



STATE REPORT CARD 2016

RAJASTHAN

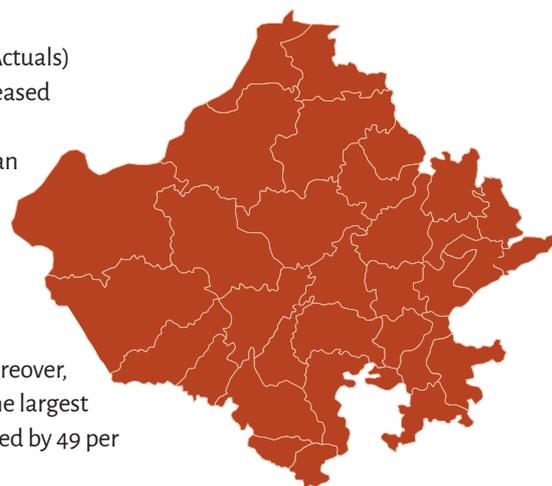
SUMMARY

Revenue

Revenue receipts for the state of Rajasthan grew by 17 per cent between FY 2014-15 (Actuals) and FY 2015-16 Revised Estimates (RE). Union Government transfers for the year increased by a significant 25 per cent from the FY 2014-15 (Actuals). In keeping with the recommendations of the 14th Finance Commission (FFC), untied funding witnessed an increase to 65 per cent of the total funding received from the Union Government, up by 3 per cent from FY 2014-15 (Actuals).

Expenditure

Total expenditure grew by 19 per cent in FY 2015-16 (RE) from FY 2014-15 (Actuals). Overall, social sector expenditure increased by 22 per cent from the previous year. Moreover, as a proportion of total expenditure, social sector spending increased by 1 per cent. The largest increase in spending was under the major head "Urban Development", which increased by 49 per cent in FY 2015-16 (RE) compared with FY 2014-15 (Actuals).



RECEIPTS

Overall Receipts

Revenue receipts in FY 2015-16 (RE) grew by 17 per cent over FY 2014-15 (Actuals). The Union tax revenues transferred to the state increased by 41 per cent in the same time period.

REVENUE RECEIPTS (IN ₹ CRORE)			
	2014-15 (Actuals)	2015-16 (RE)	2016-17 Budget Estimates (BE)
Share in Union taxes	19,817	27,916	31,478
Grants In Aid (GIA)	19,608	21,333	24,389
Own taxes	38,673	45,670	53,300
Own non-tax revenue	13,230	11,872	14,084
Total	91,328	1,06,791	1,23,251

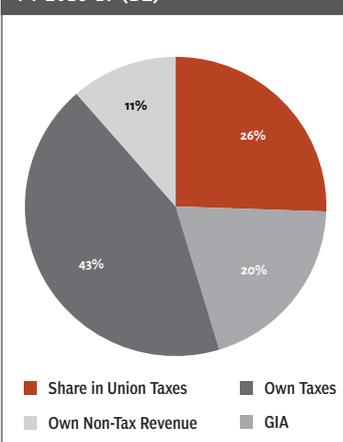
Source: Collated from state budget documents.

Note: Grants in Aid (GIA) include: Normal Central Assistance (NCA), Finance Commission (FC) Grants, Centrally Sponsored Schemes (CSSs) and other grants from the Government of India (GOI). Numbers have been rounded off.

Tied and Untied funding

Tied funds are usually for specific purposes, such as grants under Centrally Sponsored Schemes (CSSs) which must be used for particular activities under the schemes. In contrast, States can

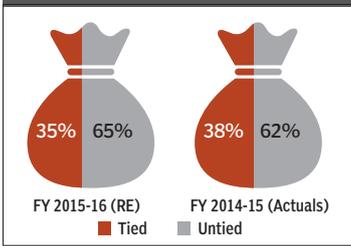
REVENUE RECEIPTS
FY 2016-17 (BE)



Source: Collated from state budget documents.

Note: GIA includes: NCA, FC Grants, CSSs and other grants from GOI. Numbers have been rounded off.

COMPOSITION OF UNION TRANSFERS



Source: Collated from state budget documents.

Note: Untied grants include grants in aid from FC, NCA and Tax devolution. Tied grants include grants for CSSs and other grants such as Additional Central Assistance and Special Central Assistance. Some of the other grants may not specifically be for a particular scheme but there proportions would be very small. NCA has been collated from Ministry of Finance and is thus actual releases.

decide how to spend untied funds which are transferred to them. In accordance with the 14th Finance Commission's (FFC) recommendations, the share of untied funds received from Government of India (GOI) increased significantly in FY 2015-16 (RE). For instance, to offset the increased untied funds, the Union Government decreased funding of CSSs and other grants by 35 per cent in FY 2015-16 (RE) over FY 2014-15 (Actuals) across the 19 states we analysed.

The overall share of CSSs and other grants in Union transfers to Rajasthan dropped from 38 per cent in FY 2014-15 (Actuals) to 35 per cent in FY 2015-16 (RE).

Transfers from the Union Government

Transfers from the GOI accounted for 46 per cent of the state's revenue receipts in FY 2015-16 (RE). Compared with FY 2014-15 (Actuals), Union transfers increased by 25 per cent in FY 2015-16 (RE).

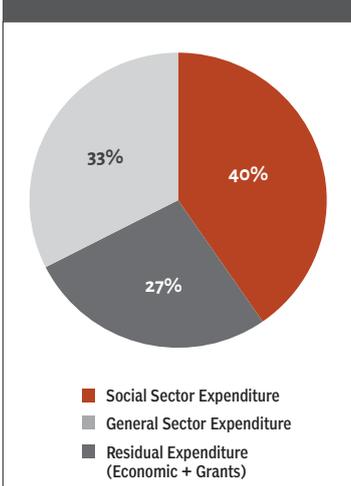
COMPOSITION AND CHANGE IN UNION TRANSFERS TO RAJASTHAN (IN ₹ CRORE)

	2014-15 (Actuals)	2015-16 (RE)	2016-17 (BE)	2015-16 (RE) over 2014-15 (Actuals)
Taxes	19,817	27,916	31,478	41%
FC Grants	3,934	4,110	4,240	4%
CSSs and other scheme grants	15,009	17,222	20,148	15%
Normal Central Assistance	664	0	0	100%
Total	39,424	49,248	55,866	25%

Source: Collated from individual state budget documents. NCA collected from Ministry of Finance and thus constitutes actual funds released.

Note: Figures have been rounded off

EXPENDITURE FY 2016-17 (BE)



Source: Collated from individual state budget documents.

Note: Social sector has been defined as per the Comptroller and Auditor General of India and does not include expenditure on rural development and warehousing. Total and capital expenditure excludes repayment of public debt. Figures have been rounded off.

EXPENDITURE

Overall expenditure

FY 2015-16 saw the introduction of the Ujwal DISCOM Assurance Yojana, or UDAY scheme (Press Information Bureau, 2015). This scheme required states to bring into their budgets 50 per cent of the outstanding debt of power distribution companies in FY 2015-16 (RE), and finance this by means of special power bonds. Due to the special nature of this scheme, we have excluded it from the analysis.

EXPENDITURE IN RAJASTHAN'S BUDGET (IN ₹ CRORE)

Type of expenditure	2014-15 (Actuals)	2015-16 (RE)	2016-17 (BE)
Total expenditure	1,11,345	1,32,625	1,46,407
Revenue expenditure	94,542	1,12,022	1,23,053
Capital expenditure	16,804	20,603	23,355
Social sector expenditure	43,592	53,109	59,111
General sector expenditure	28,402	32,015	39,716
Residual expenditure (Economic + Grants)	39,352	47,501	47,580
Fiscal Deficit	19,000	24,386	23,014

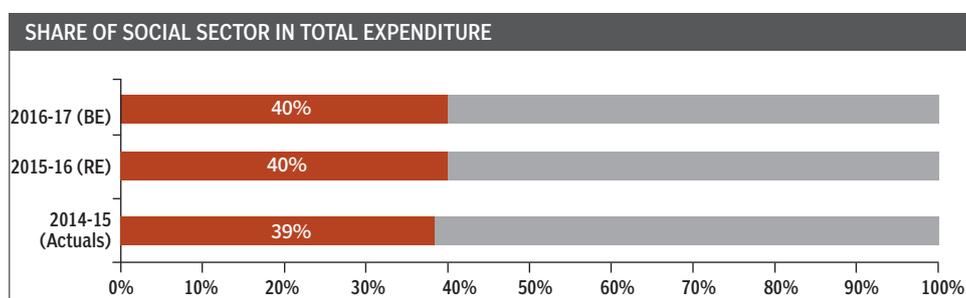
Source: Collated from individual state budget documents.

Note: Social sector has been defined as per the Comptroller and Auditor General of India and does not include expenditure on rural development and warehousing. Note: Only expenditures from the Consolidated Fund have been accounted, net of recoveries. Total and capital expenditure excludes repayment of public debt. Total expenditure, Revenue expenditure, Capital expenditure and Residual expenditure excludes UDAY scheme numbers. Figures have been rounded off.

Rajasthan's total expenditure in FY 2015-16 (RE) grew by 19 per cent over the previous year's Actuals. It is worth noting here that in FY 2016-17 (BE), Rajasthan has allocated more than ₹20,000 crore in its budget for UDAY. This significantly affects the composition of its total expenditure as well as the total expenditure of the state. Social sector expenditure, for instance, drops to 35 per cent as a proportion of total expenditure in FY 2016-17 (BE) as opposed to 40 per cent when we exclude the scheme. Residual expenditure, on the other hand, shows a sharp spike (41 per cent as opposed to 33 per cent) at the expense of the other sectors.

Social Sector Expenditure

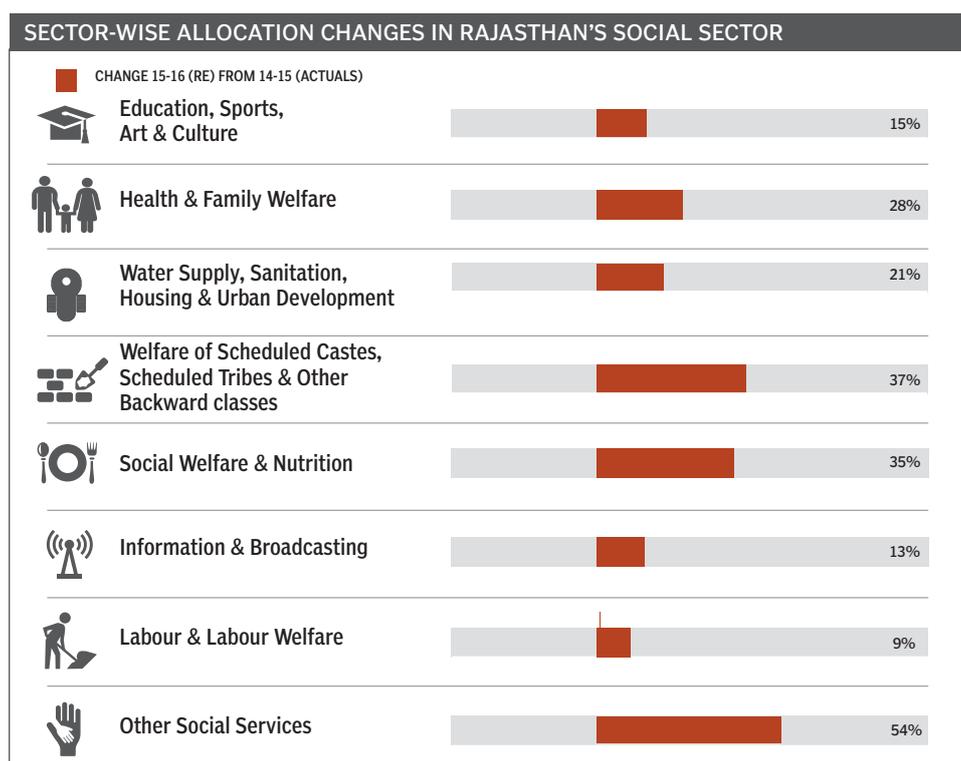
Social sector expenditure in the state increased by over ₹9,500 crore or 22 per cent in FY 2015-16 (RE) over FY 2014-15 (Actuals). The share of social sector expenditure in Rajasthan's total expenditure increased by 1 per cent during that period.



Source: Collated from individual state budget documents.

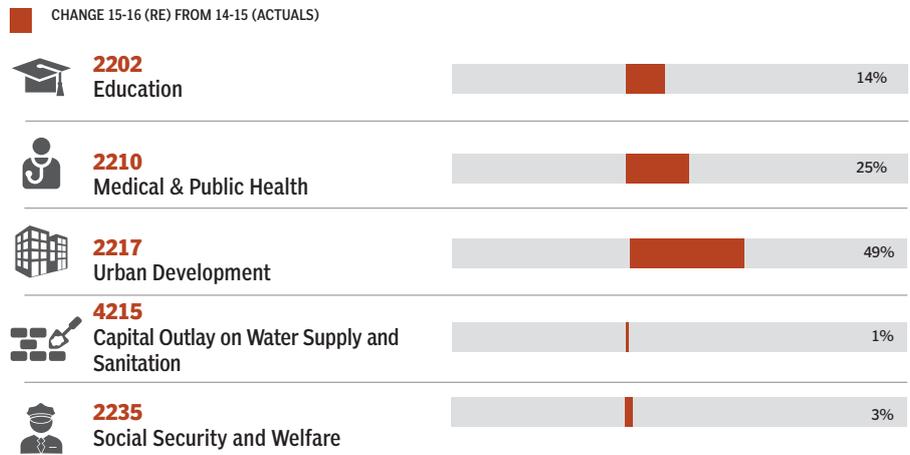
Note: Social sector has been defined as per the Comptroller and Auditor General of India and does not include expenditure on rural development and warehousing. Only expenditures from the Consolidated Fund have been accounted, net of recoveries

While all sectors in the social sector of the state saw increases in the revised estimates of FY 2015-16 (RE) from FY 2014-15 (Actuals), the most significant increases were in the sector "Other Social Services" followed by "Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes" which saw a substantial 54 per cent and 37 per cent increase in funding, respectively, compared to FY 2014-15 (Actuals).



Source: Collated from state budget documents.

CHANGES IN THE FIVE BIGGEST COMPONENTS OF RAJASTHAN'S SOCIAL SECTOR



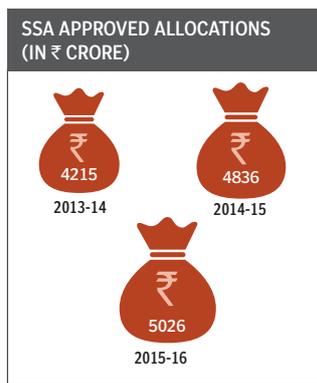
Source: Collated from state budget documents.

CENTRALLY SPONSORED SCHEMES

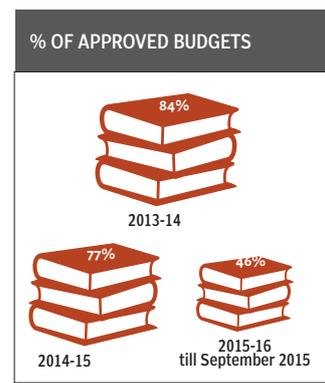
Sarva Shiksha Abhiyan (SSA)

Approved allocations for Sarva Shiksha Abhiyan (SSA) (including state shares) increased by 4 per cent, from ₹4,836 crore in FY 2014-15 to ₹5,026 in FY 2015-16.

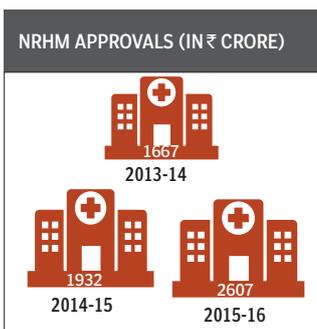
In FY 2014-15, 77 per cent of the total approved funds were released. By September 2015, halfway through the financial year, 46 per cent of the approved funds had been released. This pace of release is similar to FY 2014-15 when 47 per cent of total funds had been released by September 2014. It thus appears that releases and expenditures may keep pace with the FY 2014-15 trend.



Source: RTI filed by Accountability Initiative and SSA portal.
Note: Numbers have been rounded off.



Source: RTI filed by Accountability Initiative and SSA portal.



Source: NHM Website
Note: Figures have been rounded off

National Rural Health Mission (NRHM)

Approved funds for the National Rural Health Mission (NRHM) increased significantly from ₹1,932 crore in FY 2014-15 to ₹2,607 crore in FY 2015-16. In FY 2014-15, 91 per cent of Union allocations had been released. In FY 2015-16, till September 86 per cent had been released. The corresponding figure for FY 2014-15 was 74 per cent. This indicates that releases work faster in FY 2015-16. However, expenditure in FY 2015-16 has been slow. By September 2015, only 13 per cent of the total approved budget had been spent.