

# UNION AND STATE FINANCES AT A GLANCE

2007-08



**Comptroller and Auditor General of India**



## Preface

There is a felt-need of various stake holders for a publication containing a reader friendly summary of State and Union finances. This publication, “Union and State Finances at a Glance” is an attempt to address this need.

It provides an overview of the Government finances of both the Union and the States in the format of a ‘Management Dashboard’ with useful comparisons presented with extensive use of graphs and charts and minimal use of technical terms. We hope that this publication would appeal to the reader looking for information presented in an easy-to-comprehend manner. Detailed information on any of the aspects dealt with in this publication is available in the ‘Combined Finance and Revenue Accounts’ and the ‘Finance Accounts’ of the Union and the States.

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







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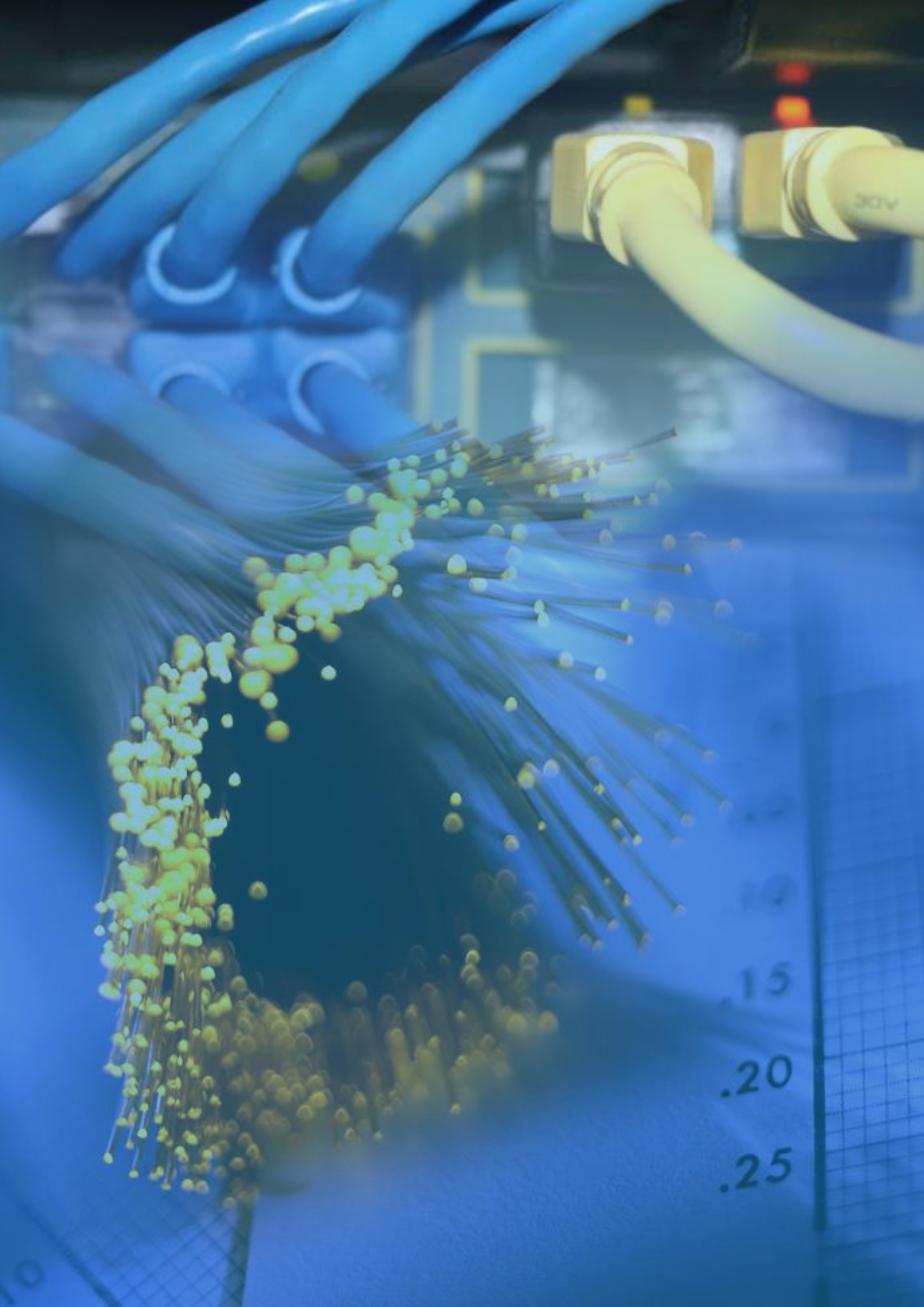
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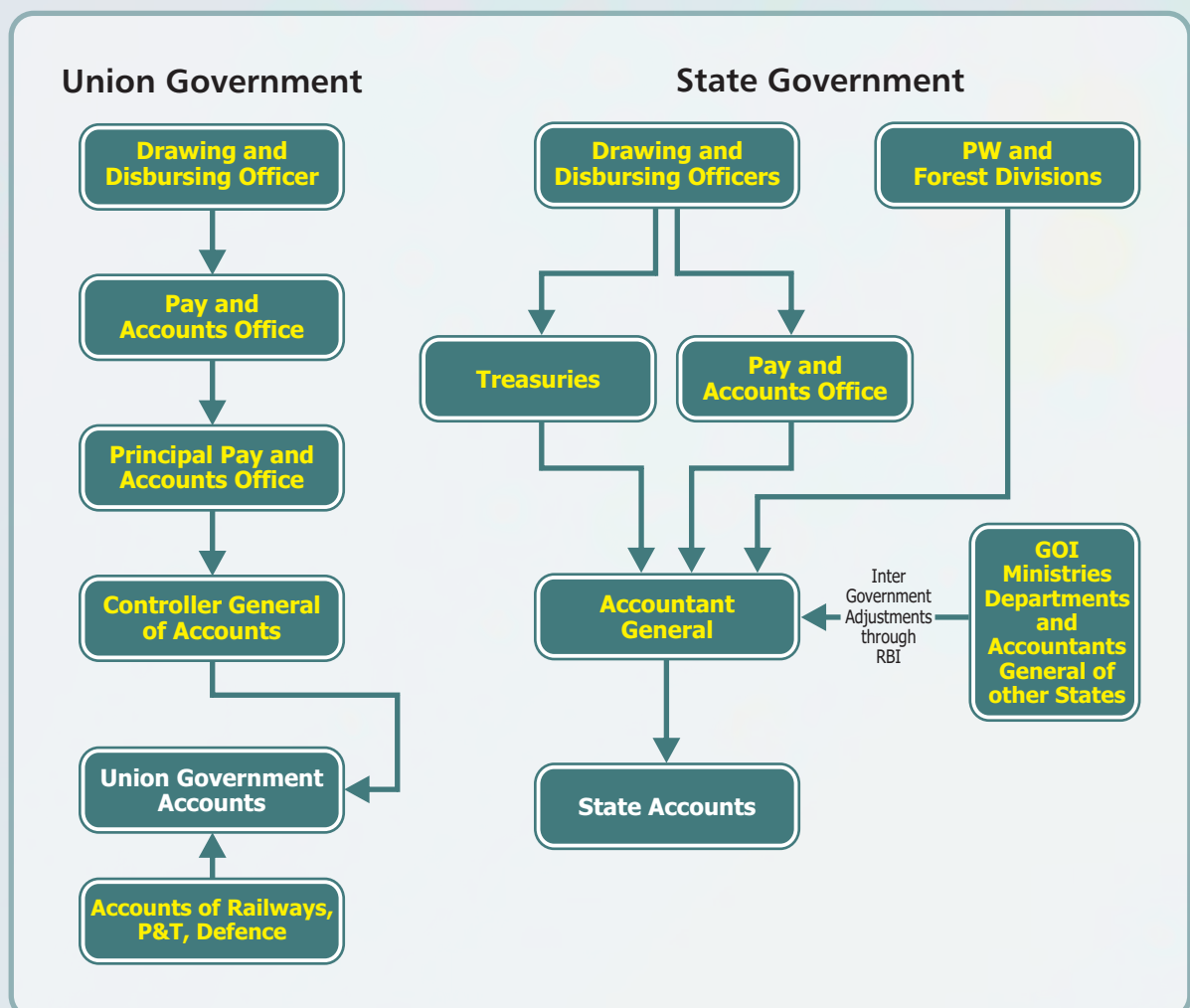
## 1.1 Introduction

### 1.1.1 How are Accounts compiled

The Expenditure and Receipts of the Union Government are accounted for by the Pay and Accounts Offices (PAOs) attached to all Ministries and Departments of the Government of India.

The Controller General of Accounts compiles the Accounts received from the PAOs and Principal PAOs. The Accounts of Railways, P&T and Defence also form part of the Union Accounts.

The accounts of the State Governments are compiled by the Accountants General of the State concerned based on the transactions reported by the treasuries and other accounts rendering units like PW Divisions, Forest Divisions, etc.





## 1.1.2 Finance Accounts

Finance Accounts of both the Union Government and State Governments are prepared annually. These are audited and certified by the Comptroller and Auditor General of India. The Accounts present the receipts and outgoings 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 Combined Finance and Revenue Accounts

Combined Finance and Revenue Accounts (CFRA) is prepared under the directions of the Comptroller and Auditor General of India and presents the accounts of States and Union Government on a common and comparable basis.

## 1.1.4 Union and State Finances at a Glance

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

## 1.2 Structure of Accounts

Government accounts are kept in 3 parts :

### Part 1 CONSOLIDATED FUND

Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans & Advances

### Part 2 CONTINGENCY FUND

Fund available to meet unforeseen expenditure which is not provided for in the budget. The expenditure incurred from the fund would be transferred to the consolidated fund and the contingency fund recouped appropriately before the closure of accounts of the year

### Part 3 PUBLIC ACCOUNT

Transactions relating to Debt, Deposits, Advances, Remittances and Suspense. Debt and Deposits represent the liability of the Government to repay. Advances are recoveries to be effected by the Government. The transactions relating to Remittances and Suspense represent only adjusting entries which would be cleared eventually.

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## 1.3 Quality of Accounts

### 13.1 Reconciliation:

Accuracy and reliability of the State Finance Accounts depend, inter alia, on timely reconciliation of the departmental figures with those in the books of the Accountant General. The Departments are to reconcile their figures with those booked by the Accountant General on a monthly basis.

### 13.2 Completeness of Accounts:

Each account rendering authority is to submit the monthly accounts with supporting documents to the Accountant General by 18th of the succeeding month. At the year end, the Government also furnishes complete details of all the re-appropriations carried out. Timely submission of all the details ensures completeness of accounts.

### 13.3 Follow up by Account Rendering Authority

Any lacuna or incorrect booking noticed or any supporting document found wanting is intimated by the Accountant General to the account rendering authority for appropriate further compliance and follow up. Consequential corrections are carried out in the following month. However, all such corrective actions are to be completed before the yearly closing and not carried forward to the next financial year.

## 2.1 Sources and Application of Funds

This section gives an overview of the Governments' transactions under Cash Balance, Receipts, Expenditure, Public Debt & Public Account. The cash balance of the Union Government increased towards the end of 31.3.08, whereas for the States, the cash balance decreased.

## 2.2 Cash Management

The Union and State Governments maintain their accounts with the Reserve Bank of India (RBI). The State Governments can obtain Ways and Means advance and Special Ways and Means advance from the RBI in order to maintain liquidity position. If there is a shortfall in the agreed minimum cash balance even after availing of Special Ways and Means advance, the State Governments can avail of the overdraft(OD) facility.

### 2.2.1 Ways & Means Advances from RBI

Except for Kerala, Andhra Pradesh, Mizoram, Nagaland, Punjab, Manipur, Uttarakhand, Himachal Pradesh and Karnataka, all other States<sup>1</sup> maintained minimum cash balance on all the 366 days without availing any Ways & Means Advances from RBI. Jammu and Kashmir was the only state to have availed Ways and Means, Special Ways and Means advance and OD on all the days of the year.

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<sup>1</sup> Information regarding Sikkim is not included.



## SOURCES AND APPLICATION OF FUNDS OF THE UNION & STATE GOVERNMENTS

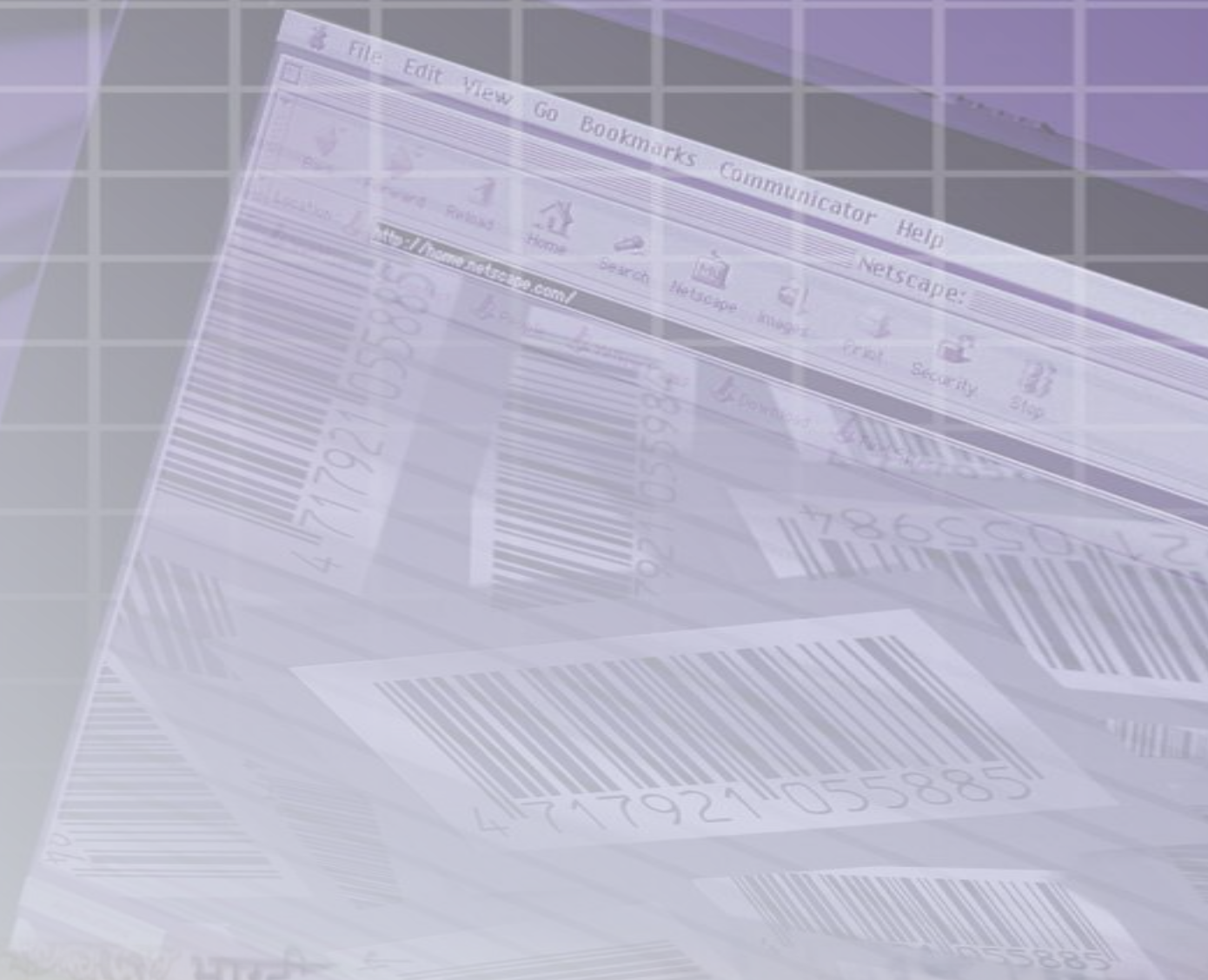
(Rs. in crore)

PARTICULARS	UNION GOVERNMENT	TOTAL OF ALL STATES
Cash Balance as on 1.4.2007	9,48,82	76,06
Revenue Receipts	64,94,26	64,03,81
Recovery of Loans & Advances	1,03,91	80,42
Miscellaneous Capital Receipts	3,87,96	69,56
Public Debt	1,86,81,02	12,58,19
Small Savings, Provident Fund and Others	29,43,33	4,40,19
Reserves and Sinking Fund	7,57,71	94,57
Deposits received	3,76,23	23,09,38
Civil Advances repaid	3,20,94	35,66
Suspense Account	1,85,13	1,44,34,63
Remittances	26,47	15,29,27
<b>Total</b>	<b>3,12,25,78</b>	<b>2,67,31,74</b>

### SOURCES (Rs. in Crore)

Revenue Expenditure	73,48,61	59,04,31
Capital Expenditure	11,69,37	12,06,95
Loans Given	1,17,77	1,76,07
Repayment of Public Debt	1,60,41,10	6,56,70
Small Savings, Provident Fund and Others	26,20,64	3,13,10
Reserves and Sinking Fund	6,53,77	1,52,65
Deposits Given	5,25,25	21,53,73
Civil Advances Given	3,32,19	42,68
Suspense Account	1,05,85	1,46,34,99
Remittances	14,90	15,14,43
Closing cash balance as on 31.3.2008	22,96,33	(-)22,87
<b>Total</b>	<b>3,12,25,78</b>	<b>2,67,31,74</b>

### APPLICATION (Rs. in Crore)



### 3.1 Revenue Receipts

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

#### TAX REVENUE

Includes taxes on income and expenditure and similar other taxes. As per the requirement of Article 280(3) of the Constitution, net proceeds of the tax collection between Union and States and among States are to be apportioned as per the formula recommended by the Finance Commission.

#### NON-TAX REVENUE

Includes interest receipts, dividends and profits etc.

#### GRANTS-IN-AID

Includes 'External Grant Assistance' and 'Aid Material & Equipment' received from foreign Governments in respect of Union Government. Grants-in-aid is a form of Central assistance and a source of revenue to the States and expenditure to the Union Government. In turn, the State Governments also give grants-in-aid to other institutions like Panchayati Raj Institutions, Autonomous bodies etc.

#### REVENUES

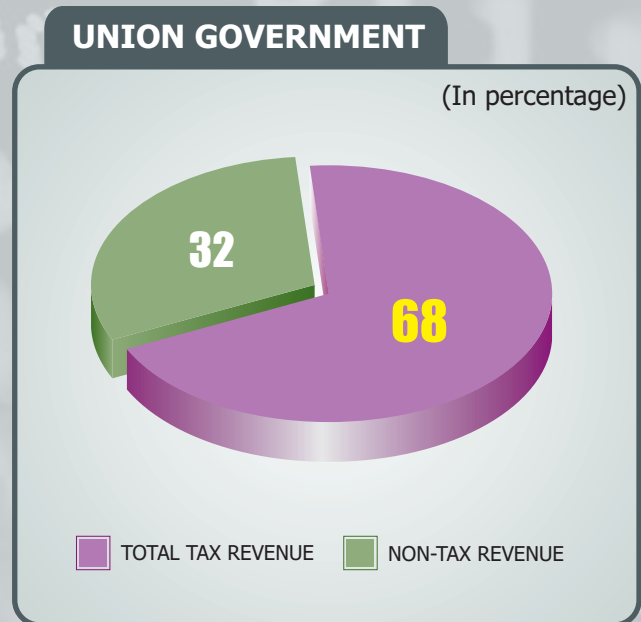
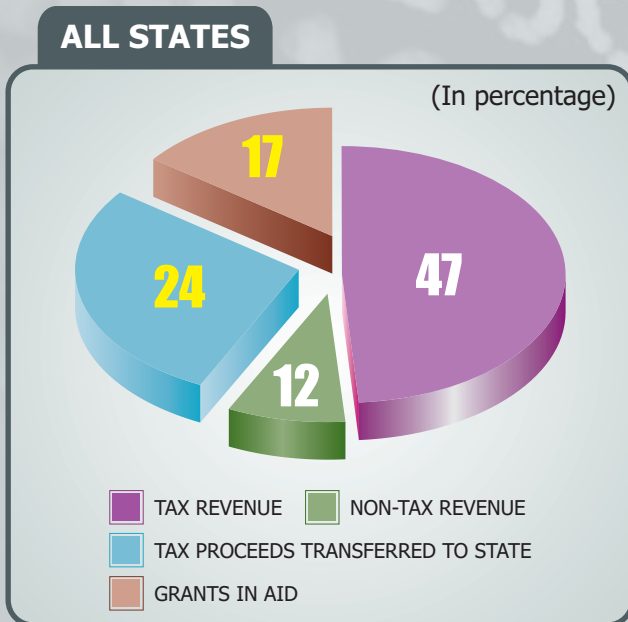
(Rs. in crore)

	UNION	STATES
Tax Revenue	441347 <sup>2</sup>	299163
Non-Tax Revenue	205357	78879
Tax Proceeds transferred to States	—	151837
Grants in Aid	2722	110502
<b>Total Revenue Receipts</b>	<b>649426</b>	<b>640381</b>

<sup>2</sup> Out of the total tax revenue of Rs. 593147 crore collected by the Union Government, an amount of Rs. 151837 crore, being the share of taxes assignable to the States, was transferred by the Union Government.



### 3.2) The Revenue Basket



Every 'Revenue Rupee' raised by the State Government consists of 47 paise from Tax Revenue, 24 paise through share of taxes assigned to States, 12 paise from Non-Tax Revenue and 17 paise from Grants-in-aid from Union Government.

In respect of Union Government, every 'Revenue Rupee' raised consists of 68 paise from Tax and 32 paise from Non-Tax Revenue.

### 3.3) Analysis of Tax Revenue of States

Tax is the most important source of revenue constituting 68% of Union and 47% of State revenues. The total tax receipts relative to GDP/GSDP is 13.78% and 13.59 % for the Union and State Governments respectively.

In the following Table, an analysis is made of tax revenues of the States with reference to their population, and comparison of States' per capita taxes to the average of all the States.

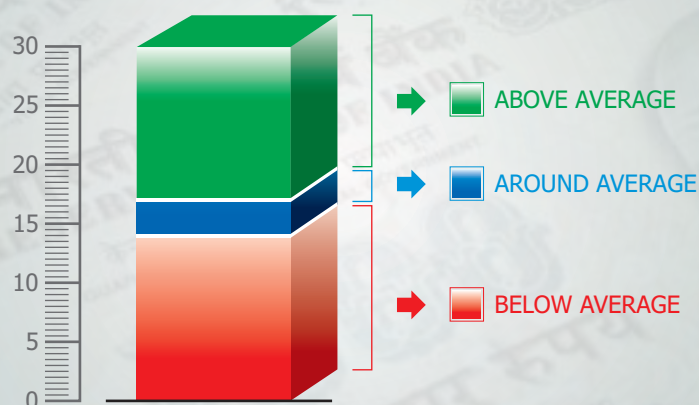
## TAX REVENUE

All States Average : Rs. 2633

State/UT	Taxes Collected (Rs. in crore)	Per Capita Receipts (in Rs.)	States Taxes to all States Average (no. in times)
NAGALAND	131	467	0.2
BIHAR	5086	546	0.2
MANIPUR	148	569	0.2
MIZORAM	79	780	0.3
ARUNACHAL PRADESH	99	817	0.3
TRIPURA	370	1089	0.4
ASSAM	3360	1131	0.4
JHARKHAND	3473	1158	0.4
MEGHALAYA	319	1276	0.5
UTTAR PRADESH	24959	1322	0.5
WEST BENGAL	13126	1514	0.6
MADHYA PRADESH	12018	1525	0.6
ORISSA	6855	1727	0.7
RAJASTHAN	13274	2052	0.8
JAMMU AND KASHMIR	2558	2284	0.9
CHATTISGARH	5618	2391	0.9
HIMACHAL PRADESH	1958	2837	1.0
UTTARAKHAND	2738	3222	1.2
SIKKIM	198	3300	1.3
ANDHRA PRADESH	28794	3511	1.3
GUJARAT	21886	3853	1.5
KERALA	13669	4009	1.5
PUNJAB	9899	4073	1.5
TAMILNADU	29619	4494	1.7
KARNATAKA	25987	4527	1.7
HARYANA	11618	4841	1.8
MAHARASHTRA	47529	4905	1.9
PUDUCHERRY	653	5935	2.3
NCT DELHI	11783	7014	2.7
GOA	1359	9705	3.7
<b>TOTAL</b>	<b>299163</b>		

### TAX REVENUE

#### GROUPING OF STATES BASED ON THEIR PERFORMANCE



In order to better analyse the expenditure, it was linked to State population to arrive at Per Capita expenditure. Based on the analysis of expenditure on a per capita basis (i.e. comparison of per capita expenditure of each State with the average per capita of all States), the states were divided into three categories

Goa and Maharashtra top the list in per capita tax collection followed by Haryana and NCT of Delhi. Maharashtra tops in absolute terms also. Nine more states have outperformed in their tax collection relative to States Average Per Capita Receipt. The States of Nagaland and Bihar rank lowest. As many as 14 other States have lower collection than the average.

\* Figures for Puducherry & NCT Delhi are included in this compilation

### 3.3.1 Non-Tax Revenue

The average States' per capita non-tax revenue is Rs.694. Sikkim and Goa show highest per capita collection of Rs.23563 and Rs.7449 respectively. The variation between these top two States is quite high. Bihar shows the lowest per capita non-tax revenue of Rs.56.

## 3.4 Central Assistance and State Revenue

### 3.4.1 Share of taxes assigned to States:

#### SHARE OF UNION TAXES ASSIGNED TO STATES<sup>3</sup>

All States Average = 24%

State/UT	Share of net proceeds assigned to States (Rs. in crore)	Total Revenue Receipts (Rs. in crore)	% of Union Taxes to Total Receipts
HARYANA	1634	19751	8
HIMACHAL PRADESH	794	9142	9
PUNJAB	1975	19238	10
MAHARASHTRA	7597	79583	10
SIKKIM	345	2699	13
GOA	394	2944	13
NAGALAND	400	2996	13
JAMMU AND KASHMIR	1775	13108	14
ARUNACHAL PRADESH	438	3003	15
GUJARAT	5426	35690	15
MANIPUR	550	3508	16
KARNATAKA	6779	41151	16
TAMILNADU	8065	47521	17
MIZORAM	363	2040	18
TRIPURA	651	3662	18
UTTARAKHAND	1428	7891	18
KERALA	4052	21107	19
ANDHRA PRADESH	11184	54143	21
MEGHALAYA	564	2441	23
RAJASTHAN	8528	30781	28
CHATTISGARH	4035	13879	29
ASSAM	4918	15325	32
MADHYA PRADESH	10203	30689	33
ORISSA	7847	21967	36
WEST BENGAL	10729	30167	36
JHARKHAND	5110	12027	42
UTTAR PRADESH	29288	68672	43
BIHAR	16766	28210	59
<b>TOTAL</b>	<b>151837</b>	<b>640381</b>	

Government of India transfers part of its taxes like Income Tax, Excise Duty, Service Tax to States as per the formula decided by the Finance Commission. The average of all States in respect of share of tax revenue devolved from the Government of India to total State revenue is **24%**. As many as 9 states exceed the national average.

<sup>3</sup> NCT of Delhi and Puducherry did not receive any share of taxes.



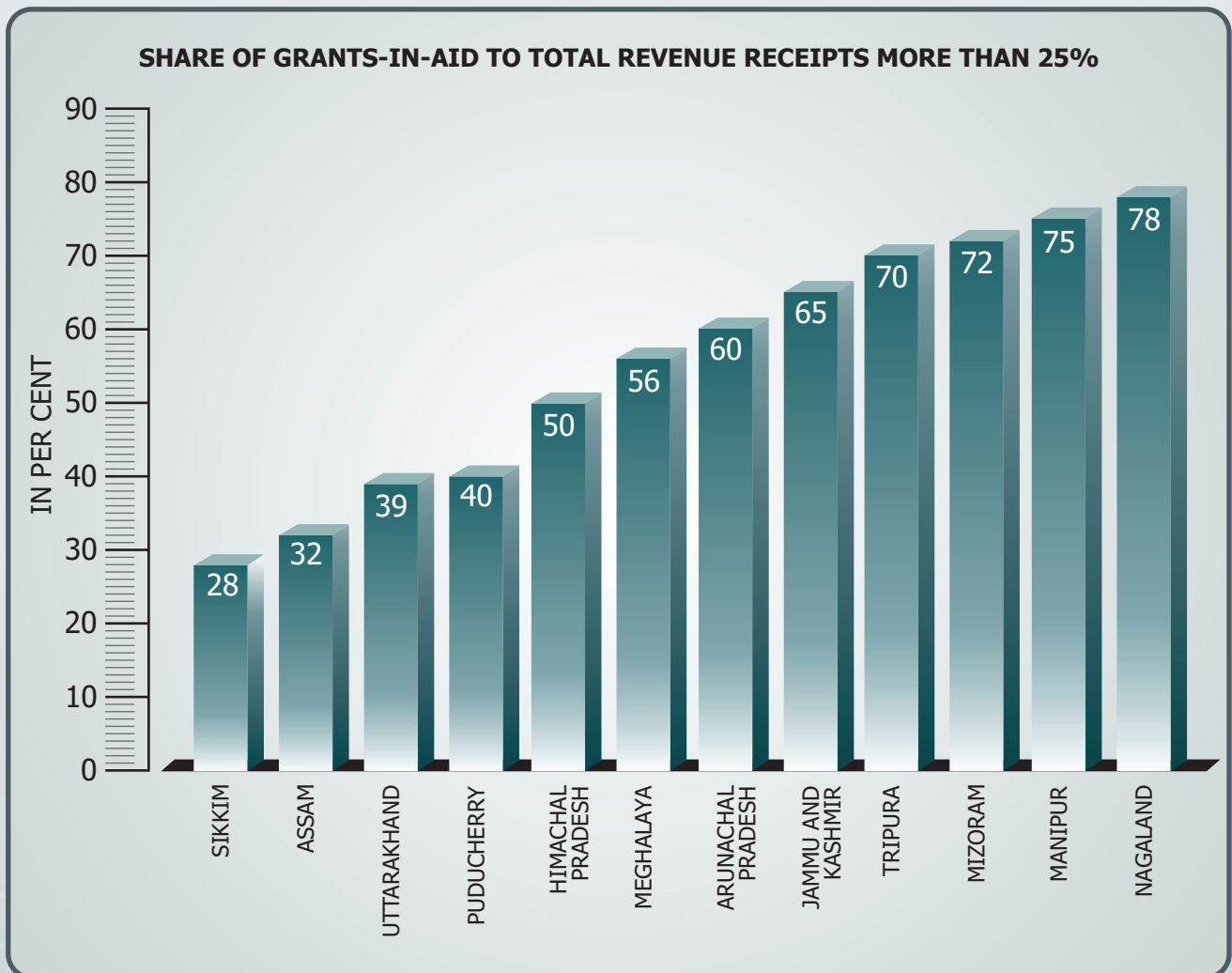
In the case of Bihar, Jharkhand & Uttar Pradesh, it can be seen that the share of net proceeds of taxes assigned by the Union Government constitute a significant portion (about 40-50%) of their total revenues. For Haryana and Himachal Pradesh, the share is less than 10%.

### 3.4.2 Grants-in-aid

#### SHARE OF GRANTS-IN-AID AS A PERCENTAGE OF STATE REVENUES

State/UT	Grants-in-aid from Govt. of India (Rs. in crore)	Total Revenue Receipts (Rs. in crore)	% of GIA to Total Receipts
GOA	148	2944	5
HARYANA	1402	19751	7
NCT DELHI	1313	14912	9
MAHARASHTRA	7509	79583	9
KERALA	2177	21107	10
PUNJAB	2110	19238	11
GUJARAT	3769	35690	11
KARNATAKA	5027	41151	12
ANDHRA PRADESH	7101	54143	13
UTTAR PRADESH	8609	68672	13
TAMILNADU	6532	47521	14
JHARKHAND	1842	12027	15
CHATTISGARH	2205	13879	16
WEST BENGAL	4839	30167	16
RAJASTHAN	4924	30781	16
MADHYA PRADESH	5730	30689	19
ORISSA	4611	21967	21
BIHAR	5832	28210	21
SIKKIM	743	2699	28
ASSAM	4913	15325	32
UTTARAKHAND	3056	7891	39
PUDUCHERRY	857	2136	40
HIMACHAL PRADESH	4567	9142	50
MEGHALAYA	1359	2441	56
ARUNACHAL PRADESH	1810	3003	60
JAMMU AND KASHMIR	8496	13108	65
TRIPURA	2562	3662	70
MIZORAM	1469	2040	72
MANIPUR	2645	3508	75
NAGALAND	2345	2996	78
<b>TOTAL</b>	<b>110502</b>	<b>640381</b>	

A graphical representation of States receiving significant amount of Grants-in-aid relative to their total revenues is given below.



The percentage of Central assistance given as grants in aid to various States shows considerable variation. Among the Special Category States, six North-Eastern states, Himachal Pradesh and Jammu & Kashmir received the maximum from the Centre ranging from 50% to 78% of their total receipts.

## 4.1 Revenue Expenditure

Revenue Expenditure is grouped under the following three sectors namely.

### GENERAL SERVICES

Includes Justice, Police, Jail, PWD, Pension etc.

### SOCIAL SERVICES

Includes Education, Sports, Medical, Family Welfare and Sanitation, Nutrition etc.

### ECONOMIC SERVICES

Includes Crop/Animal Husbandry, Industries, Irrigation, Mining, Transport, Forests, Fisheries etc.

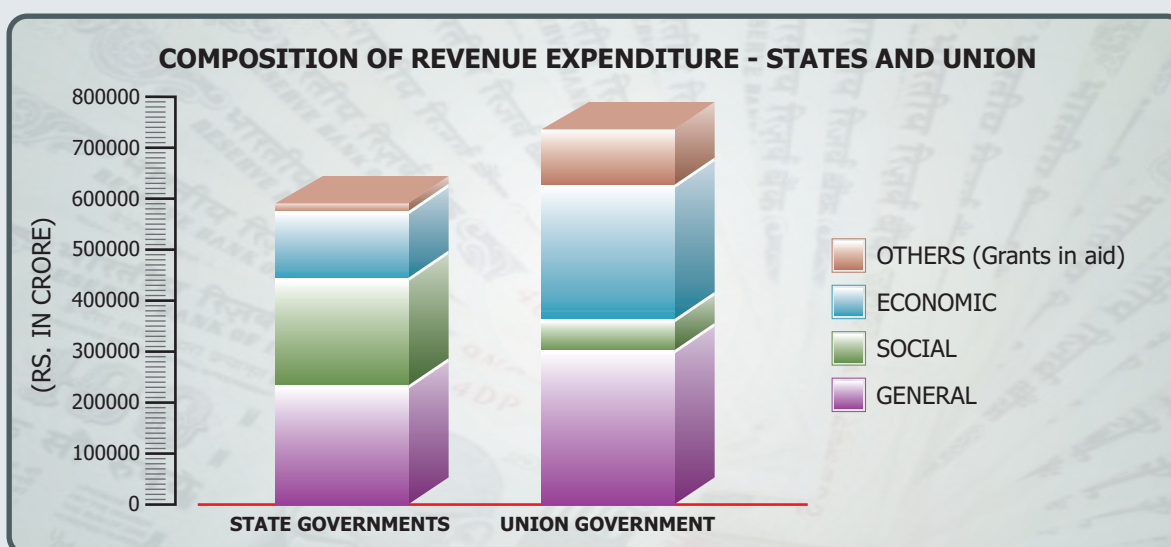
Expenditure under the General Service category pertains mainly to sovereign functions and committed expenses. Expenditure under the remaining two categories relate to developmental activities of the Government.

### Sector-wise Revenue Expenditure - States

Sectors	State Govts (Rs. in crore)	% to Total Expenditure	% of Expenditure to GSDP
General	231126	39.1	6.2
Social	208923	35.3	5.6
Economic	134060	22.7	3.6
Others(Grants in aid)	16905	2.9	0.5
<b>TOTAL</b>	<b>591014</b>	<b>100.0</b>	<b>15.9</b>

### Sector-wise Revenue Expenditure - Union Govt.

Sectors	Union Government (Rs. in crore)	% to Total Expenditure	% of Expenditure to GDP
General	299907	40.8	6.4
Social	61482	8.4	1.3
Economic	263494	35.9	6.0
Others(Grants in aid)	109978	15.0	2.3
<b>TOTAL</b>	<b>734861</b>	<b>100.0</b>	<b>16.0</b>





## 4.2 Analysis of Components of Revenue Expenditure

### 4.2.1 Interest

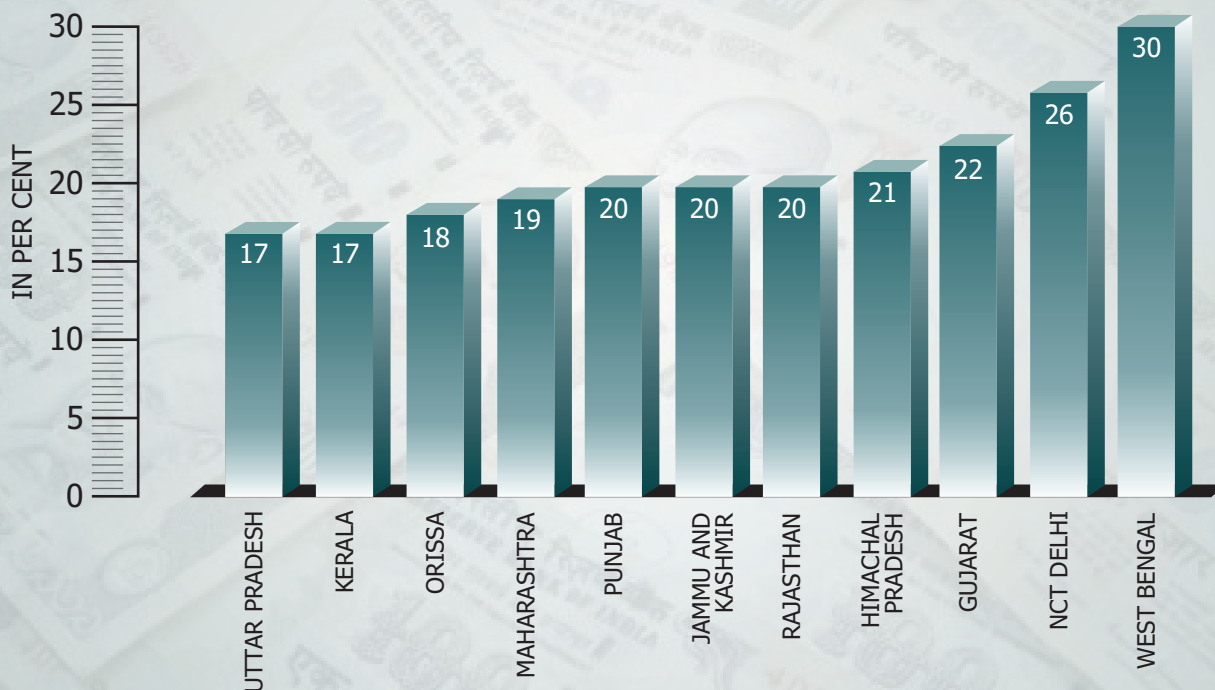
One of the components of Revenue Expenditure under the sector General Services is Interest. It is a committed charge and therefore, worthy of analysis. The position of interest in respect of the States is as follows:

#### STATE-WISE DETAILS OF INTEREST PAID

All States\* Average: 17%

State/UT	Interest Amount (Rs. in crore)	% of Interest to Total Expenditure
SIKKIM	118	5
ARUNACHAL PRADESH	155	7
MEGHALAYA	189	8
PUDUCHERRY	217	10
NAGALAND	270	10
MIZORAM	208	11
CHATTISGARH	1140	11
ASSAM	1512	12
KARNATAKA	4506	12
MANIPUR	298	13
HARYANA	2346	13
TRIPURA	396	14
TAMILNADU	6086	14
ANDHRA PRADESH	7589	14
UTTARAKHAND	1096	15
GOA	447	16
JHARKHAND	1758	16
BIHAR	3707	16
MADHYA PRADESH	4191	16
KERALA	4330	17
UTTAR PRADESH	10820	17
ORISSA	3169	18
MAHARASHTRA	12204	19
JAMMU AND KASHMIR	2436	20
PUNJAB	4527	20
RAJASTHAN	5943	20
HIMACHAL PRADESH	1703	21
GUJARAT	7484	22
NCT DELHI	2504	26
WEST BENGAL	11384	30
<b>TOTAL</b>	<b>102733</b>	

### % OF INTEREST TO TOTAL EXPENDITURE HIGHER THAN ALL STATES AVERAGE



#### Highlights

- The average of all States is 17%
- NCT Delhi & West Bengal have high interest outgo.
- North East States have low interest outgo.

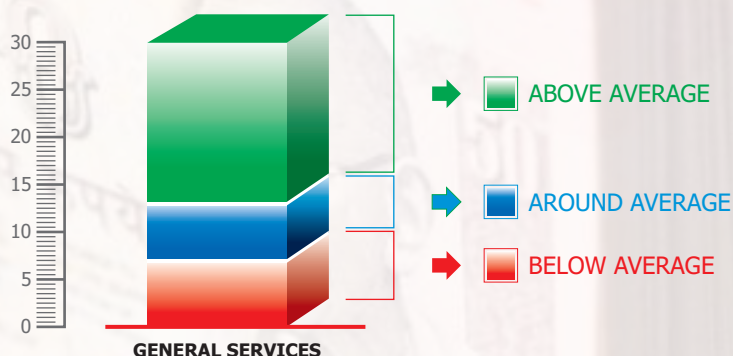
## 4.3 Sectoral Analysis of Revenue Expenditure

### 4.3.1 Revenue Expenditure on General Services

All States\* per capita : Rs 2034

State/UT	Amount (Rs. in Crore)	Per Capita Expenditure (in Rs.)	State per capita to National per capita (no. of times)
BIHAR	9252	994	0.5
MADHYA PRADESH	9354	1187	0.6
CHATTISGARH	3040	1293	0.6
UTTAR PRADESH	26551	1406	0.7
JHARKHAND	4607	1536	0.8
ASSAM	4924	1658	0.8
RAJASTHAN	10922	1688	0.8
ORISSA	7227	1820	0.9
KARNATAKA	10872	1894	0.9
NCT DELHI	3249	1934	1.0
WEST BENGAL	18867	2176	1.1
HARYANA	5230	2179	1.1
ANDHRA PRADESH	18170	2216	1.1
GUJARAT	13654	2404	1.2
TAMILNADU	16129	2447	1.2
MAHARASHTRA	23846	2461	1.2
MEGHALAYA	778	3113	1.5
UTTARAKHAND	2655	3124	1.5
KERALA	12184	3573	1.8
MANIPUR	932	3584	1.8
TRIPURA	1313	3861	1.9
NAGALAND	1193	4262	2.1
PUDUCHERRY	538	4888	2.4
HIMACHAL PRADESH	3429	4970	2.4
JAMMU AND KASHMIR	5624	5021	2.5
ARUNACHAL PRADESH	620	5167	2.5
PUNJAB	12892	5305	2.6
GOA	837	5980	2.9
MIZORAM	646	6457	3.2
SIKKIM	1590	26496	13.0
<b>TOTAL FOR ALL STATES</b>	<b>231126</b>		

#### SECTOR-WISE GROUPING OF STATES BASED ON THEIR PERFORMANCE



In the case of Revenue Expenditure on General Service, Sikkim has spent significantly more in comparison with other States. Bihar, Madhya Pradesh and Chattisgarh spent as low as 0.5-0.6 times of all States' average per capita.

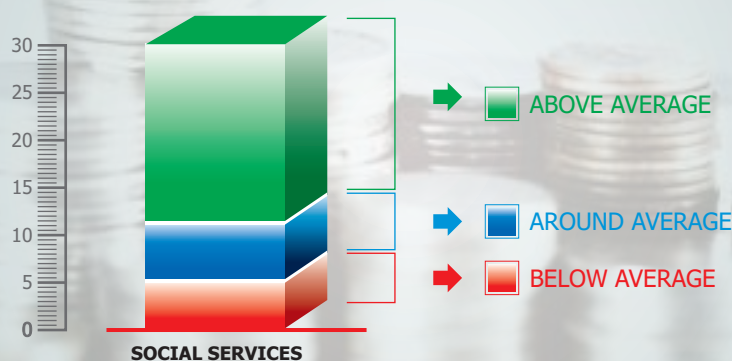


## 4.3.2 Revenue Expenditure on Social Services

All States\* per capita : Rs 1838

State/UT	Amount (Rs. in Crore)	Per Capita Expenditure (in Rs.)	State per capita to National per capita (no. of times)
MADHYA PRADESH	8145	1034	0.6
BIHAR	9868	1060	0.6
UTTAR PRADESH	23086	1223	0.7
JHARKHAND	4257	1419	0.8
WEST BENGAL	13463	1553	0.8
RAJASTHAN	10200	1577	0.9
ORISSA	6417	1616	0.9
ASSAM	4957	1669	0.9
CHATTISGARH	4117	1752	1.0
PUNJAB	4334	1783	1.0
GUJARAT	11801	2078	1.1
ANDHRA PRADESH	18660	2276	1.2
KERALA	7790	2284	1.2
KARNATAKA	13124	2286	1.2
NAGALAND	657	2346	1.3
TAMILNADU	15726	2386	1.3
HARYANA	5739	2391	1.3
JAMMU AND KASHMIR	2847	2542	1.4
MANIPUR	718	2762	1.5
MAHARASHTRA	26773	2763	1.5
TRIPURA	943	2774	1.5
MEGHALAYA	754	3014	1.6
NCT DELHI	5222	3108	1.7
UTTARAKHAND	2829	3328	1.8
HIMACHAL PRADESH	2876	4167	2.3
ARUNACHAL PRADESH	707	5888	3.2
GOA	930	6646	3.6
MIZORAM	697	6968	3.8
SIKKIM	438	7304	4.0
PUDUCHERRY	851	7736	4.2
<b>TOTAL FOR ALL STATES</b>	<b>208924</b>		

### SECTOR-WISE GROUPING OF STATES BASED ON THEIR PERFORMANCE



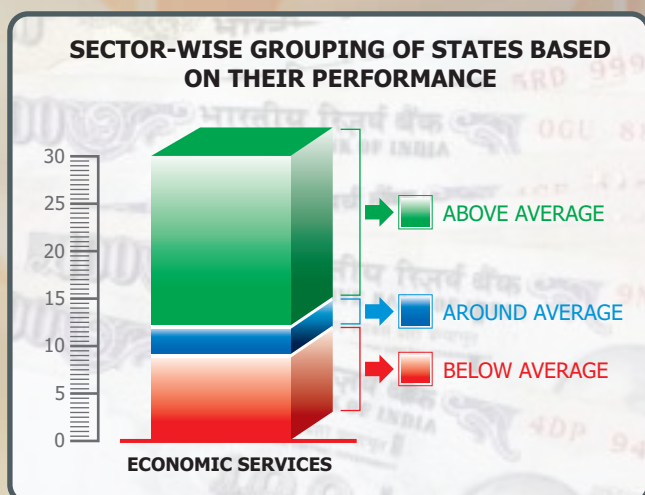
Sikkim & Puducherry have spent more per capita on social services and is closely followed by Mizoram and Goa. Madhya Pradesh and Bihar have low per capita expenditure on social services.

### 4.3.3 Revenue Expenditure on Economic Services

All States\* per capita : Rs. 1,180

State/UT	Amount (Rs. in Crore)	Per Capita Expenditure (in Rs.)	State per capita to National per capita (no. of times)
NCT DELHI	632	376	0.3
BIHAR	4438	477	0.4
UTTAR PRADESH	12037	638	0.5
WEST BENGAL	5554	641	0.5
JHARKHAND	1967	656	0.6
KERALA	2818	827	0.7
MADHYA PRADESH	6537	830	0.7
ORISSA	3729	939	0.8
ASSAM	2854	961	0.8
TAMILNADU	7771	1179	1.0
RAJASTHAN	7989	1235	1.0
CHATTISGARH	3140	1336	1.1
MAHARASHTRA	13237	1366	1.2
TRIPURA	474	1394	1.2
GUJARAT	7937	1397	1.2
UTTARAKHAND	1461	1719	1.5
KARNATAKA	11453	1995	1.7
ANDHRA PRADESH	16904	2061	1.7
PUNJAB	5479	2255	1.9
MANIPUR	642	2471	2.1
NAGALAND	722	2578	2.2
HARYANA	6222	2592	2.2
HIMACHAL PRADESH	1984	2875	2.4
MEGHALAYA	722	2887	2.4
JAMMU AND KASHMIR	3718	3320	2.8
SIKKIM	321	5343	4.5
MIZORAM	566	5660	4.8
GOA	1010	7215	6.1
PUDUCHERRY	808	7345	6.2
ARUNACHAL PRADESH	933	7774	6.6
<b>TOTAL FOR ALL STATES</b>	<b>134060</b>		

Only two State's (Tamil Nadu & Rajasthan) per capita exp on Economic Services is close to All India average per capita.



Goa, Puducherry and Arunachal Pradesh have spent more per capita on Economic Services. NCT of Delhi and Bihar record the lowest per capita expenditure in this sector.

## 4.4 Functional Analysis

An analysis of Revenue Expenditure by major functions on the basis of Per Capita expenditure by each State in relation to the Average of All State's Per Capita expenditure which gives insights into the priorities of various States on different functions.

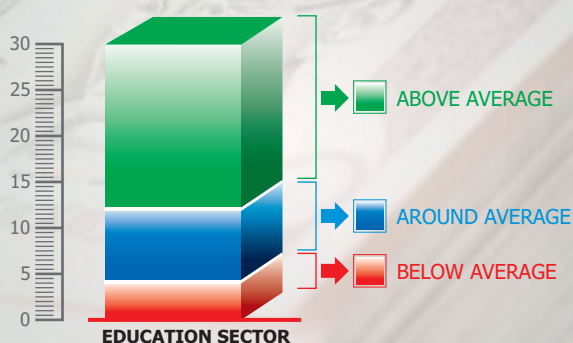
### 4.4.1 Education

#### AMOUNT SPENT BY THE STATES UNDER SOCIAL SERVICES - EDUCATION SECTOR

All States\* per capita : Rs 905

State/UT	Amount (Rs. in Crore)	Per Capita Expenditure (in Rs.)	State per capita to National per capita (no. of times)
MADHYA PRADESH	3768	478	0.5
BIHAR	5496	590	0.7
UTTAR PRADESH	11676	618	0.7
JHARKHAND	2300	767	0.8
CHATTISGARH	1810	770	0.9
ANDHRA PRADESH	6605	805	0.9
WEST BENGAL	7056	814	0.9
ORISSA	3260	821	0.9
RAJASTHAN	5423	838	0.9
GUJARAT	5433	957	1.1
ASSAM	3047	1026	1.1
TAMILNADU	6846	1039	1.1
PUNJAB	2674	1100	1.2
JAMMU AND KASHMIR	1270	1134	1.3
HARYANA	2753	1147	1.3
KARNATAKA	6811	1187	1.3
NCT DELHI	2154	1282	1.4
KERALA	4529	1328	1.5
NAGALAND	380	1356	1.5
MAHARASHTRA	13642	1408	1.6
TRIPURA	523	1538	1.7
MANIPUR	409	1572	1.7
MEGHALAYA	423	1691	1.9
UTTARAKHAND	1583	1862	2.1
HIMACHAL PRADESH	1484	2151	2.4
PUDUCHERRY	241	2193	2.4
ARUNACHAL PRADESH	297	2477	2.7
GOA	400	2859	3.2
MIZORAM	333	3326	3.7
SIKKIM	239	3984	4.4
<b>TOTAL FOR ALL STATES</b>	<b>102864</b>		

#### KEY SECTORS - GROUPING OF STATES BASED ON THEIR PERFORMANCE



Sikkim records the highest per capita expenditure in Education sector under social services. It is closely followed by Mizoram and Goa. The lowest per capita expenditure in this sector is by Madhya Pradesh, Bihar and Uttar Pradesh. Except a handful of States, in all others expenditure on education is quite significant.



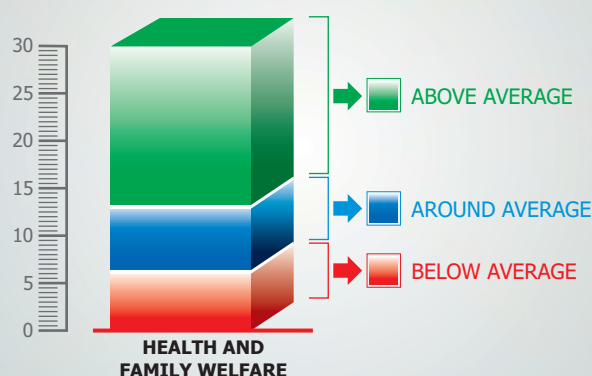
## 4.4.2 Health & Family Welfare

### AMOUNT SPENT BY THE STATES UNDER SOCIAL SERVICES - HEALTH & FAMILY WELFARE

All States\* per capita : Rs. 223

State/UT	Amount (Rs. in Crore)	Per Capita Expenditure (in Rs.)	State per capita to All States per capita (no. of times)
BIHAR	1141	123	0.6
JHARKHAND	392	131	0.6
MADHYA PRADESH	1139	144	0.6
UTTAR PRADESH	3102	164	0.7
CHATTISGARH	395	168	0.8
ORISSA	726	183	0.8
WEST BENGAL	1774	205	0.9
HARYANA	529	220	0.9
ASSAM	653	220	0.9
RAJASTHAN	1429	221	0.9
GUJARAT	1285	226	1.0
KARNATAKA	1478	257	1.2
TAMILNADU	1737	264	1.2
MAHARASHTRA	2695	278	1.2
ANDHRA PRADESH	2439	297	1.3
PUNJAB	756	311	1.3
TRIPURA	118	347	1.6
MANIPUR	93	356	1.6
UTTARAKHAND	305	359	1.6
KERALA	1242	364	1.6
NAGALAND	122	436	1.9
MEGHALAYA	113	452	1.9
JAMMU AND KASHMIR	601	537	2.3
HIMACHAL PRADESH	438	634	2.7
NCT DELHI	1154	687	2.9
ARUNACHAL PRADESH	103	861	3.7
MIZORAM	98	985	4.2
GOA	149	1062	4.6
SIKKIM	71	1184	5.3
PUDUCHERRY	191	1733	7.8
<b>TOTAL FOR ALL STATES</b>	<b>26469</b>		

#### KEY SECTORS - GROUPING OF STATES BASED ON THEIR PERFORMANCE



On the Health and Family Welfare sector, Puducherry outperforms other States by 7.4 times the expenditure followed by Sikkim which is about 5.1 times. Bihar has recorded the lowest per capita expenditure on the sector.

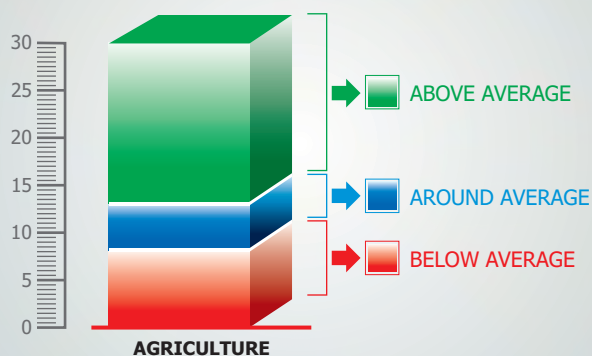
## 4.4.3 Agriculture

### AMOUNT SPENT BY THE STATES UNDER ECONOMIC SERVICES - AGRICULTURE SECTOR

All States\* per capita : Rs. 270

State/UT	Amount (Rs. in Crore)	Per Capita Expenditure (in Rs.)	State per capita to National per capita (no. of times)
NCT DELHI	44	26	0.1
BIHAR	737	79	0.3
WEST BENGAL	1143	132	0.5
UTTAR PRADESH	2522	134	0.5
RAJASTHAN	946	146	0.5
JHARKHAND	585	195	0.7
ORISSA	890	224	0.8
ASSAM	672	226	0.8
MADHYA PRADESH	1945	247	0.9
ANDHRA PRADESH	2075	253	0.9
GUJARAT	1479	260	1.0
PUNJAB	662	272	1.0
TAMILNADU	1832	278	1.0
KERALA	1087	319	1.2
MAHARASHTRA	3469	358	1.3
HARYANA	1075	448	1.7
GOA	79	566	2.1
JAMMU AND KASHMIR	661	590	2.2
CHATTISGARH	1438	612	2.3
TRIPURA	217	639	2.4
NAGALAND	205	734	2.7
UTTARAKHAND	653	768	2.8
PUDUCHERRY	86	781	2.9
KARNATAKA	4518	787	2.9
MANIPUR	212	815	3.0
MEGHALAYA	217	867	3.2
HIMACHAL PRADESH	631	915	3.4
MIZORAM	206	2059	7.6
SIKKIM	134	2241	8.3
ARUNACHAL PRADESH	273	2275	8.4
<b>TOTAL FOR ALL STATES</b>	<b>30694</b>		

#### KEY SECTORS - GROUPING OF STATES BASED ON THEIR PERFORMANCE



Arunachal Pradesh, Sikkim and Mizoram spent the highest in per capita terms, while NCT, Bihar and West Bengal spent the lowest.

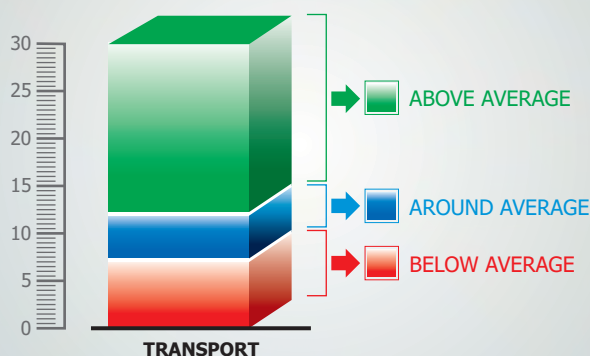
## 4.4.4 Transport

### AMOUNT SPENT BY THE STATES UNDER ECONOMIC SERVICES – TRANSPORT SECTOR

All States\* per capita : Rs. 154

State/UT	Amount (Rs. in Crore)	Per Capita Expenditure (in Rs.)	State per capita to National per capita (no. of times)
BIHAR	408	44	0.3
JAMMU AND KASHMIR	50	45	0.3
UTTAR PRADESH	1404	74	0.5
MADHYA PRADESH	609	77	0.5
JHARKHAND	275	92	0.6
WEST BENGAL	841	97	0.6
RAJASTHAN	658	102	0.7
TAMILNADU	875	133	0.9
CHATTISGARH	347	148	1.0
PUNJAB	364	150	1.0
ASSAM	504	170	1.1
NCT DELHI	293	174	1.1
ANDHRA PRADESH	1527	186	1.2
ORISSA	754	190	1.2
UTTARAKHAND	185	218	1.4
KERALA	770	226	1.5
KARNATAKA	1326	231	1.5
MAHARASHTRA	2254	233	1.5
TRIPURA	80	234	1.5
MANIPUR	67	258	1.7
GUJARAT	1555	274	1.8
PUDUCHERRY	31	285	1.9
MEGHALAYA	79	318	2.1
NAGALAND	93	332	2.2
HARYANA	1154	481	3.1
MIZORAM	68	679	4.4
GOA	124	885	5.7
SIKKIM	55	920	6.0
HIMACHAL PRADESH	659	956	6.2
ARUNACHAL PRADESH	138	1154	7.5
<b>TOTAL FOR ALL STATES</b>	<b>17548</b>		

#### KEY SECTORS - GROUPING OF STATES BASED ON THEIR PERFORMANCE



Arunachal Pradesh's per capita expenditure on Transport services is the highest followed by Himachal Pradesh. Bihar and Jammu & Kashmir recorded the lowest per capita expenditure.

Bihar and Uttar Pradesh figure in the bottom five in respect of Per Capita expenditure in all the four functions, while Madhya Pradesh figures so in three out of four functions.



## 4.5 Capital Expenditure

This section deals with the expenditure 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.

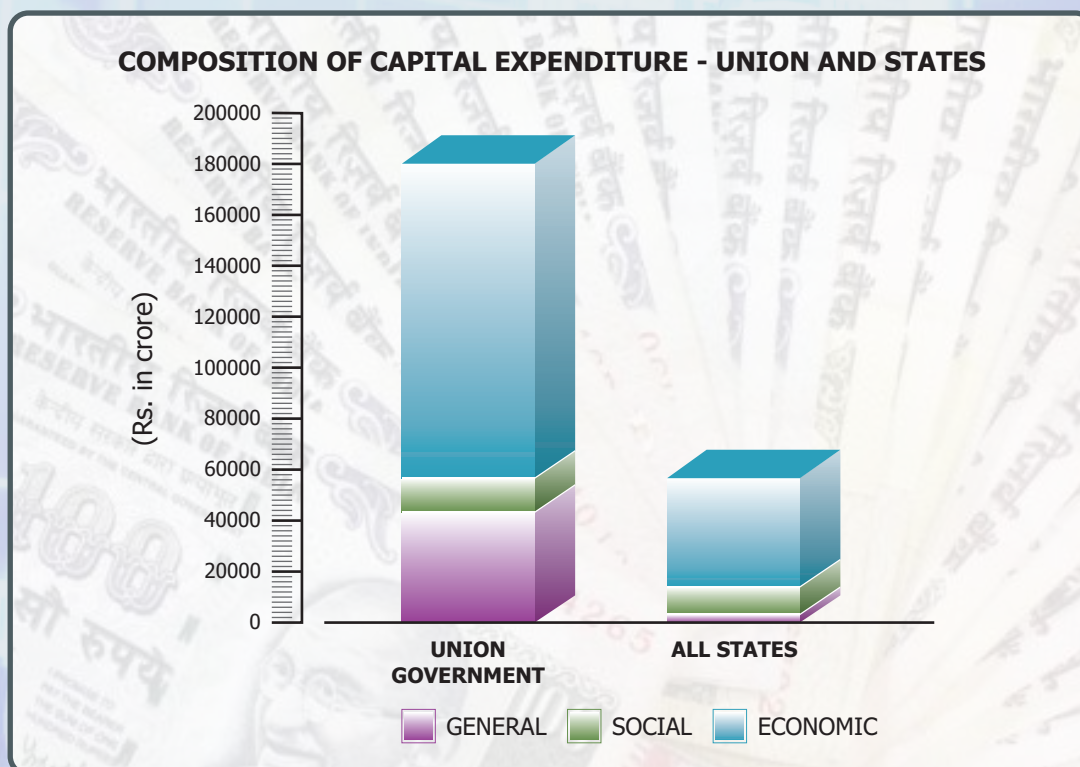
As under the Revenue section, expenditure under Capital section is also grouped under three categories.

### SECTOR-WISE CAPITAL EXPENDITURE

Sectors	Union Government (Rs. in Crore)	% to Total Expenditure	% of Expenditure to GDP	State Government (Rs. in Crore)	% to Total Expenditure	% of Expenditure to GSDP
General	43373	23.96	0.92	3142	5.55	0.08
Social	13634	7.53	0.29	10610	18.74	0.29
Economic	124005	68.51	2.63	42868	75.71	1.15
<b>Total Expenditure</b>	<b>181013</b>	<b>100.00</b>	<b>3.84</b>	<b>56620</b>	<b>100.00</b>	<b>1.52</b>

### 4.5.1 Analysis of Capital Expenditure

For both the Union and the States capital expenditure on economic services constitute a greater proportion of total capital expenditure. The expenditure on social services as percentage to GDP/GSDP are equal at Union and States. However, the States recorded a lower proportion of capital expenditure on general services when compared to the Union.



## 5.1 Deficit

Revenue deficit represents the net of revenue expenditure over revenue receipts of the Government.

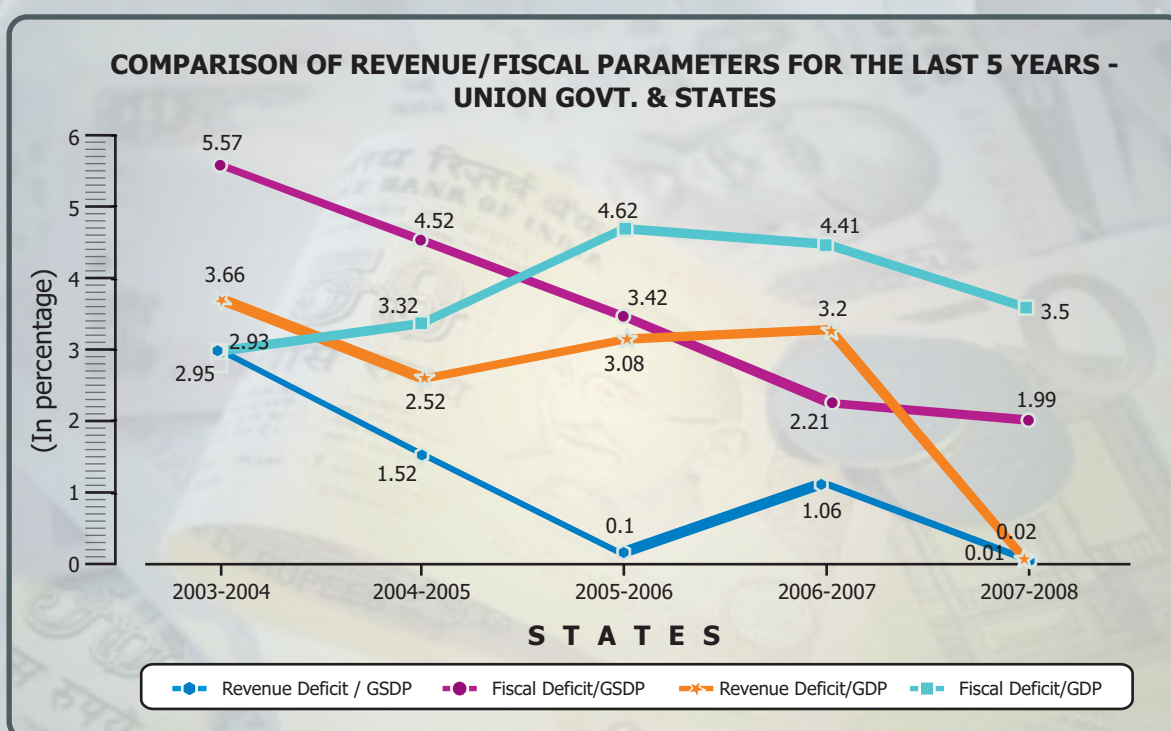
Fiscal Deficit is calculated as total expenditure (Revenue + Capital + Net Loans and Advances) less revenue receipts and miscellaneous capital receipts. This is financed by borrowings.

## 5.2 Gross Domestic Product (GDP) & Gross States Domestic Products (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 states.

### DETAILS OF REVENUE/FISCAL PARAMETERS OF UNION & STATE GOVERNMENTS

Years	All States		Union Government	
	Revenue Deficit/GSDP	Fiscal Deficit / GSDP	Revenue Deficit/GDP	Fiscal Deficit / GDP
2003-2004	2.95	5.57	3.66	2.93
2004-2005	1.52	4.52	2.52	3.32
2005-2006	0.1	3.42	3.08	4.62
2006-2007	1.06	2.21	3.2	4.41
2007-2008	0.01	1.99	0.02	3.5





## 6.1 Public Debt & Liabilities

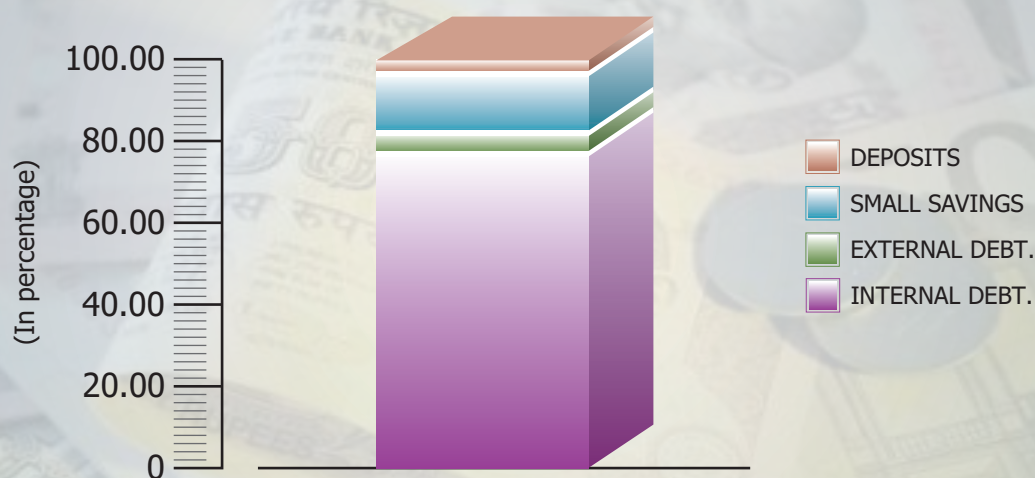
State Government, in order to carry out its day-to-day activities, raises money from public, Public Sector Undertakings through loans, obtaining Ways and Means advances from Reserve Bank of India, etc and also through loans & advances from the Government of India. In the case of the Union Government, public debt also includes assistance from foreign Governments. The Government also encourages Small Savings from the public, which is used as funding for its activities.

An analysis of the fiscal liabilities indicates that in respect of both the Union and State Governments, Internal Debt forms the major liability followed by Small Savings and Deposits. In respect of State Governments, the liability towards repayment of Government of India loans ranks third.

### 6.1.1 Union Government

	(Rs. in crore)
Internal Debt	1799651
External Debt	112031
Small Savings	339815
Deposits	81941
<b>Total</b>	<b>2333438</b>

**VARIOUS COMPONENTS OF FISCAL LIABILITIES (UNION)**



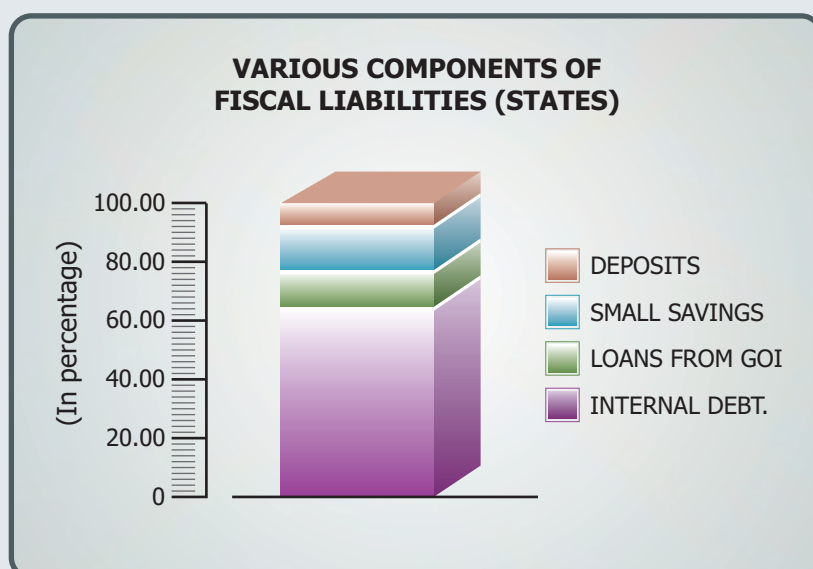


## 6.12 State Governments

### COMPONENTS OF FISCAL LIABILITIES IN RESPECT OF STATES\*

(Rs. in Crore)

State/UT	Internal Debt	Loans from GOI	Small Savings	Deposits
ANDHRA PRADESH	36269	15126	31084	14117
ARUNACHAL PRADESH	1508	449	570	110
ASSAM	13033	2708	3933	706
BIHAR	26769	8276	9429	5583
CHATTISGARH	8374	2106	1628	1881
GOA	1587	3539	722	440
GUJARAT	68651	10658	4851	11227
HARYANA	18411	2078	6257	2005
HIMACHAL PRADESH	13049	1015	4154	765
JAMMU AND KASHMIR	10964	3262	4295	1641
JHARKHAND	15859	2540	881	1817
KARNATAKA	33316	9557	8533	4199
KERALA	34019	5533	15858	2388
MADHYA PRADESH	33258	8782	7837	3903
MAHARASHTRA	107747	8459	10096	16965
MANIPUR	1324	967	1382	838
MEGHALAYA	1773	330	429	594
MIZORAM	1469	558	1035	311
NAGALAND	2773	388	432	287
NCT DELHI		25339		
ORISSA	17185	8402	10727	2138
PUDUCHERRY	337	2147	252	187
PUNJAB	41025	3284	8613	1338
RAJASTHAN	46038	7683	15422	5554
SIKKIM	909	316	335	34
TAMILNADU	50248	6935	7471	7311
TRIPURA	2542	526	1429	61
UTTAR PRADESH	86577	21143	21414	9877
UTTARAKHAND	11235	443	1356	1284
WEST BENGAL	103355	14161	5702	8553
<b>TOTAL</b>	<b>789604</b>	<b>176710</b>	<b>187127</b>	<b>106114</b>



## 7.1 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. It has other valuable assets in the form of Land, Buildings, Factories, etc. However, Government accounts at present do not exhibit these fixed assets.

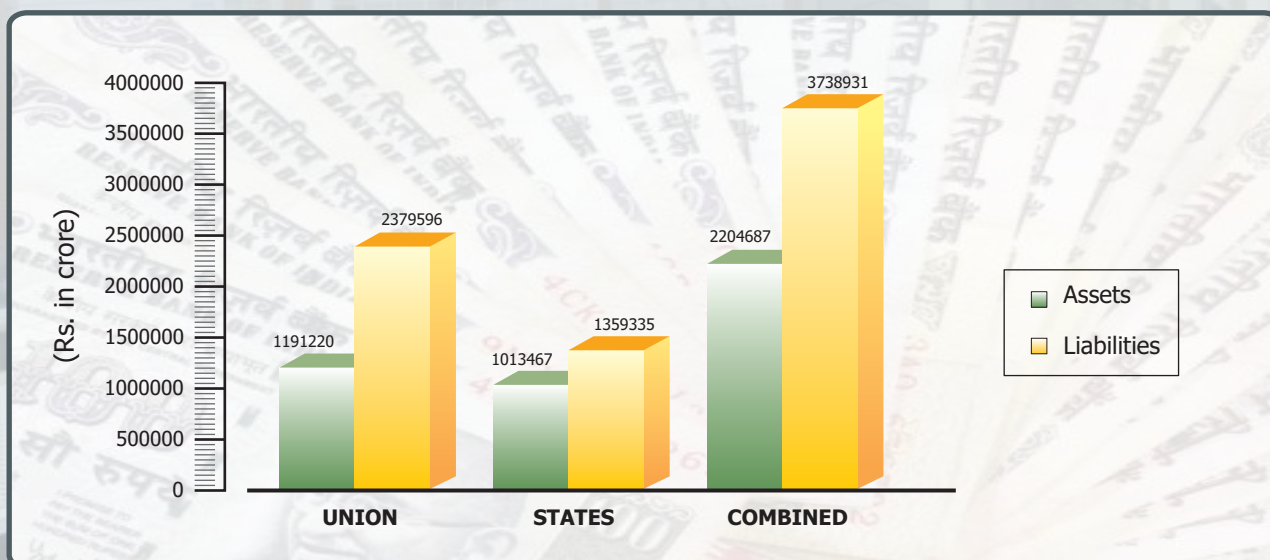
The liabilities of Government of India viz, internal and external debt and in the case of State Governments, Loans and Advances from Government of India constitute Public Debt for that Government. Besides these, liabilities of the Government also include Small Savings from public, Provident Fund from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

### ASSETS AND LIABILITIES AND THE STATEMENT OF BALANCES

(Position as on 31st March 2008)

(Rs. in Crore)

ASSETS	Union	States	Combined	LIABILITIES	Union	States	Combined
<b>Capital Expenditure</b>	<b>(Cumulative Figures)</b>			<b>Capital Expenditure</b>	<b>(Cumulative Figures)</b>		
General Services	317830	26763	344593	Internal Debt	1799651	789270	2588921
Social Services	13474	130540	144014	External Debt.	112031	337	112368
Economic Services	391721	591580	983301	Loans from CG	0	176710	176710
<b>TOTAL</b>	<b>723025</b>	<b>748883</b>	<b>1471908</b>	Small Savings	339815	187127	526942
<b>Loans and Advances</b>				Reserve Fund	44846	78264	123110
General Services	5028	14410	19438	Others	83253	127627	210880
Social Services	14279	36241	50520	<b>TOTAL LIABILITIES (Available Funds)</b>	<b>2379596</b>	<b>1359335</b>	<b>3738931</b>
Economic Services	54104	125017	179121	<b>Other Receipts</b>	<b>0</b>	<b>9947</b>	<b>9947</b>
Stage Governments	146071	0	146071	Cumulative Resource Gap	-1188376	-355815	-1544191
<b>TOTAL</b>	<b>219482</b>	<b>175668</b>	<b>395150</b>	<b>Resource Use</b>	<b>1191220</b>	<b>1013467</b>	<b>2204687</b>
Cash Balances	229633	-2287	227346				
Investments	19080	91203	110283				
<b>Total Assets</b>	<b>1191220</b>	<b>1013467</b>	<b>2204687</b>				



## 7.11 Comparison

A comparison of Ratio of Financial Assets vis-à-vis Liabilities is presented below:

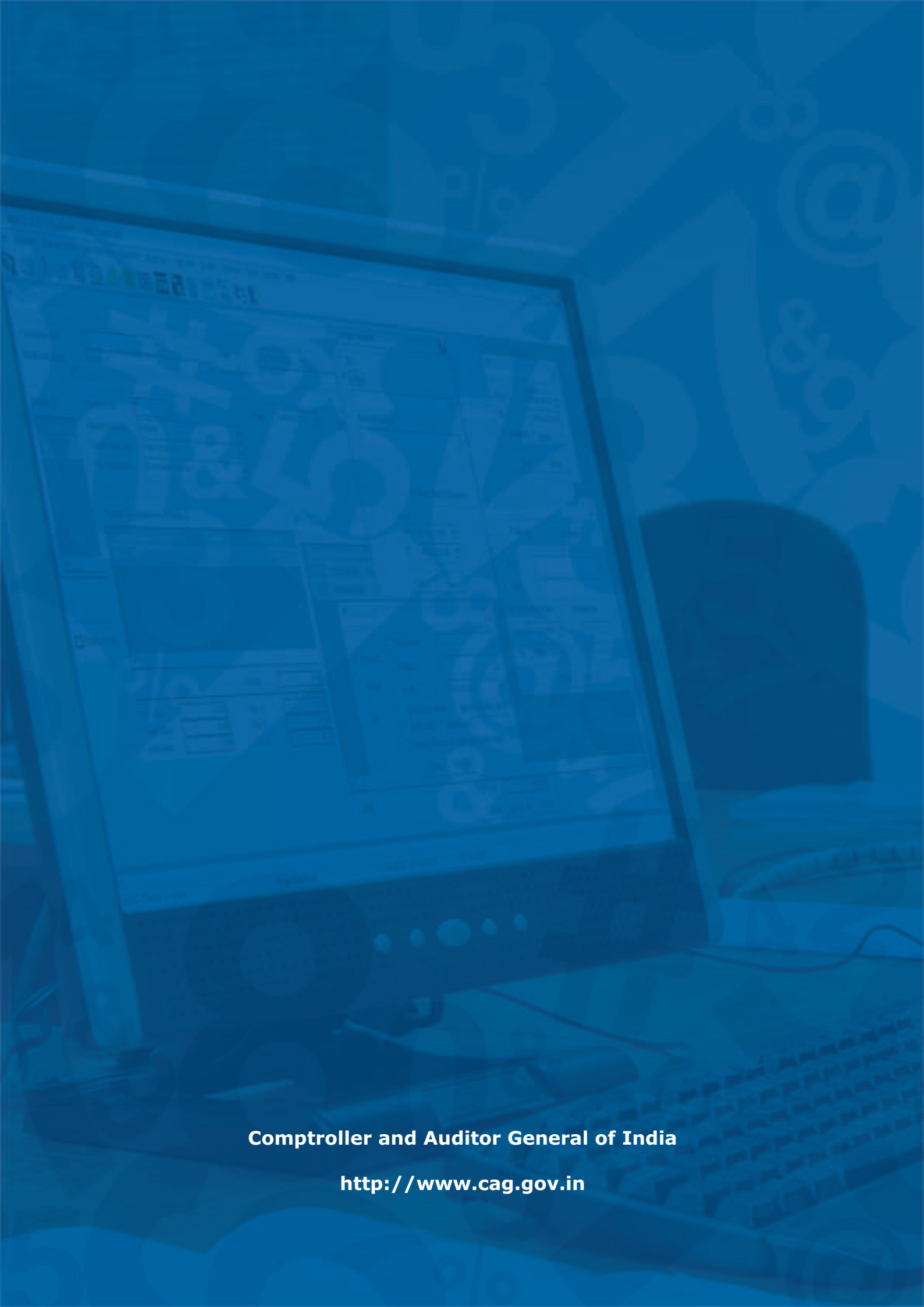
### COMPARATIVE STATEMENT FOR ASSETS/LIABILITIES

STATE/UT	Ratio of assets/Liabilities (per cent)
WEST BENGAL	33
KERALA	36
PUNJAB	44
TRIPURA	46
UTTAR PRADESH	56
HIMACHAL PRADESH	64
UTTARAKHAND	67
RAJASTHAN	69
MAHARASHTRA	70
GUJARAT	72
TAMIL NADU	77
ORISSA	78
JHARKHAND	80
GOA	85
ANDHRA PRADESH	87
HARYANA	94
MADHYA PRADESH	94
BIHAR	95
KARNATAKA	101
PUDUCHERRY	108
CHATTISGARH	110
ASSAM	115
JAMMU AND KASHMIR	115
MIZORAM	115
MEGHALAYA	149
NAGALAND	153
MANIPUR	165
SIKKIM	210
NCT DELHI	231
ARUNACHAL PRADESH	250

Thus, 18 States have more liabilities than financial assets while West Bengal, Kerala, Punjab and Tripura have financial liabilities that are twice as much as financial assets.







**Comptroller and Auditor General of India**

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