GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE

RAJYA SABHA
STARRED QUESTION NO. 24

Answered on Tuesday the 19th July, 2022/ Ashadha 28, 1944 (SAKA)

Funds to Tamil Nadu under Finance Commissions

*24. SHRI M. MOHAMED ABDULLA:

Will the Minister of FINANCE be pleased to state:

(a) the details of funds allocated and disbursed to the State of Tamil Nadu under the 13th Finance Commission;

(b) the details of funds allocated and disbursed to the State under the 14th Finance Commission;

(c) the details of the total amount of pending arrears to the State ; and

(d) the expected date by which the pending arrears will be cleared and the reasons for the delay?

ANSWER

MINISTER OF FINANCE

(SMT. NIRMALA SITHARAMAN)

(a) to (d): A statement is laid on the table of the House.

Statement referred to in reply to parts (a) to (d) of the Rajya Sabha Starred Question No. 24 by Shri M. Mohamed Abdulla for answer on 19th July, 2022 regarding 'Funds to Tamil Nadu under Finance Commissions' :

(a) The 13th Finance Commission (13th F. C.) had, for its award period 2010-15, recommended funds to States, including Tamil Nadu which can be broadly categorized as Devolution from the divisible pool of taxes and grants-in-aid for various sectors such as education, maintenance of roads and bridges, maintenance of forests, heritage conservation, local bodies, calamity relief, state specific needs, improvement of outcomes in justice delivery, statistical systems, pensioners' database, reduction in infant mortality rate, incentive for renewable energy, enrolment of BPL persons under Aaadhar, district innovation fund etc. These sectors are further divided into various sub-sectors/components/Sub-components. Allocation and disbursement of funds including grants-in-aid recommended by the 13th Finance Commission to the State of Tamil Nadu is given as under;

Types of funds recommended by the 13th F. C.	Allocation for the 13th F. C. award Period to Tamil Nadu. (Rs. in crore)	Release to Tamil Nadu for the 13th F. C. award period (Rs. in crore)
Grants –in-aid [All sectors]	12,871.39 (including IMR & incentive for Renewable energy)	11,546.80*
Devolution of Taxes	70,825.40	70,825.40
Total	**83,696.79**	**82,372.20**

(b) 14th Finance Commission had recommended for its award period 2015-20, Grant-in-aid to States, including Tamil Nadu to cover Revenue Deficit of States, local body grants and grants for augmenting the State's Disaster Relief Fund (SDRF) besides Devolution from the divisible pool of taxes. Allocation and release of funds including grants-in-aid recommended by the 14th Finance Commission for the State of Tamil Nadu is given as under;

Types of funds recommended by the 14th F. C.	Allocation for the 14th F. C. award Period to Tamil Nadu (Rs. in crore)	Release to Tamil Nadu for the 14th F. C. award period (Rs. in crore)
Grants –in-aid [All sectors]	19,822.99	21,310.79
Devolution of Taxes	1,29,022.61*	1,29,022.61
Total	**1,48,845.60**	**1,50,333.40**

***Includes additional financial assistance released from National Disaster Response Fund.*

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(c) to (d) The 13th and 14th Finance Commission while recommending Grants-in-aid to States had also put some conditions for availing these funds which are specific to each component/sub-component. For availing the recommended grants within the award period, States including Tamil Nadu had to fulfill the stipulated conditions associated with each component within the time period. Compliance to the stipulated conditions were examined by the concerned Nodal Ministries. For the 13th Finance Commission period, Tamil Nadu did not meet some of the conditions stipulated by the Commission for certain components due to which recommended grant in full could not be released. For the 14th Finance Commission period, due to non-availability of duly constituted local bodies for most part of the award period, local body grants in full could not be released to the State.

Based on the recommendations received from the Nodal Ministries within the time frame, Ministry of Finance released funds to the States concerned. No balance grant is payable to Tamil Nadu. From 1st April, 2020, funds to States including Tamil Nadu are being released as per the recommendations of the 15th Finance Commission.

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