



लोकहितार्थ सत्यनिष्ठा  
Dedicated to Truth in Public Interest

# **Union And State Finances At A Glance 2017-18**

Comptroller and Auditor General of India



# **UNION AND STATE FINANCES AT A GLANCE 2017-2018**

**Comptroller and Auditor General of India**



## Preface

This publication “Union and State Finances at a Glance” is an overview of the Government Finances of both the Union and the states. It presents the information on accounts in an easy to comprehend manner with extensive use of graphs, charts. It portrays the trends in the receipts, expenditure and fiscal position of the Union and State Governments. It also provides an opportunity for Inter-state comparisons and does attempt to address the felt –need of various stakeholders for a publication containing reader friendly summary of Union and State Finances. Detailed information on any of the aspects dealt with in this publication is available in the 'Combined Finance and Revenue Accounts' 2017-18 and the 'Finance Accounts' of the Union and the States for the year 2017-18.

We look forward to reader’s views and comments on this publication. The feedback would help us in further improving the publication in the years to come.



( Rajiv Mehrishi)

Comptroller and Auditor General of India

Date:4 June, 2020

Place: New Delhi



# CONTENTS

<b>Chapter 1</b>	<b>Page No.</b>
1.1. Introduction	01
1.2. Structure of Government Accounts	02
1.3. Quality of Accounts	02
1.4. Flow diagram for Accounts Compilation	05
<b>Chapter 2</b>	
2.1. Sources and Application of Funds	06
2.2. Cash Management	07
<b>Chapter 3</b>	
3.1 Revenue Receipts	10
3.2 The Revenue Basket	12
3.3. Analysis of Tax Revenue of States	12
3.4 Grants-in-Aid	16
3.5 Revenue (Tax) Buoyancy	19
<b>Chapter 4</b>	
4.1 Revenue and Capital Expenditure	21
4.2 Analysis of components of Revenue Expenditure	24
4.3 Sectoral Analysis of Expenditure	30
4.4 Functional Analysis	33
<b>Chapter 5</b>	
5.1 Deficit	39
5.2 Gross Domestic Product (GDP) and Gross State Domestic Product (GSDP)	39
5.3 Union Government: Trends of Revenue Deficit and Fiscal Deficit	40
5.4 State Government's Performance under Fiscal Responsibility and Budget Management Act (FRBMA)	40
<b>Chapter 6</b>	
6.1 Public Debt	44
<b>Chapter 7</b>	
7.1 Public Account	49
7.2 Assets and Liabilities	56





## Introduction

# Chapter-1

1.1.1

### How Accounts Are Compiled

Union Government accounts are compiled by the Controller General of Accounts from the accounts received from the Pay and Accounts Offices (PAOs) attached to the Ministries and Departments of the Government of India. The Accounts of the Railways, P&T and Defence also forms part of the Union Government Accounts.

The accounts of the State Government are compiled by the Accountant General of the State concerned based on the transactions reported by the treasuries and other accounts rendering units like Public Works Divisions, Forest Divisions, etc.

1.1.2

### Finance Accounts

Finance Accounts of both the Union Government and State Governments<sup>1</sup> are prepared annually. These are audited by the Comptroller and Auditor General of India. The Accounts present the receipts and expenditure of the Government for the year together with the financial results disclosed by the revenue and capital accounts and public debt. The liabilities and assets of the Government are worked out from the balances recorded in the accounts.

1.1.3

### Union and State Finances at a Glance

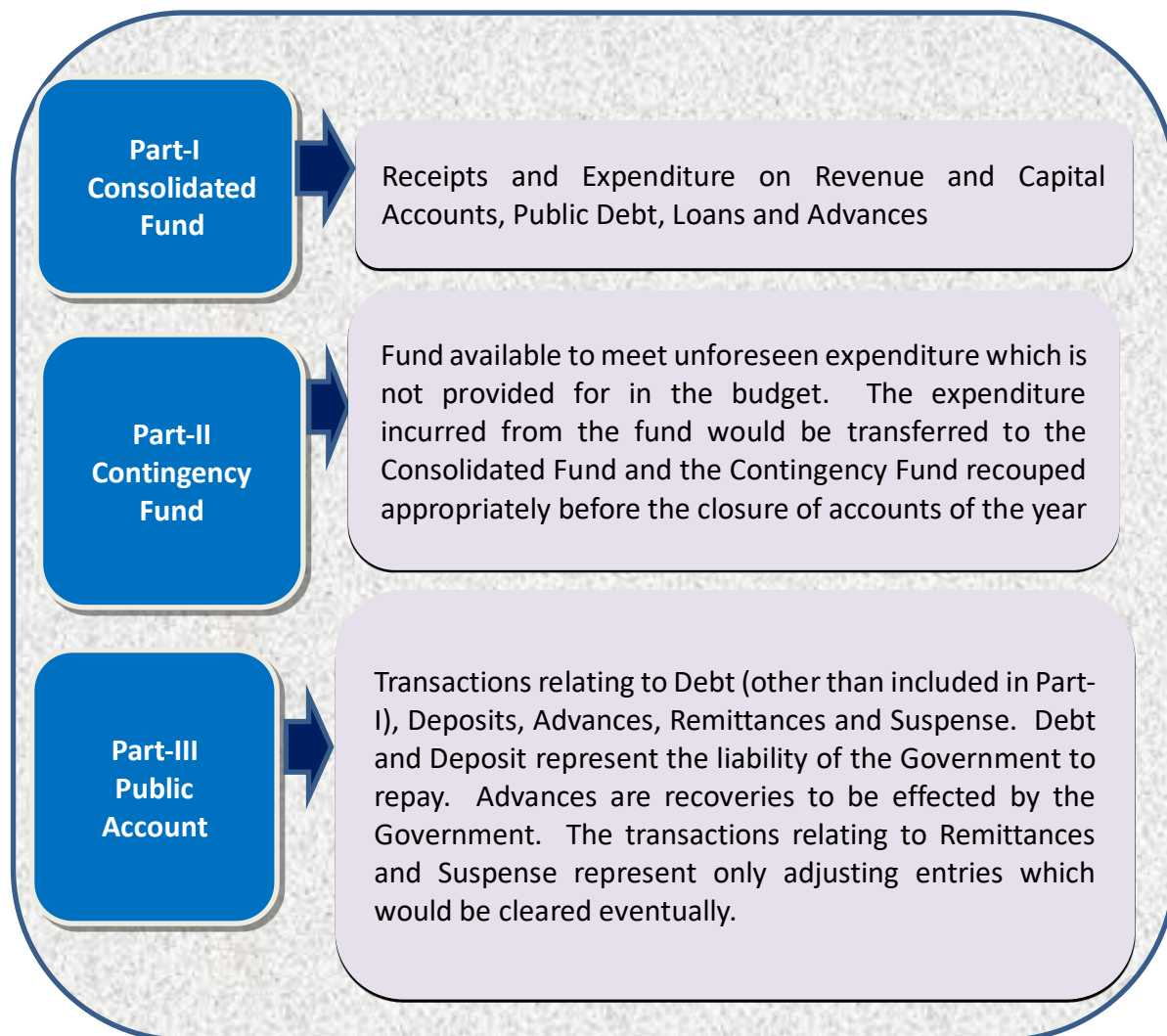
This publication provides the reader with a snapshot of the Finances of Union and the States. We have included key financial parameters and attempted to make the publication reader friendly, keeping the use of technical terms to a minimum. We welcome inputs to improve the product further.

---

<sup>1</sup>The figure taken here do not include the un-apportioned amounts in respect of those states where balances remain un-apportioned.



## Structure of Government Accounts

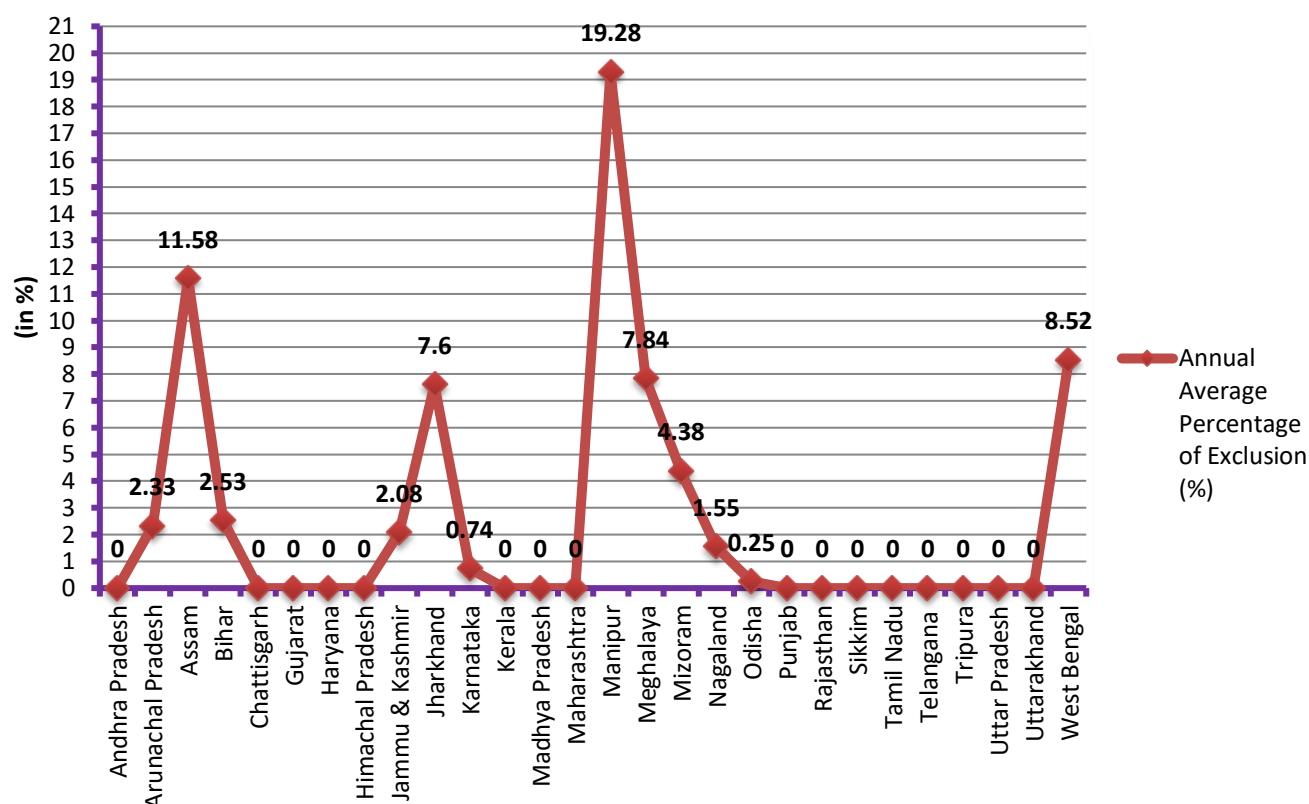


## Quality of Accounts

### Exclusions

The offices of the Accountants General (A&E) receive monthly accounts from various treasuries, Public Works divisions, Forest divisions, Irrigation divisions and Rural Engineering Service divisions. These are compiled, consolidated and incorporated in the monthly civil accounts (MCA). The accounts of all these account rendering units (ARUs) are required to be received by the Accountant General. Non receipt of accounts from ARUs result in exclusion of the respective accounts in the compilation of MCA for that month. The accounts are incomplete to the extent of exclusions. The Annual Average Percentage of Exclusion of Accounts during the year 2017-18 is depicted below:

### Annual Average Percentage of exclusion of Accounts during 2017-18



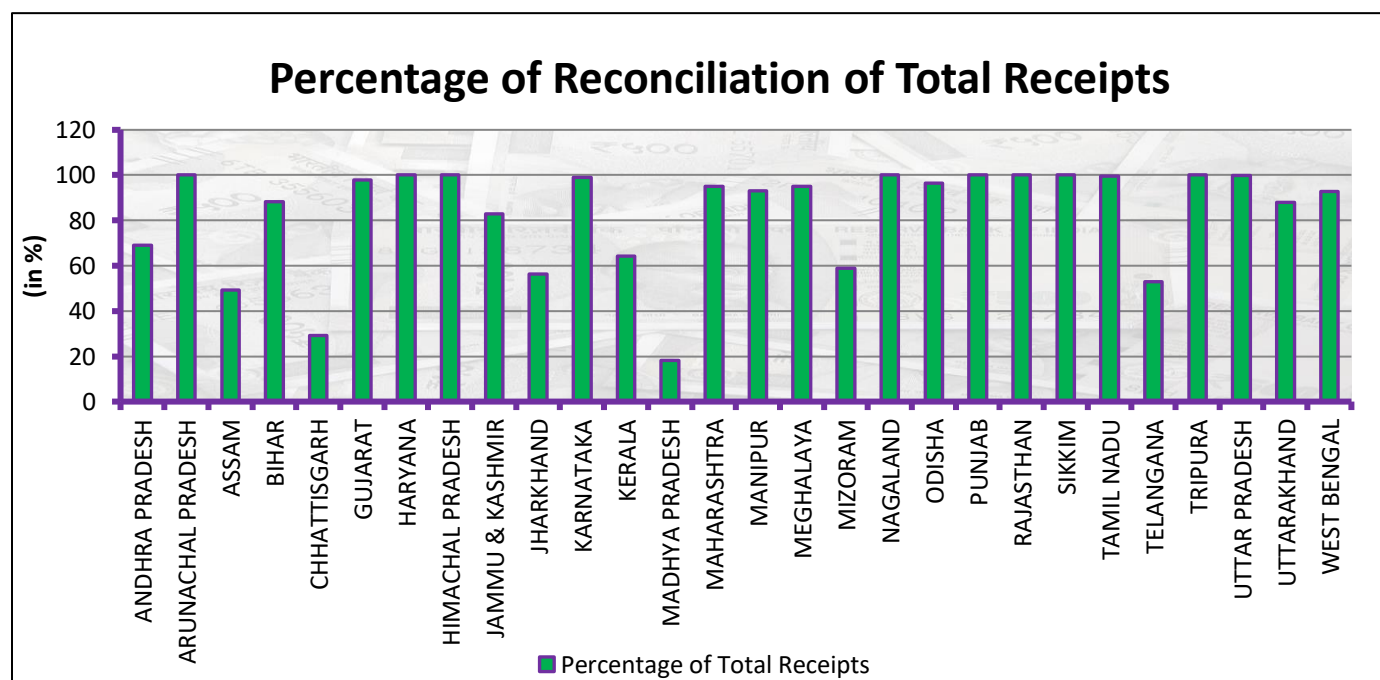
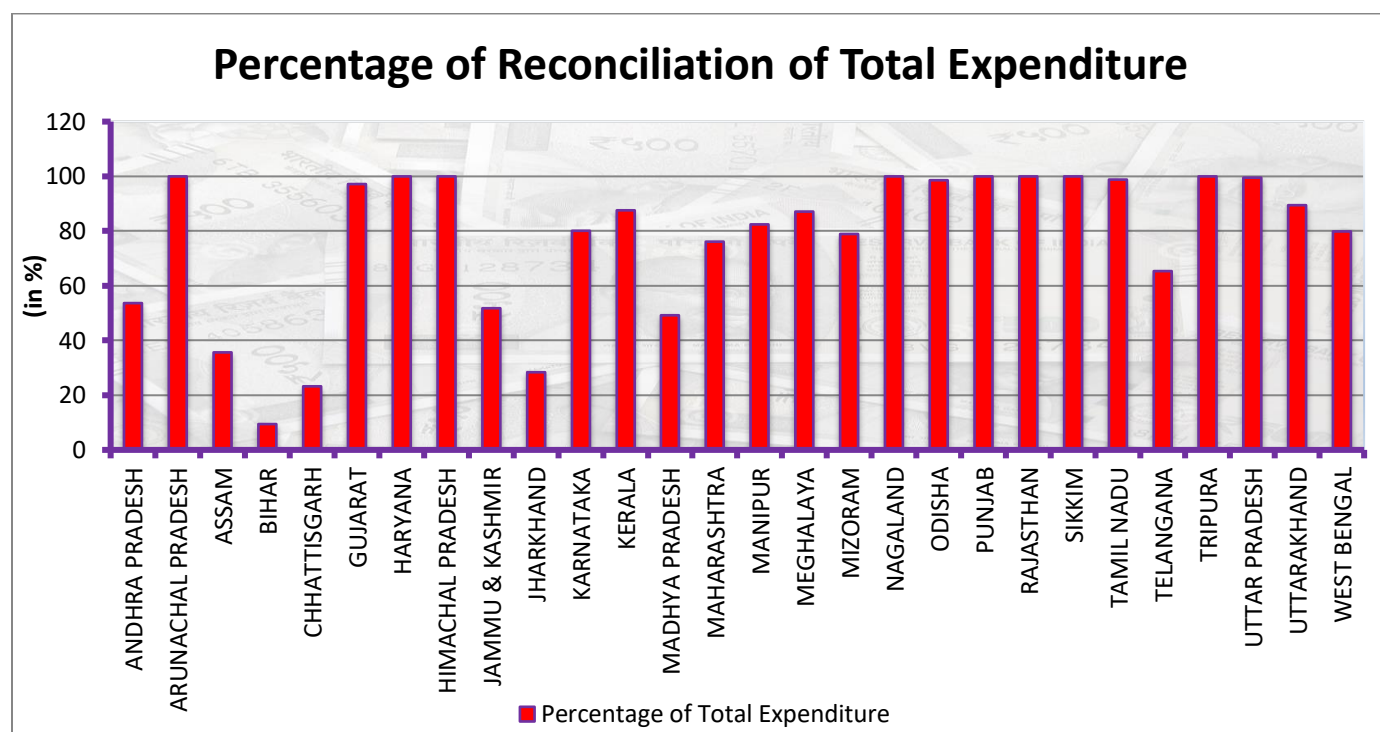
#### 1.3.2

### Reconciliation of Receipts and Expenditure

In order to exercise effective control of expenditure to keep it within the budget grants and to ensure accuracy of their accounts, all Chief Controlling Officers (CCOs)/Controlling Officers (COs) are required to reconcile the figures of Receipts and Expenditure recorded in their books every month with the figures accounted for by the Accountant General (A&E) offices. The completeness and correctness of the receipts and expenditure figures depicted in the Finance Accounts to a large extent depends upon the extent of reconciliation done. The following is the status of reconciliation of expenditure and Receipts of the states:

Particulars	Extent of Reconciliation	Details of States
Extent of Expenditure Reconciliation	Complete	7 states
	80 % – 100%	10 States
	40% - 80%	7 States
	Less than 40 %	4 States –Assam, Bihar, Chhattisgarh and Jharkhand
Extent of Revenue Reconciliation	Complete	8 States
	80 % – 100%	12 States
	40% - 80%	6 States
	Less than 40 %	2 States – Chhattisgarh and Madhya Pradesh

The status of reconciliation in respect of receipts and expenditure during 2017-18 in respect of each state is depicted below:







## Sources and Application of Fund

This section gives an overview of the Governments transactions under Cash Balance, Receipts, Expenditure, Public Debt and Public Account. The Cash Balance of both the Union Government and State Governments decreased as on 31<sup>st</sup> March 2018. Table 2.1.1 below how the sources and application of Funds:

2.1.1

### Sources and Application of Funds (2017-18)

(₹ in crore)

	Particulars	Union Government	Total of all States <sup>2</sup>
SOURCES	Opening Cash Balances as on 1st April 2017	5498.61	-1935.48
	Revenue Receipts	1691143.10	2321241.30
	Miscellaneous Capital Receipts	100048.45	174.40
	Recovery of Loans and Advances	70639.17	39711.29
	Public Debt	6554001.57	627735.05
	Small Savings, Provident Funds and Others	850460.22	175399.92
	Reserves and Sinking Fund	307037.44	65261.64
	Deposits received	266452.04	815369.82
	Suspense and Miscellaneous	6134.39	5125573.98
	Remittances	4308.86	242931.70
	Contingency Fund Receipt		6611.09
	Inter-State Settlement		1.19
	<b>Total</b>	<b>9855723.85</b>	<b>9418075.90*</b>
APPLICATION	Revenue Expenditure	21,40,084.54	2340082.27
	Capital Expenditure	3,25,115.97	393620.65
	Transfer to Contingency Fund	-	-
	Loans Given	82,136.18	37846.03
	Repayment of Public Debt	58,72,604.63	300888.83
	Small Savings, Provident Fund and Others	8,44,637.65	141672.99
	Reserves and Sinking Fund	2,88,614.03	61354.70
	Deposits Given	2,41,314.34	751330.85
	Suspense and Miscellaneous	58,707.83	5139092.52
	Remittances	1,100.80	244170.60
	Closing Cash Balance as on 31st March 2018	1407.88	827.43
	Contingency Fund Disbursement		6992.92
	Inter-State Settlement		195.48
	<b>Total</b>	<b>9855723.85</b>	<b>9418075.27</b>

<sup>2</sup> Includes NCT Delhi, Goa and Puducherry

\*This figure is slightly higher than the corresponding figure for Applications due to several stages of rounding at individual state level.



## Cash Management

The Union and State Governments except Sikkim maintain their accounts with the Reserve Bank of India (RBI). The Government of Jammu and Kashmir maintains its account with the RBI through the agency bank viz. Jammu and Kashmir Bank. The Government of Sikkim maintains its account with the State Bank of Sikkim. The State Government can obtain Ordinary Ways and Means Advance and Special Ways and Means Advance from RBI in order to maintain its liquidity position. If there is a shortfall in the agreed minimum Cash Balance even after availing of Special Ways and Means Advance, the Union and State Governments can avail of the Overdraft (OD) facility.

### 2.2.1

## Ways and Means Advances from Reserve Bank of India

Under an agreement with the Reserve Bank of India (RBI), the State Government has to maintain a minimum cash balance with the RBI. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary and special ways and means advances / overdrafts from time to time. During 2017-18, 14 (fourteen)<sup>3</sup> States maintained minimum cash balance on all the 365 days without availing any Ways and Means Advances from Reserve Bank of India. The remaining states have either availed ordinary or Special Ways and Means Advances or both, and 6 (six)<sup>4</sup> states have availed Overdraft facility for days varying between 1 day to 100 days (Punjab) during the year.

### 2.2.2

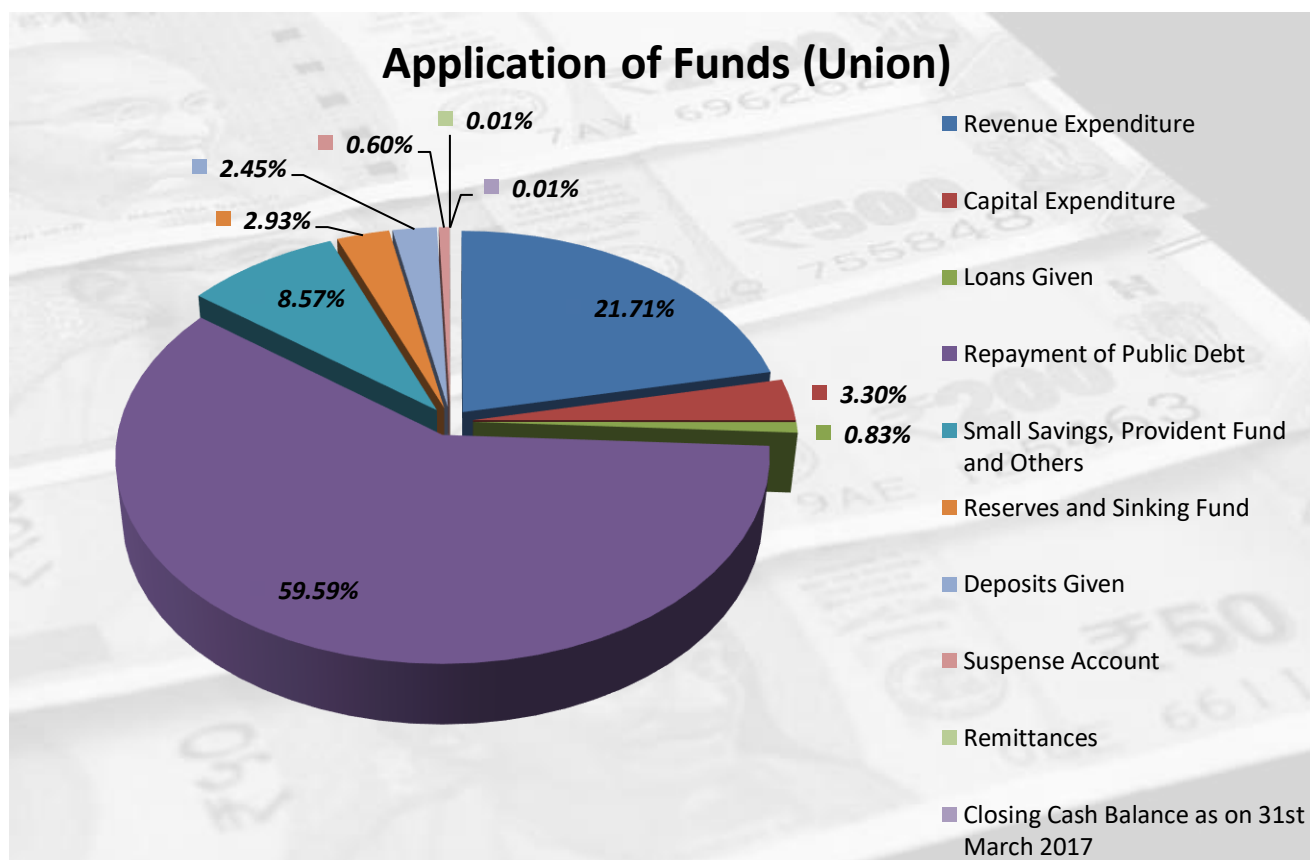
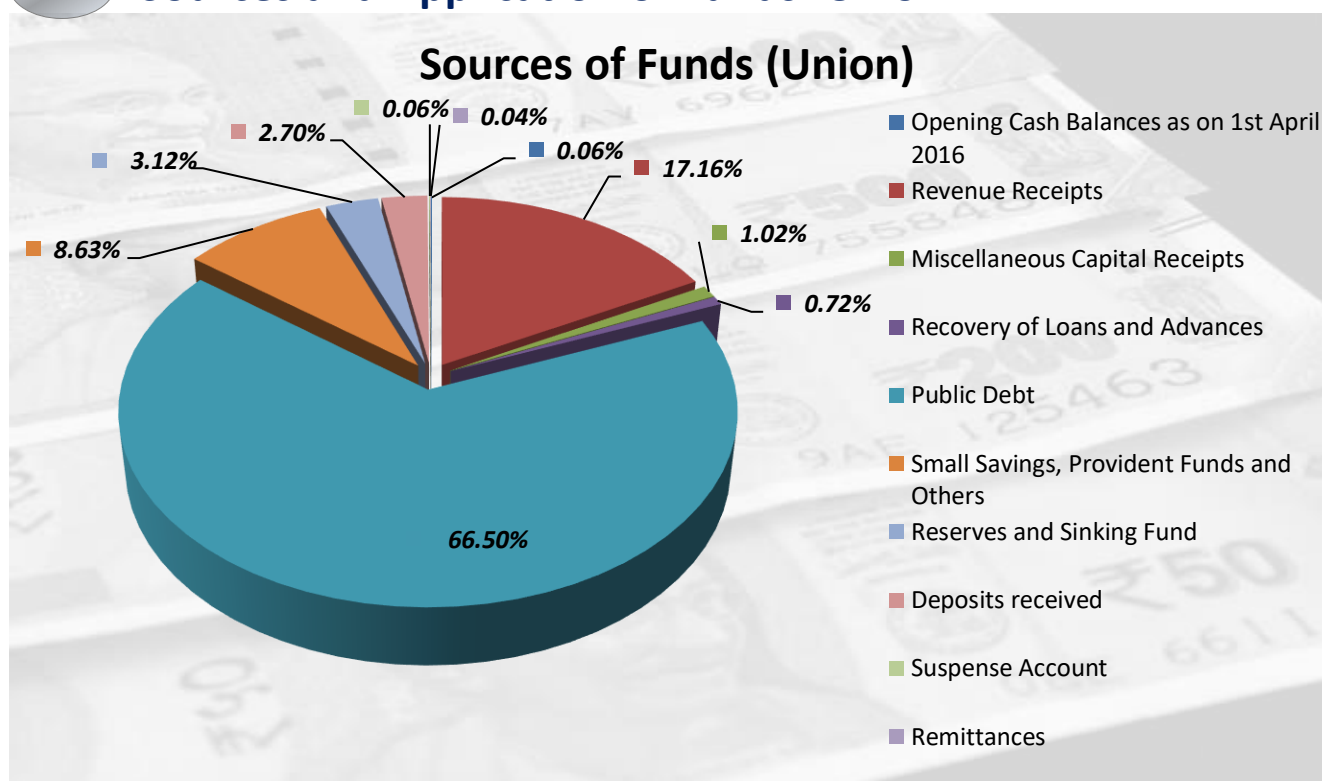
Following are two sets of graphs for application and sources of funds are prepared separately for the Union and the States.

In case of Union while the sources include 67 per cent from borrowings, application of funds include 60 per cent used in repayment of Debt. The Revenue Expenditure in respect of the Union consists of the item Grants-in-Aid (₹ 381525.53 crore) which is 17.83 percent of the total revenue expenditure of the Union government) given by the Union to States. In respect of the States the Grants-in-aid received from the Union forms a part of the Revenue Receipts. Details are in Chapter 3.

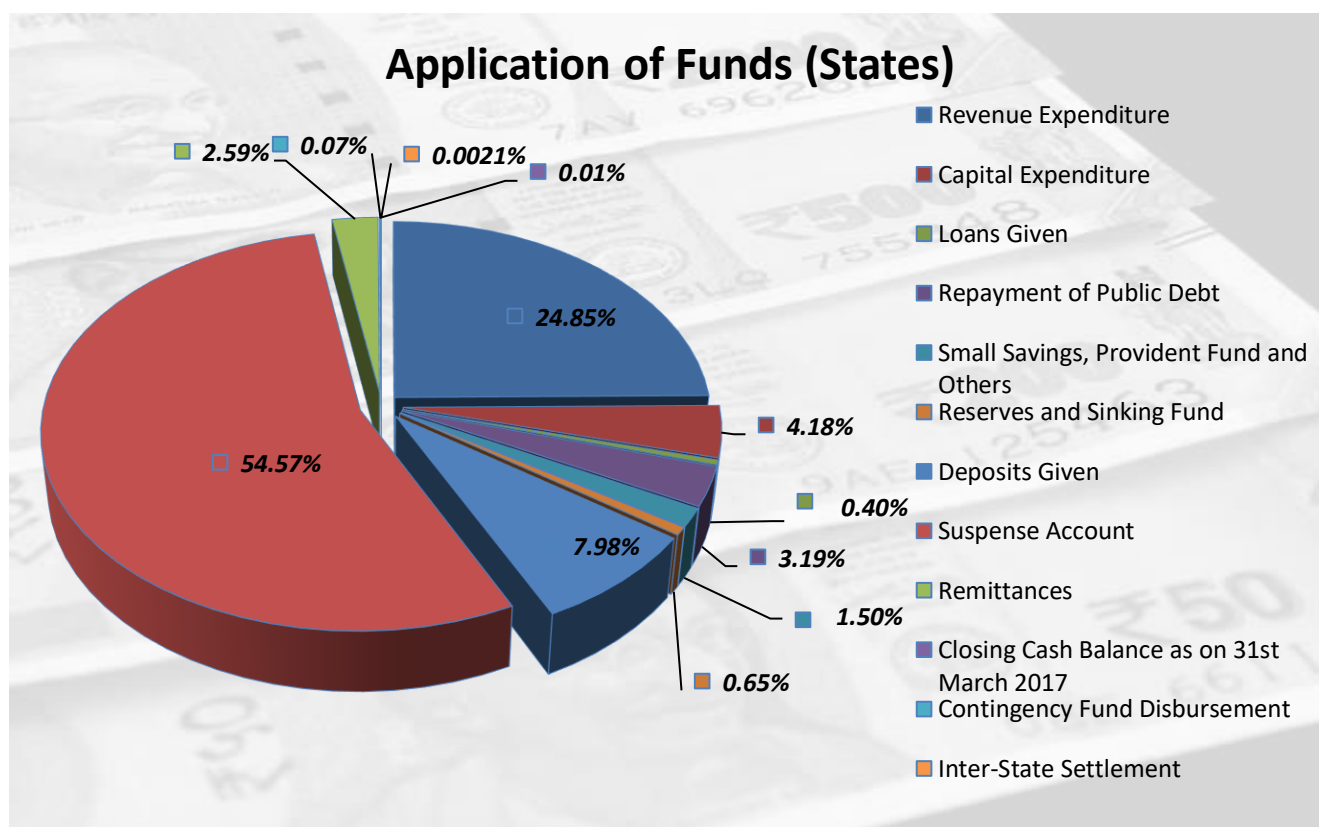
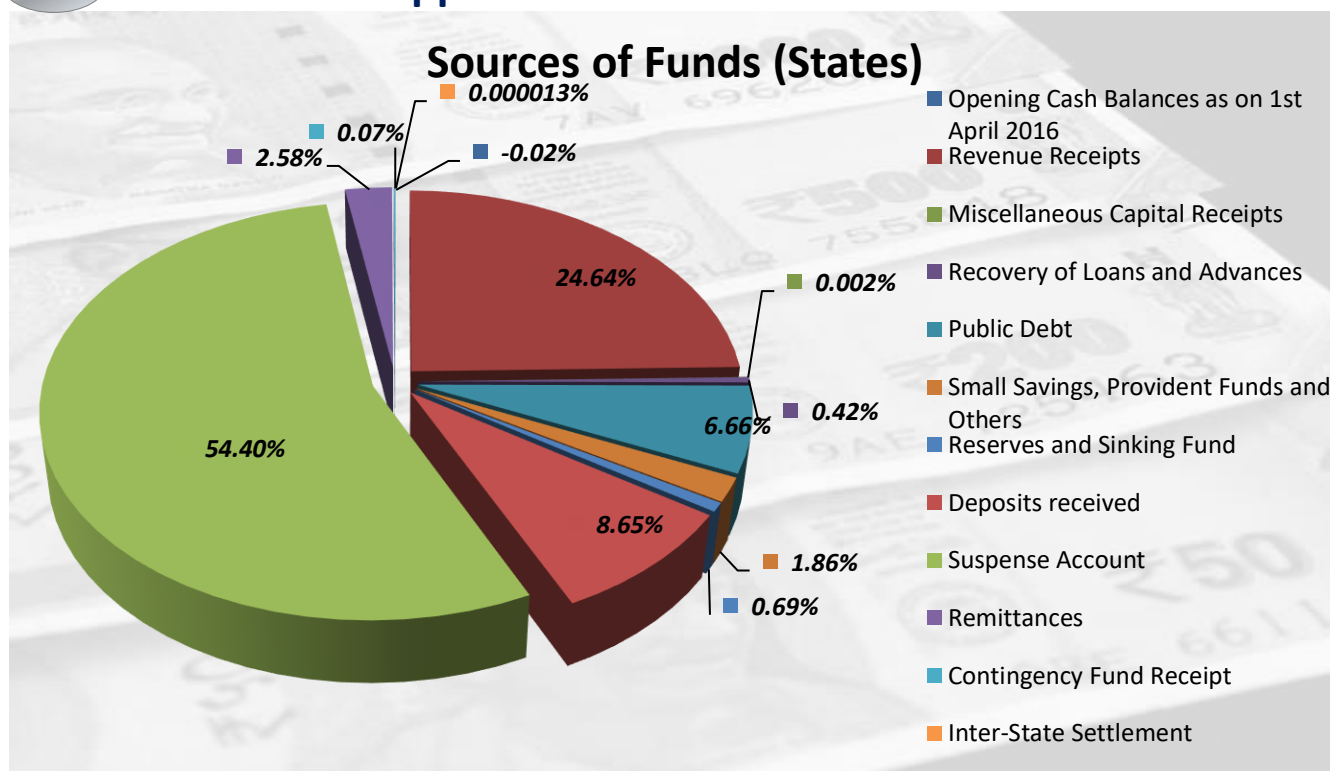
<sup>3</sup> Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Karnataka, Madhya Pradesh, Meghalaya, Mizoram, Odisha, Rajasthan, Sikkim, Tamilnadu and Tripura.

<sup>4</sup> Andhra Pradesh, Jammu & Kashmir, Manipur, Nagaland, Punjab and Telangana.

## Sources and Application of Funds: Union



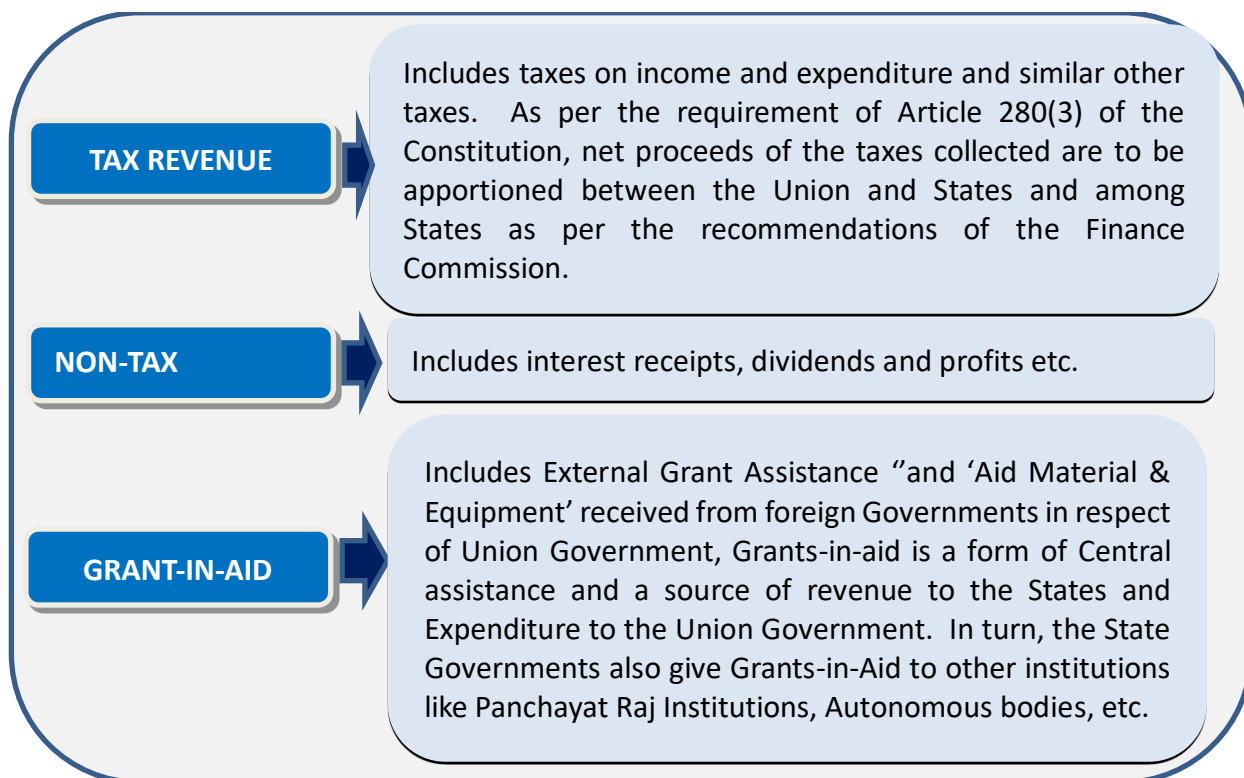
## Sources and Application of Funds: States





## Revenue Receipts

Revenue for both Union and State Governments consists of Tax Revenue, Non-Tax Revenue and Grants-in-Aid.



## 3.1.1

### Revenue Receipts

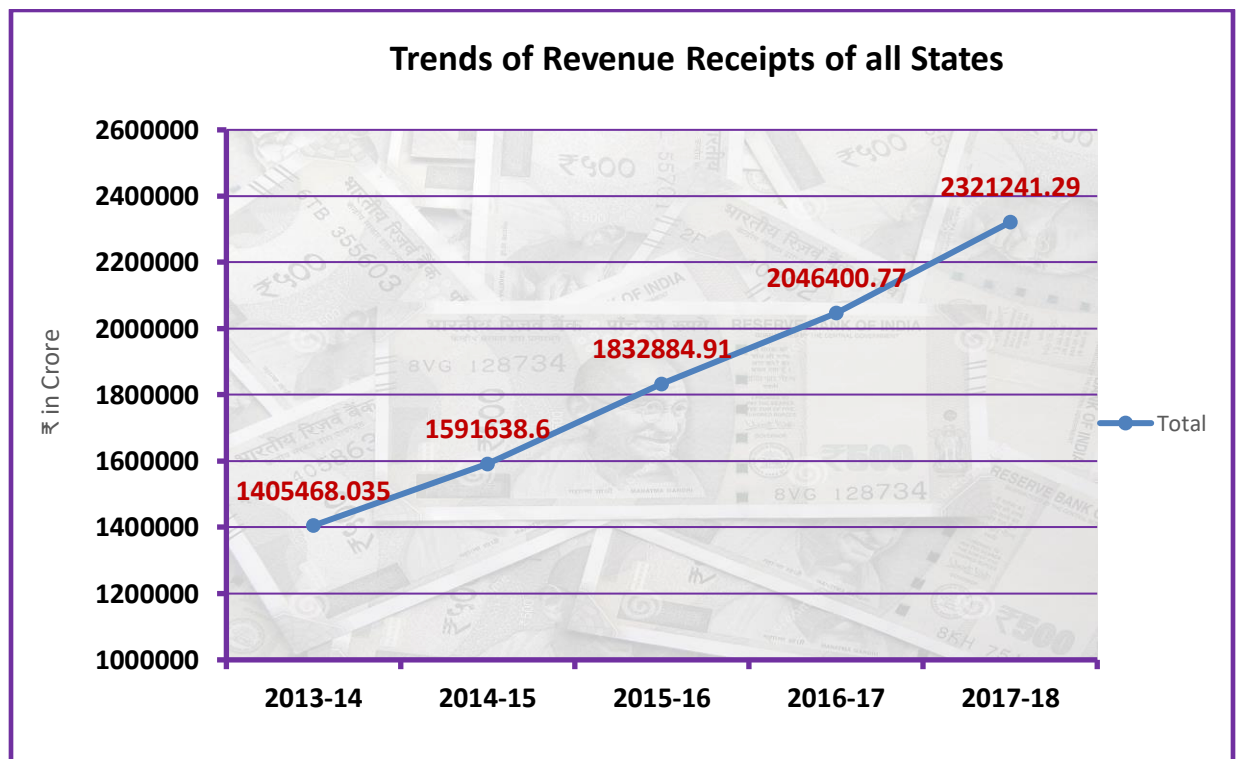
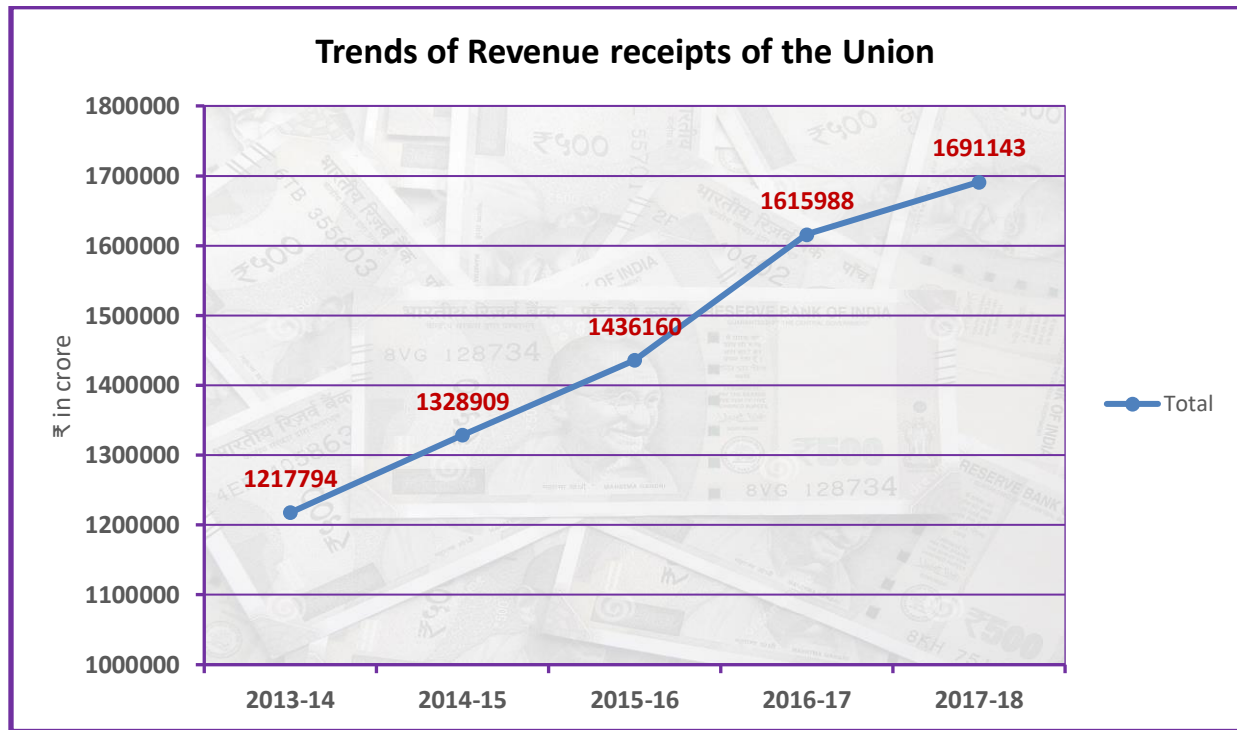
(₹ in crore)

Particulars (2017-18)	Union	Total of all States
Union/State's Own Tax Revenue	12,46,178	10,62,795
Non-Tax Revenue	4,41,383	1,79,638
Grants-in-Aid	3,582	4,05,625
Share of Union Taxes and Duties	-6,73,005 <sup>5</sup>	6,73,005 <sup>6</sup>
<b>Total Revenue Receipts</b>	<b>16,91, 143</b>	<b>23,21,063<sup>7</sup></b>

<sup>5</sup> Excluded in the total amount as it is included as a positive figure in Total amount of the States.

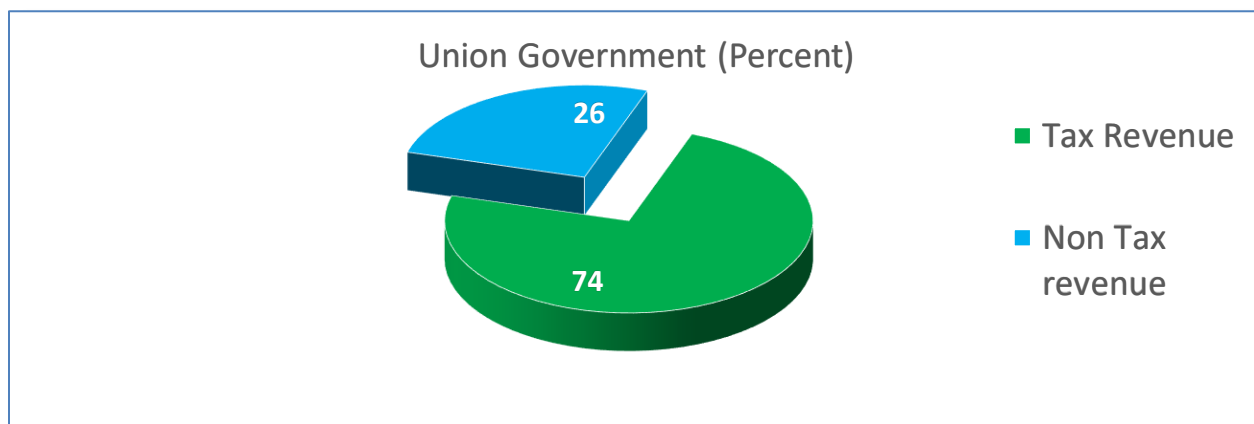
<sup>6</sup> The amount of net proceeds as detailed in the Finance accounts (₹ 673184 crore) differs (by 179 crore) from this amount in respect of the states of Maharashtra, Sikkim and Uttar Pradesh as compared to the Sanction of Ministry of Finance in this regard.

<sup>7</sup> The Total Revenue Receipts figure in Finance Accounts of the States/UTs is ₹ 2321241.29 crore as compared with this figure showing the same amount of difference of ₹ 179 crore the same as detailed in the previous footnote. The figure of the Finance accounts ₹ 2321241.29 crore shall be used in the document for all purposes.

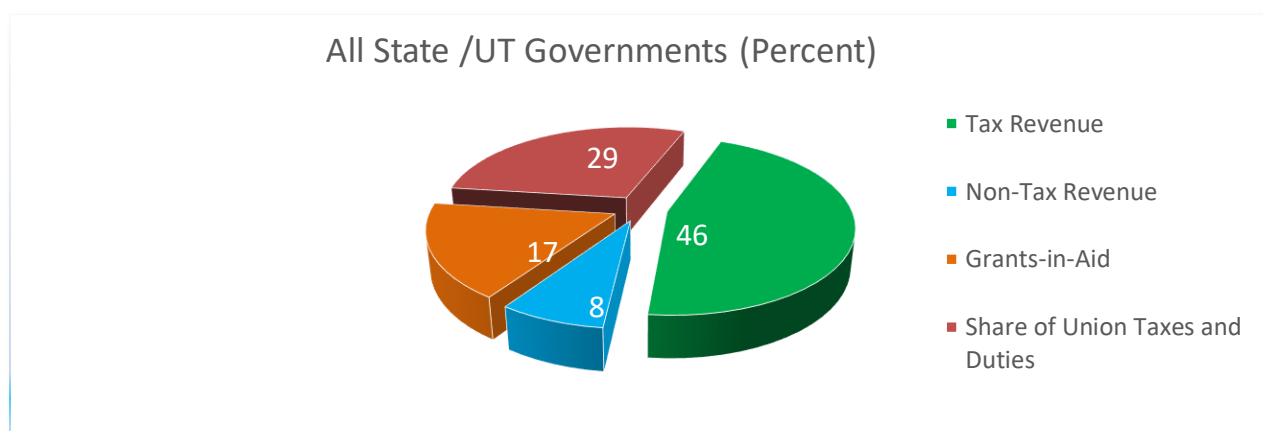




## The Revenue Basket



Every Revenue Rupee raised by the Union Government consists of 74 paise from Tax and 26 paise from Non-Tax Revenue.



Every “Revenue Rupee” raised by the State Governments consists of 46 paise from Tax Revenue, 8 paise Non-Tax Revenue, 17 paise from Grant-in-Aid from Union Government and 29 paise Tax Proceeds transferred to States



## Analysis of Tax Revenue of States



### Tax Revenue

Tax is the most important source of Revenue Receipts constituting 74 percent of Union and 46 percent of State revenues. Total Revenue Receipts as a percent to Gross Domestic

Product<sup>8</sup> is 9.90 percent in respect of the Union and 13.57 percent for the State governments. In the following Table, an analysis of States' own Tax Revenue, Non-Tax Revenue and Share of Union Taxes and duties is made:

## States' Own Tax Revenue, Non Tax Revenue and Share of Union Taxes assigned to the state

(All States Average ratio of States' own tax to total receipt: 37.32)<sup>9</sup>

State	Own Tax Revenue (₹ in Crore)	Non-Tax Revenue (₹ in Crore)	Share of Net Proceeds assigned to States/UTs (₹ in Crore)	Total Receipts <sup>10</sup> (₹ in Crore)	Own tax as a ratio of Total Revenue Receipts
Nagaland	638.28	388.53	3353.13	11019.21	5.79
Arunachal Pradesh	815.57	366.18	9238.79	13774.60	5.92
Mizoram	545.91	390.65	3097.05	8580.20	6.36
Manipur	790.94	174.07	4154.33	10357.83	7.64
Sikkim	688.33	654.38	2634.66	5212.79	13.20
Tripura	1422.02	493.48	4322.08	10067.95	14.12
Meghalaya	1450.10	366.63	4323.14	9273.48	15.64
Jammu & Kashmir	9536.40	4362.11	11911.65	48511.65	19.66
Bihar	23136.49	3506.74	65083.38	117446.74	19.70
Jharkhand	12353.44	7846.67	21143.63	52756.03	23.42
Assam	13215.52	4071.97	22301.54	54130.94	24.41
Himachal Pradesh	7107.67	2363.85	4801.31	27367.06	25.97
Odisha	27913.81	8398.48	31272.06	85204.29	32.76
Madhya Pradesh	44810.85	9061.18	50853.07	134875.39	33.22
Chattisgarh	19894.68	6340.42	20754.81	59647.07	33.35
Uttar Pradesh	97393.00	19794.86	120939.14	278775.45	35.70
Uttarakhand	10164.93	1769.53	7084.91	27104.57	37.50
Rajasthan	50605.41	15733.72	37028.01	127307.18	39.75
West Bengal	52720.57	3117.17	49321.10	131270.39	40.16
Goa	4731.36	3033.27	2544.26	11053.52	42.80
Andhra Pradesh	49486.41	3813.82	29001.16	105062.10	47.10
U.T. govt. Puducherry	2805.55	1373.72	0.00	6002.67	47.43
Kerala	46459.61	11199.61	16833.08	83020.14	55.96
Punjab	30423.25	4318.39	10616.94	53009.58	57.39
Gujarat	71549.41	15073.97	20782.29	123291.27	58.03
Karnataka	87130.38	6476.53	31751.96	146999.65	59.27
Telangana	56519.82	7825.39	16420.08	88824.09	63.63
Tamil Nadu	93736.60	10764.01	27099.71	146279.76	64.08
Haryana	41099.38	9112.85	7297.52	62694.87	65.55
Maharashtra	167931.86	16679.57	37219.20	243653.56	68.92
NCT Delhi	35717.02	766.06	0.00	38667.26	92.37
<b>Total</b>	<b>1062794.57</b>	<b>179637.81</b>	<b>673183.99</b>	<b>2321241.29</b>	

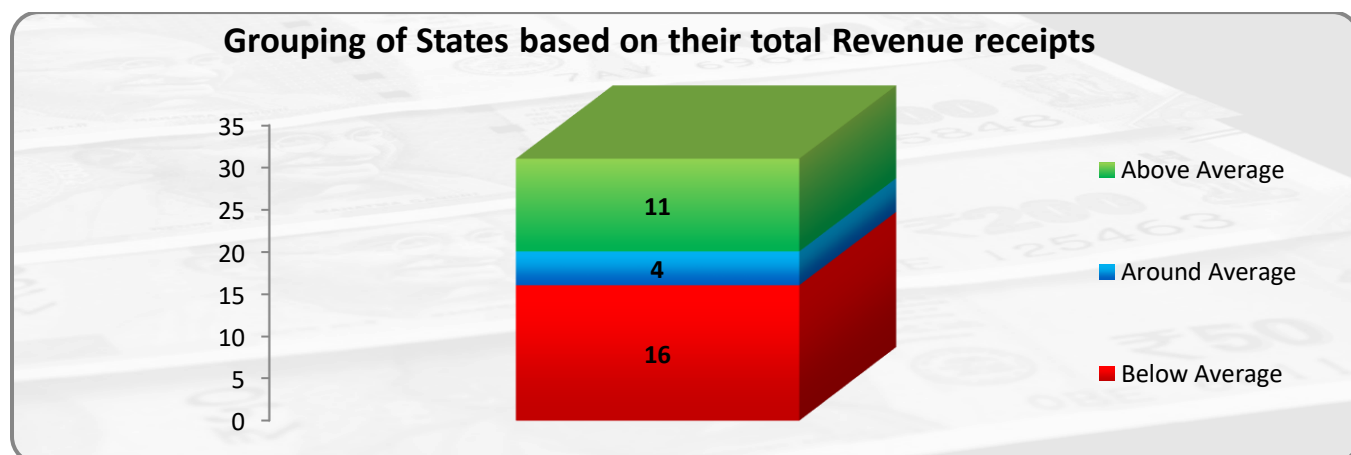
<sup>8</sup>GDP of Union ₹17095005 crore and ₹17102873 crore in respect of States/UTs for the base year 2011-12 at current prices released by CSO in August, 2019.

<sup>9</sup> Average = Total Receipts / No. of states & UTs

<sup>10</sup> Total Receipts = Own Tax Revenue + Non Tax Revenue + Share of union Taxes and Duties + Grant-in-aid



NCT of Delhi (92.37 per cent) tops the list in having the highest own tax revenue to Total revenue receipts ratio followed by Maharashtra (68.92 per cent), Haryana (65.55 per cent), Tamil Nadu (64.08 per cent), Telangana (63.63 per cent), Karnataka (59.27 per cent ) and Gujarat (58.03 per cent). The state of Nagaland (5.79 per cent) had the lowest ratio. It is seen that nine (9)<sup>11</sup> states have less than 20 per cent from their own sources. While all the states belong to the Special category, Bihar from the General Category States is among the states having lowest revenue from own sources as compared to the total receipts



### 3.3.2

## Goods and Service Tax (GST)

The Goods and Service Tax (GST) was made operational from midnight from 1 July 2017 by the President of India, and the Government of India. The single GST subsumed several taxes and levies, which included central excise duty, services tax, additional customs duty, surcharges, state-level value added tax and Octroi. Other levies which were applicable on inter-state transportation of goods have also been done away with in GST regime. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services.

India adopted a dual GST model, meaning that taxation is administered by both the Union and state governments. Transactions made within a single state are levied with Central GST (CGST) by the Central Government and State GST (SGST) by the State governments. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax/destination-based tax, therefore, taxes are paid to the state where the goods or services are consumed not the state in which they were produced. GST is levied at rates as per the recommendations of the GST Council where both Union and the State Governments have representation.

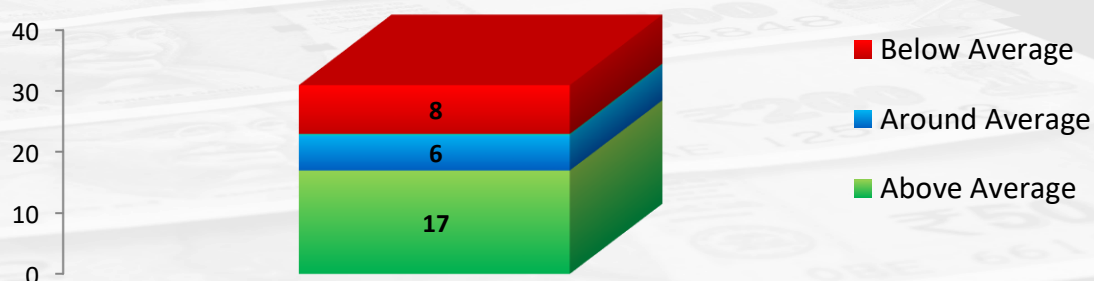
<sup>11</sup> Nagaland, Arunachal Pradesh , Mizoram, Manipur, Sikkim, Tripura, Meghalaya, Jammu& Kashmir and Bihar

## States' Per Capita Share of Net Proceeds assigned to States / UTs

(All States Average per capita Share of net proceeds assigned to States/UTs: ₹ 5051 )<sup>12</sup>

State	Share of Net Proceeds (₹ in crore)	Population (in crores)	Per capita Share of net proceeds assigned to States/UTs
NCT Delhi	0.00	1.83	0.00
U.T. govt. Puducherry	0.00	0.14	0.00
Haryana	7297.52	2.74	2664.49
Maharashtra	37219.20	12.08	3080.11
Gujarat	20782.29	6.39	3251.95
Tamil Nadu	27099.71	7.65	3543.30
Punjab	10616.94	2.96	3585.36
Telangana	16420.08	3.85	4267.97
Rajasthan	37028.01	7.82	4733.17
Kerala	16833.08	3.53	4764.41
Karnataka	31751.96	6.62	4798.84
West Bengal	49321.10	9.77	5048.48
Uttar Pradesh	120939.14	22.90	5282.12
Bihar	65083.38	11.95	5448.09
Andhra Pradesh	29001.16	5.29	5484.01
Jharkhand	21143.63	3.73	5664.11
Madhya Pradesh	50853.07	8.23	6175.78
Uttarakhand	7084.91	1.11	6388.31
Assam	22301.54	3.46	6448.10
Himachal Pradesh	4801.31	0.73	6562.12
Odisha	31272.06	4.54	6883.66
Chattisgarh	20754.81	2.86	7265.31
Jammu & Kashmir	11911.65	1.36	8736.08
Tripura	4322.08	0.41	10651.17
Meghalaya	4323.14	0.33	13195.10
Manipur	4154.33	0.30	13808.43
Nagaland	3353.13	0.22	15316.01
Goa	2544.26	0.15	16491.72
Mizoram	3097.05	0.12	25680.90
Sikkim	2634.66	0.07	39222.59
Arunachal Pradesh	9238.79	0.15	60451.57
<b>Total</b>	<b>673183.99</b>	<b>133.29<sup>13</sup></b>	<b>304893.26</b>

### Grouping of states based on per capita share of net proceeds



<sup>12</sup>Average = Total share of Union duties and taxes / No. of states & UTs

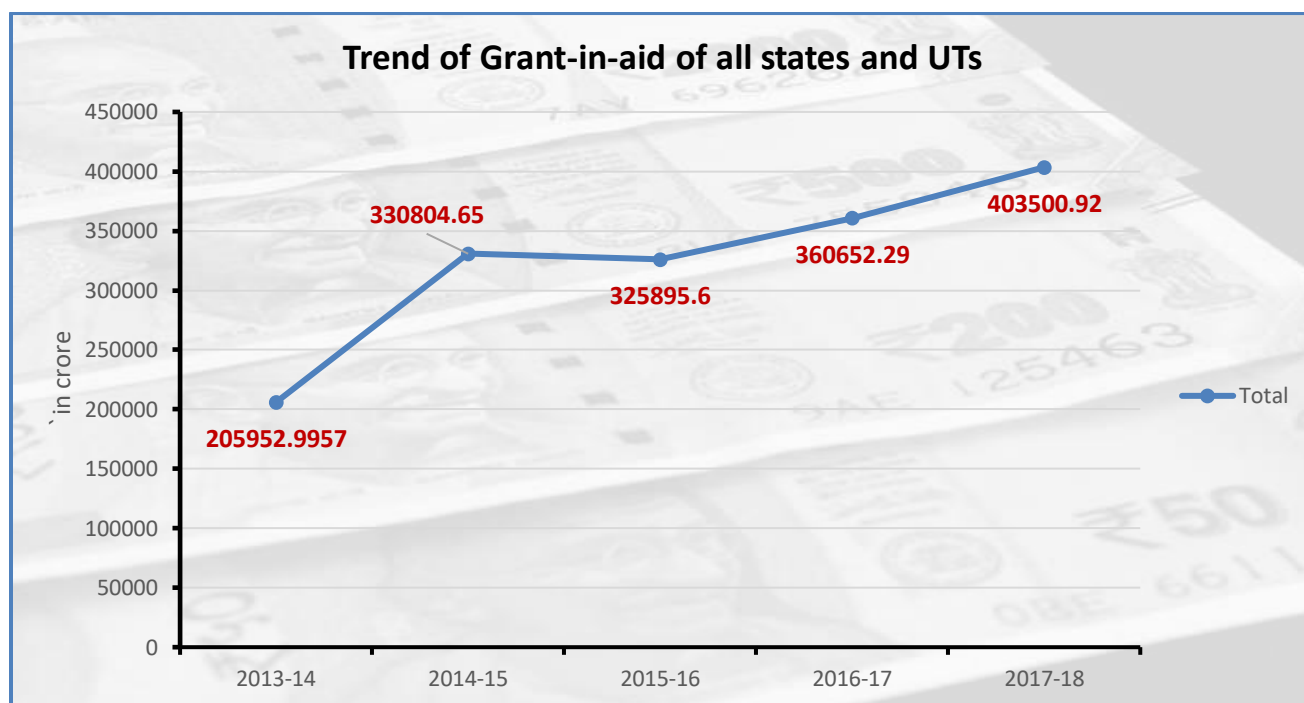
<sup>13</sup> Source: [www.statisticstimes.com](http://www.statisticstimes.com) as in 2018 of compiled by data of mospi updated by Unique Identification Authority of India



## Grants-in-Aid

Grants-in-Aid are given by the Union Government to States for implementation of Central Schemes etc. which constitute part of the State Revenue. Grants-in-aid therefore represent assistance from the Government of India, and comprise, grant for State Schemes, Central Schemes and Centrally Sponsored Schemes approved by the Planning Commission and State Grants recommended by the Finance Commission.

Following is the trend of receipt of Grant-in-aid of all the States and UTs combined during the last five years:



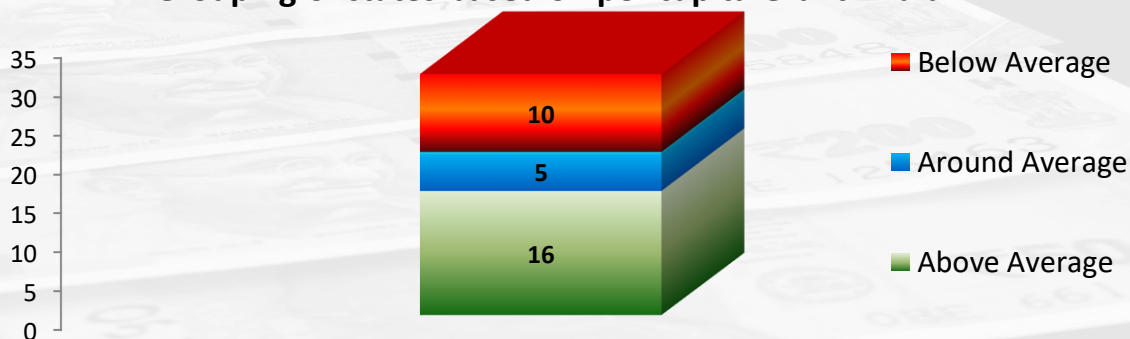
The Grant-in-aid received by each State from the Government of India, per Capita Grant-in-aid and the percentage share of the Revenue receipts by its components is shown below:

## Share of Grants-in-Aid as a Percent of Total Revenue Receipts and Per capita GIA

Average per capita GIA = ₹ 3027.24<sup>14</sup>

State/Union Territory	Grants-in-aid from Govt. of India (₹ in crore)	Population (in crore)	Per Capita GIA (₹ in crore)	Total Revenue Receipt (₹ in crore)	% of Grant-in-Aid to Total Revenue Receipts
NCT Delhi	2184.19	1.83	1190.57	38667.26	5.65
Uttar Pradesh	40648.45	22.90	1682.59	278775.45	13.82
Maharashtra	21822.93	12.08	1805.98	243653.56	8.96
Haryana	5185.12	2.74	1893.21	62694.87	8.27
Tamil Nadu	14679.44	7.65	1919.34	146279.76	10.04
Telangana	8058.80	3.85	2094.68	88824.09	9.07
Bihar	25720.13	11.95	2153.01	117446.74	21.90
Kerala	8527.84	3.53	2413.71	83020.14	10.27
Gujarat	15885.60	6.39	2485.73	123291.27	12.88
Punjab	7651.00	2.96	2583.76	53009.58	14.43
West Bengal	26111.54	9.77	2672.76	131270.39	19.89
Jharkhand	11412.29	3.73	3057.21	52756.03	21.63
Rajasthan	23940.04	7.82	3060.18	127307.18	18.80
Karnataka	21640.78	6.62	3270.69	146999.65	14.72
Madhya Pradesh	30150.29	8.23	3661.56	134875.39	22.35
Odisha	17619.95	4.54	3878.53	85204.29	20.68
Assam	14541.91	3.46	4204.54	54130.94	26.86
Andhra Pradesh	22760.71	5.29	4303.96	105062.10	21.66
Chhattisgarh	12657.16	2.86	4430.69	59647.07	21.22
Goa	744.62	0.15	4826.58	11053.52	6.74
Uttarakhand	8085.21	1.11	7290.26	27104.57	29.83
Tripura	3830.37	0.41	9439.41	10067.95	38.05
Meghalaya	3133.61	0.33	9564.41	9273.48	33.79
U.T. govt. Puducherry	1823.39	0.14	13255.31	6002.67	30.38
Jammu & Kashmir	22701.49	1.36	16649.41	48511.65	46.80
Manipur	5238.49	0.30	17412.03	10357.83	50.58
Himachal Pradesh	13094.23	0.73	17896.34	27367.06	47.85
Sikkim	1235.42	0.07	18391.89	5212.79	23.70
Arunachal Pradesh	3354.06	0.15	21946.40	13774.60	24.35
Nagaland	6639.27	0.22	30326.04	11019.21	60.25
Mizoram	4546.59	0.12	37700.56	8580.20	52.99
<b>Total</b>	<b>405624.92</b>	<b>133.29</b>	<b>257461.34</b>	<b>2321241.29</b>	<b>17.38<sup>15</sup></b>

### Grouping of states based on per capita Grant-in-aid

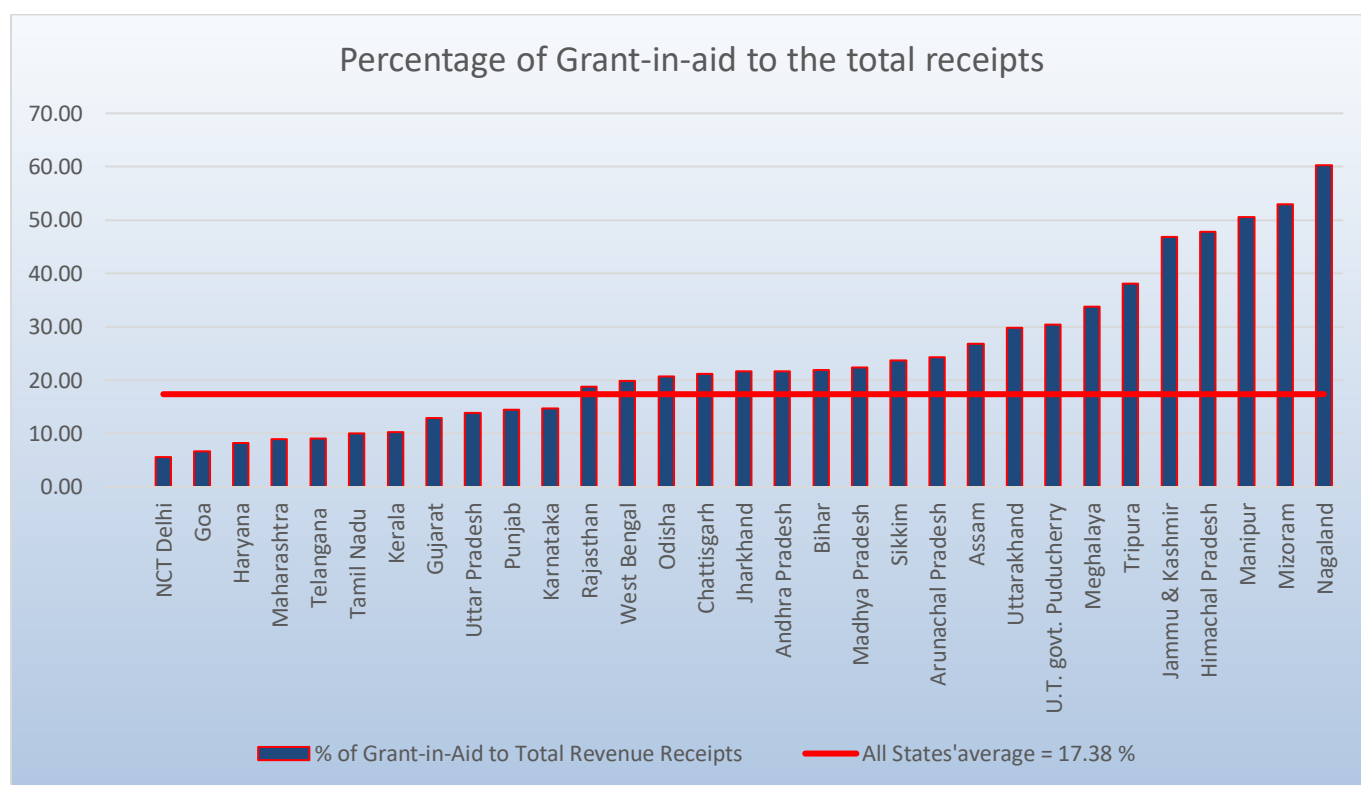


<sup>14</sup> Total GIA/population

<sup>15</sup> (Total GIA/Total Revenue Receipt)\*100



1. The percentage of Central Assistance given as Grant-in-Aid to different States shows considerable variations.
2. While the States like NCT of Delhi, Goa, Haryana, Maharashtra and Telangana received Grants-in-Aid from the Union Government constituting about 5-10 percent of their total Revenue Receipts. Whereas Jammu & Kashmir, Himachal Pradesh, Manipur, Mizoram and Nagaland received Grants-in-Aid of about more than 45 percent of their total Revenue Receipts.
3. Per Capita Grant in Aid was highest in respect of Mizoram and other Special Category States and lowest in case of Delhi followed by Uttar Pradesh and Maharashtra.
4. A graphical representation of all States showing the ratio of the Grants-in-aid received to their total revenues and their respective position to the All India average is as follows:



It is seen that all Special Category States are in receipt of Grants in Aid more than the average percentage of Grant-in-aid to the total receipts of all states. Further, in respect of 5(five)<sup>16</sup> States the Grant-in-aid amounted to almost 50 per cent of the total Revenue Receipts of the State Government.

<sup>16</sup> Jammu & Kashmir, Himachal Pradesh, Manipur, Mizoram and Nagaland



## Revenue (Tax) Buoyancy

Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable (Revenue Receipts or state's Own Tax revenue) with respect to a given change in the base variable (GSDP). As GSDP grows, the ability of the State Government to mobilize its own tax revenue should also increase. Buoyancy of a parameter is calculated as the ratio of the rate of growth of the parameter to the GSDP growth rate. The following table shows the Tax buoyancy with respect to the GSDP for 2017-18.

(₹ in crore)

States	Revenue Receipts 2016-17 (₹ in crore)	Revenue Receipts 2017-18 (₹ in crore)	Rate of Growth <sup>17</sup>	GSDP 2016-17 (₹ in crore)	GSDP 2017-18 (₹ in crore)	GSDP Growth Rate <sup>18</sup>	Revenue Receipts/GSDP 2017-18	Revenue Buoyancy w.r.t GSDP <sup>19</sup>
Andhra Pradesh	98984.49	105062.10	6.14	699307.00	803873.00	14.95	13.07	0.41
Arunachal Pradesh	11779.57	13774.60	16.94	24056.00	24442.19	1.61	56.36	10.55
Assam	49219.81	54130.94	9.98	257510.00	283821.22	10.22	19.07	0.98
Bihar	105584.99	117446.74	11.23	438030.00	487628.00	11.32	24.09	0.99
Chattisgarh	53685.25	59647.07	11.11	290140.00	291681.00	0.53	20.45	20.91
Gujarat	109841.80	123291.27	12.24	1125654.00	1320167.00	17.28	9.34	0.71
Haryana	52496.82	62694.87	19.43	547396.00	608470.73	11.16	10.30	1.74
Himachal Pradesh	26264.34	27367.06	4.20	124570.00	136198.00	9.33	20.09	0.45
Jammu & Kashmir	41978.47	48511.65	15.56	115654.00	147330.00	27.39	32.93	0.57
Jharkhand	47053.97	52756.03	12.12	253536.00	255271.00	0.68	20.67	17.71
Karnataka	133213.79	146999.65	10.35	1117334.00	1268881.00	13.56	11.58	0.76
Kerala	75611.73	83020.14	9.80	655205.00	686116.00	4.72	12.10	2.08
Madhya Pradesh	123306.79	134875.39	9.38	640484.00	707046.99	10.39	19.08	0.90
Maharashtra	204693.14	243653.56	19.03	2267789.00	2496505.00	10.09	9.76	1.89
Manipur	9129.12	10357.83	13.46	23325.00	24206.50	3.78	42.79	3.56
Meghalaya	8938.95	9273.48	3.74	29567.00	31636.00	7.00	29.31	0.53
Mizoram	7398.30	8580.20	15.98	15212.00	17739.33	16.61	48.37	0.96
Nagaland	9442.28	11019.21	16.70	21119.00	23623.00	11.86	46.65	1.41
Odisha	74299.40	85204.29	14.68	378991.00	415982.00	9.76	20.48	1.50
U.T. govt. Puducherry	5382.95	6002.67	11.51	27739.00	32215.00	16.14	18.63	0.71
NCT Delhi	34345.73	38667.26	12.58	616826.00	686017.38	11.22	5.64	1.12
Goa	9564.97	11053.52	15.56	62661.00	70267.00	12.14	15.73	1.28
Punjab	47985.42	53009.58	10.47	427297.00	470137.00	10.03	11.28	1.04
Rajasthan	109026.00	127307.18	16.77	749692.00	840263.00	12.08	15.15	1.39
Sikkim	4610.30	5212.79	13.07	18852.00	22248.00	18.01	23.43	0.73
Tamil Nadu	140231.13	146279.76	4.31	1298511.00	1427074.00	9.90	10.25	0.44
Telangana	82817.96	88824.09	7.25	646265.00	752230.00	16.40	11.81	0.44
Tripura	9645.45	10067.95	4.38	36880.00	39670.00	7.57	25.38	0.58
Uttar Pradesh	256875.15	278775.45	8.53	1275141.00	1375607.00	7.88	20.27	1.08
Uttarakhand	24888.96	27104.57	8.90	195192.00	217609.00	11.48	12.46	0.78
West Bengal	117832.45	131270.39	11.40	1251067.00	1020858.00	-18.40	12.86	-0.62

Source : The figures have been taken from the State Accounts at a Glance of the respective States.

<sup>17</sup> {(Current year receipts – previous year receipts)/previous year receipts}\*100

<sup>18</sup> {(Current year GSDP – previous year GSDP)/previous year GSDP}\*100

<sup>19</sup> Growth rate of Revenue receipts / growth rate of GSDP

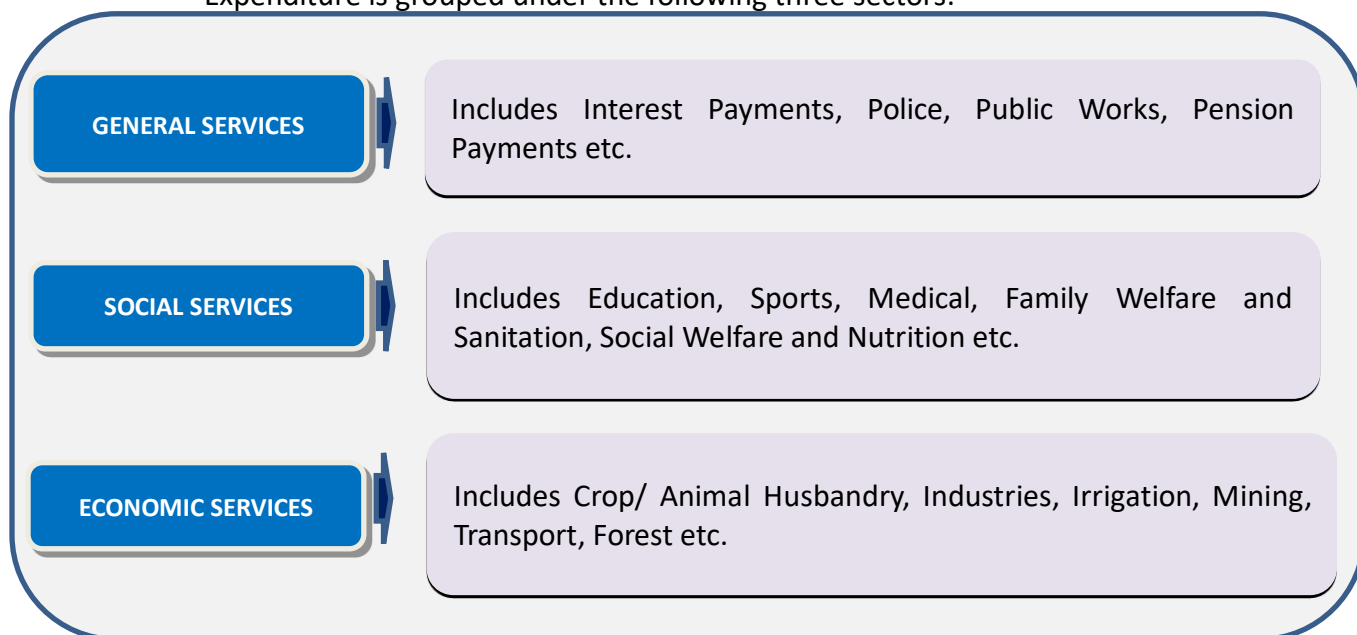
--	--	--

State's own Tax revenue buoyancy in respect of Chhattisgarh (more than 20) is the highest followed by Jharkhand (18) among the general category states. Arunachal Pradesh (10.55) has the highest revenue buoyancy followed by Manipur (3.56) among the special category states. It is mainly due to the fact that revenue receipts have increased substantially without any corresponding increase in State GSDP.



## Revenue and Capital Expenditure

Expenditure is grouped under the following three sectors:



Capital expenditure is met usually from borrowed funds with the object of increasing concrete assets of material and permanent character. It also includes receipts of a capital nature intended to be applied as a set off to capital expenditure. As under the Revenue Section, expenditure under Capital section is also grouped under three categories.

Expenditure under the General Service category pertains mainly to sovereign functions and committed expenditure. Expenditure under the remaining two categories relate to developmental activities of the Government.

In the following Tables the percentage of Expenditure to GDP for the Union and States has been depicted on the basis of GDP of ₹ 1,70,95,005<sup>20</sup> crore for the Union and all States<sup>21</sup> (GSDP of ₹ 17102873<sup>22</sup> crore for the States).

<sup>20</sup> Source: mospi.nic.in/data

<sup>21</sup> The GDP figures (₹17095005 crore) used are released by CSO and are at current prices. However, in respect of the States the aggregated State wise GSDP figures (₹17102873 crore) is slightly higher (around 0.05 per cent) than the National GDP.

<sup>22</sup> Source: Figures released by CSO at current prices along with Accounts at a Glance 2017-2018 of all States

## Sector-wise Revenue and Capital Expenditure- Union Government

Sector	Revenue Expenditure ( ₹ in crore )	Capital Expenditure ( ₹ in crore )	%age of Total Revenue Expenditure	%age of Total Capital Expenditure	%of Revenue Expenditure to GDP <sup>23</sup>	% of Capital Expenditure to GDP
General	10,10,123.87	1,06,529.29	47.20	32.77	5.91	0.62
Social	1,01,336.63	9,771.12	4.74	3.01	0.59	0.06
Economic	6,47,098.51	2,08,815.55	30.24	64.23	3.79	1.22
Others(Grant-in-Aid)	3,81,525.53		17.83		2.23	
<b>Total</b>	<b>21,40,084.54</b>	<b>3,25,115.96</b>	<b>100.00</b>	<b>100.00</b>	<b>12.52</b>	<b>1.90</b>

## Sector-wise Revenue and Capital Expenditure-States

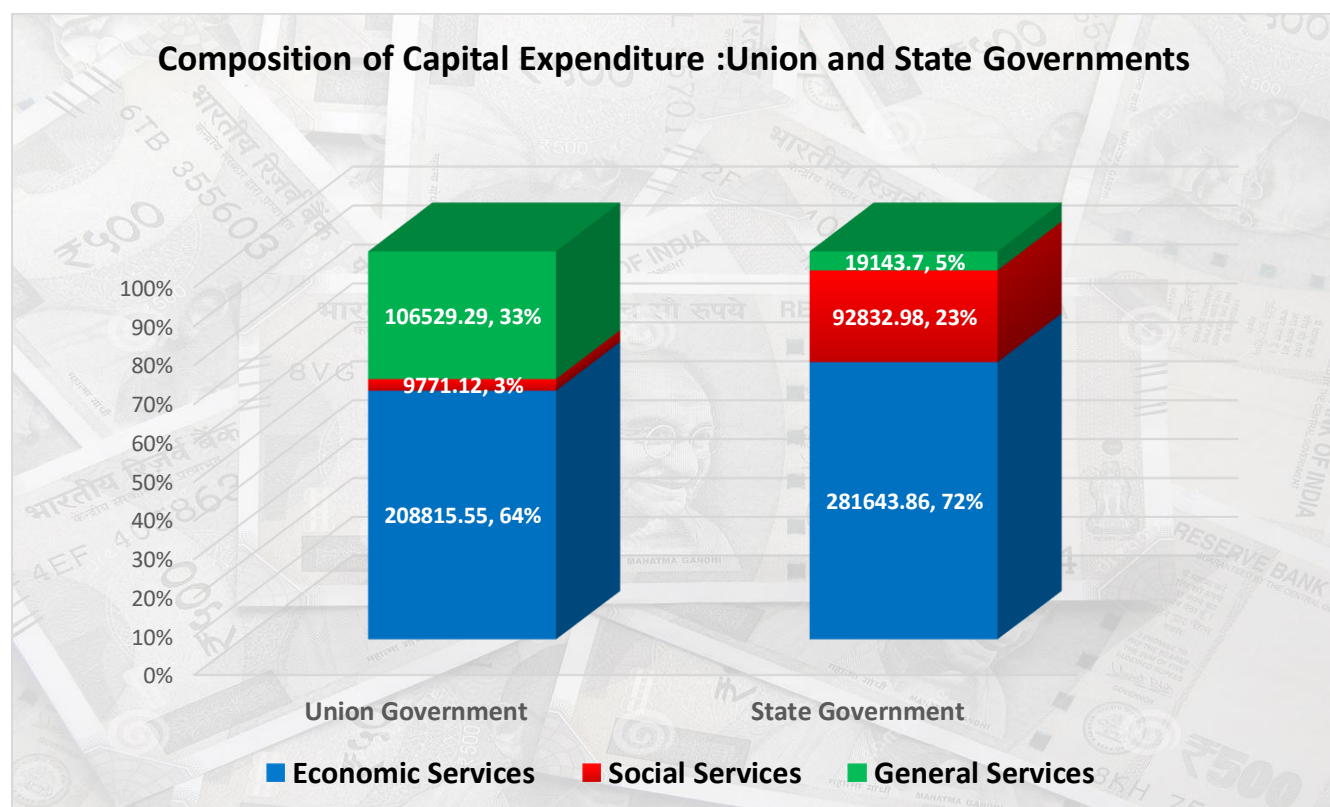
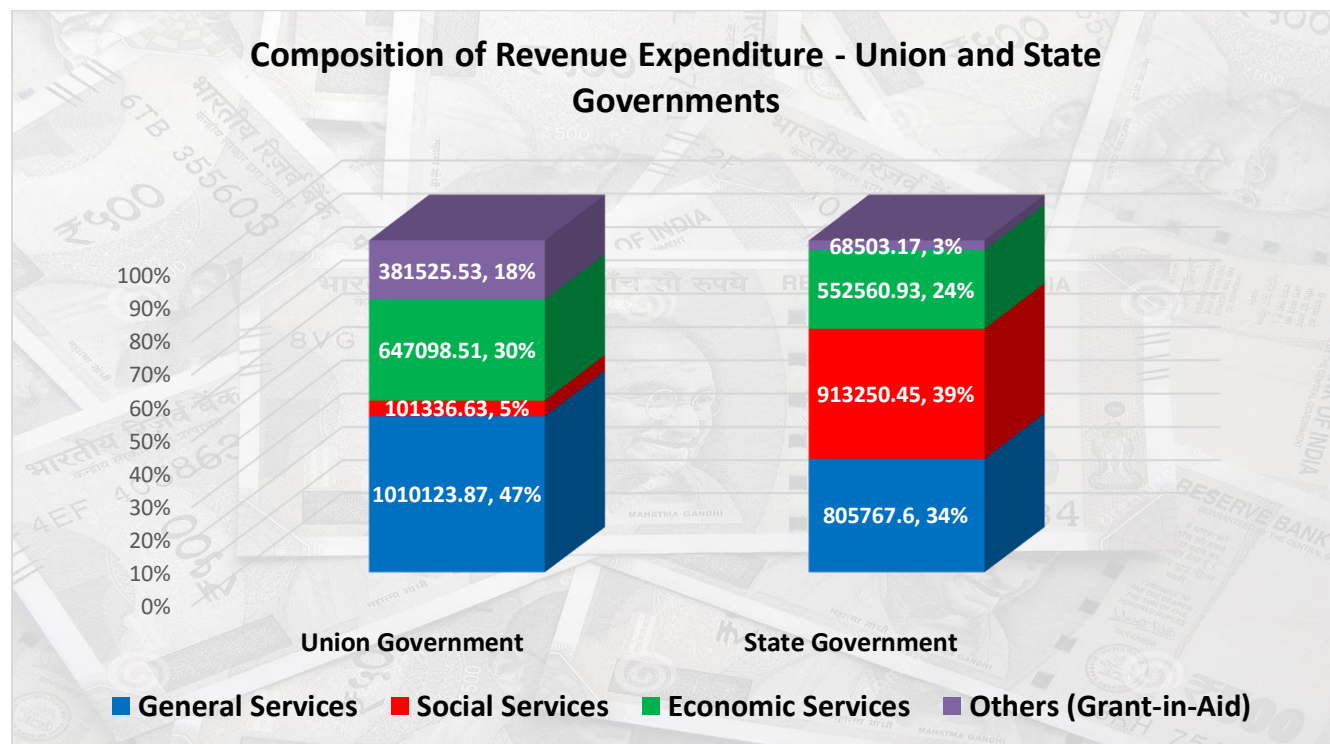
Sector	States Revenue Expenditure ( ₹ in crore )	States Capital Expenditure ( ₹ in crore )	%age of Total Revenue Expenditure	%age of Total Capital Expenditure	%of Revenue Expenditure to GDP	%of Capital Expenditure to GDP
General	8,05,767.60	19,143.70	34.43	4.86	4.71	0.11
Social	9,13,250.45	92,832.98	39.03	23.58	5.34	0.54
Economic	5,52,560.93	2,81,643.86	23.61	71.55	0.03	1.65
Others(Grant-in-Aid)	68,503.17		2.93		0.40	
<b>Total</b>	<b>23,40,082.15</b>	<b>3,93,620.54</b>	<b>100.00</b>	<b>100.00</b>	<b>10.49</b>	<b>2.30</b>

1. In respect of the Union, 47 per cent of the Revenue Expenditure is incurred on the General Services and 30 per cent on the Economic Services.
2. In respect of Union, under the Capital Section, 33 per cent of the Capital expenditure is incurred on the General Services and 64 per cent of Capital expenditure incurred on the Economic Services.
3. In respect of states, the General and Social Services account for 34 and 39 per cent of the Revenue Expenditure respectively and remaining 24 per cent is spent on Economic Services.
4. In respect of states, under the Capital Section, the Economic Services comprise 72 per cent of the Capital Expenditure.

<sup>23</sup>GDP in respect of Indian Union for FY 2017-2018 is ₹1,70,95,005 crore as released by CSO at current prices.



The following two graphs depict the amount of each sector of total expenditure concerned in respect of Union and all the States combined:

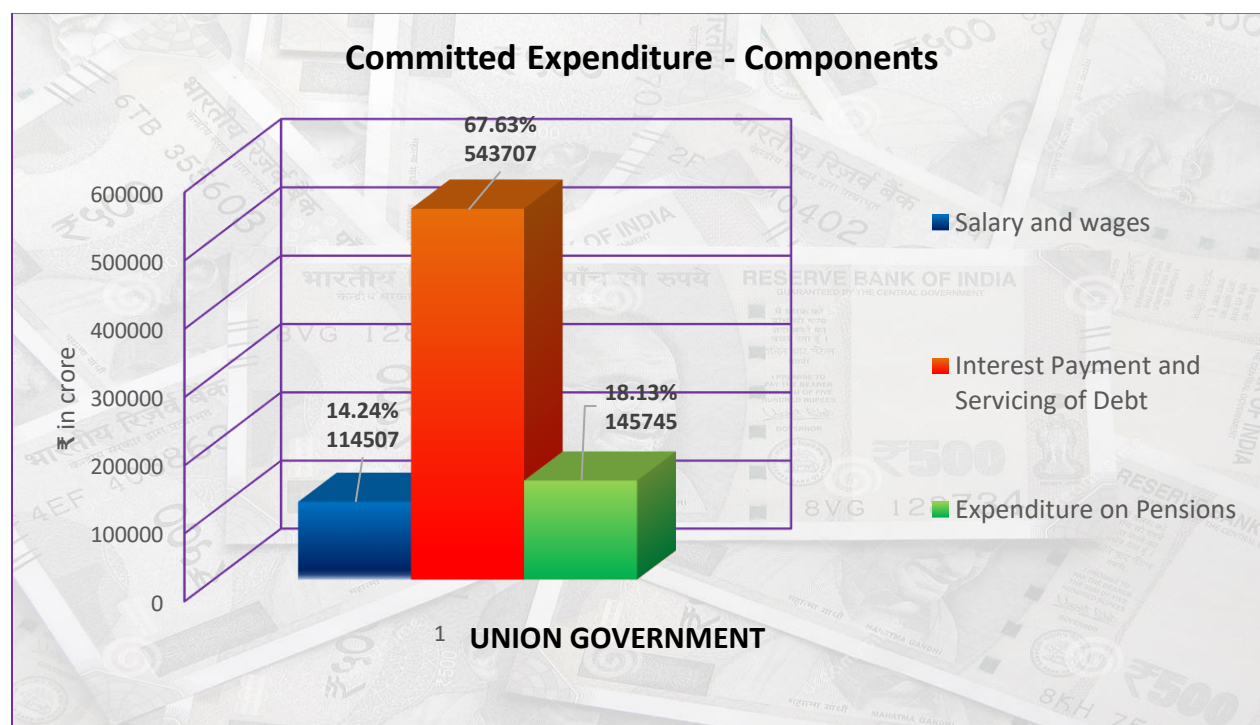


## 4.2 Analysis of Components of Revenue Expenditure

### 4.2.1 Committed Expenditure

The Committed Expenditure on revenue account mainly consists of Interest Payments and Servicing of Debt, Expenditure on Salaries and Wages and Pensions.

#### Union:

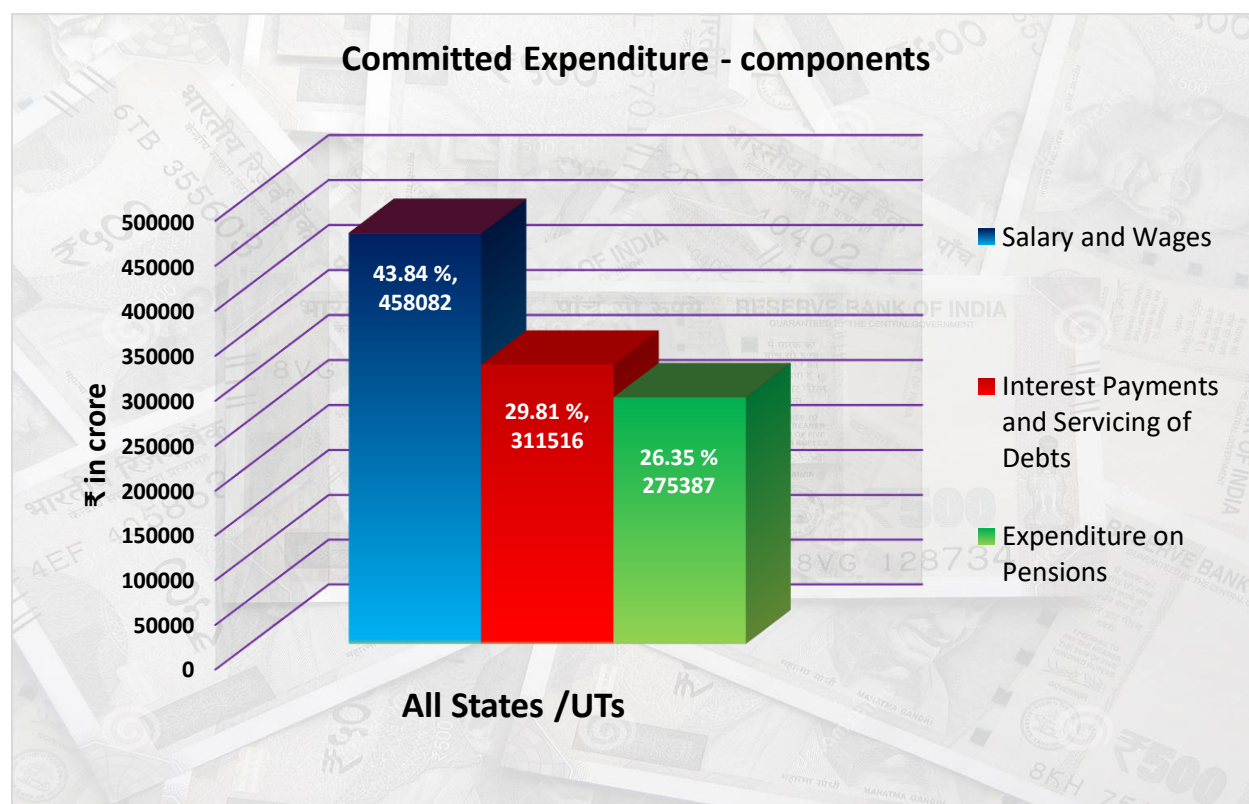


The Committed Expenditure in respect of the Union Government consists of 67.63 per cent of Interest Payment and Servicing of Debt. The remaining 32.63 per cent constituted of 18.13 per cent expenditure on Pensions and 14.24 per cent on Salary and Wages. It is apparent that expenditure on pensions is more than the expenditure on salaries and wages.

State-wise components of Committed expenditure along with the Committed Expenditure as percentage of Revenue Expenditure is detailed in the table below.

## STATES

The Position of Committed Expenditure of States is as follows:

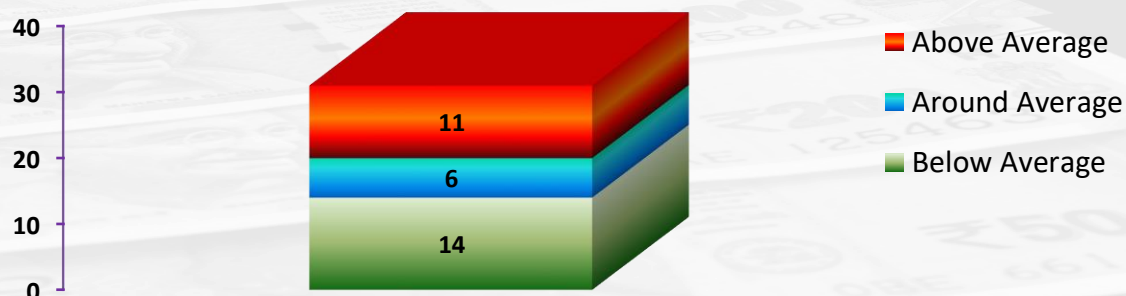


The details of the Committed Expenditure components of all states/UTs are detailed below:

All States average Committed expenditure= ₹33740 crore<sup>24</sup>

	State	Salary and Wages (₹ in crore)	Interest Payment and Servicing of (₹ in crore)	Expenditure on Pensions (₹ in crore)	Total Committed Expenditure (₹ in crore)	Revenue Expenditure (₹ in crore )	Committed Expenditure to Revenue Expenditure
	Sikkim	1,479	374	505.18	2,358	4,152	57%
	NCT Delhi	0	2,871	2.38	2,873	33,754	9%
	U.T. Govt. Puducherry	1,645	696	745.78	3,087	5,807	53%
	Mizoram	2,401	386	837.78	3,625	6,881	53%
	Meghalaya	2,601	638	750.9	3,990	8,423	47%
	Goa	2,798	1,274	1163.59	5,236	10,543	50%
	Manipur	3,521	634	1,324	5,480	9,274	59%
	Arunachal Pradesh	4,434	667	923.97	6,025	10,900	55%
	Nagaland	4,156	903	1,264	6,323	10,191	62%
	Tripura	4,977	887	1,605	7,469	10,357	72%
	Himachal Pradesh	10,519	3,788	4,709	19,016	27,053	70%
	Uttarakhand	10,496	3,987	5,033	19,516	29,083	67%
	Jharkhand	11,221	4,662	5,913	21,796	50,952	43%
	Chhattisgarh	16,359	3,298	3,924	23,581	56,230	42%
	Jammu & Kashmir	16,123	4,714	5,408	26,245	40,916	64%
	Odisha	17,697	4,988	8,693	31,379	71,837	44%
	Karnataka	10,561	13,930	11,684	36,174	1,42,482	25%
	Assam	25,752	3,415	8,287	37,454	55,481	68%
	Haryana	18,329	11,961	8,783	39,073	73,257	53%
	Madhya Pradesh	19,381	11,045	9,290	39,717	1,30,246	30%
	Bihar	17,779	9,747	14,293	41,820	1,02,624	41%
	Telangana	19,920	10,836	11,932	42,688	85,365	50%
	Gujarat	10,485	18,954	13,979	43,418	1,18,060	37%
	Punjab	19,430	15,334	10,208	44,973	62,465	72%
	West Bengal	13,839	28,274	14,588	56,701	1,41,077	40%
	Andhra Pradesh	28,466 <sup>25</sup>	14,192	16,236	58,894	1,21,214	49%
	Kerala	31,904	15,120	19,938	66,962	99,948	67%
	Rajasthan	37,134	19,720	13,925	70,780	1,45,842	49%
	Tamil Nadu	23,882	26,733	22,360	72,975	1,67,874	43%
	Maharashtra	27,346	36,118	18,603	82,067	2,41,571	34%
	Uttar Pradesh	44,411	41,368	38,476	1,24,256	2,66,224	47%
	<b>TOTAL</b>	<b>4,59,046</b>	<b>3,11,516</b>	<b>2,75,387</b>	<b>10,45,949</b>	<b>23,40,082</b>	<b>45%</b>

### Grouping of States based on Committed Expenditure

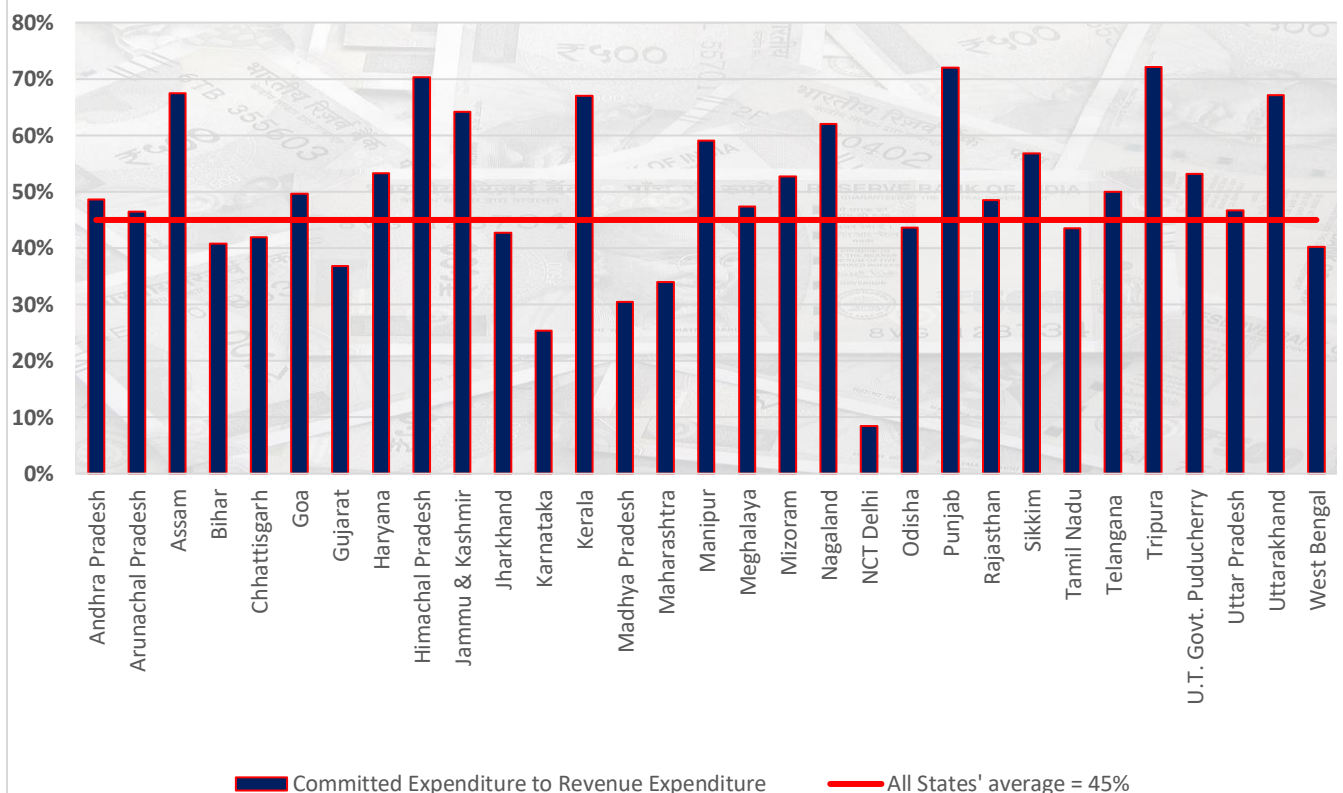


<sup>24</sup> Total Committed Expenditure / Number of Sates and UTs

<sup>25</sup> Includes un-apportioned amount



## Perecentage of Committed Expeniture to Revenue Expenditure



Salary and wages constitute the major portion (44 per cent) of the committed expenditure followed by Interest payments and servicing of Debts (30 percent) and Pensions (26 per cent).

1. The percentage of committed expenditure to the total Revenue Expenditure in respect of Punjab and Tripura top the list at 72 per cent followed by Assam, Kerala, Uttarakhand, Jammu & Kashmir and Nagaland which is more than 60 per cent.
2. It is therefore not surprising given the brittle nature of the State Finances caused by huge share (two-thirds) of committed expenditure. This makes government finances very sensitive as it increases the volatility and reflects the financial instability given the limited resources the states receive from the center.
3. Increased level of committed expenditure reduces the flexibility of the state to be able to plan outcome based revenue expenditures and increases its dependence on the Union Government to meet its regular expenditures.



## Interest Payments

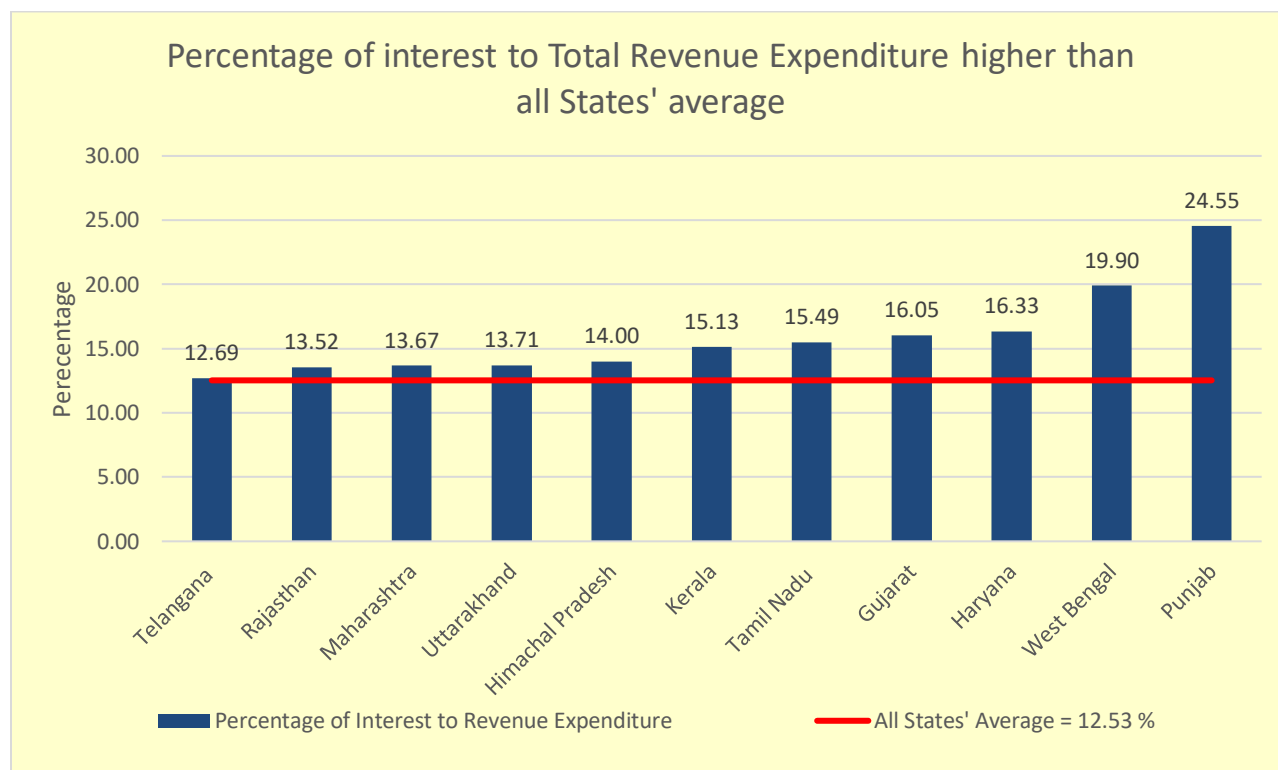
One of the components of Revenue Expenditure under General Services is Interest payments.

The position of interest paid by respective States is as follows:

All India Average: 12.53 per cent

State	Interest Payment (₹in crore)	Revenue Expenditure (₹in crore)	Percentage of Interest to Revenue Expenditure
Arunachal Pradesh	467.36	10900.47	4.29
Mizoram	339.20	6880.77	4.93
Chattisgarh	3098.33	56229.75	5.51
Assam	3205.32	55480.94	5.78
Manipur	562.96	9274.00	6.07
Nagaland	677.75	10191.35	6.65
Odisha	4988.34	71837.30	6.94
Meghalaya	591.18	8422.68	7.02
Madhya Pradesh	11045.34	130246.09	8.48
NCT Delhi	2870.67	33754.02	8.50
Tripura	886.89	10357.22	8.56
Sikkim	362.17	4151.85	8.72
Bihar	9053.78	102623.73	8.82
Jharkhand	4661.69	50952.07	9.15
Karnataka	13929.58	142482.33	9.78
Uttar Pradesh	29135.83	266223.52	10.94
Jammu & Kashmir	4662.88	40916.49	11.40
Andhra Pradesh	13846.86	121213.77	11.42
Goa	1244.28	10542.89	11.80
U.T. govt. Puducherry	686.17	5806.66	11.82
Telangana	10835.54	85364.72	12.69
Rajasthan	19719.99	145841.52	13.52
Maharashtra	33018.43	241571.07	13.67
Uttarakhand	3987.29	29082.69	13.71
Himachal Pradesh	3788.22	27053.16	14.00
Kerala	15119.93	99948.35	15.13
Tamil Nadu	26011.53	167873.63	15.49
Gujarat	18954.03	118059.66	16.05
Haryana	11961.27	73257.36	16.33
West Bengal	28073.76	141077.36	19.90
Punjab	15333.96	62464.85	24.55
<b>Grand Total</b>	<b>293120.53</b>	<b>2340082.27</b>	<b>12.53<sup>26</sup></b>

<sup>26</sup> 12.53 is the All India Average=Total Interest Payment/ Total Revenue Expenditure



Interest payment is a committed charge on the revenue. The higher committed charge represents that the State has lesser flexibility to determine the purpose for which revenue expenditure is to be incurred. This is reflective of a high debt of the State which may be difficult to sustain in the long term.

## Highlights

- All States Average of Interest paid is 12.53 percent of Total Revenue Expenditure.
- Percentage of Interest paid by 11 States was more than All States Average interest paid.
- Punjab and West Bengal have highest component of Interest outgo.
- Arunachal Pradesh and Mizoram have the lowest percentage of interest payments.

**Table 3.5<sup>27</sup> of Chapter 3 shows the Revenue buoyancy of the states/UTs w.r.t the GSDP of the state/UT. States like West Bengal, Gujarat, Punjab, etc. which have one of the highest Interest outgo while the revenue buoyancy is on the lower side as compared to the remaining states. In such cases it may lead to a situation of 'debt trap' as borrowings are being used to finance the increasing revenue Expenditure.**

<sup>27</sup> For Table 3.5 of Chapter 3 please refer to page 19.



## Sectoral Analysis of Expenditure

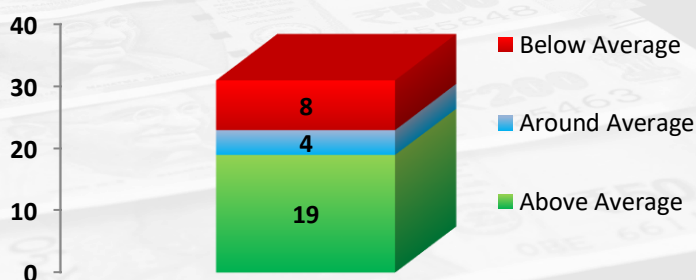
4.3.1

### Expenditure on General Services

All States Average per Capita expenditure on General services: ₹ 6189<sup>28</sup>

State/Union Territory	Revenue Expenditure (GS) (₹ in Crore)	Capital Expenditure (GS) (₹ in Crore)	Population (in crore)	Total Expenditure under General Services (₹ in Crore)	Per Capita expenditure under General Services
Bihar	33374.30	2764.61	11.95	36138.91	3025.16
Madhya Pradesh	32100.08	742.58	8.23	32842.66	3988.53
NCT Delhi	7195.95	228.28	1.83	7424.23	4046.83
Odisha	20260.92	464.57	4.54	20725.49	4562.13
Chhattisgarh	12870.41	303.33	2.86	13173.74	4611.53
Jharkhand	16558.33	807.11	3.73	17365.44	4651.98
Uttar Pradesh	105781.67	2775.78	22.90	108557.45	4741.34
Karnataka	34484.44	977.45	6.62	35461.89	5359.54
West Bengal	52416.18	1002.87	9.77	53419.05	5467.94
Rajasthan	43450.35	527.14	7.82	43977.49	5621.50
Assam	22057.80	350.63	3.46	22408.43	6479.00
Maharashtra	78534.78	1047.80	12.08	79582.58	6585.93
Gujarat	41401.57	870.51	6.39	42272.08	6614.60
Andhra Pradesh	39074.71	283.04	5.29	39357.75	7442.40
Tamil Nadu	60450.69	847.33	7.65	61298.02	8014.75
Telangana	30872.21	564.98	3.85	31437.19	8171.28
Meghalaya	2826.87	49.76	0.33	2876.63	8780.06
Haryana	26698.67	480.90	2.74	27179.57	9923.89
Tripura	4398.58	122.67	0.41	4521.25	11141.99
Punjab	34499.51	179.67	2.96	34679.18	11711.22
Uttarakhand	12408.50	804.41	1.11	13212.91	11913.80
Manipur	3666.88	106.49	0.30	3773.37	12542.17
Kerala	45523.77	268.01	3.53	45791.78	12960.83
Jammu and Kashmir	16888.21	803.02	1.36	17691.23	12974.86
U.T. Govt. Puducherry	1874.25	88.14	0.14	1962.39	14265.79
Himachal Pradesh	11009.54	191.78	0.73	11201.32	15309.23
Mizoram	2239.14	120.35	0.12	2359.49	19565.02
Nagaland	4319.40	267.10	0.22	4586.50	20949.65
Sikkim	1528.13	149.76	0.07	1677.89	24979.01
Goa	3517.00	408.71	0.15	3925.71	25446.18
Arunachal Pradesh	3484.76	544.92	0.15	4029.68	26367.14
<b>Total</b>	<b>805767.60</b>	<b>19143.70</b>	<b>133.29</b>	<b>824911.30</b>	<b>328215.29</b>

Sector-wise grouping of States based on their per capita Expenditure on General Services



Goa and Kerala has the highest per capita expenditure on General Services in comparison to other States among the General Category states. Arunachal Pradesh, Sikkim, Nagaland and Mizoram have highest per capita expenditure on General services among the Special Category States.

<sup>28</sup> Total expenditure under General Services divided by the number of States/ UTs

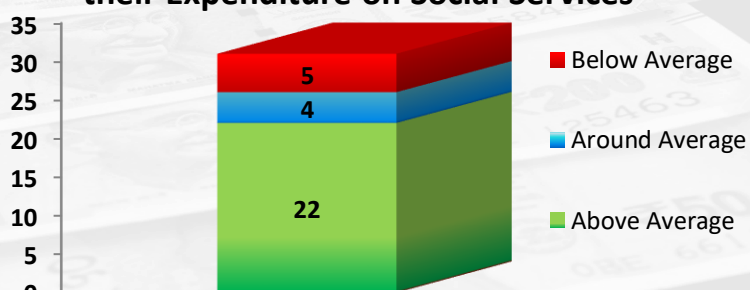
### 4.3.2

## Expenditure on Social Services

All States Average per capita expenditure on Social Services: ₹ 7547 <sup>29</sup>

State/Union Territory	Revenue expenditure on Social Services (₹ in Crore)	Capital expenditure on Social Services (₹ in Crore)	Total expenditure on social services (₹ in Crore)	Population (in crore)	Per Capita Expenditure under Social Services (₹ in crore)
Uttar Pradesh	84251.68	11625.13	95876.81	22.90	4187.50
Bihar	45769.46	4258.34	50027.80	11.95	4187.79
Punjab	15469.74	916.54	16386.28	2.96	5533.67
Jharkhand	19574.97	1528.06	21103.03	3.73	5653.23
West Bengal	59590.75	7605.75	67196.50	9.77	6878.20
Assam	21373.17	2845.88	24219.05	3.46	7002.51
Odisha	29556.83	4200.95	33757.78	4.54	7430.82
Rajasthan	53064.07	7221.37	60285.44	7.82	7706.10
Madhya Pradesh	58346.17	5358.38	63704.55	8.23	7736.51
Maharashtra	93054.30	2268.45	95322.75	12.08	7888.52
Tamil Nadu	59790.17	4731.17	64521.34	7.65	8436.20
Gujarat	49038.99	6812.77	55851.76	6.39	8739.51
Chhattisgarh	24371.59	2651.78	27023.37	2.86	9459.65
Karnataka	58652.35	8676.75	67329.10	6.62	10175.80
Telangana	37259.37	2850.93	40110.30	3.85	10425.63
Kerala	35876.27	1405.88	37282.15	3.53	10552.28
Meghalaya	3147.61	360.57	3508.18	0.33	10707.67
Manipur	2569.41	663.69	3233.10	0.30	10746.39
Uttarakhand	10929.43	1085.66	12015.09	1.11	10833.75
Haryana	28061.33	3172.70	31234.03	2.74	11404.27
NCT Delhi	19602.11	1574.70	21176.81	1.83	11543.15
Jammu and Kashmir	13116.97	2787.01	15903.98	1.36	11664.08
Andhra Pradesh	59159.34	2890.48	62049.82	5.29	11733.38
Tripura	4249.90	954.82	5204.72	0.41	12826.31
Nagaland	2558.56	485.68	3044.24	0.22	13905.10
Himachal Pradesh	10336.55	1134.96	11471.51	0.73	15678.51
U.T. Govt. Puducherry	2234.80	107.26	2342.06	0.14	17025.83
Mizoram	2606.52	613.70	3220.22	0.12	26702.23
Sikkim	1532.15	534.53	2066.68	0.07	30766.99
Goa	4155.06	654.29	4809.35	0.15	31173.88
Arunachal Pradesh	3950.83	854.80	4805.63	0.15	31444.37
<b>Total</b>	<b>913250.45</b>	<b>92832.98</b>	<b>1006083.43</b>	<b>133.29</b>	<b>380149.84</b>

### Sector-wise grouping of States based on their Expenditure on Social Services



Goa followed by Andhra Pradesh has the highest per capita expenditure on Social Services in comparison to other States among the General Category states. Arunachal Pradesh followed by Sikkim and Mizoram have highest per capita expenditure on Social services among the Special Category States.

<sup>29</sup>Total per capita expenditure under Social Services divided by the number of States/ UTs

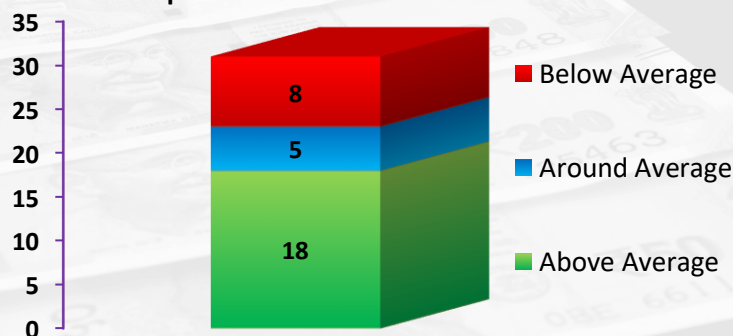
### 4.3.3

## Expenditure on Economic Services

All States Average per capita expenditure on Economic services: ₹ 6258<sup>30</sup>

State/Union Territory	Revenue Expenditure on Economic Services (₹ in crore)	Capital Expenditure on Economic Services (₹ in crore)	Total expenditure on Economic Services (₹ in crore)	Population (in crores)	Per Capita Expenditure under Economic Services (₹ in crore)
Bihar	23475.93	21884.00	45359.93	11.95	3797.05
Uttar Pradesh	64634.76	24687.06	89321.82	22.90	3901.20
NCT Delhi	5862.00	1439.94	7301.94	1.83	3980.17
West Bengal	28582.04	10759.45	39341.49	9.77	4026.97
Punjab	11194.40	1255.86	12450.26	2.96	4204.47
Assam	11924.92	4496.33	16421.25	3.46	4747.92
Kerala	11351.08	7074.98	18426.06	3.53	5215.28
Tripura	1480.48	699.56	2180.04	0.41	5372.41
Andhra Pradesh	22893.67	10317.18	33210.85	5.29	6280.04
Maharashtra	54189.03	23525.93	77714.96	12.08	6431.37
Jharkhand	14818.77	9617.53	24436.30	3.73	6546.17
Tamil Nadu	36162.37	14624.69	50787.06	7.65	6640.43
Madhya Pradesh	32734.59	24812.26	57546.85	8.23	6988.69
Gujarat	27145.04	18629.91	45774.95	6.39	7162.72
Uttarakhand	4276.21	4024.29	8300.50	1.11	7484.38
Rajasthan	49326.98	12874.77	62201.75	7.82	7951.05
Odisha	20756.90	16443.03	37199.93	4.54	8188.51
Chhattisgarh	17623.09	7045.85	24668.94	2.86	8635.47
Meghalaya	2448.20	573.10	3021.30	0.33	9221.62
Karnataka	42855.78	21012.56	63868.34	6.62	9652.76
Telangana	17200.14	20486.11	37686.25	3.85	9795.56
Haryana	18106.82	9884.31	27991.13	2.74	10220.21
Manipur	2503.61	658.11	3161.72	0.30	10509.13
Himachal Pradesh	5696.77	2428.93	8125.70	0.73	11105.68
Jammu and Kashmir	10911.31	6762.84	17674.15	1.36	12962.33
U.T. Govt. Puducherry	1693.59	198.99	1892.58	0.14	13758.29
Nagaland	3313.38	522.07	3835.45	0.22	17519.09
Goa	2870.84	1031.07	3901.91	0.15	25291.91
Mizoram	2035.10	1262.29	3297.39	0.12	27342.13
Sikkim	1028.25	822.48	1850.73	0.07	27552.11
Arunachal Pradesh	3464.88	1788.38	5253.26	0.15	34373.32
<b>Total</b>	<b>552560.93</b>	<b>281643.86</b>	<b>834204.79</b>	<b>133.29</b>	<b>326858.48</b>

**Grouping of States based on their per capita Expenditure on Economic Services**



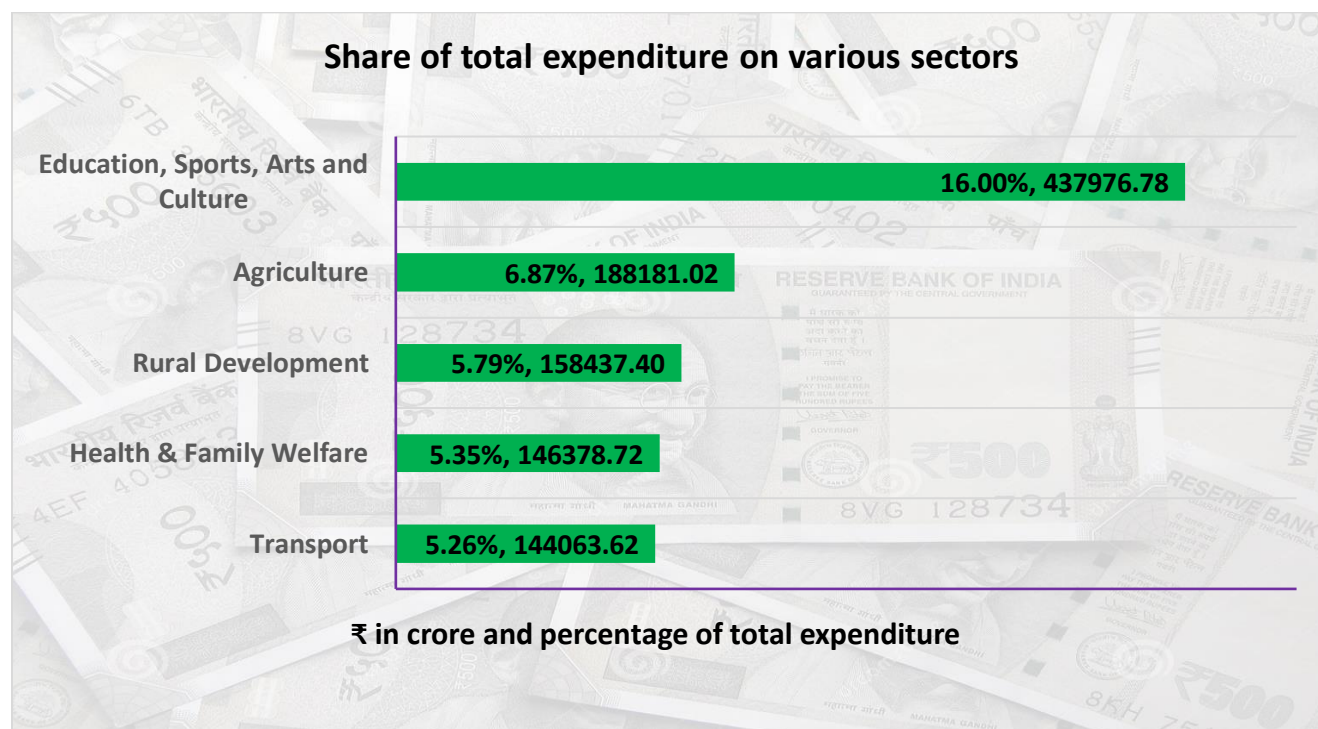
Goa and Haryana has the highest per capita expenditure on Economic Services in comparison to other States among the General Category states. Arunachal Pradesh, Sikkim and Mizoram have highest per capita expenditure on Economic services among the Special Category States.

<sup>30</sup> Total per capita expenditure under Economic Services divided by the number of States/ UTs



## Functional Analysis

An analysis of Expenditure by major functions on the basis of Sectoral expenditure in relation to the total expenditure along with the per capita expenditure of each state gives insight into the priorities of various states on different functions. The share of total expenditure in respect of some of the major functions like Education, Sports, Arts and culture, Health and Family Welfare, Agriculture, Rural Development and Transport is shown below:



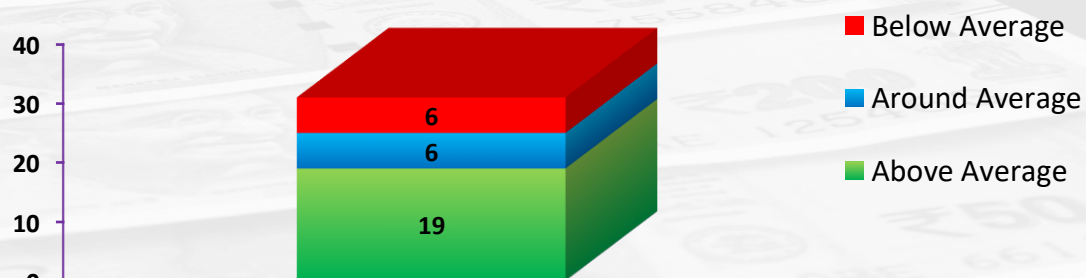
The share of the total expenditure under Education, Sports, Arts and culture constituted about 16 per cent of the total expenditure in respect of all States/UTs combined. In respect of the other major functions the share varies between 5 per cent and 7 per cent.

The States with higher population like Uttar Pradesh, Bihar, West Bengal, etc. have a lower per capita expenditure under all functions as seen in the following analysis. Detailed analysis in terms of the total expenditure, Revenue expenditure, capital expenditure and the per capita expenditure in respect of the major functions like Education, Sports, Arts and culture, Health and Family Welfare, Agriculture, Rural Development and Transport is shown below:



State/Union Territory	Revenue Expenditure on Education, Sports Arts & Culture (₹ in crore)	Capital Expenditure on Education, Sports Arts & Culture (₹ in crore)	Total expenditure on Education, Sports Arts & Culture (₹ in crore)	Population (in Crores)	Per Capita Expenditure (in ₹)
Uttar Pradesh	46141	938	47079	22.90	2056
Bihar	23315	1519	24833	11.95	2079
Jharkhand	7966	360	8326	3.73	2230
West Bengal	24614	454	25068	9.77	2566
Madhya Pradesh	23653	688	24342	8.23	2956
Punjab	9312	70	9382	2.96	3168
Odisha	13788	746	14534	4.54	3199
Telangana	12246	248	12494	3.85	3247
Karnataka	21307	1143	22450	6.62	3393
Rajasthan	26668	515	27183	7.82	3475
Gujarat	21528	794	22322	6.39	3493
Andhra Pradesh	19654	363	20017	5.29	3785
Tamil Nadu	28707	617	29324	7.65	3834
Maharashtra	48476	107	48583	12.08	4021
Assam	14090	61	14150	3.46	4091
Chhattisgarh	11845	668	12512	2.86	4380
Haryana	11783	404	12187	2.74	4450
Manipur	1304	57	1362	0.30	4526
Meghalaya	1735	2	1737	0.33	5302
NCT Delhi	9039	848	9888	1.83	5390
Kerala	18515	528	19043	3.53	5390
U.T. Govt. Puducherry	749	11	760	0.14	5528
Jammu and Kashmir	6975	885	7860	1.36	5765
Tripura	2183	169	2352	0.41	5796
Uttarakhand	6454	215	6669	1.11	6013
Nagaland	1482	30	1513	0.22	6910
Himachal Pradesh	5699	342	6041	0.73	8256
Mizoram	1257	55	1312	0.12	10880
Arunachal Pradesh	1718	87	1804	0.15	11806
Goa	1792	118	1910	0.15	12378
Sikkim	844	98	941	0.07	14014
<b>Grand Total</b>	<b>424839</b>	<b>13138</b>	<b>437977</b>	<b>133.29</b>	<b>164378</b>

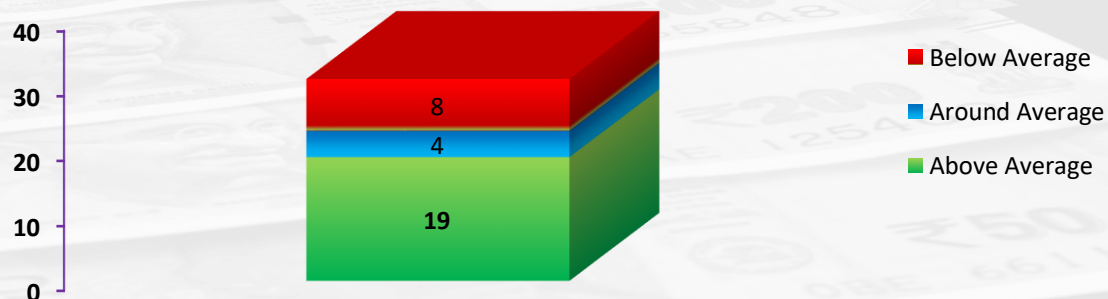
### Grouping of States based on their per capita expenditure on Education, Sports, Arts & Culture



<sup>31</sup> Per Capita expenditure / number of States/ UTs

State/Union Territory	Revenue Expenditure on Health & Family Welfare (₹ in crore)	Capital Expenditure on Health & Family Welfare (₹ in crore)	Total Expenditure on Health & Family Welfare (₹ in crore)	Population (in Crores)	Per Capita Expenditure (in ₹)
Bihar	5616.58	564.97	6181.55	11.95	517.45
Uttar Pradesh	14792.45	2111.98	16904.43	22.90	738.31
Jharkhand	2548.72	309.49	2858.21	3.73	765.68
Madhya Pradesh	6408.88	1039.87	7448.75	8.23	904.60
West Bengal	7924.93	930.92	8855.85	9.77	906.48
Punjab	2746.46	1.39	2747.85	2.96	927.95
Maharashtra	11604.72	569.85	12174.57	12.08	1007.52
Odisha	4153.04	774.07	4927.11	4.54	1084.56
Andhra Pradesh	6187.56	200.96	6388.52	5.29	1208.04
Karnataka	6984.62	1132.32	8116.94	6.62	1226.76
Haryana	3074.26	302.22	3376.48	2.74	1232.83
Rajasthan	9342.12	657.44	9999.56	7.82	1278.21
Assam	4212.23	229.46	4441.69	3.46	1284.24
Telangana	4768.40	262.37	5030.77	3.85	1307.62
Gujarat	6945.38	1570.16	8515.54	6.39	1332.49
Tamil Nadu	10028.95	407.31	10436.26	7.65	1364.55
Chhattisgarh	3606.70	401.19	4007.89	2.86	1402.98
Uttarakhand	1555.39	63.94	1619.33	1.11	1460.12
Kerala	6174.40	307.39	6481.79	3.53	1834.60
Manipur	560.95	19.30	580.25	0.30	1928.67
Tripura	644.03	140.62	784.65	0.41	1933.66
Meghalaya	668.27	34.21	702.48	0.33	2144.11
Jammu and Kashmir	2567.13	510.58	3077.71	1.36	2257.21
NCT Delhi	4387.53	345.67	4733.20	1.83	2579.99
Himachal Pradesh	1742.97	262.86	2005.83	0.73	2741.44
Nagaland	537.37	70.80	608.17	0.22	2777.92
U.T. Govt. Puducherry	496.11	8.11	504.22	0.14	3665.48
Mizoram	468.89	85.02	553.91	0.12	4593.05
Goa	841.76	80.37	922.13	0.15	5977.18
Arunachal Pradesh	893.51	41.71	935.22	0.15	6119.36
Sikkim	237.67	224.03	461.70	0.07	6873.40
<b>Total</b>	<b>132721.98</b>	<b>13660.58</b>	<b>146382.56</b>	<b>133.29</b>	<b>65376.47</b>

**Grouping of States based on their per capita Expenditure on Health & Family Welfare**

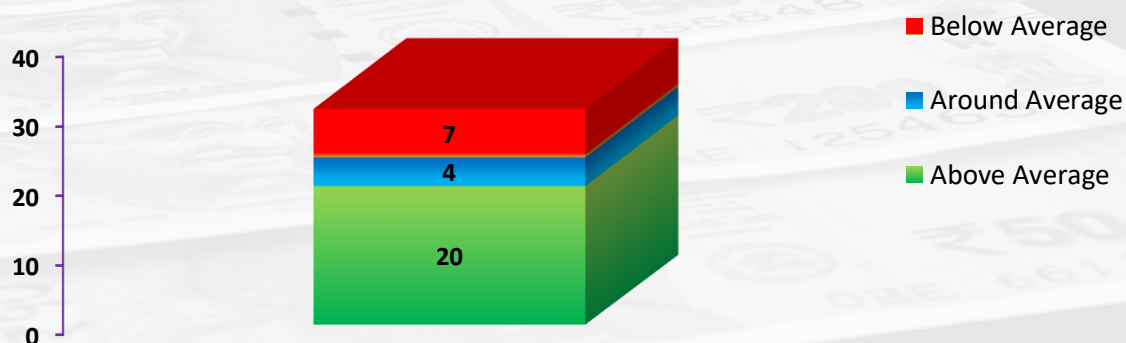


<sup>32</sup> Per Capita expenditure / number of States/ UTs

All States per capita Average: ₹ 1411<sup>33</sup>

	State/Union Territory	Revenue Expenditure on Agriculture (₹ in crore)	Capital Expenditure on Agriculture (₹ in crore)	Total Expenditure on Agriculture (₹ in crore)	Population (in Crores)	Per Capita Expenditure (in ₹)
	NCT Delhi	115.79	19.96	135.75	1.83	74.18
	Bihar	3625.59	198.14	3823.73	11.95	320.08
	West Bengal	3730.45	569.78	4300.23	9.77	440.17
	Jharkhand	2016.85	607.33	2624.18	3.73	702.98
	Rajasthan	5113.56	391.01	5504.57	7.82	703.63
	Assam	2905.24	262.17	3167.41	3.46	915.80
	Uttar Pradesh	27265.39	1614.43	28879.82	22.90	1261.35
	Odisha	5801.42	124.83	5926.25	4.54	1304.50
	Gujarat	7801.51	824.96	8626.47	6.39	1349.84
	Andhra Pradesh	7326.21	243.09	7569.30	5.29	1431.33
	Haryana	2734.71	1350.81	4085.52	2.74	1491.72
	Madhya Pradesh	11928.16	396.32	12324.48	8.23	1496.73
	Manipur	471.28	4.29	475.57	0.30	1580.73
	Tripura	630.34	25.83	656.17	0.41	1617.04
	Tamil Nadu	11552.78	846.81	12399.59	7.65	1621.25
	Kerala	5528.46	701.59	6230.05	3.53	1763.34
	Meghalaya	573.35	5.20	578.55	0.33	1765.85
	Telangana	6560.07	513.73	7073.80	3.85	1838.65
	U.T. Govt. Puducherry	288.36	5.44	208.80	0.14	2135.81
	Jammu and Kashmir	2032.34	917.02	2949.36	1.36	2163.08
	Karnataka	14521.28	225.12	14746.40	6.62	2228.70
	Goa	320.19	64.93	385.12	0.15	2496.32
	Himachal Pradesh	1799.55	59.83	1859.38	0.73	2541.28
	Punjab	7487.13	108.37	7595.50	2.96	2565.01
	Maharashtra	26129.61	5373.64	31503.25	12.08	2607.08
	Uttarakhand	2132.20	795.95	2928.15	1.11	2640.25
	Nagaland	625.53	29.57	655.10	0.22	2992.28
	Chhattisgarh	8781.04	84.26	8865.30	2.86	3103.34
	Sikkim	300.13	13.96	314.09	0.07	4675.91
	Arunachal Pradesh	769.19	13.59	782.78	0.15	5121.91
	Mizoram	544.42	260.29	804.71	0.12	6672.70
	<b>Total</b>	<b>171412.13</b>	<b>16652.25</b>	<b>188064.38</b>	<b>133.29</b>	<b>63622.85</b>

**Grouping of States based on their per capita Expenditure on Agriculture**

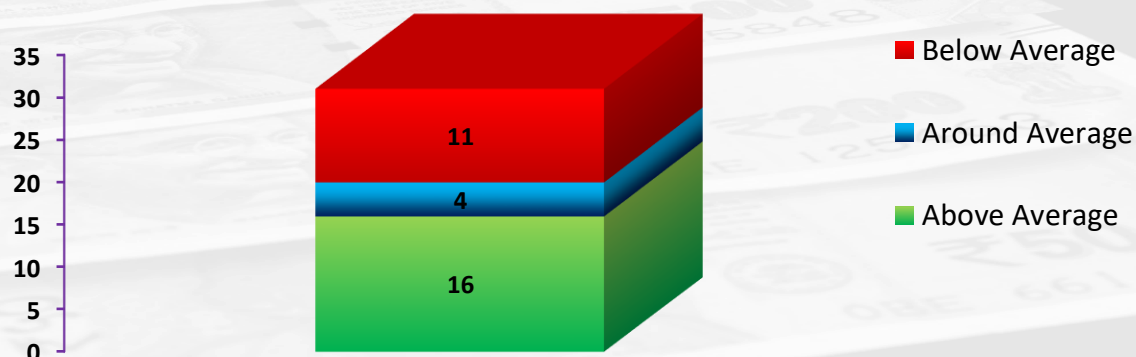


<sup>33</sup> Per Capita expenditure / number of States/ UTs

All States per capita Average: ₹ 1189<sup>34</sup>

	State/Union Territory	Revenue Expenditure on Rural Development (₹ in crore)	Capital Expenditure on Rural Development (₹ in crore)	Total Expenditure on Rural Development (₹ in crore)	Population (in Crores)	Per Capita Expenditure (in ₹)
	NCT Delhi	13.66	102.49	116.15	1.83	63.31
	Punjab	321.79	67.42	389.21	2.96	131.44
	U.T. Govt. Puducherry	43.17	0.00	43.17	0.14	313.83
	Kerala	1445.45	515.47	1960.92	3.53	555.02
	Tamil Nadu	2911.36	1771.58	4682.94	7.65	612.30
	Maharashtra	6588.73	1257.56	7846.29	12.08	649.33
	Gujarat	3199.53	1206.40	4405.93	6.39	689.43
	Karnataka	5209.49	113.74	5323.23	6.62	804.53
	Uttar Pradesh	17086.30	2313.12	19399.42	22.90	847.29
	Assam	3114.40	0.00	3114.40	3.46	900.47
	Goa	147.03	0.00	147.03	0.15	953.04
	Haryana	2980.84	0.00	2980.84	2.74	1088.37
	Madhya Pradesh	6820.58	2186.54	9007.12	8.23	1093.86
	Telangana	3790.41	858.42	4648.83	3.85	1208.34
	Himachal Pradesh	921.79	2.26	924.05	0.73	1262.93
	Tripura	365.16	195.54	560.70	0.41	1381.77
	Bihar	11212.22	6387.66	17599.88	11.95	1473.27
	Chhattisgarh	3695.50	655.53	4351.03	2.86	1523.10
	Jammu and Kashmir	363.85	1849.85	2213.70	1.36	1623.54
	Andhra Pradesh	7990.15	869.34	8859.49	5.29	1675.30
	Odisha	9017.88	0.00	9017.88	4.54	1985.03
	Rajasthan	15014.94	653.00	15667.94	7.82	2002.78
	West Bengal	18162.16	1775.83	19937.99	9.77	2040.84
	Jharkhand	6044.87	2092.79	8137.66	3.73	2179.98
	Uttarakhand	1266.40	1236.61	2503.01	1.11	2256.91
	Sikkim	175.66	12.67	188.33	0.07	2803.70
	Mizoram	355.71	12.29	368.00	0.12	3051.48
	Meghalaya	1067.92	1.41	1069.33	0.33	3263.81
	Manipur	987.55	0.00	987.55	0.30	3282.48
	Arunachal Pradesh	575.62	53.10	628.72	0.15	4113.86
	Nagaland	1356.47	0.00	1356.47	0.22	6195.92
	<b>Total</b>	<b>132246.59</b>	<b>26190.62</b>	<b>158437.21</b>	<b>133.29</b>	<b>52027.24</b>

### Grouping of States based on their per capita expenditure on Rural Development

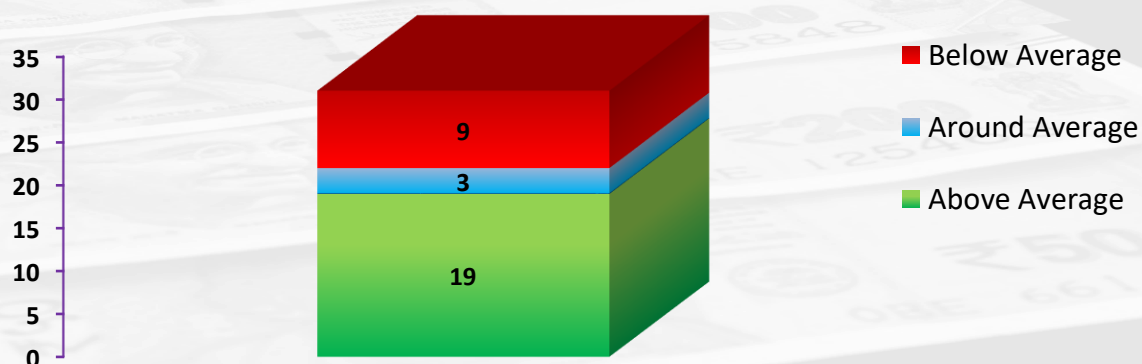


<sup>34</sup> Per Capita expenditure / number of States/ UTs

All States per capita Average: ₹ 1081<sup>35</sup>

State/Union Territory	Revenue Expenditure on Transport (₹ in crore)	Capital Expenditure on Transport (₹ in crore)	Total Expenditure on Transport (₹ in crore)	Population (in Crores)	Per Capita Expenditure (₹ in crore)
Andhra Pradesh	1475	453	1928	5.29	364
Punjab	552	675	1226	2.96	414
Uttar Pradesh	4125	8325	12450	22.90	544
West Bengal	1714	3766	5479	9.77	561
Bihar	1402	5402	6804	11.95	570
U.T. Govt. Puducherry	27	65	92	0.14	657
Telangana	595	2169	2764	3.85	718
Rajasthan	2177	4539	6717	7.82	859
Madhya Pradesh	1102	6400	7503	8.23	911
Maharashtra	5461	6639	12100	12.08	1001
Assam	1737	2204	3941	3.46	1139
Tripura	132	354	486	0.41	1197
Gujarat	4696	3963	8660	6.39	1355
Manipur	99	315	414	0.30	1375
Jharkhand	531	5142	5673	3.73	1520
Tamil Nadu	2134	9855	11988	7.65	1567
Uttarakhand	236	1526	1762	1.11	1589
Kerala	2255	3442	5698	3.53	1613
Chhattisgarh	943	3732	4675	2.86	1637
Haryana	2902	1782	4685	2.74	1711
Karnataka	4970	7379	12348	6.62	1866
Meghalaya	173	449	622	0.33	1899
Odisha	2224	7148	9372	4.54	2063
Jammu and Kashmir	1334	1571	2905	1.36	2130
NCT Delhi	3699	1250	4948	1.83	2697
Nagaland	454	221	676	0.22	3086
Himachal Pradesh	1814	1694	3509	0.73	4796
Goa	328	499	827	0.15	5359
Mizoram	398	630	1028	0.12	8523
Sikkim	184	626	809	0.07	12048
Arunachal Pradesh	804	1174	1978	0.15	12944
<b>Total</b>	<b>50677</b>	<b>93389</b>	<b>144066</b>	<b>133.29</b>	<b>78715</b>

## Grouping of States based on their per capita expenditure on Transport

<sup>35</sup>Per Capita expenditure / number of States/ UTs



## 5.1 Deficit

## Chapter-5

Revenue Deficit represents the net of revenue expenditure over revenue receipts of the Government. Fiscal Deficit is calculated as total expenditure (Revenue + Capital + Net Loans and Advances) less revenue receipts and miscellaneous capital receipts. This is financed by borrowings.



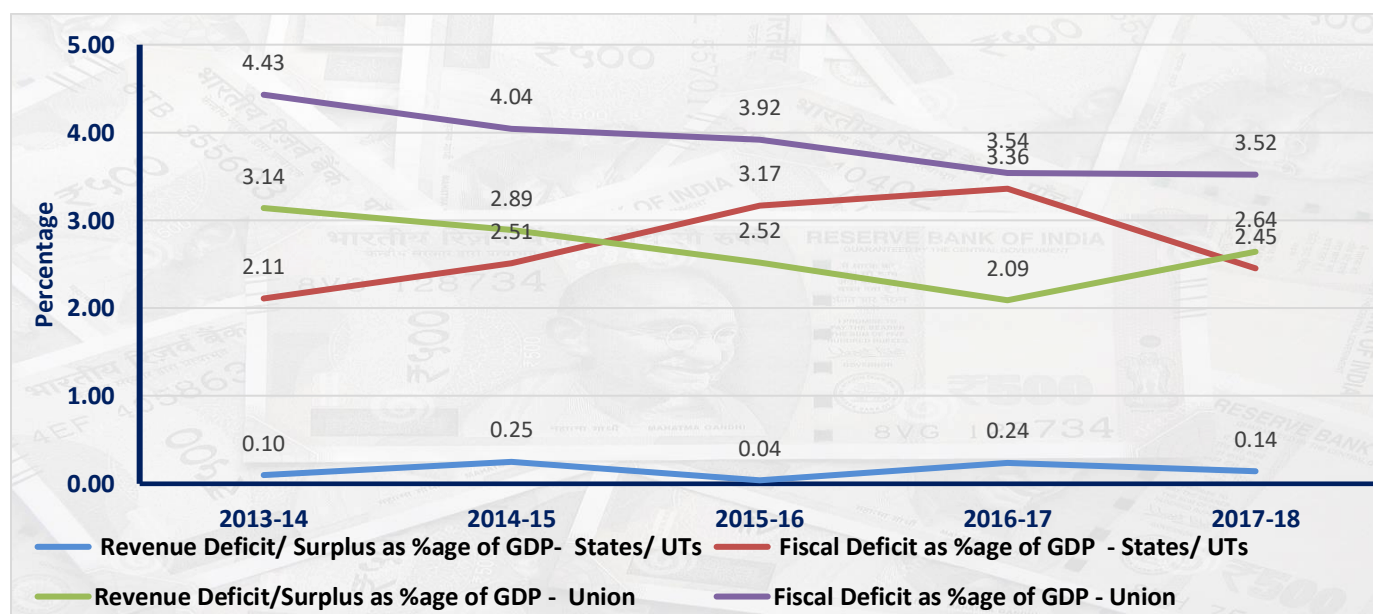
## 5.2 Gross Domestic Product (GDP) & Gross State Domestic Product (GSDP)

GDP is the total value of goods and services produced in the Union and GSDP is the total value of goods and services produced in the territory of the State.

### Details of Revenue/Fiscal Parameters of Union & State Governments

Year	All States		Union Government	
	Revenue Deficit/ Surplus as %age of GDP <sup>36</sup>	Fiscal Deficit as %age of GDP	Revenue Deficit/Surplus as %age of GDP	Fiscal Deficit as %age of GDP
2013-14	0.10	2.11	3.14	4.43
2014-15	0.25	2.51	2.89	4.04
2015-16	0.04	3.17	2.52	3.92
2016-17	0.24	3.36	2.09	3.54
2017-18	0.14	2.45	2.64	3.52

### COMPARISON OF REVENUE/FISCAL PARAMETERS FOR THE LAST 5 YEARS (UNION & STATES)



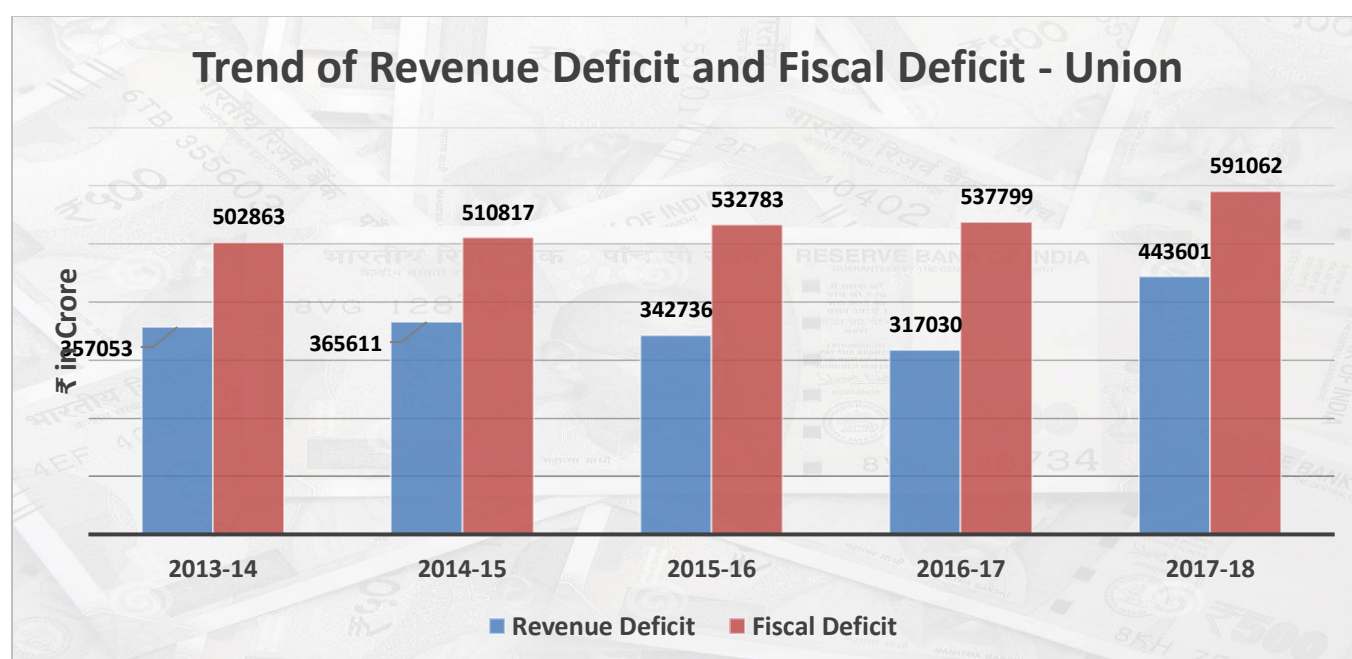
<sup>36</sup> See footnote for Chapter 4 on GDP



Union: The Fiscal Responsibility and Budget Management Act (FRBM Act), 2003, establishes financial discipline to reduce fiscal deficit. The FRBM Act aims to introduce transparency in India's fiscal management systems. The FRBM Act proposed that revenue deficit, fiscal deficit, tax revenue and the total outstanding liabilities be projected as a percentage of gross domestic product (GDP) in the medium-term fiscal policy statement.

### 5.3 Union Government: Trends of Revenue Deficit and Fiscal Deficit

The following graph shows the trends of Revenue and Fiscal Deficit of the Union over a period of five years:



In respect of the Union, while there is an increasing trend in the Revenue deficit except a dip during the year 2016-17, in respect of Fiscal Deficit there is an increasing trend in absolute value.

### 5.4 State Governments' performance under Fiscal Responsibility and Budget Management Act (FRBMA)

As per the recommendations of the Fourteenth Finance Commission, the State Governments are required to amend their Fiscal Responsibility and Budget Management (FRBM) Acts. In terms of the Act, the State Governments shall, by rules, specify the fiscal rules suggested for the FRBM Acts of States by the Finance Commission constituted by the President of India.

In general the FRBM Act of all states specify the following two conditions:

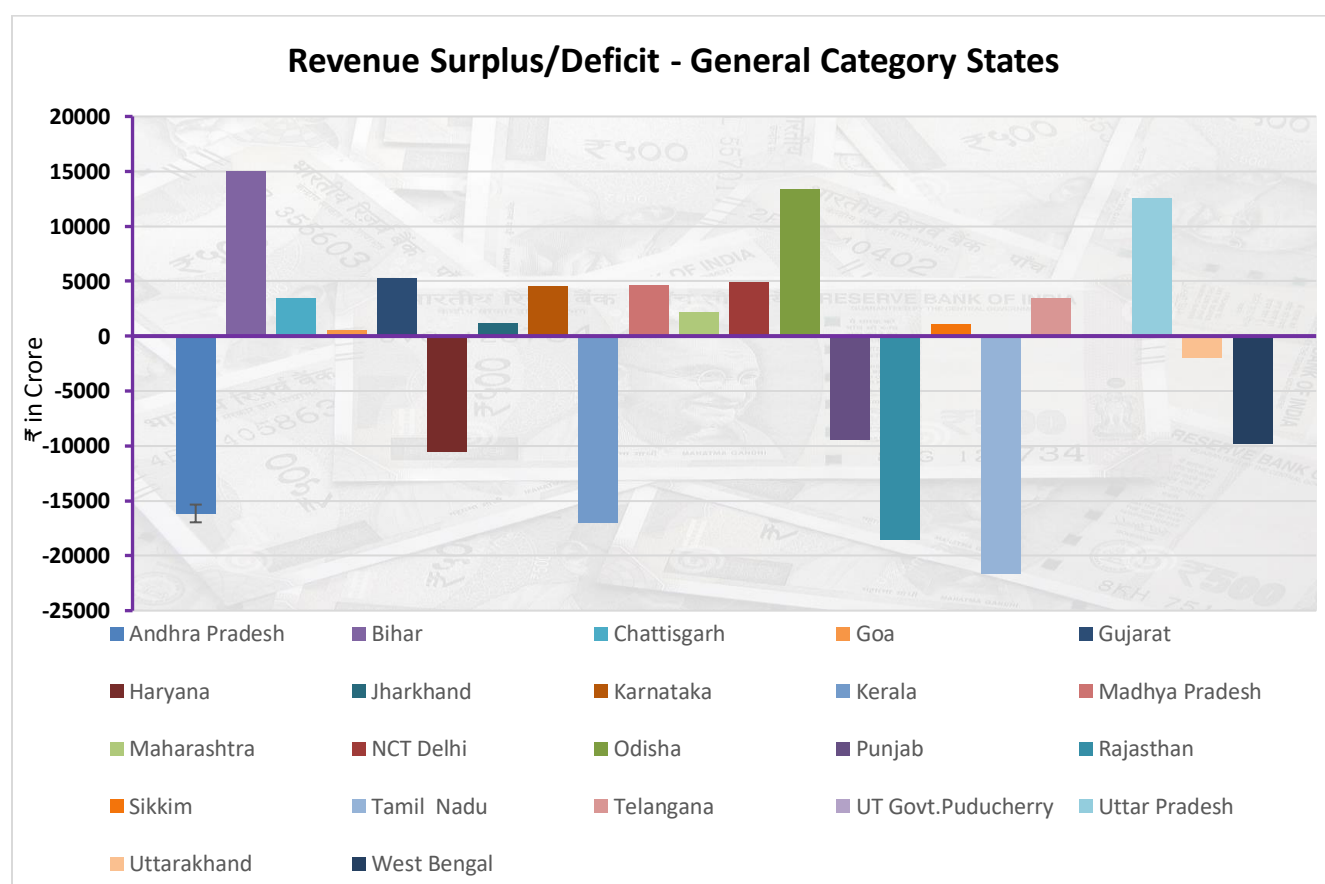
- (i) To maintain a Revenue Surplus and
- (ii) A target of 3.0 per cent Fiscal deficit to GSDP of the State.

State Governments: State Governments have enacted the Fiscal Responsibility and Budget management (FRBM) Act which specifies Targets for the fiscal parameters like Revenue Deficit / Surplus, fiscal deficit , Debt and other obligations, guarantees, etc.

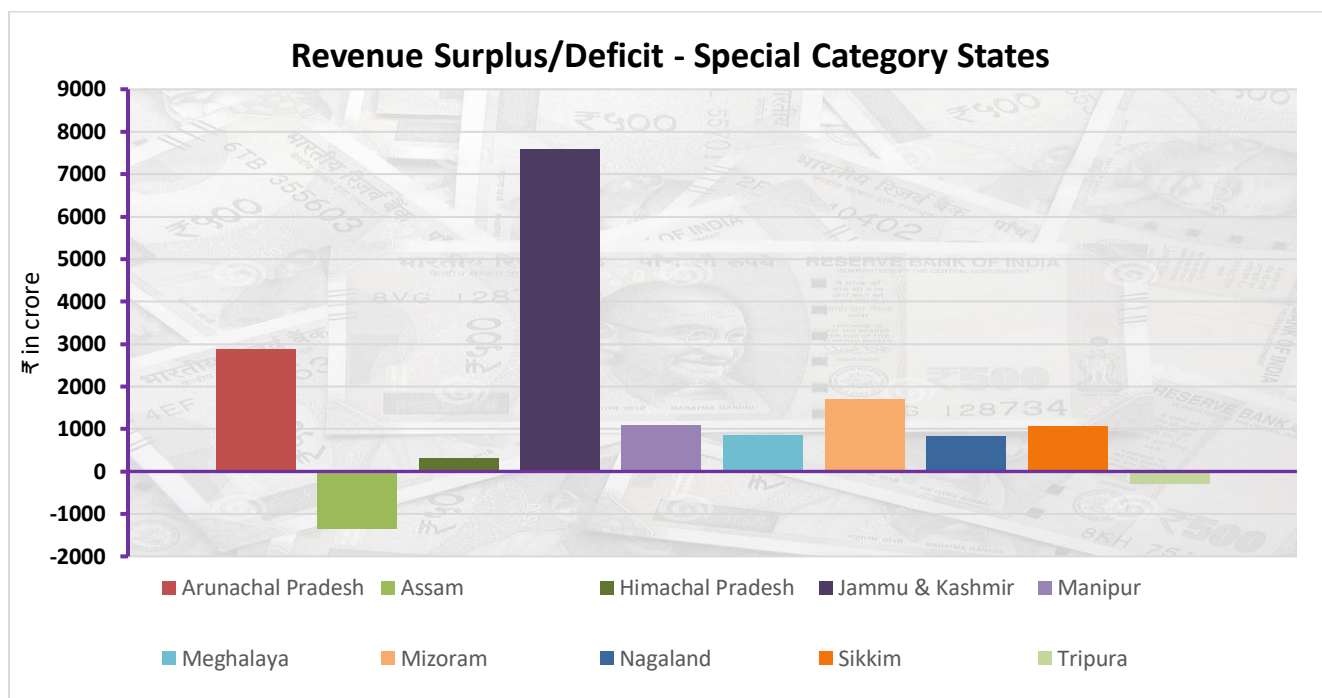
Each State government targeted to eliminate Revenue Deficit and maintain a Revenue Surplus.

Despite this eleven States/ UTs had a Revenue Deficit during 2017-18.

The targets for the States as per the fiscal rules framed by the State Governments and achievements/shortfalls there against are depicted in the graphs below:

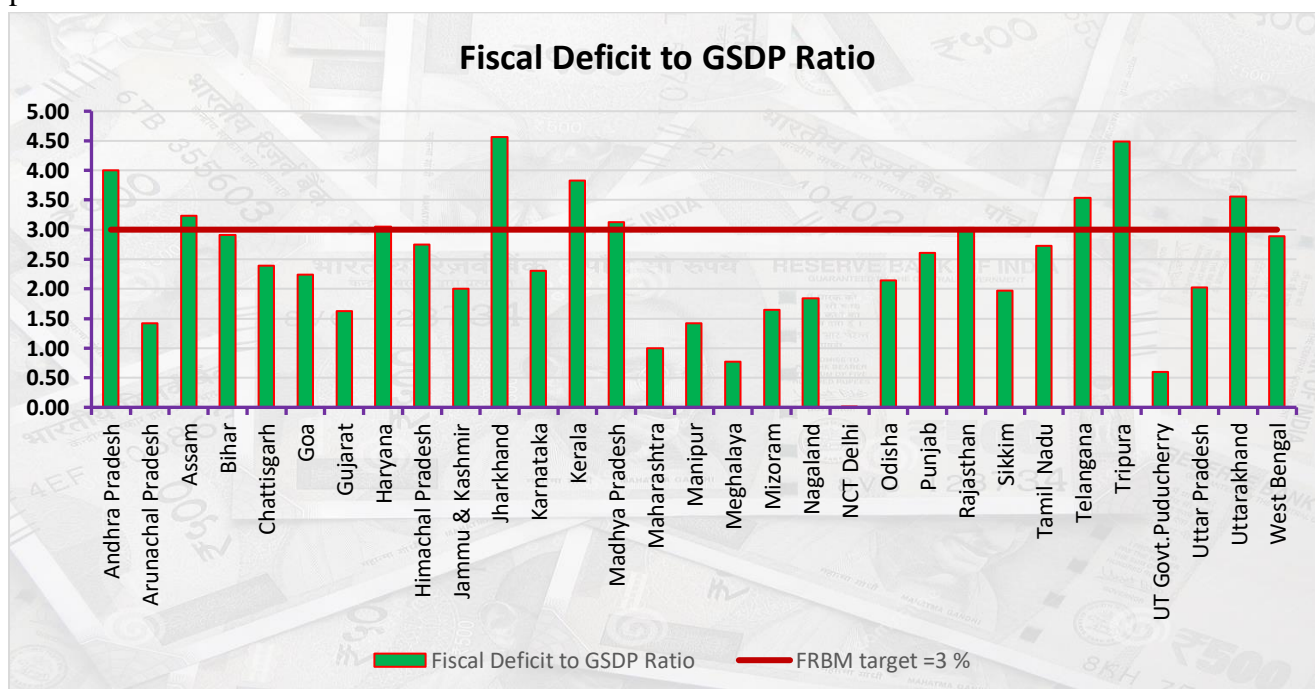


In respect of the General Category States 13 states/UTs including Goa and NCT Delhi maintained Revenue Surplus conforming to their FRBM target while the remaining states /UTs had a Revenue Deficit.



In respect of special Category States eight states maintained a Revenue Surplus while Assam and Tripura had a Revenue deficit during 2017-18.

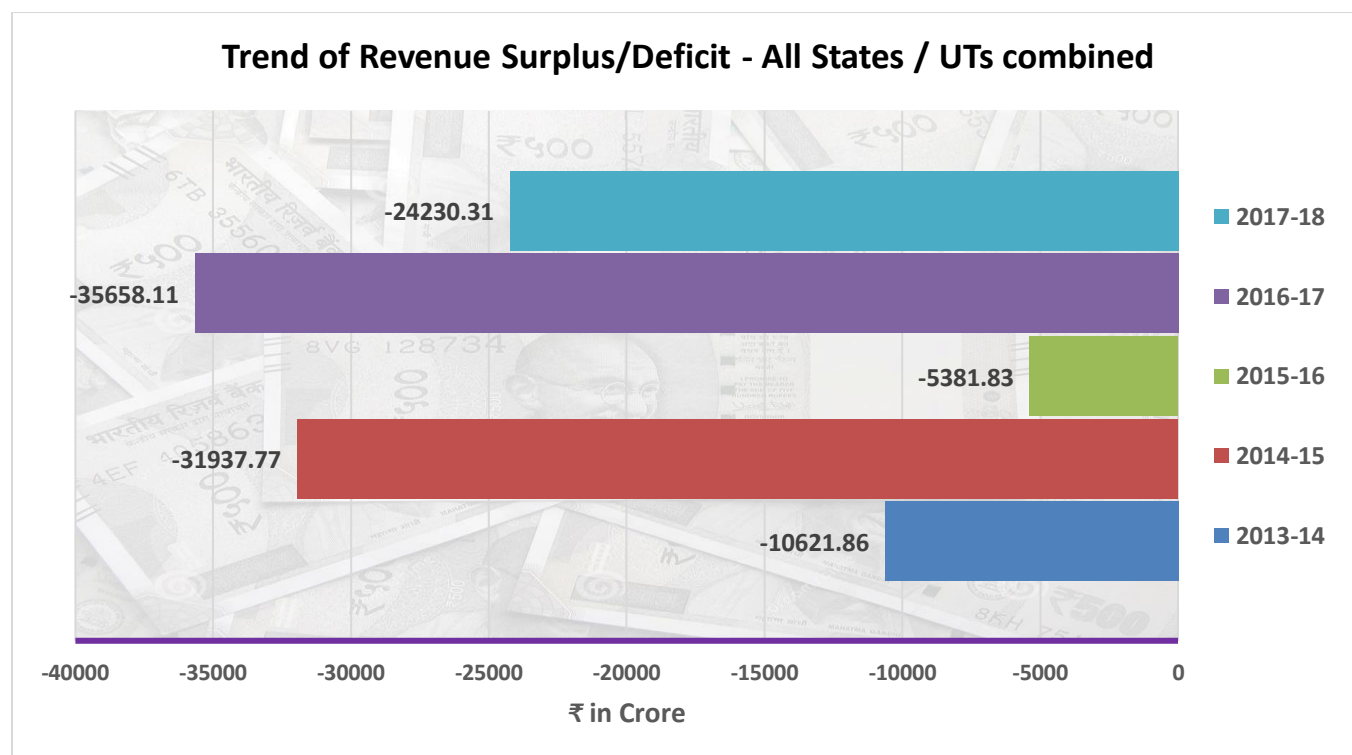
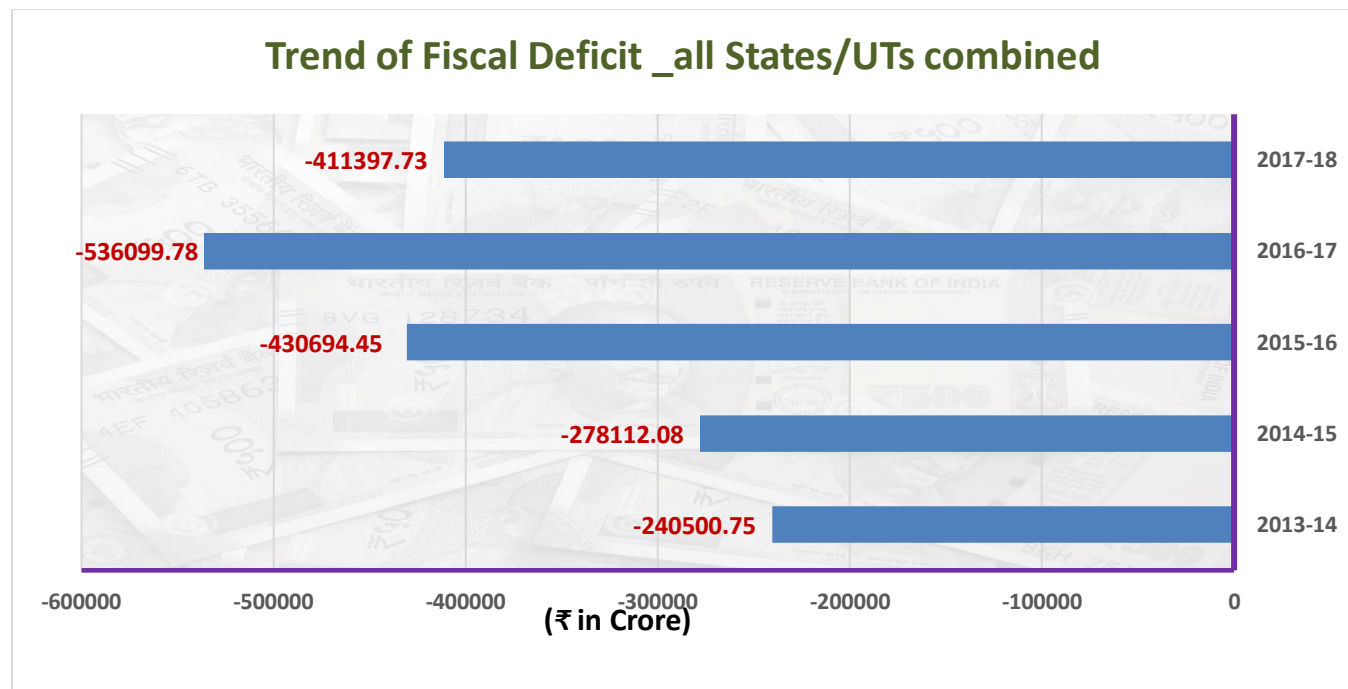
The following shows the Fiscal Deficit to GSDP ratio of the States with reference to the prescribed ratio of 3.



In respect of the FRBM targets to maintain the Fiscal Deficit to GSDP ratio at 3 per cent, ten (10)<sup>37</sup> states had a ratio beyond the target while the other states were below the target.

<sup>37</sup> Andhra Pradesh, Assam, Haryana, Jharkhand, Kerala, Madhya Pradesh, Rajasthan, Telangana, Tripura and Uttarakhand.

The trend of the Fiscal Deficit and Revenue surplus/Deficit of all States combined during the last five years is given below:





## Public Debt

## Chapter- 6

Public Debt comprises Internal Debt and External Debt in respect of Union Government whereas Loans and Advances from the Central Government instead of External Loans constitute Public Debt of the State Governments. State Government, in order to carry out its day today activities, raises money from Public, Public Sector Undertakings through loans, by obtaining Ways and Means Advance from Reserve Bank of India and also through loans and advances from the Government of India. The Government also encourages Small Savings from the Public, which are used for funding its activities.

### Public debt:

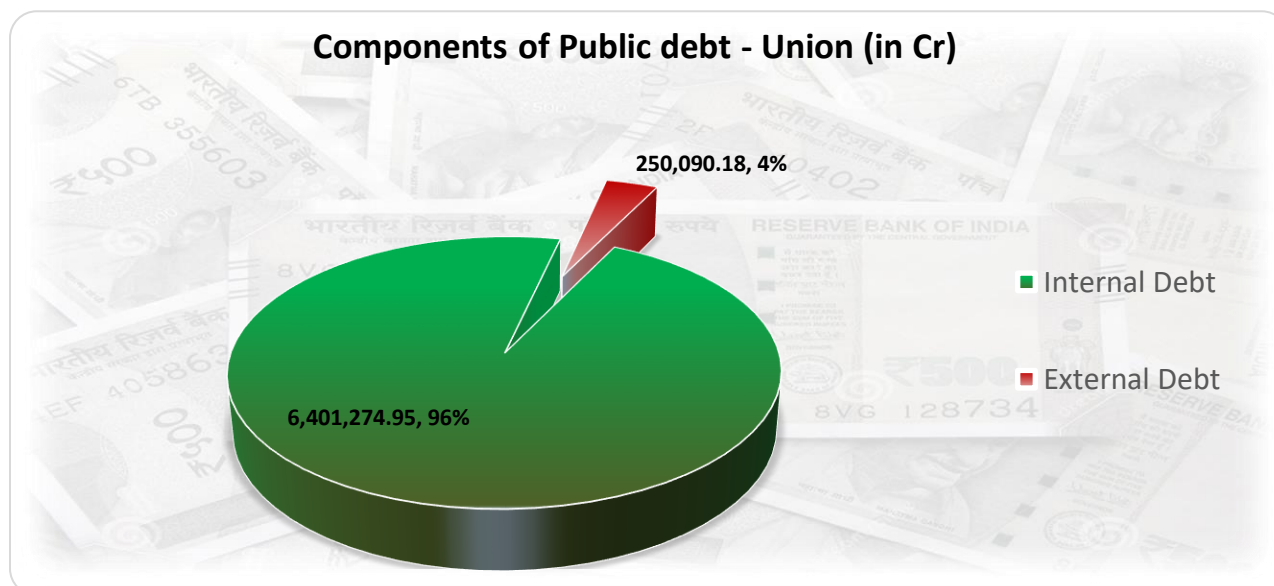
The Public Debt consists of market loans, loans from banks/financial institutions, and loans and advances from the GoI. The Constitution of India provides that a State may borrow, within the territory of India, upon the security of its Consolidated Fund, within such limits as may from time to time, be fixed by the Act of its Legislature and give guarantees within such limits as may be fixed.

#### 6.1.1

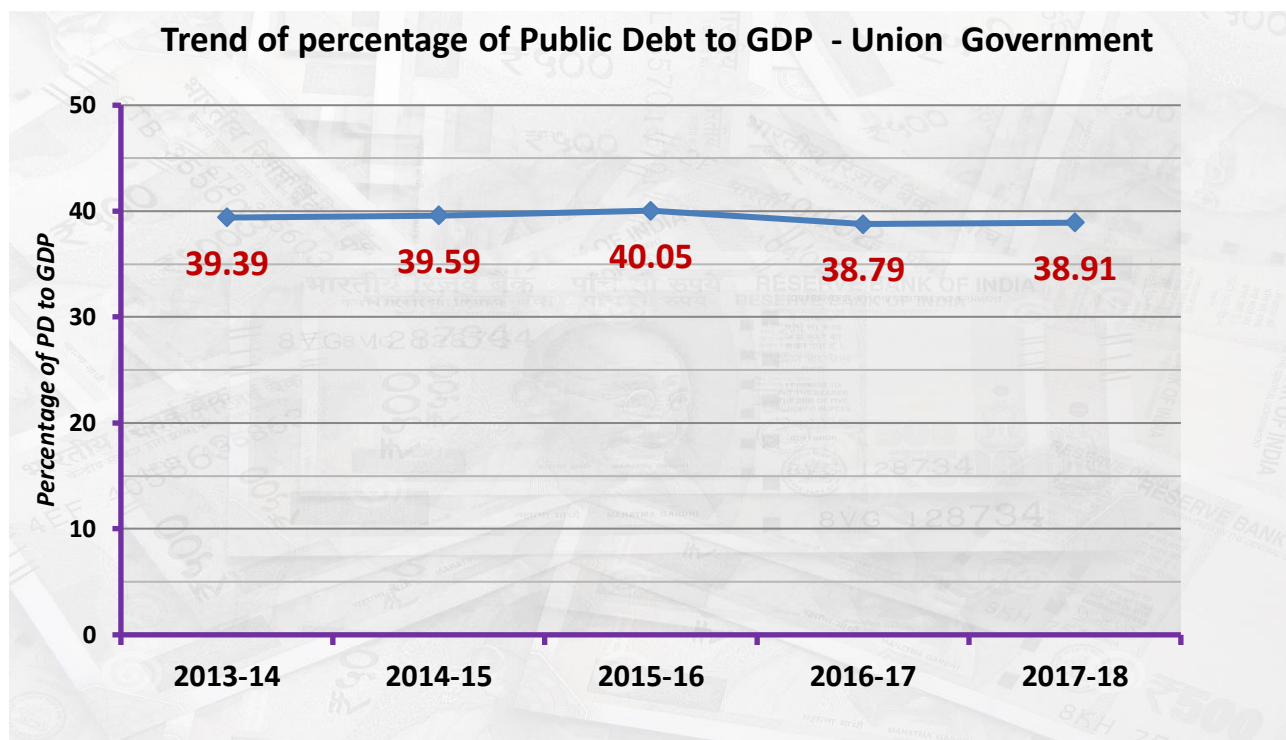
### Union Government

Union Government	Amount (in Crore)	GDP (2017-18)	Percentage to GDP
Internal Debt	64,01,274.95	17095005	37.45
External Debt	2,50,090.18		1.46
<b>Total</b>	<b>66,51,365.13</b>	<b>17095005</b>	<b>38.91</b>

Components of Public debt - Union (in Cr)

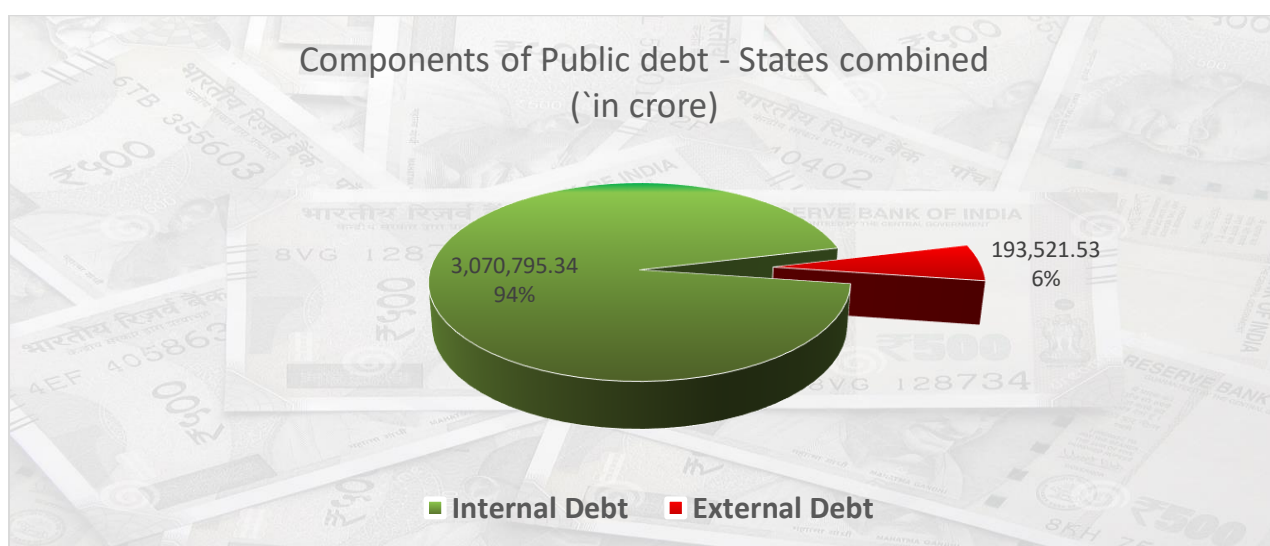




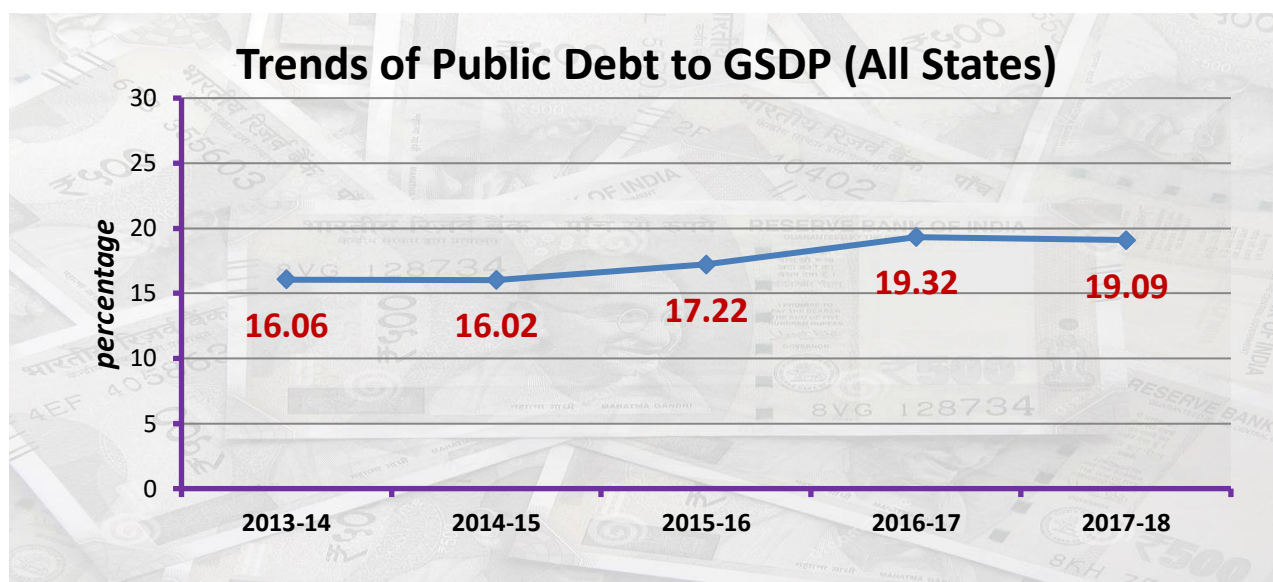


#### 6.1.2 State Governments/UTs

States/UTs	Amount ( in Crore)	GDP (2017-18)	Percentage to GSDP
Internal Debt	30,70,795.34	17095005	17.96
External Debt	1,93,521.53		1.13
<b>Total</b>	<b>32,64,316.87</b>	<b>17095005</b>	<b>19.10</b>







#### Components of Public debt as percentage of GDP:

The Public Debt consists of Internal and External debt. Internal Debt consists of market loans, loans from banks/financial institutions and External Debt consists of loans and advances from the GoI in respect of the state Governments. While in the case of Union, Internal debt was 39 per cent of the GDP, in case of the states the Internal Debt was 19 per cent of GDP. In economics, the **debt-to-GDP ratio** is the ratio between a country's government debt and its gross domestic product (GDP). This ratio is a useful tool for investors, leaders, and economists. It allows them to gauge a country's ability to pay off its debt. A high ratio means a country isn't producing enough to pay off its debt. A low ratio means there is plenty of economic output to make the payments.

Debt-GSDP ratio is an important indicator which signifies sustainability of the fiscal liability. Punjab had the highest debt to GSDP ratio at 35 followed by Nagaland and West Bengal where debt to GSDP ratio is more than thirty per cent. NCT of Delhi, Assam, Odisha, Karnataka, Chhattisgarh, Maharashtra, Gujarat, Arunachal Pradesh, Mizoram, Uttarakhand, Sikkim, Telangana, Tripura, Goa and Madhya Pradesh had the lowest debt to GSDP ratio less than twenty per cent as detailed below:

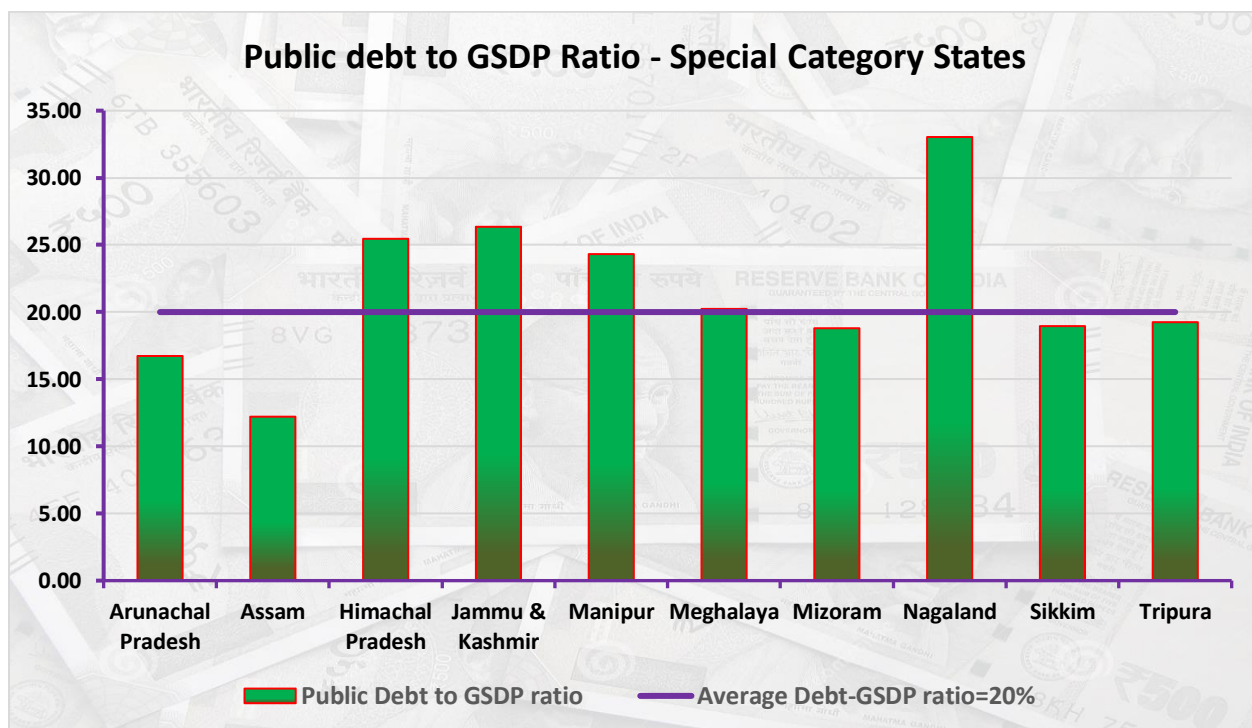
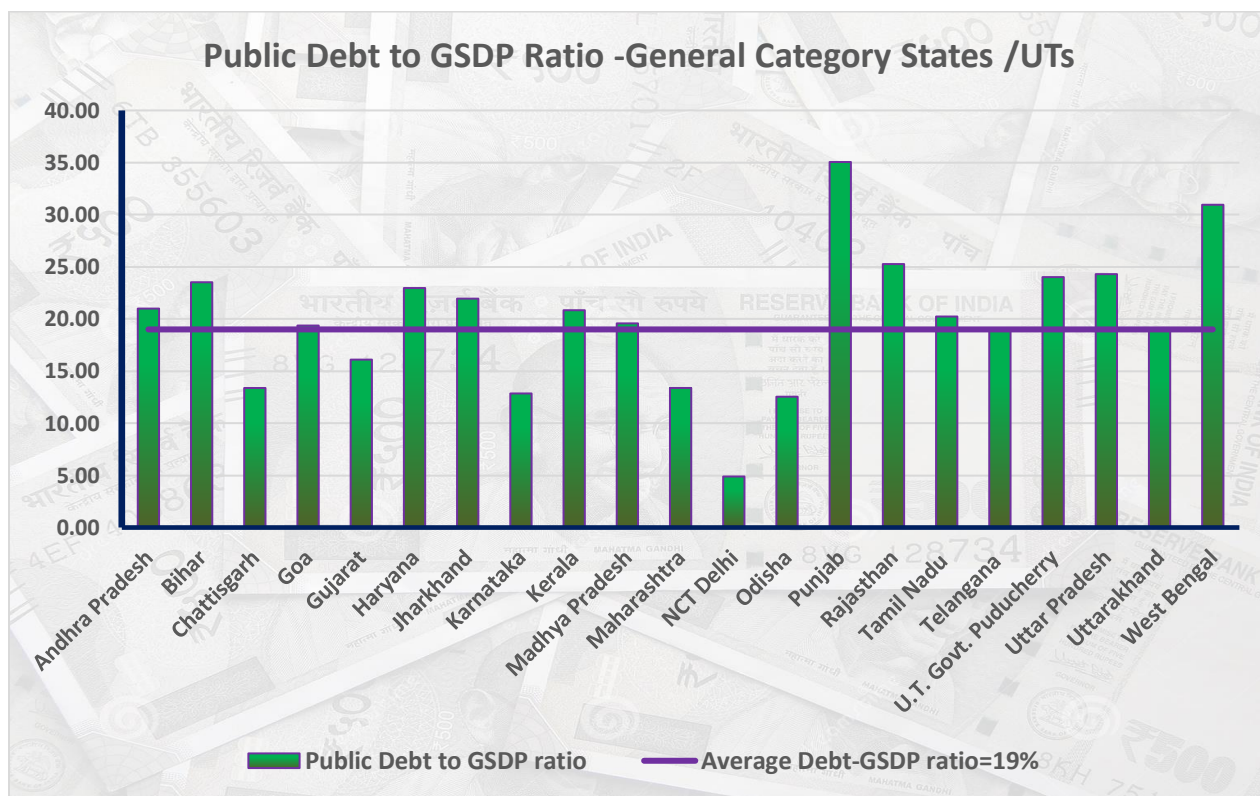
## State Governments

The Public debt (closing balance) to GSDP ratio during the period 2017-18 is presented in Table below:

State	Internal Debt (₹ in crore)	Loans from Central Govt. (₹ in crore)	Public Debt (₹ in crore)	GSDP	Public Debt to GSDP ratio
NCT Delhi	0.00	33568.69	33568.69	686017.38	4.89
Assam	33293.73	1361.18	34654.91	283821.22	12.21
Odisha	44584.24	7605.60	52189.84	415982.00	12.55
Karnataka	148580.67	14554.69	163135.36	1268881.00	12.86
Chattisgarh	36690.45	2339.56	39030.01	291681.00	13.38
Maharashtra	327025.89	7105.07	334130.96	2496505.00	13.38
Gujarat	206643.56	5946.92	212590.48	1320167.00	16.10
Arunachal Pradesh	3883.82	205.10	4088.93	24442.19	16.73
Mizoram	3057.24	277.04	3334.28	17739.33	18.80
Uttarakhand	40286.37	728.58	41014.94	217609.00	18.85
Sikkim	4114.12	102.85	4216.97	22248.00	18.95
Telangana	134287.01	8631.06	142918.07	752230.00	19.00
Tripura	7398.47	237.16	7635.62	39670.00	19.25
Goa	12388.02	1223.08	13611.10	70267	19.37
Madhya Pradesh	123683.16	14741.05	138424.22	707046.99	19.58
Tamil Nadu	272634.38	16134.94	288769.32	1427074.00	20.24
Meghalaya	6287.33	114.48	6401.81	31636.00	20.24
Kerala	135500.53	7483.99	142984.52	686116.00	20.84
Andhra Pradesh	159813.31	8977.41	168790.72	803873.00	21.00
Jharkhand	53799.09	2232.85	56031.94	255271.00	21.95
Haryana	137812.37	1941.27	139753.64	608470.73	22.97
Bihar	104524.76	10181.92	114706.68	487628.00	23.52
U.T. Govt. Puducherry	6016.27	1720.72	7736.99	32215.00	24.02
Uttar Pradesh	321479.05	12811.81	334290.86	1375607.00	24.30
Manipur	5554.42	331.83	5886.25	24206.50	24.32
Rajasthan	200243.86	12063.01	212306.87	840263.00	25.27
Himachal Pradesh	33591.47	1079.43	34670.90	136198.00	25.46
Jammu & Kashmir	37418.53	1404.84	38823.38	147330.00	26.35
West Bengal	301777.99	14233.07	316011.06	1020858.00	30.96
Nagaland	7640.46	164.11	7804.58	23623.00	33.04
Punjab	160784.77	4018.22	164802.98	470137.00	35.05
<b>Grand Total</b>	<b>3070795.34</b>	<b>193521.53</b>	<b>3264316.88</b>	<b>16984813.34</b>	<b>20.50</b>

The debt-GSDP ratio with reference to the average Debt-GSDP ratio<sup>38</sup> in respect of General Category and Special Category states is depicted below:

<sup>38</sup> Average Debt-GSDP ratio = total Public Debt /total GSDP separately for General and Special Category States.

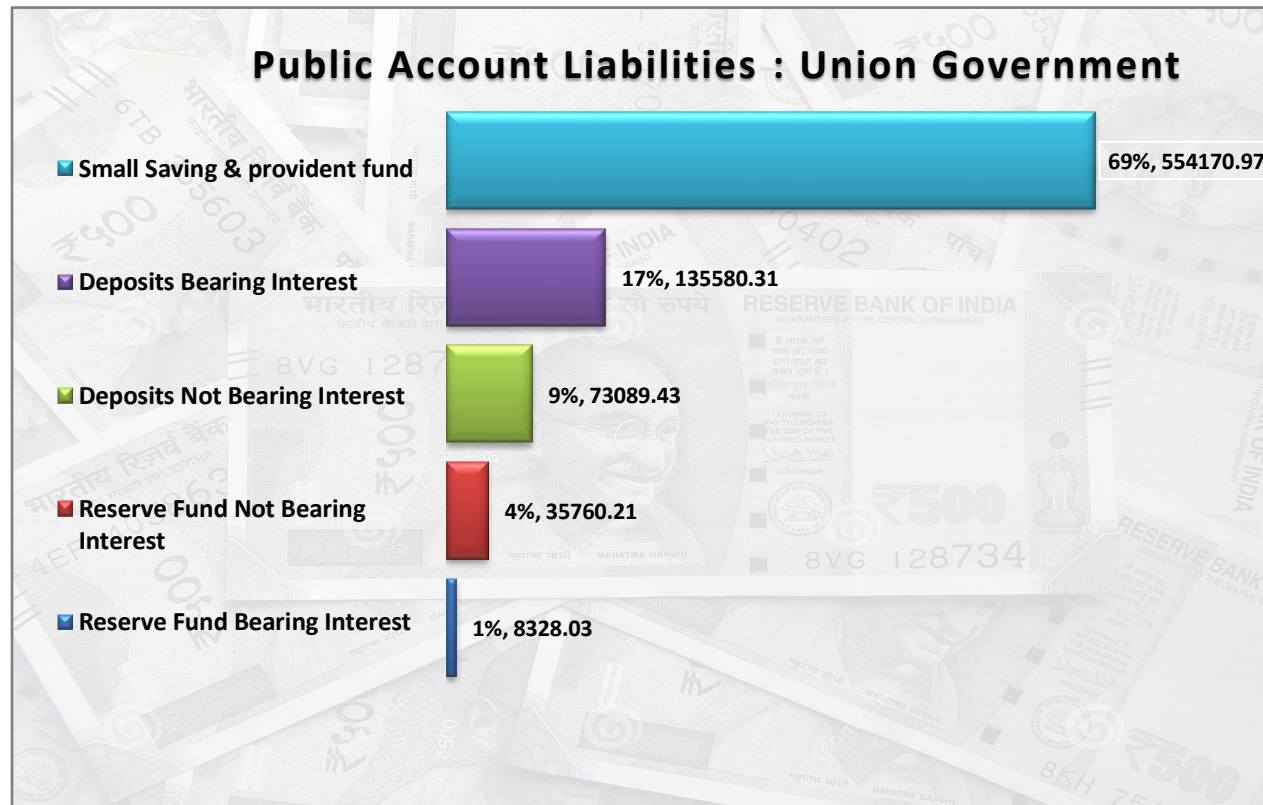


All other public moneys received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to the Public Account. The Public Account includes repayables like Small Saving and provident Funds, Deposits (bearing interest and not bearing interest), Advances, Reserve Funds (bearing interest and not bearing interest), Remittances and Suspense heads (both of which are transitory heads, pending final booking). The net cash balance available with the Government is also included under the Public Account. The Public account is not subject to the vote of the Legislature.

### 7.1.1 Liabilities on Public Account:

#### Union:

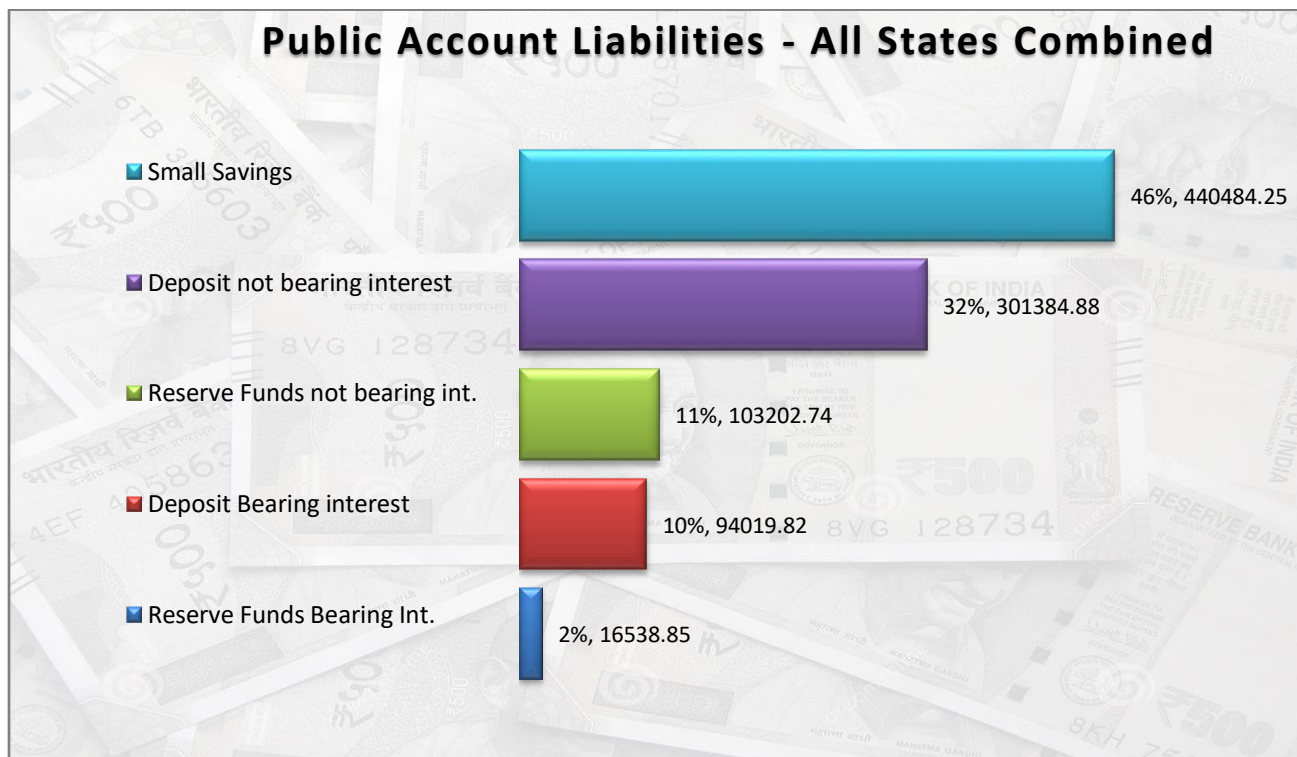
The other liabilities comprise small savings, provident funds, etc., Reserve Funds and deposits. As on 31<sup>st</sup> March 2018, total liabilities on Public Account were ₹806928.97 crore. Interest bearing liabilities amounted to ₹698079.33 cr. and the remaining ₹108849.64 crore were non-interest bearing. A major portion i.e.69 per cent of the Public Account liabilities account for Small savings and Provident Fund in respect of the union Government.





## States:

The other liabilities comprise small savings, provident funds, etc., Reserve Funds and deposits. As on 31<sup>st</sup> March 2018, total liabilities on Public Account were ₹955631 cr. Interest bearing liabilities amounted to ₹551043 cr. and the remaining ₹404588 cr. were non-interest bearing.



State-wise outstanding liabilities on Public Account are presented in table below:

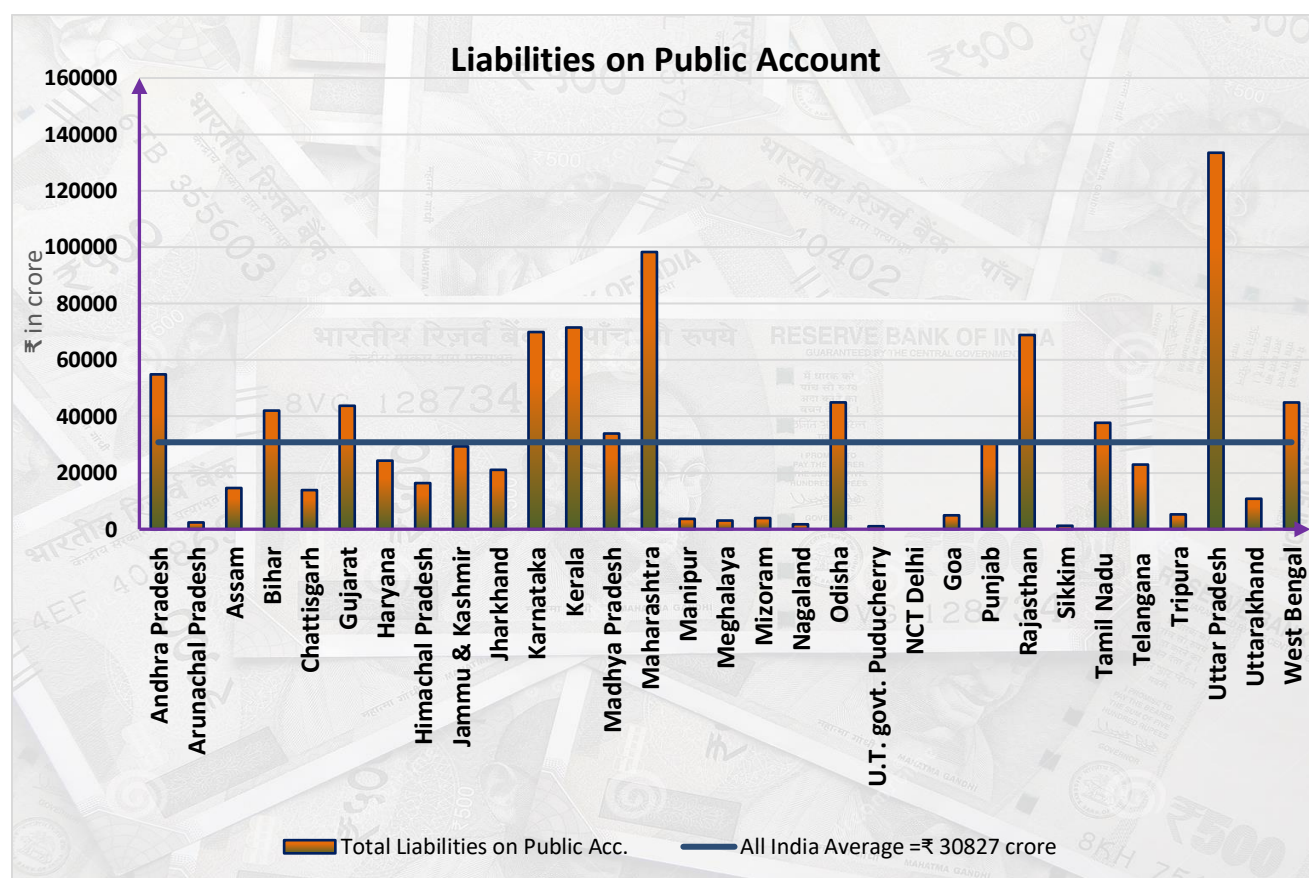
## Liabilities on Public Account

(₹ in crore)

State	Small Savings	Reserve Funds Bearing Int.	Reserve Funds not bearing int.	Deposit Bearing interest	Deposit not bearing interest	Total Liabilities on Public Acc.
Andhra Pradesh	13508.84	31.86	1455.48	7057.92	32861.14	54915.24
Arunachal Pradesh	2002.49	3.46	8.97	58.23	334.86	2408.01
Assam	11206.99	496.10	14.46	274.47	2627.94	14619.96
Bihar	8810.89	0	26.32	86.44	33146.44	42070.09
Chattisgarh	6075.40	175.55	1387.39	49.69	6189.04	13877.07
Gujarat	10400.17	2355.14	890.69	12954.29	17175.71	43776.00
Haryana	14547.52	2593.33	114.19	379.13	6687.90	24322.07
Himachal Pradesh	13236.38	8.48	316.54	0.89	2799.09	16361.38
Jammu & Kashmir	20918.79	729.53	1434.86	59.41	6239.32	29381.91
Jharkhand	1142.18	1551.04	0	13.52	18356.35	21063.09
Karnataka	27731.13	41.92	16831.76	340.37	24977.52	69922.70
Kerala	67777.85	287.08	310.52	0.56	3157.69	71533.70
Madhya Pradesh	14331.3	102.46	5408.85	-17	14112.89	33938.5
Maharashtra	25191.95	485.47	8958.13	42561.85	21104.64	98302.04
Manipur	1509.72	20.36	0.24	132.18	1358.90	3021.4
Meghalaya	1531.52	4.70	7.67	0.90	1538.48	3083.27
Mizoram	2742.2	2.64	6.52	2.55	1212.12	3966.03
Nagaland	952.72	14.58	-16.10	103.68	699.66	1754.54
Odisha	21675.32	1363.76	310.19	39.12	21585.83	44974.22
U.T. govt. Puducherry	648.68	0	-84.93	116.07	381.82	1061.64
NCT Delhi	0	0	0	0	0	0
Goa	2314.93	18.27	854.16	1064.89	688.49	4940.74
Punjab	21729.73	5519.49	0	825.92	2273.63	30348.77
Rajasthan	42095.21	150.74	1867.01	5080.45	19681.77	68875.18
Sikkim	911.72	1.82	56.24	27.67	236.62	1234.07
Tamil Nadu	21659.87	0	1877.04	4128.42	10083.23	37748.56
Telangana	9272.05	89.54	1431.13	819.05	11319.47	22931.24
Tripura	4271.75	93.79	5.38	0	897.51	5268.43
Uttar Pradesh	50767.76	-44.41	59279.28	3987.11	19516.37	133506.11
Uttarakhand	7009.63	381.66	80.25	407.07	2937.68	10816.29
West Bengal	14509.56	50.31	-277.61	13464.97	17202.77	44950.00
	<b>440484.25</b>	<b>16528.67</b>	<b>102554.63</b>	<b>94019.82</b>	<b>301384.88</b>	<b>954972.25</b>



A graph showing the liabilities on account of Public Account with reference to the all India average (₹30827 crore) is shown below:

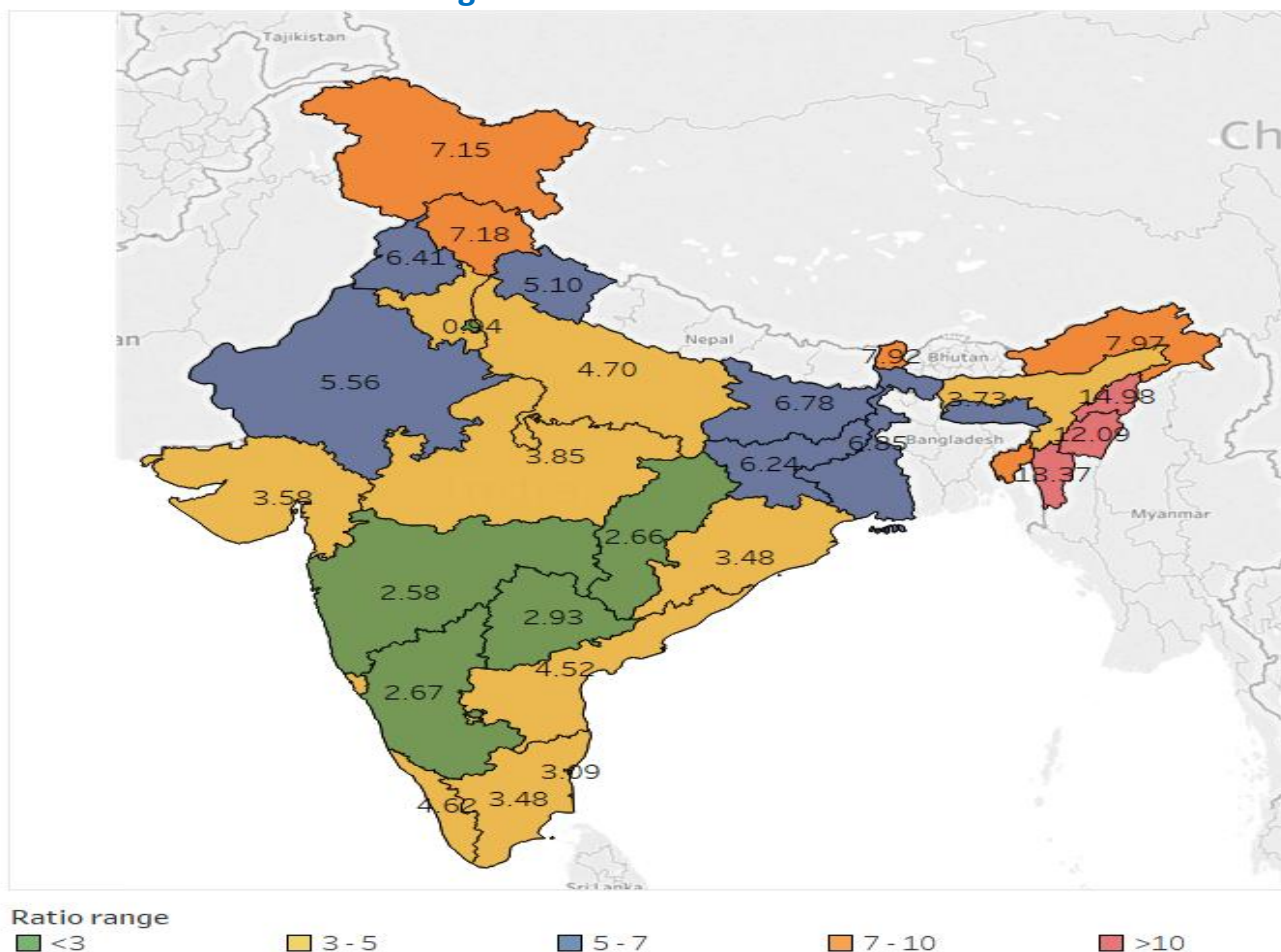


Analysis of Ratio of outstanding liabilities of states to states own tax receipts.

There is a marked difference across states in own revenue collections. The average own tax revenue is higher for the General Category States while in the Special category (North-Eastern) states, narrower tax bases operate as constraints and accordingly they receive the highest transfers from the Centre. (Refer to Chapter 3). Debt sustainability indicators assess the credit worthiness and the liquidity position of state governments by examining their ability to service interest payments and repay debt out of current and regular sources of revenue. Shown below is the all India state-wise ratio categorized into five ranges<sup>39</sup> signaling potential debt sustainability risks:

<sup>39</sup> Ratio of Total Liabilities to Revenue receipts ranges: <3, 3 to 5, 5 to 7, 7 to 10 and >10

## Ratio of Outstanding liabilities to States Own tax Revenue



### 7.1.2

### Personal Deposit Accounts

Personal Deposit Accounts form a part of the Deposits under the public account. They are included under Deposits not bearing interest. The purpose of Personal Deposit Accounts is to enable designated Drawing Officers to incur expenditure pertaining to a specific purpose, or which funds are placed at their disposal, by transfer from the Consolidated Fund of the State. Administrators of Personal Deposit Accounts are required to close such accounts at the end of financial year and transfer the unspent balances back to the Consolidated Fund in accordance with prevailing rules of the respective State Governments. The State Governments transfer huge quantity of funds from the State Consolidated Fund to the Personal Deposits Accounts and these funds are parked in Personal Deposits Accounts for many years to avoid lapse of grant.

A large number of Personal Deposit Accounts are being operated in the states of Andhra Pradesh, Telangana, Maharashtra, Rajasthan, Uttar Pradesh, Kerala, Odisha Madhya Pradesh, etc.

In the States of Jammu & Kashmir, Jharkhand, Mizoram, NCT Delhi, Sikkim and Tripura, Personal Deposits accounts were not operated by the State Governments during 2017-18.

Personal Deposit Accounts held by the State Governments at the end of March, 2018 are indicated in the Table below:

State	Balance at the end of March 31, 2018 (₹ in lakh) <sup>40</sup>	Total Number of PD Accounts at the end of March 31, 2018 <sup>41</sup>	Dr./Cr.
Arunachal Pradesh	31.96	2	Cr.
Assam	60.10	26	Cr.
Bihar	588240.25	174	Cr.
Chattisgarh	175700.39	263	Cr.
Goa	8468.82	119	Cr.
Gujarat	44740.67	482	Cr.
Haryana	24872.23	128	Cr.
Himachal Pradesh	261.08	112	Cr.
Karnataka	274151.34	70	Cr.
Kerala	9829.31	931	Cr.
Madhya Pradesh	537005.87	847	Cr.
Maharashtra	1222930.13	1363	Cr.
Manipur	271.00	2	Cr.
Meghalaya	1881.03	7	Cr.
Nagaland	2.39	1	Cr.
Odisha	1239386.72 <sup>42</sup>	836	Cr.
Punjab	3777.75	161	Cr.
Rajasthan	953856.89	1646	Cr.
Tamil Nadu	54974.52	24	Cr.
U.T. Govt. Puducherry	-0.06	-- <sup>43</sup>	Cr.
Uttar Pradesh	1393.08	1328	Dr.
Uttarakhand	23552.45	15	Cr.
West Bengal	428197.86	157	Cr.

<sup>40</sup> Figure taken from Statement 21: MH 8443-106 of Finance Accounts of the States. The figures in NTA are the figures collected by the State Government and are to be reconciled with the figures shown in Statement No. 21 of the Finance Accounts. In respect of 5 states (Andhra Pradesh, Himachal Pradesh, Odisha, Tamil Nadu and Telangana) the figures in NTA are different from the figure appearing in the Statement 21 and are subject to reconciliation.

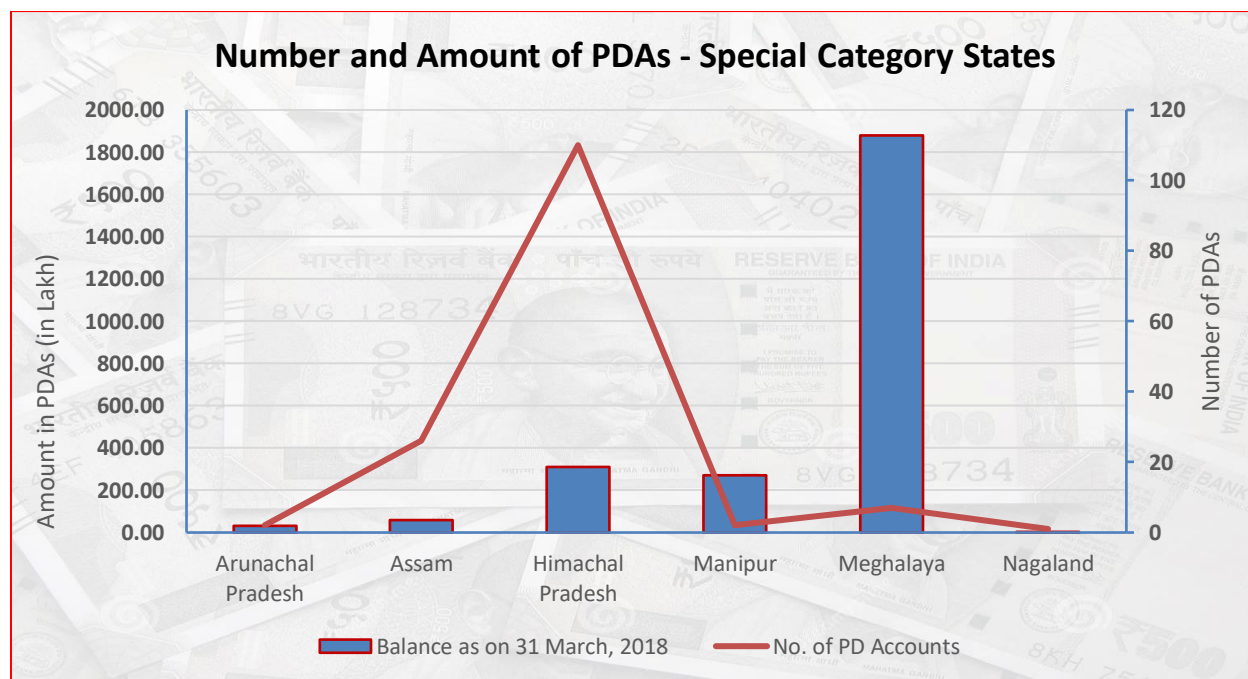
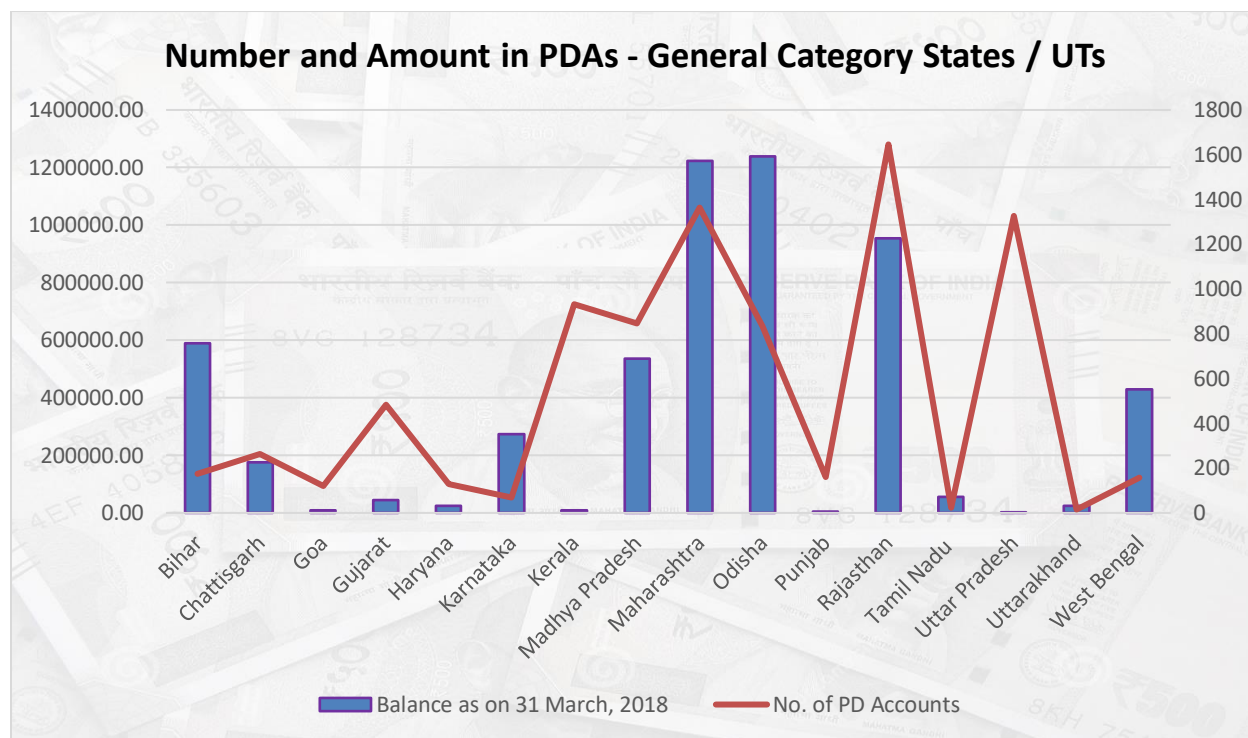
<sup>41</sup> Number of PD accounts is taken from the Notes to Account (NTA) included in the Finance Accounts.

<sup>42</sup> The specific heads other than MH 8443-106 are included in PD Accounts in Odisha as the same are defined as PD Accounts by the State Government.

<sup>43</sup> Figure not available

While the figure pertaining to Andhra Pradesh includes the un-apportioned amount, the figure of Telangana excludes the un-apportioned amount as per AP Reorganisation Act. The figures are subject to reconciliation on apportionment of the same. The two states have not been included in the table above as well as the graph in the following page.

Graphical representation of the number of PD accounts versus the amount of the PD Accounts in respect of General Category and Special Category States is depicted below:



While the number of PDAs in respect of Andhra Pradesh and Telangana is high the amount of PDAs in respect of Odisha is the highest followed by Maharashtra, Rajasthan, Bihar and Madhya Pradesh. In respect of Special Category states, Himachal Pradesh has the highest number of PDAs while the highest amount of PDAs is in Meghalaya.





## Assets and Liabilities

The Government accounts capture only the financial liabilities (debt) of the Government and the financial assets (investments) created out of the expenditure incurred by the Government. Other fixed assets in the form of Land, Buildings, Factories, etc. are not exhibited in the Government accounts at present.

The liabilities of Government of India viz. Internal and External debt and in the case of State Governments, Loans and Advances from Government of India constitute Public Debt for that Government. Besides these, liabilities of the Government also include Small Savings from public, Provident Fund from employees of Government and certain obligations like Insurance and Pension Funds and other deposits. Public Account also includes the Suspense and Remittance Account which are intermediary in operation of the accounts.

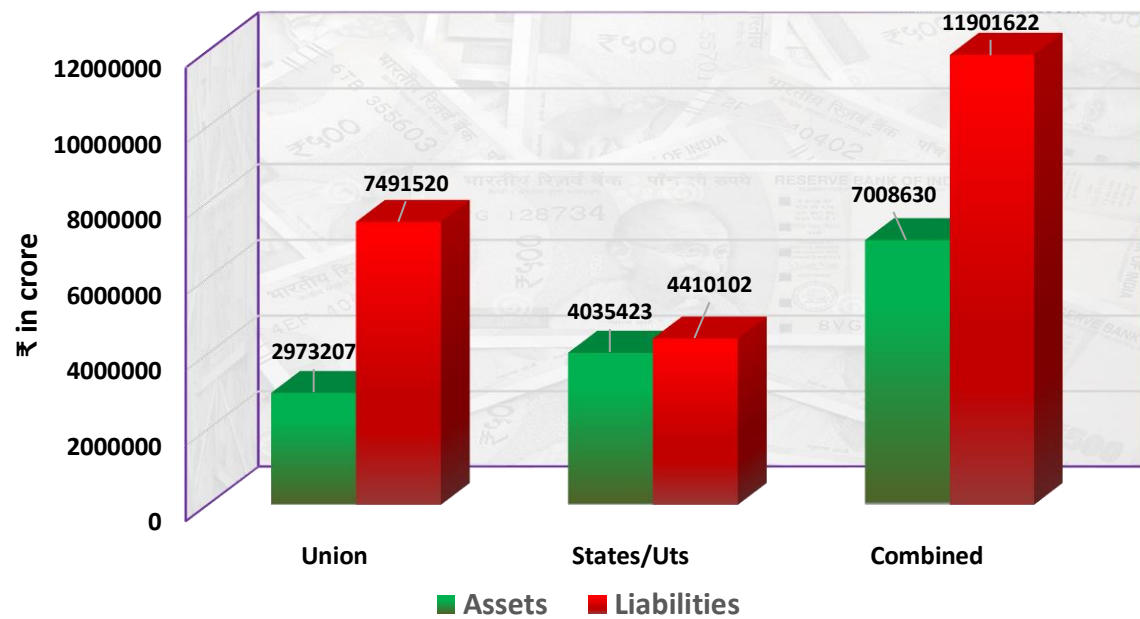
### Assets and Liabilities and the Statement of Balances

(Position as on 31st March 2018)

(₹in crore)

Assets	Union	State	Combined	Liabilities	Union	State	Combined
Cash	168660	332626	501286	Internal debt	6401275	3070795	9472070
Cash in treasuries and local Remittances	-7	4078	4071	External Debt	250090	0	250090
Departmental Balance	4604	1357	5961	Loans and Advances from Central Government	0	192824	192824
Permanent Cash Imprest	93	366	459	Non Plan Loans	0	36463	36463
Cash Balance Investments	162555	190393	352948	Pre 1984-85 Loans	0	40	40
Deposits with Reserve Bank of India	1415	-3251	-1836	Loans for State Plan Schemes	0	142706	142706
Investment from Earmarked Funds	0	139684	139684	Loans for Central Plan Schemes	0	-3	-3
Capital Expenditure	2509308	3206692	5716000	Loans for Central sponsored Plan Schemes	0	94	94
Contingency Fund (un-recouped)	0	910	910	Other Loans	0	13524	13524
Loans and Advances	286789	473602	760391	Inter State Settlement	0	74	74
Advances with departmental officers	-701	5159	4458	Contingency Fund (corpus)	500	5008	5508
Suspense and Miscellaneous Balances	0	8679	8679	Small Saving Provident Fund	554171	440484	994655
Remittance Balances	9151	7754	16905	Deposits	208670	417910	626580
			0	Reserve Funds	44088	236231	280319
			0	Remittance Balances	0	7748	7748
			0	Misc Capital Receipt	0	698	698
			0	Suspense & Misc. Balances	32726	38330	71056
Total	2973207	4035423	7008630	Total	7491520	4410102	11901622
Cumulative excess of expenditure over Receipts	4518313	861517	5379830	Cumulative Excess of Assets over Liabilities		486838	486838
Total	7491520	4896940	12388460	Total	7491520	4896940	12388460

## Assets and Liabilities of Union and State Governments





## Acknowledgements

Combined Finance and Revenue Accounts (CFRA) consists of “Union and State Finances at a Glance” and THREE VOLUMES containing the 299 Statements. As per the existing procedure the preliminary compilation is done by O/O AG (A&E) Punjab and is audited by O/O Pr. AG (A&E) Haryana. However, compilation of Union and State Finances at a Glance is done by Sr.AO of the CFRA Cell under direct supervision of DG and overall guidance of DAI(GA).

Details of team are:

Sl.No.	Name	Designation	Contact Number	Email ID
1.	Shri Ram Mohan Johri	Director General	9971735322	<a href="mailto:johrirm@cag.gov.in">johrirm@cag.gov.in</a>
2.	Smti Duggirala Shanti Sree	Sr. Administrative Officer	9868948294	<a href="mailto:accstate4@cag.gov.in">accstate4@cag.gov.in</a>
3.	Shri Ansar Ahmad	Data Entry Operator(DEO)	9560175143	<a href="mailto:Donpfr1@cag.gov.in">Donpfr1@cag.gov.in</a>
4.	Shri Navjot	Data Entry Operator(DEO)	9990236353	<a href="mailto:Donpfr1@cag.gov.in">Donpfr1@cag.gov.in</a>
5.	Shri Vivek Kaushal	Data Entry Operator(DEO)	8080223308	<a href="mailto:Donpfr1@cag.gov.in">Donpfr1@cag.gov.in</a>

We would like to acknowledge with much appreciation the crucial role played by the field offices in providing all the information, hard work done by the officers of AG (A&E) offices of Punjab and Haryana and of DAI (GA) and CAG for their constant guidance and support to ensure that this endeavour becomes a reality. We look forward to views, comments and suggestions from the readers to improve this publication further in days to come.

## Disclaimer

The information presented in the “Union and State Finances at a Glance” is an overview of the Government Finances of both the Union and the states. It is based on the figures as appeared in the Finance Accounts of the Union, NCT of Delhi, Union Territory Puducherry and the States. The Finance accounts of the Union is uploaded on the website [www.cga.nic.in](http://www.cga.nic.in). The Finance Accounts of the states except Goa (whose accounts are not maintained by the Accountant General) are available at the link <https://cag.gov.in/state-accounts> on CAG website.

This report is intended for general guidance and information purposes only. It portrays trends in the receipts, expenditure and fiscal position of the Union and State Governments and provides an opportunity for inter-state comparisons. We have taken reasonable care to ensure that, and to the best of our knowledge, material information contained herein is in accordance with the facts and contains no omission likely to affect its understanding. Though all efforts have been made to keep the content of this compilation accurate and current, it should not be construed as a statement of law or any authority. A check of the contents of the compilation with the GA wing officials may please be done before taking any decisions based on the information contained in the compilation.



Comptroller and Auditor General of India  
[www.saiindia.gov.in](http://www.saiindia.gov.in)

