

**A STUDY ON  
MANAGEMENT OF PUBLIC EXPENDITURE  
BY STATE GOVERNMENTS IN INDIA**

**PREPARED FOR  
PLANNING COMMISSION , GOVERNMENT OF INDIA  
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## EXECUTIVE SUMMARY

### CHAPTER-I NATIONAL SETTING (Pgs 6-16)

Study of Management of Public Expenditure by State Governments in India is highly relevant as

- The Indian Economy is in a decelerating mode according to the Planning Commission (Approach Paper 10<sup>th</sup> FYP) marked by deterioration of the fiscal situation– with high fiscal and revenue deficits at both Centre and the States especially in the 1990's
- Economic Survey (2000-01) of the Ministry of Finance, recognises gaps in the reform process including the long term prospects of the economy and recommends credible medium term programme of fiscal improvement.
- International Monetary Fund's Report (April 2000) categorises India among the fastest growing economies of the world needing deft handling of monetary policy to combat the challenge of fiscal deficit.
- Approaches to Public Expenditure Management during the Eighth Plan have been, directed towards reducing budgetary deficits and have concentrated on compression of public investment affecting development investments (Mid Term Appraisal of the Ninth FYP)
- There is need for appreciation of the fact that the character of expenditure, rather than the size of the deficit is more important and that the composition of the budget and direction of expenditure influence the growth of GDP and that the level and patterns of expenditure as well as the means through which resources are raised directly affect the income and expenditure streams.
- Analysis of the patterns and composition of expenditure at the Centre and States reveal that
  - (a) While development expenditure at the Centre increased in absolute terms from Rs.13,327 crores in 1980-81 to Rs. 1,34,637 crores in 2000-2001, it registered a decrease from 9.3% of GDP in 1980-81 to 6.2 percent of GDP in 2000-01 (BE).
  - (b) Non Development Expenditure, on the other hand has increased both in absolute terms as also in terms of proportion of GDP. At the centre it has increased from Rs. 9867 crores (6.9% of GDP) in 1980-81 steadily to Rs. 213580 crores (9.8% of GDP) in 2000-01 (BE).
  - (c) At the state development expenditure increased from Rs . 15961 crores in 1980-81 to Rs.208333 crores in 2000-2001 registering however a decline in GDP terms from 11.1 % to

9.6 % during the same period Non development Expenditure has increased from Rs. 4289 crores (3.0% of GDP) in 1980-81 to Rs. 125484 crores (5.8% of GDP) in 2000-01 (BE) without any fluctuations in the intervening years.

(d) **Plan expenditure** at the Centre while increasing in absolute terms from Rs. 28,401 crores to Rs. 88,100 crores , has shown a decrease viewed as a proportion of total expenditure, from 5.8 percent in 1989-90 to 4.0 percent in 2000-01 (BE).

(e) At the State level, it increased in absolute terms from Rs. 23012 crores to Rs. 89074 crores but , as a percentage of its total expenditure, decreased from 4.7 percent to 4.1 percent in the period form 1989-90 to 2000-01 (BE)

(f) **Non Plan Expenditure**, at the Centre increased from Rs. 64505 crores in 1989-90 to Rs. 250387 crores in 2000-2001 but as a proportion of total expenditure, recorded a decrease from 13.17 percent to 11.5 percent during the same period. At the state levels, however, non-plan expenditure increased both in absolute numbers as also as a proportion of its total expenditure during the same period i.e. from Rs. 53798 crores (11.1 percent) to Rs. 261693 crores (12 percent) .

(g) As for the relative shares of Centre and States in Plan Expenditure one can see that, while the share of centre increased from 36.02 percent in the First Five Year Plan to 56.93 percent in the Ninth Plan outlays, the share of states came down from 63.52 percent to 43.07 percent during the same period.

- Analysis of transactions on revenue and capital accounts, at the centre reveals that, revenue surplus covered to a significant extent the capital deficit till the eighties but the trend reversed in the nineties with the emergence of capital surpluses and revenue deficits, reduction in capital expenditure and increasing borrowings and debt liabilities in the latter years.

- Reviewing the Receipts at the centre, it is noted that

(a) Gross tax revenues have over the last two decades been slightly less the ten percent of the GDP except in the later part of the 80's and early 90's.

(b) The share of direct taxes in total Revenue have come down from 21.91 percent in 1980-85 to 18.76 percent in 1985-90 before increasing to 29.18 percent during 1995-99, the later day increase being attributed to widening of the tax base.

(c) The indirect taxes accounting for 79% in the eighties decreased steeply as proportion of total revenue accounting for 66.29 percent during 1995-99, mainly on account of progressive extension of MODVAT to the entire industry sector, and non taxation of the services sectors, and cut in customs duties.

The Non Tax Revenue, viewed as a proportion of total Revenue, increased steadily from 22.55 percent in the eighties to 27.62 percent in the nineties. But as proportion of GDP, it ranged between 2.13 and 2.7 percent of GDP during the two decades.

- Capital receipts of Centre , fluctuated between 6.2 to 7.3 percent of GDP during the two decades.

(a) Internal debt, a major category, accounted for 31.43 percent of total Capital Receipts during 1980-85, declined to 25.37 percent in 1985-90, before increasing to 26.39 percent in 1995, further steeply increasing to 43.99 percent in 1999.

(b) The share of recovery of loans in Capital Receipts was 21.46 % between 1980-85 15.79 % in 1985-90 ,13.64 % in 1990-95 and 10.35 percent in 1995-99.

(c) Small savings and provident funds increased from 14.62 percent in 1980-85 to 28.04 percent in 1995-99

- The fiscal scenario at the Centre for the nineties indicate that

While the total expenditure increased in absolute terms, but declined as a proportion of GDP, the rising tide of expenditure could not be adequately met by the Revenue Receipts (Tax & Non Tax) and Capital Receipts (Loans recovery and disinvestments) put together resulting in an increase in Centre's borrowing at high costs and consequent steep rise on interest payments reflected in the mounting non-plan expenditure. This effectively reduced the share of plan expenditure affecting public investment and capital formation. An important consequence of these has been the declining proportions of devolution and transfer of resources to the states.

## **CHAPTER- II FINANCES OF THE STATES (Pgs 17-27)**

- A perspective view of the State's Finances reveal enormous increase in transactions on both the Revenue and Capital Accounts .

(a) The total receipts on Revenue Account increased from Rs. 296.4 crores in 1951-52 to Rs. 64842 crores in 1990-91, and Rs. 214810 crores in 1999-2000 .Revenue expenditure increased from Rs. 392.6 crores in 1951-52 to Rs. 70993 crores in 1990-91 and Rs.271611 in 1999-2000.

(b) The Capital Receipts increased from 164.64 crores in 1951-52 to Rs. 21868 crores in 1990-91 and Rs. 101612 crores in 1999-2000 and capital expenditure during the same period increased from Rs. 189.47 crores in 1951-52 to Rs. 18025 crores.in 1999-91 and Rs.54023 crores in 1999-2000.

- State Budgets recorded more revenue surpluses than deficits during the first six five year plans and deficits if any during this period was relatively small, but from the mid eighties

onwards, the revenue deficits became regular feature of the State Budgets increasing from Rs. 4582.4 crores in 1989-90 to Rs. 56801 crores 1999-2000.

- Capital Account depicted fluctuations between small surpluses and deficits uptill the fourth plan period but from the mid-eighties, the capital account started recording increasing surpluses.
- This trend of revenue deficits and capital surpluses continued in the nineties. The Revenue deficit increased from Rs. 5651 crores in 1991-92 to Rs. 56, 801 by 1999-00(RE). and capital surplus increased from Rs. 5495 crores in 1991-92 to Rs. 47589 crores in 1999-00(RE). With the revenue deficit increasing as a much faster pace than capital surpluses, overall deficit also increased.
- During the nineties, Gross Fiscal Deficit increased from 3.30 percent of GDP in 1990-91 to 4.13 percent of GDP in 2000-01 (BE). The primary deficit decreased first, from 1.78 percent in 90-91 to 0.93 in 97-98 and then increased to 2.52 percent of GDP in 1999-00(RE) and on the other hand, Revenue Deficit increased steadily from 0.93 percent of GDP in 1990-91 to 2.91 percent of GDP in 1999-00(RE)
- The Tenth Finance Commission also noted that an increasing part of Capital Receipts was used for financing revenue deficits leading to growth of public debt and interest burdens . With further expansion of Revenue expenditure and spiraling deficits, the GFD of the States increased from Rs. 3713 crores in 1980-81 to Rs. 18787 crores. In 1990-91 and to Rs. 56802 crores in 1999-2000 (RE)
- While the emerging picture of state finances as seen from the main fiscal indicators ,showed weaknesses in the late eighties , culminating in signs of stress in the nineties but as pointed in the RBI study the key deficit indicators, like revenue deficit, GFD etc. while serving as useful information variables do not depict a vital aspect of the States resource gap in the context of inter institutional transactions and constitutional restraints on the borrowing powers of the State contributing to the ‘artificial’ stagnancy of GFD.
- In the financing of GFD of the states , loans from the Centre, market loans and small savings and other (including PR fund etc) increased significantly from the eighties to the nineties . Loans from the centre increased from Rs. 1567 crores in 1980-81 to Rs. 9978 crores in 1990-91 and to Rs. 39879 crores in 1999-2000 (RE) Market Borrowing (net) increased from Rs. 198 crores in 1980-81 to Rs. 2556 crores in 1990-91 and to Rs. 11829 crores in 1999-2000 (RE). Small savings and others increased from Rs. 1948 crores in 1980-81 to Rs. 6253 crores in 1990-91 and further to Rs. 43031 crores in 1999-2000 (RE).

Consequently, the total out standing liabilities of the States increased from Rs. 23959 crores in 1980-81 to Rs. 110289 crores in 1990-91 and further to Rs. 41852 crores in 1999-2000



(RE) and Gross interest payments increased from Rs. 1225 crores in 1980-81 to Rs. 8655 crores in 1990-91 and further to Rs. 45526 crores in 1999-2000 (RE)

Expenditure on Administrative Services increased from Rs. 1562 in 1980-81 to Rs. 7018 in 1990-91 and further to Rs. 24424 crores in 1999-2000 (RE) and pensions increased from Rs. 375 crores in 1980-81 to Rs. 3593 crores in 1990-91 and further Rs. 24750 crores in 1999-2000 (RE). The constricting nature of non-plan expenditure, reduced the availability of resources for investment and also maintenance expenditure leading to a structural weakness in the state finances. Eight state governments show a persistent and growing revenue deficit.

Bihar (Since 89-90), Kerala (Since 83-84) , Maharashtra (Since 88-89), Orissa (Since 84-85) , Punjab and Tamil Nadu (Since 87-88) , West Bengal (Since 86-87) , Uttar Pradesh (Since 88-89)

- Tenth Finance Commission reported that
  - (a) All the States had almost identical ‘turning points’ on their financial deterioration
  - (b) This was indicative of ‘Systemic’ factors, rather than ‘State Specific’ factors.
- Other analysts have pointed out that the financial and institutional weaknesses at the State level emerged as major constraints on the provision of social and infrastructural services, and that the impact of structural adjustment policies in the nineties, affected expenditure patterns in various sectors with consequences for different economic and social groups to the detriment of basic objectives of Indian Planning like growth with social justice and equity . There has been a deceleration in social sector expenditure in thirteen major states, including those with low levels of Human Development since the mid 1990’s. The social costs of transition are felt mainly by the marginalised sections of society, with decreasing plan expenditure on social services.
- Overview of finances at the centre and the states indicate fiscal deterioration marked by fiscal deficits of various kinds, with the state finances also deteriorating in the nineties on account of systemic factors and that the economic reforms and the structural adjustment policies led to compression of public investment at the Centre and lower social sector expenditure in the states.
- Detailed analysis of demographic indicators , State Domestic Product ,development and non development expenditure , Plan expenditure, credit availability , indicate that the on going reforms since 1991 with stabilisation and deregulation policies as the prime instruments , marked by retreat of the state and increasing role for the private sector have affected the growth pattern and rates of states and have aggravated interest rates disparities.

## **CHAPTER- III CONSTITUTIONAL AND POLICY FRAMEWORK (Pgs. 28-64)**

**For a better understanding of fiscal imbalance and budgetary dilemmas one need to take into account the structural aspects of (a) Fiscal Federalism (b) Democratic Planning and (c)Mixed Economy**

### **Fiscal Federalism**

- A review of the evolution and structural features of the federal economy of India in the pre independence and post independence era , highlighting the roles of the Finance Commissions providing statutory devolution of taxes and Grants-in-Aid from Centre to the states and the Planning Commission providing discretionary plan Assistance for developmental schemes indicate that the criteria for transfer of resources from Centre to the States have lacked an element of continuity leading to dissatisfaction among the states.
- The Ten Finance Commissions – from the first FC for the period 1952-57 to the Tenth FC for the period 1995-2000 have adopted different criteria for determination of the shares in the states in the divisible taxes as also in the criteria for distribution of state's share among different states.
- Though the Tenth Finance Commission recommended that 29 % of the total tax revenue should be transferred to the states and the inter-state-council had in 1990-97 reached a consensus on this , the required amendment of the constitution could not be carried out .
- The Eleventh Finance Commission recommended that 28 % of the net proceeds of all shareable taxes should be transferred to the states. With the passing of the 80<sup>th</sup> Constitution Amendment Bill in 2000 , the states have become entitled to 28 % of the shareable taxes .
- However the criteria adopted by the Eleventh Finance Commission for the distribution of the states share among individual states has led to a sense of grievance among the states in the Southern , Western and Northern region.
- The discretionary assistance provided by the Centre to the states on the basis of recommendations of the Planning Commission have also been marked by changes in the criteria , brought about in 1969 . 1990 and 1991 .
- The emergence of the National Development Council in which the Chief Ministers of the state are members , provided a forum for discussions before changes in criteria for plan assistance were made, thus enabling a measure of continuity in the patterns of assistance.
- However the Planning Commissions insistence on additional resource mobilisation by the states to match their ambitious expenditure programmes has some times led to unhappiness among the states.

- The Planning Commission has for its part found itself wedged between the State Governments with a demand and the Union Finance Ministry with its own problems for mobilisation of resources for meeting the increasing expenditure of the Central Government .
- Analysis of the quantum and relative shares of Tax devolution, statutory transfers , Plan and other discretionary transfers , show that
  - (a) the total quantum of resources transferred to the states as a percentage of resources raised by the Centre has come down in gross terms from 38.3 % in 1980-81 to 33.8 % in 1997-98 and in net terms from 31.3 % to 25.2 % during the same period.
  - (b) The transfer of resources as a proportion of aggregate expenditure of the state have also been gradually falling in Gross terms , from 50.2 % in 1980-81 to 38.9 % in 1997-98 and in net terms from 40.9 % to 27.6 % during the same period,
  - (c) Analysed in terms of proportion to the GDP , transfer of resources from Centre to the state came down from 7.2 % in 1980-81 to 6.7 % in 1997-98 , and in net terms from 5.8 % to 5 % during the same period. This had serious implications for management of Public Expenditure by the state governments.
- **Economic Reforms:** While the impetus for the Economic Reforms ,came in the **eighties** from perceptions that a regulated economy was responsible for low growth rate , leading to liberalisation and deregulation in the domestic sphere , the major policy initiatives in fiscal reform industrial policy , trade regulations and monetary and credit policies in the **nineties** came as a response to the Balance of Payment Crisis faced by the country and the Globalisation movement all over the world.
- The philosophical base for the Economic Reform of the early 90's was provided by a review of the role of the State and market forces in the economy which led to a wide range of administrative changes and new institutional mechanisms in the areas of industrial licensing , prices and distribution controls , capital market and foreign investment regulations , foreign exchange management and major Budgetary Reforms, with impact on public sector investment and transfer of resources to the states.
- With the emergence of fiscal problems by way of revenue and fiscal deficits , budgetary reform moved in the direction of reductions in Government Expenditures , Defence Expenditures ,subsidies and manpower requirements as also increase in administered prices like those for power fertilisers and food grains .
- Analysts of Economic Reforms have drawn attention to the adverse impact of reform measures on plan expenditure and on the social sector spending . Plan expenditure as a percentage of aggregate expenditure had come down from 29.9 % in 1992-93 to 25.7 % in 2000-2001 with budget support for Central Plan , as a share of total expenditure from 16.1 %

to 14.4 % and central assistance to the state plan coming down from 12.8 % to 10.9 % during the same period. This was also accompanied by increase in non plan expenditure on interest payments defence expenditure and General Services and reduction in expenditure on subsidies for food fertilisers and other items .

- The net resource transfers from Centre to the states came down , as a percentage of GDP from 5.7 % in 1990-91 to 4.7 % in 2000-2001 and Total assistance to state and UT plans from 2.4 % to 1.7 % during the same period. While the Approach paper to the Ninth Plan pointed out a decline in the share of the states in the total plan outlay , the Mid Term appraisal of the Ninth Five Year Plan (Oct 2000) indicated a lower annual growth of 6.2 % against target of 6.4 % in the first three years of the Plan and unlikelihood of investment targets being reached in the last two years of the Plan.

- Review of the actual pattern of Budgetary provisions and public expenditure during the nineties indicate that (a)the envisaged careful balancing of the rolls of the State and the Market did not materialise and permeate the planning process of the Centre and the State (b) the Budgetary constraints and fiscal deficit reduction objectives had led to compression of public investment and Government expenditure leading to a slowing down of the process of Economic Growth.

- Some analysts have even argued that the root cause of industrial recession experienced during the entire Ninth Plan Period had some thing to do with the unrealised expectations of annual plan outlays. While the liberalisation of procedures and decontrol in the industrial sector , was expected to stimulate industrial investment , the removal of import restrictions and reduction in customs duties created an air of uncertainty regarding domestic demand due to flow of foreign goods.

- The reduction of subsidies for agricultural inputs like fertilisers and uncertain seasonal conditions affected agricultural production . The impact of varying growth rates in different sectors of the economy could not be properly met by Public Expenditure programmes which were guided mainly by fiscal consolidation objective aiming at reduction in revenue and fiscal deficit both at the centre and the states , apart from a series of reforms constricting the supports provided by the reserve bank of India to the state governments .

#### **CHAPTER-IV GROWTH PERFORMANCE OF THE STATES (Pgs 65-82)**

- Review of policies and programmes on Public expenditure have to take into account the structural transformation of the Indian Economy , with variations in sectoral growth rates in different states and the levels of development reached by each state after nearly five decades of planning and popular aspirations and potential for growth. Assessment of growth should

keep in view the changes effected in data base and methodology in aggregation in the National Accounting Systems .

- The sectoral composition of National GDP shows that the share of agriculture and allied activities has come down from 34.5 % in 1980-81 to 24 % in 2000-2001 while Share of Industries came down marginally from 23.2 % to 21.9 % and the Share of Services increased sharply from 42.3 % to 54.1 % .
- Within the broad pattern of structural transformation of the economy there have been over the years persisting problems of inter state and regional disparities, and serious attempts by Planning Commission and the Governments to reduce the disparities have had only marginal impact.
- Detailed examination using various indicators and component analysis by S.N.V Siva Kumar and V.V.N.Somayajulu (Asian Economic Review ). L.M.Bhole and Abdul Shaban ( Journal of Rural Development ) Dr. N.J. Kurien (Economic and Political weekly) C.P. Chandra Sekhar and Jayathi Ghosh (The Hindu Businessline) P.R.Brahmananda ( Hindu Businessline ) T.C. Ananth , K.L. Krishna , Uma Dutta Roy Choudhary ( Tenth Finance Commission) B.G.Jandhayala Tilak (IASSA quarterly ) A.K.Sivakumar (EPW) S.P.Paul and D.K.Pant (Margin) show that pace and patterns of development vary from state to state and inter- state disparities continue to be high . Sectoral analysis show that individual states secure different ranks , depending on the parameter chosen for classification and ranking and thereby indicating that the priorities for Public Expenditure Management need to be guided by local resource endowment , development needs and popular aspirations. (See tables 4.4 to 4.10 )
- However Public Expenditure Programmes , formulated in the context of Economic Reforms with emphasis on fiscal consolidation have been marked by decline in budgetary outlay for social services in several states , and the implementation of structural adjustment policy has not also contributed to the build up of social and technical infrastructure necessary for stepping up the pace of Economic Growth.
- Analysis of the growth of different sectors in the nineties and their implications there of, for the macro economic indicators like fiscal deficit tax revenue, external debt, interest payments etc should take note of the change in computation of GDP.The introduction of the new series by CSO in 1993-94, included new activities under different sectors, as it will affect the estimates of various macro economic indicators as a proportion of GDP.
- Growth rate of GDP as also the three sectors varied from year to year , with high rates between 1993-94 to 1996-97 and falling thereafter. The growth rate of services was higher than the other sectors and its contribution to GDP increased from year to year .

- In view of the structural transformation of the economy, and the need for refining and speeding up policy responses to sectoral problems, conventional examination of the sectoral growth rates need to be supplemented by analyses of the seasonal factor published by RBI.
- Making mid term assessment of economic trends, around October-November each year will facilitate timely decisions on needed corrective action, both for resource mobilisation and expenditure management.
- For effective and efficient management of finances, the present time lag between their assessment of field conditions, their reaching the centre and the policy response and the decision making and their application at the field level needs to be reduced.
- While comparing the growth rates of different states, only a broad view of the performances can be taken as states use different methodologies for computing their growth rates.
- Classification of states have been made in different manners depending on the purposes. For Plan Assistance they have been grouped into special category states and other states, and analysts have further grouped them into (a) major states and smaller states (b) high income, middle income and low income states (c) high budgetary deficit, low budgetary deficit and budgetary surplus states.
- The focus, since the beginning of planning has been on reducing regional imbalances and inter state disparities with criteria for public investment giving more weightage for backward regions. The recent emphasis on efficiency and financial performance has shifted focus from the earlier objectives of balanced regional development.
- An important aspect that needs special attention, from the point of view of public expenditure management, is the extent to which the plan and programme implementation have achieved their target of reducing the inter-state and intra state differentials in development.
- Approach Paper to the Ninth Five Year Plan reviewed that the inter regional disparities in terms of percapita income and indicated that grow rates of states varied and that some of the most populous states were still less developed having growth rates lower than the national average.
- The 1997 Committee appointed by Planning Commission headed by Dr. E.A.S. Sharma used 3 basic indicators like (a) deprivation (b) social infrastructure, (c) economic infrastructure to develop and aggregate measure of backwardness and identified 100 districts spread in 38 in Bihar, 19 in M.P, 17 in U.P, 10 in Maharashtra, 4 in Orissa, 4 in West Bengal, 2 in Rajasthan and 1 each in Haryana, H.P. and Dadra Nagar Havali.

- The National Institute of Rural Development, worked out, in 1999 indices of backwardness, social and infrastructure for all states and pointed out that, the states of U.P., Rajasthan, M.P., Bihar, Orissa and Maghalaya showed backwardness in all respects and that social development and Gender development indices have a higher level of inter state and intra state variations.
- Several analysis have confirmed the high level disparity among the States and most studies place Southern and Western States among the developed states, and the Northern and Eastern States like Bihar, Orissa included among the less developed States.
- While studies have examined the impact of structural changes resulting from the reforms of the nineties on the growth performance of the States in terms of sectoral performance, it is difficult to establish, on the basis of available data, that there is a causal relationship between the share of primary sector and the rate of growth of the State economy.
- Studies by C.P. Chandrasekhar and Jayanti Ghosh and Prof P.R. Brahmananda, Dr. Brahmananda show Maharashtra, Gujarat and Tamilnadu and Karnataka among the top performers, Kerala, West Bengal, Haryana, Punjab and Andhra Pradesh among the middle performers and Bihar, Orissa, M.P., Assam, Rajasthan and Uttar Pradesh among the poor performers.
- NCAER, in collaboration with Planning Commission and UNDP have attempted to develop the required database for constructing these Human Development profiles for different regions of the country.
- Computation of HDI for the major states by B.G. Jandhyala Tilak (1991), A.K. Shiva Kumar (1991) and S.P.Pal and D.K.Panth (1993), place the four states of Punjab, Kerala, Haryana and Maharashtra among the top four, although, the ranks of other states are different in each study.
- The World Bank study entitled “Reducing poverty in India: options for more effective public services”. ranks the states based on head count index, life expectancy, infant mortality and literacy rates to indicate the ‘well being of the states places Punjab at the top and Bihar at the bottom.
- Dr. N.J.Kurien, analysing data for 489 districts of 15 major states, places Punjab, Haryana, Gujarat, Maharashtra, Andhra Pradesh, Karnataka, Tamil Nadu and Kerala (total 190 districts) in the forward group with high socio- demographic development. The remaining seven states, Assam, West Bengal, Bihar, Orissa Madhya Pradesh, Uttar Pradesh and Rajasthan (total of 299 districts) are placed in the backward group with low socio- demographic development. This classification, however, is highly weighted in favour of a

large number of demographic and gender indicators, indicative mainly of social backwardness.

- M.Ravallion and K.Subba Rao (1992), Sanjay Baru (1993), S.P.Gupta (1995) have looked into the implications of structural adjustment policies on fiscal compression and social sector spending, while others like V.B.Tulsidhar (1993) and Seetha Prabhu and other (1993) have drawn attention to the sectoral implications of the decline in budgetary outlays for social services in several states
- All these studies emphasise the need for active interventions by the Government in the fiscal sphere for ensuring adequate financing for achieving Human development/Social development in the States.

#### **CHAPTER – V BUDGETARY TRENDS IN THE STATE (Pgs. 83-112)**

- Analysis of developments of the past decades need to take into account the differing perspectives and time frames of the Planning Commission , the Reserve Bank of India and the Union Ministry of Finance. Examination of budgetary trends from (a) the ‘long term’ perspectives of the Planning Commission, (b)the ‘medium term’ views of RBI on the trends in the economy, and (c)the Ministry of Finance, with a shorter budgetary time frame.show that the main problem in Public Expenditure Management has been one of matching limited resources and capacity for mobilisation with ambitious development plans.
- The RBI , which has been the Nation’s Banker, monitoring developments in the field of currency and finance, has been pointing out that , the overall budgetary position of the States had been markedly deteriorating due to their declining receipts and increasing expenditure and that the position had worsened with committed non-plan expenditures being financed by cut backs in development expenditure. RBI diagnosed the problems of State finances in the nineties as a structural weakness, as the capital receipts were diverted to finance revenue deficits, instead of revenue surpluses financing capital investments.
- The Finance Ministry, which frames the Central Budget, for the short time frame of a financial year has pointed out, the significant differences between budget estimates and the revised estimates in the state budgets and the need for fiscal consolidation and expenditure reform.
- It can be seen that all the key actors in the federal financial structure were in the know regarding the deteriorating finances of union and the states and were advocating corrective measures from time to time . But the reforms adopted on ad hoc basis, however failed to arrest the deterioration resulting ultimately in the launch of the full scale economic reforms of the nineties.



- Appraisals of the Development Plans , such as the Mid Term Appraisal of the Third Plan (Nov 1963) and Mid Term Appraisal of the Ninth Plan (Oct 2000) show that states have not been able to fulfill the targets for additional resource mobilisation and the excess of expenditure over the revenue receipts has led to dependence on increased borrowings by states to finance their plans.
- Analysis of transactions on revenue and capital accounts , show the emergence of a large revenue deficits during the last two decades , with the revenue surplus of Rs. 1486 crores (0.13 % of the GDP )in 1980-81 converted into a deficit of Rs. 5309 crores (0.93 % of GDP) in 1990-91 and further to Rs. 56801 crores (2.91 % of GDP) by 1999-2000.
- There is a shifting pattern of receipts and disbursement and emergence of fiscal imbalance in the nineties marked by increase in gross fiscal deficit, changing pattern of financing gross fiscal deficit , dwindling devolution and transfer to resources from Centre to the states and rising debt and interest payments .
- The budgetary performance of state governments have been greatly influenced by the fiscal federal character of the Constitution, with the transfers recommended by the Finance Commission , and the development perspective and plan assistance provided by the Planning Commission at the National level.
- Review of the Gross transfers from the Centre to the States in the nineties, as a proportion of aggregate expenditure of the States show a declining trend from 44.8 % in 1990-91 to 39.8 % in 2000-2001. The statutory transfers under the aegis of Finance Commissions, also showed significant changes .
- While aggregate receipts of all the states increased from Rs. 21872 crores in 1980-81 to Rs 91313 crores in 1990-91 and further to Rs. 316421 crores in 2000-2001 , The aggregate disbursements were Rs.22770 crores , Rs.91242 crores , Rs.325634 crores in the respective years.
- Detailed analysis of transaction on the revenue and capital accounts show a trend of increasing revenue deficit at the aggregate level as also in the individual states.

### **Revenue Receipts**

- The total Revenue Receipts of the States in the nineties increased from Rs. 66467 crores in 1990-91, to Rs. 244920 crores in 2000-01. But as a proportion of GDP, it showed an increasing trend in the first four years of the 90's decade (from 11.7 percent in 1990-91 to 12.30 percent in 1993-94), thereafter decreasing to below the 90-91 level (from 12.10 percent in 1994-95 to 11.20 percent in 2000-01)

- The own tax revenue of the states increased from Rs. 30344 crores in 1990-91 to Rs. 125563 crores in 2000-01, and as a proportion to GDP from 5.3 percent to 5.8 percent during the same period .Total tax revenue showed a fluctuating trend in the 90's, hovering in and around 8 percent of GDP.
- Total non tax revenue increased from Rs. 21881 crores in 1990-91 to Rs. 68551 crores in 2000-01 (BE), and as a proportion of GDP, uptill the mid nineties, from 3.9 percent in 1990-91 to 4.3 percent in 1993-94, but decreased in the subsequent years from 4.1 percent in 1994-95 and 3.1 percent in 2000-01 (BE).
- Own Non Tax Revenue of the States showed a fluctuating trend varying between 1.5 percent of GDP to 2.1 percent, recording the highest (2.1 percent) in the year 1994-95 and lowest (1.5 percent) in 2000-01 (BE)
- Grants from the Centre increased from Rs. 12643.3 crores in 1990-91 to Rs. 36963.5 crores in 2000-01, although as a proportion of State's aggregate expenditure it increased from 13.9 percent in 90-91 to 15.7 percent in 1993-94 before decreasing to 10.5 percent in 2000-01.
- Share in Central taxes, taken for the whole decade, covered lesser proportion of states aggregate expenditure, although it increased in absolute value and some of the intervening years recorded an increase of one or two percentile points. The states share in central taxes increased in absolute terms from Rs. 14241 crores in 1990-91 to Rs. 50805 crores in 2000-01 (BE) but decreased as a proportion of aggregate state expenditure, during the same period, from 15.6 percent to 14.5 percent
- In the five year periods 1980-81 to 1984-85, 1985-86 to 1989-90 and 1990-91 to 1994-95 , Development Expenditure, grew at an annual average of 16.1, 13.7 and 14.5 percents, and Non Development Expenditure for the State grew at an average annual rate of 19.2 percent, 18.2 percent and 20.9 percent respectively .

#### **Revenue Account Transaction**

- The entire decade of nineties, showed an increasing trend of revenue deficits. It increased, for all states from Rs. 5309 crores in 1990-91 to Rs. 45702 crores in 2000-01 (BE).The State wise data show that, except for Rajasthan and special category states, all the major states revenue growth was inadequate to meet their expenditures in the nineties but by the year 2000-01, even special category states started reporting revenue deficit with the few exceptions of Arunachal Pradesh, Nagaland, Sikkim and NCT Delhi.
- Analysing the data to ascertain the fiscal marksmanship of various states in its states budget studies, RBI notes that the not only the gap between the actuals and budget estimates

is large, even the revised estimates show large differences from the actuals and attributes this to the non-materialisation of Additional Resource Mobilisation Targets, and the heavy dependence and overestimation of the states on transfers from the Centre .

### **ARM**

- The Additional Revenue Mobilisation (ARM) of the States increased from Rs. 772.16 crores in 1991 to Rs. 1383.8 crores in 1994-95 with lower yields. of Rs. 948.9 crores in 1995-96 , Rs. 684.4 crores in 1996-97 and Rs. 1012 crores in 1997-98 but recorded a sharp increase to Rs. 2969.6 crores and Rs. 5599 crores in 1998-99 and 1999-00 respectively.
- The States of Gujarat, Maharashtra, Kerala and West Bengal have pursued ARMs every year in the nineties but Karnataka, M.P., Punjab, Tamil Nadu, Rajasthan have also attempted ARMs, but in some years .
- Fourteen states proposed ARM to tune of Rs. 2677 crores in 2000-01, of these, the states proposing higher ARMs, relative to their own resources were also the States which have entered into MOU agreement with the Centre and availed assistance under the fiscal reform programme.
- The ARM proposals in general, tends to place higher reliance on tax sources for raising revenues. Bihar was the only state which showed considerable non tax revenue of Rs. 257.8 crores (2000-01) under ARM.

### **Transfers**

- The Tenth Finance Commission did not envisage any revenue deficit grants for the States in the year 1999-2000 in the expectation that better revenue mobilisation effort and expenditure management will wipe out the deficit. But as the Eleventh Finance Commission pointed out that this did not materialise and contrarily, the state finances deteriorated further.
- The question is whether the awards of the earlier Finance Commissions' based on the gap filling approach led to fiscal prodigalism of the States, and whether this can be fully corrected by MOU's and the newly created Incentive Fund for performance of monitorable fiscal reform programme.

### **Expenditure**

- The most important contribution to fiscal imbalance in the State have been on the expenditure side. The total revenue expenditure in 1990-91, of Rs. 70993 crores. equals the entire revenue account expenditure from the first to the fifth plan periods.
- Total Expenditure in 1990-91 increased from Rs. 91,242 crores to Rs. 3,25,633 crores in 1999-2000 , as a share of total expenditure , Revenue Expenditure increased from 78.66

% to 83.41 % while capital expenditure decreased from 21.34 % to 16.59 % during the same period

### **Development Vs Non Development Expenditure**

- Development Expenditure, as a proportion of total expenditure decreased from 69.5 % in 1990-91 to 60.9 % in 1999-2000 while non-development expenditure increased from 24.8 % to 33.8 % during the same period.
- The Development Expenditure in absolute terms is higher than the non development component, development expenditure grew at 14.9 % in the eighties and 13.7 % in the nineties and non-development expenditure grew at 18.7 %, and 19.1 % during the same period.

### **Components of Development Expenditure**

- The States' share in the Total Development Expenditure is higher than that of the Centre. In 1990-91, it exceeded that of the centre by less than 10 %, while in 2000-01 it exceeded by about 55 %. The Centre's share in total expenditure on social services, was 13 % in 1980-81, 9.85 % 1990-91 and 13.5 % in 2000-01 while the state's share has consistently been above 85 percent.
- Expenditure on social services in 1990-91 increased from 46.1 % to 54.3 % in 1990-2000, and on economic services went down from 45.1 % to 35.7 % in the same period.
- Direct development expenditure on power projects showed an increase from Rs. 3585 crores in 1990-91 to Rs. 5951 crores in 1999-00, during the same period in irrigation sector it increased from Rs. 7113 crores to Rs. 19871 crores ,in the energy sector from Rs. 1994 crores to Rs. 6914 crores.,Water supply and sanitation expenditure increased from Rs. 1993 crores to Rs, 7782 crores ,urban development rose from Rs. 664 crores to Rs. 4033 crores and welfare of scheduled castes, scheduled tribes and other backward classes increased from Rs. 1909 crores to Rs. 6900 crores. The Revenue Expenditure on Science and Technology was only 131 crores in 1999-00, despite the emphasis on modernisation of society in the nineties.
- However, these increases with in the category of development expenditure, do not appear to be adequate to meet the growing obligations of the State for promoting equitable development of the States. A point to be noted here is that formation of corporate financing and development bodies, to cover the specific target groups like scheduled castes, scheduled tribes and the minorities appeared to absorb more resources on administrative expenses and there by reduced the availability of funds for development schemes.

### **Components of Non Development Expenditure**

- Non Development Expenditure of the States increased from Rs. 22600 crores in 1990-91 to 123533 crores in 2000-01 (BE) of this , Organs of States increased from Rs. 685 crores to Rs. 2976 crores, fiscal services from Rs. 1616 crores to Rs. 8179 crores interest payment and debt servicing from Rs. 9226 crores to Rs. 55745 crores, Administrative Services from Rs. 8655 crores to Rs. 29219 crores and pension from Rs. 3593 crores to Rs. 27415 crores during the same period.
- The distribution of Government employees in the various Government sectors. Shows Central Govt. employees increased from 33.47 lakhs in 1976 to 33.66 lakhs in 1996, State Government employees increased from 48.97 lakhs to 74.14 lakhs, Quasi Government employees increased from 33.92 lakhs to 64.58 lakhs and that of local bodies increased from 19.85 lakhs to 21.92 lakhs in the same period.
- From 1976 to 1996 , there has been an addition of 25.88 lakh employees by the State Governments, , 24.43 lakhs employees by Quasi Government organisations 3.17 lakhs by the Centre and 2.59 lakhs by local bodies.
- This picture is disconcerting to say the least, as much of the services impinging on quality of life in urban and rural areas is the responsibility of the local bodies which has shown only a marginal increase in the employment, This, policy seems to contradict the basic precincts of fiscal reforms advocating downsizing and reduction in expenditure on wages and salary bills. Also, it results in progressive reduction in resources available for developmental activities.
- Proper employment policy in various sectors and Government Departments with attention to the public functions of the department and the population to be serviced rather than common VRS policy, needs to be pursued vigorously.

### **Plan - Non Plan Expenditure**

- State Plan Expenditure while increasing in absolute numbers (from Rs. 27432.9 crores to 89073.5 crores) decreased as a proportion of GDP (from 4.8 percent to 4.1 percent) and also, as a proportion of total expenditure (from 30.10 percent to 25.40 percent) during 1990-91 to 2000-01.
- State Non Plan Expenditure on the other hand increased in absolute terms (from Rs. 63809.1 crores to Rs. 261693.3 crores), as a proportion of GDP (from 11.2 percent to 12 percent) and also as proportion of total expenditure (from 69.9 percent to 74.6 percent) in the same period.
- One important factor of note in this context is that, the Plan, Non Plan Expenditure classification is ambiguous. Vital items of expenditure like those involved in maintenance of expenditure of projects, continuing research projects, operating expenses of power stations,

maintenance of law and order are classified as Non Plan and have all non plan expenditure is not 'bad'.

### **Expenditure –Debt**

- Total debt of states increased from Rs. 52281 crores (1986) to Rs. 108203 crores (1991) and further to Rs. 498841 crores in 2001 . The total debt increased by Rs. 80257 crores (2000-01) in one year period. The debt stock, as a percentage of GDP rose from 19 % in 1991 to 22.9 % by March 2001.
- In the eighties, loans from the Centre met 51.9 percent of the overall borrowing requirements of the States, but these could meet only 48.5 percent of the needs in the nineties. Of the total outstanding debt of Rs. 4,98,841 crores in March 2001, loans and advances, from the Central Governments accounted for Rs. 2,85,825 crores, 57.3 % of the total outstanding debt. Market borrowings covered the State fiscal deficit, to an extent of 16.4 % in the nineties, and only 11 % in the eighties
- An important rider, which added to the expenditure is the deregulation of the interest rate in the nineties and the Central Government resorting to market related interest-rates resulting in rising interests on central loans to the States.
- The interests on central loans increased from an average interest of 5.5 percent on on-lent loans in 1980-81 to 11.74% in 1996-97. The weighted average of interest rates for loans of State Governments increased from 11.5 percent in 1990-91 to 12.35 % in 1998-99 . The States gross interest payments increased from Rs. 10944 crores (as a percentage of revenue receipts 13.5 %) in 1991–92 to Rs. 54271 crores (22.2 % ) in 2000-01.
- From 1995 onwards , interest rates on plan loans,( he single largest component of Central loan to States), has been revised to 13.5 percent. The average borrowing cost to the Centre from the market has increased from 10.43 percent in 1991-92 to 12.05 in 1995-96 and further to 12.09 percent in 1996-97. The interest rate subsidy from the Centre has thus come down from 1.57 percent to 0.66 percent and further to 0.35 percent during the same period.
- Looking at the debt picture of individual states, we can observe that as many as 18 States have a higher rate of debt accumulation relative to the revenue growth. As many as five special category sates and nine non special category states recorded a higher rate of growth of debt than all states' average .
- Gross interest payment as a percentage of revenue receipts, increased from 11.1 % in 1991-92 to 18.9 % in 2000-01 for A.P., 11.9 to 21.4 % for Maharashtra, 10.4 to 15.4 % for Karnataka, 8.2 to 14.9 % for Tamil Nadu and 16.9 to 18.9 % for Kerala.

- The RBI Study of State Finances analysing the dynamics of states debts, points out that the crisis is closely linked to the fiscal accounts of the Centre due to the increasing debt repayment and interest burdens (as discussed in the earlier points) as also to the dependence on federal flows by the states. The impact on growth has been in two ways basically; (a) restricting resource availability for investment, (b) the necessity of using capital surpluses for covering non development al expenditures.
- Government guarantees as a proportion to GDP in the case of 17 States has declined from 6.5 percent in 1992 to 4.7 percent in 1999 . This has implications for the risk associated with loans from financial institutions. RBI has set up a Technical Committee, in 1999 ,on State Government Finances, , for prescribing limits for ensuring greater selectivity in providing and transparency in reporting Government Guarantees.

### **GFD**

- In the nineties the size of GFDs of all States has increased and their decomposition and financing has implications for Expenditure Management .
- Revenue deficit, began to rise from Rs. 5309 crores in 1990-91 to Rs.8200.5 crores in 1995-96, increasing steeply to 16,113 crores in 1996-97 and further to Rs. 56801 crores in 1999-2000. This has been attributed to the salary and wage pressures from State Government employees following the implementation of the Fifth Pay Commission recommendations by the Central Government.
- The GFD of the States rose from Rs. 3713 crores (2.57 % of GDP) in 1980-81 to Rs. 18787 crores (3.30% of GDP) in 1990-91, further to Rs. 90092 crores (4.86% of GDP) in 1999-00.
- The accountancy tactic of shifting of the classification of small savings to the category of states borrowings through special securities in 1998-99, brought down the centre's deficit while pushing up that of the States, without any material improvement in overall fiscal health.
- On the financing of Gross Fiscal Deficit, the States resorted on a larger scale than earlier to market borrowings and tapping small savings, provident funds and loans from financial institutions, reserve funds and deposits on the nineties. The shares of different sources of financing GFD kept fluctuating in the nineties, indicating the lack of firm and steady strategy of fiscal management to cope up with the fiscal crisis.

### **GFD –Interstate Comparison**

- An inter state analysis reveals that, in 2000-01 (BE) U.P. had the largest GFD (Rs. 12358 crores), followed by West Bengal (Rs. 10339 crores), Andhra Pradesh. (Rs. 8460 crores) and Maharashtra (Rs. 7030 crores).

- West Bengal has a relatively lower level of Capital outlay (Rs. 1402 crores), but a high level of revenue deficit (Rs. 7525 crores) indicating the cut in investments to finance revenue deficits. Subsequent sections study this aspect in detail for the select states.

|                           | 1990-91      |             | 2000-2001(B.E) |             |
|---------------------------|--------------|-------------|----------------|-------------|
|                           | (Rs. Crores) | %<br>of GDP | (Rs. Crores)   | %<br>of GDP |
| <b>Receipts</b>           |              |             |                |             |
| 1.Total Revenue Receipts  | 66467        | 11.7        | 244920         | 11.2        |
| 2.Own tax revenue         | 30344        | 5.3         | 125563         | 5.8         |
| 3.Share in Central Taxes* | 14241.5      | 15.6        | 50805          | 14.5        |
| 4.Total Tax revenue       | 44586        | 7.8         | 176368.5       | 8.1         |
| 5.Own non Tax Revenue     | 9237.2       | 1.6         | 31588.2        | 1.5         |
| 6.Total non Tax Revenue   | 21881        | 3.9         | 68551.6        | 3.1         |
| 7.Grants from the Centre* | 12643.3      | 13.9        | 36963.5        | 10.5        |
| 8.Capital Receipts        | 24847        | 4.40        | 101544         | 4.7         |
| <b>Expenditure</b>        |              |             |                |             |
| 1.Total Expenditure       | 91242        | 16          | 350766.4       | 16.1        |
| 2.Revenue Expenditure     | 71775.8      | cal         | 290622.4       | cal         |
| 3.Capital Expenditure     | 19466        | 3.4         | 60144          | 2.8         |

\* As a percentage to total expenditure.

|                           | 1990-91   |             | 2000-2001(B.E) |             |
|---------------------------|-----------|-------------|----------------|-------------|
|                           | Rs.Crores | %<br>Of GDP | Rs.Crores      | %<br>of GDP |
| 1.Development Expenditure | 63370     | 69.5        | 208332         | 59.39       |
| 2.Non Development         | 22600     | 24.8        | 125484         | 35.77       |
| 3.Others                  | 5272      | 5.7         | 16950          | 4.84        |

| <b>Expenditure on Major Heads</b>                 | 1990-91   | 1999-2000 (R.E) |
|---|-----------|-----------------|
|   | Rs.Crores | Rs.Crores       |
| 1.Direct Developmental Expenditure                | 57815     | 186492          |
| 2.Advances to power projects                      | 3585      | 5951            |
| 3.Irrigation sector                               | 7113      | 19871           |
| 4.Energy  | 1994      | 6914            |
| 5.water supply and sanitation                     | 1993      | 7782            |
| 6.urban development                               | 664       | 4033            |
| 7.Welfare of scheduled caste and scheduled tribes | 1909      | 6900            |



## CHAPTER VI SOCIO ECONOMIC PROFILE OF SELECT STATES (Pgs113-123)

- An overview of demographic social and economic characteristics of the sectoral southern states and Maharashtra can present a clear picture of the developmental performances and expenditure management.

**TABLE : DEMOGRAPHY (1991-2001)**

|             | Population |            | Decadal Growth |         | Share in total Pop |      | Density per Square Kms |      | Sex ratio females per 1000 males |      |
|-------------|------------|------------|----------------|---------|--------------------|------|------------------------|------|----------------------------------|------|
|             | 1991       | 2001       | 1981-91        | 1991-01 | 1991               | 2001 | 1991                   | 2001 | 1991                             | 2001 |
| India       | 846387888  | 1027015247 | 23.86          | 21.34   | 100                | 100  | 267                    | 324  | 927                              | 933  |
| Maharashtra | 78937187   | 96752257   | 25.73          | 22.57   | 9.33               | 9.42 | 257                    | 314  | 934                              | 722  |
| A.P         | 66508008   | 75257541   | 24.20          | 13.87   | 7.86               | 7.37 | 242                    | 275  | 972                              | 978  |
| Karnataka   | 44977201   | 52733958   | 21.12          | 17.25   | 5.31               | 5.14 | 235                    | 275  | 960                              | 964  |
| Tamilnadu   | 55858946   | 62110839   | 15.39          | 11.19   | 6.60               | 6.05 | 429                    | 478  | 974                              | 986  |
| Kerala      | 29098518   | 31838619   | 14.32          | 9.42    | 3.44               | 3.12 | 749                    | 819  | 1036                             | 1058 |

**TABLE : CHANGES IN LITERACY**

|             | 1991  |       |       |       | 2001  |       |       |       | 1991 Rank | 2001 Rank |
|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-----------|-----------|
|             | O     | M     | F     | G     | O     | M     | F     | G     |           |           |
| India       | 52.20 | 64.13 | 39.28 | 24.85 | 65.49 | 75.96 | 54.28 | 21.68 |           |           |
| Maharashtra | 64.87 | 76.56 | 52.32 | 24.24 | 77.27 | 86.27 | 67.51 | 18.75 | 10        | 10        |
| Andhra      | 44.09 | 55.13 | 32.72 | 22.42 | 61.11 | 70.85 | 51.17 | 19.68 | 27        | 28        |
| Karnataka   | 56.04 | 67.26 | 44.34 | 22.93 | 67.04 | 76.29 | 57.45 | 18.84 | 21        | 22        |
| Tamilnadu   | 62.66 | 73.75 | 51.33 | 22.42 | 73.47 | 82.33 | 64.55 | 17.78 | 12        | 13        |
| Kerala      | 89.81 | 93.62 | 86.17 | 7.45  | 90.92 | 94.20 | 87.86 | 9.34  | 1         | 1         |

o-Overall, M-Male F-Female G-Gap

- From 1990-91 to 1997-98 Maharashtra recorded a percapita income growth of 5.65 % and an overall income growth of 7.35 %, while Karnataka 5.8 % and 7.16 %, Andhra Pradesh 3.36 % and 4.81 %, Kerala and Tamil Nadu recorded 4.66 % and 5.01 % percapita growth and overall income was 5.74 % and 6.08 % respectively.
- Review of annual growth of GSDP, shows that Maharashtra's growth peaked with 15.49 % in 1992-93 , while A.P. peaked with 11.05 % in 1998-99, Karnataka peaked thrice, (12.71 % in 1991-92, 10.91 % in 1996-97, 10.75 % in 1998-99), Tamil Nadu's peak growth occurred in 1994-95 (10.98 % ) and Kerala's occurred in. 1993-94 (10.94 %)
- Poverty, an important criteria for measuring well being has been computed variously, adopting different methodologies.

### POVERTY LINE AS PER OFFICIAL METHODOLOGY

(Rs. Monthly Per capita)

|         |   | All India | Maharashtra | A.P    | Karnataka | T.N.   | Kerala |
|---------|---|-----------|-------------|--------|-----------|--------|--------|
| 1973-74 | R | 49.63     | 50.47       | 41.71  | 47.24     | 45.09  | 51.68  |
|         | U | 56.76     | 59.48       | 53.96  | 58.22     | 51.54  | 62.78  |
| 1993-94 | R | 205.84    | 194.94      | 163.02 | 186.83    | 196.53 | 243.84 |
|         | U | 281.35    | 328.56      | 278.14 | 302.89    | 296.63 | 280.84 |

Source: India Planning Experience , A Statistical profile , Planning Commission January 2001

- The annual percentage decline in poverty during 1977-78 and 1993-94, has been for All India, 2.18 percent for Maharashtra 3.22 percent, 5.31 for Andhra Pradesh, 2.94 for Karnataka, 3.53 for Tamil Nadu and 4.24 for Kerala in respect of rural areas.
- There are some methodological issues raised by economists in this estimate of poverty. Also, some of the State Government like Andhra Pradesh are not in agreement with this assessment. It is argued that poverty ratio anchored in a caloric norm is at best an indicator of food poverty and a poor proxy for the State of well being of the people.
- From the point of view of public expenditure management, it is essential to take note of this controversy, as state specific price index for the estimation of poverty may not be the correct indication of the prevalent prices as the large subsidy scheme, like the one in Andhra Pradesh may depress the price index.
- In the case of Andhra Pradesh the rice subsidy scheme, making a significant impact on the availability of food grains to the poor has been costing quite a crunk to the exchequer. In 1998-99 subsidy was Rs. 2512 crores, reducing the availability of funds to other developmental/investment activities to that extent. The adoption of the Expert Committee recommendations, which is based on the reduction in food poverty due to the subsidy scheme, impacts negatively on the time of Central funds to the State to the extent, would cause further deterioration of the already distressed financial situation of the state .
- The implementation of the fiscal reforms, as also adoption of newer criteria for resource allocation should keep the beneficiary effects of the diet supplementary programmes and subsidies therein in mind and only need out those which do not impact on the real income of the poor.

## CHAPTER VII BUDGETARY PROFILES OF SELECT STATES ( Pgs 124-133)

- The nature of transformation in expenditure management of all the states, can be seen in terms of the average annual growth rates of developmental expenditure, non development expenditure as also plan expenditure

**TABLE : AVERAGE ANNUAL GROWTH RATE**

|                | Dev. Exp                     |                          | Non Dev. Exp             |                          | Plan Exp                 |                          |  |
|----------------|------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--|
|                | 1980-81<br>to<br>1984-85     | 1990-91<br>to<br>1994-95 | 1980-81<br>to<br>1984-85 | 1990-91<br>to<br>1994-95 | 1980-81<br>to<br>1984-85 | 1990-91<br>to<br>1994-95 |  |
|                | <b>Chapter ES All States</b> | <b>16.1</b>              | <b>14.5</b>              | <b>19.2</b>              | <b>20.9</b>              | <b>16.4</b>              |  |
| Maharashtra    | 15.4                         | 15.7                     | 21.0                     | 16.4                     | 18.6                     | 21.6                     |  |
| Andhra Pradesh | 16.9                         | 16.6                     | 18.2                     | 19.2                     | 18.6                     | 21.3                     |  |
| Karnataka      | 16.6                         | 15.5                     | 25.7                     | 17.1                     | 20.4                     | 19.8                     |  |
| Tamilnadu      | 20.1                         | 16.4                     | 17.0                     | 19.0                     | 29.1                     | 13.0                     |  |
| Kerala         | 14.5                         | 15.4                     | 10.7                     | 19.8                     | 18.1                     | 16.2                     |  |

**TABLE : PLAN AND NON PLAN EXPENDITURE - PROPORTION OF GSDP**

| Year            | All ST | Mah  | A.P. | Kar  | T.N. | Ker  |
|-----------------|--------|------|------|------|------|------|
| <b>Plan</b>     |        |      |      |      |      |      |
| 1990-91         | 3.7    | 4.6  | 4.9  | 7.0  | 4.6  | 5.4  |
| 1998-99         | 3.0    | 2.5  | 5.9  | 4.7  | 3.3  | 4.9  |
| <b>Non Plan</b> |        |      |      |      |      |      |
| 1990-91         | 11.2   | 12.2 | 14.1 | 14.3 | 16.5 | 18.6 |
| 1998-99         | 11.5   | 9.6  | 13.3 | 11.8 | 13.7 | 12.0 |

- In 1990-91, the sectoral distribution of expenditure, social services absorbed Rs. 29220 crores, economic services Rs. 28596 crores each working out to 5% of GDP and general services amounted to Rs. 22600. In 1990-00, social services accounted for Rs. 1,07,680 crores and economic services Rs. 78,812 crores. In terms of loans and advances, social services accounted for Rs. 2984 crores, economic services Rs. 8,847 crores, and general services Rs. 1,07,309 crores.

### Centrally Sponsored Schemes (CSS)

- The Planning Commission, in the Approach Paper to the Tenth Plan, has highlighted CSS as an area of weakness in the design of plan programmes, governance, and institutional framework. The CAG report also highlighted various problem areas in the planning and execution of centrally sponsored schemes. Analysts have pointed out that, in the nineties, the multiplicity of the CSS has taken place at the expense of infrastructure, industry and energy sectors.

- Central Government taking note of this, in 2001-02 announced as part of Expenditure Management measures its intention to converge various CSS to eliminate duplication. Of the 256 Centrally sponsored schemes covered, 139 schemes are to be transferred to the States, while 117 schemes are to reviewed by the respective Government Departments. Elementary education and literacy will have a massive cut down from 19 to 2, and higher education from 22 to 8 schemes.

### Revenue Transactions

- The extent to which own tax revenue of the states could meet their revenue expenditure varied from state to state. The tax revenue/ revenue expenditure ratio for all states decreased from 43.4 % in 1985-90 to 40.4 % in 1998-99, the ratio decreased from 56.3 % to 55.3% for Maharashtra, 50.6% to 47% for Andhra Pradesh, 54.2 to 55.8% for Karnataka, 56.9 to 54.4 % for Tamil Nadu and 51.4 to 50.4 % for Kerala.
- All the select states recorded increasing deficits in the late nineties; Andhra Pradesh and Maharashtra showed a revenue surplus only in 1993-94 and 1994-95 respectively.

**TABLE : COMPARATIVE PICTURE OF GFD** (as % of GDP)

| Select States  | Rev Receipts |         | Agg Exp |         | GFD     |         |
|----------------|--------------|---------|---------|---------|---------|---------|
|                | 1990-91      | 1998-99 | 1990-91 | 1998-99 | 1990-91 | 1998-99 |
| All States     | 11.7         | 10.1    | 15.0    | 14.3    | 3.3     | 4.2     |
| Maharashtra    | 13.5         | 8.7     | 16.0    | 11.6    | 2.5     | 3.0     |
| Andhra Pradesh | 15.4         | 12.5    | 18.2    | 17.5    | 2.8     | 5.0     |
| Karnataka      | 16.7         | 12.4    | 19.1    | 15.9    | 2.4     | 3.4     |
| Tamil Nadu     | 16.2         | 12.2    | 19.8    | 16.2    | 3.6     | 4.1     |
| Kerala         | 17.0         | 11.4    | 22.7    | 16.2    | 5.7     | 4.8     |

- RBI Study of State Finances notes this increasing dependency of the states on the centre and the consequent structural rigidity in the fiscal operations of the state governments as manifested in increasing stock of public debt. It argues that to achieve structural flexibility the states have to reduce their dependency by increasing their own sources of revenue.
- The State Governments seem to be realising the importance of restoring their fiscal health as evidenced by the white papers and fiscal strategy papers brought out by them recently.

## **CHAPTER VIII SECTORAL INSIGHTS (Pgs. 134-159)**

### **8.1 Economic Services: Irrigation Financing and Development**

- A detailed analysis of economic services in terms of expenditure on irrigation is taken up. Irrigation though a state subject, the Government of India, through the Central Water Commission and the Irrigation Ministry as also the Planning Commission provides the broad framework for its development and utilization.
- Important policy issues have been dealt with from time to time, by the First Irrigation Commission of India (1901-1903) prior to independence, the Second Irrigation Commission (1970-72) and the National Water Policy (1987).
- The National Commission of Water in its report of 1999, classified water resources into available water resources and usable water resources, placing the former at 1953 km<sup>3</sup> and the latter at 1086 km<sup>3</sup>, including 690km<sup>3</sup> of surface water, 693 km<sup>3</sup> of ground water and the present level of use is estimated at 600km<sup>3</sup>
- Irrigation has been an important plan expenditure item from the first to the ninth plan, adding up to a total of Rs. 73388 crores estimated at 1996-97 prices.

#### **Irrigation- Potential and Utilisation**

- The potential created by major and medium irrigation projects -32.96 million hectares utilization -28.44 million hectares (End Eighth Five Year Plan) since then, 2.59 million hectares to the potential and 1.81 million hectare to utilization have been added.
- In minor irrigation, the practice upto 1980, was to take utilization as 100 percent of the potential created. As it was unacceptable to the Public Accounts Committee of the Parliament, Planning Commission after consulting State Governments fixed a base figure for 1984-85, for potential created at 37.5 million hectares and utilization at 32.25 million hectares. At the end of Eighth Five Year Plan the potential increased to 56.60 million hectare and utilization to 52.31 million hectares. This amounts to a total potential 89.56 million hectares and an utilization of 80.75 million hectares. But the land utilization statistics records only 70.64 million hectares under gross irrigated area. This indicates an even larger gap between potential created and utilized, than indicated by the irrigation statistics, at 9 million hectares.
- Irrigation sector's share in the state plans, had been high in the first three decades of Planning but declined from 23.25 percent in the Fifth Plan to 18.48 percent in the Eighth Plan. Major and medium irrigation projects, in 12 out of 16 major states have expenditures higher than outlays (Ninth Five Year Plan).

- Committee on water pricing set up by the Planning Commission in 1992 pointed out that the gross revenue realised in irrigation projects was not even covering the working expenses. Recovery percentage computed as the percentage of working expenses to gross receipts for the country as a whole came down from 8.59 % in the late eighties to 8.53% in the early nineties, for Andhra Pradesh from 5.03 % to 8.3 % , Tamil Nadu from 2 % to 2.59%, Maharashtra from 5.8 % to 3.63 % for the same period . Some others, like Punjab, with high recovery rates of 23.69 % came down to 16.03 % in the same period. The fall in recovery rate appears to be common for all the States although quantum of decline varies from State to State.
- Maharashtra in 1994, Karnataka in 1985, Andhra Pradesh in 1986, Tamil Nadu in 1962 and Kerala in 1974 revised their water rates. The prevailing water rates in Andhra Pradesh, Tamil Nadu and Kerala is quite low.
- Analysts identify several core problems -financial performance of irrigation sector, policy towards water rates and Beneficiary participation in irrigation management.Irrigation projects show enormous time and cost over runs. In Kerala, Periyar valley project, started in 1956, shows a 1711 % increase between the original and revised estimates. Other projects started around the same time, like Kanjirapuzha, Kallada, Kuttiady etc. also showed a similar large difference. Consequently, the investment on irrigation has not yielded commensurate revenue for long periods of time restricting resource availability for other uses.
- CAG, draws attention to the execution of non essential works in Kallada Irrigation Project, additional expenditure due to adoption of higher rate in Idamalayar Project and removal of sand dunes, non completion of flood control works started in 1971, and negatory expenditure on idle staff in Kerala irrigation department.
- Andhra Pradesh, had an irrigation potential of 11.2 million hectares and utilization of over 5.9 million hectares. By 1994, there were 26 ongoing projects. 258 large dams were completed. According to CAG by March 2000, 22 incomplete major and medium irrigation projects, having already cost Rs. 4482 crores to the exchequer, without any benefits accruing for 2 major and 8 medium irrigation projects and partial benefits for six major and six minor irrigation projects, and 15 projects were languishing for more than 15 years. A scrutiny of CAG's list shows that the assessment may not be totally correct, as projects like Singur (1976) and Tungabhadra lowlevel cannal (1974) have been yielding results through not at the promising level.
- Creation of irrigation potential, and its utilization apart from dam construction, also involves canal works and command area development, which to a considerable extent depends on the agriculturists, their acceptance and assimilation of new techniques and ideas to bring about the necessary change from dry land agriculture practices and associated life

styles to wet agriculture practices and associated life styles. This influences the time frame of the project, phasing of the projects backed up by the socio, economic, cultural and environmental studies of the command area, at the beginning and various phases of the project.

- Government of Andhra Pradesh in its strategy paper takes cognizance of the problems involved in the utilization of the irrigation potential and its translation to prosperity and initiated a major reform program in 1996. The State Government issued a white paper on irrigation sector taking steps in three areas (a) increase in water rates, (b) farmer education and (c) farmer empowerment and enacted Andhra Pradesh Farmer Management of Irrigation systems Act 1997, providing for linkages between irrigation department and farmers organisations. It initiated the formation of water users association spanning 4.8 million hectares of irrigated area of the State.
- Scheme of modernisation of irrigation sector in Andhra Pradesh is being implemented with specific objectives of (a)Improving cost recovery and productivity of irrigated agriculture, (b)Strengthening cost recovery for O & M, (c)Reversing the decline in irrigated area under existing commands, (d)Effectively expanding irrigation utilization levels.
- Maharashtra had in 1992-93, an irrigation potential of 8.9 million hectares and utilization of 3.5 million hectares. By 1994, 1220 dams were built and 300 more were under construction. Relative to Andhra Pradesh its utilization, has been slow, probably due to unfavorable topography. The first Irrigation Commission of 1962 had recommended a review of the sector once in 15 years. Second Irrigation Commission was recently appointed by the Maharashtra Government recently to review the changes in the sector.
- Karnataka, had an ultimate irrigation potential (major and medium) of 5.9 million hectares and utilization of 2.7 million hectares. By 1994, 188 medium projects were completed and 28 still under construction. Karnataka's minor irrigation potential was higher than that of its major and medium irrigation potential.
- In Karnataka, a sharp intra regional imbalance, the paucity of positive efforts, lack of prioritization of schemes, inadequate drainage facilities, and beneficiary participation as also poor land development are affecting development of irrigation potential.
- In Tamil Nadu, Irrigation sector's performance is impressive despite relatively low budgetary outlays with a more clear cut development strategy based on identification and classification of districts according to predominant source of irrigation and efficient bank and co-operative credit system. Only one major project and 15 medium projects started in late eighties and early nineties are pending.

## Irrigation Expenditure

|                | <u>Rev. Exp.</u> |         | <u>Cap. Exp.</u> |          |
|----------------|------------------|---------|------------------|----------|
|                | 1991-92          | 2000-01 | 1991-92          | 2000-01  |
| All States     | 4140.28          | 9859.51 | 3851.83          | 11032.25 |
| Maharashtra    | 708.70           | 728.63  | 526.11           | 1434.10  |
| Andhra Pradesh | 438.20           | 1596.16 | 372.95           | 1191.06  |
| Karnataka      | 269.65           | 691.19  | 373.77           | 1343.20  |
| Tamil Nadu     | 139.42           | 236.77  | 49.37            | 483.78   |
| Kerala         | 62.46            | 148.45  | 90.81            | 220.65   |

(Note: Irrigation Expenditure includes that for flood control. Ref. DET tables, Statistical Tables )

### Study Findings:-

- Achieving optimal levels of utilization of irrigation potential, the engineering aspects, farmer training and empowerment and credit facilities.
- Water pricing committee recommendations for improving project design, appraisal management in the irrigation sector to be implemented.
- Also, provision of an incentive structure, periodic upward revision of irrigation rates, determination water rates on a volumetric basis and extending beneficiary participation in irrigation management to all sections of farmers.
- Problems like the environmental impact, acquisition and compensation aspects of project execution, disputes between beneficiaries and persons displaced, interstate disputes, prolonged gestation period of the irrigation projects need to be tackled for effective expenditure management .

### 8.2 Social Services : Education (Pgs.145-154)

- The expenditure on Social Services, especially education, in the post reform period of the nineties in the backdrop of the constitutional provisions, plan objectives and policy changes and resources available is studied here. 'Education', is in the concurrent list and the responsibility of both centre and states figuring in the budgets of both. As per the Constitution, elementary education is to be provided free for all by the Government.
- Education for all has figured among the priorities set by the different plans, from the first to the tenth. The Tenth Plan, acknowledging education for all to be one of its primary objectives, announced the launching of the 'Sarva Siksha Abhiyan'
- Analysts are of the opinion that social services expenditures including education, health, housing, urban development and social welfare has declined considerably during the first few years of reforms. For instance education expenditure for the states decreased from 21.08 percent in the pre reform period to 19.70 percent of total revenue expenditure during the reform period.



- Tulasidhar (1997), reviews percapita expenditures on social services for three categories of states:- poor states of Bihar, Madhya Pradesh, Orissa, Rajasthan and Uttar Pradesh, middle income states of Andhra Pradesh, Assam, Karnataka, Kerala, Tamil Nadu and West Bengal and Rich States of Gujarat, Haryana, Maharashtra and Punjab, finds that the poor states' social service expenditure has declined much more in the nineties, than those of the other categories, impacting severely on their human development.
- The national policy on education (1986) emphasised elementary education, especially free elementary education. A review of the state government expenditure on elementary education in the post reform period of 1991-95 shows –(a)as a proportion of NSDP, five states out of fifteen major states recorded a lower expenditure than the average for the fifteen states. (b)as a proportion of total revenue expenditure of the states, nearly half of the major states had a lower proportion than the average for the fifteen states.
- By 1995-96, the proportion of primary students enjoying free education in the states ranged from 54 percent to 96 percent, with Assam at the top with 95.1 percent and Haryana at the bottom with 54.10 percent and an all India average of 76 percent.; middle school students enjoying free education in the states ranged from 51 percent to 93 percent indicating dropouts, due to decreased expenditure. This is supported by the average household expenditure per student. (National Sample Survey, 52<sup>nd</sup> round 1995-96) ranging between Rs. 501 and Rs. 915 for primary and middle school education. Even in the poor States (Tulsidhar's classification) referred to earlier, Rs. 450 to Rs. 550 on average per student per household is spent. Coupled with the dwindling public expenditure on education it will impact negatively on Human Development on the region, affecting the development of these States.

### **Education Budget**

- Successive versions of the national Policy on education, ever since 1968, have resolved that around 6 percent of GDP should be invested in education. By the end of 1999, only 3.8 percent of GDP was spent on education. Despite its high priority in the national agenda, centre's share in education expenditure has been relatively less although it increased from 6.8 percent in 1980-81 to 11.1 percent in 1995-96.
- A large proportion of this expenditure at both the centre and the state level has been on the revenue account, categorised under the non-plan category. In 1991-92, Non Plan Expenditure on education was 91.44% of the total, decreasing to 88.09 percent in 2000-01 (BE).
- Contrarily, in capital account, the share of plan expenditure on education (99.06% of total) is relatively higher than non-plan expenditure (0.9 percent 1.5 percent of total).

Revenue expenditure is higher than Capital expenditure which is relatively small and declining. In 1991-92 capital expenditure accounted for 1.60 percent of the total expenditure (Revenue + Capital). It declined to 0.80 percent in 2000-01 (BE). Low capital expenditure on education affects the quality of education in terms of inadequate provision for equipment, furniture, libraries etc.

- Similarly for all states, non plan expenditure increased from Rs. 15617.1 crores in 1991-92 to Rs. 50462.41 in 2000-01(BE) i.e. by Rs. 34845.31 crores and plan expenditure on education increased from Rs. 1737.79 crores to Rs. 7272.42, i.e. by Rs. 5534.63. This seems woefully inadequate with a decadal variation of 21.34 percent in population during this period, the entrants into the school age group has also increased.

- Another dimension to the public expenditure on education lies in the intra sectoral allocations, which have favoured the higher levels of education rather than the crucial elementary level. Even the various commissions on education appointed from time to time have been asked to focus on higher education despite the priority accorded to primary education. Analysts fear that this preponderance of higher education in India at the expense of elementary education has marginalised the weaker and poor sections of society further. In the nineties, however the intra sectoral allocation seems to have changed slightly in favour of elementary education in the states, except in West Bengal, Punjab and Andhra Pradesh..

- Total education expenditure as a proportion of GSDP, in Maharashtra, Andhra Pradesh, Karnataka, Tamil Nadu and Kerala. ranges between 2 to 3.6 percent, which is much lower than the 3% recommended for elementary education alone. Kerala has consistently recorded higher percapita expenditure on education and the share of education in social service expenditure has been higher than that of the other states, as reflected on its higher literacy and educational growth rates. Analysts feel that, this achievement in social services sector is at the cost of economic growth, and the root cause of the fiscal crisis faced by the state and propose a retreat of the state from this sphere with measures like closing up ‘uneconomic government schools’ and encouraging private investments. While others have noted that squeezing expenditure on education and other social service sectors may ultimately affect economic growth through its impact on human development.

- Tamil Nadu, launched “elementary education movement” in the year 1999-2000, giving special attention to children belonging to economically backward sections. It aims at improving the quality and quantity by expanding the services to cover all the school age children, opening new schools and upgrading existing ones, within one kilometer of their residence. It continues to run supplementary nutrition programmes like the midday meal programme for improving enrollment and retention in schools.

- Andhra Pradesh, has also launched special programmes like 'Back to School', Vidya volunteers scheme etc under Janmabhoomi programme to improve access and quality and expand elementary education in the late nineties.
- While other southern states have been involving in and committing themselves to, improving social services and education, Kerala having a significant record in social services, is being advocated by analysts and experts to withdraw or retreat from its commitments in the sector as a way to resolve its fiscal crisis.
- Such a withdrawal has to be gradual, accompanied by social mobilisation in terms of NGO and local community participation advocated in the ninth and tenth plans, vigorously pursued and monitored to plug wastages and leakages.

### **8.3 : General Services -Administrative Services (Pgs 155-159)**

- Salaries and allowance of Government employees, is an important area of concern in State Finances. Between 1991-92 and 1999-00, the administrative expenditure has increased from Rs. 7809 crores (9.06%) to Rs. 24424 crores (10.05% as a proportion of total expenditure). As a proportion of States own revenue they decreased from 19.73 percent to 18.59 percent in the same period. As a proportion of total revenue receipts, it increased from 9.69 percent to 11.93 percent during the same period.
- This shows that the increasing administrative expenditure is being covered to a lesser and lesser extent by the states own resources than other receipts. But relative to the rise in interest payments, during the same period, from Rs. 10944 crores to Rs. 45269 crores the increase does not appear to be steep. Dr. Rakesh Mohan's analysis shows that expenditure on Government servants has grown at a lower rate than the GDP growth rate.
- There are interstate variations in the Administrative Expenditure, but commitments on Grant-in-aid for salaries of employees of educational and local body institution are common to most states. While only a few of the State Governments have linked the salary scale of their employees to the Central Government pay scales and their finances came under serious threat with the acceptance of the recommendations of the Fifth Pay Commission by the Central Government, as pointed out by J.L.Bajaj. The impact of revision, placed at Rs. 20,000 to Rs. 30,000 crores, likely, to be faced by the Government of Uttar Pradesh, Madhya Pradesh and Maharashtra would affect the finances already riddled with high revenue deficit, fiscal deficit and debt stock as also a higher quantum of employees.
- The down sizing of employees, as a measure to control administrative expenditure needs to be selective with particular attention paid to the responsibilities of the various organs, proper man power planning to improve the efficiency and efficacy of the services provided by the Government is needed. Andhra Pradesh fiscal strategy paper, reveals that the pay and

allowances has steadily increased from Rs. 1231 crores in 1990-91 to Rs. 4470 crores in 2000-01(BE) despite the decrease in number of employees. The grants in aid in salaries has increased from Rs. 1056 crores to Rs. 3620 crores, while pensions increased from Rs. 358 crores to Rs. 2179 crores in the same period. In 1994 Andhra Pradesh Government introduced legislation to regulate employment in public enterprises and Government departments with a programme for restructuring them. The impact of these on the establishment cost does not appear to have been significant, although the ratio of establishment cost to states own revenue improved due to increase in state's own tax and non-tax revenues, from 85.7 percent in 1990-91 to 74.8 percent in 2000-01 (BE)

- In Maharashtra, in 2000-01 the total salary bill of the State Government took away 60.93 percent of revenue receipts. The total pension liabilities amounted to Rs. 2657 crores. According to Ashok Lahiri, the State Governments wages bills has gone up by 2 to 4 percent of their respective GSDP's during the nineties. The increases was from 7.5 percent in 1991 to 8.9 percent in 1997-98 in the case of Uttar Pradesh, Rajasthan recorded increase from 5.5 to 8.4 percent between 1991 and 1999. In Orrisa the increase was from 8.4 percent in 1993-94 to 11 percent in 1998-99.

- In the present times of violence it is not surprising that the police expenditure in the nineties rose from Rs. 3981 crores to Rs. 14490 crores i.e. from 56.71 percent to 59.73 percent of Administrative Expenditure. In the State like Andhra Pradesh and Maharashtra, not only has the police expenditure increased, but special assistance is being provided to meet naxalite problems. Important issues here are-(a)the growing unemployment levels (b)increasing disenchantment among the youth. (c)the consequent increase in crime rate and militant activity. (d)whether the States can radically downsize in this context and retreat? Therefore a balanced approach covering all sectors of the economy is feasible.

## **CHAPTER -IX: PROBLEM AREAS IN PUBLIC EXPENDITURE (Pgs. 160-192)**

### **9.1 : Leakage and Wastage (Pgs. 160-714)**

- The Objectives of Growth with 'Social Justice' and 'Poverty alleviation' have been sought to be achieved through planned development in terms of - high economic growth and all round development percolating to the weaker and marginal sections; vigorous anti-poverty and employment programmes for identified target groups and according high priority to social expenditure on education, health, family welfare, water supply and sanitation, nutrition, housing, labour and employment, welfare of SC/ ST's and OBCs.

- From the VI Plan, specific plan allocations for Rural Development, as a head of development, and increased allocations for social services were made. Increasing allocations and the large scale of implementation led to growing concern over efficacy of expenditure and avoidance of wastage and leakage in implementation.

- Main feature of the poverty alleviation and employment generation schemes in the self employment category is a provision of package of assistance consisting of subsidy or margin money provided by the Government and a loan provided by the bank or credit institutions for acquisition of productive assets by the beneficiaries; some schemes included training and special packages for women. A 1990 Government of India evaluation of these schemes revealed that a poor individual beneficiary without any skill or experience could not achieve income security.

- The wage employment schemes for tackling short term seasonal unemployment suffered from the targeting errors of inclusion of non poor and exclusion of a significant proportion of poor in many states and frequent shift in focus between employment generation and asset creation. A total of 5 million households were provided assistance under IRDP and related schemes with an average of Rs. 18000 per beneficiary household by 1998-99 and nearly 40% of this assistance was by way of Government subsidy.

### **CAG Evaluation**

- CAG's performance audit of JRY and EMS programmes in 25 states reported short comings in critical areas of targeting, inadequacy of resources, as also insignificant employment generation and fictitious reporting of employment generation and asset creation.

- CAG reports that out of a total allocation for CSS employment schemes of Rs. 50715 crores, the Union and the States spent Rs. 48,821 crores from the Fifth Plan (1977-80) to the Annual Plan (1998-99)

- For the ten year period of 1989-99, JRY and EAS expenditure accounted for Rs. 41,090 crores. Of which CAG found, a diversion of Rs. 2178 crores to other activities and Rs. 1747 crores to personal deposit accounts, a non utilization of Rs. 754 crores and an excessive administrative expenditure of Rs. 14.5 crores, providing only 7 to 21 days of work under JRY and 9 to 18 days of work under EAS for Below Poverty Line employment seekers. The crux of the matter according to CAG is the routine manner of implementation impervious to lags and bottlenecks in execution and unverifiable out puts.

- The important points that emerge are- (a) the change of focus in employment generation and other CSS schemes resulting in confusion and inefficiency at the implementation level as also dilution of verifiability of the quality of execution, (b) the multiplicity of controls by Central Government, State Governments and local bodies diluting both efficiency of physical implementation and financial accountability. (c) Dual sources of funding burdening the field staff with administrative responsibilities of coordinating fund release eating into their field execution time.

- Much of what is perceived as wastage could be the resources absorbed not only by intermediate agencies but also increasing overheads on the salaries and travel of officials and members of the innumerable committees.

### **Public Distribution Scheme**

- PDS is an important scheme directed towards poverty alleviation through provision of food security. CAG (Reports 3 of 2000), comments that PDS has substantially contributed to the containment of rise in food prices and ensured access of urban consumer to food.
- The PDS in 1999, encompassed a total of 4,55,055 fair price shops catering to 19.12 crore ration cardholders of which 7.20 crores were below the poverty line. The procurement operations cover 11 crore operational holdings handling 15 % of the total available rice and wheat. The scheme costs about 0.5% of GDP and 6% of Centre's Revenue.
- With a view to reduce subsidies under PDS, in 1997 Government of India modified the scheme to targeted PDS. CAG (Report 3 of 2000) reports that 18 out of 31 states and Union territories have not completed the necessary identification and listing of families Below the Poverty Line and even where it was completed ration cards were not provided to a significant proportion of BPL families adversely affecting the offtake from PDS, lifting of stocks from FCI and state government agencies.
- Analysts observed that wherever the policy of delivery of food grains at the door steps of Fair Price Shops (FPS) is there leakages at the FCI godown level (first level) is minimal; in those states where the FPS dealers have to lift the stock at their own expense leakages at the first level are high and often the food grains do not reach the village. The leakages at the second level, due to bogus cards, diversion of quantities not taken by card holders by the FPS dealers are due to the lower margins and income of these dealers, according to the analysts.
- Analysis reveals that, PDS despite its weaknesses had managed to provide food security in its universal application. Misconceived efforts to reduce budgetary burden of food subsidy through higher food grain prices has resulted in reduction in offtake, higher storage costs and wastage of food grains due to storage problems. Thus universal application of PDS sans implementation bottlenecks may be the more effective solution.

### **9 . 2 : Intra State Disparities and Political unrest (Pgs. 174-180)**

- Existence of intra regional disparities is an acknowledged fact. The popular perceptions, policy and programme responses in different states to this needs attention. Andhra Pradesh, Karnataka, Maharashtra have faced agitations stemming from local discontent. The official responses have been in the form of study teams and area development boards like, Malnad area development board, Hyderabad-Karnataka area development board, Telengana and Rayalseema Development boards etc.

- Similar discontent in Tamil Nadu and Kerala have not led to agitations. In Tamil Nadu the official response has been to bifurcate and trifurcate large districts to create more manageable districts while in Kerala area development boards have been created to deal with the issue.
- NCAER, South India Human Development Report, 2001, commenting on the inter district variations in levels of development in different sub regions in the Southern States, points out that Telengana is the least developed sub region in Andhra Pradesh. The Telengana agitations, demanding a Telengana State started in 1969 leading to the constitution of area development board and specific allocation of plan funds for the same. In 1973, a counter agitation for a separate Andhra State started with the supreme courts upholding the formulae of employment for 'locals only' in the Telengana area, assuaged by a six point formula dealing with services, and provision of a separate development fund. Resurgence of Telengana Movement for a separate State has brought to the fore issues of efficacy of public expenditure programmes in achieving inter and intra regional balances in growth.
- In the case of Maharashtra the formation of a Vidarbha backlog removal and development forum in 2001 is estimating the backlogs in allocation of development funds to the region. The official committee estimates that the backlog in allocation of irrigation funds to the region is Rs. 4265 crores (as per the 1994 rates) when the estimated cost was Rs. 50,000 per hectares. Maharashtra Government has decided to accept the committee's report in principle and proposes to raise funds through bonds for irrigation development corporations constituted separately for Vidharbha, Marathwada and Konkan areas.
- In Karnataka, in May 1980, a committee was constituted to study the backward area of Hyderabad- Karnataka region and it recommended in 1981, (a) the establishment of a statutory board to formulate plans for the region, (b) Setting up a development corporation to execute these plans. The State Government in response constituted in 1992, a fullfledged area development board to implement the development plan and a high power committee to monitor the development of the region was setup. In 1994 Institute of Social and Economic Change (ISEC) seminar, reviewing the development in this region, concluded that the region had remained economically and socially backward despite conscious efforts by the State Government to develop the region.
- The NCAER South India Human Development Report observes that the northeastern districts of Karnataka are the most backward with regard to social as well as economic indicators. The area development boards have not been able to achieve the expected success and have met with resistance from environmental and local groups in same districts.

- It would appear that, for the most part, the problems of Andhra Pradesh, Karnataka and Maharashtra which inherited areas from the old Hyderabad State, is a historical legacy of the old feudal regime.
- Kerala State represents another dimension of the development scenario. Its 14 districts exhibit high social development but rather low economic indicators. Of the total, four districts have been classified as better-developed, six districts as medium developed and five districts as less developed by the NCAER Study.
- In its budget of 2001-2002, Kerala Government, announced the constitution of (a) Coastal Area Development (b) Hill- Area Development authority with a preliminary provision of Rs. one crore each. The success of this move, in the light of the experiences of similar moves by Karnataka and Andhra Pradesh seems doubtful.
- The regional developmental aspirations and their political manifestations, thus seems to be simmering just under the surface, erupting now and then under the influence of events elsewhere in the country like the formation of Uttaranchal, Jharkhand, and Chattisgarh districts.
- This move will no doubt add to the expenditure on administration, but also fragment the resource base of the States. This needs to be averted especially in view of the fact that decentralization of effective resource allocation and use, for various sectors at the micro level has already been mooted in terms of the provisions of 73<sup>rd</sup> and 74<sup>th</sup> Amendments.

### **9.3 : Devolution to Local bodies (Pgs. 180-184)**

- The emphasis on felt needs of the people and local participation as the key elements in formulation of plans and programmes has been the continuous refrain of five year plans, but have been translated into action with varying degrees. Different concepts of this decentralization have held centre stage and exited during the last five decades, without any of them being given time and scope for getting fully operationalised in the different states.
- Devolution to local bodies, has assumed importance in the light of 73<sup>rd</sup> and 74<sup>th</sup> Amendments enacted in 1992, according constitutional status to the municipalities and panchayats to make them a permanent feature of the third tier of Governance in the Country, leading to effective decentralization and use of resources. To speedup the devolution of power, functions and finances to the local bodies, Planning Commission appointed a committee in 1996. But the State Governments have been dragging their feet in this regard.
- Analysts like Bohra, Bandhopadhyay, have observed that the assignment of functional responsibilities at Gram Panchayat, Panchayat Samities and Zilla Parishad levels have not been uniform among the states as common selection criteria have not been used. There is a need for a clear policy and operative statement with regard to plan formulation by the local



levels; the policy regarding panchayat finances needs to be clearly defined vis a vis those of DRDA and other existing agencies, as also Government funded NGOs. The multiplicity of agencies as also schemes at the local level need to be streamlined for better co-ordination and efficient functioning.

- The Tenth Finance Commission (1994) recommended a total grant of Rs. 5380.93 crores for local bodies in four equal installments starting from 1996-97. The Eleventh Finance Commission recommended a grant-in-aid of Rs. 8000 crores to panchayats and Rs. 2000 crores to municipal bodies for the period 2000-05. The local bodies grants made by all the states together, in 1990-91 was only under non-plan account amounting to Rs. 1015.52 crores. rising to Rs. 5057.63 crores in nonplan account and Rs. 66.91 crores in plan account in 2000-01 (BE) indicating a general increase in aid to local bodies in the nineties.

- The Tenth Plan approach paper, suggests that the Finance Commission awards and other development funds for local bodies should be given to the States only when such powers as envisaged are transferred to the local bodies by the State Governments concerned so that effective decentralization is achieved. It recommends that the local bodies should be empowered to raise some revenue on their own to reduce their exclusive dependence on the other tiers of Governance as also to discourage their heavy leaning on the higher levels of Governance. Measures like, strengthening of accountability of the local bodies, through evolution of code of conduct for elected members, simplification of rules and transparency in procedures, ensuring proper audit of finances have been recommended by the approach paper.

- With the changing philosophies of Governance at the national level, Institutional changes and sub national and sub state levels have implications for the flow of funds between the different levels as also the quality of public expenditure at these levels. The situation at present is still transitional and fluid with settled pattern get to emerge with different experiments of decentralization taking place in different states. These changing trends will add a new dimension to the public expenditure management in the states in terms of posing severe challenges in the flow of funds from the state to the sub-state levels than have been experienced in the Centre State devolutions.

#### **9.4 : Falling levels of Fiscal Marksmanship (Pgs. 184-189)**

- The procedure of Budgeting is designed to provide parliamentary control and administrative accountability to check falling levels of fiscal marksmanship. Budget, as recommended by Godbole committee, needs to be reformed towards greater clarity and transparency by publishing a simpler version of the budget with key issues and made freely available to the common man. Publishing of a 'Budget in Brief' a simplified version by some

states and the Planning Commission and RBI presenting various budget details with functional classification are steps in the right direction.

- To make legislative control of budgets more effective, the budgetary composition needs to change. The 'committed' expenditure accounting for over 60 percent of the consolidated funds and 80 percent of the revenue receipts limits the scope for modification of budget by the legislatures.
- An important aspect of the budget is the difference between the Budget estimates presented in the Parliament/Legislatures and the revised estimate and the actuals, both in case of receipts as well as expenditure. This impinges upon the legislative control compromising the role and discipline of the budgetary mechanism on expenditure.
- The estimates of tax revenues by the State Government could at times be affected by unforeseen changes, but other sources of revenue could be more accurately estimated, as such errors on the part of the Government affects several sectors seriously. Like in the case of Andhra Pradesh which first took recourse to ways and means advances and overdrafts to the tune of Rs. 7756 crores and later during the year resorted to freezing of expenditure to the tune of Rs. 3035 crores to crucial sectors of water supply, sanitation, housing under social services and rural development under economic services.
- Article 205 of the Constitution, provides that variations in expenditure, particularly excesses are to be regularised by the departments explaining the reasons for such occurrences to the Public Accounts Committee of the legislature. In a number of cases however the procedure has not been followed and huge amounts have not been regularised and expenditures were incurred for which provisions were not made either in the original estimates or in supplementary demands according to CAG. For avoiding lapse, and surrender budgetary provision not likely to be used, the state departments, CAG reports, have been drawing funds and keeping them under deposit outside the public account to report utilization during the year.
- Wastage of capital expenditure in terms of lower provision for O & M expenditure resulting in deterioration of the quality of capital assets created, sometimes requiring reinvestment are some of the issues concerning the weaknesses flowing from the calculated disregard of budgetary propriety and legislature conventions that need to be addressed as part of the reform process to achieve financial security.

#### **Chapter ES 9 . 5 : Fading Standards of Accountability (Pgs. 189-192)**

- One of the important areas of concern in the fiscal crisis of the States is the need to plug leakages and wastages and use the resources available efficiently. Fading standards accountability assume importance here. The financial control and audit, both of the Centre

and State Governments have been designed to control leakages and wastages in government transactions.

- Several of the articles in the Indian Constitution like Articles 112, 202, 77(3), 166(3), 266 to 292 etc, clearly set down rules and procedures for Central and State financial transactions. These along with the scrutiny of Government accounts and audit provided under article 148 (1) of constitution make for checking of wastage and leakage at different levels. The CAG as envisaged, in the financial framework, is expected to critically review the effectiveness of Governments revenue mobilisation and expenditure management envisaging the accountability of the executive to the parliament for the way in which public monies are handled by the concerned Governments. Rules and procedures are drawn up in detail, indicating the manner in which these audit reports are to be taken up by the Lok Sabha and State Assemblies for scrutiny and discussion.

- While this is the framework as per the Constitutional provisions, the ground reality is that, Audit instead of being looked upon as a valued ally, bringing to the notice, procedural, technical and other lapses and irregularities, errors of judgement, negligence or intents of dishonesty, is looked upon as some thing alien in the nature of impediment. Many public account committees have not discussed the audit reports for several years and Government and legislatures have generally ignored the audit reports.

- Analysts feel that fraud, waste and corruption are on the increase in many states because of :- (a)poor state of accounts and audit by the State Government audit officers. (b)archaic treasury system, (c)lack of specialisation in the audit department (d)the audit departments lack of direct contact with the public either to publicise the discrepancies and frauds it has traced nor to seek suggestions from the public to tackle the same. (e)the unintelligibility of the CAG reports to the common man unfamiliar with jargons and accounting procedures.

## **CHAPTER X FISCAL REFORMS AND THE FUTURE (Pgs. 193-207)**

### **10.1: Reversing Fiscal Crisis. (Pgs. 193-198)**

- Our Study establishes clearly the nature and pace of deterioration of State Government Finances in earlier chapters. An important fact that emerges is that the Governments of the Southern States and Maharashtra under study here, have announced corrective steps in their white papers/strategy papers.

- Government of Maharashtra's white paper in December 1999, acknowledging the fiscal deterioration indicated that over a period of five years, the revenue deficit would be wiped out with a yearly reduction of 20 percent. The steps announced for this purpose included reduction in interest payments, salary and related expenditure from 73 percent to 50 percent of the revenue receipts over the next five years through review of the norms of Grant-in-Aid

to institutions, right sizing of the Government departments, Zilla parishads and State PSUs and restricting the borrowings to investments. Setting up of a three member board for financial and managerial restructuring of State PSUs, constitution of expenditure priority committee and Expenditure reform committee under the chairmanship of the Chief Minister are some of the other measures of Government of Maharashtra. Maharashtra Government appointed Dr. Godbole committee, to look into the budgetary aspects for bringing in greater transparency and easy comprehension, submitted its report with a number of recommendations to make the budget user friendly in December 2000.

- Andhra Pradesh has been publishing white paper on state finances since 1994. This exercise in February 2001 included sector specific strategy papers apart from a fiscal strategy paper and was circulated for discussion in the legislature and among the enlightened public. The fiscal strategy paper admitted that the worsening of the fiscal situation due to various reasons resulted in a higher level of debt (24.16% of GSDP) than the average for all states (21.5 percent of GDP). The paper emphasised the need to reorient the mix of public expenditure from, low priorities and inefficient applications to key social and developmental priorities by increasing capital investments from the present level of 1.3 percent of GSDP to 2.2 percent of GSDP in the mean term and to 2.4 percent of GSDP by 2004 and by reducing power, rice and other subsidies from their level of 1.5 percent of GSDP to 1.2 percent of GSDP by 2005. Fiscal strategy paper announced a ceiling of 9 percent of GSDP for Government guarantees to PSUs and co-operatives, and the adoption of Zero based budgeting, improvement in accounting procedures and performance measurements. All these relevant measures, however are yet to be put into practice.

- Karnataka, in July 2001, announced a medium term fiscal plan for the period 2001-02 to 2004-05 and indicated that this will be followed by a fiscal responsibility bill. The various measures announced were- (a)reduction in budgetary support for PSUs and closure of unviable PSUs, (b)to cut implicit and explicit subsidies for transport and electricity sectors, (c)stop borrowings by Krishna Bhagyajala Nigam and Karnataka Niravari Nigam, (d)to shift to long term low cost borrowings World Bank & Asian Development Bank. Targets set for the terminal year 2004-05 are (a)transformation of revenue deficit of 1.49 percent of GSDP in 2000-01 to a surplus of 0.40 percent of GSDP, (b)reduce fiscal deficit from the percent level of 3.66 percent to 3 percent of GSDP, (c)reduce consolidated fiscal deficit form the present levels of 5.44 percent to 3 percent of GSDP, (d)reduce overall debt stock from 32.65 percent to 31.03 percent and stabilise it at that level, (e)increase capital expenditure form the present 1.66 percent to 2.41 percent of GSDP. The Medium Term Fiscal plan also covers tax reform, expenditure reforms and management, levy of user charges and PSU reforms and administrative reforms. The plan is sharp it its focus with clear goals. Implementation is yet to begin.

- Tamil Nadu Government, brought out a white paper on state finances for the period 1996-2000 in August 2001, seeking political consensus on fiscal correction programme to be adopted. The white paper notes all the key issues relative to the financial predicament of the state and attributes it to increase in the salaries, pensions, loans and interest payment liabilities, as also the unsustainable subsidy regime and the decline in the state's share in central taxes from 20 percent (1992-93) to 16 percent (1999-2000) and has announced measures to increase its revenues, reduce the unabridged deficit, maintain tighter control over expenditure, encourage small savings and revise user charges and other fees collected for various public services. A cell has been constituted to analyse the implications of shifting to a value added tax regime and has announced its decision to act on the recommendations of the committee on PSUs reporting a total accumulated loss of Rs. 2292 crores eroding completely the States Government share capital of Rs. 1298.
- Kerala released a white paper on state finances noting its alarming deterioration, almost on the verge of bankruptcy in June 2000. It noted the decline in capital expenditure in the nineties and the increasing liabilities. The white paper could identify resource mobilization option for only Rs. 1435 crores and proposed austerity measures to save Rs. 975 crores. For enhancing tax collections rationalisation and simplification of tax structure was proposed for improved tax compliance. Small savings collections were proposed to be stepped up from Rs. 876 crores in 2000-01 Rs. 1200 crores in 2001-02.. Revision of the fee structures, in some areas, to increase non-tax revenues by Rs. 275 crores were also proposed. Power supply tariff was proposed to be revised for all categories of consumers by 60 percent. Intention to adopt zero-based budgeting was also announced.
- All in all, the Southern States and Maharashtra have realised their fiscal position and have proposed changes to arrest its deterioration. The implementation will require political will and possibly a rescue mission from the centre.

### **10.2: Cost recovery and subsidies (Pgs. 198-207)**

- An important issue in the fiscal consolidation in the nineties is the emphasis on reduction of subsidies and recovery of costs incurred in the provision of services, as also the retreat of the State as a provider of services and the privatisation of the same.
- Planning in India has been committed to raising the income and standards of living of the people; the public sector was to take initiative in the provision of services to raise the standards of living of the people. Social and economic services have been basically designed around equity consideration rather than economic/financial ones. Over the decades the role of state and public sector has changed from predominant presence in the fifties to restructuring and retreat from some areas in the eighties to a major withdrawal and privatisation in the nineties, as the state finances slid from surpluses to deficits to financial crisis. The plan

documents through the decades depict this policy/philosophy shift. The nineties witnessed privatisation of public utilities like power, water supply, infrastructure etc., and restructuring of public enterprises and disinvestment in PSUs, marking the retreat of the state. These measures have met with popular and user resistance to the tariff revision involved.

- The approach paper to the Tenth Plan, has spoken of the need for a new development policy to make a break from the past despite this. In this new policy framework reduction of subsidies and cost recovery measures assume importance in public expenditure management. In 1994-95, the Aggregate Govt. Subsidies (centre and States) amounted to Rs. 1,36,844 crores (14.35 percent of GDP) of which 70 percent of the subsidies were borne by the States. In 1993-94 a study of 15 major States, revealed a subsidization higher than the cost recovery. The overall recovery rate for social and economic services taken together was only 5.81 percent of the total cost incurred. Out of a total states subsidy of Rs. 73,100 crores, 28.7 percent covered the merit group of elementary education, public health, sewage, information and publicity, welfare of SC, ST and OBC, labour and nutrition, while the balance of 71.3 percent was claimed by the non-merit subsidies. The percapita subsidy increasing with increase in percapita income and the non-merit subsidies rising at a faster rate. But the recovery rates in non-merit services increased with increase in percapita income.

- Government of Andhra Pradesh in its white paper of 1996, classified subsidies into 3 categories (a) direct or transparent, with clear identification of beneficiaries and explicit budgetary allocations. (b) indirect or hidden subsidy due to non recovery of user charges. (c) subsidized loans to co-operatives, public undertaking, housing loans to individuals. Analysis revealed that the direct subsidies increased from Rs. 416.49 crores in 1991 to Rs. 805 crores in 1993-94, reaching Rs. 1322 crores in 1995-96. The indirect subsidy cost to the state budget increased from Rs. 882 crores in 1991 to Rs. 2506 crores in 1995-96. The twin subsidy pressures on the State Finances identified were - the direct subsidies pushing up the revenue expenditure and the indirect subsidies freezing non-tax revenues.

- Government of Andhra Pradesh measures in this regard are- (a) increase in issue price of rice and redefining the target group to of PDS reduce rice subsidy, (b) revising power tariff for various categories of consumers, (c) reducing the subsidies in public education. The crucial areas of irrigation rates, subsidized power supply to agriculture, involving the highest non-merit subsidy according to the State Government, have not been included in this exercise. With the options for improving state finances boiling down to either the paring down of expenditure on service provision and privatisation of services, or improving non-tax revenues, especially by the levy of user charges and cost recovery on a range of services, the latter option is preferred by the Andhra Pradesh Government, which notes that if the quality of services are improved users can be persuaded to pay commensurate charges. Andhra Pradesh Government's decision (preamble to G.O.No 170, Finance and Planning Department

of 2001), recognizes the need to make system more user friendly and cost efficient and allows the departments concerned to mobilise their own resources and retain with them the amount so collected to improve the services. The departments included in the detailed procedural instructions are police, irrigation, sports, technical education, medical and public health, water supply and sanitation, information and publicity, labour and employment, crop husbandry, animal husbandry, fisheries, forest, industries and tourism.

- In Maharashtra, the high level of subsidies amounting to Rs. 9607 crores in 1993-94 consisted of only 30 percent of merit subsidies. The percapita subsidy is Rs. 1157 crores. In the Budget for 2000-01, a decrease in the water rate for sugarcane growth in lift irrigation schemes (from Rs. 1900 per hectare to Rs. 950 per hectare), although irrigation schemes were executed with loans carrying high interest of 17 to 18 percent.

### **Food Subsidy**

- Analysis reveals that while Maharashtra operates a relatively smaller scale of PDS than Andhra Pradesh it suffers from a higher cost of leakage; the poor, in Andhra Pradesh receive the substantially higher subsidy than the poor in Maharashtra ; rural Andhra Pradesh suffers from wastage due to errors of inclusion of non-poor in the distribution of substantial subsidy; Administrative actions to streamline the PDS is not yet forthcoming.

- Broad indicators of cost recovery like the ratio of non-tax revenues to non-plan revenue expenditure in respect of social services (education & health) and economic services (irrigation & road) for the 90's, computed by RBI, cannot provide the true measure of either the cost or the extent of its recovery, as for instance, the non-tax revenue and non-plan expenditure taken for education, is booked under education, sports, art and culture. Of these, educational facilities can confer benefits to individuals, but expenditure on sports, art and culture tend to be more on infrastructure and administrative services in these sectors.

- In another analysis of state budgets from 1990-91 to 1998-99, defining cost recovery ratio, as the ratio of cost recovered from the beneficiaries to the total cost incurred on each of the budgetary services provided by the state governments and subsidy as the difference between the cost recovered and cost incurred, in the provision of services, concludes that the combined recovery rates of general services, economic services and social services has declined from 14.22 % to 12.12 % in Andhra Pradesh and 13.01% to 11.91 % for all states. States cost recovery rates, in the period , 1990-91 to 1998-99, came down from 19.65% to 14.36% for general services and from 2.10 % to 1.93% for social services. While for economic services it went up from 20.59 to 23.43 % for the same period.

- Cut in the flow of subsidy benefits to the non-poor, defined as middle and high income groups and higher user charges for higher income slabs can improve the recovery from 1.5

percent to 44.54 percent in Andhra Pradesh alone. The administrative difficulties in implementing the above suggestion makes a simple system of nominal charges, universally applied and efficiently operated more pragmatic. For different sectors different approaches to cost recovery are needed as in some cases it is far easier to relate the services provided to the costs incurred, while in others it may not be so. In some, beneficiaries can be easily identified and charges levied, while in common public services it may be a little more difficult. In economic services, the O & M cost and benefits vary from service to service, as also between different sub categories within the same service category. Political pressures, and lobbying have kept rational/optional pricing policies at bay for most of the services.

- The Tenth Finance Commission observes-“ ... most states have preferred the softer option of letting services deteriorate rather than improving their spread and quality by realising economic returns on investment in these areas and deploying additional resources for these purposes”. State governments have however realised, in the wake of their financial crisis, that the revision of rates and tariffs in power, irrigation and other sectors are long overdue. Andhra Pradesh Government’s example of making public, costs involved in the provision of subsidies and move towards higher charges may be a step on the right direction.

#### **CHAPTER XI SUMMING UP AND SUGGESTIONS (Pgs. 208-220)**

- The persistent fiscal challenges faced by the Centre having spread to the States, the Finance Ministry at the Centre has taken a more active role in redefining the modalities of arranging discretionary transfers as also inducing the states to adopt fiscal and budgetary reforms appropriate to their specific situation. Several State Governments have realised and acknowledged the poor state of their fiscal health in the NDC meeting of 1999

- The Reserve Bank of India has started monitoring its ways and means advances (WMA) to the states carefully. Reserve Bank of India constituted an Advisory Committee to consider the rationalisation and revision of the limits of ways and means advances to the states in 1998. Recommendations of this committee covering both special and normal WMAs to the states included- (a)raising the limit from Rs. 2234 crores to Rs. 3685 crores for all states specifying different limits for 23 States, (b)a ceiling on overdrafts and a restriction the number of days the states could operate overdrafts to 20 working days in a quarter. As suggested by RBI a Consolidated Sinking Fund for the States to retire debts, introduce flexibility in market borrowing and timing their access to market has been set up.

- The Department of Expenditure of the Ministry of Finance at the Centre has taken initiative in introducing MOU with 14 State Governments to restore financial viability of electricity boards to rationalise electricity tariff.

- In 1998-99 Union Budget, a task force to examine the question of elimination of plan and non plan distinction in the Budget and to make recommendations for a functionally viable



and more focussed presentation of Government Expenditure in the budget. Union Government announced in its budget of 2000-01 announced its intention of carrying out structural changes in the composition of Central Governments expenditure and effect economy in non-plan revenue expenditure with greater vigour, simultaneously improving the quality of plan expenditure. The expenditure reforms commission constituted by it has submitted its report in respect of six ministries, but the implementation is slow and reluctant.

- The fiscal responsibility bill, introduced by the Centre in Parliament in December 2000, sought to reduce the fiscal deficit to 2 percent and completely eliminate revenue deficit in the next five years. A critical examination of the bill shows that the ambitions are rather lofty and considerable operational problems limit the extent of implementation.
- The Eleventh Finance Commission felt that excessive attention to plan expenditure has resulted in a neglect of maintenance of past projects classified as 'non plan'. In pursuance of its additional terms of reference, the Eleventh Finance Commission, in order to encourage the state government to implement fiscal reforms in a time bound manner recommended setting up of an incentive fund, consisting of 15 percent of the withheld portion of the grants recommended by EFC. This has been set up by the centre. The release will be based on a single monitorable fiscal objective of a minimum improvement of 5 percent as a proportion of revenue receipts in their revenue deficits each year till 2004-05.

### **Suggestions**

- There is need for state specific programmes of action , with a proper time frame, that maintains a balance between Economic, Social and Political value systems and factors operating at the ground level.
- Tax performance and expenditure control need to be among the premium virtues attracting devolution and transfers of central resources for interstate disparities in central assistance to be relatable to identifiable difficulties in fiscal performance, paucity of natural resources, logistical problems of the states for making the fiscal reforms and discipline more effective and meaningful.
- Some of the measures announced like levy of User Charges, scrutiny of staff strength with a view to restricting new recruitment, creation of surplus pool employees to redeploy surplus staff and use of Information Technology to promote efficiency in activities with large interface with people , could be equally applied to the State Governments.
- The states should immediately pay greater attention to fiscal integrity, audit and accountability, and regain for the system at least a part of the sanctity associated with obtaining legislative approval.

- Relationship between Macro Economic Management and Micro Economic Planning is important and that coordination within the Government agencies concerned with micro management should be given due importance.
- An improvement in the quality of budget preparation, with due attention to, and prior determination of inter se priorities of alternative claims for the ever shrinking resources of the state and Union Governments and improved quality of decision making is needed. Improving the presentation aspects of the budget can help improve the quality of legislative control, and monitoring of expenditure.
- The real improvement in fiscal health of the state can come about only by more detailed attention to the resources side, with studies of trends in tax and non tax revenue, and review of the existing frame work for cost recovery and reduction of subsidies.
- Mechanisms like Expenditure Finance Committee and Public Investment Board, which provide some degree of pre investment scrutiny of feasibility reports, now obtaining at the Centre and the time phasing of investments, with provisions in the budget matching the needs of approved projects need to be introduced in the States. Tightening of procedures relating to approval of revised costs estimates is an urgent necessity.
- The proposed project preparation facility at the Planning Commission can make a difference in due course, if the State Governments avail this facility in adequate measure. For its part the Planning Commission could consider training State Government employees in project formulation and appraisal. The proposed scheme of training could be implemented by the Planning Commission with expert faculty from authorities like the Central Electricity Authority (CEA).
- Creation of a mechanism for concurrent audit and monitoring by a mutli-disciplinary group with representatives having administrative, technical and audit professional background need to be deliberated and decided upon.
- A constitutional cap on borrowings has become urgent. state governments appear to be getting encouragement to access directly International Financial Agencies. This needs to be curbed, for one of the major reasons for distortion of plan priorities and expenditure are the subtle dictations of these agencies. Constitutional and fiscal propriety both demand a firm decision in this area.

**MANAGEMENT OF PUBLIC EXPENDITURE BY STATE GOVERNMENTS**  
**IN INDIA - A STUDY OF THE TRENDS IN THE 1990's**

**INTRODUCTION**

This study is an investigation into the Management of Finances by State Governments in India, covering 26 States, fifteen major and eleven small states, with focus on the states of Maharashtra, Andhra Pradesh, Karnataka, Tamilnadu and Kerala.

The study turns the searchlight on deteriorating financial position of the State Governments worsening since the eighties, unravels in detail, the period of economic reform 1990-91 to 1999-2000, and examines the compelling need for fiscal reform and the measures initiated for fiscal consolidation. While the 26 States studied included Delhi now designated as National Capital Territory, it did not include the Union Territories of Chandigarh, Daman & Diu, Dadra and Nagar Havali, Lakshadeep, Pondichery and Andaman and Nicobar Island.

The study covers the structural changes in Public Expenditure and their impact on pace of Economic development, constrictions on Plan Expenditure and expansion of Non Plan Expenditure, with competitive populism and diversion of subsidies affecting the utility of Public Expenditure. Attention is paid to the sources of crises in Central and State Finances and the manner in which State Finances deteriorated since the mid eighties and brings out the efforts of the Government of India, the Planning Commission the Finance Commission and the RBI and their attempts to evolve monitoring and regulatory mechanism for stemming the deterioration.

The recurrent problems of Centre-State relations and mechanism of devolution, haunting Indian public finance, receives attention, as the pattern of devolution and quantum of flow of resources from the Centre, both by way of discretionary route of Planning Commission and statutory route of Finance Commission have influenced the decision making and pattern of Expenditure at the State level, highlighting the changes in criteria adopted by the Tenth and Eleventh Finance Commissions. It also brings out the changes in Planning Commission's formulae for transfers from Centre to the States for developmental plans. As the Study deals with the nineties, the decade of Economic Reform, it provides a rapid view of the changes in the policy frame work particularly efforts at fiscal consolidation and their impact on sectoral allocations in the annual plans and budgetary provisions both at the central and the state level.

As a result the study seeks to address the central question of Public Expenditure Management as a vital development imperative, with investigation focussing attention on the analysis of the plan and budgetary priorities particularly growth, equity and balanced regional development adopted by the States and the policy options available and exercised by the State Governments to improve their own resource mobilization and to increase efficiency of expenditure. While the study provides a macro view of the budgetary trends in all the Indian states it attempts to analyse in depth the budgetary performances of the states of Maharashtra, Andhra Pradesh, Karnataka, Tamilnadu and Kerala. With a view to eliciting information on differences in sectoral treatment if any, the study probes the policies and programmes and expenditure patterns choosing one major head of expenditure in different functional classifications in the Budget. (a) Administrative and Police Services in General Services category, (b) Irrigation in Economic Services category and (c) Education in Social Services category.

By the year 2000-01 three states have been carved out of the existing States. Since the focus of the investigation was to be on four Southern States and Maharashtra the creation of new States may not make substantial difference to the analysis of the trends in Public Expenditure and Revenue mobilization or to the package of measures to be considered. But the creation of these smaller States may have a substantial impact on the programmes of Public Expenditure as this has given a spur to the long subsisting claim for creation smaller States like Vidharbha in Maharashtra, Telengana in Andhra Pradesh as also to the manner of allocation of funds for intra state regional bodies like the Hyderabad – Karnataka Regional Development Board. In Karnataka. This aspect is analysed.

Likewise the Constitutional Amendments 73<sup>rd</sup> and 74<sup>th</sup>, emphasizing devolution of funds to the local bodies in Rural and Urban areas , if effectively carried out are likely to impact the nature of Public Expenditure Management in the various States. The Panchayati Raj and Municipal bodies have been in position for a few decades now, and can provide useful insights into the manner in which the fresh bout of decentralization is likely to affect the Public Expenditure Management, including the much vaunted downsizing of Government , the study covers this aspect.

A source of major concern in Public Expenditure Management is the area of leakages and wastage in poverty alleviation and other schemes conceived with laudable socio-economic objectives but perceived in some quarters as populist securing substantial budgetary allocation. The study seeks to draw attention to the Reports of the Comptroller and Auditor General and examines the problems of implementation agencies, with a view

to suggesting measures that can be taken by the State Governments to minimize costs, leakage and wastages.

The study also draws attention to the recent realisation of need for fiscal discipline for betterment of State finances and covers the salient aspect of the White Papers on financial situation and fiscal strategy papers published by the states of Maharashtra, Andhra Pradesh , Karnataka , Tamilnadu and Kerala. The approach is diagnostic and prescriptive, at the macro level, with some suggestions for improvement offered .

#### **DATA AND METHODOLOGY**

The data relating to the study have been drawn from the Budgetary documents of the State Governments for the Southern States, Reports of Planning Commission, Finance Ministry, Finance Commission and the RBI supplemented by contributions published in journals like the RBI Bulletins, The Asian Economic Review, Economic and Political Weekly, Finance India, Journal of Rural Development, Indian Economic Journal, Artha Vijnana .We have also drawn from reports in news papers like the Hindu, Times of India, The New Indian Express , the Hindu Business Line and Economic Times. Needless to mention the study had to draw upon insights and information from several of the old and recent books, particularly on Economic Reforms, Planning and State Specific studies. These have been mentioned in a Bibliography.

With the scope covering 26 States and data from several official agencies, the investigators faced the problem of a plethora of data and the need to cull out the vital details from vast assemblage of data and analytical angles from research studies. With the subcontinental dimensions of India there were several instances of partial analysis even by experts. The need to balance the findings of specific investigations into a problem area in one state and assessment of its relevance to the other states has led to several useful lines of investigation being merely highlighted. These will provide leads for further studies. The question of reliability and comparability of data gathered from multiple sources, particularly of the State Governments had to be dealt with carefully as component wise details were not available for Expenditure data for some years. In certain years data for Capital receipts were found to have been adjusted for remittances.

In respect of expenditure of the State Governments due regard had to be paid for adjustments for repayment of loans by State Governments, inter governmental transfer and adjustments. In dealing with such data problems reliance has been placed on the

methodology adopted by RBI and the Union Government. To this extent, the discrepancies in the data gathered from State Government sources have been minimised.

While the data collection has covered several years and activities of different governments, their presentation in the report had to be necessarily restricted to facilitate clear analysis without cluttering the report with minutiae of data. To this extent the report is an under statement of the effort involved in the study. While initially nearly 100 tables of data were drawn up, the presentation had to be restricted. The data has been presented, as far as possible, along with the text. However for convenience of reference, the detailed tables have been presented in three sets, with different group headings

(a) Tables designated as SA series , presenting the aggregates of all the states for each year in the nineties

(b) Tables designated as AS series presenting the details for each of the 26 states from 1990-91 to 2000-01.

(c) Tables designated as SS series presenting the details the Select States of Maharashtra, Andhra Pradesh, Karnataka, Tamil Nadu and Kerala.

(d) Tables designated as DET series providing the details of various items of Plan and Non Plan Expenditure under Revenue and Capital Accounts for the years 1991-92, 1997-98, 1998-99, 1999-2000 RE, and 2000-2001 BE. Item wise Details of Revenue and Capital Receipts compiled have been used only for analytical purposes, and not presented here.

The study report is divided into 11 Major Sections

Section – I Deals with the Setting and economic landscape of India and provides perspective views of the Finances of the Centre and the States, and the combined picture.

Section – II Deals with the Aggregate Picture of Revenue, Expenditure and other aspects of Budgets of all the States, and traces the sources of fiscal imbalance.

Section – III Seeks to provide a better understanding of the fiscal dilemma of the States in the context of the Constitutional and policy framework of Indian Economy mainly fiscal federalism and the mechanisms evolved for devolution and transfer of resources to the Centre to the States. It also provides a quick review of the impulses for Economic Reforms initiated by the Centre and the impact of the new framework of policy on development plans and the Union Budgets.

Section – IV Highlights the structural transformation of Indian Economy, and reviews the differential growth performance and its impact on the levels of development of various States, as measured by various indicators.

Section – V Provides an analysis of the Budgetary trends, in all the 26 states focussing on transaction in Revenue and Capital Account, with details of Development and Non Development Expenditures and Plan and Non Plan categories highlighting the fiscal deterioration reflected in growing revenue and gross fiscal deficits during the nineties with mounting debts and interest payment obligations.

Section – VI Provides a geographic and demographic profile as also key economic and social indicators in States of Maharashtra, Andhra Pradesh, Karnataka, Tamilnadu and Kerala , chosen for closer examination.

Section – VII examines the nature of transformation of Expenditure Management with analysis of Budgetary trends and Sectoral Distribution of expenditure in the Select States of Maharashtra, Andhra Pradesh, Karnataka, Tamil Nadu and Kerala. which were reputed to be financially better managed.

Section – VIII With a view to obtaining insights into sectoral expenditure management the study focuses attention on one major head of expenditure in each of functional classifications in the Budget. (a) Administrative and Police Services in General Services category, (b) Irrigation in Economic Services category and (c) Education in Social Services category.

Section – IX focuses attention on the problem areas of Public Expenditure Management and explores the emerging areas of weaknesses in Public Finance –the leakage and wastage in poverty alleviation schemes, the political dimensions of intra state and interstate disparities , the persisting tardiness in devolution to local bodies, falling levels of fiscal marksmanship and fading standards of accountability.

Section X outlines the steps taken by the state governments to reverse the fiscal crisis by formulation fiscal strategy and medium term plans and highlights the need for fiscal recovery through mechanisms for better expenditure control enforcement of budgetary discipline and improved resource mobilisation by universalisation of user charges and other measures.

Section XI sums up the critical aspects of states' finances , surveys the recent policy and programme measures for fiscal consolidation and proceeds to make some suggestions .

Bibliography is provided at the end and the statistical tables are provided as a separate volume.

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## **I THE NATIONAL SETTING**

### **1.1 CURRENT FISCAL OOTLOOK**

Even as India stepped into a new millenium, the development outlook has been marked by the consciousness, as noted by the Planning Commission in the Approach Paper to the Tenth Five Year Plan, that “the economy is currently in a decelerating phase and urgent steps are needed to arrest the deceleration and restore momentum,” “and that” this reversal ... has to take place in an environment where the world economy is slowing down”.<sup>1</sup>

There is the overcast of a brooding omnipresence of fiscal insecurity. The Planning Commission also pointed out that “ the fiscal situation of the central government has deteriorated continuously in the 1990s and especially during the Ninth Plan” and that “the finances of the state governments have deteriorated precipitously in the 1990s”<sup>2</sup>

Presenting the Union Budget for 2001-02 in February 2001, Shri. Yeshwant Sinha Union Finance Minister stated that “the most serious problem confronting the economy is the poor state of the fiscal health of both the Central and State Governments. The combined fiscal deficit of the two together is in the region of 10% of GDP<sup>3</sup>, In February 1999 the Finance Minister had already informed the Parliament that “the fiscal and revenue deficits of both Centre and the states are still too high and are undermining the country’s ability to stimulate involvement and growth, generate resources for priority expenditure needs, to bring down interest rates, to curb inflationary potential and raise exports.”<sup>4</sup>

International Monetary Fund’s, World Economic Outlook released in April 2000 drew attention to the fact that India has been among the fastest growing economies in the world over the last two decades and pointed out that deft handling of monetary policy helped India successfully weather the Asian Crisis while maintaining low inflation and comfortable external position. Highlighting the problem areas the Report observed that “the foremost challenge is to make prompt and credible progress in conducting the fiscal deficit. With budgetary slippage occurring at both Central and State Government levels, the consolidated public sector deficit has risen to 11% of the GDP in fiscal 1999-2000, over two percentage points higher than initially budgeted. India’s large fiscal imbalances that have pushed public debt upto 80 % of the GDP, are crowding out private investment,

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1. Planning Commission : Approach Paper to the Tenth Five Year Plan (2002-2007) Para 1.2

2. Ibid Paras 2.6 and 2.7

3. Government of India , Ministry of Finance : Speech on Budget (2001 -02) Feb 2001 Para 76

4. Ibid Speech on Budget Feb 1999 Para 6.



and are constraining the scope for monetary authorities to ease interest rates which are high in real terms, with oil jeopardising recent gains on the inflation front.”<sup>5</sup>

The Ministry of Finance in its Economic Survey 2000-2001, presented to the Parliament in February 2001 observed that “ Despite the positive response of Economic Agents to Reforms, identifiable gaps in the reform process continue to cloud the long term prospects of the economy. The fiscal situation has worsened since 1996-97 .”. After tracing the implications of the persisting high fiscal deficit at both Central and State levels and the consequent increasing share of debt service in the expenditure budgets of both the Central and state governments, for Government’s ability to undertake public investment, demand for Indian industrial goods, growth of private investment in infrastructure, and high interest rate regime, the Survey observed that “ the key areas for action, for instilling confidence in the economy, pertains to a credible medium term programme for fiscal improvement . This has acquired new urgency at this juncture.”<sup>6</sup>

While pronounced emphasis on fiscal consolidation and financial restructuring since 1991, had resulted in a determined approach to Public Expenditure Management aiming at reduction of budgetary deficits, it has since emerged that during the Eighth Plan period (1992-97) fiscal consolidation measures had concentrated on compression of Public investment and that the Ninth Plan proposals marked a sharp reduction in the share of Public Investment in Total Investment from 45 % to 33.4 % (i.e from 10.4 % to 8.3 % of the GDP) and that in December 1999 Deputy Chairman Planning Commission had pointed out to the Finance Ministry that the Budgetary Support for the Central Plan in the first two years of the Ninth Plan was short of requirements and there was need for stepping up level of budget support by 35 to 40 % in the remaining years of the Ninth Five Year Plan . In October 2000, Mid Term Appraisal of the Ninth Five Year Plan indicated that the Central Budget Support for the Ninth Plan could be only 87 % as against 93 % realised during the Eighth Plan and that the total Public Investment will be about 81 % of the Plan Target as against the realisation of 85.4 % in the Eighth Plan. The Appraisal indicated that “due to serious slippages in public investment in physical and social infrastructure the pipeline investment in the Tenth Plan will be low. This may weaken the possibility of significant acceleration in the growth rate during the Tenth Plan Period.”<sup>7</sup>

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5. cited in Reviews of Recent Performance of Indian Economy - A Summary by Sujatha Suresh Asian Economic Review December 2000, p. 490.

6. Govt of India , Ministry of Finance . Economic Survey Feb 2001.

7. Planning Commission Mid Term Appraisal of the Ninth Five Year Plan, Oct 2000 Pg.1.

While there has been unanimity of views on the part of political leaders in positions of power and Analysts in Economics and Public Finance that restoration of fiscal health of the state and Central Governments should receive priority of attention and that continuing fiscal deficits should be curbed, there is another aspect to be kept in view. The International Monetary Fund and other organisations have no doubt designated ratios such as Fiscal Deficit / Gross Domestic Product Ratio as indicators of financial prudence of various governments. It is however necessary to appreciate that the composition of the budget and direction of expenditure influence the growth of GDP, and that in one's anxiety to lower fiscal deficit / GDP ratio, governments should not inadvertently take budgetary measures that affect the growth of GDP. It is therefore necessary to keep in view the impact of Public expenditure on GDP growth and to ensure that emphasis is laid on a good investment programme with accent on increasing domestic production and strengthening the economy through significant contribution to the growth of GDP and consequently on the fiscal deficit/GDP ratio and such other indicators.

It will be clear from an analysis of the quantum of fiscal and revenue deficit as also their ratios to GDP that it is not the size of the deficit but the character of expenditure that is important. For example in 1991, the gross fiscal deficit of Central Government stood at Rs.44632 crores working out to 8.33 % of the GDP, but an higher gross deficit of Rs 60257 crores in 1993-94 worked out to be 7.44 per cent of the GDP, and that a similar size deficit of Rs. 60243 crores in 1995-96 worked out to be 5.48 % of GDP.

It is in the light of such a diagnosis that one must welcome the indication in the Approach paper to the Tenth Five Year Plan that "the broad strategy of the Plan will be to rely on a combination of increased investment and improvement in efficiency based on unlocking of hidden capacities in the economy, unleashing repressed productive forces and entrepreneurial energies and upgrading technology in all sectors, all of which will improve the efficiency in all economic activities."

Such a predication of "increased investment and improvement in efficiency " can be realised only by proper attention to the improvements in the management and quality of public expenditure, both at the Central and the State levels. This study is devoted to the investigation of public expenditure management in the various states in India, against the backdrop of fiscal federalism, getting fine tuned for over fifty years, without yet attaining orchestral harmony. There appear to be many discordant and disturbing notes in the air but it is not yet all cacophony and still can be conducted into a fine symphony.

## 1.2 : PERSPECTIVE VIEW OF THE FINANCES OF THE CENTRE AND THE STATES

Taking a perspective view of Public Finance at macro economic level , in particular of the increasing total government revenue and expenditures, and their pattern one can discern the changes in the relative roles of the Central and States and the Union territories, during the last two decades.

The level and patterns of expenditure as well as the means through which resources are raised have a direct effect on the income and expenditure streams and have therefore significant effects on the economy. Pointing out that fiscal deficit - measured as the difference between aggregate disbursements and revenue and non debt capital receipts – summarises in a way, the total gamut of Public Finance and indicates adequately the fiscal health of the country. Dr.C. Rangarajan observed, “ there was a time when revenue deficits were a rare phenomenon in India’s public finances. In fact, revenue budgets used to generate some surplus to finance capital expenditure. .... The turning point for the Centre came in 1979-80 and for the states together in 1986-87. Since then revenue budgets at both levels have been showing deficits of varying order every year.”<sup>8</sup>

In 1979-80 Centre reported a revenue deficit of Rs. 694 crores and in 1986-87, the States together last reported a revenue surplus of Rs. 170 crores.<sup>9</sup> The comparative pictures of the total combined receipts and disbursements of Central and State Governments on revenue and capital accounts, in 1980-81 and 1999-2000, and 2000-2001 have been as shown in the Table.

**TABLE 1.1 : COMBINED BUDGETARY POSITION OF CENTRE AND THE STATE (Rs. Crores)**

|              | Revenue Account |             | Capital Account |              | Aggregate |              | Overall          |
|--------------|-----------------|-------------|-----------------|--------------|-----------|--------------|------------------|
|              | Receipts        | Expenditure | Receipts        | Disbursement | Receipts  | Disbursement | Surplus/Deficits |
| 1980-81      | 25560           | 26126       | 8945            | 11753        | 34505     | 37879        | -3374            |
| 1990-91      | 105757          | 129628      | 46641           | 34045        | 152398    | 163673       | -11275           |
| 1995-96      | 217527          | 255457      | 79102           | 48129        | 296629    | 303586       | -6957            |
| 1999-00(R.E) | 349335          | 479670      | 196910          | 75788        | 546245    | 555458       | -9213            |
| 2000-01(B.E) | 387315          | 510443      | 206645          | 87820        | 593960    | 598263       | -4303            |

Source-Handbook of Statistics on Indian Economy RBI, 2000. Table –102, p.141

8.Dr.C.Rangarajan , Former Governor Reserve Bank of India and Former Member Planning Commission , Keynote address at the Conference on “ India – Fiscal Policies to Accelerate Economic Growth “ held in New Delhi on May 21<sup>st</sup> 2001,

9. ( See RBI Hand Book of Statistics 2000 Pgs.127 and 135 )

After taking into account inter governmental adjustments, in 1980-81, the total expenditure of Centre amounted to Rs. 23,194 crores and that of the States Rs. 22,770 crores, totaling 37,879 crores. By 1990-91, the Central Expenditure had increased by nearly 5 times to Rs. 1,07,995 crores and the corresponding figures for the states was Rs. 91,242 crores totaling Rs. 163,673 crores. During 1999-2000 the Revenue and Capital Expenditure of the Central and the States combined accounted for a total of Rs. 5,55,458 crores, or 28.4 Percent of the GDP. For the year 2000-2001 Governments at Centre and the states put together budgeted for estimated receipts of Rs. 593960 crores and disbursement of Rs. 598273 crores .

#### DEVELOPMENTAL AND NONDEVELOPMENTAL EXPENDITURE

Apart from the conventional accounting classification of government transactions into Revenue and Capital Accounts, further classification of expenditures into Plan and Non Plan as also Development and Non Development categories are also made to convey the nature of expenditure incurred.

Analysed in terms of developmental and non developmental expenditure, the relative shares of the centre and states can be seen from the following table

**TABLE:1.2 DEVELOPMENT AND NON DEVELOPMENT EXPENDITURE** (Rs.Crores)

| Years             | Centre          |                 |                   | States           |                 |                  | State and centre Combined |                  |                  |
|-------------------|-----------------|-----------------|-------------------|------------------|-----------------|------------------|---------------------------|------------------|------------------|
|                   | Dev             | N.Dev           | Total             | Dev              | N.Dev           | Total            | Dev                       | N.Dev            | Total            |
| 1980-1981         | 13327<br>(9.3)  | 9867<br>(6.9)   | 23194<br>(16.2)   | 15961<br>(11.1)  | 4289<br>(3.0)   | 22770<br>(15.8)  | 24480<br>(17.0)           | 12738<br>(8.9)   | 37879<br>(26.3)  |
| 1990-1991         | 58645<br>(10.3) | 49349<br>(8.7)  | 107994<br>(19.00) | 63370<br>(11.1)  | 22600<br>(4.0)  | 91242<br>(16.00) | 96686<br>(17.4)           | 63397<br>(11.1)  | 163673<br>(28.8) |
| 1999-2000<br>(RE) | 133039<br>(6.8) | 180219<br>(9.2) | 313258<br>(16.00) | 198322<br>(10.1) | 110137<br>(5.6) | 325634<br>(16.6) | 286607<br>(14.6)          | 261240<br>(13.3) | 555458<br>(28.4) |
| 2000-2001<br>(BE) | 134637<br>(6.2) | 213580<br>(9.8) | 348217<br>(16.00) | 208333<br>(9.6)  | 125484<br>(5.8) | 350767<br>(16.1) | 298368<br>(13.7)          | 293464<br>(13.5) | 598263<br>(27.5) |

Note: Total in the case of states includes 'Others' covering items of intergovernmental transfers . Figures in brackets indicate Percentage of GDP.

Data given in Economic Survey of Govt. of India differ as they cover internal and extra budgetary resources of the Public Sector undertakings.

As pointed out in the Study of the Finances of State Government by EPW Research foundation, by 1999-2000, as per revised Budget estimates the total expenditure of State Governments, after taking into account inter Governmental transfers, amounted to Rs. 3,25,634 crores, 16.6% of GDP and had even overtaken the total expenditure of the Centre placed at RS. 3,13,258, estimated at 16% of the GDP.<sup>10</sup>

While the Total Expenditure of both States and Centre combined had increased from 26.3% of the GDP in 1980-81 to 28.8% of GDP in 1990-91, it came down during the mid 90's before climbing again to 28.4% in 1999-2000(R.E.). A significant aspect of this is that Development Expenditure had during the 80's hovered around 17 to 18% of the GDP before gradually coming from to 14.6% of GDP in 1999-2000 (R.E.).Correspondingly Non Development Expenditure had increased from 8.9% of GDP in 1980-81 to 13.3% of GDP in 1999-2000 (R.E). The share of development expenditure in States total expenditure computed as a percentage of GDP had come down from 11.1 percent in 1980-81 to 9.4 percent in 1998-99 before climbing to 10.1 percent in 1999-'00. The fall in the Development Expenditure at the Centre was far steeper from 9.3 percent in 1980-81 to 6.8 percent in 1999-2000 (R.E). Though the 80's were marked by steady increase before the declining trend commenced in 90's. Overall it is seen that at both centre and the States the developmental expenditure had been steadily increasing in absolute value but as a percentage of GDP the declining trend is common to both the Centre and States during the 90's.

#### PLAN AND NON-PLAN EXPENDITURE

Analysed, in terms of Plan and NonPlan categories of expenditure and their respective shares in the total expenditures of the Centre and the States, the pattern over the four years 1989-90, 1990-91, 1999-00 and 2000-01, both in absolute and relative to GDP terms can be seen from the Table

**TABLE 1. 3 PLAN AND NON-PLAN EXPENDITURE** (Rs.Crores)

| Year    | Plan           | Centre           |                  | States         |                  |                  |
|---------|----------------|------------------|------------------|----------------|------------------|------------------|
|         |                | Non Plan         | Total            | Plan           | Nonplan          | Total            |
| 1989-90 | 28401<br>(5.8) | 64505<br>(13.17) | 92906<br>(18.97) | 23012<br>(4.7) | 53798<br>(11.1)  | 76810<br>(15.8)  |
| 1990-91 | 29956<br>(4.9) | 76761<br>(13.2)  | 106717<br>(18.1) | 27433<br>(4.8) | 63809<br>(11.2)  | 91242<br>(16.0)  |
| 1999-00 | 76182<br>(3.9) | 221902<br>(11.3) | 298084<br>(15.2) | 78156<br>(4.0) | 247478<br>(12.6) | 325634<br>(16.6) |
| 2000-01 | 88100<br>(4.0) | 250387<br>(11.5) | 338487<br>(15.5) | 89074<br>(4.1) | 261693<br>(12.0) | 350767<br>(16.1) |

<sup>10</sup> Finances of the States in its Time series presentation, E.P.W May 19/2001)

**STATES SHARE IN PLAN EXPENDITURES**

As regards shares in plan expenditure of Centre and States, it is seen from Table below that, while the States had accounted for 63.52% of total plan outlay, during the IFYP, this share fluctuated , 45.27% in II FYP, 49.28% in III FYP, 48.64% in IV FYP before rising to 50.77% in V FYP and again coming down to 45.25% in VI FYP, 40% in the VII FYP, further to 38.71% in the VIII FYP. On the other hand the share of the Centre which was 36.02% in the I FYP had increased to 59.52% during the VIII FYP

**TABLE: 1. 4 PERCENTAGE SHARE OF CENTRAL & STATES ON PLAN EXPENDITURE**  
(Rs. Crores, Current Prices)

| Plan Period                              | Centre      | % Share of Plan | States      | % Share of Plan* | Total       |
|--|-------------|-----------------|-------------|------------------|-------------|
| First Plan (1951-56 Actuals)             | 706.00      | 36.02           | 12145.00    | 63.52            | 1,960.00    |
| Second Plan (1956-61 Actuals)            | 2,534.00    | 51.24           | 2,115.00    | 45.27            | 4,672.00    |
| Third Plan (1961-66 Actuals)             | 4,212.00    | 49.11           | 4,227.00    | 49.28            | 8,577.00    |
| Annual Plan (1966-69)                    | 3,401.00    | 51.34           | 3,118.00    | 47.06            | 6,625.00    |
| Fourth Plan (1969-74 Actuals)            | 7,826.00    | 49.60           | 7,675.00    | 48.64            | 15,779.00   |
| Fifth Plan (1974-79 Actuals)             | 18,755.00   | 47.57           | 20,015.00   | 50.67            | 3,9426.00   |
| Annual Plan (1979-80)                    | 5,695.00    | 46.77           | 6,291.00    | 51.67            | 12,176.00   |
| Sixth Plan (1980-85 Actuals)             | 57,825.00   | 52.91           | 49,458.00   | 45.25            | 1,09,292.00 |
| Seventh Plan (1985-90 Actuals)           | 1,27,519.60 | 58.30           | 87,492.40   | 40.00            | 2,18,729.70 |
| Eighth Plan (1992-97 Actuals)            | 2,88,930.10 | 59.52           | 1,87,937.50 | 38.71            | 4,85,457.31 |
| Ninth Plan* (1997-2002)<br>(Plan Outlay) | 4,89,361.00 | 56.93           | 3,69,839.00 | 43.07            | 8,59,500.00 |

Source: Indian Planning Experience A Statistical Profile. Planning Commission, GOI, Jan. 2001 PP.30 Table3.3.

\*Only outlay in 1996-97 Prices; States & UTs combined figures are given: and includes amounts earmarked for decentralised planning in some States

Plan expenditure of Union Territories whose share in total plan expenditure varied from 0.46 per cent in the First Five Year Plan period to 1.77 per cent in the Eighth Plan Period have not been indicated , and if this are taken into account , the total will be 100 per cent

This rapid scan establishes that (a) the aggregate expenditure of the States has edged past that of the Centre in 1999-00 (b) plan expenditure of the states is level with the Centre's (c) non – plan expenditure of the states have grown at a faster rate than the Centre's, during the nineties (d) the state's relative share in overall plan expenditure in comparison with the Centre's has been coming down since the 80s.

### 1.3 A PERSPECTIVE VIEW OF FINANCES OF THE CENTRE

While the data presented earlier provide a comparative view of the changing financial position of the Centre and the States, with budgetary position for the specific years 1980-81, 1990-91 and 2000-2001, it may be useful to secure a perspective of Centre's finances with details of receipts and disbursements on both Revenue and Capital Accounts. This will help in understanding the nature of deterioration in the fiscal health of the economy.

**TABLE 1. 5 BUDGETARY TRANSACTIONS OF THE CENTRE.**

|           | Revenue Account |           |           | Capital Account |          |            | Overall   |
|-----------|-----------------|-----------|-----------|-----------------|----------|------------|-----------|
|           | Receipts        | Exp.      | Diff      | Receipts        | Exp.     | Diff       |           |
|           | difference      |           |           |                 |          |            |           |
| 1950-51   | 406.00          | 347.00    | +59.00    | 105.00          | 183.00   | -78.00     | -19.00    |
| 1990-91   | 57381.00        | 74966.00  | -17585.00 | 38564.00        | 31751.00 | +6813.00   | -10772.00 |
| 2000-01BE | 203673.00       | 281098.00 | -77425.00 | 134814.00*      | 57389.00 | +77425.00* |           |

\* with change in issue of Treasury Bills, Budget Deficit concept lost relevance

In 1950-51 the Centre's Transactions on Revenue Account showed a receipt of Rs. 406 crores and an expenditure of Rs.347 crores yielding a surplus of Rs.59 Crores but the Transactions on the Capital Account with a receipt of Rs. 105 crores and expenditure of 183 crores resulted in a Deficit, of Rs.78 crores, resulting in an overall deficit of Rs.19 crores. By 1990-91 the volume of Transaction had increased enormously with a budget showing on the Revenue Account a Receipt of Rs.57381 crores and Expenditure of Rs.74966 crores and deficit of Rs. 17585 crores. The Capital Account however showed Receipts of Rs. 38564 crores and Disbursements of Rs. 31751 crores, with a surplus of Rs. 6813 crores. As a result overall budgetary deficit was Rs. 10,772 crores. The Budget for 2000-2001 showed on the Revenue Account Receipts of Rs. 203673 crores. And an expenditure of Rs. 281098 crores., and on the Capital Account Gross Receipts of Rs. 134814 crores.and Expenditure of Rs. 57389 crores, the Union Budget showed a revenue Deficit of Rs. 77425 crores.and a fiscal deficit of Rs. 111275 crores.

A quick review shows that Gross Tax Revenues of the Centre have over the last two decades been slightly less than ten per cent of the GDP except for the later part of the Eighties and the early part of Nineties, The share of Non Tax Revenue in Total Revenue has been steadily increasing from the Eighties, from 22.55 per cent during 1980-85 to 27.62 per cent during 1995-99 but as a proportion of GDP it is seen to have risen in the later part of the Eighties before declining in the Nineties. The share of Direct taxes in Total Revenue came down from 21.91 percent in 1980-85 to 18.76 per cent in 1985-90

but started climbing back in the Nineties with its share reaching 29.18 per cent during 1995-99 , mainly on account of the widening of the tax base, increasing the number of tax payers which accounted for the share of Income tax going up from 9.64 per cent in 1980-85 to 13.74 per cent during 1995-99.

The Indirect Taxes , accounted for about 79 % during the entire Eighties , and were, as a proportion of Total Revenue marked by a steep decline in the Nineties , accounting for 74.79 % during 1990-95 and 66.29 per cent during 1995-99 . This is mainly on account of the progressive extension of MODVAT to the entire industry sector and non taxation of the services sector resulting in fall in excise duty collections. Major cuts in customs duty levels , as part of Import Labour Liberalisation and WTO commitments brought down the customs duty collections.

It is however the non tax revenue which needs our attention having remained stagnant between 2.13 and 2.7 percent of GDP during the two decades. Capital receipts of Government of India have been fluctuating between 6.2 to 7.3 per cent of GDP during the two decades . Of this the main category internal debt accounted for 31.43 per cent of Total Capital Receipts during 1980-85 to 25.37 per cent in 1985-90 and 26.39 percent in 1995 before rising steeply to 43.99 per cent between 1995-99 while the other sources of Capital Receipts like small savings and provident funds showed an increasing contribution from about 14.62 per cent in 1980-85 rising to 28.04 per cent in 1995-99 .

Recovery of loans, the second largest item, with 21.46% share in capital receipt between 1980-85 dwindled to 15.79% between 1985-90, 13.645% between 1990-95 and 10.35% between 1995-99. Share of external assistance also decline from 14.38% between 1980-85 to 9.03% in 1985-90, and after a slight improvement to 10.6% in 1990-95 steeply fell to a near 1.82% in 1995-99.

An important aspect that emerges is that during the Nineties, the Total Expenditure has increased from Rs. 1,06,717 crores to Rs. 3,35,522 crores. As a proportion of GDP it however declined from 18.1% to 15.4%. As the Revenue Receipts from Tax and Non Tax sources and capital receipts from recovery of loan and disinvestments was not adequate to meet the rising tide of expenditure, the centre's borrowing and other liability increased. The emerging resource gap was met mostly through high cost borrowing . For instance, the small saving receipts which accounted for 11.48 per cent of Total Capital Receipts during 1980-85 increased to over 20 % in subsequent years . Central Government was passing on 75 % of the small saving receipts to state governments to finance their fiscal deficits . Realising the budgetary implication of this, the Central Government decided to exclude from 1999-2000 , both small savings receipts and advances to state government .



The Centre's internal debt increased from Rs. 30864 crores (21.5% of GDP) in the 1980-81 to Rs. 154004 crores (27.1% of GDP) in 1990-91 and Rs. 728687 crores (37.2% of GDP) in 1999-2000, the Budget 2000-01 placed the internal debt at Rs. 821250 crores (37.7% of GDP). The rise in internal debt and the progressive deregulation of interest rates has had implications for the cost of Government Borrowings from banks, as a consequence, there is steep increase in interest payment . Interest payments which had increased from Rs. 3195 crores (1.8% of GDP) in 1980-81 to Rs. 21498 crores (3.78% of GDP) in 1990-91 rose further sharply to Rs. 91245 crores (4.69% of GDP ) in 1999-00 the budget for 2000-01 placed interest payments at Rs. 101266 crores (4.64% on GDP) . The mounting burden of debt service, covering loan repayment and interest payment during the last two decades could be seen from the following table

**TABLE 1. 6 - INCREASE IN DEBT SERVICE LIABILITY OF CENTRE**

|                                 | 1980-85 | 1985-90 | 1990-95 | 1995-99 |
|---------------------------------|---------|---------|---------|---------|
| As percent of                   |         |         |         |         |
| Tax Revenue                     | 30.1    | 40.5    | 58.9    | 65.9    |
| Revenue Receipts                | 23.5    | 30.4    | 43.7    | 47.6    |
| Total Revenue                   | 14.3    | 18.4    | 26.4    | 29.3    |
| Total Expenditure               | 13.3    | 16.5    | 24.6    | 28.3    |
| GDP                             | 2.2     | 3.4     | 4.4     | 4.6     |
| Revenue Deficit/ Fiscal Deficit | 17.0    | 32.0    | 48.0    | 50.0    |

The rising pattern of Debt Service , and certain other items of Non Plan Expenditure like food and other subsidies, and Loans and Advances to states tended to increase the share of Non Plan expenditure from 59.90 per cent during 1980-85 to 74.41 per cent of total expenditure in 1995-99 , with their shares indicated in table below.

**TABLE 1.7 – PROFILE OF CENTRAL GOVERNMENT EXPENDITURE**

(as percentage of Total Expenditure)

|   | 1980-85      | 1985-90      | 1990-95      | 1995-99      |
|---|--------------|--------------|--------------|--------------|
| <b>Non Plan Expenditure</b>                 | <b>59.90</b> | <b>65.52</b> | <b>71.02</b> | <b>74.41</b> |
| Interest Payment                            | 13.07        | 16.52        | 24.59        | 28.34        |
| Defence                                     | 16.72        | 16.35        | 14.70        | 14.89        |
| Subsidies                                   | 8.35         | 9.52         | 9.86         | 14.89        |
| Police                                      | 1.24         | 1.35         | 1.65         | 1.94         |
| Pensions                                    | 1.60         | 2.04         | 2.25         | 2.87         |
| Loans Advances and Grants to states and UTs | 5.44         | 8.79         | 7.83         | 9.11         |
| Other Non Plan Expenditure                  | 13.48        | 10.95        | 10.14        | 9.07         |
| <b>Plan Expenditure</b>                     | <b>40.10</b> | <b>34.48</b> | <b>28.98</b> | <b>25.59</b> |

It will be seen from the table, that consequent upon the increase in the share of Non Plan Expenditure in the Total Expenditure marked by steeply increasing Debt Service Commitments , the share of Plan expenditure has come down sharply affecting Public Investment and Capital Formation. The Share of Public Sector in Gross Capital Formation, has also come down over a period as shown below.

**TABLE 1.8 - DECLINING PUBLIC INVESTMENT**

(Percentage of GDP)

| Year    | Gross Capital Formation |                          |               |
|---------|-------------------------|--------------------------|---------------|
|         | Total                   | Private Corporate Sector | Public Sector |
| 1980-85 | 21.9                    | 4.3                      | 10.2          |
| 1985-90 | 23.7                    | 4.5                      | 10.5          |
| 1990-95 | 23.7                    | 6.0                      | 9.1           |
| 1995-99 | 24.0                    | 8.3                      | 7.0           |

Source : Rakesh Mohan “Fiscal Corrections for Economic Growth” , EPW , June 10<sup>th</sup> ,2000. Pg 2028

Another important consequence can be seen in the devolution and transfer of resources from the centre to the states viewed as a percentage of Aggregate Expenditure of All States. Between 1985-86 and 2000-2001 , the states share in Central Taxes , had come down from 16.2 % to 14.5 % .Grants from the Centre to states from 14.1 % to 10.5 % , Gross Loan from Centre to States from 18.7 % to 14.8 % , resulting in the decline of Gross Transfer of Resources from 48.9 % to 39.8 % and Net Transfers from 39.3 % to 28.5 %.

While the Centre had the satisfaction of witnessing the increase in resources transferred to the states from Rs.37575 crores in 1991 to an estimated Rs.135305 crores in 2000-2001 , the states viewed even this increase as inadequate in terms of their own ever increasing expenditure .

Conscious of the conflicting needs of the Government and the Economy, the Finance Minister Sri.Yeshwant Sinha presented the Budget 2000-01with an observation ,”I could have sought a deeper cut in the fiscal deficit but a substantially higher level of Revenue mobilisation would have hurt the Industrial Recovery underway at present. Thus in the short run I had to carefully balance the need for fiscal consolidation with a need to nurture the recovery phase of a growth cycle” A perspective view of Centre’s Finances reveals that the successive Union Finance Ministers have been on the horns of a dilemma, seeking valiantly and with unflinching hope, and regular resort to poetic couplets, to meet and reconcile the needs of national development and of financial discipline.

## II FINANCES OF THE STATES

### 2.1 A PERSPECTIVE VIEW

If one took a longer term view, it would emerge that since 1951-52 the State finances have shown a rapid upward trend both in revenue and expenditure. The total receipts of the State Governments on Revenue account was Rs. 296.4 crores in 1951-52 increasing by 219 times to Rs.64842 crores, by 1990-91. Simultaneous Expenditure on Revenue account rose by 181 times from Rs.392.6 crores in 1951-52 to Rs. 70993 crores in 1990-91. During this period, State Budgets have reported revenue surpluses more frequently than deficits. However the Capital account has shown a slightly different picture with deficits appearing more frequently and in larger measure. The Capital Receipts increased from Rs. 164.64 crores in 1951-52 to Rs. 21868 crores in 1990-91 and Capital Disbursement from Rs. 189.47 crores to Rs. 18025 crores during the same period. This has in many ways affected the overall balances of the State Finances as shown below.

(In this presentation of data and analysis, a broad view is taken, data in various official reports like those of the Reserve Bank of India, are shown after inter governmental transfers and other remittance)

A perspective view of the fluctuating balances of the State Budgets over the various Plan periods can be had from the table

**TABLE : 2.1 BUDGET OF THE STATES – OVERALL BALANCE**

(Rs.Crores)

| Period       | Receipts | Revenue Account |         | Capital Account |              |         | Overall Surplus/ Deficit |
|--------------|----------|-----------------|---------|-----------------|--------------|---------|--------------------------|
|              |          | Expenditure     | Surplus | Receipts        | Disbursement | Surplus |                          |
| First Plan   | 2335.4   | 2396.7          | 613     | 1114.5          | 1063.9       | +50.6   | -10.7                    |
| Second Plan  | 4041.2   | 3934.6          | +106.6  | 2241.9          | 3371.7       | -129.8  | -23.2                    |
| Third Plan   | 7332.9   | 7271.7          | +61.2   | 4690.1          | 4689.1       | +1.0    | +62.2                    |
| Annual Plans | 7129.9   | 7175.7          | -45.8   | 4165.1          | 4206.1       | -41.0   | -86.8                    |
| Fourth Plan  | 20932.2  | 21181.1         | -248.9  | 10722.9         | 10551.4      | +171.5  | -77.4                    |
| Fifth Plan   | 33337.6  | 30197.6         | +3140.5 | 11082.2         | 14419.9      | -3337.7 | -197.2                   |
| 1978-80      | 25276.0  | 22592.3         | +2683.7 | 9413.8          | 11275.4      | -1861.6 | +822.1                   |
| Sixth Plan   | 107312.7 | 104272.8        | +3039.9 | 38801.7         | 46622.9      | -7821.2 | -4781.3                  |
| 1985-88      | 115803.6 | 116517.7        | -714.1  | 42552.9         | 31447.5      | +1105.4 | +391.3                   |
| 1988-89      | 50392.4  | 52217.2         | -1824.8 | 17183.8         | 15054.1      | +2129.7 | +304.9                   |
| 1989-90      | 56696.2  | 61278.6         | -4582.4 | 20244.6         | 16682.2      | +3562.4 | -1020.0                  |
| 1990-91      | 64842.0  | 70993.2         | -6151.2 | 21868.7         | 18025.7      | +3843.0 | -2308.2                  |

Source: Various Issue of RBI Bulletin

The Year wise fluctuations in the combined receipts and expenditure of all states on revenue and capital accounts in the Nineties can be seen from the table below:

**TABLE 2.2 STATE BUDGETS-OVERALL BALANCES IN THE NINETIES**

(Rs.Crores)

|              | Revenue Account |        |        | Capital Account |        |        | Overall Difference |
|--------------|-----------------|--------|--------|-----------------|--------|--------|--------------------|
|              | Revenue         | Expend | Diff   | Revenue         | Expend | Diff   |                    |
| 1991-92      | 80535           | 86186  | -5651  | 27238           | 21743  | +5495  | -156               |
| 1992-93      | 91090           | 96205  | -5115  | 30073           | 23129  | +6944  | 1829               |
| 1993-94      | 105564          | 109376 | -3812  | 28623           | 25272  | +3351  | -461               |
| 1994-95      | 122284          | 128440 | -6156  | 43738           | 33114  | +10624 | 4468               |
| 1995-96      | 136803          | 145004 | -8201  | 43630           | 32580  | +11050 | 2849               |
| 1996-97      | 152836          | 168950 | -16114 | 42891           | 33819  | +9072  | -7042              |
| 1997-98      | 170301          | 186634 | -16333 | 59937           | 41501  | 18436  | 2103               |
| 1998-99      | 176448          | 220090 | -43642 | 86393           | 46271  | 40122  | -3520              |
| 1999-00 (RE) | 214810          | 271611 | -56801 | 101612          | 54023  | 47589  | -9212              |
| 2000-01 (BE) | 244920          | 290622 | -45702 | 101544          | 60144  | 41400  | -4302              |

Source : Compiled, from RBI reports

The overall differences shown above are also referred to as conventional deficit,

The details of the Individual State wise transactions on the Revenue and Capital accounts indicating both Revenue and Expenditure as also difference for the ten years from 1990-91 to 2000-01 have been given in the tables in the Annexures. It will be seen from those tables, that for all the States put together, the Gross Fiscal Deficit rose from Rs. 18787 crores, 3.3% of the GDP in 1990-91 to Rs. 90902 crores, 4.1% of the GDP in 2000-01 (BE). During the same period, the Net fiscal deficit increased from Rs. 14532 crores (2.6% of GDP) to Rs. 80391 crores (3.7% of the GDP, while Revenue deficit increased from Rs. 5309 crores(0.9% of GDP to Rs. 45702 crores(2.1% of the GDP)

The analysis of inter state Budgetary positions show that while the Gross Fiscal Deficit as a percentage of Net State Domestic Product, has shown an increase from 1990-91 base year of the Study to 1998-99, (Maharashtra 2.8 to 3.5, Andhra Pradesh 3.1 to 5.5, Karnataka 2.7 to 3.8, and Tamil Nadu 4.1 to 4.5, with Kerala declining from 6.6 to 5.3) the Revenue Deficit account for a major portion of the Fiscal Deficits in nearly all the major States, with considerable variations from one another.

As per Reserve Bank of India's Study of State Budgets 2000-01, the major deficit indicators of the State Governments as a percentage of GDP in the nineties have been as follows

**TABLE 2.3 DEFICIT INDICATORS OF THE STATES**

|                         | (Percentage of GDP)         |         |         |           |               |
|-------------------------|-----------------------------|---------|---------|-----------|---------------|
|                         | 1990-91 to<br>1998-99 (Avg) | 1997-98 | 1998-99 | 1999-2000 | 2000-01<br>BE |
| 1. Gross Fiscal Deficit | 3                           | 2.9     | 4.2     | 4.9       | 4.1           |
| 2. Overall Deficit      | -0.03                       | -0.1    | 0.2     | 0.5       | 0.2           |
| 3. Revenue Deficit      | 1                           | 1.1     | 2.5     | 2.9       | 2.1           |
| 4. Primary Deficit      | 1.2                         | 0.9     | 2.2     | 2.5       | 1.6           |

(RBI State Finance 2000-01 p.4)

The figures indicated above show a very disturbing picture of the finances of the States which, as pointed out in the RBI Study on State Finances (1999-2000), have significance in the Indian Federation on three counts. "Restoration of overall macro-economic stability, attainment of growth with regional equity and strengthening monetary fiscal coordination <sup>1</sup>. The study observed that "While it was expected that the States will make a vital contribution to the restoration of macro economic balances, in the context of economic restructuring and help in bringing about discipline and improvement in the management of finances, by bringing down the fiscal deficit and public debt in relation to gross domestic product, the finances of the State Government have shown stressful signs and serious deterioration in the nineties as compared to the eighties. "

1. RBI Study on " State Finances 1999-2000" Pg 1.

## 2.2 FISCAL IMBALANCE AND THE SOURCES OF CRISIS

The emergence of fiscal imbalances at the Centre and the State levels during the last two decades can be seen from various indicators of deficit , shown below.

**TABLE : 2 . 4 DEFICIT INDICATORS -CENTRE AND THE STATES**

|                         | <u>Centre</u>  |                 |                 | <u>All States</u> |                |                | (Rs. Crores) |
|-------------------------|----------------|-----------------|-----------------|-------------------|----------------|----------------|--------------|
|                         | 1980-81        | 1990-91         | 2000-01         | 1980-81           | 1990-91        | 2000-01        |              |
| 1. Revenue Deficit      | 2037<br>(1.41) | 18562<br>(3.47) | 77425<br>(3.6)  | -1486<br>(0.11)   | 5309<br>(1.0)  | 45702<br>(2.1) |              |
| 2. Gross fiscal Deficit | 8299<br>(5.75) | 44632<br>(8.33) | 111275<br>(5.1) | 3713<br>(2.73)    | 18787<br>(3.5) | 90092<br>(4.1) |              |
| 3. Net Fiscal Deficit   | 5110<br>(3.54) | 30692<br>(5.73) | 111972<br>(5.1) | N.A<br>-          | 14532<br>(2.7) | 80391<br>(3.7) |              |
| 4. Primary Deficit      | 5695<br>(3.94) | 23134<br>(4.32) | 17473<br>(0.46) | 2488<br>(1.83)    | 10132<br>(1.9) | 35821<br>(1.6) |              |

Source : Reserve Bank of India

Figures in bracket are percentages to GDP

Both in quantum and GDP proportion, Centre's GFD was consistently higher, almost double, the GFD of the States, through out the eighties. During the Nineties the deterioration in absolute terms both at the Centre and the States was faster when compared to the Eighties . Centre's GFD touched Rs.1,11,275 crores ( 5.1 % of GDP) in 2001 and the GFD of the states increased to Rs. 90092 crores ( 4.1 % of the GDP) in 2000-2001 .

While presenting an analytical overview of the Finances of Centre and the States Tenth Finance Commission observed that" the macro economic vulnerability of the economy is linked in no small measure to the secular deterioration in its fiscal balance. The magnitude of aggregate deficits-revenue and fiscal had reached levels in the late eighties that set the economy on a medium term path of stagflation and a recurring balance of payments problem."From a revenue surplus, economy moved into a state of continuous deficit on revenue account in 1982-83. While in 1975-76 there was a revenue surplus of about 2.5% of the GDP revenue deficit reached 3.6% of GDP in 1990-91.... This rise has been even faster than that in fiscal deficit which increased from 6% in 1974-75 to about 12% in 1990-91"<sup>1</sup> (Report of Tenth finance Commission for 1995-200, New Delhi 1994, page 4)

1. Report of Tenth finance Commission for 1995-200, New Delhi 1994, page 4

Dealing with the same issue Shri S.P. Gupta and A.K.Sarkar have pointed out that, “at the Central level genesis of escalating fiscal deficit lies primarily in the burgeoning revenue deficits. The rate of growth of Central Government Expenditure accelerated significantly from 2.6% in the Seventies to 10.8% during the Eighties . The acceleration in Central spending was visible in all the three functional categories – Economic Services, Social Services and General Services. This acceleration in expenditure was the primary cause of increasing fiscal deficits. The soft Budget constraint continued to operate at the Central level during this period.”

As regards the expenditure of the states S.P.Gupta and A.K. Sarkar<sup>2</sup> observe that, “akin to Centre the States in the eighties experienced fast enlarging deficit primarily on the revenue account. During this period revenue expenditure of the States grew at the average of 17.6% per annum, much faster than the growth of the revenue receipts. However, as distinct from the Centre, the Budget constraint at the State level hardened by the mid eighties itself. This in part was due to the introduction of the Overdraft Regulation Scheme (ORS) in the mid eighties and also regulation of market borrowing. The Overdraft Regulation Scheme limited the extent to which a state could incur overdrafts during a financial year. This constraint translated into a cut in the expenditure on the capital account of the State Budgets. There was a marked deceleration in the growth of Capital expenditure at the State level from 8.8 percent to 3.9 percent between 1980 and 1987”.

In NIPFP study titled “ Government Expenditure in India Level Growth and Composition, M.Govinda Rao and T.K.Sen <sup>3</sup> have attributed the worsening of the fiscal position of the states to the increase in expenditure on Quasi Public Goods., subsidies and Transfers following high expenditure growth at the Central level, Proliferation of Centrally sponsored schemes since the early Eighties requiring matching contribution from the states .

But as pointed out in the Annual Report of the Reserve Bank of India for 1991-92, the overall resource gap of the States began to increase mainly on account of worsening deficits on the Revenue Account since 1986-87 and increasing resort to the Financing of

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2. S.P Gupta and A.K. Sarkar, ‘Fiscal Correction and Human Resource Development’ EPW, March 26, 1994, pp. 741-751

3.NIPFP study “ Government Expenditure in India Level Growth and Composition , M.Govinda Rao and T.K.Sen (1993)

gap through loans from Centre Government, Market Borrowings, State Provident Funds etc.<sup>4</sup>

That this trend continued has been confirmed by the RBI's studies of the State Finances in the latter years. The Report "Finances of State Government 1995-96," observed that "the aggregate consolidated budgetary position of State Government in -95-'96 reflected an acceleration of the structural weakness in their finances. A matter of particular concern is the deficit of the revenue account which persists for the ninth year in succession and is estimated to increase by nearly 36 percent to Rs. 10,461.7 crores in 1995-96". Seven State Governments show a persistent deficit in the revenue accounts viz. Bihar (Since '89-'90), Kerala ('83-'84) Maharashtra ('88-'89), Orissa ('84-'85), Punjab ('87-'88), Tamilnadu ('87-'88), Uttar Pradesh ('88-'89) and West Bengal ('86-'87)".<sup>5</sup>

The Report had pointed out that all the key deficit indicators, GFD, Revenue Deficit, and Conventional Deficit in 1995-96 were higher than in the previous years and observed that "the deficit indicators, while serving as useful information variables, do not capture a vital aspect of State Government Finances – their resource gap in the context of inter institutional transactions. In particular, the "artificial" stagnancy in the level of GFD of the States expressed as a proportion of the GDP, (at around 3%) is indicative of the constitutional restraints on the borrowing powers of the States. As such it may not be a realistic profile of the imbalance in their finances. The revenue deficit on its part does not distinguish between receipts obtained from sources at the direct disposal of the States and those which flow from other institutions, even if these are governed by the establish legal principles (ibid page 993)

The RBI Study also pointed out the need for an indicator of resource gap which supplements the traditional deficit methods, to provide an idea of the extent of reliance of the States on resources mobilised through arrangements other than those at their disposal and further advised that Central devolution and transfers and the fiscal (Tax) performances of the States should, in principle, be positively correlated. However there have been other analysts who felt that a holistic view of States Finances, including statutory transfers, should be taken. The debate on the desirability of what has come to be known as "Revenue gap filling approach" of the Finance Commission, covers a wide range of issues that may need a more detailed examination, than could be accommodated

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4. Reserve Bank of India, Annual Report 1991-92, October 1992 Page 45

5. State Finances 1995-96, RBI Bulletin, Dec. 1995 page 1000



within the Study devoted mainly to Public Expenditure Management. It should however be noted that this approach has had a significant impact on the State Governments' approach to fiscal management.

The Tenth Finance Commission had however noted, "the change in the fiscal regime from 1982-83 has meant that what was earlier a non debt creating source of financing has become a source of rising internal indebtedness. In the other words, while Revenue Receipts used to cover a part of Capital Expenditure, an increasing part of the Capital receipts are used to finance revenue expenditure. The consequent build up of public debt and interest burden which is now the largest and fastest growing them of expenditure further fuelled the growth of revenue expenditure. This lead to a spiral of growing deficits, rising debt, escalating interest costs and further expansion of deficit <sup>6</sup> The implications of this spiral for the State Finances are manifold.

The TFC Report of 1994 also pointed out that "the structure of expenditure had imparted a downward rigidity and inflexibility to its level. Interest payment and wages and salaries emerged as the major components of expenditure as a direct result of the mode of financing of expenditure and expansionary policies. These items of "committed expenditure could be curtailed only in the medium term. This had made expenditure more income elastic than revenue receipts, thus generating an inbuilt tendency towards deficits. As a result, the economy moved away from resource based fiscal management to expenditure based Budgeting."

The details of deficit indicators in state government finances show that Gross Fiscal Deficit increased from Rs. 3713 crores in 1980-81 to Rs. 18787 crores in 1990-91 and further to Rs. 94739 crores in 1999-2000. With the Revenue Account turing from a surplus of RS. 1486 crores in 1980-81 to a deficit of 5309 crores in 1990-91 and 56802 crores in 1999-2000 . In the financing of Gross Fiscal deficit loans from centre increased from Rs. 1567 crores in 1980-81 to Rs.9978 crores in 1990-91 and Rs. 39879 crores in 1999-2000. While market borrowings (net) increased relatively gradually from 198 crores to 2556 crores and further to 11829 crores during the same period small savings and others contributed an increasing share from Rs. 1948 crores in 1980-81 to Rs. 6253 crores in 1990-1991and further to Rs. 43031 crores in 1999-2000.

The total outstanding liabilities of the State Governments (as a sum of internal debt, outstanding loans and advances from the Centre , Provident Funds etc) on March 31<sup>st</sup> of the year increased from Rs. 23959 crores (16.7 % of GDP) in 1980-81 to Rs. 110289

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6. Report of the Tenth Finance Commission 1994 page 4

crores ( 19.4 % of GDP) in 1990-91 and further to Rs. 418582 crores (21.4 % of the GDP) in 1999-2000. It is seen that the 1990s have been marked by a steep increase in the outstanding liabilities of the state. As a consequence the gross interest payments of all the states, which stood at Rs. 10944 crores in 1991-92 increased to Rs.45526 crores in 1999-2000, and this as a percentage of the revenue receipts of the state increased from 13.6 to 21.2.

Apart from this the expenditure on Administrative Services, increasing from Rs.9225 crores in 1990-91 to Rs. 29219 crores in 2000-2001, and pensions increasing from Rs.3593 crores in 1990-91 to Rs.23810 crores in 2000-2001 enhanced the constricting nature of non plan expenditure and implied meagre availability of resources for new projects, particularly in the infrastructural sector and even for maintenance expenditure.

It is interesting to note in this regard, the diagnosis made by the Tenth Finance Commission of “a pattern in the transition from healthy revenue surpluses that the system used to generate, to chronic deficits”. The Commission identified a three phase deterioration in the revenue account balance of all the States, by disaggregating the revenue account into Plan and Non Plan as follows

- |                                    |   |
|------------------------------------|---|
| 1. First Phase upto 1986-87        | Non Plan account surplus was larger than Plan deficit yielding an overall Revenue surpluses.                    |
| 2. Second Phase 1986-87 to 1991-92 | The magnitude of Plan deficit increased sharply and became larger than the Non Plan surplus which was declining |
| 3. Third Phase after 1991-92       | The Non Plan revenue account itself went into deficit   |

The Tenth Finance Commission went on to observe that “the fact that all the States have had almost identical turning points seem to suggest that there are systemic factors underlying this deterioration rather than State specific reasons..... for the first time, not a single State has submitted a pre devolution surplus on the Non Plan revenue account. Thus the problem post to us was far worse than that faced by earlier Finance Commissions”

This has long term significance, for as pointed out by the World Bank <sup>7</sup> in “the financial and institutional weakness at the State Level are becoming a major constraint to the provision of infrastructure and Social Services.” State Governments account for 53% of

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7. “India- Recent Economic Development: Achievements and challenges” Country Economic Memorandum, World Bank, May 30, 1995

the total combined expenditure of the Centre and the States as also 56 % of the expenditure on Social Services and 85% of total combined expenditure on economic services, :World Bank also pointed out that discrete changes in the policy regimes by a few Central Ministries and Departments (Finance, Commerce, Industry and Telecommunication) can no longer profoundly improve the enabling environment, Changing India's Economic environment. further and ensuring that the liberalisation of the economy leads to sustained reform efforts in several areas including ones in which State Governments play a central role. "Among the key areas cited by the Report are Irrigation and Road Transport which are constitutionally the responsibility of State Governments and Power and Education which are constitutionally responsibilities shared with the Central Governments.

Yet another dimension of the fiscal imbalances can be felt in the impact on the basic objectives of Indian planning like Growth with Social Justice and Equity as also on Social services sector expenditure. Equity consideration which have been a pillar of the planing process in India with dominant objective of growth with social justice appears to have received a set back in the pursuit of fiscal stabilization and structural adjustment programme. Sanjaya Baru <sup>8</sup> argued that while the new economic policy has been seeking to improve the level of efficiency in the economy by promoting efficiency gains to be attained through privatisation and deregularisation of the economic system, it did not address the problem of inequity and inequality, as an explicit goal and that even the efforts to meet the social dimensions of structural adjustment programmes have been limited to compensate for the macro economic and micro economic losses that marginalised economic and social group were likely to encounter as consequence of fiscal and structural adjustment policies

Dr.Geeta Gouri <sup>9</sup> had however pointed out that " Reactions to New Economic Policy display a common tendency with the Stabilisation and Structural Adjustment Programme, towards obfuscation of existing social costs of poorly designed governments interventions or lack of Government action and transitional costs attributed to changes in economic policy. Unfortunately, more often than not both sets of costs tend to converge on the same groups and classes of people. Transitional costs then cease to be transitional and instead tend towards the long run. ....While the sustainability of the SSAP package depends on the minimisation of transitional costs, the structural transformation of the

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8. Sanjaya Baru , The New Economic Policy and the Budget: Efficiency, Equity and Fiscal stabilization" EPW, April 10, 1993.

9.Dr.Geeta Gouri Towards Equity, New Economic Policy , Oxford 1995 Pg .11

economy depends on the minimisation if not elimination of all social costs. Design of policy however has to be sensitive to the different dimensions of social costs “Examination of the Budgetary trends do reveal the extend to which Expenditure Programmes have been sensitised to different Social costs

As early as 1994, S.P.Gupta and A.K. Sarkar<sup>10</sup> had also drawn attention to the possibility of fiscal consolidation measure affecting the expenditure on social services particularly those catering to the poorer sections of the society. They had argued that as activities on social services are mostly undertaken by the State Government, which account for 85% of the total expenditure. On social services, with 94% of non-plan expenditure and 68% of plan expenditure on social services being borne by the State Governments. In their view structural adjustment and fiscal consolidation have a contractionary role leading to high social cost of adjustment.

In a comparison of the average ratio of Plan Expenditure to the State Domestic product in respect of 14 States in the 1980's with the ratio in the 90's, Dr. Montek Ahluwalia<sup>11</sup> has pointed out that the average plan expenditure as a percentage of SDP for the period 1980-81 to 1990-91 was 5.69% and that the average for the decade '87-'88 – '97'98 was only 4.5%

In a paper estimating Trend Growth of Government Expenditure in Social Services, particularly on Education and Health in 15 major Indian States, over the period 1974-75 to 1995-96, P.C. Sarkar and K. Seethaprabhu<sup>12</sup> have pointed out that there is a deceleration in social sector expenditure in 13 Indian States, including those with low levels of human development since the mid 1990's. According to their analysis, 14 out of 15 states registered a deceleration, in respect of health sector with 9 States recording negative growth rates. In respect of education the deceleration was noticed only in 6 States

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10.S.P Gupta and A.K. Sarkar, 'Fiscal Correction and Human Resource Development' EPW, March 26, 1994, pp. 741-751

11.Montek Ahluwalia, "Economic Performance of States in post-reform period", EPW, May 6, 2000 pp. 1637 to 1648.

12.P.C.Sarkar and K.Seetaprabhu, "Financing Human Development in Indian States-trends and implications 1974-75 to 1995-96", Asian Economic Review, April 2001, pp.36-60

It is reasonable to presume that the resource constraints have affected the expenditure on development and in particular plan expenditure, far more specifically the Social Sector Expenditure.

In a survey of Recent Trends in State Government Finances Dr. N.J.Kurien has pointed out that while the overall impact of Fiscal Reforms initiated at the Centre since 1991 have not been encouraging with the Tax /GDP ratio in the nineties dropping lower than that in the eighties, and that pay revision of Central Government employees had nullified what ever gains that were achieved in the Expenditure Management by the Centre. According to him, the States Finances were marked by a sharp deterioration on account of the failure of State Governments to contain wasteful expenditure, reluctance to raise additional resources, competitive populism practised by different political parties, substantial and still growing explicit and implicit subsidies passed on to influential segments of the society through State Budgets and the continued losses of the State Electricity Board and other public undertakings.

On the basis of analysis of data on demographic indicators, State domestic product, development and non development expenditure of State Governments, shares in plan outlay investments, banking activities and infrastructural development, Dr. Kurien<sup>13</sup> asserted that the “ongoing economic reforms since 1991, with stabilization and deregulation policies as their prime instruments and a very significant role for the private sector seem to have aggravated the inter state disparities.”

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13.(Dr. N.J. Kurien State Government Finances – A Survey of Recent Trends EPW May 1999 pages 1115 to 1123)

### **III CONSTITUTIONAL AND POLICY FRAMEWORK**

#### **3.1 FISCAL FEDERALISM**

For a better understanding of the fiscal imbalance and budgetary dilemma , one may need to review the structural features of the Indian Economy like (a) the constitutionally ordained fiscal federalism providing a political and economic framework and (b) democratically chosen approach of central planning and mixed economy to development needs of the economy and proceed to sift the trends in these two areas , to identify the impulses for Economic Reforms launched in the nineties. It may also be relevant to examine whether the Finance Commission and the Planning Commission in the traditional roles and the New Economic Policy of the Nineties have made any difference to the disparities in the levels of development of the states , - a fundamental challenge to Public Expenditure Management.

Fiscal Federalism in India has a long history, preceding the Indian Constitution of 1950, which envisaged that the President of India will, under Article 280 appoint, a Finance Commission to undertake a quinquennial review of the resources of the Union and the States, and their financial requirements for discharging Constitutionally allocated duties and responsibilities in, as per three lists of subjects – the Union list, the State list and the Concurrent list and make recommendations on the manner in which the proceeds of Union Taxes and duties have to be shared between the Central Government and the States, and further on the manner in which the share of the states is to be distributed among all the states.

Commencing with the Mayo Scheme of 1870, and developing through the Mont-Ford Reform reflected in the Financial Provisions of the 1919 Act, and further through the Report of Joint Parliamentary Committee on Indian Constitutional Reforms 1933-34, culminating in the Government of India Act of 1935, India had experience of federal administration for several decades. The 1935 Act distributed among the Centre and the Provinces legislative powers in three lists, the Federal list having 59 entries, the Provincial list having 94 entries and Concurrent list with 36 entries. The sources of revenue were allocated by categorising the powers for levy of taxes.

An important point to be noted is that while the 1919 Act stipulated that the Provinces should make initial contributions to the Federal Government to cover its deficits for a period of seven years and thereafter make a standard annual contribution, the 1935 Act

provided for the emergence of a financially strong centre, and for Federal Grants in Aid, conditional or discretionary, to be given to the Provinces to meet public purposes.

The exigencies of the Second World War, the partition of India, and the declaration of independence disturbed this pattern before it could settle down. However interim arrangements proposed by Shri C.D. Deshmukh, the Report of Expert Committee on Financial Provisions, headed by Shri N.R.Sarkar (December 1947), and the Report of the Indian States Finance enquiry Committee headed by Shri V.T.Krishnamachari (October 1948), dealt with the problems of distribution of Financial Powers, Public Borrowings and Union State Relation immediately after independence.

The economic and social conditions prevalent in the wake of the Second World War and the Partition of the Country appeared to dictate the emergence of a strong Centre, with the Indian Constitution of 1950 not conferring more powers on the states than was contemplated under the Government of India Act of 1935. Constitutional experts have referred to India as a Federation with the features of an Unitary state. Experience of over fifty years of Constitutional Federal Government has revealed that in the areas of Economy and Finance, the interactions between the Union and the States have been guided by the emergence and continuing roles of the Finance Commission and the Planning Commission.

#### **FINANCE COMMISSION**

Article 246 of the Indian Constitution deals with the distribution of legislative powers between the Union and the States, with the Seventh Schedule providing three lists, the State List and the Concurrent List. This was more or less an adoption of the three-fold division of the 1935 Act, the taxes included in the Union List falling under four categories as indicated below:

(a) Taxes levied and collected by the Union the proceeds of which are retained by the Union. (b) Taxes levied and collected by the Union, the proceeds of which are shared with the states (Article 270) (c) Taxes levied and collected by the Union, the proceeds of which are assigned to the States wholly (Article 269) (d) Taxes levied by the Union but collected and appropriated by the States. (Article 268)

Apart from the taxes as indicated above, Indian Constitution envisaged two types of grants, a) Statutory Grants under Article 275 to be made to the states in aid of the

revenues, and b) Discretionary Grants made available under Article 282 for a public purpose.

Article 280 provided for appointment of the Finance Commission, a quasi judicial body within two years of the commencement of the constitution, and as prescribed under Article 280 (2) the Parliament passed the Finance Commission (Miscellaneous Provisions) Act 1951. This Act was amended in 1955. The Task of the Finance Commission as laid down in the Constitution is to make recommendations to the President, on the Principles governing a) Distribution of the tax proceeds between the Centre and the States as also between the States b) The basis of central grants to the state in aid of their revenues, and in respect of statutory grants, if the President seeks recommendation Grants made under Article 280 (2) are kept outside the perview of the Finance Commission.

The other Article of the Constitution relevant to the Finance of the States are Article 274 safeguarding the financial interests of the states, Article 285 and 289 concerning immunity from taxation and Article 292 and 293 empowering the Government of India and the States to borrow from the country. Article 360 provides for Declaration of the Financial Emergency by the president of India.

In the context of planned economic development and public expenditure management one may note that the functional responsibilities of the Centre related to the National Economy, apart from Defence, and External Affairs. While the Union Government dealt with the Credit and Monetary systems, Infrastructural areas like Railways, Posts and Telegraph, Communication and also strategic area of Foreign Trade, Exploitation of Mineral Resources, Development of Large Scale Industries and the like. The responsibilities of the States related to areas that impinged on the lives of individuals and communities more directly, like maintenance of law and order, provision of infrastructures like Irrigation, Power, Roads, Educational Facilities and Development of Agriculture, Fisheries Forests, Small and Medium Industries. Briefly stated, the States were responsible for not only activities in the Primary and Secondary sectors of the economy but also Social and Economic overheads in their respective jurisdictions.

This divisions of responsibilities and taxing powers between the Union and the States has been the subject of vigorous debates, as one must expect in the context of a country of sub continental dimensions with varying levels of regional and local resource endowment. It is necessary to keep this aspect in mind, as some hold the view that there is a divergence between functional responsibilities and financial powers of the Union



and States and this is inherent in the Federal Fiscal Framework envisaged in the Indian Constitution. But the Framework has been made operational by building into it, a mechanism of periodical review of the financial needs of the State and of transfer from Centre, a part of the resources raised by the Union, to the States.

Ten Finance Commission that covered the period between 1952-57 to 1995-2000 had recommended criteria for (a) the vertical sharing between Centre and States of the proceeds of Income Tax and Central Excise (b) the horizontal distribution of the States share among different states.

The specific share of the States in the Centre tax revenue, and the criteria proposed by the successive Finance Commission for allocation of the States share as between different states has been changing from time to time, with each commission adopting criteria for which they had some justification or other. In fact the Chairman of the Fourth Finance Commission Dr. P.V. Rajamannar had described the choice of different criteria, "as a gamble in the personal views of five persons are a majority of them".

The criteria included, States contribution in Central revenue collection, size of population, per-capita income distance and per-capita income inverse ratio. While the First Six commission gave different weightages to the various criteria in determining the share of individual states, the Seventh Finance Commission introduced poverty as a criterion, and this was also adopted by the Ninth Finance Commission. The Eighth and the Tenth Finance Commission had not adopted poverty criteria. Ninth and Tenth Finance Commission have introduced specific indicator of backwardness as criterion. The Tenth finance Commission had taken the Tax effort made by the State Government as a criteria for the allocation of Income Tax proceeds and for sharing excise revenue.

The shares of the States in Central Revenue, and the criteria for inter-se distribution among the States, recommended by the Ten Finance Commissions are summarised in Tables 3.1 to 3.3, and a comparison of the criteria adopted by the Tenth and the Eleventh Finance Commission is shown in Table- 3.3. The frequent changes in the criteria in the determination of the States share in Central Tax Revenue and for allocation of Central resources to individual States, lead to criticism from several quarters and spread dissatisfaction among the states. By the mid nineties there was wide spread agreement that there should be a fair element of continuity and evolution in the operation of the scheme of devolution, and this was significant in the context of the emergence of

regional parties with their local agenda and their victory during the elections to the Assembly.

The Tenth Finance Commission while making its recommendation on the sharing between the Centre and the States of the proceeds of the stipulated taxes suggested an alternative scheme of devolution, in which 29% of the total tax revenue would be transferred to the states and this share should be in operation for period of 15 years. The third meeting of the Inter-State Council held in July 1997 reached a consensus of this. Then Union Government (the United Front Government) accepted this in principles but could not implemented. The Successor Government, (the BJP lead coalition) ratified the previous Government's decision and decided to give effect to this through a Constitution Amendment Bill, with the modification that the proportion in which the States will share the gross proceeds of the Central Taxes may be reviewed by the successive Finance Commission instead of freezing the share percentage for 15 years. Even this could not be carried out.

The Eleventh Finance Commission constituted in July 1998 was required not only to make recommendations on the determination of the share of the States in the divisible Union Taxes, and their inter-sea allocation among the States and formulate principles to govern the determination of the grants-in-aid to the States but also suggest measures for augmenting the Consolidated Funds of the States to supplement the resources of the local bodies. And more importantly the Commission was required to review the Finances of the Union and the States and suggest Ways and Means by which the Governments collectively and severally can bring about the restructuring of the Public Finances so as to restore Budgetary balance and maintain macro economic stability. The Commission was also required to take into account the needs of the states for meeting not only non plan revenue expenditure but also Current Expenditure in the Plans. Apart from this the Commission was required to suggest suitable corrective measures for ensuring long term sustainability of the Country's Public Debt while making an assessment of the debt position to the States. The Commission was also requested to draw up a monitorable fiscal reforms programme aimed at reduction of Revenue Deficit of the States and recommend the manner in which Central grants to cover non plan revenue deficits of the states can be linked to the implementation of fiscal reforms programme.

The Eleventh Finance Commission submitted an interim report in January 2000, which was accepted by the Government of India in March 2000 another report was submitted in July 2000, which was accepted by the Government in July 2000. The Commission came

up with the further reports on certain issues in August 2000. With the passing of the 80<sup>th</sup> Constitution Amendment Bill in 2000, the share of the States had become a definite proportions of the Net Proceeds of all Central Taxes and duties as against the earlier practice of sharing only the proceeds of Income Tax , Excise duties and Additional Excise duties. The Eleventh Finance Commission recommended that 28% of the net proceeds of all sharable central tax and duties be transferred to the States and indicated the criteria, the weights assigned and the amount involved in the distribution of State's share among all the States and that tax devolution, and plan and non plan grants should not exceed 37.5% of gross revenue receipts of the Centre. Other recommendation covered quantum of grants to the local bodies continuance of existing scheme of debt relief, discontinuance of the National Calamity Relief Fund for calamities of rare severity, and establishment of National Centre for Calamity Management. The quantum of transfers and the criteria adopted by the Tenth and Eleventh Finance Commission are summarised in Tables 3.4 and 3.5 .

Taken together the recommendation of the Eleventh Finance Commission should have brought about some degree of satisfaction to the States but this was not the case, as the devolution proposed by the Eleventh Finance Commission appeared, in effect, to make significant modifications in the allocations to some of the States. See Tables 3.6 and 3.7 The Chief Ministers of as many of 8 States submitted a Memorandum to the Prime Minister Government of India expressing their concern over the reduction of their shares in the inter-se allocation among the States. While arguing that there should be no ceiling on the transfer of central resources to the state, the memorandum pointed out that this percentage should be the minimum share to be transferred to the states.<sup>1</sup> Analysis of the relative flows of resources from Centre to the States, on account of the recommendations of the Tenth and the Eleventh Finance Commissions show that there is a discernible pattern of higher flows to certain Northern and Eastern States from the Eleventh Finance Commission.

It has been observed that “ the relative shares of various states as groups in tax devolution and total transfer show that the high income and middle income states which contribute to the GDP and export effort in a significant manner have had to suffer in the hands of the EFC with the sole exception of West Bengal which seemed to have received higher shares in tax devolution and total transfer. That the special category states also receive

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1. See Asian Economic Review, December 2000 for a summary of the recommendations of the Eleventh Finance Commission, Critical Analysis and Text of Representation by 8 State Governments.

from the EFC lower share in both tax devolution and total transfer as compared to the EFC awards shows that even the principles of redistributive transfer has not been strictly followed .... The new predicament created by the EFC has serious implications for Indian fiscal federalism , which may need to be addressed by the National Development Council and the Inter State Council and these may be overshadow the other recommendations of the EFC designed to achieve budgetary balance and macro – economic stability .”<sup>2</sup>

This only establishes the fact that even after five decades of experience of devolution, there is dissatisfaction among the states. The federal flows are still like an untamed river breaching its banks at its will and places of its own choice. The implication of this for public expenditure management in the states, have become even more serious after the emergence of regional parties in the various states.

### **ROLE OF PLANNING COMMISSION**

In the Constitutionally evolved broad pattern of transfer of resources that has come to dominate fiscal federalism in India, the emergence of the Planning Commission as an important channel for grants and loans for development to be extended by the Centre to the States has been very significant. Brought into existence through a Resolution of the Government of India dated March 15, 1950, the Planning Commission is technically a creation of the Union Government and not a body created by the Constitution of India or an Act of the Parliament.

The vital role played by the Commission has, over the last five decades, involved allocation of national resources for development applications by the Centre and the States among different sectors of economy and in various regions of the country.

With the Constitution envisaging an assessment of both revenue and capital requirements of the States, for deciding the pattern of devolution of resources gathered by the Centre, the Finance Commission, and Planning Commission have come to be the load bearing walls in the federal fiscal frame work of India. However some operational problems have emerged in the functioning of the two commissions. The First two Finance Commissions made recommendations covering both revenue and capital requirements of the States but during this period, Planning Commission had also begun to assume responsibility for allocation of resources for plan purposes, which included capital requirements also.

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2. See V.K.Srinivasan , Finance Commission Recommendations . Yojana Nov 2000 pg 15.

The Third Finance Commission drew attention to the overlap in the functions of the Finance Commission and the Planning Commission and recommended that the Central Government should either “enlarge the functions of the Finance Commission to embrace total financial assistance to be afforded to the States whether by way of loans or devolution of revenue to enable them balance their normal budgets and fulfill the prescribed targets of the plan” or “transform the Planning Commission into Finance Commission at the appropriate time”. The issue was not settled then .

The Fourth Finance Commission which was precluded from examining the fiscal needs to the states for the Fourth Plan, did not recommend any assistance to the States for their Chairman , Shri. P.V.Rajamannar, even observed that “the relative scope and functions of the two commissions should be clearly defined by amending Constitution and the Planning Commission should be made a statutory body independent of the Government.”

While the overlap of functions between the Finance Commission and Planning Commission has led to considerable legal quibbling regarding Article 282 of the Indian Constitution, it has come to be accepted in due course of time, that the Finance Commission will attend to the Non Plan requirements of the States and towards certain specific capital grants and the Planning Commission will make recommendations in respect of grants and loans for State Plans and discretionary transfers.

The emergence of National Development Council, in which the Chief Ministers of the States are members, as a body required to accord formal approval for the Five Year Plans and take major decisions concerning planning , has lent both weight and authority to the role played by the Planning Commission in assessing the resource gap of the States for the implementation of development plans and making appropriate recommendations for central assistance to be made available to the States. Thus even without a formal constitutional status, the Planning Commission has become an important agency in the Centre-State economic frame work, (a) for ensuring adequate mobilisation of physical and financial resources for the plan, (b) for assessing the size and helping in the determination of priorities of the State plans to ensure that they, while serving the local developmental needs are also in conformity with national perspective; (c) for participating in the national effort to reduce inter-state disparities and to promote balanced regional development, with clearly directed Central and States schemes for accelerating economic growth and social transformation in the States. After the initial experience of the first two decade of planning and interaction with the state governments, the Planning Commission evolved and adopted in 1969, what has come to be known as

the Gadgil formulae spelling out criteria for determining the quantum of plan assistance from Centre to the States. The formulae adopted in 1969, and the modifications made in 1980, 1990 and 1991 are summarised in Table 3.8

The adoption of such a carefully evolved pattern of assistance by the Planning Commission has not however rendered it immune from critical references from some state governments, which have after formulating ambitious plans for expenditure programmes, with available glare of publicity are unable to raise on their own resources sufficient to meet these programmes, and therefore do not take fondly, to the monitoring role of the Planning Commission and its insistence on a degree of compliance with sound principle of Planning and matching resources with expenditure programmes. The Planning Commission has for its part, found itself wedged between the Union Finance Ministry with its own problems of mobilisation of resources for meeting the burgeoning expenditure of the Central Government and the State Governments which are closer to the field and have therefore to face the pressure of popular needs. The Crucial issue is Planning and Budgeting in governments at the centre and the states. It is necessary in this regard, to keep in view, the paradigmatic shift in the recent years. As observed by Dr.A.Premchand, “ Planning and Budgeting in Government have traditionally been considered in terms of the formulation and implementation of medium term and annual plans and the relative roles of Planning Agencies and Ministries of Finance in this larger process. The development plans during the early 1950s and 1960s tended to be larger in coverage and focus and reflected the Management trends of those decades- Control of the commanding heights of the Economy, an extensive public sector and the prevalence of extensive network of physical and financial controls. .... major changes have taken place during the last decade, in the approaches of the activities of the Governments and Public Sector. the paradigm is no longer one of extensive Government control but it is now one of reduced role of the government and pursuit of economic policy that emphasise the supply side of the economy – removal of structural bottleneck of the economy. Notwithstanding this paradigmatic shift, budget of the government continues to be the most gripping aspect of economic policy, while at the heart of the economic policy, lies the control of Public Expenditure”.<sup>3</sup>

We may need to turn to the quantum of resources involved in devolution, and statutory and non statutory transfers from the Centre to the States provided in the Union Budget

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<sup>3</sup> A.Premchand, Planning and Budgeting in Governments in “Financial Management and Accountability in the Public Sector, Ed Ravi Kathpalia, Oxford and IBH 1994 pg.193.

## **TOTAL TRANSFER OF RESOURCES FROM CENTRE TO THE STATE**

In context of this study, it is important to take note of items of “expenditure” of the Union Government which have implications for the State Government and their expenditure programmes. The Central Budget provides for transfers to the State and Union Territory Governments by way of (a) States’ shares of Taxes and Duties as recommended by the Finance Commission. (b) Non plan Grants and Loans, displayed in the Budget Document, as net of recovery short term loans and advances, (c) Central Assistance for State and U.T. Plans (Grants & Loans recommended by the Planning commission (d) Assistance for Central Sector and Centrally sponsored schemes (included in the plan outlays of Central Ministry and released to the State Government as per approved patterns of assistance. From the aggregate of the above, recovery of loans and advances from the State and U.T. Governments, is deducted to derive the net resources transferred to State and U.Ts. Central Resources are also released directly to implementing agencies as part of Central Assistance for State and U.T. for Rural Electrification, Member of Parliament local Area Development Schemes etc. These have Development implications.

We may however take note of the quantum and the relative share of – (a) Statutory transfer (b) Plan transfers (c) Discretionary transfers. The quantum of resources transferred through the three routes varied in each Five Year Plan period, as shown in the Table 3.9 The transfer made in the Nineties are shown in Table 3.10

While the Gross Transfer from Centre to the State and U.Ts was Rs.21951 crores, about 49% of aggregate expenditure of States in 1985-86, and had increased to Rs. 40860 crores, meeting a lower level of 44.9% of States expenditure in 1990-91, it had doubled to Rs. 81974 crores in 1996-97 and more than trebled to Rs. 129066 crores in 1999-2000. But with the aggregate expenditure of States increasing, gross resources transferred by the Centre, could meet only lower levels of State expenditure, 40.4% in 1996-97 and 39.6% in 1999-2000.

Further with the States repayment of loans and interest payment to the Centre, increasing, the net transfers from Centre to the State, amounted to Rs. 17633 mcrores in 1985-86, Rs. 31685 crore in 1990-91, Rs. 60585 crores in 1996-97, and Rs. 93712 crores in 1999-2000, with net resources providing lower and lower covers for State expenditure 39.3% in 1985-86, 34.8% in 1990-91, 29.9% in 1996-97 and 28.8% in 1999-2000. It appears that loan repayment and interest payment obligations of the State have been as a percentage of total States expenditure gradually increasing from 9.6% in 1990-91 to

11.3% in 2000-01<sup>4</sup> . Data provided by Reserve Bank of India indicate higher sums of gross transfer as these include ways and Means Advance from the Centre to the State.

It has been argued that the total quantum of resources transferred to the States as percentage of the resources, raised by the Centre, and also has a proportion of the aggregate expenditure of the states have been gradually falling has been gradually falling. Analysis of data published in Union Budgets and the Indian Public Finance statistics confirms this argument.

All the same, the impact of deterioration of Central finances, on the State is fairly clear and a more detailed examination of the Finances of the States may reveal the nature and pattern of deterioration at that level.

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4. EPW Finances of State Governments, May 19, 2001 Page 1761



**TABLE – 3.1 SHARES TO STATES IN THE SHAREABLE TAXES**

| Finance Commissions | Income Tax | Basic Excise Duties |
|---------------------|------------|---------------------|
| First (1952-57)     | 55         | 40 <sup>1</sup>     |
| Second (1957-62)    | 60         | 25 <sup>2</sup>     |
| Third (1962-66)     | 66.67      | 20 <sup>3</sup>     |
| Fourth (1966-69)    | 75         | 20 <sup>4</sup>     |
| Fifth (1969-74)     | 75         | 20 <sup>4</sup>     |
| Sixth (1974-79)     | 80         | 20 <sup>4</sup>     |
| Seventh (1979-84)   | 85         | 40 <sup>4</sup>     |
| Eighth (1984-89)    | 85         | 45 <sup>5</sup>     |
| Ninth I (1989-90)   | 85         | 45 <sup>5</sup>     |
| Ninth II (1990-95)  | 85         | 45 <sup>6</sup>     |
| Tenth (1995-2000)   | 77.5       | 47.5 <sup>7</sup>   |

Note : 1) Restricted to excise duties on Tobacco , Matches and vegetable products.

2) Restricted to excise duties on tobacco , matches vegetable products , sugar , coffee , tea , paper and vegetable non essential oils

3) All commodities yielding Rs.50lakhs of excise revenue per year except minor sprits

4) All excisable commodities

5) 5 % earmarked for deficit states.

6) 7.425 % earmarked for deficit states

7) 7.5 % of net proceed of Union Excise duties

Source : compiled at IIE

**TABLE 3.2 CRITERIA FOR SHARING OF INCOME TAX**

| Finance Commissions | contri<br>bution | popul<br>ation | PC<br>income | PC<br>income | Specific<br>indicators | poverty<br>criterion | tax<br>effort |
|---------------------|------------------|----------------|--------------|--------------|------------------------|----------------------|---------------|
| First (1952-57)     | 20               | 80             |              |              |                        |                      |               |
| Second (1957-62)    | 10               | 90             |              |              |                        |                      |               |
| Third (1962-66)     | 20               | 80             |              |              |                        |                      |               |
| Fourth (1966-69)    | 20               | 80             |              |              |                        |                      |               |
| Fifth (1969-74)     | 10               | 90             |              |              |                        |                      |               |
| Sixth (1974-79)     | 10               | 90             |              |              |                        |                      |               |
| Seventh (1979-84)   | 10               | 90             |              |              |                        |                      |               |
| Eighth (1984-89)    | 10               | 22.5           | 45           | 22.5         |                        |                      |               |
| Ninth I (1989-90)   | 10               | 22.5           | 45           | 11.25        |                        | 11.25                |               |
| Ninth II (1990-95)  | 10               | 22.5           | 45           | 11.25        | 11.25                  |                      |               |
| Tenth (1995-2000)   | -                | 20             | 60           | -            | 10                     |                      | 10            |

**TABLE 3.3 CRITERIA FOR SHARING BASIC EXCISE DUTIES**

| Finance Commissions | population | PC income distance criterion | PC income inverse criterion | revenue equalisation criterion | specific indicators of backwardness | poverty criterion | tax effort | in proportion to post-devolution |
|---------------------|------------|------------------------------|-----------------------------|--------------------------------|-------------------------------------|-------------------|------------|----------------------------------|
| First (1952-57)     | 100        |                              |                             |                                |                                     |                   |            |                                  |
| Second (1957-62)    | 90         |                              |                             |                                | 10                                  |                   |            |                                  |
| Third (1962-66)     | a.         |                              |                             |                                |                                     |                   |            |                                  |
| Fourth (1966-69)    | 80         |                              |                             |                                |                                     |                   |            |                                  |
| Fifth (1969-74)     | 80         |                              |                             |                                |                                     |                   |            |                                  |
| Sixth (1974-79)     | 75         | 25                           |                             |                                |                                     |                   |            |                                  |
| Seventh (1979-84)   | 25         | 25                           | -                           | 25 <sup>2</sup>                | -                                   | 25                | -          | -                                |
| Eighth (1984-89)    | 22.22      | 44.44                        | 22.22                       | -                              | -                                   | -                 | -          | 11.11                            |
| Ninth I (1989-90)   | 22.22      | 44.44                        | 11.11                       | -                              | -                                   | 11.11             | -          | 11.11                            |
| Ninth II (1990-95)  | 25         | 33.5                         | 12.5                        | -                              | -                                   | 12.5              | -          | -16.5                            |
| Tenth (1995-2000)   | 16.84      | 50.53                        | -                           | -                              | 8.42                                | -                 | 8.42       | 15.79                            |

Notes : a. Exact proportion not specified but population used as major factor

2. In effect the revenue equalisation formula was the per capita income distance criteria

**TABLE 3.4 QUANTUM OF TRANSFERS**

(Rs.Crores)

|                                       | Tenth Finance Commission<br>(for 1995-2000) | Eleventh Finance Commission<br>(for 2000-2005) |
|---------------------------------------|---|--|
| 1. Share in Central taxes and Duties  | 206343-00                                   | 376318-01                                      |
| 2. Grants-in-Aid for various Purposes | 20300-30                                    | 58587-39                                       |
| 3. Total transfer                     | 226643-30                                   | 434905-40                                      |

**TABLE 3.5 CRITERIA FOR DISTRIBUTION AMONG STATES**

(in percentages)

| Item                          | Finance Commission |          |
|-------------------------------|--------------------|----------|
|                               | Tenth              | Eleventh |
| 1. Population                 | 20*                | 10       |
| 2. Area                       | 5                  | 7.5      |
| 3. Poverty Distance           | 60                 | 62.5     |
| 4. Infrastructure index       | 5                  | 7.5      |
| 5. Tax effort                 | 10                 | 5        |
| 6. Fiscal discipline          | 0                  | 7.5      |
| 7. HRD                        | 0                  | 0        |
| 8. Devolution to Local bodies | 0                  | 0        |
| Total                         | 100                | 100      |

Note : \* for population TFC adopted a weightage of 20 % for I.T and 16.84 % for excise duties

**TABLE 3 . 6 DISTRIBUTION AMONG STATES**

|                  | Tax Devolution |        | Total Transfer |        |
|------------------|----------------|--------|----------------|--------|
|                  | TFC            | EFC    | TFC            | EFC    |
| High income      | 13.14          | 9.75   | 13.06          | 9.62   |
| Middle Income    | 29.23          | 29.19  | 28.53          | 27.56  |
| Low Income       | 44.17          | 53.76  | 43.25          | 49.34  |
| Special Category | 13.46          | 7.30   | 15.17          | 13.48  |
|                  | 100.00         | 100.00 | 100.00         | 100.00 |

**TABLE 3 . 7 RELATIVE SHARES OF STATES IN RESOURCE TRANSFER – TENTH AND ELEVENTH FINANCE COMMISSIONS**

| State                            | Tenth Finance Commission |        | Eleventh Finance Commission |        |
|----------------------------------|--------------------------|--------|-----------------------------|--------|
|                                  | TD                       | TT     | TD                          | TT     |
| Total for All States (Rs.Crores) | 206343                   | 226643 | 376318                      | 434905 |
| 1. Andhra Pradesh                | 7.91                     | 7.98   | 7.701                       | 7.13   |
| 2. Arunachal Pradesh             | 0.66                     | 0.78   | 0.244                       | 0.53   |
| 3. Assam                         | 3.42                     | 3.67   | 3.285                       | 3.05   |
| 4. Bihar                         | 11.29                    | 10.88  | 14.597                      | 13.04  |
| 5. Goa                           | 0.25                     | 0.27   | 0.206                       | 0.19   |
| 6. Gujarat                       | 3.88                     | 3.92   | 2.821                       | 2.76   |
| 7. Haryana                       | 1.24                     | 1.23   | 0.944                       | 0.97   |
| 8. Himachal Pradesh              | 1.81                     | 2.10   | 0.683                       | 1.72   |
| 9. Jammu and Kashmir             | 2.86                     | 3.23   | 1.290                       | 3.78   |
| 10. Karnataka                    | 4.86                     | 4.64   | 4.930                       | 4.53   |
| 11. Kerala                       | 3.5                      | 3.41   | 3.057                       | 2.83   |
| 12. Madhya Pradesh               | 7.4                      | 7.10   | 8.838                       | 8.05   |
| 13. Maharashtra                  | 6.23                     | 6.05   | 4.632                       | 4.46   |
| 14. Manipur                      | 0.82                     | 0.94   | 0.366                       | 0.74   |
| 15. Meghalaya                    | 0.74                     | 0.83   | 0.342                       | 0.68   |
| 16. Mizoram                      | 0.68                     | 0.80   | 0.198                       | 0.58   |
| 17. Nagaland                     | 1.06                     | 1.23   | 0.220                       | 1.02   |
| 18. Orissa                       | 4.26                     | 4.28   | 5.056                       | 4.77   |
| 19. Punjab                       | 1.53                     | 1.58   | 1.147                       | 1.25   |
| 20. Rajasthan                    | 4.97                     | 5.03   | 5.473                       | 5.42   |
| 21. Sikkim                       | 0.27                     | 0.31   | 0.184                       | 0.38   |
| 22. Tamilnadu                    | 6.12                     | 5.89   | 5.385                       | 4.97   |
| 23. Tripura                      | 1.13                     | 1.27   | 0.487                       | 1.00   |
| 24. Uttar Pradesh                | 16.25                    | 15.95  | 19.798                      | 18.05  |
| 25. West Bengal                  | 6.84                     | 6.61   | 8.116                       | 8.10   |
| Total All states                 | 100.00                   | 100.00 | 100.00                      | 100.00 |

Note : TD -Tax Devolution share

TT – Total Resource Transfer share

TD for Tenth FC only of income tax and excise duty revenue TD for Eleventh FC is for all tax revenue

TABLE - 3 . 8 TO TAL TRANSFER TO STATES UNDER THE ELEVENTH FINANCE COMMISSION: 2000-05

(Rs.Crores)

| Sl No | States            | Share in Central Taxes and Duties | % to total | Non plan revenue deficit | % to total | upgradation and special problems | % to total | Grants- in- Aid to local bodies |            |                |            |            |            | relief expdi | % to Total | Total (5+7+9+11+13) | % to total | Total transfer (3+15) | % to total |
|-------|-------------------|-----------------------------------|------------|--------------------------|------------|----------------------------------|------------|---------------------------------|------------|----------------|------------|------------|------------|--------------|------------|---------------------|------------|-----------------------|------------|
|       |                   |                                   |            |                          |            |                                  |            | panchayats                      | % to total | municipalities | % to total | % to total | % to total |              |            |                     |            |                       |            |
| 1     | 2                 | 3                                 | 4          | 5                        | 6          | 7                                | 8          | 9                               | 10         | 11             | 12         | 13         | 14         | 15           | 16         | 17                  | 18         |                       |            |
| 1.    | Andhra Pradesh    | 28980.25                          | 7.70       | 0                        | 0.00       | 285.23                           | 5.74       | 760.24                          | 9.50       | 164.66         | 8.23       | 820.8      | 9.94       | 2030.93      | 3.47       | 31011.18            | 7.13       |                       |            |
| 2.    | Arunachal Pradesh | 918.22                            | 0.24       | 1228.02                  | 3.47       | 90.59                            | 1.82       | 27.84                           | 0.35       | 0.68           | 0.03       | 49.83      | 0.60       | 1396.96      | 2.38       | 2315.18             | 0.53       |                       |            |
| 3.    | Assam             | 12362.05                          | 3.29       | 110.68                   | 0.31       | 132.54                           | 2.67       | 233.45                          | 2.92       | 21.54          | 1.08       | 420.6      | 5.09       | 918.81       | 1.57       | 13280.86            | 3.05       |                       |            |
| 4.    | Bihar             | 54934.9                           | 14.60      | 0                        | 0.00       | 401.6                            | 8.08       | 785.04                          | 9.81       | 93.9           | 4.70       | 512.46     | 6.21       | 1793         | 3.06       | 56727.9             | 13.04      |                       |            |
| 5.    | Goa               | 775.22                            | 0.21       | 0                        | 0.00       | 27.28                            | 0.55       | 9.27                            | 0.12       | 4.64           | 0.23       | 5.15       | 0.06       | 46.34        | 0.08       | 821.56              | 0.19       |                       |            |
| 6.    | Gujarat           | 10615.93                          | 2.82       | 0                        | 0.00       | 234.85                           | 4.72       | 348.04                          | 4.35       | 132.52         | 0.63       | 668.88     | 8.10       | 1384.29      | 2.36       | 12000.22            | 2.76       |                       |            |
| 7.    | Haryana           | 3552.44                           | 0.94       | 0                        | 0.00       | 132.65                           | 2.67       | 147.09                          | 1.84       | 36.64          | 1.83       | 336.95     | 4.08       | 653.33       | 1.14       | 4205.77             | 0.97       |                       |            |
| 8.    | Himachal Pradesh  | 2570.25                           | 0.68       | 4549.26                  | 12.87      | 91.16                            | 1.83       | 65.67                           | 0.82       | 3.89           | 0.19       | 180.2      | 2.18       | 4890.18      | 8.35       | 7460.43             | 1.72       |                       |            |
| 9.    | Jammu and Kashmir | 4854.5                            | 1.29       | 11211.19                 | 31.71      | 127.82                           | 2.57       | 74.41                           | 0.93       | 15.66          | 0.78       | 144.64     | 1.75       | 11573.7      | 19.75      | 16428.22            | 3.78       |                       |            |
| 10.   | Karnataka         | 18552.48                          | 4.93       | 0                        | 0.00       | 311.53                           | 6.26       | 394.12                          | 4.93       | 124.82         | 6.24       | 309.03     | 3.74       | 1139.5       | 1.94       | 19691.98            | 4.53       |                       |            |
| 11.   | Kerala            | 11504.04                          | 3.06       | 0                        | 0.00       | 129.14                           | 2.60       | 329.63                          | 4.12       | 75.25          | 3.76       | 278.66     | 3.38       | 812.68       | 1.39       | 12316.72            | 2.83       |                       |            |
| 12.   | Madhya Pradesh    | 33258.98                          | 8.84       | 0                        | 0.00       | 494.52                           | 9.94       | 715.47                          | 8.94       | 156.01         | 7.80       | 373.4      | 4.52       | 1739.4       | 2.97       | 34998.38            | 8.05       |                       |            |
| 13.   | Maharashtra       | 17431.05                          | 4.63       | 0                        | 0.00       | 331.97                           | 6.68       | 656.73                          | 8.21       | 316.25         | 15.81      | 651.49     | 7.89       | 1956.44      | 3.34       | 19387.49            | 4.46       |                       |            |
| 14.   | Manipur           | 1377.32                           | 0.37       | 1744.94                  | 4.93       | 58.59                            | 1.18       | 18.77                           | 0.23       | 4.4            | 0.22       | 11.89      | 0.14       | 1838.59      | 3.14       | 3215.91             | 0.74       |                       |            |
| 15.   | Meghalaya         | 1287.01                           | 0.34       | 1572.38                  | 4.45       | 57.39                            | 1.15       | 25.61                           | 0.32       | 2.7            | 0.14       | 16.32      | 0.20       | 1674.4       | 2.86       | 2961.41             | 0.68       |                       |            |
| 16.   | Mizoram           | 745.11                            | 0.20       | 1676.3                   | 4.74       | 89.84                            | 1.81       | 7.86                            | 0.10       | 3.84           | 0.19       | 12.32      | 0.15       | 1790.16      | 3.06       | 2535.27             | 0.5        |                       |            |
| 17.   | Nagaland          | 827.9                             | 0.22       | 3536.24                  | 10.00      | 62.84                            | 1.26       | 12.87                           | 0.16       | 1.79           | 0.09       | 8.12       | 0.10       | 3621.86      | 6.18       | 4449.76             | 1.02       |                       |            |
| 18.   | Orissa            | 19026.64                          | 5.06       | 673.6                    | 1.91       | 215.05                           | 4.32       | 345.59                          | 4.32       | 39.96          | 2.00       | 453.66     | 5.50       | 1727.86      | 2.95       | 20754.5             | 4.77       |                       |            |
| 19.   | Punjab            | 4316.37                           | 1.15       | 284.21                   | 0.80       | 110.01                           | 2.21       | 154.64                          | 1.93       | 54.73          | 2.74       | 508.57     | 6.16       | 1112.16      | 1.90       | 5428.53             | 1.25       |                       |            |
| 20.   | Rajasthan         | 20595.88                          | 5.47       | 1244.68                  | 3.52       | 299.85                           | 6.03       | 490.95                          | 6.14       | 99.42          | 4.97       | 857.85     | 10.39      | 2992.75      | 5.11       | 23588.63            | 5.42       |                       |            |
| 21.   | Sikkim            | 692.43                            | 0.18       | 840.58                   | 2.38       | 66.78                            | 1.34       | 5.29                            | 0.07       | 0.21           | 0.01       | 28.63      | 0.35       | 941.49       | 1.61       | 1633.92             | 0.38       |                       |            |
| 22.   | Tamilnadu         | 20264.72                          | 5.38       | 0                        | 0.00       | 251.86                           | 5.06       | 466.12                          | 5.83       | 193.37         | 9.67       | 425.36     | 5.15       | 1336.71      | 2.28       | 21601.43            | 4.97       |                       |            |
| 23.   | Tripura           | 1832.67                           | 0.49       | 2414.16                  | 6.83       | 60.18                            | 1.21       | 28.46                           | 0.36       | 4.02           | 0.20       | 21.55      | 0.26       | 2528.27      | 4.32       | 4361.04             | 1.00       |                       |            |
| 24.   | Uttar Pradesh     | 74501.56                          | 19.80      | 1026.74                  | 2.90       | 669.91                           | 13.47      | 1319.13                         | 16.49      | 251.63         | 12.58      | 740.33     | 8.97       | 4007.74      | 6.84       | 78509.3             | 18.05      |                       |            |
| 25.   | West Bengal       | 30540.09                          | 8.12       | 3246.09                  | 9.18       | 239.45                           | 4.82       | 577.73                          | 7.22       | 197.49         | 9.87       | 419        | 5.08       | 4679.76      | 7.99       | 35219.85            | 8.10       |                       |            |
| TOTAL |                   | 376318.01                         | 100.00     | 35359.07                 | 100.00     | 4972.63                          | 100.00     | 8000.00                         | 100.00     | 2000.00        | 100.00     | 8255.69    | 100.00     | 58587.4      | 100.00     | 4341905.44          | 100.00     |                       |            |

**TABLE-3 . 9 CRITERIA FOR CENTRAL PLAN ASSISTANCE TO STATES**

|  | Gadgil<br>Formula<br>1969 | First<br>Revision<br>1980 | Second<br>Revision<br>1990 | Third<br>Revision<br>1991 |
|--|---------------------------|---------------------------|----------------------------|---------------------------|
| Share of special<br>Category states      | 30                        | 30                        | 30                         | 30                        |
| Non Special<br>Category states           |                           |                           |                            |                           |
| 1. Population                            | 60                        | 60                        | 55                         | 60                        |
| 2. On going irrigation<br>power projects | 10                        | 0                         | 0                          | 0                         |
| 3. Per capita income                     | 10                        | 20                        | 25                         | 25                        |
| 4. Performance                           | 10                        | 10                        | 5                          | 7.5                       |
| 5. Special Problems                      | 10                        | 10                        | 15                         | 7.5                       |

**TABLE 3 . 10 GROSS RESOURCES TRANSFERS FROM THE CENTRE TO THE STATES THROUGH VARIOUS AGENCIES DURING DIFFERENT PLAN PERIODS**

(Rs. Crores)

|                     | Total Resource Transfers | Fin Comm Devolution | Percent to Total | Plan Loans & Grants | Percent | (CSS & Oth) Discretionary Transfers | Percent |
|---------------------|--------------------------|---------------------|------------------|---------------------|---------|-------------------------------------|---------|
| I Plan (51-56)      | 1431                     | 447                 | 31.20            | 350                 | 24.50   | 634                                 | 44.30   |
| II Plan (56-61)     | 2868                     | 918                 | 32.00            | 1058                | 36.90   | 892                                 | 31.10   |
| III Plan (61-66)    | 5600                     | 1590                | 28.39            | 2515                | 44.91   | 1495                                | 26.70   |
| Annual Plan (66-69) | 5347                     | 1782                | 33.33            | 1767                | 33.05   | 1798                                | 33.62   |
| IV Plan (69-74)     | 15101                    | 5421                | 35.90            | 3535                | 23.41   | 6145                                | 41.04   |
| V Plan (74-79)      | 25196                    | 11048               | 43.85            | 7951                | 31.56   | 6197                                | 24.60   |
| Annual Plan (79-80) | 7826                     | 3678                | 47.00            | 2510                | 32.07   | 1638                                | 20.93   |
| VI Plan (80-85)     | 60521                    | 25736               | 42.52            | 18185               | 30.05   | 16600                               | 27.43   |
| VII Plan (85-90)    | 114424                   | 56691               | 49.54            | 38351               | 33.52   | 19382                               | 16.94   |

Source : (1) Gulati I.S (ed) , 'Centre-State Budgetary Transfers', Sameeksha Trust, Oxford University Press Bombay, 1987. pp.249  
 (2) Finance and Planning of Development, A.P., 'Memorandum submitted to the Tenth Finance Commission', Vo-I, Views of the State Government, October, 1993, Appendix, II, pp.17

**TABLE 3.11 DEVOLUTION AND TRANSFERS FROM THE CENTRE TO THE STATES IN THE NINETIES**  
(Rs.Crores)

| Years   | Gross                | Net                  | Shares in Central Taxes | Grants from Centre  | (Rs .Crores)        |                     |
|---------|----------------------|----------------------|-------------------------|---------------------|---------------------|---------------------|
|         |                      |                      |                         |                     | Loans from Centre   | Repayment to Centre |
| 1990-91 | 40859.10<br>(44.80)  | 31684.50<br>(34.80)  | 14241.50<br>(15.60)     | 12643.3<br>(13.90)  | 13974.00<br>(15.30) | 9175.00<br>(10.10)  |
| 1991-92 | 45142.60<br>(41.60)  | 34925.40<br>(32.40)  | 16847.90<br>(15.60)     | 15225.7<br>(14.00)  | 13069.00<br>(12.10) | 10217.00<br>9.50    |
| 1992-93 | 51438.50<br>(43.10)  | 39431.00<br>(33.00)  | 20580.10<br>(17.20)     | 17758.8<br>(14.90)  | 13100.00<br>(11.00) | 12008.00<br>(10.10) |
| 1993-94 | 57980.50<br>(43.10)  | 43589.50<br>(32.40)  | 22394.8<br>(16.60)      | 21176.00<br>(15.70) | 14410.00<br>(12.70) | 14391.00<br>(10.70) |
| 1994-95 | 64141.60<br>(39.70)  | 50094.20<br>(31.00)  | 24884.7<br>(15.40)      | 20004.40<br>(12.50) | 19253.00<br>(11.90) | 14047.00<br>(8.70)  |
| 1995-96 | 69643.00<br>(39.20)  | 51807.60<br>(29.20)  | 29047.6<br>(16.40)      | 20995.80<br>(11.80) | 19600.00<br>(11.00) | 17835.00<br>(10.00) |
| 1996-97 | 81973.90<br>(40.40)  | 60585.00<br>(29.90)  | 35037.8<br>(17.30)      | 23154.70<br>(11.40) | 23782.00<br>(11.70) | 21389.00<br>(10.50) |
| 1997-98 | 95404.80<br>(41.80)  | 70796.40<br>(31.00)  | 40411.2<br>(17.70)      | 24222.50<br>(10.60) | 30771.00<br>(13.50) | 24609.00<br>(10.80) |
| 1998-99 | 103626.60<br>(38.90) | 73450.00<br>(27.60)  | 39421.2<br>(14.80)      | 23863.40<br>(9.00)  | 40342.00<br>(15.10) | 30177.00<br>(11.30) |
| 1999-00 | 129065.50<br>(39.60) | 93712.30<br>(28.80)  | 44458.2<br>(13.70)      | 35080.60<br>(10.80) | 49527.00<br>(15.20) | 35353.00<br>(10.90) |
| 2000-01 | 139661.10<br>(39.80) | 100035.50<br>(28.50) | 50805.0<br>(14.50)      | 36963.50<br>(10.50) | 51893.00<br>(14.80) | 39626.00<br>(11.30) |

Note: Figures in brackets are percentages of aggregate expenditure of all states

Source : Compiled from Union Budget and other documents

**TABLE 3 . 12 TRANSFER OF RESOURCES FROM CENTRE TO STATES**

| As a Proportion                    | 1980-81 | 1990-91 | 1994-95 | 1997-98 | 1998-99 |
|------------------------------------|---------|---------|---------|---------|---------|
| (a) To GDP                         |         |         |         |         |         |
| Gross Transfer                     | 7.2     | 7.9     | 6.6     | 6.7     |         |
| Net Transfer                       | 5.8     | 6.2     | 5.0     | 5.0     |         |
| (b) To Centres Total               |         |         |         |         |         |
| Receipts                           |         |         |         |         |         |
| Gross Transfer                     | 38.3    | 39      | 34.6    | 33.8    |         |
| Net Transfer                       | 31.2    | 30.5    | 26.2    | 25.2    |         |
| (c) To total expenditure of states |         |         |         |         |         |
| Gross Transfer                     | 50.2    | 52.1    | 44.9    | 43.5    | 38.9    |
| Net Transfer                       | 40.9    | 40.0    | 33.2    | 32.4    | 27.6    |

Source : Union Budgets

### 3 . 2 CHANGING POLICY FRAMEWORK -ECONOMIC REFORMS

While reviewing the recent “Economic Reforms” and their impact on public expenditure management , it may be useful to set out the back drop and the time period for analysis as the exercise in stock taking should provide opportunities to draw lessons from the recent experiences and enable reshape policies and programmes to meet the continuing challenges.

Dr.C.Rangarajan has pointed out that “ Economic Reforms come in waves. In our own country , the first wave of reform started with the launching of Planning with an emphasis on industrialisation , more particularly of heavy industries. The second wave , the precise dating of which may be difficult , began when it was found that the growth rate was weak and the trickle down effect was not adequate and when the need to focus directly on poverty alleviation became evident. The third wave which began in the late Eighties gathered momentum after 1991. The period since 1991-92 has seen some important changes in the approach to and content of Economic Policy.”<sup>1</sup>

But most discussions on Economic reforms in India have concentrated on the policy changes initiated and implemented in the Eighties and the Nineties. Some set the date of its commencement as 1984 when Sri Rajiv Gandhi ‘s Government launched his New Economic Policy , with promises to open up the economy for achieving faster growth And others as 1991 when Sri P.V.Narasimha Rao’s Government , formulated and set on course a multi pronged programme for restructuring institutions and reorienting philosophies and programmes impacting on economic development .

Dr.Arjun Sen Gupta<sup>2</sup> points out that ,” the Economic Policies that were introduced in 1991 , following a balance of payment crisis and which formed the basis of the letter of intent of policies approved by the IMF , are generally described as the programme of India’s Economic Reforms .” and draws attention to the existence of two views (a) Vijay Joshi and I.M.D.Little<sup>3</sup> in their book India’s Economic Reforms 1991-2001, Oxford 1996 stating that “ India’s reforms programme began in the middle of a macro-crisis that erupted in 1991.” (b) Dr. Montek Ahluwalia<sup>4</sup>, who observed in an 1994 article , on India’s Economic Reforms , that several policy changes were initiated in the 1980s ,”to

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1.*Dr.C.Rangarajan* ,’Economic Reforms in India Some Issues and Concern’ Convocation Address at the University of Hyderabad. March 2000 (published in Asian Economic Review Vol.42 No.1 Pg .1 April 2000)

2.*Dr.Arjun Sengupta* .” India’s Economic Reforms and the Art of the Feasible ,” Economic and Political Weekly Vol XXXV. No 51 Dec 16, 2000 , Pgs 4485 to 4498

3.& 4. Cited in 2. Above.



mitigate the rigours of the control regime , lower direct tax rates , expand the role on both trade and foreign investment .” later stating in an 1999 article that India’s Economic reforms began in 1991 .Dr.Ahluwalia however distinguished two reforms programmes by stating that the reform programme of 1991 . “though gradualist in its approach was nevertheless very different from the incremental reforms of the 1980s.

It is possible to see Indian Economic reforms not just as a response to the perceptions on and experience of domestic policies and programmes but also as a rather lagged response to the transformation of industrial and trade regimes in several countries notably Europe. Setting the international context , Dr. I.G.Patel <sup>5</sup> has in the preface to his *Economic Reforms and Global Change ; 1998* observed , “ Economic Policy has witnessed a virtual revolution through out the world since the early eighties. In India too, there has been a sea change atleast since 1991.”

#### **PHILOSOPHICAL BASE**

Offering what could be considered as the philosophical base of the Reforms Programme of 1991, Prime Minister Sri P.V.Narasimha Rao <sup>6</sup> has in his preface to the Eighth Plan , stated “The Eighth Plan is being launched at a time of momentous changes in the world and in India. The international political and economic order is being restructured everyday and as the Twentieth Century draws to a close , many of its distinguishing philosophies and features have been swept away. In this turbulent world , our policies must also deal with changing realities. Our basic policies have stood us in very good stead and now provide the opportunity to respond with flexibility to the new situation , so that we can work uninterruptedly towards our basic aim of providing a rich and just life for our people.”

The then Prime Minister proceeded to point out that “ Planning has been one of the pillars of our policies since independence and our present strength derive from its achievements” and that , “ there is today a recognition that in many areas of activity , development can be best ensured by freeing them of unnecessary controls and regulations and with drawing state intervention. At the same time , we believe that the growth and development of the country cannot be left entirely to the market mechanism. The market can be expected to bring about an “equilibrium” between “demand “ backed by

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5. *Dr.I.G.Patel Economic Reform and Global Change* , Macmillian India 1998.

6. *Sri P.V.Narasimha Rao* , preface to the Eighth Five Year Plan (1992-97) Planning Commission New Delhi 1992.

purchasing power and “supply”, but it will not be able to ensure a balance between “Need” and “Supply” . Planning is necessary to overcome such limitations of the market mechanism. Planning is essential for macro economic management , for taking care of the poor and the downtrodden , who are mostly outside the market system and have little asset management. It is thus not a choice between the Market Mechanism and Planning: the challenges is to effectively dovetail the two so that they are complementary to each other. ”

#### STATE AND MARKET INTERFACE

As Dr.Rangarajan <sup>7</sup> has since explained in the 1950s and 1960s , the dominant view in economic literature was that Government must play a role in correcting market failures in the area of allocation of resources over time, because of the ‘myopic’ nature of market participant , four decades of development experience world over has shown that there can be “government failures” as well , resulting not only in economic losses due to misallocations of resources arising from faulty investment decisions but also from diversion of resources to rent seeking activities because of the very regulations themselves. Dr.Rangarajan has observed that , “ if there is a lesson to be drawn from the development record of the last four decades, it is that there can be both “ government failure “ and market failure “ and the critical issue is not so much the presence or absence of the state intervention but the extent and quality of that intervention.”

It is possible to analyse economic policy formulation and implementation in India , in terms of the changing boundaries of state and market , and the emerging new balances as a result of Economic Reform. In a lecture delivered at the Indian Institute of Economics in August 1999 and published in the Asian Economic Review in Dec 1999 , Dr. Y.V Reddy <sup>8</sup> analysed the role of State in Economic activity from a functional point of view classifying state into (a) Producer state --Producing commercial goods and services.(b) Regulatory state setting and enforcing rules that encourage or discourage economic activities of market participants.(c) facilitator state – providing public goods such as police , judiciary , roads etc. and (d) Welfare state providing a wide variety of merit goods such as education and health services.

Drawing attention to the process of reforms and the new balances that are emerging as both causes and consequences of a changing mix between state and market and

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7. *Dr.Rangarajan* in 1. Cited above.

8. *Dr.Y.V Reddy* ,State and market : Altering the Boundaries and Emerging Balances , Asian Economic Review Vol 41.

emphasising that this does not happen in isolation but in relation to other balances like that vertically between Centre and Provinces , between public and private sectors ; funding and provision of services , poor and non poor , organised employment and self employment and finally rural and urban areas. Dr. Reddy has urged that “ analysts need to have an appropriate understanding of these emerging new balances to appreciate the stability and pace of Economic Reforms.”

#### **EQUITY AND EFFICIENCY**

Economic Planning in India has been directed towards objectives of Growth with Social Justice , Self Reliance and Balanced Regional Development, assigning important place in programme formulation and implementation to considerations of equity and distributive justice. There is a school of view that the rate of growth of the Indian Economy has been relatively lower than it could have been mainly on account of multiple objectives .

In his paper ,” New Economic Policies : A Historical Perspective ,” Dr. I.G.Patel <sup>9</sup> offers a view that “in our anxiety to increase the supply of factors of production and reduce the constraints on growth and out of excessive zeal for distributional justice , we have often overlooked the importance of an efficient use of existing resources..... the kind of use that generates the maximum growth potential for the future”, Dr. Patel however observes that efficiency is a dynamic concept and its best promoters , apart from entrepreneurship , skills and capital , are good information , competition with a level playing field, transparency , relative stability in policies and improvements in technology.” and points out “efficiency , transcends the domains of micro economics as narrowly and traditionally conceived and requires some thing more than competitive markets.”

#### **GLOBALISATION AND NATION STATE**

The requirement of Capital . skills , technology and the like , often need free flow of these factors across the borders of nation and offer justification for globalisation . Answers to key questions whether globalisation constrains national autonomy and whether it tends to aggravate inequalities , depend on whether the analysis is made in economic terms or in political terms taking into account the dilemma created by the fact that markets are increasingly international in scope while governments remain national in jurisdiction and character .

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<sup>9</sup>.Dr.I.G.Patel Opinion cited.

While economic analysis can certainly provide broad guidelines to governmental policy and action, experience reveals that ultimately it is the power play between various interest groups – business industry and social that provide the vital inputs for decisions on economic policy.

But then there is the vital question on the desirability and effect of globalisation in an unequal world.

UNCTAD's Trade and Development Report 1997 <sup>10</sup> stated .“ the big story of the world economy since the early 1980's has been the unleashing of market forces. The deregulation of domestic markets and their opening up to international competition have become universal features....Many commentators are optimistic about the prospect for faster growth and for convergence of incomes and living standards which greater global competition should bring .... However ,.... Since the early 1980s the world economy has been characterised by rising inequality and slow growth. Income gaps between North and South have continued to widen ... In 1965 , the average per capita income of the G7 countries was 20 times that of the world's poorest seven countries , By 1995 , it was 39 times as much ...Polarisation among countries has been accompanied by increasing income inequality within countries ... In many countries , the per capita income of the poorest 20 % now averages less than one tenth of the richest 20 % . .... Indeed , the hollowing out of the middle class has become a prominent feature of income distribution of many countries.” TDR 1997 points out that over the past decade , the world economy has settled down to an average growth rate of 3 % per year , 2 % points lower than that achieved between 1950-1997 and states ,“Such a relatively modest rate can solve neither the North 's labour market problems nor the South's poverty problem nor will it allow for a narrowing of the North –South divide.”

#### **COMPONENTS OF REFORMS**

Economic Reforms programmes has several components (i) Fiscal reform(ii) Industrial policy reform (iii) Trade Reform (iv) Monetary reform etc. Government of India's Economic survey 1998-99 pg.809 , enumerates the various policy measures taken in industry , infrastructure, trade policy , financial and banking sector, Taxation policies , foreign investment (Direct and institutional , external finance (Multilateral assistance and commercial borrowing). All these have meant restructuring of the various Government Departments , and creation of New Institutional Mechanisms , to subserve the basic

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10. 'Globalisation , Distribution and Growth ' ; *Trade and Development Report 1997* , UNCTAD , Geneva

objectives of Economic reform and carry out the difficult task of distancing the state from direct intervention in Economic Activity and interplay of Market Forces .

Economic Reforms with some or all of the above components have been the prescription offered by the experts serving the IMF and the IBRD , to the fiscal and financial problems faced by several countries , which had , at different points of time reached , “crisis proportions.” The efficacy of these prescriptions have also come to be questioned by several economists . The recent debate and divergence of opinion between the economists serving the IMF and those serving the IBRD raise important issues of both analytical and operational significance.

The vital issue in this debate , is whether the policy instruments and programmes can be devised for a country and its economic problems by “experts” with a reputation at an international level without exposure to the country experience in implementation of programmes in that country or elsewhere and whether any such programme devised for one country , even if it is deemed successful , could be prescribed for another country ? Should Economic Policy making in developing countries be governed by Washington Consensus, emphasising free market , global integration and macro economic stability? At the centre of the controversy was the policy prescriptions made by the IMF Team for some of the Asian Economies , and their effectiveness. Joseph Stiglitz <sup>11</sup> Chief Economist of the IBRD , has argued that Washington consensus has a specious simplicity as the world is too complicated and economic policy making faces too much uncertainty . In a contribution to a Symposium on International Financial Architecture Stiglitz has argued that the conditionalities approach of the IBRD and IMF has failed , and from now on , for the sake of democratic accountability and economic sustainability each country must own its development strategy .

#### **INSTITUTIONAL FACTORS**

Search for answer to these questions on universality of prescriptions of economic reforms leads to a similar problem faced by development administrators , in the implementation of administrative reforms suggested by International Aid Agencies over the years . Difficulties in implementation were attributed to “ ineffective administrative procedures and managerial techniques (b) inadequate development institutions and (c) inappropriate governmental, structures ,” and it was felt that the complexities of programme

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11. Joseph Stiglitz – Report in Economic Times 26-12-1999

administration requires ‘ a deep understanding of the varieties that affect programme implementation especially the political behavioural , cultural economic and physical factors ’. {James W. Bjorkman <sup>12</sup> } . This realisation has in its turn led to appreciation of the need for institution building to accompany reforms to ensure effective implementation

**IMPLEMENTATION:** Milton Esman <sup>13</sup> (Elements of Institution Building ) defines institution building as the planning , structuring and guidance of new or reconstituted organisations which (a) embody changes in values functions physical and /or social technologies (b) establish ,foster and protect new normative relationships and action patterns and (c) obtain support and complementarity in the environment.

It has been India’s good fortune that its economic programmes and policies have been formulated by persons with a reputation for erudition and clarity of thinking . As Dr.Ajit Mazoomdar <sup>13</sup> has pointed out “the Planning processes , first improvised and then improved upon , and the institutional mechanisms developed within the country’s political and administrative frame works were in themselves , notable achievements. After taking stock of the development perspective and implementation of various plans and noting the gap between promise and performance , inability to undertake sustained analyses of policy at different levels particularly of political constraints on development and uniformity of design imposed by planning from Delhi , Dr.Mozoomdar draws attention to one of the main problems of Indian Planning realised in the seventies that “whereas the plans were articulated at the macroeconomic level , the detailed preparation of investment projects and programmes was inadequate in many ways. Planning failures at this level were due to the absence of relevant data in some cases , insufficient technical and economic analysis and lack of impact evaluation .” However capacities were soon developed for sectoral planning , project formulation , selection and appraisal and post evaluation. The policy instruments directed towards attainment of specific plan objectives , like Fiscal Policy , Monetary and Credit Policies , Pricing Policy , Industrial Policy , Agrarian Policy , Labour and Employment policies , Reservation Policy etc. has also been shaped and modified to suit changing circumstances. Despite efforts Indian Development Plans are not considered to have been effective in achieving their objectives and goals . Similar are the perceptions regarding administrative reforms.

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12. *James Bjorkman* – Implementation and Development Policy in Strategic Concerns of the Public Sector in India. Special issues of Public Enterprises , Vol 14, Nos 3 to 4 . International Centre for Public Enterprises Sept 1994.

13. Milton Esman , ‘Elements of Institution Building ‘ and Ajit Mazoomdar The Rise and decline of Development Planning in India , in Kuldeep Mathur ‘s Ed, Development Policy and Administration ,1996.

In respect of Economic Reforms Programmes in India , there is a distinctive difference in the approach to the implementation as exemplified by the gradualism and attention to institutional factors. While the reforms initiated in the mid eighties sought to modify regulatory procedures and protocols relating to industrial licensing and other regimes , as part of the process of liberalisation , the Economic Reforms launched in 1991 covered a wider range of administrative changes and establishment of new institutional mechanisms in the areas of industrial licensing, capital market and foreign investment regulation , prices and distribution controls , foreign exchange management , apart from measures designed to bring public finance back on the rails with fiscal reform measures. Experience in the implementation of programmes and measures in the above areas led to the realisation that while these were responses to a crisis situation , they were not in themselves adequate to ensure sustained growth of the Indian Economy. This led to the launching what is described as the Second Generation Reforms to grapple with the structural features of the Indian economy covering land reforms , public sector enterprises reforms , labour laws , capital market and competition policies and the financial and banking sector reforms. The need for Government to consider in depth several vital issues and bring about changes in the legislative framework has been an important aspect of the second generation reforms.

It is significant that while some degree of political consensus appeared to have been implicit in the implementation of the First Generation Reforms, marked by continuity in economic policies pursued by the Union Government despite changes in the ruling political alignments , the Second Generation Reforms have , even in the stage of launching faced a good measure of opposition and public protest.

The relative ease with which the First Generation measures got introduced and taken to implementation stage was on account of the calibration of the policies to suit the Indian psyche and ethos as also to the creation of new or redesigning existing institutional mechanisms. To illustrate in the area of pricing policies the Agricultural Prices Commission established in the sixties has been restructured as the Commission on Agricultural Costs and prices. In the Industrial sector the Statutory Tariff Commission has been replaced by the Bureau of Industrial Costs and Prices , a diluted version carrying no mandatory status , quite possibly as a salute to the emerging free market mechanism. However in the vital area of health and medicine , requiring regulation of drug prices , a

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Pharmaceutical Pricing Authority has been created to deal with the industry specific issues of research ,development and manufacture costs and pricing.

Among the host of procedural and institutional changes impacting on the capital market and corporate sector is the abolition of the office of the Controller of Capital Issues and the establishment of a statutory body , Securities and Exchange Board of India to deal not only with regulation of capital issues but also act as a watch dog of the corporate world , to usher proper practices of corporate governance.

In the area of Public Sector Management, measures were taken to increase the autonomy of PSU management and to relax the grip of the Administrative Ministries and the Bureau of Public Enterprises functioning under the Ministry of Finance . The adoption of the system of Memorandum of Understanding between the Administrative Ministry and the PSU and the new system of performance evaluation , the designation of some enterprises as Navratna Enterprises , with larger powers for capital investment and commercial decisions were all part of a system of distancing the public enterprises from the Government and taking them closer to the markets in which they were operating.

The study of modes of withdrawal of the state from commercial activities by embarking on a process of divestment of Government ownership was entrusted to the Disinvestment Commission set up as a independent body to recommend the levels and modes of divestment of government shares in specific enterprises. After the Commission had completed the studies and made recommendations in respect nearly 50 enterprises , the task has been entrusted to a newly created Department of Disinvestment to propose the levels and modes of disinvestment in public sector enterprises for the consideration of an Inter Ministerial Committee of Secretaries before a decision by the Cabinet Committee on Disinvestment .

By far the most far reaching changes impacting on the economy have been in the financial and banking sectors . The appointment of two committees , both chaired by Sri M.Narasimham , a financial administrator with deep domestic experience and vast international exposure, to study and make recommendations of the changes needed in the financial sector and the banking system was a move designed to ensure that the changes were calibrated to meet the specific requirements of the various subsectors and to carry out change without affecting continuity of operations of the institutions in these vital sectors.The introduction of prudential regulations and prescription of norms for Capital Adequacy , Asset Quality , Management Earnings ,Liquidity and Systems Control



(CAMELS) have reinfused a degree of discipline in the banking system. But the Reforms appear to have affected the credit availability to the priority sectors of agriculture and small scale industries. The changes have not also effectively improved the position relating to non performing assets. There is a view that the decline in morale of Bank employees , and credit availability to priority sectors could be attributed to the uncertainty resulting from structural reforms in the Banking Sector. The promulgation of Regulations governing Non Banking Finance Companies by the Reserve Bank of India , though considered a bit belated has brought about some changes in the money market . Overall the Banking Sector is still in a state of flux , though the operations have been marked by some degree of continuity .

The plethora of laws governing industrial and business operations as also labour management , and the time consuming procedures for judicial intervention were also sought to be modified as part of the Economic Reforms. The Ministry of Finance organised a project for Legal Adjustments and Reforms for globalising the economy(LARGE) to review and rationalise various economic legislations.

The Ministry of Law and Justice , have brought into existence a new Alternative Dispute Settlement Mechanism to speed up arbitration in commercial disputes , and the Department of Company Affairs have proposed changes in the Companies Act to ensure better corporate governance and changes in the Monopoly and Restrictive Trade Practices Act to endure a more competitive Environment. The retuning of the legal system in keeping with the major objectives of the Economic Reforms have been a major area of concern because the implications of changes in the basic laws and procedures need close study of their long term structural implications before they are given effect to . The two specific areas relating to labour law legislation and foreign capital and exchange regulations have posed some thorny questions for which answers have not been easy to find. Sharp differences of opinion have arisen of the need for and level of foreign capital participation in certain sectors of economy like Insurance , Media Management, and Strategic Areas like oil exploration .Likewise the design and implementation of Exit Policies for Labour and Amendment to the Labour Legislation as also the design of Safety Net Mechanisms for labour have been marked by the need to take a careful view of conflicting but equally valid view point of different interest groups. These differences reflect the as yet unresolved areas of value judgements and long term goals in the Indian economy.

The unwillingness of the elected government to rush into these areas with hasty legislations has resulted in some criticisms from interested quarters that the Economic Reforms have been slowed down. But the Union Finance Minister Sri Yeshwant Sinha has clarified that India cannot be hustled into globalisation, and that it is the responsibility of every government to manage globalisation properly. Sri Sinha has explained that while the First Generation reforms initiated in the early nineties were mainly administrative in character, the Second Generation reforms called for legislative changes in areas relating to labour laws, small scale industries, public sector privatisation and tightening the financial sector which are marked by difficult contentious and controversial issues, with resistance from political and trade union quarters. Sri Sinha asserted that “ Government has to be practical and patient in carrying them forward ”.

The difficulties faced by the government and various organisations in sequencing the various steps and carrying out the Second Generation Reforms serve, if any thing to underline the importance of institutional factors in Economic Reforms. It may be useful in this regard to take note of the interaction between the process of reform and major institutions, playing pivotal role in economic decision making in India like the Planning Commission, the State Governments and other organisations.

### **3. 3 ECONOMIC REFORMS , PLANS AND UNION BUDGET**

While reviewing the Management of Public Expenditure by the State Governments during the era of Economic reforms, one should take into account certain philosophical changes impacting on the planning process as also procedural and policy changes in the broad area of transfer of resources from the Centre to the States that became prominent feature of the period. These centred on the role of the State in economic activity and sought to make a break with the previous four decades of planning emphasising the bounden duty of the State to not only for the economic growth but also ensure that this is accompanied by Social Justice, Balanced Regional Development and Self Reliance.

While Economic Reforms launched in July 1991 sought to redefine the role of the State and of market forces, in promoting and sustaining economic activity, the then Prime Minister Shri P.V. Narsimha Rao had taken care to strike a balanced note in this regard. While drawing attention to the momentous changes taking place, with the restructuring of international political and economic order, and to the recognition that in many areas of activity development can be ensured by freeing them from unnecessary controls and with

drawing state intervention, Shri Rao had made it clear that “the growth and development of the country can not be left entirely to the market mechanism ” and that planning is necessary to over come the limitation of the market mechanism which can be expected bring about an equilibrium between “Demand” backed by purchasing power and “Supply” but will not be able to ensure a balance between “Need” and “Supply”.

In his Preface to the Eighth Five Year Plan (1992-97) Shri. Pranab Mukerjee Deputy Chairman, Planning Commission clarified, that the Plan was being launched against the backdrop of wide spread changes which have altered the international social and economic order, and that even the Centralised Economy were opening up to free market forces and competition and pointed out that in India, “the fiscal problems restrict the ability of the Governments to provide needed resources to maintain the impetus of growth. At the same time we have to ensure that the stimulus for sustaining the long term growth of the economy is strengthened in the immediate future the process of economic reforms and structural adjustments has to be carried forward without sacrificing the imperatives of development. This calls for a dedicated balancing options in the formulation of the plan. We have to start rolling back the public sector from those sectors of the economy where the private sectors can move in and step up on investment in the social sector . At he same time we have to ensure that the infrastructure needed for economic development continues to grow in the transitional period.”

The Eighth Five Year Plan was expected to be “a Plan” for managing the change, for managing the transition from Centrally planned economy to market led economy without tearing our socio cultural fabric. Deputy Chairman had also indicated that the Planning Commission was working out a monitoring system which will provide timely signals to the performance of the State Governments the priority sectors of the plan.

#### **ECONOMIC REFORMS AND THE UNION BUDGET**

It is in this context that one must turn to the Budget of July 1991 , introduced by Dr.Manmohan Singh, making a sharp break with several of the basic objectives and methods of Planned Development and announcing several measures which have come to be called New Economic Policy. This came about in the context of a Balance of Payment Crisis faced by the Govt of India which was attributed to the persistent high fiscal and budgetary deficits of the Union Government and called for fiscal correction to place the economy back on the rails.

Viewed in some circles as a successor to the policy on liberalisation initiated in 1984 by the Government of India, the New Economic Policy laid emphasis on action in five policy areas-

(1) achievement of macro economic balance with high investment levels (2) reforms & redefinition of the role of public sector (3) reducing and restructuring domestic control over production and investment licensing (4) reducing the degree of protection to Indian Industry (5) Opening up to foreign investment.

While the above areas appeared to emphasize liberalization of the economy, the policy makers appeared to be more conscious of the fiscal priorities in the short run, and listed for the first two years of the reforms, measures to bring about (a) Reduced Government expenditure (b) Reduced Defence Expenditure (c) Increase in administered prices like power, fertilizers; (d) Reduction of subsidy, to be followed by restriction of access to the PDS to the needy. (e) Reduction of job in Government Departments, Public Sectors under taking (PSUS).

Many of these measures appear to have drawn their inspiration from World Bank Country Economic Memorandum for India presented to the Aid India Consortium Meeting in Paris in May 1990 and reiterated the Country Economic Memorandum for India in 1991. Following the suggestions in 1991 Memorandum of the World Bank Dr.Manmohan Singh wrote to the Managing Director of the International Monetary Fund in August 1991 presenting Govt of India's Memorandum of Economic Policies . indicating the steps mentioned above .

It was only on 16<sup>th</sup> December 1991 that the Finance Minister placed in the Parliament this Memorandum as an annexure to his statement on Management of the Economic crisis . It is largely for this reason , that analysts view the economic reforms measure as inspired by the International Financial Institutions.

An objective analysis may however lead us to understand that 'Economic Reforms' had really begun in early eighties, when late Shri Rajiv Gandhi promised a "Government that works faster" and launched a New Economic Policy, with promises to open up the Indian economy for achieving faster growth with a regime of lower direct taxes, expanded role for the private sector, liberalisation of the licensing system, and easing of controls on that and foreign investment. Those set of measures, initiated with some degree of concern over the slow pace of domestic economic growth were really the commencement of the

transition from the era of controls to the era of relatively greater freedom from Government in economic operations.

The reforms of the Eighties were, domestic in their origin, born out of a perception that the three decades of planning and mixed economy with partial control had resulted in a relatively slower pace of development while nation was striving for larger objectives like growth with social justice, self reliance and balanced regional development.

While the New Economic Policy was launched , with claims of the need to improve efficiency in utilisation of resources and improve the quality of Public Expenditure Management , with focus on fiscal consolidation , it soon became apparent that fiscal correction measures , enforced through budgetary instruments could while marginally improve the rate of growth of the Economy , seriously impact on extra economic objectives of equity and balanced regional development .

Dr.Sanjaya Baru <sup>14</sup> has drawn attention to the awareness in Government circles of the likely deflationary pressure and high costs of social adjustment bound to be faced by the poor in the process of macro level fiscal consolidation by the Government of India. Sanjaya Baru had argued that while the note of the President of the World Bank Louis Pretzel to the Board of Governor, recommending India's Structural Adjustment loan and India's Finance Minister, Dr.Manmohan Singh in his speeches on the Parliament had both spoken of possible increases in Financial allocations for certain schemes in social sectors in order to compensate for the iniquitous impact of fiscal adjustment, the actual provisions did not match these words.

This is supported with data of provisions for Plan and Non Plan Expenditure in the Union Budgets for '91-'92, '92-'93 and '93-'94, indicating that "the share in total Government Expenditure of important sectors like education, health, small scale industries and the Public Distribution Scheme was not very significant .While the aggregate expenditure increased considerably, the share of the Social Sectors in it was 15.4 % in 1991-92 , 15.7% in 1992-93 and 16.2 % in 1993-94. Over the three years the budgetary increase was less than one percent despite claims to the contrary that structural adjustment was being carried with a care for the Human face. Sanjaya Baru has also drawn attention to the impact of the reformist budget on the resources transferred to the states .

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14. Dr.Sajaya Baru , New Economic Policy , EPW , April 10, 1993

Drawing attention to the argument that most of these sectors are under the purview of the State Government and that Centre can do little by way of offering financial support, Dr. Baru argued that the Centre –State dimension of the Union Budget were biased against the States as evidenced by the disparity on the Budget support for Central Plan and for Plan Assistance to the States.

Between 1992-93 and 1993-94 Total Budgetary support for the Central Plan had gone up by 18.4 % while the Total Central Assistance to the State had gone up only by 2.8 % further examination of the trends in the Budgetary support to the Central Plans and Central assistance to the State Plan reveal that Plan Expenditure as a percentage of Aggregate Expenditure had come down from 29.9% in '92-'93 to 25.7% in 2000-01(RE), marked by a fall in the Budget support for Central Plan, as a share in Total Expenditure from 16.1% in 1992-93 to 14.4% in 2000-01. Central Assistance to the State Plan during the same period has also been marked by a similar fall from 12.8 % to 10.9 % of the Centre's Aggregate Expenditure.

This confirms that the fiscal consolidation objective of the Union Budget has adversely affected Budget support for Plan Expenditure of the Centre and Central assistance to the State Plans. Between 92-93 and 2000-01 the Non Plan Expenditure, as a percent of total expenditure had gone up from 70.1% to 74.3% mainly on account of increase in the share of interest payments (25.3% to 30% ) Defence Expenditure from 14.3% to 16.2% and General Services, including police and pension, from 7.2% to 8.4% .The share of subsidies for food, fertilizers and other items has gone down slightly from 8.9% to 8.0%.

A significant point to be noted in the context of Management of State Government Finances is that, the net resource transfers from centre to the states excluding interest payments had , as a percentage of Gross Domestic Product come down from 5.7 per cent in 1990-91 to 4.7 per cent in 2000-2001 , and total assistance to state and UT Plans from 2.4 per cent in 1991-92 to 1.7 per cent in 2000-2001 . This is dealt in greater detail elsewhere .

For a perspective view at macro economic level one can refer to Tables 1.1 , 1.2 and 1.3 for obtaining a clear view of increasing total Government Expenditures , their distribution into Plan and Non Plan Categories and also Development and Non Development Categories and the changes in the relative roles of the Centre and States and the Union territories in bearing Plan and Development Expenditure.

After taking into account inter governmental adjustments, in 1980-81, the total expenditure of Centre amounted to Rs. 23,194 crores and that of the State Rs. 22,770 crores, totaling 37,879 crores. By 1990-91, the Central Expenditure had increased by nearly 5 times to Rs. 1,07,995 crores and the corresponding figures for the states was Rs. 91,242 crores totalling Rs. 1,63,673 crores. During 1999-2000 the Development and Non Development Expenditure of the Central and the States combined accounted for a total of Rs. 5,55,458 crores, or 28.4 Percent of the GDP.

As pointed out in the Study of the Finances of State Government <sup>15</sup>, by 1999-2000 “the total expenditure of State Government (Rs. 3,25,634 crores) 16.6% of GDP have even over taken those of the centre (Rs. 3,13,258) 16% of the GDP in 1999-2000(R.E)” .However when we review the trends in Plan Expenditure with reference to shares of Centre and the States, it is seen that, while the States had accounted for 63.52% of total plan outlay, during the I FYP, their share had come down to 45.27% in the II FYP, 49.28% in III FYP, 48.64% in IV FYP before rising to 50.77 % in the V FYP and again coming down to 45.25% in VI FYP, 40% in VII FYP, further to 38.71% in VIII FYP. On the other hand the share of the Centre which was 36.02% of total Plan Expenditure during the First FYP period had increased to 59.52% during the VIII FYP The relative shares of the Centre and the States in Total Plan Expenditure from the First Plan to the Eighth Five Year Plan has been brought out in Table 1.4 . For the Ninth Five Year Plan a total outlay of Rs. 8,59,500 crores has been indicated , with the Centre accounting for Rs. 489361 crores and the States Rs. 3,69,839 crores .

It emerges from the review of the actual pattern of budget provisions and public expenditure during the nineties, that the envisaged careful balancing of the role of the State and the Market did not materialise and permeate the planning process at the Centre and in the States, and that a certain degree of philosophic confusion and policy haziness, as also budgetary constraints had marked the implementation of the various developmental programmes during the nineties.

This was recognised even in the approach paper to the Ninth Five Year Plan placed before the National Development Council in January 1997. Reviewing the growth performance during the Eighth Plan (1992-97, which was “launched against the backdrop of a severe balance of payments crisis triggered off by financial profligacy and excessive borrowing of the Government which stated in the early 1980’s”, the Approach paper outlined the structural reforms undertaken, and claimed that “the actual growth

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15. EPW Research foundation (Finances of the States in its Time series presentation, May 19/2001)

performance of the economy appears to have surpassed the expectations”, with the average growth rate during the first four years of the Eighth Plan reaching 5.7% per annum as against the target growth rate of 5.6% per annum. The expression of satisfaction at the overall sectoral growth rates was however moderated by the recognition of interregional disparities in per capita income, increase in current daily unemployment rate, substantial increase in food prices and short falls in expenditure in social sectors like education, wealth and family welfare, women and child development, housing water supply and urban development which depend exclusively on budgetary support for financing their plan outlays.

The Approach paper pointed out that “there has been a decline in the share of the states in total plan outlay. In the Eighth Plan it has declined 36.4 % as compared to the projected 41.5 %. What is the matter of concern is that when the States share decline the sectors which suffer more severely are agriculture basic minimum services, health education”.<sup>16</sup>

The Midterm Appraisal of Ninth Five Year Plan published in October 2000, placed the growth rate of GDP during the first three years of ninth five year plan at 6.2% per annum on an average, as against a target of 6.4%, and indicated that “significant shortages in growth performance have been recorded in agriculture, mining and quarrying and manufacturing sectors” and that “investment target in these sectors were not likely to be met in the last two years of the plan.” It also indicated that the targets were exceeded in construction, communication, public administration and community services and that in these sectors investment targets may be met.

The Appraisal pointed out that central budget support to the Ninth Plan may be around 87% of the plan target, comparing unfavorably with 93% realised during the Eighth Plan and total public investments would be about 81% of the plan targets as against 84.5% realised during the Eighth Five Year Plan. The appraisal also indicated that due to serious slippage’s on public investments in physical and social infrastructure, there could be weakening of the possibility of acceleration in the growth rate during the Tenth Plan period.”

Presenting a synoptic view of the Government of India’s Budgetary operations during the era of Economic Reforms, the EPW Research Foundation pointed out that the data, “are revealing, particularly in the context of their long term implications for development” and

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16. ‘Approach Paper to the Ninth Five Year Plan 1997-2002; Planning Commission 1997 paras 1.13 to 1.32



that the Budgetary trends during the period prove that the actual performances has not been even remotely comparable with the Five Year Plan targets and goals. The review drew attention to two major developments. “first the objective of fiscal consolidation which was sought to be achieved in the previous plan period, after the reform began, and resulted in a fall in the domestic debt to GDP ratio from 59.7% in 1991 to 56.5% in 1997, but this was based mainly on severe compression of Plan Expenditure in general and investment in particular. Secondly the Centre’s Tax /GDP ratio which was as high as 11.3 % in 1989-90 had declined to 9.8% in 1994-95, standing in sharp contrast to the increase of 2 to 4 percentage points experienced by some of the developing countries in the wake of their economic reforms. According to this review the Ninth Plan objectives of increased domestic investments and savings was dependent on increased public savings and plan outlays, which, in the turn, hinged on a raising of the Tax /GDP ratio from 9.4% in 1996-97 to 11.5% in 2000-01, and further the reduction of Centres fiscal deficit from 6.1% to 4.1% during this period was also based on the virtuous relationship between increased plan outlays, improved growth and higher Tax/GDP ratios. On the other hand the Government of India’s Budgets in recent years have been formulated with the single objective of fiscal responsibility which is somewhat narrowly constructed. EPW Research Foundation Review, asserts that “if experiences of the whole decade of the 1990’s is any guide, fiscal consolidation with reduced fiscal deficit, dispensing of RBI’s support and reduced tax mobilisation had to perforce result in compression of all forms of expenditure, which have development implications – Plan Expenditure, Social and Physical Infrastructural Expenditures and Capital Expenditure.

Reviewing the impact of tax measures and expenditure patterns, EPW Research Foundation points out that the Ninth Plan Period was marked by unusually large short falls in the Annual Plan outlays, as compared with the Budget estimates, and argues that the “root cause of Industrial recession experienced during the entire Ninth Plan has something to do with the unrealised expectations of Annual Plan outlays”<sup>17</sup>. This may not be acceptable to votaries of Economic Reform who have been arguing that Economic Reforms, particularly measures of liberalisation have speeded up the rate of growth of the Economy. The debate has been continuing, and light if any can be obtained only by, analysing the varying growth rates in different sectors of the Economy, and in particular examine whether the fiscal consolidation measures taken in the form of budgetary measures had any impact on the rate and direction of Economic Growth. A balanced view could be taken, if one investigates the impact of liberalisation of procedures and decontrol in the industrial sector, and the impact of import restrictions removal on Indian

agriculture and industry. The gains claimed in this sector may have to be measured against the impact of budgetary conservatism on the Social Sector. Analysis of the Govt of India Budget show that while aggregate budgetary expenditure increased from Rs. 143872 crores in 1993-94 to Rs. 335522 crores in 2000-2001 RE , as a percentage of GDP it fluctuated around 12 per cent of GDP .But the allocations for all Social Services and Poverty alleviation programmes , while increasing from Rs. 17851 crores in 1993-94 to Rs. 42455 crores in 2000-2001 RE , its proportion to the GDP had come down from 2.08 per cent to 1.87 per cent , this lending some measure of credibility to the critics who argue that Economic Reforms , have adversely affected the Social Sector Expenditure.

It is in the context of State government Expenditure exceeding that of the Centre in aggregate terms even while their share in Plan Expenditure declining relative to Centre's Expenditure that one must look at the quantum and quality of Public Expenditure in the States and take note of the increasing attention paid by the Centre to Economic reforms at the State level . It may be relevant to note that the states have begun in the late nineties, to realise the importance of expenditure control and took important policy initiatives towards fiscal reforms. This will be dealt with later

**VOLUME - II**

**GROWTH AND BUDGETARY PERFORMANCE  
OF THE STATES**

## IV GROWTH PERFORMANCE OF THE STATES

### 4.1 STRUCTURAL TRANSFORMATION

Policy measures and programmes of Public Expenditure to be reflected in the budget need to be guided by a more detailed analysis of the sectoral variations in growth , and intra sectoral examination of the factors responsible for annual changes in the growth rate. It is well known that the sectoral composition of the real GDP and the relative contribution of the three ,major sectors have been marked by changes over time, reflecting structural transformation of the economy as shown below.

**TABLE 4 . 1 SECTORAL SHARES IN GDP**

|                        | 1980-81 | 1990-91 | 1997-98 | 1998-99 | 1999-2000 | 2000-01 |
|------------------------|---------|---------|---------|---------|-----------|---------|
| Agriculture and Allied | 34.5    | 27.5    | 26.7    | 26.8    | 25.5      | 24.0    |
| Industry               | 23.2    | 25.9    | 22.7    | 22.0    | 22.2      | 21.9    |
| Services               | 42.3    | 46.6    | 50.6    | 51.2    | 52.3      | 54.1    |

Note :The data for 1980-81 and 1990-91 are based on NAD with 1980-81 as the base year while the data for 1998-99 is based on NAS with 1993-94 as the base year.

It may be worthwhile to note that the review of data base and methodology for aggregation along with shift of the base year from 1980-81 to 1993-94 resulted in changes in the sectoral composition and upward revision of the GDP with implications for macro economic indicators like fiscal deficit, tax revenue, external debt, interest payments when indicated as a proportion of the GDP and used to assess the efficacy of policies formulated and implemented as part of economic reforms.

An analysis of the trend growth rates in real GDP and its sectoral components for the period 1993-94 to 1997-98 as per the Old Series with 1980-81 as base and the New Series with 1993-94 as the base year showed that the trend growth rate in Agriculture and allied activities was 2.1 % as per the Old Series and 3.7 % as per the New Series The CSO has indicated inclusion of activities like floriculture, backyard crops and marine fisheries as the reasons , and this could be accepted. Estimates for industry remained at 9.2 % as per both the series . Estimates of GDP at factor cost were placed at 7.0 % and 7.2% in the old and new series respectively .

The growth rates of GDP at factor cost as per the Old and the New series for the later years of the nineties are shown below in Table 4.2

**TABLE 4 . 2 - GROWTH RATES OF GDP IN THE NINETIES**

| Year    | GDP(at factor cost) |            |
|---------|---------------------|------------|
|         | Old Series          | New Series |
| 1990-91 | 5.4                 | 5.3        |
| 1991-92 | 0.8                 | 1.5        |
| 1992-93 | 5.3                 | 4.5        |
| 1993-94 | 6.2                 | 6.0        |
| 1994-95 | 7.8                 | 7.0        |
| 1995-96 | 7.2                 | 7.3        |
| 1996-97 | 7.5                 | 7.5        |
| 1997-98 | 5.1                 | 5.0        |
| 1998-99 | -                   | 6.8        |
| 1999-00 | -                   | 6.4        |

Source: RBI, "Hand Book of Statistics on Indian Economy "-1999 and 2000 pp.

Rates of GDP growth by sector for the last seven years is shown below.

**Table 4 . 3 GDP Growth By sector (in percent at factor cost)**

|   | 1994-95    | 95-96       | 96-97      | 97-98       | 98-99      | 99-2000    | 2000-01(A.E) |
|---|------------|-------------|------------|-------------|------------|------------|--------------|
| <b>Agriculture and allied sectors</b>       | <b>5.0</b> | <b>-0.9</b> | <b>9.6</b> | <b>-1.9</b> | <b>7.2</b> | <b>1.3</b> | <b>0.9</b>   |
| <b>Industry</b>                             | <b>9.2</b> | <b>11.8</b> | <b>6.0</b> | <b>5.9</b>  | <b>4.0</b> | <b>7.5</b> | <b>6.1</b>   |
| Of which                                    |            |             |            |             |            |            |              |
| Manufacturing                               | 10.7       | 14.9        | 7.9        | 4.0         | 3.6        | 8.5        | 6.4          |
| <b>Services</b>                             | <b>7.0</b> | <b>10.3</b> | <b>7.1</b> | <b>9.0</b>  | <b>8.3</b> | <b>8.7</b> | <b>8.4</b>   |
| Of which                                    |            |             |            |             |            |            |              |
| Community , social and<br>Personal services | 3.3        | 7.9         | 6.2        | 12.2        | 10.9       | 10.0       | 7.6          |
| <b>Total GDP</b>                            | <b>7.0</b> | <b>7.3</b>  | <b>8.5</b> | <b>5.0</b>  | <b>6.8</b> | <b>6.4</b> | <b>6.0</b>   |

A sectoral analysis of the Quarterly trends in the last two years , as compared to the first two quarters of the current year show varying rates of sectoral growth that have different implications for Government policies in respect of Agriculture , Food Production and Industry as also Public Expenditure Programmes. The estimates of growth rate in agriculture were not however encouraging owing to the impact of weather conditions later reports of agricultural and food grains production seemed to indicate that the problem was not with the level of production but with the post harvest operations of procurement by official agencies and transport to the consumption centres. This had implications for the fixation of minimum support price and procurement targets of the Food Corporation of India and their distribution across the states as also for the determination of Issue Price for wheat and rice as part of the Public Distribution Scheme.

Index of Industrial Production show that the growth of Industry in the first half of the 2000-2001 was lower than the growth rate in the first half of 1999-2000, and officials were not sure whether the pick up noticed in the third and the fourth quarter of 1999-2000 will be repeated in the later part of the 2000-01 and whether the onset of industrial

recession should be countered by stepping up government procurement expenditure and project investment to stimulate demand for industrial products. Reconsideration of customs and excise duties, with implications for revenue estimates and consequently on deficit management also had to be considered. The services sector has shown consistent growth in the different quarters of 1998-99 and 1999-2000 and during the first two quarters of 2000-2001. This has made considerable difference to the GDP growth, claiming an increasing level of contribution to the aggregate GDP. This has led to questions on relative priority to be accorded in plan formulation and investment planning to the Old Economy as against the New Economy.

In the context of the structural transformation of the economy and the need for refining and speeding policy responses to sectoral problems, varied and different as they are, it may be useful if the examination of sectoral growth rates for different quarters as available from provisional estimates of the CSO are supplemented by analysis of the Estimated Seasonal Factors published by RBI. Impacting on 62 economic time series data classified into five major groups namely (a) Monetary and Banking indicators (22 series) (b) Wholesale price Index (17 series) (c) Consumer prices index for industrial workers (one series) (d) Index of Industrial Production (18 series) (e) External Trade (4 series)

There may be advantage setting up inter departmental/ organisational Economic Monitoring Group to gather and analyse data input from different agencies and place them before the Government's Cabinet Committee on Economic Coordination to make a mid term assessment of economic trends around October - November each year and take timely decisions on corrective steps if any required. This assessment may help in the formulation of the Macro Economic Statement proposed in the Fiscal Responsibility Bill. The present time lag between assessment of field conditions reaching the policy makers in Delhi and the necessary response time for decision making needs to be reduced for even after the government takes a decision, it takes time for the policy response and expenditure decision to be carried to and felt at the field level.

#### **4.2 GROWTH PERFORMANCE AND LEVELS OF DEVELOPMENT**

Analysis of the aggregate growth rate data at the National level do not however bring out the difference in the growth rates in different states. There are problems in computing, and comparing the growth rates for different states as the data are not strictly comparable owing to difference in methodology. The observation made on the performance of the States have to keep this in view.

In assessing the performance of the various states, official agencies have found it convenient to treat the special category states as a separate group and evaluate the performance of sixteen states, dividing them into further sub categories of (a) major states and smaller states. (b) High income, middle income, low income states (c) High

budgetary deficit, low budgetary deficit and budgetary surplus states, depending on the purpose of the analysis.

While attention has been focussed on Regional Imbalances , and Inter State Disparities in levels of development , since the beginning of the Planning Era , and this attention has taken the form of criteria for public investment including weightage for location in backward areas and the resultant infrastructural disadvantages, the more recent emphasis on efficiency , and financial performance of public sector have tended to shift the attention away from the earlier objective of balanced regional development . This policy shift , not very well articulated has to be kept in view , while reviewing the performance of states in the 90s.

#### **LEVELS OF DEVELOPMENT**

An important area needing attention from the point of view of management of public expenditure, is the extent to which the implementation of plans and other programmes have been able to reduce the inter-state disparities and intra-state differentials in development. While analysts and policy makers have dealt with inter state disparities it must be admitted that the five decades of development planning have , while contributing to overall growth , have not been able to eliminate the inter-state differential in levels of development and rates of growth .The Approach Paper to the Ninth Five Year Plan drew attention to the evidence of deterioration of inter regional disparities in per capita income , and pointed out that “ some of the populous and less developed state have experienced growth rates which are lower than the national average”. (pg 7 Approach Paper to the Ninth Plan 1997).

The problems of Backward areas in the country and districts within the states have earlier received attention from policy makers and planners and have led to specially designed packages for accelerated development. Committees appointed by the Planning Commission on the eve of the Fourth Five Year Plan, like the B.D.Pande Committee on Dispersal of Industries (1968) , the Wanchoo Committee appointed by the National Development Council (1968) had dealt with the problem of identification of backward areas or districts to provide incentives for industrial development and transport subsidies. The Committee on Backward Areas (1972) headed by Dr.Sukhumoy Chakravarty and the National Committee on Development of Backward areas (1978-81 ) headed by Sri B.Sivaraman , also dealt with the identification of districts for implementation of employment schemes .

In 1997 the Planning Commission appointed a Committee for identification of hundred most backward and poorest districts. This Committee headed by Dr.E.A.S Sarma paid attention to the problem of persisting backwardness in certain parts of the country. On the

basis of indicators of (a) deprivation (b) Social infrastructure (c) Economic infrastructure , the Committee developed an aggregate measure of Backwardness and identified 100 districts spread in several states . These districts were 38 in Bihar , 19 in Madhya Pradesh 17 in Uttar Pradesh , 10 in Maharashtra 4 in Orissa , 4 in West Bengal , 2 in Rajasthan and 1 each in Haryana , Himachal Pradesh , Dadra Nagar Haveli . The Committee felt that the North eastern states (consisting of Assam , Arunachal Pradesh , Nagaland , Manipur , Meghalaya , Mizoram and Tripura ) and the Jammu and Kashmir had certain peculiar problems of Backwardness and needed an approach different from other poor and Backward districts of the country. This aspect has been more than adequately covered by the Planning Commission and Finance Ministry , devising packages for special category states .

In 1999 the National Institute of Rural Development worked out Backwardness Index Social Development Index and Infrastructure Development Index for all states , and the Report observed that Uttar Pradesh , Rajasthan . Madhya Pradesh , Bihar , Orissa and Meghalaya have shown high level of backwardness in all respects. The Social Development Indices and Gender Development Indices presented in that study have also shown high level of interstate and intra state variations.

These attempts have highlighted and spread awareness of the problems without making any significant impact on reducing the levels of disparities or backwardness of areas in the various states. That socio demographic disparities continue to be persist in all the major states has implications for Public Expenditure Management , for there are already signs of serious outbreak of crime and problems of law and order maintenance , which in their turn pressure leading to increased expenditure on police.

In an analysis of the problem of regional imbalances , its extent and reasons , S.N.V Siva Kumar and V.V.N.Somayajulu <sup>1</sup> have drawn attention to the efforts of the Planning Commission and the Finance Commission to bring about better balance in the levels of development among the states. Indicating the per capita aggregate revenue and capital expenditures of the states between 1956 and 1997 , the authors have pointed out that the per capita aggregate revenue and capital expenditures increased from Rs. 180 during the Second Plan to Rs. 1102 during the Fifth Plan and further to Rs.2058 in 1991 and Rs. 4332 in 1997 . The authors had taken the actual expenditures of the states during the nineties and divided them by their population .Analysing the per capita SDP at constant prices for the period 1980-81 to 1994-95 , and details of Tax Revenue , Non Tax Revenue , Capital Expenditure , Expenditure on Social Sector , Expenditure on Economic

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1. S.N.V.Siva Kumar and V.V.N.Somayajulu , The Problems of Regional Imbalances : An analytical View Asian Economic Review April 2000 pg : 58-70)



Services, Market Borrowings, Loans and Advances from Centre and Internal Debt, the authors have assigned Ranks to the States. In their view, "After about four and a half decades of the implementation of Five Year Plans and the awards of Finance Commissions one finds no betterment in the position of some of the states. For instance the Per Capita Net State Domestic Product (SDP) of Bihar is less than one third of Punjab while Madhya Pradesh and Uttar Pradesh have about two fifths of Punjab during 1991-92"

Analysing "Regional Disparities in Rural Development in India" in a contribution to the Journal of Rural Development L.M. Bhole and Abdul Shaban<sup>2</sup> have used 17 indicators of development - (1) Per capital Net States domestic product at factor cost, (2) Number of working rural males per thousand rural population (July 1990-June 1991) (3) Number of working rural females per thousand of rural female population (July 1990-June 1991) (4) Rural male illiteracy rates (5) Rural female literacy rates (6) Average food grain production per capita in Kgs (1989-90 to 1991-92) (7) percentage of rural population below poverty line (87-88) (8) Rural Death rate (1990) (9) Rural infant mortality rate (1990) (10) Percent of rural children covered by pulse polio (92-73) (11) Percentage of rural H.H.S with access to safe drinking water facilities. (12) Percentage of rural HHS having toilet facilities (13) Percentage of rural HHS having electricity connections (14) Total housing shortage in rural areas (15) Area per post office (16) Number of rural Bank Offices- per lakh rural population (17) Road length per hundred Sq. Kms. Reducing these 17 indicators to four principal components, and using principal component analysis, cluster analysis and other statistical method to measure inter state differential in Rural Development in India for 1991-92 the authors have pointed out that inter state disparities are very high and that at the aggregate level of development, Punjab is the most developed State followed by Haryana, Kerala and Karnataka. At the lower and the least developed State is Bihar followed by Orissa, Uttar Pradesh and Assam.

Analysed in terms of Principal Component showing General, Social, Economic and Infrastructural Development, the authors place Kerala at the top, followed by Punjab, Haryana, Maharashtra and Tamilnadu and the least developed States are Bihar, U.P., M.P., Rajasthan and Orissa. Analysis of the indicators in terms of Principal Component showing agricultural development and lower infrastructural development, the authors place Punjab at the top followed by Haryana, M.P., Karnataka and Andhra Pradesh. In this category Kerala is at the bottom followed by Assam, Bihar, Orissa and West Bengal. Analysis with higher negative loading for female employment and higher positive loading for the per capita food grain production shows Punjab at the top followed by Assam, Haryana, West Bengal and U.P. In this category Tamil Nadu is at the bottom followed by

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2. Vol. 19. No. 1 Jan. March 2001.

Andhra Pradesh, Orissa and Karnataka. Analysis in term of lower mortality rates and higher density of post office, M.P. is placed at the top, followed by Kerala, Rajasthan, Assam and Karnataka. In this category Maharashtra is at the bottom, followed by Uttar Pradesh, Tamil Nadu and West Bengal.

In a special article Dr. N.J.Kurian <sup>3</sup> has made a comparative analysis of the emerging trends in fifteen major states which together account for 96 percent of India population in respect of some key parameters which have an intrinsic bearing on social and economic development particularly gender and equity issues. The author has analysed the Demographic Characteristics , Social Characteristics the structure and magnitude of state domestic product and level of poverty , the disposition of state government expenditure in developmental and non developmental categories for the years 1980-81 and 1995-96 , the sectoral distribution of Eighth Plan Outlay , Resource Transfer from Centre to States , Disbursal of Financial Assistance by All India Development Institutions , the spread of commercial banks and credit deposit ratios and levels of development of infrastructure in irrigation , electricity , transport and telephone and has concluded that interstate economic and social disparities in India have been increasing inspite of various governmental measures. The author's analysis places the fifteen states two groups, with the Forward Group consisting of Punjab , Haryana , Gujarat . Maharashtra , Andhra Pradesh Karmataka , Tamil Nadu and Kerala and the Backward Group consisting of Assam , West Bengal, Bihar , Orissa , Madhya Pradesh , Uttar Pradesh and Rajasthan . Significantly , the Forward Group of states accounting for 42 % of the national population are located in the western and southern parts of the country and the Backward group accounting for 54 per cent of the population are in the eastern and northern parts. The Special Category states account for barely 3-4 percent of the population.

A study titled “ Attracting Investment in North India – Agenda for Competitiveness” conducted by the National Council of Applied Economic Research for the Confederation of Indian Industries , and focussing attention on six states ( Jammu and Kashmir ,Punjab , Haryana , Himachal Pradesh , Union territories of Delhi and Chandigarh and Uttar Pradesh ) points out that the northern states have not been managing their finances well during the decade , and that a comparison of the growth performance of different regions during the 1980s and 1990s show that the western region , with Goa , Maharashtra and Gujarat have been able to step up its growth rates from 5.7 per cent in the Eighties to 6.6 Per cent whereas the growth rate of the states in the Northern Region declined from 5.6 % in the Eighties to 4.5 per cent . The NCAER observed that “ The high growth performance of India in the mid nineties appears to entirely bypassed the northern region “ and points out that growth deceleration and fiscal deterioration in the northern states was in conspicuous contrast with the states in the western and southern region.

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3. “Widening Regional Disparities in India – Some Indicators “ EPW Feb 12<sup>th</sup> 2000 Pgs 538-550

A common point in all these studies and others , is that inter state disparities vary considerably depending on the economic or social indicators chosen.

It may be worthwhile to note that just as sectoral transformation of the National economy has made changes over time in the contributory shares of the three sectors in GDP similar structural changes in the state economies have to be taken onto account while assessing the performance. C.P.Chandrasekhar and Jayathi Ghosh <sup>4</sup> have in their analysis of the Performance of the States in the 90s have pointed out that between 1993-94 and 1998-99 the states have recorded not only different annual rate of growth in the NSDP but also in Per Capita Domestic Product , and that the states which have undergone some degree of structural change in terms of reducing the share of the primary sector in the GDP have shown relatively better performance .

The share of the three sectors in SDP of fourteen states in 1993-94 and 1998-99 shown in Table 4.3 and the annual growth rates of the SDP and Per Capita , shown in Table 4.4 indicate that the states like Karnataka Tamilnadu and Gujarat which have reduced primary sector contribution to GDP in 1998-99 , as compared to 1993-94 , has shown higher annual growth rates in respect of SDP and per capita SDP . It is however difficult to establish , on the basis of available data , that there is a causal relationship between reduction in the share of primary sector in the GDP and rate of growth of the State Economy. That the boom in the services sector prompted by Information Technology can be sustained over long periods is still to be established.

**TABLE 4-4 SHARE OF SECTORS IN STATE G.D.P <sup>5</sup>**

|                       | 1993-94 |           |          | 1998-99 |           |          |
|-----------------------|---------|-----------|----------|---------|-----------|----------|
|                       | Primary | Secondary | Tertiary | Primary | Secondary | Tertiary |
| <b>Andhra Pradesh</b> | 37      | 17        | 46       | 33      | 19        | 48       |
| Assam                 | 48      | 13        | 39       | 44      | 14        | 42       |
| Bihar                 | 48      | 16        | 36       | 38      | 19        | 43       |
| Gujarat               | 26      | 30        | 44       | 35      | 30        | 45       |
| Haryana               | 43      | 24        | 37       | 36      | 25        | 39       |
| <b>Karnataka</b>      | 40      | 22        | 38       | 30      | 26        | 44       |
| <b>Kerala</b>         | 30      | 20        | 50       | 27      | 20        | 53       |
| Madhya Pradesh        | 43      | 20        | 37       | 38      | 20        | 42       |
| Orissa                | 45      | 15        | 40       | 41      | 14        | 45       |
| Punjab                | 48      | 19        | 33       | 41      | 22        | 37       |
| Rajasthan             | 37      | 21        | 42       | 41      | 20        | 39       |
| <b>Tamil Nadu</b>     | 27      | 29        | 45       | 22      | 25        | 53       |
| Uttar Pradesh         | 40      | 17        | 43       | 37      | 19        | 44       |
| West Bengal           | 36      | 21        | 43       | 33      | 21        | 46       |

**TABLES – 4 . 5 GROWTH RATE OF G.D.P. BETWEEN 1993-94 AND 1998-99 <sup>5</sup>**

Annual Rates of Growth (Percent).  
State GDP                      Per Capita

4. Source : C.P.Chandrasekhar & JayathiGhosh  
Economic Performance of States in the 1990s. The Hindu Business Lines, May 15, 2001.

5. Source : C.P.Chandrasekhar & JayathiGhosh

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|                       |             |             |
|-----------------------|-------------|-------------|
| <b>Andhra Pradesh</b> | 5.43        | 4.0         |
| Assam                 | 2.56        | 0.78        |
| Bihar                 | 4.6         | 2.91        |
| Gujarat               | 8.33        | 6.52        |
| Haryana               | 5.75        | 3.52        |
| <b>Karnataka</b>      | 8.09        | 6.37        |
| <b>Kerala</b>         | 5.95        | 4.72        |
| Madhya Pradesh        | 4.16        | 2.04        |
| <b>Maharashtra</b>    | <b>6.69</b> | <b>5.00</b> |
| Orissa                | 4.39        | 2.98        |
| Punjab                | 4.58        | 2.62        |
| <b>Tamil Nadu</b>     | 7.25        | 6.25        |
| Uttar Pradesh         | 4.43        | 2.18        |
| West Bengal           | 6.92        | 5.17        |

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The data of different indicators on growth performance show that while attention on economic performance during the reform period is focussed at the All India Level, leading to expression of satisfaction and some what misleading applause for the reform measures, detailed analysis show, as argued by C.P.Chandrashekar and Jayathi Ghosh that “there are very important regional differences not only in the per capita income of the different states, but in their patterns of growth over time, and especially in the recent period.” Chandrashekar and Ghosh argue that “this should be examined periodically, not only because the regional variations themselves change over time, but because it turns out that there are very quite standard misconceptions about the relative performance across different States, and further the analysis are based on data which are either out dated or not borne by actual experience.”

Prof. P.R.Brahmananda <sup>6</sup> has analysed the trend of overall and per capita income growth, yearly growth rates and index of real income of 15 major states during the era of Reforms and has classified them into top performers, middle performers and poor performers. The Tables 4.5 and 4.6 indicate the statewise Annual Growth Rates of State Domestic product and Real Income .Dr.Brahmananda observes that the 1990s were the period in which the State Governments reaped the cumulative effect of the past schemes programmes and policies in respect of Growth Population control , employment and efforts at poverty eradication .Deriving estimates of growth rates by adopting a log linear approach Dr. Brahmananda covers the various states and places Gujarat on the top followed by Maharashtra , Karnataka, Tamilnadu which have enjoyed more than five percent per capita growth rates of real income from 1990 to 1991. In terms of performance , arranged in a hierarchical order , the states that follow are Kerala , West Bengal , Haryana , Punjab and Andhra Pradesh. Further down in the order in terms of performance come Bihar , Orissa , Madhya Pradesh , Assam , Rajasthan and Uttar Pradesh.

6. Reforms and Growth in States -Hindu Business Line 17/6/2000, 24/6/2000 and 1/7/2000.

For determining the relative shares of the states in the resources to be transferred from Centre , the Eleventh Finance Commission has used a criteria of population , per capita GSDP, Tax GSDP ratio and index of fiscal self reliance worked out as an average of 1994-95 , 1995-96 and 1996-97 and apart from this , Eleventh Finance Commission has also adopted an index of Social and Economic Infrastructure worked out by T.C.Ananth , K.L.Krishna and Uma Dutta Roy Choudhry , “ Measuring Interstate Differentials in Infrastructure ”. This index brings out the differences in the levels of development of the various states and places state like Goa , Punjab, Kerala, Tamilnadu ,Haryana Punjab , Maharashtra .

However these indices can serve only to explain the varying levels of performance in specific sectors , and all these , on the whole confirm that the different levels of development and different degree of performance by the State even during the earlier period continue in the nineties. It is in this context that one finds the search for socio economic indicators of performance somewhat relevant.

TABLE 4. 6 ANNUAL GROWTH RATES

(In Per cent)

| States                       | 1990-91 | 1991-92 | 1992-93 | 1993-94 | 1994-95 | 1995-96 | 1996-97 | 1997-98 | 1998-99 | 1999-2000 |
|------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| <b>I. Top Performers</b>     |         |         |         |         |         |         |         |         |         |           |
| 1. Maharashtra               | 4.50    | -0.31   | 15.12   | 11.03   | 4.93    | 9.92    | 6.99    | 0.30    | 9.88    | NA        |
| 2. Gujarat                   | 1.48    | -8.26   | 32.18   | -3.16   | 21.80   | 4.11    | 11.59   | 0.71    | 4.70    | NA        |
| 3. Tamil Nadu                | 8.33    | 2.67    | 5.16    | 8.72    | 10.98   | 7.79    | 7.60    | 5.90    | 4.07    | NA        |
| 4. Karnataka                 | 0.73    | 12.71   | 2.32    | 7.45    | 8.14    | 6.50    | 10.91   | 4.30    | 10.75   | 4.50      |
| <b>II. Middle Performers</b> |         |         |         |         |         |         |         |         |         |           |
| 1. Kerala                    | 7.56    | 1.96    | 7.21    | 10.94   | 3.96    | 2.79    | 7.10    | 6.56    | 5.60    | NA        |
| 2. West Bengal               | 5.26    | 7.83    | 2.98    | 7.27    | 9.30    | 5.66    | 7.66    | 6.32    | 7.08    | 7.02      |
| 3. Haryana                   | 10.45   | 2.06    | -0.03   | 4.51    | 7.59    | 1.84    | 11.67   | 1.40    | 6.00    | NA        |
| 4. Punjab                    | 1.90    | 4.53    | 4.72    | 4.37    | 4.33    | 3.25    | 7.69    | 1.97    | NA      | NA        |
| 5. Andhra Pradesh            | 1.56    | 2.53    | -1.17   | 9.71    | 5.61    | 5.65    | 6.50    | -1.70   | 11.05   | 4.95      |
| <b>III. Poor Performers</b>  |         |         |         |         |         |         |         |         |         |           |
| 1. Bihar                     | 9.48    | -5.66   | -5.92   | 2.42    | 3.98    | -3.20   | 10.55   | 2.71    | 2.90    | 3.30      |
| 2. Orissa                    | -16.99  | 12.70   | -1.69   | 6.44    | 4.27    | 5.24    | -8.52   | 16.89   | 4.20    | NA        |
| 3. Madhya Pradesh            | 14.21   | -7.21   | 7.34    | 10.65   | 4.08    | 5.49    | 6.42    | 3.12    | 6.73    | NA        |
| 4. Assam                     | 4.26    | 4.41    | 1.01    | 3.90    | 2.32    | 5.39    | 3.51    | 2.67    | 1.82    | NA        |
| 5. Rajasthan                 | 15.69   | -7.67   | 14.99   | -8.15   | 18.01   | -0.86   | 14.78   | 4.53    | NA      | NA        |
| 6. Uttar Pradesh             | 5.95    | 0.41    | 1.08    | 2.48    | 2.65    | 2.54    | 7.41    | 2.17    | 3.57    | NA        |

Note: For calculating Growth Rates for 98-99 and 99-00, New Series (base : 1993-94) data has been utilised.

Source: Compiled at IIE, Hyderabad based on NSDP at Factor Cost (at constant prices) Data from "Hand book of Statistics on Indian Economy", RBI, 2000

TABLE 4 . 7 INDEX OF REAL INCOME(1990-91=10)

| States                       | 1991-92 | 1992-93 | 1993-94 | 1994-95 | 1995-96 | 1996-97 | 1997-98 | 1998-99 | 1999-2000 |
|------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| <b>I. Top Performers</b>     |         |         |         |         |         |         |         |         |           |
| 1. Maharashtra               | 99.69   | 115.13  | 125.35  | 132.94  | 145.78  | 157.15  | 165.01  | 174.58  | 186.98    |
| 2. Gujarat                   | 91.74   | 121.26  | 117.54  | 143.16  | 149.05  | 166.32  | 167.50  | 175.37  | N. A.     |
| 3. Tamil Nadu                | 102.67  | 108.00  | 117.40  | 130.30  | 132.60  | 142.70  | 151.10  | 157.30  | N. A.     |
| 4. Karnataka                 | 112.71  | 115.32  | 123.92  | 134.00  | 142.71  | 158.28  | 165.09  | 182.83  | 191.17    |
| <b>II. Middle Performers</b> |         |         |         |         |         |         |         |         |           |
| 1. Kerala                    | 101.96  | 109.31  | 121.27  | 126.68  | 129.59  | 138.79  | 147.89  | 156.18  |           |
| 2. West Bengal               | 107.83  | 111.04  | 119.11  | 130.19  | 137.56  | 148.10  | 157.47  | 140.20  |           |
| 3. Haryana                   | 102.06  | 102.03  | 106.63  | 114.72  | 116.84  | 130.48  | 132.30  | 140.20  |           |
| 4. Punjab                    | 104.53  | 109.46  | 114.24  | 119.19  | 123.06  | 132.52  | 135.14  |         |           |
| 5. Andhra Pradesh            | 102.53  | 101.33  | 111.17  | 117.41  | 124.04  | 132.10  | 129.89  | 144.21  | 151.34    |
| <b>III. Poor Performers</b>  |         |         |         |         |         |         |         |         |           |
| 1. Bihar                     | 94.34   | 88.75   | 90.90   | 94.52   | 91.50   | 101.15  | 103.89  | N. A.   | N. A.     |
| 2. Orissa                    | 112.70  | 110.79  | 1117.93 | 112.97  | 129.41  | 118.39  | 138.39  | N. A.   | N. A.     |
| 3. Madhya Pradesh            | 92.79   | 99.59   | 110.20  | 114.70  | 121.00  | 128.77  | 132.78  | N. A.   | N. A.     |
| 4. Assam                     | 104.41  | 105.46  | 109.57  | 112.11  | 118.16  | 112.30  | 125.57  | N. A.   | N. A.     |
| 5. Rajasthan                 | 92.33   | 106.17  | 97.52   | 115.08  | 114.09  | 130.96  | 136.89  | N. A.   | N. A.     |
| 6. Uttar Pradesh             | 100.40  | 101.50  | 104.00  | 106.80  | 109.50  | 117.60  | 120.10  | N. A.   | N. A.     |

Source-P.R.Brahmananda, "Reforms and growth in States – I, II, & III",  
The Hindu Business line, 17/06/2k, 24/06/2k and 01/07/2k.

**TABLE 4 . 8 - INDEX OF SOCIAL AND ECONOMIC INFRASTRUCTURE**

| States                | Index         |
|-----------------------|---------------|
| <b>Andhra Pradesh</b> | 103.30        |
| Arunachal Pradesh     | 69.71         |
| Assam                 | 77.72         |
| Bihar                 | 81.33         |
| Goa                   | 200.57        |
| Gujarat               | 124.31        |
| Haryana               | 137.54        |
| Himachal Pradesh      | 95.03         |
| Jammu & Kashmir       | 71.46         |
| <b>Karnataka</b>      | 104.88        |
| <b>Kerala</b>         | 178.68        |
| Madhya Pradesh        | 76.79         |
| <b>Maharashtra</b>    | <b>112.80</b> |
| Manipur               | 75.39         |
| Meghalaya             | 75.49         |
| Mizoram               | 82.13         |
| Nagaland              | 76.14         |
| Orissa                | 81.00         |
| Punjab                | 187.87        |
| Rajasthan             | 75.86         |
| Sikkim                | 108.99        |
| <b>Tamil Nadu</b>     | 149.10        |
| Tripura               | 74.87         |
| Uttar Pradesh         | 101.23        |
| West Bengal           | 111.25        |

Source : T.C.A Anant, K.L.Krishna and Uma Dutta Roy Choudhry (1999) Measuring Interstate Differentials in Infrastructure



## SOCIO ECONOMIC INDICATORS

Attempts to measure socio economic development have resulted in the refinement of concept of development , identification of indicators relevant to each area of concern and construction of Indices to reflect not only Economic Growth , but also Social Development. One must draw attention in this connection to the construction by UNDP, of Human Development Index, which help to trace the linkage between material well being and social development identifying three critical elements. Access to income and assets needed for decent standard of living, Knowledge acquisition and Enjoyment of long and healthy life.

Such analysis of development performance in terms of indicators broadly referred to as Human Resource Development (HRD) gained currency commencing with the contribution of Theodore Shultz,<sup>7</sup> who in 1960 defined Human Capital in terms of five major categories. With further contributions from Hector Correa (The Economics of Human Resources 1963) and F.K.Harbison , (Human Resources as Wealth 1973), the United Nations Development Programme in its Development Reports<sup>8</sup> enlarged this as the “ the process of enlarging the range of people’s choices , increasing their opportunities for education ,health care , income and employment , and covering the full range of human choices from a sound physical environment to economic and political freedoms “ . this has led to publication of Human Development Index with further refinement Human Poverty Index and Gender Related Development Index for various countries according ranks .

The National Council of Applied Economic Research, in collaboration with Planning Commission and UNDP has attempted to develop the required database for preparing a human development profile for the country. While recognising that, “the Human Development Index’ though superior to traditional aggregate indices such as GDP fails to reveal disparities among population sub groups and therefore has a limited role in deciding policy prescriptions for raising the level of human development”

In the Indian context computation of HDI index for major states have been attempted by B.G.Jandhyala Tilak (1991) Human Development Index for India IASSA quarterly 10(2) ; A.K.Shiva Kumar, UNDP’s Human Development Index : A computation for India states , EPW Oct 22<sup>nd</sup> 1991 , and S.P.Pal and D.K.Pant , ‘An Alternative Human

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7. Investment in Human Capital , American Economic review Vol 51.

8. Human Development Report 1990

Development Index , Margin Special issue Jan-March (1993) . The scores and the ranks given by these Analysts are summarised in Table : 4.9

**Table : 4.9 Ranking of Indian States Based on HDI**

| States         | Shiva Kumar |      | Tilak |      | Pal and Pant |      |
|----------------|-------------|------|-------|------|--------------|------|
|                | HDI         | Rank | HDI   | Rank | HDI          | Rank |
| Punjab         | 0.586       | 2    | 0.744 | 2    | 0.793        | 1    |
| Kerala         | 0.651       | 1    | 0.775 | 1    | 0.769        | 2    |
| Haryana        | 0.514       | 4    | 0.624 | 4    | 0.724        | 3    |
| Maharashtra    | 0.532       | 3    | 0.655 | 3    | 0.711        | 4    |
| Gujarat        | 0.465       | 8    | 0.566 | 5    | 0.678        | 5    |
| Tamilnadu      | 0.483       | 5    | 0.508 | 6    | 0.652        | 6    |
| West Bengal    | 0.457       | 7    | 0.436 | 8    | 0.641        | 7    |
| Karnataka      | 0.475       | 6    | 0.502 | 7    | 0.639        | 8    |
| Assam          | 0.372       | 10   | 0.256 | 10   | 0.608        | 9    |
| Andhra Pradesh | 0.397       | 9    | 0.361 | 9    | 0.589        | 10   |
| Rajasthan      | 0.347       | 12   | 0.246 | 11   | 0.565        | 11   |
| Madhya Pradesh | 0.344       | 13   | 0.196 | 13   | 0.543        | 12   |
| Uttar Pradesh  | 0.292       | 15   | 0.110 | 15   | 0.530        | 13   |
| Orissa         | 0.348       | 11   | 0.224 | 12   | 0.529        | 14   |
| Bihar          | 0.306       | 14   | 0.147 | 14   | 0.503        | 15   |

Source : B.G Jandhyala Tilak (1991) "Human Development Index for India' IASSA Quarterly 10(2).

A.K.Shiva Kumar (1991) ' UNDP 's Human Development Index : A computation for Indian States .' EPW Oct 22.

S.P.Pal and D.K Pant (1993) "An alternative Human Development Index " Margin Special Issue January – March Part –II.

Further analysis of HD index have been made by Paramjit Dhindra ( Human Resource Development and Economic Growth in India – An interstate Analysis , Indian Economic Association 81<sup>st</sup> Conference Volume 1998 pgs 494-502) NCAER , India Human Development Report , 1999. P.V.Sharma Inequalities in the quality of life , Indian Journal of Regional Science (Vol XXXI Number 2 , 1999 pgs 1-20) , K.S.Chalam Human Resource Development in South India (Journal of Social and Economic Development July – December 2000 pgs 291-314.

While the main justification for construction of such indices of human development is argument that economic growth by itself measured by per capita GDP is an insufficient indicator of the all round development of well being , the Human Development Report 2000, proceeded further to include , political and civil rights as another indicator of human development , as in its view " Only with political freedom – the right for all men and women tom participate equally in society - can people genuinely take advantage of economic freedom" . At one level such refinement appear to constitute intellectual

refinement but risks involved in uncritical acceptance of such refinements of measures from the point of view of Public Policy formulation and Public Expenditure Management have been more than brought forward by the controversy attending on the draft of the HDR 2000. It may be mentioned that the draft report of the HDR 2000 evoked some controversy with economists questioning it as creating confusion among institutions financing development programmes like the World Bank. Economists like Prof T.N.Srinivasan<sup>9</sup> had questioned both the conceptual aspect as also cautioned their implication for policy formulation

It might be useful however to take note of the status of development in Indian states, as reflected by HDI. In a Study entitled “Reducing poverty in India; options for more effective public services” the World Bank has indicated State ranking from the highest (16) to the lowest (1) namely, Head Count index, (for 93-94), mortality rate in 1995 and literacy rates 1993-94. The Ranking of Sixteen states are indicated below

**TABLE 4.10 STATE RANKINGS BY ALTERNATIVE INDICATORS OF WELL BEING**

|                  | Head Count Index <sup>a</sup> |       |       | Life expectancy <sup>b</sup> |        | Infant mortality <sup>c</sup> |        | Literacy Rate <sup>a</sup> |
|------------------|-------------------------------|-------|-------|------------------------------|--------|-------------------------------|--------|----------------------------|
|                  | Total                         | Rural | Urban | Male                         | Female | Male                          | Female |                            |
| Punjab           | 16                            | 16    | 16    | 13                           | 12     | 14                            | 8      | 11                         |
| Andhra Pradesh   | 15                            | 15    | 14    | 7                            | 5      | 8                             | 2      | 5                          |
| Gujarat          | 14                            | 14    | 15    | 6                            | 6      | 10                            | 11     | 9                          |
| Kerala           | 13                            | 11    | 10    | 14                           | 13     | 15                            | 16     | 16                         |
| Haryana          | 12                            | 13    | 12    | 11                           | 10     | 7                             | 9      | 8                          |
| Rajasthan        | 11                            | 10    | 11    | 4                            | 4      | 4                             | 4      | 1                          |
| Himachal Pradesh | 10                            | 12    | 13    | -                            | -      | -                             | 14     | 14                         |
| Karnataka        | 9                             | 7     | 7     | 10                           | 7      | 9                             | 7      | 7                          |
| Tamil Nadu       | 8                             | 6     | 6     | 9                            | 9      | 12                            | 12     | 12                         |
| Maharashtra      | 7                             | 5     | 4     | 12                           | 11     | 13                            | 15     | 13                         |
| West Bengal      | 6                             | 9     | 8     | 8                            | 8      | 11                            | 10     | 10                         |
| Assam            | 5                             | 8     | 9     | -                            | -      | 5                             | 13     | 15                         |
| Uttar Pradesh    | 4                             | 4     | 5     | 2                            | 3      | 3                             | 3      | 3                          |
| Madhya Pradesh   | 3                             | 3     | 3     | 1                            | 1      | 2                             | 5      | 4                          |
| Orissa           | 2                             | 2     | 1     | 3                            | 2      | 1                             | 6      | 6                          |
| Bihar            | 1                             | 1     | 1     | 5                            | -      | 6                             | 1      | 2                          |

Note: (a) 1993-94; (b) early 90s; (c) 1995. The ranking is from highest (16) to lowest (1).

Source: World Bank (1998)

While a plethora of data has been built upon inter state differences in development, attention to intra state differences have also been paid by analysts and policy makers.

9. Human Development not without growth pg 2349 and World Bank Growth and Poverty pg 2367, EPW July 1<sup>st</sup> 2000.

Citing the data brought out by National Commission on Population ,covering 569 districts , Dr.N.J.Kurian (Economic Times 28<sup>th</sup> August,2001 pg.6 ) has analysed the data relating to 489 districts of 15 major states which have been classified into (a) Forward Group of eight states Punjab, Haryana, Gujarat, Maharashtra , A.P, Karnataka, Tamilnadu and Kerala, , (total 190 districts) covering 40 % of the population and (b) Seven states Assam , West Bengal ,Bihar , Orissa , Madhya Pradesh , Uttar pradesh and Rajasthan ( total 299 districts ) covering 55 % of the population and has argued that a large section still suffer from serious socio demographic backwardness . This is on the basis of a composite index constructed with 12 variables , which are (1) decadal population growth for 1991-2001 (2) percentages of births of the order 3 and above (3) percentage of eligible couples using Family Planning methods (4) percentage of girls marrying below 18 years (5) sex ratio (6) Percentage of women receiving skilled attention during deliveries (7) percentage of children getting complete immunisation (8) female literacy rates (9) Villages connected with Pucca Roads , (10) coverage of drinking water and sanitation (11) per centage of births registered (12) percentage of deaths registered .According to Dr.Kurian , “ It is crystal clear that the two groups of states are socio-demographically two worlds apart.There is hardly any district from the second group of states figuring in the top hundred , one from Assam and one from W.Bengal only figure in the list . On the other hand thirteen out of fourteen districts of kerala and 28 out of 30 districts of Tamilnadu rank among the first hundred.While more than 90 % of the districts in Kerala figure in the first hundred , more than 90 % of Bihar districts 70 % of Rajasthan District and 55 % of U.P are ranked below 400.

While the analysis draws attention to the problems of persisting backwardness measured at the sub state levels , it must be pointed out that such classification and ranking depend on the choice of variables .The above analysis appears to be highly weighted in favour of a large number of demographic and gender indicators , and could therefore be considered as indicative of only social backwardness . This finding is only the converse of the finding of the E.A.S Sharma Committee which identified hundred of the most Backward and poorest districts from the infrastructure point of view.

The implications of Public Expenditure Programmes , formulated against the Back ground of the Economic Reforms with emphasis on fiscal consolidation have been analysed in the context of their impact on indicators of Human Development in the Indian states, M.Ravallion ,and K.Subbha Rao <sup>10</sup> had in 1992 and S.P.Gupta <sup>11</sup> Sanjaya

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10.Adjustment and Human Development in India , Journal of Indian School of Political Economy March 1992)

Baru <sup>12</sup> had referred to the implications of Structural Adjustment Policy on fiscal compression and Social Sector Expenditure . V.B.Tulsidhar<sup>13</sup>, K.Seetha Prabhu and Others <sup>14</sup> have drawn attention to the sectoral implications of decline in budgetary outlays for social services in several states .

There has been a debate whether this decline commenced in the Eighties or much latter . Several of the sectoral issues covering food nutrition, health and housing , education , employment and income security , impact on vulnerable groups have been addressed as part of a study of a holistic perspective of social and economic security in India ,in a Volume edited by S.Mahendra Dev , Piush Antony , V,Gayathri and R.P Mamgain <sup>15</sup>. The Volume , with all sectoral contributions taken together argues that unless the state prioritises social security a an integral part of Governance , lack of public demand and resource constraints will remain as convenient justification for a abysmal performance of social security measures. The experience of states like Kerala and Tamilnadu reiterates state sponsored public participation as an effective strategy in carrying out both promotional and protective social security measures with comparatively low levels of economic growth and public expenditure .The contributions in this volume on the financing of social security measures , bring out that state governments emphasise one or two promotional social security programmes to the neglect of protective measures indicating the lack of an integrated perspective on social security , and advocate active interventions in the fiscal sphere for ensuring adequate financing of social security measures.

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11. Economic Reforms and its Impact on Poor EPW 1995 pgs 1295-1312

12. EPW, April 10, 1993 .

13. Expenditure Compression and the Health Sector Outlays EPW 1993 pgs 2473-2477

14. Social Sector Expenditure and Human Development a Study of the Indian States - Study of Reserve Bank of India

15. Social and Economic security in India , Institute of Human Development 2001.

## V BUDGETARY TRENDS IN THE STATES

### 5.1 PERSPECTIVES OF PLANNING COMMISSION, RBI AND FINANCE MINISTRY

Our review of the recent experience in “Management of Public Expenditure by State Governments”, has proceeded mostly in terms of time series financial and budgetary data for the period commencing with the eighties, and covering the nineties to against the back drop of the earlier period for a perspective view. It may however be not adequate, to come to grips with the problems of development administration in the states, or for formulating a strategy for improving the fiscal health of the state in the immediate future. We need to diagnose the problems of flesh and blood that have clothed the skeletal frame work of government machinery at the Centre and the States.

It is quite illuminating to reach back into the earlier decade to gather an idea of the perspectives of (a) the Planning Commission which has a long time frame of several decades (b) the Reserve Bank of India which has a medium term view of the trends in the economy and (c) the Ministry of Finance which has a shorter budgetary time frame

**PLANNING COMMISSION'S PERSPECTIVE** The First Five Year Plan had, as far back as 1952, commented on the nature of problems faced, stating “the decline in the standards of administration which has taken place during the past few years points to the urgent need for carrying out administrative reforms. Important achievements stand to the credit of Central and State Governments and administration has taken large responsibilities, never the less it is true that numerous functions are now performed less efficiently than before. To some extent this is due to the fact that while the work falling to the administration has considerably increased, the strength of experience personnel in public services every where has been depleted.” The Planning Commission identified three groups of problems in this regard and proposed measures for the strengthening and improving of the administration. <sup>1</sup>

Fifty years later with the Governments in the States and Centre swearing allegiance to the new economic policy of reform, emphasising the retreat of the states from many areas of activity the Approach Paper to the Tenth Five Year Plan, observes, “in many respects development policy in future must make a break from the past. The Government had over the years taken on itself too many responsibilities with the result that have not only marginalised individual initiatives but also succeeded in imposing severe strains on its financial and administrative capabilities. More importantly in the face of momentous changes in the domestic economic policy in the last decade and an equally fast paced integration of our economy with the emerging global order, investment planning is no

more the only, or the only predominant, or even the most effective instrument of perusing development. Planning has to necessarily go beyond undertaking mere budgetary allocations between competing sectors and regions. It has to address with greater regard, the need to release latent energies and stimulate private initiative in the various facets of our development process”.<sup>2</sup>

Matching economic ambitions of the States and the Union and their capacities to mobilise resources as always been a difficult task for the government themselves, and even more for the Planning Commission, acting as a referee, and having to blow the whistle. Nearly 50 years back, the Second Five Year Plan of the Government of Hyderabad , indicated that as directed by the Planning Commission in the letter of 10<sup>th</sup> September 1955, in its Second Five Year Plan the size of the Second Five Year Plan had to be revised downwards from 5050 crores to Rs. 4800 crores, of which the states share was Rs. 2214 crores and that of the centre Rs. 2586 crores. The Planning Commission felt that as a general principle, every ministry and every state government should secure economy and increase efficiency to the extent of achieving the reduction of 5% in expenditure without effecting the fiscal targets<sup>3</sup>.

On August 10<sup>th</sup> 2001, the Planning Commission advised the Government of Andhra Pradesh (successor to the Hyderabad Government, )that it should reduce the size of its Annual Plan (2001-2002) to Rs. 8378 crores from the proposed Rs. 8991 crores, and that the state should take urgent steps to reduce the burden of states exchequer, and pursue implementation of fiscal reforms in view of growing debt burden escalating public expenditure on subsidies salaries and pensions.<sup>4</sup>

Past experience has been that even after the Planning Commission has assessed the resources available to the Centre and the States and determined the outlays for Central and State Plans, realisation of these in budgetary terms has been difficult. After little more than a decade’s experience in implementation of the First and Second FYP and three years of the Third Plan, the Planning Commission carried out a mid term appraisal of the Third Plan and placed it for the consideration of the National Development Council at its 20<sup>th</sup> meeting held on November 8<sup>th</sup> and 9<sup>th</sup> 1963. In respect of Public Finance, the mid term appraisal had observed that the total budgetary outlay have been increasing from year to year, and that “the excess of expenditure over revenue receipts as in all the years been met to a substantial extent through public borrowing, external

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<sup>1</sup> Government of India Planning Commission the First Five Year Pan 1952 Page 113

<sup>2</sup> Government of India Planning Commission Approach Paper to the Tenth Five Year Plan Chapter V

<sup>3</sup> Government of Hyderabad Second Five Year Plan 1955 Page 3.

<sup>4</sup> The Hindu 11<sup>th</sup> August 2001

assistance and miscellaneous receipts on capital account”<sup>5</sup>. Almost 37 years later “the Mid Term Appraisal of Ninth Five Year Plan published in October 2000 observed “the expected buoyancy in revenue receipts particularly that of Union Excise did not materialise where as growth in revenue expenditure of the Centre substantially exceeded the plan estimates .....the short fall in mobilisation of budgetary resources for the plan in the First Three Years has been off set to some extent through a larger recourse to borrowings than projected in the Ninth Plan. However increased borrowings have lead to excessive fiscal deficit beyond sustainable levels”. In respect of the states the Mid Term Appraisal of the Ninth Five Year Plan observed that, “only 44.4% of the projected resources have been mobilised by the States during the First Three Years of the Ninth Plan. There has been a massive deterioration in the contribution of “own funds” of the states to the plan resources and the additional resource mobilisation (ARM) has been low. This has lead to dependence on increased borrowings to finance their plan”<sup>6</sup>.

**RBI 'S PERSPECTIVE** The Reserve Bank of India, as the nation’s banker, monitors developments in the field of currency and finance and takes a close look at the finances of the Union and State Governments as major influences in economic and financial developments.

After a little over 25 years of planning experience, the Reserve Bank of India in its Report on Currency and Finance for 1977-78 stated that “according to the revised estimates for 1977-78, the overall budgetary position of states shows an aggregate deficit of Rs. 290 crores in contrast to a surplus of Rs. 50 crores in the preceding year. Such a marked deterioration was the result of larger increase in aggregate disbursements than in receipts”<sup>7</sup>. With reference to state government finances twenty years later, the Reserve Bank of India observed in its Report on Currency and Finance in 1998-99 that “the stress on the State Finances hinges upon the inadequacy of receipts in meeting the expenditure requirements, as has been evidenced by the structural imbalances manifested through the revenue deficits since the Mid Eighties. The long run structural character of the state finances is indicative of a uni-directional trend between the rate of growth of expenditures and receipts. However the rate of growth of expenditure has been higher than that of revenue receipts. The resultant gap between receipts and expenditure revealed that the revenue position could not support the total expenditure requirements. The resource gap has further worsened since the Mid Nineties when the revenue growth began to stagnate while expenditure growth accelerated. Constraint by the compulsions

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<sup>5</sup> Government of India Planning Commission Third Plan Mid–Term Appraisal, November 1963

<sup>6</sup> The Planning Commission Mid Term Appraisal of the Ninth Plan October 2000 page 2

<sup>7</sup> Reserve Bank of India Report on Currency and Finance 1977-78 Vol-1 Page 179



in meeting the large committed non plan expenditures, the States often resorted to financing non plan expenditure through cut backs in developmental expenditure.”<sup>8</sup>

The RBI contrasted the pre 1986-87 position when the states generated surpluses on revenue account and released them for capital investment, with the post 1987-88 period when the state governments, facing revenue deficits, started diverting the capital receipts essentially high cost borrowed funds towards current expenditure and points out the resultant slashing down of investment programme. Reserve Bank of India views this as a structural weakness of state finances.

**FINANCE MINISTRY'S VIEW** The Union Finance Ministry frames the Central Budget keeping in view the impact of its revenue mobilisation, and expenditure programmes on the economy, with short time frame. The Finance Ministry's Economic Survey 1988-89 observed that “the overall budgetary deficit of states and union territories taken together in 1988-89 was Rs. 872 crores, 45% lower than the deficit of Rs. 1583 crores in the revised estimates for 1987-88 but 56% higher than the budget estimates of Rs. 559 crores for 1987-88.”<sup>9</sup> Ten years latter the Economic Survey for 1998-99 glosses over the numbers of state government finances and confines its observations to the rather less important implication of small saving collections for the fiscal deficits of the centre. Perhaps, the picture was little too uncomfortable for the Finance Ministry. However the position could not be ignored for too long. The Economic Survey 2000-01 published in February 2001 drew attention to the findings of the RBI Studies on State Finances regarding the increase in States debts to GDP and the increase in the guarantees provided by the state governments and observed that “the result of this fiscal deterioration is that states expenditure on social sectors have remained stagnant. There is little money for improving reach and quality of educational services or of public health.”<sup>10</sup>. It was in this context that the Union Finance Minister had to mention in his Budget speech “the poor state of the fiscal health of both the central and state governments”, and indicate that “along with fiscal consolidation at the centre, it will be our endeavor to work jointly with the states to reform their finances. Pursuant to the recommendations of the Eleventh Finance Commission, we have created Incentive Fund Rs. 10607 crores have been earmarked for next five years to encourage states to implement monitorable fiscal reforms. These reforms will essentially be the states' own programmes, and considerable flexibility has been provided for individual states to decide their programmes”. Union Finance Minister announced a provision of Rs. 4243 crores for this incentive fund in the budget 2001-02.

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<sup>8</sup> Report on Currency and Finance in 1998-99

<sup>9</sup> The Finance Ministry's Economic Survey 1988-89

<sup>10</sup> Ministry of Finance Economic Survey 2000-2001 para 1.129

## 5.2 BUDGETARY TRENDS IN THE STATES

We had earlier taken a perspective view of State Finances with broad details of transactions on revenue and capital accounts indicating the overall balance between the various plan periods, and year wise details of the nineties<sup>1</sup>.

The snapshots of 1980-81, 1990-91 and 1999-2000 given below, indicate the emergence of a large revenue deficit, with the revenue surplus Rs.1486 crores (0.13 % of GDP) in 1980-81, converted into a deficit of Rs.5309 crores (0.93 % of GDP) in 1990-91, and further to Rs. 56801 crores (2.91 % of GDP) by 1999-2000.

**TABLE : 5.1 BUDGETARY DEFICIT**

|                       | Receipts      | Exp/Disp      | Difference   |
|-----------------------|---------------|---------------|--------------|
| <b><u>1980-81</u></b> |               |               |              |
| Revenue Account       | 16294         | 14808         | +1486        |
| Capital Account       | 5473          | 7856          | -2383        |
| <b>Aggregate</b>      | <b>21767</b>  | <b>22664</b>  | <b>-897</b>  |
| <b><u>1990-91</u></b> |               |               |              |
| Revenue Account       | 66467         | 71776         | -5309        |
| Capital Account       | 24693         | 19312         | +5381        |
| <b>Aggregate</b>      | <b>91660</b>  | <b>91088</b>  | <b>+72</b>   |
| <b><u>1999-00</u></b> |               |               |              |
| Revenue Account       | 214810        | 271611        | -56801       |
| Capital Account       | 101544        | 60144         | +41400       |
| <b>Aggregate</b>      | <b>346464</b> | <b>350766</b> | <b>-4302</b> |

The overall budgetary picture given in Table – 5.1 provides a bird’s eye view of the shifting patterns of Receipt and Disbursements, Overall Balance and the fiscal imbalance that emerged during 80s and 90’s. A more detailed view, with year wise breakup of the receipts and expenditure on the Revenue and the Capital accounts (Table-SA-1 and SA-2) as also the break up of Expenditure into Plan and Non Plan and Development and Non Development categories (Tables SA-3 and SA-4) indicate the nature of transformation, undergone by the state finances.

The increase in gross fiscal deficit (Table –SA-6), its decomposition (Table SA-7) and changing pattern of financing gross fiscal deficit, (Table SA-8) provide part of the picture, while the dwindling devolution and transfer of resources from the centre (Table SA-4), and rising interest payment (Table SA-5) complete the picture.

While the aggregate figures of all states, year wise during the nineties, help us understand the sharp deterioration in the finances of the States, analysis in greater detail, of year

<sup>1</sup> see section II Perspective of State Finances

wise data of various components of major transactions in respect of individual states, indicate that picture varies from state to state.

**TABLE : 5.2 OVERALL BUDGETARY POSITION OF ALL STATES GOVERNMENTS**  
(Rs. In Crores)

| Items                           | 1980-81 | 1985-86 | 1990-91 | 1995-96 | 1997-98 | 1998-99 | 1999-2000 RE |
|---------------------------------|---------|---------|---------|---------|---------|---------|--------------|
| 1 Aggregate Receipts            | 21872   | 46557   | 91313   | 180433  | 230237  | 262841  | 316421       |
| A. Revenue Receipts             | 16293   | 33424   | 66466   | 136803  | 170300  | 176447  | 214809       |
| 1 Tax Receipts                  | 10405   | 21810   | 44586   | 99912   | 121640  | 128416  | 150095       |
| a. States' Own                  | 6616    | 14551   | 30344   | 63865   | 81229   | 88995   | 105637       |
| 2 Non Tax receipts              | 5888    | 11613   | 21880   | 43890   | 48660   | 48031   | 647144       |
| a. States' Own                  | 3265    | 5290    | 9237    | 22895   | 24437   | 24168   | 29633        |
| B Capital Receipts              | 5579    | 13133   | 24847   | 43630   | 59937   | 86393   | 101611       |
| a. States' Own                  | 2257    | 4765    | 10872   | 24030   | 29166   | 46052   | 52085        |
| b. Loans from Centre            | 3022    | 8368    | 13974   | 19599   | 30771   | 40342   | 49526        |
| 2 Aggregate Disbursements       | 22770   | 44868   | 91242   | 177583  | 228135  | 266361  | 325634       |
| A. Developmental Expenditure    | 15961   | 31732   | 63369   | 114819  | 145268  | 164504  | 198322       |
| 1 Social Services               | 6601    | 14540   | 29960   | 57835   | 73520   | 86210   | 107680       |
| 2 Economic Services             | 9360    | 17192   | 33409   | 56984   | 71748   | 67905   | 78811        |
| B Non Developmental Expenditure | 4289    | 9617    | 22600   | 55379   | 71767   | 86474   | 110137       |
| C Repayment of Loans to Centre  | 1458    | 2611    | 3996    | 4798    | 7095    | 9285    | 9647         |
| D. Discharge of Internal Debt   | 178     | 503     | 337     | 1055    | 1048    | 2567    | 2425         |
| E Others                        | 884     | 404     | 938     | 1531    | 2957    | 3530    | 5102         |
| 3 Overall balance               | -897    | 1688    | 71.6    | 2849    | 2102    | 3519    | 9212         |

As noticed in Section III, the budgetary performances of the various state governments have been greatly influenced by the Fiscal Federal character of the Indian Constitution, and the Development perspectives provided for over five decades by Five Year Plans formulated by the Planning Commission at the National Level. Public Expenditure Management was guided by a frame work of objectives and growth targets to be pursued by state governments, in respect of their own plans, formulated with consideration of local needs of development, in addition to those in the Central Plan, covering Central Sector and Centrally Sponsored Schemes.

An important aspect of the Indian experience in development planning and programme implementation is the interactive roles of the Union and the States, in mobilising resources for both regular and developmental administration. The size and pattern of tax devolution and transfer of resources from the Centre to the States have to some extent influenced the Management of Public Expenditure by the State Governments .In 1990-91 the gross transfers from Centre to the states covering State's share in Central taxes , Grants and Loans , accounted for Rs. 40,859 crores (as much as 44.8 % of the Aggregate Expenditure of the States.) Net of repayment from States to the Centre, the transfer was

Rs.31685 crores (meeting 34.8 % of the aggregate expenditure of states.). By 2000-2001 , the quantum of gross transfer had increased to Rs. 139661 crores and net transfer to Rs. 100035 crores, meeting only a reduced share of 39.8 % and 28.5 % of the State's Aggregate Expenditure. This aspect came for specific attention , with the Tenth Finance Commission suggesting an alternative scheme of devolution in which 29% of the Total Central Tax Revenues would remain the state's share , frozen for a period of fifteen years , instead of fluctuating from one Finance Commission to another. The Eleventh Finance Commission on the other hand suggested that the amount involved by way of tax devolution , Plan and Non Plan Grants should not exceed 37.5 % of Gross Revenue Receipts of the Centre.

It is not often realised that the maintenance of the stability of Indian democracy and Federation, has itself been a great achievement depending considerably on the meaningful cooperation between the Union and the States, for pursuing Economic Growth with Social Justice, Balanced Regional Development, and Self Reliance. This in itself is not sufficient. The planning era started, with a wave of rising popular expectation and fulfilling these expectation has been the main objective of public expenditure programmes of the Union and the State Governments. It is being realised , that curbing Public expenditure , purely from the point of view of fiscal consolidation , may affect the pace and pattern of economic development , and attention to the sectoral spread and impact of expenditure programmes is essential to sustain the socio-economic objectives kept before the nation by the founding fathers of independent India.

It does appear that the crucial question in fiscal management in the future will rest on the balance to be maintained between the requirements of resources of both the Centre and the States which have come under increasing pressure from the Expenditure side with Tax and Non Tax Revenue proving inadequate to meet their respective needs .Nature of Resource Mobilisation and Quality of Expenditure Management ,as part of urgent measures of fiscal reform to be adopted , both at the Centre and the States have therefore become vital imperatives for sustained economic growth.

**REVENUE ACCOUNT TRANSACTIONS**

The Revenue Receipts from both tax and non tax sources have been increasing in absolute numbers but as a proportion of GDP and their relative shares of states own tax and own non tax revenue in total revenue have been steady. (see table SA-1) States own tax/ GDP ratio increased from 5.3% in 1991 to 5.8% in 2000-01 while the total tax/ GDP ratio increased from 7.8 to 8.1%. In respect of states own non tax revenue, it is noticed that the ratio increased between 1990-91 to 1994-95 falling thereafter. The increase was very nominal, over the ten year period.

**TABLE SA1 - STATES AGGREGATE REVENUE RECEIPTS - TAX & NON TAX**

| Year    | Total Tax Revenue<br>(3+7) | Own Tax Revenue     | Total Non Tax Revenue<br>(5+8) | Own Non Tax Revenue | Total Revenue<br>(2+4) | Shares in Central Taxes | Grants from Centre  |
|---------|----------------------------|---------------------|--------------------------------|---------------------|------------------------|-------------------------|---------------------|
| 1       | 2                          | 3                   | 4                              | 5                   | 6                      | 7                       | 8                   |
| 1990-91 | 44586.0<br>(7.80)          | 30344.80<br>(5.30)  | 21881.00<br>(3.90)             | 9237.20<br>(1.60)   | 66467<br>(11.70)       | 14241.50<br>(15.60)     | 12643.3<br>(13.90)  |
| 1991-92 | 52603.90<br>(8.10)         | 35756.00<br>(5.50)  | 27934.80<br>(4.20)             | 12706.10<br>(1.90)  | 80538.7<br>(12.30)     | 16847.90<br>(15.60)     | 15225.7<br>(14.00)  |
| 1992-93 | 60448.00<br>(8.10)         | 39868.30<br>(5.30)  | 30643.00<br>(4.10)             | 12883.90<br>(1.70)  | 91091<br>(12.20)       | 20580.10<br>(17.20)     | 17758.8<br>(14.90)  |
| 1993-94 | 68818.90<br>(8.00)         | 46424.10<br>(5.40)  | 36744.80<br>(4.30)             | 15568.80<br>(1.80)  | 105563.7<br>(12.30)    | 22394.8<br>(16.60)      | 21176.00<br>(15.70) |
| 1994-95 | 80619.30<br>(8.00)         | 55734.50<br>(5.50)  | 41664.50<br>(4.10)             | 21660.10<br>(2.10)  | 122283.8<br>(12.10)    | 24884.7<br>(15.40)      | 20004.40<br>(12.50) |
| 1995-96 | 92912.80<br>(7.80)         | 63865.20<br>(5.40)  | 43991.00<br>(3.70)             | 22894.80<br>(1.90)  | 136803<br>(11.50)      | 29047.6<br>(16.40)      | 20995.80<br>(11.80) |
| 1996-97 | 106139.00<br>(7.80)        | 71101.50<br>(5.20)  | 46697.00<br>(3.40)             | 23542.60<br>(1.70)  | 152836<br>(11.20)      | 35037.8<br>(17.30)      | 23154.70<br>(11.40) |
| 1997-98 | 121640.90<br>(8.00)        | 81229.60<br>(5.30)  | 48660.30<br>(3.20)             | 24437.60<br>(1.70)  | 170301.2<br>(11.20)    | 40411.2<br>(17.70)      | 24222.50<br>(10.60) |
| 1998-99 | 128416.50<br>(8.00)        | 88995.30<br>(5.10)  | 48031.30<br>(2.00)             | 24167.80<br>(1.40)  | 176447.8<br>(10.00)    | 39421.2<br>(14.80)      | 23863.40<br>(9.00)  |
| 1999-00 | 150095.30<br>(7.70)        | 105637.10<br>(5.40) | 64714.40<br>(2.30)             | 29633.80<br>(1.50)  | 214809.7<br>(11.00)    | 44458.2<br>(13.70)      | 35080.60<br>(10.80) |
| 2000-01 | 176368.50<br>(8.10)        | 125563.50<br>(5.80) | 68551.60<br>(3.10)             | 31588.20<br>(1.50)  | 244920.1<br>(11.20)    | 50805.0<br>(14.50)      | 36963.50<br>(10.50) |

Note: Figures in Brackets In columns 2 - 6 are percentage to GDP

Figures in Brackets In columns 7 and 8 are percentage of State's Aggregate Expenditure

The details of individual state wise transaction on revenue account showing receipts and expenditure (Table –AS1) show that the rate of growth of revenue during the nineties was not adequate to meet revenue expenditure in respect of all major states except Rajasthan and the special category states. The Tax-GDP ratio of the states has improved

from 4.2 % during the Seventies to 5.2 % on an average during the Eighties and further to 5.7 % during the Nineties The Average Annual Growth Rate of Tax Revenue of All States was 16.8 % during 1980-81 to 1984-85 , 16.2 % between 1985-86 and 1989-90 , 16.5 % between 1990-91 and 1994-95. This growth was however not adequate as the Non Development expenditure grew at 19.2 % 18.2 and 20.9 % during the corresponding periods with the result , that Development Expenditure got regulated and grew at Average Annual Growth Rates of 16.1 % , 13.7 % and 14.5 % during the corresponding periods. The State's share in Central Taxes showed an increase during the second half of the Eighties , 17.6 % between 1985-86 and 1989-90 , as compared to 11.5 % during the earlier period of 1980-81 and 1984-85 but the growth rate falling to 13.8 % during 1990-91 and 1994-95 place the states once again in some difficulty. The consequent increase in revenue deficit during the Nineties is brought out clearly in the following table

**TABLE : 5 . 3 TRANSACTIONS ON REVENUE ACCOUNTS – ALL STATES**

| (Rs,crores) |            |           |                  |
|-------------|------------|-----------|------------------|
| Year        | Rev. Recpt | Exp       | Surplus/ Deficit |
| 1990-91     | 66466.80   | 71775.80  | -5309.00         |
| 1991-92     | 80535.70   | 86186.40  | -5650.70         |
| 1992-93     | 91091.10   | 96205.20  | -5114.10         |
| 1993-94     | 105563.70  | 109376.20 | -3812.50         |
| 1994-95     | 122283.70  | 128439.90 | -6156.20         |
| 1995-96     | 136803.40  | 145003.90 | -8200.50         |
| 1996-97     | 152836.40  | 168950.30 | -16113.90        |
| 1997-98     | 170300.80  | 186633.80 | -16333.00        |
| 1998-99     | 176447.70  | 220089.50 | -43641.80        |
| 1999-00     | 214809.60  | 271611.30 | -56801.60        |
| 2000-01     | 244920.10  | 290622.40 | -45702.30        |

Source : Compiled at IIE

The trend of increasing revenue deficit was common to nearly all the states with size of the gap fluctuating from year to year. The gap became more pronounced in the latter part of the 90's , with nearly every state reporting revenue deficit in 2000-01 Regrettably even special category states started reporting revenue deficit except Arunachal Pradesh, Nagaland, Sikkim and NCT Delhi.

An important aspect is that the state's estimate of Revenue Receipts have not been achieved, with revised estimate showing shortfalls compared to the budget estimates. RBI's analysis of Fiscal Marksmanship, - reflecting the degree of accuracy between estimates and actuals show that the deviations have often been large between the actuals and not only the budget estimates but also the revised estimates. This is attributed to the dependence of states on resources outside their control like Central Transfers and Market Borrowings. It has been observed that "the States in the Indian Federal setup have social and developmental responsibilities which are not adequately complimented by their resource assignments. Moreover the State's ability to access External Sources of Finance has also been capped. This has led to a divergence between receipts and expenditure of states"(RBI State Finances - Study of Budgets 1999-2000 pg 22). Further, there has been in the late Nineties some uncertainty attributable to the initial losses on account of rationalisation and harmonisation measures being under taken as part of the process to introduce uniform value added tax in all the states. The end result is the revenue receipts of states grew at 15.8 % in the Eighties and 14.6 % during the Nineties while total expenditure grew at 15.7 % and 51.1 % during the relevant periods, leading to greater divergence.

#### **ADDITIONAL RESOURCE MOBILISATION**

Analysis of the estimated yield from additional resource mobilisation (ARM) by way of tax and non tax measures during the 90's show that the states did make some efforts increasing the yield from Rs. 772.16 crores in 1991 to Rs. 1383.80 crores in 1994-95. After lower yields in the following three years, Rs. 948.9 crores in 1995-96, Rs. 684.40 crores in 1996-97 and Rs. 1012 crores in 1997-98, there was a sharp increase to Rs. 2969.60 crores in 1998-99 and Rs. 5599 crores in 1999-00. Non tax receipts which were rather low began to pick up in the late 90's mainly on account of efforts in NCT Delhi, Rajasthan, Maharashtra, Madhya Pradesh, Bihar and Jammu & Kashmir. The states which have sought to pursue ARM measures every year include Gujarat, Maharashtra, Kerala, West Bengal, while Karnataka, Madhya Pradesh, Punjab, Rajasthan and Tamil Nadu have attempted to raise resources in all but one or two years during the nineties.

Two significant factors emerged from the point of view of policy formulation and programme measures. As the RBI Study of State Finances 2000-01 shows, the fourteen states that had proposed ARM to the tune of Rs. 2677 crores in 2000-01, many have entered into MOU with the Central Government and availed assistance under the scheme for monitored fiscal reforms. In retrospect one may ask whether the terms of references to the Finance Commission in regard to bridging the gap between the revenue and expenditure of the states had any influence on the manner in which revenue estimates

were prepared and realisation reported by the State Governments. It may be noted that the transfers recommended by the Tenth Finance Commission did not envisage any revenue deficit grants to the states in the year 1999-2000 in the expectation that revenue deficits would disappear from the budget with better revenue effort and expenditure management. As the Eleventh Finance Commission pointed out this did not materialise and on the contrary there has been steady deterioration. One needs to examine whether the unintended incentive in the terms of reference to and approach of the previous Finance Commissions for the States to indulge in fiscal prodigalism can be fully corrected only by MOU's and the newly created Incentive Fund for performance for monitorable fiscal reform programme.

### **CAPITAL ACCOUNT RECEIPTS**

Analysis of state wise details of receipts on the Capital Account (Table-AS2 All States) show that the aggregate capital receipts of all states put together had increased from Rs. 24846.8 Crores with a net surplus of Rs. 5380.6 crores in 1990-91, to Rs. 43630.10 crores with a net surplus of Rs. 11050.3 crores in 1995-96, and further to Rs. 101543.78 crores with the surplus of Rs. 41399.4 crores in 2000-01. This surplus is rather deceptive and should infact cause alarm , the internal debt has increased from Rs.3264 crores in 1991 to Rs. 22228 crores in 1999-2000. The BE for 2000-2001 places it at Rs.26293 crores , marking more than eightfold increase during the nineties. Likewise loan from Centre have also increased from Rs. 3974 crores in 1990-91 to Rs.49527 crores in 1999-2000 . The BE for 2000-2001 place this at Rs.51893 crores . While borrowing has been increasing capital disbursements appear to be increasing at a much lower rate from Rs. 19467 crores in 1990-91 to Rs. 54023 crores in 1999-2000 , coming down as a percentage of GDP from 3.40 % to 2.80 % during the period. This is indicative of a tendency to use borrowed funds to finance revenue expenditure , instead for creating capital assets .

The year wise details of capital receipts , internal debt , Loans from centre and Capital disbursements for the period 1990-91 to 2000-2001 BE are shown in the Table .



**TABLE : SA 1C - CAPITAL RECEIPTS & DISBURSEMENTS**

(Rs. Crores)

| Year            | Total<br>Cap.recpt  | Internal<br>Debt | Loans From<br>Centre | Cap Disb           | Surplus/<br>Deficit |
|-----------------|---------------------|------------------|----------------------|--------------------|---------------------|
| 1990-91         | 24847.00<br>(4.40)  | 3264.00          | 13974.00             | 19467.00<br>(3.40) | 5380.00             |
| 1991-92         | 27954.00<br>(4.30)  | 5042.00          | 13069.00             | 22460.00<br>(3.40) | 5494.00             |
| 1992-93         | 30073.00<br>(4.00)  | 4731.00          | 13100.00             | 23129.00<br>(3.10) | 6944.00             |
| 1993-94         | 28623.00<br>(3.30)  | 5189.00          | 14410.00             | 25272.00<br>(2.90) | 3351.00             |
| 1994-95         | 43738.00<br>(4.30)  | 8741.00          | 19253.00             | 33114.00<br>(3.30) | 10624.00            |
| 1995-96         | 43630.00<br>(3.70)  | 7847.00          | 19600.00             | 32580.00<br>(2.70) | 11050.00            |
| 1996-97         | 42891.00<br>(3.10)  | 8214.00          | 23782.00             | 33819.00<br>(2.50) | 9072.00             |
| 1997-98         | 59937.00<br>(3.90)  | 10754.00         | 30771.00             | 41501.00<br>(2.70) | 18436.00            |
| 1998-99         | 86393.00<br>(4.90)  | 16085.00         | 40342.00             | 46271.00<br>(2.60) | 40122.00            |
| 1999-00<br>(RE) | 101612.00<br>(5.20) | 22228.00         | 49527.00             | 54023.00<br>(2.80) | 47589.00            |
| 2000-01<br>(BE) | 101544.00<br>(4.70) | 26293.00         | 51893.00             | 60144.00<br>(2.80) | 41400.00            |

Note : Figures in brackets are percentage of GDP

### 5 . 3 TRENDS IN EXPENDITURE MANAGEMENT

By far the most important contribution to fiscal imbalance in the states have been on the expenditure side. This could be seen from the steep increase in total expenditure of state governments, over the last several decades . The total expenditure of Rs.70993 crores on revenue account during 1990-91 equals the entire revenue account expenditure for three decades from the First Plan to the Fifth Plan periods .

If the increases in the total expenditure of the states during the last two decades is staggering, the changes in the composition of expenditure is rather distressing. Between 1970-71 and 1999-00, Revenue Expenditure increased, as proportion of total expenditure

from 65.52 % to 83.41%, while capital expenditure has sharply come down from 34.48% to 16.59%. Similar increases in non development expenditure has also be witnessed .

**TABLE : 5.4 EXPENDITURE PATTERN**

| Year    | Total Exp<br>Rs.crores | Revenue Exp |         | Capital Exp |         |
|---------|------------------------|-------------|---------|-------------|---------|
|         |                        | Rs.crores   | Percent | Rs.crores   | Percent |
| 1970-71 | 5174                   | 3390        | 65.52   | 1784        | 34.48   |
| 1975-76 | 10281                  | 6967        | 67.77   | 3314        | 32.23   |
| 1980-81 | 22664                  | 14808       | 65.34   | 7856        | 34.66   |
| 1985-86 | 44868                  | 32770       | 73.04   | 12097       | 26.96   |
| 1990-91 | 91242                  | 71776       | 78.66   | 19466       | 21.34   |
| 1995-96 | 177583                 | 145004      | 81.65   | 32579       | 18.35   |
| 1999-00 | 325633                 | 271611      | 83.41   | 54022       | 16.59   |

Percentages are share in total Expenditure

The growth and pattern of State expenditures during the three decades highlight some major aspects of state finances , indicating that there has been increasing rigidities in the pattern . Some of these aspects to which attention has already been drawn by the Reserve bank of India and other analysts of Public Finance are (a) Increasing share of Revenue Expenditure in total disbursements , with implications for economic growth , by restricting the resources available for capital outlays in major infrastructure sectors like irrigation , roads and transport as also social services.(b) the concentration of revenue expenditure , on non plan items like administrative services and meeting interest and debt service obligations (c) stagnation or sluggish growth in State's economy, owing to state's inability to invest adequately in Economic infrastructure with a consequent impact on the potential for growth of state's own tax and non tax revenues.

As the EPWRF study observes , “ a disconcerting aspect of the Indian fiscal performance has been both the erosion in development momentum as reflected in a declining share of development expenditure in total expenditure both at the Centre and State levels in the 1990s , but the erosion at the state's level has been more moderate .” (EPW may 19,2001 pg 1750).

#### **DEVELOPMENT AND NON DEVELOPMENT**

Analysed in terms of development and non development categories it is seen that while total expenditure went up from Rs. 5174 crores in 1970-71 to Rs.91242 in 1990-91 and further to Rs.325633 crores in 1999-2000 , development expenditure went up from Rs. 2428 crores in 1970-71 to Rs. 63370 crores in 1990-91 and Rs.198332 crores in 1999-2000 . Its share in total expenditure went up from 46.93 % in 1970-71 to 69.5 % in 1991

before coming down to 60.90% in 1999-2000. The share of non development expenditure increased from 24.8% in 1990-91 to 33.80% in 1999-00.

**TABLE SA-3 STATES AGGREGATE DEVELOPMENT, NON DEVELOPMENT & OTHER EXPENDITURE**

| Year    | Develop              | Non dev              | Others             | Total     | % of GDP |
|---------|----------------------|----------------------|--------------------|-----------|----------|
| 1990-91 | 63370.00<br>(69.50)  | 22600.00<br>(24.80)  | 5272.00<br>(5.70)  | 91242.00  | 16.00    |
| 1991-92 | 74588.00<br>(68.70)  | 27143.00<br>(25.00)  | 6916.00<br>(6.30)  | 108647.00 | 16.60    |
| 1992-93 | 80566.90<br>(67.50)  | 32103.80<br>(26.90)  | 6664.00<br>(5.60)  | 119335.00 | 15.90    |
| 1993-94 | 89387.60<br>(66.40)  | 38019.60<br>(28.20)  | 7241.00<br>(5.40)  | 134648.00 | 15.70    |
| 1994-95 | 104347.80<br>(64.60) | 49556.00<br>(30.70)  | 7650.00<br>(4.70)  | 161554.00 | 16.00    |
| 1995-96 | 114819.40<br>(64.70) | 55379.90<br>(31.20)  | 7385.00<br>(4.10)  | 177584.00 | 14.90    |
| 1996-97 | 132007.70<br>(65.10) | 62095.40<br>(30.60)  | 8664.00<br>(4.30)  | 202767.00 | 14.80    |
| 1997-98 | 145268.40<br>(63.70) | 71766.90<br>(31.50)  | 11100.00<br>(4.80) | 228135.00 | 15.00    |
| 1998-99 | 164503.50<br>(61.80) | 86474.40<br>(32.50)  | 15383.00<br>(5.70) | 266361.00 | 15.10    |
| 1999-00 | 198321.80<br>(60.90) | 110137.10<br>(33.80) | 17175.00<br>(5.30) | 325634.00 | 16.60    |
| 2000-01 | 208332.40<br>(59.39) | 125484.30<br>(35.77) | 16950.00<br>(4.84) | 350767.00 | 16.10    |

Note: Figures in the bracket are percentages to the total

As the RBI Study of State Finances (1999-00) observed “Failure to contain expenditure has been accepted as a major reason for the fiscal woes of the state governments. While the development expenditure in absolute terms has been higher than the non development component, the latter has been rising faster through out the eighties and the nineties. In the eighties non development expenditure rose at an average rate of 18.7% as compared with 14.9% for development expenditure, while in the nineties the growth was even faster at 19.1% with a concomitant decline in growth in developmental expenditure at 13.7%.

One needs to note in this regard that the size of overall development expenditure of the states has always been higher than that of the Centre and that the difference has widened significantly in the 1990's. EPW Research Foundations's Review of State Finances observes that "in 1990-91 state development expenditure exceeded that of the centre by less than 10% but by 2000-01 it had exceeded by about 55%. What is more, in total government expenditure on social services the share of the state governments now constitutes over 86% while central expenditure accounts for less than 14%.

#### **EXPENDITURE IN MAJOR HEADS**

Taking a closer view of the expenditure in Major Heads of expenditure categorized developmental and non developmental, in the more proximate period between 1990-91 and 1999-2000, one notices that the total developmental expenditure of all the states increased in absolute terms from Rs. 63370 crore in 1990-91 to Rs. 198322 crore in 1999-00 but as a percentage of GDP it came down from 11.1% to 10.1% in the relevant period. This fall is common to both direct developmental expenditure covering social and economic services, as also to loans and advances by state government in the various sectors. Between 1990-91 and 1999-2000 direct developmental expenditure increased from Rs.57815 crores to Rs. 186492 crores, even while falling, as a percentage of GDP from 10.2% to 9.5%. Of this, the expenditure on Social Services, which was declining slightly in the mid nineties picked up in the later years of the nineties, where as expenditure on Economic Services continued to decline as a proportion of GDP. Loans and advances, given by the state governments in the areas of housing, cooperation, crop husbandry, soil and water conservation, village and small industry are covered in this category. While the developmental advances to this sectors, were marked by nominal increases from year to year, the advances to the power projects showed a significant increase from Rs. 3585 crores in 1990-91 to Rs. 5951 crores in 1999-00.

With direct development expenditure in Irrigation Sector increasing from Rs. 7113 crores to Rs. 19871 crores and that in Energy increasing from Rs. 1994 crores to Rs. 6914 crores during the same period, it appears that infrastructural expenditure was on the increase. The other areas of significant increase in developmental expenditure between 1990-91 to 1999-00 were water supply and sanitation from Rs. 1993 crores to Rs. 7782 crores Urban Development from Rs. 664 crore to Rs. 4033 crores and welfare of Scheduled Caste from Rs. 1909 crores to Rs. 6900 crores. Similar increase has also been noticed in agricultural and rural development, which accounted for over 35% of the expenditure on Economic Services.

Within the broad category of total Development Expenditure the share of Social Services had gone up from 46.1% to 54.3%, while the share of Economic Services had gone down from 45.1% to 35.7%. This increases in budgetary attention to Social Services within the Developmental Expenditure category does not appear to be adequate to meet the continuing obligations of the State for promoting equitable development among different regions and sections of society. The formation of corporate financing and development bodies, to cover the specific target groups like Scheduled Castes, Scheduled Tribes, and the Minorities, appeared to absorb more resources on Administrative Expenses, and there by reduced the availability of funds for Development Schemes.

A surprising aspect of the state expenditure programmes is that the provisions for and the expenditure on Science Technology and Environment turned out to be very low. The Revenue Expenditure on this was a bare Rs. 26 crores in 1989-90 and, despite all the emphasis on modernising society and government, the expenditure had just increased to Rs. 131 crores in 1999-00. In contrast the expenditure on relief on account of natural calamity has shown substantial increase from Rs.564 crores in 1989-90 to Rs. 2503 crores in 1999-00. As should be expected, a major share of the expenditure on Social Services were accounted for by Education, Sports, and Culture, and Medical and Public Health in the Social Service Sector, and the Agriculture, Rural Development and Irrigation and Flood Control and the Energy in the Economic Services category. As shown below

**TABLE : 5 . 5 REVENUE EXPENDITURE OF THE STATES**

|                          | 1989-90      | 1994-95       | 1999-00       |
|--------------------------|--------------|---------------|---------------|
| <b>Total Revenue Exp</b> | <b>60217</b> | <b>128440</b> | <b>271611</b> |
| <b>Dev Expenditure</b>   | <b>40781</b> | <b>78638</b>  | <b>159201</b> |
| <b>Social Services</b>   | <b>24017</b> | <b>44902</b>  | <b>101834</b> |
| Education etc.           | 13571        | 24977         | 58146         |
| Medical & Pub. Health    | 3964         | 7429          | 15096         |
| <b>Economic Services</b> | <b>16764</b> | <b>33736</b>  | <b>57367</b>  |
| Agriculture etc.         | 4819         | 9065          | 17273         |
| Rural Development        | 2827         | 6779          | 12387         |
| Irrigation etc.          | 3394         | 6444          | 9805          |
| Energy                   | 1093         | 2989          | 5628          |
| Transport etc            | 1922         | 3957          | 5789          |

Note: Capital Expenditure in Irrigation Energy and Transport can be much higher.

It will be seen that while Social Services account for higher shares in Revenue Expenditure, Economic Services account for higher disbursement on the capital side.

## NON DEVELOPMENT EXPENDITURE

A striking features of the expenditure pattern of the states during the nineties is the sharp increase noticed in the non developmental expenditure devoted to organs of states, fiscal services, interest payment and debt servicing, as will be seen from given below

**TABLE 5 . 6 NON DEVELOPMENT EXPENDITURE –REVENUE ACCOUNT**

| Items  | 1990-91         | 1995-96      | 1999-00       | 2000-01 (BE)  |
|--|-----------------|--------------|---------------|---------------|
| <b>Non Dev Exp</b>                               | <b>22600.37</b> | <b>54197</b> | <b>107309</b> | <b>123533</b> |
| Organs and States                                | 685             | 1792         | 3709          | 2976          |
| Fiscal services                                  | 1616            | 3182         | 7724          | 8179          |
| <b>Interest payment<br/>&amp; debt servicing</b> | <b>9226</b>     | <b>22998</b> | <b>46702</b>  | <b>55745</b>  |
| Administrative Services                          | 8655            | 13391        | 24424         | 29219         |
| Pension  | 3593            | 12834        | 24750         | 27415         |

The figures speak for themselves in explaining the nature of increase and major contributors to non developmental expenditure. What should be a matter of concern is that sharp increase have occurred in respect of administrative services, while, all the emphasis in fiscal policy reform has been on downsizing government and reducing non development expenditure. The increase in administrative services expenditure has been attributed to the recommendation of the Fifth Pay Commission in respect of Central Government employees and their effect on State Government employees. There is some degree of truth in this criticism though it has been argued by Dr. Rakesh Mohan that the expenditure on Government servants, has grown at a lower rate when compared to their GDP growth rate. One outcome of this general criticism should not be missed, Much of the talk on downsizing of government and privatisation of services has resulted in demotivating government servants and reducing their level of commitment to public services, without significantly altering their size in employment of the public sector as could be seen from the following data culled from the Economic Surveys of Government of India.

**.TABLE 5 . 7 EMPLOYMENT IN PUBLIC SECTOR**

| Employer     | (In. Lakhs)   |               |               |               |               |
|--------------|---------------|---------------|---------------|---------------|---------------|
|              | 1976          | 1980          | 1986          | 1990          | 1996          |
| Central Govt | 30.47         | 37.78         | 33.46         | 33.97         | 33.66         |
| State Govts  | 48.97         | 54.78         | 64.73         | 69.79         | 74.14         |
| Quasi Govts  | 33.92         | 43.43         | 56.74         | 61.73         | 64.58         |
| Local Bodies | 19.85         | 20.80         | 21.90         | 22.23         | 21.92         |
| <b>Total</b> | <b>133.72</b> | <b>150.78</b> | <b>176.83</b> | <b>187.72</b> | <b>194.29</b> |

The Table clearly brings out that the increase in employment at the Central level which concerns with policy making and economic coordination has been marginal, as also in the local bodies which provide public services. It is understandable that the Government of India have over a period of two decade added only 3.17 lakh employees. But the addition of a mere of only 2.59 lakhs in the local bodies should rather be disconcerting, considering that much of the services impinging on quality of life in urban and rural areas like water supply and sanitation and roads are attended to by the local bodies. It must at the same time be recognised that the addition of 25.88 lakh employees in the state government and 21.43 lakh employees in the quasi government organisations, do not, in comparison commend themselves as proper employment policy even if one were to ignore the preemption by salary and wages bill of a large share of the revenue mobilised by this organisations, and the progressive reduction in resources available for deployment in capital investment and development activities.

What is required, in a proper examination of man power requirements, at the various tiers of the governments in relation to the need for performance of essential services to the community. Macro level prescriptions of Expenditure Reforms announced often overlook the vital imperative that in certain sectors, and departments, the increasing population of the country needs to be serviced by an increasing number of persons in the department providing the need and the services, and that in sectors and areas of economic and social activity from which the state has chosen to withdraw, the number of employees could be reduced. Whether such an approach would, in the immediate run, mean a mismatch of skills available need to be examined, particularly in engineering departments. Given the nature of tenure and terms of employment of Government and Semi Government employees, redeployment of the employees appears to be a better option and this option should be pursued more vigorously than the Voluntary Retirement option.

#### **PLAN AND NON PLAN EXPENDITURE**

Analysed in terms of plan and non plan categories of expenditure, it is seen that while plan expenditure of the states increased in absolute terms from Rs. 27433 crores in 1990-91 to Rs. 78156 crores in 1999-00, their share has a percentage of total expenditure came down from 30.10% to 24% during the same period. This trend was common to both the states and centres. As a percentage of total expenditure of the states the share of non plan expenditure increased from 69.9% in 1990-91 to 76% in 1999-00.

**TABLE - SA 2 STATES AGGREGATE EXPENDITURE**

| Year    | Plan     | Nonplan   | Total     | Percentage of GDP |      |          | Percentage of Total Exp |          |
|---------|----------|-----------|-----------|-------------------|------|----------|-------------------------|----------|
|         |          |           |           | Total             | Plan | Non Plan | Plan                    | Non Plan |
| 1990-91 | 27432.90 | 63809.10  | 91242.00  | 16.00             | 4.80 | 11.20    | 30.10                   | 69.90    |
| 1991-92 | 31084.50 | 77561.00  | 108645.50 | 16.60             | 4.80 | 11.80    | 28.60                   | 71.40    |
| 1992-93 | 33391.50 | 85943.10  | 119334.60 | 15.90             | 4.50 | 11.40    | 28.00                   | 72.00    |
| 1993-94 | 36730.00 | 97918.50  | 134648.50 | 15.70             | 4.30 | 11.40    | 27.30                   | 72.70    |
| 1994-95 | 44513.70 | 114892.50 | 159406.20 | 15.70             | 4.40 | 11.30    | 27.60                   | 72.40    |
| 1995-96 | 48450.00 | 129133.80 | 177583.80 | 14.90             | 4.10 | 10.80    | 27.30                   | 72.70    |
| 1996-97 | 53045.60 | 149723.10 | 202768.70 | 14.80             | 3.90 | 10.90    | 26.20                   | 73.80    |
| 1997-98 | 59260.00 | 168874.80 | 228134.80 | 15.10             | 3.90 | 11.20    | 26.00                   | 74.00    |
| 1998-99 | 64870.60 | 201490.20 | 266360.80 | 15.10             | 3.70 | 11.40    | 24.40                   | 75.60    |
| 1999-00 | 78156.10 | 247477.80 | 325633.90 | 16.60             | 4.00 | 12.60    | 24.00                   | 76.00    |
| 2000-01 | 89073.50 | 261693.30 | 350766.80 | 16.10             | 4.10 | 12.00    | 25.40                   | 74.60    |

Source: Compiled by IIE

In this connection it is necessary to clear one misconception that all non plan expenditure are per se bad it has been clarified by a note in the Expenditure Budget of Government of India that “non plan expenditure is a generic term which is used to cover all expenditure of government not included in the annual plan programmes. It must be noted that this could cover both developmental and non development expenditure has also capital and revenue expenditure.. It must be recognised that non plan expenditure category covers transactions on the Revenue and Capital Accounts, and some items of non plan expenditure are actually developmental in character. A detailed scrutiny of the accounts of Central Government Departments as also the States will show that some of the direct development expenditure in Economic and Social Services are booked under non plan. For instance scrutiny of the 1998-99 accounts show that of the total developmental expenditure of Rs. 164503 crores, plan expenditure accounts for 63326 crores and non plan expenditure account of Rs. 101178 crores. This non plan expenditure further divided into direct development expenditure of Rs. 98949 crores and indirect expenditure of loans and advances for developmental purposes Rs. 10388 crores.



EPW Research Foundation Study of Finances and The State Government indicates that “for all States together over 97% of plan expenditure are under developmental heads and that 55% of such plan expenditure are under revenue account and 45% are under capital account”: It must be noted that vital items of expenditure like those involved in maintenance of law and order has also maintenance expenditure of Projects are included in the non plan category. Further even expenditure on continuing services and activities of levels already reached in a plan period (like continuing Research Projects and operating expenses of Power Stations) is classified as non plan expenditure in the next plan period. Given this clarification, the pejorative inferences to non plan expenditure could be eschewed, and analysis proceed on rational lines.

#### **5 . 4 SIZE OF DEBT AND INTEREST BURDEN**

As has been pointed out earlier, the increasing the revenue gap had obliged state governments to resort to loans from the Centre and to market borrowing to meet their expenditure requirements.

Total Debt of the States as of March each year increased from Rs . 23067 Crores ( 16% of GDP ) in 1980-81 to Rs. 52281 crores (18.8% of GDP) in 1986 , Rs. 108203 crores (19% of GDP) in 1991 and further to Rs. 212226 crores (17.9% of GDP ) in 1996 and even more sharply raising to Rs. 281209 crores (18.5% of GDP) in 1998 and Rs 341978 crores (17.5% of GDP) in 1999, and Rs 418584 crores (19.2% of GDP ) in 2000 and to Rs. 4,98,841 crores (20.2% of GDP) in 2001.

A grim indicator of the prodigality of the states is the startling fact that while the states accumulated additional total debt of Rs. 55,922 crores in the Five Year Period between 1986 and 1991. In the next five years the doubled the quantum of addition- by increasing the total debt by Rs. 104023 crores to Rs. 212226 crores in 1996. The total debt increased by Rs. 60,769 crores during one year 1998-99, by Rs. 76,606 crores during 1999-00 and Rs. 80,257 crores during the single year of 2000-01.

As EPW Research Foundation Study of Finances of State Governments pointed out, “the end product of fiscal laxity is seen in growing outstanding liabilities of state governments. In fact, this began in the second half of the nineties when revenue growth suffered a set back. The debt stock of all the state government s together as a percentage of GDP, which had remained stable at around 19% in the second half of the 1980’s, had in fact declined in the first half of 1990’s to less than 18%. Thereafter it began raising and touched 21.4% by March 2000 and 22.9% by March 2001.

It is important to note that out of the outstanding debt of Rs. 4,98,841 crores remaining in March 2001, loans and advances from the central governments accounted for Rs. 2,85,825 crores, 57.3% of the total outstanding debt.

It is to be noted that while in the eighties, loans from the Centre met 51.9% of the overall borrowing requirements of the states, these could meet only 48.5% of the needs during the nineties. In view of this market borrowing as a source of finance became more important meeting 16.4% of the state fiscal deficit in the nineties as compared to 11% during the eighties. With the deregulation of the interest rate, the cost implication of market borrowings became serious. The weighted average of interest rates for loans of state governments increased from 11.50% in 1990-91 to 12.35% in 1998-99. The aggregate gross interest payments of all states increased from Rs. 10944 crores in 1991-92 to Rs. 54271 crores in 2000-01 and increase, as a percentage of revenue receipts was from 13.5% in 1991-92 to 22.20% in 2000-01 (see Table SA-5).

The Reserve Bank of India, in its study of Finances of State Governments, 1996-97 explains the inter relation between the nature of increase in Capital receipts of States, increasing share of Central Loans, and the rising interest payment obligations of the states. The Study observed "Since the Central Government has been resorting to market related interest rates, the interest rates on the loans extended by the Centre to the States have also been increased by Centre. As a result the average interest rate charged by Central loans to states has been rising. In 1980-81, the average interest rate charged by Centre on the on-lent funds was 5.50%, which rose to 8.86% in 1991-92. Since then it has grown steadily to reach 11.39% in 1995-96 and 11.74% in 1996-97. Loans for State Plan schemes are the single largest component of Central loan to states which have an average maturity of 20 years. Interest rates on these loans have been revised to 13.5% with effect from June 1, 1995, which is close to the yield rate on longest maturity central loan presently offered. On the other hand, the average borrowing cost to the Centre from market has increased from 10.43% in 1991-92 to 12.05% in 1995-96 and further to 12.09% in 1996-97. With the result, the interest rate subsidy from the Centre to the States has come down from 1.57% in 1991-92 to 0.66% in 1995-96 and further to 0.35% in 1996-97. Thus rising share of Central loans in the borrowing requirements of the states while obviating a need for states access to other borrowing sources on a large scale also implies some cost to the Central Budget and subsidy to the states to the extent that the interest costs on Centre's borrowing is higher than the interest rates charged by it to the states." (pg 8 of 1996-97, RBI Study Finances of State Governments 1996-97)

Viewing this from another angle , one may note the prevailing interest rates on dated securities of Central Government and State governments , as published by the RBI ,the weighted average of interest rates on Central Government Securities rose from 7.03 % in 1980-81 steadily to 13.75 % in 1995-96 , and thereafter started declining gradually to 11.77 % in 1999-2000 . In the case of state governments there was a similar gradual increase each year from 6.75 % in 1980-81 to 14 % in 1995-96 and a fall thereafter to 11.89 % in 1999-2000. RBI study of 1999-2000 has observed, that ,” Since the growth of state’s debt has not witnessed any significant slow down , the higher nominal interest rates on all components of borrowing have cumulatively added to the interest burden. “  
The year wide increase in Gross and net payments are shown in Table SA - 5

**TABLE- SA-5 STATES AGGREGATE  
INTEREST PAYMENTS (GROSS & NET )**

| Years   | Gross               | Net                 |
|---------|---------------------|---------------------|
| 1990-91 | 9225.00<br>(13.88)  | 6821.00<br>(10.26)  |
| 1991-92 | 10944.40<br>(13.50) | 5624.00<br>(6.98)   |
| 1992-93 | 13210.10<br>(14.50) | 9272.00<br>(10.20)  |
| 1993-94 | 15800.50<br>(15.00) | 11075.10<br>(10.50) |
| 1994-95 | 19413.30<br>(15.90) | 14048.80<br>(11.50) |
| 1995-96 | 21932.10<br>(16.00) | 16139.60<br>(11.80) |
| 1996-97 | 25576.40<br>(17.70) | 17405.50<br>(12.00) |
| 1997-98 | 30112.80<br>(17.10) | 22203.10<br>(27.60) |
| 1998-99 | 35873.50<br>(20.30) | 28395.60<br>(16.10) |
| 1999-00 | 4525.90<br>(21.20)  | 36884.50<br>(17.20) |
| 2000-01 | 54270.90<br>(22.20) | 45303.10<br>(18.50) |

Note: Figures in brackets represent Percentage of Revenue Receipts

Analysis of the growth of debt individual state wise reveals that the rate of debt accumulation exceeded the revenue growth in the case of as many as 18 states, and that five among the special category states, and nine from non special category states had recorded debt growth at a rate higher than the all states averages.

The details of individual state wise liability for interest payment in both gross and net terms are shown in tables-9 and 9a. Between 1991-92 and 2000-01 gross interest payment as a percentage of revenue receipts of respective states increased from 11.10 % to 18.90% in case of Andhra Pradesh 11.90 to 21.40 in respect of Maharashtra 10.40 to 15.40 in respect of Karnataka from 8.20 to 14.90 in respect of Tamil Nadu and from 16.90 to 18.90 in respect of Kerala.

The Reserve Bank of India Study of State Finances 2000-01 has analysed the debt dynamics of states from a macro economic perspective and points out that this is closely linked to fiscal accounts of the centre on account of their dependence on Federal Financial Flows and interest rate and the investments in the economy, and the preemption of available resources for interest payment and debt servicing reducing the resource flows to social and economic sectors. EPW Study has raised questions on the sustainability of state debt position in the light of the facts that a “the recent debt has occurred at relatively high interest rates (b) it has been accompanied by significant slow down in the revenue growth and (c) an increasing proportion of it is being used for non developmental purposes.

An important dimension to the discussion on sustainability of state finances has been added by the Reserve Bank in pointing out, that “ the growing trend in guarantees at the state level has been witnessed in the recent past on account of demand for extending guarantees for setting up basic infra structure.” While pointing out that the state government guarantees outstanding at the end of the financial year has increased from Rs. 40,159 crores in 1992 to RS. 83,075 crores in 1999, the RBI point out that the outstanding state government guarantees in respect of 17 major states as a ratio to GDP came down from 6.5% in 1992 to 4.7% in year 1999. Since this had implications for the risk associated with loans from financial institutions, Reserve Bank of India set up a Technical Committee on State Governments Guarantees in 1999 for prescribing limit ensuring greater selectivity in providing and transparency in reporting government guarantees

**TABLE – 5.8 ALL STATES COMPOSITION OF OUTSTANDING LIABILITIES  
AS AT END MARCH**

(Rs. Crores)

| States      | 1986     |           | 1991      |           | 1996      |           | 1997      |           |
|-------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|             | Tot Debt | % to GSDP | Tot Debt  | % to GSDP | Tot Debt  | % to GSDP | Tot Debt  | % to GSDP |
| A.P         | 3519.00  | 23.00     | 6743.00   | 19.50     | 15164.00  | 19.00     | 17220.00  | 19.00     |
| Arp         | -        | -         | 340.00    | 67.00     | 631.00    | 53.50     | 701.00    | 58.00     |
| Assam       | 2078.00  | 36.60     | 4235.00   | 39.90     | 5461.00   | 28.10     | 5843.00   | 27.80     |
| Bihar       | 4606.00  | 32.20     | 9231.00   | 34.90     | 16568.00  | 35.70     | 18185.00  | 37.80     |
| Goa         | -        | -         | 846.00    | 67.30     | 1167.00   | 35.20     | 1279.00   | 32.30     |
| Gujarat     | 2751.00  | 19.70     | 6230.00   | 22.30     | 11128.00  | 15.00     | 12784.00  | 14.80     |
| Haryana     | 1447.00  | 22.10     | 2821.00   | 20.70     | 5778.00   | 19.50     | 6525.00   | 18.30     |
| H.P         | 477.00   | 34.80     | 1297.00   | 46.10     | 3043.00   | 47.90     | 3424.00   | 47.20     |
| J & K       | 1472.00  | 76.30     | 3575.00   | 129.40    | 4573.00   | 67.60     | 5074.00   | 67.40     |
| Karnataka   | 2502.00  | 21.60     | 4633.00   | 19.90     | 9893.00   | 16.90     | 11344.00  | 16.20     |
| Kerala      | 2237.00  | 29.70     | 4442.00   | 31.50     | 10114.00  | 25.60     | 11421.00  | 36.00     |
| M.P.        | 3317.00  | 23.90     | 6525.00   | 21.40     | 12318.00  | 18.70     | 13966.00  | 18.50     |
| Maharashtra | 5035.00  | 17.00     | 9850.00   | 15.30     | 18280.00  | 10.70     | 21751.00  | 11.40     |
| Manipur     | 209.00   | 50.00     | 354.00    | 43.10     | 568.00    | 33.50     | 600.00    | 26.50     |
| Meghalaya   | 107.00   | 27.20     | 207.00    | 23.30     | 432.00    | 21.00     | 483.00    | 20.80     |
| Mizoram     | 27.00    | 14.90     | 122.00    | 35.80     | 417.00    | 44.50     | 506.00    | 47.20     |
| Nagaland    | 180.00   | 65.20     | 438.00    | 59.50     | 940.00    | -         | 1063.00   | -         |
| Orissa      | 2309.00  | 33.80     | 4531.00   | 41.60     | 9385.00   | 44.80     | 10934.00  | 40.40     |
| Punjab      | 2483.00  | 26.10     | 6859.00   | 36.30     | 13630.00  | 35.60     | 15250.00  | 34.30     |
| Rajasthan   | 3118.00  | 35.40     | 5736.00   | 27.70     | 12191.00  | -         | 14625.00  | -         |
| Sikkim      | 36.00    | 29.50     | 143.00    | 61.10     | 276.00    | 53.60     | 313.00    | 51.10     |
| T.N.        | 2540.00  | 16.20     | 5501.00   | 17.60     | 12552.00  | 15.90     | 14183.00  | 17.20     |
| Tripura     | 179.00   | 34.20     | 476.00    | 46.20     | 850.00    | 43.90     | 976.00    | 37.70     |
| U.P.        | 7286.00  | 26.30     | 15198.00  | 27.40     | 29976.00  | 25.90     | 34627.00  | 25.40     |
| W.B.        | 4366.00  | 22.90     | 7870.00   | 22.60     | 15399.00  | 21.20     | 18108.00  | 22.30     |
| NCT Delhi   | -        | -         | -         | -         | 1492.00   | 5.50      | 2343.00   | 7.40      |
| All States  | 52281.00 | 18.80     | 108203.00 | 19.00     | 212226.00 | 17.90     | 243528.00 | 17.80     |

Note: (1) Figures of GSDP at factor cost current prices from 1993-94 are new series, while for earlier years the old 1980-81 series have been used

Blanks indicate non availability of GSDP figures

(2) For 'All States' totals are percentages of GDP at current market prices

(3) GSDP estimates for the years 1999-00, 2000-01 are not available for all the states

**TABLE - 5.9 ALL STATES COMPOSITION OF OUTSTANDING LIABILITIES AS AT END MARCH**

| States      | 1998      |           | 1999      |           | 2000      | 2001      |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------|
|             | Tot Debt  | % to GSDP | Tot Debt  | % to GSDP | Tot Debt  | Tot Debt  |
| A.P         | 19969.00  | 20.80     | 23905.00  | 20.90     | 29992.00  | 37933.00  |
| Arp         | 779.00    | 57.60     | 866.00    | 56.20     | 970.00    | 1065.00   |
| Assam       | 6212.00   | 26.90     | 6836.00   | 26.90     | 8273.00   | 9574.00   |
| Bihar       | 20164.00  | 30.40     | 23193.00  | 35.00     | 28353.00  | 33933.00  |
| Goa         | 1409.00   | -         | 1681.00   | -         | 1981.00   | 2347.00   |
| Gujarat     | 15061.00  | 16.30     | 18561.00  | 18.20     | 22810.00  | 27196.00  |
| Haryana     | 7632.00   | 20.10     | 9495.00   | 21.70     | 11632.00  | 13837.00  |
| H.P         | 3965.00   | 48.50     | 5714.00   | 61.70     | 6854.00   | 7934.00   |
| J & K       | 5857.00   | 68.80     | 6335.00   | -         | 7581.00   | 8489.00   |
| Karnataka   | 12945.00  | 16.90     | 15444.00  | 17.10     | 18694.00  | 22791.00  |
| Kerala      | 12868.00  | 24.00     | 15700.00  | 25.00     | 19015.00  | 21846.00  |
| M.P.        | 16040.00  | 19.80     | 19268.00  | 21.20     | 22886.00  | 26834.00  |
| Maharashtra | 25870.00  | 12.10     | 31176.00  | 12.40     | 39236.00  | 44777.00  |
| Manipur     | 865.00    | 35.60     | 1150.00   | 44.20     | 1541.00   | 1703.00   |
| Meghalaya   | 561.00    | 21.40     | 711.00    | 23.70     | 920.00    | 1124.00   |
| Mizoram     | 594.00    | 52.90     | 730.00    | -         | 898.00    | 1053.00   |
| Nagaland    | 1187.00   | -         | 1378.00   | -         | 1644.00   | 1833.00   |
| Orissa      | 12403.00  | 38.00     | 15057.00  | 42.00     | 18115.00  | 22071.00  |
| Punjab      | 17216.00  | 35.20     | 20877.00  | 38.00     | 24630.00  | 28307.00  |
| Rajasthan   | 16430.00  | 27.80     | 21108.00  | -         | 25904.00  | 31030.00  |
| Sikkim      | 357.00    | -         | 505.00    | -         | 643.00    | 771.00    |
| T.N.        | 16282.00  | 23.00     | 19582.00  | 16.70     | 23232.00  | 27641.00  |
| Tripura     | 1125.00   | 36.00     | 1389.00   | 40.40     | 1800.00   | 2272.00   |
| U.P.        | 40008.00  | 26.60     | 48624.00  | 28.30     | 58639.00  | 68586.00  |
| W.B.        | 22041.00  | 23.00     | 28617.00  | 26.00     | 36968.00  | 47313.00  |
| NCT Delhi   | 3370.00   | 9.60      | 4077.00   | -         | 5373.00   | 6583.00   |
| All States  | 281209.00 | 18.50     | 341978.90 | 17.50     | 418584.00 | 498841.00 |

Note : GSDP not available for 2000 and 2001

**5.5 GROSS FISCAL DEFICIT  
SIZE, DECOMPOSITION AND FINANCING**

The increasing size of Aggregate Gross Fiscal Deficits of all states during the nineties (Table SA-6), their decomposition (Table –SA-7) and their financing (Table Sa-8) present a rather distressing picture. The individual state wise details of growing Gross Fiscal Deficits and their decomposition (Table –7) show that the cancer has spread to all states and the details of financing (Table –8) show that while the diagnosis is clear, fiscal management strategy has not yet been clearly settled in favour of surgery or chemo therapy.

**TABLE : 5 . 10 GROSS FISCAL DEFICIT**

| Year    | Rev Recpt            | Agg Exp              | GFD                 |
|---------|----------------------|----------------------|---------------------|
| 1990-91 | 66466.80<br>(11.70)  | 85253.70<br>(15.00)  | 18786.90<br>(3.30)  |
| 1991-92 | 80535.00<br>(12.30)  | 99435.80<br>(15.20)  | 18900.10<br>(2.90)  |
| 1992-93 | 91091.10<br>(12.20)  | 111982.40<br>(15.00) | 20891.3<br>(2.80)   |
| 1993-94 | 105563.70<br>(12.30) | 126159.70<br>(14.70) | 20596.00<br>(2.40)  |
| 1994-95 | 122283.70<br>(12.10) | 149980.60<br>(14.80) | 27696.90<br>(2.70)  |
| 1995-96 | 136803.40<br>(11.50) | 168229.20<br>(14.20) | 31425.80<br>(2.70)  |
| 1996-97 | 153029.50<br>(11.20) | 190280.80<br>(13.90) | 37251.30<br>(2.70)  |
| 1997-98 | 170300.80<br>(11.20) | 214500.70<br>(14.10) | 44199.90<br>(2.90)  |
| 1998-99 | 176952.60<br>(10.10) | 251206.40<br>(14.30) | 74253.80<br>(4.20)  |
| 1999-00 | 214809.60<br>(11.00) | 309548.20<br>(15.80) | 94738.60<br>(4.80)  |
| 2000-01 | 245320.10<br>(11.30) | 335412.10<br>(15.40) | 90092.00<br>(14.10) |

Note: Figures in bracket represent percentage to GDP at Current Market Prices  
GDP figures adopted from 1993-94 onwards are according to the new series,  
Earlier years are according to the 1980-81 series

Analysis of the Aggregate figures show that for all states revenue deficit began to emerge in the late eighties, 1987-98, and that for about a decade upto 1997-98, it remained below one percent of GDP. Revenue Deficit , began to rise in the Nineties from about RS. 5309 crores in 1990-91 to Rs. 8200.50 crores, in 1995-96 and steeply increasing thereon to Rs. 16113 crores in 1996-97 and Rs. 16333 crores in 1997-98 and even steeper tp Rs. 43641 crores in 1998-99 and 56801 crores in 1999-2000 . and falling thereafter to Rs.45702.3 crores .The rise since 1997-98, from 1.2% to 2.5% in 1998-99 and 2.91% in 1999-00, has been attributed to the salary and wage pressures from a state government employees following the implementation of the recommendation of the Fifth Pay Commission in respect of Central Government employees.

While the Revenue Deficit increased as above Capital Outlay of the State Government increased from Rs. 556 crores in 1970-71 to Rs.3201 crores in 1980-81 Rs.9223 crores in 1990-91 , and increasing further to Rs 28734 crores in 1999-2000.The Loans and Advances by State Governments had increased from Rs.491 crores to Rs.2447 crores , Rs. 5756 and Rs.13216 crores in the respective years.

The increase in the expenditure on the revenue and capital side began to get reflected in the increase in Gross fiscal deficit of the state. The GFD of all the states rose from Rs. 901 crores in 1970-71 to Rs. 3713 crores in 1980-81 and 18787 crores in 1990-91.By 1999-2000 it had risen to a astounding level of Rs. 90092 crores . The G.F.D. of all States which was only 1.96% of GDP in 1970-71 had risen to 2.57% of GDP in 1980-81 ,3.30% of GDP in 1990-91, before sharply rising to touch a level of 4.86% of GDP in 1999-2000.The year wise decomposition of the GFD of all states is shown in SA - 7

With both the Centre and the States struggling to improve their fiscal make up, the Union Government decided in 1998-99 to make a change in the classification of small savings, shifting them to the category of States' borrowings through special securities. The result of this accountancy tactic was that the Centre's deficit came down and that of the States rose, without any material improvement in the overall fiscal health.

It also served to increase the share of Revenue Deficit in Gross Fiscal Deficit of all the States from 29.90% in 1991-92, to 37.00 in 1997-98, and further to 58.80% in 1998-99 and 60.00% in 1999-2000. Manner of financing the Gross Fiscal Deficit also underwent change (Table SA-7), with the loans from the Centre meetings smaller shares of GFD, coming down from 53.11% in 1990-91, to 47.10% in 1995-96, and 42.10% in 1999-2000. The role of market borrowings became more prominent and resort to tapping small savings, provident funds loans from financial institutions, Reserve funds and Deposits (shown in the category of others in Table-SA-7).



**TABLE : SA-7 STATES AGGREGATES- GROSS FISCAL DEFICIT**

| Year    | Decomposition |          |           |          | Financing             |                |          |
|---------|---------------|----------|-----------|----------|-----------------------|----------------|----------|
|         | Rev. Defici   | CapOutly | Net. Lend | GFD      | Net loans from centre | Net MKT Borrow | Others   |
| 1990-91 | 5309.00       | 9223.00  | 4225.00   | 18787.00 | 9978.00               | 2556.00        | 6253.00  |
|         | (28.26)       | (49.09)  | (22.49)   |          | (53.11)               | (13.61)        | (33.28)  |
| 1991-92 | 5650.70       | 10095.70 | 3153.70   | 18900.10 | 9373.50               | 9370.7         | 155.9    |
|         | (29.90)       | (53.40)  | (16.70)   |          | (49.60)               | (49.60)        | (0.80)   |
| 1992-93 | 5114.10       | 10654.60 | 5122.60   | 20891.30 | 8921.30               | 13799.40       | -1829.40 |
|         | (24.50)       | (51.00)  | (24.50)   |          | (42.70)               | (66.10)        | (-8.8)   |
| 1993-94 | 3812.50       | 12450.20 | 4333.30   | 20596.00 | 9532.60               | 3620.40        | 7442.80  |
|         | (18.50)       | (60.50)  | (21.00)   |          | (46.30)               | (17.60)        | (36.10)  |
| 1994-95 | 6156.20       | 17351.00 | 4189.70   | 27696.90 | 14760.10              | 4074.80        | 8862.00  |
|         | (22.20)       | (62.60)  | (15.20)   |          | (53.30)               | (14.70)        | (32.00)  |
| 1995-96 | 8200.50       | 18494.80 | 4730.40   | 31425.80 | 14800.90              | 5887.80        | 10737.00 |
|         | (26.10)       | (58.90)  | (15.10)   |          | (47.10)               | (18.70)        | (34.20)  |
| 1996-97 | 16113.50      | 17539.70 | 3791.30   | 37251.30 | 17547.40              | 6515.10        | 13188.80 |
|         | (43.30)       | (47.10)  | (10.20)   |          | (47.10)               | (17.50)        | (35.40)  |
| 1997-98 | 16332.90      | 22802.00 | 5065.00   | 44199.90 | 23676.50              | 7280.10        | 13243.30 |
|         | (37.00)       | (51.60)  | (11.60)   |          | (53.60)               | (16.50)        | (30.00)  |
| 1998-99 | 43641.80      | 23072.30 | 8044.60   | 74253.80 | 31057.00              | 10467.20       | 32729.60 |
|         | (58.80)       | (31.10)  | (10.80)   |          | (41.80)               | (14.10)        | (44.10)  |
| 1999-00 | 56801.60      | 28733.80 | 9203.10   | 94738.50 | 39879.10              | 11828.70       | 430.70   |
|         | (60.00)       | (30.30)  | (9.70)    |          | (42.10)               | (12.50)        | (45.40)  |
| 2000-01 | 45702.30      | 35088.20 | 9701.50   | 90092.00 | 42158.90              | 11670.80       | 36262.30 |
|         | (50.70)       | (38.90)  | (10.80)   |          | (46.80)               | (13.00)        | (40.30)  |

Note : Figures in the bracket represent percentage to GFD

It is rather interesting to note that in 1980-81, when the GFD of all States was only Rs. 3713 crores, loans from centre was providing Rs. 198 crores and the rest came from small savings etc. In 1990-91, the GFD of Rs. 18,787 crores was covered by central loans to the tune of Rs. 9978 crores (53.11%) Market borrowings Rs. 2556 crores (13.61%) and other Rs. 6253 crores (33.28%). The relative shares of these sources fluctuated during the nineties. In 1999-2000 GFD of Rs. 94738 crores being covered by central loan of Rs. 39879crores (42.10%), Net Market Borrowings Rs. 11829 crores (12.50%) and small savings, P.F., others providing Rs. 43031 crores (45.40%).

The fluctuating shares appear to indicate that there has been no firm and steady strategy of fiscal management to cope with the deficits, revenue of fiscal, and that a predominant element of ad hocism was clearly discernible. Analysis of the State wise details of decomposition of and financing of GFD during the nineties show that some of states like U.P., West Bengal, Punjab, Orissa, Kerala consistently high level of revenue deficits, because of high revenue expenditure. While the expenditure, as a proportion of GDP remained at over 13%, revenue collection deteriorated as a percentage of GDP,

A comparison of the relative data of revenue deficit and gross fiscal deficit in 1991-92 and 1998-99, in respect of four states which received increased devolution and transfer from the award of the Eleventh Finance Commission and four states which complained of receiving a raw deal, is a telling commentary on the manner in which Finance Commissions, particularly the Eleventh Finance Commission have viewed fiscal management by states. While pursuing a laudable idea of reducing the disparities in the levels of development of the states, through their gap filling approach, the successive Finance Commissions appear to have allowed the profligate states to receive props from the Centre, may be unintentionally.

**TABLE : 5 . 11 COMPARATIVE GROWTH OF RD & GFD**

(Rs. Crores)

|             | 1991-92 |         | 1998-99 |         |
|-------------|---------|---------|---------|---------|
|             | RD      | GFD     | RD      | GFD     |
| All States  | 5650.7  | 18900.1 | 56801.6 | 94738.0 |
| U.P.        | 724.6   | 2836.6  | 8696.2  | 11632.5 |
| W. Bengal   | 646.1   | 1143.7  | 4856.2  | 7109.1  |
| Bihar       | 885.0   | 1617.0  | 1350.5  | 2378.9  |
| M.P         | 43.8    | 984.0   | 2871.8  | 4126.7  |
| Karnataka   | 178.7   | 917.8   | 1215.2  | 3112.1  |
| Andhra      | 169.6   | 1125.3  | 2684.1  | 5705.6  |
| Kerala      | 364.3   | 803.4   | 2030.0  | 3012.2  |
| Tamil Nadu  | 1903.4  | 1299.9  | 3436.6  | 4777.1  |
| Maharashtra | 276.1   | 1656.9  | 3925.9  | 7462.4  |

EPW RF Review draws attention to a complex set of inter state scenario in the comparison of absolute sizes of gross fiscal deficits of states and decomposition in the sources and financing patterns. “in 2000-01(BE) U.P. had the largest amount of GFD (Rs. 12358 crores) followed by West Bengal (Rs. 10339 crores), Andhra Pradesh (Rs. 8460 crores) and Maharashtra (Rs. 7030 crores). But their capital outlay figures which are an important purpose for which borrowings are made are unrelated to their GFD size.

Where capital outlay figures are low, the borrowings are used to finance revenue deficit which is comparatively high. West Bengal is a case in point, having a relatively lower level of capital outlay (Rs. 1402 crores ) but a higher level of revenue deficit (Rs. 7525 crores) than U.P. (Capital Outlay Rs. 5885 crores) and revenue deficit Rs. 4130 crores. Capital outlays of Andhra Pradesh (Rs. 3419 crores) and Maharashtra (Rs. 3071 crores) are closer to the revenue deficits. Andhra Pradesh (Rs. 3841 crores) and Maharashtra (Rs. 3601 crores). EPW RF Study observed that “circumstances faced by individual states as much as differences in the governance explain the differing fiscal outcomes” (EPW May 19<sup>th</sup> 2001, Page 1751). This aspect is studied in greater detail in the next section.

## SOCIO –ECONOMIC PROFILE OF SELECT STATES

Mere analysis of Budgetary Trends is not adequate to secure a clear picture of the developmental performances of the individual states which are characterised by differences in geographical size, resource endowment demographic features , levels of social and economic development apart from budgetary potential and capabilities. The Ninth Five Year Plan 1997-2002 , while presenting sectoral over view in the context of human and social development , observed that “the benefits of national economic progress , reach different segments of the population through different channels at different rates and that the needs of the people above poverty line and an improvement in their standards of living can be achieved through optimum utilisation of existing market mechanism but market mechanism may not improve access to available facilities or fully meet the essential needs of the population with poor purchasing power .” ( Draft Ninth Five Year Plan (1997-2002). Volume – 2 pg 82 ).

The Ninth Plan Draft Document drew attention to the marked differences between the states in terms of size of population , population growth rates , in levels of socio economic development , and pointed out that in a majority of the states , with high population growth rates , the performance in the social and economic sector has been poor and that “poor performance could be the outcome of a variety of factors including paucity of natural financial or human resources. Poverty , illiteracy and poor development coexist and reinforce each other . In order to promote equity and reduce disparity between states , special assistance has been provided to the poorly performing states .The benefit accrued from such assistance has to a large extent dependent upon (a) the states ability to utilise the funds available and improve services and facilities and (b) community awareness and ability to utilise the available services. “ (pg 84) . The manner in which the devolution and transfer of funds from Centre to the states , have taken into account , some of these indicators for determining the size and pattern of distribution of Central Assistance , have been analysed earlier.

In view of this data on demographic , economic and social features , of the states chosen for the study may be relevant .For facility of convenient reference , the Area , the Number of districts , Demographic features , Economic and Social indicators of the five states are presented in **Table – 6.1 0 ,6.11 ,6.12 Profile of Select States.**

**DEMOGRAPHIC CHANGE IN THE NINETIES**

Population : Census of India 2001, has placed the total population of India at 1,027,015,247 (Males 531,277,359 , Females 495,738,169) compared to 1991 census , there has been an increase of 180,627,359 (21.34 % ) with males increasing by 91,944,020 (20.93%) and females increasing at a faster rate 21.79 % adding 88,683,339 to their size

The Census of India 2001 providing the provisional totals of population and other relevant details for India and individual states , indicate that there has been significant changes in the demographic features and ranks of the states . All the chosen states have recorded lower decadal growth in the Nineties as compared to the Eighties. While the decadal growth rate of population for the country during the Eighties was 23.86 % , this has come down by 2.52 % to 21.34 % during the Nineties. Andhra Pradesh brought its growth rate down from 24.20 % to 13.86 % (-10.33%) . Maharashtra from 25.73 % to 22.57 % (-3.16) , Kerala from 14.32 % to 9.42 % (-4.9 %) and Tamilnadu from 15.39 % to 11.19 % (-4.2 %). In contrast the states of Uttar Pradesh , Bihar , registered higher growth rates in the Nineties as compared to the previous decade. While U.P and Maharashtra retained the first and second ranks they had in 1991. A.P moved up from fifth to fourth , Karnataka moved up from Ninth to Eighth . Tamilnadu and Kerala retained their sixth and twelfth rank respectively .

The shares of the select states in the total population , the density of population and changes in the sex ratio are indicated in the Table below

**TABLE : 6 . 1 DEMOGRAPHY (1991-2001)**

|             | Population |            | Decadal Growth |         | Share in total Pop |      | Density per Square Kms |      | Sex ratio females per 1000males |      |
|-------------|------------|------------|----------------|---------|--------------------|------|------------------------|------|---------------------------------|------|
|             | 1991       | 2001       | 1981-91        | 1991-01 | 1991               | 2001 | 1991                   | 2001 | 1991                            | 2001 |
| India       | 846387888  | 1027015247 | 23.86          | 21.34   | 100                | 100  | 267                    | 324  | 927                             | 933  |
| Maharashtra | 78937187   | 96752257   | 25.73          | 22.57   | 9.33               | 9.42 | 257                    | 314  | 934                             | 722  |
| A.P         | 66508008   | 75257541   | 24.20          | 13.87   | 7.86               | 7.37 | 242                    | 275  | 972                             | 978  |
| Karnataka   | 44977201   | 52733958   | 21.12          | 17.25   | 5.31               | 5.14 | 235                    | 275  | 960                             | 964  |
| Tamilnadu   | 55858946   | 62110839   | 15.39          | 11.19   | 6.60               | 6.05 | 429                    | 478  | 974                             | 986  |
| Kerala      | 29098518   | 31838619   | 14.32          | 9.42    | 3.44               | 3.12 | 749                    | 819  | 1036                            | 1058 |

The changes in the literacy rates , overall Female and Male show that while literacy rate has increased , and the gap between male and female literacy have somewhat reduced , the interstate differential continue as shown in **Table below**

**TABLE: 6.2 CHANGES IN LITERACY**

|             | 1991  |       |       |       | 2001  |       |       |       | 1991 | 2001 |
|-------------|-------|-------|-------|-------|-------|-------|-------|-------|------|------|
|             | O     | M     | F     | G     | O     | M     | F     | G     | Rank | Rank |
| India       | 52.20 | 64.13 | 39.28 | 24.85 | 65.49 | 75.96 | 54.28 | 21.68 |      |      |
| Maharashtra | 64.87 | 76.56 | 52.32 | 24.24 | 77.27 | 86.27 | 67.51 | 18.75 | 10   | 10   |
| Andhra      | 44.09 | 55.13 | 32.72 | 22.42 | 61.11 | 70.85 | 51.17 | 19.68 | 27   | 28   |
| Karnataka   | 56.04 | 67.26 | 44.34 | 22.93 | 67.04 | 76.29 | 57.45 | 18.84 | 21   | 22   |
| Tamilnadu   | 62.66 | 73.75 | 51.33 | 22.42 | 73.47 | 82.33 | 64.55 | 17.78 | 12   | 13   |
| Kerala      | 89.81 | 93.62 | 86.17 | 7.45  | 90.92 | 94.20 | 87.86 | 9.34  | 1    | 1    |

o-Overall, M-Male F-Female G-Gap

After Kerala , high ranks are occupied by Mizoram , Lakshadweep , Goa, Chaidigarh, Delhi , Pondicherry , Daman & Diu & Andaman and Nicobar ( Maharashtra , Tamil nadu are among the top ranking larger states.

### ECONOMIC INDICATORS

The details of the select states size of the NSDP in current prices ( 1980-81 , 1985-86, 1990-91 and 1995-96 have also been presented in the Table 6.12. The trends of overall and per capita income growth , the annual growth rate of SDP and index of real income are also presented in Table 6.6 ,6.7 ,6.8 A comparison of the rank of the five chosen states according to per capita State Domestic Product at current prices in 1974 ,1980-81, 1990-91 and 1995-96 are also presented in Table 6.9. This show the relative changes in the ranks of the state in the country . while the year wise annual growth rates of SDP varied from state to state , Maharashtra seems to have achieved faster growth rate followed by Karnataka, Tamilnadu , Kerala and Andhra Pradesh, judged from the Index of Real Income with 1991 as base.

### POVERTY

Considerable attention has been paid to the estimation of incidence of poverty, computation of the number and proportion of the poor rural and urban areas breakup for the period 1973-74 – '93-'94, controversies persist on the methodology adopted and the computation of the results, particularly in respect of working out state specific poverty lines for both rural and urban areas.\*

As per the new methodology adopted by the Planning Commission the poverty lines in terms of monthly percapita income have varied from State to State (for the various time points) for rural and urban area and as shown on **table below**.

**TABLE 6.3 POVERTY LINE AS PER OFFICIAL METHODOLOGY**

(Rs. Monthly Per capita)

|         |   | All India | Maharashtra | A.P    | Karnataka | T.N.   | Kerala |
|---------|---|-----------|-------------|--------|-----------|--------|--------|
| 1973-74 | R | 49.63     | 50.47       | 41.71  | 47.24     | 45.09  | 51.68  |
|         | U | 56.76     | 59.48       | 53.96  | 58.22     | 51.54  | 62.78  |
| 1977-78 | R | 56.84     | 58.07       | 50.88  | 51.95     | 56.62  | 58.88  |
|         | U | 70.33     | 73.99       | 69.05  | 68.85     | 67.02  | 67.05  |
| 1983-84 | R | 89.50     | 88.24       | 72.66  | 83.31     | 96.15  | 99.35  |
|         | U | 115.65    | 126.47      | 106.43 | 120.19    | 120.30 | 122.64 |
| 1987-88 | R | 115.20    | 115.61      | 91.94  | 104.46    | 118.23 | 113.61 |
|         | U | 162.16    | 189.17      | 151.88 | 171.18    | 165.82 | 163.29 |
| 1993-94 | R | 205.84    | 194.94      | 163.02 | 186.83    | 196.53 | 243.84 |
|         | U | 281.35    | 328.56      | 278.14 | 302.89    | 296.63 | 280.84 |

Source: India Planning Experience , A Statistical profile , Planning Commission January 2001

The number and percentage of people below poverty line at various points of time are shown below.

**TABLE 6.4 NUMBER AND PERCENTAGE OF POPULATION BELOW POVERTY LINE**

|          | All India |       | Maharashtra |       | A.P    |       | Karnataka |       | T.N    |       | Kerala |       |
|----------|-----------|-------|-------------|-------|--------|-------|-----------|-------|--------|-------|--------|-------|
|          | Number    | %     | Number      | %     | Number | %     | Number    | %     | Number | %     | Number | %     |
| 1973-74  |           |       |             |       |        |       |           |       |        |       |        |       |
| Rural    | 2612.9    | 56.44 | 210.84      | 57.71 | 178.21 | 48.41 | 128.4     | 55.14 | 172.6  | 57.43 | 111.36 | 59.19 |
| Urban    | 600.4     | 49.01 | 76.58       | 43.87 | 47.48  | 50.61 | 42.27     | 52.53 | 66.92  | 52.53 | 24.16  | 62.74 |
| Combined | 3213.36   | 54.88 | 287.42      | 53.24 | 225.69 | 48.86 | 170.67    | 54.47 | 239.52 | 54.94 | 135.52 | 59.79 |
| 1977-78  |           |       |             |       |        |       |           |       |        |       |        |       |
| Rural    | 2642.47   | 53.07 | 249.75      | 63.97 | 149.13 | 38.11 | 120.39    | 48.18 | 182.5  | 57.68 | 102.85 | 51.48 |
| Urban    | 646.49    | 45.24 | 80.16       | 40.09 | 48.47  | 43.55 | 47.78     | 50.36 | 72.97  | 48.69 | 24.37  | 55.62 |
| Combined | 3288.95   | 51.32 | 329.91      | 55.88 | 197.54 | 39.31 | 168.17    | 48.78 | 255.47 | 54.79 | 127.22 | 52.22 |
| 1983     |           |       |             |       |        |       |           |       |        |       |        |       |
| Rural    | 2519.57   | 45.65 | 193.75      | 45.23 | 114.34 | 26.53 | 100.5     | 36.33 | 181.61 | 53.99 | 81.62  | 39.03 |
| Urban    | 709.4     | 40.79 | 97.14       | 40.26 | 50.24  | 36.3  | 49.31     | 42.82 | 78.46  | 46.96 | 25.15  | 45.68 |
| Combined | 3228.97   | 44.78 | 290.89      | 43.44 | 164.58 | 28.91 | 149.81    | 38.24 | 260.07 | 51.66 | 106.77 | 40.42 |
| 1987-88  |           |       |             |       |        |       |           |       |        |       |        |       |
| Rural    | 2318.79   | 39.09 | 186.89      | 40.78 | 96.38  | 20.92 | 96.81     | 32.82 | 161.8  | 45.8  | 61.64  | 29.1  |
| Urban    | 751.69    | 38.2  | 109.38      | 39.78 | 64.05  | 40.11 | 61.8      | 48.42 | 69.27  | 38.64 | 26.84  | 40.63 |
| Combined | 3070.49   | 38.86 | 296.27      | 40.41 | 160.43 | 25.86 | 159.67    | 37.53 | 231.07 | 43.39 | 88.48  | 31.79 |
| 1993-94  |           |       |             |       |        |       |           |       |        |       |        |       |
| Rural    | 2440.31   | 37.27 | 193.33      | 37.93 | 79.49  | 15.92 | 95.99     | 29.88 | 121.7  | 32.48 | 55.95  | 25.76 |
| Urban    | 763.37    | 32.36 | 111.9       | 35.15 | 74.47  | 38.33 | 60.46     | 40.14 | 80.4   | 39.77 | 20.46  | 24.55 |
| Combined | 3203.68   | 35.97 | 305.22      | 36.86 | 153.97 | 22.19 | 156.46    | 33.16 | 202.1  | 35.05 | 76.41  | 25.43 |

It will be seen that between 1977-78 and 1993-94 the annual percentage decline in poverty has been 2.18 percent for All India, 3.22 for Maharashtra, 5.31 for Andhra

Pradesh , 2.94 for Karnataka, 3.53 for Tamil Nadu and 4.24 for Kerala in respect of rural areas. This makes the decline highest in Andhra Pradesh followed by Kerala, Tamil Nadu, Maharashtra and Karnataka.

If the decline in poverty, in respect of urban areas is taken into account, the annual decline over the 15 years period was 2.07 for all India, 0.82 for Maharashtra, 0.79 for Andhra Pradesh 1.41 for Karnataka, 1.26 for Tamil Nadu and 4.98 for Kerala.

Apart from the methodological issues raised by economists\*, the estimates of poverty made on the basis of Expert committee report have been questioned by some of the state Governments. In a communication to the Planning Commission and a statement made on the floor of the Legislative Assembly , the Chief Minister of Andhra Pradesh has drawn attention to the difference between old and new methodologies, and points out that Planning Commission estimates vary for State and Country as a whole mainly on account of the abandonment of adjustment procedure whereby the poverty levels were scaled down by a factor to account for the discrepancies between the data gathered from NSS and National Accounts Statistics.

The Chief Minister of Andhra Pradesh had raised these questions particularly in the context of targeted PDS and its implication for the distribution across States for funds under the CSS, like Jawahar Rozgar Yojana, IRDP and Prime Minister's Rozgar Yojana. It has been argued that poverty ratios anchored in a caloric norm is at best an indicator of food poverty and a poor proxy for the State of well being of the people and while using State specific price indices, disaggregation to the State level should also take into account, variation in calorie intake arising from climate, terrain and occupational structure and that there should be state specific commodity baskets to allow for difference in food habits.

It must however be noted that the Expert Group chaired by Dr. Lakdawala had himself observed that "considering that there could be still difference in views about definitions and measurement of poverty, we are not in favour of using these estimates to derive any poverty criterion in such an important matter as the inter-se allocation of financial resource to the States".

From the point of view of Public Expenditure Study we need to mention this controversy because of the use of State Specific price index for the estimation of poverty may not be the correct indication of the prevalent prices, as the implementation of large subsidy scheme as in the case of Andhra Pradesh may depress the price index .

Andhra Pradesh Government has been providing under the 2 Re /Kg Rice scheme subsidies which has increased from Rs.29 crores in 1982-83 to Rs.809 crores in 1988-89 , and increased further to Rs.3106 crores in 1996-97 . A increase in the issue price to Rs.3.50 /Kg in August 1996 and weeding out of cards under PDS have brought the



outgo on rice subsidies to Rs. 2608 crores in 1997-98 and Rs.2512 crores in 1998-99. The Rice Subsidy schemes, has made a significant impact on the availability of food grains to the poorer section of societies. Since subsidy scheme resulted in reduction of availability of states own funds for other schemes, the adoption of the revised poverty ratios for allocation of Central funds to the various states without taking into account the improvement in the status of poor on account of better implementation of Poverty Alleviation Scheme and better targeted Public Distribution Schemes A.P state would be adversely affected .Further the increase in the issue price by the Central Government from Rs. 7.50 per Kg to Rs. 9.05 per kg in February 1999 , made the state's burden more onerous . However , this was softened to some extent by the decision of the Central Government to issue 10 Kgs of rice per month per family at half the central issue price , under the targeted public distribution scheme .

As part of fiscal consolidation strategy , the Central Government revised the issue prices of rice in February 1999 and in March 2000 , with certain differentials built in for people below and above poverty line. This has impact on the both central and state Government finances, apart from estimates of poverty line. According to one estimate the subsidised rice scheme has met a monthly income gain of Rs.5 to 14 Rs. When the price was Rs.3.50 and between Rs. 8 to 20 when the price was Rs.2 per Kg (see S.Indrakant and M.C.Swaminathan , "Social Security in Andhra Pradesh " in Mahendra Dev et.al , Social and Economic Security in India , Institute of Human Development , 2001). Similarly schemes like Employment Guarantee Scheme in Maharashtra, and Mid Day Meal and Nutrition Scheme in Tamilnadu and Kerala make a significant difference to the real income of persons below poverty line . Subject to these observations , the growth in real per capita income in the select states , shown in Table - 6.6 and 6.7 throw some light in the relative levels of the states. The changes in the relative ranks of the select states as per their per capita income from 1974-75 to 1995-96 are also shown in a separate table. The Economic and Social Indicators of development of the select states can also be seen in Tables 6.8 to 6.12

**TABLE 6.6 TRENDS OF OVERALL – PERCAPITA INCOME GROWTH**

(percentage)

|                | Per Capita Growth |               |               | Overall Income Growth |               |               |
|----------------|-------------------|---------------|---------------|-----------------------|---------------|---------------|
|                | 1990-91           | 1990-91       | 1990-91       | 1990-91               | 1990-91       | 1991-91       |
|                | to<br>1997-00     | to<br>1998-99 | to<br>1997-98 | to<br>1999-00         | to<br>1998-99 | to<br>1997-98 |
| Maharashtra    | 5.65              | 5.76          | 5.97          | 7.35                  | 7.52          | 7.8           |
| Andhra Pradesh | 3.36              | 3.19          | 2.92          | 4.81                  | 4.69          | 4.47          |
| Karnataka      | 5.80              | 5.84          | 5.60          | 7.16                  | 7.22          | 7.05          |
| Tamil Nadu     |                   | 5.01          | 5.20          |                       | 6.08          | 6.26          |
| Kerala         | -                 | 4.66          | 4.72          |                       | 5.74          | 5.75          |

**TABLE 6.7 INDEX OF REAL INCOME  
1990-91=100**

| Year    | Maharashtra | Andhra Pradesh | Karnataka | Tamil Nadu | Kerala |
|---------|-------------|----------------|-----------|------------|--------|
| 1991-92 | 99.69       | 102.53         | 112.71    | 102.67     | 101.96 |
| 1992-93 | 115.13      | 101.33         | 115.32    | 108.00     | 109.31 |
| 1993-94 | 125.35      | 111.17         | 123.92    | 117.40     | 121.27 |
| 1994-95 | 132.94      | 117.41         | 134.00    | 130.30     | 126.08 |
| 1995-96 | 145.78      | 124.04         | 142.71    | 132.60     | 129.59 |
| 1996-97 | 157.15      | 132.10         | 158.28    | 142.70     | 138.79 |
| 1997-98 | 165.01      | 129.86         | 165.09    | 151.10     | 147.89 |
| 1998-99 | 174.58      | 144.21         | 182.83    | 157.30     | 156.18 |
| 1999-00 | 186.98      | 151.34         | 191.17    | -          | -      |

**TABLE 6.8 ANNUAL GROWTH RATES (SDP)**

| Year    | Maharashtra | Andhra Pradesh | Karnataka | Tamil Nadu | Kerala |
|---------|-------------|----------------|-----------|------------|--------|
| 1990-91 | 4.50        | 1.56           | 0.73      | 8.33       | 7.56   |
| 1991-92 | 0.31        | 2.53           | 12.71     | 2.67       | 1.98   |
| 1992-93 | 15.49       | -1.17          | 2.32      | 5.16       | 7.21   |
| 1993-94 | 8.58        | 9.71           | 7.45      | 8.72       | 10.94  |
| 1994-95 | 6.05        | 5.61           | 8.14      | 10.98      | 3.96   |
| 1995-96 | 9.66        | 5.65           | 6.50      | 7.79       | 2.79   |
| 1996-97 | 7.80        | 9.50           | 10.91     | 7.60       | 7.10   |
| 1997-98 | 5.00        | -1.70          | 4.30      | 5.90       | 6.56   |
| 1998-99 | 5.80        | 11.05          | 10.75     | 4.07       | 5.60   |
| 1999-00 | 7.10        | 4.95           | 4.56      |            |        |

**TABLE 6.9 PER CAPITA INCOME RANKS OF SELECT STATES**

|                | 1974<br>Rs | Rank | 1980-81<br>Rs | Rank | 1990-91<br>Rs | Rank | 1995<br>Rs. | Rank |
|----------------|------------|------|---------------|------|---------------|------|-------------|------|
| Maharashtra    | 1360       | 2    | 2427          | 2    | 7409          | 2    | 15457       | 4    |
| Andhra Pradesh | 1010       | 6    | 1380          | 9    | 4722          | 7    | 8938        | 14   |
| Karnataka      | 1000       | 7    | 1623          | 5    | 4737          | 6    | 9384        | 13   |
| Tamil Nadu     | 826        | 11   | 1498          | 8    | 4428          | 8    | 10222       | 8    |
| Kerala         | 910        | 8    | 1513          | 7    | 3843          | 10   | 8824        | 15   |

Economic Survey of 1982-83 1992-93 and 1998-99.

**Table : 6 . 10 STATES PROFILE -GEOGRAPHIC, AND DEMOGRAPHIC**

|  | Andhra Pradesh | Karnataka    | Kerala           | Maharashtra   | Tamilnadu    |
|--|----------------|--------------|------------------|---------------|--------------|
| Area(Sq. Km)                               | 275,068        | 191,791      | 38,863           | 307,690 Sq Km | 130058       |
| Capital                                    | Hyderabad      | Banglore     | Trivannandapuram | Mumbai        | Chennai      |
| Language                                   | Telugu, Urdu   | Kannada      | Malayalam        | Marathi       | Tamil        |
| Districts                                  | 23             | 27           | 14               | 33            | 29           |
| <b>Demographic</b>                         |                |              |                  |               |              |
| Population (1991)                          | 66,508,008     | 44,977,201   | 29,098,518       | 78,937,187    | 55,858,946   |
| Males                                      | 33,623,738     | 22,861,409   | 14,218,167       | 40,652,056    | 28,217,947   |
| Females                                    | 32,681,116     | 21,955,989   | 14,793,070       | 38,054,663    | 27,420,371   |
| Increase (1981-91)                         | 12,956,982     | 7,841,487    | 3,644,838        | 16,154,369    | 7,450,869    |
| Population (2001)                          | 75,727,541     | 52,733,958   | 31,838,619       | 96,752,247    | 62,110,839   |
| Males                                      | 38,286,811     | 26,856,343   | 15,438,664       | 50,334,270    | 31,268,654   |
| Females                                    | 37,440,730     | 25,877,615   | 16,369,955       | 46,417,977    | 30,842,185   |
| Increase (1991-2001)                       | 9,219,533      | 7,756,757    | 2,740,101        | 17,815,060    | 6,251,893    |
| % share in Total (1991)                    | 7.86           | 5.31         | 3.44             | 9.33          | 6.60         |
| % share in Total (2001)                    | 7.37           | 5.14         | 3.10             | 9.42          | 6.05         |
| Growth Rate(%) 1981-91*                    | 24.20          | 21.12        | 14.32            | 25.73         | 15.39        |
| <b>1991-2001</b>                           | <b>13.86</b>   | <b>17.25</b> | <b>9.42</b>      | <b>22.57</b>  | <b>11.19</b> |
| <b>Density (Persons per Sq. Km)</b>        |                |              |                  |               |              |
| 1991                                       | 242            | 235          | 749              | 257           | 429          |
| 2001                                       | 275            | 275          | 819              | 314           | 478          |
| Urban Population 1991                      | 26.89 %        | 30.92 %      | 26.31 %          | 38.69 %       | 34.15 %      |
| 2001                                       | 27.08%         | 33.98%       | 25.97%           | 42.40%        | 43.86%       |
| <b>Sex Ratio (Females per 1000 Males )</b> |                |              |                  |               |              |
| (1991)                                     | 972            | 960          | 1036             | 934           | 974          |
| (2001)                                     | 978            | 964          | 1058             | 922           | 986          |

**Table : 6 . 11 STATES PROFILE –SOCIAL**

|   | Andhra Pradesh | Karnataka | Kerala | Maharashtra | Tamilnadu | India |
|---|----------------|-----------|--------|-------------|-----------|-------|
| <b>II. Social</b>                                     |                |           |        |             |           |       |
| <b>(1) Literacy Rate (1991)</b>                       |                |           |        |             |           |       |
| (a) Overall   | 44.09          | 56.04     | 89.81  | 64.87       | 62.66     | 52.20 |
| (b) Male  | 55.13          | 67.26     | 93.62  | 76.56       | 73.75     | 64.13 |
| (c) Female  | 32.72          | 44.34     | 86.17  | 52.32       | 51.33     | 39.28 |
| <b>Literacy Rate 2001</b>                             |                |           |        |             |           |       |
| (a) Overall   | 61.11          | 67.04     | 90.92  | 77.27       | 73.47     | 65.49 |
| (b) Male  | 70.85          | 76.29     | 94.20  | 86.27       | 82.33     | 75.96 |
| (c) Female  | 51.17          | 57.45     | 87.86  | 67.51       | 64.55     | 54.28 |
| <b>(2) Life Expectancy at Birth (1996)</b>            |                |           |        |             |           |       |
|   | 61.8           | 62.5      | 72.9   | 64.8        | 63.3      |       |
| <b>(3) Infant Mortality Rate (IMR , Per thousand)</b> |                |           |        |             |           |       |
| 1980  | 92             | 71        | 40     | 75          | 93        | 114   |
| 1990  | 70             | 70        | 17     | 58          | 59        | 80    |
| 1998  | 66             | 58        | 14     | 48          | 53        | 72    |

**Table : 6 . 12 STATES PROFILE –ECONOMIC**

|  | Andhra Pradesh | Karnataka | Kerala | Maharashtra | Tamilnadu | India |
|--|----------------|-----------|--------|-------------|-----------|-------|
| <b>III. Economic</b>                           |                |           |        |             |           |       |
| <b>(1) NSDP (at current prices, Rs.Crores)</b> |                |           |        |             |           |       |
| 1990-91  | 31165          | 20550     | 12173  | 58175       | 27646     |       |
| 1991-92*                                       | 37344          | 26736     | 15102  | 65230       | 32584     |       |
| 1992-93  | 39131          | 29132     | 17175  | 79847       | 37922     |       |
| New Series                                     |                |           |        |             |           |       |
| 1993-94  | 51982          | 38641     | 23401  | 105197      | 52013     |       |
| 1994-95  | 62261          | 45699     | 28697  | 119772      | 62176     |       |
| 1995-96  | 71944          | 52841     | 35086  | 146010      | 70671     |       |
| 1996-97  | 81643          | 63342     | 40819  | 161470      | 82465     |       |
| 1997-98  | 85924          | 68738     | 47924  | 181739      | 94020     |       |
| 1998-99  | 102876         | 81276     | 56563  | 213860      | 105256    |       |
| 1999-00  | -              | -         | -      | -           | -         |       |
| <b>(2) (Per Captia Income (Rs.))</b>           |                |           |        |             |           |       |
| 1980-81  | 1380           | 1520      | 1508   | 2435        | 1498      |       |
| 1985-86  | 2296           | 2495      | 2398   | 3826        | 2620      |       |
| 1990-91  | 4728           | 4598      | 4200   | 7439        | 4983      |       |
| 1995-96 (P)                                    | 8938           | 9384      | 8824   | 15457       | 10222     |       |
| 1996-97 (Q.E)                                  | 9867           | 10279     | 9066   | 17295       | 11708     |       |

Source : Economic Survey 1998-99 \*Economic Survey, pps,11, Table 1.7 (New Series)

## VII BUDGETARY PROFILE OF SELECT STATES

With view to ascertaining the nature of transformation in expenditure management of all states, from the point of view of utilisation of available resources for developmental purposes, the average annual growth rates of developmental expenditure have been computed for all the states for the periods 1980-81 to 1984-85, 1985-86 to 1989-90, and 1990-00 and presented along with the analysis.

The average annual growth rate of developmental expenditure for all the states put together 16.1% during the period 1980-81 to 1984-85 and 13.7% between the period 1985-86 to 1989-90 and 14.1% for the decade 1990-00.

For the period 1980-81 to 1984-85 data for 4 states out of 26 were not available of the 22 states, as many as 14 showed an higher growth rate than the average for all states. Of the select states Andhra Pradesh, Karnataka and Tamil Nadu had an higher average rate than the average of all states. Maharashtra and Kerala were among the seven states which had a growth rate lower than the average of All States.

For the period 1985-86 to 1989-90, data was not available for one of the 26 states. Of the balance 25, 14 states had higher growth rate 9 lower growth rate and 2 equal growth rate when compared with the average of all states. Of the select states Andhra Pradesh and Karnataka seem to slip from higher to the lower category, Tamil Nadu from the higher to the equal category, while Kerala continued to remain in the lower category only Maharashtra seem to improve, with its average growth rate moving from higher to lower category. This is largely on account of the slippage being steep in certain states like Uttar Pradesh, Andhra Pradesh Karnataka Haryana, Gujarat and Assam.

During the decade of the nineties the developmental expenditure of all the states grew at an average of 14.1 percent per year. As many as 15 states indicated higher growth rates, with the rather misleading example of National Capital Territory of Delhi showing a growth rate of 48.7 percent, pulling up the average of all states. Of the select states Andhra Pradesh and Kerala which were in the lower category moved to the higher category while Karnataka and Tamil Nadu moved to the lower category. Maharashtra's rate equaled the average of all states though its growth rate during the period, was lower than the earlier period.

The relative position of the 5 states chosen for Study, set against the average of all states in respect of the growth rates of the various categories of expenditure - Developmental .and Non De velopmental are shown below.

**TABLE : 7. 1 AVERAGE ANNUAL GRO WTH RATE**

|                                      | 1980-81 | 1985-86 | 1990-91 |   |
|--------------------------------------|---------|---------|---------|---|
|                                      | to      | to      | to      |   |
|                                      | 1984-85 | 1989-90 | 1994-95 |   |
| <b>Developmental Expenditure</b>     |         |         |         |   |
| All States                           | 16.1    | 13.7    | 14.5    | - |
| Maharashtra                          | 15.4    | 15.8    | 15.7    | - |
| Andhra Pradesh                       | 16.9    | 12.7    | 16.6    | - |
| Karnataka                            | 16.6    | 12.7    | 15.5    | - |
| Tamilnadu                            | 20.1    | 13.7    | 16.4    | - |
| Kerala                               | 14.5    | 12.5    | 15.4    | - |
| <b>Non Developmental Expenditure</b> |         |         |         |   |
| All States                           | 19.2    | 18.2    | 20.9    | - |
| Maharashtra                          | 21.0    | 11.4    | 16.4    | - |
| Andhra Pradesh                       | 18.2    | 17.5    | 19.2    | - |
| Karnataka                            | 25.7    | 12.0    | 17.1    | - |
| Tamilnadu                            | 17.0    | 17.2    | 19.0    | - |
| Kerala                               | 10.7    | 18.8    | 19.8    | - |

**PLAN EXPENDITURE .**

Turning to plan expenditure it is seen that the Average Annual Growth rate of 16.4 % for all the states during the early Eighties slumped to 12.7 % during the later Eighties before recovering to 14 % in the first half of the Nineties.The slump in the later was common to all the states chosen for study , with A.P , Karnataka and Kerala showing growth rates way below the All State Average . Maharashtra managed to be just above the All State Average.The first half of the Nineties was however marked by Maharashtra , Andhra Pradesh , Karnataka and Kerala showing higher growth rate of Plan Expenditure than the All State Average .Tamilnadu was marginally below .

**TABLE : 7. 2 AVERAGE ANNUAL GROWTH RATE**

|                         | 1980-81 | 1985-86 | 1990-91 |   |
|-------------------------|---------|---------|---------|---|
|                         | to      | to      | to      |   |
| <b>PLAN EXPENDITURE</b> | 1984-85 | 1989-90 | 1994-95 |   |
| All States              | 16.4    | 12.7    | 14.0    | - |
| Maharashtra             | 18.6    | 12.8    | 21.6    | - |
| Andhra Pradesh          | 18.6    | 9.3     | 21.3    | - |
| Karnataka               | 20.4    | 9.6     | 19.8    | - |
| Tamilnadu               | 29.1    | 11.2    | 13.0    | - |
| Kerala                  | 18.1    | 9.2     | 16.2    | - |



It is interesting to see the proportions of Plan and Non Plan Expenditures to the state Domestic product in respect of all States and the Select States for the period of our study .

**TABLE : 7 . 3 PLAN EXPENDITURE - PROPORTION OF GSDP**

| <b>Year</b> | <b>All ST</b> | <b>Mah</b> | <b>A.P.</b> | <b>Kar</b> | <b>T.N.</b> | <b>Ker</b> |
|-------------|---------------|------------|-------------|------------|-------------|------------|
| 1990-91     | 3.7           | 4.6        | 4.9         | 7.0        | 4.6         | 5.4        |
| 1991-92     | 3.6           | 4.1        | 4.8         | 6.6        | 4.7         | 4.7        |
| 1992-93     | 3.3           | 4.1        | 6.3         | 6.9        | 4.7         | 4.5        |
| 1993-94     | 3.1           | 3.2        | 5.9         | 7.0        | 4.1         | 4.4        |
| 1994-95     | 3.3           | 4.7        | 5.7         | 5.9        | 4.0         | 4.4        |
| 1995-96     | 3.2           | 3.7        | 5.7         | 5.9        | 3.5         | 4.2        |
| 1996-97     | 3.0           | 3.7        | 3.1         | 5.1        | 4.2         | 6.6        |
| 1997-98     | 3.0           | 3.4        | 5.0         | 4.4        | 4.6         | 5.5        |
| 1998-99     | 3.0           | 2.5        | 5.9         | 4.7        | 3.3         | 4.9        |

Plan Expenditure for all the five chosen states for the nineties as a proportion of GSDP have been above the all states average.

**TABLE : 7 . 4 NON PLAN EXPENDITURE - PROPORTION OF GSDP**

| <b>Year</b> | <b>All ST</b> | <b>Mah</b> | <b>A.P.</b> | <b>Kar</b> | <b>T.N.</b> | <b>Ker</b> |
|-------------|---------------|------------|-------------|------------|-------------|------------|
| 1990-91     | 11.2          | 12.2       | 14.1        | 14.3       | 16.5        | 18.6       |
| 1991-92     | 11.9          | 12.4       | 13.9        | 14.0       | 21.9        | 18.3       |
| 1992-93     | 11.5          | 11.3       | 14.1        | 14.6       | 18.0        | 17.4       |
| 1993-94     | 11.4          | 9.8        | 12.2        | 12.0       | 13.3        | 14.9       |
| 1994-95     | 11.3          | 9.5        | 12.2        | 11.6       | 14.4        | 14.1       |
| 1995-96     | 10.9          | 8.7        | 12.2        | 11.9       | 12.4        | 13.3       |
| 1996-97     | 10.9          | 9.4        | 14.8        | 11.9       | 14.5        | 18.4       |
| 1997-98     | 11.1          | 9.5        | 13.5        | 12.0       | 19.8        | 12.8       |
| 1998-99     | 11.5          | 9.6        | 13.3        | 11.8       | 13.7        | 12.0       |

When it comes to non plan expenditure Andhra Pradesh and Karnataka have been marginally higher levels in the nineties, then the All State Average, Tamil Nadu and Kerala, the levels of non plan expenditure have been fluctuating and in some years very much above the All States Average. This appears to be those the years in which assembly elections were held.

But Maharashtra strikes a different pattern, with its non-plan expenditure as proportion of GSDP starting at a marginally higher level in 1990-91 the All States Average but gradually going down to lower levels during the nineties. This is strange that even their plan expenditure has not shown a proportional increase though there are increases in absolute terms.

Analysing plan expenditure as a proportion of GDP in respect of all states and GSDP in respect of individual states, we should take note of one element relating to reliability of data. The methodologies adopted by the Economic and Statistics departments of various states governments are not uniform. While the plan expenditures of all states has been between 3 to 4% GDP during the nineties, the respective plan expenditure of individual states have varied and in respect of select states this has been even more varied.

**TABLE : 7. 5 PLAN EXPENDITURE –GSDP SELECT YEARS** (Rs. Crores)

| Year    | All States       | Maharashtra     | Andhra Pradesh  | Karnataka       | Tamil nadu      | Kerala          |
|---------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 1989-90 | 23258.6<br>(3.6) | 2741.5<br>(5.3) | 1520.9<br>(6.1) | 1235.4<br>(5.0) | 1347.1<br>(5.0) | 677.8<br>(5.6)  |
| 1990-91 | 27432.9<br>(3.7) | 2932.0<br>(4.6) | 1690.4<br>(4.9) | 1640.3<br>(7.0) | 1448.3<br>(4.6) | 759.6<br>(5.4)  |
| 1994-95 | 44513.7<br>(3.3) | 6658.9<br>(4.7) | 3927.1<br>(5.7) | 2977.8<br>(5.9) | 2462.7<br>(4.0) | 1416.0<br>(4.4) |
| 1998-99 | 64870.6<br>(3.0) | 6301.4<br>(2.5) | 6747.2<br>(5.9) | 4239.5<br>(4.7) | 3877.2<br>(3.3) | 3067.8<br>(4.9) |

Note: 1. Figures in brackets are percentages to Gross Domestic Product at factor cost current prices.

2. Figures of GSDP from 1993-94 are new series while for earlier years old 1980-81 series have been used.

#### **SECTORAL DISTRIBUTION - SELECT STATES**

With a view to analysing the sectoral distribution of expenditure incurred by the state governments, we had tabulated item wise details of expenditure for total expenditure, developmental and non developmental expenditure, distributed in plan and non plan categories for the year from 1991-92, to 2000-01. (See Det-Tables for All States, Maharashtra, Andhra Pradesh , Karnataka, Tamilnadu and Kerala ) The Expenditure items chosen for analysis like Irrigation , Education , Administrative Services ets have been highlighted in the tables. However, for comparative purposes ,expenditures in Social, Economic and General Services for 1991-92 and the recent three years, 1997-98 to 1999-00 have been takenup for analysis

Taking the year 1990-91 the total expenditure incurred by the states was of the order of Rs. 91242 crores (16% of the GDP), which comprised of a plan expenditure of Rs. 27433 crores (4.8% of GDP) and a non-plan expenditure of Rs. 63809 crores (11.2% of GDP). In terms of application, developmental expenditure accounted for Rs. 63370 crores

(69.45% of total expenditure), non-development expenditure accounted of Rs. 22600 crores (24.77% of total expenditure) and others like inter governmental transfers, Rs. 5272 crores (5.78% of total expenditure).

Sectorally, Social Services absorbed Rs. 29220 crores and Economic Services Rs. 28596 crores, each working to about 5% of GDP. The loans and advances by state governments which amounted to about Rs. 5,555 crore was deployed almost entirely on Economic Services. The non-developmental expenditure of Rs. 22600 covers was mostly on general services covering fiscal and administrative services.

Tracing the trend of expenditure, one finds the total expenditure, while increasing in size has been hovering around 15% to 16 % of the GDP in the nineties. The total expenditure in 1999-2000, is placed at Rs. 325634 crores (16.6% of GDP) comprising a Plan expenditure of Rs. 78156 crores (4% of GDP) and a Non Plan expenditure of Rs. 247478 crores (12.6 % GDP) implying an increase in Non Plan expenditure, as compared to Plan expenditure.(0.8 % ) as percentage of GDP.

In terms of applications, Development Expenditure, in 1999-00, accounted for Rs. 198322 crores, (60.90% of total expenditure), Non Development Expenditure for Rs. 1,10,137crores (33.80% of total expenditure) and others Rs. 17,175 crores (5.27% of total expenditure). Of the Development Expenditure, Social Services accounted for Rs. 1,07,680 crores on direct development expenditure and Rs. 2,984 crore on loans and advances. Economic services accounted for Rs. 78,812 crores on direct expenditure and Rs.8,847 crores on loans and advances and General Services accounted for Rs. 1,07,309 crores. Non Development Expenditure has increased from 4% of GDP in 1990-91 to 5.6% on 1999-2000.

With a view to appreciating the sectoral distribution of these expenditures in the select states the spread among the social services, Economic Services, and General Services is shown below The spread is split into Revenue and Capital accounts and shown under Plan and Non Plan. On broad terms, it will be found that while Social Services and General Services are dominated by Revenue expenditure, Economic Services have a high proportion of Capital Expenditure.

**TABLE : 7 . 6 SECTORAL DISTRIBUTION ALL STATES SELECT YEARS**

| Expenditure Items | Revenue Expenditure |          |          | Capital Expenditure |            |            |
|-------------------|---------------------|----------|----------|---------------------|------------|------------|
|                   | 1991-92 (Accts)     |          |          |                     |            |            |
|                   | Plan                | Non Plan | Total    | Plan                | Non Plan   | Total      |
| Total Expenditure | 1593362             | 7025283  | 8618645  | 1515084             | 659216     | 2174300    |
| Social Services   | 635963              | 2473282  | 3109245  | 156776              | 7965       | 164741     |
| Economic Services | 927254              | 1814022  | 2741276  | 825098              | -3703      | 821395     |
| General services  | 30145               | 2636427  | 2666572  | 22010               | 1426       | 23436      |
| 1997-98 (Accts)   |                     |          |          |                     |            |            |
| Total Expenditure | 3047642             | 15615729 | 18663371 | 2878359.00          | 1271748.00 | 4150107.00 |
| Social Services   | 1664799             | 5166366  | 6831165  | 340571.00           | 2501.00    | 243072.00  |
| Economic Services | 1328073             | 3219297  | 4547370  | 1695583.00          | 145287.00  | 1840870.00 |
| General services  | 34443               | 695696   | 6989139  | 86562.00            | 9697.00    | 96259.00   |
| 1998-99 (Accts)   |                     |          |          |                     |            |            |
| Total Expenditure | 3510996             | 18497956 | 22008952 | 2976067.00          | 1651067.00 | 4627134.00 |
| Social Services   | 1899438             | 6302642  | 8202080  | 409003.00           | 9952.00    | 418956.00  |
| Economic Services | 1530781             | 3452908  | 4983689  | 1677465.00          | 129397.00  | 1806862.00 |
| General services  | 59904               | 8410217  | 8470121  | 73654.00            | 7758.00    | 81412.00   |
| 1999-2000 (R.E)   |                     |          |          |                     |            |            |
| Total Expenditure | 4385314             | 22775810 | 27161124 | 3430299.00          | 1971965.00 | 5402264.00 |
| Social Services   | 2342530             | 7840857  | 10183387 | 525887.00           | 58726.00   | 584613.00  |
| Economic Services | 1930208             | 3806459  | 5736667  | 2056157.00          | 88323.00   | 2144480.00 |
| General services  | 100193              | 10630675 | 10730868 | 13089.00            | 13392.00   | 144287.00  |
| 2000-01 (B.E)     |                     |          |          |                     |            |            |
| Total Expenditure | 4858392             | 24203847 | 29062239 | 4048954.00          | 1965484.00 | 6014438.00 |
| Social Services   | 2534204             | 7740421  | 10274625 | 612909.00           | 24817.00   | 637726.00  |
| Economic Services | 2189966             | 3731927  | 5921893  | 2479566.00          | 275841.00  | 2755407.00 |
| General services  | 127531              | 12225736 | 1353267  | 104273.00           | 11416.00   | 115689.00  |

Analysts have been drawing attention to the relative responsibilities of the Centre and the States in financing sectoral programmes and to the large role played by the states in the fields of Health and Education. The problems of prioritisation and management of expenditure have been highlighted in the context of fiscal stress of the states by Dr. A.K. Lahiri, (Sub National Public Finance in India, EPW April 29, 2000) Dr. Lahiri has also drawn attention to “the intrusion of the centre in many areas of expenditure. For example, dissatisfaction with the states performance and a desire to pursue a uniform policy through out the country led to the shifting of population control and family planning, forests, education and trade and commerce in several essential items from the state list to the concurrent list through Constitutional Amendments. In many areas, the centre has also

intruded in the allocation decisions under the purview of the states through centrally sponsored schemes". (EPW April 29, 2001 p.1543).

This "intrusion" has been both by way of the number of schemes and the pattern of financing of the Centrally Sponsored Schemes (CSS.). The approach paper to the Tenth Plan has highlighted CSS as an area of weakness in the design of plan programmes, governance and institutional frame work and indicated that the centre is involved in the large number of programmes in the state list of the Constitution. Observing that " as these schemes are implemented by the states, GOI has no control over the staff or over day to day supervision or coordination so necessary for the success of such schemes." The Approach Paper draws attention to the proliferation of schemes, 210 in number and to the criticisms made in the CAG Report of 1999-00, that "regarding a common pattern of shortcomings in the execution of all centrally sponsored schemes", brought out in the performance reviews. (See Approach paper chapter 4 and Report of CAG on Union Government, civil, No. 3 of 2000, over view p.VI)

CAG Report observed that "all previous performance audits have disclosed a similar pattern of failures of the programmes like design, defects, unconcern for value for money, programmes run with predominant objective of spending the money rather than for achieving their objectives, programmes run without co-relating inputs to the out puts and out come, absence of criteria for evaluation of the programmes, benefits either not reaching the target population or unsubstantiated claims of benefits, complex programme managements/ execution structure, false reporting of financial and physical performances by the state governments and failure of the ministries in verification of their correctness, persistence of the ministries with centrally run and controlled programmes despite proven improbability of central control and monitoring by them and almost total absence of accountability procedures. These deficiencies have resulted in very poor value for money spent on social sector programmes, which are executed for general social development and are specially targeted for social and economic development of the weaker/ poorer sections of the society."

It has been pointed out that "the share of centrally sponsored schemes in the plan budget of the central ministries has now increased to 70% as against 30% in the early 1980s. That this expansion has taken place at the expense of investment in infrastructure, industry and energy sectors". In a more recent report, the Union Finance Minister, Mr. Yeshwant Sinha, in his Budget speech, 2001-02, had, as part of Expenditure Management measures, announced that "all schemes that are similar in nature will be converged to eliminate duplications. Centrally sponsored schemes that can be transferred to the states will be identified. Necessary procedural changes will also be made to speed

up decision making process for approval of schemes". (Ref: para 82 of Budget Speech 2001-02)

Recent Reports have indicated as part of the exercises, covering 256 centrally sponsored schemes, 139 are proposed to transferred to the states and 117 would be reviewed. Of the schemes to be reviewed, 114 will be with the Ministry of Environment and Forests, 12 with animal husbandry, 11 in tourism, 11 in social justice and empowerment. In this pruning exercise, elementary education and literacy will have a massive cut down from 19 to 2, higher education from 26 to 8.

Apart from reducing the number of schemes, there is also a proposal to maintain a uniform proportion of loan and grant for centrally sponsored schemes. As the final picture is yet to emerge , it is difficult to anticipate , the impact that the reduction in the number of centrally sponsored schemes will have on Public Expenditure Management of the State Governments.

#### **GROWTH OF TAX REVENUE**

Looking at the revenue side, the yield from taxes in respect of all the states which was 4.86 % of GDP in 1980-81 improved to 5.55 % of GDP in 1985-86, 5.67% in 1990-91 and 5.88% in 1995-96. The importance of state own tax revenue is obvious .The extent to which own revenue could meet revenue expenditure varied from state to state.The table below indicates that except for Andhra Pradesh during the mid nineties , the select states have had a better Tax Revenue/ Revenue Expenditure ratio than the average of all the states during the last fifteen years.

#### **Tax Revenue / Revenue Expenditure**

|                | 1985-90 | 1990-95 | 1995-96 | 1996-97 | 1997-98 | 1998-99 |
|----------------|---------|---------|---------|---------|---------|---------|
| All States     | 43.4    | 42.2    | 43.0    | 44.7    | 43.5    | 40.4    |
| Maharashtra    | 56.3    | 59.4    | 61.5    | 62.1    | 59.9    | 55.3    |
| Andhra Pradesh | 50.6    | 47.0    | 41.4    | 44.4    | 48.9    | 47.0    |
| Karnataka      | 54.2    | 58.6    | 61.0    | 58.7    | 58.9    | 55.8    |
| Tamilnadu      | 56.9    | 52.5    | 59.6    | 59.8    | 58.1    | 54.4    |
| Kerala         | 51.4    | 52.2    | 52.2    | 51.7    | 54.6    | 50.4    |

Turning to the revenue side of the individual states it is seen that the average annual growth rates of tax revenue for all states grew at 16.8% during 1980-81 to 1984-85, 16.2% during 1985-86 to 1989-90 and 16.5% during 1990-91 to 1994-95. The states share in central taxes grew at 11.5%, 17.6% and 13.8% during the above periods. The relative position of the five select states are indicated below

|                              | 1980-81<br>1984-85 | 1985-86<br>1989-90 | 1990-91<br>1994-95 |
|------------------------------|--------------------|--------------------|--------------------|
| <b>Growth of Tax Revenue</b> |                    |                    |                    |
| All States                   | 16.8               | 16.2               | 16.5               |
| Maharashtra                  | 15.0               | 17.5               | 16.6               |
| Andhra Pradesh               | 19.0               | 15.3               | 12.2               |
| Karnataka                    | 17.7               | 16.3               | 17.5               |
| Tamilnadu                    | 22.0               | 14.2               | 18.7               |
| Kerala                       | 16.6               | 14.7               | 18.0               |

**Share in Central Taxes**

|                | 1980-81<br>1984-85 | 1985-86<br>1989-90 | 1990-91<br>1994-95 |
|----------------|--------------------|--------------------|--------------------|
| All States     | 11.5               | 17.6               | 13.8               |
| Maharashtra    | 12.0               | 13.1               | 12.7               |
| Andhra Pradesh | 11.2               | 15.2               | 16.0               |
| Karnataka      | 11.0               | 16.3               | 12.6               |
| Tamilnadu      | 11.1               | 16.6               | 13.0               |
| Kerala         | 11.3               | 18.5               | 13.1               |

**Deficit Management** Turning to the performance of the select states during the nineties we find that the states of Andhra Pradesh, Karnataka and Maharashtra which had low levels of revenue deficits suddenly started showing increasing deficit from 1996-97 onwards. Karnataka in fact has shown a small revenue surplus in 1995-96 Kerala and Tamilnadu showed revenue deficit in all the years in the nineties the quantum picking up in 1997-98 and 1998-99 Andhra Pradesh showed revenue surplus in 1993-94 and Maharashtra in 1994-95 .Analysis of the transaction on capital account shows different picture with only Karnataka showing a deficit in 1992-93 and 1995-96.

Approaching this from a different angle , the Table below shows Revenue receipts Aggregate Expenditure and GFD as a proportion of GSDP for the years 1990-91 and 1998-99. This indicates a decline in revenue receipts in respect of Andhra Pradesh, Karnataka, Kerala , Maharashtra and Tamil Nadu and similarly in aggregate expenditure of all the states for the relevant period, however GFD as a percent of GDP has increased in varying proportion as shown below.

**TABLE : 7 . 7 COMPARATIVE PICTURE OF GFD (as % of GDP)**

| Select States  | Rev Receipts |         | Agg Exp |         | GFD     |         |
|----------------|--------------|---------|---------|---------|---------|---------|
|                | 1990-91      | 1998-99 | 1990-91 | 1998-99 | 1990-91 | 1998-99 |
| All States     | 11.7         | 10.1    | 15.0    | 14.3    | 3.3     | 4.2     |
| Maharashtra    | 13.5         | 8.7     | 16.0    | 11.6    | 2.5     | 3.0     |
| Andhra Pradesh | 15.4         | 12.5    | 18.2    | 17.5    | 2.8     | 5.0     |
| Karnataka      | 16.7         | 12.4    | 19.1    | 15.9    | 2.4     | 3.4     |
| Tamil Nadu     | 16.2         | 12.2    | 19.8    | 16.2    | 3.6     | 4.1     |
| Kerala         | 17.0         | 11.4    | 22.7    | 16.2    | 5.7     | 4.8     |

In judging the purpose for which borrowings were used , proportion of capital outlay to GFD is a useful indicator. The position in respect of major states is shown below.

**TABLE : 7 . 8 CAPITAL OUTLAY/GFD**

|             | 1985-90 | 1990-95 | 1995-96 | 1996-97 | 1997-98 | 1998-99 | 1999-2000 |
|-------------|---------|---------|---------|---------|---------|---------|-----------|
| All States  | 62.4    | 55.3    | 52.4    | 51.2    | 51.6    | 34.6    | 36.8      |
| U.P.        | 67.4    | 30.3    | 27.8    | 21.7    | 22.0    | 18.0    | 20.8      |
| W. Bengal   | 42.6    | 27.8    | 40.7    | 25.1    | 15.8    | 10.1    | 11.5      |
| Bihar       | 102.6   | 31.2    | 39.1    | 46.0    | 23.1    | 29.4    | 31.2      |
| M.P         | 86.3    | 77.5    | 59.6    | 58.6    | 92.2    | 24.5    | 30.7      |
| Maharashtra | 59.0    | 75.7    | 65.5    | 68.6    | 49.9    | 42.8    | 28.6      |
| Andhra      | 67.8    | 58.5    | 41.4    | 47.9    | 44.7    | 24.3    | 40.4      |
| Karnataka   | 54.1    | 85.9    | 90.4    | 77.8    | 75.2    | 56.0    | 46.0      |
| Tamil Nadu  | 31.7    | 29.1    | 23.2    | 31.3    | 69.2    | 24.1    | 16.8      |
| Kerala      | 46.2    | 36.9    | 34.6    | 34.2    | 30.6    | 21.6    | 21.8      |

Source : RBI BULLETIEN

#### **FISCAL DEPENDENCY OF STATES**

The Reserve Bank of India in its study of the State Finances (1999-2000) has drawn attention to the increase in State's dependency on Centre and a structural rigidity in the fiscal operations of the State Governments as manifested in increasing stock of Public Debt . Analysing Fiscal Dependency of states in terms of ratios of Gross Transfers to Aggregate Disbursement and of loans to aggregate disbursement and fiscal flexibility as a ratio of states own revenues to aggregate disbursements the Reserve Bank of India has pointed out to a slight improvement in the latter part of the Nineties . This can be seen from the following table

#### **Gross Transfers/ Aggre Disb (as Percentages)**

|                   | Avg of<br>1985-90 | Avg of<br>1990-95 | 1998-99     | 1999-2000 R.E | 2000-01B.E  |
|-------------------|-------------------|-------------------|-------------|---------------|-------------|
| <b>All States</b> | <b>45.3</b>       | <b>40.1</b>       | <b>38.9</b> | <b>39.6</b>   | <b>39.8</b> |
| Maharashtra       | 29.2              | 26.3              | 28.6        | 23.8          | 26.3        |
| Andhra Pradesh    | 36.9              | 40.4              | 34.0        | 38.8          | 36.2        |
| Karnataka         | 33.0              | 30.9              | 29.4        | 25.9          | 28.3        |
| Tamilnadu         | 34.3              | 33.8              | 25.7        | 27.6          | 27.4        |
| Kerala            | 38.3              | 37.4              | 27.0        | 30.6          | 31.4        |

The state governments have , at the prodding of the Centre and the Reserve Bank of India have realised the deterioration in the fiscal health and appear to be owning it up in their by way of publishing white papers and fiscal Strategy Papers outlining steps they propose to take to reverse the tide.



## VIII SECTORAL INSIGHTS

With a view to obtaining insights into differences in Sectoral Expenditure Management detailed analysis of one major head of expenditure in each of the functional category of the budget is attempted below.

### 8.1 ECONOMIC SERVICES : IRRIGATION

The provision of irrigation facilities, with state initiative has been a major area concern, in formulating development plans, in project identification, financing and execution. In the allocation of subjects in the Indian Constitution irrigation is at item 17 in the State list but the Government of India, through the Central Water Commission and the Irrigation Ministry as also the Planning Commission has been able to provide a broad frame work for development and utilisation of irrigation facilities. Several of the major policy issues have been dealt with by the first Irrigation Commission of India (1901-1903) and the Second Irrigation Commission (1970-72), the National Water Policy 1987,

With the India commanding 16% of the worlds population, 2.45% of the worlds land resources and 4% of the water resources, the importance of conserving water resources has been realised the National Commission on water, in its Report of 1999 has distinguished between available water resources, usable water resources. While the available water resources are placed at 1953 km<sup>3</sup>, the “usable water resources have been estimated at 1086 km<sup>3</sup>, including 690km<sup>3</sup> of surface water and 693 km<sup>3</sup> ground water the present level of use is estimated at 600km<sup>3</sup> .” (Data from National Water Commission cited by Ramaswamy R.Iyer , water charting a course for the future , EPW March 31 , 2001 .pg. IIIEA 1122)

According to the Planning Commissions, considerable investment have been made from the First Five Year Plan to the Ninth Plan. Its estimates of magnitude and composition of investment on Irrigation (major, medium and minor,) command area development has been on the order of to Rs. 91943 crores on historical costs and Rs. 231386 crores at 1996-97 prices with the following break up

**TABLE : 8.1 TOTAL INVESTMENT IN IRRIGATION**

| Category                    | Historical cost | Estimate at 1996-97 prices(in Rs) |
|-----------------------------|-----------------|-----------------------------------|
| Major and Medium Irrigation | 52606.25        | 132389.83                         |
| Minor Irrigation            |                 |                                   |
| (a) Public Sector           | 15692.83        | 39492.89                          |
| (b) Inst Financing          | 13468.77        | 33895.77                          |
| Sub Total                   | 29161.60        | 73388.66                          |
| Command Area Development    | 5418.88         | 13385.66                          |
| Flood Control               | 4856.67         | 12222.39                          |
| Grand Total                 | 91943.40        | 231386.59                         |

Source: Planning Commission: Indian Planning Experience Jan 2001. P.77 Also Ninth Plan p.532.

### **Utilisation of Potential**

There has been considerable difference of opinion on the estimates of irrigation potential created and the extent utilised, flowing out of data furnished by the Irrigation Departments in respect of potential and utilisation and the Revenue Departments regarding utilisation, inferred from the collection of charges. By end of Eighth Five Year Plan, the potential created by major and medium irrigation projects has been placed at 32.96 million hectares and utilisation at 28.44 million hectares, since then, 2.59 million hectares are reported to be addition to the potential and 1.81 million hectares to utilisation.

The difference of opinion in respect of minor irrigation has been far greater. The practice up to 1980 was to take utilisation as 100 percent of the potential created. Since this was not accepted by the Public Accounts Committee of the Parliament, the Planning Commission had after consultation with the State Governments fixed a base figure for 1984-85 for potential created at 37.52 million hectares and utilisation at 35.25 million hectares. Since then, further developments has resulted in the potential reaching 56.60 million hectares and utilisation 52.31 million hectares by the end of the Eighth Plan. Of this, ground water potential was 38.89 million hectares and utilisation 36.25 million hectares.

Thus, in all ,by the end of the Eighth Plan, (1997) the total potential created is placed at 89.56 million hectares and utilisation at 80.75 million hectares. However if one went by estimates of gross area irrigated as per Land Utilisation, statistics , gross area irrigated is only 70.64 million hectares. (see Ninth five Year Plan Vol 11 p.534 The gap even according to the irrigation statistics is nearly 9 million hectares. This needs to be reduced.

The recognition of such a large gap in utilisation of potential should be considered a serious admission of weak management as the cost of creating Irrigation potential is reported to have increased in current prices from Rs. 1200 per hectare in the First Five Year Plan Period (1951-56) to Rs. 66570 per hectare in 1991. In terms of constant 1980-81 prices the increase has been estimated to be from Rs. 8620 per hectare to Rs. 29587 per hectare during the same period.

According to the Ninth Five Year Plan, out of 16 major states, Tamil Nadu, Punjab and Rajasthan have achieved more than 70% of the ultimate irrigation potential while Haryana, Karnataka, Jammu and Kashmir, and West Bengal are in the range and 63 to 71 percent U.P. and Maharashtra have achieved 56%. Other states like Assam, Bihar, Orissa, Madhya Pradesh and Gujrat have still not crossed 50% of the ultimate potential.

The share in total plan outlay , of irrigation and flood control (Centre , States and Union Territories increased from 7.8 % in Third Plan to 10.6 % by the Annual Plan (1979-80) , 10.0 % in Sixth Plan , declining to 7.6 % in the Seventh Plan and 7.5 % in the Eighth Plan. The outlays in the Annual Plan has been between 6 to 7 % in the nineties (see Economic Survey 1998-99 . S.44 to 47). The funding for irrigation sector in the state plan had been high in the first three decades of Planning but has shown a declining trend from 23.25 % of total outlay in Fifth Plan , to 18.48 % in Eighth Plan.

The Ninth Five Year Plan details the financial and physical performance of the various states, in respect of major and medium projects and observes that 12 out of 16 major states have incurred more expenditure than outlays. In respect of minor irrigation, implemented in both Central Sector and State Sector in the performance similarly varied, both in respect of physical and financial terms.

U.P., Bihar, West Bengal, Orissa, Madhya Pradesh and Andhra Pradesh contributed to over 88% of the potential created during the Eighth Plan with megre contribution from others. Utilisation of institutional finance for minor irrigation development also show major inter state differences. By the Ninth Plan had envisaged the following targets

| Category       | Potential Creation | Potential Utilisation |
|----------------|--------------------|-----------------------|
| Major & Medium | 9.31               | 8.01                  |
| Minor          | 7.15               | 4.74                  |
| Total          | 16.46              | 12.75                 |

While ambitious targets have been laid both for physical and financial parameters, there is increasing concern over not only over the rising cost but also poor financial recoveries the Second Irrigation Commission in 1972 had drawn attention to the poor financial performances of the irrigation sector both at the Central and the State levels, Committee on, Committee on Water Pricing set up by the Planning Commission in 1992 had not only pointed out that the gross revenue realised in Irrigation and Projects was not covering even the working expenses. Recovery percentage computed as the percentage of working expenses to gross receipts showed that for the country as a whole it had come down to 8.59% in the late Eighties to 8.53% in the early Nineties . Andhra Pradesh showed an improvement from 5.03% to 8.3%, Tamil Nadu from 2% to 2.59%, Maharashtra had fallen from 5.8 to 3.63% . This contrasted with the recovery rates in Punjab and Haryana which were high in the late Eighties. Punjab's recovery percentage was 23.69% in the late Eighties but came down to 16.03% in the early Nineties while in Haryana it came down from 13.86 % to 13.05%.

The fall in recovery rate appears to be a common phenomenon in all the states. The following table shows the Working Expenses , Gross Receipts per hectare of potential utilised in irrigation and Multipurpose River Valley Projects in the states chosen for study , as per 1996 data of Central Water Commission.

**TABLE : 8 . 2 IRRIGATION FINANCIAL PROFILE**

|               | Working Expenses | Gross Receipts | Range of Water Rate | Year of last rate Revision |
|---------------|------------------|----------------|---------------------|----------------------------|
| Maharashtra   | 5627             | 206            | 100 to 1750         | 1994                       |
| Andhra radesh | 1377             | 48             | 99 to 222           | 1986                       |
| Karnataka     | 1639             | 252            | 376 to 556          | 1985                       |
| Tamilnadu     | 579              | 15             | 6 to 65             | 1962                       |
| Kerala        | 596              | 46             | 37 to 99            | 1974                       |
| India         | 1032             | 82             | -                   | -                          |

As pointed out by Sri. R. S. Deshpande and Sri. A. Narayanamurthy (Issues before Second Irrigation Commission, EPW Mar 2001 p. 1034-1043,) the core problems faced by the irrigation sector in most of the states are common and the most prominent among these are: (i)River basinwise proper assessment of water resources and its utilisation. Inter-basin transfers of water resources (at least within the state and under small catchments). (ii) Problems of scarcity areas and irrigation backlog across regions. (iii) Financial performance of the irrigation sector especially in comparison with the same in the other states (iv) Policy towards water rates. (v)Trends in actual development expenditure on command area development as against the establishment costs. (vi)Beneficiary participation in irrigation management (vii)Drip and sprinkler irrigation (viii)The expected pattern of future development of irrigation in the state.

Sri Ramaswamy R.Iyer , a former Secretary for irrigation , Government of India and a Member of the National Commission on Water which submitted a Report in Sept 1999 , has presented an account of the current state of affairs in the irrigation sector (E.P.W.march 31,2001 and 4<sup>th</sup> April 2001 )raising a number of issues and making some suggestions , Sri Iyer observes , “ the kind of overhaul of politics , procedures , laws and institutions , will be difficult to bring about and may seem naï ve and unrealistic. In discussing the changes felt to be needed , we sooner or later encounter the statement that , ‘politics’ will come in the way .For instance , stopping the thin spreading of resources on too many projects , pricing water properly , regulating the exploitation of ground water , giving PAPs the first claim on the benefits expected from the project , ensuring equity between head- reach and tail-end users in a canal system , resolving inter state water disputes in a fair and harmonious manner enforcing economy in the use of water , shifting the focus from big ,’top-down ‘ projects to local community initiatives and so on, may be

sensible things to do , but ‘politics’ of various kinds and at various levels may render them very difficult to achieve.”

Some issues that are relevant to the sector in the states chosen for study are highlighted here.

A common point in almost all irrigation projects is the enormous time and cost over runs of projects taken up . Taking the example of Kerala, it has been pointed out that irrigation projects commenced in the 1950’s and 1960’s showed enormous cost overruns, according to the State’s Planning Department (cited by Shri. K.P. Joseph, Poor Management of State Finances in Kerala in B.A. Prakash Kerala’s Economic Development, Sage Publications 1999 p.354-357).

**TABLE : 8.3 IRRIGATION PROJECTS –KERALA** (Rs.Crores)

| Name of the Project | Year of start | Original Estimates | Revised Estimates | Percent Increase |
|---------------------|---------------|--------------------|-------------------|------------------|
| Periyar Valley      | 1956          | 3.83               | 63.40             | 1711             |
| Kanjira Puzha       | 1961          | 3.65               | 75.00             | 1959             |
| Kallada             | 1961          | 13.28              | 457.80            | 3347             |
| Kuttiady            | 1962          | 4.96               | 55.00             | 1808             |

Sri. Joseph draws attention to the State Planning Boards’ remarks that “the physical achievement of the sector was not commensurate with the quantum of financial investment” and observes that the cumulative investments in the Irrigation Sector amounted to Rs. 1829 crores upto 1995-96 and anticipated revenue was only Rs. 3.49 crores in 1997-98 Budget. “After incurring the percapita expenditure of Rs. 600 on Irrigation Projects, the net achievement has been to reduce the area under paddy cultivation and derive a revenue of about Re.1.00 percapita. Shri Joseph also refers to the failure of the attempt to introduce zero based budgeting in the Irrigation Department, futility of Inquiry Commissions to investigate fraud and the failure of Technical Inspection wing of the Finance Department in unearthing fraud.

The Report of the Comptroller and Auditor General, on Kerala for 1999 draws attention to the execution of non essential works in Kallada Irrigation Projects, extra expenditure due to adoption of higher rate in Idamalayar Project, construction of check dams, in private estates extra expenditure on removal of sand dunes, non completion of flood control work began in 1971 and nugatory expenditure on idle staff in the Irrigation Department.

Andhra Pradesh has an irrigation potential of 11.2 million hectatres (5 m.h under Major and Medium and 6.2 m.h under Minor Irrigation ) Its utilisation has crossed 5.9 m.ha (3.3 under Major and Medium and 2.6 under minor irrigation ). By 1994 , it had completed 258 large dams and had 26 ongoing works.

It has been reported by the Comptroller and Auditor General that as of March 2000 there were 22 incomplete major and medium Irrigation Project, on which expenditure of Rs. 4482 crores have already been incurred of these no benefits have accrued in respect of two major Irrigation Projects and eight Medium Irrigation Projects. Benefits has accrued partially in respect of six Major Irrigation Projects and six Medium Irrigation Projects the CAG Reports also points out that fifteen projects have been languishing for more than 15 years. Scrutiny of the list of projects furnished shows that the CAG assessment may not be totally correct since projects like Singur started in 1976 and Tunghabadhra Low Level cannel started in 1974 have been yielding benefits for sometime but not to the promise extent.

According to the CAG Report Sriram Sagar Project stage 1, started in 1963 has so far reported an expenditure of Rs. 1536.59 crores and the benefits have accrued only partially . Scrutiny of the Budgetary Documents of the Irrigation Department shows that the Project Work was commenced in 1963, with an ultimate potential of 3.92 lakh hectares the works completed so far can cover only 2.87 lakh hectares, and the irrigation benefits are already available for 1.28 lakh hectares in the backward districts of Adilabad, Karim Nagar, Warangal and Khammam. It is necessary to appreciate that the creation of irrigation potential does not stop with the engineering aspect of raising a dam, but also extends to execution of canal works, and Command Area Development. This to considerable extent depends on landholders letting their fields ready to receive water and to take up cultivation of crops. The transformation, from years of dry land agriculture to irrigated farming involves not only considerable investment on the part of farmers as also a change in work habits and living styles. This is found to take time and in many projects , located in backward areas , it is the migrant farmers with enterprise from developed areas , that provide the lead , only to face eventually the charge of 'colonisation' and local resentment.

Government of Andhra Pradesh appears to be conscious of this and has began to make policy interventions. The Strategy Paper of Irrigation Development observes, "performance of existing irrigation system in Andhra Prades has caused concern, particularly in the case of major and medium irrigation schemes. Despite massive investments in the irrigation sector, irrigated area particularly in tail-end have declined in several major commands, due to insufficient maintenance of irrigation schemes, poor cost recovery of water charges, limited user involvement, low quality of agriculture extension, etc., resulting in gap ayacut of 11.80 lakh acres".

The State Government has taken full cognizance of this situation and has commenced a major reform program, in 1996. The State Government issued a White Paper on Irrigation

Sector and took steps in three areas, (a)increase in water rate (b)farmer education and (c) farmer empowerment. Pointing out that the State Budget was providing enormous subsidy in low water rates, amounting to Rs. 557.94 crores on the basis of historical cost of canal irrigation and Rs. 4366 crores on current cost basis. The state moved towards three fourth increase in the water rates. The State also took steps to bring in legislation namely the Andhra Pradesh Farmer Management of Irrigation Systems Act 1997 providing for linkages between Irrigation Department and farmers organisations through appointment of departmental officer as competent authorities responsible for implementation and execution of all decisions taken by the farmers organisations. The State Government has also taken initiative to facilitate Water User Associations, over ten thousand of them covering distributories in the irrigation projects, serving about 4.8 million hectares. The State Government is currently implementing a scheme for modernisation of the Irrigation sector with the objectives of

(a) Placing the Irrigation Sector on a sustainable basis through Cost Recovery (b)Reversing the decline in Irrigated area under the existing commands (c) Improving the productivity of irrigated agriculture (d) Strengthening cost recovery for O & M. (e)Expanding effectively irrigated areas in existing systems. This Project appears to have taken concerted action to bring the Farmer and Irrigation Department together to reduce the gap between irrigation potential created and utilised.

These positive steps do not however wipe away the basic weakness in Expenditure Management in the Irrigation Sector namely the thin spreading of available resources over a large number of projects and the failure to step up cost recovery rate. Even by the November 2000, the revenue collection continue to be as low as 25.54 % of the demand, and hardly adequate to cover the O & M expenses.

Maharashtra is assessed to have an irrigation potential of 8.9 million hectares (4.1 under major and medium , 4.8 under minor) and its utilisation upto 92-93 3.5 m.ha (1.3 under medium and 2.2 m.ha under Minor ). By 1994, the state has built about 1220 dams and had 300 more under construction . Relative to A.P , its utilisation , has been slow , may be due to unfavourable topography and poorer farmer.

Maharashtra, Govt has appointed recently a State Level Second Irrigation Commission, to review the changes that have taken place in the past few decades. The First Irrigation Commission of 1962 had gone into several issues, and had made recommendation the problems in irrigation sector and that policy should reviewed periodically once in fifteen years.

Taken the case of Karnataka, it is seen that this state is relatively backward in terms of irrigation potential when compared to Andhra Pradesh and Maharashtra. Its ultimate potential is estimated at 5.9 million hectares, (2.5 m.ha under Major and Medium and 3.4 m.ha under minor irrigation) . Its utilisation is placed at 2.7 m.ha (1.3 m.ha under Major and Medium and 1.4 m.ha under minor irrigation). The terrain does not facilitate construction of large storage of reservoir . It had 188 medium projects by 1994 and 28 still under construction .Because of these Karnataka's utilisation of the potential has been relatively low. In fact Karnataka minor irrigation potential is more than the major and medium irrigation potential. Another picture is that there are sharp imbalances in the regions, which has come up for considerable attentions in recent years. According to Shri M.Venkata Reddy (Irrigation Development Problems and Prospects in Abdul Aziz and Sudhir Krishna, Regional Development ISEC 1996), net area irrigated as percentage of sown area had increased from 7.5% in 1957-58 to 15% in 1983-84 and 21.6% in 1991-92, showing better utilisation but inter-district disparities continued, with ten out of nineteen districts showing net irrigated area less than the state average. Analysts feel that positive efforts, lack of prioritization of schemes, inadequate drainage facilities, poor land development, inadequate beneficiary participation have been affecting development of irrigation potential in Karnataka.

Analysis of the budgetary documents of the various State Governments show that irrigation and flood control do account for a significant share of the expenditure on the revenue and the capital side. Maharashtra's budget shows a revenue expenditure on irrigation and flood control to be Rs. 1777 .14 crores in 1998-99 (actuals) . But the revised estimate for 1999-2000 is less than half at Rs.833.72 crores ,while the BE for 2000-01 is Rs.728.63 crores. The provision in 2000-2001 works out to 2.3 % of the Total Expenditure of Rs.31880 crores . However on the capital side it is seen that in 1998-99 out of the total capital expenditure of Rs. 3192 crores , irrigation and flood control had accounted for Rs.1198 crores and the provisions in their RE of 1999-2000 and 2000-2001BE are relatively higher at RS. 1442 crores and 1434 crores respectively. The provision in 2000-01 BE accounts for 46.7 % of the total capital expenditure .It must be noted that Maharashtra Government had set up Irrigation Development Corporation for various development regions.

The State's Eighth Five Year Plan had allocated Rs. 3329 crores for irrigation and flood control out of a total approved outlay of Rs. 18520 crores . But interms of actual expenditure irrigation and flood control accounts for Rs.5668 crores out of a total Eighth Five Year Plan expenditure of Rs.25751 crores working out to 22.01 % .The Ninth Five Year Plan has allocated Rs.13437 crores out of a total approved outlay of Rs. 45125 crores working out to 29.7 % . The expenditure in the first two years of the Ninth Plan (1997-98 1998-99) works out to Rs. 3961 crores out of a total plan expenditure of Rs.



16125 crores (24.56 %) .But the individual provisions for 1999-2000 and 2000-01 almost equal the total expenditure of the first two years.

Andhra Pradesh expenditure on irrigation and flood control on the Revenue and Capital side since 1992-93 onwards is shown below.

**TABLE : 8 . 4 IRRIGATION EXPENDITURE - ANDHRA PRADESH**

| Years         | (Rs Crores)         |                     |
|---------------|---------------------|---------------------|
|               | Revenue Expenditure | Capital Expenditure |
| 1992-93(AC)   | 532.35              | 509.21              |
| 1993-94(AC)   | 597.14              | 782.73              |
| 1994-95(AC)   | 728.23              | 738.12              |
| 1995-96(AC)   | 840.29              | 634.92              |
| 1996-97(AC)   | 931.88              | 635.42              |
| 1997-98(AC)   | 1094.55             | 737.41              |
| 1998-99(AC)   | 1229.29             | 803.85              |
| 1999-2000(RE) | 1584.75             | 1048.06             |
| 2000-2001(BE) | 1596.16             | 1191.16             |

Source : Compiled from RBI Reports and Budgetary Documents of various state Governments

In 1992-93 the Revenue expenditure in this Sector worked out to only 7.40 % out of Total expenditure .This proportion was more or less maintained through out the Nineties accounting for 7.2 % in 1998-99 accounts .

In 1992-93 irrigation and flood control accounted for 63.41 % of the total capital expenditure in the state but its share in total capital expenditure fluctuated in the Nineties to come down to 58.03 % in 1998-99 (AC) .

Irrigation along with power continues to dominate the budget and plan outlays in Andhra Pradesh, with irrigation accounting for about 17.5 % and power for 31.6 % with the result that the other sectors get completely squeezed out . Given this structure of budget outlays , the attempt of Andhra Pradesh Government to levy user charges for services in various social and economic services , without ensuring adequate recovery of operation and maintenance costs from irrigation projects seems questionable.

Tamilnadu's budgetary commitments on irrigation and flood control appear to be more modest when compared to Andhar Pradesh and Maharashtra as seen from the details of expenditure on Revenue and capital accounts shown below.

**TABLE : 8 . 5 IRRIGATION EXPENDITURE - TAMILNADU**

| Years         | Revenue Expenditure | % to Total Expenditure | Capital Expenditure | % to Total Expenditure |
|---------------|---------------------|------------------------|---------------------|------------------------|
| 1994-95(AC)   | 194.36              | 2.01                   | 90.96               | 13.37                  |
| 1995-96(AC)   | 214.07              | 1.96                   | 68.49               | 11.59                  |
| 1996-97(AC)   | 252.92              | 1.93                   | 27.35               | 2.97                   |
| 1997-98(AC)   | 326.03              | 2.18                   | 66.22               | 4.51                   |
| 1998-99(AC)   | 395.5               | 2.23                   | 226.03              | 19.59                  |
| 1999-2000(RE) | 234.25              | 1.16                   | 499.60              | 59.77                  |
| 2000-2001(BE) | 236.77              | -                      | 483.78              | -                      |

Source : Compiled from RBI Reports and Budgetary Documents of various state Governments

While the Revenue Expenditure as a proportion of Total Revenue expenditure has been fluctuating around one to two percent from 2.01 % in 1993-94 to 2.16 % in 1999-2000 RE whereas capital expenditure has increased sharply (except for a dip in 1996-97 to 2.97 % ) from 13.37 % in 1993-94 to 59.77 % in 1999-2000(RE).

Tamilnadu's performance in the irrigation sector seems to be impressive in spite of relatively lower levels of budgetary outlays. The irrigation development strategy appears to be far more clearly delineated , out of twenty one districts, three classified as canals predominant, four classified as Tanks predominant and fourteen classified as wells predominant. The relative share of areas irrigated by wells appears to be increasing with the flow of bank credit and good cooperative credit system.

A survey of on going projects ( As provided in Tamilnadu Economic Appraisal 1996-97 pg 84.)shows that one major project is continuing while fifteen medium projects started in the late Eighties and early Nineties are reported to be pending completion.

The Economic Appraisal however points out that the proliferation of wells and indiscriminate exploitation of ground water for irrigation ,drinking and industrial purposes have affected the ground water table leading to an imbalance between the rate of drawal and the rate of recharge which needs to be set right.

Our study reveals that it is not the quantum of expenditure but the application of mind to the engineering aspects of project construction , agricultural and credit requirements of Command Area Development that hold the key to accelerated utilisation of potential and return flows to the Government.

From the point of view of Public Expenditure Management, Irrigation sector poses a number of problems, from both supply and demand viewpoints, and many of the issues

have been discussed thoroughly at various levels. Committee on water pricing appointed by the Planning Commission suggested various measures to improve the financial performance of the irrigation sector, including (a) improving the design of projects and its appraisal, (b) Restructuring of project management (c) providing an incentive structure (d) Restructuring irrigation rates and increasing them at periodical levels, determining water rates on volumetric basis (e) enlarging beneficiary participation in the management.

While the First Five Decades of Planning has been marked by Public Sector and State initiative in construction of dam and there is in recent years some attention to private sector and farmer participation. Maharashtra and Karnataka have begun corporatised approach to project execution by raising funds through bonds from the market but with state guarantee. In A.P there was legislation for Advance Betterment Levy which was collected from the farmers of the potential command area. This has receded into the background. Still irrigation remains a major responsibility of State Governments, which have not been able to adequately fund the Projects identified and taken up. Even while the States are struggling to find the resources to completed the projects taken up and later insuring a reasonable recovery rate, a number of new issues like environmental impact and compensation for displaced persons and their rehabilitation have been raised, which tend to add to the project cost. Disputes between farmers who are the beneficiaries, and persons who are affected by submergence of other problems has also inter-state dispute have tended to prolong the gestation of Irrigation Projects. If engineering factors had earlier cost time and cost overrun of irrigation projects, the newer issues have tend to delay the commencement of benefits.

If in the point of view of Public Expenditure Management any reform is to be carried out, it is in the area of project management, and time phasing of investment, and much more in the areas of award of contracts. Reform of tender procedures cost control and procurement management along with the advance action for land development in the command areas will go a long way in improving the Irrigation Sector.

## 8.2 SOCIAL SERVICES - EDUCATION

Education can be viewed as one of the best measures of human resources development and a key component of social services. Literature on human capital as well as human development has laid considerable emphasis on education as a key instrument.

As per constitutional directive of India, elementary education is to be provided free for all by the government. Education, being placed in the concurrent list, both the Centre and States have concerned themselves with it, as is evident from the central and state expenditures on education. The Tenth Plan Approach Paper states that “education for all must be one of the primary objectives of the Tenth Plan.” It states that the launching of the “Sarva Shiksha Abhiyan” indicates a strong reiteration of the Country’s resolve to give the highest priority to achieve this goal during the plan period. Although the states have a major share in social sectors, especially education and health, they have registered smaller increases relative to the increase in Central Government expenditure, particularly in respect of the current expenditure in the post reform period.

Many studies have shown that social sector expenditure as a whole has declined considerably during the first few years of reforms. The per capita expenditure on social services, including education, health, housing and urban development and social welfare, for All States together was lower in the post reform period as compared to 1990-91.<sup>1</sup> Reviewing the social sectors expenditures of the states in the pre-reform and during reform periods Shri. P.R. Panchamukhi noted that the expenditure shares of social sector in total revenue expenditure showed a declining trend education expenditures for all states, he observes decreased from 21.08 percent (pre reform) to 19.70 percent of total revenue expenditure during the reform period.

Tulsidhar (1997)<sup>2</sup> categorises the per capita public expenditure on social services for three different categories of states like- (a) poor states including, Bihar, Madhya Pradesh, Orissa, Rajasthan and Uttar Pradesh (b) Middle income states including Andhra Pradesh, Assam, Karnataka, Kerala, Tamil Nadu and West Bengal and (c) Rich States including Gujarat, Haryana, Maharashtra and Punjab to assess the differential impact of decline in per capita social services expenditure seem to have suffered more, with social services expenditure, as also the education expenditure, declining considerably in the post reform

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<sup>1</sup> S. Mahendra Dev, Pyush Anthony, V.Gayathri and R.P.Mamgain, ‘Social & Economic Security in India’ p.51

<sup>2</sup> Tulsidhar V.B (1997), “Resources for Human Development: Notes on selected topics” Background paper for UNDP Paper India : The Road to Human Development , UNDP

period, with adverse implications for their human development. He suggested that government expenditure on social services and education for these poor states would boost up the human development in India as a whole .

**TABLE 8.2.1 INDEX OF PER CAPITA PUBLIC EXPENDITURE  
ON SOCIAL SERVICES (1981-82 PRICES)**

| Group of States            | 1990-91 | 1991-92 | 1992-93 | 1993-94 | 1994-95 |
|----------------------------|---------|---------|---------|---------|---------|
| <b>Education</b>           |         |         |         |         |         |
| 1. Poor States             | 100     | 90      | 92      | 87      | 91      |
| 2. Middle Income States    | 100     | 95      | 94      | 99      | 99      |
| 3. Rich States             | 100     | 101     | 100     | 104     | 104     |
| 4. All States              | 100     | 95      | 95      | 95      | 97      |
| <b>All Social Services</b> |         |         |         |         |         |
| 5. Poor States             | 100     | 94      | 93      | 92      | 93      |
| 6. Middle Income States    | 100     | 96      | 93      | 97      | 97      |
| 7. Rich States             | 100     | 99      | 98      | 100     | 101     |
| 8. All States              | 100     | 96      | 95      | 96      | 97      |

Source: Tulsidhar V.B., "Resources for Human Development: Notes on selected topics"

Background Paper for UNDP Report, India: The Road to Human Development, UNDP 1997

Guhan (1996)<sup>3</sup> examining the trends in social services expenditure, excluding food subsidy in the central budget and the total expenditure incurred by all states for the post reform period of 1990-91 to 1995-96, notes that "in the final outcome, what is of concern is that the GDP ratio of outlays at both levels taken together had declined in the first four years of adjustment ..... Given the magnitude of poverty and deprivation in India, their absolute level at less than 7% of GDP is also grossly inadequate for rural development and the entire gamut of social services."

<sup>3</sup> Guhan, (1996) "Social Expenditure in the Union Budget" EPW, Vol.30 Nos. 18-19.

**TABLE 8 . 2 . 2 STATE WISE PROPORTION OF GOVERNMENT EXPENDITURE  
ON ELEMENTARY EDUCATION (1991-95)  
(MAJOR STATES)**

| States                   | NSDP        | Percentage of<br>Total Rev Exp | Total Social<br>Security Exp |
|--------------------------|-------------|--------------------------------|------------------------------|
| <b>1. Andhra Pradesh</b> | <b>1.19</b> | <b>7.84</b>                    | <b>51.06</b>                 |
| 2. Assam                 | 2.92        | 15.47                          | 75.11                        |
| 3. Bihar                 | 2.16        | 11.48                          | 52.09                        |
| 4. Gujrat                | 1.60        | 10.55                          | 61.28                        |
| 5. Haryana               | 0.99        | 6.98                           | 47.42                        |
| <b>6. Karnataka</b>      | <b>1.59</b> | <b>9.88</b>                    | <b>56.23</b>                 |
| <b>7. Kerala</b>         | <b>2.37</b> | <b>12.57</b>                   | <b>66.78</b>                 |
| <b>8. Maharashtra</b>    | <b>0.73</b> | <b>5.99</b>                    | <b>50.67</b>                 |
| 9. Madhya Pradesh        | 1.81        | 10.56                          | 59.43                        |
| 10. Orissa               | 1.53        | 8.04                           | 47.31                        |
| 11. Punjab               | 0.72        | 5.20                           | 54.02                        |
| 12. Rajasthan            | 2.09        | 11.20                          | 61.28                        |
| <b>13. Tamil Nadu</b>    | <b>1.71</b> | <b>9.05</b>                    | <b>49.60</b>                 |
| 14. Uttar Pradesh        | 1.67        | 9.75                           | 54.87                        |
| 15. West Bengal          | 1.16        | 8.71                           | 55.99                        |
| Mean (Average)           | 1.46        | 9.23                           | 55.52                        |

Source: Computed from NIPFP Data Bank and RBI (1998), Report on Currency and Finance: 1997 -98, Vol. II Statistical Statements ,P.6.

The National Policy on Education, 1986, placed considerable emphasis on education, especially free elementary education. Looking at the expenditures by the state governments in the reform period 1991-95, five states of West bengal , Punjab, Maharashtra , Haryana abd Andhra Pradesh recorded a lower expenditure in elementary education as a proportion of GSDP than the average for the fifteen major states, while the rest recorded a higher proportion of GSDP than the average for the fifteen states. Among the select states chosen for the Study, Maharashtra recorded a low of 0.73 percent of GSDP, while the three southern states of Karnataka, Kerala and Tamil Nadu recorded higher proportion of GSDP than the average for 15 major states. Andhra Pradesh recorded a slightly lower proportion than the average for 15 major states.

Analysing the same as a proportion of total revenue expenditure of the states, one can notice that nearly half of the major states show a lower proportion than the average for the fifteen states. Among the states, Kerala records a higher proportion of 12.57 percent with Punjab recording the lowest of 5.20 percent at the other end of the spectrum. Among the select states, Maharshttra records the lowest and Karnataka and Tamil Nadu slightly

higher than the average. Andhra Pradesh records slightly lower level than the average for the fifteen states. This expenditure on elementary education when reviewed in terms of the proportion of students getting free elementary education in 1995-96 reveal that it is insufficient for making promises of universal free elementary education come true.

**TABLE : 8. 2 . 3 PROPORTION OF STUDENTS GETTING ‘FREE’  
ELEMENTARY EDUCATION (1995-96)**

| States                   | Primary      | Middle       |
|--------------------------|--------------|--------------|
| <b>1. Andhra Pradesh</b> | <b>71.5</b>  | <b>66.70</b> |
| 2. Assam                 | 95.10        | 93.30        |
| 3. Bihar                 | 78.40        | 75.70        |
| 4. Gujrat                | 83.50        | 74.90        |
| 5. Haryana               | 54.10        | 61.10        |
| <b>6. Karnataka</b>      | <b>84.30</b> | <b>75.30</b> |
| <b>7. Kerala</b>         | <b>80.50</b> | <b>84.00</b> |
| <b>8. Maharashtra</b>    | <b>81.70</b> | <b>64.50</b> |
| 9. Madhya Pradesh        | 85.20        | 79.50        |
| 10. Orissa               | 94.90        | 87.80        |
| 11. Punjab               | 56.30        | 51.80        |
| 12. Rajasthan            | 69.50        | 52.90        |
| <b>13. Tamil Nadu</b>    | <b>85.00</b> | <b>81.80</b> |
| 14. Uttar Pradesh        | 60.70        | 57.10        |
| 15. West Bengal          | 91.80        | 91.30        |
| <b>All India</b>         | <b>76.00</b> | <b>71.40</b> |

Source: S. Mahendra Dev et al. "Social and Economic Security in India" p.203

On an all India level, only 76 percent and 71.40 percent of the students at the primary and middle levels respectively are getting free elementary education. Households (Rural plus Urban), on an average, are spending Rs.501 and Rs. 915, per student at All India Level, for primary and, middle school education respectively. For secondary and higher levels of education the household expenditure per student at All India Level increases 1.72 times and 3.20 times respectively. This when viewed in terms of the enrollment and dropout rates indicate the need for better provision for the primary and upper primary education. This may reduce the burden on the households and impact positively on the enrollment and dropout rates resulting in better scenario for education in the states.

**TABLE : 8 . 2 . 4 AVERAGE HOUSEHOLD EXPENDITURE PER STUDENT IN GENERAL EDUCATION (RURAL PLUS URBAN)**

(Rs.)

| States                   | Primary    | Middle     |
|--------------------------|------------|------------|
| <b>1. Andhra Pradesh</b> | <b>430</b> | <b>820</b> |
| 2. Assam                 | 251        | 498        |
| 3. Bihar                 | 330        | 579        |
| 4. Gujrat                | 423        | 700        |
| 5. Haryana               | 953        | 1502       |
| <b>6. Karnataka</b>      | <b>294</b> | <b>602</b> |
| <b>7. Kerala</b>         | <b>725</b> | <b>849</b> |
| <b>8. Maharashtra</b>    | <b>540</b> | <b>819</b> |
| 9. Madhya Pradesh        | 333        | 666        |
| 10. Orissa               | 284        | 982        |
| 11. Punjab               | 1162       | 1780       |
| 12. Rajasthan            | 518        | 831        |
| <b>13. Tamil Nadu</b>    | <b>464</b> | <b>827</b> |
| 14. Uttar Pradesh        | 507        | 947        |
| 15. West Bengal          | 433        | 1298       |
| <b>All India</b>         | <b>501</b> | <b>915</b> |

Source: Jandhyala B.G. Tilak, "Household Expenditure on Education: A few stylised facts" in S. Mahendra Dev et al. "Social and Economic Security in India" p.205

#### **FINANCING EDUCATION: A BUDGETARY VIEW**

The issue of financing education is central to educational development, especially in a developing country like India, where a large proportion of the population cannot even satisfy their basic minimum needs. Thus, public expenditure on education assumes prime importance in educational development.

In India, both the Central and the State Governments have a education budget. Successive versions of the National policy on education from 1968 onwards have resolved that the proportion of public investment in education should be 6 percent of GDP but India had achieved only 3.8 percent of GNP by 1999. The programme of action, the National Agenda for Governance (NAG) gave the highest priority to education. Despite this, the Centre accounts for a relatively small proportion of the total expenditure though its share



has been increasing over the years for instance, the Centre's share increased from 6.8 percent on 1980-81 to 11.1 percent of total education expenditure in 1995-96<sup>4</sup>

Education funding in India has the more important characters namely- (a) education expenditure is predominantly on the revenue account (b) the bulk of education expenditure is from the non plan account in the case of Revenue Expenditure, while for this can be illustrated by a look for at capital expenditure, whatever little is spent on education is on plan account, with meager or non in non plan account.

The Tables below which show expenditure pattern in terms of share of plan and non plan expenditure to total expenditure on education by the States for select years depicting the position at the beginning of nineties and the recent position both on the Revenue and Capital sides.

**TABLE 8.2.5 ALL STATES EDUCATION EXPENDITURE SHARE ON PLAN AND NON PLAN (Revenue Account )**

| Years                  | (Rs. Crores)       |                     |                      |
|------------------------|--------------------|---------------------|----------------------|
|                        | Plan               | Non-Plan            | Total                |
| 1991-92 (AC)           | 1462.42<br>(8.56)  | 15614.48<br>(91.35) | 17076.90<br>(100.00) |
| 1997-98(AC)            | 4568.97<br>(12.30) | 32590.98<br>(87.70) | 37159.95<br>(100.00) |
| 1998-99 (AC)           | 5224.44<br>(11.45) | 40424.39<br>(88.55) | 45648.83<br>(100.00) |
| 1999-00 (RE)           | 6564.75<br>(11.29) | 51581.37<br>(88.71) | 58146.12<br>(100.00) |
| 2000-01(BE)            | 6817.79<br>(11.90) | 50456.42<br>(88.09) | 57274.21<br>(100.00) |
| <b>Capital Account</b> |                    |                     |                      |
| 1991-92 (AC)           | 275.37<br>(99.06)  | 2.62<br>(0.94)      | 277.99<br>(100.00)   |
| 1997-98 (AC)           | 524.42<br>(98.29)  | 9.12<br>(1.71)      | 533.54               |
| 1998-99 (AC)           | 623.84<br>(95.78)  | 27.47<br>(4.22)     | 651.31               |
| 1999-00(RE)            | 540.54<br>(98.84)  | 6.32<br>(1.16)      | 546.86               |
| 2000-01 (BE)           | 454.63<br>(98.70)  | 5.99<br>(1.30)      | 460.62               |

Note: Expenditure on education includes those on sports, art and culture.

<sup>4</sup> Ministry of Human Resource Development, Department of Education , Analysis of Budgeted Expenditure on Education, various years.

It can be noticed from the table that the plan expenditure has grown 4.66 times from 1991-92 to 2000-01. While non plan expenditure for the same period has grown 3.23 times on the Revenue Side.

On the Capital side, the plan expenditure has grown 1.65 times and non plan expenditure 2.29 times during the same period. Looking at the absolute figures for the same period, one can see that the increase on plan expenditure as a whole has been only Rs. 5534.63 crores. While on the non plan expenditure, both Capital and Revenue together, increased by Rs. 34845.31 crores. If one views this in the context of population changes for the same period, which recorded a decades variation of 21.34 form 1991 to 2001 (All India) marking new entrants into the education users group, one can understand the paucity of funds of education.

Abu Saleh Shariff and P.K. Ghosh<sup>5</sup> commenting on this gap in public expenditure on education note that the share of public expenditure on education in India's GNP shows a declining trend in the nineties and an increase in the share of plan expenditure in the total Government Expenditure on education is essential for further development of education.

Another important aspect of education expenditure is the pattern of expenditure with in the education sectors. Despite abundant research to support the fact that investment in lower levels of education contributes more to income redistribution and reduction in poverty, besides contributing to economic growth than investment in higher levels, (Tilak, 1989), elementary education has not received its due.

Commenting on this Shri. Krishna Kumar (Education and Society in Post Independence India: Looking Towards the Future, EPW, June 9<sup>th</sup> 1998, p.1391-1396), says that there is a preponderance of higher education in India. At the time of independence, despite the high priority accorded to primary education, the vary first commission on education appointed after independence was asked to focus on University Education and the Second Commission appointed a few years states, was asked to focus on secondary education also, Shri Krishna Kumar, points out, that this was reflected in the growth of enrolment and institution of higher education rose substantially since the late fifties and has remained so through out the, seventies and the early eighties. He interprets this as a growth of higher education at the expense of small elementary education. Which marginalised the weaker sections further.

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<sup>5</sup> Abu Saleh Shariff & P.K.Ghosh, "Indian Education Scene and the Public Gap" EPW April 15<sup>th</sup> 2000, pp.B96.

In the nineties, however, the intra sectoral allocation pattern seems to have changed slightly in favour of elementary education. Shariff and Ghoshy analysing the expenditure patterns of education of the States observe that, “A Cook-State comparison of the spending pattern for education reveals almost all the States have focussed fiscal effort in favour of elementary education.”

Except in the case of West Bengal, Punjab and Andhra Pradesh the level expenditure of an elementary education exceeds the national overage of 48.2 percent for all the remaining states. In these three states secondary education still dominates the education budget.

Ramachandran et al (1997)<sup>6</sup> assessing the resources needed to be invested for bringing all children within the fold of basic primary education conclude that, at the All India Level, the investment needs to be more than doubled and about 3.1 percent of GDP needs to be allocated to primary education alone to bring every school age child in India into schools in the next five years. Looking at the total expenditure on education (including, sports, art and culture) under revenue account for select states, we find that their proportion to GSDP in (1998-99) itself is much lower than the increase recommended for primary education by Ramachandran et al. Revenue Expenditure of States (1998-99(A/c)) on education.

**TABLE 8 . 2 . 6 EDUCATION EXPENDITURE**

| Select States  | Education Expenditure<br>(as proportion to GSDP) |
|----------------|--|
| Maharashtra    | 2.48   |
| Andhra Pradesh | 2.76   |
| Karnataka      | 3.15   |
| Tamil Nadu     | 3.66   |
| Kerala         | 3.46   |

Note: Figures for education includes those for sports, art and culture

Source: Computed at IIE.

Also, the quality of expenditure on education is poor as the composition of expenditure, especially in elementary education is unbalanced. (World Bank,1990)<sup>7</sup> The World Bank Study points out that items like libraries, equipment and furniture which add quality and comfort to elementary education and students accounts for only 0.18 percent while salaries account for 97 percent of the total expenditure of education departments.

<sup>6</sup> Ramachandran V.K. , Vikash Rawal and Madhura Swaminathan, “Investment Gaps in Primary Education: A State wise Study”, EPW, Vol XXXII No. 1-2, Jan 4-11, 1997.

<sup>7</sup> World Bank, “Primary Education: A World Bank Policy Paper,” Washington DC, 1990.

Taking the case of Kerala, which has recorded higher social development among states, percapita expenditure on education has been higher than the all states average and in 1996-97 was Rs. 166.47 (in current prices) higher than the All States average of Rs. 356.78. Also the share of education in total social services expenditure has consistently been high.

Many economist feel that this level of social development financing by the State has preempted investments in economic growth which as a consequence has stagnated in the State, as well as being the root cause for the fiscal crisis in the State.

Dr. N.J.Kurien and Joseph Abraham<sup>8</sup> writing on the financial crisis of Kerala, State, “Salary expenditure on a large number of uneconomic government schools (i.e. schools with a strength of less than 25 per class). Which was 542 in 1995-96 could be saved by redeployment of the staff of such schools and also by encouraging private schools”.

This Retreat of the State on an arbitrary basis of unavailability , in the social sector of school education recommended may impact adversely in the future social development of Kerala. It may be worth while to encourage private investments in terms of sharing in expenditures for available educational facilities created by the State rather than rationalise and regroup or close up existing facilities.

Commenting on the same issue K.P. Kannan and Shaji K. Francis, <sup>9</sup> note that “ An oft repeated question given Kerala’s record in economic growth , is the supposed trade off between equity (as represented by the share of expenditure for social services ) and growth. The assumption here is that expenditure on social services represent only considerations of equity (ie protection and not growth (promotion) . Such a clear cut bias is not visible in the case of Kerala ..... the question of growth versus equity in terms of the relative emphasis on social security and other items of expenditure cannot be meaningfully answered without bringing in a number of other factor that determine economic growth”. In other words social services expenditure needs to be compressed in order to increase investment in economic sectors seems a fallacy. In fact social services expenditure cuts may impact on economic growth indirectly.

Another state which has given importance to elementary education in the recent years is Tamilnadu by launching a special scheme called “ elementary education movement” during the year 1999-2000. It gives special attention to children from economically

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<sup>8</sup> N.J.Kurien and Joseph Abraham, “The Financial Crisis and Analysis” Sage Publication pp.336 in B.A. Prakash (ed) “Kerala’s Economic Development, issues and problems”

<sup>9</sup> Government of Tamil Nadu, “Policy Note on Demand No.17-Education” 2000-01, School Education Department, Government of Tamil Nadu, 2000.

backward sections and aims at ensuring complete enrollment and retention. It also aims at improving the infrastructural facilities in elementary schools to achieve its aims apart from opening new elementary schools and upgrading the existing ones. It aims to provide access to education facilities to all school age children within one kilometre of their residences. Tamilnadu also has supplementary programmes like the midday meal programme to promote their education programmes and improve their efficacy.

Similar efforts are also taken up in other states for instance in Andhra Pradesh which is still lagging behind in achieving primary education targets has launched special programmes like 'Back to School' programme ,Vidhya Volunteers scheme under the Jnamabhoomi programmes.

Another aspect which needs attention in making public expenditure on education effective is by improving utilisation of funds in terms of better organisation of delivery systems. Quoting Dr.Mahendra Dev's in this context " In order to ensure that the governments promotional and protective programmes have the maximum impact on the poor , decentralisation , easy access to information and social mobilisation are important." Thus public expenditure management with respect to education in the present post reform period needs to be looked at not from the point of view of compression and arbitrary reduction in services but towards effective utilisation of funds by gearing delivery systems to perform efficiently and through social mobilisation of local communities.

### 8 . 3 GENERAL SERVICES - ADMINISTRATIVE SERVICES

An area of concern in State Finances is the burden of salaries and allowances of Government employees, cast upon the Budget of the State Governments. The expenditure on administrative services as reported in the budgets of all states in 1991-92 and for four years from 1997-98 are shown in the table, along with the total expenditure and total states own revenue for those years in the following table.

**TABLE : 8 . 3 . 1 EXPENDITURE OF ADMINSTRATIVE SERVICES**

| Year  | AE    | TE     | SOR<br>TE | TRR<br>SOR | AE/<br>TRR | AE/<br>TE | AE/<br>SOR | GI    |
|-------|-------|--------|-----------|------------|------------|-----------|------------|-------|
| 91-92 | 7809  | 86186  | 39582     | 80536      | 9.06       | 19.73     | 9.69       | 10944 |
| 97-98 | 17074 | 18633  | 105567    | 170300     | 9.15       | 16.17     | 10.03      | 30112 |
| 98-99 | 19756 | 220089 | 113163    | 176447     | 8.97       | 17.56     | 11.19      | 35873 |
| 99-00 | 24424 | 271611 | 135271    | 214809     | 8.99       | 18.05     | 11.37      | 45269 |
| 00-01 | 29218 | 290622 | 157151    | 244920     | 10.05      | 18.59     | 11.93      | 54271 |

AE- Administrative Expenditure, TE-Total Expenditure, SOR-States Own Revenue,

TRR-Total Revenue Receipts, (All in Rs. Crores)

AE/TE, AE/SOR, and AE/TRR are Ratios of Administrative Expenses to Total Expenses, States Own Revenue and Total Revenue Receipts

It will be seen from the table that between 1991-92 and 1999-00, the Administrative Expenditure have increased from Rs. 7089 crores to Rs. 2442 crores, Total Expenditure from Rs.86186 crores to Rs. 271611 crores, States Own Revenue from Rs. 39582 crores to Rs. 135271 crores and Total Revenue Receipts from Rs. 80536 crores to Rs. 214809 crores, all items on rising path. While this should meet somewhat the criticism from rising burden of salary and wages of State Government employees, it is possible that the aggregate figures has shown above may be concealing inter-state variations and differentials in the burden. However when the Administrative Expenditures considered as a proportion to Total Expenditure, the ratio has decline between 1991-92 to 1999-00, before rising in the Budget estimates for 2000-01. Similarly as a proportion of States Own Revenue also it had showed a declining trend over the entire decade. As a proportion of Total Revenue Receipts it is however shown a steady rise. In other words judgements on Administrative Expenditure, depends on the other parameters we are using for comparison. If for instance one takes into the account the gross interest payment made by the states, which has risen from Rs. 10944 crores in 1991-92 to Rs. 45269 crores in 1999-00, the increase in Administrative Expenditure from Rs. 7809 crores to Rs. 24424 crores during the same period does not appears to be as steep.

Dr. Rakesh Mohan (Fiscal Correction for Economic Growth, EPW Jun 10<sup>th</sup> 2000) has in his analysis of fiscal stress pointed out that the expenditure on government servants has grown at a lower rate when compared to the GDP growth rate. On the other had critics have been quick to find out that the increasing in growth rate, was in itself attributable to the large pay outs on account of pay revision getting reflected in the tertiary sector growth.

While there are inter-state variations in the salary burdens, two factors seem to make a considerable difference to the picture (a) commitments on grant-in-aid for salaries of employees of educational and local body institutions, as also their pensions (b) the linkage of state government salary scales to the central government pay scales. While the first factor seem to be common to more states, it is to be noted that only a few of the state governments had linked the salary scales of their employees to the central government pay scales. When the central government accepted the recommendations of the Fifth Pay Commission, the Finances of these States did come under a serious threat.

Shri. J.L. Bajaj, A Former Finance Official of U.P. and Union Governments had in his Article, Impact of Pay Revision on State Government Finances, (EPW May 29<sup>th</sup> 1999 p.1341) had pointed out the major imbalance in the finances of governments of Uttar Pradesh, Madhya Pradesh and Maharashtra likely to emerge if consequent upon the recommendation of the Fifth Pay Commission for Central Government employees the salaries of employees of State Government, aided educational institutions, local bodies and State Public Enterprises are raised. Placing the likely impact of revision between Rs. 20,000 to Rs. 30,000 crores Shri. Bajaj argued that the manner of financing of expenditure would be important, and would affect this states which already faced high level of revenue deficit, fiscal deficit and debt stock.

One other point that calls for attention is the differential growth rates in the employees strength, in Central Governments, State Governments, Quasi Governmental Organisation and Local Bodies. Significantly enough while the Government of India, have had only 3.19 lakh employees to its strength between 1976 and 1996, while State Government had had 25.88 lakh employees during the same period, with Quasi Government Organisation having as many as 21.43 employees, as can be seen from the following table

**TABLE 8 . 3 . 2 EMPLOYMENT IN PUBLIC SECTOR**  
(In. Lakhs)

| Employer      | 1976   | 1980   | 1986   | 1990   | 1996   |
|---------------|--------|--------|--------|--------|--------|
| Central Govt. | 30.47  | 37.87  | 33.46  | 33.97  | 33.66  |
| State Govts.  | 48.97  | 54.78  | 64.73  | 69.79  | 74.14  |
| Quasi Govts.  | 33.92  | 20.80  | 21.90  | 22.23  | 21.92  |
| Local Bodies  | 19.85  | 20.85  | 21.90  | 22.23  | 21.92  |
| Total         | 133.72 | 150.78 | 176.83 | 187.72 | 194.29 |

The clue to controlling expenditure on Administrative Services does not appear to lie in a downsizing of Government, as proposed in many macro economic prescriptions but in an analysis of the distribution of employees in Central Government , State Government , Quazi Government organisations and Local Bodies. It is well known that the local bodies are charged with the responsibilities of providing many essential services like water supply, sanitation etc. The addition of a mere 2.59 lakh employees between 1976 and 1996 in this categories should be surprising considering the growth of population , increasing urbanisation and density of population . With rigorous Budgetary constraints and consequent restriction on recruitment, there appears to be a tendency to add to employment in Quasi Governmental organisations more amenable to pressures, than the much vaunted Public Service Commissions , suffering from serious neglect and pathetic efficiency levels from the point of view of man power planning in State Governments.

In a White Paper published in 1994, the Government of Andhra Pradesh drew attention to this problem in the management of its finances. According to their Fiscal Strategy Paper published in Feb 2000, the total expenditure including pensions on establishments has increased as shown below

**TABLE 8 . 3 . 3 ADMINISTRATIVE EXPENSES : ANDHRA PRADESH (in Crores)**

| Year        | Pay & Allow | Wages | Grant in Aid Salaries | Pensions | Tot Exp | Estb Cost as % of States Own Rev |
|-------------|-------------|-------|-----------------------|----------|---------|----------------------------------|
| 1984-85     | 574         | 14    | 375                   | 117      | 1080    | 76.9                             |
| 1990-91     | 1231        | 12    | 1056                  | 358      | 2657    | 85.7                             |
| 1995-96     | 2351        | 14    | 1553                  | 928      | 4845    | 95.6                             |
| 1996-97     | 2575        | 7     | 1812                  | 1004     | 5398    | 94.5                             |
| 1998-99     | 3218        | 8     | 2402                  | 1373     | 7000    | 78.4                             |
| 1999-00(RE) | 4173        | 20    | 2788                  | 1805     | 8786    | 84.2                             |
| 2000-01(BE) | 4470        | 10    | 3620                  | 2179     | 10279   | 74.8                             |

While the pay and allowances has steadily increasing, on account of revision of pays even though the increase in number of State Government employees has come down in the nineties, the increase in grant in aid in salaries for educational institutional and local bodies has been phenomenal. Like wise increase in pension as also been very sharp in



1996-97. The State Government introduced legislation in 1994 to regulate employment in public enterprises and in government departments and it also become a programme of restructuring public enterprises the impact of these on the establishment cost does not appear to have been significant. Improvement in the indicator of establishment cost as percent of states own revenue was mainly on account of increase in states own tax and non tax revenues.

In respect of Maharashtra Dr. M.D. Godbole has drawn attention to the liabilities arising on account of three categories (a) government employees (b) employees of Zilla Parishad, Nagar Parishad and Municipal Corporations and (c) employees of aided institutions. Pointing out that there were that between in 1990 and 1999 the increases in this three categories were of varying levels, Dr. Godbole observed that in 2000-01 the total salary bill of the state government were accounted for 60.93% of the revenue receipts (27.21% on Government employees, 19.13 % on teaching and non teaching staff of various institutions and 12.16% on Zilla Parishad and other employees). The total pension liability of Rs. 2657 crores was distributed, Rs. 2232 crores on State Government employees, Rs. 379 crores on Zilla Parishad employees and Rs. 46 crores on pensioners, agriculture, universities.

NIPFP Studies in respect of impact of pay revisions showed in Assam, salaries and wage bill of Government increased by 13% between 1986-87 and 1994-95. Ashok Lahiri (Sub National Public Finance in India, EPW April 29<sup>th</sup> 2000, p1539-1550) Observes the Government wage bills of the States, has gone up by 2 to 4percent of the respective GSDP's during the nineties. U.P. the increase was from 7.5% in 1991 to 8.9% in 1997-98, Rajasthan the increase was from 5.5% in 1991 to 8.4% in 1998-99, and in Orissa from 8.4% in 1993-94 to 11% in 1998-99.

While commenting the general services, and increases in establishment cost one must prefer to the increase in the expenditure on revenue account on the Police, treated as a non development expenditure along with certain other item like interest payment and servicing of debt. It must be noted that adequate expenditure on Administrative Services, comprising (District Administration, Police and Public Works, Secretarial General services) is essential for good governance. With population increasing in size and density, pressures of various kinds building in the society there is a certain degree of unavoidable of expenditure on Administrative Services. Analysing the increase the non development expenditure one finds that there is an increase from Rs. 22139 crores (3.9% of GDP) in 1990-91 to Rs. 107309 crores (5.5% of GDP in 1999-00). Of this the steepest increase has no doubt been on debt servicing and interest payment which rose from Rs. 9226 crores to Rs. 46702 crores. As compared to this the increase of expenditure in

Administrative Services from Rs. 7019 crores to Rs. 24424 crores seems moderate. But within this category the increase in Police expenditure from Rs. 3981 crores to Rs. 14490 crores seems to be relatively large. In other words the share of expenditure on Police rose from 56.71% to 59.73% of Administrative Expenses. In States like Maharashtra, Andhra Pradesh not only as the states expenditure on police has increased but special assistance is being provided to meet naxalite problems

The Tenth Finance Commission which has been required in the terms of reference to have “due regard to the resources of the central government and the demands there on in particular on account of expenditure on civil administration, defence and border security.”, thought that “it should give more than an incidental attention to the assessment of defence and security related expenditure.” The Commission could not however go beyond some broad conclusion on manpower cost and related expenditure, defence pensions, the need for optimum utilisation of available resource by prioritising defence expenditure, evolving balance between roles of local police and defence and para military forces, before concluding that, “it is not possible for us to go into the myriad aspects of national security” (see Report on the Tenth Finance Commission, p.62).

Much the same could be the view regarding expenditure on Police, maintenance of internal security and law and order. However one should be able to draw inferences from growing unemployment levels, increasing disenchantment among the youth and increasing crime rate, and militant activity, and raise a broad issue whether in this context the state governments should pay more attention to maintenance of its own employment levels, and to creation of employment opportunities outside the government, by suitable development schemes or commit a greater part of its resources to expenditure on policing and maintenance of order. This would imply taking a holistic view and taking decisions, on inter-se priorities of expenditure items in plan and non plan and developmental and non developmental categories. Such a view should cover all sectors of the economy. It must be, by now understood, that maintenance of law and order, is as vital to industrial and economic growth, as offer of incentives to local entrepreneurs and foreign investors. Revenue foregone or tax expenditure (like sales tax holiday) attract less attention from fiscal analysis than expenditure on Police and Administrative Services. One needs to maintain a cautious balance in such matters, affecting order in the community.

## **IX PROBLEM AREAS IN PUBLIC EXPENDITURE**

### **9.1 LEAKAGE AND WASTAGE**

The enunciation of growth with 'social justice' and alleviation of poverty as the primary objectives of planned development in the fifties has been followed by the formulation and implementation of several schemes for the welfare of the weaker section of women and children, apart from special programmes for self and wage employment in rural and urban areas. A retrospective view of these schemes, implemented for over four decades, show that scheme formulation and implementation have three broad based strands differing in details but aiming at the same objectives. The first is the belief that pursuit of high economic growth and all round development will improve the levels of living of all sections of society and enable the weaker sections to be lifted. The second strand is the proactive formulation and vigorous implementation of anti – poverty and employment generation schemes for identified target groups to make a sharp dent on poverty. And the third is according appropriate priority to government expenditure in social sector like education, Health and family welfare, Labour and Employment, Nutrition, Housing, Water supply and sanitation, welfare of SC, ST, BC and minorities.

The first four Five Year Plans were marked by allocations on various heads of development like agriculture irrigation, industry, etc. Allocation for Regional Development commenced in the 3<sup>rd</sup> Five Year Plan. Fourth Five Year Plan was marked by sharpening of focus, with emphasis on employment in chronically drought prone areas, hill areas and special groups for small farmers and marginal farmers. The Nationalisation of the banks in 1969, and adoption of New Initiatives for Growth with Social Justice in 1971 spurred the formulation of a number of schemes, some with the area development approach and others directed towards individual beneficiaries with budgetary provisions for subsidy or margin money with linkage to credit institutions for individual loans saw the constitution of agencies like Small Farmer Development Agency, as also schemes like crash scheme for rural employment and food – for – work programme. The fourth and the fifth Five Year Plans were marked by restructuring of schemes for asset creation and income generation in the rural areas.

It was from the Sixth Five Year Plan that specific plan allocations for rural development as an head of development commenced and has continued since then. With this sector major programmes were marked by refinement of objectives, and redesigning of patterns of assistance, even while the quantum of allocation in the central and the state plans increased enormously. Simultaneously greater attention was also paid to the allocations in the Social Services sector covering Education, Health and Family Planning, Housing and Urban Development and other Social Services.

The outlays and Actual Expenditure in the Plans of Centre, States and the Union Territories in respect of rural development and social services are shown below.

| Plan Period         | Rural Development |             | Social Services |             |
|---------------------|-------------------|-------------|-----------------|-------------|
|                     | Outlay            | Expenditure | Outlay          | Expenditure |
| VI Plan             | 5363              | 6996        | 14035           | 15916       |
| VII Plan            | 8906              | 15246       | 31545           | 34959       |
| Annual Plan 1991    | NA                | 4150        | NA              | 9606        |
| Annual Plan 1991-92 | NA                | 4141        | NA              | 10298       |
| VIII Plan           | 34425             | 40372       | 79012           | 88806       |
| IX Plan             | 74686             | *           | 72284           | *           |

\*The expenditure was Rs. 15637.2 crores for Rural Development and Rs. 46262 crores for Social Services during 1997-98 and 1998-99.

The Ninth Five Year Plan outlay , of Rs. 74686 crores on rural development is to be shared between Centre (Rs. 42278 crores) and States and UT (Rs 32408 crores). The total Ninth Plan outlay of Rs.183273 crores was to be shared between Centre (Rs.72285 crores)and the states and UT (110989 crores) . It will be seen over the period the Plan outlay on rural development had increased from about 4 to 9 % of the total outlay whereas the outlay on social services had increased from about 14.0 % in the Sixth Plan to 18.2 % in the Eighth Plan. The outlays in the Annual Plans of 1997-98 and 1998-99 fluctuated around the same share.

Along with the increasing allocations for the areas of rural development and social services, there was growing concern over the efficacy of expenditure and realisation of the need to avoid wastage and leakage of funds at the implementation level.. In a much quoted observation Shri Rajiv Gandhi former Prime Minister had spoken of benefits reaching a small section of the targeted beneficiaries.

Surveying the Indian Planning experience since independence in his article “Ethos of Planning and Plan Administration in India in 1997, ” Shri. Madhu Dandavate the then Deputy Chairman Planning Commission observed that “A large number of studies have indicated that the programmes of poverty alleviation, irrespective of whether they focused on employment generation or asset creation or asset maintenance, suffered from implementation and a host of other problems which defeated the very purpose of these programmes. In large number of cases, the beneficiaries were wrongly identified, the schemes were too rigid to adapt to the local skills and resources and suffered from bureaucratic approaches. Those managing the delivery systems lacked the basic

commitment towards the potential beneficiaries. Outcome of all these was leakages and less than optimal results.

“Not only in the context of poverty alleviation programmes , but also other schemes as well, there is a widespread feeling that the benefits intended to be delivered to the people through development programmes in various social sectors have not fully reached the beneficiaries because of the weakness in administrative planning and the delivery mechanism.” (Indian Journal of Public Administration Oct-Dec 1997 Vol-XLIII no.4 Pg 870)

In a survey of “Fifty years of Indian Administration -Retrospect and Prospects” published by the I.I.P.A Dr. P.R. Dubhashi, argues that “the mixed economy and state directed development did not deliver the goods” and more specifically, among other things, “programmes of Rural Development suffered from leakage and inefficiency and could not attain the objective and Sri C.V. Raghavulu points out the Resource misuse for subsidies and “Give Away Schemes,” arguing that “Time and again state governments have used state resources in a profligate manner by providing indirect subsidies such as lower water and power rates..... Schemes, such as the subsidized rice scheme (Andhra Pradesh) and the mid day meals programmes (Tamil Nadu) though targeted at the poor or illiterate were considered by many as an integral part of the process of political mobilisation. Over the years, there have been several instances of give aways, ‘ besides tax concession in response to lobbying by organised interests.” Raghavulu also argued that “economic policy in the context of social pluralism has favoured the better organised or more affluent groups which have been more influential in shaping the policy agenda than the unorganised or under organiser poor. Naturally a larger proportion of the benefits from state resources were cornered by the better off sections. Employees in the organised sector Doctors, Professionals and Labour in the Industrial Sector have benefited more from interest group activity than have landless labourers, small farmers, and workers in medium and small scale industries in the private sectors and unorganised economy (see Indian Journal of Public Administration July-Sept 1997, pg 364 and pg 485).

### **Self Employment**

In the light of such observations it may be instructive to go over this vast area and gather lessons for Public Expenditure Management from the evaluation studies and the Audit Reports in respect of self employment and wage employment schemes.

Since 1969-70 a large number of poverty alleviation and the employment generation schemes have been launched by the Government of India to be implemented by the various state governments and specially constituted agencies. Main feature of this schemes

is a provision of package of assistance consisting of subsidy or margin money to be provided by government and a loan to be provided by the bank or credit institutions to enable the beneficiary to acquire productive assets like milch animals or machinery and tools. The schemes included provision of training to trainees, supply of tools to rural artisans and special packages for women and children in rural areas.

After more than a decade of implementation of these major anti poverty and employment generation schemes like the Integrated Rural Development Programme (IRDP), (TRYSEM), (DWACRA), (SITRA), Govt of India had in 1990 evaluation revealed that poor individual beneficiary without any skill or experience could not improve his income while those who did succeed possessed better skills and that the programmes, even within the sector of rural development lacked integration. This had resulted in the merger of all these programme of Swarna Jayanti, Gram Swarozgar Yojana from 1<sup>st</sup> April 1999. But even this scheme depended on the coordination between credit institution and their developmental agencies.

### **Wage Employment**

Provision of short-term wage employment in public works was attempted through Food for Work programme initiated in the seventies, National Rural Employment Programme (NREP), and Rural Landless Employment Guarantee Programme (RLEGP). The official agencies felt that large expenditure made in the schemes did not provide adequate returns in terms of durable and useful assets, and sizable part of fund were utilised in administrative overheads. As a result NREP, and RLEGP were merged into a single scheme Jawahar Rozgar Yojana in April 1989 and even this was subjected to change in pattern of assistance from 1993-94. A concurrent evaluation carried out by the Ministry of Rural Development during 1993-94 across several states like Punjab, AP, Bihar, Karnataka, Kerala, and U.P. showed that the scheme did provide 11 days of employment out of 30 but the selection of beneficiaries was marked by a large number of non poor beneficiaries. 'The implementation experience also brought out the basic question whether priority should be given to employment generation or asset creation, and whether emphasis should be on creation of assets for individuals or on community and socially productive assets.

A review of the schemes indicated that while conceptualisation of the various schemes were made in Delhi mostly of the Rural Development Ministry and Planning Commission, with laudable objectives, the implementation was largely the responsibility of the state government and further down the line of the District Rural Development Agencies and the Zilla Parishads.

According to studies, between 1980-81 and 1998-99, 54 million house holds have been provided assistance under the IRDP and related schemes with average level of investment for beneficiary house hold rising from Rs. 3000 during the period 1980-85 to Rs. 9000 during 1992-95 and about Rs. 18000 during 1998-99 . Nearly 40% of the assistance is said to have been by way of Government Subsidy. Assessment of the programme shows that the implementation has reached the poor and among slum the more disadvantage groups like SC/ST's beneficiaries. According to Government of India evaluation of 1990, 47% of the assistance families belong to the SC/ST groups , and 54.4% of the families were able to cross the old poverty line of Rs. 6400 and 15.96% of the beneficiaries crossing the revised poverty line. The evaluation brought out the crucial point regarding the rate of success of the schemes, being high when the beneficiaries had certain skills are could be organised as a group. There were also doubts weather IRDP beneficiaries were relatively more indebted than others sections of the poor. The absence of integration between the IRDP and other schemes like TRYSEM and SITRA.

The Comptroller and Auditor General has covered the schemes in his report no.3 of 1995 and report no.3 of 2000. The latter report indicated that the performance audit of JRY and Employment Assurance schemes in 25 states revealed short comings in critical areas of targeting, adequacy of resources leading to insignificant employment generation, fictitious reporting of employment generation and asset creation. According to the CAG Report, between the Fifth Plan 1977-80 and Annual Plan 1998-99, the allocation for Centrally Sponsored Employment generation schemes by food for work, NREP, RLEGP, JRY, and EAS was Rs. 50,715 crores and the total expenditure by the Union and the State Governments was Rs. 48,821 crores of this of the expenditure JRY and EAS accounted for Rs. 41,090 crores during the ten year period between 1989-99. CAG office availed the services of the private agency, ORG-MARG were carrying out the survey during Aug-Oct 1999 covering 141 districts 296 blocks and 2,106 villages covering a sample of 15,106 EAS beneficiaries, 20,454 JRY beneficiaries and 82788 potential beneficiaries. The survey revealed distortions in targeting owing to absence of a system of registration for job seekers, non issue of family cards, employment of human being lower than prescribed norms in adequate allocation of resources to complete the works taken up in the release of funds to the execution agencies, diversion of funds of Rs. 2178 crores to other activities and deposit of Rs. 1747 crores in personal deposit accounts, non utilisation of Rs. 754 crores, excessive administration expenditure. According to the survey the average number of days of employment provided to each Below Poverty Level (BPL) worker or employment seeker was insignificant and ranged between 7 and 21 days under JRY under 9 and 18 days under EAS. Similiar problems of non-maintenance of muster rolls and payment of wages at lower than prescribed rates, and non-observance of prescribed

sectorial priorities were observed. Financial Dimensions of the weakness in implementation of employment programmes by the State Governments as revealed by the Comptroller and Auditor General from the details of test check carried out by field survey. According to CAG the total expenditure reported by the state governments under JRY and EAS schemes during the period 1992-99 was Rs. 33,380.17 crores of which audit cover expenditure of Rs. 9436.10 crores (28.27%) of this Rs. 61.87 crores were spend on the programme while Rs. 3250.23 crores were either diverted or misused. The diversion and misuse as classified by the audit follow into the following categories

|   | (Rs.Crores) |
|---|-------------|
| 1. Deposit PLA/PD/Banks PSUs  | 1747.52     |
| 2. Misuse of fund/diversion to other activities not related to programme    | 430.55      |
| 3. Amount lying unutilised/advances unadjusted treated as final expenditure | 754.00      |
| 4. Excess administrative expenditure  | 14.50       |
| 5. Suspected misappropriation   | 9.52        |
| 6. Expenditure on works nor permissible                                     | 95.41       |
| 7. 10 percent contractors margin  | 38.26       |
| 8. incorrect reporting  | 160.47      |
| Total   | 3520.23     |

According to CAG, the monitoring control inspecting and review mechanism at the apex level by the union and the state government under the district level are insufficient to ensure correctness of outputs. CAG observes “These persistent shortcomings erode the value for money spent on these programmes and cast serious doubts on the extent of the proclaimed inputs. The programmes appear to be running in a routine manner indifferent to the implementation lag, bottlenecks in execution and unverifiable outputs”. (Report of the Comptroller and Auditor General –Union Government (Civil Performance Appraisal No-3 of 2000 Pg. 197-229).

While schemes of 60’s and 70’s appear to focus attention on employment generation per se, with prescription of appropriate criteria for choice of works, and insistence on expenditure having specific wage and material composition, the emphasis in the 70’s shifted to creation of assets for the community and income generating assets for individuals. In the later 80’s and early 90’s there was a further shift of focus from employment generation to infrastructure development. The instruction of the Rural Development Ministry for selection of works were marked by changes, often by way of relaxation of the earlier criteria. In many respects such relaxation has come after the sanction authorities have, during the course of implementation of programmes come to



appreciate specific field level difficulties and the need to extend the scope of the programme to cover broader objective of Public Expenditure Management like utilisation of funds for development of social infrastructure rather than for individual or community assets. In this process there has been a dilution of verifiable conditions related to the quality of execution. While the earlier insistence on a very high labour intensity marked by the high wage component, militated against minimum level of techno-economic needs of engineering, like use of mechanical equipment for achieving compaction and consolidation of earth work. The relaxation of the later years, appear to move in the direction of reducing employment generation as a secondary objective.

The expenditure under the JRY and EAS were to be shared by the union and state governments the ratio of 80 : 20. While formulation of schemes at the national level have performed to be guided by uniformity of pattern and commonality of approach, the implementing agencies have to face vastly different field conditions, marked by differences in resource endowment, of the areas, different level of social and technical infrastructure apart from the levels of efficiency and supervisory systems. One aspect that is not kept in view by the authorities is the need for a certain degree of continuity of programmes over a period. Frequent changes in the concept, and pattern of administration, weakens the chain of command and pattern of supervision while creating doubts at the field level, particularly the identification of the beneficiaries and the nature and level of assistance to be provided. While the federal system of administration can to some extent accommodate the dual responsibilities for funding developmental schemes, with union and state governments bearing their respective shares in a predetermined pattern, the administration of these schemes with multiplicity of controls, by Central, State Governments and Zilla Parishads appears to have diluted both efficiency of physical implementation of programmes and financial accountability.

Yet another systemic factor leading to be weakness is that the Government of India began to release funds directly to the DRDA without routing it through the state government. While the state government was expected to release its share within 20 days of release of central government there were often time gaps in coordinating this aspect. The field agencies who should normally be concentrating on site inspection and monitoring of physical progress often spent their time coordinating administrative aspects of obtaining release from dual sources. The decision to release funds directly to the DRDA's appear to have been dictated by two reasons –one to ensure that the central funds released for implementation of schemes are not held up by cash starved state governments without releasing to the field agencies, and two, to ensure that the credit for funding schemes for popular benefit goes to the political parties holding power in the centre rather than to the

political parties holding power , at the state level. The decision could also have been prompted by the fact that some of the state governments began to utilise central scheme funds for schemes designated differently giving a misleading impression that the state government and political parties at the government were responsible for the conceptualisation and financing of the schemes. Political overtones and patronage aspects appear to have been affecting pattern and release of funds.

While the multiplicity of the reasons, some valid and other not so dictated the changes in the scope , focus , pattern of financing , pattern of release, and administration and monitoring of schemes, the trend appears to have been the shift from emphasis on verifiable physical criteria in the choice of works to convenient financial criteria of allocation for block of DRDA as units of implementation. Thus reporting expenditure in some form or the other rather than reporting the completion of works became the practice. The emphasis on supervisory machinery appears to have shifted to financial rather than physical aspects of the programme the constraint of the budget of the union and the state coupled with ambition to cover larger number of beneficiaries and new areas , appears to have contributed to this shift. The inability of the Union Ministry to take into account the diversity of field condition in a country of sub continental dimensions, appears to have played its own silent role in this shift. The increasing tendency to involve institutional finance from commercial and cooperative credit institution as also the non governmental organisations in self employment schemes as part of an exercises of mobilisation of local resources added its own weight in engineering the shift. Economic Reforms of the nineties emphasise a philosophy of withdrawal of State, and promotion of privatisation ,but the time phasing of this withdrawal have not been structured and built into the pattern of administration of programmes. The emphasis on targeting of the relatively more vulnerable groups like SCs ,STs , BCs and minorities led to the formation of a number of new organisation to deal exclusively with the target groups in addition to the DRDA's. As a result, multiplicity of agencies and increase in the number of tiers of administration, with an near confrontation approach of official and non official agencies appears to be creating at the field a situation popularly referred to as "too many cooks". Much of what is perceived as wastage could well be resources absorbed by not only intermediate agencies like contractors but also increasing overheads on the salaries and travel of officials and members of committees.

## **PUBLIC DISTRIBUTION SCHEME**

Another important scheme directed towards poverty alleviation is the public distribution system with emphasis on ensuring regular and assured supplies of essential commodities at affordable prices to the public. Commencing with the system of rationing scarce commodities in post world war days to ensure wider availability, management of civil supplies became much more organised in the 60's and 70's. The establishment of Food Corporation in India in the mid sixties and the various state Civil Supplies Corporation have enabled the build up of a vast network of food management system discharging the twin functions of procurement of food grain and essential commodities from the producers in the rural areas and ensuring their distribution to people through widely spread fair price shops all over the country.

As summed up by the Comptroller and Auditor General in his Report of 2000, "The P.D.S with the focus on distribution of food grains in urban scarcity areas had emanated from the critical food shortages of the 1960's. It has since then substantially contributed to the containment of rise in food prices and ensured access of urban consumer to food. As the national agriculture production had grown in the aftermath of the green revolution, the outreach of PDS was extended to rural areas, tribal blocks and areas of high incidence of poverty in the 70s and 80s. Currently, its focus is on the poor in all areas. The Ninth Plan (1997-2002) targets primarily people below the poverty line and has enunciated a broader view of food security, which also includes nutritional security by ensuring availability, accessibility, acceptability and affordability of balanced food and nutrition for all. With the increased availability of food, another dimension was added to the PDS. This was to sustain the high level of food production by fixing minimum support prices at which Food Corporation of India procured from the farmers. PDS, thus became an instrument for sustaining the food production as well as for subsidised supply of food grains to consumers". (Report of Controller and Auditor General, Union Government, Performances Appraisal No-3, 2000 Pg. 4)

According to the Ministry of Food and Consumer Affairs there were in 1999, a total of 4,55,055 fair price shops, with 3,64,385 shops in the rural areas and 90,870 shops in the urban areas. These fair price shops covered 19.12 crore persons holding ration cards, of whom 11.92 crores persons were above poverty line and 7.20 crores were below poverty line. The procurement operations cover 11 crore operational holdings. According to one estimate, the public distribution scheme handles 15 percent of the total availability of rice and wheat. PDS costs about 0.5% of GDP and 6% of Central Government Revenue.

An important aspect of PDS was that till 1992, it was a general entitlement scheme open to all consumers without any specific target, providing a rationed quantity of food items rice, wheat, sugar and edible oils and non food products like kerosene and coal below the open market prices. In 1992 a scheme of Revamped Public Distribution was introduced involving a geographical targeting with special schemes for drought prone, desert, tribal, hilly and urban slum areas. In 1997 the Government of India introduced targeted PDS scheme, with a view to streamline the schemes to cover households below the official poverty line by issuing special cards.

One reason for the restriction of coverage appears to be the objective, as part of structural adjustment policy to reduce subsidies under PDS. According to the Comptroller and Auditor General, between 1992 and 1999, food, sugar and kerosene oil subsidy aggregated to Rs. 77,379 crores and in addition, Andhra Pradesh, Kerala, Karnataka, Tamilnadu and Gujarat provided a subsidy of Rs. 6896 crores on their own schemes of food distribution. The central issue prices for food grains have been revised frequently in the nineties as shown below

| Year           | (Rs.per Quintal) |           |
|----------------|------------------|-----------|
|                | Rice             | Wheat     |
| 1992           | 377              | 280       |
| 1993           | 437              | 330       |
| 1994,1995,1996 | 537              | 402       |
| 1997,1998      | 550 (APL)        | 450 (APL) |
|                | 350 (BPL)        | 250 (BPL) |
| 1999           | 700 (APL)        | 650       |
|                | 350 (BPL)        |           |

APL- Above poverty line, BPL-Below poverty line

A review of PDS operation between 1992-1999, by the Comptroller and Auditor general with sample checks covering 4661 fair price shops in 172 districts in 25 states and U.Ts revealed several deficiencies “ in respect of targeting of the beneficiaries, adequacy of food and nutritional security, meagre income transfer to the targeted groups, high cost of operations higher prices charged from the consumers, poor quality and absence of proper vigilance system which impacted the fulfillment of the objective of availability, affordability accessibility and acceptability of food grains.

According to the CAG, identification of families below the poverty line was not completed in 18 out of 31 states and Union territories and even where identification was completed, ration cards were not provided to a significant population below poverty line

families .On the other hand this adversely affected the offtake from PDS and the lifting of stocks from FCI godown and state Government agencies. In a chain effect this has led to increase in the stocks held by the food corporation of India , which had reached on Oct 1<sup>st</sup> , 2001, 58.28 Million tonnes (21.45 million tonnes of Rice and 36.82 million tonnes of wheat )as against the buffer stock requirement do 18.1 million tonnes ( 6.5 million tonnes of rice and 11.6 million tonnes of wheat ) . A number of important issues have been raised in this regard including the transfer of procurement responsibility and introduction of a new scheme of income support to farmers rather than the present system of product support through procurement by public agencies at Minimum Support prices. CAG report concludes that “ the guaranteed procurement at Minimum Support price benefited the farmers , the system did not benefit the general public and much less the people below poverty line ...” and that “ the PDS was not the preferred source of the food grains by the general public . The prices of food grains from the fair price shop for the general public was higher than the market price especially during the harvesting season . The general public and also people below poverty line depended on PDS only for a small portion of their requirement .”

The Mid Term Appraisal of the Ninth Five Year Plan has pointed out that “Despite hefty increase in the annual food subsidy from Rs. 2,450 crores in 1990-91 to Rs. 9,200 crores in 1999-00, all is not well with Public Distribution System in India. There is 36% diversion of wheat, 31% diversion of rice ad 23% diversion of sugar form the system at the national level. TPDS does not seem to be working in the poorest North and North-Eastern States; The allocation of poorer states such as UP, Bihar and Assam got more than doubled , as a result of shifting to TPDS, yet due to poor off-take by the States and even poorer actual lifting by the BPL families , the scheme has not made any impact on the nutrition levels in these States; There is lack of infrastructure and shortage of funds with government organization in most States except the few in West and South. Adequate infrastructural capacity, in addition to funds, should be ensured at the district and block levels, otherwise wasting scarce resources through leakages helps only contractors and corrupt Government staff, and does not in any way help the poor” (Planning Commission Oct. 2000)

While the PDS provides a degree of food security to some sections of the population there are doubts whether the benefits commensurate with the cost of running the system. The principal criticism relates to lack of targeting. The PDS is accused of two kinds of targeting errors, errors of exclusion and errors of failure to reach the target population and inclusion of non eligible persons. A number of studies have been made by academic and other agencies to analyse the efficacy and coverage of the public distribution scheme, and

to highlight the regional variations in the coverage and implementation of the scheme. Bhaskara Datta and Bharath Ramaswamy ('Targeting and efficiency in the public distribution system' EPW May 5<sup>th</sup> 2001) argue that ,”While large number of poor do not have access to the PDS, there is on the other hand, little or no attempt to deny access to the affluent”

While there is a general impression that the Public Distribution System is marked by a high degree of leakage and wastage , it is necessary to take into account, the vastness of the system spread in several states covering nearly 20 crores card holders , and in particular the nature of leakage and the levels at which this takes place . In a study of the Social Security System in Andhra Pradesh , S.Indrakant and M.C Swaminathan cover the food security system and in particular the utilisation of PDS , by the card holders varying with different degrees of dependence for different items like rice and Sugar and kerosene .60 % for rice and sugar and 65 % for kerosene in rural areas . 50 % for rice and kerosene and 70 % for sugar in the urban areas. They have also analysed three levels at which leakages take place in the PDS stating that , “due to the policy of delivery of foodgrains at the door steps of FPS the leakages at the first level, i.e. at the FCI godown level, is minimal in the existing PDS network. The system of delivering the foodgrains at the doorstep of the fair price shop appears to be working reasonably well in most parts of the state. In Uttar Pradesh and Bihar, the FPS dealers have to lift their own expense. Consequently, leakages at the first level is high and often the food grains do not reach the villages.

The leakages at the second stage, i.e, village or town level, in Andhra Pradesh is likely to be substantial. The income of FPS dealers is very low . The dealer's gross margin per month varies in the range of Rs. 700-1165 (Indrakant, 1996). The FPS dealers tend to increase income through bogus cards, diversion of quantities not taken by card holders, etc. Venugopal (1992) found that in 1986, the number of ration cards in circulation (139 lakhs) exceeded the estimated number of house holds (121 lakhs) by about 15 percent or by 8 lakhs. The leakages at the third level, i.e., household level, is not likely to be much because the price of rice in the fair price shop is much lower than the open-market price of coarse cereals.” ( S.Indrakant and M.C Swaminathan , 'Social Security in Andhra Pradesh', in 'Social and Economic Security in India' , Edited by S.Mahadradev et.al , Institute for Human Development , 2001 pg 469-470)

Referring to the benefits of the PDS and costs on account of errors of targeting and other aspects, the authors after a survey of selected villages have concluded that the benefits match the cost of implementation of the schemes in certain villages while in others the

cost exceed the benefits and conclude that the impact of the PDS is not uniform across the selected villages and the developed villages seem to have benefited more than the backward villages .

Certain studies in respect the per capita gain per annum for PDS beneficiaries in relation to open market prices have been made by Dr.R.Radha Krishna , Indrakant , Kirit Parekh , Stephen Howes and Shikha Jha , K.Hanumatha Rao and Jayashree. But these fine tuned statistical calculations do not adequately bring out the magnitude of administrative problems in operating a vast system spread across several states and covering 20 crore ration card holders and the implications of introducing criteria like poverty line for inclusion or exclusion of beneficiaries. It has emerged from several studies that the poverty line estimates have their own limitations , including the number of people below poverty line as per the Official methodology and the Lakdhawala Committee estimates and their methodology .Resort to these concepts , can provide a broad measure of logic in resource allocations at macro level but their application at the micro level for segregating groups of beneficiaries in publicly funded schemes can lead to avoidable apprehensions regarding proper utilisation and possible leakages if any .

As Madhura Swaminathan and Neeta Mishra have pointed out , the targeted PDS ignores , or does not take into account certain costs arising out of errors of exclusion and errors of inclusion, and on the basis of a study of Maharashtra village they argue that there are pitfalls in identifying the target group based on a income indicator in the context of variability of employment for majority of workers in the country and associated fluctuation in the incomes and consumption .Citing data of NSS survey of consumption in 1997 they argue , that around 70 to 80 % of rural population is eligible for food subsidy programme and in such a situation targeting can impose high costs . The costs of administering a targeted programme that excludes 20 or 30 % of the population , when many of them may self select out of the programme will be high . At the same time , the welfare costs due to targeting errors will rise. In short it makes economic sense to provide universal coverage and assume that the better off households will voluntarily opt out of the scheme. “(Errors of targeting Public Distribution of Food in a Maharashtra Village 1995-2000, EPW, June 30, 2001 Pgs 2447-2454)

Such fine tuned analysis providing useful insights for the policy maker , can help in restructuring the existing schemes , to eliminate some of the deficiencies pointed out by the CAG’s review of Management and implementation of the PDS , the Re vamped PDS and the Targeted PDS . While the structural adjustment policy and fiscal consolidation measure have moved in the direction of reducing budgetary implications of subsidies in

the public distribution system , it may not be meaningful to carry them to such an extent as to lead the system to another set of errors. The scheme as a whole , can be said to have made useful contribution to increase the availability affordability and accessibility of food grains , but there are still questions on the acceptability of quality. Frequent revisions of criteria an introduction of restrictive clauses mainly with a view to reduce the budgetary outgo of subsidies often affects , the quality of implementation of the schemes. For instance while the PDS had universal coverage , the introduction of the TPDS restricting issue of grains to people below poverty line and a simultaneous increase of issue price of food grains have adversely affected the PDS .

Much of the discussion on food subsidy and its burden is taking place in an environment of abundant faith in the market mechanism while the past experience has been that the traders have not hesitated to place the profits above the minimum needs of the consuming public and hold them to ransom during periods of shortage.

The ORG survey conducted in 1999 ,covering 64292 households (43205 in rural areas , 21807 in Urban areas ) in 1223 villages and 285 towns spread in 140 districts, made observations relating to the issue price of grains after several revisions . Even in 1999 rice was made available to people below the poverty line , well below the market prices It also ignores the fairly reliable system of interstate transfers of food grains from producing states like Punjab , U.P, and Andhra Pradesh to the deficit states like Kerala , Maharashtra ,Rajasthan , and the North Eastern states. Such a system has also enabled some states like Kerala to concentrate on commercial and plantation crops with export potential and foreign exchange earnings. Thanks to the PDS the spectre of drought as and when it emerges , is today not as frightening as it was in the sixties . We have moved from the days of famine and food shortages to the days of mere adverse seasonal conditions affecting farm operations in specific regions with the demand on the Centre to provide relief by way of financial support for employment schemes and food grains allotment . This qualitative change marking the Indian Economy , appears to have been overlooked in the undue anxiety about reduction of subsidies and budgetary support for food management system . Some errors of management of the food system appear to get magnified through the lenses of audit with focus on the areas of flaws and ignoring the areas of strengths of the system., It may be easier to address the persistent weakness in the system rather than to bring down the existing structure and build a new one of income support to farmers. And in due course of time we will have another Audit party pointing out leakages and misdirection of income support.



It is forgotten that while the PDS has some weaknesses , it acts as a moderator of the market mechanism , which when left to itself can manipulate the demand supply situation to its advantage and to the detriment of the consumer , both in terms of price and availability . The mere availability of a choice of grains from the PDS keeps the trader on check and controls extreme fluctuations in prices. In years of surplus production there is bound to be some degree of glut , which had in the past got evened out in the years of drought in some parts of the country. The prescription of an income limit for access to the PDS stocks and the increase in the issue price in from the FCI with consequent increase in the rate of retail shop , has contributed to the present high level of stocks in the FCI. The introduction of the food for work programme , to reduce the stocks may to some extent relieve the pressure but this pressure could have been avoided had the PDS continued to be universal in application and the increase in issue price been made more gradual .The availability of a larger base of consumers would have enabled liquidation of the available stock and quicker realisation of the invested capital even with a marginal increase in the issue price .

Those critical of the Public Distribution system appear to forget that the scheme with the universal coverage had provided the regular supplies to nearly 20 crores consumers while the back up procurement operations of FCI and the state agencies had extended to 11 crores operational hoardings. It is possible that in the misconceived efforts to reduce budgetary burden for food subsidy government may be introducing not only uncertainty in availability and prices of food grains but also depriving the farmer of a fairly simple system of marketing with out the hassles and agony caused by private rice millers and traders . It is difficult to financially weigh the options of providing assurance to the consumers and farmers with the state bearing a measure of responsibility and cost of operations set against the buffeting winds of market operations to be met mostly by the farmers and consumers with the state playing the role of mere monitor.

## **9 . 2 INTRA STATE DISPARITIES AND POLITICAL UNREST**

While the persistence of backwardness in all the four states is acknowledged , it is interesting to note the varied popular perceptions and policy and programme responses from the state governments. While Andhra Pradesh with 23 districts and Karnataka with 19 districts have faced problems and agitations stemming from local discontent, the official responses have been by way of Study Teams and Constitution of Area Development Boards. Andhra Pradesh witnessed Telangana and Rayalseema Development Boards in the seventies and Karnataka came up with the Hyderabad - Karnataka Area Development Board and the Malnad Area Development Board in

Eighties. The problem of inter district and regional imbalance has continued to be a major problem in Maharashtra and has led to political pressures for development of Marathwada and the Vidharba region . Similar differences in the levels of development among districts in Tamilnadu and Kerala have not led to similar political agitations and have been handled differently. Tamilnadu appears to have opted for creation of more districts by bifurcating or trifurcating large districts and creating compact and more manageable districts, with administration enabled to be closer to the people and respond more quickly to the felt needs. Kerala has just this year announced creation of area development boards.

The National Council of Applied Economic Research, in collaboration with Planning Commission and UNDP has attempted to develop the database required for preparing a human development profile for the country. While recognising that, “the Human Development Index’ though superior to traditional aggregate indices such as GDP fails to reveal disparities among population sub groups and therefore has a limited role in deciding policy prescriptions for raising the level of human development” NCAER has published in 2001, Human Development Report for South India. This Report covers profiles of Andhra Pradesh, Karnataka, Tamilnadu and Kerala based on secondary data with a Survey Report based on primary data collected by the NCAER Household survey conducted in 1994. The report, based on rather dated data confirms the persistence of inter-district disparities in states of A.P, Karnataka, Tamilnadu and Kerala.

NCAER Report states,” the overall level of development of A.P, measured in terms of infrastructure, agricultural development, educational and health characteristics of the population is lower than All India average. Intra Regional and Inter District disparities indicate that the Coastal Andhra is the most developed region of the state (except for Srikakulam and Vizianagaram districts) while Telangana is the least developed region (NCAER South India HD Report 2001 p.1)

In Andhra Pradesh inter district disparities had led to violent agitations and demand for separate Telangana in 1969. Change in the State political leadership and the Constitution of Rayalaseema Development Board Telangana Development Board, and the Coastal Andhra Planning Board, led to preparation of resource inventories for all the three regions and formulation of region specific development strategies. Allocation of plan funds in specific proportion seemed to assuage the political element. But in 1973, there was a counter agitation with demand for separate Andhra State , on account of a Supreme Court judgement upholding the formulae for employment of only locals in Telangana Area. It was with the imposition of President’s Rule and Central intervention with a compromise

Six Point Formula dealing with services as also provision of development funds that some degree of order could be restored.

The implementation of developmental programmes covering all sectors in the three regions of Coastal Andhra , Telangana and Rayalaseema has met popular aspirations to some extent but this could not completely eliminate the regional differences or the simmering demand for a separate state of Telangana . The recent resurgence of separate Telangana movement, with political group fighting the Panchayat Raj elections raises critical question on the long term efficacy of the development plans and public expenditure programmes in reducing inter district and intra state disparities in the state.

In Maharashtra , which was formed by integration of areas from old Bombay province , Marathi speaking areas from Hyderabad State has thirty three districts spread over a vast area The state has a high rank of three in development in the country and has its own regional problems owing to difference in resource endowment and topography . Demand for development for Vidharbha region and Marathwada had led to the measures for identification of backlog in development allocation and constitution of statutory Development Boards for Vidharbha, Marathawara and rest of Maharashtra. With the Governor of the State acting as the head, Statutory Development Boards, have been given the power to allocate funds for irrigation and other development purposes . This state has recently witnessed a revival of demands for allocation of funds for regional development marked by the formation of a Vidharbha Backlog Removal and Development Forum (VBRDF in 2001).

An Official Committee has estimated the backlog in allocation of irrigation funds to the Vidharbha region at Rs. 4265 crores as per the rate structure in 1994 when the estimated cost was worked out at Rs. 50,000 per hectare.

In the Budget for 2000-2001 , Finance Minister of Maharashtra has indicated that the state Government has decided to accept in principle , the Indicator and Backlog Committee Report and observed “ It may be recalled that we have been allocating outlays for the last fifteen years to clear the Dandekar Committee Backlog . Honourable Governor will be requested to have backlog determined for the Khandesh and scarcity areas also as on first April 2000 along with Vidharbha , Marathwada and the rest of Maharashtra. For the year 2000-2001 the outlay for backlog has been proposed at Rs. 1100 crores with the consent of the Governor.”

This is illustrative of the nature of pressures that get built up on account of development aspirations in different regions . The Maharashtra Government has also proposed raising

funds through bonds for Irrigation Development Corporations constituted separately for Vidharba , Marathwada and Konkan areas.

The Karnataka state was formed in 1956 , by the merger with Mysore state and four districts of Bombay Karnataka region , Three districts of Hyderabad Karnataka region and two districts of Madras Karnataka region .The differences in the levels of development of these areas have been major source of concern for successive governments of the state .Demands for allocation of funds for the development of backward areas have been made backed up by assessments of relative levels of development of different districts using various indicators . To illustrate the development of three districts Gulbarga, Bidar and Raichur which were earlier part of Hyderabad , has been a major source of concern.With the addition of Bellary which came from Madras, this area covered by four districts came to as the Hyderabad – Karnataka region . The constitution of a Committee (in May 1980) to study and report on the development of the region resulted in a Report in Oct 1981 recommending the establishment of a statutory board to formulate plans and setting up an area development corporation to execute these plans and promote commercially viable schemes. Though the state government accepted the recommendation , its approach to Planning Commission for financial assistance did not meet with success. Subsequently the Hyderabad Karnataka Area Development Board was proposed by the state government in 1989-90. The visit of a Central Study Team in May 1990 to study a Rs. 634 crore Plan for the region submitted by the state government did not result in flow of additional funds to the region. An High Power Committee was set up to monitor the development of the region . After two years of this Committee a full fledged Hyderabad Karnataka Area Development Board was constituted in December 1992 to implement the development plan earlier prepared with an outlay of Rs. 635 crores over a five year period . A recent assessment shows that the Plan was heavily weighted in favour of construction of roads and bridges and only 10 % each was earmarked for education , health and water supply and the out lay was also reduced to Rs. 290 crores during the Eighth Plan period.

Institute of Social and Economic Change (ISEC) organised a seminar in September 1994 to discuss the problems and prospect of promoting regional development in Karnataka , with a detailed study of the resource endowment, development strategies and implementation of programmes in the Hyderabad Karnataka region . The proceedings of the seminar appear to indicate that this backward region consisting of four districts, had remained economically and socially backward inspite of conscious efforts made by the Government of Karnataka to accelerate development and highlighted the constraints in developing such areas . (see Regional Development Problems and Policy Measures, Abdul Aziz and Sudhir Krishna, Institute for Social and Economic Change , 1996 ).

The NCAER Report , HDR South India observes with reference to Karnataka that “ the districts in the North Eastern region of the state, Bidar , Gulbarga, Bijapur , Raichur and Bellary are the most backward with regard to Education and Health Indicators. They also lag behind in other institutional and infrastructural facilities that are necessary for sustained economic growth .”(NCAER HD Report 2001 pg .112) Karnataka’s experience in implementation of programmes for the Hyderabad – Karnataka Region ,Malenadu Region and Maidan Region through Area Development Boards has not been a conspicuous success . It would appear , that apart from creating problems of coordination with the local bodies the efforts have met with local resistance from environmental and local groups particularly for industrialisation in some region .

It would appear from the experience of Andhra Pradesh ,Karnataka and Maharashtra which inherited areas forming part of the old Hyderabad state ruled by the Nizam , that the persisting backwardness is an historical legacy of the old feudal regime. Notwithstanding the genuine aspirations of the people of the area which were integrated on linguistic basis with better developed areas , from old Madras and Bombay Provinces, the full burden of reversing past neglect could not be borne by the people of other regions within the state. There also appear to be some cultural differences traceable to their past history in old Hyderabad state . That this should be the case , forty five years after the States’ Reorganisation in 1956 , is as much a commentary on the lack of emotional integration despite linguistic commonness , as on different levels of economic development . Disparities and charges of neglect provide the main argument but the importance of other factors should not be ignored.

Kerala represents another dimension of developmental effort, in a state with regional differences on account of topography and resource endowment and also past political history. . The state was formed in 1956 by integrating the former princely states of Travancore in the South and Cochin in the North (which were united in 1949) and Malabar area from the old Madras province . Geographically , Kerala has three distinct regions , the Highlands close to the Western Ghats, the Midlands made up of undulating hills and valleys and the Lowlands comprising of river deltas and backwaters .Each of these regions has its own pattern of resource endowment and economic levels .

Kerala with its 14 districts exhibits high social development indicators but rather low economic indicators, marked by differences in many aspects . Ranking of districts in respect of five indicators (1) per capita income (2) percentage of urban population (3) motor vehicles per kilometre roads (4) number of hospital beds per lakh population (5)

percentage of work seekers to total population show districts have a range of scores from 51 to 33, leading to their grouping into Group A -Better developed (four districts ) and Group B -Medium Developed (six districts) Group C - Less developed (five districts). NCAER study states that “ the comparatively high social consumption levels and the highest physical quality of life do not obliterate ne gative aspects of Kerala’s Socio economic development such as extreme fragmentation. ” (reproduced)

Conscious of the differences in the levels of development and the problems faced by the people in different regions as also the need for area specific strategies , the Kerala Government has in the Budget for 2001-2002 announced the constitution of (a) Coastal Area Development Authority and (b) Hill Area Development Authority with a preliminary provision of Rs. One crore each for the comprehensive development of the respective regions. It doesnot appear that the Kerala Government has had the benefit of studying the experience of the Rayalaseema and Telangana Development Boards of A.P or the Hyderabad \_ Karnataka Area Development Board and Malenadu Development Board of Karnataka. While the constitution of such boards , appear to meet the immediate political aspirations of the local leaders , with the obvious elements of patronage , their utility in terms of genuine developmental needs of the regions or of the people appear to be less than that of a palliative .

In Tamil Nadu which has also problems of inter district differential , did not face any major political problem or the need to constitute any regional boards . Tamilnadu Govt’s ‘Tamilnadu an Economic Appraisal (1991) indicates that “the levels of development in 21 districts assessed by the construction of overall development index (with 17 indices) Social Development Indices for districts with four indices ,show that the overall development index , range from 186 to 68 but in terms of SDI , the range is much narrow from 129 to 76 with three broad groups formed of a) Eight Districts with SDI above the state level of 100 b) Eight districts with SDI between 90 and 100 c) Five districts with SDI below 90. Tamil Nadu’s approach of forming new districts with manageable size ensuring closer attention to people’s problem and better implementation of schemes appears to have contained the political dimensions of the inter district differentials.

It must be mentioned that the Regional Developmental aspirations and their political manifestations in several states have been simmering , surfacing for some time and then subsiding only to resurface again later. The recent upsurge in Andhra Pradesh and Maharashtra is in a way attributable to the creation of Uttaranchal , Jharkand and the Chattisgarh states . There should be no doubt that the creation of such states will add to the expenditure on administrative services . And where such states are not created and other mechanisms are created , sub optimal utilisation of resources by way of budgetary

allocations on political considerations can not be ruled out . Far too frequently, political differences have led to compromises on the financial front.

Given the resource constraint faced by the State Governments , and the increasing pressures of administrative expenditures , the need to avert such decisions appear to be strong. This would seem even more compelling with the districts already having agencies like the District Rural development Agency , not to mention the local bodies that need to be given a fillip to implement the 73<sup>rd</sup> and 74<sup>th</sup> Amendment to the Indian Constitution.

### **9 . 3 DEVOLUTION TO LOCAL BODIES**

An area of importance, that has not received as much attention at the operational level, as at the theoretical level is the role and efficiency of local bodies in the formulation of plans and implementations of public expenditure programmes.

Scanning the Five Year Plans, one finds that as far back as 1951, the Planning Commission had observed, “Panchayat Legislation may be strengthened, if necessary, to enable panchayat to assume responsibilities for such functions as (i) Planning Programmes of production for the village (ii) planning budgets of requirements of supplies and finances needed for carrying out the programme (iii) acting as the channel through which, increasing government assistance, other than assistance given through agencies like cooperatives, reaches the village,.” ( Planning Commission First Five Year Plan p.39)

The emphasis on felt needs of the people and local participation as key elements in formulation and implementation of plans has run like a continuous thread, through several decades, but with varying degrees of translation into operation. Concepts of “planning from below”, Community development, panchayati raj, “growth centres”, “districts level planning,”, “multilevel planning,” democratic decentralisation and empowerment of people, have all held the stage for sometime or other and played cameo roles during the last five decades of development planning without any of them given time and scope for getting operationalised in all States and opportunity for settling down in a country of near continental dimensions with differences in local cultures and levels of economic developments. One can almost see a pattern of “enter”, and “exit” of concepts scripted into the drama of development over the decades.

The Approach Paper to the Ninth Five Year Plan reminded that “the process of decentralisation and grant of autonomy does not stop at the state level but has to be carried further by the state governments to the regional and sub regional levels.

Democratic decentralisation through the Panchayat Raj system was adopted by the 1950's in some state. However after the mid 1960's the functions of this institutions declined. Efforts were made to revive this institutions several times in the 1970's and 1980's, with little success. However with the Constitution Amendment Act 1992, Panchayat Raj Institutions have been revitalised and the process of democratic decentralisation has been ushered in" para 5.18, Approach Paper to the Ninth Five Year Plan, Jan 1997.

Dwelling on the same theme the Ninth Five Year Plan (1997-2000) observed, "the Sixth, Seventh and Eighth Plan re-emphasised district planning with a multilevel planning framework. However, proper administrative arrangements were not made to facilitate this process, there was also a lack of technical expertise and an absence of financial support both of which acted as impediments in the process of democratic decentralisation.". The scope for removal of these constraints has been provided by the 73<sup>re</sup> and 74<sup>th</sup> amendments to the Indian Constitution carried out in December, 1992, which has been followed by the State Assemblies with enactments carrying further the process for legislative backing for Panchayat Raj Institutions.

As per the Seventy Third Amendment, Article 242G of the Indian Constitution, Panchayats are expected to attend to the preparation for plans for economic development and social justice. They are also expected to attend to the implementation of the schemes for economic development and social justice, as may be of interest to them including those in relation to the matters listed in the Eleventh Schedule. Of the 29 items enlisted for the panchayats 21 are of developmental and social responsibility, including maintenance which can be better discharged locally. The Plans prepared by panchayats are expected to be consolidated by a District Planning Committee, created under Article 243-ZD, and become part of a draft development plan for the district as a whole to be forwarded to the State Government.

While the Seventy Third Amendment was designed to revitalise the Panchayats by giving statutory recognition for the third tier of governance, the devolution of power, functions and finances to the panchayats has not been a smooth process. In 1996 a Committee appointed by the Planning Commission suggested a number of measures to speed up devolution. But State Government's have been dragging their feet in this regard. The Planning Commission in the Ninth Plan document however felt that the process of devolution is at various stages of operationalisation in different states.

An analysis of the 13 State Panchayats Acts made by Shri. O.P. Bohra show that the assignment of functional responsibilities at Gram Panchayat, Panchayat Samitis and Zilla Parishad level varied from State to State, and that while assigning responsibilities no



selection criteria were used, and the system as a whole was marked by inadequacies (see O.P Bohra, Decentralisation and Devolution of Powers and Functions to Panchayats, Journal of Rural Development, NIRD April-June 2000 P.185-195).

ShriD. Bandyopahyay, Former Secretary Rural Development Government of India has also highlighted the absence of recognition for district plans prepared by the District Planning Committees, and the need for a clear policy and operative statement in this regard (see “Planning from Below, EPW Mar 18th 2000 p. 982).

In several states, the existence of bodies like District Rural Development Agency, and district level societies for financing welfare and development activities for specific targets groups like the Scheduled Caste, Scheduled Tribes, Backward Classes and Minorities, with their own line of credit and government fund has made considerable difference to the effectiveness of the Panchayat Raj Institutions which are financially weaker in comparison. The Ninth Five Year Plan had in para 2.1.108 Vol- II had observed that the DRDAs would be restructured in the light of the Seventy Third Constitutional Amendment Act which has enhanced the area of operation commensurate with a larger inflow of funds.... In the revised format the DRDAs would work under the supervision and overall control of the Zilla Parishads”. This has not however materialized in many of the states.

There has been also emphasis on providing funds by way of grants to non government organisation for carrying out programmes, in the expectation that they would play an enhanced role especially as “facilitators and social animators in bringing about greater awareness through advocacy and that they would help the poor to form self help groups with the objective of improving their economic status through concerted action.

The multiplicity of agencies of the district and lower levels have not only posed problems of coordination but also given rise to unhealthy rivalry among them to the detriment of development activity, and local amity. Attempts to reduce the number of agencies at the district level, as announced in the Union Budgets, do not have appear to have reached the grass root level.

A field level evaluation of Management of Poverty Alleviation programmes under Panchayati Raj Institution in Karnataka by Abdul Azis, S.S Meenakshi Sundaram and K.G. Gayatri Devi, (Journal of Social and Economic Development, July/ Dec 2000, Institute of Social and Economic Change, observes that the performance of Panchayats in

implementation of Anti Poverty Programmes like JRY, DWCRA, DPAP under different local governance regimes, did not show any significant difference.

The Tenth Finance Commission, (1994) in its Report, recommended a total grant of Rs. 5380.93 crores to be made available to the local bodies in four equal installments commencing from 1996-97, this would cover both rural and urban local bodies. The Eleventh Finance Commission has recommended a grant in aid of Rs. 8000 crores to Panchayats and Rs. 2000 crores to municipal bodies for the period 2000-05. State Governments have been making assignments, and providing compensation to local bodies and Panchayat Raj Institutions. The aggregate of Plan and Non Plan provisions made by all the states together, for 1990-91, and the three years from 1998-99 are indicated below.

**TABLE 9.3.1 GRANTS TO LOCAL BODIES**  
(Rs. Crores)

|              | Plan   | Non Plan | Total   |
|--------------|--------|----------|---------|
| 1990-91      | 0      | 1015.52  | 1015.52 |
| 1998-99      | 208.73 | 3321.89  | 3530.62 |
| 1999-00 (BE) | 123.74 | 3744.44  | 3868.48 |
| 1999-00(RE)  | 123.83 | 4978.19  | 5102.02 |
| 2000-01 (BE) | 66.91  | 5057.63  | 5124.54 |

Source: Compiled

This indicates that the flow of funds to local bodies in rural and urban areas has increased significantly in the nineties particularly after the Constitutional Amendment. But doubts regarding the capacity for rendering more effective services have remained. Commenting on the major lessons emerging from the first round of devolution, in the wake of 73<sup>rd</sup> and 74<sup>th</sup> Amendment, the Approach Paper to the Tenth Five Year Plan observes that Finance Commission and other development funds to the local bodies should not be given to States unless effective powers are transferred to the Panchayats since there are no Panchayats in states such as Andhra Pradesh, Gujarat, Punjab, Assam and Bihar". It also recommended that Panchayat Raj Institutions should be provided with revenue raising powers of their own in order to reduce their excessive dependence on the State and Central Governments, and to discourage them from preferring the soft option of receiving government grants. The need to strengthen accountability of the local bodies by evolving a code of conduct for elected members, making rules and procedures simple and transparent and ensuring proper audit for sound financial management have been highlighted by the Approach Paper.

While the nineties have been marked by not only philosophic changes on the role of the States at National Level, and institutional changes at the village and district levels, all of which have implications for flow of funds and quality of Public Expenditure Management at the field level, the situation appears to be fluid and transitional still. Settled patterns of governance and accountability for public funds are yet to emerge in several states. Even while the emphasis on empowering Panchayats has received constitutional expression, there are other experiments being tried out in States like Rajasthan and Madhya Pradesh the State Governments decided on transferring nearly all of the powers previously exercised by the Panchayats to Gram Sabhas. Nagaland provides another form of empowerment of community based traditional organisation with the creation of village development boards. These experiments in direct democracy replacing representing democracy seem to have the fascination for some while inspiring fears in others. There appear to be different kinds of political considerations in these experiments, and some of them are traceable to the flow of funds from the Centre to the Panchayat Raj Institutions in recent years

These demonstrate the risk of increased flow of funds, increasing factional politics and local tensions, where patronage plays a more prominent role than propriety in award of contracts. These emerging tensions at the grass root levels will add a new dimension to Public Expenditure Management in the states, and pose more severe challenges than have been seen in devolution from Centre to the States.

#### **9 . 4 FALLING LEVELS OF FISCAL MARKSMANSHIP AND DISCIPLINE**

An important issue that emerges from our study of Budgetary documents of the various state government is the magnitude of variations between the figures of budget estimates, revised estimates and accounts in respect of various items of expenditure.

Some of the ills of the budgetary system can however be traced to the nature and character as also Volume of the Budgetary documents presented to the legislatures , as also their bewildering multiplicity . As Dr.M.D.Godbole , a former Finance Secretary of Govt of Maharashtra and Union Home Secretary observes , “the budget of the Govt of Maharashtra for 2000-2001 consisted of 46 publications , comprising 352 ‘ demands’ running into 6336 pages . In addition are the supplementary demands presented during each of the three sessions of the legislature . These total , on an average , about 500 demands in a year . This is not the end of the story . Each department of the state government presents at the budget session of the legislature its performance budget. In the budget session . held between March to May 2000, 57 such performance budgets running

into about 5000 pages were presented to the state legislature. Thus, each year, on an average budget/budget related documents running to nearly 12000 pages are made available to the legislature to the media and the entrusted organisation.... Most of these budget publications comprise pages and pages of tabular material which an average person finds most unreadable . It takes a Herculean effort to pin point the information one may be looking for. In the maze of details , the larger and more important issues are lost sight of . There are hardly any analytical writers which can enlighten an person on the critical issues in the sector..” (see Dr.M.D.Godbole , Making State Budgets Transparent and User Friendly, EPW April 21<sup>st</sup> 2001 pgs.1349 –1358)

This situation obtains even after the State governments have organised the presentation of budgets along the lines of the Comptroller and Auditor general’s four digit accounting classification with disaggregation into revenue and capital accounts and with additional decomposition of expenditure into plan and non plan categories. Planning Commission and the Reserve Bank of India have been presenting various budget details with functional classification falling into developmental and non developmental categories .The RBI has been publishing for the last several years an Annual Review of the Finances of the State Governments presenting budgetary data with a certain degree of uniformity and making adjustments for inter governme ntal transfers.

For the purpose of this study the Institute sought and obtained from Govt of Andhra Pradesh , Govt of Tamilnadu and Govt of Maharashtra , the budget documents , and the Governments of Karnataka and Kerala however did not send the original documents.Our experience reveals that the critical remarks of Dr. Godbole are highly pertinent and relevant .and need to be taken seriously for accelerating budgetary reforms towards greater clarity , and much needed transparency.

With a view to obtaining greater transparency the Reserve Bank of India had constituted a Core group on Voluntary Disclosure Norms for State budgets and in pursuance of the recommendations of this group , the budgetary documents of several states for 2000-2001, have begun to present some of the critical fiscal indicators.

Apart from the voluminous documentation there is another area where the state budget need to be made are amenable to the Legislative control . An increasing part of the budget of the states comprise significant proportion of expenditure which are of ‘committed’ nature . These include expenditure on salaries and wages , pension and gratuity , repayment of loan and payment of interest constituting over 60 % of the Consolidated fund and accounting for 80 % of the revenue receipts , with the result that Legislature gets

very little scope for modifying the budget proposals to meet the needs of the people. Discussions on state Budgets in the Legislature have become rather stereotyped and the number of Demands that are 'guillotined' for want of time to discuss them in detail, is a sorry commentary on Legislature control over state finances.

Review of the budgets of the state governments in the 1990s show that, there has been, a pronounced tendency to treat the budget as a ritual, carried out with greater concern for form than respect for content or accuracy. This is compounded by the increasingly glaring deviations of actuals from estimates during the course of the year

As the Reserve Bank of India's Study of State Finances (1999-2000) points out "the deviation between the actual outcome and the budget projections brings to the fore, the important issue of 'integrity of budgeting' or the fiscal marksmanship of state budgets. Fiscal marksmanship essentially reflects the degree of accuracy between 'estimates' and 'actuals' of the budget data." . After pointing out the deviations between estimates and actuals in respect of revenue receipts, revenue expenditure, capital receipts, capital disbursements, total expenditure as also of various deficits for several states for the years 1995-96, 1996-97 and 1997-98, the RBI study observes "the deviation between the accounts and the budget/ revised estimates has often been large compromising the role and discipline of the budgetary mechanism in promoting good fiscal management". ( See :RBI study, 1999-2000 pg.22)

Persistence of the problems led the RBI to comment in its study of State Finances 2000-2001 that "Poor marksmanship brings to the fore the issue of credibility in the announcements about fiscal corrections that government often makes. The expenditure overruns stem largely from the persistent rise of committed revenue expenditure and persistent increase in consumption expenditure defrayed towards administrative services (Wages, salaries, pensions etc.) continues to be a major item contributing to the deviation in budgetary outcomes. This is clearly brought out in the Economic and Functional Classification of the State Budgets" (See: RBI study 2000-2001 pg 26) .

Study of Budget documents along with Audit Reports can however be useful in assessing financial management from the points of view of efficiency economy and effectiveness of revenue gathering and of quality of Expenditure management .

The analysis of the budgetary document show that the estimates of Revenue are generally high, and the actuals turn out to be much lower than projected to the legislature .

While it is understandable that estimate of tax revenues could at times be affected by unforeseen changes in economic conditions like drought or recession the persistence of shortfalls as for instance in Maharashtra 1989-90 1992-93 1997-98 and 1998-99 indicate that the quality of estimates need to be improved . Similar is the case with some other states. In Andhra Pradesh the actuals of Tax revenue for 1999-2000 was Rs.10,409 crores as against the BE of 11048 crores , the actuals being 94.2 % . Estimate of non tax revenue was better with actuals being 98.75 % of the estimates. The estimates of Grant-in-Aid and contributions was far off the mark with the actuals turning out to be 77.93 % of the estimate. Such errors lead to the state government to taking recourse to Ways and Means Advances and overdraft during the course of the year . During 1999-2000 A.P took recourse to Ways and Means Advance and overdraft for 291 days amounting to Rs. 7756 crores . Further at the end of the year , the A.P government took to extraordinary step of resorting to freezing of expenditure to the tune of Rs.3035 crores pertaining to water supply , sanitation , housing and urban development under Social Services and rural development under Economic Services. Financial assistance to local bodies and other institutions were also seriously affected .

Expenditure estimates call for more serious comments , as the reports of the CAG , for states like Maharashtra, Andhra Pradesh and Kerala show that actual expenditure show variation of high order from the budget estimate and even the revised estimate. The report of the CAG for A.P and Kerala for the year 1999-2000 cite several instances where appropriation estimates were modified during the year , reappropriations were made , and supplementary estimates were presented but the actuals bore no relation to the BE or RE . The CAG report for A.P for 1999-2000 indicates that an expenditure of Rs. 30783 crores was incurred as against total grants and appropriations of Rs.34404 crores. The net saving of Rs. 3621 crores was the end outcome after 109 items of expenditure showed savings of Rs.4467 crores while 27 items showed an excess expenditure of Rs.846 crores. In all 126 items were not correctly estimated.

Under Article 205 of the Constitution , variations in Expenditure particularly excesses are to be regularised by the Administrative Departments explaining the reasons for such occurrences to the Public Accounts Committee of the legislature. In a number of cases of the past from 1991 to 1998-99 such excesses have not been regularised though the expenditure amount involved amounted to Rs.2001.80 crores. (See pg 29 and pg 195 of CAG report 1999-2000 for A.P). In the case of Kerala , the CAG has reported that excess expenditure amounting to Rs1412 .46 crores covering 163 items from 1983-84 to 1998-99 are yet to be regularised by Government furnishing explanation to the Public Accounts Committee.

Incorrect anticipation of the expenditure to be incurred leads to presentation of supplementary estimates for grants , Reports of CAG reveal that in many cases even the request for supplementary provisions made during the year have not been correct . In the case of Andhra Pradesh supplementary provision of Rs. 8964 crores obtained during 1999-2000 constituted 35 % of the original estimate , and in the case of Kerala the Supplementary provision of Rs. 2359 crores constituted 21 % of the original estimate. In both the states , supplementary provision for many of the items have been found to be unnecessary as the actual expenditure incurred , fell short of the budget estimates.

Even more glaring than the estimation failures are the impropriety involved in incurring expenditure without securing the specific authorisation of the legislature required under Article 205 of the constitution. CAG has reported that in 1999-2000 Govt of Andhra Pradesh , incurred the expenditure of Rs. 172.29 crores without the provision having been made in the original estimates or in supplementary demands and that Expenditure was also incurred on new instruments of service in some irrigation projects . Similar instances have been reported for town planning department in respect of Kerala.

The framework of budgetary rules provide for a mechanism for governments to draw advances for meeting expenditure of an unforeseen and emergent character. Under Article 267(2) of the Constitution of India , Contingency funds are established with specified limits to provide for drawal of such advances . These advances are to be later recouped at the end of the year. CAG has reported that in Andhra Pradesh , out of Rs.15.78 crores drawn from Contingency Fund during 1999-2000 , Rs. 8.52 crores remained unrecouped. For Kerala , as against advance of Rs. 22.62 crores drawn from the fund several items remained uncouped.

Failure to surrender budgetary provisions not likely to be used , is another impropriety in P.D.A . A major tactic used by departments is to draw funds and keep them under deposit outside the Public Account to report utilisation during the year and avoiding lapse. Such cases are increasing in number in all the states .

The provisions for drawing money by presentation of Abstract Contingent bills and later settling them by submission of detailed contingent bill are also being increasingly abused. The CAG report for A.P mentions that as of March 2000 , as many as 117097 abstract contingent bills for a total sum of Rs. 581 crores , for the period 1971-72 to 1999-2000 have been pending adjustment . This related to mostly Education and Family Welfare Departments and over 70 % of the cases have been pending for over 10 years.

As even more serious inadequacy in budgeting relate to inadequate or no provision for maintenance expenditure in respect of assets created at considerable capital costs. While the Finance Commission and the Union Government have indicated norms for Maintenance provision for irrigation projects, roads, bridges and buildings the provisions made are far lower than the norms leading to deterioration in the quality of assets and poor performance of infrastructural services. On the revenue side , the State governments have been resorting to borrowing funds through corporation, often providing the fig leaf of state guarantee and utilising this fund to meet the governments' own expenditures. Andhra Pradesh, Maharashtra and Kerala Governments provide numerous example of this particularly in irrigation and power sectors. The Eleventh Finance Commission has drawn attention to this tactic , but there is no impact on the state governments which are hard pressed for resources .The Reserve Bank of India has drawn attention to the extent of guarantees provided by the state governments and the implications of these contingent liabilities for the size of the states outstanding liabilities.

While the Constitution , and the rules provide for a disciplined financial framework , the budgetary trends of the nineties provide increasing evidence of the liberties taken by the state governments with the requirements of Constitution and Parliamentary and Legislative conventions .

Fiscal reform have to move not only in the direction of making budgets simple and transparent but also in the direction of fiscal fidelity and financial Integrity .

The Report of Dr.M.D. Godbole on making Budgets simpler and more understandable , need to be circulated to all the state governments and consensus built on the changes needed. While the four digit accounting classification stipulated by the Comptroller and Auditor general have been adopted by all the states , and computerisation has made information retrieval and monitoring of expenditure easy , the weaknesses flowing from the calculated disregard of Budgetary propriety and legislature conventions are more serious and need to be addressed .

### **9.5 FADING STANDARDS OF ACCOUNTABILITY**

Articles 112 and 202 of the Indian Constitution have provisions in respect of Annual Financial Statements (Budgets ), of the Union and States respectively has elaborately set down the procedures.

According to The Public Accounts Committee of Parliament Budgeting “ is designed to provide for Parliamentary Control, for administrative accountability for the auditing of



transactions for ensuring that the expenditure incurred by the Government is in the specific manner and by the specified authority.” (cited in Government Budgeting :Principles and Practices Dr.C.N.Sudarsanan , 2001 Pg. ---- ).

Sri T.N.Chaturvedi a former Comptroller and Auditor general and a Member of Parliament has pointed out that “ the break down of India’s financial structure after the first World war had led to the reorganisation of finances and initiation of the system of financial control and audit”. ... and that “ after attainment of Independence and the launching of planning, the process of financial reforms has become a continuing function ....As we have a union of states it is of equal importance at both levels – Centre and the States and also in their relationships. Since we are committed to democratic parameters of the Constitution , control of finance is not just ritualism. Accountability and transparency constitute its life blood. Propriety , equity justice and integrity flow there from . “ (Preface to Control of Public Finance in India ,S.P.Gangualy , Concept Publishing 1997 pg 7.)

Elaborate procedures for conduct of Union Business are laid down by the President , under Article 77(3) of the Constitution and the transaction of financial business is to be done under the General Financial Rules of 1958 . Similarly under Article 166(3) , the rules of Transaction of Business of the State Government are laid down by the Governor .The procedures for legislative controls have also been laid down in the provisions stipulating Preparation of Annual Financial Statement of the Government., The provisions relating to Consolidated fund , Public Account and Contingency fund and stipulation regarding Government Borrowings and Guarantees from articles 266 to 292.

While the Executive is charged with the responsibility of preparing an Annual Financial Statement and submitting it for legislative approval and also the responsibility for realising the revenues and utilisation of funds according to the approval granted by the legislature, the Indian Public Finance System also provides for scrutiny of Govt Accounts by Audit conducted by the Comptroller and Auditor General of India appointed by Article 148 (1) of the Constitution.

The duties , powers and conditions of service of the Comptroller and Auditor General , have been laid down by CAG;s Act of 1971. Which broadly follows follows the Government of India (Audit and Accounts) Order issued in 1936 . The Act of 1971 has also been amended in 1976,1984,1987)

CAG's reports generally concentrate on what is known as Propriety Audit and cover , issues of accuracy in estimating receipts and expenditure, performance in the collection of receipts , efficiency in incurring expenditure for the purpose for which money has been voted by the Parliament/State legislature, and irregularities in collection of receipts and expenditure . In broad terms the Audit report is expected to be a commentary on the effectiveness of the government in revenue mobilisation and expenditure management. The financial framework envisages that the accountability of the Executive to the Parliament, for the manner in which it handles public finance is to be secured through the reports of the Comptroller and Audit .

The procedures for submission of the reports of the Comptroller and Audit General to the Parliament as required under Article 151 of the Constitution have also been laid down under the Rules of Procedure and the Conduct of Business of the Lok Sabha and the various State assemblies indicate the manner in which the reports on the Appropriation Accounts and Audit are taken up for scrutiny by the Estimates Committee , Public Accounts Committee and the Committee of Public Undertakings..Reports of these Committees , do provide a clinical view of Governments Financial Management , Of late these reports have become rather routine , lacking of fire and sharpness that one had seen in the sixties.

In his book on Indian Administration Sri Ashok Chanda , a former Comptroller and Auditor General has observed “ While the role assigned to the CAG in the Indian Constitution conforms to that in other parliamentary democracy , it is unfortunate that his relations with the Administration have tended to develop on some what unusual lines . In all recognised democracies Audit is not just tolerated as a necessary evil but is looked upon as a valued ally , which brings to notice , procedural and technical irregularities and lapses on the part of individuals , whether they be errors of judgement , negligence or acts and intents of dishonesty. The complimentary roles of Audit and Administration are accepted as axiomatic being essential for toning up the machinery of the Government .... Unfortunately in India this conception of complementary relationship has yet to be evolved . Audit continues to be considered something alien , some thing extraneous and something of the nature of an impediment . A natural resistance has thus , come to be developed in administrative system to the absorption of the suggestions of Audit . This trend has become more and more pronounced in recent years (see Indian Administration Ashok Chanda )

A more recent view point , viewpoint has been presented by a former Indian Audit and Accounts Officer Sri K.P.Joseph , while commenting on the Annual Report of the Indian

Audit and Accounts Department for 1998-99, and department's admission that "its Audit Reports are ignored by state Governments and legislatures , and that the Public Accounts Committee donot discuss the Audit reports for several years. "

Sri Joseph mentions that fraud , waste and corruption are on the increase in states like Bihar. Delays in audit and issue of inspection report by CAG , poor state of accounts and audit , by State Government Audit Officers archaic treasury system and lack of specialisation in audit department are among the weaknesses in the system .Sri Joseph observes , " the audit department has no contacts with the public nor does it ever even look at any suggestions from the public. It is happy in the constitutional ivory tower it inhabits. (see K.P.Joseph 'Growing fraud in Government ' EPW February 17<sup>th</sup> 2001.

Reports of the Comptroller and Auditor General whether on the transactions of the Union Government or on the state governments , make for very dreary reading cluttered with jargon and spraying of figures . The CAG's Report cover observations of Audit on Finance , Accounts and Appropriation accounts of the Union and State Governments along with Performance Appraisal of departments .For the knowledgeable digger , these can provide valuable data for an assessment of the financial performance of the state and union governments ,not withstanding the arcane character of the documents presented.

## **X FISCAL REFORM AND THE FUTURE**

### **10. 1 REVERSING FISCAL CRISIS**

While our Study has clearly established the nature and pace of deterioration of fiscal health of all states of governments, and have highlighted the manner in which some of the states in the southern region which had a reputation for prudent management have slipped, it must be noted that there are silver linings in the grey sky .The state governments of Maharashtra, Andhra Pradesh, Tamil Nadu, Karnataka and Kerala have all come up with announcement of specific steps to carry out fiscal reforms. This is reassuring but one must await their implementation.

The White Paper on State finances presented by Govt. of Maharashtra in December 1999, had brought out the deterioration in the fiscal situation, and had indicated that the states government would make the revenue balance positive over a period of five years by reducing the revenue deficit every year by 20%.

Presenting the Budget for 2000-01 of the Government of Maharashtra, on March 2000, the Finance Minister Shri. Jayanth Patil had indicated that the faith of the public on the financial health of the state, built on fiscal prudence and restraint exercised over almost three and half decades has been shattered by fiscal imbalances, and that, he took it as his “prime duty to restore the fiscal health of the state to its original glory”.The Finance Minister indicated that the Revenue Deficit which had grown from Rs. 1591 crores in 1996-97 to Rs. 9484 crores in 1999- 2000 (R.E) will be reduced to Rs. 3939 crores in 2000-01.

This steps announced included reduction on interest payment, steps to reduce salary related expenditure from the present level of 73% of revenue receipts to around 50% of revenue receipts over the next three to five years by reviewing the norms for grants-in-aid to institutions, and right sizing the government by a review of strength of employees in Government Departments, Zilla Parishads and State Public Enterprises. He also announced that borrowing will be done only to invest and not to meet current consumptions.

With a view to ensuring better fiscal management , the State government has (a) set up three member Board for Financial and Managerial Restructuring of State public sector undertakings, (b) Revamped Expenditure Priority Committee and (c) formed Expenditure Reform Committee under the Chairmanship of the Chief .Minister .

To bring about a greater transparency in the provision of budgetary information, Maharashtra Government appointed Dr. M.D. Godbole to submit a report in consultation with Comptroller and Auditor General . This report submitted in Dec 2000, has a number of useful suggestions on making Budget Documents of the State Government user friendly.

#### **ANDHRA PRADESH**

The Government of Andhra Pradesh which had begun in 1994 the practice of publishing White Paper on State Finances, presented in June 1996 and February 2001, further papers on State's Finances. The Exercise in February 2001 included Sector specific strategy papers apart from a paper on Strategy for Fiscal Reforms. This was circulated for discussion in the legislature and among the enlightened public.

While admitting the fluctuations on states own revenue performance and worsening of the fiscal indicators due to pressures on account of implementation of Pay Revision Award, Legislative Assembly and Local Body Elections , natural calamities and Government taking over of contingent liabilities on account of power sector restructuring, the Fiscal Strategy Paper highlighted that the level of state debt, 24.16% of GSDP was higher than the average of 21.5 % for all states. The paper revealed a medium term development strategy for achieving the social and economic goals, and provided Medium Term Fiscal Framework, for establishing "overall affordability of government spending within reasonable revenue forecasts, while identifying a broad path for expenditures that protects expenditures priorities". Among the specific steps announced are those needed to reverse the increase in civil service salaries and pensions and servicing of public debt. Presenting a review of trends in tax revenue the Strategy Paper drew attention to the declining share of central transfers and the need to make public services more cost effective and efficient by streamlining administration staffing patterns, work norms and process and adopting technological innovations.

The paper emphasised the need to reorient the mix of public expenditure from low priority and inefficient applications to key social and developmental priorities. While announcing the governments intention, to maintain levels of social expenditure and to focus public investments on the building of social and economic infrastructure, the Strategy Paper indicated that capital investment spending will be raised from the present level of 1.3% of GSDP to 2.2% of GSDP in the near term and to 2.4% of GSDP by 2004. The reduction of power and rice subsidies, as also others, from their present level of 1.5% of GSDP to 1.2% of GSDP by 2005.

The Fiscal Strategy paper announced a ceiling of 9% of GSDP for government guarantees to public enterprises and co-operatives, the adoption of zero based budgeting, improvement in accounting procedures, and performance measurements .The Fiscal Strategy Paper is clear in its diagnosis and precise in prognosis . But there is as yet no indication that the treatment has commenced.

#### **KARNATAKA**

The Karnataka Government announced in July 2001, a Medium Term Fiscal Plan for the period 2001-02 to 2004-05 and indicated that this will be followed by a Fiscal Responsibility Bill . Announcing the Plan the Chief Minister pointed out that the budgetary position of the states has been marked by the conversion of surplus revenue of Rs. 159 crores on 1995-96 to a deficit of Rs. 2325 crores in 1999-00 and increase in fiscal deficit of Rs. 513 crores in 1991 to Rs. 4276 crores in 1999-2000. Attributing this to the declining ratio of tax revenue to GSDP from 9.3% in 1990-91 to 8.2% in 1999-00, the State Government announced its multi pronged plan.(a) to reduce budgetary support for Public Sector Units and close some of them. (b)to cut implicit and explicit subsidies to electricity and transport sectors. (c) to stop borrowing by Krishna Bhagya Jala Nigam and Karnataka Niravani Nigam and (d) to shift to long term low cost borrowings from agencies like World Bank and Asian Development Bank.

The Medium Term Fiscal Plan, announced the goals to be reached in the period 2000-01 to 2004-05 . Target for the terminal year 2004-05 are – (a) reduction of revenue deficit from 1.49% GSDP in 2000-01 to a surplus of 0.4% (b) to reduce fiscal deficit from the present 3.66% to 3% of GSDP (c) reduce consolidated fiscal deficit from 5.44% at present to 3% of GSDP (d) reduce overall debt stock from the present 32.65% to 31.03% and stabilise it at that level (d) cut expenditure on salaries from 4.86% to 3.72% of GSDP (e) increase capital expenditure from the present 1.66% to 2.41% of GSDP.

The Medium Term Fiscal Plan of Karnataka covers Tax Reform, Expenditure reforms and Management, Levy of user charges and reform of Public Sector Units and Administrative Services. The Plan is sharp in its focus and clear in its goals and implementation is yet to begin.

#### **TAMILNADU**

The Tamilnadu Government has, in August 2001, presented a White paper on State Finances for the period 1996-2001, and has sought political consensus on a fiscal correction programme to be adopted.

The white paper draws attention to some “disquieting features “ of fiscal trends on Tamil Nadu and the “steady deterioration” in state finances since 1996-97. The White Paper indicated that the annual growth rate of revenue receipts, which was 16.2% during 1991-96 declined to 11.7% during 1996-2001.

This was without concomitant reduction in growth of revenue expenditure as a result of which revenue deficit as a percentage to total revenue increased from 2.7% in 1995-96 to 16% in 2000-01, and in absolute terms from Rs. 311 crores in 1995-96 to Rs. 3922 crores in 2000-01. Gross Fiscal Deficit (GFD) had increased from Rs. 1255 crores in 1995-96 to Rs. 5781 crores in 2000-01. Cash reserve of Rs. 649 crores by end of 1995-96, ended up with a nil cash balance, Reserve Bank of India loan of Rs. 242 crores and unpaid cash liabilities of Rs. 700 crores to suppliers, contractors and other agencies by March 2001.

Striking a note of caution the white paper observes “with the revenue receipts unable to match the spiraling growth in revenue expenditure the government is left with little option but to continue to borrow more to meet its cash requirements. If this trend continues for some more time the government will end up using all its revenue resources to repay the outstanding loans and the state will find itself in a debt trap.”

According to the White Paper, in 1993-94 outstanding public debt had increased from 16.22% of GSDP to 19.43% of GSDP in 2000-01, and will further go up from Rs. 23840 crores on March 31<sup>st</sup> 2000 to Rs. 29008 crores by 2000-01 and the overdraft facility was availed 13 times for a period of 74 days during 1999-2000.

According to the white paper, the state’s predicament was attributable to (a) increase in the salaries, pensions, loans and interest repayment liabilities. (b) unsustainable subsidy regime (Public distribution scheme Rs. 1700 crores, Tarif compensation to electricity board Rs. 250 crores, transport subsidy Rs. 16.5 crores and free sarees, Dhoti Scheme-Rs. 140 crores) and (c) Decline on state’s share of central taxes from 20% in 1992-93 to 16% on 1999-2000.

The State Government has announced its intention to take measures for increasing revenue generation to reduce the unbridged deficit of Rs. 692 crores in 2001-02 , maintain tight control over expenditure, encourage small savings, and revise user charges and other fees collected for various services to reflect the increase in cost. The state government has constituted a Cell to analyse the implications of shifting to a value added tax scheme.

The Finance Minister , who tabled the white paper, pointed out that the growth in non productive revenue expenditure had eroded the available pool of investible resources

and led to a decline of development expenditure from 77.9%. In 1991-92 to 57.8% in 2000.01. The State Government has also decided to take action on the recommendations of a Committee which studied the Public Sectors Units and recommended a radical restructuring, since, the sixty public sector units had reported a total accumulated loss of Rs. 2292 crores thus, completely eroding the state governments share capital of Rs. 1298 crores.

## **KERALA**

In June 2000, the Chief Minister of Kerala released a white paper on State Finances, which indicated that the financial position of the state was alarming and as the media reported , it was on the verge of bankruptcy .

The White Paper contrasted the period 1991-96 and 1996-2000 stating that the growth in capital expenditure which was 14.89% between 1991-96 had declined to 3.56% in the latter period, even while the gross fiscal deficit increased from 8.55% to 32.44% in the same period.

The White Paper also indicated that the state had accumulated liabilities to the tune of Rs. 3477 crores which included loan from co-operatives Rs. 642 crore, Kerala infrastructure investment fund Rs. 507 crores, dues to contractors Rs. 820 crores and retention in treasury, public accounts Rs. 500 crores and placed the immediate fund requirement of Rs. 2775 crores to cover a part of accumulated financial liabilities (Rs. 1200 crores), finances for the Annual Plan Outlay (Rs. 900 crores), and resources developmental outlay (Rs. 675 crores).

The White Paper could identify resource mobilization options for only Rs. 1435 crores and proposed austerity measures to save Rs. 975 crores. While proposing a strategy for enhancing tax collections including rationalisation and simplification of tax structure, and improved tax compliance, step up small savings collection from Rs. 876 crores in 2000-01 to Rs. 1200 crores in 2001-02 . The white paper suggested revision of fee structures on some areas to increase non-tax revenues by Rs. 275 crores and revise tariff for power supply for all categories of consumers by 60%.

In his Budget Speech, for 2001-02, the Minister for Finance, Kerala, Shri. Shankar Narayanan, indicated that the investment of Rs. 16100 crores envisaged on the state's Ninth Plan (1997-2002) may not materialise and the achievement in real terms would be about Rs. 13,000 crores. He announced the intention to adopt zero based approach to all



plan schemes, and to treat the budget for 2001-01 as a “corrective budget aimed at restoring the fiscal balance significantly, though not fully without losing sight of the need for investments in vital sectors.”

All in all , the Survey of the Finances of the Southern States and Maharashtra reveal that while fiscal deterioration has been marked , in all the states , the realisation that this should be arrested and prompt steps taken , seems to be equally pervading . The changes in government brought about by General Election appears to have prompted the flurry of White Papers , but it must be said , that in all the states , the diagnosis appear to be correct and the treatment proposed on acceptable lines. It remains to be seen whether the requisite political will materialise or not during the implementation stage or whether the states in the South will also depend on a rescue mission from the Centre.

## **10 . 2 COST RECOVERY AND SUBSIDIES**

An important issue that has emerged to the fore and dominated discussions on fiscal consolidation in the nineties, is the stress on reduction of subsidies and recovery of costs incurred by Government on the provision of services to the people. While opinions are divided on the extent to which state can retreat from providing public services, by increasing resort to privatisation of services hitherto provided in the public sector, there appears to be some measure of agreement on the need to reduce subsidy burden and move towards recovery of some part, if not, the whole of the costs incurred by Government Department on provision of public agency.

It may be recalled that in India, Planning has been committed to raising the levels of income and living standards of the people and the role of the public sector, in its broader sense was not only to control the commanding heights of the economy, but also to take initiative in the provision of essential services and meeting the minimum needs of the people. The role of public services in rearranging the flow of income was emphasized by the Report of the Committee on distribution of Income and Levels of living, headed by Dr. P.C. Mahalanobis, when it observed that “real incomes, particularly of the low income groups are increasingly affected by the provision of various types of services provided by the states which do not get reflected in the income data. Some of the services like low cost housing, free primary education, health and social welfare services, improve the relative income position of the low income groups and their trend to reduce concentration in the distribution of real income.” (Government of India, Report of Committee on Distribution of Income and Levels of Living, 1964, p.19)

The provision of services, in the social and economic sectors have been guided more by equity considerations rather than economic or financial concerns, viewed in a narrower

frame. While the guiding philosophy in the fifties emphasized role of the state and public sector in the production of goods and provision of services, there was slight shift in the philosophical position in the eighties when the role of the public sector in the production of goods came to be viewed differently and led to demand for restructuring of public sector and its retreat from several areas.

In the nineties, this philosophy extended to provision of essential public services with the need for change articulated by advocates of economic reform backed by international financing agencies. This received impetus from the growing gap between the revenues of the Central and State Government and their expenditure, with increasing revenue and fiscal deficits.

The introduction to the Eighth Five Year Plan, drew pointed attention to the change in philosophy, governing the withdrawal of the States and allowing increasing role for the market mechanism. There was, no doubt, a word of caution in the words of the then Prime Minister, Mr. P.V. Narsimha Rao, that “the market mechanism may not be able to bring a balance between the ‘need’ and the ‘supply’ . He emphasized the necessity for taking care of the poor and down trodden who are mostly outside the market system and have little assets.”

The nineties were marked by varying levels of retreat of the State from the previous philosophy of predominance of the Public Sector in the production of goods and provision of services. The restructuring of Public Enterprises, and dis-investment programmes marked the arena of production of goods and were carried out by Centre and the State Government. Privatisation of Public Utilities in power, water supply, infrastructure and other areas were given a push. Privatisation of departmental Services, were however marked by relatively hesitant steps, mainly on account of inability of the government to devise a proper programme of social safety net for the employees affected by this programme. While confusion appears to mark these areas, it must be understood that the private sector, guided as it is by motives of profit maximisation can not be attracted to enter this sector without major administrative and legal backing for revising the rates and tariffs prevailing in this service providing areas. Popular and user resistance to tariff revision in this area has become prominent. The picture is one of mixed colours, and not attractive at all.

Notwithstanding this, the Approach Paper to the Tenth Five Year Plan, has spoken of the need for a development policy to make a break from the past, since “the government had over the years taken on itself too many responsibilities with the result that it not only marginalised individual initiatives but also succeeded in imposing severe strains on its financial and administrative captivities.” It is against this shifting philosophical frame

work for provision of services that one must view the increasing emphasis on reduction of subsidies and cost recovery measures as an important element in Public Expenditure Management .

Analysts have sought to examine the benefits of public expenditure and its distribution, across different groups. There are three broad approaches –(1) money flow approach (2) benefits received approach and (3) benefits value approach and have dealt with the issues of identification of beneficiaries, measurement of benefits, criteria for classification of beneficiaries and the implications for patterns of government expenditure. (See Shri. K.N Reddy (Distribution of Benefits of Public Expenditure Significance Conceptual Issue Under an Empirical Frame Work, 1980) Shri. S.Sudhakar (Distribution of benefits of public expenditure in India, Asian Economic Review Dec 1995 Pg 495-506) Shri. S.Sudhakar (Cost Recovery of Government Budgetary Services, Asian Economic Review Apr2001, p 62-94)

According to a Study made by the National Institute of Public Finance and Policy, (D.K. Srivastava and T.K. Sen Government Subsidies in India NIPFP 1997), ‘the aggregate Government Subsidies (Centre and States) amounted to Rs. 1,36,844 crores constituting 14.35% of GDP at market prices in 1994-95’. About 70% of the Budgetary subsidies in the country are borne in the State Budgets. The Study of 15 major States showed that subsidization in 1993-94 was much higher and cost recovery rate correspondingly lower at the State level than at the Centre. The overall recovery rate for social and economic services taken together was only 5.81% of the total cost.

After the exclusion of expenses on general services and secretarial expenses in social and economic services and expenditure on natural calamities, the NIPFP Study divided social and economic services into merit and non merit groups. Merit group covered in social services were elementary education, public health, sewage, information and publicity, welfare of SC, ST, and OBC’s labour and nutrition . In Economic Services the merit group covered soil and water conservation, environment forestry, agriculture research, flood control, research in space oceanography and other sciences. In broad merit group covered services benefiting the community as a whole.

According to NIPFP Study, out of the total subsidy of Rs. 73,100 crores provided by the 15 major states Rs. 21004 crores, (28.7% of the total subsidies went for the merit group and the balance of Rs. 52096 crores (71.3% went to the non merit group. The Study also traced the relationship between percapita income and percapita subsidies and indicated that the percapita subsidy tends to go up with the increase in the percapita income with non merit subsidies going up at a faster rate. The Study also pointed out that the recovery rates in non merit services tend to go up faster with percapita income. Such

analysis enable policy makers acquire some insights into the prevalent situation and move towards greater clarity in framing pricing policies, in public utilities and cost recovery in government services.

Government of Andhra Pradesh for instance in its White Paper, State Finances the Factual Position June 1996 pointed out that subsidies could be classified into two broad categories (a) direct or transparent with a clear identification of beneficiaries and explicit budgetary allocation and (b) indirect or hidden subsidy arising from non recovery of user charges the White Paper also mention a third category arising from loans given to cooperatives, public under taking and individuals for programmes of housing. The Andhra Pradesh Government analysis of direct subsidies covering (rice subsidy, bus pass concession, investment subsidy, reimbursement of registration fees paid by cooperatives, managerial subsidy to select enterprises, subsidy for weaker section housing) had increased from Rs. 416.49 crores to Rs. 805 crores in 1993-94 Rs. 800.24 crores in 1994-95 Rs. 13.22 crores in 1995-96 .

As regard indirect subsidies, the White Paper mentioned , those involved in Irrigation rates charged to the former lower than the historical cost and current cost of supply, low rates for electricity supply to agriculture and industry, sales tax exemption given to industries, concessional interest and loans to government employees. The indirect subsidies cost the state budget Rs. 882 crores in 1991 R.1092 crores in 1991-92 rising to Rs. 2205 crores in 1994-95 and Rs. 2506 crores in 1995-96. The White Paper gave two computations of subsidies in water rates for canal irrigation, working out the cost on historical basis and in current terms . In 1995-96 while the subsidy involved, on historical cost basis was Rs. 557 crores, the subsidy in current cost terms was placed at Rs. 4366 crores. According to the White Paper, the total flow of direct subsidies in 1995-96 was Rs. 1343 crores (2.4% of the GSDP and 26.9% of the States Own Tax Revenue, and the indirect subsidies amounted to Rs. 6315 crores (11.3% of GSDP and 126.5% of States Own Tax Revenue). The White Paper argued that “While direct subsidies have contributed to the growth of revenue expenditure, indirect subsidies have lead to a near stagnation in non tax revenues. Concerted efforts aimed at cuts on revenue expenditure on the one hand and the growth of non tax revenue on the other hand are required for the restoration of fiscal equilibrium... It is an accepted fact that subsidies erode allocation and distribution efficiency in the economy. Even then government give subsidies aimed at a specific objectives or to protect identified vulnerable groups. Given that there are cost and benefits in every subsidy programmes the aim should be to minimise the cause for achieving the identified objective”. There has been considerable discussion in the Legislature and on the issue of reduction of subsidy and recovery of cost, with the Government of Andhra Pradesh moving in the areas of reduction of rice subsidy by

increasing the issue price and redefining the target group for public distribution, revising the power tariff for various categories of consumers in the phase of public education. But in the crucial areas of irrigation rates and subsidised power supply to agriculture, which, by the state government own admission, involved the highest subsidy of non merit growth the state government has chosen to remain inactive. The vote bank politics has apparently been the main factor.

Approaching the issue from a different angle, is the examination of the scope for raising some revenue by levy of fees for provision of services, with a view to softening the impact of raising expenditure and the budgetary position of the state. In other words faced with the option of paring down expenditure on provision of services in privatization of services, on the one hand and improving non tax revenues, especially by levy of user charges and cost recovery on a range of public services, on the other hand there is a preference for cost recovery.

Government of A.P moved in the direction of levying user charges. It has been argued, by the Finance Department, that, "Government can recover cost from the user because these services are individualised and users can be identified and charged according to the extent of their usage. It is observed that while the costs of providing services has been increasing, the fees and user charges have remained virtually frozen in nominal terms for years. As a result implicit subsidization has increased, drawing the budgetary resources of government and getting ultimately financed by borrowing. User charges have to be index linked and the process of periodic revision should become automatic. However users can be persuaded to pay if the quality of services is commensurate with the price charged and the delivery of the services is cost efficient so that these users are not made to pay for the inefficiency of the public against (Preamble to Government Order No. 170, Finance and Planning Department, dated 23-4-2001, Government of Andhra Pradesh)

An important aspect of about this decision of Government of Andhra Pradesh is that it recognizes the need to make the system more user friendly and cost efficient and therefore permits the departments concerned to mobilise their own resources and retain with them the amounts so collected to improve the services. Retention of the user fees would also enable departments to take more initiatives and gather revenue to be retained and utilised directly on provision of services. The detailed procedural instructions have been issued by the Government of Andhra Pradesh on the levy of user charges by departments like police, irrigation, sports, technical education, medical and public health water supply and sanitation, information and publicity, labour and employment, crop husbandry, animal husbandry, fisheries, forests, industries, and tourism) While this effort should be commended it should be noted that the rightly collection from these may

amount to only a small portion of the realisation, if water rates and power rates for farmers are revised marginally.

To take the example of another state Maharashtra, has provided a very high level of subsidies amounting to Rs. 9607 crores in 1993-94 the highest among the states with merit goods accounting for only 30% of the total subsidy. The percapita subsidy is placed at Rs. 1157 crores. Maharashtra Government is yet to come to grip with the subsidy burden and appears to be wavering. While presenting the budget for 2000-01 the Finance Minister has announced the water rate for sugar cane growth in lift irrigation schemes from Rs 1900 per hectare to Rs. 950 per hectare though the Irrigation corporations had executed these schemes with loans carrying interest from 17 to 18%. The Maharashtra Government provides another example of fiscal correction measures retreating in the face of vote bank politics. If in Irrigation Government of Andhra Pradesh and Maharashtra adopted a common approach for appraising the farmers an interesting comparison of public distribution systems provided by Shri. Bhaskar Dutta and Shri. Bharat Ramaswamy (Targeting and Efficiency in Public Distribution System - case of A.P and Maharashtra, EPW May 5<sup>th</sup> 2001p. 1524-1532). Examining the differences in utilisation, the extent of targeting, magnitude of income transfer and the cost effectiveness of food subsidies the authors conclude that the scale of PDS is much larger in A.P. than in Maharashtra, that there is not much to choose between the two states in terms of income transfers to consumers on account of subsidies, that the cost of leakage is relatively higher in Maharashtra and that the poor in A.P. receive the substantially higher subsidy than the poor in Maharashtra but in rural A.P, even the non poor receive substantial subsidy benefits because of the errors of inclusion. While there is realisation in both the Governments, that the PDS needs to be streamlined administrative actions appears to be lagging.

Dealing with the issue of cost recovery from a macro economic point of view, the Reserve Bank of India Study of State Finances, (1999-2000) observes that "a crucial factor on the resources augmentation front is the need for cost effectiveness of the governments investment in its undertakings thereby ensuring a viable and sustained positive contribution to the state resource base, this can be achieved through an effective cost recovery mechanism through user charges and phasing out of non merit subsidies. It is accepted that the state governments will continue to play a crucial role in enhancing social infra structure through investments in education, health sanitation etc. To ensure that the critical level of investment is made in these sectors, it is necessary to rely on effective cost recovery mechanisms in these sectors. Cost recovery on essential economic and social services has been declining steadily over the years impacting there by a product quality and resource augmentation for the respective sectors."

Using a broad indicator of cost recovery the ratio of non-tax revenues to non plan revenue expenditure, the Reserve Bank of India study provides data on cost recovery in respect of social services (Education and Health) and economic services (Irrigation and Road) for the years 1991 to 1998-99. Reserve Bank of India, for computation of the above indicators, has taken for instance for 1997-98, Revenue Receipts under the major head (Non Tax Revenue ) Rs. 39994 lakhs booked under education, sports and culture, and derived its proportion to non-plan revenue expenditure of Rs. 3259098 lakhs under the head education, sports, art and culture. While educational facilities can confer benefits to individuals expenditure on sports, art and culture tend to be more on infrastructure, if any, and administrative services in these sectors.

**TABLE : 10.2.1 INDICATORS OF COST RECOVERY**

|              | Social Services |        | Economic Services |       |       |
|--------------|-----------------|--------|-------------------|-------|-------|
|              | Education       | Health | Irrigation        | Power | Road  |
| 1990-91      | 1.17            | 4.18   | 8.91              | 37.05 | 13.73 |
| 1991-92      | 1.22            | 6.35   | 7.72              | 5.73  | 13.71 |
| 1992-93      | 1.31            | 5.79   | 9.65              | 13.65 | 14.86 |
| 1993-94      | 1.13            | 6.74   | 11.85             | 9.07  | 16.82 |
| 1994-95      | 1.11            | 5.79   | 10.02             | 15.23 | 15.89 |
| 1995-96      | 1.08            | 4.96   | 9.77              | 9.79  | 14.94 |
| 1996-97      | 1.0             | 4.54   | 8.04              | 5.44  | 14.52 |
| 1997-98      | 1.23            | 5.53   | 5.94              | 6.41  | 13.83 |
| 1998-99 (RE) | 0.85            | 5.47   | 9.56              | 11.84 | 15.61 |

Note :Figures are Ratio of Non Tax Revenue Receipts to Non Plan Revenue Expenditure

Indicators worked on such data cannot provide the true measures of either the cost or the extent of its recovery. Analysis of state budgets show that the provisions for education, sports, art and culture, cover – (a) general education (elementary, secondary, universities and higher, adult education and language development) (b) technical education (c) sports and youth services (d) art and culture (covering public libraries, museum, archives etc)

Defining cost recovery ratio, as ratio of cost recovered from beneficiaries to the total costs incurred on each of the budgetary services provided by the government in a year and subsidy as the difference between cost of delivering the government services and recoveries arising from such deliveries under the revenue account of the budget Dr. S. Sudhakar analyses the revenues and expenditures in respect of all the state governments and Andhra Pradesh for the years 1990-91 and 1998-99 and computes the cost recovery and subsidy for all the budgetary heads under social services, economic services and general services. He concludes that the combined recovery states of general services, economic services and social services has declined from 14.22% in 1990-91 to 12.12 % in 1998-99 in Andhra Pradesh and from 13.01% to 11.91% for the same period in respect of

All States. In respect of all states combined the cost recovery ratio came down from 19.65% in 1990-91 to 14.36% for general services, from 2.10% to 1.93% for social services, while for economic services the cost recovery ratio improved from 20.59% to 23.43% for the same period.

Arguing that there is flow of benefits to the non –poor, defined as middle and high income groups Dr. Sudhakar argues that if the subsidy derived by the non poor is recovered through higher user charges by adopting normative cost, the cost recovery rate can go up from 1.5% to 44.54% in Andhra Pradesh alone. While the analysis of distribution of subsidies among income group is based on data collected by the NSSO, and its survey of consumer expenditures, the suggestion appears to ignore the administrative difficulty in operating such a system of differentials. On the other hand devising a system of recovery of costs, based on a simple system of nominal charges for all individuals is likely to be more effective.

There is clear need for different approaches to cost recovery for social sector, economic sector and general sector. For instance, in the economic sector it is far easier to relate the services provided, as for instance water for irrigation and power to computation of costs, which take into account the capital and revenue expenditure. The computation of cost recovery ratios for social sectors such as those made by Dr. Sudhakar omit the capital cost, for convenience of calculations and concentrate only on revenue expenditure. Such a simplistic approach may not be valid for economic services which involved heavy capital expenditure.

To take the example of irrigation and flood control, which forms part of economic services, revenue realised for all states in 1990-91 is shown as Rs. 253 crores as against an expenditure of Rs. 3456 crores giving a cost recovery rate of 7.33% and a subsidy Rs. 3203 crores. By 1998-99, the revenue has increased to Rs. 799 crores and the expenditure to Rs. 8827 crores giving a cost recovery rate of 9.05% . However the subsidy as a percentage of total subsidy provided in economic services seems to have increased from 19.30% in 1990-91 to 21.45% in 1998-99.

This is largely on account of the fact that while laying considerable emphasis on recovery of costs, making fine theoretical distinction between merit and non merit subsidies and arguing for recovery of cost only from the non-poor, administrative difficulties in identifying and classifying the beneficiaries into the poor and non poor, and evolving workable system of recovery is overlooked.

There are also political pressures and class interests that get built into this. To cite an example Maharashtra Government had fixed the water ratio for lift irrigation schemes, constructed and implemented by the farmers on their own at Rs. 1900 per hectare for



sugar cane in the area of operations of Irrigation Development Corporation, where as the water rates in the area under the jurisdiction of Government Departments was Rs. 775 per hectare. On receiving representation from farmer regarding the differential the government brought down the water ratio to Rs. 950 per hectare in respect of lift irrigation schemes constructed and implemented by the farmers at their cost. This revision was with the stipulation that the rates will be increased by 10% every year subject to the upper limit of 50% of water rate for flow irrigation. It is well known that there are capital costs and operating costs differences between surface flow irrigation and lift irrigation and the benefit received varies from crop to crop.

The realisation that water is a scarce input has led to the prescription in National Water Policy of 1987 that water rate should be determined in such a manner as to convey its scarcity value to the user motivating them towards efficient water use and at the same time being adequate to cover annual maintenance and operation costs and recover a part of the fixed cost. The Tenth Finance Commission also observed that the losses incurred by irrigation projects have continued to mount increasing from Rs. 367 crores in 1987-88 to Rs. 881 crores in 1992-93. The commission suggested that irrigation receipts should cover not only operating and maintenance costs, but also give a return of one percent per annum on capital.

The Tenth Finance Commission assumed a norm of Rs. 300 per hectare for the utilized potential and Rs. 100 per hectare for the unutilized potential to compute the operating and maintenance costs as against Rs. 180 and Rs. 60 assumed by the Ninth Finance Commission, In many of the states even this cost is not being recovered.

As the Tenth Finance Commission observed “while the tax revenues have been more buoyant than estimated by successive Finance Commissions, non tax revenue have consistently fallen behind. This has been a major reason for the yawning gaps between receipts and the expenditures which have eroded the revenue resources of the states and crippled their efforts in providing reasonable services in many vital sectors like power, transport, irrigation and water supply. All these constitute vital elements of infra structure and hold the key to faster development in the new economic regime. They are critical for attracting investment. We are painfully conscious of the fact that most states have preferred the softer option of letting services deteriorate rather than improving their spread and quality by realising economic return on the investments in these areas and deploying the additional resources for these purposes” (Report of the Tenth Finance Commission 1994 p.9)

It must however be noted that serious financial problems have made the various state governments realise that the revision of rates and tariffs in power irrigation and other

sectors is long overdue . Government of Andhra Pradesh appears to have made in the right direction in making public the costs involved in provision of subsidies and charging low rates and moving towards levy of user charges and allowing them to be retained by the departments for improving the quality of services Such an approach , if adopted by other states , can make a significant difference , initially to the mindset of the people and eventually to the budget figures.

While attention has been paid to cost recovery and levy of user charges for services provided by government departments like hospitals, registration department, etc required degree of detailed attention to the fixation of tariff in the Power, Transport and Water is rather slow in coming. Reform of the State Electricity Boards in the States of AP, Orissa , Arunachal Pradesh, Haryana , Karnataka and Kerala, Maharashtra have lead to the creation of statutory regulatory commissions in some of the states. The considerable resistance in public to the fixation of revised tariff's primarily because, the element of cross subsidisation involved is very large. While agriculture tariff continues to be low for political reasons, the burden of meeting the cost of inefficient operations of the Electricity Board is cast almost entirely on Industrial and Domestic consumers. Further privatisation and a large number of power purchase agreement with independent power producers, has brought in its wake serious problems of financing arrangements, with sovereign guarantee on the one hand and defective scrutiny of capital costs estimates of the private projects. The earlier practice of Central Electricity Authority scrutinising and according technical clearances need to be enforced without any exceptions, on the misconceived process of liberalisation.

Similarly the transport sector marked by State Road Transport Corporations, appeared to be getting infected with the new wave of privatisation. Public transport facilities have a role to play in state commerce and services, and the context of fluctuating fuel charges resulting from international oil prices, there is a need to insulate the sector from volatile oil price changes. Consideration of Fuel Economy and Cost Recovery are vital aspects that need to be governed by techno-economic considerations apart from passenger fares. Frequent changes in this areas ostensibly to ensure economy of operation, results in violent public protests and dislocation of economy activity. A holistic view of the costs to the economy rather than a narrow view of cost recovery by a corporate body need to be taken. Some initiatives at the national level, in this regard can bring about a degree of uniformity and balancing of interests of the passengers. Road transport undertakings, commercial vehicles manufacturers and petroleum products suppliers.

Water supply is a sensitive area in which attention should be paid both to rates revision as well as conservation of the available restricted supplies. While irrigation water rates continue to be kept low in many states, drinking water supply does not appear to indicate any uniformity for tariff fixation from the State and municipal agencies. Some attention to the rationalisation of the rates in these sectors is overdue.

## XI. SUMMING UP AND SUGGESTIONS

The emergence and spread of fiscal problems in the States, following the persistent fiscal challenges faced by the Centre has come to be widely acknowledged by the authorities at the Centre and the States. Gross fiscal deficits of State Governments which was Rs. 18787 crores (3.3% of GDP at current market prices) in 1990-91 has risen to an estimated Rs. 96073 crores (3.9% of GDP) in the budgets for 2001-02. Revenue deficit has risen from Rs. 5309 crores (0.9% of GDP) to Rs. 48046 crores (1.9% of GDP) during the same period. The persistent fiscal deficits of the States had led to a steady accumulation of debt with the outstanding debt reaching Rs. 504248 crores (23.1% of GDP) by end of March 2001, marking a five fold increase within a decade from a level of Rs. 110289 crores (19.4 % of GDP).

State Finances have deteriorated particularly in the second half of nineties particularly since 1995-96. In the five years between 1990-91 and 1995-96, Gross Fiscal Deficit of State Governments had increased by just about Rs. 12639 crores and revenue deficit by Rs. 2892 crores. But in the next five years upto 2000-01, Gross Fiscal Deficit increased by Rs. 58691 crores and Revenue Deficits by Rs. 43117 crores. During this period the outstanding liabilities increased by Rs. 379607 crores, as against Rs. 101936 crores in the first five years. Further the average interest rate and debt steadily rose from 9.2% in 1990-91 to 11.9% in 1995-96 and 13.3% in 1999-00.

The frightening dimensions of the financial situations was taken note of by not only Union Government but also the State Governments. At the meeting of the inter-state council held on January 22, 1999, the Chief Ministers of 12 States drew attention to the poor financial health of the States and their high borrowing levels. **With the worsening situation in the following years, the Union Government, Planning Commission and Reserve Bank of India initiated a number of measures to put the State Finances back on rails. The State Governments were also quick to realise the depth of their financial distress. This is reflected in the issue of fiscal strategy papers by Government of Andhra Pradesh, the announcement of a medium term fiscal policy by the Government of Karnataka, and the issue of 'White Papers' by the Maharashtra, Kerala and Tamilnadu Government during 2001.**

Some aspects of Centre- State relations, particularly the role and procedures of the Planning Commission and the Finance Commission in the transfer of resources from Centre to the States as also the **new procedures regulating to Ways and Means advance from RBI to the States, Overdraft regulations of the RBI and the MOUs for**

**sectoral reforms**, all impact on the quality and pattern of Public Expenditure in the States.

### **Finance Ministry's Initiatives**

The Central Government, more specifically the Ministry of Finance has taken more active role in redefining the modalities of arranging discretionary transfers as also inducing the states to adopt measures of fiscal and budgetary reforms appropriate to their specific situations. The Department of Expenditure of Ministry of Finance has also taken initiative in introducing **Memoranda of Understanding with the State Governments** in sectors like Power that impact on the State Government Finances, the Power Ministry had as part of power reforms, signed an MOU with 14 State Governments, with the avowed purpose of saving the State Electricity Boards, from falling into a debt trap apart from ensuring supply of power in adequate quantum and quality. The Union Government had asked the Finance Commission to draw a **monitorable fiscal reforms programmes aimed at reduction of revenue deficits of the states** and to recommend the manner in which grants to cover deficits could be linked to implementation of fiscal reforms. The Eleventh Finance Commission recommended the **setting up of an Incentive Fund**, with two parts; the first comprising 15 % of the withheld portion of grants recommended to cover the deficit (Rs. 5303.86 crores) and the second part to be created by Central contribution equivalent to 15% of the Revenue Deficit Grant recommended by the Finance Commission (Rs. 5303.86 crores). The **total availability in the Incentive Funds is Rs. 10,607.72 crores to be apportioned at the rate of Rs. 2121.54 crores over a five year period from 2000-01 to 2004-05**. The Central Government has setup this fund and the releases will be based on **single monitorable, fiscal objective, - each State should show minimum improvement of 5% in the Revenue Deficit/ Surplus** as a proportion of the Revenue Receipt, and each state should prepare a medium term fiscal plan. A number of states have preferred medium term plans and are in the process of implementing fiscal reforms to increase revenue and improve quality of expenditure.

### **Emergency Relief**

Patterns for providing Central assistance for natural calamity relief and disaster management have also been criticized as lacking in operational flexibility and the Eleventh Finance Commission was required to study this, and it has proposed some changes. While recommending the continuation of the existing schemes for providing for contribution by Centre and States in the ratio of 75 : 25 to calamity relief fund. It has also recommended the discontinuance of the existing National Fund for Calamity Relief and recommended the **creation of the National Calamity Contingency Fund in public account of Government of India. An initial core amount to Rs. 500 crores** will be

provided by the Centre to this fund. Assistance provided by the Centre to States for calamity relief will be financed by special surcharge on Central Taxes for a limited period, and withdrawal from the fund will be replenished by the levy of special surcharge. Government of India has accepted the recommendation.

### **Planning Commission**

As the Planning Commission has also begun to indicate **approval for what has been described as the 'Core Plan' in respect of the states which are not able to show adequate resources to cover the proposed Plan Outlays** for each Annual Plan, the states have been obliged to look closer and deeper into their financial positions, marked by lower growth of revenue as against sharp growth in committed expenditures such as salaries, pensions and interest payments. Sri K.C.Pant, Dy. Chairman Planning Commission, has indicated, to the Economic Editors Conference that after the implementation of Fifth Pay Commission, the finances of the states were badly hit, leading to diversion of funds from critical areas towards current conceptions, and that the commission has begun to place **conscious emphasis on project based assistance for core critical sectors** like power, irrigation, rural connectivity and rural electrification. The Planning Commission has also begun to focus attention on **issues relating to implementation while designing plan support** to the state and is considering the **setting up of an annual fund** at the Planning Commission for releasing funds to the states on the basis of performance whereby the states undertake reforms and improve governance as per agreed bench marks. Since external resources have to be tapped to ensure even flow of resources to promote balanced development, the **Planning Commission has setup project preparation facility to assist the State Governments** in preparing and posing project reports for external assistance. In a bid to bring about the requisite degree of focus of state level issues, the Planning Commission has also undertaken the **preparation of State Development Report** in coordination with the State Governments and independent agencies. (See Hindu Business Line, Oct 19<sup>th</sup> 2001 Pg.8)

### **State Initiatives**

RBI's Study of State Finances, 2001 has detailed major policy initiatives of the States, in fiscal, institutional and sectoral areas. As Dr. Y.V.Reddy, Deputy Governor, RBI has pointed out in "Fiscal Reforms at State level Reviews and Prospects", (RBI, Bulletin, January 2001), that as the reforms progress, the relative balance between Centre and States tend to tilt in favour of the States which have taken important policy initiatives that could be classified broadly into, fiscal consolidation, institutional and sectoral reforms.

The initiatives fall in the broad categories of (a)revenue mobilisation, (b)expenditure management (c)reforms of state public enterprises, (d)rationalization of posts in

Government Departments, (e)identification of performance indicators to assess the quality of expenditure restructuring, (f)rationalisation of taxes and introduction of VAT, (g)review of user charges, and (h)initiation of sectoral reforms in the areas of infrastructural development and power. Some of these initiatives have made significant progress in nearly all the states while certain others like the Public Sector Reform and Power Sector Reform have faced heavy weather, in implementation schemes.

While the State Governments have begun the earnest efforts to ensure better expenditure management, they have also, after initial hesitation, begun to respond to Centre's suggestion on rationalization of tax structure, better enforcement, and tax constraints. Among the significant steps in this areas are the preparations for introduction of Value Added Tax (VAT) by April 2002. Centre has also announced that it will transfer service tax revenue to the states in order to compensate them for revenue losses on account of switching over to VAT Regime from April 1, 2002.

Review of the State Budgets for 2001-02 show that several states have proposed measures aimed at strengthening the revenue base and containing expenditure. The additional resource mobilisation proposed for 2001-02 amount to Rs. 1997 crores, with a substantial increase in the States own revenue receipts.

Many of these improvements are in the nature of intentions announced, and not yet full throated enough to compel serious attention from the implementing agencies. The fiscal strategies announced have been covered in an earlier section.

### **Reserve Bank of India Measures**

The RBI in its role as Central banker, debt manager and monetary authority has not only taken steps to bring uniformity in the presentation of budgetary data, but also provided guidance on cash management techniques, setting up of a consolidated sinking fund in order to retire debts, introduction of flexibility in market borrowings and timing their access to market and further recommend steps to ensure prudent financial management and preserving credibility of guarantees.

### **Sinking Fund**

RBI had proposed in 1991-92 the creation of a Consolidated Sinking Fund for the States and had reiterated it in 1993-94. The proposal was once again refloated in 1998, and a Consolidated Sinking Fund (CSF) was set up in 1999-00 to meet redemption of Market Loans of State Governments. According to this scheme each state government has to contribute 1 to 3 % of its outstanding Market Loans each year to the CSF which is

administered by a Central Accounts Section of RBI. As on June 30<sup>th</sup> 2001, Andhra Pradesh, Arunachal Pradesh, Goa, Maharashtra, Mizoram, Meghalaya, Tripura, Assam and West Bengal have set up CSF.

Accretion to the funds are invested in Government of India Securities, and the amount invested so far is Rs. 670 crores. RBI has also begun to help State Governments in fine tuning market borrowings, keeping a close watch on not only the size of market borrowings, the weighted average yield of state government loans, and maturity profiles of state government loans.

### **Ways and Means Advances**

An analysis of State Finances revealed increasing pressures and problems of liquidity management, the Union Finance Ministry and the Reserve Bank of India began to pay close attention to the health and the needs of State Finances by monitoring Ways and Means advances and overdrafts provided by the RBI to the States.

The Reserve Bank of India also constituted in August 1998 an Advisory Committee on Ways and Means Advances to the State Governments, with Sri B.P.R. Vithal as the Chairman, the Committee was requested to consider the rationalisation, and if need be revision of the limits of Ways and Means Advance to the State Governments. It may be mentioned that RBI had been operating, since 1938 a scheme for Ways and Means Advance with a Minimum Balance to be kept by the states and the Ways and Means Limits expressed as a multiple of the Minimum Balance for all the States. The Minimum Balances and the limits have been periodically revised, as in 1967, 1972, 1976, 1978, 1982, 1986, 1988, 1993 and 1996. The Vithal Committee recommendations covered, normal and special Ways and Means Advance raising the limit from Rs. 2234 crores to Rs. 3685 crores for all states specifying different limits for 23 states. It reviewed the Overdraft Regulations Scheme, and held that the scheme had worked well as a disciplinary mechanism and did not recommend any relaxation. It however suggested that apart from the present limit of ten consecutive working days, there should be a ceiling on overdrafts, hundred percent of WMA limits and a restriction of the number of days the states could operate over draft to 20 working days in a quarter. According to RBI records 16 states had resorted to overdrafts in 1999 and two states could not clear their overdrafts within the stipulated time limits obliging RBI to stop payments on their behalf.

Based on the recommendations of the Report of Group of State Finance Secretaries received in Jan 2001, the scheme of Ways and Means advance has been revised and made effective from Feb 1, 2001 the main features of the Scheme is as follows

- (i) The normal WMA limits are worked out taking into account the three years' average of revenue receipts and capital expenditure for fiscal years 1997-98, 1998-99 and 1999-2000 and applying to this base a ratio of 2.4 per cent for non special category States and 2.9 per cent for special category states.
- (ii) As per the revised scheme , the total normal WMA limits work out to Rs. 5,283 crores as against the earlier limit of Rs. 3,941 crore.
- (iii) The special WMA limits continue to be linked to the investments made by State Governments in the Government of India dated securities and Treasury Bills.
- (iv) A State is allowed to run an overdraft for 12 consecutive working days instead of 10 days earlier.
- (v) The overdraft shall not exceed 100 percent of normal WMA limits. If overdraft exceeds 100 percent of normal WMA limits in a financial year, the Reserve Bank will on the first occasion advise the State Government; on the second or subsequent occasions, the State shall be given five working days instead of the notice period of three working days earlier to bring down the overdraft amount within the level of 100 percent limit. If this is not adhered to, payments will be stopped.
- (vi) The WMA Scheme 2001 is subject to review in its entirety at the end of two years.

According to the Reserve Bank of India the recourse to WMA has been generally higher during to 2000-01 than in the previous year. As on March 31<sup>st</sup> 2001, the outstanding WMA and Overdrafts of the State Governments amounted to Rs. 6811 crores as against Rs. 7519 crores at the end of March 2000. Nineteen States resorted to Overdrafts as in the previous year and only three states could not clear the Overdraft with in the stipulated time, forcing RBI to stop payments on their behalf.

### **Guarantees**

Since the fiscal position of the states is influenced by the nature and levels of contingent liabilities including guarantees on behalf of PSU's and Cooperatives, the position is being closely reviewed. According to the RBI the Outstanding guarantees extended by the 17 major states amounted to Rs. 124813 crores i.e. (6.4% of the GDP) as at the end of March 2001 marking a steep rise from the level of Rs. 40159 crores (6.5% of the GDP) at the end of March 1992. The RBI Bulletin (Oct 2001) reports that many states have taken initiatives to place a ceiling on guarantees and that statutory ceiling and gurantees have been placed by Gujrat, Karnataka, Sikkim and W. Bengal while administrative ceiling have been imposed by Rajasthan and Assam.



## SUGGESTIONS

With the advent of era of Economic Reforms , the Governments at both the Centre and the States , had begun to articulate concern for fiscal health, and to make announcements of measures, which few, if any of them are willing to pursue to their logical end. In the early Nineties, one could doubt whether mere consciousness of a crisis round the corner, was sufficient to improve the fiscal; health of the state governments but, it can now be stated, that financial and economic crises, have been handled at the Centre and the States in India with a measure of circumspection and determination with a multipronged approach. Neither Expenditure control nor Austerity measures are new to the Union Government but the State Governments were not consistent. The responses in the past were in the nature of hesitant action, which appeared to be mere containment of the problem. The responses could even be termed situational responses, and not long term strategy.

In some periods, as in the mid Seventies, when drastic austerity measures like wage freeze were taken up by the Union Government to control expenditure , and Emergency was declared to bring discipline in the economy and political spheres, they were attended with serious political consequences. They were assailed as impinging on the democratic freedom of citizens. While the economy gained from the Emergency measures of 1975, political and democratic freedom seriously suffered, The choice between political freedom and economic prosperity has larger value implications. The present Structural Adjustment Programmes carried out by the Centre for sometime now and prescribed for the States more frequently now, does not answer satisfactorily the questions relating to equity. Given the Federal character of the country, and its reasonable success in operating a steady and stable democratic Government there are no easy answers to questions of discipline whether in financial or any other sector.

With continuing Inter State Disparities in levels of development, strategies formulated by the Centre for itself or by any particular state cannot be applied to other states. **There is need for state specific programmes of action , with a proper time frame, that maintains a balance between Economic, Social and Political value systems and factors operating at the ground level.**

The rapid survey however indicates that even what were once considered financially well managed States like Maharashtra and Tamil Nadu have begun to slip into the morass of financial mismanagement, possibly because, **tax performance and expenditure control were not among the premium virtues in attracting devolution and transfers of central resources, judging by the criteria of successive Finance Commissions and the Planning Commission This needs to be reversed, and inter state disparities in**

**central assistance should be relatable to identifiable difficulties in the fiscal performance, and differences in natural resource endowment and logistical problems** as those faced by the ten special category states, most of which border Himalayas and the hill ranges of the North East.

It is unfortunate that the recommendations for higher devolution and transfers of central resources can, as in the case of the Eleventh Finance Commission, come to be viewed as unduly leaning towards certain States like West Bengal, Bihar, Uttar Pradesh, Madhya Pradesh and Rajasthan and not recognising the performance of the other states. In the process, it has provided avoidable grounds for grievances to be felt by some States, who appear to feel that prudence in financial management is not a preferred virtue in the fiscal financial system of India. Such subterranean reasons render, lofty announcements of fiscal reforms, and discipline less meaningful in the real world than they should be. The creation of Incentive Fund by the Centre may make some difference to the perceptions of State Governments.

The Union Finance Minister Shri Yeshwanth Sinha announced **the appointment of the Expenditure Reforms Commission in the Budget for 2000-01**, and followed it up with the declaration of his intention to carry out structural changes in the composition of central government expenditure and effect economy in non plan revenue expenditure with greater vigour while improving the quality of plan expenditure. **Some of the measures announced like levy of User Charges, scrutiny of staff strength with a view to restricting new recruitment, creation of surplus pool employees to redeploy surplus staff and use of Information Technology to promote efficiency in activities with large interface with people , could be equally applied to the State Governments.**

Though the Union Government has received the report of Expenditure Reforms Commission, in respect of six Ministries, the implementation appears to be rather slow, on account of reluctance displayed by the Ministries. Finance Minister also introduced a Fiscal Responsibility Bill in the Parliament in December 2000, seeking to reduce the fiscal deficit to 2% and completely eliminate revenue deficit in the next five years. A critical examination of the provision of this bill shows that the ambitions are rather lofty, and operational problems in implementation considerable enough, to reduce the chances of top gear implementation. The report of the Parliamentary Select Committee in Nov 2001, suggesting some modification in the provisions may enable a more widespread acceptance by states of legislative measures for restoring fiscal health.

It must however be said, that the example set by the Union Finance Minister and the Prime Minister in not hesitating to place before the Parliament and the public the true state

of fiscal health of the Centre and the States, have now been followed by all the States taken up for study, with each coming up with a White Paper or a Strategy Paper on the state of finances and the steps proposed to be taken to restore health to the system.

The Center's lead and exhortation have led to fiscal reform measures by the State Governments in 2000-01, which, as mentioned earlier can be classified into fiscal, institutional and sectoral categories. These initiatives have been detailed by the Reserve Bank of India in its Study of States Budgets 2000-01. (Pages 6-10). Whether this line of treatment can completely cure the ills of the State Finances is a matter on which opinions can differ, as the commitment of the State Governments, vary from state to state and region to region. One should not miss the problem posed by slender majorities of the parties in power in the states, and the coalition governments that have become a conspicuous feature of the Indian Political System.

As summed up by Dr. Y.V. Reddy, "there is a wide spread realisation about the need for fiscal stabilisation and reform. Each State has devised its own measures but most of these have a common thread of reforms of public enterprises, reduction in subsidies, expenditure containment and revenue augmentation. **There are however severe limitations in regard to the adjustment effort in view of the large magnitudes of committed expenditures viz., salaries, pensions and interest charges.**"(see RBI Bulletin January 2001 Page 90)

While the difficulties pointed out by Dr.Reddy are real, we would like to suggest, in the light of our study that **the states should immediately pay greater attention to fiscal integrity, audit and accountability, and regain for the system at least a part of the sanctity associated with obtaining legislative approval.** Persistence, year after year of variations between budget estimates, revised estimates and actual expenditures is a bad reflection on the quality of budget preparation and discipline. While budget preparation and presentation to Legislature appear to involve, the gathering and displaying of disparate details running into 12,000 pages, as pointed by Dr.M.D.Godbole in a study of Maharashtra budget, **the responsibility for making budgetary provisions complied with and respected by different Government departments appear to be very thinly spread. This may be to some extent met by legal enactments like the Fiscal Responsibility and Budget Management Bill (Bill no 220 of 2000) introduced in the Parliament in Dec 2000.** While the medium term fiscal policy statement, the fiscal policy strategy statement and macro economic framework statement, proposed to be presented to the Legislature along with annual budget may to some extent meet the problems of preparing Annual Budgets without the Government having full control over factors like those affecting revenue estimates, like seasonal conditions and business

environment influenced by external factors in a globalised economy, the essence of the Bill should be seen in the **three year rolling target for prescribed fiscal indicators with specification of underlying assumptions. Such an approach can be made by the state governments** also. However, the measures to enforce compliance like presentation, every quarter, trends in receipts and expenditure in relation to the budget, appear less practical and needless. The present time frames in which government departments initiate proposals, obtain approval and act on them militate against such a short time frame. It must also be ensured that this does not become yet another ritual observed with regularity but with little sanctity. In this connection, it is worth noting that, as observed by Dr. A.Premchand that the **relationship between Macro Economic Management and Micro Economic Planning is important and that coordination within the Government agencies, concerned with micro management continues to be important.** Such coordination however needs to be examined not at the aggregate level of broad relationships between planning and finance agencies but in terms of specific component plans and budgets and the way in which bridges may be constructed between the two. (A.Premchand, 'Planning and Budgeting in Government, Practices and Issues' in Ravi Kathpalia, Financial Management and Accountability, 1994). In this connection, **the categorisation of accounts, into plan and non plan, developmental and non developmental, have been helpful to some extent, but over the years, operational departments appear to have lost track of the significance of this difference and provisions are made and used without grasping the significance.** In the Union Budget 1998-99, the Finance Minister had proposed the constitution of a Task Force to examine the question of eliminating "the Plan and Non Plan" distinction in a Budget and to make recommendations for a functionally viable and more focussed presentation of Government expenditure in the budget. The Eleventh Finance Commission had also dealt with this issue as in its view excessive attention on Plan Expenditure has resulted in neglect of maintenance of past projects which is classified as non plan. **While this tendency needs to be curbed, mere removal of this distinction may not be sufficient, as what is needed is improvement in the quality of budget preparation, with due attention to, and prior determination of inter se priorities of alternative claims for the ever shrinking resources of the state and Union Governments. If the quality of decision making has to be improved State Governments may need to move in the direction of reforms suggested in the case of Maharashtra Government.** These include presentation of only six documents in the legislature Financial Statements, Schedule of Demands, Budget Memoranda, Budget at a Glance as presented by Government of India, Budget in Brief in a revised form to provide essential information. Dr.Godbole has also suggested presentation of a new document, Significant Pointers of finances of State Government mostly related to the medium term plan. **Reduction in number of grants,**

**presentation of profile of debt of the state, classification of state's outstanding debt, contingent liability, Explanation of variations in the estimate, consolidated list of works in progress with details of original and revised cost estimates, quantum of devolution to local bodies, data on salary and allowances of employees of government, local bodies and grant-in-aid institutions, pension liability, details of tax concession given, off budget transaction involving borrowing by state PSUs , performance of the PSUs, their credit rating, flow of funds from Central government are among the significant pointers to be provided. Improving the presentation aspects of the budget can help improve the quality of legislative control, and monitoring of expenditure.**

**The real improvement in fiscal health of the state can come about only by more detailed attention to the resources side, with studies of trends in tax and non tax revenue, and review of the existing frame work for cost recovery and reduction of subsidies.** There appears to be a perceptible difference in the approaches to cost recovery and reduction of subsidies in different sectors. Even the State Governments which have moved in this direction, appear to have done it in Social Services and to some extent in General Services rather than in Economic Services like irrigation where the scope for recovery is higher.

It is also seen that while some State Governments have set up Expenditure Priority Committees and others Expenditure Reforms Commission, the mechanism for scrutiny of projects, particularly their estimates of cost and viability, have remained woefully inadequate, in relation to the nature of commitments made. **Mechanisms like Expenditure Finance Committee and Public Investment Board, which provide some degree of pre investment scrutiny of feasibility reports, now obtaining at the Centre need to be introduced in the States. The area which calls for serious attention is the time phasing of investments, with provisions in the budget matching the needs of approved projects.** The practice of spreading available resources thinly over a large number of projects in several sectors, continues to plague Public Expenditure Management in the states. **The proposed project preparation facility at the Planning Commission can make some difference in due course, if the State Governments avail this facility in adequate measure. For its part the Planning Commission could consider a training State Government employees in project formulation and appraisal rather than taking up the project preparation itself. In this connection it may be recalled that the Finance Ministry and the Planning Commission had initiated a similar scheme of training implemented by the Department of Personnel and Administrative Reforms in the late nineties. The scheme meant for a Union Ministry officials was implemented by Academic and Management Institutions.**

**The proposed scheme of training could however be implemented by the Planning Commission with expert faculty from authorities like the Central Electricity Authority (CEA).**

It must be observed in this regard, that the **liberalisation and deregulation**, adopted as a philosophical mode for governments in the 21<sup>st</sup> century **has come to be interpreted as a freedom from scrutiny and preinvestment appraisal**. Stipulation of terms and conditions of approval, for projects and schemes taken up with Public Funds, a common practice in the earlier era, have become somewhat rare. Cost and time overruns, continue to be condoned and funded further by both the governments and the financing institutions, as a matter of course, without techno-economic scrutiny of the changes in the scope of projects, and increasing costs relating to factors, those outside and those within, the control of project authorities. **Tightening of procedures relating to approval of revised costs estimates is an urgent necessity.**

The prescriptions of Audit and Legislative Accountability have ceased to be matters of serious import, to be given appropriate recognition by way of corrective action. The Reports of the Public Accounts Committee, Estimates Committee and the Committee on Public Undertakings are at the moment expected to be presented to the Legislature along with action taken reports by the governments. There appears to be serious time lag in the presentation of the reports and much of it is of a postmortem of a dead cause. **Creation of a mechanism for concurrent audit and monitoring by a multi-disciplinary group with representatives with administrative, technical and audit professional background need to be deliberated and decided upon, as at the moment, project authorities and audit appear to take adversarial positions.**

Considering that the total outstanding debt of the states, had increased from a mere Rs. 23067 crores in 1980-81 to Rs. 108203 crores in 1990-91 and very sharply rising to Rs. 498841 crores, the need to consider action on a frequently made **suggestion for a constitutional cap on borrowings has become urgent**. In this connection it must also be observed that **some of the state governments, like Andhra Pradesh appear to be getting encouragement to access directly International Financial Agencies. This needs to be curbed, for one of the major reasons for distortion of plan priorities and expenditure are the subtle dictations of these agencies. Constitutional and fiscal propriety both demand a firm decision in this area.**

The implementation of all these Suggestions can certainly tone up the fiscal health of the State Governments. Measures for systemic recovery have to be not only carefully formulated, with states specific context but also implemented with a degree of

circumspection, combined with determination, without expecting results in the short term. While the fiscal problems of the states in India have been diagnosed before they turned terminally critical, the course of cure and treatment has certainly begun.

Given the grey environment in which gross fiscal deficits and outstanding debts of states have been increasing, crying for attention for quite some time one must welcome that a beginning has been made by the State Governments covered in the study setting an example to the rest of India. The publication of white papers on State Finances by the Governments of Maharashtra, Tamil Nadu and Kerala and the announcement of Medium Term Fiscal Strategy by Governments of Andhra Pradesh and Karnataka are important indicators of the New Financial Approach of the State Governments. It will be some time before, the effect can be felt, in the Budgets presented to the State legislatures and in the field level implementation.

It is interesting to note that the Finance Minister of the financially weakest of the states studied is optimistic. Kerala's Finance Minister, Shri. K. Sankarnarayanan in his Budget speech 2001-02 has stated "No doubt, the economy of the state is under siege today. But, we have to move beyond the fragmented and broken finances of the states, ..... and move towards the goal with an unwavering disposition characterised by an abounding optimism that is so eloquently summed up in Kumaran Asan's words:

**As there are luminous stars even in eerie  
darkness and islands in oceans, so shall we  
find a way to lead us out of these dire straits."**

**Such optimism should be reassuring even to the most cynical of Economists. It is said that "It is darkest before dawn ". May be the dawn is around for the state finances.**

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**A STUDY ON  
MANAGEMENT OF PUBLIC EXPENDITURE  
BY STATE GOVERNMENTS IN INDIA**

**PREPARED FOR  
PLANNING COMMISSION , GOVERNMENT OF INDIA  
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**TABLE AS - 1 : ALL STATES**  
**STATE WISE TRANSACTION ON REVENUE ACCOUNT (Rs.Crores)**

| State-24          | Year<br>1990-91(AC) |                 |                       | Year<br>1991-92(AC) |                 |                       | Year<br>1992-93(AC) |                 |                       | Year<br>1993-94(AC) |                  |                       | Year<br>1994-95(AC) |                  |                       | Year<br>1995-96(AC) |                  |                       |
|-------------------|---------------------|-----------------|-----------------------|---------------------|-----------------|-----------------------|---------------------|-----------------|-----------------------|---------------------|------------------|-----------------------|---------------------|------------------|-----------------------|---------------------|------------------|-----------------------|
|                   | Rev Receipt         | Expenditure     | Surplus(-)<br>Deficit | Rev Receipt         | Expenditure     | Surplus(-)<br>Deficit | Rev Receipt         | Expenditure     | Surplus(-)<br>Deficit | Rev Receipt         | Expenditure      | Surplus(-)<br>Deficit | Rev Receipt         | Expenditure      | Surplus(-)<br>Deficit | Rev Receipt         | Expenditure      | Surplus(-)<br>Deficit |
| <b>Andhra</b>     | <b>5347.20</b>      | <b>5504.80</b>  | <b>-157.60</b>        | <b>6282.00</b>      | <b>6451.60</b>  | <b>-169.60</b>        | <b>7066.40</b>      | <b>7190.20</b>  | <b>-123.80</b>        | <b>8250.50</b>      | <b>8018.20</b>   | <b>232.30</b>         | <b>8786.40</b>      | <b>9514.10</b>   | <b>-727.70</b>        | <b>9874.90</b>      | <b>10613.70</b>  | <b>-738.80</b>        |
| Arp               | 358.20              | 258.10          | 100.10                | 445.70              | 287.50          | 158.20                | 503.20              | 340.00          | 163.20                | 546.40              | 398.90           | 147.50                | 605.50              | 438.90           | 166.60                | 753.80              | 507.30           | 246.50                |
| Assam             | 1776.60             | 1920.40         | -143.80               | 2417.70             | 2148.10         | 269.60                | 2613.20             | 2450.90         | 162.30                | 3317.50             | 2901.20          | 416.30                | 2961.40             | 3270.70          | -309.30               | 3375.70             | 3575.70          | -200.00               |
| Bihar             | 4321.60             | 4887.70         | -566.10               | 4853.70             | 5738.70         | -885.00               | 5963.60             | 6569.60         | -606.00               | 6629.10             | 7318.60          | -689.50               | 6797.80             | 7731.20          | -933.40               | 7377.40             | 8456.20          | -1078.80              |
| Goa               | 282.60              | 275.40          | 7.20                  | 322.30              | 331.80          | -9.50                 | 388.80              | 380.30          | 8.50                  | 463.80              | 430.50           | 33.30                 | 533.60              | 477.30           | 56.30                 | 817.90              | 785.00           | 32.90                 |
| Gujarat           | 3379.20             | 4081.90         | -702.70               | 4662.60             | 5238.20         | -575.60               | 5911.10             | 6210.90         | -299.80               | 7030.00             | 6933.80          | 96.20                 | 7806.40             | 7544.20          | 262.20                | 8544.00             | 8766.10          | -222.10               |
| Haryana           | 1913.40             | 1933.10         | -19.70                | 2241.80             | 2274.00         | -32.20                | 2377.60             | 2379.63         | -1.70                 | 3481.50             | 3401.00          | 80.50                 | 5882.40             | 6272.90          | -390.50               | 5014.70             | 5361.50          | -346.80               |
| H.P               | 806.70              | 901.50          | -94.80                | 992.40              | 982.60          | 9.80                  | 1052.50             | 1145.60         | -93.10                | 1465.10             | 1351.50          | 113.60                | 1306.40             | 1614.30          | -307.90               | 1754.00             | 1904.30          | -150.30               |
| J & K             | 1157.80             | 1249.00         | -91.20                | 1625.40             | 1521.40         | 104.00                | 2048.90             | 1781.90         | 267.00                | 2227.30             | 1768.40          | 458.90                | 3026.90             | 2324.40          | 702.50                | 3256.40             | 2515.70          | 740.70                |
| <b>Karnataka</b>  | <b>3892.20</b>      | <b>3971.10</b>  | <b>-78.90</b>         | <b>4775.40</b>      | <b>4954.10</b>  | <b>-178.70</b>        | <b>5421.70</b>      | <b>5591.70</b>  | <b>-170.00</b>        | <b>6324.70</b>      | <b>6208.30</b>   | <b>116.40</b>         | <b>6968.40</b>      | <b>7264.50</b>   | <b>-296.10</b>        | <b>8543.40</b>      | <b>8481.20</b>   | <b>62.20</b>          |
| <b>Kerala</b>     | <b>2402.90</b>      | <b>2824.90</b>  | <b>-422.00</b>        | <b>2852.10</b>      | <b>3216.50</b>  | <b>-364.40</b>        | <b>3318.70</b>      | <b>3656.10</b>  | <b>-337.40</b>        | <b>3922.10</b>      | <b>4293.40</b>   | <b>-371.30</b>        | <b>4666.40</b>      | <b>5066.30</b>   | <b>-399.90</b>        | <b>5423.60</b>      | <b>5826.40</b>   | <b>-402.80</b>        |
| M.P.              | 4545.40             | 4746.10         | -200.70               | 5377.00             | 5420.80         | -43.80                | 6442.60             | 6157.30         | 285.30                | 7069.80             | 7517.90          | -448.10               | 7618.30             | 7808.80          | -190.50               | 8653.50             | 9130.90          | -477.40               |
| <b>Maharastra</b> | <b>8699.00</b>      | <b>8753.60</b>  | <b>-54.60</b>         | <b>9772.60</b>      | <b>10048.70</b> | <b>-276.10</b>        | <b>10818.20</b>     | <b>11546.70</b> | <b>-728.50</b>        | <b>12986.80</b>     | <b>13108.70</b>  | <b>-121.90</b>        | <b>15089.50</b>     | <b>14812.20</b>  | <b>277.30</b>         | <b>16559.30</b>     | <b>17168.40</b>  | <b>-609.10</b>        |
| Manipur           | 395.70              | 307.20          | 88.50                 | 450.80              | 377.50          | 73.30                 | 480.00              | 397.80          | 82.20                 | 578.50              | 437.60           | 140.90                | 592.10              | 508.30           | 83.80                 | 691.70              | 618.80           | 72.90                 |
| Meghalaya         | 353.10              | 310.90          | 42.20                 | 403.70              | 368.00          | 35.70                 | 428.50              | 410.30          | 18.20                 | 500.80              | 482.90           | 17.90                 | 530.30              | 456.90           | 73.40                 | 683.90              | 580.40           | 103.50                |
| Mizoram           | 461.90              | 304.80          | 157.10                | 400.00              | 321.10          | 78.90                 | 421.40              | 374.20          | 47.20                 | 502.70              | 418.80           | 83.90                 | 538.40              | 463.50           | 74.90                 | 627.40              | 565.10           | 62.30                 |
| Nagaland          | 416.70              | 421.90          | -5.20                 | 495.10              | 488.80          | 6.30                  | 514.20              | 527.20          | -13.00                | 632.40              | 679.60           | -47.20                | 613.00              | 721.80           | -90.80                | 781.00              | 845.20           | -64.20                |
| Orissa            | 2170.90             | 2190.50         | -19.60                | 2447.30             | 2635.00         | -187.70               | 2913.20             | 3048.90         | -135.70               | 3207.80             | 3482.20          | -274.40               | 3575.90             | 4035.50          | -459.60               | 3890.70             | 4697.80          | -807.10               |
| Punjab            | 1975.70             | 2519.90         | -544.20               | 3715.90             | 4196.80         | -480.80               | 2786.90             | 3422.50         | -635.60               | 3276.60             | 4043.50          | -766.90               | 5300.90             | 6042.80          | -741.90               | 5184.80             | 5635.00          | -450.20               |
| Rajasthan         | 3647.90             | 3480.00         | 167.90                | 4128.80             | 4080.20         | 48.50                 | 4887.50             | 4997.00         | -109.50               | 5596.90             | 5897.60          | -300.70               | 6321.70             | 6746.50          | -424.80               | 7629.70             | 8331.50          | -701.80               |
| Sikkim            | 159.50              | 128.10          | 31.40                 | 182.40              | 155.10          | 27.30                 | 209.20              | 179.70          | 29.50                 | 224.90              | 188.90           | 36.00                 | 546.20              | 526.40           | 19.80                 | 941.20              | 881.20           | 60.00                 |
| <b>Tamilnadu</b>  | <b>5087.90</b>      | <b>5641.30</b>  | <b>-553.40</b>        | <b>6775.70</b>      | <b>8679.50</b>  | <b>-1903.80</b>       | <b>7016.30</b>      | <b>8542.50</b>  | <b>-1526.20</b>       | <b>8066.10</b>      | <b>8758.00</b>   | <b>-691.90</b>        | <b>9219.40</b>      | <b>9635.00</b>   | <b>-415.60</b>        | <b>10599.30</b>     | <b>10910.50</b>  | <b>-311.30</b>        |
| Tripura           | 495.30              | 497.00          | -1.70                 | 563.10              | 547.60          | 15.50                 | 604.10              | 550.20          | 53.90                 | 642.70              | 643.00           | -0.30                 | 741.30              | 705.80           | 35.50                 | 937.30              | 786.60           | 150.70                |
| U.P.              | 8310.20             | 9538.50         | -1228.30              | 9674.60             | 10399.20        | -724.60               | 11676.20            | 12690.70        | -1014.50              | 12131.40            | 13280.10         | -1148.70              | 13393.20            | 15396.00         | -2002.80              | 15215.20            | 17555.80         | -2340.60              |
| W.B.              | 4109.20             | 5128.10         | -1018.90              | 4677.60             | 5323.70         | -646.10               | 5227.10             | 5663.70         | -436.60               | 5921.40             | 6905.70          | -984.30               | 6863.50             | 7630.70          | -767.20               | 7376.10             | 8626.30          | -1250.20              |
| NCT Delhi         | "                   | "               | "                     | "                   | "               | "                     | "                   | "               | "                     | 566.90              | 507.90           | 59.00                 | 1980.40             | 1430.90          | 549.50                | 2296.50             | 1877.20          | 419.30                |
| <b>All States</b> | <b>66466.80</b>     | <b>71775.80</b> | <b>-5309.00</b>       | <b>80535.70</b>     | <b>86186.40</b> | <b>-5650.70</b>       | <b>91091.10</b>     | <b>96205.20</b> | <b>-5114.10</b>       | <b>105563.70</b>    | <b>109376.20</b> | <b>-3812.50</b>       | <b>122283.70</b>    | <b>128439.90</b> | <b>-6156.20</b>       | <b>136803.40</b>    | <b>145003.90</b> | <b>-8200.50</b>       |

**TABLE AS - 1 : ALL STATES**  
**STATE WISE TRANSACTION ON REVENUE ACCOUNT (Rs.Crores)**

|                    | Year<br>1996-97(AC) |                  |                       | Year<br>1997-98(AC) |                  |                       | Year<br>1998-99(AC) |                  |                       | Year<br>1999-00(RE) |                  |                       | Year<br>2000-01(BE) |                  |                       |
|--------------------|---------------------|------------------|-----------------------|---------------------|------------------|-----------------------|---------------------|------------------|-----------------------|---------------------|------------------|-----------------------|---------------------|------------------|-----------------------|
|                    | Rev Receipt         | Expenditure      | Surplus(-)<br>Deficit | Rev Receipt         | Expenditure      | Surplus(-)<br>Deficit | Rev Receipt         | Expenditure      | Surplus(-)<br>Deficit | Rev Receipt         | Expenditure      | Surplus(-)<br>Deficit | Rev Receipt         | Expenditure      | Surplus(-)<br>Deficit |
| <b>ANDHRA</b>      | <b>11193.30</b>     | <b>14392.40</b>  | <b>-3199.10</b>       | <b>13841.10</b>     | <b>14544.30</b>  | <b>-703.20</b>        | <b>14259.50</b>     | <b>16943.60</b>  | <b>-2684.10</b>       | <b>17448.70</b>     | <b>20173.30</b>  | <b>-2724.60</b>       | <b>21040.60</b>     | <b>24881.50</b>  | <b>-3840.90</b>       |
| Arp                | 809.00              | 602.20           | 206.70                | 837.20              | 664.90           | 172.30                | 923.60              | 746.50           | 177.10                | 1023.90             | 872.70           | 151.30                | 1008.00             | 854.90           | 153.10                |
| Assam              | 3855.80             | 3571.30          | 284.50                | 4325.70             | 4038.60          | 287.10                | 4506.50             | 4416.30          | 90.20                 | 5839.00             | 7205.30          | -1366.30              | 6554.30             | 7455.20          | -900.90               |
| Bihar              | 8037.90             | 8253.90          | -216.00               | 8692.60             | 8956.50          | -263.90               | 9272.10             | 10622.50         | -1350.50              | 12578.60            | 16128.30         | -3549.70              | 14133.90            | 16534.50         | -2400.60              |
| Goa                | 810.40              | 788.90           | 21.50                 | 1107.90             | 1121.90          | -14.90                | 1147.30             | 1288.00          | -140.80               | 1320.20             | 1562.40          | -242.20               | 1775.20             | 1860.10          | -84.90                |
| Gujarat            | 9668.00             | 10259.40         | -591.40               | 11125.40            | 12143.10         | -1017.80              | 12742.70            | 15606.20         | -2863.40              | 14488.70            | 17248.00         | -2759.20              | 16579.60            | 18959.40         | -2379.80              |
| Haryana            | 6048.30             | 6767.00          | -718.70               | 5897.80             | 6617.20          | -719.40               | 5478.70             | 7018.90          | -1540.20              | 5979.30             | 7270.40          | -1291.10              | 6755.90             | 8097.20          | -1341.30              |
| H.P                | 1992.00             | 2146.90          | -154.90               | 2170.50             | 2699.10          | -528.70               | 2311.90             | 3334.30          | -1022.30              | 3628.00             | 3869.80          | -241.80               | 3757.70             | 4057.10          | -1299.40              |
| J & K              | 3690.20             | 2898.60          | 791.60                | 4287.70             | 3479.60          | 808.00                | 4509.10             | 4909.40          | -400.20               | 5237.30             | 5355.70          | -118.40               | 5172.30             | 5833.90          | -661.60               |
| <b>Karnataka</b>   | <b>9622.20</b>      | <b>10201.10</b>  | <b>-578.90</b>        | <b>10613.40</b>     | <b>1890.20</b>   | <b>-276.80</b>        | <b>11230.40</b>     | <b>12445.60</b>  | <b>-1215.20</b>       | <b>13104.00</b>     | <b>14677.20</b>  | <b>-1573.20</b>       | <b>15572.70</b>     | <b>1755.00</b>   | <b>-1582.30</b>       |
| <b>Kerala</b>      | <b>6145.10</b>      | <b>6788.10</b>   | <b>-643.00</b>        | <b>7118.20</b>      | <b>8241.10</b>   | <b>-1122.90</b>       | <b>7198.10</b>      | <b>9228.10</b>   | <b>-2030.00</b>       | <b>8736.90</b>      | <b>11218.20</b>  | <b>-2481.30</b>       | <b>10171.50</b>     | <b>12121.80</b>  | <b>-1950.30</b>       |
| M.P.               | 10014.20            | 11462.10         | 1447.90               | 11257.10            | 11726.40         | -469.30               | 11345.90            | 14217.60         | -2871.80              | 13804.80            | 16420.20         | -2615.40              | 14519.10            | 17057.80         | -2538.70              |
| <b>Maharashtra</b> | <b>19255.20</b>     | <b>20845.80</b>  | <b>-1590.60</b>       | <b>20316.60</b>     | <b>22896.50</b>  | <b>-2579.90</b>       | <b>21737.10</b>     | <b>25663.00</b>  | <b>-3925.90</b>       | <b>24408.00</b>     | <b>33891.90</b>  | <b>-9484.00</b>       | <b>28273.10</b>     | <b>31880.40</b>  | <b>-3607.30</b>       |
| Manipur            | 808.10              | 708.20           | 99.90                 | 863.00              | 797.70           | 65.30                 | 896.80              | 788.60           | 108.10                | 1174.80             | 1435.90          | -261.10               | 986.10              | 1110.70          | -124.50               |
| Meghalaya          | 730.50              | 617.00           | 113.50                | 696.80              | 685.10           | 11.60                 | 832.70              | 815.40           | 17.30                 | 1068.30             | 1082.70          | -14.50                | 1101.40             | 1202.90          | -101.50               |
| Mizoram            | 667.60              | 620.60           | 47.00                 | 721.40              | 661.60           | 59.90                 | 735.00              | 690.80           | 44.10                 | 881.50              | 903.50           | -21.90                | 738.80              | 797.60           | -58.80                |
| Nagaland           | 874.00              | 865.20           | 8.80                  | 992.90              | 1003.90          | -10.90                | 1035.70             | 1049.10          | -13.40                | 1144.00             | 1180.30          | -36.30                | 1267.40             | 1256.90          | 10.50                 |
| Orissa             | 4286.80             | 5117.30          | -830.50               | 4632.00             | 5536.50          | -904.50               | 4544.40             | 6819.20          | -2264.80              | 6510.90             | 8687.40          | -2176.50              | 7707.20             | 9641.50          | -1934.30              |
| Punjab             | 5568.60             | 6925.70          | -1357.10              | 6351.30             | 7835.20          | -1483.90              | 5755.60             | 8384.30          | -2628.70              | 8382.60             | 11486.90         | -3104.40              | 10685.20            | 13071.60         | -2386.40              |
| Rajasthan          | 7559.70             | 8425.70          | -866.00               | 8404.20             | 8986.10          | -581.60               | 8579.30             | 11575.60         | -2996.30              | 10005.70            | 13865.70         | -3860.00              | 11328.60            | 14569.30         | -3240.70              |
| Sikkim             | 1157.60             | 1118.90          | 38.70                 | 1299.50             | 1258.10          | 41.40                 | 1440.70             | 1495.60          | -54.90                | 1546.00             | 1545.70          | 0.30                  | 993.50              | 945.50           | 48.00                 |
| <b>Tamil Nadu</b>  | <b>11961.30</b>     | <b>13064.90</b>  | <b>-1103.60</b>       | <b>13587.00</b>     | <b>14950.90</b>  | <b>-1363.90</b>       | <b>14260.80</b>     | <b>17697.40</b>  | <b>-3436.60</b>       | <b>16465.30</b>     | <b>20166.00</b>  | <b>-3700.70</b>       | <b>18406.20</b>     | <b>21564.90</b>  | <b>-3158.70</b>       |
| Tripura            | 1028.90             | 907.20           | 121.70                | 1082.10             | 1060.40          | 21.70                 | 1268.40             | 1175.60          | 92.70                 | 1385.00             | 1522.70          | -137.70               | 22645.50            | 30568.50         | -7923.00              |
| U.P.               | 16028.60            | 19207.70         | -3179.10              | 17571.10            | 22195.00         | -4623.90              | 17378.70            | 26074.90         | 8696.20               | 22645.5             | 30568.5          | -7923                 | 27038.60            | 32923.80         | -5885.20              |
| W.B.               | 8227.10             | 10362.40         | -2135.30              | 9027.80             | 11321.90         | -2294.10              | 9386.70             | 14242.90         | -4856.20              | 11399.20            | 19455.30         | -8056.10              | 13131.20            | 20656.20         | -7525.00              |
| NCT Delhi          | 2796.00             | 2031.80          | 764.20                | 3480.70             | 2322.00          | 1158.70               | 3660.10             | 2840.10          | 820.00                | 4603.60             | 3817.20          | 786.40                | 5595.00             | 4232.90          | 1362.10               |
| <b>All States</b>  | <b>152836.40</b>    | <b>168950.30</b> | <b>-16113.90</b>      | <b>170300.80</b>    | <b>186633.80</b> | <b>-16333.00</b>      | <b>176447.70</b>    | <b>220089.50</b> | <b>-43641.80</b>      | <b>214809.60</b>    | <b>271611.30</b> | <b>-56801.60</b>      | <b>244920.10</b>    | <b>290622.40</b> | <b>-45702.30</b>      |

Note : Data for NCT Delhi have been provided after grant of Legislative Status in 1993-94 .  
Source Reserve Bank of India Bulletin for various Years

**TABLE AS - 2 ALL STATES  
STATE WISE TRANSACTION ON THE CAPITAL ACCOUNTS (Rs.Crores)**

| State             | 1990-91 (AC)     |                 |                                 | 1991-92(AC)      |                 |                                 | 1992-93(AC)      |                 |                                 | 1993-94(AC)      |                 |                                 | 1994-95(AC)      |                 |                                 | (Rs.Crores<br>1995-96(AC)) |                 |                                 |
|-------------------|------------------|-----------------|---------------------------------|------------------|-----------------|---------------------------------|------------------|-----------------|---------------------------------|------------------|-----------------|---------------------------------|------------------|-----------------|---------------------------------|----------------------------|-----------------|---------------------------------|
|                   | Capital Receipts | Capital Exp     | Capital Surplus (+) Deficit (-) | Capital Receipts | Capital Exp     | Capital Surplus (+) Deficit (-) | Capital Receipts | Capital Exp     | Capital Surplus (+) Deficit (-) | Capital Receipts | Capital Exp     | Capital Surplus (+) Deficit (-) | Capital Receipts | Capital Exp     | Capital Surplus (+) Deficit (-) | Capital Receipts           | Capital Exp     | Capital Surplus (+) Deficit (-) |
| <b>Andhra</b>     | <b>1250.90</b>   | <b>1065.70</b>  | <b>185.20</b>                   | <b>1595.20</b>   | <b>1334.30</b>  | <b>260.90</b>                   | <b>1937.00</b>   | <b>1793.30</b>  | <b>143.70</b>                   | <b>2552.80</b>   | <b>2523.00</b>  | <b>29.80</b>                    | <b>3380.70</b>   | <b>2944.90</b>  | <b>435.80</b>                   | <b>4456.80</b>             | <b>3687.00</b>  | <b>796.80</b>                   |
| Arp               | 93.00            | 171.70          | -78.70                          | 12.70            | 164.90          | -152.20                         | -17.80           | 163.10          | -180.90                         | -37.10           | 176.00          | -213.10                         | 60.50            | 251.60          | -191.10                         | 59.90                      | 296.00          | -236.10                         |
| Assam             | 986.60           | 783.50          | 203.10                          | 330.10           | 632.70          | -302.60                         | 560.10           | 685.40          | -125.30                         | 164.10           | 718.80          | -554.70                         | 2356.00          | 727.10          | 1628.90                         | 1204.60                    | 814.60          | 389.90                          |
| Bihar             | 1713.60          | 1328.80         | 384.80                          | 1902.80          | 1065.90         | 836.90                          | 1737.70          | 1173.90         | 563.80                          | 1752.10          | 1114.60         | 637.50                          | 1808.60          | 823.30          | 985.30                          | 1726.70                    | 960.80          | 765.90                          |
| Goa               | 151.30           | 123.10          | 28.20                           | 84.80            | 142.80          | -58.00                          | 72.10            | 118.80          | 46.70                           | 86.30            | 127.80          | -41.50                          | 104.30           | 123.80          | -19.50                          | 109.60                     | 157.80          | -48.20                          |
| Gujarat           | 2136.60          | 1393.40         | 743.20                          | 2258.80          | 1710.20         | 548.60                          | 1892.20          | 1775.70         | 116.50                          | 1606.30          | 1474.10         | 132.20                          | 1914.90          | 1953.50         | -38.60                          | 2544.70                    | 2044.50         | 500.20                          |
| Haryana           | 538.30           | 461.70          | 76.60                           | 504.90           | 457.80          | 47.10                           | 536.90           | 576.70          | -39.80                          | 682.00           | 708.00          | -26.00                          | 1128.30          | 638.90          | 489.40                          | 3938.20                    | 769.90          | 3168.30                         |
| H.P               | 361.40           | 215.60          | 145.80                          | 1267.20          | 1342.40         | -75.20                          | 285.40           | 301.20          | -15.80                          | 372.30           | 339.30          | 33.00                           | 386.90           | 394.20          | -7.30                           | 39.60                      | 445.70          | -406.11                         |
| J & K             | 588.10           | 771.90          | -183.80                         | 238.90           | 764.30          | -525.40                         | 231.70           | 538.60          | -306.90                         | 242.70           | 824.90          | -582.20                         | 312.40           | 1014.90         | -702.50                         | 316.20                     | 1056.90         | -740.70                         |
| <b>Karnataka</b>  | <b>1324.00</b>   | <b>1192.70</b>  | <b>131.30</b>                   | <b>1465.80</b>   | <b>1256.10</b>  | <b>209.70</b>                   | <b>1305.00</b>   | <b>1508.30</b>  | <b>-203.30</b>                  | <b>1896.20</b>   | <b>1880.90</b>  | <b>15.30</b>                    | <b>2067.00</b>   | <b>1594.80</b>  | <b>472.20</b>                   | <b>1722.10</b>             | <b>1924.90</b>  | <b>-202.90</b>                  |
| <b>Kerala</b>     | <b>957.10</b>    | <b>559.70</b>   | <b>397.40</b>                   | <b>1105.00</b>   | <b>813.20</b>   | <b>291.80</b>                   | <b>1134.10</b>   | <b>706.60</b>   | <b>427.50</b>                   | <b>1315.70</b>   | <b>844.90</b>   | <b>470.80</b>                   | <b>1691.90</b>   | <b>892.40</b>   | <b>799.50</b>                   | <b>1563.30</b>             | <b>1095.50</b>  | <b>467.80</b>                   |
| M.P.              | 1351.90          | 1010.30         | 341.60                          | 1076.80          | 1232.10         | 155.30                          | 1340.30          | 1505.40         | -165.10                         | 1733.10          | 1359.70         | 373.40                          | 1911.90          | 1505.80         | 406.10                          | 1748.00                    | 1450.70         | 297.30                          |
| <b>Maharastra</b> | <b>2349.20</b>   | <b>2067.70</b>  | <b>281.50</b>                   | <b>3260.10</b>   | <b>2061.90</b>  | <b>1198.20</b>                  | <b>2481.20</b>   | <b>2466.90</b>  | <b>14.30</b>                    | <b>2937.30</b>   | <b>2874.40</b>  | <b>62.90</b>                    | <b>5543.10</b>   | <b>5214.10</b>  | <b>329.00</b>                   | <b>5012.00</b>             | <b>4208.10</b>  | <b>803.90</b>                   |
| Manipur           | 85.70            | 146.80          | -61.10                          | 70.90            | 170.50          | -99.60                          | 338.30           | 426.10          | -87.80                          | 161.70           | 199.60          | -37.90                          | 53.60            | 166.60          | -113.00                         | 75.10                      | 191.90          | -116.80                         |
| Meghalaya         | 47.70            | 87.50           | -39.80                          | 43.50            | 110.80          | -67.30                          | 64.00            | 132.60          | -68.60                          | 160.40           | 198.60          | -38.20                          | 67.10            | 130.10          | -63.00                          | 99.40                      | 198.10          | -98.70                          |
| Mizoram           | 66.60            | 213.70          | -147.10                         | 2.70             | 97.20           | -94.50                          | 61.90            | 115.50          | 53.60                           | 17.20            | 102.40          | -85.50                          | 58.60            | 128.80          | -70.20                          | 61.60                      | 150.00          | -88.40                          |
| Nagaland          | 102.40           | 130.20          | -27.80                          | 91.00            | 159.10          | -68.10                          | 214.40           | 329.60          | -115.20                         | 304.90           | 252.00          | 52.90                           | 168.90           | 184.20          | -15.30                          | 174.20                     | 194.80          | -20.60                          |
| Orissa            | 1002.90          | 855.40          | 147.50                          | 1126.80          | 1001.80         | 125.00                          | 990.00           | 865.90          | 124.10                          | 1315.00          | 973.30          | 341.70                          | 1512.40          | 946.90          | 565.50                          | 1503.60                    | 864.90          | 638.70                          |
| Punjab            | 1431.10          | 847.40          | 583.70                          | 1174.90          | 821.20          | 323.70                          | 4308.60          | 785.10          | 3523.50                         | 1696.10          | 1177.20         | 518.90                          | 2059.10          | 1462.50         | 596.60                          | 1816.40                    | 1368.70         | 447.80                          |
| Rajasthan         | 997.60           | 1249.70         | -252.10                         | 1933.60          | 1727.60         | 206.00                          | 1313.50          | 1350.30         | -36.80                          | 1764.10          | 1529.10         | 235.00                          | 2159.70          | 1674.80         | 484.90                          | 2829.10                    | 2575.90         | 253.20                          |
| Sikkim            | 28.00            | 49.70           | -21.70                          | 24.80            | 73.70           | -48.90                          | 51.40            | 70.50           | -19.10                          | 27.30            | 73.80           | -46.50                          | 59.00            | 74.90           | -15.90                          | 44.50                      | 111.30          | -66.80                          |
| <b>Tamil Nadu</b> | <b>1452.00</b>   | <b>965.50</b>   | <b>486.50</b>                   | <b>2827.90</b>   | <b>1144.40</b>  | <b>1683.50</b>                  | <b>2842.20</b>   | <b>1205.90</b>  | <b>1636.30</b>                  | <b>2125.80</b>   | <b>1303.70</b>  | <b>822.10</b>                   | <b>2702.30</b>   | <b>1797.40</b>  | <b>904.90</b>                   | <b>2330.70</b>             | <b>1620.90</b>  | <b>709.80</b>                   |
| Tripura           | 127.00           | 114.40          | 12.60                           | 71.10            | 130.00          | -58.90                          | 117.90           | 106.60          | 11.30                           | 131.90           | 141.70          | -9.80                           | 147.70           | 174.50          | -26.80                          | 103.80                     | 202.90          | -99.20                          |
| U.P.              | 3884.40          | 2767.80         | 1116.60                         | 3896.00          | 3076.70         | 819.30                          | 4678.30          | 3444.70         | 1233.60                         | 3541.70          | 2995.20         | 546.50                          | 8796.10          | 5665.90         | 3130.20                         | 6386.40                    | 3231.20         | 3155.20                         |
| W.B.              | 1819.40          | 892.30          | 927.10                          | 1587.60          | 967.50          | 620.10                          | 1596.50          | 982.70          | 613.80                          | 1939.50          | 1067.20         | 872.30                          | 2738.80          | 1651.90         | 1086.90                         | 2938.60                    | 1882.70         | 1056.00                         |
| NCT Delhi         |                  |                 |                                 |                  |                 |                                 |                  |                 |                                 | 133.70           | 291.80          | -158.10                         | 548.00           | 976.10          | -428.10                         | 825.40                     | 1074.30         | -248.90                         |
| <b>All States</b> | <b>24846.80</b>  | <b>19466.20</b> | <b>5380.60</b>                  | <b>27953.90</b>  | <b>22459.10</b> | <b>5494.80</b>                  | <b>30072.90</b>  | <b>23129.00</b> | <b>6943.50</b>                  | <b>28623.10</b>  | <b>25272.30</b> | <b>3350.80</b>                  | <b>43737.80</b>  | <b>33113.90</b> | <b>10623.90</b>                 | <b>43630.10</b>            | <b>32579.80</b> | <b>11050.30</b>                 |



**TABLE AS - 2 ALL STATES  
STATE WISE TRANSACTION ON THE CAPITAL ACCOUNTS (Rs.Crores)**

| State             | 1996-97(AC)      |                 |                                 | 1997-98(AC)      |                 |                                 | 1998-99(AC)      |                 |                                 | 1999-00(RE)      |                 |                                 | 2000-01(BE)      |                 |                                 |
|-------------------|------------------|-----------------|---------------------------------|------------------|-----------------|---------------------------------|------------------|-----------------|---------------------------------|------------------|-----------------|---------------------------------|------------------|-----------------|---------------------------------|
|                   | Capital Receipts | Capital Exp     | Capital Surplus (+) Deficit (-) | Capital Receipts | Capital Exp     | Capital Surplus (+) Deficit (-) | Capital Receipts | Capital Exp     | Capital Surplus (+) Deficit (-) | Capital Receipts | Capital Exp     | Capital Surplus (+) Deficit (-) | Capital Receipts | Capital Exp     | Capital Surplus (+) Deficit (-) |
| <b>Andhra</b>     | <b>4457.10</b>   | <b>1872.40</b>  | <b>2584.70</b>                  | <b>4862.52</b>   | <b>3200.71</b>  | <b>1661.81</b>                  | <b>6813.94</b>   | <b>5013.89</b>  | <b>1800.05</b>                  | <b>6695.34</b>   | <b>4169.70</b>  | <b>2525.64</b>                  | <b>9421.93</b>   | <b>5594.96</b>  | <b>3826.97</b>                  |
| Arp               | 82.20            | 288.30          | -206.10                         | 79.23            | 306.91          | -227.68                         | 105.67           | 257.15          | -151.48                         | 175.68           | 308.36          | -132.68                         | 176.31           | 290.15          | -113.84                         |
| Assam             | 378.70           | 695.40          | -316.70                         | 660.33           | 983.55          | -323.22                         | 761.42           | 787.98          | -26.56                          | 1865.33          | 1376.05         | 489.28                          | 2603.26          | 2557.24         | 46.02                           |
| Bihar             | -5116.30         | 1152.90         | -6269.20                        | 2521.45          | 1259.36         | 1262.09                         | 6772.32          | 1548.57         | 5223.75                         | 5992.90          | 3418.87         | 2574.03                         | 6479.20          | 2709.80         | 3769.40                         |
| Goa               | 134.40           | 157.40          | -23.00                          | 166.41           | 147.72          | 18.69                           | 365.86           | 169.73          | 196.13                          | 421.09           | 189.84          | 231.25                          | 437.28           | 277.59          | 159.69                          |
| Gujarat           | 2762.00          | 2316.50         | 445.50                          | 3838.26          | 2731.88         | 1106.38                         | 6211.56          | 3565.58         | 2645.98                         | 6187.03          | 4018.47         | 2168.56                         | 6165.17          | 4158.29         | 2006.88                         |
| Haryana           | 1522.70          | 1064.00         | 458.70                          | 1882.12          | 1188.26         | 693.86                          | 3029.87          | 1561.67         | 1468.20                         | 2562.06          | 1417.46         | 1144.60                         | 2620.76          | 1777.28         | 843.48                          |
| H.P               | 726.40           | 485.70          | 240.70                          | 1146.80          | 754.08          | 392.72                          | 767.57           | 832.89          | -65.32                          | 1751.47          | 806.40          | 945.07                          | 1227.67          | 828.84          | 398.83                          |
| J & K             | 1029.70          | 3229.50         | -2199.80                        | 112.38           | 1413.74         | 1301.36                         | 1261.46          | 939.56          | 321.88                          | 813.18           | 1333.98         | -520.80                         | 543.52           | 1914.42         | -1370.90                        |
| <b>Karnataka</b>  | <b>2404.10</b>   | <b>1779.40</b>  | <b>624.70</b>                   | <b>2576.98</b>   | <b>1710.28</b>  | <b>866.70</b>                   | <b>3676.36</b>   | <b>2439.97</b>  | <b>1236.39</b>                  | <b>3416.99</b>   | <b>2082.90</b>  | <b>1334.09</b>                  | <b>4452.51</b>   | <b>2906.51</b>  | <b>1546.00</b>                  |
| <b>Kerala</b>     | <b>1818.30</b>   | <b>1154.40</b>  | <b>663.90</b>                   | <b>2414.29</b>   | <b>1576.54</b>  | <b>837.75</b>                   | <b>3047.31</b>   | <b>1382.82</b>  | <b>1664.49</b>                  | <b>3818.17</b>   | <b>1452.53</b>  | <b>2365.64</b>                  | <b>3395.05</b>   | <b>1454.29</b>  | <b>1940.76</b>                  |
| M.P.              | 3452.90          | 1630.80         | 1822.10                         | 3120.42          | 2498.11         | 622.31                          | 4244.44          | 1750.68         | 2493.76                         | 4248.06          | 2101.81         | 2146.25                         | 4497.50          | 1990.14         | 2507.36                         |
| <b>Maharastra</b> | <b>5596.40</b>   | <b>4159.20</b>  | <b>1437.20</b>                  | <b>7602.39</b>   | <b>4778.36</b>  | <b>2823.76</b>                  | <b>9334.65</b>   | <b>4654.16</b>  | <b>4680.49</b>                  | <b>12767.80</b>  | <b>6515.70</b>  | <b>6252.10</b>                  | <b>9157.24</b>   | <b>4806.54</b>  | <b>4350.70</b>                  |
| Manipur           | 287.70           | 305.60          | -17.90                          | 161.30           | 335.26          | -173.96                         | 158.48           | 327.22          | -168.74                         | 471.67           | 471.46          | 0.21                            | 186.24           | 322.20          | -135.96                         |
| Meghalaya         | 126.40           | 168.40          | -42.00                          | 163.01           | 165.60          | -2.59                           | 247.96           | 192.07          | 55.89                           | 263.97           | 355.85          | -91.88                          | 258.06           | 366.13          | -108.07                         |
| Mizoram           | 78.20            | 189.00          | -110.80                         | 186.29           | 208.37          | -22.08                          | 92.20            | 202.42          | -110.22                         | 195.44           | 273.44          | -78.00                          | 183.88           | 187.15          | -3.27                           |
| Nagaland          | 142.70           | 230.60          | -87.90                          | 135.72           | 226.47          | -90.71                          | 394.98           | 441.41          | -46.43                          | 394.72           | 314.63          | 80.09                           | 260.87           | 241.94          | 18.93                           |
| Orissa            | 1890.30          | 1193.10         | 697.20                          | 3497.27          | 1317.88         | 1179.39                         | 3570.38          | 1823.16         | 1747.22                         | 3866.30          | 1948.03         | 1918.27                         | 4714.37          | 2463.13         | 2251.24                         |
| Punjab            | 2295.00          | 621.60          | 1673.40                         | 3946.14          | 1636.34         | 1309.80                         | 4430.69          | 2578.26         | 1852.43                         | 5328.01          | 2964.94         | 2363.07                         | 5274.49          | 2900.95         | 2373.54                         |
| Rajasthan         | 3181.80          | 2538.50         | 643.30                          | 4690.05          | 3698.91         | 991.14                          | 4638.11          | 2738.60         | 1899.51                         | 6967.94          | 2989.87         | 3978.07                         | 5905.41          | 2671.05         | 3234.36                         |
| Sikkim            | 58.40            | 121.80          | -63.40                          | 77.43            | 136.14          | 58.71                           | 193.81           | 125.83          | 67.98                           | 146.68           | 164.10          | -17.42                          | 150.12           | 217.55          | -67.43                          |
| <b>Tamil Nadu</b> | <b>3428.30</b>   | <b>2337.40</b>  | <b>1090.90</b>                  | <b>3884.80</b>   | <b>2382.51</b>  | <b>1502.29</b>                  | <b>4590.69</b>   | <b>2182.27</b>  | <b>2408.42</b>                  | <b>5481.64</b>   | <b>2117.54</b>  | <b>3364.10</b>                  | <b>5639.42</b>   | <b>3048.74</b>  | <b>2590.68</b>                  |
| Tripura           | 126.30           | 271.60          | -145.30                         | 183.31           | 289.84          | 106.53                          | 292.32           | 355.11          | -62.79                          | 448.34           | 351.35          | 96.99                           | 523.21           | 473.68          | 49.53                           |
| U.P.              | 7016.60          | 3809.00         | 3207.60                         | 8357.26          | 4430.45         | 3926.81                         | 12652.31         | 5387.50         | 7267.81                         | 14351.12         | 6478.11         | 7873.01                         | 13755.81         | 8380.26         | 5375.55                         |
| W.B.              | 4921.80          | 2669.50         | 2252.30                         | 4640.56          | 2234.77         | 2405.79                         | 7705.57          | 2910.36         | 4795.21                         | 11444.96         | 3676.23         | 7768.73                         | 12159.43         | 3888.44         | 8270.99                         |
| NCT Delhi         | 880.60           | 1483.50         | -602.90                         | 1030.18          | 1888.79         | -858.61                         | 1030.47          | 2102.48         | -1072.01                        | 1535.31          | 2723.75         | -1188.44                        | 1355.01          | 2717.13         | -1362.12                        |
| <b>All States</b> | <b>42891.00</b>  | <b>33818.50</b> | <b>9072.50</b>                  | <b>59936.90</b>  | <b>41501.07</b> | <b>18435.84</b>                 | <b>86393.39</b>  | <b>46271.34</b> | <b>40122.04</b>                 | <b>101611.53</b> | <b>54022.64</b> | <b>47588.89</b>                 | <b>101543.78</b> | <b>60144.38</b> | <b>41399.40</b>                 |

Note : Data for NCT Delhi has been provided from 1993-94 after grant of Legislative Status  
Source : RBI and State Government Documents

**TABLE AS - 3 : ALL STATES  
PLAN AND NON PLAN EXPENDITURE**

| States             | Year 90-91 (AC) |                 | Year 91-92 (AC) |                 | Year 92-93 (AC) |                 | Year 93-94 (AC) |                 | Year 94-95 (AC) |                  | Year 95-96 (AC) |                  |
|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|------------------|
|                    | Plan            | NonPlan         | Plan            | NonPlan         | Plan            | NonPlan         | Plan            | NonPlan         | Plan            | NonPlan          | Plan            | NonPlan          |
| <b>Andhra</b>      | <b>1690.40</b>  | <b>4880.10</b>  | <b>1995.40</b>  | <b>5790.40</b>  | <b>2773.70</b>  | <b>6209.80</b>  | <b>3425.50</b>  | <b>7115.70</b>  | <b>3927.10</b>  | <b>8531.90</b>   | <b>4520.50</b>  | <b>9780.20</b>   |
| Arp                | 194.30          | 235.60          | 231.60          | 220.80          | 262.10          | 241.10          | 291.20          | 283.60          | 391.80          | 298.70           | 467.10          | 336.20           |
| Assam              | 719.30          | 1984.50         | 1020.60         | 1760.20         | 912.60          | 2223.70         | 1095.90         | 2524.20         | 1205.80         | 2792.00          | 1295.50         | 3094.90          |
| Bihar              | 1978.10         | 4238.30         | 2080.70         | 4723.90         | 1823.40         | 5920.10         | 2017.40         | 6415.80         | 1623.70         | 6930.80          | 1481.10         | 7935.90          |
| Goa                | 142.60          | 255.90          | 169.90          | 304.60          | 153.40          | 345.60          | 159.80          | 398.50          | 169.10          | 432.00           | 212.10          | 730.70           |
| Gujarat            | 1768.40         | 376.90          | 2208.80         | 4739.70         | 2635.70         | 5350.90         | 1550.10         | 6857.70         | 2134.90         | 7362.80          | 2476.90         | 8333.60          |
| Haryana            | 693.60          | 1701.10         | 783.20          | 1948.60         | 879.50          | 2076.50         | 949.40          | 3159.60         | 1108.80         | 5803.00          | 1305.70         | 4852.70          |
| H.P                | 435.20          | 681.90          | 513.50          | 1811.40         | 558.50          | 888.20          | 673.00          | 1017.80         | 749.20          | 1259.30          | 931.60          | 1418.40          |
| J & K              | 764.30          | 1256.70         | 781.10          | 1504.60         | 711.50          | 1609.00         | 779.80          | 1813.50         | 968.00          | 2371.30          | 1211.90         | 2360.70          |
| <b>Karnataka</b>   | <b>1640.30</b>  | <b>3341.10</b>  | <b>1985.10</b>  | <b>4224.60</b>  | <b>2289.80</b>  | <b>4810.20</b>  | <b>2971.90</b>  | <b>5117.30</b>  | <b>2977.80</b>  | <b>5881.50</b>   | <b>3460.00</b>  | <b>6946.10</b>   |
| <b>Kerala</b>      | <b>759.60</b>   | <b>2625.10</b>  | <b>820.60</b>   | <b>3209.10</b>  | <b>900.30</b>   | <b>3462.40</b>  | <b>1173.60</b>  | <b>3964.60</b>  | <b>1416.00</b>  | <b>4542.70</b>   | <b>1665.00</b>  | <b>5256.90</b>   |
| M.P.               | 2120.80         | 3818.00         | 2290.00         | 4362.90         | 2501.50         | 5161.20         | 2682.30         | 6195.30         | 2974.80         | 6339.70          | 3253.60         | 7280.00          |
| <b>Maharashtra</b> | <b>2932.00</b>  | <b>7889.40</b>  | <b>3031.00</b>  | <b>9079.60</b>  | <b>3711.60</b>  | <b>10302.00</b> | <b>3925.40</b>  | <b>12057.70</b> | <b>6658.90</b>  | <b>13367.40</b>  | <b>6398.60</b>  | <b>14977.90</b>  |
| Manipur            | 192.00          | 262.00          | 239.40          | 308.50          | 209.20          | 614.70          | 209.10          | 428.20          | 263.30          | 411.70           | 349.50          | 461.20           |
| Meghalaya          | 159.30          | 239.00          | 209.30          | 269.50          | 225.10          | 317.90          | 233.60          | 447.80          | 208.80          | 378.30           | 296.90          | 481.70           |
| Mizoram            | 149.20          | 369.30          | 191.60          | 226.70          | 220.10          | 269.60          | 225.70          | 295.80          | 255.70          | 336.70           | 260.50          | 454.60           |
| Nagaland           | 210.10          | 342.00          | 242.80          | 405.20          | 272.40          | 584.40          | 254.20          | 677.30          | 304.50          | 601.50           | 318.60          | 721.40           |
| Orissa             | 1343.50         | 1702.40         | 1411.60         | 2225.30         | 1363.00         | 2551.80         | 1521.90         | 2933.60         | 1523.90         | 3458.50          | 1676.70         | 3886.20          |
| Punjab             | 1107.60         | 2259.70         | 1252.00         | 3765.90         | 1173.50         | 3034.00         | 1273.20         | 3947.60         | 1449.40         | 6055.80          | 1414.30         | 5589.40          |
| Rajasthan          | 1330.00         | 3399.60         | 2211.40         | 3596.40         | 1948.20         | 4399.20         | 2275.90         | 5150.80         | 2762.70         | 5658.60          | 3814.80         | 7092.70          |
| Sikkim             | 94.40           | 83.50           | 121.10          | 107.70          | 120.30          | 129.30          | 119.90          | 142.80          | 132.70          | 468.60           | 211.10          | 781.40           |
| <b>Tamilnadu</b>   | <b>1448.30</b>  | <b>5158.60</b>  | <b>1743.50</b>  | <b>8080.40</b>  | <b>2000.80</b>  | <b>7747.60</b>  | <b>2372.90</b>  | <b>7688.80</b>  | <b>2462.70</b>  | <b>8969.60</b>   | <b>2725.70</b>  | <b>9805.80</b>   |
| Tripura            | 263.50          | 348.00          | 268.60          | 409.00          | 252.10          | 404.70          | 285.60          | 499.10          | 370.70          | 509.50           | 422.10          | 567.50           |
| U.P.               | 3798.00         | 8508.20         | 3974.30         | 9501.60         | 4382.60         | 11752.80        | 3886.90         | 1288.40         | 4805.10         | 14109.10         | 4260.70         | 16526.40         |
| W.B.               | 1498.10         | 4522.20         | 1306.80         | 4984.40         | 1110.60         | 5535.80         | 1844.20         | 6128.80         | 2472.40         | 6810.20          | 2691.20         | 7817.80          |
| NCT Delhi          | 0.00            | 0.00            | 0.00            | 0.00            | NIL             |                 | 531.60          | 268.20          | 1196.00         | 1211.10          | 1328.50         | 1623.00          |
| <b>All States</b>  | <b>27432.90</b> | <b>63809.10</b> | <b>31084.50</b> | <b>77561.00</b> | <b>33391.50</b> | <b>85943.10</b> | <b>36730.00</b> | <b>97918.50</b> | <b>44513.70</b> | <b>114892.50</b> | <b>48450.00</b> | <b>129133.80</b> |

**TABLE AS - 3 : ALL STATES  
PLAN AND NON PLAN EXPENDITURE**

|                    | Year<br>96-97 (AC) |                  | Year<br>97-98 (AC) |                  | Year<br>98-99(AC) |                  | Year<br>99-2000(RE) |                  | Year<br>2000-01(BE) |                  |
|--------------------|--------------------|------------------|--------------------|------------------|-------------------|------------------|---------------------|------------------|---------------------|------------------|
|                    | Plan               | NonPlan          | Plan               | NonPlan          | Plan              | Non plan         | Plan                | Non Plan         | Plan                | Non Plan         |
| <b>Andhra</b>      | <b>2799.30</b>     | <b>13465.50</b>  | <b>4829.50</b>     | <b>12915.50</b>  | <b>6747.20</b>    | <b>15210.20</b>  | <b>6442.40</b>      | <b>17900.90</b>  | <b>9037.60</b>      | <b>21438.90</b>  |
| Arp                | 488.70             | 401.70           | 554.30             | 417.50           | 515.40            | 488.30           | 617.30              | 563.80           | 549.40              | 595.70           |
| Assam              | 1154.10            | 3112.70          | 1386.30            | 3635.80          | 1425.30           | 3779.00          | 2290.90             | 6291.40          | 2697.80             | 7314.60          |
| Bihar              | 1683.60            | 7723.20          | 1510.60            | 8705.20          | 2144.20           | 10026.90         | 4402.80             | 15145.40         | 4589.00             | 15655.40         |
| Goa                | 214.80             | 731.50           | 210.50             | 1059.10          | 232.70            | 1225.10          | 271.60              | 1480.60          | 336.70              | 1801.00          |
| Gujarat            | 2824.80            | 9751.20          | 3562.60            | 11312.40         | 4945.10           | 14226.60         | 5995.90             | 15270.50         | 6704.80             | 16412.80         |
| Haryana            | 1522.70            | 6308.30          | 1504.10            | 6301.40          | 1770.30           | 6810.20          | 2092.20             | 6595.70          | 2834.00             | 7040.50          |
| H.P                | 1059.60            | 1572.90          | 1513.50            | 1939.70          | 1660.00           | 2507.20          | 1789.50             | 2886.70          | 1713.80             | 3172.20          |
| J & K              | 1359.60            | 2661.50          | 1790.50            | 3102.90          | 1192.30           | 4656.60          | 1863.50             | 4826.20          | 2629.90             | 5118.40          |
| <b>Karnataka</b>   | <b>3601.30</b>     | <b>8379.20</b>   | <b>3395.50</b>     | <b>9205.00</b>   | <b>4239.50</b>    | <b>10646.10</b>  | <b>4440.70</b>      | <b>12319.40</b>  | <b>5629.20</b>      | <b>14432.30</b>  |
| <b>Kerala</b>      | <b>2089.10</b>     | <b>5853.40</b>   | <b>2945.60</b>     | <b>6872.00</b>   | <b>3067.80</b>    | <b>7543.20</b>   | <b>3043.00</b>      | <b>9627.70</b>   | <b>3374.70</b>      | <b>10201.40</b>  |
| M.P.               | 3733.60            | 9359.20          | 4370.90            | 9853.70          | 3746.40           | 12221.90         | 4655.00             | 13867.10         | 4226.90             | 14821.00         |
| <b>Maharashtra</b> | <b>7128.40</b>     | <b>17876.50</b>  | <b>7356.30</b>     | <b>20328.80</b>  | <b>6301.40</b>    | <b>24015.80</b>  | <b>6798.80</b>      | <b>33608.80</b>  | <b>5633.60</b>      | <b>31053.30</b>  |
| Manipur            | 458.10             | 555.70           | 432.50             | 700.50           | 396.20            | 719.70           | 702.20              | 855.10           | 532.10              | 900.80           |
| Meghalaya          | 298.40             | 487.10           | 312.60             | 538.10           | 347.20            | 660.30           | 583.50              | 612.70           | 645.00              | 924.10           |
| Mizoram            | 316.70             | 492.90           | 355.20             | 514.70           | 333.50            | 559.80           | 564.20              | 984.50           | 378.20              | 606.60           |
| Nagaland           | 412.10             | 683.70           | 415.90             | 814.40           | 503.30            | 987.30           | 510.40              | 7853.40          | 477.10              | 1021.80          |
| Orissa             | 2303.00            | 4007.30          | 2639.80            | 4160.60          | 2784.30           | 5858.00          | 2782.00             | 7853.40          | 3538.70             | 8565.90          |
| Punjab             | 1196.10            | 6351.20          | 1485.00            | 7986.60          | 1550.50           | 9412.10          | 2865.20             | 11586.70         | 2905.10             | 13067.50         |
| Rajasthan          | 3296.70            | 7667.50          | 3869.10            | 8815.90          | 3495.70           | 10818.50         | 3649.30             | 13206.30         | 3968.90             | 13271.40         |
| Sikkim             | 219.90             | 1020.80          | 233.90             | 1160.30          | 251.50            | 1369.90          | 310.90              | 1398.90          | 376.70              | 786.30           |
| <b>Tamilnadu</b>   | <b>3440.30</b>     | <b>11962.00</b>  | <b>3287.00</b>     | <b>14046.30</b>  | <b>3877.20</b>    | <b>16002.50</b>  | <b>4224.70</b>      | <b>18058.80</b>  | <b>4342.10</b>      | <b>20271.60</b>  |
| Tripura            | 527.50             | 651.30           | 514.50             | 835.70           | 521.10            | 1009.70          | 673.30              | 1200.80          | 872.60              | 1501.30          |
| U.P.               | 6035.30            | 16981.50         | 5774.00            | 20851.50         | 6710.10           | 24752.30         | 8938.70             | 28107.90         | 11397.90            | 29906.20         |
| W.B.               | 3004.80            | 10027.10         | 2980.80            | 10575.80         | 3963.30           | 13189.90         | 5086.10             | 18045.50         | 6329.50             | 18215.20         |
| NCT Delhi          | 1877.10            | 1638.20          | 1985.40            | 2225.40          | 2149.30           | 2793.30          | 2562.10             | 3978.90          | 3352.40             | 3597.60          |
| <b>All States</b>  | <b>53045.60</b>    | <b>149723.10</b> | <b>59260.00</b>    | <b>168874.80</b> | <b>64870.60</b>   | <b>201490.20</b> | <b>78156.10</b>     | <b>247477.80</b> | <b>89073.50</b>     | <b>261693.30</b> |

Source : RBI and Planning Commission Various Documents

**TABLE AS - 4 : ALL STATES  
STATEWISE DEVELOPMENT EXPENDITURE**

(Rs in Crores)

| States             | Year            | Year            | Year            | Year            | Year             | Year             | Year             | Year             | Year             | Year             | Year             |
|--------------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                    | 90-91(AC)       | 91-92(AC)       | 92-93(AC)       | 93-94 (Ac)      | 94-95(AC)        | 95-96(AC)        | 96-97(AC)        | 97-98(AC)        | 98-99(AC)        | 99-00(RE)        | 00-01(BE)        |
| <b>Andhra</b>      | <b>4784.40</b>  | <b>5609.40</b>  | <b>6499.20</b>  | <b>7610.50</b>  | <b>8916.90</b>   | <b>10163.70</b>  | <b>11127.40</b>  | <b>12304.60</b>  | <b>14515.50</b>  | <b>16065.10</b>  | <b>20712.30</b>  |
|                    | (15.50)         | (17.20)         | (15.86)         | (17.10)         | (17.20)          | (13.98)          | (9.48)           | (10.60)          | (18.00)          | (10.70)          | (28.90)          |
| Arp                | 301.30          | 337.40          | 394.00          | 454.90          | 548.40           | 643.40           | 703.50           | 746.70           | 732.50           | 875.80           | 808.60           |
|                    | (7.30)          | (12.00)         | (16.78)         | (15.50)         | (20.60)          | (17.32)          | (9.34)           | (6.10)           | (-1.9)           | (19.60)          | (-7.7)           |
| Assam              | 1740.90         | 2127.60         | 1947.90         | 2249.90         | 2447.30          | 2788.40          | 2609.80          | 2904.20          | 3246.80          | 5372.50          | 6971.40          |
|                    | (15.40)         | (22.20)         | (-8.45)         | (15.50)         | (8.80)           | (13.94)          | (-6.41)          | (11.30)          | (11.80)          | (65.50)          | (29.80)          |
| Bihar              | 4173.20         | 4390.50         | 4893.70         | 5267.40         | 5075.90          | 5514.40          | 5463.40          | 5874.40          | 7034.50          | 12052.40         | 12128.70         |
|                    | (21.30)         | (5.20)          | (11.46)         | (7.60)          | (-3.6)           | (8.64)           | (-0.93)          | (7.50)           | (19.80)          | (71.30)          | (0.60)           |
| Goa                | 310.80          | 347.70          | 372.70          | 403.60          | 448.50           | 522.10           | 579.00           | 671.10           | 804.70           | 982.40           | 1114.70          |
|                    | (22.90)         | (11.90)         | (7.19)          | (8.30)          | (11.10)          | (16.41)          | (10.90)          | (15.90)          | (19.90)          | (22.10)          | (13.50)          |
| Gujarat            | 4067.40         | 5139.00         | 5691.00         | 6013.40         | 6841.10          | 7798.00          | 8804.00          | 10619.20         | 13706.90         | 14835.10         | 15592.00         |
|                    | (15.00)         | (26.30)         | (10.74)         | (5.70)          | (13.80)          | (13.99)          | (12.90)          | (20.60)          | (29.10)          | (8.20)           | (5.10)           |
| Haryana            | 1669.20         | 1852.00         | 2077.30         | 2324.00         | 3300.70          | 3424.50          | 3891.70          | 4263.50          | 5432.50          | 5461.90          | 6281.50          |
|                    | (14.20)         | (11.00)         | (12.17)         | (11.90)         | (42.00)          | (3.75)           | (13.64)          | (9.60)           | (27.40)          | (0.50)           | (15.00)          |
| H.P                | 802.00          | 869.90          | 973.60          | 1153.20         | 1397.00          | 1646.80          | 1841.10          | 2503.80          | 2868.50          | 3015.50          | 3115.90          |
|                    | (11.00)         | (8.50)          | (11.92)         | (18.40)         | (21.10)          | (17.88)          | (11.80)          | (36.00)          | (14.60)          | (5.10)           | (3.30)           |
| J & K              | 1340.80         | 1434.20         | 1518.20         | 1628.50         | 1975.00          | 2301.50          | 2586.30          | 3104.10          | 3624.20          | 3718.70          | 4526.80          |
|                    | (25.30)         | (7.00)          | (5.86)          | (7.30)          | (21.30)          | (16.53)          | (12.38)          | (20.00)          | (16.80)          | (2.60)           | (21.70)          |
| <b>Karnataka</b>   | <b>3533.70</b>  | <b>4505.40</b>  | <b>5017.10</b>  | <b>5804.50</b>  | <b>6193.00</b>   | <b>7350.10</b>   | <b>8399.30</b>   | <b>8394.60</b>   | <b>9980.80</b>   | <b>10532.80</b>  | <b>13159.00</b>  |
|                    | (16.40)         | (27.50)         | (11.36)         | (15.70)         | (6.70)           | (18.68)          | (14.28)          | (-0.1)           | (18.90)          | (5.50)           | (24.90)          |
| <b>Kerala</b>      | <b>2187.70</b>  | <b>2421.80</b>  | <b>2682.20</b>  | <b>3167.70</b>  | <b>3731.50</b>   | <b>4314.80</b>   | <b>4973.50</b>   | <b>6293.30</b>   | <b>6626.20</b>   | <b>7663.60</b>   | <b>8133.40</b>   |
|                    | (19.80)         | (10.70)         | (10.75)         | (18.10)         | (17.80)          | (15.63)          | (15.26)          | (26.50)          | (5.30)           | (15.70)          | (6.10)           |
| M.P.               | 4188.90         | 4723.50         | 5431.00         | 6254.20         | 6389.40          | 7199.30          | 9096.60          | 9647.00          | 10316.70         | 11576.50         | 10613.60         |
|                    | (22.60)         | (12.70)         | (14.98)         | (15.20)         | (2.20)           | (12.68)          | (26.35)          | (6.10)           | (6.90)           | (12.20)          | (-8.3)           |
| <b>Maharashtra</b> | <b>7732.50</b>  | <b>8408.90</b>  | <b>9778.70</b>  | <b>11289.30</b> | <b>14562.80</b>  | <b>15263.70</b>  | <b>17627.60</b>  | <b>18952.40</b>  | <b>18664.50</b>  | <b>25167.20</b>  | <b>18654.80</b>  |
|                    | (9.00)          | (8.70)          | (16.29)         | (15.40)         | (29.00)          | (4.81)           | (15.49)          | (7.50)           | (-1.5)           | (34.80)          | (-25.9)          |
| Manipur            | 333.30          | 388.60          | 360.70          | 399.50          | 462.40           | 581.30           | 729.10           | 774.20           | 707.20           | 1329.90          | 970.30           |
|                    | (7.60)          | (16.60)         | (-7.18)         | (10.80)         | (15.70)          | (25.71)          | (25.43)          | (6.20)           | (-8.7)           | (88.10)          | (-27.0)          |
| Meghalaya          | 303.00          | 370.60          | 401.30          | 437.70          | 409.10           | 544.30           | 547.40           | 585.30           | 696.20           | 990.90           | 1083.50          |
|                    | (17.30)         | (22.30)         | (8.23)          | (9.10)          | (-6.5)           | (33.05)          | (0.57)           | (6.90)           | (18.90)          | (42.30)          | (9.30)           |
| Mizoram            | 280.10          | 326.20          | 379.40          | 398.40          | 448.00           | 530.80           | 607.70           | 627.80           | 635.60           | 849.20           | 641.20           |
|                    | (13.50)         | (16.50)         | (16.21)         | (5.00)          | (12.40)          | (18.48)          | (14.49)          | (3.30)           | (1.20)           | (33.60)          | (-24.5)          |
| Nagaland           | 366.70          | 414.10          | 453.60          | 522.70          | 559.30           | 662.50           | 681.20           | 767.30           | 803.20           | 843.20           | 867.00           |
|                    | (5.60)          | (12.90)         | (9.54)          | (15.20)         | (7.00)           | (18.45)          | (2.82)           | (12.60)          | (4.70)           | (5.00)           | (2.80)           |
| Orissa             | 2094.90         | 2472.50         | 2672.50         | 2916.40         | 3299.50          | 3658.10          | 4098.90          | 4203.40          | 5180.60          | 6723.80          | 7030.50          |
|                    | (25.70)         | (18.00)         | (8.09)          | (9.10)          | (13.10)          | (10.87)          | (12.05)          | (2.50)           | (23.20)          | (29.80)          | (4.60)           |
| Punjab             | 2364.50         | 3879.20         | 2575.50         | 2872.10         | 3244.70          | 3481.20          | 4086.00          | 5113.50          | 5112.60          | 7149.10          | 7327.70          |
|                    | (16.60)         | (64.10)         | (-33.61)        | (11.50)         | (13.00)          | (7.29)           | (17.37)          | (25.10)          | 0.00             | (39.80)          | (2.50)           |
| Rajasthan          | 3067.50         | 4141.40         | 4426.50         | 5119.80         | 5646.50          | 7029.70          | 7223.30          | 8209.90          | 9136.10          | 9634.90          | 10408.00         |
|                    | (33.60)         | (35.00)         | (6.88)          | (15.70)         | (10.30)          | (24.50)          | (2.75)           | (13.70)          | (11.30)          | (5.50)           | (8.00)           |
| Sikkim             | 147.70          | 182.30          | 197.10          | 200.10          | 221.70           | 312.30           | 332.90           | 373.70           | 456.10           | 540.70           | 590.80           |
|                    | (7.50)          | (23.40)         | (8.12)          | (1.50)          | (10.80)          | (40.87)          | (6.60)           | (12.30)          | (22.00)          | (18.60)          | (9.30)           |
| <b>Tamilnadu</b>   | <b>4737.90</b>  | <b>7421.80</b>  | <b>7132.90</b>  | <b>7117.50</b>  | <b>8135.60</b>   | <b>8559.40</b>   | <b>10559.50</b>  | <b>11309.90</b>  | <b>12274.70</b>  | <b>12938.90</b>  | <b>14669.70</b>  |
|                    | (15.40)         | (56.60)         | (-3.89)         | (-0.2)          | (14.30)          | (5.21)           | (23.37)          | (7.10)           | (8.50)           | (5.40)           | (13.40)          |
| Tripura            | 446.10          | 495.90          | 449.30          | 522.40          | 623.80           | 697.40           | 836.70           | 907.50           | 956.70           | 1262.80          | 1563.80          |
|                    | (13.70)         | (11.20)         | (-9.40)         | (16.63)         | (19.40)          | (11.80)          | (19.97)          | (8.50)           | (5.40)           | (32.00)          | (23.80)          |
| U.P.               | 8309.80         | 8388.90         | 10172.00        | 9637.40         | 11733.80         | 11191.90         | 13484.50         | 14936.70         | 17291.10         | 20018.80         | 21969.50         |
|                    | (31.40)         | (1.00)          | (21.26)         | (-5.3)          | (21.80)          | (-4.62)          | (20.48)          | (10.80)          | (15.80)          | (15.80)          | (9.70)           |
| W.B.               | 4085.60         | 3938.90         | 4070.00         | 5025.60         | 6016.90          | 6708.60          | 8473.20          | 8178.50          | 10396.00         | 14387.90         | 14220.40         |
|                    | (25.90)         | (-3.6)          | (3.33)          | (23.50)         | (19.70)          | (11.50)          | (26.30)          | (-3.5)           | (27.10)          | (38.40)          | (-1.2)           |
| NCTDelhi           | NA              | NA              | NA              | 596.90          | 1719.00          | 1931.40          | 2644.20          | 3002.00          | 3303.20          | 4332.40          | 5177.40          |
|                    |                 |                 |                 | (-)             | (188.00)         | (12.36)          | (36.91)          | (13.50)          | (10.00)          | (31.20)          | (19.50)          |
| <b>All States</b>  | <b>63369.90</b> | <b>74587.70</b> | <b>80566.90</b> | <b>89387.60</b> | <b>104347.80</b> | <b>114819.40</b> | <b>132007.70</b> | <b>145268.40</b> | <b>164503.50</b> | <b>198321.80</b> | <b>208332.40</b> |
|                    | (19.20)         | (17.70)         | (8.02)          | (10.90)         | (16.70)          | (10.04)          | (14.97)          | (10.00)          | (13.20)          | (20.60)          | (5.00)           |

Note: (1) NA denotes Not Available

(2) Figures in brackets are percentage variation over previous year

Source: Reserve Bank of India, **Finances of the State Government** various years' issues.

**TABLE - AS 5 : All STATES  
NON-DEVELOPMENTAL EXPENDITURE**

| States             | (RS in Crores)     |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|                    | Years<br>90-91(AC) | Years<br>91-92(AC) | Years<br>92-93(AC) | Years<br>93-94(AC) | Years<br>94-95(AC) | Years<br>95-96(AC) | Years<br>96-97(AC) | Years<br>97-98(AC) | Years<br>98-99(AC) | Years<br>99-00(RE) | Years<br>00-01(BE) |
| <b>Andhra</b>      | <b>1540.90</b>     | <b>1861.10</b>     | <b>2167.20</b>     | <b>2532.30</b>     | <b>3179.50</b>     | <b>3656.50</b>     | <b>4187.60</b>     | <b>4795.30</b>     | <b>5695.30</b>     | <b>7292.10</b>     | <b>8660.60</b>     |
|                    | (16.60)            | (20.80)            | (16.45)            | (16.80)            | (25.60)            | (15.00)            | (14.53)            | (14.60)            | (18.80)            | (28.00)            | (18.80)            |
| Arp                | 83.50              | 88.80              | 100.70             | 108.40             | 131.50             | 151.70             | 176.80             | 212.90             | 247.90             | 287.70             | 312.10             |
|                    | (-0.7)             | (6.30)             | (13.40)            | (7.60)             | (21.30)            | (15.36)            | (16.55)            | (20.40)            | (16.50)            | (16.10)            | (8.50)             |
| Assam              | 601.20             | 542.10             | 873.50             | 1045.90            | 1225.80            | 1238.50            | 1323.80            | 1572.60            | 1599.20            | 2778.50            | 2613.50            |
|                    | (10.20)            | (-9.8)             | (61.13)            | (19.70)            | (17.20)            | (1.04)             | (6.89)             | (18.80)            | (1.70)             | (73.70)            | (-5.9)             |
| Bihar              | 1772.00            | 2094.00            | 2426.50            | 2730.80            | 3106.00            | 3440.20            | 3468.40            | 3812.20            | 4624.10            | 6875.60            | 7426.50            |
|                    | (19.20)            | (18.20)            | (15.88)            | (12.50)            | (13.70)            | (10.76)            | (0.82)             | (9.90)             | (21.30)            | (48.70)            | (8.00)             |
| Goa                | 69.80              | 102.30             | 108.90             | 122.90             | 133.20             | 396.90             | 339.50             | 567.40             | 617.60             | 727.90             | 972.40             |
|                    | (11.50)            | (46.60)            | (6.45)             | (12.90)            | (8.40)             | (197.97)           | (-14.46)           | (67.10)            | (8.80)             | (17.90)            | (33.60)            |
| Gujarat            | 1211.70            | 1474.80            | 1806.90            | 1973.00            | 2342.60            | 2654.30            | 3372.40            | 3757.40            | 4870.40            | 5748.70            | 6793.50            |
|                    | (12.30)            | (21.70)            | (22.52)            | (9.20)             | (18.70)            | (13.31)            | (27.05)            | (11.40)            | (29.60)            | (18.00)            | (18.20)            |
| Haryana            | 643.60             | 784.50             | 763.90             | 1663.50            | 3508.90            | 2596.10            | 3709.20            | 3283.70            | 2839.50            | 2998.60            | 3367.20            |
|                    | (15.50)            | (21.90)            | (-2.63)            | (117.80)           | (110.90)           | (-26.01)           | (42.88)            | (-11.5)            | (-13.5)            | (5.60)             | (12.30)            |
| H.P.               | 286.20             | 350.10             | 405.80             | 468.50             | 544.40             | 650.40             | 734.30             | 875.90             | 1119.50            | 1549.20            | 1626.00            |
|                    | (19.10)            | (22.30)            | (15.91)            | (15.50)            | (16.20)            | (19.47)            | (12.90)            | (19.30)            | (27.80)            | (38.40)            | (5.00)             |
| J & K              | 482.30             | 647.30             | 736.70             | 689.50             | 1031.00            | 1054.40            | 1273.30            | 1629.90            | 1943.60            | 2770.30            | 2985.90            |
|                    | (15.80)            | (34.20)            | (13.81)            | (-6.4)             | (49.50)            | (2.27)             | (20.76)            | (28.00)            | (19.20)            | (42.50)            | (7.80)             |
| <b>Karnataka</b>   | <b>1191.60</b>     | <b>1457.40</b>     | <b>1745.70</b>     | <b>1938.80</b>     | <b>2333.90</b>     | <b>2702.00</b>     | <b>3146.60</b>     | <b>3623.90</b>     | <b>4167.10</b>     | <b>5318.10</b>     | <b>5852.90</b>     |
|                    | (11.96)            | (22.31)            | (19.78)            | (11.10)            | (20.40)            | (15.77)            | (16.46)            | (15.20)            | (15.00)            | (27.60)            | (10.10)            |
| <b>Kerala</b>      | <b>999.00</b>      | <b>1229.10</b>     | <b>1349.10</b>     | <b>1662.90</b>     | <b>2004.10</b>     | <b>2368.00</b>     | <b>2661.80</b>     | <b>3146.30</b>     | <b>3601.00</b>     | <b>4559.70</b>     | <b>4957.80</b>     |
|                    | (22.50)            | (23.00)            | (9.76)             | (23.30)            | (20.50)            | (18.16)            | (12.41)            | (18.20)            | (14.50)            | (26.60)            | (8.70)             |
| M.P.               | 1313.70            | 1530.10            | 1787.10            | 2133.30            | 2510.20            | 2859.70            | 3375.50            | 3889.30            | 4796.50            | 5767.50            | 7177.20            |
|                    | (16.80)            | (16.50)            | (16.80)            | (19.40)            | (17.70)            | (13.92)            | (18.04)            | (15.20)            | (23.30)            | (20.20)            | (24.40)            |
| <b>Maharashtra</b> | <b>2667.30</b>     | <b>3205.40</b>     | <b>3700.50</b>     | <b>4129.70</b>     | <b>4962.20</b>     | <b>5561.00</b>     | <b>6703.60</b>     | <b>7854.80</b>     | <b>10629.00</b>    | <b>13554.70</b>    | <b>16365.70</b>    |
|                    | (14.70)            | (20.20)            | (15.45)            | (11.60)            | (20.20)            | (12.07)            | (20.55)            | (17.20)            | (35.30)            | (27.50)            | (20.70)            |
| Manipur            | 103.50             | 133.10             | 139.10             | 159.80             | 192.90             | 216.10             | 247.30             | 276.90             | 296.20             | 487.40             | 423.30             |
|                    | (11.40)            | (28.60)            | (4.51)             | (14.90)            | (20.70)            | (12.03)            | (14.44)            | (12.00)            | (7.00)             | (64.50)            | (-13.2)            |
| Meghalaya          | 94.80              | 112.00             | 130.10             | 157.40             | 167.50             | 196.10             | 211.50             | 243.00             | 289.60             | 412.10             | 452.40             |
|                    | (12.50)            | (18.10)            | (16.16)            | (21.00)            | (6.40)             | (17.08)            | (7.85)             | (14.90)            | (19.20)            | (42.30)            | (9.80)             |
| Mizoram            | 89.80              | 81.60              | 103.80             | 114.80             | 132.80             | 171.10             | 189.80             | 223.50             | 238.80             | 309.60             | 321.10             |
|                    | (59.80)            | (-9.1)             | (27.21)            | (10.60)            | (15.70)            | (28.84)            | (10.93)            | (17.80)            | (6.90)             | (29.60)            | (3.70)             |
| Nagaland           | 158.10             | 182.70             | 203.90             | 291.00             | 317.60             | 356.80             | 384.30             | 437.00             | 479.80             | 554.60             | 591.50             |
|                    | (7.20)             | (15.60)            | (11.60)            | (42.70)            | (9.10)             | (12.34)            | (7.71)             | (13.70)            | (9.80)             | (15.60)            | (6.60)             |
| Orissa             | 707.10             | 919.50             | 1042.40            | 1221.10            | 1475.90            | 1666.80            | 1995.00            | 2327.80            | 2876.70            | 3349.30            | 4440.10            |
|                    | (7.50)             | (30.00)            | (13.37)            | (17.10)            | (20.90)            | (12.94)            | (19.69)            | (16.70)            | (23.60)            | (16.40)            | (32.60)            |
| Punjab             | 867.40             | 997.10             | 1475.20            | 1905.90            | 3840.30            | 3057.60            | 2962.90            | 3739.90            | 4456.40            | 5606.60            | 7190.00            |
|                    | (23.50)            | (15.00)            | (47.95)            | (29.20)            | (101.50)           | (-20.38)           | (-3.10)            | (26.20)            | (19.20)            | (25.80)            | (28.20)            |
| Rajasthan          | 1166.20            | 1466.90            | 1703.60            | 2043.10            | 2551.80            | 3558.30            | 3140.00            | 3615.70            | 4646.00            | 6213.80            | 6235.80            |
|                    | (17.10)            | (25.80)            | (16.14)            | (19.90)            | (24.90)            | (39.44)            | (-11.76)           | (15.10)            | (28.50)            | (33.70)            | (0.40)             |
| Sikkim             | 32.10              | 41.50              | 48.60              | 56.80              | 372.40             | 671.00             | 881.30             | 993.40             | 1132.40            | 1154.20            | 550.30             |
|                    | (22.10)            | (29.30)            | (17.11)            | (16.90)            | (555.60)           | (80.18)            | (31.34)            | (12.70)            | (14.00)            | (1.90)             | (-52.3)            |
| <b>Tamilnadu</b>   | <b>1495.70</b>     | <b>1750.90</b>     | <b>2046.10</b>     | <b>2513.00</b>     | <b>2919.90</b>     | <b>3489.80</b>     | <b>4172.70</b>     | <b>4785.40</b>     | <b>6051.30</b>     | <b>7712.20</b>     | <b>8134.80</b>     |
|                    | (21.80)            | (17.10)            | (16.86)            | (22.80)            | (16.20)            | (19.52)            | (19.57)            | (14.70)            | (26.50)            | (27.40)            | (5.50)             |
| Tripura            | 137.90             | 159.00             | 175.60             | 228.20             | 223.30             | 269.70             | 313.40             | 354.20             | 414.20             | 552.00             | 746.50             |
|                    | (14.90)            | (15.30)            | (10.44)            | (30.00)            | (-2.1)             | (20.78)            | (16.20)            | (13.00)            | (16.90)            | (33.30)            | (35.20)            |
| U.P.               | 3326.70            | 4133.60            | 5041.10            | 5550.90            | 7027.00            | 8281.80            | 8428.10            | 9920.00            | 11608.30           | 14049.60           | 16739.30           |
|                    | (19.70)            | (24.30)            | (21.95)            | (10.10)            | (26.60)            | (17.86)            | (1.77)             | (17.70)            | (17.00)            | (21.00)            | (19.10)            |
| W.B.               | 1558.20            | 1798.00            | 2021.80            | 2417.50            | 2728.70            | 3280.10            | 3953.60            | 4713.50            | 5934.00            | 7699.30            | 9044.00            |
|                    | (25.70)            | (15.40)            | (12.45)            | (19.60)            | (12.90)            | (20.21)            | (20.52)            | (19.20)            | (25.90)            | (29.70)            | (17.50)            |
| NCTDelhi           | NA                 | NA                 | NA                 | 160.60             | 592.40             | 835.50             | 742.40             | 1115.30            | 1300.30            | 1807.80            | 1504.10            |
|                    |                    |                    |                    | (-)                | (268.90)           | (41.04)            | (-11.14)           | (50.20)            | (16.60)            | (39.00)            | (-16.8)            |
| <b>All States</b>  | <b>22600.30</b>    | <b>27142.80</b>    | <b>32103.80</b>    | <b>38019.60</b>    | <b>49556.00</b>    | <b>55379.90</b>    | <b>62095.40</b>    | <b>71766.90</b>    | <b>86474.40</b>    | <b>110137.10</b>   | <b>125484.30</b>   |
|                    | (17.40)            | (20.10)            | (36.70)            | (18.40)            | (30.30)            | (11.75)            | (12.13)            | (15.60)            | (20.50)            | (27.40)            | (13.90)            |

Note: (1) NA denotes Not Available

Aggregate Expenditure of the state includes ' Other Expenditure ' which cover items like Repayment of Loans to Centre and Discharge of Internal Debt.These are not included in the above table

(2) Figures in brackets are percentage variation over previous year

Source: Reserve Bank of India, **Finances of the State Government** various years' issues.

**TABLE AS - 6 : ALL STATES  
GROSS DEVOLUTION & TRANSFER OF RESOURCES  
FROM THE CENTRE**

(Rs in Crores)

| States               | 90-91(AC)       | 91-92(AC)       | 92-93(AC)       | 93-94(AC)       | 94-95(AC)       | 95-96(AC)       | 96-97(AC)       | 97-98(AC)       | 98-99(AC)        | 99-00(RE)        | 00-01(BE)        |
|----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|
| <b>Andhra</b>        | <b>2714.10</b>  | <b>3159.00</b>  | <b>3614.60</b>  | <b>4566.90</b>  | <b>4544.80</b>  | <b>5776.60</b>  | <b>6323.10</b>  | <b>6993.40</b>  | <b>7473.20</b>   | <b>9447.40</b>   | <b>11029.90</b>  |
|                      | (41.30)         | (40.60)         | (40.20)         | (26.30)         | (-0.5)          | (27.10)         | (38.90)         | (10.60)         | (6.90)           | (26.40)          | (16.80)          |
| Arp                  | 351.10          | 415.50          | 472.30          | 485.20          | 553.50          | 702.90          | 780.40          | 822.10          | 905.90           | 1002.00          | 939.30           |
|                      | (81.70)         | (91.80)         | (93.90)         | (2.70)          | (14.10)         | (27.00)         | (87.60)         | (5.30)          | (10.20)          | (10.60)          | (-6.3)           |
| Assam                | 1955.70         | 1873.10         | 1874.20         | 2275.40         | 2512.10         | 3002.80         | 3212.00         | 3734.10         | 3522.40          | 4678.90          | 5244.10          |
|                      | (72.30)         | (67.40)         | (59.80)         | (21.40)         | (10.40)         | (19.50)         | (75.30)         | (16.30)         | (-5.7)           | (32.80)          | (12.10)          |
| Bihar                | 3417.70         | 4135.80         | 4556.90         | 4978.40         | 5051.30         | 5643.80         | 6066.70         | 7702.60         | 8263.50          | 10393.10         | 11394.50         |
|                      | (55.00)         | (60.80)         | (58.80)         | (9.20)          | (1.50)          | (11.70)         | (64.50)         | (27.00)         | (7.30)           | (25.80)          | (9.60)           |
| Goa                  | 234.80          | 172.20          | 191.60          | 189.00          | 217.70          | 205.40          | 230.80          | 251.10          | 266.50           | 288.80           | 342.10           |
|                      | (58.90)         | (36.30)         | (38.40)         | (-1.4)          | (15.20)         | (-5.7)          | (24.40)         | (8.80)          | (6.10)           | (8.40)           | (18.50)          |
| Gujarat              | 1459.30         | 1445.10         | 2145.50         | 2486.80         | 2544.00         | 2928.20         | 3466.80         | 4334.80         | 5202.00          | 6538.70          | 6348.00          |
|                      | (26.70)         | (20.80)         | (26.90)         | (15.90)         | (2.30)          | (15.10)         | (27.60)         | (25.00)         | (20.00)          | (25.70)          | (-2.9)           |
| Haryana              | 614.20          | 659.30          | 725.60          | 855.90          | 933.50          | 1464.60         | 1304.10         | 1700.00         | 1846.70          | 2371.90          | 2778.40          |
|                      | (25.60)         | (24.10)         | (24.50)         | (18.00)         | (9.10)          | (56.90)         | (16.70)         | (30.40)         | (8.60)           | (28.40)          | (17.10)          |
| H.P                  | 811.80          | 831.60          | 879.80          | 1234.80         | 1181.30         | 1481.10         | 1769.30         | 2187.90         | 2000.70          | 2152.70          | 1998.40          |
|                      | (72.70)         | (35.80)         | (60.80)         | (40.40)         | (-4.3)          | (25.40)         | (67.20)         | (23.70)         | (-8.6)           | (7.60)           | (-7.2)           |
| J & K                | 1425.10         | 1488.00         | 1852.00         | 2015.50         | 2882.40         | 3091.60         | 3671.10         | 4169.80         | 4235.60          | 4864.50          | 4688.30          |
|                      | (70.50)         | (65.10)         | (79.80)         | (8.80)          | (43.00)         | (7.30)          | (91.30)         | (13.60)         | (1.60)           | (14.80)          | (-3.6)           |
| <b>Karnataka</b>     | <b>1502.60</b>  | <b>1782.00</b>  | <b>2191.00</b>  | <b>2467.60</b>  | <b>3052.70</b>  | <b>2841.70</b>  | <b>3577.30</b>  | <b>4070.30</b>  | <b>4369.50</b>   | <b>4864.50</b>   | <b>4688.30</b>   |
|                      | (30.20)         | (28.70)         | (30.90)         | (12.60)         | (23.70)         | (-6.9)          | (29.90)         | (13.80)         | (7.40)           | (-0.5)           | (30.70)          |
| Kerala               | 1262.20         | 1518.50         | 1681.90         | 1849.80         | 2220.40         | 2160.80         | 2272.70         | 2632.20         | 2860.50          | 3877.70          | 4257.00          |
|                      | (37.30)         | (37.70)         | (38.60)         | (10.00)         | (20.00)         | (-2.7)          | (28.60)         | (15.80)         | (8.70)           | (35.60)          | (9.80)           |
| M.P.                 | 2489.30         | 2835.30         | 3260.90         | 3647.40         | 3876.30         | 4138.70         | 5001.10         | 6116.20         | 6317.20          | 7730.60          | 7936.90          |
|                      | (41.10)         | (42.60)         | (42.60)         | (11.90)         | (6.30)          | (6.80)          | (38.20)         | (22.30)         | (3.30)           | (22.40)          | (2.70)           |
| <b>Uttar Pradesh</b> | <b>3081.10</b>  | <b>3564.80</b>  | <b>3538.90</b>  | <b>4377.60</b>  | <b>4208.60</b>  | <b>4750.70</b>  | <b>6789.70</b>  | <b>6741.00</b>  | <b>8678.60</b>   | <b>9635.20</b>   | <b>9638.80</b>   |
|                      | (28.50)         | (29.40)         | (25.30)         | (23.70)         | (-3.9)          | (12.90)         | (27.20)         | (-0.7)          | (28.70)          | (11.00)          | 0.00             |
| Manipur              | 413.70          | 430.80          | 494.30          | 604.50          | 541.20          | 641.90          | 768.10          | 919.59          | 981.00           | 1168.80          | 956.30           |
|                      | (91.10)         | (78.60)         | (60.00)         | (22.30)         | (-10.5)         | (18.60)         | (75.80)         | (19.70)         | (6.70)           | (19.10)          | (-18.2)          |
| Meghalaya            | 326.20          | 359.30          | 388.40          | 529.90          | 472.90          | 571.60          | 634.20          | 632.80          | 741.80           | 945.60           | 931.30           |
|                      | (81.90)         | (75.00)         | (71.50)         | (36.40)         | (-10.8)         | (20.90)         | (80.70)         | (-0.2)          | (17.20)          | (27.50)          | (-1.5)           |
| Mizoram              | 355.30          | 380.30          | 400.20          | 487.30          | 519.10          | 607.00          | 644.30          | 700.80          | 726.60           | 896.90           | 741.00           |
|                      | (68.50)         | (90.90)         | (81.70)         | (21.80)         | (6.50)          | (16.90)         | (79.60)         | (8.80)          | (3.70)           | (23.40)          | (-17.4)          |
| Nagaland             | 446.10          | 509.90          | 659.10          | 712.50          | 596.90          | 754.90          | 835.30          | 954.90          | 1170.50          | 1245.70          | 1231.50          |
|                      | (80.80)         | (78.70)         | (76.90)         | (8.10)          | (-16.3)         | (26.60)         | (76.20)         | (14.30)         | (22.60)          | (6.40)           | (-1.1)           |
| Orissa               | 1908.40         | 1950.40         | 2208.10         | 2472.40         | 2624.20         | 2799.10         | 3163.80         | 3819.30         | 3980.60          | 5574.60          | 6548.30          |
|                      | (62.70)         | (53.60)         | (56.40)         | (12.00)         | (6.10)          | (6.70)          | (50.10)         | (20.70)         | (4.20)           | (40.00)          | (17.50)          |
| Punjab               | 1620.50         | 1499.60         | 1933.60         | 2064.20         | 1884.10         | 1556.40         | 2407.00         | 2404.50         | 3345.60          | 4749.50          | 4682.20          |
|                      | (48.10)         | (29.90)         | (46.00)         | (6.70)          | (-8.7)          | (-17.4)         | (31.90)         | (-0.1)          | (39.10)          | (42.00)          | (-1.4)           |
| Rajasthan            | 2238.10         | 2405.90         | 2753.10         | 3126.60         | 3606.70         | 3782.60         | 4564.70         | 5310.60         | 5250.00          | 7097.50          | 7126.70          |
|                      | (47.30)         | (41.40)         | (43.40)         | (13.60)         | (15.40)         | (4.90)          | (41.60)         | (16.30)         | (-1.1)           | (35.20)          | (0.40)           |
| Sikkim               | 133.80          | 153.90          | 178.60          | 196.10          | 216.40          | 313.80          | 343.90          | 383.50          | 444.90           | 535.90           | 577.90           |
|                      | (75.30)         | (67.30)         | (71.40)         | (9.80)          | (10.40)         | (45.00)         | (27.70)         | (11.50)         | (16.00)          | (20.50)          | (9.50)           |
| <b>Tamil Nadu</b>    | <b>2329.90</b>  | <b>2782.60</b>  | <b>3125.80</b>  | <b>3648.70</b>  | <b>4115.30</b>  | <b>3578.00</b>  | <b>4399.10</b>  | <b>5214.30</b>  | <b>5113.10</b>   | <b>6154.80</b>   | <b>6741.90</b>   |
|                      | (35.30)         | (28.30)         | (33.00)         | (13.50)         | (12.80)         | (-13.1)         | (28.60)         | (18.50)         | (-1.9)           | (20.50)          | (9.50)           |
| Tripura              | 519.50          | 551.80          | 592.80          | 614.30          | 709.60          | 883.80          | 987.80          | 1065.40         | 1260.30          | 1440.30          | 1694.20          |
|                      | (85.00)         | (81.40)         | (90.30)         | (3.60)          | (15.50)         | (24.50)         | (83.80)         | (7.90)          | (18.30)          | (14.30)          | (17.60)          |
| U.P.                 | 6365.50         | 7320.60         | 8321.70         | 8064.70         | 9842.30         | 10112.10        | 11664.10        | 13479.10        | 13680.60         | 19073.50         | 21439.90         |
|                      | (51.70)         | (54.30)         | (51.60)         | (-3.1)          | (22.00)         | (2.70)          | (50.70)         | (15.60)         | (1.50)           | (39.40)          | (12.40)          |
| W.B.                 | 2883.10         | 2917.30         | 3307.30         | 3896.60         | 4631.10         | 4934.40         | 6039.90         | 7668.50         | 9630.60          | 11090.20         | 12996.60         |
|                      | (47.90)         | (46.40)         | (49.80)         | (17.80)         | (18.80)         | (6.50)          | (46.30)         | (27.00)         | (25.60)          | (15.20)          | (17.20)          |
| NCT Delhi            | NA              | NA              | NA              | 132.40          | 603.70          | 918.70          | 1056.60         | 1396.10         | 1358.90          | 1764.00          | 1718.20          |
|                      |                 |                 |                 | (-)             | (355.60)        | (52.20)         | (30.10)         | (32.10)         | (-2.7)           | (29.80)          | (-2.6)           |
| <b>All States</b>    | <b>40859.10</b> | <b>45142.60</b> | <b>51438.50</b> | <b>57980.50</b> | <b>64141.60</b> | <b>69643.00</b> | <b>81973.90</b> | <b>95404.80</b> | <b>103626.60</b> | <b>129065.50</b> | <b>139661.10</b> |
|                      | (44.80)         | (41.60)         | (43.10)         | (12.70)         | (10.60)         | (8.60)          | (40.40)         | (16.40)         | (8.60)           | (24.50)          | (8.20)           |

Note : Figures in brackets are percentage variation over the previous year  
Source : Reports of Finance Commission , RBI and State Governments

**TABLE - AS-7 ALL STATES OUTSTANDING DEBT ON MARCH 31**

| States      | 1986     |           | 1991      |           | 1996      |           | (Rs. Crores)<br>1997 |           |
|-------------|----------|-----------|-----------|-----------|-----------|-----------|----------------------|-----------|
|             | Tot Debt | % to GSDP | Tot Debt  | % to GSDP | Tot Debt  | % to GSDP | Tot Debt             | % to GSDP |
| A.P         | 3519.00  | 23.00     | 6743.00   | 19.50     | 15164.00  | 19.00     | 17220.00             | 19.00     |
| Arp         | -        | -         | 340.00    | 67.00     | 631.00    | 53.50     | 701.00               | 58.00     |
| Assam       | 2078.00  | 36.60     | 4235.00   | 39.90     | 5461.00   | 28.10     | 5843.00              | 27.80     |
| Bihar       | 4606.00  | 32.20     | 9231.00   | 34.90     | 16568.00  | 35.70     | 18185.00             | 37.80     |
| Goa         | -        | -         | 846.00    | 67.30     | 1167.00   | 35.20     | 1279.00              | 32.30     |
| Gujarat     | 2751.00  | 19.70     | 6230.00   | 22.30     | 11128.00  | 15.00     | 12784.00             | 14.80     |
| Haryana     | 1447.00  | 22.10     | 2821.00   | 20.70     | 5778.00   | 19.50     | 6525.00              | 18.30     |
| H.P         | 477.00   | 34.80     | 1297.00   | 46.10     | 3043.00   | 47.90     | 3424.00              | 47.20     |
| J & K       | 1472.00  | 76.30     | 3575.00   | 129.40    | 4573.00   | 67.60     | 5074.00              | 67.40     |
| Karnataka   | 2502.00  | 21.60     | 4633.00   | 19.90     | 9893.00   | 16.90     | 11344.00             | 16.20     |
| Kerala      | 2237.00  | 29.70     | 4442.00   | 31.50     | 10114.00  | 25.60     | 11421.00             | 36.00     |
| M.P.        | 3317.00  | 23.90     | 6525.00   | 21.40     | 12318.00  | 18.70     | 13966.00             | 18.50     |
| Maharashtra | 5035.00  | 17.00     | 9850.00   | 15.30     | 18280.00  | 10.70     | 21751.00             | 11.40     |
| Manipur     | 209.00   | 50.00     | 354.00    | 43.10     | 568.00    | 33.50     | 600.00               | 26.50     |
| Meghalaya   | 107.00   | 27.20     | 207.00    | 23.30     | 432.00    | 21.00     | 483.00               | 20.80     |
| Mizoram     | 27.00    | 14.90     | 122.00    | 35.80     | 417.00    | 44.50     | 506.00               | 47.20     |
| Nagaland    | 180.00   | 65.20     | 438.00    | 59.50     | 940.00    | -         | 1063.00              | -         |
| Orissa      | 2309.00  | 33.80     | 4531.00   | 41.60     | 9385.00   | 44.80     | 10934.00             | 40.40     |
| Punjab      | 2483.00  | 26.10     | 6859.00   | 36.30     | 13630.00  | 35.60     | 15250.00             | 34.30     |
| Rajasthan   | 3118.00  | 35.40     | 5736.00   | 27.70     | 12191.00  | -         | 14625.00             | -         |
| Sikkim      | 36.00    | 29.50     | 143.00    | 61.10     | 276.00    | 53.60     | 313.00               | 51.10     |
| T.N.        | 2540.00  | 16.20     | 5501.00   | 17.60     | 12552.00  | 15.90     | 14183.00             | 17.20     |
| Tripura     | 179.00   | 34.20     | 476.00    | 46.20     | 850.00    | 43.90     | 976.00               | 37.70     |
| U.P.        | 7286.00  | 26.30     | 15198.00  | 27.40     | 29976.00  | 25.90     | 34627.00             | 25.40     |
| W.B.        | 4366.00  | 22.90     | 7870.00   | 22.60     | 15399.00  | 21.20     | 18108.00             | 22.30     |
| NCT Delhi   | -        | -         | -         | -         | 1492.00   | 5.50      | 2343.00              | 7.40      |
| All States  | 52281.00 | 18.80     | 108203.00 | 19.00     | 212226.00 | 17.90     | 243528.00            | 17.80     |

Note: (1) Figures of GSDP at factor cost current prices from 1993-94 are new series, while for earlier years the old 1980-81 series have been used

Blanks indicate non availability of GSDP figures

(2) For 'All States' totals are percentages of GDP at current market prices

(3) GSDP estimates for the years 1999-00, 2000-01 are not available for all the states

**TABLE - AS-7 ALL STATES OUTSTANDING DEBT ON MARCH 31**

| States      | 1998      |           | 1999      |           | 2000      |           | (Rs. Crores)<br>2001 |           |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------|----------------------|-----------|
|             | Tot Debt  | % to GSDP | Tot Debt  | % to GSDP | Tot Debt  | % to GSDP | Tot Debt             | % to GSDP |
| A.P         | 19969.00  | 20.80     | 23905.00  | 20.90     | 29992.00  |           | 37933.00             |           |
| Arp         | 779.00    | 57.60     | 866.00    | 56.20     | 970.00    |           | 1065.00              |           |
| Assam       | 6212.00   | 26.90     | 6836.00   | 26.90     | 8273.00   |           | 9574.00              |           |
| Bihar       | 20164.00  | 30.40     | 23193.00  | 35.00     | 28353.00  |           | 33933.00             |           |
| Goa         | 1409.00   | -         | 1681.00   | -         | 1981.00   |           | 2347.00              |           |
| Gujarat     | 15061.00  | 16.30     | 18561.00  | 18.20     | 22810.00  |           | 27196.00             |           |
| Haryana     | 7632.00   | 20.10     | 9495.00   | 21.70     | 11632.00  |           | 13837.00             |           |
| H.P         | 3965.00   | 48.50     | 5714.00   | 61.70     | 6854.00   |           | 7934.00              |           |
| J & K       | 5857.00   | 68.80     | 6335.00   | -         | 7581.00   |           | 8489.00              |           |
| Karnataka   | 12945.00  | 16.90     | 15444.00  | 17.10     | 18694.00  |           | 22791.00             |           |
| Kerala      | 12868.00  | 24.00     | 15700.00  | 25.00     | 19015.00  |           | 21846.00             |           |
| M.P.        | 16040.00  | 19.80     | 19268.00  | 21.20     | 22886.00  |           | 26834.00             |           |
| Maharashtra | 25870.00  | 12.10     | 31176.00  | 12.40     | 39236.00  |           | 44777.00             |           |
| Manipur     | 865.00    | 35.60     | 1150.00   | 44.20     | 1541.00   |           | 1703.00              |           |
| Meghalaya   | 561.00    | 21.40     | 711.00    | 23.70     | 920.00    |           | 1124.00              |           |
| Mizoram     | 594.00    | 52.90     | 730.00    | -         | 898.00    |           | 1053.00              |           |
| Nagaland    | 1187.00   | -         | 1378.00   | -         | 1644.00   |           | 1833.00              |           |
| Orissa      | 12403.00  | 38.00     | 15057.00  | 42.00     | 18115.00  |           | 22071.00             |           |
| Punjab      | 17216.00  | 35.20     | 20877.00  | 38.00     | 24630.00  |           | 28307.00             |           |
| Rajasthan   | 16430.00  | 27.80     | 21108.00  | -         | 25904.00  |           | 31030.00             |           |
| Sikkim      | 357.00    | -         | 505.00    | -         | 643.00    |           | 771.00               |           |
| T.N.        | 16282.00  | 23.00     | 19582.00  | 16.70     | 23232.00  |           | 27641.00             |           |
| Tripura     | 1125.00   | 36.00     | 1389.00   | 40.40     | 1800.00   |           | 2272.00              |           |
| U.P.        | 40008.00  | 26.60     | 48624.00  | 28.30     | 58639.00  |           | 68586.00             |           |
| W.B.        | 22041.00  | 23.00     | 28617.00  | 26.00     | 36968.00  |           | 47313.00             |           |
| NCT Delhi   | 3370.00   | 9.60      | 4077.00   | -         | 5373.00   |           | 6583.00              |           |
| All States  | 281209.00 | 18.50     | 341978.90 | 17.50     | 418584.00 | 19.20     | 498841.00            | 20.20     |



**TABLE AS - 8 ALL STATES  
GROSS LOANS FROM CENTRE**

| States      | Years     |           |           |           |           |           |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------|
|             | 90-91(AC) | 91-92(AC) | 92-93(AC) | 93-94(AC) | 94-95(AC) | 95-96(AC) |
| A.P         | 790.80    | 912.60    | 1015.50   | 1500.80   | 1516.20   | 1627.60   |
|             | NA        | (15.40)   | (11.28)   | (47.80)   | (1.00)    | (7.30)    |
| Arp         | 36.30     | 23.10     | 27.40     | 27.60     | 34.20     | 37.90     |
|             | NA        | (-36.4)   | (18.62)   | (0.70)    | (23.90)   | (10.70)   |
| Assam       | 876.80    | 230.20    | 239.10    | (80.30)   | 509.40    | 665.10    |
|             | NA        | (-73.7)   | (3.87)    | (-133.6)  | (734.30)  | (30.60)   |
| Bihar       | 1002.80   | 1134.00   | 934.90    | 984.50    | 1064.30   | 1154.20   |
|             | NA        | (13.10)   | (-17.56)  | (5.30)    | (8.10)    | (8.40)    |
| Goa         | 106.60    | 49.50     | 51.60     | 49.10     | 59.80     | 61.10     |
|             | NA        | (-53.6)   | (4.24)    | (-4.8)    | (21.80)   | (2.20)    |
| Gujarat     | 883.20    | 811.10    | 849.00    | 797.30    | 968.50    | 1308.20   |
|             | NA        | (-8.2)    | (4.67)    | (-6.1)    | (21.50)   | (35.10)   |
| Haryana     | 281.40    | 263.80    | 255.10    | 303.90    | 412.40    | 805.70    |
|             | NA        | (-6.3)    | (-3.30)   | (19.10)   | (35.70)   | (95.40)   |
| H.P         | 225.30    | 106.60    | 115.80    | 146.00    | 307.10    | 186.00    |
|             | NA        | (-52.7)   | (8.63)    | (26.10)   | (110.40)  | (-39.4)   |
| J & K       | 499.90    | 142.90    | 123.50    | 147.90    | 255.00    | 277.90    |
|             | NA        | (-71.4)   | (13.58)   | (19.80)   | (72.40)   | (9.00)    |
| Karnataka   | 459.70    | 528.00    | 669.70    | 688.90    | 1221.30   | 807.60    |
|             | NA        | (14.90)   | (26.84)   | (2.90)    | (77.30)   | (-33.9)   |
| Kerala      | 408.40    | 575.00    | 529.50    | 595.80    | 749.40    | 655.50    |
|             | NA        | (40.80)   | (-7.91)   | (12.50)   | (25.50)   | (-12.5)   |
| M.P.        | 541.60    | 615.60    | 592.20    | 658.50    | 743.80    | 781.50    |
|             | NA        | (13.70)   | (-3.8)    | (11.20)   | (13.00)   | (5.10)    |
| Maharashtra | 1296.00   | 1534.20   | 1214.50   | 1470.00   | 1476.60   | 1901.30   |
|             | NA        | (18.40)   | (-20.54)  | (21.00)   | (0.40)    | (28.80)   |
| Manipur     | 58.80     | 16.10     | 51.50     | 72.50     | 22.90     | 23.60     |
|             | NA        | (-72.6)   | (219.88)  | (40.80)   | (-68.4)   | (3.00)    |
| Meghalaya   | 27.90     | 20.70     | 22.20     | 105.40    | 37.50     | 20.90     |
|             | NA        | (-25.8)   | (7.25)    | (374.80)  | (-64.4)   | (-44.3)   |
| Mizoram     | 29.70     | 13.60     | 14.60     | 20.50     | 19.80     | 31.30     |
|             | NA        | (-54.2)   | (7.35)    | (40.40)   | (-3.5)    | (57.90)   |
| Nagaland    | 73.60     | 60.40     | 189.50    | 122.20    | 52.20     | 28.70     |
|             | NA        | (-17.9)   | (213.74)  | (-35.5)   | (-56.9)   | (-45.5)   |
| Orissa      | 607.40    | 436.60    | 444.90    | 540.00    | 605.20    | 663.80    |
|             | NA        | (-28.1)   | (1.90)    | (21.40)   | (12.10)   | (9.70)    |
| Punjab      | 1191.20   | 972.40    | 1234.50   | 1351.30   | 1185.90   | 800.00    |
|             | NA        | (-18.4)   | (26.95)   | (9.50)    | (-12.2)   | (-32.5)   |
| Rajasthan   | 626.70    | 557.60    | 605.10    | 661.20    | 887.50    | 1140.20   |
|             | NA        | (-11.0)   | (8.52)    | (9.30)    | (34.20)   | (28.10)   |
| Sikkim      | 12.30     | 11.50     | 11.80     | 13.00     | 16.10     | 20.1      |
|             | NA        | (-6.5)    | (2.61)    | (10.20)   | (23.80)   | (24.90)   |
| T.N.        | 747.60    | 859.50    | 974.30    | 1087.80   | 1502.30   | 988.40    |
|             | NA        | (15.00)   | (13.36)   | (11.60)   | (38.10)   | (-34.2)   |
| Tripura     | 68.50     | 35.20     | 43.70     | 33.80     | 37.70     | 33.00     |
|             | NA        | (-4.8.6)  | (24.15)   | (-22.7)   | (11.60)   | (-12.6)   |
| U.P.        | 1995.00   | 2226.90   | 1952.80   | 1782.80   | 3216.70   | 2765.20   |
|             | NA        | (11.60)   | (-12.31)  | (-8.7)    | (80.40)   | (-14.0)   |
| W.B.        | 1126.80   | 931.90    | 936.90    | 1196.70   | 1839.90   | 2018.70   |
|             | NA        | (-17.3)   | (0.54)    | (27.70)   | (53.70)   | (9.70)    |
| NCTDelhi    | "         | "         | "         | 132.50    | 510.30    | 796.40    |
|             | NA        |           | NA        | (16.60)   | (285.20)  | (56.10)   |
| All States  | 13974.30  | 13069.00  | 13099.60  | 14409.70  | 19252.50  | 19599.50  |
|             | NA        | (-6.5)    | (0.23)    | (10.00)   | (33.60)   | (1.80)    |

Note: (1) Figures in brackets represents percentage variation over previous year

(2) NA denotes Not Available

Source: Reserve Bank of India, **Finances of the State Government** various years' issues.

**TABLE AS - 8 ALL STATES  
GROSS LOANS FROM CENTRE**

(Rs in Crores)

| States     | Years     |           |           |           |           |
|------------|-----------|-----------|-----------|-----------|-----------|
|            | 96-97(AC) | 97-98(AC) | 98-99(AC) | 99-00(RE) | 00-01(BE) |
| A.P        | 1636.40   | 2054.00   | 3022.10   | 3534.10   | 3726.00   |
|            | (10.10)   | (25.50)   | (47.10)   | (16.90)   | (5.40)    |
| Arp        | 44.90     | 49.50     | 58.20     | 65.00     | 57.90     |
|            | (5.00)    | (10.20)   | (17.50)   | (11.70)   | (-10.9)   |
| Assam      | 445.30    | 671.60    | 450.40    | 637.00    | 588.90    |
|            | (10.40)   | (50.80)   | (-32.9)   | (41.40)   | (-7.5)    |
| Bihar      | 1340.90   | 1790.30   | 2808.90   | 3211.00   | 3610.70   |
|            | (15.00)   | (33.50)   | (56.90)   | (14.30)   | (12.40)   |
| Goa        | 70.50     | 90.80     | 127.10    | 143.20    | 200.40    |
|            | (7.50)    | (28.80)   | (39.90)   | (12.70)   | (39.90)   |
| Gujarat    | 1437.40   | 2021.40   | 2841.50   | 3616.50   | 3627.90   |
|            | (11.40)   | (40.60)   | (40.60)   | (27.30)   | (0.30)    |
| Haryana    | 531.60    | 801.90    | 1005.60   | 1212.40   | 1534.60   |
|            | (6.80)    | (50.80)   | (25.40)   | (20.60)   | (26.60)   |
| H.P        | 336.20    | 715.60    | 466.30    | 175.30    | 107.30    |
|            | (12.80)   | (112.80)  | (-34.3)   | (-62.4)   | (-38.8)   |
| J & K      | 425.20    | 522.10    | 446.40    | 485.70    | 515.00    |
|            | (10.60)   | (22.80)   | (-14.5)   | (8.80)    | (6.00)    |
| Karnataka  | 1065.30   | 1133.20   | 1552.00   | 757.10    | 1227.10   |
|            | (8.90)    | (6.40)    | (37.00)   | (-51.2)   | (62.10)   |
| Kerala     | 539.90    | 567.10    | 869.60    | 1273.00   | 1357.10   |
|            | (6.80)    | (5.00)    | (53.30)   | (46.40)   | (6.60)    |
| M.P.       | 1065.30   | 1441.90   | 1861.80   | 2261.80   | 2363.20   |
|            | (8.10)    | (35.40)   | (29.10)   | (21.50)   | (4.50)    |
| Maharastra | 3004.30   | 3784.60   | 4716.60   | 5257.30   | 4789.30   |
|            | (12.00)   | (26.00)   | (24.60)   | (11.50)   | (-8.9)    |
| Manipur    | 33.30     | 132.80    | 146.50    | 109.10    | 96.80     |
|            | (3.30)    | (298.80)  | (10.30)   | (-25.6)   | (-11.2)   |
| Meghalaya  | 28.50     | 39.40     | 48.90     | 59.20     | 67.40     |
|            | (36.50)   | (38.20)   | (24.10)   | (21.10)   | (13.80)   |
| Mizoram    | 29.80     | 33.10     | 36.90     | 54.80     | 45.60     |
|            | (3.70)    | (11.10)   | (11.60)   | (48.50)   | (-16.8)   |
| Nagaland   | 33.70     | 40.80     | 215.00    | 193.80    | 59.20     |
|            | (3.10)    | (21.10)   | (427.00)  | (-9.9)    | (-69.4)   |
| Orissa     | 700.90    | 1150.00   | 1470.80   | 1670.00   | 2332.70   |
|            | (11.10)   | (64.10)   | (27.90)   | (13.50)   | (39.70)   |
| Punjab     | 1517.90   | 1454.40   | 2359.80   | 3110.50   | 3103.50   |
|            | (20.10)   | (-4.2)    | (62.30)   | (31.80)   | (-0.2)    |
| Rajasthan  | 1489.90   | 1879.30   | 1963.50   | 3556.30   | 3269.20   |
|            | (13.60)   | (26.10)   | (4.50)    | (81.10)   | (-8.1)    |
| Sikkim     | 37.4      | 41.30     | 53.50     | 67.40     | 45.40     |
|            | (3.00)    | (10.40)   | (29.60)   | (25.90)   | (-32.6)   |
| T.N.       | 1306.70   | 1434.80   | 1634.30   | 2071.00   | 2291.50   |
|            | (8.50)    | (9.80)    | (13.90)   | (26.70)   | (10.60)   |
| Tripura    | 60.10     | 89.80     | 121.00    | 211.30    | 249.50    |
|            | (5.10)    | (49.40)   | (34.70)   | (74.70)   | (18.10)   |
| U.P.       | 3260.00   | 4197.70   | 5687.10   | 8362.20   | 7802.40   |
|            | (14.20)   | (28.80)   | (35.50)   | (47.00)   | (-6.7)    |
| W.B.       | 2489.10   | 3607.00   | 5402.80   | 6130.90   | 7589.00   |
|            | (19.10)   | (44.90)   | (49.80)   | (13.50)   | (23.80)   |
| NCTDelhi   | 851.2.    | 1026.50   | 975.60    | 1300.80   | 1235.00   |
|            | (24.20)   | (20.60)   | (-5.0)    | (33.30)   | (-5.1)    |
| All States | 23781.70  | 30770.90  | 40342.00  | 49526.70  | 51892.60  |
|            | (11.70)   | (29.40)   | (31.10)   | (22.80)   | (4.80)    |

Note: (1) Figures in brackets represents percentage variation over previous year

(2) NA denotes Not Available

Source: Reserve Bank of India, **Finances of the State Government** various years' issues.

**TABLE AS -9 : ALL STATES  
GROSS INTEREST PAYMENT**

(Rs. Crores)

| State              | 91-92(AC)       | 92-93(AC)       | 93-94(AC)       | 94-95(AC)       | 95-96(AC)       | 96-97(AC)       | 97-98(AC)       | 98-99(AC)       | 99-00(RE)      | 00-01(BE)       |
|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|-----------------|
| <b>Andhra</b>      | <b>695.00</b>   | <b>829.90</b>   | <b>1025.00</b>  | <b>1256.40</b>  | <b>1529.10</b>  | <b>1838.80</b>  | <b>2153.30</b>  | <b>2643.80</b>  | <b>3249.70</b> | <b>3968.70</b>  |
|                    | (11.10)         | (11.70)         | (12.40)         | (14.30)         | (15.50)         | (16.40)         | (15.10)         | (18.50)         | (18.60)        | (18.90)         |
| Arp                | 21.40           | 21.80           | 27.50           | 34.50           | 42.30           | 53.30           | 59.90           | 71.20           | 81.80          | 99.10           |
|                    | (4.80)          | (4.30)          | (5.00)          | (5.70)          | (5.60)          | (6.60)          | (6.50)          | (7.70)          | (8.00)         | (9.80)          |
| Assam              | 92.70           | 410.70          | 490.00          | 589.30          | 487.60          | 559.90          | 638.90          | 520.70          | 1084.00        | 996.10          |
|                    | (3.80)          | (15.70)         | (14.80)         | (19.90)         | (14.40)         | (14.50)         | (14.20)         | (11.60)         | (18.60)        | (15.20)         |
| Bihar              | 1004.30         | 1240.60         | 1350.90         | 1561.10         | 1667.60         | 1417.10         | 1536.00         | 1872.30         | 2861.40        | 3197.20         |
|                    | (20.70)         | (20.80)         | (20.40)         | (23.00)         | (22.60)         | (17.60)         | (16.60)         | (20.20)         | (22.70)        | (22.60)         |
| Goa                | 57.30           | 58.50           | 68.20           | 69.20           | 89.90           | 100.50          | 118.10          | 143.90          | 185.40         | 221.20          |
|                    | (17.80)         | (15.00)         | (14.70)         | (13.00)         | (11.00)         | (12.40)         | (10.30)         | (12.50)         | (14.00)        | (12.50)         |
| Gujarat            | 716.80          | 928.80          | 1046.00         | 1190.90         | 1328.10         | 1610.00         | 1884.20         | 2261.90         | 2827.30        | 3503.10         |
|                    | (15.40)         | (15.70)         | (14.90)         | (15.30)         | (15.50)         | (16.70)         | (14.80)         | (17.80)         | (19.50)        | (21.10)         |
| Haryana            | 321.90          | 343.30          | 421.00          | 486.90          | 555.70          | 715.90          | 820.30          | 997.00          | 1316.20        | 1541.90         |
|                    | (14.90)         | (14.40)         | (12.10)         | (8.30)          | (11.10)         | (11.80)         | (15.00)         | (18.20)         | (22.00)        | (22.80)         |
| H.P.               | 147.90          | 177.10          | 209.60          | 222.60          | 285.20          | 313.00          | 372.10          | 498.00          | 650.10         | 824.30          |
|                    | (14.90)         | (16.80)         | (14.30)         | (17.00)         | (16.30)         | (15.70)         | (16.10)         | (21.50)         | (17.90)        | (29.90)         |
| J & K              | 385.70          | 359.40          | 275.60          | 576.70          | 440.40          | 489.30          | 592.70          | 664.70          | 786.00         | 944.10          |
|                    | (23.70)         | (17.50)         | (12.40)         | (19.10)         | (13.55)         | (13.30)         | (13.10)         | (14.70)         | (15.00)        | (18.30)         |
| <b>Karnataka</b>   | <b>514.50</b>   | <b>593.70</b>   | <b>718.00</b>   | <b>871.40</b>   | <b>1047.50</b>  | <b>1208.10</b>  | <b>1393.80</b>  | <b>1616.60</b>  | <b>2039.60</b> | <b>2392.60</b>  |
|                    | (10.80)         | (11.00)         | (11.40)         | (12.50)         | (12.30)         | (12.60)         | (12.40)         | (14.40)         | (15.60)        | (15.40)         |
| <b>Kerala</b>      | <b>483.40</b>   | <b>542.50</b>   | <b>687.20</b>   | <b>819.70</b>   | <b>924.20</b>   | <b>1103.40</b>  | <b>1286.10</b>  | <b>1446.30</b>  | <b>1709.30</b> | <b>1926.40</b>  |
|                    | (16.90)         | (16.30)         | (17.50)         | (17.60)         | (17.00)         | (18.00)         | (17.90)         | (20.10)         | (19.60)        | (18.90)         |
| M.P.               | 607.70          | 741.50          | 867.90          | 1094.30         | 1158.20         | 1376.20         | 1659.90         | 1834.80         | 2254.60        | 2634.00         |
|                    | (11.30)         | (11.50)         | (12.30)         | (14.40)         | (13.40)         | (13.70)         | (14.60)         | (16.20)         | (16.30)        | (18.10)         |
| <b>Maharashtra</b> | <b>1159.60</b>  | <b>1336.50</b>  | <b>1510.10</b>  | <b>1760.00</b>  | <b>2055.40</b>  | <b>2447.20</b>  | <b>2903.60</b>  | <b>3673.10</b>  | <b>4651.10</b> | <b>6047.30</b>  |
|                    | (11.90)         | (12.40)         | (11.60)         | (11.70)         | (12.40)         | (12.70)         | (13.40)         | (16.90)         | (19.10)        | (21.40)         |
| Manipur            | 31.10           | 44.60           | 48.90           | 51.80           | 57.50           | 65.60           | 78.90           | 91.30           | 130.20         | 142.70          |
|                    | (6.90)          | (9.30)          | (8.50)          | (8.70)          | (8.30)          | (8.10)          | (8.80)          | (10.20)         | (11.10)        | (14.50)         |
| Meghalaya          | 21.50           | 25.30           | 33.30           | 45.00           | 50.40           | 55.60           | 60.90           | 69.40           | 128.90         | 130.90          |
|                    | (5.30)          | (5.90)          | (6.60)          | (8.50)          | (7.40)          | (7.60)          | (7.30)          | (8.30)          | (12.10)        | (11.90)         |
| Mizoram            | 13.20           | 28.00           | 22.50           | 29.80           | 34.90           | 47.70           | 65.80           | 73.70           | 91.40          | 107.00          |
|                    | (3.30)          | (6.60)          | (4.50)          | (5.50)          | (5.60)          | (7.10)          | (9.00)          | (10.00)         | (10.40)        | (14.50)         |
| Nagaland           | 53.50           | 58.10           | 61.50           | 80.00           | 79.40           | 97.90           | 113.40          | 136.50          | 163.10         | 186.40          |
|                    | (10.80)         | (11.30)         | (9.70)          | (12.70)         | (10.20)         | (11.20)         | (10.90)         | (13.20)         | (14.30)        | (14.70)         |
| Orissa             | 481.00          | 542.20          | 682.70          | 786.70          | 929.30          | 1079.40         | 291.70          | 1484.80         | 1779.70        | 2317.60         |
|                    | (19.70)         | (18.60)         | (21.30)         | (22.00)         | (23.90)         | (25.20)         | (28.40)         | (32.60)         | (27.30)        | (30.10)         |
| Punjab             | 360.50          | 410.60          | 1042.20         | 1243.70         | 1489.60         | 1634.40         | 1848.80         | 2316.80         | 2474.70        | 2931.20         |
|                    | (9.70)          | (14.70)         | (31.80)         | (23.50)         | (28.70)         | (29.40)         | (32.10)         | (40.30)         | (29.50)        | (27.40)         |
| Rajasthan          | 615.70          | 742.80          | 885.40          | 1035.90         | 1233.80         | 1553.10         | 1896.70         | 2242.90         | 2869.80        | 3372.80         |
|                    | (14.90)         | (15.20)         | (15.80)         | (16.40)         | (16.20)         | (20.50)         | (22.10)         | (26.10)         | (28.70)        | (29.80)         |
| Sikkim             | 14.90           | 18.90           | 21.70           | 26.10           | 29.00           | 33.00           | 40.90           | 52.50           | 70.70          | 82.80           |
|                    | (8.20)          | (9.00)          | (9.60)          | (4.80)          | (3.10)          | (2.90)          | (2.80)          | (3.60)          | (4.60)         | (8.30)          |
| <b>Tamil Nadu</b>  | <b>557.30</b>   | <b>688.50</b>   | <b>956.50</b>   | <b>1089.60</b>  | <b>1293.20</b>  | <b>1475.60</b>  | <b>1763.40</b>  | <b>2121.90</b>  | <b>2582.30</b> | <b>2749.00</b>  |
|                    | (8.20)          | (9.80)          | (11.90)         | (11.60)         | (12.20)         | (12.30)         | (12.40)         | (14.90)         | (15.70)        | (14.90)         |
| Tripura            | 50.10           | 58.70           | 68.10           | 75.80           | 88.70           | 110.20          | 120.00          | 140.60          | 170.80         | 205.00          |
|                    | (8.90)          | (9.70)          | (10.60)         | (10.20)         | (9.50)          | (10.70)         | (9.50)          | (11.10)         | (12.30)        | (12.60)         |
| U.P.               | 1710.30         | 2041.60         | 2111.10         | 3088.60         | 3324.90         | 4061.00         | 4689.30         | 5516.60         | 6749.50        | 7763.00         |
|                    | (17.70)         | (17.50)         | (17.40)         | (23.10)         | (21.90)         | (25.30)         | (27.00)         | (31.70)         | (29.80)        | (28.70)         |
| W.B.               | 827.00          | 966.20          | 1168.90         | 1327.40         | 1616.20         | 1940.30         | 2410.00         | 2949.90         | 4087.60        | 5282.10         |
|                    | (17.70)         | (18.50)         | (19.70)         | (19.30)         | (21.90)         | (23.60)         | (25.70)         | (31.40)         | (35.90)        | (40.20)         |
| NCTDelhi           | NA              | NA              | NA              | NA              | 94.00           | 189.90          | 314.10          | 432.30          | 530.70         | 704.50          |
|                    |                 |                 |                 |                 | (4.10)          | (6.80)          | (8.60)          | (11.80)         | (11.50)        | (12.60)         |
| <b>All States</b>  | <b>10944.40</b> | <b>13210.10</b> | <b>15800.50</b> | <b>19413.30</b> | <b>21932.10</b> | <b>25576.40</b> | <b>30112.80</b> | <b>35873.50</b> | <b>4525.90</b> | <b>54270.90</b> |
|                    | (13.50)         | (14.50)         | (15.00)         | (15.90)         | (16.00)         | (17.70)         | (17.10)         | (20.30)         | (21.20)        | (22.20)         |

Note: (1) NA denotes "Not Available"

(2) Figures in brackets are percentages of Revenue Receipts of the respective states

Source : Compiled at IIE from Reserve bank of India and Various state Documents

**TABLE AS - 10 : ALL STATES  
NET INTEREST PAYMENT**

(Rs. Crores)

| State             | 92-93(AC)      | 93-94(AC)       | 94-95(AC)       | 95-96(AC)     | 96-97(AC)       | 97-98(AC)       | 98-99(AC)       | 99-00(RE)       | 00-01(BE)       |
|-------------------|----------------|-----------------|-----------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Andhra</b>     | <b>252.00</b>  | <b>319.50</b>   | <b>488.00</b>   | <b>811.40</b> | <b>1014.80</b>  | <b>1249.80</b>  | <b>1498.30</b>  | <b>1915.70</b>  | <b>2404.70</b>  |
|                   | (3.60)         | (3.90)          | (5.60)          | (8.20)        | (9.10)          | (9.00)          | (10.50)         | (11.00)         | (11.40)         |
| Arp               | 18.90          | 23.40           | 31.30           | 36.40         | 46.70           | 54.60           | 65.10           | 75.60           | 92.40           |
|                   | (3.80)         | (4.30)          | (5.20)          | (4.80)        | (5.80)          | (6.50)          | (7.00)          | (7.40)          | (9.20)          |
| Assam             | 408.20         | 487.60          | 587.20          | 485.20        | 557.80          | 636.80          | 518.50          | 1080.80         | 992.90          |
|                   | (15.60)        | (14.70)         | (19.80)         | (14.40)       | (14.50)         | (14.70)         | (11.50)         | (18.50)         | (15.10)         |
| Bihar             | 1233.40        | 1318.30         | 1532.20         | 1647.50       | 1360.65         | 1448.20         | 1736.30         | 2532.80         | 2868.70         |
|                   | (20.70)        | (19.90)         | (22.50)         | (22.30)       | (16.90)         | (16.70)         | (18.70)         | (20.10)         | (20.30)         |
| Goa               | 55.20          | 65.50           | 66.70           | 86.50         | 98.00           | 115.40          | 139.40          | 181.00          | 217.20          |
|                   | (14.20)        | (14.10)         | (12.50)         | (10.60)       | (12.10)         | (10.40)         | (12.20)         | (13.70)         | (12.20)         |
| Gujarat           | 490.40         | 268.50          | 369.20          | 472.50        | 793.80          | 677.00          | 669.20          | 1294.30         | 1828.60         |
|                   | (8.30)         | (3.80)          | (4.70)          | (5.50)        | (8.20)          | (6.10)          | (5.30)          | (8.90)          | (11.00)         |
| Haryana           | 248.20         | 305.20          | 10.80           | 298.80        | 478.30          | 583.30          | 813.30          | 1087.20         | 1285.50         |
|                   | (10.40)        | (8.80)          | (0.20)          | (6.00)        | (7.90)          | (9.90)          | (14.80)         | (18.20)         | (19.00)         |
| H.P               | 172.50         | 206.40          | 213.40          | 259.80        | 288.60          | 359.10          | 488.60          | 487.80          | 816.90          |
|                   | (16.40)        | (14.10)         | (16.30)         | (14.80)       | (14.50)         | (16.50)         | (21.10)         | (13.40)         | (29.60)         |
| J & K             | 309.70         | 193.80          | 480.90          | 347.50        | 389.30          | 492.60          | 576.60          | 671.10          | 824.50          |
|                   | (15.10)        | (8.70)          | (15.90)         | (10.70)       | (10.50)         | (11.50)         | (12.80)         | (12.80)         | (15.90)         |
| <b>Karnataka</b>  | <b>236.80</b>  | <b>380.20</b>   | <b>468.80</b>   | <b>351.70</b> | <b>533.50</b>   | <b>831.30</b>   | <b>946.90</b>   | <b>1379.10</b>  | <b>1712.40</b>  |
|                   | (4.40)         | (6.00)          | (6.70)          | (4.10)        | (5.50)          | (7.80)          | (8.40)          | (10.50)         | (11.00)         |
| <b>Kerala</b>     | <b>519.40</b>  | <b>659.60</b>   | <b>781.90</b>   | <b>823.90</b> | <b>1047.70</b>  | <b>1232.60</b>  | <b>1375.30</b>  | <b>1639.20</b>  | <b>1846.00</b>  |
|                   | (15.70)        | (16.80)         | (16.80)         | (15.20)       | (17.00)         | (17.30)         | (19.10)         | (18.80)         | (18.10)         |
| M.P.              | 399.60         | 651.90          | 881.20          | 1017.20       | 1106.40         | 1436.70         | 1687.30         | 1890.20         | 2340.60         |
|                   | (6.20)         | (9.20)          | (11.60)         | (11.80)       | (11.00)         | (12.80)         | (14.90)         | (13.70)         | (16.10)         |
| <b>Maharastra</b> | <b>508.80</b>  | <b>581.50</b>   | <b>582.90</b>   | <b>784.20</b> | <b>412.70</b>   | <b>1209.50</b>  | <b>2019.20</b>  | <b>3459.50</b>  | <b>4821.10</b>  |
|                   | (4.70)         | (4.50)          | (3.90)          | (4.70)        | (2.10)          | (6.00)          | (9.30)          | (14.20)         | (17.10)         |
| Manipur           | 43.70          | 47.00           | 50.90           | 56.30         | 64.60           | 78.00           | 90.50           | 129.70          | 141.90          |
|                   | (9.10)         | (8.10)          | (8.60)          | (8.10)        | (8.00)          | (9.00)          | (10.10)         | (11.00)         | (14.40)         |
| Meghalaya         | 22.00          | 31.50           | 43.30           | 47.90         | 50.80           | 56.80           | 63.50           | 123.30          | 125.30          |
|                   | (5.10)         | (6.30)          | (8.20)          | (7.00)        | (7.00)          | (8.20)          | (7.60)          | (11.50)         | (11.40)         |
| Mizoram           | 27.60          | 22.20           | 29.40           | 31.80         | 47.30           | 65.40           | 73.10           | 90.40           | 106.50          |
|                   | (6.50)         | (4.40)          | (5.50)          | (5.10)        | (7.10)          | (9.10)          | (9.90)          | (10.30)         | (14.40)         |
| Nagaland          | 57.50          | 60.10           | 78.50           | 77.40         | 95.80           | 111.40          | 134.00          | 160.10          | 183.40          |
|                   | (11.20)        | (9.50)          | (12.40)         | (9.90)        | (11.00)         | (11.20)         | (12.90)         | (14.00)         | (14.50)         |
| Orissa            | 483.90         | 595.00          | 733.00          | 790.60        | 1065.90         | 1273.10         | 1465.20         | 1759.70         | 2292.60         |
|                   | (16.60)        | (18.50)         | (20.50)         | (20.30)       | (24.90)         | (27.50)         | (32.20)         | (27.00)         | (29.70)         |
| Punjab            | 339.30         | 968.20          | 1162.20         | 1402.50       | 170.30          | 865.90          | 2211.90         | 1857.70         | 2310.90         |
|                   | (12.20)        | (29.50)         | (21.90)         | (27.10)       | (3.10)          | (13.60)         | (38.40)         | (22.20)         | (21.60)         |
| Rajasthan         | 245.90         | 272.50          | 613.00          | 732.20        | 928.20          | 1298.50         | 1614.10         | 2152.00         | 2572.80         |
|                   | (5.00)         | (4.90)          | (9.70)          | (9.60)        | (12.30)         | (15.50)         | (18.80)         | (21.50)         | (22.70)         |
| Sikkim            | 17.60          | 20.80           | 25.70           | 27.90         | 31.20           | 40.90           | 52.20           | 70.40           | 82.50           |
|                   | (8.40)         | (9.20)          | (4.70)          | (3.00)        | (2.70)          | (3.10)          | (3.60)          | (4.60)          | (8.30)          |
| <b>Tamil Nadu</b> | <b>477.30</b>  | <b>681.30</b>   | <b>810.80</b>   | <b>950.40</b> | <b>1126.60</b>  | <b>1277.10</b>  | <b>1736.90</b>  | <b>2248.60</b>  | <b>2417.20</b>  |
|                   | (6.80)         | (8.40)          | (8.80)          | (9.00)        | (9.40)          | (9.40)          | (12.20)         | (13.70)         | (13.10)         |
| Tripura           | 58.30          | 66.50           | 74.10           | 86.70         | 102.60          | 117.80          | 137.00          | 163.30          | 196.50          |
|                   | (9.70)         | (10.30)         | (10.00)         | (9.20)        | (10.00)         | (10.90)         | (10.80)         | (11.80)         | (12.10)         |
| U.P.              | 1723.90        | 1756.30         | 2715.20         | 2861.10       | 3582.10         | 4205.00         | 5088.60         | 6312.70         | 7325.00         |
|                   | (14.80)        | (14.50)         | (20.30)         | (18.80)       | (22.30)         | (23.90)         | (29.30)         | (27.90)         | (27.10)         |
| W.B.              | 921.80         | 1097.70         | 1238.40         | 1565.30       | 1827.60         | 2305.10         | 2901.20         | 3977.10         | 5158.80         |
|                   | (17.60)        | (18.50)         | (18.00)         | (21.20)       | (22.20)         | (25.50)         | (30.90)         | (34.90)         | (39.30)         |
| NCTDelhi          |                | -5.40           | -20.10          | 86.90         | 184.50          | 181.20          | 293.30          | 144.70          | 338.30          |
|                   |                | (-1.0)          | (-1.0)          | (3.80)        | (6.60)          | (5.20)          | (8.00)          | (3.10)          | (6.00)          |
| <b>All States</b> | <b>9272.00</b> | <b>11075.10</b> | <b>14048.80</b> | <b>9.20</b>   | <b>17405.50</b> | <b>22203.10</b> | <b>28395.60</b> | <b>36884.50</b> | <b>45303.10</b> |
|                   | (10.20)        | (10.50)         | (11.50)         | (11.80)       | (12.00)         | (13.00)         | (16.10)         | (17.20)         | (18.50)         |

Note: (1) NA denotes "Not Available"

(2) Figures in brackets are percentages of Revenue Receipts of the respective states

Source : Compiled at IIE from Reserve bank of India and Various state Documents

**Table AS- 11 ALL STATES**  
**State wise Decomposition of GFD**

| State-25          | 1991-92(AC)    |                 |                |                 | 1992-93(AC)    |                 |                |                 |
|-------------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|
|                   | Rev DEF        | Capital Outlay  | Net lending    | GFD             | Rev DEF        | Capital Outlay  | Net lending    | GFD             |
|                   | (Rs.Crores)    |                 |                |                 |                |                 |                |                 |
| <b>Andhra</b>     | <b>169.6</b>   | <b>419.2</b>    | <b>536.5</b>   | <b>1125.30</b>  | <b>123.80</b>  | <b>803.00</b>   | <b>642.50</b>  | <b>1569.30</b>  |
|                   | (15.10)        | (37.10)         | (47.10)        |                 | (7.90)         | (51.20)         | (40.90)        |                 |
| Arp               | -158.20        | 136.60          | 1.30           | -20.30          | -163.20        | 152.30          | 1.60           | -9.30           |
|                   | (1779.30)      | (672.90)        | (6.40)         |                 | (1754.80)      | (1637.60)       | (-17.2)        |                 |
| Assam             | -269.70        | 285.20          | 239.20         | 254.70          | 208.10         | -62.30          | 237.20         | 208.10          |
|                   | (-105.9)       | (112.00)        | (93.90)        |                 | (78.90)        | (114.00)        | (64.00)        |                 |
| Bihar             | 885.00         | 481.70          | 25.30          | 1617.00         | 606.00         | 444.90          | 280.00         | 1330.90         |
|                   | (54.70)        | (29.80)         | (15.50)        |                 | (45.50)        | (33.40)         | (21.00)        |                 |
| Goa               | 9.50           | 111.80          | 4.00           | 125.30          | -8.50          | 96.10           | 2.70           | 90.30           |
|                   | (7.60)         | (89.20)         | (3.20)         |                 | (-9.4)         | (106.40)        | (3.00)         |                 |
| Gujarat           | 575.60         | 944.20          | 355.90         | 1875.70         | 299.80         | 798.80          | 75.00          | 1173.60         |
|                   | (30.70)        | (50.30)         | (19.00)        |                 | (25.50)        | (68.10)         | (6.40)         |                 |
| Haryana           | 32.20          | 145.90          | 196.60         | 374.70          | 1.70           | 228.40          | 214.00         | 444.10          |
|                   | (8.60)         | (38.90)         | (52.50)        |                 | (0.40)         | (51.40)         | (48.20)        |                 |
| H.P               | -9.90          | 188.10          | 45.60          | 223.80          | 93.10          | 205.30          | 13.10          | 311.50          |
|                   | (-4.4)         | (84.10)         | (20.30)        |                 | (8.10)         | (29.90)         | (65.90)        |                 |
| J & K             | -104.00        | 535.60          | 17.10          | 448.70          | -267.00        | 447.20          | 23.30          | 203.50          |
|                   | (-23.2)        | (119.40)        | (3.80)         |                 | (-131.2)       | (219.80)        | (11.40)        |                 |
| <b>Karnataka</b>  | <b>178.70</b>  | <b>785.90</b>   | <b>-46.80</b>  | <b>917.80</b>   | <b>170.00</b>  | <b>786.60</b>   | <b>429.40</b>  | <b>1386.00</b>  |
|                   | (19.50)        | (85.60)         | (-5.1)         |                 | (12.30)        | (56.80)         | (31.00)        |                 |
| <b>Kerala</b>     | <b>364.30</b>  | <b>286.10</b>   | <b>153.00</b>  | <b>803.40</b>   | <b>337.40</b>  | <b>277.90</b>   | <b>116.70</b>  | <b>732.00</b>   |
|                   | (45.30)        | (35.60)         | (19.00)        |                 | (46.10)        | (38.00)         | (15.90)        |                 |
| M.P.              | 43.80          | 769.20          | 171.00         | 984.00          | -285.30        | 836.30          | 325.30         | 876.30          |
|                   | (4.50)         | (78.20)         | (17.20)        |                 | (-32.2)        | (95.40)         | (37.10)        |                 |
| <b>Maharastra</b> | <b>276.10</b>  | <b>973.20</b>   | <b>407.60</b>  | <b>1656.90</b>  | <b>728.50</b>  | <b>1380.00</b>  | <b>477.10</b>  | <b>2585.60</b>  |
|                   | (16.70)        | (58.70)         | (24.60)        |                 | (2.80)         | (28.20)         | (53.40)        |                 |
| Manipur           | -73.30         | 139.40          | 3.00           | 69.10           | -82.20         | 99.70           | 0.70           | 18.20           |
|                   | (-106.1)       | (201.70)        | (4.30)         |                 | (-451.6)       | (547.80)        | (3.80)         |                 |
| Meghalaya         | -35.60         | 83.40           | 24.40          | 72.40           | -18.20         | 106.60          | 8.70           | 93.10           |
|                   | (-49.3)        | (115.50)        | (33.80)        |                 | (-19.5)        | (110.20)        | (9.30)         |                 |
| Mizoram           | -78.90         | 75.80           | 7.90           | 4.80            | -47.20         | 95.80           | 10.9           | 59.50           |
|                   | (-1643.8)      | (1579.20)       | (164.60)       |                 | (-79.3)        | (161.00)        | (18.30)        |                 |
| Nagaland          | 6.30           | 93.80           | 8.20           | 95.70           | 13.00          | 119.30          | 5.90           | 138.20          |
|                   | (-6.6)         | (97.90)         | (8.70)         |                 | (9.40)         | (86.30)         | (4.30)         |                 |
| Orissa            | 187.70         | 655.70          | 69.80          | 913.20          | 135.70         | 587.40          | 17.00          | 740.10          |
|                   | (20.60)        | (71.80)         | (7.60)         |                 | (18.30)        | (79.40)         | (2.30)         |                 |
| Punjab            | 480.80         | 291.60          | 378.10         | 1150.50         | 635.60         | 259.10          | 357.30         | 1252.00         |
|                   | (41.80)        | (25.30)         | (32.90)        |                 | (50.80)        | (20.70)         | (28.50)        |                 |
| Rajasthan         | -48.50         | 1212.20         | -371.30        | 792.40          | 109.50         | 700.10          | 349.10         | 1158.70         |
|                   | (-6.1)         | (153.00)        | (-46.9)        |                 | (9.50)         | (60.40)         | (30.10)        |                 |
| Sikkim            | -27.30         | 68.30           | 0.10           | 41.10           | -29.50         | 63.50           | 0.10           | 34.10           |
|                   | (-66.4)        | (166.20)        | (0.20)         |                 | (-86.5)        | (186.20)        | (0.30)         |                 |
| <b>Tamilnadu</b>  | <b>1903.90</b> | <b>279.10</b>   | <b>-883.10</b> | <b>1299.90</b>  | <b>1526.20</b> | <b>322.40</b>   | <b>-99.50</b>  | <b>1749.10</b>  |
|                   | (146.50)       | (21.50)         | (-67.5)        |                 | (87.30)        | (18.40)         | (-5.7)         |                 |
| Tripura           | -15.50         | 107.00          | 2.40           | 93.90           | -53.90         | 76.60           | 0.30           | 23.00           |
|                   | (-16.5)        | (114.00)        | (2.50)         |                 | (-234.3)       | (333.00)        | (1.30)         |                 |
| U.P.              | 724.60         | 713.80          | 1398.20        | 2836.60         | 1014.50        | 1270.40         | 1426.00        | 3710.90         |
|                   | (25.50)        | (25.20)         | (49.30)        |                 | (27.30)        | (34.20)         | (38.40)        |                 |
| W.B.              | 646.10         | 312.90          | 184.70         | 1143.70         | 436.60         | 263.70          | 312.20         | 1012.50         |
|                   | (56.50)        | (27.40)         | (16.10)        |                 | (43.10)        | (26.00)         | (30.80)        |                 |
| NCT Delhi         | "              | "               | "              | "               | "              | "               | "              | "               |
| <b>All States</b> | <b>5650.70</b> | <b>10095.70</b> | <b>3153.70</b> | <b>18900.10</b> | <b>5114.10</b> | <b>10654.60</b> | <b>5122.60</b> | <b>20891.30</b> |
|                   | (29.90)        | (53.40)         | (16.70)        |                 | (24.50)        | (51.00)         | (24.50)        |                 |

Note : Figures in Brackets denote Percentage to GFD

Source : Reserve bank of India , Various state Documents

**Table AS- 11 ALL STATES**  
**State wise Decomposition of GFD**

|                   | 1993-94(AC)    |                 |                |                 | 1994-95(AC)    |                 |                 |                 |
|-------------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|-----------------|-----------------|
|                   | Rev DEF        | Capital Outlay  | Net lending    | GFD             | Rev DEF        | Capital Outlay  | Net lending     | GFD             |
| <b>Andhra</b>     | <b>-232.30</b> | <b>1366.00</b>  | <b>699.50</b>  | <b>1833.20</b>  | <b>727.80</b>  | <b>1921.60</b>  | <b>(300.90)</b> | <b>2348.50</b>  |
|                   | (-12.7)        | (74.50)         | (38.20)        |                 | (31.00)        | (81.80)         | (-12.8)         |                 |
| Arp               | -147.00        | 162.90          | 0.70           | 16.10           | (166.60)       | 239.80          | -               | 73.20           |
|                   | (-916.1)       | (1011.80)       | (4.30)         |                 | (-227.6)       | (327.60)        |                 |                 |
| Assam             | -416.30        | 250.80          | 147.60         | -17.90          | 309.30         | 277.20          | 124.10          | 710.60          |
|                   | (2325.70)      | (-1401.1)       | (-824.6)       |                 | (43.50)        | (39.00)         | (17.50)         |                 |
| Bihar             | 689.50         | 403.00          | 246.80         | 1339.30         | 933.40         | 346.90          | 61.80           | 1342.10         |
|                   | (51.50)        | (30.10)         | (18.40)        |                 | (69.50)        | (25.80)         | (4.70)          |                 |
| Goa               | -33.30         | 91.50           | 1.40           | 59.60           | (56.20)        | 101.00          | (0.30)          | 44.50           |
|                   | (-55.9)        | (153.50)        | (2.30)         |                 | (-126.3)       | (227.00)        | (-0.7)          |                 |
| Gujarat           | -96.20         | 623.90          | -1.30          | 526.40          | (262.20)       | 961.70          | 592.90          | 1292.40         |
|                   | (-18.3)        | (118.50)        | (-0.2)         |                 | (-20.3)        | (74.40)         | (45.90)         |                 |
| Haryana           | -80.50         | 302.90          | 257.50         | 479.90          | 390.50         | 206.60          | (62.50)         | 534.60          |
|                   | (-16.8)        | (63.10)         | (53.70)        |                 | (73.00)        | (38.70)         | (-11.7)         |                 |
| H.P               | -113.60        | 220.30          | 45.40          | 152.10          | 307.90         | 494.10          | (181.60)        | 620.40          |
|                   | (-74.7)        | (144.80)        | (29.80)        |                 | (49.70)        | (79.60)         | (-29.3)         |                 |
| J & K             | -458.90        | 533.40          | 13.20          | 87.70           | (702.50)       | 665.90          | 13.20           | (23.40)         |
|                   | (-523.3)       | (608.20)        | (15.10)        |                 | (3002.10)      | (-2845.7)       | (-56.4)         |                 |
| <b>Karnataka</b>  | <b>-116.40</b> | <b>1187.90</b>  | <b>182.50</b>  | <b>1254.00</b>  | <b>296.20</b>  | <b>1136.80</b>  | <b>79.90</b>    | <b>1512.90</b>  |
|                   | (-9.3)         | (94.70)         | (14.60)        |                 | (19.60)        | (75.10)         | (5.30)          |                 |
| <b>Kerala</b>     | <b>371.30</b>  | <b>363.30</b>   | <b>200.60</b>  | <b>935.20</b>   | <b>399.90</b>  | <b>446.00</b>   | <b>262.80</b>   | <b>1108.70</b>  |
|                   | (39.70)        | (38.80)         | (21.40)        |                 | (36.10)        | (40.20)         | (23.70)         |                 |
| M.P.              | 448.10         | 807.40          | 273.00         | 982.50          | 190.50         | 874.00          | 352.40          | 1416.90         |
|                   | (45.60)        | (82.20)         | (-27.8)        |                 | (13.40)        | (61.70)         | (24.90)         |                 |
| <b>Maharastra</b> | <b>121.90</b>  | <b>1674.60</b>  | <b>468.80</b>  | <b>2265.30</b>  | <b>277.30</b>  | <b>3795.70</b>  | <b>(657.00)</b> | <b>2861.40</b>  |
|                   | (5.40)         | (73.90)         | (20.70)        |                 | (-9.7)         | (132.70)        | (-23.0)         |                 |
| Manipur           | -140.90        | 118.90          | 1.60           | -20.40          | (83.70)        | 144.90          | 0.90            | 62.10           |
|                   | (690.70)       | (-582.8)        | (-7.8)         |                 | (-134.7)       | (233.30)        | (1.40)          |                 |
| Meghalaya         | -17.90         | 105.30          | 0.20           | 87.60           | (73.30)        | 102.80          | 5.80            | 35.30           |
|                   | (20.40)        | (120.20)        | (0.20)         |                 | (-207.6)       | (291.20)        | (16.40)         |                 |
| Mizoram           | -83.90         | 82.90           | 8.60           | 7.60            | (74.90)        | 105.60          | 7.70            | 38.40           |
|                   | (-1103.9)      | (1090.80)       | (113.20)       |                 | (-195.1)       | (275.00)        | (20.10)         |                 |
| Nagaland          | 47.20          | 116.90          | 10.10          | 174.20          | 90.80          | 139.70          | 8.30            | 238.80          |
|                   | (27.10)        | (67.10)         | (5.80)         |                 | (38.00)        | (58.50)         | (3.50)          |                 |
| Orissa            | 274.40         | 585.20          | 41.90          | 901.50          | 459.60         | 626.50          | 72.80           | 1158.90         |
|                   | (30.40)        | (64.90)         | (4.60)         |                 | (39.70)        | (54.00)         | (6.30)          |                 |
| Punjab            | 766.90         | 495.30          | 231.20         | 1493.40         | 741.80         | 711.50          | 331.90          | 1785.20         |
|                   | (51.40)        | (33.20)         | (15.50)        |                 | (41.60)        | (39.80)         | (18.60)         |                 |
| Rajasthan         | 300.70         | 782.50          | 386.80         | 1470.00         | 424.80         | 1060.60         | 277.30          | 1762.70         |
|                   | (20.50)        | (53.20)         | (26.30)        |                 | (24.10)        | (60.20)         | (15.70)         |                 |
| Sikkim            | -36.00         | 67.30           | -0.60          | 30.70           | (19.80)        | 66.70           | (1.20)          | 45.70           |
|                   | (-117.3)       | (219.20)        | (-2.0)         |                 | (-43.3)        | (145.90)        | (-2.6)          |                 |
| <b>Tamilnadu</b>  | <b>691.90</b>  | <b>550.50</b>   | <b>115.20</b>  | <b>1357.60</b>  | <b>415.60</b>  | <b>679.90</b>   | <b>400.90</b>   | <b>1496.20</b>  |
|                   | (51.00)        | (40.50)         | (8.50)         |                 | (27.80)        | (45.40)         | (26.80)         |                 |
| Tripura           | 0.30           | 109.70          | 1.00           | 111.00          | (35.60)        | 142.30          | 3.30            | 110.00          |
|                   | (0.30)         | (98.80)         | (0.90)         |                 | (-32.4)        | (129.40)        | (3.00)          |                 |
| U.P.              | 1148.70        | 949.10          | 1068.00        | 3165.80         | 2002.70        | 1120.10         | 1643.60         | 4766.40         |
|                   | (36.30)        | (30.00)         | (33.70)        |                 | (42.00)        | (23.50)         | (34.50)         |                 |
| W.B.              | 984.30         | 402.00          | 285.60         | 1671.90         | 767.10         | 770.50          | 427.70          | 1965.30         |
|                   | (58.90)        | (24.00)         | (17.10)        |                 | (39.00)        | (39.20)         | (21.80)         |                 |
| NCT Delhi         | -59.00         | 96.70           | 194.00         | 231.70          | (549.60)       | 212.60          | 725.90          | 388.90          |
|                   | (-25.5)        | (41.70)         | (83.70)        |                 | (-141.3)       | (54.60)         | (186.70)        |                 |
| <b>All States</b> | <b>3812.50</b> | <b>12450.20</b> | <b>4333.30</b> | <b>20596.00</b> | <b>6156.20</b> | <b>17351.00</b> | <b>4189.70</b>  | <b>27696.90</b> |
|                   | (18.50)        | (60.50)         | (21.00)        |                 | (22.20)        | (62.60)         | (15.20)         |                 |

**Table AS- 11 ALL STATES**  
**State wise Decomposition of GFD**

|                   | 1995-96(AC)    |                 |                |                 | 1996-97(AC)     |                 |                |                 |
|-------------------|----------------|-----------------|----------------|-----------------|-----------------|-----------------|----------------|-----------------|
|                   | Rev DEF        | Capital Outlay  | Net lending    | GFD             | Rev DEF         | Capital Outlay  | Net lending    | GFD             |
|                   | (Rs.Crores)    |                 |                |                 |                 |                 |                |                 |
| <b>Andhra</b>     | <b>738.8</b>   | <b>2422.2</b>   | <b>(744.2)</b> | <b>2416.8</b>   | <b>3199.1</b>   | <b>131.4</b>    | <b>-518.9</b>  | <b>28115.5</b>  |
|                   | (30.6)         | (100.2)         | (-30.8)        |                 | (113.80)        | (4.70)          | (-18.5)        |                 |
| Arp               | (246.5)        | 286.3           | NA             | 39.80           | -206.70         | 276.90          | -0.10          | 70.00           |
|                   | (-619.3)       | (719.2)         |                |                 | (-295.3)        | (395.60)        | (-0.1)         |                 |
| Assam             | 200.0          | 300.7           | 151.5          | 652.20          | -284.50         | 242.20          | 116.10         | 73.80           |
|                   | (30.7)         | (46.1)          | (23.5)         |                 | (-385.5)        | (328.20)        | (157.30)       |                 |
| Bihar             | 1078.8         | 379.2           | 112.6          | 1570.60         | 216.00          | 450.20          | 224.50         | 890.60          |
|                   | (68.7)         | (24.1)          | (4.7)          |                 | (24.30)         | (50.60)         | (25.20)        |                 |
| Goa               | -32.9          | 130.2           | NA             | 97.30           | -21.50          | 126.60          | -1.20          | 103.90          |
|                   | (-33.8)        | (133.8)         |                |                 | (-20.7)         | (121.80)        | (-1.2)         |                 |
| Gujarat           | 222.1          | 1260.7          | 262.8          | 1745.60         | 591.40          | 1485.20         | 281.60         | 2358.30         |
|                   | (12.7)         | (72.2)          | (15.1)         |                 | (25.10)         | (63.00)         | (11.90)        |                 |
| Haryana           | 346.8          | 285.9           | 353.3          | 986.00          | 718.70          | 446.70          | -65.90         | 1099.40         |
|                   | (35.2)         | (38.7)          | (35.8)         |                 | (65.40)         | (40.60)         | (-6.1)         |                 |
| H.P               | 150.3          | 331.3           | 39.8           | 521.40          | 154.90          | 351.80          | 65.40          | 572.00          |
|                   | (28.8)         | (63.5)          | (7.6)          |                 | (27.10)         | (61.50)         | (11.40)        |                 |
| J & K             | -740.7         | 817.9           | 19.4           | 96.60           | -791.60         | 933.20          | 24.50          | 166.20          |
|                   | (-766.8)       | (846.7)         | (20.1)         |                 | (-476.3)        | (561.50)        | (14.70)        |                 |
| <b>Karnataka</b>  | <b>-62.2</b>   | <b>1240.5</b>   | <b>278.5</b>   | <b>1456.80</b>  | <b>578.90</b>   | <b>1152.00</b>  | <b>213.2</b>   | <b>1944.00</b>  |
|                   | (-4.3)         | (85.1)          | (19.1)         |                 | (29.80)         | (59.30)         | (11.00)        |                 |
| <b>Kerala</b>     | <b>402.8</b>   | <b>563.5</b>    | <b>336.4</b>   | <b>1302.70</b>  | <b>643.00</b>   | <b>622.50</b>   | <b>276.90</b>  | <b>1542.50</b>  |
|                   | (30.9)         | (43.3)          | (25.8)         |                 | (41.70)         | (40.40)         | (18.00)        |                 |
| M.P.              | 477.4          | 860.3           | 295.7          | 1633.40         | 1447.80         | 1020.70         | -542.30        | 1926.30         |
|                   | (29.2)         | (52.7)          | (18.1)         |                 | (75.20)         | (53.00)         | (-28.2)        |                 |
| <b>Maharastra</b> | <b>609.1</b>   | <b>2703.5</b>   | <b>838.2</b>   | <b>4150.80</b>  | <b>1590.60</b>  | <b>2719.90</b>  | <b>643.30</b>  | <b>4953.70</b>  |
|                   | (14.7)         | (65.1)          | (20.2)         |                 | (32.10)         | (54.90)         | (13.00)        |                 |
| Manipur           | -72.9          | 175.2           | 2.4            | 104.70          | -100.00         | 260.50          | 6.90           | 167.50          |
|                   | (-69.6)        | (167.3)         | (2.3)          |                 | (-59.7)         | (155.50)        | (4.10)         |                 |
| Meghalaya         | -103.5         | 134.2           | 21.2           | 51.90           | -113.50         | 124.90          | 11.80          | 23.10           |
|                   | (-199.4)       | (258.5)         | (40.9)         |                 | (-491.3)        | (540.70)        | (51.10)        |                 |
| Mizoram           | -62.3          | 124.1           | 8.9            | 70.70           | -46.90          | 159.50          | 12.80          | 125.30          |
|                   | (-88.1)        | (175.6)         | (12.6)         |                 | (-37.4)         | (127.30)        | (10.20)        |                 |
| Nagaland          | 64.2           | 158.2           | 8.6            | 231.00          | -8.80           | 185.00          | 8.00           | 184.20          |
|                   | (27.8)         | (68.5)          | (3.7)          |                 | (-4.8)          | (100.40)        | (4.30)         |                 |
| Orissa            | 807.1          | 446.9           | 141.9          | 1395.90         | 830.50          | 878.80          | 86.00          | 1602.20         |
|                   | (57.8)         | (54.0)          | (10.2)         |                 | (51.80)         | (54.90)         | (5.40)         |                 |
| Punjab            | 450.2          | 679.2           | 235.2          | 1364.60         | 1357.1          | -238.8          | 346.4          | 1464.7          |
|                   | (33.0)         | (39.8)          | (17.2)         |                 | (92.70)         | (-16.3)         | (23.60)        |                 |
| Rajasthan         | 701.8          | 1757.5          | 115.0          | 2574.30         | 866.00          | 1657.90         | -17.40         | 2508.50         |
|                   | (27.3)         | (68.3)          | (4.5)          |                 | (34.60)         | (66.10)         | (-0.7)         |                 |
| Sikkim            | -60.0          | 101.2           | -1.1           | 40.10           | -38.70          | 94.20           | 0.50           | 55.90           |
|                   | (-149.6)       | (145.9)         | (-2.7)         |                 | (-69.2)         | (168.50)        | (0.90)         |                 |
| <b>Tamilnadu</b>  | <b>311.3</b>   | <b>590.9</b>    | <b>353.7</b>   | <b>1255.9</b>   | <b>1103.60</b>  | <b>919.60</b>   | <b>421.70</b>  | <b>2445.00</b>  |
|                   | (24.8)         | (47.0)          | (28.2)         |                 | (45.10)         | (37.60)         | (17.20)        |                 |
| Tripura           | -150.7         | 183.2           | 1.4            | 33.9            | -121.80         | 241.70          | 1.80           | 121.70          |
|                   | (-444.5)       | (540.4)         | (4.1)          |                 | (-100.1)        | (198.60)        | (1.50)         |                 |
| U.P.              | 2340.6         | 1129.3          | 910.7          | 4380.6          | 3179.10         | 1435.40         | 1341.70        | 5956.20         |
|                   | (53.4)         | (25.8)          | (20.8)         |                 | (53.40)         | (24.10)         | (22.50)        |                 |
| W.B.              | 1250.2         | 1164.3          | 281.8          | 2696.3          | 2135.20         | 1444.90         | -183.20        | 3396.90         |
|                   | (46.2)         | (43.2)          | (10.5)         |                 | (62.90)         | (42.50)         | (-5.4)         |                 |
| NCT Delhi         | -419.3         | 268.7           | 706.5          | 555.9           | -764.20         | 417.00          | 1037.20        | 690.00          |
|                   | (-75.4)        | (48.30)         | (127.10)       |                 | (-110.8)        | (60.40)         | (150.30)       |                 |
| <b>All States</b> | <b>8200.50</b> | <b>18494.80</b> | <b>4730.40</b> | <b>31425.80</b> | <b>16113.50</b> | <b>17539.70</b> | <b>3791.30</b> | <b>37251.30</b> |
|                   | (26.10)        | (58.90)         | (15.10)        |                 | (43.30)         | (47.10)         | (10.20)        |                 |

**Table AS- 11 ALL STATES**  
**State wise Decomposition of GFD**

|                   | 1997-98(AC)     |                 |                 |                 | 1998-99(AC)     |                 |                |                 |
|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|-----------------|
|                   | Rev DEF         | Capital Outlay  | Net lending     | GFD             | Rev DEF         | Capital Outlay  | Net lending    | GFD             |
| <b>Andhra</b>     | <b>703.20</b>   | <b>1086.00</b>  | <b>638.60</b>   | <b>2437.80</b>  | <b>2684.10</b>  | <b>1385.20</b>  | <b>1636.30</b> | <b>5705.60</b>  |
|                   | (29.00)         | (44.70)         | (26.30)         |                 | (47.00)         | (24.30)         | (28.70)        |                 |
| Arp               | (172.30)        | 293.60          | (0.60)          | 121.00          | (177.10)        | 232.40          | 0.20           | 55.40           |
|                   | (-142.4)        | (242.60)        | (-0.2)          |                 | (-319.4)        | (419.10)        | (0.30)         |                 |
| Assam             | (287.10)        | 329.60          | 99.90           | 142.10          | (90.20)         | 363.80          | 64.60          | 338.20          |
|                   | (-202.1)        | (231.80)        | (70.30)         |                 | (-26.7)         | (107.60)        | (19.10)        |                 |
| Bihar             | 263.90          | 226.60          | 491.00          | 981.40          | 1350.50         | 699.50          | 329.00         | 2378.90         |
|                   | (26.90)         | (23.10)         | (50.00)         |                 | (56.80)         | (29.40)         | (13.80)        |                 |
| Goa               | 14.10           | 114.30          | (3.70)          | 124.60          | 140.80          | 127.80          | 0.50           | 269.10          |
|                   | (11.30)         | (91.70)         | (-2.9)          |                 | (52.30)         | (47.50)         | (0.20)         |                 |
| Gujarat           | 1017.80         | 1859.20         | 297.50          | 3174.50         | 2863.40         | 2288.70         | 466.90         | 5619.00         |
|                   | (32.10)         | (58.60)         | (9.40)          |                 | (51.00)         | (40.70)         | (8.30)         |                 |
| Haryana           | 719.40          | 492.20          | (84.10)         | 1127.60         | 1540.20         | 1025.80         | (325.50)       | 2240.40         |
|                   | (63.80)         | (43.70)         | (-7.5)          |                 | (68.70)         | (45.80)         | (-14.5)        |                 |
| H.P               | 528.70          | 540.70          | 132.80          | 1202.20         | 1022.30         | 583.50          | 55.60          | 1661.50         |
|                   | (44.00)         | (45.00)         | (11.00)         |                 | (61.50)         | (35.10)         | (3.30)         |                 |
| J & K             | (808.00)        | 1204.90         | 46.70           | 443.60          | 400.20          | 596.40          | 57.70          | 1054.40         |
|                   | (-182.2)        | (271.60)        | (10.50)         |                 | (38.00)         | (56.60)         | (5.50)         |                 |
| <b>Karnataka</b>  | <b>276.80</b>   | <b>1210.00</b>  | <b>123.10</b>   | <b>1609.80</b>  | <b>1215.20</b>  | <b>1744.20</b>  | <b>152.70</b>  | <b>3112.10</b>  |
|                   | (17.20)         | (75.20)         | (7.60)          |                 | (39.00)         | (56.00)         | (4.90)         |                 |
| <b>Kerala</b>     | <b>1122.90</b>  | <b>738.90</b>   | <b>552.10</b>   | <b>2413.90</b>  | <b>2030.00</b>  | <b>651.60</b>   | <b>330.60</b>  | <b>3012.20</b>  |
|                   | (46.50)         | (30.60)         | (22.90)         |                 | (67.40)         | (21.60)         | (11.00)        |                 |
| M.P.              | 469.30          | 1677.80         | (326.60)        | 6442.20         | 2871.80         | 1009.80         | 245.10         | 4126.70         |
|                   | (25.80)         | (92.20)         | (-17.9)         |                 | (69.60)         | (24.50)         | (5.90)         |                 |
| <b>Maharastra</b> | <b>2579.90</b>  | <b>3211.80</b>  | <b>650.50</b>   | <b>187.50</b>   | <b>3925.90</b>  | <b>3192.50</b>  | <b>343.90</b>  | <b>74624.40</b> |
|                   | (40.00)         | (49.90)         | (10.10)         |                 | (52.60)         | (42.80)         | (4.60)         |                 |
| Manipur           | (65.30)         | 248.00          | 4.70            | 187.50          | (108.10)        | 214.30          | 0.00           | 106.20          |
|                   | (-34.8)         | (132.30)        | (2.50)          |                 | (-101.8)        | (201.80)        | 0.00           |                 |
| Meghalaya         | (11.60)         | 125.90          | 12.20           | 126.50          | (17.30)         | 144.50          | 20.00          | 147.30          |
|                   | (-9.2)          | (99.50)         | (9.70)          |                 | (-11.7)         | (98.90)         | (13.60)        |                 |
| Mizoram           | (59.90)         | 167.30          | 16.70           | 124.20          | (44.10)         | 142.60          | 33.60          | 132.80          |
|                   | (-48.2)         | (134.70)        | (13.50)         |                 | (-33.4)         | (107.80)        | (25.50)        |                 |
| Nagaland          | 10.90           | 185.40          | 7.60            | 203.90          | 13.40           | 217.50          | 12.30          | 243.20          |
|                   | (5.40)          | (90.90)         | (3.70)          |                 | (5.50)          | (89.40)         | (5.10)         |                 |
| Orissa            | 904.50          | 856.60          | 41.50           | 1802.50         | 2264.80         | 913.50          | 242.10         | 2915.50         |
|                   | (50.20)         | (47.50)         | (2.30)          |                 | (77.70)         | (31.30)         | (8.3)          |                 |
| Punjab            | 1483.90         | 969.80          | 23.90           | 1477.60         | 2628.70         | 1140.10         | 10.50          | 3779.30         |
|                   | (59.90)         | (39.10)         | (1.00)          |                 | (69.60)         | (30.20)         | (0.30)         |                 |
| Rajasthan         | 581.80          | 2507.00         | (536.80)        | 2552.00         | 2996.30         | 1792.00         | 362.60         | 5150.90         |
|                   | (22.80)         | (98.20)         | (-21.0)         |                 | (58.20)         | (34.80)         | (7.00)         |                 |
| Sikkim            | (41.40)         | 107.20          | 1.10            | 66.90           | 54.90           | 91.80           | 0.20           | 146.90          |
|                   | (-61.8)         | (160.20)        | (1.60)          |                 | (37.40)         | (62.50)         | (0.10)         |                 |
| <b>Tamilnadu</b>  | <b>1363.90</b>  | <b>1467.80</b>  | <b>(710.00)</b> | <b>2121.70</b>  | <b>3436.60</b>  | <b>1153.30</b>  | <b>187.20</b>  | <b>4777.10</b>  |
|                   | (64.30)         | (69.20)         | (-33.5)         |                 | (71.90)         | (24.10)         | (3.90)         |                 |
| Tripura           | (21.70)         | 215.30          | 2.20            | 195.80          | (92.70)         | 208.90          | 2.20           | 118.40          |
|                   | (-11.1)         | (110.00)        | (1.10)          |                 | (-78.3)         | (176.50)        | (1.80)         |                 |
| U.P.              | 4623.90         | 1667.60         | 1284.40         | 7576.00         | 8696.20         | 2097.00         | 839.40         | 11632.50        |
|                   | (61.00)         | (22.00)         | (17.00)         |                 | (74.80)         | (18.00)         | (7.20)         |                 |
| W.B.              | 2294.10         | 633.80          | 1079.90         | 4007.70         | 4856.20         | 714.60          | 1538.30        | 7109.10         |
|                   | (57.20)         | (15.80)         | (26.90)         |                 | (68.30)         | (10.10)         | (21.60)        |                 |
| NCT Delhi         | (1158.70)       | 665.10          | 1220.00         | 726.40          | (820.00)        | 340.90          | 1438.40        | 959.20          |
|                   | (-159.5)        | (91.60)         | (168.00)        |                 | (-85.5)         | (35.50)         | (150.00)       |                 |
| <b>All States</b> | <b>16332.90</b> | <b>22802.00</b> | <b>5065.00</b>  | <b>44199.90</b> | <b>43641.80</b> | <b>23072.30</b> | <b>8044.60</b> | <b>74253.80</b> |
|                   | (37.00)         | (51.60)         | (11.60)         |                 | (58.80)         | (31.10)         | (10.80)        |                 |



**Table AS- 11 ALL STATES**  
**State wise Decomposition of GFD**

|                   | 1999-2000(RE)   |                 |                |                 | 2000-2001(BE)   |                 |                |                 |
|-------------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|----------------|-----------------|
|                   | Rev DEF         | Capital Outlay  | Net lending    | GFD             | Rev DEF         | Capital Outlay  | Net lending    | GFD             |
|                   | (Rs.Crores)     |                 |                |                 |                 |                 |                |                 |
| <b>Andhra</b>     | <b>2724.60</b>  | <b>2420.60</b>  | <b>847.90</b>  | <b>5993.10</b>  | <b>3840.90</b>  | <b>3417.70</b>  | <b>1201.00</b> | <b>8459.60</b>  |
|                   | (45.50)         | (40.40)         | (14.10)        |                 | (45.40)         | (40.40)         | (14.20)        |                 |
| Arp               | (151.30)        | 287.80          | 1.70           | 138.20          | (153.10)        | 262.50          | 2.00           | 111.40          |
|                   | (-109.4)        | (208.20)        | (1.30)         |                 | (-137.5)        | (235.70)        | (1.80)         |                 |
| Assam             | 1366.30         | 693.50          | 253.80         | 2313.60         | 900.90          | 1824.00         | (664.10)       | 2060.80         |
|                   | (59.10)         | (30.00)         | (11.00)        |                 | (43.70)         | (88.50)         | (-32.2)        |                 |
| Bihar             | 3549.70         | 1902.80         | 655.20         | 6107.70         | 2400.60         | 1990.30         | 789.80         | 5180.70         |
|                   | (58.10)         | (31.20)         | (10.70)        |                 | (46.30)         | (38.40)         | (15.20)        |                 |
| Goa               | 242.20          | 139.80          | 2.20           | 384.20          | 84.90           | 219.20          | 1.10           | 305.20          |
|                   | (63.00)         | (36.40)         | (0.60)         |                 | (27.80)         | (71.80)         | (0.40)         |                 |
| Gujarat           | 2759.20         | 2740.40         | 531.10         | 6030.80         | 2379.80         | 2814.90         | 510.10         | 5304.80         |
|                   | (45.80)         | (45.40)         | (8.80)         |                 | (44.90)         | (53.10)         | (9.60)         |                 |
| Haryana           | 1291.10         | 912.90          | 259.80         | 2463.70         | 1341.30         | 1196.10         | 328.20         | 2865.60         |
|                   | (52.40)         | (37.10)         | (10.50)        |                 | (46.80)         | (41.70)         | (11.50)        |                 |
| H.P               | 241.80          | 667.10          | (471.60)       | 437.20          | 1299.40         | 666.10          | 15.00          | 1980.50         |
|                   | (55.30)         | (152.60)        | (-107.9)       |                 | (65.60)         | (33.60)         | (0.80)         |                 |
| J & K             | 118.40          | 1087.00         | 42.70          | 1248.10         | 661.60          | 1677.40         | (2.20)         | 2336.70         |
|                   | (9.50)          | (87.10)         | (3.40)         |                 | (28.30)         | (71.80)         | (-0.1)         |                 |
| <b>Karnataka</b>  | <b>1573.20</b>  | <b>1388.50</b>  | <b>59.00</b>   | <b>3020.70</b>  | <b>1582.30</b>  | <b>1974.50</b>  | <b>254.90</b>  | <b>3811.70</b>  |
|                   | (52.10)         | (46.00)         | (2.00)         |                 | (41.50)         | (51.80)         | (6.70)         |                 |
| <b>Kerala</b>     | <b>2481.30</b>  | <b>765.40</b>   | <b>263.60</b>  | <b>3510..3</b>  | <b>1950.30</b>  | <b>758.50</b>   | <b>214.40</b>  | <b>2923.20</b>  |
|                   | (70.70)         | (21.80)         | (7.50)         |                 | (66.70)         | (25.90)         | (7.30)         |                 |
| M.P.              | 2615.40         | 1218.40         | 139.30         | 3973.20         | 2538.70         | 1094.60         | 223.40         | 3856.70         |
|                   | (65.80)         | (30.70)         | (3.50)         |                 | (65.80)         | (28.40)         | (5.80)         |                 |
| <b>Maharastra</b> | <b>9484.00</b>  | <b>3977.10</b>  | <b>452.20</b>  | <b>13913.30</b> | <b>3607.30</b>  | <b>3071.30</b>  | <b>351.20</b>  | <b>7029.80</b>  |
|                   | (68.20)         | (28.60)         | (3.30)         |                 | (51.30)         | (43.70)         | (5.00)         |                 |
| Manipur           | 261.10          | 374.90          | 6.00           | 642.00          | 124.50          | 274.00          | 8.30           | 406.90          |
|                   | (40.70)         | (58.40)         | (0.90)         |                 | (30.60)         | (67.30)         | (2.00)         |                 |
| Meghalaya         | 14.50           | 233.30          | 77.60          | 325.30          | 101.50          | 257.00          | 65.40          | 423.90          |
|                   | (4.40)          | (71.70)         | (23.80)        |                 | (23.90)         | (60.60)         | (15.40)        |                 |
| Mizoram           | 21.40           | 210.50          | 37.70          | 270.20          | 58.80           | 136.40          | 21.50          | 216.80          |
|                   | (8.10)          | (77.90)         | (14.00)        |                 | (27.10)         | (62.90)         | (9.90)         |                 |
| Nagaland          | 36.30           | 205.80          | 7.00           | 249.00          | (10.60)         | 189.70          | 6.30           | 185.40          |
|                   | (14.60)         | (82.60)         | (2.80)         |                 | (-5.7)          | (102.30)        | (3.40)         |                 |
| Orissa            | 2176.50         | 864.10          | 220.20         | 3260.80         | 1934.20         | 1081.50         | 658.10         | 3673.80         |
|                   | (66.70)         | (26.50)         | (6.80)         |                 | (52.60)         | (29.40)         | (17.90)        |                 |
| Punjab            | 3104.40         | 1150.50         | 39.00          | 4293.80         | 2386.40         | 1218.20         | 69.70          | 3674.20         |
|                   | (72.30)         | (26.80)         | (0.90)         |                 | (64.90)         | (33.20)         | (1.90)         |                 |
| Rajasthan         | 3860.00         | 1666.10         | 246.50         | 5772.60         | 3240.70         | 1640.20         | 372.80         | 5253.60         |
|                   | (66.90)         | (28.90)         | (4.30)         |                 | (61.70)         | (31.20)         | (7.10)         |                 |
| Sikkim            | (0.30)          | 148.10          | 0.20           | 148.00          | (48.00)         | 194.40          | (0.10)         | 146.20          |
|                   | (-0.2)          | (100.00)        | (0.10)         |                 | (-32.9)         | (132.90)        | (-0.1)         |                 |
| <b>Tamilnadu</b>  | <b>3700.70</b>  | <b>835.90</b>   | <b>439.30</b>  | <b>4975.00</b>  | <b>3158.70</b>  | <b>2006.00</b>  | <b>117.90</b>  | <b>5282.60</b>  |
|                   | (74.40)         | (16.80)         | (8.80)         |                 | (59.80)         | (38.00)         | (2.20)         |                 |
| Tripura           | 137.80          | 304.80          | 4.40           | 447.00          | 273.20          | 417.70          | 4.50           | 695.40          |
|                   | (30.80)         | (68.20)         | (1.00)         |                 | (39.30)         | (60.10)         | (0.60)         |                 |
| U.P.              | 7923.00         | 2544.40         | 1788.90        | 12256.30        | 5885.20         | 4129.50         | 2343.30        | 12358.00        |
|                   | (64.60)         | (20.80)         | (14.60)        |                 | (47.60)         | (33.40)         | (19.00)        |                 |
| W.B.              | 8056.10         | 1248.00         | 1561.30        | 10865.40        | 7525.00         | 1402.20         | 1411.80        | 10338.90        |
|                   | (74.10)         | (11.50)         | (14.40)        |                 | (72.80)         | (13.60)         | (13.70)        |                 |
| NCT Delhi         | (786.30)        | 746.30          | 1738.20        | 1698.20         | (1362.10)       | 1174.30         | 1397.70        | 1209.80         |
|                   | (-46.3)         | (43.90)         | (102.40)       |                 | (-112.6)        | (97.10)         | (115.50)       |                 |
| <b>All States</b> | <b>56801.60</b> | <b>28733.80</b> | <b>9203.10</b> | <b>94738.50</b> | <b>45702.30</b> | <b>35088.20</b> | <b>9701.50</b> | <b>90092.00</b> |
|                   | (60.00)         | (30.30)         | (9.70)         |                 | (50.70)         | (38.90)         | (10.80)        |                 |

**TABLE - AS -12 : ALL STATES  
FINANCING OF GFD**

| States             | 91-92(AC)       |                   |                      |                | 92-93(AC)       |                   |                      |                 |
|--------------------|-----------------|-------------------|----------------------|----------------|-----------------|-------------------|----------------------|-----------------|
|                    | GFD             | Loans from Centre | Market Borrowing (N) | Others         | GFD             | Loans from Centre | Market Borrowing (N) | Others          |
| <b>Andhra</b>      | <b>1125.30</b>  | <b>688.60</b>     | <b>528.10</b>        | <b>-19.30</b>  | <b>1569.30</b>  | <b>796.10</b>     | <b>793.10</b>        | <b>-19.90</b>   |
|                    |                 | (61.20)           | (46.90)              | (-8.1)         |                 | (50.70)           | (5.50)               | (-1.3)          |
| Arp                | -20.30          | 6.10              | -20.40               | -6.00          | -9.30           | 19.60             | -46.60               | 17.70           |
|                    |                 | (-30.0)           | (100.50)             | (29.60)        |                 | (-210.8)          | (501.10)             | (-190.3)        |
| Assam              | 254.70          | 153.60            | 68.20                | 32.90          | 208.10          | -53.40            | 298.50               | -37.00          |
|                    |                 | (60.30)           | (26.30)              | (12.90)        |                 | (-25.7)           | (143.40)             | (-17.8)         |
| Bihar              | 1617.00         | 834.70            | 734.20               | 48.10          | 1330.90         | 594.00            | 649.70               | 42.20           |
|                    |                 | (51.60)           | (45.40)              | (3.00)         |                 | (44.60)           | (48.80)              | (3.20)          |
| Goa                | 125.30          | 33.20             | 24.60                | 67.50          | 90.30           | 34.50             | 17.60                | 38.20           |
|                    |                 | (26.50)           | (19.60)              | (53.90)        |                 | (38.20)           | (19.50)              | (42.30)         |
| Gujarat            | 1875.70         | 591.90            | 1256.80              | 27.00          | 1173.60         | 543.10            | 447.20               | 183.30          |
|                    |                 | (31.60)           | (67.00)              | (1.40)         |                 | (46.30)           | (38.10)              | (15.60)         |
| Haryana            | 374.70          | 189.60            | 200.00               | (14.90)        | 444.10          | 173.90            | 228.70               | 41.50           |
|                    |                 | (50.60)           | (53.40)              | (-4.0)         |                 | (39.20)           | (51.50)              | (9.30)          |
| H.P                | 223.80          | 53.50             | 105.00               | 65.30          | 311.50          | 59.40             | 143.20               | 108.90          |
|                    |                 | (23.90)           | (46.90)              | (29.20)        |                 | (19.10)           | (46.00)              | (35.00)         |
| J & K              | 448.70          | 2.50              | 24.80                | 421.40         | 203.50          | 121.90            | 41.70                | 39.90           |
|                    |                 | (0.60)            | (5.50)               | (93.90)        |                 | (59.90)           | (20.50)              | (19.60)         |
| <b>Karnataka</b>   | <b>917.80</b>   | <b>371.00</b>     | <b>577.80</b>        | <b>-31.00</b>  | <b>1386.00</b>  | <b>489.20</b>     | <b>523.60</b>        | <b>373.30</b>   |
|                    |                 | (40.40)           | (63.00)              | (-3.4)         |                 | (35.30)           | (37.80)              | (26.90)         |
| <b>Kerala</b>      | <b>803.40</b>   | <b>269.10</b>     | <b>461.80</b>        | <b>72.50</b>   | <b>732.00</b>   | <b>286.20</b>     | <b>535.90</b>        | <b>-90.10</b>   |
|                    |                 | (33.50)           | (57.50)              | (9.00)         |                 | (39.10)           | (73.20)              | (-12.3)         |
| M.P.               | 984.00          | 393.50            | 391.40               | 199.40         | 876.30          | 309.00            | 687.50               | -120.20         |
|                    |                 | (40.00)           | (39.80)              | (20.20)        |                 | (35.30)           | (78.50)              | (-13.7)         |
| <b>Maharashtra</b> | <b>1656.90</b>  | <b>1215.50</b>    | <b>1363.50</b>       | <b>-922.10</b> | <b>2585.60</b>  | <b>858.70</b>     | <b>1012.70</b>       | <b>714.20</b>   |
|                    |                 | (73.40)           | (82.30)              | (-55.7)        |                 | (33.20)           | (39.20)              | (27.60)         |
| Manipur            | 69.10           | (7.10)            | 49.90                | 26.30          | 18.20           | -7.20             | 19.80                | 5.60            |
|                    |                 | (-10.3)           | (72.20)              | (38.10)        |                 | (-39.6)           | (108.80)             | (30.80)         |
| Meghalaya          | 72.40           | 12.70             | 27.80                | 31.70          | 93.10           | 14.10             | 28.60                | 50.40           |
|                    |                 | (17.60)           | (38.50)              | (43.90)        |                 | (15.10)           | (30.70)              | (54.10)         |
| Mizoram            | 4.80            | 8.00              | -18.80               | 15.60          | 59.50           | 8.40              | 44.70                | 6.40            |
|                    |                 | (166.70)          | (-391.7)             | (325.00)       |                 | (14.10)           | (75.10)              | (10.80)         |
| Nagaland           | 95.70           | 12.00             | 21.90                | 61.80          | 138.20          | -3.30             | 13.30                | 128.20          |
|                    |                 | (12.50)           | (22.90)              | (64.60)        |                 | (-2.4)            | (9.60)               | (92.80)         |
| Orissa             | 913.20          | 215.40            | 635.10               | 62.70          | 740.10          | 279.70            | 448.80               | 11.60           |
|                    |                 | (23.60)           | (69.50)              | (6.90)         |                 | (37.80)           | (60.60)              | (1.60)          |
| Punjab             | 1150.50         | 875.40            | 148.00               | 127.10         | 1252.00         | 1127.10           | 3012.80              | -2887.90        |
|                    |                 | (76.10)           | (12.90)              | (11.00)        |                 | (90.00)           | (240.60)             | (-230.7)        |
| Rajasthan          | 792.40          | 377.40            | 669.50               | -254.50        | 1158.70         | 433.70            | 578.70               | 146.30          |
|                    |                 | (47.60)           | (84.50)              | (-32.1)        |                 | (37.40)           | (49.90)              | (12.60)         |
| Sikkim             | 41.10           | 8.20              | 11.30                | 21.60          | 34.10           | 8.30              | 36.20                | -10.40          |
|                    |                 | (20.00)           | (27.50)              | (52.60)        |                 | (24.30)           | (106.20)             | (-30.5)         |
| <b>Tamilnadu</b>   | <b>1299.90</b>  | <b>643.20</b>     | <b>436.30</b>        | <b>220.40</b>  | <b>1749.10</b>  | <b>745.30</b>     | <b>1113.90</b>       | <b>-110.10</b>  |
|                    |                 | (49.50)           | (33.60)              | (17.00)        |                 | (42.60)           | (63.70)              | (-6.3)          |
| Tripura            | 93.90           | 17.30             | 33.20                | 43.40          | 23.00           | 19.20             | 69.00                | -65.20          |
|                    |                 | (18.40)           | (35.40)              | (46.20)        |                 | (83.50)           | (300.00)             | (-283.5)        |
| U.P.               | 2836.60         | 1764.10           | 1167.20              | (94.70)        | 3710.90         | 1464.40           | 2465.60              | -219.10         |
|                    |                 | (62.20)           | (41.10)              | (-3.3)         |                 | (39.50)           | (66.40)              | (-5.9)          |
| W.B.               | 1143.70         | 644.20            | 473.50               | 26.00          | 1012.50         | 599.40            | 590.30               | -177.20         |
|                    |                 | (56.30)           | (41.40)              | (2.30)         |                 | (59.20)           | (58.30)              | (-17.5)         |
| NCT Delhi          | "               | "                 | "                    | "              | "               | "                 | "                    | "               |
| <b>All States</b>  | <b>18900.10</b> | <b>9373.50</b>    | <b>9370.70</b>       | <b>155.90</b>  | <b>20891.30</b> | <b>8921.30</b>    | <b>13799.40</b>      | <b>-1829.40</b> |
|                    |                 | (49.60)           | (49.60)              | (0.80)         |                 | (42.70)           | (66.10)              | (-8.8)          |

Note : Figure in Brackets are Percentages to GFD  
Source Compiled from RBI and State Government Documents

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**TABLE - AS -12 : ALL STATES  
FINANCING OF GFD**

| States             | 93-94(AC)       |                   |                      |                | 94-95(AC)      |                   |                      |                 |
|--------------------|-----------------|-------------------|----------------------|----------------|----------------|-------------------|----------------------|-----------------|
|                    | GFD             | Loans from Centre | Market Borrowing (N) | Others         | GFD            | Loans from Centre | Market Borrowing (N) | Others          |
| <b>Andhra</b>      | <b>1833.20</b>  | <b>1241.60</b>    | <b>336.50</b>        | <b>255.10</b>  | <b>2348.50</b> | <b>1247.90</b>    | <b>436.60</b>        | <b>664.00</b>   |
|                    |                 | (67.70)           | (18.40)              | (13.90)        |                | (53.10)           | (18.60)              | (28.30)         |
| Arp                | 16.10           | 16.70             | 4.70                 | (5.30)         | 73.20          | 24.90             | 4.70                 | 43.60           |
|                    |                 | (103.70)          | (29.20)              | (-32.9)        |                | (34.00)           | (6.40)               | (59.60)         |
| Assam              | (17.90)         | (377.60)          | 111.80               | 247.90         | 710.60         | 192.50            | (0.10)               | 518.20          |
|                    |                 | (2109.50)         | (-624.6)             | (-1384.9)      |                | (27.10)           | (-)                  | (72.90)         |
| Bihar              | 1339.30         | 619.10            | 383.50               | 336.70         | 1342.10        | 727.10            | 441.10               | 173.90          |
|                    |                 | (46.20)           | (28.60)              | (25.10)        |                | (54.20)           | 32.90                | 13.00           |
| Goa                | 59.60           | 17.70             | 9.50                 | 32.40          | 44.50          | 40.90             | 14.50                | (10.90)         |
|                    |                 | (29.70)           | (15.90)              | (54.40)        |                | (91.90)           | (32.60)              | (-24.5)         |
| Gujarat            | 526.40          | 541.80            | 104.10               | (119.50)       | 1292.40        | 719.20            | 209.40               | 363.80          |
|                    |                 | (102.90)          | (19.80)              | (-22.7)        |                | (55.60)           | (16.20)              | (28.10)         |
| Haryana            | 479.90          | 211.80            | 63.90                | 204.20         | 534.60         | 325.80            | 108.90               | 99.90           |
|                    |                 | (58.30)           | (15.80)              | (25.90)        |                | (40.20)           | (5.50)               | (54.30)         |
| H.P                | 152.10          | 88.70             | 24.00                | 39.40          | 620.40         | 249.10            | 34.40                | 336.90          |
|                    |                 | (58.30)           | (15.80)              | (25.90)        |                | (40.20)           | (5.50)               | (54.30)         |
| J & K              | 87.70           | (62.90)           | 44.60                | 106.00         | (23.40)        | (13.90)           | 0.00                 | (9.50)          |
|                    |                 | (-71.7)           | (50.90)              | (120.90)       |                | (59.40)           | 0.00                 | (40.60)         |
| <b>Karnataka</b>   | <b>1254.00</b>  | <b>504.30</b>     | <b>154.10</b>        | <b>595.60</b>  | <b>1512.90</b> | <b>1052.10</b>    | <b>181.70</b>        | <b>279.10</b>   |
|                    |                 | (40.20)           | (12.30)              | (47.50)        |                | (69.50)           | (12.00)              | (18.40)         |
| <b>Kerala</b>      | <b>935.20</b>   | <b>393.20</b>     | <b>193.20</b>        | <b>348.80</b>  | <b>1108.70</b> | <b>611.80</b>     | <b>295.40</b>        | <b>201.50</b>   |
|                    |                 | (42.00)           | (20.70)              | (37.30)        |                | (55.20)           | (26.60)              | (18.20)         |
| M.P.               | 982.50          | 365.70            | 162.70               | 454.10         | 1416.90        | 517.80            | 348.60               | 550.50          |
|                    |                 | (37.20)           | (16.60)              | (46.20)        |                | (36.50)           | (24.60)              | (38.90)         |
| <b>Maharashtra</b> | <b>2265.30</b>  | <b>1079.60</b>    | <b>187.80</b>        | <b>997.90</b>  | <b>2861.40</b> | <b>1060.40</b>    | <b>384.40</b>        | <b>1416.60</b>  |
|                    |                 | (1.50)            | (14.70)              | (83.80)        |                | (9.00)            | (22.40)              | (68.60)         |
| Manipur            | (20.40)         | (0.30)            | (0.30)               | (17.10)        | 62.10          | 5.60              | 13.90                | 42.60           |
|                    |                 | (1.50)            | (14.70)              | (83.80)        |                | (9.00)            | (22.40)              | (68.60)         |
| Meghalaya          | 87.60           | 20.60             | 16.80                | 50.20          | 35.30          | 29.60             | 17.80                | (12.10)         |
|                    |                 | (23.50)           | (19.20)              | (57.30)        |                | (83.90)           | (50.40)              | (-34.3)         |
| Mizoram            | 7.60            | 14.20             | 5.00                 | (11.60)        | 38.40          | 12.70             | 10.00                | 15.70           |
|                    |                 | (186.80)          | (65.80)              | (-152.6)       |                | (33.10)           | (26.00)              | (40.90)         |
| Nagaland           | 174.20          | 12.70             | 15.70                | 145.80         | 238.80         | 25.90             | 24.70                | 178.20          |
|                    |                 | (7.30)            | (9.00)               | (83.70)        |                | (15.00)           | (10.30)              | (74.60)         |
| Orissa             | 901.50          | 285.20            | 273.90               | 342.40         | 1158.90        | 412.00            | 299.00               | 447.90          |
|                    |                 | (31.60)           | (30.40)              | (38.00)        |                | (35.60)           | (25.80)              | (38.60)         |
| Punjab             | 1493.40         | 987.40            | 37.10                | 468.90         | 1785.20        | 822.20            | 171.20               | 791.80          |
|                    |                 | (66.10)           | (2.50)               | (31.40)        |                | (46.10)           | (9.60)               | (44.40)         |
| Rajasthan          | 1470.00         | 463.10            | 207.10               | 799.80         | 1762.70        | 694.20            | 314.20               | 754.30          |
|                    |                 | (31.50)           | (14.10)              | (54.40)        |                | (39.40)           | (17.80)              | (42.80)         |
| Sikkim             | 30.70           | 9.20              | 0.00                 | 21.50          | 45.70          | 118.50            | 0.00                 | 33.90           |
|                    |                 | (30.00)           | 0.00                 | (70.00)        |                | (25.80)           | 0.00                 | (74.20)         |
| <b>Tamilnadu</b>   | <b>1357.60</b>  | <b>841.00</b>     | <b>275.20</b>        | <b>241.40</b>  | <b>1496.40</b> | <b>1277.70</b>    | <b>349.40</b>        | <b>(130.70)</b> |
|                    |                 | (61.90)           | (20.30)              | (17.80)        |                | (85.40)           | (23.30)              | (-8.7)          |
| Tripura            | 111.00          | 13.10             | 16.80                | 81.10          | 110.00         | 17.50             | 17.90                | 74.60           |
|                    |                 | (11.80)           | (15.10)              | (73.10)        |                | (15.90)           | (16.30)              | (67.80)         |
| U.P.               | 3165.80         | 1229.30           | 716.50               | 1220.00        | 4766.40        | 2622.60           | 0.00                 | 2143.80         |
|                    |                 | (38.80)           | (22.60)              | (38.50)        |                | (55.00)           | 0.00                 | (45.00)         |
| W.B.               | 1671.90         | 885.10            | 278.90               | 507.90         | 1965.30        | 1552.40           | 397.10               | 15.80           |
|                    |                 | (52.90)           | (16.70)              | (30.40)        |                | (79.00)           | (20.20)              | (0.80)          |
| NCT Delhi          | 231.70          | 132.50            | 0.00                 | 99.20          | 388.90         | 510.30            | 0.00                 | (121.40)        |
|                    |                 | (57.20)           | 0.00                 | (42.80)        |                | (131.20)          | 0.00                 | (-31.2)         |
| <b>All States</b>  | <b>20596.00</b> | <b>9532.80</b>    | <b>3620.40</b>       | <b>7442.80</b> |                | <b>14760.10</b>   | <b>4074.80</b>       | <b>88620.00</b> |
|                    |                 | (46.30)           | (17.60)              | (36.10)        |                | (53.30)           | (14.70)              | (32.00)         |

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**TABLE - AS -12 : ALL STATES  
FINANCING OF GFD**

|                    | 95-96 (AC)     |                   |                      |                 | 96-97 (AC)      |                   |                      |                 |
|--------------------|----------------|-------------------|----------------------|-----------------|-----------------|-------------------|----------------------|-----------------|
|                    | GFD            | Loans from Centre | Market Borrowing (N) | Others          | GFD             | Loans from Centre | Market Borrowing (N) | Others          |
| <b>Andhra</b>      | <b>2416.8</b>  | <b>1333.6</b>     | <b>470.5</b>         | <b>612.8</b>    | <b>28115.5</b>  | <b>808.4</b>      | <b>529.5</b>         | <b>1473.7</b>   |
|                    |                | (52.20)           | (19.50)              | -25.4           |                 | (28.80)           | (18.80)              | (52.40)         |
| Arp                | 39.8           | 30.8              | 4.7                  | 4.3             | 70.00           | 36.50             | 5.20                 | 28.40           |
|                    |                | (77.40)           | (11.80)              | (10.90)         |                 | (52.10)           | (7.40)               | (40.60)         |
| Assam              | 652.2          | 313.60            | 162.60               | 176.00          | 73.80           | 134.00            | 178.90               | -239.10         |
|                    |                | (48.10)           | (24.90)              | (27.00)         |                 | (181.60)          | (242.40)             | (-324.0)        |
| Bihar              | 1570.6         | 803.40            | 594.90               | 172.30          | 890.60          | 967.40            | 558.90               | -635.70         |
|                    |                | (51.20)           | (37.90)              | (11.00)         |                 | (108.60)          | (62.80)              | (-71.4)         |
| Goa                | 97.3           | 37.90             | 17.50                | 41.90           | 103.90          | 43.30             | 19.30                | 41.40           |
|                    |                | (39.00)           | (18.00)              | (43.10)         |                 | (41.70)           | (18.60)              | (39.80)         |
| Gujarat            | 1745.6         | 1026.30           | 237.10               | 482.20          | 2358.30         | 1102.90           | 281.60               | 973.80          |
|                    |                | (58.80)           | (13.60)              | (27.60)         |                 | (46.80)           | (11.90)              | (41.30)         |
| Haryana            | 986            | 713.20            | 129.20               | 143.60          | 1099.40         | 320.90            | 145.90               | 632.60          |
|                    |                | (72.30)           | (13.10)              | (14.60)         |                 | (29.20)           | (13.30)              | (57.50)         |
| H.P                | 521.4          | 146.80            | 40.00                | 334.60          | 572.00          | 290.00            | 44.00                | 238.10          |
|                    |                | (28.20)           | (7.70)               | (64.20)         |                 | (50.70)           | (7.70)               | (41.60)         |
| J & K              | 96.6           | 125.50            | N.A                  | -28.90          | 166.20          | 271.30            | 73.20                | -178.40         |
|                    |                | (129.90)          |                      | (-29.9)         |                 | (163.20)          | (44.00)              | (-107.3)        |
| <b>Karnataka</b>   | <b>1456.8</b>  | <b>613.90</b>     | <b>212.10</b>        | <b>630.80</b>   | <b>1944.00</b>  | <b>844.50</b>     | <b>232.70</b>        | <b>866.80</b>   |
|                    |                | (42.10)           | (14.60)              | (43.30)         |                 | (43.40)           | (12.00)              | (44.60)         |
| <b>Kerala</b>      | <b>1302.7</b>  | <b>512.20</b>     | <b>345.60</b>        | <b>444.90</b>   | <b>1542.50</b>  | <b>374.30</b>     | <b>380.20</b>        | <b>788.00</b>   |
|                    |                | (39.30)           | (26.50)              | (34.20)         |                 | (24.30)           | (24.60)              | (51.10)         |
| M.P.               | 1633.4         | 544.40            | 400.80               | 688.20          | 1926.30         | 795.80            | 451.30               | 679.20          |
|                    |                | (33.30)           | (24.50)              | (42.10)         |                 | (41.30)           | (23.40)              | (35.30)         |
| <b>Maharashtra</b> | <b>4150.8</b>  | <b>1440.00</b>    | <b>420.50</b>        | <b>2290.30</b>  | <b>4953.70</b>  | <b>1440.00</b>    | <b>420.50</b>        | <b>2290.30</b>  |
|                    |                | (34.70)           | (10.10)              | (55.20)         |                 | (34.70)           | (10.10)              | (55.20)         |
| Manipur            | 104.7          | 13.50             | 16.00                | 75.20           | 167.50          | -0.40             | 17.50                | 150.30          |
|                    |                | (12.90)           | (15.30)              | (71.80)         |                 | (-0.2)            | (10.40)              | (89.70)         |
| Meghalaya          | 51.9           | 11.50             | 25.00                | 15.40           | 23.10           | 17.80             | 27.50                | -22.50          |
|                    |                | (22.20)           | (48.20)              | (29.70)         |                 | (77.10)           | (119.00)             | (-96.1)         |
| Mizoram            | 70.7           | 26.00             | 15.00                | 29.70           | 125.30          | 23.40             | 16.10                | 85.90           |
|                    |                | (36.80)           | (21.20)              | (42.00)         |                 | (18.70)           | (12.80)              | (68.60)         |
| Nagaland           | 231            | 17.80             | 39.70                | 173.60          | 184.20          | 22.20             | 43.60                | 118.40          |
|                    |                | (7.70)            | (17.20)              | (75.10)         |                 | (12.10)           | (23.70)              | (64.30)         |
| Orissa             | 1395.9         | 505.60            | 344.10               | 546.20          | 1602.20         | 515.10            | 377.20               | 709.70          |
|                    |                | (36.20)           | (24.70)              | (39.10)         |                 | (32.20)           | (23.50)              | (44.30)         |
| Punjab             | 1364.6         | 408.80            | 221.20               | 734.60          | 1464.7          | 1096.40           | 243.30               | 125.00          |
|                    |                | (30.00)           | (16.20)              | (53.80)         |                 | (74.90)           | (16.60)              | (8.50)          |
| Rajasthan          | 2574.3         | 856.10            | 394.40               | 1323.80         | 2508.50         | 926.30            | 433.70               | 1146.50         |
|                    |                | (33.30)           | (15.30)              | (51.40)         |                 | (37.00)           | (17.30)              | (45.70)         |
| Sikkim             | 40.1           | 14.70             | N.A                  | 25.40           | 55.90           | 16.2              | -                    | 39.7            |
|                    |                | (36.70)           |                      | (63.30)         |                 | (29.00)           | 0.00                 | (71.00)         |
| <b>Tamilnadu</b>   | <b>1255.9</b>  | <b>738.90</b>     | <b>403.40</b>        | <b>113.60</b>   | <b>2445.00</b>  | <b>992.80</b>     | <b>443.70</b>        | <b>1008.40</b>  |
|                    |                | (58.80)           | (32.10)              | (9.00)          |                 | (40.60)           | (18.10)              | (41.20)         |
| Tripura            | 33.9           | 19.70             | 17.90                | -3.70           | 121.70          | 44.40             | 19.70                | 57.60           |
|                    |                | (58.10)           | (52.70)              | (-10.9)         |                 | (36.50)           | (16.20)              | (47.30)         |
| U.P.               | 4380.6         | 2122.00           | 929.10               | 1329.50         | 5956.20         | 2509.90           | 1031.80              | 2414.60         |
|                    |                | (48.40)           | (21.20)              | (30.40)         |                 | (42.10)           | (17.30)              | (40.50)         |
| W.B.               | 2696.3         | 1698.50           | 446.70               | 551.10          | 3396.90         | 2080.80           | 492.20               | 824.00          |
|                    |                | (63.00)           | (16.60)              | (20.40)         |                 | (61.30)           | (14.50)              | (24.50)         |
| NCT Delhi          | 555.9          | 726.40            | N.A                  | -170.50         | 690.00          |                   |                      |                 |
|                    |                | (130.70)          |                      | (-30.7)         |                 |                   |                      |                 |
| <b>All States</b>  | <b>31425.8</b> | <b>14800.90</b>   | <b>5887.80</b>       | <b>10737.00</b> | <b>37251.30</b> | <b>17547.40</b>   | <b>6515.10</b>       | <b>13188.80</b> |
|                    |                | (47.10)           | (18.70)              | (34.20)         |                 | (41.80)           | (14.10)              | (35.40)         |

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**TABLE - AS -12 : ALL STATES  
FINANCING OF GFD**

|                    | 97-98 (AC)      |                   |                      |                 | 98-99(AC)       |                   |                      |                 |
|--------------------|-----------------|-------------------|----------------------|-----------------|-----------------|-------------------|----------------------|-----------------|
|                    | GFD             | Loans from Centre | Market Borrowing (N) | Others          | GFD             | Loans from Centre | Market Borrowing (N) | Others          |
| <b>Andhra</b>      | <b>2427.80</b>  | <b>1575.60</b>    | <b>648.20</b>        | <b>204.10</b>   | <b>5705.60</b>  | <b>1881.80</b>    | <b>1344.80</b>       | <b>2478.90</b>  |
|                    |                 | (64.90)           | (26.70)              | (8.40)          |                 | (33.00)           | (23.60)              | (43.40)         |
| Arp                | 121.00          | 39.10             | 5.70                 | 76.30           | 55.40           | 44.40             | 6.20                 | 4.90            |
|                    |                 | (32.30)           | (4.70)               | (63.00)         |                 | (80.00)           | (11.20)              | (8.70)          |
| Assam              | 142.10          | 153.80            | 200.40               | (212.10)        | 338.20          | 140.00            | 355.90               | (157.70)        |
|                    |                 | (108.20)          | (141.00)             | (-149.3)        |                 | (41.40)           | (105.20)             | (-46.6)         |
| Bihar              | 981.40          | 1320.30           | 639.30               | (978.20)        | 2378.90         | 2313.40           | 734.00               | (668.50)        |
|                    |                 | (134.50)          | (65.10)              | (-99.7)         |                 | (97.20)           | (30.90)              | (-28.1)         |
| Goa                | 124.60          | 60.60             | 21.20                | 42.90           | 269.10          | 93.50             | 90.00                | 85.60           |
|                    |                 | (48.60)           | (17.00)              | (34.40)         |                 | (34.80)           | (33.40)              | (31.80)         |
| Gujarat            | 3174.50         | 1623.70           | 311.40               | 1239.30         | 5619.00         | 2395.00           | 524.80               | 2699.20         |
|                    |                 | (51.10)           | (9.80)               | (39.00)         |                 | (42.60)           | (9.30)               | (48.00)         |
| Haryana            | 1127.60         | 573.40            | 167.30               | 386.90          | 2240.40         | 759.30            | 134.30               | 1346.90         |
|                    |                 | (50.90)           | (14.80)              | (34.30)         |                 | (33.90)           | (6.00)               | (60.10)         |
| H.P                | 1202.20         | 663.00            | 48.40                | 490.80          | 1661.50         | 318.70            | 140.20               | 1202.60         |
|                    |                 | (55.20)           | (4.00)               | (40.80)         |                 | (19.20)           | (8.40)               | (72.40)         |
| J & K              | 443.60          | 368.60            | 84.10                | (9.20)          | 1054.40         | 189.10            | 0.00                 | 865.30          |
|                    |                 | (83.10)           | (19.00)              | (-2.1)          |                 | (17.90)           | 0.00                 | (82.10)         |
| <b>Karnataka</b>   | <b>1609.80</b>  | <b>876.90</b>     | <b>257.00</b>        | <b>476.00</b>   | <b>3112.10</b>  | <b>1253.60</b>    | <b>625.30</b>        | <b>1233.10</b>  |
|                    |                 | (54.50)           | (16.00)              | (29.60)         |                 | (40.30)           | (20.10)              | (39.60)         |
| <b>Kerala</b>      | <b>2413.90</b>  | <b>378.00</b>     | <b>418.10</b>        | <b>1617.90</b>  | <b>312.20</b>   | <b>657.60</b>     | <b>510.10</b>        | <b>1844.50</b>  |
|                    |                 | (15.70)           | (17.30)              | (67.00)         |                 | (21.80)           | (16.90)              | (61.20)         |
| M.P.               | 1820.60         | 1132.20           | 496.40               | 191.90          | 4126.70         | 1512.70           | 558.70               | 2055.30         |
|                    |                 | (62.20)           | (27.30)              | (10.50)         |                 | (36.70)           | (13.50)              | (49.80)         |
| <b>Maharashtra</b> | <b>6442.20</b>  | <b>3136.70</b>    | <b>519.30</b>        | <b>2786.20</b>  | <b>7462.40</b>  | <b>3984.60</b>    | <b>616.90</b>        | <b>2860.90</b>  |
|                    |                 | (48.70)           | (8.10)               | (43.20)         |                 | (53.40)           | (8.30)               | (38.30)         |
| Manipur            | 187.50          | 58.20             | 19.40                | 109.80          | 106.20          | 47.90             | 21.40                | 36.90           |
|                    |                 | (31.00)           | (10.40)              | (58.60)         |                 | (45.10)           | (20.20)              | (34.70)         |
| Meghalaya          | 126.50          | 27.20             | 30.30                | 68.90           | 147.30          | 35.40             | 70.00                | 41.90           |
|                    |                 | (21.50)           | (23.90)              | (54.50)         |                 | (24.00)           | (47.50)              | (28.40)         |
| Mizoram            | 124.20          | 25.40             | 18.20                | 80.60           | 132.30          | 28.20             | 30.00                | 74.10           |
|                    |                 | (20.50)           | (14.60)              | (64.90)         |                 | (21.30)           | (22.70)              | (56.00)         |
| Nagaland           | 203.90          | 28.40             | 48.00                | 127.50          | 243.20          | 30.30             | 70.00                | 142.90          |
|                    |                 | (13.90)           | (23.50)              | (62.50)         |                 | (12.50)           | (28.80)              | (58.80)         |
| Orissa             | 1802.50         | 870.90            | 442.40               | 489.30          | 2915.50         | 1030.90           | 474.00               | 1410.60         |
|                    |                 | (48.30)           | (24.50)              | (27.10)         |                 | (35.40)           | (16.30)              | (48.40)         |
| Punjab             | 2477.60         | 930.10            | 267.70               | 1279.80         | 3779.30         | 1077.80           | 345.20               | 2356.40         |
|                    |                 | (37.50)           | (10.80)              | (51.70)         |                 | (28.50)           | (9.10)               | (62.30)         |
| Rajasthan          | 2552.00         | 1115.40           | 477.40               | 959.30          | 5150.90         | 1615.20           | 889.40               | 2646.30         |
|                    | 66.90           | (43.70)           | (18.70)              | (37.60)         |                 | (31.40)           | (17.30)              | (51.40)         |
| Sikkim             |                 | 18.80             | 0.00                 | 48.20           | 146.90          | 25.20             | 0.00                 | 121.70          |
|                    |                 | (28.00)           | 0.00                 | (72.00)         |                 | (17.20)           | 0.00                 | (82.80)         |
| <b>Tamilnadu</b>   | <b>2121.70</b>  | <b>1088.00</b>    | <b>490.20</b>        | <b>543.60</b>   | <b>4777.10</b>  | <b>1225.10</b>    | <b>544.30</b>        | <b>3007.70</b>  |
|                    |                 | (51.30)           | (23.10)              | (25.60)         |                 | (25.60)           | (11.40)              | (63.00)         |
| Tripura            | 195.80          | 71.20             | (12.20)              | 136.70          | 118.40          | 99.30             | (47.90)              | 66.90           |
|                    |                 | (36.40)           | (-6.2)               | (69.80)         |                 | (83.90)           | (-40.5)              | (56.60)         |
| U.P.               | 7576.00         | 3323.40           | 1139.90              | 3112.70         | 11632.50        | 4687.20           | 1819.80              | 5125.60         |
|                    |                 | (43.90)           | (15.00)              | (41.10)         |                 | (40.30)           | (15.60)              | (44.10)         |
| W.B.               | 4007.70         | 3191.20           | 542.10               | 274.50          | 7109.10         | 4903.50           | 609.70               | 1595.80         |
|                    |                 | (141.30)          | 0.00                 | (-41.3)         |                 | (69.00)           | (8.60)               | (22.40)         |
| NCT Delhi          | 726.40          | 1026.50           | 0.00                 | (300.10)        | 959.20          | 707.20            | 0.00                 | 252.00          |
|                    |                 | (141.30)          | 0.00                 | (-41.3)         |                 | (73.70)           | 0.00                 | (26.30)         |
| <b>All States</b>  | <b>44199.90</b> | <b>23676.50</b>   | <b>7280.10</b>       | <b>13243.30</b> | <b>74253.80</b> | <b>31057.00</b>   | <b>10467.20</b>      | <b>32729.60</b> |
|                    |                 | (53.60)           | (16.50)              | (30.00)         |                 | (41.80)           | (14.10)              | (44.10)         |

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**TABLE - AS -12 : ALL STATES  
FINANCING OF GFD**

| States             | 1999-2000(AC)   |                   |                      |                 | 2000-2001(BE)   |                   |                      |                 |
|--------------------|-----------------|-------------------|----------------------|-----------------|-----------------|-------------------|----------------------|-----------------|
|                    | GFD             | Loans from Centre | Market Borrowing (N) | Others          | GFD             | Loans from Centre | Market Borrowing (N) | Others          |
| <b>Andhra</b>      | <b>5993.10</b>  | <b>2960.40</b>    | <b>1698.70</b>       | <b>1334.00</b>  | <b>8459.60</b>  | <b>2994.80</b>    | <b>1698.70</b>       | <b>3766.10</b>  |
|                    |                 | (49.40)           | (28.30)              | (22.30)         |                 | (35.40)           | (20.10)              | (44.50)         |
| Arp                | 138.20          | 49.80             | 6.20                 | 82.20           | 111.40          | 37.90             | 6.20                 | 67.30           |
|                    |                 | (36.00)           | (4.50)               | (59.50)         |                 | (34.00)           | (5.60)               | (60.40)         |
| Assam              | 2313.60         | 262.00            | 337.40               | 1714.20         | 2060.80         | 220.90            | 343.80               | 1496.10         |
|                    |                 | (11.30)           | (14.60)              | (74.10)         |                 | (10.70)           | (16.70)              | (72.60)         |
| Bihar              | 6107.70         | 2679.80           | 662.10               | 2765.80         | 5180.70         | 2979.20           | 838.80               | 1362.60         |
|                    |                 | (43.90)           | (10.80)              | (45.30)         |                 | (57.50)           | (16.20)              | (26.30)         |
| Goa                | 384.20          | 107.20            | 75.00                | 202.00          | 305.20          | 160.30            | 75.00                | 69.90           |
|                    |                 | (27.90)           | (19.50)              | (52.60)         |                 | (52.50)           | (24.60)              | (22.90)         |
| Gujarat            | 6030.80         | 3113.00           | 518.80               | 2398.90         | 5304.80         | 3080.60           | 517.80               | 1706.40         |
|                    |                 | (51.60)           | (8.60)               | (39.80)         |                 | (58.10)           | (9.80)               | (32.20)         |
| Haryana            | 2463.70         | 1068.10           | 218.30               | 1177.30         | 2865.60         | 1366.80           | 218.30               | 1280.50         |
|                    |                 | (43.40)           | (8.90)               | (47.80)         |                 | (47.70)           | (7.60)               | (44.70)         |
| H.P                | 437.20          | 108.40            | 183.00               | 145.80          | 1980.50         | 24.70             | 189.90               | 1765.90         |
|                    |                 | (24.80)           | (41.90)              | (33.40)         |                 | (1.20)            | (9.60)               | (89.20)         |
| J & K              | 1248.10         | 291.70            | 88.60                | 867.80          | 2336.70         | 286.90            | 88.60                | 1961.10         |
|                    |                 | (23.40)           | (7.10)               | (69.50)         |                 | (12.30)           | (3.80)               | (83.90)         |
| <b>Karnataka</b>   | <b>3020.70</b>  | <b>413.30</b>     | <b>799.60</b>        | <b>1807.80</b>  | <b>3811.70</b>  | <b>806.30</b>     | <b>825.20</b>        | <b>2180.30</b>  |
|                    |                 | (13.70)           | (26.50)              | (59.80)         |                 | (21.20)           | (21.60)              | (57.20)         |
| <b>Kerala</b>      | <b>3510.30</b>  | <b>1026.90</b>    | <b>540.00</b>        | <b>1943.50</b>  | <b>2923.20</b>  | <b>1068.90</b>    | <b>565.00</b>        | <b>1289.30</b>  |
|                    |                 | (29.30)           | (15.40)              | (55.40)         |                 | (36.60)           | (19.30)              | (44.10)         |
| M.P.               | 3973.20         | 1868.50           | 557.00               | 1547.70         | 3856.70         | 1911.20           | 557.00               | 1388.50         |
|                    |                 | (47.00)           | (14.00)              | (39.00)         |                 | (49.60)           | (14.40)              | (36.00)         |
| <b>Maharashtra</b> | <b>13913.30</b> | <b>4439.70</b>    | <b>698.90</b>        | <b>8774.70</b>  | <b>7029.80</b>  | <b>3920.60</b>    | <b>768.70</b>        | <b>2340.60</b>  |
|                    |                 | (31.90)           | (5.00)               | (63.10)         |                 | (55.80)           | (10.90)              | (33.30)         |
| Manipur            | 642.00          | 50.90             | 21.30                | 569.80          | 406.90          | 78.80             | 21.30                | 306.80          |
|                    |                 | (7.90)            | (3.30)               | (88.80)         |                 | (19.40)           | (5.20)               | (75.40)         |
| Meghalaya          | 325.30          | 43.10             | 70.00                | 212.30          | 423.90          | 49.40             | 70.00                | 304.50          |
|                    |                 | (13.20)           | (21.50)              | (65.30)         |                 | (11.70)           | (16.50)              | (71.80)         |
| Mizoram            | 270.20          | 44.70             | 35.00                | 190.50          | 216.80          | 33.80             | 35.00                | 148.00          |
|                    |                 | (16.60)           | (12.90)              | (70.50)         |                 | (15.60)           | (16.10)              | (68.30)         |
| Nagaland           | 249.00          | 127.10            | 86.40                | 35.50           | 185.40          | 41.60             | 100.00               | 68.30           |
|                    |                 | (51.10)           | (34.70)              | (14.30)         |                 | (22.40)           | (53.90)              | (23.60)         |
| Orissa             | 3260.80         | 1271.10           | 614.70               | 1374.90         | 3673.80         | 1907.70           | 614.70               | 1151.40         |
|                    |                 | (39.00)           | (18.90)              | (42.20)         |                 | (51.90)           | (16.70)              | (31.30)         |
| Punjab             | 4293.80         | 1579.90           | 544.50               | 2169.40         | 3674.20         | 1719.80           | 344.50               | 1609.90         |
|                    |                 | (36.80)           | (12.70)              | (50.50)         |                 | (46.80)           | (9.40)               | (43.80)         |
| Rajasthan          | 5772.60         | 2748.60           | 1119.40              | 1904.70         | 5253.60         | 2848.30           | 839.60               | 1565.70         |
|                    |                 | (47.60)           | (19.40)              | (33.00)         |                 | (54.20)           | (16.00)              | (29.80)         |
| Sikkim             | 148.00          | 56.10             | 45.90                | 46.00           | 146.20          | 29.10             | 45.90                | 71.20           |
|                    |                 | (37.90)           | (31.00)              | (31.10)         |                 | (19.90)           | (31.40)              | (48.70)         |
| <b>Tamilnadu</b>   | <b>4975.90</b>  | <b>1593.70</b>    | <b>599.90</b>        | <b>2782.20</b>  | <b>5282.60</b>  | <b>1806.10</b>    | <b>599.90</b>        | <b>2876.60</b>  |
|                    |                 | (32.00)           | (12.10)              | (55.90)         |                 | (34.20)           | (11.40)              | (54.50)         |
| Tripura            | 447.00          | 186.40            | 75.60                | 185.00          | 695.40          | 217.80            | 75.70                | 402.00          |
|                    |                 | (41.70)           | (16.90)              | (414.00)        |                 | (31.30)           | (10.90)              | (57.80)         |
| U.P.               | 12256.30        | 6949.50           | 1567.80              | 3739.00         | 12358.00        | 6484.30           | 1566.50              | 4307.20         |
|                    |                 | (56.70)           | (12.80)              | (30.50)         |                 | (52.50)           | (12.70)              | (34.90)         |
| W.B.               | 10865.40        | 5543.30           | 664.70               | 4657.50         | 10338.90        | 6873.50           | 664.70               | 2800.80         |
|                    |                 | (51.00)           | (6.10)               | (42.90)         |                 | (66.50)           | (6.40)               | (27.10)         |
| NCT Delhi          | 1698.20         | 1296.10           | 0.00                 | 402.10          | 1209.80         | 1209.80           | 0.00                 | 0.00            |
|                    |                 | (76.30)           | 0.00                 | (23.70)         |                 | (100.00)          | 0.00                 | 0.00            |
| <b>All States</b>  | <b>94738.50</b> | <b>38879.10</b>   | <b>11825.70</b>      | <b>43030.79</b> | <b>90092.00</b> | <b>42158.90</b>   | <b>11670.80</b>      | <b>32262.30</b> |
|                    |                 | (42.10)           | (12.50)              | (45.40)         |                 | (46.80)           | (13.00)              | (40.30)         |

**TABLE SA1- STATES AGGREGATE REVENUE RECEIPTS- TAX & NON TAX** (Rs.Crores)

| Year    | Total Tax Revenue (3+7) | Own Tax Revenue     | Total Non Tax Revenue (5+8) | Own Non Tax Revenue | Total Revenue (2+4) | Shares in Central Taxes | Grants from Centre  |
|---------|-------------------------|---------------------|-----------------------------|---------------------|---------------------|-------------------------|---------------------|
| 1       | 2                       | 3                   | 4                           | 5                   | 6                   | 7                       | 8                   |
| 1990-91 | 44586.00<br>(7.80)      | 30344.80<br>(5.30)  | 21881.00<br>(3.90)          | 9237.20<br>(1.60)   | 66467<br>(11.70)    | 14241.50<br>(15.60)     | 12643.3<br>(13.90)  |
| 1991-92 | 52603.90<br>(8.10)      | 35756.00<br>(5.50)  | 27934.80<br>(4.20)          | 12706.10<br>(1.90)  | 80538.7<br>(12.30)  | 16847.90<br>(15.60)     | 15225.7<br>(14.00)  |
| 1992-93 | 60448.00<br>(8.10)      | 39868.30<br>(5.30)  | 30643.00<br>(4.10)          | 12883.90<br>(1.70)  | 91091<br>(12.20)    | 20580.10<br>(17.20)     | 17758.8<br>(14.90)  |
| 1993-94 | 68818.90<br>(8.00)      | 46424.10<br>(5.40)  | 36744.80<br>(4.30)          | 15568.80<br>(1.80)  | 105563.7<br>(12.30) | 22394.8<br>(16.60)      | 21176.00<br>(15.70) |
| 1994-95 | 80619.30<br>(8.00)      | 55734.50<br>(5.50)  | 41664.50<br>(4.10)          | 21660.10<br>(2.10)  | 122283.8<br>(12.10) | 24884.7<br>(15.40)      | 20004.40<br>(12.50) |
| 1995-96 | 92912.80<br>(7.80)      | 63865.20<br>(5.40)  | 43991.00<br>(3.70)          | 22894.80<br>(1.90)  | 136803<br>(11.50)   | 29047.6<br>(16.40)      | 20995.80<br>(11.80) |
| 1996-97 | 106139.00<br>(7.80)     | 71101.50<br>(5.20)  | 46697.00<br>(3.40)          | 23542.60<br>(1.70)  | 152836<br>(11.20)   | 35037.8<br>(17.30)      | 23154.70<br>(11.40) |
| 1997-98 | 121640.90<br>(8.00)     | 81229.60<br>(5.30)  | 48660.30<br>(3.20)          | 24437.60<br>(1.70)  | 170301.2<br>(11.20) | 40411.2<br>(17.70)      | 24222.50<br>(10.60) |
| 1998-99 | 128416.50<br>(8.00)     | 88995.30<br>(5.10)  | 48031.30<br>(2.00)          | 24167.80<br>(1.40)  | 176447.8<br>(10.00) | 39421.2<br>(14.80)      | 23863.40<br>(9.00)  |
| 1999-00 | 150095.30<br>(7.70)     | 105637.10<br>(5.40) | 64714.40<br>(2.30)          | 29633.80<br>(1.50)  | 214809.7<br>(11.00) | 44458.2<br>(13.70)      | 35080.60<br>(10.80) |
| 2000-01 | 176368.50<br>(8.10)     | 125563.50<br>(5.80) | 68551.60<br>(3.10)          | 31588.20<br>(1.50)  | 244920.1<br>(11.20) | 50805.0<br>(14.50)      | 36963.50<br>(10.50) |

Note: Figures in Brackets In columns 2 - 6 are percentage to GDP

Figures in Brackets In columns 7 and 8 are percentage of State's Aggregate Expenditure

source : compiled at IIE

**TABLE SA 1B STATES AGGREGATE  
TRANSACTIONS ON REVENUE RECEIPTS**

| <b>Year</b> | <b>Rev. Recpt</b> | <b>Exp</b> | (Rs,crores)                 |
|-------------|-------------------|------------|-----------------------------|
|             |                   |            | <b>Surplus/<br/>Deficit</b> |
| 1990-91     | 66466.80          | 71775.80   | -5309.00                    |
| 1991-92     | 80535.70          | 86186.40   | -5650.70                    |
| 1992-93     | 91091.10          | 96205.20   | -5114.10                    |
| 1993-94     | 105563.70         | 109376.20  | -3812.50                    |
| 1994-95     | 122283.70         | 128439.90  | -6156.20                    |
| 1995-96     | 136803.40         | 145003.90  | -8200.50                    |
| 1996-97     | 152836.40         | 168950.30  | -16113.90                   |
| 1997-98     | 170300.80         | 186633.80  | -16333.00                   |
| 1998-99     | 176447.70         | 220089.50  | -43641.80                   |
| 1999-00     | 214809.60         | 271611.30  | -56801.60                   |
| 2000-01     | 244920.10         | 290622.40  | -45702.30                   |

Source : compiled At IIE



**TABLE SA 1C STATES AGGREGATE  
CAPITAL RECEIPTS & DISBURSEMENTS**

(Rs. Crores)

| Year            | Total<br>Cap.recpt  | Internal Debt | Loans From<br>Centre | Cap Disb           | Surplus/<br>Deficit |
|-----------------|---------------------|---------------|----------------------|--------------------|---------------------|
| 1990-91         | 24847.00<br>(4.40)  | 3264.00       | 13974.00             | 19467.00<br>(3.40) | 5380.00             |
| 1991-92         | 27954.00<br>(4.30)  | 5042.00       | 13069.00             | 22460.00<br>(3.40) | 5494.00             |
| 1992-93         | 30073.00<br>(4.00)  | 4731.00       | 13100.00             | 23129.00<br>(3.10) | 6944.00             |
| 1993-94         | 28623.00<br>(3.30)  | 5189.00       | 14410.00             | 25272.00<br>(2.90) | 3351.00             |
| 1994-95         | 43738.00<br>(4.30)  | 8741.00       | 19253.00             | 33114.00<br>(3.30) | 10624.00            |
| 1995-96         | 43630.00<br>(3.70)  | 7847.00       | 19600.00             | 32580.00<br>(2.70) | 11050.00            |
| 1996-97         | 42891.00<br>(3.10)  | 8214.00       | 23782.00             | 33819.00<br>(2.50) | 9072.00             |
| 1997-98         | 59937.00<br>(3.90)  | 10754.00      | 30771.00             | 41501.00<br>(2.70) | 18436.00            |
| 1998-99         | 86393.00<br>(4.90)  | 16085.00      | 40342.00             | 46271.00<br>(2.60) | 40122.00            |
| 1999-00<br>(RE) | 101612.00<br>(5.20) | 22228.00      | 49527.00             | 54023.00<br>(2.80) | 47589.00            |
| 2000-01<br>(BE) | 101544.00<br>(4.70) | 26293.00      | 51893.00             | 60144.00<br>(2.80) | 41400.00            |

Note : Figures in brackets are percentage of GDP  
Source ; Compiled at IIE

**TABLE SA2 STATES AGGREGATE EXPENDITURE - PLAN , NON PLAN**

| Year    | Plan     | Rs.crores |           | Percentage of GDP |      |          | Percentage of Total |          |
|---------|----------|-----------|-----------|-------------------|------|----------|---------------------|----------|
|         |          | Nonplan   | Total     | Total             | Plan | Non Plan | Plan                | Non Plan |
| 1990-91 | 27432.90 | 63809.10  | 91242.00  | 16.00             | 4.80 | 11.20    | 30.10               | 69.90    |
| 1991-92 | 31084.50 | 77561.00  | 108645.50 | 16.60             | 4.80 | 11.80    | 28.60               | 71.40    |
| 1992-93 | 33391.50 | 85943.10  | 119334.60 | 15.90             | 4.50 | 11.40    | 28.00               | 72.00    |
| 1993-94 | 36730.00 | 97918.50  | 134648.50 | 15.70             | 4.30 | 11.40    | 27.30               | 72.70    |
| 1994-95 | 44513.70 | 114892.50 | 159406.20 | 15.70             | 4.40 | 11.30    | 27.60               | 72.40    |
| 1995-96 | 48450.00 | 129133.80 | 177583.80 | 14.90             | 4.10 | 10.80    | 27.30               | 72.70    |
| 1996-97 | 53045.60 | 149723.10 | 202768.70 | 14.80             | 3.90 | 10.90    | 26.20               | 73.80    |
| 1997-98 | 59260.00 | 168874.80 | 228134.80 | 15.10             | 3.90 | 11.20    | 26.00               | 74.00    |
| 1998-99 | 64870.60 | 201490.20 | 266360.80 | 15.10             | 3.70 | 11.40    | 24.40               | 75.60    |
| 1999-00 | 78156.10 | 247477.80 | 325633.90 | 16.60             | 4.00 | 12.60    | 24.00               | 76.00    |
| 2000-01 | 89073.50 | 261693.30 | 350766.80 | 16.10             | 4.10 | 12.00    | 25.40               | 74.60    |

Source: Compiled by IIE

**TABLE SA - 3 STATES AGGREGATE  
Development, Non Development & Other Expenditure**

| Year    | Rs.crores            |                      |                    | Total     | % of GDP |
|---------|----------------------|----------------------|--------------------|-----------|----------|
|         | Develop              | Non dev              | Others             |           |          |
| 1990-91 | 63370.00<br>(69.50)  | 22600.00<br>(24.80)  | 5272.00<br>(5.70)  | 91242.00  | 16.00    |
| 1991-92 | 74588.00<br>(68.70)  | 27143.00<br>(25.00)  | 6916.00<br>(6.30)  | 108647.00 | 16.60    |
| 1992-93 | 80566.90<br>(67.50)  | 32103.80<br>(26.90)  | 6664.00<br>(5.60)  | 119335.00 | 15.90    |
| 1993-94 | 89387.60<br>(66.40)  | 38019.60<br>(28.20)  | 7241.00<br>(5.40)  | 134648.00 | 15.70    |
| 1994-95 | 104347.80<br>(64.60) | 49556.00<br>(30.70)  | 7650.00<br>(4.70)  | 161554.00 | 16.00    |
| 1995-96 | 114819.40<br>(64.70) | 55379.90<br>(31.20)  | 7385.00<br>(4.10)  | 177584.00 | 14.90    |
| 1996-97 | 132007.70<br>(65.10) | 62095.40<br>(30.60)  | 8664.00<br>(4.30)  | 202767.00 | 14.80    |
| 1997-98 | 145268.40<br>(63.70) | 71766.90<br>(31.50)  | 11100.00<br>(4.80) | 228135.00 | 15.00    |
| 1998-99 | 164503.50<br>(61.80) | 86474.40<br>(32.50)  | 15383.00<br>(5.70) | 266361.00 | 15.10    |
| 1999-00 | 198321.80<br>(60.90) | 110137.10<br>(33.80) | 17175.00<br>(5.30) | 325634.00 | 16.60    |
| 2000-01 | 208332.40<br>(59.39) | 125484.30<br>(35.77) | 16950.00<br>(4.84) | 350767.00 | 16.10    |

Note: Figures in the bracket are percentages to the total  
Source : Compiled at IIE

**TABLE SA 4 STATES AGGREGATE****Devolution and Transfers from the Centre to the States**

(Rs.crores)

| Years   | Gross     | Net       | Shares in     |                    |                   |                      |
|---------|-----------|-----------|---------------|--------------------|-------------------|----------------------|
|         |           |           | Central Taxes | Grants from Centre | Loans from Centre | Repay ment to Centre |
| 1990-91 | 40859.10  | 31684.50  | 14241.50      | 12643.3            | 13974.00          | 9175.00              |
|         | (44.80)   | (34.80)   | (15.60)       | (13.90)            | (15.30)           | (10.10)              |
| 1991-92 | 45142.60  | 34925.40  | 16847.90      | 15225.7            | 13069.00          | 10217.00             |
|         | (41.60)   | (32.40)   | (15.60)       | (14.00)            | (12.10)           | 9.50                 |
| 1992-93 | 51438.50  | 39431.00  | 20580.10      | 17758.8            | 13100.00          | 12008.00             |
|         | (43.10)   | (33.00)   | (17.20)       | (14.90)            | (11.00)           | (10.10)              |
| 1993-94 | 57980.50  | 43589.50  | 22394.8       | 21176.00           | 14410.00          | 14391.00             |
|         | (43.10)   | (32.40)   | (16.60)       | (15.70)            | (12.70)           | (10.70)              |
| 1994-95 | 64141.60  | 50094.20  | 24884.7       | 20004.40           | 19253.00          | 14047.00             |
|         | (39.70)   | (31.00)   | (15.40)       | (12.50)            | (11.90)           | (8.70)               |
| 1995-96 | 69643.00  | 51807.60  | 29047.6       | 20995.80           | 19600.00          | 17835.00             |
|         | (39.20)   | (29.20)   | (16.40)       | (11.80)            | (11.00)           | (10.00)              |
| 1996-97 | 81973.90  | 60585.00  | 35037.8       | 23154.70           | 23782.00          | 21389.00             |
|         | (40.40)   | (29.90)   | (17.30)       | (11.40)            | (11.70)           | (10.50)              |
| 1997-98 | 95404.80  | 70796.40  | 40411.2       | 24222.50           | 30771.00          | 24609.00             |
|         | (41.80)   | (31.00)   | (17.70)       | (10.60)            | (13.50)           | (10.80)              |
| 1998-99 | 103626.60 | 73450.00  | 39421.2       | 23863.40           | 40342.00          | 30177.00             |
|         | (38.90)   | (27.60)   | (14.80)       | (9.00)             | (15.10)           | (11.30)              |
| 1999-00 | 129065.50 | 93712.30  | 44458.2       | 35080.60           | 49527.00          | 35353.00             |
|         | (39.60)   | (28.80)   | (13.70)       | (10.80)            | (15.20)           | (10.90)              |
| 2000-01 | 139661.10 | 100035.50 | 50805.0       | 36963.50           | 51893.00          | 39626.00             |
|         | (39.80)   | (28.50)   | (14.50)       | (10.50)            | (14.80)           | (11.30)              |

Note: Figures in brackets are percentages of aggregate expenditure of all states

Source : Compiled from Various documents

**TABLE SA - 5 STATES AGGREGATE  
OUTSTANDING DEBT**

| Years | Debt      | (Rs.Crores) |
|-------|-----------|-------------|
| 1991  | 108203.00 | (19.00)     |
| 1996  | 212226.00 | (17.90)     |
| 1997  | 243528.00 | (17.80)     |
| 1998  | 281209.00 | (18.50)     |
| 1999  | 341978.90 | (17.50)     |
| 2000  | 418584.00 | (19.20)     |
| 2001  | 498841.00 | (20.20)     |

Figures in brackets are percentages of GDP at current market prices  
Source : Compiled at IIE

**TABLE - SA 5a STATES AGGREGATE  
Interest Payments (Gross & Net)**

| Years   | (Rs.crores)         |                     |
|---------|---------------------|---------------------|
|         | Gross               | Net                 |
| 1990-91 | 9225.00             | 6821.00             |
| 1991-92 | 10944.40<br>(13.50) | 5624.00             |
| 1992-93 | 13210.10<br>(14.50) | 9272.00<br>(10.20)  |
| 1993-94 | 15800.50<br>(15.00) | 11075.10<br>(10.50) |
| 1994-95 | 19413.30<br>(15.90) | 14048.80<br>(11.50) |
| 1995-96 | 21932.10<br>(16.00) | 16139.60<br>(11.80) |
| 1996-97 | 25576.40<br>(17.70) | 17405.50<br>(12.00) |
| 1997-98 | 30112.80<br>(17.10) | 22203.10<br>(27.60) |
| 1998-99 | 35873.50<br>(20.30) | 28395.60<br>(16.10) |
| 1999-00 | 4525.90<br>(21.20)  | 36884.50<br>(17.20) |
| 2000-01 | 54270.90<br>(22.20) | 45303.10<br>(18.50) |

Note: Figures in brackets represent  
percentage of Revenue Receipts

Source : Compiled at IIE

**TABLE SA 6 STATES AGGEGATE  
Gross Fiscal Deficit**

(Rs in Crores)

| Year    | Rev Recpt | Agg Exp   | GFD      |
|---------|-----------|-----------|----------|
| 1990-91 | 66466.80  | 85253.70  | 18786.90 |
|         | (11.70)   | (15.00)   | (3.30)   |
| 1991-92 | 80535.00  | 99435.80  | 18900.10 |
|         | (12.30)   | (15.20)   | (2.90)   |
| 1992-93 | 91091.10  | 111982.40 | 20891.3  |
|         | (12.20)   | (15.00)   | (2.80)   |
| 1993-94 | 105563.70 | 126159.70 | 20596.00 |
|         | (12.30)   | (14.70)   | (2.40)   |
| 1994-95 | 122283.70 | 149980.60 | 27696.90 |
|         | (12.10)   | (14.80)   | (2.70)   |
| 1995-96 | 136803.40 | 168229.20 | 31425.80 |
|         | (11.50)   | (14.20)   | (2.70)   |
| 1996-97 | 153029.50 | 190280.80 | 37251.30 |
|         | (11.20)   | (13.90)   | (2.70)   |
| 1997-98 | 170300.80 | 214500.70 | 44199.90 |
|         | (11.20)   | (14.10)   | (2.90)   |
| 1998-99 | 176952.60 | 251206.40 | 74253.80 |
|         | (10.10)   | (14.30)   | (4.20)   |
| 1999-00 | 214809.60 | 309548.20 | 94738.60 |
|         | (11.00)   | (15.80)   | (4.80)   |
| 2000-01 | 245320.10 | 335412.10 | 90092.00 |
|         | (11.30)   | (15.40)   | (14.10)  |

Note: Figures in bracket represent percentage to GDP at Current Market Prices  
GDP figures adopted from 1993-94 onwards are according to the new series,  
Earlier years are according to the 1980-81 series

Source : Compiled at IIE

**TABLE SA 7 STATES AGGREGATE - GROSS FISCAL DEFICIT**

| Year    | Decomposition |          |           |          | (RS Crores)<br>Financing |                   |          |
|---------|---------------|----------|-----------|----------|--------------------------|-------------------|----------|
|         | Rev. Defici   | CapOutly | Net. Lend | GFD      | Net loans<br>from centre | Net MKT<br>Borrow | Others   |
| 1990-91 | 5309.00       | 9223.00  | 4225.00   | 18787.00 | 9978.00                  | 2556.00           | 6253.00  |
|         | (28.26)       | (49.09)  | (22.49)   |          | (53.11)                  | (13.61)           | (33.28)  |
| 1991-92 | 5650.70       | 10095.70 | 3153.70   | 18900.10 | 9373.50                  | 9370.7            | 155.9    |
|         | (29.90)       | (53.40)  | (16.70)   |          | (49.60)                  | (49.60)           | (0.80)   |
| 1992-93 | 5114.10       | 10654.60 | 5122.60   | 20891.30 | 8921.30                  | 13799.40          | -1829.40 |
|         | (24.50)       | (51.00)  | (24.50)   |          | (42.70)                  | (66.10)           | (-8.8)   |
| 1993-94 | 3812.50       | 12450.20 | 4333.30   | 20596.00 | 9532.60                  | 3620.40           | 7442.80  |
|         | (18.50)       | (60.50)  | (21.00)   |          | (46.30)                  | (17.60)           | (36.10)  |
| 1994-95 | 6156.20       | 17351.00 | 4189.70   | 27696.90 | 14760.10                 | 4074.80           | 8862.00  |
|         | (22.20)       | (62.60)  | (15.20)   |          | (53.30)                  | (14.70)           | (32.00)  |
| 1995-96 | 8200.50       | 18494.80 | 4730.40   | 31425.80 | 14800.90                 | 5887.80           | 10737.00 |
|         | (26.10)       | (58.90)  | (15.10)   |          | (47.10)                  | (18.70)           | (34.20)  |
| 1996-97 | 16113.50      | 17539.70 | 3791.30   | 37251.30 | 17547.40                 | 6515.10           | 13188.80 |
|         | (43.30)       | (47.10)  | (10.20)   |          | (47.10)                  | (17.50)           | (35.40)  |
| 1997-98 | 16332.90      | 22802.00 | 5065.00   | 44199.90 | 23676.50                 | 7280.10           | 13243.30 |
|         | (37.00)       | (51.60)  | (11.60)   |          | (53.60)                  | (16.50)           | (30.00)  |
| 1998-99 | 43641.80      | 23072.30 | 8044.60   | 74253.80 | 31057.00                 | 10467.20          | 32729.60 |
|         | (58.80)       | (31.10)  | (10.80)   |          | (41.80)                  | (14.10)           | (44.10)  |
| 1999-00 | 56801.60      | 28733.80 | 9203.10   | 94738.50 | 39879.10                 | 11828.70          | 430.70   |
|         | (60.00)       | (30.30)  | (9.70)    |          | (42.10)                  | (12.50)           | (45.40)  |
| 2000-01 | 45702.30      | 35088.20 | 9701.50   | 90092.00 | 42158.90                 | 11670.80          | 36262.30 |
|         | (50.70)       | (38.90)  | (10.80)   |          | (46.80)                  | (13.00)           | (40.30)  |

Note : Figures in the bracket represent percentage to GFD

Source ; Compiled at IIE



**TABLE SS - 1 : SELECT STATES  
STATE WISE TRANSACTION ON REVENUE ACCOUNT (Rs.Crores)**

|            | Years          |             |                        |                |             |                        |                |             |                        |                |             |                        |                |             |                        |                |             |                        |
|------------|----------------|-------------|------------------------|----------------|-------------|------------------------|----------------|-------------|------------------------|----------------|-------------|------------------------|----------------|-------------|------------------------|----------------|-------------|------------------------|
|            | 1990-91(AC)    |             |                        | 1991-92(AC)    |             |                        | 1992-93(AC)    |             |                        | 1993-94(AC)    |             |                        | 1994-95(AC)    |             |                        | 1995-96(AC)    |             |                        |
|            | Rev<br>Receipt | Expenditure | Surplus<br>(-) Deficit | Rev<br>Receipt | Expenditure | Surplus<br>(-) Deficit | Rev<br>Receipt | Expenditure | Surplus<br>(-) Deficit | Rev<br>Receipt | Expenditure | Surplus<br>(-) Deficit | Rev<br>Receipt | Expenditure | Surplus<br>(-) Deficit | Rev<br>Receipt | Expenditure | Surplus<br>(-) Deficit |
| Andhra     | 5347.20        | 5504.80     | -157.60                | 6282.00        | 6451.60     | -169.60                | 7066.40        | 7190.20     | -123.80                | 8250.50        | 8018.20     | 232.30                 | 8786.40        | 9514.10     | -727.70                | 9874.90        | 10613.70    | -738.80                |
| Karnataka  | 3892.20        | 3971.10     | -78.90                 | 4775.40        | 4954.10     | -178.70                | 5421.70        | 5591.70     | -170.00                | 6324.70        | 6208.30     | 116.40                 | 6968.40        | 7264.50     | -296.10                | 8543.40        | 8481.20     | 62.20                  |
| Kerala     | 2402.90        | 2824.90     | -422.00                | 2852.10        | 3216.50     | -364.40                | 3318.70        | 3656.10     | -337.40                | 3922.10        | 4293.40     | -371.30                | 4666.40        | 5066.30     | -399.90                | 5423.60        | 5826.40     | -402.80                |
| Maharastra | 8699.00        | 8753.60     | -54.60                 | 9772.60        | 10048.70    | -276.10                | 10818.20       | 11546.70    | -728.50                | 12986.80       | 13108.70    | -121.90                | 15089.50       | 14812.20    | 277.30                 | 16559.30       | 17168.40    | -609.10                |
| Tamilnadu  | 5087.90        | 5641.30     | -553.40                | 6775.70        | 8679.50     | -1903.80               | 7016.30        | 8542.50     | -1526.20               | 8066.10        | 8758.00     | -691.90                | 9219.40        | 9635.00     | -415.60                | 10599.30       | 10910.50    | -311.30                |
| All States | 66466.80       | 71775.80    | -5309.00               | 80535.70       | 86186.40    | -5650.70               | 91091.10       | 96205.20    | -5114.10               | 105563.70      | 109376.20   | -3812.50               | 122283.70      | 128439.90   | -6156.20               | 136803.40      | 145003.90   | -8200.50               |
|            | 1996-97(AC)    |             |                        | 1997-98(AC)    |             |                        | 1998-99(AC)    |             |                        | 1999-00(RE)    |             |                        | 2000-01(BE)    |             |                        |                |             |                        |
|            | Rev<br>Receipt | Expenditure | Surplus<br>(-) Deficit | Rev<br>Receipt | Expenditure | Surplus<br>(-) Deficit | Rev<br>Receipt | Expenditure | Surplus<br>(-) Deficit | Rev<br>Receipt | Expenditure | Surplus<br>(-) Deficit | Rev<br>Receipt | Expenditure | Surplus<br>(-) Deficit |                |             |                        |
| ANDHRA     | 11193.30       | 14392.40    | -3199.10               | 13841.10       | 14544.30    | -703.20                | 14259.50       | 16943.60    | -2684.10               | 17448.70       | 20173.30    | -2724.60               | 21040.60       | 24881.50    | -3840.90               |                |             |                        |
| Karnataka  | 9622.20        | 10201.10    | -578.90                | 10613.40       | 1890.20     | -276.80                | 11230.40       | 12445.60    | -1215.20               | 13104.00       | 14677.20    | -1573.20               | 15572.70       | 1755.00     | -1582.30               |                |             |                        |
| Kerala     | 6145.10        | 6788.10     | -643.00                | 7118.20        | 8241.10     | -1122.90               | 7198.10        | 9228.10     | -2030.00               | 8736.90        | 11218.20    | -2481.30               | 10171.50       | 12121.80    | -1950.30               |                |             |                        |
| Maharastra | 19255.20       | 20845.80    | -1590.60               | 20316.60       | 22896.50    | -2579.90               | 21737.10       | 25663.00    | -3925.90               | 24408.00       | 33891.90    | -9484.00               | 28273.10       | 31880.40    | -3607.30               |                |             |                        |
| Tamil Nadu | 11961.30       | 13064.90    | -1103.60               | 13587.00       | 14950.90    | -1363.90               | 14260.80       | 17697.40    | -3436.60               | 16465.30       | 20166.00    | -3700.70               | 18406.20       | 21564.90    | -3158.70               |                |             |                        |
| All States | 152836.40      | 168950.30   | -16113.90              | 170300.80      | 186633.80   | -16333.00              | 176447.70      | 220089.50   | -43641.80              | 214809.60      | 271611.30   | -56801.60              | 244920.10      | 290622.40   | -45702.30              |                |             |                        |

Note : Data for NCT Delhi have been provided after grant of Legislative Status in 1993-94 .  
Source Reserve Bank of India Bulletin for various Years

**TABLE SS - 2 SELECT STATES  
STATE WISE TRANSACTION ON THE CAPITAL ACCOUNTS (Rs.Crores)**

| State       | 1990-91 (AC) |          |                          | 1991-92(AC) |          |                          | 1992-93(AC) |          |                          | 1993-94(AC) |          |                          | 1994-95(AC) |          |                          | (Rs.Crores<br>1995-96(AC)) |          |                          |
|-------------|--------------|----------|--------------------------|-------------|----------|--------------------------|-------------|----------|--------------------------|-------------|----------|--------------------------|-------------|----------|--------------------------|----------------------------|----------|--------------------------|
|             | Receipts     | Exp      | surplus(+)<br>Deficit(-) | Receipts    | Exp      | surplus(+)<br>Deficit(-) | Receipts    | Exp      | surplus(+)<br>Deficit(-) | Receipts    | Exp      | surplus(+)<br>Deficit(-) | Receipts    | Exp      | surplus(+)<br>Deficit(-) | Receipts                   | Exp      | surplus(+)<br>Deficit(-) |
| Andhra      | 1250.90      | 1065.70  | 185.20                   | 1595.20     | 1334.30  | 260.90                   | 1937.00     | 1793.30  | 143.70                   | 2552.80     | 2523.00  | 29.80                    | 3380.70     | 2944.90  | 435.80                   | 4456.80                    | 3687.00  | 796.80                   |
| Karnataka   | 1324.00      | 1192.70  | 131.30                   | 1465.80     | 1256.10  | 209.70                   | 1305.00     | 1508.30  | -203.30                  | 1896.20     | 1880.90  | 15.30                    | 2067.00     | 1594.80  | 472.20                   | 1722.10                    | 1924.90  | -202.90                  |
| Kerala      | 957.10       | 559.70   | 397.40                   | 1105.00     | 813.20   | 291.80                   | 1134.10     | 706.60   | 427.50                   | 1315.70     | 844.90   | 470.80                   | 1691.90     | 892.40   | 799.50                   | 1563.30                    | 1095.50  | 467.80                   |
| Maharashtra | 2349.20      | 2067.70  | 281.50                   | 3260.10     | 2061.90  | 1198.20                  | 2481.20     | 2466.90  | 14.30                    | 2937.30     | 2874.40  | 62.90                    | 5543.10     | 5214.10  | 329.00                   | 5012.00                    | 4208.10  | 803.90                   |
| Tamil Nadu  | 1452.00      | 965.50   | 486.50                   | 2827.90     | 1144.40  | 1683.50                  | 2842.20     | 1205.90  | 1636.30                  | 2125.80     | 1303.70  | 822.10                   | 2702.30     | 1797.40  | 904.90                   | 2330.70                    | 1620.90  | 709.80                   |
| All States  | 24846.80     | 19466.20 | 5380.60                  | 27953.90    | 22459.10 | 5494.80                  | 30072.90    | 23129.00 | 6943.50                  | 28623.10    | 25272.30 | 3350.80                  | 43737.80    | 33113.90 | 10623.90                 | 43630.10                   | 32579.80 | 11050.30                 |
| State       | 1996-97(AC)  |          |                          | 1997-98(AC) |          |                          | 1998-99(AC) |          |                          | 1999-00(RE) |          |                          | 2000-01(BE) |          |                          |                            |          |                          |
|             | Receipts     | Exp      | surplus(+)<br>Deficit(-) | Receipts    | Exp      | surplus(+)<br>Deficit(-) | Receipts    | Exp      | surplus(+)<br>Deficit(-) | Receipts    | Exp      | surplus(+)<br>Deficit(-) | Receipts    | Exp      | surplus(+)<br>Deficit(-) |                            |          |                          |
| Andhra      | 4457.10      | 1872.40  | 2584.70                  | 4862.52     | 3200.71  | 1661.81                  | 6813.94     | 5013.89  | 1800.05                  | 6695.34     | 4169.70  | 2525.64                  | 9421.93     | 5594.96  | 3826.97                  |                            |          |                          |
| Karnataka   | 2404.10      | 1779.40  | 624.70                   | 2576.98     | 1710.28  | 866.70                   | 3676.36     | 2439.97  | 1236.39                  | 3416.99     | 2082.90  | 1334.09                  | 4452.51     | 2906.51  | 1546.00                  |                            |          |                          |
| Kerala      | 1818.30      | 1154.40  | 663.90                   | 2414.29     | 1576.54  | 837.75                   | 3047.31     | 1382.82  | 1664.49                  | 3818.17     | 1452.53  | 2365.64                  | 3395.05     | 1454.29  | 1940.76                  |                            |          |                          |
| Maharashtra | 5596.40      | 4159.20  | 1437.20                  | 7602.39     | 4778.36  | 2823.76                  | 9334.65     | 4654.16  | 4680.49                  | 12767.80    | 6515.70  | 6252.10                  | 9157.24     | 4806.54  | 4350.70                  |                            |          |                          |
| Tamil Nadu  | 3428.30      | 2337.40  | 1090.90                  | 3884.80     | 2382.51  | 1502.29                  | 4590.69     | 2182.27  | 2408.42                  | 5481.64     | 2117.54  | 3364.10                  | 5639.42     | 3048.74  | 2590.68                  |                            |          |                          |
| All States  | 42891.00     | 33818.50 | 9072.50                  | 59936.90    | 41501.07 | 18435.84                 | 86393.39    | 46271.34 | 40122.04                 | 101611.53   | 54022.64 | 47588.89                 | 101543.78   | 60144.38 | 41399.40                 |                            |          |                          |

Note : Data for NCT Delhi has been provided from 1993-94 after grant of Legislative Status  
Source : RBI and State Government Documents

**TABLE SS - 3 : SELECT STATES  
PLAN AND NON PLAN EXPENDITURE**

| States     | Year       |           |            |           |            |           |             |           |             |           |            |           |
|------------|------------|-----------|------------|-----------|------------|-----------|-------------|-----------|-------------|-----------|------------|-----------|
|            | 90-91(AC)  |           | 91-92 (AC) |           | 92-93 (AC) |           | 93-94 (AC)  |           | 94-95 (AC)  |           | 95-96 (AC) |           |
|            | Plan       | NonPlan   | Plan       | NonPlan   | Plan       | NonPlan   | Plan        | NonPlan   | Plan        | NonPlan   | Plan       | NonPlan   |
| Andhra     | 1690.40    | 4880.10   | 1995.40    | 5790.40   | 2773.70    | 6209.80   | 3425.50     | 7115.70   | 3927.10     | 8531.90   | 4520.50    | 9780.20   |
| Karnataka  | 1640.30    | 3341.10   | 1985.10    | 4224.60   | 2289.80    | 4810.20   | 2971.90     | 5117.30   | 2977.80     | 5881.50   | 3460.00    | 6946.10   |
| Kerala     | 759.60     | 2625.10   | 820.60     | 3209.10   | 900.30     | 3462.40   | 1173.60     | 3964.60   | 1416.00     | 4542.70   | 1665.00    | 5256.90   |
| Maharastra | 2932.00    | 7889.40   | 3031.00    | 9079.60   | 3711.60    | 10302.00  | 3925.40     | 12057.70  | 6658.90     | 13367.40  | 6398.60    | 14977.90  |
| Tamilnadu  | 1448.30    | 5158.60   | 1743.50    | 8080.40   | 2000.80    | 7747.60   | 2372.90     | 7688.80   | 2462.70     | 8969.60   | 2725.70    | 9805.80   |
| All States | 27432.90   | 63809.10  | 31084.50   | 77561.00  | 33391.50   | 85943.10  | 36730.00    | 97918.50  | 44513.70    | 114892.50 | 48450.00   | 129133.80 |
|            | 96-97 (AC) |           | 97-98 (AC) |           | 98-99(AC)  |           | 99-2000(RE) |           | 2000-01(BE) |           |            |           |
|            | Plan       | NonPlan   | Plan       | NonPlan   | Plan       | Non plan  | Plan        | Non Plan  | Plan        | Non Plan  |            |           |
| Andhra     | 2799.30    | 13465.50  | 4829.50    | 12915.50  | 6747.20    | 15210.20  | 6442.40     | 17900.90  | 9037.60     | 21438.90  |            |           |
| Karnataka  | 3601.30    | 8379.20   | 3395.50    | 9205.00   | 4239.50    | 10646.10  | 4440.70     | 12319.40  | 5629.20     | 14432.30  |            |           |
| Kerala     | 2089.10    | 5853.40   | 2945.60    | 6872.00   | 3067.80    | 7543.20   | 3043.00     | 9627.70   | 3374.70     | 10201.40  |            |           |
| Maharastra | 7128.40    | 17876.50  | 7356.30    | 20328.80  | 6301.40    | 24015.80  | 6798.80     | 33608.80  | 5633.60     | 31053.30  |            |           |
| Tamilnadu  | 3440.30    | 11962.00  | 3287.00    | 14046.30  | 3877.20    | 16002.50  | 4224.70     | 18058.80  | 4342.10     | 20271.60  |            |           |
| All States | 53045.60   | 149723.10 | 59260.00   | 168874.80 | 64870.60   | 201490.20 | 78156.10    | 247477.80 | 89073.50    | 261693.30 |            |           |

Source RBI and Planning Commission Various Documents

**TABLE SS - 4 : SELECT STATES  
STATEWISE DEVELOPMENT EXPENDITURE**

(Rs in Crores)

| States      | Year      |           |           |            |           |           |           |           |           |           |           |
|-------------|-----------|-----------|-----------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|             | 90-91(AC) | 91-92(AC) | 92-93(AC) | 93-94 (Ac) | 94-95(AC) | 95-96(AC) | 96-97(AC) | 97-98(AC) | 98-99(AC) | 99-00(RE) | 00-01(BE) |
| Andhra      | 4784.40   | 5609.40   | 6499.20   | 7610.50    | 8916.90   | 10163.70  | 11127.40  | 12304.60  | 14515.50  | 16065.10  | 20712.30  |
|             | (15.50)   | (17.20)   | (15.86)   | (17.10)    | (17.20)   | (13.98)   | (9.48)    | (10.60)   | (18.00)   | (10.70)   | (28.90)   |
| Karnataka   | 3533.70   | 4505.40   | 5017.10   | 5804.50    | 6193.00   | 7350.10   | 8399.30   | 8394.60   | 9980.80   | 10532.80  | 13159.00  |
|             | (16.40)   | (27.50)   | (11.36)   | (15.70)    | (6.70)    | (18.68)   | (14.28)   | (-0.1)    | (18.90)   | (5.50)    | (24.90)   |
| Kerala      | 2187.70   | 2421.80   | 2682.20   | 3167.70    | 3731.50   | 4314.80   | 4973.50   | 6293.30   | 6626.20   | 7663.60   | 8133.40   |
|             | (19.80)   | (10.70)   | (10.75)   | (18.10)    | (17.80)   | (15.63)   | (15.26)   | (26.50)   | (5.30)    | (15.70)   | (6.10)    |
| Maharashtra | 7732.50   | 8408.90   | 9778.70   | 11289.30   | 14562.80  | 15263.70  | 17627.60  | 18952.40  | 18664.50  | 25167.20  | 18654.80  |
|             | (9.00)    | (8.70)    | (16.29)   | (15.40)    | (29.00)   | (4.81)    | (15.49)   | (7.50)    | (-1.5)    | (34.80)   | (-25.9)   |
| Tamilnadu   | 4737.90   | 7421.80   | 7132.90   | 7117.50    | 8135.60   | 8559.40   | 10559.50  | 11309.90  | 12274.70  | 12938.90  | 14669.70  |
|             | (15.40)   | (56.60)   | (-3.89)   | (-0.2)     | (14.30)   | (5.21)    | (23.37)   | (7.10)    | (8.50)    | (5.40)    | (13.40)   |
| All States  | 63369.90  | 74587.70  | 80566.90  | 89387.60   | 104347.80 | 114819.40 | 132007.70 | 145268.40 | 164503.50 | 198321.80 | 208332.40 |
|             | (19.20)   | (17.70)   | (8.02)    | (10.90)    | (16.70)   | (10.04)   | (14.97)   | (10.00)   | (13.20)   | (20.60)   | (5.00)    |

Note: (1) NA denotes Not Available

(2) Figures in brackets are percentage variation over previous year

Source: Reserve Bank of India, **Finances of the State Government** various years' issues.

**TABLE - SS 5 : SELECT STATES  
NON-DEVELOPMENTAL EXPENDITURE**

(RS in Crores)

| States      | Years               |                     |                     |                     |                     |                     |                     |                     |                     |                      |                      |
|-------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
|             | 90-91(AC)           | 91-92(AC)           | 92-93(AC)           | 93-94(AC)           | 94-95(AC)           | 95-96(AC)           | 96-97(AC)           | 97-98(AC)           | 98-99(AC)           | 99-00(RE)            | 00-01(BE)            |
| Andhra      | 1540.90<br>(16.60)  | 1861.10<br>(20.80)  | 2167.20<br>(16.45)  | 2532.30<br>(16.80)  | 3179.50<br>(25.60)  | 3656.50<br>(15.00)  | 4187.60<br>(14.53)  | 4795.30<br>(14.60)  | 5695.30<br>(18.80)  | 7292.10<br>(28.00)   | 8660.60<br>(18.80)   |
| Karnataka   | 1191.60<br>(11.96)  | 1457.40<br>(22.31)  | 1745.70<br>(19.78)  | 1938.80<br>(11.10)  | 2333.90<br>(20.40)  | 2702.00<br>(15.77)  | 3146.60<br>(16.46)  | 3623.90<br>(15.20)  | 4167.10<br>(15.00)  | 5318.10<br>(27.60)   | 5852.90<br>(10.10)   |
| Kerala      | 999.00<br>(22.50)   | 1229.10<br>(23.00)  | 1349.10<br>(9.76)   | 1662.90<br>(23.30)  | 2004.10<br>(20.50)  | 2368.00<br>(18.16)  | 2661.80<br>(12.41)  | 3146.30<br>(18.20)  | 3601.00<br>(14.50)  | 4559.70<br>(26.60)   | 4957.80<br>(8.70)    |
| Maharashtra | 2667.30<br>(14.70)  | 3205.40<br>(20.20)  | 3700.50<br>(15.45)  | 4129.70<br>(11.60)  | 4962.20<br>(20.20)  | 5561.00<br>(12.07)  | 6703.60<br>(20.55)  | 7854.80<br>(17.20)  | 10629.00<br>(35.30) | 13554.70<br>(27.50)  | 16365.70<br>(20.70)  |
| Tamilnadu   | 1495.70<br>(21.80)  | 1750.90<br>(17.10)  | 2046.10<br>(16.86)  | 2513.00<br>(22.80)  | 2919.90<br>(16.20)  | 3489.80<br>(19.52)  | 4172.70<br>(19.57)  | 4785.40<br>(14.70)  | 6051.30<br>(26.50)  | 7712.20<br>(27.40)   | 8134.80<br>(5.50)    |
| All States  | 22600.30<br>(17.40) | 27142.80<br>(20.10) | 32103.80<br>(36.70) | 38019.60<br>(18.40) | 49556.00<br>(30.30) | 55379.90<br>(11.75) | 62095.40<br>(12.13) | 71766.90<br>(15.60) | 86474.40<br>(20.50) | 110137.10<br>(27.40) | 125484.30<br>(13.90) |

Note: (1) NA denotes Not Available

Aggregate Expenditure of the state includes ' Other Expenditure ' which cover items like Repayment of Loans to Centre and Discharge of Internal Debt. These are not included in the above table

(2) Figures in brackets are percentage variation over previous year

Source: Reserve Bank of India, **Finances of the State Government** various years' issues.

**TABLE SS - 6: SELECT STATES  
GROSS DEVOLUTION & TRANSFER OF RESOURCES  
FROM THE CENTRE**

(Rs in Crores)

| States      | 90-91(AC)           | 91-92(AC)           | 92-93(AC)           | 93-94(AC)           | 94-95(AC)           | 95-96(AC)          | 96-97(AC)           | 97-98(AC)           | 98-99(AC)           | 99-00(RE)            | 00-01(BE)           |
|-------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
| Andhra      | 2714.10<br>(41.30)  | 3159.00<br>(40.60)  | 3614.60<br>(40.20)  | 4566.90<br>(26.30)  | 4544.80<br>(-0.5)   | 5776.60<br>(27.10) | 6323.10<br>(38.90)  | 6993.40<br>(10.60)  | 7473.20<br>(6.90)   | 9447.40<br>(26.40)   | 11029.90<br>(16.80) |
| Karnataka   | 1502.60<br>(30.20)  | 1782.00<br>(28.70)  | 2191.00<br>(30.90)  | 2467.60<br>(12.60)  | 3052.70<br>(23.70)  | 2841.70<br>(-6.9)  | 3577.30<br>(29.90)  | 4070.30<br>(13.80)  | 4369.50<br>(7.40)   | 4864.50<br>(-0.5)    | 4688.30<br>(30.70)  |
| Kerala      | 1262.20<br>(37.30)  | 1518.50<br>(37.70)  | 1681.90<br>(38.60)  | 1849.80<br>(10.00)  | 2220.40<br>(20.00)  | 2160.80<br>(-2.7)  | 2272.70<br>(28.60)  | 2632.20<br>(15.80)  | 2860.50<br>(8.70)   | 3877.70<br>(35.60)   | 4257.00<br>(9.80)   |
| Maharashtra | 3081.10<br>(28.50)  | 3564.80<br>(29.40)  | 3538.90<br>(25.30)  | 4377.60<br>(23.70)  | 4208.60<br>(-3.9)   | 4750.70<br>(12.90) | 6789.70<br>(27.20)  | 6741.00<br>(-0.7)   | 8678.60<br>(28.70)  | 9635.20<br>(11.00)   | 9638.80<br>0.00     |
| Tamilnadu   | 2329.90<br>(35.30)  | 2782.60<br>(28.30)  | 3125.80<br>(33.00)  | 3648.70<br>(13.50)  | 4115.30<br>(12.80)  | 3578.00<br>(-13.1) | 4399.10<br>(28.60)  | 5214.30<br>(18.50)  | 5113.10<br>(-1.9)   | 6154.80<br>(20.50)   | 6741.90<br>(9.50)   |
| All States  | 40859.10<br>(44.80) | 45142.60<br>(41.60) | 51438.50<br>(43.10) | 57980.50<br>(12.70) | 64141.60<br>(10.60) | 69643.00<br>(8.60) | 81973.90<br>(40.40) | 95404.80<br>(16.40) | 103626.60<br>(8.60) | 129065.50<br>(24.50) | 139661.10<br>(8.20) |

Note : Figures in brackets are percentage vaeiation over the previous year

Source : Reports of Finance Commission , RBI and State Governments

**TABLE - SS-7 ALL STATES OUTSTANDING DEBT ON MARCH 31**

| States     | 1986     |           | 1991      |           | 1996      |           | (Rs. Crores)<br>1997 |           |
|------------|----------|-----------|-----------|-----------|-----------|-----------|----------------------|-----------|
|            | Tot Debt | % to GSDP | Tot Debt  | % to GSDP | Tot Debt  | % to GSDP | Tot Debt             | % to GSDP |
| A.P        | 3519.00  | 23.00     | 6743.00   | 19.50     | 15164.00  | 19.00     | 17220.00             | 19.00     |
| Karnataka  | 2502.00  | 21.60     | 4633.00   | 19.90     | 9893.00   | 16.90     | 11344.00             | 16.20     |
| Kerala     | 2237.00  | 29.70     | 4442.00   | 31.50     | 10114.00  | 25.60     | 11421.00             | 36.00     |
| Maharastra | 5035.00  | 17.00     | 9850.00   | 15.30     | 18280.00  | 10.70     | 21751.00             | 11.40     |
| T.N.       | 2540.00  | 16.20     | 5501.00   | 17.60     | 12552.00  | 15.90     | 14183.00             | 17.20     |
| All States | 52281.00 | 18.80     | 108203.00 | 19.00     | 212226.00 | 17.90     | 243528.00            | 17.80     |

  

|            | 1998      |           | 1999      |           | 2000      |           | 2001      |           |
|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|            | Tot Debt  | % to GSDP | Tot Debt  | % to GSDP | Tot Debt  | % to GSDP | Tot Debt  | % to GSDP |
| A.P        | 19969.00  | 20.80     | 23905.00  | 20.90     | 29992.00  |           | 37933.00  |           |
| Karnataka  | 12945.00  | 16.90     | 15444.00  | 17.10     | 18694.00  |           | 22791.00  |           |
| Kerala     | 12868.00  | 24.00     | 15700.00  | 25.00     | 19015.00  |           | 21846.00  |           |
| Maharastra | 25870.00  | 12.10     | 31176.00  | 12.40     | 39236.00  |           | 44777.00  |           |
| T.N.       | 16282.00  | 23.00     | 19582.00  | 16.70     | 23232.00  |           | 27641.00  |           |
| All States | 281209.00 | 18.50     | 341978.90 | 17.50     | 418584.00 | 19.20     | 498841.00 | 20.20     |

Note: (1) Figures of GSDP at factor cost current prices from 1993-94 are new series, while for earlier years the old 1980-81 series have been used

Blanks indicate non availability of GSDP figures

(2) For 'All States' totals are percentages of GDP at current market prices

(3) GSDP estimates for the years 1999-00, 2000-01 are not available for all the states

**TABLE SS - 8 SELECT STATES  
GROSS INTEREST PAYMENT**

(Rs. Crores)

| State      | 91-92(AC)           | 92-93(AC)           | 93-94(AC)           | 94-95(AC)           | 95-96(AC)           | 96-97(AC)           | 97-98(AC)           | 98-99(AC)           | 99-00(RE)          | 00-01(BE)           |
|------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|
| Andhra     | 695.00<br>(11.10)   | 829.90<br>(11.70)   | 1025.00<br>(12.40)  | 1256.40<br>(14.30)  | 1529.10<br>(15.50)  | 1838.80<br>(16.40)  | 2153.30<br>(15.10)  | 2643.80<br>(18.50)  | 3249.70<br>(18.60) | 3968.70<br>(18.90)  |
| Karnataka  | 514.50<br>(10.80)   | 593.70<br>(11.00)   | 718.00<br>(11.40)   | 871.40<br>(12.50)   | 1047.50<br>(12.30)  | 1208.10<br>(12.60)  | 1393.80<br>(12.40)  | 1616.60<br>(14.40)  | 2039.60<br>(15.60) | 2392.60<br>(15.40)  |
| Kerala     | 483.40<br>(16.90)   | 542.50<br>(16.30)   | 687.20<br>(17.50)   | 819.70<br>(17.60)   | 924.20<br>(17.00)   | 1103.40<br>(18.00)  | 1286.10<br>(17.90)  | 1446.30<br>(20.10)  | 1709.30<br>(19.60) | 1926.40<br>(18.90)  |
| Maharastra | 1159.60<br>(11.90)  | 1336.50<br>(12.40)  | 1510.10<br>(11.60)  | 1760.00<br>(11.70)  | 2055.40<br>(12.40)  | 2447.20<br>(12.70)  | 2903.60<br>(13.40)  | 3673.10<br>(16.90)  | 4651.10<br>(19.10) | 6047.30<br>(21.40)  |
| Tamil Nadu | 557.30<br>(8.20)    | 688.50<br>(9.80)    | 956.50<br>(11.90)   | 1089.60<br>(11.60)  | 1293.20<br>(12.20)  | 1475.60<br>(12.30)  | 1763.40<br>(12.40)  | 2121.90<br>(14.90)  | 2582.30<br>(15.70) | 2749.00<br>(14.90)  |
| All States | 10944.40<br>(13.50) | 13210.10<br>(14.50) | 15800.50<br>(15.00) | 19413.30<br>(15.90) | 21932.10<br>(16.00) | 25576.40<br>(17.70) | 30112.80<br>(17.10) | 35873.50<br>(20.30) | 4525.90<br>(21.20) | 54270.90<br>(22.20) |

Note: (1) NA denotes "Not Available"

(2) Figures in brackets are percentages of Revenue Receipts of the respective states

Source : Compiled at IIE from Reserve bank of India and Various state Documents



**TABLE SS - 9 :SELECT STATES  
NET INTEREST PAYMENT**

| State       | (Rs. Crores) |           |           |           |           |           |           |           |           |
|-------------|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|             | 92-93(AC)    | 93-94(AC) | 94-95(AC) | 95-96(AC) | 96-97(AC) | 97-98(AC) | 98-99(AC) | 99-00(RE) | 00-01(BE) |
| Andhra      | 252.00       | 319.50    | 488.00    | 811.40    | 1014.80   | 1249.80   | 1498.30   | 1915.70   | 2404.70   |
|             | (3.60)       | (3.90)    | (5.60)    | (8.20)    | (9.10)    | (9.00)    | (10.50)   | (11.00)   | (11.40)   |
| Karnataka   | 236.80       | 380.20    | 468.80    | 351.70    | 533.50    | 831.30    | 946.90    | 1379.10   | 1712.40   |
|             | (4.40)       | (6.00)    | (6.70)    | (4.10)    | (5.50)    | (7.80)    | (8.40)    | (10.50)   | (11.00)   |
| Kerala      | 519.40       | 659.60    | 781.90    | 823.90    | 1047.70   | 1232.60   | 1375.30   | 1639.20   | 1846.00   |
|             | (15.70)      | (16.80)   | (16.80)   | (15.20)   | (17.00)   | (17.30)   | (19.10)   | (18.80)   | (18.10)   |
| Maharashtra | 508.80       | 581.50    | 582.90    | 784.20    | 412.70    | 1209.50   | 2019.20   | 3459.50   | 4821.10   |
|             | (4.70)       | (4.50)    | (3.90)    | (4.70)    | (2.10)    | (6.00)    | (9.30)    | (14.20)   | (17.10)   |
| Tamil Nadu  | 477.30       | 681.30    | 810.80    | 950.40    | 1126.60   | 1277.10   | 1736.90   | 2248.60   | 2417.20   |
|             | (6.80)       | (8.40)    | (8.80)    | (9.00)    | (9.40)    | (9.40)    | (12.20)   | (13.70)   | (13.10)   |
| All States  | 9272.00      | 11075.10  | 14048.80  | 9.20      | 17405.50  | 22203.10  | 28395.60  | 36884.50  | 45303.10  |
|             | (10.20)      | (10.50)   | (11.50)   | (11.80)   | (12.00)   | (13.00)   | (16.10)   | (17.20)   | (18.50)   |

Note: (1) NA denotes "Not Available"

(2) Figures in brackets are percentages of Revenue Receipts of the respective states

Source : Compiled at IIE from Reserve bank of India and Various state Documents

**TABLE SS - 10 SELECT STATES  
GROSS LOANS FROM CENTRE**

| States      | Year      |           |           |           |           |           |
|-------------|-----------|-----------|-----------|-----------|-----------|-----------|
|             | 90-91(AC) | 91-92(AC) | 92-93(AC) | 93-94(AC) | 94-95(AC) | 95-96(AC) |
| A.P         | 790.80    | 912.60    | 1015.50   | 1500.80   | 1516.20   | 1627.60   |
|             | NA        | (15.40)   | (11.28)   | (47.80)   | (1.00)    | (7.30)    |
| Karnataka   | 459.70    | 528.00    | 669.70    | 688.90    | 1221.30   | 807.60    |
|             | NA        | (14.90)   | (26.84)   | (2.90)    | (77.30)   | (-33.9)   |
| Kerala      | 408.40    | 575.00    | 529.50    | 595.80    | 749.40    | 655.50    |
|             | NA        | (40.80)   | (-7.91)   | (12.50)   | (25.50)   | (-12.5)   |
| Maharashtra | 1296.00   | 1534.20   | 1214.50   | 1470.00   | 1476.60   | 1901.30   |
|             | NA        | (18.40)   | (-20.54)  | (21.00)   | (0.40)    | (28.80)   |
| T.N.        | 747.60    | 859.50    | 974.30    | 1087.80   | 1502.30   | 988.40    |
|             | NA        | (15.00)   | (13.36)   | (11.60)   | (38.10)   | (-34.2)   |
| All States  | 13974.30  | 13069.00  | 13099.60  | 14409.70  | 19252.50  | 19599.50  |
|             | NA        | (-6.5)    | (0.23)    | (10.00)   | (33.60)   | (1.80)    |
|             | 96-97(AC) | 97-98(AC) | 98-99(AC) | 99-00(RE) | 00-01(BE) |           |
| A.P         | 1636.40   | 2054.00   | 3022.10   | 3534.10   | 3726.00   |           |
|             | (10.10)   | (25.50)   | (47.10)   | (16.90)   | (5.40)    |           |
| Karnataka   | 1065.30   | 1133.20   | 1552.00   | 757.10    | 1227.10   |           |
|             | (8.90)    | (6.40)    | (37.00)   | (-51.2)   | (62.10)   |           |
| Kerala      | 539.90    | 567.10    | 869.60    | 1273.00   | 1357.10   |           |
|             | (6.80)    | (5.00)    | (53.30)   | (46.40)   | (6.60)    |           |
| Maharashtra | 3004.30   | 3784.60   | 4716.60   | 5257.30   | 4789.30   |           |
|             | (12.00)   | (26.00)   | (24.60)   | (11.50)   | (-8.9)    |           |
| T.N.        | 1306.70   | 1434.80   | 1634.30   | 2071.00   | 2291.50   |           |
|             | (8.50)    | (9.80)    | (13.90)   | (26.70)   | (10.60)   |           |
| All States  | 23781.70  | 30770.90  | 40342.00  | 49526.70  | 51892.60  |           |
|             | (11.70)   | (29.40)   | (31.10)   | (22.80)   | (4.80)    |           |

Note: (1) Figures in brackets represents percentage variation over previous year

(2) NA denotes Not Available

Source: Reserve Bank of India, **Finances of the State Government** various years' issues.

**Table SS- 11 : SELECT STATES**  
**State wise Decomposition of GFD**

| States      | 1991-92(AC) |          |             |          | 1992-93(AC) |          |             |          |
|-------------|-------------|----------|-------------|----------|-------------|----------|-------------|----------|
|             | Rev DEF     | Capital  | Net lending | GFD      | Rev DEF     | Capital  | Net lending | GFD      |
|             |             | Outlay   |             |          |             | Outlay   |             |          |
| (Rs.Crores) |             |          |             |          |             |          |             |          |
| Andhra      | 169.6       | 419.2    | 536.5       | 1125.30  | 123.80      | 803.00   | 642.50      | 1569.30  |
|             | (15.10)     | (37.10)  | (47.10)     |          | (7.90)      | (51.20)  | (40.90)     |          |
| Karnataka   | 178.70      | 785.90   | -46.80      | 917.80   | 170.00      | 786.60   | 429.40      | 1386.00  |
|             | (19.50)     | (85.60)  | (-5.1)      |          | (12.30)     | (56.80)  | (31.00)     |          |
| Kerala      | 364.30      | 286.10   | 153.00      | 803.40   | 337.40      | 277.90   | 116.70      | 732.00   |
|             | (45.30)     | (35.60)  | (19.00)     |          | (46.10)     | (38.00)  | (15.90)     |          |
| Maharastra  | 276.10      | 973.20   | 407.60      | 1656.90  | 728.50      | 1380.00  | 477.10      | 2585.60  |
|             | (16.70)     | (58.70)  | (24.60)     |          | (2.80)      | (28.20)  | (53.40)     |          |
| Tamilnadu   | 1903.90     | 279.10   | -883.10     | 1299.90  | 1526.20     | 322.40   | -99.50      | 1749.10  |
|             | (146.50)    | (21.50)  | (-67.5)     |          | (87.30)     | (18.40)  | (-5.7)      |          |
| All States  | 5650.70     | 10095.70 | 3153.70     | 18900.10 | 5114.10     | 10654.60 | 5122.60     | 20891.30 |
|             | (29.90)     | (53.40)  | (16.70)     |          | (24.50)     | (51.00)  | (24.50)     |          |
| States      | 1993-94(AC) |          |             |          | 1994-95(AC) |          |             |          |
|             | Rev DEF     | Capital  | Net lending | GFD      | Rev DEF     | Capital  | Net lending | GFD      |
|             |             | Outlay   |             |          |             | Outlay   |             |          |
| (Rs.Crores) |             |          |             |          |             |          |             |          |
| Andhra      | -232.30     | 1366.00  | 699.50      | 1833.20  | 727.80      | 1921.60  | (300.90)    | 2348.50  |
|             | (-12.7)     | (74.50)  | (38.20)     |          | (31.00)     | (81.80)  | (-12.8)     |          |
| Karnataka   | -116.40     | 1187.90  | 182.50      | 1254.00  | 296.20      | 1136.80  | 79.90       | 1512.90  |
|             | (-9.3)      | (94.70)  | (14.60)     |          | (19.60)     | (75.10)  | (5.30)      |          |
| Kerala      | 371.30      | 363.30   | 200.60      | 935.20   | 399.90      | 446.00   | 262.80      | 1108.70  |
|             | (39.70)     | (38.80)  | (21.40)     |          | (36.10)     | (40.20)  | (23.70)     |          |
| Maharastra  | 121.90      | 1674.60  | 468.80      | 2265.30  | 277.30      | 3795.70  | (657.00)    | 2861.40  |
|             | (5.40)      | (73.90)  | (20.70)     |          | (-9.7)      | (132.70) | (-23.0)     |          |
| Tamilnadu   | 691.90      | 550.50   | 115.20      | 1357.60  | 415.60      | 679.90   | 400.90      | 1496.20  |
|             | (51.00)     | (40.50)  | (8.50)      |          | (27.80)     | (45.40)  | (26.80)     |          |
| All States  | 3812.50     | 12450.20 | 4333.30     | 20596.00 | 6156.20     | 17351.00 | 4189.70     | 27696.90 |
|             | (18.50)     | (60.50)  | (21.00)     |          | (22.20)     | (62.60)  | (15.20)     |          |
| States      | 1995-96(AC) |          |             |          | 1996-97(AC) |          |             |          |
|             | Rev DEF     | Capital  | Net lending | GFD      | Rev DEF     | Capital  | Net lending | GFD      |
|             |             | Outlay   |             |          |             | Outlay   |             |          |
| (Rs.Crores) |             |          |             |          |             |          |             |          |
| Andhra      | 738.8       | 2422.2   | (744.2)     | 2416.8   | 3199.1      | 131.4    | -518.9      | 28115.5  |
|             | (30.6)      | (100.2)  | (-30.8)     |          | (113.80)    | (4.70)   | (-18.5)     |          |
| Karnataka   | -62.2       | 1240.5   | 278.5       | 1456.80  | 578.90      | 1152.00  | 213.2       | 1944.00  |
|             | (-4.3)      | (85.1)   | (19.1)      |          | (29.80)     | (59.30)  | (11.00)     |          |
| Kerala      | 402.8       | 563.5    | 336.4       | 1302.70  | 643.00      | 622.50   | 276.90      | 1542.50  |
|             | (30.9)      | (43.3)   | (25.8)      |          | (41.70)     | (40.40)  | (18.00)     |          |
| Maharastra  | 609.1       | 2703.5   | 838.2       | 4150.80  | 1590.60     | 2719.90  | 643.30      | 4953.70  |
|             | (14.7)      | (65.1)   | (20.2)      |          | (32.10)     | (54.90)  | (13.00)     |          |
| Tamilnadu   | 311.3       | 590.9    | 353.7       | 1255.9   | 1103.60     | 919.60   | 421.70      | 2445.00  |
|             | (24.8)      | (47.0)   | (28.2)      |          | (45.10)     | (37.60)  | (17.20)     |          |
| All States  | 8200.50     | 18494.80 | 4730.40     | 31425.80 | 16113.50    | 17539.70 | 3791.30     | 37251.30 |
|             | (26.10)     | (58.90)  | (15.10)     |          | (43.30)     | (47.10)  | (10.20)     |          |

**Table SS- 11 : SELECT STATES**  
**State wise Decomposition of GFD**

|            | 1997-98(AC) |          |             |          | 1998-99(AC) |             |             |          |
|------------|-------------|----------|-------------|----------|-------------|-------------|-------------|----------|
|            | Rev DEF     | Capital  |             | GFD      | Rev DEF     | Capital     |             | GFD      |
|            |             | Outlay   | Net lending |          |             | Outlay      | Net lending |          |
|            |             |          |             |          |             |             |             |          |
|            |             |          |             |          |             | (Rs.Crores) |             |          |
|            |             |          |             |          |             |             |             |          |
| Andhra     | 703.20      | 1086.00  | 638.60      | 2437.80  | 2684.10     | 1385.20     | 1636.30     | 5705.60  |
|            | (29.00)     | (44.70)  | (26.30)     |          | (47.00)     | (24.30)     | (28.70)     |          |
| Karnataka  | 276.80      | 1210.00  | 123.10      | 1609.80  | 1215.20     | 1744.20     | 152.70      | 3112.10  |
|            | (17.20)     | (75.20)  | (7.60)      |          | (39.00)     | (56.00)     | (4.90)      |          |
| Kerala     | 1122.90     | 738.90   | 552.10      | 2413.90  | 2030.00     | 651.60      | 330.60      | 3012.20  |
|            | (46.50)     | (30.60)  | (22.90)     |          | (67.40)     | (21.60)     | (11.00)     |          |
| Maharastra | 2579.90     | 3211.80  | 650.50      | 187.50   | 3925.90     | 3192.50     | 343.90      | 74624.40 |
|            | (40.00)     | (49.90)  | (10.10)     |          | (52.60)     | (42.80)     | (4.60)      |          |
| Tamilnadu  | 1363.90     | 1467.80  | (710.00)    | 2121.70  | 3436.60     | 1153.30     | 187.20      | 4777.10  |
|            | (64.30)     | (69.20)  | (-33.5)     |          | (71.90)     | (24.10)     | (3.90)      |          |
| All States | 16332.90    | 22802.00 | 5065.00     | 44199.90 | 43641.80    | 23072.30    | 8044.60     | 74253.80 |
|            | (37.00)     | (51.60)  | (11.60)     |          | (58.80)     | (31.10)     | (10.80)     |          |

|            | 1999-2000(RE) |          |             |          | 2000-2001(BE) |             |             |          |
|------------|---------------|----------|-------------|----------|---------------|-------------|-------------|----------|
|            | Rev DEF       | Capital  |             | GFD      | Rev DEF       | Capital     |             | GFD      |
|            |               | Outlay   | Net lending |          |               | Outlay      | Net lending |          |
|            |               |          |             |          |               |             |             |          |
|            |               |          |             |          |               | (Rs.Crores) |             |          |
|            |               |          |             |          |               |             |             |          |
| Andhra     | 2724.60       | 2420.60  | 847.90      | 5993.10  | 3840.90       | 3417.70     | 1201.00     | 8459.60  |
|            | (45.50)       | (40.40)  | (14.10)     |          | (45.40)       | (40.40)     | (14.20)     |          |
| Karnataka  | 1573.20       | 1388.50  | 59.00       | 3020.70  | 1582.30       | 1974.50     | 254.90      | 3811.70  |
|            | (52.10)       | (46.00)  | (2.00)      |          | (41.50)       | (51.80)     | (6.70)      |          |
| Kerala     | 2481.30       | 765.40   | 263.60      | 3510..3  | 1950.30       | 758.50      | 214.40      | 2923.20  |
|            | (70.70)       | (21.80)  | (7.50)      |          | (66.70)       | (25.90)     | (7.30)      |          |
| Maharastra | 9484.00       | 3977.10  | 452.20      | 13913.30 | 3607.30       | 3071.30     | 351.20      | 7029.80  |
|            | (68.20)       | (28.60)  | (3.30)      |          | (51.30)       | (43.70)     | (5.00)      |          |
| Tamilnadu  | 3700.70       | 835.90   | 439.30      | 4975.00  | 3158.70       | 2006.00     | 117.90      | 5282.60  |
|            | (74.40)       | (16.80)  | (8.80)      |          | (59.80)       | (38.00)     | (2.20)      |          |
| All States | 56801.60      | 28733.80 | 9203.10     | 94738.50 | 45702.30      | 35088.20    | 9701.50     | 90092.00 |
|            | (60.00)       | (30.30)  | (9.70)      |          | (50.70)       | (38.90)     | (10.80)     |          |

Note : Figures in Brackets denote Percentage to GFD

Source : Reserve bank of India , Various state Documents

**TABLE - SS -12 : SELECT STATES  
FINANCING OF GFD**

| States     | 91-92(AC)  |                    |                      |                    | 92-93(AC)  |                     |                      |                     |
|------------|------------|--------------------|----------------------|--------------------|------------|---------------------|----------------------|---------------------|
|            | GFD        | Loans from Centre  | Market Borrowing (N) | Others             | GFD        | Loans from Centre   | Market Borrowing (N) | Others              |
| Andhra     | 1125.30    | 688.60<br>(61.20)  | 528.10<br>(46.90)    | -19.30<br>(-8.1)   | 1569.30    | 796.10<br>(50.70)   | 793.10<br>(5.50)     | -19.90<br>(-1.3)    |
| Karnataka  | 917.80     | 371.00<br>(40.40)  | 577.80<br>(63.00)    | -31.00<br>(-3.4)   | 1386.00    | 489.20<br>(35.30)   | 523.60<br>(37.80)    | 373.30<br>(26.90)   |
| Kerala     | 803.40     | 269.10<br>(33.50)  | 461.80<br>(57.50)    | 72.50<br>(9.00)    | 732.00     | 286.20<br>(39.10)   | 535.90<br>(73.20)    | -90.10<br>(-12.3)   |
| Maharastra | 1656.90    | 1215.50<br>(73.40) | 1363.50<br>(82.30)   | -922.10<br>(-55.7) | 2585.60    | 858.70<br>(33.20)   | 1012.70<br>(39.20)   | 714.20<br>(27.60)   |
| Tamilnadu  | 1299.90    | 643.20<br>(49.50)  | 436.30<br>(33.60)    | 220.40<br>(17.00)  | 1749.10    | 745.30<br>(42.60)   | 1113.90<br>(63.70)   | -110.10<br>(-6.3)   |
| All States | 18900.10   | 9373.50<br>(49.60) | 9370.70<br>(49.60)   | 155.90<br>(0.80)   | 20891.30   | 8921.30<br>(42.70)  | 13799.40<br>(66.10)  | -1829.40<br>(-8.8)  |
| States     | 93-94(AC)  |                    |                      |                    | 94-95(AC)  |                     |                      |                     |
|            | GFD        | Loans from Centre  | Market Borrowing (N) | Others             | GFD        | Loans from Centre   | Market Borrowing (N) | Others              |
| Andhra     | 1833.20    | 1241.60<br>(67.70) | 336.50<br>(18.40)    | 255.10<br>(13.90)  | 2348.50    | 1247.90<br>(53.10)  | 436.60<br>(18.60)    | 664.00<br>(28.30)   |
| Karnataka  | 1254.00    | 504.30<br>(40.20)  | 154.10<br>(12.30)    | 595.60<br>(47.50)  | 1512.90    | 1052.10<br>(69.50)  | 181.70<br>(12.00)    | 279.10<br>(18.40)   |
| Kerala     | 935.20     | 393.20<br>(42.00)  | 193.20<br>(20.70)    | 348.80<br>(37.30)  | 1108.70    | 611.80<br>(55.20)   | 295.40<br>(26.60)    | 201.50<br>(18.20)   |
| Maharastra | 2265.30    | 1079.60<br>(1.50)  | 187.80<br>(14.70)    | 997.90<br>(83.80)  | 2861.40    | 1060.40<br>(9.00)   | 384.40<br>(22.40)    | 1416.60<br>(68.60)  |
| Tamilnadu  | 1357.60    | 841.00<br>(61.90)  | 275.20<br>(20.30)    | 241.40<br>(17.80)  | 1496.40    | 1277.70<br>(85.40)  | 349.40<br>(23.30)    | (130.70)<br>(-8.7)  |
| All States | 20596.00   | 9532.80<br>(46.30) | 3620.40<br>(17.60)   | 7442.80<br>(36.10) |            | 14760.10<br>(53.30) | 4074.80<br>(14.70)   | 88620.00<br>(32.00) |
| States     | 95-96 (AC) |                    |                      |                    | 96-97 (AC) |                     |                      |                     |
|            | GFD        | Loans from Centre  | Market Borrowing (N) | Others             | GFD        | Loans from Centre   | Market Borrowing (N) | Others              |
| Andhra     | 2416.8     | 1333.6<br>(52.20)  | 470.5<br>(19.50)     | 612.8<br>(-25.4)   | 28115.5    | 808.4<br>(28.80)    | 529.5<br>(18.80)     | 1473.7<br>(52.40)   |
| Karnataka  | 1456.8     | 613.90<br>(42.10)  | 212.10<br>(14.60)    | 630.80<br>(43.30)  | 1944.00    | 844.50<br>(43.40)   | 232.70<br>(12.00)    | 866.80<br>(44.60)   |
| Kerala     | 1302.7     | 512.20<br>(39.30)  | 345.60<br>(26.50)    | 444.90<br>(34.20)  | 1542.50    | 374.30<br>(24.30)   | 380.20<br>(24.60)    | 788.00<br>(51.10)   |
| Maharastra | 4150.8     | 1440.00<br>(34.70) | 420.50<br>(10.10)    | 2290.30<br>(55.20) | 4953.70    | 1440.00<br>(34.70)  | 420.50<br>(10.10)    | 2290.30<br>(55.20)  |
| Tamilnadu  | 1255.9     | 738.90<br>(58.80)  | 403.40<br>(32.10)    | 113.60<br>(9.00)   | 2445.00    | 992.80<br>(40.60)   | 443.70<br>(18.10)    | 1008.40<br>(41.20)  |
| All States | 31425.8    | 14800.90           | 5887.80              | 10737.00           | 37251.30   | 17547.40            | 6515.10              | 13188.80            |

(47.10) (18.70) (34.20) (41.80) (14.10) (35.40)

**TABLE - SS -12 : SELECT STATES  
FINANCING OF GFD**

|             | 97-98 (AC) |                     |                      |                     | 98-99(AC) |                     |                      |                     |
|-------------|------------|---------------------|----------------------|---------------------|-----------|---------------------|----------------------|---------------------|
|             | GFD        | Loans from Centre   | Market Borrowing (N) | Others              | GFD       | Loans from Centre   | Market Borrowing (N) | Others              |
| Andhra      | 2427.80    | 1575.60<br>(64.90)  | 648.20<br>(26.70)    | 204.10<br>(8.40)    | 5705.60   | 1881.80<br>(33.00)  | 1344.80<br>(23.60)   | 2478.90<br>(43.40)  |
| Karnataka   | 1609.80    | 876.90<br>(54.50)   | 257.00<br>(16.00)    | 476.00<br>(29.60)   | 3112.10   | 1253.60<br>(40.30)  | 625.30<br>(20.10)    | 1233.10<br>(39.60)  |
| Kerala      | 2413.90    | 378.00<br>(15.70)   | 418.10<br>(17.30)    | 1617.90<br>(67.00)  | 312.20    | 657.60<br>(21.80)   | 510.10<br>(16.90)    | 1844.50<br>(61.20)  |
| Maharashtra | 6442.20    | 3136.70<br>(48.70)  | 519.30<br>(8.10)     | 2786.20<br>(43.20)  | 7462.40   | 3984.60<br>(53.40)  | 616.90<br>(8.30)     | 2860.90<br>(38.30)  |
| Tamilnadu   | 2121.70    | 1088.00<br>(51.30)  | 490.20<br>(23.10)    | 543.60<br>(25.60)   | 4777.10   | 1225.10<br>(25.60)  | 544.30<br>(11.40)    | 3007.70<br>(63.00)  |
| All States  | 44199.90   | 23676.50<br>(53.60) | 7280.10<br>(16.50)   | 13243.30<br>(30.00) | 74253.80  | 31057.00<br>(41.80) | 10467.20<br>(14.10)  | 32729.60<br>(44.10) |

  

| States      | 1999-2000(AC) |                     |                      |                     | 2000-2001(BE) |                     |                      |                     |
|-------------|---------------|---------------------|----------------------|---------------------|---------------|---------------------|----------------------|---------------------|
|             | GFD           | Loans from Centre   | Market Borrowing (N) | Others              | GFD           | Loans from Centre   | Market Borrowing (N) | Others              |
| Andhra      | 5993.10       | 2960.40<br>(49.40)  | 1698.70<br>(28.30)   | 1334.00<br>(22.30)  | 8459.60       | 2994.80<br>(35.40)  | 1698.70<br>(20.10)   | 3766.10<br>(44.50)  |
| Karnataka   | 3020.70       | 413.30<br>(13.70)   | 799.60<br>(26.50)    | 1807.80<br>(59.80)  | 3811.70       | 806.30<br>(21.20)   | 825.20<br>(21.60)    | 2180.30<br>(57.20)  |
| Kerala      | 3510.30       | 1026.90<br>(29.30)  | 540.00<br>(15.40)    | 1943.50<br>(55.40)  | 2923.20       | 1068.90<br>(36.60)  | 565.00<br>(19.30)    | 1289.30<br>(44.10)  |
| Maharashtra | 13913.30      | 4439.70<br>(31.90)  | 698.90<br>(5.00)     | 8774.70<br>(63.10)  | 7029.80       | 3920.60<br>(55.80)  | 768.70<br>(10.90)    | 2340.60<br>(33.30)  |
| Tamilnadu   | 4975.90       | 1593.70<br>(32.00)  | 599.90<br>(12.10)    | 2782.20<br>(55.90)  | 5282.60       | 1806.10<br>(34.20)  | 599.90<br>(11.40)    | 2876.60<br>(54.50)  |
| All States  | 94738.50      | 38879.10<br>(42.10) | 11825.70<br>(12.50)  | 43030.79<br>(45.40) | 90092.00      | 42158.90<br>(46.80) | 11670.80<br>(13.00)  | 32262.30<br>(40.30) |

Note : Figure in Brackets are Percentages to GFD  
Source Compiled from RBI and State Government Documents

## REVENUE ACCOUNT

### TABLE - DET 1 PLAN , NON PLAN - ITEMS OF EXPENDITURE - MAHARASHTRA

| Expenditure Items                          | Plan          | 1991-92(Accounts) |                |
|--|---------------|-------------------|----------------|
|  |               | Non Plan          | Total          |
| <b>Total Expenditure (I+II+III+IV)</b>     | <b>143697</b> | <b>861175</b>     | <b>1004872</b> |
| <b>I. Developmental Exp (A+B)</b>          | <b>143245</b> | <b>538740</b>     | <b>681985</b>  |
| <b>A.Social Services (1to 11)</b>          | <b>59427</b>  | <b>300798</b>     | <b>360225</b>  |
| <b>(1) Edu, Sports, Arts &amp; Culture</b> | <b>10996</b>  | <b>198703</b>     | <b>209699</b>  |
| (2) Medical & Pub health & Famly Welfare   | 14214         | 38524             | 52738          |
| <b>(3) Water supply &amp; sanitation</b>   | <b>18718</b>  | <b>38524</b>      | <b>52738</b>   |
| (4) Housing                                | 1214          | 9132              | 10346          |
| (5) Urban Development                      | 4359          | 6962              | 11321          |
| (6) Welfare of SC/ST/BC                    | 5357          | 12402             | 17759          |
| (7) Labour & Labour Welfare                | 2039          | 4745              | 6784           |
| (8) Social Security & Welfare              | 1442          | 10986             | 12428          |
| (9) Nutrition                              | 976           | 4826              | 5802           |
| (10) Relief on acct of natural calamities  | 0             | 10951             | 10951          |
| (11) Others*                               | 112           | 1888              | 2000           |
| <b>B. Economic Services (1 to 9)</b>       | <b>83818</b>  | <b>237942</b>     | <b>321760</b>  |
| (1) Agri & allied activities (i to xii)    | 12909         | 81559             | 94468          |
| (i) Crop Husbandary                        | 4042          | 8209              | 12251          |
| (ii) Soil & Water Conservation             | 2961          | 781               | 3742           |
| (iii) Animal Husbandary                    | 695           | 5337              | 6032           |
| (iv) Dairy Development                     | 81            | 39112             | 39193          |
| (v) Fisheries                              | 490           | 531               | 1021           |
| (vi) Forestry & Wild life                  | 3055          | 13441             | 16496          |
| (vii) Plantations                          | 0             | 0                 | 0              |
| (viii) Food storage & welfare housing      | 0             | 3005              | 3005           |
| (ix) Agri Research & Education             | 652           | 5889              | 6541           |
| (x) Agri Fin. Institution                  | 0             | 0                 | 0              |
| (xi) Co-operation                          | 933           | 5254              | 6187           |
| (xii) Other Agri Prog                      | 0             | 0                 | 0              |
| (2) Rural Development                      | 49453         | 29365             | 78818          |
| (3) Special Area Prog                      | 1816          | 7                 | 1867           |
| <b>(4) Irrigation &amp; Flood control</b>  | <b>8939</b>   | <b>61931</b>      | <b>70870</b>   |
| (5) Energy                                 | 1704          | 29253             | 30957          |
| of which : power                           | 256           | 29253             | 29509          |
| (6) Industry & Mineral (i to iii)          | 7508          | 1171              | 8679           |
| (i) Village & Small Industries             | 3167          | 658               | 3825           |
| (ii) Industries @                          | 4341          | 513               | 4854           |
| (iii) others**                             | 0             | 0                 | 0              |

## REVENUE ACCOUNT

### TABLE - DET 1 PLAN , NON PLAN - ITEMS OF EXPENDITURE - MAHARASHTRA

| Expenditure Items  | Plan       | 1991-92(Accounts) |               |
|--|------------|-------------------|---------------|
|  |            | Non Plan          | Total         |
| <b>(7) Transport &amp; Communication (i+ii)</b>          | <b>880</b> | <b>32348</b>      | <b>33228</b>  |
| <b>(i) Road &amp; Bridges</b>                            | <b>880</b> | <b>31704</b>      | <b>32584</b>  |
| (ii) others @@   | 0          | 644               | 644           |
| (8) Science, Technology & Environment                    | 50         | 181               | 231           |
| (9) General Economic Services (i to iv)                  | 515        | 2127              | 2642          |
| (i) Secretariat economic services                        | 85         | 1353              | 1438          |
| (ii) Tourism   | 397        | 21                | 418           |
| (iii) Civil supplies                                     | 12         | 2                 | 14            |
| (iv) Others +  | 21         | 751               | 772           |
| <b>(II) Non-Development Expenditure</b>                  |            |                   |               |
| <b>General services (A to F)</b>                         | <b>452</b> | <b>317688</b>     | <b>318140</b> |
| (A) Organs of State                                      | 0          | 10255             | 10255         |
| (B) Fiscal Services (i to iii)                           | 95         | 32299             | 32394         |
| (i) Collection of Taxes & Duties                         | 95         | 15796             | 15891         |
| (ii) Transfer to Road fund, edn. Cess fund etc           | 0          | 15916             | 15916         |
| (iii) Other fiscal services                              | 0          | 587               | 587           |
| <b>(C) Interest payment &amp; Securing of Debt (1+2)</b> | <b>0</b>   | <b>141739</b>     | <b>141739</b> |
| (1) Appropriation for reduction or avoidance of debt     |            |                   |               |
| (2) Interest payments (i to iv)                          | 0          | 25784             | 25784         |
| (i) Interest on loan from Centre                         | 0          | 115955            | 115955        |
| (ii) Interest on internal debt of which:                 | 0          | 83645             | 83645         |
| interest on Market loan                                  | 0          | 10927             | 10927         |
| (iii) Interest on small saving, P.F etc                  | 0          | 8004              | 8004          |
| (iv) Others  | 0          | 21383             | 21383         |
| <b>(D) Administrative Services (i to v)</b>              | <b>357</b> | <b>97359</b>      | <b>97716</b>  |
| (i) Secretarial General Services                         | 0          | 1956              | 1956          |
| (ii) Dist Administration                                 | 2          | 22425             | 22427         |
| <b>(iii) Police</b>                                      | <b>0</b>   | <b>49069</b>      | <b>49069</b>  |
| (iv) Publications  | 221        | 14693             | 14914         |
| (v) Others   | 134        | 9216              | 9350          |
| <b>E.Pensions</b>  | <b>0</b>   | <b>32235</b>      | <b>32235</b>  |
| F. Miscellaneous General Services of which:              | 0          | 3801              | 3801          |
| Payment on acct of state Lotteries                       | 0          | 3605              | 3605          |
| III. Compensation & Assignment to local bodies & PRIs    | 0          | 4747              | 4747          |
| (iv) Reserve with Finance Dept                           | 0          | 0                 | 0             |



**REVENUE ACCOUNT**  
**TABLE - DET 2 PLAN , NON PLAN - ITEMS OF EXPENDITURE - ANDHRA PRADESH**

| Expenditure Items                          | 1991-92 (Accts) |               |               |
|--|-----------------|---------------|---------------|
|  | Plan            | Non Plan      | Total         |
| <b>Total Expenditure (I+II+III+IV)</b>     | <b>107778</b>   | <b>537378</b> | <b>645156</b> |
| <b>I. Developmental Exp (A+B)</b>          | <b>106649</b>   | <b>350620</b> | <b>457269</b> |
| <b>A.Social Services (1to 11)</b>          | <b>53951</b>    | <b>180734</b> | <b>234685</b> |
| <b>(1) Edu, Sports, Arts &amp; Culture</b> | <b>7248</b>     | <b>107730</b> | <b>114978</b> |
| (2) Medical & Pub health & Family Welfare  | 10238           | 27288         | 37526         |
| <b>(3) Water supply &amp; sanitation</b>   | <b>10493</b>    | <b>1330</b>   | <b>11823</b>  |
| (4) Housing                                | 367             | 798           | 1165          |
| (5) Urban Development                      | 4008            | 1634          | 5642          |
| (6) Welfare of SC/ST/BC                    | 15044           | 26499         | 41543         |
| (7) Labour & Labour Welfare                | 1505            | 2181          | 3686          |
| (8) Social Security & Welfare              | 3849            | 5259          | 9108          |
| (9) Nutrition                              | 1002            | 600           | 1602          |
| (10) Relief on acct of natural calamities  | 24              | 5893          | 5917          |
| (11) Others                                | 173             | 1522          | 1695          |
| <b>B. Economic Services (1 to 9)</b>       | <b>52698</b>    | <b>169886</b> | <b>222584</b> |
| (1) Agri & allied activities (i to xii)    | 10441           | 28401         | 38842         |
| (i) Crop Husbandary                        | 6276            | 3931          | 10207         |
| (ii) Soil & Water Conservation             | 997             | 705           | 1702          |
| (iii) Animal Husbandary                    | 459             | 4484          | 4943          |
| (iv) Dairy Development                     | 0               | 51            | 51            |
| (v) Fisheries                              | 514             | 494           | 1008          |
| (vi) Forestry & Wild life                  | 1564            | 4425          | 5989          |
| (vii) Plantations                          | 0               | 0             | 0             |
| (viii) Food storage & welfare housing      | 46              | 3             | 49            |
| (ix) Agri Research & Education             | 400             | 2752          | 3152          |
| (x) Agri Fin. Institution                  | 0               | 0             | 0             |
| (xi) Co-operation                          | 73              | 11400         | 11473         |
| (xii) Other Agri Prog                      | 112             | 156           | 268           |
| (2) Rural Development                      | 31997           | 22853         | 54850         |
| (3) Special Area Prog                      | 0               | 0             | 0             |
| <b>(4) Irrigation &amp; Flood control</b>  | <b>2651</b>     | <b>41169</b>  | <b>43820</b>  |
| (5) Energy of which : power                | 0               | 22991         | 22991         |
| (6) Industry & Mineral (i to iii)          | 6638            | 2521          | 9152          |
| (i) Village & Small Industries             | 6229            | 1096          | 7325          |
| (ii) Industries @                          | 409             | 1425          | 1834          |
| (iii) others**                             | 0               | 0             | 0             |

## REVENUE ACCOUNT

### TABLE - DET 2 PLAN , NON PLAN - ITEMS OF EXPENDITURE - ANDHRA PRADESH

1991-92 (Accts)

| Expenditure Items  | Plan        | Non Plan      | Total         |
|--|-------------|---------------|---------------|
| <b>(7) Transport &amp; Communication (i+ii)</b>                      | <b>203</b>  | <b>14186</b>  | <b>14389</b>  |
| <b>(i) Road &amp; Bridges</b>  | <b>72</b>   | <b>13763</b>  | <b>13835</b>  |
| (ii) others @@   | 131         | 423           | 554           |
| (8) Science, Technology & Environment                                | 123         | 101           | 224           |
| <b>(9) General Economic Services (i to iv)</b>                       | <b>577</b>  | <b>37629</b>  | <b>38206</b>  |
| (i) Secretariat economic services                                    | 226         | 655           | 881           |
| (ii) Tourism   | 27          | 83            | 110           |
| (iii) Civil supplies   | 12          | 36000         | 36012         |
| (iv) Others +  | 312         | 891           | 1203          |
| <b>(II) Non-Development Expenditure</b>                              |             |               |               |
| <b>General services (A to F)</b>                                     | <b>1129</b> | <b>181787</b> | <b>182916</b> |
| (A) Organs of State  | 0           | 7521          | 7521          |
| (B) Fiscal Services (i to iii)                                       | 984         | 12699         | 13683         |
| (i) Collection of Taxes & Duties                                     | 984         | 12296         | 13280         |
| (ii) Transfer to Road fund, edn. Cess fund etc                       | 0           | 403           | 403           |
| (iii) Other fiscal services  | 0           | 0             | 0             |
| <b>(C) Interest payment &amp; Securing of Debt (1+2)</b>             | <b>0</b>    | <b>69499</b>  | <b>69499</b>  |
| (1) Appropriation for reduction or avoidance of debt                 | 0           | 4             | 4             |
| (2) Interest payments (i to iv)                                      | 0           | 69495         | 69495         |
| (i) Interest on loan from Centre                                     | 0           | 40062         | 40062         |
| (ii) Interest on internal debt of which:                             | 0           | 19079         | 19079         |
| interest on Market loan  | 0           | 17345         | 17345         |
| (iii) Interest on small saving, P.F etc                              | 0           | 10293         | 10293         |
| (iv) Others  | 0           | 61            | 61            |
| <b>(D) Administrative Services (i to v)</b>                          | <b>145</b>  | <b>50959</b>  | <b>51104</b>  |
| (i) Secretarial General Services                                     | 65          | 1471          | 1536          |
| (ii) Dist Administration   | 1           | 9063          | 9064          |
| <b>(iii) Police</b>  | <b>0</b>    | <b>29105</b>  | <b>29105</b>  |
| (iv) Publications  | 0           | 2578          | 2578          |
| (v) Others   | 79          | 8742          | 8821          |
| <b>E.Pensions</b>  | <b>0</b>    | <b>41095</b>  | <b>41095</b>  |
| F. Miscellaneous Genereal Services of which:                         | 0           | 14            | 14            |
| Payment on acct of state Lotteries                                   | 0           | 0             | 0             |
| <b>III. Compensation &amp; Assignment to local bodies &amp; PRIs</b> | <b>0</b>    | <b>4971</b>   | <b>4971</b>   |
| (iv) Reserve with Finance Dept                                       | 0           | 0             | 0             |

## REVENUE ACCOUNT

### TABLE - DET 3 PLAN , NON PLAN - ITEMS OF EXPENDITURE - KARNATAKA STATE

(Rs. Lakhs)

| Expenditure Items                          | 1991-92 (Accounts) |               |               |
|--|--------------------|---------------|---------------|
|  | Plan               | Non Plan      | Total         |
| <b>Total Expenditure (I+II+III+IV)</b>     | <b>102809</b>      | <b>392603</b> | <b>495412</b> |
| <b>I. Developmental Exp (A+B)</b>          | <b>102299</b>      | <b>239124</b> | <b>341423</b> |
| <b>A.Social Services (1to 11)</b>          | <b>43903</b>       | <b>145381</b> | <b>189284</b> |
| <b>(1) Edu, Sports, Arts &amp; Culture</b> | <b>10621</b>       | <b>85518</b>  | <b>96139</b>  |
| (2) Medical & Pub health & Family Welfare  | 8977               | 20560         | 29537         |
| (3) Water supply & sanitation              | 6419               | 1681          | 8100          |
| (4) Housing                                | 4453               | 687           | 5140          |
| (5) Urban Development                      | 784                | 3169          | 3953          |
| (6) Welfare of SC/ST/BC                    | 7253               | 5981          | 13234         |
| (7) Labour & Labour Welfare                | 1145               | 1369          | 2514          |
| (8) Social Security & Welfare              | 2839               | 10538         | 13377         |
| (9) Nutrition                              | 841                | 6950          | 7761          |
| (10) Relief on acct of natural calamities  | 0                  | 7261          | 7261          |
| (11) Others                                | 571                | 1667          | 2238          |
| <b>B. Economic Services (1 to 9)</b>       | <b>58396</b>       | <b>93743</b>  | <b>152139</b> |
| (1) Agri & allied activities (i to xii)    | 15009              | 22292         | 37301         |
| (i) Crop Husbandary                        | 3539               | 4796          | 8335          |
| (ii) Soil & Water Conservation             | 2412               | 1219          | 3631          |
| (iii) Animal Husbandary                    | 1198               | 2942          | 4140          |
| (iv) Dairy Development                     | 497                | 875           | 1372          |
| (v) Fisheries                              | 523                | 495           | 1018          |
| (vi) Forestry & Wild life                  | 3123               | 6356          | 9479          |
| (vii) Plantations                          | 0                  | 0             | 0             |
| (viii) Food storage & welfare housing      | 24                 | 707           | 731           |
| (ix) Agri Research & Education             | 911                | 1468          | 2379          |
| (x) Agri Fin. Institution                  | 0                  | 0             | 0             |
| (xi) Co-operation                          | 1282               | 1565          | 2847          |
| (xii) Other Agri Prog                      | 1500               | 1869          | 3369          |
| (2) Rural Development                      | 25930              | 1650          | 27580         |
| (3) Special Area Prog                      | 953                | 0             | 953           |
| <b>(4) Irrigation &amp; Flood control</b>  | <b>3899</b>        | <b>23066</b>  | <b>26965</b>  |
| (5) Energy of which : power                | 795                | 21500         | 22295         |
| (6) Industry & Mineral (i to iii)          | 7099               | 11294         | 18393         |
| (i) Village & Small Industries             | 4679               | 7634          | 12313         |
| (ii) Industries @                          | 2420               | 3660          | 6080          |
| (iii) others**                             | 0                  | 0             | 0             |

## REVENUE ACCOUNT

### TABLE - DET 3 PLAN , NON PLAN - ITEMS OF EXPENDITURE - KARNATAKA STATE

(Rs. Lakhs)

| Expenditure Items   | 1991-92 (Accounts) |               |               |
|---|--------------------|---------------|---------------|
|   | Plan               | Non Plan      | Total         |
| <b>(7) Transport &amp; Communication (i+ii)</b>                     | <b>3143</b>        | <b>11633</b>  | <b>14776</b>  |
| <b>(i) Road &amp; Bridges</b>                                       | <b>3135</b>        | <b>9504</b>   | <b>12639</b>  |
| (ii) others @@  | 8                  | 2129          | 2137          |
| (8) Science, Technology & Environment                               | 149                | 0             | 149           |
| (9) General Economic Services (i to iv)                             | 1081               | 2308          | 3389          |
| (i) Secretariat economic services                                   | 86                 | 597           | 683           |
| (ii) Tourism  | 301                | 72            | 373           |
| (iii) Civil supplies  | 64                 | 13            | 77            |
| (iv) Others +   | 630                | 1626          | 2256          |
| <b>(II) Non-Development Expenditure</b>                             |                    |               |               |
| <b>General services (A to F)</b>                                    | <b>510</b>         | <b>141690</b> | <b>142200</b> |
| (A) Organs of State   | 0                  | 6288          | 6288          |
| (B) Fiscal Services (i to iii)                                      | 16                 | 10201         | 10217         |
| (i) Collection of Taxes & Duties                                    | 16                 | 9742          | 9758          |
| (ii) Transfer to Road fund, edn. Cess fund etc                      | 0                  | 459           | 459           |
| (iii) Other fiscal services   | 0                  | 0             | 0             |
| <b>(C) Interest payment &amp; Securing of Debt (1+2)</b>            | <b>0</b>           | <b>56697</b>  | <b>56697</b>  |
| (1) Appropriation for reduction or avoidance of debt                | 0                  | 5244          | 5244          |
| (2) Interest payments (i to iv)                                     | 0                  | 51453         | 51453         |
| (i) Interest on loan from Centre                                    | 0                  | 29462         | 29462         |
| (ii) Interest on internal debt of which:<br>interest on Market loan | 0                  | 10589         | 10589         |
| (iii) Interest on small saving, P.F etc                             | 0                  | 9224          | 9224          |
| (iv) Others   | 0                  | 10888         | 10888         |
| (v) Others  | 0                  | 514           | 514           |
| <b>(D) Administrative Services (i to v)</b>                         | <b>494</b>         | <b>35137</b>  | <b>35631</b>  |
| (i) Secretarial General Services                                    | 0                  | 1035          | 1035          |
| (ii) Dist Administration  | 0                  | 3107          | 3107          |
| <b>(iii) Police</b>   | <b>0</b>           | <b>18094</b>  | <b>18094</b>  |
| (iv) Publications   | 368                | 7147          | 7515          |
| (v) Others  | 126                | 5754          | 5880          |
| <b>E. Pensions</b>  | <b>0</b>           | <b>29676</b>  | <b>29676</b>  |
| F. Miscellaneous Genereal Services of which:                        | 0                  | 3691          | 3691          |
| Payment on acct of state Lotteries                                  | 0                  | 2508          | 2508          |
| III. Compensation & Assignment to local bodies & PRIs               | 0                  | 11789         | 11789         |
| (iv) Reserve with Finance Dept                                      | 0                  | 0             | 0             |

## REVENUE ACCOUNT

### TABLE - DET 4 PLAN , NON PLAN - ITEMS OF EXPENDITURE - TAMILNADU STATE

(Rs. Lakhs)

| Expenditure Items                          | 1991-92 (Accts) |                |               |
|--|-----------------|----------------|---------------|
|  | Plan            | Non Plan       | Total         |
| <b>Total Expenditure (I+II+III+IV)</b>     | <b>132439</b>   | <b>735513</b>  | <b>867952</b> |
| <b>I. Developmental Exp (A+B)</b>          | <b>132151</b>   | <b>544253</b>  | <b>676404</b> |
| <b>A.Social Services (1to 11)</b>          | <b>65532</b>    | <b>222523</b>  | <b>288055</b> |
| <b>(1) Edu, Sports, Arts &amp; Culture</b> | <b>7037</b>     | <b>1138378</b> | <b>145415</b> |
| (2) Medical & Pub health & Famly Welfare   | 13046           | 29275          | 42321         |
| <b>(3) Water supply &amp; sanitation</b>   | <b>16196</b>    | <b>2143</b>    | <b>18339</b>  |
| (4) Housing                                | 1051            | 868            | 1919          |
| (5) Urban Development                      | 7234            | 6795           | 14029         |
| (6) Welfare of SC/ST/BC                    | 8758            | 7400           | 16158         |
| (7) Labour & Labour Welfare                | 210             | 4235           | 4445          |
| (8) Social Security & Welfare              | 1179            | 12917          | 14096         |
| (9) Nutrition                              | 10657           | 14899          | 25556         |
| (10) Relief on acct of natural calamities  | 0               | 3899           | 3899          |
| (11) Others*                               | 164             | 1714           | 1878          |
| <b>B. Economic Services (1 to 9)</b>       | <b>66619</b>    | <b>321730</b>  | <b>388349</b> |
| (1) Agri & allied activities (i to xii)    | 22849           | 64549          | 87398         |
| (i) Crop Husbandary                        | 16887           | 46479          | 63366         |
| (ii) Soil & Water Conservation             | 1207            | 228            | 1435          |
| (iii) Animal Husbandary                    | 912             | 4155           | 5067          |
| (iv) Dairy Development                     | 195             | 445            | 640           |
| (v) Fisheries                              | 208             | 681            | 889           |
| (vi) Forestry & Wild life                  | 1062            | 2054           | 3116          |
| (vii) Plantations                          | 2               | 0              | 2             |
| (viii) Food storage & welfare housing      | 0               | 0              | 0             |
| (ix) Agri Research & Education             | 2181            | 1742           | 3923          |
| (x) Agri Fin. Institution                  | 0               | 0              | 0             |
| (xi) Co-operation                          | 120             | 7792           | 7912          |
| (xii) Other Agri Prog                      | 75              | 973            | 1048          |
| (2) Rural Development                      | 24768           | 6302           | 31070         |
| (3) Special Area Prog                      | 897             | 52             | 949           |
| (4) Irrigation & Flood control             | 4165            | 9777           | 13942         |
| (5) Energy                                 | 345             | 176910         | 177255        |
| of which : power                           | 68              | 176910         | 176978        |
| (6) Industry & Mineral (i to iii)          | 7933            | 10717          | 18650         |
| (i) Village & Small Industries             | 5412            | 9087           | 14499         |
| (ii) Industries @                          | 716             | 1630           | 2346          |
| (iii) others**                             | 1805            | 0              | 1805          |

## REVENUE ACCOUNT

### TABLE - DET 4 PLAN , NON PLAN - ITEMS OF EXPENDITURE - TAMILNADU STATE

(Rs. Lakhs)

| Expenditure Items  | 1991-92 (Accts) |               |               |
|--|-----------------|---------------|---------------|
|  | Plan            | Non Plan      | Total         |
| <b>(7) Transport &amp; Communication (i+ii)</b>          | <b>4830</b>     | <b>14735</b>  | <b>19565</b>  |
| <b>(i) Road &amp; Bridges</b>                            | <b>4824</b>     | <b>13717</b>  | <b>18541</b>  |
| (ii) others @@   | 6               | 1018          | 1024          |
| (8) Science, Technology & Environment                    | 255             | 0             | 255           |
| (9) General Economic Services (i to iv)                  | 577             | 38688         | 39265         |
| (i) Secretariat economic services                        | 50              | 593           | 643           |
| (ii) Tourism   | 53              | 56            | 109           |
| (iii) Civil supplies                                     | 3               | 36963         | 36966         |
| (iv) Others +  | 471             | 1076          | 1547          |
| <b>(II) Non-Development Expenditure</b>                  |                 |               |               |
| <b>General services (A to F)</b>                         | <b>288</b>      | <b>171460</b> | <b>171748</b> |
| (A) Organs of State                                      | 0               | 6626          | 6626          |
| (B) Fiscal Services (i to iii)                           | 144             | 11071         | 11215         |
| (i) Collection of Taxes & Duties                         | 0               | 9996          | 9996          |
| (ii) Transfer to Road fund, edn. Cess fund etc           | 0               | 0             | 0             |
| (iii) Other fiscal services                              | 144             | 1075          | 1219          |
| <b>(C) Interest payment &amp; Securing of Debt (1+2)</b> | <b>0</b>        | <b>59394</b>  | <b>59394</b>  |
| (1) Appropriation for reduction or avoidance of debt     | 0               | 3665          | 3665          |
| (2) Interest payments (i to iv)                          | 0               | 55729         | 55729         |
| (i) Interest on loan from Centre                         | 0               | 31380         | 31380         |
| (ii) Interest on internal debt of which:                 | 0               | 15299         | 15299         |
| interest on Market loan                                  | 0               | 12957         | 12957         |
| (iii) Interest on small saving, P.F etc                  | 0               | 6409          | 6409          |
| (iv) Others  | 0               | 2641          | 2641          |
| <b>(D) Administrative Services (i to v)</b>              | <b>144</b>      | <b>52702</b>  | <b>52846</b>  |
| (i) Secretarial General Services                         | 34              | 1758          | 1792          |
| (ii) Dist Administration                                 | 0               | 10026         | 10026         |
| <b>(iii) Police</b>                                      | <b>17</b>       | <b>24886</b>  | <b>24903</b>  |
| (iv) Publications  | 0               | 4881          | 4881          |
| (v) Others   | 93              | 11151         | 11244         |
| <b>E. Pensions</b>                                       | <b>0</b>        | <b>40113</b>  | <b>40113</b>  |
| F. Miscellaneous General Services of which:              | 0               | 1554          | 1554          |
| Payment on acct of state Lotteries                       | 0               | 1280          | 1280          |
| III. Compensation & Assignment to local bodies & PRIs    | 0               | 19800         | 19800         |
| (iv) Reserve with Finance Dept                           | 0               | 0             | 0             |

## REVENUE ACCOUNT

### TABLE - DET 5 PLAN , NON PLAN - ITEMS OF EXPENDITURE - KERALA STATE

1991-92 (Accts)

(Rs.Lakhs)

| Expenditure Items                                  | Plan         | Non Plan      | Total         |
|--|--------------|---------------|---------------|
| <b>Total Expenditure (I+II+III+IV)</b>             | <b>41004</b> | <b>280641</b> | <b>321645</b> |
| <b>I. Developmental Exp (A+B)</b>                  | <b>40979</b> | <b>155933</b> | <b>196912</b> |
| <b>A.Social Services (1 to 11)</b>                 | <b>13770</b> | <b>121295</b> | <b>135065</b> |
| <b>(1) Edu, Sports, Arts &amp; Culture</b>         | <b>2314</b>  | <b>81278</b>  | <b>83592</b>  |
| (2) Medical & Pub health & Family Welfare          | 4621         | 17645         | 22266         |
| <b>(3) Water supply &amp; sanitation</b>           | <b>2178</b>  | <b>4756</b>   | <b>6934</b>   |
| (4) Housing  | 573          | 475           | 1048          |
| (5) Urban Development                              | 613          | 381           | 994           |
| (6) Welfare of SC/ST/BC                            | 2106         | 4114          | 6220          |
| (7) Labour & Labour Welfare                        | 128          | 3124          | 3252          |
| (8) Social Security & Welfare                      | 994          | 5443          | 6437          |
| (9) Nutrition                                      | 156          | 482           | 638           |
| (10) Relief on acct of natural calamities          | 0            | 3100          | 3100          |
| (11) Others*                                       | 87           | 497           | 584           |
| <b>B. Economic Services (1 to 9)</b>               | <b>27209</b> | <b>34638</b>  | <b>61847</b>  |
| <b>(1) Agri &amp; allied activities (i to xii)</b> | <b>10723</b> | <b>16400</b>  | <b>27123</b>  |
| (i) Crop Husbandary                                | 5089         | 3396          | 8485          |
| (ii) Soil & Water Conservation                     | 293          | 346           | 639           |
| (iii) Animal Husbandary                            | 663          | 2084          | 2747          |
| (iv) Dairy Development                             | 324          | 330           | 654           |
| (v) Fisheries                                      | 1012         | 966           | 1978          |
| (vi) Forestry & Wild life                          | 1936         | 1970          | 3906          |
| (vii) Plantations                                  | 0            | 0             | 0             |
| (viii) Food storage & welfare housing              | 34           | 3665          | 3699          |
| (ix) Agri Research & Education                     | 838          | 2028          | 2866          |
| (x) Agri Fin. Institution                          | 0            | 0             | 0             |
| (xi) Co-operation                                  | 530          | 1605          | 2135          |
| (xii) Other Agri Prog                              | 4            | 10            | 14            |
| (2) Rural Development                              | 8604         | 4115          | 12719         |
| (3) Special Area Prog                              | 1183         | 0             | 1183          |
| <b>(4) Irrigation &amp; Flood control</b>          | <b>2765</b>  | <b>3478</b>   | <b>6246</b>   |
| (5) Energy   | 155          | 0             | 155           |
| of which : power                                   | 0            | 0             | 0             |
| (6) Industry & Mineral (i to iii)                  | 2408         | 1374          | 3782          |
| (i) Village & Small Industries                     | 2046         | 1253          | 3299          |
| (ii) Industries @                                  | 362          | 125           | 487           |
| (iii) others**                                     | 0            | -4            | -4            |

## REVENUE ACCOUNT

### TABLE - DET 5 PLAN , NON PLAN - ITEMS OF EXPENDITURE - KERALA STATE

1991-92 (Accts)

| Expenditure Items  | Plan       | Non Plan      | Total         |
|--|------------|---------------|---------------|
| <b>(7) Transport &amp; Communication (i+ii)</b>          | <b>215</b> | <b>7305</b>   | <b>7520</b>   |
| <b>(i) Road &amp; Bridges</b>                            | <b>193</b> | <b>6595</b>   | <b>6788</b>   |
| (ii) others @ @  | 22         | 710           | 732           |
| (8) Science, Technology & Environment                    | 336        | 66            | 402           |
| (9) General Economic Services (i to iv)                  | 820        | 1900          | 2720          |
| (i) Secretariat economic services                        | 21         | 366           | 387           |
| (ii) Tourism   | 446        | 441           | 887           |
| (iii) Civil supplies                                     | 0          | 149           | 149           |
| (iv) Others +  | 353        | 944           | 1297          |
| <b>(II) Non-Development Expenditure</b>                  |            |               |               |
| <b>General services (A to F)</b>                         | <b>25</b>  | <b>122032</b> | <b>122057</b> |
| (A) Organs of State                                      | 0          | 4037          | 4037          |
| (B) Fiscal Services (i to iii)                           | 0          | 9053          | 9053          |
| (i) Collection of Taxes & Duties                         | 0          | 8332          | 8332          |
| (ii) Transfer to Road fund, edn. Cess fund etc           | 0          | 0             | 0             |
| (iii) Other fiscal services                              | 0          | 721           | 721           |
| <b>(C) Interest payment &amp; Securing of Debt (1+2)</b> | <b>0</b>   | <b>48342</b>  | <b>48342</b>  |
| (1) Appropriation for reduction or avoidance of debt     | 0          | 0             | 0             |
| (2) Interest payments (i to iv)                          | 0          | 48342         | 48342         |
| (i) Interest on loan from Centre                         | 0          | 23115         | 23115         |
| (ii) Interest on internal debt of which:                 | 0          | 12461         | 12461         |
| interest on Market loan                                  | 0          | 10037         | 10037         |
| (iii) Interest on small saving, P.F etc                  | 0          | 12760         | 12760         |
| (iv) Others  | 0          | 6             | 6             |
| <b>(D) Administrative Services (i to v)</b>              | <b>25</b>  | <b>21532</b>  | <b>21557</b>  |
| (i) Secretarial General Services                         | 0          | 1226          | 1226          |
| (ii) Dist Administration                                 | 0          | 1721          | 1721          |
| <b>(iii) Police</b>                                      | <b>0</b>   | <b>11787</b>  | <b>11787</b>  |
| (iv) Publications  | 9          | 1422          | 1431          |
| (v) Others   | 16         | 5376          | 5392          |
| <b>E.Pensions</b>  | <b>0</b>   | <b>33896</b>  | <b>33896</b>  |
| F. Miscellaneous General Services of which:              | 0          | 5172          | 5172          |
| Payment on acct of state Lotteries                       | 0          | 4508          | 4508          |
| III. Compensation & Assignment to local bodies & PRIs    | 0          | 2676          | 2676          |
| (iv) Reserve with Finance Dept                           | 0          | 0             | 0             |



**REVENUE ACCOUNT**  
**TABLE - DET 6 PLAN , NON PLAN - ITEMS OF EXPENDITURE - ALL STATES**

(Rs. Lakhs)

| Expenditure Items                          | Plan           | 1991-92 (Accounts) |                |
|--|----------------|--------------------|----------------|
|  |                | Non Plan           | Total          |
| <b>Total Expenditure (I+II+III+IV)</b>     | <b>1593362</b> | <b>7025283</b>     | <b>8618645</b> |
| <b>I. Developmental Exp (A+B)</b>          | <b>1563217</b> | <b>4287304</b>     | <b>5850521</b> |
| <b>A.Social Services (1to 11)</b>          | <b>635963</b>  | <b>2473282</b>     | <b>3109245</b> |
| <b>(1) Edu, Sports, Arts &amp; Culture</b> | <b>146242</b>  | <b>1561448</b>     | <b>1707690</b> |
| (2) Medical & Pub health & Famly Welfare   | 163591         | 341823             | 505414         |
| <b>(3) Water supply &amp; sanitation</b>   | <b>109514</b>  | <b>74961</b>       | <b>184475</b>  |
| (4) Housing                                | 11935          | 27828              | 39763          |
| (5) Urban Development                      | 31036          | 45351              | 76387          |
| (6) Welfare of SC/ST/BC                    | 90265          | 116861             | 207126         |
| (7) Labour & Labour Welfare                | 10907          | 37992              | 48899          |
| (8) Social Security & Welfare              | 44614          | 103115             | 147729         |
| (9) Nutrition                              | 24202          | 36926              | 61128          |
| (10) Relief on acct of natural calamities  | 349            | 107263             | 107612         |
| (11) Others*                               | 3308           | 19714              | 23022          |
| <b>B. Economic Services (1 to 9)</b>       | <b>927254</b>  | <b>1814022</b>     | <b>2741276</b> |
| (1) Agri & allied activities (i to xii)    | 243977         | 454085             | 698062         |
| (i) Crop Husbandary                        | 88624          | 119547             | 208171         |
| (ii) Soil & Water Conservation             | 24067          | 14310              | 38377          |
| (iii) Animal Husbandary                    | 16379          | 61767              | 78146          |
| (iv) Dairy Development                     | 3820           | 49165              | 52986          |
| (v) Fisheries                              | 7569           | 7988               | 15557          |
| (vi) Forestry & Wild life                  | 53223          | 80958              | 1341181        |
| (vii) Plantations                          | 551            | 1282               | 1833           |
| (viii) Food storage & welfare housing      | 1315           | 22457              | 23772          |
| (ix) Agri Research & Education             | 15295          | 27788              | 43083          |
| (x) Agri Fin. Institution                  | 0              | 0                  | 0              |
| (xi) Co-operation                          | 29808          | 58119              | 87927          |
| (xii) Other Agri Prog                      | 3326           | 10703              | 14029          |
| (2) Rural Development                      | 387382         | 141335             | 528717         |
| (3) Special Area Prog                      | 35600          | 5465               | 41065          |
| <b>(4) Irrigation &amp; Flood control</b>  | <b>62869</b>   | <b>351159</b>      | <b>414028</b>  |
| (5) Energy                                 | 56169          | 446822             | 502991         |
| of which : power                           | 52139          | 446487             | 498626         |
| (6) Industry & Mineral (i to iii)          | 71240          | 55864              | 127104         |
| (i) Village & Small Industries             | 48767          | 38972              | 87739          |
| (ii) Industries @                          | 19323          | 16868              | 36191          |
| (iii) others**                             | 3150           | 24                 | 3174           |

## REVENUE ACCOUNT

TABLE - DET 6 PLAN , NON PLAN - ITEMS OF EXPENDITURE - ALL STATES

| Expenditure Items  | Plan         | 1991-92 (Accounts) |                | (Rs. Lakhs) |
|--|--------------|--------------------|----------------|-------------|
|  |              | Non Plan           | Total          |             |
| <b>(7) Transport &amp; Communication (i+ii)</b>          | <b>22512</b> | <b>253385</b>      | <b>275897</b>  |             |
| <b>(i) Road &amp; Bridges</b>                            | <b>19560</b> | <b>202172</b>      | <b>221732</b>  |             |
| (ii) others @@   | 2952         | 51213              | 54165          |             |
| (8) Science, Technology & Environment                    | 2934         | 668                | 3602           |             |
| (9) General Economic Services (i to iv)                  | 44571        | 105239             | 149810         |             |
| (i) Secretariat economic services                        | 37167        | 10739              | 47906          |             |
| (ii) Tourism   | 3043         | 2415               | 5458           |             |
| (iii) Civil supplies                                     | 386          | 79414              | 79800          |             |
| (iv) Others +  | 3975         | 12671              | 16646          |             |
| <b>(II) Non-Development Expenditure</b>                  |              |                    |                |             |
| <b>General services (A to F)</b>                         | <b>30145</b> | <b>2636427</b>     | <b>2666572</b> |             |
| (A) Organs of State                                      | 7            | 96702              | 96709          |             |
| (B) Fiscal Services (i to iii)                           | 10746        | 182375             | 193121         |             |
| (i) Collection of Taxes & Duties                         | 10492        | 157792             | 168284         |             |
| (ii) Transfer to Road fund, edn. Cess fund etc           | 0            | 18733              | 18733          |             |
| (iii) Other fiscal services                              | 254          | 5850               | 6104           |             |
| <b>(C) Interest payment &amp; Securing of Debt (1+2)</b> | <b>402</b>   | <b>1147462</b>     | <b>1147864</b> |             |
| (1) Appropriation for reduction or avoidance of debt     | 0            | 53424              | 53424          |             |
| (2) Interest payments (i to iv)                          | 402          | 1094038            | 1094440        |             |
| (i) Interest on loan from Centre                         | 0            | 652167             | 652167         |             |
| (ii) Interest on internal debt of which:                 | 0            | 216988             | 216988         |             |
| interest on Market loan                                  | 0            | 168791             | 168791         |             |
| (iii) Interest on small saving, P.F etc                  | 4            | 211664             | 211668         |             |
| (iv) Others  | 398          | 13219              | 13617          |             |
| <b>(D) Administrative Services (i to v)</b>              | <b>18723</b> | <b>762225</b>      | <b>780948</b>  |             |
| (i) Secretarial General Services                         | 137          | 29961              | 30098          |             |
| (ii) Dist Administration                                 | 7938         | 81431              | 89369          |             |
| <b>(iii) Police</b>                                      | <b>325</b>   | <b>447943</b>      | <b>448268</b>  |             |
| (iv) Publications  | 2930         | 78938              | 81868          |             |
| (v) Others   | 7393         | 123952             | 131345         |             |
| <b>E.Pensions</b>  | <b>196</b>   | <b>371384</b>      | <b>371580</b>  |             |
| F. Miscellaneous Genereal Services of which:             | 71           | 76279              | 76350          |             |
| Payment on acct of state Lotteries                       | 0            | 73733              | 73733          |             |
| III. Compensation & Assignment to local bodies & PRIs    | 0            | 101552             | 101552         |             |
| (iv) Reserve with Finance Dept                           | 0            | 0                  | 0              |             |

REVENUE ACCOUNT  
EXPENDITURE PLAN AND NON PLAN  
SELECT STATES -1991-92

| Expenditure Items                         | 1991-92 (Accts) |                 |        | Karnataka |          |        |
|---|-----------------|-----------------|--------|-----------|----------|--------|
|   | Plan            | A.P<br>Non Plan | Total  | Plan      | Non Plan | Total  |
| Total Expenditure (I+II+III+IV)           | 107778          | 537378          | 645156 | 102809    | 392603   | 495412 |
| I. Developmental Exp (A+B)                | 106649          | 350620          | 457269 | 102299    | 239124   | 341423 |
| A.Social Services (1to 11)                | 53951           | 180734          | 234685 | 43903     | 145381   | 189284 |
| (1) Edu, Sports, Arts & Culture           | 7248            | 107730          | 114978 | 10621     | 85518    | 96139  |
| (2) Medical & Pub health & Family Welfare | 10238           | 27288           | 37526  | 8977      | 20560    | 29537  |
| (3) Water supply & sanitation             | 10493           | 1330            | 11823  | 6419      | 1681     | 8100   |
| (4) Housing                               | 367             | 798             | 1165   | 4453      | 687      | 5140   |
| (5) Urban Development                     | 4008            | 1634            | 5642   | 784       | 3169     | 3953   |
| (6) Welfare of SC/ST/BC                   | 15044           | 26499           | 41543  | 7253      | 5981     | 13234  |
| (7) Labour & Labour Welfare               | 1505            | 2181            | 3686   | 1145      | 1369     | 2514   |
| (8) Social Security & Welfare             | 3849            | 5259            | 9108   | 2839      | 10538    | 13377  |
| (9) Nutrition                             | 1002            | 600             | 1602   | 841       | 6950     | 7761   |
| (10) Relief on acct of natural calamities | 24              | 5893            | 5917   | 0         | 7261     | 7261   |
| (11) Others                               | 173             | 1522            | 1695   | 571       | 1667     | 2238   |
| B. Economic Services (1 to 9)             | 52698           | 169886          | 222584 | 58396     | 93743    | 152139 |
| (1) Agri & allied activities (i to xii)   | 10441           | 28401           | 38842  | 15009     | 22292    | 37301  |
| (i) Crop Husbandary                       | 6276            | 3931            | 10207  | 3539      | 4796     | 8335   |
| (ii) Soil & Water Conservation            | 997             | 705             | 1702   | 2412      | 1219     | 3631   |
| (iii) Animal Husbandary                   | 459             | 4484            | 4943   | 1198      | 2942     | 4140   |
| (iv) Dairy Development                    | 0               | 51              | 51     | 497       | 875      | 1372   |
| (v) Fisheries                             | 514             | 494             | 1008   | 523       | 495      | 1018   |
| (vi) Forestry & Wild life                 | 1564            | 4425            | 5989   | 3123      | 6356     | 9479   |
| (vii) Plantations                         | 0               | 0               | 0      | 0         | 0        | 0      |
| (viii) Food storage & welfare housing     | 46              | 3               | 49     | 24        | 707      | 731    |
| (ix) Agri Research & Education            | 400             | 2752            | 3152   | 911       | 1468     | 2379   |
| (x) Agri Fin. Institution                 | 0               | 0               | 0      | 0         | 0        | 0      |
| (xi) Co-operation                         | 73              | 11400           | 11473  | 1282      | 1565     | 2847   |
| (xii) Other Agri Prog                     | 112             | 156             | 268    | 1500      | 1869     | 3369   |
| (2) Rural Development                     | 31997           | 22853           | 54850  | 25930     | 1650     | 27580  |
| (3) Special Area Prog                     | 0               | 0               | 0      | 953       | 0        | 953    |
| (4) Irrigation & Flood control            | 2651            | 41169           | 43820  | 3899      | 23066    | 26965  |
| (5) Energy of which : power               | 0               | 22991           | 22991  | 795       | 21500    | 22295  |
| (6) Industry & Mineral (i to iii)         | 6638            | 2521            | 9152   | 7099      | 11294    | 18393  |
| (i) Village & Small Industries            | 6229            | 1096            | 7325   | 4679      | 7634     | 12313  |
| (ii) Industries @                         | 409             | 1425            | 1834   | 2420      | 3660     | 6080   |
| (iii) others**                            | 0               | 0               | 0      | 0         | 0        | 0      |
| (7) Transport & Communication (i+ii)      | 203             | 14186           | 14389  | 3143      | 11633    | 14776  |
| (i) Road & Bridges                        | 72              | 13763           | 13835  | 3135      | 9504     | 12639  |
| (ii) others @@                            | 131             | 423             | 554    | 8         | 2129     | 2137   |
| (8) Science, Technology & Environment     | 123             | 101             | 224    | 149       | 0        | 149    |

|  |      |        |        |      |        |        |
|--|------|--------|--------|------|--------|--------|
| (9) General Economic Services                                    |      |        |        |      |        |        |
| (i to iv)  | 577  | 37629  | 38206  | 1081 | 2308   | 3389   |
| (i) Secretariat economic services                                | 226  | 655    | 881    | 86   | 597    | 683    |
| (ii) Tourism   | 27   | 83     | 110    | 301  | 72     | 373    |
| (iii) Civil supplies   | 12   | 36000  | 36012  | 64   | 13     | 77     |
| (iv) Others +  | 312  | 891    | 1203   | 630  | 1626   | 2256   |
| (II) Non-Development   |      |        |        |      |        |        |
| Expenditure General services                                     |      |        |        |      |        |        |
| (A to F)   | 1129 | 181787 | 182916 | 510  | 141690 | 142200 |
| (A) Organs of State  | 0    | 7521   | 7521   | 0    | 6288   | 6288   |
| (B) Fiscal Services (i to iii)                                   | 984  | 12699  | 13683  | 16   | 10201  | 10217  |
| (i) Collection of Taxes & Duties                                 | 984  | 12296  | 13280  | 16   | 9742   | 9758   |
| (ii) Transfer to Road fund, edn. Cess fund etc                   | 0    | 403    | 403    | 0    | 459    | 459    |
| (iii) Other fiscal services                                      | 0    | 0      | 0      | 0    | 0      | 0      |
| (C) Interest payment & Securing of Debt (1+2)                    | 0    | 69499  | 69499  | 0    | 56697  | 56697  |
| (1) Appropriation for reduction or avoidance of debt             | 0    | 4      | 4      | 0    | 5244   | 5244   |
| (2) Interest payments (i to iv)                                  | 0    | 69495  | 69495  | 0    | 51453  | 51453  |
| (i) Interest on loan from Centre                                 | 0    | 40062  | 40062  | 0    | 29462  | 29462  |
| (ii) Interest on internal debt of which: interest on Market loan | 0    | 19079  | 19079  | 0    | 10589  | 10589  |
| (iii) Interest on small saving, P.F etc                          | 0    | 17345  | 17345  | 0    | 9224   | 9224   |
| (iv) Others  | 0    | 10293  | 10293  | 0    | 10888  | 10888  |
| (v) Others   | 0    | 61     | 61     | 0    | 514    | 514    |
| (D) Administrative Services (i to v)                             | 145  | 50959  | 51104  | 494  | 35137  | 35631  |
| (i) Secretarial General Services                                 | 65   | 1471   | 1536   | 0    | 1035   | 1035   |
| (ii) Dist Administration   | 1    | 9063   | 9064   | 0    | 3107   | 3107   |
| (iii) Police   | 0    | 29105  | 29105  | 0    | 18094  | 18094  |
| (iv) Publications  | 0    | 2578   | 2578   | 368  | 7147   | 7515   |
| (v) Others   | 79   | 8742   | 8821   | 126  | 5754   | 5880   |
| E. Pensions  | 0    | 41095  | 41095  | 0    | 29676  | 29676  |
| F. Miscellaneous Genereal  |      |        |        |      |        |        |
| Services of which:   | 0    | 14     | 14     | 0    | 3691   | 3691   |
| Payment on acct of state Lotteries                               | 0    | 0      | 0      | 0    | 2508   | 2508   |
| III. Compensation & Assignment to local bodies & PRIs            | 0    | 4971   | 4971   | 0    | 11789  | 11789  |
| (iv) Reserve with Finance Dept                                   | 0    | 0      | 0      | 0    | 0      | 0      |

TABLE -55

| Expenditure Items                         | 1991-92 (Accts) |          |        |             |          |         |
|---|-----------------|----------|--------|-------------|----------|---------|
|   | KERALA          |          |        | MAHARASHTRA |          |         |
|   | Plan            | Non Plan | Total  | Plan        | Non Plan | Total   |
| Total Expenditure (I+II+III+IV)           | 41004           | 280641   | 321645 | 143697      | 861175   | 1004872 |
| I. Developmental Exp (A+B)                | 40979           | 155933   | 196912 | 143245      | 538740   | 681985  |
| A.Social Services (1to 11)                | 13770           | 121295   | 135065 | 59427       | 300798   | 360225  |
| (1) Edu, Sports, Arts & Culture           | 2314            | 81278    | 83592  | 10996       | 198703   | 209699  |
| (2) Medical & Pub health & Family Welfare | 4621            | 17645    | 22266  | 14214       | 38524    | 52738   |
| (3) Water supply & sanitation             | 2178            | 4756     | 6934   | 18718       | 38524    | 52738   |
| (4) Housing                               | 573             | 475      | 1048   | 1214        | 9132     | 10346   |
| (5) Urban Development                     | 613             | 381      | 994    | 4359        | 6962     | 11321   |
| (6) Welfare of SC/ST/BC                   | 2106            | 4114     | 6220   | 5357        | 12402    | 17759   |
| (7) Labour & Labour Welfare               | 128             | 3124     | 3252   | 2039        | 4745     | 6784    |
| (8) Social Security & Welfare             | 994             | 5443     | 6437   | 1442        | 10986    | 12428   |
| (9) Nutrition                             | 156             | 482      | 638    | 976         | 4826     | 5802    |
| (10) Relief on acct of natural calamities | 0               | 3100     | 3100   | 0           | 10951    | 10951   |
| (11) Others*                              | 87              | 497      | 584    | 112         | 1888     | 2000    |
| B. Economic Services (1 to 9)             | 27209           | 34638    | 61847  | 83818       | 237942   | 321760  |
| (1) Agri & allied activities (i to xii)   | 10723           | 16400    | 27123  | 12909       | 81559    | 94468   |
| (i) Crop Husbandary                       | 5089            | 3396     | 8485   | 4042        | 8209     | 12251   |
| (ii) Soil & Water Conservation            | 293             | 346      | 639    | 2961        | 781      | 3742    |
| (iii) Animal Husbandary                   | 663             | 2084     | 2747   | 695         | 5337     | 6032    |
| (iv) Dairy Development                    | 324             | 330      | 654    | 81          | 39112    | 39193   |
| (v) Fisheries                             | 1012            | 966      | 1978   | 490         | 531      | 1021    |
| (vi) Forestry & Wild life                 | 1936            | 1970     | 3906   | 3055        | 13441    | 16496   |
| (vii) Plantations                         | 0               | 0        | 0      | 0           | 0        | 0       |
| (viii) Food storage & welfare housing     | 34              | 3665     | 3699   | 0           | 3005     | 3005    |
| (ix) Agri Research & Education            | 838             | 2028     | 2866   | 652         | 5889     | 6541    |
| (x) Agri Fin. Institution                 | 0               | 0        | 0      | 0           | 0        | 0       |
| (xi) Co-operation                         | 530             | 1605     | 2135   | 933         | 5254     | 6187    |
| (xii) Other Agri Prog                     | 4               | 10       | 14     | 0           | 0        | 0       |
| (2) Rural Development                     | 8604            | 4115     | 12719  | 49453       | 29365    | 78818   |
| (3) Special Area Prog                     | 1183            | 0        | 1183   | 1816        | 7        | 1867    |
| (4) Irrigation & Flood control            | 2765            | 3478     | 6246   | 8939        | 61931    | 70870   |
| (5) Energy                                | 155             | 0        | 155    | 1704        | 29253    | 30957   |
| of which : power                          | 0               | 0        | 0      | 256         | 29253    | 29509   |
| (6) Industry & Mineral (i to iii)         | 2408            | 1374     | 3782   | 7508        | 1171     | 8679    |
| (i) Village & Small Industries            | 2046            | 1253     | 3299   | 3167        | 658      | 3825    |
| (ii) Industries @                         | 362             | 125      | 487    | 4341        | 513      | 4854    |
| (iii) others**                            | 0               | -4       | -4     | 0           | 0        | 0       |
| (7) Transport & Communication (i+ii)      | 215             | 7305     | 7520   | 880         | 32348    | 33228   |
| (i) Road & Bridges                        | 193             | 6595     | 6788   | 880         | 31704    | 32584   |
| (ii) others @@                            | 22              | 710      | 732    | 0           | 644      | 644     |
| (8) Science, Technology & Environment     | 336             | 66       | 402    | 50          | 181      | 231     |

|  |     |        |        |     |        |        |
|--|-----|--------|--------|-----|--------|--------|
| (9) General Economic Services                                    |     |        |        |     |        |        |
| (i to iv)  | 820 | 1900   | 2720   | 515 | 2127   | 2642   |
| (i) Secretariat economic services                                | 21  | 366    | 387    | 85  | 1353   | 1438   |
| (ii) Tourism   | 446 | 441    | 887    | 397 | 21     | 418    |
| (iii) Civil supplies   | 0   | 149    | 149    | 12  | 2      | 14     |
| (iv) Others +  | 353 | 944    | 1297   | 21  | 751    | 772    |
| (II) Non-Development   |     |        |        |     |        |        |
| Expenditure General services                                     |     |        |        |     |        |        |
| (A to F)   | 25  | 122032 | 122057 | 452 | 317688 | 318140 |
| (A) Organs of State  | 0   | 4037   | 4037   | 0   | 10255  | 10255  |
| (B) Fiscal Services (i to iii)                                   | 0   | 9053   | 9053   | 95  | 32299  | 32394  |
| (i) Collection of Taxes & Duties                                 | 0   | 8332   | 8332   | 95  | 15796  | 15891  |
| (ii) Transfer to Road fund, edn. Cess fund etc                   | 0   | 0      | 0      | 0   | 15916  | 15916  |
| (iii) Other fiscal services                                      | 0   | 721    | 721    | 0   | 587    | 587    |
| (C) Interest payment & Securing of Debt (1+2)                    | 0   | 48342  | 48342  | 0   | 141739 | 141739 |
| (1) Appropriation for reduction or avoidance of debt             | 0   | 0      | 0      |     |        |        |
| (2) Interest payments (i to iv)                                  | 0   | 48342  | 48342  | 0   | 25784  | 25784  |
| (i) Interest on loan from Centre                                 | 0   | 23115  | 23115  | 0   | 115955 | 115955 |
| (ii) Interest on internal debt of which: interest on Market loan | 0   | 12461  | 12461  | 0   | 83645  | 83645  |
| (iii) Interest on small saving, P.F etc                          | 0   | 10037  | 10037  | 0   | 10927  | 10927  |
| (iv) Others  | 0   | 12760  | 12760  | 0   | 8004   | 8004   |
| (iv) Others  | 0   | 6      | 6      | 0   | 21383  | 21383  |
| (D) Administrative Services (i to v)                             | 25  | 21532  | 21557  | 357 | 97359  | 97716  |
| (i) Secretarial General Services                                 | 0   | 1226   | 1226   | 0   | 1956   | 1956   |
| (ii) Dist Administration   | 0   | 1721   | 1721   | 2   | 22425  | 22427  |
| (iii) Police   | 0   | 11787  | 11787  | 0   | 49069  | 49069  |
| (iv) Publications  | 9   | 1422   | 1431   | 221 | 14693  | 14914  |
| (v) Others   | 16  | 5376   | 5392   | 134 | 9216   | 9350   |
| E. Pensions  | 0   | 33896  | 33896  | 0   | 32235  | 32235  |
| F. Miscellaneous Genereal  |     |        |        |     |        |        |
| Services of which:   | 0   | 5172   | 5172   | 0   | 3801   | 3801   |
| Payment on acct of state Lotteries                               | 0   | 4508   | 4508   | 0   | 3605   | 3605   |
| III. Compensation & Assignment to local bodies & PRIs            | 0   | 2676   | 2676   | 0   | 4747   | 4747   |
| (iv) Reserve with Finance Dept                                   | 0   | 0      | 0      | 0   | 0      | 0      |

TABLE -56

| Expenditure Items                         | 1991-92 (Accts) |          |        | ALL STATES |          |         |
|---|-----------------|----------|--------|------------|----------|---------|
|   | Plan            | Non Plan | Total  | Plan       | Non Plan | Total   |
| Total Expenditure (I+II+III+IV)           | 132439          | 735513   | 867952 | 1593362    | 7025283  | 8618645 |
| I. Developmental Exp (A+B)                | 132151          | 544253   | 676404 | 1563217    | 4287304  | 5850521 |
| A.Social Services (1to 11)                | 65532           | 222523   | 288055 | 635963     | 2473282  | 3109245 |
| (1) Edu, Sports, Arts & Culture           | 7037            | 1138378  | 145415 | 146242     | 1561448  | 1707690 |
| (2) Medical & Pub health & Family Welfare | 13046           | 29275    | 42321  | 163591     | 341823   | 505414  |
| (3) Water supply & sanitation             | 16196           | 2143     | 18339  | 109514     | 74961    | 184475  |
| (4) Housing                               | 1051            | 868      | 1919   | 11935      | 27828    | 39763   |
| (5) Urban Development                     | 7234            | 6795     | 14029  | 31036      | 45351    | 76387   |
| (6) Welfare of SC/ST/BC                   | 8758            | 7400     | 16158  | 90265      | 116861   | 207126  |
| (7) Labour & Labour Welfare               | 210             | 4235     | 4445   | 10907      | 37992    | 48899   |
| (8) Social Security & Welfare             | 1179            | 12917    | 14096  | 44614      | 103115   | 147729  |
| (9) Nutrition                             | 10657           | 14899    | 25556  | 24202      | 36926    | 61128   |
| (10) Relief on acct of natural calamities | 0               | 3899     | 3899   | 349        | 107263   | 107612  |
| (11) Others*                              | 164             | 1714     | 1878   | 3308       | 19714    | 23022   |
| B. Economic Services (1 to 9)             | 66619           | 321730   | 388349 | 927254     | 1814022  | 2741276 |
| (1) Agri & allied activities (i to xii)   | 22849           | 64549    | 87398  | 243977     | 454085   | 698062  |
| (i) Crop Husbandary                       | 16887           | 46479    | 63366  | 88624      | 119547   | 208171  |
| (ii) Soil & Water Conservation            | 1207            | 228      | 1435   | 24067      | 14310    | 38377   |
| (iii) Animal Husbandary                   | 912             | 4155     | 5067   | 16379      | 61767    | 78146   |
| (iv) Dairy Development                    | 195             | 445      | 640    | 3820       | 49165    | 52986   |
| (v) Fisheries                             | 208             | 681      | 889    | 7569       | 7988     | 15557   |
| (vi) Forestry & Wild life                 | 1062            | 2054     | 3116   | 53223      | 80958    | 1341181 |
| (vii) Plantations                         | 2               | 0        | 2      | 551        | 1282     | 1833    |
| (viii) Food storage & welfare housing     | 0               | 0        | 0      | 1315       | 22457    | 23772   |
| (ix) Agri Research & Education            | 2181            | 1742     | 3923   | 15295      | 27788    | 43083   |
| (x) Agri Fin. Institution                 | 0               | 0        | 0      | 0          | 0        | 0       |
| (xi) Co-operation                         | 120             | 7792     | 7912   | 29808      | 58119    | 87927   |
| (xii) Other Agri Prog                     | 75              | 973      | 1048   | 3326       | 10703    | 14029   |
| (2) Rural Development                     | 24768           | 6302     | 31070  | 387382     | 141335   | 528717  |
| (3) Special Area Prog                     | 897             | 52       | 949    | 35600      | 5465     | 41065   |
| (4) Irrigation & Flood control            | 4165            | 9777     | 13942  | 62869      | 351159   | 414028  |
| (5) Energy                                | 345             | 176910   | 177255 | 56169      | 446822   | 502991  |
| of which : power                          | 68              | 176910   | 176978 | 52139      | 446487   | 498626  |
| (6) Industry & Mineral (i to iii)         | 7933            | 10717    | 18650  | 71240      | 55864    | 127104  |
| (i) Village & Small Industries            | 5412            | 9087     | 14499  | 48767      | 38972    | 87739   |
| (ii) Industries @                         | 716             | 1630     | 2346   | 19323      | 16868    | 36191   |
| (iii) others**                            | 1805            | 0        | 1805   | 3150       | 24       | 3174    |
| (7) Transport & Communication (i+ii)      | 4830            | 14735    | 19565  | 22512      | 253385   | 275897  |
| (i) Road & Bridges                        | 4824            | 13717    | 18541  | 19560      | 202172   | 221732  |
| (ii) others @@                            | 6               | 1018     | 1024   | 2952       | 51213    | 54165   |
| (8) Science, Technology & Environment     | 255             | 0        | 255    | 2934       | 668      | 3602    |

|  |     |        |        |       |         |         |
|--|-----|--------|--------|-------|---------|---------|
| (9) General Economic Services                                    |     |        |        |       |         |         |
| (i to iv)  | 577 | 38688  | 39265  | 44571 | 105239  | 149810  |
| (i) Secretariat economic services                                | 50  | 593    | 643    | 37167 | 10739   | 47906   |
| (ii) Tourism   | 53  | 56     | 109    | 3043  | 2415    | 5458    |
| (iii) Civil supplies   | 3   | 36963  | 36966  | 386   | 79414   | 79800   |
| (iv) Others +  | 471 | 1076   | 1547   | 3975  | 12671   | 16646   |
| (II) Non-Development   |     |        |        |       |         |         |
| Expenditure General services                                     |     |        |        |       |         |         |
| (A to F)   | 288 | 171460 | 171748 | 30145 | 2636427 | 2666572 |
| (A) Organs of State  | 0   | 6626   | 6626   | 7     | 96702   | 96709   |
| (B) Fiscal Services (i to iii)                                   | 144 | 11071  | 11215  | 10746 | 182375  | 193121  |
| (i) Collection of Taxes & Duties                                 | 0   | 9996   | 9996   | 10492 | 157792  | 168284  |
| (ii) Transfer to Road fund, edn. Cess fund etc                   | 0   | 0      | 0      | 0     | 18733   | 18733   |
| (iii) Other fiscal services                                      | 144 | 1075   | 1219   | 254   | 5850    | 6104    |
| (C) Interest payment & Securing of Debt (1+2)                    | 0   | 59394  | 59394  | 402   | 1147462 | 1147864 |
| (1) Appropriation for reduction or avoidance of debt             | 0   | 3665   | 3665   | 0     | 53424   | 53424   |
| (2) Interest payments (i to iv)                                  | 0   | 55729  | 55729  | 402   | 1094038 | 1094440 |
| (i) Interest on loan from Centre                                 | 0   | 31380  | 31380  | 0     | 652167  | 652167  |
| (ii) Interest on internal debt of which: interest on Market loan | 0   | 15299  | 15299  | 0     | 216988  | 216988  |
| (iii) Interest on small saving, P.F etc                          | 0   | 12957  | 12957  | 0     | 168791  | 168791  |
| (iv) Others  | 0   | 6409   | 6409   | 4     | 211664  | 211668  |
| (v) Others   | 0   | 2641   | 2641   | 398   | 13219   | 13617   |
| (D) Administrative Services (i to v)                             | 144 | 52702  | 52846  | 18723 | 762225  | 780948  |
| (i) Secretarial General Services                                 | 34  | 1758   | 1792   | 137   | 29961   | 30098   |
| (ii) Dist Administration   | 0   | 10026  | 10026  | 7938  | 81431   | 89369   |
| (iii) Police   | 17  | 24886  | 24903  | 325   | 447943  | 448268  |
| (iv) Publications  | 0   | 4881   | 4881   | 2930  | 78938   | 81868   |
| (v) Others   | 93  | 11151  | 11244  | 7393  | 123952  | 131345  |
| E. Pensions  | 0   | 40113  | 40113  | 196   | 371384  | 371580  |
| F. Miscellaneous Genereal  |     |        |        |       |         |         |
| Services of which:   | 0   | 1554   | 1554   | 71    | 76279   | 76350   |
| Payment on acct of state Lotteries                               | 0   | 1280   | 1280   | 0     | 73733   | 73733   |
| III. Compensation & Assignment to local bodies & PRIs            | 0   | 19800  | 19800  | 0     | 101552  | 101552  |
| (iv) Reserve with Finance Dept                                   | 0   | 0      | 0      | 0     | 0       | 0       |



FINANCES OF STATE GOVTS, RBI PUB REV EXP- KARNATAKA STATE  
TABLE -57

| Expenditure Items                         | 1993-94 (Accts) |          |        | 1994-95 (Accts) |          |        |
|---|-----------------|----------|--------|-----------------|----------|--------|
|   | Plan            | Non Plan | Total  | Plan            | Non Plan | Total  |
| Total Expenditure (I+II+III+IV)           | 154687          | 466138   | 620825 | 180390          | 546062   | 726452 |
| I. Developmental Exp (A+B)                | 154237          | 263703   | 417940 | 180127          | 301543   | 481670 |
| A.Social Services (1to 11)                | 69842           | 168008   | 237850 | 93102           | 182272   | 275374 |
| (1) Edu, Sports, Arts & Culture           | 20961           | 106851   | 127812 | 25062           | 119751   | 144813 |
| (2) Medical & Pub health & Family Welfare | 12202           | 26922    | 39124  | 16384           | 29391    | 45775  |
| (3) Water supply & sanitation             | 10698           | 1158     | 11856  | 16312           | 1742     | 18054  |
| (4) Housing                               | 3338            | 427      | 3765   | 6665            | 498      | 7163   |
| (5) Urban Development                     | 1097            | 1668     | 2765   | 3206            | 1526     | 4732   |
| (6) Welfare of SC/ST/BC                   | 15439           | 6822     | 22261  | 17471           | 7274     | 24745  |
| (7) Labour & Labour Welfare               | 513             | 1768     | 2281   | 762             | 1860     | 2622   |
| (8) Social Security & Welfare             | 4238            | 11976    | 16214  | 5317            | 12006    | 17323  |
| (9) Nutrition                             | 888             | 1660     | 2548   | 1566            | 2176     | 3742   |
| (10) Relief on acct of natural calamities | 0               | 5477     | 5477   | 0               | 3267     | 3267   |
| (11) Others*                              | 468             | 3279     | 3747   | 357             | 2781     | 3138   |
| B. Economic Services (1 to 9)             | 84395           | 95695    | 180090 | 87025           | 119271   | 206296 |
| (1) Agri & allied activities (i to xii)   | 22301           | 36611    | 58912  | 22316           | 40021    | 62337  |
| (i) Crop Husbandary                       | 7049            | 10145    | 17194  | 5389            | 7465     | 12854  |
| (ii) Soil & Water Conservation            | 4286            | 1455     | 5741   | 3710            | 1664     | 5374   |
| (iii) Animal Husbandary                   | 1405            | 3476     | 4881   | 2225            | 3905     | 6130   |
| (iv) Dairy Development                    | 514             | 325      | 839    | 470             | 0        | 470    |
| (v) Fisheries                             | 719             | 736      | 1455   | 809             | 731      | 1540   |
| (vi) Forestry & Wild life                 | 5792            | 7988     | 13780  | 5735            | 9333     | 15068  |
| (vii) Plantations                         | 0               | 0        | 0      | 0               | 0        | 0      |
| (viii) Food storage & welfare housing     | 66              | 6143     | 6209   | 0               | 11836    | 11836  |
| (ix) Agri Research & Education            | 1820            | 1923     | 3743   | 2098            | 2163     | 4261   |
| (x) Agri Fin. Institution                 | 0               | 0        | 0      | 0               | 0        | 0      |
| (xi) Co-operation                         | 650             | 2082     | 2732   | 1880            | 2282     | 4162   |
| (xii) Other Agri Prog                     | 0               | 2338     | 2338   | 0               | 642      | 642    |
| (2) Rural Development                     | 40230           | 3843     | 44073  | 38941           | 2890     | 41831  |
| (3) Special Area Prog                     | 965             | 0        | 965    | 950             | 0        | 950    |
| (4) Irrigation & Flood control            | 4226            | 28205    | 32431  | 4438            | 32932    | 37370  |
| (5) Energy                                | 2725            | 3393     | 6118   | 2986            | 13999    | 15054  |
| of which : power                          | 1093            | 3393     | 4486   | 1055            | 13999    | 15054  |
| (6) Industry & Mineral (i to iii)         | 9434            | 9638     | 19072  | 12369           | 9497     | 21866  |
| (i) Village & Small Industries            | 4871            | 6329     | 11200  | 8844            | 6211     | 15055  |
| (ii) Industries @                         | 4563            | 3309     | 7872   | 3525            | 3286     | 6811   |
| (iii) others**                            | 0               | 0        | 0      | 0               | 0        | 0      |
| (7) Transport & Communication (i+ii)      | 3384            | 10195    | 13579  | 3416            | 15931    | 19347  |
| (i) Road & Bridges                        | 3370            | 9867     | 13237  | 3378            | 10709    | 14087  |
| (ii) others @@                            | 14              | 328      | 342    | 38              | 5222     | 5260   |

|  |     |        |        |      |        |        |
|--|-----|--------|--------|------|--------|--------|
| (8) Science, Technology & Environment                            | 219 | 0      | 219    | 300  | 0      | 300    |
| (9) General Economic Services                                    |     |        |        |      |        |        |
| (i to iv)  | 911 | 3810   | 4721   | 1309 | 4001   | 5310   |
| (i) Secretariat economic services                                | 93  | 788    | 881    | 108  | 869    | 977    |
| (ii) Tourism   | 399 | 97     | 496    | 558  | 108    | 666    |
| (iii) Civil supplies   | 177 | 17     | 194    | 161  | 19     | 180    |
| (iv) Others +  | 242 | 2908   | 3150   | 482  | 3005   | 3487   |
| (II) Non-Development Expenditure General services                |     |        |        |      |        |        |
| (A to F)   | 450 | 190042 | 190492 | 263  | 229826 | 230089 |
| (A) Organs of State  | 0   | 7376   | 7373   | 0    | 10688  | 10688  |
| (B) Fiscal Services (i to iii)                                   | 38  | 13026  | 13064  | 18   | 19204  | 19222  |
| (i) Collection of Taxes & Duties                                 | 38  | 12215  | 12253  | 18   | 14167  | 14185  |
| (ii) Transfer to Road fund, edn. Cess fund etc                   | 0   | 0      | 0      | 0    | 0      | 0      |
| (iii) Other fiscal services                                      | 0   | 811    | 811    | 0    | 5037   | 5037   |
| (C) Interest payment & Securing of Debt (1+2)                    | 0   | 78535  | 78535  | 0    | 95664  | 95664  |
| (1) Appropriation for reduction or avoidance of debt             | 0   | 6738   | 6738   | 0    | 8521   | 8521   |
| (2) Interest payments (i to iv)                                  | 0   | 71797  | 71797  | 0    | 87143  | 87143  |
| (i) Interest on loan from Centre                                 | 0   | 41343  | 41343  | 0    | 48629  | 48629  |
| (ii) Interest on internal debt of which: interest on Market loan | 0   | 16058  | 16058  | 0    | 19494  | 19494  |
| (iii) Interest on small saving, P.F etc                          | 0   | 14084  | 14084  | 0    | 16520  | 16520  |
| (iv) Others  | 0   | 14011  | 14011  | 0    | 15831  | 15831  |
| (iv) Others  | 0   | 385    | 385    | 0    | 3189   | 3189   |
| (D) Administrative Services (i to v)                             | 412 | 47460  | 47872  | 245  | 54631  | 54876  |
| (i) Secretarial General Services                                 | 0   | 1526   | 1526   | 0    | 1645   | 1645   |
| (ii) Dist Administration   | 0   | 3937   | 3937   | 0    | 4294   | 4291   |
| (iii) Police   | 0   | 24781  | 24781  | 0    | 29855  | 29855  |
| (iv) Publications  | 202 | 10353  | 10555  | 198  | 11191  | 11389  |
| (v) Others   | 210 | 2863   | 7073   | 47   | 7646   | 7693   |
| E. Pensions  | 0   | 41028  | 41028  | 0    | 47036  | 47036  |
| F. Miscellaneous General Services of which:                      | 0   | 2617   | 2617   | 0    | 2603   | 2603   |
| Payment on acct of state Lotteries                               | 0   | 1730   | 1730   | 0    | 2239   | 2239   |
| III. Compensation & Assignment to local bodies & PRIs            | 0   | 12393  | 12393  | 0    | 14693  | 14693  |
| (iv) Reserve with Finance Dept                                   | 0   | 0      | 0      | 0    | 0      | 0      |

**REVENUE ACCOUNT**  
**TABLE - DET 1 PLAN , NON PLAN - ITEMS OF EXPENDITURE - MAHARASHTRA STATE**

| Expenditure Items                                 | (Rs. Lakhs)     |                |                |                 |                |                |                 |                |                |               |                |                |
|---|-----------------|----------------|----------------|-----------------|----------------|----------------|-----------------|----------------|----------------|---------------|----------------|----------------|
|   | 1997-98 (Accts) |                |                | 1998-99 (Accts) |                |                | 1999-2000 (R.E) |                |                | 2000-01 (B.E) |                |                |
|   | Plan            | Non Plan       | Total          | Plan            | Non Plan       | Total          | Plan            | Non Plan       | Total          | Plan          | Non Plan       | Total          |
| <b>Total Expenditure (I+II+III+IV)</b>            | <b>370667</b>   | <b>1918984</b> | <b>2289651</b> | <b>340323</b>   | <b>2225980</b> | <b>2566303</b> | <b>367289</b>   | <b>3021902</b> | <b>3389191</b> | <b>316618</b> | <b>2871417</b> | <b>3188035</b> |
| <b>I. Developmental Exp (A+B)</b>                 | <b>369487</b>   | <b>1125894</b> | <b>1495381</b> | <b>333544</b>   | <b>1153767</b> | <b>1487311</b> | <b>359612</b>   | <b>1616764</b> | <b>1976376</b> | <b>312115</b> | <b>188269</b>  | <b>1500384</b> |
| <b>A.Social Services (1to 11)</b>                 | <b>205778</b>   | <b>661355</b>  | <b>867133</b>  | <b>192345</b>   | <b>750436</b>  | <b>942781</b>  | <b>217288</b>   | <b>192396</b>  | <b>1409651</b> | <b>202111</b> | <b>939193</b>  | <b>141304</b>  |
| <b>(1) Edu, Sports, Arts &amp; Culture</b>        | <b>33120</b>    | <b>454605</b>  | <b>487725</b>  | <b>35747</b>    | <b>495654</b>  | <b>531401</b>  | <b>39936</b>    | <b>900799</b>  | <b>940735</b>  | <b>28959</b>  | <b>661269</b>  | <b>690228</b>  |
| (2) Medical & Pub health                          | 20074           | 77537          | 97611          | 21838           | 84673          | 106511         | 23422           | 113589         | 137011         | 25755         | 107485         | 133240         |
| (3) Family Welfare                                | 10738           | 1322           | 12060          | 8364            | 1117           | 9481           | 13844           | 1489           | 15333          | 19508         | 1686           | 21194          |
| <b>(4) Water supply &amp; sanitation</b>          | <b>61266</b>    | <b>7587</b>    | <b>68853</b>   | <b>56099</b>    | <b>15209</b>   | <b>71308</b>   | <b>55491</b>    | <b>35767</b>   | <b>91258</b>   | <b>53671</b>  | <b>31236</b>   | <b>84907</b>   |
| (5) Housing                                       | 4032            | 14360          | 18392          | 6212            | 17860          | 24072          | 11210           | 18606          | 29816          | 6551          | 19603          | 26154          |
| (6) Urban Development                             | 14980           | 13212          | 28192          | 12858           | 12696          | 25554          | 29184           | 14243          | 43427          | 19073         | 13308          | 32381          |
| (7) Welfare of SC/ST/BC                           | 18956           | 32392          | 51348          | 19071           | 34770          | 53841          | 22386           | 43906          | 66292          | 23136         | 39929          | 63065          |
| (8) Labour & Labour Welfare                       | 6944            | 12821          | 19765          | 5050            | 13982          | 19032          | 4240            | 20775          | 25015          | 2628          | 17706          | 20334          |
| (9) Social Security & Welfare                     | 1931            | 21260          | 23191          | 990             | 26088          | 27078          | 2176            | 27723          | 29899          | 1820          | 32181          | 34001          |
| (10) Nutrition                                    | 9879            | 13056          | 22935          | 10266           | 18019          | 28285          | 13103           | 1662           | 14765          | 20058         | 1740           | 21798          |
| (11) Relief on acct of natural calamities         | 23683           | 10259          | 33942          | 15401           | 27167          | 42568          | 2000            | 8914           | 10914          | 700           | 9000           | 9700           |
| (12) Others*                                      | 175             | 2944           | 3119           | 449             | 3201           | 3650           | 263             | 4923           | 5186           | 252           | 4050           | 4302           |
| <b>B. Economic Services (1 to 9)</b>              | <b>163709</b>   | <b>464539</b>  | <b>628248</b>  | <b>141199</b>   | <b>403331</b>  | <b>544530</b>  | <b>142357</b>   | <b>424368</b>  | <b>566725</b>  | <b>110004</b> | <b>249076</b>  | <b>259080</b>  |
| (1) Agri & allied activities (i to xii)           | 37475           | 177243         | 214718         | 43924           | 173204         | 217128         | 39932           | 261333         | 301265         | 30570         | 170995         | 201565         |
| (i) Crop Husbandary                               | 15020           | 15178          | 30198          | 17165           | 17497          | 34662          | 18338           | 28187          | 46525          | 18369         | 22169          | 40538          |
| (ii) Soil & Water Conservation                    | 8726            | 1565           | 10291          | 10796           | 1589           | 12385          | 992             | 2192           | 3184           | 1065          | 891            | 1956           |
| (iii) Animal Husbandary                           | 1438            | 11308          | 12746          | 1772            | 11325          | 13097          | 3259            | 17466          | 20725          | 2277          | 14255          | 16532          |
| (iv) Dairy Development                            | 88              | 85102          | 85190          | 127             | 85820          | 85947          | 139             | 67873          | 68012          | 201           | 72894          | 73095          |
| (v) Fisheries                                     | 874             | 1000           | 1874           | 858             | 1113           | 1971           | 1171            | 1815           | 2986           | 824           | 1485           | 2309           |
| (vi) Forestry & Wild life                         | 9360            | 19926          | 29286          | 9617            | 21880          | 31497          | 10962           | 27307          | 38269          | 5442          | 25333          | 30775          |
| (vii) Plantations                                 | 0               | 0              | 0              | 0               | 0              | 0              | 0               | 0              | 0              | 0             | 0              | 0              |
| (viii) Food storage & welfare housing             | 0               | 20696          | 20696          | 0               | 8176           | 8176           | 0               | 9949           | 9949           | 0             | 7563           | 7563           |
| (ix) Agri Research & Education                    | 896             | 11437          | 12333          | 2146            | 11038          | 13184          | 1421            | 18243          | 19664          | 1358          | 14659          | 16017          |
| (x) Agri Fin. Institution                         | 0               | 0              | 0              | 0               | 0              | 0              | 0               | 0              | 0              | 0             | 0              | 0              |
| (xi) Co-operation                                 | 1073            | 11031          | 12104          | 1443            | 14766          | 16209          | 3650            | 88301          | 91951          | 1034          | 11746          | 12780          |
| (xii) Other Agri Prog                             | 0               | 0              | 0              | 0               | 0              | 0              | 0               | 0              | 0              | 0             | 0              | 0              |
| (2) Rural Development                             | 86239           | 40828          | 127067         | 555809          | 54775          | 110584         | 66986           | 79775          | 146761         | 59183         | 808            | 59991          |
| (3) Special Area Prog                             | 5696            | 11             | 5707           | 5909            | 12             | 5921           | 7077            | 17             | 7094           | 4587          | 14             | 4601           |
| <b>(4) Irrigation &amp; Flood control</b>         | <b>18052</b>    | <b>150553</b>  | <b>168605</b>  | <b>19786</b>    | <b>157928</b>  | <b>177714</b>  | <b>14850</b>    | <b>68522</b>   | <b>83372</b>   | <b>8246</b>   | <b>64617</b>   | <b>72863</b>   |
| <b>of which: i) Major &amp; Medium irrigation</b> | <b>505</b>      | <b>140170</b>  | <b>140675</b>  | <b>1412</b>     | <b>147729</b>  | <b>149141</b>  | <b>2262</b>     | <b>55034</b>   | <b>57296</b>   | <b>1528</b>   | <b>53019</b>   | <b>54547</b>   |
| ii) Minor Irrigation                              | 14422           | 9796           | 24218          | 15549           | 9660           | 25209          | 10634           | 12644          | 23278          | 5558          | 11048          | 16606          |
| iii) Flood control & Drainage                     | 12              | 521            | 533            | 3               | 506            | 509            | 0               | 830            | 830            | 0             | 534            | 534            |
| (5) Energy  | 1236            | 1401           | 2637           | 1340            | 1276           | 2616           | 1474            | 2103           | 3577           | 1397          | 1737           | 3134           |
| of which : power                                  | 390             | 1401           | 1791           | 426             | 1276           | 1702           | 424             | 213            | 637            | 447           | 1737           | 2184           |
| (6) Industry & Mineral (i to iii)                 | 7598            | 3033           | 10631          | 7130            | 2962           | 10092          | 7776            | 3711           | 11487          | 854           | 3397           | 4251           |
| (i) Village & Small Industries                    | 835             | 1974           | 2809           | 1445            | 1706           | 3151           | 1213            | 2405           | 3618           | 752           | 2176           | 2928           |
| (ii) Industries @                                 | 6763            | 1059           | 7822           | 5685            | 1256           | 6941           | 6563            | 1306           | 7869           | 102           | 1221           | 1323           |
| (iii) others**                                    | 0               | 0              | 0              | 0               | 0              | 0              | 0               | 0              | 0              | 0             | 0              | 0              |

**REVENUE ACCOUNT**

**TABLE - DET 1 PLAN , NON PLAN - ITEMS OF EXPENDITURE - MAHARASHTRA STATE**

| Expenditure Items   | (Rs. Lakhs)     |               |               |                 |                |                |                 |                |                |               |                |                |
|---|-----------------|---------------|---------------|-----------------|----------------|----------------|-----------------|----------------|----------------|---------------|----------------|----------------|
|   | 1997-98 (Accts) |               |               | 1998-99 (Accts) |                |                | 1999-2000 (R.E) |                |                | 2000-01 (B.E) |                |                |
|   | Plan            | Non Plan      | Total         | Plan            | Non Plan       | Total          | Plan            | Non Plan       | Total          | Plan          | Non Plan       | Total          |
| <b>(7) Transport &amp; Communication (i+ii)</b>                   | <b>6434</b>     | <b>87035</b>  | <b>93469</b>  | <b>5732</b>     | <b>8064</b>    | <b>13796</b>   | <b>1298</b>     | <b>735</b>     | <b>2033</b>    | <b>891</b>    | <b>615</b>     | <b>1506</b>    |
| <b>(i) Road &amp; Bridges</b>                                     | <b>6127</b>     | <b>86137</b>  | <b>92264</b>  | <b>4163</b>     | <b>7459</b>    | <b>11622</b>   | <b>446</b>      | <b>313</b>     | <b>759</b>     | <b>342</b>    | <b>387</b>     | <b>729</b>     |
| (ii) others @@  | 307             | 898           | 1205          | 1569            | 605            | 2174           | 852             | 422            | 1274           | 549           | 228            | 777            |
| (8) Science, Technology & Environment                             | 456             | 1             | 457           | 534             | 1              | 535            | 1391            | 1              | 1392           | 2179          | 2              | 2181           |
| <b>(9) General Economic Services (i to iv)</b>                    | <b>523</b>      | <b>4434</b>   | <b>4957</b>   | <b>1035</b>     | <b>5109</b>    | <b>6144</b>    | <b>1573</b>     | <b>8171</b>    | <b>9744</b>    | <b>2097</b>   | <b>6891</b>    | <b>8988</b>    |
| (i) Secretariat economic services                                 | 188             | 3097          | 3285          | 195             | 3525           | 3720           | 273             | 5706           | 5979           | 313           | 4892           | 5205           |
| (ii) Tourism  | 326             | 6             | 332           | 453             | 132            | 585            | 1205            | 13             | 1218           | 1734          | 1              | 1735           |
| (iii) Civil supplies  | 1               | 3             | 4             | 11              | 4              | 15             | 15              | 6              | 21             | 13            | 5              | 18             |
| (iv) Others +   | 8               | 1328          | 1336          | 376             | 1448           | 1824           | 80              | 2446           | 2526           | 37            | 1993           | 2030           |
| <b>(II) Non-Development Expenditure General services (A to F)</b> | <b>1029</b>     | <b>778738</b> | <b>779767</b> | <b>6651</b>     | <b>1054761</b> | <b>1061412</b> | <b>6993</b>     | <b>1339455</b> | <b>1346448</b> | <b>4000</b>   | <b>1625098</b> | <b>1629098</b> |
| (A) Organs of State   | 0               | 25762         | 25762         | 0               | 22511          | 22511          | 0               | 46076          | 46076          | 0             | 29013          | 29013          |
| <b>(B) Fiscal Services (i to iii)</b>                             | <b>671</b>      | <b>75056</b>  | <b>75727</b>  | <b>1071</b>     | <b>268232</b>  | <b>269303</b>  | <b>2345</b>     | <b>298291</b>  | <b>300636</b>  | <b>550</b>    | <b>320491</b>  | <b>321041</b>  |
| (i) Collection of Taxes & Duties                                  | 671             | 23938         | 24609         | 1071            | 264660         | 265731         | 2345            | 294105         | 296450         | 550           | 317051         | 317601         |
| (ii) Transfer to Road fund, edn. Cess fund etc                    | 0               | 48761         | 48761         | 0               | 0              | 0              | 0               | 0              | 0              | 0             | 0              | 0              |
| (iii) Other fiscal services                                       | 0               | 2357          | 2357          | 0               | 3572           | 3572           | 0               | 4186           | 4186           | 0             | 3440           | 3440           |
| <b>(C) Interest payment &amp; Securing of Debt (1+2)</b>          | <b>0</b>        | <b>355234</b> | <b>355234</b> | <b>0</b>        | <b>443326</b>  | <b>443326</b>  | <b>0</b>        | <b>476327</b>  | <b>476327</b>  | <b>0</b>      | <b>617975</b>  | <b>617975</b>  |
| (1) Appropriation for reduction or avoidance of debt              | 0               | 64875         | 64875         | 0               | 76013          | 76013          | 0               | 11214          | 11214          | 0             | 13248          | 13248          |
| (2) Interest payments (i to iv)                                   | 0               | 290359        | 290359        | 0               | 367313         | 367313         | 0               | 465113         | 465113         | 0             | 604727         | 604727         |
| (i) Interest on loan from Centre                                  | 0               | 197637        | 197637        | 0               | 244572         | 244572         | 0               | 303554         | 303554         | 0             | 364499         | 364499         |
| (ii) Interest on internal debt of which:                          | 0               | 44378         | 44378         | 0               | 53860          | 53860          | 0               | 62138          | 62138          | 0             | 77435          | 77435          |
| interest on Market loan   | 0               | 37937         | 37937         | 0               | 44354          | 44354          | 0               | 51716          | 51716          | 0             | 60724          | 60724          |
| (iii) Interest on small saving, P.F etc                           | 0               | 48232         | 48232         | 0               | 68877          | 68877          | 0               | 99421          | 99421          | 0             | 162791         | 162791         |
| (iv) Others   | 0               | 112           | 112           | 0               | 4              | 4              | 0               | 0              | 0              | 0             | 2              | 2              |
| <b>(D) Administrative Services (i to v)</b>                       | <b>358</b>      | <b>226898</b> | <b>227256</b> | <b>5580</b>     | <b>22816</b>   | <b>228396</b>  | <b>4648</b>     | <b>316413</b>  | <b>321061</b>  | <b>3450</b>   | <b>421849</b>  | <b>425299</b>  |
| (i) Secretarial General Services                                  | 18              | 3869          | 3887          | 5001            | 4462           | 9463           | 4102            | 6865           | 10967          | 3015          | 6395           | 9410           |
| (ii) Dist Administration  | 50              | 42604         | 42654         | 50              | 46217          | 46267          | 23              | 72635          | 72658          | 0             | 69664          | 69664          |
| <b>(iii) Police</b>   | <b>0</b>        | <b>114338</b> | <b>114338</b> | <b>0</b>        | <b>125387</b>  | <b>125387</b>  | <b>0</b>        | <b>182522</b>  | <b>182522</b>  | <b>0</b>      | <b>163054</b>  | <b>163054</b>  |
| (iv) Publications   | 139             | 44921         | 45060         | 260             | 27096          | 27356          | 278             | 27091          | 27369          | 205           | 28519          | 28724          |
| (v) Others **   | 151             | 21166         | 21317         | 269             | 19654          | 19923          | 245             | 27300          | 27545          | 230           | 154217         | 154447         |
| E.Pensions  | 0               | 91937         | 91937         | 0               | 95319          | 95319          | 0               | 199332         | 199332         | 0             | 232635         | 232635         |
| F. Miscellaneous General Services of which:                       | 0               | 3851          | 3851          | 0               | 2557           | 2557           | 0               | 3016           | 3016           | 0             | 3135           | 3135           |
| Payment on acct of state Lotteries                                | 0               | 3478          | 3478          | 0               | 2168           | 2168           | 0               | 2402           | 2402           | 0             | 2644           | 2644           |
| III. Grants in aid contribution                                   | 0               | 0             | 0             | 0               | 0              | 0              | 0               | 0              | 0              | 0             | 0              | 0              |
| IV. Compensation & Assignment to local bodies & PRIs              | 151             | 14352         | 14503         | 128             | 17452          | 17580          | 684             | 65683          | 66367          | 503           | 58050          | 58553          |
| (v) Reserve with Finance Dept                                     | 0               | 0             | 0             | 0               | 0              | 0              | 0               | 0              | 0              | 0             | 0              | 0              |

Source: Reserve Bank of India, **Finances of the State Governments**, various years ' issues.

Government of Maharashtra, Budgetary documents and Note from Finance Dept

**REVENUE ACCOUNT**  
**TABLE - DET 2 PLAN , NON PLAN - ITEMS OF EXPENDITURE - ANDHRA PRADESH STATE**

| Expenditure Items                          | (Rs. Lakhs)     |                |                |                 |                |                |                 |                |                |               |                |                |
|--|-----------------|----------------|----------------|-----------------|----------------|----------------|-----------------|----------------|----------------|---------------|----------------|----------------|
|  | 1997-98 (Accts) |                |                | 1998-99 (Accts) |                |                | 1999-2000 (R.E) |                |                | 2000-01 (B.E) |                |                |
|  | Plan            | Non Plan       | Total          | Plan            | Non Plan       | Total          | Plan            | Non Plan       | Total          | Plan          | Non Plan       | Total          |
| <b>Total Expenditure (I+II+III+IV)</b>     | <b>234906</b>   | <b>1219523</b> | <b>1454429</b> | <b>356830</b>   | <b>1337526</b> | <b>1694356</b> | <b>372215</b>   | <b>1645116</b> | <b>2017331</b> | <b>520112</b> | <b>1968041</b> | <b>2488153</b> |
| <b>I. Developmental Exp (A+B)</b>          | <b>231578</b>   | <b>736890</b>  | <b>968468</b>  | <b>355962</b>   | <b>761517</b>  | <b>1117479</b> | <b>366755</b>   | <b>911505</b>  | <b>1278260</b> | <b>507253</b> | <b>1101108</b> | <b>1608361</b> |
| <b>A.Social Services (1to 12)</b>          | <b>135734</b>   | <b>411658</b>  | <b>547392</b>  | <b>213103</b>   | <b>492468</b>  | <b>705571</b>  | <b>209213</b>   | <b>572669</b>  | <b>781882</b>  | <b>230684</b> | <b>683726</b>  | <b>914410</b>  |
| <b>(1) Edu, Sports, Arts &amp; Culture</b> | <b>17443</b>    | <b>206850</b>  | <b>224293</b>  | <b>53625</b>    | <b>230441</b>  | <b>284066</b>  | <b>62179</b>    | <b>281244</b>  | <b>343423</b>  | <b>59762</b>  | <b>348471</b>  | <b>408233</b>  |
| (2) Medical & Pub health                   | 15367           | 52861          | 68228          | 22156           | 59655          | 81811          | 22453           | 79301          | 101754         | 24757         | 86117          | 110874         |
| (3) Family Welfare                         | 16408           | 168            | 16576          | 21924           | 150            | 22074          | 22046           | 236            | 22282          | 29269         | 251            | 29520          |
| <b>(4) Water supply &amp; sanitation</b>   | <b>36931</b>    | <b>3164</b>    | <b>40095</b>   | <b>50697</b>    | <b>16921</b>   | <b>67618</b>   | <b>9957</b>     | <b>4770</b>    | <b>14727</b>   | <b>15189</b>  | <b>4997</b>    | <b>20186</b>   |
| (5) Housing                                | 13118           | 813            | 13931          | 15693           | 895            | 16588          | 16870           | 1663           | 18533          | 12654         | 931            | 13585          |
| (6) Urban Development                      | 5549            | 1534           | 7083           | 9014            | 5354           | 14368          | 9259            | 3006           | 12265          | 14406         | 17835          | 32241          |
| (7) Welfare of SC/ST/BC                    | 17721           | 45338          | 63059          | 23749           | 55698          | 79447          | 41366           | 58441          | 99807          | 45623         | 71706          | 117329         |
| (8) Labour & Labour Welfare                | 1546            | 3854           | 5400           | 1037            | 4289           | 5326           | 3624            | 5563           | 9187           | 1346          | 6023           | 7369           |
| (9) Social Security & Welfare              | 9148            | 9586           | 18734          | 11263           | 9947           | 21210          | 19473           | 12175          | 31648          | 19581         | 18556          | 38137          |
| (10) Nutrition                             | 2341            | 66422          | 68763          | 3795            | 77665          | 81460          | 1800            | 107286         | 109086         | 6556          | 101425         | 107981         |
| (11) Relief on acct of natural calamities  | 0               | 17509          | 17509          | 0               | 25706          | 25706          | 0               | 14646          | 14646          | 0             | 20100          | 20100          |
| (12) Others*                               | 162             | 3559           | 3721           | 150             | 5747           | 5897           | 186             | 4338           | 4524           | 1541          | 7314           | 8855           |
| <b>B. Economic Services (1 to 9)</b>       | <b>95844</b>    | <b>325232</b>  | <b>421076</b>  | <b>142859</b>   | <b>269049</b>  | <b>411908</b>  | <b>157542</b>   | <b>338836</b>  | <b>496378</b>  | <b>276569</b> | <b>417382</b>  | <b>693951</b>  |
| (1) Agri & allied activities (i to xii)    | 23036           | 36644          | 59680          | 25233           | 42747          | 67980          | 27708           | 51696          | 79404          | 30649         | 54794          | 85443          |
| (i) Crop Husbandary                        | 10543           | 7176           | 17719          | 11467           | 7959           | 19426          | 11224           | 10373          | 21597          | 16920         | 11205          | 28125          |
| (ii) Soil & Water Conservation             | 810             | 1233           | 2043           | 732             | 1314           | 2046           | 2002            | 295            | 10373          | 280           | 1783           | 2063           |
| (iii) Animal Husbandary                    | 429             | 9940           | 9511           | 515             | 10742          | 11257          | 628             | 13640          | 14268          | 867           | 15672          | 16539          |
| (iv) Dairy Development                     | 0               | 50             | 50             | 669             | 184            | 853            |                 |                |                |               |                |                |
| (v) Fisheries                              | 227             | 1576           | 1803           | 422             | 1050           | 1472           | 729             | 1474           | 2203           | 734           | 1477           | 2211           |
| (vi) Forestry & Wild life                  | 8523            | 7945           | 16468          | 10063           | 8269           | 18332          | 11622           | 10474          | 20096          | 9958          | 10912          | 20870          |
| (vii) Plantations                          |                 |                |                |                 |                |                |                 |                |                |               |                |                |
| (VII) Food storage & ware housing          |                 |                |                |                 |                |                |                 |                |                |               |                |                |
| (ix) Agri Research & Education             | 2335            | 5029           | 7364           | 1154            | 5161           | 6315           | 3018            | 6061           | 9079           | 1585          | 7784           | 9369           |
| (x) Agri Fin. Institution                  |                 |                |                |                 |                |                |                 |                |                |               |                |                |
| (xi) Co-operation                          | 169             | 3926           | 4095           | 206             | 7743           | 7949           | 192             | 7547           | 7739           | 305           | 5520           | 5825           |
| (xii) Other Agri Prog                      | 0               | 298            | 298            | 5               | 325            | 330            | 0               | 420            | 420            | 0             | 441            | 441            |
| (2) Rural Development                      | 54676           | 43813          | 98489          | 83958           | 64466          | 148424         | 81587           | 68902          | 150489         | 38796         | 77642          | 116438         |
| (3) Special Area Prog                      |                 |                |                |                 |                |                |                 |                |                |               |                |                |
| <b>(4) Irrigation &amp; Flood control</b>  | <b>5759</b>     | <b>103696</b>  | <b>109455</b>  | <b>17146</b>    | <b>105783</b>  | <b>122929</b>  | <b>31063</b>    | <b>127412</b>  | <b>158475</b>  | <b>22000</b>  | <b>137616</b>  | <b>159616</b>  |
| (I) Major & Medium Irrigation              | 2798            | 91641          | 94439          | 14157           | 90734          | 104891         | 22539           | 116141         | 138680         | 13500         | 126426         | 139926         |
| (ii) Minor Irrigation                      | 2388            | 7772           | 5384           | 2661            | 3146           | 5807           | 7585            | 4722           | 12307          | 7788          | 4121           | 11909          |
| (iii) Flood Control                        |                 |                |                |                 |                |                |                 |                |                |               |                |                |
| (5) Energy                                 | 80              | 95908          | 95828          | 227             | 5691           | 5918           | 100             | 16774          | 16784          | 162700        | 80481          | 243181         |
| of which : power                           | 10              | 95793          | 95803          | 9265            | 7306           | 16571          | 0               | 16703          | 16703          | 162600        | 80417          | 243017         |
| (6) Industry & Mineral (i to iii)          | 9498            | 6683           | 16181          | 9265            | 7306           | 16571          | 8550            | 6276           | 14826          | 9660          | 6714           | 16374          |
| (i) Village & Small Industries             | 6324            | 2974           | 9298           | 8343            | 3896           | 12239          | 7796            | 3132           | 10928          | 8256          | 3392           | 11648          |
| (ii) Industries @                          | 3154            | 3709           | 6863           | 897             | 3410           | 4307           | 750             | 3144           | 3894           | 1306          | 3322           | 4628           |
| (iii) others**                             | 20              | 0              | 20             | 25              | 0              | 25             | 4               | 0              | 4              | 98            | 0              | 98             |

**REVENUE ACCOUNT**

**TABLE - DET 2 PLAN , NON PLAN - ITEMS OF EXPENDITURE - ANDHRA PRADESH STATE**

| Expenditure Items   | (Rs. Lakhs)     |               |               |                 |               |               |                 |               |               |               |               |               |
|---|-----------------|---------------|---------------|-----------------|---------------|---------------|-----------------|---------------|---------------|---------------|---------------|---------------|
|   | 1997-98 (Accts) |               |               | 1998-99 (Accts) |               |               | 1999-2000 (R.E) |               |               | 2000-01 (B.E) |               |               |
|   | Plan            | Non Plan      | Total         | Plan            | Non Plan      | Total         | Plan            | Non Plan      | Total         | Plan          | Non Plan      | Total         |
| <b>(7) Transport &amp; Communication (i+ii)</b>                   | <b>96</b>       | <b>32746</b>  | <b>32842</b>  | <b>-34</b>      | <b>36803</b>  | <b>36769</b>  | <b>102</b>      | <b>59795</b>  | <b>59897</b>  | <b>2</b>      | <b>45488</b>  | <b>45490</b>  |
| <b>(i) Road &amp; Bridges</b>                                     | <b>-4</b>       | <b>32012</b>  | <b>32008</b>  | <b>-34</b>      | <b>35925</b>  | <b>35891</b>  | <b>2</b>        | <b>58960</b>  | <b>58962</b>  | <b>2</b>      | <b>44505</b>  | <b>44507</b>  |
| (ii) others @@  | 100             | 734           | 834           | 0               | 878           | 878           | 100             | 835           | 935           | 0             | 983           | 983           |
| (8) Science, Technology & Environment                             | 334             | 421           | 755           | 821             | 95            | 916           | 8437            | 1397          | 982           | 485           | 53            | 538           |
| <b>(9) General Economic Services (i to iv)</b>                    | <b>2365</b>     | <b>5401</b>   | <b>7766</b>   | <b>6243</b>     | <b>6158</b>   | <b>12401</b>  | <b>7589</b>     | <b>7842</b>   | <b>15431</b>  | <b>12277</b>  | <b>14594</b>  | <b>26871</b>  |
| (i) Secretariat economic services                                 | 1843            | 1345          | 3188          | 1347            | 1639          | 2986          | 2256            | 2004          | 4260          | 5104          | 2322          | 7426          |
| (ii) Tourism  | 141             | 205           | 346           | 4327            | 235           | 4562          | 4763            | 4500          | 263           | 1854          | 1500          | 354           |
| (iii) Civil supplies  | 187             | 2064          | 2251          | 0               | 2260          | 2260          | 0               | 2888          | 2888          | 5000          | 3021          | 8021          |
| (iv) Others +   | 194             | 1787          | 1981          | 569             | 2024          | 2593          | 833             | 2687          | 3520          | 673           | 8897          | 9570          |
| <b>(II) Non-Development Expenditure General services (A to F)</b> | <b>3328</b>     | <b>469816</b> | <b>473144</b> | <b>868</b>      | <b>560986</b> | <b>561854</b> | <b>5460</b>     | <b>714938</b> | <b>720398</b> | <b>12859</b>  | <b>842797</b> | <b>855656</b> |
| (A) Organs of State   | 0               | 15813         | 15813         | 0               | 14395         | 14395         | 0               | 24812         | 24812         | 0             | 21400         | 21400         |
| <b>(B) Fiscal Services (i to iii)</b>                             | <b>1335</b>     | <b>19772</b>  | <b>27107</b>  | <b>495</b>      | <b>23130</b>  | <b>23625</b>  | <b>156</b>      | <b>29711</b>  | <b>29867</b>  | <b>1050</b>   | <b>37204</b>  | <b>32028</b>  |
| (i) Collection of Taxes & Duties                                  | 1335            | 19712         | 18377         | 495             | 20581         | 21076         | 156             | 25925         | 26081         | 1050          | 30978         | 32028         |
| (ii) Transfer to Road fund, edn. Cess fund etc                    | 0               | 1395          | 1395          | 0               | 2549          | 2549          | 0               | 3786          | 3786          | 0             | 6226          | 6226          |
| (iii) Other fiscal services                                       | 0               | 1395          | 1395          | 0               | 2549          | 2549          | 0               | 3786          | 3786          | 0             | 6226          | 6226          |
| <b>(C) Interest payment &amp; Securing of Debt (1+2)</b>          | <b>0</b>        | <b>215329</b> | <b>215329</b> | <b>0</b>        | <b>264381</b> | <b>264381</b> | <b>0</b>        | <b>331005</b> | <b>331005</b> | <b>0</b>      | <b>404606</b> | <b>404606</b> |
| (1) Appropriation for reduction or avoidance of debt              | 0               | 215329        | 215329        | 0               | 264381        | 264381        | 0               | 6038          | 6038          | 0             | 7738          | 7738          |
| (2) Interest payments (i to iv)                                   | 0               | 215329        | 215329        | 0               | 264381        | 264381        | 0               | 324967        | 324967        | 0             | 396868        | 396868        |
| (i) Interest on loan from Centre                                  | 0               | 122473        | 122473        | 0               | 147739        | 147739        | 0               | 171854        | 171854        | 0             | 206424        | 206424        |
| (ii) Interest on internal debt                                    | 0               | 66116         | 66116         | 0               | 79402         | 79402         | 0               | 119099        | 119099        | 0             | 152706        | 152706        |
| of which: interest on Market loan                                 | 0               | 56051         | 56051         | 0               | 58053         | 58053         | 0               | 87892         | 87892         | 0             | 107434        | 107434        |
| (iii) Interest on small saving, P.F etc                           | 0               | 26614         | 26614         | 0               | 37133         | 37133         | 0               | 33895         | 33895         | 0             | 37620         | 37620         |
| (iv) Others   | 0               | 126           | 126           | 0               | 107           | 107           | 0               | 119           | 119           | 0             | 118           | 118           |
| <b>(D) Administrative Services (i to v)</b>                       | <b>1993</b>     | <b>104996</b> | <b>106989</b> | <b>373</b>      | <b>121722</b> | <b>122095</b> | <b>5304</b>     | <b>150464</b> | <b>155768</b> | <b>11809</b>  | <b>164011</b> | <b>175820</b> |
| (i) Secretarial General Services                                  | 1869            | 2674          | 4543          | 188             | 3283          | 3471          | 4050            | 3735          | 7785          | 6790          | 4719          | 11509         |
| (ii) Dist Administration  | -1              | 19059         | 19058         | 0               | 22197         | 22197         | 0               | 27255         | 27255         | 2500          | 28400         | 30900         |
| <b>(iii) Police</b>   | <b>0</b>        | <b>62161</b>  | <b>62161</b>  | <b>20</b>       | <b>69116</b>  | <b>69136</b>  | <b>776</b>      | <b>88790</b>  | <b>89566</b>  | <b>1887</b>   | <b>97806</b>  | <b>99693</b>  |
| (iv) Public Works   | 0               | 4965          | 4965          | 0               | 6245          | 6245          | 31              | 8863          | 8832          | 40            | 5482          | 5442          |
| (v) Others **   | 123             | 16138         | 16261         | 165             | 20881         | 21046         | 447             | 21852         | 22299         | 592           | 27644         | 28236         |
| E.Pensions  | 0               | 113898        | 113898        | 0               | 137345        | 137345        | 0               | 178930        | 178930        | 0             | 215563        | 215563        |
| F. Miscellaneous General Services of which:                       | 0               | 8             | 8             | 0               | 13            | 13            | 0               | 16            | 16            | 0             | 13            | 13            |
| Payment on acct of state Lotteries                                | 0               | 0             | 0             | 0               | 0             | 0             | 0               | 0             | 0             | 0             | 0             | 0             |
| III. Grants In Aid contribution                                   | 0               | 0             | 0             | 0               | 0             | 0             | 0               | 0             | 0             | 0             | 0             | 0             |
| III. Compensation & Assignment to local bodies & PRIs             | 0               | 12817         | 12817         | 0               | 15023         | 15023         | 0               | 18673         | 18673         | 0             | 24136         | 24136         |
| (IV) Reserve with Finance Dept                                    | 0               | 0             | 0             | 0               | 0             | 0             | 0               | 0             | 0             | 0             | 0             | 0             |

Source: Reserve Bank of India, **Finances of the State Governments**, various years ' issues. and Budgetary documents

**REVENUE ACCOUNT**  
**TABLE - DET 3 PLAN , NON PLAN - ITEMS OF EXPENDITURE - KARNATAKA STATE**

| Expenditure Items                                 | (Rs. Lakhs)     |               |                |                 |               |                |                 |                |                |               |                |                |
|---|-----------------|---------------|----------------|-----------------|---------------|----------------|-----------------|----------------|----------------|---------------|----------------|----------------|
|   | 1997-98 (Accts) |               |                | 1998-99 (Accts) |               |                | 1999-2000 (R.E) |                |                | 2000-01 (B.E) |                |                |
|   | Plan            | Non Plan      | Total          | Plan            | Non Plan      | Total          | Plan            | Non Plan       | Total          | Plan          | Non Plan       | Total          |
| <b>Total Expenditure (I+II+III+IV)</b>            | <b>229670</b>   | <b>859351</b> | <b>1089021</b> | <b>254111</b>   | <b>990450</b> | <b>1244561</b> | <b>313966</b>   | <b>1153954</b> | <b>1467720</b> | <b>356394</b> | <b>1359101</b> | <b>1715495</b> |
| <b>I. Developmental Exp (A+B)</b>                 | <b>229202</b>   | <b>474242</b> | <b>703444</b>  | <b>253563</b>   | <b>545199</b> | <b>798762</b>  | <b>313231</b>   | <b>585771</b>  | <b>899002</b>  | <b>322483</b> | <b>727685</b>  | <b>1083168</b> |
| <b>A.Social Services (1to 11)</b>                 | <b>150099</b>   | <b>263726</b> | <b>413825</b>  | <b>149059</b>   | <b>316645</b> | <b>465704</b>  | <b>179571</b>   | <b>354413</b>  | <b>533984</b>  | <b>212048</b> | <b>425763</b>  | <b>637811</b>  |
| <b>(1) Edu, Sports, Arts &amp; Culture</b>        | <b>36652</b>    | <b>183473</b> | <b>220125</b>  | <b>41731</b>    | <b>214365</b> | <b>256096</b>  | <b>46122</b>    | <b>240993</b>  | <b>287115</b>  | <b>56430</b>  | <b>303367</b>  | <b>359797</b>  |
| (2) Medical & Pub health                          | 15772           | 35421         | 51193          | 14747           | 46840         | 61587          | 16004           | 56486          | 72490          | 17769         | 63973          | 81742          |
| (3) Family Welfare                                | 10609           | 635           | 11244          | 8486            | 768           | 9254           | 16785           | 1103           | 17888          | 19520         | 1018           | 20538          |
| <b>(4) Water supply &amp; sanitation</b>          | <b>30252</b>    | <b>1423</b>   | <b>31675</b>   | <b>26660</b>    | <b>1666</b>   | <b>28326</b>   | <b>25301</b>    | <b>1351</b>    | <b>26652</b>   | <b>27164</b>  | <b>1415</b>    | <b>28579</b>   |
| (5) Housing                                       | 10491           | 589           | 11080          | 11222           | 587           | 11809          | 18144           | 1063           | 19207          | 21377         | 2330           | 23707          |
| (6) Urban Development                             | 8701            | 657           | 9358           | 5311            | 711           | 6022           | 11057           | 1535           | 12592          | 14251         | 864            | 15115          |
| (7) Welfare of SC/ST/BC                           | 24598           | 10796         | 35394          | 26389           | 12353         | 38742          | 29903           | 12881          | 42784          | 36469         | 15583          | 52052          |
| (8) Labour & Labour Welfare                       | 992             | 2621          | 3613           | 1566            | 2864          | 4430           | 1042            | 3374           | 4416           | 1671          | 3570           | 5261           |
| (9) Social Security & Welfare                     | 8129            | 14183         | 22312          | 9006            | 18036         | 27042          | 11443           | 18595          | 30038          | 12999         | 18534          | 31533          |
| (10) Nutrition                                    | 3432            | 4262          | 7694           | 3291            | 4450          | 7741           | 3392            | 4481           | 7873           | 3635          | 6023           | 9658           |
| (11) Relief on acct of natural calamities         | 0               | 6636          | 6636           | 0               | 10430         | 10430          | 0               | 8528           | 8528           | 0             | 5028           | 5028           |
| (12) Others*                                      | 471             | 3030          | 3501           | 650             | 3575          | 4225           | 378             | 4023           | 4401           | 743           | 5058           | 4801           |
| <b>B. Economic Services (1 to 9)</b>              | <b>79103</b>    | <b>210516</b> | <b>289619</b>  | <b>104505</b>   | <b>228554</b> | <b>333058</b>  | <b>133660</b>   | <b>231358</b>  | <b>365018</b>  | <b>143435</b> | <b>301922</b>  | <b>445357</b>  |
| (1) Agri & allied activities (i to xii)           | 27293           | 56235         | 83528          | 35988           | 60074         | 96062          | 34301           | 72319          | 106620         | 41121         | 82144          | 123265         |
| (i) Crop Husbandary                               | 7641            | 9549          | 17190          | 9417            | 10775         | 20192          | 8800            | 12053          | 20853          | 14765         | 13953          | 28718          |
| (ii) Soil & Water Conservation                    | 3919            | 2127          | 6046           | 5644            | 2224          | 7868           | 6655            | 2520           | 9175           | 5345          | 2804           | 8149           |
| (iii) Animal Husbandary                           | 2599            | 6833          | 9432           | 2369            | 7885          | 10254          | 4177            | 8646           | 12823          | 4762          | 9726           | 14488          |
| (iv) Dairy Development                            | 255             | 500           | 755            | 232             | 0             | 232            | 164             | 0              | 164            | 220           | 0              | 220            |
| (v) Fisheries                                     | 1392            | 804           | 2196           | 1084            | 886           | 1970           | 1107            | 1044           | 2151           | 1317          | 1162           | 2479           |
| (vi) Forestry & Wild life                         | 8686            | 11833         | 20529          | 13975           | 13817         | 27792          | 10068           | 12499          | 22567          | 11413         | 15414          | 26827          |
| (vii) Plantations                                 | 0               | 0             | 0              | 0               | 0             | 0              | 0               | 0              | 0              | 0             | 0              | 0              |
| (VII) Food storage & ware housing                 | 109             | 18469         | 18578          | 0               | 18236         | 18236          | 0               | 28583          | 28583          | 0             | 31412          | 31412          |
| (ix) Agri Research & Education                    | 2349            | 2755          | 5104           | 2422            | 3035          | 5457           | 2700            | 3273           | 5973           | 2700          | 3656           | 6356           |
| (x) Agri Fin. Institution                         | 0               | 0             | 0              | 0               | 0             | 0              | 0               | 0              | 0              | 0             | 0              | 0              |
| (xi) Co-operation                                 | 33              | 3365          | 3698           | 845             | 3216          | 4061           | 630             | 3701           | 4331           | 599           | 4017           | 4616           |
| (xii) Other Agri Prog                             | 0               | 0             | 0              | 0               | 0             | 0              | 0               | 0              | 0              | 0             | 0              | 0              |
| (2) Rural Development                             | 27199           | 5708          | 32907          | 31934           | 7572          | 39506          | 59182           | 8330           | 67512          | 59271         | 11892          | 71163          |
| (3) Special Area Prog                             | 1032            | 0             | 1032           | 1313            | 0             | 1313           | 1377            | 0              | 1377           | 1503          | 0              | 1503           |
| <b>(4) Irrigation &amp; Flood control</b>         | <b>4515</b>     | <b>52128</b>  | <b>56643</b>   | <b>4177</b>     | <b>53425</b>  | <b>57602</b>   | <b>4565</b>     | <b>57881</b>   | <b>62446</b>   | <b>5097</b>   | <b>64022</b>   | <b>69119</b>   |
| <b>of which: i) Major &amp; Medium irrigation</b> | <b>360</b>      | <b>47288</b>  | <b>47648</b>   | <b>608</b>      | <b>48287</b>  | <b>48895</b>   | <b>1141</b>     | <b>52682</b>   | <b>53823</b>   | <b>793</b>    | <b>58414</b>   | <b>59207</b>   |
| ii) Minor Irrigation                              | 1561            | 4811          | 6372           | 1320            | 5105          | 6425           | 1018            | 5173           | 6191           | 1512          | 5579           | 7091           |
| iii) Flood control & Drainage                     | 0               | 29            | 29             | 0               | 34            | 34             | 0               | 26             | 26             | 0             | 29             | 29             |
| (5) Energy  | 1643            | 59798         | 61441          | 1860            | 67000         | 68860          | 1182            | 44235          | 45417          | 1085          | 88167          | 89252          |
| of which : power                                  | 421             | 59798         | 60219          | 334             | 67000         | 67334          | 303             | 44235          | 44538          | 171           | 88167          | 88338          |
| (6) Industry & Mineral (i to iii)                 | 10213           | 12511         | 22724          | 10014           | 12943         | 22957          | 11133           | 13224          | 24357          | 11730         | 14716          | 26443          |
| (i) Village & Small Industries                    | 7310            | 9121          | 16431          | 7930            | 9100          | 17030          | 9600            | 10383          | 19983          | 10377         | 12197          | 22574          |
| (ii) Industries @                                 | 2403            | 3390          | 5793           | 1609            | 3843          | 5452           | 1333            | 2841           | 4174           | 1153          | 2519           | 3672           |
| (iii) others**                                    | 500             | 0             | 500            | 475             | 0             | 475            | 200             | 0              | 200            | 200           | 0              | 200            |

**REVENUE ACCOUNT**  
**TABLE - DET 3 PLAN , NON PLAN - ITEMS OF EXPENDITURE - KARNATAKA STATE**

| Expenditure Items   | (Rs. Lakhs)     |               |               |                 |               |               |                 |               |               |               |               |               |
|---|-----------------|---------------|---------------|-----------------|---------------|---------------|-----------------|---------------|---------------|---------------|---------------|---------------|
|   | 1997-98 (Accts) |               |               | 1998-99 (Accts) |               |               | 1999-2000 (R.E) |               |               | 2000-01 (B.E) |               |               |
|   | Plan            | Non Plan      | Total         | Plan            | Non Plan      | Total         | Plan            | Non Plan      | Total         | Plan          | Non Plan      | Total         |
| <b>(7) Transport &amp; Communication (i+ii)</b>                   | <b>4005</b>     | <b>19455</b>  | <b>23460</b>  | <b>3842</b>     | <b>22369</b>  | <b>26211</b>  | <b>3276</b>     | <b>28521</b>  | <b>31797</b>  | <b>3526</b>   | <b>33163</b>  | <b>36689</b>  |
| <b>(i) Road &amp; Bridges</b>                                     | <b>3605</b>     | <b>14835</b>  | <b>18440</b>  | <b>3542</b>     | <b>18279</b>  | <b>21821</b>  | <b>3276</b>     | <b>21359</b>  | <b>24635</b>  | <b>3526</b>   | <b>27631</b>  | <b>31157</b>  |
| (ii) others @@  | 400             | 4620          | 5020          | 300             | 4090          | 4390          | 0               | 7162          | 7162          | 0             | 5532          | 5532          |
| (8) Science, Technology & Environment                             | 300             | 1             | 301           | 516             | 1             | 517           | 1049            | 1             | 1050          | 990           | 1             | 991           |
| <b>(9) General Economic Services (i to iv)</b>                    | <b>2903</b>     | <b>4680</b>   | <b>7583</b>   | <b>14860</b>    | <b>5170</b>   | <b>20030</b>  | <b>17595</b>    | <b>6847</b>   | <b>24442</b>  | <b>19112</b>  | <b>7817</b>   | <b>26929</b>  |
| (i) Secretariat economic services                                 | 63              | 1362          | 1425          | 153             | 1611          | 1764          | 50              | 2216          | 2266          | 979           | 2101          | 3080          |
| (ii) Tourism  | 1318            | 105           | 1423          | 1057            | 108           | 1165          | 970             | 115           | 1085          | 1400          | 117           | 1517          |
| (iii) Civil supplies  | 221             | 23            | 244           | 246             | 28            | 274           | 154             | 32            | 186           | 276           | 39            | 315           |
| (iv) Others +   | 1301            | 3190          | 4491          | 13404           | 3423          | 16827         | 16421           | 4484          | 20905         | 16457         | 5560          | 22017         |
| <b>(II) Non-Development Expenditure General services (A to F)</b> | <b>468</b>      | <b>357628</b> | <b>358096</b> | <b>548</b>      | <b>412014</b> | <b>412562</b> | <b>535</b>      | <b>526356</b> | <b>526891</b> | <b>911</b>    | <b>577700</b> | <b>578611</b> |
| (A) Organs of State   | 38              | 15993         | 16031         | 26              | 14985         | 15011         | 30              | 25197         | 25227         | 200           | 19343         | 19543         |
| <b>(B) Fiscal Services (i to iii)</b>                             | <b>0</b>        | <b>23464</b>  | <b>23464</b>  | <b>1</b>        | <b>27702</b>  | <b>27703</b>  | <b>25</b>       | <b>35192</b>  | <b>35217</b>  | <b>22</b>     | <b>33295</b>  | <b>33317</b>  |
| (i) Collection of Taxes & Duties                                  | 0               | 19873         | 19873         | 0               | 22065         | 22066         | 25              | 26274         | 26299         | 22            | 28827         | 28849         |
| (ii) Transfer to Road fund, edn. Cess fund etc                    | 0               | 0             | 0             | 0               | 0             | 0             | 0               | 0             | 0             | 0             | 0             | 0             |
| (iii) Other fiscal services                                       | 0               | 3591          | 3591          | 0               | 5637          | 5637          | 0               | 8918          | 8918          | 0             | 4468          | 4468          |
| <b>(C) Interest payment &amp; Securing of Debt (1+2)</b>          | <b>0</b>        | <b>153849</b> | <b>153849</b> | <b>0</b>        | <b>178355</b> | <b>178355</b> | <b>0</b>        | <b>203957</b> | <b>203957</b> | <b>0</b>      | <b>239259</b> | <b>239259</b> |
| (1) Appropriation for reduction or avoidance of debt              | 0               | 14468         | 14468         | 0               | 16694         | 16694         | 0               | 0             | 0             | 0             | 0             | 0             |
| (2) Interest payments (i to iv)                                   | 0               | 139381        | 139381        | 0               | 161661        | 161661        | 0               | 203957        | 203957        | 0             | 239259        | 239259        |
| (i) Interest on loan from Centre                                  | 0               | 85051         | 85051         | 0               | 97836         | 97836         | 0               | 115485        | 115485        | 0             | 123261        | 123261        |
| (ii) Interest on internal debt of which:                          | 0               | 28320         | 28320         | 0               | 33594         | 33594         | 0               | 50618         | 50618         | 0             | 72910         | 72910         |
| interest on Market loan   | 0               | 23475         | 23475         | 0               | 27698         | 27698         | 0               | 39256         | 39256         | 0             | 45413         | 45413         |
| (iii) Interest on small saving, P.F etc                           | 0               | 24572         | 24572         | 0               | 29198         | 29198         | 0               | 35750         | 35750         | 0             | 40984         | 40984         |
| (iv) Others   | 0               | 1438          | 1438          | 0               | 1033          | 1033          | 0               | 2104          | 2104          | 0             | 2104          | 2104          |
| <b>(D) Administrative Services (i to v)</b>                       | <b>430</b>      | <b>79202</b>  | <b>79632</b>  | <b>521</b>      | <b>89099</b>  | <b>89099</b>  | <b>480</b>      | <b>113549</b> | <b>114029</b> | <b>689</b>    | <b>122139</b> | <b>122828</b> |
| (i) Secretarial General Services                                  | 0               | 2293          | 2293          | 0               | 2472          | 2472          | 0               | 3224          | 3224          | 0             | 3365          | 3365          |
| (ii) Dist Administration  | 0               | 6872          | 6872          | 0               | 7191          | 7191          | 0               | 8849          | 8849          | 0             | 9394          | 9394          |
| <b>(iii) Police</b>   | <b>0</b>        | <b>45579</b>  | <b>45579</b>  | <b>50</b>       | <b>50187</b>  | <b>50237</b>  | <b>30</b>       | <b>66900</b>  | <b>66930</b>  | <b>50</b>     | <b>69459</b>  | <b>69509</b>  |
| (iv) Publications   | 212             | 14062         | 14274         | 196             | 15408         | 15604         | 150             | 20420         | 20570         | 203           | 23889         | 24092         |
| (v) Others **   | 218             | 10396         | 10614         | 275             | 13841         | 14116         | 300             | 14156         | 14456         | 436           | 16032         | 16468         |
| E.Pensions  | 0               | 80907         | 80907         | 0               | 97170         | 97170         | 0               | 142748        | 142748        | 0             | 157800        | 157800        |
| F. Miscellaneous General Services of which:                       | 0               | 4213          | 4213          | 0               | 4703          | 4703          | 0               | 5713          | 5713          | 0             | 5864          | 5864          |
| Payment on acct of state Lotteries                                | 0               | 3670          | 3670          | 0               | 3333          | 3333          | 0               | 4675          | 4675          | 0             | 4766          | 4766          |
| III. Grants in aid contribution                                   | 0               | 0             | 0             | 0               | 0             | 0             | 0               | 0             | 0             | 0             | 0             | 0             |
| IV. Compensation & Assignment to local bodies & PRIs              | 0               | 27481         | 27481         | 0               | 33237         | 33237         | 0               | 41827         | 41827         | 0             | 53716         | 53716         |
| (v) Reserve with Finance Dept                                     | 0               | 0             | 0             | 0               | 0             | 0             | 0               | 0             | 0             | 0             | 0             | 0             |

Source: Reserve Bank of India, **Finances of the State Governments**, various years ' issues. and Budgetary documents



**REVENUE ACCOUNT**  
**TABLE - DET 4 PLAN , NON PLAN - ITEMS OF EXPENDITURE - TAMILNADU STATE**

| Expenditure Items                          | (Rs. Lakhs)     |                |                |                 |                |                |                 |                |                |               |                |                |
|--|-----------------|----------------|----------------|-----------------|----------------|----------------|-----------------|----------------|----------------|---------------|----------------|----------------|
|  | 1997-98 (Accts) |                |                | 1998-99 (Accts) |                |                | 1999-2000 (R.E) |                |                | 2000-01 (B.E) |                |                |
|  | Plan            | Non Plan       | Total          | Plan            | Non Plan       | Total          | Plan            | Non Plan       | Total          | Plan          | Non Plan       | Total          |
| <b>Total Expenditure (I+II+III+IV)</b>     | <b>213214</b>   | <b>1281871</b> | <b>1495085</b> | <b>243013</b>   | <b>1526727</b> | <b>1769740</b> | <b>242421</b>   | <b>1774181</b> | <b>2016602</b> | <b>221294</b> | <b>1935193</b> | <b>2156487</b> |
| <b>I. Developmental Exp (A+B)</b>          | <b>203206</b>   | <b>741646</b>  | <b>944852</b>  | <b>232890</b>   | <b>845375</b>  | <b>1078265</b> | <b>230699</b>   | <b>937161</b>  | <b>1167860</b> | <b>217060</b> | <b>1029590</b> | <b>1246650</b> |
| <b>A.Social Services (1to 12)</b>          | <b>107919</b>   | <b>453426</b>  | <b>561345</b>  | <b>128274</b>   | <b>581860</b>  | <b>710134</b>  | <b>128542</b>   | <b>634152</b>  | <b>762694</b>  | <b>119890</b> | <b>696152</b>  | <b>816042</b>  |
| <b>(1) Edu, Sports, Arts &amp; Culture</b> | <b>16347</b>    | <b>272610</b>  | <b>288957</b>  | <b>18754</b>    | <b>366549</b>  | <b>385303</b>  | <b>24297</b>    | <b>395286</b>  | <b>419583</b>  | <b>24238</b>  | <b>437466</b>  | <b>461704</b>  |
| (2) Medical & Pub health                   | 12076           | 62520          | 74596          | 12150           | 78669          | 90819          | 11687           | 82838          | 94525          | 13317         | 92307          | 105624         |
| (3) Family Welfare                         | 14921           | 439            | 1536           | 17919           | 1240           | 19159          | 15477           | 1305           | 16782          | 16029         | 1382           | 17411          |
| <b>(4) Water supply &amp; sanitation</b>   | <b>15750</b>    | <b>6049</b>    | <b>21799</b>   | <b>21429</b>    | <b>4904</b>    | <b>26333</b>   | <b>17960</b>    | <b>7710</b>    | <b>25670</b>   | <b>5434</b>   | <b>10024</b>   | <b>15458</b>   |
| (5) Housing                                | 1370            | 1382           | 2752           | 5865            | 1575           | 7440           | 835             | 1705           | 2540           | 618           | 1841           | 2459           |
| (6) Urban Development                      | 11133           | 1827           | 12960          | 9896            | 2513           | 12409          | 10191           | 2627           | 12818          | 12759         | 2860           | 15619          |
| (7) Welfare of SC/ST/BC                    | 19966           | 18729          | 38695          | 21066           | 23849          | 44915          | 25882           | 26458          | 52340          | 26227         | 29150          | 55377          |
| (8) Labour & Labour Welfare                | 433             | 7130           | 7563           | 282             | 8906           | 9188           | 269             | 11659          | 11928          | 291           | 12662          | 12953          |
| (9) Social Security & Welfare              | 2285            | 43199          | 45484          | 2459            | 51438          | 53897          | 3025            | 52762          | 55787          | 3061          | 56000          | 59061          |
| (10) Nutrition                             | 13514           | 27062          | 40576          | 18225           | 30453          | 48678          | 18787           | 40276          | 59063          | 17882         | 40237          | 58119          |
| (11) Relief on acct of natural calamities  | 2               | 9402           | 9404           | -2              | 5550           | 5548           | NA              | 6863           | 6863           | NA            | 6863           | 6863           |
| (12) Others*                               | 122             | 3077           | 3199           | 231             | 6214           | 6445           | 132             | 4663           | 4795           | 34            | 5360           | 5394           |
| <b>B. Economic Services (1 to 9)</b>       | <b>95287</b>    | <b>288220</b>  | <b>383507</b>  | <b>104616</b>   | <b>263515</b>  | <b>368131</b>  | <b>102157</b>   | <b>303009</b>  | <b>405166</b>  | <b>97170</b>  | <b>333438</b>  | <b>430608</b>  |
| (1) Agri & allied activities (i to xii)    | 23814           | 100536         | 124350         | 28630           | 116508         | 145138         | 36173           | 165927         | 202100         | 33528         | 88780          | 122308         |
| (i) Crop Husbandary                        | 11715           | 72726          | 84441          | 12477           | 84561          | 94038          | 16336           | 128115         | 144451         | 16048         | 47646          | 63694          |
| (ii) Soil & Water Conservation             | 3132            | 293            | 3425           | 4866            | 397            | 5263           | 5247            | 420            | 5667           | 6826          | 520            | 7346           |
| (iii) Animal Husbandary                    | 923             | 8596           | 9519           | 1569            | 10716          | 12285          | 1278            | 11034          | 12312          | 1332          | 12557          | 13889          |
| (iv) Dairy Development                     | 2               | 829            | 831            | 26              | 1654           | 1680           | 29              | 2620           | 2649           | 39            | 1270           | 1309           |
| (v) Fisheries                              | 1321            | 1098           | 2419           | 1960            | 1612           | 3572           | 1605            | 1452           | 3057           | 1495          | 1625           | 3120           |
| (vi) Forestry & Wild life                  | 1973            | 4173           | 6146           | 2729            | 5397           | 8126           | 2999            | 5323           | 8322           | 3031          | 6127           | 9158           |
| (vii) Plantations                          | 1               | 0              | 1              | 1               | 0              | 1              | 1               | 0              | 1              | 1             | 0              | 1              |
| (VII) Food storage & ware housing          | 0               | 0              | 0              | 0               | 0              | 0              | 0               | 0              | 0              | 0             | 0              | 0              |
| (ix) Agri Research & Education             | 3664            | 3793           | 7457           | 4094            | 4077           | 8191           | 7218            | 5601           | 12819          | 4343          | 6015           | 10358          |
| (x) Agri Fin. Institution                  | 0               | 0              | 0              | 0               | 0              | 0              | 0               | 0              | 0              | 0             | 0              | 0              |
| (xi) Co-operation                          | 291             | 6881           | 7172           | 368             | 8197           | 8565           | 1183            | 8380           | 9563           | 154           | 9678           | 9832           |
| (xii) Other Agri Prog                      | 792             | 2147           | 2939           | 540             | 2897           | 3437           | 277             | 2982           | 3259           | 259           | 3342           | 3601           |
| (2) Rural Development                      | 42316           | 10861          | 53177          | 43980           | 12682          | 56662          | 40545           | 13687          | 54232          | 38703         | 16581          | 55284          |
| (3) Special Area Prog                      | 1513            | 19             | 1532           | 1635            | 27             | 1662           | 1437            | 29             | 1466           | 1438          | 33             | 1471           |
| <b>(4) Irrigation &amp; Flood control</b>  | <b>9705</b>     | <b>22898</b>   | <b>32603</b>   | <b>11033</b>    | <b>28517</b>   | <b>39550</b>   | <b>9893</b>     | <b>13532</b>   | <b>23425</b>   | <b>8996</b>   | <b>14681</b>   | <b>23677</b>   |
| (I) Major & Medium Irrigation              | 4193            | 19817          | 24010          | 4479            | 24684          | 29163          | 4849            | 9981           | 14830          | 5043          | 10788          | 15831          |
| (ii) Minor Irrigation                      | 2166            | 2929           | 5095           | 3159            | 3594           | 6753           | 1982            | 3552           | 5534           | 637           | 3894           | 4531           |
| (iii) Flood Control                        | 0               | 151            | 151            | 0               | 238            | 238            | 0               | 0              | 0              | 0             | 0              | 0              |
| (5) Energy                                 | 116             | 0              | 116            | 118             | 0              | 118            | 175             | 52             | 227            | 181           | 100            | 281            |
| of which : power                           | 0               | 0              | 0              | 0               | 0              | 0              | 0               | 0              | 0              | 0             | 0              | 0              |
| (6) Industry & Mineral (i to iii)          | 14915           | 10048          | 24963          | 14511           | 15741          | 30252          | 9156            | 10494          | 19650          | 9955          | 12055          | 22010          |
| (i) Village & Small Industries             | 7256            | 7872           | 15128          | 9475            | 13775          | 23250          | 6939            | 9475           | 16414          | 6851          | 11058          | 17909          |
| (ii) Industries @                          | 1522            | 882            | 2404           | 975             | 1756           | 2731           | 601             | 1019           | 1620           | 1104          | 998            | 2102           |
| (iii) others**                             | 6137            | 1294           | 7431           | 4061            | 210            | 4271           | 1616            | 0              | 1616           | 2000          | 0              | 2000           |

**REVENUE ACCOUNT**  
**TABLE - DET 4 PLAN , NON PLAN - ITEMS OF EXPENDITURE - TAMILNADU STATE**

| Expenditure Items   | (Rs. Lakhs)     |               |               |                 |               |               |                 |               |               |               |               |               |
|---|-----------------|---------------|---------------|-----------------|---------------|---------------|-----------------|---------------|---------------|---------------|---------------|---------------|
|   | 1997-98 (Accts) |               |               | 1998-99 (Accts) |               |               | 1999-2000 (R.E) |               |               | 2000-01 (B.E) |               |               |
|   | Plan            | Non Plan      | Total         | Plan            | Non Plan      | Total         | Plan            | Non Plan      | Total         | Plan          | Non Plan      | Total         |
| <b>(7) Transport &amp; Communication (i+ii)</b>                   | <b>1670</b>     | <b>37100</b>  | <b>38770</b>  | <b>1901</b>     | <b>31999</b>  | <b>33900</b>  | <b>1887</b>     | <b>28185</b>  | <b>30072</b>  | <b>2070</b>   | <b>21914</b>  | <b>23984</b>  |
| <b>(i) Road &amp; Bridges</b>                                     | <b>1645</b>     | <b>36351</b>  | <b>37996</b>  | <b>1901</b>     | <b>31631</b>  | <b>33532</b>  | <b>1857</b>     | <b>28015</b>  | <b>29872</b>  | <b>2070</b>   | <b>21747</b>  | <b>23817</b>  |
| (ii) others @@  | 25              | 749           | 774           | 0               | 368           | 368           | 30              | 170           | 200           | 0             | 167           | 167           |
| (8) Science, Technology & Environment                             | 584             | 0             | 584           | 711             | 0             | 711           | 760             | 0             | 760           | 951           | 0             | 951           |
| <b>(9) General Economic Services (i to iv)</b>                    | <b>654</b>      | <b>106758</b> | <b>107412</b> | <b>2097</b>     | <b>58041</b>  | <b>60138</b>  | <b>2131</b>     | <b>71103</b>  | <b>73234</b>  | <b>1348</b>   | <b>179294</b> | <b>180642</b> |
| (i) Secretariat economic services                                 | 149             | 1183          | 1332          | 224             | 1614          | 1838          | 301             | 1789          | 2090          | 287           | 2024          | 2311          |
| (ii) Tourism  | 277             | 155           | 432           | 365             | 220           | 585           | 166             | 218           | 384           | 126           | 255           | 381           |
| (iii) Civil supplies  | 86              | 103188        | 103274        | 277             | 53404         | 53681         | 56              | 66060         | 66116         | 95            | 172962        | 173057        |
| (iv) Others +   | 142             | 2232          | 2374          | 1231            | 2803          | 4034          | 1608            | 3036          | 4644          | 840           | 4053          | 4893          |
| <b>(II) Non-Development Expenditure General services (A to F)</b> | <b>515</b>      | <b>466691</b> | <b>467206</b> | <b>671</b>      | <b>587306</b> | <b>587977</b> | <b>1649</b>     | <b>745992</b> | <b>747641</b> | <b>434</b>    | <b>793435</b> | <b>793869</b> |
| (A) Organs of State   | 0               | 15567         | 15567         | 0               | 16377         | 16377         | 0               | 22191         | 22191         | 0             | 20305         | 20305         |
| <b>(B) Fiscal Services (i to iii)</b>                             | <b>78</b>       | <b>15567</b>  | <b>15567</b>  | <b>0</b>        | <b>16377</b>  | <b>16377</b>  | <b>0</b>        | <b>22191</b>  | <b>22191</b>  | <b>0</b>      | <b>20305</b>  | <b>30305</b>  |
| (i) Collection of Taxes & Duties                                  | 13              | 21127         | 21140         | 0               | 28544         | 28544         | 0               | 30727         | 30727         | 0             | 34599         | 34599         |
| (ii) Transfer to Road fund, edn. Cess fund etc                    | 0               | 0             | 0             | 0               | 0             | 0             | 0               | 0             | 0             | 0             | 0             | 0             |
| (iii) Other fiscal services                                       | 65              | 2848          | 2913          | 0               | 3122          | 3122          | 0               | 3479          | 3479          | 0             | 2886          | 2886          |
| <b>(C) Interest payment &amp; Securing of Debt (1+2)</b>          | <b>0</b>        | <b>176335</b> | <b>176335</b> | <b>0</b>        | <b>212185</b> | <b>212185</b> | <b>0</b>        | <b>258225</b> | <b>258225</b> | <b>0</b>      | <b>274903</b> | <b>274903</b> |
| (1) Appropriation for reduction or avoidance of debt              | 0               | 0             | 0             | 0               | 0             | 0             | 0               | 0             | 0             | 0             | 0             | 0             |
| (2) Interest payments (i to iv)                                   | 0               | 176335        | 176335        | 0               | 212185        | 212185        | 0               | 258225        | 258225        | 0             | 274903        | 274903        |
| (i) Interest on loan from Centre                                  | 0               | 104073        | 104073        | 0               | 118921        | 118921        | 0               | 136086        | 136086        | 0             | 135464        | 135464        |
| (ii) Interest on internal debt of which:                          | 0               | 44954         | 44954         | 0               | 54793         | 54793         | 0               | 69193         | 69193         | 0             | 67445         | 67445         |
| interest on Market loan   | 0               | 40167         | 40167         | 0               | 47310         | 47310         | 0               | 55638         | 55638         | 0             | 63053         | 63053         |
| (iii) Interest on small saving, P.F etc                           | 0               | 23875         | 23875         | 0               | 34053         | 34053         | 0               | 46968         | 46968         | 0             | 51522         | 51522         |
| (iv) Others   | 0               | 3433          | 3433          | 0               | 4418          | 4418          | 0               | 5978          | 5978          | 0             | 20472         | 20472         |
| <b>(D) Administrative Services (i to v)</b>                       | <b>437</b>      | <b>119161</b> | <b>119598</b> | <b>671</b>      | <b>152883</b> | <b>153554</b> | <b>1649</b>     | <b>166667</b> | <b>168316</b> | <b>434</b>    | <b>190825</b> | <b>191259</b> |
| (i) Secretarial General Services                                  | 26              | 3487          | 3513          | 70              | 4859          | 4929          | 221             | 4891          | 5112          | 210           | 5268          | 5478          |
| (ii) Dist Administration  | 0               | 24048         | 24048         | 0               | 30978         | 30978         | 0               | 29386         | 29386         | 0             | 35604         | 35604         |
| <b>(iii) Police</b>   | <b>16</b>       | <b>61106</b>  | <b>61122</b>  | <b>0</b>        | <b>81301</b>  | <b>81301</b>  | <b>370</b>      | <b>91132</b>  | <b>91502</b>  | <b>0</b>      | <b>102445</b> | <b>102445</b> |
| (iv) Public Works   | 0               | 9006          | 9006          | 0               | 8057          | 8057          | 0               | 10767         | 10767         | 0             | 14161         | 14161         |
| (v) Others **   | 395             | 21514         | 21909         | 601             | 27688         | 28689         | 1058            | 30491         | 31549         | 224           | 33347         | 33571         |
| E. Pensions   | 0               | 128677        | 128677        | 0               | 169142        | 169142        | 0               | 251710        | 251710        | 0             | 251710        | 251710        |
| F. Miscellaneous General Services of which:                       | 0               | 2976          | 2976          | 0               | 5053          | 5053          | 0               | 12993         | 12993         | 0             | 18207         | 18207         |
| Payment on acct of state Lotteries                                | 0               | 1905          | 1905          | 0               | 3392          | 3392          | 0               | 10363         | 10363         | 0             | 15264         | 15264         |
| III. Grants In Aid contribution                                   | 0               | 0             | 0             | 0               | 0             | 0             | 0               | 0             | 0             | 0             | 0             | 0             |
| IV. Compensation & Assignment to local bodies & PRIs              | 9493            | 73534         | 83027         | 9452            | 94046         | 103498        | 10073           | 91028         | 101101        | 3800          | 112168        | 115968        |
| (v) Reserve with Finance Dept                                     | 0               | 0             | 0             | 0               | 0             | 0             | 0               | 0             | 0             | 0             | 0             | 0             |

Source: Reserve Bank of India, **Finances of the State Governments**, various years ' issues.

**REVENUE ACCOUNT**  
**TABLE - DET 5 PLAN , NON PLAN - ITEMS OF EXPENDITURE - KERALA STATE**

(Rs. Lakhs)

| Expenditure Items                                  | 1997-98 (Accts) |               |               | 1998-99 (Accts) |               |               | 1999-2000 (R.E) |               |               | 2000-01 (B.E) |               |                |
|--|-----------------|---------------|---------------|-----------------|---------------|---------------|-----------------|---------------|---------------|---------------|---------------|----------------|
|  | Plan            | Non Plan      | Total         | Plan            | Non Plan      | Total         | Plan            | Non Plan      | Total         | Plan          | Non Plan      | Total          |
| <b>Total Expenditure (I+II+III+IV)</b>             | <b>178665</b>   | <b>645447</b> | <b>824112</b> | <b>211138</b>   | <b>711670</b> | <b>922808</b> | <b>205283</b>   | <b>916541</b> | <b>121824</b> | <b>240999</b> | <b>971178</b> | <b>1212177</b> |
| <b>I. Developmental Exp (A+B)</b>                  | <b>178384</b>   | <b>324741</b> | <b>503125</b> | <b>210934</b>   | <b>353269</b> | <b>564203</b> | <b>204853</b>   | <b>460567</b> | <b>665420</b> | <b>240699</b> | <b>476350</b> | <b>717049</b>  |
| <b>A.Social Services (1to 11)</b>                  | <b>62706</b>    | <b>245630</b> | <b>308336</b> | <b>69769</b>    | <b>265147</b> | <b>334916</b> | <b>77876</b>    | <b>347755</b> | <b>425631</b> | <b>80366</b>  | <b>371266</b> | <b>451632</b>  |
| <b>(1) Edu, Sports, Arts &amp; Culture</b>         | <b>9486</b>     | <b>166619</b> | <b>176105</b> | <b>11465</b>    | <b>184325</b> | <b>195790</b> | <b>11463</b>    | <b>241627</b> | <b>253090</b> | <b>12595</b>  | <b>265887</b> | <b>278482</b>  |
| (2) Medical & Pub health                           | 4892            | 37071         | 41963         | 4578            | 41997         | 46575         | 5415            | 57822         | 63237         | 4758          | 56736         | 61494          |
| (3) Family Welfare                                 | 6943            | 0             | 6943          | 7947            | 0             | 7947          | 8290            | 0             | 8290          | 5508          | 0             | 5508           |
| <b>(4) Water supply &amp; sanitation</b>           | <b>10927</b>    | <b>3578</b>   | <b>14505</b>  | <b>10297</b>    | <b>4667</b>   | <b>14964</b>  | <b>12925</b>    | <b>5877</b>   | <b>18802</b>  | <b>14855</b>  | <b>5965</b>   | <b>20820</b>   |
| (5) Housing  | 3683            | 1053          | 4736          | 3183            | 997           | 4180          | 3286            | 1581          | 4867          | 3400          | 1575          | 4975           |
| (6) Urban Development                              | 11089           | 646           | 11735         | 14025           | 734           | 14759         | 16330           | 963           | 17293         | 15848         | 976           | 16824          |
| (7) Welfare of SC/ST/BC                            | 11122           | 6152          | 17274         | 12568           | 7834          | 20402         | 14398           | 6840          | 21238         | 14129         | 6971          | 21100          |
| (8) Labour & Labour Welfare                        | 374             | 10202         | 10576         | 984             | 4825          | 5809          | 635             | 11966         | 12601         | 678           | 11669         | 12347          |
| (9) Social Security & Welfare                      | 3850            | 10888         | 14738         | 4390            | 11683         | 16073         | 4741            | 12011         | 16752         | 8205          | 11950         | 20157          |
| (10) Nutrition                                     | 56              | 978           | 1034          | 50              | 443           | 493           | 20              | 474           | 494           | 15            | 1044          | 1059           |
| (11) Relief on acct of natural calamities          | 0               | 7254          | 7254          | 0               | 6260          | 6260          | 0               | 6521          | 6521          | 0             | 6521          | 6521           |
| (12) Others*                                       | 284             | 1189          | 1473          | 282             | 1382          | 1664          | 373             | 2073          | 2446          | 375           | 1970          | 2345           |
| <b>B. Economic Services (1 to 9)</b>               | <b>115678</b>   | <b>79111</b>  | <b>194789</b> | <b>141165</b>   | <b>88122</b>  | <b>229287</b> | <b>126977</b>   | <b>112812</b> | <b>239789</b> | <b>160333</b> | <b>105084</b> | <b>265417</b>  |
| <b>(1) Agri &amp; allied activities (i to xii)</b> | <b>22489</b>    | <b>40413</b>  | <b>62902</b>  | <b>26380</b>    | <b>43409</b>  | <b>69789</b>  | <b>28320</b>    | <b>55823</b>  | <b>84143</b>  | <b>32720</b>  | <b>53121</b>  | <b>85841</b>   |
| (i) Crop Husbandary                                | 8531            | 7078          | 15609         | 10389           | 8015          | 18404         | 8321            | 10496         | 18817         | 10066         | 9915          | 19981          |
| (ii) Soil & Water Conservation                     | 771             | 664           | 1435          | 651             | 719           | 1370          | 990             | 1077          | 2067          | 13325         | 1022          | 2347           |
| (iii) Animal Husbandary                            | 2555            | 4530          | 7085          | 2639            | 4602          | 7241          | 2947            | 6627          | 9574          | 3249          | 6339          | 9588           |
| (iv) Dairy Development                             | 707             | 690           | 1397          | 882             | 731           | 1613          | 926             | 1117          | 2043          | 930           | 1078          | 2008           |
| (v) Fisheries                                      | 3918            | 1922          | 5840          | 3168            | 2415          | 5583          | 2984            | 3058          | 6042          | 4034          | 1786          | 5820           |
| (vi) Forestry & Wild life                          | 2928            | 5029          | 7957          | 5025            | 5400          | 10425         | 8134            | 7849          | 15983         | 9380          | 8025          | 17405          |
| (vii) Plantations                                  | 0               | 0             | 0             | 0               | 0             | 0             | 0               | 0             | 0             | 0             | 0             | 0              |
| (viii) Food storage & welfare housing              | 73              | 14805         | 14878         | 44              | 15423         | 15467         | 85              | 17308         | 17393         | 22            | 16303         | 16325          |
| (ix) Agri Research & Education                     | 1866            | 3129          | 4995          | 2337            | 3172          | 5509          | 2133            | 3871          | 6004          | 2267          | 4303          | 6570           |
| (x) Agri Fin. Institution                          | 0               | 0             | 0             | 0               | 0             | 0             | 0               | 0             | 0             | 0             | 0             | 0              |
| (xi) Co-operation                                  | 621             | 2543          | 3164          | 528             | 2901          | 3429          | 900             | 4387          | 5287          | 747           | 4318          | 5065           |
| (xii) Other Agri Prog                              | 519             | 23            | 542           | 717             | 31            | 748           | 900             | 33            | 933           | 700           | 32            | 732            |
| <b>(2) Rural Development</b>                       | <b>73021</b>    | <b>7216</b>   | <b>80237</b>  | <b>91175</b>    | <b>6597</b>   | <b>97772</b>  | <b>73735</b>    | <b>7405</b>   | <b>81140</b>  | <b>98462</b>  | <b>7268</b>   | <b>105730</b>  |
| (3) Special Area Prog                              | 988             | 0             | 988           | 1112            | 0             | 1112          | 1349            | 0             | 1349          | 1311          | 0             | 1311           |
| <b>(4) Irrigation &amp; Flood control</b>          | <b>4828</b>     | <b>6268</b>   | <b>11096</b>  | <b>6187</b>     | <b>8526</b>   | <b>14713</b>  | <b>7395</b>     | <b>9167</b>   | <b>16562</b>  | <b>6467</b>   | <b>8378</b>   | <b>14845</b>   |
| <b>of which: i) Major &amp; Medium irrigation</b>  | <b>319</b>      | <b>3559</b>   | <b>3878</b>   | <b>345</b>      | <b>3885</b>   | <b>4230</b>   | <b>280</b>      | <b>4941</b>   | <b>5221</b>   | <b>382</b>    | <b>5174</b>   | <b>5556</b>    |
| ii) Minor Irrigation                               | 1926            | 2041          | 3967          | 2979            | 3286          | 6265          | 3360            | 3266          | 6626          | 2800          | 2245          | 5045           |
| iii) Flood control & Drainage                      | 474             | 668           | 1142          | 752             | 1356          | 2108          | 1645            | 960           | 2605          | 675           | 960           | 1635           |
| <b>(5) Energy</b>                                  | <b>2617</b>     | <b>4</b>      | <b>2621</b>   | <b>2176</b>     | <b>3</b>      | <b>2179</b>   | <b>3300</b>     | <b>4</b>      | <b>3304</b>   | <b>2281</b>   | <b>5</b>      | <b>2286</b>    |
| of which : power                                   | 0               | 0             | 0             | 0               | 0             | 0             | 0               | 0             | 0             | 0             | 0             | 0              |
| <b>(6) Industry &amp; Mineral (i to iii)</b>       | <b>7940</b>     | <b>2945</b>   | <b>10885</b>  | <b>9008</b>     | <b>4358</b>   | <b>13366</b>  | <b>6599</b>     | <b>5498</b>   | <b>12097</b>  | <b>6968</b>   | <b>4146</b>   | <b>11114</b>   |
| (i) Village & Small Industries                     | 6797            | 2711          | 9508          | 4488            | 4041          | 8529          | 5394            | 4907          | 10301         | 5727          | 6397          | 9424           |
| (ii) Industries @                                  | 1143            | 234           | 1377          | 152             | 317           | 1837          | 1205            | 591           | 1796          | 1241          | 449           | 1690           |
| (iii) others**                                     | 0               | 0             | 0             | 3000            | 0             | 3000          | 0               | 0             | 0             | 0             | 0             | 0              |

**REVENUE ACCOUNT**  
**TABLE - DET 5 PLAN , NON PLAN - ITEMS OF EXPENDITURE - KERALA STATE**

(Rs. Lakhs)

| Expenditure Items   | 1997-98 (Accts) |               |               | 1998-99 (Accts) |               |               | 1999-2000 (R.E) |               |               | 2000-01 (B.E) |               |               |
|---|-----------------|---------------|---------------|-----------------|---------------|---------------|-----------------|---------------|---------------|---------------|---------------|---------------|
|   | Plan            | Non Plan      | Total         | Plan            | Non Plan      | Total         | Plan            | Non Plan      | Total         | Plan          | Non Plan      | Total         |
| <b>(7) Transport &amp; Communication (i+ii)</b>                   | <b>402</b>      | <b>18093</b>  | <b>18495</b>  | <b>612</b>      | <b>20868</b>  | <b>21480</b>  | <b>1012</b>     | <b>28273</b>  | <b>29285</b>  | <b>3360</b>   | <b>26541</b>  | <b>29901</b>  |
| <b>(i) Road &amp; Bridges</b>                                     | <b>310</b>      | <b>16667</b>  | <b>16977</b>  | <b>531</b>      | <b>19303</b>  | <b>19834</b>  | <b>890</b>      | <b>26057</b>  | <b>26947</b>  | <b>3250</b>   | <b>24165</b>  | <b>27415</b>  |
| (ii) others @@  | 92              | 1426          | 1518          | 81              | 1565          | 1646          | 122             | 2216          | 2338          | 110           | 2376          | 2486          |
| (8) Science, Technology & Environment                             | 910             | 146           | 1056          | 11285           | 165           | 1450          | 1227            | 374           | 1601          | 1297          | 233           | 1530          |
| <b>(9) General Economic Services (i to iv)</b>                    | <b>2483</b>     | <b>4026</b>   | <b>6509</b>   | <b>3230</b>     | <b>4196</b>   | <b>7426</b>   | <b>4040</b>     | <b>6268</b>   | <b>10308</b>  | <b>7467</b>   | <b>5392</b>   | <b>12859</b>  |
| (i) Secretariat economic services                                 | 391             | 792           | 1183          | 447             | 888           | 1335          | 940             | 1502          | 2442          | 3154          | 1271          | 4425          |
| (ii) Tourism  | 1418            | 932           | 2350          | 1928            | 854           | 2782          | 2150            | 1110          | 3260          | 3399          | 1053          | 4452          |
| (iii) Civil supplies  | 0               | 320           | 320           | 23              | 335           | 358           | 55              | 432           | 487           | 49            | 446           | 495           |
| (iv) Others +   | 674             | 1982          | 2656          | 832             | 2119          | 2951          | 895             | 3224          | 4119          | 865           | 2622          | 3487          |
| <b>(II) Non-Development Expenditure General services (A to F)</b> | <b>281</b>      | <b>307829</b> | <b>308110</b> | <b>204</b>      | <b>353383</b> | <b>353587</b> | <b>430</b>      | <b>448089</b> | <b>448519</b> | <b>300</b>    | <b>488973</b> | <b>489273</b> |
| (A) Organs of State   | 0               | 9828          | 9828          | 0               | 10241         | 10241         | 15              | 15492         | 15507         | 0             | 13517         | 13517         |
| <b>(B) Fiscal Services (i to iii)</b>                             | <b>0</b>        | <b>21678</b>  | <b>21678</b>  | <b>0</b>        | <b>22470</b>  | <b>22470</b>  | <b>0</b>        | <b>26703</b>  | <b>26703</b>  | <b>0</b>      | <b>29387</b>  | <b>29387</b>  |
| (i) Collection of Taxes & Duties                                  | 0               | 16652         | 16652         | 0               | 18307         | 18307         | 0               | 23564         | 23564         |               | 26244         | 26244         |
| (ii) Transfer to Road fund, edn. Cess fund etc                    | 0               | 0             | 0             | 0               | 0             | 0             | 0               | 0             | 0             | 0             | 0             | 0             |
| (iii) Other fiscal services                                       | 0               | 5026          | 5026          | 0               | 4163          | 4163          | 0               | 3139          | 3139          | 0             | 3143          | 3143          |
| <b>(C) Interest payment &amp; Securing of Debt (1+2)</b>          | <b>0</b>        | <b>128608</b> | <b>128608</b> | <b>0</b>        | <b>144626</b> | <b>144626</b> | <b>0</b>        | <b>170928</b> | <b>170928</b> | <b>0</b>      | <b>192641</b> | <b>192641</b> |
| (1) Appropriation for reduction or avoidance of debt              | 0               | 0             | 0             | 0               | 0             | 0             | 0               | 0             | 0             | 0             | 0             | 0             |
| (2) Interest payments (i to iv)                                   | 0               | 128608        | 128608        | 0               | 144626        | 144626        | 0               | 170928        | 170928        | 0             | 192641        | 192641        |
| (i) Interest on loan from Centre                                  | 0               | 55071         | 55071         | 0               | 60654         | 60654         | 0               | 70227         | 70227         | 0             | 78595         | 78595         |
| (ii) Interest on internal debt of which:                          | 0               | 38850         | 38850         | 0               | 46538         | 46538         | 0               | 58856         | 58856         | 0             | 67881         | 67881         |
| interest on Market loan   | 0               | 32608         | 32608         | 0               | 37818         | 37818         | 0               | 46507         | 46507         | 0             | 53338         | 53338         |
| (iii) Interest on small saving, P.F etc                           | 0               | 34676         | 34676         | 0               | 37420         | 37420         | 0               | 41840         | 41840         | 0             | 46160         | 46160         |
| (iv) Others   | 0               | 11            | 11            | 0               | 14            | 14            | 0               | 5             | 5             | 0             | 5             | 5             |
| <b>(D) Administrative Services (i to v)</b>                       | <b>281</b>      | <b>45895</b>  | <b>46176</b>  | <b>204</b>      | <b>50733</b>  | <b>50937</b>  | <b>415</b>      | <b>71818</b>  | <b>72233</b>  | <b>300</b>    | <b>79508</b>  | <b>79808</b>  |
| (i) Secretarial General Services                                  | 0               | 2836          | 2836          | 0               | 3158          | 3158          | 0               | 4622          | 4622          | 0             | 4256          | 4256          |
| (ii) Dist Administration  | 0               | 3844          | 3844          | 0               | 4333          | 4333          | 0               | 5702          | 5702          | 0             | 6691          | 6691          |
| <b>(iii) Police</b>   | <b>0</b>        | <b>26841</b>  | <b>26841</b>  | <b>0</b>        | <b>28132</b>  | <b>28132</b>  | <b>0</b>        | <b>39543</b>  | <b>39543</b>  | <b>0</b>      | <b>44598</b>  | <b>44598</b>  |
| (iv) Publications   | 0               | 1793          | 1793          | 0               | 2955          | 2955          | 0               | 5448          | 5448          | 0             | 5963          | 5963          |
| (v) Others **   | 281             | 10581         | 10862         | 204             | 12155         | 12359         | 415             | 16503         | 16918         | 300           | 18000         | 18300         |
| E. Pensions   | 0               | 91302         | 91302         | 0               | 115432        | 115432        | 0               | 152763        | 152763        | 0             | 163596        | 163596        |
| F. Miscellaneous General Services of which:                       | 0               | 10518         | 10518         | 0               | 9881          | 9881          | 0               | 10385         | 10385         | 0             | 10324         | 10324         |
| Payment on acct of state Lotteries                                | 0               | 8849          | 8849          | 0               | 9366          | 9366          | 0               | 9815          | 9815          | 0             | 10025         | 10025         |
| III. Grants in aid contribution                                   | 0               | 0             | 0             | 0               | 0             | 0             | 0               | 0             | 0             | 0             | 0             | 0             |
| IV. Compensation & Assignment to local bodies & PRIs              | 0               | 12877         | 12877         | 0               | 5018          | 5018          | 0               | 7885          | 7885          | 0             | 5855          | 5855          |
| (v) Reserve with Finance Dept                                     | 0               | 0             | 0             | 0               | 0             | 0             | 0               | 0             | 0             | 0             | 0             | 0             |

Source: Reserve Bank of India, **Finances of the State Governments**, various years' issues. and Budgetary documents

Notes to the tables :

1

a. Where details are not available in respect of one or several sub groups under major groups , the relevant amount is shown against the sub group 'others'

b. Figures in respect of Jammu and Kashmir and Nagaland for 1997-98 relate to revised estimates

c. \* include expenditure on information and publicity , secretariat - Social Services, Other Social Services etc.

d. \*\* include expenditure on other industries , other outlays on industries and minerals

e. @ include expenditure on non ferrous , mining and metallurgical industries.

f. @@ include expenditure on port and light houses , civil aviation , Road transport , inland water transport etc.

g. + include expenditure on Foreign trade and export promotion , census , survey and statistics, other General Economic services

h. ++ include expenditure on Public Service Commission , treasury and accounts , administration , jails , supplies and disposal , stationery and printing and other administrative services.

i. \$ transfer State Road Fund , Employment Guarantee Fund, Education CESS Fund etc and grants to local bodies , reported by Govt of Maharashtra under the head

fiscal services' has been distributed under the functional heads of ' Social Services' , 'Economic Services', 'General Services ' and ' compensation and assignment to local bodies' according to the expenditure pattern of the relevant funds. In the years w

Road Fund , Education Cess Fund , etc.

**REVENUE ACCOUNT**  
**TABLE - DET 6 PLAN , NON PLAN - ITEMS OF EXPENDITURE - ALL STATES**

| Expenditure Items                          | 1997-98 (Accts)                        |                |                 | 1998-99 (Accts) |                |                 | 1999-2000 (R.E) |                 |                 | (Rs. Lakhs)<br>2000-01 (B.E) |                 |                 |
|--|--|----------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|------------------------------|-----------------|-----------------|
|  | Plan                                   | Non Plan       | Total           | Plan            | Non Plan       | Total           | Plan            | Non Plan        | Total           | Plan                         | Non Plan        | Total           |
|  | <b>Total Expenditure (I+II+III+IV)</b> | <b>3047642</b> | <b>15615729</b> | <b>18663371</b> | <b>3510996</b> | <b>18497956</b> | <b>22008952</b> | <b>4385314</b>  | <b>22775810</b> | <b>27161124</b>              | <b>4858392</b>  | <b>24203847</b> |
| <b>I. Developmental Exp (A+B)</b>          | <b>2992872</b>                         | <b>8385663</b> | <b>11378535</b> | <b>3430219</b>  | <b>9755550</b> | <b>13185769</b> | <b>4272738</b>  | <b>11647316</b> | <b>15920054</b> | <b>4724170</b>               | <b>11472348</b> | <b>16196518</b> |
| <b>A.Social Services (1to 12)</b>          | <b>1664799</b>                         | <b>5166366</b> | <b>6831165</b>  | <b>1899438</b>  | <b>6302642</b> | <b>8202080</b>  | <b>2342530</b>  | <b>7840857</b>  | <b>10183387</b> | <b>2534204</b>               | <b>7740421</b>  | <b>10274625</b> |
| <b>(1) Edu, Sports, Arts &amp; Culture</b> | <b>456897</b>                          | <b>3259098</b> | <b>3715995</b>  | <b>522444</b>   | <b>4042439</b> | <b>4564883</b>  | <b>656475</b>   | <b>5158137</b>  | <b>5814612</b>  | <b>681779</b>                | <b>5045642</b>  | <b>5727421</b>  |
| (2) Medical & Pub health                   | 157516                                 | 739683         | 897199          | 193872          | 888294         | 1082166         | 241541          | 1042815         | 1284356         | 274136                       | 1077035         | 1351171         |
| (3)Family Welfare                          | 160535                                 | 13584          | 174119          | 168485          | 17727          | 186212          | 214812          | 20403           | 235215          | 247950                       | 22498           | 270448          |
| <b>(4) Water supply &amp; sanitation</b>   | <b>274028</b>                          | <b>183360</b>  | <b>457388</b>   | <b>304078</b>   | <b>223673</b>  | <b>527751</b>   | <b>310506</b>   | <b>255972</b>   | <b>566478</b>   | <b>294665</b>                | <b>270581</b>   | <b>565246</b>   |
| (5) Housing                                | 46566                                  | 46013          | 92579           | 63861           | 50602          | 114463          | 78856           | 55954           | 134810          | 79220                        | 57400           | 136620          |
| (6) Urban Development                      | 132884                                 | 63389          | 201273          | 165990          | 85542          | 251451          | 227216          | 130433          | 357649          | 253973                       | 120034          | 374007          |
| (7) Welfare of SC/ST/BC                    | 218912                                 | 230720         | 449632          | 233808          | 284148         | 517956          | 318059          | 307387          | 625446          | 339039                       | 324434          | 663473          |
| (8) Labour & Labour Welfare                | 24755                                  | 78375          | 103130          | 23257           | 84453          | 107710          | 25726           | 111342          | 137068          | 28222                        | 111781          | 140003          |
| (9) Social Security & Welfare              | 95907                                  | 212080         | 307987          | 119606          | 244082         | 363688          | 174168          | 287331          | 461499          | 200965                       | 310006          | 510971          |
| (10) Nutrition                             | 64484                                  | 123342         | 187826          | 70943           | 142880         | 213823          | 80006           | 168389          | 248395          | 99378                        | 167436          | 266814          |
| (11) Relief on acct of natural calamities  | 23948                                  | 173733         | 197681          | 23046           | 187531         | 210577          | 5697            | 244549          | 250246          | 24606                        | 173680          | 198286          |
| (12) Others*                               | 8367                                   | 37989          | 46356           | 10129           | 51271          | 61400           | 9468            | 58145           | 67613           | 10271                        | 59874           | 70165           |
| <b>B. Economic Services (1 to 9)</b>       | <b>1328073</b>                         | <b>3219297</b> | <b>4547370</b>  | <b>1530781</b>  | <b>3452908</b> | <b>4983689</b>  | <b>1930208</b>  | <b>3806459</b>  | <b>5736667</b>  | <b>2189966</b>               | <b>3731927</b>  | <b>5921893</b>  |
| (1) Agri & allied activities (i to xii)    | 331591                                 | 835306         | 1166897         | 384030          | 957484         | 1341514         | 534979          | 1192335         | 1727314         | 556595                       | 1048137         | 1604732         |
| (i) Crop Husbandary                        | 120693                                 | 209869         | 330562          | 134230          | 246604         | 380834          | 194753          | 312547          | 507300          | 208729                       | 234009          | 442738          |
| (ii) Soil & Water Conservation             | 46778                                  | 25787          | 72565           | 60444           | 30316          | 90760           | 77617           | 34681           | 112298          | 89199                        | 35121           | 124320          |
| (iii) Animal Husbandary                    | 25708                                  | 117594         | 143302          | 28894           | 142175         | 171069          | 41205           | 168429          | 209634          | 47066                        | 172801          | 219867          |
| (iv) Dairy Development                     | 4297                                   | 102089         | 106386          | 4344            | 103941         | 108285          | 5996            | 90204           | 96200           | 6772                         | 92980           | 99752           |
| (v) Fisheries                              | 14790                                  | 15203          | 29993           | 16720           | 18472          | 35192           | 21829           | 22550           | 44379           | 24085                        | 21402           | 45487           |
| (vi) Forestry & Wild life                  | 78851                                  | 152104         | 230955          | 96451           | 189581         | 286032          | 127732          | 216361          | 344093          | 122604                       | 226461          | 349065          |
| (vii) Plantations                          | 559                                    | 457            | 1016            | 661             | 721            | 1382            | 1194            | 739             | 1933            | 1239                         | 887             | 2126            |
| (VII) Food storage & ware housing          | 1971                                   | 92263          | 94234           | 1556            | 79766          | 81322           | 12722           | 102625          | 115347          | 8679                         | 95589           | 104268          |
| (ix) Agri Research & Education             | 22818                                  | 59211          | 82029           | 25890           | 69018          | 94908           | 33429           | 86013           | 119442          | 29744                        | 85145           | 114889          |
| (x) Agri Fin. Institution                  | 0                                      | 0              | 0               | 0               | 0              | 0               | 0               | 0               | 0               | 0                            | 0               | 0               |
| (xi) Co-operation                          | 12866                                  | 56405          | 69271           | 12567           | 70979          | 83546           | 15558           | 151893          | 167451          | 15455                        | 76709           | 92164           |
| (xii) Other Agri Prog                      | 2260                                   | 4324           | 6584            | 2273            | 5911           | 8184            | 2944            | 6293            | 9237            | 3023                         | 7033            | 10056           |
| (2) Rural Development                      | 589492                                 | 247571         | 837063          | 664527          | 381901         | 1046428         | 794606          | 444136          | 1238742         | 753147                       | 377911          | 1131058         |
| (3) Special Area Prog                      | 62057                                  | 16436          | 78520           | 76567           | 21414          | 97981           | 93303           | 21806           | 115109          | 99939                        | 22694           | 122633          |
| <b>(4) Irrigation &amp; Flood control</b>  | <b>103619</b>                          | <b>761459</b>  | <b>865078</b>   | <b>133221</b>   | <b>856222</b>  | <b>989443</b>   | <b>157069</b>   | <b>823469</b>   | <b>980538</b>   | <b>172543</b>                | <b>813408</b>   | <b>985951</b>   |
| (I) Major & Medium Irrigation              | 24505                                  | 582463         | 606968          | 42421           | 652186         | 694607          | 53833           | 649307          | 703140          | 48459                        | 647172          | 695631          |
| (ii) Minor Irrigation                      | 48195                                  | 136598         | 184793          | 57090           | 145634         | 202734          | 61853           | 121112          | 182965          | 65025                        | 116126          | 181151          |
| (iii) Flood Control                        | 2191                                   | 37422          | 39613           | 3143            | 46069          | 49212           | 9879            | 46810           | 56689           | 21724                        | 44084           | 65808           |
| (5) Energy                                 | 17725                                  | 598501         | 616226          | 21776           | 540175         | 561951          | 29286           | 533492          | 562778          | 218860                       | 563879          | 782739          |
| of which : power                           | 10844                                  | 598446         | 609290          | 14764           | 540013         | 554777          | 21528           | 531443          | 552971          | 212354                       | 563676          | 776030          |
| (6) Industry & Mineral (i to iii)          | 117324                                 | 81573          | 198897          | 123471          | 94097          | 217568          | 131618          | 96685           | 228303          | 156603                       | 109101          | 265704          |
| (i) Village & Small Industries             | 63523                                  | 53944          | 117467          | 78747           | 62265          | 141012          | 84252           | 65775           | 150007          | 95387                        | 69051           | 164438          |
| (ii) Industries @                          | 46722                                  | 25341          | 72063           | 36082           | 29872          | 65954           | 44123           | 29907           | 74030           | 58722                        | 34333           | 93055           |
| (iii) others**                             | 7079                                   | 2288           | 9367            | 8642            | 1960           | 10602           | 3243            | 1023            | 4266            | 2494                         | 5717            | 8211            |

**REVENUE ACCOUNT**  
**TABLE - DET 6 PLAN , NON PLAN - ITEMS OF EXPENDITURE - ALL STATES**

| Expenditure Items   | (Rs. Lakhs)     |                |                |                 |                |                |                 |                 |                 |               |                 |                |
|---|-----------------|----------------|----------------|-----------------|----------------|----------------|-----------------|-----------------|-----------------|---------------|-----------------|----------------|
|   | 1997-98 (Accts) |                |                | 1998-99 (Accts) |                |                | 1999-2000 (R.E) |                 |                 | 2000-01 (B.E) |                 |                |
|   | Plan            | Non Plan       | Total          | Plan            | Non Plan       | Total          | Plan            | Non Plan        | Total           | Plan          | Non Plan        | Total          |
| <b>(7) Transport &amp; Communication (i+ii)</b>                   | <b>36348</b>    | <b>502367</b>  | <b>538715</b>  | <b>48008</b>    | <b>463328</b>  | <b>511336</b>  | <b>61015</b>    | <b>517925</b>   | <b>578940</b>   | <b>88057</b>  | <b>504460</b>   | <b>592517</b>  |
| <b>(i) Road &amp; Bridges</b>                                     | <b>34087</b>    | <b>397081</b>  | <b>431168</b>  | <b>44203</b>    | <b>346847</b>  | <b>391050</b>  | <b>56903</b>    | <b>383123</b>   | <b>440026</b>   | <b>82688</b>  | <b>368547</b>   | <b>451235</b>  |
| (ii) others @@  | 2261            | 105286         | 107547         | 3805            | 116481         | 120286         | 4112            | 134802          | 138914          | 5369          | 135913          | 141282         |
| (8) Science, Technology & Environment                             | 6145            | 1328           | 7473           | 9192            | 1035           | 10227          | 11611           | 1510            | 13121           | 11756         | 1398            | 13154          |
| <b>(9) General Economic Services (i to iv)</b>                    | <b>63772</b>    | <b>174729</b>  | <b>238501</b>  | <b>69989</b>    | <b>137252</b>  | <b>207241</b>  | <b>116716</b>   | <b>175106</b>   | <b>291822</b>   | <b>132466</b> | <b>290939</b>   | <b>423405</b>  |
| (i) Secretariat economic services                                 | 40220           | 22274          | 62494          | 33854           | 28536          | 62390          | 71030           | 34938           | 105968          | 76685         | 34739           | 111424         |
| (ii) Tourism  | 7725            | 6430           | 14155          | 12558           | 5368           | 17926          | 16157           | 6766            | 22923           | 16557         | 6721            | 23278          |
| (iii) Civil supplies  | 2534            | 121684         | 124218         | 2272            | 75275          | 77547          | 3724            | 96610           | 100334          | 11008         | 199805          | 210813         |
| (iv) Others +   | 13293           | 24341          | 37634          | 21305           | 28073          | 49378          | 25805           | 36792           | 62597           | 28216         | 49674           | 77890          |
| <b>(II) Non-Development Expenditure General services (A to F)</b> | <b>34443</b>    | <b>695696</b>  | <b>6989139</b> | <b>59904</b>    | <b>8410217</b> | <b>8470121</b> | <b>100193</b>   | <b>10630675</b> | <b>10730868</b> | <b>127531</b> | <b>12225736</b> | <b>1353267</b> |
| (A) Organs of State   | 352             | 228789         | 229141         | 175             | 232470         | 232645         | 505             | 370429          | 370934          | 713           | 296874          | 297587         |
| (B) Fiscal Services (i to iii)                                    | 18604           | 378486         | 397090         | 20771           | 652354         | 673125         | 27952           | 744405          | 772357          | 31812         | 786066          | 817878         |
| (i) Collection of Taxes & Duties                                  | 17751           | 306745         | 324496         | 20771           | 620635         | 640751         | 26005           | 706716          | 732721          | 29821         | 752669          | 817878         |
| (ii) Transfer to Road fund, edn. Cess fund etc                    | 0               | 48761          | 48761          | 0               | 0              | 0              | 0               | 0               | 0               | 0             | 0               | 0              |
| (iii) Other fiscal services                                       | 853             | 22980          | 23833          | 655             | 31719          | 32374          | 1947            | 37689           | 39636           | 1991          | 33397           | 35388          |
| <b>(C) Interest payment &amp; Securing of Debt (1+2)</b>          | <b>1130</b>     | <b>3153936</b> | <b>3155066</b> | <b>745</b>      | <b>3755345</b> | <b>3756090</b> | <b>829</b>      | <b>4669366</b>  | <b>4670195</b>  | <b>0</b>      | <b>5574478</b>  | <b>5574478</b> |
| (1) Appropriation for reduction or avoidance of debt              | 0               | 143802         | 143802         | 0               | 168745         | 168745         | 0               | 117609          | 117609          | 0             | 147384          | 147384         |
| (2) Interest payments (i to iv)                                   | 1130            | 3010134        | 3011264        | 745             | 3586600        | 3587345        | 829             | 4551757         | 4552586         | 0             | 5427094         | 5427094        |
| (i) Interest on loan from Centre                                  | 0               | 1751379        | 1751379        | 155             | 2089010        | 2089165        | 276             | 2570289         | 2570565         | 0             | 2989181         | 2989181        |
| (ii) Interest on internal debt of which:                          | 0               | 662933         | 662933         | 0               | 798366         | 798366         | 0               | 1029636         | 1029636         | 0             | 1254338         | 1254338        |
| interest on Market loan   | 0               | 564829         | 564829         | 0               | 651365         | 651365         | 0               | 830038          | 830038          | 0             | 957839          | 957839         |
| (iii) Interest on small saving, P.F etc                           | 0               | 448748         | 448748         | 0               | 551327         | 551327         | 0               | 766288          | 766288          | 0             | 912195          | 912195         |
| (iv) Others   | 1130            | 147074         | 148204         | 590             | 147897         | 148487         | 553             | 185544          | 186097          | 0             | 271380          | 271380         |
| <b>(D) Administrative Services (i to v)</b>                       | <b>14342</b>    | <b>1693153</b> | <b>1707495</b> | <b>38198</b>    | <b>1937478</b> | <b>1975676</b> | <b>70875</b>    | <b>2371528</b>  | <b>2442403</b>  | <b>94972</b>  | <b>2826893</b>  | <b>2921865</b> |
| (i) Secretarial General Services                                  | 2136            | 62253          | 64389          | 5697            | 73984          | 79681          | 26222           | 90225           | 116447          | 54510         | 242603          | 297113         |
| (ii) Dist Administration  | 733             | 169399         | 170132         | 9050            | 198095         | 207145         | 12747           | 244074          | 256821          | 8668          | 261395          | 270063         |
| <b>(iii) Police</b>   | <b>3129</b>     | <b>1017803</b> | <b>1020932</b> | <b>7390</b>     | <b>1187904</b> | <b>1195294</b> | <b>7208</b>     | <b>1451737</b>  | <b>1458945</b>  | <b>10351</b>  | <b>1494461</b>  | <b>1504812</b> |
| (iv) Publications   | -3366           | 195528         | 192162         | 7888            | 176251         | 184139         | 9107            | 232361          | 241468          | 9629          | 244941          | 254570         |
| (v) Others **   | 11710           | 248170         | 259880         | 8173            | 301244         | 309417         | 15591           | 353131          | 368722          | 11814         | 583493          | 595307         |
| E.Pensions  | 2               | 1159906        | 1159908        | 0               | 1616632        | 1616632        | 0               | 2229462         | 2229462         | 0             | 2382030         | 2382030        |
| F. Miscellaneous General Services of which:                       | 13              | 340426         | 340439         | 15              | 215938         | 215953         | 32              | 245485          | 245517          | 34            | 359395          | 359429         |
| Payment on acct of state Lotteries                                | 0               | 311877         | 311877         | 0               | 207074         | 207074         | 0               | 232834          | 232834          | 0             | 316109          | 316109         |
| III. Grants In Aid contribution                                   | 0               | 0              | 0              | 0               | 0              | 0              | 0               | 0               | 0               | 0             | 0               | 0              |
| IV. Compensation & Assignment to local bodies & PRIs              | 20327           | 275370         | 295697         | 20873           | 332189         | 353062         | 12383           | 497819          | 510202          | 6691          | 505763          | 512454         |
| (v) Reserve with Finance Dept                                     | 0               | 0              | 0              | 0               | 0              | 0              | 0               | 0               | 0               | 0             | 0               | 0              |

Source: Reserve Bank of India, **Finances of the State Governments**, various years ' issues. and Budgetary documents

Notes to the tables :

a. Where details are not available in respect of one or several sub groups under major groups , the relevant amount is shown against the sub group 'others'

b. Figures in respect of Jammu and Kashmir and Nagaland for 1997-98 relate to revised estimates

c. \* include expenditure on information and publicity , secretariat - Social Services, Other Social Services etc.

d. \*\* include expenditure on other industries , other outlays on industries and minerals

e. @ include expenditure on non ferrous , mining and metallurgical industries.

f. @@ include expenditure on port and light houses , civil aviation , Road transport , inland water transport etc.

g. + include expenditure on Foreign trade and export promotion , census , survey and statistics, other General Economic services

h. ++ include expenditure on Public Service Commission , treasury and accounts , administration , jails , supplies and disposal , stationery and printing and other administrative services.

i. \$ transfer State Road Fund , Employment Guarantee Fund, Education CESS Fund etc and grants to local bodies , reported by Govt of Maharashtra under the head

fiscal services' has been distributed under the functional heads of ' Social Services' , 'Economic Services', 'General Services ' and ' compensation and assignment to local bodies' according to the expenditure pattern of the relevant funds. In the years w

Road Fund , Education Cess Fund , etc.



**TABLE - DET 7 CAPITAL ACCOUNT- DISBURSEMENTS - MAHARASHTRA**  
**1991-92**

(Rs.Lakhs)

| Capital Disbursements                         | Plan         | Non Plan     | Total        |
|---|--------------|--------------|--------------|
| Total Disbursements (I+II+III+IV)             | 159407       | 40877        | 200284       |
| (I) Total Capital Outlay (1+2)                | 100915       | -3601        | 97314        |
| <b>i. Development (a+b)</b>                   | <b>98839</b> | <b>-3601</b> | <b>95238</b> |
| (a) Social Services (1 to 8)                  | 6373         | 242          | 6615         |
| <b>1. Edu, Sports, Art &amp; Culture</b>      | <b>868</b>   | <b>0</b>     | <b>868</b>   |
| 2. Medi& Pub Health & Family Welfare          | 1843         | 4            | 1847         |
| <b>3. Water Suply &amp; Sanitation</b>        | <b>473</b>   | <b>0</b>     | <b>473</b>   |
| 4. Housing                                    | 1258         | 0            | 1258         |
| 5. Urban Development                          | 18           | 154          | 172          |
| 6. Welfare of SC/ST &OBC                      | 1134         | 0            | 1134         |
| 7. Social Security & Welfare                  | 21           | 73           | 94           |
| 8. Others                                     | 758          | 11           | 769          |
| <b>(b) Economic Services (1 to 10)</b>        | <b>92466</b> | <b>-3843</b> | <b>88623</b> |
| 1. Agri & Allied Activities (i to xi)         | 14869        | -3841        | 11028        |
| (i) Crop Husbandary                           | 27           | 21           | 48           |
| (ii) Soil & Water Conservation                | 2159         | 201          | 2360         |
| (iii) Animal Husbandary                       | 71           | 0            | 71           |
| (iv) Dairy Development                        | 328          | 0            | 328          |
| (v) Fisheries                                 | 326          | 0            | 326          |
| (vi) Forestry& Wild life                      | 2197         | 22           | 2219         |
| (vii) Plantations                             | 0            | 0            | 0            |
| (viii) Food Storage & ware housing            | 14           | -4085        | -4071        |
| (ix) Agri. Res & Edn                          | 24           | 0            | 24           |
| (x) Co-Operation                              | 9723         | 0            | 9723         |
| (xi) Others@                                  | 0            | 0            | 0            |
| (2) Rural Development                         | 0            | 0            | 0            |
| (3) Special Area Programmes                   | 0            | 0            | 0            |
| of which: Hill Areas                          | 0            | 0            | 0            |
| (4) Major & Medium Irrigation & Flood Control | 52609        | 2            | 52611        |
| (5) Energy                                    | 10499        | 0            | 10499        |
| (6) Industry & Minerals (i to iv)             | -508         | 0            | -508         |
| (i) Village & Small Industries                | 124          | 0            | 124          |
| (ii) Iron & Steel Industries                  | 0            | 0            | 0            |
| (iii) Non Ferrous & Metallurgical Industries  | 0            | 0            | 0            |
| (iv) Others#                                  | -632         | 0            | -632         |
| 7. Transport (i +ii)                          | 14870        | 0            | 14870        |
| (i) Roads & Bridges                           | 12080        | 0            | 12080        |
| (ii) Others**                                 | 2790         | 0            | 2790         |
| 8. Communication                              | 0            | 0            | 0            |
| Capital Disbursements                         | Plan         | Non Plan     | Total        |
| 9. Science, Technology & Environment          | 0            | 0            | 0            |
| 10. General Economic Services (i +ii)         | 127          | -4           | 123          |
| (i) Tourism                                   | 131          | 0            | 131          |
| (ii) Others@@                                 | -4           | -4           | -8           |

**TABLE - DET 7 CAPITAL ACCOUNT- DISBURSEMENTS - MAHARASHTRA**

| Capital Disbursements   | 1991-92     |          | Total       |
|---|-------------|----------|-------------|
|   | Plan        | Non Plan |             |
|   |             |          | (Rs.Lakhs)  |
| <b>2. Non Developmental</b>   |             |          |             |
| <b>(General Services)</b>   | <b>2076</b> | <b>0</b> | <b>2076</b> |
| (ii) Discharge of internal Debt   |             |          |             |
| ++ (1 to 5)   | 0           | 7110     | 7110        |
| 1. Market Loans   | 0           | 15       | 15          |
| 2. Loans from LIC   | 0           | 132      | 132         |
| 3. Loans from NABARD  | 0           | 5831     | 5831        |
| 4. Loans from National Co-op Development Corp                                       | 0           | 1021     | 1021        |
| 5. Others   | 0           | 111      | 111         |
| of which: Land Compensation Bonds   | 0           | 17       | 17          |
| (iii) Repayment of Loan to the Centre   | 0           | 31870    | 31870       |
| (iv) Loans & Advances by State Govt (1+2)   | 58492       | 5498     | 63990       |
| 1. Developmental Purpose (a+b)  | 58492       | 5172     | 63664       |
| (a) Social Services (1 to 3)  | 14534       | 995      | 15529       |
| 1. Housing  | 5173        | 718      | 5891        |
| 2. Govt Servants (Housing)  | 782         | 9        | 791         |
| 3. Others   | 8579        | 268      | 8847        |
| (b) Economic Services (1 to 7)  | 43958       | 4177     | 48135       |
| 1. Co-operation   | 2638        | 0        | 2638        |
| 2. Crop Husbandary  | 3           | 2934     | 2937        |
| 3. Soil & Water Conservation  | 0           | 0        | 0           |
| 4. Power Projects   | 39800       | 0        | 39800       |
| 5. Village & Small Industries   | 109         | 92       | 201         |
| 6. Other Industries & Minerals  | 927         | 105      | 1032        |
| 7. Others   | 481         | 1046     | 1527        |
| (2) Non developmental purposes (a+b)  | 0           | 326      | 326         |
| (a) Govt Servants (Other than housing)  | 0           | 607      | 607         |
| (b) Miscellaneous   | 0           | -281     | -281        |
| (A) Surplus(+)/ Deficit (-) on Capital Account                                      |             |          | 125728      |
| (B) Remittances (net)   |             |          | -5912       |
| (C) Surplus (+)/ Deficit (-) on Revenue Account                                     |             |          | -27613      |
| (D) Overall Surplus(+)/Deficit(-) (A+B+C) Financing of Surplus(+)/Deficit(-)        |             |          | 92203       |
| (E) Increase(+)/ Decrease(-) in cash Balances                                       |             |          | 4308        |
| (a) Opening Balances  |             |          | -7955       |
| (b) Closing Balances  |             |          | -3647       |
| (F) Withdrawals from (-) / Additions to (+) Cash Balance Investment Account(net)    |             |          | 87895       |
| (G) Increase(-) /Decrease (+) in ways & means advances & over drafts from RBI (net) |             |          | 0           |

**TABLE - DET 8 CAPITAL ACCOUNT- DISBURSEMENTS - ANDHRA PRADESH  
1991-92**

(Rs. Lakhs)

| <b>Capital Disbursements</b>                        | <b>Plan</b>  | <b>Non Plan</b> | <b>Total</b> |
|---|--------------|-----------------|--------------|
| Total Disbursements<br>(I+II+III+IV)                | 91776        | 38863           | 130629       |
| (I) Total Capital Outlay (1+2)                      | 41137        | 785             | 41922        |
| i. Development (a+b)                                | 40105        | 698             | 40803        |
| <b>(a) Social Services (1 to 8)</b>                 | <b>6579</b>  | <b>343</b>      | <b>6922</b>  |
| 1. Edu, Sports, Art & Culture                       | 572          | 0               | 572          |
| 2. Medi& Pub Health &<br>Family Welfare             | 240          | 0               | 240          |
| <b>3. Water Suply &amp;<br/>Sanitation</b>          | <b>129</b>   | <b>0</b>        | <b>129</b>   |
| 4. Housing  | 132          | 11              | 143          |
| 5. Urban Development                                | 0            | 0               | 0            |
| 6. Welfare of SC/ST &OBC                            | 4447         | 0               | 4447         |
| 7. Social Security & Welfare                        | 887          | 0               | 887          |
| 8. Others   | 172          | 332             | 504          |
| <b>(b) Economic Services<br/>(1 to 10)</b>          | <b>33526</b> | <b>335</b>      | <b>33881</b> |
| 1. Agri & Allied Activities<br>(i to xi)            | 977          | -4              | 973          |
| (i) Crop Husbandary                                 | 109          | -1              | 108          |
| (ii) Soil & Water Conservation                      | 0            | 0               | 0            |
| (iii) Animal Husbandary                             | 60           | 0               | 60           |
| (iv) Dairy Development                              | 97           | 0               | 97           |
| (v) Fisheries                                       | 90           | 1               | 91           |
| (vi) Forestry& Wild life                            | 356          | 0               | 356          |
| (vii) Plantations                                   | 0            | 0               | 0            |
| (viii) Food Storage & ware<br>housing               | 31           | 4               | 35           |
| (ix) Agri. Res & Edn                                | 0            | 0               | 0            |
| (x) Co-Operation                                    | 148          | -8              | 140          |
| (xi) Others@  | 86           | 0               | 86           |
| (2) Rural Development                               | 0            | 0               | 0            |
| (3) Special Area Programmes<br>of which: Hill Areas | 0            | 0               | 0            |
| (4) Major & Medium<br>Irrigation & Flood Control    | 37307        | -12             | 37295        |
| (5) Energy  | -10891       | 0               | -10891       |
| (6) Industry & Minerals (i to iv)                   | 2728         | 0               | 2728         |
| (i) Village & Small Industries                      | 282          | 0               | 282          |
| (ii) Iron & Steel Industries                        | 0            | 0               | 0            |
| (iii) Non Ferrous &<br>Metallurgical Industries     | 900          | 0               | 900          |
| (iv) Others#  | 1546         | 0               | 1546         |
| 7. Transport (i +ii)                                | 3340         | 371             | 3711         |
| (i) Roads & Bridges                                 | 3181         | 371             | 3552         |
| (ii) Others**                                       | 159          | 0               | 159          |
| 8. Communication                                    | 0            | 0               | 0            |
| 9. Science, Technology &<br>Environment             | 0            | 0               | 0            |
| 10. General Economic<br>Services (i +ii)            | 65           | 0               | 65           |
| (i) Tourism   | 2            | 0               | 2            |
| (ii) Others@@                                       | 63           | 0               | 63           |

**TABLE - DET 8 CAPITAL ACCOUNT- DISBURSEMENTS - ANDHRA PRADESH  
1991-92**

(Rs. Lakhs)

| Capital Disbursements   | Plan        | Non Plan  | Total       |
|---|-------------|-----------|-------------|
| <b>2. Non Developmental (General Services)</b>                                      | <b>1032</b> | <b>87</b> | <b>1119</b> |
| (ii) Discharge of internal Debt ++ (1 to 5)   |             |           |             |
| 1. Market Loans   | 0           | 1342      | 1342        |
| 2. Loans from LIC   | 0           | 606       | 606         |
| 3. Loans from NABARD  | 0           | 32        | 32          |
| 4. Loans from National Co-op Development Corp                                       | 0           | 516       | 516         |
| 5. Others   | 0           | 176       | 176         |
| of which: Land Compensation Bonds   | 0           | 0         | 0           |
| (iii) Repayment of Loan to the Centre   | 0           | 22424     | 22424       |
| (iv) Loans & Advances by State Govt (1+2)   | 50629       | 14312     | 64941       |
| 1. Developmental Purpose (a+b)  | 50629       | 12238     | 62867       |
| (a) Social Services (1 to 3)  | 8204        | 7323      | 15527       |
| 1. Housing  | 1330        | 1611      | 2941        |
| 2. Govt Servants (Housing)  | 0           | 1440      | 1440        |
| 3. Others   | 6874        | 4272      | 11146       |
| (b) Economic Services (1 to 7)  | 42425       | 4915      | 47340       |
| 1. Co-operation   | 881         | 650       | 1531        |
| 2. Crop Husbandary  | 424         | 3250      | 3674        |
| 3. Soil & Water Conservation  | 211         | 0         | 211         |
| 4. Power Projects   | 39063       | 0         | 39063       |
| 5. Village & Small Industries   | 54          | 14        | 68          |
| 6. Other Industries & Minerals  | 638         | 0         | 638         |
| 7. Others   | 1154        | 1001      | 2155        |
| (2) Non developmental purposes (a+b)  | 0           | 2074      | 2074        |
| (a) Govt Servants (Other than housing)  | 0           | 2074      | 2074        |
| (b) Miscellaneous   | 0           | 0         | 0           |
| (A) Surplus(+)/ Deficit (-) on Capital Account                                      |             |           | 28894       |
| (B) Remittances (net)   |             |           | -2801       |
| (C) Surplus (+)/ Deficit (-) on Revenue Account                                     |             |           | -1697       |
| (D) Overall Surplus(+)/Deficit(-) (A+B+C) Financing of Surplus(+)/Deficit(-)        |             |           | 9136        |
| (E) Increase(+)/ Decrease(-) in cash Balances                                       |             |           | -2505       |
| (a) Opening Balances  |             |           | -2588       |
| (b) Closing Balances  |             |           | -5093       |
| (F) Withdrawals from (-) / Additions to (+) Cash Balance Investment Account(net)    |             |           | 11641       |
| (G) Increase(-) /Decrease (+) in ways & means advances & over drafts from RBI (net) |             |           | 0           |

**TABLE - DET 9 CAPITAL ACCOUNT- DISBURSEMENTS - KARNATAKA  
1991-92**

(Rs. Lakhs)

| Capital Disbursements                               | Plan         | Non Plan     | Total        |
|---|--------------|--------------|--------------|
| Total Disbursements<br>(I+II+III+IV)                | 95758        | 33654        | 129412       |
| <b>(I) Total Capital Outlay (1+2)</b>               | <b>65431</b> | <b>13155</b> | <b>78586</b> |
| i. Development (a+b)                                | 64072        | 13155        | 77227        |
| (a) Social Services (1 to 8)                        | 3237         | 8            | 3245         |
| <b>1. Edu, Sports, Art &amp; Culture</b>            | <b>363</b>   | <b>0</b>     | <b>363</b>   |
| 2. Medi& Pub Health &<br>Family Welfare             | 528          | 0            | 528          |
| <b>3. Water Supply &amp;<br/>Sanitation</b>         | <b>0</b>     | <b>0</b>     | <b>0</b>     |
| 4. Housing  | 1220         | 0            | 1220         |
| 5. Urban Development                                | 0            | 0            | 0            |
| 6. Welfare of SC/ST &OBC                            | 774          | 0            | 774          |
| 7. Social Security & Welfare                        | 308          | 0            | 308          |
| 8. Others   | 44           | 8            | 52           |
| <b>(b) Economic Services<br/>(1 to 10)</b>          | <b>60835</b> | <b>13147</b> | <b>73982</b> |
| 1. Agri & Allied Activities (i<br>to xi)            | 1306         | 0            | 1306         |
| (i) Crop Husbandary                                 | 59           | 0            | 59           |
| (ii) Soil & Water Conservation                      | 0            | 0            | 0            |
| (iii) Animal Husbandary                             | 7            | 0            | 7            |
| (iv) Dairy Development                              | 0            | 0            | 0            |
| (v) Fisheries                                       | 88           | 0            | 88           |
| (vi) Forestry& Wild life                            | 32           | 0            | 32           |
| (vii) Plantations                                   | 0            | 0            | 0            |
| (viii) Food Storage & ware<br>housing               | 15           | 0            | 15           |
| (ix) Agri. Res & Edn                                | 0            | 0            | 0            |
| (x) Co-Operation                                    | 1094         | 0            | 1094         |
| (xi) Others@  | 11           | 0            | 11           |
| (2) Rural Development                               | 0            | 45           | 45           |
| (3) Special Area Programmes<br>of which: Hill Areas | 0            | 0            | 0            |
| (4) Major & Medium<br>Irrigation & Flood Control    | 24264        | 13113        | 37377        |
| (5) Energy  | 24514        | 0            | 24514        |
| (6) Industry & Minerals (i to iv)                   | 2656         | 0            | 2656         |
| (i) Village & Small Industries                      | 835          | 0            | 835          |
| (ii) Iron & Steel Industries                        | 0            | 0            | 0            |
| (iii) Non Ferrous &<br>Metallurgical Industries     | 0            | 0            | 0            |
| (iv) Others#  | 1821         | 0            | 1821         |
| 7. Transport (i +ii)                                | 8164         | -12          | 8155         |
| (i) Roads & Bridges                                 | 4554         | -12          | 4542         |
| (ii) Others**                                       | 3613         | 0            | 3613         |
| 8. Communication                                    | 0            | 0            | 0            |
| 9. Science, Technology &<br>Environment             | 0            | 0            | 0            |
| 10. General Economic<br>Services (i +ii)            | -72          | 1            | -71          |
| (i) Tourism   | 128          | 0            | 128          |
| (ii) Others@@                                       | -200         | 1            | -199         |

**TABLE - DET 9 CAPITAL ACCOUNT- DISBURSEMENTS - KARNATAKA  
1991-92**

(Rs. Lakhs)

| Capital Disbursements  | Plan        | Non Plan | Total       |
|--|-------------|----------|-------------|
| <b>2. Non Developmental<br/>(General Services)</b>   | <b>1359</b> | <b>0</b> | <b>1359</b> |
| (ii) Discharge of internal<br>Debt ++ (1 to 5)   | 0           | 1060     | 1060        |
| 1. Market Loans  | 0           | 4        | 4           |
| 2. Loans from LIC  | 0           | 316      | 316         |
| 3. Loans from NABARD   | 0           | 60       | 60          |
| 4. Loans from National Co-<br>op Development Corp  | 0           | 510      | 510         |
| 5. Others  | 0           | 170      | 170         |
| of which: Land<br>Compensation Bonds   | 0           | 0        | 0           |
| (iii) Repayment of Loan to<br>the Centre   | 0           | 15704    | 15704       |
| (iv) Loans & Advances by<br>State Govt (1+2)   | 30327       | 3735     | 34062       |
| 1. Developmental Purpose<br>(a+b)  | 30327       | 1558     | 31885       |
| (a) Social Services (1 to 3)   | 8822        | 219      | 9041        |
| 1. Housing   | 1202        | 0        | 1202        |
| 2. Govt Servants (Housing)   | 71          | 0        | 71          |
| 3. Others  | 7549        | 219      | 7768        |
| (b) Economic Services (1<br>to 7)  | 24505       | 1339     | 22844       |
| 1. Co-operation  | 1553        | 0        | 1553        |
| 2. Crop Husbandary   | 0           | 838      | 838         |
| 3. Soil & Water Conservation   | 200         | 0        | 200         |
| 4. Power Projects  | 17032       | 0        | 17032       |
| 5. Village & Small Industries  | 368         | 1        | 369         |
| 6. Other Industries & Minerals   | 343         | 0        | 343         |
| 7. Others  | 2009        | 500      | 2509        |
| (2) Non developmental<br>purposes (a+b)  | 0           | 2177     | 2177        |
| (a) Govt Servants (Other<br>than housing)  | 0           | 529      | 529         |
| (b) Miscellaneous  | 0           | 1648     | 1648        |
| (A) Surplus(+)/ Deficit (-) on<br>Capital Account  |             |          | 17165       |
| (B) Remittances (net)  |             |          | 3802        |
| (C) Surplus (+)/ Deficit (-) on<br>Revenue Account   |             |          | -17865      |
| (D) Overall<br>Surplus(+)/Deficit(-)<br>(A+B+C) Financing of<br>Surplus(+)/Deficit(-)        |             |          | 3102        |
| (E) Increase(+)/ Decrease(-)<br>in cash Balances   |             |          | -4052       |
| (a) Opening Balances   |             |          | 331         |
| (b) Closing Balances   |             |          | -3721       |
| (F) Withdrawals from (-) /<br>Additions to (+) Cash<br>Balance Investment<br>Account(net)    |             |          | 7154        |
| (G) Increase(-) /Decrease<br>(+) in ways & means<br>advances & over drafts from<br>RBI (net) |             |          | 0           |

**TABLE - DET 10 CAPITAL ACCOUNT- DISBURSEMENTS - TAMILNADU**  
**1991-92**

(Rs.Lakhs)

| Capital Disbursements                            | Plan         | Non Plan    | Total        |
|--|--------------|-------------|--------------|
| Total Disbursements (I+II+III+IV)                | 41912        | 50104       | 92016        |
| <b>(I) Total Capital Outlay (1+2)</b>            | <b>26766</b> | <b>1143</b> | <b>27909</b> |
| i. Development (a+b)                             | 25996        | 1034        | 27030        |
| (a) Social Services (1 to 8)                     | 8391         | 80          | 8471         |
| <b>1. Edu, Sports, Art &amp; Culture</b>         | <b>834</b>   | <b>0</b>    | <b>834</b>   |
| 2. Medi& Pub Health & Family Welfare             | 1537         | 0           | 1537         |
| <b>3. Water Suply &amp; Sanitation</b>           | <b>1738</b>  | <b>0</b>    | <b>1738</b>  |
| 4. Housing                                       | 1894         | 18          | 1912         |
| 5. Urban Development                             | 0            | 0           | 0            |
| 6. Welfare of SC/ST &OBC                         | 1281         | 0           | 1281         |
| 7. Social Security & Welfare                     | 121          | 0           | 121          |
| 8. Others  | 986          | 62          | 1048         |
| <b>(b) Economic Services (1 to 10)</b>           | <b>17605</b> | <b>954</b>  | <b>18559</b> |
| 1. Agri & Allied Activities (i to xi)            | 4147         | -207        | 3940         |
| (i) Crop Husbandary                              | 103          | 0           | 103          |
| (ii) Soil & Water Conservation                   | 148          | 0           | 148          |
| (iii) Animal Husbandary                          | 219          | 6           | 225          |
| (iv) Dairy Development                           | 5            | 0           | 5            |
| (v) Fisheries                                    | 121          | 27          | 128          |
| (vi) Forestry& Wild life                         | 2530         | 0           | 2530         |
| (vii) Plantations                                | 6            | 0           | 6            |
| (viii) Food Storage & ware housing               | 50           | 0           | 50           |
| (ix) Agri. Res & Edn                             | 89           | 0           | 89           |
| (x) Co-Operation                                 | 876          | -240        | 636          |
| (xi) Others@                                     | 0            | 0           | 0            |
| (2) Rural Development                            | 980          | 0           | 980          |
| (3) Special Area Programmes of which: Hill Areas | 569          | 0           | 569          |
| (4) Major & Medium Irrigation & Flood Control    | 4776         | 161         | 4937         |
| (5) Energy                                       | 21           | 0           | 21           |
| (6) Industry & Minerals (i to iv)                | 2853         | 0           | 2853         |
| (i) Village & Small Industries                   | 1109         | 0           | 1109         |
| (ii) Iron & Steel Industries                     | 0            | 0           | 0            |
| (iii) Non Ferrous & Metallurgical Industries     | 0            | 0           | 0            |
| (iv) Others#                                     | 1744         | 0           | 1744         |
| 7. Transport (i +ii)                             | 3849         | 0           | 3849         |
| (i) Roads & Bridges                              | 3783         | 0           | 3783         |
| (ii) Others**                                    | 66           | 0           | 66           |
| 8. Communication                                 | 0            | 0           | 0            |
| 9. Science, Technology & Environment             | 0            | 0           | 0            |
| 10. General Economic Services (i +ii)            | 410          | 1000        | 1410         |
| (i) Tourism                                      | 54           | 0           | 54           |
| (ii) Others@ @                                   | 356          | 1000        | 1356         |

**TABLE - DET 10 CAPITAL ACCOUNT- DISBURSEMENTS - TAMILNADU**  
**1991-92**

(Rs.Lakhs)

| Capital Disbursements   | Plan       | Non Plan   | Total      |
|---|------------|------------|------------|
| <b>2. Non Developmental (General Services)</b>                                      | <b>770</b> | <b>109</b> | <b>879</b> |
| (ii) Discharge of internal Debt ++ (1 to 5)   | 0          | 1281       | 1281       |
| 1. Market Loans   | 0          | 6          | 6          |
| 2. Loans from LIC   | 0          | 359        | 359        |
| 3. Loans from NABARD  | 0          | 93         | 93         |
| 4. Loans from National Co-op Development Corp                                       | 0          | 663        | 663        |
| 5. Others   | 0          | 160        | 160        |
| of which: Land Compensation Bonds   | 0          | 1          | 1          |
| (iii) Repayment of Loan to the Centre   | 0          | 21613      | 21613      |
| (iv) Loans & Advances by State Govt (1+2)   | 15146      | 26067      | 41213      |
| 1. Developmental Purpose (a+b)  | 15102      | 23645      | 38747      |
| (a) Social Services (1 to 3)  | 10255      | 4439       | 14694      |
| 1. Housing  | 800        | 1133       | 1933       |
| 2. Govt Servants (Housing)  | 1763       | 0          | 1763       |
| 3. Others   | 7692       | 3306       | 10998      |
| (b) Economic Services (1 to 7)  | 4847       | 19206      | 24053      |
| 1. Co-operation   | 185        | 0          | 185        |
| 2. Crop Husbandary  | 0          | 100        | 100        |
| 3. Soil & Water Conservation  | 321        | 0          | 321        |
| 4. Power Projects   | 0          | 14000      | 14000      |
| 5. Village & Small Industries   | 256        | 4          | 260        |
| 6. Other Industries & Minerals  | 3050       | 643        | 3693       |
| 7. Others   | 1035       | 4459       | 5494       |
| (2) Non developmental purposes (a+b)  | 44         | 2422       | 2466       |
| (a) Govt Servants (Other than housing)  | 0          | 2394       | 2394       |
| (b) Miscellaneous   | 44         | 28         | 72         |
| (A) Surplus(+)/ Deficit (-) on Capital Account                                      |            |            | 190782     |
| (B) Remittances (net)   |            |            | -22423     |
| (C) Surplus (+)/ Deficit (-) on Revenue Account                                     |            |            | -190386    |
| (D) Overall Surplus(+)/Deficit(-) (A+B+C) Financing of Surplus(+)/Deficit(-)        |            |            | -22027     |
| (E) Increase(+)/ Decrease(-) in cash Balances                                       |            |            | -23975     |
| (a) Opening Balances  |            |            | -166       |
| (b) Closing Balances  |            |            | -24141     |
| (F) Withdrawals from (-) / Additions to (+) Cash Balance Investment Account(net)    |            |            | 1          |
| (G) Increase(-) /Decrease (+) in ways & means advances & over drafts from RBI (net) |            |            | 1947       |



**TABLE - DET 11 CAPITAL ACCOUNT- DISBURSEMENTS - KERALA**

**1991-92**

(Rs.Lakhs)

| <b>Capital Disbursements</b>                     | <b>Plan</b>  | <b>Non Plan</b> | <b>Total</b> |
|--|--------------|-----------------|--------------|
| Total Disbursements (I+II+III+IV)                | 41056        | 37813           | 78869        |
| <b>(I) Total Capital Outlay (1+2)</b>            | <b>28757</b> | <b>-145</b>     | <b>28612</b> |
| i. Development (a+b)                             | 28172        | -145            | 28027        |
| (a) Social Services (1 to 8)                     | 3236         | 21              | 3257         |
| <b>1. Edu, Sports, Art &amp; Culture</b>         | <b>1793</b>  | <b>0</b>        | <b>1793</b>  |
| 2. Medi& Pub Health & Family Welfare             | 914          | 0               | 914          |
| <b>3. Water Suply &amp; Sanitation</b>           | <b>0</b>     | <b>0</b>        | <b>0</b>     |
| 4. Housing                                       | 110          | 21              | 131          |
| 5. Urban Development                             | 0            | 0               | 0            |
| 6. Welfare of SC/ST &OBC                         | 373          | 0               | 373          |
| 7. Social Security & Welfare                     | 37           | 0               | 37           |
| 8. Others  | 9            | 0               | 9            |
| <b>(b) Economic Services (1 to 10)</b>           | <b>24936</b> | <b>-166</b>     | <b>24770</b> |
| 1. Agri & Allied Activities (i to xi)            | 4504         | -144            | 4360         |
| (i) Crop Husbandary                              | 173          | 11              | 184          |
| (ii) Soil & Water Conservation                   | 80           | 0               | 80           |
| (iii) Animal Husbandary                          | 57           | 0               | 57           |
| (iv) Dairy Development                           | 62           | 0               | 62           |
| (v) Fisheries                                    | 681          | 0               | 681          |
| (vi) Forestry& Wild life                         | 473          | 0               | 473          |
| (vii) Plantations                                | 0            | 0               | 0            |
| (viii) Food Storage & ware housing               | 109          | -134            | -25          |
| (ix) Agri. Res & Edn                             | 0            | 0               | 0            |
| (x) Co-Operation                                 | 1872         | -21             | 1851         |
| (xi) Others@                                     | 997          | 0               | 997          |
| (2) Rural Development                            | 0            | 0               | 0            |
| (3) Special Area Programmes of which: Hill Areas | 0            | 0               | 0            |
| (4) Major & Medium Irrigation & Flood Control    | 9081         | 0               | 9081         |
| (5) Energy                                       | 0            | 0               | 0            |
| (6) Industry & Minerals (i to iv)                | 4338         | 0               | 4338         |
| (i) Village & Small Industries                   | 484          | 0               | 484          |
| (ii) Iron & Steel Industries                     | 0            | 0               | 0            |
| (iii) Non Ferrous & Metallurgical Industries     | 5            | 0               | 5            |
| (iv) Others#                                     | 3849         | 0               | 3849         |
| 7. Transport (i +ii)                             | 6852         | -16             | 6836         |
| (i) Roads & Bridges                              | 5175         | 0               | 5175         |
| (ii) Others**                                    | 1677         | -16             | 1661         |
| 8. Communication                                 | 0            | 0               | 0            |
| 9. Science, Technology & Environment             | 0            | 0               | 0            |
| 10. General Economic Services (i +ii)            | 161          | -6              | 155          |
| (i) Tourism                                      | 154          | 0               | 154          |
| (ii) Others@@                                    | 7            | -6              | 1            |

**TABLE - DET 11 CAPITAL ACCOUNT- DISBURSEMENTS - KERALA**

**1991-92**

(Rs.Lakhs)

| <b>Capital Disbursements</b>  | <b>Plan</b> | <b>Non Plan</b> | <b>Total</b> |
|---|-------------|-----------------|--------------|
| <b>2. Non Developmental (General Services)</b>                                      | <b>585</b>  | <b>0</b>        | <b>585</b>   |
| (ii) Discharge of internal Debt ++ (1 to 5)   | 0           | 2151            | 2151         |
| 1. Market Loans   | 0           | 2               | 2            |
| 2. Loans from LIC   | 0           | 277             | 277          |
| 3. Loans from NABARD  | 0           | 1065            | 1065         |
| 4. Loans from National Co-op Development Corp                                       | 0           | 0               | 0            |
| 5. Others   | 0           | 807             | 807          |
| of which: Land Compensation Bonds   | 0           | 2               | 2            |
| (iii) Repayment of Loan to the Centre   | 0           | 30592           | 30592        |
| (iv) Loans & Advances by State Govt (1+2)   | 12299       | 5215            | 17514        |
| 1. Developmental Purpose (a+b)  | 12299       | 4943            | 17242        |
| (a) Social Services (1 to 3)  | 3454        | 1269            | 4723         |
| 1. Housing  | 202         | 0               | 202          |
| 2. Govt Servants (Housing)  | 0           | 1215            | 1215         |
| 3. Others   | 3252        | 54              | 3306         |
| (b) Economic Services (1 to 7)  | 8845        | 3674            | 12519        |
| 1. Co-operation   | 879         | 0               | 879          |
| 2. Crop Husbandary  | 0           | 595             | 595          |
| 3. Soil & Water Conservation  | 1           | 0               | 1            |
| 4. Power Projects   | 5749        | 0               | 5749         |
| 5. Village & Small Industries   | 704         | 125             | 829          |
| 6. Other Industries & Minerals  | 15          | 0               | 15           |
| 7. Others   | 1497        | 2954            | 4451         |
| (2) Non developmental purposes (a+b)  | 0           | 272             | 272          |
| (a) Govt Servants (Other than housing)  | 0           | 272             | 272          |
| (b) Miscellaneous   | 0           | 0               | 0            |
| (A) Surplus(+)/ Deficit (-) on Capital Account                                      |             |                 | 31631        |
| (B) Remittances (net)   |             |                 | -2454        |
| (C) Surplus (+)/ Deficit (-) on Revenue Account                                     |             |                 | -36433       |
| (D) Overall Surplus(+)/Deficit(-) (A+B+C) Financing of Surplus(+)/Deficit(-)        |             |                 | -7256        |
| (E) Increase(+)/ Decrease(-) in cash Balances                                       |             |                 | -5888        |
| (a) Opening Balances  |             |                 | 1366         |
| (b) Closing Balances  |             |                 | -4522        |
| (F) Withdrawals from (-) / Additions to (+) Cash Balance Investment Account(net)    |             |                 | 50           |
| (G) Increase(-) /Decrease (+) in ways & means advances & over drafts from RBI (net) |             |                 | -1418        |

Source- Finances of Govt 1993-94, Feb 94 RBI Appendix IV

**TABLE - DET 12 CAPITAL ACCOUNT- DISBURSEMENTS - ALL STATES**

|   | <b>1991-92</b> |                 |                |
|---|----------------|-----------------|----------------|
|   | (Rs.Lakhs)     |                 |                |
| <b>Capital Disbursements</b>                  | <b>Plan</b>    | <b>Non Plan</b> | <b>Total</b>   |
| Total Disbursements (I+II+III+IV)             | 1515084        | 659216          | 2174300        |
| <b>(I) Total Capital Outlay (1+2)</b>         | <b>1003884</b> | <b>5688</b>     | <b>1009572</b> |
| i. Development (a+b)                          | 981874         | 4262            | 986136         |
| (a) Social Services (1 to 8)                  | 156776         | 7965            | 164741         |
| <b>1. Edu, Sports, Art &amp; Culture</b>      | <b>27537</b>   | <b>262</b>      | <b>27799</b>   |
| 2. Medi& Pub Health & Family Welfare          | 27404          | 222             | 27626          |
| <b>3. Water Supply &amp; Sanitation</b>       | <b>47445</b>   | <b>2434</b>     | <b>49879</b>   |
| 4. Housing                                    | 19760          | 1113            | 20873          |
| 5. Urban Development                          | 12741          | 1840            | 14581          |
| 6. Welfare of SC/ST & OBC                     | 16191          | 23              | 16214          |
| 7. Social Security & Welfare                  | 2276           | 1625            | 3901           |
| 8. Others                                     | 3422           | 446             | 3868           |
| <b>(b) Economic Services (1 to 10)</b>        | <b>825098</b>  | <b>-3703</b>    | <b>821395</b>  |
| 1. Agri & Allied Activities (i to xi)         | 51021          | -25837          | 25184          |
| (i) Crop Husbandary                           | 1593           | -270            | 1323           |
| (ii) Soil & Water Conservation                | 5019           | 268             | 5287           |
| (iii) Animal Husbandary                       | 1768           | 46              | 1814           |
| (iv) Dairy Development                        | 1839           | 0               | 1839           |
| (v) Fisheries                                 | 2135           | 215             | 2350           |
| (vi) Forestry& Wild life                      | 13514          | -8583           | 4931           |
| (vii) Plantations                             | 41             | 0               | 41             |
| (viii) Food Storage & ware housing            | 1362           | -17474          | -16112         |
| (ix) Agri. Res & Edn                          | 1215           | 0               | 1215           |
| (x) Co-Operation                              | 20987          | -39             | 20948          |
| (xi) Others@                                  | 1548           | 0               | 1548           |
| (2) Rural Development                         | 20362          | 45              | 20907          |
| (3) Special Area Programmes                   | 2730           | 11              | 20741          |
| of which: Hill Areas                          | 8648           | 0               | 8648           |
| (4) Major & Medium Irrigation & Flood Control | 372080         | 13103           | 385183         |
| (5) Energy                                    | 163579         | -170            | 163409         |
| (6) Industry & Minerals (i to iv)             | 58874          | 130             | 59004          |
| (i) Village & Small Industries                | 7421           | 100             | 7521           |
| (ii) Iron & Steel Industries                  | 2257           | 0               | 2257           |
| (iii) Non Ferrous & Metallurgical Industries  | 1748           | 0               | 1748           |
| (iv) Others#                                  | 47448          | 3               | 47478          |
| 7. Transport (i +ii)                          | 132038         | 7174            | 139212         |
| (i) Roads & Bridges                           | 108230         | 5926            | 114156         |
| (ii) Others**                                 | 23808          | 1248            | 25056          |
| 8. Communication                              | 0              | 0               | 0              |
| 9. Science, Technology & Environment          | 148            | 0               | 148            |
| 10. General Economic Services (i +ii)         | 6266           | 1841            | 8107           |
| (i) Tourism                                   | 4122           | 38              | 4160           |
| (ii) Others@@                                 | 2144           | 1803            | 3947           |

**TABLE - DET 12 CAPITAL ACCOUNT- DISBURSEMENTS - ALL STATES**

| Capital Disbursements   | 1991-92      |             |              | (Rs.Lakhs) |
|---|--------------|-------------|--------------|------------|
|   | Plan         | Non Plan    | Total        |            |
| <b>2. Non Developmental (General Services)</b>                                      | <b>22010</b> | <b>1426</b> | <b>23436</b> |            |
| (ii) Discharge of internal Debt ++ (1 to 5)   | 0            | 148791      | 148791       |            |
| 1. Market Loans   | 0            | 480         | 480          |            |
| 2. Loans from LIC   | 0            | 4502        | 4502         |            |
| 3. Loans from NABARD  | 0            | 15931       | 15931        |            |
| 4. Loans from National Co-op Development Corp                                       | 0            | 7209        | 7209         |            |
| 5. Others   | 0            | 120669      | 120669       |            |
| of which: Land Compensation Bonds   | 0            | 207         | 207          |            |
| (iii) Repayment of Loan to the Centre   | 18759        | 350789      | 369548       |            |
| (iv) Loans & Advances by State Govt (1+2)   | 492441       | 153948      | 646389       |            |
| 1. Developmental Purpose (a+b)  | 491829       | 129886      | 621715       |            |
| (a) Social Services (1 to 3)  | 63998        | 30365       | 94363        |            |
| 1. Housing  | 16946        | 4347        | 21311        |            |
| 2. Govt Servants (Housing)  | 2919         | 12837       | 15756        |            |
| 3. Others   | 44115        | 13181       | 57296        |            |
| (b) Economic Services (1 to 7)  | 427831       | 99521       | 527352       |            |
| 1. Co-operation   | 14986        | 6000        | 20986        |            |
| 2. Crop Husbandary  | 2584         | 23340       | 25924        |            |
| 3. Soil & Water Conservation  | 1175         | 113         | 1288         |            |
| 4. Power Projects   | 368676       | 40367       | 409043       |            |
| 5. Village & Small Industries   | 3979         | 408         | 4387         |            |
| 6. Other Industries & Minerals  | 11827        | 4101        | 15928        |            |
| 7. Others   | 24604        | 25192       | 49796        |            |
| (2) Non developmental purposes (a+b)  | 612          | 24062       | 24674        |            |
| (a) Govt Servants (Other than housing)  | 396          | 17799       | 18195        |            |
| (b) Miscellaneous   | 216          | 6263        | 6479         |            |
| (A) Surplus(+)/ Deficit (-) on Capital Account                                      |              |             | 621097       |            |
| (B) Remittances (net)   |              |             | -71608       |            |
| (C) Surplus (+)/ Deficit (-) on Revenue Account                                     |              |             | -565075      |            |
| (D) Overall Surplus(+)/Deficit(-) (A+B+C) Financing of Surplus(+)/Deficit(-)        |              |             | -15586       |            |
| (E) Increase(+)/ Decrease(-) in cash Balances                                       |              |             | -62910       |            |
| (a) Opening Balances  |              |             | -147447      |            |
| (b) Closing Balances  |              |             | -210357      |            |
| (F) Withdrawals from (-) / Additions to (+) Cash Balance Investment Account(net)    |              |             | 68541        |            |
| (G) Increase(-) /Decrease (+) in ways & means advances & over drafts from RBI (net) |              |             | -21217       |            |

Source- Finances of Govt 1993-94, Feb 94 RBI Appendix IV

**TABLE CAPITAL DISBURSEMENTS SELECT STATES  
1991-92**

| Capital Disbursements                            | Maharashtra |          |        | Andhra |          |        |
|--|-------------|----------|--------|--------|----------|--------|
|  | Plan        | Non Plan | Total  | Plan   | Non Plan | Total  |
| Total Disbursements                              |             |          |        |        |          |        |
| (I+II+III+IV)                                    | 159407      | 40877    | 200284 | 91776  | 38863    | 130629 |
| (I) Total Capital Outlay (1+2)                   | 100915      | -3601    | 97314  | 41137  | 785      | 41922  |
| i. Development (a+b)                             | 98839       | -3601    | 95238  | 40105  | 698      | 40803  |
| (a) Social Services (1 to 8)                     | 6373        | 242      | 6615   | 6579   | 343      | 6922   |
| 1. Edu, Sports, Art & Culture                    | 868         | 0        | 868    | 572    | 0        | 572    |
| 2. Medi& Pub Health & Family Welfare             | 1843        | 4        | 1847   | 240    | 0        | 240    |
| 3. Water Suply & Sanitation                      | 473         | 0        | 473    | 129    | 0        | 129    |
| 4. Housing                                       | 1258        | 0        | 1258   | 132    | 11       | 143    |
| 5. Urban Development                             | 18          | 154      | 172    | 0      | 0        | 0      |
| 6. Welfare of SC/ST &OBC                         | 1134        | 0        | 1134   | 4447   | 0        | 4447   |
| 7. Social Security & Welfare                     | 21          | 73       | 94     | 887    | 0        | 887    |
| 8. Others  | 758         | 11       | 769    | 172    | 332      | 504    |
| (b) Economic Services (1 to 10)                  | 92466       | -3843    | 88623  | 33526  | 335      | 33881  |
| 1. Agri & Allied Activities (i to xi)            | 14869       | -3841    | 11028  | 977    | -4       | 973    |
| (i) Crop Husbandary                              | 27          | 21       | 48     | 109    | -1       | 108    |
| (ii) Soil & Water Conservation                   | 2159        | 201      | 2360   | 0      | 0        | 0      |
| (iii) Animal Husbandary                          | 71          | 0        | 71     | 60     | 0        | 60     |
| (iv) Dairy Development                           | 328         | 0        | 328    | 97     | 0        | 97     |
| (v) Fisheries                                    | 326         | 0        | 326    | 90     | 1        | 91     |
| (vi) Forestry& Wild life                         | 2197        | 22       | 2219   | 356    | 0        | 356    |
| (vii) Plantations                                | 0           | 0        | 0      | 0      | 0        | 0      |
| (viii) Food Storage & ware housing               | 14          | -4085    | -4071  | 31     | 4        | 35     |
| (ix) Agri. Res & Edn                             | 24          | 0        | 24     | 0      | 0        | 0      |
| (x) Co-Operation                                 | 9723        | 0        | 9723   | 148    | -8       | 140    |
| (xi) Others@                                     | 0           | 0        | 0      | 86     | 0        | 86     |
| (2) Rural Development                            | 0           | 0        | 0      | 0      | 0        | 0      |
| (3) Special Area Programmes of which: Hill Areas | 0           | 0        | 0      | 0      | 0        | 0      |
| (4) Major & Medium Irrigation & Flood Control    | 52609       | 2        | 52611  | 37307  | -12      | 37295  |
| (5) Energy                                       | 10499       | 0        | 10499  | -10891 | 0        | -10891 |
| (6) Industry & Minerals (i to iv)                | -508        | 0        | -508   | 2728   | 0        | 2728   |
| (i) Village & Small Industries                   | 124         | 0        | 124    | 282    | 0        | 282    |
| (ii) Iron & Steel Industries                     | 0           | 0        | 0      | 0      | 0        | 0      |
| (iii) Non Ferrous & Metallurgical Industries     | 0           | 0        | 0      | 900    | 0        | 900    |
| (iv) Others#                                     | -632        | 0        | -632   | 1546   | 0        | 1546   |
| 7. Transport (i +ii)                             | 14870       | 0        | 14870  | 3340   | 371      | 3711   |
| (i) Roads & Bridges                              | 12080       | 0        | 12080  | 3181   | 371      | 3552   |

|                  |      |   |      |     |   |     |
|------------------|------|---|------|-----|---|-----|
| (ii) Others**    | 2790 | 0 | 2790 | 159 | 0 | 159 |
| 8. Communication | 0    | 0 | 0    | 0   | 0 | 0   |

**TABLE CAPITAL DISBURSEMENTS SELECT STATES  
1991-92 (continuation sheet)**

| Capital Disbursements                          | Maharashtra |          |        | Andhra |          |       |
|--|-------------|----------|--------|--------|----------|-------|
|  | Plan        | Non Plan | Total  | Plan   | Non Plan | Total |
| 9. Science, Technology & Environment           | 0           | 0        | 0      | 0      | 0        | 0     |
| 10. General Economic Services (i +ii)          | 127         | -4       | 123    | 65     | 0        | 65    |
| (i) Tourism                                    | 131         | 0        | 131    | 2      | 0        | 2     |
| (ii) Others@@                                  | -4          | -4       | -8     | 63     | 0        | 63    |
| 2. Non Developmental (General Services)        | 2076        | 0        | 2076   | 1032   | 87       | 1119  |
| (ii) Discharge of internal Debt ++ (1 to 5)    | 0           | 7110     | 7110   | 0      | 1342     | 1342  |
| 1. Market Loans                                | 0           | 15       | 15     | 0      | 12       | 12    |
| 2. Loans from LIC                              | 0           | 132      | 132    | 0      | 606      | 606   |
| 3. Loans from NABARD                           | 0           | 5831     | 5831   | 0      | 32       | 32    |
| 4. Loans from National Co-op Development Corp  | 0           | 1021     | 1021   | 0      | 516      | 516   |
| 5. Others                                      | 0           | 111      | 111    | 0      | 176      | 176   |
| of which: Land Compensation Bonds              | 0           | 17       | 17     | 0      | 0        | 0     |
| (iii) Repayment of Loan to the Centre          | 0           | 31870    | 31870  | 0      | 22424    | 22424 |
| (iv) Loans & Advances by State Govt (1+2)      | 58492       | 5498     | 63990  | 50629  | 14312    | 64941 |
| 1. Developmental Purpose (a+b)                 | 58492       | 5172     | 63664  | 50629  | 12238    | 62867 |
| (a) Social Services (1 to 3)                   | 14534       | 995      | 15529  | 8204   | 7323     | 15527 |
| 1. Housing                                     | 5173        | 718      | 5891   | 1330   | 1611     | 2941  |
| 2. Govt Servants (Housing)                     | 782         | 9        | 791    | 0      | 1440     | 1440  |
| 3. Others                                      | 8579        | 268      | 8847   | 6874   | 4272     | 11146 |
| (b) Economic Services (1 to 7)                 | 43958       | 4177     | 48135  | 42425  | 4915     | 47340 |
| 1. Co-operation                                | 2638        | 0        | 2638   | 881    | 650      | 1531  |
| 2. Crop Husbandary                             | 3           | 2934     | 2937   | 424    | 3250     | 3674  |
| 3. Soil & Water Conservation                   | 0           | 0        | 0      | 211    | 0        | 211   |
| 4. Power Projects                              | 39800       | 0        | 39800  | 39063  | 0        | 39063 |
| 5. Village & Small Industries                  | 109         | 92       | 201    | 54     | 14       | 68    |
| 6. Other Industries & Minerals                 | 927         | 105      | 1032   | 638    | 0        | 638   |
| 7. Others                                      | 481         | 1046     | 1527   | 1154   | 1001     | 2155  |
| (2) Non developmental purposes (a+b)           | 0           | 326      | 326    | 0      | 2074     | 2074  |
| (a) Govt Servants (Other than housing)         | 0           | 607      | 607    | 0      | 2074     | 2074  |
| (b) Miscellaneous                              | 0           | -281     | -281   | 0      | 0        | 0     |
| (A) Surplus(+)/ Deficit (-) on Capital Account |             |          | 125728 |        |          | 28894 |

|  |        |       |
|--|--------|-------|
| (B) Remittances (net)  | -5912  | -2801 |
| (C) Surplus (+)/ Deficit (-)<br>on Revenue Account   | -27613 | -1697 |
| (D) Overall<br>Surplus(+)/Deficit(-)<br>(A+B+C) Financing of<br>Surplus(+)/Deficit(-)        | 92203  | 9136  |
| (E) Increase(+)/<br>Decrease(-) in cash<br>Balances  | 4308   | -2505 |
| (a) Opening Balances   | -7955  | -2588 |
| (b) Closing Balances   | -3647  | -5093 |
| (F) Withdrawals from (-) /<br>Additions to (+) Cash<br>Balance Investment<br>Account(net)    | 87895  | 11641 |
| (G) Increase(-) /Decrease<br>(+) in ways & means<br>advances & over drafts<br>from RBI (net) | 0      | 0     |

**TABLE CAPITAL DISBURSEMENTS SELECT STATES**  
**1991-92**

| Capital Disbursements                            | Karnataka |          |        | Tamilnadu |          |       |
|--|-----------|----------|--------|-----------|----------|-------|
|  | Plan      | Non Plan | Total  | Plan      | Non Plan | Total |
| Total Disbursements                              |           |          |        |           |          |       |
| (I+II+III+IV)                                    | 95758     | 33654    | 129412 | 41912     | 50104    | 92016 |
| (I) Total Capital Outlay (1+2)                   | 65431     | 13155    | 78586  | 26766     | 1143     | 27909 |
| i. Development (a+b)                             | 64072     | 13155    | 77227  | 25996     | 1034     | 27030 |
| (a) Social Services (1 to 8)                     | 3237      | 8        | 3245   | 8391      | 80       | 8471  |
| 1. Edu, Sports, Art & Culture                    | 363       | 0        | 363    | 834       | 0        | 834   |
| 2. Medi& Pub Health & Family Welfare             | 528       | 0        | 528    | 1537      | 0        | 1537  |
| 3. Water Suply & Sanitation                      | 0         | 0        | 0      | 1738      | 0        | 1738  |
| 4. Housing                                       | 1220      | 0        | 1220   | 1894      | 18       | 1912  |
| 5. Urban Development                             | 0         | 0        | 0      | 0         | 0        | 0     |
| 6. Welfare of SC/ST &OBC                         | 774       | 0        | 774    | 1281      | 0        | 1281  |
| 7. Social Security & Welfare                     | 308       | 0        | 308    | 121       | 0        | 121   |
| 8. Others  | 44        | 8        | 52     | 986       | 62       | 1048  |
| (b) Economic Services (1 to 10)                  | 60835     | 13147    | 73982  | 17605     | 954      | 18559 |
| 1. Agri & Allied Activities (i to xi)            | 1306      | 0        | 1306   | 4147      | -207     | 3940  |
| (i) Crop Husbandary                              | 59        | 0        | 59     | 103       | 0        | 103   |
| (ii) Soil & Water Conservation                   | 0         | 0        | 0      | 148       | 0        | 148   |
| (iii) Animal Husbandary                          | 7         | 0        | 7      | 219       | 6        | 225   |
| (iv) Dairy Development                           | 0         | 0        | 0      | 5         | 0        | 5     |
| (v) Fisheries                                    | 88        | 0        | 88     | 121       | 27       | 128   |
| (vi) Forestry& Wild life                         | 32        | 0        | 32     | 2530      | 0        | 2530  |
| (vii) Plantations                                | 0         | 0        | 0      | 6         | 0        | 6     |
| (viii) Food Storage & ware housing               | 15        | 0        | 15     | 50        | 0        | 50    |
| (ix) Agri. Res & Edn                             | 0         | 0        | 0      | 89        | 0        | 89    |
| (x) Co-Operation                                 | 1094      | 0        | 1094   | 876       | -240     | 636   |
| (xi) Others@                                     | 11        | 0        | 11     | 0         | 0        | 0     |
| (2) Rural Development                            | 0         | 45       | 45     | 980       | 0        | 980   |
| (3) Special Area Programmes of which: Hill Areas | 0         | 0        | 0      | 559       | 0        | 559   |
| (4) Major & Medium Irrigation & Flood Control    | 24264     | 13113    | 37377  | 4776      | 161      | 4937  |
| (5) Energy                                       | 24514     | 0        | 24514  | 21        | 0        | 21    |
| (6) Industry & Minerals (i to iv)                | 2656      | 0        | 2656   | 2853      | 0        | 2853  |
| (i) Village & Small Industries                   | 835       | 0        | 835    | 1109      | 0        | 1109  |
| (ii) Iron & Steel Industries                     | 0         | 0        | 0      | 0         | 0        | 0     |
| (iii) Non Ferrous & Metallurgical Industries     | 0         | 0        | 0      | 0         | 0        | 0     |
| (iv) Others#                                     | 1821      | 0        | 1821   | 1744      | 0        | 1744  |
| 7. Transport (i +ii)                             | 8164      | -12      | 8155   | 3849      | 0        | 3849  |
| (i) Roads & Bridges                              | 4554      | -12      | 4542   | 3783      | 0        | 3783  |



|                  |      |   |      |    |   |    |
|------------------|------|---|------|----|---|----|
| (ii) Others**    | 3613 | 0 | 3613 | 66 | 0 | 66 |
| 8. Communication | 0    | 0 | 0    | 0  | 0 | 0  |

**TABLE CAPITAL DISBURSEMENTS SELECT STATES**  
**1991-92 (continuation sheet)**

| Capital Disbursements                          | Karnataka |          |       | Tamilnadu |          |        |
|--|-----------|----------|-------|-----------|----------|--------|
|  | Plan      | Non Plan | Total | Plan      | Non Plan | Total  |
| 9. Science, Technology & Environment           | 0         | 0        | 0     | 0         | 0        | 0      |
| 10. General Economic Services (i +ii)          | -72       | 1        | -71   | 410       | 1000     | 1410   |
| (i) Tourism                                    | 128       | 0        | 128   | 54        | 0        | 54     |
| (ii) Others@@                                  | -200      | 1        | -199  | 356       | 1000     | 1356   |
| 2. Non Developmental (General Services)        | 1359      | 0        | 1359  | 770       | 109      | 879    |
| (ii) Discharge of internal Debt ++ (1 to 5)    | 0         | 1060     | 1060  | 0         | 1281     | 1281   |
| 1. Market Loans                                | 0         | 4        | 4     | 0         | 6        | 6      |
| 2. Loans from LIC                              | 0         | 316      | 316   | 0         | 359      | 359    |
| 3. Loans from NABARD                           | 0         | 60       | 60    | 0         | 93       | 93     |
| 4. Loans from National Co-op Development Corp  | 0         | 510      | 510   | 0         | 663      | 663    |
| 5. Others                                      | 0         | 170      | 170   | 0         | 160      | 160    |
| of which: Land Compensation Bonds              | 0         | 0        | 0     | 0         | 1        | 1      |
| (iii) Repayment of Loan to the Centre          | 0         | 15704    | 15704 | 0         | 21613    | 21613  |
| (iv) Loans & Advances by State Govt (1+2)      | 30327     | 3735     | 34062 | 15146     | 26067    | 41213  |
| 1. Developmental Purpose (a+b)                 | 30327     | 1558     | 31885 | 15102     | 23645    | 38747  |
| (a) Social Services (1 to 3)                   | 8822      | 219      | 9041  | 10255     | 4439     | 14694  |
| 1. Housing                                     | 1202      | 0        | 1202  | 800       | 1133     | 1933   |
| 2. Govt Servants (Housing)                     | 71        | 0        | 71    | 1763      | 0        | 1763   |
| 3. Others                                      | 7549      | 219      | 7768  | 7692      | 3306     | 10998  |
| (b) Economic Services (1 to 7)                 | 24505     | 1339     | 22844 | 4847      | 19206    | 24053  |
| 1. Co-operation                                | 1553      | 0        | 1553  | 185       | 0        | 185    |
| 2. Crop Husbandary                             | 0         | 838      | 838   | 0         | 100      | 100    |
| 3. Soil & Water Conservation                   | 200       | 0        | 200   | 321       | 0        | 321    |
| 4. Power Projects                              | 17032     | 0        | 17032 | 0         | 14000    | 14000  |
| 5. Village & Small Industries                  | 368       | 1        | 369   | 256       | 4        | 260    |
| 6. Other Industries & Minerals                 | 343       | 0        | 343   | 3050      | 643      | 3693   |
| 7. Others                                      | 2009      | 500      | 2509  | 1035      | 4459     | 5494   |
| (2) Non developmental purposes (a+b)           | 0         | 2177     | 2177  | 44        | 2422     | 2466   |
| (a) Govt Servants (Other than housing)         | 0         | 529      | 529   | 0         | 2394     | 2394   |
| (b) Miscellaneous                              | 0         | 1648     | 1648  | 44        | 28       | 72     |
| (A) Surplus(+)/ Deficit (-) on Capital Account |           |          | 17165 |           |          | 190782 |

|  |        |         |
|--|--------|---------|
| (B) Remittances (net)  | 3802   | -22423  |
| (C) Surplus (+)/ Deficit (-)<br>on Revenue Account   | -17865 | -190386 |
| (D) Overall<br>Surplus(+)/Deficit(-)<br>(A+B+C) Financing of<br>Surplus(+)/Deficit(-)        | 3102   | -22027  |
| (E) Increase(+)/ Decrease(-)<br>in cash Balances   | -4052  | -23975  |
| (a) Opening Balances   | 331    | -166    |
| (b) Closing Balances   | -3721  | -24141  |
| (F) Withdrawals from (-) /<br>Additions to (+) Cash<br>Balance Investment<br>Account(net)    | 7154   | 1       |
| (G) Increase(-) /Decrease<br>(+) in ways & means<br>advances & over drafts<br>from RBI (net) | 0      | 1947    |

## TABLE CAPITAL DISBURSEMENTS SELECT STATES

| Capital Disbursements                            | Kerala |          |       | All States |          |         |
|--|--------|----------|-------|------------|----------|---------|
|  | Plan   | Non Plan | Total | Plan       | Non Plan | Total   |
| Total Disbursements                              |        |          |       |            |          |         |
| (I+II+III+IV)                                    | 41056  | 37813    | 78869 | 1515084    | 659216   | 2174300 |
| (I) Total Capital Outlay (1+2)                   | 28757  | -145     | 28612 | 1003884    | 5688     | 1009572 |
| i. Development (a+b)                             | 28172  | -145     | 28027 | 981874     | 4262     | 986136  |
| (a) Social Services (1 to 8)                     | 3236   | 21       | 3257  | 156776     | 7965     | 164741  |
| 1. Edu, Sports, Art & Culture                    | 1793   | 0        | 1793  | 27537      | 262      | 27799   |
| 2. Medi& Pub Health & Family Welfare             | 914    | 0        | 914   | 27404      | 222      | 27626   |
| 3. Water Suply & Sanitation                      | 0      | 0        | 0     | 47445      | 2434     | 49879   |
| 4. Housing                                       | 110    | 21       | 131   | 19760      | 1113     | 20873   |
| 5. Urban Development                             | 0      | 0        | 0     | 12741      | 1840     | 14581   |
| 6. Welfare of SC/ST &OBC                         | 373    | 0        | 373   | 16191      | 23       | 16214   |
| 7. Social Security & Welfare                     | 37     | 0        | 37    | 2276       | 1625     | 3901    |
| 8. Others  | 9      | 0        | 9     | 3422       | 446      | 3868    |
| (b) Economic Services (1 to 10)                  | 24936  | -166     | 24770 | 825098     | -3703    | 821395  |
| 1. Agri & Allied Activities (i to xi)            | 4504   | -144     | 4360  | 51021      | -25837   | 25184   |
| (i) Crop Husbandary                              | 173    | 11       | 184   | 1593       | -270     | 1323    |
| (ii) Soil & Water Conservation                   | 80     | 0        | 80    | 5019       | 268      | 5287    |
| (iii) Animal Husbandary                          | 57     | 0        | 57    | 1768       | 46       | 1814    |
| (iv) Dairy Development                           | 62     | 0        | 62    | 1839       | 0        | 1839    |
| (v) Fisheries                                    | 681    | 0        | 681   | 2135       | 215      | 2350    |
| (vi) Forestry& Wild life                         | 473    | 0        | 473   | 13514      | -8583    | 4931    |
| (vii) Plantations                                | 0      | 0        | 0     | 41         | 0        | 41      |
| (viii) Food Storage & ware housing               | 109    | -134     | -25   | 1362       | -17474   | -16112  |
| (ix) Agri. Res & Edn                             | 0      | 0        | 0     | 1215       | 0        | 1215    |
| (x) Co-Operation                                 | 1872   | -21      | 1851  | 20987      | -39      | 20948   |
| (xi) Others@                                     | 997    | 0        | 997   | 1548       | 0        | 1548    |
| (2) Rural Development                            | 0      | 0        | 0     | 20362      | 45       | 20907   |
| (3) Special Area Programmes of which: Hill Areas | 0      | 0        | 0     | 2730       | 11       | 20741   |
| (4) Major & Medium Irrigation & Flood Control    | 9081   | 0        | 9081  | 8648       | 0        | 8648    |
| (5) Energy                                       | 0      | 0        | 0     | 372080     | 13103    | 385183  |
| (6) Industry & Minerals (i to iv)                | 0      | 0        | 0     | 163579     | -170     | 163409  |
| (i) Village & Small Industries                   | 4338   | 0        | 4338  | 58874      | 130      | 59004   |
| (ii) Iron & Steel Industries                     | 484    | 0        | 484   | 7421       | 100      | 7521    |
| (iii) Non Ferrous & Metallurgical Industries     | 0      | 0        | 0     | 2257       | 0        | 2257    |
| (iv) Others#                                     | 5      | 0        | 5     | 1748       | 0        | 1748    |
| 7. Transport (i +ii)                             | 3849   | 0        | 3849  | 47448      | 3        | 47478   |
| (i) Roads & Bridges                              | 6852   | -16      | 6836  | 132038     | 7174     | 139212  |
|  | 5175   | 0        | 5175  | 108230     | 5926     | 114156  |

|                  |      |     |      |       |      |       |
|------------------|------|-----|------|-------|------|-------|
| (ii) Others**    | 1677 | -16 | 1661 | 23808 | 1248 | 25056 |
| 8. Communication | 0    | 0   | 0    | 0     | 0    | 0     |

**TABLE CAPITAL DISBURSEMENTS SELECT STATES  
1991-92 (continuation sheet)**

| Capital Disbursements                          | Kerala |          |       | All States |          |        |
|--|--------|----------|-------|------------|----------|--------|
|  | Plan   | Non Plan | Total | Plan       | Non Plan | Total  |
| 9. Science, Technology & Environment           | 0      | 0        | 0     | 148        | 0        | 148    |
| 10. General Economic Services (i +ii)          | 161    | -6       | 155   | 6266       | 1841     | 8107   |
| (i) Tourism                                    | 154    | 0        | 154   | 4122       | 38       | 4160   |
| (ii) Others@@                                  | 7      | -6       | 1     | 2144       | 1803     | 3947   |
| 2. Non Developmental (General Services)        | 585    | 0        | 585   | 22010      | 1426     | 23436  |
| (ii) Discharge of internal Debt ++ (1 to 5)    | 0      | 2151     | 2151  | 0          | 148791   | 148791 |
| 1. Market Loans                                | 0      | 2        | 2     | 0          | 480      | 480    |
| 2. Loans from LIC                              | 0      | 277      | 277   | 0          | 4502     | 4502   |
| 3. Loans from NABARD                           | 0      | 1065     | 1065  | 0          | 15931    | 15931  |
| 4. Loans from National Co-op Development Corp  | 0      | 0        | 0     | 0          | 7209     | 7209   |
| 5. Others                                      | 0      | 807      | 807   | 0          | 120669   | 120669 |
| of which: Land Compensation Bonds              | 0      | 2        | 2     | 0          | 207      | 207    |
| (iii) Repayment of Loan to the Centre          | 0      | 30592    | 30592 | 18759      | 350789   | 369548 |
| (iv) Loans & Advances by State Govt (1+2)      | 12299  | 5215     | 17514 | 492441     | 153948   | 646389 |
| 1. Developmental Purpose (a+b)                 | 12299  | 4943     | 17242 | 491829     | 129886   | 621715 |
| (a) Social Services (1 to 3)                   | 3454   | 1269     | 4723  | 63998      | 30365    | 94363  |
| 1. Housing                                     | 202    | 0        | 202   | 16946      | 4347     | 21311  |
| 2. Govt Servants (Housing)                     | 0      | 1215     | 1215  | 2919       | 12837    | 15756  |
| 3. Others                                      | 3252   | 54       | 3306  | 44115      | 13181    | 57296  |
| (b) Economic Services (1 to 7)                 | 8845   | 3674     | 12519 | 427831     | 99521    | 527352 |
| 1. Co-operation                                | 879    | 0        | 879   | 14986      | 6000     | 20986  |
| 2. Crop Husbandary                             | 0      | 595      | 595   | 2584       | 23340    | 25924  |
| 3. Soil & Water Conservation                   | 1      | 0        | 1     | 1175       | 113      | 1288   |
| 4. Power Projects                              | 5749   | 0        | 5749  | 368676     | 40367    | 409043 |
| 5. Village & Small Industries                  | 704    | 125      | 829   | 3979       | 408      | 4387   |
| 6. Other Industries & Minerals                 | 15     | 0        | 15    | 11827      | 4101     | 15928  |
| 7. Others                                      | 1497   | 2954     | 4451  | 24604      | 25192    | 49796  |
| (2) Non developmental purposes (a+b)           | 0      | 272      | 272   | 612        | 24062    | 24674  |
| (a) Govt Servants (Other than housing)         | 0      | 272      | 272   | 396        | 17799    | 18195  |
| (b) Miscellaneous                              | 0      | 0        | 0     | 216        | 6263     | 6479   |
| (A) Surplus(+)/ Deficit (-) on Capital Account |        |          | 31631 |            |          | 621097 |

|  |        |         |
|--|--------|---------|
| (B) Remittances (net)  | -2454  | -71608  |
| (C) Surplus (+)/ Deficit (-)<br>on Revenue Account   | -36433 | -565075 |
| (D) Overall<br>Surplus(+)/Deficit(-)<br>(A+B+C) Financing of<br>Surplus(+)/Deficit(-)        | -7256  | -15586  |
| (E) Increase(+)/<br>Decrease(-) in cash<br>Balances  | -5888  | -62910  |
| (a) Opening Balances   | 1366   | -147447 |
| (b) Closing Balances   | -4522  | -210357 |
| (F) Withdrawals from (-) /<br>Additions to (+) Cash<br>Balance Investment<br>Account(net)    | 50     | 68541   |
| (G) Increase(-) /Decrease<br>(+) in ways & means<br>advances & over drafts<br>from RBI (net) | -1418  | -21217  |

Source- Finances of Govt 1993-94, Feb 94 RBI Appendix IV

**TABLE - DET 7 CAPITAL ACCOUNT- DISBURSEMENTS - MAHARASHTRA  
1997-98 to 2000-2001**

| Expenditure Items  | (Rs. Lakhs)      |                 |                  |                |           |           |
|--|------------------|-----------------|------------------|----------------|-----------|-----------|
|  | 1997-98(Accts)   |                 |                  | 1998-99(Accts) |           |           |
|  | Plan             | Non Plan        | Total            | Plan           | Non Plan  | Total     |
| Total Disbursements(I+II+III+IV)                         | 363963.00        | 113900.00       | 477863.00        | 289818.00      | 175598.00 | 465416.00 |
| I. Total Capital Outlay(1 + 2)                           | 300202.00        | 20977.00        | 321179.00        | 248484.00      | 70767.00  | 319251.00 |
| <b>1.B45.Developmental(a+b)</b>                          | <b>296939.00</b> | <b>19189.00</b> | <b>316128.00</b> | 242670.00      | 69110.00  | 311780.00 |
| a. Social Services (1 to 9)                              | 13160.00         | 593.00          | 13753.00         | 15937.00       | 11903.00  | 27840.00  |
| <b>(1) Edu, Sports, Arts &amp; Culture</b>               | <b>2972.00</b> - |                 | <b>2972.00</b>   | 4216.00        | -         | 4216.00   |
| (2) Medical & Pub health                                 | 2371.00          | 3.00            | 2374.00          | 2486.00        | -         | 2486.00   |
| (3) Family Welfare                                       | 1.00             | -               | 1.00             | 71.00          | -         | 71.00     |
| <b>(4) Water supply &amp; sanitation</b>                 | <b>359.00</b> -  |                 | <b>359.00</b>    | 273.00         | -         | 273.00    |
| (5) Housing  | 1243.00          | 448.00          | 1691.00          | 2252.00        | 11934.00  | 14186.00  |
| (6) Urban Development                                    | 531.00           | 2.00            | 533.00           | 1279.00        | 2.00      | 1281.00   |
| (7) Welfare of SC/ST/BC                                  | 3774.00          | -               | 3774.00          | 3144.00        | -         | 3144.00   |
| (8) Social Security & Welfare                            | 39.00            | 140.00          | 179.00           | 105.00         | -33.00    | 72.00     |
| (9) Others *   | 1870.00          | -               | 1870.00          | 2111.00        | -         | 2111.00   |
| <b>B. Economic Services (1 to 11)</b>                    | <b>283779.00</b> | <b>18596.00</b> | <b>302375.00</b> | 226733.00      | 57207.00  | 283940.00 |
| (1) Agri & allied activities (i to xii)                  | 22091.00         | 3891.00         | 25982.00         | 19088.00       | 25890.00  | 44978.00  |
| (i) Crop Husbandary                                      | 62.00            | -82.00          | -20.00           | 50.00          | 25.00     | 75.00     |
| (ii) Soil & Water Conservation                           | 11641.00         | 994.00          | 12635.00         | 9634.00        | 1129.00   | 10763.00  |
| (iii) Animal Husbandary                                  | 531.00           | -               | 531.00           | 162.00         | -         | 162.00    |
| (iv) Dairy Development                                   | 899.00           | -               | 899.00           | 862.00         | -         | 862.00    |
| (v) Fisheries  | 947.00           | -               | 947.00           | 1008.00        | -         | 1008.00   |
| (vi) Forestry & Wild life                                | 2097.00          | -               | 2097.00          | 1617.00        | -         | 1617.00   |
| (vii) Plantations  | -                | -               | -                | -              | -         | -         |
| (viii) Food storage & ware housing                       | 3.00             | 2979.00         | 2982.00          | -              | 24736.00  | 24736.00  |
| (ix) Agri Research & Education                           | 41.00            | -               | 41.00            | 50.00          | -         | 50.00     |
| (x) Co-operation   | 5870.00          | -               | 5870.00          | 5705.00        | -         | 5705.00   |
| (xi) Others  | -                | -               | -                | -              | -         | -         |
| (2) Rural Development                                    | -                | -               | -                | -              | -         | -         |
| (3) Special Area Prog<br>of which Hill areas             | -                | -               | -                | -              | -         | -         |
| (4) Major and Medium Irrigation & Flood control          | 162462.00        | 14709.00        | 177171.00        | 88547.00       | 31326.00  | 119873.00 |
| (5) Energy   | 34360.00         | -               | 34360.00         | 29103.00       | -         | 29103.00  |
| (6) Industry & Mineral (i to iv)                         | 2336.00          | -               | 2336.00          | 2441.00        | -         | 2441.00   |
| (i) Village & Small Industries                           | 821.00           | -               | 821.00           | 1431.00        | -         | 1431.00   |
| (ii) Iron and Steel Industries                           | -                | -               | -                | -              | -         | -         |
| (iii) Non ferrous Mining and metallurgical<br>Industries | -                | -               | -                | -              | -         | -         |
| (iv) others #  | 1515.00          | -               | 1515.00          | 1010.00        | -         | 1010.00   |
| (7) Transport (i+ii)                                     | 62402.00         | -               | 62402.00         | 87351.00       | -         | 87351.00  |
| (i) Road & Bridges                                       | 61156.00         | -               | 61156.00         | 85664.00       | -         | 85664.00  |
| (ii) others **   | 1246.00          | -               | 1246.00          | 1687.00        | -         | 1687.00   |
| (8) Communications                                       | -                | -               | -                | -              | -         | -         |
| (9) Science, Technology & Environment                    | 7.00             | 1.00            | 8.00             | 8.00           | -         | 8.00      |
| (10) General Economic Services (i to ii)                 | 121.00           | -5.00           | 116.00           | 195.00         | -9.00     | 186.00    |
| (i) Tourism  | -                | -               | -                | 60.00          | -         | 60.00     |
| (ii) Others @@   | 121.00           | -5.00           | 116.00           | 135.00         | -9.00     | 126.00    |

**TABLE - DET 7 CAPITAL ACCOUNT- DISBURSEMENTS - MAHARASHTRA  
1997-98 to 2000-2001**

| Expenditure Items  | (Rs. Lakhs)    |                |                |                |          |            |
|--|----------------|----------------|----------------|----------------|----------|------------|
|  | 1997-98(Accts) |                |                | 1998-99(Accts) |          |            |
|  | Plan           | Non Plan       | Total          | Plan           | Non Plan | Total      |
| <b>2. Non-Development (General services )</b>  | <b>3263.00</b> | <b>1788.00</b> | <b>5051.00</b> | 5814.00        | 1657.00  | 7471.00    |
| II Discharge of Internal debt + (1 to 5)   | -              | 7500.00        | 7500.00        | -              | 11600.00 | 11600.00   |
| 1. Market Loans  | -              | 3329.00        | 3329.00        | -              | 6840.00  | 6840.00    |
| 2.Loans from LIC   | -              | 125.00         | 125.00         | -              | 140.00   | 140.00     |
| 3.Loans from NABARD  | -              | 17.00          | 17.00          | -              | 17.00    | 17.00      |
| 4.Loans from National cooperative development corporation                            | -              | 3885.00        | 3885.00        | -              | 4465.00  | 4465.00    |
| 5.others   | -              | 144.00         | 144.00         | -              | 138.00   | 138.00     |
| of which : land compensation bonds   | -              | 15.00          | 15.00          | -              | 6.00     | 6.00       |
| III Repayment of Loans to the centre   | -              | 64793.00       | 64793.00       | -              | 73195.00 | 73195.00   |
| IV. Loans and Advances by State Governments(1+2)                                     | 63761.00       | 20630.00       | 84391.00       | 41334.00       | 20036.00 | 61370.00   |
| 1. Developmental Purposes (a+b)  | 63761.00       | 19968.00       | 83729.00       | 41334.00       | 26023.00 | 67357.00   |
| a. Social services (1 to 4)  | 18055.00       | 11228.00       | 29283.00       | 14726.00       | 11817.00 | 26543.00   |
| 1. Education Sports Art and Culture  | -              | 31.00          | 31.00          | -              | -        | -          |
| 2. Housing   | 28.00          | 5681.00        | 5709.00        | 5.00           | 4995.00  | 5000.00    |
| 3.Government servants (Housing)  | -              | 4853.00        | 4853.00        | -              | 5735.00  | 5735.00    |
| 4.Others   | 18027.00       | 663.00         | 18690.00       | 14721.00       | 1087.00  | 15808.00   |
| b. Economic Services (1-9)   | 45706.00       | 8740.00        | 54446.00       | 26608.00       | 14206.00 | 40814.00   |
| 1.Crop Husbandry   | -              | 1.00           | 1.00           | -              | 8.00     | 8.00       |
| 2. Soil and water conservation   | 221.00         | -              | 221.00         | 309.00         | -        | 309.00     |
| 3. Food storage and warehousing  | -              | -              | -              | -              | -        | -          |
| 4. Cooperation   | 1538.00        | 3715.00        | 5253.00        | 3482.00        | -        | 3482.00    |
| 5. Major and medium irrigation etc.  | -              | -              | -              | -              | -        | -          |
| 6.power projects   | 40396.00       | -              | 40396.00       | 19617.00       | 8772.00  | 28389.00   |
| 7. Village and small industries  | 1311.00        | -              | 1311.00        | 2102.00        | -        | 2102.00    |
| 8. Other industries and minerals   | 100.00         | 630.00         | 730.00         | 50.00          | 1553.00  | 1603.00    |
| 9.others   | 2140.00        | 4394.00        | 6534.00        | 1048.00        | 3873.00  | 4921.00    |
| 2. Non Developmental purposes (a+b)  | -              | 662.00         | 662.00         | -              | -5987.00 | -5987.00   |
| a. Government servants (Other than housing)  | -              | 1510.00        | 1510.00        | -              | 2238.00  | 2238.00    |
| b.miscellaneous  | -              | -848.00        | -848.00        | -              | -8225.00 | -8225.00   |
| A. Surplus (+) / Deficit (-) on Capital account                                      |                |                | 282376.00      |                |          | 468049.00  |
| B. Surplus (+) / Deficit (-) on Revenue account                                      |                |                | -257994.00     |                |          | -392594.00 |
| C. Overall Surplus (+) / Deficit (-) (A+B)   |                |                |                |                |          |            |
| Financing of surplus Deficit   |                |                | 24382.00       |                |          | 75455.00   |
| D. Increase (+)/ Decrease (-) in Cash Balances                                       |                |                | 12433.00       |                |          | 2593.00    |
| (a) Opening Balance  |                |                | -30797.00      |                |          | -18364.00  |
| (b) Closing Balance  |                |                | -18364.00      |                |          | -15771.00  |
| E. Withdrawals from (-)/ Additions to (+) Cash Balance Investment Account (Net)      |                |                | 11948.00       |                |          | 72861.00   |
| F. Increase (-)/ Decrease (+) in Ways & Means Advances and Overdrafts from RBI (Net) |                |                | 1.00           |                |          | 1.00       |

**TABLE - DET 7 CAPITAL ACCOUNT- DISBURSEMENTS - MAHARASHTRA  
1997-98 to 2000-2001**

| Expenditure Items  | (Rs. Lakhs) |           |           |             |           |           |
|--|-------------|-----------|-----------|-------------|-----------|-----------|
|  | 1999-00(RE) |           |           | 2000-01(RE) |           |           |
|  | Plan        | Non Plan  | Total     | Plan        | Non Plan  | Total     |
| Total Disbursements(I+II+III+IV)                         |             | 338975.00 | 651570.00 | 246742.00   | 233912.00 | 480654.00 |
| I. Total Capital Outlay(1 + 2)                           |             | 134066.00 | 397714.00 | 203614.00   | 103519.00 | 307133.00 |
| <b>1.B45.Developmental(a+b)</b>                          | 258861.00   | 131760.00 | 390621.00 | 200280.00   | 102194.00 | 302474.00 |
| a. Social Services (1 to 9)                              | 21064.00    | 31561.00  | 52625.00  | 18543.00    | 720.00    | 19263.00  |
| <b>(1) Edu, Sports, Arts &amp; Culture</b>               | 2752.00     | -         | 2752.00   | 952.00      | -         | 952.00    |
| (2) Medical & Pub health                                 | 3947.00     | -         | 3947.00   | 6727.00     | -         | 6727.00   |
| (3) Family Welfare                                       | 2.00        | -         | 2.00      | 7.00        | -         | 7.00      |
| <b>(4) Water supply &amp; sanitation</b>                 | 350.00      | -         | 350.00    | 400.00      | -         | 400.00    |
| (5) Housing  | 2816.00     | 31532.00  | 34348.00  | 1987.00     | 687.00    | 2674.00   |
| (6) Urban Development                                    | 150.00      | 3.00      | 153.00    | 50.00       | 3.00      | 53.00     |
| (7) Welfare of SC/ST/BC                                  | 9505.00     | -         | 9505.00   | 7450.00     | -         | 7450.00   |
| (8) Social Security & Welfare                            | 386.00      | 26.00     | 412.00    | 323.00      | 30.00     | 353.00    |
| (9) Others *   | 1156.00     | -         | 1156.00   | 647.00      | -         | 647.00    |
| <b>B. Economic Services (1 to 11)</b>                    | 237797.00   | 100199.00 | 337996.00 | 181737.00   | 101474.00 | 283211.00 |
| (1) Agri & allied activities (i to xii)                  | 31344.00    | 42800.00  | 74144.00  | 18111.00    | 23970.00  | 42081.00  |
| (i) Crop Husbandary                                      | 90.00       | -         | 90.00     | 60.00       | -         | 60.00     |
| (ii) Soil & Water Conservation                           | 14055.00    | 1452.00   | 15507.00  | 9458.00     | 1333.00   | 10791.00  |
| (iii) Animal Husbandary                                  | 327.00      | -         | 327.00    | 161.00      | -         | 161.00    |
| (iv) Dairy Development                                   | 665.00      | -         | 665.00    | 389.00      | -         | 389.00    |
| (v) Fisheries  | 2325.00     | -         | 2325.00   | 1442.00     | -         | 1442.00   |
| (vi) Forestry & Wild life                                | 2332.00     | -         | 2332.00   | 1369.00     | -         | 1369.00   |
| (vii) Plantations  | -           | -         | -         | -           | -         | -         |
| (viii) Food storage & ware housing                       | -           | 41348.00  | 41348.00  | -           | 22637.00  | 22637.00  |
| (ix) Agri Research & Education                           | 69.00       | -         | 69.00     | 49.00       | -         | 49.00     |
| (x) Co-operation   | 11481.00    | -         | 11481.00  | 5183.00     | -         | 5183.00   |
| (xi) Others  | -           | -         | -         | -           | -         | -         |
| (2) Rural Development                                    | -           | -         | -         | -           | -         | -         |
| (3) Special Area Prog<br>of which Hill areas             | -           | -         | -         | -           | -         | -         |
| (4) Major and Medium Irrigation & Flood control          | 87579.00    | 56698.00  | 144277.00 | 65910.00    | 77500.00  | 143410.00 |
| (5) Energy   | 24377.00    | -         | 24377.00  | 39793.00    | -         | 39793.00  |
| (6) Industry & Mineral (i to iv)                         | 2841.00     | -         | 2841.00   | 1900.00     | -         | 1900.00   |
| (i) Village & Small Industries                           | 1736.00     | -         | 1736.00   | 1300.00     | -         | 1300.00   |
| (ii) Iron and Steel Industries                           | -           | -         | -         | -           | -         | -         |
| (iii) Non ferrous Mining and metallurgical<br>Industries | 30.00       | -         | 30.00     | -           | -         | -         |
| (iv) others #  | 1075.00     | -         | 1075.00   | 600.00      | -         | 600.00    |
| (7) Transport (i+ii)                                     | 91213.00    | 695.00    | 91908.00  | 55489.00    | -         | 55489.00  |
| (i) Road & Bridges                                       | 91113.00    | -         | 91113.00  | 55489.00    | -         | 55489.00  |
| (ii) others **   | 100.00      | 695.00    | 795.00    | -           | -         | -         |
| (8) Communications                                       | -           | -         | -         | -           | -         | -         |
| (9) Science, Technology & Environment                    | 13.00       | -         | 13.00     | 12.00       | -         | 12.00     |
| (10) General Economic Services (i to ii)                 | 430.00      | 6.00      | 436.00    | 522.00      | 4.00      | 526.00    |
| (i) Tourism  | 60.00       | -         | 60.00     | 45.00       | -         | 45.00     |
| (ii) Others @@   | 370.00      | 6.00      | 376.00    | 477.00      | 4.00      | 481.00    |



**TABLE - DET 7 CAPITAL ACCOUNT- DISBURSEMENTS - MAHARASHTRA  
1997-98 to 2000-2001**

| Expenditure Items  | (Rs. Lakhs) |           |            |             |          |            |
|--|-------------|-----------|------------|-------------|----------|------------|
|  | 1999-00(RE) |           |            | 2000-01(RE) |          |            |
|  | Plan        | Non Plan  | Total      | Plan        | Non Plan | Total      |
| <b>2. Non-Development (General services )</b>  | 4807.00     | 2286.00   | 7093.00    | 3334.00     | 1325.00  | 4659.00    |
| II Discharge of Internal debt + (1 to 5)   | -           | 20444.00  | 20444.00   | -           | 21218.00 | 21218.00   |
| 1. Market Loans  | -           | 7357.00   | 7357.00    | -           | 4050.00  | 4050.00    |
| 2.Loans from LIC   | -           | 116.00    | 116.00     | -           | 104.00   | 104.00     |
| 3.Loans from NABARD  | -           | 7311.00   | 7311.00    | -           | 10447.00 | 10447.00   |
| 4.Loans from National cooperative development corporation                            | -           | 5493.00   | 5493.00    | -           | 6405.00  | 6405.00    |
| 5.others   | -           | 167.00    | 167.00     | -           | 212.00   | 212.00     |
| of which : land compensation bonds   | -           | 24.00     | 24.00      | -           | 24.00    | 24.00      |
| III Repayment of Loans to the centre   | -           | 81760.00  | 81760.00   | -           | 86873.00 | 86873.00   |
| IV. Loans and Advances by State Governments(1+2)                                     | 48927.00    | 102725.00 | 151652.00  | 43128.00    | 22302.00 | 65430.00   |
| 1. Developmental Purposes (a+b)  | 48927.00    | 100797.00 | 149724.00  | 43128.00    | 19490.00 | 62618.00   |
| a. Social services (1 to 4)  | 19909.00    | 16480.00  | 36389.00   | 20085.00    | 16432.00 | 36517.00   |
| 1. Education Sports Art and Culture  | -           | -         | -          | -           | -        | -          |
| 2. Housing   | 5.00        | 6092.00   | 6097.00    | 5.00        | 4746.00  | 4751.00    |
| 3.Government servants (Housing)  | -           | 9085.00   | 9085.00    | -           | 10040.00 | 10040.00   |
| 4.Others   | 19904.00    | 1303.00   | 21207.00   | 20080.00    | 1646.00  | 21726.00   |
| b. Economic Services (1-9)   | 29018.00    | 84317.00  | 113335.00  | 23043.00    | 3058.00  | 26101.00   |
| 1.Crop Husbandry   | -           | 1007.00   | 1007.00    | -           | 129.00   | 129.00     |
| 2. Soil and water conservation   | 187.00      | -         | 187.00     | 108.00      | -        | 108.00     |
| 3. Food storage and warehousing  | -           | -         | -          | -           | -        | -          |
| 4. Cooperation   | 2735.00     | 58547.00  | 61282.00   | 2388.00     | -        | 2388.00    |
| 5. Major and medium irrigation etc.  | -           | -         | -          | -           | -        | -          |
| 6.power projects   | 19991.00    | 15110.00  | 35101.00   | 16005.00    | -        | 16005.00   |
| 7. Village and small industries  | 2647.00     | -         | 2647.00    | 2794.00     | -        | 2794.00    |
| 8. Other industries and minerals   | 1512.00     | 115.00    | 1627.00    | 510.00      | -        | 510.00     |
| 9.others   | 1946.00     | 9538.00   | 11484.00   | 1238.00     | 2929.00  | 4167.00    |
| 2. Non Developmental purposes (a+b)  | -           | 1928.00   | 1928.00    | -           | 2812.00  | 2812.00    |
| a. Government servants (Other than housing)  | -           | 1928.00   | 1928.00    | -           | 2812.00  | 2812.00    |
| b.miscellaneous  | -           | -         | -          | -           | -        | -          |
| A. Surplus (+) / Deficit (-) on Capital account                                      |             |           | 625210.00  |             |          | 435070.00  |
| B. Surplus (+) / Deficit (-) on Revenue account                                      |             |           | -948396.00 |             |          | -393893.00 |
| C. Overall Surplus (+) / Deficit (-) (A+B)   |             |           |            |             |          |            |
| Financing of surplus Deficit   |             |           | -323186.00 |             |          | 41177.00   |
| D. Increase (+)/ Decrease (-) in Cash Balances                                       |             |           | -1886.00   |             |          | 1177.00    |
| (a) Opening Balance  |             |           | -15771.00  |             |          | -17657.00  |
| (b) Closing Balance  |             |           | -17657.00  |             |          | -16480.00  |
| E. Withdrawals from (-)/ Additions to (+) Cash Balance Investment Account (Net)      |             |           | -281300.00 |             |          | -          |
| F. Increase (-)/ Decrease (+) in Ways & Means Advances and Overdrafts from RBI (Net) |             |           | -40000.00  |             |          | 40000.00   |

**TABLE - DET 8 CAPITAL ACCOUNT- DISBURSEMENTS - ANDHRA PRADESH  
1997-98 to 2000-2001**

| Expenditure Items  | (Rs. Lakhs)    |          |           |                |           |           |
|--|----------------|----------|-----------|----------------|-----------|-----------|
|  | 1997-98(Accts) |          |           | 1998-99(Accts) |           |           |
|  | Plan           | Non Plan | Total     | Plan           | Non Plan  | Total     |
| Total Disbursements(I+II+III+IV)                         | 248047.00      | 72024.00 | 320071.00 | 317891.00      | 183498.00 | 501389.00 |
| I. Total Capital Outlay(1 + 2)                           | 107905.00      | 696.00   | 108601.00 | 137844.00      | 679.00    | 138523.00 |
| <b>1.B45.Developmental(a+b)</b>                          | 105918.00      | 514.00   | 106432.00 | 135341.00      | 641.00    | 135982.00 |
| a. Social Services (1 to 9)                              | 7563.00        | 96.00    | 7659.00   | 12322.00       | 40.00     | 12362.00  |
| <b>(1) Edu, Sports, Arts &amp; Culture</b>               | 833.00         | 10.00    | 843.00    | 478.00         | 7.00      | 485.00    |
| (2) Medical & Pub health                                 | 261.00         | -        | 261.00    | 126.00         | 6.00      | 132.00    |
| (3) Family Welfare                                       | -              | -        | -         | -              | -         | -         |
| <b>(4) Water supply &amp; sanitation</b>                 | 46.00          | -        | 46.00     | 88.00          | -         | 88.00     |
| (5) Housing  | 1472.00        | 86.00    | 1558.00   | 1007.00        | 19.00     | 1026.00   |
| (6) Urban Development                                    | -              | -        | -         | -              | -         | -         |
| (7) Welfare of SC/ST/BC                                  | 2859.00        | -        | 2859.00   | 6311.00        | -         | 6311.00   |
| (8) Social Security & Welfare                            | 1779.00        | -        | 1779.00   | 4032.00        | -         | 4032.00   |
| (9) Others *   | 313.00         | -        | 313.00    | 280.00         | 8.00      | 288.00    |
| <b>B. Economic Services (1 to 11)</b>                    | 98355.00       | 418.00   | 98773.00  | 123019.00      | 601.00    | 123620.00 |
| (1) Agri & allied activities (i to xii)                  | 2190.00        | -194.00  | 1996.00   | 3673.00        | -33.00    | 3640.00   |
| (i) Crop Husbandary                                      | -1.00          | -        | -1.00     | 75.00          | -         | 75.00     |
| (ii) Soil & Water Conservation                           | -              | -        | -         | -              | -         | -         |
| (iii) Animal Husbandary                                  | 200.00         | -        | 200.00    | 835.00         | -         | 835.00    |
| (iv) Dairy Development                                   | 100.00         | -        | 100.00    | 97.00          | -         | 97.00     |
| (v) Fisheries  | 119.00         | -        | 119.00    | 207.00         | -         | 207.00    |
| (vi) Forestry & Wild life                                | 195.00         | -126.00  | 69.00     | 2086.00        | -         | 2086.00   |
| (vii) Plantations  | -              | -        | -         | -              | -         | -         |
| (viii) Food storage & ware housing                       | -              | -        | -         | -              | -         | -         |
| (ix) Agri Research & Education                           | -              | -        | -         | -12.00         | -         | -12.00    |
| (x) Co-operation   | 1575.00        | -68.00   | 1507.00   | 486.00         | -33.00    | 453.00    |
| (xi) Others  | 2.00           | -        | 2.00      | -101.00        | -         | -101.00   |
| (2) Rural Development                                    | -              | -        | -         | -              | -         | -         |
| (3) Special Area Prog<br>of which Hill areas             | -              | -        | -         | -              | -         | -         |
| (4) Major and Medium Irrigation & Flood control          | 73695.00       | 47.00    | 73742.00  | 80387.00       | -1.00     | 80386.00  |
| (5) Energy   | 3172.00        | -11.00   | 3161.00   | 1784.00        | -10.00    | 1774.00   |
| (6) Industry & Mineral (i to iv)                         | 8610.00        | -        | 8610.00   | 9865.00        | -         | 9865.00   |
| (i) Village & Small Industries                           | 20.00          | -        | 20.00     | 11.00          | -         | 11.00     |
| (ii) Iron and Steel Industries                           | -              | -        | -         | -              | -         | -         |
| (iii) Non ferrous Mining and metallurgical<br>Industries | 8350.00        | -        | 8350.00   | 8350.00        | -         | 8350.00   |
| (iv) others #  | 240.00         | -        | 240.00    | 1504.00        | -         | 1504.00   |
| (7) Transport (i+ii)                                     | 9553.00        | 576.00   | 10129.00  | 25478.00       | 645.00    | 26123.00  |
| (i) Road & Bridges                                       | 9397.00        | 576.00   | 9973.00   | 25787.00       | 645.00    | 26432.00  |
| (ii) others **   | 156.00         | -        | 156.00    | -309.00        | -         | -309.00   |
| (8) Communications                                       | -              | -        | -         | -              | -         | -         |
| (9) Science, Technology & Environment                    | -              | -        | -         | -              | -         | -         |
| (10) General Economic Services (i to ii)                 | 1135.00        | -        | 1135.00   | 1832.00        | -         | 1832.00   |
| (i) Tourism  | -              | -        | -         | -              | -         | -         |
| (ii) Others @@   | 1135.00        | -        | 1135.00   | 1832.00        | -         | 1832.00   |

**TABLE - DET 8 CAPITAL ACCOUNT- DISBURSEMENTS - ANDHRA PRADESH  
1997-98 to 2000-2001**

| Expenditure Items  | 1997-98(Accts) |          |           | 1998-99(Accts) |           |            |
|--|----------------|----------|-----------|----------------|-----------|------------|
|  | Plan           | Non Plan | Total     | Plan           | Non Plan  | Total      |
| <b>2. Non-Development (General services )</b>  | 1987.00        | 182.00   | 2169.00   | 2503.00        | 38.00     | 2541.00    |
| II Discharge of Internal debt+(1 to 5)   | -              | 3850.00  | -         | -              | 45619.00  | 45619.00   |
| 1. Market Loans  | -              | 861.00   | 3850.00   | -              | 21083.00  | 21083.00   |
| 2.Loans from LIC   | -              | 1187.00  | 861.00    | -              | 1441.00   | 1441.00    |
| 3.Loans from NABARD  | -              | 25.00    | 1187.00   | -              | 1327.00   | 1327.00    |
| 4.Loans from National cooperative development corporation                            | -              | 1302.00  | 25.00     | -              | 1299.00   | 1299.00    |
| 5.others   | -              | 475.00   | 1302.00   | -              | 20469.00  | 20469.00   |
| of which : land compensation bonds   | -              | -        | 475.00    | -              | -         | -          |
| III Repayment of Loans to the centre   | -              | 47847.00 | 47847.00  | -              | 114022.00 | 114022.00  |
| IV. Loans and Advances by State Governments(1+2)                                     | 140142.00      | 19631.00 | 159773.00 | 180047.00      | 23178.00  | 203225.00  |
| 1. Developmental Purposes (a+b)  | 140142.00      | 15413.00 | 155555.00 | 180047.00      | 18041.00  | 198088.00  |
| a. Social services (1 to 4)  | 10399.00       | 11927.00 | 22326.00  | 10876.00       | 15400.00  | 26276.00   |
| 1. Education Sports Art and Culture  | 1289.00        | -        | 1289.00   | 566.00         | -         | 566.00     |
| 2. Housing   | 1650.00        | 9792.00  | 11442.00  | 7329.00        | 8450.00   | 15779.00   |
| 3.Government servants (Housing)  | -              | 2074.00  | 2074.00   | -              | 4930.00   | 4930.00    |
| 4.Others   | 7460.00        | 61.00    | 7521.00   | 2981.00        | 2020.00   | 5001.00    |
| b. Economic Services (1-9)   | 129743.00      | 3486.00  | 133229.00 | 169171.00      | 2641.00   | 171812.00  |
| 1.Crop Husbandry   | 10.00          | 1429.00  | 1439.00   | 95.00          | 26.00     | 121.00     |
| 2. Soil and water conservation   | -              | -        | -         | -              | -         | -          |
| 3. Food storage and warehousing  | 38.00          | -        | 38.00     | 18.00          | -         | 18.00      |
| 4. Cooperation   | 3284.00        | -        | 3284.00   | 2754.00        | -         | 2754.00    |
| 5. Major and medium irrigation etc.  | 400.00         | 1302.00  | 1702.00   | -              | -         | -          |
| 6.power projects   | 121505.00      | -        | 121505.00 | 159830.00      | 2.00      | 159832.00  |
| 7. Village and small industries  | 262.00         | -        | 262.00    | 246.00         | -         | 246.00     |
| 8. Other industries and minerals   | 3533.00        | 75.00    | 3608.00   | -              | -         | -          |
| 9.others   | 711.00         | 680.00   | 1391.00   | 6228.00        | 2613.00   | 8841.00    |
| 2. Non Developmental purposes (a+b)  | -              | 4218.00  | 4218.00   | -              | 5137.00   | 5137.00    |
| a. Government servants (Other than housing)  | -              | 4218.00  | 4218.00   | -              | 5137.00   | 5137.00    |
| b.miscellaneous  | -              | -        | -         | -              | -         | -          |
| A. Surplus (+) / Deficit (-) on Capital account                                      |                |          | 166181.00 |                |           | 180005.00  |
| B. Surplus (+) / Deficit (-) on Revenue account                                      |                |          | -70319.00 |                |           | -268406.00 |
| C. Overall Surplus (+) / Deficit (-) (A+B)   |                |          | 95862.00  |                |           | -88401.00  |
| Financing of surplus Deficit   |                |          |           |                |           |            |
| D. Increase (+)/ Decrease (-) in Cash Balances                                       |                |          | 9058.00   |                |           | -12192.00  |
| (a) Opening Balance  |                |          | -4196.00  |                |           | 4862.00    |
| (b) Closing Balance  |                |          | 4862.00   |                |           | -7330.00   |
| E. Withdrawals from (-)/ Additions to (+) Cash Balance Investment Account (Net)      |                |          | 54198.00  |                |           | -54225.00  |
| F. Increase (-)/ Decrease (+) in Ways & Means Advances and Overdrafts from RBI (Net) |                |          | 32606.00  |                |           | -21984.00  |

**TABLE - DET 8 CAPITAL ACCOUNT- DISBURSEMENTS - ANDHRA PRADESH  
1997-98 to 2000-2001**

Andhra Pradesh

(Rs. Lakhs)

| Expenditure Items  | 1999-00(RE) |           |           | 2000-01(RE) |           |           |
|--|-------------|-----------|-----------|-------------|-----------|-----------|
|  | Plan        | Non Plan  | Total     | Plan        | Non Plan  | Total     |
| Total Disbursements(I+II+III+IV)                         |             | 144976.00 | 416997.00 | 383652.00   | 175844.00 | 559496.00 |
| I. Total Capital Outlay(1 + 2)                           |             | 37443.00  | 242060.00 | 308351.00   | 33422.00  | 341773.00 |
| <b>1.B45.Developmental(a+b)</b>                          | 201478.00   | 37011.00  | 238489.00 | 303457.00   | 33316.00  | 336773.00 |
| a. Social Services (1 to 9)                              | 34404.00    | 18188.00  | 52592.00  | 44260.00    | 14140.00  | 58400.00  |
| <b>(1) Edu, Sports, Arts &amp; Culture</b>               | 1412.00     | --        | 1412.00   | 400.00      | -         | 400.00    |
| (2) Medical & Pub health                                 | 6024.00     | -         | 6024.00   | 6100.00     | -         | 6100.00   |
| (3) Family Welfare                                       | -           | -         | -         | -           | -         | -         |
| <b>(4) Water supply &amp; sanitation</b>                 | 2059.00     | 16600.00  | 18659.00  | 29471.00    | 12548.00  | 42019.00  |
| (5) Housing  | 169.00      | 88.00     | 257.00    | 1328.00     | 92.00     | 1420.00   |
| (6) Urban Development                                    | -           | 1500.00   | 1500.00   | -           | 1500.00   | 1500.00   |
| (7) Welfare of SC/ST/BC                                  | 6369.00     | -         | 6369.00   | 6588.00     | -         | 6588.00   |
| (8) Social Security & Welfare                            | 18334.00    | -         | 18334.00  | 367.00      | -         | 367.00    |
| (9) Others *   | 37.00       | -         | 37.00     | 6.00        | -         | 6.00      |
| <b>B. Economic Services (1 to 11)</b>                    | 167074.00   | 18823.00  | 185897.00 | 259197.00   | 19176.00  | 278373.00 |
| (1) Agri & allied activities (i to xii)                  | 1166.00     | -         | 1166.00   | 1543.00     | -         | 1543.00   |
| (i) Crop Husbandary                                      | 97.00       | -         | 97.00     | 69.00       | -         | 69.00     |
| (ii) Soil & Water Conservation                           | -           | -         | -         | -           | -         | -         |
| (iii) Animal Husbandary                                  | -           | -         | -         | 140.00      | -         | 140.00    |
| (iv) Dairy Development                                   | -           | -         | -         | -           | -         | -         |
| (v) Fisheries  | 154.00      | -         | 154.00    | 234.00      | -         | 234.00    |
| (vi) Forestry & Wild life                                | -           | -         | -         | 15.00       | -         | 15.00     |
| (vii) Plantations  | -           | -         | -         | -           | -         | -         |
| (viii) Food storage & ware housing                       | -           | -         | -         | -           | -         | -         |
| (ix) Agri Research & Education                           | -           | -         | -         | -           | -         | -         |
| (x) Co-operation   | 701.00      | -         | 701.00    | 880.00      | -         | 880.00    |
| (xi) Others  | 214.00      | -         | 214.00    | 205.00      | -         | 205.00    |
| (2) Rural Development                                    | 18995.00    | 17842.00  | 36837.00  | 61689.00    | 17842.00  | 79531.00  |
| (3) Special Area Prog<br>of which Hill areas             | -           | -         | -         | -           | -         | -         |
| (4) Major and Medium Irrigation & Flood<br>control       | 104806.00   | -         | 104806.00 | 119106.00   | -         | 119106.00 |
| (5) Energy   | 3960.00     | -         | 3960.00   | 2300.00     | -         | 2300.00   |
| (6) Industry & Mineral (i to iv)                         | 1271.00     | -         | 1271.00   | 571.00      | -         | 571.00    |
| (i) Village & Small Industries                           | 520.00      | -         | 520.00    | 135.00      | -         | 135.00    |
| (ii) Iron and Steel Industries                           | -           | -         | -         | -           | -         | -         |
| (iii) Non ferrous Mining and metallurgical<br>Industries | -           | -         | -         | -           | -         | -         |
| (iv) others #  | 751.00      | -         | 751.00    | 436.00      | -         | 436.00    |
| (7) Transport (i+ii)                                     | 36815.00    | 981.00    | 37796.00  | 73988.00    | 1334.00   | 75322.00  |
| (i) Road & Bridges                                       | 36750.00    | 981.00    | 37731.00  | 73843.00    | 1334.00   | 75177.00  |
| (ii) others **   | 65.00       | -         | 65.00     | 145.00      | -         | 145.00    |
| (8) Communications                                       | -           | -         | -         | -           | -         | -         |
| (9) Science, Technology & Environment                    | -           | -         | -         | -           | -         | -         |
| (10) General Economic Services (i to ii)                 | 61.00       | -         | 61.00     | -           | -         | -         |
| (i) Tourism  | -           | -         | -         | -           | -         | -         |
| (ii) Others @ @  | 61.00       | -         | 61.00     | -           | -         | -         |



**TABLE - DET 9 CAPITAL ACCOUNT- DISBURSEMENTS - KARNATAKA  
1997-98 to 2000-2001**

| Expenditure Items  | (Rs. Lakhs)    |          |           |                |          |           |
|--|----------------|----------|-----------|----------------|----------|-----------|
|  | 1997-98(Accts) |          |           | 1998-99(Accts) |          |           |
|  | Plan           | Non Plan | Total     | Plan           | Non Plan | Total     |
| Total Disbursements(I+II+III+IV)                         | 109882         | 61146.00 | 171028.00 | 169834.00      | 74163.00 | 243997.00 |
| I. Total Capital Outlay(1 + 2)                           | 91351.00       | 29644.00 | 120995.00 | 145084.00      | 29339.00 | 174423.00 |
| <b>1.B45.Developmental(a+b)</b>                          | 87828.00       | 29644.00 | 117472.00 | 141628.00      | 29339.00 | 170697.00 |
| a. Social Services (1 to 9)                              | 13754.00       | -        | 13754.00  | 45289.00       | 249.00   | 45538.00  |
| <b>(1) Edu, Sports, Arts &amp; Culture</b>               | 880.00         | -        | 880.00    | 10776.00       | 247.00   | 11023.00  |
| (2) Medical & Pub health                                 | 6816.00        | -        | 6816.00   | 8788.00        | -        | 8788.00   |
| (3) Family Welfare                                       | 1553.00        | -        | 1553.00   | 2252.00        | -        | 2252.00   |
| <b>(4) Water supply &amp; sanitation</b>                 | -              | -        | -         | 14793.00       | -        | 14793.00  |
| (5) Housing  | 911.00         | -        | 911.00    | 5691.00        | -        | 5691.00   |
| (6) Urban Development                                    | 36.00          | -        | 36.00     | 30.00          | -        | 30.00     |
| (7) Welfare of SC/ST/BC                                  | 3240.00        | -        | 3240.00   | 2672.00        | -        | 2672.00   |
| (8) Social Security & Welfare                            | 246.00         | -        | 216.00    | 128.00         | -        | 128.00    |
| (9) Others *   | 102.00         | -        | 102.00    | 159.00         | 2.00     | 161.00    |
| <b>B. Economic Services (1 to 11)</b>                    | 74074.00       | 29644.00 | 103718.00 | 96339.00       | 29090.00 | 125429.00 |
| (1) Agri & allied activities (i to xii)                  | 1886.00        | -        | 1886.00   | 2093.00        | -        | 2093.00   |
| (i) Crop Husbandary                                      | 107.00         | -        | 107.00    | 51.00          | -        | 51.00     |
| (ii) Soil & Water Conservation                           | -              | -        | -         | -              | -        | -         |
| (iii) Animal Husbandary                                  | 13.00          | -        | 13.00     | 111.00         | -        | 111.00    |
| (iv) Dairy Development                                   | -              | -        | -         | -              | -        | -         |
| (v) Fisheries  | 517.00         | -        | 517.00    | 848.00         | -        | 848.00    |
| (vi) Forestry & Wild life                                | 189.00         | -        | 189.00    | 123.00         | -        | 123.00    |
| (vii) Plantations  | -              | -        | -         | -              | -        | -         |
| (viii) Food storage & ware housing                       | 20.00          | -        | 20.00     | 15.00          | -        | 15.00     |
| (ix) Agri Research & Education                           | 241.00         | -        | 241.00    | 63.00          | -        | 63.00     |
| (x) Co-operation   | 799.00         | -        | 799.00    | 882.00         | -        | 882.00    |
| (xi) Others  | -              | -        | -         | -              | -        | -         |
| (2) Rural Development                                    | -              | -        | 19.00     | -              | 220.00   | 220.00    |
| (3) Special Area Prog<br>of which Hill areas             | -              | -        | -         | -              | -        | -         |
| (4) Major and Medium Irrigation & Flood control          | 55641.00       | 29623.00 | 85264.00  | 71223.00       | 28870.00 | 100103.00 |
| (5) Energy   | -              | -        | -         | -              | -        | -         |
| (6) Industry & Mineral (i to iv)                         | 3634.00        | -        | 3634.00   | 6608.00        | -        | 6608.00   |
| (i) Village & Small Industries                           | 1056.00        | -        | 1056.00   | 849.00         | -        | 849.00    |
| (ii) Iron and Steel Industries                           | 899.00         | -        | 899.00    | 929.00         | -        | 929.00    |
| (iii) Non ferrous Mining and metallurgical<br>Industries | -              | -        | -         | -              | -        | -         |
| (iv) others #  | 1679.00        | -        | 1679.00   | 4830.00        | -        | 4830.00   |
| (7) Transport (i+ii)                                     | 12989.00       | 1.00     | 12990.00  | 16470.00       | -        | 16470.00  |
| (i) Road & Bridges                                       | 10622.00       | 1.00     | 10623.00  | 15846.00       | -        | 15846.00  |
| (ii) others **   | 2367.00        | -        | 2367.00   | 624.00         | -        | 624.00    |
| (8) Communications                                       | -              | -        | -         | -              | -        | -         |
| (9) Science, Technology & Environment                    | -              | -        | -         | -              | -        | -         |
| (10) General Economic Services (i to ii)                 | -76.00         | -75.00   | -75.00    | -65.00         | -        | -65.00    |
| (i) Tourism  | 8.00           | -        | 8.00      | -              | -        | -         |
| (ii) Others @@   | -84.00         | 1.00     | -83.00    | -65.00         | -        | -65.00    |

**TABLE - DET 9 CAPITAL ACCOUNT- DISBURSEMENTS - KARNATAKA  
1997-98 to 2000-2001**

| Expenditure Items  | 1997-98(Accts) |          |           | 1998-99(Accts) |          |            |
|--|----------------|----------|-----------|----------------|----------|------------|
|  | Plan           | Non Plan | Total     | Plan           | Non Plan | Total      |
|  | (Rs. Lakhs)    |          |           |                |          |            |
| <b>2. Non-Development (General services )</b>  | 3523.00        | -        | 3523.00   | 3456.00        | -        | 3456.00    |
| II Discharge of Internal debt + (1 to 5)   | -              | 5098.00  | 5098.00   | -              | 10699.00 | 10699.00   |
| 1. Market Loans  | -              | 2800.00  | 2800.00   | -              | 7635.00  | 7635.00    |
| 2.Loans from LIC   | -              | 1064.00  | 1064.00   | -              | 941.00   | 941.00     |
| 3.Loans from NABARD  | -              | 36.00    | 36.00     | -              | 837.00   | 837.00     |
| 4.Loans from National cooperative development corporation                            | -              | 855.00   | 855.00    | -              | 908.00   | 908.00     |
| 5.others   | -              | 343.00   | 343.00    | -              | 378.00   | 378.00     |
| of which : land compensation bonds   | -              | -        | -         | -              | -        | -          |
| III Repayment of Loans to the centre   | -              | 25627.00 | 25627.00  | -              | 29835.00 | 29835.00   |
| IV. Loans and Advances by State Governments(1+2)                                     | 18531.00       | 777.00   | 19308.00  | 24750.00       | 4290.00  | 29040.00   |
| 1. Developmental Purposes (a+b)  | 18531.00       | 9.00     | 18540.00  | 24750.00       | 3600.00  | 28350.00   |
| a. Social services (1 to 4)  | 9524.00        | 9.00     | 9533.00   | 15877.00       | 20.00    | 15897.00   |
| 1. Education Sports Art and Culture  | -              | -        | -         | -              | -        | -          |
| 2. Housing   | 827.00         | -        | 827.00    | 875.00         | -        | 875.00     |
| 3.Government servants (Housing)  | 35.00          | -        | 35.00     | 68.00          | -        | 68.00      |
| 4.Others   | 8662.00        | 9.00     | 8671.00   | 14934.00       | 20.00    | 14954.00   |
| b. Economic Services (1-9)   | 9007.00        | -        | 9007.00   | 8873.00        | 3580.00  | 12453.00   |
| 1.Crop Husbandry   | -              | -        | -         | -              | -        | -          |
| 2. Soil and water conservation   | 672.00         | -        | 672.00    | 789.00         | -        | 789.00     |
| 3. Food storage and warehousing  | -              | -        | -         | -              | -        | -          |
| 4. Cooperation   | 242.00         | -        | 242.00    | 280.00         | 3580.00  | 3860.00    |
| 5. Major and medium irrigation etc.  | -              | -        | -         | -              | -        | -          |
| 6.power projects   | -              | -        | -         | -              | -        | -          |
| 7. Village and small industries  | 101.00         | -        | 101.00    | 258.00         | -        | 258.00     |
| 8. Other industries and minerals   | 116.00         | -        | 116.00    | 48.00          | -        | 48.00      |
| 9.others   | 7876.00        | -        | 7876.00   | 7498.00        | -        | 7498.00    |
| 2. Non Developmental purposes (a+b)  | -              | 768.00   | 768.00    | -              | 690.00   | 690.00     |
| a. Government servants (Other than housing)  | -              | 734.00   | 734.00    | -              | 690.00   | 690.00     |
| b.miscellaneous  | -              | 34.00    | 34.00     | -              | -        | -          |
| A. Surplus (+) / Deficit (-) on Capital account                                      |                |          | 86670.00  |                |          | 123639.00  |
| B. Surplus (+) / Deficit (-) on Revenue account                                      |                |          | -27682.00 |                |          | -121517.00 |
| C. Overall Surplus (+) / Deficit (-) (A+B)   |                |          |           |                |          |            |
| Financing of surplus Deficit   |                |          | 58988.00  |                |          | 2122.00    |
| D. Increase (+)/ Decrease (-) in Cash Balances                                       |                |          | 5195.00   |                |          | -5645.00   |
| (a) Opening Balance  |                |          | -1078.00  |                |          | 4116.00    |
| (b) Closing Balance  |                |          | 4117.00   |                |          | -1529.00   |
| E. Withdrawals from (-)/ Additions to (+) Cash Balance Investment Account (Net)      |                |          | 53793.00  |                |          | 7767.00    |
| F. Increase (-)/ Decrease (+) in Ways & Means Advances and Overdrafts from RBI (Net) |                |          | -         |                |          | -          |

**TABLE - DET 9 CAPITAL ACCOUNT- DISBURSEMENTS - KARNATAKA  
1997-98 to 2000-2001**

| Expenditure Items                                     | (Rs. Lakhs) |          |           |             |          |           |
|---|-------------|----------|-----------|-------------|----------|-----------|
|   | 1999-00(RE) |          |           | 2000-01(RE) |          |           |
|   | Plan        | Non Plan | Total     | Plan        | Non Plan | Total     |
| Total Disbursements(I+II+III+IV)                      | 130301.00   | 77989.00 | 208290.00 | 206527.00   | 84124.00 | 290651.00 |
| I. Total Capital Outlay(1 + 2)                        | 111076.00   | 27773.00 | 138849.00 | 166231.00   | 31223.00 | 197454.00 |
| <b>1.B45.Developmental(a+b)</b>                       | 107758.00   | 27285.00 | 135043.00 | 161429.00   | 30511.00 | 191940.00 |
| a. Social Services (1 to 9)                           | 36428.00    | 200.00   | 36628.00  | 28625.00    | 300.00   | 28925.00  |
| <b>(1) Edu, Sports, Arts &amp; Culture</b>            | 601.00      | 200.00   | 801.00    | 304.00      | 200.00   | 504.00    |
| (2) Medical & Pub health                              | 7978.00     | -        | 7978.00   | 5538.00     | -        | 5538.00   |
| (3) Family Welfare                                    | 3932.00     | -        | 3932.00   | 3345.00     | -        | 3345.00   |
| <b>(4) Water supply &amp; sanitation</b>              | 15990.00    | -        | 15990.00  | 10789.00    | -        | 10789.00  |
| (5) Housing   | 2392.00     | -        | 2392.00   | 2266.00     | 100.00   | 2366.00   |
| (6) Urban Development                                 | 10.00       | -        | 10.00     | 10.00       | -        | 10.00     |
| (7) Welfare of SC/ST/BC                               | 5180.00     | -        | 5180.00   | 5901.00     | -        | 5901.00   |
| (8) Social Security & Welfare                         | 239.00      | -        | 239.00    | 234.00      | -        | 234.00    |
| (9) Others *  | 106.00      | -        | 106.00    | 238.00      | -        | 238.00    |
| <b>B. Economic Services (1 to 11)</b>                 | 71330.00    | 27085.00 | 98415.00  | 132804.00   | 30211.00 | 163015.00 |
| (1) Agri & allied activities (i to xii)               | 1467.00     | -        | 1467.00   | 2918.00     | -        | 2918.00   |
| (i) Crop Husbandary                                   | 35.00       | -        | 35.00     | 30.00       | -        | 30.00     |
| (ii) Soil & Water Conservation                        | -           | -        | -         | -           | -        | -         |
| (iii) Animal Husbandary                               | -           | -        | -         | -           | -        | -         |
| (iv) Dairy Development                                | -           | -        | -         | -           | -        | -         |
| (v) Fisheries   | 714.00      | -        | 714.00    | 286.00      | -        | 286.00    |
| (vi) Forestry & Wild life                             | 54.00       | -        | 54.00     | 2000.00     | -        | 2000.00   |
| (vii) Plantations                                     | -           | -        | -         | -           | -        | -         |
| (viii) Food storage & ware housing                    | 15.00       | -        | 15.00     | 20.00       | -        | 20.00     |
| (ix) Agri Research & Education                        | 5.00        | -        | 5.00      | 5.00        | -        | 5.00      |
| (x) Co-operation                                      | 644.00      | -        | 644.00    | 577.00      | -        | 577.00    |
| (xi) Others   | -           | -        | -         | -           | -        | -         |
| (2) Rural Development                                 | -           | 200.00   | 200.00    | -           | 200.00   | 200.00    |
| (3) Special Area Prog                                 | -           | -        | -         | -           | -        | -         |
| of which Hill areas                                   | -           | -        | -         | -           | -        | -         |
| (4) Major and Medium Irrigation & Flood control       | 56259.00    | 26844.00 | 83103.00  | 104320.00   | 30000.00 | 134320.00 |
| (5) Energy  | -           | -        | -         | -           | -        | -         |
| (6) Industry & Mineral (i to iv)                      | 3996.00     | -        | 3996.00   | 3401.00     | -        | 3401.00   |
| (i) Village & Small Industries                        | 592.00      | -        | 592.00    | 1008.00     | -        | 1008.00   |
| (ii) Iron and Steel Industries                        | 1765.00     | -        | 1765.00   | 748.00      | -        | 748.00    |
| (iii) Non ferrous Mining and metallurgical Industries | -           | -        | -         | -           | -        | -         |
| (iv) others #   | 1639.00     | -        | 1639.00   | 1645.00     | -        | 1645.00   |
| (7) Transport (i+ii)                                  | 9595.00     | 40.00    | 9635.00   | 22158.00    | 10.00    | 22168.00  |
| (i) Road & Bridges                                    | 9245.00     | 40.00    | 9285.00   | 21358.00    | 10.00    | 21368.00  |
| (ii) others **  | 350.00      | -        | 350.00    | 800.00      | -        | 800.00    |
| (8) Communications                                    | -           | -        | -         | -           | -        | -         |
| (9) Science, Technology & Environment                 | -           | -        | -         | -           | -        | -         |
| (10) General Economic Services (i to ii)              | 13.00       | 1.00     | 14.00     | 7.00        | 1.00     | 8.00      |
| (i) Tourism   | -           | -        | -         | -           | -        | -         |
| (ii) Others @@  | 13.00       | 1.00     | 14.00     | 7.00        | 1.00     | 8.00      |



**TABLE - DET 9 CAPITAL ACCOUNT- DISBURSEMENTS - KARNATAKA  
1997-98 to 2000-2001**

| Expenditure Items  | (Rs. Lakhs) |          |            |             |          |            |
|--|-------------|----------|------------|-------------|----------|------------|
|  | 1999-00(RE) |          |            | 2000-01(RE) |          |            |
|  | Plan        | Non Plan | Total      | Plan        | Non Plan | Total      |
| <b>2. Non-Development (General services )</b>  | 3318.00     | 488.00   | 3806.00    | 4802.00     | 712.00   | 5514.00    |
| II Discharge of Internal debt + (1 to 5)   | -           | 14723.00 | 14723.00   | -           | 9158.00  | 9158.00    |
| 1. Market Loans  | -           | 7877.00  | 7877.00    | -           | 40.00    | 40.00      |
| 2.Loans from LIC   | -           | 1775.00  | 1775.00    | -           | 1775.00  | 1775.00    |
| 3.Loans from NABARD  | -           | 3074.00  | 3074.00    | -           | 5236.00  | 5236.00    |
| 4.Loans from National cooperative development corporation                            | -           | 1535.00  | 1535.00    | -           | 1650.00  | 1650.00    |
| 5.others   | -           | 462.00   | 462.00     | -           | 457.00   | 457.00     |
| of which : land compensation bonds   | -           | -        | -          | -           | -        | -          |
| III Repayment of Loans to the centre   | -           | 34376.00 | 34376.00   | -           | 42086.00 | 42086.00   |
| IV. Loans and Advances by State Governments(1+2)                                     | 19225.00    | 1117.00  | 20342.00   | 40296.00    | 1657.00  | 41953.00   |
| 1. Developmental Purposes (a+b)  | 19225.00    | 5.00     | 19230.00   | 40296.00    | 495.00   | 40791.00   |
| a. Social services (1 to 4)  | 14939.00    | 5.00     | 14944.00   | 37664.00    | 10.00    | 37674.00   |
| 1. Education Sports Art and Culture  | -           | -        | -          | -           | -        | -          |
| 2. Housing   | 1331.00     | -        | 1331.00    | 555.00      | -        | 555.00     |
| 3.Government servants (Housing)  | 302.00      | -        | 302.00     | 300.00      | -        | 300.00     |
| 4.Others   | 13306.00    | 5.00     | 13311.00   | 36809.00    | 10.00    | 36819.00   |
| b. Economic Services (1-9)   | 4286.00     | -        | 4286.00    | 2632.00     | 485.00   | 3117.00    |
| 1.Crop Husbandry   | -           | -        | -          | -           | -        | -          |
| 2. Soil and water conservation   | 1183.00     | -        | 1183.00    | 1174.00     | -        | 1174.00    |
| 3. Food storage and warehousing  | -           | -        | -          | 228.00      | -        | -          |
| 4. Cooperation   | 329.00      | -        | 329.00     | -           | -        | 228.00     |
| 5. Major and medium irrigation etc.  | -           | -        | -          | -           | -        | -          |
| 6.power projects   | -           | -        | -          | 228.00      | -        | -          |
| 7. Village and small industries  | 92.00       | -        | 92.00      | 50.00       | 484.00   | 228.00     |
| 8. Other industries and minerals   | 525.00      | -        | 525.00     | 952.00      | 1        | 534.00     |
| 9.others   | 2157.00     | -        | 2157.00    | -           | 1162.00  | 953.00     |
| 2. Non Developmental purposes (a+b)  | -           | 1112.00  | 1112.00    | -           | 1062.00  | 1162.00    |
| a. Government servants (Other than housing)  | -           | 1062.00  | 1062.00    | -           | 100.00   | 1062.00    |
| b.miscellaneous  | -           | 50.00    | 50.00      | -           | -        | 100.00     |
| A. Surplus (+) / Deficit (-) on Capital account                                      |             |          | 133409.00  |             |          | 154600.00  |
| B. Surplus (+) / Deficit (-) on Revenue account                                      |             |          | -157320.00 |             |          | -194230.00 |
| C. Overall Surplus (+) / Deficit (-) (A+B) Financing of surplus Deficit              |             |          | -23911.00  |             |          | -39630.00  |
| D. Increase (+)/ Decrease (-) in Cash Balances                                       |             |          | -23911.00  |             |          | -39630.00  |
| (a) Opening Balance  |             |          | -1529.00   |             |          | -25440.00  |
| (b) Closing Balance  |             |          | -25440.00  |             |          | -65070.00  |
| E. Withdrawals from (-)/ Additions to (+) Cash Balance Investment Account (Net)      |             |          | -          |             |          | -          |
| F. Increase (-)/ Decrease (+) in Ways & Means Advances and Overdrafts from RBI (Net) |             |          | -          |             |          | -          |

**TABLE - DET 10 CAPITAL ACCOUNT- DISBURSEMENTS - TAMILNADU  
1997-98 to 2000-2001**

| Expenditure Items                                     | (Rs. Lakhs)     |                 |                  |                  |                 |                  |
|---|-----------------|-----------------|------------------|------------------|-----------------|------------------|
|   | 1997-98(Accts)  |                 |                  | 1998-99(Accts)   |                 |                  |
|   | Plan            | Non Plan        | Total            | Plan             | Non Plan        | Total            |
| Total Disbursements(I+II+III+IV)                      | 115489.00       | 122762.00       | 238251.00        | 144704.00        | 73523.00        | 218227.00        |
| I. Total Capital Outlay(1 + 2)                        | 88269.00        | 58510.00        | 146779.00        | 118579.00        | -3247.00        | 115332.00        |
| <b>1.B45.Developmental(a+b)</b>                       | <b>83780.00</b> | <b>57464.00</b> | <b>141244.00</b> | <b>109229.00</b> | <b>-5296.00</b> | <b>103933.00</b> |
| a. Social Services (1 to 9)                           | 23939.00        | 748.00          | 24687.00         | 22114.00         | 686.00          | 22800.00         |
| <b>(1) Edu, Sports, Arts &amp; Culture</b>            | <b>3499.00</b>  | <b>6.00</b>     | <b>3505.00</b>   | <b>7261.00</b>   | <b>-18.00</b>   | <b>7243.00</b>   |
| (2) Medical & Pub health                              | 3942.00         | -               | 3942.00          | 6693.00          | 3.00            | 6696.00          |
| (3) Family Welfare                                    | 5.00            | -               | 5.00             | -2.00            | -               | -2.00            |
| <b>(4) Water supply &amp; sanitation</b>              | <b>1410.00</b>  | -               | <b>1410.00</b>   | <b>1190.00</b>   | -               | <b>1190.00</b>   |
| (5) Housing   | 4865.00         | 110.00          | 4975.00          | 2112.00          | -3.00           | 2109.00          |
| (6) Urban Development                                 | 6950.00         | -               | 6950.00          | 97.00            | -               | 97.00            |
| (7) Welfare of SC/ST/BC                               | 3047.00         | -               | 2047.00          | 3857.00          | -               | 3857.00          |
| (8) Social Security & Welfare                         | 81.00           | -               | 81.00            | 247.00           | -               | 247.00           |
| (9) Others *  | 1140.00         | 632.00          | 1772.00          | 659.00           | 704.00          | 1363.00          |
| <b>B. Economic Services (1 to 11)</b>                 | <b>59841.00</b> | <b>56716.00</b> | <b>116557.00</b> | <b>87115.00</b>  | <b>-5982.00</b> | <b>81133.00</b>  |
| (1) Agri & allied activities (i to xii)               | 8155.00         | -539.00         | 7616.00          | 16657.00         | -277.00         | 16380.00         |
| (i) Crop Husbandary                                   | 513.00          | 26.00           | 539.00           | 4121.00          | -               | 4121.00          |
| (ii) Soil & Water Conservation                        | 228.00          | -               | 228.00           | 173.00           | -               | 173.00           |
| (iii) Animal Husbandary                               | 6.00            | -               | 6.00             | 245.00           | -               | 245.00           |
| (iv) Dairy Development                                | 20.00           | -               | 20.00            | -                | -               | -                |
| (v) Fisheries   | 316.00          | -               | 316.00           | 233.00           | 24.00           | 257.00           |
| (vi) Forestry & Wild life                             | 5208.00         | -               | 5208.00          | 9455.00          | -               | 9455.00          |
| (vii) Plantations                                     | -               | -               | -                | -                | -               | -                |
| (viii) Food storage & ware housing                    | 134.00          | -               | 134.00           | 133.00           | -               | 133.00           |
| (ix) Agri Research & Education                        | 199.00          | -               | 199.00           | 306.00           | -               | 306.00           |
| (x) Co-operation                                      | 1531.00         | -565.00         | 966.00           | 1959.00          | -301.00         | 1658.00          |
| (xi) Others   | -               | -               | -                | 32.00            | -               | 32.00            |
| (2) Rural Development                                 | 36.00           | -               | 36.00            | 26.00            | -               | 26.00            |
| (3) Special Area Prog<br>of which Hill areas          | 972.00          | -               | 972.00           | 1122.00          | -               | 1122.00          |
| (4) Major and Medium Irrigation & Flood control       | 6613.00         | 9.00            | 6622.00          | 22603.00         | -               | 22603.00         |
| (5) Energy  | -               | 57428.00        | 57428.00         | -                | -5755.00        | -5755.00         |
| (6) Industry & Mineral (i to iv)                      | 4250.00         | -8.00           | 4242.00          | 1994.00          | 43.00           | 2037.00          |
| (i) Village & Small Industries                        | 174.00          | -8.00           | 166.00           | 117.00           | 43.00           | 160.00           |
| (ii) Iron and Steel Industries                        | -               | -               | -                | -                | -               | -                |
| (iii) Non ferrous Mining and metallurgical Industries | 10.00           | -               | 10.00            | 4.00             | -               | 4.00             |
| (iv) others #   | 4066.00         | -               | 4066.00          | 1873.00          | -               | 1873.00          |
| (7) Transport (i+ii)                                  | 39543.00        | -174.00         | 39369.00         | 44055.00         | -               | 44055.00         |
| (i) Road & Bridges                                    | 22090.00        | -174.00         | 21916.00         | 24052.00         | -               | 24052.00         |
| (ii) others **  | 17453.00        | -               | 17453.00         | 20003.00         | -               | 20003.00         |
| (8) Communications                                    | -               | -               | -                | -                | -               | -                |
| (9) Science, Technology & Environment                 | -               | -               | -                | -                | -               | -                |
| (10) General Economic Services (i to ii)              | 272.00          | -               | 272.00           | 658.00           | 7.00            | 665.00           |
| (i) Tourism   | 112.00          | -               | 112.00           | 199.00           | -               | 199.00           |
| (ii) Others @@  | 160.00          | -               | 160.00           | 459.00           | 7.00            | 466.00           |

**TABLE - DET 10 CAPITAL ACCOUNT- DISBURSEMENTS - TAMILNADU  
1997-98 to 2000-2001**

| Expenditure Items  | (Rs. Lakhs)    |                |                |                |                |                 |
|--|----------------|----------------|----------------|----------------|----------------|-----------------|
|  | 1997-98(Accts) |                |                | 1998-99(Accts) |                |                 |
|  | Plan           | Non Plan       | Total          | Plan           | Non Plan       | Total           |
| <b>2. Non-Development (General services )</b>  | <b>4489.00</b> | <b>1046.00</b> | <b>5535.00</b> | <b>9350.00</b> | <b>2049.00</b> | <b>11399.00</b> |
| II Discharge of In ternal debt + (1 to 5)  | -              | 6096.00        | 6096.00 -      | -              | 10954.00       | 10954.00        |
| 1. Market Loans  | -              | 3360.00        | 3360.00 -      | -              | 7665.00        | 7665.00         |
| 2.Loans from LIC   | -              | 838.00         | 838.00 -       | -              | 832.00         | 834.00          |
| 3.Loans from NABARD  | -              | 281.00         | 281.00 -       | -              | 484.00         | 484.00          |
| 4.Loans from National cooperative development corporation                            | -              | 1258.00        | 1258.00 -      | -              | 1417.00        | 1417.00         |
| 5.others   | -              | 359.00         | 359.00 -       | -              | 554.00         | 554.00          |
| of which : land compensation bonds   | -              | -              | -              | -              | -              | -               |
| III Repayment of Loans to the centre   | -              | 34682.00       | 34682.00 -     | -              | 40921.00       | 40921.00        |
| IV. Loans and Advances by State Governments(1+2)                                     | 27220.00       | 23474.00       | 50694.00       | 26125.00       | 24895.00       | 51020.00        |
| 1. Developmental Purposes (a+b)  | 27154.00       | 17742.00       | 44896.00       | 26056.00       | 19215.00       | 45271.00        |
| a. Social services (1 to 4)  | 22432.00       | 3557.00        | 25989.00       | 21564.00       | 3989.00        | 25553.00        |
| 1. Education Sports Art and Culture  | 488.00         | 119.00         | 607.00         | 183.00 -       | -              | 183.00          |
| 2. Housing   | 1980.00        | 1060.00        | 3040.00        | 675.00         | 1275.00        | 1950.00         |
| 3.Government servants (Housing)  | 5358.00 -      | -              | 5358.00        | 5347.00        | -15.00         | 5332.00         |
| 4.Others   | 14606.00       | 2378.00        | 16984.00       | 15359.00       | 2729.00        | 18088.00        |
| b. Economic Services (1-9)   | 4722.00        | 14185.00       | 18907.00       | 4492.00        | 15226.00       | 19718.00        |
| 1.Crop Husbandry   | 139.00 -       | -              | 139.00         | 273.00 -       | -              | 273.00          |
| 2. Soil and water conservation   | 443.00 -       | -              | 443.00         | 513.00 -       | -              | 513.00          |
| 3. Food storage and warehousing  | -              | -              | -              | -              | -              | -               |
| 4. Cooperation   | 234.00         | 1064.00        | 1298.00        | 1477.00        | 4206.00        | 5683.00         |
| 5. Major and medium irrigation etc.  | -              | -              | -              | 908.00 -       | -              | 908.00          |
| 6.power projects   | -              | -              | -              | -              | 53.00          | 53.00           |
| 7. Village and small industries  | 177.00 -       | -              | 177.00         | 331.00 -       | -              | 331.00          |
| 8. Other industries and minerals   | 1330.00 -      | -              | 1330.00 -      | -              | -              | -               |
| 9.others   | 2399.00        | 13121.00       | 15520.00       | 990.00         | 10967.00       | 11957.00        |
| 2. Non Developmental purposes (a+b)  | 66.00          | 5732.00        | 5798.00        | 69.00          | 5680.00        | 5749.00         |
| a. Government servants (Other than housing)  | -              | 5729.00        | 5729.00        | 8.00           | 5678.00        | 5686.00         |
| b.miscellaneous  | 66.00          | 3.00           | 69.00          | 61.00          | 2.00           | 63.00           |
| A. Surplus (+) / Deficit (-) on Capital account                                      |                |                | 150229.00      |                |                | 240842.00       |
| B. Surplus (+) / Deficit (-) on Revenue account                                      |                |                | -136390.00     |                |                | -343657.00      |
| C. Overall Surplus (+) / Deficit (-) (A+B) Financing of surplus Deficit              |                |                | 13839.00       |                |                | -102815.00      |
| D. Increase (+)/ Decrease (-) in Cash Balances                                       |                |                | 1242.00        |                |                | -14307.00       |
| (a) Opening Balance  |                |                | 7470.00        |                |                | 8712.00         |
| (b) Closing Balance  |                |                | 8712.00        |                |                | -5595.00        |
| E. Withdrawals from (-)/ Additions to (+) Cash Balance Investment Account (Net)      |                |                | 12597.00       |                |                | -88508.00       |
| F. Increase (-)/ Decrease (+) in Ways & Means Advances and Overdrafts from RBI (Net) |                |                | -              |                |                | -               |

**TABLE - DET 10 CAPITAL ACCOUNT- DISBURSEMENTS - TAMILNADU  
1997-98 to 2000-2001**

Tamil Nadu

| Expenditure Items  | (Rs. Lakhs)      |                  |                 |                  |                 |                  |
|--|------------------|------------------|-----------------|------------------|-----------------|------------------|
|  | 1999-00(RE)      |                  |                 | 2000-01(RE)      |                 |                  |
|  | Plan             | Non Plan         | Total           | Plan             | Non Plan        | Total            |
| Total Disbursements(I+II+III+IV)                         | 180051.00        | 31703.00         | 211754.00       | 212911.00        | 91963.00        | 304874.00        |
| I. Total Capital Outlay(1 + 2)                           | 148366.00        | -64779.00        | 83587.00        | 184677.00        | 15919.00        | 200596.00        |
| <b>1.B45.Developmental(a+b)</b>                          | <b>136279.00</b> | <b>-69880.00</b> | <b>66399.00</b> | <b>173558.00</b> | <b>13039.00</b> | <b>186597.00</b> |
| a. Social Services (1 to 9)                              | 28556.00         | 332.00           | 28888.00        | 61485.00         | 266.00          | 61751.00         |
| <b>(1) Edu, Sports, Arts &amp; Culture</b>               | <b>6443.00</b>   | <b>-234.00</b>   | <b>6209.00</b>  | <b>1045.00</b>   | <b>30.00</b>    | <b>1075.00</b>   |
| (2) Medical & Pub health                                 | 7683.00          | -                | 7683.00         | 3219.00          | -               | 3219.00          |
| (3) Family Welfare                                       | -                | -                | -               | 5.00             | -               | 5.00             |
| <b>(4) Water supply &amp; sanitation</b>                 | <b>5540.00</b>   | <b>-</b>         | <b>5540.00</b>  | <b>50708.00</b>  | <b>-</b>        | <b>50708.00</b>  |
| (5) Housing  | 2958.00          | 8.00             | 2966.00         | 2488.00          | -               | 2488.00          |
| (6) Urban Development                                    | 1941.00          | -                | 1941.00         | 1426.00          | -               | 1426.00          |
| (7) Welfare of SC/ST/BC                                  | 3603.00          | 100.00           | 3703.00         | 2475.00          | -               | 2475.00          |
| (8) Social Security & Welfare                            | 129.00           | -                | 129.00          | 96.00            | -               | 96.00            |
| (9) Others *   | 259.00           | 458.00           | 717.00          | 23.00            | 236.00          | 259.00           |
| <b>B. Economic Services (1 to 11)</b>                    | <b>107723.00</b> | <b>-70212.00</b> | <b>37511.00</b> | <b>112073.00</b> | <b>12773.00</b> | <b>124846.00</b> |
| (1) Agri & allied activities (i to xii)                  | 11390.00         | -201.00          | 11189.00        | 11106.00         | -220.00         | 10886.00         |
| (i) Crop Husbandary                                      | 694.00           | 19.00            | 713.00          | 480.00           | -               | 480.00           |
| (ii) Soil & Water Conservation                           | 150.00           | -                | 150.00          | 137.00           | -               | 137.00           |
| (iii) Animal Husbandary                                  | -                | -                | -               | 10.00            | -               | 10.00            |
| (iv) Dairy Development                                   | -                | -                | -               | -                | -               | -                |
| (v) Fisheries  | 163.00           | -                | 163.00          | 1.00             | -               | 1.00             |
| (vi) Forestry & Wild life                                | 9444.00          | -                | 9444.00         | 9942.00          | -               | 9942.00          |
| (vii) Plantations  | -                | -                | -               | -                | -               | -                |
| (viii) Food storage & ware housing                       | 87.00            | -                | 87.00           | 16.00            | -               | 16.00            |
| (ix) Agri Research & Education                           | 252.00           | -                | 252.00          | 225.00           | -               | 225.00           |
| (x) Co-operation   | 593.00           | -220.00          | 373.00          | 291.00           | -220.00         | 71.00            |
| (xi) Others  | 7.00             | -                | 7.00            | 4.00             | -               | 4.00             |
| (2) Rural Development                                    | 38.00            | -                | 38.00           | 8117.00          | -               | 8117.00          |
| (3) Special Area Prog<br>of which Hill areas             | 1545.00          | -                | 1545.00         | 989.00           | -               | 989.00           |
| (4) Major and Medium Irrigation & Flood control          | 37369.00         | 12591.00         | 49960.00        | 35385.00         | 12993.00        | 48378.00         |
| (5) Energy   | 10000.00         | -82605.00        | -72605.00       | 10000.00         | -               | 10000.00         |
| (6) Industry & Mineral (i to iv)                         | 113.00           | 3.00             | 116.00          | -                | -               | -                |
| (i) Village & Small Industries                           | 113.00           | 3.00             | 116.00          | -                | -               | -                |
| (ii) Iron and Steel Industries                           | -                | -                | -               | -                | -               | -                |
| (iii) Non ferrous Mining and metallurgical<br>Industries | -                | -                | -               | -                | -               | -                |
| (iv) others #  | -                | -                | -               | -                | -               | -                |
| (7) Transport (i+ii)                                     | 47069.00         | -                | 47069.00        | 46320.00         | -               | 46320.00         |
| (i) Road & Bridges                                       | 35969.00         | -                | 35969.00        | 46315.00         | -               | 46315.00         |
| (ii) others **   | 11100.00         | -                | 11100.00        | 5.00             | -               | 5.00             |
| (8) Communications                                       | -                | -                | -               | -                | -               | -                |
| (9) Science, Technology & Environment                    | -                | -                | -               | -                | -               | -                |
| (10) General Economic Services (i to ii)                 | 199.00           | -                | 199.00          | 156.00           | -               | 156.00           |
| (i) Tourism  | 65.00            | -                | 65.00           | 58.00            | -               | 58.00            |
| (ii) Others @@   | 134.00           | -                | 134.00          | 98.00            | -               | 98.00            |

**TABLE - DET 10 CAPITAL ACCOUNT- DISBURSEMENTS - TAMILNADU  
1997-98 to 2000-2001**

| Expenditure Items  | (Rs. Lakhs)     |                |                 |                 |                |                 |
|--|-----------------|----------------|-----------------|-----------------|----------------|-----------------|
|  | 1999-00(RE)     |                |                 | 2000-01(RE)     |                |                 |
|  | Plan            | Non Plan       | Total           | Plan            | Non Plan       | Total           |
| <b>2. Non-Development (General services )</b>  | <b>12087.00</b> | <b>5101.00</b> | <b>17188.00</b> | <b>11119.00</b> | <b>2880.00</b> | <b>13999.00</b> |
| II Discharge of Internal debt + (1 to 5)   | -               | 14415.00       | 14415.00        | -               | 16410.00       | 16410.00        |
| 1. Market Loans  | -               | 7422.00        | 7422.00         | -               | 4261.00        | 4261.00         |
| 2.Loans from LIC   | -               | 1218.00        | 1218.00         | -               | 1730.00        | 1730.00         |
| 3.Loans from NABARD  | -               | 1355.00        | 1355.00         | -               | 4414.00        | 4414.00         |
| 4.Loans from National cooperative development corporation                            | -               | 1616.00        | 1616.00         | -               | 1673.00        | 1673.00         |
| 5.others   | -               | 2804.00        | 2804.00         | -               | 4332.00        | 4332.00         |
| of which : land compensation bonds   | -               | -              | -               | -               | -              | -               |
| III Repayment of Loans to the centre   | -               | 47728.00       | 47728.00        | -               | 48537.00       | 48537.00        |
| IV. Loans and Advances by State Governments(1+2)                                     | 31685.00        | 34339.00       | 66024.00        | 28234.00        | 11097.00       | 39331.00        |
| 1. Developmental Purposes (a+b)  | 31515.00        | 28115.00       | 59630.00        | 28174.00        | 5548.00        | 33722.00        |
| a. Social services (I to 4)  | 27972.00        | 4285.00        | 32257.00        | 25451.00        | 5548.00        | 30999.00        |
| 1. Education Sports Art and Culture  | 370.00          | -              | 370.00          | 12.00           | -              | 12.00           |
| 2. Housing   | -               | 1079.00        | 1079.00         | -               | 876.00         | 876.00          |
| 3.Government servants (Housing)  | 9598.00         | -              | 9598.00         | 10200.00        | -              | 10200.00        |
| 4.Others   | 18004.00        | 3206.00        | 21210.00        | 15239.00        | 4672.00        | 19911.00        |
| b. Economic Services (1-9)   | 3543.00         | 23830.00       | 27373.00        | 2723.00         | -              | 2723.00         |
| 1.Crop Husbandry   | -               | 1.00           | 1.00            | -               | -              | -               |
| 2. Soil and water conservation   | 652.00          | -              | 652.00          | -               | -              | -               |
| 3. Food storage and warehousing  | -               | 7500.00        | 7500.00         | -               | -              | -               |
| 4. Cooperation   | 293.00          | 15891.00       | 16184.00        | 13.00           | -              | 13.00           |
| 5. Major and medium irrigation etc.  | 1351.00         | -              | 1351.00         | -               | -              | -               |
| 6.power projects   | -               | -              | -               | -               | -              | -               |
| 7. Village and small industries  | -               | -              | -               | -               | -              | -               |
| 8. Other industries and minerals   | -               | -              | -               | -               | -              | -               |
| 9.others   | 1247.00         | 438.00         | 1685.00         | 2710.00         | -              | 2710.00         |
| 2. Non Developmental purposes (a+b)  | 170.00          | 6224.00        | 6394.00         | 60.00           | 5549.00        | 5609.00         |
| a. Government servants (Other than housing)  | 110.00          | 5419.00        | 5529.00         | -               | 5543.00        | 5543.00         |
| b.miscellaneous  | 60.00           | 805.00         | 865.00          | 60.00           | 6.00           | 66.00           |
| A. Surplus (+) / Deficit (-) on Capital account                                      |                 |                | 336410.00       |                 |                | 259074.00       |
| B. Surplus (+) / Deficit (-) on Revenue account                                      |                 |                | -370073.00      |                 |                | -315870.00      |
| C. Overall Surplus (+) / Deficit (-) (A+B)   |                 |                |                 |                 |                |                 |
| Financing of surplus Deficit   |                 |                | -33663.00       |                 |                | -56796.00       |
| D. Increase (+)/ Decrease (-) in Cash Balances                                       |                 |                | -15991.00       |                 |                | -66796.00       |
| (a) Opening Balance  |                 |                | -5595.00        |                 |                | -21586.00       |
| (b) Closing Balance  |                 |                | -21586.00       |                 |                | -88382.00       |
| E. Withdrawals from (-)/ Additions to (+) Cash Balance Investment Account (Net)      |                 |                | -7672.00        |                 |                | -               |
| F. Increase (-)/ Decrease (+) in Ways & Means Advances and Overdrafts from RBI (Net) |                 |                | -10000.00       |                 |                | 10000.00        |

**TABLE - DET 11 CAPITAL ACCOUNT- DISBURSEMENTS - KERALA  
1997-98 to 2000-2001**

| Expenditure Items  | (Rs. Lakhs)    |          |           |                |          |           |
|--|----------------|----------|-----------|----------------|----------|-----------|
|  | 1997-98(Accts) |          |           | 1998-99(Accts) |          |           |
|  | Plan           | Non Plan | Total     | Plan           | Non Plan | Total     |
| Total Disbursements(I+II+III+IV)                         | 115898.00      | 41756.00 | 157654.00 | 96637.00       | 42645.00 | 138282.00 |
| I. Total Capital Outlay(1 + 2)                           | 75025.00       | -1138.00 | 73887.00  | 60023.00       | -860.00  | 65163.00  |
| <b>1.B45.Developmental(a+b)</b>                          | 69935.00       | -1450.00 | 68485.00  | 60883.00       | -1200.00 | 59683.00  |
| a. Social Services (1 to 9)                              | 7949.00        | -37.00   | 7912.00   | 8009.00        | -        | 8009.00   |
| <b>(1) Edu, Sports, Arts &amp; Culture</b>               | 2775.00        | -        | 2775.00   | 2736.00        | -        | 2736.00   |
| (2) Medical & Pub health                                 | 1875.00        | -        | 1875.00   | 2852.00        | -        | 2852.00   |
| (3) Family Welfare                                       | 267.00         | -        | 267.00    | 137.00         | -        | 137.00    |
| <b>(4) Water supply &amp; sanitation</b>                 | -              | -        | -         | -              | -        | -         |
| (5) Housing  | 534.00         | -37.00   | 497.00    | 556.00         | -        | 556.00    |
| (6) Urban Development                                    | -              | -        | -         | -              | -        | -         |
| (7) Welfare of SC/ST/BC                                  | 2268.00        | -        | 2268.00   | 1646.00        | -        | 1646.00   |
| (8) Social Security & Welfare                            | 167.00         | -        | 167.00    | 60.00          | -        | 60.00     |
| (9) Others *   | 67.00          | -        | 67.00     | 22.00          | -        | 22.00     |
| <b>B. Economic Services (1 to 11)</b>                    | 61986.00       | -1413.00 | 60573.00  | 52874.00       | -1200.00 | 51674.00  |
| (1) Agri & allied activities (i to xii)                  | 7484.00        | -1568.00 | 5916.00   | 5925.00        | -1225.00 | 4700.00   |
| (i) Crop Husbandary                                      | 194.00         | 5.00     | 199.00    | 191.00         | 9.00     | 200.00    |
| (ii) Soil & Water Conservation                           | -              | 12.00    | 12.00     | 500.00         | 11.00    | 511.00    |
| (iii) Animal Husbandary                                  | 378.00         | -        | 378.00    | 472.00         | -        | 472.00    |
| (iv) Dairy Development                                   | 39.00          | -        | 39.00     | 35.00          | -        | 35.00     |
| (v) Fisheries  | 3007.00        | -        | 3007.00   | 2109.00        | 68.00    | 2177.00   |
| (vi) Forestry & Wild life                                | 560.00         | -        | 560.00    | 643.00         | -        | 643.00    |
| (vii) Plantations  | -              | -        | -         | -              | -        | -         |
| (viii) Food storage & ware housing                       | 306.00         | -1424.00 | -1118.00  | 184.00         | -1008.00 | -824.00   |
| (ix) Agri Research & Education                           | -              | -        | -         | -              | -        | -         |
| (x) Co-operation   | 3000.00        | -161.00  | 2839.00   | 1791.00        | -305.00  | 1486.00   |
| (xi) Others  | -              | -        | -         | -              | -        | -         |
| (2) Rural Development                                    | -              | -        | -         | -              | -        | -         |
| (3) Special Area Prog<br>of which Hill areas             | -              | -        | -         | -              | -        | -         |
| (4) Major and Medium Irrigation & Flood control          | 18829.00       | -        | 18829.00  | 17777.00       | -        | 17777.00  |
| (5) Energy   | 28.00          | -        | 28.00     | 18.00          | -        | 18.00     |
| (6) Industry & Mineral (i to iv)                         | 10584.00       | -        | 10584.00  | 7988.00        | -        | 7988.00   |
| (i) Village & Small Industries                           | 2758.00        | -        | 2758.00   | 2158.00        | -        | 2158.00   |
| (ii) Iron and Steel Industries                           | -              | -        | -         | -              | -        | -         |
| (iii) Non ferrous Mining and metallurgical<br>Industries | -              | -        | -         | -              | -        | -         |
| (iv) others #  | 7826.00        | -        | 7826.00   | 5830.00        | -        | 5830.00   |
| (7) Transport (i+ii)                                     | 22847.00       | 28.00    | 22875.00  | 18423.00       | 26.00    | 18449.00  |
| (i) Road & Bridges                                       | 18291.00       | -        | 18291.00  | 13300.00       | -        | 13300.00  |
| (ii) others **   | 4556.00        | 28.00    | 4584.00   | 5123.00        | 26.00    | 5149.00   |
| (8) Communications                                       | -              | -        | -         | -              | -        | -         |
| (9) Science, Technology & Environment                    | -              | -        | -         | -              | -        | -         |
| (10) General Economic Services (i to ii)                 | 2214.00        | 127.00   | 2341.00   | 2743.00        | -1.00    | 2742.00   |
| (i) Tourism  | 2152.00        | 130.00   | 2282.00   | 1743.00        | -        | 1743.00   |
| (ii) Others @ @  | 62.00          | -3.00    | 59.00     | 1000.00        | -1.00    | 999.00    |

**TABLE - DET 11 CAPITAL ACCOUNT- DISBURSEMENTS - KERALA  
1997-98 to 2000-2001**

| Expenditure Items  | (Rs. Lakhs)    |          |            |                |          |            |
|--|----------------|----------|------------|----------------|----------|------------|
|  | 1997-98(Accts) |          |            | 1998-99(Accts) |          |            |
|  | Plan           | Non Plan | Total      | Plan           | Non Plan | Total      |
| <b>2. Non-Development (General services )</b>  | 5090.00        | 312.00   | 5402.00    | 5140.00        | 340.00   | 5480.00    |
| II Discharge of Internal debt + (1 to 5)   | -              | 6013.00  | 6013.00 -  | -              | 12156.00 | 12156.00   |
| 1. Market Loans  | -              | 2964.00  | 2964.00 -  | -              | 8168.00  | 8168.00    |
| 2.Loans from LIC   | -              | 840.00   | 840.00 -   | -              | 986.00   | 986.00     |
| 3.Loans from NABARD  | -              | 231.00   | 231.00 -   | -              | 528.00   | 528.00     |
| 4.Loans from National cooperative development corporation                            | -              | 1530.00  | 1530.00 -  | -              | 1934.00  | 1934.00    |
| 5.others   | -              | 448.00   | 448.00 -   | -              | 540.00   | 540.00     |
| of which : land compensation bonds   | -              | 6.00     | 6.00 -     | -              | 8.00     | 8.00       |
| III Repayment of Loans to the centre   | -              | 18918.00 | 18918.00 - | -              | 21196.00 | 21196.00   |
| IV. Loans and Advances by State Governments(1+2)                                     | 40873.00       | 17963.00 | 58836.00   | 29614.00       | 10153.00 | 39767.00   |
| 1. Developmental Purposes (a+b)  | 40873.00       | 16849.00 | 57722.00   | 29614.00       | 9118.00  | 38732.00   |
| a. Social services (I to 4)  | 7158.00        | 5943.00  | 13101.00   | 6067.00        | 4492.00  | 10559.00   |
| 1. Education Sports Art and Culture  | -              | 219.00   | 219.00     | 205.00         | 20.00    | 225.00     |
| 2. Housing   | 455.00         | 129.00   | 584.00     | 370.00         | 128.00   | 498.00     |
| 3.Government servants (Housing)  | -              | 2875.00  | 2875.00 -  | -              | 4239.00  | 4239.00    |
| 4.Others   | 6703.00        | 2720.00  | 9423.00    | 5492.00        | 105.00   | 5597.00    |
| b. Economic Services (1-9)   | 33715.00       | 10906.00 | 44621.00   | 23547.00       | 4626.00  | 28173.00   |
| 1.Crop Husbandry   | -              | 916.00   | 916.00     | 75.00          | 3422.00  | 3497.00    |
| 2. Soil and water conservation   | -              | -        | -          | -              | -        | -          |
| 3. Food storage and warehousing  | 49.00          | 504.00   | 553.00     | 72.00 -        | -        | 72.00      |
| 4. Cooperation   | 770.00         | 1308.00  | 2078.00    | 1987.00 -      | -        | 1987.00    |
| 5. Major and medium irrigation etc.  | -              | -        | -          | -              | -        | -          |
| 6.power projects   | 23605.00 -     | -        | 23605.00   | 12465.00 -     | -        | 12465.00   |
| 7. Village and small industries  | 2930.00        | 929.00   | 3859.00    | 1867.00 -      | -        | 1867.00    |
| 8. Other industries and minerals   | 300.00         | 2.00     | 302.00     | 2250.00        | 2.00     | 2252.00    |
| 9.others   | 6061.00        | 7247.00  | 13380.00   | 4831.00        | 1202.00  | 6033.00    |
| 2. Non Developmental purposes (a+b)  | -              | 1114.00  | 1114.00 -  | -              | 1035.00  | 1035.00    |
| a. Government servants (Other than housing)  | -              | 1114.00  | 1114.00 -  | -              | 1035.00  | 1035.00    |
| b.miscellaneous  | -              | -        | -          | -              | -        | -          |
| A. Surplus (+) / Deficit (-) on Capital account                                      |                |          | 83775.00   |                |          | 166449.00  |
| B. Surplus (+) / Deficit (-) on Revenue account                                      |                |          | -112292.00 |                |          | -202996.00 |
| C. Overall Surplus (+) / Deficit (-) (A+B)   |                |          |            |                |          |            |
| Financing of surplus Deficit   |                |          | -28517.00  |                |          | -36547.00  |
| D. Increase (+)/ Decrease (-) in Cash Balances                                       |                |          | 14422.00   |                |          | -14367.00  |
| (a) Opening Balance  |                |          | -1635.00   |                |          | 12788.00   |
| (b) Closing Balance  |                |          | 12787.00   |                |          | -1579.00   |
| E. Withdrawals from (-)/ Additions to (+) Cash Balance Investment Account (Net)      |                |          | -42939.00  |                |          | -9799.00   |
| F. Increase (-)/ Decrease (+) in Ways & Means Advances and Overdrafts from RBI (Net) |                |          |            |                |          | -12381.00  |

**TABLE - DET 11 CAPITAL ACCOUNT- DISBURSEMENTS - KERALA  
1997-98 to 2000-2001**

| Expenditure Items  | (Rs. Lakhs) |          |           |             |          |           |
|--|-------------|----------|-----------|-------------|----------|-----------|
|  | 1999-00(RE) |          |           | 2000-01(RE) |          |           |
|  | Plan        | Non Plan | Total     | Plan        | Non Plan | Total     |
| Total Disbursements(I+II+III+IV)                         | 99020.00    | 46233.00 | 145253.00 | 96470.00    | 48959.00 | 145429.00 |
| I. Total Capital Outlay(1 + 2)                           | 76432.00    | 108.00   | 76540.00  | 77062.00    | -1217.00 | 75845.00  |
| <b>1.B45.Developmental(a+b)</b>                          | 71397.00    | -266.00  | 71131.00  | 72621.00    | -1217.00 | 71404.00  |
| a. Social Services (1 to 9)                              | 8331.00     | -        | 8331.00   | 8036.00     | -        | 8036.00   |
| <b>(1) Edu, Sports, Arts &amp; Culture</b>               | 2474.00     | -        | 2474.00   | 2202.00     | -        | 2202.00   |
| (2) Medical & Pub health                                 | 2236.00     | -        | 2236.00   | 2431.00     | -        | 2431.00   |
| (3) Family Welfare                                       | 190.00      | -        | 190.00    | 210.00      | -        | 210.00    |
| <b>(4) Water supply &amp; sanitation</b>                 | 153.00      | -        | 153.00    | -           | -        | -         |
| (5) Housing  | 709.00      | -        | 709.00    | 515.00      | -        | 515.00    |
| (6) Urban Development                                    | 60.00       | -        | 60.00     | 70.00       | -        | 70.00     |
| (7) Welfare of SC/ST/BC                                  | 2405.00     | -        | 2405.00   | 2451.00     | -        | 2451.00   |
| (8) Social Security & Welfare                            | 95.00       | -        | 95.00     | 150.00      | -        | 150.00    |
| (9) Others *   | 9.00        | -        | 9.00      | 7.00        | -        | 7.00      |
| <b>B. Economic Services (1 to 11)</b>                    | 63066.00    | -266.00  | 62800.00  | 64585.00    | -1217.00 | 63368.00  |
| (1) Agri & allied activities (i to xii)                  | 7775.00     | -296.00  | 7479.00   | 7845.00     | -1247.00 | 6598.00   |
| (i) Crop Husbandary                                      | 200.00      | 17.00    | 217.00    | 222.00      | 15.00    | 237.00    |
| (ii) Soil & Water Conservation                           | 110.00      | -        | 110.00    | -           | -        | -         |
| (iii) Animal Husbandary                                  | 86.00       | -        | 86.00     | 112.00      | -        | 112.00    |
| (iv) Dairy Development                                   | 20.00       | -        | 20.00     | 20.00       | -        | 20.00     |
| (v) Fisheries  | 1961.00     | 500.00   | 2461.00   | 3192.00     | -        | 3192.00   |
| (vi) Forestry & Wild life                                | 665.00      | 50.00    | 715.00    | 690.00      | 45.00    | 735.00    |
| (vii) Plantations  | -           | -        | -         | -           | -        | -         |
| (viii) Food storage & ware housing                       | 423.00      | -1178.00 | -755.00   | 415.00      | -1122.00 | -707.00   |
| (ix) Agri Research & Education                           | -           | -        | -         | -           | -        | -         |
| (x) Co-operation   | 4310.00     | 315.00   | 4625.00   | 3194.00     | -185.00  | 3009.00   |
| (xi) Others  | -           | -        | -         | -           | -        | -         |
| (2) Rural Development                                    | -           | -        | -         | 30.00       | -        | 30.00     |
| (3) Special Area Prog<br>of which Hill areas             | -           | -        | -         | -           | -        | -         |
| (4) Major and Medium Irrigation & Flood cor              | 21919.00    | -        | 21919.00  | 22065.00    | -        | 22065.00  |
| (5) Energy   | 25.00       | -        | 25.00     | 20.00       | -        | 20.00     |
| (6) Industry & Mineral (i to iv)                         | 9079.00     | -        | 9079.00   | 14886.00    | -        | 14886.00  |
| (i) Village & Small Industries                           | 3125.00     | -        | 3125.00   | 3385.00     | -        | 3385.00   |
| (ii) Iron and Steel Industries                           | -           | -        | -         | -           | -        | -         |
| (iii) Non ferrous Mining and metallurgical<br>Industries | 20.00       | -        | 20.00     | 1.00        | -        | 1.00      |
| (iv) others #  | 5934.00     | -        | 5934.00   | 11500.00    | -        | 11500.00  |
| (7) Transport (i+ii)                                     | 22849.00    | 30.00    | 22879.00  | 15554.00    | 30.00    | 15584.00  |
| (i) Road & Bridges                                       | 20042.00    | -        | 20042.00  | 10084.00    | -        | 10084.00  |
| (ii) others **   | 2807.00     | 30.00    | 2837.00   | 5470.00     | 30.00    | 5500.00   |
| (8) Communications                                       | -           | -        | -         | -           | -        | -         |
| (9) Science, Technology & Environment                    | -           | -        | -         | -           | -        | -         |
| (10) General Economic Services (i to ii)                 | 1419.00     | -        | 1419.00   | 4185.00     | -        | 4185.00   |
| (i) Tourism  | 1400.00     | -        | 1400.00   | 1151.00     | -        | 1151.00   |
| (ii) Others @@   | 19.00       | -        | 19.00     | 3034.00     | -        | 3034.00   |



**TABLE - DET 11 CAPITAL ACCOUNT- DISBURSEMENTS - KERALA  
1997-98 to 2000-2001**

| Expenditure Items  | (Rs. Lakhs) |          |            |             |          |            |
|--|-------------|----------|------------|-------------|----------|------------|
|  | 1999-00(RE) |          |            | 2000-01(RE) |          |            |
|  | Plan        | Non Plan | Total      | Plan        | Non Plan | Total      |
| <b>2. Non-Development (General services )</b>  | 5035.00     | 374.00   | 5409.00    | 4441.00     | -        | 4441.00    |
| II Discharge of Internal debt + (1 to 5)   | -           | 12248.00 | 12248.00   | -           | 13814.00 | 13814.00   |
| 1. Market Loans  | -           | 5096.00  | 5096.00    | -           | 3745.00  | 3745.00    |
| 2.Loans from LIC   | -           | 1628.00  | 1628.00    | -           | 2900.00  | 2900.00    |
| 3.Loans from NABARD  | -           | 2517.00  | 2517.00    | -           | 3844.00  | 3844.00    |
| 4.Loans from National cooperative development corporation                            | -           | 2365.00  | 2365.00    | -           | 2600.00  | 2600.00    |
| 5.others   | -           | 642.00   | 642.00     | -           | 725.00   | 725.00     |
| of which : land compensation bonds   | -           | 9.00     | 9.00       | -           | 10.00    | 10.00      |
| III Repayment of Loans to the centre   | -           | 24610.00 | 24610.00   | -           | 28824.00 | 28824.00   |
| IV. Loans and Advances by State Governments(1+2)                                     | 22588.00    | 9267.00  | 31855.00   | 19408.00    | 7538.00  | 26946.00   |
| 1. Developmental Purposes (a+b)  | 22588.00    | 7225.00  | 29813.00   | 19408.00    | 5474.00  | 24882.00   |
| a. Social services (1 to 4)  | 10167.00    | 6344.00  | 16511.00   | 11730.00    | 5242.00  | 16972.00   |
| 1. Education Sports Art and Culture  | -           | 22.00    | 22.00      | -           | 4.00     | 4.00       |
| 2. Housing   | 252.00      | 129.00   | 381.00     | 595.00      | 128.00   | 723.00     |
| 3.Government servants (Housing)  | -           | 5160.00  | 5160.00    | -           | 5100.00  | 5100.00    |
| 4.Others   | 9915.00     | 1033.00  | 10948.00   | 11135.00    | 10.00    | 11145.00   |
| b. Economic Services (1-9)   | 12421.00    | 881.00   | 13302.00   | 7678.00     | 232.00   | 7910.00    |
| 1.Crop Husbandry   | -           | -        | -          | -           | -        | -          |
| 2. Soil and water conservation   | -           | -        | -          | -           | -        | -          |
| 3. Food storage and warehousing  | 262.00      | -        | 262.00     | 196.00      | -        | 196.00     |
| 4. Cooperation   | 1669.00     | -        | 1669.00    | 1904.00     | -        | 1904.00    |
| 5. Major and medium irrigation etc.  | 90.00       | -        | 90.00      | 90.00       | -        | 90.00      |
| 6.power projects   | 60.00       | -        | 60.00      | -           | -        | -          |
| 7. Village and small industries  | 2487.00     | 100.00   | 2587.00    | 2302.00     | -        | 2302.00    |
| 8. Other industries and minerals   | 2351.00     | 25.00    | 2376.00    | 2200.00     | 25.00    | 2225.00    |
| 9.others   | 5502.00     | 756.00   | 6258.00    | 986.00      | 207.00   | 1193.00    |
| 2. Non Developmental purposes (a+b)  | -           | 2042.00  | 2042.00    | -           | 2064.00  | 2064.00    |
| a. Government servants (Other than housing)  | -           | 2042.00  | 2042.00    | -           | 2064.00  | 2064.00    |
| b.miscellaneous  | -           | -        | -          | -           | -        | -          |
| A. Surplus (+) / Deficit (-) on Capital account                                      |             |          | 236564.00  |             |          | 194076.00  |
| B. Surplus (+) / Deficit (-) on Revenue account                                      |             |          | -248133.00 |             |          | -195142.00 |
| C. Overall Surplus (+) / Deficit (-) (A+B)   |             |          |            |             |          |            |
| Financing of surplus Deficit   |             |          | -11569.00  |             |          | -1066.00   |
| D. Increase (+)/ Decrease (-) in Cash Balances                                       |             |          | -11569.00  |             |          | -1066.00   |
| (a) Opening Balance  |             |          | -2577.00   |             |          | -14145.00  |
| (b) Closing Balance  |             |          | -14146.00  |             |          | -15211.00  |
| E. Withdrawals from (-)/ Additions to (+)<br>Cash Balance Investment Account (Net)   |             |          | -          |             |          | -          |
| F. Increase (-)/ Decrease (+) in Ways & Means Advances and Overdrafts from RBI (Net) |             |          | -          |             |          | -          |

**TABLE - DET 12 CAPITAL ACCOUNT- DISBURSEMENTS - ALL STATES  
1997-98 to 2000-2001**

| Expenditure Items                                     | (Rs. Lakhs)       |                  |                   |                   |                  |                   |
|---|-------------------|------------------|-------------------|-------------------|------------------|-------------------|
|   | 1997-98(Accts)    |                  |                   | 1998-99(Accts)    |                  |                   |
|   | Plan              | Non Plan         | Total             | Plan              | Non Plan         | Total             |
| Total Disbursements(I+II+III+IV)                      | 2878359.00        | 1271748.00       | 4150107.00        | 2976067.00        | 1651067.00       | 4627134.00        |
| I. Total Capital Outlay(1 + 2)                        | 2122716.00        | 157485.00        | 2280201.00        | 2160122.00        | 1471107.00       | 2307230.00        |
| <b>1.B45.Developmental(a+b)</b>                       | <b>2036154.00</b> | <b>147788.00</b> | <b>2183942.00</b> | <b>2086468.00</b> | <b>139349.00</b> | <b>2225818.00</b> |
| a. Social Services (1 to 9)                           | 340571.00         | 2501.00          | 243072.00         | 409003.00         | 9952.00          | 418956.00         |
| <b>(1) Edu, Sports, Arts &amp; Culture</b>            | <b>52442.00</b>   | <b>912.00</b>    | <b>53354.00</b>   | <b>62384.00</b>   | <b>2747.00</b>   | <b>65131.00</b>   |
| (2) Medical & Pub health                              | 49478.00          | 33.00            | 49511.00          | 49114.00          | 3639.00          | 52753.00          |
| (3) Family Welfare                                    | 6506.00           | 2.00             | 6508.00           | 4476.00           | -                | 4476.00           |
| <b>(4) Water supply &amp; sanitation</b>              | <b>110943.00</b>  | <b>732.00</b>    | <b>111675.00</b>  | <b>167091.00</b>  | <b>1696.00</b>   | <b>168787.00</b>  |
| (5) Housing   | 39310.00          | 1503.00          | 40813.00          | 45398.00          | 13452.00         | 58850.00          |
| (6) Urban Development                                 | 24490.00          | -1800.00         | 22690.00          | 19294.00          | -14525.00        | 4769.00           |
| (7) Welfare of SC/ST/BC                               | 41345.00          | -                | 41345.00          | 47859.00          | 815.00           | 48674.00          |
| (8) Social Security & Welfare                         | 8412.00           | 456.00           | 8868.00           | 7831.00           | 1403.00          | 9234.00           |
| (9) Others *  | 7645.00           | 663.00           | 8308.00           | 5556.00           | 725.00           | 6281.00           |
| <b>B. Economic Services (1 to 11)</b>                 | <b>1695583.00</b> | <b>145287.00</b> | <b>1840870.00</b> | <b>1677465.00</b> | <b>129397.00</b> | <b>1806862.00</b> |
| (1) Agri & allied activities (i to xii)               | 88214.00          | 30555.00         | 118768.00         | 108358.00         | 64606.00         | 172964.00         |
| (i) Crop Husbandary                                   | 7840.00           | -668.00          | 7172.00           | 14929.00          | -1849.00         | 13080.00          |
| (ii) Soil & Water Conservation                        | 17369.00          | 1046.00          | 18415.00          | 14456.00          | 1223.00          | 15679.00          |
| (iii) Animal Husbandary                               | 3306.00           | 4.00             | 3310.00           | 2985.00           | 27.00            | 3012.00           |
| (iv) Dairy Development                                | 2054.00           | -61.00           | 1993.00           | 2226.00           | -7.00            | 2219.00           |
| (v) Fisheries   | 6200.00           | 260.00           | 6460.00           | 5551.00           | 331.00           | 5882.00           |
| (vi) Forestry & Wild life                             | 32049.00          | 1183.00          | 33232.00          | 41750.00          | 1487.00          | 43237.00          |
| (vii) Plantations                                     | 120.00            | -                | 120.00            | 126.00            | -                | 126.00            |
| (viii) Food storage & ware housing                    | -6053.00          | 28916.00         | 22863.00          | 1430.00           | 61526.00         | 62956.00          |
| (ix) Agri Research & Education                        | 1064.00           | 2.00             | 1066.00           | 571.00            | -                | 571.00            |
| (x) Co-operation                                      | 23713.00          | -663.00          | 23050.00          | 23877.00          | -220.00          | 23657.00          |
| (xi) Others   | 551.00            | 536.00           | 1087.00           | 457.00            | 2088.00          | 2545.00           |
| (2) Rural Development                                 | 38597.00          | 19.00            | 38616.00          | 35733.00          | 221.00           | 35954.00          |
| (3) Special Area Prog<br>of which Hill areas          | 45263.00          | 7.00             | 45270.00          | 54022.00          | 56.00            | 54078.00          |
| (4) Major and Medium Irrigation & Flood control       | 784786.00         | 44589.00         | 829375.00         | 789031.00         | 60542.00         | 849573.00         |
| (5) Energy  | 258934.00         | 57417.00         | 316351.00         | 141655.00         | -5741.00         | 135914.00         |
| (6) Industry & Mineral (i to iv)                      | 59969.00          | 3598.00          | 63567.00          | 53202.00          | 472.00           | 53674.00          |
| (i) Village & Small Industries                        | 12009.00          | 335.00           | 12344.00          | 9636.00           | 122.00           | 9758.00           |
| (ii) Iron and Steel Industries                        | 1337.00           | -                | 1337.00           | 1041.00           | -                | 1041.00           |
| (iii) Non ferrous Mining and metallurgical Industries | 9121.00           | -352.00          | 8769.00           | 8557.00           | -709.00          | 7848.00           |
| (iv) others #   | 37502.00          | 3615.00          | 41117.00          | 33968.00          | 1059.00          | 35027.00          |
| (7) Transport (i+ii)                                  | 370540.00         | 4825.00          | 375365.00         | 467649.00         | 8052.00          | 475701.00         |
| (i) Road & Bridges                                    | 295023.00         | 2503.00          | 297526.00         | 418369.00         | 2861.00          | 421230.00         |
| (ii) others **  | 75517.00          | 2322.00          | 77839.00          | 49280.00          | 5191.00          | 54471.00          |
| (8) Communications                                    | -                 | -                | -                 | -                 | -                | -                 |
| (9) Science, Technology & Environment                 | 1183.00           | 1.00             | 1184.00           | 1823.00           | -                | 1823.00           |
| (10) General Economic Services (i to ii)              | 48098.00          | 4276.00          | 52374.00          | 25992.00          | 1189.00          | 27181.00          |
| (i) Tourism   | 10111.00          | 130.00           | 10241.00          | 11445.00          | 1.00             | 11446.00          |
| (ii) Others @@  | 37987.00          | 4146.00          | 42133.00          | 14547.00          | 1188.00          | 15735.00          |

**TABLE - DET 12 CAPITAL ACCOUNT- DISBURSEMENTS - ALL STATES  
1997-98 to 2000-2001**

| Expenditure Items  | 1997-98(Accts)  |                |                 | 1998-99(Accts)  |                |                 | (Rs. Lakhs) |
|--|-----------------|----------------|-----------------|-----------------|----------------|-----------------|-------------|
|  | Plan            | Non Plan       | Total           | Plan            | Non Plan       | Total           |             |
|  |                 |                |                 |                 |                |                 |             |
| <b>2. Non-Development (General services )</b>  | <b>86562.00</b> | <b>9697.00</b> | <b>96259.00</b> | <b>73654.00</b> | <b>7758.00</b> | <b>81412.00</b> |             |
| II Discharge of Internal debt + (1 to 5)   | -               | 104794.00      | 104794.00 -     |                 | 256749.00      | 256749.00       |             |
| 1. Market Loans  | -               | 58143.00       | 58143.00 -      |                 | 171681.00      | 171681.00       |             |
| 2.Loans from LIC   | -               | 7943.00        | 7943.00 -       |                 | 8910.00        | 8910.00         |             |
| 3.Loans from NABARD  | -               | 4441.00        | 4441.00 -       |                 | 13598.00       | 13598.00        |             |
| 4.Loans from National cooperative development corporation                            | -               | 22952.00       | 22952.00 -      |                 | 19830.00       | 19830.00        |             |
| 5.others   | -               | 11315.00       | 11315.00 -      |                 | 42730.00       | 42730.00        |             |
| of which : land compensation bonds   | -               | 842.00         | 842.00 -        |                 | 950.00         | 950.00          |             |
| III Repayment of Loans to the centre   | 1219.00         | 708240.00      | 709459.00 -     |                 | 928495.00      | 928495.00       |             |
| IV. Loans and Advances by State Governments(1+2)                                     | 754424.00       | 301229.00      | 1055653.00      | 815944.00       | 318716.00      | 1134660.00      |             |
| 1. Developmental Purposes (a+b)  | 754345.00       | 210016.00      | 964361.00       | 815871.00       | 222887.00      | 1038758.00      |             |
| a. Social services (1 to 4)  | 118055.00       | 59790.00       | 177845.00       | 125815.00       | 62319.00       | 188134.00       |             |
| 1. Education Sports Art and Culture  | 1779.00         | 381.00         | 2160.00         | 975.00          | 8.00           | 983.00          |             |
| 2. Housing   | 11935.00        | 18718.00       | 30653.00        | 20580.00        | 15464.00       | 36044.00        |             |
| 3.Government servants (Housing)  | 6990.00         | 28955.00       | 35945.00        | 7303.00         | 37628.00       | 44931.00        |             |
| 4.Others   | 97351.00        | 11736.00       | 109087.00       | 96957.00        | 9219.00        | 106176.00       |             |
| b. Economic Services (1-9)   | 636290.00       | 150226.00      | 786516.00       | 690056.00       | 160568.00      | 850624.00       |             |
| 1.Crop Husbandry   | 2604.00         | 28369.00       | 30973.00        | 1132.00         | 29014.00       | 30146.00        |             |
| 2. Soil and water conservation   | 1493.00         | 126.00         | 1619.00         | 1729.00         | 166.00         | 1895.00         |             |
| 3. Food storage and warehousing  | 1244.00         | 954.00         | 2198.00         | 785.00          | 591.00         | 1376.00         |             |
| 4. Cooperation   | 15472.00        | 8308.00        | 23780.00        | 19576.00        | 12455.00       | 32031.00        |             |
| 5. Major and medium irrigation etc.  | 400.00          | 1336.00        | 1736.00         | 978.00 -        |                | 978.00          |             |
| 6.power projects   | 539781.00       | 36887.00       | 576668.00       | 585712.00       | 49603.00       | 635315.00       |             |
| 7. Village and small industries  | 11715.00        | 5171.00        | 16886.00        | 11998.00        | 599.00         | 12597.00        |             |
| 8. Other industries and minerals   | 12605.00        | 8584.00        | 21189.00        | 19939.00        | 14300.00       | 34239.00        |             |
| 9.others   | 50976.00        | 60491.00       | 111467.00       | 48207.00        | 53480.00       | 102047.00       |             |
| 2. Non Developmental purposes (a+b)  | 79.00           | 91213.00       | 91292.00        | 73.00           | 95829.00       | 95902.00        |             |
| a. Government servants (Other than housing)  | 13.00           | 30267.00       | 30280.00        | 12.00           | 31784.00       | 31796.00        |             |
| b.miscellaneous  | 66.00           | 60946.00       | 61012.00        | 61.00           | 64045.00       | 64106.00        |             |
| A. Surplus (+) / Deficit (-) on Capital account                                      |                 |                | 1843584.00      |                 |                | 4012204.00      |             |
| B. Surplus (+) / Deficit (-) on Revenue account                                      |                 |                | -1633294.00     |                 |                | -4364178.00     |             |
| C. Overall Surplus (+) / Deficit (-) (A+B) Financing of surplus Deficit              |                 |                | 210290.00       |                 |                | -351974.00      |             |
| D. Increase (+)/ Decrease (-) in Cash Balances                                       |                 |                | 56126.00        |                 |                | 3369035.00      |             |
| (a) Opening Balance  |                 |                | 176397.00       |                 |                | -3718486.00     |             |
| (b) Closing Balance  |                 |                | 232523.00       |                 |                | -349451.00      |             |
| E. Withdrawals from (-)/ Additions to (+) Cash Balance Investment Account (Net)      |                 |                | -38471.00       |                 |                | -3298243.00     |             |
| F. Increase (-)/ Decrease (+) in Ways & Means Advances and Overdrafts from RBI (Net) |                 |                | 192635.00       |                 |                | -422766.00      |             |

**TABLE - DET 12 CAPITAL ACCOUNT- DISBURSEMENTS - ALL STATES  
1997-98 to 2000-2001**

| Expenditure Items                                     | (Rs. Lakhs)       |                  |                   |                   |                  |                   |
|---|-------------------|------------------|-------------------|-------------------|------------------|-------------------|
|   | 1999-00(RE)       |                  |                   | 2000-01(RE)       |                  |                   |
|   | Plan              | Non Plan         | Total             | Plan              | Non Plan         | Total             |
| Total Disbursements(I+II+III+IV)                      | 3430299.00        | 1971965.00       | 5402264.00        | 4048954.00        | 1965484.00       | 6014438.00        |
| I. Total Capital Outlay(1 + 2)                        | 2712939.00        | 160441.00        | 2873380.00        | 3196748.00        | 312074.00        | 3508822.00        |
| <b>1.B45.Developmental(a+b)</b>                       | <b>2582044.00</b> | <b>147049.00</b> | <b>2729093.00</b> | <b>3092475.00</b> | <b>300658.00</b> | <b>3393133.00</b> |
| a. Social Services (1 to 9)                           | 525887.00         | 58726.00         | 584613.00         | 612909.00         | 24817.00         | 637726.00         |
| <b>(1) Edu, Sports, Arts &amp; Culture</b>            | <b>54054.00</b>   | <b>632.00</b>    | <b>54686.00</b>   | <b>45463.00</b>   | <b>599.00</b>    | <b>46062.00</b>   |
| (2) Medical & Pub health                              | 83427.00          | 395.00           | 83822.00          | 99370.00          | 100.00           | 99470.00          |
| (3) Family Welfare                                    | 5877.00           | 4.00             | 5881.00           | 5411.00           | -                | 5411.00           |
| <b>(4) Water supply &amp; sanitation</b>              | <b>192760.00</b>  | <b>18992.00</b>  | <b>211752.00</b>  | <b>278846.00</b>  | <b>14648.00</b>  | <b>293494.00</b>  |
| (5) Housing   | 50797.00          | 34946.00         | 85743.00          | 52343.00          | 6815.00          | 59158.00          |
| (6) Urban Development                                 | 43626.00          | 1994.00          | 45620.00          | 55066.00          | 2046.00          | 57112.00          |
| (7) Welfare of SC/ST/BC                               | 64239.00          | 301.00           | 64540.00          | 62738.00          | 101.00           | 62839.00          |
| (8) Social Security & Welfare                         | 26273.00          | 1003.00          | 27276.00          | 6165.00           | 272.00           | 6437.00           |
| (9) Others *  | 4834.00           | 459.00           | 5293.00           | 7507.00           | 236.00           | 7743.00           |
| <b>B. Economic Services (1 to 11)</b>                 | <b>2056157.00</b> | <b>88323.00</b>  | <b>2144480.00</b> | <b>2479566.00</b> | <b>275841.00</b> | <b>2755407.00</b> |
| (1) Agri & allied activities (i to xii)               | 136481.00         | 33565.00         | 170046.00         | 135036.00         | 24780.00         | 159816.00         |
| (i) Crop Husbandary                                   | 22573.00          | 20.00            | 22593.00          | 26670.00          | 129.00           | 26799.00          |
| (ii) Soil & Water Conservation                        | 19684.00          | 1510.00          | 21194.00          | 17177.00          | 1433.00          | 18610.00          |
| (iii) Animal Husbandary                               | 2080.00           | 10.00            | 2090.00           | 3696.00           | -                | 3696.00           |
| (iv) Dairy Development                                | 3082.00           | -                | 3082.00           | 1532.00           | -                | 1532.00           |
| (v) Fisheries   | 7168.00           | 899.00           | 8067.00           | 7198.00           | 450.00           | 7648.00           |
| (vi) Forestry & Wild life                             | 40794.00          | 553.00           | 41347.00          | 47386.00          | 535.00           | 47921.00          |
| (vii) Plantations                                     | 146.00            | -                | 146.00            | 210.00            | -                | 210.00            |
| (viii) Food storage & ware housing                    | 2490.00           | 29913.00         | 32403.00          | 1633.00           | 22107.00         | 23740.00          |
| (ix) Agri Research & Education                        | 836.00            | -                | 836.00            | 2450.00           | -                | 2450.00           |
| (x) Co-operation                                      | 34899.00          | 645.00           | 35544.00          | 26018.00          | 111.00           | 26129.00          |
| (xi) Others   | 2729.00           | 15.00            | 2744.00           | 1066.00           | 15.00            | 1081.00           |
| (2) Rural Development                                 | 78396.00          | 18042.00         | 96438.00          | 141368.00         | 18042.00         | 159410.00         |
| (3) Special Area Prog                                 | 49145.00          | 3.00             | 49148.00          | 73898.00          | 3.00             | 73910.00          |
| of which Hill areas                                   | 28497.00          | -                | 28497.00          | 35721.00          | -                | 35721.00          |
| (4) Major and Medium Irrigation & Flood control       | 910237.00         | 96340.00         | 1006577.00        | 982487.00         | 120738.00        | 1103225.00        |
| (5) Energy  | 207068.00         | -78405.00        | 128663.00         | 289505.00         | 97047.00         | 386552.00         |
| (6) Industry & Mineral (i to iv)                      | 59191.00          | 479.00           | 59670.00          | 81101.00          | 468.00           | 81569.00          |
| (i) Village & Small Industries                        | 14728.00          | 221.00           | 14949.00          | 20821.00          | 368.00           | 21189.00          |
| (ii) Iron and Steel Industries                        | 1784.00           | -                | 1784.00           | 772.00            | -                | 772.00            |
| (iii) Non ferrous Mining and metallurgical Industries | 550.00            | -                | 550.00            | 766.00            | -                | 766.00            |
| (iv) others #   | 42129.00          | 258.00           | 42387.00          | 58742.00          | 100.00           | 58842.00          |
| (7) Transport (i+ii)                                  | 567095.00         | 17961.00         | 585056.00         | 717159.00         | 14501.00         | 731660.00         |
| (i) Road & Bridges                                    | 512533.00         | 15442.00         | 527975.00         | 641060.00         | 12538.00         | 653598.00         |
| (ii) others **  | 54562.00          | 2519.00          | 57081.00          | 76099.00          | 1963.00          | 78062.00          |
| (8) Communications                                    | 410.00            | -                | 410.00            | 400.00            | -                | 400.00            |
| (9) Science, Technology & Environment                 | 2301.00           | -                | 2301.00           | 12374.00          | -                | 12374.00          |
| (10) General Economic Services (i to ii)              | 45833.00          | 338.00           | 46171.00          | 46238.00          | 262.00           | 46500.00          |
| (i) Tourism   | 9509.00           | -                | 9509.00           | 11606.00          | -                | 11606.00          |
| (ii) Others @@  | 36324.00          | 338.00           | 36662.00          | 34632.00          | 262.00           | 34894.00          |

**TABLE - DET 12 CAPITAL ACCOUNT- DISBURSEMENTS - ALL STATES  
1997-98 to 2000-2001**

(Rs. Lakhs)

| Expenditure Items  | 1999-00(RE)     |                 |                  | 2000-01(RE)      |                 |                  |
|--|-----------------|-----------------|------------------|------------------|-----------------|------------------|
|  | Plan            | Non Plan        | Total            | Plan             | Non Plan        | Total            |
| <b>2. Non-Development (General services )</b>  | <b>13089.00</b> | <b>13392.00</b> | <b>144287.00</b> | <b>104273.00</b> | <b>11416.00</b> | <b>115689.00</b> |
| II Discharge of Internal debt + (1 to 5)   | -               | 242536.00       | 242536.00 -      |                  | 209183.00       | 209183.00        |
| 1. Market Loans  | -               | 129958.00       | 129958.00 -      |                  | 42733.00        | 42733.00         |
| 2.Loans from LIC   | -               | 11535.00        | 114535.00 -      |                  | 15678.00        | 15678.00         |
| 3.Loans from NABARD  | -               | 46688.00        | 46688.00 -       |                  | 73388.00        | 73388.00         |
| 4.Loans from National cooperative development corporation                            | -               | 25545.00        | 25545.00 -       |                  | 25751.00        | 25751.00         |
| 5.others   | -               | 28810.00        | 28810.00 -       |                  | 51633.00        | 51633.00         |
| of which : land compensation bonds   | -               | 184.00          | 184.00 -         |                  | 188.00          | 188.00           |
| III Repayment of Loans to the centre   | -               | 964756.00       | 964756.00 -      |                  | 973373.00       | 973373.00        |
| IV. Loans and Advances by State Governments(1+2)                                     | 717360.00       | 604232.00       | 1321592.00       | 852206.00        | 470854.00       | 1323060.00       |
| 1. Developmental Purposes (a+b)  | 716921.00       | 466114.00       | 1183035.00       | 852027.00        | 391564.00       | 1243591.00       |
| a. Social services (1 to 4)  | 161243.00       | 137113.00       | 298356.00        | 206299.00        | 212349.00       | 418648.00        |
| 1. Education Sports Art and Culture  | 373.00          | 32.00           | 405.00           | 83.00            | 14.00           | 97.00            |
| 2. Housing   | 35098.00        | 26035.00        | 61133.00         | 13395.00         | 37199.00        | 50594.00         |
| 3.Government servants (Housing)  | 13407.00        | 96057.00        | 109464.00        | 13785.00         | 134582.00       | 148367.00        |
| 4.Others   | 112365.00       | 14989.00        | 127354.00        | 179036.00        | 40554.00        | 219590.00        |
| b. Economic Services (1-9)   | 555678.00       | 329001.00       | 884679.00        | 645728.00        | 179215.00       | 824943.00        |
| 1.Crop Husbandry   | 1675.00         | 26714.00        | 28389.00         | 3287.00          | 30134.00        | 33421.00         |
| 2. Soil and water conservation   | 2134.00         | 145.00          | 2279.00          | 1385.00          | 156.00          | 1537.00          |
| 3. Food storage and warehousing  | 3233.00         | 10600.00        | 13833.00         | 2119.00          | 1100.00         | 3219.00          |
| 4. Cooperation   | 17567.00        | 81298.00        | 98865.00         | 19260.00         | 6658.00         | 25918.00         |
| 5. Major and medium irrigation etc.  | 2441.00 -       |                 | 2441.00          | 3650.00 -        |                 | 3650.00          |
| 6.power projects   | 470320.00       | 124743.00       | 595063.00        | 571366.00        | 93866.00        | 665232.00        |
| 7. Village and small industries  | 9653.00         | 1544.00         | 11197.00         | 9826.00          | 1003.00         | 10826.00         |
| 8. Other industries and minerals   | 21681.00        | 14725.00        | 36406.00         | 7443.00          | 5094.00         | 12537.00         |
| 9.others   | 26974.00        | 69232.00        | 96206.00         | 27399.00         | 41204.00        | 68603.00         |
| 2. Non Developmental purposes (a+b)  | 439.00          | 138118.00       | 138557.00        | 179.00           | 79290.00        | 79469.00         |
| a. Government servants (Other than housing)  | 379.00          | 40685.00        | 41064.00         | 119.00           | 39763.00        | 39882.00         |
| b.miscellaneous  | 60.00           | 97433.00        | 97493.00         | 60.00            | 39527.00        | 39587.00         |
| A. Surplus (+) / Deficit (-) on Capital account                                      |                 |                 | 4758889.00       |                  |                 | 4139938.00       |
| B. Surplus (+) / Deficit (-) on Revenue account                                      |                 |                 | -5680160.00      |                  |                 | -4837972.00      |
| C. Overall Surplus (+) / Deficit (-) (A+B)   |                 |                 |                  |                  |                 |                  |
| Financing of surplus Deficit   |                 |                 | -921271.00       |                  |                 | -698034.00       |
| D. Increase (+)/ Decrease (-) in Cash Balances                                       |                 |                 | -665435.00       |                  |                 | -755707.00       |
| (a) Opening Balance  |                 |                 | -306148.00       |                  |                 | -888058.00       |
| (b) Closing Balance  |                 |                 | -971583.00       |                  |                 | -1643765.00      |
| E. Withdrawals from (-)/ Additions to (+) Cash Balance Investment Account (Net)      |                 |                 | -286191.00       |                  |                 | -26427.00        |
| F. Increase (-)/ Decrease (+) in Ways & Means Advances and Overdrafts from RBI (Net) |                 |                 | 30354.00         |                  |                 | 84100.00         |

Note: (1) Figures given here (i) are not comparable with those published in the Article prior to 1974-75 due to changes in budgetary classification and (ii) differ from given in the states budget papers due to adjustment made to ensure uniformity in the presentation

(2) Where details are not available in respect of one or several sub-groups under major groups, the relevant amount is shown against the sub-group 'others' in the columns which present the total for all the states together

(3) Figures in respect of Nagaland for 1998-99 relate to revised estimates

(4) @ include outlay on other agricultural programmes etc.

(5) \* include outlay on information and publicity, other social services etc.

(6) # include outlay on cement and non metallic industries, petrochemical industries, chemical industries, engineering industries, telecommunication and electronic industries, consumer industries, atomic energy industries, other industries and minerals etc

(7) \*\* includes outlay on Indian Railway - commercial lines, Indian Railway strategic lines, ports and light houses, shipping, civil aviation, road transport, inland water transport, other transport etc .

(8)+ excludes Ways and Means advances and over drafts from RBI and loans to the SBI and other Banks

(9) @@ include outlay on foreign trade and export promotion, technology, other general economic services and investments in general financial and trading institutions, international financial institutions etc.

(10) - Nil or not available