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Union And State Finances At A Glance 2009-10

Comptroller and Auditor General of India

Preface

This publication, “Union and State Finances at a Glance” is an attempt to address the felt-need of various stake holders for a publication containing a reader friendly summary of State and Union Finances. This is the third issue in the series.

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, 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.

* The figures for Himachal Pradesh, Puducherry, NCT Delhi, Tamil Nadu & Maharashtra are provisional.

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1.1

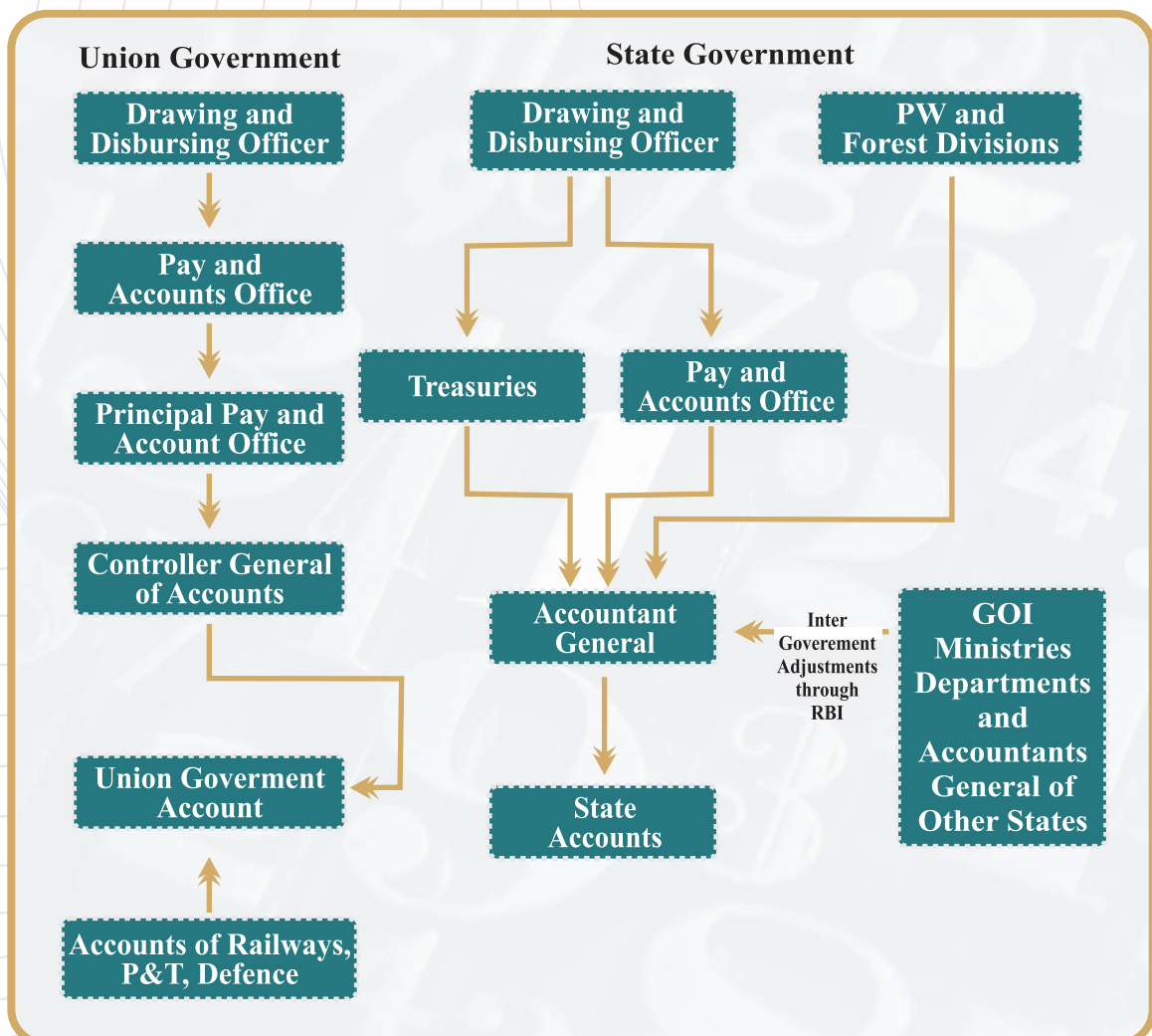
Introduction

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.

1.1.1 How Accounts are compiled

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

The accounts of the State Governments 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 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 Union Government and State Governments on a common and comparable basis.

1.1.4 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.

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 and 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 (other than included in Part-I), Deposits, Advances, Remittances and Suspense. Debt and Deposit 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

1.3 Quality of Accounts

1.3.1 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 Chief Controlling Officers (CCOs) are required to reconcile their figures booked by the department with those booked by the Accountant General on a monthly basis. Below is a snapshot of the percentage of receipts and expenditure reconciled by each State with the total receipts and expenditure booked in accounts.

State/UT	Percentage reconciliation of Expenditure and Receipts to	
	Total Expenditure	Total Receipts
Andhra Pradesh	60	2
Arunachal Pradesh	98	74
Assam	20	1
Bihar	6	1
Chhattisgarh	2	8
Gujarat	99	100
Haryana	100	100
Himachal Pradesh	100	100
Jammu and Kashmir	41	82
Jharkhand	16	12
Karnataka	71	99
Kerala	42	94
Madhya Pradesh	20	51
Maharashtra	78	70
Manipur	55	2
Meghalaya	57	88
Mizoram	95	53
Nagaland	90	100
Orissa	3	4
Punjab	100	100
Rajasthan	100	97
Sikkim	100	100
Tamil Nadu	100	100
Tripura	100	100
Uttar Pradesh	97	99
Uttarakhand	48	83
West Bengal	17	5

1.3.2 Completeness of Accounts:

Each account rendering authority is to submit the monthly accounts with supporting documents to the Accountant General by 8th 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. Timeliness of rendition of account is a parameter in evaluating overall quality of account. While some States are prompt in rendering accounts to the Accountant General, there are delays by others. Presented below is a snapshot of position prevailing in States in this respect.

State/UT	Average delay in days in rendition of accounts to Accountant General		
	By Treasuries	By Public Works Divisions	By Forest Divisions
Andhra Pradesh	-	8	8
Arunachal Pradesh	32	39	41
Assam	9	30	43
Bihar	25	20	29
Chhattisgarh	3	3	3
Gujarat	-	-	-
Haryana	28	-	-
Himachal Pradesh	5	3	8
Jammu and Kashmir	10	10	5
Jharkhand	5	6	5
Karnataka	5	9	6
Kerala	14	25	25
Madhya Pradesh	8	5	7
Maharashtra	8	-	13
Manipur	50	95	95
Meghalaya	11	9	40
Mizoram	9	12	14
Nagaland	15	20	15
Orissa	8	32	44
Punjab	7	12	12
Rajasthan	8	13	10
Sikkim	12	8	8
Tamil Nadu	-	-	-
Tripura	9	11	13
Uttar Pradesh	5	15	15
Uttarakhand	9	30	30
West Bengal	3	2	4

1.3.3 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 follow up and compliance. 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.

Sources and Application of Funds

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 31st March 2010.

SOURCES AND APPLICATION OF FUNDS OF THE UNION AND STATE GOVERNMENTS

	(₹ in crore)	
	UNION GOVERNMENT	TOTAL OF ALL STATES
SOURCES		
Opening Cash Balances as on 1 st April 2009	95256	-1927
Revenue Receipts	704523	783523
Miscellaneous Capital Receipts	24581	385
Recovery of Loans and Advances	12732	8403
Public Debt	3405327	214679
Small Savings, Provident Funds and Others	378377	59212
Reserves and Sinking Fund	101420	25466
Deposits received	102198	299988
Civil Advances repaid	64855	4410
Suspense Account	9247	2621219
Remittances	4304	199064
TOTAL	4902820	4214422
APPLICATION		
Revenue Expenditure	1057479	814429 ¹
Capital Expenditure	100686	152318
Loans Given	16115	22831
Repayment of Public Debt	3085792	73424
Small Savings, Provident Fund and Others	342105	36087
Reserves and Sinking Fund	114998	27639
Deposits Given	97849	285398
Civil Advances Given	64006	4973
Suspense Account	12022	2608621
Remittances	1152	196359
Closing Cash Balance as on 31 st March 2010	10616	-7657
TOTAL	4902820	4214422

¹Includes ₹ 170 crore pertaining to net of Inter-State Settlement (₹250 crore) and Appropriation of receipts and expenditure (- ₹ 420 crore).

Cash Management

The Union and State Governments except Jammu and Kashmir and Sikkim maintain their accounts with the Reserve Bank of India (RBI). The Government of Jammu and Kashmir maintains its account with the Jammu and Kashmir Bank and the Government of Sikkim maintains its account with the State Bank of Sikkim. The State Governments can obtain Ordinary Ways and Means Advance and Special Ways and Means Advance from 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.

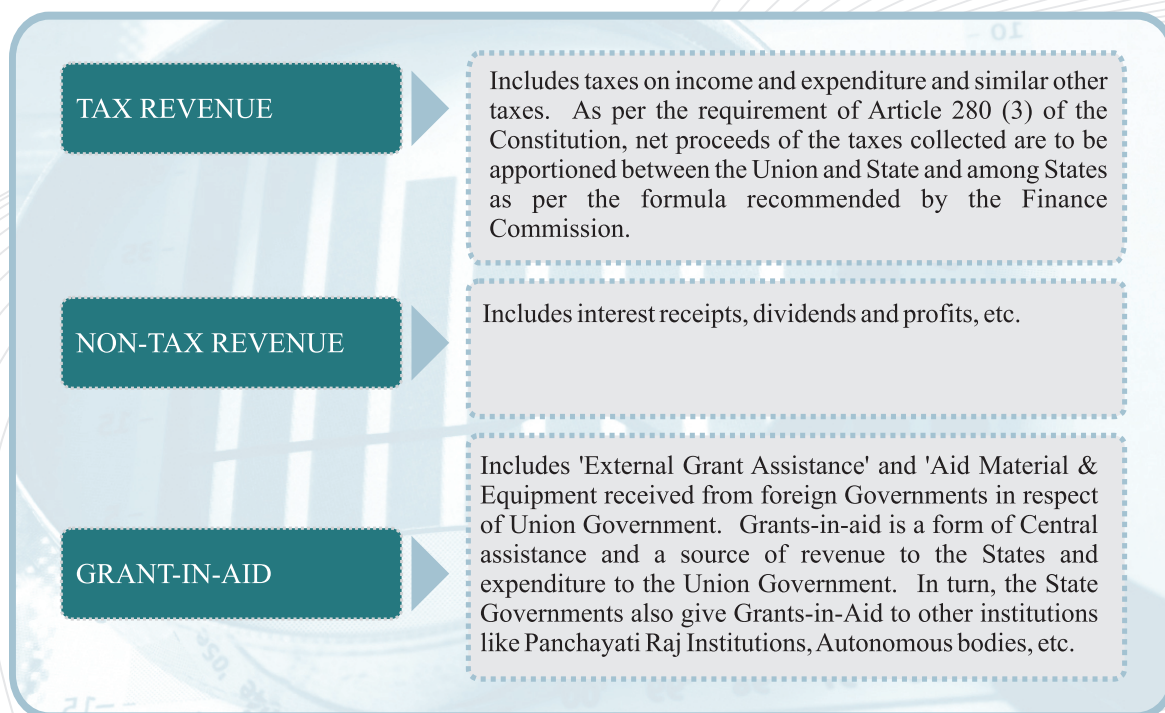
2.2.1 Ways and Means Advances from Reserve Bank of India

Except for Andhra Pradesh, Goa, Haryana, Kerala, Mizoram, Punjab, Uttar Pradesh, Uttarakhand, Nagaland and West Bengal, all other States² maintained minimum cash balance on all the 365 days without availing any Ways and Means Advances from Reserve Bank of India. Jammu and Kashmir availed temporary loans from the Jammu and Kashmir Bank for its ways and means requirements for all the 365 days during the year.

²Information regarding Sikkim is not included.

Revenue Receipts

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



	Revenue Receipts	
	UNION	TOTAL OF ALL STATES
Tax Revenue	459696	376267
Non-Tax Revenue	241686	92100
Tax Proceeds transferred to States		164834
Grants-in-Aid	3141	150322
Total Revenue Receipts	704523³	783523

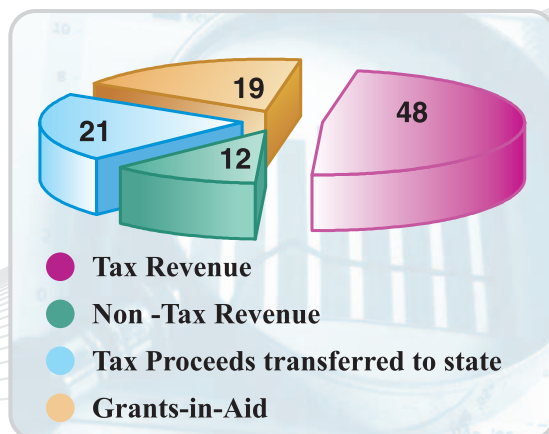
(₹ in crore)

³Out of total tax revenue of Rs.704523 crore collected by the Union Government an amount of Rs.164834 crore being the share of taxes assignable to States was transferred by the Union Government.

3.2

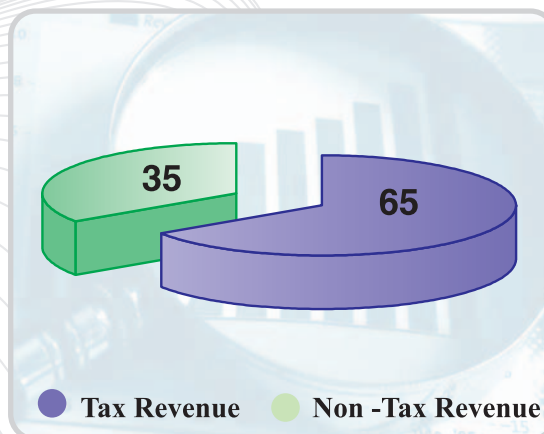
The Revenue Basket

All States



Every 'Revenue Rupee' raised by the State Governments consists of 48 paise from Tax Revenue, 21 paise through share of taxes assigned to States, 12 paise from Non-Tax Revenue and 19 paise from Grants-in-aid from Union Government.

Union Government



Every 'Revenue Rupee' raised by the Union Government consists of 65 paise from Tax and 35 paise from Non-Tax Revenue.

3.3

Analysis of Tax Revenue of States

3.3.1 Tax Revenue

Tax is the most important source of Revenue Receipts constituting 65 percent of Union and 48 percent of State revenues. Total Revenue Receipts relative to Gross Domestic Product is 10.76 percent in respect of the Union and 11.96 percent for the State Governments. In the following Table, an analysis is made of Tax Revenue of the States with reference to their population and comparison of each State's per capita taxes to the average of all the States.

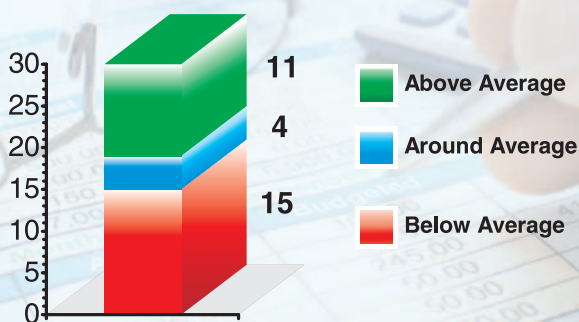
TAX REVENUE

(All States Average: ₹ 3226*)

State/Union Territory	Tax Revenue (₹ in crore)	Per Capita Tax Revenue (₹)	Ratio of State's Tax to All States Average
Bihar	8090	845	0.3
Manipur	196	817	0.3
Mizoram	107	1070	0.3
Nagaland	181	823	0.3
Arunachal Pradesh	173	1442	0.4
Assam	4986	1662	0.5
Jharkhand	4500	1461	0.5
Meghalaya	444	1708	0.5
Tripura	527	1464	0.5
Uttar Pradesh	33877	1733	0.5
West Bengal	16901	1914	0.6
Orissa	8982	2234	0.7
Jammu and Kashmir	3027	2632	0.8
Madhya Pradesh	17273	2450	0.8
Rajasthan	16414	2479	0.8
Chhattisgarh	7123	2993	0.9
Uttarakhand	3559	3669	1.1
Himachal Pradesh	2574	3842	1.2
Sikkim	223	3717	1.2
Andhra Pradesh	35175	4208	1.3
Gujarat	26740	4626	1.4
Punjab	12040	4426	1.4
Karnataka	30579	5227	1.6
Kerala	17625	5154	1.6
Haryana	13220	5331	1.7
Maharashtra	59106	5359	1.7
Tamil Nadu	36547	5471	1.7
Puducherry	868	6677	2.1
NCT Delhi	13448	7598	2.4
Goa	1762	10365	3.6
TOTAL	376267		

Tax Revenue

Grouping of States Based on their Performance



Per Capita Tax Revenue has been calculated by linking Tax Revenue to State population. Based on the analysis of Receipts on per capita basis (i.e. comparison of per capita receipts with the average per capita of All States), the states were divided into three categories. Goa tops the list in per capita tax collection followed by NCT Delhi, Puducherry and Tamil Nadu. Ten more states have performed well in their tax collection relative to All States Average Per Capita Receipt. The State of Manipur ranks the lowest. As many as 15 States have lower collection than All States Average.

3.3.2 Non-Tax Revenue

The Average States' per capita Non-Tax Revenue is ₹ 790. Sikkim has the highest per capita collection of ₹ 22616 followed by Goa with per capita collection of ₹ 10182. Bihar has the lowest per capita Non-Tax Revenue of ₹ 175.

3.4

Central Assistance and State Revenue

3.4.1 Share of Taxes assigned to States:

SHARE OF UNION TAXES ASSIGNED TO STATES ⁴

(All States Average: 22 percent)

State/Union Territory	Share of net proceeds assigned to States (₹ in crore)	Total Revenue Receipts (₹ in crore)	% of share of Union Taxes received to Total Revenue Receipts
Himachal Pradesh	862	10346	8.33
Haryana	1774	20993	8.45
Maharashtra	8248	86910	9.49
Punjab	2144	22157	9.68
Goa	428	4100	10.44
Jammu and Kashmir	1915	17588	10.89
Arunachal Pradesh	476	4295	11.08
Sikkim	375	3254	11.52
Nagaland	434	3720	11.67
Mizoram	395	2964	13.33
Gujarat	5891	41672	14.14
Karnataka	7360	49156	14.97
Manipur	597	3873	15.41
Tamil Nadu	8756	55844	15.68
Tripura	706	4401	16.04
Uttarakhand	1550	9486	16.34
Kerala	4399	26109	16.85
Meghalaya	612	3447	17.75
Andhra Pradesh	12142	64678	18.77
Chhattisgarh	4381	18154	24.13
Rajasthan	9258	35385	26.16
Madhya Pradesh	11077	41395	26.76
Assam	5340	19885	26.85
West Bengal	11648	36922	31.55
Orissa	8519	26430	32.23
Uttar Pradesh	31797	96421	32.98
Jharkhand	5548	15119	36.70
Bihar	18202	35527	51.23
TOTAL	164834	760231	

Union Government of India transfers part of its taxes like Income Tax, Excise Duty and 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 Union Government to total State Revenue is 22 percent. As many as nine States exceeded the All States Average of 22 percent.

⁴NCT Delhi and Puducherry did not receive any share of taxes.

In the case of West Bengal, Orissa, Uttar Pradesh, Jharkhand and Bihar the share of net proceeds of taxes assigned by the Union Government constitute a significant portion (32-52 percent) of their Total Revenues whereas Himachal Pradesh, Haryana, Maharashtra and Punjab received less than 10 percent of its Revenue Receipts.

3.4.2 Grants-in-Aid

Grants-in-Aid are given by the Union Government to States for implementation of Central Schemes etc., which constitute part of State Revenue.

SHARE OF GRANTS-IN-AID AS A PERCENT OF STATE REVENUE

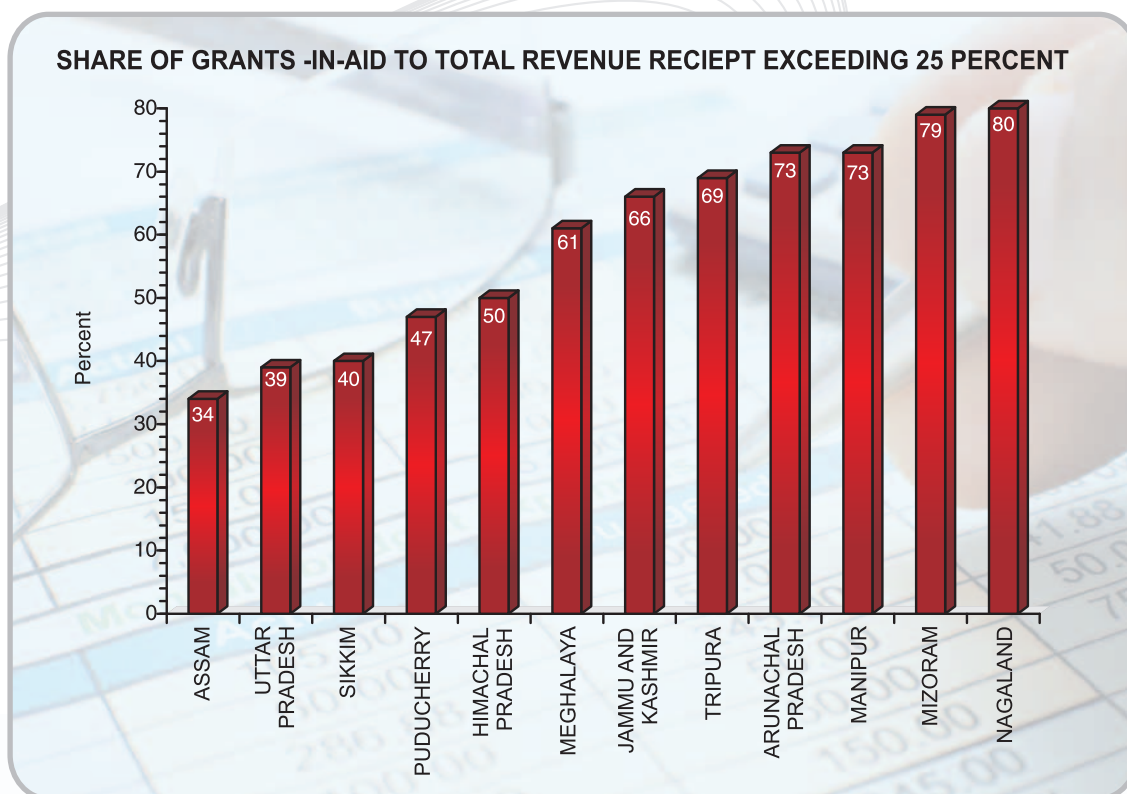
(All States Average: 19 percent)

State/Union Territory	Grants-in-aid from Govt of India (₹ in crore)	Total Revenue Receipts (₹ in crore)	% of Grant-in-Aid to Total Revenue Receipts
Goa	179	4100	4
Gujarat	3589	41672	9
Kerala	2233	26109	9
Punjab	2320	22157	10
Tamil Nadu	5514	55844	10
Maharashtra	11203	86910	13
Andhra Pradesh	9558	64678	15
Rajasthan	5154	35385	15
Haryana	3257	20993	16
Karnataka	7883	49156	16
Madhya Pradesh	6663	41395	16
West Bengal	5935	36922	16
NCT Delhi	3536	20451	17
Uttar Pradesh	17146	96421	18
Jharkhand	2817	15119	19
Chhattisgarh	3607	18154	20
Bihar	7564	35527	21
Orissa	5717	26430	22
Assam	6805	19885	34
Uttarakhand	3745	9486	39
Sikkim	1300	3254	40
Puducherry	1331	2841	47
Himachal Pradesh	5127	10346	50
Meghalaya	2116	3447	61
Jammu and Kashmir	11691	17588	66
Tripura	3043	4401	69
Arunachal Pradesh	3135	4295	73
Manipur	2840	3873	73
Mizoram	2335	2964	79
Nagaland	2979	3720	80
TOTAL	150322	783532	

The percentage of Central Assistance given as Grants-in-Aid to different States shows considerable variations. While the States like Goa, Gujarat, Kerala, Punjab and Tamil Nadu received grants-in-aid from the Union Government constituting only 4 to 10 percent of their

total Revenue Receipts, 8 Special Category States⁵ received Grants-in-Aid ranging from 50 to 80 percent of their total Revenue Receipts.

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



⁵Himachal Pradesh, Meghalaya, Jammu and Kashmir, Tripura, Arunachal Pradesh, Manipur, Mizoram and Nagaland.

Revenue Expenditure

Revenue Expenditure is grouped under the following three sectors:

GENERAL SERVICES

Includes Interest Payments, Police, Public Works, Pension Payments, etc.

SOCIAL SERVICES

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

ECONOMIC SERVICES

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

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.

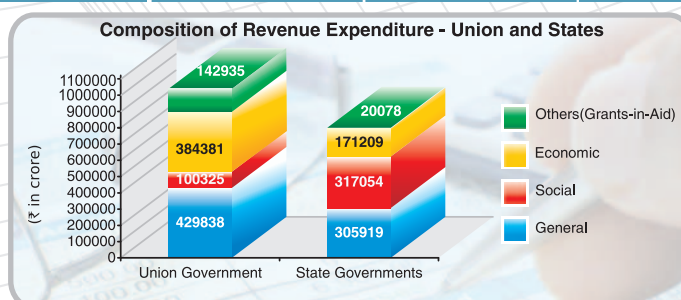
In the following Tables the percentage of Expenditure to GDP/GSDP for the Union and States has been depicted on the basis of GDP of ₹ 6550271 crore for the Union and All States GSDP of ₹ 5081083 crore for the States. The Per Capita Expenditure for the Union has been worked out with reference to the all India population figure and the Per Capita Expenditure for the States has been calculated on the basis of the aggregate population of all the States.

SECTOR-WISE REVENUE EXPENDITURE - UNION GOVERNMENT

Sector	Union Government (₹ in crore)	% of Total Expenditure	% of Expenditure to GDP	Per Capita Expenditure
General	429838	40.65	6.56	3674
Social	100325	9.49	1.53	857
Economic	384381	36.35	5.87	3285
Others(Grants-in-Aid)	142935	13.51	2.18	1222
TOTAL	1057479	100.00	16.14	9038

SECTOR-WISE REVENUE EXPENDITURE -STATES

Sector	State Government (₹ in crore)	% of Total Expenditure	% of Expenditure to GSDP	Per Capita Expenditure
General	305919	37.57	6.02	2623
Social	317054	38.94	6.24	2718
Economic	171209	21.03	3.37	1468
Others(Grants-in-Aid)	20078	2.46	0.40	172
TOTAL	814260	100.00	16.03	6981



Analysis of Components of Revenue Expenditure

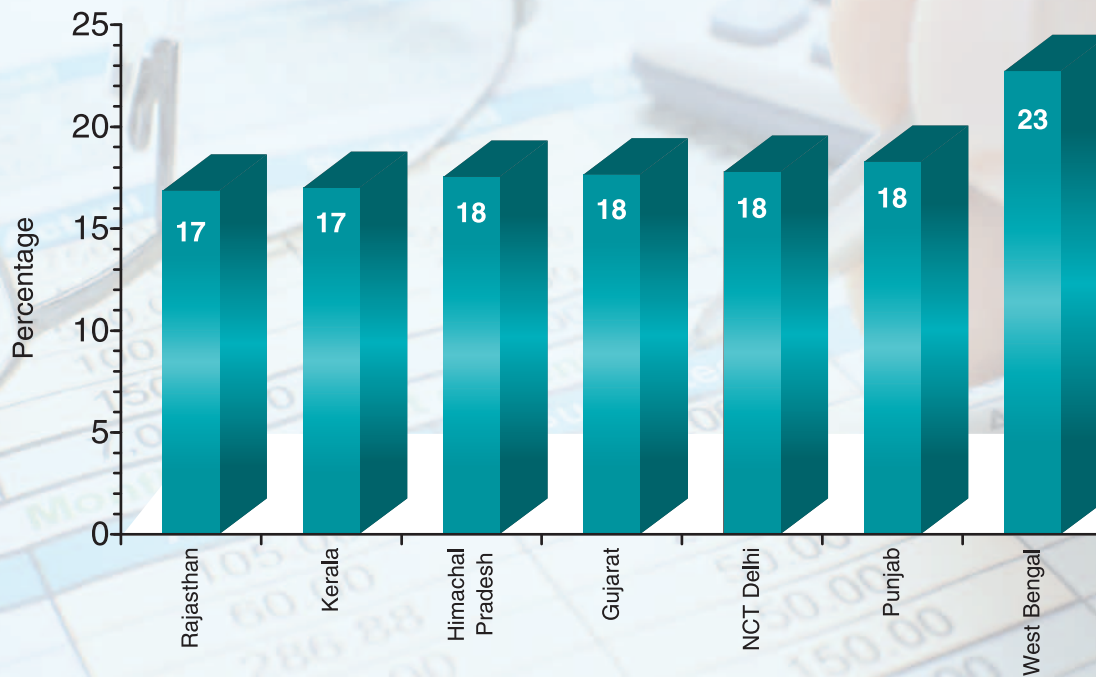
4.2.1 Interest Payments

One of the components of Revenue Expenditure under General Services is Interest payments. It is a committed charge and therefore, deserves detailed analysis. The position of interest paid by respective States is as follows:

State-wise Details of Interest paid		
State/Union Territory	Amount (₹ in crore)	Percentage of Interest to Revenue Expenditure
Sikkim	154	5.62
Arunachal Pradesh	227	6.14
Chhattisgarh	1095	6.34
Meghalaya	234	7.35
Assam	1833	8.63
Puducherry	287	9.31
Mizoram	254	9.40
Tripura	409	9.71
Manipur	323	10.72
Haryana	2737	10.84
Karnataka	5213	10.97
Nagaland	363	11.16
Tamil Nadu	6667	11.23
Bihar	3685	11.31
Orissa	3044	12.04
Madhya Pradesh	4454	12.41
Uttarakhand	1338	12.55
Uttar Pradesh	11988	13.41
Goa	583	13.79
Jammu and Kashmir	2138	13.95
Andhra Pradesh	8914	14.05
Maharashtra	14111	14.87
Jharkhand	2307	15.25
Rajasthan	6769	16.87
Kerala	5292	17.00
Himachal Pradesh	1956	17.54
Gujarat	8590	17.66
NCT Delhi	2473	17.79
Punjab	5011	18.28
West Bengal	13305	22.74
TOTAL FOR ALL STATES	115754	

(All States Average: 14 percent)

Percentage of Interest to Total Expenditure Higher than all States' Average



HIGHLIGHTS

- ❏ All States Average of Interest paid is 14 percent of Total Revenue Expenditure.
- ❏ Percentage of Interest paid by 10 States was more than All States Average.
- ❏ West Bengal and Punjab have higher component of Interest outgo.
- ❏ Sikkim and Arunachal Pradesh have low percentage of interest payments.

4.3

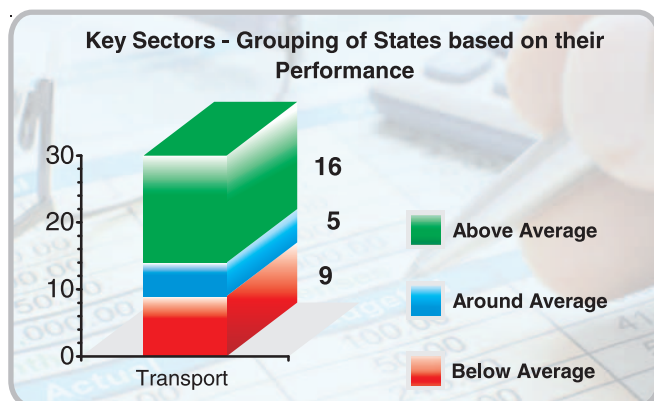
Sectoral Analysis of Revenue Expenditure

4.3.1 Revenue Expenditure on General Services

(All States per capita: ₹ 2623)

State/Union Territory	Amount (₹ in crore)	Per Capita Expenditure (₹)	State per capita to All States per capita (No. of times)
Bihar	12202	1275	0.5
Madhya Pradesh	12014	1704	0.6
Chhattisgarh	4350	1828	0.7
Jharkhand	6605	2144	0.8
Karnataka	12762	2182	0.8
NCT Delhi	3630	2051	0.8
Uttar Pradesh	40641	2079	0.8
Orissa	9285	2310	0.9
Rajasthan	15647	2364	0.9
Andhra Pradesh	21392	2559	1.0
Assam	8380	2793	1.1
Gujarat	16934	2930	1.1
Maharashtra	32071	2908	1.1
West Bengal	26357	2985	1.1
Haryana	7755	3127	1.2
Tamil Nadu	20297	3038	1.2
Uttarakhand	3694	3808	1.5
Kerala	13936	4075	1.6
Meghalaya	1101	4235	1.6
Manipur	1181	4921	1.9
Tripura	1856	5156	2.0
Jammu and Kashmir	6445	5604	2.1
Punjab	15525	5708	2.2
Himachal Pradesh	4377	6533	2.5
Puducherry	871	6700	2.6
Nagaland	1584	7200	2.7
Goa	1351	7947	3.0
Mizoram	948	9480	3.6
Arunachal Pradesh	1161	9675	3.7
Sikkim	1567	26117	10.0
TOTAL	305919		

Key Sectors - Grouping of States based on their Performance

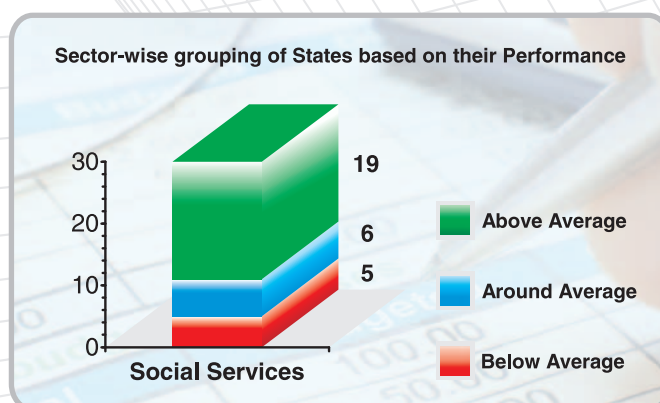


Sikkim has spent significantly more on General Services in comparison to other States. Bihar, Chattisgarh and Madhya Pradesh spent as low as 0.5-0.7 times of All States Average per capita.

4.3.2 Revenue Expenditure on Social Services

(All States per capita: ₹ 2718)

State/Union Territory	Amount (₹ in crore)	Per Capita Expenditure (₹)	State per capita to All States per capita (No. of times)
Bihar	13186	1378	0.5
Uttar Pradesh	32064	1640	0.6
Jharkhand	5610	1821	0.7
Madhya Pradesh	12962	1839	0.7
Punjab	6217	2286	0.8
Orissa	9838	2447	0.9
Rajasthan	16494	2492	0.9
Assam	8543	2848	1.0
West Bengal	23996	2718	1.0
Andhra Pradesh	25756	3081	1.1
Kerala	10467	3061	1.1
Chhattisgarh	8024	3371	1.2
Gujarat	19605	3392	1.2
Karnataka	19119	3268	1.2
Nagaland	774	3518	1.3
Tamil Nadu	22958	3437	1.3
Jammu and Kashmir	4258	3703	1.4
Maharashtra	41005	3718	1.4
Manipur	891	3713	1.4
Haryana	9902	3993	1.5
Meghalaya	1092	4200	1.5
Tripura	1561	4336	1.6
NCT Delhi	8104	4579	1.7
Uttarakhand	4980	5134	1.9
Himachal Pradesh	3902	5824	2.1
Goa	1487	8747	3.2
Puducherry	1265	9731	3.6
Arunachal Pradesh	1197	9975	3.7
Mizoram	1106	11060	4.1
Sikkim	691	11517	4.2
TOTAL	317054		



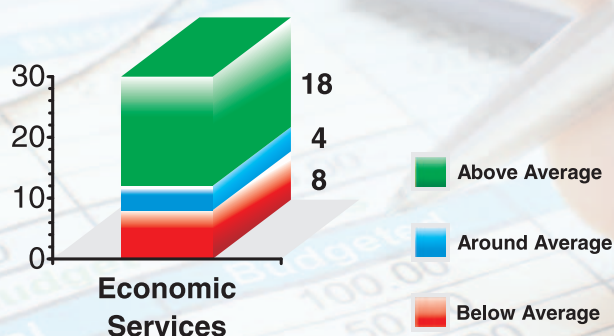
Goa, Puducherry, Arunachal Pradesh, Mizoram and Sikkim have spent substantially higher per capita on Social Services as compared to All States Average. Bihar and Uttar Pradesh have very low per capita expenditure on Social Services.

4.3.3 Revenue Expenditure on Economic Services

(All States per capita: ₹ 1468)

State/Union Territory	Amount (₹ in crore)	Per Capita Expenditure (₹)	State per capita to All States per capita (No. of times)
Bihar	7088	741	0.5
Uttar Pradesh	13308	681	0.5
Jharkhand	2912	945	0.6
NCT Delhi	1650	932	0.6
West Bengal	7742	877	0.6
Kerala	4241	1240	0.8
Madhya Pradesh	8371	1187	0.8
Rajasthan	7972	1204	0.8
Assam	3760	1253	0.9
Orissa	5762	1433	1.0
Tamil Nadu	12122	1815	1.2
Uttarakhand	1658	1709	1.2
Andhra Pradesh	16213	1939	1.3
Chhattisgarh	4423	1858	1.3
Maharashtra	20372	1847	1.3
Punjab	5219	1919	1.3
Tripura	702	1950	1.3
Gujarat	11993	2075	1.4
Karnataka	13182	2253	1.5
Haryana	7530	3036	2.1
Manipur	816	3400	2.3
Meghalaya	989	3804	2.6
Jammu and Kashmir	4621	4018	2.7
Nagaland	895	4068	2.8
Himachal Pradesh	2868	4281	2.9
Mizoram	649	6490	4.4
Puducherry	943	7254	4.9
Sikkim	480	8000	5.5
Goa	1390	8176	5.6
Arunachal Pradesh	1338	11150	7.6
TOTAL	171209		

Sector-wise grouping of States based on their Performance

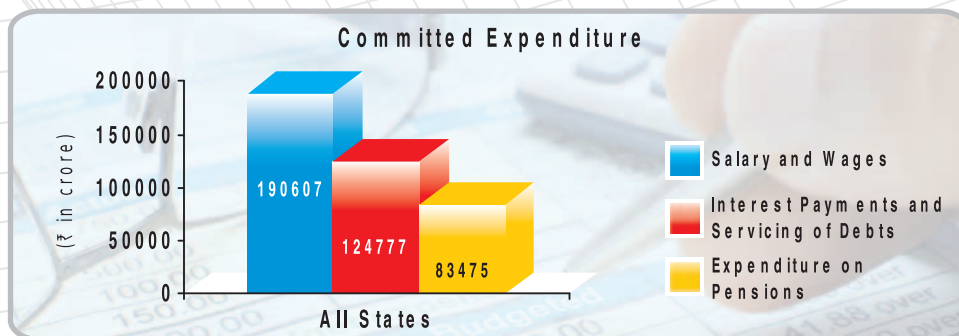


Sikkim, Goa and Arunachal Pradesh have spent more per capita on Economic Services. Bihar and Uttar Pradesh recorded the lowest per capita expenditure in this sector.

4.3.4 Committed Expenditure

The Committed Expenditure of the State Governments on revenue account mainly consists of Interest Payments and Servicing of Debt, expenditure on Salary & Wages and Pensions. The position of Committed Expenditure of States is as follows:

State/Union Territory	₹ in crore)		
	Salary and Wages	Interest Payments and Servicing of Debts	Expenditure on Pensions
Andhra Pradesh	15022	9370	6339
Arunachal Pradesh	1801	242	183
Assam	8104	1941	1769
Bihar	9659	3825	4319
Chhattisgarh	5309	1195	1234
Goa	904	613	344
Gujarat	4638	9150	4513
Haryana	7231	2809	2390
Himachal Pradesh	4666	1956	1348
Jammu and Kashmir	6328	2139	1568
Jharkhand	5342	2307	1681
Karnataka	4471	5213	3408
Kerala	9799	5569	4706
Madhya Pradesh	10173	4454	3077
Maharashtra	13055	14942	6133
Manipur	1149	346	293
Meghalaya	1205	248	208
Mizoram	1079	271	164
Nagaland	1443	385	279
NCT Delhi ⁶		2473	
Orissa	7945	3544	3283
Puducherry	868	300	289
Punjab	8131	5011	3357
Rajasthan	13795	6769	4887
Sikkim	825	166	126
Tamil Nadu	11504	6850	8385
Tripura	2007	409	560
Uttar Pradesh	20091	16855	11074
Uttarakhand	4388	1388	1047
West Bengal	9675	14037	6511
TOTAL FOR ALL STATES	190607⁷	124777	83475



⁶Data is not available in respect of Salaries & Wages. Expenditure of Pension is debited to Union Government Accounts as the Government of India has not transferred the Pension Scheme to NCT Delhi.

⁷Includes figures of Revenue Expenditure and Capital Expenditure.

Functional Analysis

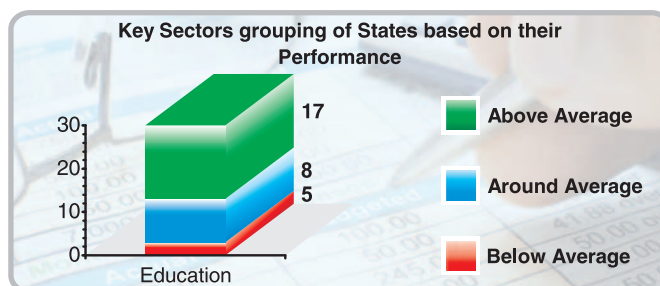
An analysis of Revenue Expenditure by major functions on the basis of Per Capita expenditure by each State in relation to the Average of All States Per Capita expenditure gives insight into the priorities of various States on different functions.

4.4.1 Education

Amount spent by the States under Social Services - Education Sector

(All States per capita: ₹ 1337)

State/UT	Amount (₹ in crore)	Per Capita Expenditure (₹)	State per capita to All States per capita (No. of times)
Bihar	7416	775	0.6
Uttar Pradesh	16182	828	0.6
Madhya Pradesh	6268	889	0.7
Andhra Pradesh	8437	1009	0.8
Jharkhand	3171	1030	0.8
Chhattisgarh	3172	1333	1.0
Gujarat	7954	1376	1.0
Orissa	5541	1378	1.0
Punjab	3645	1340	1.0
Rajasthan	9212	1392	1.0
West Bengal	12010	1360	1.0
Assam	4527	1509	1.1
Karnataka	8576	1466	1.1
Tamil Nadu	10711	1603	1.2
Kerala	5980	1749	1.3
Jammu and Kashmir	2090	1817	1.4
Manipur	452	1883	1.4
Maharashtra	22208	2013	1.5
NCT Delhi	3647	2060	1.5
Haryana	5206	2099	1.6
Meghalaya	564	2169	1.6
Nagaland	461	2095	1.6
Tripura	814	2261	1.7
Himachal Pradesh	2072	3093	2.3
Uttarakhand	2951	3042	2.3
Puducherry	456	3508	2.6
Goa	708	4165	3.1
Mizoram	488	4880	3.7
Arunachal Pradesh	606	5050	3.8
Sikkim	409	6667	5.1
TOTAL FOR ALL STATES	155934		



Sikkim recorded the highest per capita expenditure on Education closely followed by Arunachal Pradesh, whereas Bihar and Uttar Pradesh recorded the lowest per capita expenditure on Education.

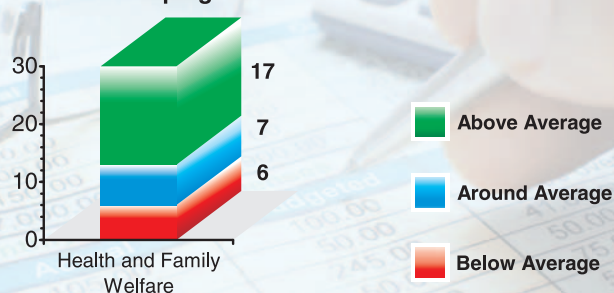
4.4.2 Health and Family Welfare

Amount spent by the States under Social Services - Health and Family Welfare

(All States per capita: ₹ 344)

State/UT	Amount (₹ in crore)	Per Capita Expenditure (₹)	State per capita to All States per capita (No. of times)
Bihar	1388	145	0.4
Jharkhand	600	195	0.6
Madhya Pradesh	1583	225	0.7
Uttar Pradesh	4779	244	0.7
Chhattisgarh	694	292	0.8
Orissa	1146	285	0.8
Gujarat	1995	345	1.0
Karnataka	1927	329	1.0
Maharashtra	3696	335	1.0
Punjab	981	361	1.0
Rajasthan	2324	351	1.0
West Bengal	3025	343	1.0
Andhra Pradesh	3239	387	1.1
Haryana	1022	412	1.2
Tamil Nadu	3016	452	1.3
Assam	1496	499	1.4
Kerala	1653	483	1.4
Uttarakhand	480	495	1.4
Manipur	127	529	1.5
Tripura	207	575	1.7
Jammu and Kashmir	831	722	2.1
Nagaland	158	718	2.1
Meghalaya	209	804	2.3
Himachal Pradesh	610	910	2.6
NCT Delhi	1843	1041	3.0
Goa	275	1618	4.7
Arunachal Pradesh	210	1750	5.1
Sikkim	121	2018	5.9
Puducherry	273	2098	6.1
Mizoram	252	2520	7.3
TOTAL FOR ALL STATES	40160		

Key Sectors - Grouping of States based on their Performance



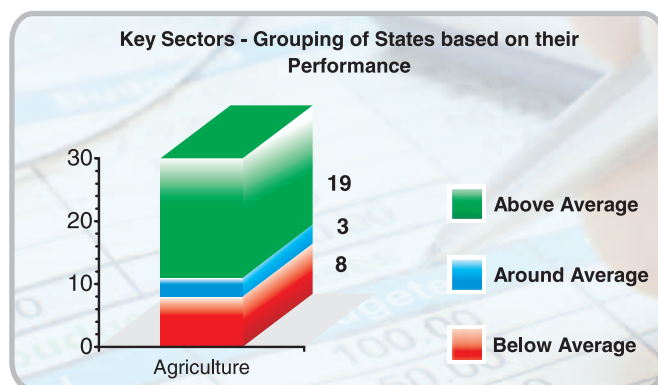
Mizoram outperformed other states in expenditure on Health and Family Welfare sector, whereas Bihar recorded the lowest per capita expenditure on this sector.

4.4.3 Agriculture

Amount spent by the States under Economic Services - Agriculture Sector

(All States per capita: ₹ 382)

State/UT	Amount (₹ in crore)	Per Capita Expenditure (₹)	State per capita to All States per capita (No. of times)
NCT Delhi	73	41	0.1
Bihar	1504	157	0.4
Uttar Pradesh	2860	146	0.4
Jharkhand	632	205	0.5
West Bengal	1836	208	0.5
Rajasthan	1604	242	0.6
Punjab	736	271	0.7
Andhra Pradesh	2495	298	0.8
Assam	1170	390	1.0
Gujarat	2341	405	1.1
Madhya Pradesh	2869	407	1.1
Haryana	1122	452	1.2
Tamil Nadu	3186	477	1.2
Kerala	1763	515	1.3
Orissa	2191	545	1.4
Maharashtra	6460	586	1.5
Manipur	270	1125	1.6
Goa	126	741	1.9
Jammu and Kashmir	834	725	1.9
Karnataka	4258	728	1.9
Uttarakhand	770	794	2.1
Tripura	327	908	2.4
Chhattisgarh	2328	978	2.6
Puducherry	133	1025	2.7
Nagaland	266	1182	3.2
Meghalaya	364	1400	3.7
Himachal Pradesh	1178	1758	4.6
Mizoram	245	2450	6.4
Sikkim	190	3167	8.3
Arunachal Pradesh	445	3708	9.7
TOTAL FOR ALL STATES	44576		



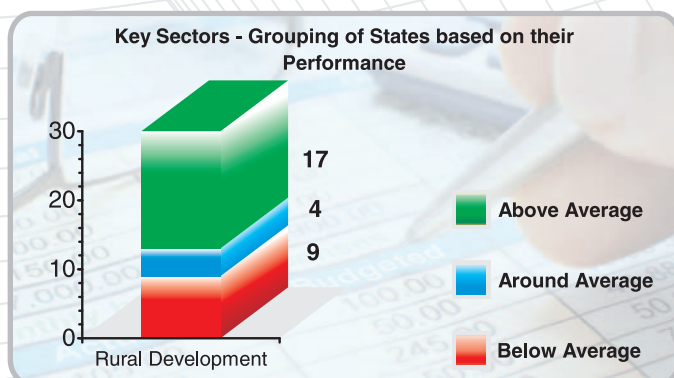
Arunachal Pradesh, Sikkim and Mizoram spent the highest per capita, while NCT Delhi, Bihar and Uttar Pradesh spent the lowest on Agriculture sector.

4.4.4 Rural Development

Amount spent by the States under Economic Services - Rural Development

(All States per capita: ₹ 246)

State/UT	Amount (₹ in crore)	Per Capita Expenditure (₹)	State per capita to All States per capita (No. of times)
NCT Delhi	7	4	0.0
Punjab	102	38	0.2
Kerala	413	121	0.5
Puducherry	16	123	0.5
Jammu and Kashmir	183	159	0.6
Tamil Nadu	1161	174	0.7
Uttar Pradesh	3591	184	0.7
Karnataka	1233	211	0.9
Maharashtra	2493	226	0.9
Gujarat	1382	239	1.0
Jharkhand	745	242	1.0
Assam	813	271	1.1
Bihar	2680	280	1.1
Andhra Pradesh	2446	293	1.2
Manipur	72	300	1.2
Orissa	1180	294	1.2
West Bengal	2598	294	1.2
Madhya Pradesh	2267	322	1.3
Chhattisgarh	827	348	1.4
Haryana	869	350	1.4
Mizoram	35	350	1.4
Tripura	121	336	1.4
Rajasthan	2370	358	1.5
Uttarakhand	379	391	1.6
Himachal Pradesh	278	415	1.7
Goa	75	441	1.8
Nagaland	96	436	1.8
Meghalaya	168	646	2.6
Arunachal Pradesh	94	783	3.2
Sikkim	48	800	3.3
TOTAL FOR ALL STATES	28742		

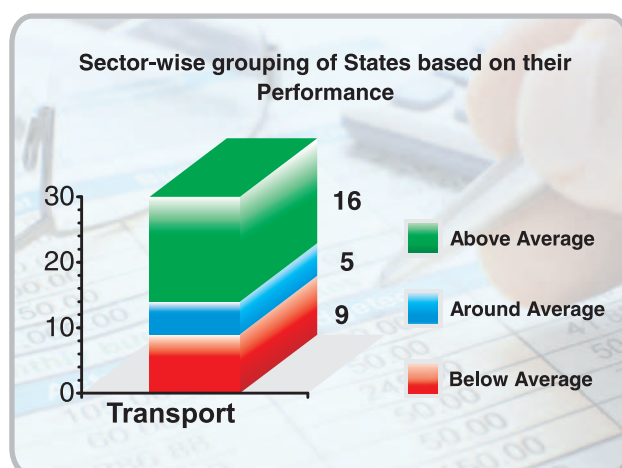


Sikkim, Arunachal Pradesh and Meghalaya spent the highest per capita, while NCT Delhi and Punjab spent the lowest per capita on Rural Development sector.

4.4.5 Transport

Amount spent by the States under Economic Services - Transport Sector

State/UT	(All States per capita: ₹ 191)		
	Amount (₹ in crore)	Per Capita Expenditure (₹)	State per capita to All States per capita (No. of times)
Jammu and Kashmir	47	41	0.2
Bihar	690	72	0.4
Madhya Pradesh	554	79	0.4
Uttar Pradesh	1520	78	0.4
Jharkhand	335	109	0.6
West Bengal	983	111	0.6
Rajasthan	922	139	0.7
Andhra Pradesh	1222	146	0.8
Tamil Nadu	968	145	0.8
Punjab	460	169	0.9
Uttarakhand	172	177	0.9
Assam	566	189	1.0
Chhattisgarh	463	195	1.0
Karnataka	1108	189	1.0
Orissa	948	236	1.2
Puducherry	31	239	1.3
Maharashtra	3227	293	1.5
Kerala	1043	305	1.6
Manipur	84	350	1.8
Tripura	123	342	1.8
Meghalaya	98	377	2.0
NCT Delhi	802	453	2.4
Gujarat	2843	492	2.6
Nagaland	118	536	2.8
Haryana	1482	598	3.1
Mizoram	77	770	4.1
Goa	171	1006	5.3
Himachal Pradesh	917	1367	7.2
Sikkim	86	1433	7.5
Arunachal Pradesh	223	1858	9.7
TOTAL	22283		



On Transport services the per capita expenditure of Arunachal Pradesh is the highest followed by Sikkim and Himachal Pradesh. Jammu and Kashmir, Bihar, Madhya Pradesh and Uttar Pradesh recorded the lowest per capita expenditure on this account.

Thus Bihar, Jharkhand and Uttar Pradesh figured in the bottom five in respect of per capita expenditure on four out of five functions, while Madhya Pradesh figured in the bottom five in per capita expenditure on three functions.

Capital Expenditure

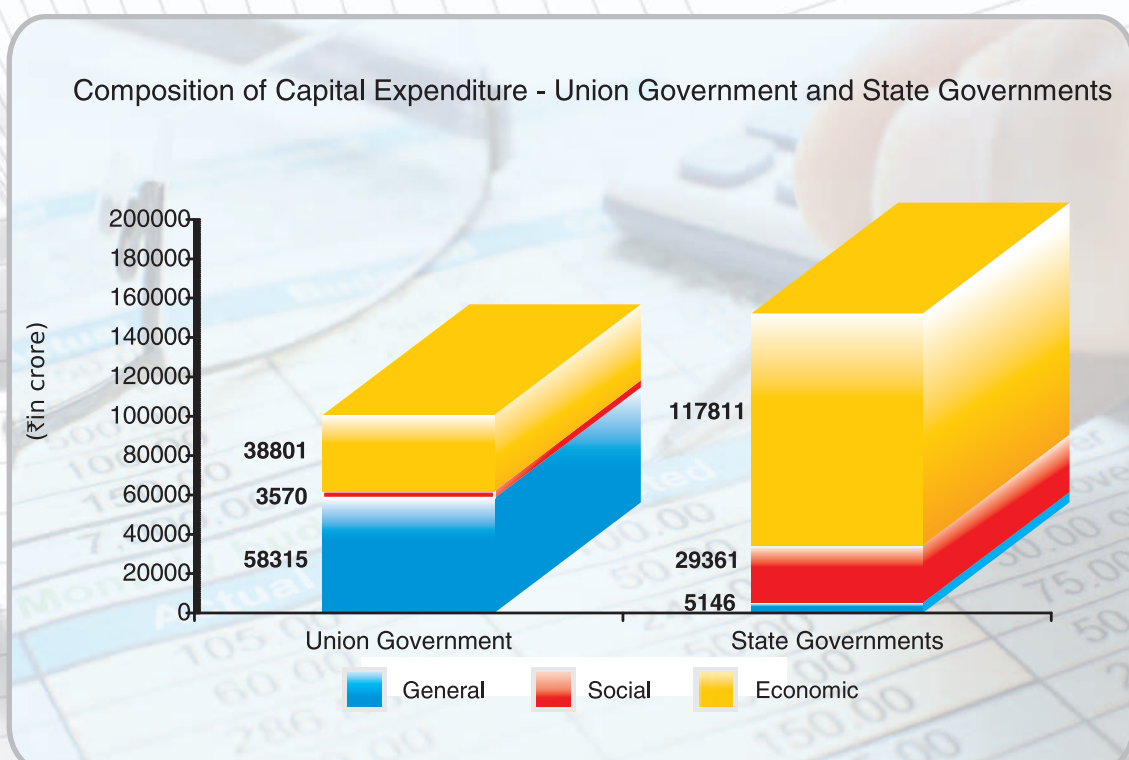
This section deals with the expenditure met usually from borrowed funds with the object of increasing concrete assets of material and permanent character. It also includes receipts of a capital nature intended to be applied as a set off to capital expenditure.

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

Sector-wise Capital Expenditure						
Sectors	Union Government (₹ in crore)	% of Total Expenditure	% of Expenditure to GDP	State Government (₹ in crore)	% to Total Expenditure	% of Expenditure to GSDP
General Services	58315	57.92	0.89	5146	3.38	0.10
Social Services	3570	3.54	0.06	29361	19.27	0.58
Economic Services	38801	38.54	0.59	117811	77.35	0.32
TOTAL	100686	100.00	1.54	152318	100.00	3.00

4.5.1 Analysis of Capital Expenditure

Capital Expenditure on Economic Services and General Services for the Union and the States respectively constitutes a greater proportion of total capital expenditure. However, the States recorded much lower proportion of capital expenditure on General Services as 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

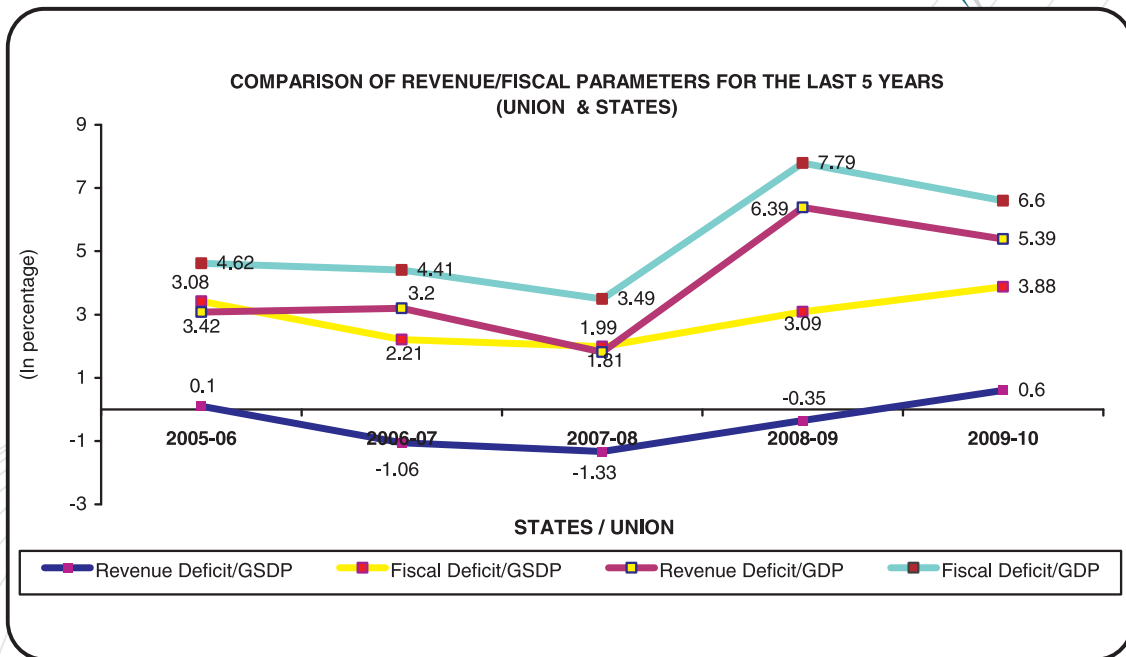
Gross Domestic Product (GDP) & Gross States Domestic Products (GSDP)

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 State.

Details of Revenue/Fiscal Parameters of Union & State Governments

Year	All States ⁸		Union Government	
	% of Revenue Deficit to GSDP	% of Fiscal Deficit to GSDP	% of Revenue Deficit to GDP	% of Fiscal Deficit to GDP
2005-2006	0.10	3.42	3.08	4.62
2006-2007	-1.06	2.21	3.20	4.41
2007-2008	-1.33	1.99	1.81	3.49
2008-2009	-0.35	3.09	6.39	7.79
2009-2010	0.60	3.88	5.39	6.60

⁸States recorded a revenue surplus during the year 2006-07, 2007-08 and 2008-09.



6.1 Public Debt and Liabilities

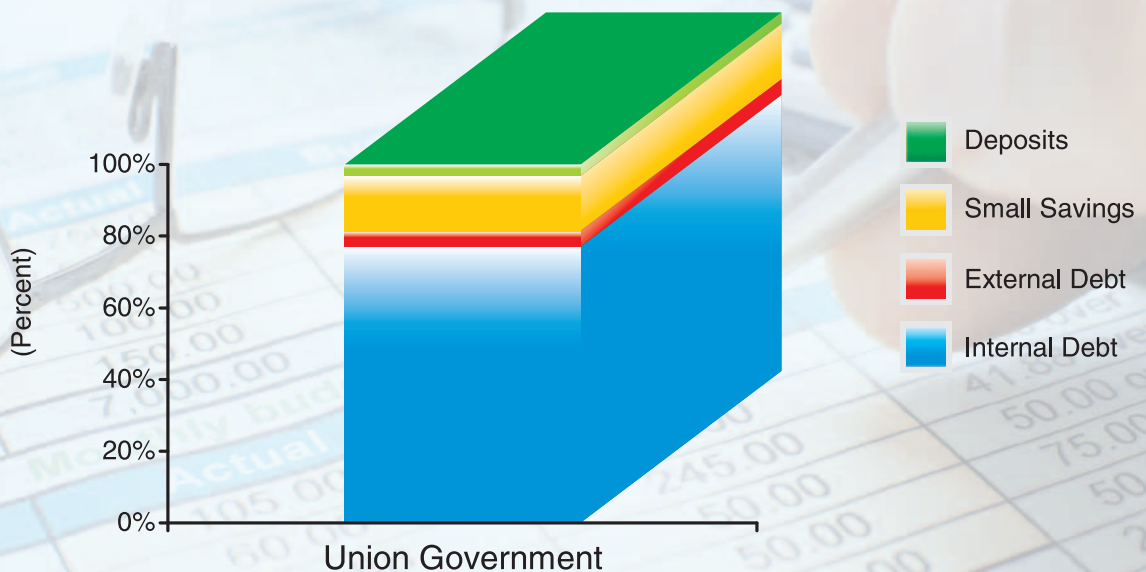
State Government, in order to carry out its day-to-day activities, raises money from Public, Public Sector Undertakings through loans, by obtaining Ways and Means Advance from Reserve Bank of India and also through loans and advances from the Government of India. Public Debt comprises of Internal Debt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

An analysis of the fiscal liabilities indicates that in respect of both the Union Government 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

Union Government	(₹ in crore)
Internal Debt	2328339
External Debt	134083
Small Savings	463826
Deposits	98783
Total	3025031

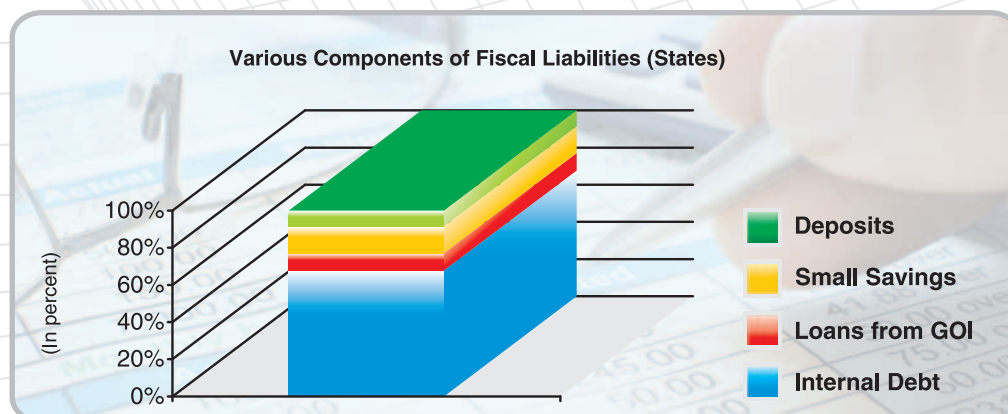
Various Components of Fiscal Liabilities (Union)



6.1.2 State Governments

Components Of Fiscal Liabilities In Respect Of State⁹

(₹ in crore)				
State/Union Territory	Internal Debt	Loans from GOI	Small Savings	Deposits
Andhra Pradesh	84766	14808	8432	10870
Arunachal Pradesh	1721	421	791	183
Assam	16674	2346	4813	2620
Bihar	35494	7948	9311	4754
Chhattisgarh	8705	2307	1998	1889
Goa	2693	3385	1141	684
Gujarat	88162	9848	6190	13203
Haryana	26798	1997	7471	2748
Himachal Pradesh	16129	984	5214	1247
Jammu and Kashmir	15449	3144	5447	3391
Jharkhand	19880	2271	1353	2573
Karnataka	45468	9902	11177	7661
Kerala	43368	6305	21296	2957
Madhya Pradesh	42462	10379	8451	4840
Maharashtra	142684	8749	12689	21703
Manipur	2872	685	801	1149
Meghalaya	2259	259	542	827
Mizoram	1338	560	1267	351
Nagaland	3808	329	486	778
NCT Delhi	0	0	26544	0
Orissa	17178	8230	12323	2859
Puducherry	1237	2097	341	199
Punjab	49966	3286	10182	2247
Rajasthan	57143	7474	18973	7177
Sikkim	1510	282	412	65
Tamil Nadu	71498	8357	9028	8038
Tripura	2941	474	1796	196
Uttar Pradesh	113077	19447	29229	16210
Uttarakhand	13657	419	2953	1574
West Bengal	136921	12567	6795	11148
Total	1065858	149260	227446	134141



⁹Data in respect of NCT Delhi forms part of Union Government Accounts

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. 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 the employees of the Government and certain obligations like Insurance and Pension Fund & 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

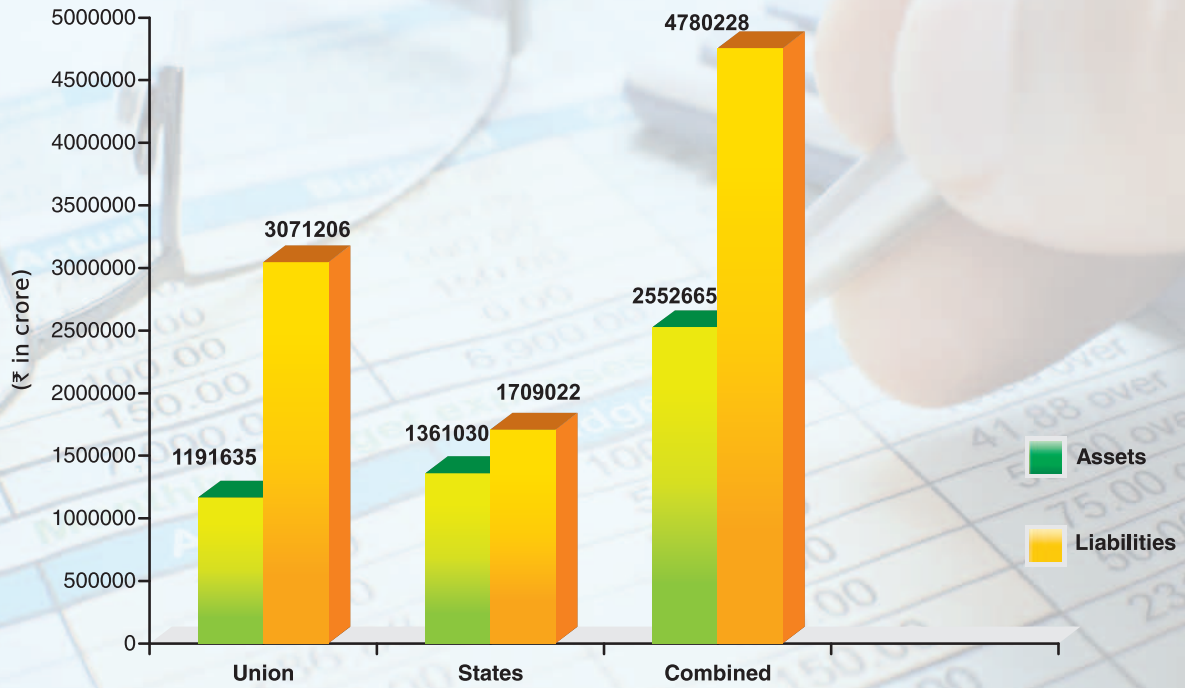
(Position as on 31st March 2010)

(Rs. in crore)							
Assets	Union	States	Combined	Liabilities	Union	States	Combined
Cash	32265	120291	152556	Borrowings (Public Debt)			
Cash in treasuries and local Remittances	-6	422	416	Internal Debt	2328339	1065858	3394197
Departmental Balance	3412	1124	4536	External Loans	134083	0	134083
Permanent Cash Imprest	55	24	79	Loans and Advances from Central Government	0	149260	149260
Cash Balance Investments	18181	96685	114866	Non Plan Loans	-	9987	9987
Deposits with Reserve Bank of India	10623	-12661	-2038	Loans for State Plan Schemes	-	136494	136494
Investment from Earmarked Funds	0	34697	34697	Loans for Central Plan Schemes	-	533	533
Capital Expenditure	899791	1045966	1945757	Loans for Central Sponsored Plan Schemes	-	1712	1712
Investment in shares of Companies, Corporations etc.	286920	242928	529848	Other Loans	-	534	534
Other Capital Expenditure	612871	803038	1415908	Contingency Fund (corpus)	500	2811	3311
Contingency Fund (Un-recouped)	0	377	377	Liabilities on Public Account	608284	491093	1099377
Loans and Advances	219666	181969	401635	Small Savings, Provident Funds etc	463826	227445	691271
Advances with departmental officers	8969	3298	12267	Deposits	98783	134458	233241
Suspense and Miscellaneous Balances	27197	3889	31086	Reserve Funds	20670	91001	111671
Remittances	3747	5240	8987	Remittances Balances	1173	8397	9570
				Suspense and Miscellaneous Balances	23832	29792	53624
Total	1191635	1361030¹⁰	2552665	Total	3071206	1709022	4780228
Cumulative Excess of Expenditure over Receipts	1879571	445993	2325564	Cumulative Excess of Receipts over Expenditure		98001 ¹¹	98001
Total	3071206	1807023	4878229	Total	3071206	1807023	4878229

10 Puducherry, Andhra Pradesh, Goa, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Kerala, Maharashtra, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, Uttarakhand and West Bengal.

11 Assam, Arunachal Pradesh, Bihar, Chhattisgarh, NCT Delhi, Jammu and Kashmir, Karnataka, Madhya Pradesh, Manipur, Meghalaya, Mizoram, Sikkim, Tripura and Nagaland.

Assets and Liabilities of Union and State Governments



7.1.1 Comparison: Ratio of Financial Assets to Liabilities (States)

A comparison of Ratio of Financial Assets to Liabilities of States as obtaining during the last three years is presented below:

State/Union Territory	Ratio of Assets/Liabilities (percent)		
	2007-08	2008-09	2009-10
NCT Delhi ¹²	-	-	-
West Bengal	33	30	28
Kerala	36	39	39
Punjab	44	43	41
Himachal Pradesh	64	64	67
Rajasthan	69	70	67
Gujarat	72	74	71
Uttar Pradesh	56	67	73
Uttarakhand	67	73	73
Maharashtra	70	77	76
Haryana	94	88	80
Tamil Nadu	77	82	81
Jharkhand	80	83	85
Orissa	78	86	89
Goa	85	90	90
Andhra Pradesh	87	89	92
Puducherry	108	104	98
Karnataka	101	114	105
Bihar	95	104	109
Madhya Pradesh	94	101	109
Assam	115	131	118
Chhattisgarh	110	122	125
Jammu And Kashmir	115	122	125
Mizoram	115	123	129
Meghalaya	149	146	150
Nagaland	153	160	150
Tripura	179	197	181
Manipur	165	186	189
Sikkim	210	210	204
Arunachal Pradesh	250	187	220

As on 31st March 2010, as many as 17 States have more liabilities than financial assets. West Bengal, Kerala and Punjab have financial liabilities more than double of their financial assets. However, Karnataka, Bihar, Madhya Pradesh, Chhattisgarh, Jammu and Kashmir, Sikkim and all the North-eastern States have more Financial Assets than their Financial Liabilities.

¹²Ratio of assets to liabilities in respect of NCT Delhi cannot be worked out as its Public Accounts figures are merged in the Finance Accounts of Union Government.

