



T.N. net borrowings dip this fiscal compared to last year

Sanjay Vijayakumar
CHENNAI

Tamil Nadu's net market borrowings (after adjusting for repayments) has been down about 57% to ₹12,028 crore so far this fiscal 2022-23 (till July), from ₹28,000 crore in the same period last year, according to data from the Reserve Bank of India (RBI).

States borrow from the market through issue of bonds known as State Development Loans (SDLs). Tamil Nadu's gross borrowings were ₹16,000 crore till July this year, compared with ₹32,000 crore in the same period last year. It started borrowing only from May this year because of certain changes in the borrowing norms.

In the fiscal 2022, Tamil Nadu's net market borrowings were ₹72,500 crore. For 2022-23, the State has budgeted net borrowings

The State government has said it expects to turn revenue surplus in two years and bring down borrowings

of ₹90,116.52 crore, excluding a ₹6,500-crore loan from the Government of India towards a shortfall in the GST compensation.

The lower borrowings also reflect the State's improved revenue. According to the provisional figures from the Comptroller and Auditor-General (CAG), Tamil Nadu's total tax revenue increased 50% to ₹56,109.07 crore till July in fiscal 2023 from ₹37,275.49 crore in the same period in 2022. The components of the total tax revenue include the State's Own Tax Revenue, the State's share of the Union taxes and other taxes and duties.

Tamil Nadu's total reve-

nue receipts stood at ₹73,329.21 crore till July, 31.69% of the budget estimates of ₹2,31,407.28 crore for this year, the CAG said.

As on July-end 2022, the State's fiscal deficit (the difference between total revenue and expenditure excluding borrowings) stood at ₹15,969.17 crore and the revenue deficit (the difference between the government's revenue receipts and revenue expenditure) stood at ₹7,387.36 crore.

The State government has said it expects to turn revenue surplus in two years. According to ratings firm ICRA, the cumulative issuance of SDLs by 21 States and two Union Territories stood at ₹2.5 trillion from April to September 20 this year, which is lower than the year-ago level of ₹2.9 trillion. This is also 33% lower than the indicated borrowing level of ₹3.7 trillion, it said.