

DMK MLA picks holes in Tamil N budget, flays quality of finance data

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P T R Palanivel Thiagarajan

CHENNAI: [DMK MLA P T R Palanivel Thiagarajan](#) on Monday strongly criticised the state finance department for the quality of its data and advised the government to restructure the tax so as to improve revenue. Thiagarajan, a financial analyst, said there is at least a 20% deviation between the projections made and the target achieved for a particular financial year. He said the interest payment in the last few years was on the rise and there was a need to look at the quality of debt.

The MLA, an MBA in financial management from [MIT Sloan School of Management](#), spoke in English and Tamil. Taking a dig at a few AIADMK MLAs, who, last year, objected to him speaking in English, Thiagarajan said a copy of his speech in Tamil would be made available at the speaker's office. Minister Jayakumar merely said the state's economic growth will be as per the estimation and promised to take into consideration the suggestions offered by Thiagarajan. Thiagarajan addressed three issues, including availability and quality of Tamil Nadu's finance data; signs of macroeconomic problems that TN faced; and suggestions for improving revenue. He said foremost, the government had failed to upload data on its website and make it available to all citizens.

“To analyse the issue of government missing tax revenue targets, I tried to find detailed financial data on the official website. To my surprise, I found there was no data published after September 2011,” said Thiagarajan. He said he collected copies of old [budget](#) books from various sources, and the analysis of the data thus collated showed significant deterioration over the last three years.

“There has been a 20% deviation on the revenue received. There are differences in projections, budget estimates, revised estimates and actual accounts. An example is the 2015-16 accounts. From the projections to the final accounts there is a shortfall of revenue to the extent of 20%,” said Thiagarajan. Similarly, on the revenue account, the projections for this year said there will be a surplus, but the actual accounts show a deficit of Rs 11,985 cr, the MLA pointed out.

“Please set a target for accuracy for the finance department with respect to forecasting, execution, and estimation and closing of accounts. They must re-discover the skills they had for many years up until 2014-2015,” he said. On the macroeconomic problems, Thiagarajan said, “The state’s revenues have dropped from around 15% of GSDP in 2011-2012 to just under 11% in 2015-16 and is forecast to stay around this level for 2016-17”.

When the government says there is higher economic growth, why is it unable to meet tax targets, he asked. The MLA asked the government to set up a task force to review the mode of tax collection. On the registration and stamp duty, the MLA wanted a committee to go into the entire guideline value fixation and come up with realistic suggestions. He also offered to work with the government if his help is sought.