

COMBINED FINANCE AND REVENUE ACCOUNTS OF THE UNION AND STATE GOVERNMENTS IN INDIA FOR THE YEAR 2011-12

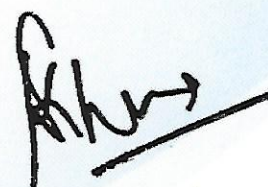
OVERVIEW



Foreword

With the coming into force of the Comptroller and Auditor General of India (Duties, Powers and Conditions of Service) Act, 1971 it is no longer the statutory responsibility of the Comptroller and Auditor General of India to prepare the Combined Finance and Revenue Accounts. However, we have continued the practice under my directions as it emphasizes the federal character of Financial Administration in this country. I am sure that the data contained in this document would be of use to the union and State Governments and to researchers and students of public finance.

The Combined Finance and Revenue Accounts is a unique document that incorporates comparable information relating to the accounts of the Union and all the States for a year, together with their balances and outstanding liabilities and other information relating to the financial health of the Union and the States. This compilation is based mainly on the figures contained in the respective Finance Accounts of the Governments concerned for the year 2011-2012.



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Comptroller & Auditor General of India

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Place: New Delhi

Combined Finance and Revenue Accounts of the Union and State Governments in India for the year 2011-12

Introductory

1.1 Combined Finance and Revenue Accounts (CFRA) were being prepared in the past under the provisions of para 12 of Audit and Accounts Order 1936 as adapted by the Government of India (Provisional Constitution) Order 1947 read with Article 149 of the Constitution of India. With the coming into force of the Comptroller and Auditor General's (DPC) Act, 1971, the Government of India (Audit and Accounts) order 1936 ceases to be in force except as anything done or any action taken there under. It is, therefore, no longer the statutory responsibility of the Comptroller and Auditor General of India to prepare the Combined Finance and Revenue Accounts. The compilation, however, continues to be prepared under the directions of the Comptroller and Auditor General of India as it is considered as useful compilation and presents the accounts of all the Governments in India on a common and comparable basis. The compilation is prepared mainly on the basis of the figures contained in the respective Finance Accounts of the Governments concerned.

1.2 Pursuant to the decisions taken on the recommendations of a Committee constituted in December 1997 to examine various Accounts in this compilation from the point of view of their utility and format this compilation has been prepared in 3 volumes (i) The first volume contains six statements indicating major-head wise summary of receipts and disbursements of various Governments from the Consolidated Fund, the Contingency Fund and the Public Account; (ii) The second volume contains 183 statements of the Subsidiary Accounts relating to Economic Services; and (iii) The third volume contains 111 statements of the Subsidiary Accounts relating to the General Services, Social Services etc. The Subsidiary Accounts give details generally by minor heads of the figures shown in the General Accounts in Volume I. Scheme wise details are available in the concerned Finance Accounts of the respective Governments. Detailed Accounts relating to Public Account have not been given. An Overview on Government accounts has also been added in Volume-I, which is further supplemented by a study wherein receipt expenditure, debt and deficits have been expressed as a percentage of GDP/GSDP.

1.3 Main Division of Accounts: -

The accounts of Government are kept in three parts: -

Part-I Consolidated Fund

The revenue received by the Government, all loans raised nationally and from other Countries, multilateral agencies and others by the Government by issue of treasury bills, ways and means advances, market borrowings, special securities etc. recovery of loans, from the Consolidated Fund.

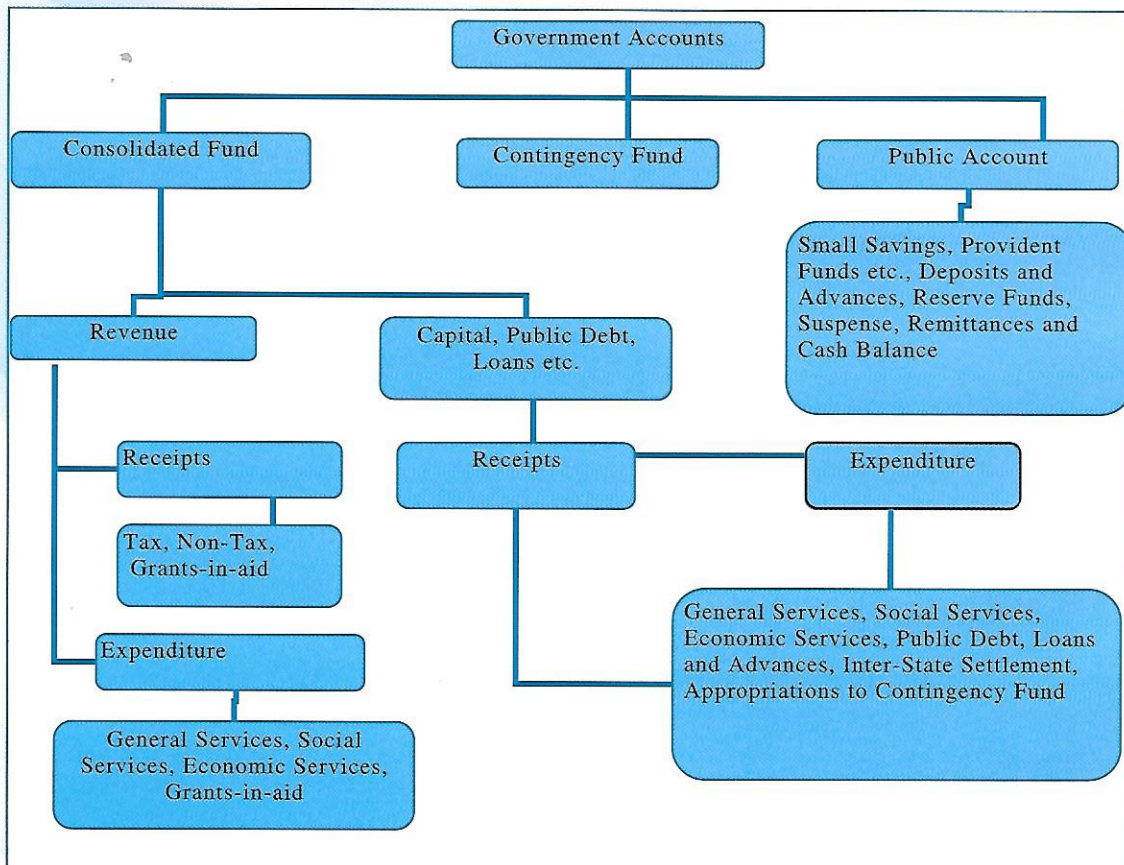
Part-II Contingency Fund

The contingency Fund is in the nature of an imprest into which sums as determined by law shall be paid from time to time. Advances are made out of the fund for meeting unforeseen expenditure pending authorization of such expenditure by the legislature.

Part-III Public Account

All other moneys received by or on behalf of the Government forms the Public Account. Items included in such funds are small saving/provident Fund, Deposits of local bodies, Reserve Funds, Suspense, Remittances and cash Balance. These items are not subjected to the vote of the legislature.

Pictorial representation of Structure of Government Accounts



2.1 In Part-I, there are two main divisions, viz.-

1. **Revenue** - consisting of sections for 'Receipt Heads (Revenue Account)', and 'Expenditure Heads (Revenue Account);
2. **Capital, Public Debt, Loans, etc.** - consisting of sections for 'Receipt Heads (Capital Account)' 'Expenditure Heads (Capital Account)' and 'Public Debt, Loans and Advances, etc;

The Revenue division deals with the proceeds of taxation and other receipts classed as revenue and the expenditure met there-from, the net result of which represents the revenue surplus or deficit for the year.

In Capital division, the section 'Receipts Heads (Capital Account)' deals with receipts of capital nature, which cannot be applied as a set off to capital expenditure.

The section 'Expenditure Heads (Capital Account)', deals with expenditure met usually from borrowed funds with the object either of increasing concrete assets of material and permanent character or of reducing recurring liabilities. It also includes receipts of capital nature intended to be applied as a set off against expenditure.

The section 'Public Debt, Loans and Advance, etc.', comprises loans raised and their repayments by Government such as 'Internal Debt' and 'Loans and Advances', made (and their recoveries) by Government. This section also includes certain special types of heads of transactions relating to 'Appropriation to the Contingency Fund' and 'Inter-State Settlement'.

2.2 In Part II of the Accounts are recorded the accounts of transactions connected with Contingency Fund established under Article 267 of the Constitution of India.

2.3 In Part III of the accounts, the transactions relating to 'Debt' (other than those included in Part I) 'Deposit', 'Advances', 'Remittances' and 'Suspense' are recorded. The transactions under 'Debt', 'Deposit', and 'Advances' in this part are those in respect of which Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid, together with the repayments of the former ('Debt' and 'Deposit') and the recoveries of the latter ('Advances'). The transactions relating to 'Remittances' and 'Suspense' in this part embrace all heads which are merely

adjusting heads under which appear such transactions as remittances of cash between treasuries and currency chests, account between different accounting circles, etc. The initial debits or credits to these heads will be cleared eventually by corresponding receipts or payments either within the same circle of account or in another account circle.

3. Sectors and Heads of Accounts: -

Within each of the section in Part I mentioned above, the transactions are grouped into sectors such as 'Tax Revenue', 'Non-Tax Revenue' and Grants-in-aid and Contributions, for the receipt heads (Revenue Account) and 'General Services', 'Social Services', 'Economic Services' and 'Grant-in-aid and contributions' for expenditure heads. Specific functions or services such as Education, Medical, Family Welfare, Housing, etc. in respect of Social Services are grouped in the sectors for expenditure heads. In part III also the transactions are grouped into sectors, such as 'Small Savings', Provident Funds' and 'Reserve Funds' etc. The sectors are sub-divided into major heads of account. In some cases the sectors are in addition, sub-divided into sub-sectors before their division into major heads of account.

3.2 The major heads are divided into minor heads, each of which has number of subordinate heads, generally known as sub heads. The sub-heads are further divided into detailed heads. Under each of these heads, the expenditure is shown distributed between charged and voted. Sometimes major heads are also divided into sub-major heads before their further division into minor heads. The Sectors and Sub Sectors, the Major Heads, Sub Major Heads, Minor Heads, Sub Heads and Object Heads constitute a six tier arrangement of the classification structure of Government Accounts. The major, minor and sub-heads prescribed for the classification of expenditure in the general accounts are not necessarily identical with the Grants, sub heads and other units of allotments, which are adopted by the Ministry of Finance/Finance Department for Demands for Grants presented to the Parliament/Legislatures, but in a general a certain degree of correlation is maintained between the Demand for Grants and the Finance Accounts.

The major heads of accounts, falling within the sectors for expenditure heads, generally correspond to functions of Government, while the minor heads, subordinate to them, identify the programmes undertaken to achieve the objectives of the function represented by the major head. The sub-head represents scheme, the detailed head, the sub-scheme and object head, the object level of classification.

3.3 Coding Pattern

Major Heads

A four-digit code has been allotted to the major heads, the first digit indicating whether the major head is a Receipt head or Revenue Expenditure head or Capital Expenditure head or Loan head.

The first digit of Code for Revenue Receipt heads is either 0 or 1. Adding 2 to the first digit Code of the Revenue Receipt head will give the number allotted to corresponding Revenue Expenditure head; adding another 2, the Capital Expenditure head; and adding another 2, the Loan head of Account. For example, for a Crop Husbandry head, code 0401 represents the Receipt head; 2401, the Revenue expenditure head, 4401, the Capital Outlay head and 6401, the Loan head.

Such a pattern is, however, not relevant for those departments, which are not, operating Capital or Loan head of accounts e.g. Department of Supply. In a few cases, however, where Receipts and Expenditure are not heavy, certain major heads have been combined under a single number, the major heads themselves forming sub-major heads under that number.

Sub-Major Heads

A two-digit code has been allotted, the code starting from '01' under each major head. Where no sub-major head exists, it is allotted a code '00'. Nomenclature 'General' has been allotted Code '80' so that even after further sub-major heads is introduced; the Code for 'General' will continue to remain the last one.

Minor Heads

Minor Heads have been allotted a three digit code, the codes starting from '001' under each sub-major/ major head (where there is no sub-major head) Codes from '001' and few codes '750' to '900' have been reserved for certain standard minor heads. The coding pattern for minor heads has been designed in such a way that in respect of certain minor heads having a common nomenclature under various major/sub-major heads, as far as possible, the same three-digit code is adopted.

Under this scheme of codification, receipt major heads (revenue account) assigned the block numbers from '0020' to '1606' expenditure major heads (revenue account) from '2011 to '3606' expenditure major heads (capital account) from '4046' to '5475', major heads under Public Debt from

'6001' to '6004' and those under 'Loans and Advances'; 'Inter-State Settlement' and 'Transfer to Contingency Fund' from '6075' to '7999'. The Code number "4000" has been assigned for Capital Receipt Major Head. The only major head 'Contingency Fund' in part II, 'Contingency Fund' has been assigned the code number '8000'. The major heads in the Public Accounts are assigned the code numbers from '8001' to '8999'.

4.1 The transactions included in the compilation represent mainly the actual receipts and disbursements during the financial year 1 April 2008 to 31st March 2009 as distinguished from amounts due to or from Government during the same period. The cash basis system is however, not entirely suitable for recording the transactions and presenting the true state of affairs of Government commercial undertakings run on commercial principles. The detailed accounts of this class of undertakings are therefore, maintained outside the regular accounts in proper commercial form and are not included in this compilation.

4.2 The figures of actuals shown in these accounts are net after taking into account the recoveries although the Demands presented to the Parliament/Legislature and the Appropriation Accounts are for gross expenditure and exclude the receipt and recoveries, which are otherwise permissible to set off in reduction of expenditure.

5 In this compilation a specified pattern has been adopted according to which an account No. by itself say No. 25 relates to receipts under that head. If suffixed by 'A' (No.25A) it relates to expenditure under that head, if suffixed by 'B' relates to capital outlay and lastly if by 'C' to the loans.

6. Cash Balance

There are separate Cash Balances of the Union and each of the State Governments, which are either held in a Government Treasury or kept with the Reserve Bank of India.

As it is a difficult and complicated process to split up the balances of the 'Consolidated Fund' 'Contingency Fund' and 'Public Account', one single balance is shown in these accounts for all the three parts.

In this compilation, the figures in the Account Statement of summary transactions, overview, suspense balances and Capital and Other Expenditure have been exhibited in crores of rupees and in the Other Subsidiary statements in thousands of rupees.

7. The Subsidiary Accounts relating to Railway, P&T and Defence have not been included. The major head-wise information relating to these accounts is available in the General Accounts, volume I.

OVERVIEW OF COMBINED FINANCE AND REVENUE ACCOUNTS (UNION AND THE STATES)

1.0 Introduction

The Combined Finance and Revenue Accounts (CFRA) prepared under the direction of the Comptroller and Auditor General of India, is an unique document as it presents the audited accounts of all the States, Union Territories and the Union in one place. The CFRA is in three volumes and contains information on the finances of the Governments. An "overview" of the CFRA is presented here to provide the interested reader information on basic economic parameters across the States and the Union. The following aspects are discussed in the overview:

- Assets and Liabilities of the Government
- Summary of the receipts and disbursements
- Revenue receipts of the Government
- Allocative priorities (expenditure) of Government
- Deficit and Debt of the Government

2.0 Assets and Liabilities

2.1 Though there is no Balance Sheet of the Government as in the case of a commercial enterprise, it is possible to construct one from the information available in the accounts in the form of its assets and liabilities or in terms of a statement of balances of resources. Assets for the Government mainly imply financial assets. Liabilities and assets of the Government include the following:

Assets	Liabilities
<ul style="list-style-type: none">● Capital Expenditure● Loans and Advances● Cash Balance● Investment	<ul style="list-style-type: none">● Internal Debt● External Debt● Loans from Central Govt.(in case of State Governments)● Small Savings● Reserve Funds ¹● Other Deposits

¹ Reserve Funds are created by charging the amount in revenue account of Consolidated Fund. These are purpose specific and despite being aberrations in cash based accounting visualizes earmarked resource flows. Further, these would largely be self-liquidating. This concept was, however, introduced to earmark resources on an annual basis to take care of lumpy expenditure or to allocate these to specific purposes.

The detailed figures corresponding to these items are indicated in Table 1

Table 1
Assets and Liabilities and the Statement of Balances
(position as on 31st March 2012)

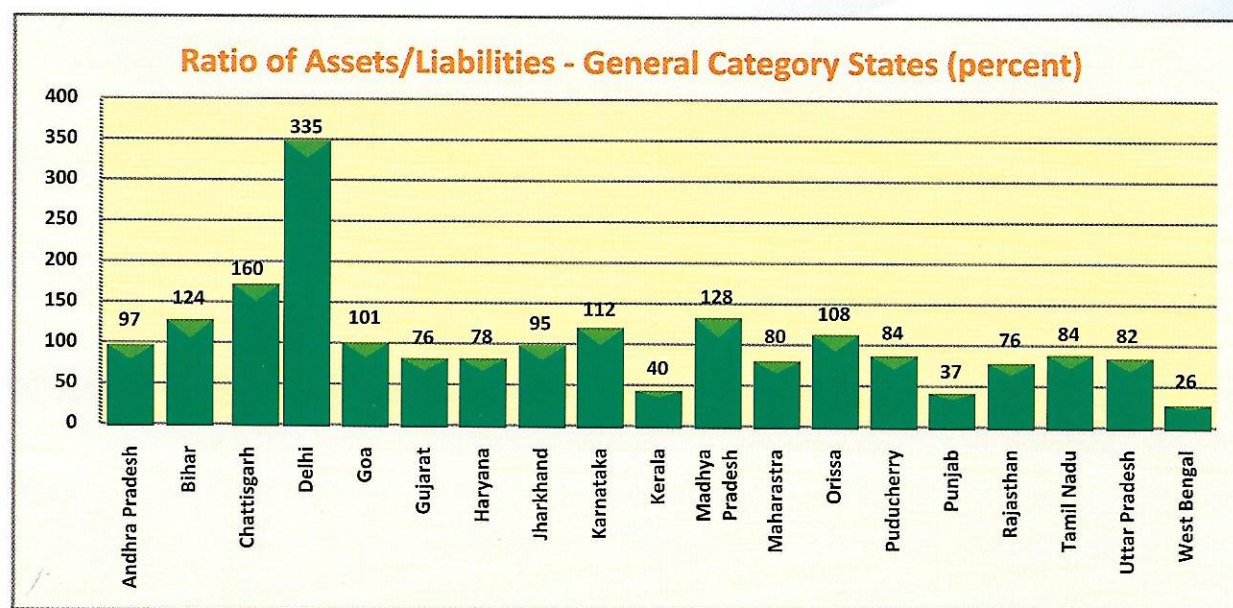
(₹ in crore)

Assets	Union	States	Combined	Liabilities	Union	States	Combined
Cash	777566	165214	242779	Borrowings (Public Debt)	3400710	1350936	4751646
Cash in treasuries and local Remittances	7	302	296	Internal Debt	3230622	1350936	4581558
Departmental Balance	6947	1262	8209	External Loans	170088	0	170088
Permanent Cash Imprest	3179	307	3486	Loans and Advances from Central Government	0	146405	146405
Cash Balance Investments	50000	118880	168881	Non Plan Loans	0	5660	5660
Deposits with Reserve Bank of India	17446	4052	13395	Loans for State Plan Schemes	0	139288	139288
Investment from Earmarked Funds	0	48514	48514	Loans for Central Plan Schemes	0	298	298
Capital Expenditure	1542503	1389431	2931933	Loans for Central Sponsored Plan Schemes	0	633	633
Investment in shares of Companies, Corporations etc.	364571	311671	676242	Other Loans	0	526	526
Other Capital Expenditure	1177932	1077760	2255691	Inter/State Settlement	0	74	74
Inter/State Settlement	0	75	75	Contingency Fund (corpus)	500	3668	4168
Contingency Fund (Unrecouped)	0	526	526	Liabilities on Public Account	597765	591643	1189409
Loans and Advances	230434	226270	456705	Small Savings, Provident Funds etc	463889	255281	719170
Advances with departmental officers	10817	3676	14493	Deposits	106586	175423	282009
Suspense and Miscellaneous Balances	3793	3855	7648	Reserve Funds	27291	123056	150347
Remittances	1452	5542	6994	Remittances Balances	0	6936	6936
				Suspense and Miscellaneous Balances	0	30946	30946
Total	1866565	1794589	3661154	Total	3998975	2092726	6091701
Cumulative Excess of Expenditure over Receipts	2132410	477332	2609742	Cumulative Excess of Receipts over Expenditure	0	179195	179195
Total	3998975	2271921	6270896	Total	3998975	2271921	6270896

2.2 Overall resources of Union and States at the end of March 2012 were ₹ 6091701 crore. As against this, the total assets valued at the historic rates were ₹ 3661154 crore. The Central Statistical Organization² in their National Accounts Statistics had estimated the Net Capital Stock of the administrative departments and the departmental undertakings, which generally corresponds to the Union and States during 2011-12 at ₹ 3871572 crore. Total Assets as defined above (cumulative capital expenditure and outstanding advances) worked out to 65.28 percent of the NAS Net Capital Stock. This would get reduced to around 65 percent with the adjustment of outstanding advances of the Union Government to the States.

2.3 Ratio of assets to the liabilities of the Union and States was 61 percent (48 percent for the Union Government and 86 percent for the States). The assets of the Union Government also included the loans and advances made by it to the States. This was in the nature of a contra entry as these assets of the Union Government were the liabilities of the States. Removal of this entry, however, would not lead to any reduction in the shortfall in assets relative to liabilities, as these would set off each other, but it may result in a marginal decline in the overall ratio of assets to liabilities³. A lower ratio of assets to liabilities is indicative of the extent of erosion of resources of these entities and inadequacy of their assets back up.

Graph-I



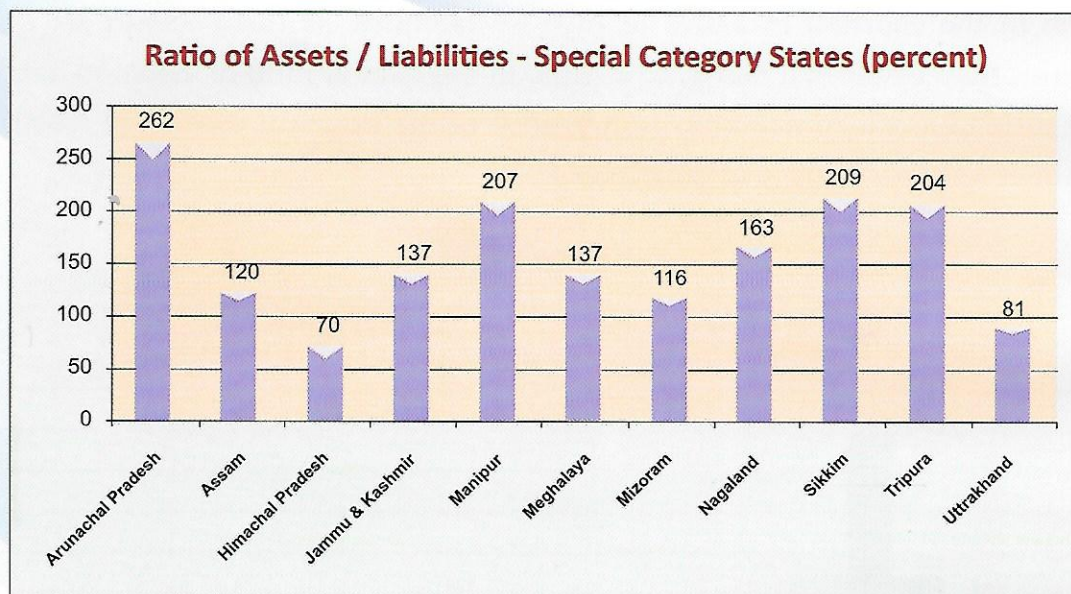
² National Accounts Statistics released by Central Statistical Organisation also publishes Net Capital Stock of the Public Sector. The Net Capital Stock of Administrative Departments and Departmental Undertakings would broadly correspond to the Union and States Government. NAS follows the perpetual inventory method and adopts depreciation based on defined life of various assets

³ These liabilities exclude Governments' pension obligations, unreckoned liabilities and contingent liabilities. Pension expenditure is shown based on what is incurred annually. But these could be considered as annuity payments. In many States, some of the liabilities or payment obligations may not be reckoned fully. Outstanding payments of Dearness allowances arrears, payments to suppliers, etc., are a few of such obligations. These liabilities are not included in the fiscal liabilities. Guarantees given by the Union and States, which are in the nature of contingent liabilities, are also excluded

2.4 The ratio of Assets to Liabilities for the General Category States in respect of six States namely Goa, Odisha, Karnataka, Bihar, Madhya Pradesh and Chattisgarh was more than 100%, whereas the ratio of Assets to Liabilities was less than 50% in respect of three States namely Kerala, Punjab and West Bengal. The ratio of Assets to Liabilities in respect of Delhi was much higher (335%) because of absence of Public Accounts figures and Cash Balance except National Small Saving Fund.

2.5 The ratio of Assets to Liabilities in respect of special category States⁴, Tripura, Manipur, Sikkim and Arunachal Pradesh was more than 200 % whereas in only two States, Himachal Pradesh and Uttarakhand, the ratio was less than 100%. Other States in this category had the ratio within the range of 100 to 200 percent were Mizoram, Assam, Jammu-Kashmir, Meghalaya and Nagaland.

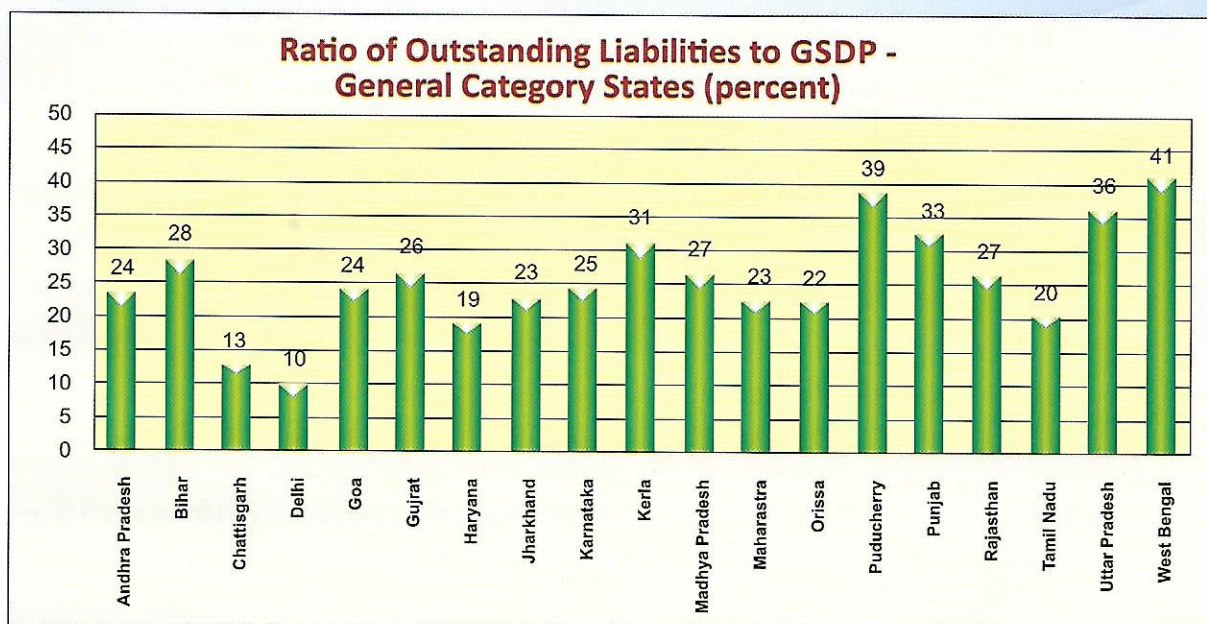
Graph –II



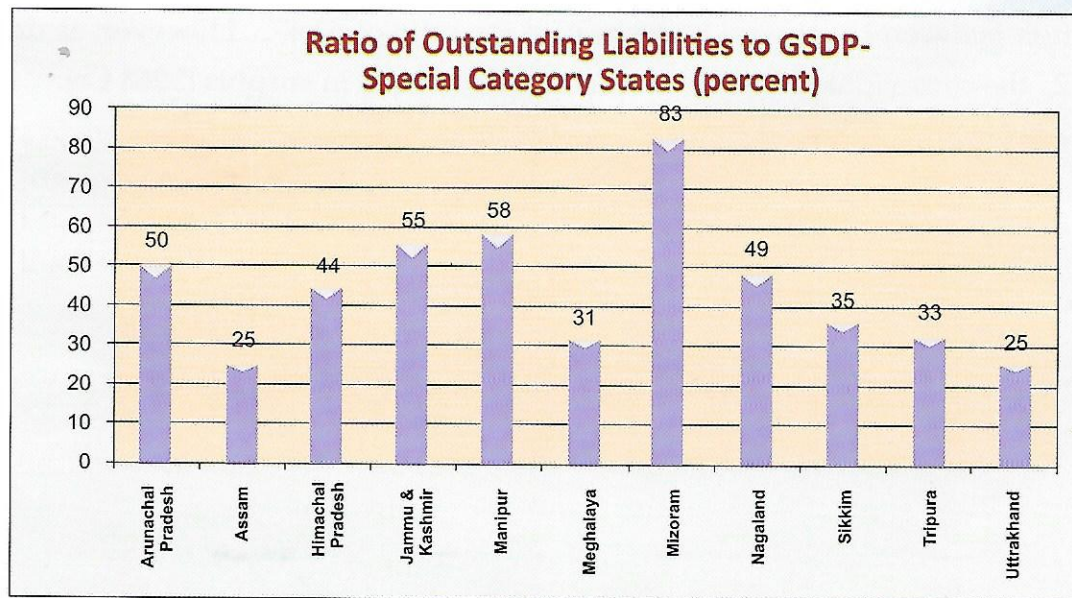
2.6 Inter-State variation in liabilities of the States as a percentage of their respective GSDP is depicted in Graph – III & Graph - IV. Significant inter-state variations were observed wherein Mizoram a special category State had the highest ratio among all the States. Delhi had the lowest liability to GSDP ratio because of the absence of figure of Public Account and Cash Balance except National Small Saving Fund which was treated as a liability. States with a higher tax/GSDP ratio made less recourse to borrowings and had a lower liabilities/GSDP ratio.

⁴ Special Category States have special dispensation with regard to their block plan assistance. Against a ratio of 30:70 between grants and loans for other States, these States have a ratio of 90:10. This increases the quantum of grants-in-aid to these States relating to others.

Graph - III



Graph - IV



Summary of Annual Accounts

3.1 While the 'balance sheet' or summary of balances is the accumulated position as on 31st March 2012 and represents the stock of both assets and liabilities, it does not indicate the current performance of the Government. Parameters like the States' ability to raise resources- both taxes and user charges from various services, expenditure and cost of delivery of service, allocative priorities of their disbursement, revenue and fiscal deficit (or fiscal imbalances) and net annual increase in their liabilities, etc. can not be gauged from the summary. Annual financial statements are the appropriate instruments for this purpose.

3.2 The overall revenue receipts⁵ of the Union and States during 2011-12, as evident from Table 2, were ₹ 2033786 crore. The Governments also raised ₹ 73109 crore by way of recovery of past loans and miscellaneous capital receipts⁶. The total non-debt receipts amounted to ₹ 2106895 crore and these were distributed between the Union and the States in the ratio of 46:54.

3.3 Total expenditure of the Union and States comprising revenue expenditure, capital expenditure and loans and advances amounted to ₹ 2796770 crore and its distribution between Union and States was in the ratio of 53:47. However, as depicted in table 2, the consolidated fund of Union and States was in surplus (3968 Cr).

⁵ Revenue Receipts are gross and unadjusted for the transfers from the higher tier of the Government, except for the transfer of the taxes collected by the Union Government as mandated by Finance Commission. Expenditure has also been taken on gross basis

⁶ Miscellaneous capital receipts and recovery of outstanding loans essentially involves a reduction in assets, financial or physical

Table-2

Summary of the Receipts, Disbursements, Deficit and Debt in 2011-12

(₹ in crore)

Receipts			Derived Items		Disbursements		
	Union	States	Union	States		Union	States
Consolidated Fund							
Revenue Receipts ⁷	910277	1123509			Revenue Expenditure	1305195	1095735
			Revenue Balance				
			-394918	27774			
Misc. Capital Receipts	18088	665			Capital Expenditure	139465	175727
Recovery of Loans	36818	17538			Loans and Advances	38404	42244
Total Non-Debt Receipts	965183	1141712			Total Expenditure	1483064	1313706
			Fiscal Balance				
			-517881	-171994			
Public Debt	4063177	233455			Public Debt	3495929	107656
Transfer to Contingency Fund	0	1000			Transfer to Contingency Fund	0	200
Inter-State Settlement	0	80			Inter-State Settlement	0	84
Total Consolidated Fund	5028360	1376247			Total Consolidated Fund	4978993	1421646
			CFS Balance				
			49367	- 45399			
			Contingency Fund				
Appropriation Receipts	0	2199		-253	Expenditure	0	2452
Public Account							
Small savings, Provident Fund and Others	372828	82345			Small Savings, Provident Fund and Others	358502	55682
Reserves and Sinking Fund	108076	38197			Reserves and Sinking Fund	102402	26028
Deposits	92993	374625			Deposits	93552	356641
Civil Advances	35290	5726			Civil Advances	40209	5762
Suspense Account	4894	2654014			Suspense Account	56476	2658909
Remittances	6586	180945			Remittances	2902	181416
Total Public Account	620667	3335852			Total Public Account	654043	3284438
			Public Account Balance				
			-33377	51414			
Cash Balances							
Opening Cash Balances	1449	-4874			Closing Cash Balances	17440	888
			Cash Balance Diff				
			15991	5762			

⁷ Consolidated Fund Receipts also included excise duty receipts that were transferred to States. However, the revenue receipts and revenue expenditure indicated above is net of such transfers

3.4 For both the Union and the States, revenue expenditure accounted for around 86 percent of total expenditure (88 percent for the Union Government and 83 percent for the States). Capital expenditure and loans and advances accounted for the balance.

3.5 Revenue expenditure for the Union Government also included grants in aid to States, which formed part of the revenue receipts of the States. Similarly, a significant part of loans and advances of the Union Government were disbursed to the States. Actual expenditure from these receipts of the States occurred at their level. Excluding grants-in-aid and loans and advances, total combined expenditure of the Union and the States was ₹ 2597203 crore or around 29 percent of GDP⁸ and for the year 2010-11 it was ₹ 2317091 crore.

3.6 Combined revenue deficit in 2011-12 was ₹ 367144 crore (₹ 394918 crore for the Union and ₹ 27774 crore (Surplus) for the States) and it was 4.07 percent of GDP (4.38 percent for the Union and 0.31 percent (surplus) for the States)⁹ Similarly, Combined Fiscal deficit was ₹ 689875 (₹ 517881 crore for the Union & ₹ 171994 crore for the States) and it was 7.66 percent of GDP (5.75 percent for Union and 1.91 for the States).

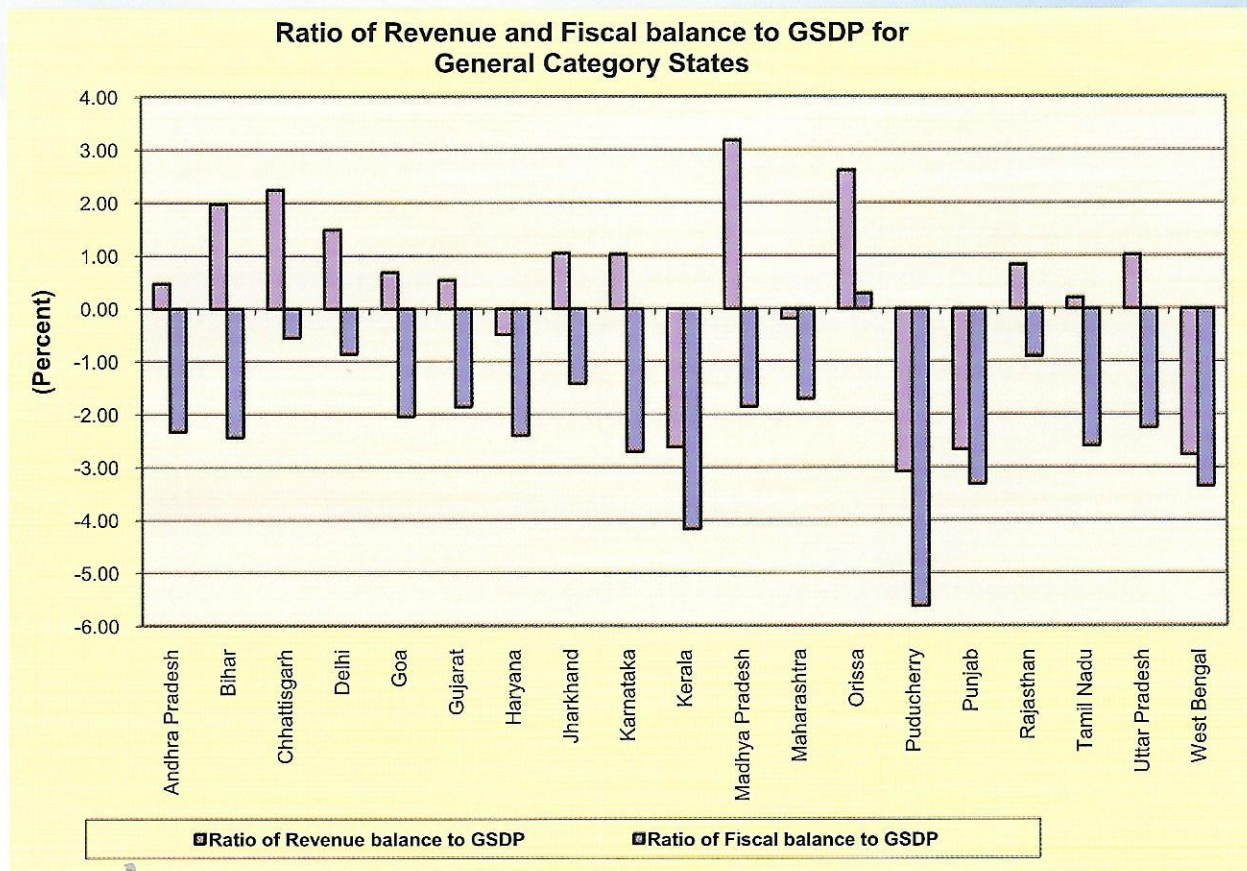
3.7 Combined fiscal deficit would, however get reduced to the extent of loans and advances disbursed by the Union to States. Adjusted combined fiscal deficit was 7.55 percent of the GDP. Unadjusted Combined Revenue deficit was 53 percent of fiscal deficit for both the Union and States.

3.8 The interstate comparison in Revenue and Fiscal balances of the States, relating to their respective GSDP is given in Graph – V & Graph – VI).

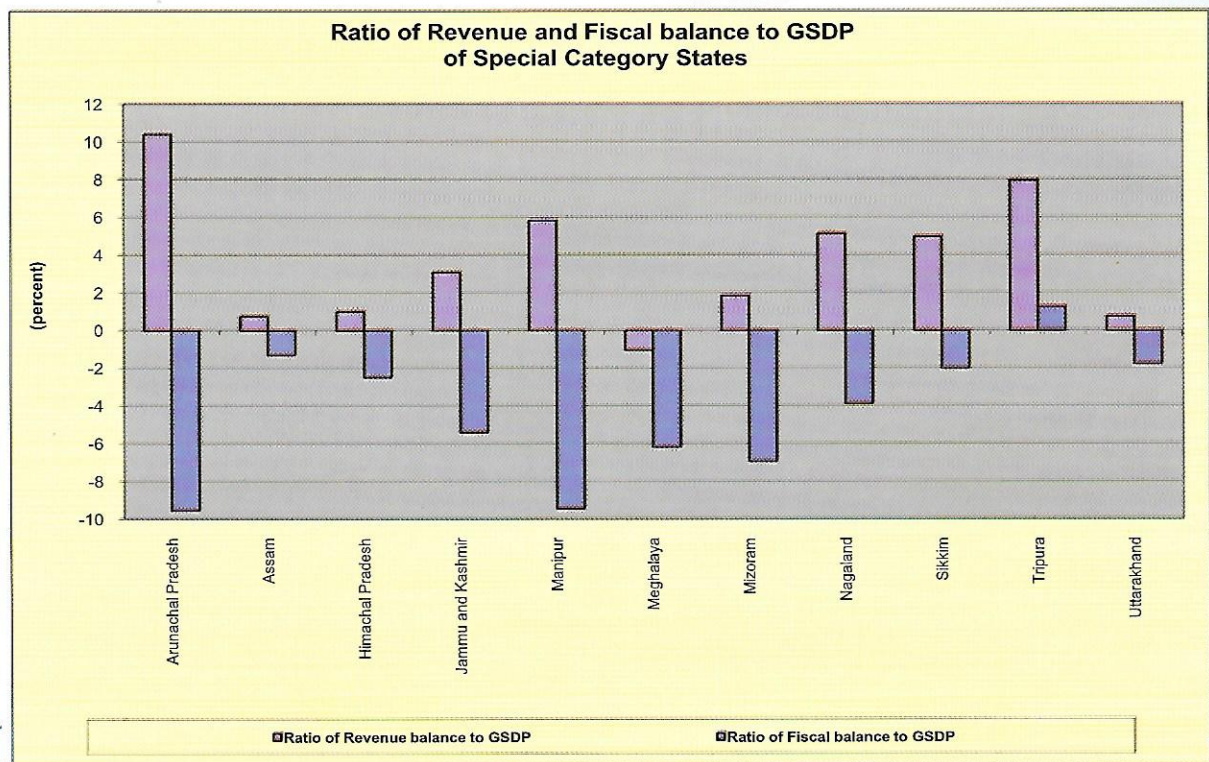
⁸ The GDP figures (₹ 9009722 crore) used are as released by CSO and are at market prices. However, for Inter-State comparison; figures used are of Gross State Domestic Product (GSDP) of each state as released by their respective Directorates of Economic and Statistics. The State wise GSDP figures are at factor cost and aggregated state figures are significantly lower (around 12 percent) than National GDP (market price). Even the aggregate of state wise GSDP at factor cost is only 93 percent of GDP at factor cost released by CSO

⁹ The ratio of revenue balance (unadjusted) to GDP for the Union would be (-) 4.38 percent and for States 0.41 percent.

Graph - V



Graph - VI



3.9 This brings us to a detailed analysis of the underlying reasons for the revenue and fiscal balances of the states.

4. Revenue Receipts

4.1 Revenue Receipts of a Government are composed of the following:

- Own tax revenues.
- Receipts from sovereign functions, financial intermediation and user charges for economic and social services provided.
- Devolution of taxes collected by the Union and transferred to the States in terms of the award by the Finance Commission (State Governments/Union Territories)
- Grants-in-Aid.(State Governments/Union Territories)

4.2 The revenue of the Union from the taxes and duties levied and collected by it, is indicated in its revenue receipts as net of the share of States transferred to them in terms of the award of the Finance Commission. The States' share in Union pool of taxes and duties form the part of the revenue receipts of the respective State/U.T. Government. Similarly, the grants-in-aid transferred by the Union to the States are in the nature of revenue expenditure of the Union and form part of revenue receipts of the States. The revenue receipts of the Union and the States excluding Grants-in-Aid and tax proceeds transferred to States i.e. only from tax and non tax revenue amounted to ₹ 1841167 crore. Figures in Table 3 reveal that around 80 percent of the adjusted revenue came by way of taxes and the rest from non-tax receipts. This proportion, however, significantly varied between the Union and the States and also among other States. Graph-VII & Graph-VIII indicate the proportion of various components of resource in total resources across the States.

Table 3
Revenue Receipts and its composition

	(₹ in crore)		
	Union	States	Combined
Revenue Receipts	910277	1123509	2033786
Tax Revenue*	889118	578697	1467815
Non-Tax Revenue	273610	99742	373352
Tax Proceeds transferred to State¹⁰	-255414	255591	177
Grants-in-Aid	2962	189479	258553

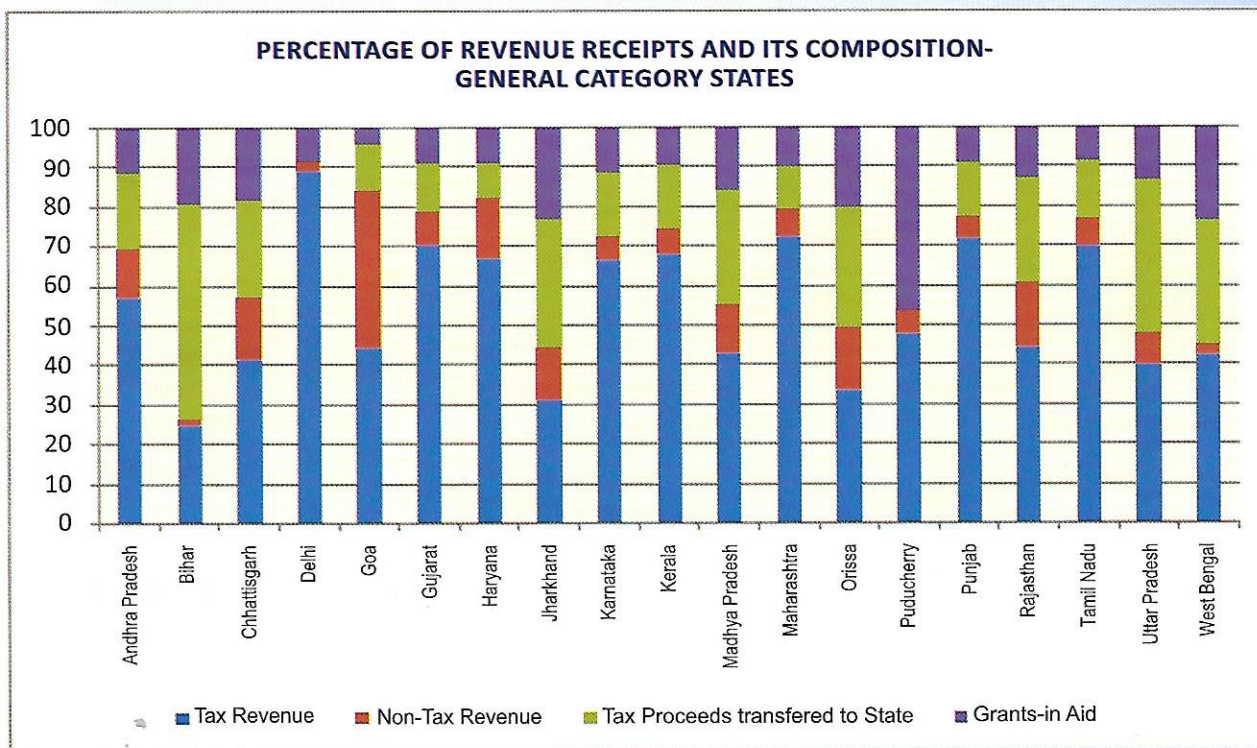
* Tax revenue for the Union is Gross figure (Tax-633704+Share-255414=889118)

†

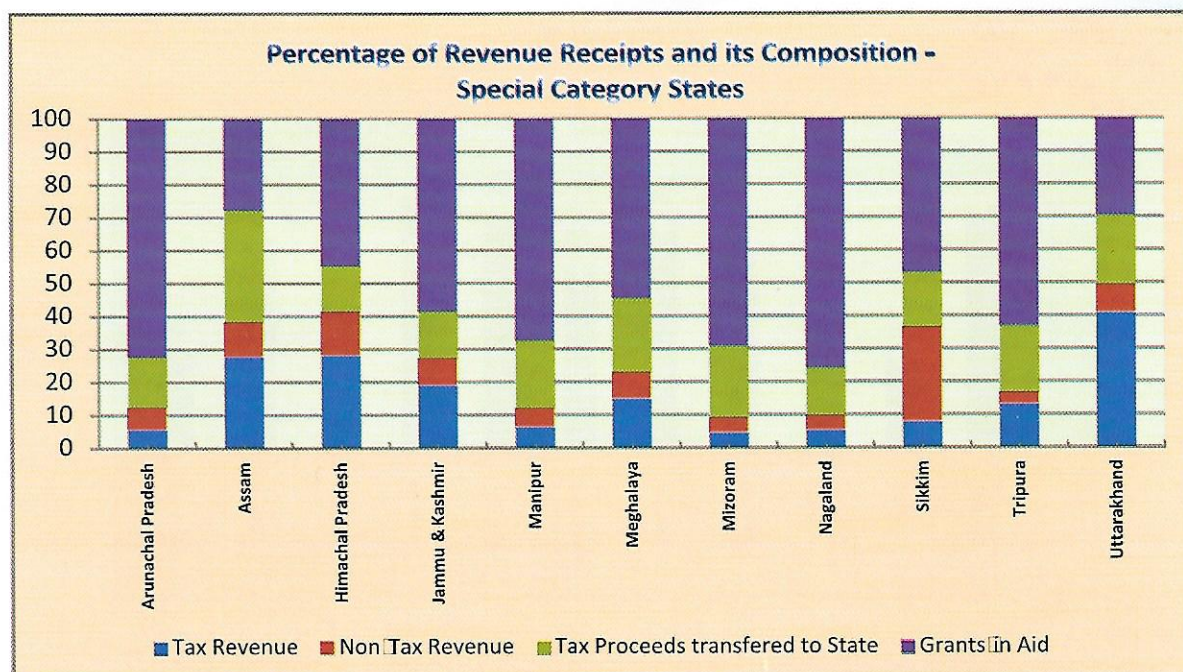
¹⁰ The two amounts (devolution of proceeds of taxes by the Union Government to States and States receipts of the same) should be same. The difference between these two figures may be due to non-reconciliation.

4.3. The State-wise variations of revenue receipts and their compositions are depicted in Graph – VII and Graph – VIII.

Graph – VII

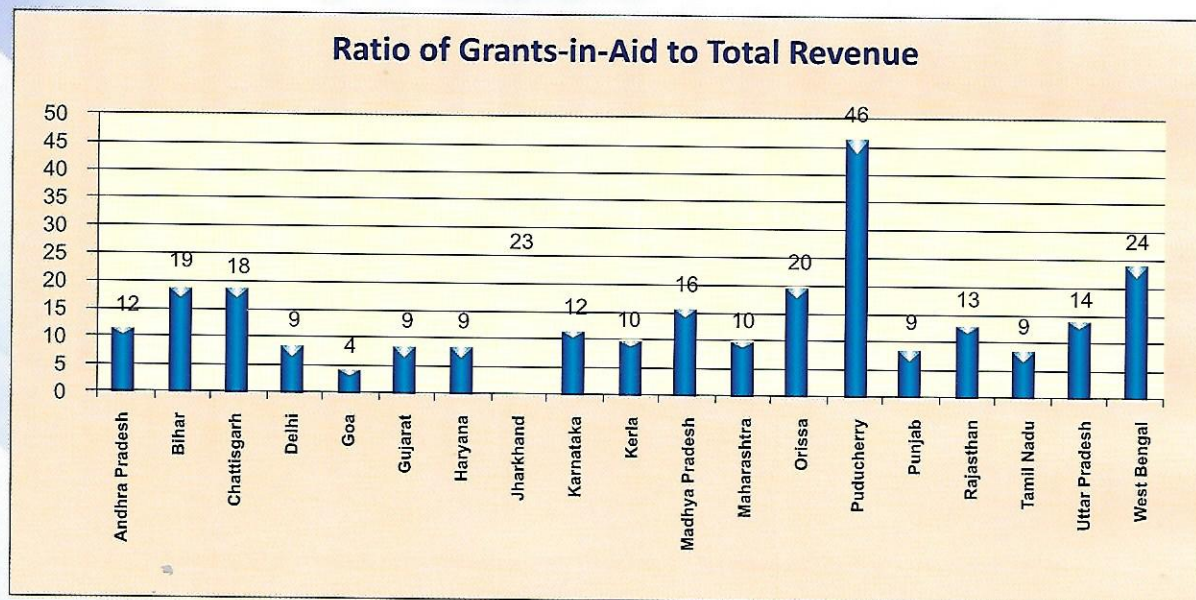


Graph –VIII

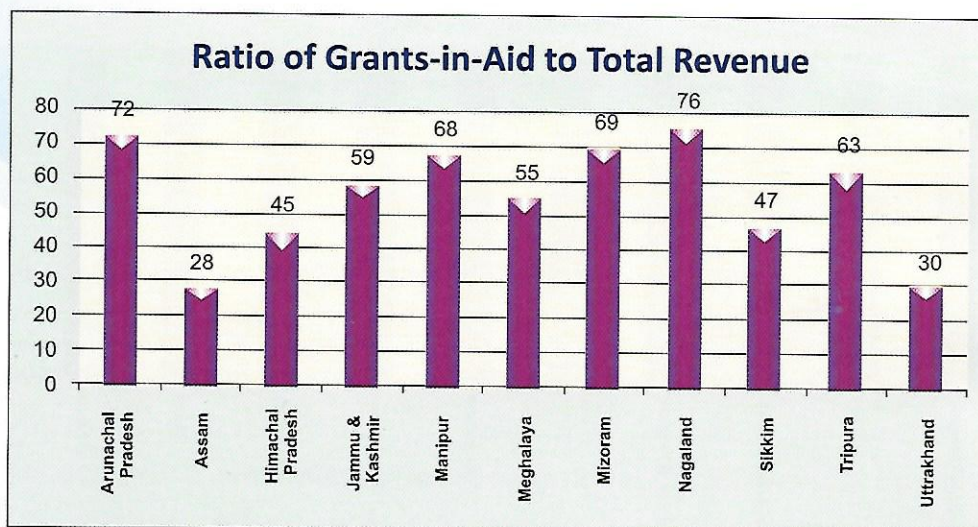


4.4 In respect of the Special category States, Grants-in-Aid form a significant proportion of their total revenue receipts. Grants-in-Aid across General Category States and Special category States is depicted in the Graph-IX & Graph-X below respectively :-

Graph-IX



Graph-X



4.5 Revenue receipts are linked to economic activity and domestic product is its natural base. Overall combined revenue receipts for Union and States unadjusted for transfers (Grants-in-Aid) were 22.57 percent of GDP at market prices¹¹. These were distributed between the Union and States as 10.10 and 12.47 percent respectively. Tax receipts were 16.29 percent of GDP (9.87 percent for the Union and 6.42 percent for the States) and non-tax receipts were 4.14 percent GDP (3.04 percent for the Union and 1.11 percent for the States) (Table 4). Revenue receipts on per capita basis were ₹ 16835 (₹15266 after adjustment of grants-in-aid to the States.)

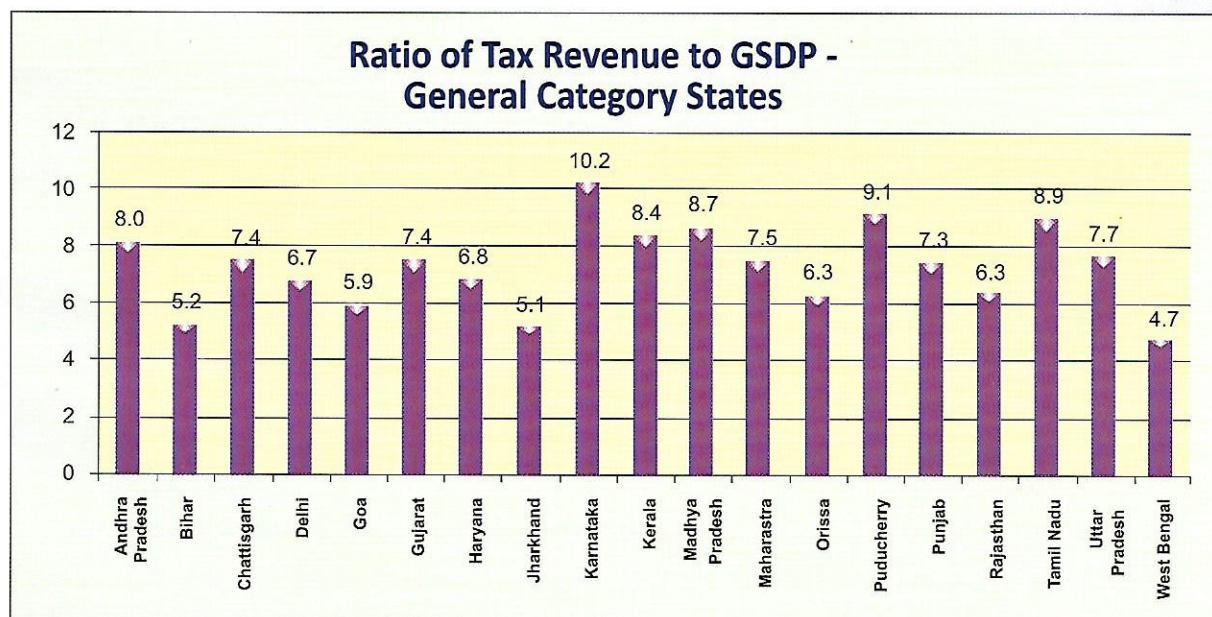
Table- 4
Components of Revenue Receipts relative to GDP at Market Prices (Percentage)

	Union	States	Combined
Revenue Receipts	10.10	12.47	22.57
Tax Revenue	9.87	6.42	16.29
Non-Tax Revenue	3.03	1.11	4.14
Tax Proceeds transferred to States	-2.83	2.84	0.00
Grants-in-Aid	0.03	2.10	2.14

Note: GDP of Union at current market prices ₹ 9009722 Crore.

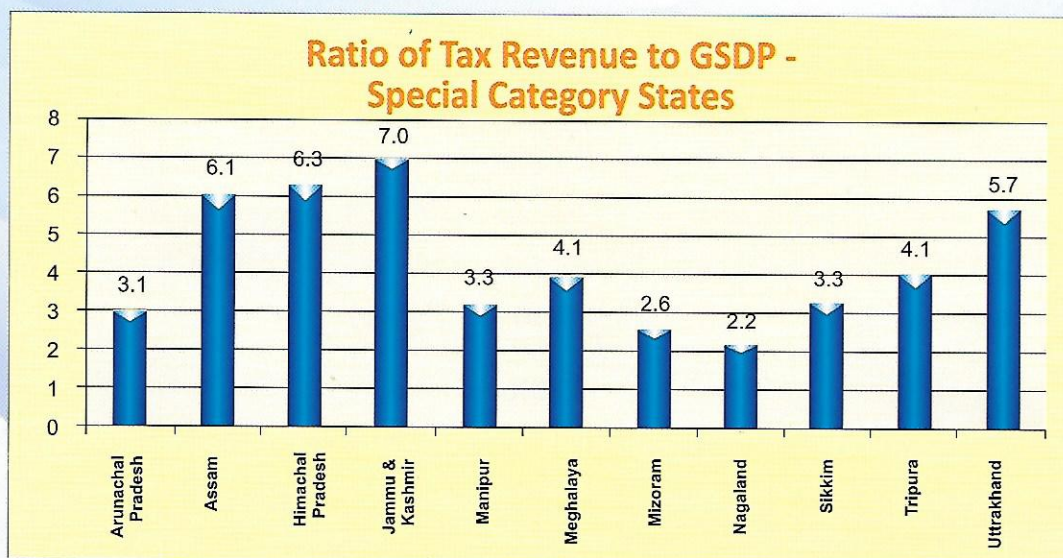
4.6 The Tax to GSDP ratio across all the States is given in Graph XI and Graph XII below:

Graph XI



¹¹ The adjusted revenue receipts of the Union and State would decline to ₹ 1844307 crore and would be 20.47 percent of GDP

Graph XII



Note: Tax Revenue means Own Tax Revenue

4.7 Both the Union and State Governments had deployed a variety of taxes to raise revenue. These taxes were broadly of three types – income and expenditure taxes or direct taxes; taxes on property transactions and commodities and service tax. Most of the revenue of the Union Government was generated by income and corporate taxes, customs and excise duties. In the case of States, sales tax, state excise duties (mostly on alcohol), stamp duty and registration fees and taxes on motor vehicles were the major resource generators. However, as a group, commodities and service taxes contributed the most to all State tax resources (Breakup of commodity taxes is in Table 5)

4.8 Revenue receipt from taxes was 9.87 percent of GDP for the Union Government and bulk of that came from direct taxes (5.41 percent of GDP or 55 percent of total tax receipts). In the case of States, around 86 percent of tax revenue came from commodities and service taxes with sales tax alone contributing to around 72 percent. Relative to GDP, receipts from State taxes were 6.42 percent.

4.9 For the Union and States combined, nearly 61 percent of the receipts from taxes came from commodities and service taxes while remaining 39 per cent from taxes on income and expenditures and property transactions.

4.10 Taxes on property & transactions for both Union and States contributed 5.59 percent of total tax receipts. Though the States mostly levied property taxes, their share in total tax revenue of the States was only 13.03 %. The predominance of the commodity taxes was, therefore, across both the tiers of Government. There was hardly any overlap in receipts from taxes as the domains of the Union and the States were well defined. Even

in case of excise duties, the commodities that attract taxes at the Union and the States level were different. Receipts from three major taxes and their share relative to GDP are summarized in Table 5.

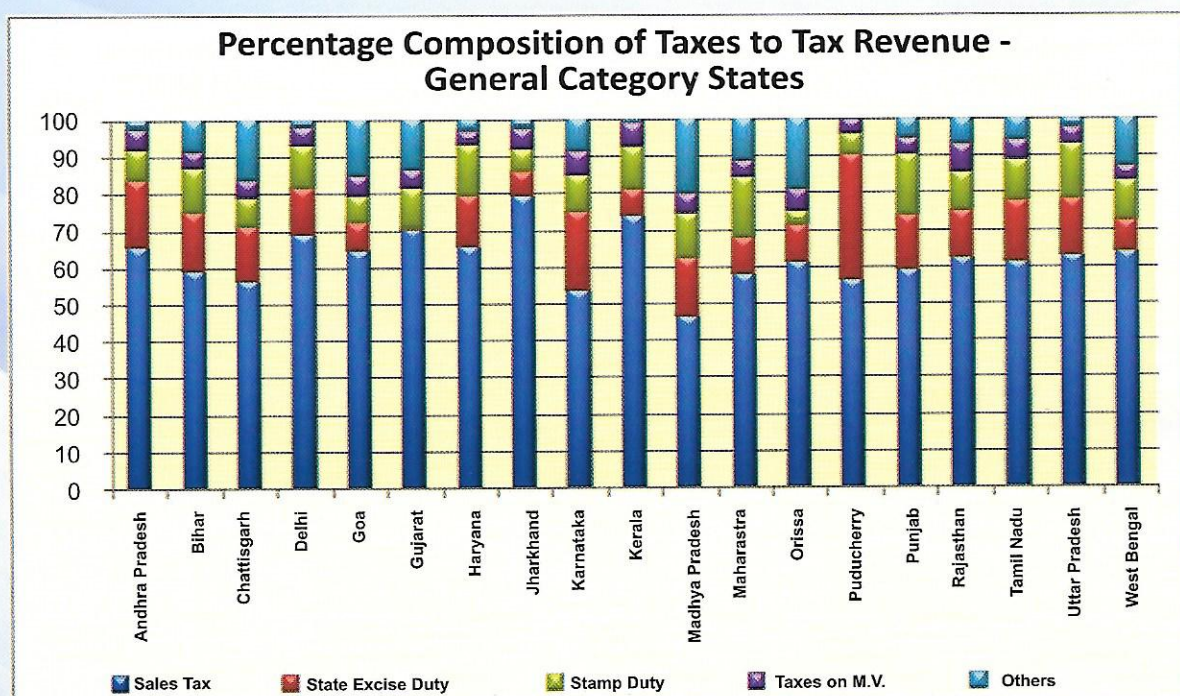
Table 5
Receipts from Major Taxes and their Shares Relative to GDP

	Receipts (₹ in crore)			Percent of GDP		
	Union	States	Combined	Union	States	Combined
Total Tax Revenue	889118	578697	1467814	9.87	6.42	16.29
A) Income and Expenditure Taxes	487543	4514	492057	5.41	0.05	5.46
Corporation Tax	322816	0	322816	3.58	0.00	3.58
Income Tax	164525	1	164526	1.83	0.00	1.83
Others	202	4513	4715	0.00	0.05	0.05
B) Property Transactions Taxes	6577	75419	81996	0.07	0.84	0.91
Land Revenue	4	7078	7082	0.00	0.08	0.08
Stamp Duty and Registration	128	66697	66825	0.00	0.74	0.74
Others	6445	1644	8089	0.07	0.02	0.09
C) Commodities and Service Taxes	394999	498763	893762	4.38	5.54	9.92
Customs Duties	149328	0	149328	1.66	0.00	1.66
Excise Duties	144901	0	144901	1.61	0.00	1.61
Service Tax	97509	0	97509	1.08	0.00	1.08
Sales Tax	1780	359564	361344	0.02	3.99	4.01
State Excise duty	362	74762	75126	0.00	0.83	0.83
Taxes on Motor Vehicles	158	29830	29988	0.00	0.33	0.33
Goods and Passengers Tax	8	11672	11680	0.00	0.13	0.13
Electricity Duty	16	17284	17300	0.00	0.19	0.19
Others	937	5651	6587	0.01	0.06	0.07

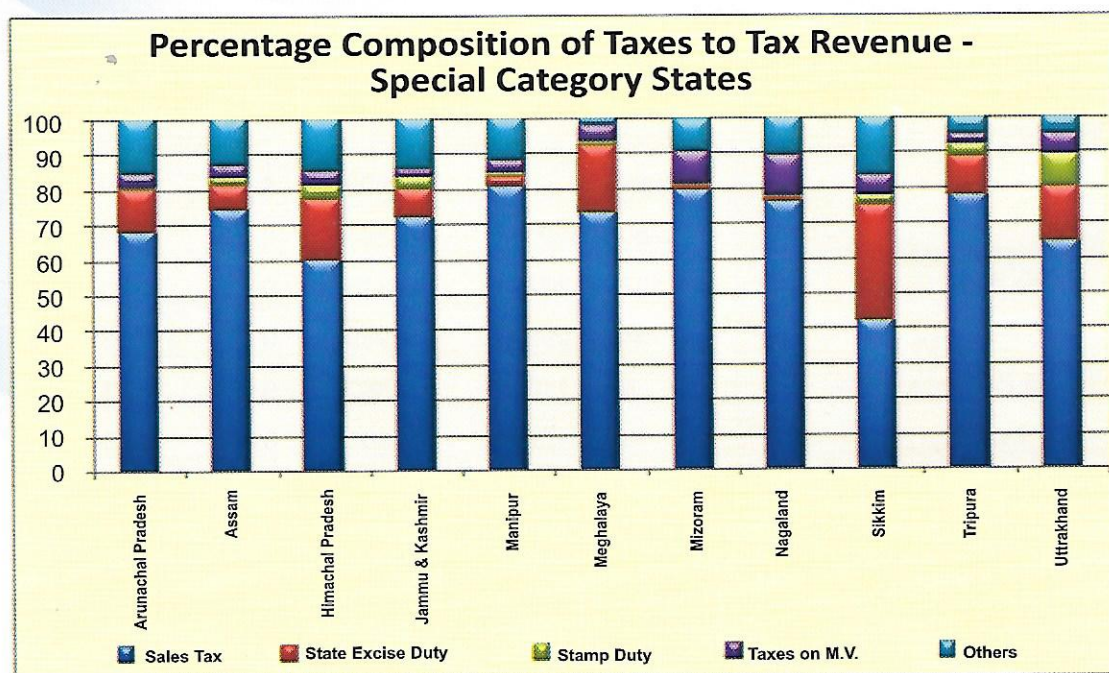
4.11 There were, however, significant Inter-State variations in revenue and tax receipts. Tables in Annexure 3 and 4 indicate Inter-State position in respect of various parameters relating to revenue and tax receipts.

4.12 Inter-state variations in various components of tax/revenue are depicted in graph- XIII & graph -XIV.

Graph - XIII



Graph - XIV



4.13 These Inter-State variations could be due to differences in base or rate of taxation or varying levels of compliance or a combination of all of them. Some of the broad conclusions that emerge from these tables are summarized below:

- a. Commodity taxes comprising of Sales Tax, Excise Duty, Goods and Passenger Taxes and Motor Vehicle Tax accounted for around 82.22 percent of the total tax receipts in

respect of States. Sales Tax was the most prominent of the commodity taxes. While the average ratio of sales tax receipts to GSDP¹² was 3.94 percent for all States put together, for Nagaland and Sikkim, it was less than 2 percent. The ratio was in the range of 2 to 5 percent for all states except Jammu & Kashmir, Puducherry, Gujarat, Andhra Pradesh, Tamil Nadu, Karnataka, and Kerala where it exceeded 5 percent maximum being 6.15 percent for Kerala.

b. States were realizing more than 13.03 percent of the total tax receipts from Property Taxes including Land Revenue and Stamp Duty and Registration Fees. The overall ratio of the Property Taxes to GSDP was 0.62 percent, varying from a low of 0.02 percent for Nagaland to 1.49 percent for Madhya Pradesh. The States, which had the ratio in excess of 1 percent, were Tamil Nadu, Kerala, Gujarat, Karnataka, Uttar Pradesh, Punjab, Maharashtra and Madhya Pradesh.

c. In commodity taxes, motor vehicle tax was one of the larger sources of taxes. While the average ratio of motor vehicle tax to GSDP was 0.31 percent, it exceeded 0.50 percent for Kerala and Karnataka.

d. The average ratio of revenue receipts to GSDP for the States was 22.26 percent. For Kerala however, this ratio was close to 12 percent. In Non-special Category States, Bihar had the highest ratio of more than 21 percent followed by Madhya Pradesh (20 percent). The States with the ratio lying between 15 to 20 percent included Andhra Pradesh, Karnataka, Jharkhand, Chhattisgarh, Orissa, Puducherry and Uttar Pradesh. Other states in this category had this ratio within the range of 10 to 15 per cent, except for Delhi (7.54 percent). Special Category States usually had a much higher ratio of revenue receipts to GSDP varying from a low of 14 percent for Uttarakhand to a high of 56 percent for Mizoram.

e. When population is used as normalizing factor, the State-wise picture undergoes a complete change. As against an average of ₹ 9321 per capita revenue receipts, these were just ₹ 5183 for Bihar. The other States where per capita revenue receipts were less than ₹ 10000, included Uttar Pradesh, West Bengal, Jharkhand, Rajasthan, Madhya Pradesh, Assam and Punjab. The index of per capita revenue receipts at 56 was lowest for Bihar and at 637 highest for Sikkim. Index was less than 100 for Assam, Madhya Pradesh, Rajasthan, Jharkhand, West Bengal, Uttar Pradesh and Bihar.

¹² The GSDP figures used in Inter-State comparisons are as released by the Directorates of Economics and Statistics. Since on aggregate basis, these figures are around 22 percent lower than the GDP at market prices used in summary table, ratio of the receipts and other parameters relating to GSDP in State wise tables differ and are on higher side. There are neither comparable GSDP figures nor are these at market prices. However, since Inter-State comparisons uniformly use the GSDP figures comparability is maintained

f. Nearly 51.51 percent of the revenue receipts were generated by the States from their own resources. However, in the case of Special Category States, particularly, Mizoram, Nagaland, Arunachal Pradesh, Manipur and Sikkim, own resources contributed less than 10 percent to their revenue receipts. In case of Uttarakhand, own resources contributed more than 41 percent to its revenue receipts.

4.14 Non-tax receipts of the Union¹³ and States could be considered as being composed of mainly two components: receipts from their sovereign functions like judiciary, police etc. and income from their past investments which includes receipts from financial intermediation and delivery of social and economic services

Table - 6
Non-Tax Receipts of the Union and the States

(₹ in crore)

	Union	States	Combined
Fiscal Services	129	0	129
Financial Intermediation ¹⁴	90663	19824	110487
General Services	23548	14994	38542
Social Services	988	12995	13983
Economic Services	158282	51929	210211
Total Non Tax Receipts	273610	99742	373352
Revenue Receipts	910277	1123509	2033786

4.15 Combined non-tax receipts for the Union and States was ₹ 373352 crore and constituted about 18 % of the gross revenue receipts (Table 6). As non-tax receipts percent to GDP, were 4.14 percent. The revenue from economic services accounted for around 56.3 percent of non-tax receipts, while an additional around 30 percent came from financial intermediation and equity investment. Social services contributed only around 3.75 percent to the combined non-tax receipts. Bulk of the non-tax receipts of the Union Government from financial intermediation came as Interest Receipt and dividends and profits. General services, which included police, judiciary, public service commission and other, contributed around 8.61 percent to the total non-tax receipts. As was the case with tax receipts, Inter-State variations in non-tax receipts were quite significant. Graph - VII & Graph - VIII highlights the variations.

¹³ Though non-tax revenue receipts of both the Union and States are reckoned on gross basis, in case of the Union, in economic services gross receipts from Railways and Telecommunication are also included which make these receipts substantially higher. In case of States, in only a few States Electricity distributions is departmental. These receipts are, therefore, not strictly comparable for these two tiers of Government

¹⁴ Dividend on equity investment and interest receipts on loans and advances are the two components of non-tax receipts from fiscal intermediation. However, at both the tiers of Government, only a part of their incremental (also outstanding) borrowing was used for this intermediation and bulk of that was used for their own operations

5. Expenditure (Application of Resources)

5.1 The Union and the States raise resources to perform their sovereign functions, maintain their existing network of delivery of social and economic services, extend the network of these services through capital expenditure and investments and discharge their debt servicing obligations. As indicated in Table-7, over 85.85 percent of the combined expenditure of the Union and States was in the nature of revenue expenditure, primarily to maintain the existing level of social economic services network and for their sovereign functions.

5.2 Total gross revenue expenditure of the Union and States was ₹ 2400930 crore. The composition of revenue expenditure in terms of some of critical functions is indicated in Table 7.

Table 7
Composition of Revenue Expenditure

(₹ in crore)

	Union	States	Combined
Organs of State	4302	12270	16572
Fiscal Services	7251	16141	23392
Financial Intermediation	286982	151938	438920
Administrative Services	42294	86984	129278
Miscellaneous General Services	11707	2669	14376
Pensions ¹⁵	61166	128099	189265
Defence	107624	0	107624
Total General Services	521326	398101	919427
Social Services	111577	439060	550637
Economic Services	492398	228389	720787
Grants-in-Aids	179894	30185	210079
Total Revenue Expenditure	1305195	1095735	2400930

5.3 It may also be possible to decompose revenue expenditure as expenditure on account of past commitments (expenditure on financial intermediation: largely the interest payments and pensions would fall into this category), developmental activities (economic and social services expenditure may be treated as largely developmental) and residual (Defence, administration and organization of state would be the residual). Grants-in-aid by a higher tier of Government to the lower tier are actually a transfer

¹⁵ Pension Expenditure does not include pension to Railways employees

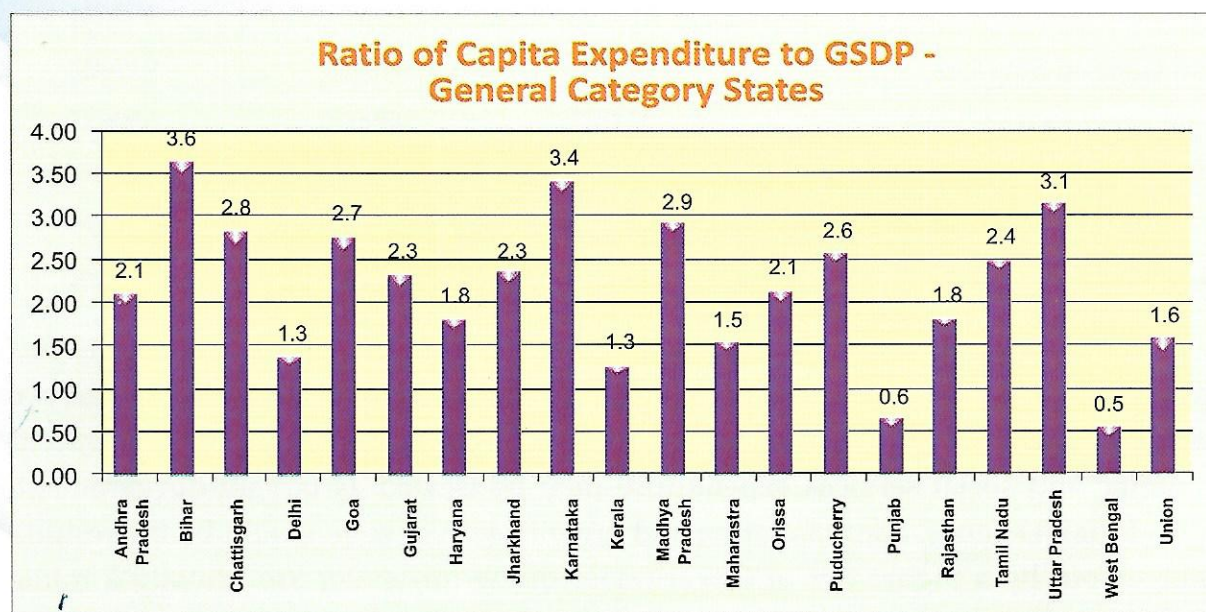
payment where the recipient incurs the final expenditure. Excluding (Net of) the grants component, around 29.7 percent of the revenue expenditure of the Union and the States was on account of past obligation (contractual in nature), around 58 percent on economic and social services and around 12.2 percent on residual functions. Revenue receipts were able to meet around 84.71 percent of revenue expenditure for both the Union and the States and the balance was met from borrowings or other capital receipts.

Capital Expenditure

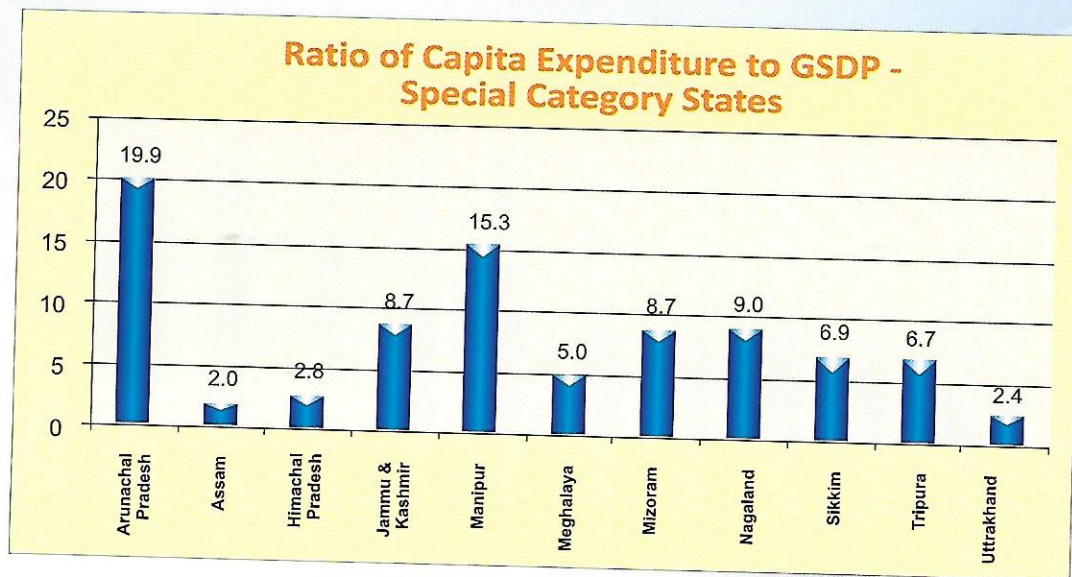
5.4 In the case of expenditure on past obligations and residual functions, expenditure in the nature of capital and loans and advances tends to be insignificant. Bulk of capital expenditure and loans and advances are for extending the network of social and economic infrastructure. Combined expenditure of the Union and the States on social and economic services was ₹ 1570227 crore. It was around 17.43 percent of GDP and ₹ 12999 on per capita basis. While the States contributed to over 80 percent of combined expenditure on social services, their contribution in expenditure on economic services was around 41 percent. Expenditure on social services for both the Union and States had a strong revenue expenditure base, which constituted over 81 percent of total expenditure on social services. In case of expenditure on economic services, revenue expenditure across the two tiers of Government differed significantly. In case of the States around 20 percent of total developmental expenditure was in the nature of capital expenditure.

5.5 The position of Capital Expenditure (excluding loans and advances) across States is depicted in Graph-XV & XVI.

Graph-XV

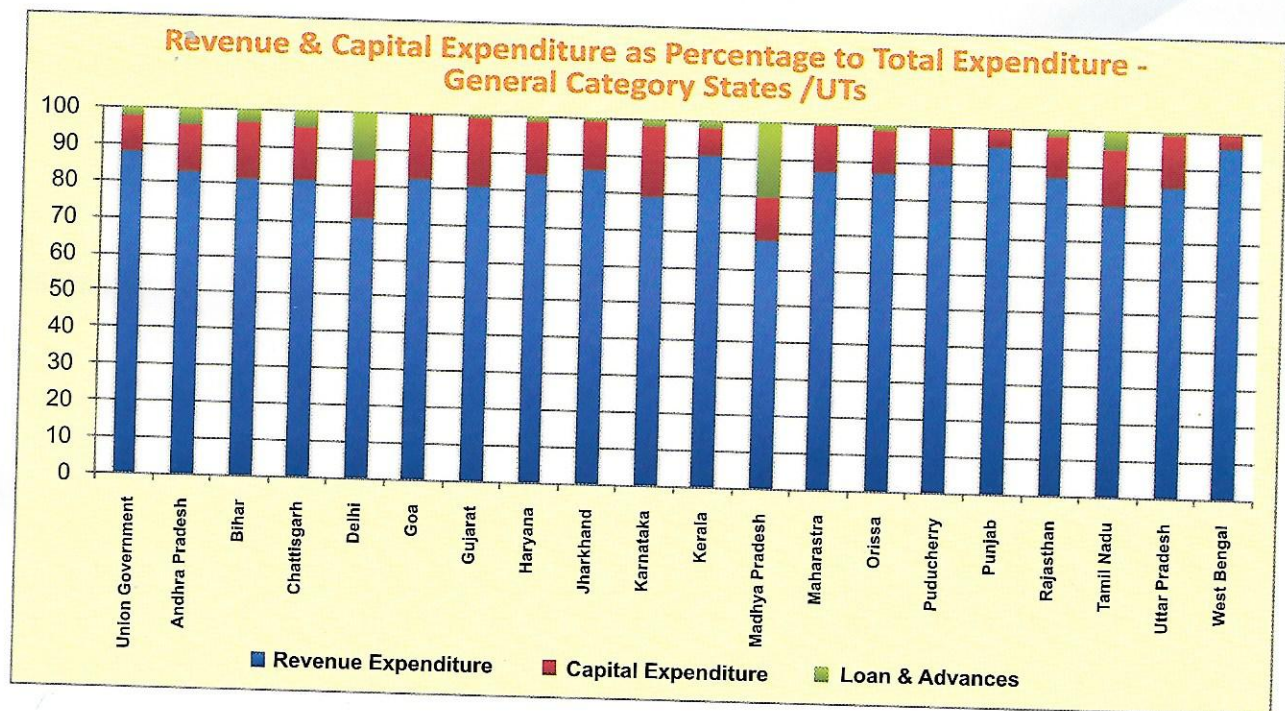


Graph-XVI

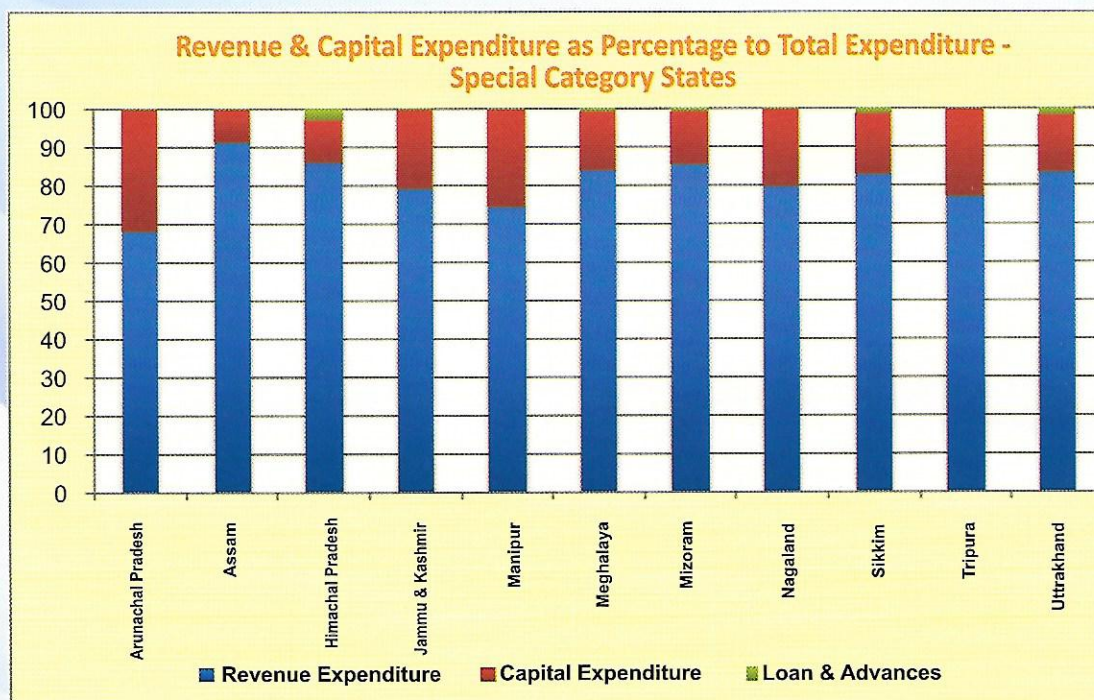


5.6 The share of revenue & capital expenditure to total expenditure varied as shown in graph- XVII and graph - XVIII below. Loans and advance formed a small proportion of total capital expenditure of the States:

Graph - XVII



Graph - XVIII



5.7 Within the overall revenue expenditure, it may be important to look at the pension payments separately both in absolute numbers and also relative to revenue receipts of the Union and the States. Overall pension payments represented 9.31 percent of the revenue receipts of the Union and the States. (It was 6.72 percent of revenue receipt for the Union Government and nearly 11.40 percent of the revenue receipts for the States.) There were, however, significant Inter-State variations in expenditure on pensions. At 23 percent of revenue receipts, Kerala was on top of the table. Punjab, West Bengal, Himachal Pradesh and Bihar (21.56, 17.13, 15.24 and 15.22 percent respectively) were the other States where pension payment took away over 15 percent of the revenue receipts. Inter-State comparative picture of pension payments giving the absolute figures and these payments related to the revenue receipts is indicated in Annexure 5.

5.8 There continued to be significant Inter-State variation in major parameters relating to expenditure. Some of these are indicated in Annexure 6. Major conclusions from these variations are as under:

- a. The ratio of revenue expenditure to total expenditure was largely range bound. Except for Madhya Pradesh, Arunachal Pradesh, Delhi and Manipur all the other States had their ratio of revenue expenditure to total expenditure in excess of 75 percent. However, in the case of Kerala, Assam, Punjab and West Bengal revenue expenditure accounted for more than 90 percent of total expenditure.

b. The committed component of revenue expenditure comprising of interest payments, and pension (which are in the nature of the payments for the past liabilities) was around 24 percent of revenue expenditure net of grants-in-aid. However, in the case of Chattisgarh, Meghalaya, Arunachal Pradesh and Sikkim it was less than 15 percent. It exceeded 30 percent in case of Himachal Pradesh Uttar Pradesh, Kerala, West Bengal and Punjab.

c. Development expenditure comprising the expenditure of social and economic services accounted for 67 percent of the total expenditure of all the States. For Punjab it was less than 50 percent.

5.9 The development expenditure on social and economic services at a further disaggregated level in terms of activities/functions is dealt with in the succeeding paragraphs.

Table – 8

Developmental Expenditure

(₹ in crore)

	Union	States	Combined
Expenditure on Social Services	119953	482309	602262
Revenue Expenditure	111577	439059	550636
Capital Expenditure	4583	35112	39696
Loans and Advances	3793	8137	11930
Revenue Expenditure on Social Services as percent to Total Expenditure	93.02	91.03	91.43
Expenditure On Economic Services	574371	393594	967965
Revenue Expenditure	492398	228389	720787
Capital Expenditure	58704	132938	191642
Loans and Advances	23269	32267	55536
Revenue Expenditure on Economic Services as percent to Total Expenditure	85.73	58.03	74.46
Total Developmental Expenditure	694324	875903	1570227
Revenue Expenditure as percent to Total Developmental Expenditure	86.99	76.20	80.97

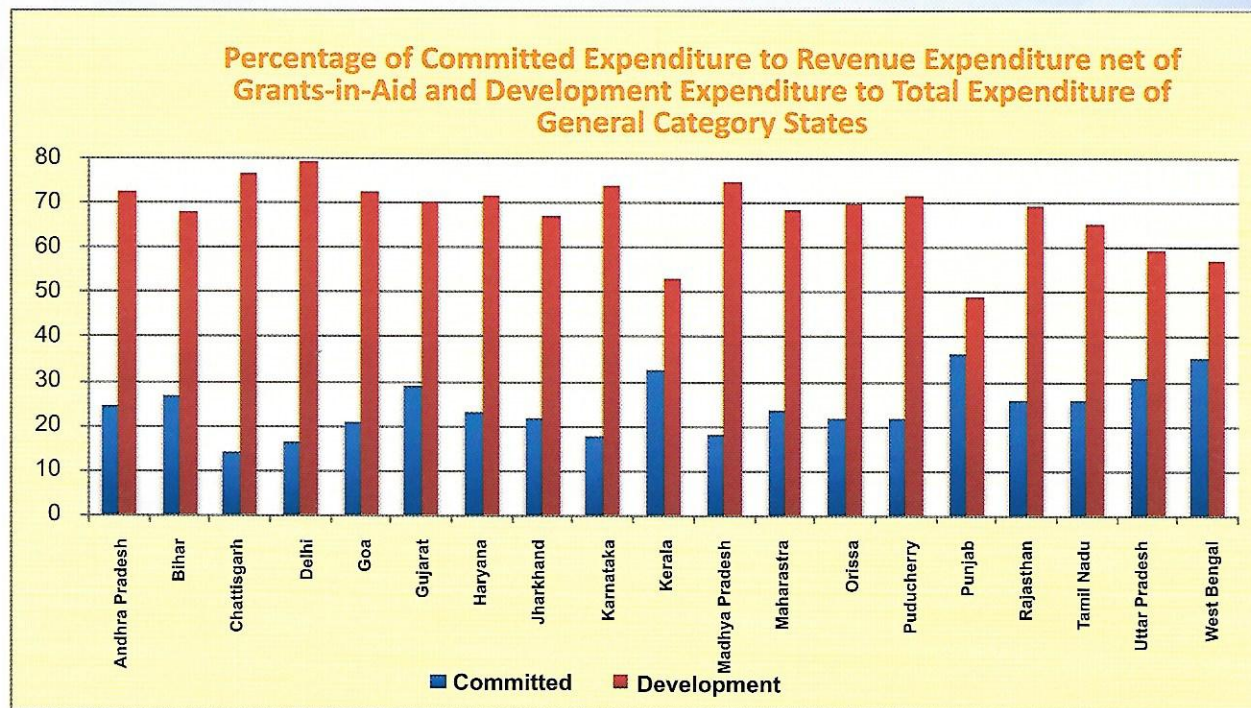
Table-9
Function Based Revenue Expenditure on Social Services-Basic Parameters

	Revenue Expenditure (₹ in crore)		Per Capita Expenditure (₹)		Expenditure as percent of GDP		Expenditure as percent to Revenue Expenditure	
	Union	States	Union	States	Union	States	Union	States
Education, Art and Culture	57251	221715	474	1839	0.64	2.46	6.29	19.73
Medical and Public Health	9775	46809	81	388	0.11	0.52	1.07	4.17
Family Welfare	9752	7632	81	63	0.11	0.08	1.07	0.68
Water Supply and Sanitation	10129	13191	84	109	0.11	0.15	1.11	1.17
Housing	10624	7317	88	61	0.12	0.08	1.17	0.65
Urban Development	646	24351	5	202	0.01	0.27	0.07	2.17
Information and Broadcasting	2074	1255	17	10	0.02	0.01	0.23	0.11
Labour	3177	4481	26	37	0.04	0.05	0.35	0.40
Social Security	2689	49713	22	412	0.03	0.55	0.30	4.42
Natural Calamities	4391	13890	36	115	0.05	0.15	0.48	1.24
Others	1069	48706	9	404	0.01	0.54	0.12	4.34
Total Social Services	111577	439059	924	3643	1.24	4.87	12.26	39.08

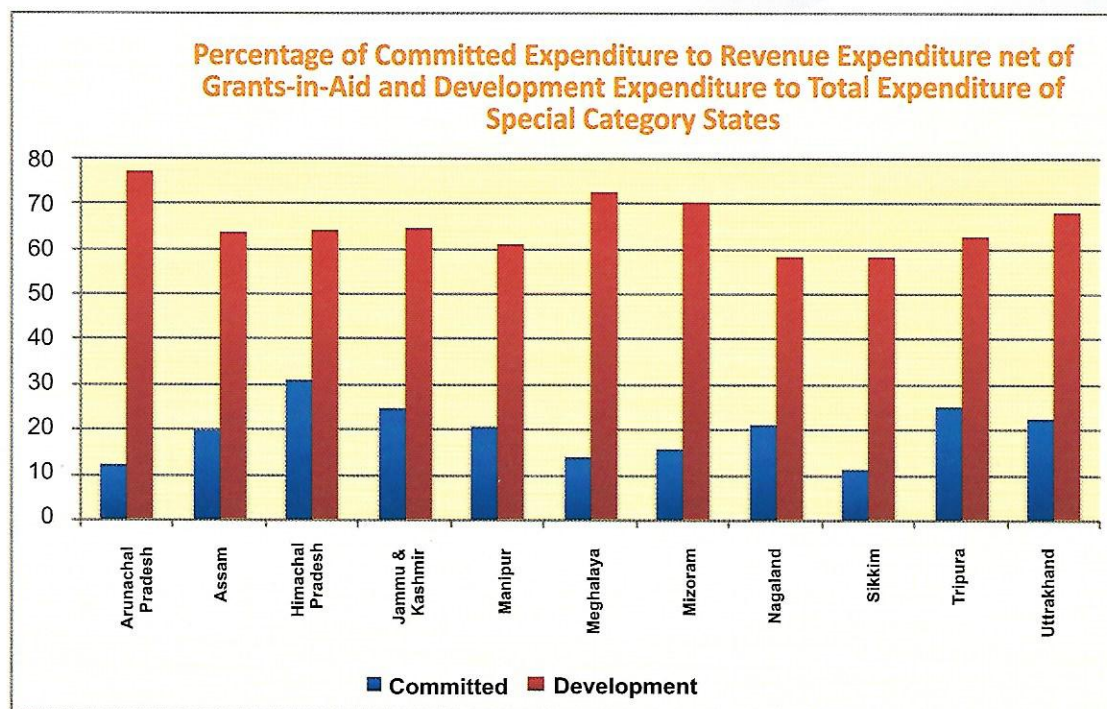
5.10 Education, Health and Family Welfare, Housing and Urban Development, Relief to mitigate the impact of Natural Calamities, Social Security, Information and Publicity and Labour have been the major constituents of expenditure on social services. As the responsibility of making the provision of social services vests largely with the States, the revenue expenditure incurred on social services by the States at ₹ 439059 crore constituted 39 percent of their revenue expenditure while this percentage for the Union Government was more than 12 percent during 2011-12. Adding revenue expenditure incurred on economic services increases these percentages to 59 percent for States and to 66 percent in case of Union indicating the predominant role assumed by the Union in creating the economic infrastructure in the country. Further, all States combined have incurred 66 percent of *revenue expenditure on social services* on education, including art and culture, medical and public health including family welfare and water supply and sanitation during the year 2011-12. Union Government spent more than 2/3rd of its total revenue on social sectors under these heads indicating that States are being assisted by the Union through various centrally sponsored schemes in these sectors. Education and Health sectors are being accorded priority both by the Union and the State Governments, which is reflected by the fact that 63 percent of total revenue expenditure on social sectors had been incurred on these two sectors by all States taken together while Union Government spent 69 percent of its revenue expenditure earmarked for social sectors towards education to assist the States to attain the goal of universal access to basic primary education covering all the segments/social groups not reached so far.

5.11 The developmental expenditure has been represented graphically in Graph-XIX and Graph-XX below:

Graph-XIX



Graph-XX



5.12 In expenditure on economic services, the share of Union Government was predominant. In Rural Development, Energy, communication, transport, food storage and warehousing, industry and scientific research, the expenditure by the States was even less. On the other hand, only in Irrigation and Flood Control, the States had a relatively bigger role.

Table-10

Function Based Revenue Expenditure on Economic Services- Basic Parameters

	Revenue Expenditure (₹ in crore)		Per Capita Expenditure (₹)		Expenditure as percent to GDP		Expenditure as percent to Revenue Expenditure	
	Union	States	Union	States	Union	States	Union	States
Agriculture and Allied Services	67634	52489	560	435	0.75	0.58	7.43	4.67
Food Storage and Ware Housing	74463	5044	616	42	0.83	0.06	8.18	0.45
Rural Development	37609	37324	311	310	0.42	0.41	4.13	3.32
Special Area Programmes	2608	2239	22	19	0.03	0.02	0.29	0.20
Irrigation and Flood Control	807	26278	7	218	0.01	0.29	0.09	2.34
Energy	83100	47236	688	392	0.92	0.52	9.13	4.20
Industry	35391	10556	293	88	0.39	0.12	3.89	0.94
Transport	148767	28632	1231	238	1.65	0.32	16.34	2.55
Communication	15640	61	129	1	0.17	0.00	1.72	0.01
Scientific Research	14704	771	122	6	0.16	0.01	1.62	0.07
Others	11675	17759	97	147	0.13	0.20	1.28	1.58
Total Economic Services	492398	228389	4076	1895	5.47	2.53	54.09	20.33

5.13 Most of stakeholders and seekers of information had desired information on recovery of user charges by the state on its economic and social infrastructure network. Recovery of user charges¹⁶ as a percentage of total revenue expenditure as well as to non-plan revenue expenditure (NPRE) incurred for some important social and economic services for the Union and the States is indicated in Table 11. As non-plan revenue expenditure component of revenue expenditure is largely incurred on maintenance as well as to continue to run these services, user charges as percent to NPRE is likely to present better depiction of the information.

¹⁶ Recovery of user charges has been defined as the ratio of revenue receipt from a specified service to revenue expenditure expressed as percent. Both receipts and revenue expenditure are on gross basis as indicated in Finance Accounts

Table-11**Recovery of User Charges from Select Social and Economic Services (Percent)**

	Union		States		Combined	
	UC/RE	UC/ NPRES [†]	UC/RE	UC/ NPRES [†]	UC/RE	UC/ NPRES [†]
Education, Art and Culture	0.22	1.20	2.80	3.49	2.27	3.36
Medical and Public Health	2.92	8.89	3.39	4.42	3.31	4.79
Family Welfare	0.39	25.85	1.16	10.27	0.73	12.51
Social Services	0.89	3.98	2.96	4.73	2.54	4.67
Economic Services	32.15	42.53	22.74	33.98	29.16	40.04

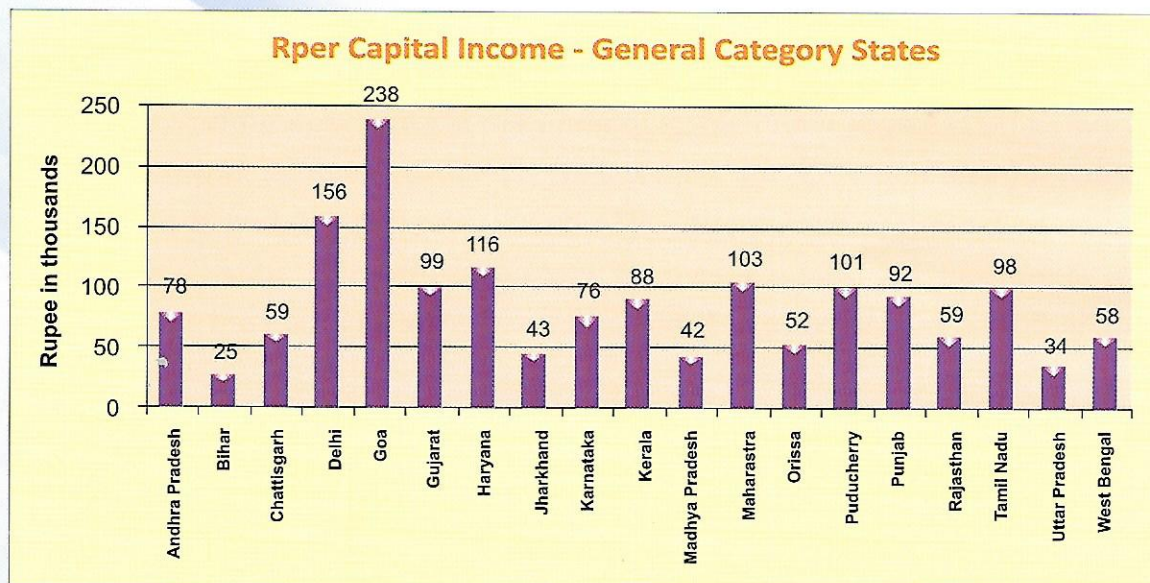
5.14 The recovery of overall user charges for social services was 0.89 percent of revenue expenditure for the Union Government and 2.96 percent for the States. The corresponding percentages with respect to non-plan revenue expenditure were 3.98 for Union Government and 4.73 for States. For economic services, however recovery appeared to be better for the Union Government. Notwithstanding the overall poor recovery, significant Inter-State variations were also observed across these services, which are indicated in Annexure 7. Broad conclusions are summarized as under:

- a. Revenue receipts from the social services in the form of recovery of user charges, assessed as the ratio to revenue expenditure incurred on them continued to remain poor which was 2.96 percent. It was in the range 3 to 6 for Himachal Pradesh, Punjab, Tamil Nadu and Uttar Pradesh. In case of Goa, Madhya Pradesh and Haryana, it was 8, 8.2 and 11.7 percent respectively while it is least for Assam (0.24 percent).
- b. In respect of education, the average recovery was 1.81 percent. The States, which had the recovery rates higher than the all States average, were Gujarat, Tamil Nadu, Himachal Pradesh, Andhra Pradesh, Haryana, Uttar Pradesh and Madhya Pradesh, for M.P. it is 15.81 percent.
- c. In case of medical and public health though the average recovery was 2.59 percent, it exceeded 5 percent for Haryana, Maharashtra and Tamil Nadu. The other states which had the recovery rates below 5 but above states' average were Andhra Pradesh, West Bengal, Kerala, Puducherry, Goa, Odisha, Karnataka, Uttarakhand, Gujarat, Jharkhand and Punjab.

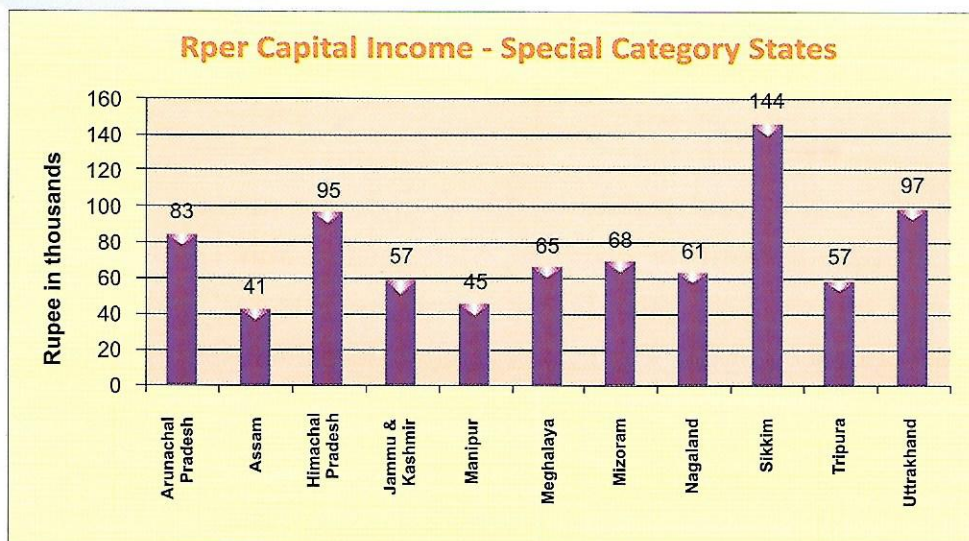
d. In case of economic services, the average recovery was 24.93 percent. Higher recoveries above states' average were observed in case of Gujarat, Jammu-Kashmir, Madhya Pradesh, Himachal Pradesh, Rajasthan, Jharkhand, Assam, Odisha, Chattisgarh and Goa, highest at 108.04 percent. These States either had a significant amount of revenue from royalty from minerals or revenue from forest. Recovery rates of economic services were less than 10 percent for Tamil Nadu, Manipur, Uttar Pradesh, Tripura, Kerala, Punjab, Bihar, West Bengal and Delhi.

5.15 Per Capita Income for each of the General and Special Category State is presented in Graph XXI and Graph XXII.

Graph-XXI



Graph- XXII



5.16 This broad overview of accounts provides the basic details for the key stakeholders. For a detailed analysis, one can refer to Finance Accounts of the Union or of any specific State, which are also in public domain.

Annexure 2
Parameters of Fiscal Imbalances

	Revenue deficit: Deficit (-) Surplus (+) (₹ in crore)	Fiscal deficit: Deficit (-) (₹ in crore)	RB/ GSDP (percent)	FB/ GSDP (percent)	RB/Revenue Receipt (percent)	RB/FB (percent)
General Category States						
Andhra Pradesh	3138	-15402	0.47	-2.32	3.35	-20.38
Bihar	4821	-5915	1.98	-2.43	9.39	-81.50
Chhattisgarh	3239	-799	2.24	-0.55	12.52	-405.25
Delhi	4428	-2545	1.49	-0.86	19.78	-173.99
Goa	297	-880	0.69	-2.04	5.14	-33.76
Gujarat	3215	-11027	0.54	-1.85	5.11	-29.15
Haryana	-1457	-7153	-0.49	-2.39	-4.77	20.37
Jharkhand	1428	-1925	1.05	-1.42	6.37	-74.17
Karnataka	4691	-12300	1.03	-2.70	6.72	-38.14
Kerala	-8034	-12815	-2.61	-4.16	-21.14	62.70
Madhya Pradesh	9910	-5760	3.18	-1.85	15.83	-172.05
Maharashtra	-2268	-19969	-0.19	-1.70	-1.87	11.36
Orissa	5607	622	2.61	0.29	13.92	901.76
Puducherry	-451	-824	-3.07	-5.62	-16.27	54.72
Punjab	-6811	-8491	-2.66	-3.31	-25.96	80.21
Rajasthan	3357	-3626	0.83	-0.90	5.89	-92.60
Tamil Nadu	1364	-17274	0.20	-2.59	1.60	-7.90
Uttar Pradesh	6985	-15432	1.02	-2.25	5.34	-45.26
West Bengal	-14571	-17705	-2.76	-3.35	-24.80	82.30
Special Category States						
Arunachal Pradesh	1081	-991	10.40	-9.54	19.66	-109.05
Assam	927	-1646	0.74	-1.31	3.38	-56.31
Himachal Pradesh	645	-1633	0.99	-2.51	4.43	-39.49
Jammu and Kashmir	2102	-3693	3.08	-5.42	8.48	-56.92
Manipur	647	-1047	5.83	-9.45	11.44	-61.76
Meghalaya	-180	-1065	-1.05	-6.19	-3.87	16.93
Mizoram	128	-478	1.85	-6.94	3.34	-26.66
Nagaland	711	-539	5.13	-3.89	12.72	-131.86
Sikkim	443	-180	4.97	-2.02	12.05	-245.63
Tripura	1668	259	7.95	1.23	25.75	644.83
Uttarakhand	716	-1757	0.73	-1.80	5.23	-40.75
All States	27774	-171994	0.35	-2.18	2.47	-16.15

Annexure - 3

Parameters of Revenue Receipts

	Revenue Receipts (₹ in crore)	RR/ GSDP Ratio (percent)	Per Capita RR (₹)	Per Capita RR Index (percent)	Own Resources/ RR Ratio (percent)
Andhra Pradesh	93554	14.12	10943	117.40	56.95
Bihar	51320	21.10	5183	55.60	24.58
Chhattisgarh	25867	17.92	10522	112.88	41.41
Delhi	22393	7.54	11796	126.56	89.19
Goa	5781	13.36	31815	341.32	44.13
Gujarat	62959	10.59	10528	112.95	70.29
Haryana	30558	10.23	11819	126.80	66.76
Jharkhand	22419	16.53	7027	75.39	31.02
Karnataka	69806	15.33	11629	124.76	66.58
Kerala	38010	12.34	10922	117.18	67.66
Madhya Pradesh	62604	20.09	8536	91.57	43.09
Maharashtra	121286	10.32	10622	113.96	72.23
Orissa	40267	18.77	9796	105.10	33.38
Puducherry	2771	18.90	19100	204.92	47.97
Punjab	26234	10.23	9376	100.59	71.82
Rajasthan	57011	14.13	8275	88.78	44.51
Tamil Nadu	85202	12.77	12555	134.70	69.85
Uttar Pradesh	130870	19.10	6407	68.74	40.20
West Bengal	58755	11.12	6505	69.79	42.44
Special Category States					
Arunachal Pradesh	5499	52.90	43817	470.09	5.78
Assam	27455	21.82	8872	95.19	27.82
Himachal Pradesh	14543	22.39	21212	227.57	28.25
Jammu & Kashmir	24783	36.35	20887	224.09	19.15
Manipur	5654	51.01	22815	244.77	6.51
Meghalaya	4654	27.06	17557	188.36	14.99
Mizoram	3825	55.51	37647	403.89	4.68
Nagaland	5586	40.31	24556	263.44	5.44
Sikkim	3673	41.23	59332	636.54	8.00
Tripura	6477	30.87	17706	189.96	13.25
Uttarakhand	13691	13.99	13577	145.66	41.02
All States	1123509	14.25	9321	100.00	51.51

Annexure 4

Parameters of Tax Receipts (Own Tax Receipts) and Tax-GSDP Ratio

	Tax Revenue (₹ in crore)	Tax/GSDP Ratio (percent)	Property Tax (percent to GSDP)	Commodity Taxes (percent to GSDP)	Sales Tax* (percent to GSDP)	Motor Vehicle Tax* (percent to GSDP)
Andhra Pradesh	53283	8.04	0.71	7.25	5.27	0.45
Bihar	12612	5.18	0.69	4.50	3.07	0.23
Chhattisgarh	10712	7.42	0.78	6.64	4.16	0.35
Delhi	19972	6.73	0.75	5.97	4.63	0.35
Goa	2551	5.90	0.45	5.45	3.82	0.32
Gujarat	44252	7.44	1.06	6.34	5.25	0.38
Haryana	20399	6.83	0.94	5.89	4.48	0.25
Jharkhand	6954	5.13	0.34	4.79	4.07	0.29
Karnataka	46476	10.21	1.07	9.01	5.50	0.65
Kerala	25719	8.35	1.01	7.33	6.15	0.52
Madhya Pradesh	26973	8.65	1.50	7.08	4.02	0.44
Maharashtra	87608	7.45	1.31	5.99	4.30	0.35
Orissa	13443	6.26	0.48	5.73	3.82	0.37
Puducherry	1329	9.07	0.53	8.53	5.12	0.37
Punjab	18841	7.35	1.21	6.14	4.36	0.33
Rajasthan	25377	6.29	0.76	5.54	3.91	0.48
Tamil Nadu	59517	8.92	1.00	7.92	5.44	0.46
Uttar Pradesh	52613	7.68	1.21	6.48	4.83	0.35
West Bengal	24938	4.72	0.88	3.77	3.01	0.19
Special Category States						
Arunachal Pradesh	318	3.06	0.07	3.00	2.08	0.12
Assam	7638	6.07	0.26	5.62	4.53	0.23
Himachal Pradesh	4108	6.32	0.27	6.06	3.81	0.27
Jammu and Kashmir	4745	6.96	0.31	6.66	5.01	0.15
Manipur	368	3.32	0.07	3.08	2.68	0.12
Meghalaya	698	4.06	0.08	3.97	2.98	0.18
Mizoram	179	2.60	0.06	2.37	2.06	0.24
Nagaland	304	2.19	0.03	1.98	1.67	0.25
Sikkim	294	3.30	0.15	3.10	1.39	0.19
Tripura	858	4.09	0.20	3.75	3.18	0.12
Uttarakhand	5616	5.74	0.55	5.18	3.72	0.34
All States	578697	7.34	0.96	6.33	4.56	0.38

* A component of Commodity Tax.

Annexure - 5

Expenditure on Pension Payments

	Expenditure on Pensions (₹ in crore)	Expenditure on Pensions as percent to Revenue Receipts	Expenditure on Pensions as percent to Revenue Expenditure
Andhra Pradesh	11110	11.88	12.29
Bihar	7808	15.22	16.79
Chhattisgarh	1878	7.26	8.30
Delhi	@	0.00	0.00
Goa	410	7.10	7.48
Gujarat	6145	9.76	10.29
Haryana	3204	10.49	10.01
Jharkhand	2297	10.24	10.94
Karnataka	5436	7.79	8.35
Kerala	8700	22.89	18.90
Madhya Pradesh	4389	7.01	8.33
Maharashtra	10503	8.66	8.50
Orissa	4741	11.77	13.68
Puducherry	296	10.68	9.19
Punjab	5657	21.56	17.12
Rajasthan	5920	10.38	11.03
Tamil Nadu	12597	14.78	15.02
Uttar Pradesh	14127	10.79	11.40
West Bengal	10066	17.13	13.73
Special Category States			
Arunachal Pradesh	238	4.33	5.39
Assam	3136	11.42	11.82
Himachal Pradesh	2217	15.24	15.95
Jammu and Kashmir	3296	13.30	14.53
Manipur	628	11.11	12.55
Meghalaya	376	8.07	7.77
Mizoram	298	7.80	8.07
Nagaland	587	10.50	12.03
Sikkim	174	4.73	5.38
Tripura	730	11.27	15.18
Uttarakhand	1135	8.29	8.75
All States	128099	11.40	11.69

@ Expenditure on pension payments pertaining to NCT Delhi is debited to Union Government Accounts as the Government of India has not transferred the Pension Scheme to NCT Delhi.

Annexure - 6
Parameters of Expenditure

	Revenue Expenditure	Total Expenditure (₹ in crore)	Revenue Expenditure/ TE (percent)	Committed Expenditure to Revenue Expenditure net of Grants- in-Aid. (percent)*	Development Expenditure (Revenue+Capital+ Loans and Advances) to total Expenditure (percent)**
Andhra Pradesh	90415	109121	82.86	16.92	72.15
Bihar	46499	57258	81.21	20.65	67.94
Chhattisgarh	22628	27953	80.95	26.56	76.23
Delhi	17965	25315	70.97	21.69	79.02
Goa	5484	6677	82.13	14.45	72.45
Gujarat	59744	74162	80.56	20.89	69.92
Haryana	32015	38014	84.22	29.19	71.53
Jharkhand	20992	24368	86.14	25.11	67.09
Karnataka	65115	82436	78.99	21.74	73.91
Kerala	46045	50896	90.47	18.92	52.85
Madhya Pradesh	52694	77509	67.98	35.17	74.71
Maharashtra	123554	142270	86.84	19.58	68.45
Orissa	34660	39777	87.14	21.19	69.66
Puducherry	3222	3599	89.53	30.94	71.56
Punjab	33045	34820	94.90	22.14	48.94
Rajasthan	53653	61882	86.70	36.96	69.00
Tamil Nadu	83838	105657	79.35	11.77	65.06
Uttar Pradesh	123885	146435	84.60	26.00	59.34
West Bengal	73326	76538	95.80	23.25	56.99
Special Category States					
Arunachal Pradesh	4418	6493	68.04	24.70	77.38
Assam	26529	29123	91.09	12.20	64.03
Himachal Pradesh	13898	16201	85.79	23.05	64.31
Jammu and Kashmir	22680	28645	79.18	31.30	64.67
Manipur	5007	6702	74.70	23.68	61.15
Meghalaya	4835	5742	84.19	21.77	72.90
Mizoram	3697	4331	85.37	14.04	70.41
Nagaland	4876	6128	79.57	16.10	58.32
Sikkim	3230	3895	82.93	25.87	58.67
Tripura	4809	6220	77.31	28.41	62.81
Uttarakhand	12975	15539	83.50	32.23	68.25
All States	1095735	1313706	83.41	35.65	66.67

* Committed Expenditure includes expenditure on financial intermediation (Interest Payment, Servicing of Debt and Pension).

** Development Expenditure includes expenditure on Social Services and Economic Services. (Revenue + Capital + Loans & Advances)

Annexure 7
Parameters of Recovery of User Charges

	Education, Art & Culture	Medical and Public Health	Family Welfare	Social Services	Economic Services
(Revenue Receipts as percent to Revenue Expenditure)					
Andhra Pradesh	5.96	3.45	159.76	4.21	24.44
Bihar	0.11	1.74	0.03	0.53	8.82
Chhattisgarh	0.83	5.69	--	2.42	135.40
Delhi	0.52	4.86	--	1.62	2.79
Goa	2.31	4.36	--	12.63	135.20
Gujarat	2.41	7.23	259.14	4.86	47.56
Haryana	6.63	7.50	--	20.92	29.61
Jharkhand	1.01	6.68	0.31	3.35	126.96
Karnataka	1.41	5.06	0.21	2.71	19.26
Kerala	1.86	3.06	0.03	2.12	11.50
Madhya Pradesh	22.81	1.75	2.48	15.99	50.35
Maharashtra	0.94	7.66	33.85	2.99	24.25
Orissa	0.44	4.00	0.39	1.70	112.08
Puducherry	0.29	6.65	0.52	2.69	21.10
Punjab	0.67	5.24	0.54	4.45	6.58
Rajasthan	0.64	3.07	1.16	3.55	87.66
Tamil Nadu	3.53	11.01	59.93	8.10	12.75
Uttar Pradesh	9.56	2.64	0.13	8.94	12.60
West Bengal	0.16	2.97	0.07	0.71	7.54
Special Category States					
Arunachal Pradesh	0.37	0.23	--	1.37	33.06
Assam	0.12	1.07	0.06	0.36	82.43
Himachal Pradesh	4.06	1.45	0.10	3.85	60.70
Jammu & Kashmir	0.15	1.27	0.03	1.11	26.29
Manipur	0.20	0.08	--	0.92	15.71
Meghalaya	0.14	1.03	0.00	0.79	57.43
Mizoram	0.47	0.38	0.00	1.86	24.77
Nagaland	2.03	0.10	0.30	2.08	16.89
Sikkim	0.45	1.72	--	1.22	51.81
Tripura	0.26	4.45	--	0.98	12.05
Uttarakhand	1.24	5.32	6.31	1.73	29.24
All States	2.80	3.39	1.16	2.96	22.74

* Increase was mainly due to large inflow of recovery of Development Charges from 1997, Conversion Charges of land from agriculture to residential and Licence Fee.

Annexure 8
Parameters of Recovery of User Charges

	Education, Art and Culture	Medical and Public Health	Family Welfare	Social Services	Economic Services
(Revenue Receipts as percent to Non-Plan Revenue Expenditure)					
Andhra Pradesh	4.52	2.61	1.41	2.36	17.01
Bihar	0.07	1.59	0.00	0.27	6.08
Chhattisgarh	0.23	2.53	0.11	0.78	66.40
Delhi	0.41	1.96	0.00	0.74	2.10
Goa	1.69	2.97	0.00	8.01	108.04
Gujarat	2.15	4.09	0.85	2.95	25.37
Haryana	4.70	5.01	0.06	11.74	22.48
Jharkhand	0.69	4.64	0.05	1.72	48.05
Karnataka	1.07	3.39	0.01	1.52	13.45
Kerala	1.75	2.64	0.01	1.67	8.03
Madhya Pradesh	15.81	1.42	0.03	8.24	29.13
Maharashtra	0.88	6.13	2.99	2.21	17.30
Orissa	0.31	3.29	0.04	1.04	59.83
Puducherry	0.18	2.78	0.04	1.17	10.35
Punjab	0.61	4.89	0.11	3.58	6.39
Rajasthan	0.51	2.36	0.03	2.59	47.90
Tamil Nadu	3.17	8.61	8.31	4.75	9.89
Uttar Pradesh	7.73	2.47	0.02	5.62	9.56
West Bengal	0.13	2.63	0.02	0.48	4.27
Special Category States					
Arunachal Pradesh	0.27	0.19	0.00	0.75	16.12
Assam	0.10	0.73	0.01	0.24	48.49
Himachal Pradesh	3.47	1.24	0.07	3.15	46.22
Jammu and Kashmir	0.12	1.21	0.01	0.92	25.70
Manipur	0.17	0.04	0.00	0.55	9.60
Meghalaya	0.08	0.53	0.00	0.42	18.57
Mizoram	0.23	0.18	0.00	0.92	11.72
Nagaland	1.80	0.10	0.01	1.66	10.05
Sikkim	0.28	1.12	0.00	0.80	21.36
Tripura	0.23	2.56	0.00	0.56	8.39
Uttarakhand	1.07	3.75	0.04	1.25	19.97
All States	3.49	4.42	10.27	4.73	33.98

