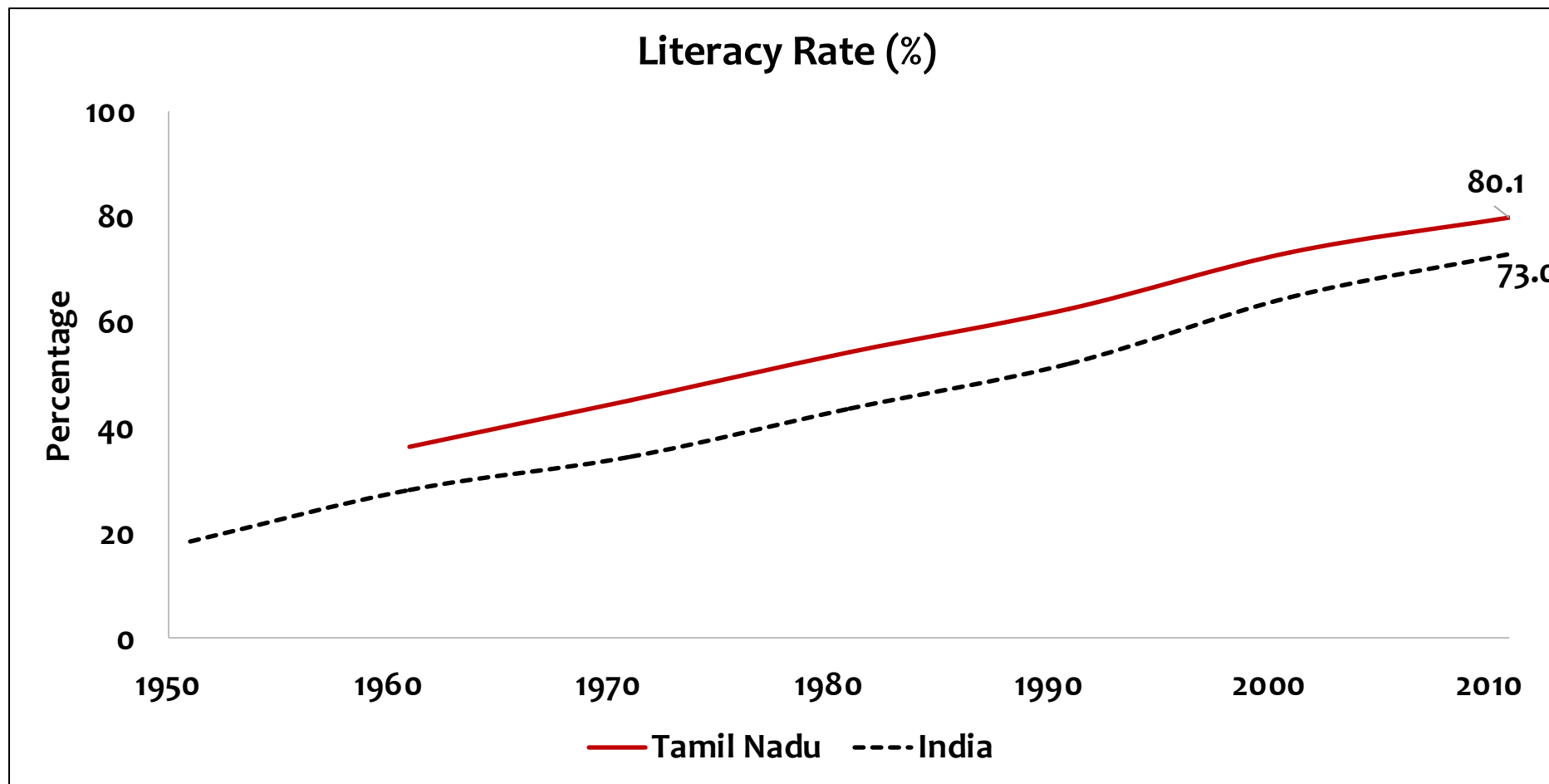
Note: i. Decadal change for NFHS variables taken from NFHS-V (2019-21) to NFHS-III (2005-06); ii. The number for India has been taken directly from the source; iii. All years represent corresponding survey years.

Table 3C: Other Socio-Economic Indicators for Tamil Nadu

Indicator	Most Recent Value	India Value	Decadal Change	Source
Pupil-Teacher Ratio: Elementary	20 (2016-17)	25	-8 points (b/w 2006-07 & 2016-17)	U-DISE
Pupil-Teacher Ratio: Higher Secondary	18 (2016-17)	31	-15 points (b/w 2012-13 & 2016-17)	U-DISE
Pupil-Teacher Ratio: Higher Education	15 (2018-19)	24	+1 points (b/w 2008-09 & 2018-19)	AISHE
Underweight Children	22.0 % (2019-21)	32.1%	-7.8 % points (b/w 2005-06 and 2019-21)	NFHS
Stunting Among Children	25.0 % (2019-21)	35.5%	-5.9 % points (b/w 2005-06 and 2019-21)	NFHS
Anaemia Among Children	57.4 % (2019-21)	67.1%	-6.8 % points (b/w 2005-06 and 2019-21)	NFHS
Anaemia Among Women	53.4 % (2019-21)	57.0%	0.2 % points (b/w 2005-06 and 2019-21)	NFHS
Under 5 Mortality Rate	22.3 deaths per 1000 live births	41.9 deaths per 1000 live births	-13.2 deaths per 1000 live births (b/w 2005-06 and 2019-21)	NFHS
Infant Mortality Rate	18.6 deaths per 1000 live births	35.2 deaths per 1000 live births	-11.8 deaths per 1000 live births (b/w 2005-06 and 2019-21)	NFHS
Multidimensional Poverty Index (MPI)	0.01 (2019-21)	0.07	-0.01 points (b/w 2015-16 & 2019-21)	NFHS
Sustainable Development Goals (SDG) Index	78 (2023-24)	71	+12 points (b/w 2018-19 & 2023-24)	NITI Aayog

Note: i. Indicators for Higher Education are based on the population of the age group 18-23 years; ii. India number has been taken directly from the source; iii. Decadal change for NFHS variables taken from NFHS-III (2005-06) to NFHS-V (2019-21); iv. Infant Mortality Rate in Table 3B was defined using the SRS data and the Infant Mortality Rate defined here is based on the NFHS data; v. All years represent corresponding survey years.

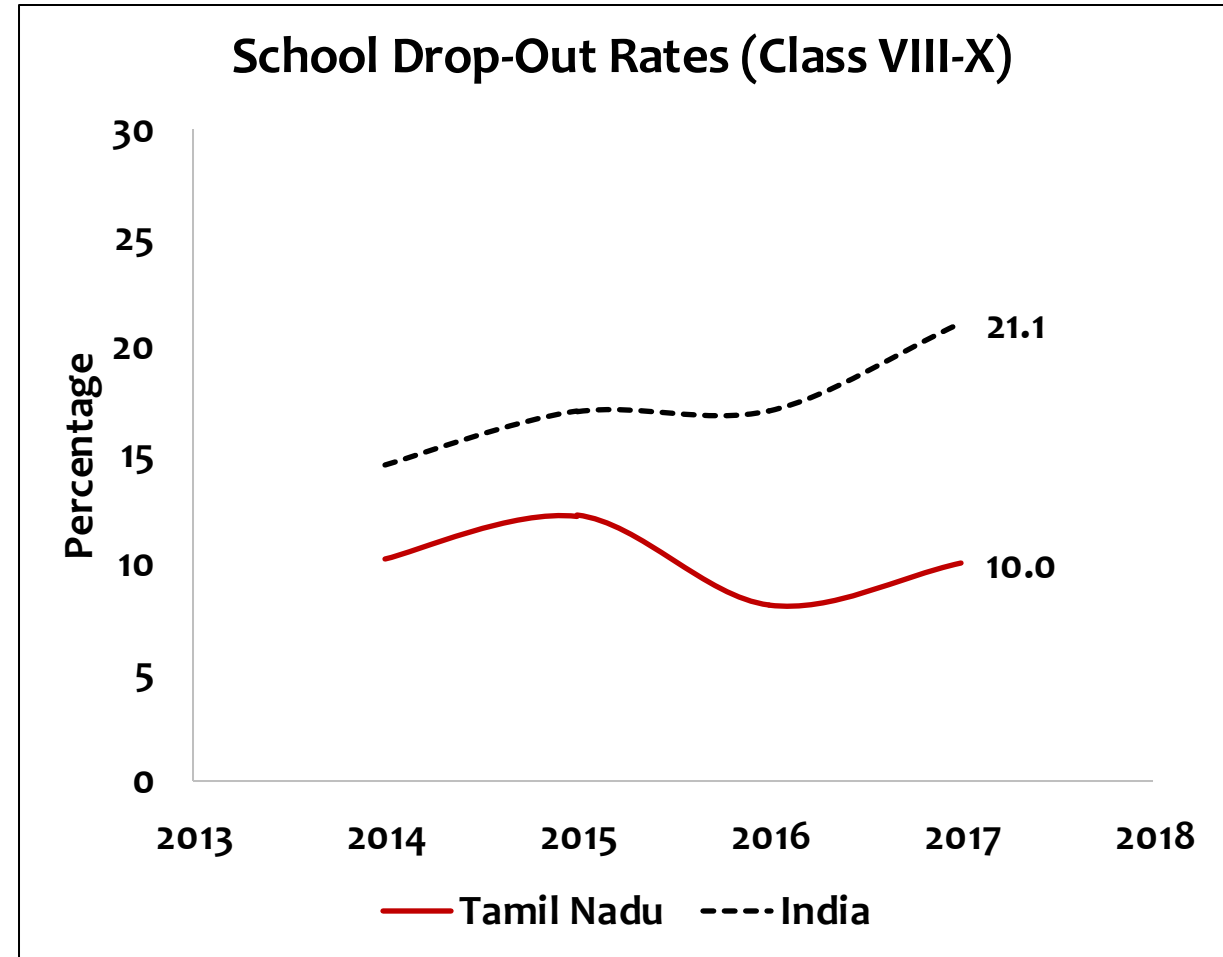
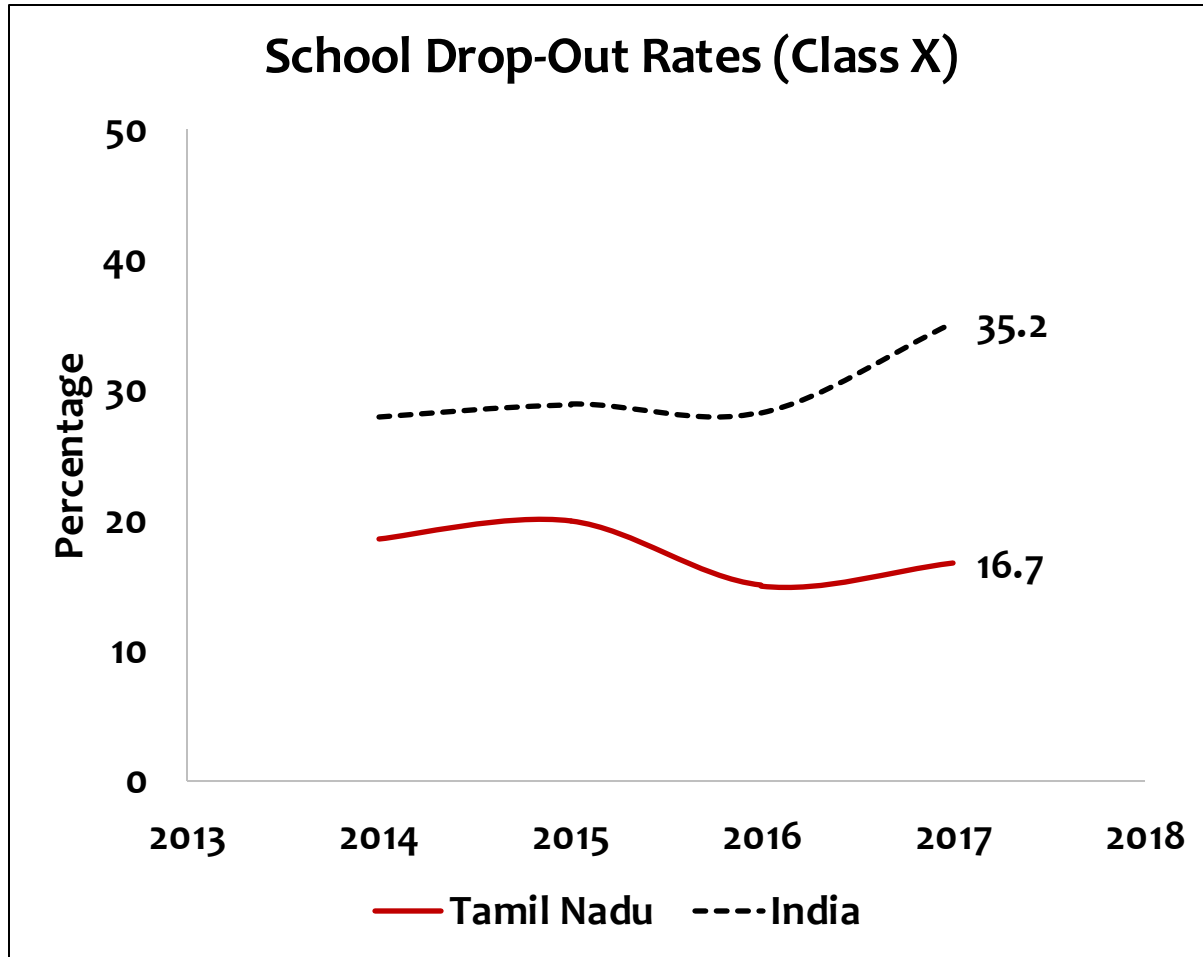
Tamil Nadu's Literacy Rate has increased rapidly over the decades and remains notably above the national estimate as of 2011



Source: Office of the Registrar General and Census Commissioner, Ministry of Home Affairs (1951 – 2011).

Note: i. India number has been taken directly from the source; ii. Census Literacy Rate relates to population aged seven years and above from 1981.

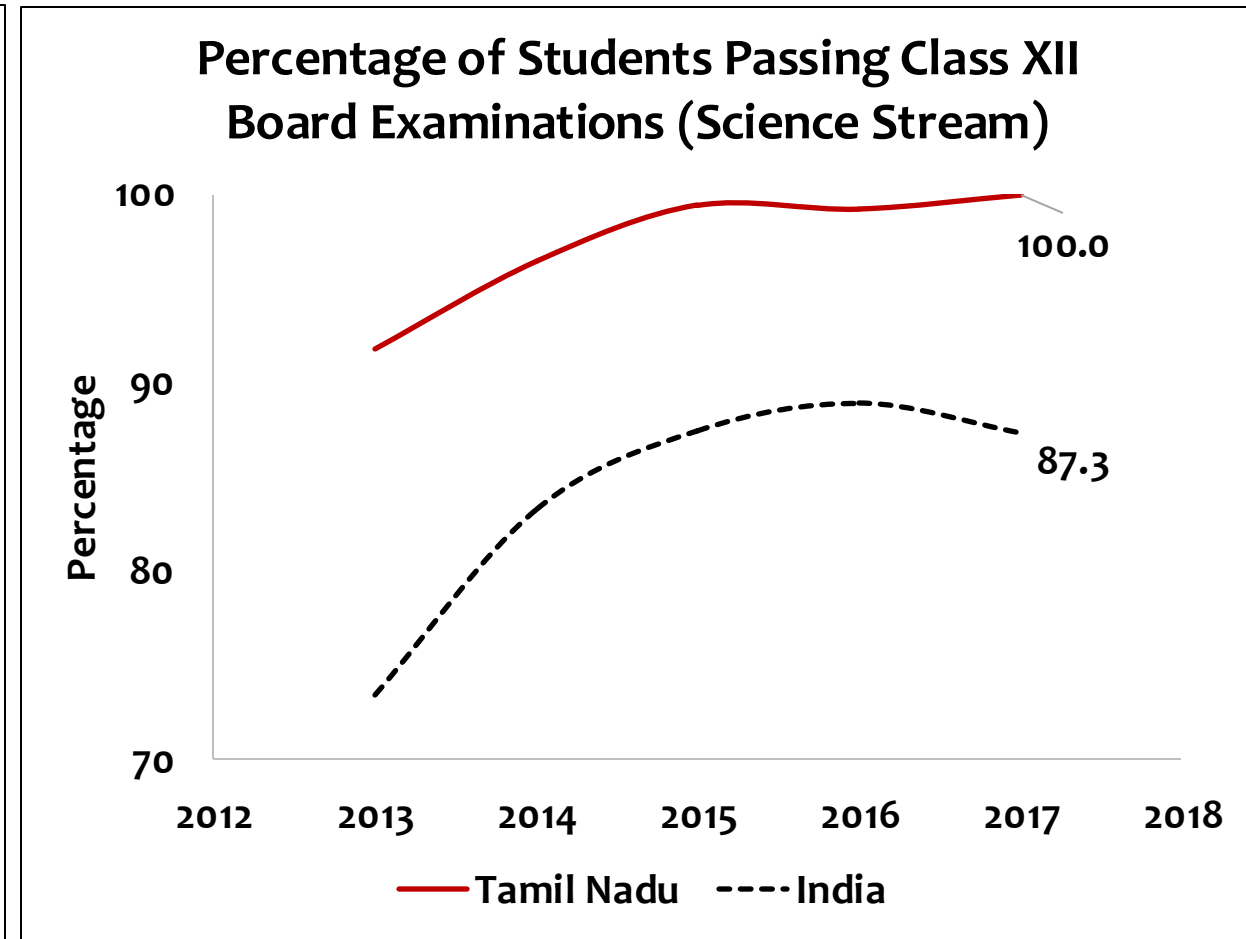
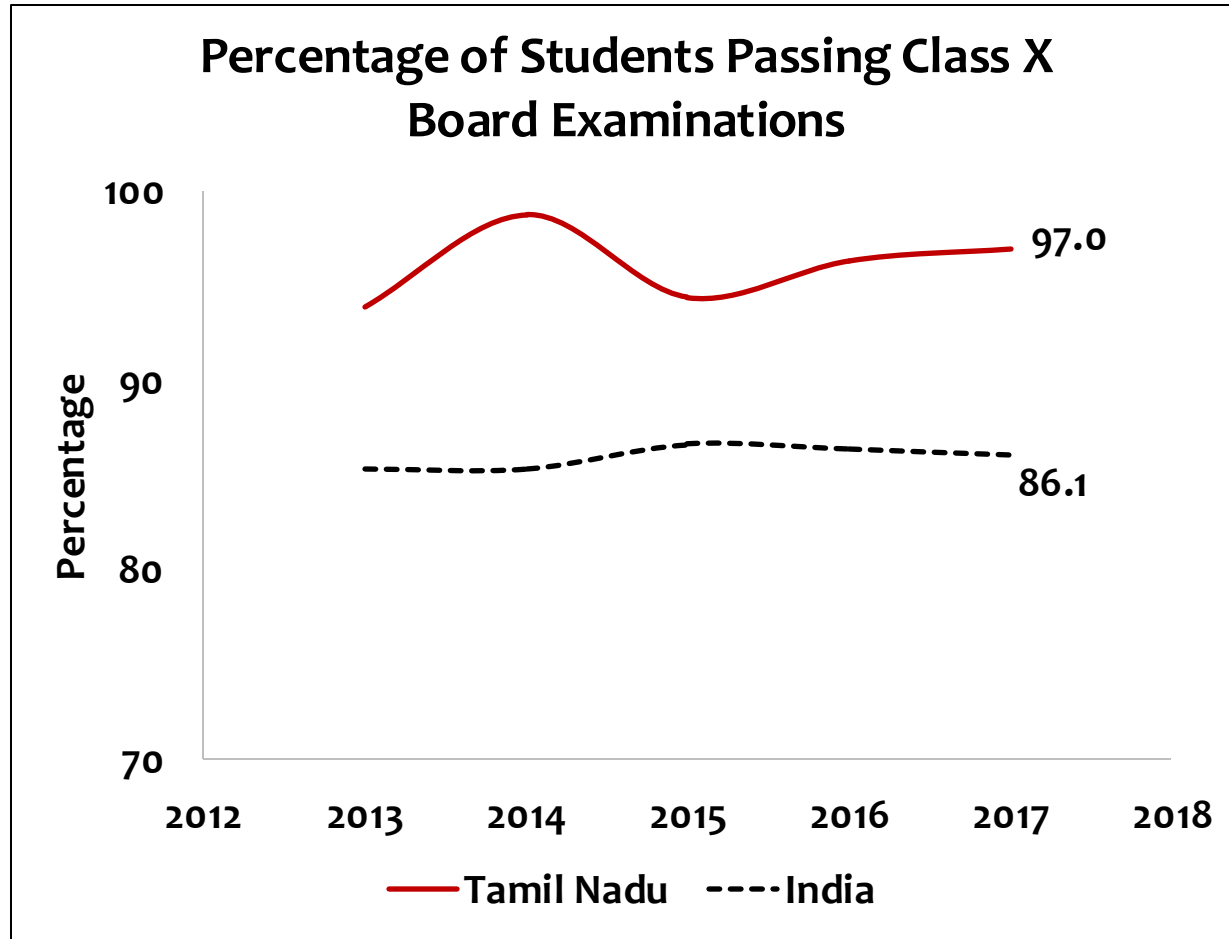
Tamil Nadu's School Drop-Out Rates for Class X and Secondary (Class VIII-X) Level are lower than the national figures for the period 2013-14 to 2016-17



Source: Unified District Information System for Education (U-DISE), 2015-16.

Note: i. Drop-Out Rate is defined as the proportion of pupils from a cohort enrolled in a given stage in a school year who are no longer enrolled in the following school year; ii. India number has been taken directly from the source.

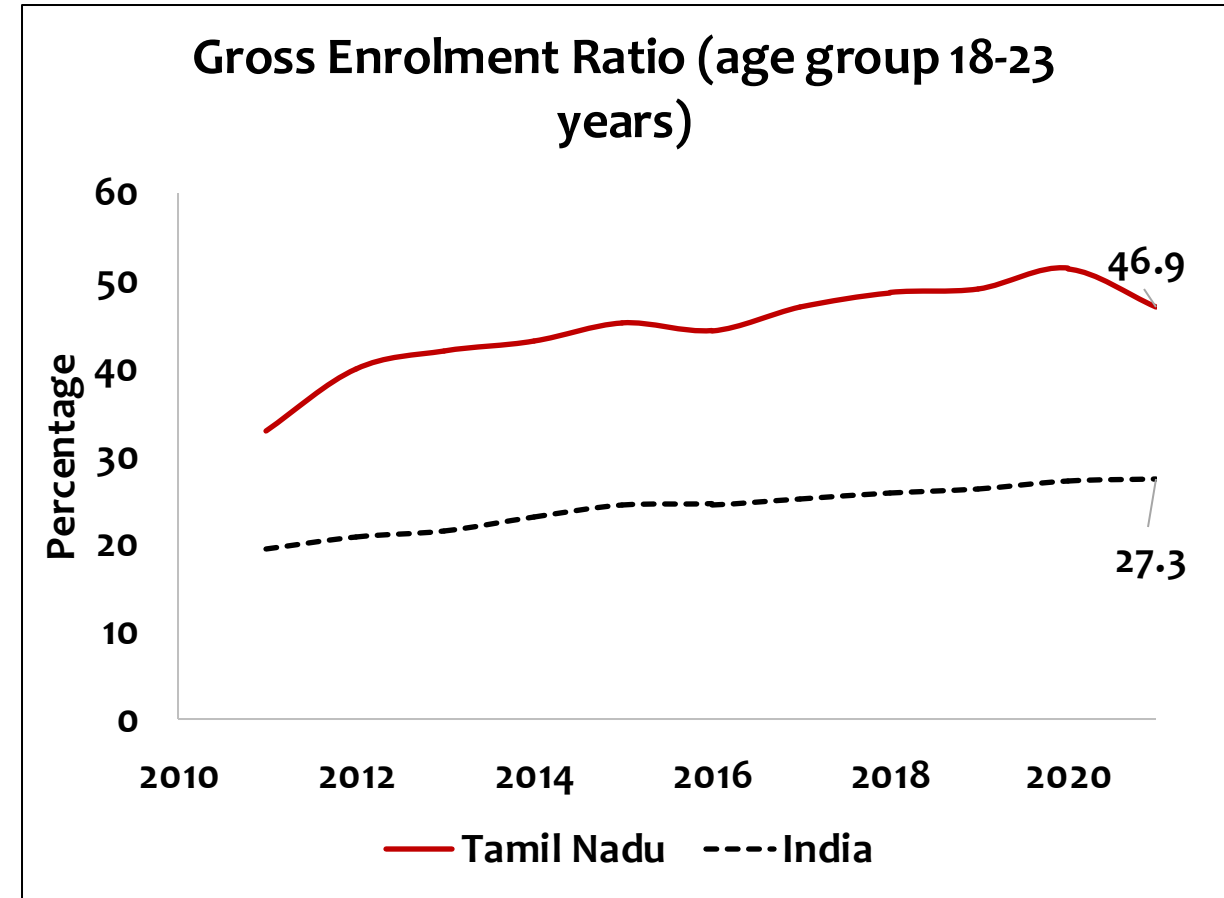
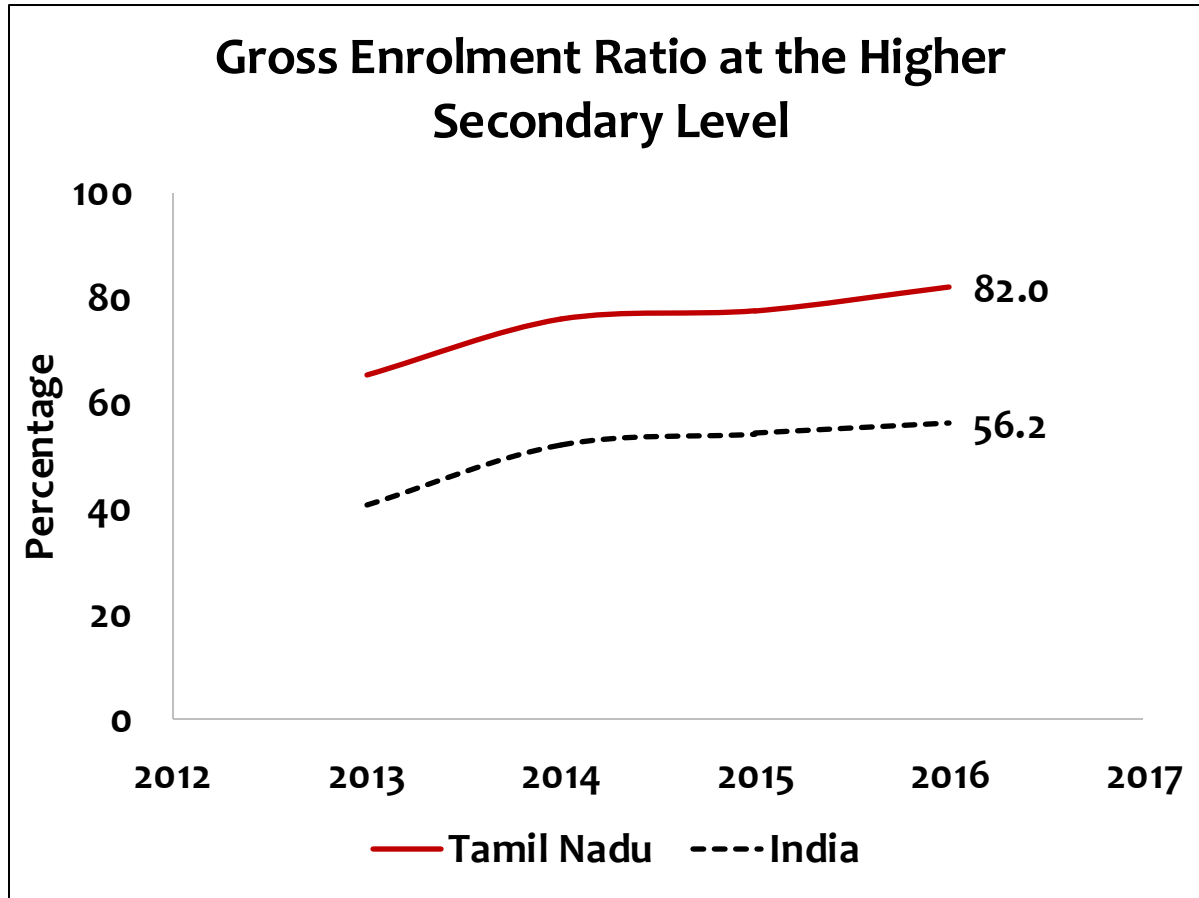
The share of students who pass the Secondary (Class X) Level Examinations is at 97 percent in Tamil Nadu which is above the national average over the period 2012-13 to 2016-17. The share of students who pass the Higher Secondary (Class XII) Level Examinations is at a complete 100 percent as in 2016-17



Source: Unified District Information System for Education (U-DISE) , 2015-16.

Note: i. Percentages are a simple average of the pass percentages for boys and girls as reported separately; ii. India number has been taken directly from the source; iii. Pass percentages for Higher Secondary Level are reported separately by Stream (Science, Arts, Humanities, Vocational, Others).⁴⁴

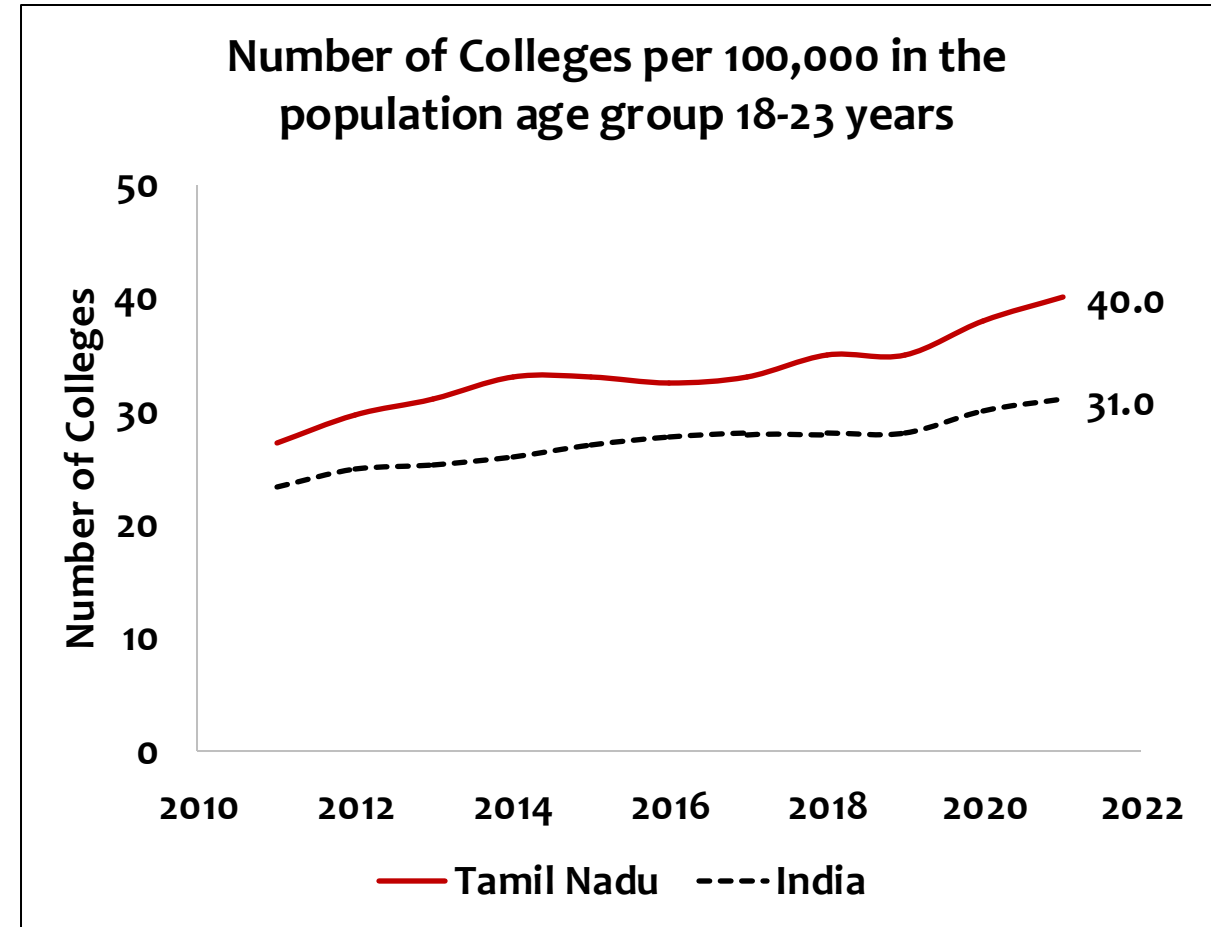
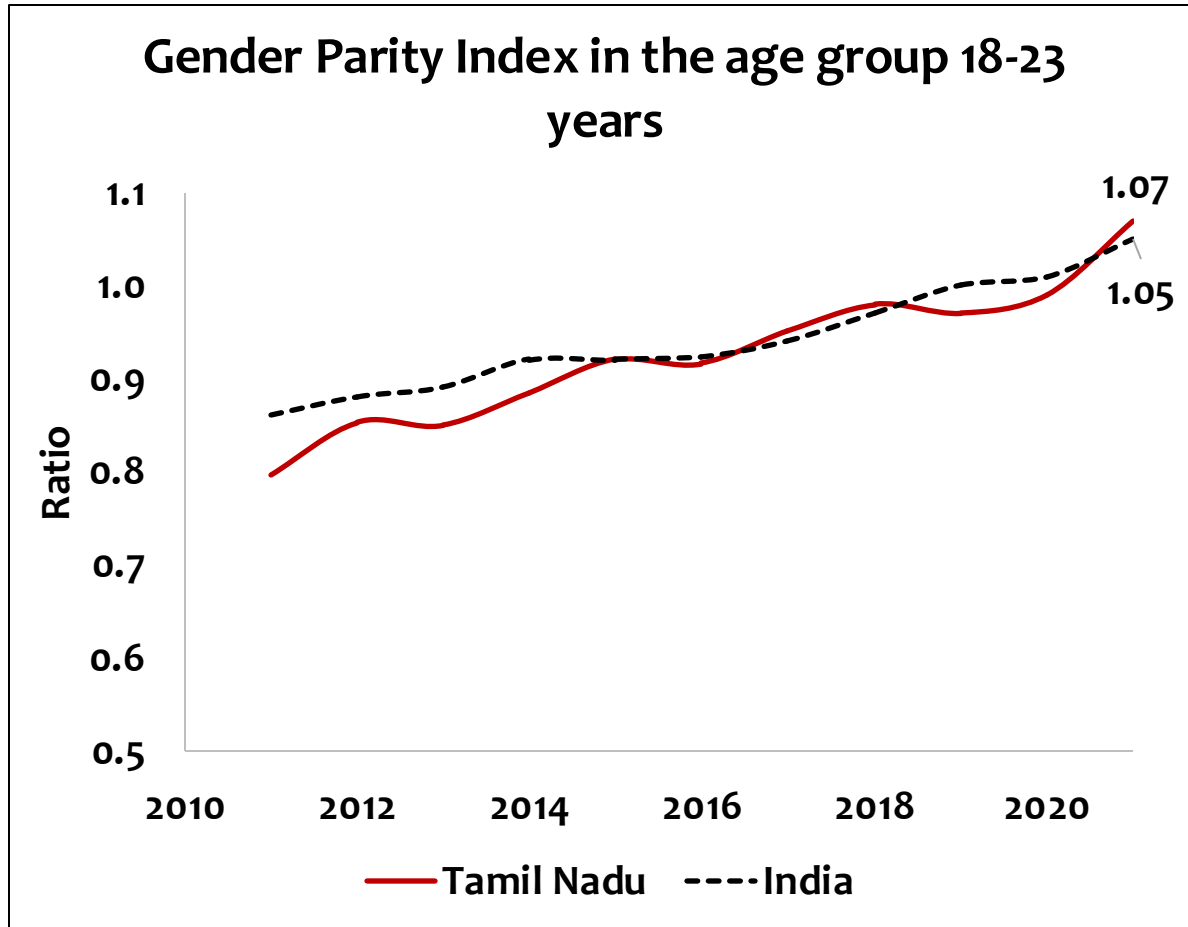
Tamil Nadu's Gross Enrolment Ratio (GER) at the Higher Secondary (Class XII) and Higher Education (in the age group 18-23 years) Levels was above the national figures over their respective periods



Source: i. Unified District Information System for Education (U-DISE) , 2015-16.; ii. All India Survey on Higher Education (AISHE), 2020-21.

Note: i. GER is the total enrolment in a particular stage of education, regardless of age, expressed as a percentage of the official age-group of the population which corresponds to the given stage of education in a given year. It is the general level of participation per stage of education; ii. The Higher Education GER represents share of enrollees to the total population in the age group 18-23 years; iii. India number has been taken directly from the source.

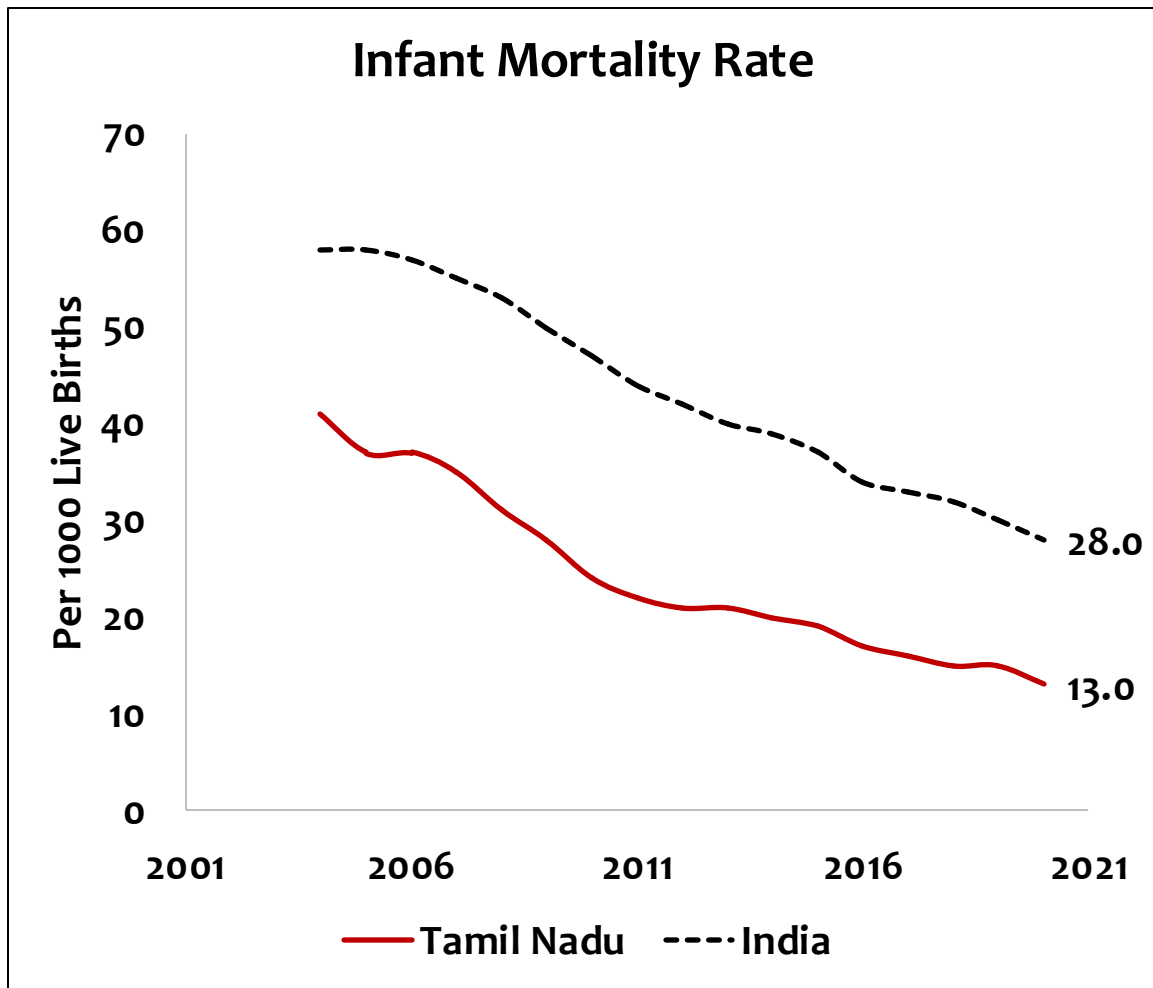
In terms of Gender Parity Index (the share of girls to boys enrolled at Higher Education institutions in the age group 18-23 years), Tamil Nadu is near the national benchmark throughout the last decade. Tamil Nadu has higher number of colleges (40) per 100,000 people in the age-group 18-23 years compared to the national average (31)



Source: All India Survey on Higher Education (AISHE), 2020-21

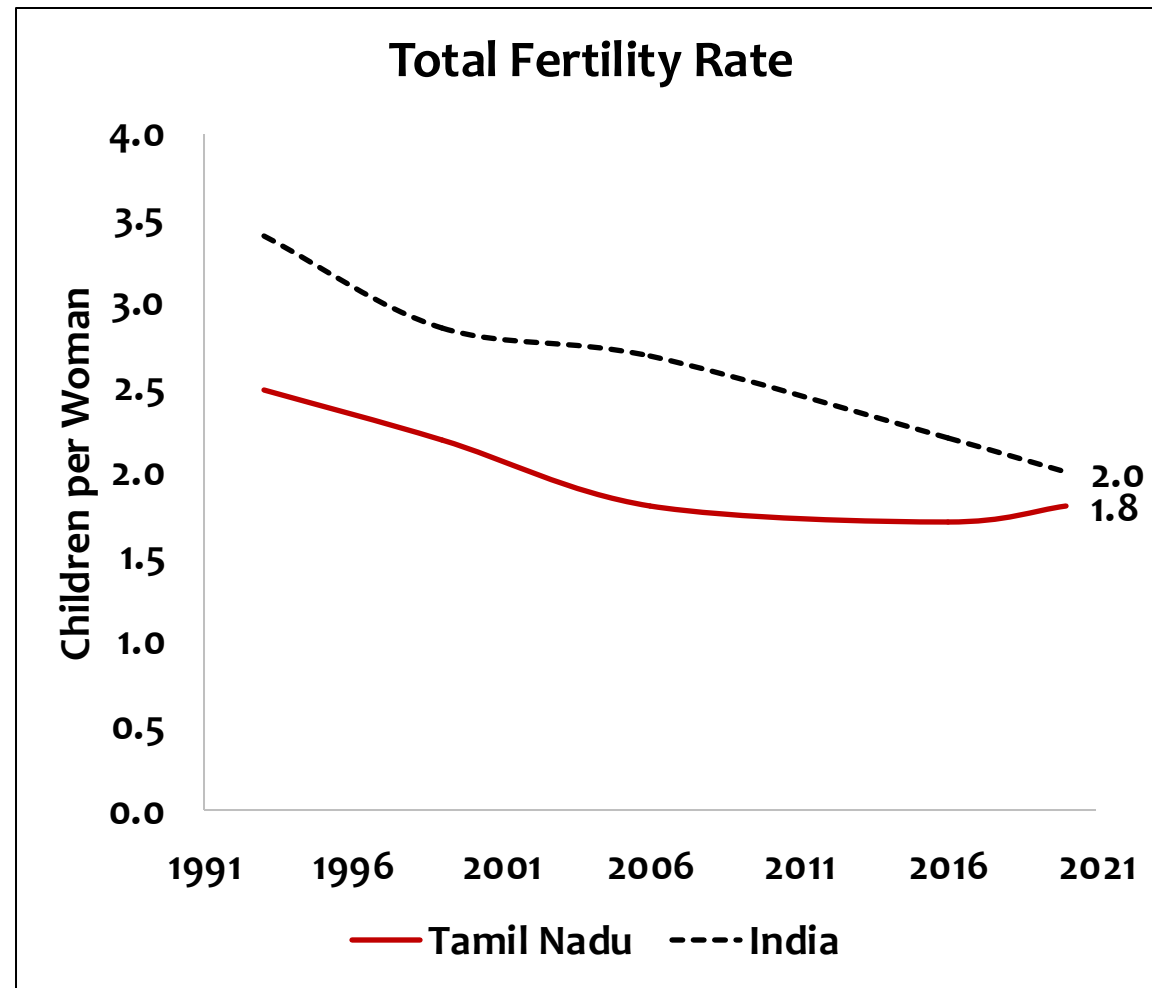
Note: The number for India has been taken directly from the source.

Tamil Nadu has seen a decline in Infant Mortality and Total Fertility Rates and on both measures, it fares better than the national benchmark over their respective periods



Source: Sample Registration System (SRS) Bulletin, Ministry of Home Affairs, 2020.

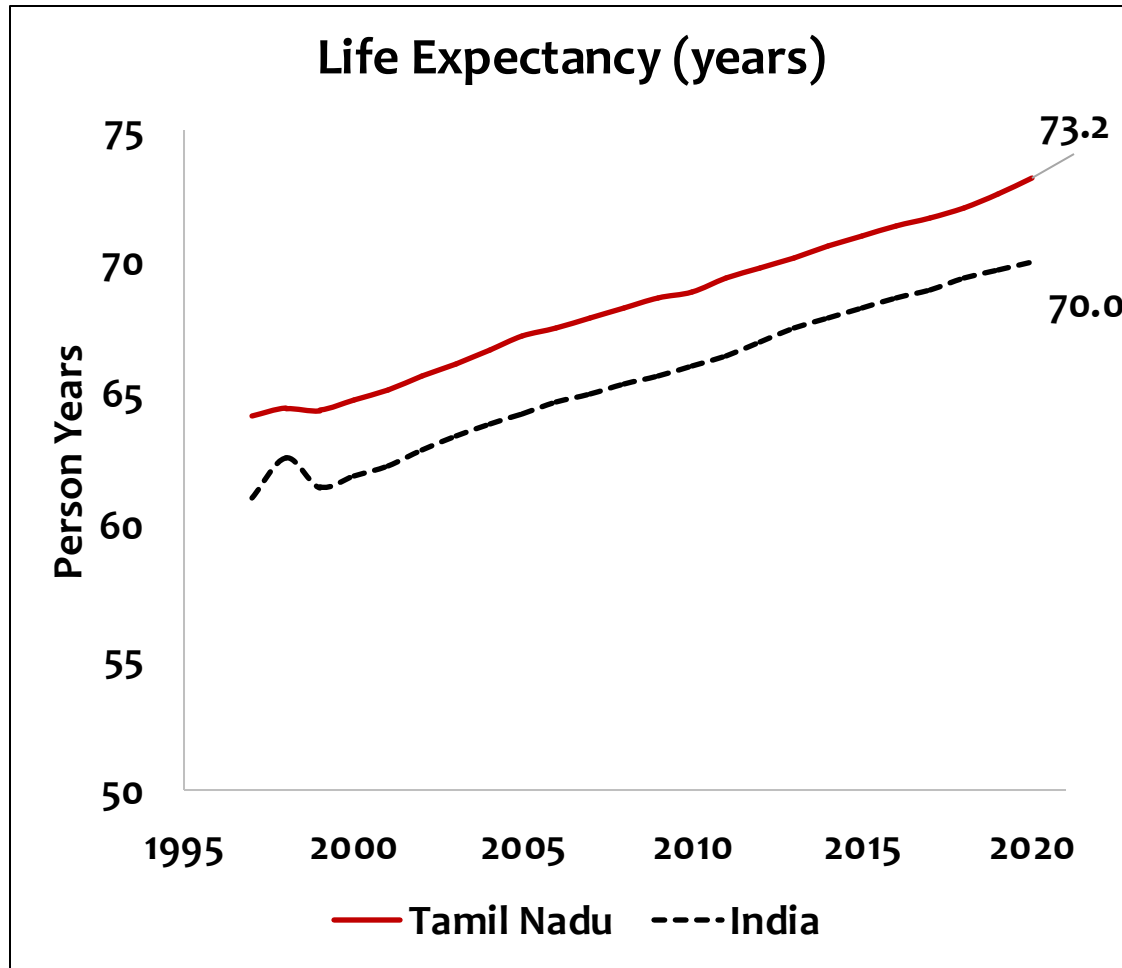
Note: India Number has been taken directly from the source



Source: National Family Health Survey (I - V).

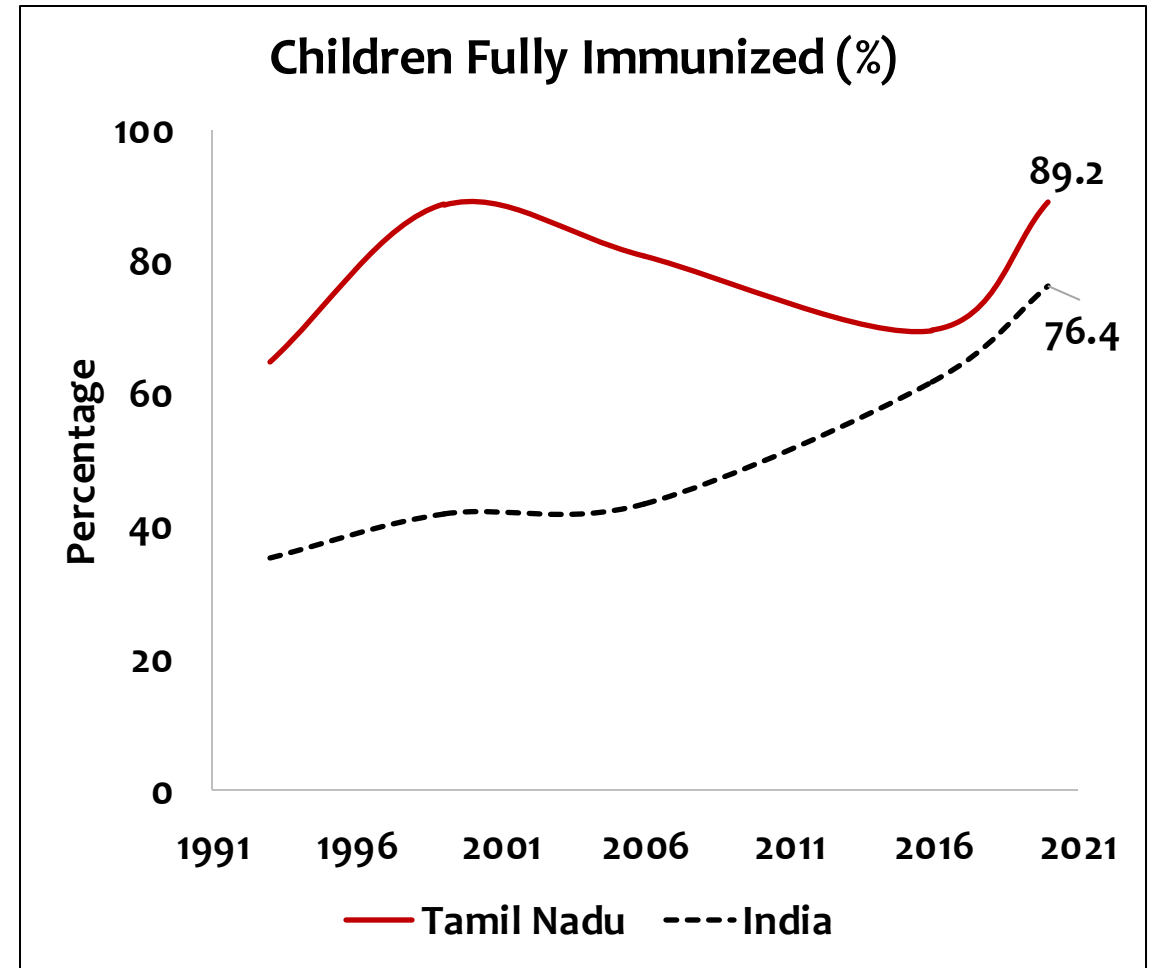
Note: India Number has been taken directly from the source

Life Expectancy in Tamil Nadu was higher than that of an average person in India. Tamil Nadu is placed above the national average in terms of full immunisation of children (12-23 months) as of 2019-21



Source: Sample Registration System Bulletin, Ministry of Home Affairs, 2020 ; and Economic Survey, Ministry of Finance.

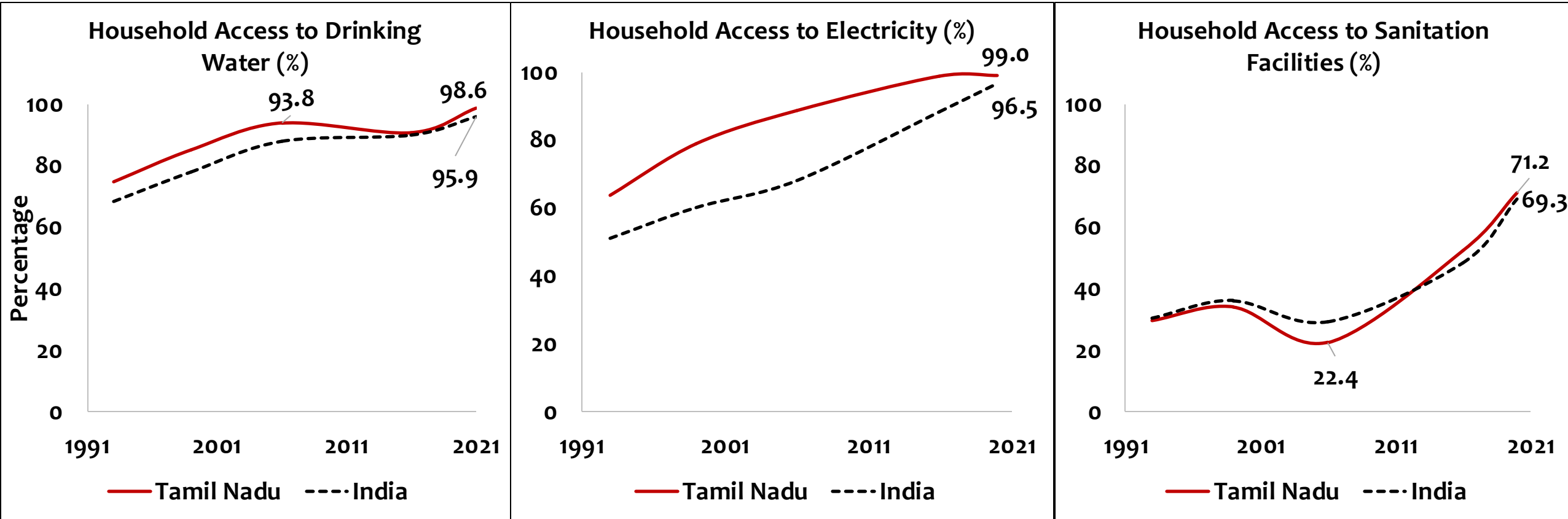
Note: India number has been taken directly from the source.



Source: National Family Health Survey (I – V).

Note: India number has been taken directly from the source.

Tamil Nadu has improved on basic “quality of life” indicators. Nearly all households have access to electricity. Percentage of households with access to drinking water is slightly above the national average as of 2019-21 while household access to sanitation facilities mimics the all-India trend across the decades



Source: National Family Health Survey (I – V).

Note: i. India number has been taken directly from the source; ii. Drinking water and sanitation refers to improved sources and facilities respectively as defined in NFHS.

5. Fiscal Indicators

- **Fiscal Data covers the fiscal period 1990-91 - 2022-23**
- **Benchmark includes all 29 States (all Union Territories are excluded)**

Table 4A: Deficits, Revenue, Expenditure, Debt, Subsidies and Off-Budget Borrowings for Tamil Nadu

Indicators	Most Recent Value (% of GSDP)	For Year	Decadal Change (b/w 2013-14 & 2022-23)	States' Median (All States)	States' Median (Large States)	All States/UTs (% of National GDP)
Fiscal Deficit, % of GSDP	3.2 %	2022-23	+ 1.0 % points	3.8 %	3.6%	3.4 %
Primary Deficit, % of GSDP	1.2 %	2022-23	+ 0.3 % points	1.9 %	1.6%	1.7 %
Revenue Surplus (+)/Deficit (-), % of GSDP	- 1.3 %	2022-23	- 1.1 % points	0.3 %	-0.4%	- 0.5 %
Total Revenue Receipts, % of GSDP	10.4 %	2022-23	- 0.8 % points	19.9 %	15.3%	14.4 %
Own Tax Revenue, % of GSDP	6.4 %	2022-23	- 1.2 % points	6.3 %	6.4%	6.6 %
Own Non Tax Revenue, % of GSDP	0.6 %	2022-23	- 0.3 % points	1.2 %	1.1%	1.0 %
Total Expenditure, % of GSDP	13.6 %	2022-23	+ 0.2 % points	24.0 %	19.3%	17.8 %
Revenue Expenditure, % of GSDP	11.7 %	2022-23	+ 0.3 % points	18.8 %	16.9 %	14.8 %
Capital Expenditure, % of GSDP	1.9 %	2022-23	- 0.1 % points	4.0 %	3.4%	3.0 %
Capital Expenditure, % of Total Exp	14.1%	2022-23	- 1.0 % points	17.6 %	16.1%	16.7 %
Total Public Debt, % of GSDP	31.4 %	2022-23	+ 12.8 % points	32.1 %	30.7%	27.5 %
Contingent Liabilities, % of GSDP	4.4 %	2021-22	+ 1.6 % points	1.6 %	1.7%	3.8 %

Source: Data is taken from RBI SFR as of December 2023.

Note: i. Median of All States includes all 29 States (all Union Territories are excluded); ii. Median of 22 States excludes the North Eastern States, except Assam; iii. All States/UTs shows the sum of 29 States, Delhi and Puducherry, expressed as a % of national gross domestic product.

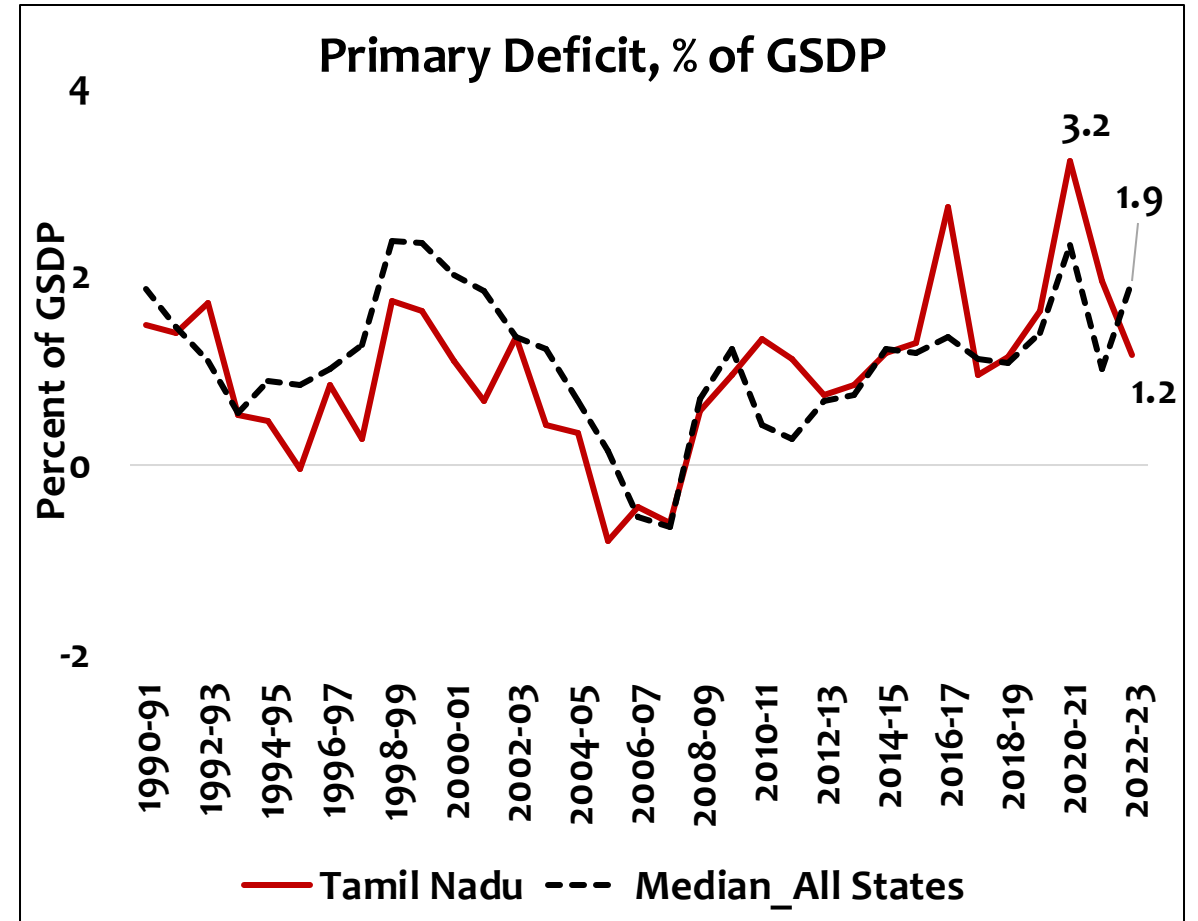
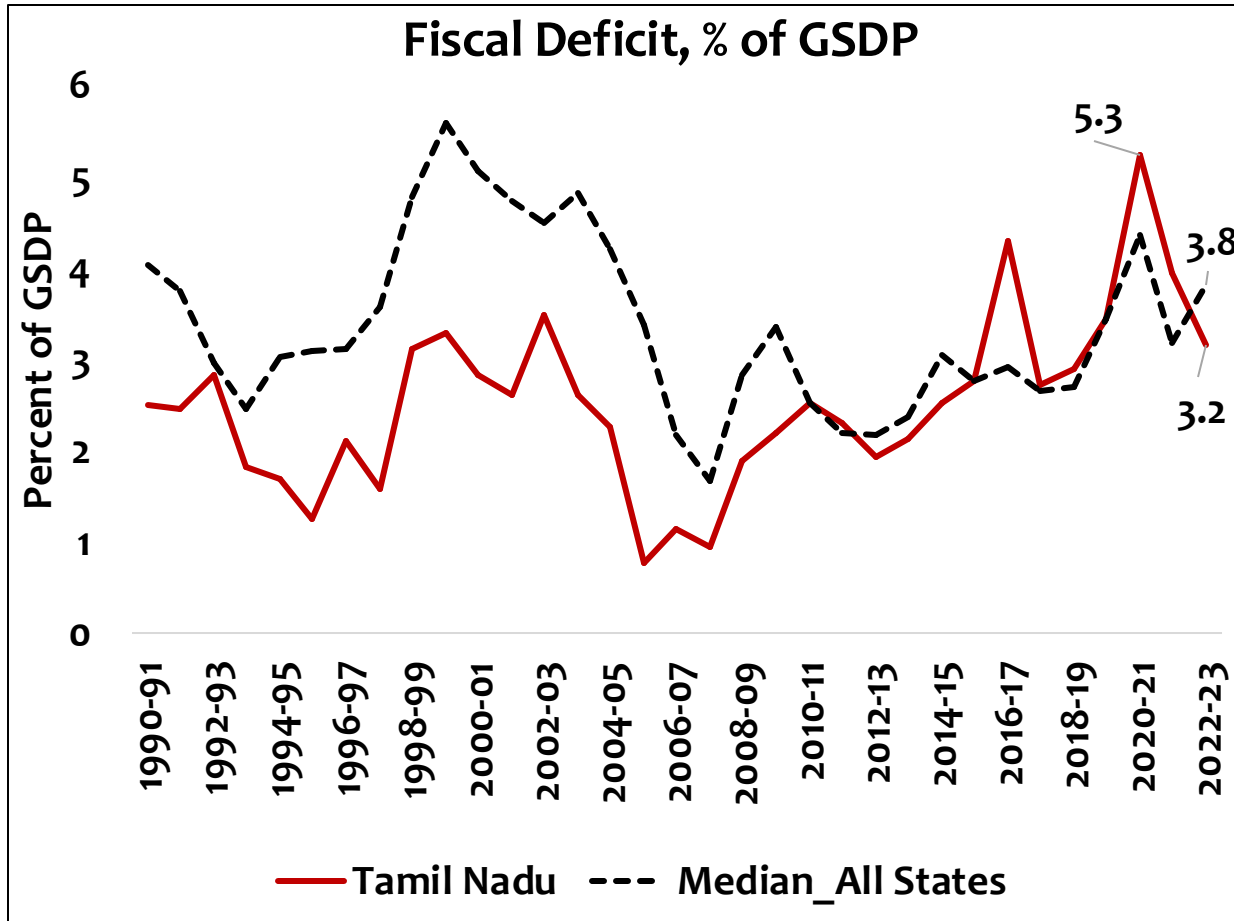
Table 4B: Deficits, Revenue, Expenditure, Debt, Subsidies and Off-Budget Borrowings for Tamil Nadu

Indicators	Most Recent Value (% of GSDP)	For Year	Decadal Change (b/w 2013-14 & 2022-23)	States' Median (All States)	States' Median (Larger States)	All States/UT's (% of National GDP)
Committed Expenditure, % of GSDP	6.1%	2022-23	+0.02% points	9.2%	8.1%	6.9%
Committed Expenditure, % of Total Expenditure	45.6%	2022-23	-0.2% points	42.4%	40.9%	38.6%
Subsidies, % of GSDP	5.0%	2022-23	+3.8% points (b/w 2018-19 & 2022-23)	1.0%	1.1%	1.5%
Subsidies, % of Total Expenditure	37.0%	2022-23	+28.7% points (b/w 2018-19 & 2022-23)	3.7%	5.8%	8.2%
Off-Budget Borrowings, % of GSDP	0.05%	2022-23	-	0.2%	0.2%	0.1%
Per Capita Social Expenditure	Rs. 15,176	2022-23	+Rs. 7,670	Rs. 18,949	Rs. 2,606	Rs. 6,514
Per Capita Health Expenditure	Rs. 2,353	2022-23	+Rs. 1,534	Rs. 17,385	Rs. 2,494	Rs. 5,669
Per Capita Education Expenditure	Rs. 5,669	2022-23	+Rs. 2,738	Rs. 17,585	Rs. 2,421	Rs. 5,700
Social Expenditure, % of Total Expenditure	36.3%	2022-23	-6.4% points	43.9%	45.6%	45.3%
Health Expenditure, % of Total Expenditure	5.6%	2022-23	+1.0% points	6.3%	6.3%	6.2%
Education Expenditure, % of Total Expenditure	13.5%	2022-23	-3.1% points	14.6%	14.8%	14.7%
Buoyancy for Revenue Expenditure with GSDP - ratio	0.6%	2022-23	-0.4% points	1.8%	1.7%	1.5%

Source: i. Subsidies, Wage and Salaries, Pension, Social sector expenditure, Medical and Public Health, Family Welfare, Education expenditure, Total Expenditure data are from the RBI's State Finances Reports, as of December 2023; ii. Off-Budget Borrowing data is from Ministry of Expenditure (2021-22, 2022-23); iii. Data for Population and GSDP are taken from MoSPI.

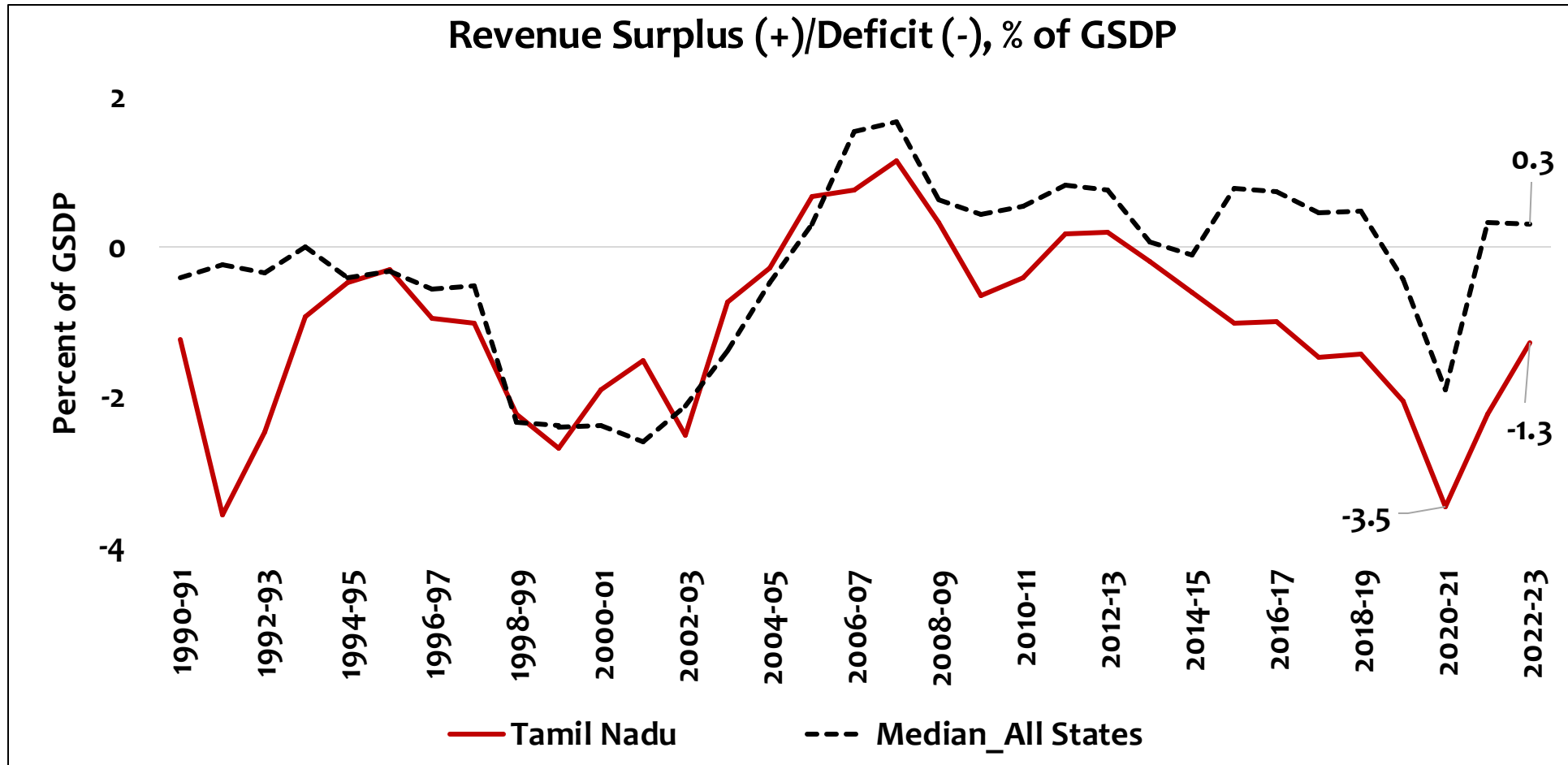
Note: i. Median of All States includes all 29 States (all Union Territories are excluded); ii. Median of 22 States excludes the North Eastern States, except Assam; iii. All States/UTs shows the sum of 29 States, Delhi and Puducherry, expressed as a % of national gross domestic product; iv. Committed Expenditure is calculated as the sum of Wage, Salaries, and Pension; v. Health Expenditure is calculated as the sum of Medical and Public Health, Family Welfare; vi. Social, Health, and Education Expenditures are calculated as per capita values by dividing the respective expenditure by the population; vii. Total Expenditure is calculated as the sum of Revenue Expenditure (RevEx), Capital Outlay, and Loans and Advances; viii. The Buoyancy of Revenue Expenditure is calculated as the ratio between the year-on-year growth rate of Revenue Expenditure and that of GSDP.

In 2022-23, Tamil Nadu ran a Fiscal Deficit and Primary Deficit of 3.2 and 1.2 percent of its GSDP respectively, both lower than those of a median State



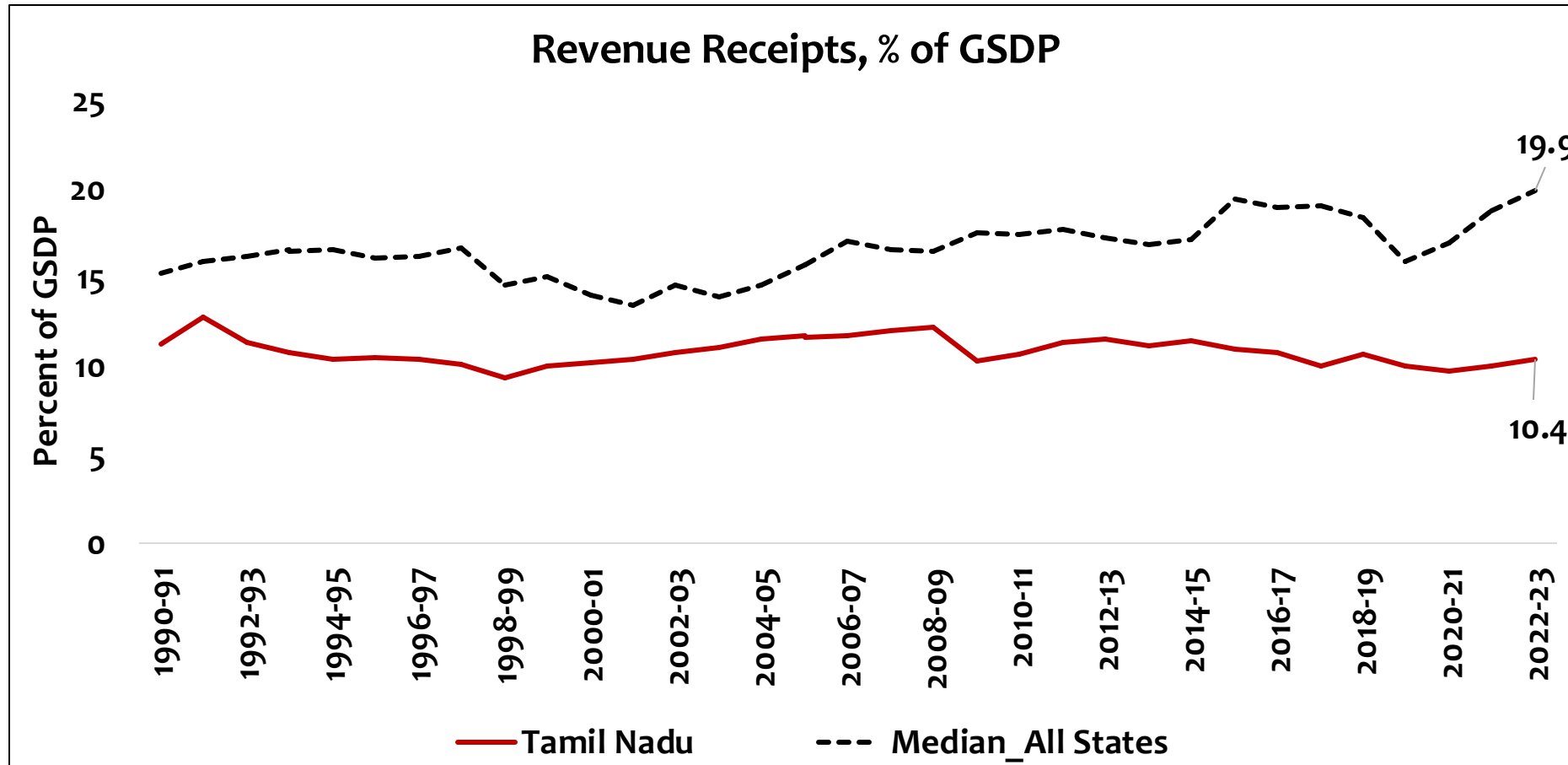
Source: i. Fiscal Deficit (FD) is from RBI State Finances Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23). Note: i. Primary Deficit (PD) is calculated (Fiscal Deficit – Interest Payments). Interest Payments is sourced from RBI SFR; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded); iii. The significant fiscal and primary deficit in 2020-21 could result from the lowest Own Tax and Own Non-Tax Revenue collected by the State in the past three decades.

Tamil Nadu ran a Revenue Deficit of 1.3 percent of its GSDP in 2022-23, while a median State ran a Revenue Surplus of 0.3 percent of its GSDP



Source: i. Revenue Deficit is from RBI State Finances Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23). Note: The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded); iii. The significant revenue deficit in 2020-21 could result from the lowest Own Tax and Own Non-Tax Revenue collected by the State in the past three decades.

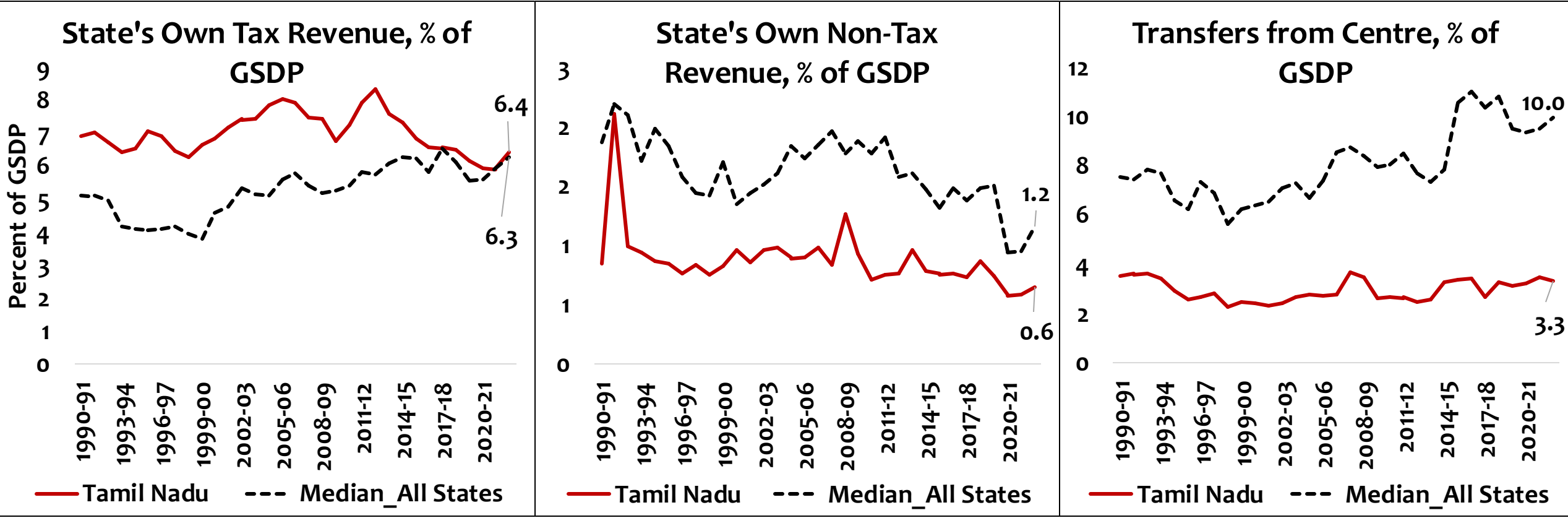
In 2022-23, Tamil Nadu's total Revenue Receipts (own tax, own non-tax, and shared by the Centre) were lower than what a median State collected, at about 10.4 percent of its GSDP



Source: i. Revenue Receipts from RBI State Finances Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23).

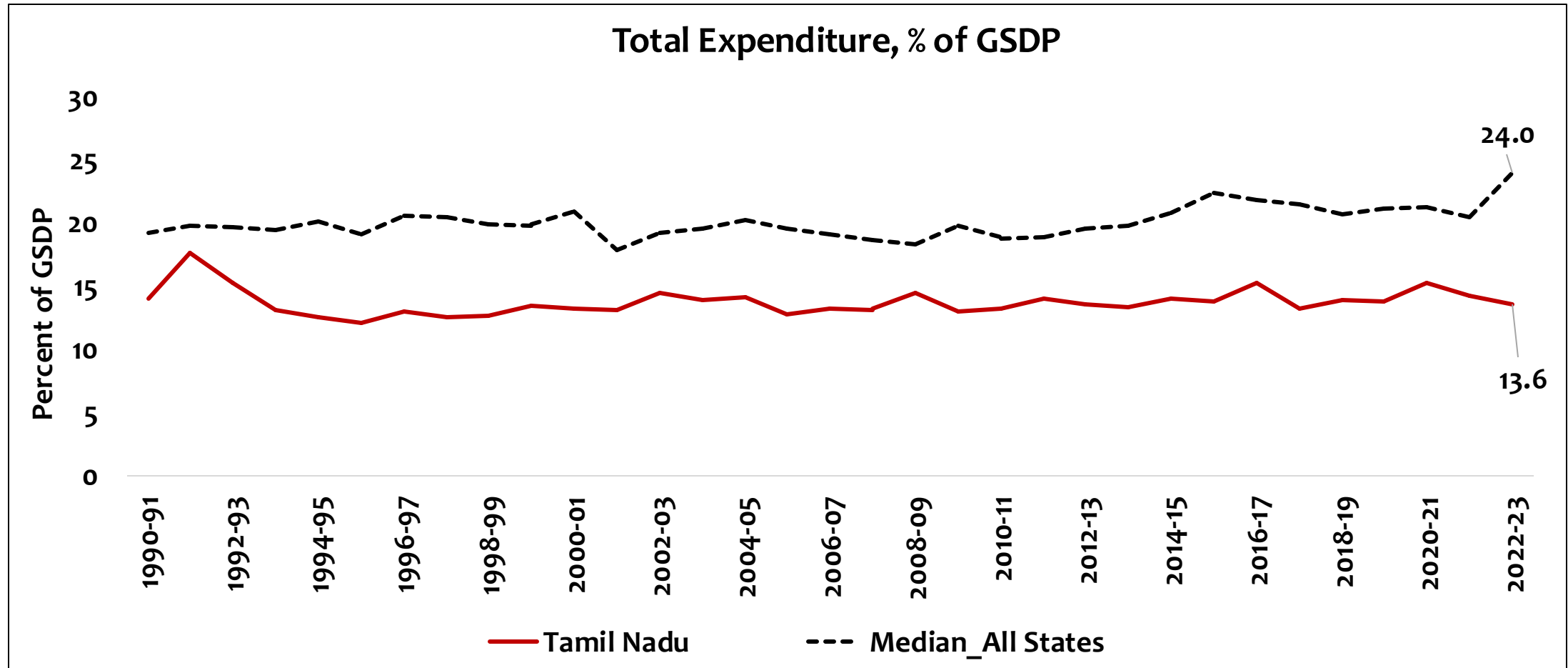
Note: The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded).

Tamil Nadu's Own Tax Revenue, Own Non-Tax Revenue, and Transfers from the Centre are 6.4, 0.6, and 3.3 percent of its GSDP respectively. Transfers from the Centre to Tamil Nadu have been consistently lower than what a median State receives



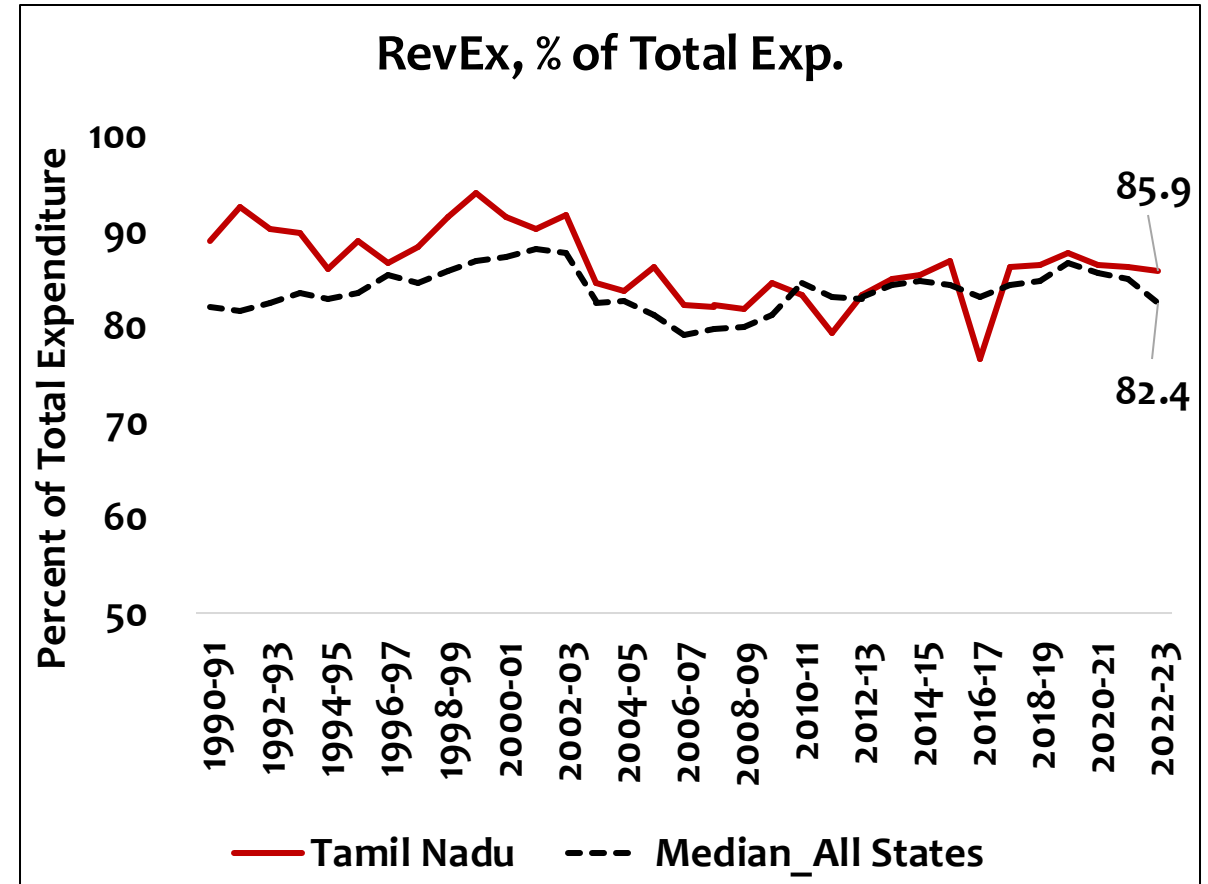
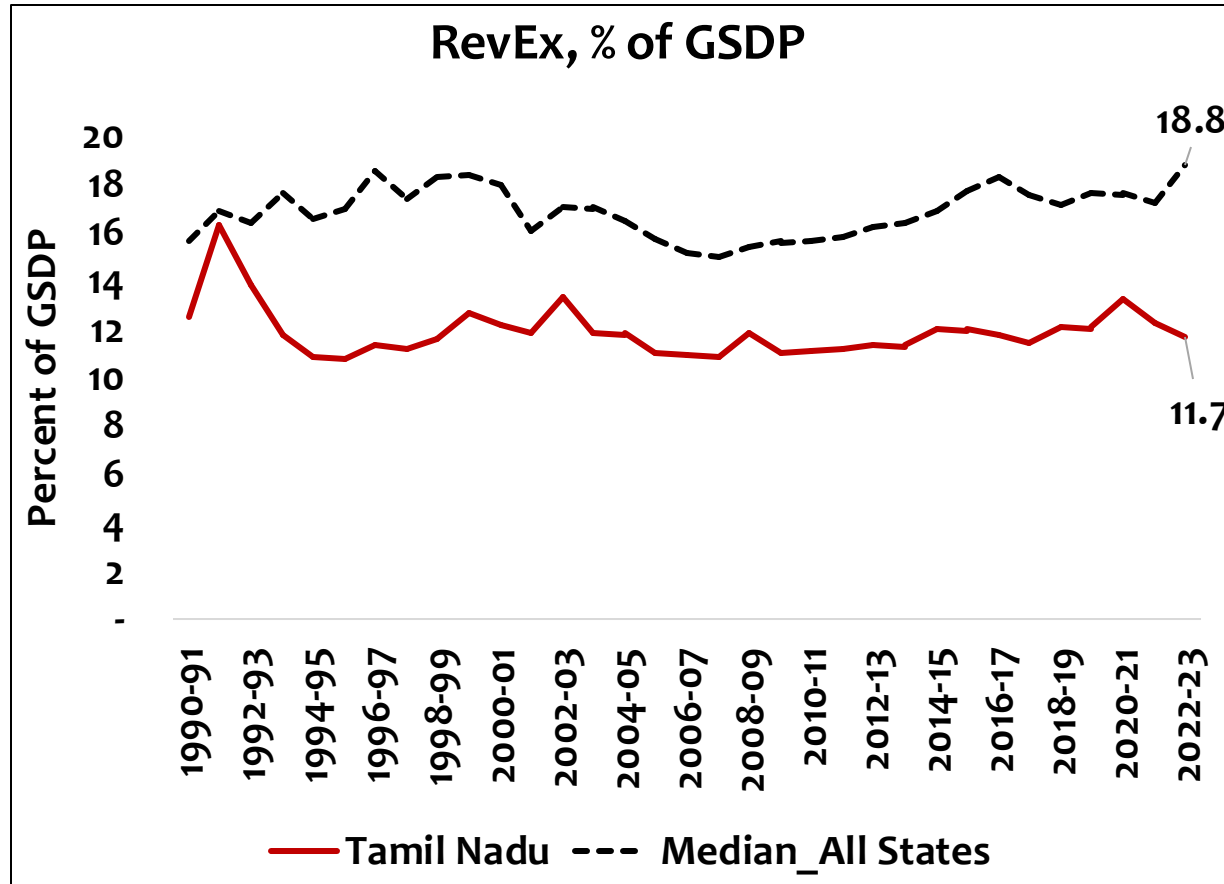
Source: i. Own-Tax Revenue, Own Non-Tax Revenue, and Transfers from the Centre from RBI Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23). Note: i. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded); ii. Transfers from the Centre include both Tax and Non-Tax transfers.

In 2022-23, Tamil Nadu's Total Expenditure at 13.6 percent of its GSDP was over 10 percentage points lower than that a median State



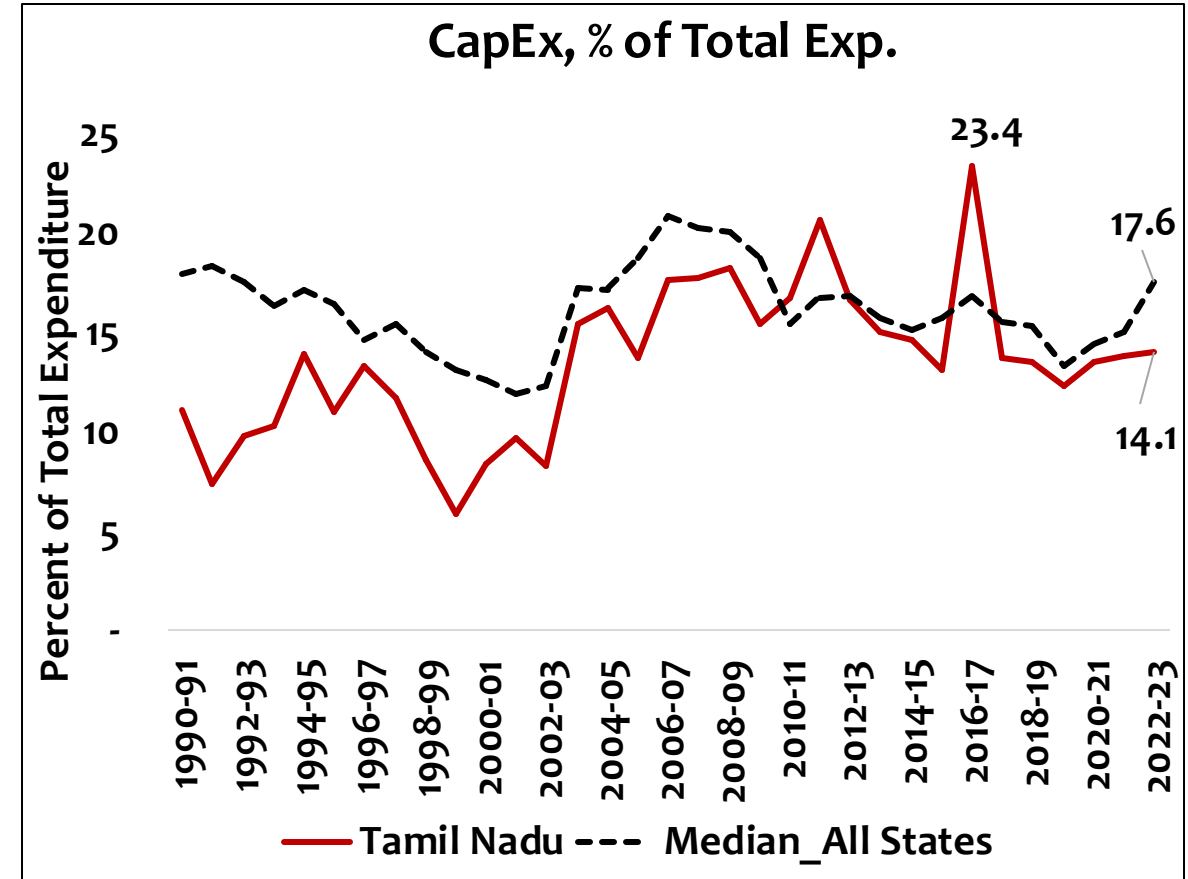
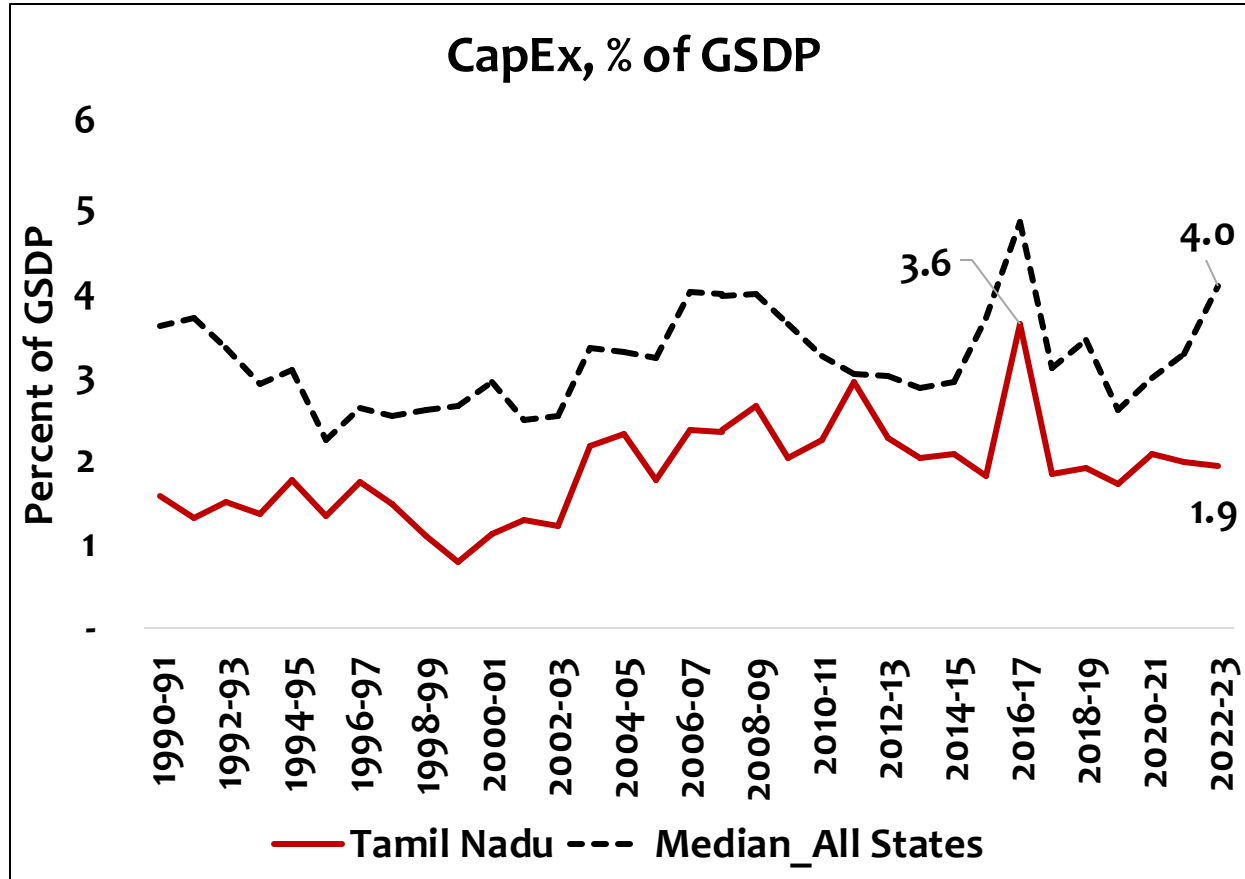
Source: i. Total Expenditure is from RBI Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23). Note: i. Total Expenditure is calculated as Revenue Expenditure (RevEx) plus Capital Expenditure (CapEx); ii. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded).

Tamil Nadu's RevEx at 11.7 percent of its GSDP, was about 7 percentage points lower than that of a median State in 2022-23



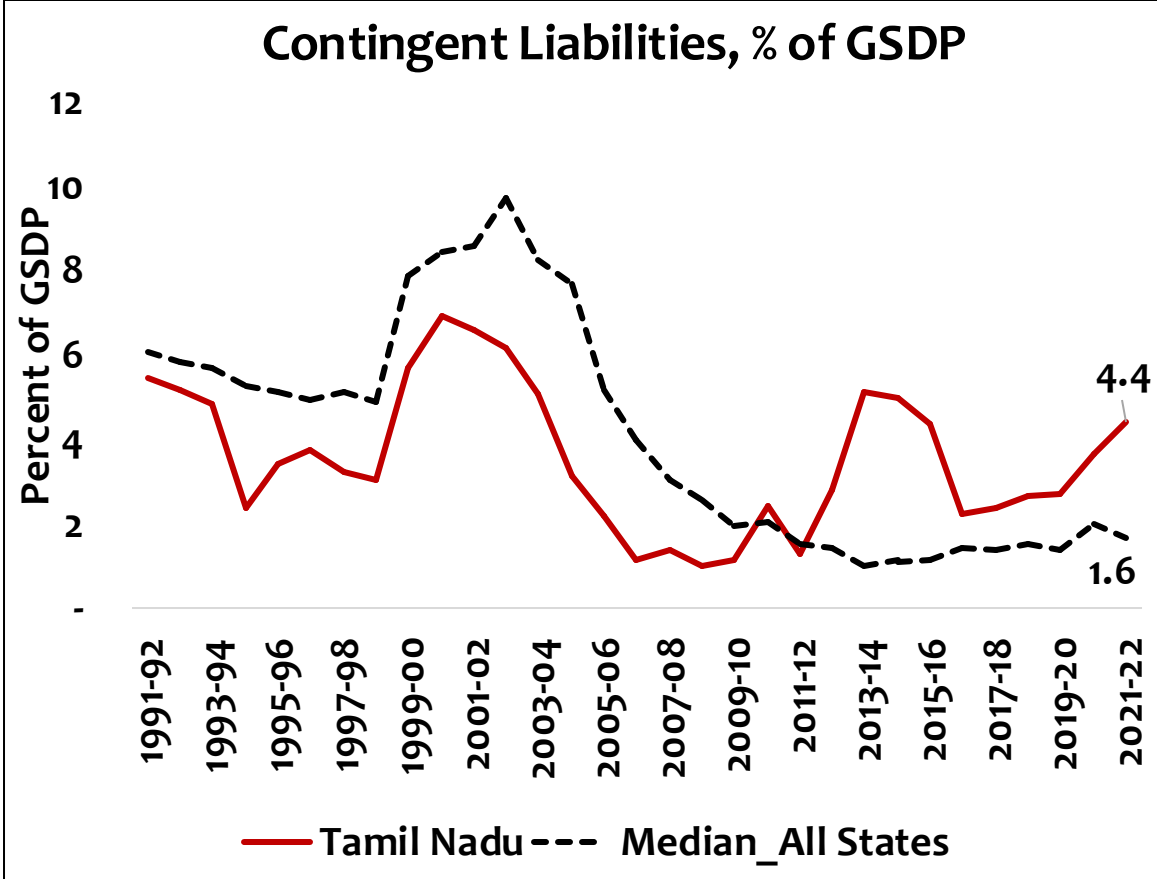
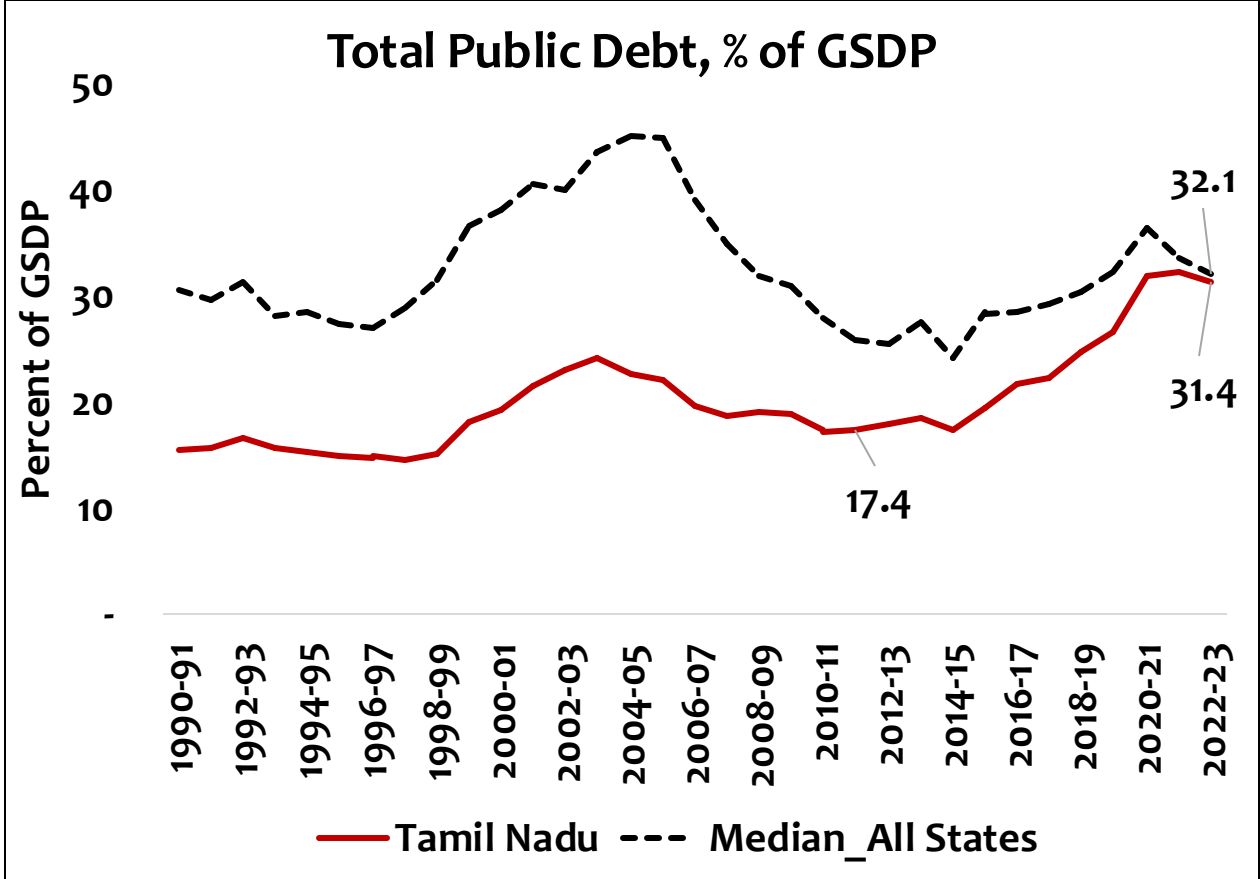
Source: i. RevEx is from RBI Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23). Note: i. Total Expenditure is calculated as RevEx + CapEx; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded).

In 2022-23, Tamil Nadu's CapEx at 1.9 percent of its GSDP and at 14.1 percent of Total Expenditure, was lower than what a median State spent on CapEx (as percent of the GSDP and as percent of the Total Expenditure)



Source: i. CapEx is calculated as Capital Outlay + Loans and Advances given by the State government and the data for both is taken from RBI Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23). Note: i. Total Expenditure is calculated as RevEx + CapEx; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded); iii. The fall in capital expenditure during the two years 2009-10 and 2012-13 was mainly triggered by the fall in the expenditure under Economic Services (Source – [Tamil Nadu State Finance](#)).

Tamil Nadu has seen a consistent rise in its Public Debt since 2012, and at 31.4 percent of its GSDP as of 2022-23, it was marginally lower than a median State. Its Contingent Liabilities as of 2021-22 were 4.4 percent of its GSDP, nearly 3 percentage points higher than those of a median State



Source: i. Public Debt and State-wise contingent liabilities data has been taken from RBI Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23). Note: i. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded); ii. During the 2013-14 and Covid-19 pandemic, there was a steady increase in debt level for meeting the debt takeover of power utility by the State Government accompanied by an economic slowdown which reached its lowest in 2020-21 (Source - [MSE Working Paper](#)).

Debt Sustainability Assessment

- Extrapolations of the debt-to-GSDP ratio are used as a way of thinking about debt sustainability, using the equation: $\Delta b_t = \frac{b_{t-1}(r_t - g_t)}{1 + g_t} + pd_t^*$
- A baseline scenario assumes real GDP growth, the real effective interest rate and primary deficit will be at the same levels for the next five years as their respective averages from 2012-13 to 2021-22.
- Second scenario assumes faster GDP growth to the tune of half a standard deviation over the average growth between 2012-13 to 2021-22.
- Third scenario assumes a favorable change of half a standard deviation to the primary deficit over the average deficit between 2012-13 to 2021-22.
- Fourth scenario assumes baseline plus outstanding contingent liabilities in 2021-22 will be absorbed (by 20 percent) each year in the next five years.
- A fifth scenario, by combining scenarios two and three.

Note: i. b_t is the debt-to-GSDP ratio, pd_t is the primary-deficit-to-GSDP ratio (deficit net of interest payment), g_t is growth of real GSDP, and r_t is the real effective interest rate on public debt; all in year t ; ii. Δb_t is the change in debt-to-GSDP ratio between t and $t-1$; iii. The exercise is based on the assumption that g , r , and pd are exogenous, that is, they are not impacted by the level of debt.

Tamil Nadu's Debt Evolution (2012-13 to 2021-22)

Averages and standard deviations of key parameters

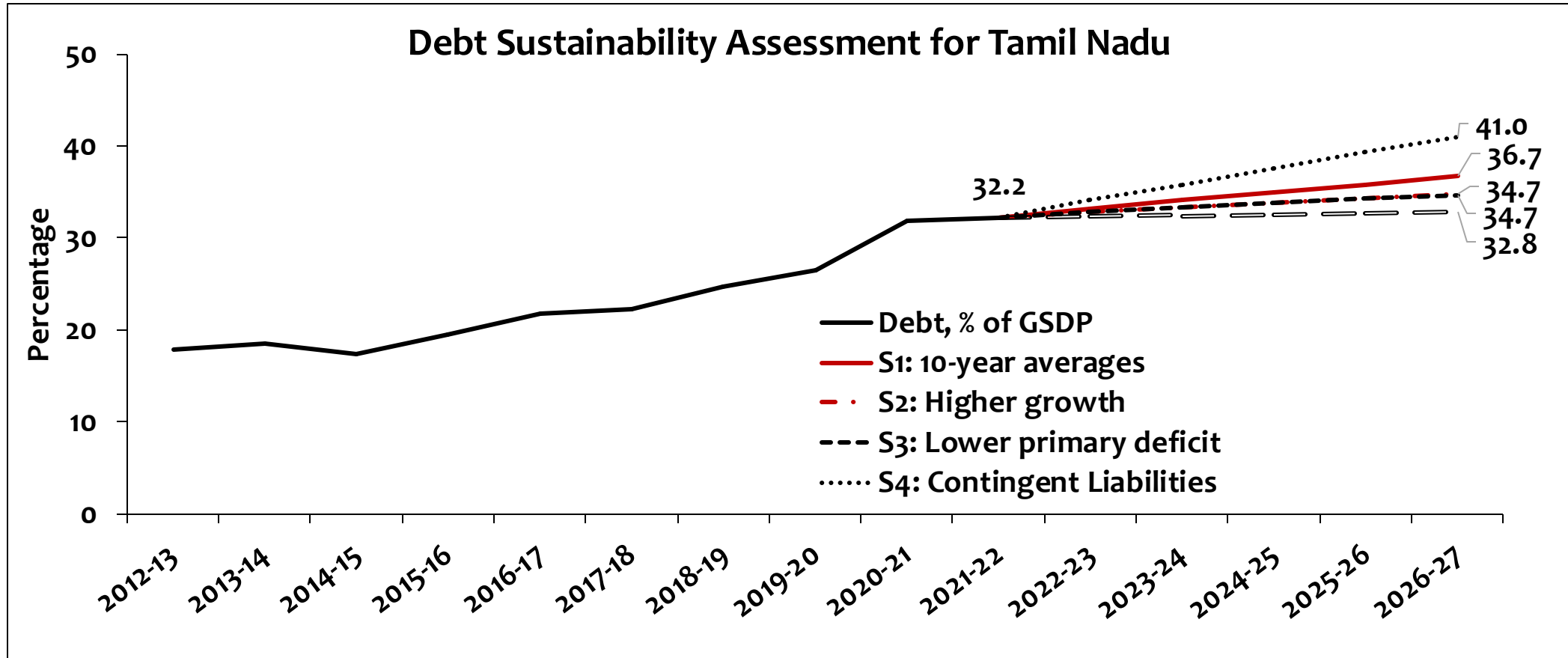
	Ten-year average and std. deviations (2012-13 to 2021-22)		Five-year average and std. deviations (2017-18 to 2021-22)	
	Mean	Std dev	Mean	Std dev
Nominal GDP growth (γ)	10.7	3.8	9.8	5.2
Deflator growth (π)	4.4	2.1	4.2	1.8
Real GDP growth (g)	6.0	2.7	5.4	3.6
Effective interest rate (e)	8.4	0.7	8.2	0.7
Real effective interest rate (\hat{e})	3.9	2.6	4.0	2.3
Primary deficit (pd)	1.6	0.8	1.8	0.9
Growth-effective interest differential ($g-\hat{e}$)	2.1	3.7	1.3	4.9
Contingent Liabilities (CL) as of 2021-22	4.4	-	-	-
Percentage points of CL absorbed each year for 5 years	0.89	-	-	-

Different scenarios for conducting debt sustainability assessments

Scenarios	Debt level in 2021-22 (bt-1)	Primary Deficit (pd)	Real GDP growth (g)	Real Effective Interest Rate (\hat{e})	Change in Debt in first year (2022-23)	Cumulative change in Debt in next five years
Baseline (Scenario 1): 10-year averages (2012-13 to 2021-22)	32.2	1.6	6.0	3.9	0.93	4.45
Scenario 2: Higher growth (increasing growth by half a standard deviation over baseline)	32.2	1.6	7.4	3.9	0.53	2.49
Scenario 3: Lower Primary Deficit (reducing primary deficit by half a standard deviation over baseline)	32.2	1.1	6.0	3.9	0.51	2.45
Scenario 4: Contingent Liabilities in 2021-22 are absorbed 20% in each year	32.2	1.6	6.0	3.9	1.81	8.72
Scenario 5: Lower Primary Deficit and Higher Growth	32.2	1.1	7.4	3.9	0.12	0.54

Note: i. In Scenario 2, half a standard deviation of 10-year average of real GDP growth rate is added as a positive growth shock; ii. In Scenario 3, half a standard deviation of 10-year average of primary deficit is removed as a positive fiscal shock; iii. In Scenario 4, 0.89 percentage points of Contingent Liabilities are assumed to be taken on by the government in each fiscal year.

Outcomes of debt sustainability assessment for Tamil Nadu project the debt to GSDP ratio to be on an upward and increasing trajectory, under all the scenarios, between 2022-23 and 2026-27



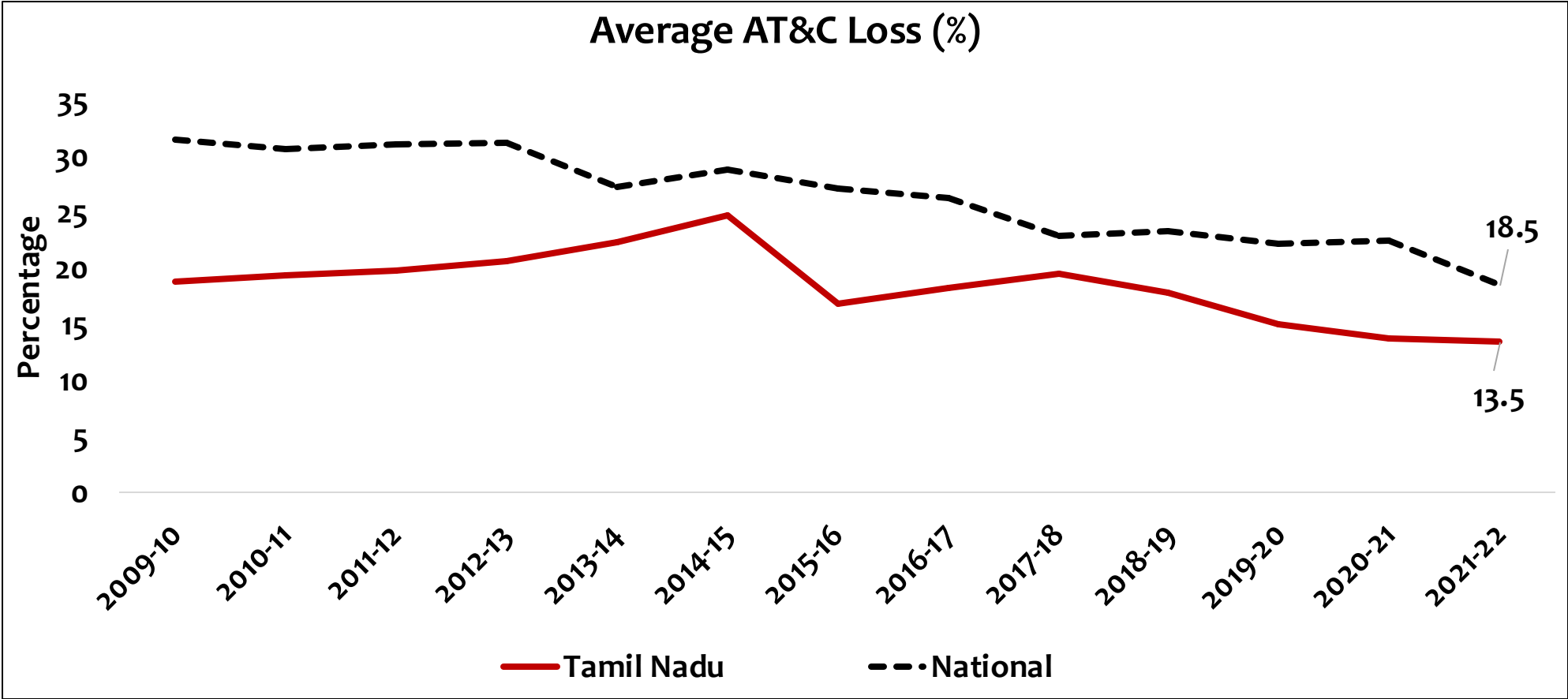
Note: i. Projection period is from 2022-23 till 2026-27; ii. In Scenario 2, half a standard deviation of 10-year average of real GDP growth rate is added as a positive growth shock; iii. In Scenario 3, half a standard deviation of 10-year average of primary deficit is removed as a positive fiscal shock; iv. In Scenario 4, 0.89 percentage points of Contingent Liabilities are assumed to be taken on by the government in each fiscal year

Tamil Nadu: Power Sector

- The State has one distribution company (DISCOM), Tamil Nadu Generation and Distribution Corporation (TANGEDCO), which is owned by the Government of Tamil Nadu and acts as a public sector undertaking.
- Compared to the national average, Tamil Nadu maintains lower Aggregate Technical and Commercial (AT&C) Losses. The losses have reduced consistently since 2011-12, driven by improved billing efficiency and collection efficiency in the DISCOM.
- The State signed the MoU for the Ujwal DISCOM Assurance Yojana (UDAY) scheme which was launched by the GoI in November 2015, for both the performance efficiency targets as well as the financial turnaround and financing of future losses by the State government.
- TANGEDCO has met some of the performance efficiency targets set under UDAY, but is still lagging in rural Distribution Transformers (DT) metering, smart metering, feeder segregation and audit, and distribution of LEDs under UJALA.

Source: PFC Report on Performance of State Power Utilities (2009-10 to 2021-22), [UDAY Portal](#).

The average AT&C Losses of Tamil Nadu have reduced from 19 percent in 2009-10 to 13.5 percent in 2021-22



Source: PFC Report on Performance of State Power Utilities (2009-10 to 2021-22).

Note: i. Figure shows the AT&C Loss for TANGEDCO over the years; ii. National average is across all DISCOMs in the 29 States and 2 Union Territories (Delhi & Puducherry).

6. Devolution to Tamil Nadu from Centre in 14th and 15th Finance Commission (FC)

Tax Devolution Criteria of 14th and 15th Finance Commissions to all States

- The Net Proceeds of all taxes¹ collected by the Union are shareable with the States, and constitute the divisible pool of taxes.
- The 14th FC placed the States' share of tax devolution to 42 percent of the divisible pool, and the 15th FC adjusted it to 41 percent of the divisible pool due to the changed status of Jammu & Kashmir into the Union Territories of Ladakh and Jammu & Kashmir.
- Below table highlights the tax devolution matrix used by the two FCs, and the corresponding weights for each criteria.

Criteria	14th FC (2015-20)	15th FC (2021-26)
Income Distance	50	45
Area	15	15
Population (1971)	17.5	0
Population (2011) ²	10	15
Demographic Performance	0	12.5
Forest Cover	7.5	0
Forest and Ecology	0	10
Tax and fiscal efforts ³	0	2.5
Total	100	100

Source: 14th and 15th FC Reports.

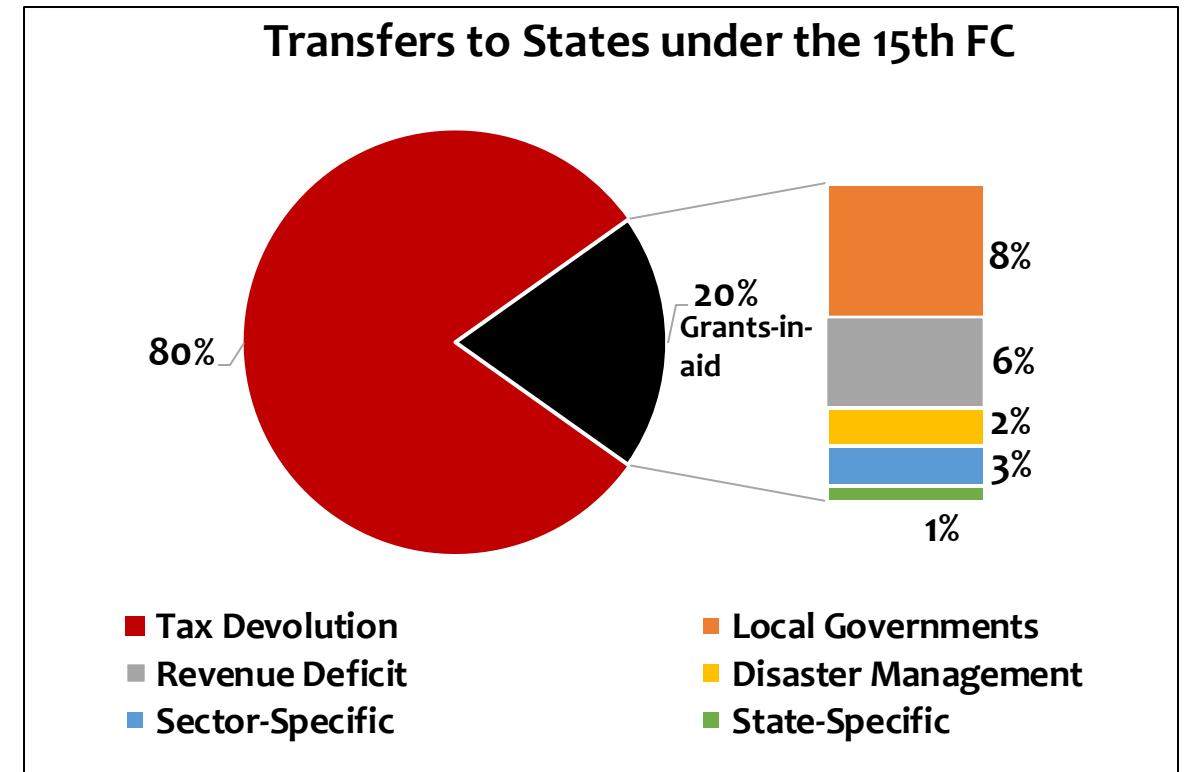
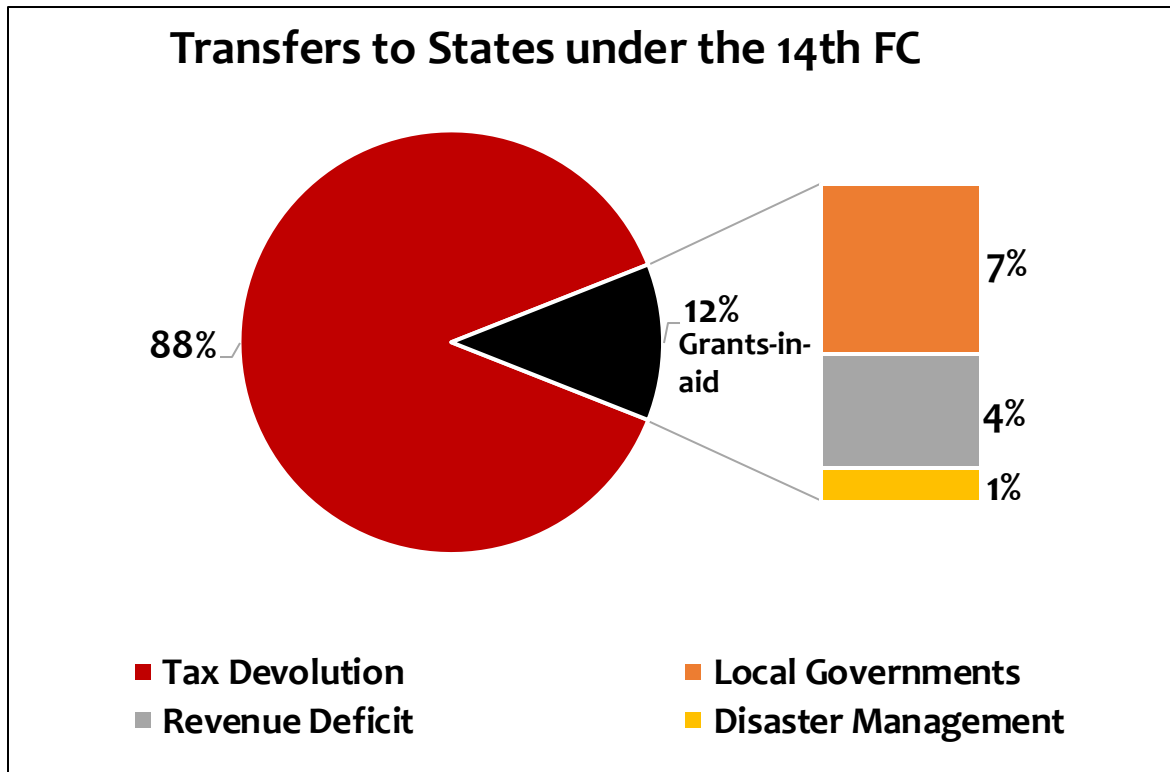
Note: i. Per Articles 270 and 279, Net Proceeds of taxes is defined as all the taxes, except cess and surcharges, reduced by the cost of collection; ii. 14th FC used the term “demographic change” which was defined as Population in 2011; iii. 15th FC reintroduced the “tax and fiscal efforts” criteria. The definitions of all criteria can be referred to from the [15th FC Report](#).

Grants-in-Aid

- There were three types of grants recommended by the 14th FC – revenue deficit grants, grants for local governments, and grants for disaster management. The 15th FC, in addition to the three, also recommended sector-specific and State-specific grants.
 1. **Revenue-deficit grants:** Post tax devolution, those States which remain in a state of revenue deficit, are allocated this grant in the magnitude of their deficit (estimated for the award period based on the projected revenues and tax devolution).
 2. **Grants for Local Governments:** These are distributed between the rural and urban local bodies (65:35 ratio per the 15th FC). The States' shares are calculated with 90 percent weightage given to population and 10 percent to area.
 3. **Grants for Disaster Management:** The corpus of the State Disaster Response Fund (envisaged under the Disaster Management Act, 2005, which covers both natural and man-made disasters) is recommended by the FC per Article 275 (1) of the Constitution. Under the 14th FC, it was recommended that Centre contribute 90 percent of the SDRF and States provide the remaining 10 percent. The 15th FC reinstated the previous sharing arrangement, wherein Centre's contribution to SDRF for General Category States is 75 percent contribution and it remains 90 percent for the North-Eastern and Himalayan States.
 4. **Sector-Specific Grants:** The 15th FC reinstated recommendations for social sectors like health and education, rural economy (encouraging agricultural reforms and grants for the Pradhan Mantri Gram Sadak Yojana), administrative and governance reforms (for judiciary, improved statistics, and incentivizing aspirational districts and blocks).
 5. **State-specific Grants:** To help States address special needs and overcome cost disabilities, State-specific grants were recommended by the 15th Finance Commission. These span six broad areas: a) social needs, b) administrative governance and related infrastructure, c) conservation and sustainable use of water, drainage and sanitation, d) preserving culture and historical monuments, e) high-cost physical infrastructure, and f) tourism.

Source: 14th and 15th FC reports.

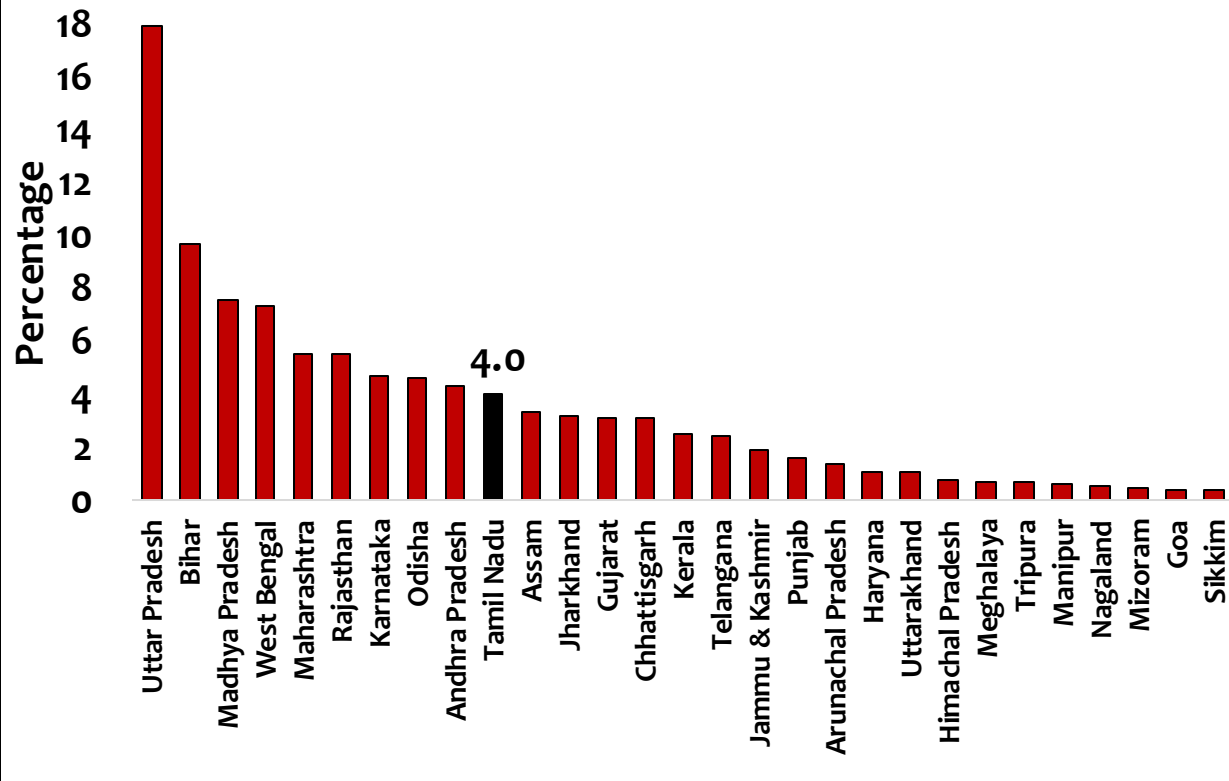
Proposed transfers from the Centre to all States: 15th Finance Commission reinstated recommendations on Sector-Specific and State-Specific grants, which 14th Finance Commission had excluded from the grants-in-aid to States, thus increasing the share of grants in the total transfers recommended from Centre to States to 20 percent



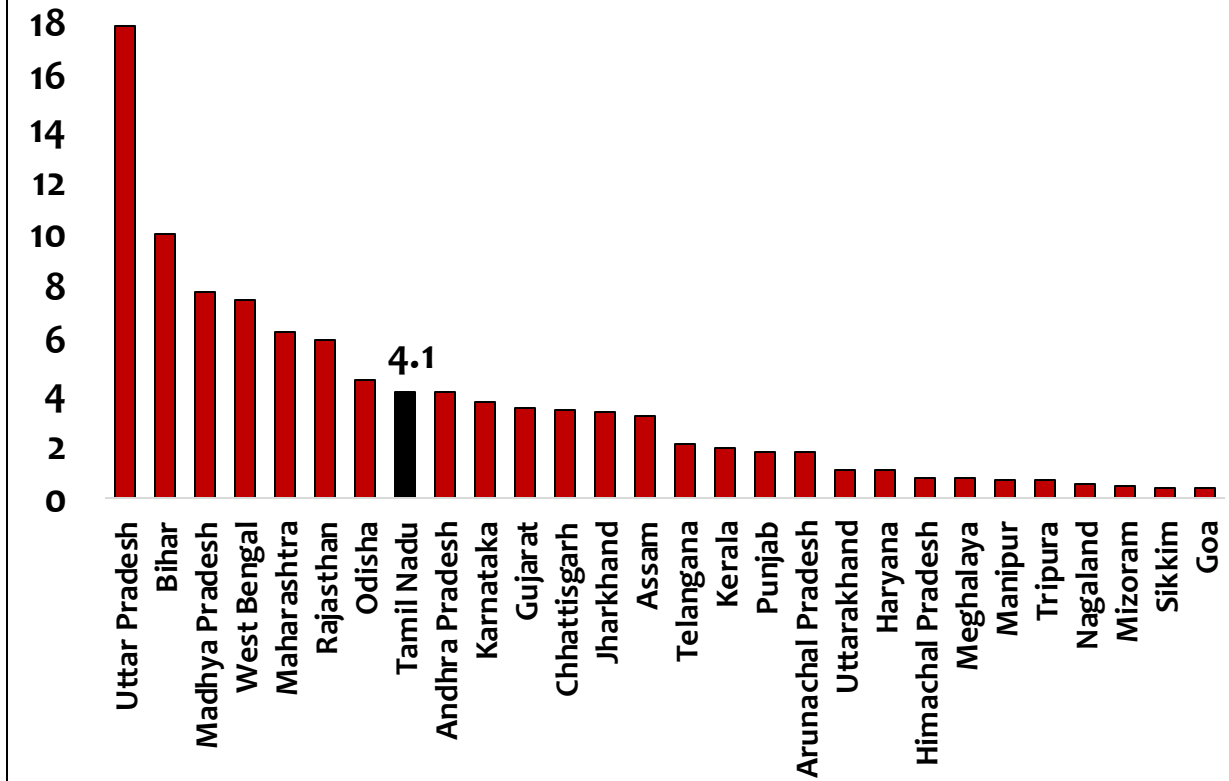
- Sector-Specific Grants are further divided into three categories:
 - Social Sector - health and education
 - Rural Economy - agriculture reforms, self reliance, export & sustainability, and PMGSY roads
 - Governance and Administrative Reforms - judiciary, statistics, aspirational districts and blocks

Tamil Nadu's share in taxes from Centre, as per the FC recommendations, remained consistent under 14th and 15th Finance Commission recommendations at about 4 percent

States' Shares under the 14th FC



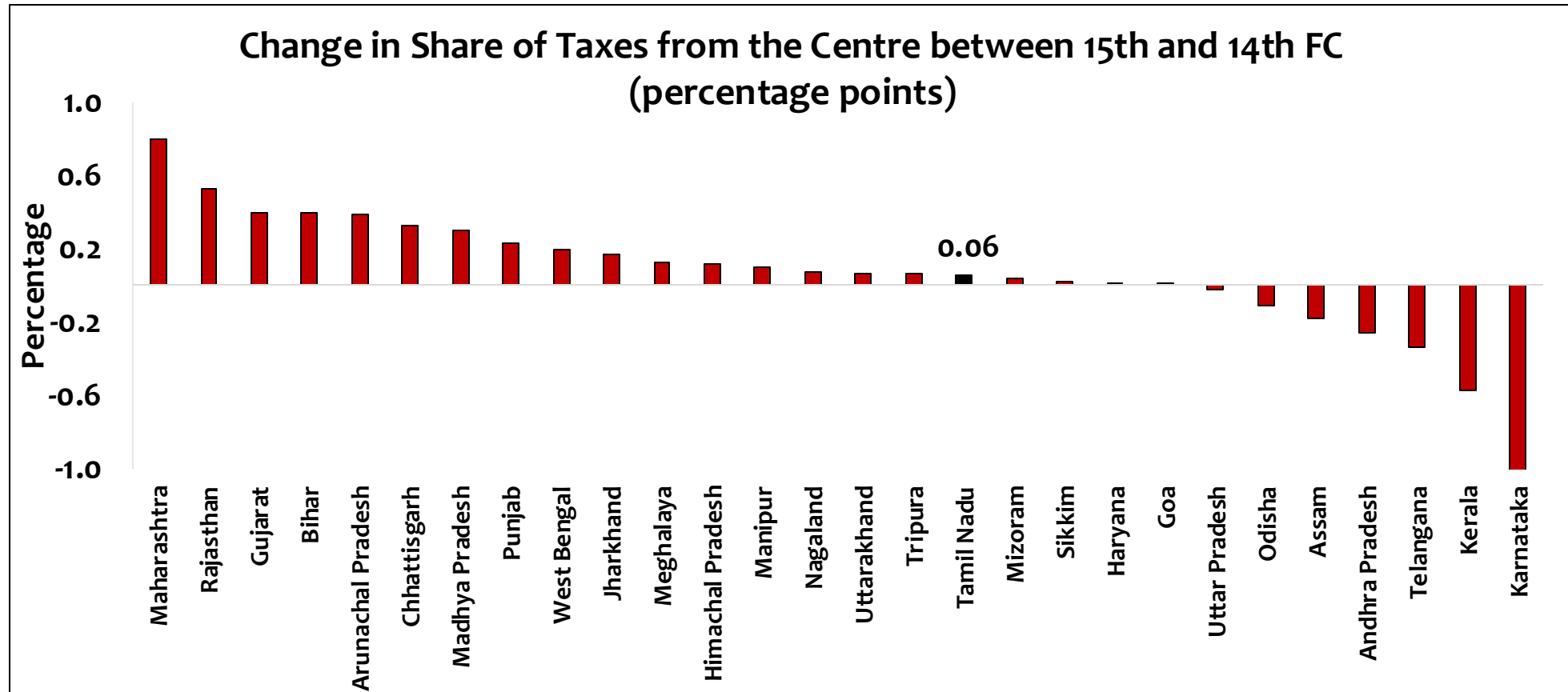
States' Shares under the 15th FC



Source: 14th and 15th FC Reports.

Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of taxes from the Centre.

Tamil Nadu had a 0.06 percentage point increase in Tax Devolution shares between the 14th and 15th Finance Commission recommendations



Source: 14th and 15th FC Reports.

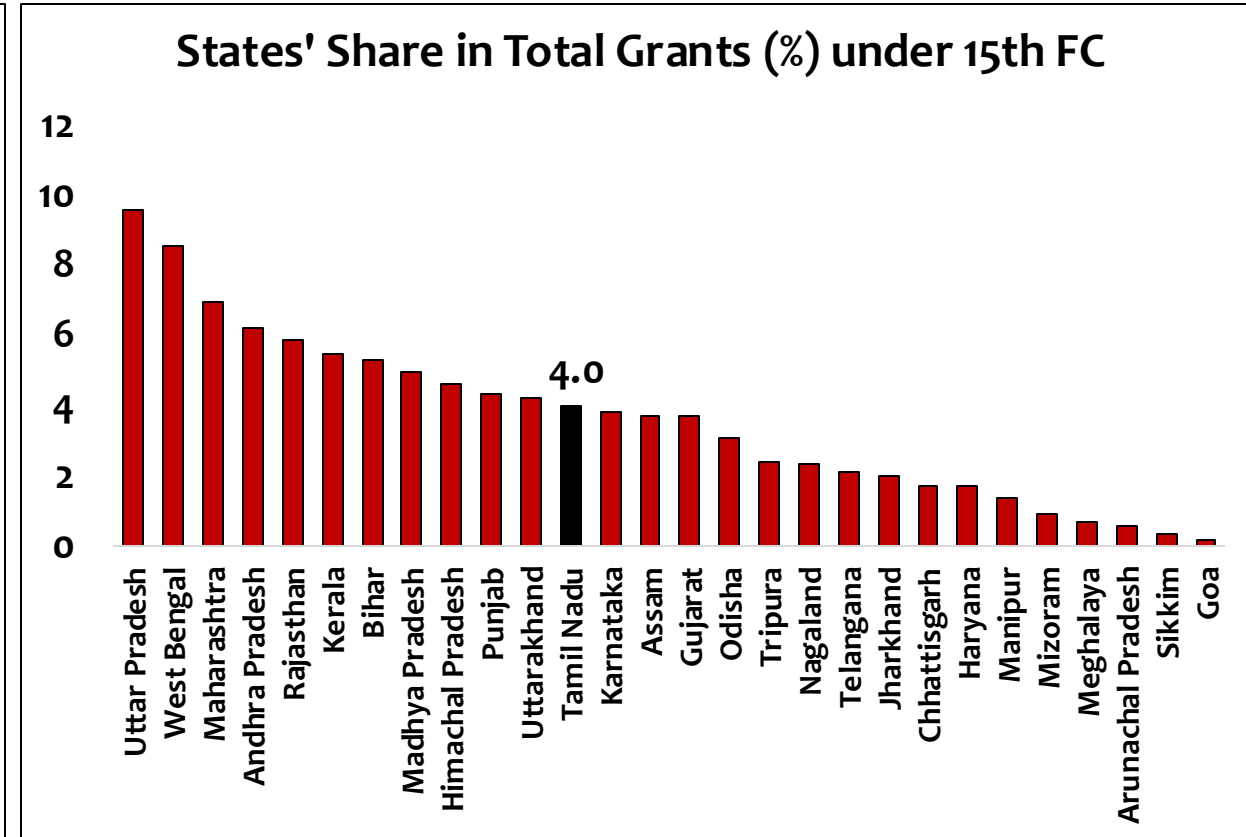
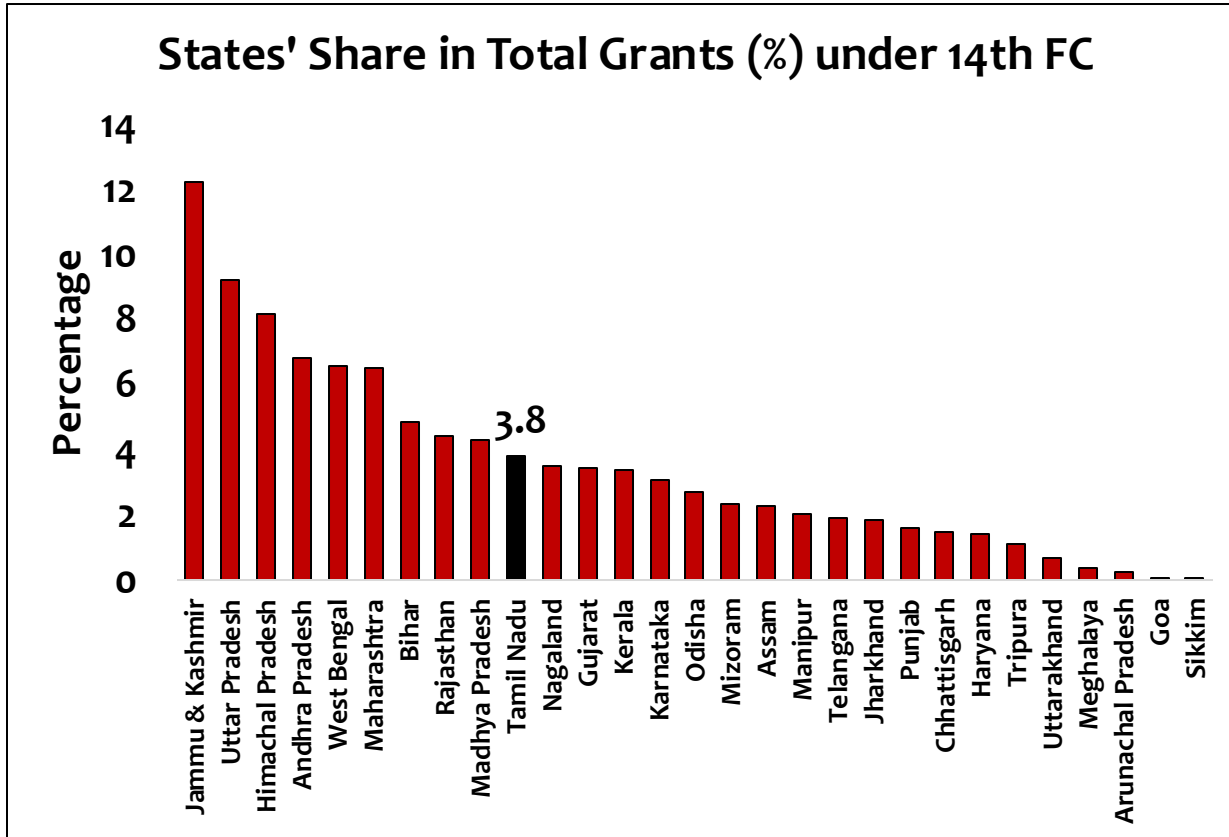
Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of taxes from the Centre, and it has been excluded from this chart.

Grants-in-Aid: Tamil Nadu

- There were three types of grants recommended by the 14th FC – revenue deficit grants, grants for local governments, and grants for disaster management. The 15th FC, in addition to the three, also recommended sector-specific and State-specific grants.
- **Total:** The State's share in the total grants-in-aid increased by 0.2 percentage points under the 15th FC, compared to the 14th FC, at 4 percent.
 1. **Revenue-Deficit Grants:** Tamil Nadu **did not receive any revenue-deficit grants** by the 14th FC, while the 15th FC recommended that the State receive 0.7 percent of the revenue-deficit grants.
 2. **Grants for Local Governments:** About **6 percent** of the total grants to local governments were recommended for Tamil Nadu by both the **14th and the 15th Finance Commissions**.
 3. **Grants for Disaster Management:** Tamil Nadu received **4.6 percent** of the total grants for disaster management **under the 15th FC** recommendations (a drop from 6.1 percent under the 14th FC). In its case, the disasters accounted for in the index are floods, cyclone, drought, earthquake and others.
 4. **Sector-Specific Grants: Per the 15th FC recommendations**, the State receives about **4 percent** of the total sectoral grants. The agricultural performance incentive grant is the major contributor to this (6 percent of the grant). Other sector-specific grants and the State's shares in each include health & education grant (3.6 percent of the total), maintenance of PMGSY roads (1.8 percent), judiciary (2.4 percent) and grants for improving statistical data collection and dissemination (4 percent).
 5. **State-Specific Grants:** Tamil Nadu **received Rs. 2,200 crore (4.4 percent of the total State-specific grants)**, of which **Rs. 900 crore** was directed towards **restoration of traditional water bodies** and **Rs. 650 crore** was for the **development of key towns of tourist importance**. Remaining funds were directed towards revamping Chennai water bodies (Rs. 200 crore), renovation of historically important ancient temples (Rs. 300 crore), and heritage buildings (Fort St. George, High Court of Madras, Government Museum, PWD Complex).

Source: 14th and 15th FC reports.

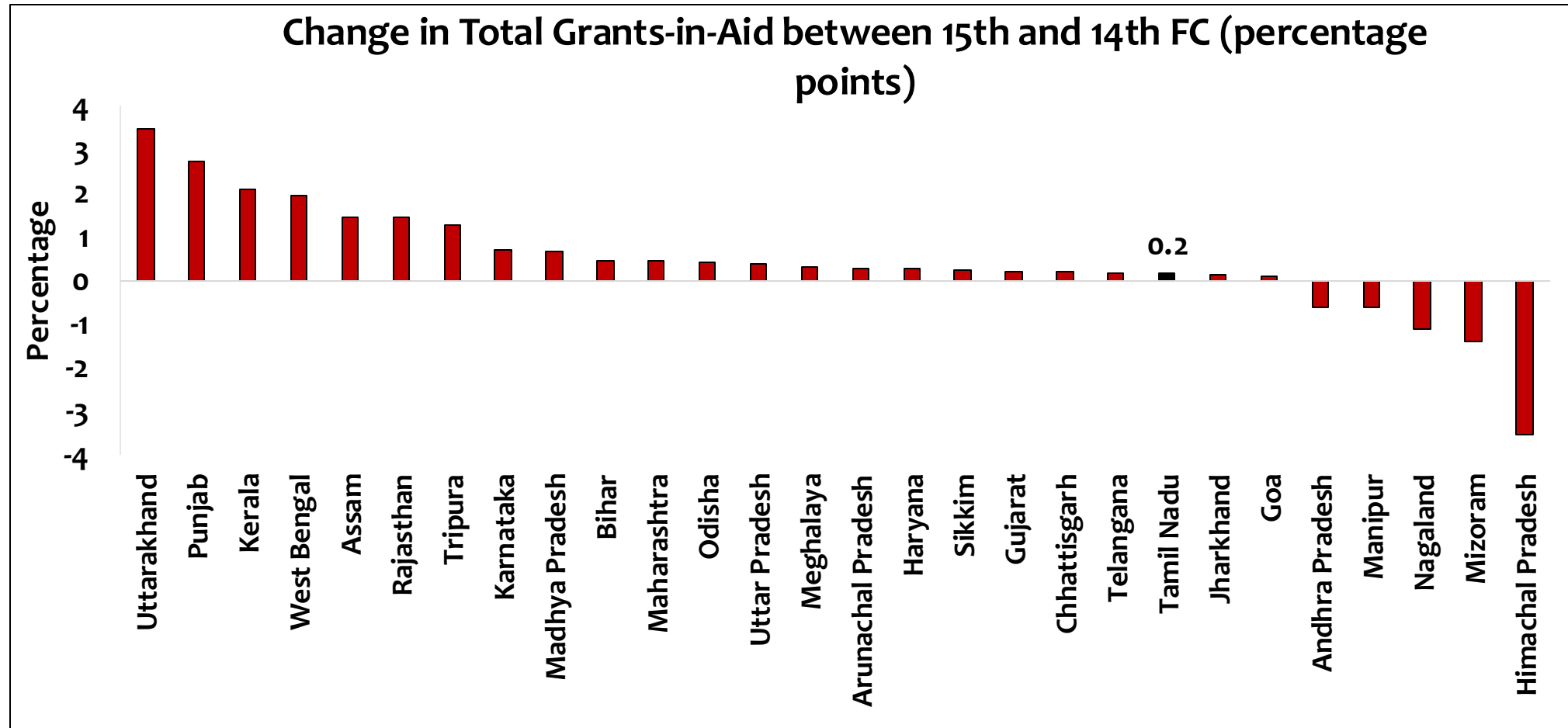
Tamil Nadu noted an increase of 0.2 percentage points in its share of the Total Grants-in-Aid recommended between 14th and 15th FCs



Source: 14th and 15th FC Reports.

Note: i. Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of grants-in-aid from the Centre; ii. An amount of Rs.16,400 crore is not included in the total Grants-in-aids figure for the 15th FC. This comprises of three grants (a) School Education (Rs. 4,800 crore), (b) Grants for aspirational districts and blocks (Rs. 3,150 crore) and (c) Local Bodies grants for (i) Incubation of new Cities (Rs. 8,000 Crore) and (ii) National Data Centre (Rs. 450 Crore). These were not included in the table which reports the State-wise shares in the 15th FC Report.

Tamil Nadu had a 0.3 percentage point rise in Total Grants-in-Aid shares between the 14th and 15th FC recommendations

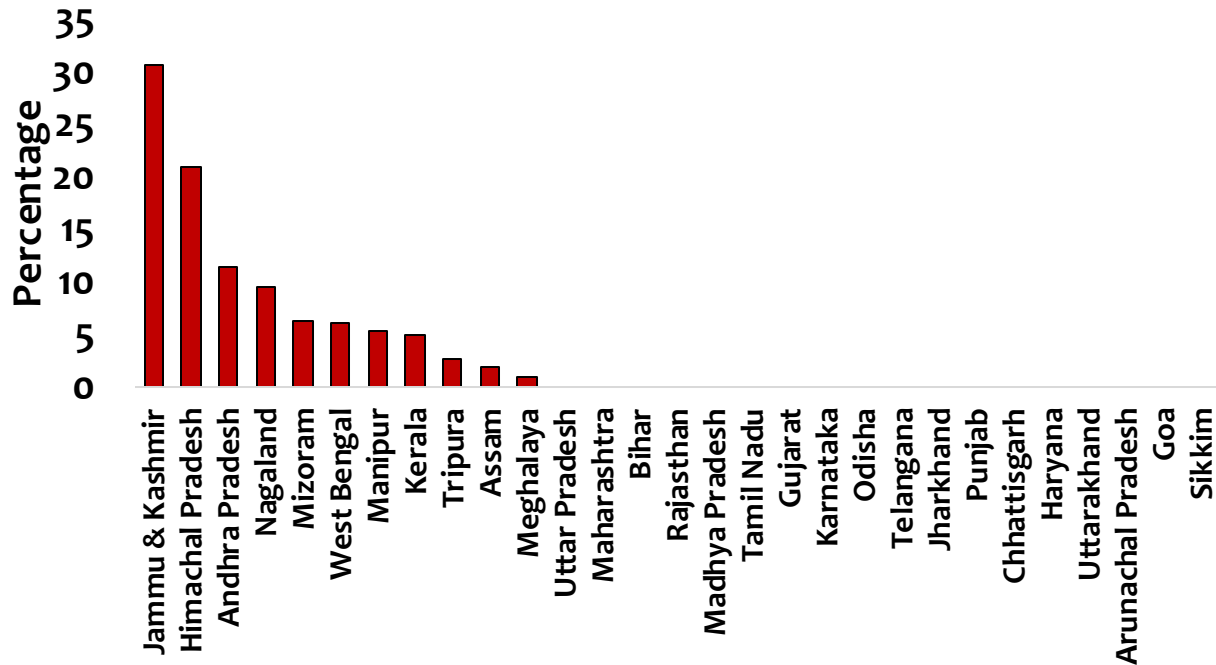


Source: 14th and 15th FC Reports.

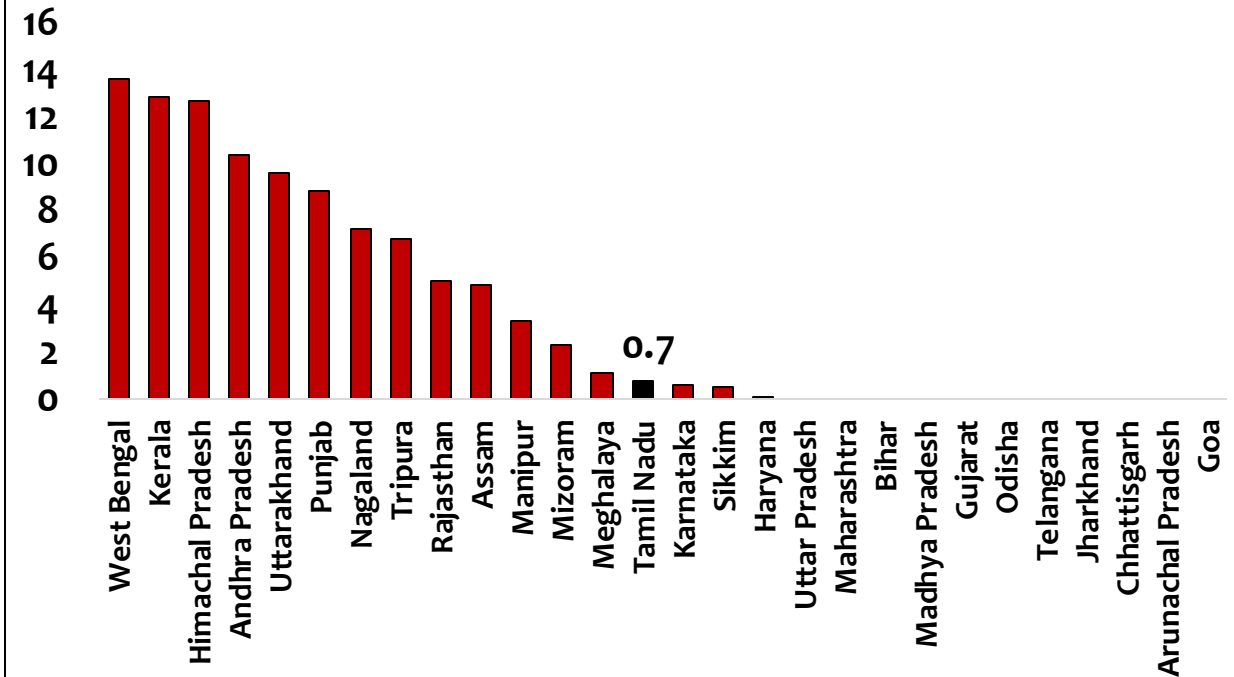
Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of grants-in-aid from the Centre, and it has been excluded from this chart.

No Revenue-Deficit Grant was recommended for Tamil Nadu by 14th FC, while it was allocated 0.7 percent of the Total Revenue Deficit Grants per 15th FC recommendations

States' Share in Revenue Deficit Grants (%) under 14th FC



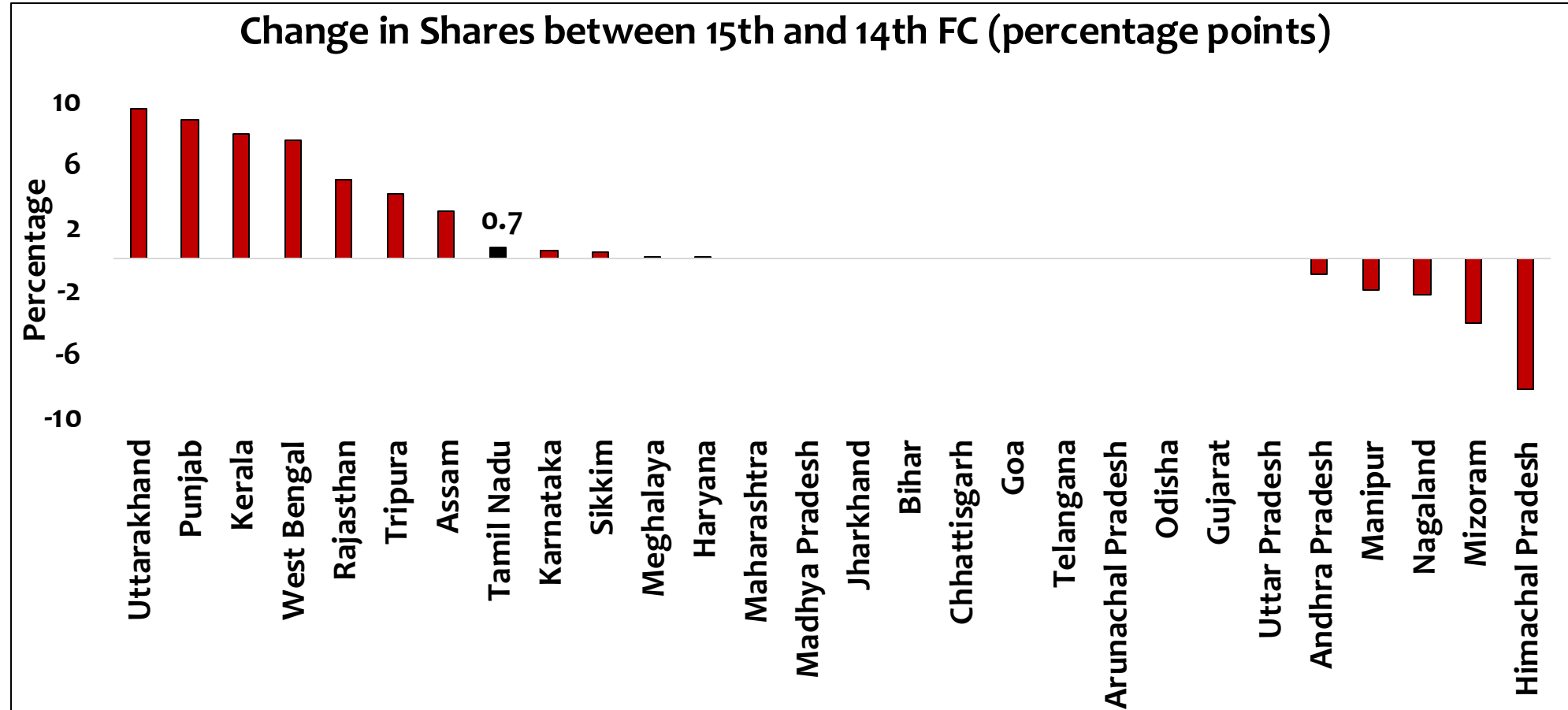
States' Share in Revenue Deficit Grants (%) under 15th FC



Source: 14th and 15th FC Reports.

Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of Revenue Deficit Grants from the Centre.

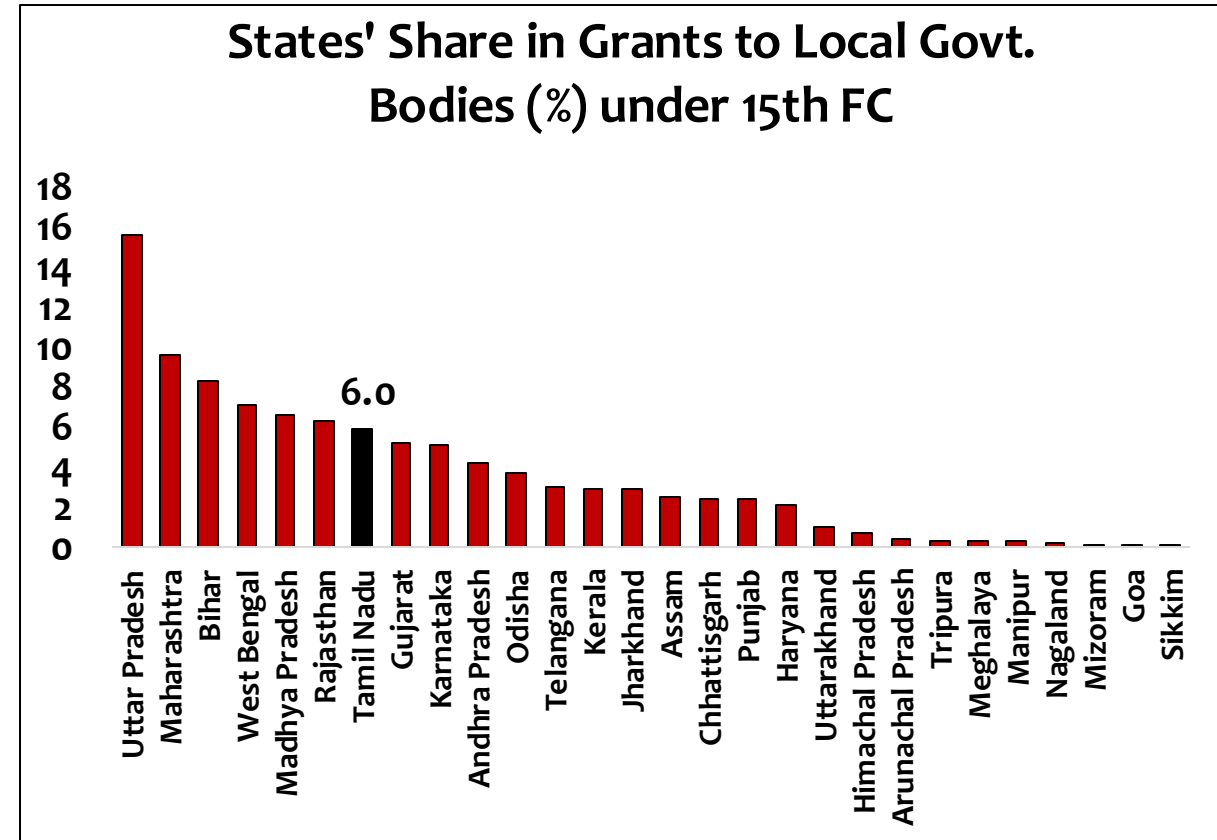
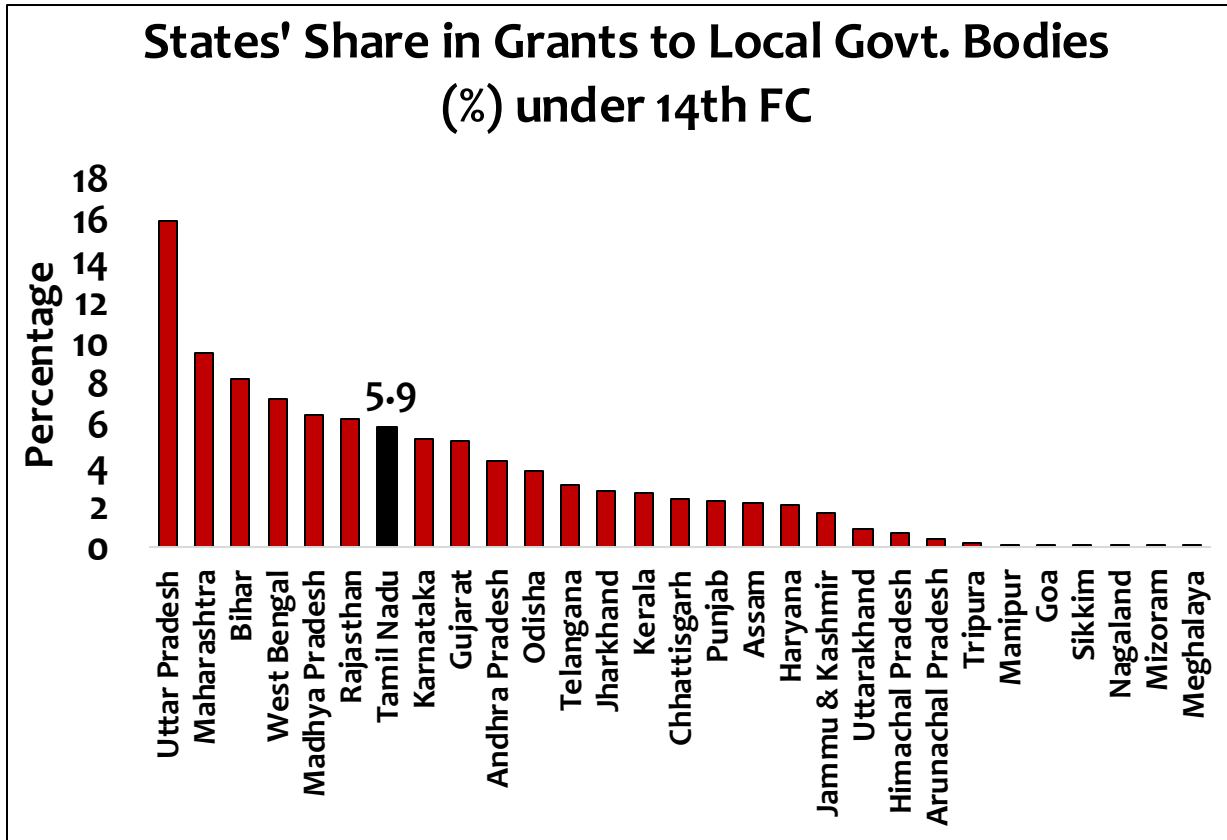
Tamil Nadu had a 0.7 percentage point rise in Revenue Deficit Grants between the 14th and 15th FC recommendations



Source: 14th and 15th FC Reports.

Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of Revenue Deficit Grants from the Centre, and it has been excluded from this chart.

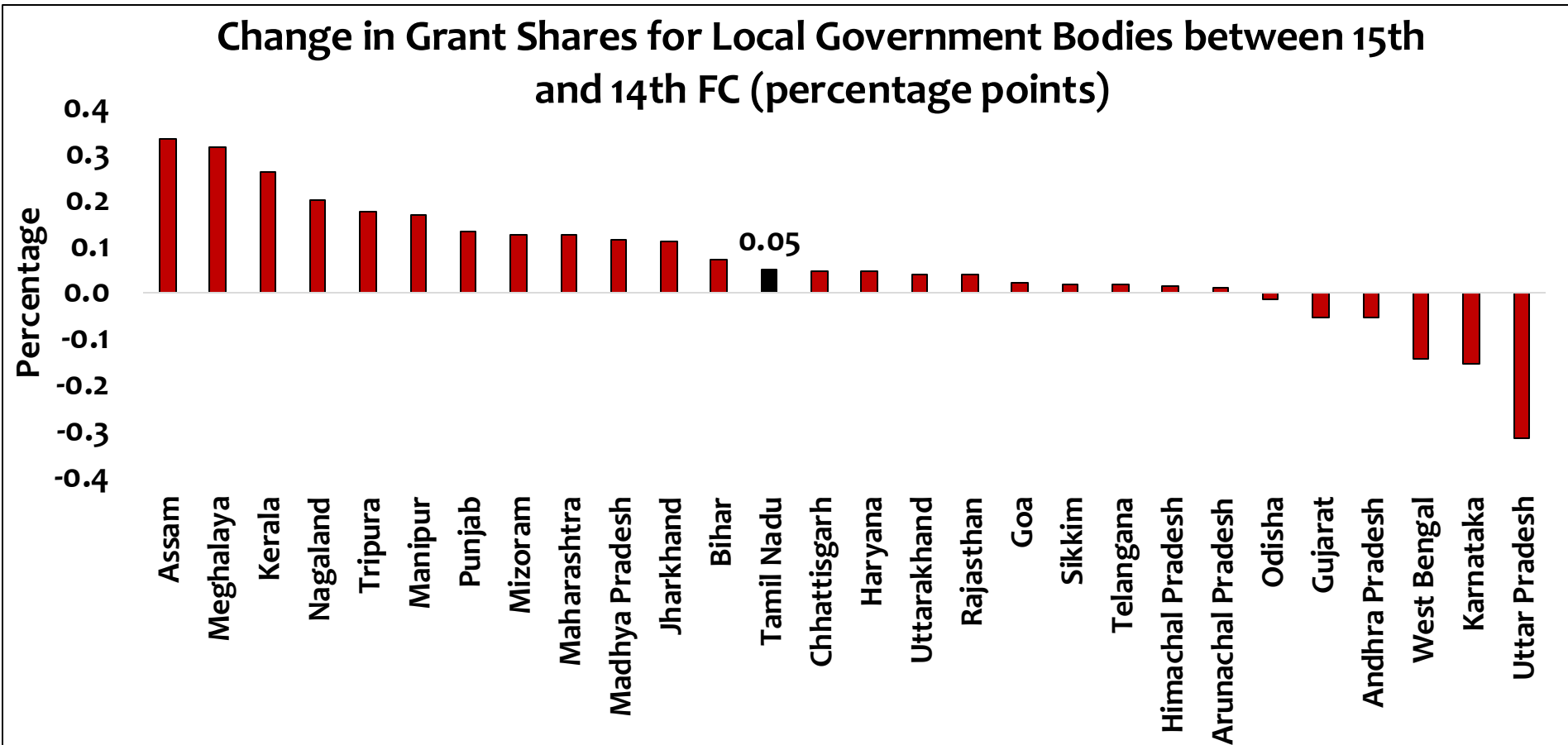
Tamil Nadu's recommended share in the Grants to Local Government bodies from the Centre remained fairly consistent at about 6 percent under both 14th and 15th Finance Commissions



Source: 14th and 15th FC Reports.

Note: An amount of Rs. 8,450 crore is not included in the grants for Local Bodies, these include (i) Incubation of new Cities (Rs. 8,000 Crore) and (ii) National Data Centre (Rs. 450 Crore). These were not included in the table which reports the State-wise shares in the 15th FC Report.

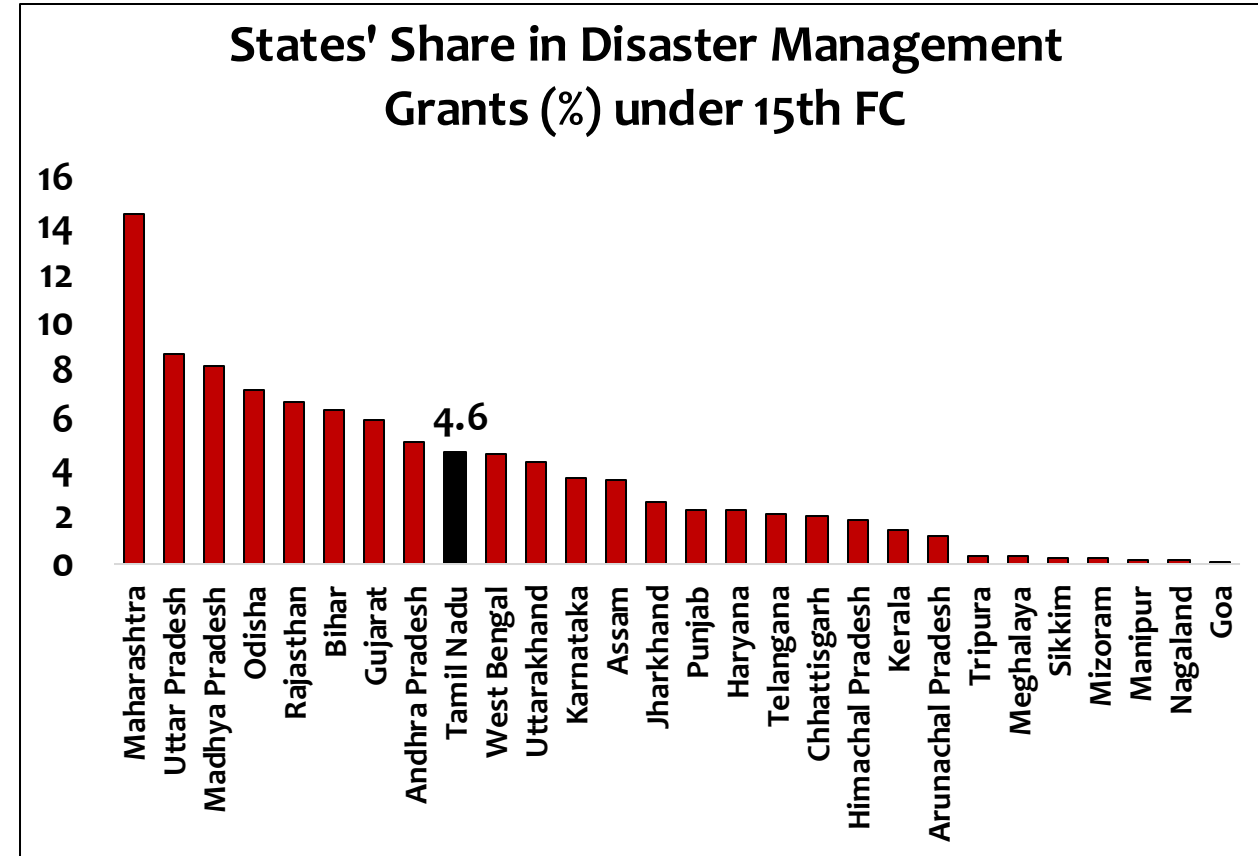
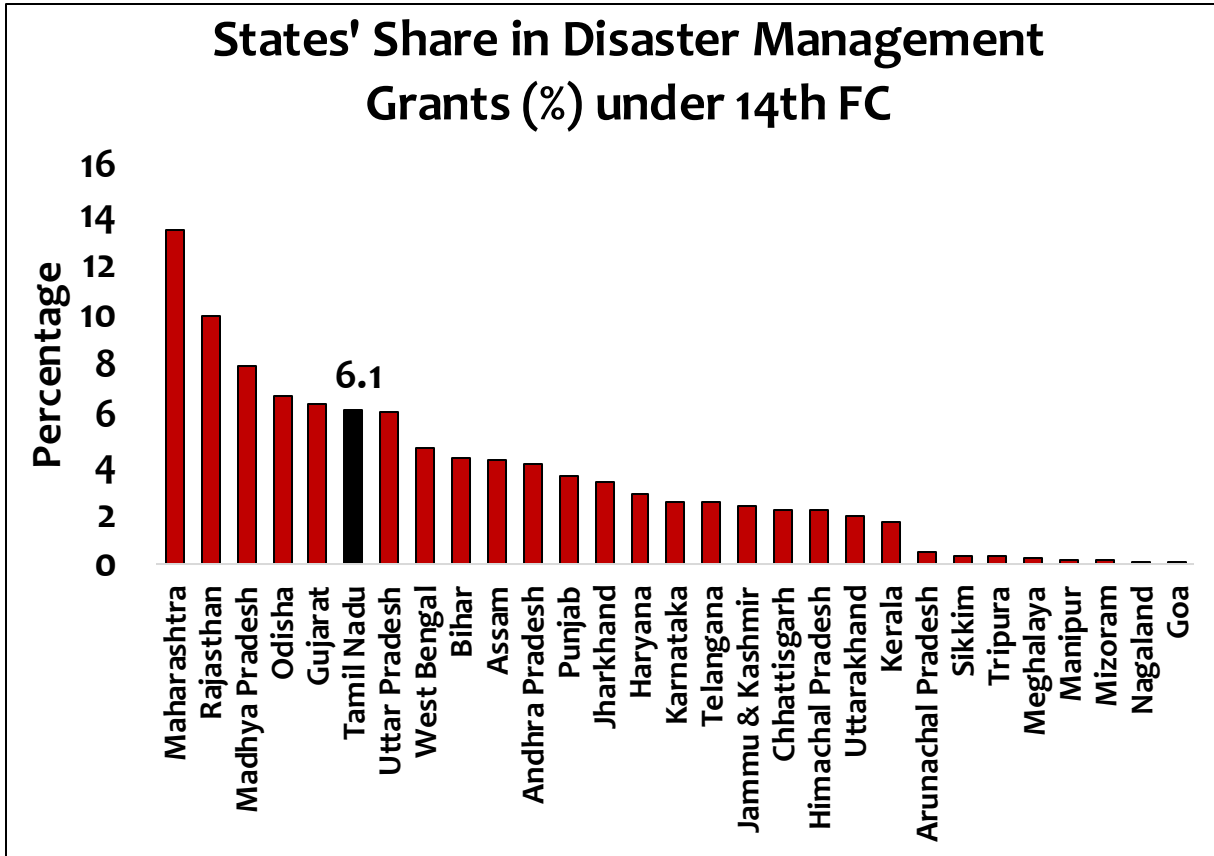
Tamil Nadu had 0.05 percentage point rise in Local Government Bodies' Grants between the 14th and 15th FC recommendations



Source: 14th and 15th FC Reports.

Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of Local Government Bodies' Grants from the Centre, and it has been excluded from this chart.

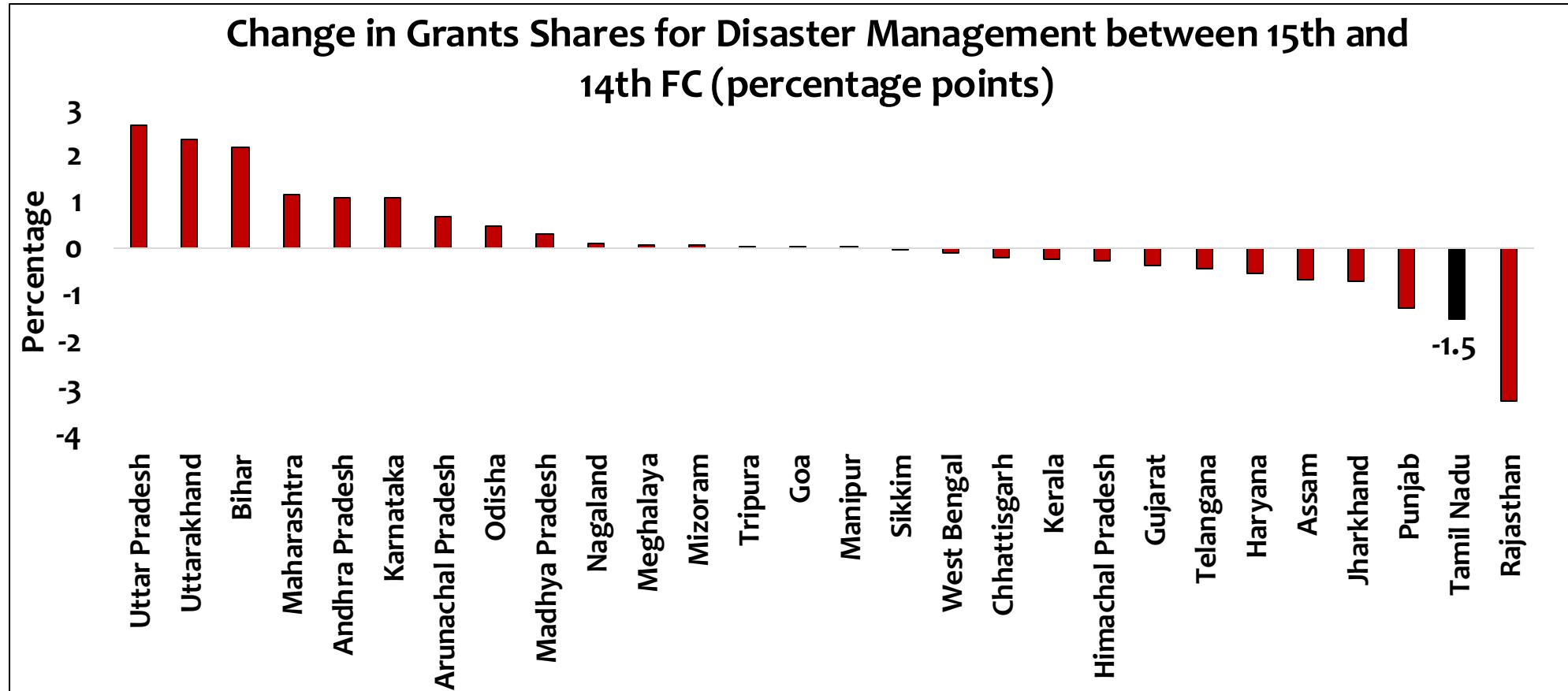
Tamil Nadu's recommended share in the Grants for Disaster Management from the Centre decreased from 6.1 percent by 14th FC to 4.6 percent by 15th FC



Source: 14th and 15th FC Reports.

Note: A Disaster Risk Index is calculated for all States, taking into consideration the natural calamities different States are prone to, poverty, and other factors. This index is then weighed by a factor accounting for the aggregate expenditure of States on disaster management, area and population, to calculate the States' shares in disaster management grants.

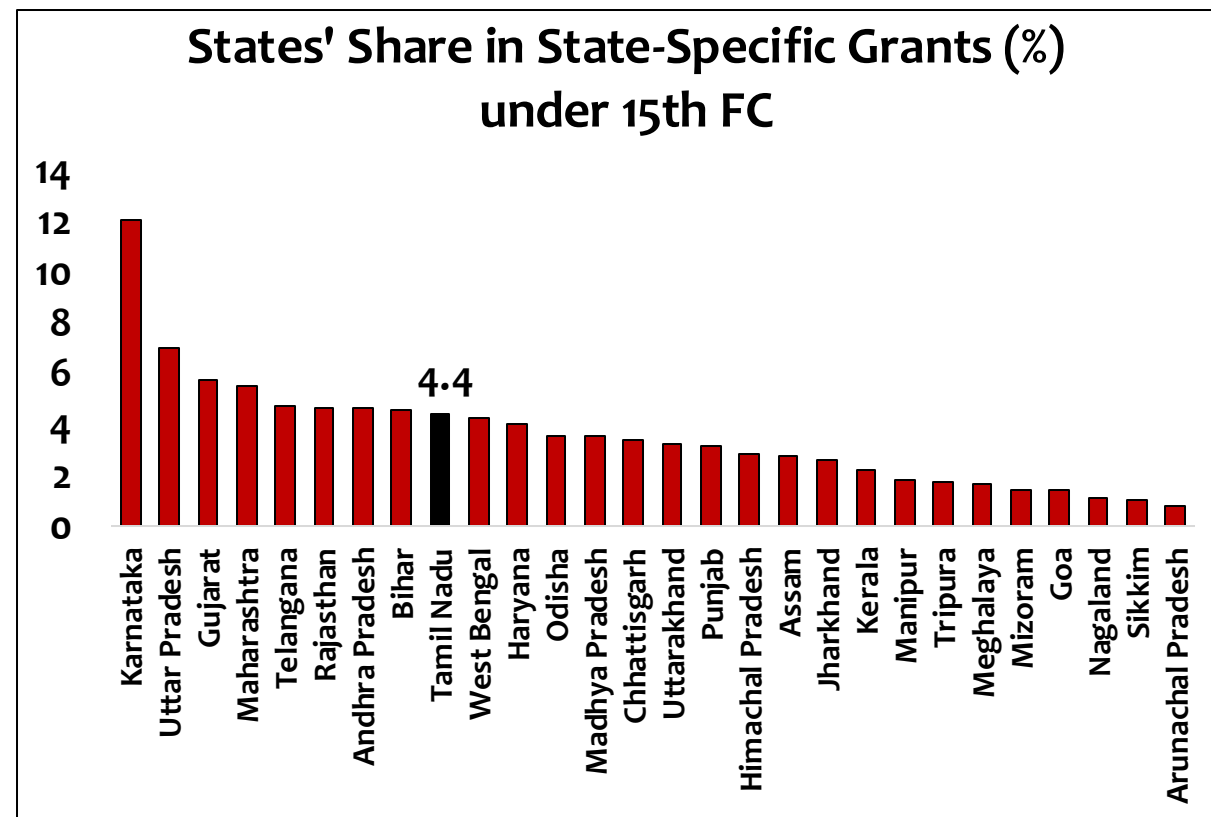
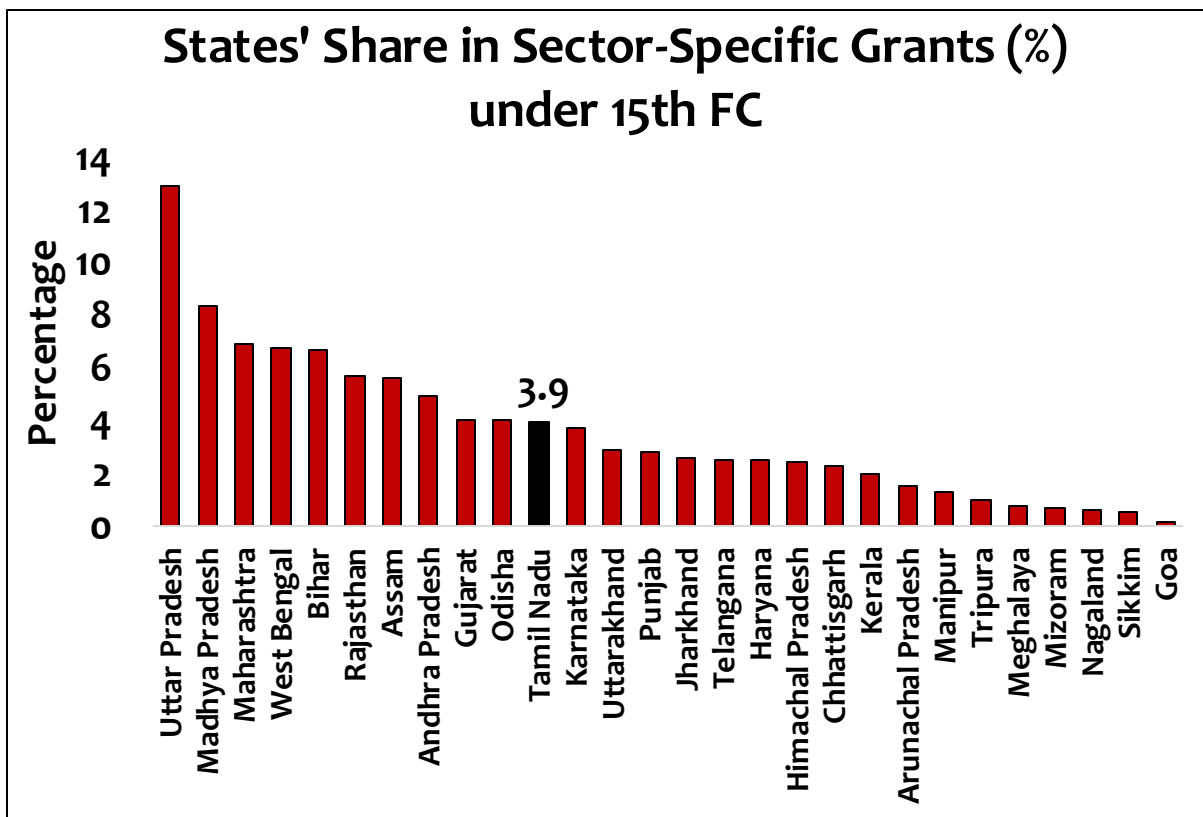
Tamil Nadu had a 1.5 percentage point* decrease in Grants for Disaster Management between the 14th and 15th FC recommendations



Source: 14th and 15th FC Reports.

Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of Disaster Management Grants from the Centre, and it has been excluded from this chart.

Tamil Nadu's share in Sector-Specific Grants is about 4 percent of the total, of which the highest share was that of Agricultural performance incentive grant (6 percent of Agricultural grants). A total of Rs. 2,200 crore was recommended in State-Specific Grants, of which Rs. 900 crore was directed towards restoration of traditional water bodies and Rs. 650 crore was for the development of key towns of tourist importance



Source: 14th and 15th FC Reports.

Note: i. Other sector-specific grants and the State's shares in each include health & education grant (3.6 percent of the total), maintenance of PMGSY roads (1.8 percent), judiciary (2.4 percent) and statistics (4 percent); ii. Tamil Nadu received Rs. 2,200 crore in State-specific grants. Apart from the restoration of traditional water bodies and development of key towns of tourist importance (Rameshwaram, Madurai, Palani, Tiruchendur and Srirangam), funds were directed towards revamping Chennai water bodies (Rs. 200 crore), renovation of historically important ancient temples (Rs. 300 crore), and heritage buildings (Fort St. George, High Court of Madras, Government Museum, PWD Complex).

Climate Change under the FC

- Looking at the last two decades, there has been a shift in how the issue of climate change has been addressed by different Finance Commissions.
- **12th and 13th FCs**
 - The **12th FC** recommended grants worth Rs 1,000 crore to be shared by States for the Maintenance of Forests, in addition to what the States were spending through their respective forest departments. The amount was distributed among the States based on their forest area, and it was to be spent for preservation of forest wealth. [refer to Chapter 10, pg. 175, 184-185]
 - Expanding on the same, the **13th FC** recommended Environment Grants worth Rs. 15,000 crore to States, which covered three areas: protection of forests, renewable energy, and water sector management (Rs. 5,000 crore each). [refer pg. 205 (table 12.1), pg. 210-217]
- **14th and 15th FCs**
 - The **14th FC** approached climate change and sustainable economic development from a fiscal perspective, and with the view that tax devolution should be the primary route of transfer of resources to States, increased the States' share in the divisible pool to 42 percent (from 32 percent under the 13th FC). [refer pg. 31 (point 2.33), pg. 103, 107 (point 8.27), pg. 180 (point 12.34-12.35)]
 - Forest cover was introduced as a criteria for tax devolution by the 14th FC, to continue accounting for concerns related to climate change and to encourage States to maintain higher forest covers. They assigned 7.5 percent weight to forest cover in the tax devolution matrix.
 - The **15th FC** maintained this recommendation, and assigned a higher weight of 10 percent to forest and ecology in the tax devolution matrix.
 - The 15th FC also made State-specific grant recommendations (based on specific requests from States). Very few of them are categorized under climate-change, and some others align with one or more of the three environment goals specified by the 13th FC: Arunachal Pradesh (Rs. 355 crore, renewable energy), Goa (Rs. 500 crore, alternative power sources, waste management), Jharkhand (Rs. 700 crore, renewable energy), Kerala (Rs. 500 crore, forest conservation), Maharashtra (Rs. 500 crore, forest conservation), Punjab (Rs. 390 crore, includes support for reduction in environment pollution caused by stubble burning), Rajasthan (Rs. 400 crore, integrated water management), Tamil Nadu (Rs. 200 crore, revamping water bodies to adapt to climate change). [refer Annex 10.9, pg. 803-810 (summary), Annex 10.10, pg. 811-837]

7. Tamil Nadu Fiscal Responsibility Act, 2003

Status of Fiscal Rule in Tamil Nadu

- Following the Twelfth Finance Commission's recommendations for prudent fiscal management, the Tamil Nadu State Government enacted the Tamil Nadu Fiscal Responsibility Act (FRA) in 2003, in line with Union Fiscal Responsibility and Budget Management Act, 2003.

- The FRA, 2003 prescribed the following fiscal targets for the State Government:
 1. **Revenue Deficit:** Reduce the ratio of revenue deficit to total revenue receipts beginning from the initial financial year 2002-03 with a medium term goal of below 5 percent to be attained by 31st March 2007
 2. **Fiscal Deficit:** Reduce fiscal deficit as a percentage of GSDP from the initial year with a medium term goal of not more than 2.5 percent to be attained by 31st March 2007
 3. Cap outstanding risk weighted guarantees to 100 percent of the total revenue receipts in the preceding year or at 10 percent of GSDP

- The FRA, 2003 required the State Government to present before the both the Houses of the Legislature, the following statements of fiscal policy along with the budget:
 - **The Medium Term Fiscal Plan**

Status of Fiscal Rule in Tamil Nadu

➤ In 2004, the fiscal targets were modified as follows:

1. **Revenue Deficit:** Reduce the ratio of revenue deficit to revenue receipt each year by 3 to 5 percent depending on the economic situation that year to a level below 5 percent by 31st March 2008 and adhere to it thereafter.
2. **Fiscal Deficit:** Reduce the ratio of fiscal deficit to GSDP beginning from financial year 2002-03 with a medium term goal of not more than 3 percent to be attained by 31st March, 2008 and adhere to it thereafter.
3. **Total Outstanding liabilities:** Cap the total outstanding guarantees to 100 percent of the total revenue receipt in the preceding year or at 10 percent of GSDP, whichever is lower.
4. Cap the risk weighted guarantees to 75 percent of the total revenue receipt in the preceding year or at 7.5 percent of GSDP, whichever is lower.

➤ In 2005, the Act was modified to further add that in addition to the aforementioned targets, the State shall eliminate revenue deficit by 2008-09 and maintain it thereafter, as well as, reduce fiscal deficit to GSDP ratio every year by 0.25 and 0.3 percent beginning from the financial year 2002-03 such that fiscal deficit is not more than 3 percent of GSDP by 31st March 2008 and maintain it thereafter.

➤ In 2010, the Act extended the duration of eliminating revenue deficit to 2010-11 and reducing fiscal deficit to 3 percent of GSDP to 31st March, 2011, respectively. An additional amendment in 2010 further extended the duration of eliminating revenue deficit to 2011-12 and reducing fiscal deficit to 3 percent of GSDP to 31st March, 2012, respectively. The time duration for reducing the ratio of revenue deficit to revenue receipt to not more than 5 percent was extended to 31st March, 2011 as well.

Source: i. Tamil Nadu Fiscal Responsibility Act, 2003, 2004, 2005, 2010, 2011, 2015, 2020, 2021, 2023; ii. The Tamil Nadu Government Gazette, State Finances Audit Reports of the CAG.

Status of Fiscal Rule in Tamil Nadu

- In 2011, the State adopted the recommendations of the Thirteenth Finance Commission. Fiscal targets were modified as follows:
 - **Total Liabilities:** Limit for total outstanding debt at the end of financial year 2011-12, 2012-13, 2013-14 and 2014-15 was targeted at 24.5 percent, 24.8 percent, 25 percent, 25.2 percent and 25.2 percent respectively of the estimated GSDP for that year, and maintain as such thereafter

- In 2015, the revenue deficit target for the State was modified as follows: Reduce revenue deficit to revenue receipts ratio to not more than 5 percent by 31st March 2016 and eliminate revenue deficit by 2016-2017.

- In 2020, the fiscal targets for the State was modified as follows:
 1. **Revenue Deficit:** reduce the ratio of revenue deficit to revenue receipt every year by 3 percent to 5 percent depending on the economic situation in that year beginning from financial year 2002-2003 and eliminate revenue deficit by 2021-2022 and adhere to it thereafter.
 2. **Fiscal Deficit:** maintain fiscal deficit to GSDP as not more than 3 percent by 31st March 2022 and adhere to it thereafter.

Source: i. Tamil Nadu Fiscal Responsibility Act, 2003, 2004, 2005, 2010, 2011, 2015, 2020, 2021, 2023; ii. The Tamil Nadu Government Gazette, State Finances Audit Reports of the CAG.

Status of Fiscal Rule in Tamil Nadu

- The State Government amended the TNFR Act, 2003 in June 2021 to extend the time limit to eliminate revenue deficit by 2023-24 and to maintain the ratio of fiscal deficit to GSDP as not more than 3 percent by 31 March 2024.

- In 2023, the Act was amended to modify the time duration of achieving the fiscal targets as follows:
 1. **Revenue Deficit:** Eliminate revenue deficit by 2025-26
 2. **Fiscal Deficit:** Reduce fiscal deficit to not more than 3 percent of GSDP by 31st March 2025

Source: i. Tamil Nadu Fiscal Responsibility Act, 2003, 2004, 2005, 2010, 2011, 2015, 2020, 2021, 2023; ii. The Tamil Nadu Government Gazette, State Finances Audit Reports of the CAG.

State Finances Audit Report of the Comptroller and Auditor General of India (CAG) for Tamil Nadu

Table 1.4: Compliance with provisions of State TNFR Act

Fiscal Parameters	Fiscal targets set in the Act	Achievement				
		2017-18	2018-19	2019-20	2020-21	2021-22
GSDP at current prices (₹ in crore)		14,65,051	16,30,209	17,43,144	18,08,239	20,65,436
Revenue Deficit (-) / Surplus (+) (₹ in crore)	Eliminate Revenue Deficit by 2023-24	(-) 21,594	(-) 23,459	(-) 35,909	(-) 62,326	(-) 46,538
Fiscal Deficit (-)/ Surplus (+) (as percentage of GSDP)	Reduce Fiscal deficit to three per cent by March 2024	(-) 39,840 (2.72)	(-) 47,335 (2.90)	(-) 60,179 (3.45)	(-) 93,983 (5.20)	(-) 81,835 (3.96)
Total outstanding debt (₹ in crore)		3,26,518	3,68,736	4,23,743	5,18,796	6,10,667
Ratio of total outstanding debt to GSDP (in per cent)	28.70 per cent	22.29	22.62	24.31	28.35*	28.87*

- The State could not achieve a revenue surplus in the period 2017-18 to 2021-22. The revenue deficit of the State witnessed an increasing trend during this period.
- Additionally, the State could meet its fiscal deficit target only in 2017-18 and 2018-19.
- The State was able to achieve its target for outstanding liabilities in three years from 2017-18 to 2019-20 during this period.

Source: State Finances Audit Reports of the CAG for 2021-22.

Recommendations by the Comptroller and Auditor General of India (CAG)

➤ The CAG has made the following recommendations:

- The Government should take steps to collect the arrears of revenue and strengthen the machinery for detection of evasion of taxes.
- Government should commission an independent third-party assessment of its investments in loss making PSUs to take appropriate decisions on the need for continued investment in these.
- Government should consider appointing a Fund Manager to ensure better returns.

Status of Fiscal Rule in Tamil Nadu

- **Revenue deficit** in 2023-24 is estimated to be 1.3 percent of GSDP. In 2022-23, the State is expected to observe a revenue deficit 1.2 percent of GSDP, lower than the budget estimate of 2.1 percent of GSDP.
- **Fiscal deficit** in 2023-24 is targeted at 3.25 percent of GSDP. In 2022-23, as per the revised estimates, fiscal deficit is expected to be 3 percent of GSDP, lower than the budget estimate of 3.63 percent of GSDP.
- **Outstanding debt** of Tamil Nadu at the end of March 2024 is estimated to be 25.6 percent of GSDP. Outstanding debt is estimated to increase to 25.9 percent of GSDP at the end of March 2026. As per the 2003 Act, outstanding debt was to be maintained below 25.2 percent of GSDP by the end of 2014-15, and be maintained at such a percentage subsequently, as may be prescribed.
- As per the Budget Speech, at the end of 2021-22, **outstanding government guarantees** were 4.22 percent of GSDP or 44.33 percent of the total revenue receipts of the preceding year. Outstanding government guarantee at the end of 2021-22 was lower than the limits specified in the FRA.

Source: <https://prsindia.org/budgets/States/tamil-nadu-budget-analysis-2023-24>

Table 5A: Fiscal Parameters set in the FRBM Act in various years

Fiscal Parameters	Fiscal Parameters set in the Act			
	2003	2004	2005	2010
Revenue Deficit (Rs crore)	Reduce the ratio of revenue deficit to total revenue receipt beginning from the initial financial year 2002-03 with a medium term goal of below 5 percent to be attained by 31 st March 2007	Reduce the ratio of revenue deficit to revenue receipt each year by 3 to 5 percent depending on the economic situation that year to a level below 5 percent by 31 st March 2008 and adhere to it thereafter	Reduce the ratio of revenue deficit to total revenue receipt beginning from the initial financial year 2002-03 with a medium term goal of below 5 percent to be attained by 31 st March 2009 and eliminate revenue deficit by 2008-09	Reduce the ratio of revenue deficit to total revenue receipt beginning from the initial financial year 2002-03 with a medium term goal of below 5 percent to be attained by 31 st March 2011 and eliminate revenue deficit by 2011-12
Fiscal Deficit (as percentage of GSDP)	Reduce fiscal deficit as a percentage of GSDP from the initial year with a medium term goal of not more than 2.5 percent to be attained by 31 st March 2007	Reduce the ratio of fiscal deficit to GSDP beginning from financial year 2002-03 with a medium term goal of not more than 3 percent to be attained by 31 st March, 2008 and adhere to it thereafter	Reduce fiscal deficit to GSDP ratio every year by 0.25 and 0.3 percent beginning from the financial year 2002-03 such that fiscal deficit is not more than 3 percent of GSDP by 31 st March 2008 and maintain it thereafter	Reduce fiscal deficit to 3 percent of GSDP to 31 st March, 2012
Total Debt Liabilities (as percentage of GSDP)	-	-	-	-
Outstanding Guarantees	-	Cap the total outstanding guarantees to 100 percent of the total revenue receipt in the preceding year or at 10 percent of GSDP, whichever is lower	No change	No change

Source: i. Tamil Nadu Fiscal Responsibility Act, 2002, 2009, 2011, 2014, 2021, 2022; ii. The Tamil Nadu Government Gazette, State Finances Audit Reports of the CAG.

Note: The fiscal target for outstanding guarantees as per the FRA is to cap the total outstanding guarantees to 100 percent of the total revenue receipt in the preceding year or at 10 percent of GSDP, whichever is lower.

Table 5B: Fiscal Parameters set in the FRBM Act in various years

Fiscal Parameters	Fiscal Parameters set in the Act				
	2011	2015	2020	2021	2023
Revenue Deficit (Rs crore)	No change	Reduce revenue deficit to revenue receipts ratio to not more than 5 percent by 31st March 2016 and eliminate revenue deficit by 2016-2017	reduce the ratio of revenue deficit to revenue receipt every year by 3 percent to 5 percent depending on the economic situation in that year beginning from financial year 2002-2003 and eliminate revenue deficit by 2021-2022 and adhere to it thereafter	eliminate revenue deficit by 2023-24	Eliminate revenue deficit by 2025-26
Fiscal Deficit (as percentage of GSDP)	No change	No change	Maintain fiscal deficit to GSDP as not more than 3 percent by 31 st March 2022 and adhere to it thereafter	Maintain the ratio of fiscal deficit to GSDP as not more than 3 percent by 31 March 2024	Reduce fiscal deficit to not more than 3 percent of GSDP by 31 st March 2025
Total Debt Liabilities (as percentage of GSDP)	Limit for total outstanding debt at the end of financial year 2011-12, 2012-13, 2013-14 and 2014-15 was targeted at 24.5 percent, 24.8 percent, 25 percent, 25.2 percent and 25.2 percent respectively of the estimated GSDP for that year, and maintain as such thereafter	No change	Maintain total outstanding debt to GSDP ratio as not more than 25.2 percent	Maintain total outstanding debt to GSDP ratio as not more than 25.2 percent	Maintain total outstanding debt to GSDP ratio as not more than 25.2 percent
Outstanding Guarantees	No change	No change	No change	No change	No change

Source: Tamil Nadu Fiscal Responsibility Act, 2002, 2009, 2011, 2014, 2021, 2022, The Tamil Nadu Government Gazette, State Finances Audit Reports of the CAG.

8. Extra slides on Fiscal Indicators

- Fiscal Data covers the fiscal period 1990-91 - 2022-23

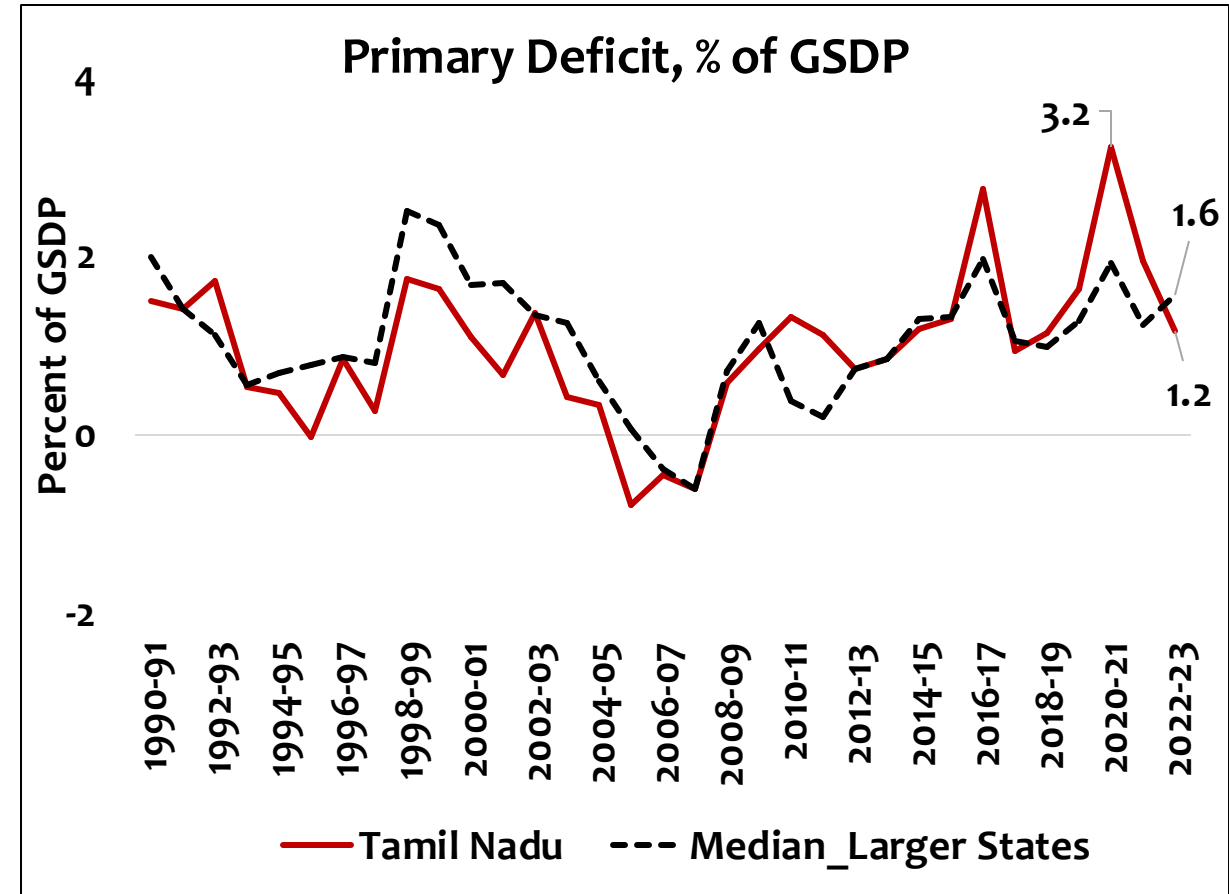
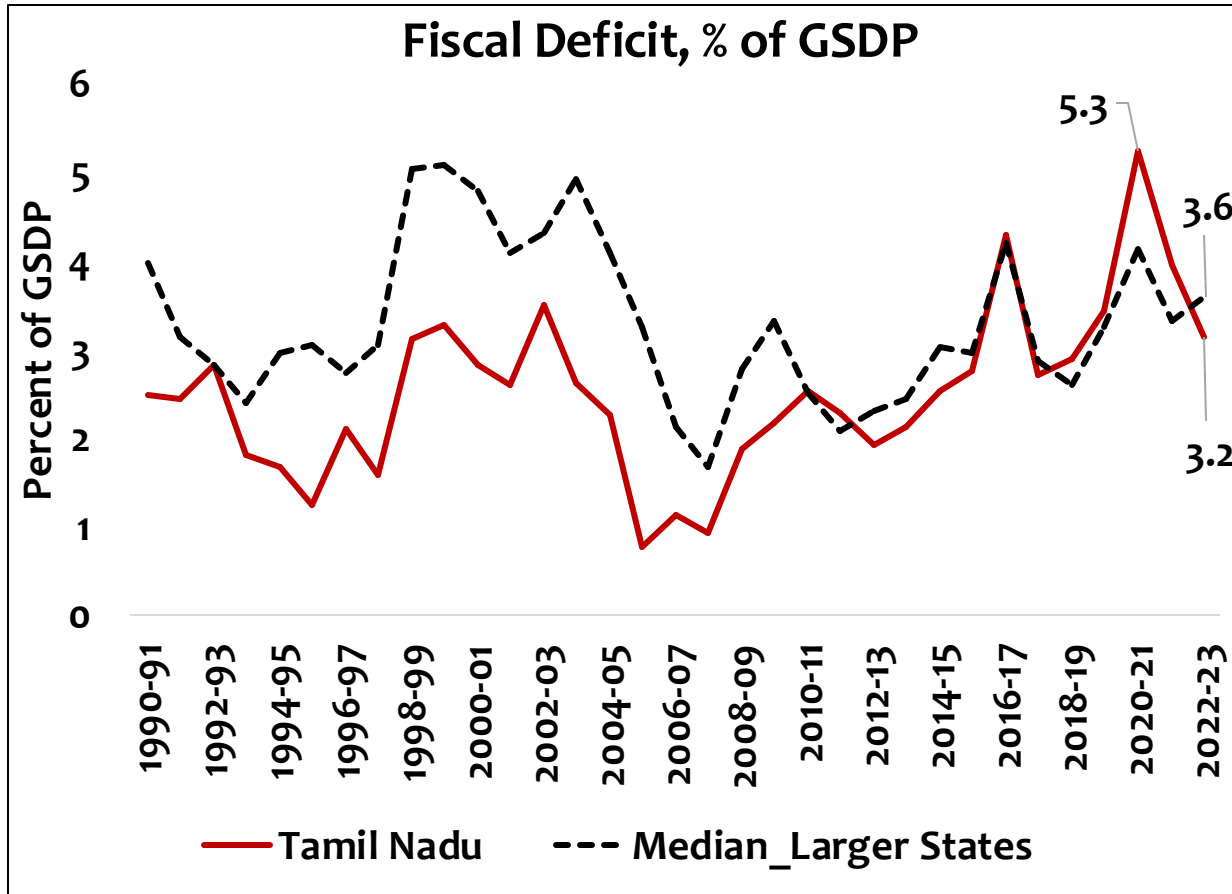
Fiscal Indicators

(I) Benchmarked with respect to *Median of Larger States*

Note: In Section 5, the benchmark was defined as the median of all States. This variable was computed as a percentage of GSDP for each State, and the median was taken across 29 States (excluding all Union Territories).

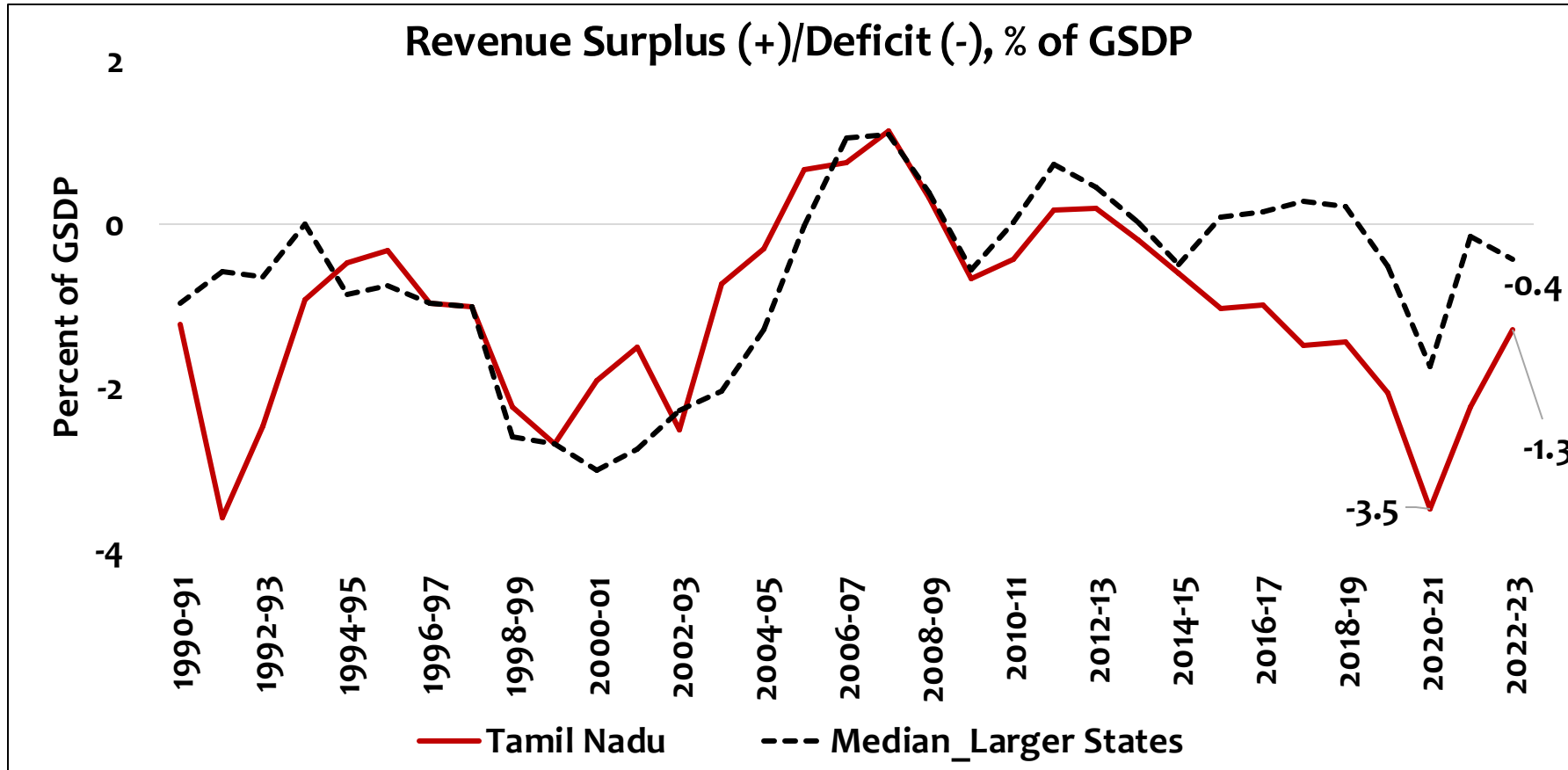
In contrast, the benchmark in this section refers to the median of larger States only. This variable was computed as a percentage of GSDP for each State, and the median was taken across 22 major States (Andhra Pradesh, Assam, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, Uttar Pradesh, Uttarakhand, West Bengal).

In 2022-23, Tamil Nadu ran a Fiscal Deficit and Primary Deficit of 3.2 and 1.2 percent of its GSDP respectively, both lower than that of a median State



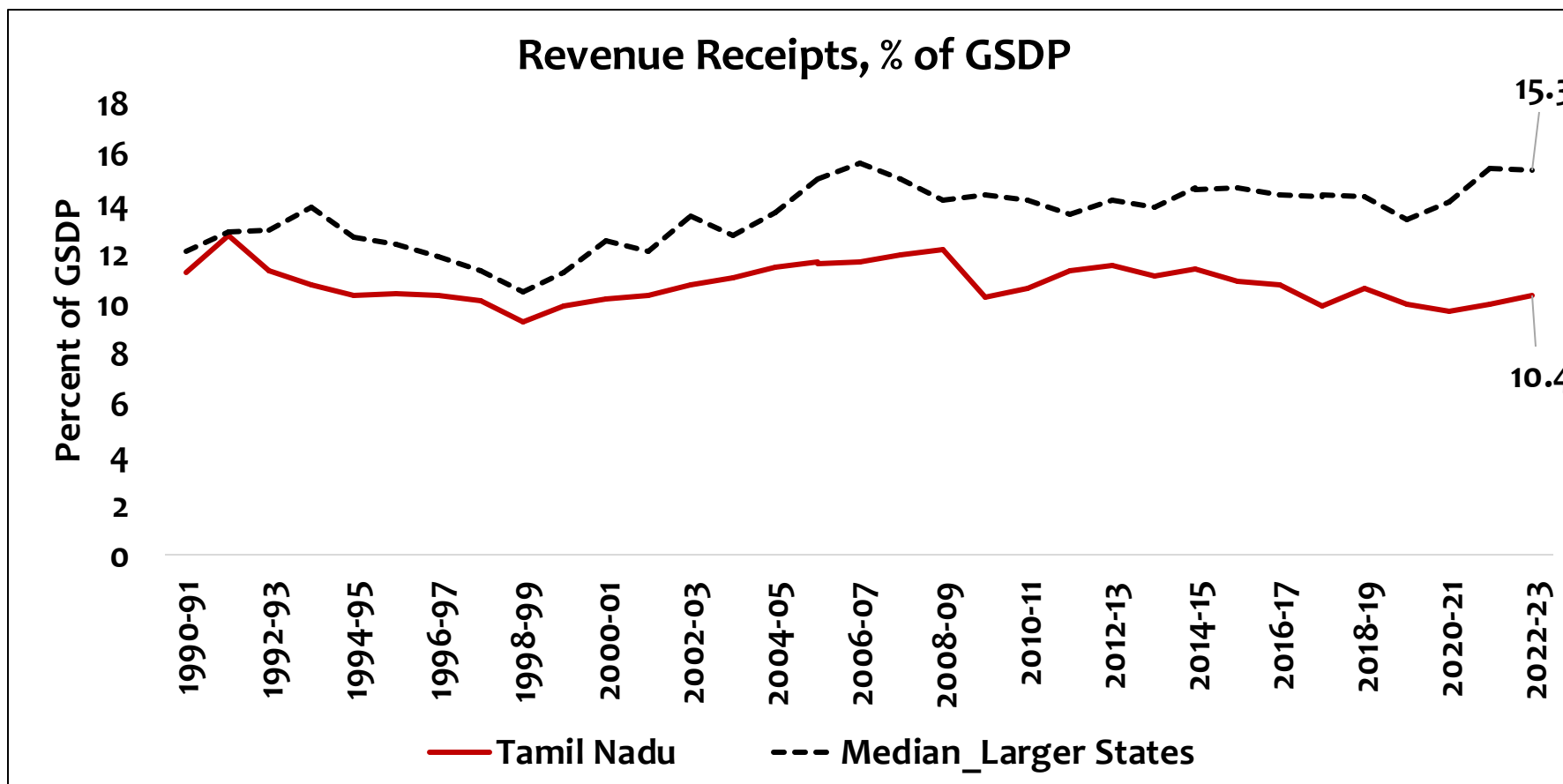
Source: i. Fiscal Deficit (FD) is from RBI State Finances Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23). Note: i. Primary Deficit (PD) is calculated (Fiscal Deficit – Interest Payments). Interest Payments is sourced from RBI SFR; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded); iii. The significant fiscal and primary deficit in 2020-21 could result from the lowest Own Tax and Own Non-Tax Revenue collected by the State in the past three decades.

Tamil Nadu ran a Revenue Deficit of 1.3 percent of its GSDP in 2022-23, while a median State ran a Revenue Deficit of 0.4 percent of its GSDP



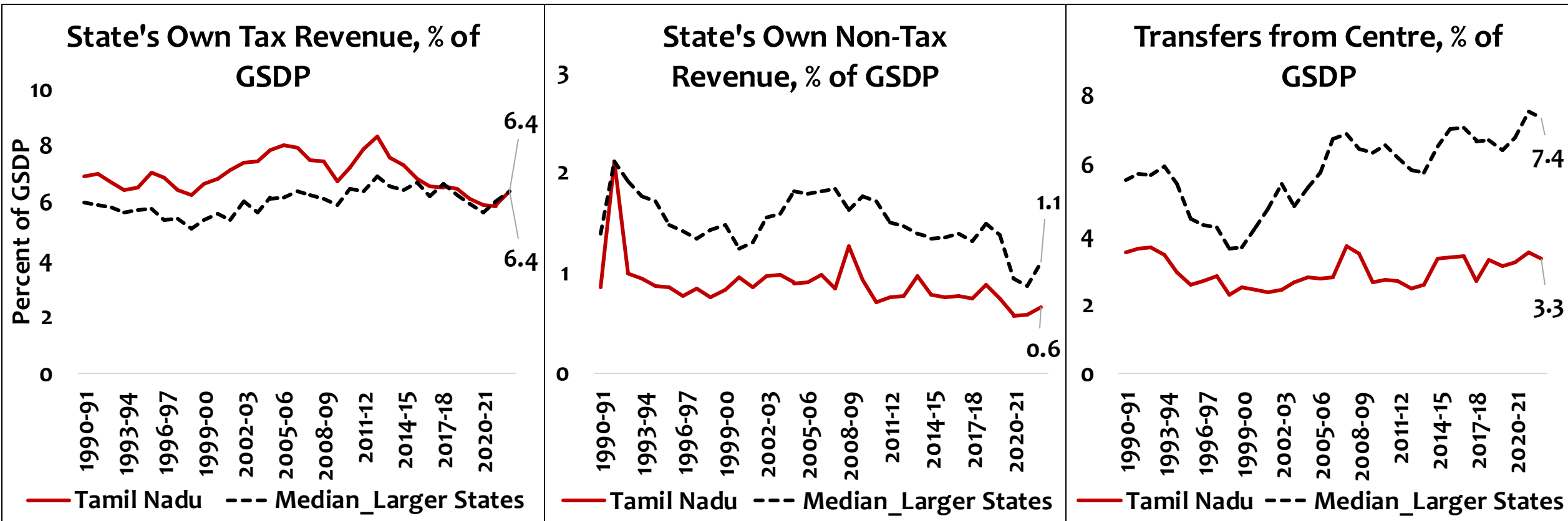
Source: i. Revenue Deficit is from RBI State Finances Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23). Note: The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded); iii. The significant revenue deficit in 2020-21 could result from the lowest Own Tax and Own Non-Tax Revenue collected by the State in the past three decades.

In 2022-23, Tamil Nadu's total Revenue Receipts (own tax, own non-tax, and shared by the Centre) were about 5 percentage points lower than what a median State collected, at 10.4 percent of its GSDP



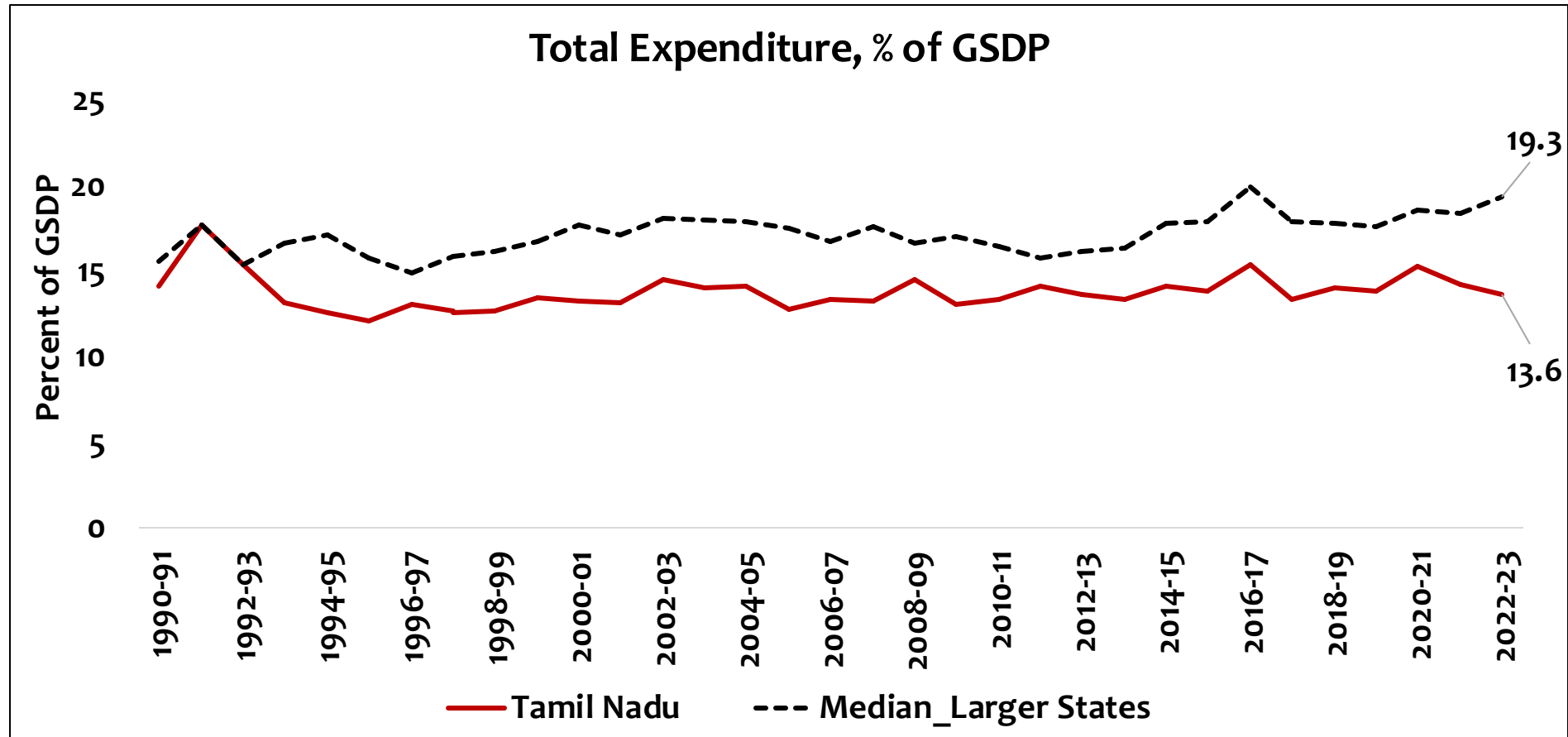
Source: i. Revenue Receipts from RBI State Finances Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23). Note: The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded).

Tamil Nadu's Own Tax Revenue, Own Non-Tax Revenue, and Transfers from the Centre are 6.4, 0.6, and 3.3 percent of its GSDP respectively. Own Tax Revenue collected by Tamil Nadu has declined since 2014 but has continued to remain at par with a median State as of 2022-23. Tamil Nadu's Own Non-tax collection and Transfers from the Centre have been consistently lower than what a median State receives



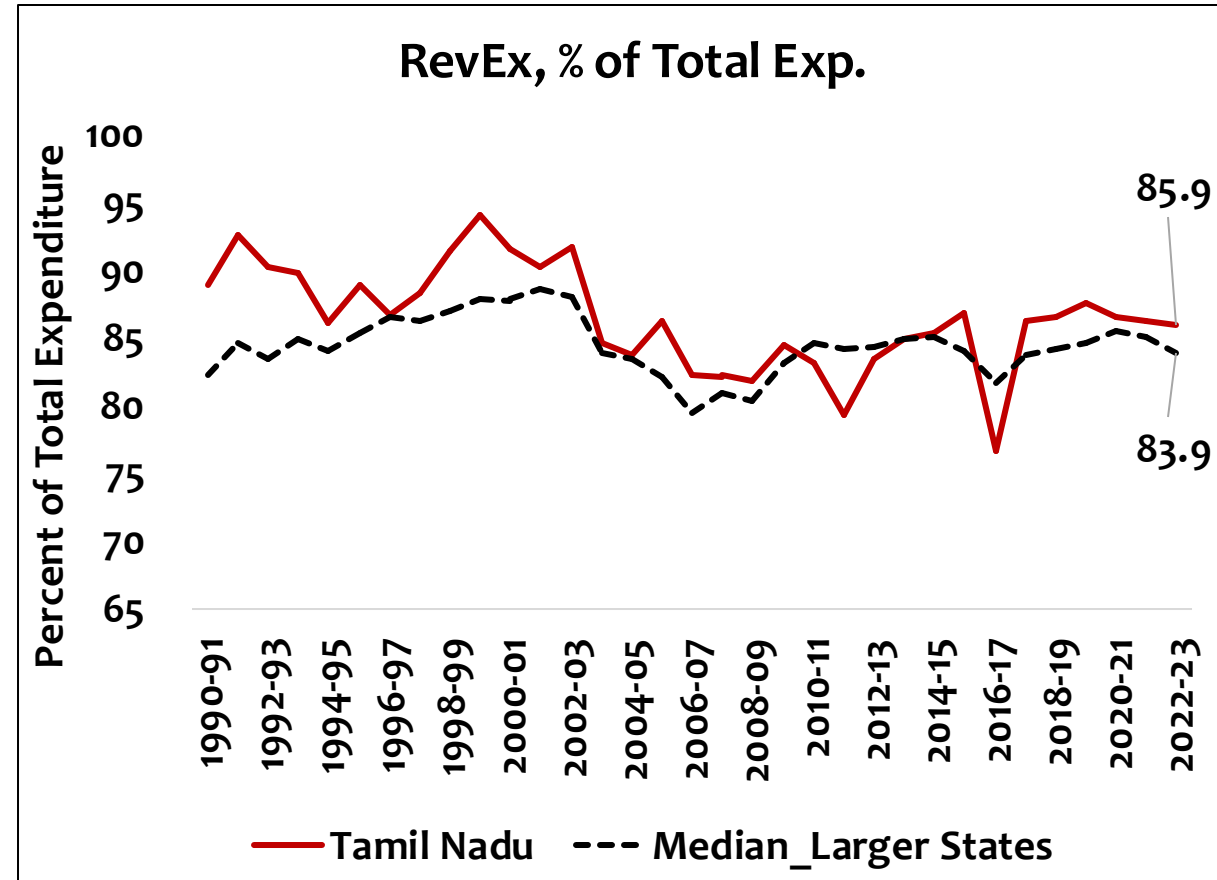
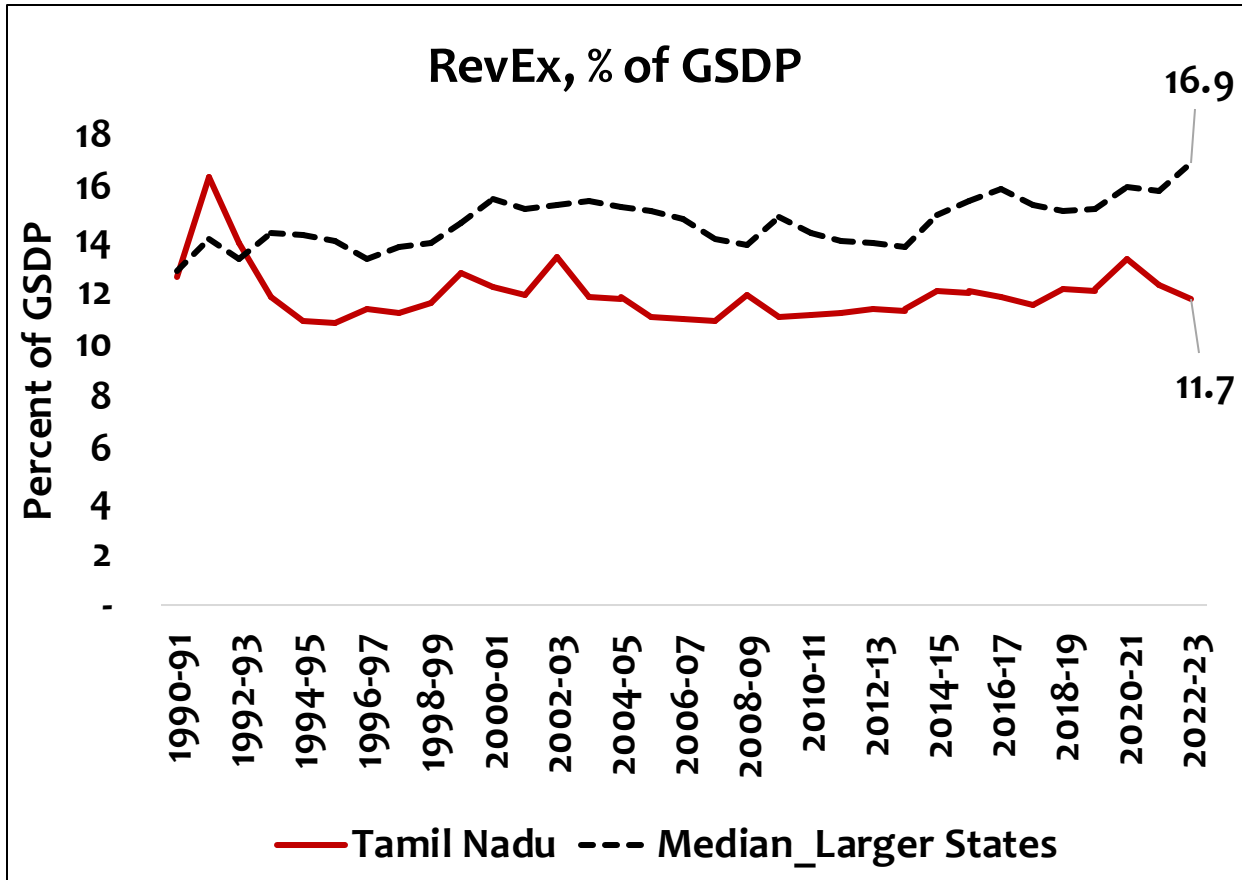
Source: i. Own-Tax Revenue, Own Non-Tax Revenue, and Transfers from the Centre from RBI State Finances Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23). Note: i. The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded); ii. Transfers from the Centre include both Tax and Non-Tax transfers.

In 2022-23, Tamil Nadu's Total Expenditure at 13.6 percent of its GSDP was 5.7 percentage points lower than that a median State



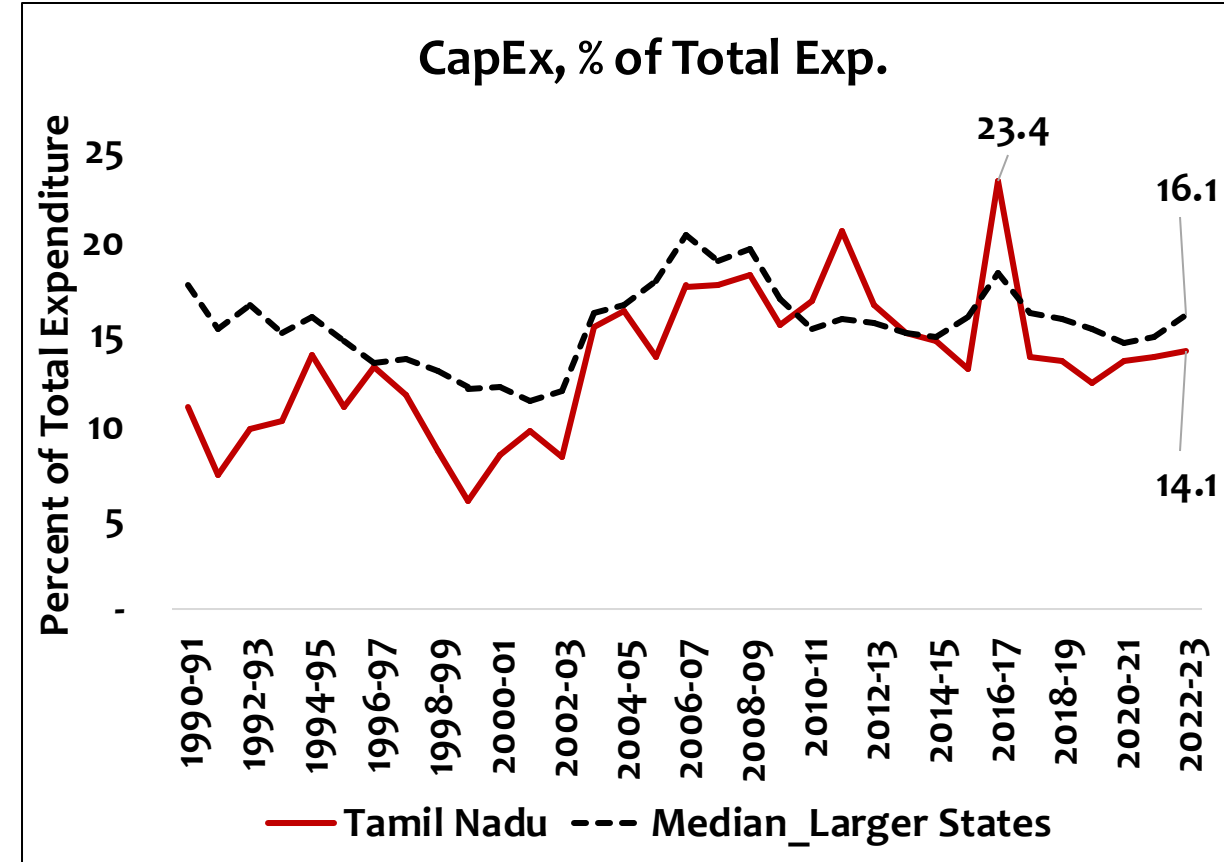
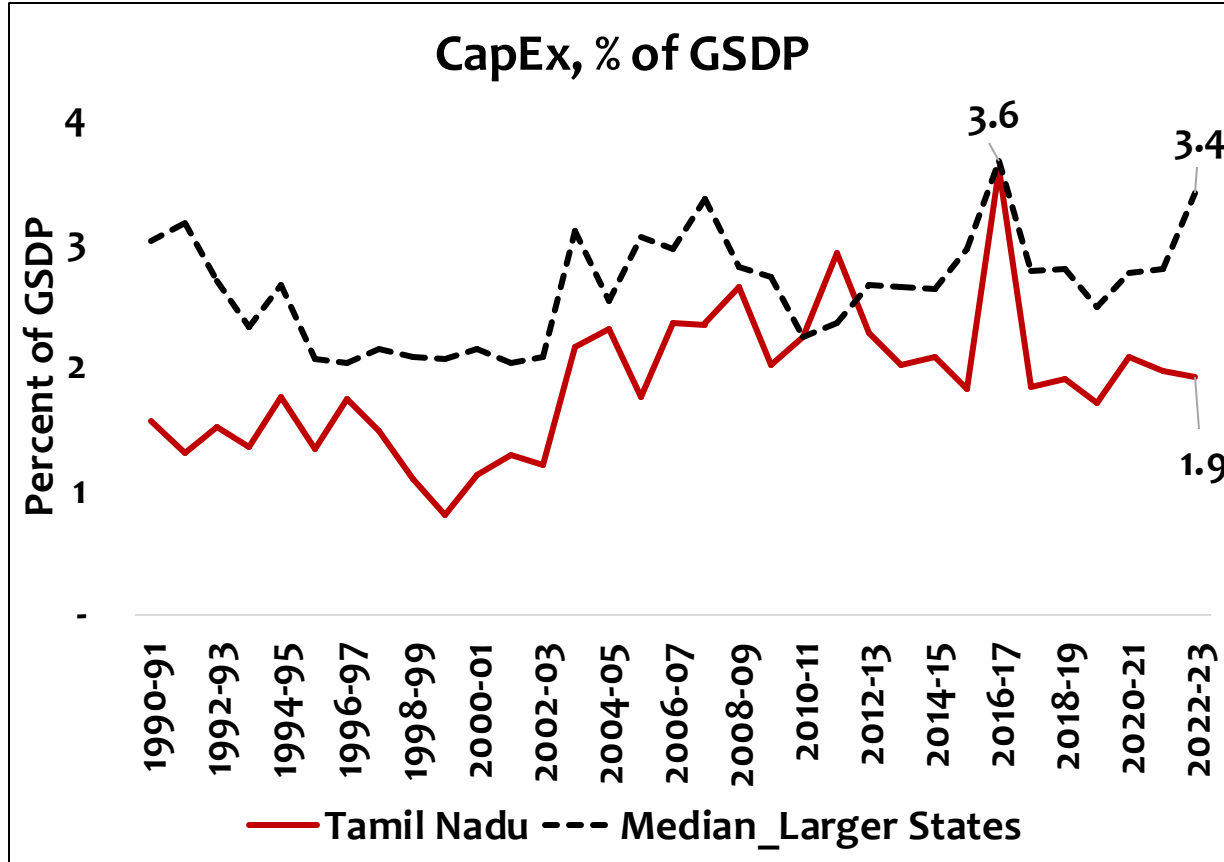
Source: i. Total Expenditure is from State Finances Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23). Note: i. Total Expenditure is calculated as RevEx + CapEx; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded).

Tamil Nadu's RevEx at 11.7 percent of its GSDP, was 5.2 percentage points lower than a median State, and accounted for 85.9 percent of the Total Expenditure in 2022-23



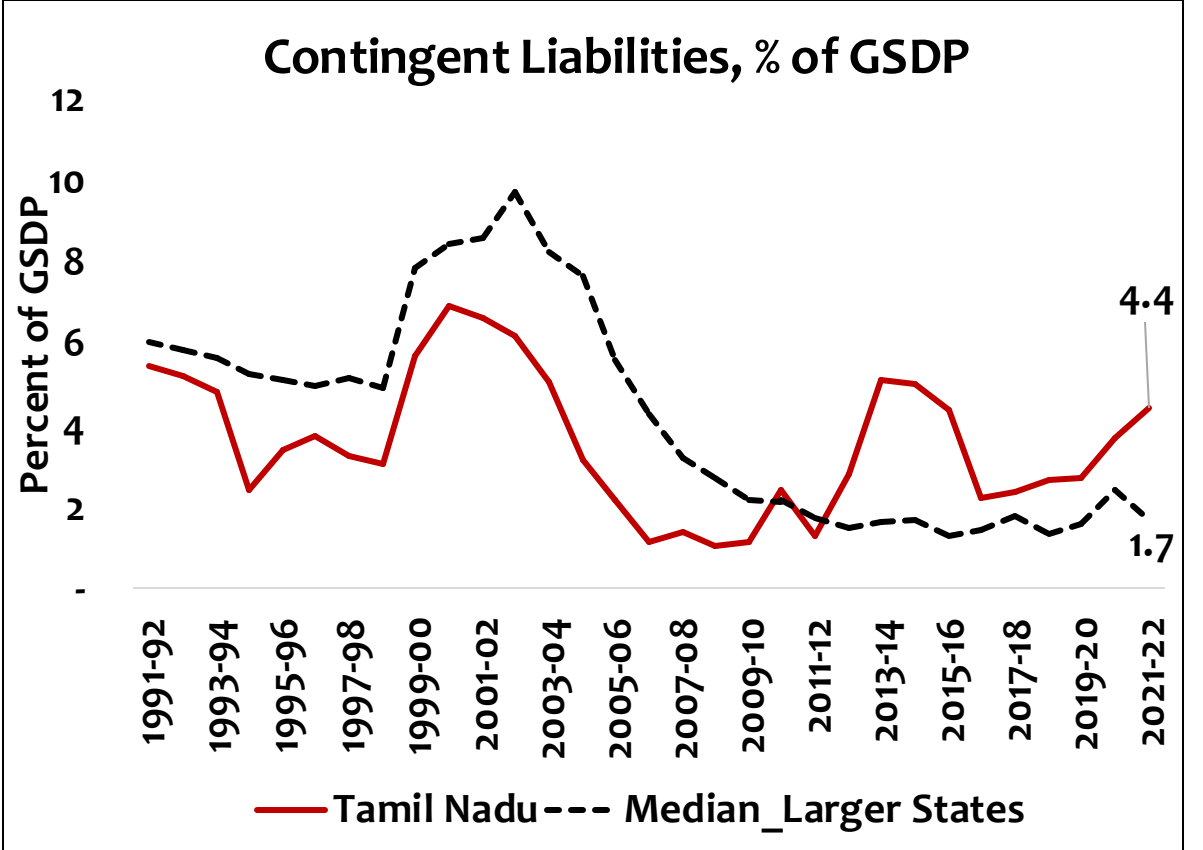
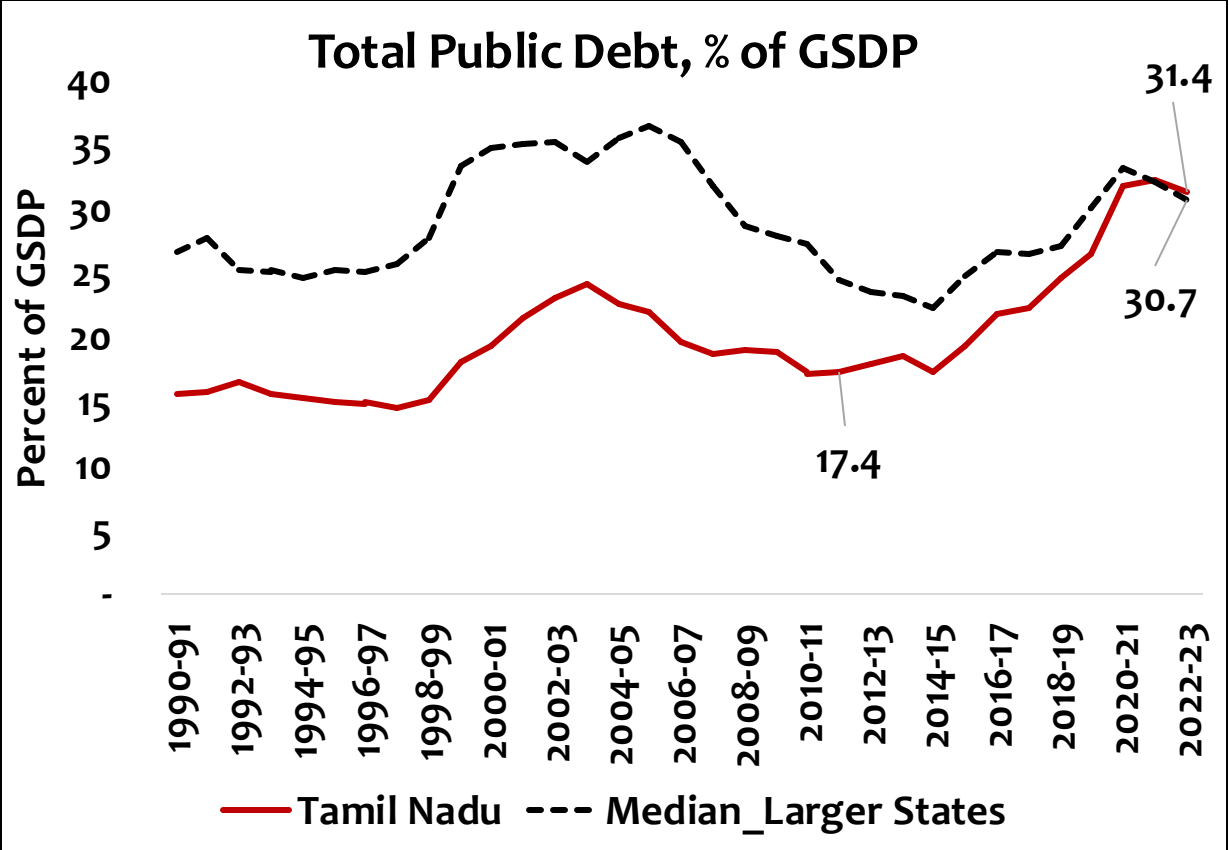
Source: i. RevEx is from RBI State Finances Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23). Note: i. Total Expenditure is calculated as RevEx + CapEx; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded).

In 2022-23, Tamil Nadu's CapEx at 1.9 percent of its GSDP, was nearly half of what a median State spent on CapEx



Source: i. CapEx is calculated as Capital Outlay + Loans and Advances given by the State government and the data for both is taken from RBI State Finances Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23). Note: i. Total Expenditure is calculated as RevEx + CapEx; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded); iii. The fall in capital expenditure during the two years 2009-10 and 2012-13 was mainly triggered by the fall in the expenditure under Economic Services (Source – [Tamil Nadu State Finance](#)).

Tamil Nadu has seen a consistent rise in its Public Debt since 2012, and at 31.4 percent of its GSDP as of 2022-23, it was 0.7 percentage points higher than a median State. Its Contingent Liabilities as of 2021-22 were 4.4 percent of its GSDP, nearly 3 percentage points higher than those of a median State



Source: i. Public Debt and State-wise contingent liabilities data has been taken from RBI State Finances Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23). Note: i. The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded); ii. During the 2013-14 and Covid-19 pandemic, there was a steady increase in debt level for meeting the debt takeover of power utility by the State Government accompanied by an economic slowdown which reached its lowest in 2020-21 (Source - [MSE Working Paper](#)).

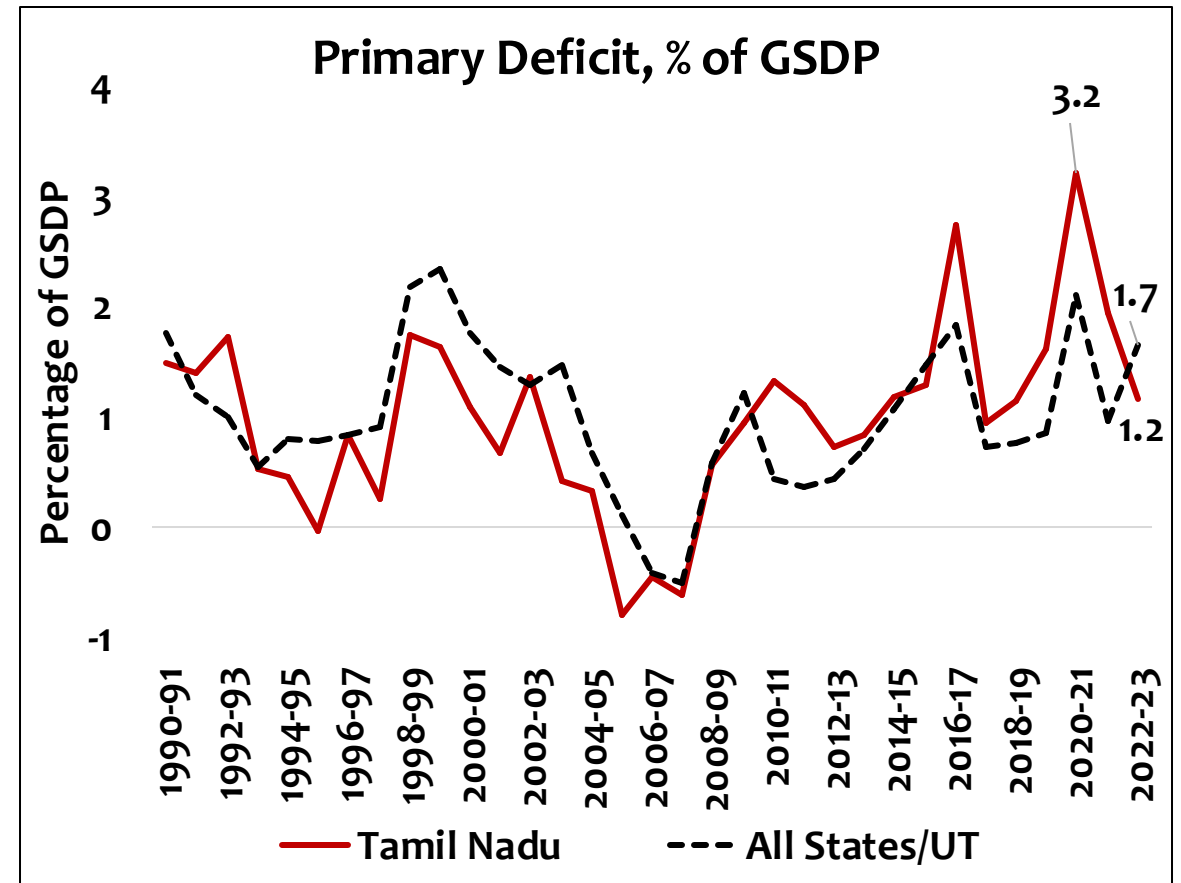
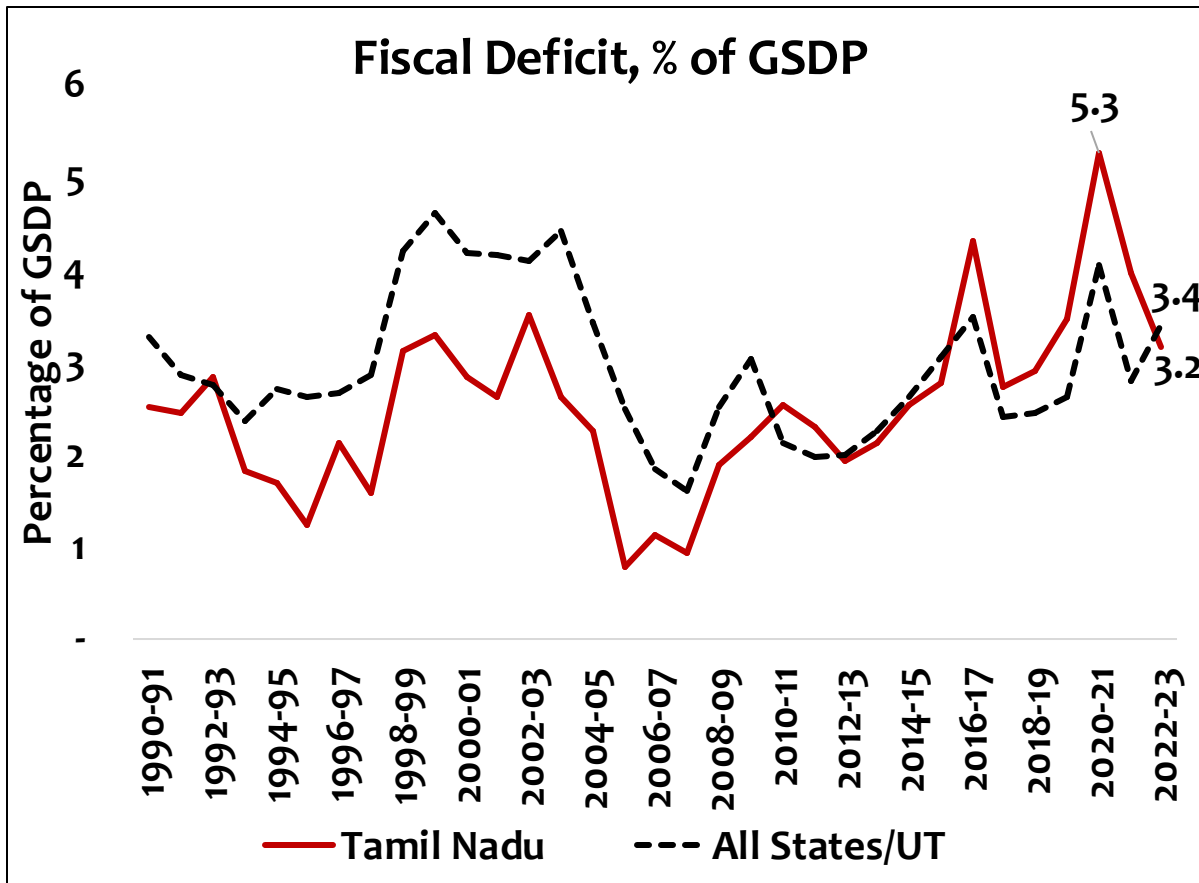
Fiscal Indicators

(II) Benchmarked with respect to *All States/UTs*

Note: In Section 5, the benchmark was defined as the median of all States. This variable was computed as a percentage of GSDP for each State, and the median was taken across 29 States (excluding all Union Territories).

In contrast, the benchmark in this section refers to the All States/UTs number, taken as available from the source and expressed as a percentage of national Gross Domestic Product.

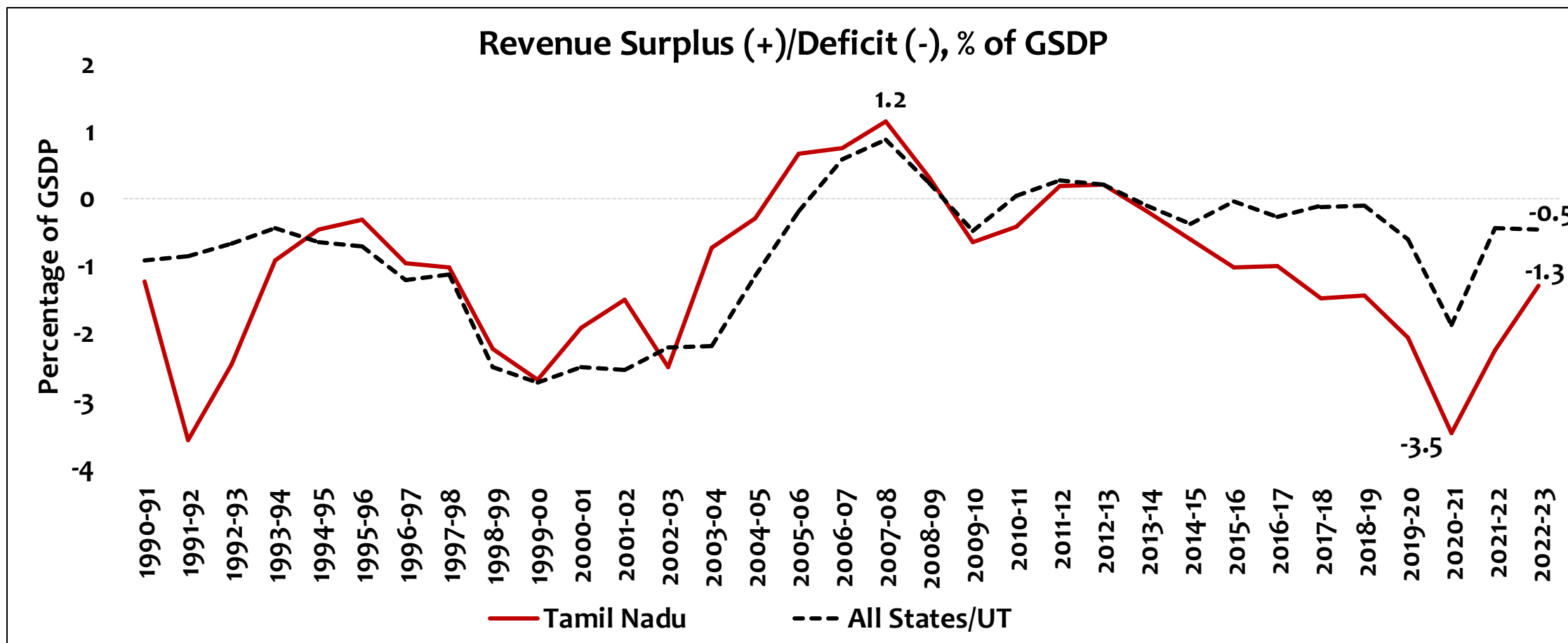
In 2022-23, Tamil Nadu ran a Fiscal Deficit and Primary Deficit of 3.2 and 1.2 percent of its GSDP respectively, both marginally lower than the average of all States



Source: i. Fiscal Deficit is from RBI State Finances Report (SFR, 2022-23); ii. Primary Deficit calculated (Fiscal Deficit – Interest Payments). Interest Payments was sourced from RBI State Finances Report (SFR, 2022-23)

Note: i. State GSDP and national GDP data is from MoSPI; ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product; iii. The significant fiscal and primary deficit in 2020-21 could result from the lowest Own Tax and Own Non-Tax Revenue collected by the State in the past three decades

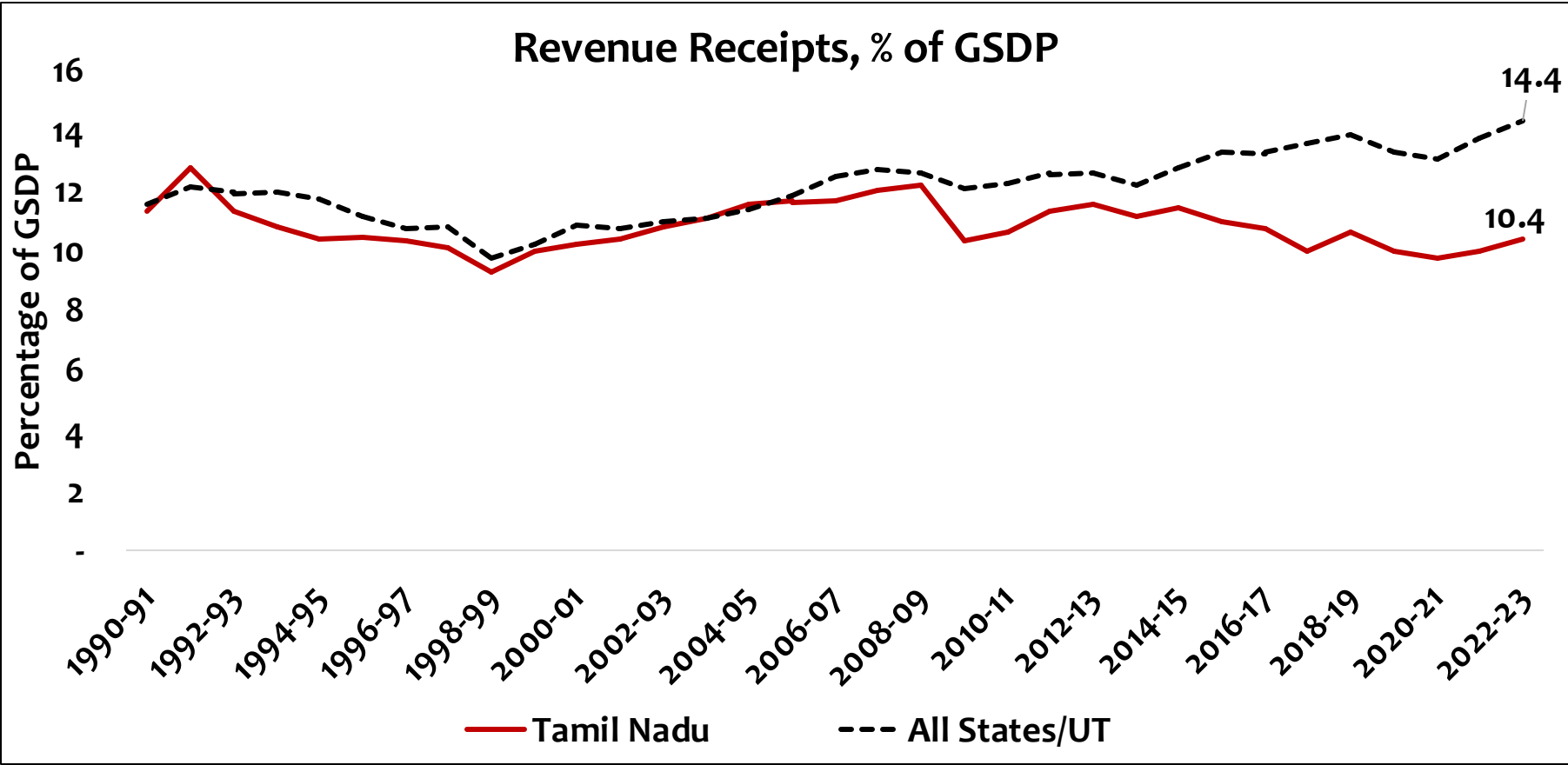
Tamil Nadu ran a Revenue Deficit of 1.3 percent of its GSDP in 2022-23, while an average State ran a Revenue Deficit of 0.5 percent of the GSDP in the same year



Source: i. Revenue Deficit from RBI State Finances Report (SFR, 2022-23); ii. State GSDP and national GDP data is from MoSPI (2022-23).

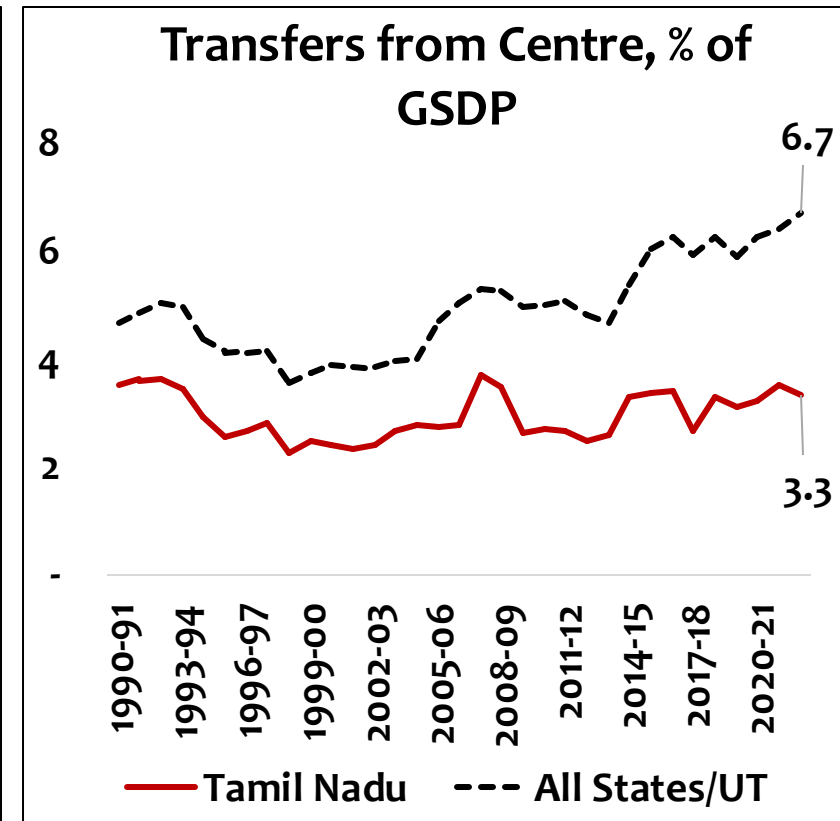
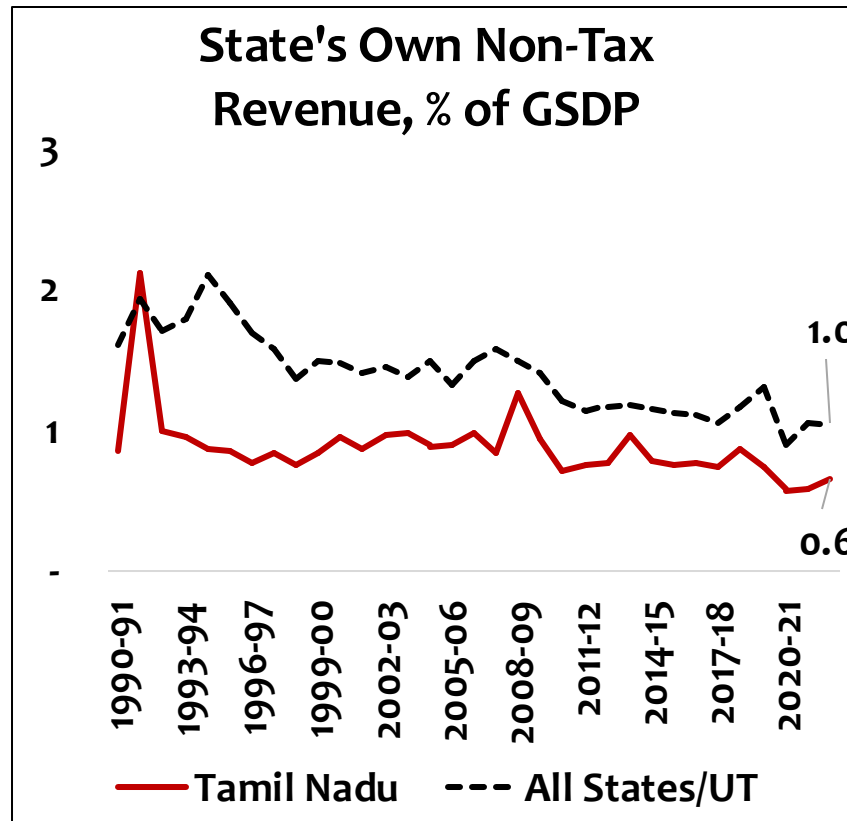
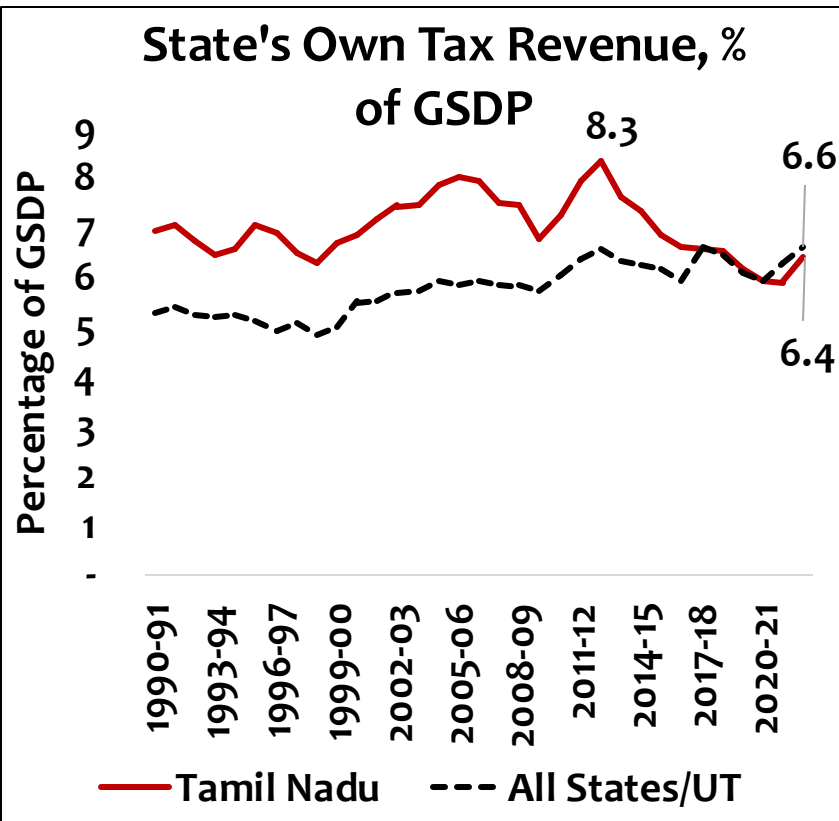
Note: i. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product; ii. The significant revenue deficit in 2020-21 could result from the lowest Own Tax and Own Non-Tax Revenue collected by the State in the past three decades.

In 2022-23, Tamil Nadu's Total Revenue Receipts (Own Tax, Own Non-Tax, and shared by the Centre) were about 4 percentage points lower than what an average State collected, at about 10.4 percent of its GSDP



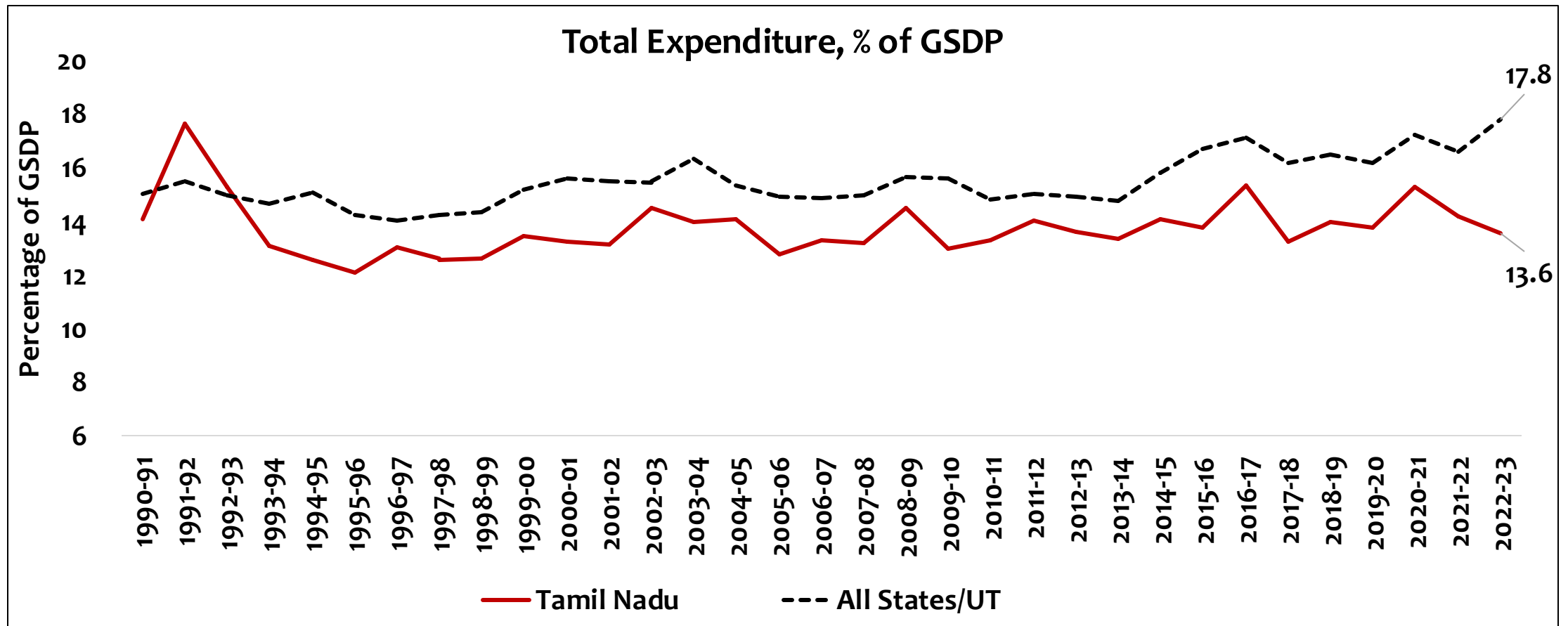
Source: i. Revenue Receipts from RBI State Finances Report, SFR (2022-23); ii. State GSDP and national GDP data is from MoSPI (2022-23). Note: i. All States/UTs Note: All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product.

Tamil Nadu's Own Tax Revenue, Own Non-Tax Revenue, and Transfers from the Centre are 6.4, 0.6, and 3.3 percent of its GSDP respectively, all lower than the average of other States



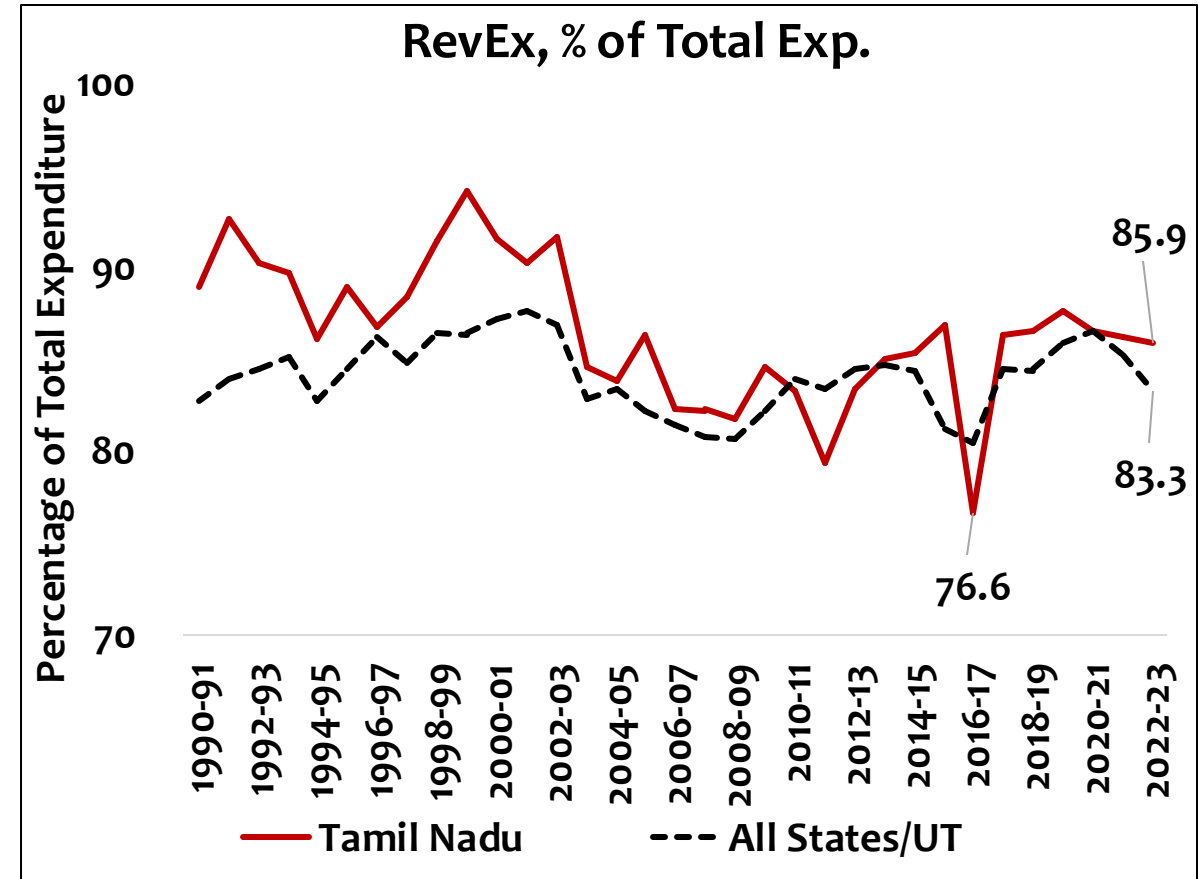
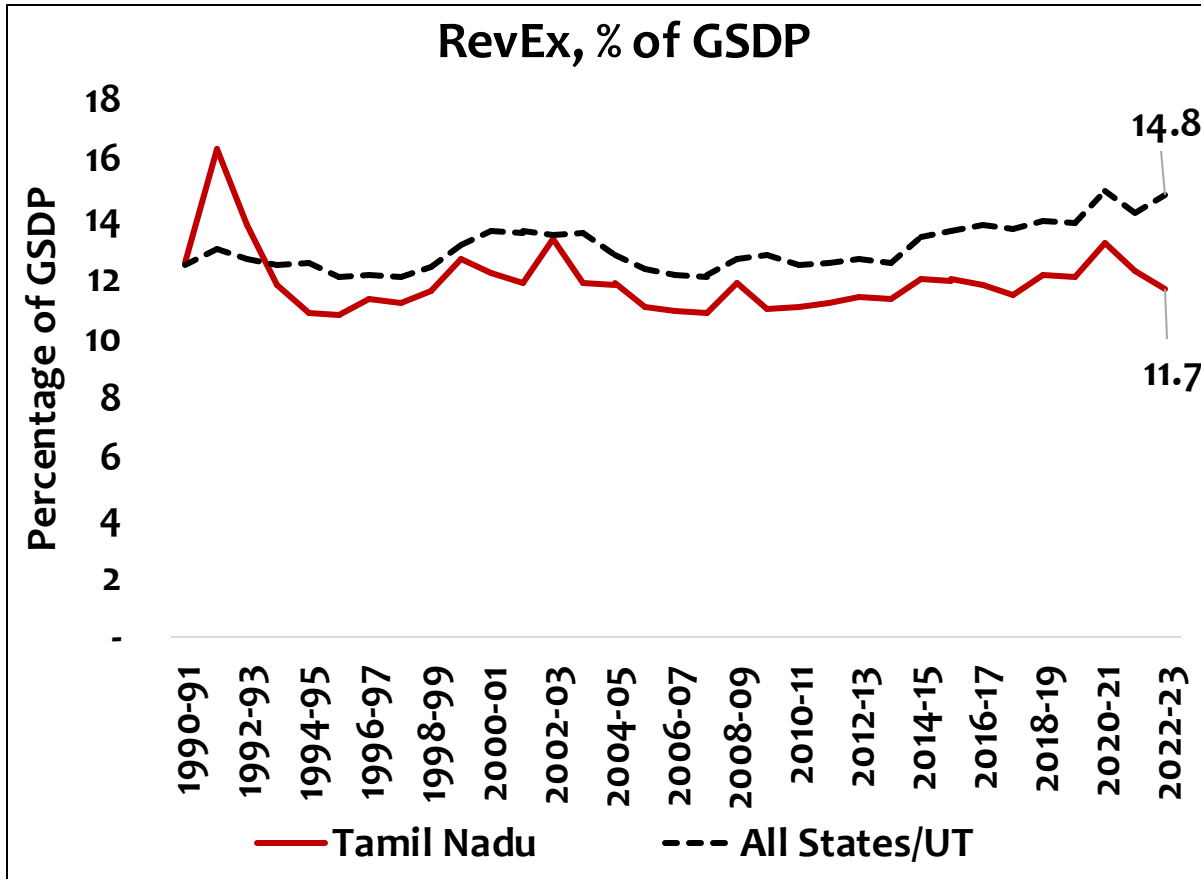
Source: i. Own Tax and Non-Tax Revenue, and Transfers from Centre from RBI State Finances Report (SFR, 2022-23); ii. The State GSDP and national GDP data is from MoSPI (2022-23). Note: i. Transfers from the Centre include both Tax and Non-Tax transfers; ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product.

In 2022-23, Tamil Nadu's Expenditure at 13.6 percent of its GSDP was about 4 percentage points lower than that of an average State



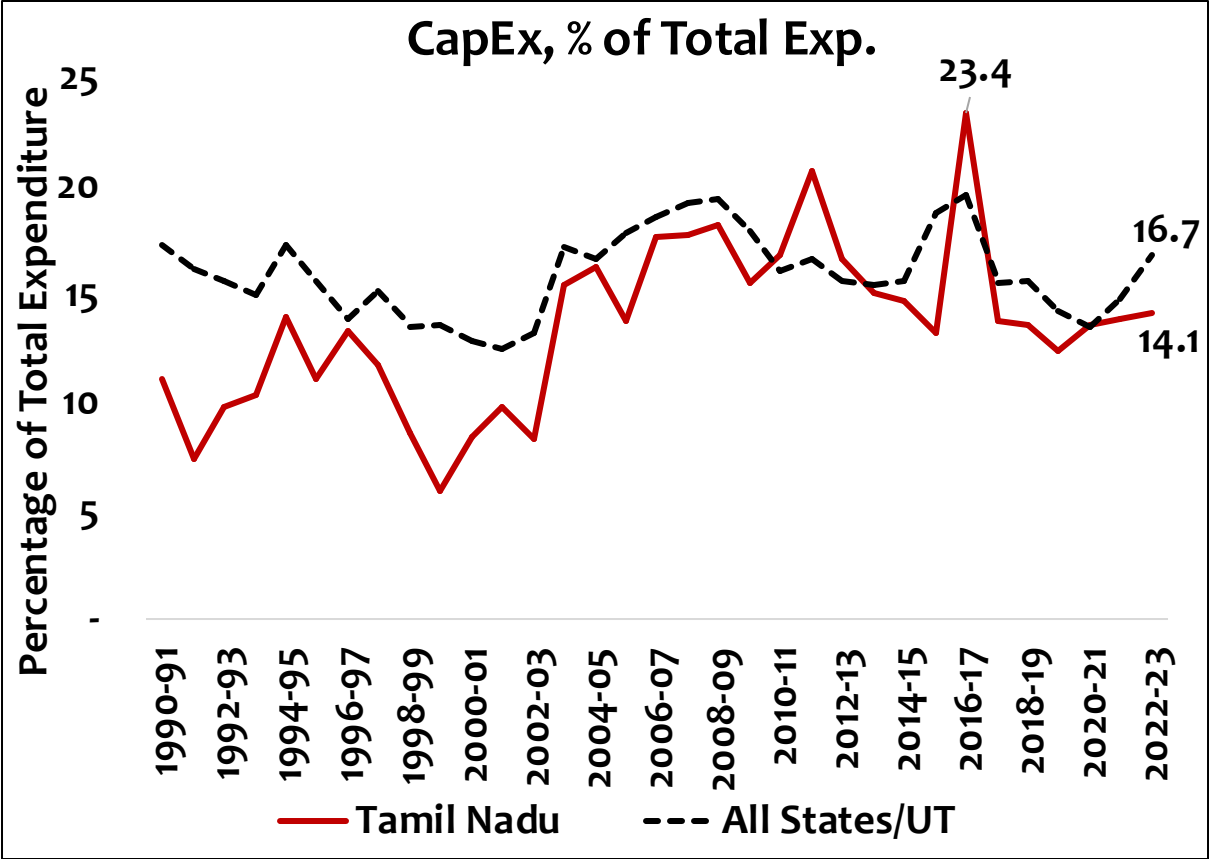
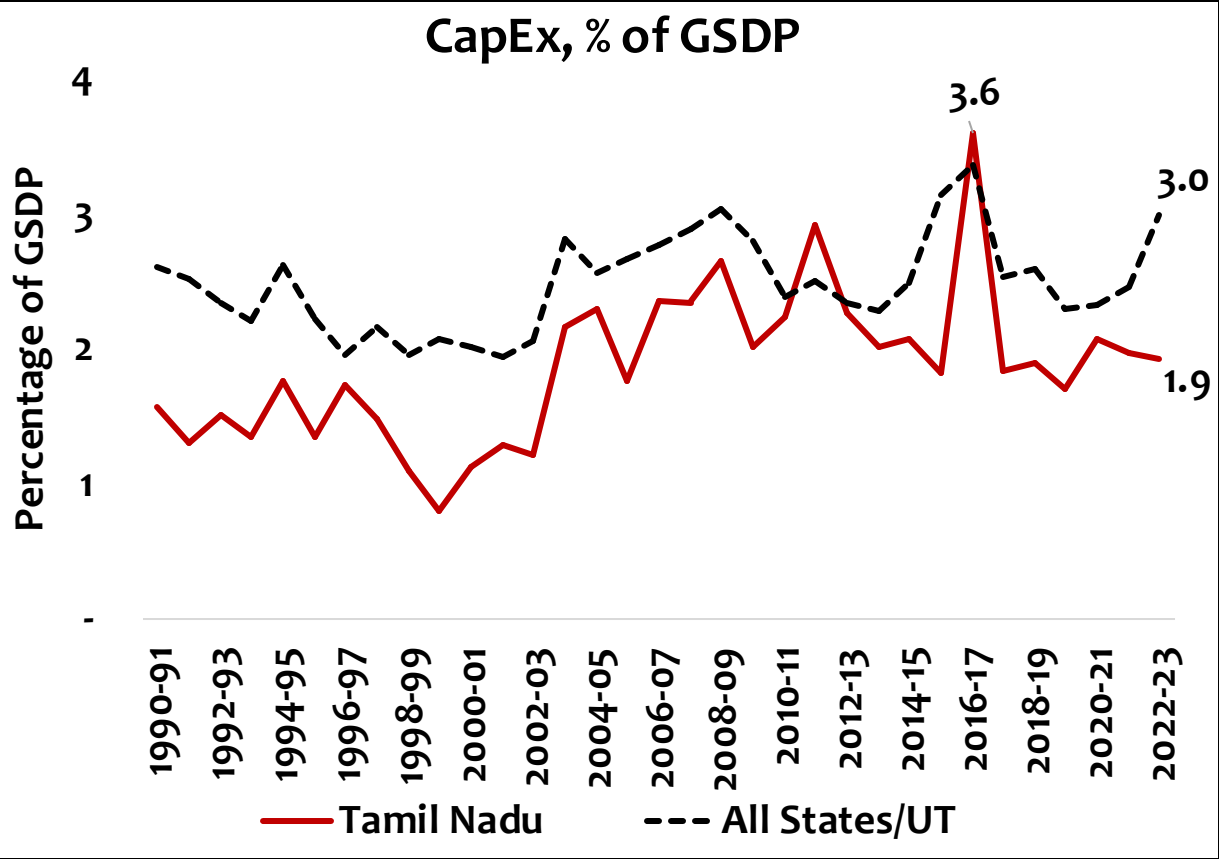
Source: i. Total Expenditure is from RBI State Finances Report (SFR, 2022-23) ; ii. The State GSDP and national GDP data is from MoSPI (2022-23). Note: i. Total Expenditure is calculated as RevEx +CapEx ; ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product.

Tamil Nadu's RevEx at 11.7 percent of its GSDP in 2022-23, was about 3 percentage points lower than an average State



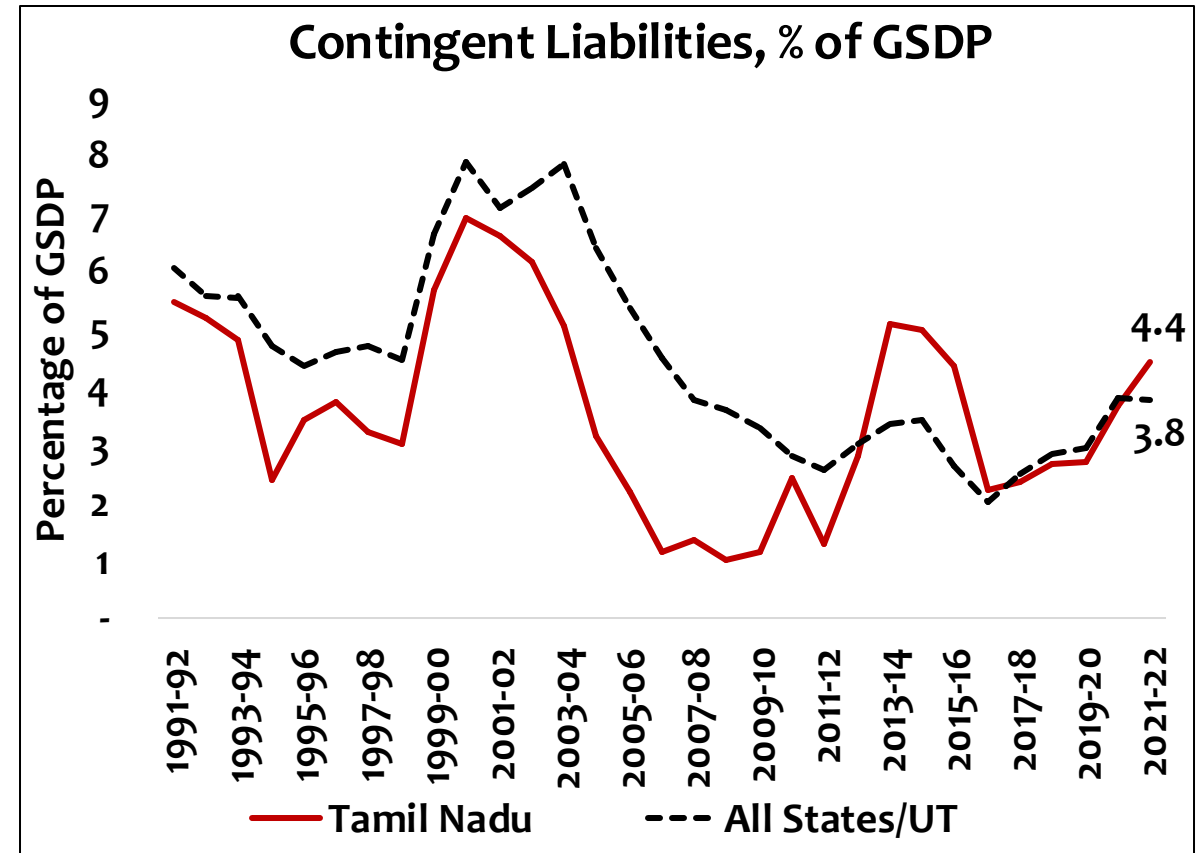
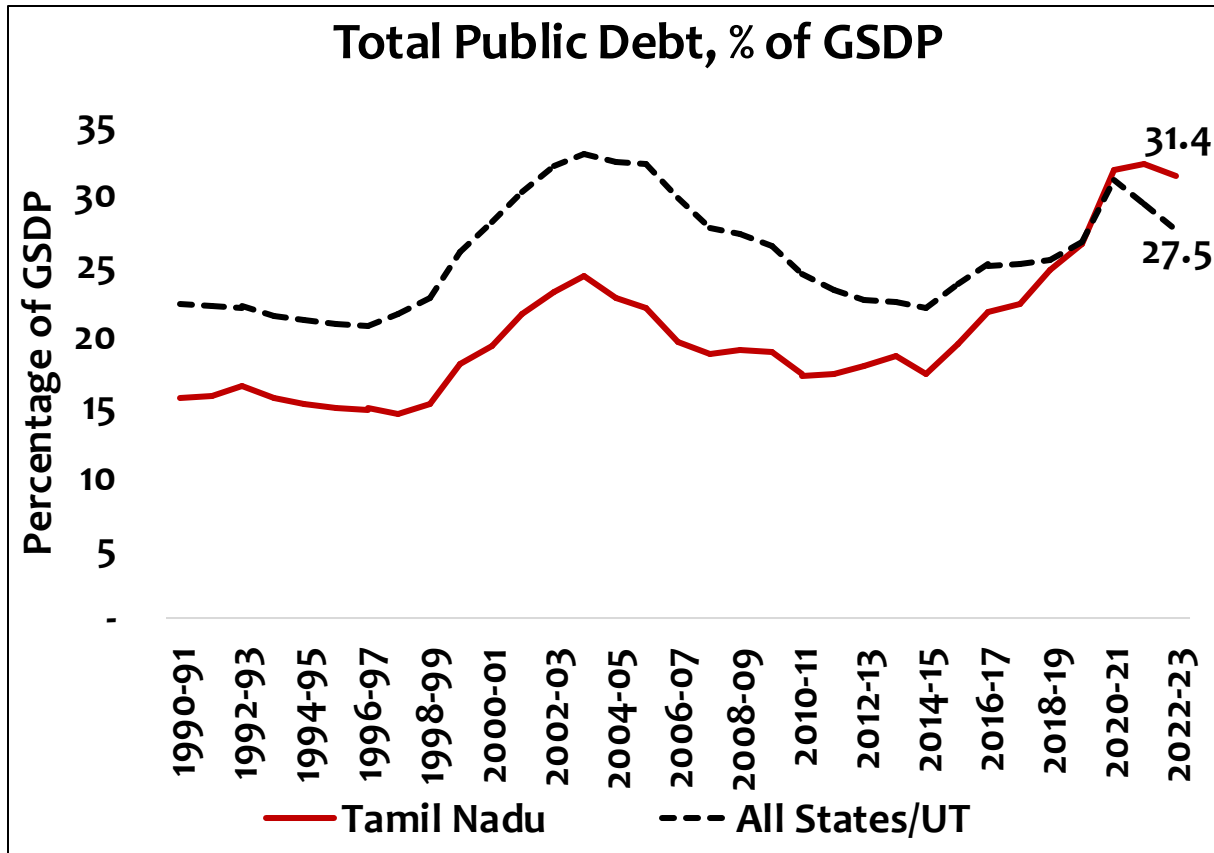
Source: i. RevEx is from RBI State Finances Report (SFR, 2022-23); ii. The State GSDP and national GDP data is from MoSPI (2022-23). Note: i. Total Expenditure is calculated as RevEx + CapEx; ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product.

Tamil Nadu's CapEx at 1.9 percent of its GSDP, was lower than what an average State spent on CapEx (as percent of the GSDP)



Source: i. CapEx is calculated as Capital Outlay + Loans and Advances given by the State government and the data for both is taken from RBI State Finances Report (SFR, 2022-23); ii. The State GSDP and national GDP data is from MoSPI (2022-23). Note: i. Total Expenditure is calculated as RevEx + CapEx; ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product; iii. The fall in capital expenditure during the two years 2009-10 and 2012-13 was mainly triggered by the fall in the expenditure under Economic Services (Source – [Tamil Nadu State Finance](#)).

Tamil Nadu's Public Debt has seen a steady rise since 2012, and at 31.4 percent of its GSDP as of 2022-23, it was higher than that of an average State by 4 percentage points. Its Contingent Liabilities at 4.4 percent of its GSDP were also higher than those of an average State



Source: i. Public Debt and State-wise contingent liabilities data has been taken from RBI State Finances Report (SFR, 2022-23) ii. The State GSDP and national GDP data is from MoSPI (2022-23). Note: All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product; ii. During the 2013-14 and Covid-19 pandemic, there was a steady increase in debt level for meeting the debt takeover of power utility by the State Government accompanied by an economic slowdown which reached its lowest in 2020-21 (Source - [MSE Working Paper](#)).

9. Annexure

Glossary of Select Terms

Variable	Section	Definition
Dependency Ratio	Demography and Employment	The dependency ratio is the number of dependents—comprising children aged 0-14 years and older adults aged 60 years and above—per 100 individuals in the working-age population (15-59 years).
Sex Ratio	Demography and Employment	The Child Sex Ratio from Census is the number of females per 1,000 males in the age group of 0-6 years. The NFHS Sex Ratio at Birth is the number of female births per 1,000 male births for children born in the last five years preceding the survey.
Unemployment Rate	Demography and Employment	The unemployment rate measures the proportion of unemployed individuals within the labour force, aged 15 years and above, based on the Usual Status (PS+SS) approach. This method integrates data from both the Principal Status (PS) and Subsidiary Status (SS) across rural and urban areas.
Female Labour Force Participation Rate	Demography and Employment	The Female Labour Force Participation Rate (LFPR) refers to the percentage of females aged 15 years and above who are part of the labour force, either working or actively seeking/available for work, relative to the total female population in the same age group. It is measured using the Usual Status (PS+SS) approach, which combines data from the Principal Status (PS) and Subsidiary Status (SS) to account for both rural and urban areas.
Urbanization Rate	Demography and Employment	The urbanization rate is the annual percentage change in the proportion of the population that lives in urban areas.
SDG Index	Demography and Employment	The SDG Index calculates goal-specific scores for the 16 Sustainable Development Goals (SDGs) across 113 indicators set by MoSPI to combine into composite scores, ranging from 0 to 100 representing the overall performance of a State. The higher the score, the closer the State is to meeting the SDG targets.

Glossary of Select Terms

Variable	Section	Definition
MPI	Demography and Employment	The National Multidimensional Poverty Index (MPI) is calculated by multiplying the Headcount Ratio (proportion of multidimensionally poor people) and the Intensity of Poverty (the average percentage of deprivations experienced by poor individuals) across 12 indicators of health, education and living standards.
Inflation Rate	Economic Structure	The Inflation Rate is calculated as the annual growth rate of the Consumer Price Index (CPI), which has been calculated by averaging the monthly CPI values for each financial year
GSDP	Economic Structure	Gross State Domestic Product (GSDP), at current market prices with 2011-12 as the base year, represents the total value of goods and services produced within a State. This series has been spliced with earlier GSDP series to generate the long time series.
GSVA	Economic Structure	Gross State Value Added (GSVA) is the sum of the value added by all sectors—agriculture, industry, and services—at current market prices with 2011-12 as the base year. This series has been spliced with earlier GSDP series to generate the long time series.
Decadal Average of Growth Rates	Economic Structure	The decadal average of growth rates is calculated using real variables to determine the shares of sectors. It represents the simple average of the annual growth rates over a ten-year period, from 2013-14 to 2022-23.
Foreign Direct Investment (FDI)	Trade	Investment through capital instruments by a resident outside India in an unlisted Indian company; or in 10 percent or more of the post-issue paid-up equity capital of a listed Indian company. Additionally, in case an existing investment by a resident outside India in capital instruments of a listed Indian company falls to a level below 10 percent, the investment shall continue to be treated as FDI.
Exports	Trade	Exports refer to transactions where goods are supplied with/without leaving the country, and payment for these supplies is received either in Indian rupees or in freely convertible foreign exchange.

Glossary of Select Terms

Variable	Section	Definition
Pupil-Teacher Ratio	Socio-Economic Indicators (Education)	The Pupil-Teacher Ratio is the average number of students (pupils) per teacher in a school or educational institution.
Infant Mortality Rate	Socio-Economic Indicators (Health)	The probability of a child dying between birth and the first birthday, expressed per 1,000 live births.
Under-Five Mortality Rate	Socio-Economic Indicators (Health)	The probability of a child dying between birth and the fifth birthday, expressed per 1,000 live births.
Total Fertility Rate	Socio-Economic Indicators (Health)	The average number of children a woman is expected to have by the end of her childbearing years, assuming she experiences the current age-specific fertility rates throughout her reproductive life. Age-specific fertility rates are calculated based on the three years preceding the survey, using detailed birth histories provided by women.
Children Fully Immunized	Socio-Economic Indicators (Health)	Includes children aged 12-23 months who have received one dose of Bacillus Calmette Guerin (BCG) vaccine for tuberculosis, three doses of DPT vaccine for diphtheria, pertussis and tetanus, three doses for polio vaccine and one dose of measles vaccine at any time before the survey.
Underweight Children	Socio-Economic Indicators (Health)	Children under five years whose weight-for-age score is below minus two standard deviations from the median of the reference population are classified as underweight.
Stunting among Children	Socio-Economic Indicators (Health)	Children under age five years whose height-for-age score is below minus two standard deviations from the median of the reference population are considered short for their age (stunted).

Glossary of Select Terms

Variable	Section	Definition
Anaemia among Children, Anaemia among Women	Socio-Economic Indicators (Health)	Children under five years and Women aged 15-49 years with haemoglobin levels below 11 grams/decilitre are considered anaemic.
Fiscal Deficit	Fiscal Indicators	Fiscal Deficit is calculated as the difference between the total expenditure and the total revenue (excluding borrowings).
Primary Deficit	Fiscal Indicators	Primary Deficit is calculated as the difference between fiscal deficit and interest payments.
Revenue Surplus (+)/Deficit (-)	Fiscal Indicators	Revenue Surplus/Deficit is a measure of the difference between the revenue receipts and revenue expenditure.
Total Revenue Receipts	Fiscal Indicators	Total Revenue Receipts is calculated as the sum of own tax revenue, own non-tax revenue and transfers from the centre.
Own Tax Revenue	Fiscal Indicators	Own Tax Revenue is the revenue collected by the government through taxes.
Own Non Tax Revenue	Fiscal Indicators	Own Non-Tax Revenue is the revenue collected by the government from non-tax sources like various services, fees, and penalties.
Revenue Expenditure	Fiscal Indicators	Revenue Expenditure refers to government spending that is incurred for the regular functioning of its departments and services, meeting its operational needs, and fulfilling its recurring liabilities.

Glossary of Select Terms

Variable	Section	Definition
Transfers from the Centre	Fiscal Indicators	Transfers from the Centre refer to central taxes and grants devolved to States as untied funds for States to spend according to their discretion, under the recommendations of the Finance Commission.
Capital Expenditure	Fiscal Indicators	Capital Expenditure refers to government spending on creating physical and financial assets or reducing its liabilities.
Total Public Debt	Fiscal Indicators	Public debt include borrowings and other financial commitments arising from past fiscal operations that are yet to be repaid at a given point in time.
Contingent Liabilities	Fiscal Indicators	Contingent Liabilities are the commitments made by State governments to repay loans or other liabilities incurred by entities such as public sector undertakings (PSUs), corporations, local bodies, or other organizations if they fail to meet their debt obligations.
Off-Budget Borrowings	Fiscal Indicators	Off-Budget Borrowings involve the government taking on debt through entities, public sector undertakings (PSUs), or other off-budget mechanisms, rather than directly from the government's own borrowing channels that are not included in the official government budget.
Health Expenditure	Fiscal Indicators	Health Expenditure is calculated as the sum of Medical, Public Health, and Family Welfare expenditure.
Subsidies	Fiscal Indicators	Subsidies are financial assistance provided by the government to individuals, businesses, or sectors to support the production, consumption, or pricing of specific goods and services.
Buoyancy of Revenue Expenditure with GSDP	Fiscal Indicators	The Buoyancy of Revenue Expenditure is calculated as the ratio between the year-on-year growth rate of Revenue Expenditure and that of GSDP.
Committed Expenditure	Fiscal Indicators	Committed Expenditure is calculated as the sum of Wages, Salaries, and Pensions.

List of Acronyms

- **AISHE** All India Survey on Higher Education
- **AT&C** Aggregate Technical & Commercial
- **BSR** Basic Statistical Returns
- **CAG** Comptroller and Auditor General
- **CapEx** Capital Expenditure
- **CHIPS** Connect, Harness, Innovate, Protect and Sustain
- **DGFT** Directorate General of Foreign Trade
- **DISCOMS** Distribution Utilities/Companies
- **EPWRF** Economic and Political Weekly Research Foundation
- **FC** Finance Commission
- **FLPR** Female Labour Participation Rate
- **FRA** Fiscal Responsibility Act
- **GPI** Gender Parity Index
- **GSDP** Gross State Domestic Product
- **GDP** Gross Domestic Product
- **GSVA** Gross State Value Added
- **GVA** Gross Value Added

List of Acronyms

- **MoSPI** Ministry of Statistical Programme and Implementation
- **MPI** Multidimensional Poverty Index
- **MTFP** Medium Term Fiscal Policy
- **NFHS** National Family Health Survey
- **PFC** Power Finance Corporation
- **PLFS** Periodic Labour Force Survey
- **RBI** Reserve Bank of India
- **RevEx** Revenue Expenditure
- **SDG** Sustainable Development Goal
- **SFR** State Finances Report
- **SPSE** State Public Sector Enterprises
- **SRS** Sample Registration System
- **SC** Scheduled Caste
- **ST** Scheduled Tribe
- **UDAY** Ujwal DISCOM Assurance Yojana
- **U-DISE** Unified District Information System for Education

Selected Research Topics

State REPORT

DATA REPOSITORY

NCAER-NITI AAYOG State FISCAL AND ECONOMIC DASHBOARD

Research & Commentary

- Paper
- Op-eds
- Presentations

This is a product of the NCAER-NITI States' Economic Forum. Prepared under the team led by Dr Poonam Gupta and Dr Anil Sharma, comprised of Dr Arjita Chandna, Dr Jayanta Talukder, Dr Janani Rangan, Ayesha Ahmed, S Priyadarshini, Aakansha Atal, Aliva Smruti, Shubhashree Jha, Sneha Jyoti Kundu and Rochelle Prakash; Design by Devanshi Mankotia; Co-ordination by Pooja Singh; IT Support by Praveen Sachdeva; Webpage by Mesmer Studios and Tableau Dashboards by Uneecops Business Solutions. Comments are welcome at stateseconforum@ncaer.org.

