

FOREWORD

The Reserve Bank of India (RBI) has been publishing the annual Study on State Finances since 1950-51. Till 1998-99, this study used to be published as a part of the RBI Monthly Bulletin. From 1999-00 onwards, this Study is being published as a stand-alone publication. In its endeavour to enable researchers to have easy access to time series data, the RBI brought out a 'Handbook of Statistics on State Government Finances' in 2004, which contains State-wise time series data on major fiscal indicators since 1980-81 and detailed data under revenue and capital accounts since 1990-91.

This Study on State Finances apart from presenting the statistical data, makes analysis and assessment of finances of State Governments. It is of interest to note that a special theme on 'Outstanding Liabilities of State Governments' was introduced in the Study of State finances for 2005-06. 'Social Sector Expenditure' was the special theme in 2006-07 Study. In the present Study *i.e.*, 'State Finances: A Study of Budgets of 2007-08', 'Fiscal Transfers to the State Governments' is the special theme.

The Study has been prepared in the Division of State and Local Finances of the Department of Economic Analysis and Policy (DEAP) with support from the Regional Offices of DEAP and the Division of Central Finances. Support was also received from Department of Government and Bank Accounts (DGBA) and Internal Debt Management Department (IDMD) of Reserve Bank. The Study benefited from the co-operation and insights received from Finance Departments of the State Governments and valuable technical inputs received from Ministry of Finance, Government of India, officials of CAG and Planning Commission.

The Study has been prepared under the guidance of B.M. Misra, Adviser, by Kumudini Hajra, Director, Rakhe P.B. and Dharendra Gajbhiye, Research Officers. A.K. Dharampal, T.R. Muralidharan, P.P. Joshi, B.A. Rankhambe and E. Fernandes provided support in compilation of data. The Study benefitted from suggestions made by R.K.Pattnaik, Adviser and Jeevan K. Khundrakpam, Director.

The earlier issues of the above Study (since 1950-51 onwards) are available in the Central Library of RBI at Mumbai. Starting with 2001-02, the Study is also available on the RBI's website (www.rbi.org.in). In order to improve the quality of the Study, feedback/comments on this Study are solicited. These may be sent to Director, Division of State and Local Finances, Department of Economic Analysis and Policy, Reserve Bank of India, Shahid Bhagat Singh Road, Mumbai 400 001 or through email at deapdsf@rbi.org.in.

Rakesh Mohan
Deputy Governor
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