

# Macro and Fiscal Landscape of the State of Uttarakhand



# Macro and Fiscal Brief: Uttarakhand

## March 2025

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# **1. Summary and Overview of the State of Uttarakhand**

# Demography and Employment

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- As per 2023 population projections, Uttarakhand has a population of 11.6 million and represents 0.8 percent of India's total population. Uttarakhand's projected population growth rate at 1.0 percent is faster than the national average of 0.9 per cent as of 2022-23.
- The State's population density (213 persons per sq. km.) and dependency ratio (52.4 percent) are both lower than their respective national averages. According to these 2023 projections, only 35.9 percent of its population resides in urban areas.
- As per Census 2011, sex ratio of 886 females per 1,000 males in the State is lower than the national average.
- The annual Unemployment Rate in the State has decelerated to 4.5 percent, but it has remained above national estimate since 2017-18.
- The Female Labour Force Participation rate has improved and is close to the national average as of 2022-23.
- The working population in the State is predominantly concentrated in Agriculture, Forestry, and Fishing (47.4 percent); Services (31.4 percent); and Construction and Manufacturing sectors (20.3 percent).

# Economic Structure (Growth and Sectoral Composition)

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- Uttarakhand's real GSDP has grown at an average rate of 5.4 percent during the period from 2012-13 to 2021-22, which is marginally lower than the national average growth of 5.6 percent during the same period.
- The State has a small share of 1.2 percent in the country's GDP (2021-22). Its nominal per capita income is around forty percent higher than the national per capita income (2021-22).
- The Industry sector has a 48.6 percent share of the State's GSVA, which is primarily driven by Manufacturing (36.0 percent), and Construction (8.3 percent) with minor contributions from Electricity, and Mining and Quarrying. The Services sector contributes 40.8 percent share to the GSVA, within which the largest contributors are Trade, Hotels and Restaurants (13.7 percent); Other Services (7.5 percent); and Transport Storage and Communication (6.8 percent). The Agriculture sector contributes only 10.6 per cent to the State's GSVA.
- Out of all the major sectors, Other Services, Public Administration, Banking and Insurance and Trade, Hotels, and Restaurants have witnessed the higher growth during the period from 2012-13 to 2021-22.

# Socio-Economic Indicators (Health and Education)

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- As per Census 2011, Uttarakhand's literacy rate in 2011 at 78.8 percent is higher than the national average of 73 percent.
- As of 2016-17, the State has a lower school dropout rate (9.1 percent for Classes VIII to X) but also a lower pass percentage rate of 84.7 and 82 percent for Classes X and XII, compared to their respective national benchmarks.
- The Gross Enrolment Ratio of 75.8 per cent at the higher secondary level (2015-16) and 45.7 percent at the higher education level (2021) are both higher than their respective national averages.
- Additionally, for people aged between 18 to 23 years, the Gender Parity Index in higher education (the ratio of girls to boys enrolled in higher education institutions) at 1.14 and the college density at 40 colleges per 100,000 population, are both above their national benchmarks as of 2021.
- As of 2020, life expectancy in the State at 70.3 years is close to the national average (70.0 years).
- The infant mortality at 24 deaths per 1,000 live births and the total fertility rate of 1.9 children per woman are both lower than their respective national average in 2020 and 2019-21. The percentage of fully immunized children (80.8 per cent) is above the national average for 2019-21.
- The household access to drinking water (95.5 percent) is close to the national average, but their access to sanitation (77.9 percent) and electricity (99.4 percent) are both higher than the national benchmarks, as of 2019-21.

# State of Public Finances and Tax Devolutions

- Uttarakhand has seen a consistent rise in its Public Debt since 2014 but as of 2022-23 public debt at 26.5 percent of its GSDP was lower than that of a median State by over 4 percentage points. Its Contingent Liabilities have declined consistently and as of 2021-22 these were 0.1 percent of its GSDP. In 2022-23, the State ran Fiscal and Primary Deficits of 2.7 and 0.7 percent of its GSDP respectively, both lower than a median State. The State runs a revenue surplus of 0.8 percent of GSDP in 2022-23, which is again better than that of a median State (0.4 percent deficit).
- In 2022-23, State's Total Revenue Receipts at about 17.2 percent of its GSDP (Own Tax, Own Non-Tax, and shared by the Centre) were lower than what a median State collected. And, Total Expenditure at 19.9 percent of its GSDP was also 0.6 percentage points lower than that of a median State. As of 2022-23 its expenditure-to-GSDP ratio is slightly above that of the median State, but its revenue expenditure-to-GSDP ratio is below that of a median State.
- Debt Sustainability Analysis shows that the State is on a predicted upward trajectory of higher debt in the next five years under the baseline scenario (where debt level, primary deficit, real GDP growth, real effective interest rate remain as they are). Although the outstanding contingent liabilities are not very high for the State, predicted outcomes in the benign scenarios of higher growth and lower primary deficit are not optimistic for the next five years.
- Uttarakhand's share in Taxes from Centre, as per the FC recommendations, remained consistent at 1.1 percent under both 14th and 15th FCs. The State's share in the total Grants-in-Aid increased by 3.5 percentage points under the 15th FC, compared to the 14th FC, at 4.2 percent.

Source: Reserve Bank of India, State Finances Report 2022-23.

Note: For calculation of median State, variable as a percentage of GSDP was computed for each State, with the median across 22 major States shown (excluding all Union Territories and North Eastern States, except Assam).

# Fiscal Rules

- As per recommendations of the 12<sup>th</sup> FC, Uttarakhand Fiscal Responsibility Act and Budget Management (UFRBM) Act was enacted in 2005. Since 2005, the act has been amended in 2011, 2016, 2020 and 2023.
- **Revenue Deficit:** The Uttarakhand FRBM Act 2005 required the State to eliminate its revenue deficit within four financial years from 2005-06 to 2008-09, with a yearly reduction in the revenue deficit as a percentage of GSDP. The 2011 amendment extended this deadline, mandating that the revenue deficit be eliminated from 1st April 2011 to 31st March 2015.
- **Fiscal Deficit:** Uttarakhand FRBM Act of 2005 mandated the State reduce its fiscal deficit to no more than 3 percent of GSDP from 2004-05 to 2008-09. An amendment in 2011 permitted an increase to 3.5 percent for the fiscal years 2011-12 and 2012-13, after which the limit was reverted to 3 percent for 2013-14 and 2014-15. The 2016 amendment required the State to anchor its fiscal deficit at 3 percent from 2016-17 to 2019-20, allowing for a maximum fiscal deficit of 3.5 percent, contingent on fulfilling certain conditions. The 2020 amendment permitted a 2 percent increase above the 3 percent limit for 2020-21, with specific conditions tied to clearly specified measurable reforms. These include - implementation of One Nation One Card system; Ease of Doing Business reforms; Urban Local Body/Utility reforms; and Power Sector Reforms. The 2023 amendment established limits of 4.0 percent for 2021-22, 3.5 percent for 2022-23, and 3.0 percent for 2023-24 to 2025-26.
- **Debt:** Uttarakhand FRBM Act of 2005 stipulated that total liabilities should not exceed 25 percent of estimated GSDP from April 1, 2005 to March 31, 2015. The 2011 amendment set limits on total estimated debt liability for the four years from April 1, 2011, to March 31, 2015. The 2023 amendment mandated that total liabilities as a percentage of GSDP shall not exceed 32.5 percent by 2025-26.
- **Fiscal Discipline:** As per the State Finances Audit Report of the Comptroller and Auditor General of India (CAG), during the period from 2017-18 to 2021-22, the State met its revenue and fiscal deficit targets for years only 2020-21 and 2021-22. But the total outstanding debt targets was met only for one-year 2017-18 during this five-year period.

## 2. Demography and Employment

- Population data covers the Census period 1951 – 2011;
- Population Projections cover the period 2012 – 2023;
- Employment data covers the period 2017-18 to 2022-23.

**Table 1: Area and Demography of Uttarakhand**

Indicator	Most Recent Value	As of Year	Decadal Change (b/w 2011 and 2021)	India's estimates for benchmark (iii)
<b>Area (i)</b>	53,483 million sq. km.	2011	-	1.6 % of national total
<b>Forest Cover</b>	24,305 sq. km.	2021	+0.1 % points	3.4 % of national total
<b>Total Population</b>	11.6 million persons	2023*	-	0.8 % of national total
<b>Population Growth Rate</b>	1.0 %	2023*	-0.2 % points (b/w 2012 and 2021)	0.9 % (India)
<b>Population Density (ii)</b>	213 persons per sq. km.	2021*	-	415 persons per sq. km. (India)
<b>Dependency Ratio</b>	52.4 %	2021*	-14.3 % points	55.7 % (India)
<b>Sex Ratio</b>	886 females per 1000 males	2011	-	914 females per 1000 males (India)
<b>Urban Population</b>	35.9 % of State population	2023*	+4.7 % points	35.1 % of total population (India)
<b>Rural Population</b>	64.1 % of State population	2023*	-4.7 % points	64.9 % of total population (India)
<b>Urbanization Rate</b>	4.8%	2023*	-9.2% (b/w 2011 and 2021)	3.7% (India)

\* Projected numbers are starred

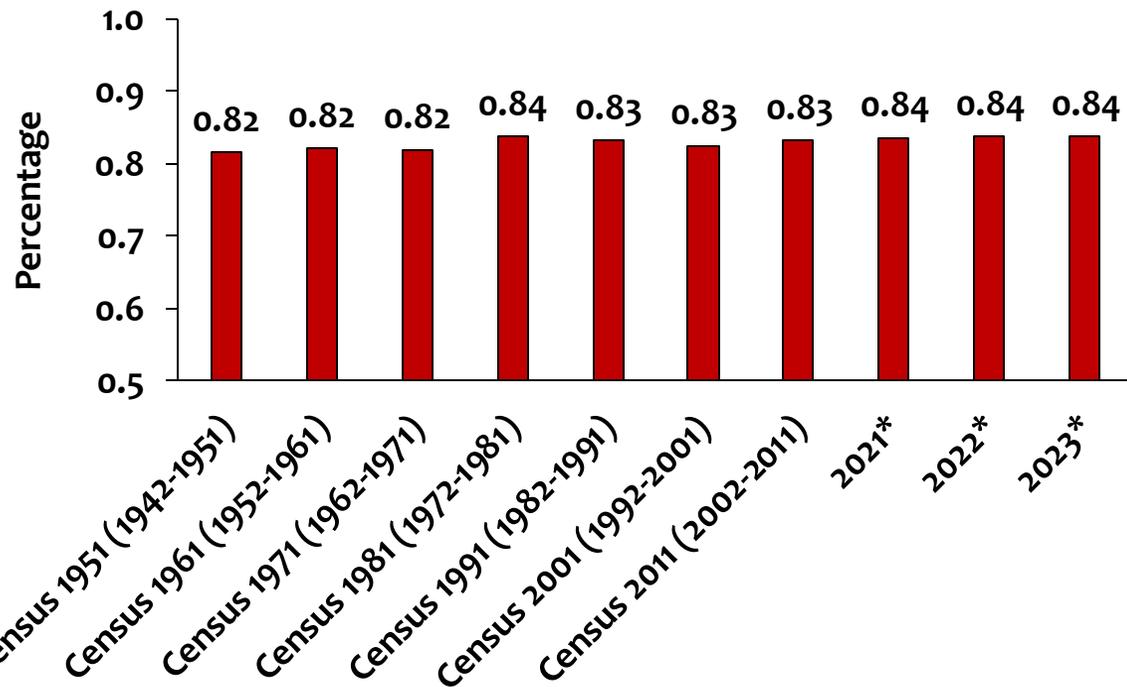
Source: Census, Forest Survey of India, Ministry of Environment, Forest and Climate Change, and “Population Projections for Indian States 2011-2036” by the Technical Group on Population Projections, National Commission on Population Ministry of Health and Family Welfare, Government of India.

Note:

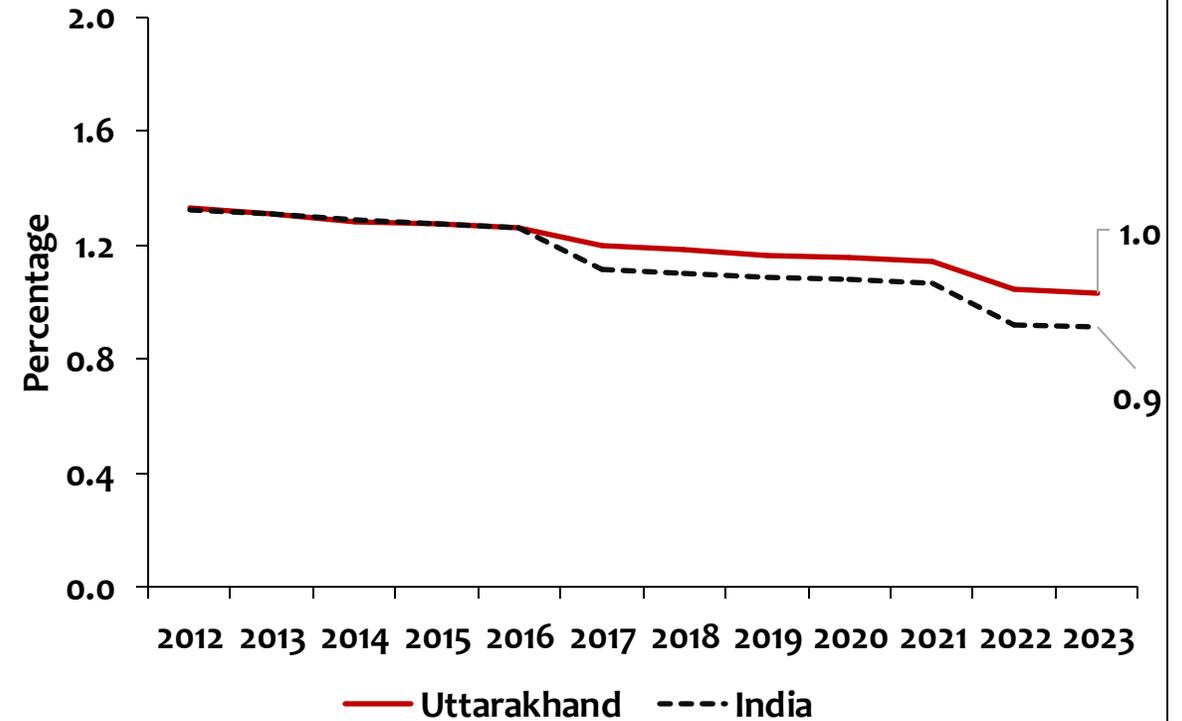
- i. Area figure for India (national total) includes the area under unlawful occupation of Pakistan and China. The area includes 78,114 Sq.km under illegal occupation of Pakistan, 5180 Sq.km illegally handed over by Pakistan to China and 37,555 Sq.km under illegal occupation of China.
- ii. For working out the density of India, the entire area and population of those portions of Jammu & Kashmir which are under illegal occupation of Pakistan and China have not been taken into account, except for 2011 census.
- iii. India's estimates for benchmark pertain to the actual data for India (except for Area, Forest Cover, and Total Population where the State's share in India's estimates have been shown).<sup>10</sup>

# Uttarakhand has a share of 0.84 percent of National Population which has been projected to be very stable across the decades and its Population Growth Rate is higher than the national average since 2017

Uttarakhand's Share in Total Population (Projections for 2021-2023), %



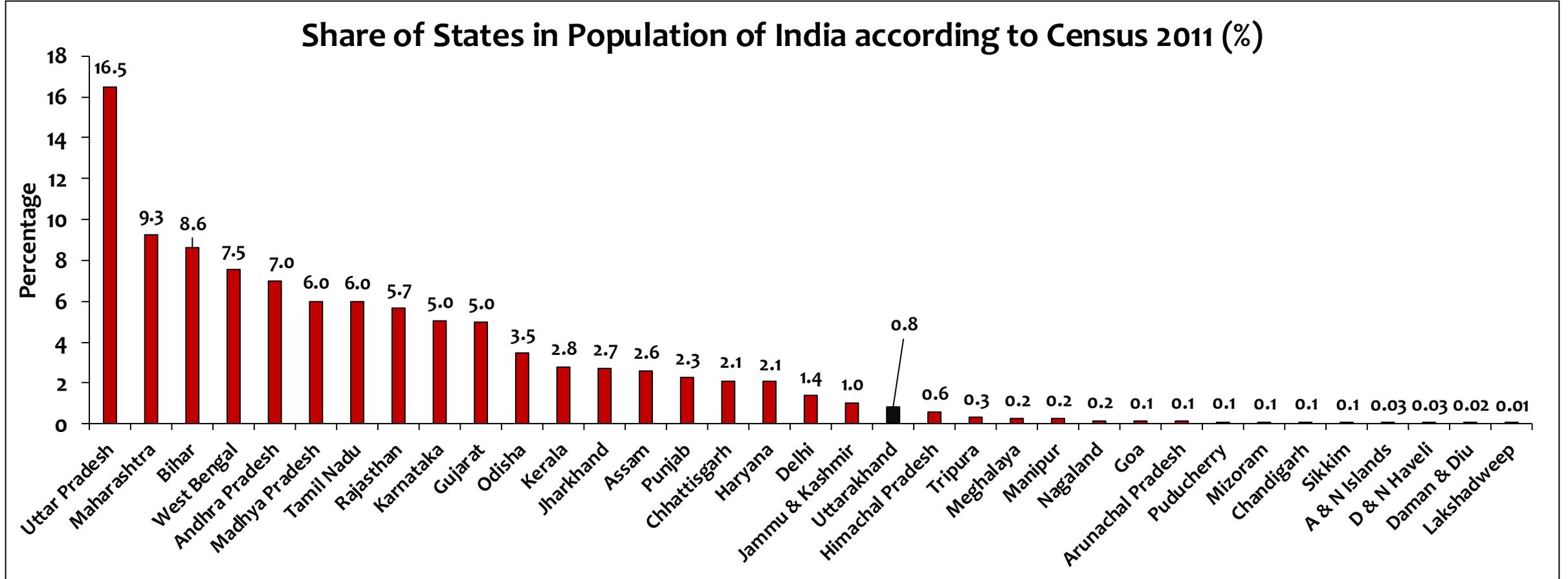
Projected Population Growth 2012-2023, %



Source: Census data (1951-2011) is sourced from Office of the Registrar General of India, Ministry of Home Affairs. Projections are sourced from the “Report of the Technical group on Population Projections” (July 2020), by National Commission on Population and Ministry of Health and Family Welfare.

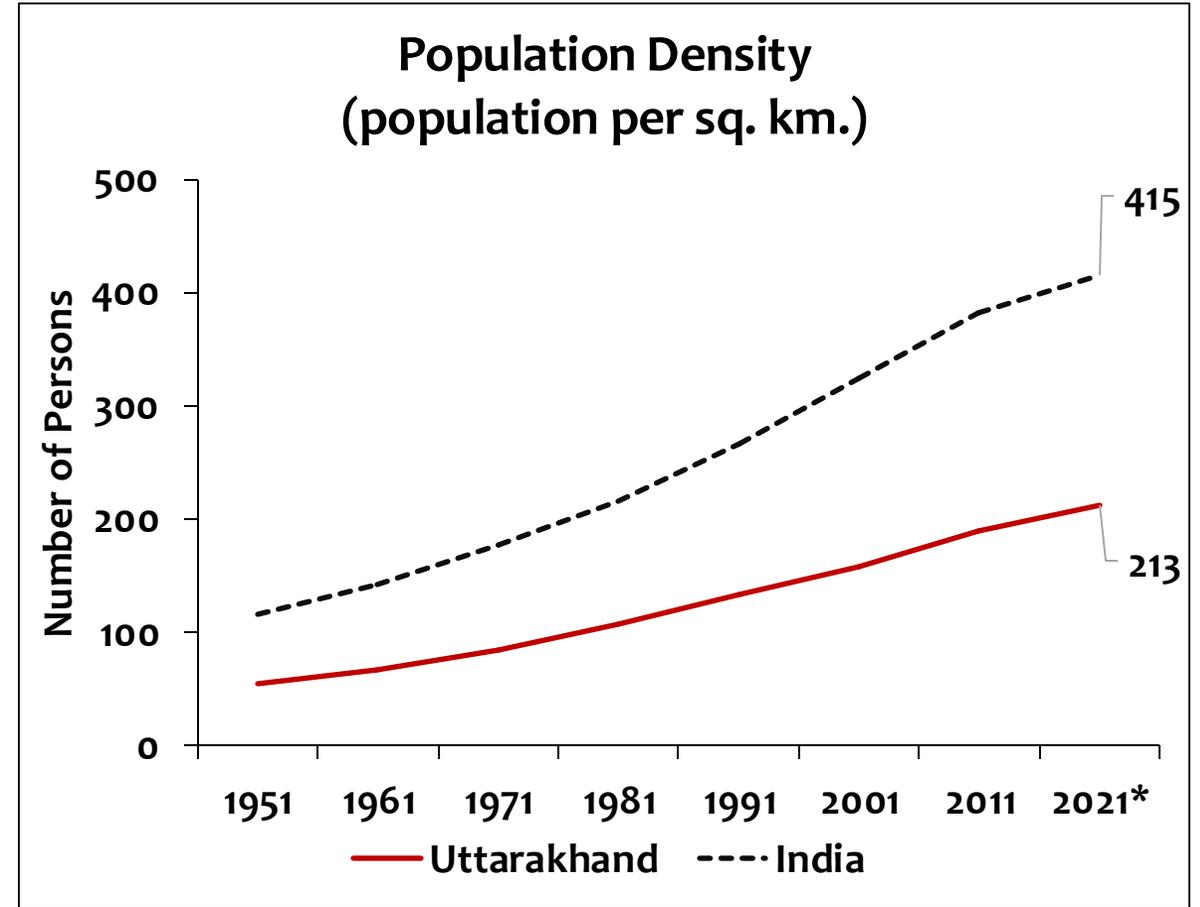
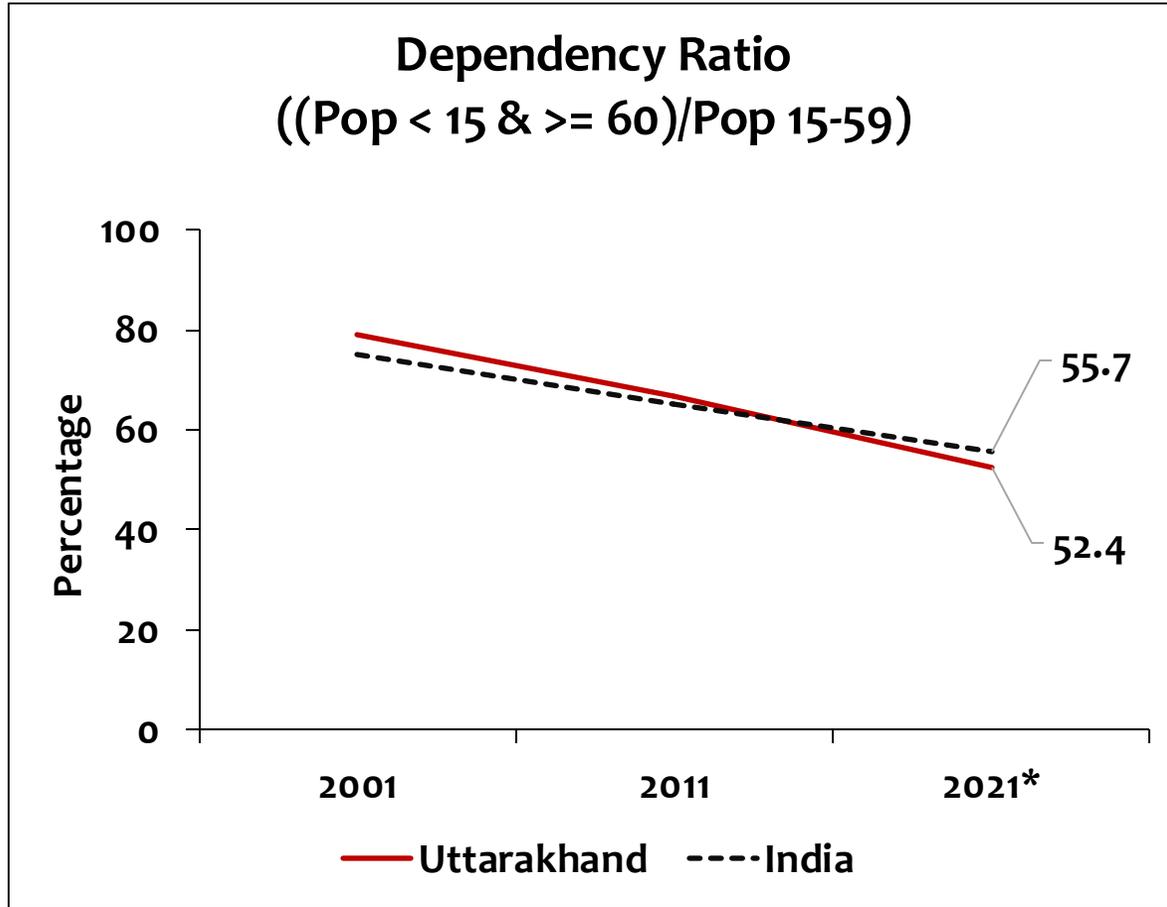
Note: i. Re-casted population data for Uttarakhand for the years before 2000 are taken directly from the source; ii. Census Population Projections are constructed using the Cohort Component Method, where the components of population change (fertility, mortality and net migration) are used to project the base population each year separately for each birth cohort (persons born in a given year). The detailed methodology can be found in Chapter 2, [Population Projection Report 2011-2036](#); iii. Number for India has been taken directly from the source.

# As per Census of 2011, Uttarakhand ranked as the twentieth-largest State in terms of its share in the total population



Source: Census data (1951-2011) is sourced from Office of the Registrar General of India, Ministry of Home Affairs.

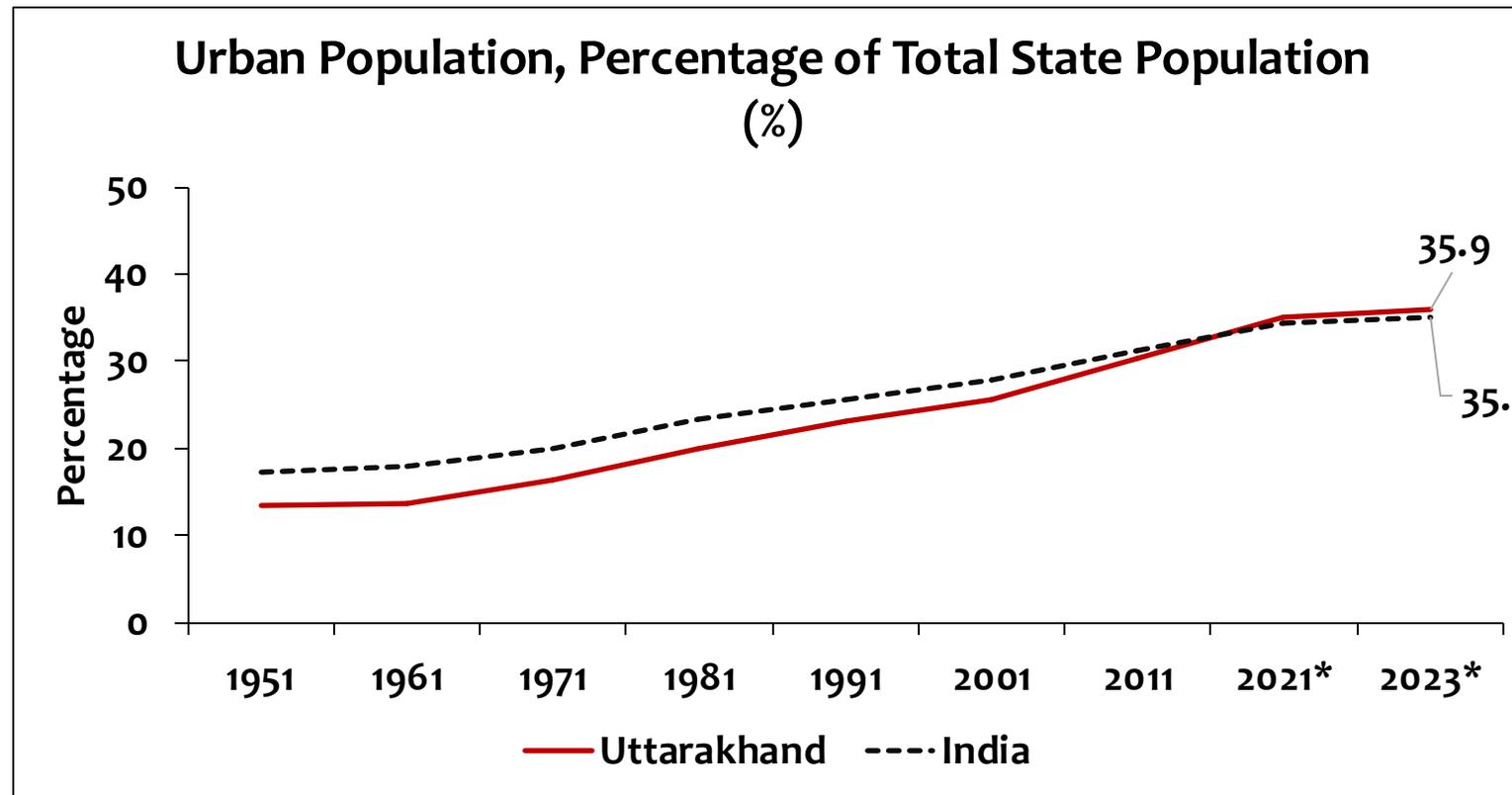
Dependency Ratio in Uttarakhand remained above national estimates in 2011 and it is expected to fall below national estimate in 2021\*. Population Density has increased over the decades and has consistently remained below the all-India figure



Source: Census data and “Population Projections for Indian States 2011-2036” by the Technical Group on Population Projections, National Commission on Population Ministry of Health and Family Welfare, Government of India.

Note: i. Re-casted population data for Uttarakhand for the years before 2000 are taken directly from the source; ii. Number for India has been taken directly from the source.

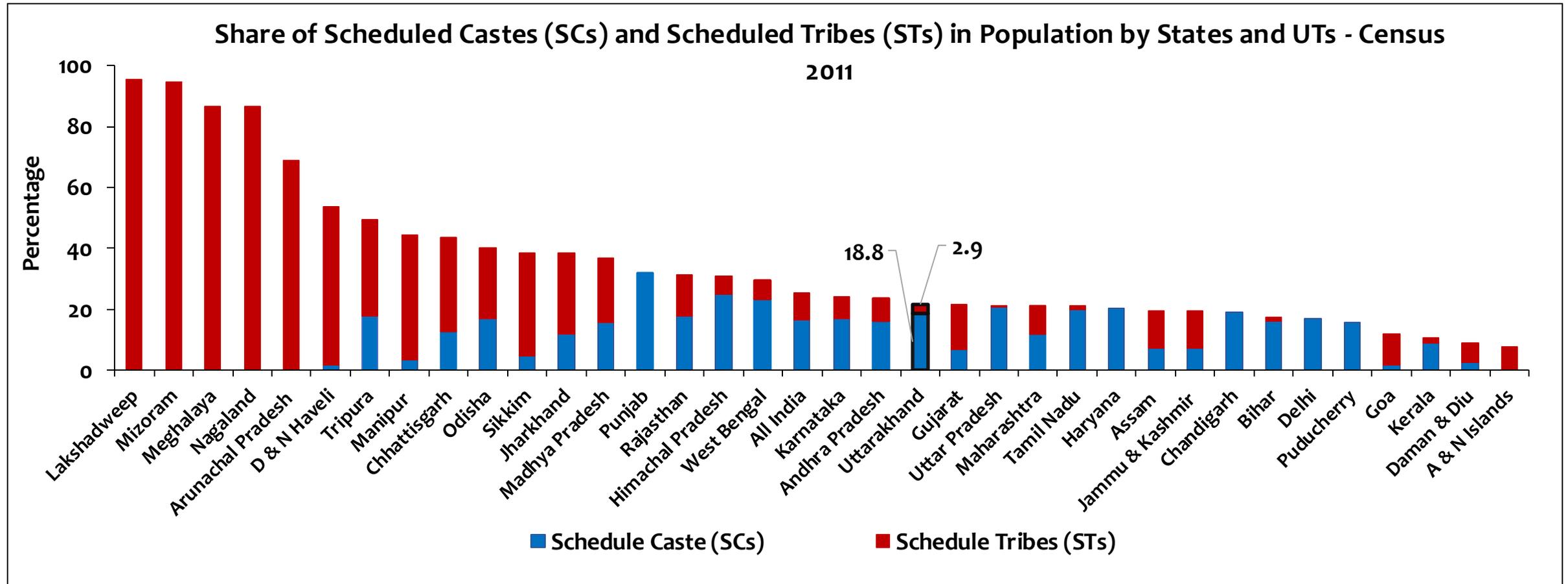
# Urban Population in Uttarakhand remained above national estimates as of 2011



Source: Census data and “Population Projections for Indian States 2011-2036” by the Technical Group on Population Projections, National Commission on Population Ministry of Health and Family Welfare, Government of India.

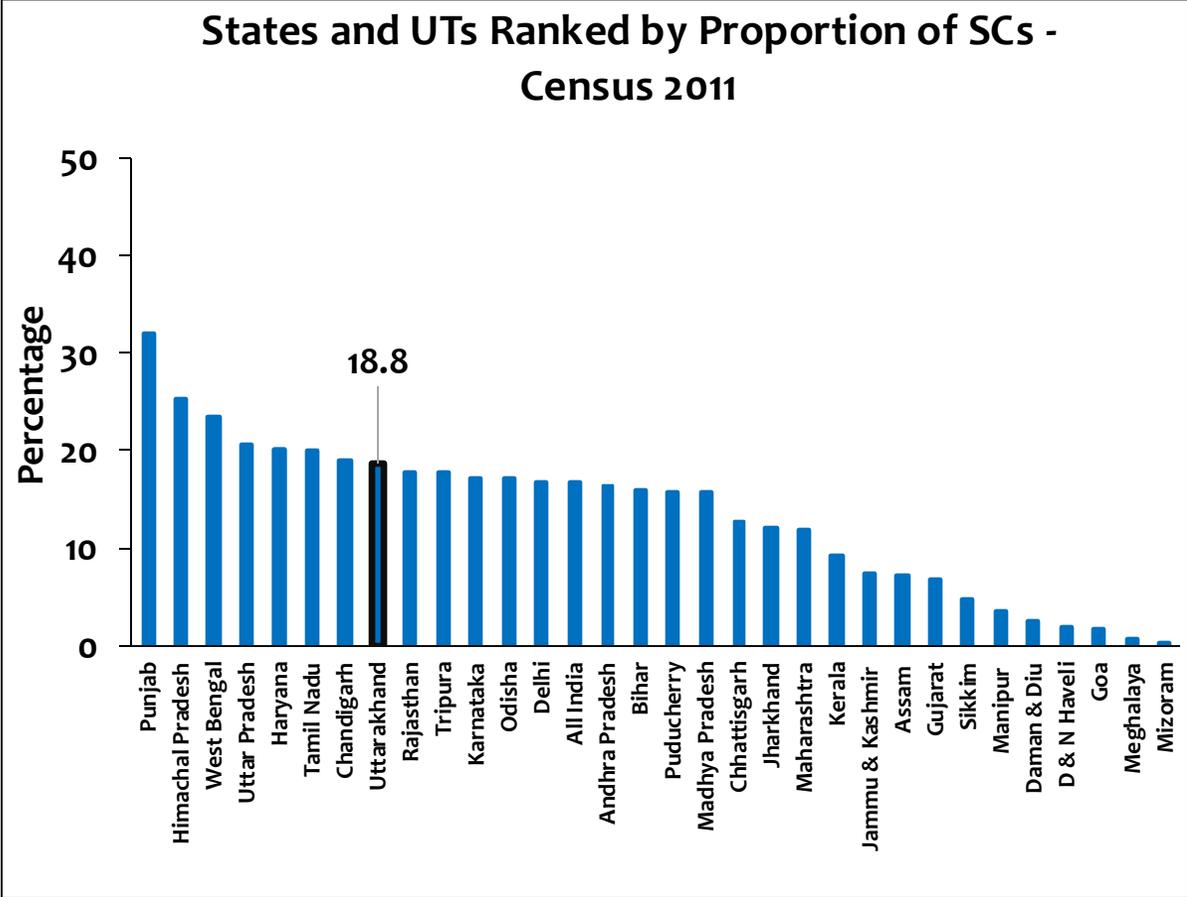
Note: i. Re-casted population data for Uttarakhand for the years before 2000 are taken directly from the source; ii. Number for India has been taken directly from the source.

# Uttarakhand, Scheduled Castes (SCs) constituted 18.8 percent of its total population while Scheduled Tribes constituted 2.9 percent of its total population as per the 2011 Census



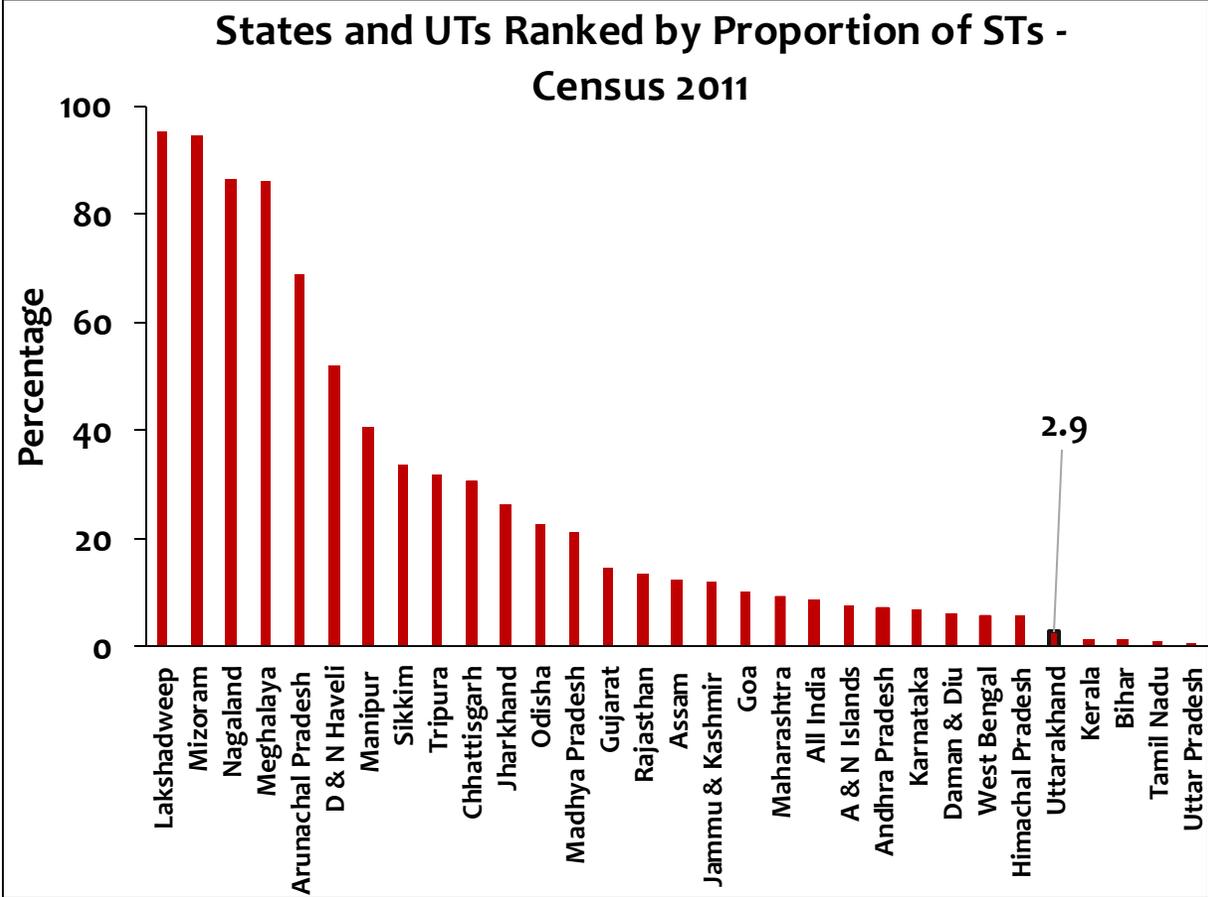
Source: Census data for 2011 is sourced from Office of the Registrar General of India, Ministry of Home Affairs.

# Uttarakhand ranked as eighth largest among States with regard to the percentage of SC population. It is ranked as bottom fifth with regard to the percentage of ST population



Source: Census data for 2011 is sourced from Office of the Registrar General of India, Ministry of Home Affairs.

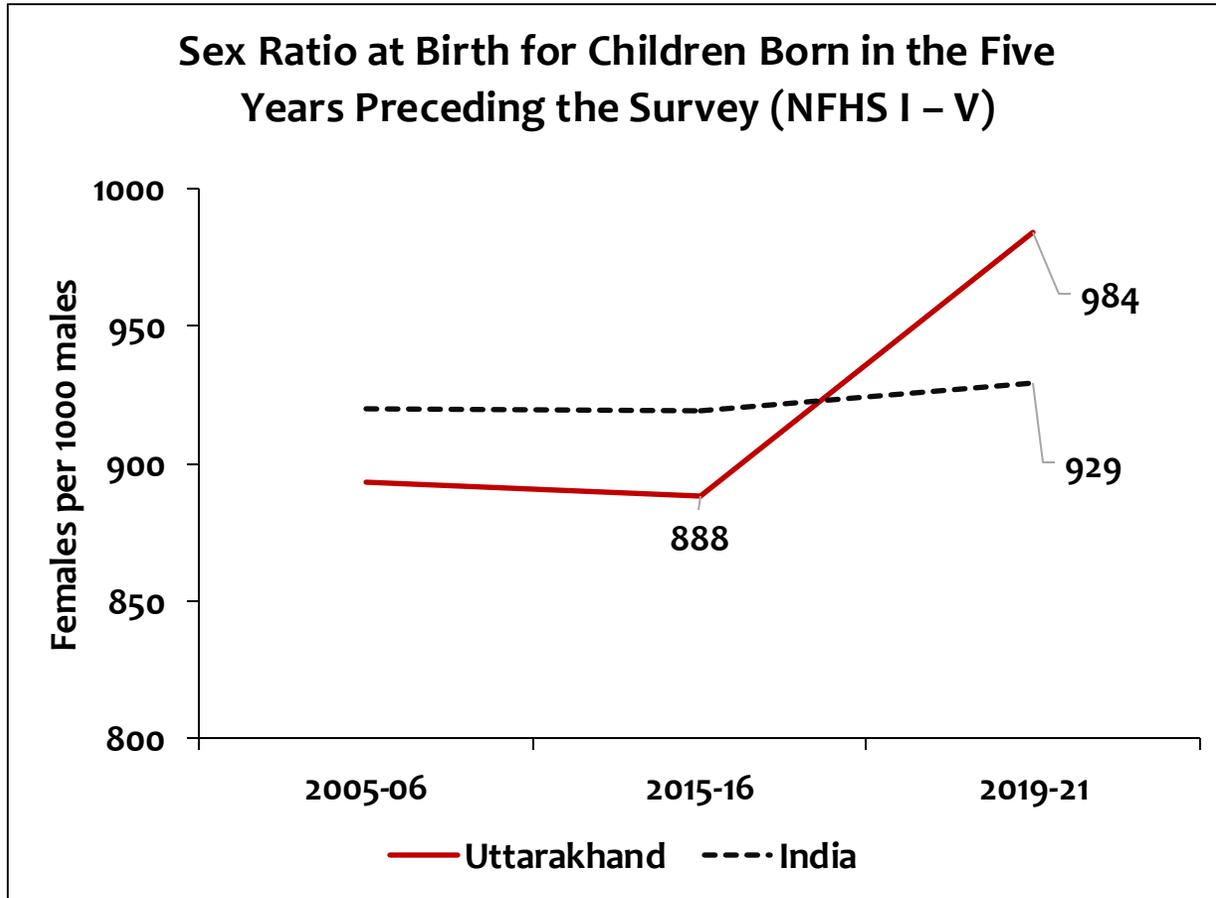
Note: As per the census data, Lakshadweep, Nagaland, Arunachal Pradesh, and Andaman & Nicobar Islands do not report any SC Population.



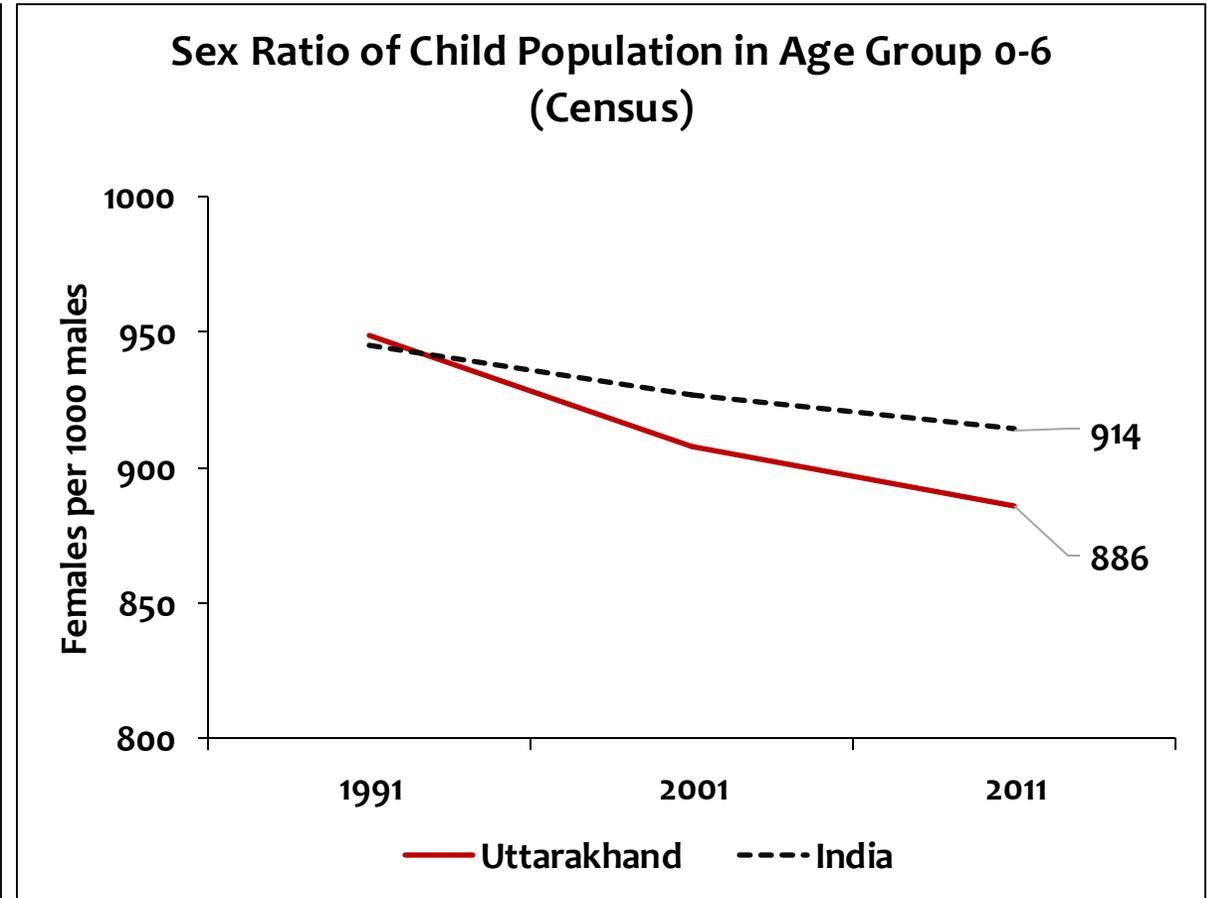
Source: Census data for 2011 is sourced from Office of the Registrar General of India, Ministry of Home Affairs.

Note: As per the census data, Punjab, Haryana, Chandigarh, Delhi, and Puducherry do not report any ST population.

**Sex Ratio at Birth (female births per 1000 male births in a given population) as per the National Family Health Survey (NFHS) for Uttarakhand is higher than the national estimates as of 2019-21. Census Sex Ratio of the child population (0-6 age group) has remained below national estimates as of 2011**



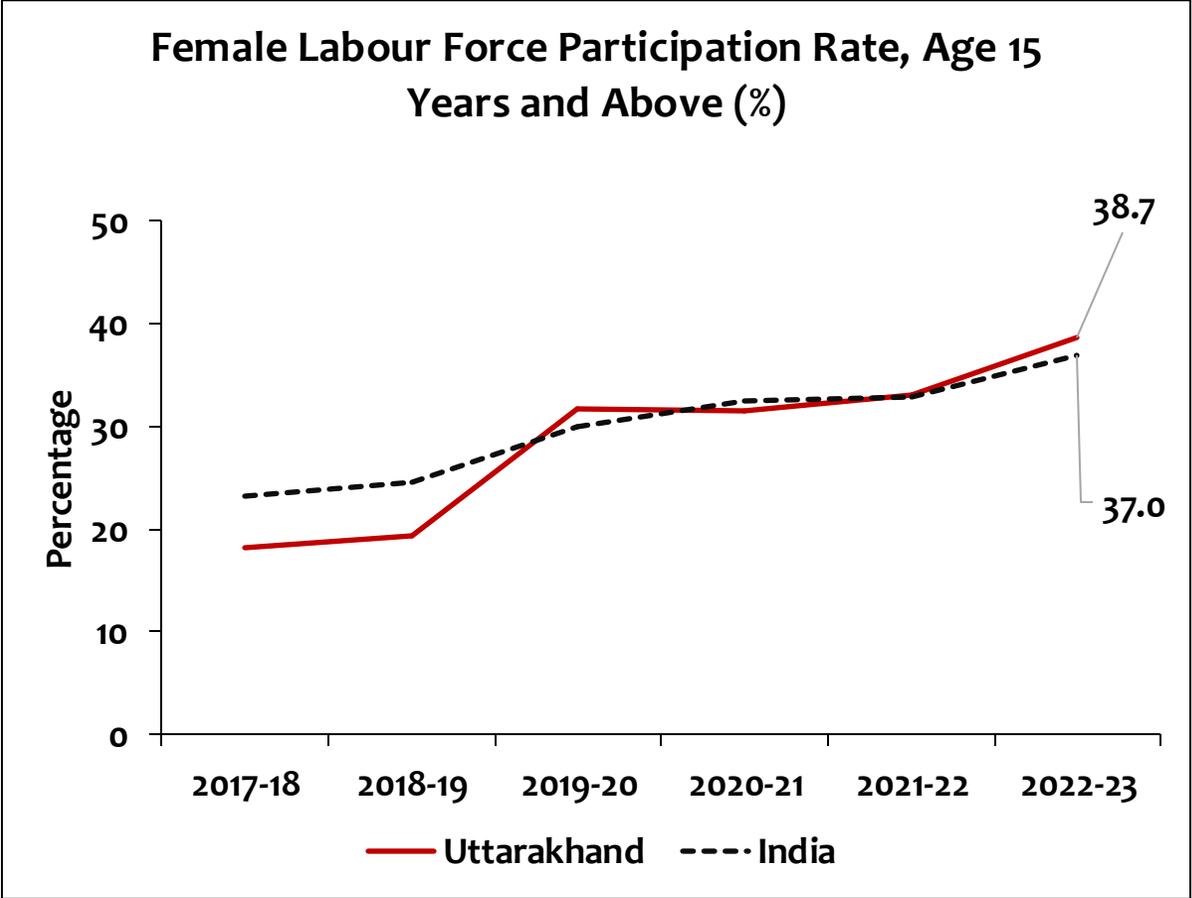
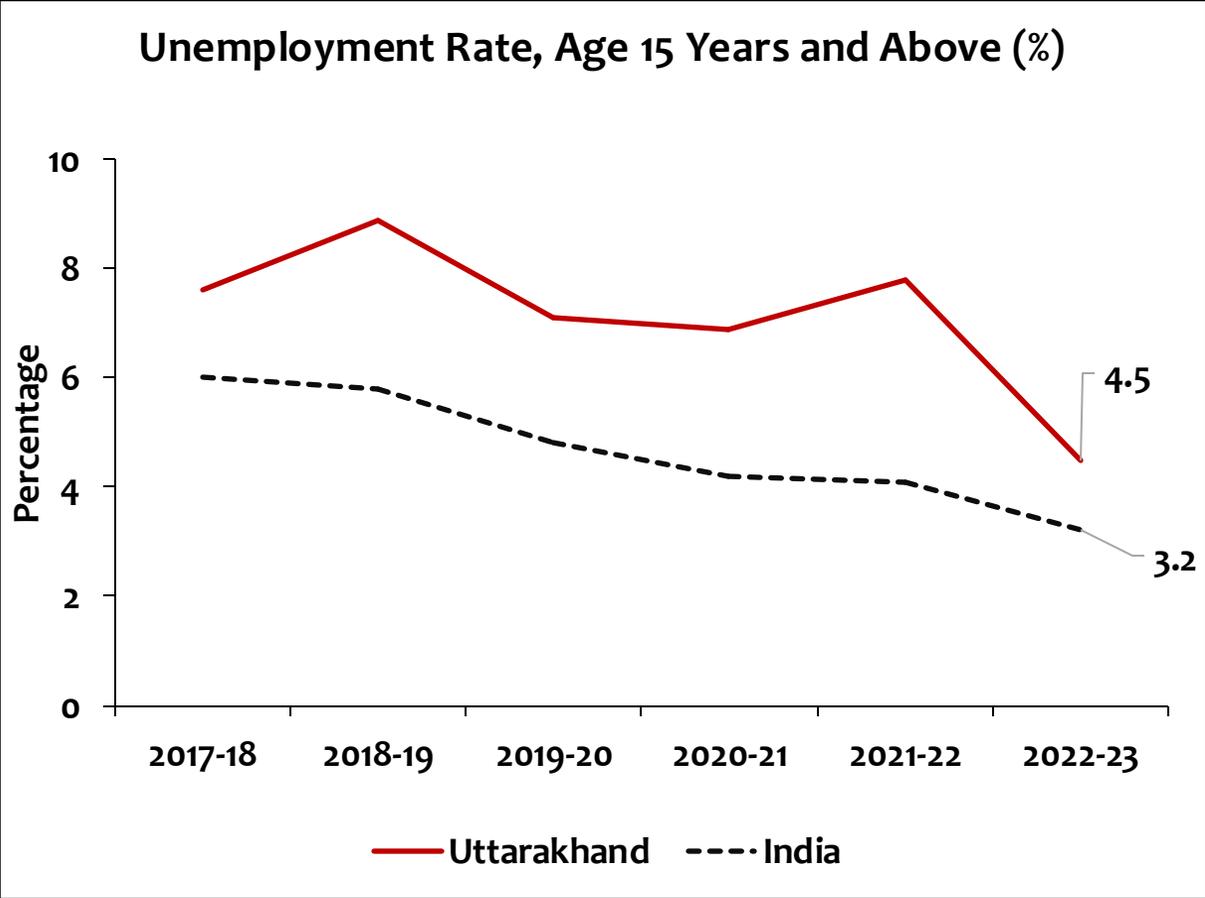
Source: NFHS I – V



Source: Census of India

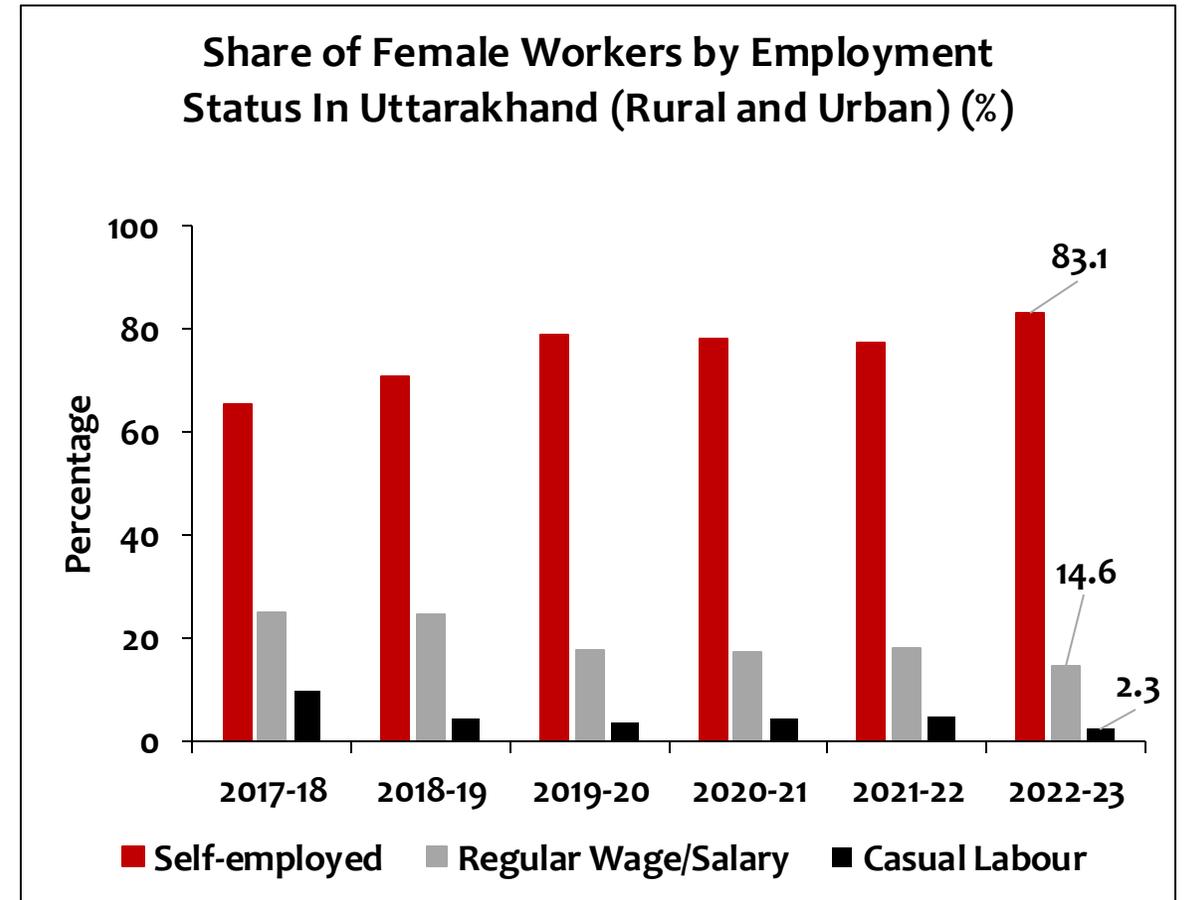
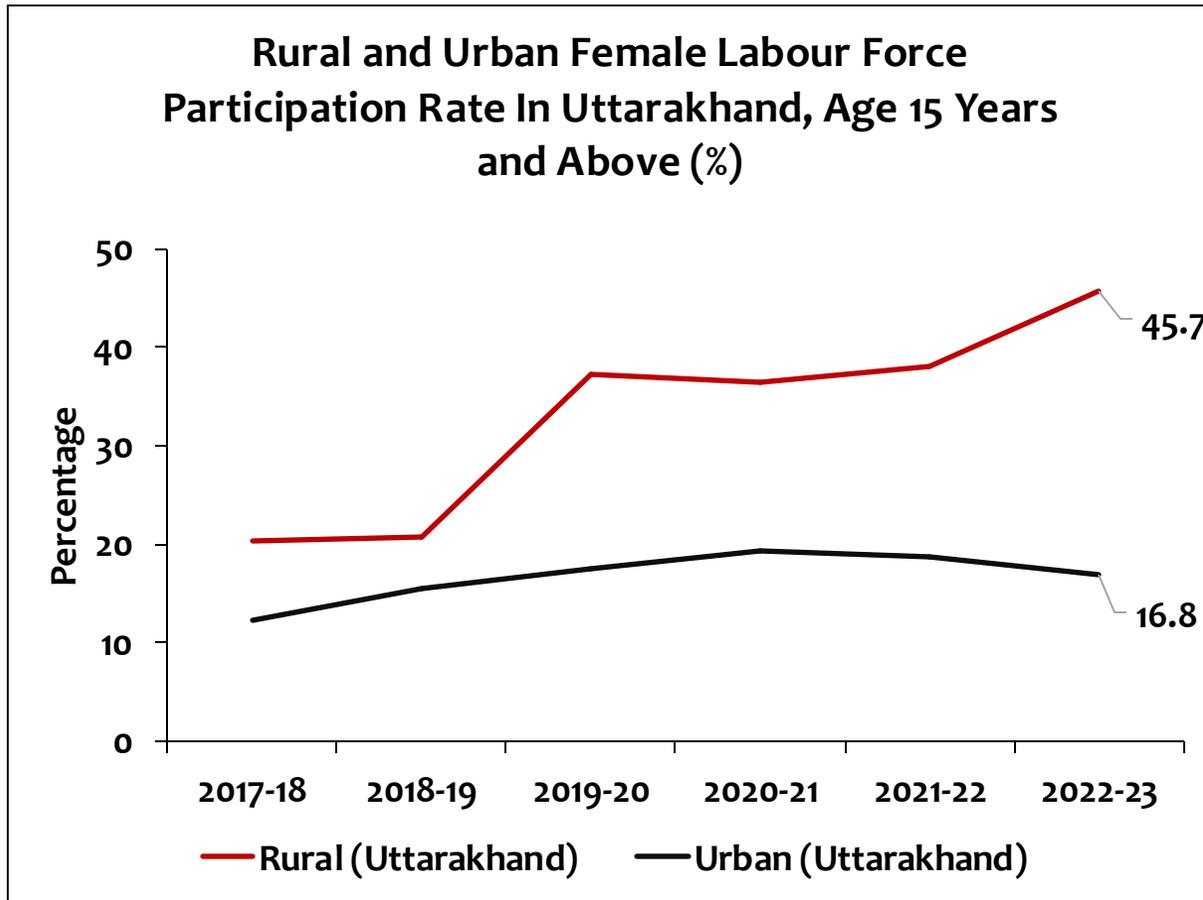
Note: Re-casted population data for Uttarakhand for the years before 2000 are taken directly from the source

# Annual Unemployment Rate for Uttarakhand decelerated to 4.5 percent, but it has remained above national estimate since 2017-18. Female Labour Force Participation has improved and has remained above national estimates as of 2022-23



Source: Periodic Labour Force Survey (PLFS) Annual Report 2022-2023.  
Note: i. Number for India has been taken directly from the source. ii. The Rural and Urban Female Labour Force Participation Rate (FLFPR) and Distribution of Female Workers by Employment Status, is as per the Usual Status (PS+SS) approach, considering both Rural and Urban labour force for the age group 15 years and above. The PLFS uses two reference periods for measuring employment status, Principal Status (PS) and Subsidiary Status (SS). The PS+SS category combines information from both reference periods to determine the usual status of employment.

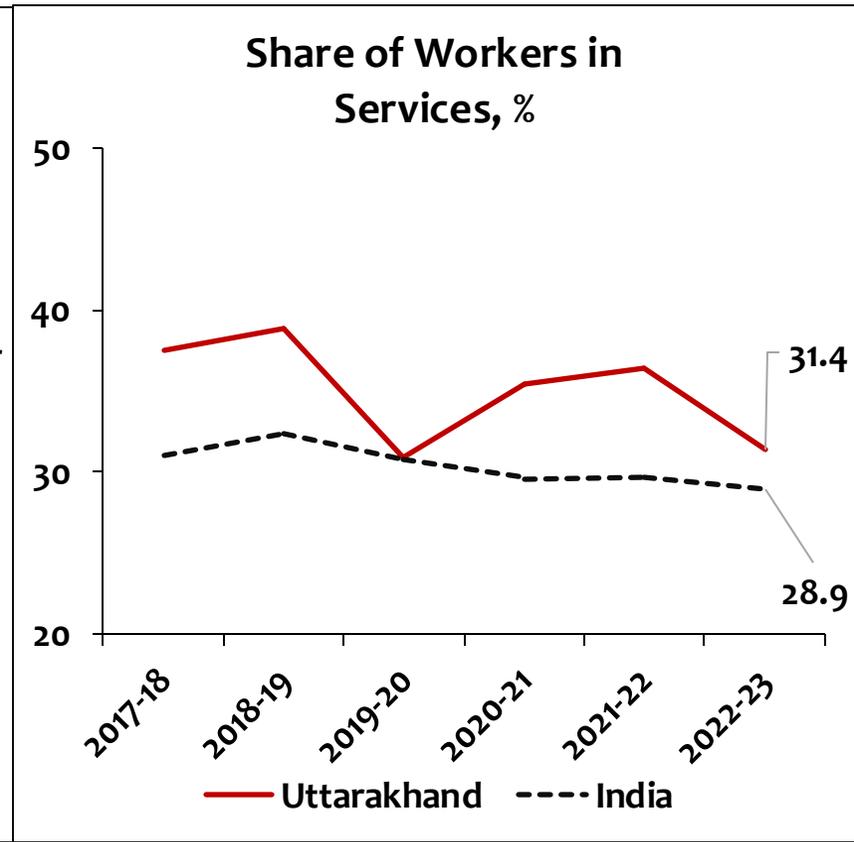
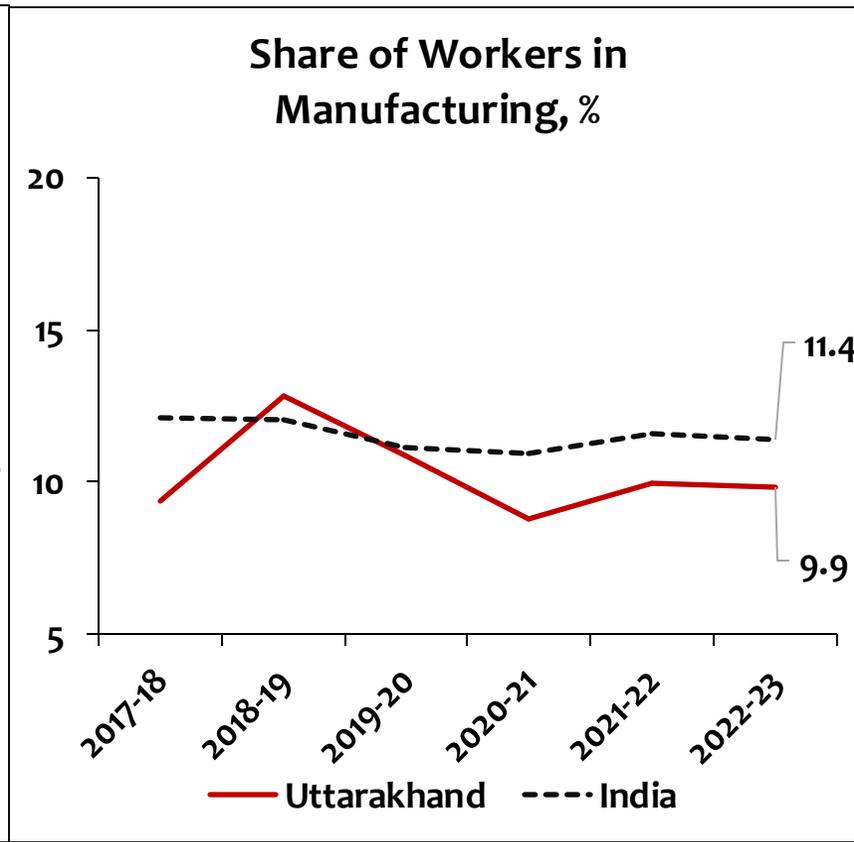
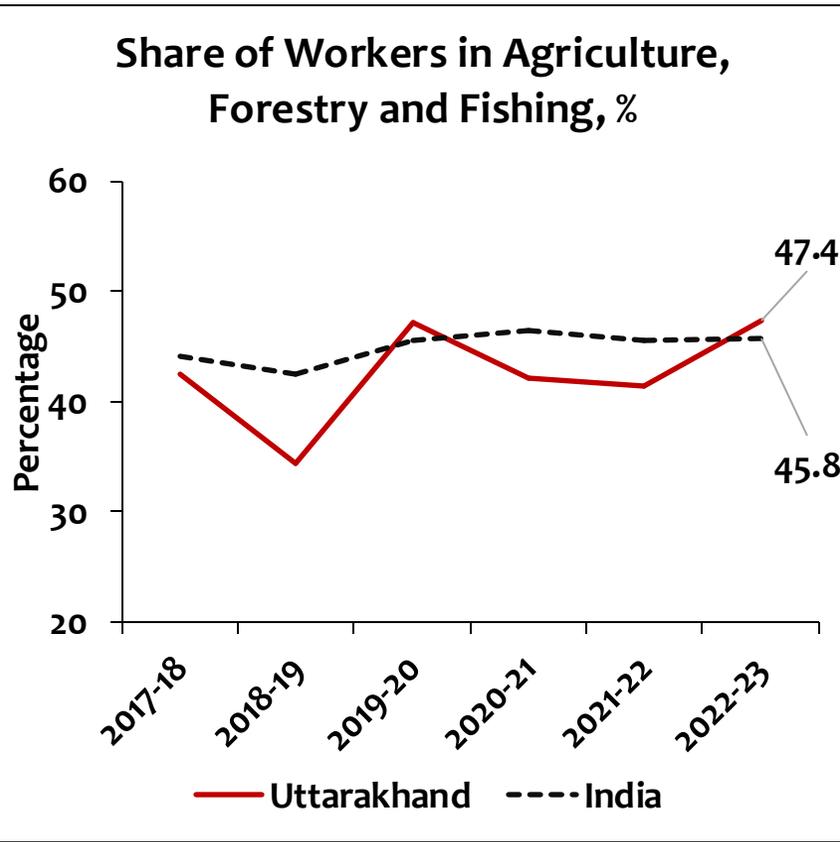
# In Uttarakhand, Female Labour Force Participation is predominantly higher in rural areas. Additionally, the majority of the female workforce comprises of Self-Employed workers



Source: Periodic Labour Force Survey (PLFS) Annual Report 2022-2023.

Note: The Rural and Urban Female Labour Force Participation Rate (FLFPR) and Distribution of Female Workers by Employment Status, is as per the Usual Status (PS+SS) approach, considering both Rural and Urban labour force for the age group 15 years and above. The PLFS uses two reference periods for measuring employment status, Principal Status (PS) and Subsidiary Status (SS). The PS+SS category combines information from both reference periods to determine the usual status of employment.<sup>19</sup>

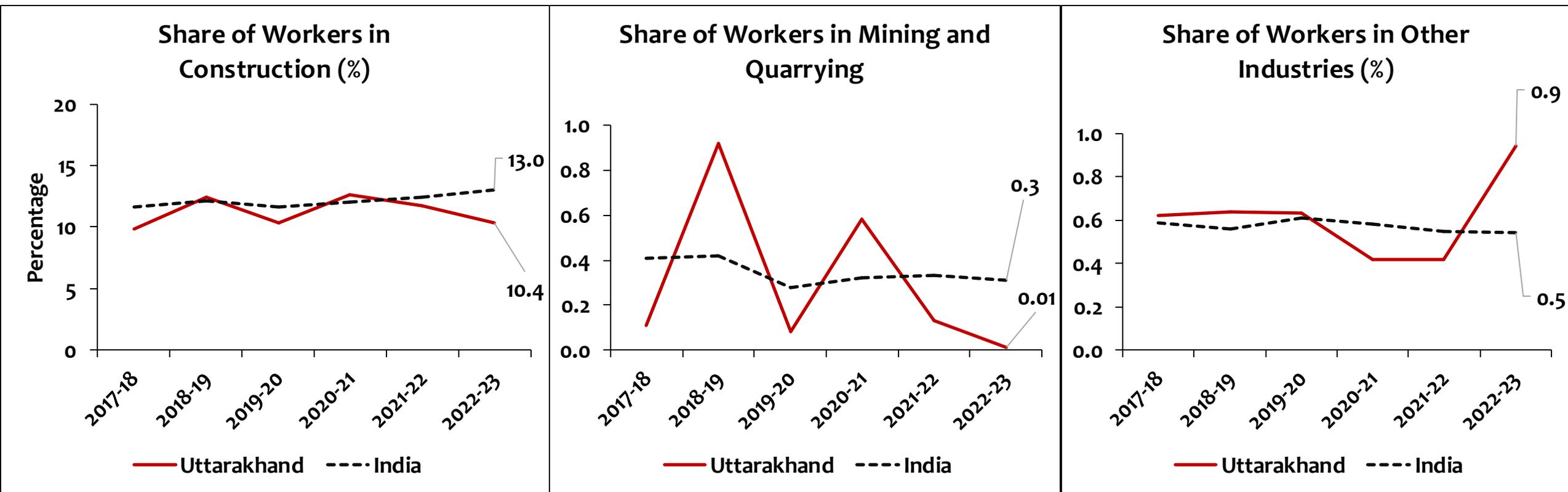
**Working population in Uttarakhand is predominantly concentrated in Agriculture, Forestry, and Fishing, Services, Construction and Manufacturing sectors. Manufacturing constituted 9.9 percent of the total share of workers in 2022-23. The proportion of workers involved in Mining and Quarrying is below national estimates, and for Other Industries it is above the national estimates**



Source: Periodic Labour Force Survey (PLFS) Annual Report 2022-2023.

Note: i. Number for India has been taken directly from the source; ii. Services includes Transportation and Storage; Accommodation and Food Service Activities; Information and Communication; Financial and Insurance Activities; Real Estate Activities; Professional, Scientific and Technical Activities; Administrative and Support Service Activities; Public Administration and Defense; Compulsory Social Security; Education; Human Health and Social Work Activities; Arts, Entertainment and Recreation; Activities of Households as Employers; Undifferentiated Goods and Services Producing Activities of Households for Own Use; Activities of Extraterritorial Organizations and Bodies; Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles; and other Services.

**Working population in Uttarakhand is predominantly concentrated in Agriculture, Forestry, and Fishing, Services, Construction and Manufacturing sectors. Manufacturing constituted 9.9 percent of the total share of workers in 2022-23. The proportion of workers involved in Mining and Quarrying is below national estimates, and for Other Industries it is above the national estimates**



Source: Periodic Labour Force Survey (PLFS) Annual Report 2022-2023.

Note: i. Number for India has been taken directly from the source; ii. Other industries include, Electricity, Gas, Steam and Air Conditioning Supply; and Water Supply, Sewerage, Waste Management and Remediation Activities.

# **3. Economic Structure (Growth and Sectoral Composition)**

- Income data covers the fiscal period 1990-91 – 2022-23

**Table 2A: State Domestic Product, Per Capita Income, Sectoral Shares, Inflation, FDI inflow and Exports for Uttarakhand**

Indicator	Most Recent Value	States' Average	Decadal Change, % (b/w 2012-13 and 2021-22)	Source
<b>Nominal Gross State Domestic Product (GSDP)</b>	Rs. 27,215,948(Lakh) (FY 2021-22)	Rs. 2,347,101,174 (Lakh; India) (FY 2021-22)	+ 106.8% growth	MoSPI; EPWRF
<b>Nominal GSDP share in India's Nominal GDP, %</b>	1.2% (FY 2021-22)	-	- 0.2% points	MoSPI; EPWRF
<b>Real Gross State Domestic Product Growth Rate,%</b>	5.4% (Decadal avg. b/w 2012-13 and 2021-22)	5.6% (Decadal avg. b/w 2012- 13 and 2021-22 for India)	+ 0.9% points	MoSPI; EPWRF
<b>Nominal Per Capita GSDP</b>	Rs. 237,321 (FY 2021-2022)	Rs. 171,498 (India) (FY 2021-22)	+ 85.7% growth	MoSPI; EPWRF
<b>Nominal Per Capita GSDP in India's Nominal Per Capita GSDP (Ratio)</b>	1.4 (FY 2021-22)	-	- 0.2 points	MoSPI; EPWRF
<b>Share of Agricultural Sector to Total Gross State Value Added (GSVA) (Nominal), %</b>	10.6% (FY 2021-22)	19.7% (FY 2021-22)	- 1.9% points	MoSPI; EPWRF
<b>Share of Industry Sector to Total GSVA (Nominal), %</b>	48.6% (FY 2021-2022)	29.3% (FY 2021-22)	- 5.1% points	MoSPI; EPWRF
<b>Within Industry: Share of Manufacturing Sector to Total GSVA (Nominal), %</b>	36.0% (FY 2021-22)	14.8% (FY 2021-22)	- 5.1% points	MoSPI; EPWRF
<b>Within Industry: Share of Construction Sector to Total GSVA (Nominal), %</b>	8.3% (FY 2021-22)	7.7% (FY 2021-22)	+ 0.7% points	MoSPI; EPWRF
<b>Share of Services Sector to Total GSVA (Nominal), %</b>	40.8% (FY 2021-2022)	51.0% (FY 2021-22)	+ 6.9% points	MoSPI; EPWRF
<b>Within Services: Share of Trade and Hospitality Sector to Total GSVA (Nominal), %</b>	13.7% (FY 2021-2022)	11.3% (FY 2021-22)	+ 2.4% points	MoSPI; EPWRF
<b>Within Services: Share of Transport Storage and Communication Sector to Total GSVA (Nominal), %</b>	6.8% (FY 2021-2022)	5.9% (FY 2021-22)	+ 0.3% points	MoSPI; EPWRF

Source: Data is taken from MOSPI, as of August 2023.

Note: i. States' Average for shares are simple averages of each State's/UT's share for that year; ii. States' average growth rates are calculated as the simple average of each State/UT's growth rate for that year.

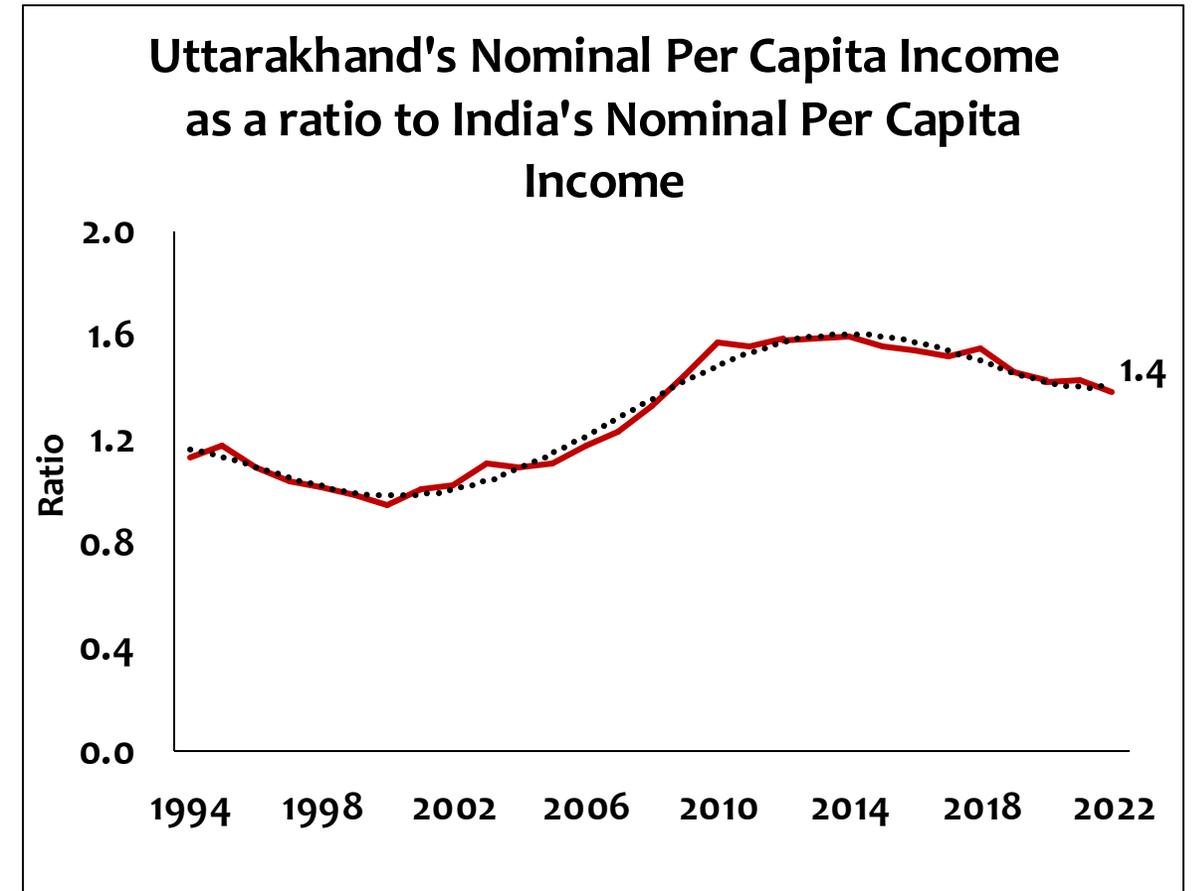
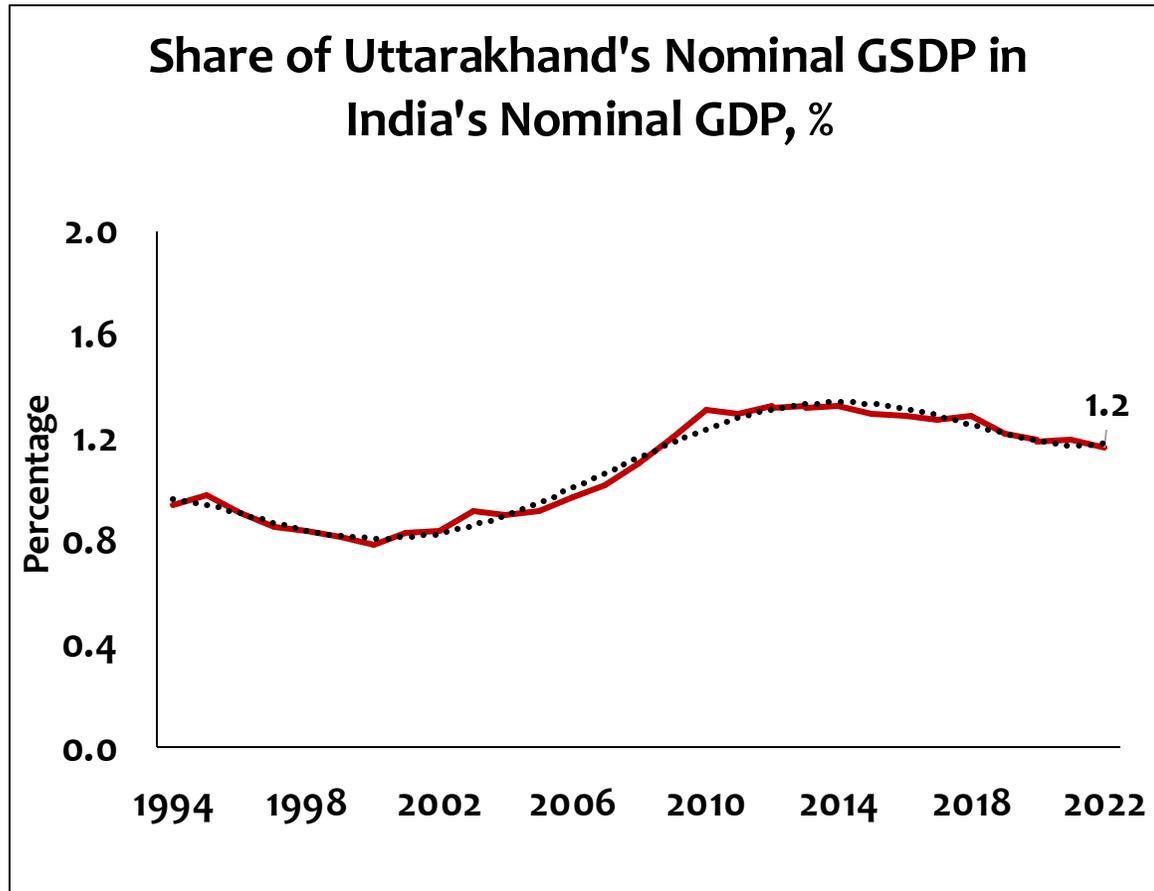
**Table 2B: State Domestic Product, Per Capita Income, Sectoral Shares, Inflation, FDI inflow and Exports for Uttarakhand**

Indicator	Most Recent Value	States' Average	Decadal Change, % (b/w 2013-14 to 2022-23)	Source
<b>Share of Agricultural Sector to Total GSDP (Nominal), %</b>	9.0% (FY 2022-23)	15.8% (FY 2022-23)	-1.6% points	MoSPI; EPWRF
<b>Share of Industry Sector to Total GSDP (Nominal), %</b>	44.0% (FY 2022-23)	25.3% (FY 2022-23)	-5.7% points	MoSPI; EPWRF
<b>Within Industry: Share of Manufacturing Sector to Total GSDP (Nominal), %</b>	30.1% (FY 2022-23)	13.1% (FY 2022-23)	-6.4% points	MoSPI; EPWRF
<b>Share of Service Sector to Total GSDP (Nominal), %</b>	41.4% (FY 2022-23)	42.6% (FY 2022-23)	+8.1% points	MoSPI; EPWRF
<b>Inflation Rate (based on Consumer Price Index)</b>	+6.2% (FY 2022-23)	+ 5.5 % (FY 2022-23)	+0.5% points	MoSPI; EPWRF
<b>FDI Inflow</b>	0.1 % of India FDI Inflow (2023-24)	3% of India FDI Inflow	0.1 % of India FDI Inflow (b/w 2020-21 and 2023-24)	Department for Promotion of Industry and Internal Trade (DPIIT)
<b>Exports</b>	1,778 Million \$ (2022-23)	15,346 Million \$	392 Million \$ (b/w 2014-15 and 2022-23)	Multiple Sources*

Source: i. Data on sectoral shares to GSDP is taken from MOSPI, as of March 2024; ii. (\*)Multiple sources for exports are various Issues of Economic Survey, Department of Economic Affairs, ([data.gov.in](http://data.gov.in)); Various Issues of Bulletin on Foreign Trade Statistics, Directorate General of Foreign Trade (DGFT).

Note: i. FDI data is available State-wise in a cumulative format with the starting date as December 2019 till the month and year of the DPIIT publication; ii. The State average for FDI has been calculated as the sum of all States/region divided by the number of States/regions, and this is divided by India's FDI inflow, multiplied by 100; iv. Benchmark number for exports is an average of all States/UT number.

# Uttarakhand's share in India's Nominal GDP and its Nominal Per Capita Income as a ratio to India's Per Capita Income both have been declining since 2010 but these have increased relative to 1994



Source: The Ministry of Statistics and Programme Implementation (MoSPI). Back series with 2011-12 base has been taken from the Economic and Political Weekly Research Foundation (EPWRF).

Note: i. GSDP refers to Gross State Domestic Product at current market prices; ii. As per EPWRF, this series is spliced with earlier GSDP series to generate the long-time series; iii. National GDP is the National Gross Domestic Product of India at current market prices; iv. This series has been spliced with earlier GDP series to generate the long-time series; v. Back-casted numbers for GSDP and Per Capita Income (before Uttarakhand was created in 2000) are taken directly from the source.

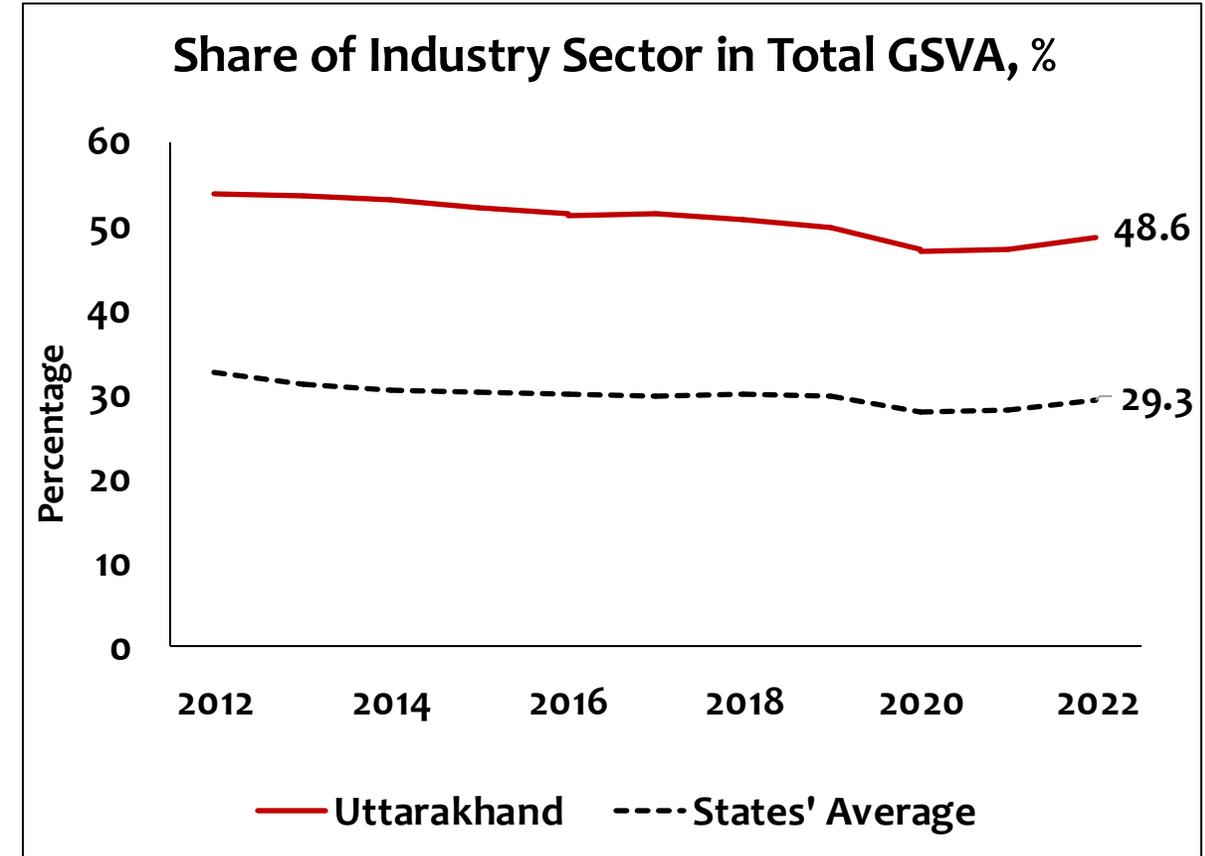
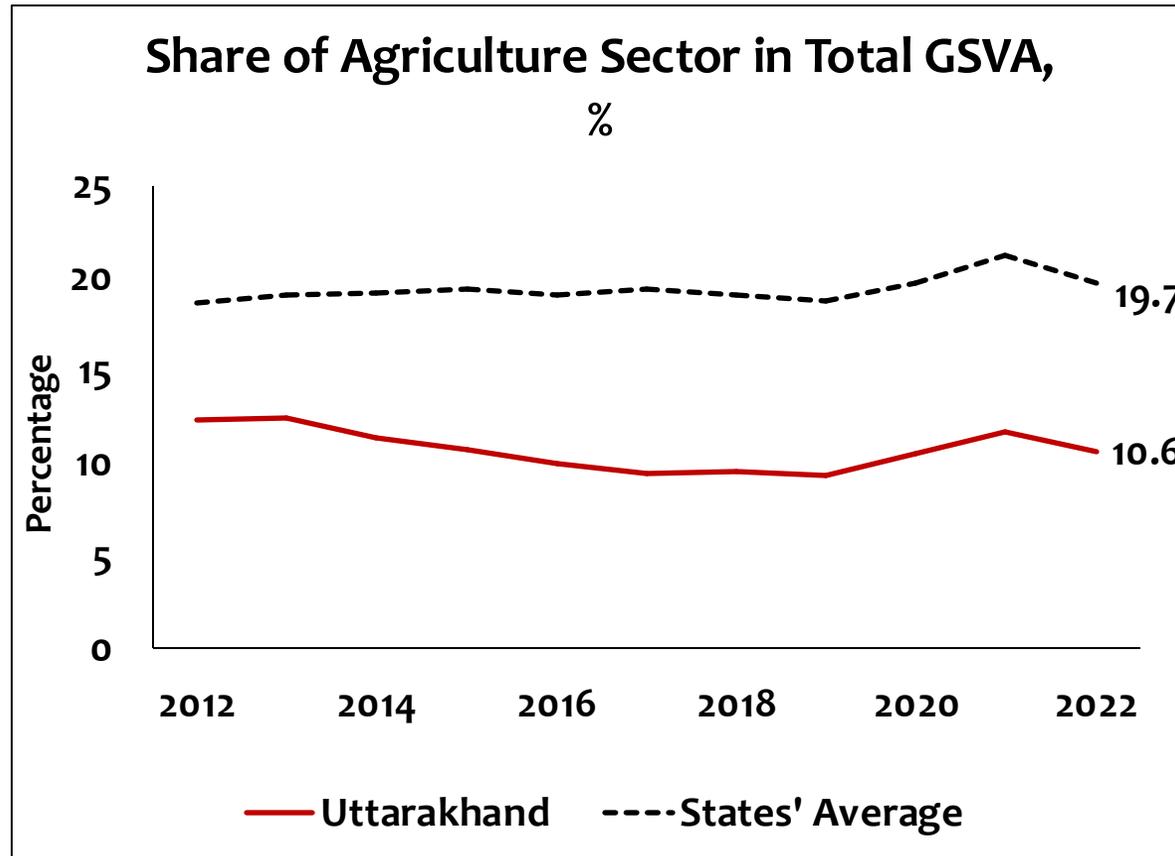
# Sectoral Gross State Value Added (GSVA): Uttarakhand vis-à-vis rest of India (FY2021-22)

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- According to official estimates for FY 2021-22, Industry sector has a 48.6 percent share of Uttarakhand's GSVA, whereas the States' average stands lower at 29.3 percent. This sector is primarily driven by Manufacturing (36 percent), and Construction (8.3 percent) with minor contributions from Electricity (3.5 percent), and Mining and Quarrying (0.9 percent).
- For FY 2021-22, the Services sector contributes 40.8 percent share to the GSVA in Uttarakhand, while the States' average stands at 51 percent. Within the services sector, the largest contributors are Trade, Hotels and Restaurants (13.7 percent); Other Services (7.5 percent); and Transport, Storage and Communication (6.8 percent).
- For FY 2021-22, Uttarakhand's Agriculture sector is 10.6 percent of its GSVA, lower than the States' average of 19.7 percent.
- For FY 2021-22, Uttarakhand ranks 5<sup>th</sup> out of 33 States and UTs in its share of GSVA in the Industry sector (48.6 percent) but ranks 25<sup>th</sup> in its share of GSVA in the Services Sector (40.8 percent).

**Note: Gross State Value Added (GSVA) is defined as the sum of the value added by each of the sectors under agriculture, industry, and services. This series currently is available at basic prices with 2011-12 base and it can be spliced with the earlier GSVA series to obtain the long-time series for this variable.**

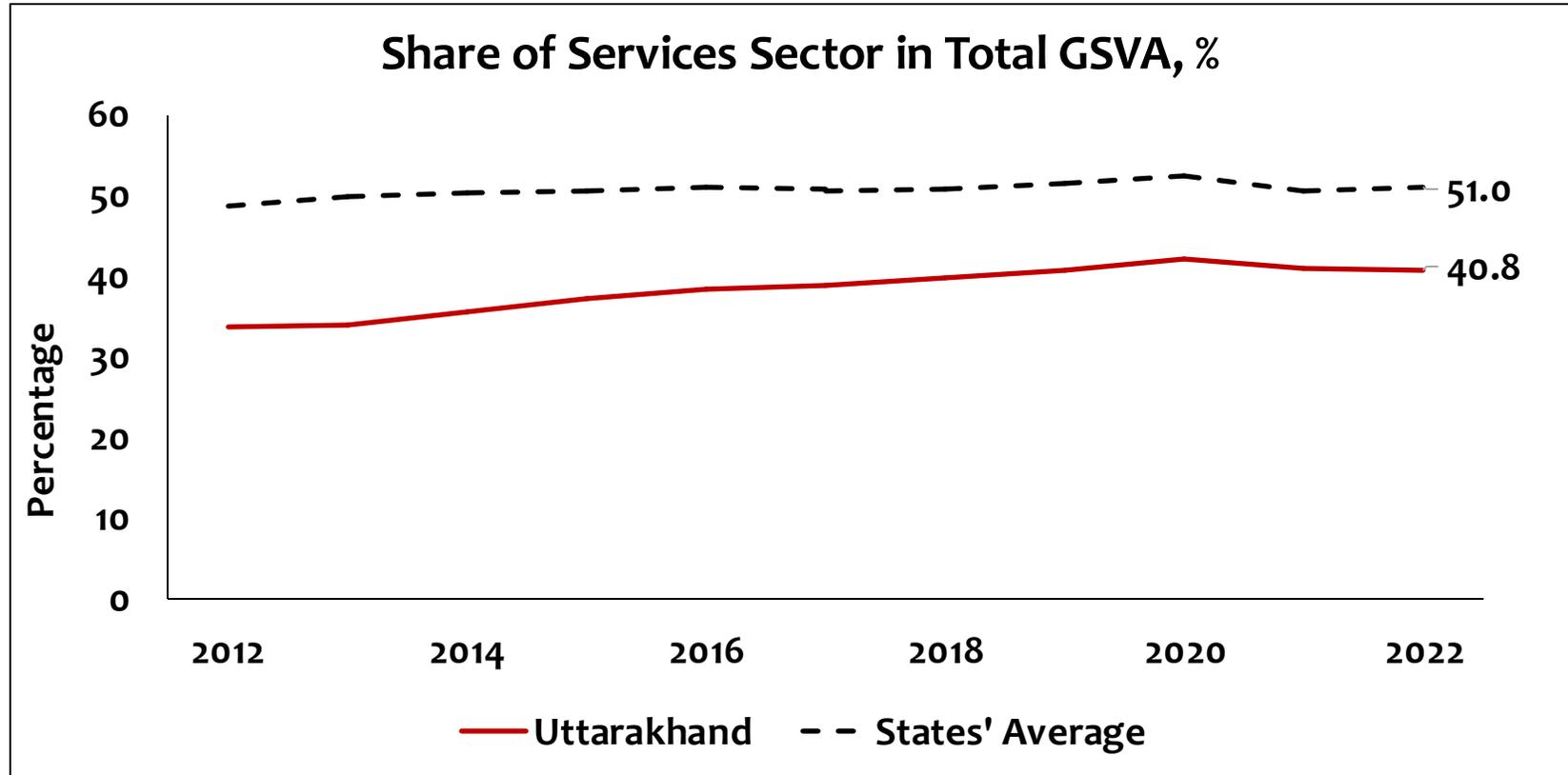
Agriculture sector's share of GSVA remains significantly below the States' average. Meanwhile, Industry sector's share was well above the average of all States but it has been declining



Source: MoSPI, 2021-22.

Note: i. States' average refers to a simple average of the shares of 33 States and UTs; ii. Nominal variables have been used to calculate the shares; iii. Uttarakhand's large industry sector share can be attributed to the implementation of various industrial policies, such as the industrial policy in 2003, which offered tax benefits and subsidies; implementation of the Special Integrated Industrial Development Policy (SIIDP) for the hill regions in 2008, the MSME Policy in 2015, and the Start-up Policy in 2018, has led to substantial growth in capital investments [Source - [An Analytical Review of Industrialization in Uttarakhand, 2022](#)].

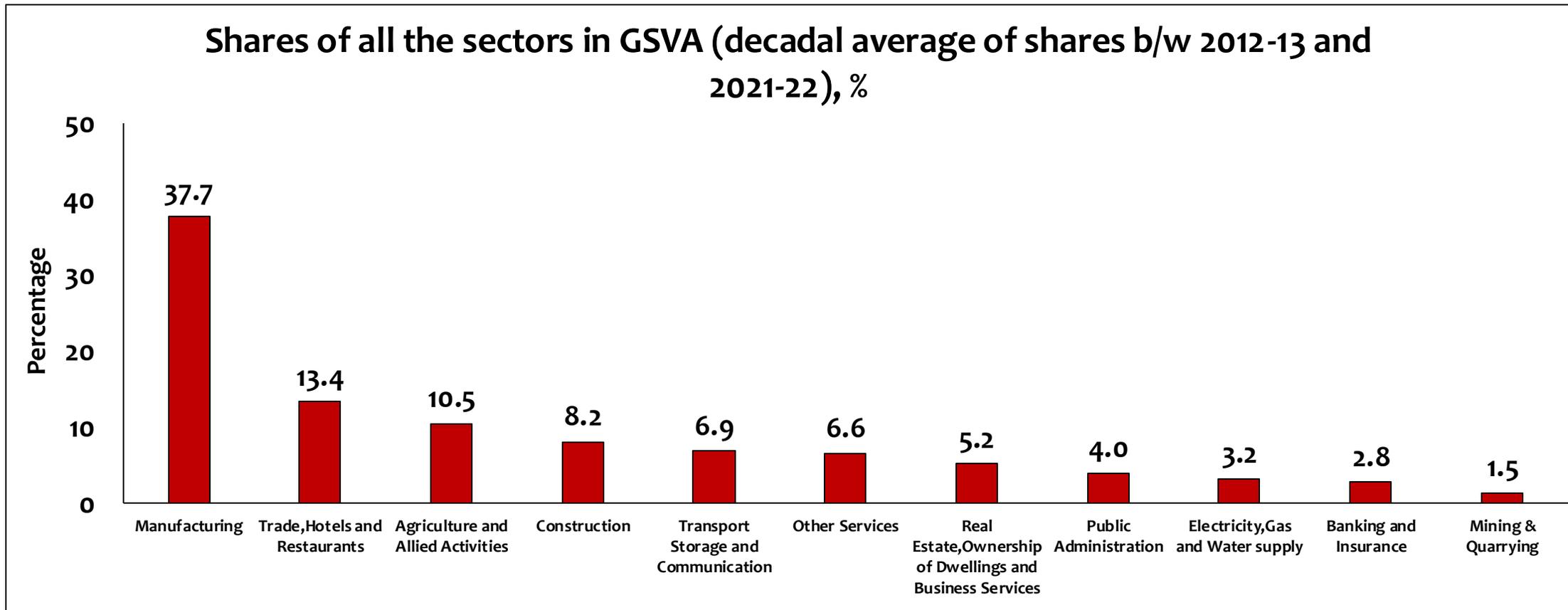
# Uttarakhand's share of the Services sector in its total GSVA has increased in the last decade but it lags behind the average share of all States as of 2021-22



Source: MoSPI, 2021-22.

Note: i. States' average refers to a simple average of the shares of 33 States and UTs; ii. Nominal variables have been used to calculate the shares; iii. Services include Transport, Storage & Communications, Trade, Hotels and Restaurants, Real Estate, Banking and Financial Services, Public Administration and some other miscellaneous services.

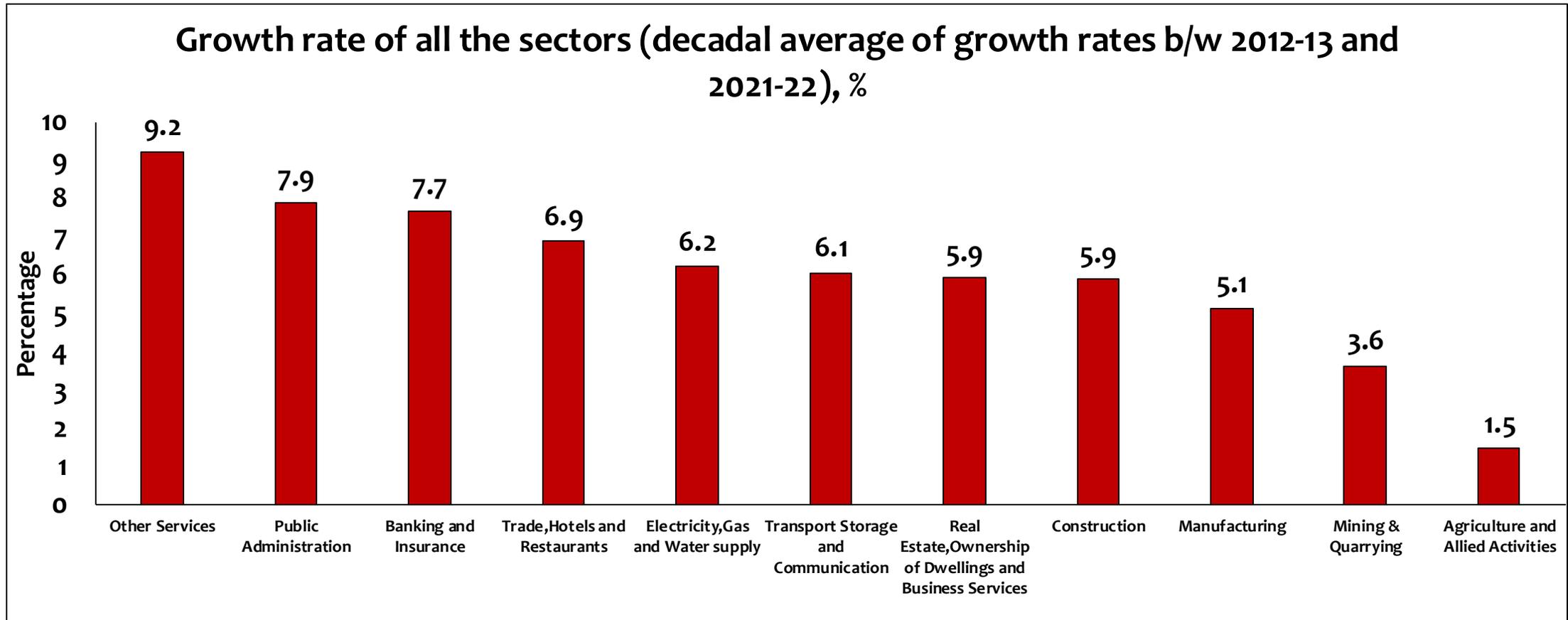
# Over the past 10 years, Manufacturing has held the largest share, accounting for about 38 percent of the total GSVA



Source: MoSPI, 2021-22.

Note: i. Nominal variables have been used to calculate the shares; ii. The growth in Uttarakhand's Manufacturing sector share can be explained by the State's implementation of various industrial policies, such as the industrial policy in 2003, which offered tax benefits and subsidies; implementation of the Special Integrated Industrial Development Policy (SIIDP) for the hill regions in 2008, the MSME Policy in 2015, and the Start-up Policy in 2018 have led to substantial growth in capital investments. Moreover, Non-polluting manufacturing industries were provided incentives like Special Capital Investment Subsidy, Special Interest Subsidy, Stamp Duty Exemption on Purchase/Lease of Land, Infrastructure Development Subsidy, and Reimbursement of VAT [Source - [Uttarakhand Economic Survey 2020-21 \(Volume-II\); An Analytical Review of Industrialization in Uttarakhand, 2022](#)].

# Out of all the major sectors, Other Services sector and Public Administration has shown the highest growth in GSVA over the last decade



Source: MoSPI, 2021-22.

Note: i. Real variables have been used to calculate the shares; ii. Agriculture refers to Agriculture and its allied activities such as fishing, animal husbandry, crops etc.; iii. Industry includes Mining & Quarrying, Manufacturing, Construction, and Supply of Electricity & Water; iv. Services include Transport, Storage & Communications, Trade, Hotels and Restaurants, Real Estate, Banking and Financial Services, Public Administration and some other miscellaneous services.

## Table 2C: Uttarakhand's Sectoral Growth Rates and Decadal Averages

Sector	Latest Annual Growth Rate (2019-20)	Decadal Average of Growth rates (b/w 2010-11 and 2019-20)	Decadal Average of Growth rates for India (b/w 2010-11 and 2019-20)
<b>Agriculture</b>	4.5%	1.8%	4.4%
<b>Industry</b>	-1.0%	7.0%	5.3%
<b>Manufacturing</b>	-1.3%	6.8%	6.0%
<b>Services</b>	5.6%	8.2%	7.7%
<b>GVA</b>	2.1%	6.9%	6.4%
<b>GSDP</b>	2.0%	7.1%	6.6%

Source: MoSPI as of August 2023. Back series with 2011-12 base has been taken from EPWRF.

Note: i. Real variables have been used to calculate the growth rate; ii. Agriculture refers to Agriculture and its allied activities such as fishing, animal husbandry, crops etc.; iii. Industry includes Mining & Quarrying, Manufacturing, Construction, and Supply of Electricity & Water; iv. Services includes Transport, Storage & Communications, Trade, Hotels and Restaurants, Real Estate, Banking and Financial Services, Public Administration and some other miscellaneous services.

## Table 2D: Uttarakhand's Sectoral Growth Rates and Decadal Averages of Growth Rates

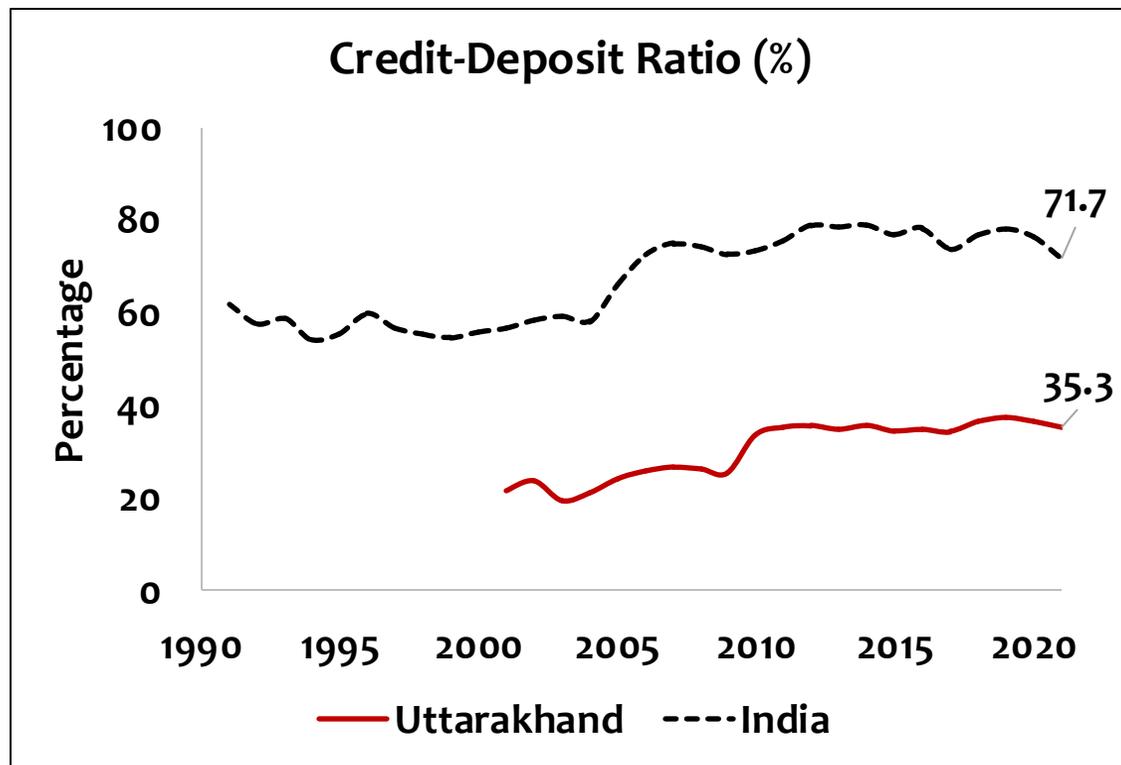
Sector	Latest Annual Growth Rate (2022-23)	Average of Growth rates (b/w 2018-19 and 2022-23)	Decadal Average of Growth rates (b/w 2013-14 and 2022-23)	Decadal Average of Growth rate for India (b/w 2013-14 and 2022-23)
<b>Agriculture</b>	-3.0%	1.2%	0.7%	4.1%
<b>Industry</b>	7.9%	1.1%	4.2%	5.2%
<b>Manufacturing</b>	6.0%	-0.04%	3.4%	5.5%
<b>Services</b>	9.6%	4.4%	7.3%	6.6%
<b>GSVA</b>	7.7%	2.4%	5.0%	5.7%
<b>GSDP</b>	7.6%	2.2%	5.0%	5.8%

Source: MoSPI as of March 2024. Back series with 2011-12 base has been taken from EPWRF.

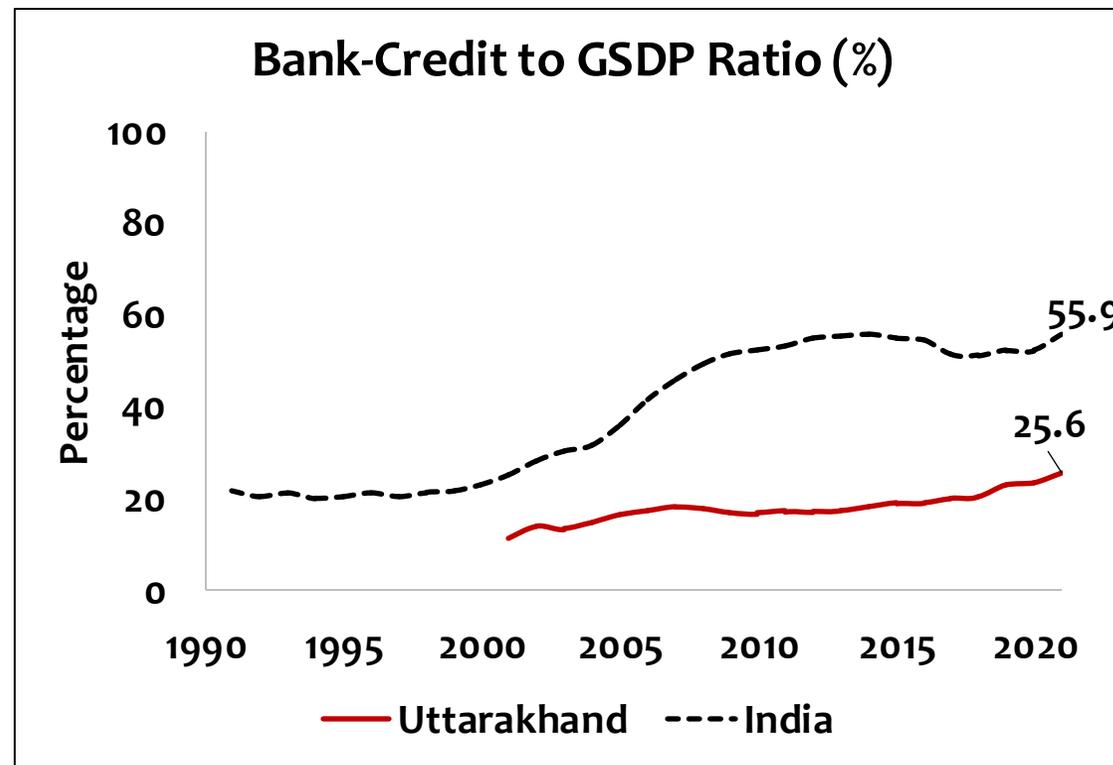
Note: i. India's GVA has been calculated taking a simple sum of the three sectors; ii. Real variables have been used to calculate the growth rate; iii. Sectoral growth rates are calculated based on GSVA numbers; iv. Agriculture refers to Agriculture and its allied activities such as fishing, animal husbandry, crops etc.; v. Industry includes Mining & Quarrying, Manufacturing, Construction, and Supply of Electricity & Water; vi. Services includes Transport, Storage & Communications, Trade, Hotels and Restaurants, Real Estate, Banking and Financial Services, Public Administration and some other miscellaneous services.

**Uttarakhand's Credit-Deposit Ratio is significantly lower than the all-India estimate with an over 35 percent point difference as of 2021. The Credit to GSDP Ratio is also very low with an over 30 percent point difference with the all-India figure as of 2021**

Indicators	Most Recent Value	Year	Decadal Change (b/w 2011-12 & 2020-21)	India
<b>Credit - Deposit Ratio (%)</b>	35.3%	2020-21	-0.3% points	71.7%
<b>Credit - GSDP Ratio (%)</b>	25.6%	2020-21	+8.2% points	55.9%

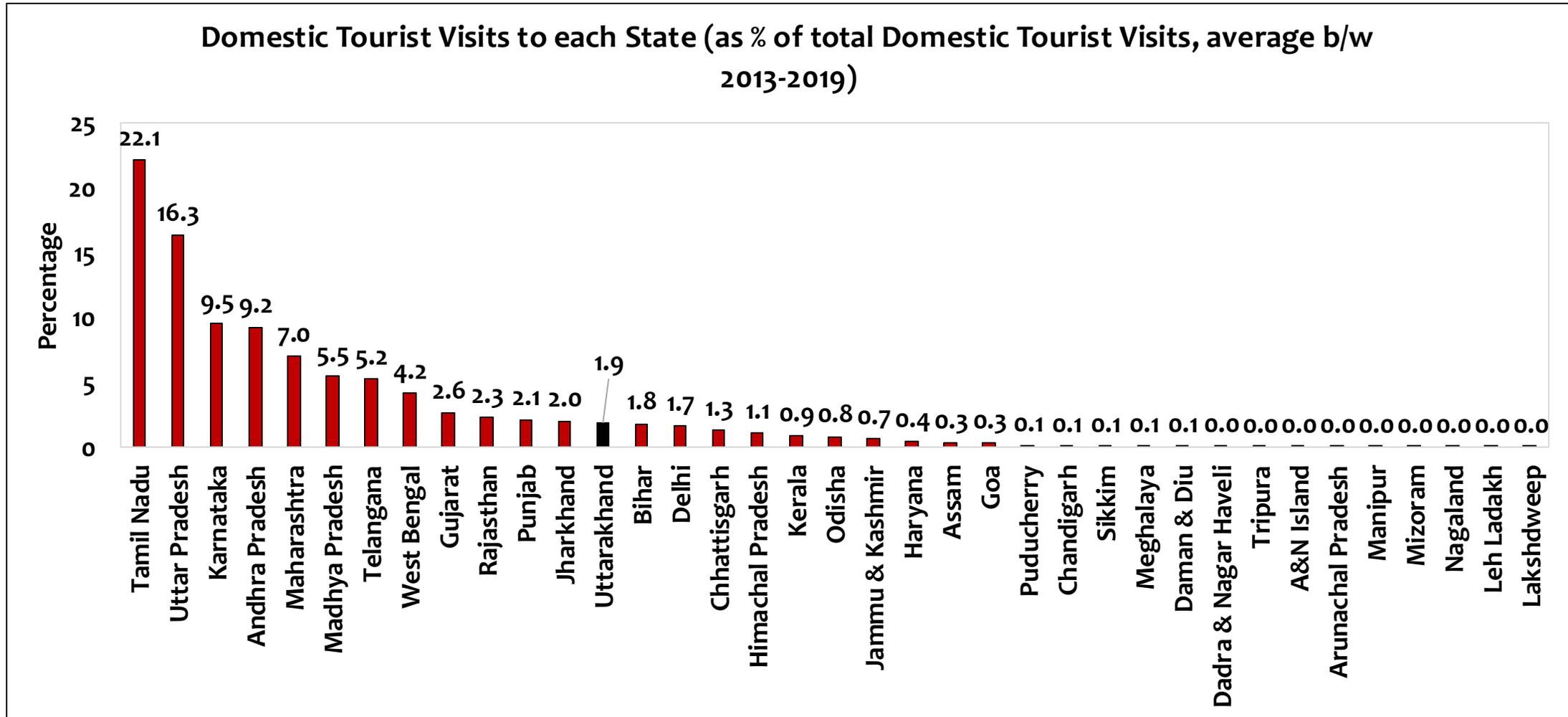


Source: Basic Statistical Returns (BSR) of Scheduled Commercial Banks, RBI (2020-21).  
 Note: India's numbers have been taken directly from the source.



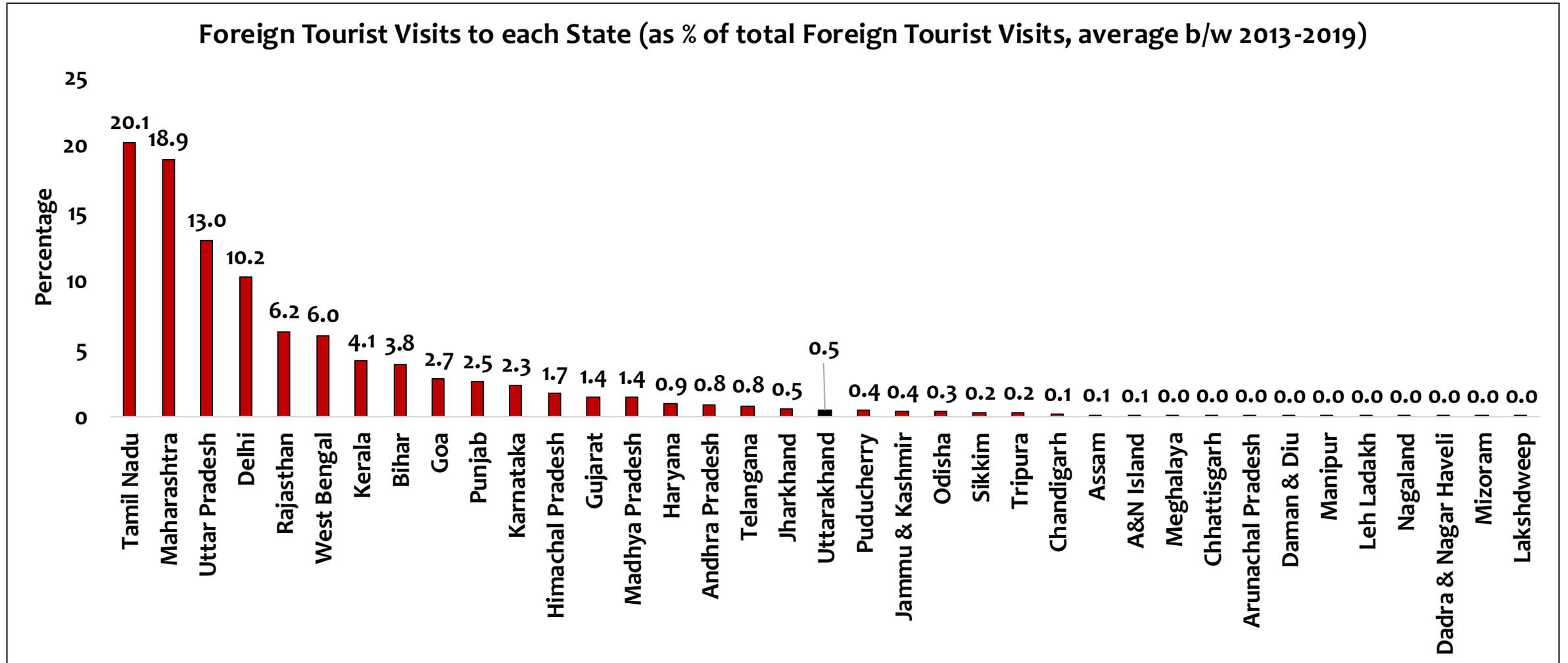
Source: i. Bank-Credit: Basic Statistical Returns (BSR) of Scheduled Commercial Banks, RBI (2020-21); ii. GSDP: MOSPI (2020-21). Back series with 2011-12 base has been taken from EPWRF.  
 Note: The Credit variable used is Credit Outstanding as per Sanction.

# Uttarakhand holds an average 1.9 percent share of Total Domestic Tourist Visits between 2013 - 2019



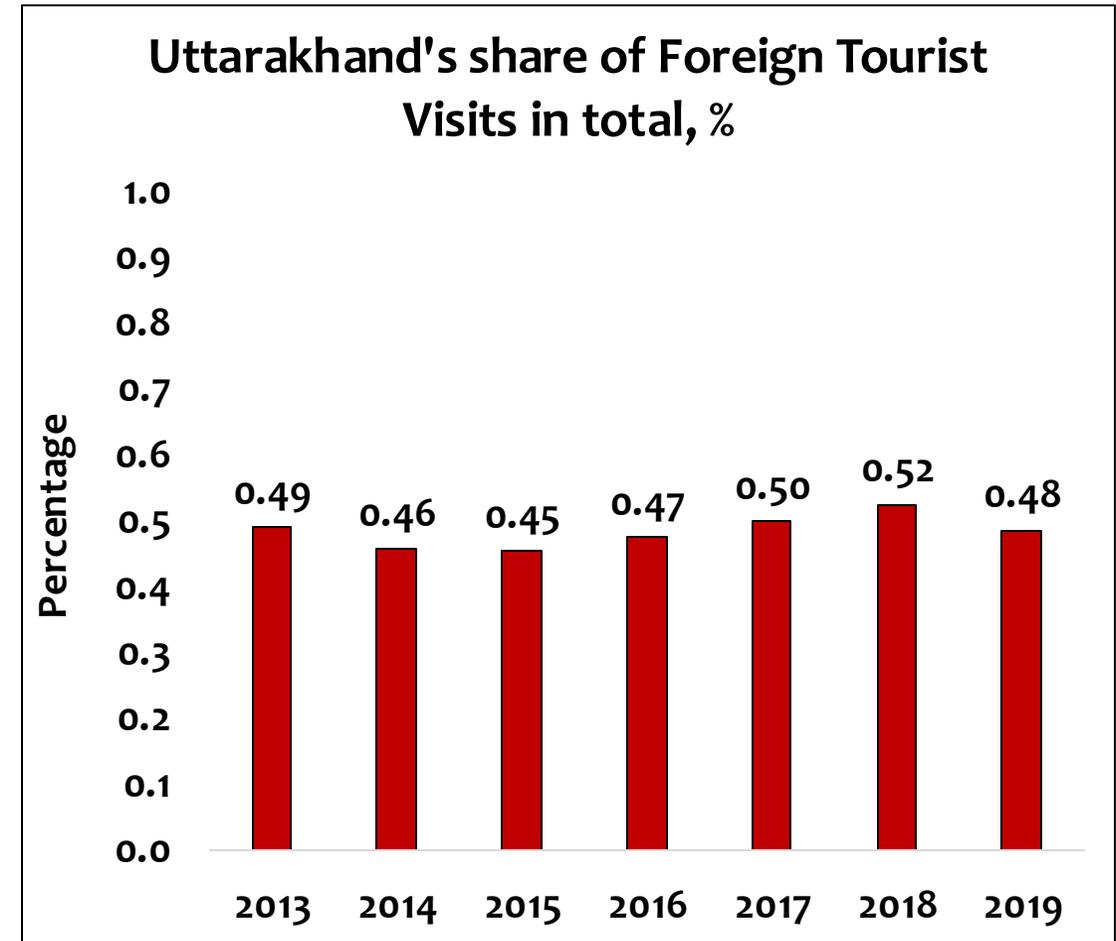
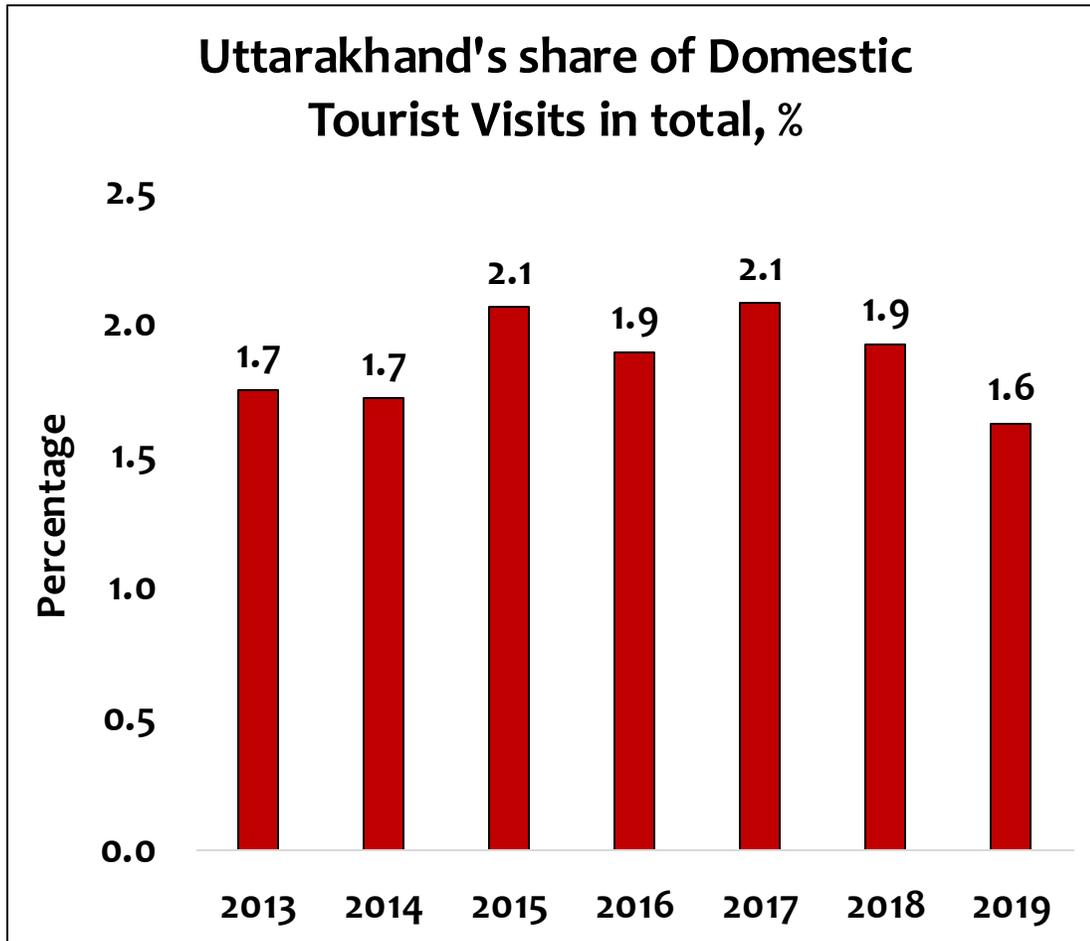
Source: Data on tourist visits have been compiled from multiple issues of India Tourism Statistics published by the Ministry of Tourism (2013 – 2019).

# Uttarakhand holds an average 0.5 percent share of total Foreign Tourist Visits between 2013 - 2019



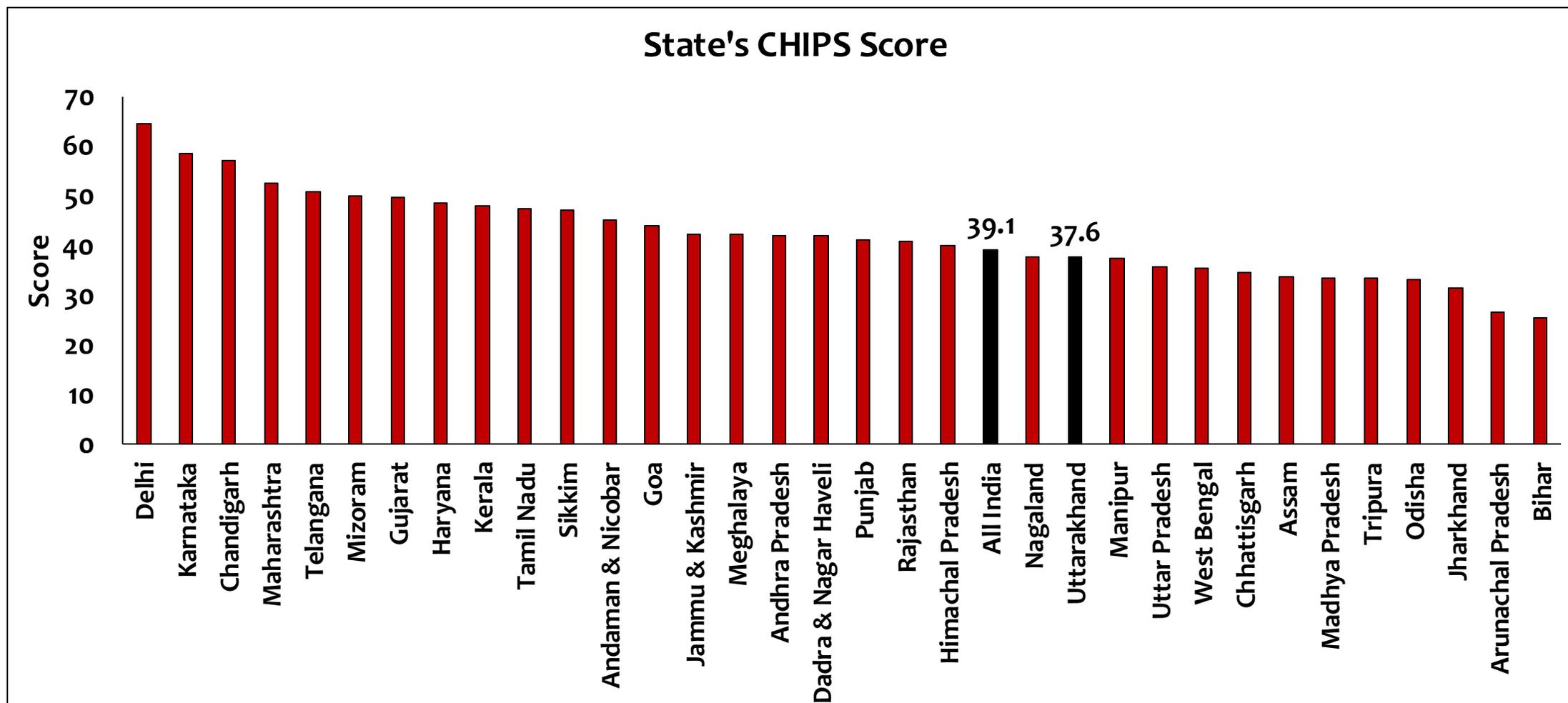
Source: Data on tourist visits have been compiled from multiple issues of India Tourism Statistics published by the Ministry of Tourism (2013 - 2019)

# Domestic and Foreign Tourist Visits over the years in Uttarakhand



Source: Data on tourist visits have been compiled from multiple issues of India Tourism Statistics published by the Ministry of Tourism (2013 – 2019)

# Uttarakhand's CHIPS (Connect, Harness, Innovate, Protect, and Sustain) score is among bottom twelve in India



Source: The State of India's Digital Economy Report 2024 by Indian Council for Research on International Economic Relations (ICRIER).

Note: 50 indicators have been used to measure the CHIPS score.

# 4. Socio-Economic Indicators (Education and Health)

- School Education data covers the period 2012-13 to 2016-17;
- Higher Education data covers the period 2012 to 2021;
- Health data covers the period 2011 – 2020 (SRS) and 1992-93 to 2019-21 (NFHS)

## Table 3A: Education Indicators for Uttarakhand

Indicator	Most Recent Value	India Value	Decadal Change (% points)	Source
<b>Literacy Rate</b>	78.8% (2011)	73.0%	+7.2% points (b/w 2001 & 2011)	Census of India
<b>Drop-Out Rates (Class X)</b>	14.5% (2016-17)	35.2%	-1.9% points (b/w 2013-14 & 2016-17 )	U-DISE
<b>Drop-Out Rates (Class VIII-X)</b>	9.1% (2016-17)	21.1%	-0.6% points (b/w 2014-15 & 2016-17 )	U-DISE
<b>Students passing Board Examinations (Class X)</b>	84.7% (2016-17)	86.1%	+4.1% points (b/w 2012-13 & 2016-17)	U-DISE
<b>Student passing Board Examinations (Class XII)</b>	82.0% (2016-17)	87.3%	+4.6% points (b/w 2012-13 & 2016-17 )	U-DISE
<b>Gross Enrolment Ratio (Higher Secondary)</b>	75.8% (2015-16)	56.2%	+9.2 points (b/w 2012-13 & 2015-16)	U-DISE
<b>Gross Enrolment Ratio (Higher Education)</b>	45.7% (2021)	27.3%	+14.6% points (b/w 2012 & 2021)	AISHE
<b>Gender Parity Index (Higher Education)</b>	1.14 (2021)	1.05	+0.07 points (b/w 2012 & 2021)	AISHE
<b>Colleges per 100,000 population</b>	40 (2021)	31	+8.3 points (b/w 2012 & 2021)	AISHE

Note: i. Indicators for Higher Education are based on the population of the age group 18-23 years; ii. India number has been taken directly from the source; iii. Decadal changes are across a period of 10 years unless data is available for a lesser period; iv. All years represent corresponding survey years.

## Table 3B: Health Indicators for Uttarakhand

Indicator	Most Recent Value	India Value	Decadal Change (% points)	Source
<b>Infant Mortality Rate</b>	24 deaths per 1000 live births (2020)	28 deaths per 1000 live births	36 deaths per 1000 live births (2011)	Sample Registration System
<b>Total Fertility Rate</b>	1.9 children per woman (2019-21)	2 children per woman	2.6 children per woman (2005-06)	NFHS
<b>Life Expectancy</b>	70.3 years (2020)	70.0 years	-1.1 years (from 2014)	Sample Registration System
<b>Children Fully Immunized</b>	80.8% (2019-21)	76.4%	+20.8% points	NFHS
<b>Households with Access to Improved Drinking Water Source</b>	95.5% (2019-21)	95.9%	+8.1% points	NFHS
<b>Households with Access to Electricity</b>	99.4% (2019-21)	96.5%	+19.4% points	NFHS
<b>Households with Access to Sanitation Facilities</b>	77.9% (2019-21)	69.3%	+33.5% points	NFHS

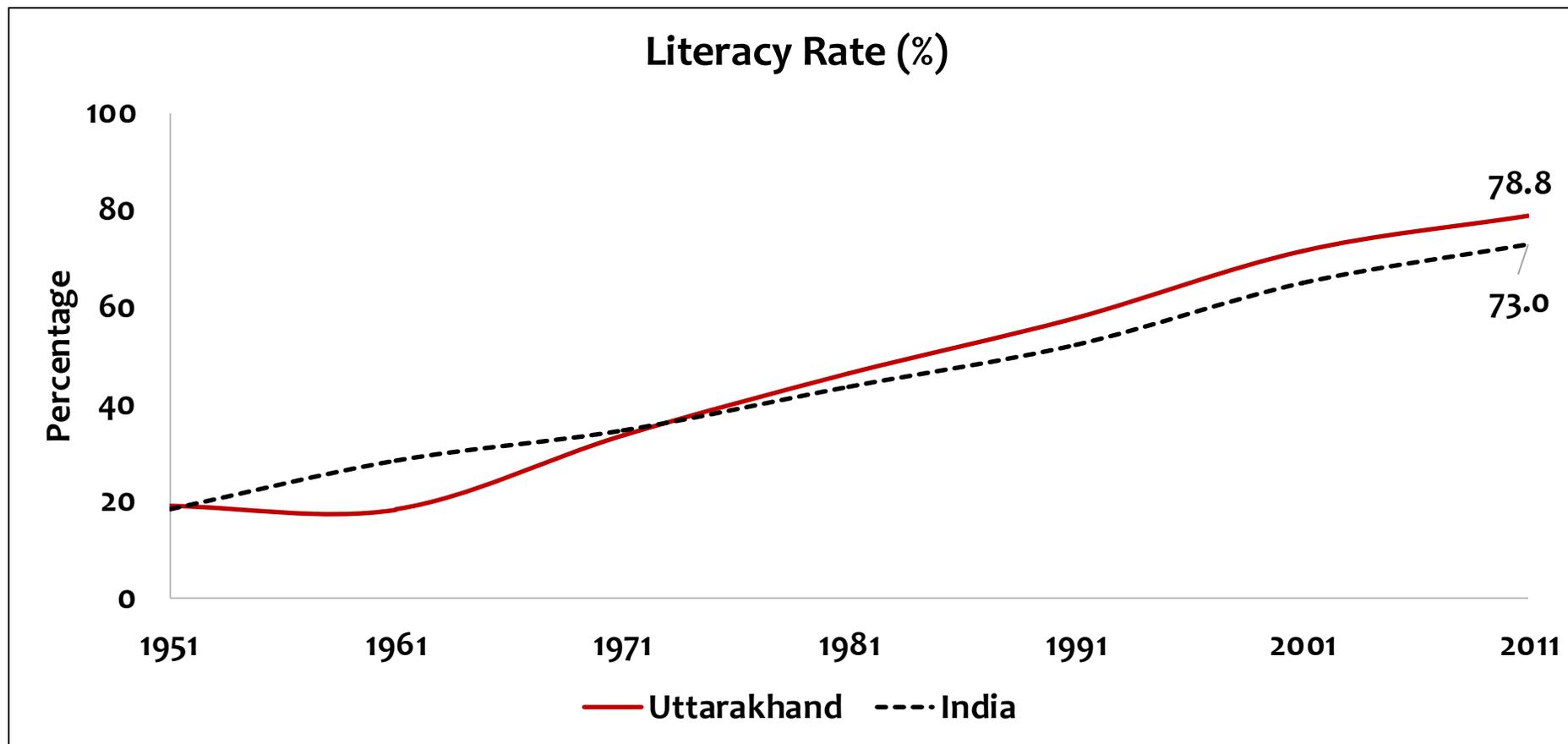
Note: i. Decadal change for NFHS variables taken from NFHS-V (2019-21) to NFHS-III (2005-06); ii. The number for India has been taken directly from the source; iii. All years represent corresponding survey years.

## Table 3C: Other Socio-Economic Indicators for Uttarakhand

Indicator	Most Recent Value	India Value	Decadal Change	Source
<b>Pupil-Teacher Ratio: Elementary</b>	16 (2016-17)	25	-11 points (b/w 2006-07 & 2016-17)	U-DISE
<b>Pupil-Teacher Ratio: Higher Secondary</b>	20 (2016-17)	31	-6 points (b/w 2012-13 & 2016-17)	U-DISE
<b>Pupil-Teacher Ratio: Higher Education</b>	23 (2018-19)	24	-5 points (b/w 2008-09 & 2018-19)	AISHE
<b>Underweight Children</b>	21.0 % (2019-21)	32.1%	-17.0 % points (b/w 2005-06 and 2019-21)	NFHS
<b>Stunting Among Children</b>	27.0 % (2019-21)	35.5%	-17.4 % points (b/w 2005-06 and 2019-21)	NFHS
<b>Anaemia Among Children</b>	58.8 % (2019-21)	67.1%	-2.6 % points (b/w 2005-06 and 2019-21)	NFHS
<b>Anaemia Among Women</b>	42.6 % (2019-21)	57.0%	-12.6 % points (b/w 2005-06 and 2019-21)	NFHS
<b>Under 5 Mortality Rate</b>	45.6 deaths per 1000 live births	41.9 deaths per 1000 live births	-11.2 deaths per 1000 live births (b/w 2005-06 and 2019-21)	NFHS
<b>Infant Mortality Rate</b>	39.1 deaths per 1000 live births	35.2 deaths per 1000 live births	-2.8 deaths per 1000 live births (b/w 2005-06 and 2019-21)	NFHS
<b>Multidimensional Poverty Index (MPI)</b>	0.04 (2019-21)	0.07	-0.04 points (b/w 2015-16 & 2019-21)	NFHS
<b>Sustainable Development Goals (SDG) Index</b>	79 (2023-24)	71	+19 points (b/w 2018-19 & 2023-24)	NITI Aayog

Note: i. Indicators for Higher Education are based on the population of the age group 18-23 years; ii. India number has been taken directly from the source; iii. Decadal change for NFHS variables taken from NFHS-III (2005-06) to NFHS-V (2019-21); iv. Infant Mortality Rate in Table 3B was defined using the SRS data and the Infant Mortality Rate defined here is based on the NFHS data; v. All years represent corresponding survey years.

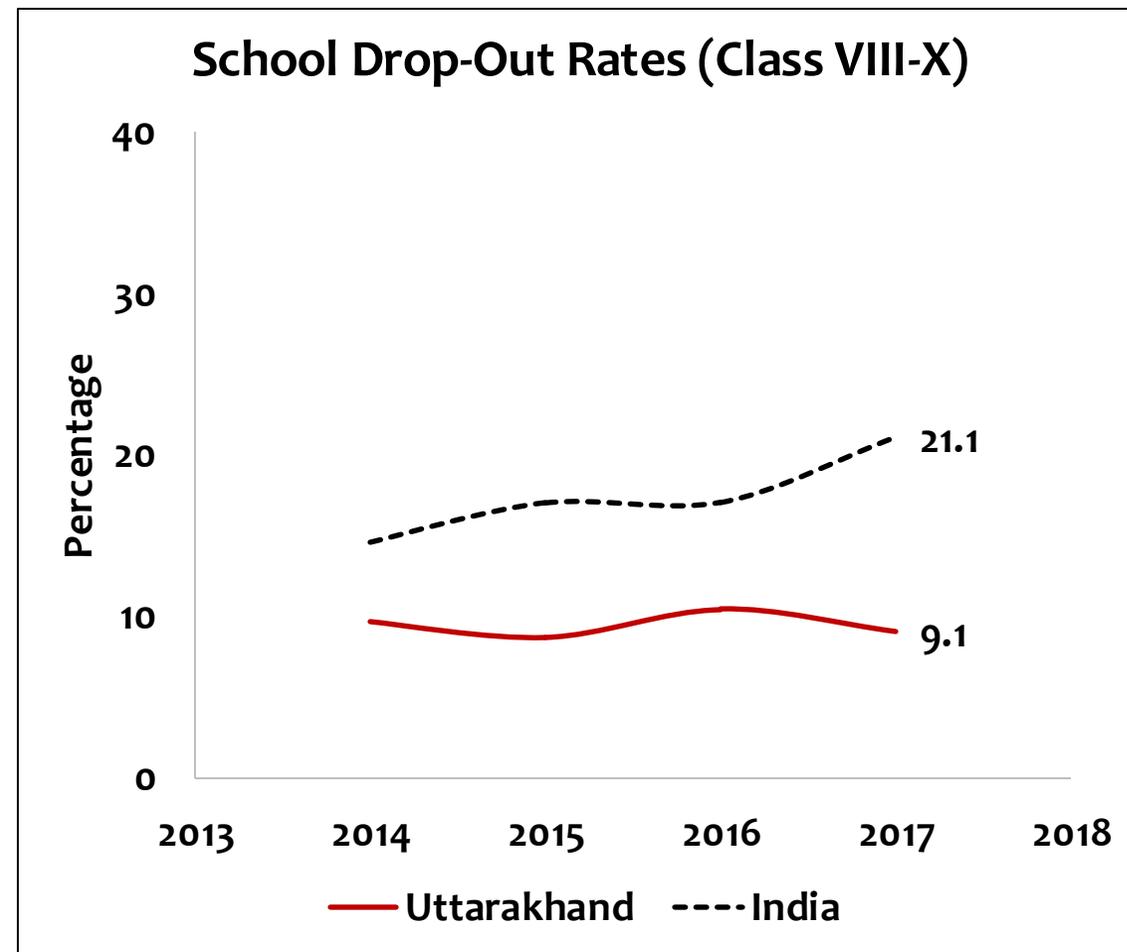
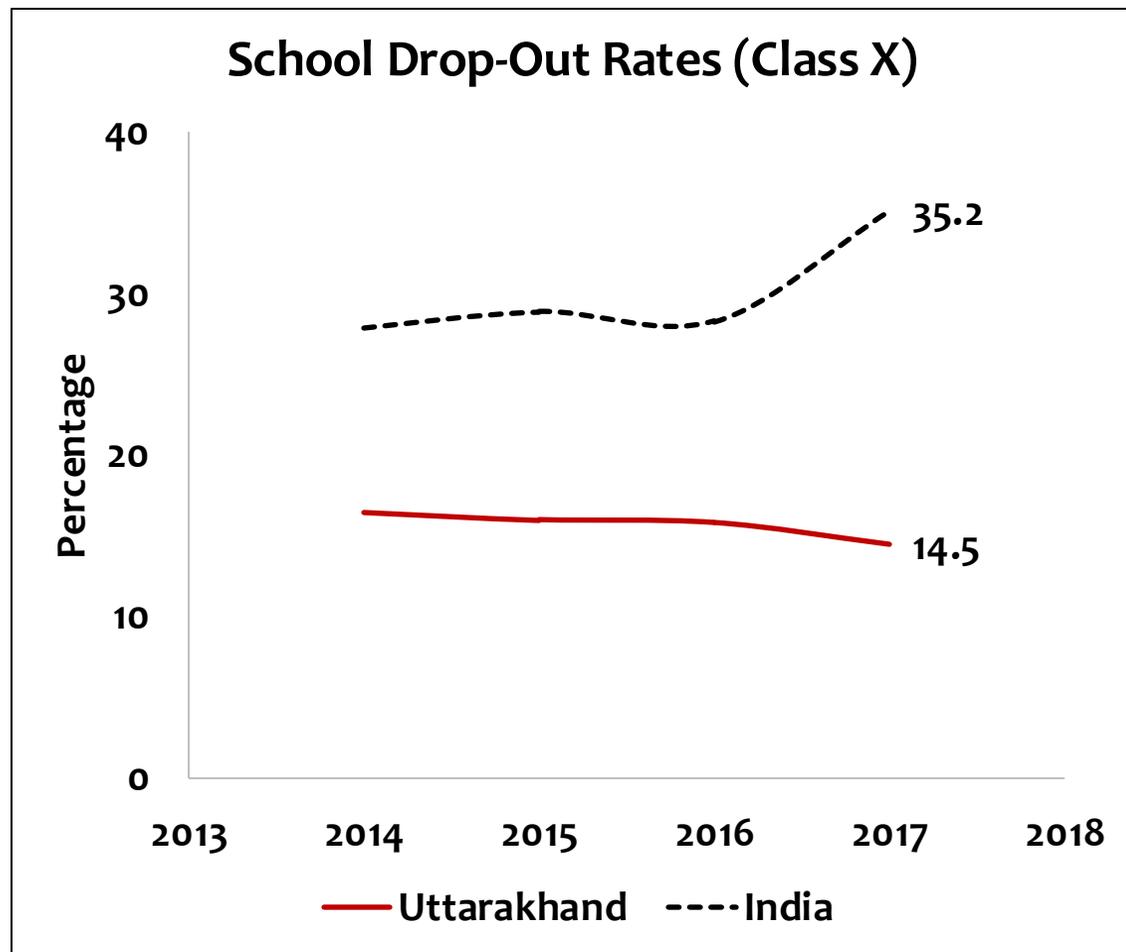
# Uttarakhand's Literacy Rate has increased rapidly over the decades and is above the national estimate as of 2011



Source: Office of the Registrar General and Census Commissioner, Ministry of Home Affairs (1951 – 2011).

Note: i. India number has been taken directly from the source; ii. Census Literacy Rate relates to population aged seven years and above from 1981; iii. Back-casted numbers before Uttarakhand's creation in 2000 are taken directly from the source.

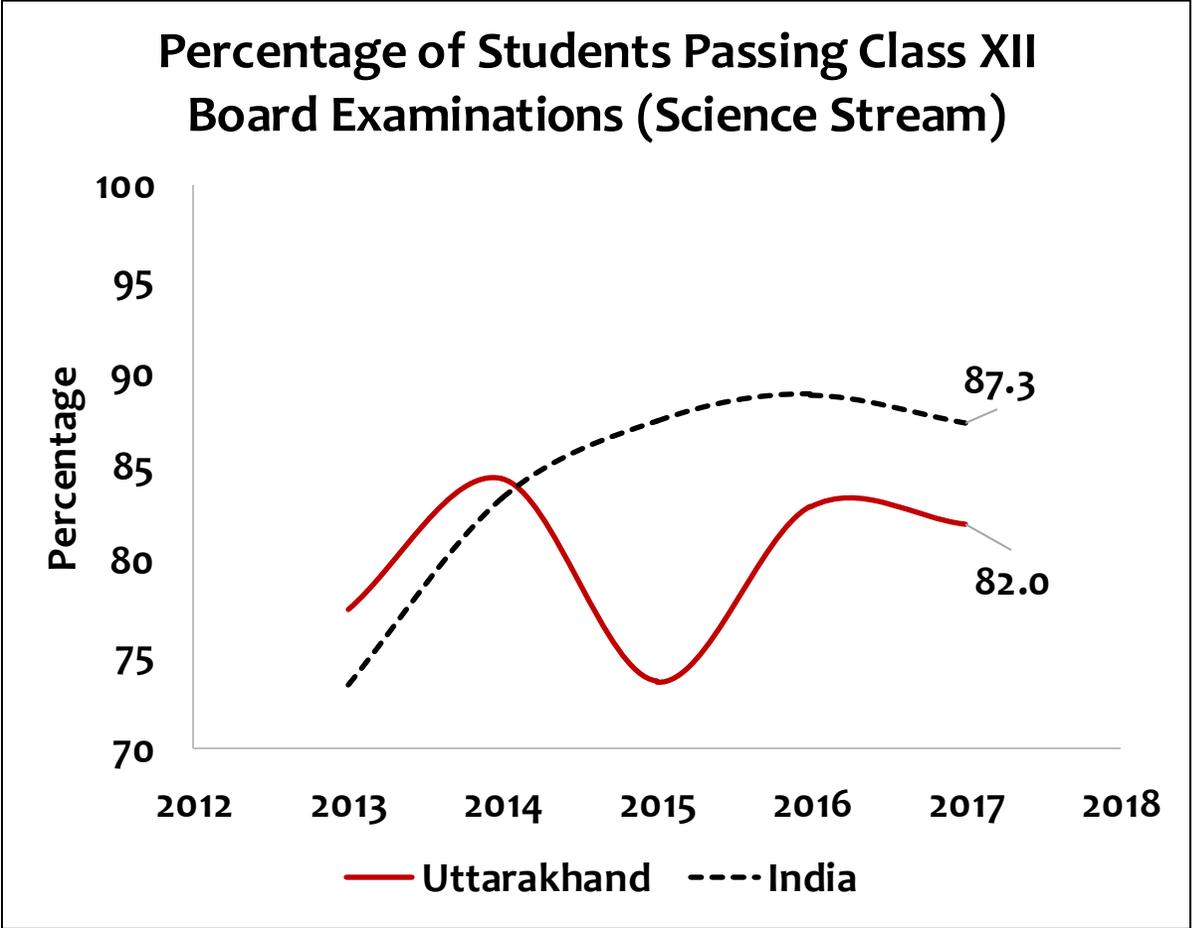
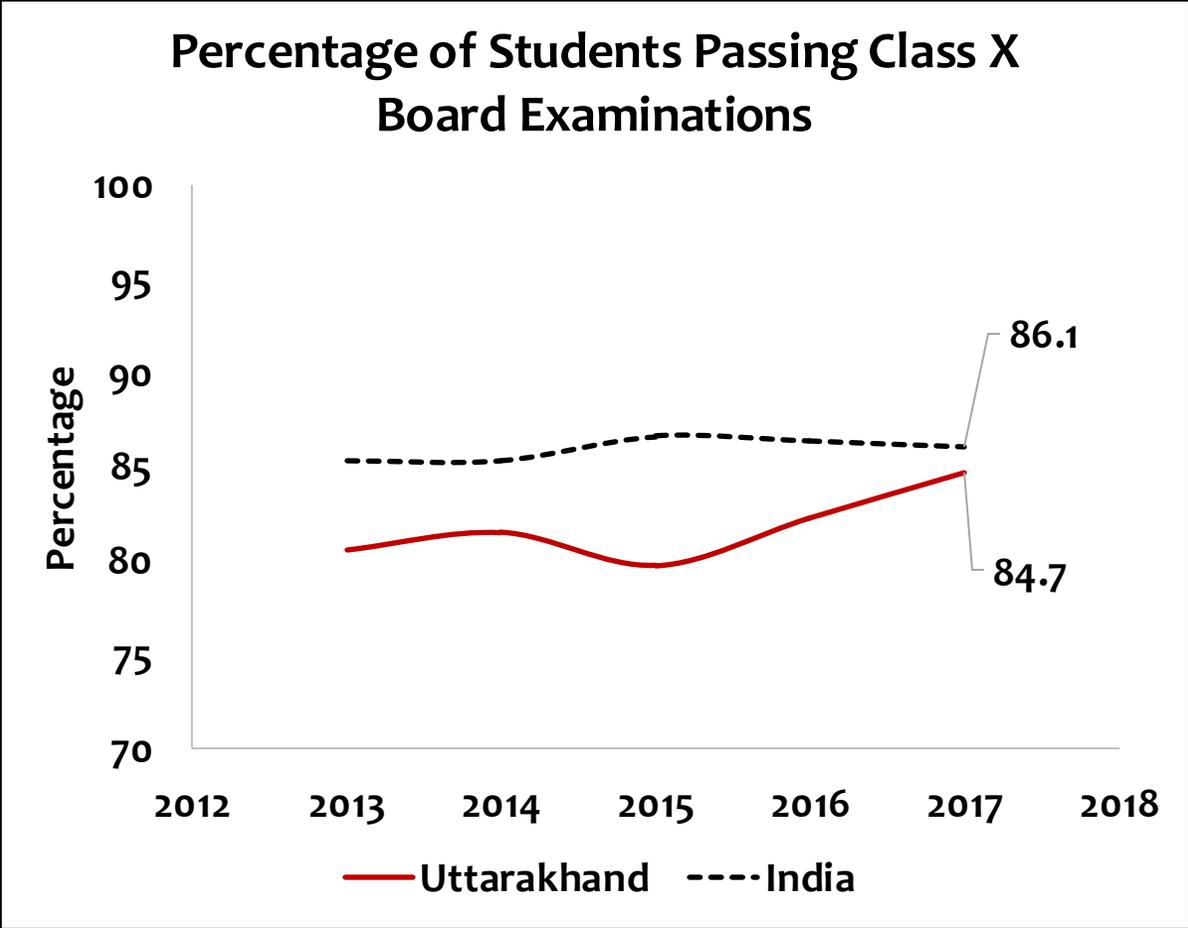
# Uttarakhand's School Drop-Out Rates for Class X and Secondary (Class VIII-X) Level are lower than the national figures over the period 2013-14 to 2016-17



Source: Unified District Information System for Education (U-DISE), 2015-16.

Note: i. Drop-Out Rate is defined as the proportion of pupils from a cohort enrolled in a given stage in a school year who are no longer enrolled in the following school year; ii. India number has been taken directly from the source.

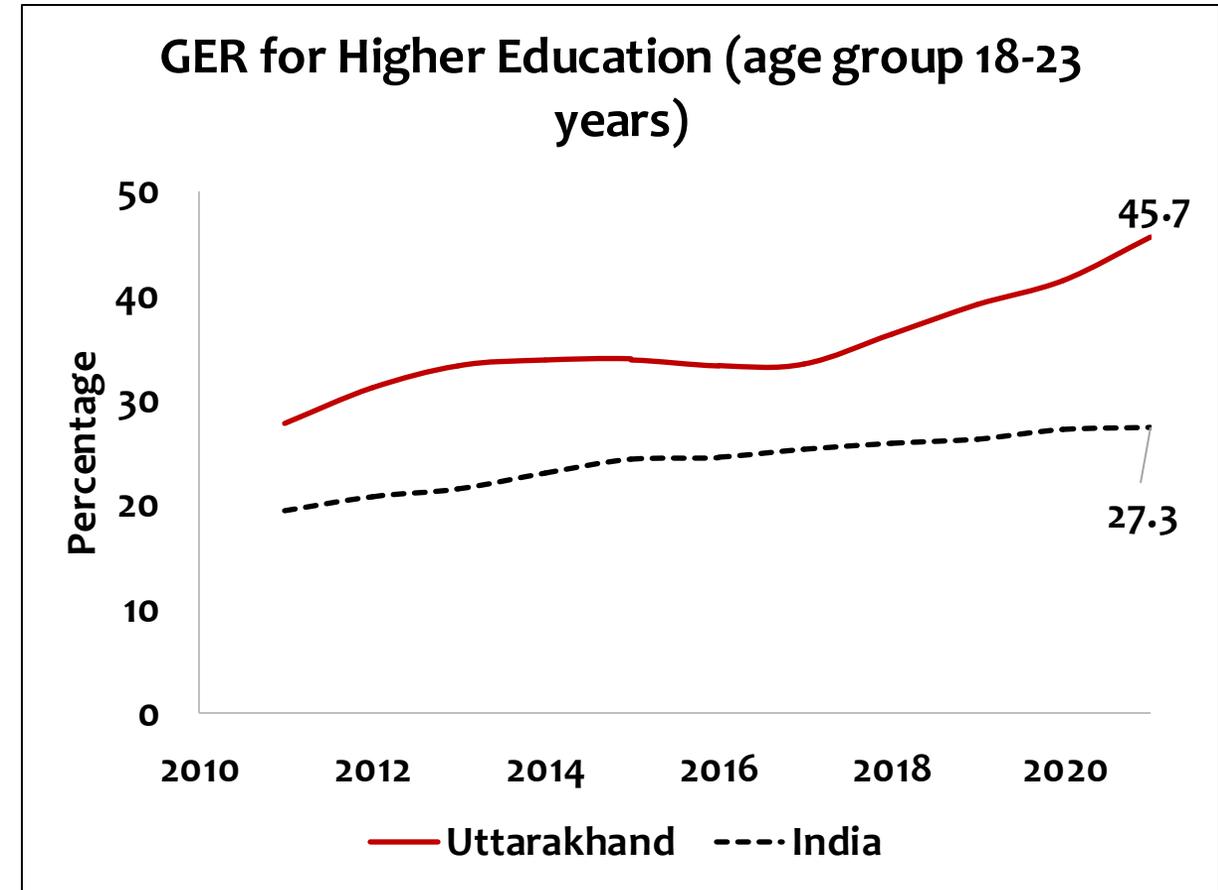
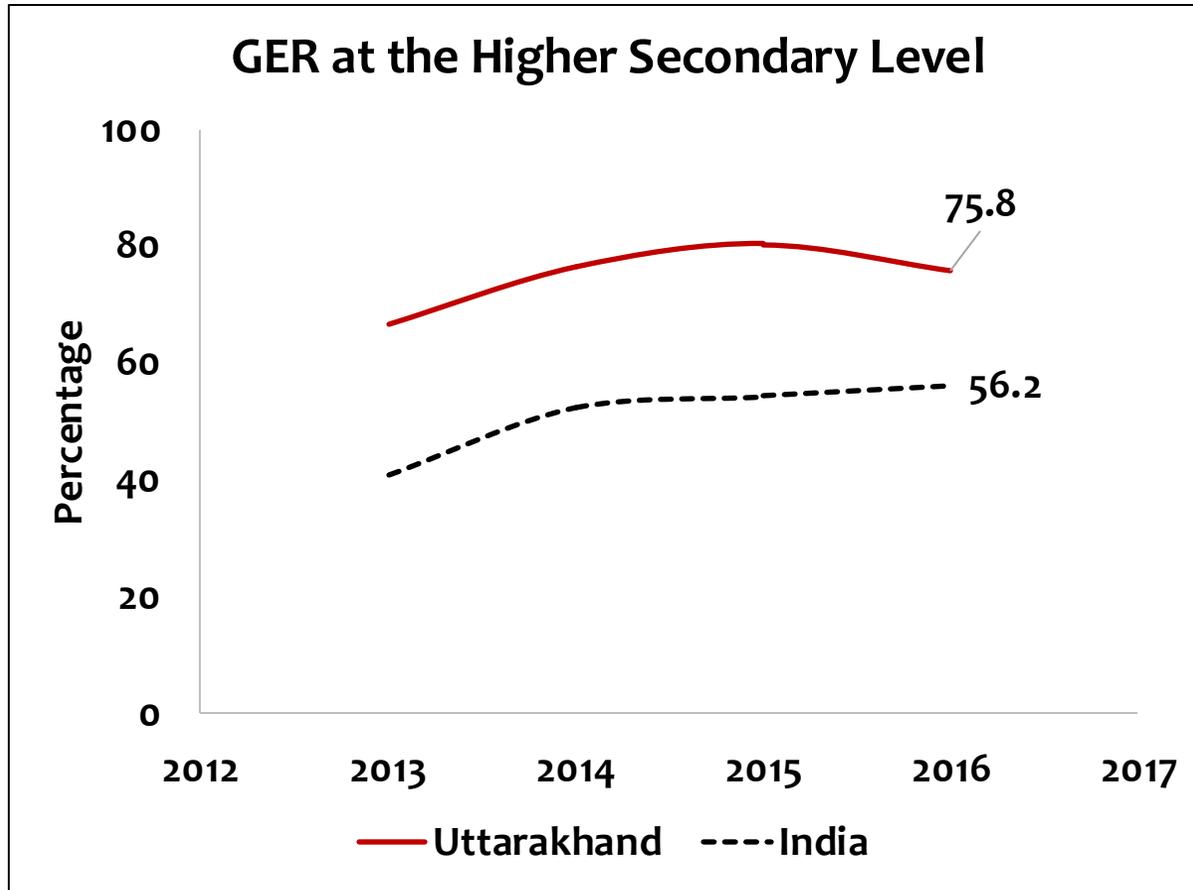
The students who pass the Secondary (Class X) Level Examinations are at 84.7 percent in Uttarakhand which is below the national average in 2016-17. The students who pass the Higher Secondary (Class XII) Level Examinations are at 82.0 percent which is also below the national average in 2016-17



Source: Unified District Information System for Education (U-DISE), 2015-16.

Note: i. Percentages are a simple average of the pass percentages for boys and girls as reported separately; ii. India number has been taken directly from the source; iii. Pass percentages for Higher Secondary Level are reported separately by Stream (Science, Arts, Humanities, Vocational, Others).

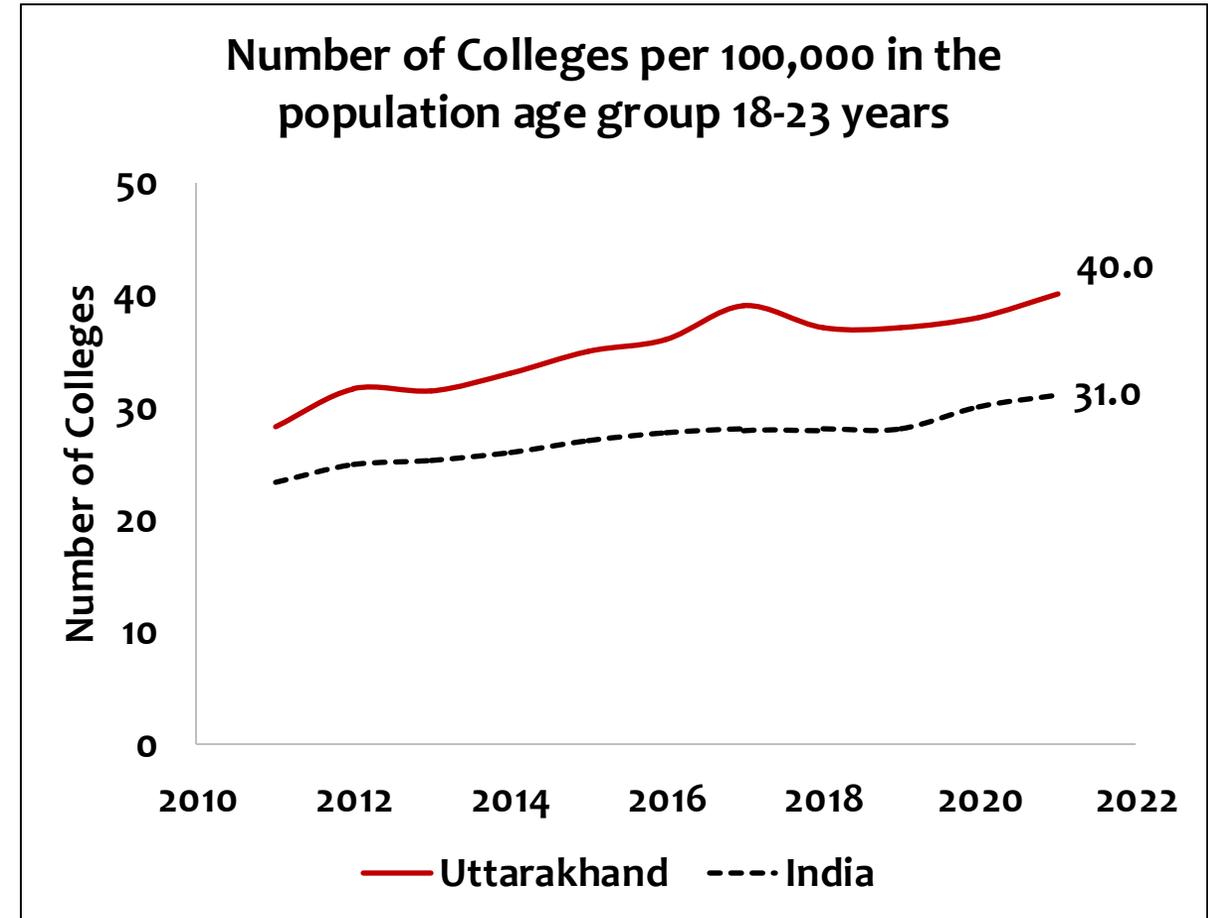
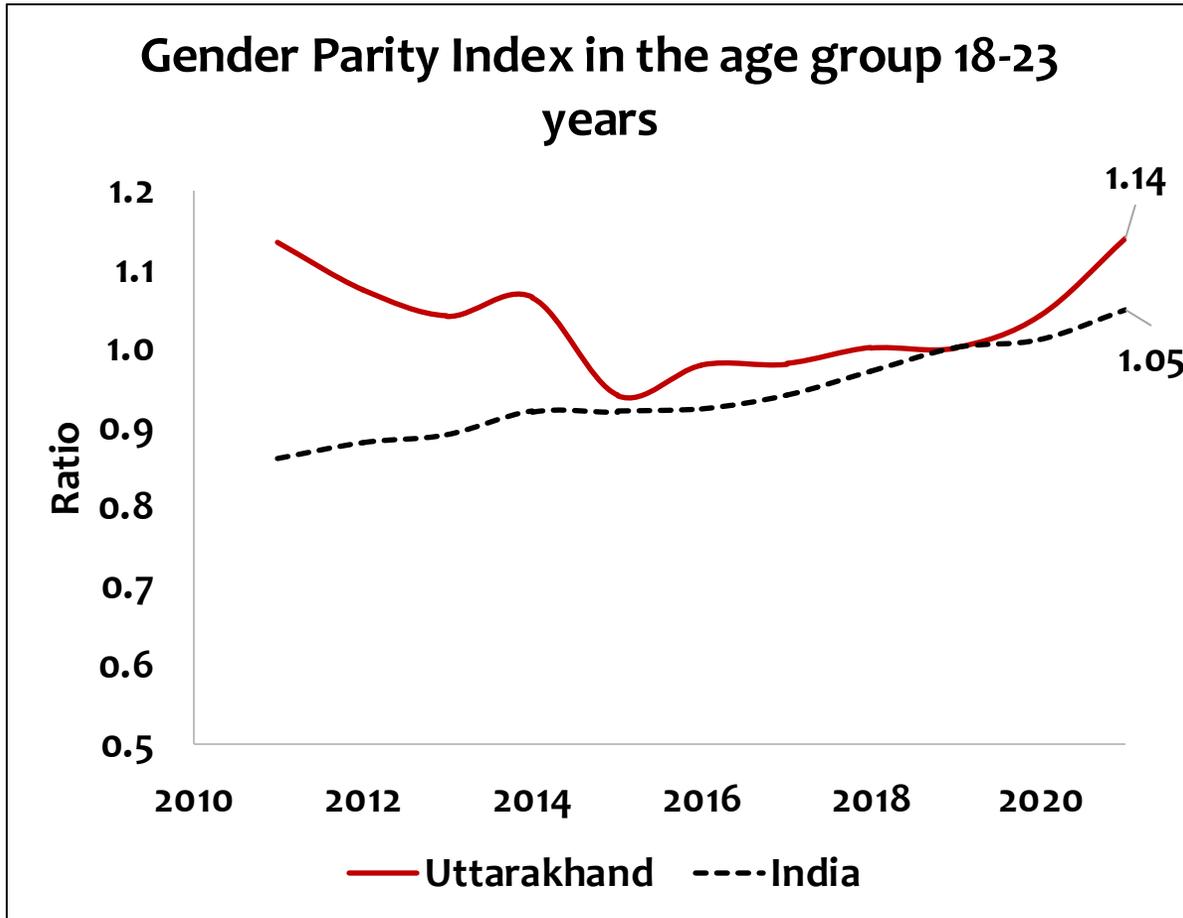
# Uttarakhand's Gross Enrolment Ratio (GER) at the Higher Secondary Level and the Higher Education (age group 18-23) level was above the all-India figure over their respective periods



Source: i. Unified District Information System for Education (U-DISE), 2015-16; ii. All India Survey on Higher Education (AISHE), 2020-21.

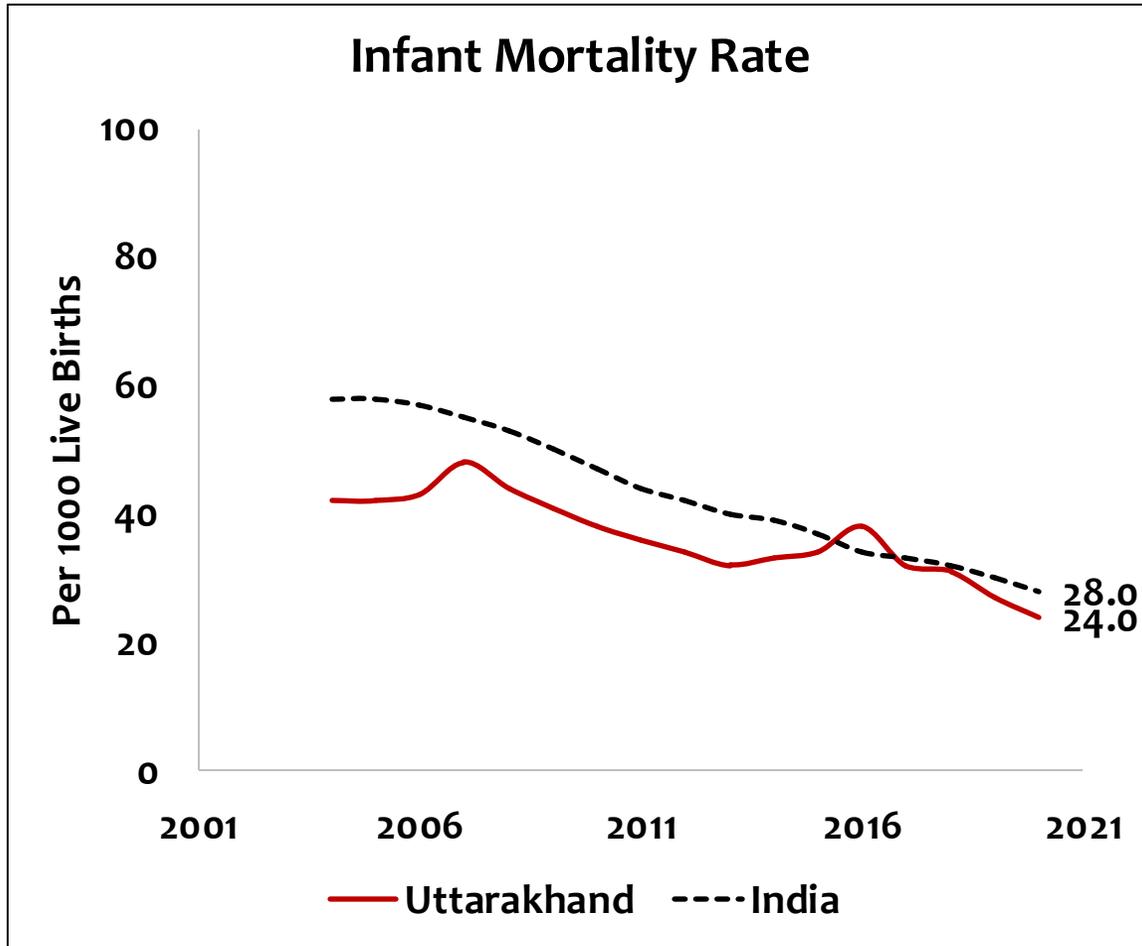
Note: i. GER is the total enrolment in a particular stage of education, regardless of age, expressed as a percentage of the official age-group of the population which corresponds to the given stage of education in a given year. It is the general level of participation per stage of education; ii. The Higher Education GER represents share of enrollees to the total population in the age group 18-23 years; iii. India number has been taken directly from the source.

In terms of Gender Parity Index (the share of girls to boys enrolled at Higher Education institutions in the age group 18-23 years), Uttarakhand is above or at the national benchmark across the last decade. The State has higher average college density per 100,000 people in the age-group 18-23 years compared to the national average



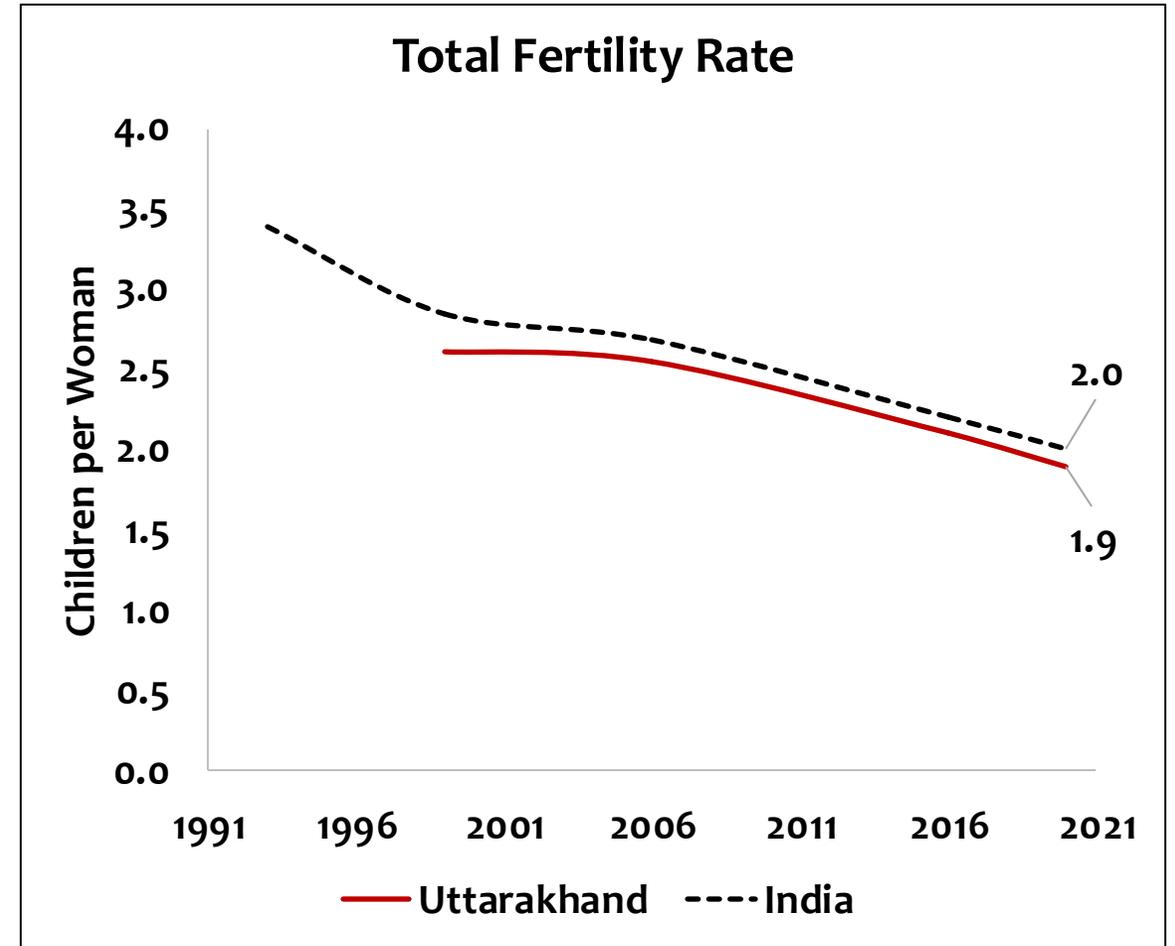
Source: All India Survey on Higher Education (AISHE), 2020-21  
Note: The number for India has been taken directly from the source.

# Uttarakhand has seen a decline in Infant Mortality and Total Fertility Rate over their respective decades and is in a better position than their national benchmarks as of 2021



Source: Sample Registration System (SRS) Bulletin, Ministry of Home Affairs, 2020.

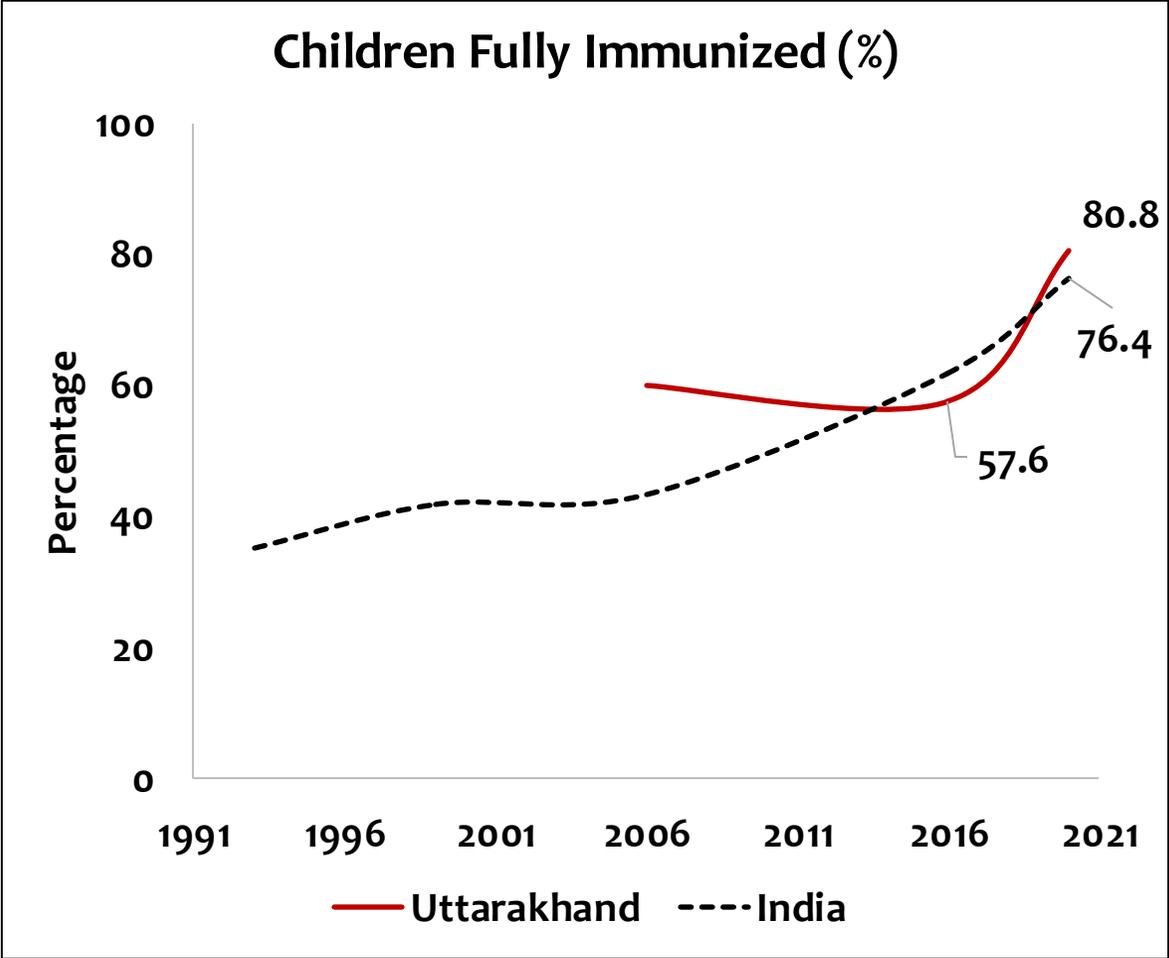
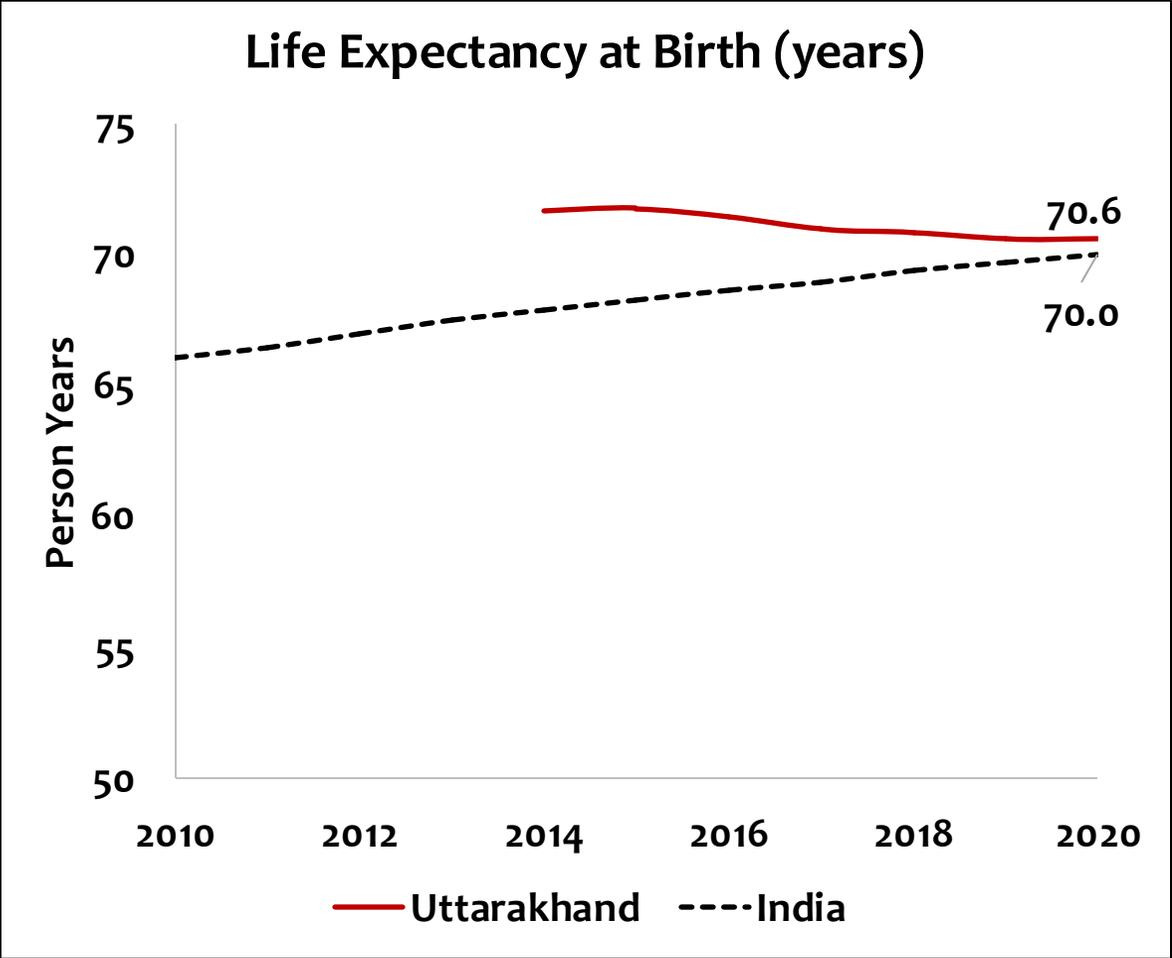
Note: India Number has been taken directly from the source



Source: National Family Health Survey (II - V).

Note: i. India Number has been taken directly from the source; ii. Back-casted numbers before Uttarakhand's creation in 2000 are taken directly from the source.

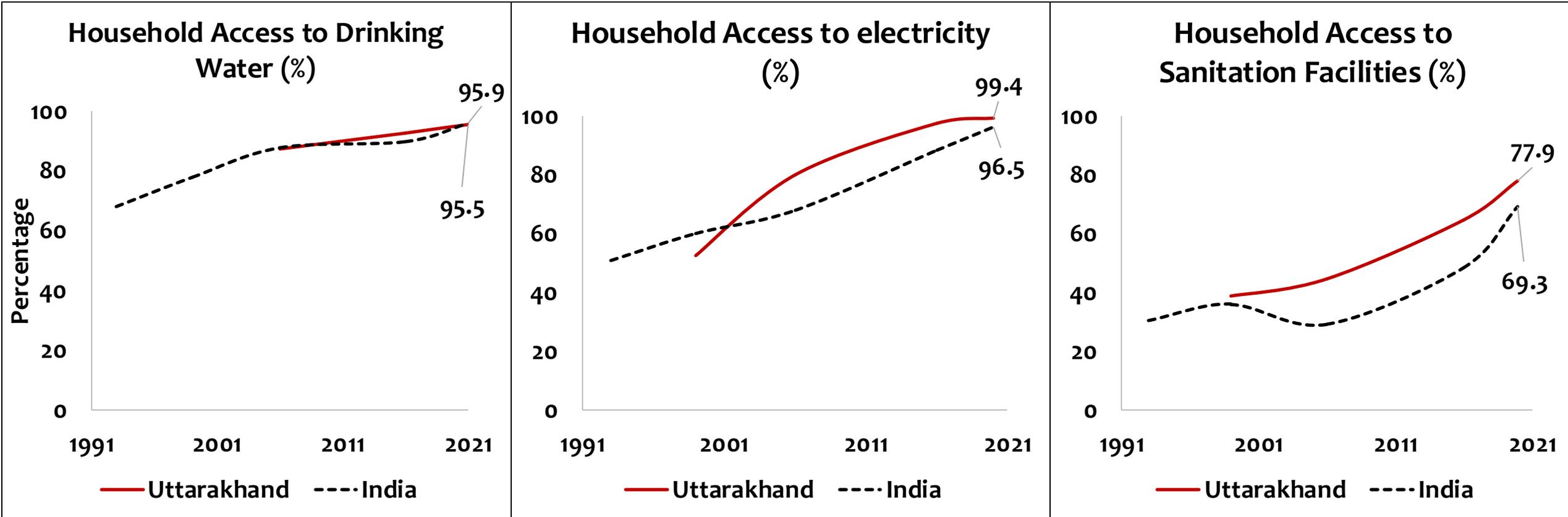
Life expectancy in Uttarakhand is slightly higher than an average Indian. For children (12-23 months) Fully Immunized with all basic vaccinations, Uttarakhand is placed higher than the national average as of 2021



Source: Sample Registration System Bulletin, Ministry of Home Affairs, 2020.  
Note: India number has been taken directly from the source.

Source: National Family Health Survey (III – V).  
Note: i. India number has been taken directly from the source; ii. Back-casted numbers before Uttarakhand’s creation in 2000 are taken directly from the source.

Uttarakhand has improved on “quality of life” indicators across the last two decades. Household access to drinking water, electricity and sanitation facilities are at par or above the national benchmark, as of 2021



Source: National Family Health Survey (II – V).

Note: i. India number has been taken directly from the source; ii. Drinking water and sanitation refers to improved sources and facilities respectively as defined in NFHS; iii. Back-casted numbers before Uttarakhand’s creation in 2000 are taken directly from the source.

# 5. Fiscal Indicators

- Fiscal Data covers the fiscal period 1990-91 - 2022-23
- Benchmark includes all 29 States (all Union Territories are excluded)

**Table 4A: Deficits, Revenue, Expenditure, Debt, Subsidies and Off-Budget Borrowings for Uttarakhand**

Indicators	Most Recent Value (% of GSDP)	For Year	Decadal Change (b/w 2013-14 & 2022-23)	States' Median (All States)	States' Median (Larger States)	States' Mean (All States and UTs)
<b>Fiscal Deficit, % of GSDP</b>	2.7 %	2022-23	+ 0.9 % points	3.8 %	3.6%	3.4 %
<b>Primary Deficit, % of GSDP</b>	0.7 %	2022-23	+ 0.3 % points	1.9 %	1.6%	1.7 %
<b>Revenue Surplus (+)/Deficit (-), % of GSDP</b>	+ 0.8 %	2022-23	+ 0.1 % points	0.3 %	-0.4%	- 0.5 %
<b>Total Revenue Receipts, % of GSDP</b>	17.2 %	2022-23	+ 5.6 % points	19.9 %	15.3%	14.4 %
<b>Own Tax Revenue, % of GSDP</b>	5.6 %	2022-23	+ 0.7 % points	6.3 %	6.4%	6.6 %
<b>Own Non Tax Revenue, % of GSDP</b>	1.6 %	2022-23	+ 0.8 % points	1.2 %	1.1%	1.0 %
<b>Total Expenditure, % of GSDP</b>	19.9 %	2022-23	+ 6.3 % points	24.0 %	19.3%	17.8 %
<b>Revenue Expenditure, % of GSDP</b>	16.4 %	2022-23	+ 5.5 % points	18.8 %	16.9 %	14.8 %
<b>Capital Expenditure, % of GSDP</b>	3.5 %	2022-23	+ 0.8 % points	4.0 %	3.4%	3.0 %
<b>Capital Expenditure, % of Total Exp</b>	17.6%	2022-23	- 2.2 % points	17.6 %	16.1%	16.7 %
<b>Total Public Debt, % of GSDP</b>	26.5 %	2022-23	+ 6.1 % points	32.1 %	30.7%	27.5 %
<b>Contingent Liabilities, % of GSDP</b>	0.1 %	2021-22	- 1.1 % points	1.6 %	1.7%	3.8 %

Source: Data is taken from RBI State Finances Report, as of December 2023.

Note: i. Median of All States includes all 29 States (all Union Territories are excluded); ii. Median of 22 States excludes the North Eastern States, except Assam; iii. All States/UTs shows the sum of 29 States, Delhi and Puducherry, expressed as a % of national gross domestic product.

## Table 4B: Deficits, Revenue, Expenditure, Debt, Subsidies and Off-Budget Borrowings for Uttarakhand

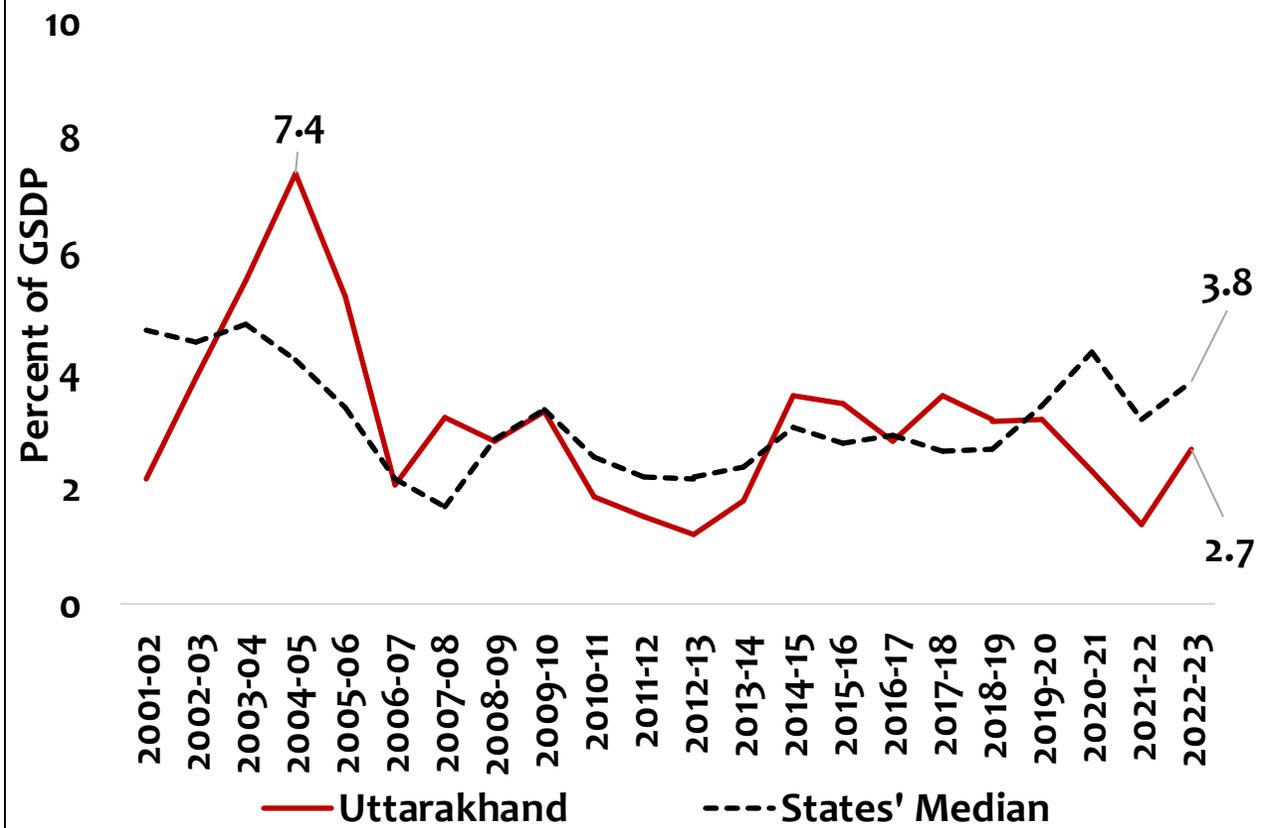
Indicators	Most Recent Value (% of GSDP)	For Year	Decadal Change (b/w 2013-14 & 2022-23)	States' Median (All States)	States' Median (Larger States)	All States/UT's (% of National GDP)
<b>Committed Expenditure, % of GSDP</b>	10.0%	2022-23	+2.3% points	9.2%	8.1%	6.9%
<b>Committed Expenditure, % of Total Expenditure</b>	50.3%	2022-23	-6.3% points	42.4%	40.9%	38.6%
<b>Subsidies, % of GSDP</b>	0.1%	2022-23	+0.01% points (b/w 2018-19 & 2022-23)	1.0%	1.1%	1.5%
<b>Subsidies, % of Total Expenditure</b>	0.4%	2022-23	-0.03% points (b/w 2018-19 & 2022-23)	3.7%	5.8%	8.2%
<b>Off-Budget Borrowings, % of GSDP</b>	-	2022-23	-	0.2%	0.2%	0.1%
<b>Per Capita Social Expenditure</b>	Rs. 24,586	2022-23	+Rs. 15,597	Rs. 18,949	Rs. 2,606	Rs. 6,514
<b>Per Capita Health Expenditure</b>	Rs. 4,137	2022-23	+Rs.3,133	Rs. 17,385	Rs. 2,494	Rs. 5,669
<b>Per Capita Education Expenditure</b>	Rs. 9,098	2022-23	+Rs. 4,904	Rs. 17,585	Rs. 2,421	Rs. 5,700
<b>Social Expenditure, % of Total Expenditure</b>	47.3%	2022-23	+0.9% points	43.9%	45.6%	45.3%
<b>Health Expenditure, % of Total Expenditure</b>	8.0%	2022-23	+2.8% points	6.3%	6.3%	6.2%
<b>Education Expenditure, % of Total Expenditure</b>	17.5%	2022-23	-4.1% points	14.6%	14.8%	14.7%
<b>Buoyancy for Revenue Expenditure with GSDP - ratio</b>	2.0%	2022-23	+0.8% points	1.8%	1.7%	1.5%

Source: i. Subsidies, Wage and Salaries, Pension, Social sector expenditure, Medical and Public Health, Family Welfare, Education expenditure, Total Expenditure data are from the RBI's State Finances Reports, as of December 2023; ii. Off-Budget Borrowing data is from Ministry of Expenditure (2021-22, 2022-23); iii. Data for Population and GSDP are taken from MoSPI.

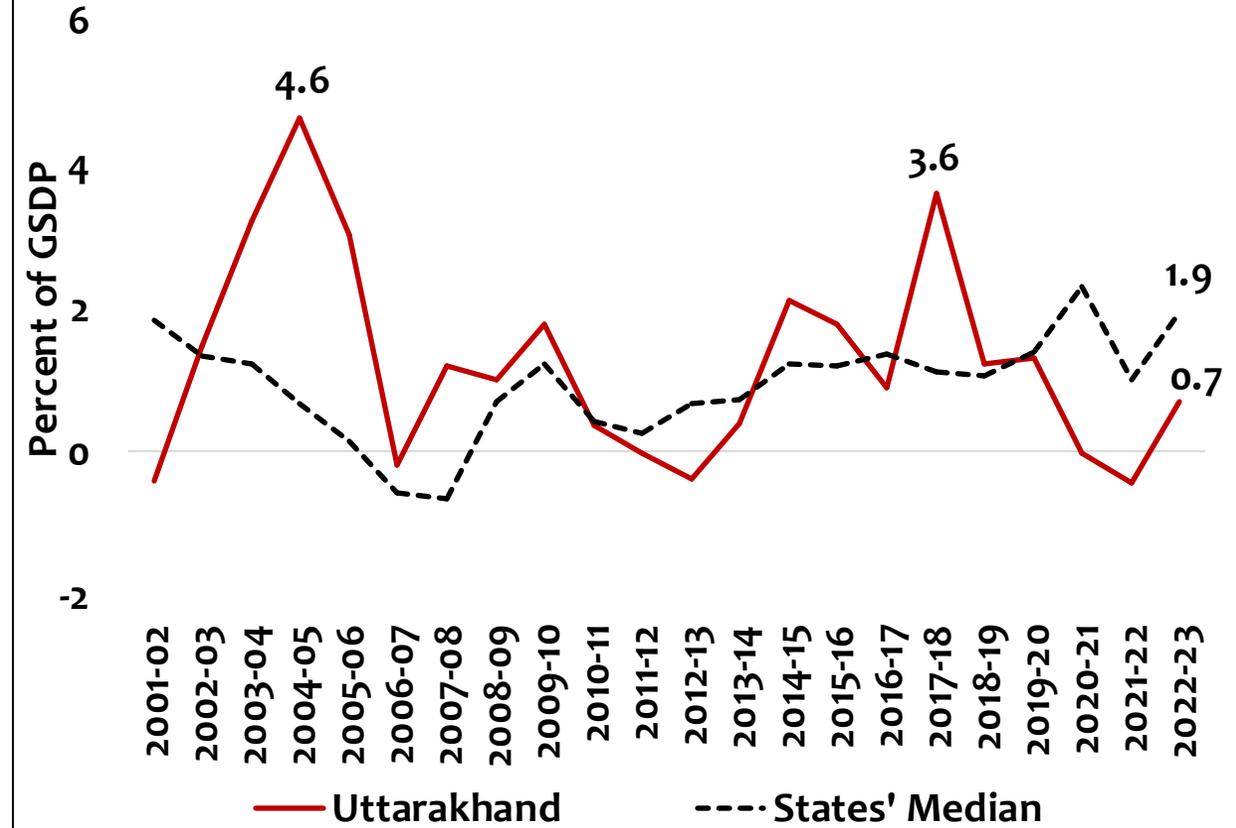
Note: i. Median of All States includes all 29 States (all Union Territories are excluded); ii. Median of 22 States excludes the North Eastern States, except Assam; iii. All States/UTs shows the sum of 29 States, Delhi and Puducherry, expressed as a % of national gross domestic product; iv. Committed Expenditure is calculated as the sum of Wage, Salaries, and Pension; v. Health Expenditure is calculated as the sum of Medical and Public Health, Family Welfare; vi. Social, Health, and Education Expenditures are calculated as per capita values by dividing the respective expenditure by the population; vii. Total Expenditure is calculated as the sum of Revenue Expenditure (RevEx), Capital Outlay, and Loans and Advances; viii. The Buoyancy of Revenue Expenditure is calculated as the ratio between the year-on-year growth rate of Revenue Expenditure and that of GSDP.

# In 2022-23, Uttarakhand ran a Fiscal Deficit and Primary Deficit of 2.7 and 0.7 percent of its GSDP respectively, both lower than a median State

### Fiscal Deficit, % of GSDP



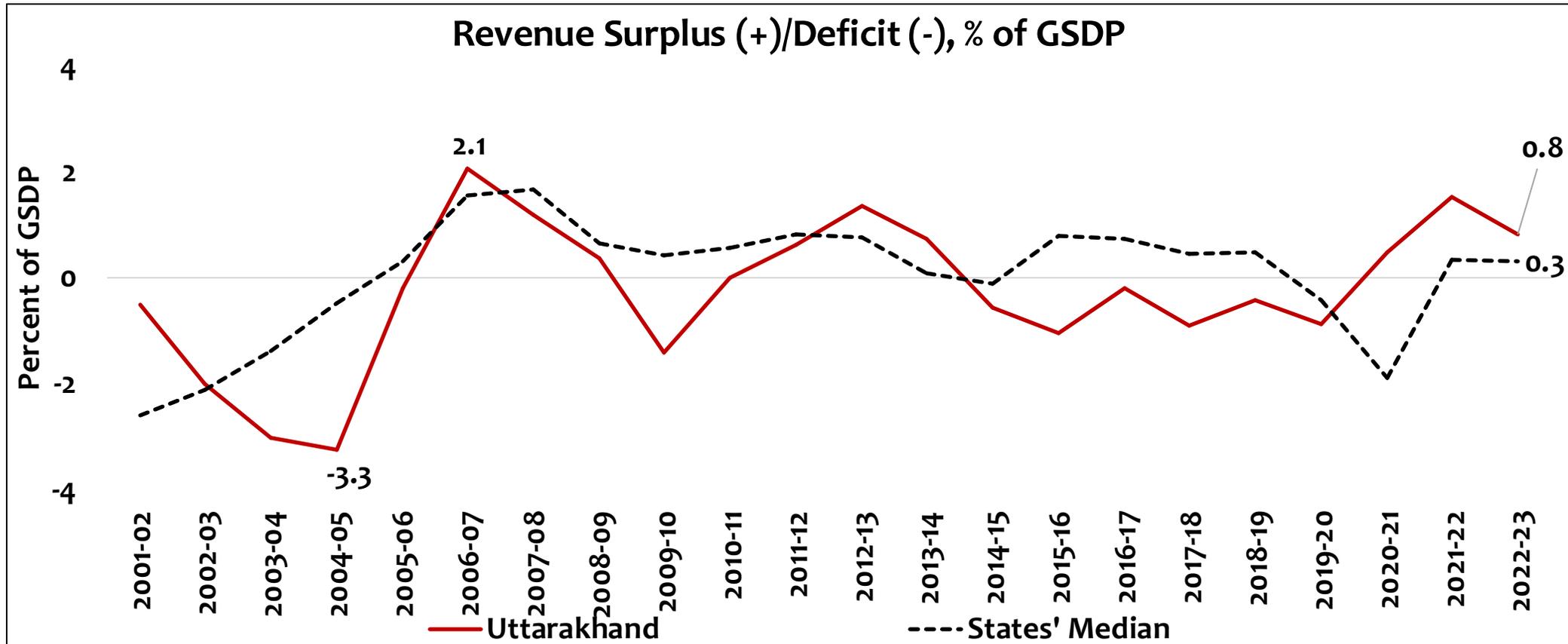
### Primary Deficit, % of GSDP



Source: i. Fiscal Deficit (FD) is from RBI State Finances Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23).

Note: i. Primary Deficit (PD) is calculated (Fiscal Deficit – Interest Payments). Interest Payments is sourced from RBI SFR; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded); iii. The significant fiscal and primary deficit in 2004-05 could result from the highest Total Expenditure in last two decades; iv. The fiscal and primary deficit improved after 2004-05 as a consequence of the enactment of the State FRBM Act in October 2005. [Source - Reserve Bank of India Occasional Papers, vol 32, 2011].

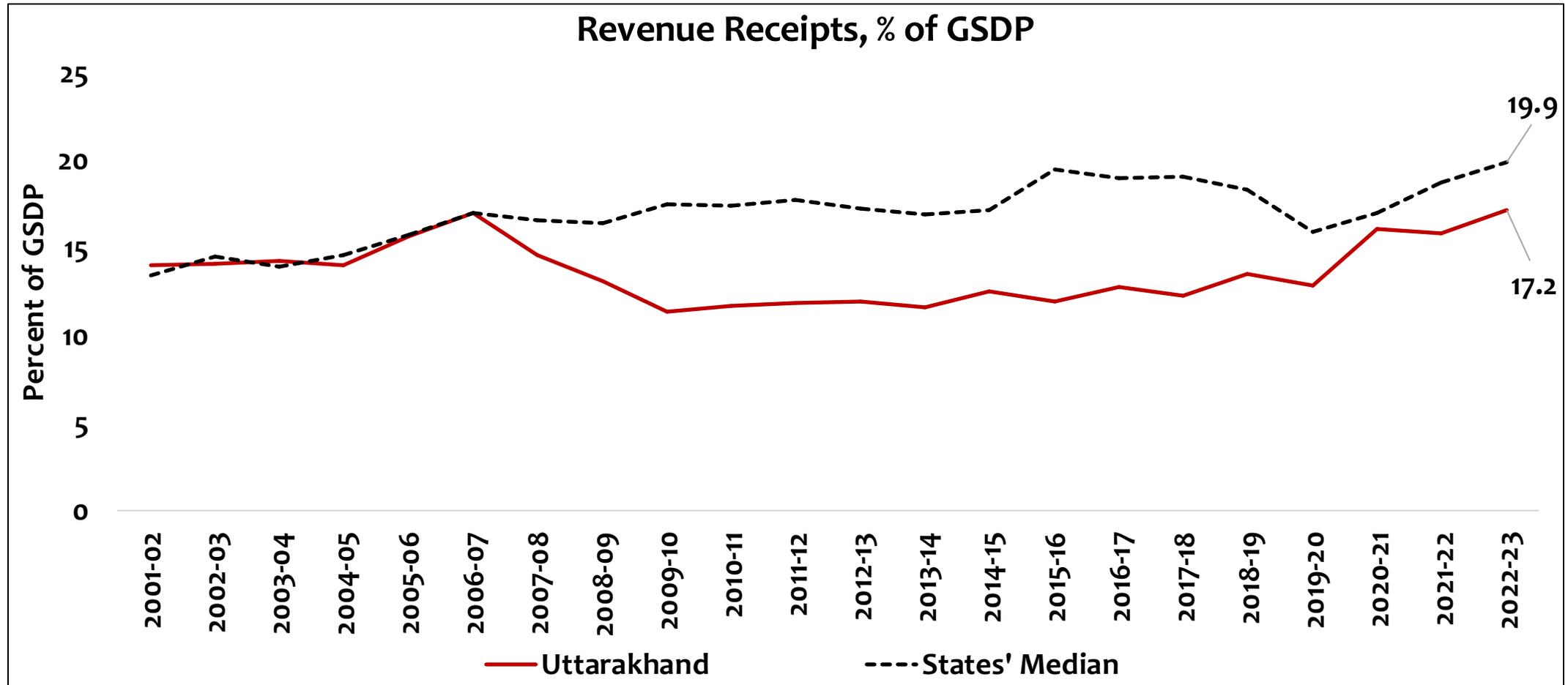
# Uttarakhand ran a Revenue Surplus 0.8 percent of its GSDP in 2022-23, about 0.5 percentage points higher than a median State in the same year



Source: i. Revenue Deficit is from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).

Note: i. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded); ii. The significant revenue deficit in 2004-05 could result from the highest Total Expenditure in the last two decades; iii. The revenue deficit continued to be in surplus during the years from 2005-06 to 2008-09 on the back of containment of revenue expenditure and increase in State's share in central taxes consequent to the Twelfth Finance Commission award [Source - [Reserve Bank of India Occasional Papers, vol 32, 2011](#)].

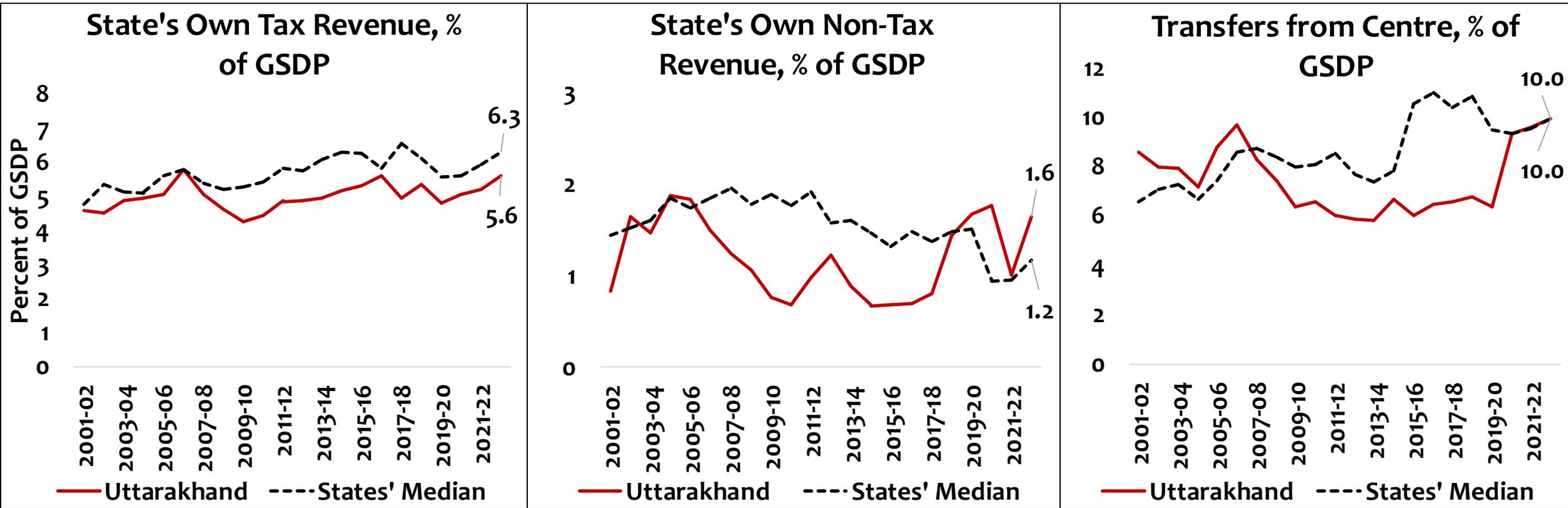
In 2022-23, Uttarakhand's Total Revenue Receipts (Own Tax, Own Non-Tax, and shared by the Centre) were lower than what a median State collected, at about 17.2 percent of its GSDP



Source: i. Revenue Receipts from RBI State Finances Report (2022-23); ii. State GSDP data is from MoSPI (2022-23).

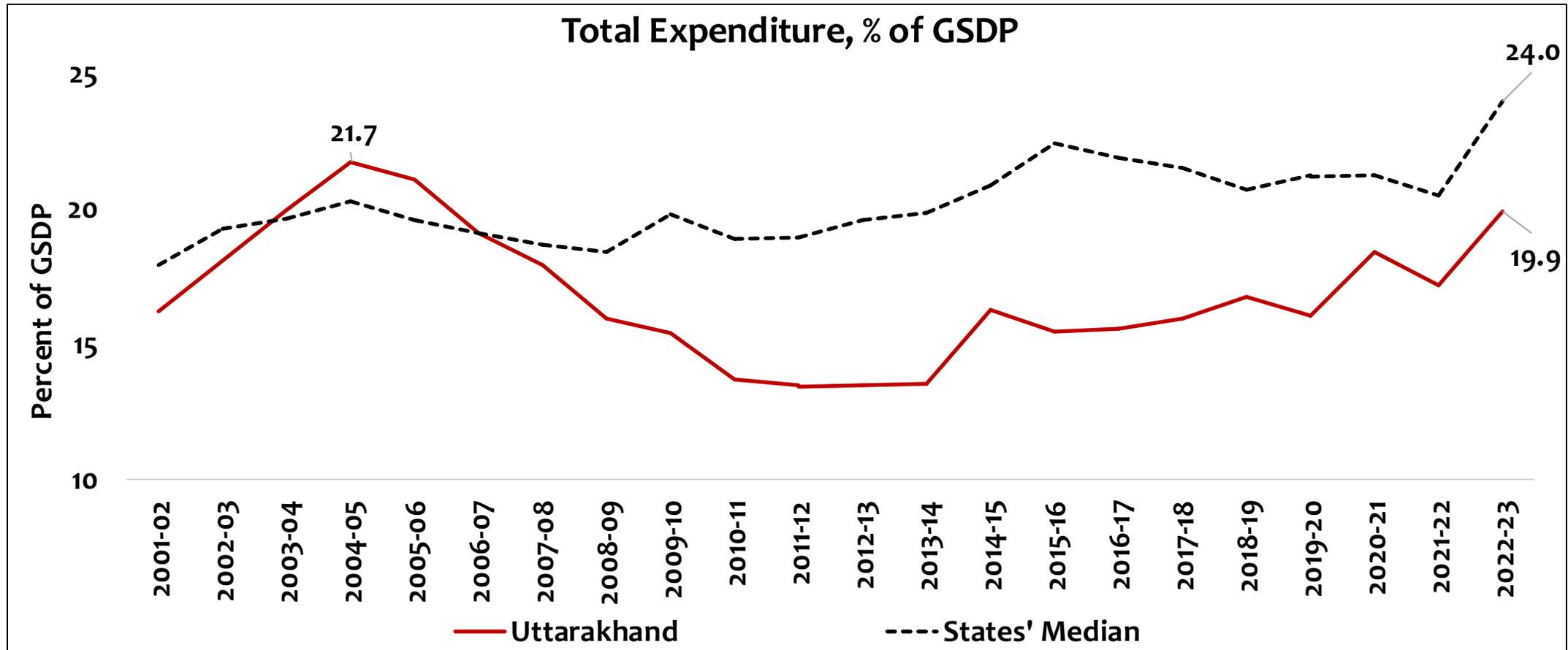
Note: The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded).

**Uttarakhand's Own tax Revenue, Own Non-Tax Revenue, and Transfers from the Centre, at 5.6, 1.6, and 10 percent of its GSDP respectively. Transfers from the Centre are at par with a median State, and account for 58 percent of the State's total revenue**



Source: i. Own-Tax Revenue, Own Non-Tax Revenue, and Transfers from the Centre from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).  
 Note: i. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded); ii. Transfers from the Centre include both Tax and Non-Tax transfers.

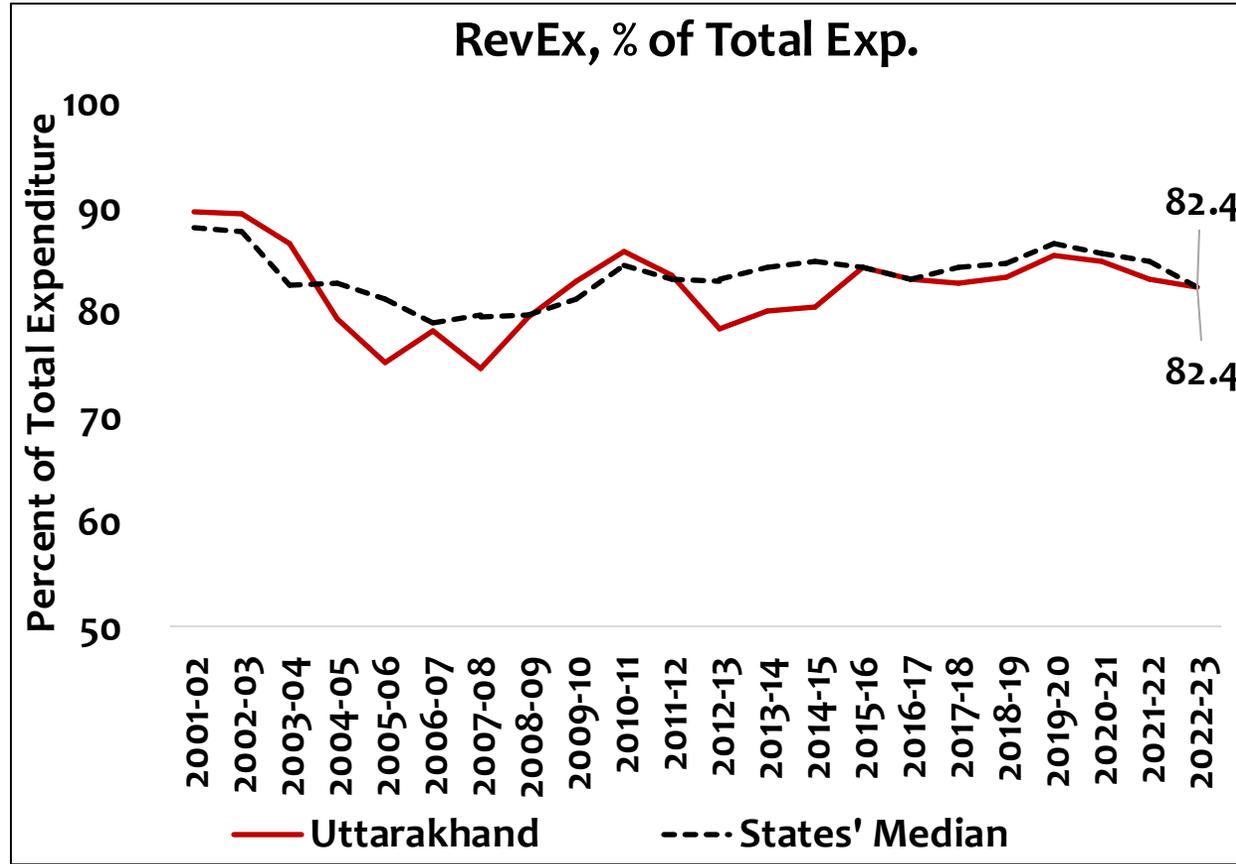
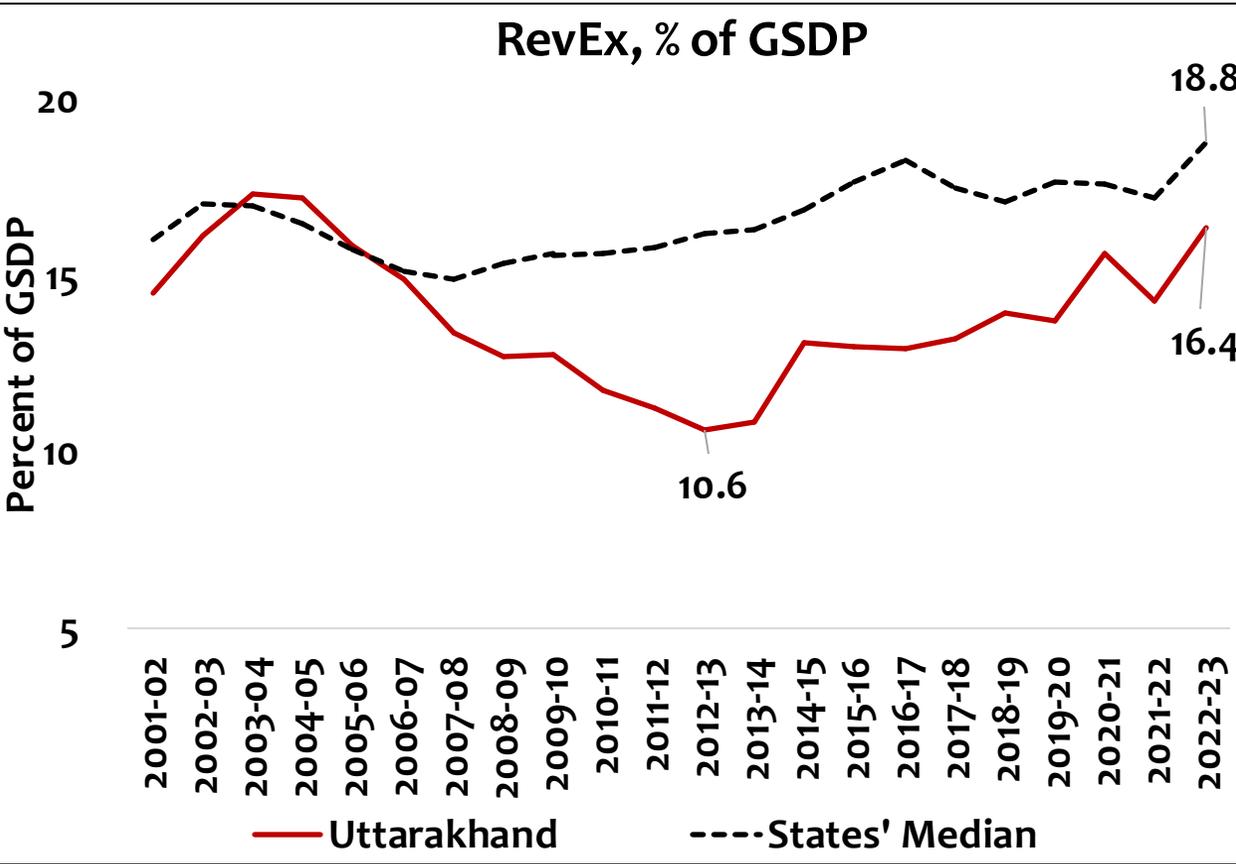
# In 2022-23, Uttarakhand's Expenditure at 19.9 percent of its GSDP was 4.1 percentage points lower than a median State



Source: i. Total Expenditure is from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).

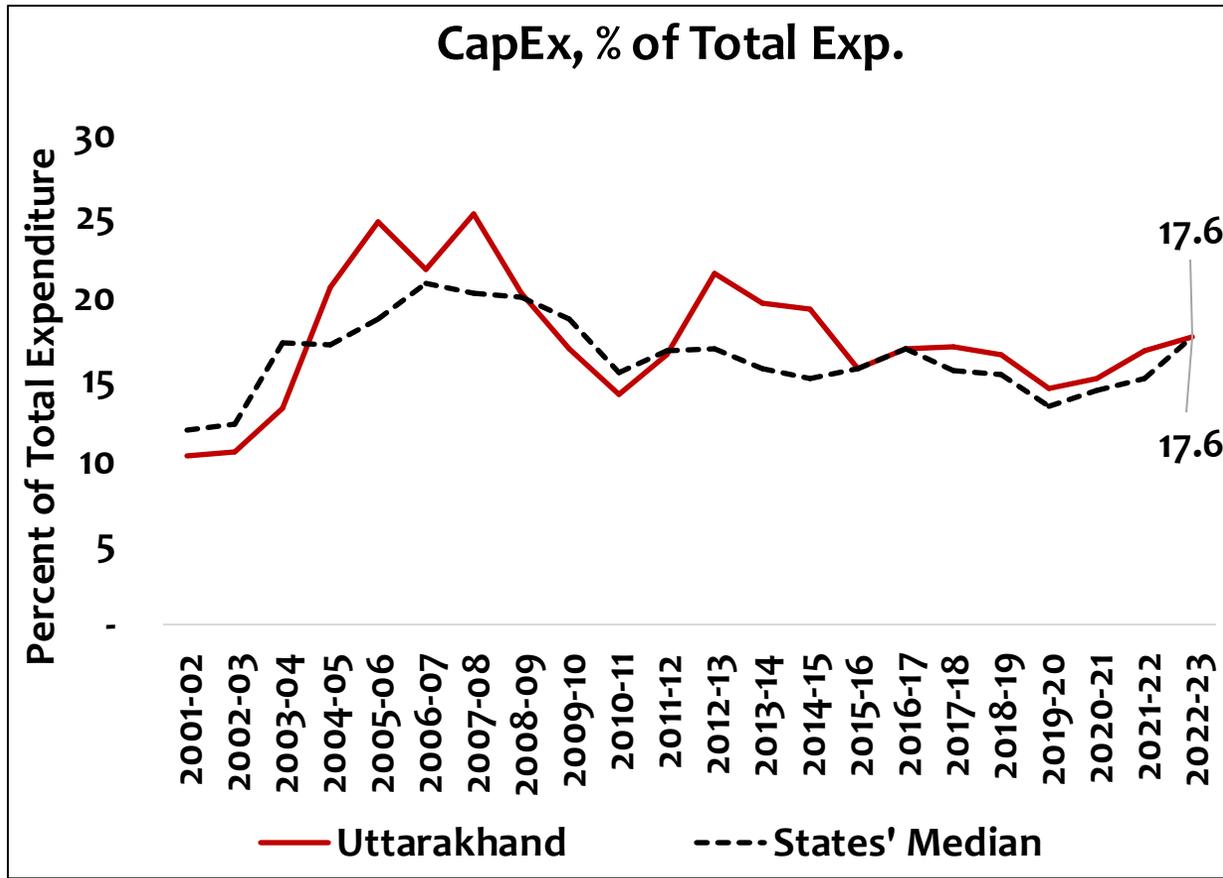
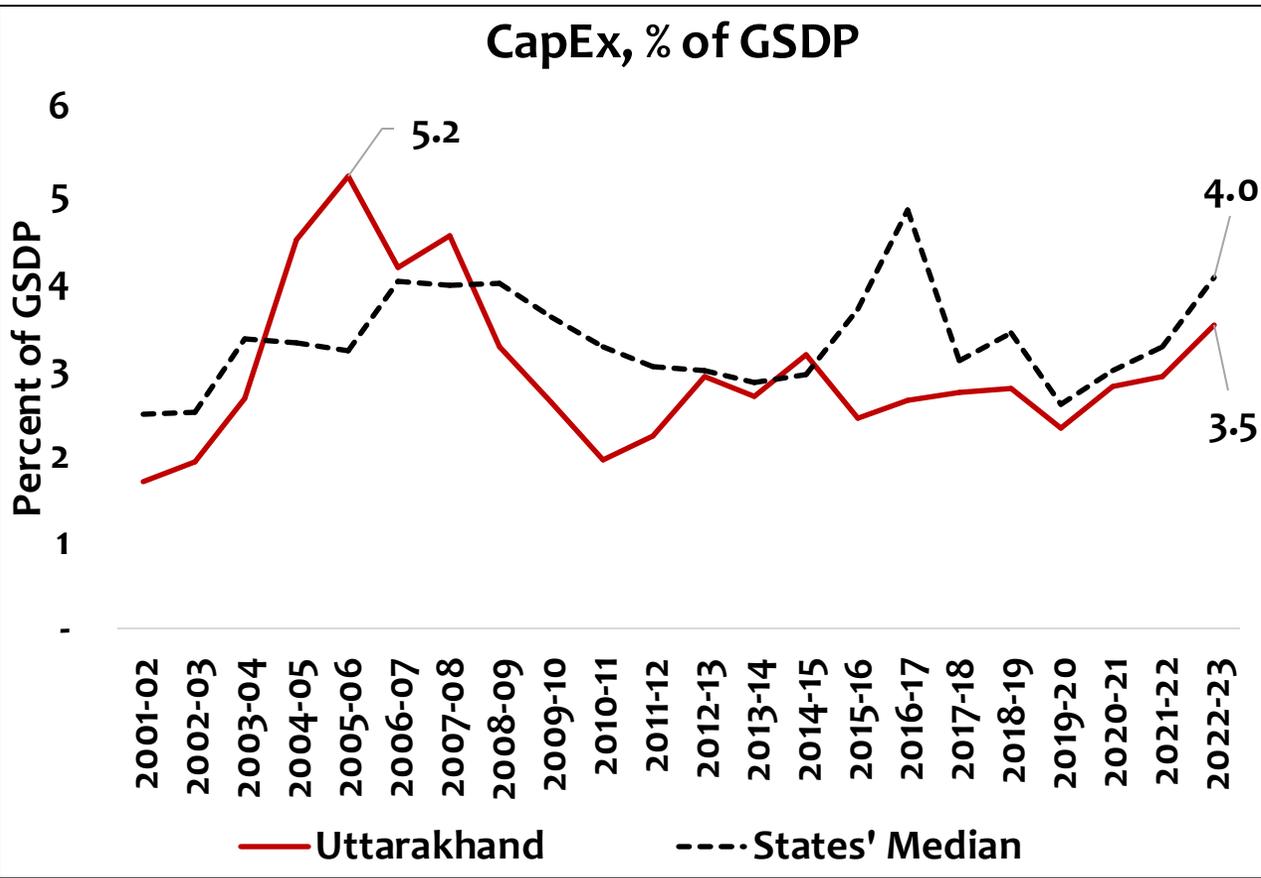
Note: i. Total Expenditure is calculated as Revenue Expenditure (RevEx) plus Capital expenditure (CapEx); ii. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded); iii. The spike in Total Expenditure in 2004-05 was influenced by a sharp increase in interest payments due to higher payments on account of market loans and withdrawal of high cost NSSF borrowings [Source - [Reserve Bank of India Occasional Papers, vol 32, 2011](#)].

# Uttarakhand's Revenue Expenditure at 16.4 percent of its GSDP was lower than a median State, and at 82.4 percent of its Total Expenditure was at par with a median State in 2022-23



Source: i. RevEx is from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).  
 Note: i. Total Expenditure is calculated as RevEx + CapEx; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded).

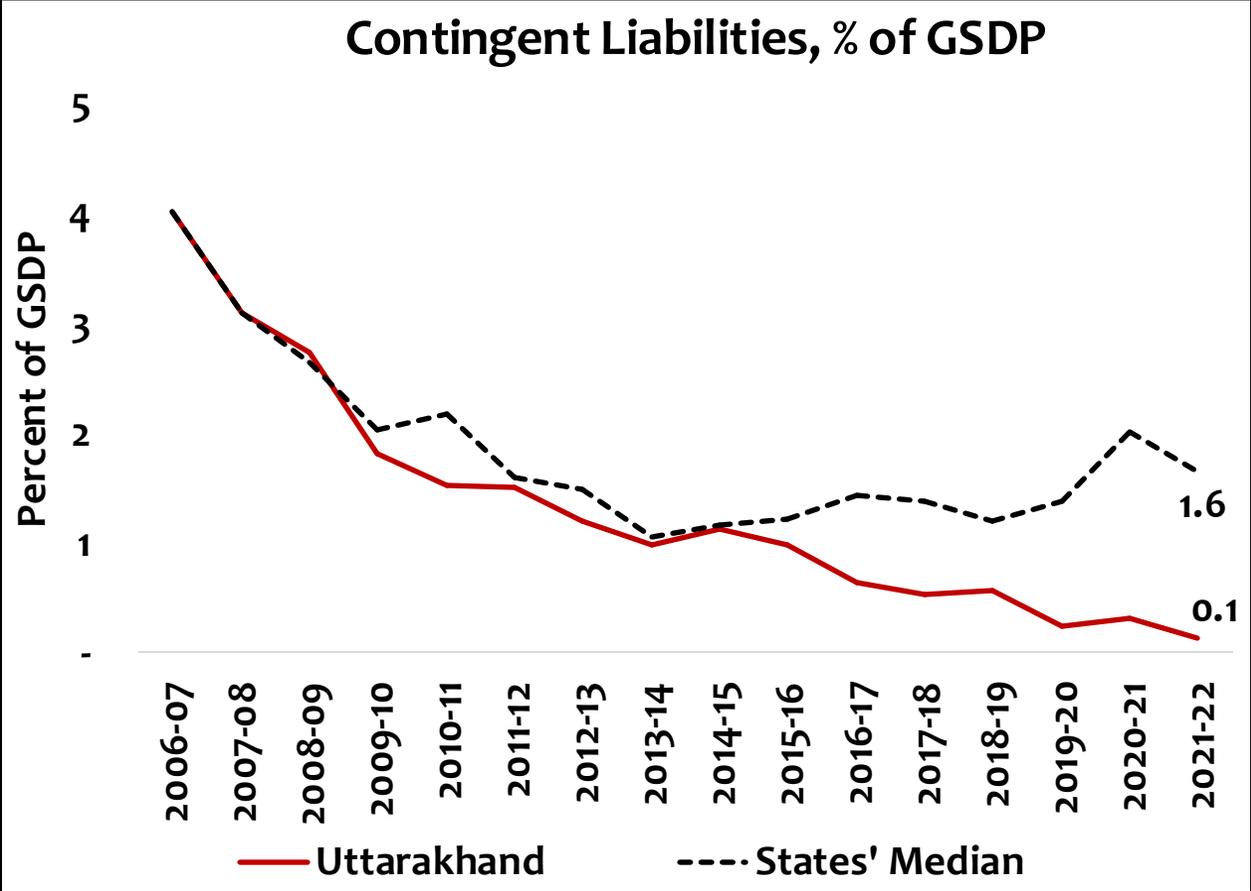
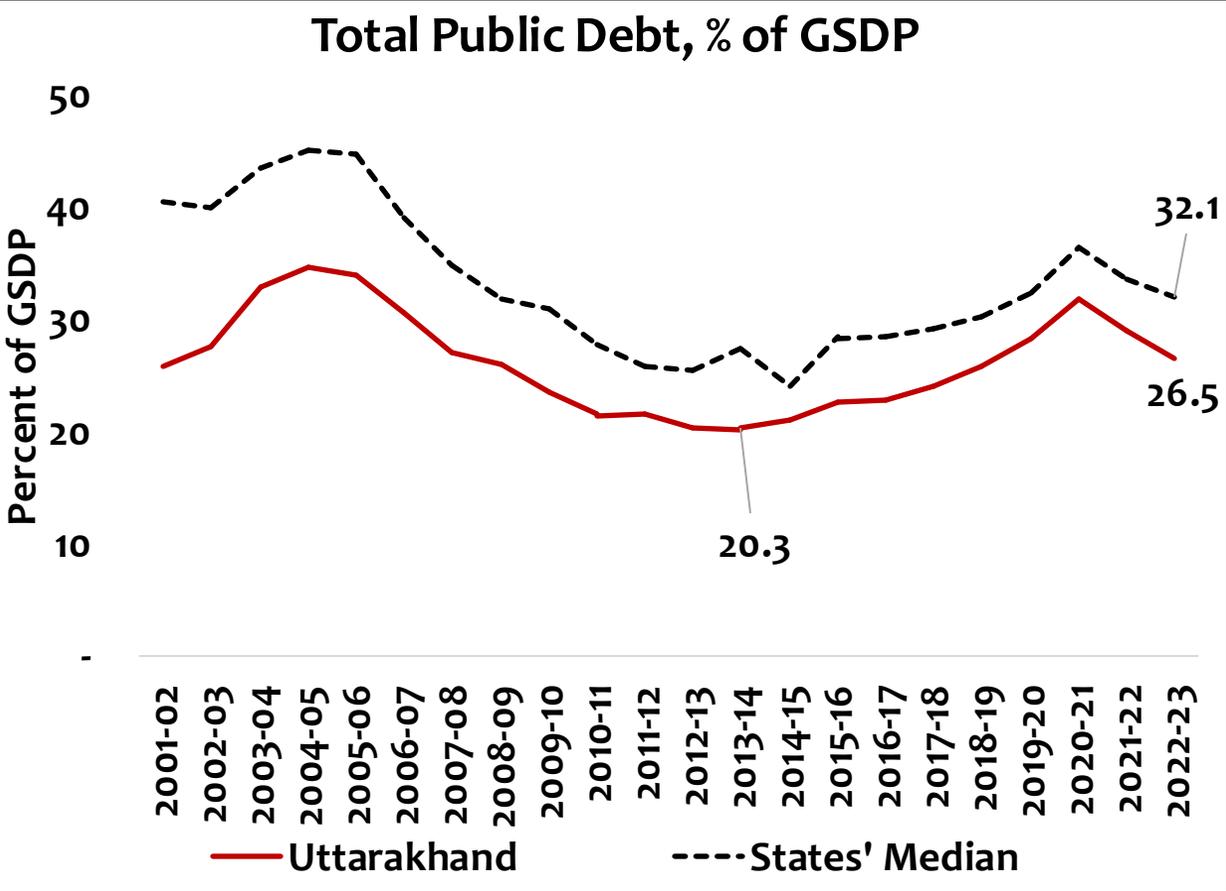
# In 2022-23, Uttarakhand's CapEx at 3.5 percent of its GSDP, was about 0.5 percentage points lower than what a median State spent on CapEx (as percent of the GSDP)



Source: i. CapEx is calculated as Capital Outlay + Loans and Advances given by the State government and the data for both is taken from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).

Note: i. Total Expenditure is calculated as RevEx + CapEx; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded); iii. The spike in capital expenditure in 2005-06 was due to a very high development expenditure [Source - [Reserve Bank of India Occasional Papers, vol 32, 2011](#)].

Uttarakhand has seen a consistent rise in its Public Debt since 2014 but as of 2022-23 public debt at 26.5 percent of its GSDP was lower than that of a median State by 5.6 percentage points. Its Contingent Liabilities have declined consistently and as of 2021-22 these were 0.1 percent of its GSDP



Source: i. Public Debt and State-wise contingent liabilities data has been taken from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).  
 Note: i. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded); ii. The data for Contingent Liabilities is available only from 2006-07 for Uttarakhand; iii. During 2014-15 to 2018-19, a major portion (ranging between 60.9 per cent and 80.9 per cent) of public debt receipt was being utilised for repayment of earlier borrowed funds and payment of interest [Source – [CAG report, 2020](#)].

# Debt Sustainability Assessment

- Extrapolations of the debt-to-GSDP ratio are used as a way of thinking about debt sustainability, using the equation:  $\Delta b_t = \frac{b_{t-1}(r_t - g_t)}{1 + g_t} + pd_t^*$
- A baseline scenario assumes real GDP growth, the real effective interest rate and primary deficit will be at the same levels for the next five years as their respective averages from 2012-13 to 2021-22.
- Second scenario assumes faster GDP growth to the tune of half a standard deviation over the average growth between 2012-13 to 2021-22.
- Third scenario assumes a favorable change of half a standard deviation to the primary deficit over the average deficit between 2012-13 to 2021-22.
- Fourth scenario assumes baseline plus outstanding contingent liabilities in 2021-22 will be absorbed (by 20 percent) each year in the next five years.
- A fifth scenario, by combining scenarios two and three.

Note: i.  $b_t$  is the debt-to-GSDP ratio,  $pd_t$  is the primary-deficit-to-GSDP ratio (deficit net of interest payment),  $g_t$  is growth of real GSDP, and  $r_t$  is the real effective interest rate on public debt; all in year  $t$ ; ii.  $\Delta b_t$  is the change in debt-to-GSDP ratio between  $t$  and  $t-1$ ; iii. The exercise is based on the assumption that  $g$ ,  $r$ , and  $pd$  are exogenous, that is, they are not impacted by the level of debt.

# Uttarakhand Debt Evolution (2012-13 to 2021-22)

## Averages and standard deviations of key parameters

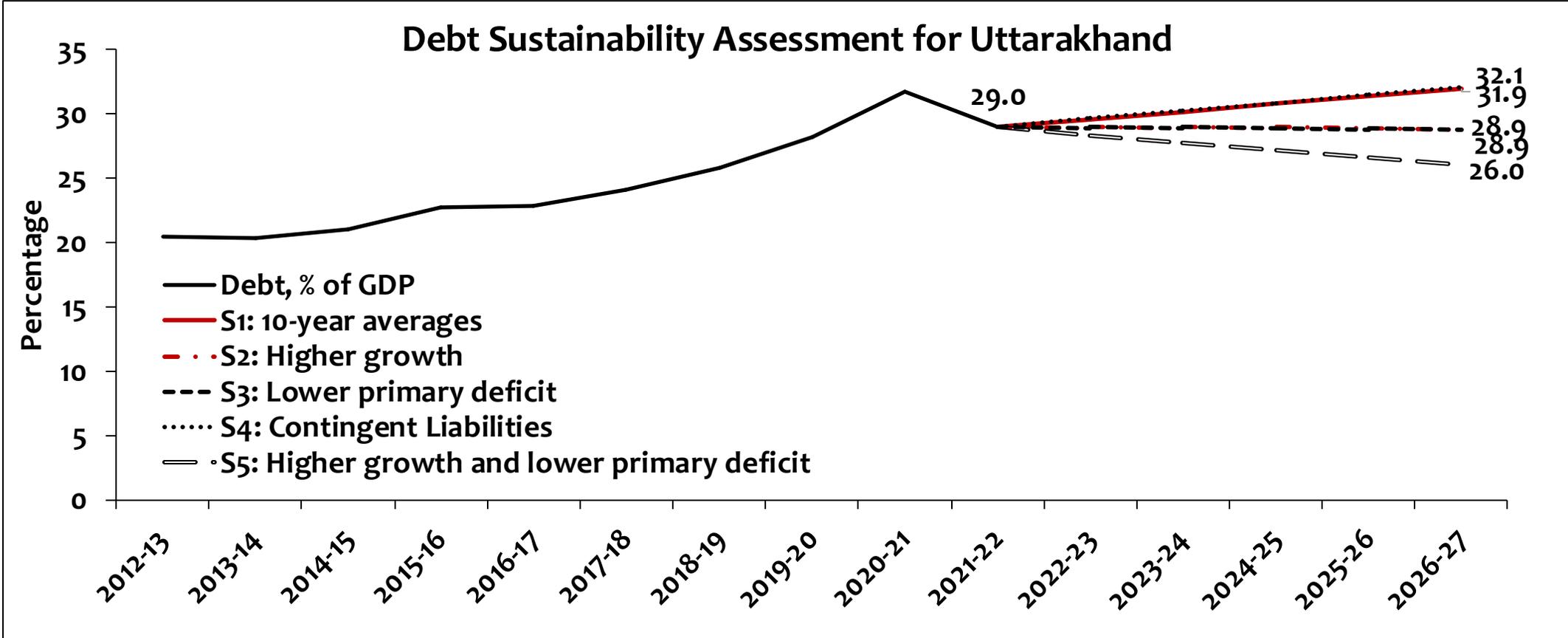
	Ten-year average and std. deviations (2012-13 to 2021-22)		Five-year average and std. deviations (2017-18 to 2021-22)	
	Mean	Std dev	Mean	Std dev
Nominal GDP growth ( $\gamma$ )	9.1	5.2	7.0	6.6
Deflator growth ( $\pi$ )	3.5	2.1	3.9	2.0
Real GDP growth ( $g$ )	5.4	4.7	3.0	5.7
Effective interest rate ( $e$ )	7.3	2.7	6.1	3.5
Real effective interest rate ( $r$ )	3.8	3.9	2.2	4.6
Primary deficit ( $pd$ )	1.1	1.3	1.1	1.6
Growth-effective interest differential ( $g-\hat{e}$ )	1.6	6.3	0.8	9.0
Contingent Liabilities (CL) as of 2021-22	0.1	-	-	-
Percentage points of CL absorbed each year for 5 years	0.03	-	-	-

# Different scenarios for conducting debt sustainability assessments

Scenarios	Debt level in 2021-22 (bt-1)	Primary Deficit (pd)	Real GDP growth (g)	Real Effective Interest Rate (r)	Change in Debt in first year (2022-23)	Cumulative change in Debt in next five years
<b>Baseline (Scenario 1):</b> 10-year averages (2012-13 to 2021-22)	29.0	1.1	5.4	3.8	0.60	2.92
<b>Scenario 2:</b> Higher growth (increasing growth by half a standard deviation over baseline)	29.0	1.1	7.7	3.8	-0.02	-0.08
<b>Scenario 3:</b> Lower Primary Deficit (reducing primary deficit by half a standard deviation over baseline)	29.0	0.4	5.4	3.8	-0.02	-0.11
<b>Scenario 4:</b> Contingent Liabilities in 2021-22 are absorbed 20% in each year	29.0	1.1	5.4	3.8	0.63	3.06
<b>Scenario 5:</b> Lower Primary Deficit and Higher Growth	29.0	0.4	7.7	3.8	-0.64	-2.99

Note: In Scenario 2, half a standard deviation of 10-year average of real GDP growth rate is added as a positive growth shock. In Scenario 3, half a standard deviation of 10-year average of primary deficit is removed as a positive fiscal shock. In Scenario 4, 0.03 percentage points of Contingent Liabilities are assumed to be taken on by the government in each fiscal year.

Uttarakhand's debt sustainability assessments put the State on a predicted upward trajectory of higher debt in the next five years under the baseline scenario. Although the outstanding contingent liabilities are not very high for the State, predicted outcomes in the benign scenarios of higher growth and lower primary deficit are not optimistic



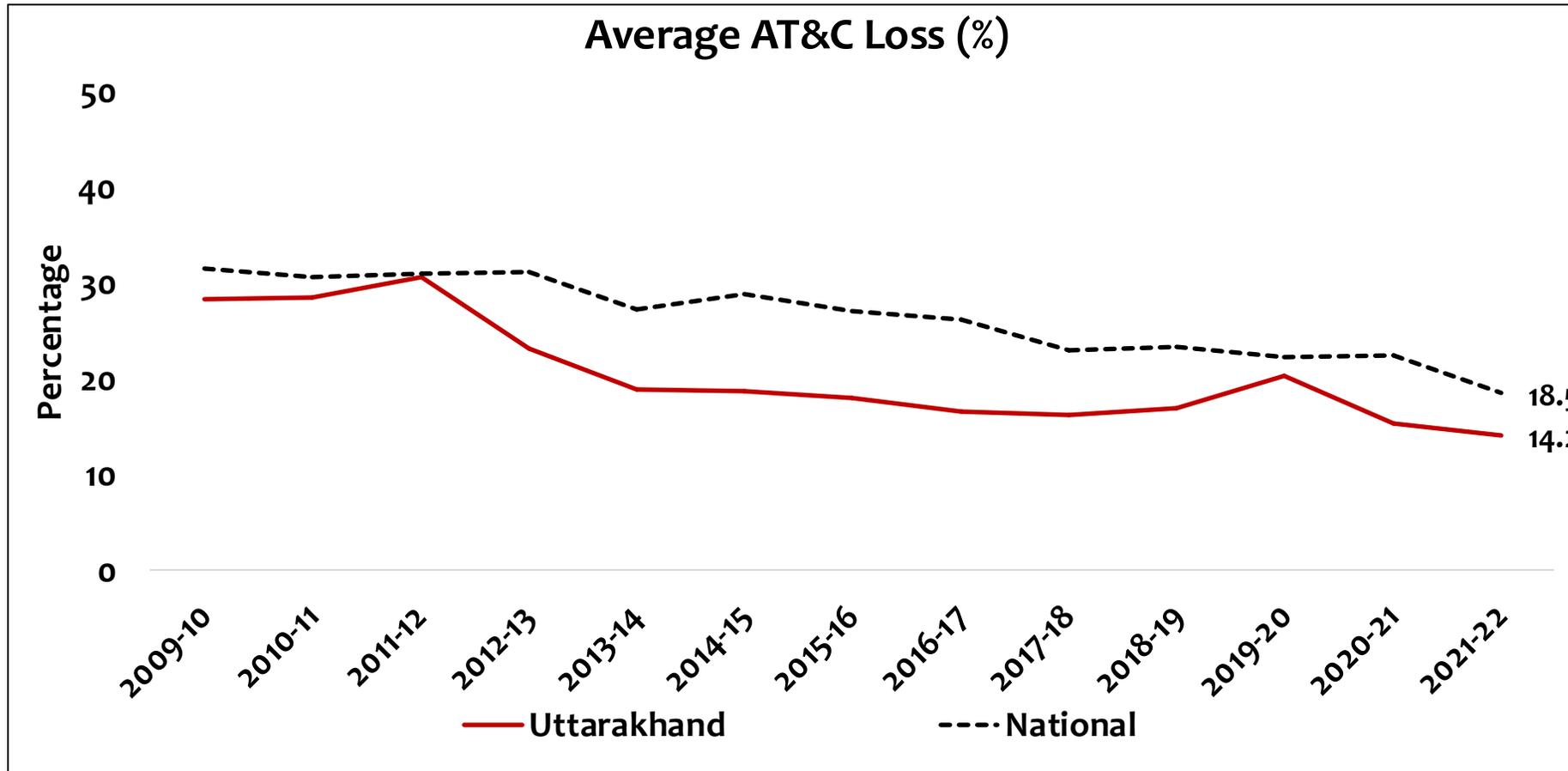
Note: In Scenario 2, half a standard deviation of 10-year average of real GDP growth rate is added as a positive growth shock. In Scenario 3, half a standard deviation of 10-year average of primary deficit is removed as a positive fiscal shock. In Scenario 4, 0.03 percentage points of Contingent Liabilities are assumed to be taken on by the government in each fiscal year.

# Uttarakhand: Power Sector

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- The State has one distribution utility/company (DISCOMs) – Uttarakhand Power Corporation Limited (UPCL), a State-operated utility.
- Its average AT&C Losses have declined substantially from 28.4 percent in 2009-10 to 14 percent in 2021-22 (about 4 percentage points lower the National average AT&C losses), owing to improved billing and collection efficiency.
- Per the Ujwal DISCOM Assurance Yojana (UDAY) scheme's portal, the State signed up for the operational and financial turnaround objectives of the scheme. It achieved the financial target of reducing AT&C Losses below 17 percent.
- The State also achieved all the operational targets it opted for under the UDAY scheme, except installation of smart meters which was not one of its targets.

# The average Aggregate Technical & Commercial Loss (AT&C) of UPCL is lower than the national average, standing at 14.2 percent in 2021-22



Source: PFC Report on Performance of State Power Utilities (2009-10 to 2021-22).

Note: i. Figure shows the average AT&C Loss of UPCL; ii. The National average is across all DISCOMs in the 29 States and 2 Union Territories (Delhi & Puducherry).

# **6. Devolution to Uttarakhand from Centre in 14<sup>th</sup> and 15<sup>th</sup> Finance Commission (FC)**

# Tax Devolution Criteria of 14<sup>th</sup> and 15<sup>th</sup> FCs to all States

- The Net Proceeds of all taxes<sup>1</sup> collected by the Union are shareable with the States, and constitute the divisible pool of taxes.
- The 14<sup>th</sup> FC placed the States' share of tax devolution to 42 percent of the divisible pool, and the 15<sup>th</sup> FC adjusted it to 41 percent of the divisible pool due to the changed status of Jammu & Kashmir into the Union Territories of Ladakh and Jammu & Kashmir.
- Below table highlights the tax devolution matrix used by the two FCs, and the corresponding weights for each criteria.

Criteria	14th FC (2015-20)	15th FC (2021-26)
Income Distance	50	45
Area	15	15
Population (1971)	17.5	0
Population (2011) <sup>2</sup>	10	15
Demographic Performance	0	12.5
Forest Cover	7.5	0
Forest and Ecology	0	10
Tax and fiscal efforts <sup>3</sup>	0	2.5
Total	100	100

Source: 14<sup>th</sup> and 15<sup>th</sup> FC Reports.

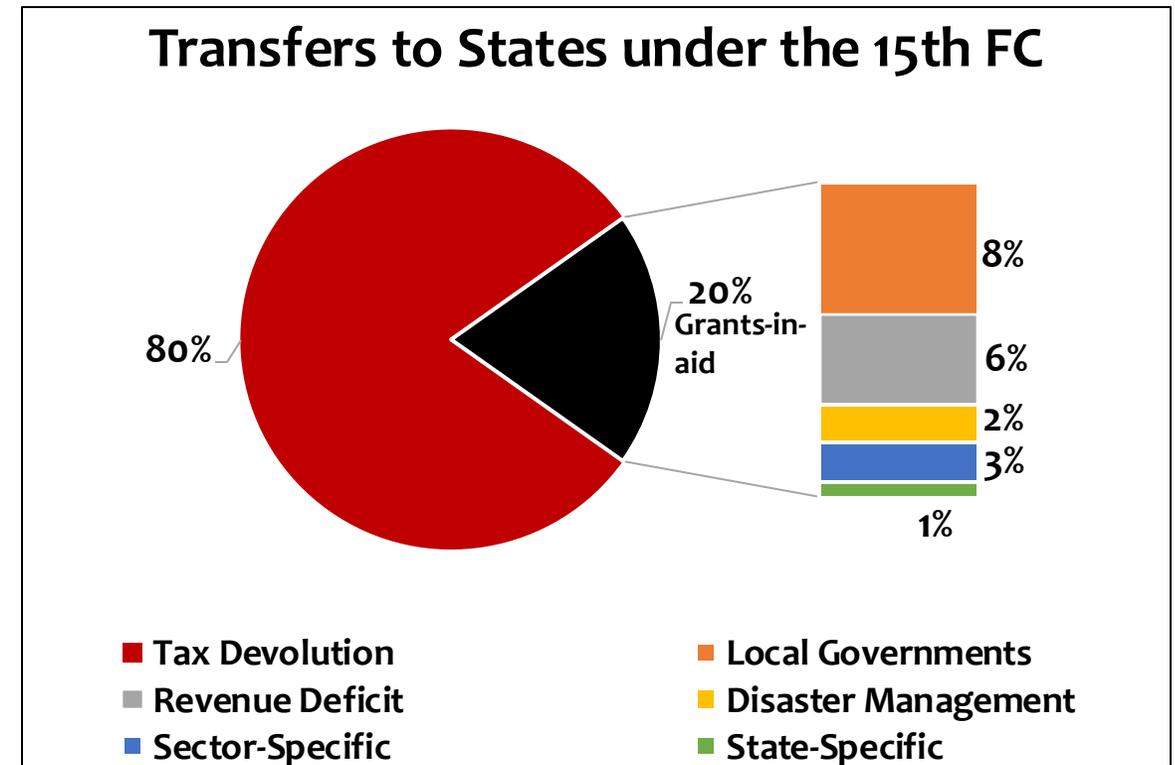
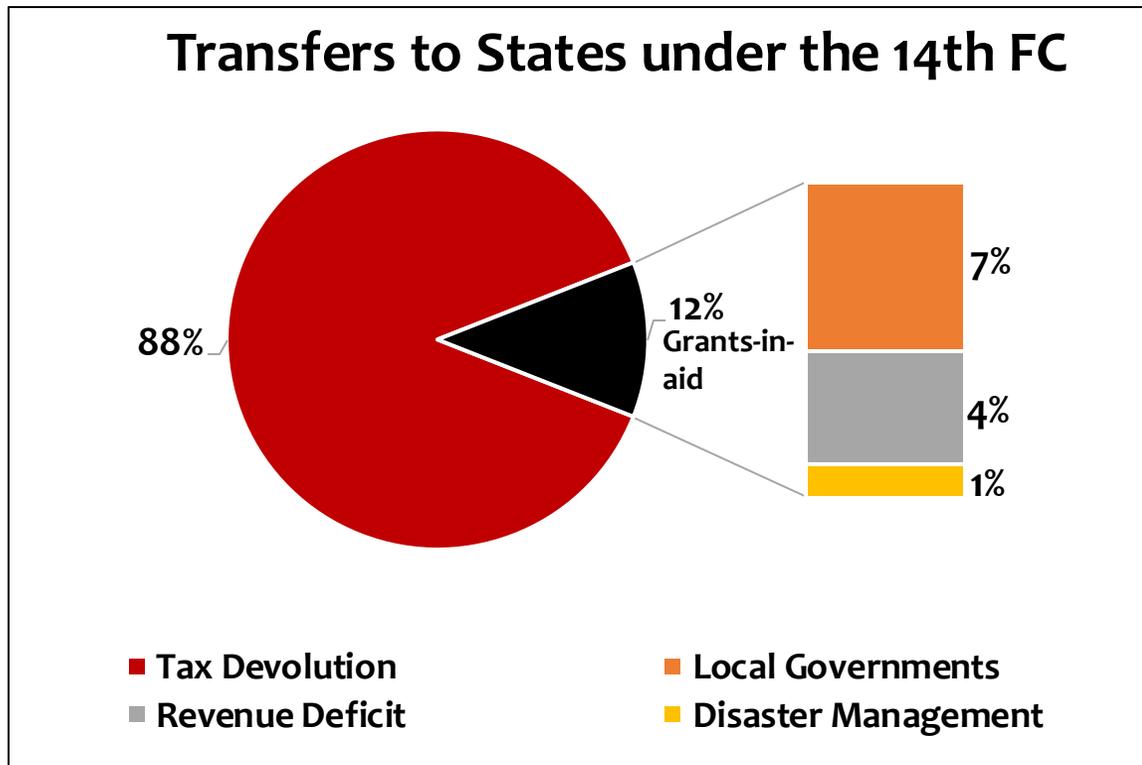
Note: i. Per Articles 270 and 279, Net Proceeds of taxes is defined as all the taxes, except cess and surcharges, reduced by the cost of collection; ii. 14<sup>th</sup> FC used the term “demographic change” which was defined as Population in 2011; iii. The 15<sup>th</sup> FC reintroduced the “tax and fiscal efforts” criteria. The definitions of all criteria can be referred to from the [15<sup>th</sup> FC Report](#).

# Grants-in-Aid

- There were three types of grants recommended by the 14<sup>th</sup> FC – revenue deficit grants, grants for local governments, and grants for disaster management. The 15<sup>th</sup> FC, in addition to the three, also recommended sector-specific and State-specific grants.
  - **Revenue-deficit grants:** Post tax devolution, those States which remain in a state of revenue deficit, are allocated this grant in the magnitude of their deficit (estimated for the award period based on the projected revenues and tax devolution).
  - **Grants for Local Governments:** These are distributed between the rural and urban local bodies (65:35 ratio per the 15<sup>th</sup> FC). The States' shares are calculated with 90 percent weightage given to population and 10 percent to area.
  - **Grants for Disaster Management:** The corpus of the State Disaster Response Fund (envisaged under the Disaster Management Act, 2005, which covers both natural and man-made disasters) is recommended by the FC per Article 275 (1) of the Constitution. Under the 14<sup>th</sup> FC, it was recommended that Centre contribute 90 percent of the SDRF and States provide the remaining 10 percent. The 15<sup>th</sup> FC reinstated the previous sharing arrangement, wherein Centre's contribution to SDRF for General Category States is 75 percent contribution and it remains 90 percent for the North-Eastern and Himalayan States.
  - **Sector-Specific Grants:** The 15<sup>th</sup> FC reinstated recommendations for social sectors like health and education, rural economy (encouraging agricultural reforms and grants for the Pradhan Mantri Gram Sadak Yojana), administrative and governance reforms (for judiciary, improved statistics, and incentivizing aspirational districts and blocks).
  - **State-specific Grants:** To help States address special needs and overcome cost disabilities, State-specific grants were recommended by the 15<sup>th</sup> Finance Commission. These span six broad areas: a) social needs, b) administrative governance and related infrastructure, c) conservation and sustainable use of water, drainage and sanitation, d) preserving culture and historical monuments, e) high-cost physical infrastructure, and f) tourism.

Source: 14<sup>th</sup> and 15<sup>th</sup> FC reports.

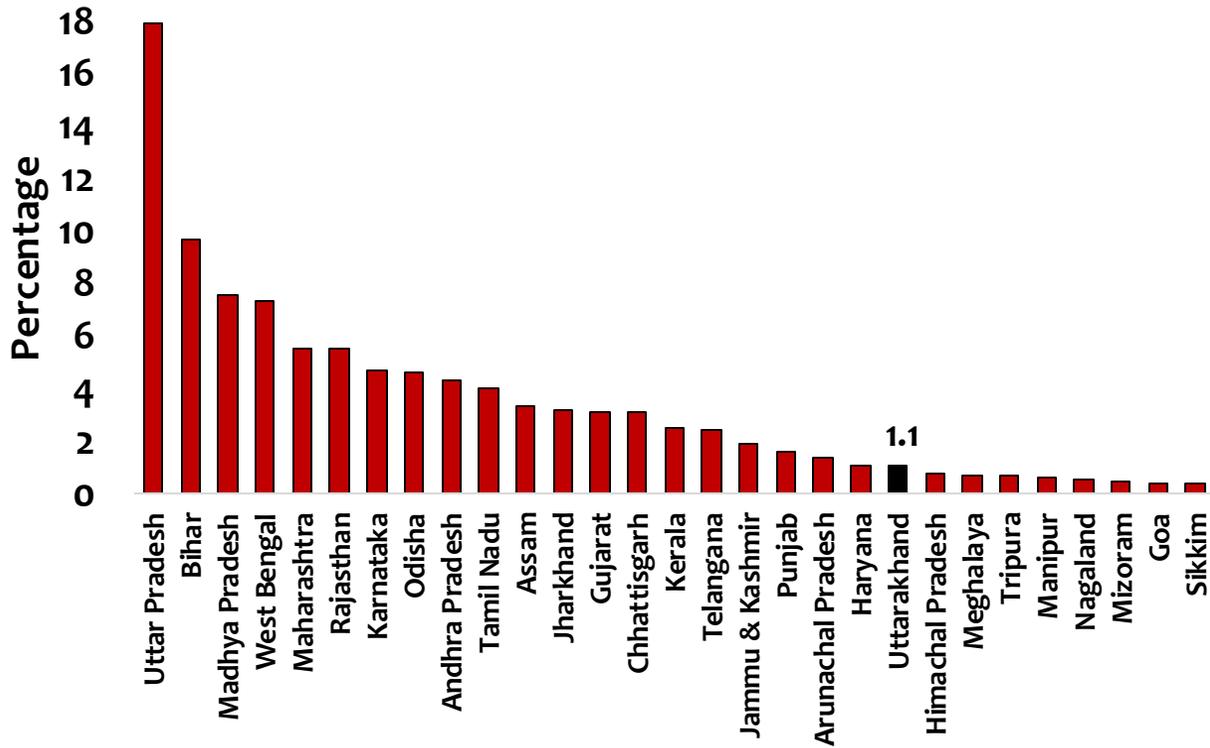
**Proposed transfers from the Centre to all States: 15<sup>th</sup> FC reinstated recommendations on sector-specific and State-specific grants, which 14<sup>th</sup> FC had excluded from the Grants-in-Aid to States, thus increasing the share of grants in the total transfers recommended from Centre to States to 20 percent**



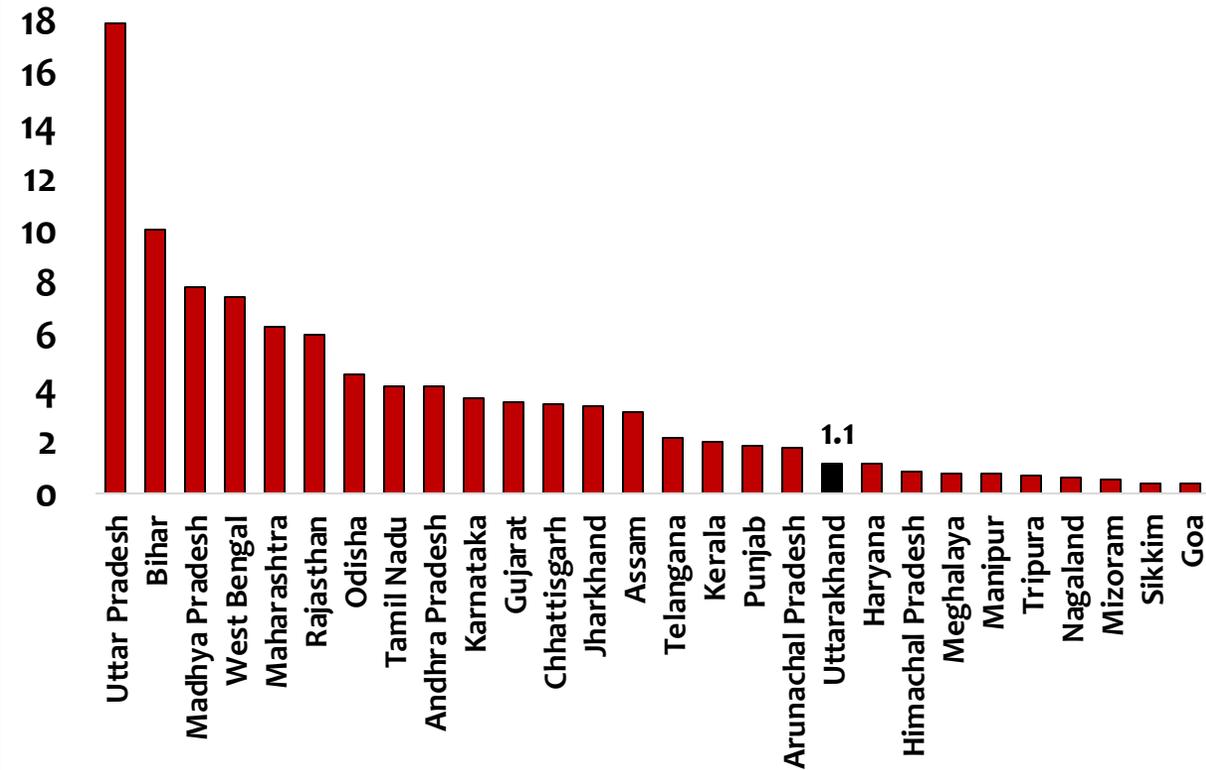
- Sector-Specific Grants are further divided into three categories:
  - Social Sector - health and education
  - Rural Economy - agriculture reforms, self reliance, export & sustainability, and PMGSY roads
  - Governance and Administrative Reforms - judiciary, statistics, aspirational districts and blocks

# Uttarakhand's share in Taxes from Centre, as per the FC recommendations, remained consistent at 1.1 percent under both 14<sup>th</sup> and 15<sup>th</sup> FCs

### States' Shares under the 14th FC



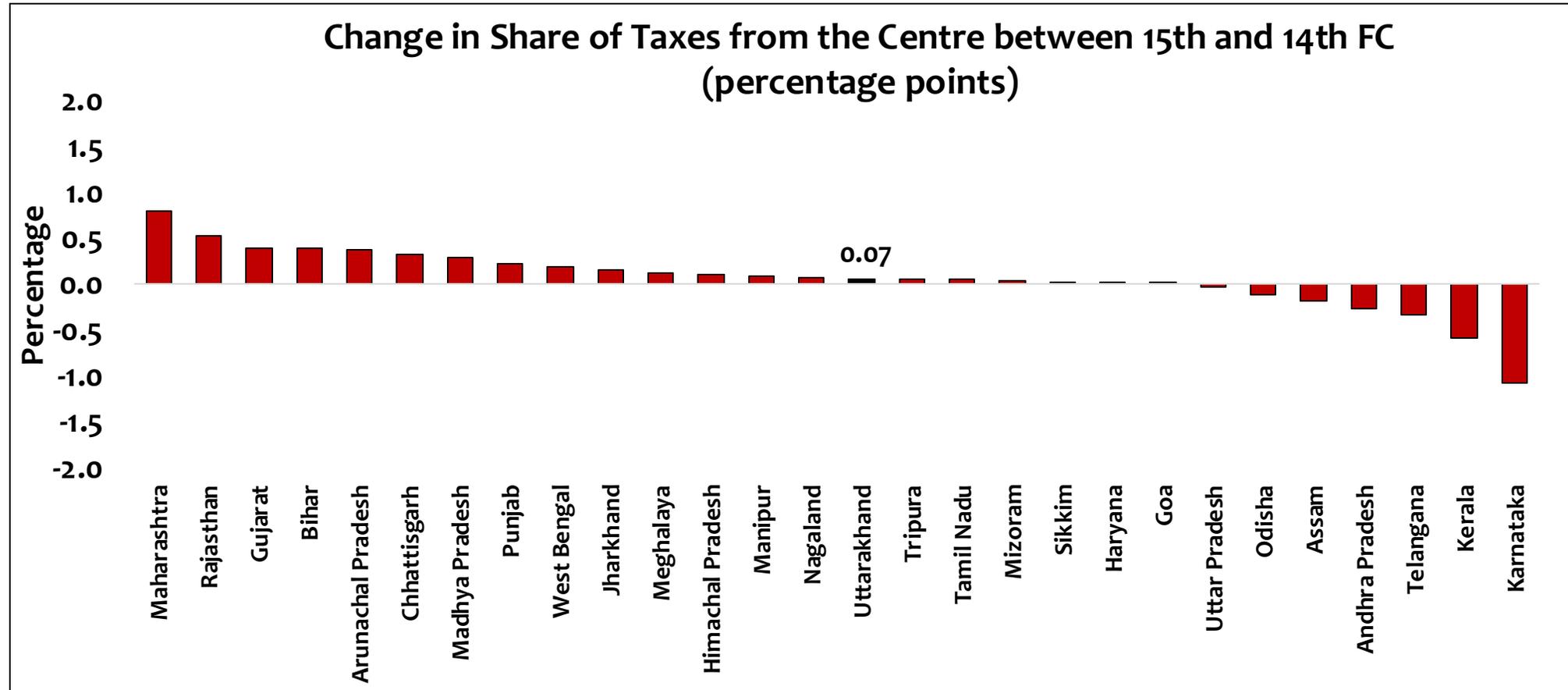
### States' Shares under the 15th FC



Source: 14<sup>th</sup> and 15<sup>th</sup> FC Reports.

Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15<sup>th</sup> FC did not include it in the States' share of taxes from the Centre.

# Uttarakhand had a 0.07 percentage point change in Tax Devolution shares between the 14th and 15th Finance Commission recommendations



Source: 14<sup>th</sup> and 15<sup>th</sup> FC Reports.

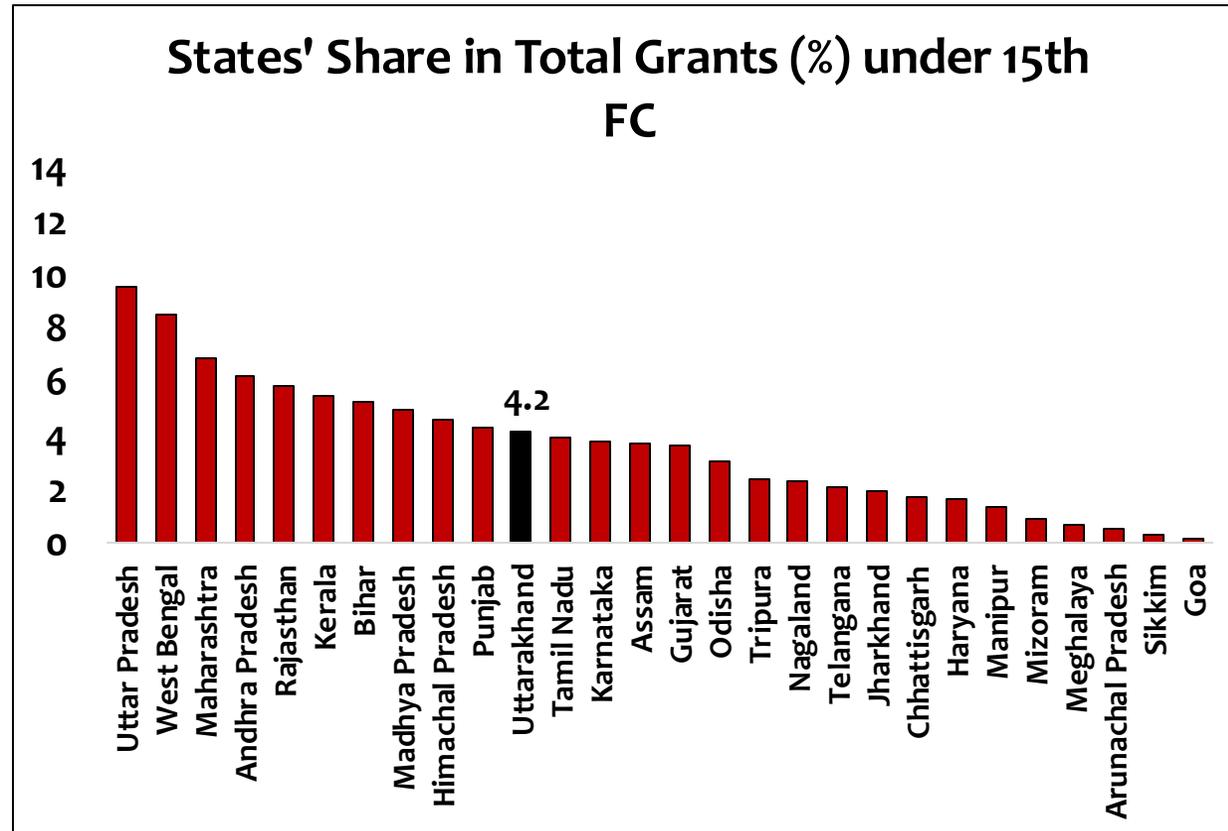
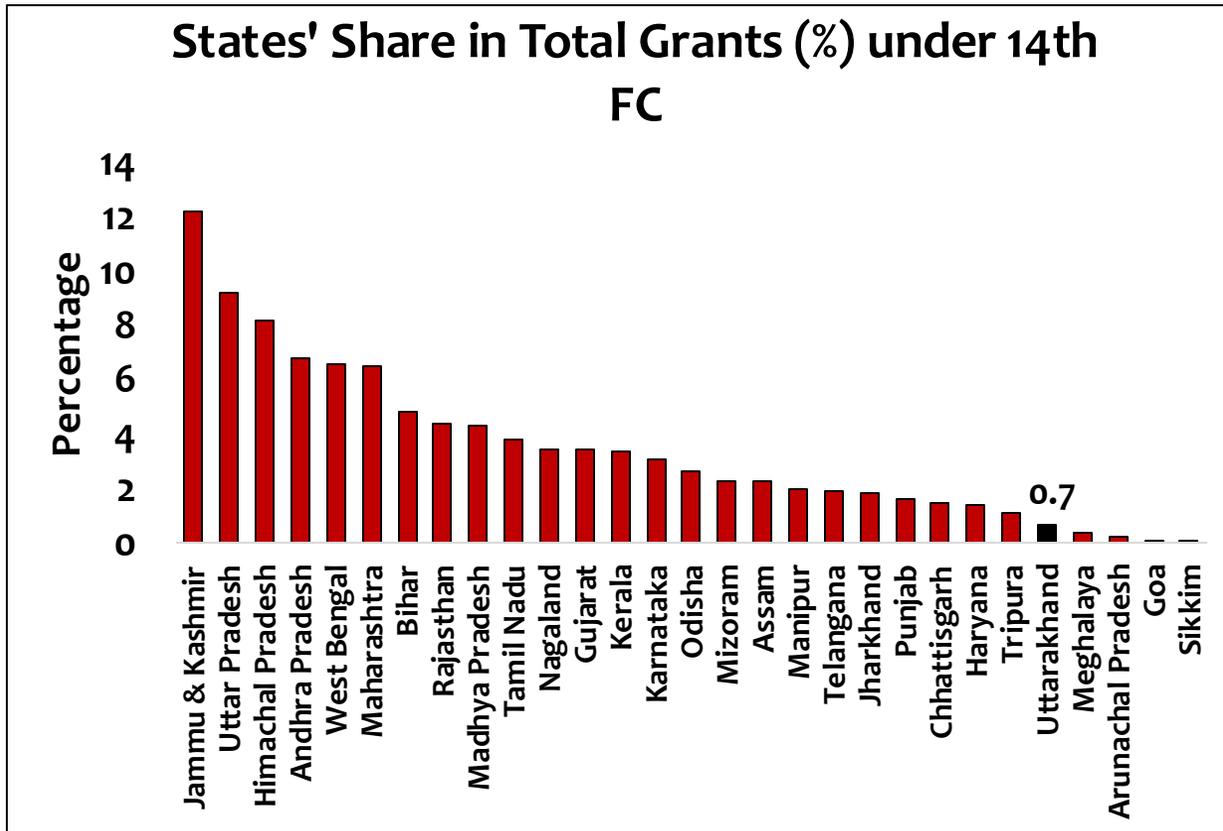
Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15<sup>th</sup> FC did not include it in the States' share of taxes from the Centre, and it has been excluded from this chart.

# Grants-in-Aid: Uttarakhand

- There were three types of grants recommended by the 14<sup>th</sup> FC – revenue deficit grants, grants for local governments, and grants for disaster management. The 15<sup>th</sup> FC, in addition to the three, also recommended sector-specific and State-specific grants.
- **Total:** The State's share in the total grants-in-aid **increased by 3.5 percentage points** under the 15<sup>th</sup> FC, compared to the 14<sup>th</sup> FC, at **4.2 percent**.
  - **Revenue-deficit grants:** Uttarakhand did not receive any revenue-deficit grants under the 14<sup>th</sup> FC recommendations, while the 15<sup>th</sup> FC recommended that the State receive **9.6 percent** of these grants, driving its shares in total grants recommended by the 15<sup>th</sup> FC up.
  - **Grants for Local Governments:** Its shares in the grants for local governments has remained consistent between the 14<sup>th</sup> and 15<sup>th</sup> FC, standing at about **1 percent under the 15<sup>th</sup> FC recommendations**.
  - **Grants for Disaster Management:** Uttarakhand **received 4.2 percent of the total grants for disaster management under the 15<sup>th</sup> FC recommendations**, up from the 14<sup>th</sup> FC recommendation of 1.9 percent.
  - **Sector-Specific Grants:** Per the 15<sup>th</sup> FC recommendations, it receives **2.9 percent of the total sectoral grants**. It received 8.4 percent of the grants for maintenance of PMGSY Roads, followed by 2.1 percent each of the health and education grants as well as grants for statistics. Other sector-specific grants and the State's shares in each include grants for judiciary (0.7 percent) and performance incentive grants for agriculture (0.6 percent).
  - **State-specific Grants:** A total of Rs. 1,600 crore was recommended in State-Specific grants, of which, Rs. 950 crore was directed towards the Jamrani dam multipurpose project for drinking water and sanitation. The remaining State-specific grants were distributed among Song dam drinking water project for Dehradun (Rs. 500 crore), sanitation, waste disposal and drainage in Pauri Garhwal (Rs. 100 crore), and sanitation and drainage of Nainital (Rs. 50 crore).

Source: 14<sup>th</sup> and 15<sup>th</sup> FC reports.

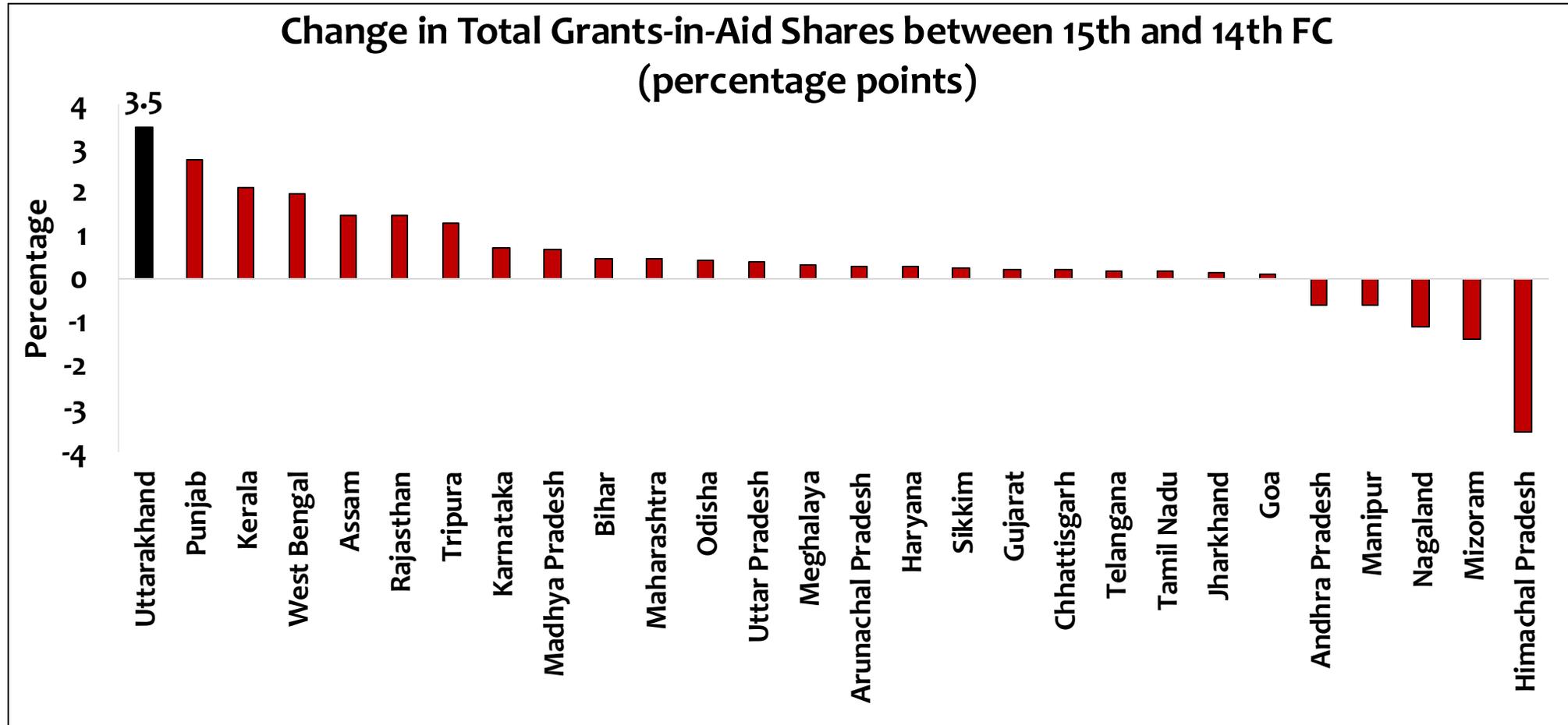
# Uttarakhand noted an increase of 3.5 percentage points in its share of the Total Grants-in-aid recommended between 14<sup>th</sup> and 15<sup>th</sup> Finance Commissions



Source: 14<sup>th</sup> and 15<sup>th</sup> FC Reports.

Note: i. Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of grants-in-aid from the Centre; ii. An amount of Rs. 16,400 crore is not included in the total Grants-in-aids figure for the 15th FC. This comprises of three grants (a) School Education (Rs. 4,800 crore), (b) Grants for aspirational districts and blocks (Rs. 3,150 crore) and (c) Local Bodies grants for (i) Incubation of new Cities (Rs. 8,000 Crore) and (ii) National Data Centre (Rs. 450 Crore). These were not included in the table which reports the State-wise shares in the 15th FC Report.

# Uttarakhand had a 3.5 percentage point increase in Total Grants-in-Aid shares between the 14<sup>th</sup> and 15<sup>th</sup> FC recommendations - the highest among the states

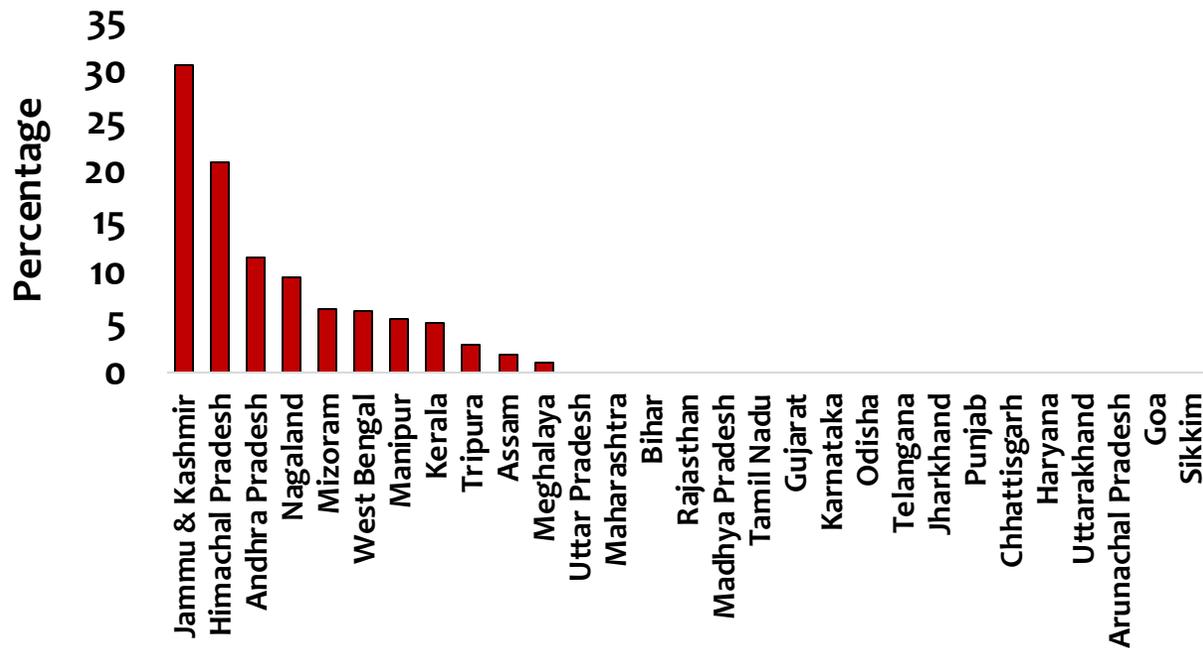


Source: 14<sup>th</sup> and 15<sup>th</sup> FC Reports.

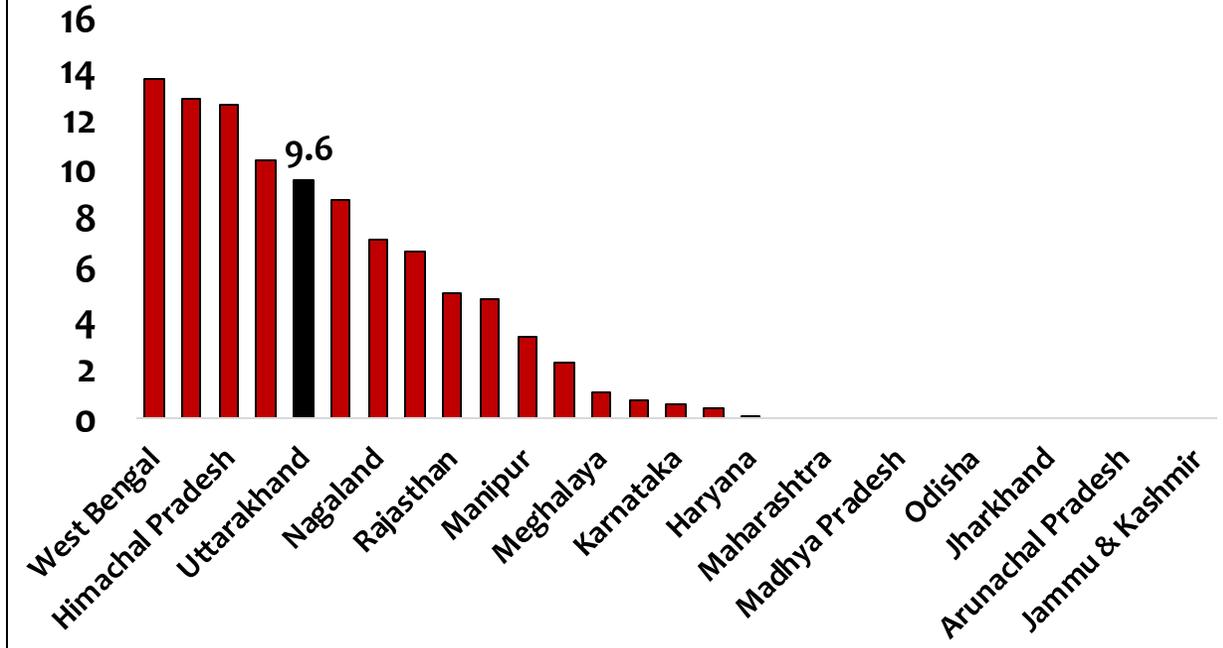
Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of grants-in-aid from the Centre, and it has been excluded from this chart.

# The 14<sup>th</sup> FC did not recommend any Revenue Deficit Grants for Uttarakhand, while under the 15<sup>th</sup> FC recommended 9.6 percent of these Grants to the State

### States' Share in Revenue Deficit Grants (%) under 14th FC



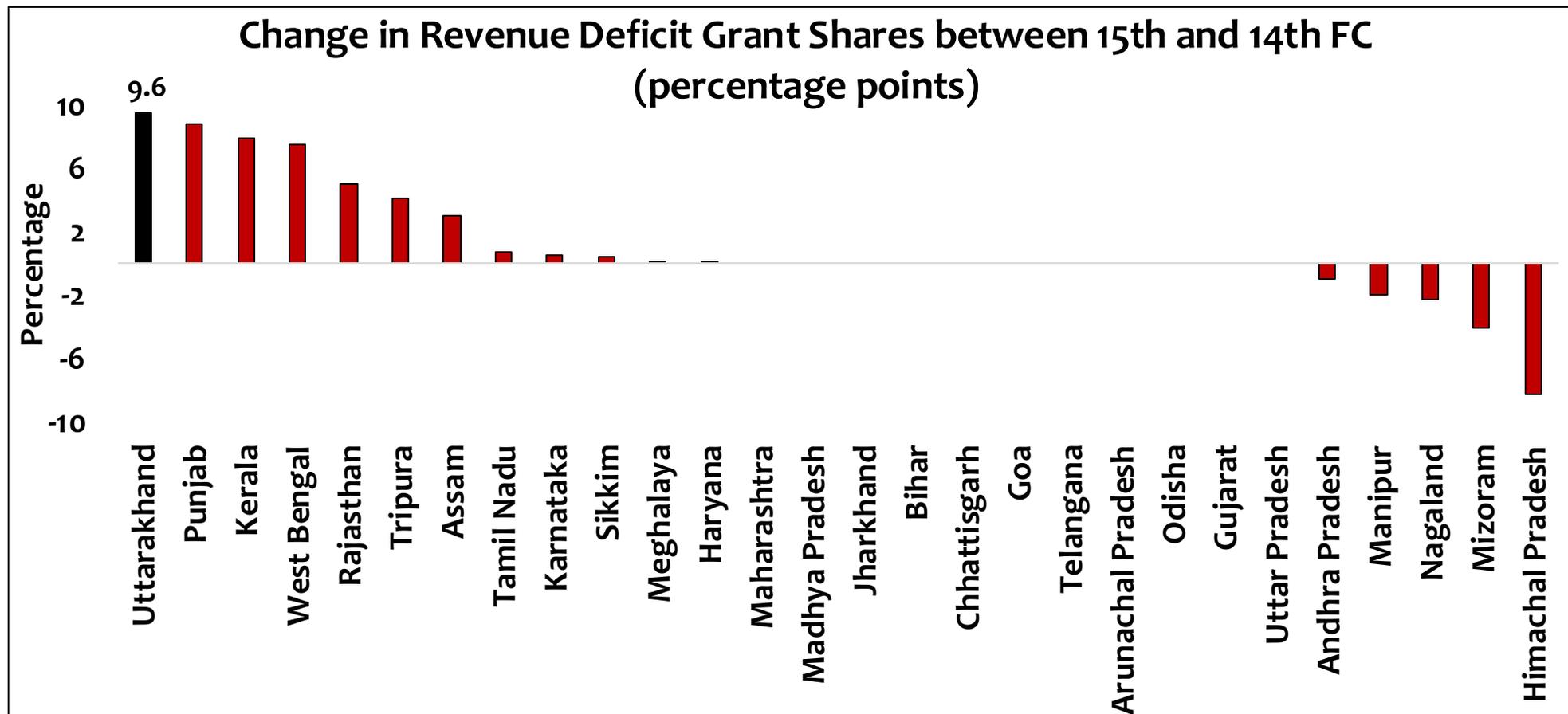
### States' Share in Revenue Deficit Grants (%) under 15th FC



Source: 14<sup>th</sup> and 15<sup>th</sup> FC Reports.

Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of Revenue Deficit Grants from the Centre.

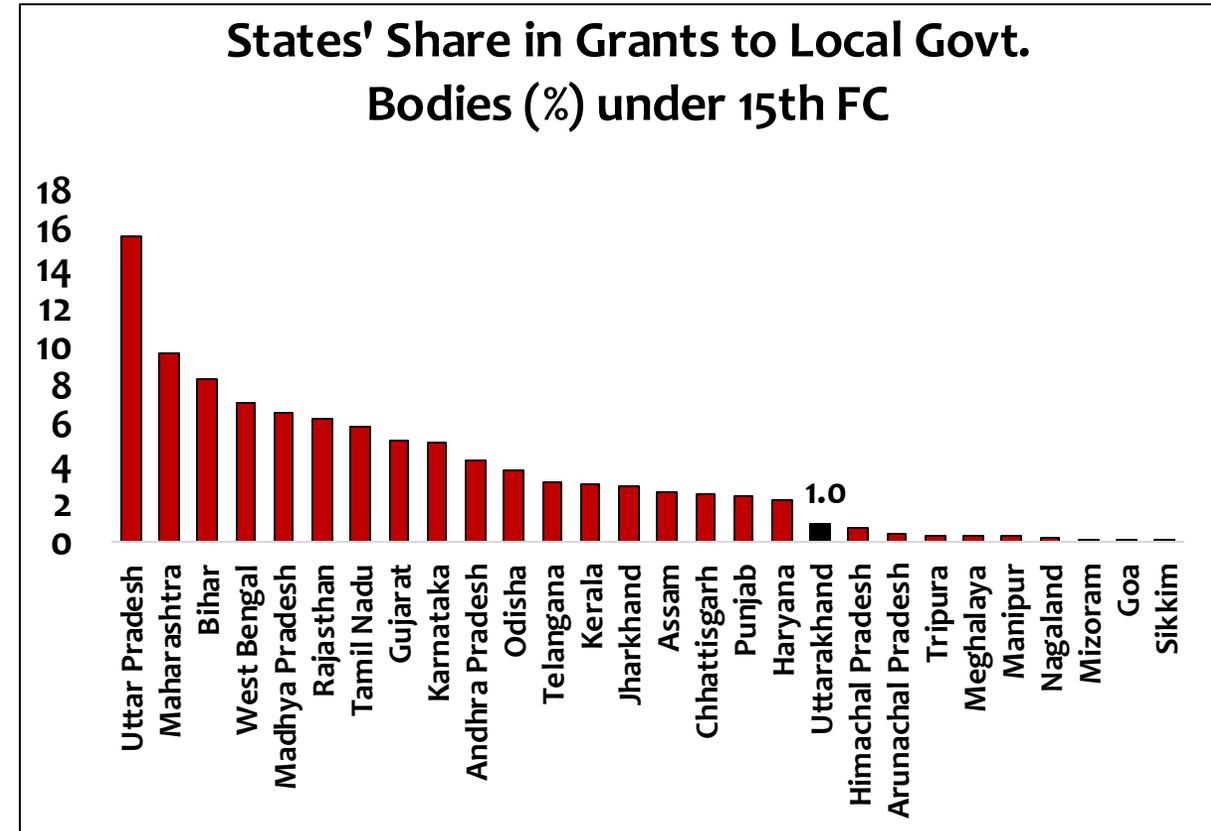
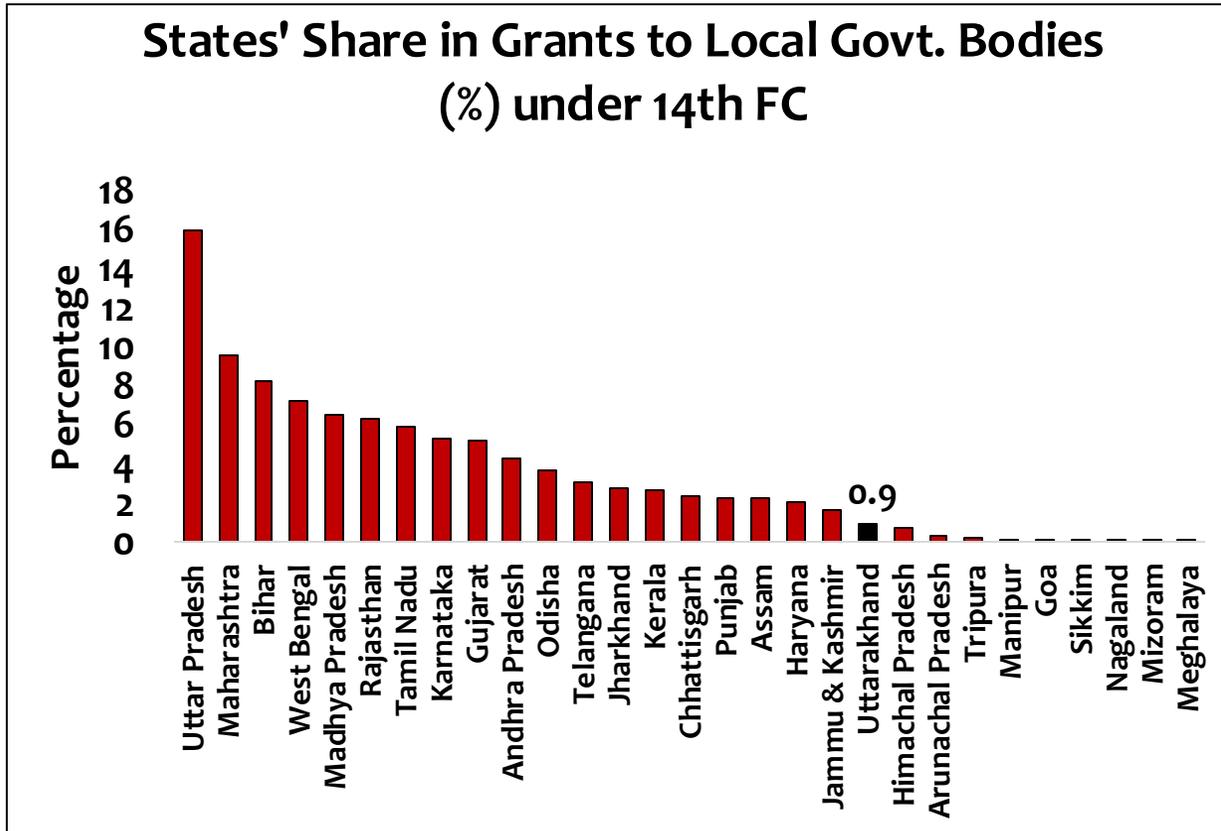
# Uttarakhand had a 9.6 percentage point increase in Revenue Deficit Grants between the 14th and 15th FC recommendations – the highest among all states



Source: 14<sup>th</sup> and 15<sup>th</sup> FC Reports.

Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of Revenue Deficit Grants from the Centre, and it has been excluded from this chart.

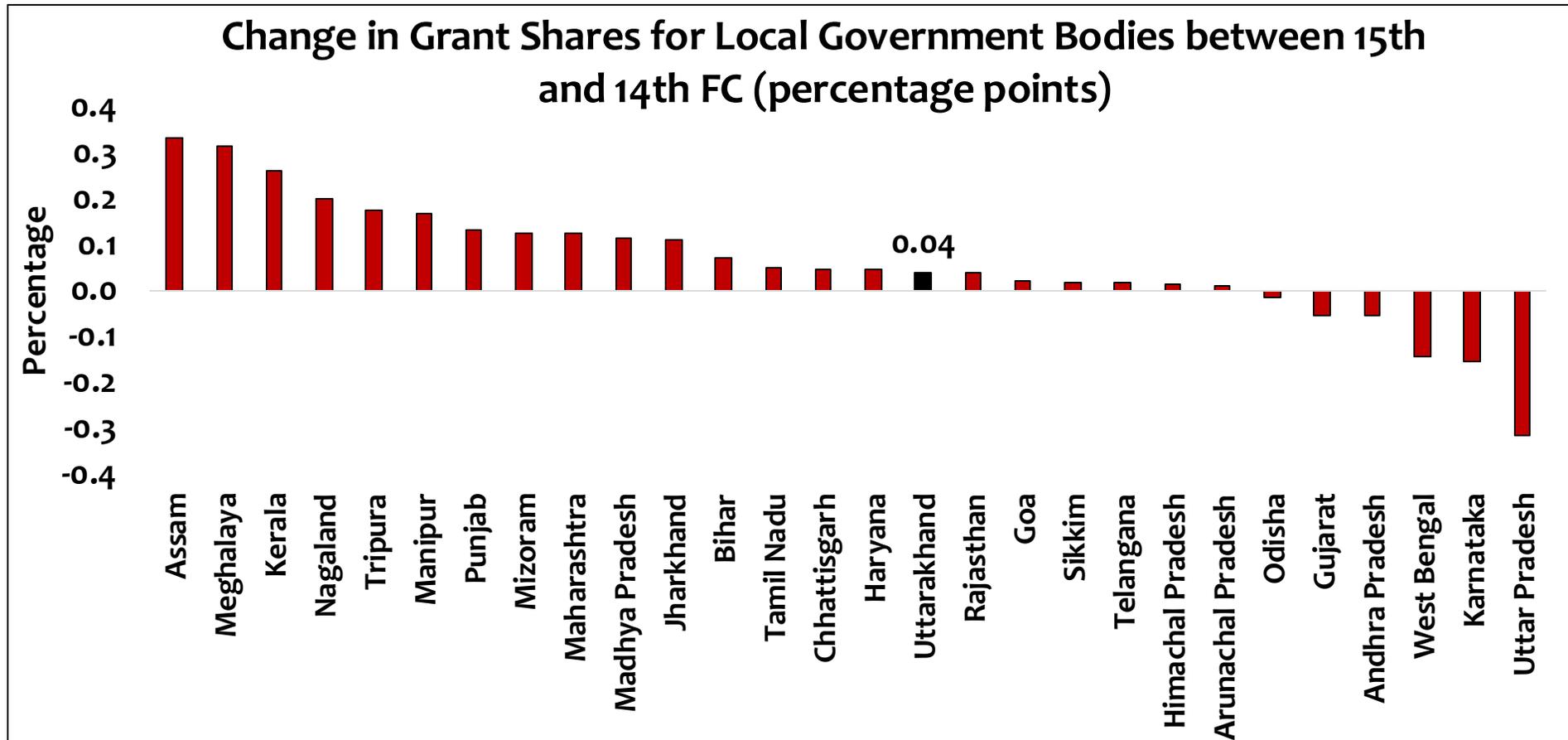
# Uttarakhand's share in Grants to Local Government Bodies from the Centre remained increased from 0.9 percent to 1 percent between 14<sup>th</sup> and 15<sup>th</sup> FCs



Source: 14<sup>th</sup> and 15<sup>th</sup> FC Reports.

Note: An amount of Rs. 8,450 crore is not included in the grants for Local Bodies, these include (a) Incubation of new Cities (Rs. 8,000 Crore) and (b) National Data Centre (Rs. 450 Crore). These were not included in the table which reports the State-wise shares in the 15th FC Report.

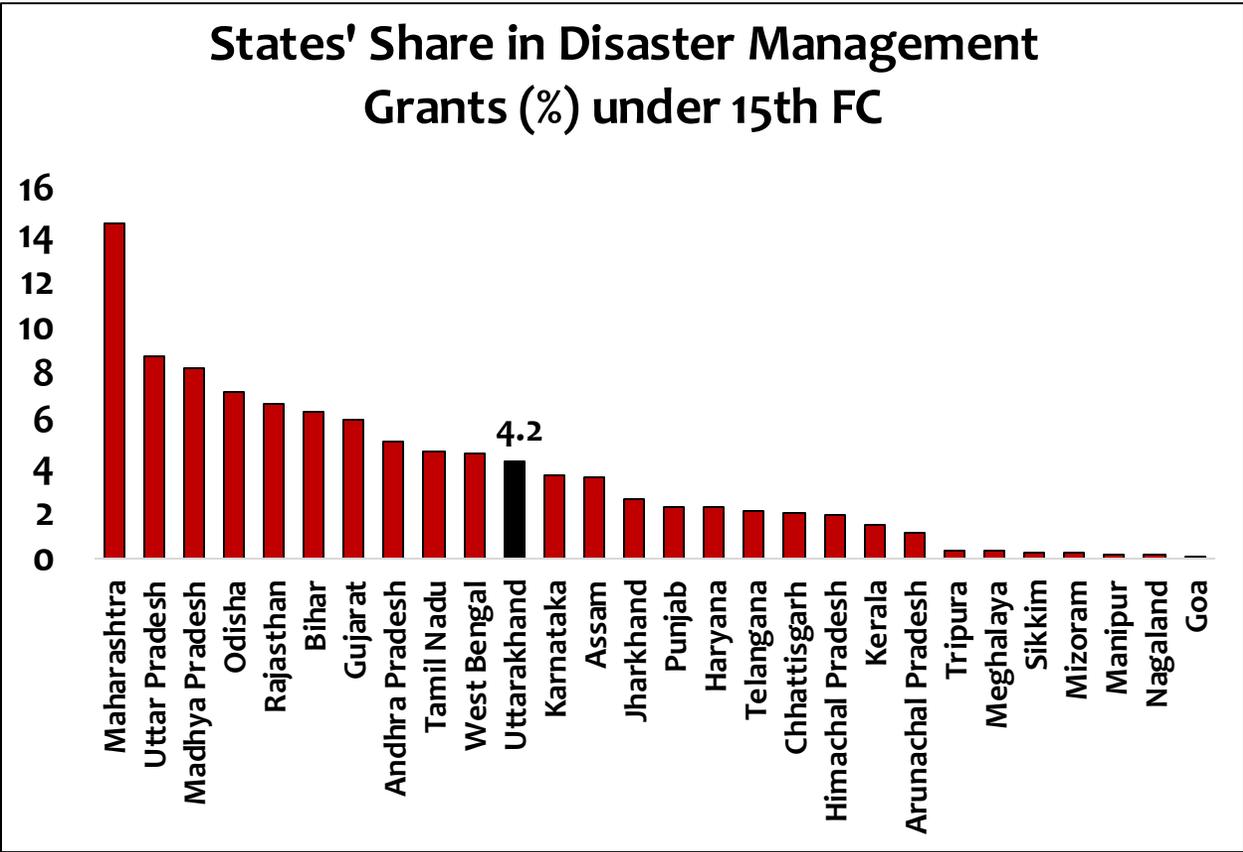
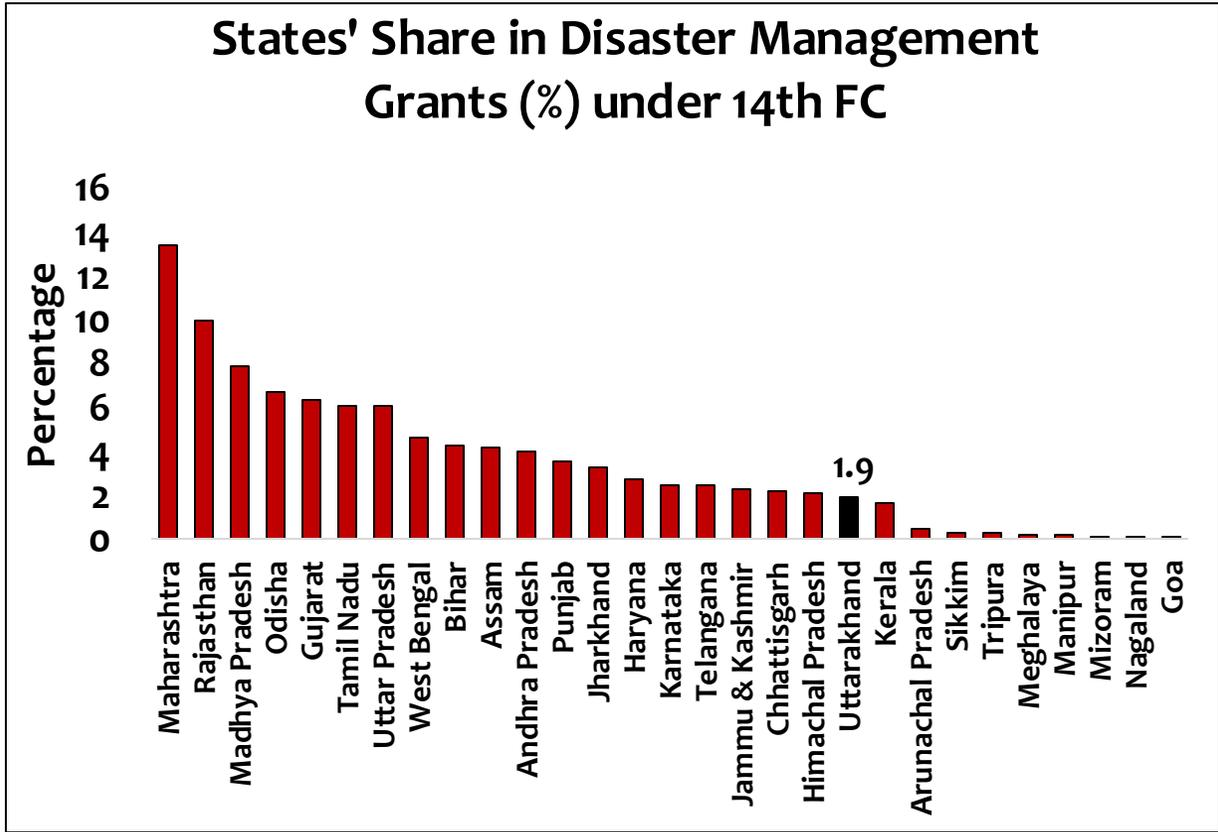
# Uttarakhand had 0.04 percentage point change in Local Government Bodies' Grants between the 14th and 15th FC recommendations



Source: 14<sup>th</sup> and 15<sup>th</sup> FC Reports.

Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of Local Government Bodies' Grants from the Centre, and it has been excluded from this chart.

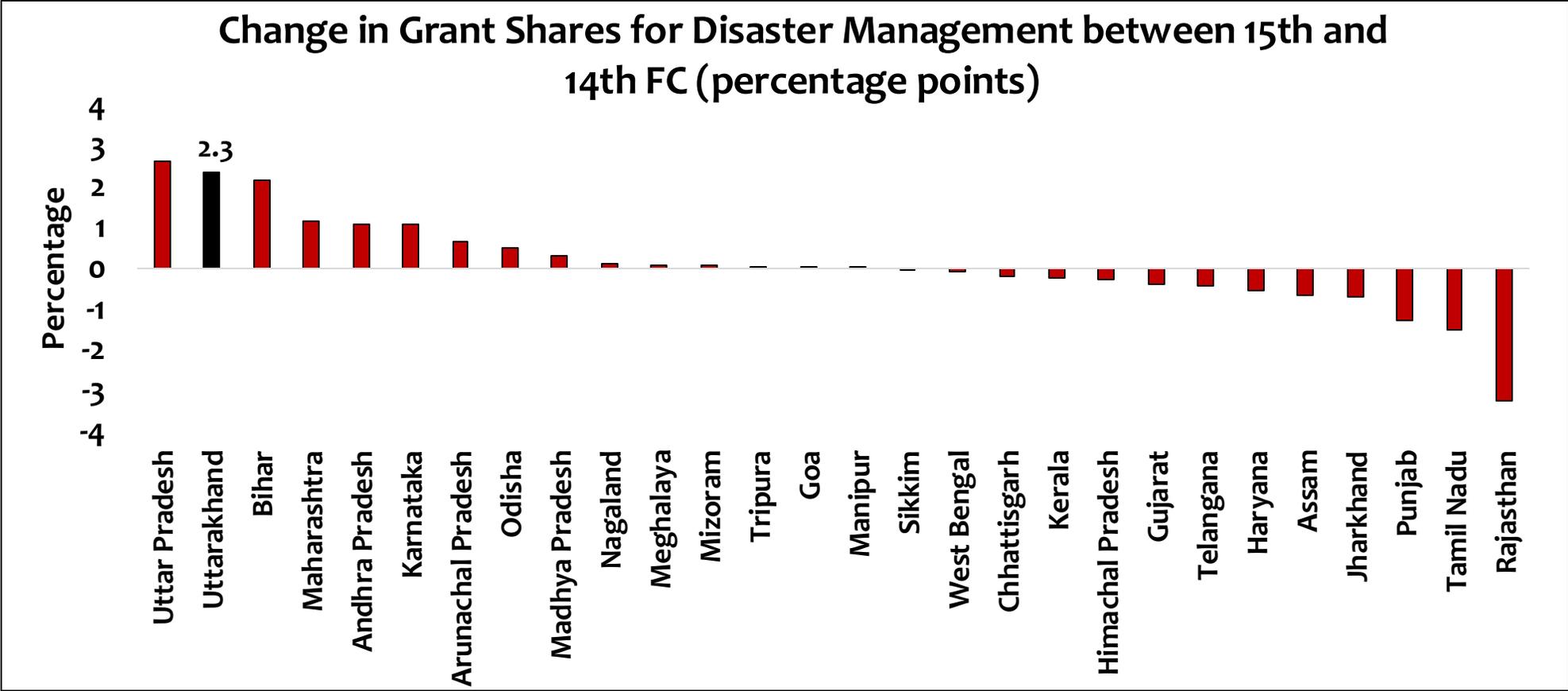
# Uttarakhand's recommended share in the Grants for Disaster Management from the Centre increased from 1.9 percent by 14<sup>th</sup> FC to 4.2 percent by the 15<sup>th</sup> FC



Source: 14<sup>th</sup> and 15<sup>th</sup> FC reports.

Note: A Disaster Risk Index is calculated for all States, taking into consideration the natural calamities different States are prone to, poverty, and other factors. This index is then weighed by a factor accounting for the aggregate expenditure of States on disaster management, area and population, to calculate the States' shares in disaster management grants.

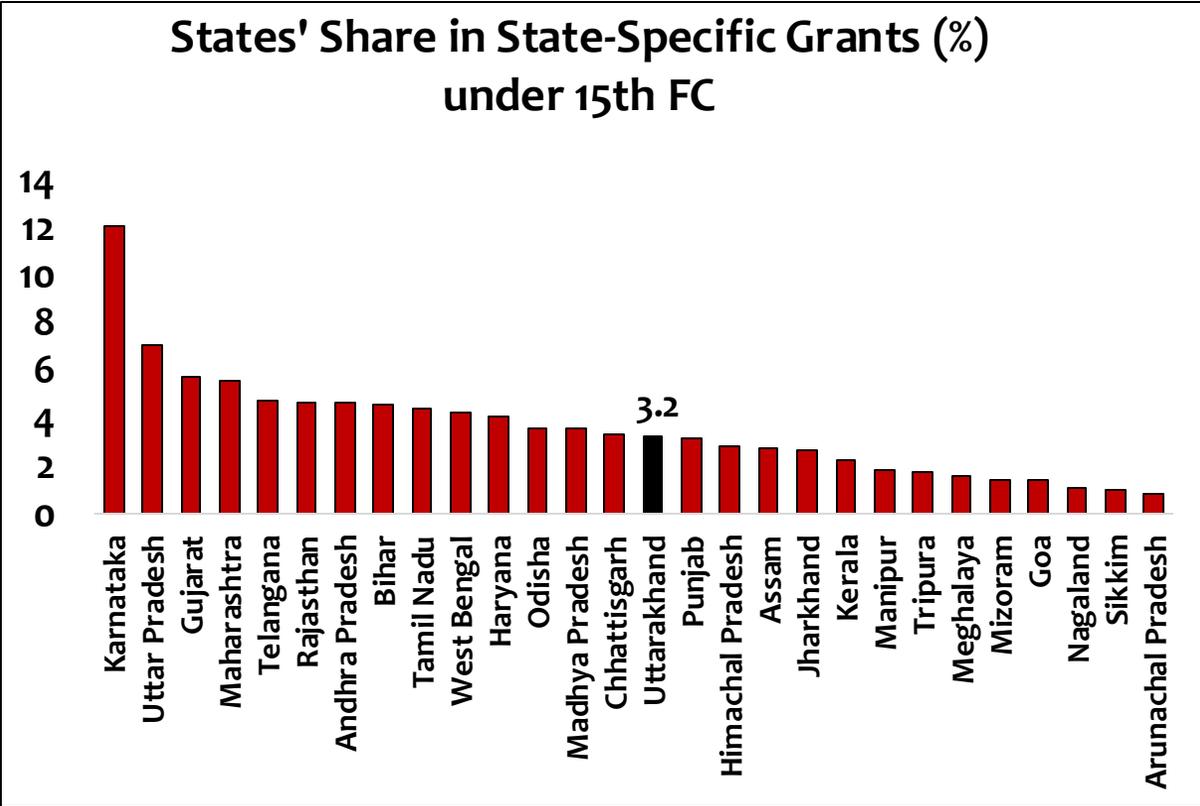
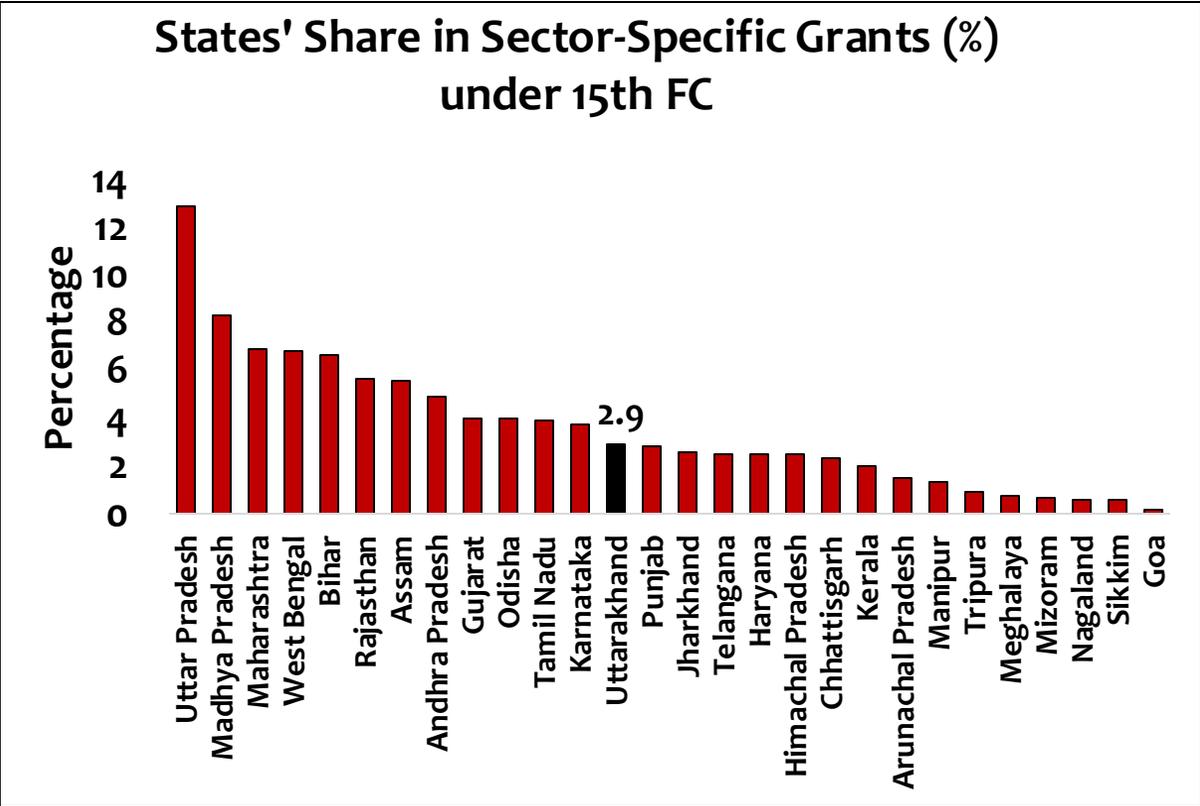
# Uttarakhand had a 2.3 percentage point increase in Grants for Disaster Management between the 14th and 15th FC recommendations



Source: 14<sup>th</sup> and 15<sup>th</sup> FC Reports.

Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of grants-in-aid from the Centre, and it has been excluded from this chart.

Uttarakhand's share in Sector-Specific Grants is 2.9 percent of the total. It received 8.4 percent of the grants for maintenance of PMGSY Roads, followed by 2.1 percent each of the health and education grants as well as grants for statistics. A total of Rs. 1,600 crore was recommended in State-Specific grants, of which, Rs. 950 crore was directed towards the Jamrani dam multipurpose project for drinking water and sanitation



Source: 14<sup>th</sup> and 15<sup>th</sup> FC Reports.

Note: i. Other sector-specific grants and the State's shares in each include grants for judiciary (0.7 percent) and performance incentive grants for agriculture (0.6 percent); ii. The remaining State-specific grants were distributed among Song dam drinking water project for Dehradun (Rs. 500 crore), sanitation, waste disposal and drainage in Pauri Garhwal (Rs. 100 crore), and sanitation and drainage of Nainital (Rs. 50 crore).

# Climate Change under the FC

- Looking at the last two decades, there has been a shift in how the issue of climate change has been addressed by different Finance Commissions.
- **12<sup>th</sup> and 13<sup>th</sup> FCs**
  - The **12<sup>th</sup> FC** recommended grants worth Rs. 1,000 crore to be shared by States for the Maintenance of Forests, in addition to what the States were spending through their respective forest departments. The amount was distributed among the States based on their forest area, and it was to be spent for preservation of forest wealth. [*refer to Chapter 10, pg. 175, 184-185*]
  - Expanding on the same, the **13<sup>th</sup> FC** recommended Environment Grants worth Rs. 15,000 crore to States, which covered three areas: protection of forests, renewable energy, and water sector management (Rs. 5,000 crore each). [*refer pg. 205 (table 12.1), pg. 210-217*]
- **14<sup>th</sup> and 15<sup>th</sup> FCs**
  - The **14<sup>th</sup> FC** approached climate change and sustainable economic development from a fiscal perspective, and with the view that tax devolution should be the primary route of transfer of resources to States, increased the States' share in the divisible pool to 42 percent (from 32 percent under the 13<sup>th</sup> FC). [*refer pg. 31 (point 2.33), pg. 103, 107 (point 8.27), pg. 180 (point 12.34-12.35)*]
  - Forest cover was introduced as a criteria for tax devolution by the 14<sup>th</sup> FC, to continue accounting for concerns related to climate change and to encourage States to maintain higher forest covers. They assigned 7.5 percent weight to forest cover in the tax devolution matrix.
  - The **15<sup>th</sup> FC** maintained this recommendation, and assigned a higher weight of 10 percent to forest and ecology in the tax devolution matrix.
  - The 15<sup>th</sup> FC also made State-specific grant recommendations (based on specific requests from States). Very few of them are categorized under climate-change, and some others align with one or more of the three environment goals specified by the 13<sup>th</sup> FC: Arunachal Pradesh (Rs. 355 crore, renewable energy), Goa (Rs. 500 crore, alternative power sources, waste management), Jharkhand (Rs. 700 crore, renewable energy), Kerala (Rs. 500 crore, forest conservation), Maharashtra (Rs. 500 crore, forest conservation), Punjab (Rs. 390 crore, includes support for reduction in environment pollution caused by stubble burning), Rajasthan (Rs. 400 crore, integrated water management), Tamil Nadu (Rs. 200 crore, revamping water bodies to adapt to climate change). [*refer Annex 10.9, pg. 803-810 (summary), Annex 10.10, pg. 811-837*]

# **7. Uttarakhand Fiscal Responsibility and Budget Management Act, 2005**

# Status of Fiscal Rule in Uttarakhand

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- Following the Twelfth Finance Commission's recommendations for prudent fiscal management, the Uttarakhand State Government enacted the **Uttarakhand Fiscal Responsibility Act and Budget Management Act (FRBM)** in 2005, in line with Union Fiscal Responsibility and Budget Management Act, 2003.
  
- The State Government is required to present a Medium Term Fiscal Policy Statement alongside the budget every year.
  
- As per the Uttarakhand FRBM Act, 2005, the State was required to:
  1. **Revenue Deficit:** Reduce its revenue deficit to nil within a period of four financial years from 2005-06 to 2008-09 and reduce revenue deficit as a percentage of GSDP in each year to achieve zero revenue deficit
  2. **Fiscal Deficit:** Reduce fiscal deficit to not more than 3 percent of GSDP in the period 2004-05 to 2008-09 and reduce fiscal deficit as a percentage of GSDP in each financial year to achieve the same
  3. **Total Outstanding Liabilities:** Total liabilities should not exceed 25 percent of estimated GSDP in the period starting from 1<sup>st</sup> April 2005 and ending on 31<sup>st</sup> March 2015
  4. Not to give any guarantee for any amount exceeding the limit stipulated under any rule or law of the State Government existing at the time of the FRBM Act coming into force or any rule or law made by the State Government subsequent to the Uttarakhand FRBM Act coming into force.

# Status of Fiscal Rule in Uttarakhand

## ➤ 2011 Amendment

1. **Revenue Deficit:** Reduce revenue deficit to nil in a period of four years from 1<sup>st</sup> April 2011 to 31<sup>st</sup> March 2015
2. **Fiscal Deficit:** Reduce the fiscal deficit as a percentage of GSDP to not more than 3.5 percent of GSDP in 2011-12 and 2012-13, and not more than 3 percent in 2013-14 and 2014-15
3. **Total Outstanding Liabilities:** Ensure that during the period of four financial years from 1<sup>st</sup> April 2011 to 31<sup>st</sup> March 2015, the total estimated debt liability does not exceed 41.1 percent, 40 percent, 38.5 percent and 37.2 percent respectively of its GSDP

## ➤ 2016 Amendment

- **Fiscal Deficit:** During the period 2016-17 to 2019-20, the State's fiscal deficit to GSDP ratio should be anchored to 3 percent. The State would be eligible for flexibility of 0.25 percent over and above this for any given year for which the borrowing limits are to be fixed if the debt to GSDP ratio is less than 25 percent in the preceding year. The State would be further eligible for an additional borrowing limit of 0.25 percent in any given year for which the borrowing limits are to be fixed if the interest payments are less than or equal to 10 percent of the revenue receipts in the preceding year. The State can therefore have a maximum fiscal deficit to GSDP ratio of 3.5 percent during the award period of the Fourteenth FC. The flexibility of availing additional borrowing under either of the two provisions (or both) would be available only if the State does not have any revenue deficit in the year in which the borrowing is being availed, and the immediately preceding year.

# Status of Fiscal Rule in Uttarakhand

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## ➤ 2020 Amendment

1. **Fiscal Deficit:** For the financial year 2020-21, the State's fiscal deficit to GSDP ratio would be enhanced by 2 percent over and above the 3 percent limit based on the following criterion:
  - Increase up to 0.5 percent without any condition
  - 1 percent in four tranches of 0.25 percent with each tranche linked to clearly specified measurable reforms as under
    - Implementation of One Nation One Card system
    - Ease of Doing Business reforms
    - Urban Local Body/Utility reforms
    - Power Sector Reforms
  - Remaining 0.50 percent increase may be obtained on undertaking 3 out of the 4 reforms

## ➤ 2023 Amendment

1. **Fiscal Deficit:** Fiscal Deficit as a percent of GSDP for the financial years 2021-22, 2022-23, 2023-24, 2024-25, and 2025-26 shall not exceed 4 percent, 3.5 percent, 3 percent, 3 percent and 3 percent, respectively
2. **Total Liabilities:** Total liabilities as a percent of GSDP for the financial years 2021-22, 2022-23, 2023-24, 2024-25, and 2025-26 shall not exceed 32.6 percent, 33.3 percent, 33.1 percent, 32.8 percent and 32.5 percent respectively

# State Finances Audit Report of the Comptroller and Auditor General of India (CAG) for Uttarakhand

- During the period 2017-18 to 2021-22, Uttarakhand successfully eliminated its revenue deficit and contained its fiscal deficit to GSDP ratio within the limits stipulated in the state FRBM Act in 2020-21 and 2021-22 only.
- The State contained its total outstanding liabilities to GSDP ratio as per the state FRBM Act in 2017-18 only and has since exceeded the limits.

**Table-1.4: Compliance with provisions of FRBM Act**

Fiscal Parameters	Fiscal targets set in the Act	Achievement (₹in crore)				
		2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Deficit (-) / Surplus (+) (₹in crore)	Revenue deficit to be zero	(-) 1,978	(-) 980	(-) 2,136	(+) 1,114	(+) 4,128
		X	X	X	✓	✓
Fiscal Deficit (-)/ Surplus (+) (as percentage of GSDP)	Three per cent from 2017-18 to 2019-20 and 3.5 per cent in 2020-21 and 2021-22	(-) 7,935 (-3.60)	(-) 7,320 (-3.18)	(-) 7,657 (-3.23)	(-) 5,439 (-2.32)	(-) 3,736 (-1.47)
		X	X	X	✓	✓
Ratio of total outstanding debt to GSDP (in per cent)	25 per cent	23.54	25.20	27.84	30.44*	28.12*
		✓	X	X	X	X

Source: Finance Accounts and FRBM Act & XVth Finance Commission Report

\* Back- to-back loans of ₹ 2,316 crore and ₹ 3,333 crore received from GoI during the year 2020-21 and 2021-22 respectively in lieu of GST compensation shortfall has been excluded for computing the ratio of outstanding debt to GSDP. As per GoI clarification<sup>1</sup> this borrowing would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc.

Source: State Finances Audit Reports of the CAG for 2021-22.

# Status of Fiscal Rule in Uttarakhand

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- **Revenue surplus** in 2024-25 is estimated to be 1.2 percent of GSDP (Rs. 4,737 crore), higher than the revised estimates for 2023-24 (0.9 percent of GSDP). In 2023-24, the revenue surplus is expected to be 29 percent lower than the budget estimate
- **Fiscal deficit** for 2024-25 is targeted at 2.4 percent of GSDP (Rs. 9,416 crore). In 2023-24, as per the revised estimates, fiscal deficit is expected to be 2.2 percent of GSDP, lower than the budget estimate for 2023-24.
- At the end of 2024-25, the **outstanding liabilities** are estimated to be 24.2 percent of GSDP, lower than the revised estimate for 2023-24 (24.9 percent of GSDP). The outstanding liabilities have significantly rose in 2020-21 (32.7 percent of GSDP), and moderated thereafter.
- As of March 31, 2024, the **State's outstanding guarantee** is estimated to be Rs. 119.4 crore, i.e., 0.03 percent of Uttarakhand's GSDP in 2023-24.

**Table 5: Fiscal Parameters set in the FRBM Act in various years**

Fiscal Parameters	Fiscal Parameters set in the Act				
	2005	2011	2016	2020	2023
<b>Revenue Deficit</b> <b>(Rs crore)</b>	Reduce its revenue deficit to nil within a period of four financial years from 2005-06 to 2008-09 and reduce revenue deficit as a percentage of GSDP in each year to achieve zero revenue deficit	Reduce revenue deficit to nil in a period of four years from 1 <sup>st</sup> April 2011 to 31 <sup>st</sup> March 2015	Not mentioned	Not mentioned	Not mentioned
<b>Fiscal Deficit</b> <b>(as percentage of GSDP)</b>	Reduce fiscal deficit to not more than 3 percent of GSDP in the period 2004-05 to 2008-09 and reduce fiscal deficit as a percentage of GSDP in each financial year to achieve the same	Reduce the fiscal deficit as a percentage of GSDP to not more than 3.5 percent of GSDP in 2011-12 and 2012-13, and not more than 3 percent in 2013-14 and 2014-15	Maximum fiscal deficit not more than 3.5 percent of the GSDP  Subject to conditions	In view of COVID-19 pandemic during 2020-21, the State Government was allowed to avail 2 percent additional borrowing of the GSDP over and above the target of 3 percent of the GSDP (up to 5 percent of GSDP in the year 2020-21) subject to implementation of State Specific Reforms	Fiscal Deficit as a percent of GSDP for the financial years 2021-22, 2022-23, 2023-24, 2024-25, and 2025-26 shall not exceed 4 percent, 3.5 percent, 3 percent, 3 percent and 3 percent, respectively
<b>Total Outstanding Debt</b> <b>(as percentage of GSDP)</b>	Total liabilities should not exceed 25 percent of estimated GSDP in the period starting from 1 <sup>st</sup> April 2005 and ending on 31 <sup>st</sup> March 2015	Ensure that during the period of four financial years from 1 <sup>st</sup> April 2011 to 31 <sup>st</sup> March 2015, the total estimated debt liability does not exceed 41.1 percent, 40 percent, 38.5 percent and 37.2 percent respectively of its GSDP	Maintain the debt liability at 25 percent of the GSDP	No change	Total liabilities as a percent of GSDP for the financial years 2021-22, 2022-23, 2023-24, 2024-25, and 2025-26 shall not exceed 32.6 percent, 33.3 percent, 33.1 percent, 32.8 percent, and 32.5 percent, respectively

Source: The Uttarakhand Government Gazette, State Finances Audit Reports of the CAG.

# 8. Extra Slides on Fiscal Indicators

- Fiscal Data covers the fiscal period 1990-91 - 2022-23

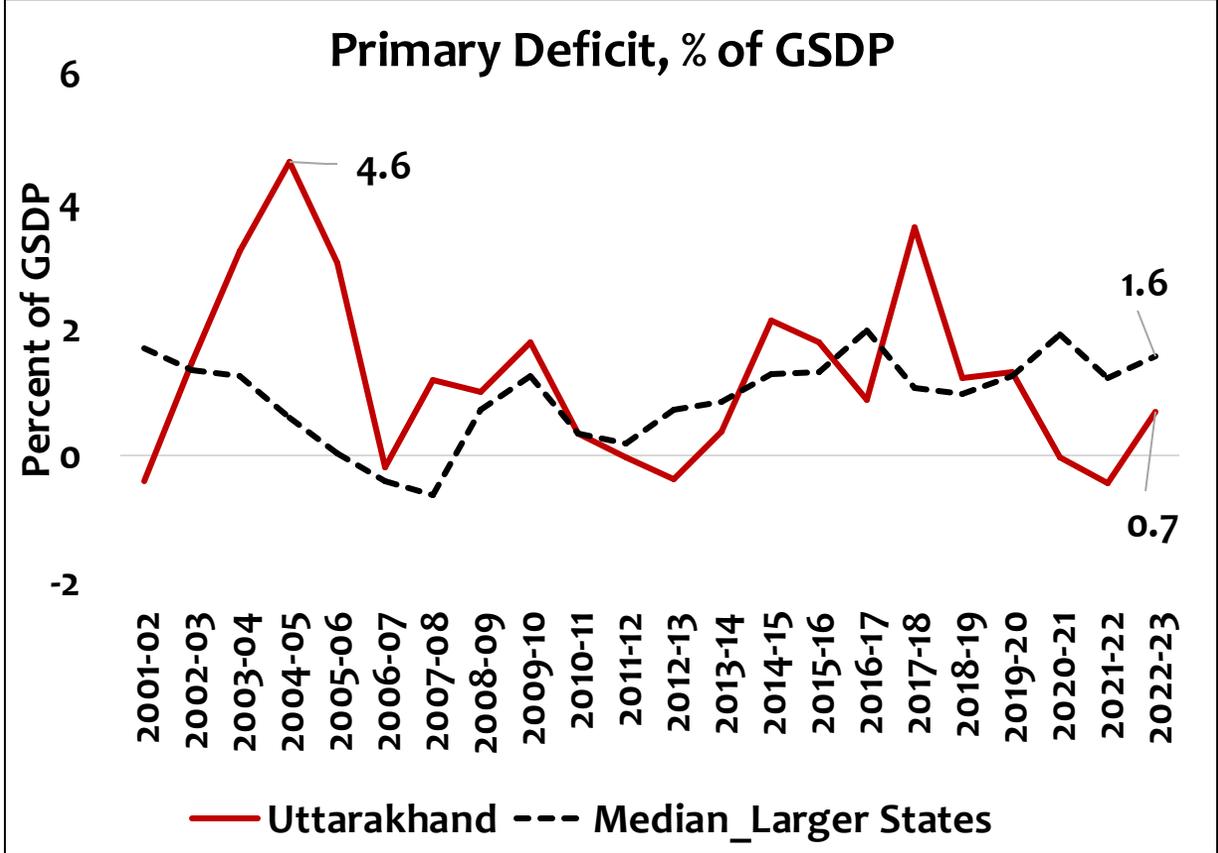
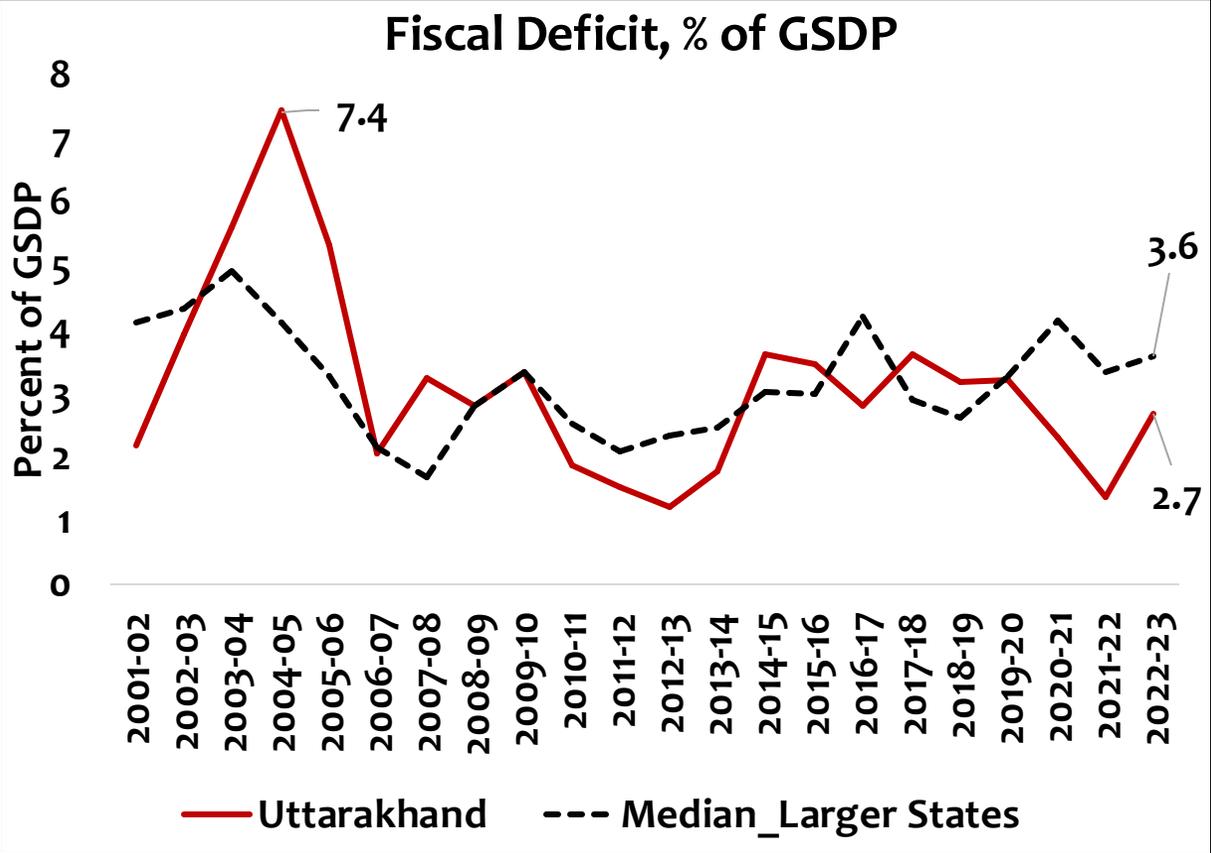
# Fiscal Indicators

## (I) Benchmarked with respect to *Median of Larger States*

Note: In Section 5, the benchmark was defined as the median of all States. This variable was computed as a percentage of GSDP for each State, and the median was taken across 29 States (excluding all Union Territories).

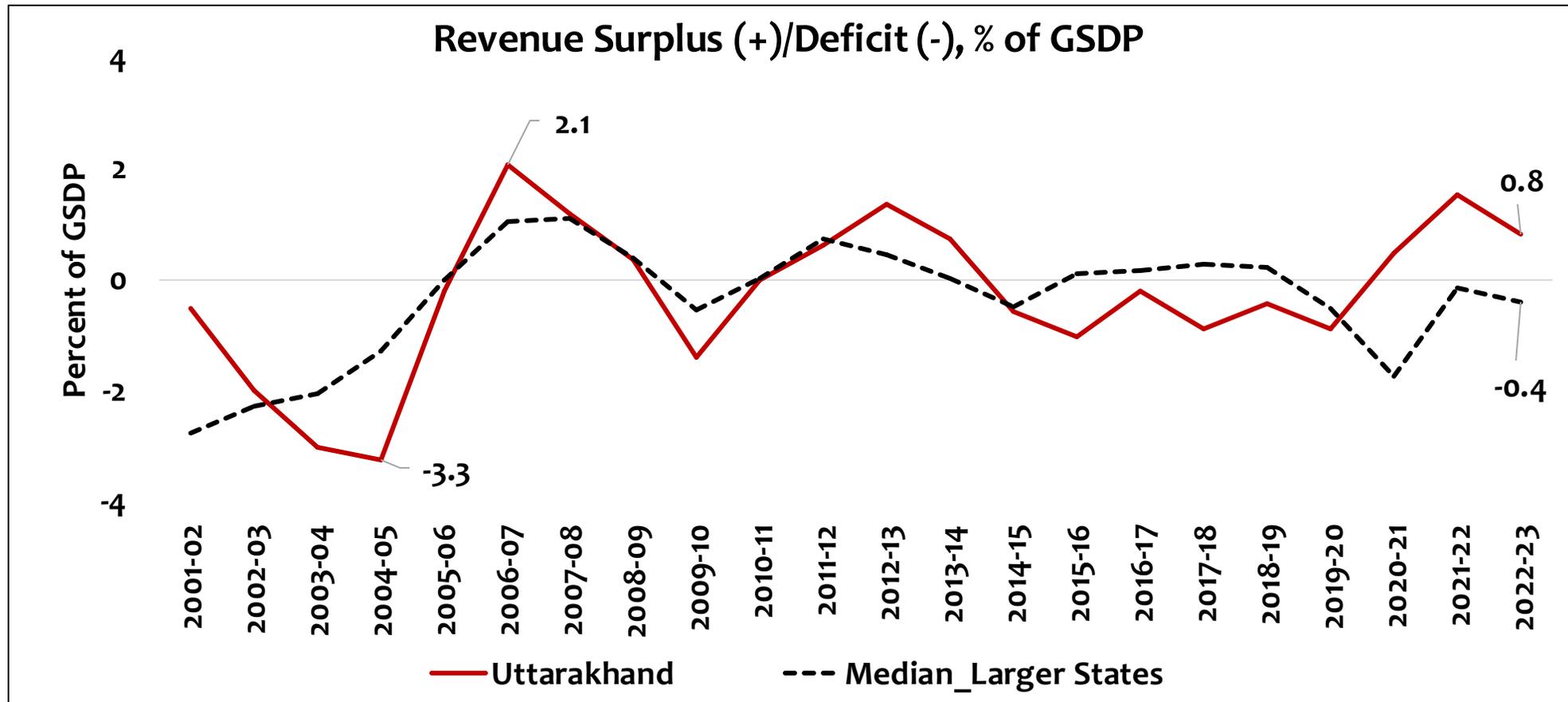
In contrast, the benchmark in this section refers to the median of larger States only. This variable was computed as a percentage of GSDP for each State, and the median was taken across 22 major States (Andhra Pradesh, Assam, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, Uttar Pradesh, Uttarakhand and West Bengal).

# As of 2022-23, Uttarakhand ran Fiscal deficit and Primary Deficit of 2.7 and 0.7 percent of its GSDP respectively, with both deficits lower than that of a median State



Source: i. Fiscal Deficit (FD) is from RBI State Finances Report (SFR, 2022-23); ii. State GSDP data is from MoSPI (2022-23).  
 Note: i. Primary Deficit (PD) is calculated (Fiscal Deficit – Interest Payments). Interest Payments is sourced from RBI SFR; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded); iii. The significant fiscal and primary deficit in 2004-05 could result from the highest Total Expenditure in last two decades; iv. The fiscal and primary deficit improved after 2004-05 as a consequence of the enactment of the State FRBM Act in October 2005 [Source - [Reserve Bank of India Occasional Papers, vol 32, 2011](#)].

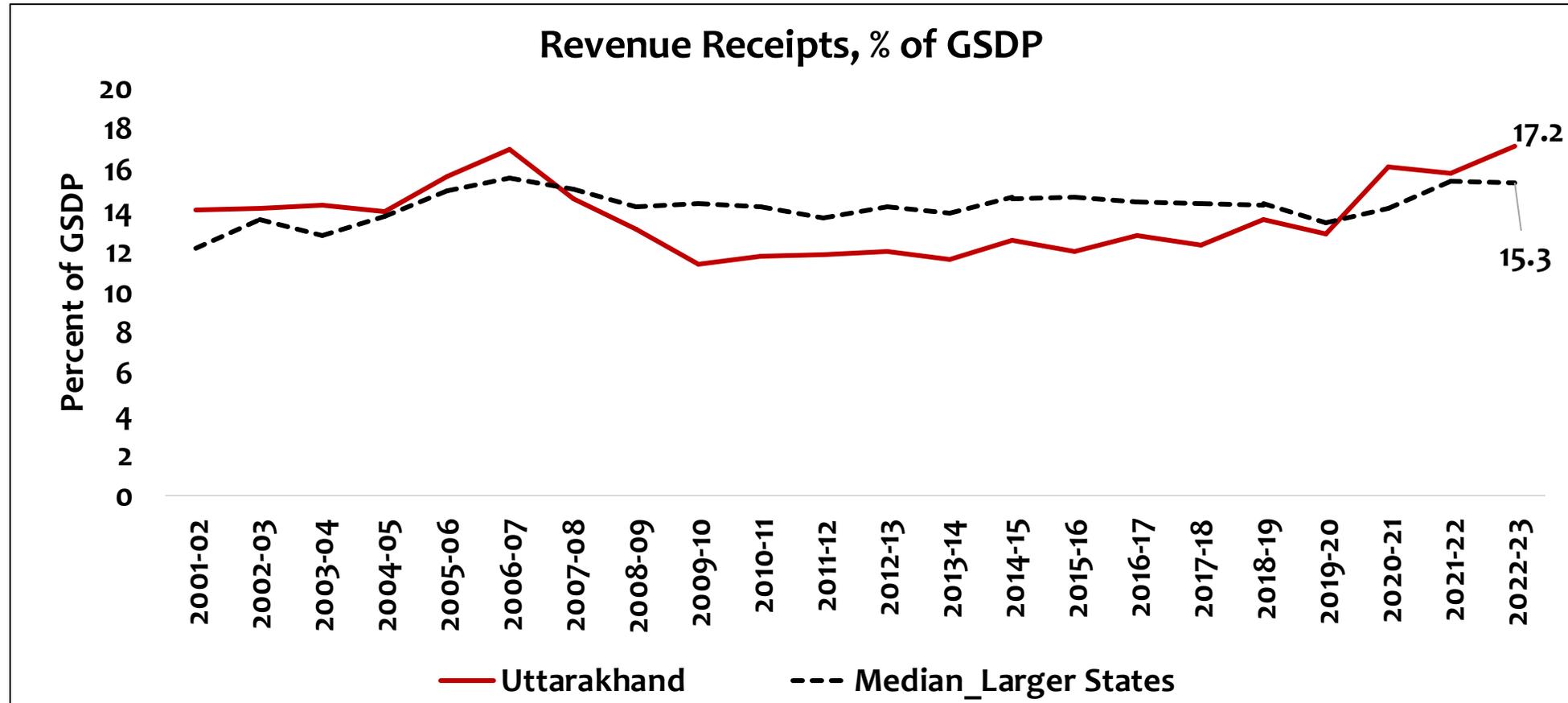
# Uttarakhand's Revenue Deficit was 0.8 percent of its GSDP in 2022-23, while a median State ran a Revenue Deficit of 0.4 percent of its GSDP



Source: i. Revenue Deficit is from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).

Note: i. The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded); ii. The significant revenue deficit in 2004-05 could result from the highest Total Expenditure in the last two decades; iii. The revenue deficit continued to be in surplus during the years from 2005-06 to 2008-09 on the back of containment of revenue expenditure and increase in State's share in central taxes consequent to the Twelfth Finance Commission award [Source - [Reserve Bank of India Occasional Papers, vol 32, 2011](#)].

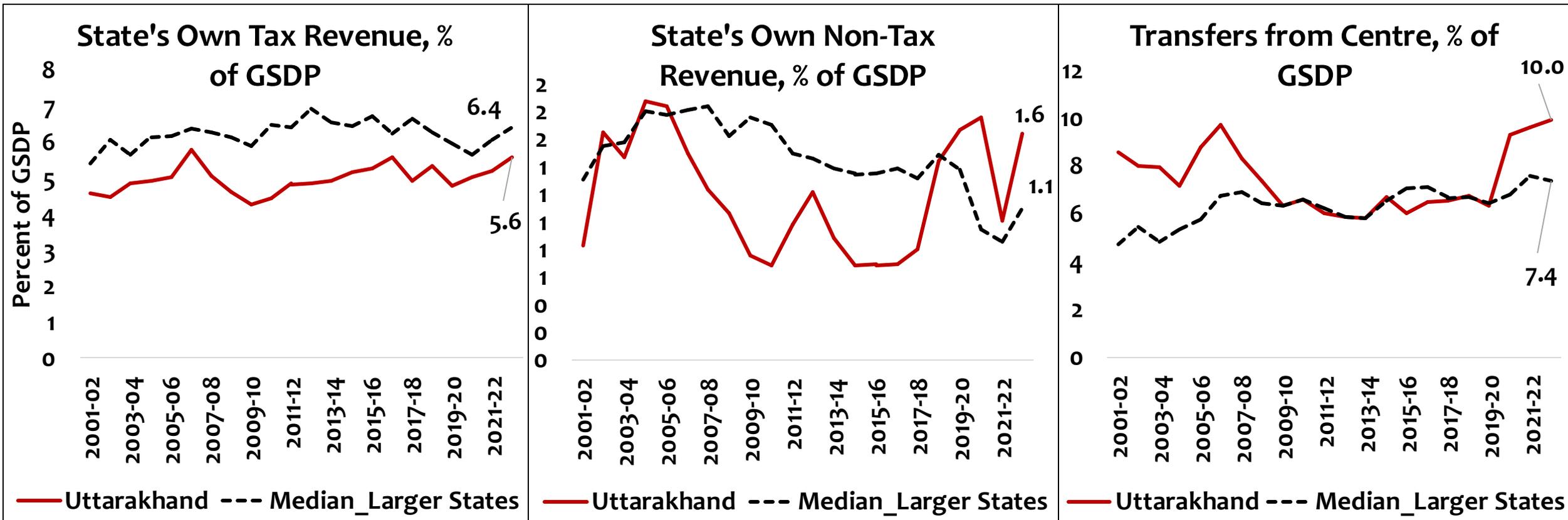
# Uttarakhand's Total Revenue Receipts (own tax, own non-tax, and shared by the Centre) was higher than what a median State collects, at about 17.2 percent of its GSDP in 2022-23



Source: i. Revenue Receipts from RBI State Finances Report (2022-23); ii. State GSDP data is from MoSPI (2022-23).

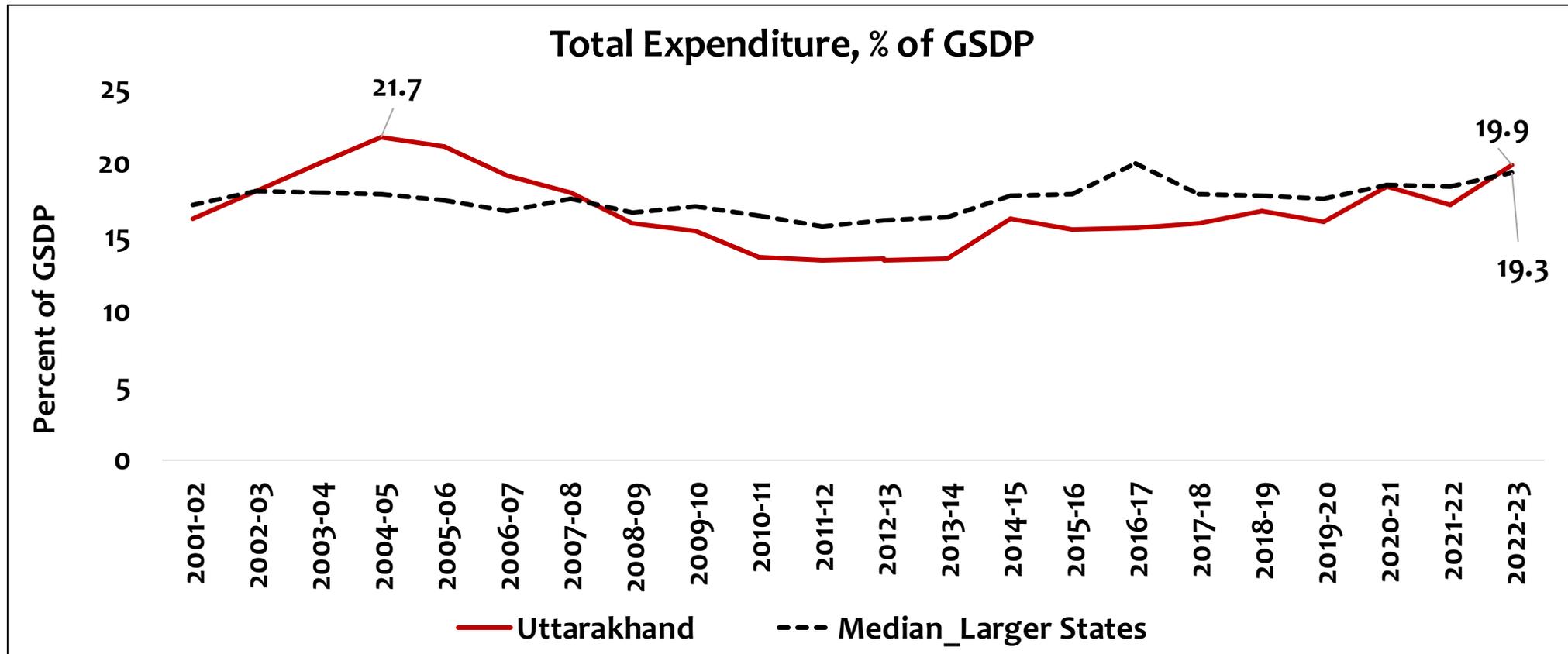
Note: The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded).

# Uttarakhand's Own-Tax Revenue is 5.6 percent of the GSDP which is below a median State. Its Own Non-Tax Revenue and Transfers from Centre were 0.5 and 2.6 percentage points higher than that of a median State as of 2022-23



Source: i. Own-Tax Revenue, Own Non-Tax Revenue, and Transfers from the Centre from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).  
 Note: i. The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded); ii. Transfers from the Centre include both Tax and Non-Tax transfers.

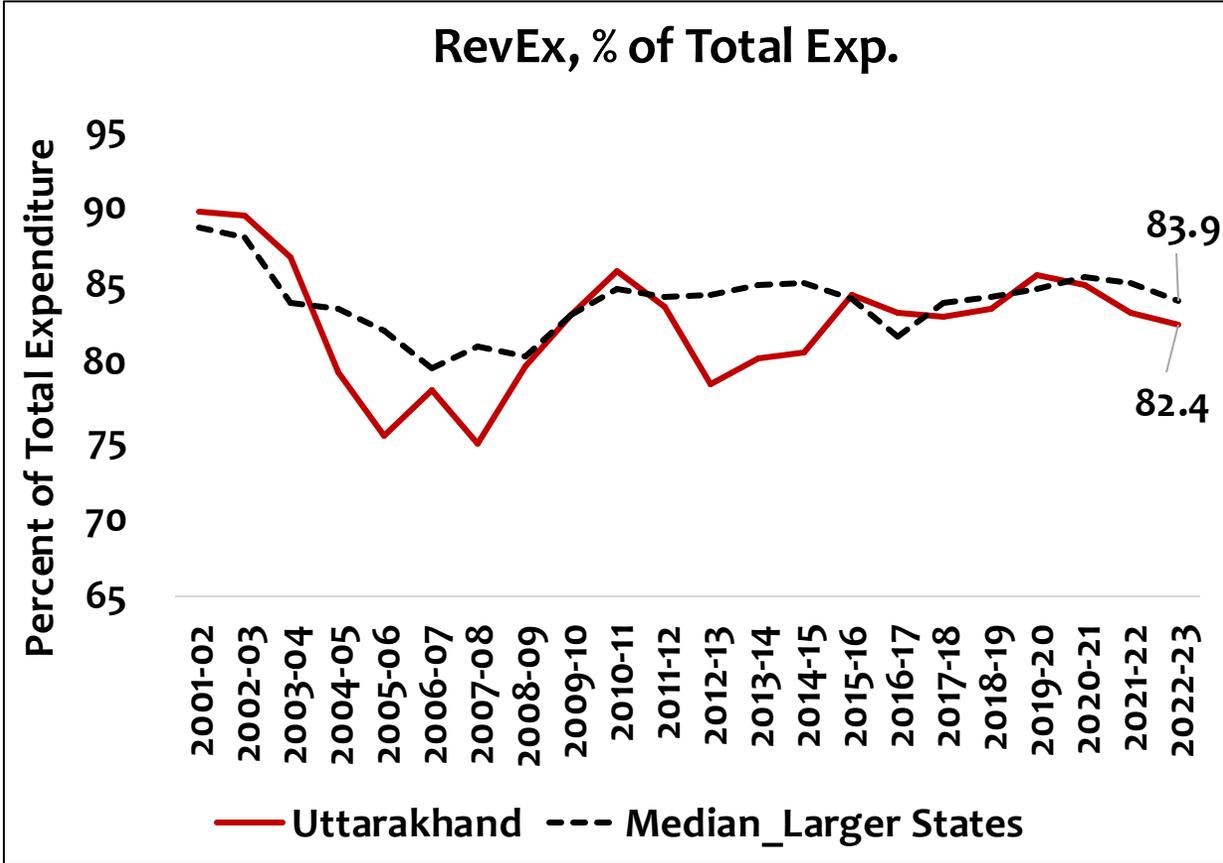
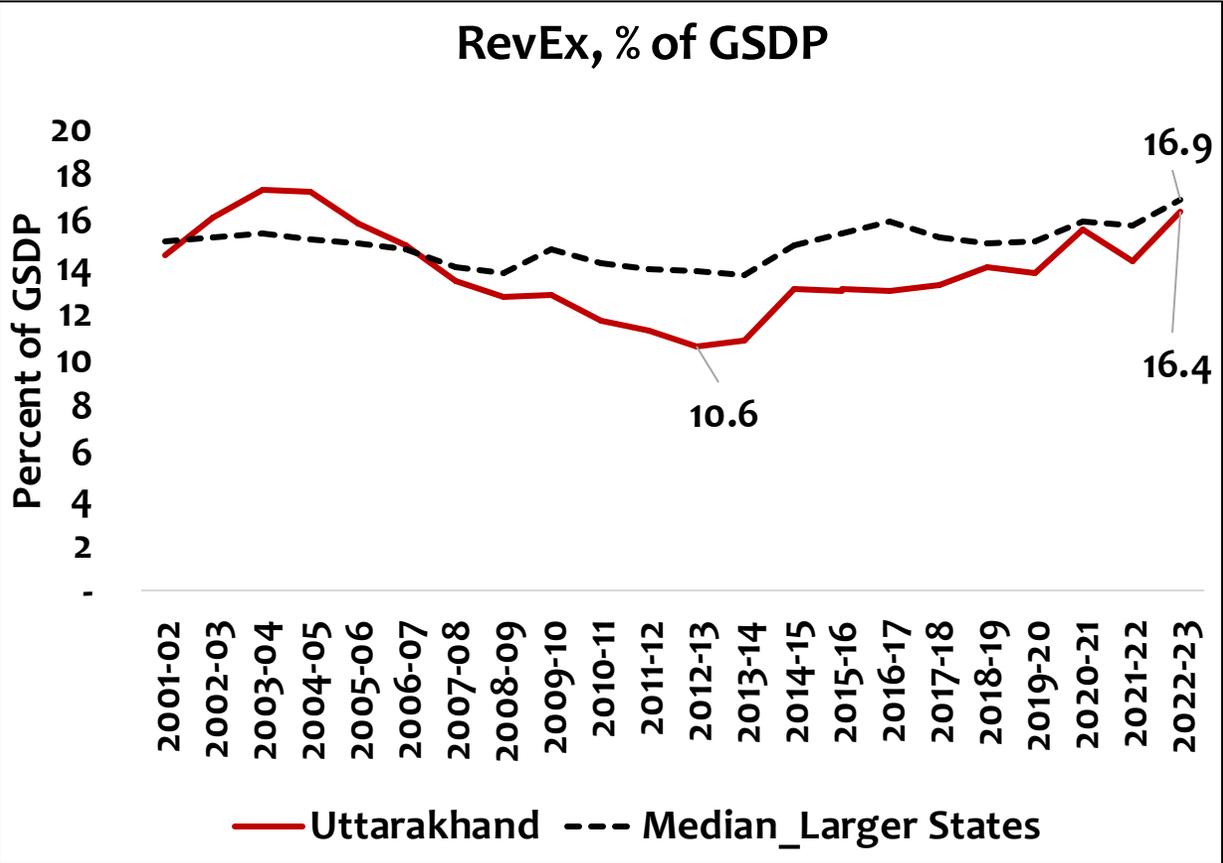
# In 2022-23, Uttarakhand's Total Expenditure at 19.9 percent of its GSDP was about 0.6 percentage points lower than the Expenditure of a median State



Source: i. Total Expenditure is from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).

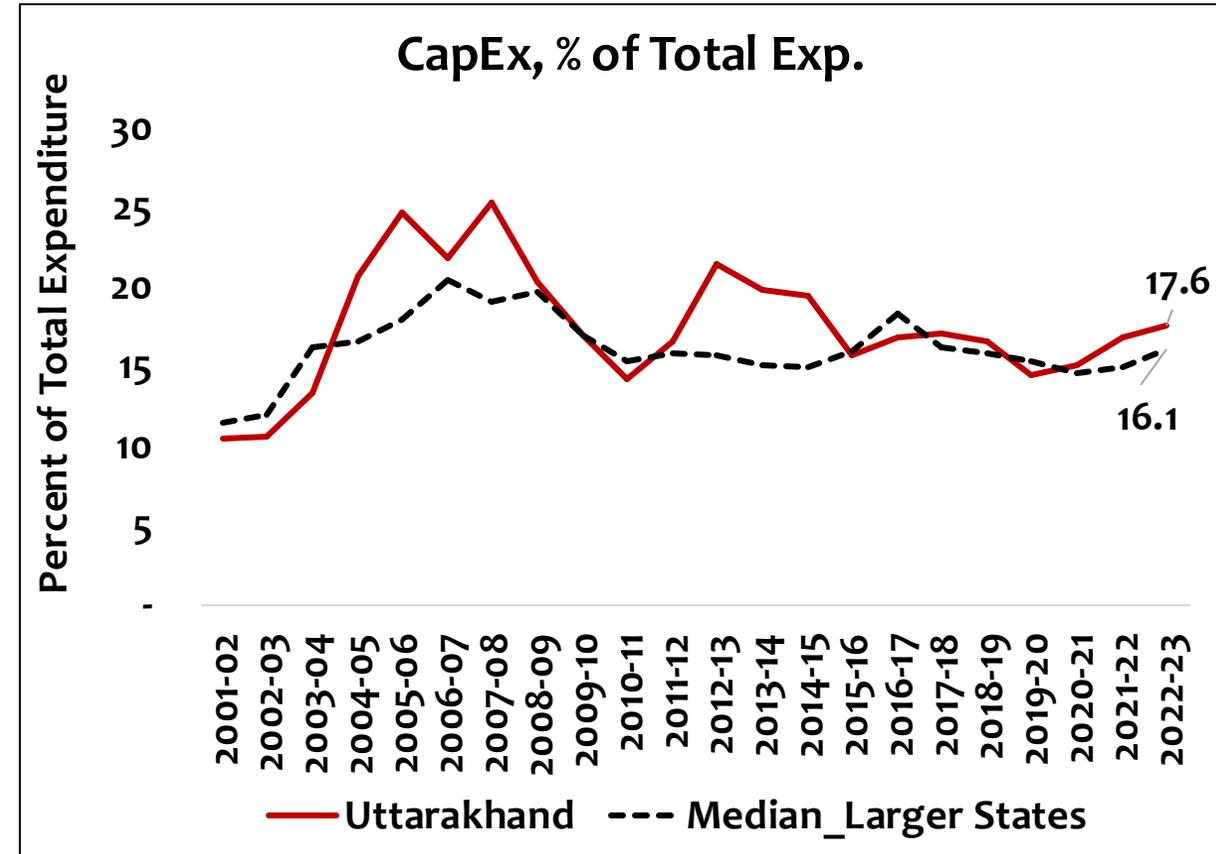
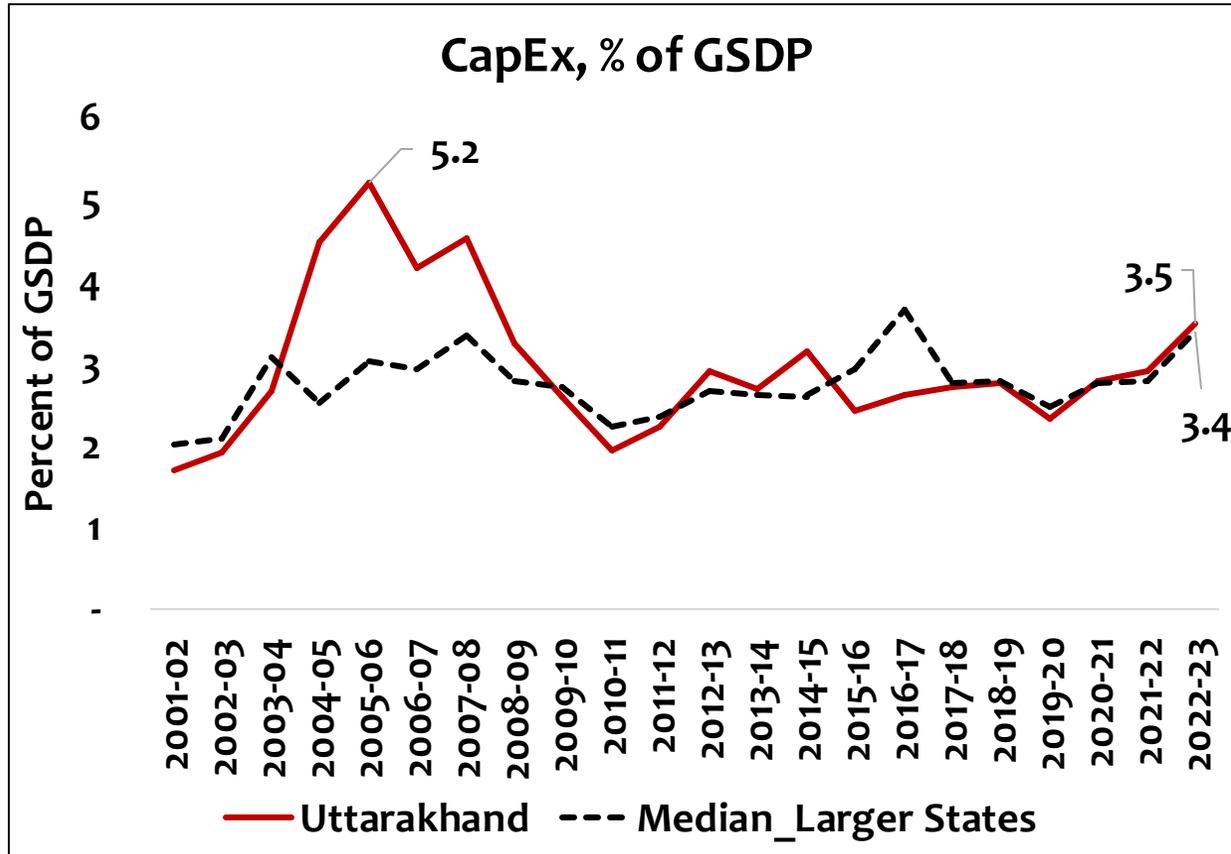
Note: i. Total Expenditure is calculated as Revenue Expenditure (RevEx) plus Capital expenditure (CapEx); ii. The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded); iii. The spike in Total Expenditure in 2004-05 was influenced by a sharp increase in interest payments due to higher payments on account of market loans and withdrawal of high cost NSSF borrowings [Source - [Reserve Bank of India Occasional Papers, vol 32, 2011](#)].

# Uttarakhand's Revenue Expenditure is 16.4 percent of its GSDP, about 0.5 percentage points lower than a median State



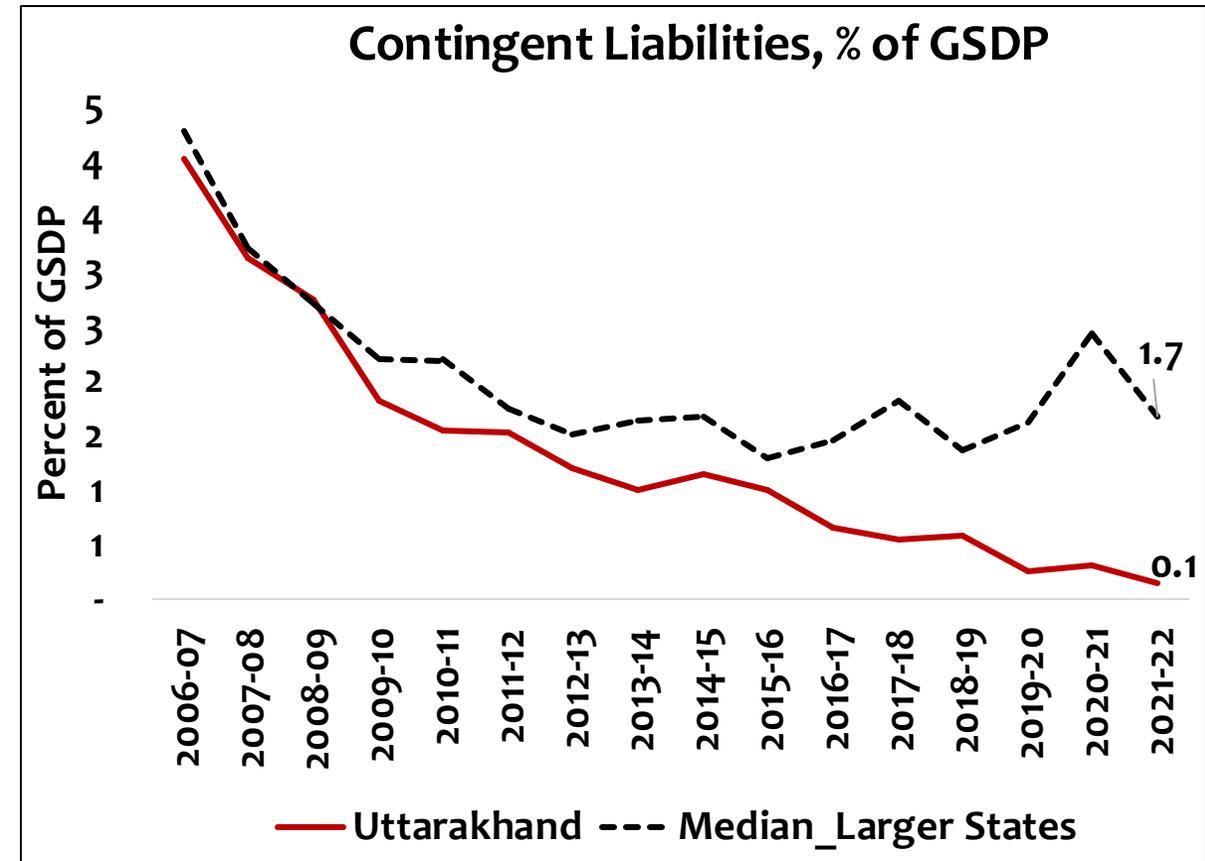
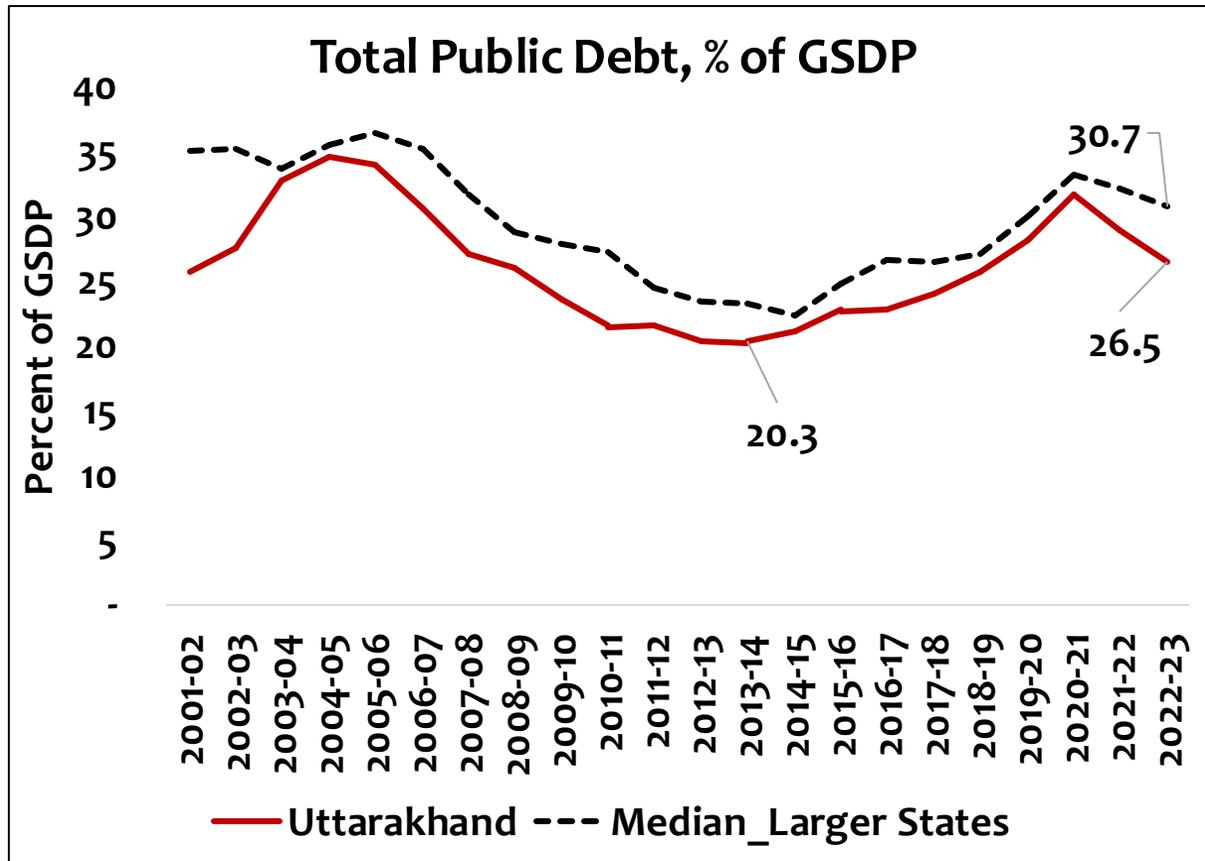
Source: i. RevEx is from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).  
 Note: i. Total Expenditure is calculated as RevEx + CapEx; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded).

**Uttarakhand's CapEx is 3.5 percent of its GSDP, higher than what a median State spends on CapEx (as percent of GSDP). The CapEx as percent of total expenditure was 1.5 percentage points higher than what a median State spent in 2022-23**



Source: i. CapEx is calculated as Capital Outlay + Loans and Advances given by the State government and the data for both is taken from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).  
 Note: i. Total Expenditure is calculated as RevEx + CapEx; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded); iii. The spike in capital expenditure in 2005-06 was due to a very high development expenditure [Source - [Reserve Bank of India Occasional Papers, vol 32, 2011](#)].

Uttarakhand has seen a consistent rise in its Public Debt since 2014 but as of 2022-23 public debt at 26.5 percent of its GSDP was lower than that of a median State by 4.2 percentage points. Its Contingent Liabilities have declined consistently and as of 2021-22 these were 0.1 percent of its GSDP



Source: i. Public Debt and State-wise contingent liabilities data has been taken from RBI SFR (2022-23); ii. State GSDP data is from MoSPI (2022-23).  
 Note: i. The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded); ii. The data for Contingent Liabilities is available only from 2006-07 for Uttarakhand; iii. During 2014-15 to 2018-19, a major portion (ranging between 60.9 percent and 80.9 percent) of public debt receipt was being utilised for repayment of earlier borrowed funds and payment of interest [Source – [CAG report, 2020](#)].<sup>00</sup>

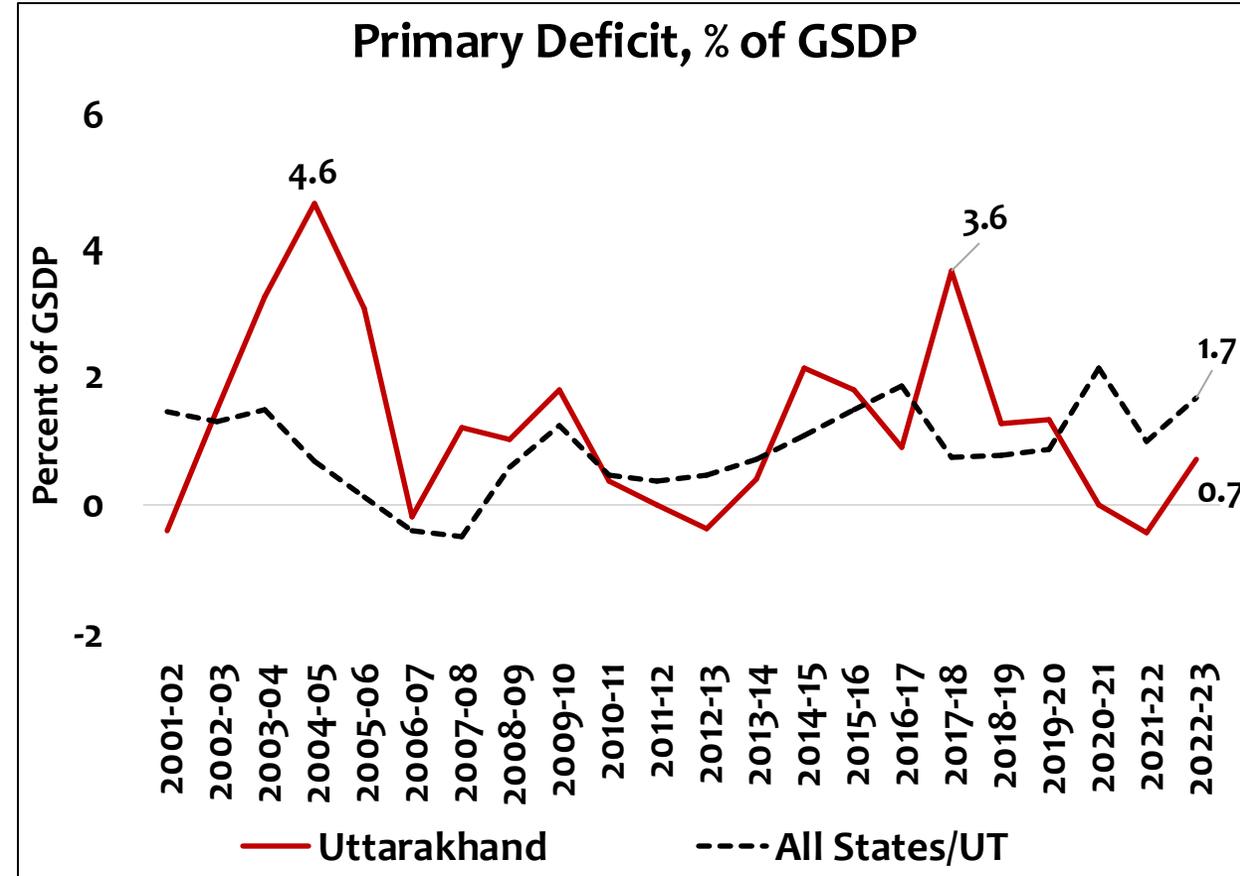
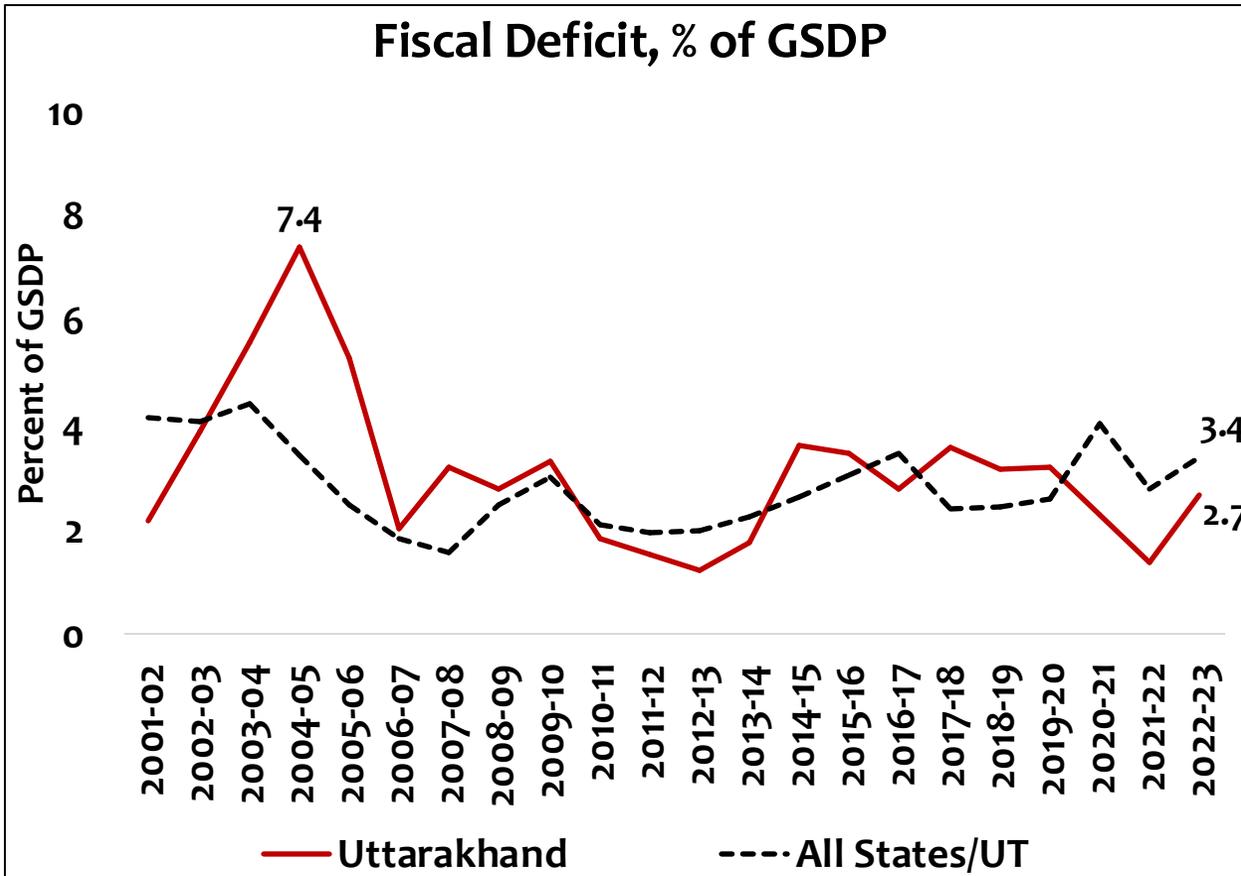
# Fiscal Indicators

## (II) Benchmarked with respect to *All States/UTs*

Note: In Section 5, the benchmark was defined as the median of all States. This variable was computed as a percentage of GSDP for each State, and the median was taken across 29 States (excluding all Union Territories).

In contrast, the benchmark in this section refers to the All States/UTs number, taken as available from the source and expressed as a percentage of national Gross Domestic Product.

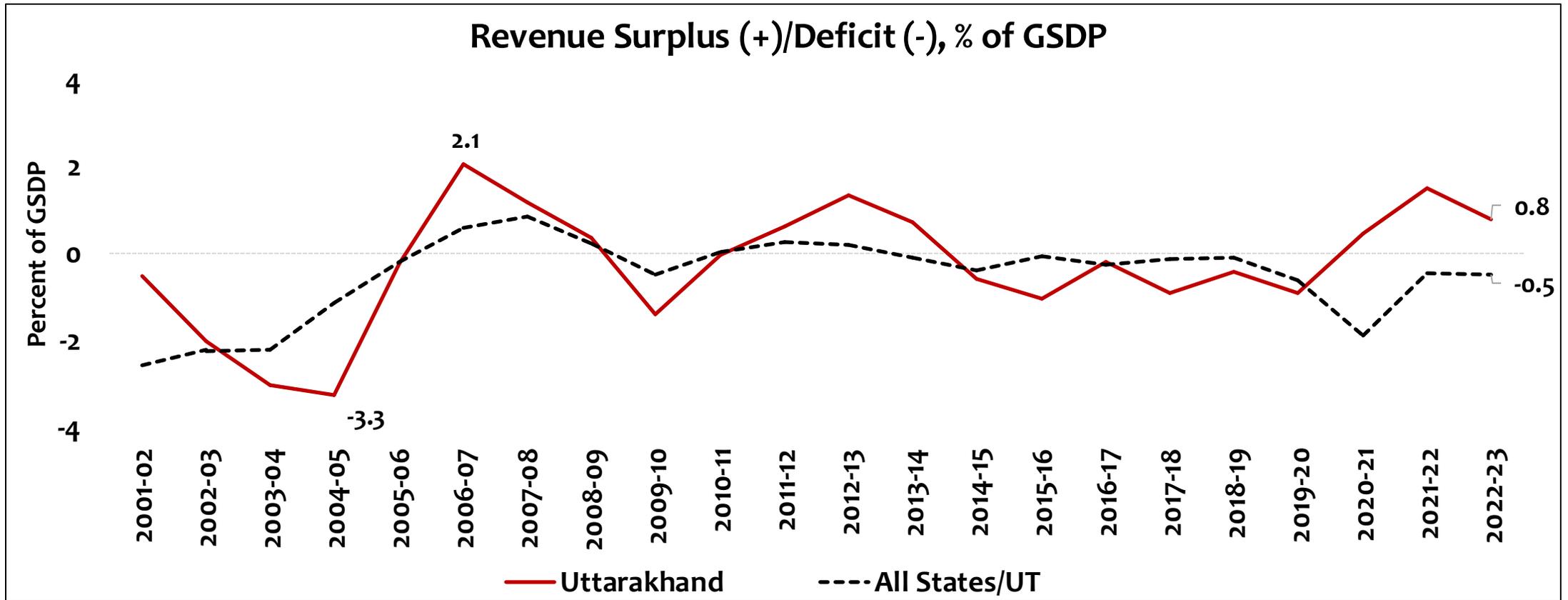
# In 2022-23, Uttarakhand ran a Fiscal Deficit 2.7 percent of its GSDP, lower than an average State, and its Primary Deficit at 0.7 percent of its GSDP was 1 percentage point lower than an average State



Source: i. Fiscal Deficit is from RBI SFR (2022-23); ii. Primary Deficit calculated (Fiscal Deficit – Interest Payments). Interest Payments was sourced from RBI SFR; iii. State GSDP and national GDP data is from MoSPI (2022-23).

Note: i. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product; ii. The significant fiscal and primary deficit in 2004-05 could result from the highest Total Expenditure in last two decades; iii. The fiscal and primary deficit improved after 2004-05 as a consequence of the enactment of the State FRBM Act in October 2005 [Source - [Reserve Bank of India Occasional Papers, vol 32, 2011](#)].

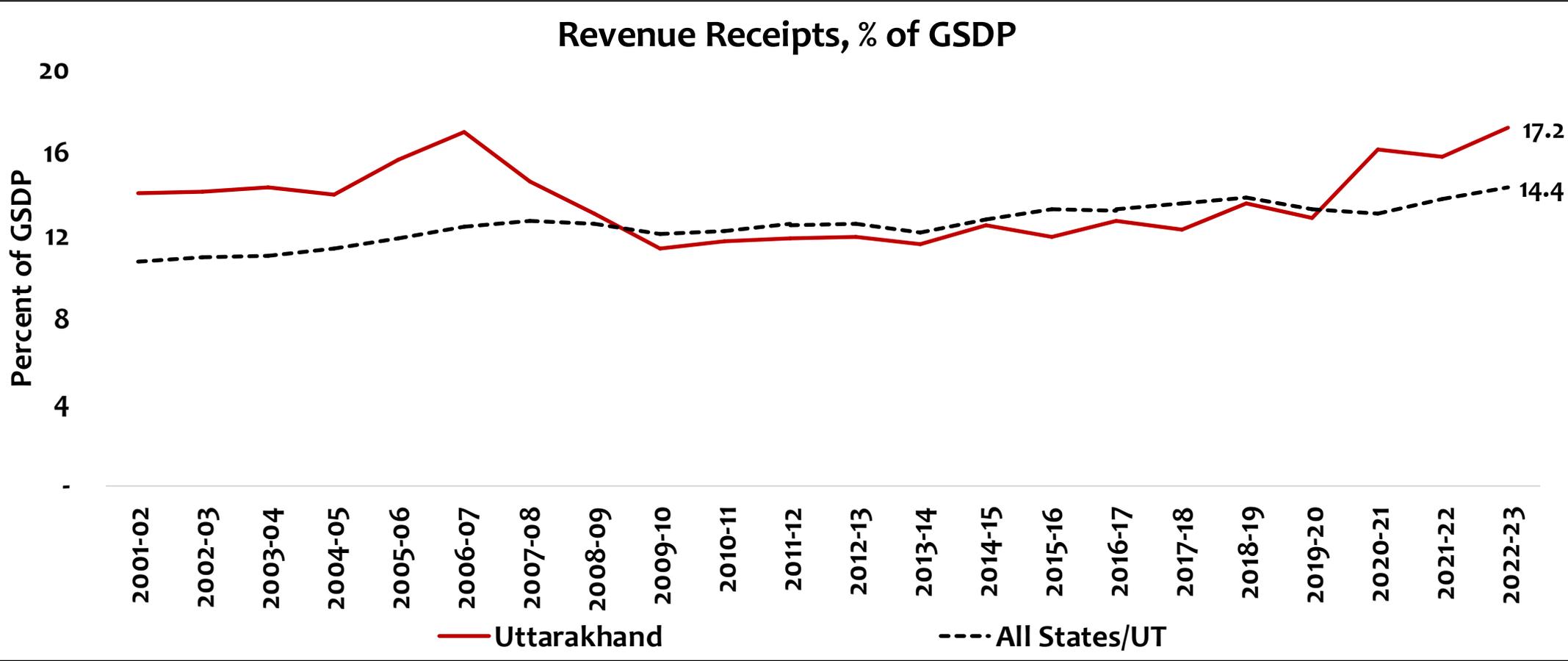
# Uttarakhand ran a Revenue Surplus 0.8 percent of its GSDP in 2022-23, while an average State ran a Deficit 0.5 percent of its GSDP



Source: i. Revenue Deficit from RBI SFR (2022-23); ii. State GSDP and national GDP data is from MoSPI (2022-23).

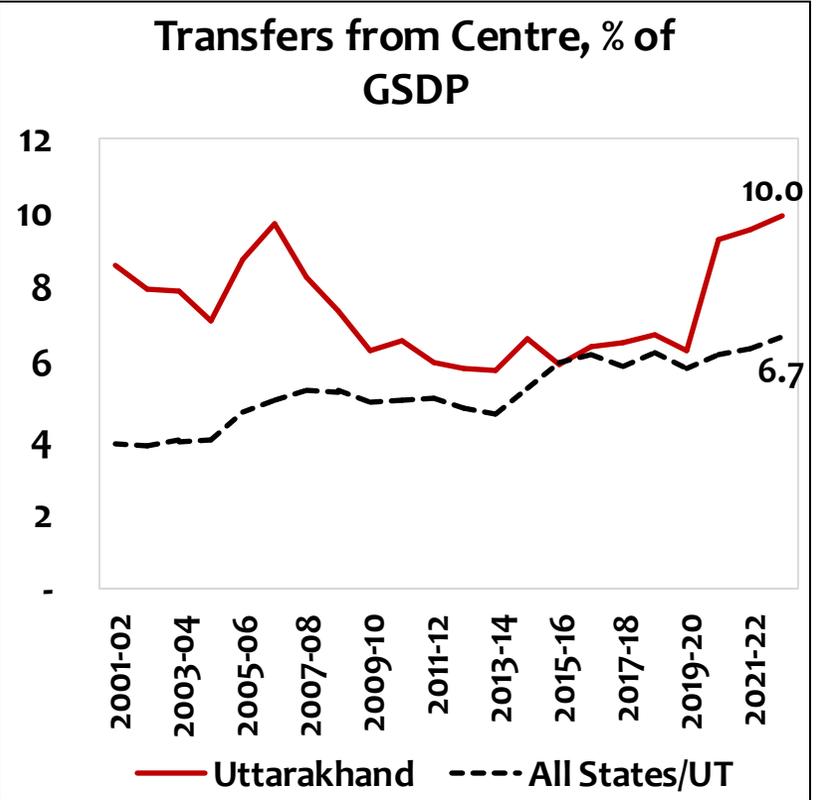
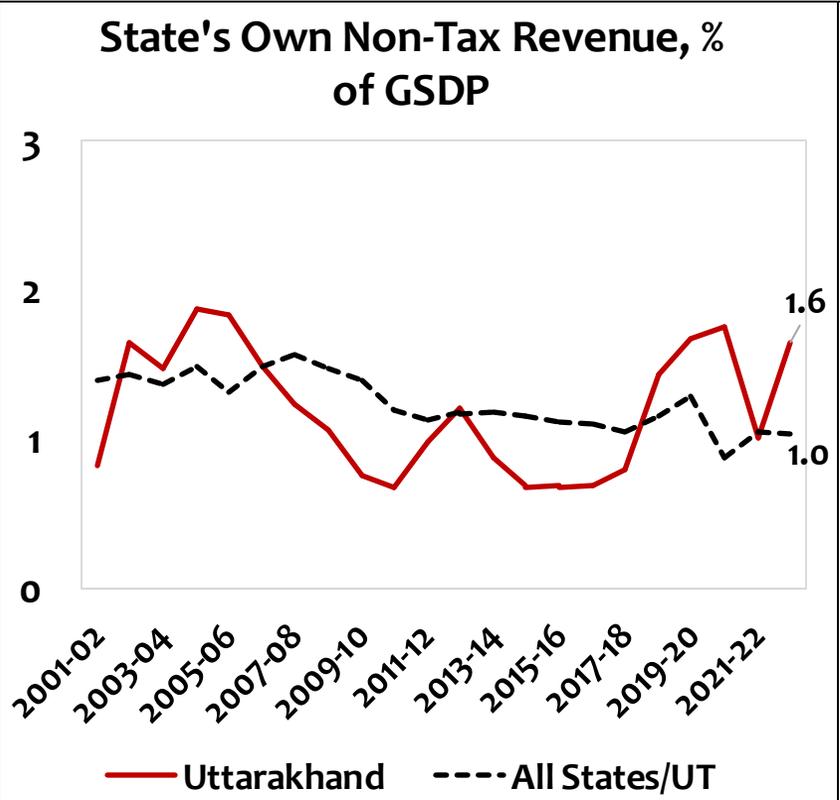
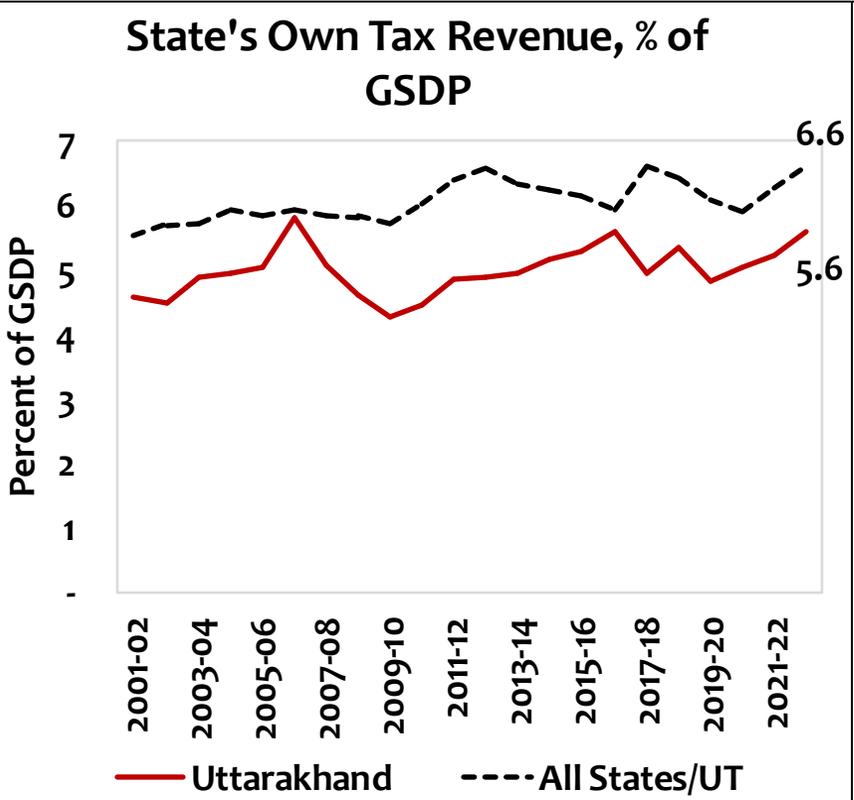
Note: i. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product; ii. The significant revenue deficit in 2004-05 could result from the highest Total Expenditure in the last two decades; iii. The revenue deficit continued to be in surplus during the years from 2005-06 to 2008-09 on the back of containment of revenue expenditure and increase in State's share in central taxes consequent to the Twelfth Finance Commission award [Source - [Reserve Bank of India Occasional Papers, vol 32, 2011](#)].

# Uttarakhand's total Revenue Receipts (Own Tax, Own Non-Tax, and shared by the Centre) was about 2.8 percentage points higher than what an average State collected, at 17.2 of its GSDP in 2022-23



Source: i. Revenue Receipts from RBI State Finances Report (2022-23); ii. State GSDP and national GDP data is from MoSPI (2022-23).  
 Note: All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product.

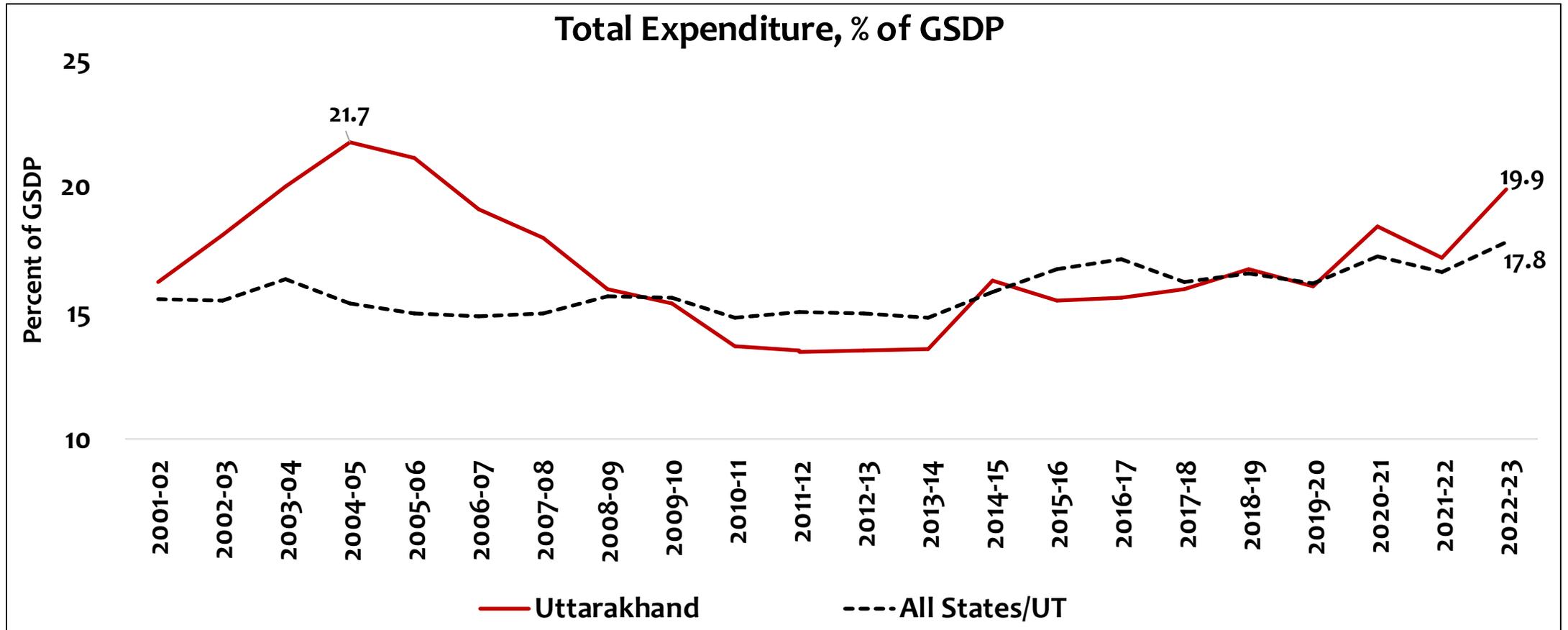
# Uttarakhand's Own Tax Revenue, Own Non-Tax Revenue and Transfers from Centre were 5.6, 1.6 and 10 percent of its GSDP respectively. Nearly 60 percent of their total revenues are on account of Transfers from the Centre



Source: i. Own Tax and Non-Tax Revenue, and Transfers from Centre from RBI SFR (2022-23); ii. The State GSDP and national GDP data is from MoSPI (2022-23).

Note: i. Centre include both tax- and non-tax revenue transfers; ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product; iii. Transfers from the Centre include both Tax and Non-Tax transfers.

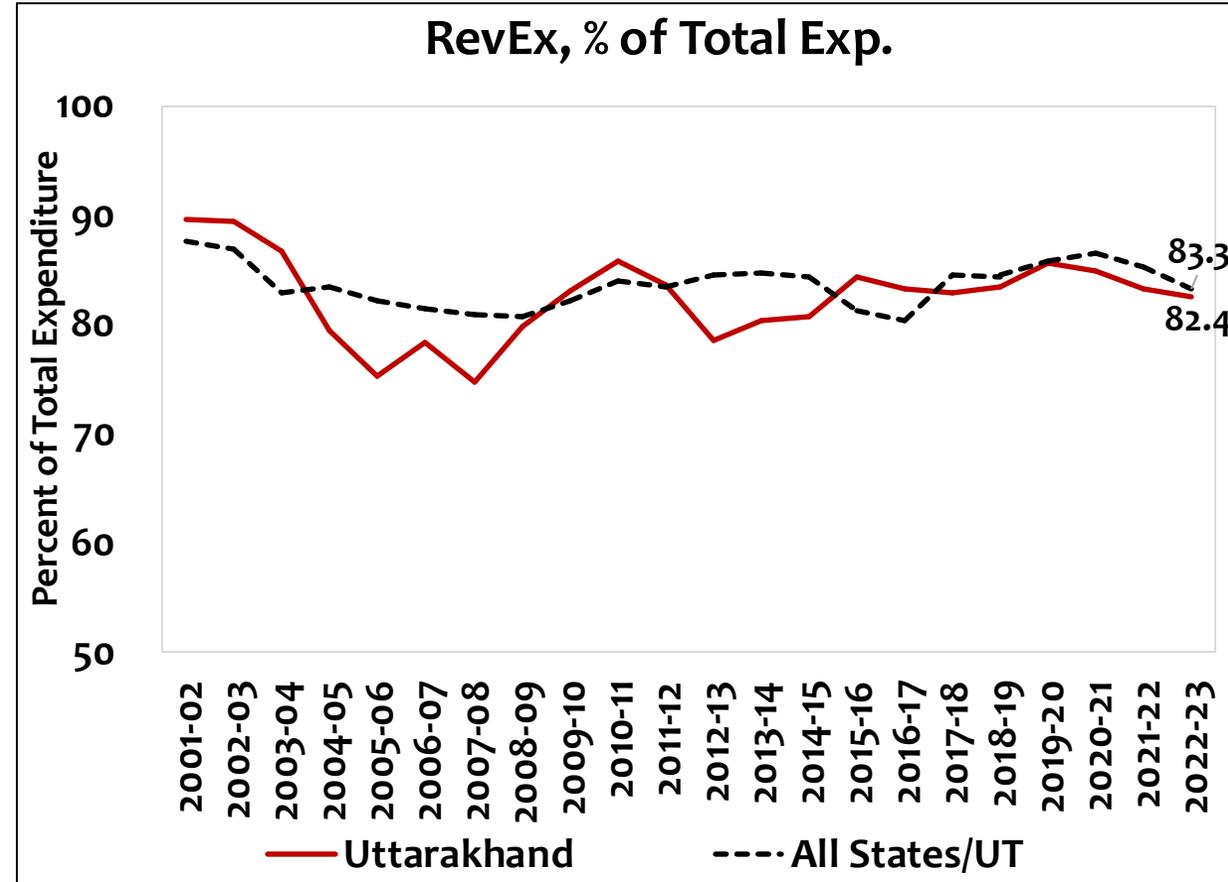
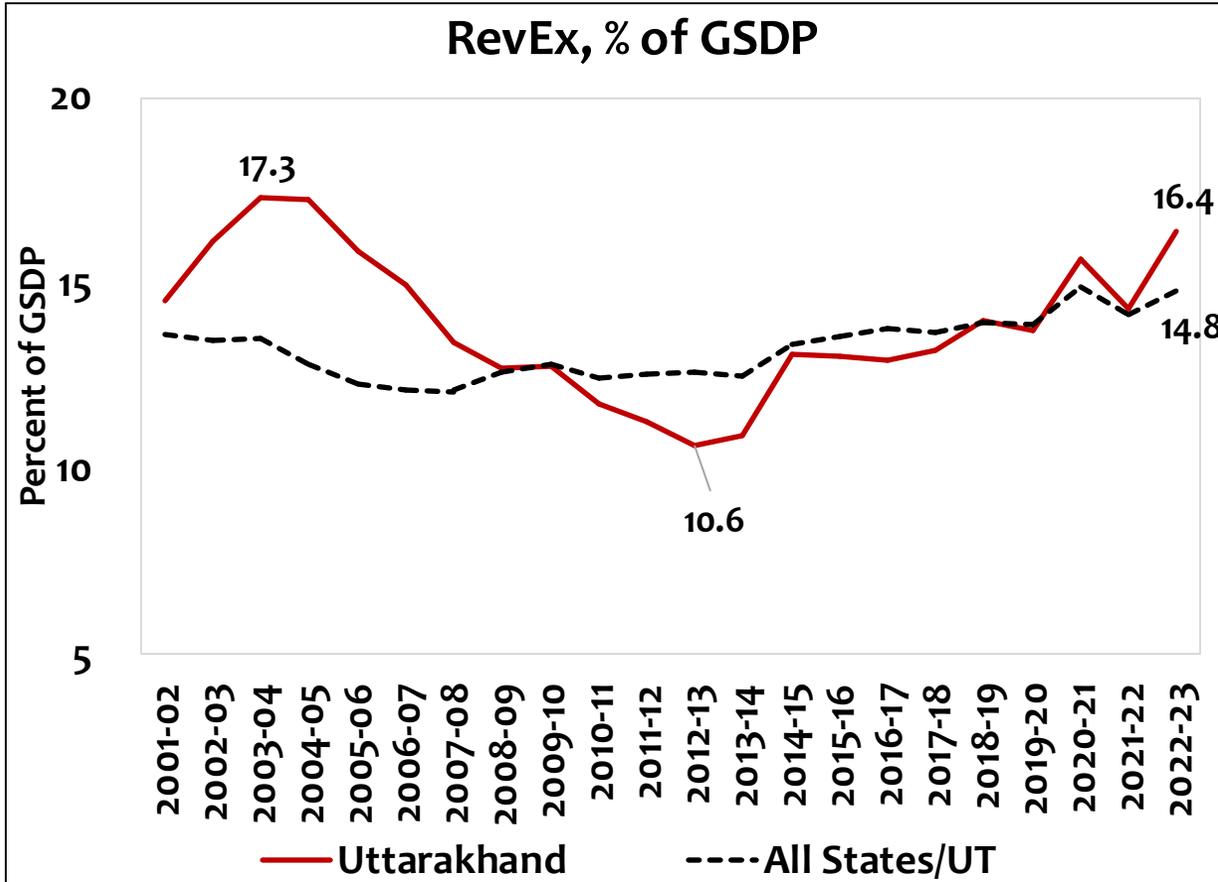
# In 2022-23, Uttarakhand's Expenditure was 19.9 percent of its GSDP, about 2 percentage points higher than an average State



Source: i. Total Expenditure is from RBI SFR (2022-23); ii. The State GSDP and national GDP data is from MoSPI (2022-23).

Note: i. The Total Expenditure is calculated as sum of revenue expenditure (RevEx) and capital expenditure (CapEx); ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product; iii. The spike in Total Expenditure in 2004-05 was influenced by a sharp increase in interest payments due to higher payments on account of market loans and withdrawal of high cost NSSF borrowings [Source - [Reserve Bank of India Occasional Papers, vol 32, 2011](#)].

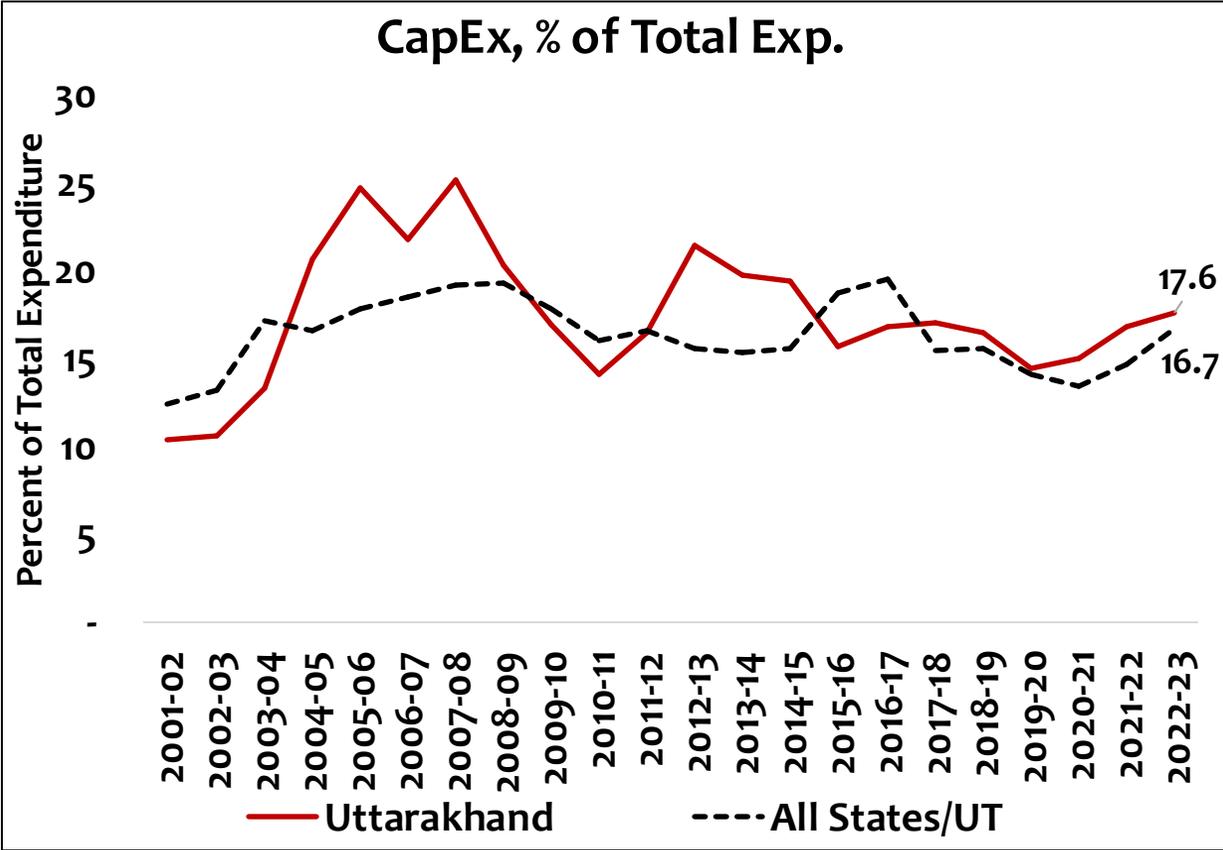
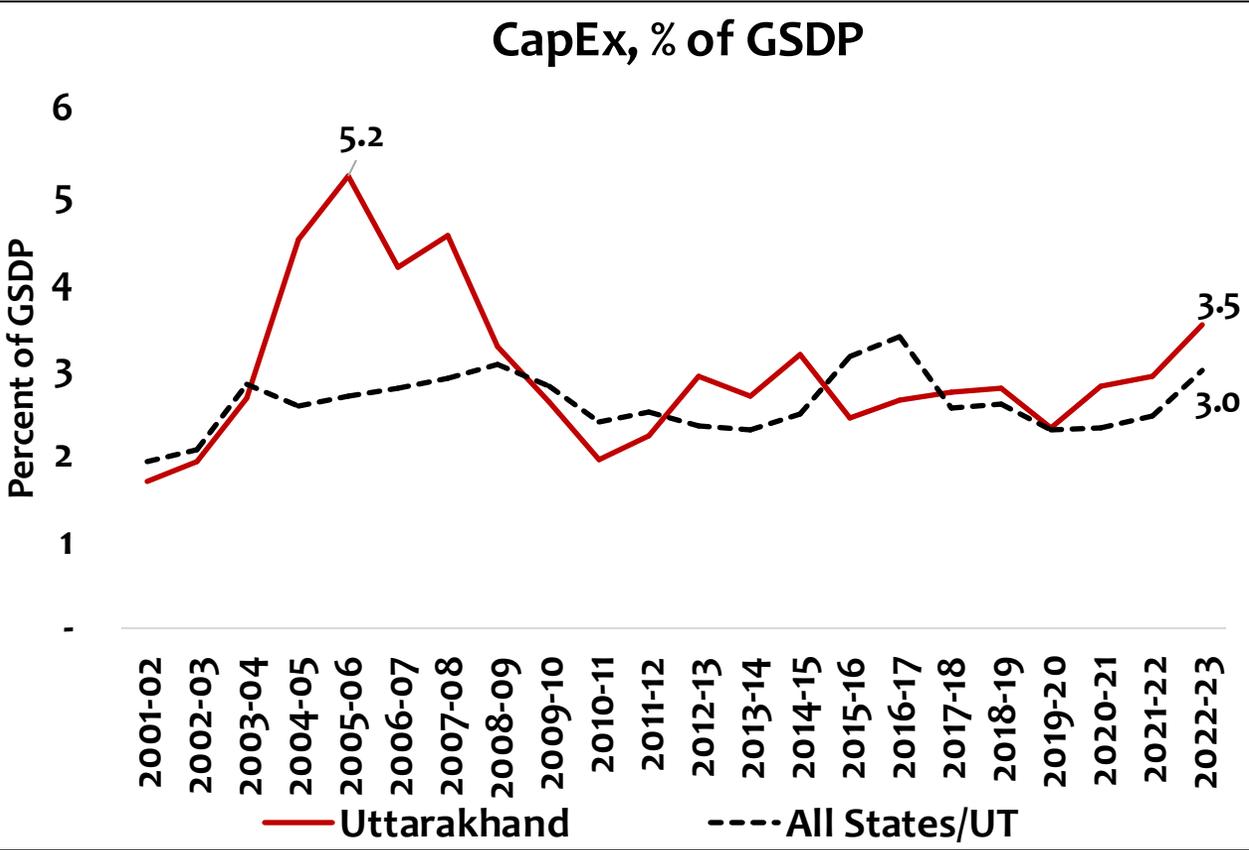
# Uttarakhand's RevEx is 16.4 percent of its GSDP, 1.6 percentage points higher than other States' average, while its RevEx as a percent of the Total Expenditure is about 1 percentage point lower than an average State



Source: i. RevEx is from RBI SFR (2022-23); ii. State GSDP and national GDP data is from MoSPI (2022-23).

Note: i. Total Expenditure is calculated as RevEx + CapEx; ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product.

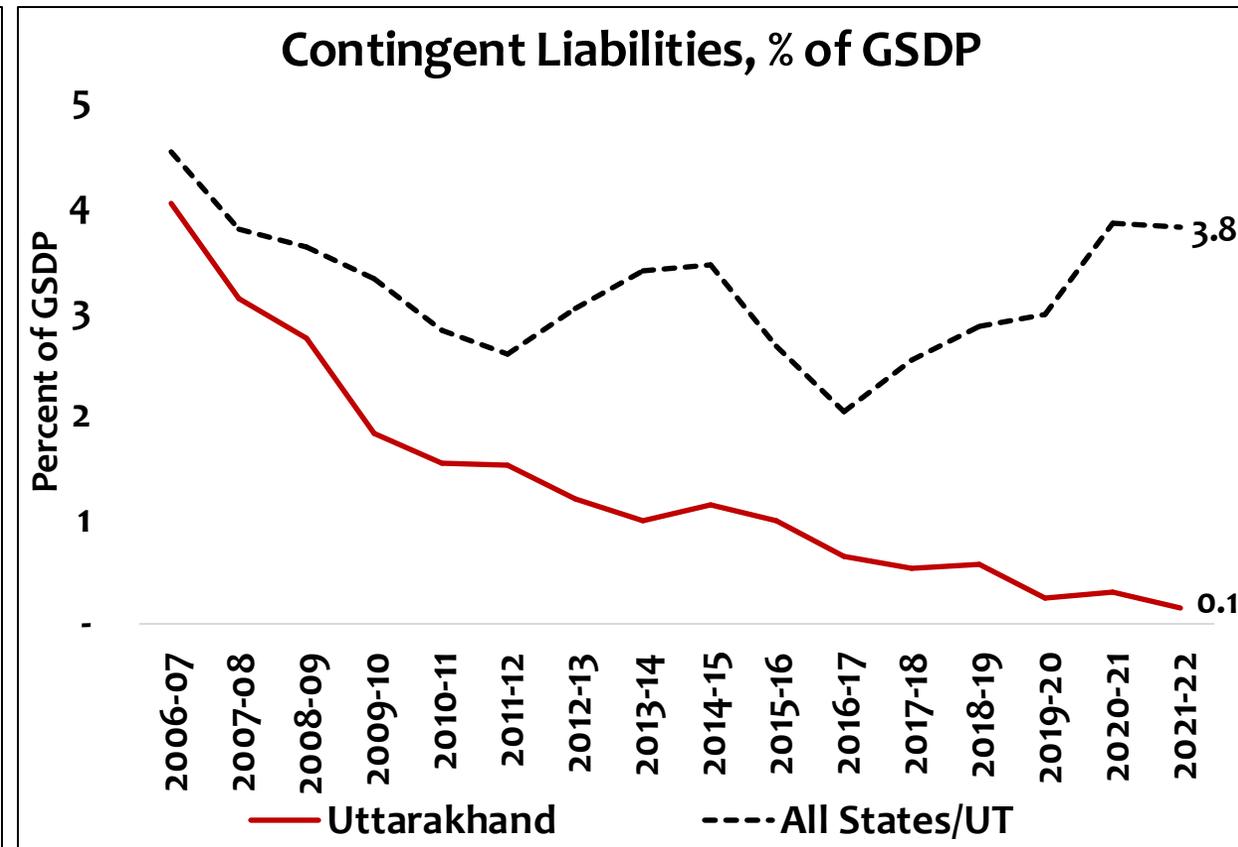
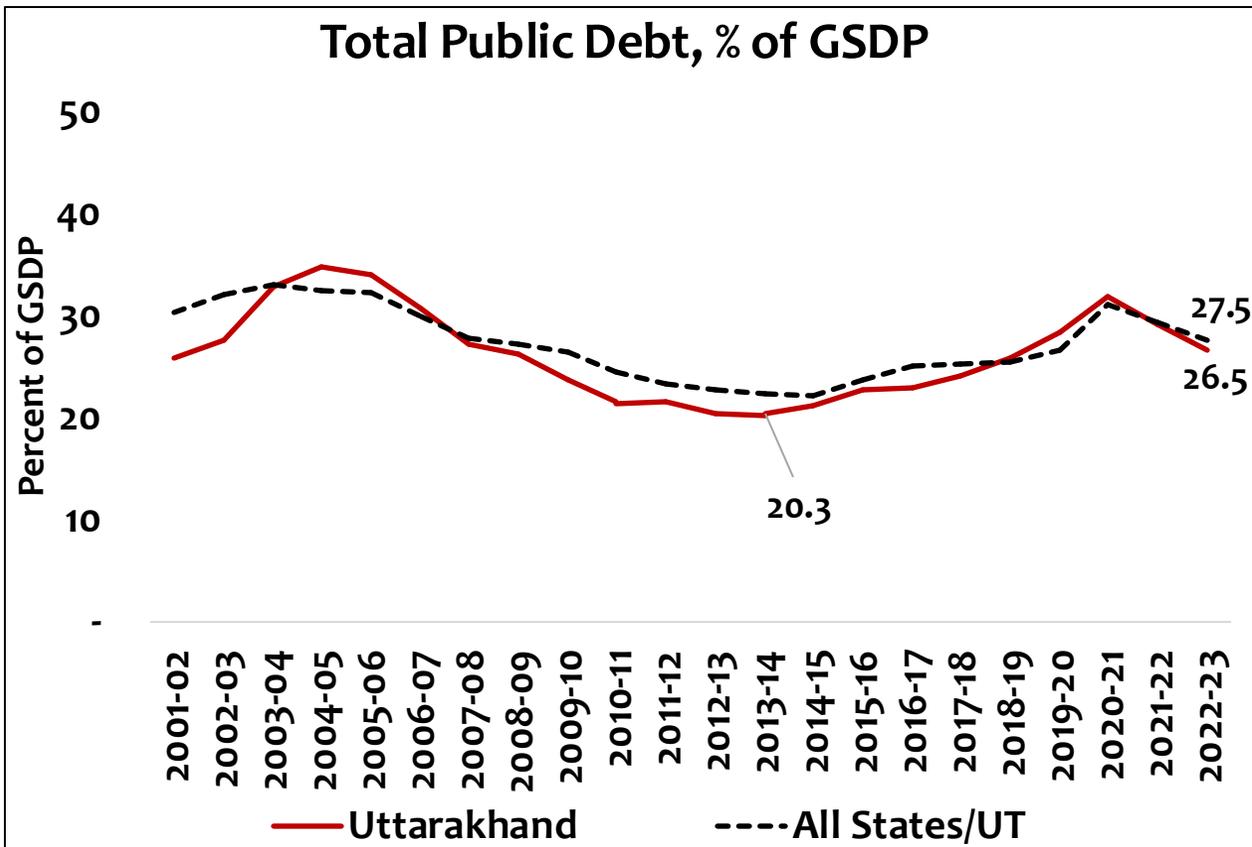
**Uttarakhand's CapEx is 3.5 percent of its GSDP, about 0.5 percentage points higher than what an average State spends on CapEx (as percent of GSDP), while as a percentage of total expenditure its CapEx is about 1 percentage point higher than what an average State spends on CapEx**



Source: i. CapEx is calculated as Capital Outlay + Loans and Advances given by the State government and the data for both is taken from RBI SFR (2022-23); ii. State GSDP and national GDP data is from MoSPI (2022-23).

Note: i. Total Expenditure is calculated as RevEx + CapEx; ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product; iii. The spike in capital expenditure in 2005-06 was due to a very high development expenditure [Source - [Reserve Bank of India Occasional Papers, vol 32, 2011](#)].

**Uttarakhand's Public Debt has been increasing since 2014, and as of 2022-23 was 26.5 percent of its GSDP, about 1 percentage point lower than the average of other States. Its contingent liabilities was 0.1 percent of its GSDP, having declined consistently since 2007**



Source: i. Public Debt and State-wise contingent liabilities data has been taken from RBI SFR (2022-23); ii. State GSDP and national GDP data is from MoSPI (2022-23).

Note: i. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product; ii. During 2014-15 to 2018-19, a major portion (ranging between 60.9 per cent and 80.9 per cent) of public debt receipt was being utilised for repayment of earlier borrowed funds and payment of interest [Source – [CAG report, 2020](#)].

# 9. Annexure

# Glossary of Select Terms

Variable	Section	Definition
<b>Dependency Ratio</b>	Demography and Employment	The dependency ratio is the number of dependents—comprising children aged 0-14 years and older adults aged 60 years and above—per 100 individuals in the working-age population (15-59 years).
<b>Sex Ratio</b>	Demography and Employment	The Child Sex Ratio from Census is the number of females per 1,000 males in the age group of 0-6 years. The NFHS Sex Ratio at Birth is the number of female births per 1,000 male births for children born in the last five years preceding the survey.
<b>Unemployment Rate</b>	Demography and Employment	The unemployment rate measures the proportion of unemployed individuals within the labour force, aged 15 years and above, based on the Usual Status (PS+SS) approach. This method integrates data from both the Principal Status (PS) and Subsidiary Status (SS) across rural and urban areas.
<b>Female Labour Force Participation Rate</b>	Demography and Employment	The Female Labour Force Participation Rate (LFPR) refers to the percentage of females aged 15 years and above who are part of the labour force, either working or actively seeking/available for work, relative to the total female population in the same age group. It is measured using the Usual Status (PS+SS) approach, which combines data from the Principal Status (PS) and Subsidiary Status (SS) to account for both rural and urban areas.
<b>Urbanization Rate</b>	Demography and Employment	The urbanization rate is the annual percentage change in the proportion of the population that lives in urban areas.
<b>SDG Index</b>	Demography and Employment	The SDG Index calculates goal-specific scores for the 16 Sustainable Development Goals (SDGs) across 113 indicators set by MoSPI to combine into composite scores, ranging from 0 to 100 representing the overall performance of a State. The higher the score, the closer the State is to meeting the SDG targets.

# Glossary of Select Terms

Variable	Section	Definition
<b>MPI</b>	Demography and Employment	The National Multidimensional Poverty Index (MPI) is calculated by multiplying the Headcount Ratio (proportion of multidimensionally poor people) and the Intensity of Poverty (the average percentage of deprivations experienced by poor individuals) across 12 indicators of health, education and living standards.
<b>Inflation Rate</b>	Economic Structure	The Inflation Rate is calculated as the annual growth rate of the Consumer Price Index (CPI), which has been calculated by averaging the monthly CPI values for each financial year
<b>GSDP</b>	Economic Structure	Gross State Domestic Product (GSDP), at current market prices with 2011-12 as the base year, represents the total value of goods and services produced within a State. This series has been spliced with earlier GSDP series to generate the long time series.
<b>GSVA</b>	Economic Structure	Gross State Value Added (GSVA) is the sum of the value added by all sectors—agriculture, industry, and services—at current market prices with 2011-12 as the base year. This series has been spliced with earlier GSDP series to generate the long time series.
<b>Decadal Average of Growth Rates</b>	Economic Structure	The decadal average of growth rates is calculated using real variables to determine the shares of sectors. It represents the simple average of the annual growth rates over a ten-year period, from 2013-14 to 2022-23.
<b>Foreign Direct Investment (FDI)</b>	Trade	Investment through capital instruments by a resident outside India in an unlisted Indian company; or in 10 percent or more of the post-issue paid-up equity capital of a listed Indian company. Additionally, in case an existing investment by a resident outside India in capital instruments of a listed Indian company falls to a level below 10 percent, the investment shall continue to be treated as FDI.
<b>Exports</b>	Trade	Exports refer to transactions where goods are supplied with/without leaving the country, and payment for these supplies is received either in Indian rupees or in freely convertible foreign exchange.

# Glossary of Select Terms

Variable	Section	Definition
<b>Pupil-Teacher Ratio</b>	Socio-Economic Indicators (Education)	The Pupil-Teacher Ratio is the average number of students (pupils) per teacher in a school or educational institution.
<b>Infant Mortality Rate</b>	Socio-Economic Indicators (Health)	The probability of a child dying between birth and the first birthday, expressed per 1,000 live births.
<b>Under-Five Mortality Rate</b>	Socio-Economic Indicators (Health)	The probability of a child dying between birth and the fifth birthday, expressed per 1,000 live births.
<b>Total Fertility Rate</b>	Socio-Economic Indicators (Health)	The average number of children a woman is expected to have by the end of her childbearing years, assuming she experiences the current age-specific fertility rates throughout her reproductive life. Age-specific fertility rates are calculated based on the three years preceding the survey, using detailed birth histories provided by women.
<b>Children Fully Immunized</b>	Socio-Economic Indicators (Health)	Includes children aged 12-23 months who have received one dose of Bacillus Calmette Guerin (BCG) vaccine for tuberculosis, three doses of DPT vaccine for diphtheria, pertussis and tetanus, three doses for polio vaccine and one dose of measles vaccine at any time before the survey.
<b>Underweight Children</b>	Socio-Economic Indicators (Health)	Children under five years whose weight-for-age score is below minus two standard deviations from the median of the reference population are classified as underweight.
<b>Stunting among Children</b>	Socio-Economic Indicators (Health)	Children under age five years whose height-for-age score is below minus two standard deviations from the median of the reference population are considered short for their age (stunted).

# Glossary of Select Terms

Variable	Section	Definition
<b>Anaemia among Children, Anaemia among Women</b>	Socio-Economic Indicators (Health)	Children under five years and Women aged 15-49 years with haemoglobin levels below 11 grams/decilitre are considered anaemic.
<b>Fiscal Deficit</b>	Fiscal Indicators	Fiscal Deficit is calculated as the difference between the total expenditure and the total revenue (excluding borrowings).
<b>Primary Deficit</b>	Fiscal Indicators	Primary Deficit is calculated as the difference between fiscal deficit and interest payments.
<b>Revenue Surplus (+)/Deficit (-)</b>	Fiscal Indicators	Revenue Surplus/Deficit is a measure of the difference between the revenue receipts and revenue expenditure.
<b>Total Revenue Receipts</b>	Fiscal Indicators	Total Revenue Receipts is calculated as the sum of own tax revenue, own non-tax revenue and transfers from the centre.
<b>Own Tax Revenue</b>	Fiscal Indicators	Own Tax Revenue is the revenue collected by the government through taxes.
<b>Own Non Tax Revenue</b>	Fiscal Indicators	Own Non-Tax Revenue is the revenue collected by the government from non-tax sources like various services, fees, and penalties.
<b>Revenue Expenditure</b>	Fiscal Indicators	Revenue Expenditure refers to government spending that is incurred for the regular functioning of its departments and services, meeting its operational needs, and fulfilling its recurring liabilities.

# Glossary of Select Terms

Variable	Section	Definition
<b>Transfers from the Centre</b>	Fiscal Indicators	Transfers from the Centre refer to central taxes and grants devolved to States as untied funds for States to spend according to their discretion, under the recommendations of the Finance Commission.
<b>Capital Expenditure</b>	Fiscal Indicators	Capital Expenditure refers to government spending on creating physical and financial assets or reducing its liabilities.
<b>Total Public Debt</b>	Fiscal Indicators	Public debt include borrowings and other financial commitments arising from past fiscal operations that are yet to be repaid at a given point in time.
<b>Contingent Liabilities</b>	Fiscal Indicators	Contingent Liabilities are the commitments made by State governments to repay loans or other liabilities incurred by entities such as public sector undertakings (PSUs), corporations, local bodies, or other organizations if they fail to meet their debt obligations.
<b>Off-Budget Borrowings</b>	Fiscal Indicators	Off-Budget Borrowings involve the government taking on debt through entities, public sector undertakings (PSUs), or other off-budget mechanisms, rather than directly from the government's own borrowing channels that are not included in the official government budget.
<b>Health Expenditure</b>	Fiscal Indicators	Health Expenditure is calculated as the sum of Medical, Public Health, and Family Welfare expenditure.
<b>Subsidies</b>	Fiscal Indicators	Subsidies are financial assistance provided by the government to individuals, businesses, or sectors to support the production, consumption, or pricing of specific goods and services.
<b>Buoyancy of Revenue Expenditure with GSDP</b>	Fiscal Indicators	The Buoyancy of Revenue Expenditure is calculated as the ratio between the year-on-year growth rate of Revenue Expenditure and that of GSDP.
<b>Committed Expenditure</b>	Fiscal Indicators	Committed Expenditure is calculated as the sum of Wages, Salaries, and Pensions.

# List of Acronyms

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- **AISHE** All India Survey on Higher Education
- **AT&C** Aggregate Technical & Commercial
- **BSR** Basic Statistical Returns
- **CAG** Comptroller and Auditor General
- **CapEx** Capital Expenditure
- **CHIPS** Connect, Harness, Innovate, Protect and Sustain
- **DGFT** Directorate General of Foreign Trade
- **DISCOMS** Distribution Utilities/Companies
- **EPWRF** Economic and Political Weekly Research Foundation
- **FC** Finance Commission
- **FLPR** Female Labour Participation Rate
- **FRA** Fiscal Responsibility Act
- **GPI** Gender Parity Index
- **GSDP** Gross State Domestic Product
- **GDP** Gross Domestic Product
- **GSVA** Gross State Value Added
- **GVA** Gross Value Added
- **MoSPI** Ministry of Statistical Programme and Implementation

# List of Acronyms

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- **MPI** Multidimensional Poverty Index
- **MTFP** Medium Term Fiscal Policy
- **NFHS** National Family Health Survey
- **PFC** Power Finance Corporation
- **PLFS** Periodic Labour Force Survey
- **RBI** Reserve Bank of India
- **RevEx** Revenue Expenditure
- **SDG** Sustainable Development Goal
- **SFR** State Finances Report
- **SPSE** State Public Sector Enterprises
- **SRS** Sample Registration System
- **SC** Scheduled Caste
- **ST** Scheduled Tribe
- **UDAY** Ujwal DISCOM Assurance Yojana
- **U-DISE** Unified District Information System for Education
- **UPCL** Uttarakhand Power Corporation Limited

# Selected Research Topics

## State SUMMARY

## DATA REPOSITORY

## NCAER-NITI AAYOG State FISCAL AND ECONOMIC DASHBOARD

## Research & Commentary

- Paper
- Op-eds
- Presentations

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