



## STATE REPORT CARD 2016

# TAMIL NADU

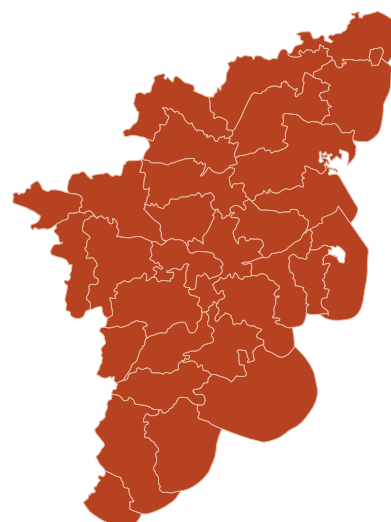
### SUMMARY

#### Revenue

Revenue receipts for the state of Tamil Nadu grew by 13 per cent between FY 2014-15 (Actuals) and FY 2015-16 Revised Estimates (RE). Union Government transfers in FY 2015-16 (RE) increased by 21 per cent from FY 2014-15 (Actuals). Interestingly, the state witnessed a fall in the share of untied funding in Union transfers from 60 per cent in FY 2014-15 (Actuals) to 53 per cent in FY 2015-16 (RE).

#### Expenditure

Total expenditure grew by 14 per cent from FY 2014-15 (Actuals) to FY 2015-16 (RE). Overall, social sector expenditure increased by 17 per cent from the previous year. However, as a proportion of total expenditure, social sector spending increased by 1 per cent. The largest increase in spending was under the major head "Welfare of Scheduled Castes, Scheduled Tribes and Other Backward classes" which increased by 45 per cent compared with FY 2014-15 (Actuals).



### RECEIPTS

#### Overall Receipts

The state's revenue receipts in FY 2015-16 (RE) grew by 13 per cent over the previous year's Actuals. Union tax revenues transferred to the state increased by 26 per cent in the same period.

REVENUE RECEIPTS (IN ₹ CRORE)			
	2014-15 (Actuals)	2015-16 (RE)	2016-17 (BE)
Share in Union taxes	16,824	21,150	23,688
Grants in Aid (GIA)	18,589	21,687	22,496
Own taxes	78,657	86,538	96,531
Own non-tax revenue	8,351	8,931	9,289
<b>Total</b>	<b>1,22,421</b>	<b>1,38,306</b>	<b>1,52,004</b>

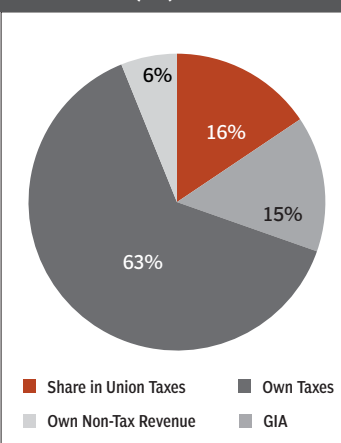
**Source:** Collated from state budget documents.

**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,

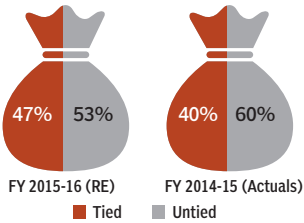
REVENUE RECEIPTS  
FY 2016-17 (BE)



**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.

States can decide how to spend untied funds which are transferred to them. In accordance with the 14th Finance Commission (FFC) recommendations, the share of untied funds transferred from GOI to the states increased significantly in FY 2015-16 (RE). For instance, to allow for the increase in untied funds, the Union Government reduced tied funding, such as CSSs and other grants, in FY 2015-16 (RE) by 35 per cent over FY 2014-15 (Actuals) in aggregate across the 19 states we analysed.

Interestingly, however, the overall share of CSS and other grants in Union transfers to Tamil Nadu increased from 40 per cent in FY 2014-15 (Actuals) to 47 per cent in FY 2015-16 (RE).

## Transfers from the Union Government

Transfers from the Union Government accounted for 31 per cent of revenue receipts in 2015-16 RE. Compared with FY 2014-15 (Actuals), Union transfers increased by 21 per cent in FY 2015-16 (RE).

### COMPOSITION AND CHANGE IN UNION TRANSFERS TO TAMIL NADU (IN ₹ CRORE)

	2014-15 (Actuals)	2015-16 (RE)	2016-17 (BE)	2015-16 (RE) over 2014-15 (Actuals)
Taxes	16,824	21,150	23,688	26%
FC Grants	3,757	1,738	3,614	-54%
CSS and other scheme grants	14,172	19,950	18,882	41%
Normal Central Assistance (NCA)	660	0	0	-100%
<b>Total</b>	<b>35,413</b>	<b>42,838</b>	<b>46,184</b>	<b>21%</b>

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

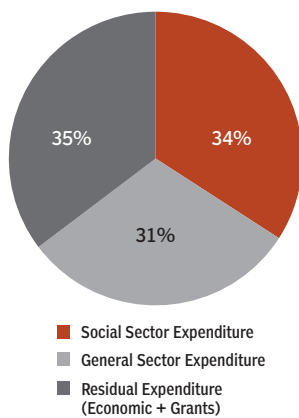
**Note:** Figures have been rounded off

## EXPENDITURE

### Overall expenditure

Tamil Nadu's total expenditure in FY 2015-16 (RE) grew by 14 per cent over the previous years' Actuals.

### 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 IN TAMIL NADU'S BUDGET (IN ₹ CRORE)

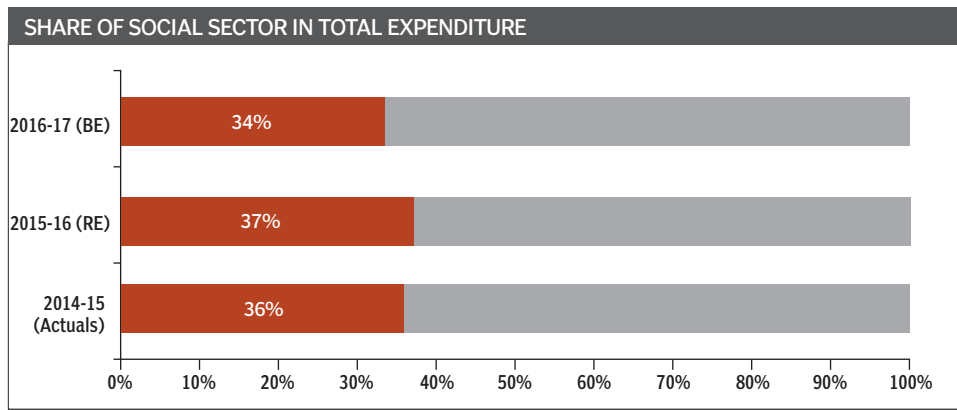
Type of expenditure	2014-15 (Actuals)	2015-16 (RE)	2016-17 (BE)
<b>Total expenditure</b>	<b>1,50,950</b>	<b>1,71,349</b>	<b>1,89,002</b>
Revenue expenditure	1,28,828	1,47,787	1,61,159
Capital expenditure	22,122	23,562	27,843
Social sector expenditure	54,583	64,004	64,498
General sector expenditure	42,719	49,323	57,792
Residual expenditure (Economic + Grants)	53,648	58,023	66,713
Fiscal Deficit	27,163	32,360	36,740

**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. Total and capital expenditure excludes repayment of public debt. Figures have been rounded off.

## Social Sector Expenditure

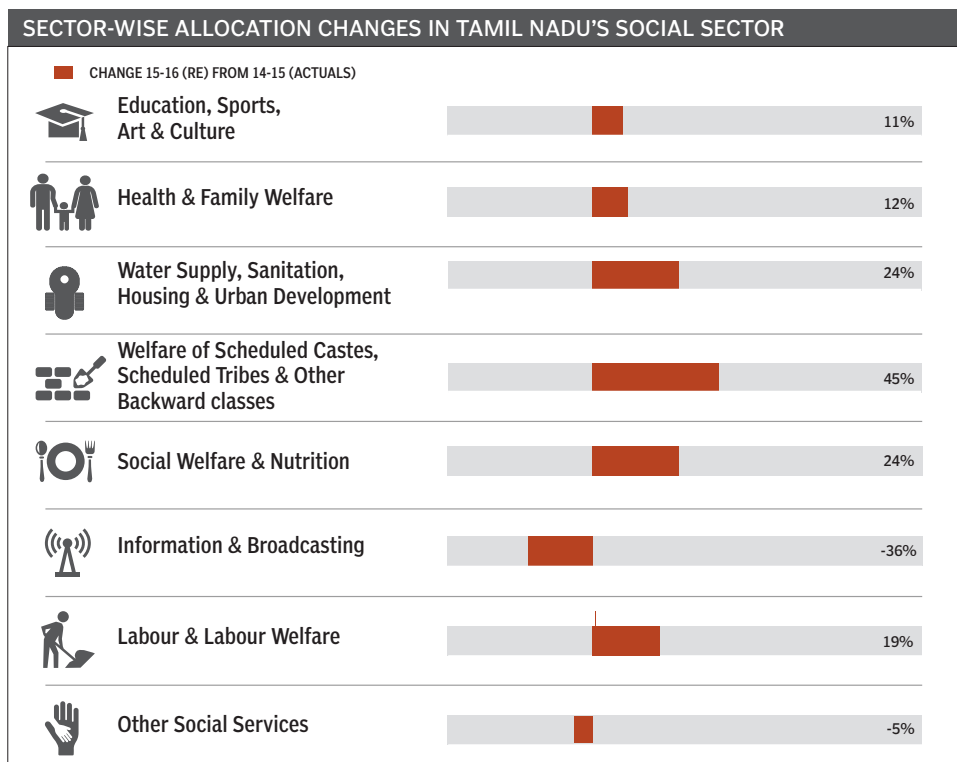
Social sector expenditure in the state increased by over ₹9,421 crore or 17 per cent in FY 2015-16 (RE) over FY 2014-15 (Actuals). The share of social sector expenditure in Tamil Nadu's total expenditure increased by 1 per cent during that period.



**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

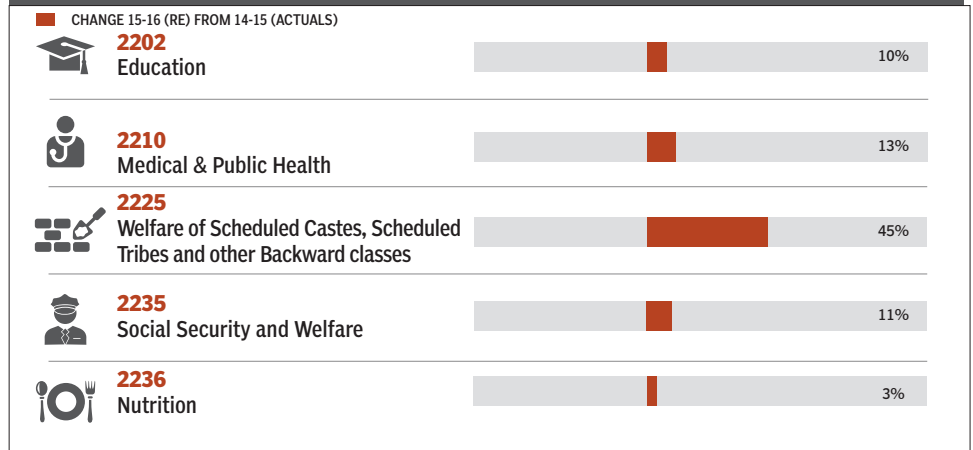
The most significant increases under social sector expenditure was in the sector “Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes” which saw a substantial 45 per cent increase in funding compared to FY 2014-15 (Actuals). However, “Information and Broadcasting” witnessed a 36 per cent fall during that same period.



**Source:** Collated from state budget documents.

A look at the major heads in the social sector reveals that “Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes” saw an increase of 45 per cent in the revised estimates for FY 2015-16 over FY 2014-15 (Actuals).

## CHANGES IN THE FIVE BIGGEST COMPONENTS OF TAMIL NADU'S SOCIAL SECTOR



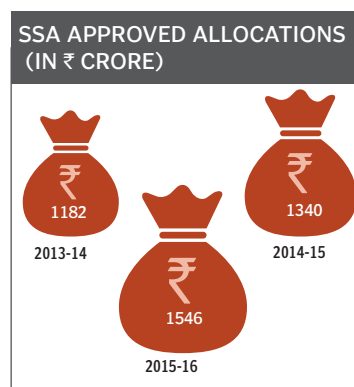
Source: Collated from state budget documents.

## CENTRALLY SPONSORED SCHEMES

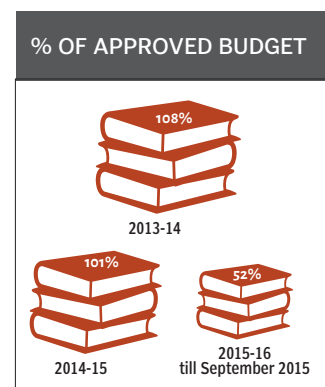
### Sarva Shiksha Abhiyan (SSA)

Approved allocations for Sarva Shiksha Abhiyan (SSA) (including state shares) increased by 15 per cent from ₹1,340 crore in FY 2014-15 to ₹1,546 crore in FY 2015-16.

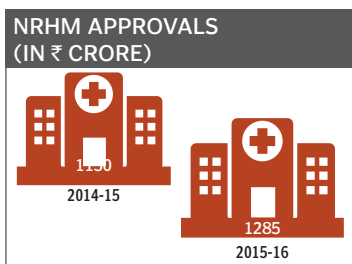
The actual release of funds has also been consistently smooth. In FY 2014-15, 101 per cent of the total allocation was released to the SSA state implementing society, implying that more funds than approved were released. Up to September 2015, halfway through the current financial year, 52 per cent of the approved funds had been released. The corresponding figure for the same time period in FY 2014-15 was 59 per cent. The pattern indicates that overall fund availability and expenditure under SSA is likely to meet FY 2015-16 targets.



Source: RTI filed by Accountability Initiative and SSA portal.



Source: RTI filed by Accountability Initiative and SSA portal.



Source: NHM Website

### National Rural Health Mission (NRHM)

Approved funds for the National Rural Health Mission increased from ₹1,150 crore in FY 2014-15 to ₹1,285 crore in FY 2015-16. In FY 2014-15 GOI had released 85% of its total share. In FY 2015-16, till September, 61% of total GOI allocations have been released. The corresponding figure for FY 2014-15 was 72%, which indicates that releases have slowed. Expenditure in FY 2015-16 has also been slow. A mere 14 per cent of funds had been spent by September 2015. Moreover, this does not include additional supplementary proposals that the state has made, as they have not been accepted. If the proposals are accepted, then expenditure would be even lower.