

# Taking Stock: State Budget Priorities

2015-16 to 2017-18

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## Abbreviations

AMRUT	Atal Mission for Rejuvenation and Urban Transformation
AYUSH	Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy
BCADF	Big Cities Amenities Development Fund
BE	Budget Estimate
CIDF	City Infrastructure Development Fund
CSR	Corporate Social Responsibility
CSS	Centrally Sponsored Schemes
DDGs	Demands for Grants
ECCE	Early Childhood Care and Education
FC	Finance Commission
FD	Fiscal Deficit
FFC	Fourteenth Finance Commission
FRBM	Fiscal Responsibility and Budget Management
GFD	Gross Fiscal Deficit
GSDP	Gross State Domestic Product
HFA	Housing for All
ICDS	Integrated Child Development Services
IGMSY	Indira Gandhi Matritva Sahyog Yojana
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
NFSA	National Food Security Act
NHM	National Health Mission
NIPFP	National Institute of Public Finance and Policy
OOPE	Out of Pocket Expenditure
PMAY	Pradhan Mantri Awas Yojana
PMGSY	Pradhan Mantri Gram Sadak Yojana
PMMVY	Pradhan Mantri Matru Vandana Yojana
RBI	Reserve Bank of India
RE	Revised Estimate
RKVY	Rashtriya Krishi Vikas Yojana
RMSA	Rashtriya Madhyamik Shiksha Abhiyan
RUSA	Rashtriya Uchchar Shiksha Abhiyan
SCERT	State Council of Educational Research and Training
SCM	Smart Cities Mission
SCSP	Scheduled Caste Sub Plan
SSE	Social Sector Expenditure
TSP	Tribal Sub Plan
UDAY	Ujwal DISCOM Assurance Yojana
VAT	Value Added Tax

## 1. Key Findings

The analysis covers 25 States, viz., Assam, Bihar, Chhattisgarh, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Meghalaya, Mizoram, Nagaland, Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Tripura, Uttarakhand, Uttar Pradesh and West Bengal. The 11 sectors included in this analysis are: the 6 Social Sectors (viz. Agriculture and Allied Activities; Food, Civil Supplies & Cooperation; Rural Development and Panchayati Raj; Social Welfare; Education; Health), and, 5 other sectors (viz. Power; Public Works; Irrigation and Water Resources; Environment & Forests; Urban Development & Housing). The financial year 2014-15 is the only year before the beginning of the Fourteenth Finance Commission's recommendation period (i.e., 2015-16 to 2019-20), for which the State Budget figures are complete in terms of including Union Government funds for all Central Schemes. Hence, the data from State Budgets for 2015-16 onwards can be compared only with those for 2014-15 and not those of the prior years. Some of the key findings of this study are:

### On Overall Fiscal Space and Priority of Spending for Social Sectors:

- The level of spending on several of the social sector schemes in 2014-15 (Actuals) had been less than those of the previous years, and also less than the Budget Estimates (BE) for that year. One of the reasons for smaller actual expenditures in 2014-15 than the Budget Estimates (BE) was the Union Government's decision to adhere to the 3 per cent limit in the Fiscal Deficit target. This bears an important implication for our study as the base (i.e., 2014-15 Actuals) with which we are comparing figures for the subsequent years is itself a low one. Hence, any increase in expenditure in the following years is from a low base, which might have the effect of portraying an inflated trend in spending across departments for later years.
- The fiscal space of States measured in terms of the total State Budget as a percentage of Gross State Domestic Product (GSDP), has expanded during the first three years of the Fourteenth Finance Commission (14th FC) period for most states. The budgetary expenditure of 25 study states taken together has increased from 16.8 per cent of GSDP in 2014-15 (A) to an average figure of 18.1 per cent of GSDP for the first 3 years of the 14th FC period (i.e., 2015-16 Actuals, 2016-17 RE and 2017-18 BE).
- The 9 Priority States (relatively poorer) (viz. Assam, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Rajasthan, Uttar Pradesh and West Bengal) have raised their total State Budget from 20.4 per cent of GSDP in 2014-15 (A) to 23.1 per cent of GSDP (average for the three years from 2015-16 to 2017-18).
- The increase in fiscal space of the states is not uniform across states. Large increases were registered by Punjab (19.9 % to 26.8 %), Uttar Pradesh (22.6% to 27.1 %), Assam (23.6 % to 28.6 %), Chhattisgarh (20.7 % to 24.8 %), Jharkhand (20.3 % to 24.9 %) and Odisha (21.5 % to 24.7 %). On the other hand, the size of budget in proportion to GSDP declined for states such as Karnataka (18.1 % to 15.1 %) and Maharashtra (12.2 % to 11.9 %).
- There is wide disparity in the priorities accorded to budgets for social sectors (viz. Agriculture and Allied Activities; Food, Cooperation and Civil Supplies; Rural Development and Panchayati Raj; Social Welfare; Education; and Health) in different States.

- Taking all 25 States together, the budget assigned to social sectors showed just a one percentage point increase from 42 per cent in 2014-15 to an average of 43 per cent in the 14th FC period. A more visible increase of such spending was observed for the 'Priority-9 States' category from 43 per cent to 46 per cent, whereas, it remained stagnant at 42 per cent for the category 'Better-Off 7 States' and 35 per cent for the 'Remaining 9 States' category.
- Among the 9 Priority States, Uttar Pradesh (41 % to 46 %), Bihar (to 44 % to 48 %), Jharkhand (41 % to 45 %), Madhya Pradesh (40 % to 43 %) and Odisha (52 % to 54 %) have registered noticeable increases in the priority for Social Sectors (i.e., the six sectors mentioned above) in their State Budgets.
- However, for Assam the share of Social Sectors has declined from 46 per cent of the State Budget in 2014-15 (A) to 44 per cent of the State Budget for the 14th FC period. Chhattisgarh recorded a marginal decline in the share of Social Sector budget from 55 per cent to 54 per cent during the same period.
- Gujarat presents a unique case where allocation to the 11 core development sectors (including Social Sectors) has witnessed a significant decline from 70 per cent of the total budget to 62 per cent during the same period.
- In the first 3 years of the 14th FC Period, the Average of Per Capita Per Annum Budgetary Spending (on all 11 sectors taken in this analysis) of the 7 economically better-off States (viz. Gujarat, Haryana, Karnataka, Kerala, Maharashtra, Punjab and Tamil Nadu) at Rs 17,000 is nearly 1.5 times that of the 9 Priority States which is at Rs 12,000.
- The gap between the State with the largest per capita per annum spending on these 11 sectors (Haryana with Rs 21,000) and the State at the bottom (Bihar with per capita per annum spending of Rs 9,000) is striking.
- The share of borrowings (equal to the amount of the Fiscal Deficit) as a means for financing the budget has remained stagnant at 15 per cent for all 25 study States taken together. For the 'Priority-9 States' category, the share of the fiscal deficit in financing their budget has declined from 14 per cent to 13 per cent. While for the 'Better-Off 7 States' it has increased from 17 per cent to 19 per cent. This clearly implies that the growth in the fiscal space for the priority States is not debt led.
- The fiscal deficit (average) increased only marginally from 2.6 per cent to 2.8 per cent for the 'Priority-9 States', while for the 'Better-Off States', the increase has been more visible from 2.65 per cent to 3.32 per cent of GSDP. The 9 Priority-States, the majority of which are placed at the bottom of the development ladder, are running revenue account surpluses like Bihar (2.1%), Chhattisgarh (1.5%), Jharkhand (2.2%), Madhya Pradesh (0.9%), Odisha (2.2%) and Uttar Pradesh (1.7%). This implies that these states are not utilising the fiscal space for development expenditure, given the constraints of the FRBM Act.
- **Agriculture and Allied Activities:** A mixed pattern has been observed across the study States with regard to the budget priority for this sector in the 14th FC years. Uttar Pradesh, Jharkhand, Punjab, Haryana and West Bengal have recorded substantial increases in allocations for this

sector while States such as Assam, Rajasthan and Odisha have shown moderate increases. Chhattisgarh is the only state recording a decline in budget allocations for the agriculture sector even in absolute numbers.

- Rural Development & Panchayati Raj:** The average budget allocation / expenditure on this sector, taking all 25 States included in this analysis, has registered an increase of 37 per cent during the 14th FC years (i.e. the first three years) as compared to 2014-15. In 10 of the 16 larger States included here, the increase in budgets has been to a higher extent than the extent of increase in the total State Budget during the 14th FC period. States such as Odisha, Maharashtra, Madhya Pradesh, Karnataka, Jharkhand, Haryana, Bihar, Assam, and Chhattisgarh have recorded sizeable increases in the budget for this sector during this period.
- Education:** Though all the States have increased their spending on this sector in terms of absolute numbers, the picture is mixed if we study the priority for Education sector in the total State Budget. Of all the 25 States, only seven, viz. Chhattisgarh, Jammu & Kashmir, Delhi, Himachal Pradesh, Uttar Pradesh, Sikkim and Rajasthan have accorded a higher share to education in their respective State Budgets as compared to 2014-15.
- Health:** Of the 25 States studied, in around 13 States, the extent of increase in the health budget is higher than the extent of increase in the total State Budget. Of these 13 States, Assam, Bihar, Mizoram and Himachal Pradesh have increased the allocation towards the health sector substantially. In terms of per capita health sector expenditure, we observe wide inter-State variations; at one end of the spectrum is Sikkim (which spends about Rs 4,850 per capita) and at the other end is Bihar (which spends only Rs 638 per capita). Thus, inter-State disparity in public expenditure on the health sector seems to have worsened during the 14th FC period.
- Social Welfare:** In States such as Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Mizoram, Rajasthan, Sikkim, Tamil Nadu, Uttarakhand and Uttar Pradesh, the extent of increase in the expenditure / allocation for the Social Welfare sector during the 14th FC period (over 2014-15) was higher than the extent of increase in the total State Budget over the same period. Chhattisgarh is the only State, where the Social Welfare expenditure has declined in absolute terms in the 14th FC period.
- Urban Development and Housing:** While most States incurred substantive expenditure on this sector, Assam, Maharashtra and Uttarakhand have recorded the highest jumps in allocations (with percentage changes being as high as 345, 167 and 151, respectively). Gujarat stands out as the only State that has shown a decline in allocation for this sector in the 14th FC period.
- Overall, the priority for Social Sectors (in terms of their shares in State Budgets) in the relatively poorer / priority States has not declined during the 14th FC years. Given that the magnitude of the total State Budget has increased in these three years, even stagnation in the share of the Social Sectors in the State Budget has translated into higher levels of allocations in absolute numbers.
- Some of the relatively poorer / priority States have even recorded substantial increases in the

allocations for specific social sectors, which is an encouraging trend. However, the trends vary across the States, and there is no consistent pattern of increase in priority either for all six Social Sectors or for any specific sector.

- Inter-State disparity in per capita per annum budgetary expenditure on different social sectors appears to have widened further during the 14th FC years, which implies the share of Union Budget resources allocated to Central Schemes in social sectors continues to be important. But the emerging emphasis on restructuring fund transfer mechanisms in Central Schemes towards incentivising the ‘performance by States’, pose major concerns for the availability of public resources to relatively poorer States in the coming years.

## 2. Objectives, Scope, Methodology and Limitations

This present analysis attempts to look into the budget priorities of select States for social and other sectors, post the changes introduced due to the 14th Finance Commission (FC) recommendations. To this end, the State Budget expenditure / allocations and revenues have been analysed for the last four financial years (FYs), i.e., 2014-15 (Actuals), 2015-16 (Actuals), 2016-17 (Revised Estimates) and 2017-18 (Budget Estimates). The key research questions addressed in this analysis are:

- What has been the impact of the implementation of the 14th FC recommendations on the fiscal space of the States?
- Given the increase in untied funds available to the States, has there been an increase in their spending capacity?
- How have the social sectors been prioritised by States during the first three years of the 14th FC period, i.e., 2015-16, 2016-17 and 2017-18, over the actual spending in 2014-15?
- Which are the components within the social and other sectors that have witnessed a significant increase / decrease in allocations?

### Scope of the Study

The analysis carried out covers 25 States, viz., Assam, Bihar, Chhattisgarh, NCT of Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Meghalaya, Mizoram, Nagaland, Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Tripura, Uttarakhand, Uttar Pradesh and West Bengal. The NCT of Delhi has been included in our study because it has been spending substantially on social sectors over the last few years. However, Delhi is outside the purview of the 14th FC, unlike the other States considered for this analysis.

Collation of data for some States on certain indicators has not been possible, and in those instances, the particular States have been kept out of the analysis for those specific indicators. For instance, data pertaining to Gross State Domestic Product (GSDP) for States such as Himachal Pradesh and Tripura are not available and hence, have been kept out of the analysis. Similarly, data pertaining to the Fiscal Deficit (FD) is also not available for States such as Assam, Meghalaya and Sikkim.

For the purpose of easier classification, these States have been placed in different brackets based on developmental and demographic indicators. The first of these classifications is the ‘Priority 9 States’



which are relatively poorer States as well as the major focus of our study. These 9 States are Assam, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Rajasthan, Uttar Pradesh and West Bengal. To capture the better performing States, we have selected the 'Better-Off 7 States' which are Gujarat, Haryana, Karnataka, Kerala, Maharashtra, Punjab and Tamil Nadu. The 'Special Category and Himalayan States' have been clubbed together under the 'Remaining 9 States' category. These include NCT of Delhi, Himachal Pradesh, Jammu & Kashmir, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Uttarakhand.

Budget data on various indicators of both receipts and expenditure for 2014-15 (Actuals), 2015-16 (Actuals), 2016-17 (Revised Estimates) and 2017-18 (Budget Estimates) have been collated for the purpose. The data till 2013-14 is strictly not comparable with the later years because the Union Budget outlays for a number of Centrally Sponsored Schemes (CSSs) used to get transferred directly to the implementing agencies without being routed through the State Budgets. Hence, the State Budget data till 2013-14 did not reflect the complete allocations, combining both the Central and States' share, for these CSSs. It is for this reason that we have restricted our period of analysis from 2014-15 (Actuals) onwards to ensure strict comparability of data across the years. The period of the 14th FC has been represented by the three available time periods, 2015-16 (Actuals), 2016-17 (Revised Estimates) and 2017-18 (Budget Estimates).

### **Methodology and Data Sources**

The analysis carried out in this report is based on desk review and data taken from secondary sources. The budget documents that have been used to collate data across sectors and for different States are: Detailed Demands for Grants (DDGs), Annual Financial Statements, Budget at a Glance and Detailed Estimates of Receipts for different states. In the analysis of sector-wise priorities for State Budgets, the expenditure figures have been collated from the Detailed Demands for Grants for respective States.

We have compiled data for different sectors across 25 States by culling out data from DDGs based on the administrative classification of departments. The reason for doing this exercise department-wise instead of following a 'Major Head' wise classification is to be able to track the spending accountability of the concerned State departments for different sectors. The details of demands which have been brought together to compute sector-specific allocation indicators are explained in details in the Annexure (Concordance Table).

In calculating the sector totals and other indicators, the Plan and Non-Plan distinction has been done away with to be in sync with several State Budgets of 2017-18. Moreover, the Revenue and Capital distinction, too, has been kept out of this analysis while analysing the sectoral priorities of State governments. We have compared the 2014-15 Actuals with the 3-year averages of the 14th FC period, i.e., 2015-16 (Actuals), 2016-17 (Revised Estimates) and 2017-18 (Budget Estimates) in this analysis. The simple average of receipts and expenditures has been computed and growth of such receipts and expenditures has been compared with the actual receipts and expenditure of 2014-15.

In the analysis of sector-wise priorities in different State Budgets, this report covers 11 sectors. Name of these sectors and their descriptions are given as under:

Sector	Description
Agriculture and Allied Activities	This sector captures the expenditure incurred by the Departments of Agriculture, Animal Husbandry, Dairy Development and Fisheries.
Food, Civil Supplies & Cooperation	Expenditure under the Co-Operation & Food, Civil Supplies & Consumers Affairs Department has been compiled under this sector.
Rural Development and Panchayati Raj	This sector comprises expenditure through the Panchayati Raj and Rural Development departments of state governments.
Power	This sector captures the expenditure incurred on Power and Energy through detailed demands for grants on Power & Non-Conventional Energy Sources.
Public Works	This sector comprises allocations to and spending on Public Works through demands for grants of Buildings, Transport-Bridge, Transport-Roads, etc. by state governments.
Irrigation & Water Resources	This sector comprises of the expenditure made on Irrigation and Water Resources related works under the departments of Major Irrigation, Medium Irrigation and Flood Control.
Environment & Forests	This sector includes the budget allocations and expenditure on Forest and Environment related works by the forest and environment departments of state governments.
Urban Development and Housing	The sector captures allocations and expenditure by the Urban Development and Urban Housing Department(s) of state governments.
Social Welfare	This sector includes expenditure on social welfare incurred by state governments through detailed demands for grants for Social Justice and Empowerment (Welfare of SCs), Tribal Welfare, Women and Child Development, Welfare of OBCs, Minorities, Disabled & Senior Citizens.
Education	The sector records allocations and expenditure by various administrative departments, including the Elementary Education, Secondary Education, University and Higher, SCERT, Adult Education, Art & Culture, Sports & Youth Welfare, and Technical Education departments.
Health	This sector records allocations and expenditure related to health and family welfare under the detailed demand for grants for Public Health, Family Welfare, and Medical Education & AYUSH.

Among these sectors, allocations for Agriculture and Allied Activities, Food, Civil Supplies and Cooperation, Rural Development and Panchayati Raj, Social Welfare, Education and Health have been clubbed together to arrive at an extended definition of 'Social Sectors' than what is commonly found in budget documents. Apart from these social sectors, a number of other sectors have been analysed in the report to ascertain the allocation priorities and spending of State governments during the 14th FC period.

The budget for Social Welfare for the States has been computed by adding a number of different components, such as the budgets for departments / demands pertaining to welfare of Women, Children, Scheduled Castes, Scheduled Tribes, and Persons with Disabilities, Religious Minorities, Widows and Senior Citizens. In some states, the budgets for Scheduled Caste Sub Plan (SCSP) and Tribal Sub Plan (TSP) are presented as separate demands as a part of the State Budget. For these States, the respective SCSP and TSP budgets have also been included in the social welfare budget for our analysis. However, in other States, the budgets for SCSP and TSP are reported within the departmental budgets. In those States, only the SCSP and TSP components within the nodal departments for social welfare have been included in budgets for social welfare. The SCSP and TSP budgets falling under other departments (such as Health or Education etc.) have been included in those respective sectors.

### Limitations

This analysis has certain gaps and faced certain challenges, which need to be kept in mind while reading through it. These are:

- The coverage of this study is restricted to 25 States. The States that could not be incorporated are Andhra Pradesh, Telangana, Goa, Manipur and Arunachal Pradesh. The reasons for leaving these States out are as follows:
  - For Goa, Manipur and Arunachal Pradesh, unavailability of detailed budget data for the entire period considered in this study has made them unsuitable for inclusion.
  - The figures for Telangana and Andhra Pradesh exhibit certain inconsistencies in certain macro indicators such as Gross State Domestic Product (GSDP), Fiscal Deficit, etc. for different years. It is due to this lack of consistency that the data from these two States has been kept out of this analysis.
- Spending on several social sector schemes in 2014-15 (Actuals) was less than in previous years. Hence, 2014-15 (Actuals) can be considered to be an outlier. One of the reasons due to which the actual expenditure in 2014-15 had been much lower than the Budget Estimates (BE) for that year was the decision by the Union Government to contain the Fiscal Deficit. This bears an important implication for our study due to the fact that the base (i.e., 2014-15 Actuals) with which we are comparing figures for later years is itself a low one. Hence, any increase in expenditure must be viewed in the light of that low base, which might have the effect of making spending across departments in later years appear inflated.
- Budgetary allocations for CSSs do not form a part of this analysis because of the following reasoning: from a technical perspective, in a number of States in the 14th FC period, governments have allocated funds for schemes that are named differently from the CSS but

essentially have similar provisions and objectives. The MAMATA scheme in Odisha is an example in this regard; it has objectives similar to the central scheme Pradhan Mantri Matru Vandana Yojana (PMMVY- erstwhile, IGMSY). Hence, additional resources contributed by many States do not reflect in the CSS, but are channelled into State Plan Schemes with names different from the corresponding CSS. This makes it difficult to track the allocations made to CSSs across States and hence they have been kept out of this analysis.

- In spite of the precautions, we have taken while collating data pertaining to receipts and expenditure by the State governments analysed in this report, strict comparability of indicators across different States cannot be ensured.

## 3. Review of Literature

### State Budgets post 14th FC Recommendations: What we already know

Following the recommendations of the 14th Finance Commission (FFC), the transfer of resources by the Centre to the States has undergone substantial changes, with far reaching implications for both the fiscal performance of states and their spending priorities, especially in terms of social sectors. The following is a brief review of how different organisations and experts have viewed these issues.

#### 3.1 States received more resources overall from the Centre

The resource transfer from the Centre to the states has undergone both quantitative and qualitative changes since 2015-16. On the one hand, states' share in the divisible pool of Central Taxes has jumped from 32 per cent to 42 per cent. On the other hand, this increase of 10 percentage points has been associated with a cut in Grants-in-Aid (combining both non-plan and plan grants) from the Centre, whereby fewer amounts are now made available to states to implement CSSs, and for their plan expenditure. What this implies is that states now have a larger proportion of untied funds at their discretion, and this amounted to almost 57 per cent of their total central transfers in 2017-18 (BE) (Chakraborty et al., 2017).

In this context, some experts have pointed out that the increment in untied funds obtained from the Centre is not as significant as has been popularly discussed. Rao (2017) argued that in accordance with the 14th FC Terms of Reference, it was necessary to consider the total revenue expenditure needs of states without making a distinction between Plan and Non-Plan expenditure. This necessitated the subsuming of State Plan Schemes (Grants based on the Gadgil Formula), equivalent to about 5.5 per cent of the divisible pool, under the umbrella of its recommendations. Moreover, the Centre's decision to discontinue discretionary or specific purpose grants (amounting to 1.5 % of the divisible pool) freed up further resources for states. Thus, the effective increase in central devolution in 2015-16 stood at 3 percentage points — from 39 per cent to 42 per cent — over the previous year.

The CSSs themselves have undergone a restructuring in light of the 14th FC recommendations, whereby they have been segregated into 'core' and 'optional' groups, with different implications for fund sharing between the Centre and the states for each. While the implementation of the 'core' schemes, like schemes on social protection and social inclusion, remains mandatory, states are free to choose the optional schemes they wish to execute (NITY Aayog, 2015). In this context, Accountability Initiative's (AI) report talks about an alternative, outcome-based financing model for CSSs in the specific context of elementary education in the country (for details see- Aiyar et al., 2015).

The decline in the transfer of tied funds to the states (mainly in the form of reduced allocations for Centrally Sponsored Schemes) saw a reversal in trend in the Union Budget for 2017-18. The study



(CBGA, 2017) revealed that several major social sector ministries have witnessed either a marginal increase in allocation over their 2016-17 RE figures or have retained already existing levels of the previous year. The trends are similar even when the expenditure for the selected social sector ministries is presented as shares of GDP over the years. Similarly, putting together the untied devolved amounts and the tied grants from the Centre, the states, in effect, have received more funds over the first 3 years of the 14th Finance Commission (Das et al., 2017).

### **3.2 The fiscal position of states deteriorated despite the increase in Central transfers.**

Several analytical documents brought out by the Reserve Bank of India (RBI), National Institute of Public Finance and Policy (NIPFP), etc. have pointed out that the consolidated finances of states have witnessed a downward trend in recent years as compared to the period prior to the commencement of the 14th Finance Commission (i.e., 2011-12 to 2014-15). It has been highlighted that for the first time after 2004-05, the Gross Fiscal Deficit-Gross Domestic Product ratio (GFD-GDP ratio) had crossed the 3 per cent ceiling of “fiscal prudence” (RBI, 2017) as acknowledged by the Fiscal Responsibility and Budget Management (FRBM) Act in 2015-16 (RE), and was budgeted to decline further to 3.67 per cent in 2016-17(RE).

Chakraborty et al. (2017) delves further into the issues of state finances based on the state budgets of 2017. The analysis carried out in this report showed that while the Union Government has seen fiscal consolidation over the period from 2011-12 to 2017-18(BE), state finances have taken an opposite trajectory, whereby all major fiscal indicators, such as the fiscal, revenue and primary deficits, as well as outstanding liability amounts, have deteriorated. In 2017-18, the fiscal deficit of all states as a percentage of GDP was budgeted to be around 2.69 per cent, with 11 states budgeting for the FD-GDP ratio exceeding 3 per cent. The brief resonates with the RBI citing the states’ decision to take over the financial and operational liabilities of state power distribution companies under the UDAY<sup>1</sup> scheme as one of the primary reasons for increased deficits in many states. In accordance with the RBI’s data, during 2015-16, eight states (Bihar, Chhattisgarh, Haryana, Jammu & Kashmir, Jharkhand, Punjab, Rajasthan and Uttar Pradesh) had borrowed funds under UDAY and this number rose to 13 (Uttar Pradesh, Maharashtra, Haryana, Punjab, Rajasthan, Bihar, Jammu & Kashmir, Andhra Pradesh, Tamil Nadu, Himachal Pradesh, Telangana, Madhya Pradesh and Meghalaya) in 2016-17. In addition, the increase in outstanding liabilities for a number of states can be attributed to the additional borrowing by the states in view of the relaxed limits recommended by the 14th FC. An additional concern has been farm-loan waivers, which are adding to the fiscal burden of states.

### **3.3 The performance of states in terms of their Own-Tax Revenues was not impressive during 14<sup>th</sup> Finance Commission period.**

NIPFP’s analysis (by Chakraborty et al., 2017) draws our attention to a declining trend in the aggregate own revenues of states as a percentage of Gross State Domestic Product (GSDP) between 2011-12 and 2017-18. This is mainly attributed to the fall in own-tax revenues (constituting the major chunk of a state’s own sources of revenue) for many of the states, while their own non-tax revenues remained fairly stagnant during the same period. All three major sources of tax revenues for states, i.e., the Sales Tax / VAT, State Excise and Stamp & Registration

<sup>1</sup> UDAY is Ujwal DISCOM Assurance Yojana

Fees, accounting for 85 per cent of total own tax revenues, saw a marginal decline in this period when calculated as a percentage of GSDP. This cumulatively added to a lower level of tax collection by states from their own sources. In terms of numbers, a majority of 19 states reported reduced amounts of tax revenue collections (measured as a percentage of GSDP) in 2015-16 in comparison to the previous year; the number stood at 14 for 2016-17; and 13 in the 2017-18 BE figures.

### **3.4 The rise in capital expenditure of states did not keep pace with the increase in funds available.**

Experts have pointed out that the increment in capital expenditure in state budgets was not as much as expected in view of more funds being available to states post 2015-16. The possible reason for such a trend is the heavy burden of debt repayment that states have undertaken in the last few years. Repayment of loans is a prominent part of total capital expenditure by states, and higher spending on loan repayment has a direct implication on funds available for other heads of capital expenditure, such as infrastructure creation. (Gyam and Khullar, 2016), in their analysis of 17 state budgets of 2016-17, pointed out that in the 5-year period between 2013 and 2017, these states, on average, spent over 21 per cent of their total receipts (excluding borrowings) on debt servicing. States such as Punjab and West Bengal spent as much as 70 per cent and 58 per cent, respectively, on debt servicing. In fact, it has been also been argued that the surplus that accrued in the revenue accounts of several states was utilized to finance the debt in the capital account. This was especially true for poorer states, which tried to contain the quantum of borrowing to finance their Capital Account Expenditure by shifting a part of their revenue account surplus to address capital expenditure (Das et al., 2017). This has serious implications for spending on social sectors by these states, as has been discussed in the following point.

### **3.5 How has the expenditure on social sectors changed during the 14th FC recommendations?**

As has been mentioned earlier, the restructuring of the fund transfer architecture has increased the autonomy of states in deciding their spending priorities. This, coupled with the reduced amounts shared by the Centre for several Centrally Sponsored Schemes over the last few years, has put a greater onus on states in determining how much they want to or are able to spend on social sectors. Several analyses have revealed that there exists no uniform pattern so far as social sector spending in the country is concerned and the picture that emerges is at best a mixed one with wide disparities both across states and different sectors.

The RBI's report on state finances for 2016-17 has commented that although at an aggregate level, social sector expenditure (SSE) was budgeted to increase both as a proportion of GDP and as aggregate expenditure in 2016-17, when analysed on the basis of disaggregated data, 13 states had allocated less funding for social sectors in comparison to the previous year. A similar picture of state-wise disparities can be found in the analysis put forward by NIPFP, whereby a number of states cut their spending on education, health and social services between 2014-15 and 2015-16 as a percentage of GSDP. Further, NIPFP's analysis reveals that there exists a marked disparity across sectoral spending as well.

CBGA's analysis of 10 states<sup>2</sup> across 13 social sectors<sup>3</sup> reveals that except for Jharkhand and Odisha, the share of social sectors in total expenditure by states (among the selected states) declined in 2016-17 (BE) as compared to 2015-16 (RE). There is also a huge difference in allocations in terms of per capita calculations, with states such as Chhattisgarh and Odisha spending the highest amounts while Uttar Pradesh and Bihar had some of the lowest per capita spending figures for social sectors. In terms of sectoral priorities, Urban Development & Housing has fared well for all the 10 states considered for this analysis. On the other end of the spectrum, the budgetary priority for the Social Welfare sector has barely witnessed any visible increase for the selected States. However, for other social sectors, such as Education, Health, Drinking Water and Sanitation, the picture that emerges is a mixed one. The lower priority attached to the Health sector by states such as Maharashtra and Jharkhand is a major source of concern in this context.

CBGA's calculations reveal that only Maharashtra and Tamil Nadu had projected a Revenue Deficit in 2016-17 (BE), whereas the remaining 8 economically weaker states had budgeted for a revenue account surplus. This tendency of adhering to a lower fiscal deficit level by running a surplus in the revenue account runs the potential risk of the relatively poorer states under-prioritising social sectors. In such a scenario, it has been argued that regional disparities can aggravate in the long run. A higher tax-GDP ratio for the country translating into a bigger pie of the divisible pool, coupled with an improvement in states' own tax collection efforts is the only visible solution to address the above problem.

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<sup>2</sup> The 10 states are Maharashtra, Tamil Nadu, Madhya Pradesh, Rajasthan, Jharkhand, Odisha, Bihar, Chhattisgarh, Uttar Pradesh, Assam

<sup>3</sup> The Social Sectors taken for CBGA's calculations are: Education, Health & Family Welfare, Drinking Water & Sanitation, Nutrition, Social Security & Welfare, Welfare of Backward Sections, Sports, Art & Culture, Rural Development, Food Storage & Warehousing, Panchayati Raj, Agriculture & Allied Sectors (Animal Husbandry, Dairy, and Fisheries), Irrigation & Water Resources, and Cooperation and Food & Civil Supplies.

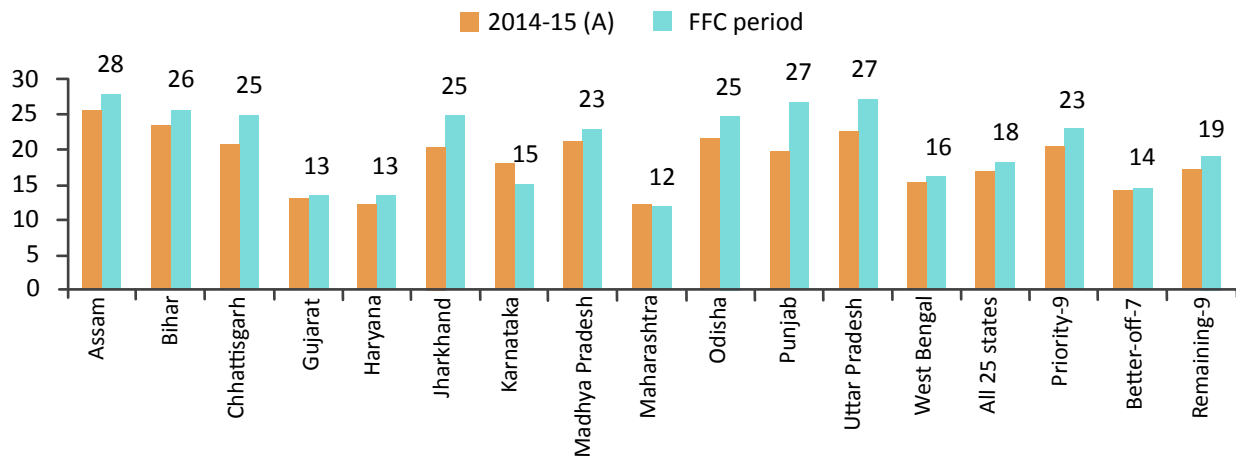
## 4. Analysis of Fiscal Space and Budgetary Priorities of Key Sectors

As mentioned in the previous section, the 14th FC recommended a significant increase in tax devolution to States from the existing 32 per cent of the divisible pool of taxes to 42 per cent, the single largest increase recommended by any Finance Commission in India. It may be noted that the preceding two Finance Commissions had recommended an increase in States' share in the divisible pool of central taxes by 1.5 per cent and 1 per cent, respectively. This rise in the share of States in Centrally collected taxes was followed by a freezing of grants-in aid to States in absolute terms (implying it had fallen as a percentage of both GSDP and State Budgets as well) in 2015-16. In the first half of this section, we will examine the performance of States with respect to growth in their budgetary spending, the quantum of resource transfer from the Centre, the size of other sources of receipts mobilised, and the deficit trends during the first three years of the 14th FC Period under review. Later, we will analyse the patterns of prioritisation of the budget across key sectors, including education, health, rural development, urban development, social welfare, power, public works, etc. The analysis will reflect the patterns of expenditure across the 'Priority-9 States', 'Better-Off 7 States' and the 'Remaining-9 States' to compare the performance across states.

### 4.1 Has the Fiscal Space of States Increased?

The fiscal space of States, as a percentage of GSDP, has expanded during the first three years of the 14th FC period. The budgetary expenditure of the 25 States taken together has increased from 16.8 per cent in 2014-15 (A) to an average of 18.1 per cent during the 14th FC period. The 'Priority-9 States' have raised their budget from 20.4 per cent in 2014-15 (A) to 23.1 per cent, while expansion in fiscal space for the 'Better-off 7 States' has been less steep, from 14.1 per cent to 14.4 per cent of GSDP. The group of 'Remaining-9 States' has seen an increase in budget size from 17.2 per cent to 18.8 per cent of GSDP in the same period. The graph (Figure 1) below portrays the pattern of fiscal expansion across States.

**Figure 1: State Budget as % of GSDP: 2014-15 (A) and Average for the First Three Years of the 14th FC Period**



**Notes:**

- 1. The 25 States are:** Assam, Bihar, Chhattisgarh, Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Meghalaya, Mizoram, Nagaland, Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Tripura, Uttarakhand, Uttar Pradesh and West Bengal.
- 2. Priority 9 States:** Assam, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Rajasthan, Uttar Pradesh and West Bengal.
- 3. Better-Off 7 States:** Gujarat, Haryana, Karnataka, Kerala, Maharashtra, Punjab and Tamil Nadu.
- 4. Remaining 9 States:** NCT of Delhi, Himachal Pradesh, Jammu & Kashmir, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Uttarakhand.

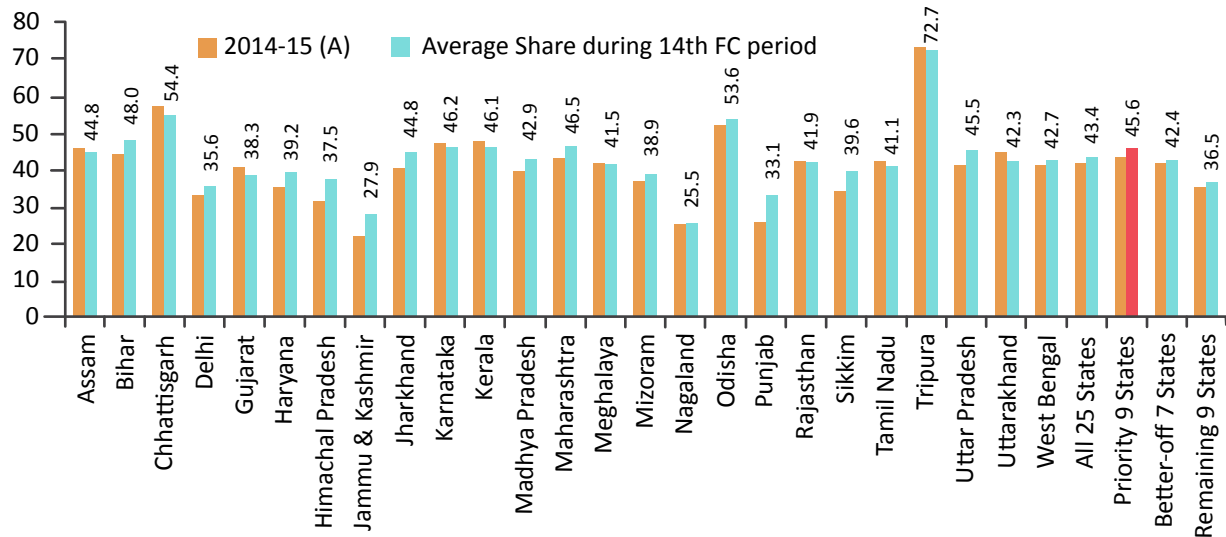
*Source: Compiled by CBGA from State Budget documents*

During the 14th FC period, the fiscal space has increased across States. However, the magnitude of the budget increase is far from uniform across the States. Large increases were registered by Punjab (from 19.9 per cent in 2014-15 (A) to 26.8 per cent in the 14th FC period), Uttar Pradesh (from 22.6% to 27.1%), Assam (from 23.6% to 28.6%), Chhattisgarh (20.7% to 24.8%), Jharkhand (20.3% to 24.9%) and Odisha (21.5% to 24.7%). On the other hand, the share of the budget in the GSDP declined for states such as Karnataka (from 18.1% to 15.1%) and Maharashtra (from 12.2% to 11.9%).

The trend of steep increases in the budget has been higher than the growth of the economy (measured by GSDP growth) during the 14th FC period. It is more pronounced for the 'Priority-9 States', wherein GSDP grew by 25 per cent and the increase in social sector spending was 50 per cent. The 'Better-off 7 States' registered a 29 per cent increase in GSDP, while their budget and social sector spending grew by 31 per cent and 34 per cent, respectively. The increase in the fiscal space of states (particularly the 'Priority-9 States' is reflected in their social sector spending also.



**Figure 2: Share of Social Sectors in the Total State Budget: 2014-15 (A) and First Three Years of the 14th FC Period (in %)**



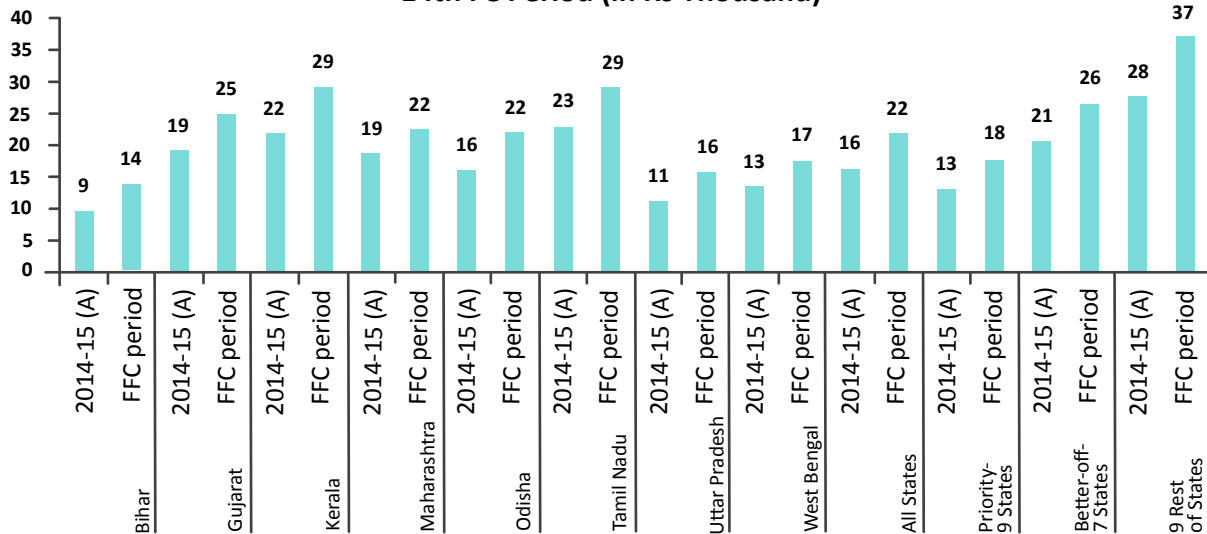
Note: **“Social Sectors”** in this analysis is the aggregate of six sectors, viz. Agriculture and Allied Activities; Food, Civil Supplies and Cooperation; Rural Development and Panchayati Raj; Social Welfare; Education and Health.

Source: Compiled by CBGA from State Budget documents

From the graph above (Figure 2), it can be seen that for the ‘Priority 9 States’, the share of social sectors in the total State Budget is at 45.6 per cent in the 14th FC period as compared to 42.4 per cent for the Better-Off 7 States’. This bears evidence to the fact that the priority states have performed better in terms of allocating resources to social sectors compared with the relatively better off States. Among the priority states, Chhattisgarh (at 54.4%) and Odisha (at 53.6%) have the highest share of social sector expenditure in the total State Budget for the three-year period of the 14th FC under review.

Despite the growth in social sector spending observed in the ‘Priority-9 States’, their overall standing in per capita budget expenditure has hardly altered. Uttar Pradesh, at Rs 11,000; West Bengal, at Rs 13,000; Bihar at Rs 14,000; and Odisha, at Rs 16,000, have the lowest per capita budget.

**Figure 3: Per Capita State Budget: 2014-15 (A) and First Three Years of the 14th FC Period (in Rs Thousand)**



Notes: As per Figure 1.

Source: Compiled by CBGA from State Budget documents

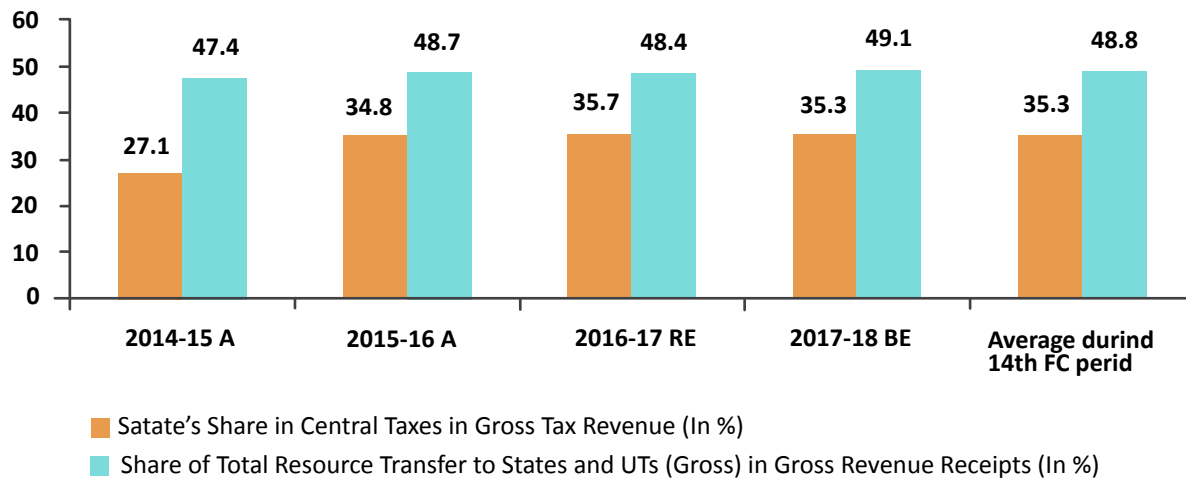
#### 4.2 What are the Key Trends in Central Transfers to States?

In the initial years of the 14th FC, analysts apprehended that the quantum jump in the share of States in the divisible pool had happened at the cost of reduced grants-in-aid by the Union Government, making it a zero-sum game. Our analysis does not find any empirical evidence in support of this apprehension.

The increase in States' Share in Central Taxes has been established through various indicators. For instance, the States' Share in Central Taxes as a percentage of GSDP, taking all the States and Union Territories (UTs) together, increased from 2.68 per cent of GDP in 2014-15 to 4 per cent in the 2017-18 BE. However, as a proportion of GDP, grants-in-aid transferred to all 30 States and UTs taken together declined from 2.8 per cent in 2014-15 to an average of 2.4 per cent for the three years of the 14th FC period. Despite the decline in the proportion of grants-in-aid to States, the share of gross resources transferred to States as a proportion of GDP increased from 5.5 per cent in 2014-15 to an average of 6.4 per cent (a 0.9 percentage point increase) first three years of the 14th FC Period.

Though tax transfers increased by a whopping 75 per cent during the three-year period, the tax share as a percentage of GDP increased only by 45 per cent. The States' Share in Central Taxes as a percentage of the State Budget increased from 17 per cent in 2014-15 to 21 per cent in first three years of the 14th FC Period for all the 25 States taken together. For the 'Priority-9 States' this increase was from 25 per cent to 30 per cent, while for the Better-off 7 States, the increase was from 9 per cent to 13 per cent, and for the Remaining-9 States, from 10 per cent to 15 per cent.

**Figure 4: Share of Total Resource Transfer to States and UTs in Gross Revenue Receipts of the Union Government in 2014-15 (A) and First Three Years of the 14th FC Period (in %)**

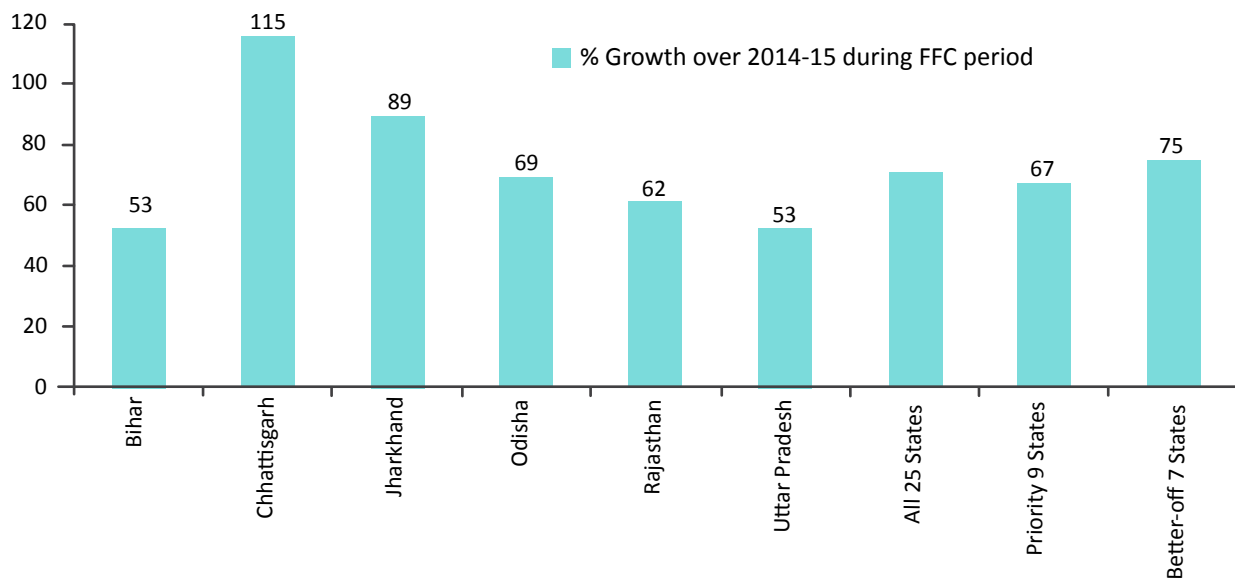


Source: Compiled by CBGA from Union Budget Documents.

However, this trend of sharp rises in central transfers gets dampened if one looks at the total resource transfer (gross) as a proportion of Gross Tax Revenue or Gross Revenue Receipts of the Union Government before devolution. Effectively, revenue receipts are the kitty from which resources are transferred to States, both as the states' share in central taxes in form of grants-in-aid. Although, there has been an increase in the states' share in central taxes as a proportion of the pre-devolution tax revenue of the Union Government from 27.1% in 2014-15 (A) to an average of 35.3% during the first three years of the 14th FC Period. Similarly, the share of total resource transfer to States and UTs in Gross Revenue Receipts has crawled to reach a level of 48.8% (average of three years of 14th FC period) from 47.4% in 2014-15 (A). This implies that the overall increase in the quantum of untied resources transferred to states (as recommended by the 14th FC) is also due to the overall increase in tax collections nationally.

With the overall growth of 75 per cent for all 25 study States, the figures for the 'Better-Off 7' and 'Remaining 9 States' are 78 per cent and 109 per cent, respectively, while the figure for the 'Priority-9 States' was 71 per cent, which shows that growth was uneven for the various categories of States. The States that have seen the growth in their tax share exceed the average growth for all States taken together are Chhattisgarh (121%), Assam (116%), Punjab (100%), Jharkhand (94%), Karnataka (93%), Kerala (88%), Maharashtra (88%), Madhya Pradesh (87%), West Bengal (78%), and Gujarat (75%). Tamil Nadu (43%), Bihar (56%), Uttar Pradesh (58%), Himachal Pradesh (61%), Uttarakhand (66%), Rajasthan (66%) and Odisha (72%) were among the States that registered lower growth in their share in Central taxes in tax devolution, below the national level (75%).

In terms of the growth of per capita Share in Central Taxes across States, a clear trend has emerged in which Better-Off states fared well in comparison with the 9 priority states. The overall increase in the per capita share of central taxes for all 24 states (excluding Delhi) stood at 71 per cent, while the same was at 67 per cent for the priority 9 states and 75 per cent for the better-off 7 states (Figure-5).

**Figure 5: Growth in Per Capita Share in Central Transfers (SCT) to States (in %)**

Note: 'All 25 States' in this figure we exclude data for the NCT of Delhi.

Source: Compiled by CBGA from State Budget documents

#### 4.3 Is the disparity in spending and resources cross poor and rich states shrinking?

Despite the fact that there has been a decline in the per capita tax transfers to the 9 priority States, the share of 'Priority 9 States' in gross budgetary spending of 25 States has increased from 47 per cent to 49 per cent, On the other hand, the share of 7 Better-Off States declined from 44 per cent to 42 per cent over this period. Further, it can be observed that there is to a marginal increase of 'Priority 9 States' Own Tax Revenue from 37 per cent to 38 per cent during the period, compared to a decline of 2 percentage point from 55 per cent to 53 per cent for 7 'Better-Off 7 States'. This indicates that 9 priority States have increased their fiscal space compared to the Better-Off States in the country.

#### 4.4 Is this increase in the Fiscal Space of Priority States during the 14th FC period due to the Increase in the Fiscal Deficit?

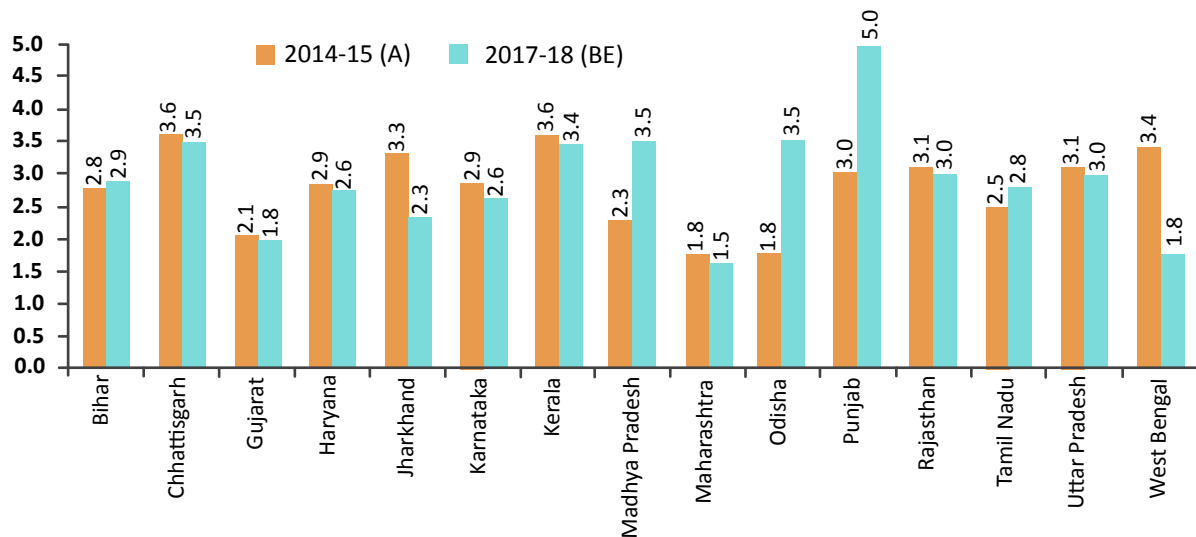
It has been pointed out that the growth in State budgets (particularly of the poorer States) has been financed by the rising fiscal deficits of these States, and is hence not sustainable in the framework of "Fiscal Prudence". The trends in the finances of State governments do not support this proposition.

Firstly, the share of borrowings (equal to the amount of the Fiscal Deficit) as a means for financing the budget has remained stagnant at 15 per cent for all 25 study States taken together. Secondly, for the 'Priority-9 States', the share of the fiscal deficit in financing their budget has declined from 14 per cent to 13 per cent, while for the 'Better-Off-7 States', it has increased from 17 per cent to 19 per cent. For the remaining 9 States, the proportion has declined from 7 per cent to 6 per cent in the 14th FC period. These two observations together clearly show that the expansion in the fiscal space of States has been led by debt growth for the Better-Off States, but not in the case of the Priority States.

#### 4.5 Has the Fiscal Health of States deteriorated during the 14th FC period?

This analysis of 25 States reveals that the fiscal deficit as a percentage of GSDP had increased marginally, from 2.33 per cent to 2.53 per cent of GSDP, during the 14th FC period, below the cap of 3 per cent of GSDP imposed by the FRBM legislation. For the 'Priority-9 States', it increased slightly, from 2.6 per cent to 2.8 per cent, while for the 'Better-Off States', it increased drastically, from 2.65 per cent to 3.32 per cent. Some of the Better-off States ran a Revenue Deficit during the 14th Finance Commission period, prominent among them being Haryana (-1.3%), Kerala (-2.0%), Maharashtra (-0.4%), Punjab (-2.7%) and Tamil Nadu (-1.1%). The 9 Priority-States, the majority of which are placed at the bottom of the development ladder, ran revenue account surpluses. They include Bihar (2.1%), Chhattisgarh (1.5%), Jharkhand (2.2%), Madhya Pradesh (0.9%), Odisha (2.2%) and Uttar Pradesh (1.7%). This implies that these states were not utilising the fiscal space for development expenditure given the constraints of the FRBM Act.

**Figure 6: Fiscal Deficits of Major States in 2014-15 (A) and 2017-18 (BE)**  
(as % of GSDP at Current Market Prices)



Source: Compiled by CBGA from State Budget documents

#### 4.6 What are the Key Budgetary Priorities of States during the 14th FC period across Social Sectors?

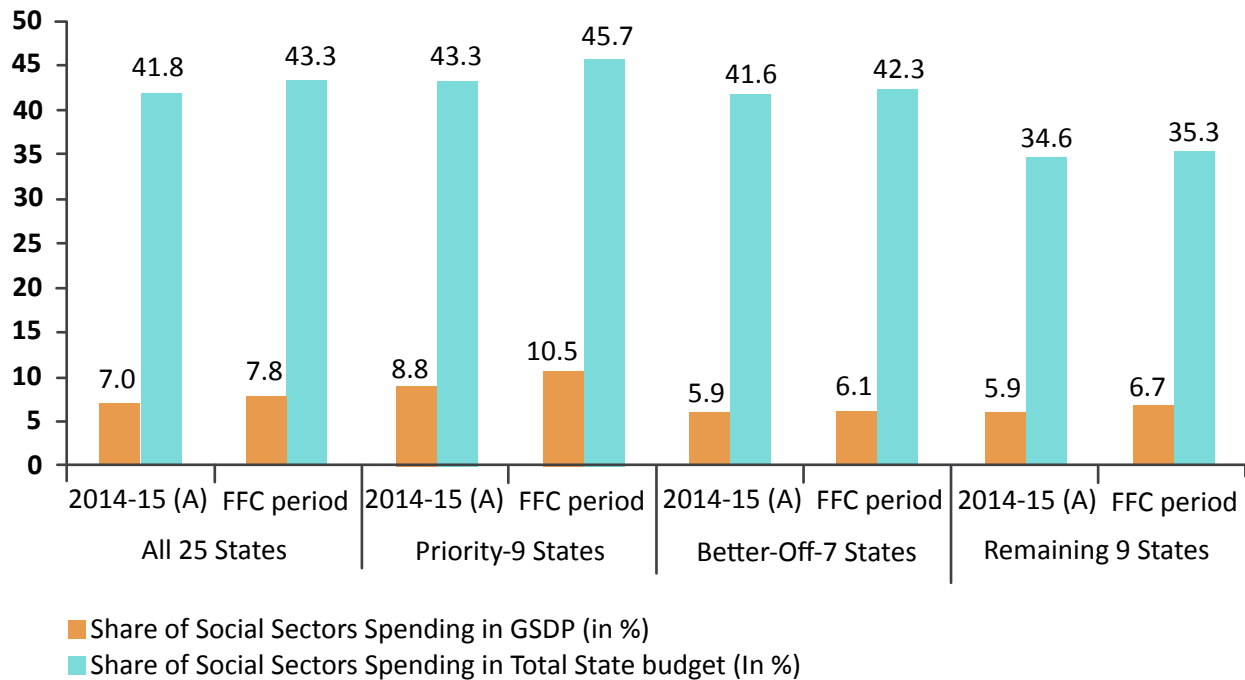
This section looks at budgetary allocation for the States under eleven core sectors. Among these, Agriculture & Allied Activities, Food, Civil Supplies & Cooperation, Rural Development, Panchayati Raj, Health, Education and Social Welfare are collectively referred to as Social Sectors.

Taking the 25 States together, the budget assigned to Social Sectors increased from 41 per cent in 2014-15 to an average of 42 per cent for the three years of the 14th FC in this review. A more visible increase was observed in 'Priority 9 States', from 43 per cent to 46 per cent, while budget remained stagnant at 42 per cent and 35 per cent, respectively, for the 'Better-Off 7 States' and 'Remaining 9 States' over the same period. However, the share of education, health and social welfare taken together in State Budgets has been stagnant at 28 per cent, with a marginal decline for the 'Better-Off-7 States' from 29 per cent in 2014-15 to 28 per cent in the 14th FC period under review. Expressed as percentage of GSDP, the share of the social sector has increased from 7 per cent in



2014-15 to 8 per cent for the 14th FC period under review for all the States together, led by the better prioritisation of the 'Priority-9 States' (from 9% in 2014-15 (A) to 11% for the 14th FC period under review). The 'Better-off-7 States' have kept the share constant at 6 per cent while the share has marginally increased from 6 per cent to 7 per cent for the 'Remaining 9 States' as may be seen from the chart below (Figure 7).

**Figure 7: Share of 'Social Sectors' Spending in GSDP and in Total State Budget (in %)**



Note: **"Social Sectors"** in this analysis is the aggregate of six sectors, viz., Agriculture and Allied Activities; Food, Cooperation and Civil Supplies; Rural Development and Panchayati Raj; Social Welfare; Education; and Health.

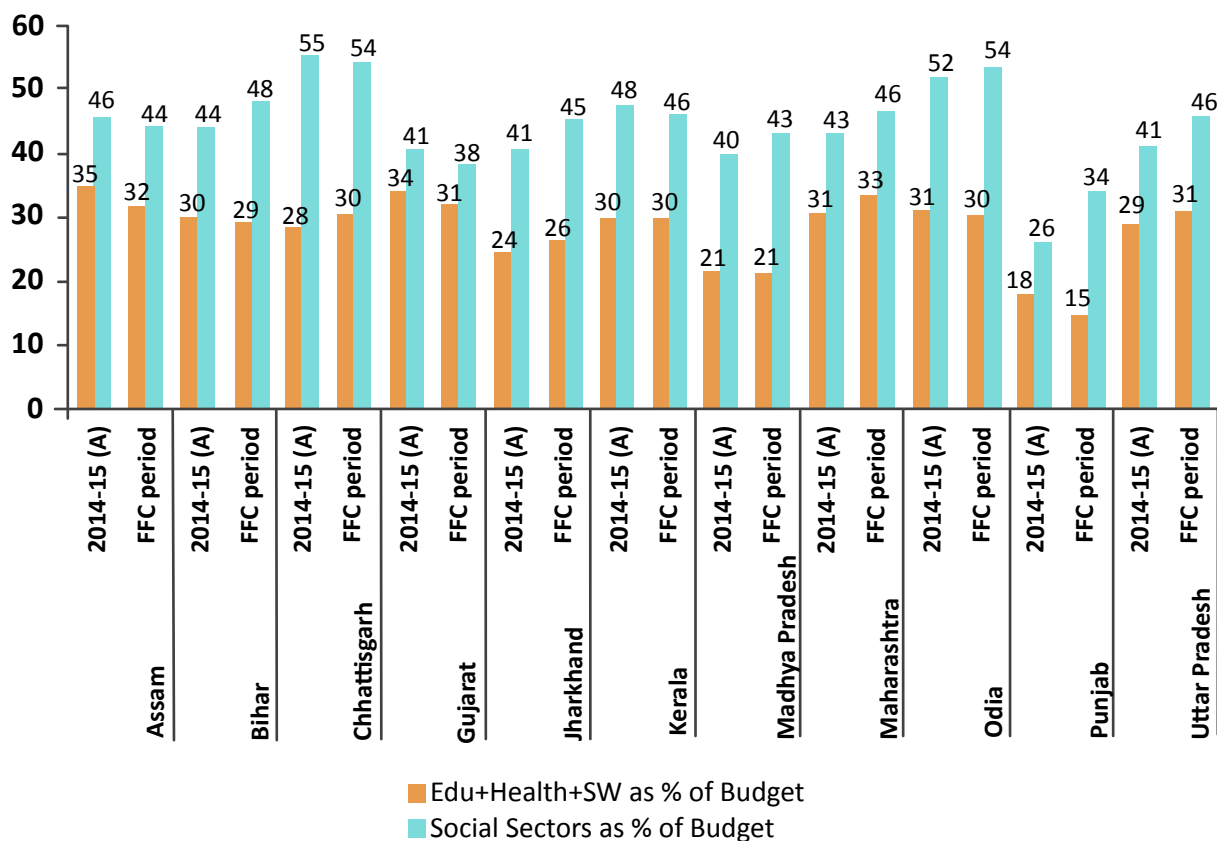
Source: Compiled by CBGA from State Budget documents

The most crucial apprehension (during the initial years of the implementation of the 14th FC recommendations) about the increase in untied resource devolution to the States was over whether this hike would be accompanied by an increase in social sector spending across states. A closer look at the data on states' spending on social sectors over the period of the 14th FC provides clarity on this issue. As noted earlier, there was an increase in the fiscal space of the Priority States during the 14th FC period and that has led to an increase in prioritisation of social sector spending in the overall budget of the 9 Priority States. However, the 7 Better-Off States and the Remaining 9 States show stagnancy in spending during this period. Taking all 25 States together, the Budget assigned to social sectors increased from 42 per cent in 2014-15 to an average of 43 per cent—only one percentage point. However, a more visible increase of such spending towards social sectors has been observed for the Priority-9 States, from 43 per cent to 46 per cent, whereas, it remained stagnant at 42 per cent and 35 per cent, respectively, for the 7 Better-Off States and 9 Remaining States over the same period (Figure 7).

The average figures for groups of States conceal wide differences in prioritisation of social sectors in state budgets as can be seen from the graph below (Figure 6). Among the 9 Priority States, Uttar Pradesh (from 41% to 46%), Bihar (44% to 48%), Jharkhand (41% to 45%), Madhya Pradesh (from 40% to 43%) and Odisha (52% to 54%) registered a noticeable prioritisation of Social Sectors in their budget; for Assam the share declined from 46 per cent in 2014-15 to 44 per cent in the 14th

FC period under review along with Chhattisgarh, which recorded a marginal decline from 55 per cent to 54 per cent. Within the group of 'Better-Off 7 States', three states showed increased prioritisation of Social Sectors in their respective budgets, namely Punjab (from 26% to 34%), Haryana (36% to 39%) and Maharashtra (43% to 46%). On the other hand, we observed a decline in the share of social sectors in State Budgets during the 14th FC period under review for Gujarat (from 41% to 38%), Kerala (48% to 46%) and Karnataka (47% to 46%). Except for Chhattisgarh and Uttar Pradesh, the combined share of education, health and social welfare declined during the same period for the majority of the big States, including the 9 Priority-States.

**Figure 8: Share of 'Social Sectors' and 'Education + Health + Social Welfare' in Total State Budget, across Select States (in %)**



Note: "Social Sectors" in this analysis includes six sectors, viz., Agriculture and Allied Activities; Food, Cooperation and Civil Supplies; Rural Development and Panchayati Raj; Social Welfare; Education, and Health.

Source: Compiled by CBGA from State Budget documents

It is to be noted that the figures for Punjab include Rs 32,616 crore allocated as Loans to the Punjab State Civil Supplies Corporation for Procurement and Supply of essential commodities for redemption of arrears in 2016-17 (RE). Similarly, the higher allocations for social sectors in Uttar Pradesh reflects a farm loan waiver of Rs 32400 crore in 2017-18 (BE). Since these figures are one-off allocations, they unduly raise the shares of the respective sectors and the overall social sector in State Budgets. Not taking into account these two big figures, there is a decline, in effect, in allocation to social sectors during the 14th FC period under review as compared with the figure in 2014-15.

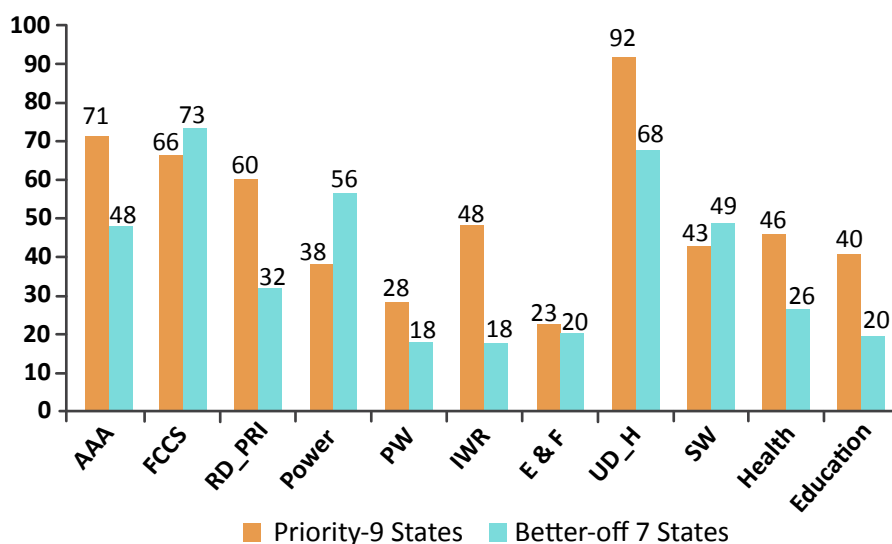
Gujarat presents a peculiar case with allocation to the 11 core developmental sectors (including Social Sectors) declining significantly, from 70 per cent of the total budget to 62 per cent, while the ratio remains stagnant at 60 per cent for all 25 States. It is also equally true that during the 14th FC period under review, an increasing proportion of resources were allocated towards non-developmental expenditure, including interest payments, pension & other retirement benefits, and other administrative heads.

As is evident from the data presented in Figure 8, Bihar, Haryana, Punjab, Madhya Pradesh, Maharashtra, Odisha and Uttar Pradesh have allocated a larger share of their budget towards the components of social sectors, while that share has declined in Chhattisgarh, Gujarat and Tamil Nadu. On the other hand, Chhattisgarh, Haryana, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu and West Bengal are the States that have prioritised other core development sectors such as urban development & housing, power & energy, public works, and irrigation & water resources.

#### 4.7 Which States have accorded the highest priority to Development Sectors?

The growth of spending during the three years of the 14th FC period under review across different sectors for different groups of states reveals that the Urban Development & Housing, Agriculture and Allied Activities, Rural Development, Health, Education, and Public Works sectors saw prioritised spending by the 'Priority 9 States' compared to the 'Better-Off 7 States'. However, the Power sector was given priority in spending by the 'Better-Off 7 States' compared to the 'Priority 9 States' (Figure 9).

**Figure 9: Growth of Budgetary Spending in Relatively Poorer Vs Better-Off States during the 14th FC Period (in %)**



Notes: **AAA**-Agriculture & Allied Activities, **FCCS**-Food, Cooperation & Civil Supplies, **RD\_PRI**-Rural Development & Panchayati Raj Institutions, **PW**-Public Works, **IWR**-Irrigation & Water Resources, **E&F**-Environment & Forests, **UD\_H**-Urban Development & Housing, **SW**-Social Welfare.

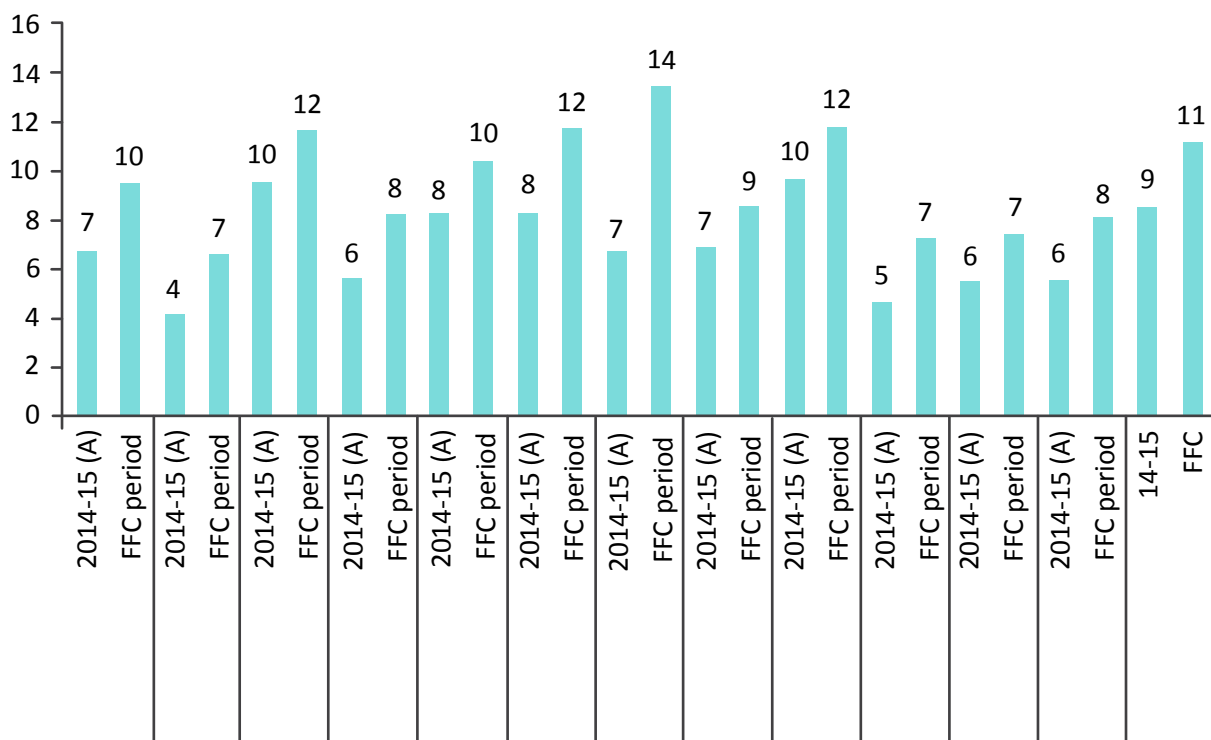
**Relatively Poorer or Priority 9 States:** Assam, Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Rajasthan, Uttar Pradesh and West Bengal.

**Better-Off 7 States:** Gujarat, Haryana, Karnataka, Kerala, Maharashtra, Punjab and Tamil Nadu.

Source: Compiled by CBGA from State Budget documents

As may be obvious from the mapping of State priorities for key sectors, the 'Priority-9 States' in general allocated more budgetary resources towards financing of Rural Development, Urban Development and Agriculture, while the 7 Better-Off States channelled more of their spending towards Urban Development & Housing, Power and Social Welfare. The 9 priority States recorded a 42 per cent increase in their budgets, on average, while the budgetary allocations of the Better-Off 7 States increased by 31 per cent during the 14th FC period under review. Moreover, the fiscal space (as measured by the budget as a % of GSDP) expanded by 3 percentage points (from 20% to 23%) for the 'Priority-9 States', while it remained stagnant for the 'Better-Off 7 States' at 14% during the 14th FC period under review. We have also noted that social sector expenditure increased by 50 per cent in the 'Priority-9 States', while the corresponding increases for the 'Better-Off 7 States' stood at 34 per cent. Despite these positive observations pertaining to the financing of social sectors, the per capita spending by the priority States was substantially lower than their better-off counterparts in the development sectors in general, and social sectors in particular. Insofar as development sectors (all 11 Key sectors) are concerned, the average budgetary spending per capita of the 7 Better-Off States (Rs 17,000) is 1.5 times larger than the per capita development spending by the 9 Priority States (Rs 12,000). The gap between the State with the highest per capita development spending (Haryana: Rs 21,000) and the State with the lowest spend (Bihar: Rs 9,000) is striking. There was also a wide disparity in per capita spending on social sectors across States, with Punjab (Rs 14,000 per capita) and Tamil Nadu (Rs 12,000) retaining their positions at the top of the spectrum while West Bengal, Bihar and Uttar Pradesh (each with per capita social sector spending of Rs 7,000) remained at the bottom.

**Figure 10: Per Capita Budget Expenditure (in Rs Thousand) on Social Sectors: 2014-15 (A) and First Three Years of the 14th FC Period**



Note: 'Social Sectors' here is defined as the aggregate of 6 sectors, namely Agriculture & Allied Activities, Food, Cooperation & Civil Supplies, Rural Development & Panchayati Raj Institutions, Social Welfare, Health & Education.

Source: Compiled by CBGA from State Budget documents

## 5. Sectoral Analysis of State Budgets

### 5.1 Agriculture & Allied Activities and Food, Civil Supplies & Cooperation Sectors

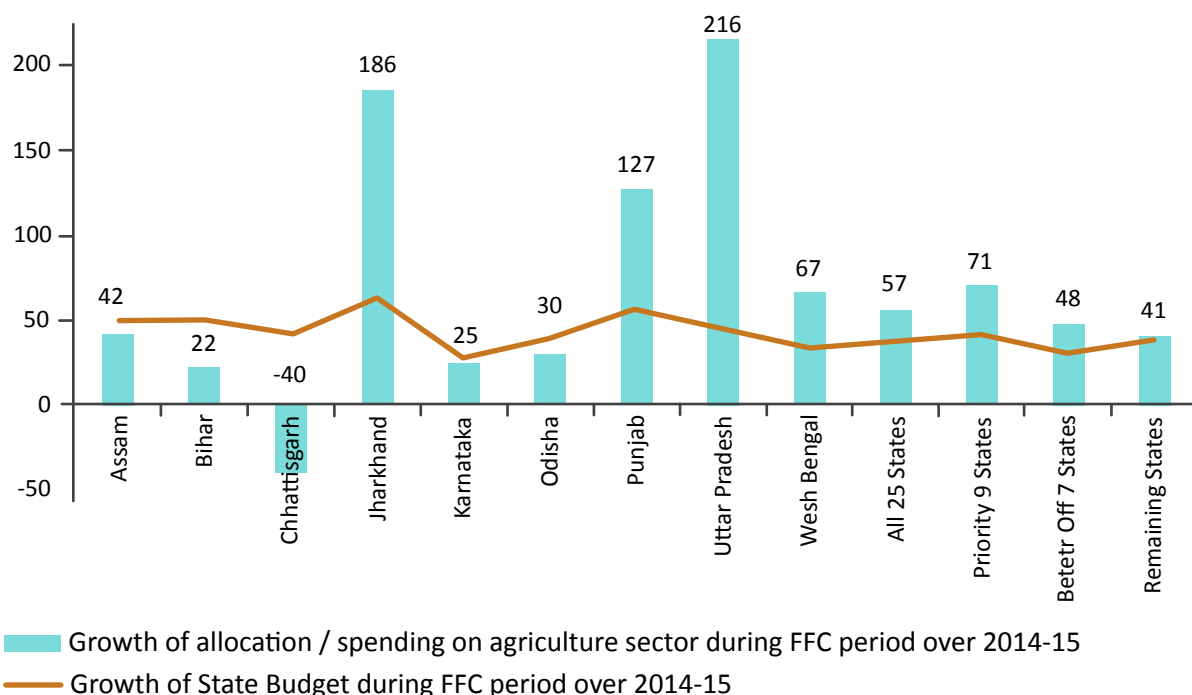
The agriculture and allied activities sector is a key segment of the state economy that the bulk of the rural population depends on for a livelihood, either directly or indirectly. Agriculture being a state subject, it is crucial that states provision adequately for this sector in order to ensure it grows consistently, at par with other sectors, and addresses concerns over income inequality.

The Union Government's annual budget contribution to this sector during the 14<sup>th</sup> FC period appears to be on the lower side. The restructuring of CSS since 2015-16 has compelled states to increase their contribution to many CSS schemes in this sector. For instance, the Union Government's allocation under *Rashtriya Krishi Vikas Yojana* (RKVY), a scheme fully supported by the Union Government until 2014-15, was halved in Union Budget 2017-18. Under the restructured scheme, implementation of many such CSSs would require a matching contribution of 40 per cent by the state governments.

This study has observed a mixed response to this sector across states. An increase in allocation and spending on the sector during the 14<sup>th</sup> FC period has been noted in states such as Uttar Pradesh (216%), Jharkhand (186%), Punjab (127%), West Bengal (67%), and Gujarat (40%). The allocation to this sector by these states has increased, and is well above the growth in the overall state budget during the period. The increase in allocations by many priority states included in the study was well above the average growth of allocations by all 25 states in the study (57%).

A moderate increase in allocations, below the overall growth of state budgets, has been observed in Assam (42%), and Odisha (30%). This indicates that these states have merely increased their budget and did not accord high priority in allocations to this sector. Indeed, a contraction has been observed in allocations by Chhattisgarh (-40%), which is a major policy concern, given that the state is primarily an agrarian economy.

**Figure 11: Growth in allocation to and spending on the Agriculture sector, across select States (in %)**



Source: Compiled by CBGA from various State Budget documents

As noted, many of the CSSs in this sector were initially either fully or majorly funded by the Union Budget. With the change in the funding pattern, many poorer states were unable to maintain the scale of funding for such schemes. In Uttar Pradesh, a spurt in allocation for the sector has been noted in sub-components such as the debt waiver scheme for small and marginal farmers, in FY 2017-18. The amount provisioned for this scheme in the FY 2017-18 was to the tune of Rs 36,000 crore. Similarly, components such as crop insurance, extension and farmers' training, seed development and subsidised seed distribution, development of cattle, buffalo, and poultry along with veterinary services and animal health services was accorded priority in the annual budget of the State during the 14<sup>th</sup> FC period.

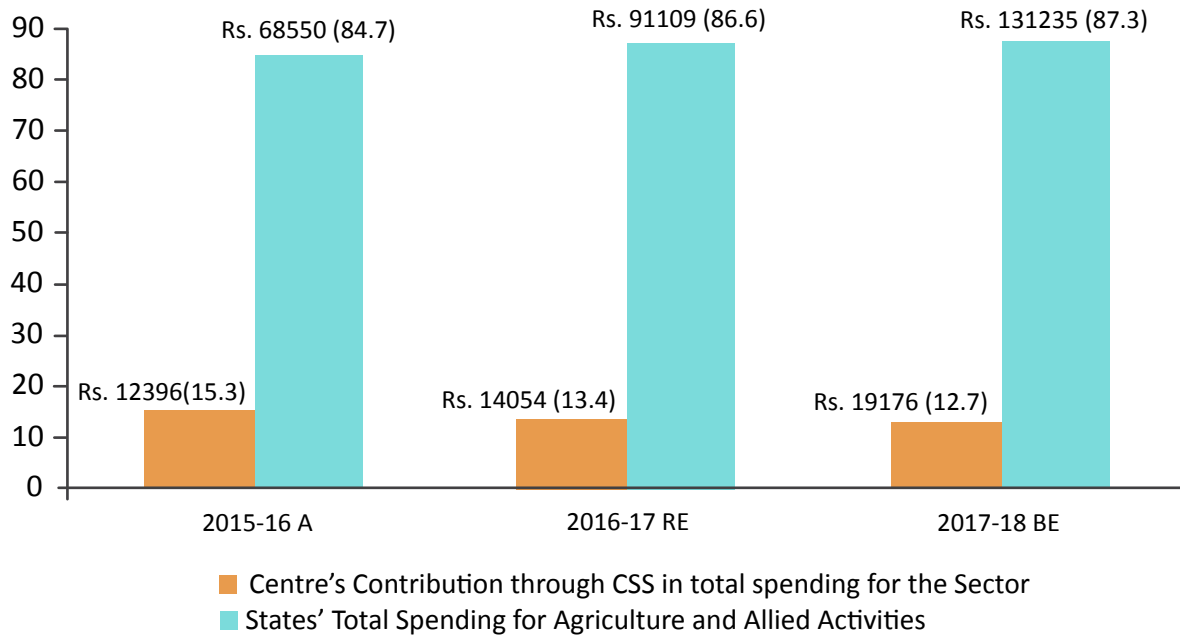
Similarly, for Jharkhand, major components that have witnessed an increase in allocations include promotion of commercial crops (meant for diversification of traditional agriculture from food grain crops), provisioning for manure and fertiliser, poultry, sheep and wool development, piggery development and veterinary and animal health (meant to promote allied activities for sustained livelihood). There has been a focus on the development of the Tribal Sub-Plan and Scheduled Castes Sub-Plan areas in the state. The focus of successive budget speeches was on areas such as establishment of a *Krishi Upkaran* Bank in all blocks of the state; *the Jalnidhi* scheme for irrigation facilities from small lakes, ponds, etc.; Krishi Clinic for dissemination of information and for advice regarding agricultural practices and promotion. In order to boost post-production management, emphasis has been given by the state to the *Krishi Single Window Scheme* and *Grameen Krishi Haat*.

The government of Punjab has also taken a number of steps, and increased allocation to these measures during the 14<sup>th</sup> FC period. These include introduction of the Farmers Provident Fund-cum-Pension Scheme, in which the government will make a matching annual contribution, insurance cover to a large number of farmers under the *Bhagat Puran Singh Sehat Bima Yojana*, interest-free crop loans to small and marginal farmers for which the government allocated Rs 200 crore in FY 2016-17. Allocation of Rs 655 crore for supply of power to farmers and rural poor and provisioning of Rs 20 crore for compensation to the families of farmers who have committed suicide are some of the highlights recorded in various budget speeches of the state.

In contrast, a contraction has been observed in the allocation by Chhattisgarh (40%) due to a decline in plan allocation. Among others, the allocation under food grain crops declined compared to the amount spent in 2014-15. This is a policy concern from the perspective of ensuring food security —States such as Chhattisgarh, Bihar, Odisha and Rajasthan need additional budget support from the Union Government. Nonetheless, states, too, need to prioritise allocation from their own resources to this sector.

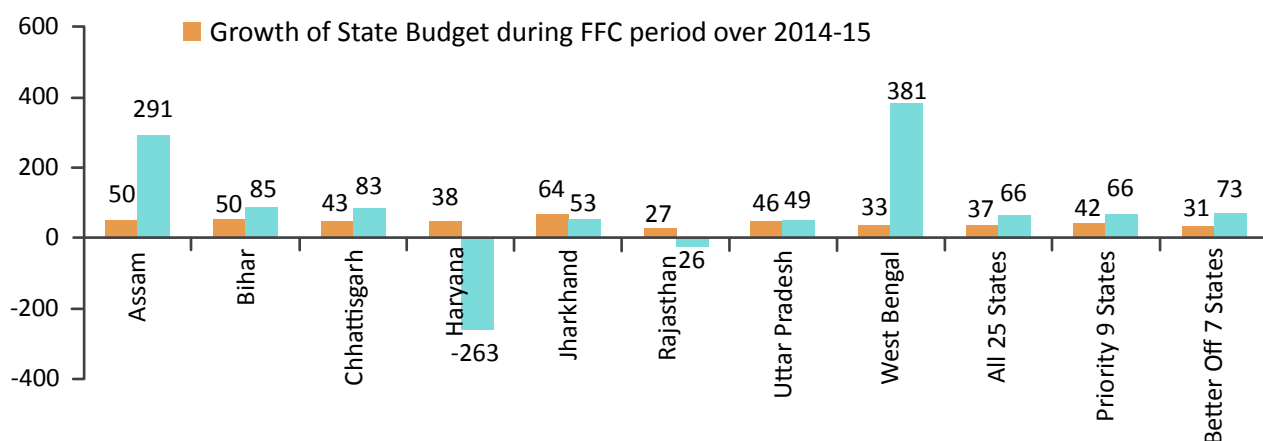
As can be inferred from the analysis, the allocation priorities of this sector in many of the poorer states has not been in tandem with the increase in their fiscal space. This is partially due to the decline in the Centre's contribution to the sector through CSSs, which fell from 15.3 per cent in 2015-16 to 12.7 per cent in 2017-18 BE.



**Figure 12: Centre's Contribution to Agriculture and Allied Activities through CSSs (Rs crore)**

Source: Compiled by CBGA from various State Budget documents

Public investment in the agriculture sector can address the agrarian and rural distress experienced in the aftermath of demonetisation and make agriculture a decent livelihood option. The National Food Security Act, 2013 requires that in addition to the Centre's contribution, states allocate additional budgets for the creation and strengthening of food storages and public distribution of grains. The growth in spending by departments meant for provisioning of Food and Civil Supplies is greater in states such as West Bengal (381%), Assam (291%), Bihar (85%) and Chhattisgarh (83%) than in the 'Better-Off 7 states' (73%), 'Priority 9 States' (66%) and 'All 25 States' (66%).

**Figure 13: Growth in allocation and spending on Food, Civil Supplies and Cooperation across select States (in %)**

Source: Compiled by CBGA from various State Budget documents

A closer look reveals that the increase in the 2016-17 budget of Punjab might have resulted from spending on clearing earlier dues. In the revised budget of the state (2016-17), there was a hike of Rs 33661 crore, whereas in 2014-15, the allocation stood at Rs 661 crore only. Similarly, the reduction in the 2017-18BE of Haryana was due to overpayments made in the preceding year (2016-17 RE) under the head food storages. This can be attributed to deficient budgeting practices in these states.

The increase in allocations by states such as West Bengal, Assam and Bihar during the 14th FC period should not be seen as higher priority being accorded to this sector, as the corresponding allocations in 2014-15 (which forms the basis of comparison) was itself quite low. The scale of coverage and additional distribution of food-grains under the PDS system in states such as Chhattisgarh, Odisha and Tamil Nadu were much higher than in other states, even before the implementation of NFSA, and these states have been provisioning sizeable resources from their own kitty. Nonetheless, states such as Assam and Bihar have prioritised spending on this sector by allocating resources from their own sources.

## 5.2 Rural Development and Panchayati Raj Sector

The critical role of departments such as Rural Development and Panchayati Raj in addressing concerns relating to adequate provisioning of basic infrastructure on health, education, water and sanitation, connectivity, housing etc. cannot be overstated. During the 14th FC period, total state expenditure (the average of all 25 State budgets) registered an average increase of 37 per cent, while the budget for the Department of Rural Development and Panchayati Raj increased by 50 per cent. In 10 of the 16 major states, the increase in budgets for Rural Development and Panchayati Raj is more than the increase in total state budgets during the period, indicating very high priority being given to this sector in these States.

The average increase of budgets for Rural Development and Panchayati Raj for states categorised as 'Priority 9 states' in this analysis is 60 per cent, as compared to the 42 per cent growth in their total State budgets during the period under review. The percentage increase in the budget for Rural Development and Panchayati Raj was less than the increase in the state budgets for five states: Rajasthan, Tamil Nadu, Uttar Pradesh, West Bengal, and Kerala. Odisha, Maharashtra, Madhya Pradesh, Karnataka, Jharkhand, Haryana, Bihar, Assam, Chhattisgarh prioritised the sector in their state budgets. Among the priority States, Bihar was the top performer in increasing spending on Rural Development and Panchayati Raj. The priority states allocated higher spending to this sector during the 14th FC period, given the fact that many of the flagship schemes in this sector got a reduced allocation in Union Budgets.

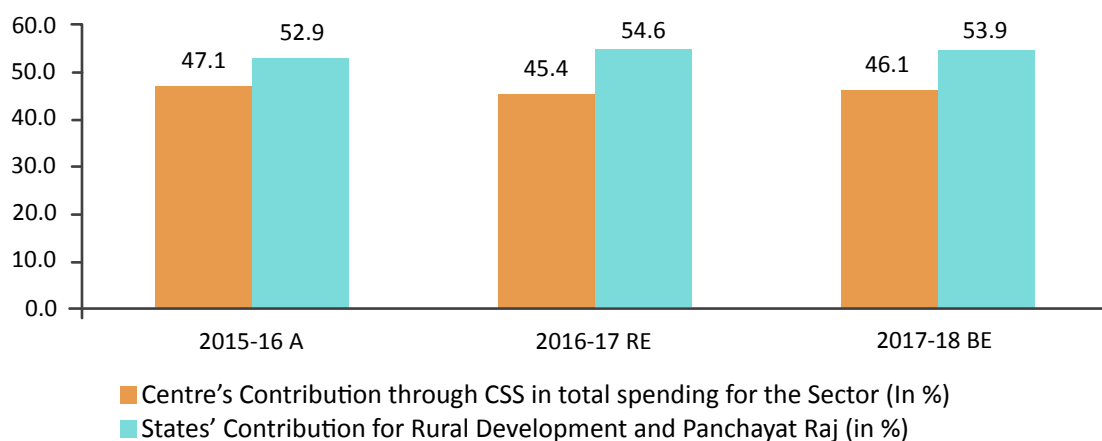
The analysis of per capita spending on this sector, across states, reveals that poorer states have been spending more than the Better-Off states. The average per capita spending on Rural Development and Panchayati Raj for the 25 states is Rs 1,870. Of the 16 major states in the study, the uppermost five are: Odisha (at Rs 3,584 per capita), Chhattisgarh (Rs 3,211), Madhya Pradesh (Rs 3,126), Kerala (Rs 2,898) and Jharkhand (Rs 2,678).

**Table 1: Extent of Increase in Budget for Rural Development and Panchayati Raj**

States	Percentage increase in allocation during 14th FC Period (%)		Per Capita spending during 14th FC Period (in Rs)	
	RD and PRI Budget	Overall State Budget	RD and PRI Budget	Overall State Budget
Assam	70	50	1835	21666
Bihar	129	50	2155	13691
Chhattisgarh	46	43	3211	25576
Gujarat	45	34	968	24508
Haryana	88	38	1364	26969
Jharkhand	84	64	2678	19491
Karnataka	34	28	1967	25337
Kerala	15	35	2898	29053
Madhya Pradesh	87	39	3126	19109
Maharashtra	49	24	1655	22434
Odisha	76	40	3584	21938
Punjab	3	57	526	39380
Rajasthan	23	27	1871	20334
Tamil Nadu	17	28	2499	29041
Uttar Pradesh	40	46	1005	15726
West Bengal	24	33	1868	17466
All 25 States	50	37	1870	21783
Priority 9 States	60	42	1970	17708
Better off 7 States	32	31	1749	26470
Remaining 9 States	60	39	1527	37056

Source: Compiled by CBGA from various State Budget documents

State governments have been shouldering more than 50 per cent of the spending on rural development, with near equivalent amounts being allocated in Union budgets. There has been a slight decline in the allocation priority for rural development in the Union Budget during the 14th FC period.

**Figure 14: Contributions of Centre and States in spending on Rural Development and Panchayati Raj (in %)**

Source: Compiled by CBGA from various State Budget documents

In its Budget 2017-18, the Uttar Pradesh government allocated Rs 2,212 crore to its drinking water supply programme—related to surface source ground water—for Bundelkhand, Poorvanchal and other areas. The *Gopabandhu Grameen Yojana*, *Biju Pucca Ghar Yojana* and *Biju Setu Yojana* along with *Gopabandhu Grameen Yojana (provisioning for Bijli Sadak Paani)* clearly demonstrate the priority Odisha has accorded to the rural sector. The Chief Minister’s Solar Powered Green House Scheme (and Mission for Housing to achieve hut-free villages and slum-free cities) by the Tamil Nadu government is another example of a state giving the sector priority. Tamil Nadu had certain fiscal priorities such as devolution rural (5,422 crore), mission for housing to achieve hut-free villages and slum-free cities. *Pandit Dindayal Upadhyay Gharkul Jaga Kharedi Arthasahayya Yojana (shelter home scheme)* and *Adivasi Gharkul Yojana*, *Ramai Awas Yojana*, *Rajiv Gandhi Nivara Yojana*, Housing for Scheduled Castes, Chief Ministers Rural Road Scheme and Smart Village scheme by the Government of Maharashtra indicate the priority the state government has given this sector.

The Assam government launched many new initiatives in 2015-16, including distribution of yarn and blankets worth Rs 100 crore to poor weavers, construction of 300 MT capacity godowns, setting up of small cold storage units jointly with the small tea gardeners, the Mahatma Gandhi Rural Skill Development Programme, support for SHGs, housing for the homeless, and sanitation. In 2017-18, a new scheme was launched called *Mukhyamantri Aranya Nirman Achoni* in convergence with the MGNREGA programme.

In terms of new initiatives, the Chhattisgarh government started the CM Gram Panchayat Empowerment Scheme in 2015-16 and established a rural housing corporation in 2017-18. Further, emphasis was also given to implement CSSs with higher allocation from the state budget. In Gujarat, financial support was provided for construction of offices of newly created districts and taluka panchayats in 2015-16. In 2017-18, the government focused on provision of lift irrigation for tribal areas and financial support for farmers to erect wire fencing.

Haryana proposed an allocation of Rs 4,963.09 crore for 2017-18 for Rural Development, Community Development and Panchayats. *Gram Sachivalayas* and *Atal Seva Kendras* equipped with modern facilities are being established in villages. Various types of urban facilities are to be provided in villages with a population of 10,000 or more, in a planned manner, through *Swarna Jayanti Mahagram Yojana*. The “*Gramoday se Bharat Uday*” programme was launched by the Prime Minister to establish model villages. Jharkhand initiated the *Mukhyamantri Smart Gram Yojana* in 2015-16. The Karnataka government had initiated new programmes such as *Grameena Gourava*, *Grama Swaraj* and the panchayat raj amendment Act, *Namma Grama Namma Yojane* (NGNY) and an aquaculture programme since 2015-16. It has also given emphasis on strengthening ongoing CSSs and state schemes. There was an increase in honorarium for Zilla, Taluk and Grama panchayat members. Madhya Pradesh started the *Deendayal Rasoi Yojana* for extremely poor people to get food at subsidised rates (Government funds for infrastructure, food via CSR) in 2017-18.

In Maharashtra, in terms of policy priority, major emphasis was given to programmes such as the Chief Minister’s Rural Road scheme (Rs 500 crore), housing for SC (Rs 800 crore), Smart village scheme, Digital boards in all gram panchayats to display government schemes and Support for IAY, *Adivasi Gharkul Yojana*, *Ramai Awas Yojana*, *Rajiv Gandhi Nivara Yojana* (Rs 884 crore). In Punjab, a new scheme, ‘*Mukh Mantri Pendu Vikas Yojana*’ for comprehensive development of villages through provision of basic amenities (Rs 600 crore) was launched in 2015-16. In 2017-18, a new scheme was launched called *Pendu Sarv Jan Hitkari Yojana* for convergence of all existing

schemes/programmes with the preparation of the Gram Panchayat Development Plan (GPDP) of all 13,000 panchayats in the state based on ground level planning.

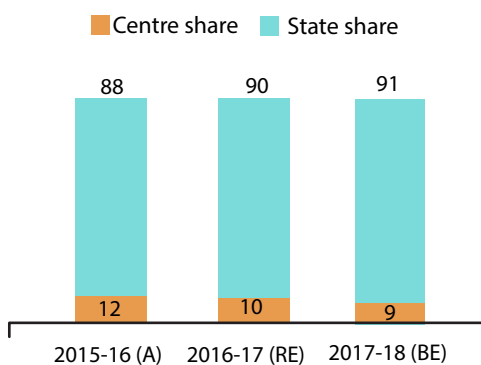
Rajasthan initiated a programme on solid waste collection and processing in select towns through viability gap funding. Further, villages with a population of more than 5000 were to be developed as Smart Villages. In addition, 3465 kilometres of rural roads were to be upgraded and maintained. The increase in priority in State budgets does not imply that questions about the adequacy of resources for the sector have been answered. In any case, bigger allocations will not solve the problems before the sector without effective implementation and timely monitoring of programmes. The flagship schemes being implemented in rural areas are constrained by the limited absorption capacity of the state machinery to utilise funds efficiently. A number of States face a serious staff shortage in the Department of Rural Development and Panchayati Raj. The level of vacancy ranged from 30 per cent to 50 per cent for various positions sanctioned by the Department of Rural Department in Uttar Pradesh and Rajasthan. The District Rural Development Agencies are required to look after major flagship programmes and the *Zilla Parishads*, which are instrumental in the implementation of Rural Development programmes, have been grappling with serious staff shortages.

The extent of vacancies is more acute in local institutions such as Gram Panchayats and Block Panchayats. Local level officials are not well placed to manage administration, planning, implementation and monitoring of rural development programmes. Despite the increase in fund allocation during the 14th FC period, *Gram Panchayats* are not equipped to handle the existing workload and timely delivery of services. They have large vacancies in key administrative, planning, engineering, accounting and data entry positions and the situation has worsened.

### 5.3 Education Sector

Education appears in the concurrent list the Constitution of India; accordingly, provisioning of resources for the same is a shared responsibility of the Union and State Governments. However, the Union Government has been withdrawing itself from this responsibility over time<sup>4</sup>.

**Figure 15: Contributions by the Centre and States to expenditure on Education (in %)**



Source: Compiled by CBGA from various State Budget documents

In the 14<sup>th</sup> FC period, the share of Union government spending on education has been continuously decreasing whereas States increased their share by three percentage points between 2015-16 and 2017-18 (BE) (Figure 23). This is only because the education budgets in all these 25 states increased in the 14th FC period in a wide range, from two per cent in Mizoram to 174 per cent in Jammu & Kashmir, as compared to 2014-15, the last year of the 13th FC period.

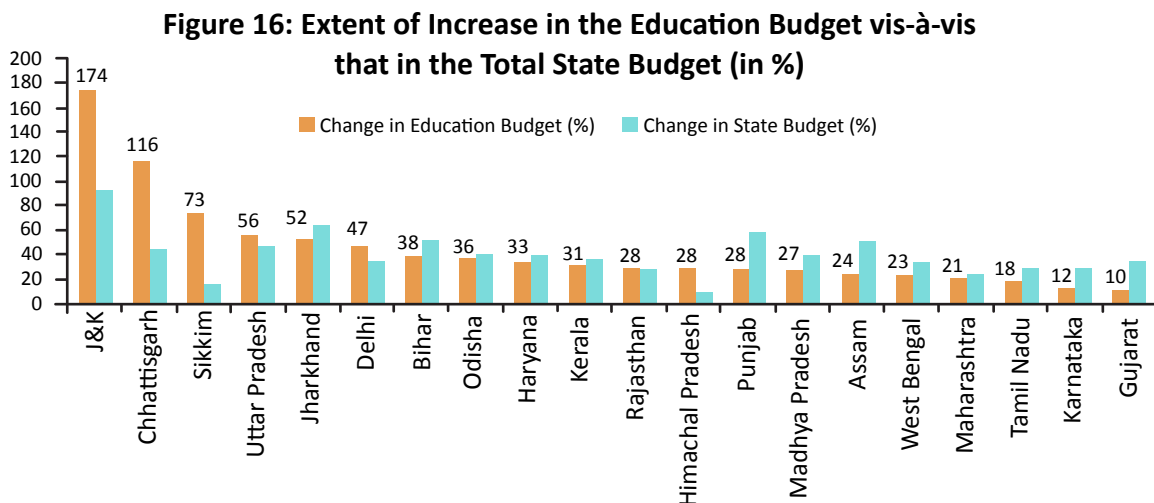
This is also reflected in the increased per capita spending on education. Interestingly, states with poor fiscal health, such as Chhattisgarh, Jharkhand, Uttar Pradesh and Bihar, which are at the lower end among the 25 states in terms

<sup>4</sup> An approximate calculation of the Centre-State resource sharing pattern for education in the 14th FC period has been carried out on the basis of the Union government's transfer to states/UTs for education by relevant ministries, taken from the Expenditure Budget, volume-II, and expenditure on education by 25 states, from state budget documents. It is, however, an overestimation of the Centre's contribution, as the data is taken for grants to all 29 states and seven Union Territories, while states' contribution captures expenditure by the 25 states only.

of per capita spending on education, are the top five states in terms of a proportionate increase in per capita education spending during this period. However, the variation in per capita spending from Rs 1,802 in Madhya Pradesh to Rs 6,766 in Himachal Pradesh highlights the regional disparity in public provisioning for education.

Though states have increased their spending on education in absolute terms, the picture is a mixed one if education is seen in comparison with overall social sector expenditure. In all the 25 states, the largest share of social sector expenditure goes towards education. However, between the pre 14th FC and 14th FC period, states such as Bihar, Delhi, Haryana, Himachal Pradesh, Madhya Pradesh, Maharashtra, Punjab, Uttar Pradesh and West Bengal increased their share of social sector spending in their total expenditure. At the same time, there was a decrease in the share of education spending in total social sector spending. This implies that other social sectors such as health, rural development, agriculture etc. have been prioritised by these states during this period rather than education. On the other hand, in Chhattisgarh and Rajasthan, the share of the social sector budget in the total budget declined. Also, the share of the education budget in the total social sector budget increased. This clearly indicates that in these two states, the education sector has benefited at the expense of other social sectors.

The other prominent indicator to gauge the budgetary priority of a state for education is the extent of the increase in the total State Budget vis-à-vis the increase in the 'Education' budget between the pre-14th FC and 14th FC period. Of the 25 states, only in seven, i.e., Chhattisgarh, Jammu & Kashmir, Delhi, Himachal Pradesh, Uttar Pradesh, Sikkim and Rajasthan, did the education sector witness a higher budgetary priority in the 14th FC period under review (Figure 24).



Source: Compiled by CBGA from various State Budget documents

In Chhattisgarh, against the 43 per cent increase in total state expenditure, expenditure on education increased by 116 per cent. This increase was mainly because of the increase in expenditure at the secondary level on construction of new secondary and higher secondary schools. In J & K, the extent of the increase on education expenditure was as high as 174 per cent against an increase of 92 per cent in the state's total expenditure. A hike in the allocation to the *Sarva shiksha Abhiyan* scheme and creation of capital assets for education are the main components influencing this shift. Delhi was an outlier in these states as it did not come under the purview of the 14th FC recommendations. However, during this period, the Delhi Government had given significant importance to education in the state budget as it had incurred substantial expenditure on components such as creation of new schools and classrooms, teacher education and teacher training.

A detailed analysis of the Budget Speeches by the states for these four years, i.e., 2014-15, 2015-16, 2016-17 and 2017-18, also helps gauge the Governments' intention, strategies and vision for the education sector. This is reflected in the Budget Speeches of states such as Chhattisgarh, Jammu & Kashmir, Delhi, Himachal Pradesh, Uttar Pradesh, Sikkim and Rajasthan, which are indicative enough of the priority accorded to education by these state governments.

For example, Chhattisgarh's Budget Speech for 2015-16 or 2017-18 reiterates the need for construction and upgradation of middle schools to secondary schools and secondary schools to high schools. The government has also allocated resources for infrastructure building in its budgets. A similar pattern is observed in the budget speech of Rajasthan, where for consecutive years, there is mention of construction and upgradation of school buildings, with the state government allocating resources for capital expenditure on education.

The Budget speech of Delhi for the three consecutive years of the 14th FC period under review states that education is the top priority of the government. This emphasis was guided by two long-term visions of the Delhi Government to make Delhi a fully literate state in the next few years and to make education relevant for students. Towards this end, the budget speeches made promises to allocate resources for development of 50 government schools as model schools, by providing modern facilities, recruiting 20,000 regular teachers, and increasing the salaries of guest teachers deployed in government schools. There was mention of a focus on training of teachers through exposure visits and installation of CCTVs in school. All these announcements were supported by a substantial allocation in the budget. This resulted in a significant increase of the share of the education budget in the total budget.

In its Budget Speech of 2017-18, the Uttar Pradesh government made a series of announcements in the form of monetary and non-monetary incentives for students. There was an announcement of new initiatives such as construction of model schools, sainik schools and engineering colleges in the previous years' budget speeches. Higher allocation under these heads in all the three years of the 14th FC period under review increased the average expenditure during this period. However, the largest contributor towards the increase in the share of the education budget in the state budget is the *Sarva Shiksha Abhiyan* programme. The budget speeches in all the three years actually emphasised on making provisions for elementary education through the scheme.

Beside these seven States, there are states such as Assam, Gujarat and West Bengal, where the budget speeches show announcements for new initiatives such as providing eggs to children twice a week under the Mid-day Meal Scheme, bicycles to students, and primary education to 1.46 lakh students in private schools under the RTE Act. However, the announcements were not supported by adequate resources and hence were also not reflected in the share of the education budget in the total state budget. In many states, though there were announcements and promises for new initiatives for the education sector, there were no corresponding budget heads observed in terms of resource allocation.

The state level analysis of the education budget in pre-14th FC and initial 14th FC period shows that states had to bear a greater burden of investment as the Union Government has reduced its contribution to education and continues to reduce it further. However, states have responded positively to this change by increasing their allocation to education. Nonetheless, this increase is not adequate as education is not an immediate priority for most states. This has also been reflected in the difference between the announcements in Budget Speeches by states and what



actually followed. Various new initiatives proposed in the speeches were not supported by resource allocation.

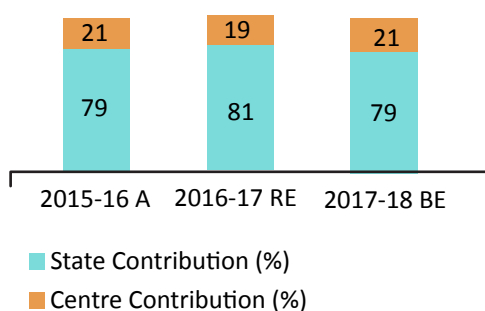
Given the accumulated resource deficits in different components of education such as infrastructure, teaching and non-teaching staff, training, monitoring, equipment and material, both the Union government and State Governments need to step up investment on education substantially for a longer period to achieve the outcomes needed for equitable quality education.

#### 5.4 Health Sector

Health is one of the critical development areas where there has been a longstanding demand for an increase in public investment. According to estimates by the National Health Accounts, the total health expenditure in India (both private and public) stood at around 3.9 per cent of GDP or Rs 3,826 per capita in 2014-15. Of this, the Government's health expenditure accounted for only around 1.1 per cent of GDP or Rs 1,108 per capita. With out-of-pocket expenditure (OOPE) amounting to nearly 63 per cent of the total health expenditure, there is an urgent need to step up government spending on healthcare.

Historically, States have contributed a major part of expenditure on healthcare in comparison with the Centre. In 2017-18, the Centre increased its allocation towards the health sector through an increase in the outlay for CSS of the National Health Mission or NHM (an increase of about 34 per cent over the 2015-16 actuals). However, in the 2017-18 BE, the relative share of the Centre and States on health spending remained in the ratio of 21:79 (Figure 17). Thus, it appears that States also increased their contribution to the health sector over this period, which is corroborated by the following analysis for pre-14th FC and 14th FC period.

**Figure 17: Contributions by the Centre and States to expenditure on Health (in %)**

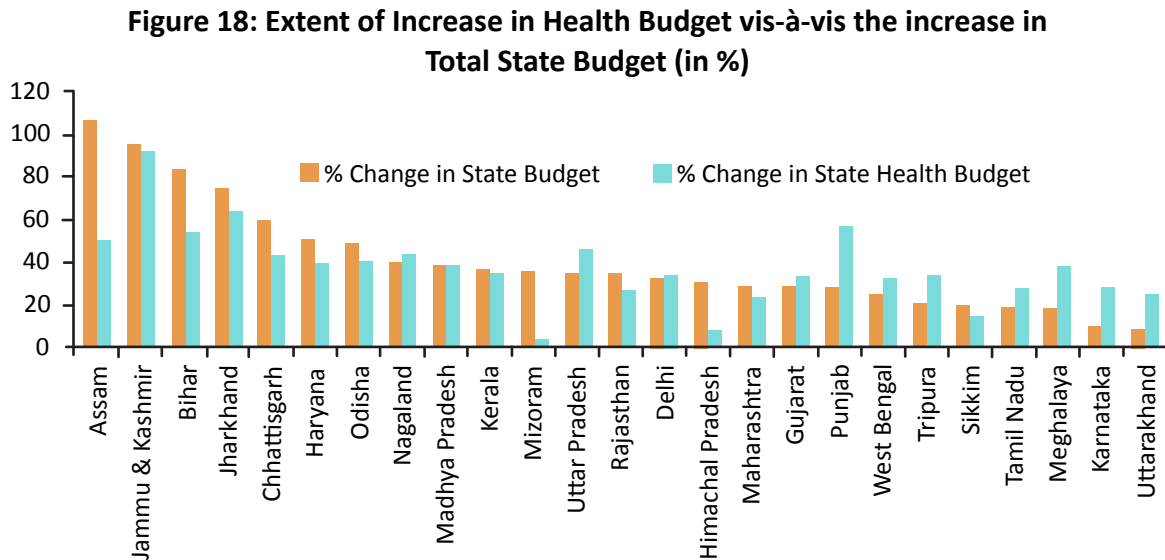


Source: Compiled by CBGA from various State Budget documents

After the acceptance of the recommendations of the 14th FC regarding the increased share of resources to States from the central pool of divisible taxes, it was conjectured that States would be stepping up their spending on various sectors as they would have a larger pool of resources and more flexibility to decide their priorities. It was more so in the health sector as, in India, health is essentially a State subject. In addition to devolving more resources to the States, there were changes in the Plan spending of the Centre; the fund sharing pattern between the Centre and States under NHM was made 60:40 from 75:25 earlier. The analysis below captures the effect of such changes on prioritisation of the health sector across States.

Figure 26 shows how different States have prioritised their budgetary allocations towards health in the 14th FC period under review by juxtaposing the increase in the total State budget against the increase in the State budget for the health sector. This comparison is done for two data points: allocations in the pre 14th FC period (2014-15) against allocations in the 14th FC period under review (an average of 2015-16 A, 2016-17 RE and 2017-18 BE). The analysis makes the assumption that if the extent of the increase in the budget for the health sector was significantly higher than the extent of the increase in the overall budget of the State during these two periods, then there

was an increase in priority for the health sector. It is observed that various States prioritised the health sector differently in the 14th FC period. Of the 25 States studied, in around 13 States, the percentage increase in the health budget from the pre-14th FC period to the 14th FC is more than the percentage increase in respective State budgets over the same period.



Source: Compiled by CBGA from various State Budget documents

Of these 13 states, Assam, Bihar, Mizoram and Himachal Pradesh substantially increased their allocation towards the health sector with State health budget increasing as a proportion of the total State budget over the pre 14th FC and 14th FC periods. Assam increased its allocation to health from 4.1 per cent of the State budget in 2014-15 to 5.6 per cent in the 14th FC period and Mizoram increased this proportion from 4.5 per cent to 5.8 per cent. On the other hand, States such as Punjab, Meghalaya, Karnataka and Uttarakhand, though increasing their spending on the health sector, have not invested much on health. In fact, in some of these States, the State health budget decreased as a proportion of the total State budget between the pre 14th FC and 14th FC period.

A closer look at the health budget of Assam shows that the increase was largely due to investments in Urban Health Services and Medical Education and Training. It may be noted that Assam is the first State to enact legislation, through the Assam Public Health Act, guaranteeing people's right to appropriate and efficacious healthcare. Similarly, in Bihar, during the 14th FC period, there was a greater allocation towards Urban Health Services. In Himachal Pradesh a major increase was due to the higher allocation to the National AYUSH Mission. States that visibly prioritised the health sector during the 14th FC period have consistently invested in the health sector in recent years. For instance, Assam invested in building its health infrastructure and also focused on developing indigenous medicine. There was also a longer-term vision of developing the State as a nursing hub. In other States that have prioritised health, such as Bihar and Chhattisgarh, there was emphasis on strengthening health infrastructure in terms of building new medical colleges and hospitals and establishing nursing schools.

These States also laid emphasis on addressing maternal and child health deficits. For instance, Assam invested resources towards continuing the *MAMATA* scheme for pregnant women. Himachal Pradesh, which prioritised health during the 14th FC period, also focused on establishing medical colleges. Both Assam and Himachal Pradesh announced State-level health insurance schemes, with Himachal Pradesh also announcing a scheme for people not receiving benefits under RSBY and other such schemes.

On the other hand, the health sector's priority declined during the 14th FC period in states such as Karnataka, Punjab and Uttarakhand. While Karnataka largely focused on the use of technology and digitising processes, Punjab announced a universal health insurance scheme. There was relatively less investment towards strengthening health infrastructure in these States.

States such as Maharashtra, Rajasthan, Kerala, Sikkim and Jammu and Kashmir continued to increase investment in the health sector in more or less the same proportions as the increase in the size of the overall State budget. Some of these States have historically been paying attention to different aspects within the health sector, such as distribution of free generic medicines in Rajasthan. Kerala, too, has continued to have better health outcomes compared to other States. In other States, such as Gujarat, West Bengal, Tripura and Tamil Nadu, the rate of increase in investments in the health sector showed a marginal decline in comparison to the rate of increase in the total State budget.

In terms of per capita health expenditure (2017-18), we observe wide inter-State variations. At one end of the spectrum was Sikkim, which spends about Rs 4850 per capita and at the other end is Bihar, which spends Rs 638 per capita. However, it is encouraging to note that a comparison between the pre 14th FC and 14th FC periods shows that there was a substantial increase in the per capita health spending/allocation in Assam and Bihar, as also in Jammu & Kashmir and Jharkhand.

One of the driving forces behind the National Rural Health Mission or NRHM (now National Health Mission or NHM) was the need to tackle such wide regional differences through effective intervention from the Centre, without jeopardising the federal architecture. However, some disparities persist and the experience in the 14th FC period shows that different States have been according priority to the crucial health sector in varying degrees.

Given that the overall public spending in India (Centre and States combined) is much lower than required, as acknowledged in the National Health Policy 2017 (the Draft NHP had even mentioned a requirement of 4-5% of GDP), and the gaping shortfalls in health infrastructure and human resources across States, some serious efforts need to be made towards fulfilling the demand for an increase in public expenditure on the health sector. In such a context, where there are large-scale inter-State and intra-State disparities in health indicators and public provisioning for health, the Union government would need to play a crucial role in stepping up budgetary resources for the sector by adequately funding central programmes such as the National Health Mission. The Report of the Department related Parliamentary Standing Committee on Health and Family Welfare (2017) had also indicated that the higher devolution recommended by the 14th FC could be utilised towards filling the resource gaps of the States and for this the Centre would have to devise and ensure arrangements for the States to step up their funding for the health sector.

## 5.5 Social Welfare Sector

Expenditure on social welfare is critical to address the development deficits and concerns of some of the most deprived sections of society. The combined social welfare spending by 25 study states, taken together, increased from Rs 1,49,617 crore in 2014-15 to an average of Rs 2,20,368 crore in the 14th FC period, i.e. an increase of 47 per cent. This was higher than the overall increase in all 25 state budgets taken together, which was 37 per cent during this period. Overall, the social welfare budget increased in absolute amounts for all states (except Chhattisgarh), but the extent of prioritisation of social welfare expenditure was not uniform across these states. There were noticeable inter-state variations in the amounts being invested in social welfare, and the priority for social welfare within the state budgets during the period under review.

Based on their expenditure on social welfare, three broad trends were observed in the 25 states:

- i. States where the increase in social welfare budgets was higher than the increase in the overall state budget
- ii. States where the increase in social welfare budgets was lower than the increase in state budgets
- iii. States where there was a decline in absolute terms in social welfare budgets during the 14th FC period as compared to FY 2014-15

### Increase in social welfare budgets higher than increase in overall state budgets

While social welfare expenditure has increased in most of the states in this study, in several states it has been prioritised to a greater extent—i.e., the increase in the average social welfare expenditure during the 14th FC period over 2014-15 was more than the increase in the state budgets during the same period. This was observed in Delhi, Gujarat, Haryana, Himachal Pradesh, Jammu and Kashmir, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Mizoram, Rajasthan, Sikkim, Tamil Nadu, Uttarakhand and Uttar Pradesh. In Jammu and Kashmir for instance, on account of increased spending on social security and welfare and nutrition, social welfare expenditure witnessed a steep hike in 2016-17 (from Rs 751 crore in 2014-15 to Rs 4,525 crore in 2016-17 RE).

Similarly, Jharkhand was among the bottom three states in per capita social welfare spending (among the 25 study states) in 2014-15, but was among the top 15 states in the 14th FC period. It saw a visible increase in social welfare budgets from 2014-15 to the 14th FC period in both absolute terms (from Rs 2,381 crore in 2014-15 to an average of Rs 5,676 crore in the 14th FC period), as well as its share in the total state budget (from 5.9% in 2014-15 to 8.7% in the 14th FC period). This increase was owing to increased budgets for all nodal departments comprising social welfare, with the highest increase being in the Women and Child Development and Social Security Departments.

It is also worth noting that several of these states, such as Himachal Pradesh, Mizoram, Uttarakhand, Gujarat and Karnataka, which were among the states incurring the highest per capita expenditure on social welfare before implementation of the 14th FC recommendations, continued to incur the highest amounts of per capita social welfare expenditure in the first three years of the 14th FC period.

The increased social welfare expenditure observed since 2015-16 was reflected both in higher allocations in existing interventions as well as in the introduction of new interventions. For instance, in Haryana, it is observed that expenditure on welfare of SCs and BCs increased by 83 percent in 2016-17, which was on account of, among others, increased spending on scholarships from Rs 134 crore in 2015-16 to Rs 279 crore in 2017-18 and an increase in social security allowance schemes from Rs 1200 to Rs 1400, with a monthly increase of Rs 200 per month from January 2017 until January 2019. The state also increased the grant for inter-caste marriage under the *Mukhyamantri Samajik Samrasta Antarjatiya Vivah Shagun Yojana* from Rs 50,000 to Rs 1,01,000. Rajasthan, too, focused on expanding the number of *anganwadi* centres and opening *Maa-Badhi Kendras* in high-priority tribal districts. At the same time, it also increased the pension amount for widows and increased the honorarium for frontline workers under ICDS.

On the other hand, new initiatives were also undertaken in some states. Maharashtra, for instance, introduced initiatives such as *Mazi Kanya Bhagyashree* scheme and *Asmita* scheme during the period between 2015-16 and 2017-18.

### **Increase in social welfare budgets less than increase in state budgets**

While there are states that have shown clear prioritisation in their spending on social welfare in the 14th FC period, there are also states where the increase in social welfare budgets has been less than the increase in the overall state budget from 2014-15 to the 14th FC period under review. These include West Bengal, Punjab, Assam and Bihar. In the 14th FC period reviewed in this study, West Bengal has the lowest average per capita social welfare spending at Rs 882. West Bengal and Bihar have almost the same population size, but the budget of West Bengal is greater than that of Bihar. However, the average social welfare expenditure by West Bengal (Rs 8,249 crore), is less than that of Bihar (Rs 11,414 crore) in the 14th FC period under review. Punjab and Assam are also the states where the increase in the total budget expenditure in the 14th FC period was not accompanied by a proportionate increase in spending on social welfare. Punjab allocated only 3.5 per cent of its total state budget to social welfare during 2014-15, which reduced to 3 per cent in the 14th FC period under review. This is much lower than the spending by Assam, a state with a smaller budget size than Punjab, but one that allocates around 6 per cent to social welfare. These four states were among the bottom 8 per capita spenders on social welfare in 2014-15, i.e., prior to implementation of the 14th FC recommendations. In the 14th FC period that we have reviewed, these states have not increased their priority for social welfare in their state budgets and remain among the bottom 8 per capita spenders on social welfare.

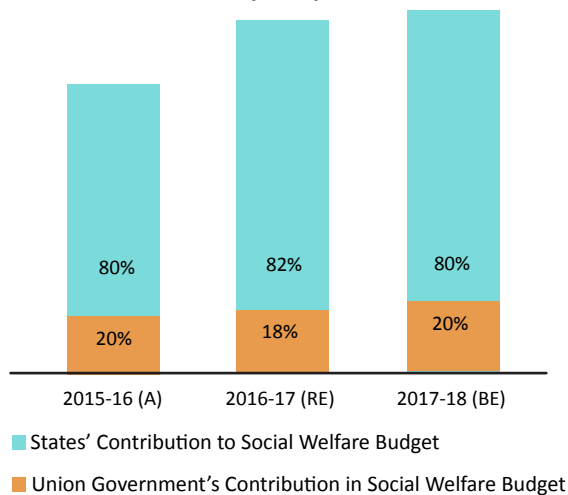
### **Decline in expenditure on social welfare**

Chhattisgarh is the only state where social welfare expenditure has declined in absolute terms in the 14th FC period under review (an average of Rs 4,037 crore) from the 2014-15 levels (Rs 5,762 crore). This decline is due to a significant fall in the budget for the Department of Tribal, Scheduled Caste and Backward Classes from close to Rs 3,871 crore in 2014-15 to an average of Rs 1,642 crore in the 14th FC period. Within the department, the largest decline is in the budgets for 'Financial Assistance to PRIs under TSP' and 'Primitive Tribals Welfare'. The budget for the Social Welfare Department also declined during the same period. Chhattisgarh was the sixth highest per capita spender on social welfare in 2014-15, but fell to the fifteenth place in the 14th FC period under review.

## A few observations

- An important point to note here is that the increase in state budgets for social welfare was not the result of enhanced Union Budget allocations towards social welfare. The contribution of the Union Government in overall social sector spending (states and Union Government combined) remained at around 20 percent in the in the first three years of the 14th FC period, with no visible increase.

**Figure 19: Contributions of the Centre and States to spending on “Social Welfare” (in %)**



Source: Compiled by CBGA from various State Budget documents

- Though the figures point to increased priority being accorded to social welfare in state budgets on the whole during the first three years of the 14th FC period, there are huge differences across states in their spending on social welfare as well as the priority for social welfare in their respective state budgets (from 3% in Punjab, to 13.2% in Karnataka in the 14th FC period).
- What is also noticeable is that the states that were among the top per capita social welfare spenders in the pre-14th FC period (i.e. year 2014-15) continued to be the top spenders in the first three years of the 14th FC period. Similarly, the states that were among the bottom spenders continued to be among the bottom spenders in the 14th FC period.

## 5.6 Urban Development and Housing Sector

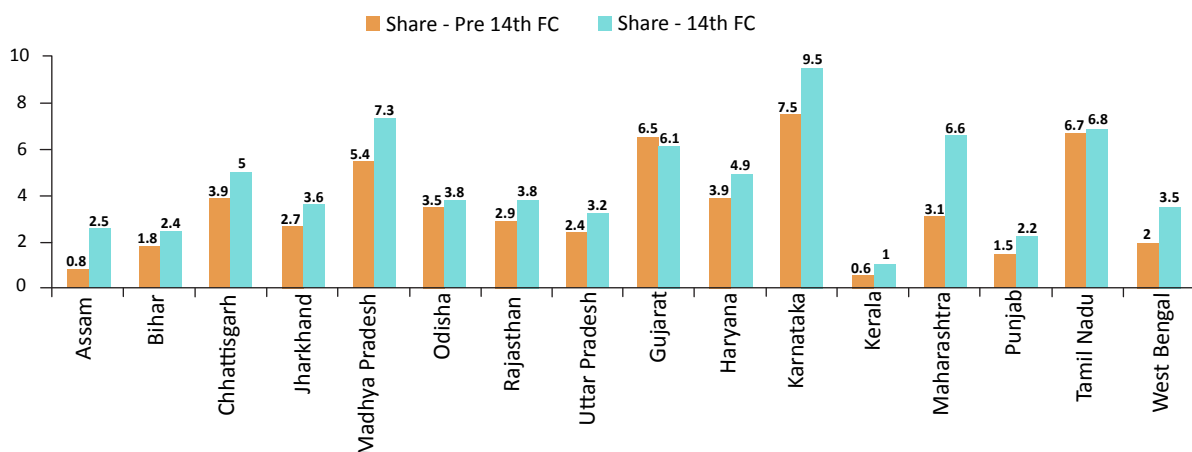
In the last few years, the Union Government has played an active role in catalysing urban development by initiating a number of schemes such as Housing for All (HFA), Smart Cities Mission (SCM), and Atal Mission for Rejuvenation and Urban Transformation (AMRUT), etc. The aim is to facilitate inclusive and sustainable urban development with a multi-dimensional focus on areas such as housing for all, reducing water and electricity use, strengthening public transport, generating power from renewable sources, promoting last-mile connectivity and natural drainage patterns, reducing waste, promoting greenery and public places etc. In the backdrop of such a focus on developing urban areas, it becomes imperative to look into how states prioritised their spending in this sector in the first 3 years of the 14th FC period.

The most striking observation for Urban Development and Housing is the significant increase in this sector for many of the states, both in terms of absolute allocations and in percentage changes. While most states witnessed substantive investments in this sector, Assam, Maharashtra and Uttarakhand registered the most visible jump in allocations with percentage changes as high as 345, 167 and 151, respectively. The thrust given by states for Urban Development becomes clear when we look at the figures for the 9 states considered relatively poorer. In this group of states, Urban Development and Housing accounts for the highest average percentage change among all the other sectors considered for the analysis. In comparison to the states with major increases in allocations, the north-eastern states of Tripura (6) and Mizoram (18) recorded the lowest percentage changes in terms of absolute numbers.

The average per-capita figures for allocations to Urban Development and Housing in the 14th FC period under review reveal huge a disparity in spending across states, with Kerala spending as little as Rs 302 and Delhi spending as much as Rs 3,346. Some of the other states with low average per-capita spending in this sector are Bihar (Rs 323) and Assam (Rs 543). Assam, in spite of having the highest incremental change in absolute allocations in this sector, performed poorly when analysed from the lens of per-capita spending.

The sectoral shares in state budgets help us understand the priorities of the different states. While there was an increase in the share of spending for this sector in the 14th FC period for most states (in comparison with the 2014-15 Actuals), Gujarat stands out as the only state that has witnessed a decline in the sectoral share as can be seen from Figure 28 below. Gujarat being one of the relatively well-off states seems to have shifted its priority from Urban Development and Housing. Previously made announcements on construction of individual, community and public toilets, waste management, water and underground drainage facilities and awareness activities also find no mention in the budget speech of 2017-18, which further points towards this shift in priority away from urban development for the state.

**Figure 20: Share of allocation to “Urban Development and Housing” in Total State Budget (in %)**

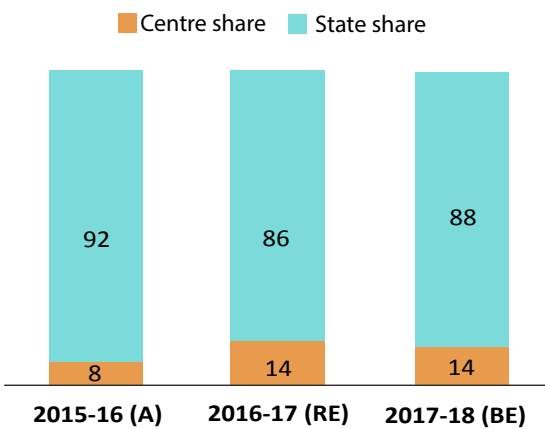


Source: Compiled by CBGA from various State Budget documents

The natural question that then arises is: where did states such as Assam and Maharashtra allocate the bulk of their budgets for Urban Development and Housing? For Assam, it can be seen that the bulk of allocations was channelised towards large-scale construction of houses as part of the *Pradhan Mantri Awas Yojana*. The priority accorded by the state government towards providing ‘Housing for All’ in urban areas is evident from the announcement that it was extending the reach of schemes such as *Pradhan Mantri Awas Yojana*, *Atal Mission for Rejuvenation and Urban Transformation* to several towns. Another focus area for Assam was big public infrastructure projects under the ‘City Infrastructure Development Fund (CIDF)’, including building of Public Parks, Landmark Roads, Marriage halls, District Libraries and Stadiums. Public infrastructure projects in 6 large cities of the state were given a further boost with the announcement in the budget speech of 2017-18 that the state was initiating a ‘Big Cities Amenities Development Fund (BCADF)’.



**Figure 21: Contributions of Centre and States in spending on Urban Development and Housing (in %)**



Source: Compiled by CBGA from various State Budget documents

In Maharashtra's case, one of the focus areas was implementation of the Maharashtra *Swarna Jayanti* Urban Renewal Mission for urban local bodies. Moreover, substantial allocations were earmarked for the Smart Cities Mission (SCM) and Atal Mission for Rejuvenation and Urban Transformation (AMRUT). The significant priority that this sector has received in a number of states is also consistent with state governments' stated priorities in their budget speeches, which have highlighted investments in Smart Cities with the provision of digital connectivity, big public infrastructure projects in larger cities, installation of energy efficient LED lights etc.

An approximate calculation of the resource sharing pattern between the Centre and the States for Urban

Development in the 14th FC period is presented in Figure 21.<sup>5</sup> The states' contribution, on the other hand, is restricted to 25 states in the figure below. It is clear that in the 14th FC period under review, the Centre's share of spending on the sector increased from 8 per cent to 12 per cent.

<sup>5</sup> To arrive at this, the Union Government's resource transfers to all States and Union Territories through Centrally Sponsored Schemes under the relevant Ministries and Departments have been calculated from the Expenditure Budget, Volume-II. Further, the expenditure figures for 25 states (excluding Andhra Pradesh, Telangana, Manipur, Arunachal Pradesh and Goa) for this sector have been taken from state budget documents. It is to be noted that this is not an exact calculation as the Centre's figures correspond to its transfers to all states and not only to the 25 states that we have considered for our analysis.

## 6. Centrally Sponsored Schemes – Restructuring and Outcome-based Financing

Any discussion on State Budgets and the social sector under the 14th FC will remain incomplete without a stock taking of developments with regard to CSSs, which form the biggest component of central assistance to state plans, albeit with relatively less flexibility. The other component, the erstwhile plan grants, is given to states with full flexibility on utilisation. But under the 14th FC, many of the plan grants, such as Normal Central Assistance, Special Plan Assistance, Special Central Assistance and Additional Central Assistance for other purposes are subsumed in the award of the FC itself.

Pursuant to the recommendations of the 14th FC, the government has notified the CSSs after rationalisation. The notification states that the Union and State Governments will jointly focus on achieving the National Development Agenda through implementation of the CSSs. A total of 66 pre-existing CSSs have been rationalised under 28 umbrella schemes, covering 12 sectors. The schemes have been grouped under three categories, namely, 'Core of the Core (six schemes)', 'Core (20 schemes)' and 'Optional (two schemes)'. The proportion of state share vis a vis the central share increases as one goes from the 'Core of the Core' to the 'Core' and 'Optional' schemes.

### 6.1 Restructuring

The restructuring has resulted in merger of two or more CSSs within a specific sector. For instance, four of the CSSs, *Sarva Shiksha Abhiyan (SSA)*, *Rashtriya Madhyamik Shiksha Abhiyan (RMSA)*, *Teacher Training and Adult Education (TE)*, and *Rashtriya Uchchatar Shiksha Abhiyan (RUSA)* have been placed under the National Education Mission as a single scheme among the Core Schemes. However, more than a year since the official order, there has not been much headway on the ground towards integrating these four schemes, which in itself is a humungous task owing to their varied focus, approach and programmatic norms. A rapid comparison between SSA and RMSA establishes that they continue to operate in compartments. While SSA covers government as well as government-aided private schools (including the unaided private schools in reference to Section 12 of the Right to Education (RTE) Act), the RMSA covers only government schools. There are different School Management Committees (SMC) formed as part of SSA and RMSA, at times in the same school. Even the State Implementation Societies (SIS) for SSA and RMSA are separate entities, with their own project directors in several states. The norms for SSA and RMSA prescribe different unit costs for identical activities, e.g., the unit cost for non-residential training of teachers is Rs 100 per person per day in SSA and Rs 300 per person per day in RMSA. This incoherence between SSA and RMSA underscores that for the merger of CSSs even within a sector to take place effectively it is necessary that the whole process is meticulously planned and executed. In a recent development, government has announced an Integrated Scheme on School Education by subsuming 3 of the 4 CSSs mentioned under the National Education Mission, including, SSA, RMSA and TE. The scheme comes into effect from 1st April, 2018. The Finance Minister had hinted at this impending development in his Budget Speech on 1st February 2017-18.

The scheme, it has been reported, comes in the backdrop of the PM's vision of Sabko Shiksha, Achhi Shiksha and aims to support States in universalising access to school education from pre-nursery to

Class XII across the country. It is to be noted that none of the 3 CSSs subsumed under the new scheme i.e., SSA, RMSA and TE, which are implemented by the Ministry of HRD, had a preschool focus. Instead, pre-school or Early Childhood Care and Education (ECCE) has been covered under the Integrated Child Development Scheme (ICDS), under the Ministry of Women and Child Development (WCD). While the details of the new scheme have not yet been made public, it disconnects from the policy perspective is noticeable. Moreover, limited participation by stakeholders in its evolution and a hurried announcement reaffirm the perception that decision making and experimentation in school education has been ad hoc in nature.

## 6.2 Outcome-based Financing

The other important debate on CSS is about performance/outcome-based financing. While institutions such as NITI Aayog have been advocating for such an approach, not much discussion has happened on its modalities. It is worth noting that outcome targets under the CSSs have been set by the nodal ministries for some time now. For example, The Project Approval Board (PAB) of SSA has been deciding annual outcome targets to be achieved by states while approving funds for implementation. Some of the targets assigned during the last few years under SSA are: reduction in the number of out-of-school children, reduction in dropout rates, and, improvement in learning levels. It is not clear, however, as to what happens if these targets are not achieved. Not satisfied with this kind of outcome-based approval, the push now is to link performance with fund allocation, or in other words, for outcome-based financing.

While outcome-based financing sounds progressive and is certainly required in order to instil a sense of accountability, judicious planning and the institutional capacity required to put into practice such an approach remains a challenge. The fundamental caveat against such a straitjacketed approach to outcome-based financing of CSSs as a whole is the diversity and range of sectors covered along with the varied nature of outcomes each is expected to achieve. This variety in the CSSs necessitates a differentiated approach to outcome-based planning, beyond the scope of outcome-based financing. The intended outcome of SSA, for example, is quality education to children from Class I to Class VIII, whereas the intended outcome of the *Pradhan Mantri Gram Sadak Yojna* (PMGSY) is to provide roads to all villages. Understandably, the very notion of the achievement of outcome of the latter scheme is far more tangible, and relatively much easier than the former. It is therefore evident that they require a differentiated approach in every respect, including outcome-based financing.

On the other hand, the 29 States and 7 UTs of India implementing these schemes are not evenly placed in terms of infrastructure, human resources, institutional capacities and other factors to implement them; besides they do not have a uniform baseline on important input, process and outcome indicators either. The various sections in this study have highlighted the varied situation of states, including their fiscal health, institutional challenges, issues in programme implementation, and sectoral priorities. Additionally, a variety of factors have contributed to this heterogeneity, including, geographic, economic and socio-political variations. However, the most significant yet least discussed reason is that in many States, because of years of neglect, inadequate funding and even corruption, the implementation apparatus and its related institutions have either been weakened, or worse, have failed to even come up. In order to strengthen these institutions

and the implementation apparatus, human resources being an important component, many States need much more funding as well as technical and logistical support over a sufficiently long period. This has hitherto not been adequately planned and provided for. Thus, the implementation capacity of several states has either perpetually remained weak or it has consistently declined.

A single-track approach to outcome-based financing will therefore be a double blow for these states, i.e., the insufficient or limited institutional capacity to achieve outcomes will result in less funds being allocated to maintain even the existing level of performance. The shift in approach from need-based funding to competitive and performance-based funding is thus fraught with the risk of depriving these states from what they are entitled to as their right, besides losing the ground covered on account of a need-based funding approach.

There have been some useful suggestions to address this challenge. One suggestion moots having three-pronged funding under CSSs, wherein one element focuses on the input (say infrastructure for weaker states), the second element focuses on building capacities over the long run, and the third element more competitive, encouraging innovation and directly linked to achievement of results. While this suggestion rests closest to addressing the issue of performance-based financing, a crucial dimension needs to be introduced here. CSSs historically have had limitations, particularly when seen through the lens of institutional development, e.g., curriculum reform in basic education, which is probably the least discussed and least achieved outcome in over 15 years of SSA implementation. These limitations are not merely financial; they are structural and organisational as well. These limitations lie at the heart of the conceptualisation, design and planning of the CSS as these the schemes are not adequately integrated with the institutional apparatus of the states for the particular sector during these stages. As a result, the CSSs almost all operate with minimal integration with the mainstream government apparatus in terms of planning, capacity development and implementation.

The relationship between CSSs and the implementation apparatus as well as relevant institutions at the national, regional, state and sub-state level needs to be made cohesive and provided necessary financial, logistical and technical support. Unless this is ensured, the tangible rights-based gains expected from the CSSs to help achieve the National Development Agenda and the SDGs may remain elusive.

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## Concordance Tables

### Agriculture and Allied Activities

States	Details of Budget Books
Assam	The sector captures the expenditure incurred through the Departments of 1. Animal Husbandry (Grant No-52) 2. Fisheries (Grant No-54) 3. Agriculture (Grant NO-48) 4. Dairy Development (Grant No-53) 5. Soil & Water Conservation (Grant No-51) 6. Horticulture (Grant No-67) and all related major heads (2401, 2402, 2403, 2404, 2405, 2415, and 2435) from the following Demand for Grants - 7. All Services Heads within Karbi-Anglong Autonomous District Council (Grant No.76) 8. All Services Heads within N.C. HILLS Autonomous District Council (Grant No.77) 9. Bodoland Territorial Council (Grant No.78).
Bihar	The sector captures the expenditure incurred on the following departments: 1. Agriculture (Demand No-01 with Major Heads 2245, 2401, 2402, 2415, 2435, 3451, 3475) 2. Animal & Fisheries Resources (Demand No-02 with major heads 2403, 2404, 2405, 2415, 3451, 3454).
Chhattisgarh	The sector includes the expenditure incurred on the following departments: 1. Agriculture (Book-14 with Demand Numbers 13, 41, 45, 54, 64) 2. Animal Husbandry (Book-35 with Demand Numbers 14, 15, 41, 64, 67, 68, 80 and 82) 3. Fisheries (Book-36 with Demand Number 15, 16, 41, 64, 67, 80 and 82)
Delhi	The sector captures the expenditure incurred on the following departments: 1. Agriculture Marketing (Demand no-10) 2. Agriculture Development (Development Department, Demand No-10) under the related major heads (2435, 2401, 2402, 2403, 2404, 2405,2415)
Gujarat	The sector captures the expenditure incurred on the following departments: 1.Agriculture and Co-operation (Book-03 and consisting of demand number 1, 2, 3, 4, 6 and 7). The total of this sector also includes Co-operation.
Haryana	The sector captures the expenditure incurred on the following departments Agriculture and Allied Activities, through the following Major Heads: 1. 2401 Crop Husbandry 2. 2402 Soil and Water Conservation 3. 2403 Animal Husbandry 4. 2404 Dairy Development 5. 2405 Fisheries 6. 2415 Agricultural Research and Education 7. 2435 Other Agricultural Programmes 8. 4403-Capital Outlay On Animal Husbandry 9. 4405-Capital Outlay on Fisheries 10. 6401-Loans for Crop Husbandry.
Himachal Pradesh	The sector captures the expenditure made on the following: 1. Agriculture (Demand No.11) 2. Horticulture (Demand No. 12), 3. Animal Husbandry, Dairy Development & Fishery (Demand No. 14).

States	Details of Budget Books
Jammu & Kashmir	The sector captures expenditure incurred through the following departments: 1. Agriculture (Demand 12 excluding Major Head 2425) 2. Animal Husbandry (Demand 13) 3. Fisheries (Demand 26).
Jharkhand	The sector captures the expenditure incurred on the following departments 1. Agriculture and Sugarcane Development (Demand No 1; Vol I Plan, Vol I Non-Plan, Central sector schemes, Schemes under Central Assistance to State Plan through Major Heads 2401, 2402, 2415, 2435, 3451, 3475) 2. Animal Husbandry (Demand No 2; Vol I Plan, Vol I Non-Plan, Central sector schemes, Schemes under central Assistance to state plan through Major Heads 2403, 3451, 3454) 3. Fishery (Demand No 53; Vol IV Plan, Vol IV Non-Plan, Schemes under central Assistance to state plan through Major Heads 2405) 4. Dairy (Demand No 54; Vol IV Plan, Vol IV Non-Plan, Schemes under Central Assistance to State Plan through Major Heads 2404).
Karnataka	The sector captures the expenditure incurred on the following departments: 1. Crop Husbandry (2401 & 4401), 2. Soil and Water Conservation (2402), 3. Animal Husbandry (2403 & 4403), 4. Dairy Development (2404 & 4404), 5. Fisheries (2405 & 4405), 6. Agricultural Research and Education (2415).
Kerala	The sector includes expenditure incurred on the following departments: 1. Agriculture (Demand XXIX) 2. Animal Husbandry (Demand XXXI) 3. Dairy Development (Demand XXXII) 4. Fishery (Demand XXXIII) contained in Summary of Demand for Grants and Detailed Budget Estimates.
Madhya Pradesh	The sector captures the expenditure incurred on the following 1. Agriculture General (Demand No 13, 54), Agriculture TSP (Demand No. 41), Agriculture SCP (Demand No- 64) 2. Animal Husbandry General (Demand No. 14), Animal Husbandry TSP (Demand No 41). Animal Husbandry SCP (Demand No 64) 3. Fisheries General (Demand No 16), Fisheries TSP (Demand No 41), Fisheries SCP (Demand No 64) 4. Horticulture General (D.NO 50), Horticulture TSP (Demand No 41), Horticulture SCP (Demand No 64).
Maharashtra	The sector captures the expenditure incurred on the following: Agriculture, Animal Husbandry, Dairy Development and Fisheries Departments. Note: As expenditure relating to Tribal Sub-Plan are contained in the Demand for Grants named "T- Tribal Development Department", hence the relevant figures under the heads of 2402, 2402, 2403, 2404, 2405, 2415, 4401, 4402, 4403, 4404, 4405, 4415, 6401, 6402, 6403, 6404, 6405, 6415 have been included from the said Department. Further, in Maharashtra, Planning Department spends a substantial sum on the heads of Agriculture. The sector also includes expenditure by this department given under heads relevant for agriculture.



States	Details of Budget Books
Meghalaya	The sector captures the expenditure incurred on the following: 1. Agriculture & Allied Activities (Demand No 43), 2. Fishery (Demand No 49), 3. Dairy (Demand No 48) and 4. Animal Husbandry (Demand No 47).
Mizoram	The sector captures the expenditure incurred on the following: 1. Agriculture (Demand No 31) 2. Horticulture (Demand No 32) 4. Soil & Water Conservation (Demand No 33) 5. Animal Husbandry & Veterinary (Demand No 34) 6. Fisheries (Demand No 35) 7. Sericulture (Demand No 41) under the relevant Major Heads (2401, 2402, 2403, 2415, 7610).
Nagaland	The sector captures the expenditure incurred on the following departments: 1. Agriculture (Demand No. 48), 2. Soil and Water Conservation (Demand No. 49), 3. Animal Husbandry and Veterinary (Demand No. 50), 4. Fisheries (Demand No. 51), 5. Horticulture (Demand No. 70).
Odisha	The sector captures the expenditure incurred on the following departments: 1. Agriculture (Demand No-23) 2. Fisheries & Animal Resources (Demand No-33).
Punjab	The sector captures the expenditure incurred on the following departments: 1. Agriculture & Forest (Demand No 1) 2. Animal Husbandry & Fisheries (Demand No 2).
Rajasthan	The sector captures the expenditure incurred on the following: 1. Agriculture (Major Head 2401) 2. Soil & Water Conservation (Major Head 2402) 3. Animal Husbandry (Major Head 2403) 4. Dairy Development (Major Head 2404) 5. Fishery (Major Head 2405) 6. Agricultural Research & Education (Major Head 2415) 7. Other Agricultural Programmes (Major Head 2435).
Sikkim	The sector captures the expenditure incurred on the following departments: Agricultural Development, Animal Husbandry Livestock, Fisheries, Horticulture & Cash Crop Development. The relevant demand numbers are 1, 2 and 15.
Tamil Nadu	The sector captures the expenditure incurred on the following departments: 1. Agriculture Development, 2. Animal Husbandry, 3. Fisheries and 4. Dairy Development. Expenditure figures in respect of these departments can be accessed through demand number 5, 6, 7 and 8.
Tripura	The sector captures the expenditure incurred on the following departments: 1. Agriculture, 2. Horticulture, 3. Fisheries, 4. Animal Resources, 5. Tribal Welfare and 6. Welfare of SCs. Expenditure figures in respect of these demands can be accessed through demand numbers 19, 20, 26, 27, 28 and 29.

States	Details of Budget Books
Uttar Pradesh	The sector captures the expenditure incurred on the following departments: 1. Industrial and Silk Development (Demand No. 10), 2. Agriculture (Demand No. 11), 3. Animal Husbandry (Demand No. 15), 4. Fisheries (Demand No. 17), 5. Dairy Development (Demand No. 16), 6. Sugarcane and Sugar Industry (Demand No. 23).
Uttarakhand	The sector captures the expenditure incurred on the following: 1. Farming & Research (Major Heads 2401, 2415, 4401), 2. Animal Husbandry (Major Heads 2403, 2404, 2405) and 3. Horticulture Development (Major Heads 2401, 4401). Expenditure figures in respect of these demands can be accessed through demand number 17, 28 and 29.
West Bengal	The sector captures the expenditure incurred on the following departments: 1. Agricultural Marketing (Major Heads 2401, 2408, 2435, 3451, 6435), 2. Agriculture (Major Heads 2235, 2236, 2401, 2402, 2415, 2551, 2851, 3451), 3. Animal Resources Development (Major Heads 2049, 2235, 2401, 2403, 2404, 2415, 2515, 2551, 3451, 6003), 4. Sericulture (Major Heads 2401, 2851, 3451), 7. Fisheries (Major Heads 2049, 2235, 2401, 4401, 2405, 2415, 2515), 8. Horticulture. Expenditure figures in respect of these demands can be accessed through demand number 4, 5, 6, 8, 11, 12, 20, 22 and 66.

## Food, Civil Supplies and Cooperation

States	Details of Budget Books
Assam	The sector captures the expenditure incurred on the following: 1. Co-operation (Grant No-43) 2. Food Storage & Warehousing (GrantNo-37). 3. All Services Heads Within KARBI-ANGLONG Autonomous Dist. Council 4. All Services Heads Within N.C. HILLS Autonomous Dist. Council 5. Bodoland Territorial Council. For the completeness and consistency of data across states, allocations under the Major Heads (2425, 2405, 2404, 2408, and 3456) of the following Demand for Grants have been incorporated.
Bihar	The sector captures the expenditure incurred on the following: 1. Co-operative (Demand No- 09 with Major Heads 2401, 2408, 2425, 3451) 2. Food & Consumer Protection Department (Demand NO-18 with Major Heads 2408, 3451, 3456, 5475).
Chhattisgarh	The sector captures the expenditure incurred on the following: 1. Co-operation Department (Book-15 with Demand Number 17, 41, 64) 2. Food & Civil Supplies Department (Book-29 with Demand Number 39, 41, 64, 67).
Delhi	The sector captures the expenditure incurred on the following: 1. Co-operation Department (Demand No-10, Major Head 2425) and 2. Food & civil Supplies & Consumer Affairs (Demand No-09, Major Heads 3456, 5475).

<b>States</b>	<b>Details of Budget Books</b>
Gujarat	The sector captures the expenditure incurred on the following: 1. Agriculture and Co-operation Department (Book-03 consisting demand number 5) 2. Food, Civil Supplies and Consumer Affairs Department (Book-07 consisting demand numbers 21, 22, 23 and 24).
Haryana	The sector captures the expenditure incurred on the following Major Heads: 1. 2425 Co-operation 2. 2408 Food Storage and Ware Housing 3. 3456 Civil Supplies
Himachal Pradesh	The sector captures the expenditure incurred on the following: 1. Co-operation Demand 21 2. Food & Civil Supplies Demand 22.
Jammu & Kashmir	The sector captures the expenditure incurred on the following: 1. Agriculture Department (Demand 12 Major Head 2425 only) 2. Consumer Affairs & Public Distribution Department (Demand 15).
Jharkhand	The sector captures the expenditure incurred on the following departments: 1. Co-operative (Demand No- 9 through Major Heads 2425, 3451) and 2. Food, Public Division (Demand No 18 through Major Heads 3456, 3451, 3475, 4408).
Karnataka	The sector captures the expenditure incurred on the following: Co-operation (2425, 4425 & 6425) and Food, Storage and Warehousing (2408, 4408 & 6408).
Kerala	This sector includes expenditure incurred on the following: 1.Co-operation (Demand XXVII, Major Heads 2425 4445 and 6425) 2. Food (Demand XXX, Major Heads 2236 2408 3456 4408 and 6408).
Madhya Pradesh	This sector includes expenditure on the following: 1. Co-operation General (Demand No 17) TSP (Demand No 41), SCP (Demand No 64) 2. Food & Civil Supplies General (Demand No 39), TSP (Demand No 41), SCP (Demand No 64). All these Books are Contained in Department-wise Budget Books. Book No 15
Maharashtra	The sector captures the expenditure incurred on the following: 1. Co-operation, Marketing and Textiles Department (Demand No V) 2. Food, Civil Supplies and Consumer Protection Department (Demand No. M).
Meghalaya	The sector includes the expenditure incurred on the following: 1. Civil Supplies (Grant No 32) and 2. Co-operation (Grant No 39).
Mizoram	The sector includes expenditure incurred on the following: 1. Co-operation (Demand No 37) 2. Food, Civil Supplies & Consumer Affairs (Demand No 17).
Nagaland	The sector includes the expenditure incurred on the following: 1. Co-operation (Demand No. 45) 2. Food & Civil Supplies (Demand No. 22).
Odisha	The sector includes expenditure incurred on the following: 1. Co-operation Department (Demand No. 34) 2. Food Supplies (Demand No. 09).

States	Details of Budget Books
Punjab	This sector includes expenditure incurred on the following: 1. Co-operation Department (Demand No.03) and 2. Food & Consumer Protection (Demand No -09).
Rajasthan	The sector records the expenditure incurred on the following: 1. Food & Storage 2. Co-operation and 3. Civil Supplies. The relevant Major Heads are 2408, 2425, 3456.
Sikkim	The sector captures the expenditure incurred on the following: 1. Major Heads of Co-Operation and Food, 2. Civil Supplies & Consumer Affairs. The relevant documents for reference are under demand numbers 4 and 11.
Tamil Nadu	The sector captures the expenditure incurred on the following: 1. Cooperation (Demand No. 12) and 2. Food and Consumer Protection (Demand No. 13).
Tripura	The sector captures the expenditure incurred on the following: 1. Co-operation (Demand No.12) and 2. Food, Civil Supplies & Consumer Affairs (Demand No. 21), 3. Tribal Welfare (Demand No. 19, Major Heads 2425, 4059, 4425, 5465, 2059, 3456, 3475, 4408 & 5475 & 6425) 4. Welfare of SCs (Demand No. 20, Major Heads 2425, 4059, 4425, 2059, 3456, 3475, 4408, 5475 & 5465)
Uttar Pradesh	The sector captures the expenditure incurred on the following: 1. Food & Civil Supplies (Demand No. 21) 2. Agriculture & Allied Activities (Cooperation) (Demand No. 18).
Uttarakhand	The sector captures the expenditure incurred on the following: 1.Co-operation (Demand No. 18) and 2. Food (Demand No. 25).
West Bengal	The sector captures the expenditure incurred on the following: 1. Co-operative Division (Demand No- 8) and 2. Food & Civil Supplies (Demand No 21).

## Rural Development & Panchayati Raj

States	Details of Budget Books
Assam	The sector captures the expenditure incurred on Rural Employment & Panchayati Raj. It records primarily the following: 1. Rural Development (Grant No-57). In addition, the sector also captures the allocations under major head (2501) of the following Demand for Grants: 2. All Services Heads Within KARBI-ANGLONG Autonomous Dist. Council 3. All Services Heads Within N.C. HILLS Autonomous Dist. Council 4. Bodoland Territorial Council. For Panchayati Raj it incorporates: 1. Panchayat (Grant No-56). 2. Compensation & Assignment to Local Bodies and Panchayati Raj Institutions (Grant No-66). The allocations under major heads (2515) are also included for the following demand for grants: 3. All Services Heads Within Karbi-Anglong Autonomous Dist. Council 4. All Services Heads within N.C. Hills Autonomous Dist. Council 5. Bodoland Territorial Council.
Bihar	The sector captures the expenditure under following Demand for Grants: 1. Rural Works (Demand No-37 with Major Heads 2515, 2245, 3054, 3451) 2. Rural Development (Demand No-42 with Major Heads 2203, 2215, 2216, 2501, 2505, 2515, 3451, 3454, 4515) 3. Panchayati Raj (Demand NO-16 with Major Heads 2015, 2515, 3451)
Chhattisgarh	The sector captures the works related to Rural Sector Development as well as Panchayat Raj Development as per the following Demand for Grants: 1. Panchayat and Rural Development Department (Book-22 with Demand Numbers 15, 30, 41, 48, 64, 80 and 82)
Delhi	The sector captures the expenditure incurred through the Demand for Grants of Development Department (Demand No-10).
Gujarat	The sector captures the expenditure on Rural Development as well as Panchayat Raj Development on the following demands: (Book-19 and Book-9 consisting Demand Number 69, 70, 71, 72 and 73).
Haryana	The sector captures the expenditure incurred through the following heads: Major Heads: 1. 2501 Special Programmes for Rural Development 2. 2505 Rural Employment 3. 2515 Other Rural Development Programmes 4. 6515-Loans for Other Rural Development Programme 5. 3604 Compensation and Assignments to Local Bodies and Panchayat Raj Institutions. Haryana presents Demand for Grants Major Head wise.
Himachal Pradesh	This sector captures the expenditure related to rural sector development under the following demand: Demand No. 20
Jammu & Kashmir	The sector captures the expenditure incurred by the Rural Development Department under Demand No. 28 and Demand No.5.

States	Details of Budget Books
Jharkhand	The sector captures the expenditure incurred under Rural Development & Panchayati Raj Sector under the following: 1. Rural Development (Demand No 42 through Major Heads 2053, 2501, 2505, 2515, 3054, 3451), 2. Central Assistance to State Plan and Rural Works (Demand No 55 through Major Heads 2501, 2505, 2053, 2515, 3451), 3. Panchayati Raj and N.R.E.P. (Demand No. 56 through Major Heads 2015, 2515, 3451, 3604)
Karnataka	The sector captures the expenditure incurred under the following: 1. Rural Development (Demand No. 7) and 2. Planning, Statistics, Science and Technology (Demand No. 26, Major Heads 2515, 4515).
Kerala	The sector captures expenditure incurred under the following: 1. Rural Development (Demand XXXVI, Major Heads 2501, 2505, 2515 & 4515) 2. Panchayat (Demand XXXV, Major Heads 2251, 4515 & 6515).
Madhya Pradesh	The sector captures expenditure under Rural Development & Panchayati Raj sectors under the following: 1. General (Demand No 30, 59), 2. Rural Development TSP (Demand No 41), 3. Rural Development SCP (Demand No 64), 4. Panchayat General (Demand No 34, 62), 5. TSP (Demand No 41, 52), 6. SCP (Demand No 15, 64).
Maharashtra	The sector captures the expenditure under the Department of Rural Development and Water Conservation (Demand L) contained in the Demand for Grants File. Since expenditure pertaining to the Tribal Sub-Plan for this sector are not included under this department and they presented in the Demand for Grants named "T- Tribal Development Department". Hence the relevant figures under the heads of 2502, 2505, 2515, 4515, and 6515 are included in the sector. Further, in Maharashtra, the Planning Department spends a substantial sum on Agriculture. The sector also includes expenditure by this department given under heads relevant for Rural Development.
Meghalaya	The sector captures the expenditure incurred through 1. Rural Development Programmes (Demand no. 39) 2. Community and Rural development (Demand No. 51).
Mizoram	The sector includes expenditure incurred under Rural Development Department (Demand No 38).
Nagaland	The sector includes the expenditure incurred under the following: 1. Rural Development (Demand No. 42 & 73), 2. Planning and Coordination (Demand No. 61), 3. Land Resources (Demand no. 72), 4. Underdeveloped Areas (Demand No. 77), 5. Planning & Coordination (Demand No. 27, Major Head 2552).

States	Details of Budget Books
Odisha	The sector captures the expenditure incurred on the Rural Development Department: (Demand No-28), and Panchayati Raj Department (Demand No -17).
Punjab	The sector captures the expenditure incurred through 1. Rural Development and Panchayati Raj Department (Demand No 23).
Rajasthan	The sector captures the expenditure incurred on Rural Development through the demands of 1. Special Programme for Rural Development 2. Rural Employment 3. Other Rural Development Programme 4. Other Special Area Programme 5. Compensation & Assignments to Local Bodies & Panchayati Raj Institutions.
Sikkim	The sector captures the expenditure incurred on the sectors of Panchayati Raj and Rural Development through the major head of Rural Development and Panchayati Raj sectors. The relevant documents for reference are under Demand No. 35 and Demand No. 43.
Tamil Nadu	The sector captures the expenditure incurred on Rural Development & Panchayati Raj under demand number 42.
Tripura	The sector captures the expenditure incurred on Rural Development under the following: 1. Rural Development (Demand Number 31), 2. Tribal Welfare ((Demand No. 19) (2059, 2215, 2501, 3452, 4059, 4215, 4215, 4515 & 5054), 3. Welfare of SCs (Demand No. 20) (2059, 2215, 2501, 2515, 3452, 4059, 4215, 4216, 4515 & 5054), 4. Panchayati Raj (Demand No, 23), 5. Tribal Welfare (Demand No 19) (2515, 4515), 6. Welfare of SCs (Demand No 20).
Uttar Pradesh	The sector captures the expenditure incurred on Rural Development & Panchayati Raj under the following demands: Demand Number 13, 14 and 40 (Major Heads 2575, 4515, 4575).
Uttarakhand	The sector captures the expenditure incurred on Rural Development. Expenditure figures in respect of these demands can be accessed through Demand Number 19, Major Heads 2501, 2515, 4515.
West Bengal	The sector captures the expenditure incurred on Rural Development through the demand of Panchayats & Rural Development. Expenditure figures in respect of these demands can be accessed through Demand Number 40 (Book 22).



## Rural Development & Panchayati Raj

States	Details of Budget Books
Assam	The sector captures the expenditure incurred by the Department of Power and Energy under the following Demands for Grants: 1. Power (Electricity, Grant No-62) 2. Scientific Services & Research (Grant no-69).
Bihar	The sector captures the expenditure related to Energy Department by the following: (Demand No. 10 with Major Heads 2045, 2801, 2810, 3451).
Chhattisgarh	The sector captures the expenditure related to Energy Department by the following demands: (Book-13 with Demand Numbers 12, 41 and 64).
Delhi	The sector captures the expenditure related to Energy Department by the state as shown in the demand for Grants of Power Department (Demand No-11, Major Heads 2052, 2801, and 2810).
Gujarat	The sector captures the expenditure through the Energy and Petro-chemicals Department (Book No- 5, consisting Demand Numbers 11, 12, 13 and 14).
Haryana	The sector captures the expenditure incurred through the following Major Heads: 1. 2801 Power 2. 2810 New and Renewable Energy 3. 3425 Other Scientific Research 4. 6801 Loans for Power Projects. Figures for Power & Energy have been adjusted for UDAY allocations for the States which have implemented UDAY Scheme in their States, including that of Haryana. They represent spending excluding allocations for UDAY Scheme.
Himachal Pradesh	The sector captures the expenditure related to the Energy Department through Power Development Demand. No. 23.
Jammu & Kashmir	The sector captures the expenditure made by Power Development Department under Demand Number 6.
Jharkhand	The sector captures the expenditure incurred under the following: Energy Department (Demand NO 10 through Major Heads 2045, 2059, 2801, 2810, 3451).
Karnataka	The sector captures the expenditure incurred under the following: 1. Power (2801, 4801 & 6801), 2. New and Renewable Energy (2810) 3. Energy (2045, 2801, 2810, 4801 & 6801).
Kerala	The sector captures the expenditure incurred under the following: Demand XXXIX- Power 2801, 2810, 4801, 4810 & 6801.
Madhya Pradesh	The sector captures the expenditure under the following books: 1. Energy (Demand No. 13), 2. New & Renewable Energy (Demand No. 43)

States	Details of Budget Books
Maharashtra	The sector captures the expenditure made by the Department of Industries, Energy and Labour (Demand No. K) Contained in the Demand for Grants File. It may be noted that the figures under this grant include expenditure on industries and hence to that extent, the sector presents an inflated picture.
Meghalaya	The sector captures the expenditure incurred under the Power and energy sector through Grant No. 11: Administration of Electricity Rules, Power department services.
Mizoram	The sector captures the expenditure incurred under Power & Electricity (Demand No 39, Major Heads 2801, 2501, 2810, and 7610).
Nagaland	The sector captures the expenditure incurred by the following: Power (Demand No. 55), 2. Information Technology & Communication (demand No. 81).
Odisha	The sector captures the expenditure incurred under the Energy Department (Demand No-30) and Science and Technology (Demand No-27).
Punjab	The sector captures the expenditure incurred through the Irrigation and Power Department (Demand No. 15) and includes expenditure under Major Heads of 2801, 2810, 4801 and 6801.
Rajasthan	The sector captures the expenditure incurred on the Power and Energy Sector through demands of Power and New & Renewable Energy.
Sikkim	The sector captures expenditure pertaining to Power and Energy through demand number 31.
Tamil Nadu	The sector captures the expenditure incurred on Power & Energy sector accessed through demand number 14.
Tripura	The sector captures the expenditure incurred on Power & Energy sector (demand No. 14), 2. Tribal Welfare (D No 19) (4552, 4801), 3. Welfare of SCs (D No 20) (4552, 4801).
Uttar Pradesh	The sector captures the expenditure incurred on the Power & Energy sector through demands of Energy (Demand No. 9), Planning (Demand No. 40, Major Head 4801 only), science and technology (Demand No 70).
Uttarakhand	The sector captures the expenditure incurred on the Power & Energy sector through demand of Energy. Expenditure figures in respect of these demands can be accessed through demand number 21, Major Heads 2801, 2810, 4801, and 6801.
West Bengal	The sector captures the expenditure incurred on the Power & Energy sector through Demand for Grants of Power & Non-Conventional Energy Sources. Expenditure figures in respect of these demands can be accessed through demand number 43.

## Public Works

States	Details of Budget Books
Assam	The sector captures the expenditure incurred through the following relevant major heads (2059, 4059, 6059, 3054, 5054, and 7054) under the following Demand for Grants numbers: 1. State Legislature (Grant No-01) 2. Transport Services (Grant No-09). 3. Administrative and Functional Buildings (Grant No-17) 4. Roads & Bridges (Grant No-64). The major heads are (2059) & (3054) in the following grants: 5. All Services Heads Within KARBI-ANGLONG Autonomous Dist. Council (Grant no. 76) 6. All Services Heads Within N.C. Hills Autonomous Dist. Council (Grant No.77) 7. Bodoland Territorial Council (Grant No. 78).
Bihar	The sector captures the expenditure incurred through the Demand For Grant of Building Construction (Demand No-03 with Major Heads 2052, 2059, 2216, 2245, 3053, 4047, 4055, 4059, 4202, 4210, 4215, 4216, 4225, 4235, 4250, 4408, 4515).
Chhattisgarh	The sector captures the expenditure recorded through Public Works Department (Book-19 with Demand Numbers 24, 42, 64, 67, 68 and 76).
Delhi	The sector captures the expenditure incurred by the Public Works Department (Demand No-11).
Gujarat	The sector captures the expenditure made by the State Government on Public Works is shown in the Demand for Grants named Roads and Buildings Department (Book NO-22.1 & 22.2 consisting Demand Numbers 83, 84, 85, 86, 87 and 88).
Haryana	The sector captures the expenditure incurred by the following Major Heads: 1. 2059 Public Works 2. 3054 Roads and Bridges 3. 4059-Capital Outlay on Public Works 4. 5054- Capital Outlay on Roads and Bridges.
Himachal Pradesh	The sector captures the expenditure incurred through the Demand for Grants naming Public Works- Roads, Bridges and Buildings Demand No. 10.
Jammu & Kashmir	The sector captures the expenditure made by the Public Works Development Department under Demand Number 16.
Jharkhand	The sector captures the expenditure incurred through the Building Construction Department (Demand No 3 through Major Heads 2052, 2059, 2216, 4059, 4216). In addition, it includes data under revenue expenditure for public works (Major Head 2059) and Capital Expenditure (Major Head 4059) and Loans for Public Works (Major Head 6059) of the following Departments: Energy Department (Demand No 10), Commercial Tax (demand No-17), Labour (demand no 26) and Personnel & Administrative (demand no 33).

States	Details of Budget Books
Karnataka	The sector captures the expenditure incurred under Public Works (2059).
Kerala	The sector captures the expenditure incurred under Demand No. XV - Public Works 2059, 3054, 4059, 5054 & 7075.
Madhya Pradesh	The sector captures the expenditure incurred under the books of Public Works (Demand No. 24, 67), TSP (Demand No. 42), SCP (Demand No. 64). All these Books are Contained in department-wise Budget Books.
Maharashtra	The sector captures the expenditure made by the state on infrastructure development through sub-departments of the Public Works Department (Demand No. H). The sector also includes expenditure through the Tribal Development department and Planning Department under the relevant Major Heads 2059 and 4059.
Meghalaya	The sector captures the expenditure incurred under the following departments: 1. Public Works (Grant No 19) and 2. Roads and Bridges (Grant No 56).
Mizoram	The sector captures the expenditure incurred under Public Works (Demand No 45).
Nagaland	The sector captures the expenditure incurred under the following: 1. Planning and Coordination (Demand No. 27, Major Head 4059), 2. Works and Housing (Demand No. 57, 58), 3. Home (Demand No. 62), 4. Works and Housing (Demand No. 64, 74).
Odisha	The sector captures the expenditure incurred under the Works Department (Demand No. 07).
Punjab	The sector captures the expenditure incurred through the Public works Department (Demand No 21).
Rajasthan	The sector captures the expenditure pertaining to demands of Public Works and Bridges. The relevant budget documents reflecting expenditure on the above departments are Revenue Expenditure-Economic Services Vol 2b and Capital Expenditure Vol 3a respectively.
Sikkim	The sector captures the expenditure incurred by the State on Public Works through major heads of Buildings & Houses, Human Resources Development, Health Care/Human Services & Family Welfare, Labour, Land Revenue & Disaster Management, Police, Energy & Power, Water Security & Public Health Engineering, Roads & Bridges, Social Justice Empowerment & Welfare and Urban Development & Housing Departments. The relevant documents for reference are under demand numbers 03, 07, 13, 22, 30, 31, 33, 34, 35, 38 and 41.

States	Details of Budget Books
Tamil Nadu	The sector captures the expenditure of the State on Public Works through major heads of Buildings (Public Works Department). Expenditure figures in respect of these demands can be accessed through demand number 39.
Tripura	The sector captures the expenditure of the State on Public Works under the following: 1. Tribal Welfare (D No 19) (2070, 3054, 4059, 4216, 4552 & 5054, 2701, 2702, 2711, 4701, 4702, 4711, 2215 & 4215), 3. Welfare for SCs (D No 20) (2070, 3054, 4059, 4216, 4552 & 5054, 2701, 2702, 2711, 4701, 4702, 4711, 2215 & 4215), 4. Water Resources (15), 5. Public Works (Drinking Water and Sanitation) (51).
Uttar Pradesh	The sector captures the expenditure of the State on Public Works through major heads of Building, Special Area Programme, Transport-Bridge, Transport-Roads, Planning and State Asset Secretariat. Expenditure figures in respect of these demands can be accessed through demand numbers 54, 55, 40, 56, 57, 58 and 59.
Uttarakhand	The sector captures the expenditure of the State on Public Works. Expenditure figures in respect of these demands can be accessed through demand number 22.
West Bengal	The sector captures the expenditure of the State on Public Works through major heads of Public Works (Roads). Expenditure figures in respect of these demands can be accessed through demand number 25 (Book 18).
Assam	The sector captures the expenditure incurred through the Department of Irrigation and Department of Water Resources under the following Heads / Demand for Grants NOs: 1. Irrigation (Grant No-49) 2. Water Resources (Grant No-63). The major demands included are (2701, 2702, 2705, 2711) 3. All Services Heads Within KARBI-ANGLONG Autonomous Dist. Council (Grant No. 76) 4. All Services Heads Within N.C. HILLS Autonomous Dist. Council (Grant No.77) 5. Bodoland Territorial Council. (Grant no. 78).
Bihar	The sector captures the expenditure incurred through the following Demand for Grants: 1. Water Resources (Demand No-49 with Major Heads 2700, 2701, 2705, 2711, 3451, 4700, 4701, 4711, 6701). 2. Minor Water Resource (Demand No-50 with Major Heads 2702, 3451, 4702).
Chhattisgarh	The sector captures the expenditure incurred under the departments of Water Resources (Book-31 with Demand Numbers 23, 40, 41, 45, 57, 64 and 75).
Delhi	The sector captures the expenditure incurred on water resources major or minor. The Demand for Grants of the Irrigation & Flood Control Department (Demand No-10) show the details of expenditure.

## Irrigation and Water Resources

States	Details of Budget Books
Gujarat	The sector captures the expenditure related to irrigation, which is contained in Narmada, Water Resources, Water Supply and Kalpsar Department (Book No-18.1 & 18.2 consisting Demand Numbers 64, 65, 66, 67 and 68)
Haryana	The sector captures the expenditure related to Irrigation & Water Resources under the following Major Heads: 1. 2700 Major Irrigation 2. 2701 Medium Irrigation 3. 2702 Minor Irrigation 4. 2705 Command Area Development 5. 2711 Flood Control and Drainage 6. 4700-Capital Outlay on Major Irrigation 7. 4701-Capital Outlay on Medium Irrigation 8. 4711-Capital Outlay on Flood Control Projects.
Himachal Pradesh	The sector captures the expenditure related to irrigation, which is contained in the demand named Irrigation, Water Supply & Sanitation (Demand No. 13).
Jammu & Kashmir	The sector captures the expenditure incurred by the Irrigation & Flood Control Department under Demand Number 22.
Jharkhand	The sector captures the expenditure incurred through the Water Resources Department (Demand No-49 through Major Heads 2700, 2701, 2705, 2711, 3451 4700, 4701, 4711 and Water Resources- Minor Irrigation (Demand No 50 through Major Heads 2702, 4702).
Karnataka	The sector captures the expenditure incurred under 1. Major Irrigation (2700, 4700 & 6700), 2. Medium Irrigation (2701, 4701 & 6701), 3. Minor Irrigation (2702, 4702 & 6702), 4. Command Area Development (2705, 4705 & 6705), 5. Flood Control and Drainage System (2711, 4711 & 6711).
Kerala	The sector captures the expenditure incurred under Demand XXXVIII- Irrigation under Major Heads 2700, 2701, 2711, 4700, 4701, 4711, 6700 & 6701.
Madhya Pradesh	The sector captures the expenditure incurred through the following books- 1. Narmada Valley Project General (Demand No 48) TSP (Demand No 41), SCP (D.NO 64) 2. Water Resources General (Demand No 23, 40, 45, 57), TSP (Demand No 41), SCP (Demand No 64). All these Books are Contained in Department wise Budget Books.
Maharashtra	The sector captures the expenditure incurred by the State under Department of Water Resources (Demand No. I) contained in Demand for Grants documents (White Book). The sector also includes expenditure through the Department of Planning and the Department of Tribal Development under the following heads: 2701, 2702, 2705, 2711, 4701, 4702, 4705, 4711, 6701, 6702 and 6711.  The sector captures the expenditure incurred under the following departments: 1. Public Works (Grant No 19) and 2. Roads and Bridges (Grant No 56).

States	Details of Budget Books
Meghalaya	The sector captures the expenditure incurred under the following Demand for Grants: 1. Soil and Water Conservation (Grant No 45) and 2. Irrigation Schemes (Grant No 44).
Mizoram	The sector captures the expenditure incurred under Minor Irrigation Department (Demand No. 47) contained in the Demand for Grants File.
Nagaland	The sector captures the expenditure under the following department: Irrigation (Demand No. 59).
Odisha	The sector captures the expenditure incurred under the following Departments 1. Water Resources (Demand No. 20) and the major head 4711 from General Administration (Demand No. 09).
Punjab	The sector captures the expenditure incurred through the Power and Irrigation Department (Demand No. 15) from which only expenditure of Major heads 2700, 2701, 2702, 4700, 4701, and 4702 is included and Minor Irrigation (2702) from the Agriculture Department (D. No. 1) is included.
Rajasthan	The sector captures the expenditure incurred by the demands of Major Irrigation, Medium Irrigation, Irrigation, Area Development and Capital Outlay on Flood Control Projects. The relevant expenditure data can be accessed through documents named Revenue Expenditure-Economic Services Vol 2d and Capital Expenditure Vol 3a respectively.
Sikkim	The sector captures the expenditure incurred through the major heads of Water Resources & River Development department. The relevant documents for reference are under Demand Number 19.
Tamil Nadu	The sector captures the expenditure incurred through the departments of Irrigation. Expenditure figures for these demands can be accessed through demand number 40.
Tripura	The sector captures the expenditure incurred on Irrigation & Water Resources through the following: 1. Public Works (WR) (15) (MH 2701, 2702, 2711, 4701, 4702, 4711), 2. Tribal Welfare (D No. 19) (2701, 2702, 2711, 4701, 4702 & 4711), 3. Welfare for SCs (D No. 20) (2701, 2702, 2711, 4701, 4702 and 4711).
Uttar Pradesh	The sector captures the expenditure incurred on irrigation and water resources related works under the department of Major Irrigation and Medium Irrigation. Expenditure figures for these demands can be accessed through Demand Number 94 and 95.
Uttarakhand	The sector captures the expenditure incurred on irrigation and water resources related works under the department of Irrigation and Flood. Expenditure figures for these demands can be accessed through Demand Number 20, Major Heads 2700, 2701, 2702 and 2711.



States	Details of Budget Books
West Bengal	The sector captures the expenditure incurred on irrigation and water resources related works under the Department of Water Resources Investigation & Development expenditure figures for these demands can be accessed through demand numbers 32 and 55.

## Forest and Environment

States	Details of Budget Books
Assam	The sector captures the expenditure incurred by the Department of Forests and Wild Life and the Department of Environment under the following Grants: on forest and environment- 1. Forestry & Wildlife (Grant No. 55). The major head taken into account is (4406) from the following demand for grants: 2. All Services Heads Within KARBI-ANGLONG Autonomous Dist. Council. 3. All Services Heads Within N.C. Hills Autonomous Dist. Council. 4. Bodoland Territorial Council.
Bihar	The sector captures the expenditure incurred under the following Demand for Grants of Environment & Forest Department: Demand No. 19 with Major Heads 2406, 3451, 4406
Chhattisgarh	The sector captures the expenditure incurred on forest and environment related works. The Demand of the Forest Department (Book-10 with Demand Numbers 10, 41, 48 and 64) reflects the expenditure under the sector.
Delhi	The sector captures the expenditure incurred on forest and environment related works. The following Demand numbers show the details: 1. Forest Department (Demand No. 10) 2. Environment Department (Demand No. 10)
Gujarat	The sector captures the expenditure incurred on forest and environment related works under the Demand for Grants of Forests and Environment Department (Book-8 consisting of demand numbers 25, 26, 27 and 28).
Haryana	The sector captures the expenditure incurred on forest and environment related works, under the following Major Heads: 1. 2406 and 4406 Forestry and Wildlife 2. 3435 Ecology and Environment.
Himachal Pradesh	The sector captures the expenditure incurred on forest and environment related works through the Demand for Grants of the Forest and Wildlife Department (Demand No. 16.).
Jammu & Kashmir	The sector captures the expenditure of the Forest Department under Demand Number 21 and minor head 313 from the Ladakh Affairs Department (Demand 5).

States	Details of Budget Books
Jharkhand	The sector captures the expenditure incurred by the Forest and Environment Department (Demand Number 19 through Major Heads 2406, 3451, 4406) contained in Plan Vol II, Non Plan Vol II, Central Assistance to State Plan and Central Sector Schemes.
Karnataka	The sector captures the expenditure incurred under Ecology and Environment (2406, 3435 & 4406) contained in Volume III of the Demand for Grants.
Kerala	The sector captures the expenditure incurred under Demand XXXIV - Forest 2406, 4406 and 6406 contained in the Summary of the Demand for Grants and Detailed Budget Estimates.
Madhya Pradesh	The sector captures the expenditure from the following books: Forests General (Demand No. 10), TSP (D. No. 41), and SCP (D. No. 64). All these Books are contained in department-wise Budget Books.
Maharashtra	The sector captures the expenditure incurred by the State through the Environment Department (Demand U) and Revenue and Forest Department (Demand C) contained in the Demand for Grants. It also captures the expenditure incurred by the Department of Planning and the Department of Tribal Development under the heads 2406 and 4406.
Meghalaya	The sector captures the expenditure incurred on the demand for grants under the Forest & Environment (Grant No. 50) head.
Mizoram	The sector captures the expenditure incurred under Forest & Environment (Demand No. 36) contained in the Demand for Grants File.
Nagaland	The sector captures the expenditure incurred through the following: 1. Forest, Ecology, Environment & Wildlife (Demand No. 52), 2. Science and Technology (Demand No. 63).
Odisha	The sector captures the expenditure by the department of Forest & Environment (Demand No. 22) and 2. Revenue & Disaster Management (Demand No. 3) contained in the folder of Plan demand for Grants and Non Plan Demand for Grants.
Punjab	The sector captures the expenditure incurred under the head 2406, 4406 and 3425 from the Demand for Grants: 1. Agriculture and Forest (Demand No. 01) and 2. Environment (Demand No. 24) contained in Plan Vol I and Non Plan Vol II.

States	Details of Budget Books
Rajasthan	The sector captures the expenditure incurred by the State on Forest and Environment related works under the heads of Forest, Other Scientific Research and Ecology & Environment. The relevant expenditure data have been compiled from the documents of Revenue Expenditure-Economic Services Vol 2d and Capital Expenditure Vol 3a respectively. The relevant major heads are: 2406, 4406, and 3425.
Sikkim	The sector captures the expenditure incurred through the major heads of Forest Environment & Wildlife Management. The relevant document for reference can be accessed under demand number 12.
Tamil Nadu	The sector captures the expenditure incurred through the major heads of Environment Forest and Relief on account of Natural calamities. Expenditure figures in respect of these demands can be accessed through demand numbers 15, 51 and 54.
Tripura	The sector captures the expenditure incurred through the Forest and Environment sector for Relief & Rehabilitation and Forest. Expenditure figures are compiled from Demand for Grants Numbers 22 and 30.
Uttar Pradesh	The sector captures the expenditure incurred by the State on the Forest and Environment sector through the major heads of Environment and Relief on account of natural calamities. Expenditure figures in respect of these demands can be accessed through demand numbers 45 and 51.
Uttarakhand	The sector captures the expenditure incurred by the State on the Forest and Environment sector under Demand for Grants Number 27.
West Bengal	The sector captures the expenditure incurred through the major heads of Environment, Forest and Disaster Management. Expenditure figures in respect of these demands can be accessed through Demand for Grants Numbers 16, 23 and 47.

## Urban Development and Housing

States	Details of Budget Books
Assam	The sector captures the expenditure incurred on Housing and Urban Development, under the following Demand for Grants: 1. Urban Development, Town & Country Planning (Grant No. 31.) 2. Housing Schemes (Grant No. 32). 3. Residential Buildings (Grant No. 33). 4. Urban Development- Municipal Admin. (Grant No. 34). 5. Urban Development (GDD) (Grant No. 73). The major heads taken into account are (2216, 2217) from the following Demand for Grants: 6. All Services Heads Within KARBI-ANGLONG Autonomous Dist. Council (Grant No. 76). 7. All Services Heads Within N.C. Hills Autonomous District Council (Grant No.77) 8. Bodoland Territorial Council (Grant No.78).
Bihar	The sector captures the expenditure incurred on Housing & Urban Development, details of which are given in the Demand for Grants for Urban Development & Housing (Demand No. 48 with Major Heads 2015, 2215, 2217, 2251, 3475).
Chhattisgarh	The sector captures the expenditure incurred on Housing & Urban Development compiled from the Demand for Grants of the Housing and Environment Department (Book-18) with Demand Numbers being 22, 41, 53, 64, 69, 81, 83, and Housing and Environment (Book-32) with Demand No. 21. Housing has been included in Environment.
Delhi	The sector captures the expenditure incurred on Housing and Urban Development, and the following grants are related to the said expenditure: 1. Urban Development and Housing Department (Demand No. 11) 2. Housing Loan Department (Demand No. 11).
Gujarat	The sector captures the expenditure incurred on Housing and Urban Development, the following grants are related to the said expenditure: Urban Development and Urban Housing Department (Book-26).
Haryana*	The sector captures the expenditure incurred on Housing & Urban Development, details of which can be found under the following Major Heads: 1. 2216 Housing 2. 2217 Urban Development
Himachal Pradesh	The sector captures the expenditure incurred on the Housing and Urban Development sector through the grant of Urban Development, Town and Country Planning and Housing (Demand No. 28).
Jammu & Kashmir	The sector captures the expenditure incurred on the Urban Development and Housing sector under Demand 19.
Jharkhand	The sector captures the expenditure incurred under the following departments: 1. Urban Development (Demand No. 48) 2. Housing (Demand No. 57) through Major Heads 2215, 2216, 2217 and 2251).

States	Details of Budget Books
Karnataka	The sector captures the expenditure incurred under 1. Housing (2216, 2217 and 4216), 2. Urban Development (2215, 2217, 3054, 3604, 4215, 4217, 6215 and 6217).
Kerala	The sector captures the expenditure incurred under Demand XXI, Housing, as well as Demand XXII, Urban Development.
Madhya Pradesh	The sector captures the expenditure incurred by Local Government General (Demand No. 22, 71, 75, TSP (Demand No. 41, 68), SCP (Demand No. 53).
Maharashtra	The sector captures the expenditure incurred by the Housing Department (Demand Q) and Urban Development Department (Demand F).
Meghalaya	The sector captures the expenditure incurred by 1. Housing Schemes (Grant No. 28) and 2. Urban Development (Grant No. 29).
Mizoram	The sector captures the expenditure incurred under Urban Development & Poverty Alleviation (Demand No. 46), Local Administration (Demand No. 19).
Nagaland	The sector captures the expenditure incurred on the following: Urban Development (Demand No. 36 and Demand No. 37).
Odisha	The sector captures the expenditure incurred by the Housing & Urban Development Department (Demand No. 13).
Punjab	The sector captures the expenditure incurred by the Housing & Urban Development Department (Demand No. 17).
Rajasthan	The sector captures the expenditure through the Housing and Urban Development departments. The relevant expenditure data can be accessed through documents named Urban Development and Housing (Volume 2c).
Sikkim	The sector captures the expenditure incurred on the Urban Development and Housing Sector through the major heads of Building & Housing and Urban Development & Housing. The relevant documents for reference can be accessed under demand number 3 and 41.
Tamil Nadu	The sector captures the expenditure incurred on the departments of Housing & Development and Municipal Administration & Water Supply. Expenditure figures in respect of these demands can be accessed through demand numbers 26 and 34.
Tripura	The sector captures the expenditure incurred through the following departments: 1. Urban Development (Demand No. 35), 2. Tribal welfare (Demand No. 19 through the Major Heads 2216, 2217, 4216 and 4217), 3. Welfare of SCs (Demand No. 20 through the Major Heads 2217, 4216, 4217)

States	Details of Budget Books
Uttar Pradesh	The sector captures the expenditure incurred on the Urban development and Housing sector through the following departments: 1. Urban Development (Demand No. 37), 2. Housing (Demand No. 2).
Uttarakhand	The sector captures the expenditure incurred on the departments of Housing and Urban Development and water supply. Expenditure figures in respect of these demands can be accessed through demand number 13.
West Bengal	The sector captures the expenditure incurred on the departments of Housing and Urban Development. Expenditure figures in respect of these demands can be accessed through demand numbers 28 and 54.

## Social Welfare

States	Details of Budget Books
Assam	<p>The sector captures the expenditure incurred by the Departments of Social Justice, Department of Social Welfare and Security, department of Welfare of Minorities Backward Classes, Department of Tribal Welfare, Department of Women &amp; Child Welfare, and the Department of Nutrition. The allocations have been compiled for the following heads and Demands for Grants: 1. Welfare of SC/ST &amp; OBC (Grant NO-38) 2. Social Security, Welfare and Nutrition (Grant No. 39) 3. Social Security &amp; Welfare (Freedom Fighter) (Grant No. 40) 4. Social Security &amp; Welfare (Grant No. 72) 5. Natural Calamities (Grant No. 41). The major heads taken into account are (2225, 2235, 2236, 2245 and 2250) from the following Demand for Grants 6. All Services Heads Within KARBI-ANGLONG Autonomous Dist. Council 7. All Services Heads Within N.C. Hills Autonomous Dist. Council 8. Bodoland Territorial Council.</p>
Bihar	<p>The sector captures the expenditure incurred by the state on social work. The following demands for grants present the details: 1. Backward Class and Most Backward Class Welfare (Demand No. 11 with Major Heads 2225, 2251, 4225) 2. Minorities Welfare (Demand No. 30 with Major Heads 2053, 2202, 2225, 2250, 2251, 4225, 4250, 5465 and 7465) 3. SC &amp; ST Welfare (Demand No. 44 with Major Heads 2070, 2225, 2251 and 4425) 4. Social Welfare (Demand No. 51 with Major Heads 2210, 2235, 2251 and 4235).</p>
Chhattisgarh	<p>The sector captures the expenditure related to the social welfare by state in the following demand for grants: 1. Tribal, Scheduled Caste &amp; Backward Classes (Book-25 with Demand Numbers 15, 33, 41, 49, 64, 66, 68 and 82) 2. Social welfare (Book-26 with Demand Numbers 15, 34, 41, 53, 64, 67, 80, 81, 82 and 83) 3. Women and Child Welfare (Book-39 with Demand Numbers 15, 41, 48, 55, 64, 80 and 82).</p>
Delhi	<p>The sector captures the expenditure incurred by the state on the following demand for grants: 1. Directorate of Women &amp; Child Development (Demand No. 8) 2. Department Welfare of SC/ST &amp; Backward Classes and Social Welfare (Demand No. 8) 3. Social Welfare (Demand No. 8) 4. Office of the Commissioner (Disabilities) (Demand No. 8).</p>
Gujarat	<p>The sector captures the expenditure incurred through the following Demand for Grants: 1. Social Justice and Empowerment Department (Book-24.1 &amp; 24.2 consisting Demand Numbers 91, 92, 94, 95) 2. Tribal Development Department (Book-24.3 &amp; 24.4 consisting Demand Numbers 93 and 96) 3. Women and Child Development Department (Book-27 consisting demand numbers 105 and 106) 4. Revenue Department (Book-21), expenditure pertaining to Relief on account of natural calamities (MH 2245).</p>



States	Details of Budget Books
Haryana	The sector captures the expenditure incurred by the Haryana state government through the Department of Social Welfare, details of which can be found in the following Major Heads: 1. 2225 Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes 2. 2235 Social Security and Welfare 3. 2236 Social Security and Welfare 4. 2250 Other Social Services 5. 4225-Capital Outlay on Welfare of SCs, STs, Other BCs and Minorities 6. 4235-Capital Outlay on Social Security and Welfare 7. 4250-Capital Outlay on Other Social Services.
Himachal Pradesh	The sector captures the expenditure incurred by the state in the following demand for grants: 1. Social Justice and Empowerment Demand No. 19; 2. Tribal Development Demand No. 31; 3. Scheduled Castes Sub-Plan Demand No. 32.
Jammu & Kashmir	The sector captures the expenditure incurred by the Social Welfare Department under Demand No. 18.
Jharkhand	The Sector captures the expenditure incurred under the Women, Child Development & Social Security Division (Demand No. 60 through Major Heads 2235, 2236, 2251, 4235) contained in Vol IV of Plan and Non Plan and Central Assistance to State Plan and Central Sector Scheme. 2. Welfare Department (Demand No. 51 through Major Heads 2225, 2251, 2235, 4225) contained in Plan and Non Plan Vol IV and Central Assistance to State Plan and Central Sector Scheme. 3. Minorities Welfare (Demand No. 30 through Major Heads 2250, 2251, 4225) Contained in Plan and Non Plan Vol II and Central Assistance to State Plan and Central Sector Scheme.
Karnataka	The sector captures the expenditure incurred under Women and Child Development and Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes and Other Social Services (2225, 2235, 2250, 4225, 4235 and 4250) contained in Vol V of the Demand for Grants.
Kerala	The sector captures the expenditure incurred under Demand XXVI — Relief on Account of Natural Calamities (2245 and 6245), Demand XXV — Welfare of Scheduled Castes/ Scheduled Tribes / Other Backward Classes and Minorities (2225 4225 and 6225), Demand XLVI — Social Security and Welfare (2235 4235 and 6235) contained in the SUMMARY OF DEMANDS FOR GRANTS AND DETAILED BUDGET ESTIMATES.
Madhya Pradesh	The sector captures the expenditure by 1. Tribal Welfare General (Demand No. 33), Tribal Sub-Plan (Demand No. 41), Scheduled Castes Sub-plan (Demand No. 64) 2. Scheduled Caste Welfare General (Demand No. 49, 41 and 42), Tribal Sub-Plan (Demand No. 68) 3. Social Welfare General (Demand No. 34), Tribal Sub-Plan (Demand No. 41), Scheduled Castes Sub-Plan (Demand No. 64) 4. Rehabilitation General (Demand No. 35) 5. Minority Development (Demand No. 63) 6. Vimukta Evam Gumakka Jait General (Demand No. 69) 7. Backward Class Welfare (Demand No. 66) 8. Bhopal Gas Tragedy Relief Rehabilitation General (Demand No. 72) 9. Women and Child Development General (Demand No. 55), Tribal Sub-Plan (Demand No. 41), Scheduled Castes Sub-Plan (Demand No. 64). All these Books are Contained in Department wise Budget Books.

States	Details of Budget Books
Maharashtra	The sector captures the expenditure incurred by the State on welfare of the people through Demand for Grants numbers: 1. Women and child Development department (Demand X) 2. Social Justice, Cultural Affairs and Special Assistance (Demand N), 3. Tribal Development (Demand T), 4. Social Justice, Cultural Affairs and Special Assistance (Demand N) 5. Minorities Development (Demand ZE) contained in the Demand for Grants File. The sector includes expenditure through the Department of Planning under the heads 2225, 2235, 2236, 4225, 4235, 4236, 6225, 6235 and 6236.
Meghalaya	The sector captures the expenditure made under various relevant heads mentioned below: 1. Displaced Persons (Grant No. 33); 2. Welfare of SC, ST and OBC and Social Welfare (Grant No. 34); 3. Soldiers, Sailors and Airmen Board (Grant No. 35) and 4. Other Social Services (Grant No. 36) provided in the Detailed Grant for Grants of the Budget Document.
Mizoram	The sector captures the expenditure incurred under Social Welfare (Demand Number 29), Disaster Management & Rehabilitation (Demand Number 30) contained in the Demand for Grants File.
Nagaland	The sector captures the expenditure incurred through the following: 1. Home Department (Relief and Rehabilitation Demand No. 20), 2. Home Department (Relief of Distress caused by Natural Calamities Demand No. 21), 3. Social Security and Welfare (Demand No. 43), 4. Women, Child and Social Welfare Department (Demand No. 76).
Odisha	The sector captures the expenditure incurred by the 1. Women & Child Development Department (Demand No. 36), 2. Scheduled Tribes & Scheduled Caste (Demand No. 11) contained in the folder of Plan demand for Grants and Non-Plan Demand for Grants.
Punjab	The sector captures the expenditure incurred under Social Security & Women Welfare and Welfare of Schedule Caste & Backward Classes Department (Demand Number 25) contained in Plan Vol I and Non Plan Vol II.
Rajasthan	The sector captures the expenditure incurred on social welfare activities. This Sector includes the department of Social Welfare of SC, ST, OBC & Minorities, Social Security & Welfare, Nutrition and Other Social Services. The relevant expenditure data can be accessed through documents naming Revenue Expenditure-Economic Services Vol 2c and Capital Expenditure Vol 3a, respectively.
Sikkim	The sector captures the expenditure incurred through the major head of Social Justice Empowerment & Welfare. The relevant document for reference can be accessed under demand number 38.

States	Details of Budget Books
Tamil Nadu	The sector captures the expenditure incurred through the major head of Social Welfare & Nutritious Meal Programme, Adi-Dravidar & Tribal Welfare, Backward Classes, Most Backward Classes & Minorities Welfare and Welfare of Differently Abled Persons. Expenditure figures in respect of these demands can be accessed through demand numbers 4, 9, 45 and 52.
Tripura	The sector captures the expenditure incurred through the major head of Women, Children & Persons with Disabilities, Tribal Welfare, OBC Welfare, Minority Development and Welfare of SCs. Expenditure figures in respect of these demands can be accessed through demand numbers 19, 20, 41, 57 and 61.
Uttar Pradesh	The sector captures the expenditure incurred through the major head of Women and Child Development, Social Welfare Department (Social Welfare and Welfare of Scheduled Castes), Social Welfare Department (Tribal Welfare), Minorities Welfare and Social Welfare (Disabled and Backward Class welfare) and Special Component Plan for Scheduled Caste. Expenditure figures in respect of these demands can be accessed through demand numbers 48, 49, 79, 80 and 81 and 83.
Uttarakhand	The sector captures the expenditure incurred through the major head of Women and Child Development, Welfare of SCs, STs and OBCs, Scheduled Castes and Tribal Welfare. Expenditure figures in respect of these demands can be accessed through demand numbers 15, 30 and 31.
West Bengal	The sector captures the expenditure incurred through the major head of Women Development & Social Welfare, Child Development, Tribal Development and Minority Affairs & Madrasah Education. Expenditure figures in respect of these demands can be accessed through demand numbers 7, 38, 56, 64 and 65.

## Health

States	Details of Budget Books
Assam	The sector captures the expenditure incurred under the following grants: 1. Medical & Public Health (Grant No. 29). The major head taken account is (2210, 2211) from the following demand for grants: 2. All Services Heads Within KARBI-ANGLONG Autonomous Dist. Council. 3. All Services Heads Within N.C. Hills Autonomous District Council. 4. Bodoland Territorial Council.
Bihar	The sector captures the expenditure incurred on health and related works through the Demand for Grants of Health & family Welfare (Demand No. 20 with Major Heads 2210, 2211, 2235, 2251 and 4210).
Chhattisgarh	The sector captures the expenditure incurred under the following Demand for Grants: 1. Public Health & Family Welfare (Book-17 with Demand Numbers 19, 41, 48, 64, 67 and 68) 2. Medical Education (Book-51 with Demand Number 41, 64, 67, 68 and 79).
Delhi	The sector captures the expenditure incurred under the Demand for Grants Number 07.
Gujarat	The sector captures the expenditure incurred by the Health and Family Welfare Department (Book-11 consisting Demand Numbers 38, 39, 40 and 41).
Haryana	The sector captures the expenditure incurred under the following Major Heads: 1. 2210 Medical and Public Health 2. 2211 Family Welfare 3. 4210-Capital Outlay on Medical and Public Health.
Himachal Pradesh	The sector captures the expenditure incurred on Health and Family Welfare related works through the demand of Health and Family Welfare Demand Number 9.
Jammu & Kashmir	The sector captures the expenditure incurred by the Health & Medical Education Department under Demand Number 17.
Jharkhand	The sector captures the expenditure incurred under the Health, Medical Education & Family Welfare Department (Demand Number 20 through Major Heads 2210, 2211, 2251 and 4210) obtained from Plan Volume II, Non Plan II, Central Assistance to State Plan and Central Sector Schemes.
Karnataka	The sector captures the expenditure incurred under Health (2210, 2211, 3435, 4210 and 5425) contained in Vol II of the Demand for Grants.
Kerala	The sector captures the expenditure incurred under Demand XVIII- Medical and Public Health 2210, 4210 and 6210 contained in the Summary of Demands for Grants and Detailed Budget Estimates.

States	Details of Budget Books
Madhya Pradesh	The sector captures the expenditure incurred by 1. Public Health and Family Welfare General (Demand No. 19), Tribal Sub-Plan (Demand No. 41), Scheduled Castes Sub-Plan (Demand No. 64) 2. Medical Health Education General (Demand No. 73), Tribal Sub-Plan (D. No. 41), SCP (Demand No. 64) 3. Ayush General (Demand No. 38), Scheduled Castes Sub-Plan (Demand No. 53, 64). All these Books are contained in department-wise Budget Books.
Maharashtra	The sector captures the expenditure incurred under the Public Health Department (Demand R) and Medical Education and Drugs Department (Demand S). A substantial amount is also spent through the Departments of Planning and Tribal Development and the Public Works Department for health services and related construction services. The relevant heads under which the expenditure from these departments have been included are: 2210, 4210 and 6210.
Meghalaya	The sector captures the expenditure incurred by the Health & Family Welfare Department (Grant No. 26).
Mizoram	The sector captures the expenditure incurred under Medical & Public Health Services (Demand No. 24).
Nagaland	The sector captures the expenditure incurred through the Health and Family Welfare Department (Demand No. 35).
Odisha	The sector captures the expenditure incurred by the Health & Family Welfare Department (Demand No.12).
Punjab	The sector captures the expenditure incurred under the Health & Family Welfare Department (Demand No. 11) contained in Plan Vol I and Non Plan Vol I.
Rajasthan	The sector captures the expenditure incurred under the following Demand for Grants: Medical & Public Health and Welfare. The relevant expenditure data can be accessed through documents naming Revenue Expenditure-Economic Services Vol 2c and Capital Expenditure Vol3a.
Sikkim	The sector captures the expenditure incurred through the major head of Health Care, Human Services & Family Welfare. The relevant expenditure data can be accessed through demand number 13.
Tamin Nadu	The sector captures the expenditure incurred by the Demand for Grants number 19.

States	Details of Budget Books
Tripura	The sector captures the expenditure under the major heads of Health, Tribal Welfare, Welfare of SCs and Family Welfare & Preventive Medicine. Expenditure figures in respect of these demands can be accessed through demand numbers 16, 19, 20 and 52.
Uttar Pradesh	The sector captures the expenditure incurred through the major head of Health, Education and Training, Allopathy, Ayurveda & Unani, Homeopathy, Family Welfare and Public Health. Expenditure figures in respect of these demands can be accessed through demand numbers 31, 32, 33, 34, 35 and 36.
Uttarakhand	The sector captures the expenditure incurred under the Demand for Grants for Health and Family Welfare (demand number 12.)
West Bengal	The sector captures the expenditure incurred under the demand for grants for Health & Family Welfare (demand number 24.)

## Education

States	Details of Budget Books
Assam	The sector captures the expenditure incurred by the School Education Department, Higher & University Education Department, Technical Education Department, Adult Education & Language Development, and the Departments of Youth Welfare and Art & Culture. It includes allocations/expenditure under the following heads and Demand for Grants Nos: Higher Education) (Grant No. 26) 2. Art & Culture (Grant No. 27) 3. Education (Elementary & Secondary Education) (Grant No. 71) 4. Sports & Youth Services (Grant No. 74). It also incorporates the relevant Major Head (2202, 2203, 2204 and 2205) from the following demand for grants: 5. All Services Heads Within KARBI-ANGLONG Autonomous Dist. Council (Grant No. 76) 6. All Services Heads Within N.C. Hills Autonomous Dist. Council (Grant No.77) 7. Bodoland Territorial Council (Grant No.78).
Bihar	The sector captures the expenditure incurred through the Demands for Grants through numbers 1. Education (Demand No. 21 with Major Heads 2202, 2204, 2205, 2251 and 4202) 2. Science and Technology (Demand No. 43 through Major Heads 2203, 3451 and 4202) 3. Art, Culture and Youth (Demand No. 8 through Major Heads 2204, 2205, 2251 and 6202).
Chhattisgarh	The sector captures the expenditure incurred under the following Demand for Grants: 1. School education (Book-20 with Demand Numbers 15, 33, 41, 49, 64, 66, 67, 68, 80, 81 and 82) 2. Higher Education (Book-38 with Demand Numbers 41, 44, 64, 67 and 68) 3. Capacity Building, Technical Education & Employment Department (Book-42 with Demand Numbers 41, 46, 47, 64, 67 and 68).

States	Details of Budget Books
Delhi	The sector captures the expenditure incurred by Demand Number 6, which contains the expenditure incurred by the Delhi Government on Education and related activities.
Gujarat	The sector captures the expenditure incurred by the following departments: 1. Education Department (Book-4 consisting Demands Numbers 8, 9 and 10) 2. Sports, Youth and Cultural Activities Department (Book-25 consisting Demand numbers 97, 98 and 99).
Haryana	The sector captures the expenditure incurred under the following Major Heads: 1. 2202 General Education, 2. 2203 Technical Education 3. 2204 Sports and Youth Services 4. 2205 Art and Culture 5. 4202-Capital Outlay on Education, Sports, Art and Culture.
Himachal Pradesh	The sector captures the expenditure incurred under the Demand for Grants of Education (Demand No.8).
Jammu & Kashmir	The sector captures the expenditure incurred by two departments: 1. Education Department (Demand No. 7) and 2. Higher Education Department (Demand No. 27).
Jharkhand	The sector captures the expenditure incurred under 1. Higher Education (Demand No. 21 through Demand No. 2202) Vol II of Plan and Non Plan Vol II, Central Assistance to State Plan 2. Primary and Public Education (Demand No. 59 through Major Heads 2202, 4202) Vol IV of Plan and Non Plan Vol IV, Central Assistance to State Plan. 3. Secondary Education (Demand No. 58 through Major Heads 2202, 4202) Vol IV of Plan and Non Plan Vol IV, Central Assistance to State Plan and Central Sector Scheme 4. Science & Technology (Demand No. 43 through Major Heads 2203, 3451 and 4202) Vol IV of Plan and Non Plan Vol IV, Central Sector Scheme. 5. Sports, Art, Culture and Youth Affairs Department (Demand No. 52 through Major Heads 2204, 2205, 2251 and 4202) Vol IV of Plan and Non Plan Vol IV.
Karnataka	The sector captures the expenditure incurred under Education (2058, 2202, 2203, 2204, 2205, 2852 and 4202), Kannada Culture (2205 and 4202) & Information, Tourism & Youth Services (only 2204 and 4202).
Kerala	The sector captures the expenditure incurred under Demand XVII: Education Sports Art & Culture 2202, 2203, 2204, 2205, 3425, 3435, 4202, 5425 and 6202.



States	Details of Budget Books
Madhya Pradesh	The sector captures the expenditure incurred under following books: 1. Sports and Youth Welfare General (Demand No. 43), Tribal Sub-Plan (Demand No. 41), Scheduled Castes Sub-Plan (Demand No. 64) 2 School Education General (Demand Nos 27, 77 and 40), Tribal Sub-Plan (Demand No. 41), and Scheduled Castes Sub-Plan (Demand No. 64) 3. Culture General (Demand No. 26), Tribal Sub-Plan (Demand No. 41), Scheduled Castes Sub-Plan (Demand No. 64) 4. Higher Education General (Demand No. 44), Tribal Sub-Plan (Demand No. 41), Scheduled Castes Sub-Plan (Demand No. 64). All these Books are contained in the department-wise Budget Books.
Maharashtra	The sector captures the expenditure incurred under the Education Sector. It has been compiled from the School Education and Sports Department (Demand E), Higher & Technical Education (Demand W), Tourism & Cultural Affairs (Demand ZD) and Marathi Language (Demand ZF).
Meghalaya	The sector captures the expenditure incurred under General Education Programmes (Grant No. 21).
Mizoram	The sector captures the expenditure incurred under the Director, School Education (Demand No. 20), Director, Higher and Technical Education (Demand No. 21), Sports and Youth Services (Demand No. 22), and Art and Culture (Demand No. 23) contained in the Demand for Grants File.
Nagaland	The sector captures the expenditure incurred on the following: 1. School Education (Demand No.1), 2. Higher Education (Demand No. 32), 3. Youth Resources and Sports (Demand No. 33), 4. Art, Culture & Gazetteers (Demand No. 34), 5. State council of Educational Research and Training (Demand No. 65)
Odisha	The sector captures the expenditure incurred under the following departments 1. Higher Education (Demand No. 38) 2. Skill Development & Technical Education (Demand No. 39) 3. School & Mass Education (Demand No. 10).
Punjab	The sector captures the expenditure incurred under the following: 1. Education (Demand No. 05) 2. Technical Education (Demand No. 27) and 3. Tourism and Cultural Affairs (Demand No. 28) from which only 2205 and 4202 are included in Plan Vol I and Non Plan Vol II.
Rajasthan	The sector captures the expenditure incurred under the major heads of General Education, Technical Education, Sports & Youth Services, and Art & Culture. The relevant expenditure data can be accessed through documents named Revenue Expenditure-Economic Services Vol 2c through Major Heads 2202, 2203, 2204 and 2205.

States	Details of Budget Books
Sikkim	The sector captures the expenditure incurred through Human Resource Development. The relevant expenditure data can be accessed through Demand No.
Tamil Nadu	The sector captures the expenditure incurred on the Education Sector. Expenditure figures in respect of these demands can be accessed through Demand Nos 20 and 43.
Tripura	The sector captures the expenditure incurred through the following: 1. Elementary and Secondary Education (40) 2. Tribal Welfare (Demand No. 19) (2059, 2202, 2236, 4202, 2235, 2236, 4059, 2204, 4552, 4235 and 4236) 3. Welfare of SCs (Demand No. 20) (2059, 2202, 2235, 2236, 2235, 4059, 4235, 2204, 4202, 4236, 4552) 4. Elementary and Secondary Education (41) 5. Elementary and Secondary Education (42) 6. Elementary Education (Demand No. 62).
Uttar Pradesh	The sector captures the expenditure incurred through the Departments of Elementary Education, Secondary Education, University and Higher, SCERT and Technical Education under demand for Grants Nos 71, 72, 73, 75 and 47.
Uttarakhand	The sector captures the expenditure incurred on Elementary Education, Secondary Education, University and Higher Education and Technical Education. Expenditure figures have been compiled from Demand No. 11.
West Bengal	The sector captures the expenditure incurred on Higher Education, Mass Education Extension Library Services, School Education and Technical Education and Training. Expenditure figures in respect of these demands can be accessed through demand numbers 13, 14, 15, 30, 49 and 51.

## Details of Major Head Codes under Concordance Tables

<b>Major Heads (These heads usually reflect the distribution of expenditure among major functions of the government)</b>			
<b>Code</b>	<b>Major Function</b>	<b>Code</b>	<b>Major Function</b>
<b>Under Revenue Account</b>			
2202	General Education	2416	Agricultural Financial Institutions
2203	Technical Education	2425	Co-operation
2204	Sports and Youth Services	2435	Other Agricultural Programmes
2205	Art and Culture	2501	Special Programmes for Rural Development
2210	Medical and Public Health	2505	Rural Employment
2211	Family Welfare	2506	Land Reforms
2215	Water Supply and Sanitation	2515	Other Rural Development Programmes
2216	Housing	2551	Hill Areas
2217	Urban Development	2552	North Eastern Areas
2220	Information and Publicity	2553	MPs Local Area Development Scheme
2221	Broadcasting	2557	Other Special Areas Programmes
2225	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	2700	Major Irrigation
2230	Labour and Employment	2701	Medium Irrigation
2235	Social Security and Welfare	2702	Minor Irrigation
2236	Nutrition	2705	Command Area Development
2245	Relief on account of Natural Calamities	2711	Flood Control and Drainage
2250	Other Social Services	2801	Power
2251	Secretariat – Social Services	2802	Petroleum

Code	Major Function	Code	Major Function
<b>Under Revenue Account</b>			
2401	Crop Husbandry	2810	Coal and Lignite
2402	Soil and Water Conservation	2803	New and Renewable Energy
2403	Animal Husbandry	3054	Roads and Bridges
2404	Dairy Development	3425	Other Scientific Research
2405	Fisheries	3435	Ecology and Environment
2406	Forestry and Wild Life	3435	Civil Supplies
2407	Plantations	3601	Grants-in-aid to State Governments
2408	Food Storage and Warehousing	3602	Grants-in-aid to Union Territory Governments with Legislature
2415	Agricultural Research and Education	3604	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions
<b>Under Capital Account</b>			
4202	Capital Outlay on Education, Sports, Art and Culture	4407	Capital Outlay on Plantations
4210	Capital Outlay on Medical and Public Health	4408	Capital Outlay on Food Storage and Warehousing
4211	Capital Outlay on Family Welfare	4415	Capital Outlay on Agricultural Research and Education
4215	Capital Outlay on Water Supply and Sanitation	4416	Investments in Agricultural Financial Institutions
4216	Capital Outlay on Housing	4425	Capital Outlay on Co-operation
4217	Capital Outlay on Urban Development	4435	Capital Outlay on other Agricultural Programmes
4220	Capital Outlay on Information and Publicity	4515	Capital Outlay on other Rural Development Programmes
4221	Capital Outlay on Broadcasting	4551	Capital Outlay on Hill Areas

Code	Broad Function	Code	Broad Function
<b>Under Capital Account</b>			
4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	4552	Capital Outlay on North Eastern Areas
4235	Capital Outlay on Social Security and Welfare	4575	Capital Outlay on other Special Areas Programmes
4236	Capital Outlay on Nutrition	4700	Capital Outlay on Major Irrigation
4250	Capital Outlay on other Social Services	4701	Capital Outlay on Medium Irrigation
4250	Capital Outlay on other Social Services	4701	Capital Outlay on Medium Irrigation
4401	Capital Outlay on Crop Husbandry	4702	Capital Outlay on Minor Irrigation
4402	Capital Outlay on Soil and Water Conservation	4705	Capital Outlay on Command Area Development
4403	Capital Outlay on Animal Husbandry	4711	Capital Outlay on Flood Control Projects
4404	Capital Outlay on Dairy Development	4801	Capital Outlay on Power Projects
4405	Capital Outlay on Fisheries	5054	Capital Outlay on Roads and Bridges
4406	Capital Outlay on Forestry and Wild Life	5425	Capital Outlay on other Scientific and Environmental Research
6202	Loans for Education, Sports, Art and Culture	6425	Loans for Co-operation
6210	Loans for Medical and Public Health	6435	Loans for Other Agricultural Programmes
6211	Loans for Family Welfare	6501	Loans for Special Programmes for Rural Development
6215	Loans for Water Supply and Sanitation	6505	Loans for Rural Employment

Code	Broad Function	Code	Broad Function
<b>Under Capital Account</b>			
6216	Loans for Housing	6206	Loans for Land Reforms
6217	Loans for Urban Development	6515	Loans for other Rural Development Programmes
6225	Loans for Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	6551	Loans for Hill Areas
6235	Loans for Social Security and Welfare	6552	Loans for North Eastern Areas
6250	Loans for other Social Services	6575	Loans for other Special Areas Programmes
6401	Loans for Crop Husbandry	6700	Loans for Major Irrigation
6402	Loans for Soil and Water Conservation	6701	Loans for Medium Irrigation
6403	Loans for Animal Husbandry	6702	Loans for Minor Irrigation
6404	Loans for Dairy Development	6705	Loans for Command Area Development
6405	Loans for Fisheries	6711	Loans for Flood Control Projects
6406	Loans for Forestry and Wildlife	6801	Loans for Power Projects
6407	Loans for Plantations	6802	Loans for Petroleum
6408	Loans for Food Storage and Warehousing	6803	Loans for Coal and Lignite
6416	Loans to Agricultural Financial Institutions	6810	Loans for New and Renewable Energy

Source: Compiled from List of Major and Minor Heads of Accounts, Government of India.

