

# IV

## Fiscal Position of State Governments

The consolidated fiscal position of the states in 2012-13 (RE) recorded a marginal decline in the revenue surplus-GDP ratio over the previous year which, together with the higher capital outlay-GDP ratio, resulted in an increase in the GFD-GDP ratio. The state governments, however, have budgeted for an increase in revenue surplus-GDP ratio in 2013-14, which will help reduce the GFD-GDP ratio even as capital outlay as a ratio of GDP is budgeted to increase marginally.

### 1. Introduction

4.1 Key deficit indicators of state governments at the consolidated level as a proportion to GDP narrowed significantly in 2011-12. In 2012-13 (RE), the GFD-GDP ratio, however, increased over 2011-12 on account of the higher capital outlay-GDP ratio and decline in surplus in the revenue account. All the major indicators are budgeted to improve in 2013-14 (BE) over 2012-13 (RE), despite a marginal increase in the capital outlay-GDP ratio (Tables IV. 1, IV.3A and IV.3B).

4.2 A comparison of the fiscal position of non-special category (NSC) and special category (SC) states reveals an improvement in the consolidated revenue account of NSC states and a marginal

deterioration in that of SC states in 2011-12 over the averages for 2004-08 and 2008-10. During the same period, the GFD-GSDP ratio of both NSC and SC states improved. However, in 2012-13 (RE), the GFD-GSDP ratio widened in NSC as well as SC states partly on account of an increase in the capital outlay-GSDP ratio. In 2013-14, key deficit indicators are budgeted to improve in both NSC and SC states (Table IV.2).

4.3 At the consolidated level, the average aggregate receipts of the states, which had increased during the post-crisis period (2008-10), following an increase in debt receipts, declined during 2010-11, which was in line with the reduction in borrowing requirements following the

**Table IV.1: Major Deficit Indicators of State Governments**

(Amount in ₹ billion)

Item	1990-98	1998-2004	2004-08	2008-10	2010-11	2011-12	2012-13 (BE)	2012-13 (RE)	2013-14 (BE)
	Averages								
1	2	3	4	5	6	7	8	9	10
Gross Fiscal Deficit	(2.7)	(4.1)	(2.3)	1,617.0 (2.7)	1,614.6 (2.1)	1,683.5 (1.9)	2,152.7 (2.1)	2,334.1 (2.3)	2,450.5 (2.2)
Revenue Deficit	(0.8)	(2.5)	(0.0)	91.7 (0.1)	-30.5 (-0.0)	-239.6 (-0.3)	-425.7 (-0.4)	-196.3 (-0.2)	-477.3 (-0.4)
Primary Deficit	(0.9)	(1.7)	(0.0)	538.2 (0.9)	366.4 (0.5)	315.4 (0.4)	598.3 (0.6)	790.8 (0.8)	716.7 (0.6)

BE: Budget Estimates. RE: Revised Estimates.

**Note:** 1. Negative (-) sign indicates surplus.

2. Figures in parentheses are percentages to GDP.

3. The ratios to GDP at current market prices are based on CSO's National Accounts 2004-05 series.

**Source:** Budget documents of the state governments.

**Table IV.2: Fiscal Imbalances in Non-Special and Special Category States**  
(Per cent to GSDP)

	2004-08	2008-10	2010-11	2011-12	2012-13 (RE)	2013-14 (BE)
	(Avg.)					
1	2	3	4	5	6	7
<b>Revenue Deficit</b>						
Non-Special Category States	0.2	0.3	0.1	-0.2	0.0	-0.3
Special Category States	-2.8	-3.0	-2.1	-2.1	-3.3	-3.7
All States Consolidated*	0.0	0.1	0.0	-0.3	-0.2	-0.4
<b>Gross Fiscal Deficit</b>						
Non-Special Category States	2.7	3.1	2.4	2.2	2.6	2.4
Special Category States	3.1	3.4	2.7	2.9	3.4	3.0
All States Consolidated*	2.3	2.7	2.1	1.9	2.3	2.2
<b>Primary Deficit</b>						
Non-Special Category States	0.0	1.0	0.6	0.4	0.9	0.7
Special Category States	-0.5	0.6	0.1	0.4	1.0	0.6
All States Consolidated*	0.0	0.9	0.5	0.4	0.8	0.6
<b>Primary Revenue Deficit</b>						
Non-Special Category States	-2.5	-1.7	-1.8	-2.0	-1.8	-2.0
Special Category States	-6.4	-5.8	-4.7	-4.5	-5.7	-6.1
All States Consolidated*	-2.3	-1.7	-1.6	-1.8	-1.7	-1.9

\* : As a ratio to GDP.

RE: Revised Estimates

BE: Budget Estimates

Source: Budget documents of the state governments.

Note : Negative (-) sign indicates surplus

resumption of fiscal consolidation. The aggregate receipts-GDP ratio increased slightly in 2011-12 before increasing sharply in 2012-13 (RE) and remaining stable in 2013-14 (BE). This trend mirrored improvements in states' revenue receipts during the period under review. States' own tax revenue (OTR)-GDP ratio recorded a steady rise while the states' own non-tax revenue (ONTR)-GDP ratio moved in a narrow range during 2011-12 to 2013-14. Current transfers from the centre which had remained unchanged as a proportion of GDP in 2011-12, increased in 2012-13(RE) mainly on account of grants and are budgeted at the same level in 2013-14. Although debt receipts as a proportion to GDP has increased only marginally during 2011-12 to 2013-14(BE), there has been

a compositional shift in favour of higher market borrowings (Table IV.4).

4.4 As in the case of aggregate receipts, average aggregate expenditure as a ratio to GDP, which had increased during 2008-10 due to fiscal stimulus measures and the pay commission awards, moderated in 2010-11. During 2011-12 to 2013-14(BE), the aggregate expenditure-GDP ratio maintained an upward trend with the increase being particularly sharp in 2012-13 (RE). While the development expenditure-GDP ratio was up by 130 basis points, the non-development expenditure-GDP ratio increased marginally in 2012-13. However, both aggregate expenditure and development expenditure as a ratio to GDP are budgeted to be lower in 2013-14 (Table IV. 5).

**Table IV.3 A: Deficit Indicators of State Governments**

(Per cent)

State	2004-08 (Avg.)*				2008-10 (Avg.)				2010-13 (Avg.)			
	RD/ GSDP	GFD/ GSDP	PD/ GSDP	PRD/ GSDP	RD/ GSDP	GFD/ GSDP	PD/ GSDP	PRD/ GSDP	RD/ GSDP	GFD/ GSDP	PD/ GSDP	PRD/ GSDP
1	2	3	4	5	6	7	8	9	10	11	12	13
<b>I. Non-Special Category</b>	<b>0.2</b>	<b>2.7</b>	<b>0.0</b>	<b>-2.5</b>	<b>0.3</b>	<b>3.1</b>	<b>1.0</b>	<b>-1.7</b>	<b>-0.1</b>	<b>2.4</b>	<b>0.6</b>	<b>-1.8</b>
1. Andhra Pradesh	0.0	2.8	0.2	-2.6	-0.2	2.9	1.0	-2.1	-0.4	2.4	0.8	-2.0
2. Bihar	-2.0	2.6	-1.2	-5.9	-2.5	2.5	0.0	-4.9	-1.6	3.3	1.5	-3.4
3. Chhattisgarh	-2.7	0.9	-0.9	-4.4	-1.4	1.4	0.3	-2.5	-2.2	1.0	0.1	-3.1
4. Goa	-0.1	3.6	1.0	-2.7	0.0	3.7	1.7	-2.0	-0.6	3.1	1.2	-2.5
5. Gujarat	0.2	2.6	0.0	-2.3	0.8	3.2	1.1	-1.3	0.0	2.4	0.6	-1.8
6. Haryana	-0.9	0.4	-1.5	-2.8	1.5	4.1	2.8	0.3	0.8	2.5	1.1	-0.5
7. Jharkhand	2.0	7.4	5.9	0.5	-1.7	3.0	0.7	-4.0	-1.2	2.4	0.8	-2.8
8. Karnataka	-1.3	2.0	0.1	-3.3	-0.5	3.0	1.5	-2.0	-0.7	2.7	1.4	-2.1
9. Kerala	2.3	3.2	0.4	-0.4	2.0	3.3	1.0	-0.3	1.6	3.4	1.3	-0.4
10. Madhya Pradesh	-1.8	3.3	0.4	-4.6	-2.2	2.5	0.4	-4.3	-2.5	2.3	0.5	-4.3
11. Maharashtra	0.2	2.4	0.5	-1.7	0.1	2.5	0.8	-1.5	0.1	1.6	0.2	-1.4
12. Odisha	-1.3	0.1	-3.5	-4.9	-1.5	0.8	-1.1	-3.4	-1.9	0.4	-1.1	-3.4
13. Punjab	2.1	3.3	-0.2	-1.3	2.4	3.5	0.8	-0.2	2.2	3.2	0.8	-0.2
14. Rajasthan	0.2	3.1	-0.4	-3.3	1.1	3.4	0.8	-1.5	-0.4	1.5	-0.5	-2.4
15. Tamil Nadu	-0.6	1.4	-0.4	-2.5	0.2	2.3	0.9	-1.3	0.1	2.7	1.4	-1.3
16. Uttar Pradesh	0.2	3.7	0.3	-3.2	-0.9	4.1	1.7	-3.3	-0.8	2.6	0.4	-3.0
17. West Bengal	3.3	4.4	0.2	-0.9	4.9	5.1	1.7	1.4	2.9	3.6	0.7	-0.1
<b>II. Special Category</b>	<b>-2.8</b>	<b>3.1</b>	<b>-0.5</b>	<b>-6.4</b>	<b>-3.0</b>	<b>3.4</b>	<b>0.6</b>	<b>-5.8</b>	<b>-2.5</b>	<b>3.0</b>	<b>0.5</b>	<b>-5.0</b>
1. Arunachal Pradesh	-9.2	3.7	-0.3	-13.3	-12.6	6.3	2.8	-16.1	-15.3	5.8	2.6	-18.5
2. Assam	-2.3	0.3	-2.1	-4.7	-1.7	1.2	-0.7	-3.6	-0.5	2.1	0.5	-2.1
3. Himachal Pradesh	0.3	3.7	-2.1	-5.4	1.0	5.6	1.3	-3.3	-0.2	2.9	-0.5	-3.5
4. Jammu and Kashmir	-5.9	5.1	0.7	-10.3	-8.6	5.0	1.1	-12.6	-5.3	4.5	0.8	-9.1
5. Manipur	-8.5	4.9	0.3	-13.1	-13.7	5.9	1.8	-17.7	-12.5	5.7	1.9	-16.2
6. Meghalaya	-1.2	2.6	0.2	-3.6	-1.6	2.8	0.9	-3.4	-2.0	3.7	1.9	-3.8
7. Mizoram	-4.3	9.5	3.2	-10.7	-6.2	4.0	-0.9	-11.1	-3.7	6.9	3.2	-7.4
8. Nagaland	-4.7	3.9	0.0	-8.5	-4.9	4.3	0.9	-8.3	-6.1	5.4	1.9	-9.6
9. Sikkim	-11.0	6.3	1.1	-16.3	-10.1	5.0	1.5	-13.5	-6.4	3.1	0.9	-8.6
10. Tripura	-6.6	0.7	-3.0	-10.3	-8.1	0.8	-2.0	-10.8	-7.0	0.7	-1.8	-9.4
11. Uttarakhand	0.1	5.3	2.6	-2.7	0.6	3.6	1.6	-1.4	-0.6	2.4	0.5	-2.5
<b>All States#</b>	<b>0.0</b>	<b>2.3</b>	<b>0.0</b>	<b>-2.3</b>	<b>0.1</b>	<b>2.7</b>	<b>0.9</b>	<b>-1.7</b>	<b>-0.2</b>	<b>2.1</b>	<b>0.5</b>	<b>-1.7</b>
<i>Memo Item:</i>												
1. NCT Delhi	-3.3	0.7	-0.8	-4.8	-2.7	1.6	0.3	-3.9	-2.3	0.4	-0.5	-3.2
2. Puducherry	0.4	4.0	1.7	-1.9	1.5	4.2	1.7	-0.9	1.8	4.4	1.8	-0.8

Avg. : Average.

RD : Revenue Deficit.

GSDP : Gross State Domestic Product.

PD : Primary Deficit.

GFD : Gross Fiscal Deficit.

PRD : Primary Revenue Deficit

\*: Data for Puducherry pertain to 2006-07.

#: Data for All States are as per cent to GDP.

**Note:** Negative (-) sign indicates surplus.

**Source:** Based on Budget documents of state governments.

**Fiscal Position of State Governments**

**Table IV.3 B: Deficit Indicators of State Governments**

(Per cent)

State	2011-12				2012-13 (RE)				2013-14 (BE)			
	RD/ GSDP	GFD/ GSDP	PD/ GSDP	PRD/ GSDP	RD/ GSDP	GFD/ GSDP	PD/ GSDP	PRD/ GSDP	RD/ GSDP	GFD/ GSDP	PD/ GSDP	PRD/ GSDP
1	2	3	4	5	6	7	8	9	10	11	12	13
<b>I. Non-Special Category</b>	<b>-0.2</b>	<b>2.2</b>	<b>0.4</b>	<b>-2.0</b>	<b>0.0</b>	<b>2.6</b>	<b>0.9</b>	<b>-1.8</b>	<b>-0.3</b>	<b>2.4</b>	<b>0.7</b>	<b>-2.0</b>
1. Andhra Pradesh	-0.5	2.4	0.7	-2.1	-0.2	2.8	1.2	-1.8	-0.1	2.8	1.1	-1.8
2. Bihar	-2.0	2.4	0.7	-3.7	0.2	5.6	3.9	-1.4	-1.9	2.4	0.8	-3.5
3. Chhattisgarh	-2.3	0.6	-0.3	-3.2	-1.3	2.9	2.1	-2.2	-1.4	3.0	2.3	-2.1
4. Goa	-0.8	2.5	0.5	-2.8	0.9	5.3	3.4	-0.9	0.5	4.9	3.1	-1.4
5. Gujarat	-0.5	1.8	0.0	-2.3	-0.6	2.6	0.9	-2.3	-0.6	2.6	0.9	-2.3
6. Haryana	0.5	2.3	1.0	-0.8	0.9	2.3	0.9	-0.6	0.6	2.2	0.7	-0.9
7. Jharkhand	-1.0	1.4	-0.2	-2.6	-2.6	1.9	0.4	-4.1	-1.7	2.2	0.9	-3.0
8. Karnataka	-1.0	2.7	1.4	-2.3	-0.2	2.9	1.6	-1.5	-0.1	2.9	1.5	-1.5
9. Kerala	2.5	4.1	2.1	0.6	0.9	3.1	1.2	-1.0	0.5	2.8	1.0	-1.3
10. Madhya Pradesh	-3.2	1.9	0.1	-4.9	-1.8	2.9	1.2	-3.4	-1.3	3.0	1.4	-2.8
11. Maharashtra	0.2	1.7	0.2	-1.3	0.0	1.4	0.0	-1.4	0.0	1.6	0.2	-1.4
12. Odisha	-2.6	-0.3	-1.5	-3.8	-1.1	1.1	-0.7	-2.9	-0.7	2.0	0.3	-2.4
13. Punjab	2.6	3.3	0.9	0.2	1.6	3.2	0.8	-0.8	0.6	3.0	0.5	-1.9
14. Rajasthan	-0.8	0.9	-1.0	-2.7	-0.2	2.3	0.6	-1.9	-0.2	2.5	0.7	-2.0
15. Tamil Nadu	-0.2	2.6	1.3	-1.5	-0.1	2.7	1.3	-1.4	-0.1	2.6	1.1	-1.6
16. Uttar Pradesh	-1.0	2.3	0.0	-3.3	-0.7	2.8	0.6	-2.9	-1.1	2.8	0.8	-3.1
17. West Bengal	2.7	3.3	0.3	-0.2	2.1	3.4	0.5	-0.7	0.5	1.8	-0.8	-2.2
<b>II. Special Category</b>	<b>-2.1</b>	<b>2.9</b>	<b>0.4</b>	<b>-4.5</b>	<b>-3.3</b>	<b>3.4</b>	<b>1.0</b>	<b>-5.7</b>	<b>-3.7</b>	<b>3.0</b>	<b>0.6</b>	<b>-6.1</b>
1. Arunachal Pradesh	-10.0	9.1	6.5	-12.6	-17.4	8.5	5.9	-20.0	-24.5	-1.0	-3.3	-26.8
2. Assam	-0.7	1.3	-0.3	-2.4	-0.6	3.3	1.8	-2.1	-1.9	3.8	2.4	-3.4
3. Himachal Pradesh	-1.0	2.6	-0.8	-4.3	-0.5	2.8	-0.4	-3.7	-0.1	2.8	-0.1	-3.0
4. Jammu and Kashmir	-3.2	5.7	2.0	-6.9	-6.3	3.8	0.2	-9.9	-7.5	2.7	-1.6	-11.8
5. Manipur	-6.2	10.1	6.2	-10.0	-16.3	0.7	-2.8	-19.8	-14.6	4.5	1.3	-17.8
6. Meghalaya	1.1	6.6	4.8	-0.7	-5.3	2.3	0.4	-7.1	-6.1	2.6	0.8	-7.8
7. Mizoram	-4.1	3.0	-0.9	-8.0	-7.3	7.0	3.9	-10.4	-4.2	0.8	-1.9	-6.9
8. Nagaland	-5.8	4.4	1.0	-9.2	-5.4	9.1	5.5	-9.0	-8.1	3.0	-0.8	-11.8
9. Sikkim	-5.1	2.1	-0.1	-7.4	-12.1	3.0	1.0	-14.1	-9.1	2.8	1.0	-11.0
10. Tripura	-8.4	-1.3	-3.8	-10.9	-7.9	2.0	-0.4	-10.2	-5.4	3.6	1.2	-7.8
11. Uttarakhand	-0.8	1.9	0.0	-2.6	-1.1	3.1	1.1	-3.1	-0.7	2.9	0.8	-2.8
<b>All States#</b>	<b>-0.3</b>	<b>1.9</b>	<b>0.4</b>	<b>-1.8</b>	<b>-0.2</b>	<b>2.3</b>	<b>0.8</b>	<b>-1.7</b>	<b>-0.4</b>	<b>2.2</b>	<b>0.6</b>	<b>-1.9</b>
<i>Memo Item:</i>												
1. NCT Delhi	-1.4	0.8	-0.1	-2.4	-1.5	0.8	0.0	-2.3	-2.3	-0.5	-1.2	-3.0
2. Puducherry	3.2	5.8	3.0	0.4	-0.3	2.0	-0.6	-2.9	-0.2	3.1	0.6	-2.7

BE : Budget Estimate

RE : Revised Estimates.

RD : Revenue Deficit.

PRD : Primary Revenue Deficit

PD : Primary Deficit.

GFD: Gross Fiscal Deficit.

GSDP : Gross State Domestic Product.

#: Data for All States are as per cent to GDP.

Note: Negative (-) sign indicates surplus.

Source: Based on Budget documents of state governments.

**Table IV.4: Aggregate Receipts of State Governments**

(Amount in ₹ billion)

Item	2004-08	2008-10	2010-11	2011-12	2012-13 (RE)	2013-14 (BE)
	(Average)					
1	2	3	4	5	6	7
Aggregate Receipts (1+2)	5,814.6 (14.3)	8,951.3 (14.8)	11,026.9 (14.1)	12,943.4 (14.4)	15,652.8 (15.6)	17,779.5 (15.6)
1. Revenue Receipts (a+b)	4,872.1 (12.0)	7,314.0 (12.1)	9,353.5 (12.0)	10,985.3 (12.2)	13,421.4 (13.4)	15,260.1 (13.4)
a. States' Own Revenue (i+ii)	2,921.1 (7.2)	4,279.2 (7.1)	5,523.6 (7.1)	6,565.2 (7.3)	7,810.7 (7.8)	8,919.4 (7.8)
i. States' Own Tax	2,333.6 (5.8)	3,425.0 (5.7)	4,607.1 (5.9)	5,574.0 (6.2)	6,613.9 (6.6)	7,638.5 (6.7)
ii. States' Own Non-Tax	587.5 (1.4)	854.2 (1.4)	916.5 (1.2)	991.3 (1.1)	1,196.8 (1.2)	1,280.9 (1.1)
b. Current Transfers (i+ii)	1,951.0 (4.8)	3,034.8 (5.0)	3,829.9 (4.9)	4,420.1 (4.9)	5,610.7 (5.6)	6,340.7 (5.6)
i. Shareable Taxes	1,110.7 (2.7)	1,630.3 (2.7)	2,194.9 (2.8)	2,555.9 (2.8)	2,962.3 (3.0)	3,440.7 (3.0)
ii. Grants-in Aid	840.4 (2.1)	1,404.5 (2.3)	1,635.0 (2.1)	1,864.2 (2.1)	2,648.4 (2.6)	2,900.1 (2.6)
2. Capital Receipts (a+b)	942.5 (2.3)	1,637.3 (2.7)	1,673.4 (2.1)	1,958.1 (2.2)	2,231.4 (2.2)	2,519.4 (2.2)
a. Non-Debt Capital Receipts	102.9 (0.3)	101.2 (0.2)	62.4 (0.1)	178.2 (0.2)	116.7 (0.1)	69.3 (0.1)
i. Recovery of Loans and Advances	81 (0.2)	96 (0.2)	49.9 (0.1)	171.6 (0.2)	115.3 (0.1)	66.9 (0.1)
ii. Miscellaneous Capital Receipts	22 (0.1)	5 (0.0)	12.4 (0.0)	6.7 (0.0)	1.4 (0.0)	2.4 (0.0)
b. Debt Receipts	839.6 (2.1)	1,536.1 (2.5)	1,611.1 (2.1)	1,779.8 (2.0)	2,114.7 (2.1)	2,450.1 (2.2)
i. Market Borrowings	292 (0.7)	1,083 (1.8)	887.8 (1.1)	1,354.0 (1.5)	1,683.9 (1.7)	2,161.8 (1.9)
ii. Other Debt Receipts	547 (1.4)	453 (0.7)	723.3 (0.9)	425.9 (0.5)	430.8 (0.4)	288.3 (0.3)

RE: Revised Estimates. BE: Budget Estimates.

**Note:** 1. The period averages provided in this table reflect the different fiscal phases of the States.

2. Figures in parentheses are percentages to GDP.

3. Debt Receipts are on net basis.

**Source:** Budget documents of state governments.

## 2. Accounts 2011-12<sup>1</sup>

4.5 Fiscal consolidation by the states, which had resumed in 2010-11, gained further momentum in 2011-12, with all the key deficit indicators at the consolidated state government

level improving as a proportion to GDP. Revenue surplus, coupled with the unchanged capital outlay-GDP ratio resulted in a lower GFD-GDP ratio in 2011-12 over the previous year. With the revenue expenditure-GDP ratio remaining unaltered, the surplus in the revenue account was

<sup>1</sup> All comparisons for 2011-12 in this section are with respect to the 2010-11 (accounts), unless otherwise stated.

**Table IV.5: Expenditure Pattern of State Governments**

(Amount in ₹ billion)

Item	2004-08	2008-10	2010-11	2011-12	2012-13 (RE)	2013-14 (BE)
1	2	3	4	5	6	7
Aggregate Expenditure (1+2 = 3+4+5)	5,852.0 (14.4)	9,032.2 (14.9)	11,030.4 (14.2)	12,847.1 (14.3)	15,872.2 (15.8)	17,779.9 (15.6)
1. Revenue Expenditure	4,818.0	7,405.7	9,323.0	10,745.7	13,225.0	14,782.8
<i>of which:</i>	(11.9)	(12.2)	(12.0)	(12.0)	(13.2)	(13.0)
Interest payments	908.6 (2.2)	1,078.8 (1.8)	1,248.2 (1.6)	1,368.2 (1.5)	1,543.3 (1.5)	1,733.7 (1.5)
2. Capital Expenditure	1,034.0	1,626.5	1,707.5	2,101.4	2,647.1	2,997.1
<i>of which:</i>	(2.6)	(2.7)	(2.2)	(2.3)	(2.6)	(2.6)
Capital outlay	886.5 (2.2)	1,459.2 (2.4)	1,519.3 (1.9)	1,712.5 (1.9)	2,316.2 (2.3)	2,708.2 (2.4)
3. Development Expenditure	3,682.9 (9.1)	6,024.1 (10.0)	7,203.5 (9.2)	8,524.1 (9.5)	10,792.8 (10.8)	11,918.2 (10.5)
4. Non-Development Expenditure	2,050.7 (5.1)	2,812.6 (4.6)	3,572.9 (4.6)	4,010.6 (4.5)	4,684.7 (4.7)	5,386.8 (4.7)
5. Others*	118.5 (0.3)	195.5 (0.3)	810.9 (1.0)	312.4 (0.3)	394.7 (0.4)	474.9 (0.4)

Avg.: Average. RE: Revised Estimates.

BE: Budget Estimates.

\* : Includes grants-in-aid and contributions (compensation and assignments to local bodies).

**Note:** 1. The period averages provided in this table reflect the different fiscal phases of the States.

2. Figures in parentheses are percent to GDP.

3. Capital Expenditure includes only Capital Outlay and Loans and Advances by state governments.

**Source:** Budget documents of state governments.

primarily driven by an increase in the revenue receipts-GDP ratio.

4.6 Revenue receipts increased mainly on account of an increase in states' own revenue as a ratio to GDP. The increase in the OTR-GDP ratio more than off-set the marginal decline in the ONTR-GDP ratio in 2011-12. While the increase in state OTR-GDP ratio reflected increased collections under 'VAT', the decline in the ONTR-GDP ratio was due to a decline in revenue collections under 'general services' and

'education, sports, art and culture' as a ratio to GDP.

4.7 States' revenue expenditure as a proportion to GDP remained unchanged in 2011-12 on account of a decrease in the non-development revenue expenditure-GDP ratio, particularly committed expenditure, off-setting a marginal increase in the development revenue expenditure-GDP ratio. In aggregate terms<sup>2</sup>, while development expenditure increased, non-development expenditure as a ratio to GDP declined in 2011-12.

<sup>2</sup> This includes expenditure under both revenue and capital account.

**Table IV.6: Variation in Major Items**

(Amount in ₹ billion)

Item	2011-12		2012-13		2013-14	
	(Accounts)	Per cent Variation Over 2010-11	(RE)	Per cent Variation Over 2011-12	(BE)	Per cent Variation Over 2012-13 (RE)
1	2	3	4	5	6	7
<b>I. Revenue Receipts (i+ii)</b>	<b>10,985.3</b>	<b>17.4</b>	<b>13,421.4</b>	<b>22.2</b>	<b>15,260.1</b>	<b>13.7</b>
(i) Tax Revenue (a+b)	8,129.9	19.5	9,576.1	17.8	11,079.2	15.7
(a) Own Tax Revenue	5,574.0	21.0	6,613.9	18.7	7,638.5	15.5
<i>of which: Sales Tax</i>	3,450.6	23.7	4,105.1	19.0	4,809.4	17.2
(b) Share in Central Taxes	2,555.9	16.4	2,962.3	15.9	3,440.7	16.1
(ii) Non-Tax Revenue	2,855.4	11.9	3,845.2	34.7	4,181.0	8.7
(a) States' Own Non-Tax Revenue	991.3	8.2	1,196.8	20.7	1,280.9	7.0
(b) Grants from Centre	1,864.2	14.0	2,648.4	42.1	2,900.1	9.5
<b>II. Revenue Expenditure</b>	<b>10,745.7</b>	<b>15.3</b>	<b>13,225.0</b>	<b>23.1</b>	<b>14,782.8</b>	<b>11.8</b>
<i>of which:</i>						
(i) Development Expenditure	6,505.9	16.9	8,314.3	27.8	9,164.4	10.2
<i>of which:</i>						
Education, Sports, Art and Culture	2,160.7	15.2	2,667.1	23.4	2,974.7	11.5
Transport and Communication	273.6	24.4	316.6	15.7	335.9	6.1
Power	460.1	25.7	646.4	40.5	651.4	0.8
Relief on account of Natural Calamities	136.9	56.3	110.1	-19.6	101.8	-7.5
Rural Development	372.2	14.2	553.0	48.6	577.1	4.4
(ii) Non-Development Expenditure	3,927.4	12.1	4,516.1	15.0	5,143.6	13.9
<i>of which:</i>						
Administrative Services	859.8	14.4	1,040.9	21.1	1,201.6	15.4
Pension	1,278.0	18.1	1,437.7	12.5	1,622.6	12.9
Interest Payments	1,368.2	9.6	1,543.3	12.8	1,733.7	12.3
<b>III. Net Capital Receipts #</b>	<b>1,958.1</b>	<b>17.0</b>	<b>2,231.4</b>	<b>14.0</b>	<b>2,519.4</b>	<b>12.9</b>
<i>of which:</i>						
Non-Debt Capital Receipts	6.7	-46.4	1.4	-78.8	2.4	71.7
<b>IV. Capital Expenditure \$</b>	<b>2,101.4</b>	<b>23.1</b>	<b>2,647.1</b>	<b>26.0</b>	<b>2,997.1</b>	<b>13.2</b>
<i>of which:</i>						
Capital Outlay	1,712.5	12.7	2,316.2	35.3	2,708.2	16.9
<i>of which:</i>						
Irrigation and Flood Control	467.3	8.0	575.4	23.1	684.8	19.0
Energy	195.5	22.9	197.6	1.1	212.5	7.6
Transport	378.2	8.5	497.8	31.6	512.8	3.0
<i>Memo Item:</i>						
Revenue Deficit	-239.6	685.6	-196.3	-18.1	-477.3	143.1
Gross Fiscal Deficit	1,683.5	4.3	2,334.1	38.6	2,450.5	5.0
Primary Deficit	315.4	-13.9	790.8	150.8	716.7	-9.4

RE: Revised Estimates.

# : It includes following items on net basis Internal Debt, Loans and Advances from the Centre, Inter-State Settlement, Contingency Fund, Small Savings, Provident Funds etc, Reserve Funds, Deposits and Advances, Suspense and Miscellaneous, Appropriation to Contingency Fund and Remittances.

\$ : Capital Expenditure includes Capital Outlay and Loans and Advances by state governments.

**Note:** 1. Negative (-) sign in deficit indicators indicates surplus.

2. Also see Notes to Appendices.

**Source:** Budget documents of state governments.

### 3. Revised Estimates: 2012-13

4.8 The consolidated fiscal position of the states during 2012-13 (RE) showed a decline in the revenue surplus-GDP ratio while the capital outlay-GDP ratio recorded an improvement over 2011-12. GFD and primary deficit as ratios to GDP widened during 2012-13 (RE). State-wise comparison shows that revenue accounts of 15 states deteriorated and the fiscal deficit-GSDP ratios were higher in 20 states in 2012-13 (RE).

4.9 States' own revenues and transfers from the centre as a proportion to GDP increased in 2012-13 (RE) over 2011-12. A higher own revenue-GDP ratio was due to increase both in OTR and ONTR as ratios to GDP in 2012-13 (RE). While states' OTR-GDP ratios recorded an increase, primarily due to increased collections under 'stamp and registration fee', 'VAT' and 'state excise', the increase in state's ONTR-GDP ratio was due to higher receipts from 'general services' and 'education, sports, art and culture'. Current transfers from the centre as a ratio to GDP also improved following an increase in the share of central taxes and also an increase in grants to finance state plan schemes. VAT collections from petroleum products that account for around 30 per cent of the total VAT collections also boosted OTRs of states in 2012-13. The share of VAT from petroleum products in total VAT revenues increased in eight states in 2012-13 over 2011-12 (Table IV.7).

4.10 VAT-GSDP ratio for both NSC and SC states at the consolidated level improved during 2010-11 to 2012-13 (RE) (Chart IV.1). Among the NSC states, the VAT-GSDP ratio was higher in all the southern states as compared to the rest of the states in this category while it was significantly lower in Bihar and West Bengal. Assam, Himachal Pradesh and Jammu and Kashmir recorded higher VAT-GSDP ratios among the SC states. It may be added that the VAT-GSDP ratio declined during 2012-13 (RE) in Bihar, Madhya Pradesh,

**Table IV.7: Contribution of VAT on Petroleum Products in Total Revenue from VAT**

(Per cent)		
State/UT	2011-12	2012-13
1	2	3
<b>Non-special Category States</b>		
Andhra Pradesh	28.8	26.9
Bihar	33.1	34.8
Chhattisgarh	41.5	32.5
Goa	36.7	19.3
Gujarat	39.3	38.5
Haryana	29.3	26.8
Jharkhand	26.5	26.4
Karnataka	25.6	26.3
Kerala	22.0	19.8
Madhya Pradesh	38.9	41.5
Maharashtra	31.8	40.1
Orissa	25.2	23.2
Punjab	24.2	19.7
Rajasthan	33.2	31.6
Tamil Nadu	27.6	27.0
Uttar Pradesh	28.9	30.0
West Bengal	29.1	27.6
<b>Special Category States</b>		
Arunachal Pradesh	19.4	10.0
Assam	36.1	34.1
Himachal Pradesh	6.9	6.4
Jammu and Kashmir	30.2	24.0
Manipur	25.7	24.3
Meghalaya	1.3	0.6
Mizoram	31.1	57.4
Nagaland	23.6	26.8
Sikkim	37.7	26.4
Tripura	21.9	29.9
Uttarakhand	20.5	20.2
<b>All States</b>	<b>29.9</b>	<b>29.8</b>

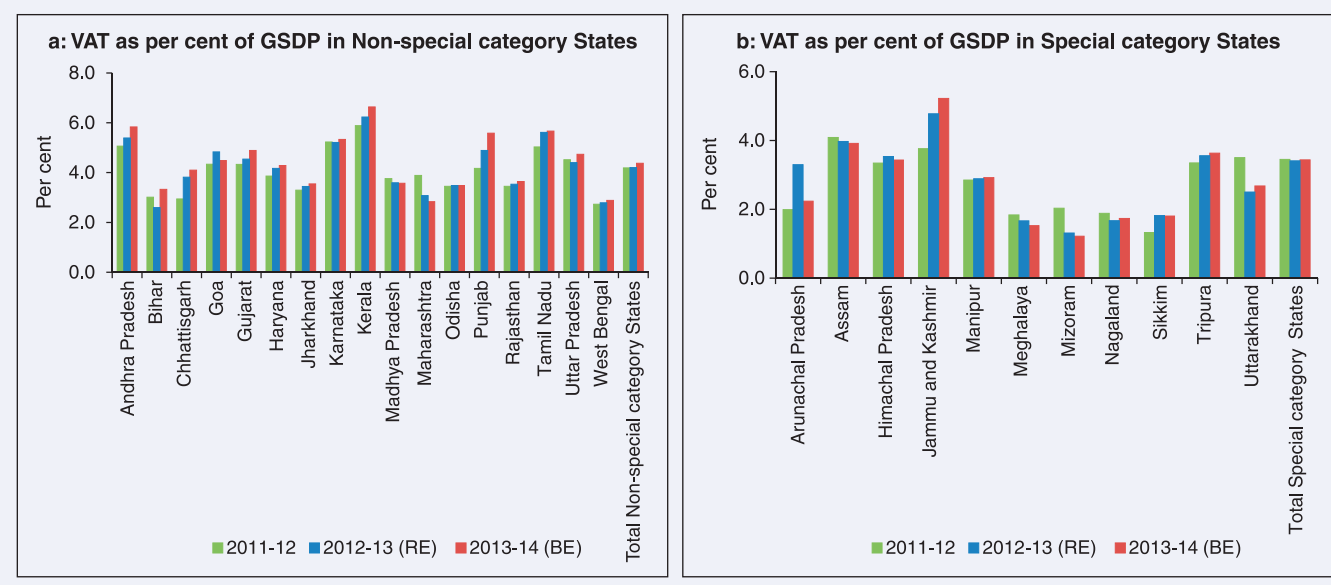
**Source:** Petroleum Planning & Analysis Cell (PPAC), Ministry of Petroleum and Natural Gas and Budget documents of state governments.

Maharashtra and Uttar Pradesh among NSC states and in Meghalaya, Mizoram, Nagaland and Uttarakhand among the SC states.

4.11 Expenditure pattern of the states shows an improvement in the quality of expenditure in 2012-13 (RE), with increase in development and social sector expenditures over the budget estimates for the year as well as over 2011-12. Within development expenditure, increase was seen in expenditures on 'education, sports, art and culture', 'medical and public health', 'agriculture



Chart IV.1: Value Added Tax in Non-Special Category and Special Category States



and allied activities’ and ‘rural development’. Among non-development expenditures, committed expenditure in 2012-13 (RE) was higher than that in 2011-12.

#### 4. Budget Estimates: 2013-14<sup>3</sup>

##### Key Deficit Indicators

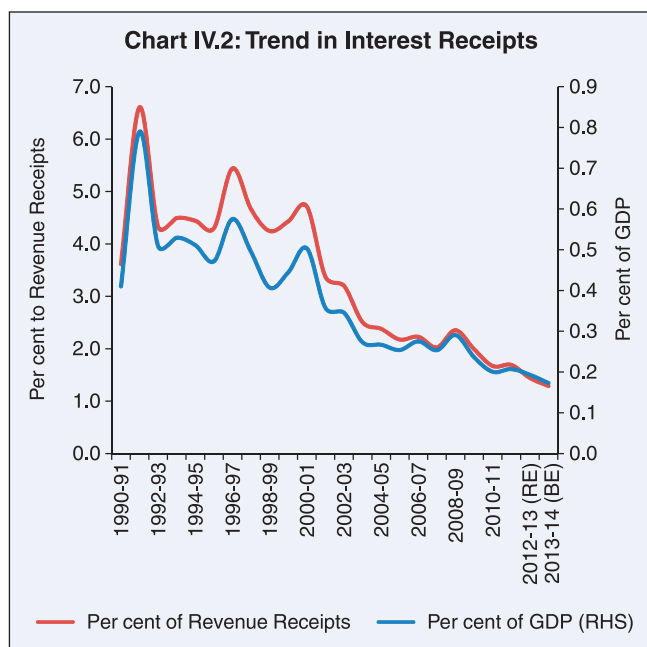
4.12 All the key deficit indicators of the states are budgeted to improve in 2013-14. The consolidated position of state governments shows an improvement in revenue account as well as in the GFD-GDP ratio, despite a marginal increase in the capital outlay-GDP ratio. A budgeted improvement of 0.2 per cent of GDP in consolidated revenue surplus in 2013-14 is to be achieved essentially through reducing the revenue expenditure-GDP ratio, even as the revenue receipts-GDP ratio is budgeted to remain unchanged during the year. While 22 states have budgeted for revenue surpluses, 13 have budgeted for improvements in their revenue accounts in terms of GSDP.

The GFD and PD as ratios to GSDP are budgeted to decline in 16 and 15 states respectively in 2013-14 (Tables IV.3A and IV.3B).

##### Revenue Receipts

4.13 Given the uncertainty in the prospects for economic growth, the states’ own revenue-GDP ratio and current transfers from the centre-GDP ratio are budgeted to remain unchanged during 2013-14 (Table IV.4). In the case of states’ own revenue, an increase in the OTR-GDP ratio is expected to be off-set by a decrease in ONTR-GDP ratio. States’ OTRs from ‘land revenue’, ‘value added tax’, ‘surcharge on sales tax’ and ‘taxes on wealth’ are budgeted to increase in 2013-14 over 2012-13 (RE). The decrease in the ONTR-GDP ratio is attributable to ‘interest receipts’ and receipts from ‘general services’ which are budgeted to decline in 2013-14 (Chart IV.2). Current transfers from the central government which consists of ‘tax devolution’ is, however, budgeted to increase in 2013-14 (BE).

<sup>3</sup> All comparisons for 2013-14 in this section are with respect to revised estimates for 2012-13, unless otherwise stated.



4.14 Revenue receipts as a ratio to GSDP are budgeted to increase in 11 states during 2013-14. Within revenue receipts, states' own revenues, viz., OTR and ONTR as ratios to GSDP, are budgeted to increase in 17 and 10 states respectively in 2013-14. Current transfers from the centre as a ratio to GSDP are also budgeted to increase in 12 states (Tables IV.8A and IV.8B).

4.15 A crucial factor determining states' own non-tax revenue is their ability and willingness to increase cost recoveries through provision of public services. Cost recoveries<sup>4</sup> from education, irrigation, power and road transport are budgeted to improve while they will decline marginally in the health sector in 2013-14. Cost recoveries from education and irrigation sectors have shown significant increases in recent years as compared to the fiscal consolidation phase and the post-crisis period, while those from the health and power sectors have declined, underlining the

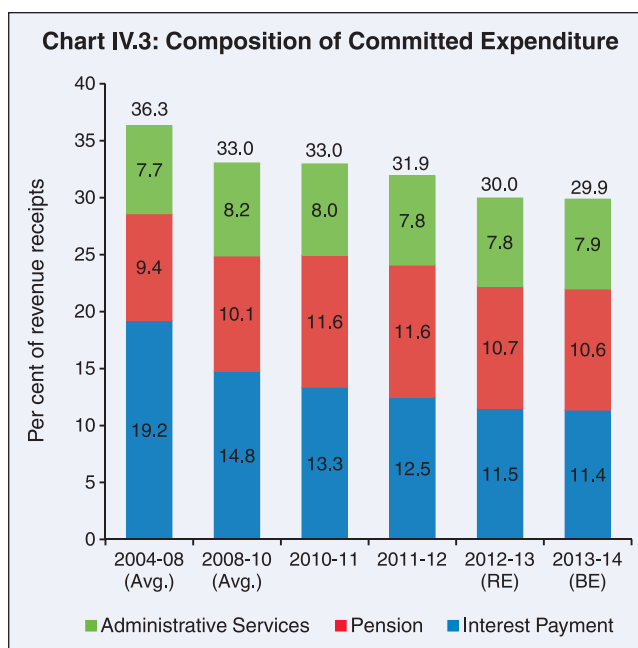
need to improve recoveries from these sectors (Table IV.9).

**Expenditure Pattern**

4.16 Aggregate expenditure of the states as a ratio to GDP for 2013-14 is budgeted to be lower than that in 2012-13 (RE).

**Revenue Expenditure**

4.17 The consolidated revenue expenditure-GDP ratio of state governments are budgeted to be lower by 0.2 percentage points, attributable to a decline in development revenue expenditure (both social and economic services) as a ratio to GDP in 2013-14 (BE). A comparison of year-on-year growth rates shows that, with the exception of 'water supply and sanitation' under social services and 'food storage and warehousing' and 'dairy development' under economic services, all other heads of expenditure are budgeted to grow at a slower pace in 2013-14 than in 2012-13. The growth in 'food storage and warehousing' is budgeted to be the highest, at 67.2 per cent in 2013-14 over 2012-13 (RE).



<sup>4</sup> Cost recovery of services is measured in terms of their contribution to revenue receipts as a proportion to non-plan revenue expenditure on them by the states.

**Table IV.8 A: Revenue Receipts of State Governments**

(Per cent)

State	2004-08 (Avg.)*				2008-10 (Avg.)				2010-13 (Avg.)			
	RR/ GSDP	OTR/ GSDP	ONTR/ GSDP	CT/ GSDP	RR/ GSDP	OTR/ GSDP	ONTR/ GSDP	CT/ GSDP	RR/ GSDP	OTR/ GSDP	ONTR/ GSDP	CT/ GSDP
1	2	3	4	5	6	7	8	9	10	11	12	13
<b>I. Non-Special Category</b>	<b>13.5</b>	<b>7.0</b>	<b>1.6</b>	<b>4.9</b>	<b>13.4</b>	<b>6.7</b>	<b>1.6</b>	<b>5.1</b>	<b>13.8</b>	<b>7.4</b>	<b>1.3</b>	<b>5.2</b>
1. Andhra Pradesh	14.0	7.6	1.9	4.4	14.1	7.6	2.0	4.6	14.4	8.1	1.8	4.4
2. Bihar	22.4	4.3	0.5	17.6	22.5	4.7	0.9	16.9	21.4	5.1	0.4	15.9
3. Chhattisgarh	16.5	7.2	2.4	6.9	17.2	7.0	2.7	7.6	19.3	7.8	3.1	8.4
4. Goa	15.1	7.3	5.5	2.3	14.0	6.4	5.4	2.2	16.1	7.2	6.1	2.9
5. Gujarat	10.5	6.5	1.5	2.5	10.1	6.3	1.3	2.5	10.3	7.2	0.9	2.3
6. Haryana	12.8	8.1	3.0	1.8	9.7	6.1	1.5	2.1	10.2	6.7	1.4	2.1
7. Jharkhand	13.7	4.4	2.1	7.2	19.0	5.7	2.7	10.6	17.2	5.0	2.3	9.9
8. Karnataka	15.8	9.8	1.9	4.1	14.3	9.0	1.0	4.3	15.2	9.9	0.8	4.5
9. Kerala	11.6	7.6	0.7	3.4	11.7	7.7	0.8	3.1	12.3	8.3	0.9	3.0
10. Madhya Pradesh	17.7	7.2	2.3	8.2	17.6	7.2	2.2	8.1	20.0	8.4	2.2	9.4
11. Maharashtra	10.5	7.0	1.5	2.0	10.5	6.9	1.1	2.4	10.3	7.3	0.8	2.2
12. Odisha	16.6	5.6	2.0	9.0	16.4	5.4	2.1	8.9	17.8	6.0	2.7	9.2
13. Punjab	13.9	7.3	4.1	2.6	11.6	6.3	3.1	2.2	11.9	7.7	1.5	2.7
14. Rajasthan	14.8	6.8	1.9	6.1	13.9	6.3	1.7	5.9	13.8	6.2	2.2	5.5
15. Tamil Nadu	13.2	8.8	1.0	3.4	12.7	8.0	1.2	3.4	12.8	9.0	0.8	3.0
16. Uttar Pradesh	16.5	6.5	1.4	8.6	18.0	6.5	2.1	9.4	19.4	7.5	1.7	10.2
17. West Bengal	9.9	4.5	0.5	4.9	10.0	4.2	1.0	4.8	10.9	4.8	0.3	5.8
<b>II. Special Category</b>	<b>27.3</b>	<b>4.9</b>	<b>3.1</b>	<b>19.2</b>	<b>26.7</b>	<b>4.9</b>	<b>3.0</b>	<b>18.8</b>	<b>27.6</b>	<b>5.6</b>	<b>2.4</b>	<b>19.7</b>
1. Arunachal Pradesh	54.5	1.8	7.8	44.9	62.6	2.4	10.2	50.1	57.3	3.1	4.3	50.0
2. Assam	20.4	5.2	2.6	12.7	21.5	5.2	2.8	13.5	22.9	5.7	2.2	15.1
3. Himachal Pradesh	24.1	5.5	3.7	14.9	22.0	5.4	4.0	12.6	22.9	6.6	2.9	13.3
4. Jammu and Kashmir	37.0	5.7	2.4	28.9	38.9	6.4	2.7	29.9	38.8	7.1	2.9	28.7
5. Manipur	43.6	1.8	2.0	39.7	49.6	2.3	3.2	44.1	60.1	3.4	3.0	53.7
6. Meghalaya	24.4	3.4	2.1	19.0	25.7	3.3	2.1	20.3	32.0	4.1	2.3	25.6
7. Mizoram	56.2	1.9	3.6	50.8	57.2	2.1	2.9	52.2	59.6	2.4	2.5	54.7
8. Nagaland	35.3	1.6	1.4	32.4	35.7	1.7	1.6	32.4	46.0	2.2	1.5	42.3
9. Sikkim	103.3	7.5	53.3	42.4	67.9	4.7	29.7	33.5	44.0	3.6	12.6	27.7
10. Tripura	30.4	3.0	1.1	26.3	33.3	3.3	1.0	29.0	32.0	4.2	0.9	26.9
11. Uttarakhand	18.1	6.1	1.9	10.0	14.4	5.2	1.1	8.1	14.8	5.6	1.1	8.0
<b>All States#</b>	<b>11.9</b>	<b>5.7</b>	<b>1.4</b>	<b>4.7</b>	<b>12.1</b>	<b>5.7</b>	<b>1.4</b>	<b>5.0</b>	<b>12.5</b>	<b>6.2</b>	<b>1.2</b>	<b>5.1</b>
<i>Memo Item:</i>												
1. NCT Delhi	9.1	7.4	1.1	0.6	9.0	6.3	1.4	1.3	8.1	6.5	0.7	0.9
2. Puducherry	22.8	6.6	6.6	9.5	23.8	7.1	5.7	10.9	20.9	11.3	2.4	7.2

Avg.: Average.

RR: Revenue Receipts.

OTR: Own Tax Revenue.

ONTR: Own Non-Tax Revenue.

CT: Current Transfers. GSDP: Gross State Domestic Product.

\*: Data for Puducherry pertain to 2006-07.

#: Data for All States are as per cent to GDP.

Source: Based on Budget documents of state governments.

**Fiscal Position of State Governments**

**Table IV.8 B: Revenue Receipts of State Governments**

(Per cent)

State	2011-12				2012-13 (RE)				2013-14 (BE)			
	RR/ GSDP	OTR/ GSDP	ONTR/ GSDP	CT/ GSDP	RR/ GSDP	OTR/ GSDP	ONTR/ GSDP	CT/ GSDP	RR/ GSDP	OTR/ GSDP	ONTR/ GSDP	CT/ GSDP
1	2	3	4	5	6	7	8	9	10	11	12	13
<b>I. Non-Special Category</b>	<b>13.7</b>	<b>7.4</b>	<b>1.2</b>	<b>5.0</b>	<b>14.5</b>	<b>7.7</b>	<b>1.3</b>	<b>5.5</b>	<b>14.5</b>	<b>7.8</b>	<b>1.2</b>	<b>5.5</b>
1. Andhra Pradesh	14.3	8.1	1.8	4.4	14.7	8.4	1.7	4.6	14.7	8.4	1.8	4.6
2. Bihar	20.8	5.1	0.4	15.3	21.6	5.3	0.4	15.9	21.8	5.7	0.9	15.2
3. Chhattisgarh	18.5	7.7	2.9	8.0	20.2	8.2	3.0	8.9	21.8	8.9	3.5	9.4
4. Goa	16.1	7.1	6.4	2.5	16.1	8.1	5.0	3.1	16.2	8.5	4.5	3.3
5. Gujarat	10.3	7.2	0.9	2.2	10.9	7.5	0.8	2.6	10.7	7.5	0.8	2.4
6. Haryana	10.0	6.7	1.5	1.8	10.8	6.9	1.4	2.5	10.7	7.0	1.3	2.4
7. Jharkhand	15.8	4.9	2.1	8.7	19.9	5.3	2.4	12.2	17.9	5.4	2.2	10.2
8. Karnataka	15.2	10.1	0.9	4.2	16.2	10.2	0.7	5.3	16.2	10.3	0.7	5.2
9. Kerala	12.1	8.2	0.8	3.1	13.3	8.7	1.2	3.3	13.8	9.2	1.2	3.4
10. Madhya Pradesh	20.2	8.7	2.4	9.1	19.8	8.2	2.1	9.6	19.3	8.1	1.8	9.4
11. Maharashtra	10.1	7.3	0.7	2.1	10.5	7.3	0.8	2.4	10.1	7.0	0.8	2.4
12. Odisha	18.7	6.2	3.0	9.4	17.6	5.9	2.5	9.2	17.5	6.0	2.3	9.2
13. Punjab	10.2	7.3	0.5	2.3	13.4	8.3	1.7	3.4	13.9	9.3	0.9	3.7
14. Rajasthan	13.7	6.1	2.2	5.4	14.3	6.3	2.6	5.5	14.7	6.5	2.4	5.8
15. Tamil Nadu	12.8	8.9	0.9	3.0	13.7	9.9	0.9	2.9	13.6	9.9	0.8	3.0
16. Uttar Pradesh	19.3	7.7	1.5	10.0	20.4	7.9	1.8	10.7	20.7	8.4	1.5	10.8
17. West Bengal	11.0	4.7	0.3	6.1	11.6	5.2	0.3	6.1	12.0	5.4	0.2	6.4
<b>II. Special Category</b>	<b>26.7</b>	<b>5.8</b>	<b>2.4</b>	<b>18.5</b>	<b>30.0</b>	<b>5.8</b>	<b>2.5</b>	<b>21.7</b>	<b>29.7</b>	<b>5.9</b>	<b>2.4</b>	<b>21.5</b>
1. Arunachal Pradesh	50.6	2.9	3.3	44.4	61.0	3.9	3.6	53.6	56.7	2.8	2.2	51.7
2. Assam	21.7	6.0	2.3	13.4	26.7	5.7	2.1	18.8	25.8	5.6	2.1	18.1
3. Himachal Pradesh	22.8	6.4	3.0	13.4	23.2	7.0	2.6	13.6	21.7	6.6	2.9	12.2
4. Jammu and Kashmir	37.9	7.3	3.1	27.6	40.0	8.1	3.8	28.1	44.4	8.8	4.0	31.7
5. Manipur	54.3	3.5	3.0	47.8	66.4	3.7	3.2	59.6	65.2	3.7	3.3	58.3
6. Meghalaya	28.8	4.3	2.3	22.2	37.8	3.9	2.6	31.3	41.7	4.2	2.5	35.0
7. Mizoram	57.4	2.6	2.4	52.4	65.6	2.5	2.6	60.5	54.8	2.4	2.9	49.5
8. Nagaland	45.5	2.5	1.9	41.1	48.4	2.2	1.1	45.1	51.0	2.3	1.3	47.3
9. Sikkim	42.6	3.4	12.1	27.1	48.2	3.7	10.3	34.1	45.1	3.8	9.5	31.7
10. Tripura	32.5	4.3	1.1	27.1	34.0	4.7	0.8	28.5	32.3	4.7	0.9	26.8
11. Uttarakhand	14.5	6.0	1.2	7.4	15.9	5.6	1.4	8.9	15.5	5.8	1.0	8.7
<b>All States#</b>	<b>12.2</b>	<b>6.2</b>	<b>1.1</b>	<b>4.9</b>	<b>13.4</b>	<b>6.6</b>	<b>1.2</b>	<b>5.6</b>	<b>13.4</b>	<b>6.7</b>	<b>1.1</b>	<b>5.6</b>
<i>Memo Item:</i>												
1. NCT Delhi	7.2	6.4	0.1	0.6	7.5	6.9	0.2	0.4	7.9	7.1	0.2	0.6
2. Puducherry	19.4	11.1	1.1	7.2	18.7	11.2	0.6	6.9	24.0	11.0	6.3	6.8

BE: Budget Estimates.

RE: Revised Estimates.

RR: Revenue Receipts.

OTR: Own Tax Revenue.

ONTR: Own Non-Tax Revenue.

CT: Current Transfers

GSDP: Gross State Domestic Product.

#: Data for All States are as per cent to GDP.

Source: Based on Budget documents of state governments.

**Table IV.9: Cost Recovery of Select Services**  
(Ratio of Non-Tax Revenue to Non-Plan Revenue Expenditure)

Item	Average			2010-11	2011-12	2012-13 (RE)	2013-14 (BE)
	2000-04	2004-08	2008-10				
1	2	3	4	5	6	7	8
<b>A. Social Services</b>							
<i>of which:</i>							
(a) Education \$	1.5	2.6	3.2	4.0	3.6	5.5	5.9
(b) Health *	5.2	5.2	5.2	3.9	4.6	4.7	4.4
<b>B. Economic Services</b>							
<i>of which:</i>							
(a) Irrigation #	9.8	15.3	16.1	16.1	19.5	19.3	20.0
(b) Power	6.4	14.3	18.1	13.4	12.0	11.5	12.9
(c) Roads @	18.3	10.1	5.8	6.9	6.1	5.9	6.8

RE: Revised Estimates. BE: Budget Estimates.

\$ : Also includes expenditure on sports, art and culture.

\* : Includes expenditure on medical and public health and family welfare.

# : Relates to irrigation and flood control for non-plan revenue expenditure, and to major, medium and minor irrigation for non-tax revenue.

@ : Relates to roads and bridges for non-plan revenue expenditure, and to road transport for non-tax revenue.

**Source:** Compiled from the Budget documents of state governments.

Revenue expenditures on 'relief on account of natural calamities' under social services and on 'civil supplies' under economic services are, however, budgeted to decline in 2013-14.

4.18 With regard to the state-wise position, the RE-GSDP ratio is budgeted to decline in 18 states, while development revenue expenditure (DRE)-GSDP and non-development revenue expenditure (NDRE)-GSDP ratios are budgeted to decline in 20 and 16 states, respectively in 2013-14. Interest payments and pensions as ratios to GSDP are budgeted to decline in 18 and 15 states, respectively (Tables IV.10A and IV.10B).

4.19 Non-development revenue expenditure and all its components except administrative services and miscellaneous general services

as ratios to GDP remain unchanged in 2013-14 (BE). Committed expenditure (CE) also remains unchanged around 30 per cent of revenue receipts and 4.0 per cent of GDP in 2013-14 (BE) (Chart IV.3). The CE-GSDP ratio is budgeted to decrease in NSC states, but it would increase in SC states. Within CE, interest payments as a ratio to GSDP remain unchanged for both SC and NSC states in 2013-14 (BE) over 2012-13 (RE) but the pension payments-GSDP ratio is budgeted to increase for SC states (Table IV.11).

#### *Capital Expenditure<sup>5</sup>*

4.20 Growth in capital expenditure is budgeted to decelerate in 2013-14, which reflects the deceleration in loans and advances given by state governments. Capital outlay, both in the developmental and non-developmental components, is also budgeted to grow at a slower pace in 2013-14 than in 2012-13 (RE). However, certain heads of expenditure are budgeted to record significant growth in capital outlay. These include 'family welfare' under social services and 'food storage and warehousing', 'rural development' and 'irrigation and flood control' under economic services. Despite a deceleration in the growth rate, capital outlay as a ratio to GDP is budgeted to be marginally higher at 2.4 per cent in 2013-14, while the capital expenditure-GDP ratio is budgeted to remain unchanged at 2.6 per cent in 2013-14. The loans and advances-GDP ratio is budgeted to be marginally lower at 0.3 per cent in 2013-14. Developmental loans and advances to social services are budgeted to decelerate, particularly in 'education, sports, art and culture' and 'medical and public health'. The state-wise capital outlay-GSDP ratios is budgeted to increase in 15 states in 2013-14 (Tables IV.13A and IV.13B).

<sup>5</sup> Capital outlay and loans and advances by state governments.

**Fiscal Position of State Governments**

**Table IV.10 A: Revenue Expenditure of the State Governments**

(Per cent)

State	2004-08 (Avg.)*					2008-10 (Avg.)					2010-13 (Avg.)				
	RE/ GSDP	DRE/ GSDP	NDRE/ GSDP	IP/ GSDP	PN/ GSDP	RE/ GSDP	DRE/ GSDP	NDRE/ GSDP	IP/ GSDP	PN/ GSDP	RE/ GSDP	DRE/ GSDP	NDRE/ GSDP	IP/ GSDP	PN/ GSDP
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
<b>I. Non-Special Category</b>	<b>13.7</b>	<b>7.5</b>	<b>5.8</b>	<b>2.7</b>	<b>1.3</b>	<b>13.7</b>	<b>8.3</b>	<b>5.0</b>	<b>2.0</b>	<b>1.4</b>	<b>13.8</b>	<b>8.4</b>	<b>4.9</b>	<b>1.8</b>	<b>1.6</b>
1. Andhra Pradesh	14.0	8.7	5.3	2.6	1.3	13.9	9.4	4.4	1.9	1.3	14.0	9.4	4.6	1.6	1.7
2. Bihar	20.4	11.1	9.3	3.9	2.7	20.0	12.5	7.4	2.4	2.5	19.8	12.5	7.3	1.8	3.1
3. Chhattisgarh	13.9	9.0	4.3	1.8	0.9	15.8	11.3	4.0	1.1	1.1	17.2	12.3	4.3	0.9	1.4
4. Goa	14.9	10.1	4.8	2.6	1.0	14.0	9.6	4.4	2.0	1.0	15.5	11.0	4.6	1.9	1.2
5. Gujarat	10.7	6.2	4.5	2.6	0.9	10.9	7.1	3.8	2.1	0.9	10.3	6.6	3.6	1.8	1.0
6. Haryana	11.9	7.6	4.1	1.9	0.9	11.3	7.8	3.4	1.3	1.0	11.0	7.5	3.5	1.3	1.1
7. Jharkhand	15.6	10.3	5.4	1.5	1.2	17.4	11.0	6.4	2.3	1.5	16.0	10.6	5.4	1.6	1.5
8. Karnataka	14.4	8.9	4.9	1.9	1.2	13.8	9.1	3.9	1.5	1.2	14.5	9.9	3.7	1.3	1.2
9. Kerala	13.9	6.7	6.6	2.8	2.3	13.7	6.4	6.1	2.3	2.2	13.9	6.8	6.0	2.0	2.4
10. Madhya Pradesh	16.0	8.9	6.1	2.8	1.2	15.4	9.1	5.2	2.0	1.3	17.5	11.0	5.4	1.8	1.4
11. Maharashtra	10.7	6.2	4.4	2.0	0.6	10.6	6.8	3.6	1.6	0.7	10.4	6.7	3.6	1.5	0.9
12. Odisha	15.3	7.7	7.3	3.6	1.5	14.9	9.4	5.2	1.9	1.7	15.9	10.3	5.3	1.5	2.2
13. Punjab	16.1	6.7	9.1	3.4	1.5	14.0	5.8	8.0	2.7	1.7	14.1	6.8	7.0	2.4	2.2
14. Rajasthan	15.1	8.9	6.2	3.5	1.2	15.0	9.2	5.7	2.6	1.6	13.4	8.7	4.6	1.9	1.5
15. Tamil Nadu	12.6	6.7	5.0	1.9	1.7	12.9	7.5	4.4	1.4	1.8	12.9	7.4	4.4	1.4	1.9
16. Uttar Pradesh	16.6	8.3	7.5	3.4	1.4	17.1	9.1	7.2	2.4	1.8	18.6	9.9	8.0	2.3	2.2
17. West Bengal	13.2	6.1	6.9	4.2	1.5	14.9	8.4	6.3	3.4	1.5	13.8	7.8	6.0	2.9	1.7
<b>II. Special Category</b>	<b>24.4</b>	<b>14.3</b>	<b>10.0</b>	<b>3.6</b>	<b>2.1</b>	<b>23.8</b>	<b>13.7</b>	<b>9.5</b>	<b>2.8</b>	<b>2.2</b>	<b>25.1</b>	<b>14.9</b>	<b>9.4</b>	<b>2.5</b>	<b>2.7</b>
1. Arunachal Pradesh	45.2	31.8	13.4	4.0	2.0	50.0	35.4	14.6	3.4	2.2	42.0	29.1	12.8	3.2	2.3
2. Assam	18.1	11.2	6.9	2.4	1.8	19.8	11.0	7.7	1.9	1.8	22.5	13.0	7.3	1.6	2.2
3. Himachal Pradesh	24.4	13.7	10.7	5.8	2.7	22.9	13.7	9.3	4.3	2.8	22.7	13.6	9.0	3.3	3.6
4. Jammu and Kashmir	31.1	18.1	13.0	4.4	2.7	30.3	17.2	13.1	4.0	2.9	33.4	19.2	14.2	3.7	4.4
5. Manipur	35.1	21.5	13.6	4.6	3.4	36.0	20.6	14.6	4.1	3.6	47.7	26.4	19.7	3.8	5.7
6. Meghalaya	23.2	14.7	8.4	2.4	1.3	24.1	15.7	8.4	1.8	1.6	30.0	21.3	8.7	1.8	1.9
7. Mizoram	51.9	33.6	18.3	6.3	2.8	51.0	33.2	17.8	4.9	2.9	55.9	37.9	18.0	3.7	3.9
8. Nagaland	30.7	16.2	14.4	3.8	2.8	30.8	16.1	14.7	3.4	2.5	39.9	21.7	18.2	3.5	4.2
9. Sikkim	92.2	30.9	61.3	5.2	2.0	57.8	24.0	33.8	3.5	1.9	37.6	18.6	18.7	2.3	2.2
10. Tripura	23.8	12.6	10.8	3.7	2.5	25.2	13.7	10.9	2.8	3.1	25.0	14.2	10.3	2.5	3.5
11. Uttarakhand	18.1	10.9	6.7	2.7	1.4	15.0	9.2	5.4	2.0	1.5	14.1	8.6	5.0	1.9	1.3
<b>All States#</b>	<b>11.9</b>	<b>6.6</b>	<b>5.0</b>	<b>2.3</b>	<b>1.1</b>	<b>12.2</b>	<b>7.4</b>	<b>4.5</b>	<b>1.8</b>	<b>1.2</b>	<b>12.4</b>	<b>7.6</b>	<b>4.5</b>	<b>1.6</b>	<b>1.7</b>
<i>Memo Item:</i>															
1. NCT Delhi	5.8	3.4	2.0	1.6	0.0	6.3	4.3	1.7	1.2	0.0	5.8	4.1	1.5	0.9	0.0
2. Puducherry	23.1	13.3	4.0	2.2	0.9	25.3	18.4	6.9	2.5	2.0	22.7	15.9	6.7	2.6	2.1

Avg.: Average.

NDRE: Non-development Revenue Expenditure.

\*: Data for Puducherry pertain to 2006-07.

RE: Revenue Expenditure.

IP: Interest Payment.

#: Data for All States are as per cent to GDP.

DRE: Development Revenue Expenditure.

PN: Pension.

GSDP: Gross State Domestic Product.

**Source:** Based on Budget documents of state governments.

**Table IV.10 B: Revenue Expenditure of the State Governments**

(Per cent)

State	2011-12					2012-13 (RE)					2013-14 (BE)				
	RE/ GSDP	DRE/ GSDP	NDRE/ GSDP	IP/ GSDP	PN/ GSDP	RE/ GSDP	DRE/ GSDP	NDRE/ GSDP	IP/ GSDP	PN/ GSDP	RE/ GSDP	DRE/ GSDP	NDRE/ GSDP	IP/ GSDP	PN/ GSDP
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
<b>I. Non-Special Category</b>	<b>13.5</b>	<b>8.2</b>	<b>4.9</b>	<b>1.8</b>	<b>1.6</b>	<b>14.4</b>	<b>9.1</b>	<b>4.9</b>	<b>1.7</b>	<b>1.6</b>	<b>14.2</b>	<b>8.8</b>	<b>4.9</b>	<b>1.7</b>	<b>1.6</b>
1. Andhra Pradesh	13.8	9.2	4.6	1.6	1.7	14.5	9.9	4.5	1.6	1.6	14.6	9.9	4.6	1.7	1.6
2. Bihar	18.8	11.6	7.2	1.7	3.2	21.9	14.6	7.2	1.7	3.3	19.9	13.0	6.9	1.6	3.1
3. Chhattisgarh	16.2	11.5	4.2	0.9	1.3	18.8	14.0	4.3	0.8	1.4	20.4	15.5	4.4	0.7	1.5
4. Goa	15.3	10.7	4.5	2.0	1.1	17.1	12.3	4.7	1.9	1.2	16.7	12.1	4.6	1.8	1.1
5. Gujarat	9.8	6.2	3.5	1.8	1.0	10.3	6.7	3.6	1.8	1.0	10.2	6.3	3.9	1.7	0.9
6. Haryana	10.5	7.1	3.3	1.3	1.0	11.7	8.1	3.5	1.5	1.0	11.3	7.7	3.5	1.5	0.9
7. Jharkhand	14.8	9.2	5.5	1.6	1.6	17.3	12.0	5.3	1.5	1.4	16.2	10.9	5.2	1.3	1.6
8. Karnataka	14.1	9.6	3.6	1.3	1.2	16.1	11.1	4.0	1.3	1.4	16.1	10.9	4.2	1.4	1.4
9. Kerala	14.6	7.1	6.4	2.0	2.8	14.2	7.2	5.8	1.9	2.3	14.3	7.4	5.7	1.8	2.2
10. Madhya Pradesh	17.0	10.7	5.2	1.7	1.4	18.0	11.7	5.2	1.6	1.5	18.0	11.5	5.4	1.6	1.6
11. Maharashtra	10.3	6.6	3.6	1.5	0.9	10.5	6.9	3.6	1.4	0.8	10.1	6.4	3.6	1.4	0.8
12. Odisha	16.1	10.7	5.1	1.2	2.2	16.5	10.5	5.8	1.7	2.2	16.9	10.4	6.2	1.7	2.3
13. Punjab	12.8	6.0	6.5	2.4	2.2	15.0	8.3	6.4	2.4	2.0	14.5	8.0	6.2	2.5	1.7
14. Rajasthan	12.9	8.3	4.5	1.9	1.4	14.2	9.7	4.4	1.8	1.5	14.5	10.0	4.4	1.8	1.5
15. Tamil Nadu	12.6	7.1	4.4	1.3	1.9	13.6	8.1	4.3	1.4	1.8	13.5	7.7	4.6	1.5	1.9
16. Uttar Pradesh	18.2	9.7	7.8	2.3	2.1	19.6	10.7	8.1	2.1	2.5	19.6	10.7	7.7	2.0	2.4
17. West Bengal	13.8	7.6	6.1	3.0	1.9	13.7	8.0	5.6	2.9	1.5	12.5	7.3	5.1	2.6	1.4
<b>II. Special Category</b>	<b>24.6</b>	<b>14.3</b>	<b>9.6</b>	<b>2.5</b>	<b>2.9</b>	<b>26.7</b>	<b>16.2</b>	<b>9.4</b>	<b>2.4</b>	<b>2.6</b>	<b>26.0</b>	<b>15.6</b>	<b>9.4</b>	<b>2.4</b>	<b>2.8</b>
1. Arunachal Pradesh	40.7	28.9	11.8	2.6	2.2	43.6	31.1	12.6	2.6	2.4	32.2	22.2	9.9	2.3	2.2
2. Assam	21.0	11.4	7.7	1.6	2.5	26.1	15.8	7.4	1.5	1.9	23.9	14.5	6.8	1.4	2.0
3. Himachal Pradesh	21.8	12.8	8.9	3.3	3.5	22.7	13.9	8.8	3.2	3.5	21.6	13.1	8.5	3.0	3.5
4. Jammu and Kashmir	34.7	19.8	14.9	3.6	5.0	33.7	19.4	14.3	3.6	4.3	36.9	20.1	16.8	4.3	4.7
5. Manipur	48.1	25.9	20.5	3.8	6.0	50.2	28.0	20.6	3.6	6.8	50.7	28.7	19.3	3.2	6.6
6. Meghalaya	29.9	20.7	9.2	1.8	2.3	32.5	24.7	7.8	1.8	1.2	35.6	27.3	8.3	1.7	1.6
7. Mizoram	53.3	35.8	17.5	3.9	4.3	58.3	40.8	17.5	3.1	3.4	50.6	35.3	15.4	2.7	2.7
8. Nagaland	39.7	20.8	18.9	3.4	4.8	43.0	23.6	19.4	3.6	5.0	42.2	23.9	19.0	3.8	5.1
9. Sikkim	37.5	19.1	18.0	2.2	2.0	36.1	18.9	16.7	2.0	2.4	36.0	19.1	16.4	1.9	2.6
10. Tripura	24.2	13.4	10.2	2.5	3.7	26.1	15.7	9.9	2.3	3.2	26.9	16.1	10.3	2.4	2.9
11. Uttarakhand	13.8	8.6	4.8	1.9	1.2	14.8	8.7	5.2	2.0	1.3	14.8	8.6	5.6	2.1	1.6
<b>All States#</b>	<b>12.0</b>	<b>7.2</b>	<b>4.4</b>	<b>1.5</b>	<b>1.7</b>	<b>13.2</b>	<b>8.3</b>	<b>4.5</b>	<b>1.5</b>	<b>1.6</b>	<b>13.0</b>	<b>8.1</b>	<b>4.5</b>	<b>1.5</b>	<b>1.6</b>
<i>Memo Item:</i>															
1. NCT Delhi	5.8	4.1	1.4	0.9	0.0	6.0	4.2	1.6	0.8	0.0	5.6	4.0	1.5	0.7	0.0
2. Puducherry	22.5	15.7	6.8	2.7	2.1	18.5	11.7	6.7	2.6	2.2	23.8	16.8	7.0	2.4	2.2

BE: Budget Estimates.

RE: Revised Estimates.

NDRE: Non-development Revenue Expenditure.

IP: Interest Payment.

RE: Revenue Expenditure.

PN: Pension.

DRE: Development Revenue Expenditure.

GSDP: Gross State Domestic Product.

#: Data for All States are as per cent to GDP.

**Source:** Based on Budget documents of state governments.

**Table IV.11: Interest Payments, Pension and Committed Expenditure**

(As per cent to GSDP)

1	2004-08	2008-10	2010-11	2011-12	2012-13 (RE)	2013-14 (BE)
	(Avg.)					
1	2	3	4	5	6	7
<b>Interest Payments</b>						
Non-Special Category States	2.7	2.0	1.8	1.8	1.7	1.7
Special Category States	3.6	2.8	2.6	2.5	2.4	2.4
All States Consolidated*	2.3	1.8	1.6	1.5	1.5	1.5
<b>Pension</b>						
Non-Special Category States	1.3	1.4	1.6	1.6	1.6	1.6
Special Category States	2.1	2.2	2.6	2.9	2.6	2.8
All States Consolidated*	1.1	1.2	1.4	1.4	1.4	1.4
<b>Committed Expenditure</b>						
Non-Special Category States	5.0	4.4	4.4	4.3	4.4	4.3
Special Category States	8.8	8.3	8.4	8.7	8.5	8.6
All States Consolidated*	4.3	4.0	4.0	3.9	4.0	4.0

\* : As a ratio to GDP. RE: Revised Estimates BE: Budget Estimates

**Note:** Committed expenditure comprises expenditure on interest payments, pension and administrative services.

**Source:** Budget documents of state governments.

### Development Expenditure

4.21 Development expenditure remains the largest component of aggregate expenditure<sup>6</sup>, although its share declined to 67 per cent in 2013-14 (BE) (Table IV.12). The share of development revenue expenditure in aggregate expenditure is budgeted to decline, while that of development capital outlay is expected to increase in 2013-14 (BE). Within development revenue expenditure,

expenditure on social services is budgeted to grow at a faster pace than that on economic services. At the consolidated level, development expenditure as a ratio to GDP in 2013-14 is budgeted to be lower, by 0.3 per cent, than in 2012-13 (RE), with the SC states budgeting for a sharper decline as compared to the NSC states. The share of loans and advances extended for development purposes in the aggregate expenditure is also budgeted to decrease in 2013-14.

**Table IV.12: Components of Development Expenditure**

(Amount in ₹ billion)

Year	Development Revenue Expenditure	Development Capital Outlay	Development Loans & Advances	Total Development Expenditure
1	2	3	4	5
2011-12	6,505.9 (50.6)	1,638.2 (12.8)	380.0 (3.0)	8,524.1 (66.4)
2012-13 (RE)	8,314.3 (52.4)	2,155.0 (13.6)	323.5 (2.0)	10,792.8 (68.0)
2013-14 (BE)	9,164.4 (51.5)	2,472.6 (13.9)	281.2 (1.6)	11,918.2 (67.0)

RE: Revised Estimates. BE: Budget Estimates.

**Note:** Figures in parentheses are per cent to aggregate expenditure. Aggregate expenditure includes revenue expenditure, capital outlay and loans & advances by state governments.

**Source:** Budget documents of state governments.

<sup>6</sup> It includes revenue expenditure, capital outlay and loans and advances by the state governments.



4.22 State-wise details show higher development expenditure as a ratio to GSDP in 10 states in 2013-14 (BE). In recent years, improvements in development expenditure in states like Bihar,

Chhattisgarh, Jharkhand and Madhya Pradesh among NSC states and Arunachal Pradesh, Manipur and Mizoram among SC states is noteworthy (Tables IV.13A and IV.13B).

**Table IV.13 A: Development Expenditure: Select Indicators**

(Per cent)

State	2004-08 (Avg.)*			2008-10 (Avg.)			2010-13 (Avg.)		
	DEV/ GSDP	SSE/ GSDP	CO/ GSDP	DEV/ GSDP	SSE/ GSDP	CO/ GSDP	DEV/ GSDP	SSE/ GSDP	CO/ GSDP
1	2	3	4	5	6	7	8	9	10
<b>I. Non-Special Category</b>	<b>10.3</b>	<b>5.9</b>	<b>2.4</b>	<b>11.2</b>	<b>6.7</b>	<b>2.6</b>	<b>11.0</b>	<b>6.9</b>	<b>2.2</b>
1. Andhra Pradesh	12.2	6.2	3.0	12.6	6.9	2.7	12.2	7.1	2.2
2. Bihar	15.7	10.4	3.7	17.4	11.2	4.5	17.0	10.6	4.2
3. Chhattisgarh	12.7	8.2	3.2	14.8	10.5	2.9	16.2	11.1	3.1
4. Goa	13.3	6.1	3.7	12.6	5.9	3.6	14.1	6.8	3.8
5. Gujarat	8.8	4.7	2.4	9.5	5.2	2.3	9.1	5.3	2.4
6. Haryana	9.3	4.3	1.6	10.3	5.7	2.4	9.1	5.4	1.5
7. Jharkhand	15.5	9.8	3.9	15.4	10.6	4.1	14.0	9.2	3.2
8. Karnataka	12.2	6.2	3.2	12.6	7.0	3.4	13.3	7.4	3.2
9. Kerala	7.6	5.4	0.6	7.7	5.3	0.9	8.5	5.7	1.5
10. Madhya Pradesh	14.5	7.3	4.4	13.8	7.6	3.4	16.8	9.2	3.1
11. Maharashtra	8.4	4.8	1.8	9.1	5.2	2.3	8.2	5.2	1.5
12. Odisha	9.3	6.2	1.6	11.8	7.6	2.4	12.5	8.2	2.2
13. Punjab	8.2	3.6	1.4	7.1	3.8	1.4	7.8	4.4	1.1
14. Rajasthan	12.0	7.6	3.0	11.8	8.3	2.3	10.9	7.0	1.9
15. Tamil Nadu	9.1	5.7	1.9	10.0	6.4	2.0	10.3	6.5	2.4
16. Uttar Pradesh	11.9	7.1	3.4	14.1	9.0	4.9	13.2	9.0	3.3
17. West Bengal	7.4	5.0	0.8	9.5	6.3	0.9	8.5	6.7	0.7
<b>II. Special Category</b>	<b>19.9</b>	<b>10.8</b>	<b>5.8</b>	<b>19.7</b>	<b>11.0</b>	<b>6.4</b>	<b>20.0</b>	<b>11.3</b>	<b>5.4</b>
1. Arunachal Pradesh	44.3	19.7	12.9	54.4	23.1	18.7	46.2	18.9	21.1
2. Assam	14.4	8.3	2.6	13.9	8.9	2.8	15.5	10.0	2.4
3. Himachal Pradesh	17.0	10.5	3.4	18.2	10.6	4.5	17.0	10.1	2.9
4. Jammu and Kashmir	27.6	12.9	10.9	28.7	13.8	13.5	27.8	12.8	9.8
5. Manipur	33.2	16.9	12.8	39.2	19.1	19.5	42.0	20.6	18.1
6. Meghalaya	18.5	10.7	3.8	19.7	10.8	4.2	26.7	14.5	5.6
7. Mizoram	47.8	24.3	14.0	43.2	26.5	10.3	48.3	26.1	10.5
8. Nagaland	23.7	12.2	8.6	23.6	11.5	9.2	31.3	14.7	11.5
9. Sikkim	47.2	26.1	17.3	37.2	20.9	14.8	27.3	16.5	9.4
10. Tripura	19.1	11.7	7.3	21.1	13.3	8.8	20.8	14.1	7.6
11. Uttarakhand	15.7	8.9	4.9	12.4	7.7	3.3	11.6	7.8	3.0
<b>All States#</b>	<b>9.1</b>	<b>5.2</b>	<b>2.2</b>	<b>10.0</b>	<b>6.0</b>	<b>2.4</b>	<b>9.8</b>	<b>6.1</b>	<b>2.1</b>
<i>Memo Item:</i>									
1. NCT Delhi	6.8	4.2	1.6	8.0	4.7	2.1	6.5	4.2	1.4
2. Puducherry	21.0	10.0	3.6	20.8	10.8	2.8	18.2	10.9	2.6

Avg.: Average. DEV: Development Expenditure. SSE: Social Sector Expenditure. CO: Capital Outlay.  
GSDP: Gross State Domestic Product. \*: Data for Puducherry pertain to 2006-07. #: Data for All States are as per cent to GDP.  
**Source:** Based on Budget documents of state governments.

Fiscal Position of State Governments

**Table IV.13 B: Development Expenditure: Select Indicators**

(Per cent)

State	2011-12			2012-13 (RE)			2013-14 (BE)		
	DEV/ GSDP	SSE/ GSDP	CO/ GSDP	DEV/ GSDP	SSE/ GSDP	CO/ GSDP	DEV/ GSDP	SSE/ GSDP	CO/ GSDP
1	2	3	4	5	6	7	8	9	10
<b>I. Non-Special Category</b>	<b>10.7</b>	<b>6.6</b>	<b>2.1</b>	<b>11.8</b>	<b>7.4</b>	<b>2.4</b>	<b>11.4</b>	<b>7.3</b>	<b>2.5</b>
1. Andhra Pradesh	12.0	6.9	2.1	12.9	7.5	2.5	12.9	7.7	2.5
2. Bihar	15.8	9.7	3.6	19.3	12.6	4.6	16.8	11.3	3.9
3. Chhattisgarh	15.3	10.6	2.9	19.0	12.6	3.9	20.7	14.0	4.2
4. Goa	13.5	6.4	3.3	15.9	7.8	4.3	15.7	8.0	4.5
5. Gujarat	8.5	5.0	2.3	9.7	5.6	3.1	9.3	5.5	3.1
6. Haryana	8.9	5.3	1.8	9.5	5.6	1.3	9.3	5.7	1.4
7. Jharkhand	11.5	7.5	2.2	16.3	10.3	4.1	14.7	9.2	3.4
8. Karnataka	13.2	7.0	3.4	14.1	8.2	2.8	13.8	8.3	2.9
9. Kerala	8.6	5.9	1.2	9.4	6.0	1.9	9.7	6.2	2.1
10. Madhya Pradesh	18.7	8.8	2.9	16.3	9.9	3.1	15.7	9.7	2.7
11. Maharashtra	8.1	5.1	1.5	8.3	5.4	1.4	7.9	5.4	1.6
12. Odisha	12.9	8.4	2.1	12.6	8.3	2.2	13.0	8.2	2.7
13. Punjab	6.6	3.9	0.6	9.8	5.7	1.5	10.1	5.9	2.4
14. Rajasthan	10.2	6.7	1.7	12.6	7.6	2.4	12.6	7.8	2.7
15. Tamil Nadu	10.4	6.3	2.5	11.1	6.9	2.6	10.1	6.5	2.6
16. Uttar Pradesh	12.8	8.8	3.2	14.0	9.8	3.4	14.3	9.7	3.8
17. West Bengal	8.2	6.7	0.5	9.2	6.9	1.0	8.6	6.5	1.3
<b>II. Special Category</b>	<b>19.0</b>	<b>10.9</b>	<b>4.8</b>	<b>22.1</b>	<b>12.3</b>	<b>6.5</b>	<b>21.2</b>	<b>11.6</b>	<b>6.3</b>
1. Arunachal Pradesh	46.2	19.9	19.0	47.2	19.6	25.9	26.4	12.2	23.5
2. Assam	13.4	8.8	2.0	19.6	11.9	3.5	20.1	11.2	4.1
3. Himachal Pradesh	16.3	9.4	2.8	17.1	10.2	2.8	16.0	9.6	2.5
4. Jammu and Kashmir	28.4	13.4	9.0	27.0	12.3	10.0	27.9	12.6	10.1
5. Manipur	39.4	19.4	16.3	42.9	21.2	17.0	46.2	19.2	19.1
6. Meghalaya	25.9	14.5	5.3	31.9	17.1	7.6	35.4	21.0	8.6
7. Mizoram	43.1	23.5	7.1	54.7	28.6	14.3	40.3	17.3	4.9
8. Nagaland	29.1	13.1	10.2	36.0	17.2	14.5	30.5	16.2	11.1
9. Sikkim	26.5	16.8	7.1	32.1	18.4	15.1	29.2	17.1	11.9
10. Tripura	19.6	13.5	7.0	24.2	16.5	9.8	21.2	14.2	9.0
11. Uttarakhand	11.3	7.8	2.5	13.1	8.5	4.2	12.7	8.4	4.0
<b>All States#</b>	<b>9.5</b>	<b>5.8</b>	<b>1.9</b>	<b>10.8</b>	<b>6.7</b>	<b>2.3</b>	<b>10.5</b>	<b>6.6</b>	<b>2.4</b>
<i>Memo Item:</i>									
1. NCT Delhi	6.4	4.3	1.3	6.3	4.3	1.3	6.5	4.1	1.3
2. Puducherry	18.0	12.1	2.6	13.6	8.7	2.3	19.7	10.2	3.3

RE: Revised Estimates.

BE: Budget Estimates.

DEV: Development Expenditure.

SSE: Social Sector Expenditure. CO: Capital Outlay.

GSDP: Gross State Domestic Product.

\*: Data for Puducherry pertain to 2006-07.

#: Data for All States are as per cent to GDP.

Source: Based on Budget documents of state governments.

4.23 Social sector expenditure (SSE) as a ratio to GDP, which had increased in 2012-13 (RE), is budgeted to decline marginally in 2013-14. SSE

as a ratio of aggregate expenditure, which has been steadily increasing since the post-crisis period, would remain unchanged at 42.4 per cent

**Table IV.14: Trends in Aggregate Social Sector Expenditure of State Governments**

(Per cent)

Item	1990-98	1998-2004	2004-08	2008-10	2010-11	2011-12	2012-13 (RE)	2013-14 (BE)
	Averages							
1	2	3	4	5	6	7	8	9
AE/GDP	14.3	14.8	14.5	14.9	14.2	14.3	15.8	15.6
SSE/GDP	5.5	5.5	5.2	6.0	5.8	5.8	6.7	6.6
SSE/AE	38.2	36.8	35.8	40.1	41.0	40.8	42.4	42.4

RE: Revised Estimates. BE: Budget Estimates. SSE: Social Sector Expenditure. GDP: Gross Domestic Product.  
 AE: Aggregate expenditure includes revenue expenditure, capital outlay and loans and advances by the state governments.  
**Source:** Budget documents of state governments.

in 2013-14 (BE) (Table IV.14). The SSE-GSDP ratios are budgeted to decline in 18 states during 2013-14 (Tables IV.13A and IV.13B). Expenditure on services like 'education, sports, arts and culture', 'housing', 'social security and welfare' and 'natural calamities' as a ratio of total expenditure on social services declined during 2011-12 to 2013-14 (BE) (Table IV.15).

## 5. Decomposition and Financing of Gross Fiscal Deficit

4.24 Capital outlay has the largest share in the consolidated GFD, accounting for around 111 per cent of GFD in 2013-14 (BE) [99 per cent in 2012-13(RE)]. While revenue surplus as a per cent of GFD is budgeted to increase significantly, net lending is budgeted to decline marginally in 2013-14 over

**Table IV.15: Composition of Expenditure on Social Services  
(Revenue and Capital Accounts)**

(Per cent to total expenditure on social services)

Item	1990-98	1998-2004	2004-08	2008-10	2010-11	2011-12	2012-13 (RE)	2013-14 (BE)
	Averages							
1	2	3	4	5	6	6	7	8
<b>Expenditure on Social Services (a to l)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
(a) Education, Sports, Art and Culture	51.9	52.6	47.3	44.3	47.7	47.2	46.4	46.1
(b) Medical and Public Health	14.7	12.1	11.3	10.4	10.5	10.5	10.7	10.7
(c) Family Welfare	1.0	2.1	1.6	1.6	1.7	1.6	1.7	1.7
(d) Water Supply and Sanitation	7.3	7.6	8.2	6.7	5.0	4.6	4.2	4.5
(e) Housing	2.9	2.9	2.9	3.1	2.8	2.7	3.0	2.9
(f) Urban Development	2.4	3.2	5.4	8.7	6.6	6.5	8.0	8.0
(g) Welfare of SCs, ST and OBCs	6.6	6.3	7.0	6.9	7.0	7.3	7.5	8.0
(h) Labour and Labour Welfare	1.4	1.1	1.1	1.0	1.0	0.9	1.3	1.2
(i) Social Security and Welfare	4.4	4.7	6.5	9.4	9.9	10.6	10.4	10.2
(j) Nutrition	2.2	2.2	2.5	3.1	3.3	3.4	3.2	3.3
(k) Expenditure on Natural Calamities	2.8	3.3	4.0	2.7	2.2	2.9	1.8	1.5
(l) Others	2.4	2.0	2.2	2.2	2.4	1.7	1.9	1.9

RE: Revised Estimates. BE: Budget Estimates.  
**Source:** Budget documents of the state governments.

**Table IV.16: Decomposition and Financing Pattern of Gross Fiscal Deficit**

(Per cent to GFD)

Item	2011-12	2012-13 (RE)	2013-14 (BE)
1	2	3	4
<b>Decomposition (1+2+3-4)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
1. Revenue Deficit	-14.2	-8.4	-19.5
2. Capital Outlay	101.7	99.2	110.5
3. Net Lending	12.9	9.2	9.1
4. Non-debt Capital Receipts	0.4	0.1	0.1
<b>Financing (1 to 11)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
1. Market Borrowings	80.4	72.1	88.2
2. Loans from Centre	0.1	2.9	4.1
3. Special Securities issued to NSSF/Small Savings	-4.8	-3.5	-2.7
4. Loans from LIC, NABARD, NCD, SBI and Other Banks	3.3	2.3	3.2
5. State Provident Fund, etc.	15.8	9.8	9.8
6. Reserve Funds	7.2	0.9	2.3
7. Deposits and Advances	10.5	7.0	2.7
8. Suspense and Miscellaneous	0.7	-1.9	-4.5
9. Remittances	-0.3	-0.8	-1.1
10. Others	-3.4	-1.4	-1.6
11. Overall Surplus (-) / Deficit (+)	-9.7	12.5	-0.4

BE : Budget Estimates. RE : Revised Estimates.

**Note** : 1. See Notes to Appendix Table 9.

2. 'Others' include Compensation and Other Bonds, Loans from Other Institutions, Appropriation to Contingency Fund, Inter-State Settlement and Contingency Fund.

**Source** : Budget documents of state governments.

2012-13(RE). Market borrowings are budgeted to finance 88 per cent of the consolidated GFD in 2013-14. NSSF investments' contribution to state governments' special securities was negative during 2011-12 to 2013-14(BE), although the net outflows under this head are budgeted to decline in 2013-14(BE). The contribution of public account items like 'deposit and advances' and 'suspense and miscellaneous' in GFD financing is expected to decline in 2013-14 (BE) (Table IV.16).

4.25 A comparison of the states' revenue and fiscal deficits in terms of GSDP with the targets set by FC-XIII shows that the performance of NSC and SC states at the consolidated level was better than FC-XIII's targets in 2011-12. In 2012-13 (RE), while the performance in terms of meeting/exceeding the FC-XIII targets for the revenue deficit-GSDP ratios, was good for NSC and SC states, the FC-XIII target for GFD-GSDP

could not be met at the consolidated level by the SC states, although it was met by the NSC states. At the consolidated level, the budget targets of key deficits for 2013-14 were better than the FC-XIII's target for NSC and SC states.

## 6. Conclusion

4.26 The GFD-GDP ratio increased in 2012-13 (RE) as a result of increase in the capital outlay-GDP ratio and a decline in surplus in the revenue account. A higher budgeted surplus in the revenue account is expected to help reduce the gap in the GFD-GDP ratio in 2013-14 (BE), even as the capital outlay-GDP ratio is budgeted to increase further during the year. Increase in revenue surplus would be generated by reducing the revenue expenditure-GDP ratio, while the revenue receipts-GDP ratio is budgeted to remain unchanged during the year.