

CHAPTER 2

PLAN INVESTMENTS AND FINANCING

2.1. The economic growth of a nation is dependent on the availability and quality of the economy's productive capacity, like literate, skilled and healthy human resources, effective transport and communication systems, adequate power and irrigation facilities, strong industrial base etc, which respond to demand pressures and create incomes for the nation. Governance of the economy facilitates the development of the productive capacities and delivers, inter-alia through Public sector investment.

2.2. Public sector investment of States acquires shape under the States' plan investment. Plan investment is expected to realise the development potential of the economy's productive capacities – a potential, which may be realised through optimal allocation of national resources. In the period of development planning spanning half a century, although significant strides were made in the development of productive capacities, certain practices associated with States' plan investment prevented the full realisation of the available potential. It is in this backdrop that the present chapter situates itself.

2.3. Section I examines some of the practices associated with States' plan investment in the context of their impact on development of the economy's productive capacities. Subject to these practices, section II traces the trend in the financing of states' plan investments since the Fifth Five-year Plan with a view to ascertaining the ability of the states to raise commensurate resources. Section III provides a break down of the assessments of the Section II into State-wise performance. Section IV enumerates the composition of States' plan investment in an effort to highlight those sectors of productive capacities, which States have hitherto prioritised for development. Section V indicates the path ahead. In doing so it lists down considerations, which should govern the determination of the States'

plan expenditure in order to enable the economy to achieve the potential development of productive capacities.

I. PLAN INVESTMENTS AND PRODUCTIVE CAPACITY OF THE ECONOMY

2.4. The definition of plan investments emerges out of the distinction between plan and non-plan expenditure of governments. Plan expenditure arises out of schemes freshly introduced in an on-going Five-Year Plan (FYP) period. In the same period, non-plan expenditure arises out of schemes carried forward from previous FYP periods. Non-Plan expenditure, therefore, supports the old schemes of governments and plan expenditure, the new schemes. Since new schemes add to the economy's productive capacity as the old schemes did in the past, plan expenditure reflects government's investment in enhancing the economy's productive capacity. Thus non-plan expenditure maintains the existing capacities and plan expenditure adds to it. Henceforth, plan investments shall be referred to as plan expenditure in this chapter.

2.5. A close observation of the States' budgets during the past decades reveals a blurring of plan and non-plan distinction of Government expenditure. Although inadvertent, this resulted in misrepresentation of non-plan as plan expenditure. Some of the new schemes, which States implemented during a new FYP period took longer than five years to get commissioned. Ideally, these schemes should have been considered as non-plan in the following FYP. However, this did not happen as States considered a larger Plan size as a positive reflection on their economic performance. For this very reason, even those plan schemes, which were completed and commissioned within the FYP period were not booked under non-plan budget in the following FYP.

2.6. Unfortunately, the misrepresentation of non-plan schemes as Plan schemes underestimated the genuine requirements for non-plan. Central Finance Commissions, which assess the genuine non-plan requirements of States and accordingly award necessary share of Central taxes and grants, ended up devolving a lower amount. As a result, the savings under non-plan, which States were banking upon, due to misrepresentation, did not materialise for augmenting plan resources. As a result, the misrepresented non-plan schemes not only faced a tight plan budget but also found themselves in direct conflict with new schemes in matters of resource allocation. Consequently, provision for maintenance of existing capacities suffered both on account of lower devolution by Central Finance Commission and a limited availability of plan resources. The benefits gained from the creation of productive capacities enabled by new investments were therefore neutralised by the loss of existing capacities caused by curtailment of maintenance outlays.

2.7. States' budgets also bear testimony to the fact that plan expenditure at the onset of every FYP added new schemes in large numbers. While the intention of the states to rapidly and simultaneously develop all sectors of productive capacity cannot be disputed, the presence of large number of schemes in a limited plan budget led to a thin spread of resources. As a result, many new schemes virtually became non-starters due to inadequate funding, which highlights one more instance of plan expenditure not resulting in commensurate development of productive capacities.

2.8. The rapid growth in the number of schemes also entailed an undesirable build up of unproductive cost on administration and establishment. The need of the hour was to weed out low priority and irrelevant schemes as also transfer a few existing responsibilities to the private sector. This would have reduced the cost on administration and establishment and generated savings for both existing capacities and prospective ones. However, States chose to resort to borrowings in order to meet the resource crunch. As a result the public sector draft on private savings increased - thereby reducing resources available for the private sector. High cost of borrowings impeded private sector

investment. Thus, the contribution of the private sector in building the economy's productive capacity fell short of the available potential.

2.9. In the beginning of the Tenth Five Year Plan, the interest burden arising out of past borrowings has added significantly to an already existing large overhang of administrative and establishment costs. It appears unlikely that resources required for meeting existing capacities and developing new ones can continue to be sufficiently met by borrowings. The Centre, which directly as well as indirectly determines the borrowings of States has already indicated its resolve of reducing the fiscal deficit of the entire system. A favourable implication arising out of moderate growth of borrowings will be a restraint on the growth of interest burden. However, this alone will hardly be of any advantage in raising resources for existing and additional capacities as long as the large administrative and establishment cost is not reduced significantly. Unless administrative and establishment costs are reduced, a meager additional capacities created would soon be outpaced by loss of existing capacities. A negative increase in productive capacities is thus a distinct possibility in the near future.

2.10. As brought out in the above discussion, the root cause behind the less than potential increments to the economy's productive capacity has been the large and growing presence of unproductive costs on administration and establishment. Its presence was permitted to become dominating due to the inability of the States to, first, curb the unbridled growth of new schemes, and second, to reduce, if not eliminate, the resulting growth of unproductive cost. Following the principle of 'Prevention is better than cure', it may be argued that the growth of unproductive costs could have been reigned in, if in the first instance some restraint had been exercised on the introduction of the new schemes.

2.11. There are established norms, which need to be observed in deciding the number of new schemes affordable by States. One such norm is that new schemes at the onset of a FYP can be introduced only if the recurring expenditure arising out of maintenance of old schemes are accommodated within current revenues. Recurring

expenditure arising out of old schemes is referred to as non-plan revenue expenditure (NPRE), which when deducted from current revenues determines the States' balance from current revenues (BCR). As per the above stated norm, BCR should be non-negative. In other words, non-plan revenue account, which the BCR reflects, should never be in deficit.

2.12. Once the deficit on non-plan revenue account is ensured against, States are free to take up new schemes. The new schemes will also have a revenue expenditure component. This revenue expenditure stands to be financed by plan grants devolved by the Centre during the tenure of the said FYP. However, in the following FYP, this revenue expenditure cannot be financed by plan grants since the latter will be meant for new schemes specific to that FYP. Therefore, the revenue expenditure in any FYP arising out of continuing schemes introduced in the preceding FYP should be met from revenue sources other than plan grants. This requires that at the start of a FYP, States must plan out additional resource mobilisation (ARM) and economy measures such that the non-plan revenue expenditure (NPRE) arising from continuing schemes at the end of the FYP is fully absorbed within a non-negative BCR.

2.13. It should be noted that even if introducing a fewer number of new schemes ensures the non-negativity of BCR, it cannot address the problem of unproductive costs on administration and establishment. States will have to take direct steps to protect the provisions for maintenance outlays by curtailing unproductive costs. However, non-negativity of BCR can enable States to plan a moderate growth in borrowings and prevent their interest burden from becoming insurmountable. A non-negative BCR enables a moderate growth of borrowings only because borrowings can be determined independently of the constraint of funding NPRE as would be the case under a negative BCR. It is precisely from this reason that the non-negativity requirement of BCR derives its rationale.

2.14. Apart from the States' own revenues, share in Central taxes and non-plan grants devolved by the Centre to States also contribute to the States' attempts at securing a non-negative BCR. The

devolution of central taxes and non-plan grants is based on the recommendations of the Finance Commission, which is constituted every five years. The Finance Commission's recommendations are expected to strengthen the revenue resources of States to the extent the latter are able to achieve a non-negative BCR. Typically, Finance Commissions set normative standards for NPRE levels, which therefore entail prescriptions for States to prioritise the expenditure on past commitments. Finance Commissions also set normative standards for States' own revenue receipts comprising tax and non-tax revenue. Further, the share of Central taxes for each State is determined essentially on the basis of what is affordable to the Centre and, which fosters equity among States. If after all this BCR for any State is still negative, an equivalent resource gap grant is awarded.

2.15. With a non-negative BCR in a new FYP, Central transfers for States' plans and States' borrowings are exclusively available for taking up new schemes. Central transfers for State plan are devolved by the Planning Commission in the form of Central assistance and from Central Ministries as centrally sponsored/central plan schemes. Some transfers are completely in the form of grants and others carry a debt component. The important point to note is that although all such transfers and borrowings are available in the on-going FYP for new schemes, the NPRE requirements these schemes generate in the following FYP cannot be met by central transfers and borrowings specific to the following FYP. The institution, which can meet these if the States are unable to do so, is the Finance Commission. It is, therefore, essential that States in the following FYP transfer all recurring expenditure connected to new schemes introduced in the on-going FYP to the non-plan budget, so as to enable an accurate assessment of NPRE by the Central Finance Commission.

2.16. Such transfers are referred to as transfer of 'committed liabilities'. In the absence of these transfers, Finance Commissions underestimate the NPRE requirements and thus devolve lower level of revenues, making it difficult to sustain a non-negative BCR. On the other hand, the continuation of 'committed liabilities' on the plan side, which is

tantamount to misrepresenting non-plan outlays as plan investments, results in raising the revenue expenditure component of plan investments. A large revenue expenditure component of plan investments resulting from non transfer of the 'Committed liabilities cannot constitute the basis for demanding larger grants in lieu of borrowings from the Centre.

2.17. In fact a little reflection will bear out that if the transfer of committed liabilities takes place properly, the grant component of total central transfers will anyway increase. This is because non-plan central transfers (comprising share in Central taxes and non-plan grants), which is more grant-intensive than plan transfers (comprising Central assistance and centrally sponsored / central plan schemes) will have to rise to accommodate transfers of committed liabilities. Although raising the grant component of Central assistance would achieve the same, it would also legitimise what States incorrectly represent as plan investments. Overstated public investment sends wrong signals in so far as macro-economic policies are made for promoting private investment.

2.18. On the basis of evidence available so far it can be observed that, due to unabated growth of new schemes, it had become increasingly difficult to ensure a non-negative BCR. When BCR finally became negative, it started shaping States' borrowing programmes in excess of sustainability levels. The consequent and rapid growth of interest burden further enlarged the negative size of BCR and thus resulted in unsustainable recourse to borrowings. Prescriptions of the Finance Commissions for raising own revenues and curbing NPRE were not heeded. As a result even the share in Central taxes and non-plan grants recommended by the Finance Commissions fell woefully short of actual requirements. The Finance Commissions' devolution were also inadequate due to failure of states to transfer committed liabilities.

2.19. The future course of action thus calls for setting time-bound targets for attaining a non-negative BCR. In this regard, States are first required to correctly represent their NPRE, while disregarding a larger plan size as a benchmark

for measuring economic performance. A correctly estimated NPRE would enable Central Finance Commissions to bring into light the real targets of State-specific ARM and the economy in expenditure, the latter including the weeding out of irrelevant non-plan schemes and transfer of existing responsibilities to the private sector. A correctly estimated NPRE would also enable the Central Finance Commission to make appropriate devolution of central taxes and non-plan grants.

2.20. Next, a cap on States' borrowings will have to be placed through a legislative process to ensure against any further increase in the public sector draft on private savings, although a lower draft compared to the present levels will be desirable. The available borrowings will define the overall size of plan expenditure. However, for meeting the recurring requirements of plan expenditure in the following FYP, further State-specific ARM and economy drive measures will have to be planned out in advance for maintaining a non-negative BCR. The number of new schemes introduced under the plan budget should be as few as possible for enabling a 'thick' spread of resources. Development of productive capacities, which are left unattended due to a realistic States' plan size should be canvassed for eliciting the private sector support.

II. FINANCING OF STATES' PLAN INVESTMENTS

2.21. An assessment of the financing of States' plan investments has been attempted in this section subject to the possible misrepresentation of non-plan outlays as plan expenditure, as discussed in the preceding section. It is thus possible that the size of resources available for plan investments may not be exclusively for new schemes. The resources, available for Plan investments, referred to as aggregate plan resources, are taken to comprise the following :

- *States' own non-Debt contribution:* Includes non-plan revenue account (balance from current revenues) and non-debt Capital receipts net of non-plan capital expenditure (excluding repayment of debt).

- *Revenue plan transfers from the Centre:* Includes grant component of central assistance to State plan and centrally sponsored/central plan/NEC devolution.
- *Net debt receipts:* Includes net borrowings from various sources including those of the Centre for funding the gross fiscal deficit of State Governments.

2.22. The information on the above is taken from the Reserve Bank of India (RBI) documents on State finances, which report the States' budgets. The information covers the period from the Fifth to the Ninth Plan. There have been a few annual plans juxtaposed between two FYPs. However, these annual plans have been merged with the preceding FYP on the ground that government's policies of a FYP spill into the following annual plan before a new FYP mandates a change in the policy stance. A notable exclusion from the measure of aggregate plan resources are the internal and extra-budgetary resources raised by State public sector undertakings. Data available in this regard were not found to be comparable among states. Therefore, the measure of aggregate plan resources only reflects the budgetary support to States' plan.

2.23. As Table 2.1 shows, after an initial increase from the Fifth to the Sixth Plan, the aggregate plan resources of States has been decreasing in relation to GDP. This may be interpreted as signifying a diminishing presence of State governments in terms of incremental effort towards creating productive capacities. However, as mentioned, the measure of aggregate plan resources in the above table does not include extra budgetary resources obtained from issuing State guarantees. In fact, extra budgetary resources started contributing significantly during the Eighth and the Ninth plans, around the same time as the budgetary Plan resources were reducing. In the Eighth Plan, total State guarantees issued amounted to 0.4 per cent of GDP, which jumped to 1.2 per cent in the first three years of the Ninth Plan. It is broadly indicated that, although in the last decade of the century, budgetary plan resources of State governments was on a diminishing trend, it was somewhat cushioned by the growth in extra budgetary resources. Indeed, at the turn of the century the task of building productive capacities have started getting entrusted more on Government backed agencies rather than on the Government *per se*.

2.24. States' own non-debt contribution has been showing a declining trend in its contribution to aggregate plan resources of State

Table 2.1
Overall Plan Resources and its Funding

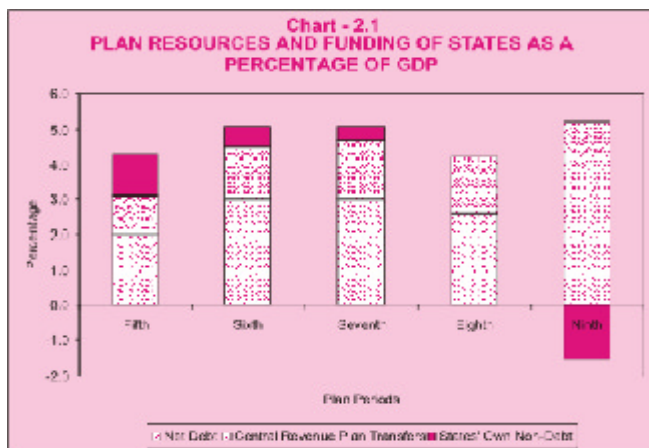
(As a percentage of GDP)

	Overall Plan Resources	States' Own Non-Debt Contribution	Revenue Plan Transfers from Centre	Net Debt Receipts
V Plan	4.3	1.2 (27.9)	1.1 (25.6)	2.0 (46.5)
VI Plan	5.1	0.6 (11.8)	1.5 (29.4)	3.0 (58.8)
VII Plan	5.1	0.4 (7.8)	1.7 (33.3)	3.0 (58.9)
VIII Plan	4.2	0.0 (0.0)	1.6 (38.1)	2.6 (61.9)
IX Plan	3.7	(-) 1.5 (-) 40.5)	1.2 (32.4)	4.0 (108.1)

Note : Figures in parentheses indicate percentage share in overall plan resources

Source : Reserve Bank of India (RBI) documents on state finances.

Governments since the Fifth Plan. However, the impact of this reduction was more than offset by increases in other sources of funding up to the Seventh Plan. In the Eighth Plan, the reduction in States' own non-debt contribution was accompanied by a falling contribution of other sources of funding. This led to a reduction in overall plan resources. Although in the Ninth Plan other sources of funding rose to an all time high, the achieved plan size stood at an all time low due to a severe fall in the States' own non-debt contribution. It follows therefore that, in a medium term perspective, an increase in the Plan size cannot be sustained unless the share of States' own non-debt contribution takes on a rising trend.



2.25. As indicated in Table 2.1, other sources of funding include revenue plan transfers from the Centre, which rose from the Fifth to the Seventh Plan and fell thereafter almost to the Fifth Plan levels in the Ninth Plan. This trend was replicated in the share of Central taxes as well (to be discussed in the later part of the chapter) although the latter did not fall to the Fifth Plan levels. These two events together reflect the tightening of budgetary constraints at the Central level. In a situation where, due to a tight budgetary constraint at the Centre, central revenue transfers cannot augment a rapidly deteriorating States' own non-debt contribution, States look up to debt receipts for protecting their plan sizes.

2.26. Net debt receipts of State Governments did more than compensate for a fall in the non-debt contribution in the Sixth Plan vis-à-vis the Fifth

Plan. In the Seventh Plan, respective contribution of debt and non-debt receipts to Plan resources was maintained at the Sixth Plan level. In the Eighth Plan however, net debt receipts fell along with the non-debt contribution, which resulted in a fall of Plan resources as well. In this period, hard measures of fiscal reforms necessitated at the Central level may have contributed to a fall in net debt receipts at the State level as well. Indeed, the debt component of Central Assistance, which had started falling in the Seventh Plan itself, fell significantly in the Eighth Plan, as well. States' own capital receipts also fell in the Eighth Plan reflecting a lower assignment of Statutory Liquidity Ratio (SLR) based borrowings and negotiated loans from financial institutions to State Governments. During the Ninth Plan, net debt receipts climbed significantly and was entirely due to a rise in States' own capital receipts. This may have resulted from a slackening of control on the assignment of States' market borrowing programmes, negotiated loans from the financial institutions, and a significant growth in small savings collections. However, a more specific reason could be attributed to a rise in net States' provident funds due to impounding of arrears of revised pay scales. Despite the increase in net debt receipts, a sharp fall in plan resources could not, however, be averted.

2.27. Net Debt receipts indicated in Table 2.1 reflect gross fiscal deficit. It jumped one percentage point from the Fifth to the Sixth Plan, remained at the same level during the Seventh Plan and, under the influence of fiscal reform measures initiated at the Central Government level, fell in the Eighth Plan. It rose by more than one percentage point in the Ninth Plan, mainly due to the Pay Commission impact. It can be argued that but for the Pay Commission impact, gross fiscal deficit of State Governments would have continued to decline. It is a conjecture that as the impact of the Pay Commission tapers out in the future, gross fiscal deficit would revert to a declining trend and ease out the resource constraint for the non-Government sector.

2.28. The flexibility of the Government to roll over its outstanding debt also reduced from the Sixth Plan onwards only to rise again in the Ninth Plan.

This is borne out by the ratio of primary deficit to GDP, which fell from 2.1 per cent in the Sixth Plan to 1.6 per cent in the Seventh, 0.8 per cent in the Eighth but rose again to 1.9 per cent in the Ninth Plan. Again, but for the impact of the Pay Commission, the primary deficit could be expected to come down further in the future. Although a falling level of primary deficit may compromise on some development outlay as net debt receipts will have to be released for meeting the interest cost of debt, this policy may have to be given precedence if it helps in meeting a rising demand for domestic savings by the non-Government sector.

2.29. Table 2.1 has indicated a secular deterioration in the States' own non-debt contribution to Plan. To further examine this

deterioration, it is instructive to observe the behaviour of the primary component of the States' own non-debt contribution, that is balance from current revenues (BCR). BCR derived from subtracting non-plan revenue expenditure (NPRE) from States' non-plan revenue receipts (NPRR) is a major source of revenue support to States' Plan resources. Table 2.2 gives the break up of BCR into NPRR, NPRE and their respective components.

2.30. Table 2.2 confirms that it was basically the BCR, which steadily reduced States' own non-debt contribution, eventually driving it to a negative level in the Ninth Plan. The BCR itself became negative from the Eighth Plan onwards. In the Sixth Plan, where BCR contributed around 13 per cent of NPRE as revenue support to Plan resources, it withdrew

Table 2.2
Balance From Current Revenues

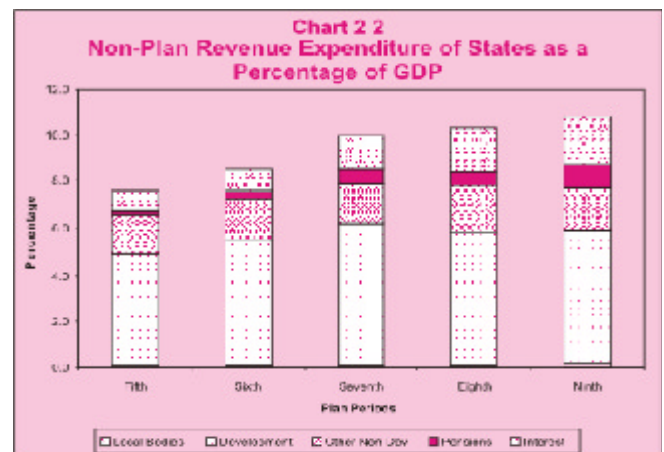
(As a percentage of GDP)

	V Plan	VI Plan	VII Plan	VIII Plan	IX Plan
I. Non-Plan Revenue Receipts	9.0	9.6	10.4	10.1	9.4
Share in Central Taxes	2.0 (22.2)	2.4 (25.0)	2.6 (25.0)	2.5 (24.8)	2.4 (25.5)
States' Own Tax	4.4 (48.9)	4.9 (51.0)	5.4 (51.9)	5.3 (52.5)	5.2 (55.3)
States' Own Non-Tax Revenue	2.0 (22.2)	2.0 (20.8)	1.9 (18.3)	1.9 (18.8)	1.5 (16.0)
Non-Plan Grants	0.6 (6.7)	0.3 (3.2)	0.5 (4.8)	0.4 (3.9)	0.3 (3.2)
II. Non-Plan Revenue Expenditure	7.6	8.5	10.0	10.3	10.8
Interest Payments	0.8 (10.5)	0.9 (10.6)	1.5 (15.0)	1.9 (18.4)	2.1 (19.4)
Pension Payments	0.2 (2.6)	0.3 (3.5)	0.6 (6.0)	0.6 (5.8)	1.0 (9.3)
Other Non-Development	1.6 (21.1)	1.7 (20.0)	1.7 (17.0)	2.0 (19.4)	1.8 (16.7)
Development	4.9 (64.5)	5.5 (64.7)	6.1 (61.0)	5.7 (55.3)	5.7 (52.8)
Local Bodies	0.1 (1.3)	0.1 (1.2)	0.1 (1.0)	0.1 (1.1)	0.2 (1.8)
III. Non-Plan Revenue Account-BCR (I – II)	1.4 (118.4)	1.1 (112.9)	0.4 (104.0)	(-) 0.2 (98.1)	(-) 1.4 (87.0)

Note : Figures in parenthesis indicate share percentage to total. Figures in parenthesis under BCR indicate the percentage of States' own revenue receipts over its Non-Plan Revenue Expenditure.

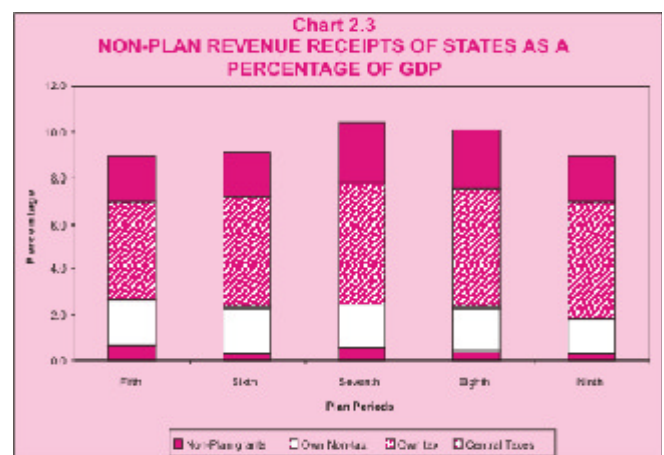
the same percentage from other sources of funding in the Ninth Plan. During the Fifth, Sixth and Seventh Plans, BCR deteriorated but remained positive. This was despite the fact that in relation to GDP, both NPRR and NPRE of the States increased by 1.4 percentage points from the Fifth to the Seventh Plan. However, as NPRE was at a lower level than the States' NPRR in the Fifth Plan, an identical increase in relation to GDP amounted to imparting a higher percentage growth to NPRE. Between the Seventh and the Ninth Plans, increase in NPRE was merely 0.8 percentage points. However, BCR continued to deteriorate due to a sharp fall of around 1.0 percentage points of the States' NPRR.

2.31. Ideally, NPRE should have also declined, having already achieved a significant increase of 1.4 percentage points in the past. A reduction of around 0.2 percentage points between the Seventh and the Ninth Plans did however take place in respect of items other than interest and pension payments, although a reduction of 1.3 percentage points was required in order to restore the levels of these items to that of the Fifth Plan. The increase in Pension and Interest payments, which was in the region of 1.0 percentage points between the Seventh and Ninth Plans more than offset whatever little percentage reduction that had taken place with respect to other items. In fact, pensions and interest payments together increased from 1.0 percentage point in the Fifth Plan to 3.1 per cent in the Ninth. Understandably, the share of pension and interest payments in NPRE increased from a little over 13 per cent in the Fifth Plan to around 29 per cent in the Ninth Plan. The increases in net debt receipts in the period under consideration, after all, did have a telling impact on debt servicing obligations of State Governments. Consequent to the reforms in the financial sector, Government borrowings have been taken at market-based interest rates and this has also contributed to increased interest burden of State Governments. Further, the growing longevity of retired staff, compounded by the Pay Commission impact also increased the pension obligations significantly. To accommodate the rising burden of pension and interest payments, therefore, it was the development expenditure, which was compromised and its share in NPRE fell from 64.5



percent in the Fifth Plan to 52.8 per cent in the Ninth Plan.

2.32. The fall in the States' NPRR since the Seventh Plan was more or less uniformly spread across all its major components, although the impact was felt most in the case of states' own tax revenue and share in Central taxes, as these two together constituted more than 75 per cent of the States' NPRR. These two components reduced by 0.2 percentage points each between the Seventh and the Ninth Plans, reflecting the growing disparity between tax collection and tax potential. In fact, both at the Central and State level, tax potential has increased due to tremendous growth in the share of the services sector in GDP. The fact, that a comprehensive service tax is still not in place has implied a steady narrowing of the tax base. An expansion of the tax base will have to be necessarily carried out for tapping the full potential of both the Central and State taxes.



2.33. A deteriorating BCR or the non-plan revenue account may contribute to a fall in plan resources but not necessarily to a shortfall of recurring receipts in relation to recurring expenditure. A positive, albeit a deteriorating, non-plan revenue account still enables recurring expenditures to be funded only by recurring receipts and prevents the diversion of net debt receipts away from capital expenditure. It is only when the non-plan revenue account turns negative that concerns for appropriate application of debt receipts become as important as a shrinking Plan size. However, even with a deficit in the non-plan revenue account, recurring expenditure may still be fully financed by recurring receipts if an offsetting surplus exists on revenue plan account, the latter defined by central revenue plan transfers less revenue component of the State Plan. Conversely, if a deficit exists on revenue plan account, it does not matter if an offsetting surplus exists on the non-plan revenue account. In any case, overall revenue account must be non-negative to enable full accommodation of recurring expenditure by recurring receipts and enable full application of Net Debt Receipts on Capital Expenditure. Table 2.3 indicates the revenue account position of States since the Fifth Plan, broken down into both non-plan and plan revenue account components.

Table 2.3
Revenue Account Position of States

(As a percentage of GDP)

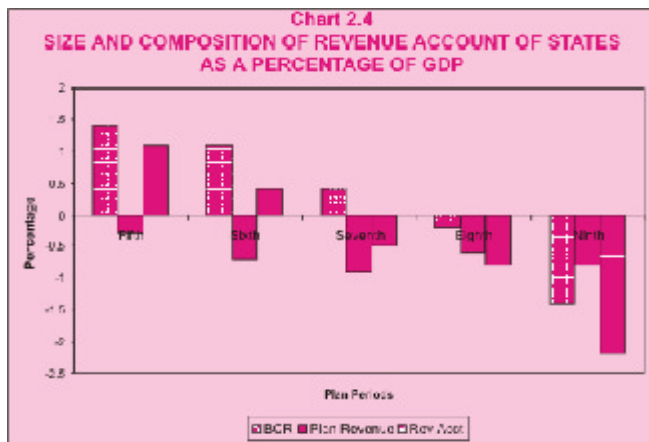
	V Plan	VI Plan	VII Plan	VIII Plan	IX Plan
I. Non-Plan Revenue Account	1.4	1.1	0.4	(-) 0.2	(-) 1.4
II. Central Revenue Plan transfers	1.1	1.5	1.7	1.6	1.2
III. Revenue component of State Plan	1.4	2.2	2.6	2.2	2.0
IV. Plan Revenue Account (II – III)	(-) 0.3	(-) 0.7	(-) 0.9	(-) 0.6	(-) 0.8
V. Overall Revenue Account (I + IV)	1.1	0.4	(-) 0.5	(-) 0.8	(-) 2.2

2.34. The overall revenue account of States deteriorated from the Fifth Plan onwards. However, it was positive in the Fifth and Sixth Plans, and turned negative only from the Seventh Plan. As Table 2.3 shows, this surplus was possible only due

to surpluses on the non-plan revenue account as Plan revenue account remained in deficit throughout the period under consideration. In fact, in the Seventh Plan, the deficit on the Plan revenue account was large enough to more than offset the surplus on the non-plan revenue account and obtain an overall revenue account deficit for the first time in the period under consideration. Thereafter, even the non-plan revenue account obtained a deficit. As a result, the overall revenue account position could not look up to either of its components for obtaining a balance.

2.35. Although the need for obtaining an overall revenue account balance is eventually emphasised, ideally, a balance on both the components should be targeted separately. A balance on the non-plan revenue account implies that States' own revenue receipts are adequate to meet the recurring expenditure obligations of the past. A balance on Plan revenue account implies that revenue expenditure burden arising from the creation of additional productive capacities is fully borne by the Centre in the concerned Plan period. It does seem that the Centre kept its part of the commitment, as revenue plan transfers increased from 1.1 percentage points of GDP in the Fifth Plan to 1.7 percentage points in the Seventh Plan, an increase of 0.6 percentage points. However, the Revenue component of State Plan increased from 1.4 to 2.6 percentage points in the same period, an increase of 1.2 percentage points. There are two possible explanations for this. One, as already discussed, States did not transfer their revenue plan commitments in appropriate amounts to non-plan at the end of the Plan period. If that had happened, the deficit on the revenue plan account would have reduced although surplus on the non-plan revenue account would have also reduced by the same amount. The overall revenue account position would have remained unchanged but the responsibility of causing the revenue account deficit would have been more on the States. Two, revenue plan schemes for additional productive capacities could have grown in excess of what central revenue plan transfers permitted. If this were the case then it points towards the infringement, which States exercised in not confining their revenue plan outlay for incremental creation of productive capacities to the limit drawn by the central revenue plan transfers.

2.36. Between the Seventh and the Ninth Plans, central revenue plan transfers fell by 0.5 percentage points of GDP. As against this, the revenue component of the State Plan fell by 0.6 percentage points. However, the revenue plan account in the Ninth Plan still remained negative due to inheritance of large deficits. The drop in revenue plan component could not have come about due to transfer of maintenance expenditure to the non-plan. The non-plan account enumerated in Table 2.2 does not indicate any evidence to this effect. It was in fact the shrinking size of the overall plan expenditure, which moderated the growth of new revenue plan schemes. However, this moderation was more under capital expenditure, since the revenue plan component as a percentage of overall plan expenditure increased from 50.9 per cent in the Seventh Plan to 53.4 per cent in the Ninth. If revenue plan outlay continues to get such a high priority, then revenue transfers from the Centre may require a significant step up in the future.



2.37. The growing deficit on States' revenue account was also on account of the growing support to State public sector undertakings. A case in point is that of State Electricity Boards (SEBs). SEBs were constituted by many States way back in the Indian planning history. However, their ability to perform was critically balanced on a sustained budgetary support provided by States for the purpose of meeting either their operating deficit or requirements of capital asset creation, or both. With the passage of time it was felt that since SEBs are basically involved in commercial operations, there is no reason why they should not strive to become

financially independent. This understanding therefore implied, that SEBs should not only wipe out their operational deficits but also earn a minimum return on their employed capital in order to display a financial strength adequate to raise borrowings for asset creation.

2.38. There is ample evidence to suggest that SEBs have failed in their endeavour to attain the stated ends. The moot point however is to explore the way in which, States have reacted to it. The budgeted expenditure on the energy sector of the States provides a clue in this regard. In particular, the percentage share of energy expenditure in States' gross fiscal deficit reflects the extent to which the energy sector necessitated the borrowing programme of State Governments.

2.39. As indicated in Table 2.4, the share of energy expenditure in gross fiscal deficit shows a declining trend since the Fifth Plan. The share decreased from 49.4 per cent in the Fifth Plan to 20.2 per cent in the Ninth Plan. This clearly indicates that there were other reasons far more important than the energy sector, which dictated the borrowing programme of States. However, if one were to separately look at the plan and non-plan components of energy outlay, it is the plan component only which is showing a downward trend as against a rising trend of the non-plan component. This implies that States were increasingly unwilling to fund new schemes floated by SEBs, as against providing a higher priority to sustaining their current expenditure. Revenue-capital break up of energy expenditure further substantiates this point. A rising share of revenue expenditure on energy in the gross fiscal deficit is indicative of widening operational deficits of SEBs, which were bridged by State Governments. However, States made up for it by more than reducing the capital expenditure on energy. Thus, since the Fifth Plan, although States did manage to relatively reduce their dependence on debt in providing for energy requirements, the quality of budgetary support went from bad to worse. State finances were dragged to unproductive ends of rising operational deficits, which in turn compromised capital expenditure on energy.

2.40. Although revenue expenditure on energy increased since the Fifth Plan in relation to gross

fiscal deficit, its impact on overall BCR of States was felt as late as the Eighth Plan. Thus NPRE on energy was 4.8 per cent of fiscal deficit in the Fifth Plan as against a positive BCR of 68.9 per cent. In the Eighth Plan, NPRE on energy was 14.4 per cent of Fiscal deficit and could be taken as one of the important reasons for causing a negative BCR of 6.0 per cent. In the Ninth Plan, NPRE on energy fell to 8.5 percent as against a negative BCR of 35.0 percent. Although BCR turned significantly negative for other more important reasons, the contribution of SEBs to rapid increases in States' borrowings is fairly well established.

Table 2.4
Energy Expenditure of States

(As a percentage of Gross Fiscal Deficit)

	V Plan	VI Plan	VII Plan	VIII Plan	IX Plan
1. Total Expenditure	49.4	34.1	35.9	40.7	20.2
2. Plan Expenditure	41.7	24.1	24.7	22.9	10.9
3. Revenue Expenditure	5.4	6.0	10.1	15.8	8.8
4. Non-Plan Revenue Expenditure	4.8	5.6	8.3	14.4	8.5
5. Overall BCR	68.9	34.7	11.8	-6.0	-35.0

2.41. To sum up, at the end of the century the position on the revenue account and the size of the plan resources indicated a significant deterioration as compared to the late eighties. The falling revenue buoyancy at both the Central and State level started the downward trend, which was further aggravated by the implementation of the revised pay scales at the State level. Although the impetus to implement revision of pay scales at the State level emerged from the Centre, international practices do not support the policy of equating pay emoluments between the federal and provincial Governments in a federation. If at all equalisation results, it is at best an incidental event arising out of the sound finances of the provincial Governments. That of course is ruled out in the Indian context if one goes by a secular deterioration of BCR. The end result has been a significant fall in capital expenditure despite a substantial increase in borrowings, which underscores the inappropriateness of the use borrowings were put to. Even to the extent capital

expenditure did take place, financial returns were dimly inadequate as is indicated by the falling level of non-tax revenue in Table 2.2. Where returns are not commensurate with the debt servicing, debt burden is bound to become insurmountable.

III. STATE-WISE ANALYSIS OF FINANCING OF STATES' PLAN INVESTMENTS

2.42. The mobilisation of plan resources of State Governments, particularly in the Ninth as compared to the Eighth Plan has been associated with three features of considerable fiscal concern. One, the falling share of plan resources / expenditure to GSDP, which is indicative of the diminishing role State investments are having on economic growth. Two, the rising level of net debt receipts (gross fiscal deficit) to Plan resources/expenditure, which reflects the growing debt component of plan resources caused by rapid growth of non-plan expenditure. And three, the rising share of revenue expenditure in net debt receipts (gross fiscal deficit), which reflect the growing inappropriateness in the use of borrowings.

2.43. These features have been examined State-wise to isolate each States' relative performance. For this purpose, States have been grouped into four categories. The first three categories group the general category States into five States each, based on their per capita GSDP.

Group A comprises high income States, which include Goa, Punjab, Maharashtra, Haryana and Gujarat.

Group B includes middle income States of Tamil Nadu, Kerala, Karnataka, Andhra Pradesh and Rajasthan.

Group C comprises low income States of West Bengal, Madhya Pradesh, Orissa, Uttar Pradesh and Bihar (Madhya Pradesh, Uttar Pradesh and Bihar reflect their undivided status as the period of study taken in this chapter ends in 1999-2000, before the bifurcation of these States took place).

Group D comprises all the special category States (excluding Uttaranchal).

2.44. Table 2.5 confirms the diminishing role of plan expenditure on GSDP growth. All except the special category States registered a fall in plan expenditure in the Ninth Plan vis-à-vis the Eighth

Table 2.5
Plan Expenditure of individual States

(As a percentage of GSDP)

	Plan Expenditure /GSDP		
	Eighth Plan	Ninth Plan	Difference
Group A	4.0	3.7	-0.3
1. Goa	6.2	5.5	-0.8
2. Punjab	3.8	3.3	-0.5
3. Maharashtra	4.1	3.5	-0.7
4. Haryana	4.4	4.3	-0.2
5. Gujarat	3.6	4.0	+0.4
Group B	5.1	4.8	-0.3
6. Tamil Nadu	3.8	3.5	-0.3
7. Kerala	4.3	4.6	+0.3
8. Karnataka	5.9	5.3	-0.6
9. Andhra Pradesh	5.0	5.3	0.2
10. Rajasthan	6.7	5.8	-0.9
Group C	4.6	4.4	-0.2
11. West Bengal	3.5	3.5	0.0
12. Madhya Pradesh	5.1	4.8	-0.3
13. Orissa	7.5	7.4	-0.1
14. Uttar Pradesh	4.5	4.2	-0.2
15. Bihar	4.0	4.0	0.0
Group D	12.7	12.8	+0.1
16. Arunachal Pradesh	38.3	37.0	-1.4
17. Assam	6.5	6.3	-0.2
18. Himachal Pradesh	14.1	15.9	+1.8
19. Jammu & Kashmir	14.4	14.2	-0.2
20. Manipur	20.4	20.2	-0.2
21. Meghalaya	14.8	13.7	-1.1
22. Mizoram	31.5	31.6	+0.1
23. Nagaland	19.8	18.8	-1.1
24. Sikkim	36.5	33.8	-2.7
25. Tripura	18.1	16.4	-1.7

Plan. The low income category, Group C, however, registered a lower fall than the high and middle income categories. Within the high income category, Group A, Goa registered the sharpest fall, followed closely by Maharashtra. Along with Punjab, these States were lower than the group average. On the other hand, Gujarat recorded an appreciable increase easily reflecting the best mobilisation effort of Plan resources in its group.

2.45. In the middle income category, Group B, Rajasthan recorded the maximum fall, followed by Karnataka, which was significantly higher than the group's average. Kerala came out to be the best in the group as it recorded an increase in the plan expenditure.

2.46. In Group C, Madhya Pradesh and Uttar Pradesh recorded a decline whereas other States retained their Eighth Plan expenditure efforts in the Ninth Plan as well.

2.47. In the special category, Group D, Arunachal Pradesh, Meghalaya, Nagaland, Sikkim and Tripura recorded significant decreases. However, more significant was the improvement of Himachal Pradesh, which in fact marginally raised the group's efforts in the Ninth Plan.

2.48. Midway through the Ninth Plan, the share of plan expenditure in GSDP is recorded to be highest for special category States, followed distantly by Group B. Group C is the next, followed by Group A. These relative positions were the same in the Eighth Plan as well, which underscores the crucial importance of State Government investments on economic growth for the special category States, but not so for other categories. The fact that plan expenditure to GSDP ratio is the lowest for Group A is consistent with the view that high income States must take the lead in promoting non-governmental investment for the purpose of building productive capacities. This will enable the Central Government to focus on the deficiencies of Public investments in low income and infrastructurally poor States.

2.49. Table 2.6 indicates that while growth in the debt component of plan resources was common to all the States, the highest growth was recorded in the case of high income category, Group A, marginally lower for the low income category, Group

C, but much lower for the middle income category, Group B. Special category States, Group D recorded the smallest decline.

Table 2.6
Gross Fiscal Deficit (GFD) of Individual States

(As a percentage of Plan expenditure)

	Gross Fiscal Deficit/ Plan Expenditure		
	Eighth Plan	Ninth Plan	Difference
Group A	66.9	95.2	28.3
1. Goa	43.5	70.3	26.8
2. Punjab	113.1	153.1	40.0
3. Maharashtra	60.4	89.8	29.3
4. Haryana	61.5	82.3	20.9
5. Gujarat	61.1	87.5	26.4
Group B	62.5	77.4	14.9
6. Tamil Nadu	63.9	84.8	20.9
7. Kerala	77.6	96.4	18.8
8. Karnataka	49.4	59.6	10.3
9. Andhra Pradesh	62.9	68.1	5.1
10. Rajasthan	67.2	90.8	23.6
Group C	77.8	105.2	27.5
11. West Bengal	96.6	148.1	51.6
12. Madhya Pradesh	45.1	61.2	16.1
13. Orissa	69.1	86.2	17.1
14. Uttar Pradesh	94.0	121.6	27.6
15. Bihar	75.0	95.5	20.5
Group D	28.3	39.0	10.7
16. Arunachal Pradesh	10.0	12.1	2.2
17. Assam	28.7	36.3	7.6
18. Himachal Pradesh	54.8	59.2	4.4
19. Jammu & Kashmir	10.5	35.1	24.5
20. Manipur	22.3	42.4	20.1
21. Meghalaya	23.0	33.5	10.4
22. Mizoram	23.6	29.5	5.9
23. Nagaland	61.9	55.6	-6.3
24. Sikkim	25.7	33.8	8.1
25. Tripura	21.5	28.7	7.2

2.50. In Group A, Punjab utilised the largest proportion of borrowings for non-plan expenditure and Haryana the lowest. All other States within the category were at equal distance from these two extremes. Non-plan expenditure was a significant impediment in raising the plan resources of high-income states.

2.51. For Group B, growth in non-plan expenditure was a relatively less significant impediment. Rajasthan topped this group, with Andhra Pradesh recording the lowest growth. In fact, Andhra Pradesh recorded the lowest growth among all non-special category States. Perhaps in this middle income category, growth in non-plan expenditure was significantly outpaced by growth in borrowings.

2.52. For Group C, the impediment of non-plan expenditure growth was almost as significant as that of Group A. However, West Bengal caused a significant distortion as its growth was not only distantly highest in its respective group but also among all non-special category States. Madhya Pradesh recorded the lowest growth in this low-income category.

2.53. For Group D, special category States, the growth in GFD/plan expenditure was by far the lowest. However, the burden of non-plan expenditure growth must have been taken up by large central plan grants, which constitute 90 per cent of central assistance unlike that of non-special category States, where it is only 30 per cent. Nagaland in fact recorded a negative growth, implying large grant-intensive central plan transfers to the State. Jammu & Kashmir and Manipur recorded non-plan expenditure growth comparable to non-special category States.

2.54. In the Ninth Plan, the burden of carrying the liability of non-plan expenditure on its borrowings is largest for the low income States. This is despite the fact that central debt transfers to this category is largest vis-à-vis all other categories as is indicated by the relative sizes of central assistance. The requirement of pruning and consolidating the non-plan expenditure is felt most in this category.

2.55. Finally, the inappropriate use of borrowings as reflected in the growing share of revenue deficit in net debt receipts or gross fiscal deficit is examined. Among Non-Special category States, the high income category, Group A recorded the largest increase, followed by the low income, Group C, and least by the middle income, Group B. This suggests that the high income category was the most imprudent as far as appropriate use of borrowings is concerned.

2.56. Within Group A, as also among all general category States, Goa recorded the highest growth in inappropriate use. In fact for Goa, the contribution of revenue account changed significantly from a large surplus in the Eighth Plan to a deficit in the Ninth Plan. Gujarat recorded the second highest growth, which was half that of Goa. Punjab recorded the lowest growth.

2.57. Within Group B, all States except Andhra Pradesh recorded by and large similar growth rates. Andhra Pradesh in fact recorded a negative growth, which was against the trend of events and indicative of an improved application of borrowings. Andhra Pradesh was isolated in this effort among States from all other categories. Kerala recorded the highest growth in Group B.

2.58. Among the low-income category, Group C States, Bihar's performance was most exemplary as it recorded a nil growth and stood second next to Andhra Pradesh. In this Group, Madhya Pradesh recorded the highest growth.

2.59. The special category States, recorded the highest growth which was at least three and a half times that of any other category. This was despite the fact that large plan grants were available to this category for sustaining the surplus on the revenue account. The only reason which can explain this phenomenon is a significant growth in revenue plan expenditure, which easily outpaced the growth in their borrowings. Although the overall revenue account contribution still showed a surplus, it is possible that the revenue plan component may have been significantly blown up due to inadequate transfer of committed liability from plan to non-plan during

preceding Plan periods. Inadequate transfers blur the distinction between plan and non-plan expenditure.

Table 2.7
Revenue Deficit of Individual States

(As a percentage of Gross Fiscal Deficit)

	Revenue Deficit/ Gross Fiscal Deficit		
	Eighth Plan	Ninth Plan	Difference
Group A	24.7	40.9	16.1
Goa	-38.5	18.7	57.2
Punjab	53.7	64.2	10.5
Maharashtra	16.5	31.9	15.4
Haryana	38.9	53.3	14.5
Gujarat	10.6	36.4	25.7
Group B	33.5	46.0	12.5
Tamil Nadu	48.8	64.4	15.6
Kerala	38.3	57.3	19.0
Karnataka	11.5	28.3	16.8
Andhra Pradesh	41.5	38.1	-3.4
Rajasthan	25.4	42.7	17.3
Group C	45.5	58.6	13.1
West Bengal	51.9	65.7	13.8
Madhya Pradesh	33.3	51.2	17.9
Orissa	43.2	57.8	14.6
Uttar Pradesh	44.1	57.9	13.8
Bihar	54.4	54.5	0.1
Group D	-72.8	-17.9	54.9
Arunachal Pradesh	-490.0	-347.5	142.5
Assam	-21.7	7.4	29.1
Himachal Pradesh	27.2	43.0	15.8
Jammu & Kashmir	-558.0	-84.0	474.0
Manipur	-144.4	-28.6	115.9
Meghalaya	-112.2	-48.0	64.2
Mizoram	-104.5	-64.9	39.6
Nagaland	21.4	16.1	-5.3
Sikkim	-89.1	-33.6	55.5
Tripura	-90.5	-45.2	45.3

2.60. In the Ninth Plan, the largest share of revenue deficit to gross fiscal deficit is still being reflected by the low income category, Group C. However, as the foregoing discussion suggests, Group D and Group A are fast catching up, with only Group B, the middle income category showing some signs of restraint.

2.61. To sum up, the role of public investment in effecting GSDP growth is negligible for the high-income category States. This could be the result of a spurt in economic activities, which is independent of public intervention. In deference to this trend, high income States must promote private investment for building additional productive capacities while using their resources for consolidating their existing capacities. Given that in relative terms these States have their non-plan as well as revenue expenditure consuming the largest proportion of borrowings, consolidation of existing capacities would again be consistent with the present trend. Middle income States must also follow in the footsteps of high-income States. Although this is desirable for low-income States as well, their infrastructural deficiencies are too significant for diluting the role of public investment. A significant increase in non-plan revenue transfers (share in Central taxes) to the low-income States may be required for meeting their social sector needs, which are spilling into larger revenue account deficits. For the special category states, the continued significance of public investment and therefore Central transfers cannot be over emphasised. Given the inevitability of such transfers resources of these States need to be permanently strengthened by raising their share of Central taxes. To enable this, States must appropriately transfer their 'committed liabilities' from plan to non-plan in order to separate their fresh efforts towards capacity building from the upkeep of existing capacities.

IV. SECTORAL DISTRIBUTION OF PLAN INVESTMENTS

2.62. Allocation of aggregate Plan resources among the various economic and social sectors is the next important consideration after the

determination of its size. In this section, allocation of plan resources has been assessed by broadly classifying plan expenditure into the following five broad categories.

- *Education and Health:* This comprises education, sports, art and culture, medical, family planning, public health and water supply & sanitation.
- *Agriculture and Industry:* This comprises agriculture, rural development, special area programmes, industry & minerals.
- *Infrastructure:* This comprises irrigation & flood control, energy and roads & bridges.
- *Other Social and Economic Services:* This mainly comprises housing and urban development, welfare, social security and nutritional programmes and economic services apart from Infrastructure sectors.
- *General Services:* This includes debt servicing and assignment to local bodies.

2.63. For a given sector, incremental expenditure like Plan expenditure eventually augments its recurring expenditure. As already stated, the genesis of recurring expenditure lies in the cumulative impact of past policies, which were designed to create productive capacities existing as on date. It is the maintenance requirement of currently existing facilities under the given sector, which finds shape in recurring expenditure. The recurring expenditure of such type is referred to as non-plan expenditure under plan-non-plan classification.

2.64. It is important to bear in mind the significance of non-plan expenditure, particularly when the assessment of plan expenditure in this chapter is restricted to the Fifth Plan onwards. Thus, on the eve of the Fifth Plan, the recurring expenditure, which entered the Fifth Plan period as the non-plan expenditure was merely seeking augmentation, which was provided in terms of plan expenditure

under the Fifth Plan. At the end of the Fifth Plan, the non-plan expenditure, which now carried the Plan efforts of the Fifth Plan period included the maintenance expenditure on facilities created in the Fifth Plan. Thus, if total expenditure on Agriculture & Industry accounted for 2 per cent of GDP at the beginning of the Fifth Plan and 3 per cent at the end, then the increase in 1 percentage points is ideally made up of 1 per cent of GDP as plan expenditure.

2.65. However, more often than not, the increase in 1 percentage point is made up of any combination of plan expenditure and increases/reduction in non-plan expenditure. Where non-plan expenditure increases, it reflects a deepening of the thrust of existing facilities instead of creating newer facilities. And where it reduces, it reflects a weeding out of outdated existing facilities in favour of newer ones. The important point to note is that for a given sector, a variation in plan expenditure between two successive plan periods does not necessarily imply a shift in sectoral emphasis between two time periods. A change in sectoral emphasis can be unequivocally stated only on the basis of the variation in total expenditure.

2.66. Table 2.8 on total plan disbursements indicates that across the period under consideration, plan expenditure on education and health increased by 0.2 percentage points between the Fifth and the Sixth Plan. Whereas, Table 2.9 indicates an increase of 0.5 percentage points in total expenditure, this may be interpreted as an increase in sectoral emphasis carried out more on the non-plan than on the plan side. This tendency is observed to be further reinforced in the entire period under consideration as total expenditure on education & health increased by 0.8 percentage points and Plan expenditure by 0.2 percentage points. The deepening of the thrust of existing facilities is clearly more in evidence than adoption of newer facilities. This is not entirely unexpected as reasonable facilities under this sector were significantly created in the past, thereby requiring only an increase in their capacities in order to cater to a rising level of population. Education & health in the Ninth Plan comprised around one-fifth of plan and one-fourth of total expenditure.

2.67. Agriculture and Industry on the other hand indicates a fall in both plan and total expenditure indicating a reduction in sectoral emphasis. The

Table 2.8
Total Plan Disbursements (Revenue & Capital) of States

(As a percentage of GDP)

Major Sectors	V Plan	VI Plan	VII Plan	VIII Plan	IX Plan
1. Education & Health	0.6 (13.7)	0.8 (16.4)	0.9 (17.3)	0.8 (19.0)	0.8 (22.4)
2. Agriculture & Industry	1.1 (25.4)	1.6 (30.7)	1.5 (29.8)	1.2 (27.8)	0.9 (23.8)
3. Infrastructure	2.0 (46.0)	1.9 (36.8)	1.8 (35.8)	1.5 (34.8)	1.2 (33.2)
4. Other Social & Economic Services	0.5 (13.4)	0.7 (14.6)	0.8 (14.3)	0.6 (16.2)	0.7 (18.0)
5. General Services	0.1 (1.5)	0.1 (1.5)	0.1 (2.8)	0.1 (2.2)	0.1 (2.6)
Total	4.3 (100.0)	5.1 (100.0)	5.1 (100.0)	4.2 (100.0)	3.7 (100.0)

Note : Figures in parenthesis are the share percentage in the total

fall in total expenditure is more on total than on plan expenditure. This indicates a greater emphasis on newer plan schemes than on deepening the impact on existing ones. This again is on expected lines as these sectors mainly comprise subsidy and welfare schemes that require reconstitution with changing times. In the Ninth Plan, Agriculture & Industry comprised one-fourth of plan and one-tenth of total expenditure.

2.68. The infrastructure sector was characterised by a declining trend in plan but a firming up of total expenditure except in the Ninth Plan, when total expenditure also fell under the influence of a sharp fall in plan expenditure. Although this may suggest that more emphasis

were laid on maintaining existing facilities, it also implied a diversion of funds away from creation of additional infrastructure facilities, which throughout the period under consideration, has continuously been felt as the most pressing requirement. Since the maintenance expenditure could not have been compromised upon, additional plan funds for infrastructure stood requisitioned by withdrawing the same from other sectors. That did not happen as is evidenced from Table 2.8, where the share of expenditure on Infrastructure in total plan fell from around one - half in the Fifth to one-third in the Ninth Plan. In total expenditure, the share fell from one -fifth to around one-sixth.

Chart 2.5
SIZE AND COMPOSITION OF PLAN OUTLAY OF STATES AS A PERCENTAGE OF GDP



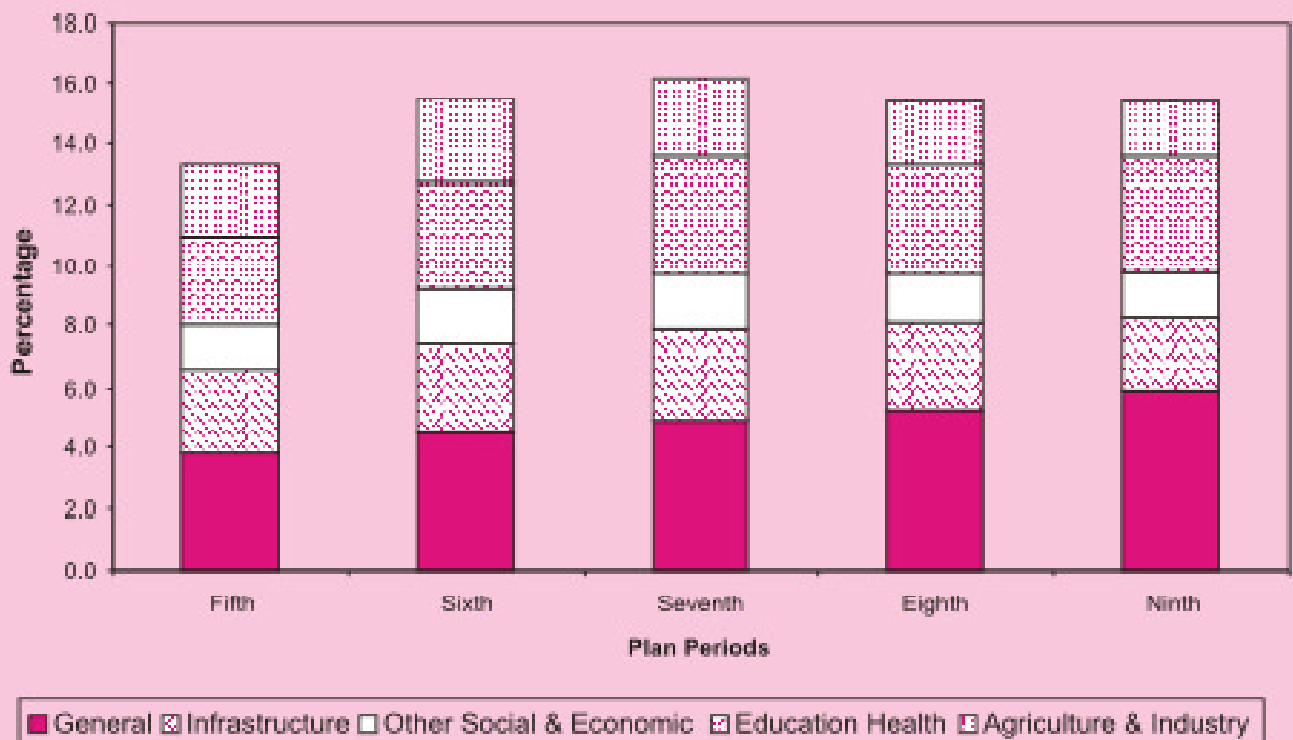
Table 2.9
Total Disbursements (Plan & Non-Plan) of States

(As a percentage of GDP)

Major Sectors	V Plan	VI Plan	VII Plan	VIII Plan	IX Plan
1. Education & Health	3.0 (22.5)	3.5 (22.7)	3.9 (24.2)	3.6 (23.6)	3.8 (24.7)
2. Agriculture & Industry	2.3 (17.0)	2.8 (18.0)	2.6 (15.7)	2.1 (13.5)	1.8 (11.5)
3. Infrastructure	2.8 (20.9)	2.9 (18.7)	3.0 (18.7)	2.8 (17.9)	2.3 (15.2)
4. Other Social & Economic Services	1.4 (10.8)	1.8 (11.6)	1.8 (11.3)	1.6 (10.6)	1.6 (10.1)
5. General Services	3.8 (28.8)	4.5 (29.0)	4.9 (30.1)	5.3 (34.5)	5.9 (38.5)
Total	13.3 (100.0)	15.5 (100.0)	16.2 (100.0)	15.4 (100.0)	15.4 (100.0)

Note : Figures in parenthesis are the share percentage in the total

Chart 2.6
SIZE AND COMPOSITION OF TOTAL DISBURSEMENTS OF STATES AS A PERCENTAGE OF GDP



2.69. Other social and economic services followed a similar pattern as that of agriculture and industry, where the emphasis was more on plan expenditure in quest of locating newer schemes while restricting the coverage of existing schemes. In the Ninth Plan, the share in plan expenditure was around one-fifth and in total expenditure, one-tenth.

2.70. Although general services in total plan expenditure constituted a miniscule proportion, its share in total expenditure was not only the highest but increased from 29 per cent in the Fifth to 39 per cent in the Ninth Plan. This was clearly due to a large and growing chunk of debt repayment obligations, which could be taken to be the primary impediment in enabling a reasonable application of total receipts to important infrastructure and social sectors.

2.71. In the section under Plan investments funding, a deficit on the revenue plan account was noted throughout the period under consideration. It was suggested that this was due to a large revenue plan component arising out of two possibilities. One, appropriate and thus adequate transfers from plan to non-plan budget did not take place as should have been the case at the conclusion of each Plan period. And two, new revenue plan schemes at the State level were introduced in excess of what Central revenue plan transfers permitted.

2.72. Table 2.10 indicates that it was Agriculture and Industry, which accounted for the largest share of the revenue plan in the period under consideration and can therefore be attributed with causing a large revenue plan. Although its share diminished steadily it still remained the largest. education and health accounted for the second largest share. It also declined from the Fifth Plan onwards but only till the Seventh Plan. Thereafter, its share increased in the next two Plans, at the time overall plan expenditure of States was diminishing in relation to GDP. This emphasises that in recent years, it is education and health, which have shown an increasing tendency of blowing up the revenue plan outlay of States. Education and health along with agriculture and industry has constituted more than 70 per cent of revenue plan outlay of State Governments throughout the period under consideration.

2.73. Table 2.10 also indicates that the share of infrastructure in the revenue plan outlay remained constant at 5 to 6 per cent. When observed in relation to Table 2.8, which indicates a declining plan outlay for infrastructure, it follows that it was the capital component of the plan outlay on infrastructure, which was compromised upon. Table 2.9 on the other hand indicates a steady growth in the overall expenditure on infrastructure. This implies that when the plan outlay on infrastructure,

Table 2.10
Revenue Plan Outlay of States

(As a percentage of GDP)

Major Sectors	V Plan	VI Plan	VII Plan	VIII Plan	IX Plan
1. Education & Health	0.47 (33.2)	0.66 (29.9)	0.71 (27.4)	0.65 (29.4)	0.68 (34.2)
2. Agriculture & Industry	0.59 (41.9)	1.06 (48.1)	1.19 (45.8)	0.94 (42.3)	0.71 (35.7)
3. Infrastructure	2.8 (5.4)	2.9 (3.0)	3.0 (8.8)	2.8 (6.8)	2.3 (5.5)
4. Other Social & Economic Services	0.24 (17.2)	0.38 (17.5)	0.43 (16.3)	0.43 (19.6)	0.43 (22.3)
5. General Services	0.03 (2.3)	0.03 (1.5)	0.04 (1.7)	0.04 (1.9)	0.05 (2.3)
Total	1.41 (100.0)	2.20 (100.0)	2.60 (100.0)	2.21 (100.0)	1.98 (100.0)

Note : Figures in parenthesis is the share percentage in the total

together with its capital component was declining, non-plan expenditure was steadily increasing. The rising non-plan expenditure could be taken as indicative of a rising non-plan revenue expenditure as the capital component of Infrastructure Non-Plan is negligible. The rising non-plan revenue expenditure is explained by the substantial growth in subsidies and grants to State electricity boards and road transport corporations. It also suggests, particularly in view of the revenue plan component being very small, that staff recruitment for both irrigation and roads and bridges sector was done way back in the past and continued at net rising levels ostensibly for enabling better maintenance of created assets. Although no conclusive evidence exists within the scope of the present chapter, it is generally held that staff recruitment under non-plan was to such a great extent that it compromised on basic maintenance of physical assets as constituted by materials and supplies.

2.74. To sum up, sectoral emphasis on education and health was more pronounced in consolidating existing capacities than in building new ones. However, building of new capacities must take precedence if human resource development is to develop the quality of the workforce. Sectoral emphasis on agriculture and industry was more on building additional capacities, which is expected for a rapidly modernising sector. Policies aimed at developing the entrepreneurial abilities in this sector and that too on a sustainable basis however will only reduce the burden of subsidies under both non-plan outlays and plan investments. The sectoral emphasis for the infrastructure, like education and health was again on consolidating non-plan outlays at the expense of large plan outlays enriched with capital component. It is in this sector that the capital content of plan outlays needs to be enhanced by reducing the unproductive component of the non-plan outlays. Private investment may be a viable option for supplementing public investment, particularly in States where cost of availing these services are affordable by the general population.

V. THE PATH AHEAD

2.75. During the pre-1974 period, the real growth of GDP fell from 3.9 per cent in the First Plan to 2.8 per cent in the Fourth Plan. In the post-1974 period, the real growth of GDP rose

from 4.1 per cent in the Fifth Plan to around 6 per cent mid-way through the Ninth Plan. A rise in the real growth of GDP in the post-1974 period is indicative of the effective utilisation of productive capacities created by States' plan investment in the pre-1974 period. Similarly, a realisation of the growth rate of 8 per cent and above in the Tenth Plan is critical on the augmentation of productive capacities expected out of plan investments in the post-1974 period.

2.76. It has been indicated that augmentation of productive capacities by States' plan investments in the post-1974 period fell below potential. This was because the maintenance requirements for sustaining productive capacities created in the pre-1974 period proved to be too large for the revenues available with the States. When, despite this handicap, States attempted to build additional capacities and for this purpose, diverted resources from maintenance outlays towards plan investments, it led to the loss of existing capacities. Plan investments also could not effectively add to productive capacities since a large number of new schemes, which States introduced at the onset of every Five-Year Plan secured only a thin spread of resources not conducive to creating capacities fit for deployment.

2.77. Along with the growth in the number of schemes, the requirement for maintenance outlays as well as unproductive expenditure on establishment and administration also grew. In fact, the presence of unproductive expenditure was more significant since, as compared to maintenance outlays, it was inflexible downwards. As a result, sometime in the latter half of the post-1974 period, unproductive expenditure became a serious deterrent in securing adequate resources for plan investments, since unlike maintenance outlays, unproductive expenditure could not be easily reduced. Augmentation of productive capacities continued to fall below potential.

2.78. In the nineteen nineties, States resorted to large-scale borrowings for securing adequate resources for plan investments. This may have contributed to some growth in productive capacities. However, recourse to large-scale borrowings for

funding plan investments can continue only till such time as the consideration for avoiding the crowding out of private investment applies brakes to the growth of public sector borrowings.

2.79. At the turn of the decade the restraint on public sector borrowings is being seriously considered since it has already been felt that the public sector draft on private savings has become large enough to crowd out private investment. Unfortunately, this consideration has come after the growth of States' borrowings in the nineties significantly added interest payments to other unproductive expenditure. In the Tenth Plan a restraint on further growth of States' borrowings, coupled with a large overhang of unproductive expenditure can only obtain a very small amount of resources for Plan investments and therefore capacity building.

2.80. The path ahead therefore is to focus on ways to protect existing productive capacities and building additional ones by not repeating the pitfalls of the bygone era. The following action-points are emphasised.

- States must protect the productive capacities already acquired under their jurisdiction by adequately providing for their maintenance outlays.
- Maintenance outlays should be accommodated within the constraints of a non-negative BCR.
- The inclusion of all maintenance outlays under a non-negative BCR would require a political will to curtail administrative and establishment costs.
- For seeking adequate assistance from the Finance Commission for maintenance outlays, States must cease to misrepresent these as plan investments.
- Growth in borrowings should be planned such as to sustain or even reduce the public sector draft on private savings from current levels.

- Following from lower levels of borrowings and consequently the States' plan size, private investment must be promoted to build additional productive capacities.
- States can eventually compliment private investment by raising their resources for plan investments through mobilising own revenues.
- For mobilising own revenues, priority areas include expansion of tax base, plugging tax leakages and levying cost recovery commercial user charges.
- For making plan investments effective in creating productive capacities fit for deployment, States must restrict new schemes to a manageable few.
- The number of new schemes must entail a future maintenance burden not more than what is reasonable to be accommodated within a non-negative BCR.
- In order to be able to put restrictions on the number of new schemes, States must divide the responsibilities of building productive capacities with the private sector.
- The division of responsibilities could be one where private investment focuses on infrastructure requirements and States' plan investment on social sector needs.

2.81. The aforementioned action points basically seek a stance from State Governments, which protects the existing capacities and build additional ones in partnership with the private sector in order to achieve potential increments to the economy's productive capacity. However, such action points could be implemented only if the 'resource illusion' of the States is broken. Hitherto, the liberal access the States had to borrowings cultivated such 'resource illusion'. Given the control, which the Central Government exercises on States' borrowing programmes, the onus is largely on the Centre to break this 'resource illusion'- all for, enabling the potential increments to the economy's productive capacity.

FINANCING THE AGGREGATE PLAN RESOURCES OF STATES AND SOME FISCAL PARAMETERS

(Rs. crore at current prices)

Year	Non-Plan Revenue Receipts			Non-Plan Revenue Expenditure			Non-Plan Revenue Expenditure			BCR		
	Central Taxes	Own Taxes	Non-Plan Grants	Total (1 to 4)	Interest Payments	Pension Payments	Other Devmt.	Non Development	Local Bodies	Total (6 to 10)	Total (5 - 11)	
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
1974-75	1228.49	2880.57	1300.84	561.32	5971.22	539.25	115.35	1184.71	3465.91	71.93	5377.15	594.07
1974-75	1228.49	2880.57	1300.84	561.32	5971.22	539.25	115.35	1184.71	3465.91	71.93	5377.15	594.07
1975-76	1599.13	3546.16	1574.37	616.31	7335.97	687.76	153.34	1316.84	3854.85	74.03	6086.82	1249.15
1976-77	1679.81	4033.45	1818.60	712.97	8244.83	757.43	193.69	1492.47	4132.55	92.59	6668.73	1576.10
1977-78	1805.81	4349.24	1937.45	700.89	8793.39	822.23	220.69	1607.30	4772.78	102.83	7525.83	1267.56
1978-79	1952.79	4970.35	2250.83	758.43	9932.40	952.92	261.09	1754.48	5435.72	130.50	8534.71	1397.69
1979-80	3407.81	5669.14	2469.21	459.52	12005.68	941.77	295.13	2026.43	6600.09	176.43	10039.85	1965.83
1980-81	3788.91	6616.18	3265.61	562.37	14233.07	1225.46	372.25	2433.90	7786.56	204.93	12023.10	2209.97
1981-82	4259.66	8234.32	3234.15	486.69	16214.82	1440.42	489.74	2775.55	8970.91	212.17	13888.79	2326.03
1982-83	4632.68	9486.07	3625.14	755.15	18499.04	1705.34	635.13	3230.81	10510.96	247.10	16329.34	2169.70
1983-84	5007.82	10753.11	4160.22	756.83	20677.98	1963.41	791.28	3732.22	11898.80	303.71	18689.42	1988.56
1984-85	5854.45	12259.80	4549.59	806.11	23469.95	2466.31	1000.24	4474.93	13762.51	357.10	22061.09	1408.86
1985-86	7259.91	14550.93	5290.63	1473.56	28575.03	2939.97	1207.00	5047.84	16643.18	396.25	26234.24	2340.79
1986-87	8383.70	16711.99	6145.49	1562.52	32803.70	4100.82	1390.37	5137.27	18400.94	441.99	29471.39	3332.31
1987-88	9659.84	19321.62	6743.94	1735.85	37461.25	4895.39	1757.88	6005.78	21265.21	491.47	34415.73	3045.52
1988-89	10735.95	22401.26	7623.65	2166.19	42927.05	5933.09	2391.95	6927.30	24645.66	553.16	40451.16	2475.89
1989-90	13097.34	25995.10	8936.96	2174.97	50204.37	7181.35	2930.47	8493.75	29269.09	600.50	48475.16	1729.21
1990-91	14241.47	30344.83	9237.19	3270.53	57094.02	8652.12	3592.17	9654.79	34712.49	783.55	57395.12	-301.10
1991-92	16847.86	35756.05	12706.11	3278.44	68588.46	10941.00	3713.84	11709.79	42875.00	1016.00	70255.63	-1667.17
1992-93	20580.14	39868.28	12883.88	3362.93	76695.23	13208.77	4308.32	13687.50	45663.39	1232.53	78100.51	-1405.28
1993-94	22394.82	46087.49	15568.83	3154.31	87205.45	15797.19	5107.38	16073.50	51513.46	1162.60	89654.13	-2448.68
1994-95	24884.73	55734.53	21660.06	2574.14	104853.46	19198.04	6123.84	22427.51	57269.73	1310.07	106329.19	-1475.73
1995-96	29047.64	63865.19	22894.75	5977.42	121785.00	21928.41	7813.16	24049.84	64592.64	1454.02	119838.07	1946.93
1996-97	35037.61	71101.52	23542.58	5257.99	134939.70	25569.52	9826.73	25046.46	77463.95	1760.87	139667.53	-4727.83
1997-98	40411.20	81229.43	24437.63	5458.11	151536.37	30101.34	11599.06	27846.56	83856.63	2753.70	156157.29	-4620.92
1998-99	39421.24	88995.25	24167.81	3477.35	156061.65	35866.00	16166.32	32069.85	97555.50	3321.89	184979.56	-8917.91
1999-2000	44121.13	102581.90	29874.66	6102.39	182680.08	46299.47	22593.75	35499.86	114199.77	4176.21	222769.06	-0088.98

Source : Various issues of RBI bulletin on States' budget

FINANCING THE AGGREGATE PLAN RESOURCES OF STATES AND SOME FISCAL PARAMETERS

(Rs. crore at current prices)

Year	Own Capital Receipts		Non-Plan Capital Expenditure			Own Borrowings incl of MCR (15 - 18)	States' Own Resources (12 + 19)	Central Assistance		Aggregate State Plan Resources (20 + 23)		
	Debt	Non-Debt	Total (13 to 14)	Repayment	Others			Total (16 to 17)	Revenue		Capital (21 to 22)	
	13.	14.	15.	16.	17.	18.	19.	20.	21.	22.	23.	24.
1974-75	1293.02	287.64	1580.66	629.14	370.01	999.15	581.51	1175.58	274.27	518.93	793.20	1968.78
1975-76	1375.15	420.22	1795.37	794.82	576.19	1371.01	424.36	1673.51	358.15	720.12	1078.27	2751.78
1976-77	1673.08	359.78	2032.86	855.09	463.46	1318.55	714.31	2290.41	479.76	751.86	1231.62	3522.03
1977-78	1588.30	278.55	1866.85	951.10	410.42	1361.52	505.33	1772.89	697.83	1185.03	1882.86	3655.75
1978-79	2878.67	365.80	3244.47	1000.75	579.42	1580.17	1664.30	3061.99	987.75	1748.27	2736.02	5798.01
1979-80	2536.91	395.06	2931.97	965.64	833.18	1798.82	1133.15	3098.98	973.92	1267.59	2241.51	5340.49
1980-81	3158.74	449.26	3608.00	1635.92	1645.18	3281.10	326.90	2536.87	1217.49	1879.97	3097.46	5634.33
1981-82	3537.30	651.24	4188.54	1666.20	1275.63	2941.83	1246.71	3572.74	1319.95	1667.45	2987.40	6560.14
1982-83	4099.23	666.95	4766.18	1642.96	1229.44	2872.40	1893.78	4063.48	1590.67	2268.06	3858.73	7922.21
1983-84	5574.20	784.98	6359.18	2115.83	1347.40	3463.23	2895.95	4884.51	1848.35	2632.78	4481.13	9365.64
1984-85	6679.13	1030.01	7709.14	2926.52	1888.46	4814.98	2894.16	4303.02	1945.99	3015.85	4961.84	9264.86
1985-86	8595.13	808.61	9403.74	3114.09	1506.23	4620.32	4783.42	7124.21	2770.54	3569.48	6340.02	13464.23
1986-87	8128.36	996.87	9125.23	3292.81	1228.58	4521.39	4603.84	7936.15	2919.25	4001.02	6920.27	14856.42
1987-88	9312.88	1043.45	10356.33	3608.99	754.19	4363.18	5993.15	9038.67	3376.95	4988.07	8365.02	17403.69
1988-89	10445.10	1330.95	11776.05	3653.55	829.23	4482.78	7293.27	9769.16	3529.51	5100.50	8630.01	18399.17
1989-90	13883.72	1038.01	14921.73	3775.00	1272.42	5047.42	9874.31	11603.52	3458.87	5014.38	8473.25	20076.77
1990-91	17441.12	1500.54	18941.66	4333.80	1926.26	6260.06	12681.60	12380.50	4795.58	5755.59	10551.17	22931.67
1991-92	18179.87	3310.22	21490.09	5183.39	1408.77	6592.16	14897.93	13230.76	6573.95	6304.22	12878.17	26108.93
1992-93	20648.83	1923.08	22571.91	5429.17	2413.50	7842.67	14729.24	13323.96	7843.04	7330.59	15173.63	28497.59
1993-94	17538.15	2418.77	19956.92	6070.03	2194.36	8264.39	11692.53	9243.85	10239.93	8475.52	18715.45	27959.30
1994-95	26979.04	5226.43	32205.47	6346.81	2216.45	8563.26	23642.21	22166.48	10845.39	11364.82	22210.21	44376.69
1995-96	31424.59	3500.75	34925.34	5853.81	3441.92	9295.73	25629.61	27576.54	8133.57	8539.31	16672.88	44249.42
1996-97	23815.34	5754.25	29569.59	6733.70	3319.98	10053.68	19515.91	14788.08	11693.15	12597.98	24291.13	39079.21
1997-98	39967.36	5491.55	45458.91	8130.34	4587.14	12717.48	32741.43	28120.51	12008.18	14123.48	26131.66	54252.17
1998-99	67631.86	3302.00	70933.86	11852.44	4658.23	16510.67	54423.19	25505.28	13267.02	15253.17	28520.19	54025.47
1999-2000	82840.29	3360.93	86201.22	11882.94	9043.85	20926.79	65274.43	25185.45	16316.45	17166.75	33483.20	58668.65

Source : Various issues of RBI bulletin on States' budget

FINANCING THE AGGREGATE PLAN RESOURCES OF STATES AND SOME FISCAL PARAMETERS

(Rs. crore at current prices)

Year	Receipts on Account of Central Plan/Sponsored Schemes		Overall Plan Resources		Plan Expenditure			Overall Surplus (28 - 31)	Revenue A/C Surplus (12+21+25-29)	Gross Fiscal Deficit (13+22+26-16-32)	Primary Deficit (34-6)
	Revenue	Capital	Total (25 to 26)	Total (27 + 24)	Revenue	Capital	Total (29 to 30)				
	25.	26.	27.	28.	29.	30.	31.	32.	33.	34.	35.
1974-75	186.02	71.75	257.77	2226.55	659.70	1577.55	2237.25	-10.70	394.66	1265.26	726.01
1975-76	244.04	78.28	322.32	3074.10	879.68	1943.16	2822.84	251.26	971.66	1127.47	439.71
1976-77	312.43	68.59	381.02	3903.05	1271.46	2582.32	3853.78	49.27	1096.83	1589.17	831.74
1977-78	439.35	146.13	585.48	4241.23	1385.61	2987.44	4373.05	-131.82	1019.13	2100.18	1277.95
1978-79	726.55	148.74	875.29	6673.30	1976.61	3598.32	5574.93	1098.37	1135.38	2676.56	1723.64
1979-80	649.71	72.78	722.49	6062.98	2041.20	4042.62	6083.82	-20.84	1548.26	2932.48	1990.71
1980-81	842.71	91.35	934.06	6568.39	2784.71	4575.10	7359.81	-791.42	1485.46	4285.56	3060.10
1981-82	919.80	239.98	1159.78	7719.92	3186.45	5152.50	8338.95	-619.03	1379.33	4397.56	2957.14
1982-83	1035.71	116.67	1152.38	9074.59	3908.09	5631.96	9540.05	-465.46	887.99	5306.46	3601.12
1983-84	1487.48	101.09	1588.57	10954.21	5113.87	6273.74	11387.61	-433.40	210.52	6625.64	4662.23
1984-85	2009.51	157.39	2166.90	11431.76	6287.91	6692.63	12980.54	-1548.78	-923.55	8474.63	6008.32
1985-86	2078.51	159.86	2238.37	15702.60	6532.69	7476.59	14009.28	1693.32	657.15	7517.06	4577.09
1986-87	2503.31	176.46	2679.77	17536.19	8656.54	9207.12	17863.66	-327.47	98.33	9340.50	5239.68
1987-88	3162.19	240.81	3403.00	20806.69	10735.10	10420.18	21155.28	-348.59	-1150.44	11281.36	6385.97
1988-89	3964.29	175.96	4140.25	22539.42	11776.67	10367.45	22144.12	395.30	-1806.98	11672.71	5739.62
1989-90	2871.54	177.54	3049.08	23125.85	11741.50	11517.14	23258.64	-132.79	-3681.88	15433.43	8252.08
1990-91	4577.18	149.50	4726.68	27658.35	14380.63	13052.24	27432.87	225.48	-5308.97	18786.93	10134.81
1991-92	5373.29	159.66	5532.95	31641.88	15933.67	15150.84	31084.51	557.37	-5653.60	18902.99	7961.99
1992-93	6552.86	170.41	6723.27	35220.86	18104.68	15286.79	33391.47	1829.39	-5114.06	20891.27	7682.50
1993-94	7781.76	190.43	7972.19	35931.49	19722.06	17007.97	36730.03	-798.54	-4149.05	20932.61	5135.42
1994-95	6584.86	167.55	6752.41	51129.10	22138.39	22375.31	44513.70	6615.40	-6183.87	25549.20	6351.16
1995-96	6884.81	165.47	7050.28	51299.70	25165.80	23284.11	48449.91	2849.79	-8200.49	31425.77	9497.36
1996-97	6203.53	723.37	6926.90	46006.11	29280.73	23765.20	53045.93	-7039.82	-16111.88	37442.81	11873.29
1997-98	6756.23	354.51	7110.74	61362.91	30476.42	28783.59	59260.01	2102.90	-16332.93	44212.11	14110.77
1998-99	7119.07	206.36	7325.43	61350.90	35109.96	29760.67	64870.63	-3519.73	-43641.78	74758.68	38892.68
1999-2000	8204.62	206.94	8411.56	67080.21	38308.13	32012.43	70320.56	-3240.35	-53876.04	91571.39	45271.92

Source: Various issues of RBI bulletin on States' budget

REVENUE PLAN OUTLAY OF STATES - MAJOR SECTOR WISE

(Rs. crore at current prices)

Year	Medical, Family			Housing, Urban & Development			Welfare, Security, Nutritional Programs			Other Social Services			Agricult., Rural Development, Special Area Programs			Industry & Minerals	Irrigation & Flood Control	Energy	Roads & Bridges	Other Economic Services	General Services	Assignment to Local Bodies	Total
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.									
1974-75	75.88	145.60	8.81	72.07	12.62	239.09	23.33	4.99	11.70	28.91	13.64	23.06	0.00	659.70									
1975-76	125.42	173.19	16.64	85.25	43.57	309.34	29.04	6.48	7.10	37.77	20.59	25.29	0.00	879.68									
1976-77	289.78	296.19	15.93	92.58	17.05	392.58	44.10	0.79	7.40	37.13	43.20	34.73	0.00	1271.46									
1977-78	193.79	279.65	15.57	111.22	68.59	506.88	59.57	8.91	9.39	53.02	47.18	31.84	0.00	1385.61									
1978-79	249.36	365.34	45.00	203.51	55.50	746.01	90.19	43.74	11.53	75.50	56.37	34.56	0.00	1976.61									
1979-80	146.91	387.04	39.68	211.05	61.91	912.10	90.91	15.04	20.51	61.53	54.43	40.07	0.02	2041.20									
1980-81	229.78	496.62	26.93	412.65	88.40	1188.19	118.20	12.01	18.39	72.72	64.29	56.53	0.00	2784.71									
1981-82	276.25	629.23	35.98	430.60	73.93	1342.78	142.51	37.15	18.72	63.27	81.06	54.97	0.00	3186.45									
1982-83	393.55	851.62	35.52	487.08	60.36	1643.94	162.87	18.94	30.56	63.83	101.80	58.02	0.00	3908.09									
1983-84	505.74	1147.15	39.08	602.78	76.42	2191.58	196.79	42.07	30.40	88.95	121.48	71.37	0.06	5113.87									
1984-85	638.48	1189.80	47.72	686.25	97.77	2983.76	274.50	26.67	38.59	83.75	152.77	67.85	0.00	6287.91									
1985-86	550.55	1152.79	147.00	752.09	23.69	2970.47	334.35	338.92	28.48	72.72	61.92	96.36	3.35	6532.69									
1986-87	695.94	1637.01	206.74	1037.75	23.81	3679.58	406.96	559.57	45.44	161.79	86.86	115.40	-0.31	8656.54									
1987-88	847.65	1963.64	209.98	1272.24	48.90	4339.36	430.96	760.34	290.65	291.98	98.70	181.53	-0.83	10735.10									
1988-89	1231.74	2094.48	309.15	1367.09	36.51	4856.44	547.80	760.33	87.87	204.38	95.34	184.07	1.47	11776.67									
1989-90	1647.55	2260.66	372.64	1543.02	29.93	4062.93	637.03	513.30	170.65	104.31	169.47	227.52	2.49	11741.50									
1990-91	1304.99	2299.48	377.49	1531.48	31.33	6228.11	676.89	612.25	515.91	139.46	424.83	237.91	0.50	14380.63									
1991-92	1462.00	2731.00	429.00	1700.00	36.00	6670.00	713.00	629.00	562.00	196.00	505.00	300.67	0.00	15933.67									
1992-93	1659.85	2712.53	449.78	1877.96	35.72	7956.78	756.72	780.69	956.66	171.20	443.25	301.35	2.19	18104.68									
1993-94	2110.07	3275.33	556.81	2239.70	64.69	8576.15	825.38	786.19	209.82	217.22	463.40	388.64	8.66	19722.06									
1994-95	2845.96	3850.18	694.09	2912.48	188.28	8168.84	1070.21	1014.64	135.78	270.55	573.63	421.71	-7.96	22138.39									
1995-96	3466.14	4394.46	1080.62	3455.74	355.19	8453.69	1312.62	977.86	234.47	365.57	586.71	406.02	76.71	25165.80									
1996-97	4228.98	5075.01	1481.46	3873.51	490.37	9833.76	1476.03	1034.25	287.06	359.32	550.32	421.21	169.45	29280.73									
1997-98	4568.97	5920.79	1794.50	4040.58	323.15	9831.40	1173.24	1036.19	177.25	340.87	721.78	344.43	203.27	30476.42									
1998-99	5224.44	6664.35	2297.70	4476.14	331.75	11251.24	1234.71	1332.21	217.76	442.03	829.86	599.04	208.73	35109.96									
1999-00	6247.12	6892.77	2313.38	4896.69	145.08	12483.20	1143.64	1424.92	184.91	565.48	974.88	672.79	363.27	38308.13									

Source : Various issues of RBI bulletin on States' budget

CAPITAL PLAN OUTLAY OF STATES - MAJOR SECTOR WISE

(Rs. crore at current prices)

Year	Medical, Family			Housing & Urban Development			Welfare, Security, Nutritional Programs			Other Social Services			Agricult., Rural Development, Special Area Programs			Industry & Minerals			Irrigation & Flood Control			Energy			Roads & Bridges			Other Economic Services			General Services			Assignment to Local Bodies			Total																																																														
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.	29.	30.	31.	32.	33.	34.	35.	36.	37.	38.	39.	40.	41.	42.	43.	44.	45.	46.	47.	48.	49.	50.	51.	52.	53.	54.	55.	56.	57.	58.	59.	60.	61.	62.	63.	64.	65.	66.	67.	68.	69.	70.	71.	72.	73.	74.	75.	76.	77.	78.	79.	80.	81.	82.	83.	84.	85.	86.	87.	88.	89.	90.	91.	92.	93.	94.	95.	96.	97.	98.	99.
1974-75	10.61	57.87	19.16	69.45	11.89	249.28	70.17	432.13	443.05	108.40	89.66	15.88	0.00	1577.55																																																																																					
1975-76	14.40	72.18	21.87	69.66	18.82	258.41	93.81	549.10	605.17	139.69	83.27	16.78	0.00	1943.16																																																																																					
1976-77	16.43	87.25	28.88	126.82	27.06	405.29	131.16	745.17	720.76	153.19	113.47	26.84	0.00	2582.32																																																																																					
1977-78	16.09	99.69	34.21	141.73	27.05	378.52	106.97	947.97	873.98	188.93	135.25	37.05	0.00	2987.44																																																																																					
1978-79	22.81	113.18	36.63	168.89	25.15	427.67	126.81	1107.55	1052.89	267.77	210.22	38.75	0.00	3598.32																																																																																					
1979-80	27.84	162.66	37.70	185.08	21.31	502.69	146.65	1249.24	1116.62	321.92	219.99	50.92	0.00	4042.62																																																																																					
1980-81	30.17	212.64	46.88	252.95	27.61	586.83	170.57	1386.10	1151.94	396.47	257.50	55.44	0.00	4575.10																																																																																					
1981-82	39.38	253.56	55.60	277.99	27.23	624.81	261.20	1559.03	1246.49	438.06	287.85	81.30	0.00	5152.50																																																																																					
1982-83	41.21	313.26	60.21	289.11	30.54	731.82	243.52	1693.18	1380.04	455.38	321.09	72.60	0.00	5631.96																																																																																					
1983-84	41.99	408.48	74.21	301.05	19.90	852.59	297.27	1824.31	1575.11	468.94	333.56	76.33	0.00	6273.74																																																																																					
1984-85	52.38	407.13	77.07	339.12	37.91	897.52	338.67	1992.40	1514.05	536.73	405.65	94.00	0.00	6692.63																																																																																					
1985-86	87.96	438.86	221.23	84.31	251.07	586.59	423.20	2486.35	1772.99	627.70	365.28	131.05	0.00	7476.59																																																																																					
1986-87	119.26	507.19	374.29	95.31	346.57	759.28	554.21	2648.74	2343.89	736.85	478.10	243.43	0.00	9207.12																																																																																					
1987-88	126.99	563.21	406.24	80.89	363.91	680.49	772.19	2963.36	2400.87	773.98	472.99	815.06	0.00	10420.18																																																																																					
1988-89	166.21	588.62	386.21	85.44	320.88	796.14	563.73	3229.39	2417.81	822.63	475.18	515.21	0.00	10367.45																																																																																					
1989-90	258.22	507.29	429.60	89.48	277.09	840.05	748.24	3225.62	3225.85	927.58	475.13	512.99	0.00	11517.14																																																																																					
1990-91	281.84	562.83	423.57	140.69	350.65	931.57	680.81	3565.44	3761.07	1046.19	867.77	439.81	0.00	13052.24																																																																																					
1991-92	275.37	748.49	523.84	184.67	475.37	1108.58	746.80	3720.80	5322.55	1082.30	548.26	413.81	0.00	15150.84																																																																																					
1992-93	299.96	789.61	439.70	199.40	469.01	1236.90	747.00	4082.84	4854.13	1223.66	658.91	285.67	0.00	15286.79																																																																																					
1993-94	312.52	918.05	540.06	184.56	524.16	1208.30	836.82	4767.04	4748.38	1640.74	752.25	575.09	0.00	17007.97																																																																																					
1994-95	383.67	1159.74	550.21	257.27	903.20	1387.32	759.81	5691.09	7993.54	2133.56	586.44	569.46	0.00	22375.31																																																																																					
1995-96	467.83	1252.69	673.10	241.30	1049.40	1706.55	672.58	6389.15	6911.71	2479.69	883.44	556.67	0.00	23284.11																																																																																					
1996-97	506.82	1415.61	1200.83	429.14	945.23	2104.13	918.94	6688.26	4907.95	2911.45	1091.31	665.53	0.00	23765.20																																																																																					
1997-98	542.21	1669.27	827.25	497.57	1049.96	1928.87	842.89	7851.86	7987.15	2950.23	1757.74	878.60	0.00	28783.60																																																																																					
1998-99	633.59	2206.81	925.75	556.90	1025.13	2213.35	851.39	7900.09	7273.67	4183.69	1253.02	737.27	0.00	29760.66																																																																																					
1999-00	420.53	2553.47	1144.72	599.19	1030.68	2465.65	852.23	8958.60	7082.77	4730.13	1144.23	1030.23	0.00	32012.43																																																																																					

Source : Various issues of RBI bulletin on States' budget

TOTAL PLAN OUTLAY OF STATES - MAJOR SECTOR WISE

(Rs. crore at current prices)

Year	Medical, Family				Agricult., Rural				Roads & Bridges	Other Economic Services	General Services	Assignment to Local Bodies	Total	
	Education Sports Art & Culture	Planning, Public Health & Water Supply	Housing & Urban Development	Welfare, Security, Nutritional Programs	Other Social Services	Development, Special Area Programs	Industry & Minerals	Irrigation & Flood Control						Energy
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
1974-75	86.49	203.47	27.97	141.52	24.51	488.37	93.50	437.12	454.75	137.31	103.30	38.94	0.00	2237.25
1975-76	139.82	245.37	38.51	154.91	62.39	567.75	122.85	555.58	612.27	177.46	103.86	42.07	0.00	2822.84
1976-77	306.21	383.44	44.81	219.40	44.11	797.87	175.26	745.96	728.16	190.32	156.67	61.57	0.00	3853.78
1977-78	209.88	379.34	49.78	252.95	95.64	885.40	166.54	956.88	883.37	241.95	182.43	68.89	0.00	4373.05
1978-79	272.17	478.52	81.63	372.40	80.65	1173.68	217.00	1151.29	1064.42	343.27	266.59	73.31	0.00	5574.93
1979-80	174.75	549.70	77.38	396.13	83.22	1414.79	237.56	1264.28	1137.13	383.45	274.42	90.99	0.02	6083.82
1980-81	259.95	709.26	73.81	665.60	116.01	1775.02	288.77	1398.11	1170.33	469.19	321.79	111.97	0.00	7359.81
1981-82	315.63	882.79	91.58	708.59	101.16	1967.59	403.71	1596.18	1265.21	501.33	368.91	136.27	0.00	8338.95
1982-83	434.76	1164.88	95.73	776.19	90.90	2375.76	406.39	1712.12	1410.60	519.21	422.89	130.62	0.00	9540.05
1983-84	547.73	1555.63	113.29	903.83	96.32	3044.17	494.06	1866.38	1605.51	557.89	455.04	147.70	0.06	11387.61
1984-85	690.86	1596.93	124.79	1025.37	135.68	3881.28	613.17	2019.07	1552.64	620.48	558.42	161.85	0.00	12980.54
1985-86	638.51	1591.65	368.23	836.40	274.76	3557.06	757.55	2825.27	1801.47	700.42	427.20	227.41	3.35	14009.28
1986-87	815.20	2144.20	581.03	1133.06	370.38	4438.86	961.17	3208.31	2389.33	898.64	564.96	358.83	-0.31	17863.66
1987-88	974.64	2526.85	616.22	1353.13	412.81	5019.85	1203.15	3723.70	2691.52	1065.96	571.69	996.59	-0.83	21155.28
1988-89	1397.95	2683.10	695.36	1452.53	357.39	5652.58	1111.53	3989.72	2505.68	1027.01	570.52	699.28	1.47	22144.12
1989-90	1905.77	2767.95	802.24	1632.50	307.02	4902.98	1385.27	3738.92	3396.50	1031.89	644.60	740.51	2.49	23258.64
1990-91	1586.83	2862.31	801.06	1672.17	381.98	7159.68	1357.70	4177.69	4276.98	1185.65	1292.60	677.72	0.50	27432.87
1991-92	1737.37	3479.49	952.84	1884.67	511.37	7778.58	1459.80	4349.80	5884.55	1278.30	1053.26	714.48	0.00	31084.51
1992-93	1959.81	3502.14	889.48	2077.36	504.73	9193.68	1503.72	4863.53	5810.79	1394.86	1102.16	587.02	2.19	33391.47
1993-94	2422.59	4193.38	1096.87	2424.26	588.85	9784.45	1662.20	5553.23	4958.20	1857.96	1215.65	963.73	8.66	36730.03
1994-95	3229.63	5009.92	1244.30	3169.75	1091.48	9556.16	1830.02	6705.73	8129.32	2404.11	1160.07	991.17	-7.96	44513.70
1995-96	3933.97	5647.15	1753.72	3697.04	1404.59	10160.24	1985.20	7367.01	7146.18	2845.26	1470.15	962.69	76.71	48449.91
1996-97	4735.80	6490.62	2682.29	4302.65	1435.60	11937.89	2394.97	7702.51	5195.01	3270.77	1641.63	1086.74	169.45	53045.93
1997-98	5111.18	7590.06	2621.75	4538.15	1373.11	11760.27	2016.13	8888.05	8164.40	3291.10	2479.52	1223.03	203.27	59260.02
1998-99	5858.03	8871.16	3223.45	5033.04	1356.88	13464.59	2086.10	9232.30	7491.43	4625.72	2082.88	1336.31	208.73	64870.62
1999-00	6667.65	9446.24	3458.10	5495.88	1175.76	14948.85	1995.87	10383.52	7267.68	5295.61	2119.11	1703.02	363.27	70320.56

Source : Various issues of RBI bulletin on States' budget

TOTAL REVENUE OUTLAY OF STATES - MAJOR SECTOR WISE

(Rs. crore at current prices)

Year	Medical, Family			Agricult., Rural			Roads & Bridges	Energy	Other Economic Services	General Services	Assignment to Local Bodies	Total		
	Education Sports Art & Culture	Planning, Public Health & Water Supply	Public Health & Nutrition Programs	Housing & Urban Development	Welfare, Security, Nutritional Programs	Other Social Services							Development, Special Area Programs	Industry & Minerals
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.
1974-75	1393.50	565.11	34.26	262.30	169.82	887.83	91.00	254.96	64.08	209.48	170.21	1862.37	71.93	6036.85
1975-76	1619.54	648.24	46.34	295.14	188.88	1058.61	98.30	276.13	66.69	221.60	189.77	2183.23	74.03	6966.50
1976-77	1782.49	808.68	53.52	326.06	167.49	1208.18	122.39	315.91	77.16	282.55	224.85	2478.32	92.59	7940.19
1977-78	2031.81	833.91	67.26	370.78	241.51	1402.70	140.36	374.54	101.10	312.67	249.91	2682.06	102.83	8911.44
1978-79	2297.96	985.92	91.99	508.81	233.59	1802.69	181.48	472.55	142.62	378.93	281.23	3003.05	130.50	10511.32
1979-80	2575.64	1171.61	94.08	635.81	387.82	2106.84	197.78	487.30	182.72	435.00	326.60	3303.40	176.45	12081.05
1980-81	3117.56	1390.45	85.13	916.99	446.89	2570.17	237.19	588.59	344.13	517.00	300.64	4088.14	204.93	14807.81
1981-82	3605.26	1683.92	89.51	1105.22	414.46	2961.50	278.32	709.96	290.47	587.86	375.91	4760.68	212.17	17075.24
1982-83	4358.12	2011.59	118.07	1282.33	714.81	3419.88	306.99	746.74	360.16	618.33	424.01	5629.30	247.10	20237.43
1983-84	5019.69	2429.94	132.42	1564.93	665.14	4309.71	406.90	894.60	341.64	672.20	504.07	6558.28	303.77	23803.29
1984-85	5848.88	2768.39	152.42	1719.20	883.43	5319.27	471.70	1036.28	419.65	723.16	640.19	8009.33	357.10	28349.00
1985-86	6840.20	3226.36	415.94	2019.83	864.04	5467.61	588.06	1889.81	226.69	834.43	703.19	9293.92	399.60	32769.68
1986-87	7755.36	3731.26	551.30	2399.68	759.90	6350.47	666.70	2408.29	404.00	1091.19	824.24	10747.86	441.68	38131.93
1987-88	9010.42	4374.89	549.54	2777.30	993.43	7352.81	732.65	2775.02	914.46	1299.35	1039.74	12840.58	490.64	45150.83
1988-89	10942.59	4871.70	725.26	2996.40	1038.15	8227.76	868.86	3318.96	773.74	1376.07	1097.30	15436.41	554.63	52227.83
1989-90	13571.02	5440.51	856.62	3398.43	750.29	8009.77	1217.42	3394.32	1092.47	1513.29	1536.44	18833.09	602.99	60216.66
1990-91	15527.71	6224.06	994.89	4141.06	1074.57	11299.37	1165.30	3456.20	988.50	1848.65	2134.40	22136.99	784.05	71775.75
1991-92	17076.00	6899.00	1161.00	4649.00	1306.00	12680.00	1272.00	4141.00	5030.00	2218.00	2076.00	26665.30	1016.00	86189.30
1992-93	19261.11	7756.53	1172.77	5147.17	1227.49	15192.35	1356.18	4867.89	2615.27	2465.76	2402.01	31505.94	1234.72	96205.19
1993-94	21593.53	9093.80	1312.04	5698.51	1262.73	16658.00	1418.20	5428.10	3167.87	2773.94	2431.50	37366.71	1171.26	109376.19
1994-95	25076.71	10377.43	1566.77	6682.58	1266.33	16593.07	1704.99	6382.73	2989.22	3210.31	3144.23	48171.10	1302.11	128467.58
1995-96	28911.22	11619.35	2010.65	8720.54	2344.83	17077.75	1960.06	7146.76	3183.26	3506.18	2795.11	54197.43	1530.73	145003.87
1996-97	33064.31	13097.66	2500.39	9283.56	2381.65	19056.06	2155.48	7978.73	9552.44	3913.77	3169.97	60863.92	1930.32	168948.26
1997-98	37159.95	15287.06	2938.52	10485.75	2440.37	20824.80	1988.97	8650.78	6162.26	4311.68	3535.21	69891.39	2956.97	186633.71
1998-99	45648.83	17961.29	3659.14	12031.77	2719.77	24859.23	2175.68	9894.43	5619.51	3910.50	3377.54	84701.21	3530.62	220089.52
1999-00	55929.80	19706.01	4083.98	13150.03	3268.15	27271.04	2141.58	10418.00	6792.95	4462.07	4091.11	105143.99	4539.48	260998.19

Source : Various issues of RBI bulletin on States' budget

TOTAL CAPITAL OUTLAY OF STATES - MAJOR SECTOR WISE

(Rs. crore at current prices)

Year	Medical, Family				Agricult., Rural						Roads & Bridges	Other Economic Services	General Services	Assignment to Local Bodies	Total
	Education Sports Art & Culture	Planning, Public Health & Water Supply	Housing & Urban Development	Welfare, Security, Nutritional Programs	Other Social Services	Development, Special Area Programs	Industry & Minerals	Irrigation & Flood Control	Energy						
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	
1974-75	11.11	63.38	25.83	106.76	17.49	379.65	76.51	448.47	454.32	110.70	147.57	734.91	0.00	2576.70	
1975-76	15.11	74.27	25.03	119.60	25.48	518.04	98.08	569.10	645.29	145.51	127.68	950.98	0.00	3314.17	
1976-77	17.94	87.97	35.49	193.44	32.84	474.54	124.35	771.21	780.11	162.85	184.42	1035.71	0.00	3900.87	
1977-78	16.31	103.42	36.67	196.79	32.75	397.55	117.46	969.09	924.78	200.33	226.18	1127.63	0.00	4348.96	
1978-79	23.44	118.33	40.99	236.12	22.31	605.48	136.05	1134.53	1131.05	275.67	294.93	1159.58	0.00	5178.48	
1979-80	27.83	166.08	44.54	283.17	19.06	846.31	157.70	1276.75	1209.55	329.74	287.55	1193.16	0.00	5841.44	
1980-81	30.58	217.66	49.68	320.63	25.26	1029.17	197.79	1413.18	1349.80	406.75	405.59	2410.11	0.00	7856.20	
1981-82	40.33	265.34	68.65	360.46	23.27	864.54	280.22	1592.59	1455.76	455.04	451.02	2237.11	0.00	8094.33	
1982-83	42.02	317.60	73.66	373.31	60.35	918.63	263.88	1700.43	1607.75	462.58	468.03	2216.12	0.00	8504.36	
1983-84	42.19	413.29	115.61	384.54	20.54	1080.48	312.84	1864.44	1763.45	494.02	539.28	2706.29	0.00	9736.97	
1984-85	52.67	412.38	92.48	450.93	37.69	1404.04	362.02	2050.24	2000.43	549.69	562.94	3532.10	0.00	11507.61	
1985-86	88.09	448.44	255.54	87.26	294.55	1024.79	466.03	2598.25	2043.10	633.20	717.11	3440.55	0.00	12096.91	
1986-87	120.16	527.92	429.48	103.09	408.13	983.15	598.06	2711.09	2631.35	768.36	679.39	3768.33	0.00	13728.51	
1987-88	129.05	588.40	460.10	102.33	423.10	1024.66	790.09	2966.11	2817.91	777.24	614.39	4089.98	0.00	14783.36	
1988-89	167.55	608.48	456.06	106.09	397.71	945.31	592.54	3265.53	2650.43	818.66	738.44	4103.43	0.00	14850.23	
1989-90	264.29	521.59	502.62	103.14	365.13	1378.76	789.32	3291.03	3437.33	934.96	781.41	4194.98	0.00	16564.56	
1990-91	283.53	591.04	529.14	146.51	447.64	1413.27	807.56	3656.48	4590.06	1086.94	962.99	4797.14	0.00	19312.30	
1991-92	277.99	775.05	725.21	201.15	611.64	1145.30	793.19	3851.83	5724.52	1141.56	831.07	5664.49	0.00	21743.00	
1992-93	302.06	812.30	697.78	214.32	740.27	1711.13	822.48	4293.17	5318.44	1254.82	935.67	6027.02	0.00	23129.46	
1993-94	314.45	957.81	878.57	192.17	675.49	1588.58	941.29	4967.95	5253.59	1647.12	1132.38	6722.96	0.00	25272.36	
1994-95	396.90	1217.71	945.54	235.61	1174.66	1853.11	1067.74	5862.12	9681.75	2171.83	1103.40	7403.54	0.00	33113.91	
1995-96	474.90	1264.40	1063.30	247.18	1179.02	2385.85	928.98	6645.77	7540.13	2517.69	1296.39	7036.23	0.00	32579.84	
1996-97	513.62	1424.49	1681.49	438.72	1073.28	1837.56	1071.86	6960.60	6216.40	2930.92	1704.81	7965.13	0.00	33818.88	
1997-98	555.14	1676.94	1301.01	502.13	1173.95	2612.24	1016.42	8311.11	8930.19	2975.26	2428.64	10018.04	0.00	41501.07	
1998-99	661.14	2260.16	1445.94	579.08	1124.57	3284.44	1005.10	8505.51	7712.29	4212.30	1855.22	13625.58	0.00	46271.33	
1999-00	420.32	2581.72	2107.33	583.26	1150.77	4514.88	911.26	9849.51	7279.61	4754.27	1829.32	16908.36	0.00	52890.61	

Source: Various issues of RBI bulletin on States' finances

TOTAL OUTLAY OF STATES - MAJOR SECTOR WISE (ACTUALS)

(Rs. crore at current prices)

Year	Medical, Family			Agricult., Rural			Industry & Minerals			Irrigation & Flood Control	Energy	Roads & Bridges	Other Economic Services	General Services	Assignment to Local Bodies	Total
	Education Sports Art & Culture	Planning, Public Health & Water Supply	Housing & Urban Development	Welfare, Security, Nutritional Programs	Other Social Services	Development, Special Area Programs	Industry & Minerals	Industry & Minerals	Industry & Minerals							
	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.		
1974-75	1404.61	628.49	60.09	369.06	187.31	1267.48	167.51	703.43	518.40	320.18	317.78	2597.28	71.93	8613.55		
1975-76	1634.65	722.51	71.37	414.74	214.36	1576.65	196.38	845.23	711.98	367.11	317.45	3134.21	74.03	10280.67		
1976-77	1800.43	896.65	89.01	519.50	200.33	1682.72	246.74	1087.12	857.27	445.40	409.27	3514.03	92.59	11841.06		
1977-78	2048.12	937.33	103.93	567.57	274.26	1800.25	257.82	1343.63	1025.88	513.00	476.09	3809.69	102.83	13260.40		
1978-79	2321.40	1104.25	132.98	744.93	255.90	2408.17	317.53	1607.08	1273.67	654.60	576.16	4162.63	130.50	15689.80		
1979-80	2603.47	1337.69	138.62	918.98	406.88	2953.15	355.48	1764.05	1392.27	764.74	614.15	4496.56	176.45	17922.49		
1980-81	3148.14	1608.11	134.81	1237.62	472.15	3599.34	434.98	2001.77	1693.93	923.75	706.23	6498.25	204.93	22664.01		
1981-82	3645.59	1949.26	158.16	1465.68	437.73	3826.04	558.54	2302.55	1746.23	1042.90	826.93	6997.79	212.17	25169.57		
1982-83	4400.14	2329.19	191.73	1655.64	775.16	4338.51	570.87	2447.17	1967.91	1080.91	892.04	7845.42	247.10	28741.79		
1983-84	5061.88	2843.23	248.03	1949.47	685.68	5390.19	719.74	2759.04	2105.09	1166.22	1043.35	9264.57	303.77	33540.26		
1984-85	5901.55	3180.77	244.90	2170.13	921.12	6723.31	833.72	3086.52	2420.08	1272.85	1203.13	11541.43	357.10	39856.61		
1985-86	6928.29	3674.80	671.48	2107.09	1158.59	6492.40	1054.09	4488.06	2269.79	1467.63	1420.30	12734.47	399.60	44866.59		
1986-87	7875.52	4259.18	980.78	2502.77	1168.03	7333.62	1264.76	5119.38	3035.35	1859.55	1503.63	14516.19	441.68	51860.44		
1987-88	9139.47	4963.29	1009.64	2879.63	1416.53	8377.47	1522.74	5741.13	3732.37	2076.59	1654.13	16930.56	490.64	59934.19		
1988-89	11110.14	5480.18	1181.32	3102.49	1435.86	9173.07	1461.40	6584.49	3424.17	2194.73	1835.74	19539.84	554.63	67078.06		
1989-90	13835.31	5962.10	1359.24	3501.57	1115.42	9388.53	2006.74	6685.35	4529.80	2448.25	2317.85	23028.07	602.99	76781.22		
1990-91	15811.24	6815.10	1524.03	4287.57	1522.21	12712.64	1972.86	7112.68	5578.56	2935.59	3097.39	26934.13	784.05	91088.05		
1991-92	17353.99	7674.05	1886.21	4850.15	1917.64	13825.30	2065.19	7992.83	10754.52	3359.56	2907.07	32329.79	1016.00	107932.30		
1992-93	19563.17	8568.83	1870.55	5361.49	1967.76	16903.48	2178.66	9161.06	7933.71	3720.58	3337.68	37532.96	1234.72	119334.65		
1993-94	21907.98	10051.61	2190.61	5890.68	1938.22	18246.58	2359.49	10396.05	8421.46	4421.06	3563.88	44089.67	1171.26	134648.55		
1994-95	25473.61	11595.14	2512.31	6918.19	2440.99	18446.18	2772.73	12244.85	12670.97	5382.14	4247.63	55574.64	1302.11	161581.49		
1995-96	29386.12	12883.75	3073.95	8967.72	3523.85	19463.60	2889.04	13792.53	10723.39	6023.87	4091.50	61233.66	1530.73	177583.71		
1996-97	33577.93	14522.15	4181.88	9722.28	3454.93	20893.62	3227.34	14939.33	15768.84	6844.69	4874.78	68829.05	1930.32	202767.14		
1997-98	37715.09	16964.00	4239.53	10987.88	3614.32	23437.04	3005.39	16961.89	15092.45	7286.94	5963.85	79909.43	2956.97	228134.78		
1998-99	46309.97	20221.45	5105.08	12610.85	3844.34	28143.67	3180.78	18399.94	13331.80	8122.80	5232.76	98326.79	3530.62	266360.85		
1999-00	56350.12	22287.73	6191.31	13733.29	4418.92	31785.92	3052.84	20287.51	14072.56	9216.34	5920.43	122052.35	4539.48	313888.80		

Source : Various issues of RBI bulletin on States' budget