

## CHAPTER - I

### AN OVERVIEW OF THE FINANCES OF THE STATE GOVERNMENT

#### 1.1 Introduction

This chapter discusses the financial position of the State Government, based on an analysis of information contained in the Finance Accounts. The analysis is based on the trends in the receipts and expenditure, the quality of expenditure and the financial management of the State Government. In addition, the chapter also contains a section on the analysis of indicators of financial performance of the Government based on certain ratios and indices developed on the basis of the information contained in the Finance Accounts and other information furnished by the State Government. Some of the terms used in this chapter are described in **Appendix – I**.

#### 1.2 Financial position of the State

In the Government accounting system comprehensive accounting of fixed assets like land and buildings *etc.*, owned by the Government is not done. However, Government accounts do capture the financial liabilities of Government and the assets created out of the expenditure incurred by Government. Exhibit – I presents an abstract of such liabilities and assets as on 31 March 2003, compared with the corresponding position on 31 March 2002. While liabilities in this statement consist mainly of monies owed by the State Government such as internal borrowings, loans and advances from the Government of India, receipts from Public Account and Reserve Funds, assets comprise mainly capital expenditure and loans and advances given by the State Government. Exhibit – I shows that while liabilities grew by 24.32 *per cent*, assets increased marginally by 11.04 *per cent* during 2002-03, mainly as a result of a very high growth in market loans bearing interest (34 *per cent*), loans for central plan schemes (562 *per cent*), and Suspense and Miscellaneous balances (86 *per cent*). This shows deterioration in the financial condition of Government.

#### 1.3 Sources and application of fund

Exhibit – II gives the position of sources and application of funds during the current and preceding year. The main sources are the revenue receipts of Government, recoveries of loans and advances, public debt and receipts in the public account. These are applied mainly on revenue and capital expenditure and on lending for developmental and other purposes. It would be seen that revenue receipts constituted the most significant source of fund for the State Government. Their relative share decreased from 81.07 *per cent* in 2001-02 to 78.20 *per cent* in 2002-03. This was mainly due to decrease in receipts

received from taxes and income other than Corporation Tax (49 per cent) and Forestry and Wildlife (38 per cent) and Stationery and Printing (94 per cent). The relative share of net receipts from Public Account increased from 10.52 per cent in 2001-02 to 14.10 per cent in 2002-03. The increase in net Public Account receipts was mainly due to increase in 'Deposits and Advances'.

The ratio of revenue expenditure to total application of funds went down from 76.90 per cent in 2001-02 to 72.78 per cent in 2002-03. The revenue expenditure was lower than the total revenue receipts of State Government which led to revenue surplus (Rs.76.92 crore). Despite having revenue surplus, the relative share of lending for development and other purposes and capital expenditure decreased from 0.37 per cent in 2001-02 to 0.21 per cent in 2002-03 and 22.52 per cent in 2001-02 to 20.47 per cent in 2002-03 respectively.

#### 1.4 Revenue receipts

The revenue receipts of the State consist mainly of its own taxes and non-tax revenue, central tax transfers and grants-in-aid from the Government of India. Over all revenue receipts of the State increased from Rs.923.57 crore in 1998-99 to Rs.1108.29 crore in 2002-03 at an average trend rate of 5.42 per cent per annum. Rate of growth of revenue receipts significantly moderated to 2.12 per cent in 2002-03 due to decline in the receipts from taxes on income other than Corporation Tax, Forestry and Wild Life and grants-in-aid. In comparison with 2001-02, it came down by 10.77 per cent. Over all revenue receipts, its annual (and trend of) rate of growth, ratio of its receipts to the State Gross Domestic Product (GSDP) and its buoyancy are indicated in table 1.1.

**Table 1.1: Revenue receipts – basic parameters (values in Rupees in crore and others in per cent)**

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average
Revenue receipts	923.57	1008.92	961.41	1085.30	1108.29	1017
Rate of growth	10.55	9.24	(-) 4.71	12.89	2.12	5.42
Revenue receipts/GSDP	90.39	98.49	82.27	93.08	89.01	90.43
Revenue buoyancy	3.395	35.902	(-) 0.334	(-) 57.042	0.312	1.110
GSDP growth	3.11	0.26	14.08	(-) 0.23	6.79	4.89

The rate of growth of revenue receipts and GSDP fluctuated over the years. The rate of growth of revenue receipts in 2000-01 and GSDP in 2001-02 had recorded no growth during the respective years. However, during 1998-03, the GSDP growth of the State remained quite low and except for 2000-01 it remained less than 7 per cent in nominal terms. Despite maximum growth of GSDP in 2000-01 (14.08 per cent) its revenue buoyancy shows no growth due to no growth of revenue receipts during the year. Similarly during 2001-02, revenue receipts also kept less buoyant due to no growth of GSDP during the year. However, in 2002-03 a moderate growth in GSDP and a very low growth

in revenue receipts (less than 3 *per cent*) resulted in negligible growth in revenue buoyancy to 0.312 *i.e.* less than one.

Composition of the revenue receipts of the State and the relative share of the components over last five years is indicated in table 1.2. On an average, around 9 *per cent* of the revenue came from State's own resources. Central tax transfers and grants in aid together contributed major share of the revenue of 91 *per cent* of total revenue. The tax revenue of the State continued to grow in importance and from 1.22 *per cent* of total revenue in 1998-99 it increased to 3.36 *per cent* in 2002-03 but non-tax revenue of the State remained static around 7 *per cent* during 1998-2003. Central tax transfers as percentage to total revenue of the State witnessed a relative decline from 29.11 *per cent* in 1998-99 to 10.98 *per cent* in 2002-03. This decline has been a continuous one.

**Table 1.2 : Components of revenue receipt – relative share in *per cent***

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average
Own taxes	1.22	1.38	2.15	2.85	3.36	2.19
Non-tax revenue	6.99	6.64	6.62	6.53	6.88	6.73
Central tax transfers	29.11	33.78	12.03	8.38	10.98	18.85
Grants-in-aid	62.68	58.21	79.20	82.24	78.77	72.22

Over all growth of the four components of revenue during 1998-03 also differed significantly. While the revenue from own taxes of the State recorded a trend growth of 33.37 *per cent* during 1998-03, the central tax transfers recorded no growth, non tax revenue and grants-in-aid were relatively buoyant with a growth of 4.87 and 12.45 *per cent* respectively during this period. The trend of annual growth of the various components of State's revenue, their buoyancy, average ratio as percentage to GSDP and average annual rate of shift in the relative contribution is indicated in table 1.3.

**Table 1.3: Components of revenue–basic parameters 1998-03 (*per cent*)**

	ROG	Buoyancy	GSDP share	Relative share	Shift rate
Own taxes	33.37	6.830	2.03	2.19	26.51
Non-tax revenue	4.87	0.998	6.09	6.73	(-) 0.52
Central tax transfers	(-) 20.00	(-) 4.093	16.67	18.85	(-) 24.11
Grants-in-aid	12.45	2.548	65.65	72.22	6.66

The State's own tax revenue and grants-in-aid had a high buoyancy of 6.830 and 2.548 respectively. The buoyancy of non-tax revenue was less than one. However, Central tax transfers had a buoyancy of (-) 4.093. As a result of no growth of buoyancy in the Central transfers and relatively lower buoyancy of non-tax revenue compared to the other two components of revenue, the relative share of these in State's total revenue declined. Average annual shift rate was (-) 0.52 *per cent* for non-tax revenue and (-) 24.11 *per cent* for Central tax transactions. However, since 91 *per cent* of the State's total revenue was generated through central tax transfers and grants-in-aid from Central Government, the State's own tax GSDP ratio averaged 2.03 and non-

tax averaged 6.09 only compared to a ratio of 16.67 for Central tax transfers and 65.65 for grants-in-aid during 1998-03. Low growth of its non-tax revenue and no growth of Central tax transfers to total revenue are a matter of concern.

## 1.5 Expenditure

Overall expenditure of the State comprising revenue expenditure, capital expenditure and the loans and advances increased from Rs.981 crore in 1998-99 to Rs.1324 crore in 2002-03, at an average annual trend rate of 7.92 *per cent*. The rate of growth of total expenditure was significantly higher than the rate of growth of State's GSDP except for the year 1999-2000 and its revenue receipts with reference to its buoyancy. In 2002-03 total expenditure witnessed a decline mainly due to a compression of expenditure on social and economic services but despite this decline, the overall buoyancy of the total expenditure at 1.620 during 1998-03 was high. It indicated that for every one *per cent* increase in the State's GSDP, expenditure increased by 1.620 *per cent*. Similarly, total expenditure increased relatively faster compared to the revenue receipts. During 1998-03, for each one *per cent* increase in revenue receipts, expenditure increased by 1.459 *per cent*. Overall expenditure, its annual and trend of growth ratio of total expenditure to State's GSDP and the buoyancy of expenditure is indicated in table 1.4.

**Table 1.4 : Total expenditure – basic parameters (value in Rupees in crore and others in *per cent*)**

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average
Total expenditure	981	1099	1247	1336	1324	1197
Rate of growth	2.24	12.07	13.43	7.17	(-) 0.86	7.92
TE/GSDP Ratio	95.98	107.29	106.67	114.58	106.37	106.42
Revenue Receipts/ TE Ratio	94.17	91.80	77.12	81.24	83.68	85.60
Buoyancy of total expenditure with :						
GSDP	0.720	46.887	0.953	(-) 31.727	(-) 0.127	1.620
Revenue receipts	0.212	1.306	(-) 2.851	0.556	(-) 0.408	1.459

In terms of the activities total expenditure could be considered as being composed of expenditure on general services, interest payments, social and economic services, grants-in-aid and loans and advances. The relative share of these components in the total expenditure is indicated in table 1.5.

**Table 1.5 : Components of expenditure – relative share (in *per cent*)**

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average
General services	17.90	18.77	18.23	18.74	19.43	18.61
Interest payments	7.27	7.26	9.68	8.16	9.47	8.37
Social services	26.88	28.35	27.39	29.50	27.67	27.96
Economic services	47.80	45.36	44.48	43.23	43.21	44.82
Loans & advances	0.16	0.26	0.22	0.37	0.23	0.25

The movement of relative share of these components indicates that while the share of economic services in total expenditure declined from 47.80 *per cent* in 1998-99 to 43.21 *per cent* in 2002-03, the relative share of interest payment, general and social services increased. Interest payments and expenditure on general services considered as non-developmental, together accounted for nearly 29 *per cent* of total expenditure in 2002-03 as compared to 25 *per cent* in 1998-99.

In total expenditure, revenue expenditure had the predominant share. Revenue expenditure is incurred to maintain the current level of services and does not represent any addition in the State's service network.

Overall revenue expenditure of the State increased from Rs.746.81 crore in 1998-99 to Rs.1031.37 crore in 2002-03 at an average trend rate of 9.94 *per cent* per annum. Rate of growth of revenue expenditure, though, reached its maximum in 2000-01 at 16.99 *per cent*, but its growth went down to 0.18 *per cent* in 2002-03. Revenue expenditure – GSDP ratio also witnessed an increase from 73.09 *per cent* in 1998-99 to 82.83 *per cent* in 2002-03. Further, the ratio of revenue expenditure to total expenditure increased from 76.15 *per cent* in 1998-99 to 77.87 *per cent* in 2002-03. On an average, 77.25 *per cent* of total expenditure of the State was on current consumption. The ratio of revenue expenditure to revenue receipts was also rising *i.e.* from 80.86 *per cent* in 1998-99 to 93.06 *per cent* in 2002-03. The gap between revenue receipts and revenue expenditure went down from 19.14 *per cent* in 1998-99 to 6.94 *per cent* in 2002-03 which indicates revenue expenditure has been growing at a much faster rate. Overall revenue expenditure, its rate of growth, ratio of revenue expenditure to State's GSDP and revenue receipts and its buoyancy with both GSDP and revenue receipts is indicated in table 1.6.

**Table 1.6 : Revenue expenditure – basic parameters (values in Rupees in crore and others in *per cent* )**

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average
Revenue expenditure	746.81	837.34	979.62	1029.55	1031.37	924.938
Rate of growth	12.37	12.12	16.99	5.10	0.18	9.94
RE/GSDP	73.09	81.74	83.83	88.30	82.83	82.21
RE as % of TE	76.15	76.19	78.58	77.06	77.87	77.25
RE as % to Revenue receipts	80.86	82.99	101.89	94.86	93.06	90.90
Buoyancy of revenue expenditure with :						
GSDP	3.981	47.094	1.207	(-) 22.562	0.026	2.035
Revenue receipts	1.173	1.312	(-) 3.608	0.396	0.083	1.833

The growth in revenue expenditure exceeded the rate of growth of State's GSDP except for the year 1999-2000 and revenue receipts with reference to its buoyancy. Average buoyancy of revenue expenditure to GSDP during 1998-03 was 2.035 indicating that for each one *per cent* increase in GSDP, revenue expenditure increased by 2.035 *per cent*. Similarly, for each one

percentage point increase in the State's revenue receipts, revenue expenditure increased by 1.833 *per cent*.

The expenditure of the State in the nature of plan, capital and developmental expenditure reflect its quality. Higher the ratio of these components to total expenditure better is the quality of expenditure. Table 1.7 below gives the ratio of these components to total expenditure.

**Table 1.7 : Quality of expenditure (*per cent* to total expenditure)**

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average
Plan expenditure	52.60	50.67	51.09	56.88	53.84	53.16
Capital expenditure	23.73	23.62	21.24	22.65	21.95	22.56
Development expenditure	74.80	73.90	72.03	73.00	71.04	72.82

In comparison with 1998-99, plan expenditure showed an increasing trend during 2001-03 but declined during 1999-01. The other two components of the expenditure showed a relative decline during 1998-03. Capital expenditure declined from 23.73 *per cent* in 1998-99 to 21.95 *per cent* in 2002-03. Similarly, there was also a decline in the share of development expenditure from 74.80 *per cent* in 1998-99 to 71.04 *per cent* in 2002-03.

Activity wise expenditure also revealed that the average trend of growth of various components had significant variations. Interest payments and expenditure on general and social services were the fastest growing components with an average growth of 16.52 *per cent*, 11.51 and 8.37 *per cent* per annum respectively. Loans and advances also recorded a growth of 27.86 *per cent* per annum. As percentage to GSDP, non-development expenditure comprising general services and interest payments averaged 28.85 *per cent*, social services 29.81 *per cent* and the economic services 47.49 *per cent*. Activity wise trend of growth, ratio to GSDP, relative share of the various activities, shift in their relative share and buoyancy with GSDP and revenue receipts are indicated in table 1.8.

**Table 1.8 : Activity wise expenditure – basic parameters ( *in per cent* )**

	ROG	GSDP share	Relative share	Share shift	Buoyancy with	
					GSDP	Revenue receipt
General services	11.51	19.85	18.613	3.33	2.357	2.123
Interest payments	16.52	9.00	8.367	7.98	3.382	3.046
Social services	8.37	29.81	27.958	0.42	1.713	1.542
Economic services	4.84	47.49	44.817	(-) 2.85	0.991	0.893
Loans & advances	27.86	0.27	0.246	18.48	5.702	5.136

The relative shares of the expenditure on general services, interest payments, social services and loans and advances grew by an average of 3.33, 7.98, 0.42 and 18.48 *per cent* per annum respectively and witnessed a positive shift in their shares. On the other hand, the share of expenditure on economic services actually declined and recorded no growth.

All the components of expenditure had buoyancy greater than one with regard to GSDP and the revenue receipts except for economic services. However, relatively lower buoyancy of economic services resulted in decline in relative share and the annual rate of shift has come down to (-) 2.85 per cent.

### 1.6 Fiscal imbalances

The deficits in the Government accounts represent the gap between the receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed are important pointers to the fiscal health. The revenue deficit is the excess of its revenue expenditure over revenue receipts. Except for the year 2000-01, the State had revenue surplus for all the 4 years and the revenue expenditure had not been met from borrowed funds. The fiscal deficit, which represents the total borrowing of the Government and its total resource gap increased from Rs.56 crore in 1998-99 to Rs.214 crore in 2002-03. State also had a primary deficit increasing from Rs.9 crore in 1999-2000 to Rs.88 crore in 2002-03. As a proportion to State's gross domestic product, fiscal deficit had increased to 17.18 per cent in 2002-03 from 5.46 per cent in comparison with 1998-99 and primary deficit to 7.11 per cent from 0.88 per cent in comparison with 1999-2000.

**Table 1.9 : Fiscal imbalances – basic parameters (values in Rupees in crore and ratios in per cent)**

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average
Revenue Surplus (+)/ Deficit (-)	(+) 176.76	(+) 171.58	(-) 18.21	(+) 55.75	(+) 76.92	(+) 92.56
Fiscal deficit	(-) 55.75	(-) 88.79	(-) 283.60	(-) 248.80	(-) 213.88	(-) 178.16
Primary deficit	(-) 15.51	(+) 8.99	(+) 162.92	(+) 139.81	(+) 88.48	(+) 76.94
RS,RD/GSDP	(+) 17.30	(+) 16.75	(-) 1.56	(+) 4.78	(+) 6.18	(+) 8.23
FD/GSDP	(-) 5.46	(-) 8.67	(-) 24.27	(-) 21.34	(-) 17.18	(-) 15.83
PD/GSDP	(-) 1.52	(+) 0.88	(+) 13.94	(+) 11.99	(+) 7.11	(+) 6.84
RS,RD/FD	(-) 317.06	(-) 193.24	(+) 6.42	(-) 22.41	(-) 35.96	(-) 51.95

### 1.7 Fiscal liabilities – public debt guarantees

The Constitution of India provides that a State may borrow within the territory of India, upon the security of its consolidated funds, within such limits, as may from time to time, be fixed by an act of Legislature. However, no such law was passed by the State to lay down any such limit. Table 1.10 below gives the fiscal liabilities of the State, its rate of growth, ratio of these liabilities to GSDP, revenue receipts and own resources and the buoyancy of these liabilities with respect to these parameters. It would be observed that the overall fiscal liabilities of the State increased from Rs.653 crore in 1998-99 to Rs.1226 crore in 2002-03 at an average annual rate of 17.22 per cent. These liabilities as ratio to GSDP increased from 63.9 per cent in 1998-99 to 98.5 per cent in 2002-03 and stood at 1.11 times of its revenue receipts and 10.80 times of its own resources comprising its own tax and non-tax revenue.

In addition to these liabilities Government had guaranteed loans of its various corporations and others. At the end of the year 2002-03, against the guaranteed amount of Rs.2 crore, Rs.79 lakh (principal : Rs.76 lakh and interest : Rs.3 lakh) in respect of one Government company was outstanding. The guarantees are in the nature of contingent liabilities. Currently, fiscal liabilities including contingent liabilities were nearly 1.11 times of the revenue receipts of the State. The direct fiscal liabilities of the State grew much faster compared to its rate of growth of GSDP, revenue receipts and own resources. On an average for one *per cent* increase in GSDP, revenue receipts, own resources, the direct fiscal liabilities of the State, increased by 3.525, 3.175 and 1.611 *per cent* respectively.

**Table 1.10 : Fiscal liabilities – basic parameters (Rupees in crores)**

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average
Fiscal liabilities	653	763	926	1074	1226	928
Rate of growth	15.51	16.92	21.26	16.06	14.17	17.22
GSDP	63.9	74.5	79.2	92.1	98.5	82.5
Revenue receipt	70.7	75.7	96.3	99.0	110.7	87.9
Own resources	860.9	943.6	1098.2	1055.3	1080.0	998.9
Debt buoyancy :						
GSDP	4.993	65.748	1.510	(-) 71.106	2.087	3.525
Revenue receipt	1.471	1.831	(-) 4.516	1.247	6.687	3.175
Own resources	1.192	2.536	5.074	0.773	1.226	1.611

Increasing liabilities had raised the issue of sustainability. Fiscal liabilities are considered sustainable if the average interest paid on these liabilities is lower than the rate of growth of GSDP. However, in the case of Arunachal Pradesh average interest rate on fiscal liabilities at 11.81 *per cent* exceeded the rate of growth of GSDP by 4.89 *per cent* as indicated in table 1.11.

**Table 1.11 : Debt sustainability – interest rate and GSDP growth (in *per cent*)**

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average
Weighted interest rate	11.70	11.27	14.29	10.90	10.90	11.81
GSDP growth	3.11	0.26	14.08	(-) 0.23	6.79	4.89
Interest spread	(-) 8.59	(-) 11.01	(-) 0.21	(-) 11.13	(-) 4.11	(-) 6.92

Another important indication of debt sustainability is net availability of funds after payments of the principal on account of the earlier contracted liabilities and interest. The table 1.12 below gives the position of the receipt and repayment of fiscal liabilities over last 5 years. The net funds available on account of the internal debt, loans and advances from Government of India and other liabilities after providing for interest and repayments varied from 10.21 *per cent* to 17.43 *per cent*. In comparison to 2000-01, the net funds available declined from 17.43 *per cent* to 13.67 and 11.93 *per cent* during 2001-03.

**Table 1.12 : Net availability of borrowed funds (Rupees in crore)**

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average
<b>Internal Debt<sup>#</sup></b>						
Receipt	52.29	62.06	73.00	85.85	103.45	75.33
Repayment (Principal + Interest)	55.84	59.19	38.39	53.65	75.99	56.61
<b>Loans and advances from Government of India</b>						
Receipt	58.17	70.31	56.50	68.87	67.02	64.17
Repayment (Principal + Interest)	47.58	55.29	64.77	74.89	88.47	66.20
<b>Other liabilities<sup>ψ</sup></b>						
Receipt	50.06	61.51	145.63	136.71	220.73	122.93
Repayment (Principal + Interest)	40.71	48.75	124.02	123.05	180.08	103.32
<b>Total liabilities</b>						
Receipt	160.52	193.88	275.13	291.43	391.20	262.43
Repayment (Principal + Interest)	144.13	163.23	227.18	251.59	344.54	226.13
Net fund available	16.39	30.65	47.95	39.84	46.66	36.30
Net fund available (per cent)	10.21	15.81	17.43	13.67	11.93	13.83

## 1.8 Investments and returns

As on 31 March 2003, Government had invested Rs.16.08 crore in statutory corporations, rural banks, joint stock companies and co-operatives. Government's returns on this investment were not only meagre (less than one per cent), but also on the decline as indicated in table 1.13.

**Table 1.13 : Return on investment (Rupees in crore)**

Year	Investment at the end of the year	Return	Percentage of return	Weighted interest rates (per cent)
1998-99	12.07	0.03	0.25	11.70
1999-2000	12.34	0.001	0.008	11.27
2000-01	12.71	0.0001	0.0008	14.29
2001-02	15.24	0.0034	0.022	10.90
2002-03	16.08	0.0028	0.017	10.90

In addition to its investment, Government has also been providing loans and advances to many of the parastatals. Total outstanding loans were Rs.20.09 crore as on 31 March 2003. Overall interest received as per cent to loan advanced during 2002-03 had declined by 2.20 per cent in comparison with 2001-02.

<sup>#</sup> Includes Ways and Means advances.

<sup>ψ</sup> Other liabilities includes small savings, provident fund, reserve funds, deposits and other non-interest bearing obligations.

**Table 1.14 : Average interest received on loans advanced by the State Government**

**(Rupees in crore)**

	1998-99	1999-2000	2000-01	2001-02	2002-03
Opening balance	13.51	13.67	15.17	16.31	19.35
Amount advanced during the year	1.54	2.85	2.74	4.90	2.98
Amount repaid during the year	1.38	1.35	1.60	1.86	2.24
Closing balance	13.67	15.17	16.31	19.35	20.09
Net addition	0.16	1.50	1.14	3.04	0.74
Interest received	0.03	0.001	0.0001	0.69	0.33
Interest received as <i>per cent</i> to loans advanced	0.22	0.007	0.006	3.87	1.67
Average interest paid by the State	11.70	11.27	14.29	10.90	10.90
Difference between interest paid and received	11.48	11.26	14.28	7.03	9.23

### 1.9 Incomplete projects

There were 17 incomplete projects in which Rs.1.26 crore were blocked.

### 1.10 Financial indicators of the Government of Arunachal Pradesh

The finances of a State should be sustainable, flexible and non-vulnerable. Table 1.15 below presents a summarised position of Government finances over 1998-03, with reference to certain key indicators that help assess the adequacy and effectiveness of available resources and their application highlighting areas of concern and capturing its important facets.

The ratios of revenue receipt and State's own taxes to GSDP indicate the adequacy of the resources. The buoyancy of the revenue receipts indicates the nature of tax regime and the State's increasing access to resources. Revenue receipts comprise not only the tax and non-tax resources of the State but the central transfers and grants-in-aid. These ratios, which showed a continuous improvement during 1998-02, depict a significant deceleration in 2002-03. Overall average revenue buoyancy of the State has been greater than one, but it is less than one during 2002-03, due to a very low growth of revenue receipts during 2002-03 *i.e.* less than 3 *per cent*.

Various ratios concerning the expenditure management of the State indicate quality of its expenditure and sustainability of these in relation to resource mobilisation. The ratio of revenue expenditure to total expenditure has shown continuous increase while the capital expenditure and development expenditure as percentage to total expenditure had declined. Both the revenue and total expenditure had been buoyant compared to the revenue receipts and revenue expenditure. All these indicate State's increasing dependence on borrowings for meeting its revenue expenditure and inadequate expansion of its developmental activities.

**Table 1.15 : Indicators of fiscal health (in per cent)**

	1998-99	1999-2000	2000-01	2001-02	2002-03	Average
<b>Resource mobilisation</b>						
Revenue receipt/GSDP	90.39	98.49	82.27	93.08	89.01	90.43
Revenue buoyancy	3.395	35.902	(-) 0.334	(-) 57.042	0.312	1.110
Own tax/GSDP	1.10	1.35	1.77	2.65	2.99	2.03
<b>Expenditure management</b>						
Total expenditure/ GSDP	95.98	107.29	106.67	114.58	106.37	106.42
Revenue receipts/ Total expenditure	94.17	91.80	77.12	81.24	83.68	85.60
Revenue expenditure/ Total expenditure	76.15	76.19	78.58	77.06	77.87	77.25
Capital expenditure/ Total expenditure	23.73	23.62	21.24	22.65	21.95	22.56
Development expenditure/Total expenditure	74.80	73.90	72.03	73.00	71.04	72.82
Buoyancy of TE with RR	0.212	1.306	(-) 2.851	0.556	(-) 0.408	1.459
Buoyancy of RE with RR	1.173	1.312	(-) 3.608	0.396	0.083	1.833
<b>Management of fiscal imbalances</b>						
Revenue surplus (+)/ Deficit (-) (Rupees in crore)	177	172	(-) 18	56	77	93
Fiscal deficit (Rupees in crore)	(-) 56	(-) 89	(-) 284	(-) 249	(-) 214	(-) 178
Primary deficit (Rupees in crore)	(-) 16	9	163	140	88	77
Revenue surplus, deficit/Fiscal deficit	(-) 317.06	(-) 193.24	6.42	(-) 22.41	(-) 35.96	(-) 51.95
<b>Management of fiscal liabilities (FL)</b>						
Fiscal liabilities/ GSDP	63.9	74.5	79.2	92.1	98.5	82.5
Fiscal liabilities/RR	70.7	75.7	96.3	99.0	110.7	87.9
Buoyancy of FL with RR	1.471	1.831	(-) 4.516	1.247	6.687	3.175
Buoyancy of FL with OR	1.192	2.536	5.074	0.773	1.226	1.630
Interest spread	(-) 8.60	(-) 11.01	(-) 0.21	(-) 11.13	(-) 4.12	(-) 6.93
Net fund available	10.21	15.81	17.43	13.67	11.93	13.83
<b>Other fiscal health indicators</b>						
Return on investment	0.25	0.008	0.0008	0.022	0.017	0.060
Balance from current revenues (BCR) (Rupees in crore)	(-) 81.35	(-) 108.15	(-) 238.74	(-) 135.58	(-) 131.33	(-) 139.03
Ratio of financial assets/liabilities	3.99	3.79	3.16	2.76	2.46	3.23

Increasing fiscal and primary deficit indicates growing fiscal imbalance of the State. All the four indicators of fiscal imbalance except for revenue surplus show continuous deterioration over time indicating increasing unsustainability and vulnerability of State finances.

It is not uncommon for a State to borrow for increasing its social and economic infrastructure support and creating additional income generating assets. However, increasing ratio of fiscal liabilities to GSDP and revenue receipts together with a growing fiscal deficit, indicate that the State is gradually getting into a debt trap. Similarly, the higher buoyancy of the debt with regard to its revenue receipts indicate its increasing unsustainability. The average weighted interest rate paid by the State on its borrowings during 1998-03 has also exceeded the rate of growth of its GSDP, violating the cardinal rule of debt sustainability. As compared with 2000-01, there has also been a decline in net availability of funds from its borrowings during 2001-03 due to a larger portion of these funds being used for debt servicing. The State's low return on investment indicates that capital investment had not earned any appreciable benefit due to negligible return on investments. The ratio of State's total financial assets to liabilities has also deteriorated indicating that increasingly a greater part of liabilities are without an asset backup. This indicates that either the State has to generate more revenue from out of its existing assets or needs to provide from its current revenues for servicing its debt obligations. The balance from current revenue of the State has also continued to be increasingly negative. The BCR plays a critical role in determining the plan size and a negative BCR adversely affects the same and reduces availability of funds for additional infrastructure support and other revenue generating investment. This has adverse implication for sustainability. The Government needs to accelerate its revenue receipts, control fiscal deficit along with BCR and borrowings to improve its financial condition.

The matter was reported to the Government (August 2003); reply has not been received (September 2003).

**EXHIBIT - I**  
**SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT OF**  
**ARUNACHAL PRADESH AS ON 31 MARCH 2003**

(Rupees in crore)

As on 31.03.2002	Liabilities		As on 31.03.2003
		<b>External Debt</b>	<b>344.82</b>
<b>280.17</b>		<b>Internal Debt</b>	
	101.34	Market loans bearing interest	135.56
	-	Market loans not bearing interest	
	1.24	Loans from LIC	1.16
	177.59	Loans from other Institutions	208.10
		Ways and Means Advances	
		Overdraft from Reserve Bank of India	
<b>490.86</b>		<b>Loans and Advances from Central Government</b>	<b>530.44</b>
	84.07	Non-Plan loans	81.51
	358.22	Loans for State Plan Schemes	396.30
	0.45	Loans for Central Plan Schemes	2.98
	3.19	Loans for Centrally Sponsored Plan Schemes	3.48
	44.93	Loans for Special Schemes	46.17
<b>0.05</b>		<b>Contingency Fund</b>	<b>0.05</b>
<b>303.23</b>		<b>Small Savings, Provident Funds, etc.</b>	<b>351.18</b>
<b>18.22</b>		<b>Deposits</b>	<b>38.10</b>
<b>151.54</b>		<b>Suspense and Miscellaneous balances</b>	<b>281.79</b>
<b>9.74</b>		<b>Reserve Funds</b>	<b>12.32</b>
<b>2206.10</b>		<b>Surplus on Government Account</b>	<b>2283.02</b>
	2150.35	(i) Revenue surplus as on 31 March 2001	2206.10
	55.75	(ii) Revenue surplus during the year	76.92
<b>3459.91</b>			<b>3841.72</b>

(Rupees in crore)

As on 31.03.2002	Assets		As on 31.03.2003
<b>3373.64</b>		<b>Gross Capital Outlay on Fixed Assets</b>	<b>3663.69</b>
	13.14	Investment in Shares on Companies, Corporation etc.	16.08
	3360.50	Other Capital Outlay	3647.61
<b>19.35</b>		<b>Loans and Advances</b>	<b>20.09</b>
	6.10	Loans for Other Industries and Minerals	6.10
	2.28	Other Development Loans	2.27
	5.39	Loans for Co-operatives	5.14
	5.58	Loans to Government Servants	6.58
		<b>Reserve Fund Investment</b>	
<b>11.54</b>		<b>Advances</b>	<b>6.51</b>
....		<b>Suspense and Miscellaneous Balances</b>	....
<b>118.92</b>		<b>Remittance Balances</b>	<b>122.19</b>
<b>- 63.54</b>		<b>Cash in Treasuries and Local Remittances</b>	<b>29.24</b>
	- 71.94	Deposits with Reserve Bank	- 79.24
	0.65	Departmental Cash Balance	0.70
	0.01	Permanent Advances	0.01
	...	Cash in treasuries and Local Remittance	0.01
	...	Cash Balance Investment	97.44
	7.74	Investment of earmarked Funds	10.32
		Deficit on Government accounts	
		(i) Revenue Deficit of the Current Year	
		(ii) Appropriation of Contingency Fund	
		(iii) Miscellaneous Deficit	
<b>3459.91</b>			<b>3841.72</b>

**EXHIBIT - II**  
**SOURCES AND APPLICATION OF FUNDS**

(Rupees in crore)

2001-02		Sources	2002-03	
<b>1085.30</b>		1. Revenue receipts		<b>1108.29</b>
<b>1.86</b>		2. Recoveries of Loans and Advances		<b>2.24</b>
<b>108.66</b>		3. Increase in Public debt other than overdraft		<b>104.25</b>
<b>140.85</b>		4. Net receipts from Public account		<b>199.83</b>
	40.03	Increase in Small Savings	47.94	
	5.02	Increase in Deposits and Advances	24.91	
	108.28	Net effect of Suspense and Miscellaneous transactions	130.25	
	2.44	Net effect of Remittance transactions	3.27	
<b>- 0.31</b>		5. Increase in Reserve Funds		<b>...</b>
<b>2.37</b>		6. Increase in earmarked Funds		<b>2.58</b>
<b>...</b>		7. Net effect of Contingency Fund transactions		<b>...</b>
<b>...</b>		8. Increase in closing cash balance		<b>...</b>
<b>1338.73</b>		<b>Total</b>		<b>1417.19</b>

(Rupees in crore)

2001-02	Application	2002-03
<b>1029.55</b>	1. Revenue expenditure	<b>1031.37</b>
<b>4.90</b>	2. Lending for development and other purposes	<b>2.98</b>
<b>301.51</b>	3. Capital expenditure	<b>290.06</b>
<b>...</b>	4. Net effect of Contingency Fund transactions	<b>...</b>
<b>2.77</b>	5. Increase in closing cash balance	<b>92.78</b>
<b>1338.73</b>	<b>Total</b>	<b>1417.19</b>

**EXHIBIT – III**  
**ABSTRACT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR 2002-03**

(Rupees in crore)

Receipts				Disbursements					
2001-02			2002-03	2001-02		Non-Plan	Plan	Total	2002-03
Section – A : Revenue									
1085.30	<b>I. Revenue receipts</b>		1108.29	1029.55	<b>I. Revenue expenditure</b>				1031.37
30.89	<b>Tax revenue</b>	37.26		337.33	<b>General Services</b>	355.94	8.62	364.56	
70.91	<b>Non-tax revenue</b>	76.30		342.50	<b>Social Services</b>	112.91	214.85	327.76	
				164.87	<b>Education, Sports, Arts and Culture</b>	62.88	91.27	154.15	
				61.77	<b>Health and Family Welfare</b>	40.59	18.13	58.72	
90.93	<b>State's share of Union taxes</b>	121.68		62.20	<b>Water Supply, Sanitation, Housing and Urban Development</b>	2.77	57.90	60.67	
				2.86	<b>Information and Broadcasting</b>	1.88	1.37	3.25	
246.70	<b>Non-Plan grants</b>	242.83		...	<b>Welfare of the Scheduled Castes, Scheduled Tribes and Other Backward Classes</b>	...	...	...	
				6.78	<b>Labour and Labour Welfare</b>	0.64	1.73	2.37	
554.44	<b>Grants for State Plan Scheme</b>	518.85		42.08	<b>Social Welfare and Nutrition</b>	2.46	44.45	46.91	
78.61	<b>Grants for Central and Centrally sponsored Plan Scheme</b>	78.39		1.94	<b>Others</b>	1.69	...	1.69	
				349.72	<b>Economic Services</b>	140.55	198.50	339.05	
				144.50	<b>Agriculture and Allied Activities</b>	79.36	56.47	135.83	
				26.57	<b>Rural Development</b>	7.72	17.66	25.38	
12.76	<b>Grant for Special Plan Schemes</b>	32.98		13.17	<b>Special Areas Programmes</b>	0.02	7.30	7.32	
				43.18	<b>Irrigation and Flood control</b>	5.08	40.41	45.49	
				16.37	<b>Energy</b>	12.20	2.13	14.33	
				12.47	<b>Industry and Minerals</b>	4.30	10.65	14.95	
				45.43	<b>Transport</b>	16.75	26.26	43.01	
				7.75	<b>Communications</b>	8.00	...	8.00	
				0.29	<b>Science, Technology and Environment</b>	...	0.34	0.34	
				39.99	<b>General Economic Services</b>	7.12	37.28	44.40	
				...	<b>Grants-in-aid and Contributions</b>	...	...	...	
...	<b>II. Revenue deficit carried over to Section B</b>		...	55.75	<b>II. Revenue Surplus carried over to Section B</b>				76.92
<b>1085.30</b>			<b>1108.29</b>	<b>1085.30</b>					<b>1108.29</b>

(Rupees in crore)

Receipts			Disbursements					
2001-02		2002-03	2001-02	Non-Plan	Plan	Total	2002-03	
<b>Section – B</b>								
(-) 66.31	III. Opening Cash balance including Permanent Advances and Cash Balance Investment	(-) 63.54	<b>III. Opening Overdraft from RBI</b>					...
	IV. Miscellaneous Capital receipts	...	301.51	<b>IV. Capital Outlay</b>			290.06	
			22.04	<u>General Services</u>	...	18.20	18.20	
			51.61	<u>Social Services</u>	...	38.64	38.64	
			18.34	Education, Sports, Art and Culture	...	11.44	11.44	
			5.90	Health and Family Welfare	...	4.09	4.09	
			21.20	Water Supply, Sanitation, Housing and Urban Development	...	21.79	21.79	
			0.12	Information and Broadcasting	...	...	...	
			...	Welfare of the Scheduled Castes, Scheduled Tribes and Other Backward Classes	...	...	...	
			5.36	Social Welfare and Nutrition	...	0.06	0.06	
			0.69	Others	...	1.26	1.26	
			227.86	<u>Economic Services</u>	0.63	232.59	233.22	
			5.69	Agriculture and Allied Activities	0.63	4.55	5.18	
			0.78	Rural Development	...	0.60	0.60	
			23.27	Special Areas Programmes	...	33.27	33.27	
			5.47	Irrigation and Flood Control	...	4.92	4.92	
			91.67	Energy	...	112.63	112.63	
			0.25	Industry and Minerals	...	0.47	0.47	
			98.89	Transport	...	74.54	74.54	
			...	Science and Technology	...	...	...	
			...	Communication	...	...	...	
			1.84	<u>General Economic Services</u>	...	1.61	1.61	
1.86	V. Recoveries of Loan and Advances -	2.24	4.90	<b>V. Loans and Advances disbursements</b>			2.98	
...	From Power Projects	...	...	<b>For Power Projects</b>			...	
1.58	From Government servants and Miscellaneous Loans	1.87	...	<b>To Government servants and Miscellaneous Loans</b>			2.87	
0.28	From others	0.37	...	<b>To others</b>			0.11	
55.75	VI. Revenue surplus brought down	76.92	<b>VI. Revenue deficit brought down</b>					...
139.99	VII. Public Debt receipts -	143.08	31.33	<b>VII. Repayment of Public Debt -</b>			38.83	
71.12	Internal debt other than Ways and Means Advances and Overdraft	76.06	10.36	<b>Internal debt other than Ways and Means Advances and Overdraft</b>			11.40	
	Net transaction under Ways and Means Advances including Overdraft		...	<b>Net transaction under Ways and Means Advances including Overdraft</b>			...	

(Rupees in crore)

Receipts				Disbursements				
2001-02			2002-03	2001-02	Non-Plan	Plan	Total	2002-03
<b>Section – B</b>								
68.87	Loans and Advances from Central Government	67.02		20.97			27.43	
...	VIII. Inter State Settlement	...	...					...
...	IX. Appropriation to Contingency Fund	...	...					...
...	X. Amount transferred to Contingency Fund	...	...					...
947.58	XI. Public Account receipts -	1513.88		807.04				1314.05
85.59	Small Savings and Provident funds	96.26		45.56			48.32	
2.06	Reserve funds	2.58		2.37			2.58	
148.21	Suspense and Miscellaneous	530.42		39.93			400.17	
633.05	Remittance	727.72		635.49			730.99	
78.67	Deposits and Advances	156.90		83.69			131.99	
...	Closing overdraft from Reserve Banks of India	...	...					
2.37	XII. Earmarked funds	2.58		- 63.54				29.24
							0.01	
				- 71.94			-79.24	
				0.66			0.71	
							97.44	
				7.74			10.32	
<b>2166.54</b>			<b>1675.16</b>	<b>2166.54</b>				<b>1675.16</b>

**EXHIBIT-IV**  
**TIME SERIES DATA ON STATE GOVERNMENT FINANCES**

(Rupees in crore)

	1998-99	1999-2000	2000-01	2001-02	2002-03
<b>Part A. Receipts</b>					
<b>1. Revenue Receipts</b>	<b>923.57<sup>#</sup></b>	<b>1008.92</b>	<b>961.41</b>	<b>1085.30</b>	<b>1108.29</b>
(a) Tax Revenue	11.29 (1)	13.88 (1)	20.63 (2)	30.89 (3)	37.26 (3)
Agricultural Income Tax	...	...	...	...	...
Sales Tax	0.28 (2)	0.35 (3)	8.19 (40)	16.78 (54)	17.62 (47)
State Excise	7.58 (67)	10.08 (73)	9.01 (44)	10.55 (34)	14.26 (38)
Taxes on vehicle	1.01 (9)	1.12 (8)	1.12 (5)	1.61 (5)	1.75 (5)
Stamps and Registration fees	0.50 (4)	0.45 (3)	0.25 (1)	0.27 (1)	2.10 (6)
Land Revenue	1.33 (12)	1.36 (10)	1.45 (7)	1.00 (3)	0.81 (2)
Other Taxes	0.59 (5)	0.52 (4)	0.61 (3)	0.68 (2)	0.72 (2)
(b) Non Tax Revenue	64.54 (7)	67.01 (7)	63.65 (7)	70.91 (7)	76.30 (7)
(c) Share of net proceeds of divisible Union Taxes	268.84 (29)	340.77 (34)	115.67 (12)	90.93 (8)	121.68 (11)
(d) Grants-in-aid from Government of India	578.90 (63)	587.26 (58)	761.46 (79)	892.57 (82)	873.05 (79)
<b>2. Miscellaneous Capital Receipts</b>	...	...	...	...	...
<b>3. Total Revenue and non Debt Capital receipts (1+2)</b>	<b>923.57</b>	<b>1008.92</b>	<b>961.41</b>	<b>1085.30</b>	<b>1108.29</b>
<b>4. Recoveries of Loans and Advances</b>	<b>1.38</b>	<b>1.35</b>	<b>1.60</b>	<b>1.86</b>	<b>2.24</b>
<b>5. Public Debt Receipts</b>	<b>76.78</b>	<b>94.81</b>	<b>116.14</b>	<b>139.99</b>	<b>143.08</b>
Internal Debt (excluding Ways & Means Advance and Overdrafts)	18.61	24.50	59.64	71.12	76.06
Net Transactions under Ways & Means Advances & Overdraft	...	...	...	...	...
Loans and advances from Government of India <sup>ψ</sup>	58.17	70.31	56.50	68.87	67.02
<b>6. Total receipts in the Consolidated Fund (3+4+5)</b>	<b>1001.73</b>	<b>1105.08</b>	<b>1079.15</b>	<b>1227.15</b>	<b>1253.61</b>
<b>7. Contingency Fund Receipts</b>	...	...	...	...	...
<b>8. Public Accounts Receipts</b>	<b>2939.28</b>	<b>2674.81</b>	<b>875.54<sup>β</sup></b>	<b>947.58<sup>β</sup></b>	<b>1513.88</b>
<b>9. Total Receipts of the State (6+7+8)</b>	<b>3941.01</b>	<b>3779.89</b>	<b>1954.69</b>	<b>2174.73</b>	<b>2767.49</b>
<b>Part B. Expenditure/Disbursement</b>					
<b>10. Revenue Expenditure</b>	<b>746.81 (76)</b>	<b>837.34 (76)</b>	<b>979.62 (79)</b>	<b>1029.55 (77)</b>	<b>1031.37 (78)</b>
Plan	282.51 (38)	297.67 (36)	371.44 (38)	454.48 (44)	422.47 (41)
Non-Plan	464.30 (62)	539.67 (64)	608.18 (62)	575.07 (56)	608.90 (59)
General Services	231.54 (31)	270.79 (32)	332.04 (34)	337.33 (33)	364.56 (35)
Social Services	234.80 (31)	280.48 (33)	298.60 (30)	342.50 (33)	327.76 (32)
Economic Services	280.47 (38)	286.07 (34)	348.98 (36)	349.72 (34)	339.05 (33)
Grants-in-aid and Contributions	...	...	...	...	...
<b>11. Capital Expenditure</b>	<b>232.35 (24)</b>	<b>258.87 (24)</b>	<b>264.25 (21)</b>	<b>301.51 (23)</b>	<b>290.06 (22)</b>
Plan	232.50 (100)	257.81 (100)	264.06 (100)	302.64 (100)	289.43 (100)
Non-Plan	- 0.15 (0)	1.06 (0)	0.19 (0)	- 1.13 (0)	0.63 (0)
General Services	15.23 (7)	15.29 (6)	15.88 (6)	22.04 (7)	18.20 (6)
Social Services	28.83 (12)	31.07 (12)	42.89 (16)	51.61 (17)	38.65 (13)
Economic Services	188.29 (81)	212.51 (82)	205.48 (78)	227.86 (76)	233.22 (80)

<sup>#</sup> Figures in bracket ( ) indicate percentage.

<sup>ψ</sup> Excludes Ways and Means Advances from Government of India.

<sup>β</sup> Excludes other accounts figures.

(Rupees in crore)

	1998-99	1999-2000	2000-01	2001-02	2002-03	
<b>12. Loans and advances given</b>	1.54	2.85	2.74	4.90	2.98	
<b>13. Total (10+11+12)</b>	980.70	1099.06	1246.61	1335.96	1324.41	
<b>14. Repayments of Public Debt</b>	16.07	17.87	20.90	31.33	38.83	
Internal Debt (excluding Ways & Means Advances and Overdrafts)	2.27	2.29	2.72	10.36	11.40	
Net Transactions under Ways & Means Advances & Overdraft	...	...	...	...	...	
Loans and advances from Government of India <sup>#</sup>	13.80	15.58	18.18	20.97	27.43	
<b>15. Appropriation to Contingency Fund</b>	...	...	...	...	...	
<b>16. Total Disbursement out of Consolidated Fund (13+14+15)</b>	996.77	1116.93	1267.51	1367.29	1363.24	
<b>17. Contingency Fund Disbursement</b>	...	...	...	...	...	
<b>18. Public Account Disbursement</b>	2967.88	2628.03	695.10	807.04 <sup>ψ</sup>	1314.05	
<b>19. Total Disbursement by the State (16+17+18)</b>	3964.65	3744.96	1962.61	2174.33	2677.29	
<b>Part C. Deficits/Surplus</b>						
20.	Revenue Surplus (1-10) (+)	(+) 176.76	(+) 171.58	-	(+) 55.75	(+) 76.92
	Revenue Deficit (-)	...	...	(-) 18.21	...	...
<b>21. Fiscal Deficit (3+4-13)</b>	(-) 55.75	(-) 88.79	(-) 283.60	(-) 248.80	(-) 213.88	
<b>22. Primary Deficit (21-24)</b>	(-) 15.51 <sup>δ</sup>	(+) 8.99	(+) 162.92	(+) 139.81	(+) 88.48	
<b>Part D. Other data</b>						
<b>23. Balance from current revenues</b>	(-) 81.35	(-) 108.15	(-) 238.74	(-) 135.58	(-) 130.83	
<b>24. Interest Payments (included in revenue expenditure)</b>	71.26	79.80	120.68	108.99	125.40	
<b>25. Arrears of Revenue (Percentage of Tax &amp; non tax Revenue Receipts)</b>	NA	NA	NA	NA	NA	
<b>26. Financial Assistance to local bodies etc.</b>	9.06	13.84	8.17	10.46	22.40	
<b>27. Ways and Means Advances / Overdraft availed (days)</b>	21	6	1	5	28	
<b>28. Interest on WMA/Overdraft</b>	0.010	0.02	0.00026	0.03	0.04	
<b>29. Gross State Domestic Product (GSDP)</b>	1021.73	1024.36	1168.61	1165.97	1245.09 <sup>β</sup>	
<b>30. Fiscal liabilities</b>	652.80	763.28	925.58	1074.26	1226.43	
<b>31. Outstanding guarantees (year end)</b>	0.50	0.50	0.55	0.55	0.79	
<b>32. Maximum amount guaranteed (year end)</b>	...	...	...	...	...	
<b>33. Number of incomplete projects</b>	41	106	241	445	17	
<b>34. Capital blocked in incomplete projects</b>	31.25	26.02	47.41	61.66	1.26	
<b>35. Assets/Liabilities</b>	3.99	3.79	3.16	2.76	2.46	

Note: Ratio of Figure in bracket represent percentages (rounded)

<sup>#</sup> Excludes Ways and Means and Advances from Government of India.

<sup>ψ</sup> Excludes other accounts figures.

<sup>δ</sup> The interest payment in 1998-99 was more than the fiscal deficit, hence the negative figure for primary deficit

<sup>β</sup> Projected estimated figure of GSDP for the year 2002-03