

OVERVIEW



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COMBINED FINANCE AND REVENUE ACCOUNTS OF THE UNION AND STATE GOVERNMENTS IN INDIA

FOR THE YEAR 2012-13

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 2012-2013.



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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 2012-13

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.

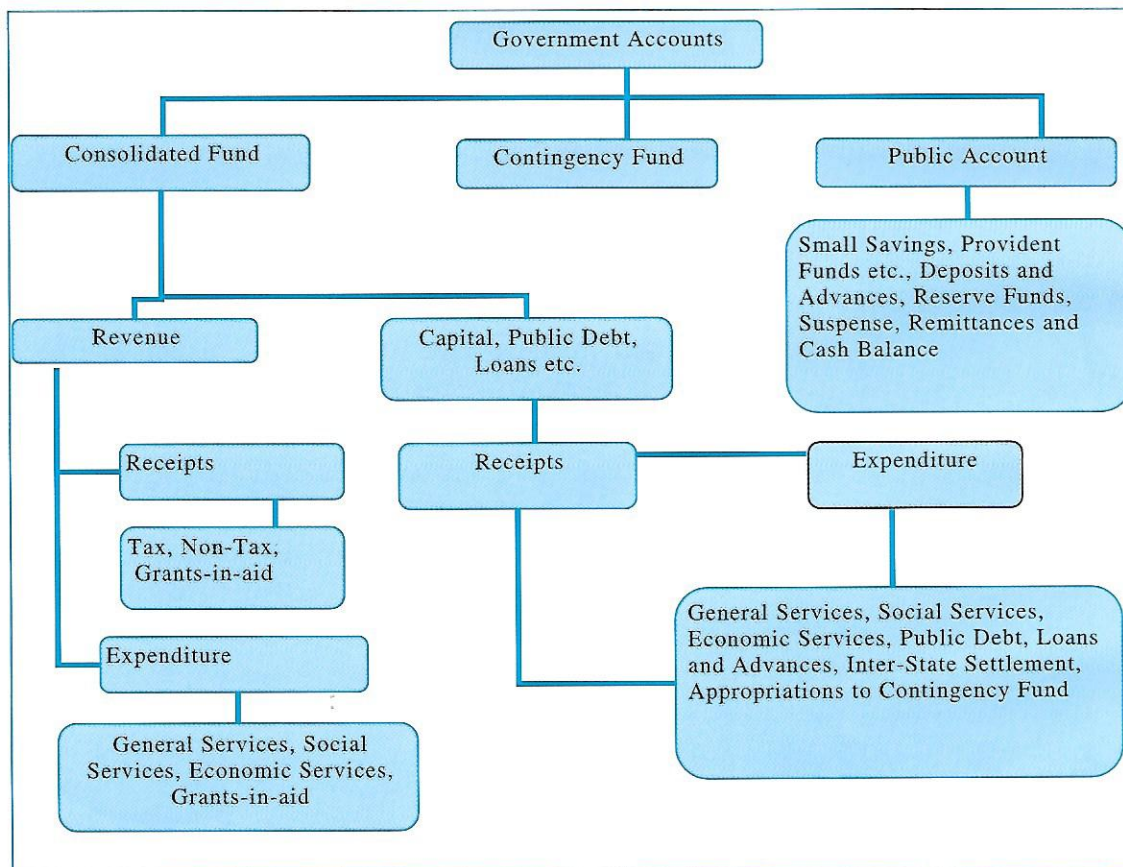
Part-II Contingency Fund

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 2013)

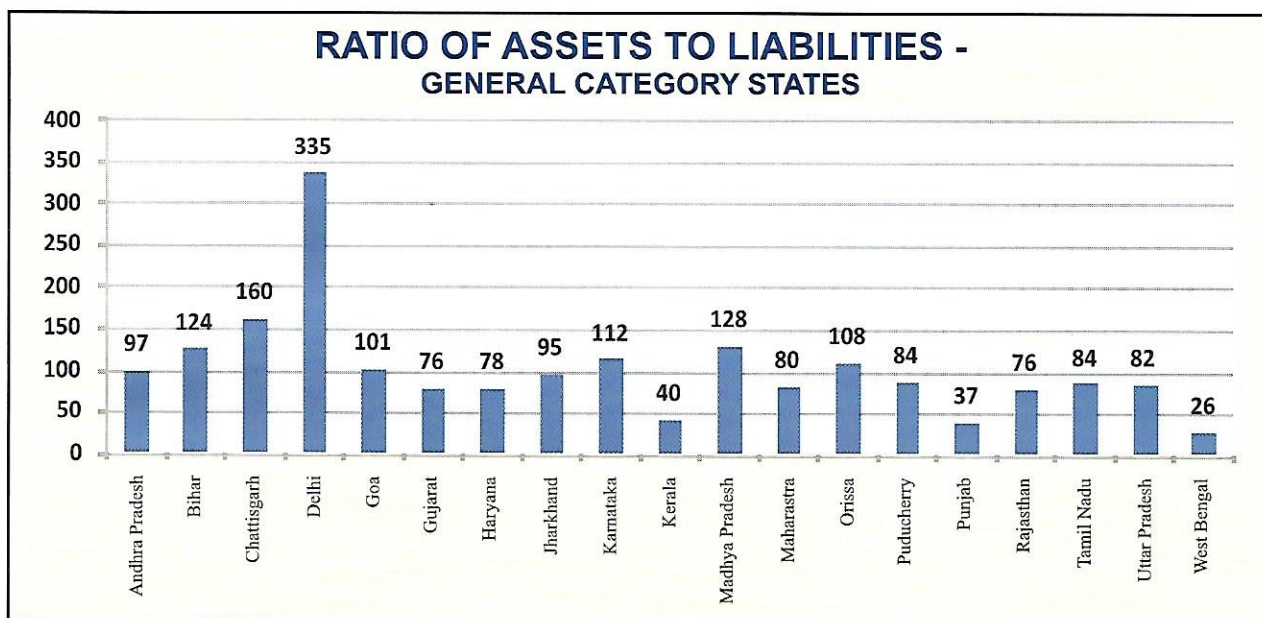
(₹ in crore)

Assets	Union	States	Combined	Liabilities	Union	States	Combined
Cash	122772	196513	319284	Borrowings (Public Debt)	3941855	1642963	5259534
Cash in treasuries and local Remittances	7	314	320	Internal Debt	3764566	1494968	177289
Departmental Balance	4237	1503	5740	External Loans	177289	0	177289
Permanent Cash Imprest	70	359	429	Loans and Advances from Central Government	0	147995	147995
Cash Balance Investments	50000	145289	195289	Non Plan Loans	0	5482	5482
Deposits with Reserve Bank of India	68458	-7562	60896	Loans for State Plan Schemes	0	141307	141307
Investment from Earmarked Funds	0	56610	56610	Loans for Central Plan Schemes	0	274	274
Capital Expenditure	1727367	1584641	3312007	Loans for Central Sponsored Plan Schemes	0	413	413
Investment in shares of Companies, Corporations etc.	400781	349951	750732	Other Loans	0	519	519
Other Capital Expenditure	1326586	1234690	2561275	Inter-State Settlement	0	74	74
Inter-State Settlement	0	75	75	Contingency Fund (corpus)	0	3818	3818
Contingency Fund (Un-recouped)	0	371	371	Liabilities on Public Account	611758	670643	1282402
Loans and Advances	235342	251346	486688	Small Savings, Provident Funds etc	470112	281050	751162
Civil Advances of deposits and Advances	14533	3836	18369	Deposits	113024	206530	319555
Suspense and Miscellaneous Balances	10570	4510	15080	Reserve Funds	26880	139212	166091
Remittances	0	6649	6649	Remittances Balances	1743	8350	10093
				Suspense and Miscellaneous Balances	0	35502	35502
Total	2110584	2047941	4158525	Total	4553613	2317499	6871112
Cumulative Excess of Expenditure over Receipts	2443029	487083	2930112	Cumulative Excess of Receipts over Expenditure	0	217526	217526
Total	4553613	2535024	7088638	Total	4553613	2535024	7088638

2.2 Overall resources of Union and States at the end of March 2010 were ₹ 6871112 crore. As against this, the total assets valued at the historic rates were ₹ 4158525 crore.

2.3 Ratio of assets to the liabilities of the Union and States was 61 percent (46 percent for the Union Government and 88 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 liabilities². 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



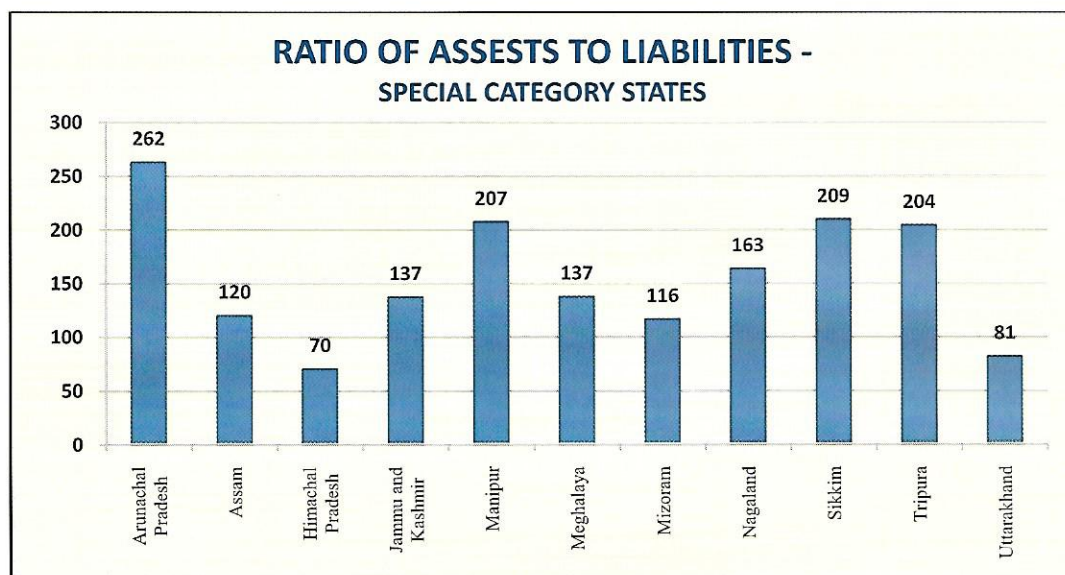
2.4 The ratio of Assets to Liabilities for the General Category States in respect of six States namely Karnataka, Odisha, Bihar, Madhya Pradesh and Chattisgarh was more than 100%, whereas the ratio of Assets to Liabilities was less than 50% in respect of three States namely Kerala, Punjab and West Bengal. The ratio of Assets to Liabilities

² 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. Preliminary estimates conducted in 2001 using World Bank PROST actuarial model suggested that the present value of Central and States pension liabilities could amount to 25 percent of GDP. 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

in respect of Delhi was much higher (369%) 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 States³, 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.

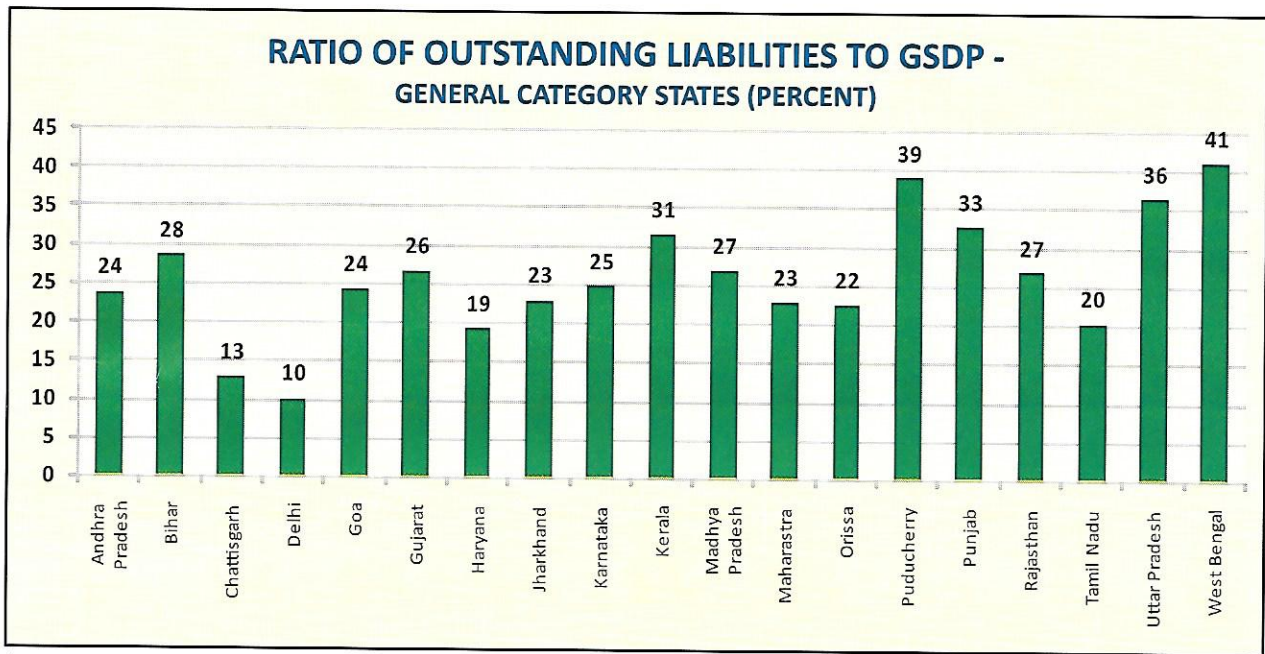
Graph –II



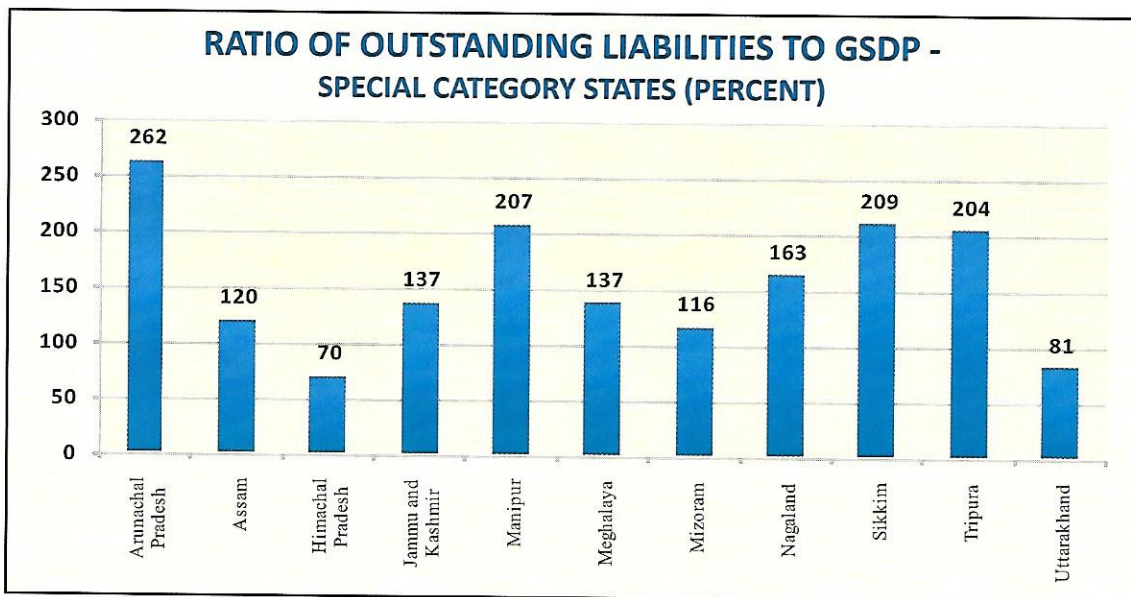
2.6 Inter-State variation in liabilities of the States as a percentage of their respective GSDP is depicted below in Graph – III & Graph - IV. Significant inter-state variations were observed wherein Mizoram a special category State had the highest ratio among all the States. Delhi had the lowest liability 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.

³ 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



3. Summary of Annual Accounts

3.1 While the 'balance sheet' or summary of balances is the accumulated position as on 31st March 2013 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 receipts⁴ of the Union and States during 2012-13, as evident from Table 2, were ₹ 2336622 crore. The Governments also raised ₹ 60608 crore by way of recovery of past loans and miscellaneous capital receipts⁵. The total non-debt receipts amounted to ₹ 2397229 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 ₹ 3089720 crore and its distribution between Union and States was in the ratio of 52:48. However, as depicted in table 2 below, the consolidated fund of the Union and States was in deficit (2954 Cr) as excess of public debt receipts over disbursements could not cover the total expenditure.

⁴ 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

⁵ 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 2012-13

(₹ in crore)

Receipts			Derived Items		Disbursements		
	Union	States	Union	States		Union	States
Consolidated Fund							
Revenue Receipts ⁶	1055891	1280731			Revenue Expenditure	1420473	1255415
			Revenue Balance				
			-364582	25316			
Misc. Capital Receipts	25890	101			Capital Expenditure	150382	197674
Recovery of Loans	26624	7993			Loans and Advances	32063	33713
Total Non-Debt Receipts	1108404	1288825			Total Expenditure	1602918	1486802
			Fiscal Balance				
			-494514	-197977			
Public Debt	3968038	271445			Public Debt	3426893	122808
Transfer to Contingency Fund	0	725			Transfer to Contingency Fund	0	875
Inter-State Settlement	0	11			Inter-State Settlement	0	106
Total Consolidated Fund	5076442	1561006			Total Consolidated Fund	5029811	1610591
			CFS Balance				
			46631	-49585			
			Contingency Fund				
Appropriation Receipts	0	1336			Expenditure	0	1031
Public Account							
Small savings, Provident Fund and Others	381315	89500			Small Savings, Provident Fund and Others	375092	63709
Reserves and Sinking Fund	117117	39662			Reserves and Sinking Fund	117529	30463
Deposits	113974	434567			Deposits	107536	403435
Civil Advances	33424	6231			Civil Advances	37141	6389
Suspense & Misc. Account	11832	3097287			Suspense & Misc. Account	16275	3120437
Remittances	3122	191109			Remittances	2831	190943
Total Public Account	660784	3858356			Total Public Account	656403	3815376
			Public Account Balance				
			4381	42980			
Cash Balances							
Opening Cash Balances	17440	-3748			Closing Cash Balances	68451	-7399
			Cash Balance Diff				
			51011	3651			

⁶ 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 87 percent of total expenditure (89 percent for the Union Government and 84 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 ₹ 3075661 crore or around 30 percent of GDP⁷ and for the year 2011-12 it was ₹ 2597203 crore.

3.6 Combined revenue deficit in 2012-13 was ₹ 339265 crore (₹ 364582 crore for the Union and ₹ 25317 crore (Surplus) for the States) and it was 3.35 percent of GDP (3.60 percent for the Union and 0.25 percent (surplus) for the States)⁸ Similarly, Combined Fiscal deficit was ₹ 692490 (₹ 494513 crore for the Union & ₹ 197976 crore for the States) and it was 6.85 percent of GDP (4.89 percent for Union and 1.96 for the States).

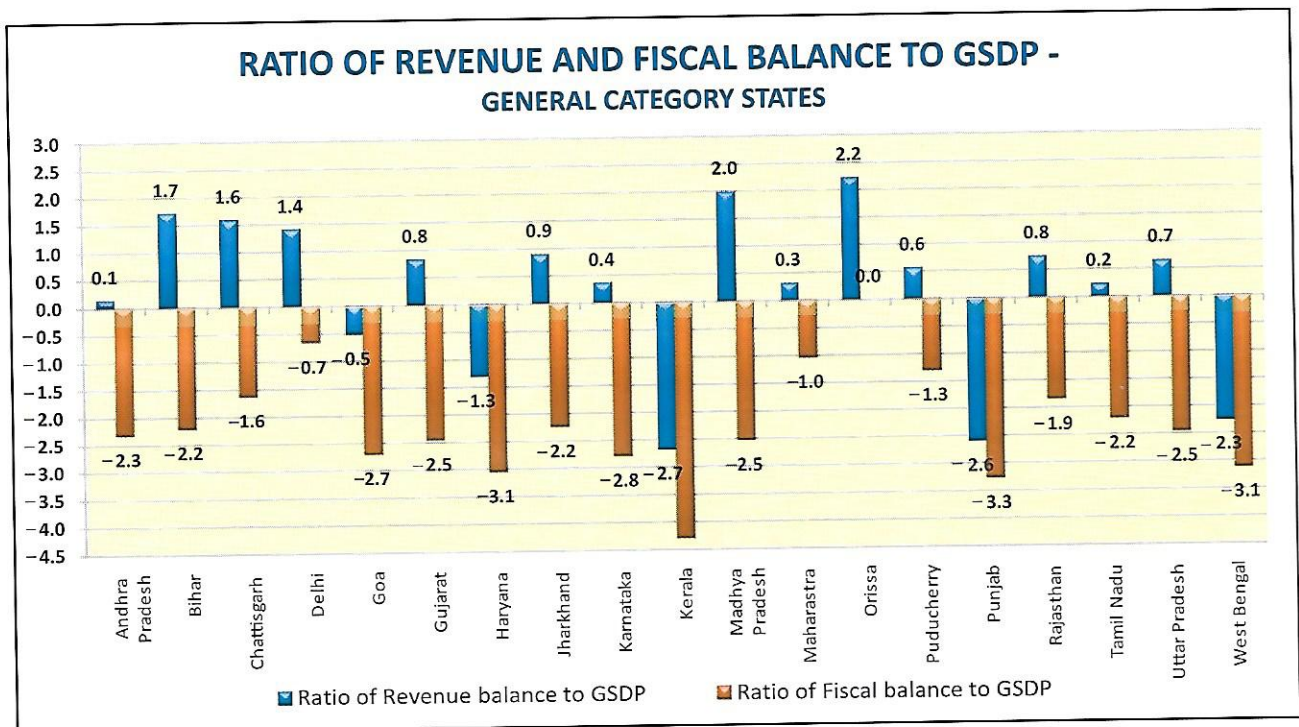
3.7 Combined fiscal deficit would, however get reduced to the extent of loans and advances disbursed by the Union to States. Adjusted combined fiscal deficit was 6.72 percent of the GDP. Unadjusted Combined Revenue deficit was 49 percent of fiscal deficit for both the Union and States.

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

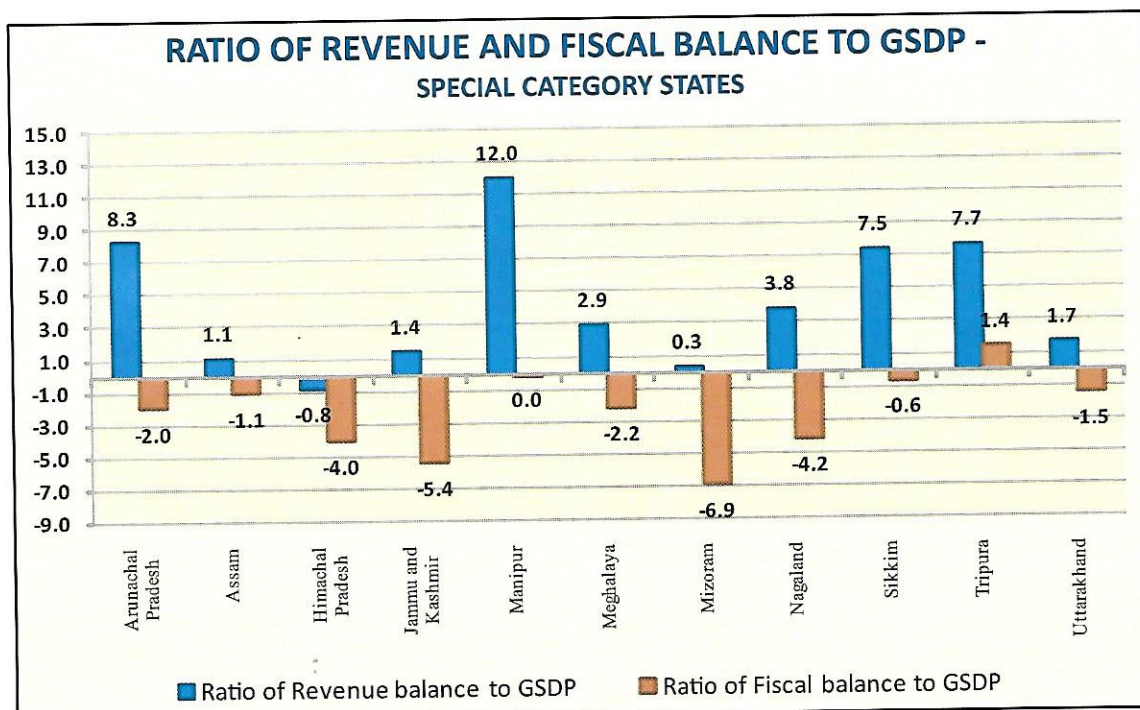
⁷ The GDP figures (₹ 10113281 crore) used are as released by CSO and are at market prices. However, for Inter-State comparison; figures used are of Gross State Domestic Product (GSDP) of each state as released by their respective Directorates of Economic and Statistics. The State wise GSDP figures are at factor cost and aggregated state figures are significantly lower (around 22 percent) than National GDP (market price). Even the aggregate of state wise GSDP at factor cost is only 96 percent of GDP at factor cost released by CSO

⁸ The ratio of revenue balance (unadjusted) to GDP for the Union would be (-) 3.60 percent and for States 0.25 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 ₹ 2143033 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

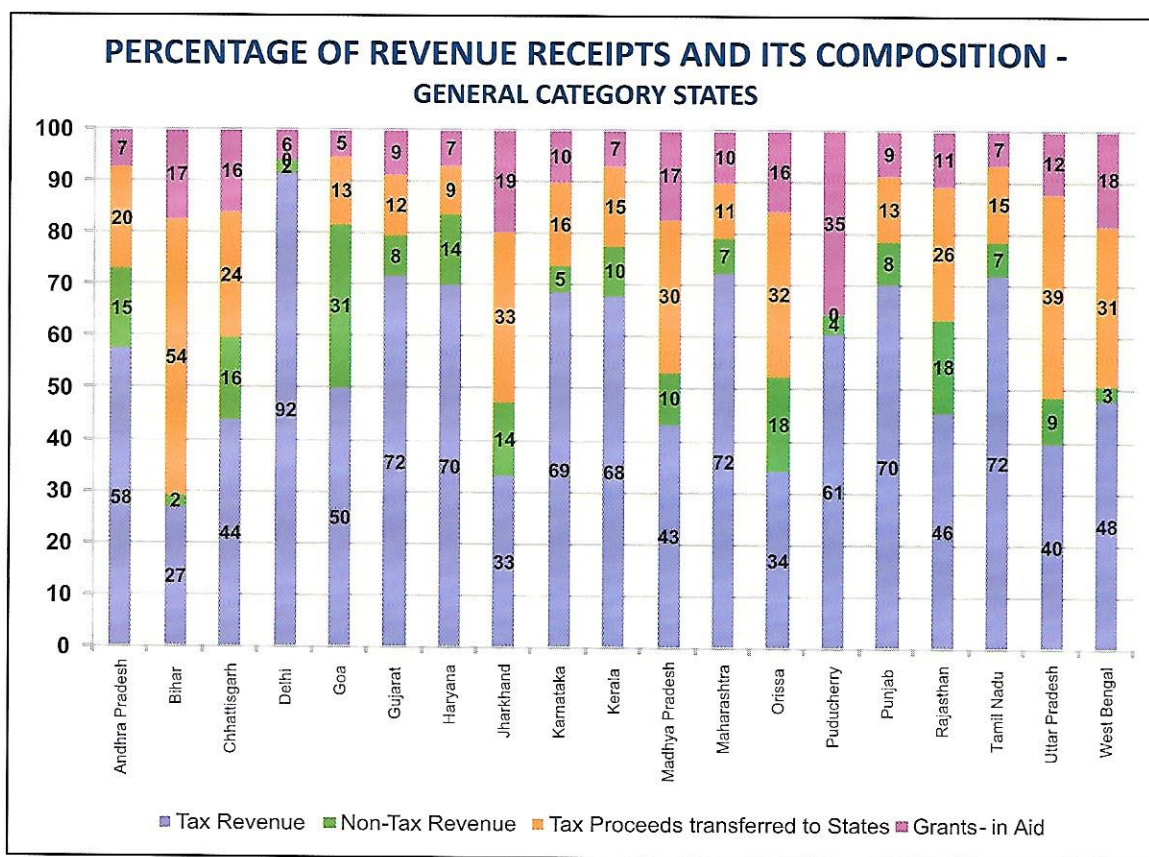
	(₹ in crore)		
	Union	States	Combined
Revenue Receipts	1055891	1280731	2336622
Tax Revenue*	1036460	679899	1716359
Non-Tax Revenue	308666	118007	426673
Tax Proceeds transferred to State ⁹	-291546	291530	-16
Grants-in-Aid	2311	191295	193606

* Tax revenue for the Union is Gross Tax Revenue (Tax-744914+Tax Proceeds-291546=1036460) and Tax revenue for the States is States' Own Tax Revenue.

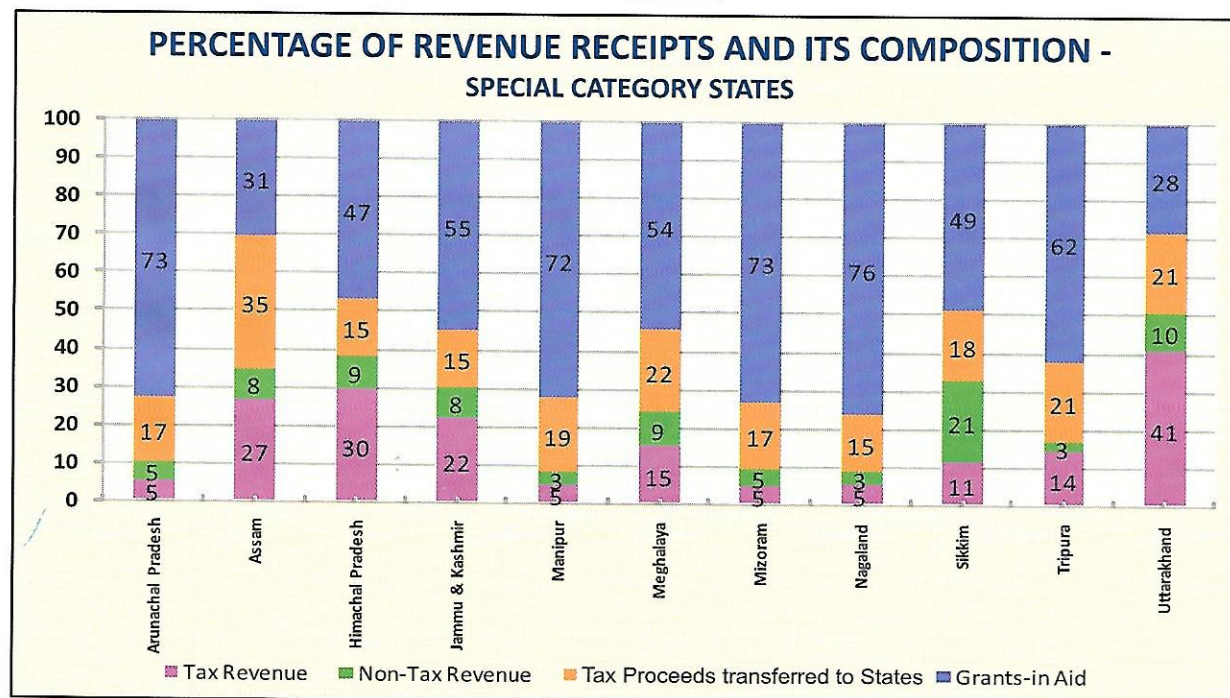
⁹ The two amounts (devolution of proceeds of taxes by the Union Government to States and States receipts of the same) should be same. The difference between these two figures may be due to non-reconciliation

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

Graph – VII

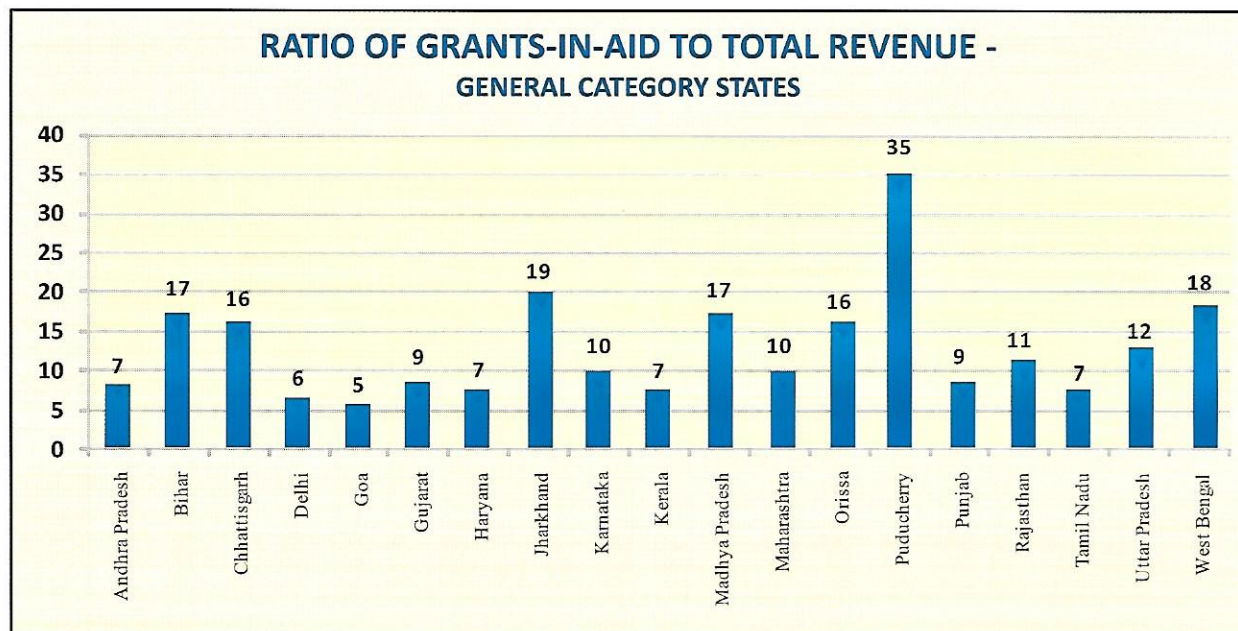


Graph –VIII

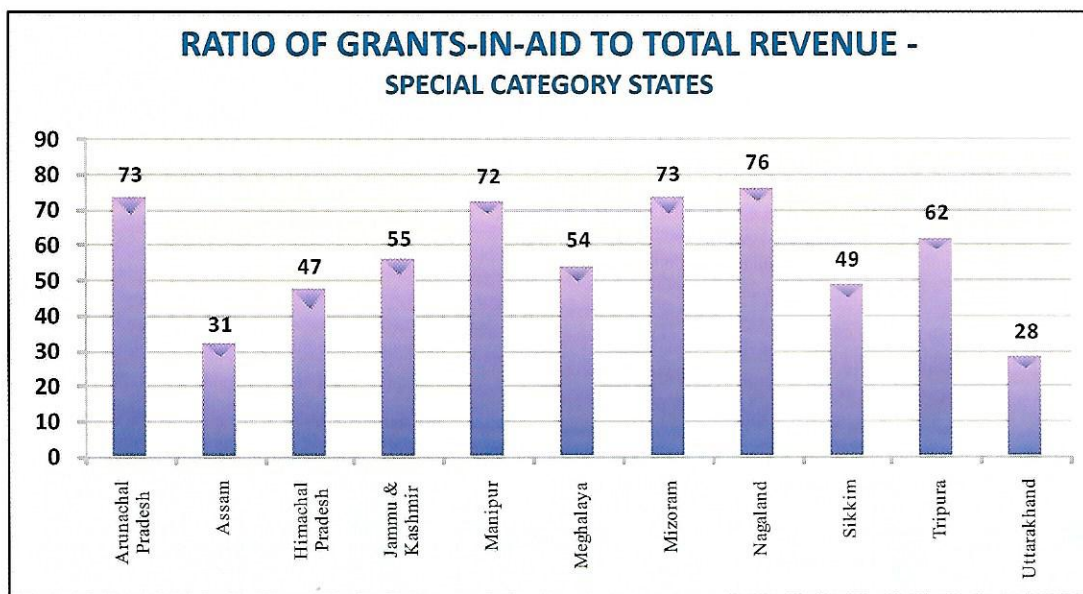


4.4 In respect of the Special category States, Grants-in-Aid form a significant proportion of their total revenue receipts. Grants-in-Aid across General Category States and Special category States is depicted in the Graph-IX & Graph-X below respectively :-

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 23.10 percent of GDP at market prices. These were distributed between the Union and States as 10.44 and 12.66 percent respectively. (Revenue Receipts to GSDP ratio for the States based on the GSDP figures as indicated by their respective Directorates of Economics and Statistics would be 15.42 percent.) Tax receipts were 16.97 percent of GDP (10.25 percent for the Union and 6.72 percent for the States) and non-tax receipts were 4.22 percent GDP (3.05 percent for the Union and 1.17 percent for the States) (Table 4). Revenue receipts on per capita basis were ₹ 19341 (₹ 17533 after adjustment of grants-in-aid to the States.)

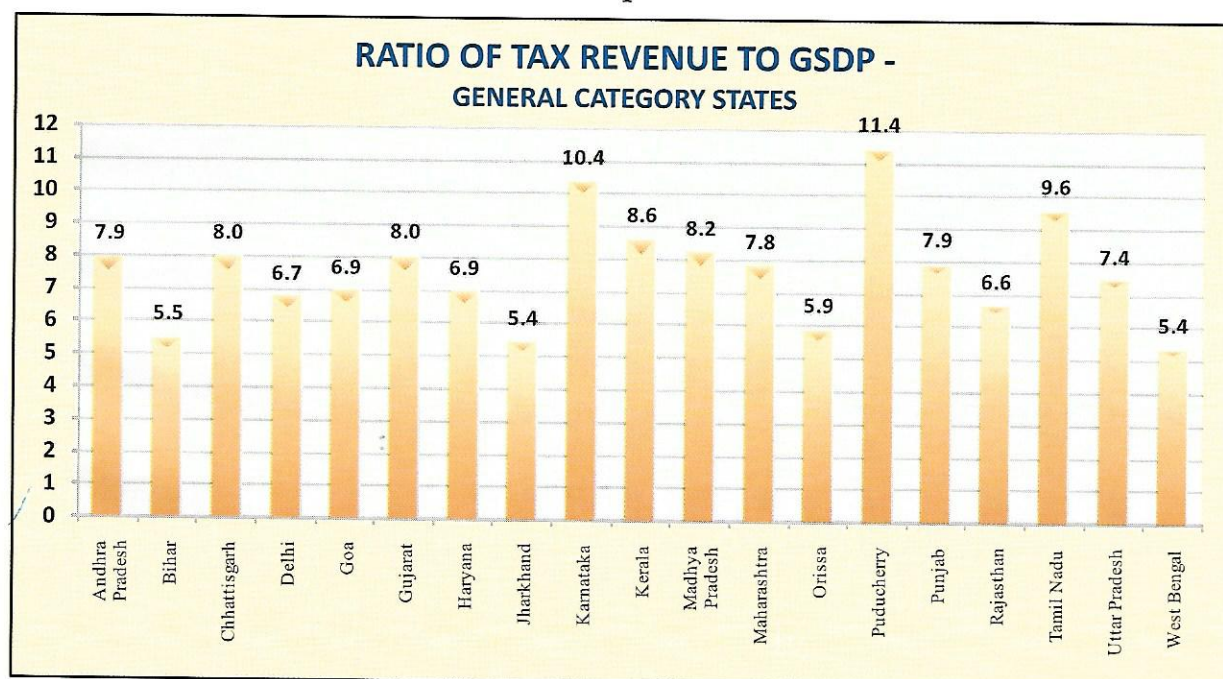
Table- 4
Components of Revenue Receipts relative to GDP at Market Prices (Percentage)

	Union	States	Combined
Revenue Receipts	10.44	12.66	23.10
Tax Revenue	10.25	6.72	16.97
Non-Tax Revenue	3.05	1.17	4.22
Tax Proceeds transferred to States	-2.88	2.88	0.00
Grants-in-Aid	0.02	1.89	1.91

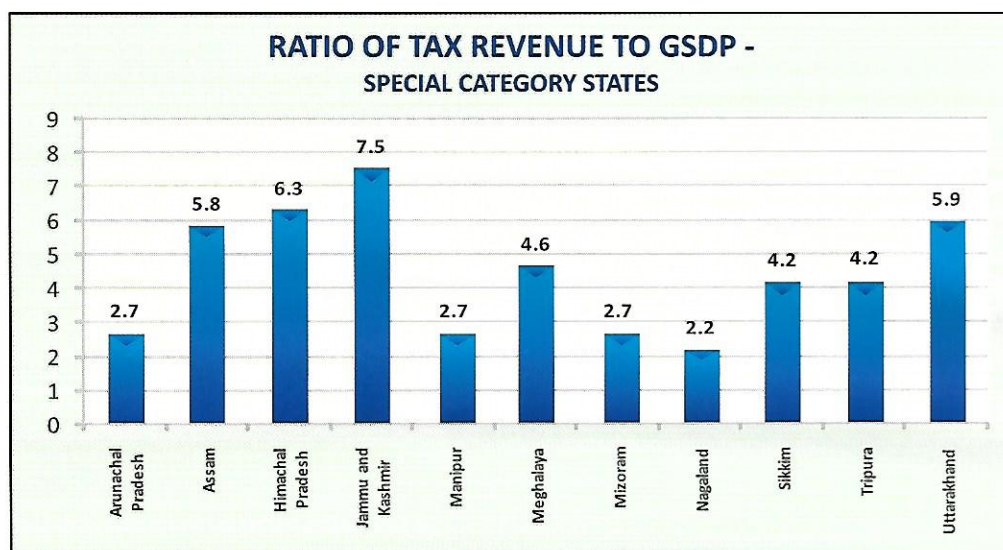
Note: GDP of Union at current market prices ₹ 10113281 Crores

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

Graph XI



Graph XII



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 10.24 percent of GDP for the Union Government and bulk of that came from direct taxes (5.47 percent of GDP or 53 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 62 percent. Relative to GDP, receipts from State taxes were 6.72 percent.

4.9 For the Union and States combined, nearly 62 percent of the receipts from taxes came from commodities and service taxes while remaining 38 percent from taxes on income and expenditures and property transactions.

4.10 Taxes on property & transactions for both Union and States contributed 5.51 percent of total tax receipts. Though the States mostly levied property taxes, their share in total tax revenue of the States was only 13.02 %. 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.

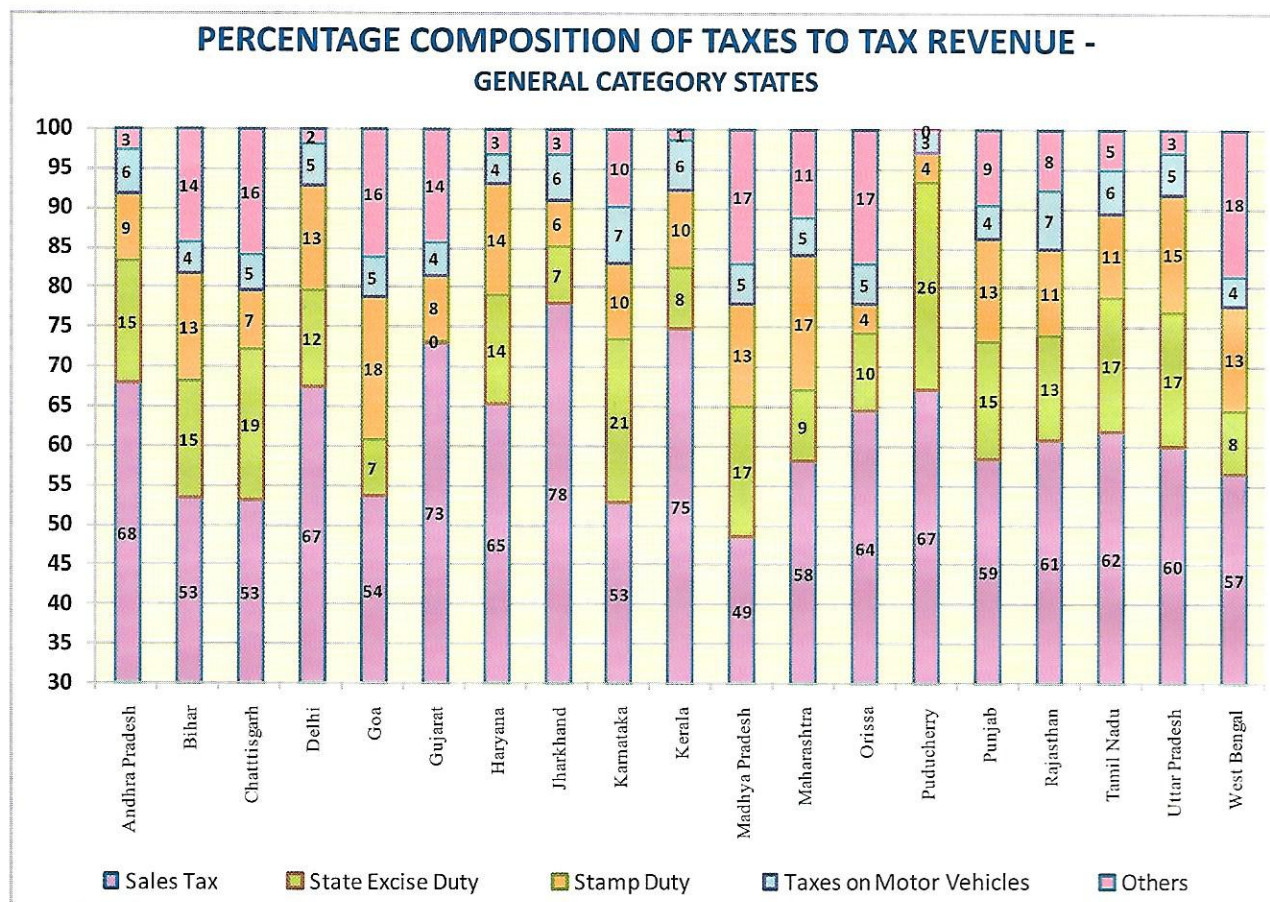
Table 5
Receipts from Major Taxes and their Shares Relative to GDP

	Receipts (₹ in crore)			Percent of GDP		
	Union	States	Combined	Union	States	Combined
Total Tax Revenue	1036460	679899	1716359	10.25	6.72	16.97
A) Income and Expenditure Taxes	553147	4848	557995	5.47	0.05	5.52
Corporation Tax	356326	0	356326	3.52	0.00	3.52
Income Tax	196844	1	196845	1.95	0.00	1.95
Others	-23	4847	4825	0.00	0.05	0.05
B) Property Transactions Taxes	5997	88584	94581	0.06	0.88	0.94
Land Revenue	26	8720	8745	0.00	0.09	0.09
Stamp Duty and Registration	129	78759	78889	0.00	0.78	0.78
Others	5842	1105	6947	0.06	0.01	0.07
C) Commodities and Service Taxes	477316	586467	1063783	4.72	5.80	10.52
Customs Duties	165346	0	165346	1.63	0.00	1.63
Excise Duties	175845	0	175845	1.74	0.00	1.74
Service Tax	132601	0	132601	1.31	0.00	1.31
Sales Tax	1968	420940	422907	0.02	4.16	4.18
State Excise duty	443	85999	86442	0.00	0.85	0.85
Taxes on Motor Vehicles	149	35294	35443	0.00	0.35	0.35
Goods and Passengers Tax	9	15308	15317	0.00	0.15	0.15
Electricity Duty	19	22181	22200	0.00	0.22	0.22
Others	936	6745	7681	0.01	0.07	0.08

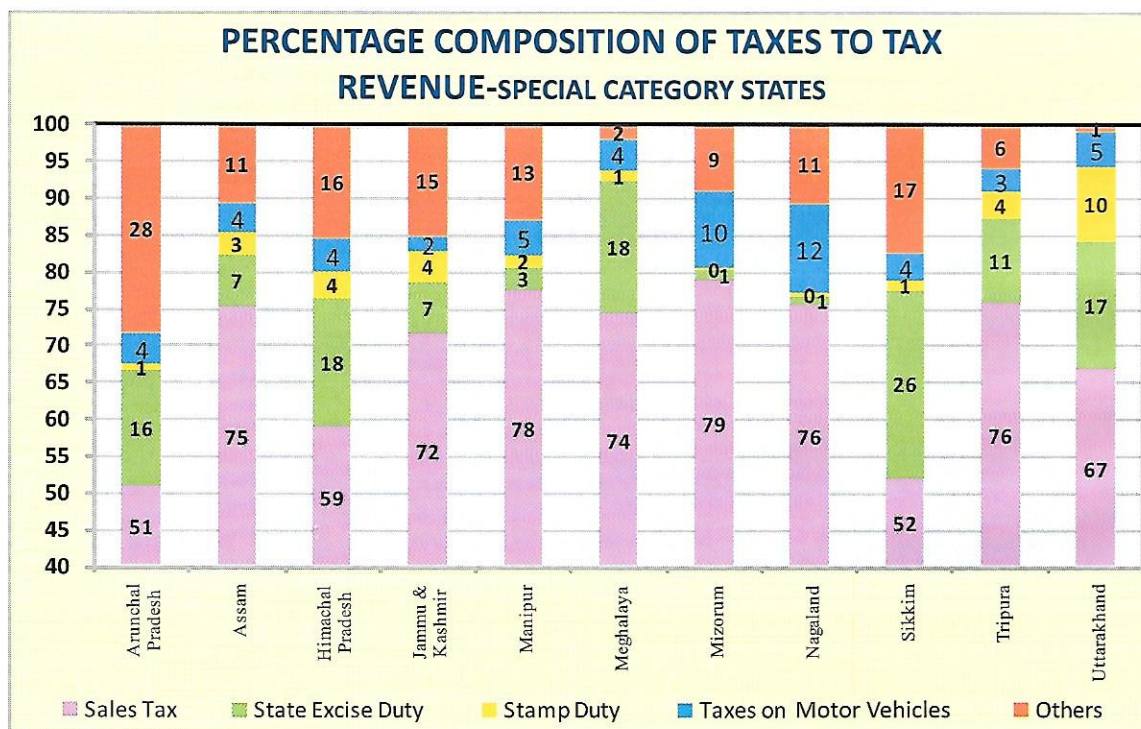
4.11 There were, however, significant Inter-State variations in revenue and tax receipts. Tables in Annexure 3 and 4 indicate Inter-State position in respect of various parameters relating to revenue and tax receipts.

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 86.25 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 GSDP¹⁰ was 4.68 percent for all States put together, for Nagaland and Arunachal Pradesh, it was less than 2 percent. The ratio was in the range of 2 to 5 percent for all states except Jammu & Kashmir, Andhra Pradesh, Karnataka, Gujarat, Tamil Nadu, and Kerala where it exceeded 5 percent maximum being 7.68 percent for Puducherry.
- 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 0.66 percent, varying from a low of 0.01 percent for Nagaland to 1.41 percent for Maharashtra. The States, which had the ratio in excess of 1 percent, were Gujarat, Punjab, West Bengal, Karnataka, Tamil Nadu, Uttar Pradesh, Goa, Madhya Pradesh and Maharashtra.
- 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 0.32 percent, it exceeded 0.50 percent for Rajasthan, Tamil Nadu, Kerala and Karnataka.
- d. The average ratio of revenue receipts to GSDP for the States was 21.91 percent. In Non-special Category States, Bihar had the highest ratio of more than 20 percent followed by Madhya Pradesh (19 percent). The States with the ratio lying between 15 to 20 percent included Karnataka, Jharkhand, Orissa, Chhattisgarh, Uttar Pradesh and Puducherry. Other states in this category had this ratio within the range of 10 to 15 per cent, except for Delhi (7.34 percent) and Haryana (9.91 percent). Special Category States usually had a much higher ratio of revenue receipts to GSDP varying from a low of 21 percent for Himachal Pradesh to a high of 55 percent for Manipur.
- e. When population is used as normalizing factor, the State-wise picture undergoes a complete change. As against an average of ₹ 18309 per capita

¹⁰ 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

revenue receipts, these were just ₹ 5940 for Bihar. The other States where per capita revenue receipts were less than ₹ 10000, included Assam, Rajasthan, Madhya Pradesh, Jharkhand, West Bengal, Uttar Pradesh and Bihar. The index of per capita revenue receipts at 57 was lowest for Chattisgarh and at 578 highest for Tamil Nadu. Index was less than 100 for Bihar, Sikkim, Maharashtra, Puducherry, Karnataka, Uttarakhand and Chattisgarh.

f. Nearly 53.09 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 and Manipur 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 Union¹¹ 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 ¹²	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

¹¹ 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

¹² 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

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 3.69 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 3.74 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 10.32 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. Only Sikkim and Goa have non-tax receipts above 20 percent of their own resources. Further, Mizoram, Nagaland, Tripura, West Bengal, Delhi and Bihar contributes less than 5 percent non-tax receipts in their own resources.

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, 86.61 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 ₹ 2675887 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	4424	12540	16965
Fiscal Services	7880	19024	26904
Financial Intermediation	330171	166547	496718
Administrative Services	47201	97239	144440
Miscellaneous General Services	11287	4033	15321
Pensions ¹³	69478	145124	214602
Defence	116485	0	116485
Total General Services	586927	444508	1031435
Social Services	116712	499676	616388
Economic Services	535434	276639	812073
Grants-in-Aids	181400	34592	215992
Total Revenue Expenditure	1420473	1255415	2675887

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 payment where the recipient incurs the final expenditure. Excluding (Net of) the grants component, around 28 percent of the revenue expenditure of the Union and the States was on account of past obligation (contractual in nature), around 53 percent on economic and social services and around 11 percent on residual functions. Revenue receipts were able to meet around 87.32 percent of revenue expenditure for both the Union and the States and the balance was met from borrowings or other capital receipts.

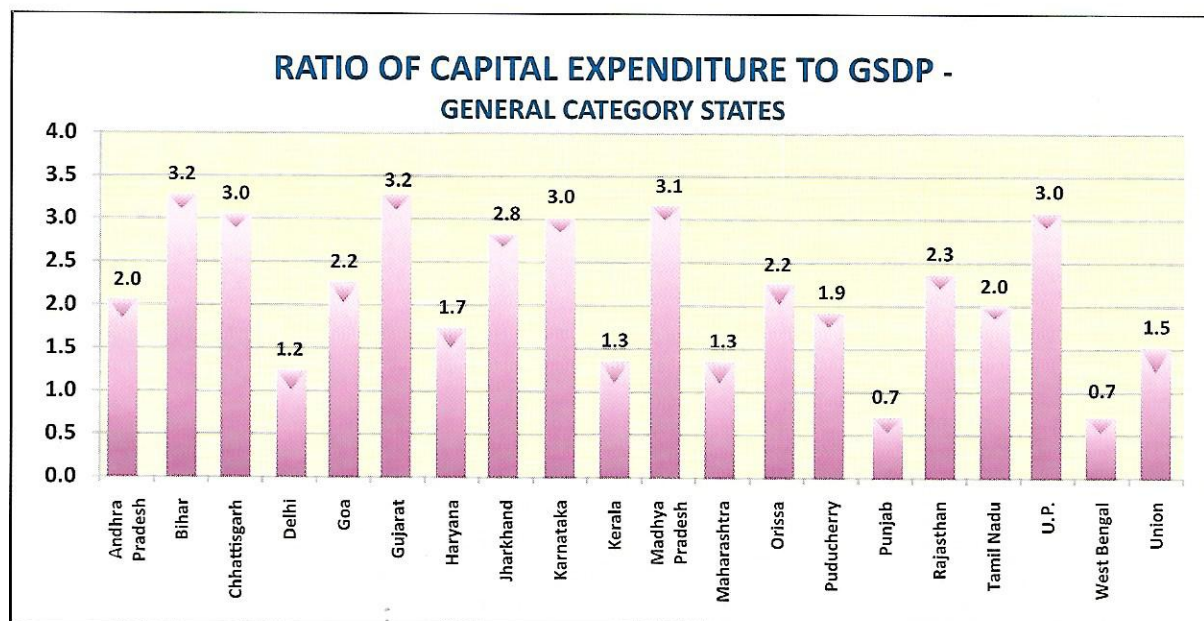
¹³ Pension Expenditure does not include pension to Railways employees

Capital Expenditure

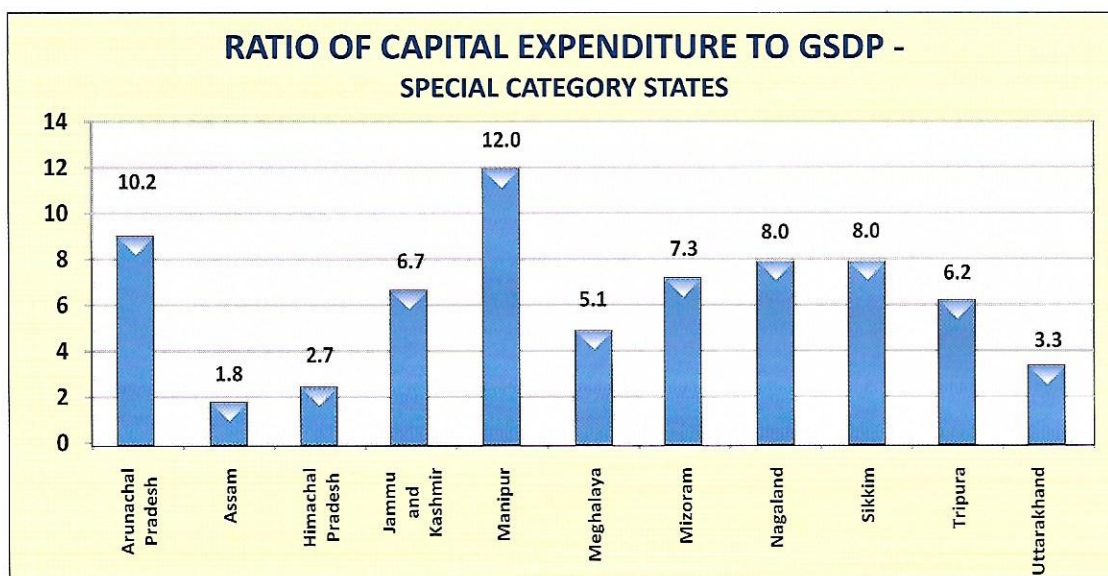
5.4 In the case of expenditure on past obligations and residual functions, expenditure in the nature of capital and loans and advances tends to be insignificant. Bulk of capital expenditure and loans and advances are for extending the network of social and economic infrastructure. Combined expenditure of the Union and the States on social and economic services was ₹ 1732890 crore. It was around 17.13 percent of GDP and ₹ 14162 on per capita basis. While the States contributed to over 82 percent of combined expenditure on social services, their contribution in expenditure on economic services was around 42 percent. Expenditure on social services for both the Union and States had a strong revenue expenditure base, which constituted over 91.07 percent of total expenditure. In case of expenditure on economic services, revenue expenditure across the two tiers of Government differed significantly. In case of the States around 20.53 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 & Graph-XVI.

Graph-XV

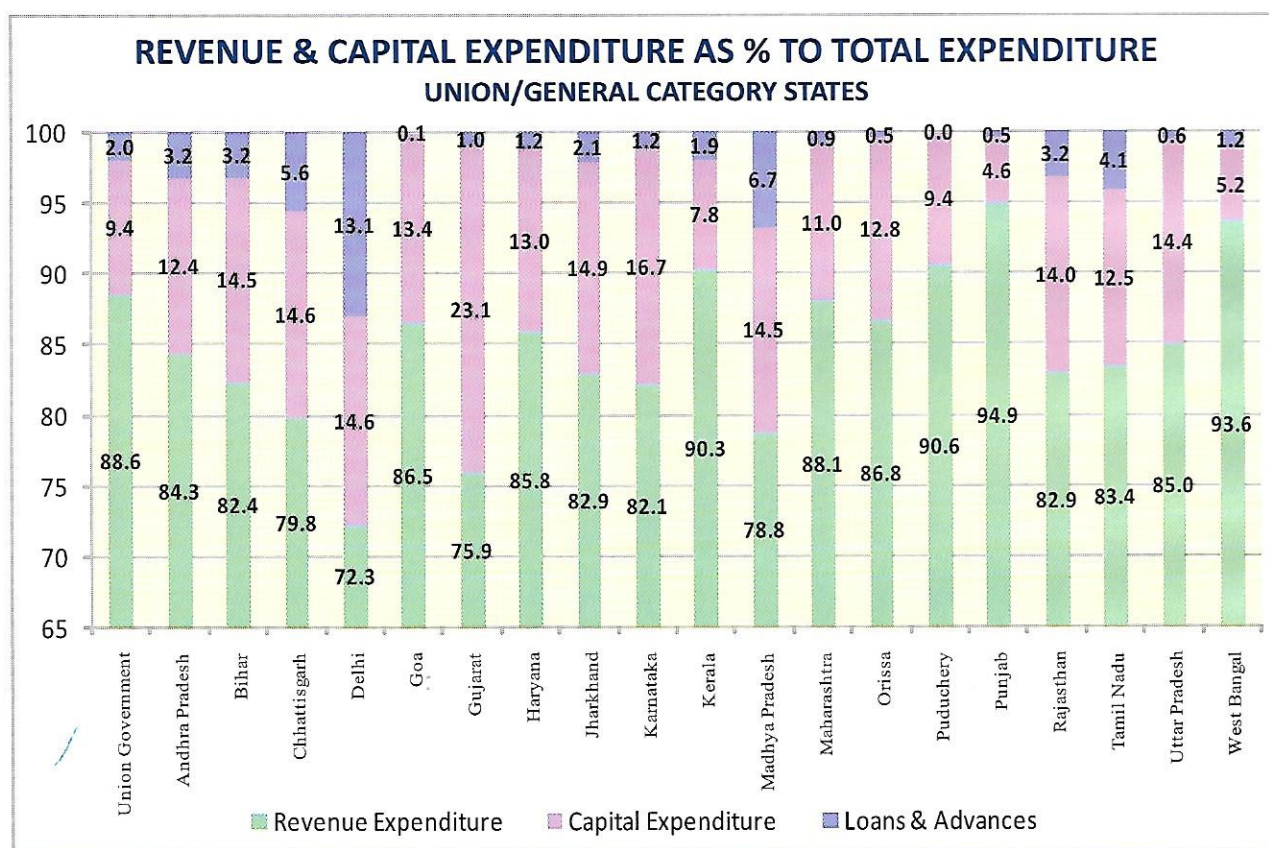


Graph-XVI

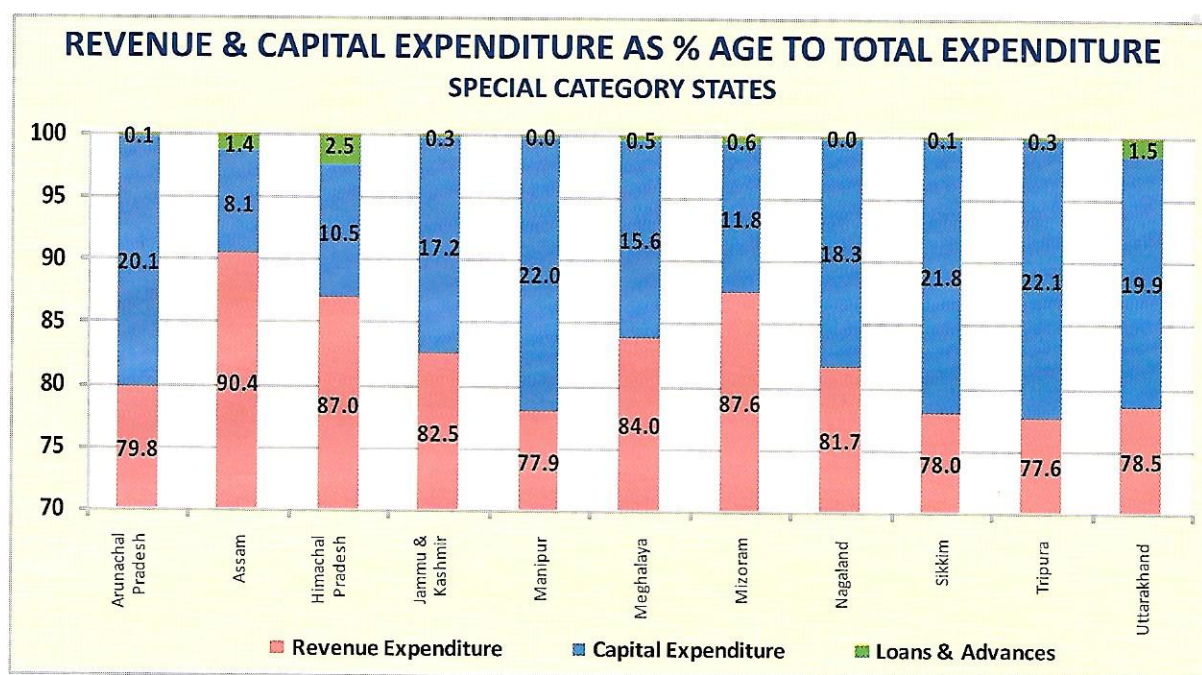


5.6 The share of revenue & capital expenditure to total expenditure varied as shown in Graph- XVII and Graph – XVIII. Loans and advance formed a small proportion of total capital expenditure of the States:

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 9.18 percent of the revenue receipts of the Union and the States. (It was 6.58 percent of revenue receipt for the Union Government and nearly 11.33 percent of the revenue receipts for the States.) There were, however, significant Inter-State variations in expenditure on pensions. At 20 percent of revenue receipts, Kerala was on top of the table. Punjab, Himachal Pradesh and West Bengal (18.61, 17.61 and 16.14 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 Delhi, 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, Puducherry, West Bengal and Punjab 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 23.09 percent of revenue expenditure net of grants-in-aid. However, in the case of Sikkim, Delhi, Meghalaya, Chhattisgarh, Arunachal Pradesh and Goa it was less than 15 percent. It exceeded 30 percent in case of Himachal Pradesh, Uttar Pradesh, Kerala, Punjab and West Bengal.

c. Development expenditure comprising the expenditure of social and economic services accounted for 68.34 percent of the total expenditure of all the States. For Punjab it was less than 50 percent. All States contribute more 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	124726	552128	676854
Revenue Expenditure	116712	499676	616388
Capital Expenditure	5102	44490	49593
Loans and Advances	2911	7962	10873
Revenue Expenditure-Social Services as percent to Total Expenditure-Social Services	93.57	90.50	91.07
Expenditure on Economic Services	614305	441731	1056036
Revenue Expenditure	535434	276639	812073
Capital Expenditure	65801	141922	207723
Loans and Advances	13070	23170	36240
Revenue Expenditure-Economic Services as percent to Total Expenditure-Economic Services	87.16	62.63	76.90
Total Developmental Expenditure	739030	993860	1732890
Revenue Expenditure as percent to Total Developmental Expenditure	88.24	78.11	82.43

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

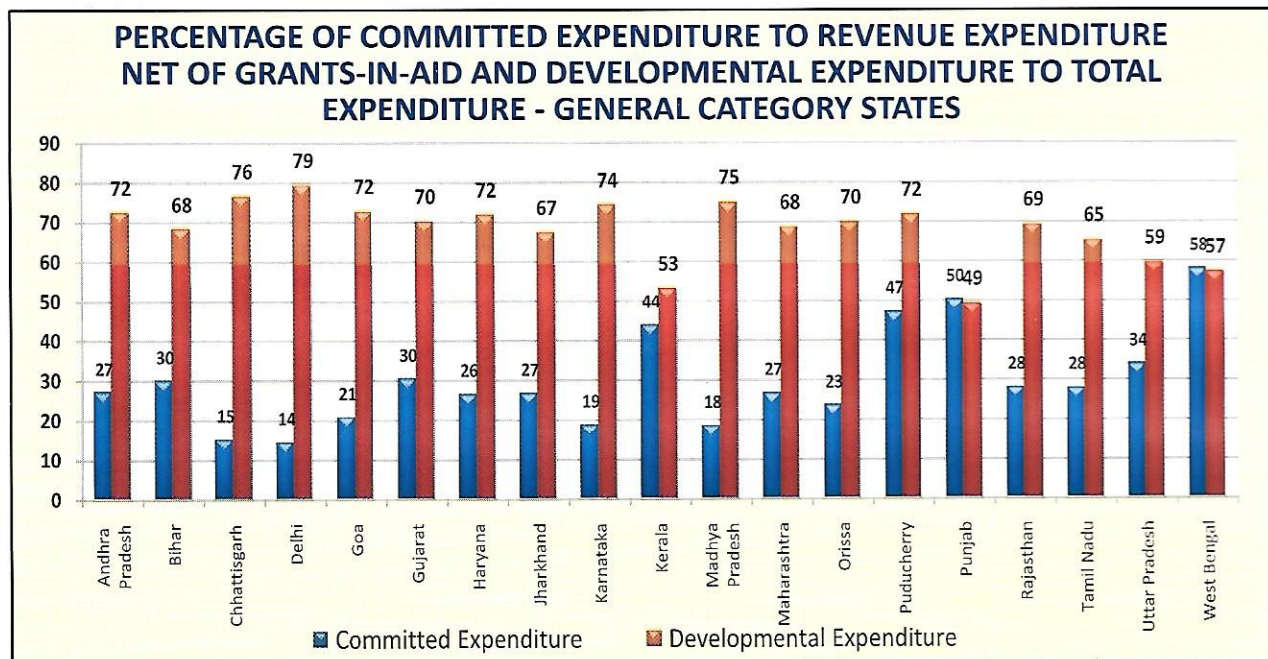
	Revenue Expenditure (₹ in crore)		Per Capita Expenditure (₹)		Expenditure as percent of GDP		Expenditure as percent to Revenue Expenditure	
	Union	States	Union	States	Union	States	Union	States
Education, Art and Culture	62741	251823	513	2063	0.62	2.49	4.42	20.06
Medical and Public Health	9630	53498	79	438	0.10	0.53	0.68	4.26
Family Welfare	9873	9626	81	79	0.10	0.10	0.70	0.77
Water Supply and Sanitation	13086	13118	107	107	0.13	0.13	0.92	1.04
Housing	8669	9154	71	75	0.09	0.09	0.61	0.73
Urban Development	705	29777	6	244	0.01	0.29	0.05	2.37
Information and Broadcasting	460	1509	4	12	0.00	0.01	0.03	0.12
Labour	3538	6022	29	49	0.03	0.06	0.25	0.48
Social Security	2092	57026	17	467	0.02	0.56	0.15	4.54
Natural Calamities	3324	10990	27	90	0.03	0.11	0.23	0.88
Others	2594	57132	21	468	0.03	0.56	0.18	4.55
Total Social Services	116712	499676	954	4093	1.15	4.94	8.22	39.80

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 ₹ 499676 crore constituted 40 percent of their revenue expenditure while this percentage for the Union Government was more than 08 percent during 2012-13. Adding revenue expenditure incurred on economic services increases these percentages to 62 percent for States and to 46 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-social services on education, including art and culture, medical and public health including family welfare and water supply and sanitation during the year 2012-13. 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

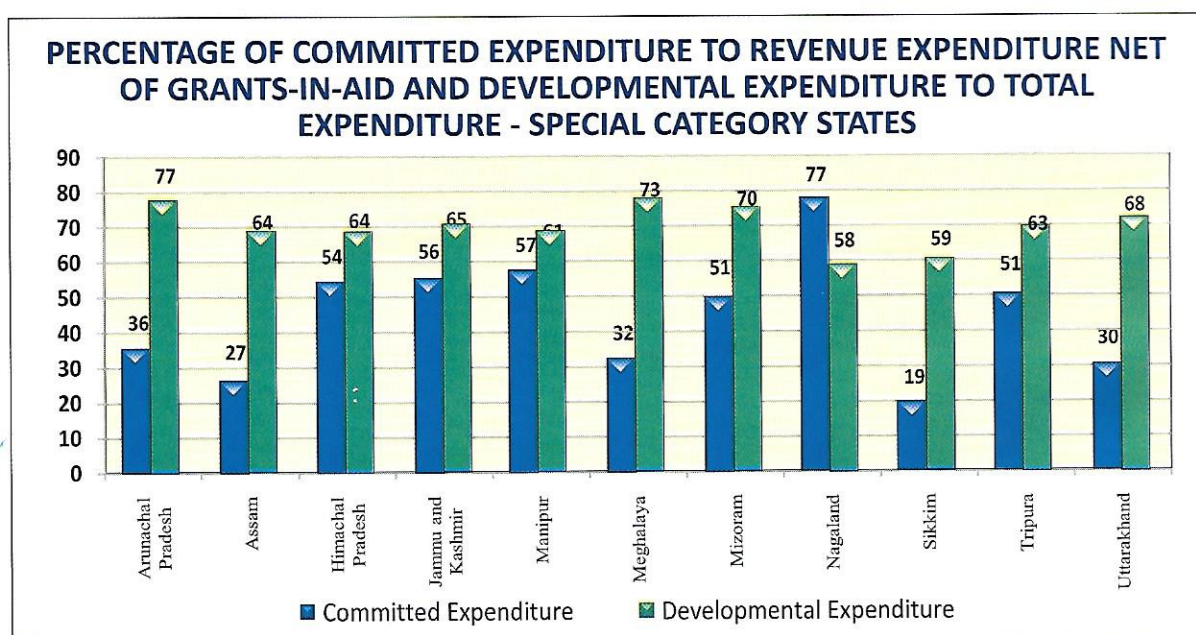
is reflected by the fact that 63 percent of total revenue expenditure on social sectors had been incurred on these two sectors by all States taken together while Union Government spent 70 percent of its revenue expenditure earmarked for social sectors towards education to assist the States to attain the goal of universal access to basic primary education covering all the segments/social groups not reached so far.

5.11 The development 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	66838	65255	546	535	0.66	0.65	4.71	5.20
Food Storage and Ware Housing	86875	6993	710	57	0.86	0.07	6.12	0.56
Rural Development	36639	44452	299	364	0.36	0.44	2.58	3.54
Special Area Programmes	3822	2339	31	19	0.04	0.02	0.27	0.19
Irrigation and Flood Control	848	29485	7	242	0.01	0.29	0.06	2.35
Energy	105680	64188	864	526	1.04	0.63	7.44	5.11
Industry	34775	13766	284	113	0.34	0.14	2.45	1.10
Transport	158525	33142	1295	271	1.57	0.33	11.16	2.64
Communication	15788	108	129	1	0.16	0.00	1.11	0.01
Scientific Research	14294	828	117	7	0.14	0.01	1.01	0.07
Others	11350	15939	93	131	0.11	0.16	0.80	1.27
Total Economic Services	535434	276639	4375	2266	5.29	2.74	37.69	22.04

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 charges¹⁴ 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 - a component of revenue expenditure is largely incurred on

¹⁴ 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

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.

Table-11

Recovery of User Charges from Select Social and Economic Services (Percent)

	Union		States		Combined	
	RR/RE	RR/ NPRE*	RR/RE	RR/ NPRE*	RR/RE	RR/ NPRE*
Education, Art and Culture	0.22	1.15	3.87	4.94	3.14	4.73
Medical and Public Health	3.23	8.81	3.96	5.28	3.85	5.56
Family Welfare	0.29	7.37	1.18	15.13	0.73	12.47
Social Services	4.13	18.97	3.61	6.25	3.71	7.27
Economic Services	34.49	43.12	20.19	29.19	29.62	38.82

5.14 The recovery of overall user charges for social services was 4.13 percent of revenue expenditure for the Union Government and 3.61 percent for the States. The corresponding percentages with respect to non-plan revenue expenditure were 18.97 for Union Government and 6.25 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 (RR) 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 2.42 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.

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 Madhya Pradesh it is 15.81 percent.

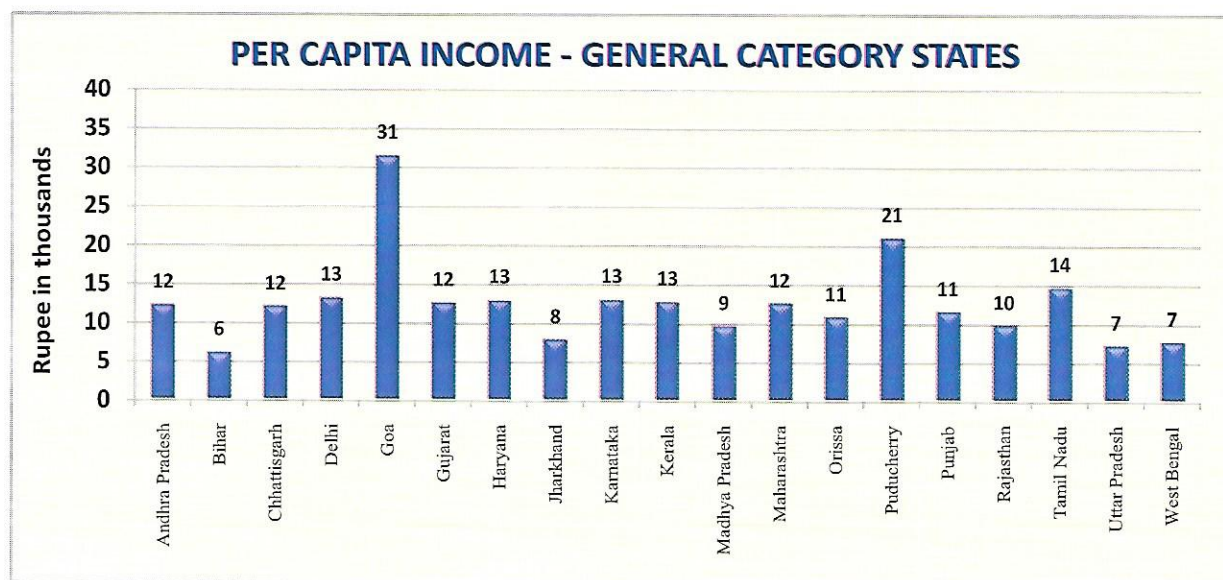
Note: RR-Revenue Receipts, RE-Revenue Expenditure, NPRE-Non Plan Revenue Expenditure

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.

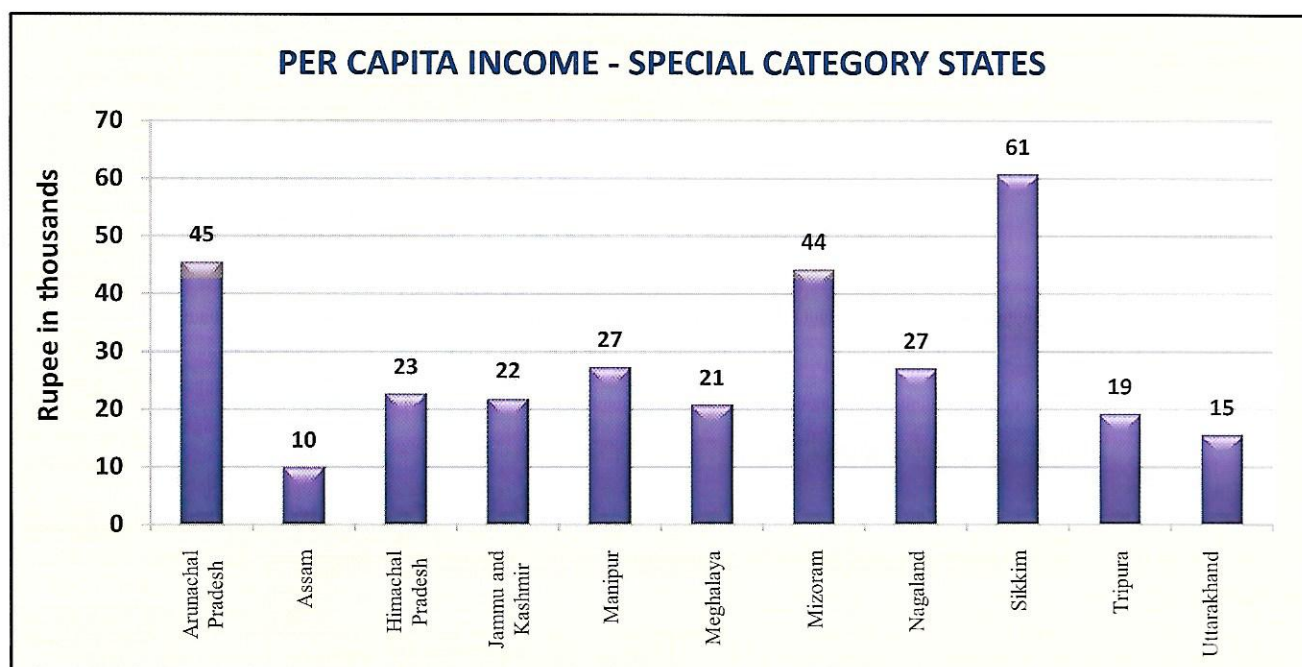
d. In case of economic services, the average recovery was 24.93 percent. Higher recoveries were observed in case of Gujarat, Jammu-Kashmir, Madhya Pradesh, Himachal Pradesh, Rajasthan, Jharkhand, Assam, Odisha, Chattisgarh and Goa, highest at 108.04 percent. These States either had a significant amount 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 States 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-1

**Total Assets, Liabilities, Ratio of Liabilities to GSDP,
Ratio of Assets to Liabilities and Revenue Receipts**

	Total Assets 2011-12 (₹ in crore)	Total Liabilities 2011-12 (₹ in crore).	Total Assets 2012-13 (₹ in crore)	Total Liabilities 2012-13 (₹ in crore)	Ratio of Liabilities to GSDP 2012-13 (Percent)	Ratio of Assets/ Liabilities 2012-13 (Percent)	Ratio of assets to revenue receipt (Percent)
General Category States							
Andhra Pradesh	151356	156356	170413	174285	23.10	97.78	1.64
Bihar	85158	68912	99204	77859	26.29	127.42	1.67
Chhattisgarh	29192	18258	34139	20595	12.60	165.76	1.15
Delhi	99070	29608	107991	29244	8.40	369.28	4.22
Goa	10493	10420	11620	11763	27.74	98.79	1.99
Gujarat	120244	157454	142662	174302	26.01	81.85	1.90
Haryana	44252	56845	50711	67742	19.96	74.86	1.51
Jharkhand	29196	30892	29196	30892	20.37	94.51	1.18
Karnataka	125296	111796	142651	127236	24.51	112.12	1.82
Kerala	38551	96562	45050	112072	32.08	40.20	1.02
Madhya Pradesh	106446	83200	122628	91935	24.70	133.39	1.74
Maharashtra	211591	266032	242423	292803	22.12	82.79	1.70
Orissa	51555	47941	58618	49267	19.29	118.98	1.33
Puducherry	4793	5685	5227	6024	35.93	86.76	1.66
Punjab	30916	83322	32730	92543	32.45	35.37	1.02
Rajasthan	81593	107196	96662	118814	25.87	81.36	1.44
Tamil Nadu	112769	134330	137355	157155	21.10	87.40	1.39
Uttar Pradesh	203238	248818	229335	269735	34.48	85.02	1.57
West Bengal	56746	216664	65171	238905	38.99	27.28	0.95
Special Category States							
Arunachal Pradesh	13572	5174	15007	5633	47.67	266.41	2.60
Assam	37708	31547	40662	32947	23.26	123.42	1.32
Himachal Pradesh	20131	28823	21669	30942	41.98	70.03	1.39
Jammu and Kashmir	51594	37784	56078	41168	53.08	136.22	2.14
Manipur	13410	6483	15232	6801	54.48	223.97	2.23
Meghalaya	7395	5397	7846	5311	29.03	147.74	1.42
Mizoram	6611	5694	7170	6225	74.44	115.17	1.58
Nagaland	11017	6760	12312	7453	47.54	165.20	1.98
Sikkim	6619	3162	7584	3346	31.95	226.67	2.00
Tripura	14002	6874	16648	7683	32.21	216.69	2.36
Uttarakhand	20075	24737	23944	26819	24.86	89.28	1.52
All States	1794588	2092726	2047941	2317499	25.72	88.37	1.60

Annexure-2

Parameters of Fiscal Imbalances

	Revenue Deficit: Deficit (-) Surplus (+) (₹ in crore)	Fiscal Deficit: Deficit (-) Surplus (+) (₹ in crore)	Incremental Liabilities ¹⁵ (₹ in crore)	RB/ GSDP (percent)	FB/ GSDP (percent)	RB/ Revenue Receipt (percent)	RB/FB (percent)	Incremental Liabilities/ RR (percent)
General Category States								
Andhra Pradesh	1128	-17508	18570	0.15	-2.32	1.09	-6.44	2.46
Bihar	5101	-6545	8691	1.72	-2.21	8.56	-77.93	2.93
Chhattisgarh	2606	-2657	2168	1.59	-1.63	8.81	-98.07	1.33
Delhi	4902	-2285	2285	1.41	-0.66	19.18	-214.52	0.66
Goa	-216	-1148	1652	-0.51	-2.71	-3.69	18.81	3.90
Gujarat	5570	-16492	15963	0.83	-2.46	7.40	-33.77	2.38
Haryana	-4438	-10362	10278	-1.31	-3.05	-13.20	42.83	3.03
Jharkhand	1370	-3406	4105	0.90	-2.25	5.53	-40.21	2.71
Karnataka	1883	-14507	13737	0.36	-2.79	2.41	-12.98	2.65
Kerala	-9351	-15002	15365	-2.68	-4.29	-21.19	62.33	4.40
Madhya Pradesh	7459	-9422	8415	2.00	-2.53	10.59	-79.16	2.26
Maharashtra	4211	-13740	23730	0.32	-1.04	2.95	-30.65	1.79
Orissa	5699	4	894	2.23	0.00	12.97	157440	0.35
Puducherry	95	-218	439	0.57	-1.30	3.02	-43.48	2.62
Punjab	-7407	-9346	9183	-2.60	-3.28	-23.11	79.25	3.22
Rajasthan	3451	-8535	11249	0.75	-1.86	5.16	-40.44	2.45
Tamil Nadu	1760	-16519	20288	0.24	-2.22	1.78	-10.66	2.72
Uttar Pradesh	5180	-19238	16439	0.66	-2.46	3.55	-26.93	2.10
West Bengal	-13815	-19147	22077	-2.25	-3.12	-20.23	72.15	3.60
Special Category States								
Arunachal Pradesh	975	-232	387	8.25	-1.96	16.93	-420.38	3.27
Assam	1554	-1516	1080	1.10	-1.07	5.06	-102.48	0.76
Himachal Pradesh	-576	-2978	2215	-0.78	-4.04	-3.69	19.34	3.00
Jammu and Kashmir	1100	-4216	3999	1.42	-5.44	4.19	-26.08	5.16
Manipur	1503	-1	281	12.04	-0.01	22.04	-143163	2.25
Meghalaya	537	-395	-126	2.93	-2.16	9.70	-135.80	-0.69
Mizoram	28	-580	566	0.33	-6.94	0.61	-4.79	6.76
Nagaland	603	-654	669	3.85	-4.17	9.72	-92.24	4.26
Sikkim	781	-66	205	7.46	-0.63	20.59	-1190.68	1.96
Tripura	1837	337	734	7.70	1.41	26.06	545.94	3.08
Uttarakhand	1787	-1599	1931	1.66	-1.48	11.35	-111.74	1.79
All States	25317	-197976	217468	0.28	-2.20	1.98	-12.79	2.42

¹⁵ Normally fiscal deficit and incremental liabilities should be same. These have, however, differed because of the impact of suspense, remittances and advances. Increase in disbursements in these heads, would increase the need for additional resources, the same may not get fully reflected in demand, which fiscal deficit would suggest.

Note: RR-Revenue Balance, RB-Revenue Balance, FB-Fiscal Balance

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)
General Category States					
Andhra Pradesh	103830	13.76	12041	129.18	57.67
Bihar	59567	20.11	5940	63.72	27.29
Chhattisgarh	29578	18.09	11874	127.39	44.07
Delhi	25561	7.34	13089	140.42	91.67
Goa	5845	13.78	31292	335.72	50.29
Gujarat	75229	11.23	12420	133.25	71.64
Haryana	33634	9.91	12805	137.38	70.05
Jharkhand	24770	16.33	7661	82.19	33.20
Karnataka	78176	15.06	12895	138.35	68.76
Kerala	44137	12.63	12598	135.16	68.14
Madhya Pradesh	70427	18.92	9456	101.44	43.42
Maharashtra	142947	10.80	12355	132.55	72.37
Orissa	43937	17.20	10599	113.71	34.22
Puducherry	3146	18.76	20794	223.09	60.94
Punjab	32051	11.24	11334	121.60	70.47
Rajasthan	66913	14.57	9567	102.64	45.59
Tamil Nadu	98828	13.27	14477	155.32	72.10
Uttar Pradesh	145904	18.65	7023	75.35	39.82
West Bengal	68296	11.15	7495	80.41	48.04
Special Category States					
Arunachal Pradesh	5762	48.76	45366	486.71	5.49
Assam	30691	21.67	9799	105.13	26.88
Himachal Pradesh	15598	21.16	22547	241.90	29.66
Jammu and Kashmir	26217	33.80	21829	234.19	22.25
Manipur	6820	54.63	27214	291.96	4.88
Meghalaya	5536	30.26	20643	221.46	15.31
Mizoram	4537	54.25	44132	473.47	4.92
Nagaland	6204	39.58	26963	289.28	5.48
Sikkim	3793	36.22	60596	650.10	11.48
Tripura	7050	29.55	19055	204.43	14.25
Uttarakhand	15747	14.60	15402	165.24	40.73
All States	1280731	14.25	10492	112.56	53.09

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)
General Category States						
Andhra Pradesh	59875	0.08	0.72	8.28	5.40	0.44
Bihar	16253	0.05	0.80	9.25	2.93	0.23
Chhattisgarh	13034	0.08	0.73	9.12	4.24	0.36
Delhi	23432	0.07	0.89	5.84	4.54	0.36
Goa	2940	0.07	1.26	6.45	3.72	0.35
Gujarat	53897	0.08	1.02	7.56	5.89	0.34
Haryana	23559	0.07	0.98	6.34	4.53	0.26
Jharkhand	8224	0.05	0.39	7.30	4.23	0.31
Karnataka	53754	0.10	1.05	10.21	5.47	0.74
Kerala	30077	0.09	0.90	8.54	6.44	0.55
Madhya Pradesh	30582	0.08	1.29	9.24	3.99	0.41
Maharashtra	103449	0.08	1.41	6.75	4.54	0.38
Orissa	15034	0.06	0.38	7.78	3.79	0.29
Puducherry	1917	0.11	0.44	11.00	7.68	0.31
Punjab	22588	0.08	1.04	7.49	4.64	0.35
Rajasthan	30503	0.07	0.83	7.40	4.04	0.50
Tamil Nadu	71254	0.10	1.05	9.35	5.91	0.53
Uttar Pradesh	58098	0.07	1.22	9.33	4.46	0.38
West Bengal	32808	0.05	1.04	5.71	3.03	0.20
Special Category States						
Arunachal Pradesh	317	0.03	0.07	6.06	1.37	0.11
Assam	8250	0.06	0.28	8.55	4.39	0.23
Himachal Pradesh	4626	0.06	0.27	7.33	3.70	0.27
Jammu - Kashmir	5832	0.08	0.43	8.72	5.38	0.15
Manipur	333	0.03	0.06	6.91	2.07	0.13
Meghalaya	848	0.05	0.09	7.30	3.45	0.20
Mizoram	223	0.03	0.04	6.46	2.10	0.27
Nagaland	340	0.02	0.01	4.47	1.64	0.27
Sikkim	435	0.04	0.11	6.82	2.17	0.16
Tripura	1005	0.04	0.26	6.47	3.20	0.13
Uttarakhand	6414	0.06	0.61	6.61	3.98	0.28
All States	679899	0.08	0.99	7.90	4.68	0.39

* 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
General Category States			
Andhra Pradesh	12089	11.64	11.77
Bihar	8364	14.04	15.36
Chhattisgarh	2412	8.16	8.94
Delhi	25 @	0.10	0.12
Goa	487	8.34	8.04
Gujarat	7198	9.57	10.33
Haryana	3636	10.81	9.55
Jharkhand	2931	11.83	12.53
Karnataka	7227	9.25	9.47
Kerala	8867	20.09	16.58
Madhya Pradesh	4947	7.02	7.86
Maharashtra	11472	8.03	8.27
Orissa	5379	12.24	14.07
Puducherry	372	11.82	12.18
Punjab	5966	18.61	15.12
Rajasthan	6858	10.25	10.81
Tamil Nadu	13162	13.32	13.56
Uttar Pradesh	17921	12.28	12.73
West Bengal	11024	16.14	13.43
Special Category States			
Arunachal Pradesh	331	5.74	6.91
Assam	3779	12.31	12.97
Himachal Pradesh	2747	17.61	16.98
Jammu and Kashmir	3463	13.21	13.79
Manipur	760	11.15	14.30
Meghalaya	388	7.01	7.77
Mizoram	371	8.17	8.22
Nagaland	677	10.91	12.09
Sikkim	225	5.94	7.48
Tripura	694	9.85	13.32
Uttarakhand	1366	8.67	9.78
All States	145138	11.33	11.56

@ 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. Amount of Rs 25 Crore is Pension to legislators.

Annexure-6

Parameters of Expenditure

	Revenue Expenditure (₹ in crore)	Total Expenditure (₹ in crore)	Revenue Expenditure/ Total Expenditure (percent)	Committed Expenditure to Revenue Expenditure net of Grants- in-Aid. (percent)*	Developmental Expenditure (Revenue+Capital + Loans & Advances) to total Expenditure (percent)**
General Category States					
Andhra Pradesh	102702	121764	84.35	23.84	72.47
Bihar	54466	66137	82.35	23.96	70.54
Chhattisgarh	26972	33780	79.85	14.42	77.39
Delhi	20659	28571	72.31	14.57	72.81
Goa	6061	7008	86.50	8.04	71.51
Gujarat	69658	91767	75.91	27.86	72.69
Haryana	38072	44356	85.83	22.63	71.85
Jharkhand	23400	28219	82.92	22.75	68.49
Karnataka	76293	92874	82.15	19.45	73.29
Kerala	53489	59228	90.31	32.49	54.24
Madhya Pradesh	62969	79914	78.80	17.86	72.45
Maharashtra	138736	157550	88.06	23.16	68.03
Orissa	38238	44076	86.75	23.11	69.39
Puducherry	3051	3368	90.60	27.94	64.38
Punjab	39458	41571	94.92	32.89	53.50
Rajasthan	63462	76557	82.89	24.05	72.56
Tamil Nadu	97067	116404	83.39	27.47	64.32
Uttar Pradesh	140724	165561	85.00	32.04	59.13
West Bengal	82111	87722	93.60	35.11	58.94
Special Category States					
Arunachal Pr.	4786	5996	79.82	13.01	74.81
Assam	29137	32215	90.45	21.23	58.00
Himachal Pr.	16174	18598	86.97	31.65	63.94
Jammu-Kashmir	25117	30435	82.53	24.63	62.99
Manipur	5317	6821	77.94	23.84	60.37
Meghalaya	5000	5955	83.96	14.45	72.29
Mizoram	4509	5147	87.61	15.04	71.07
Nagaland	5601	6859	81.67	20.69	59.92
Sikkim	3012	3860	78.04	14.59	61.34
Tripura	5213	6715	77.63	24.04	63.30
Uttarakhand	13960	17775	78.54	26.77	66.23
All States	1255415	1486802	84.44	25.46	65.38

* 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
(Revenue Receipts as percent to Revenue Expenditure)**

	Education, Art & Culture	Medical and Public Health	Family Welfare	Social Services	Economic Services
General Category States					
Andhra Pradesh	7.30	6.83	0.06	3.74	14.84
Bihar	0.05	2.71	0.00	0.26	5.33
Chhattisgarh	0.17	1.73	0.06	0.56	52.14
Delhi	0.43	2.24	0.00	0.74	1.29
Goa	2.57	1.91	0.00	7.43	77.31
Gujarat	2.00	4.38	1.05	2.99	23.42
Haryana	5.49	5.30	0.07	10.96	12.82
Jharkhand	0.18	1.54	0.04	1.27	51.66
Karnataka	1.02	3.21	0.04	1.26	10.35
Kerala	1.74	3.12	0.01	1.54	7.44
Madhya Pradesh	15.44	1.61	0.07	7.61	26.04
Maharashtra	1.17	6.32	6.01	3.37	15.49
Orissa	1.23	0.72	0.04	1.27	62.49
Puducherry	0.15	4.82	0.17	1.92	6.36
Punjab	0.59	4.88	0.04	2.79	5.43
Rajasthan	0.64	3.29	0.07	2.55	47.36
Tamil Nadu	4.26	10.54	8.24	6.20	8.44
Uttar Pradesh	14.33	2.50	0.01	8.76	9.29
West Bengal	0.23	2.45	0.02	0.54	2.76
Special Category States					
Arunachal Pradesh	0.29	0.20	0.00	1.13	10.73
Assam	0.11	0.82	0.14	0.24	34.92
Himachal Pradesh	3.26	1.35	0.02	2.95	26.04
Jammu-Kashmir	0.13	1.39	0.02	0.96	25.13
Manipur	0.14	0.06	0.00	0.56	8.98
Meghalaya	0.11	0.47	0.00	0.43	23.79
Mizoram	0.18	0.20	0.01	1.18	11.49
Nagaland	5.24	0.14	0.01	3.66	8.05
Sikkim	0.26	1.19	0.00	0.83	20.53
Tripura	0.07	3.32	0.02	0.58	6.09
Uttarakhand	1.04	4.15	0.19	1.53	27.49
All States	3.87	3.96	1.18	3.61	20.19

Annexure-8
Parameters of Recovery of User Charges
(Revenue Receipts as percent to Non-Plan Revenue Expenditure)

	Education, Art and Culture	Medical and Public Health	Family Welfare	Social Services	Economic Services
General Category States					
Andhra Pradesh	9.01	8.37	10.66	6.73	19.56
Bihar	0.09	2.71	0.01	0.53	8.55
Chhattisgarh	0.65	4.40	--	1.84	75.94
Delhi	0.56	4.52	--	1.52	1.51
Goa	3.45	2.78	--	12.32	94.45
Gujarat	2.26	8.85	3.22	5.43	48.90
Haryana	7.69	9.69	--	20.76	16.41
Jharkhand	0.28	2.07	0.33	2.48	112.23
Karnataka	1.39	4.90	0.66	14.52	14.85
Kerala	1.91	3.68	0.05	2.00	10.88
Madhya Pradesh	20.68	2.23	6.54	14.62	39.75
Maharashtra	1.23	8.47	73.37	4.46	22.52
Orissa	1.75	0.97	0.36	2.28	119.92
Puducherry	0.23	9.43	1.77	4.21	10.64
Punjab	0.69	5.49	0.17	3.59	5.74
Rajasthan	0.79	4.07	2.74	3.53	76.48
Tamil Nadu	5.39	14.71	75.06	12.38	10.37
Uttar Pradesh	19.07	2.66	8.87	14.49	11.45
West Bengal	0.30	2.87	0.09	0.83	5.12
Special Category States					
Arunachal Pradesh	0.43	0.25	--	2.04	22.78
Assam	0.14	1.19	1.44	0.35	52.94
Himachal Pradesh	3.86	1.56	0.03	3.73	33.40
Jammu and Kashmir	0.15	1.49	0.10	1.20	25.75
Manipur	0.17	0.10	--	0.89	14.50
Meghalaya	0.16	0.82	0.00	0.69	62.51
Mizoram	0.37	0.40	1.13	2.49	27.72
Nagaland	6.35	0.15	6.00	4.88	13.52
Sikkim	0.36	1.78	--	1.44	46.42
Tripura	0.08	5.42	11.00	1.11	8.34
Uttarakhand	1.24	6.21	4.63	2.25	36.03
All States	4.94	5.28	15.13	6.25	29.19

