

TAPPING POTENTIAL SOURCES OF REVENUE FOR THE STATE OF KERALA

KERALA STATE PLANNING BOARD INTERNSHIP PROGRAMME

19/06/2013

ANJALI RAJAN, MA APPLIED ECONOMICS, CDS.
INTERN, KSPB

ABSTRACT

The paper covers recent trends in the Finances of Kerala during the 10th and 11th plan periods. It examines the situation of fiscal imbalance in Kerala concentrating on the Revenue mobilization. For a state like Kerala with high irreversible Revenue Expenditure, it is necessary that higher revenue mobilization is initiated for the State to escape from the debt trap. The main objective of this study is to identify untapped or underutilized sources of Revenue of Kerala. The revenue mobilization is analyzed under the heads of Tax Revenue, Non Tax Revenue, Share in Central Taxes and Grants in Aid. A comparative analysis of the Finances of the Non Special Category States (General Category States) is done to study the major sources of revenue accruing to the states. Suggestions emerging from the analysis towards improving the fiscal scenario have been included.

ACKNOWLEDGEMENT: Special gratitude is due to Dr. Anuradha Balaram IES (Chief Economic Advisor & Director Project Financing Cell, KSPB), Mr. D Prasanth (Chief, Plan Coordination Department, KSPB), Mr. Girees Kumar IAS (Officer on Special Duty, Finance Department), Dr. Pulapre Balakrishnan (Director, CDS) and Mr. M. C. Jacob for the valuable suggestions and guidance that they have provided for the completion of this project. I would also like to thank the Faculty members and Library Staff of Centre for Development Studies and my friends for their tremendous support.

CONTENTS

1. INTRODUCTION -----	4
2. OBJECTIVE -----	5
3. LITERATURE SURVEY -----	5
4. METHODOLOGY AND DATA SOURCES -----	6
5. EMPIRICAL ANALYSIS -----	7
6. SUGGESTIONS FOR IMPROVING TAX REVENUE -----	17
7. CONCLUSION -----	21

REFERENCES

ANNEXURE

TAPPING POTENTIAL SOURCES OF REVENUE FOR THE STATE OF KERALA

1. INTRODUCTION

Requirement of governments to provide public goods and execute other developmental projects that would improve living standard of citizens as well as meet its recurrent expenditure necessitate intensified revenue generation efforts both internally and externally. In the post Thatcher era the thinking was —“That government is the best which does the least”. But there is increasing realization world over in the recent times that government has a marked role in the development, sustenance of welfare state and manage public expenditure. For any national or sub-national economy, revenue mobilization is the key to economic development as expenditure can be rationalized if not reduced. In the state economy of Kerala, revenue mobilization has objectives like:

- a) Maintaining the social sector achievements already made
- b) Attaining sustainable and rapid economic growth, and
- c) Reaching fiscal balance as mandated by the amended Fiscal Responsibility and Budget Management Act, 2003.

For a sub- national entity like Kerala, the power to mobilize resources are limited and this can act as an hindrance in both attaining its goals as well as sustaining its achievements in long run. In June 2001, the Kerala government brought out a ‘White Paper’ stating that an analysis of the fiscal scenario and an assessment of the amount of resources need by the State reveal a crisis that the State exchequer is facing. There has been instances of Court intervention and attachment of Government property due to failure to pay liabilities in time. The dismal state of affairs is aggravated when we consider Government bodies like KSEB and KSRTC, where the tariffs are kept uneconomically low to enhance social welfare.

The state of Kerala has the lowest revenue receipts relative to other South Indian states. Also it is the only Southern state that has a positive Revenue deficit to GSDP ratio. The adverse fiscal situation is attributed to the unsustainable investment in the social infrastructure ignoring physical infrastructure and industrial growth. But the expenditure on Social development by Kerala is significant and it has earned major gains in past years. Given the fact that Kerala has a high number of pensioners, salaried class and an ageing population on its way, public expenditure is on the rise. The inflow of remittances from the Gulf countries has sustained the State but sooner or later the State should look for reliable sources of revenue to finance its expenditure.

Kerala has moved beyond “basic issues” and is facing “second generation” problems such as the need to improve the quality of higher education, quality of roads and power, create jobs for the educated labor force, investment in skill up gradation and development. However, under conditions of fluctuating tax

buoyancy, conditionalities imposed by FRBM, the rising debt to GSDP ratio and excessive dependence on remittances, it is imperative that the state enhance its revenue receipts (mainly Own Tax and Non tax revenue over which the state has control).

This study is intended to propose areas where the state of Kerala can potentially acquire gains in revenue mobilization. The course of the study progresses through an analysis of the finances of General Category States, Kerala in particular, to arrive at possible improvements in the finances of Kerala.

2. OBJECTIVE

- To study the important sources of own tax and non tax revenue to the states (Non Special Category States) in India.
- To suggest possible measures to tap potential sources of revenue for the state of Kerala.

3. LITERATURE SURVEY

Every Parliamentary Government has arrangements for raising funds and channeling it for various developmental purposes. Tax is a compulsory contribution of the wealth of a person or body of persons for the service of the public powers. In the literature it is widely accepted that taxes are required to overcome the problem of free riding inherent in the financing of public goods; to control other market imperfections; and achieve social justice by redistribution. Economic growth ("efficiency") is promoted via optimum tax policies; whereas social justice ("equity") is promoted via redistribution and the provision of public and merit goods, most notably health and education.

India being a federal state has to incorporate the efforts and concerns of the states in the Union. Centre State relations are being widely discussed in the context of Commissions on Centre-State relations and the Thirteenth Finance Commission and a few perceptible changes took place in the mechanism devolution of taxes and distribution of grants from the Centre to the States. During the 1980s and 1990s major reforms were undertaken by the Union Government in both indirect taxes and direct taxes. During the first half of the 2000s, sales tax was replaced with Value Added Tax (VAT) for intra-State sales (except for commodities like liquor and petroleum products). Presently, Goods and Services Tax (GST) is being scheduled to be introduced from 1st April, 2013 but has missed the deadline as consensus on various issues of concern by state governments are not yet redressed. All these have considerable implications for tax revenue of Centre and States as well as devolution. The central government and successive Finance Commissions since the Tenth have been pushing for state level measures to contain their revenue and fiscal deficits, mainly to promote macroeconomic stability. Given, that states have no way of financing their deficits except by increasing their liabilities, low revenue deficits are necessary to ensure that the debt financing is confined to expenditures with at least expected positive rates of return. Second, higher deficits translate into higher debt or liabilities, which automatically raise the cost of debt particularly for medium-

and low-income states. Third, even without the cost of debt increasing, higher deficits mean higher indebtedness and hence higher interest costs leading to still higher deficits and a vicious spiral towards financial unsustainability. Kerala has tottered on the brink of such precipice already as mentioned at the outset. Thus, while the straightjacket approach of the Finance Commissions may not be ideal from the point of view of the states in general and for Kerala in particular, a concern about the fiscal balances is certainly relevant in view of its past experiences.

Budgetary transactions of any state are conditioned by the performance of the economy. The per capita income of Kerala has been higher than that of the country as a whole. Kerala has the feature of remittance economy without much investment activities in commodity producing sectors. Revenue receipts are dominated by tax revenues in most states of India, and Kerala is not an exception to this. Also, the popular perception and public policy being heavily influenced by the 'welfare state' concept, non-tax revenues are not large. The other two sources of revenue receipts are shared taxes and grants from the Union government, and hence largely exogenously determined. In terms of own revenues, Kerala has fallen behind other South Indian states of Andhra Pradesh, Tamil Nadu and Karnataka in absolute terms (Own revenue: Kerala- Rs 2831078 lakhs, Andhra Pradesh- Rs 6563046 lakhs, Karnataka- Rs 4896366 lakhs, Tamil Nadu- Rs 7749315 lakhs). This trend exists despite having the advantage of an actual revenue base (disposable income) larger than the denominator (GSDP) thanks to the substantial amount of remittances. On the other hand, the share of the secondary sector in the GSDP that is usually positively related to revenue generation is only around 23 percent in Kerala, which acts as a constraint on revenue generation. It is the tertiary sector which has grown much more than any other sector, and this sector contributes relatively less to the state exchequer.

4. METHODOLOGY AND DATA SOURCES

Time Frame: The time frame of the analysis is 10 years. That is the period extending from 2002-03 to 2011-12 covering the tenth (2002-2007) and eleventh (2007-2012) plan periods entirely. If most recent data is available the analysis can be extended to include them.

Preliminary Analysis:

- To analyze the current own sources of revenue receipts of the state of Kerala.
- Examine the revenue collection practices and tax structure of Kerala.

Secondary Analysis

- To draw conclusions regarding the predominant areas of own tax revenue receipts and make a trend analysis of the growth of revenue of the state over the prescribed time frame of the analysis

- Compare the revenue receipts (Own Tax and Non Tax) of Kerala with other Non special category States of India and the National average.
- Study the untapped, not adequately tapped sources of revenue and leakages from the system.

The revenue receipts would be analyzed under the heads described in the RBI State Finances which provides a detailed disaggregated view of the State Finances. This exercise would enable us to understand the current fiscal scenario and enable us to enquire into the sustainability of relying on a particular source for resource mobilization by the state. After the preliminary analysis, the number of indicators would be narrowed down to a manageable level of ten major revenue sources chosen on the basis of their relative importance in the finances of the State. These would be used as indicators of the Revenue side of the Fiscal performance of the state. Proceeding to the secondary analysis, these indicators can be compared across the NSC states to arrive at conclusions regarding the performance of the state vis-à-vis other states. Finally these analyses can be utilized to identify untapped or underutilized sources of revenue.

DATA SOURCES

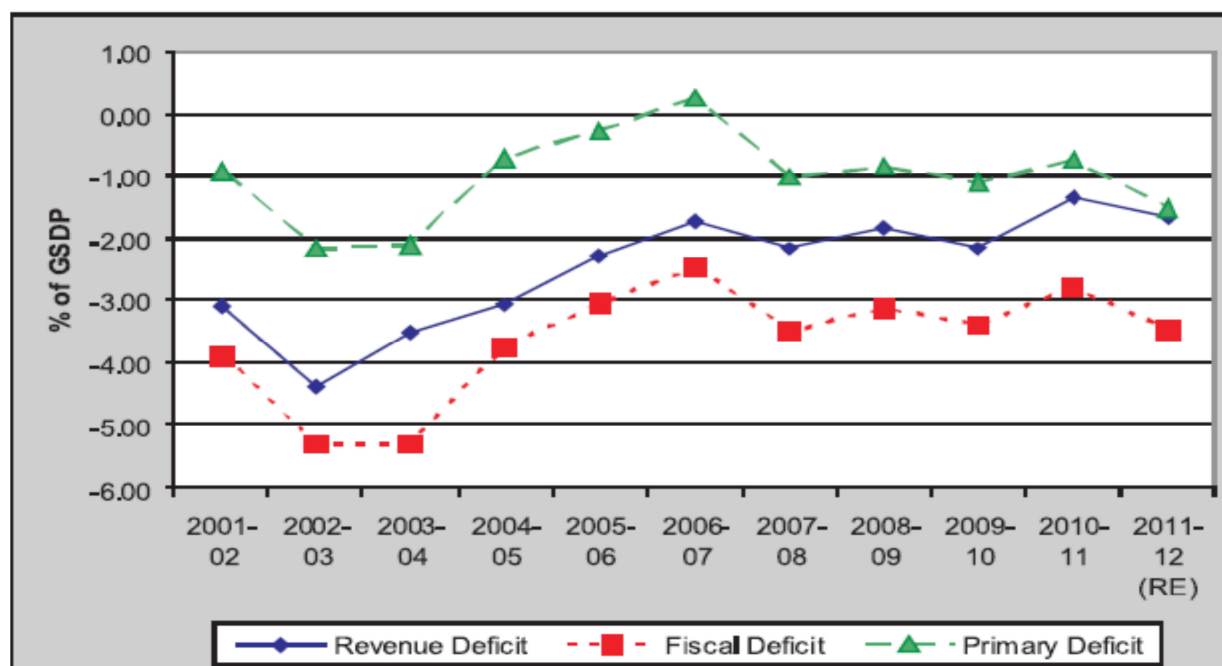
The primary sources consist of discussions with experts, opinion surveys. The main secondary source that the study rely on is the 'State Finances: A study of budgets', published by RBI reviewing the budgets of the Indian states. Resources are also gathered from the Annual Financial Statement of Government of Kerala, Economic Review published by Kerala State Planning Board and the Kerala Public Expenditure review committee report.

5. EMPIRICAL ANALYSIS

Broad deficit indicators of Kerala – revenue, fiscal and primary deficits – for the period 2001-02 to 2011-12 as ratios of Gross State Domestic Product (GSDP) in current prices are depicted below in Figure 1. It can be seen that at the beginning of our reference period, revenue, fiscal and primary deficits became larger till 2003-04. The highest fiscal deficit was in 2002-03 at 5.3 percent of GSDP which was about the same in the next financial year. The highest revenue and primary deficits during the reference period were also recorded in 2002-03. The total debts increased from Rs. 17,367 crores to Rs. 33,782 crores between 1998-99 and 2002-03, the average annual rate of growth being 18.53 per cent. Interest payments had doubled from Rs. 1,446 crores to Rs. 2,947 crores during the four-year-period. At the end of 2002-03, the fiscal liabilities of the State excluding pension liabilities, but including off-budget borrowings, power subsidy, etc. stood at the unsustainable level of 41 per cent of the GSDP (CAG report, 2003). The entire deficit figures improved after 2003-04 reaching the lowest values of the decade in 2006-07, with primary deficits changing to a small primary surplus which is attributed to a compression on revenue expenditure immediately afterwards, there was an increase in the deficits. Notably the worsening of the deficit figures

comes in the post fiscal consolidation phase. In 2005-06 year, VAT was introduced which continues to earn considerable revenue for the state.

FIGURE 1: MAJOR DEFICIT INDICATORS OF KERALA



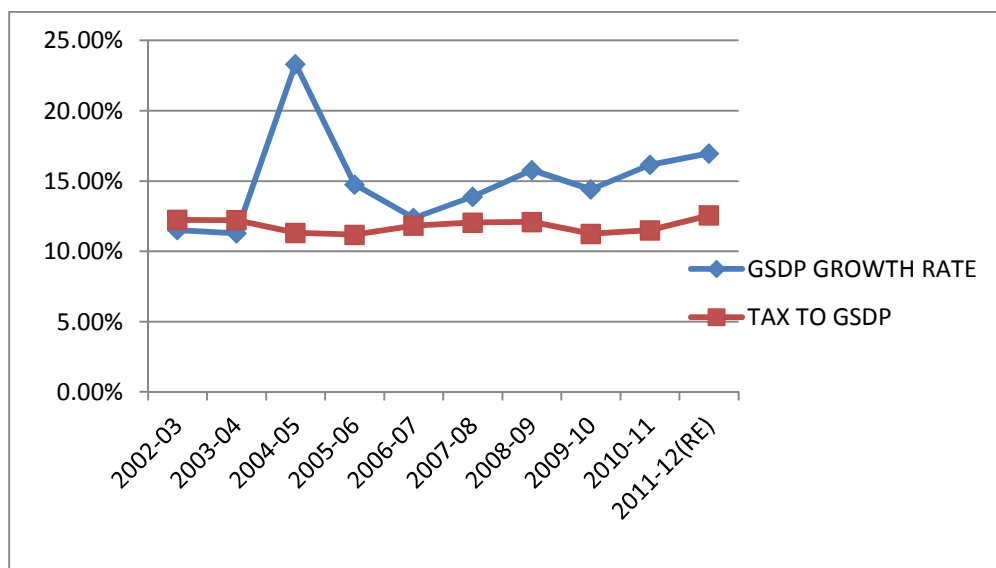
Revenue Receipts for Kerala

Total revenue receipts have been fluctuating between 10 and 12 percent of GSDP throughout the reference period. The central transfers (shared taxes plus grants) received by the state account for less than half of its own revenues, which explains the relatively low level of total revenue receipts despite a relatively high level of own revenues. However, even in terms of own revenues, Kerala has fallen behind other South Indian states. The low levels of non-tax revenues result from several factors like small interest receipts, negligible amount of dividends received and low levels of user charges. The state has manpower and expertise to operate public sector enterprises successfully but this area have stumbled upon political blocks. Like most other states of India, in Kerala, the largest share of tax collections are from sales tax/VAT, 74% of SOTR in 2011-12 (Economic Review 2012). The category of stamp duties and registration fees is second followed by state excise and motor vehicle taxes and then land revenue. The major contributor in non tax revenue is State lotteries. It is followed by Forest revenues and receipts from social services.

The State has been growing at a brisk pace during the past decade but the tax to GSDP ratio have not displayed the same pace of growth (Figure 2). The tax to GSDP ratio remains to be at 12% to 13% inspite of the growth in GSDP. This can be due to the service sector oriented nature of growth of the Kerala economy along with huge remittances inflating the income figures, which largely reside outside the tax net. The total revenue figures are improving over time with an average annual growth rate of 14.21% during the 10th FYP period and 16.01% during the 11th FYP period (Table A8). The annual growth rate also shows an upward trend except for the year of 2009-10, when the impact of the Global Financial Crisis struck the Kerala

economy. This kind of a dip to the tune of 6.62% in 2009-10 from 16.13% in 2008-09 shows the vulnerability of the

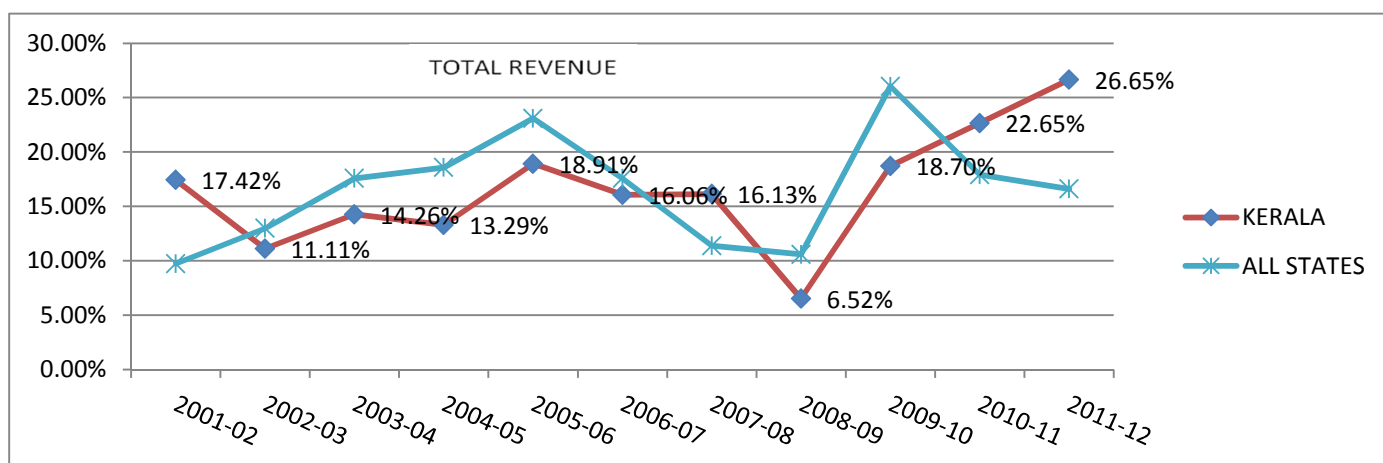
FIGURE 2: GSDP Growth Rate V/S Tax to GSDP Ratio



Source: Own calculation, GSDP data from Economic Review (KSPB)

economy to fluctuations in economic scenario of the world due to its high exposure to the outside world through remittances. It should also be mentioned that this trend is not unique to Kerala; it is evident at the national and sub-national levels (figure 3). Comparing with South Indian states, Kerala lag behind in terms of growth in revenue over the period of 2001 to 2011. In the revised estimates of 2011-12 and budget estimates of 2012-13 the state of Kerala shows a higher growth rate than the other south Indian states. But again looking at the tax to GSDP ratio Kerala once again lags behind its neighbors (Table 1). As mentioned earlier, this trend in tax to GSDP ratio points to the limitation placed on the tax efforts of the state due to a slow growing industrial sector while income figures are growing owing to remittances and service sector growth.

FIGURE 3: Trend in Growth of Total Revenue Receipts- Kerala V/S All States



Source: Own calculation using data from Handbook on RBI Study of State Finances 2010, RBI State Finances 2013.

Table 1: A Comparison of Tax to GSDP Ratio and Tax Buoyancy

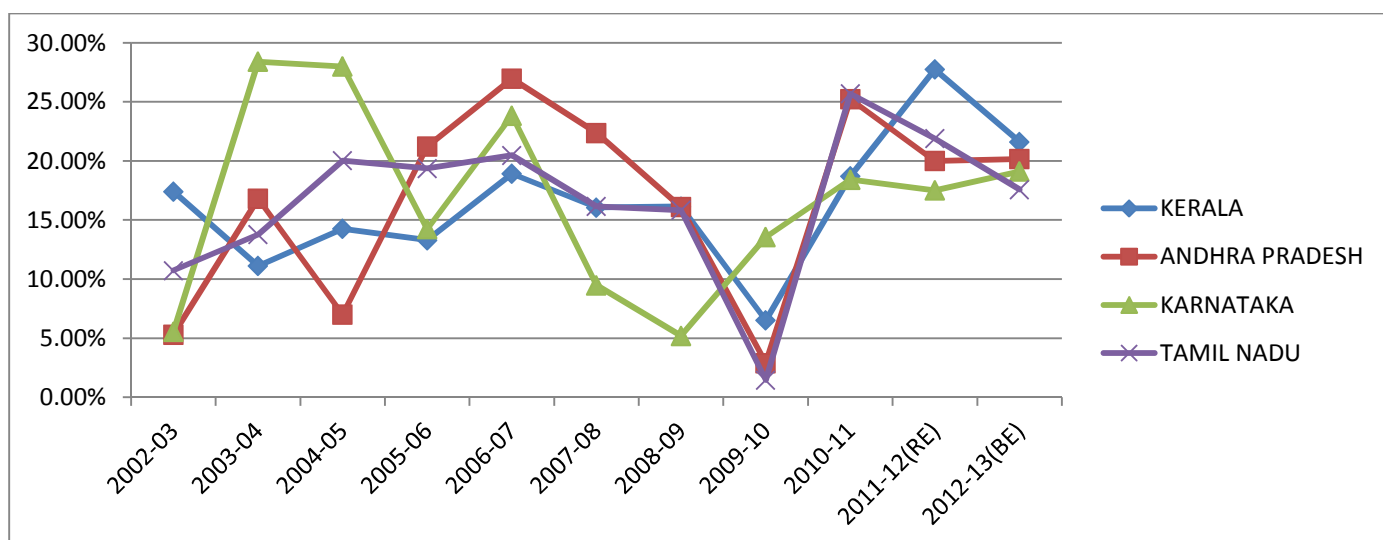
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
KERALA											
TAX TO GSDP	11.62 %	12.24 %	12.22 %	11.32 %	11.18 %	11.83 %	12.05 %	12.09 %	11.25 %	11.50 %	12.06 %
Tax Buoyancy		1.44	0.99	0.66	0.91	1.44	1.13	1.02	0.49	1.13	1.27
KARNATAKA											
TAX/ GSDP	13.91 %	13.33 %	15.51 %	15.93 %	15.49 %	16.54 %	15.21 %	13.95 %	14.56 %	14.58 %	14.90 %
Tax Buoyancy		0.57	2.36	1.11	0.84	1.40	0.54	0.39	1.48	1.00	1.15
ANDHRA PRADESH											
TAX/GSDP	14.27 %	13.94 %	14.42 %	12.79 %	13.62 %	14.70 %	14.84 %	14.73 %	13.19 %	13.75 %	14.38 %
Tax Buoyancy		0.69	1.26	0.38	1.43	1.42	1.05	0.96	0.22	1.20	1.30
TAMILNADU											
TAX/ GSDP	12.97 %	13.30 %	13.93 %	12.99 %	13.17 %	13.18 %	13.55 %	13.71 %	11.64 %	12.39 %	13.39 %
Tax Buoyancy		1.30	1.52	0.75	1.08	1.00	1.21	1.09	0.09	1.34	1.58
ALL STATES											
TAX/ GSDP	11.89 %	12.10 %	12.18 %	12.23 %	12.71 %	13.42 %	13.61 %	13.10 %	12.61 %	13.07 %	13.79 %
Tax Buoyancy		1.22	1.05	1.02	1.27	1.32	1.09	0.75	0.74	1.20	1.12

Source of GSDP data: Planning Commission, Government of India.

In terms of growth in revenue receipts, Kerala is showing a rising trend. Compared to the other South Indian states, Kerala is moving at par with states like Tamil Nadu. As per the budget estimates for the year 2013, Kerala will have the highest total revenue receipts among the south Indian states (figure 4). The major contribution to the total revenue receipts of the state is made by the State's tax revenue receipts, more precisely state's own tax revenue receipts. In 2011-12, 82.41% of the total revenue receipts consist of Tax revenue and 67.66% of the total tax revenue is from state's own tax revenue sources. The contribution by the non tax revenue sources is meager compared to the tax revenue. The state's own non tax revenue is still hovering around the 6 to 7% mark of total revenue receipts. The share of non tax revenue in the finances of the state of Kerala is very low compared to other Indian states. The per capita non tax revenue is Rs. 1642 (BE 2010-11) according to the estimates of the Finance department Kerala, Budget document 2010. But on the same note the per capita tax revenue is quite high. The political mandate of Kerala has been to keep the user charges low as a part of the populist policies pursued.

Terms of absolute receipts of total revenue, Kerala fares below the NSC states' average. Kerala stands at 11th or 12th position over the years while other states have climbed up the ladder or maintained their high positions over time (Table A1). But in terms of growth a rate, Kerala is expected to grow at 26.65% (2012-13 BE). Only states like Gujarat, Punjab, West Bengal and notably Bihar are expected to grow at rates close to the one projected for Kerala.

FIGURE 4: Trend in Growth of Total Revenue Receipts

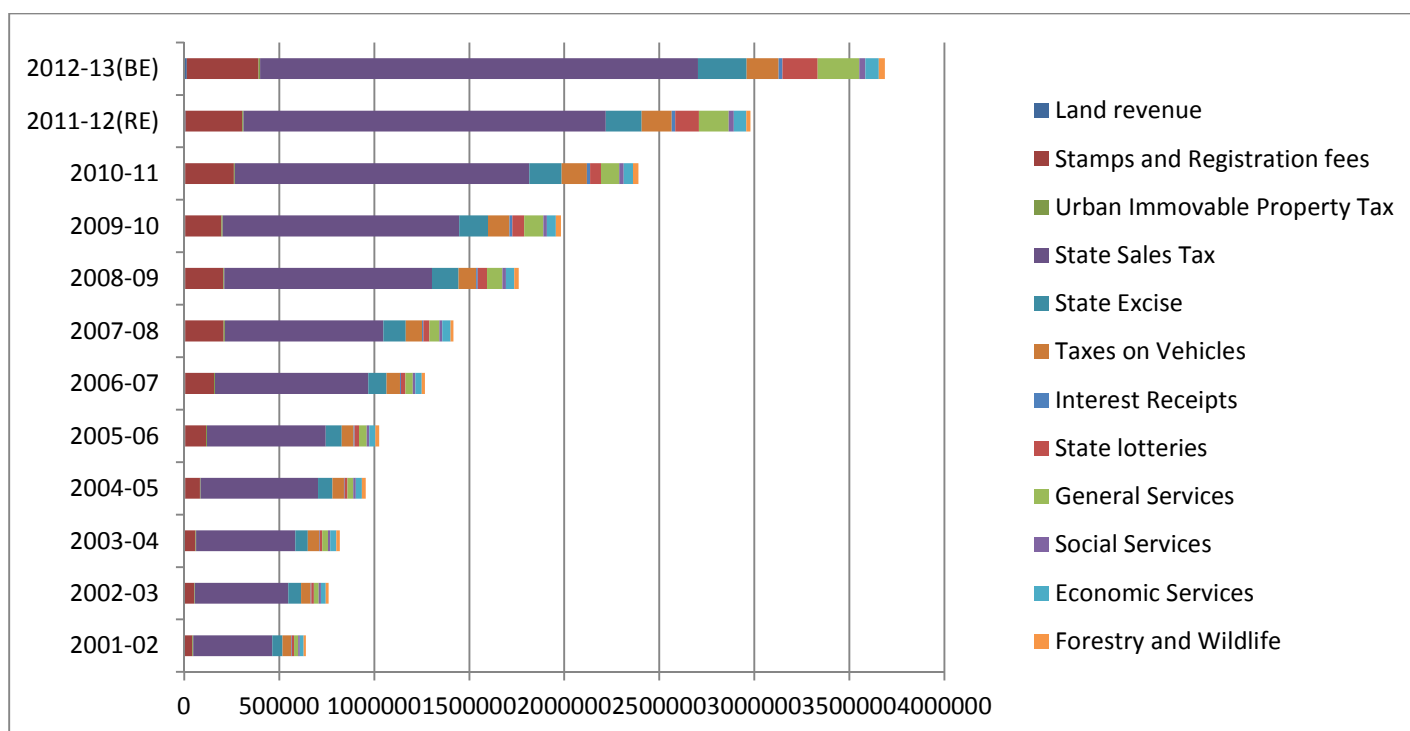


Source: Own calculation using data from Handbook on RBI Study on State Finances 2010, RBI Study of State Finances 2013

TAX REVENUE RECEIPTS

The tax revenue receipt in Kerala is dominated by sales tax revenue. Sales tax and VAT alone account for 74% of the State's own tax revenue in 2011-12. The next major contributor to the revenue is Stamps and Registration Fees, followed by the State excise duties. The per capita tax revenue receipts of Kerala is at Rs. 6269 according to the BE for 2011-12 (Kerala Budget, 2013). The tax revenue front of the state is growing and its per capita tax revenue collection is high among Indian States at 6th position. The growth of State's own tax revenue during 2003-04 to 2005-06 was around 10%, but the introduction of VAT has considerably increased the State's finances improving the growth rate to 22.12% in 2006-07. The average annual growth rate was 12.71% during 10th FYP and 17.63% during 11th FYP (Table A9). The growth during 11th plan lag behind Karnataka, Andhra Pradesh and Tamil Nadu but in the twelfth plan period the own tax revenue receipts of Andhra Pradesh has declined making way for Kerala not to finish in the last (Table A2, A3). The trend to be looked into is the large contribution made by the sales tax (Figure 5). In absolute terms Kerala lags behind its Southern neighbors in terms of sales tax revenue, but in Kerala the percentage sales tax alone forms as a part of state's revenue source is enormous. The excessive dependence on sales tax may prove to be troublesome in times of economic distress. Another fact to be noted is that the growing contribution of the State excise and stamp duty are indicative of the growing liquor consumption and real estate activities in the State. The undertaking under the Kerala government that runs the most successfully is the Beverages Corporation. The per capita consumption of liquor in Kerala is over 8 liters per person per year, the highest in India. The revenue of the Beverages corporation is added to the state finances as taxes and duties. This venture is indeed revenue promoting given the scenario of Kerala, but has disastrous effects on the generation of people living on this soil. The other most important source of revenue is stamp and registration fees which comes under head of taxes on property and capital transactions. The increase in Stamp Duties are pointing to the increase in Real Estate transactions in Kerala.

Figure 5: Components of State's Total Revenue Receipts.



Source: RBI State Finances: Study of Budgets.

But the increase in the stamp duties are not quite catching up with the growth of construction sector or real estate boom in Kerala. When construction sector alone has grown at 16% in 2010-11 to 2011-12 period the growth of urban immovable property tax at an AAGR of 3.44%. The fair value based stamp duty is burning a hole in the exchequer's purse. When it comes to government acquisition of land, it pays the market prices and/or compensation to the subjects. But government land is often sold off at very low prices.

The industrial sector growth is a cause of concern for the state of Kerala. Most of the Indian states draw their revenues from the strong industrial/ agricultural base that they have. In Kerala, both of these are lacking. The agricultural sector is in a stagnation with growth in agriculture plummeting to lows with the state having to depend on other states for almost all food items. The bright spot in Kerala's agricultural production would be its commercial crops (rubber, spices, cashew, tea etc). But these products are facing high competition from imports from other nations (Eg. Malaysian rubber) as well as from other Indian states. The cost of production in Kerala is high due to the high labour cost and the militant unionism prevailing is strangling the agricultural as well as industrial expansion. The agricultural sector faces an additional disadvantage as the young generation is unwilling to take up agriculture any more, the blame goes to the low incentive structure and social preferences. The growth performance of agriculture in 11th plan was a negative 1.3%. The quick estimates of 2011-12 shows -1.6% growth. The AAGR of agricultural income tax for 11th plan period is -6.78%. Agricultural sector is important not just from the revenue point of view, but it is important in ensuring food security of the people and large a question of self sufficiency.

Table 2: Tax on commodity and services

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Taxes on											
Commodities and Services	54561 1	67338 8	74500 0	80976 5	85805 6	10313 13	11511 99	13866 44	15581 87	19011 47	23121 94
Growth rate		23.42 %	10.63 %	8.69% %	5.96% %	20.19 %	11.62 %	20.45 %	12.37 %	22.01 %	21.62 %
buoyancy		1.76	1.03	0.58	0.44	1.53	0.85	1.17	0.87	1.29	1.20
Sales Tax	44408 5	53431 5	59914 3	67010 5	70379 7	85633 1	93717 6	11377 13	12770 89	15833 11	18938 83
Growth rate		20.32 %	12.13 %	11.84 %	5.03% %	21.67 %	9.44% %	21.40 %	12.25 %	23.98 %	19.62 %
buoyancy		1.57	1.16	0.77	0.37	1.62	0.70	1.21	0.87	1.39	1.11
State Sales Tax	41645 7	49171 4	52138 3	61826 7	62530 7	80716 2	83497 6	10917 15	12448 18	15499 22	19062 57
Growth rate		18.07 %	6.03% %	18.58 %	1.14% %	29.08 %	3.45% %	30.75 %	14.02 %	24.51 %	22.99 %
buoyancy		1.42	0.61	1.14	0.09	2.05	0.27	1.62	0.98	1.41	1.27
Central Sales Tax	26098	35588	70036	36124	48636	33966	10162 1	42538	29294	31042	32891
Growth rate		36.36 %	96.80 %	48.42 %	34.64 %	30.16 %	199.18 %	58.14 %	31.13 %	5.97% %	5.96% %
buoyancy		2.48	5.29	-6.86	2.00	-3.93	5.43	-9.57	-3.59	0.40	0.38
Other Receipts	1498	7009	7723	15713	29677	15203	578	3460	2977	2346	3605
Growth rate		367.89 %	10.19 %	103.46 %	88.87 %	48.77 %	96.20 %	498.62 %	13.96 %	21.20 %	53.67 %
buoyancy		7.30	0.99	3.71	3.65	-8.67	206.40	5.74	-1.29	-1.93	2.37

Source: Own Calculation with Data from RBI State Finances: A Study of Budgets

The industrial sector also has a dismal story. The contribution of industrial sector to GSDP declined by 13.5% in 2011-12 compared to a growth of around 15% in the previous year (Economic Review 2012). Kerala has the human resource to nourish industries but it is unfortunate that the human resource base is not taking up entrepreneurial activities actively. The rigid and high wages and unionism play a deterring role. Along with this, a trend to be noted is the growing informalisation of industries. The growth of unregistered manufacturing in the industrial sector is rising. This trend would result in the erosion of tax base of the state. (Table 3). The informalisation of labour and industries is trend persisting all over India. This is increasingly evident in Kerala with the construction growing considerably employing migrant labour on a large scale. There should be concerted efforts to bring the growing unregistered manufacturing sectors to the tax net.

Along with this, a gigantic task of building capacity in industrial sector is faced by Kerala. The biggest problem faced by Kerala's development experience would be whether to promote industries in an

ecologically sensitive and land sparse economy with high density of population. Promotion of services would be the best available option for Kerala. But attention should not be completely taken away from industrial sector growth particularly through infrastructural expansion and human capital building.

Table 3: Industrial sector growth rates

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Manufacturing	1022058	1092095	1229466	1508223	1735690	1756980	2020037	2291924
Growth Rate		6.85%	12.58%	22.67%	15.08%	1.23%	14.97%	13.46%
Registered Manufacturing	457614	479855	500903	633781	836319	777588	910229	1035459
Growth Rate		4.86%	4.39%	26.53%	31.96%	-7.02%	17.06%	13.76%
Unregistered Manufacturing	564444	612240	728563	864442	899371	979392	1109808	1256465
Growth Rate		8.47%	19.00%	18.65%	4.04%	8.90%	13.32%	13.21%
Sub Total of Secondary Sector	2689112	3078749	3488626	3967955	4302223	4889778	5760139	6634626
Growth Rate		14.49%	13.31%	13.74%	8.42%	13.66%	17.80%	15.18%
Industry	2734890	3146841	3550969	4104831	4432160	5062310	5935703	6829631
Growth Rate		15.06%	12.84%	15.60%	7.97%	14.22%	17.25%	15.06%

Source: Economic Review 2012, Kerala State Planning Board

Though the Kerala economy has been growing at a good pace, the fastest growing sub-sector-the services, is outside the taxing powers of the States. States can tax the sale of commodities and not the services except a few ones like electricity. As a State within the Indian Union, Kerala is on a disadvantage being barred from taxing the fastest growing sectors of its economy. This particular pattern of growth itself has evolved out of cross- border and inter-State remittances and has resulted in the State having sectors and sub-sectors ,which grow fast, but are out of its tax net (Eg: Telecommunications, Banking and Insurance and a wide range of services included in ‘Other Services’).

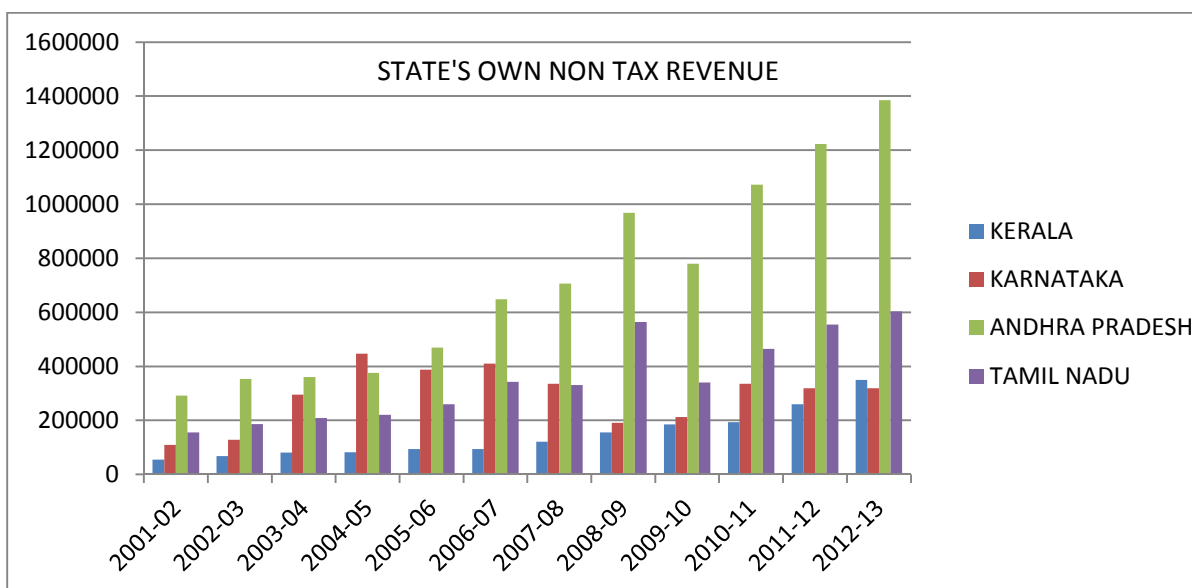
A comparison of the tax revenue receipts of Kerala with the General category States of India, Kerala has remained at either 11th or 12th position during the 10th and 11th plan periods (Annexure). Kerala has, in a way, maintained its status at the all India level. But comparing to the growth in income, the State should have fared much better.

NON TAX REVENUE

Mobilizing resources through reforms in non-tax sources serves the twin purpose of having a rational non-tax structure and generating greater means to achieve economic growth. But an economically rational structure of non-tax sources may not be palatable politically. This is one of the main reasons behind the low non tax revenue mobilization by Kerala. In terms of per capita non tax revenue the state ranks 14th among Indian states. At the national level, the State is ranked 16th among the NSC States as per the 2011-12 (RE) and is expected to continue but in the Own Non Tax Revenue front Kerala is expected to improve its position to 13th in 2012-13 (BE) (Table A4, A5. Most of the states are showing a declining trend. In case of

Kerala, the State's ONTR still crawls around 6-7%. The total non tax revenue including Grants in Aid from the center together makes 18% of the total revenue in 2011-12. Kerala has the lowest non tax revenue receipts among South Indian States (Figure 6)

FIGURE 6: NON TAX REVENUE MOBILISATION



Source: RBI State Finances: A Study of Budgets.

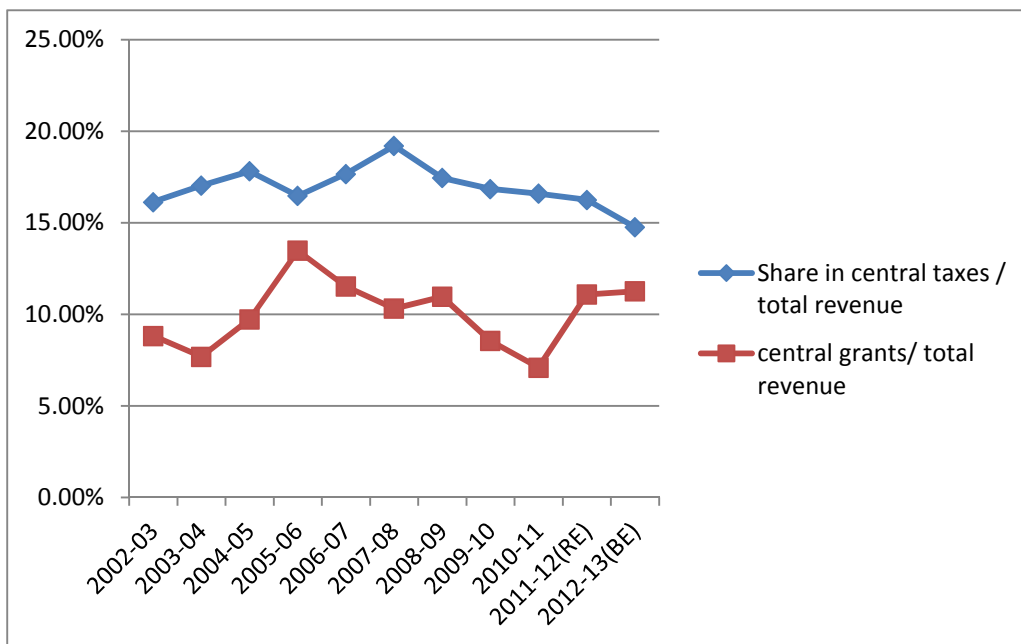
On the other hand its expenditure on development and welfare activities are higher. Heavy investments are made in education and health sectors by Kerala. This kind of an unbalanced approach is not the right path to fiscal health. The populist governments have maintained the non tax revenues low. But if we need to sustain the growing burden of the welfare activities the various departments should be able to finance the activities by charging user fees and other grants that they receive from the centre. No proper account of the utilization of Grants directly received by departments from the Central Government has been kept. This has been pointed out in the CAG report of 2012 for the state of Kerala. If the state government keeps track of these funds then, they can channelize the revenue to activities that does not receive Center's patronage.

SHARE IN CENTRAL TAXES AND GRANTS IN AID

The RBI State Finances categorizes devolution of Central Taxes in Tax Revenue and Grants from Centre as a part of the Non Tax Revenue. The Finance Commission recommends the percentage of the Central Taxes to be shared with the States and the distribution among the States is determined on the basis of criteria formulated by each Commission. The formula for devolution followed by various Finance Commissions has often been questioned by the states. The General Purpose grants are distributed as mandated under Article 275 of the Constitution by the Finance Commissions. The Plan grants and those for Centrally Sponsored Schemes are disbursed by the Planning Commission and Central Ministries respectively. Currently, the Gadgil – Mukherjee formula is supposed to be followed in the devolution. The two major criteria for 12th Finance Commission were population and distance, the weights being 25 and 50%

respectively. The latter is the gap between the per capita GSDP of a State from the average of the highest three per capita GSDP States During the 11th plan period Kerala finished 14th among NSC States in Share in Central Taxes (Table A6). The Share of Central Taxes to Total Revenue is around 16% and is expected to decline as per the 2012-13 BE to 14%. (Figure 7, Table A6, A7).

Figure 7: Share of Central Taxes and Grants from Centre to total Revenue



The share of Grants in Aid has risen from 10.3% in 2007-08 to 11% in 2011-12 (RE) for Kerala (Table A 15). This trend persists for Andhra Pradesh and Karnataka and also at the NSC States and national levels. Even in absolute figures, Kerala ranks above its South Indian neighbours during the 11th plan period. But it should be noted that, the achievements Kerala has garnered in the past years has proved to reduce the Grants that it receive. The high human development gained by the state prompts the centre to take the needs of the Kerala lightly. However, it is the second-generation problems that are not getting their due attention in the devolution of Central funds to Kerala. To illustrate a few

- 1) High level of educated unemployed,
- 2) Fiscal strains affecting State-sponsored health and welfare schemes which do have a positive impact on human capital,
- 3) Deteriorating quality in higher education, and
- 4) High dependence on services sector, which are not taxable at the State level.

Also, new provisions like the sharing of burden of subsidy by states stated in the Terms of Reference of 13th Finance Commission would load the state with additional liabilities.

SUGGESTIONS FOR IMPROVING REVENUE RECEIPTS

Tax Revenue

In the tax revenue front Kerala has made significant progress. But its full potential is not utilized especially in the areas of Commercial taxes and Taxes on Property and Capital Transactions. According to a study on Tax Leakages (Estimation of Tax Leakage and its Impact on Fiscal Health in Kerala, Rakhe PB, 2003), the tax potential of the Kerala has not been adequately tapped and considerable leakages exist. The study CDS found that tax evasion is at the rate of 35% of the potential. This means, without evasion, if tax collection was possible in 2010-11, total sales tax revenue would have been 35% higher at Rs.21,374.66 crore instead of Rs.15833.11 crore which means a revenue loss of 5541.55 crore to the exchequer because of tax evasion. The long line of vehicles in check post is a common sight even after considerable efforts of computerization of check posts. Efficient system for speedy collection of taxes and mechanisms to address tax evasion needs to be put in place. Many Departmental actions taken against defaulting individuals/institutions/ groups are stayed by the Courts, resulting in difficulties in revenue recovery.

Article 276 of the Constitution of India authorizes the State Legislatures to levy taxes on Professions, Trades, Callings and Employments in their states. Initially, the article had stipulated Two Hundred and Fifty rupees per annum as the maximum limit of taxes leviable by a state. However, vide Sixtieth Amendment in the Constitution in 1988, this limit has been enhanced to Two Thousand and Five Hundred rupees per annum as the maximum amount of taxes payable by any one person to a State or to any one municipality, district board, local board or other local authority in the State. In exercise of the powers vested under Article 276 of the Constitution, certain states have enacted laws to levy tax on Professions, Trades, Callings and Employments. States like Andhra Pradesh, Tamil Nadu, Karnataka, Gujarat, West Bengal, Maharashtra etc have enacted their own laws to tap revenue from this source. Kerala can also implement a law to extract taxes on Professions, Trades, Callings and Employments.

As mentioned earlier the real estate business is flourishing in Kerala. A tax on the investments in real estate can be instituted to productively channel huge amount of remittances going into the real estate business and can be used in other sectors for improving our growth and revenue. If a person buys land or building for the second time or beyond a land holding size, then a tax on the property can be levied. This is especially to plug the speculative purchase and sale of land.

Similarly, a tax on houses with area higher than 500 sq. ft per person living in the house can be levied. Kerala has a high density of population. But since the real estate business is growing with the Gulf money, more and more cultivable land is used for construction of mansions. But the problem is that they remain unoccupied as the owning family would be residing abroad. So to curb such trends in land use pattern an occupancy tax can be levied. The land use conversion Cess currently at 2.5% for cultivable land

should be increased to 5%. Considering the ban imposed on conversion of paddy fields, more cultivable and marshy lands should not be cemented.

The Land Revenue collected should be revised or linked to the value of the land. The value of land has tremendously increased in the past few years. But the land revenue collected is still redundant at very low rates. A tax of Rs. 10 per year is too low considering the increase in the land value. Hence a revision in the assessment of land revenue should be made either by linking to the land value or by freezing it at a higher rate. Also a revision in the fair value of land fixed by Government and followed in land transactions should be revised following the same line of reasoning. Since the land values have increased, the fair value based on which the Stamp Duties are assessed should be revised at least once in 2 years and link the increase in land value to Stamp duty. In case of Industrialists/ Organizations procuring Government land, the land value should not be less than half the value for which the government procures land from people for developmental purposes.

Mining and geology has a vast scope in Kerala. Yet the revenues from this section are low. The mining and geology department website which should give the number of quarries and crusher units in each district is not functioning. The official count would come around 116 stone quarries but as many as 800 quarries function in Kerala and all of them use explosives. This is apart from the stone crushing units functioning. Both explosives and mined products (granite, stone, lignite, sand etc) should be highly monitored and taxed appropriately. The sand mining has killed many rivers in Kerala. It is imperative that the state look into these leakages as they are highly detrimental activities for an ecologically sensitive state like Kerala. Hence illegal mining activities should be rooted out of Kerala at the earliest.

Kerala has the highest number of Public Sector Undertakings. But the states of majority of these are poor. The state of Kerala has 44 PSUs but only 20 of them are profit making. Industries located in the textiles and traditional industries, most of which are loss making, should look for opportunities of targeted marketing especially in foreign markets. KSRTC can look for revenue from exhibiting advertisements on the display boards of the Volvo Buses and by a competitive bidding for FM Radio to be played in the buses. The Volvo buses travelers being mostly middle income groups are primary targets of most of the advertisements. Also in the allocation of bus routes to private buses, profitable routes should be maintained under the KSRTC for grossing more revenue and indiscriminate licensing of private transport should not be allowed.

Kerala's booming construction sector employs a large number of migrant workers. This has caused increased chaos in the past years. A law can be instituted mandating the employers to register and pay a certain amount for each migrant labour they are going to employ to the respective revenue division as a contribution to Migrant Labour welfare fund. This provides revenue to state as well as gives a wider information base about the migrant population.

A luxury tax on weddings can be established for booking of AC Auditorium/ Star hotel Auditorium of capacity more than 500 people, Air Buses for travel etc. Luxury wedding is an issue when the demonstration effect crosses socio-economic strata. It is a social evil but dowry given cannot be punished as it is presented as gifts rather than “dowry”. Hence the law preventing it is tied. So a small step towards curbing the expenditure in luxury weddings would be a tax on bookings of auditoriums/ buses.

A congestion tax on vehicles according to the band of price of the vehicle should be in place considering the high volume of traffic in Kerala compared to the roads. Hence to control the indiscriminate increase in the road traffic volume, a tax for congestion can be imposed and the proceeds can be used for expanding roadways. Also the toll levied at many places are low (e.g: Rs 10 for 4 wheelers) and can be increased to Rs. 20 and same for heavy vehicles. Along with that it should be monitored that the projects on BoT basis are not appropriating the revenues due to government. A yearly tax can also be levied on the non Kerala registration vehicles for using the infrastructure of the State according to the price of the vehicle. This can be implemented through issue of tokens that can be remitted with banks and thereby freeing the people from the hassle of changing the registration of the vehicle.

Green Taxes

Based on Polluter Pays principle hotels and slaughter houses should be taxed for the waste they create and dump into the open. The Municipal authorities can charge a fee from the hotels and slaughter houses above their license fees as compensation of the waste they produce and dispose. Also large fines should be imposed for unhealthy practices of waste disposals especially by slaughter houses. Along with it, the municipal waste collection is done without segregation. If segregated as bio waste then this can be used at a ward or Panchayat level to produce organic manure. This can later be sold to farmers and others. This would also encourage organic farming practices.

Gold Sales

Kerala's tryst with the yellow metal is intriguing. The State is one of the largest consumers of gold at national level. The love for gold has economic and cultural reasons. Gold is seen as a way to hedge against the surging inflation and as a priced measure to invest considering the ever increasing gold prices and a secure base due to its intrinsic value. In Kerala, efforts were made to prevent tax leakages in the gold sales by introductions new schemes of tax payment during The Grand Kerala Shopping Festival. But this project has not met with anticipated success as many jewelry dealers chose to stay away from the deal. So a single sales point for gold can be implemented to prevent tax leakages in the state. Presently large business houses procure gold from international market along with agencies like MMTC. But an agency at state level is needed to collect taxes imposed by state on Gold purchase and sale. The distribution of alcoholic beverages by Beverages Corporation can be taken as a model in this regard. If gold is procured by the state through a

green channel and in- house value addition can be provided with the help of Kerala Artisans’ Development Corporation, it can be exported as well as redirected to jewelries in Kerala. Differential pricing for gold as an investment good and its disbursement through banks bring more of gold sales into the tax net.

The second important part in gold market is the gold loan business run by Non Banking Financial Companies which are outside the purview of RBI. According to the Report of the Working Group to Study the Issues Related to Gold Imports and Gold Loans by NBFCs, there has been tremendous increase in the gold loans procured (Table 4). The proceeds from the services are often not reviewed by any authority and hence a tax source is left untapped.

Table 4: Growth Rates of Gold Loans, Gold Prices, Gold Imports

Table 7.1: Growth rates of gold loans, gold prices and gold imports (per cent)			
Parameter	2009-10	2010-11	2011-12
Gold Loans by NBFCs	170	126	80
Gold Loans by Banks	48	52	78
Gold prices	8	28	32
Value of Gold imports in Rupees	49	36	46

Source: Working Group calculations and World Gold Council and DGCI & S

Non Tax Revenue

The user fees charged by the government of Kerala for the delivery of various services are very low. The fees charged from the issue of certificates (Eg: Income Certificate, Birth Certificate, Residence Certificate) to the fees charged in medical and educational services are very low compared to the cost incurred by the Government. The local bodies can aim at increasing the fees for offline procurement of Certificates with no hike for BPL sections. The cost OP ticket in Trivandrum Medical College is Rs.2. This can very well be increased to Rs.5, again exempting BPL sections. A similar revamp in the administration, fee structure and recruitment procedure of educational institutions, especially Aided Institutions would help in grossing higher revenue.

Kerala should be more vigilant to the activities of the Centre that affects the finances of the State and counter the ill effects appropriately. It is widely regarded that Kerala has not fared well in bargaining and attaining its share in the Central Government devolutions as well as from the various Finance Commissions.

6. CONCLUSION

Kerala is a unique entity in the Federal structure of India featured by its glorious achievements in human development with lower Per Capita Income. Hence it is also unique in the problems that it faces today like educated unemployment and poor quality in higher education. The financial front of Kerala is crafted in a similar way. The story of Public Finances in Kerala has been one of significant improvement from a crisis like situation in 2001. But the fears cannot be cast away and the state cannot afford to be complacent looking at the high GSDP growth rates or Per Capita Income or the falling deficit figures. Kerala is still trapped in a situation of huge debts with no hope of its committed development expenditure reducing in near future. Hence the question of improving the revenue base is of paramount importance for the Kerala. The State can take a three-fold path:-

1. Initially plugging leakages in the system by reducing administrative costs and preventing Tax Evasion
2. The implementation of new taxes.
3. But ultimately the most important factor for the fiscal health of Kerala is to build capacity for the future.

. The 'Dutch Disease' is deepening its roots in Kerala. We are floating on boom that is happening in the Gulf. It is evident from the developments in the past few months such as the 'Nitaqat' that Kerala can no longer thrive on the remittances that it has been receiving for decades. The remedy to the deteriorating fiscal health of Kerala is generating more resources in the future which would add to a strong and more importantly a more reliable Tax Base. The growing informalisation of the manufacturing sector would add to the woes of an eroding Tax Base. Hence, proactive methods are needed to prevent this trend and bring the existing manufacturing sector into the tax net, especially sectors like food processing. The State should also be aggressive in reforming PSUs for extracting better performances from them. Also the state should be active in getting its due from the Centre. Funds should not be lost on the basis of non submission of proposals or inadequate follow up. The most important factor that would count in the long term financial stability of the Kerala would be a strong political will. The economy is inter-twined with politics. Hence a strong and far sighted political set up is a pre-condition for a strong economy.

REFERENCES

Kannan K.P. and Mohan R. (2003), 'India's Twelfth Finance Commission: A View from Kerala, Centre for Development Studies, Working Paper Series No. 354.

Kerala Public expenditure review Committee Report, Report I, Third Commission.

Report of the working group on state's financial resources for the twelfth five year plan (2012-2017) Planning Commission Government of India may 2012.

Sen, Tapas K. (2012), 'Recent Developments in Kerala State Finances', Centre for Development Studies, Working Paper Series No. 449.

ANNEXURE

All budgetary data are from RBI State Finances: A Study of Budgets (Various Issues). All absolute figures in the tables pertaining to Tax Receipts are in INR lakhs.

TABLE A1: TOTAL REVENUE RECEIPTS

	2001-02		2002-03		2003-04		2004-05		2005-06		2006-07	
KERALA	905639	11	1063388	12	1181536	12	1350049	12	1529456	12	1818662	11
ANDHRA PRADESH	2184505	3	2300292	3	2686848	3	2874950	3	3485119	3	4424549	3
BIHAR	10,21,848	10	11,56,876	10	13,52,493	10	15,71,415	10	17,83,671	10	23,08,318	10
CHATTISHGARH	4,37,570	16	5,41,727	16	5,95,932	16	7,24,887	16	8,83,851	15	11,44,961	15
GOA	1,87,253	17	1,83,301	17	1,62,313	17	1,82,002	17	2,16,887	17	2,60,976	17
GUJARAT	15,98,606	5	17,87,533	5	18,24,752	6	20,26,496	6	25,06,685	6	31,00,222	6
HARYANA	7,60,055	13	8,65,702	13	9,84,349	13	11,14,905	14	13,85,329	14	17,95,243	13
JHARKHAND	609963	15	740648	15	744349	15	730718	15	820277	16	1014447	16
KARNATAKA	15,32,125	6	16,16,875	6	20,75,988	5	26,56,967	5	30,35,205	5	37,58,695	5
MADHYA PRADESH	11,20,098	9	13,39,040	8	14,28,896	9	19,74,325	8	20,59,681	9	25,69,428	8
MAHARASHTRA	30,09,294	1	31,10,305	1	34,37,051	1	41,01,333	1	48,43,829	1	62,19,535	1
ODISHA	7,04,799	14	8,43,876	14	9,44,024	14	11,85,019	13	14,08,471	13	18,03,263	12
PUNJAB	8,92,862	12	11,07,118	11	12,13,896	11	13,80,748	11	16,96,647	11	16,79,513	14
RAJASTHAN	12,15,329	8	13,08,186	9	15,42,385	8	17,76,359	9	20,83,919	8	25,59,218	9
TAMIL NADU	18,81,803	4	20,83,676	4	23,70,570	4	28,45,153	4	33,95,998	4	40,91,323	4
UTTAR PRADESH	25,59,791	2	27,82,119	2	31,63,797	2	37,61,737	2	45,34,915	2	60,59,954	2
WEST BENGAL	14,53,842	7	14,52,545	7	16,60,850	7	19,91,817	7	23,72,588	7	25,82,832	7
NSC STATES	22075382		24283207		4612733		27370029		32248880		47191139	
ALL STATES	2,49,42,146		2,73,67,364		3,09,18,697		3,63,51,208		4,31,02,114		5,30,55,580	
NSC STATES AVERAGE	1298552		1428424		1610002		1610002		1896993		2775949	
ALL STATES AVERAGE	890791		977406		1104239		1298257		1539361		1894842	

The column right to the absolute figures of revenue receipts represents the rank that each State holds in the particular year. Same would be the convention in Tables A1 to A7.

NSC States- Non Special Category States (General Category States)

TABLE A1: TOTAL REVENUE RECEIPTS contd...

	2007-08		2008-09		2009-10		2010-11		2011-12(RE)		2012-13(BE)	
KERALA	2110679	12	24,51,217	12	2610940	12	3099095	12	3958783	12	4814159	11
ANDHRA PRADESH	5414255	3	6285845	3	6467835	3	8099630	3	9719433	3	11678696	3
BIHAR	2820970	10	3298068	10	3552683	9	4453232	10	5613565	9	6804786	9
CHATTISHGARH	1387867	15	1566276	15	1815366	16	2271955	15	2770831	15	3137865	16
GOA	294390	17	352827	17	410028	17	544194	17	605306	17	703373	17
GUJARAT	3568985	6	3867571	6	4167236	6	5236363	6	6229222	7	7590337	7
HARYANA	1975074	13	13,37,990	16	2099267	14	2556367	14	3348763	13	3732797	14
JHARKHAND	1161207	16	1610709	14	1984077	15	2010173	16	2579459	16	3242557	15
KARNATAKA	4115114	5	4329067	5	4915570	5	5820623	5	6839758	5	8146075	5
MADHYA PRADESH	3068874	8	3357720	8	4139470	7	5185418	7	6353525	6	6991351	8
MAHARASHTRA	7958315	1	8127068	1	8691027	2	10586781	2	12531281	2	13671170	2
ODISHA	2196719	11	2461001	11	2643020	11	3327615	11	4022130	11	4384275	12
PUNJAB	1923762	14	2071279	13	2215658	13	2760847	13	3101506	14	3804336	13
RAJASTHAN	3078062	7	3346880	9	3538501	10	4592820	9	5612113	10	6314682	10
TAMIL NADU	4752052	4	5504252	4	5584414	4	7018763	4	8555284	4	10058991	4
UTTAR PRADESH	6867247	2	77,83,073	2	9642094	1	11118376	1	13762209	1	15884796	1
WEST BENGAL	3016738	9	36,90,440	7	3692165	8	4726419	8	5914389	8	7674338	6
NSC STATES	55710310		46178563		68169351		83408671		101517557		118634584	
ALL STATES	62374754		6,94,65,738		76813626		93534720		114146894		133097773	
NSC STATES AVERAGE	3277077		2716386		4009962		4906392		5971621		6978505	
ALL STATES AVERAGE	2227670		2480919		2743344		3340526		4076675		4753492	

TABLE A2: TAX REVENUE

	2001-02		2002-03		2003-04		2004-05		2005-06		2006-07	
ANDHRA PRADESH	1561210	4	1693336	4	1887444	4	2231301	4	2615826	4	3279221	4
BIHAR	8,61,037	8	9,48,826	9	10,89,465	9	12,46,452	10	13,98,169	10	17,32,479	10
CHATTISHGARH	3,16,893	16	3,67,734	16	4,15,795	16	5,10,409	15	6,55,973	15	8,24,450	15
GOA	67,716	17	71,681	17	84,584	17	1,01,860	17	1,34,119	17	1,60,365	17
GUJARAT	10,73,486	7	10,88,387	7	13,13,891	7	15,17,701	7	19,07,053	6	22,89,058	6
HARYANA	5,42,144	13	6,30,627	13	6,94,880	12	8,05,953	13	10,27,960	12	12,22,340	13
JHARKHAND	426869	15	458414	15	442772	15	487605	16	512151	16	694613	16
KARNATAKA	12,47,665	5	13,22,591	5	15,81,493	5	19,95,077	5	22,84,497	5	28,67,536	5
KERALA	753768	11	901774	11	1010077	11	1136860	11	1229683	11	1515386	11
MADHYA PRADESH	8,10,818	10	9,89,329	8	11,03,600	8	12,84,966	8	15,45,605	8	18,56,167	8
MAHARASHTRA	23,75,640	1	25,07,942	1	28,55,164	1	34,20,078	1	38,52,224	1	46,12,200	2
ODISHA	5,11,561	14	5,67,742	14	6,62,942	14	8,15,426	12	9,87,903	14	12,28,549	12
PUNJAB	5,43,072	12	6,36,001	12	6,90,033	13	7,84,698	14	10,21,683	13	10,58,291	14
RAJASTHAN	8,55,353	9	9,31,644	10	10,84,840	10	12,72,043	9	15,18,030	9	18,36,861	9
TAMIL NADU	15,87,976	3	17,38,928	3	19,48,917	3	23,59,344	3	28,33,877	3	34,16,501	3
UTTAR PRADESH	20,51,931	2	23,59,868	2	26,87,420	2	30,74,781	2	37,06,103	2	46,21,629	1
WEST BENGAL	10,82,385	6	11,63,313	6	14,10,956	6	16,30,933	6	17,05,670	7	20,20,038	7
NSC STATES	16669524		18378137		20964273		24675487		28936526		35235684	
ALL STATES	1,75,41,518		1,93,47,413		2,21,11,518		2,60,57,693		3,06,33,153		3,72,84,139	
NSC STATES AVERAGE	3277077		2716386		4009962		4906392		5971621		6978505	
ALL STATES AVERAGE	2227670		2480919		2743344		3340526		4076675		4753492	

TABLE A2: TAX REVENUE contd...

	2007-08		2008-09		2009-10		2010-11		2011-12(RE)		2012-13(BE)	
ANDHRA PRADESH	3997769	3	4515979	3	4731743	3	6037630	3	7120280	4	8798639	3
BIHAR	21,85,245	9	2386524	10	26,29,225	9	3384823	9	4141470	9	4882163	9
CHATTISHGARH	9,65,310	15	1085163	16	1150391	15	1443033	15	1701200	15	1967042	15
GOA	1,75,264	17	210899	17	2,18,976	17	272378	17	322863	17	407716	17
GUJARAT	27,31,166	6	2928289	6	32,63,116	6	4301807	6	4952241	6	6045851	6
HARYANA	13,25,218	13	1622272	13	14,99,397	13	1909212	14	2378057	14	2705318	14
JHARKHAND	834549	16	1110781	15	1132374	16	1230700	16	1452779	16	1723678	16
KARNATAKA	32,76,599	5	3479943	5	37,93,858	5	4797943	5	5685007	5	6491440	5
KERALA	1772064	11	2026570	11	2202380	11	2686354	11	3262325	11	3922567	11
MADHYA PRADESH	22,22,114	8	2438064	8	28,34,979	8	3705786	8	4467490	7	4991644	8
MAHARASHTRA	55,12,563	1	6004835	1	67,35,443	1	8644688	1	9974851	2	10902328	2
ODISHA	14,70,259	12	1627516	12	17,50,099	12	2168953	12	2540940	12	2909128	12
PUNJAB	11,87,416	14	1323420	14	14,18,358	14	1987905	13	2383101	13	2804415	13
RAJASTHAN	21,80,233	10	2394217	9	25,67,240	10	3361375	10	3920390	10	4453916	10
TAMIL NADU	37,68,437	4	4219517	4	45,30,286	4	5869615	4	7264726	3	8649302	4
UTTAR PRADESH	54,24,706	2	5956469	2	65,67,427	2	8457390	2	10278598	1	12158540	1
WEST BENGAL	23,85,540	7	2574093	7	28,54,814	7	3708369	7	4352185	8	5319807	7
NSC STATES	41414452		45904551		49880106		63967961		76198503		89133494	
ALL STATES	4,37,94,817		4,82,98,277		5,28,07,458		68019826		81119240		94725655	
NSC STATES AVERAGE	980560		1081067		1233193		1451499		1702149		2072687	
ALL STATES AVERAGE	626483		690979		789697		930632		1094041		1331576	

TABLE A3: STATE'S OWN TAX REVENUE

	2001-02		2002-03		2003-04		2004-05		2005-06		2006-07	
ANDHRA PRADESH	1256366	3	1261755	3	1380591	3	1625450	3	1920740	3	2392621	3
BIHAR	2,44,237	14	2,76,471	14	3,36,091	14	3,34,186	14	3,56,078	15	4,03,307	15
CHATTISHGARH	1,99,313	16	2,32,744	16	2,58,825	16	3,22,787	15	4,05,202	14	5,04,573	14
GOA	56,934	17	60,219	17	71,025	17	85,653	17	1,09,649	17	1,29,154	17
GUJARAT	9,24,681	6	9,52,046	6	11,17,341	6	12,95,756	6	15,69,790	6	18,46,459	6
HARYANA	4,97,243	10	5,54,968	10	6,34,805	10	7,44,003	11	9,07,863	11	10,92,776	11
JHARKHAND	207595	15	227784	15	227764	15	240188	16	288847	16	312815	16
KARNATAKA	9,85,327	5	10,43,971	5	12,57,012	5	16,07,233	4	18,63,155	5	23,30,103	5
KERALA	592342	8	730252	8	808877	8	896365	8	977863	9	1194182	9
MADHYA PRADESH	4,70,232	12	6,17,026	12	6,78,876	12	7,77,298	10	9,11,470	10	10,47,313	10
MAHARASHTRA	21,28,763	1	22,81,101	1	25,16,215	1	30,60,575	1	33,54,025	1	40,09,924	1
ODISHA	2,46,689	13	2,87,184	13	3,30,173	13	4,17,660	13	5,00,228	13	6,06,507	13
PUNJAB	4,82,023	11	5,71,099	11	6,14,594	11	6,94,463	12	8,98,938	12	9,01,716	12
RAJASTHAN	5,67,117	9	6,25,334	9	7,24,619	9	8,41,482	9	9,88,022	8	11,60,824	8
TAMIL NADU	13,00,969	2	14,34,171	2	15,94,497	2	19,35,705	2	23,32,603	2	27,77,115	2
UTTAR PRADESH	10,33,018	4	12,76,690	4	13,60,122	4	15,69,261	5	18,85,790	4	22,99,798	4
WEST BENGAL	6,50,513	7	7,04,639	7	8,76,791	7	9,92,444	7	10,38,837	7	11,69,478	7
NSC STATES	11843362		13137454		14788218		17440509		20309100		24178665	
ALL STATES	1,23,19,991		1,36,81,881		1,54,03,656		1,82,02,733		2,12,30,734		2,52,54,845	
NSC STATES AVERAGE	980560		1081067		1233193		1451499		1702149		2072687	
ALL STATES AVERAGE	626483		690979		789697		930632		1094041		1331576	

TABLE A3: STATE OWN TAX REVENUE contd...

	2007-08		2008-09		2009-10		2010-11		2011-12(RE)		2012-13(BE)	
ANDHRA PRADESH	2879405	3	1599018	7	3517572	3	4513956	3	5339961	3	6602249	3
BIHAR	5,08,616	15	1441915	9	8,08,967	14	986985	14	1260920	14	1569530	13
CHATTISHGARH	5,61,808	14	1165528	11	712327	15	900514	15	1049477	15	1217559	15
GOA	1,35,892	17	5203013	1	1,76,234	17	213955	17	252681	17	323500	17
GUJARAT	21,88,557	6	3368437	2	26,74,024	6	3633863	6	4149865	6	5123121	6
HARYANA	11,61,782	11	3334829	3	13,21,951	11	1679037	12	2101546	11	2387328	11
JHARKHAND	355034	16	2865878	4	556036	16	596729	16	713449	16	873449	16
KARNATAKA	25,98,676	4	2764566	5	30,57,860	5	3847312	5	4577503	5	5182070	5
KERALA	1366894	7	2355692	6	1762502	7	2172169	7	2644628	7	3212221	7
MADHYA PRADESH	12,01,818	10	1494345	8	17,27,281	8	2141935	8	2588843	8	2831196	9
MAHARASHTRA	47,52,816	1	1361405	10	59,10,632	1	7502706	1	8642991	1	9329483	1
ODISHA	6,85,609	13	1115019	12	8,98,234	13	1119267	13	1339939	13	1561028	14
PUNJAB	9,89,925	12	799520	13	12,03,948	12	1682818	11	2031000	12	2384200	12
RAJASTHAN	13,27,473	8	659373	14	16,41,427	10	2075813	10	2422686	10	2683231	10
TAMIL NADU	29,61,910	2	617273	15	36,54,667	2	4778218	2	5993231	2	7146055	2
UTTAR PRADESH	24,95,932	5	508413	16	33,87,760	4	4135500	4	5086644	4	6205706	4
WEST BENGAL	13,12,634	9	169355	17	16,89,998	9	2112874	9	2493404	9	3122225	8
NSC STATES	27484781		30823579		34701420		44093651		52688768		61754151	
ALL STATES	2,86,54,568		3,21,93,040		3,63,06,105		46070890		55146663		64506852	
NSC STATES AVERAGE	2436144		2700268		2934124		3762821		4482265		5243147	
ALL STATES AVERAGE	1564101		1724903		1885981		2429280		2897116		3383059	

TABLE A4: NON TAX REVENUE

NON TAX REVENUE												
	2001-02		2002-03		2003-04		2004-05		2005-06		2006-07	
ANDHRA PRADESH	623295	2	606956	2	799404	1	643649	5	869293	2	5,75,839	2
BIHAR	1,60,811	14	2,08,050	14	2,63,028	13	3,24,963	12	3,85,502	12	5,74,714	12
CHATTISHGARH	1,20,677	16	1,73,993	15	1,80,137	15	2,14,478	15	2,27,878	16	14,38,324	16
GOA	1,19,537	17	1,11,620	17	77,729	17	80,142	17	82,768	17	5,62,793	17
GUJARAT	5,25,120	3	6,99,146	1	5,10,861	4	5,08,795	7	5,99,632	7	319834	7
HARYANA	2,17,911	11	2,35,075	13	2,89,469	11	3,08,952	13	3,57,369	13	6,21,222	13
JHARKHAND	183094	13	282234	11	301577	10	243113	14	308126	14	7,22,357	14
KARNATAKA	2,84,460	10	2,94,284	9	4,94,495	5	6,61,890	4	7,50,708	4	1,00,611	4
KERALA	151871	15	161614	16	171459	16	213189	16	299773	15	6,74,821	15
MADHYA PRADESH	3,09,280	8	3,49,711	7	3,25,296	9	6,89,359	1	5,14,076	10	7,13,261	10
MAHARASHTRA	6,33,654	1	6,02,363	3	5,81,887	2	6,81,255	3	9,91,605	1	1145328	1
ODISHA	1,93,238	12	2,76,134	12	2,81,082	12	3,69,593	10	4,20,568	11	16,07,336	11
PUNJAB	3,49,790	7	4,71,117	4	5,23,863	3	5,96,050	6	6,74,964	5	8,11,164	5
RAJASTHAN	3,59,976	6	3,76,542	6	4,57,545	7	5,04,316	8	5,65,889	8	8,91,158	8
TAMIL NADU	2,93,827	9	3,44,748	8	4,21,653	8	4,85,809	9	5,62,121	9	303276	9
UTTAR PRADESH	5,07,860	4	4,22,251	5	4,76,377	6	6,86,956	2	8,28,812	3	3,20,511	3
WEST BENGAL	3,71,457	5	2,89,232	10	2,49,894	14	3,60,884	11	6,66,918	6	5,72,903	6
NSC STATES	5405858		5905070		6405756		7573393		9106002		11955452	
ALL STATES	7400628		8019951		8807179		10293515		12468961		15771440	
NSC STATES AVERAGE	317992		347357		376809		445494		535647		703262	
ALL STATES AVERAGE	264308		286427		314542		367626		445320		563266	

TABLE A4: NON TAX REVENUE contd...

	2007-08		2008-09		2009-10		2010-11		2011-12(RE)		2012-13(BE)	
ANDHRA PRADESH	1416486	3	1769866	3	1736092	3	2062001	2	2599153	2	2880056	2
BIHAR	6,35,725	12	911544	9	09,23,458	8	1068409	8	1472095	8	1922623	6
CHATTISHGARH	4,22,557	14	481113	15	664974	14	828922	12	1069632	13	1170822	13
GOA	1,19,127	17	141928	17	1,91,051	17	271816	17	282443	17	295657	17
GUJARAT	8,37,819	8	939282	7	09,04,120	9	934557	11	1276981	10	1544486	9
HARYANA	6,49,856	11	507240	13	5,99,869	15	647155	15	970706	14	1027479	14
JHARKHAND	326658	16	499928	14	851703	11	779473	13	1126680	12	1518879	10
KARNATAKA	8,38,515	7	849125	10	11,21,712	5	1022679	9	1154751	11	1654635	8
KERALA	338615	15	424647	16	408560	16	412741	16	696459	16	891592	16
MADHYA PRADESH	8,46,759	6	919657	8	13,04,491	4	1479633	4	1886035	4	1999707	5
MAHARASHTRA	24,45,752	1	2122234	1	19,55,584	2	1942094	3	2556430	3	2768842	3
ODISHA	7,26,460	10	833485	11	8,92,921	10	1158662	6	1481189	7	1475147	11
PUNJAB	7,36,346	9	747860	12	7,97,300	13	772942	14	718405	15	999921	15
RAJASTHAN	8,97,829	5	952663	6	09,71,260	7	1231445	5	1691723	5	1860766	7
TAMIL NADU	9,83,613	4	1284734	4	10,54,127	6	1149147	7	1290558	9	1409689	12
UTTAR PRADESH	14,42,541	2	1826604	2	30,74,667	1	2660987	1	3483611	1	3726256	1
WEST BENGAL	6,31,198	13	1116347	5	8,37,351	12	1018050	10	1562204	6	2354531	4
NSC STATES	14295856		16328257		18289240		19440713		25319055		29501088	
	18579936		2,11,67,460		24006167		25514893		33027652		38372117	
NSC STATES AVERAGE	840933		960486		1075838		1143571		1489356		1735358	
ALL STATES AVERAGE	663569		755981		857363		911246		1179559		1370433	

TABLE A5: OWN NON TAX REVENUE

OWN NON TAX REVENUE	2001-02		2002-03		2003-04		2004-05		2005-06		2006-07	
ANDHRA PRADESH	291764	4	352942	4	360465	2	375557	5	469137	2	648784	3
BIHAR	36,094	17	32,340	17	44,559	17	41,780	17	52,230	17	51,128	17
CHATTISHGARH	72,238	14	95,653	14	1,12,441	12	1,24,393	13	1,22,955	13	1,45,136	12
GOA	1,13,608	10	1,03,917	11	72,474	15	72,926	16	76,116	16	91,762	16
GUJARAT	3,76,094	2	3,99,558	3	3,27,196	4	3,09,049	6	3,35,337	5	4,94,878	4
HARYANA	1,66,607	6	1,80,785	7	2,22,306	7	2,54,437	8	2,45,856	9	4,59,077	5
JHARKHAND	95943	12	95995	13	115094	11	122606	14	139072	12	143351	13
KARNATAKA	1,09,342	11	1,27,766	10	2,95,838	5	4,47,234	2	3,87,471	4	4,09,842	6
KERALA	54338	16	67777	15	80698	14	81909	15	93680	15	93757	15
MADHYA PRADESH	1,60,168	7	1,63,548	8	1,47,982	10	4,46,185	3	2,20,822	10	2,65,846	10
MAHARASHTRA	4,65,507	1	4,51,747	1	3,54,894	3	4,11,883	4	5,93,505	1	7,51,823	1
ODISHA	69,175	15	96,117	12	1,09,454	13	1,34,552	12	1,53,189	11	2,58,812	11
PUNJAB	2,96,045	3	4,03,557	2	4,66,553	1	5,35,803	1	4,53,632	3	3,97,257	7
RAJASTHAN	1,50,846	9	1,56,900	9	2,07,165	9	2,14,615	10	2,73,767	7	3,43,061	8
TAMIL NADU	1,55,673	8	1,86,064	6	2,09,378	8	2,20,834	9	2,60,074	8	3,42,256	9
UTTAR PRADESH	1,78,707	5	1,91,349	5	2,28,208	6	2,72,028	7	2,93,032	6	6,53,264	2
WEST BENGAL	77,588	13	65,433	16	60,584	16	1,34,566	11	1,01,881	14	1,24,876	14
NSC STATES	2869737		3171448		3415289		4200357		4271756		5674910	
ALL STATES	3140484		3502916		3723823		4661339		4793946		6326328	
NSC STATES AVERAGE	168808		186556		200899		247080		251280		333818	
ALL STATES AVERAGE	112160		125104		132994		166476		171212		225940	

TABLE A5: OWN NON TAX REVENUE contd...

	2007-08		2008-09		2009-10		2010-11		2011-12(RE)		2012-13(BE)	
ANDHRA PRADESH	706413	2	968340	2	780322	3	1071973	2	1223085	2	1385189	2
BIHAR	52,559	17	115,332	17	167,042	17	98553	17	103654	17	314245	16
CHATTISHGARH	2,02,044	12	2,20,221	13	304300	11	383532	10	453718	9	534556	8
GOA	1,04,282	16	1,23,616	16	1,73,120	16	226860	15	225812	16	249573	17
GUJARAT	4,60,931	6	5,09,932	6	5,45,170	6	491502	7	571840	6	677156	6
HARYANA	5,09,708	5	3,23,844	10	2,74,140	13	342093	11	452261	10	480454	11
JHARKHAND	159912	13	219474	14	301487	12	312964	13	360866	12	396089	12
KARNATAKA	3,35,766	8	3,15,899	12	3,33,380	9	335828	12	318863	13	319282	15
KERALA	120955	15	155928	15	185222	15	193079	16	275081	15	349541	13
MADHYA PRADESH	2,73,818	10	3,34,286	9	6,38,204	4	571977	5	699120	5	732689	5
MAHARASHTRA	16,94,797	1	99,78,994	1	08,35,262	2	822504	3	990324	3	1088617	3
ODISHA	2,65,358	11	3,17,615	11	3,21,219	10	478037	8	500000	8	520000	10
PUNJAB	5,25,397	4	5,78,391	4	5,65,270	5	533017	6	375153	11	527465	9
RAJASTHAN	4,05,393	7	3,88,846	8	4,55,822	8	629412	4	865825	4	895113	4
TAMIL NADU	3,30,436	9	5,71,233	5	5,02,705	7	465145	9	554257	7	603260	7
UTTAR PRADESH	5,81,601	3	676655	3	13,60,108	1	1117621	1	1355981	1	1417382	1
WEST BENGAL	1,47,309	14	496640	7	2,43,811	14	238049	14	287250	14	326286	14
NSC STATES	6876679		16295246		7986584		8312146		9613090		10816897	
ALL STATES	7717752		8175117		8908937		9165220		10638766		11989726	
NSC STATES AVERAGE	404511	0	958544		469799		488950		565476		636288	
ALL STATES AVERAGE	275634	0	291968		318176		327329		379956		428205	

TABLE A6: SHARE IN CENTRAL TAXES

SHARE IN CENTRAL TAXES												
	2001-02		2002-03		2003-04		2004-05		2005-06		2006-07	
ANDHRA PRADESH	304844	5	431581	4	506853	4	605851	4	695086	3	886600	3
BIHAR	616800	2	672355	2	753374	2	912266	2	1042091	2	1329172	2
CHATTISHGARH	117580	14	134990	14	156970	14	187622	14	250771	13	319877	14
GOA	10782	17	11462	17	13559	17	16207	17	24470	17	31211	17
GUJARAT	148805	13	136341	13	196550	13	221945	13	337263	11	442599	11
HARYANA	44901	16	75659	15	60075	16	61950	16	120097	16	129564	16
JHARKHAND	219274	11	230630	10	215008	11	247417	11	223304	14	381798	12
KARNATAKA	262338	9	278620	9	324481	10	387844	9	421342	10	537433	10
KERALA	161426	12	171522	12	201200	12	240495	12	251820	12	321204	13
MADHYA PRADESH	340586	4	372303	5	424724	5	507668	5	634135	5	808854	5
MAHARASHTRA	246877	10	226841	11	338949	8	359503	10	498199	8	602276	9
ODISHA	264872	8	280558	8	332769	9	397766	8	487675	9	622042	8
PUNJAB	61049	15	64902	16	75439	15	90235	15	122745	15	156575	15
RAJASTHAN	288236	6	306310	6	360221	6	430561	6	530008	6	676037	6
TAMIL NADU	287007	7	304757	7	354420	7	423639	7	501274	7	639386	7
UTTAR PRADESH	1018913	1	1083178	1	1327298	1	1505520	1	1820313	1	2321831	1
WEST BENGAL	431872	3	458674	3	534165	3	638489	3	666833	4	850560	4
NSC STATES	4826162		5240683		6176055		7234978		8627426		11057019	
ALL STATES	5221527		5665532		6707862		7854960		9402419		12029294	
NSC STATES AVERAGE	283892		308275		363297		425587		507496		650413	
ALL STATES AVERAGE	186483		202340		239567		280534		335801		429618	

TABLE A6: SHARE IN CENTRAL TAXES contd...

	2007-08		2008-09		2009-10		2010-11		2011-12(RE)		2012-13(BE)	
ANDHRA PRADESH	1118364	3	1180150	4	1214171	3	1523674	5	1780319	5	2196390	4
BIHAR	1676629	2	1769251	3	1820258	2	2397838	2	2880550	2	3312633	2
CHATTISHGARH	403502	14	425790	13	438064	14	542519	13	651723	13	749483	13
GOA	39372	17	41544	16	42742	17	58423	17	70182	17	84217	17
GUJARAT	542609	11	5725797	1	589092	11	667944	11	802376	11	922730	11
HARYANA	163435	16	172642	15	177447	16	230175	16	276511	16	317990	16
JHARKHAND	479515	12	602368	11	576338	12	633971	12	739330	12	850229	12
KARNATAKA	677923	10	715377	10	735998	10	950631	10	1107504	10	1309370	10
KERALA	405170	13	427552	12	439878	13	514185	14	617697	14	710346	14
MADHYA PRADESH	1020296	5	1076659	6	1107698	5	1563851	4	1878647	3	2160448	5
MAHARASHTRA	759747	9	801822	9	824811	9	1141982	7	1331860	7	1572845	7
ODISHA	784650	8	2881	17	851865	8	1049686	9	1201001	9	1348100	9
PUNJAB	197491	15	208401	14	214410	15	305087	15	352101	15	420215	15
RAJASTHAN	852760	6	899872	7	925813	6	1285562	6	1497704	6	1770685	6
TAMIL NADU	806527	7	851080	8	875619	7	1091397	8	1271495	8	1503247	8
UTTAR PRADESH	2928774	1	3090572	2	3179667	1	4321890	1	5191954	1	5952834	1
WEST BENGAL	1072906	4	1132178	5	1164816	4	1595495	3	1858781	4	2197582	3
NSC STATES	13929670		19123936		15178687		19874310		23509735		27379344	
ALL STATES	15140249		1,61,05,237		16501353		21948937		25972577		30218802	
NSC STATES AVERAGE	1124937		819392		892864		1169077		1382926		1610550	
ALL STATES AVERAGE	575187		540723		589334		783891		927592		1079243	

TABLE A7: GRANTS FROM CENTRE

GRANTS FROM CENTRE	2001-02		2002-03		2003-04		2004-05		2005-06		2006-07	
ANDHRA PRADESH	331531	1	93837	13	90761	13	131280	12	206093	13	209519	13
BIHAR	124717	10	254014	2	438939	1	268092	5	400156	3	496544	4
CHATTISHGARH	48439	16	175710	9	218469	5	283183	3	333272	6	524711	3
GOA	5929	17	78340	14	67696	14	90085	14	104923	16	175375	15
GUJARAT	149026	8	7703	17	5255	17	7216	17	6652	17	8849	17
HARYANA	51304	15	299588	1	183665	10	199746	11	264295	11	316286	10
JHARKHAND	87151	13	54290	16	67163	15	54515	16	111513	15	113826	16
KARNATAKA	175118	5	186239	6	186483	9	120507	13	169054	14	176483	14
KERALA	97533	12	166518	10	198657	7	214656	10	363237	5	481317	5
MADHYA PRADESH	149112	7	186163	7	177314	11	243174	7	293254	8	447415	6
MAHARASHTRA	168147	6	150616	12	226993	4	269372	4	398100	4	855513	1
ODISHA	124063	11	180017	8	171628	12	235041	8	267379	10	315902	11
PUNJAB	53745	14	67560	15	57310	16	60247	15	221332	12	223965	12
RAJASTHAN	209130	4	219642	5	250380	2	289701	2	292122	9	379296	8
TAMIL NADU	138154	9	158684	11	212275	6	264975	6	302047	7	332565	9
UTTAR PRADESH	329153	2	230902	3	248169	3	414928	1	535780	2	785060	2
WEST BENGAL	293869	3	223799	4	189310	8	226318	9	565037	1	437918	7
NSC STATES	2536121		2733622		2990467		3373036		4834246		6280544	
ALL STATES	42,60,144		45,17,035		50,83,356		56,32,176		76,75,015		94,45,112	
NSC STATES AVERAGE	149184		160801		175910		198414		284367		369444	
ALL STATES AVERAGE	152148		161323		181548		201149		274108		337325	
NSC STATES AVERAGE	149184		160801		175910		198414		284367		369444	
ALL STATES AVERAGE	152148		161323		181548		201149		274108		337325	

TABLE A7: GRANTS FROM CENTRE contd...

	2007-08		2008-09		2009-10		2010-11		2011-12(RE)		2012-13(BE)	
ANDHRA PRADESH	217659	13	801526	3	223338	16	219662	16	421378	15	542051	15
BIHAR	710073	3	796212	4	955770	3	990028	3	1376068	3	1494868	5
CHATTISHGARH	583166	5	260892	14	756416	5	969856	4	1368441	4	1608377	4
GOA	220513	12	18312	17	360674	12	445390	12	615914	13	636266	13
GUJARAT	14845	17	429350	11	17931	17	44957	17	56631	17	46084	17
HARYANA	376888	11	183396	15	358950	13	443055	13	705141	12	867330	11
JHARKHAND	140148	16	280454	12	325730	14	305062	14	518446	14	547025	14
KARNATAKA	166746	15	533225	9	550215	10	466510	11	765814	10	1122790	8
KERALA	502749	7	2,68,719	13	788332	4	686851	7	835888	8	1335353	6
MADHYA PRADESH	572941	6	585371	7	666287	6	907656	5	1186915	6	1267018	7
MAHARASHTRA	750955	2	1143240	2	1120323	2	1119589	2	1566106	2	1680225	3
ODISHA	461102	10	515870	10	571702	8	680625	9	981189	7	955146	10
PUNJAB	210949	14	62945	16	232030	15	239925	15	343252	16	472456	16
RAJASTHAN	492436	8	563817	8	515439	11	602033	10	825898	9	965653	9
TAMIL NADU	653177	4	713501	5	551422	9	684002	8	736301	11	806429	12
UTTAR PRADESH	860940	1	11,49,948	1	1714559	1	1543366	1	2127630	1	2308874	1
WEST BENGAL	483890	9	6,19,707	6	593540	7	780001	6	1274954	5	2028245	2
NSC STATES	7419177		6888111		10302658		11128568		15705966		18684190	
ALL STATES	1,08,62,184		1,29,92,342		1,50,97,230		16349672		22388885		26382391	
NSC STATES AVERAGE	436422		405183		606039		654622		923880		1099070	
ALL STATES AVERAGE	387935		464012		539187		583917		799603		942228	

TABLE A8: TOTAL REVENUE RECEIPTS

	AAGR 10	AAGR 11	CAGR 10	CAGR 11
ANDHRA PRADESH	18.47%	15.90%	13.98%	12.41%
BIHAR	19.91%	19.80%	14.82%	14.75%
CHATTISHGARH	22.27%	19.93%	16.15%	14.83%
GOA	8.48%	21.12%	7.32%	15.51%
GUJARAT	14.69%	14.91%	11.64%	11.78%
HARYANA	21.47%	13.91%	15.70%	11.14%
JHARKHAND	7.39%	24.43%	6.49%	17.31%
KARNATAKA	26.49%	13.24%	18.38%	10.70%
KERALA	14.21%	17.51%	11.33%	13.40%
MADHYA PRADESH	18.38%	21.41%	13.92%	15.67%
MAHARASHTRA	19.99%	11.49%	14.87%	9.51%
ODISHA	22.74%	16.62%	16.40%	12.86%
PUNJAB	10.34%	12.24%	8.69%	10.02%
RAJASTHAN	19.13%	16.47%	14.36%	12.76%
TAMIL NADU	19.27%	16.01%	14.45%	12.48%
UTTAR PRADESH	23.56%	20.08%	16.85%	14.92%
WEST BENGAL	15.56%	19.21%	12.20%	14.41%
NSC STATES	18.87%	16.44%	14.21%	12.75%
ALL STATES	18.77%	16.60%	14.16%	12.85%

TABLE A9: TAX REVENUE

	AAGR 10	AAGR 11	CAGR 10	CAGR 11
ANDHRA PRADESH	13.61%	16.82%	10.94%	12.98%
BIHAR	18.73%	15.62%	14.13%	12.24%
CHATTISHGARH	16.52%	17.90%	12.80%	13.64%
GOA	24.84%	15.25%	17.52%	12.00%
GUJARAT	24.74%	16.84%	17.47%	13.00%
HARYANA	22.06%	16.26%	16.03%	12.64%
JHARKHAND	18.77%	15.89%	14.15%	12.41%
KARNATAKA	10.31%	14.82%	8.67%	11.72%
KERALA	23.36%	14.70%	16.74%	11.65%
MADHYA PRADESH	17.52%	20.21%	13.41%	14.99%
MAHARASHTRA	16.78%	16.19%	12.96%	12.59%
ODISHA	23.28%	14.56%	16.69%	11.56%
PUNJAB	13.28%	20.14%	10.72%	14.95%
RAJASTHAN	19.43%	15.96%	14.54%	12.45%
TAMIL NADU	19.29%	18.56%	14.46%	14.03%
UTTAR PRADESH	19.17%	17.90%	14.39%	13.63%
WEST BENGAL	14.73%	16.49%	11.67%	12.78%
NSC STATES	18.35%	16.80%	13.90%	12.97%
ALL STATES	18.54%	17.05%	14.02%	13.12%

AAGR (Average Annual Growth Rate) = $\{ (\text{Final Value} - \text{Initial Value}) / \text{Initial value} \} * 100$. AAGR 10/ 11- Average Annual Growth Rate for The 10th / 11th Plan Period. CAGR (Compound Annual Growth Rate) = $[\{ (\text{Final Value} / \text{Initial Value})^{(1/ \text{No. of Years})} - 1 \} * 100$. CAGR 10/ 11 – Compound Annual Growth Rate for 10th / 11th Plan Period.

TABLE A 10: OWN TAX REVENUE

	AAGR 10	AAGR 11	CAGR 10	CAGR 11
ANDHRA PRADESH	12.71%	18.70%	10.34%	14.11%
BIHAR	17.93%	17.09%	13.65%	13.15%
CHATTISHGARH	9.18%	29.58%	7.84%	19.91%
GOA	23.36%	17.36%	16.74%	13.31%
GUJARAT	22.89%	17.19%	16.49%	13.21%
HARYANA	18.79%	17.92%	14.17%	13.65%
JHARKHAND	19.38%	16.18%	14.51%	12.59%
KARNATAKA	7.47%	20.19%	6.55%	14.98%
KERALA	24.64%	15.23%	17.42%	11.99%
MADHYA PRADESH	13.95%	23.08%	11.16%	16.59%
MAHARASHTRA	15.16%	16.37%	11.94%	12.70%
ODISHA	22.24%	19.09%	16.13%	14.34%
PUNJAB	11.58%	21.03%	9.56%	15.46%
RAJASTHAN	17.13%	16.50%	13.17%	12.79%
TAMIL NADU	18.73%	20.47%	14.13%	15.14%
UTTAR PRADESH	16.03%	20.76%	12.49%	15.30%
WEST BENGAL	13.19%	17.99%	10.66%	13.69%
NSC STATES	16.81%	18.34%	10.66%	13.90%
ALL STATES	16.92%	18.49%	13.04%	13.99%

TABLE A11: NON TAX REVENUE

	AAGR 10	AAGR 11	CAGR 10	CAGR 11
ANDHRA PRADESH	17.74%	16.70%	13.54%	12.91%
BIHAR	35.36%	26.31%	22.58%	18.29%
CHATTISHGARH	16.84%	30.63%	13.00%	20.41%
GOA	-1.97%	27.42%	-2.06%	18.85%
GUJARAT	3.20%	10.48%	3.02%	8.79%
HARYANA	28.74%	9.87%	19.50%	8.36%
JHARKHAND	2.66%	48.98%	2.53%	28.10%
KARNATAKA	40.56%	7.54%	24.81%	6.61%
KERALA	17.53%	21.14%	13.42%	15.51%
MADHYA PRADESH	20.79%	24.55%	15.32%	17.37%
MAHARASHTRA	33.37%	0.91%	21.69%	0.89%
ODISHA	21.63%	20.78%	15.79%	15.31%
PUNJAB	6.37%	-0.49%	5.69%	-0.49%
RAJASTHAN	18.37%	17.68%	13.92%	13.51%
TAMIL NADU	19.15%	6.24%	14.38%	5.58%
UTTAR PRADESH	48.13%	28.30%	27.78%	19.28%
WEST BENGAL	18.92%	29.50%	14.24%	19.87%
NSC STATES	20.49%	15.42%	15.15%	12.11%
ALL STATES	19.33%	15.55%	14.48%	12.19%

TABLE A12: STATE'S OWN NON TAX REVENUE

	AAGR 10	AAGR 11	CAGR 10	CAGR 11
ANDHRA PRADESH	7.67%	25.48%	6.70%	17.86%
BIHAR	16.76%	14.63%	12.95%	11.60%
CHATTISHGARH	11.62%	19.44%	9.59%	14.55%
GOA	10.35%	24.91%	8.70%	17.56%
GUJARAT	-2.34%	23.31%	-2.46%	16.71%
HARYANA	4.77%	4.81%	4.37%	4.41%
JHARKHAND	30.79%	-2.25%	20.49%	-2.36%
KARNATAKA	9.87%	25.13%	8.35%	17.68%
KERALA	44.16%	-1.01%	26.25%	-1.03%
MADHYA PRADESH	12.51%	31.06%	10.20%	20.62%
MAHARASHTRA	13.29%	-8.31%	10.72%	-10.19%
ODISHA	33.85%	17.68%	21.91%	13.51%
PUNJAB	-0.31%	-5.72%	-0.31%	-6.51%
RAJASTHAN	23.73%	22.72%	16.94%	16.39%
TAMIL NADU	16.79%	13.55%	12.96%	10.90%
UTTAR PRADESH	48.28%	26.63%	27.84%	18.45%
WEST BENGAL	18.17%	19.00%	13.80%	14.29%
NSC STATES	15.79%	7.96%	12.34%	6.93%
ALL STATES	16.12%	7.57%	12.55%	6.63%

TABLE A 13: SHARE OF CENTRAL TAXES

	AAGR 10	AAGR 11	CAGR 10	CAGR 11
ANDHRA PRADESH	17.45%	10.49%	13.37%	8.80%
BIHAR	21.09%	11.84%	15.49%	9.74%
CHATTISHGARH	19.54%	14.36%	14.60%	11.43%
GOA	27.39%	12.30%	18.83%	10.06%
GUJARAT	34.46%	15.65%	22.18%	12.26%
HARYANA	44.93%	9.57%	26.55%	8.14%
JHARKHAND	14.25%	13.84%	11.36%	11.09%
KARNATAKA	13.11%	10.84%	10.61%	9.05%
KERALA	18.58%	12.67%	14.04%	10.31%
MADHYA PRADESH	23.45%	16.83%	16.79%	12.99%
MAHARASHTRA	33.10%	15.06%	21.57%	11.88%
ODISHA	24.34%	10.61%	17.26%	8.89%
PUNJAB	28.25%	15.66%	19.26%	12.26%
RAJASTHAN	24.14%	15.13%	17.16%	11.92%
TAMIL NADU	21.96%	11.53%	15.97%	9.53%
UTTAR PRADESH	22.87%	15.45%	16.47%	12.13%
WEST BENGAL	17.09%	14.65%	13.15%	11.62%
NSC STATES	22.20%	13.75%	16.10%	11.04%
ALL STATES	22.46%	14.31%	16.25%	11.40%

TABLE A 14: GRANTS IN AID

	AAGR 10	AAGR 11	CAGR 10	CAGR 11
ANDHRA PRADESH	24.66%	18.72%	17.43%	14.12%
BIHAR	19.10%	18.76%	14.35%	14.15%
CHATTISHGARH	39.72%	26.93%	24.46%	18.60%
GOA	24.77%	35.86%	17.49%	22.81%
GUJARAT	2.98%	56.30%	2.81%	30.71%
HARYANA	1.11%	17.42%	1.09%	13.35%
JHARKHAND	21.93%	53.99%	15.96%	29.90%
KARNATAKA	-1.05%	71.85%	-1.07%	35.65%
KERALA	37.81%	13.25%	23.65%	10.70%
MADHYA PRADESH	28.07%	21.43%	19.17%	15.68%
MAHARASHTRA	93.60%	21.71%	41.54%	15.84%
ODISHA	15.10%	22.56%	11.90%	16.30%
PUNJAB	46.30%	12.54%	27.09%	10.23%
RAJASTHAN	14.54%	13.54%	11.55%	10.90%
TAMIL NADU	21.92%	2.55%	15.95%	2.42%
UTTAR PRADESH	48.00%	29.43%	27.73%	19.84%
WEST BENGAL	19.13%	32.70%	14.37%	21.38%
NSC STATES	25.95%	22.34%	18.10%	16.18%
ALL STATES	21.82%	21.22%	15.90%	15.56%

TABLE A15: COMPARISON OF SHARES OF VARIOUS REVENUE HEADS ACROSS SOUTH INDIAN STATES

KERALA

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12(RE)	2012-13(BE)
STATE'S TAX REVENUE / TOTAL REVENUE	84.80%	85.49%	84.21%	80.40%	83.32%	83.96%	82.68%	84.35%	86.68%	82.41%	81.48%
STATE'S OTR/ TOTAL REVENUE	68.67%	68.46%	66.39%	63.94%	65.66%	64.76%	65.23%	67.50%	70.09%	67.66%	66.72%
NTR/ TOTAL REVENUE	15.20%	14.51%	15.79%	19.60%	16.68%	16.04%	17.32%	15.65%	13.32%	18.32%	18.52%
STATE'S ONTR/ TOTAL REVENUE	6.37%	6.83%	6.07%	6.13%	5.16%	5.73%	6.36%	7.09%	6.23%	6.95%	7.26%
STATE OTR/TAX REVENUE	80.98%	80.08%	78.85%	79.52%	78.80%	77.14%	78.90%	80.03%	80.86%	81.07%	81.89%
STATE ONTR/ TOTAL NTR	41.94%	47.07%	38.42%	31.25%	30.91%	35.72%	36.72%	45.34%	46.78%	39.50%	39.20%
STATES OWN REVENUE/ TOTAL REVENUE	75.05%	75.29%	72.46%	70.06%	70.82%	70.49%	71.59%	74.60%	76.32%	73.75%	73.99%
SHARE IN CENTRAL TAXES / TOTAL REVENUE	16.13%	17.03%	17.81%	16.46%	17.66%	19.20%	17.44%	16.85%	16.59%	16.25%	14.76%
CENTRAL GRANTS/ TOTAL REVENUE	8.82%	7.68%	9.72%	13.47%	11.52%	10.31%	10.96%	8.55%	7.09%	11.09%	11.26%

ANDHRA PRADESH

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12(RE)	2012-13(BE)
STATE TAX REVENUE/TR	73.61%	70.25%	77.61%	75.06%	74.11%	73.84%	71.84%	73.16%	74.54%	73.26%	75.34%
STATE OTR/TR	54.85%	51.38%	56.54%	55.11%	54.08%	53.18%	53.05%	54.39%	55.73%	54.94%	56.53%
STATE NTR/TR	26.39%	29.75%	22.39%	24.94%	25.89%	26.16%	28.16%	26.84%	25.46%	26.74%	24.66%
STATE ONTR/TR	15.34%	13.42%	13.06%	13.46%	14.66%	13.05%	15.41%	12.06%	13.23%	12.58%	11.86%
STATE OTR/TAX REVENUE	74.51%	73.15%	72.85%	73.43%	72.96%	72.03%	73.85%	74.34%	74.76%	75.00%	75.04%
STATE ONTR/ TOTAL NTR	58.15%	45.09%	58.35%	53.97%	56.65%	49.87%	54.71%	44.95%	51.99%	47.06%	48.10%
STATES OWN REVENUE/ TOTAL REVENUE	70.20%	64.80%	69.60%	68.57%	68.74%	66.23%	68.46%	66.45%	68.97%	67.52%	68.39%
SHARE IN CENTRAL TAXES / TOTAL REVENUE	18.76%	18.86%	21.07%	19.94%	20.04%	20.66%	18.77%	18.77%	18.81%	18.32%	18.81%
CENTRAL GRANTS/ TOTAL REVENUE	11.04%	16.34%	9.33%	11.48%	11.22%	13.11%	12.75%	14.78%	12.22%	14.16%	12.80%

KARNATAKA

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12(RE)	2012-13(BE)
STATE TAX REVENUE/TR	81.80%	76.18%	75.09%	75.27%	76.29%	79.62%	80.39%	77.18%	82.43%	83.12%	79.69%
STATE OTR/TR	64.57%	60.55%	60.49%	61.38%	61.99%	63.15%	66.45%	66.57%	66.10%	66.92%	63.61%
NTR/TOTAL REVENUE	18.20%	23.82%	24.91%	24.73%	23.71%	20.38%	19.61%	22.82%	17.57%	16.88%	20.31%
STATE ONTR/TR	7.90%	14.25%	16.83%	12.77%	10.90%	8.16%	4.40%	4.33%	5.77%	4.66%	3.92%
STATE OTR/TAX REVENUE	78.93%	79.48%	80.56%	81.56%	81.26%	79.31%	82.66%	86.25%	80.19%	80.52%	79.83%
STATE ONTR/NTR	43.42%	59.83%	67.57%	51.61%	45.99%	40.04%	27.62%	26.54%	32.84%	27.61%	19.30%
STATES OWN REVENUE/ TOTAL REVENUE	72.47%	74.80%	77.32%	74.15%	72.90%	71.31%	71.16%	68.99%	71.87%	71.59%	67.53%
SHARE IN CENTRAL TAXES / TOTAL REVENUE	17.23%	15.63%	14.60%	13.88%	14.30%	16.47%	16.52%	14.97%	16.33%	16.19%	16.07%
CENTRAL GRANTS/ TOTAL REVENUE	10.30%	9.57%	8.08%	11.97%	12.81%	12.22%	12.32%	16.04%	11.80%	12.22%	16.39%

TAMIL NADU

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12(RE)	2012-13(BE)
	83.45%	82.21%	82.93%	83.45%	83.51%	79.30%	76.66%	81.12%	83.63%	84.92%	85.99%
STATE'S OTR/ TOTAL REVENUE	68.83%	67.26%	68.04%	68.69%	67.88%	62.33%	61.20%	65.44%	68.08%	70.05%	71.04%
NTR/TOTAL REVENUE	16.55%	17.79%	17.07%	16.55%	16.49%	20.70%	23.34%	18.88%	16.37%	15.08%	14.01%
STATE'S ONTR/ TOTAL REVENUE	8.93%	8.83%	7.76%	7.66%	8.37%	6.95%	10.26%	6.10%	6.63%	6.48%	6.00%
STATE OTR/TAX REVENUE	82.47%	81.81%	82.04%	82.31%	81.29%	78.60%	80.23%	80.92%	81.41%	82.50%	82.62%
STATE ONTR/ TOTAL NTR	53.97%	49.66%	45.46%	46.27%	50.72%	33.59%	45.60%	32.13%	40.48%	42.95%	42.79%
STATES OWN REVENUE/ TOTAL REVENUE	77.76%	76.09%	75.80%	76.35%	76.24%	69.28%	71.58%	74.45%	74.70%	76.53%	77.04%
SHARE IN CENTRAL TAXES / TOTAL REVENUE	14.63%	14.95%	14.89%	14.76%	15.63%	16.97%	15.46%	15.68%	15.55%	14.86%	14.94%
CENTRAL GRANTS/ TOTAL REVENUE	7.62%	8.95%	9.31%	8.89%	8.13%	13.75%	12.96%	9.87%	9.75%	8.61%	8.02%

NSC STATES

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12(RE)	2012-13(BE)
STATE'S TAX REVENUE / TOTAL REVENUE	75.68%	454.49%	90.16%	89.73%	74.67%	74.34%	76.55%	73.17%	76.69%	75.06%	75.13%
STATE'S OTR/ TOTAL REVENUE	54.10%	320.60%	63.72%	62.98%	51.24%	49.34%	66.75%	50.90%	52.86%	51.90%	52.05%
NTR/TOTAL REVENUE	24.32%	138.87%	27.67%	28.24%	25.33%	25.66%	35.36%	26.83%	23.31%	24.94%	24.87%
STATE'S ONTR/ TOTAL REVENUE	13.06%	74.04%	15.35%	13.25%	12.03%	12.34%	35.29%	11.72%	9.97%	9.47%	9.12%
STATE OTR/TAX REVENUE	71.48%	70.54%	70.68%	70.18%	68.62%	66.37%	87.20%	69.57%	68.93%	69.15%	69.28%
STATE ONTR/ TOTAL NTR	53.71%	53.32%	55.46%	46.91%	47.47%	48.10%	99.80%	43.67%	42.76%	37.97%	36.67%
SHARE IN CENTRAL TAXES / TOTAL REVENUE	65.35%	70.13%	70.29%	69.19%	70.11%	102.93%	65.81%	63.23%	77.89%	71.18%	71.35%
CENTRAL GRANTS/ TOTAL REVENUE	11.26%	64.83%	12.32%	14.99%	13.31%	13.32%	14.92%	15.11%	13.34%	15.47%	15.75%

ALL STATES

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12(RE)	2012-13(BE)
STATE'S TAX REVENUE / TOTAL REVENUE	70.70%	71.52%	71.68%	71.07%	70.27%	70.21%	69.53%	68.75%	72.72%	71.07%	71.17%
STATE'S OTR/ TOTAL REVENUE	49.99%	49.82%	50.07%	49.26%	47.60%	45.94%	46.34%	47.27%	49.26%	48.31%	48.47%
NTR/ TOTAL REVENUE	29.30%	28.48%	28.32%	28.93%	29.73%	29.79%	30.47%	31.25%	27.28%	28.93%	28.83%
STATE'S ONTR/ TOTAL REVENUE	12.80%	12.04%	12.82%	11.12%	11.92%	12.37%	11.77%	11.60%	9.80%	9.32%	9.01%
STATE OTR/TAX REVENUE	70.72%	69.66%	69.86%	69.31%	67.74%	65.43%	66.65%	68.75%	67.73%	67.98%	68.10%
STATE ONTR/ TOTAL NTR	43.68%	42.28%	45.28%	38.45%	40.11%	41.54%	38.62%	37.11%	35.92%	32.21%	31.25%
STATES OWN REVENUE/ TOTAL REVENUE	62.79%	61.86%	62.90%	60.38%	59.52%	58.31%	58.11%	58.86%	59.05%	57.63%	57.47%
SHARE IN CENTRAL TAXES / TOTAL REVENUE	20.70%	21.70%	21.61%	21.81%	22.67%	24.27%	23.18%	21.48%	23.47%	22.75%	22.70%
CENTRAL GRANTS/ TOTAL REVENUE	16.51%	16.44%	15.49%	17.81%	17.80%	17.41%	18.70%	19.65%	17.48%	19.61%	19.82%

Disclaimer

State Planning Board for the first time, has introduced a scheme for involving Post Graduate students from reputed Universities / Institutions in the process of data collection and analysis of specific areas/subjects pertinent to the development of the economy and preparation of research notes on those areas. In the first phase of introduction of this programme, five Post Graduate students from Centre for Development Studies, Thiruvananthapuram were selected as interns during their summer break for undertaking specific research studies on selected subjects from 2.5.13 to 15.6.13. A discussion was held on the study reports by the interns and these reports were enriched to a great extent by the points factored in these discussions. The study reports as such are uploaded for an open discussion. ***Any views or opinions presented in these reports are solely those of the interns and do not necessarily represent those of Government /State Planning Board.***