

Macro and Fiscal Landscape of the State of Uttar Pradesh



Macro and Fiscal Brief: Uttar Pradesh

March 2025

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1. Summary and Overview of the State of Uttar Pradesh

Demography and Employment

- As per 2023 Census population projections, Uttar Pradesh has a population of 235.7 million, which makes it the largest State of the country representing 16.5 percent of the country's total population. The State's projected population growth rate at 1 percent is faster than the national average of 0.9 percent as of 2022-23.
- The State's population density (958 persons per sq. km.) and dependency ratio (61.9 percent) are both higher than their respective national averages. Majority of the State's population lives in rural areas, as only 24 percent of its population resides in urban areas.
- As per the National Family Health Survey (NFHS V), the sex ratio in the State (941 females per 1000 males) is higher than the national average (929 females per 1000 males).
- As of 2022-23, the State's annual unemployment rate at 2.4 percent and Female Labour Force Participation rate at 31.2 percent are both lower than their respective national averages.
- The working population in the State is predominantly concentrated in Agriculture, Forestry, and Fishing (54.3 percent); Services (23 percent); Construction (13.1 percent); and, Manufacturing (9.2 percent) sectors.

Economic Structure (Growth and Sectoral Composition)

- Uttar Pradesh's real GSDP has grown at an average rate of 5.3 percent during the period from 2012-13 to 2021-22, which is lower than the national average growth of 5.6 percent.
- The State's share in the country's GDP has decreased from 11.4 percent in 1990-91 to 8.4 percent by 2021-22. Its nominal per capita income is half of the national per capita income, as of 2021-22.
- Among the major sector, services sector is the largest contributor to the State's GSVA and has a share of 46.2 percent followed by Industry (27.9 percent), and agriculture (25.9 percent), respectively in that order (2021-22).
- During the last decade (2013-14 to 2022-23) these three sectors have grown by 4.1 percent, 6.1 percent, and 8.5 percent per annum, respectively*.

Source: i. Ministry of Statistics and Programme Implementation (MoSPI), as of August 2023; ii. (*)MoSPI, as of March 2024.

Socio-Economic Indicators (Health and Education)

- As per Census 2011, Uttar Pradesh's literacy rate at 67.7 percent is lower than the national average of 73 percent.
- As of 2016-17, the State had a lower school dropout rate (12.7 percent for Classes VIII to X) and a higher pass percentage for Classes X (89 percent) and XII (89.3 percent), compared to their respective national benchmarks.
- The State's Gross Enrolment Ratio at the higher secondary level (60.8 percent in 2015-16) is higher than the national average, but at the higher education level (23.2 percent 2021) it is lower than the national average .
- 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 educational institutions) better than the national average, as of 2021.
- As of 2020, life expectancy in the State at 66 years is below the national average of 70 years.
- The infant mortality rate at 38 deaths per 1000 live births (2020) and total fertility rate at 2.4 children per woman (2019-21), are both higher than their respective national averages. The percentage of fully immunized children at 69.6 percent is below the national average of 76.4 percent (2019-21).
- The State has improved on basic “quality of life” indicators. As of 2019-21, household access to drinking water (99.2 percent) is better than the national average but household access to electricity (89.8 percent) and sanitation facilities (66.9 percent) is below their respective national averages.

State of Public Finances and Tax Devolutions

- Uttar Pradesh's debt-to-GSDP ratio at 30.7 percent in 2022-23 is the same as that of a median State, however, its contingent liabilities at 8.7 percent are much higher than those of a median State, as of 2021-22. The fiscal and primary deficit levels at 3.6 percent and 1.6 percent of GSDP, respectively are the same as those of a median State as of 2022-23. The State, however, runs a revenue surplus of 2.4 percent of GSDP in 2022-23, about 2.8 percentage points higher than that of a median State (deficit of 0.4 percent) in the same year.
- The State's total revenue receipts (Own Tax, Own Non-Tax, and shared by the Centre) at 21.2 percent, were higher than what a median State collected. In 2022-23, the State's expenditure to GSDP ratio at 24.9 percent was over 5 percentage points higher than a median State.
- Debt Sustainability Analysis shows that under most reasonable scenarios, debt sustainability assessment for the State results in benign outcomes - its debt to GSDP ratio is projected to decline in the next five years (against a baseline scenario where debt level, primary deficit, real GDP growth, real effective interest rate remain as they are). Only if the State absorbs its existing contingent at the rate of 20 percent in each year for the next five years, its debt to GSDP ratio is projected to increase quite rapidly.
- The State's share in Taxes from Centre, as per the FC recommendations, remained consistent under 14th and 15th Finance Commission recommendations at about 18 percent, making it the largest recipient of taxes from the Centre. The State's share in the total grants-in-aid also increased by 0.4 percentage points under the 15th FC, compared to the 14th FC.

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 12th FC, the Uttar Pradesh Fiscal Responsibility and Budget Management (UPFRBM) Act, 2004 was enacted. Since 2004, the act has been amended in 2010, 2011, 2020 and 2021.
- **Revenue Deficit:** The original Act in 2004 mandated the State to eliminate revenue deficit in a period of five financial years from 2004-05 to 2008-09. In 2011, the Act modified the target to eliminate revenue deficit by 2011-12 and maintain a revenue surplus thereafter.
- **Fiscal Deficit:** The 2004 Act, aimed to reduce the fiscal deficit to 3 percent of GSDP by 2008-09. The 2010 amendment allowed the State to set fiscal deficit targets based on policy needs. The 2011 amendment again fixed a 3 percent target in each of the financial years from 2011-12 to 2014-15. In 2016, it was recommended that State maintain a 3 percent target from 2015-16 to 2019-20, with an additional 0.5 percent borrowing space based on fulfilment of certain criteria. In 2020, a first amendment raised the fiscal deficit target by Rs. 10,570 Crore for 2019-20, and a second amendment added 2 percent over and above the 3 percent limit for 2020-21 and 4 percent for 2021-22 contingent on States undertaking reforms suggested by the Union Government.
- **Outstanding Debt:** The initial Act in 2004 required the State to limit total liabilities to 25 percent of GSDP by March 2018. The 2011 amendment set a target of keeping debt below 42 percent of GSDP by 2014-15 from 46.9 percent in 2011-12. In 2016 the target was revised to progressively bring debt down to 30 percent of GSDP by 2019-20. The 2021-22 State Finances Audit noted that going further the State government would fix debt-to-GSDP targets based on directions from the Government of India on the 15th FC's fiscal roadmap.
- **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 failed to achieve the revenue targets only once (2020-21). The State was able to meet fiscal deficit target in all five years, but failed to meet the targeted achievements for the outstanding liabilities in four out five years with the exception of 2019-20.

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 Uttar Pradesh

Indicator	Most Recent Value	As of Year	Decadal Change (b/w 2011 and 2021)	India's estimates for benchmark (iii)
Area (i)	240,928 sq. km.	2011		7.3% of national total
Forest Cover	14,818 sq. km.	2021	+ 0.004% points	2.1% of national total
Total Population	235.7 million persons	2023*		17.0% of national total
Population Growth Rate	1.0%	2023*	- 0.3% points (b/w 2012 and 2021)	0.9% (India)
Population Density (ii)	958 persons per sq. km.	2021*		415 persons per sq. km. (India)
Dependency Ratio	61.9%	2021*	- 15.9% points	55.7 % (India)
Sex Ratio	899 females per 1000 males	2011		914 females per 1000 males (India)
Urban Population	24.0 % of State population	2023*	+ 1.5% points	35.1% of total population (India)
Rural Population	76.0 % of State population	2023*	- 1.5% points	64.9% of total population (India)
Urbanization Rate	3.3%	2023*	-5.6% (b/w 2011 and 2021)	3.7% (India)

* Projected numbers are starred

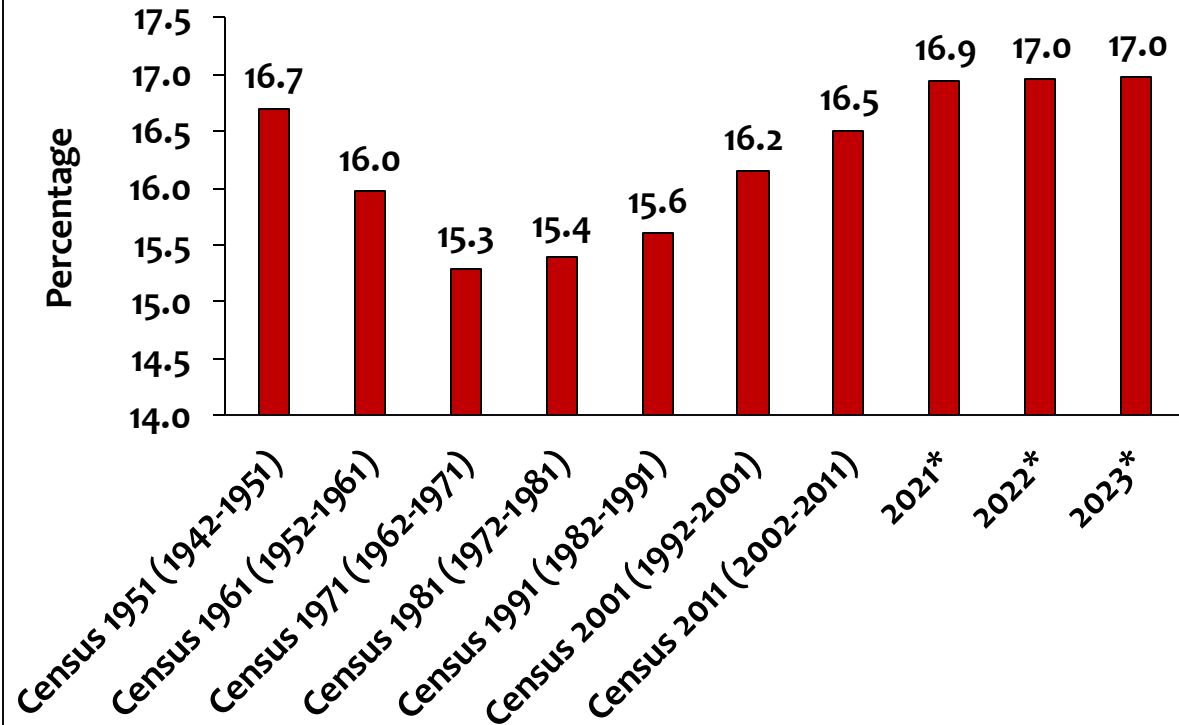
Source: Census, Forest Survey of India, Ministry of Environment, Forest and Climate Change, and “Population Projections for Indian States 2011-2036” by the Technical Group on Population Projections, National Commission on Population Ministry of Health and Family Welfare, Government of India.

Note:

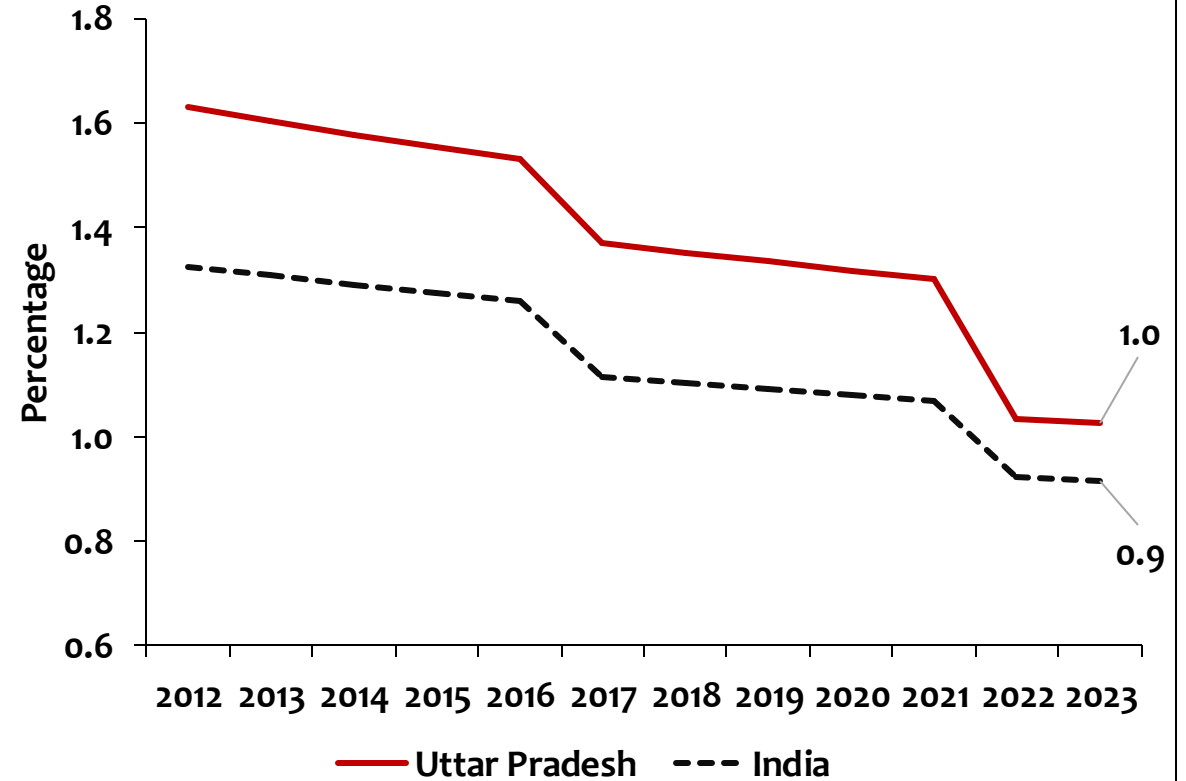
- i. Area figure for India (national total) includes the area under unlawful occupation of Pakistan and China. The area includes 78,114 sq. km. under illegal occupation of Pakistan, 5180 sq. km. illegally handed over by Pakistan to China and 37,555 Sq.km. under illegal occupation of China.
- ii. For 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).

Uttar Pradesh has share a of 17 percent of the National Population and its Population Growth Rate is higher than the national average

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



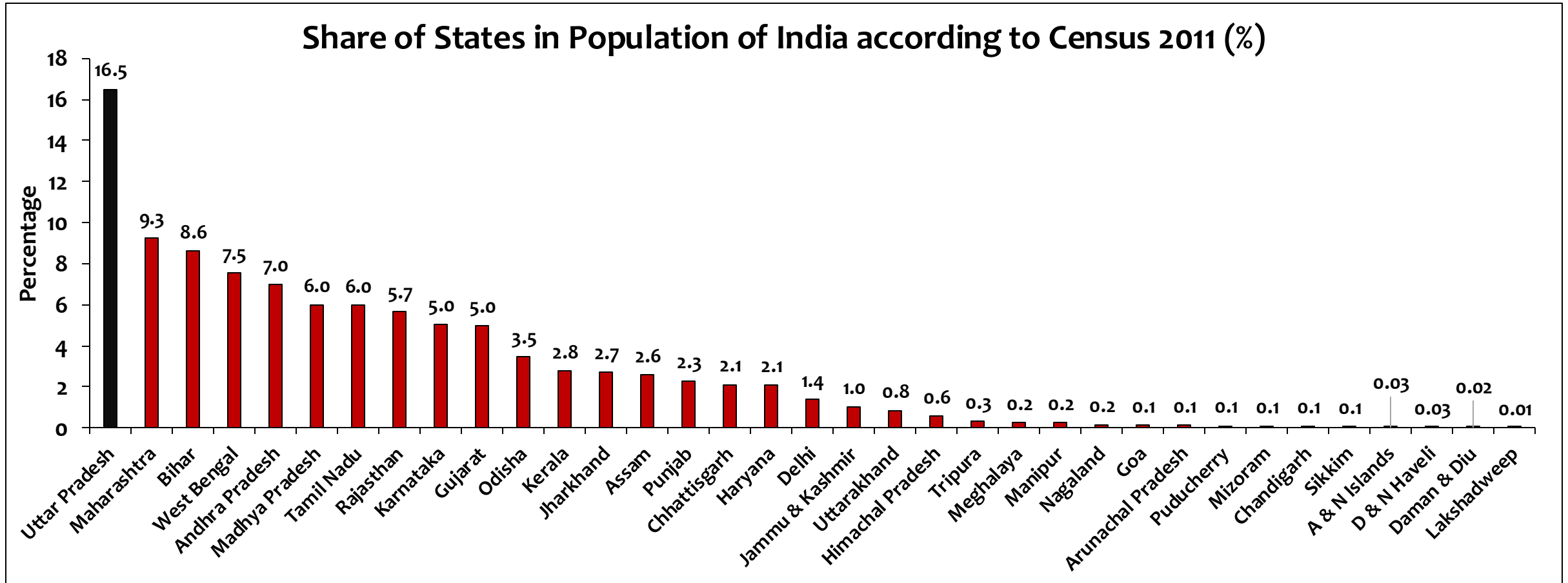
Projected Population Growth 2012-2023, %



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

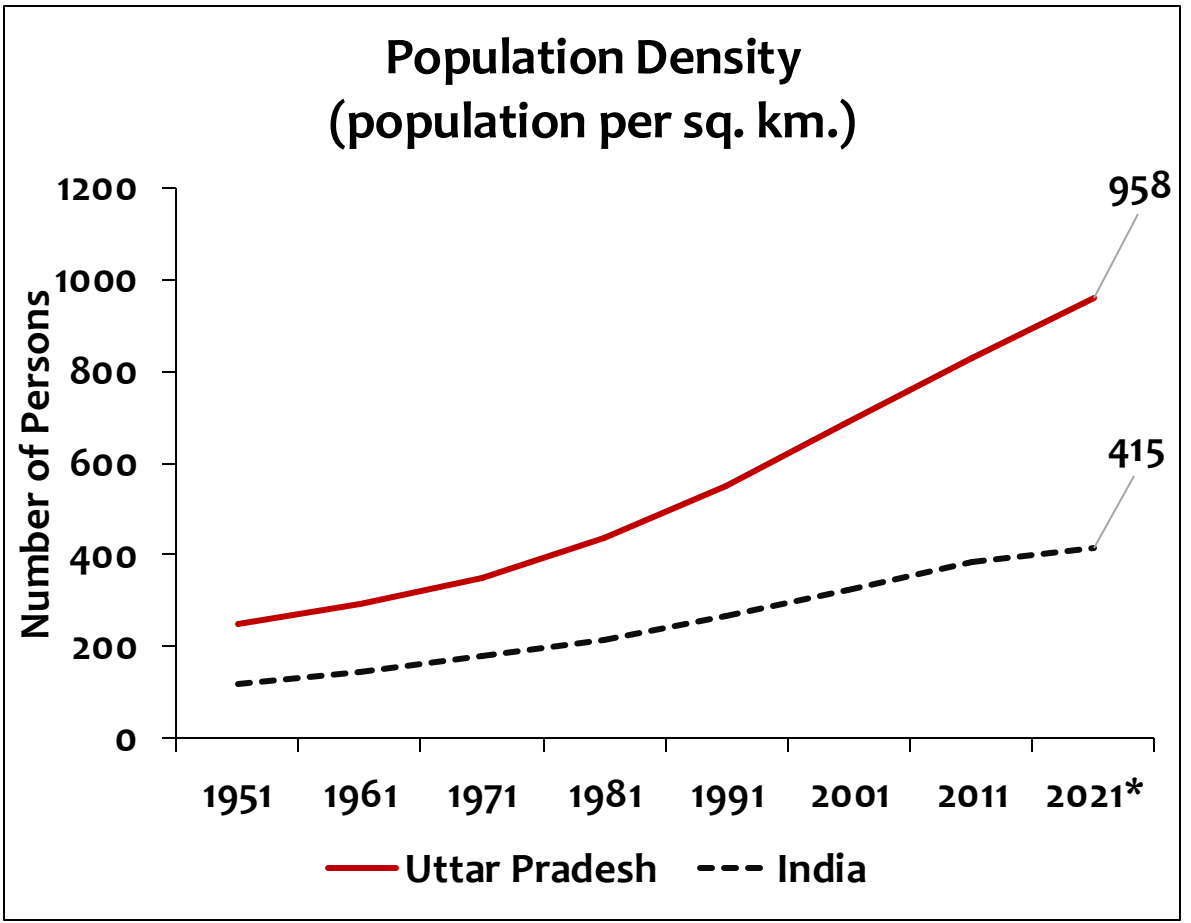
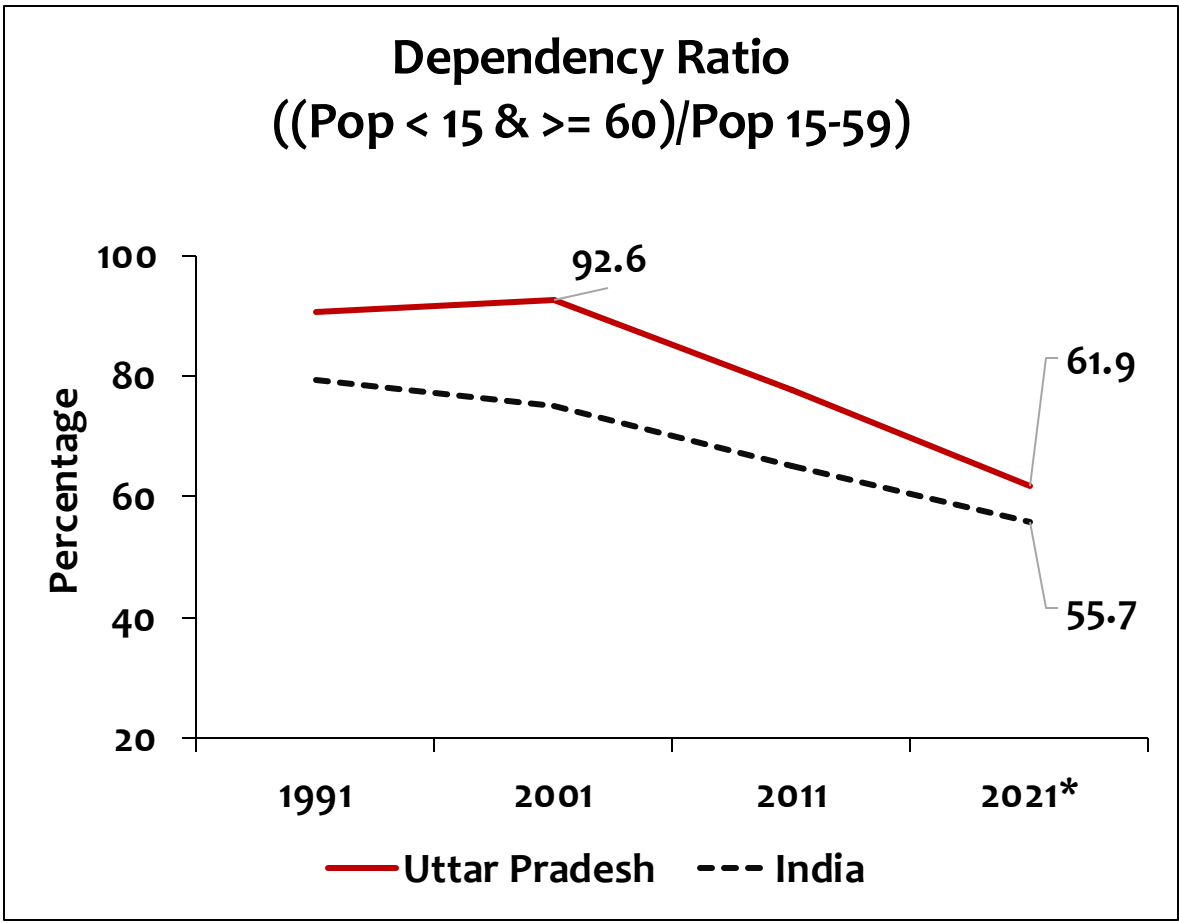
Note: Census Population Projections are constructed using the Cohort Component Method, where the components of population change (fertility, mortality and net migration) are used to project the base population each year separately for each birth cohort (persons born in a given year). The detailed methodology can be found in Chapter 2, [Population Projection Report 2011-2036](#).

As per the Census of 2011, Uttar Pradesh is ranked as the largest State in terms of its share in total population



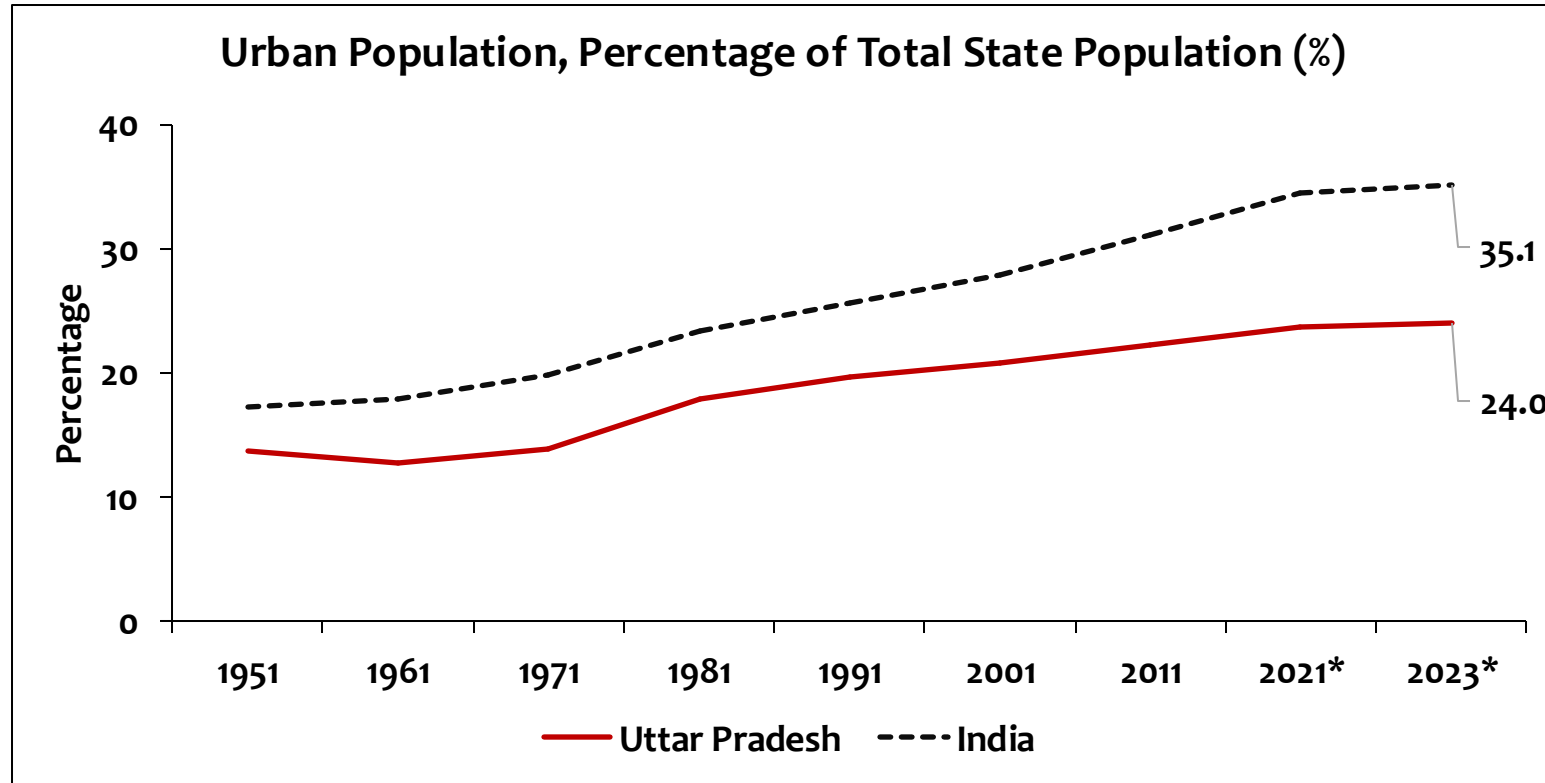
Source: Census data (1951-2011) is sourced from Office of the Registrar General of India, Ministry of Home Affairs.

Dependency Ratio in Uttar Pradesh has remained above the national average until 2011 and is expected to remain above the projected national average in 2021. Population Density has increased over the decades, while consistently remaining above the national estimates



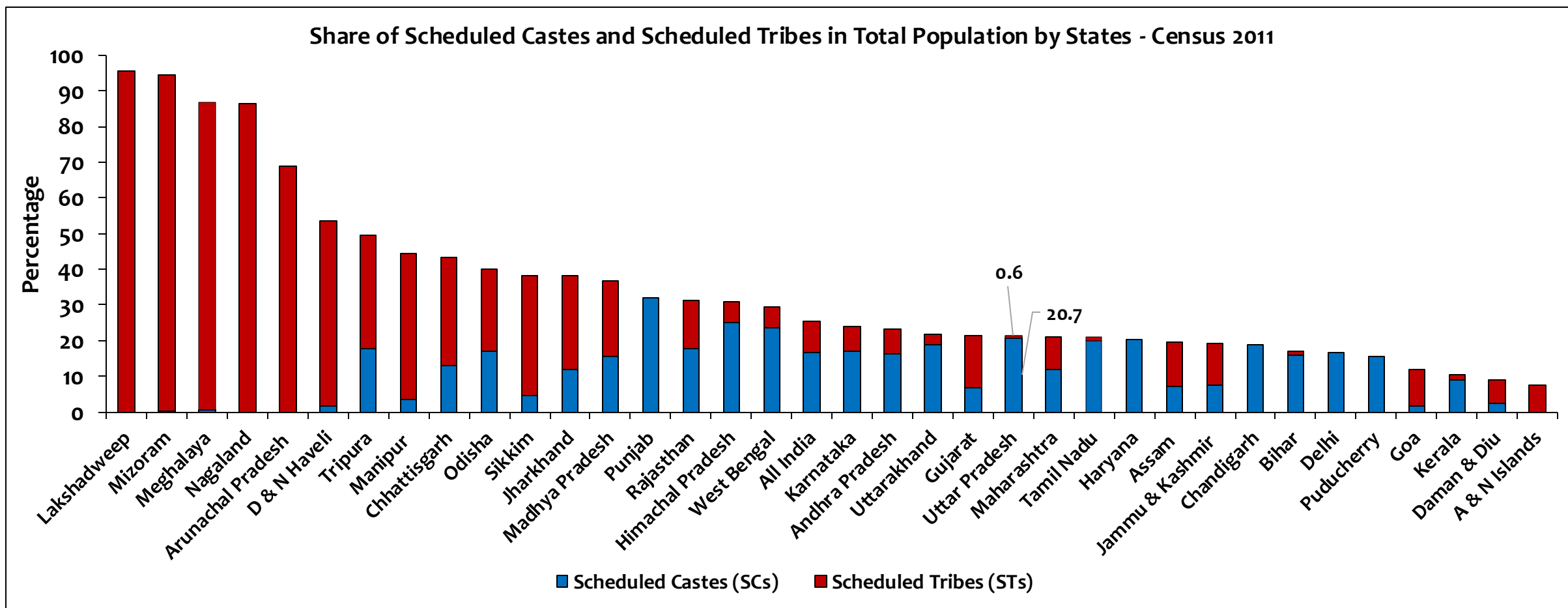
Source: Census data and “Population Projections for Indian States 2011-2036” by the Technical Group on Population Projections, National Commission on Population Ministry of Health and Family Welfare, Government of India.

Urban Population in Uttar Pradesh has consistently remained below the national estimates and the gap between the two has widened over the past three decades



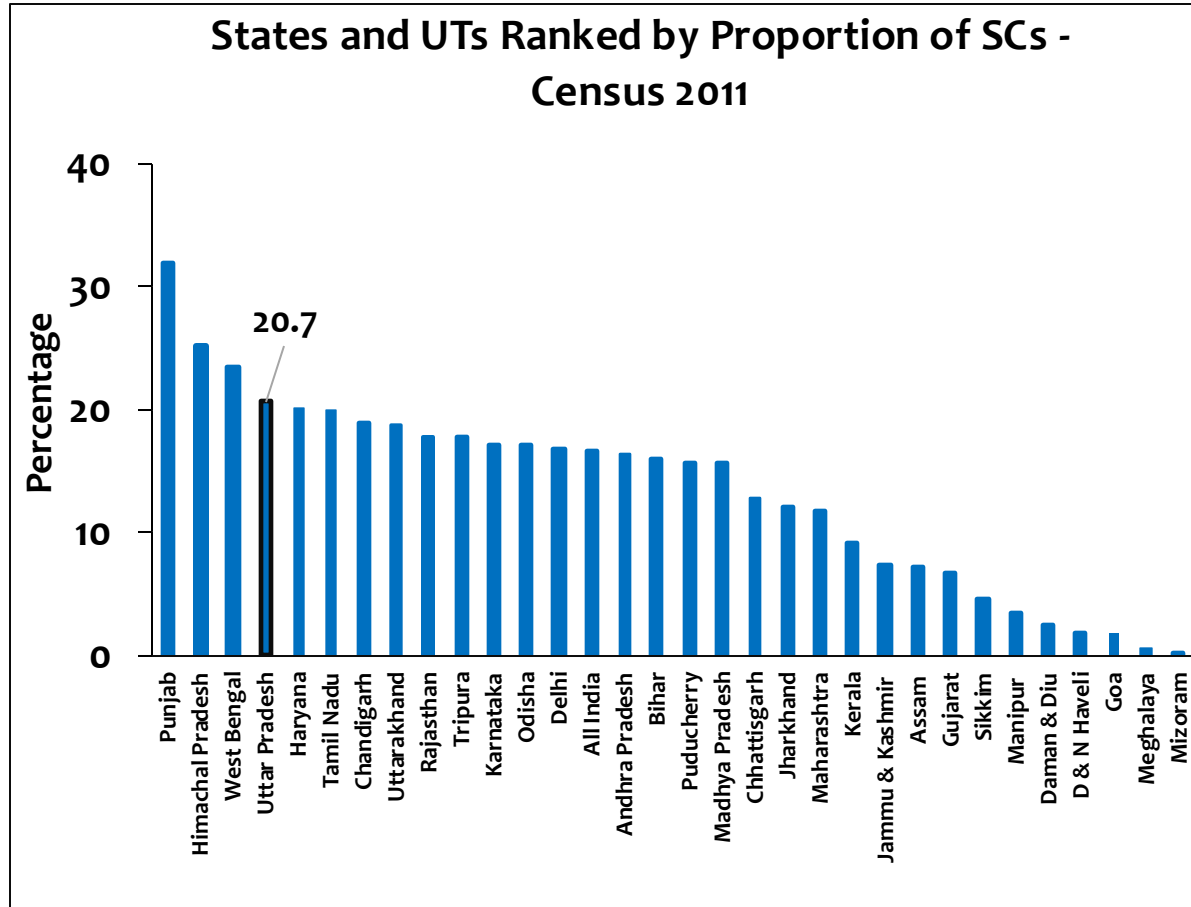
Source: Census data and “Population Projections for Indian States 2011-2036” by the Technical Group on Population Projections, National Commission on Population Ministry of Health and Family Welfare, Government of India.

In Uttar Pradesh, Scheduled Castes (SCs) constituted 20.7 percent of its total population while Scheduled Tribes constituted 0.6 percent of its total population as per the 2011 Census



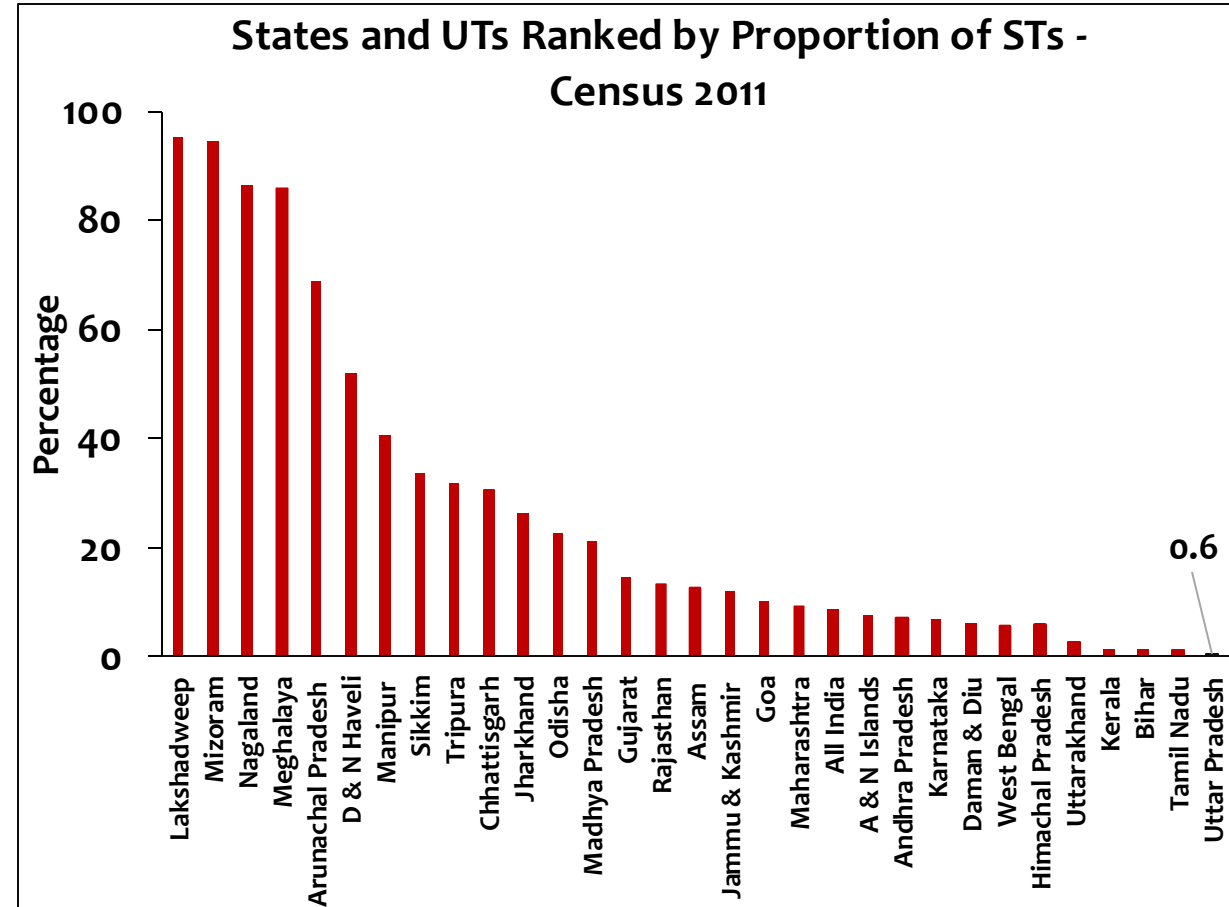
Source: Census data for 2011 is sourced from Office of the Registrar General of India, Ministry of Home Affairs.

Uttar Pradesh is ranked as the fourth largest among States with regard to the percentage of SC population. It ranks the lowest in terms of the percentage of ST population



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

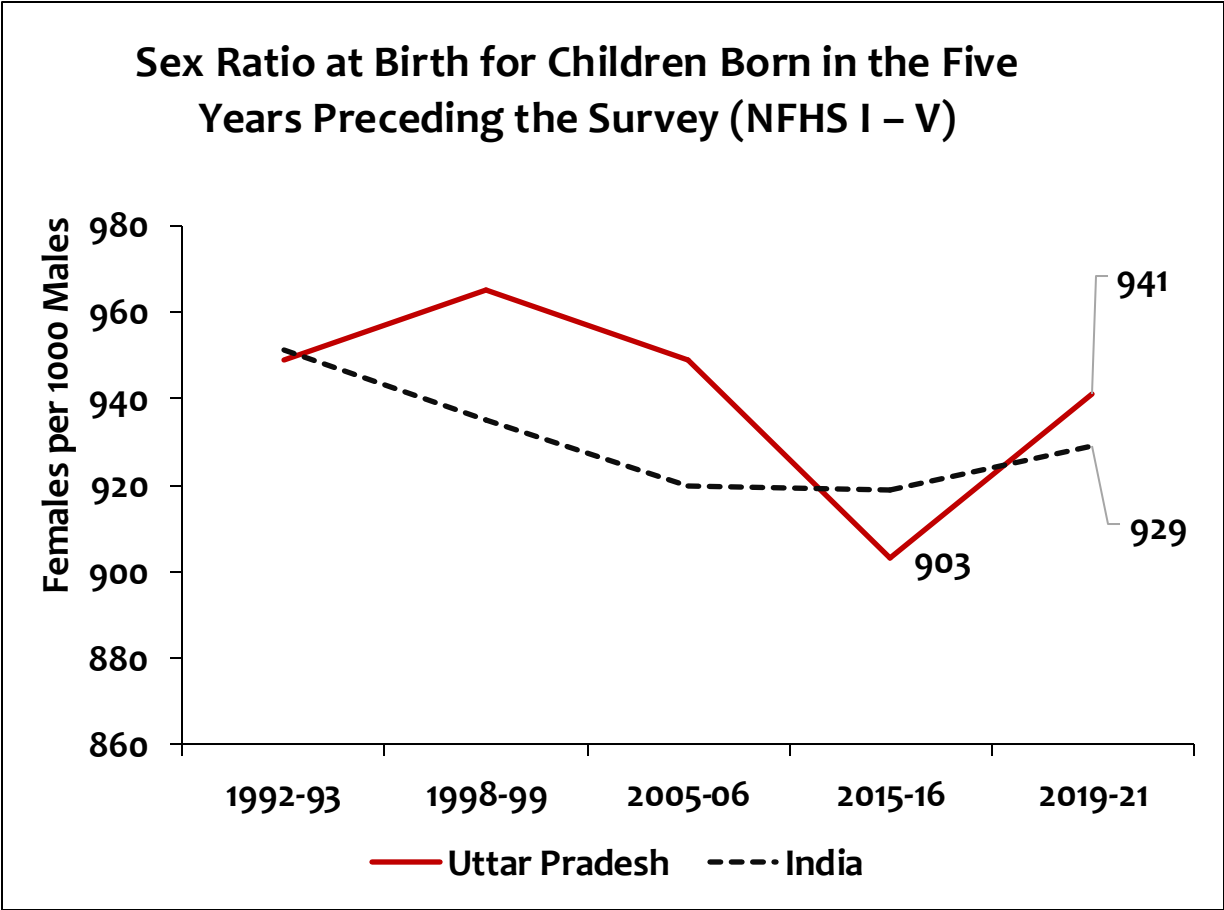
Note: As per the census data, Lakshadweep, Nagaland, Arunachal Pradesh, and Andaman & Nicobar Islands do not report any SC Population.



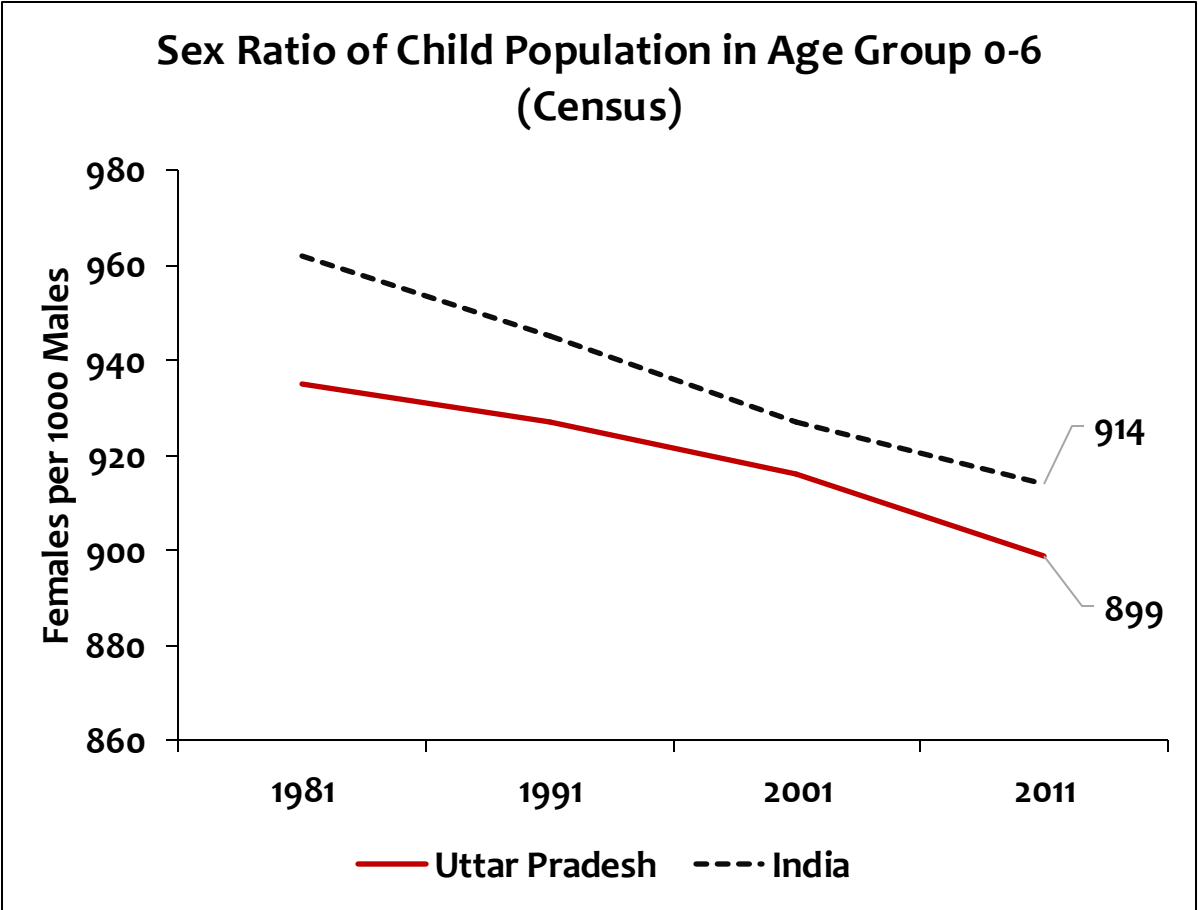
Source: Census data for 2011 is sourced from Office of the Registrar General of India, Ministry of Home Affairs.

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

According to the National Family Health Survey (NFHS), Sex Ratio at Birth (female births per 1,000 male births) in Uttar Pradesh has remained above the national estimate since 1998-99, with the exception of 2015-16. As per Census estimates, Sex Ratio of population in 0-6 age group has remained below the national estimates until 2011

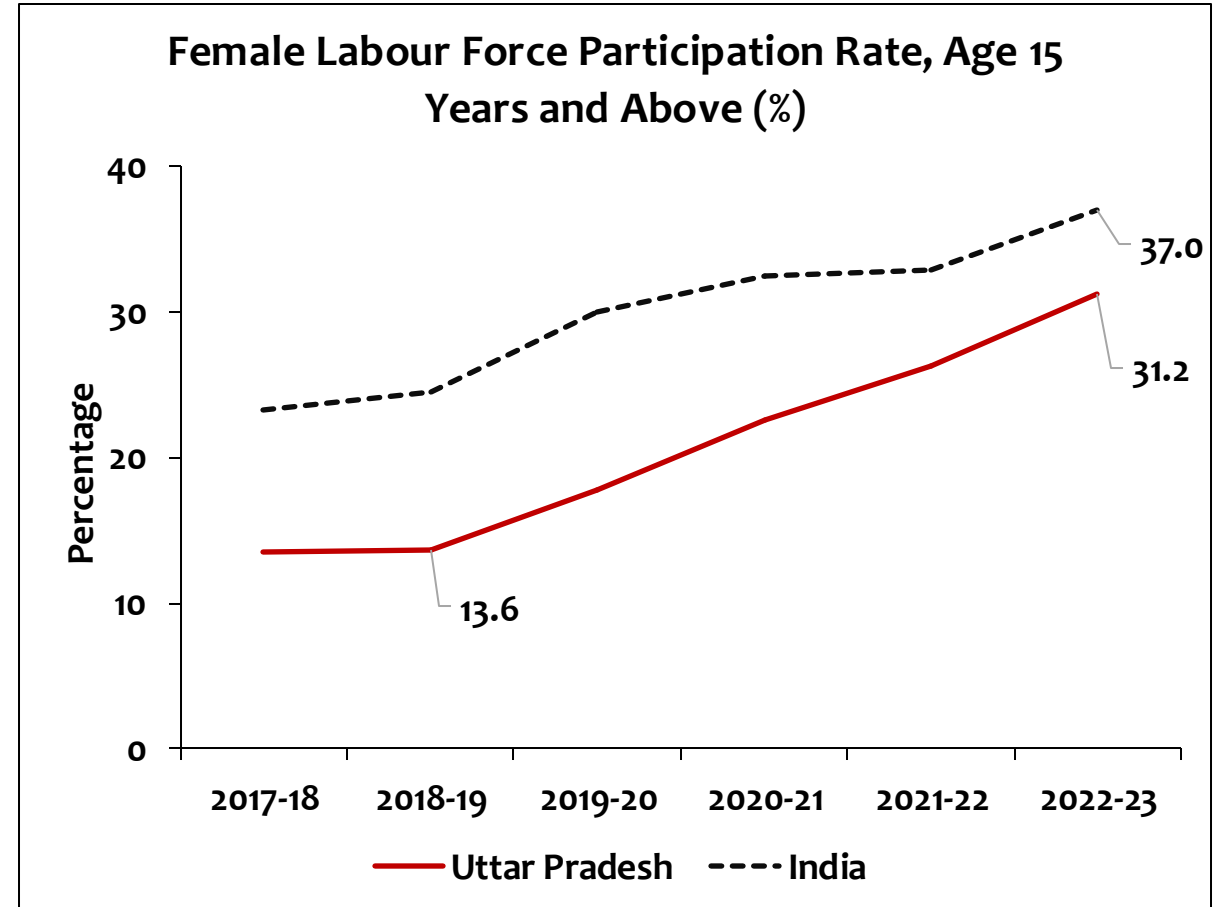
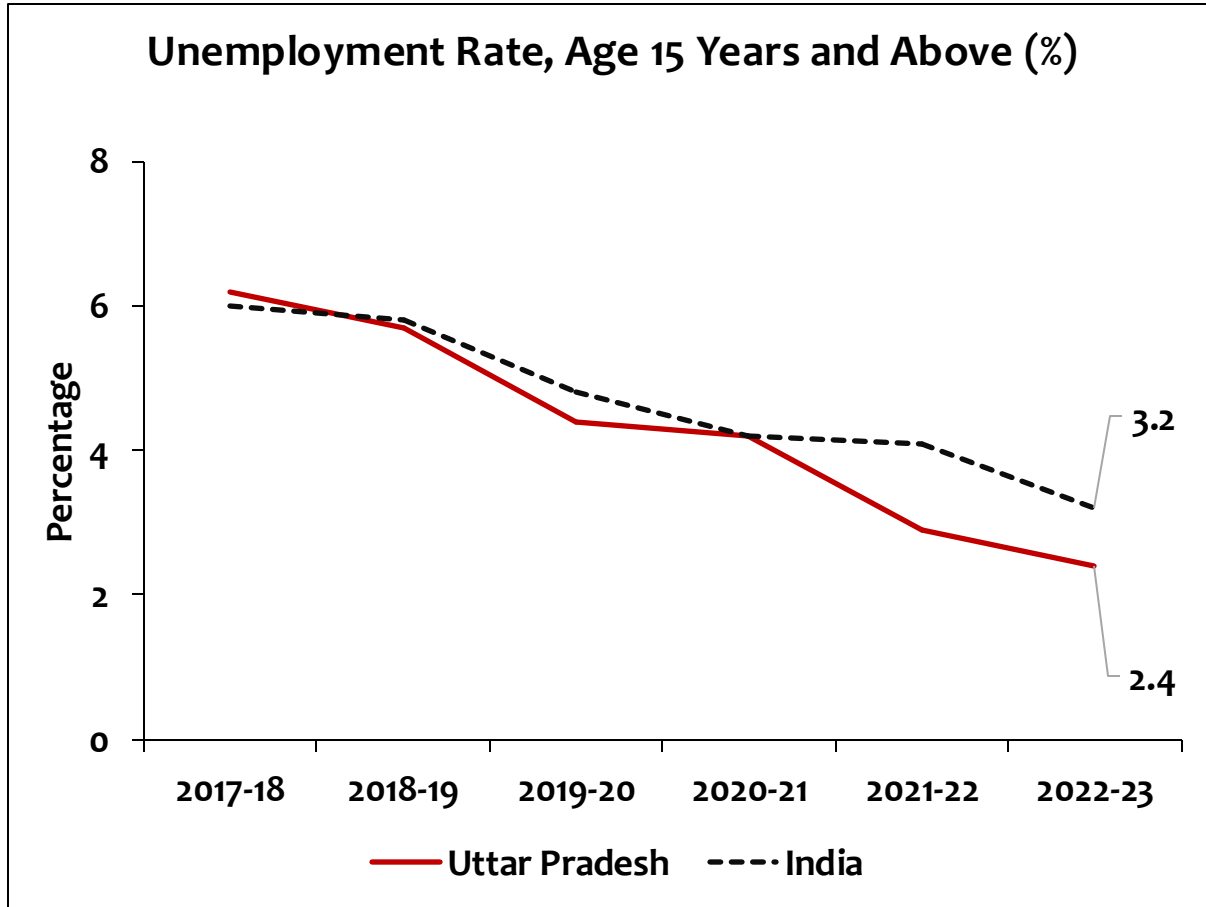


Source: NFHS I – V



Source: Census of India

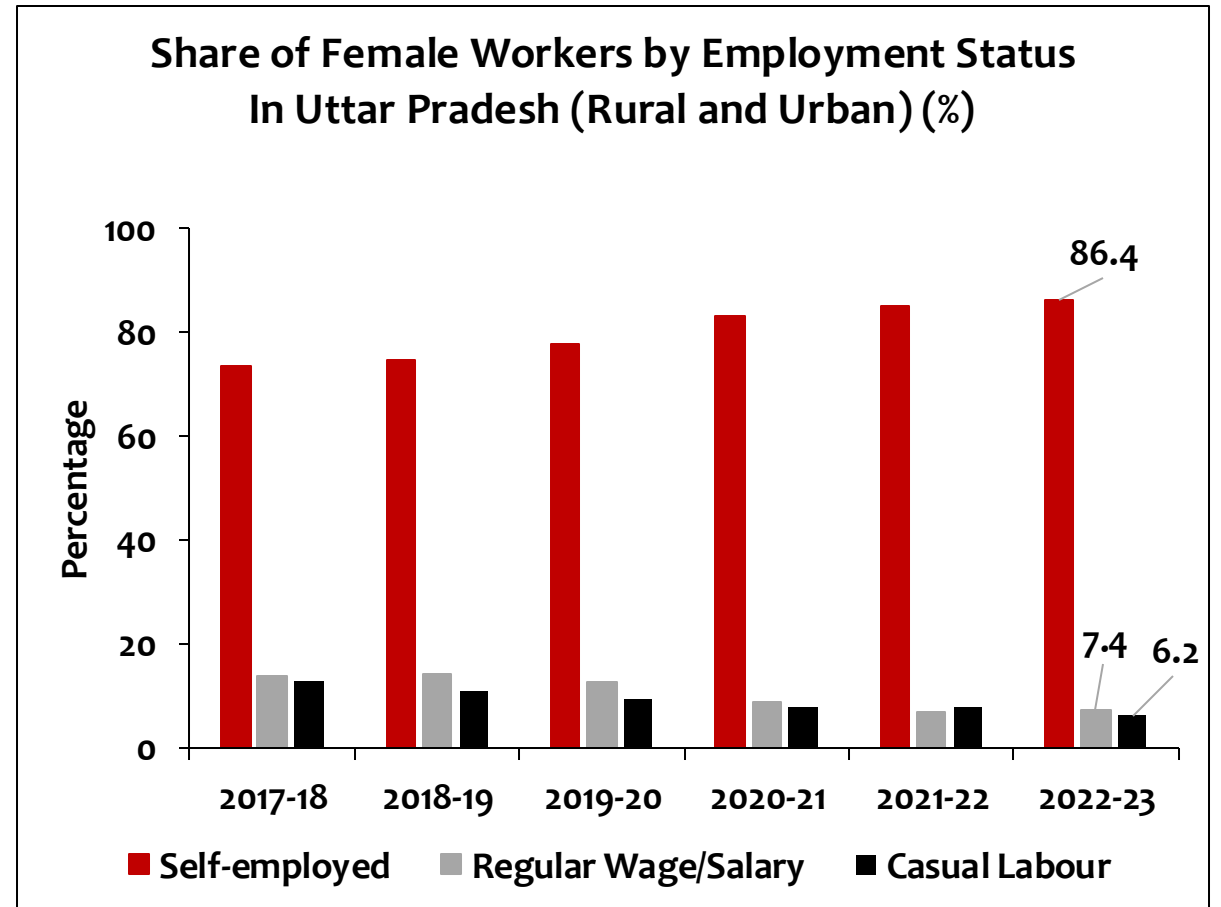
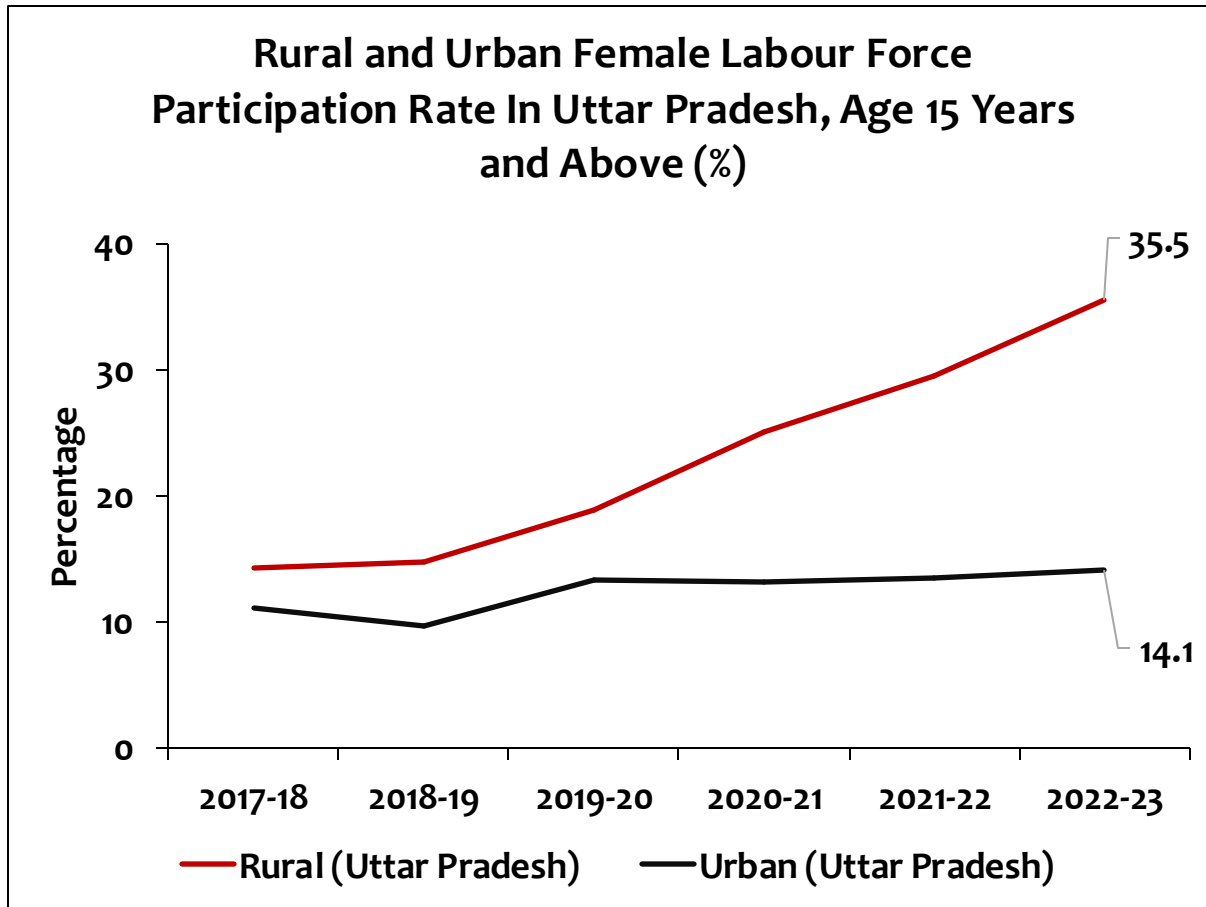
Annual unemployment rate in Uttar Pradesh has been declining and it fell below the national average in 2021-22. Female Labour Force Participation has improved but it has remained below national estimates throughout



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

Note: i. Number for India has been taken directly from the source; ii. The Unemployment and Female Labour Force Participation Rate (FLFPR), 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.

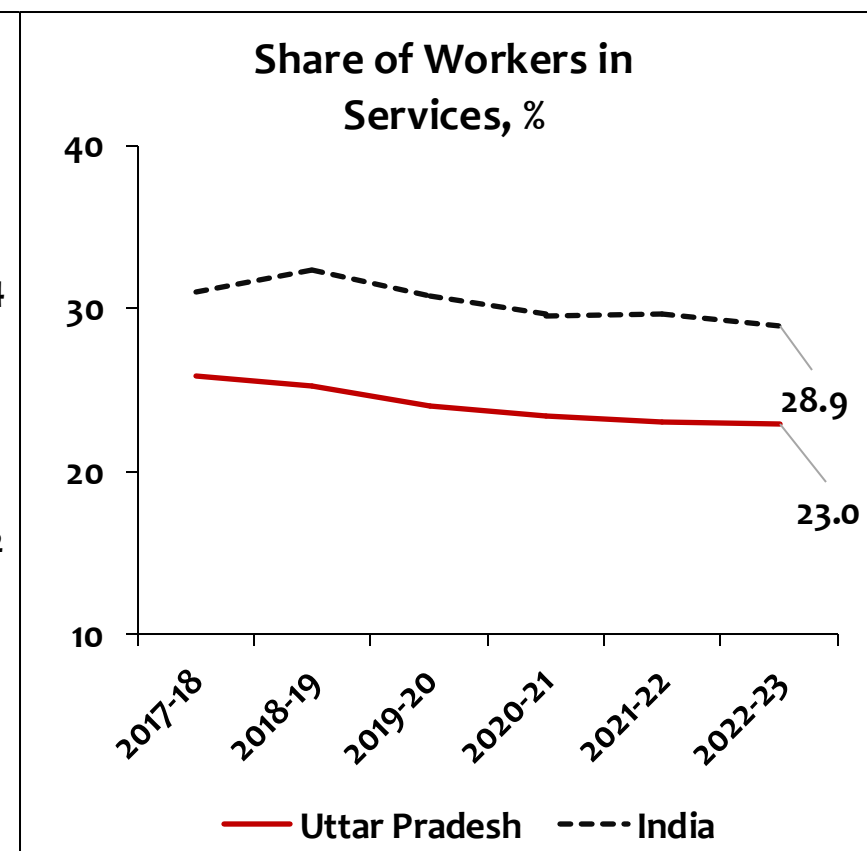
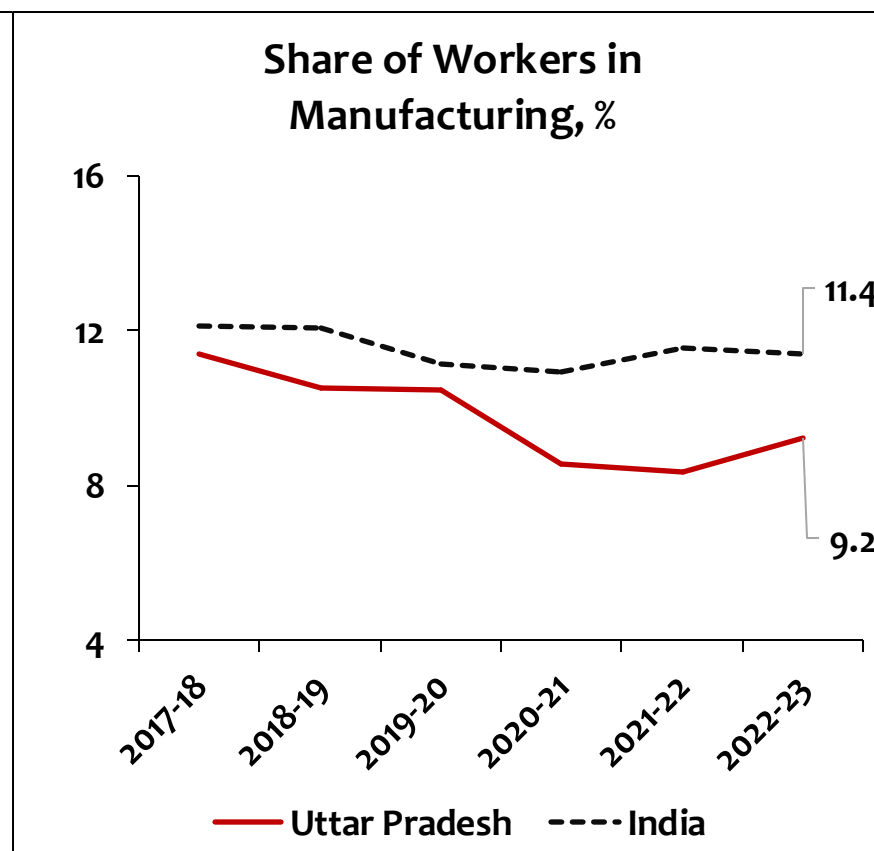
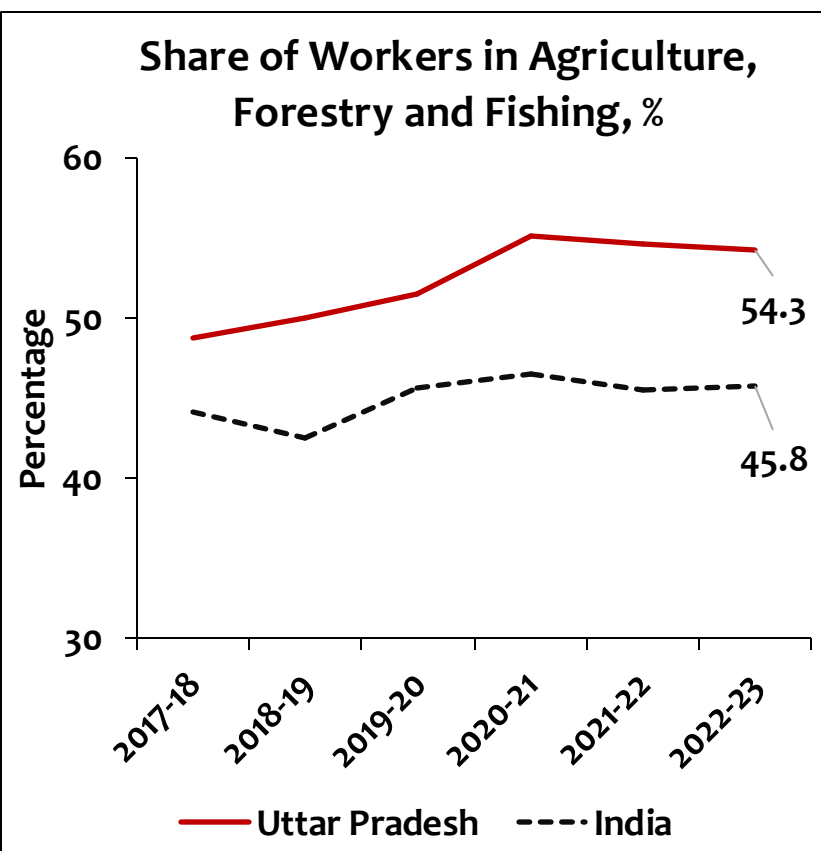
In Uttar Pradesh, Female Labour Force Participation is predominantly higher in rural areas. Additionally, majority of the female workforce comprises of Self-Employed workers



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.

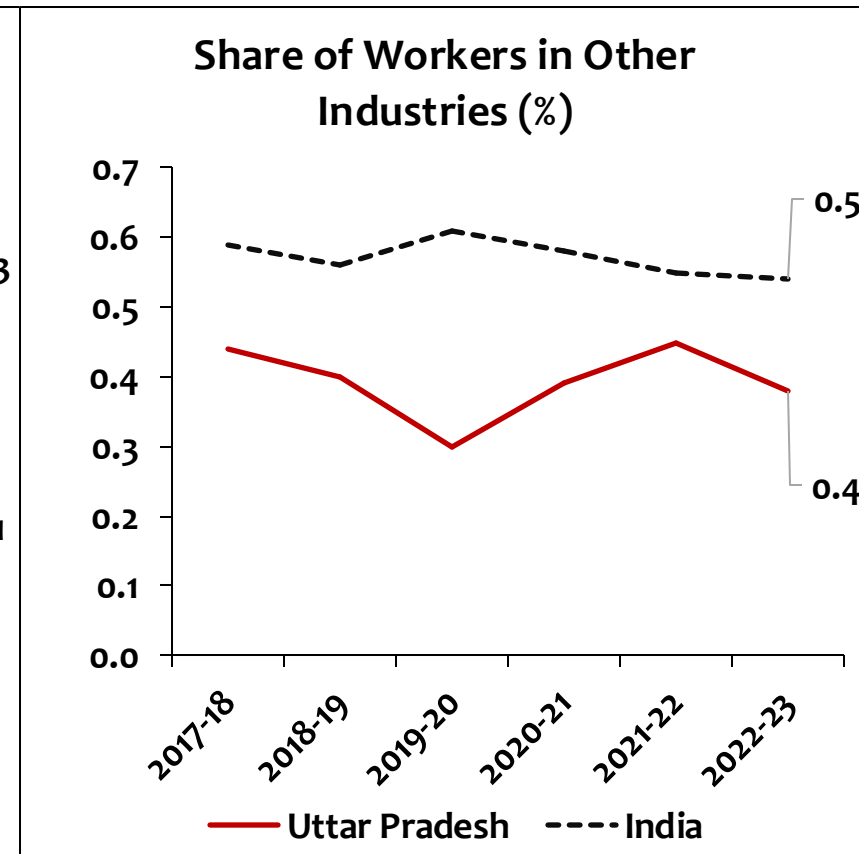
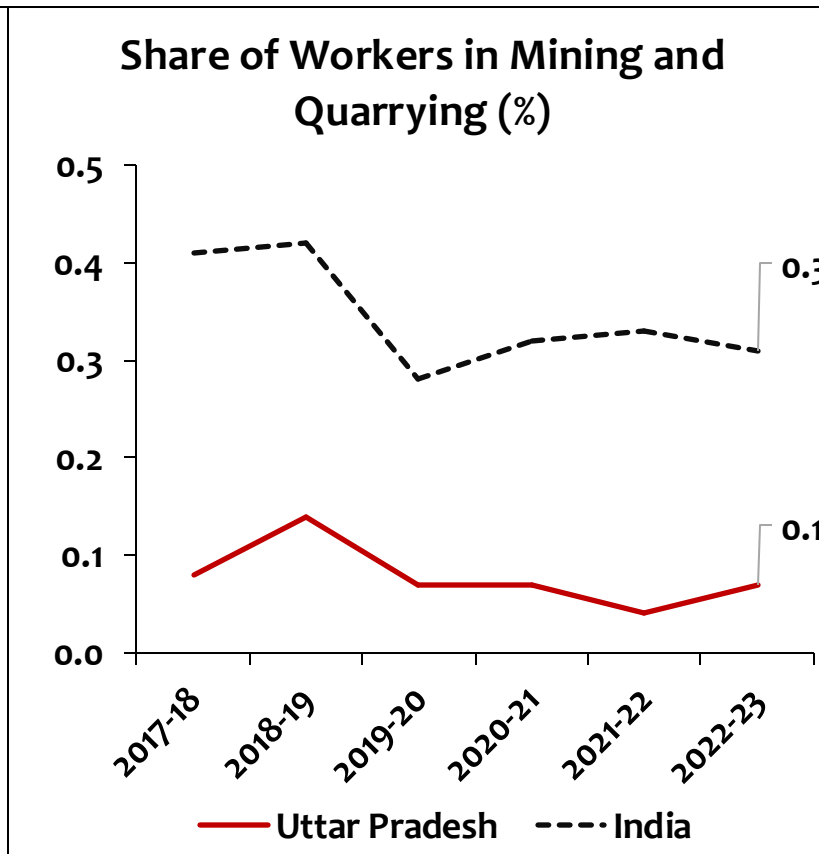
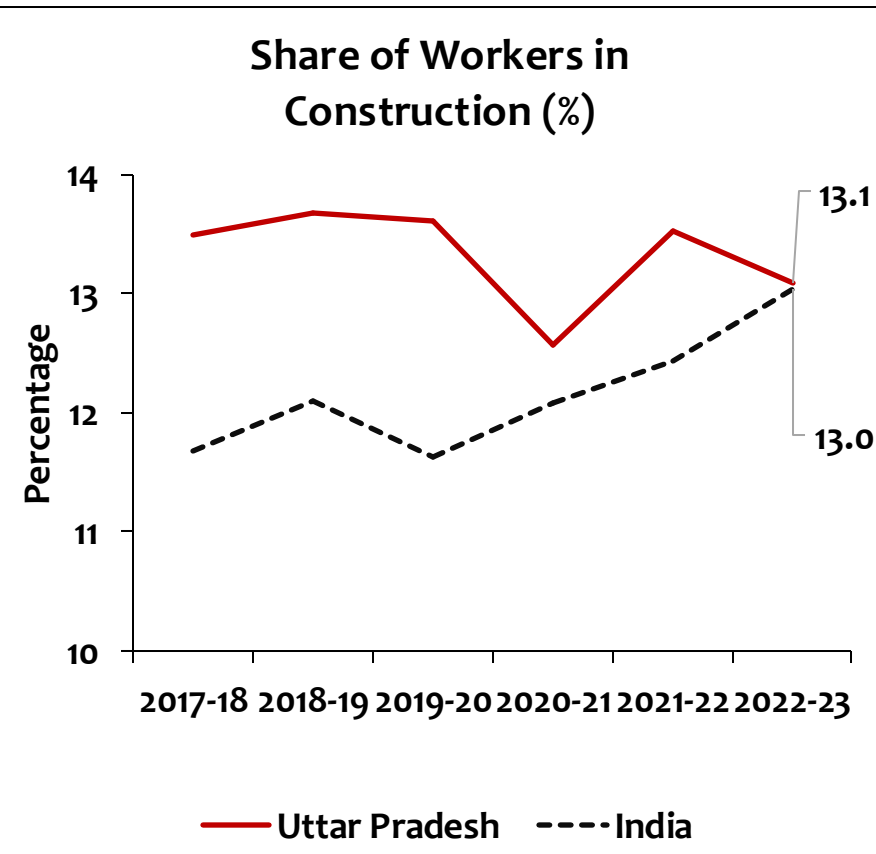
Working population in Uttar Pradesh is predominantly concentrated in Agriculture, Forestry, and Fishing; Services; Construction and Manufacturing sectors. Manufacturing constituted 9.2 percent of the total share of workers in 2022-23. The proportion of workers employed in Mining and Quarrying and Other Industries is small and remains below 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 Uttar Pradesh is predominantly concentrated in Agriculture, Forestry, and Fishing; Services; Construction and Manufacturing sectors. Manufacturing constituted 9.2 percent of the total share of workers in 2022-23. The proportion of workers employed in Mining and Quarrying and Other Industries is small and remains below 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 to 2021-22

Table 2A: State Domestic Product, Per Capita Income, and Sectoral Shares for Uttar Pradesh

Indicator	Most Recent Value	States' Average	Decadal Change, % (b/w 2012-13 and 2021-22)	Source
Nominal Gross State Domestic Product (GSDP)	Rs. 197,453,155 (Lakh) (FY 2021-22)	Rs. 2,347,101,174 (Lakh; India) (FY 2021-22)	+140.1% growth	MoSPI; EPWRF
Nominal GSDP share in India's Nominal GDP, %	8.4% (FY 2021-22)	-	+0.1 points	MoSPI; EPWRF
Real Gross State Domestic Product Growth Rate, %	5.3% (Decadal avg. b/w 2012-13 and 2021-22)	5.6% (Decadal avg. b/w 2012- 13 and 2021-22 for India)	+5.5% points	MoSPI; EPWRF
Nominal Per Capita GSDP	Rs. 84,139 (FY 2021-2022)	Rs. 1,71,498 (India) (FY 2021-22)	+109.4% growth	MoSPI; EPWRF
Nominal Per Capita GSDP in India's Nominal Per Capita GSDP (Ratio)	0.5 (FY 2021-22)	-	-0.01 points	MoSPI; EPWRF
Share of Agricultural Sector to Total Gross State Value Added (GSVA) (Nominal), %	25.9% (FY 2021-22)	19.7% (FY 2021-22)	-1.5% points	MoSPI; EPWRF
Share of Industry Sector to Total GSVA (Nominal), %	27.9% (FY 2021-2022)	29.3% (FY 2021-22)	+1.2% points	MoSPI; EPWRF
Within Industry: Share of Manufacturing Sector to Total GSVA (Nominal), %	12.4% (FY 2021-22)	14.8% (FY 2021-22)	+0.2% points	MoSPI; EPWRF
Within Industry: Share of Construction Sector to Total GSVA (Nominal), %	11.5% (FY 2021-22)	7.7% (FY 2021-22)	-0.5% points	MoSPI; EPWRF
Share of Services Sector to Total GSVA (Nominal), %	46.2% (FY 2021-2022)	51.0% (FY 2021-22)	+0.4% points	MoSPI; EPWRF
Within Services: Share of Real Estate and Business Services Sector to Total GSVA (Nominal), %	14.3% (FY 2021-2022)	11.4% (FY 2021-22)	-0.5% points	MoSPI; EPWRF
Within Services: Share of Trade and Hospitality Sector to Total GSVA (Nominal), %	8.2% (FY 2021-2022)	11.3% (FY 2021-22)	-1.4% 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.

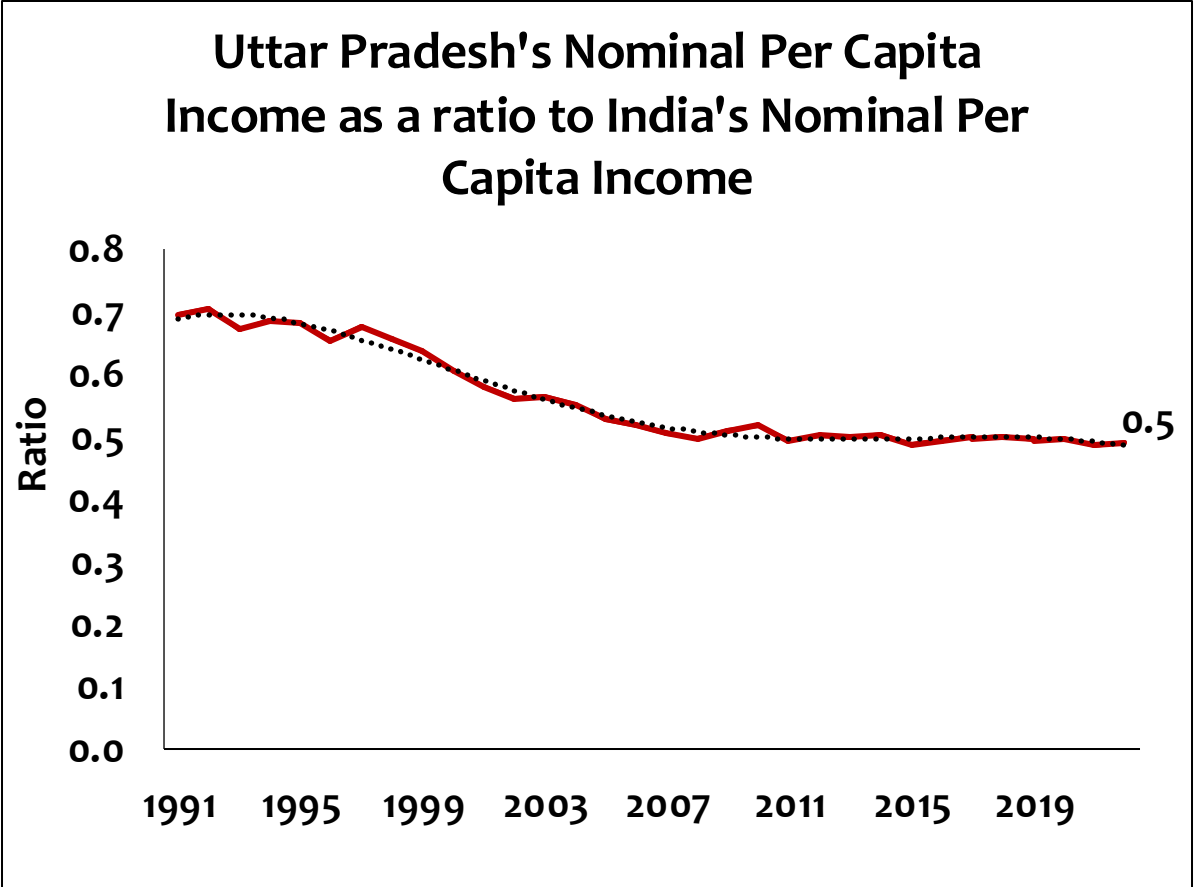
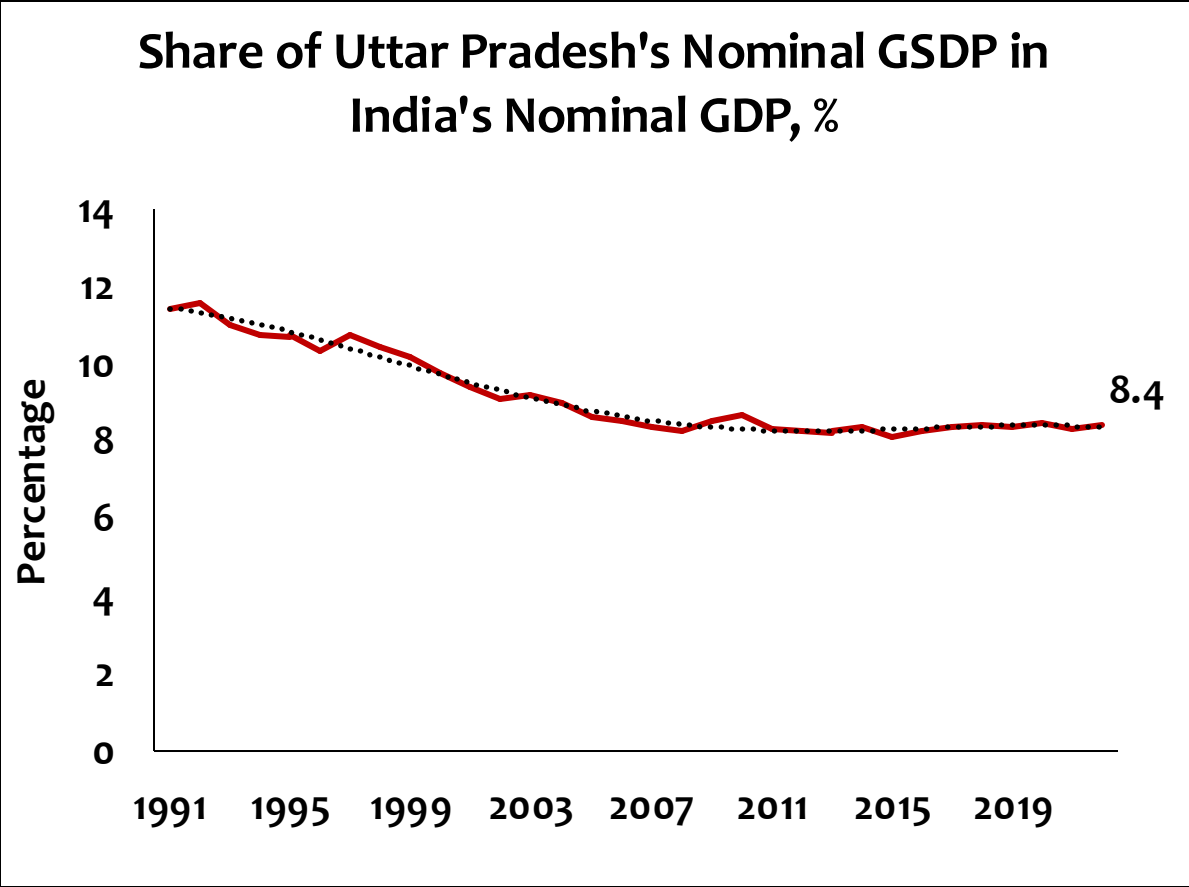
Table 2B: State Domestic Product, Per Capita Income, Sectoral Shares, Inflation, FDI inflow and Exports for Uttar Pradesh

Indicator	Most Recent Value	States' Average	Decadal Change, % (b/w 2013-14 to 2022-23)	Source
Share of Agricultural Sector to Total GSDP (Nominal), %	23.7% (FY 2022-23)	15.8% (FY 2022-23)	-1.6% points	MoSPI; EPWRF
Share of Industry Sector to Total GSDP (Nominal), %	25.4% (FY 2022-23)	25.3% (FY 2022-23)	-0.2% points	MoSPI; EPWRF
Within Industry: Share of Manufacturing Sector to Total GSDP (Nominal), %	11.0% (FY 2022-23)	13.1% (FY 2022-23)	-1.1% points	MoSPI; EPWRF
Share of Service Sector to Total GSDP (Nominal), %	42.4% (FY 2022-23)	42.6% (FY 2022-23)	-0.9% points	MoSPI; EPWRF
Inflation Rate (based on Consumer Price Index)	+6.1% (FY 2022-23)	+ 5.5 % (FY 2022-23)	-0.9% points	MoSPI; EPWRF
FDI Inflow	0.8 % of India FDI Inflow (2023-24)	3% of India FDI Inflow	0.045 % of India FDI Inflow (b/w 2020-21 and 2023-24)	Department for Promotion of Industry and Internal Trade (DPIIT)
Exports	21,687 Million \$ (2022-23)	15,346 Million \$	8,378 Million \$ (b/w 2013-14 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); Various Issues of Bulletin on Foreign Trade Statistics, Directorate General of Foreign Trade (DGFT); iii. 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.

Note: i. 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; ii. Benchmark number for exports is an average of all States/UT number.

Uttar Pradesh's share in India's Nominal GDP and its Nominal Per Capita Income as a ratio to India's Nominal Per Capita Income both decreased steadily after 1997 until 2008. In the last decade, both have almost been stable



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

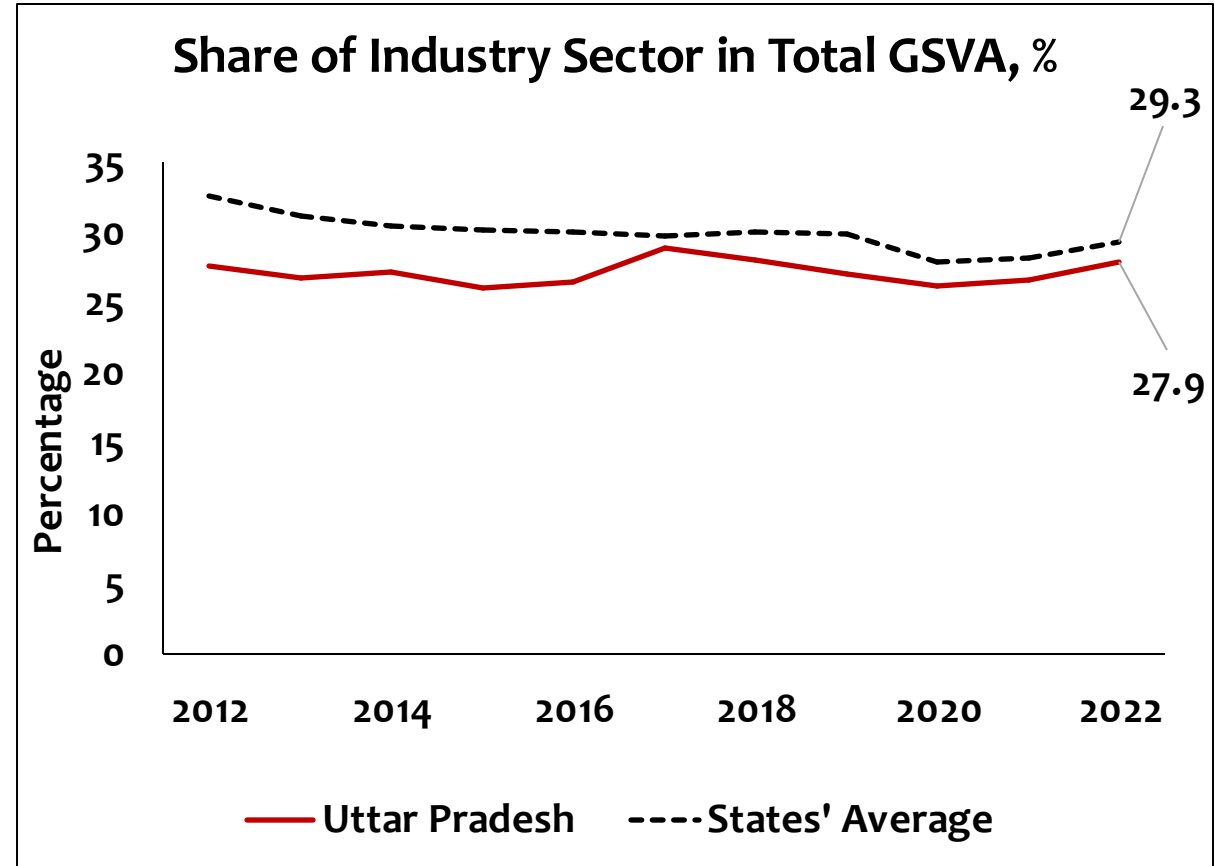
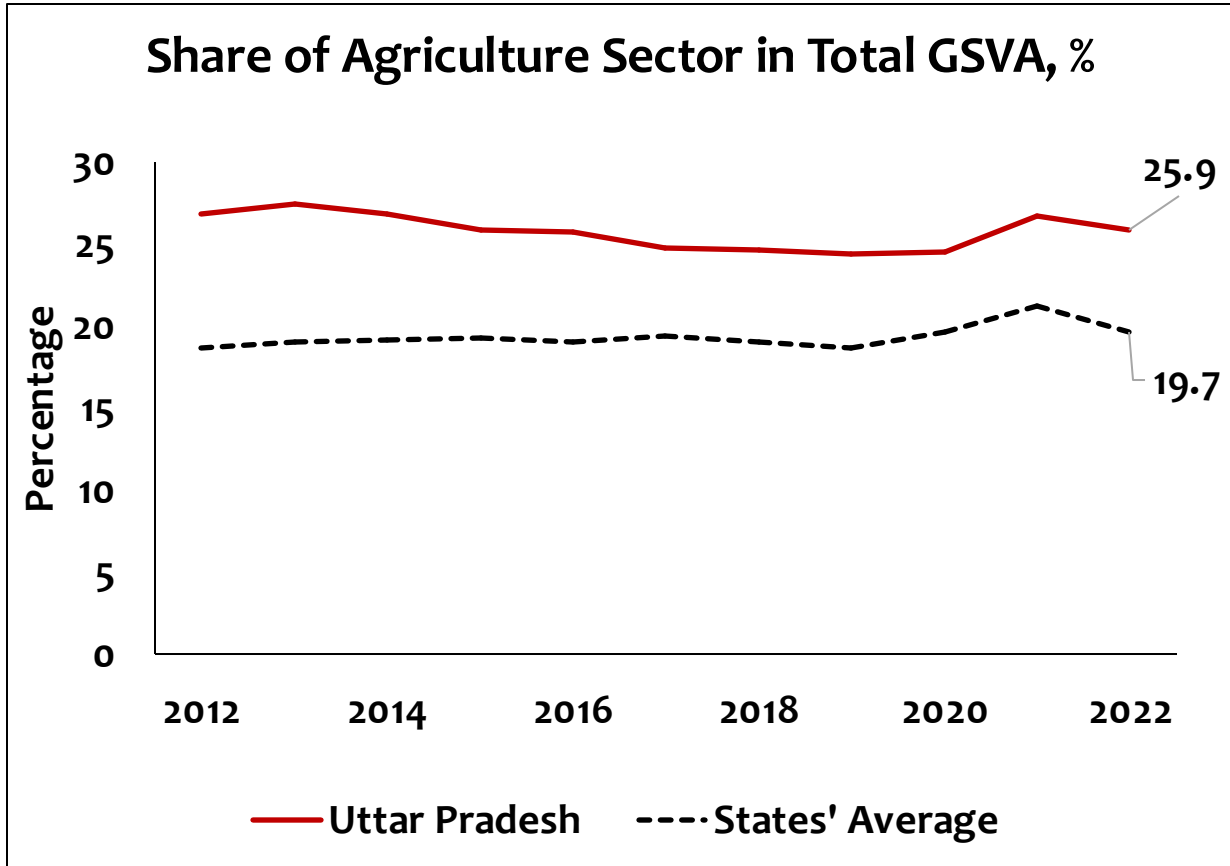
Note: i. GSDP refers to Gross State Domestic Product at current market prices; ii. As per EPWRF, this series is spliced with earlier GSDP series to generate the long time series; iii. National GDP is the National Gross Domestic Product of India at current market prices; iv. This series has been spliced with earlier GDP series to generate the long time series.

Sectoral Gross State Value Added (GSVA): Uttar Pradesh vis-à-vis rest of India (FY 2021-22)

- According to official estimates for FY 2021-22, Services sector contributes 46.2 percent share to the GSVA in Uttar Pradesh, while the States' average stands at 51 percent. Within the services sector, the largest contributors are Real Estate, Ownership of Dwellings and Business Services (14.3 percent) and Trade, Hotels, and Restaurants (8.2 percent).
- For FY 2021-22, the Industry sector has a 27.9 percent share of Uttar Pradesh's GSVA, whereas the States' average stands at 29.3 percent. This sector is primarily driven by Manufacturing (12.4 percent) and Construction (11.5 percent) with minor contributions from Electricity (3.1 percent) and Mining (0.9 percent).
- For FY 2021-22, Uttar Pradesh's Agriculture sector is 25.9 percent of its GSVA, higher than the States' average of 19.7 percent.
- For FY 2021-22, Uttar Pradesh ranks 18th out of 33 States and UTs in its share of GSVA in the Services sector (46.2 percent) and ranks 14th in its share of GSVA in the Industry Sector (27.9 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.

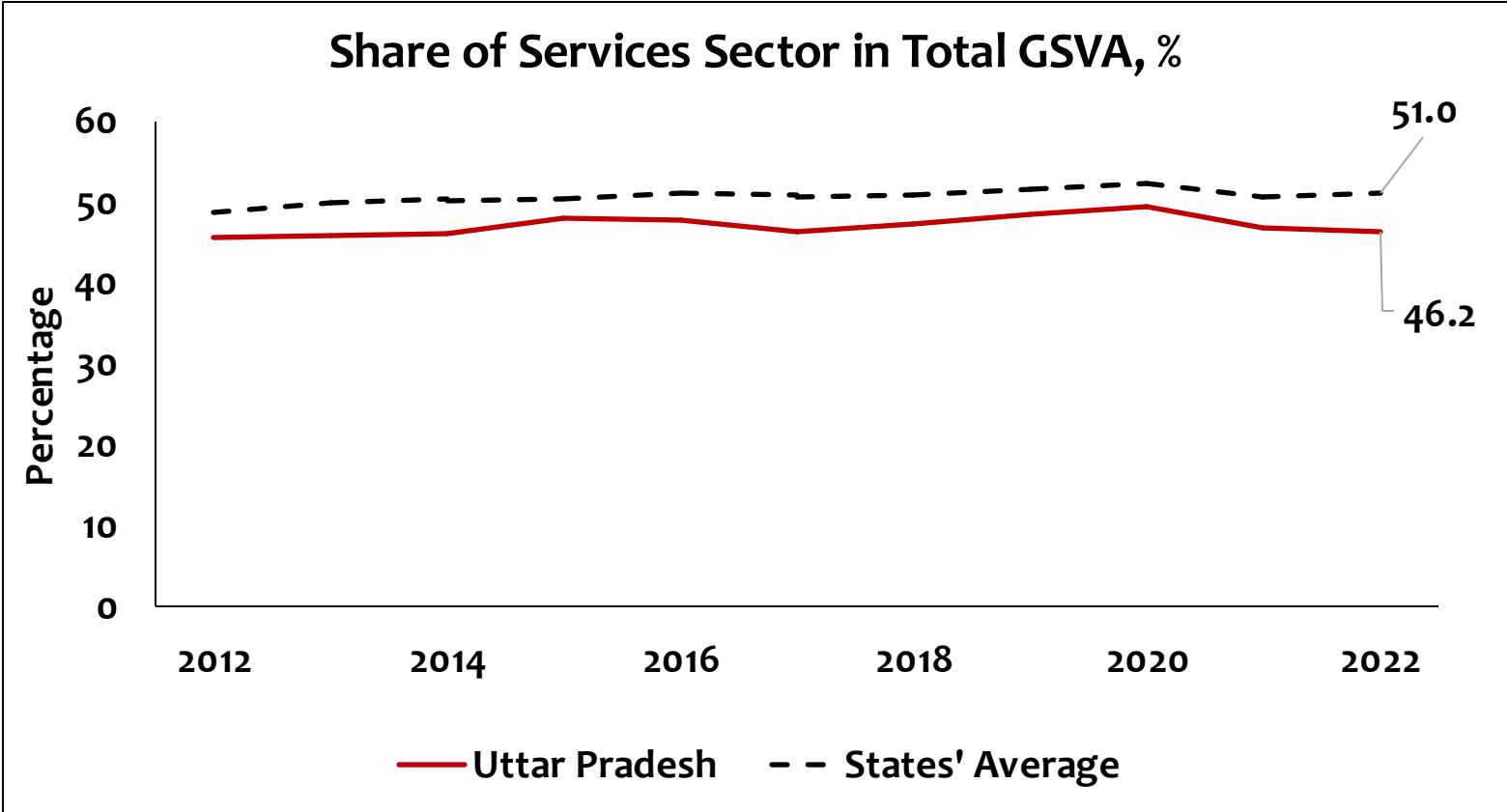
Share of Agriculture in GSVA has remained above the average share of States. Share of Industry in GSVA has remained below the average share of States but the gap between the two has narrowed since 2020



Source: MoSPI, as of August 2023.

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. Agriculture refers to Agriculture and its allied activities such as fishing, animal husbandry, crops etc.; iv. Industry includes Mining & Quarrying, Manufacturing, Construction, and Supply of Electricity & Water.

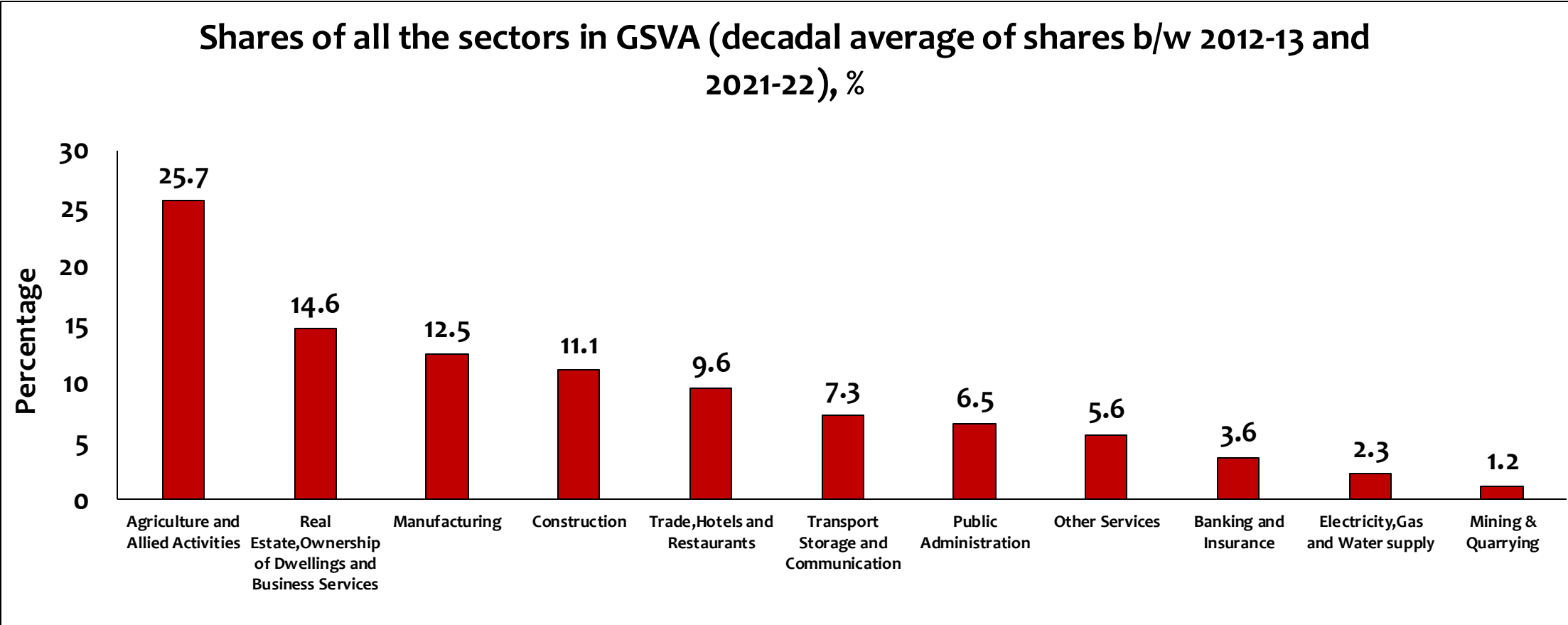
Uttar Pradesh's share of services sector in its total GSVA is smaller than the average share of all States



Source: MoSPI, as of August 2023.

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.

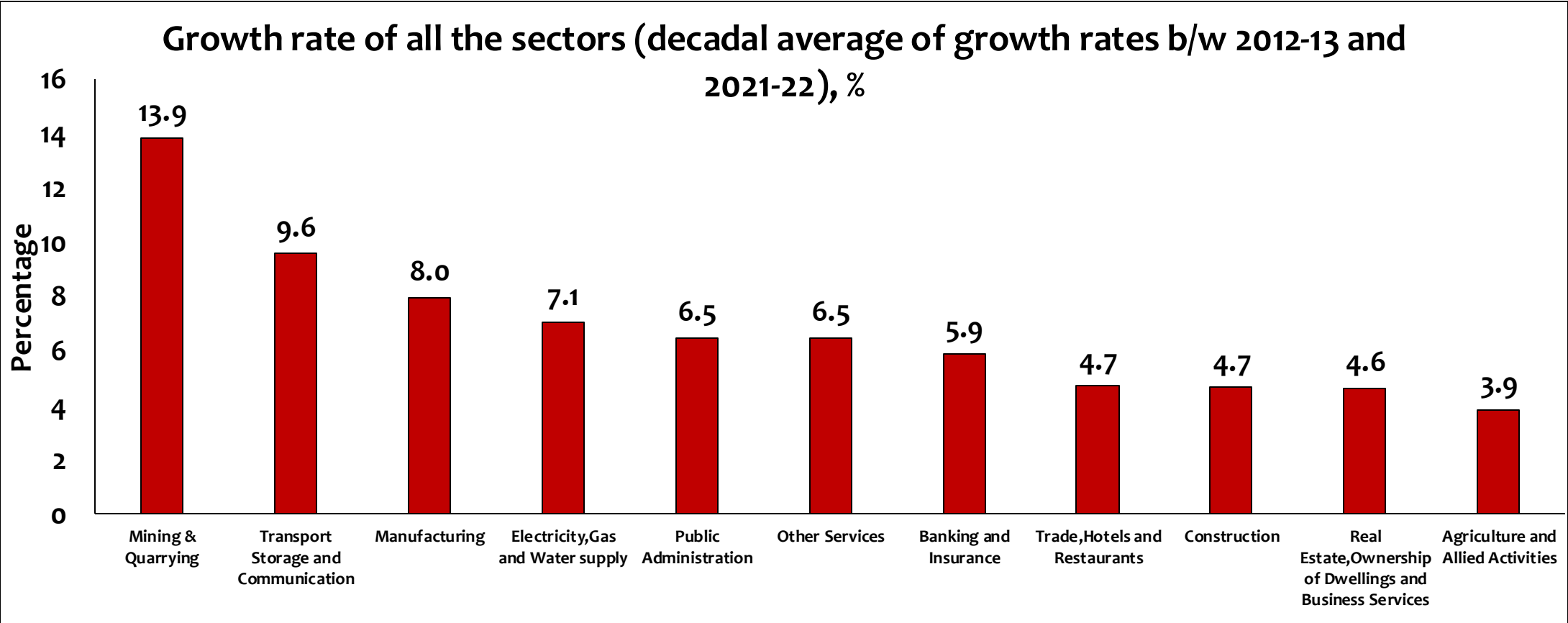
Among all major sectors, the Agriculture and Allied Activities have the largest share in GSVA in the past 10 years



Source: MoSPI, as of August 2023.

Note: i. Nominal 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 includes Transport, Storage & Communications, Trade, Hotels and Restaurants, Real Estate, Banking and Financial Services, Public Administration and some other miscellaneous services.

Out of all major sectors, the Mining and Quarrying and the Transport, Storage, and Communication sectors have shown the highest growth in GSVA over the last decade.



Source: MoSPI, as of August 2023.

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: Uttar Pradesh'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)
Agriculture	1.1%	3.2%	4.4%
Industry	0.7%	6.1%	5.3%
Manufacturing	2.7%	7.5%	6.0%
Services	7.0%	7.4%	7.7%
GSVA	3.9%	6.0%	6.4%
GSDP	4.0%	6.1%	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: Uttar Pradesh's Sectoral Growth Rates and Decadal Averages of Growth Rates

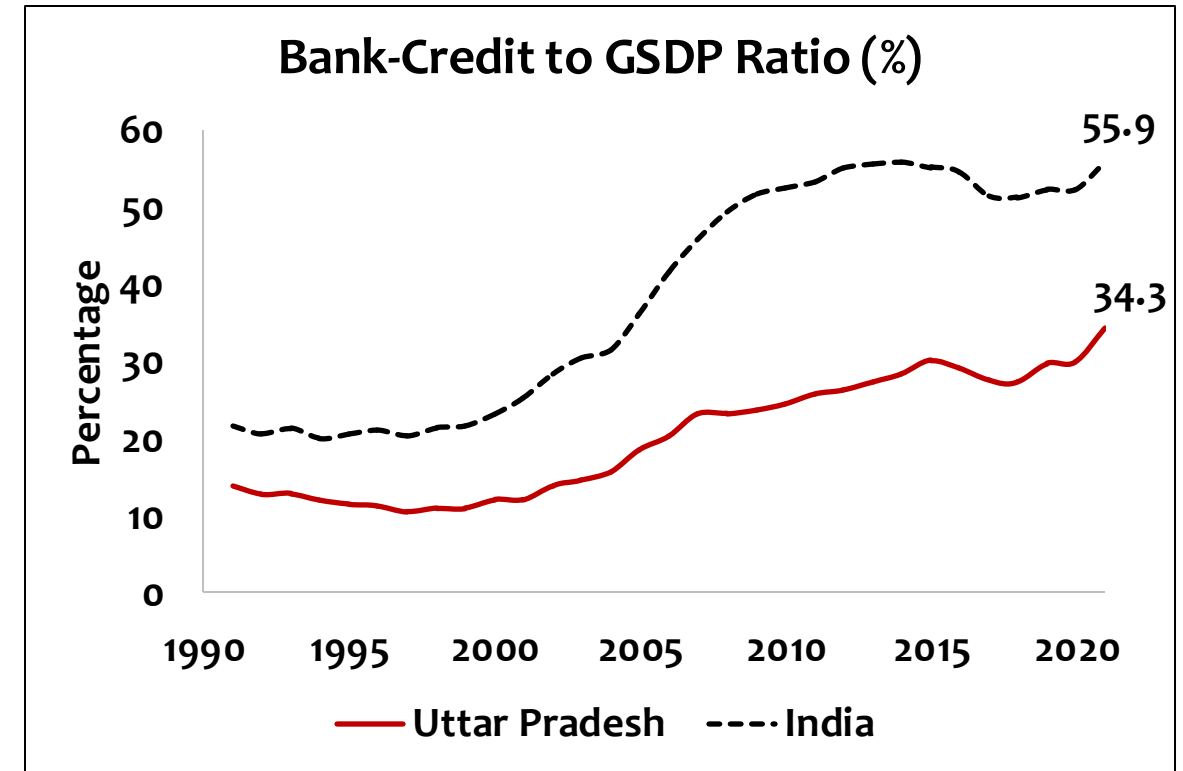
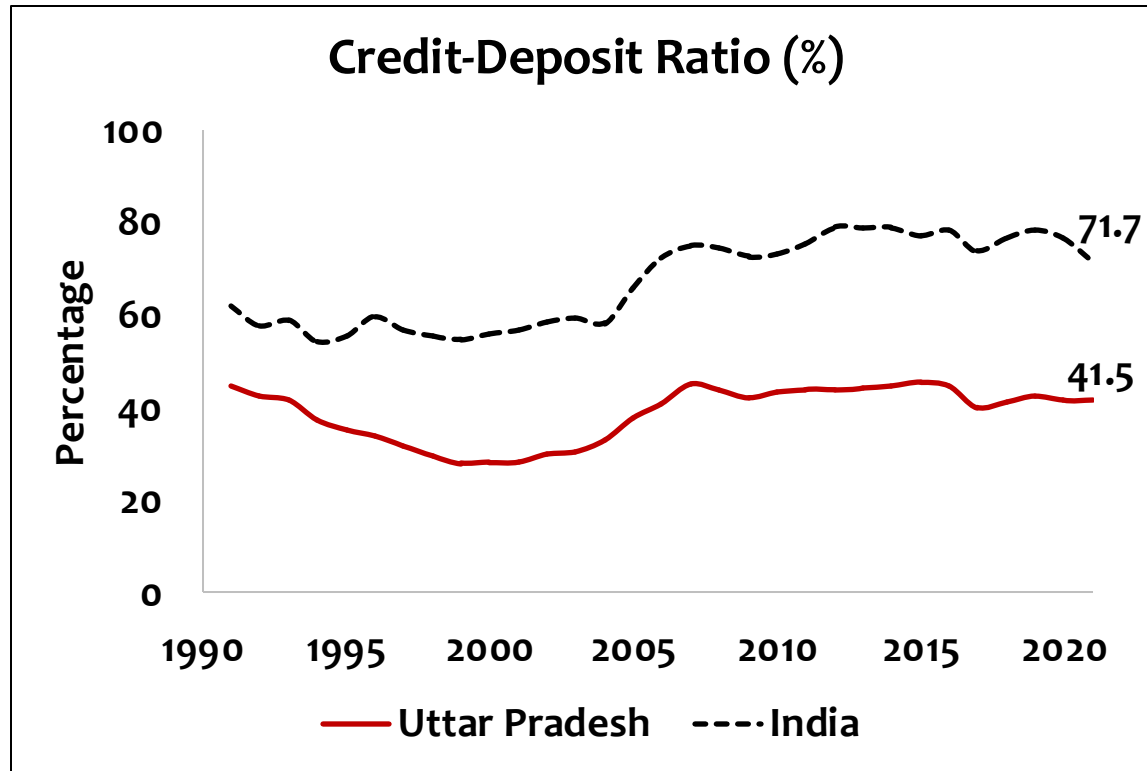
Sector	Latest Annual Growth Rate (2022-23)	Average of Growth rates (b/w 2018-19 and 2022-23)	Decadal Average of Growth rates (b/w 2013-14 and 2022-23)	Decadal Average of Growth rate for India (b/w 2013-14 and 2022-23)
Agriculture	7.1%	5.9%	4.1%	4.1%
Industry	13.3%	4.6%	7.3%	5.2%
Manufacturing	9.1%	3.7%	8.5%	5.5%
Services	9.7%	4.6%	6.1%	6.6%
GSVA	10.2%	4.8%	5.9%	5.7%
GSDP	9.8%	4.7%	5.8%	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.

Uttar Pradesh's Credit-Deposit Ratio is significantly lower than the all-India figure, with a 30 percent point difference with it as of 2021. The Credit to GSDP Ratio is also significantly lower than the all-India figure with the gap between the two increasing in the last decade

Indicators	Most Recent Value	Year	Decadal Change (b/w 2011-12 & 2020-21)	India
Credit - Deposit Ratio (%)	41.5%	2020-21	-2.5% points	71.7%
Credit - GSDP Ratio (%)	34.3%	2020-21	+8.1% points	55.9%

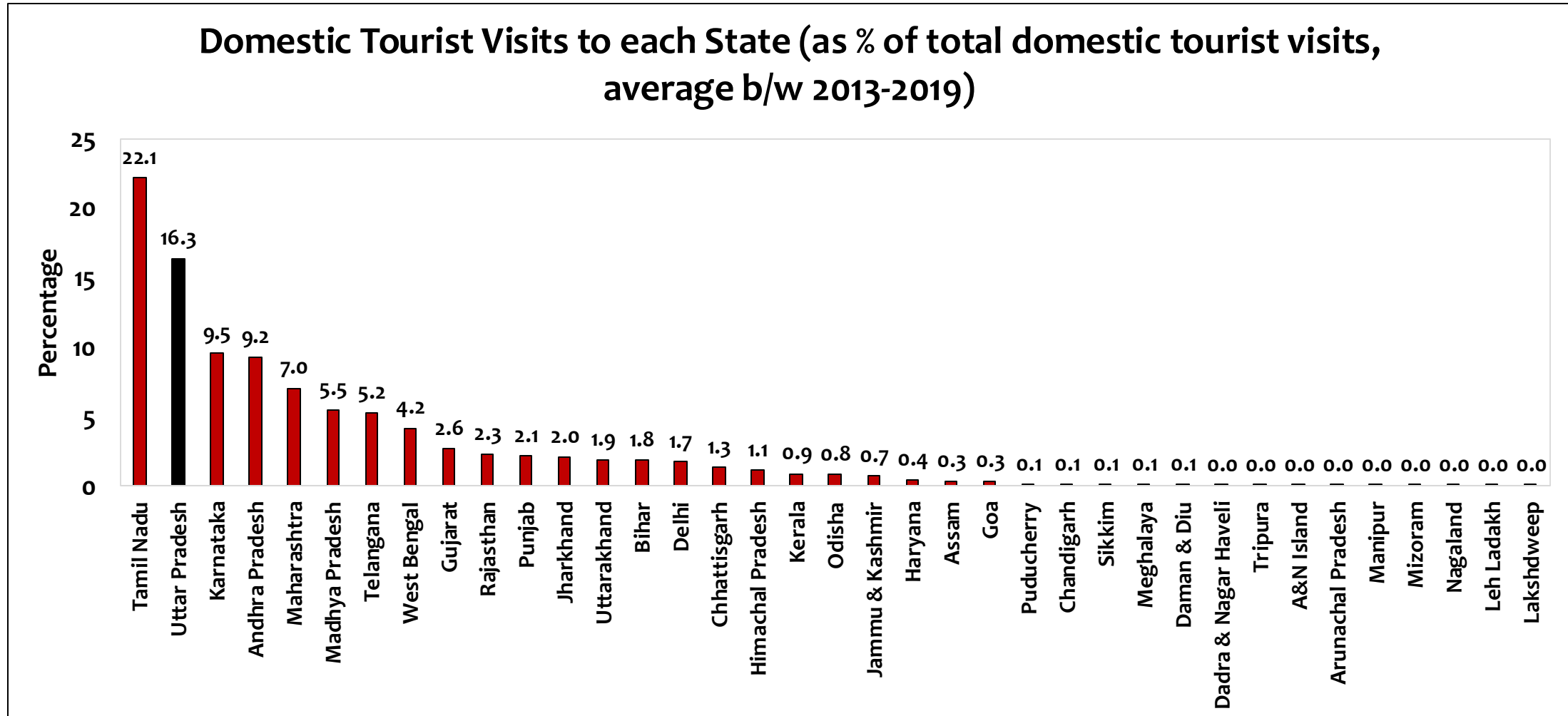


Source: Basic Statistical Returns (BSR) of Scheduled Commercial Banks, RBI (2020-21).
 Note: India's numbers have been taken directly from the source.

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.

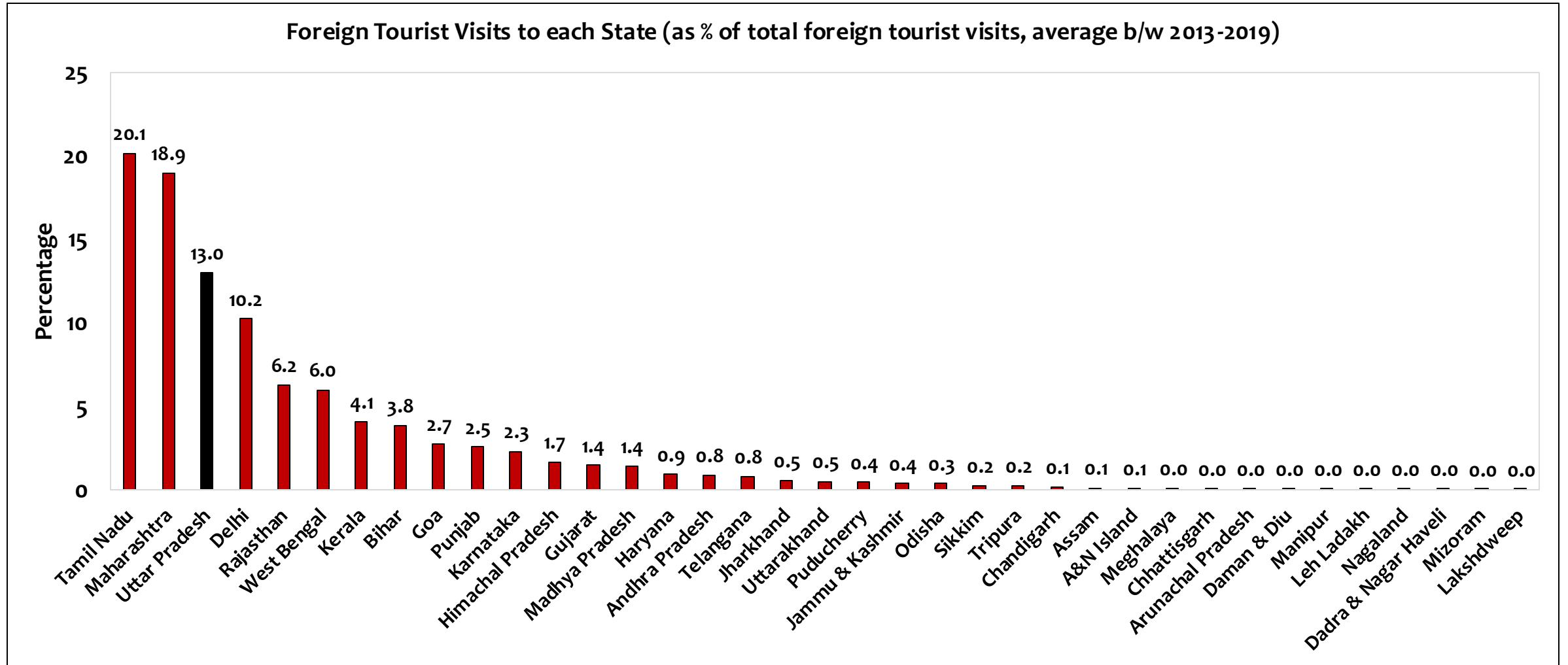
Note: The Credit variable used is Credit Outstanding as per Sanction.

Uttar Pradesh holds an average 16.3 percent share of total Domestic Tourist Visits between 2013 - 2019



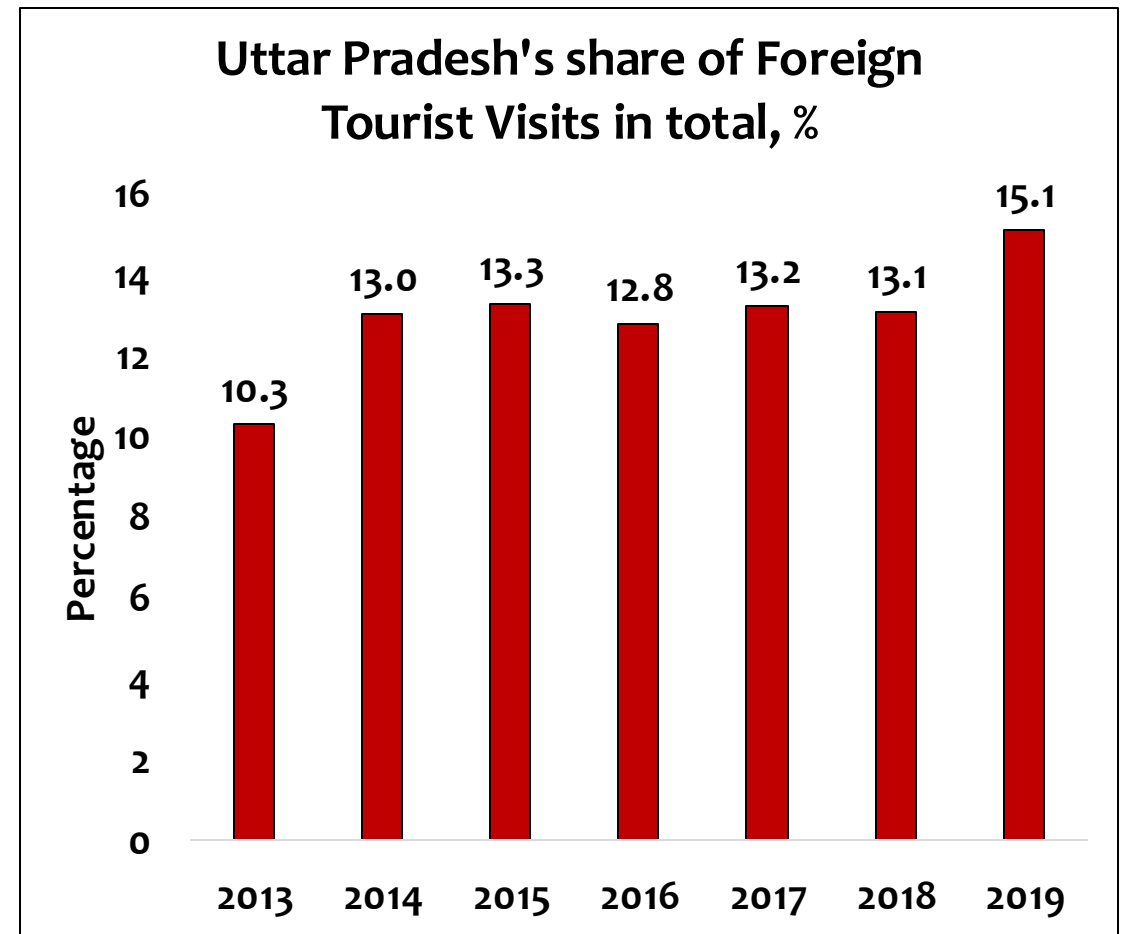
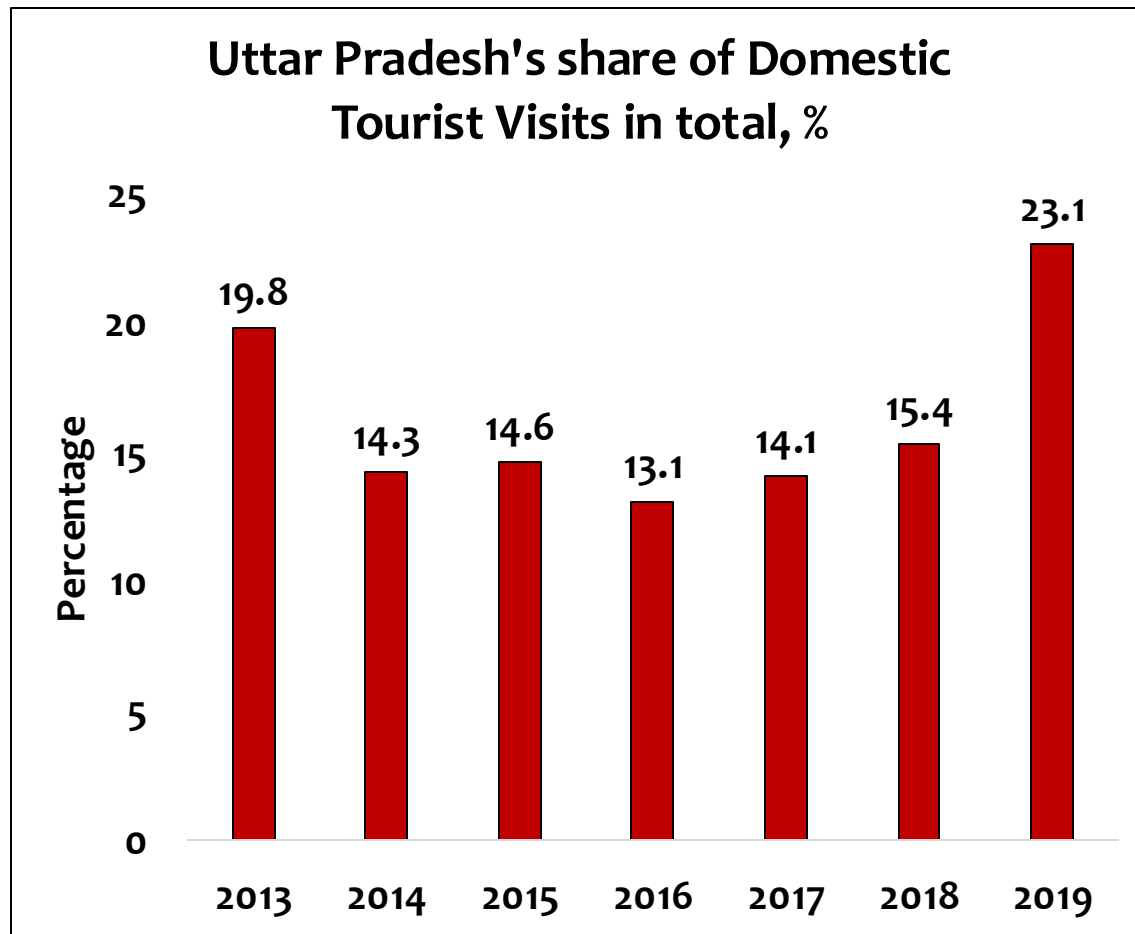
Source: Data on tourist visits have been compiled from multiple issues of India Tourism Statistics published by the Ministry of Tourism (2013 – 2019).

Uttar Pradesh holds an average 13 percent share of Total Foreign Tourist Visits between 2013 - 2019



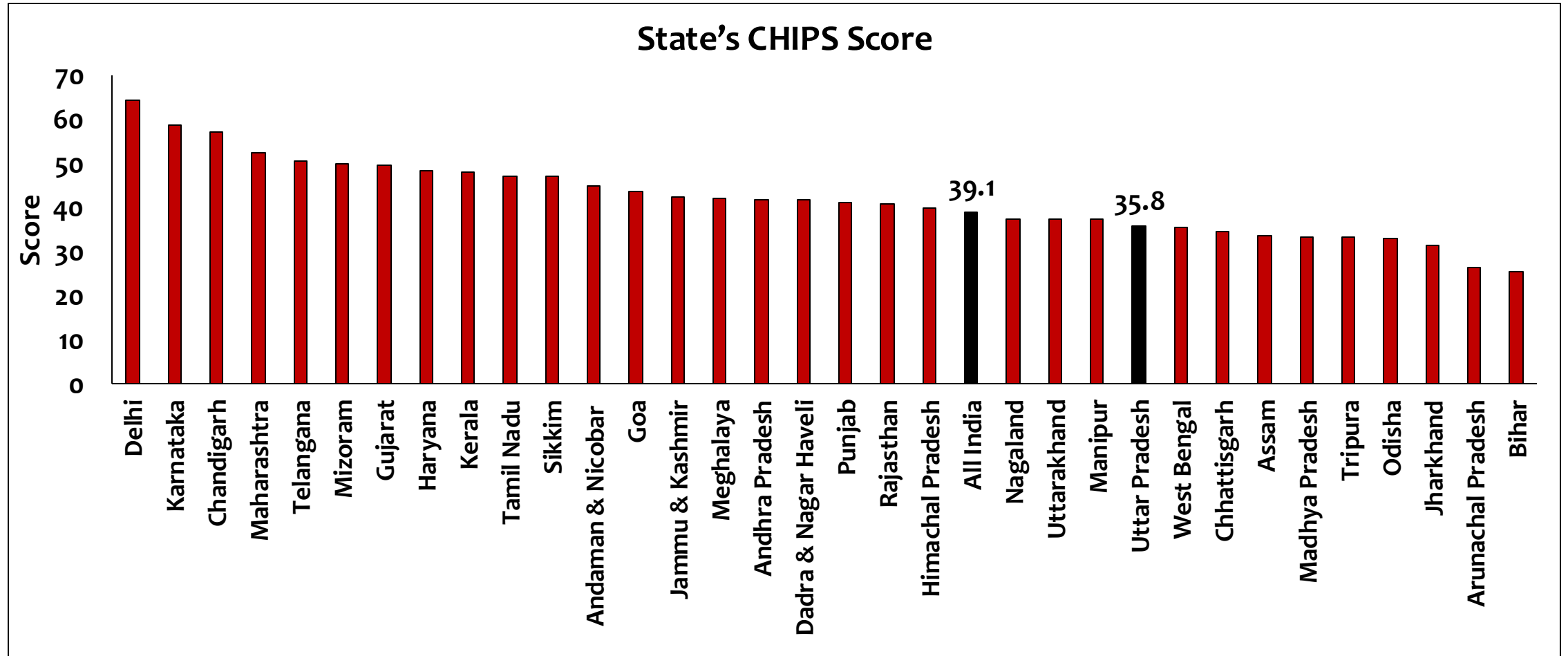
Source: Data on tourist visits have been compiled from multiple issues of India Tourism Statistics published by the Ministry of Tourism (2013 – 2019).

Domestic and Foreign Tourist Visits over the years in Uttar Pradesh



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

Uttar Pradesh's CHIPS (Connect, Harness, Innovate, Protect and Sustain) score is among bottom ten States



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 Uttar Pradesh

Indicator	Most Recent Value	India Value	Decadal Change (% points)	Source
Literacy Rate	67.7% (2011)	73.0%	+11.4% points (b/w 2001 & 2011)	Census of India
Drop-Out Rates (Class X)	23.2% (2016-17)	35.2%	+14.7% points (b/w 2013-14 & 2016-17)	U-DISE
Drop-Out Rates (Class VIII-X)	12.7% (2016-17)	21.1%	+5.4% points (b/w 2014-15 & 2016-17)	U-DISE
Students passing Board Examinations (Class X)	89.0% (2016-17)	86.1%	+1.4% points (b/w 2012-13 & 2016-17)	U-DISE
Student passing Board Examinations (Class XII)	89.3% (2016-17)	87.3%	-0.6% points (b/w 2012-13 & 2016-17)	U-DISE
Gross Enrolment Ratio (Higher Secondary)	60.8% (2015-16)	56.2%	+16.6% points (b/w 2012-13 & 2015-16)	U-DISE
Gross Enrolment Ratio (Higher Education)	23.2% (2021)	27.3%	+5.8% points (b/w 2012 & 2021)	AISHE
Gender Parity Index (Higher Education)	1.09 (2021)	1.05	+0.11 points (b/w 2012 & 2021)	AISHE
Colleges per 100,000 population	32 (2021)	31	+11.6 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 Uttar Pradesh

Indicator	Most Recent Value	India Value	Decadal Change (% points)	Source
Infant Mortality Rate	38 deaths per 1000 live births (2020)	28 deaths per 1000 live births	57 deaths per 1000 live births (2011)	Sample Registration System
Total Fertility Rate	2.4 children per woman (2019-21)	2 children per woman	3.8 children per woman (2005-06)	NFHS
Life Expectancy	66.0 years (2020)	70.0 years	+3.0 years	Sample Registration System
Children Fully Immunized	69.6% (2019-21)	76.4%	+46.6% points	NFHS
Households with Access to Improved Drinking Water Source	99.2% (2019-21)	95.9%	+5.5% points	NFHS
Households with Access to Electricity	89.8% (2019-21)	96.5%	+47.0% points	NFHS
Households with Access to Sanitation Facilities	66.9% (2019-21)	69.3%	+46.3% points	NFHS

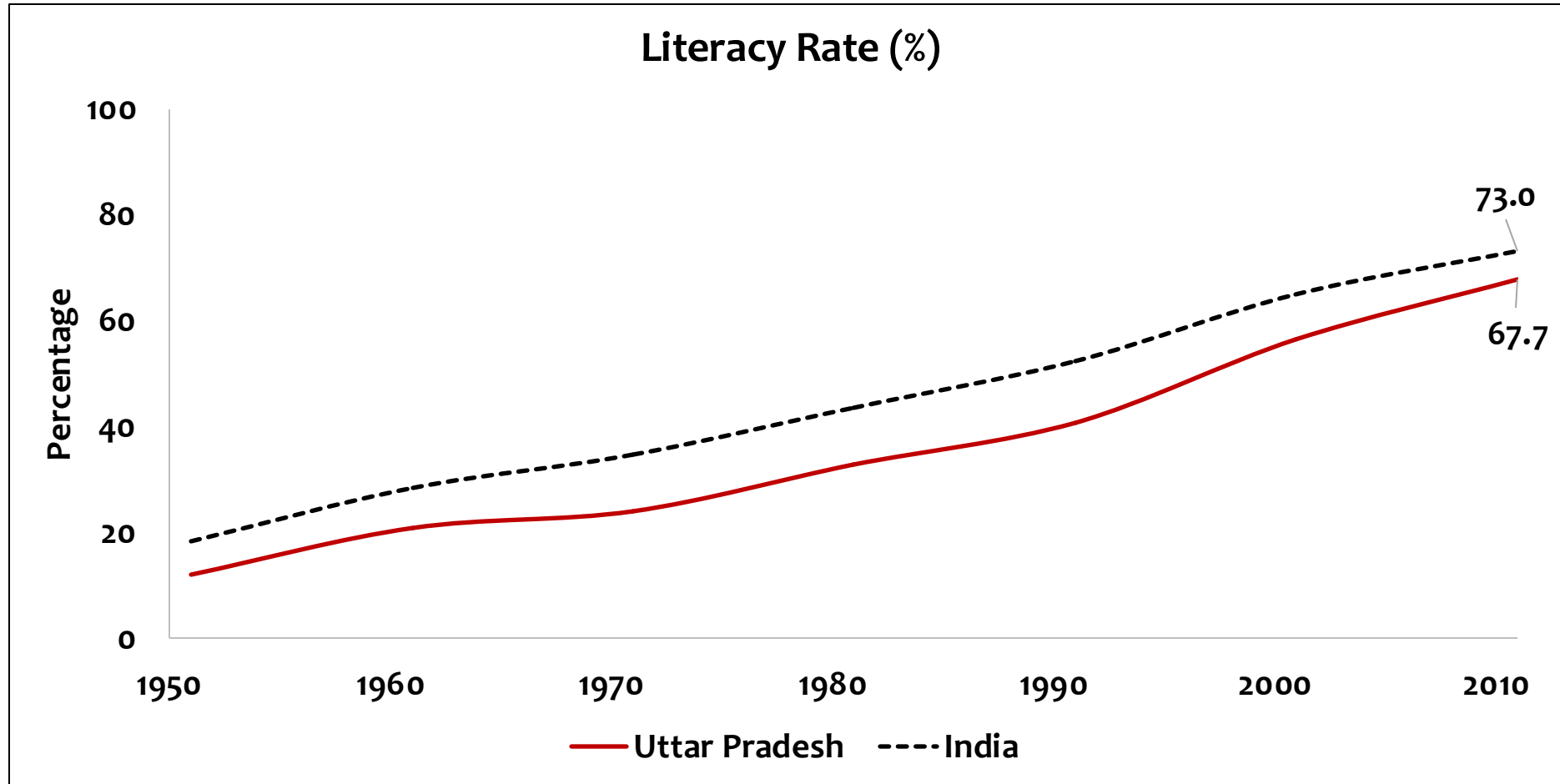
Note: i. Decadal change for NFHS variables taken from NFHS-V (2019-21) to NFHS-III (2005-06); ii. The number for India has been taken directly from the source; iii. All years represent corresponding survey years.

Table 3C: Other Socio-Economic Indicators for Uttar Pradesh

Indicator	Most Recent Value	India Value	Decadal Change (% points)	Source
Pupil-Teacher Ratio: Elementary	33 (2016-17)	25	-22 points (b/w 2006-07 & 2016-17)	U-DISE
Pupil-Teacher Ratio: Higher Secondary	55 (2016-17)	31	-3 points (b/w 2012-13 & 2016-17)	U-DISE
Pupil-Teacher Ratio: Higher Education	44 (2018-19)	24	12 (b/w 2008-09 & 2018-19)	AISHE
Underweight Children	32.1 % (2019-21)	32.10%	-10.3 % points (b/w 2005-06 and 2019-21)	NFHS
Stunting Among Children	39.7 % (2019-21)	35.5%	-17.1 % points (b/w 2005-06 and 2019-21)	NFHS
Anaemia Among Children	66.4 % (2019-21)	67.1%	-7.5 % points (b/w 2005-06 and 2019-21)	NFHS
Anaemia Among Women	50.4 % (2019-21)	57.0%	0.5 % points (b/w 2005-06 and 2019-21)	NFHS
Under 5 Mortality Rate	59.8 deaths per 1000 live births	41.9 deaths per 1000 live births	-36.6 deaths per 1000 live births (b/w 2005-06 and 2019-21)	NFHS
Infant Mortality Rate	50.4 deaths per 1000 live births	35.2 deaths per 1000 live births	-22.3 deaths per 1000 live births (b/w 2005-06 and 2019-21)	NFHS
Multidimensional Poverty Index (MPI)	0.10 (2019-21)	0.07	-0.08 points (b/w 2015-16 & 2019-21)	NFHS
Sustainable Development Goals (SDG) Index	67 (2023-24)	71	+25 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.

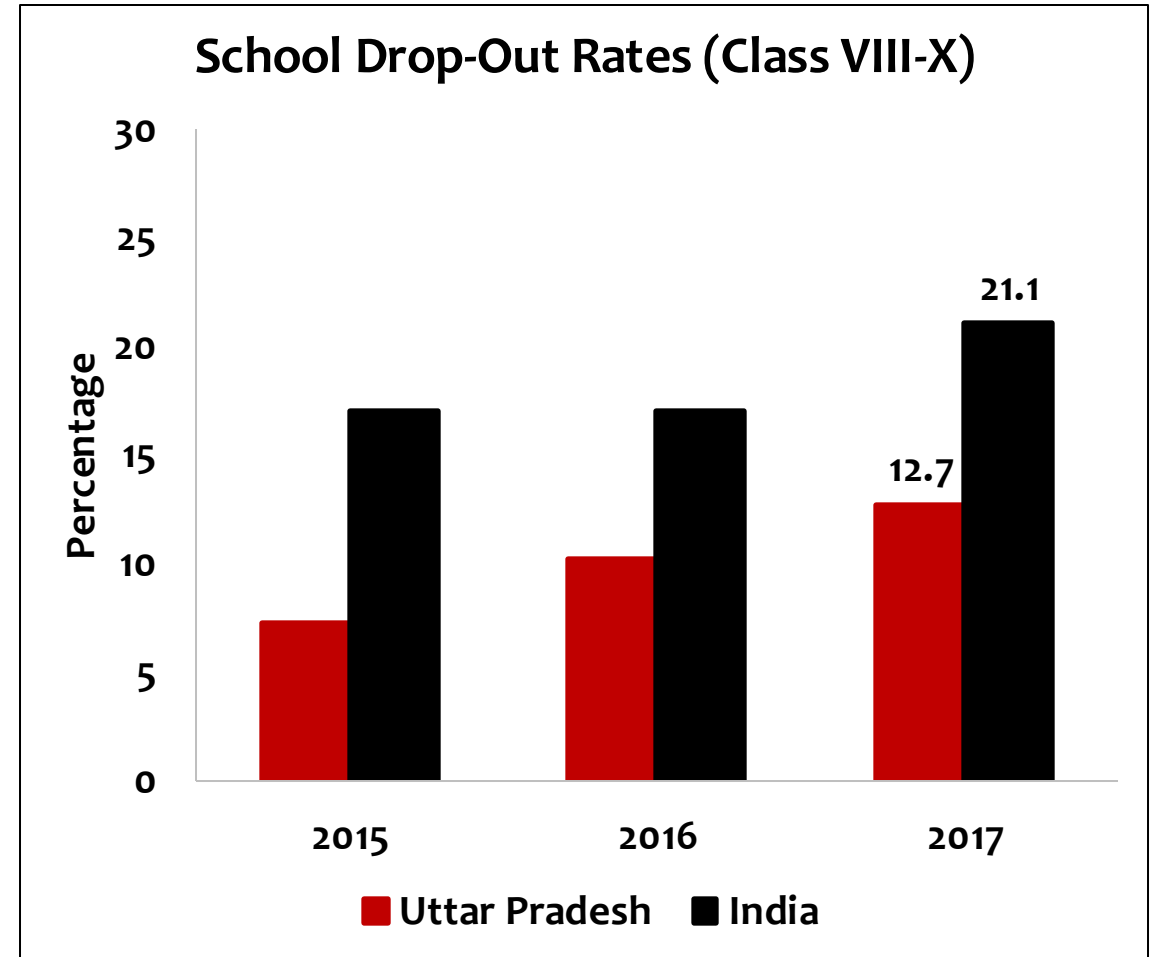
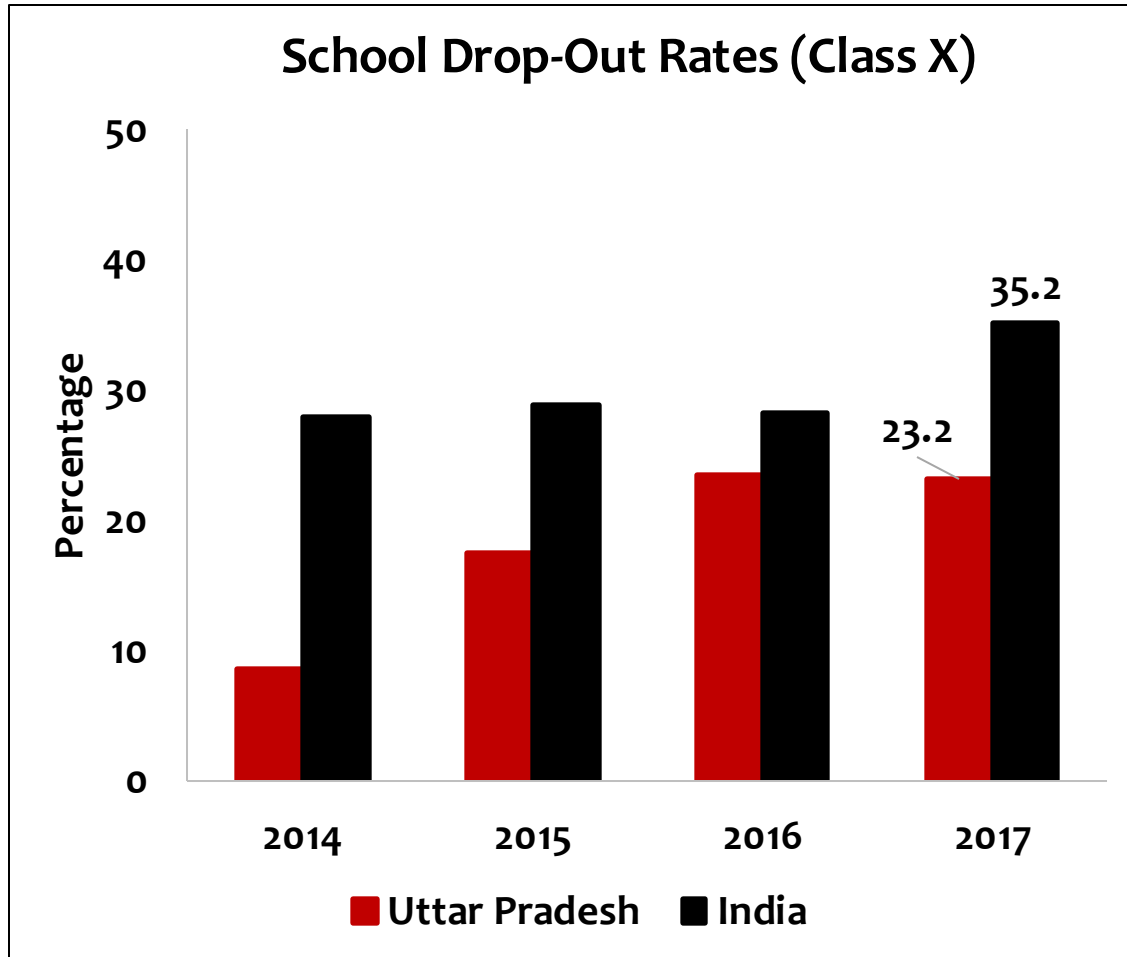
Uttar Pradesh's Literacy Rate has increased rapidly over the decades but it remains below the national estimate



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.

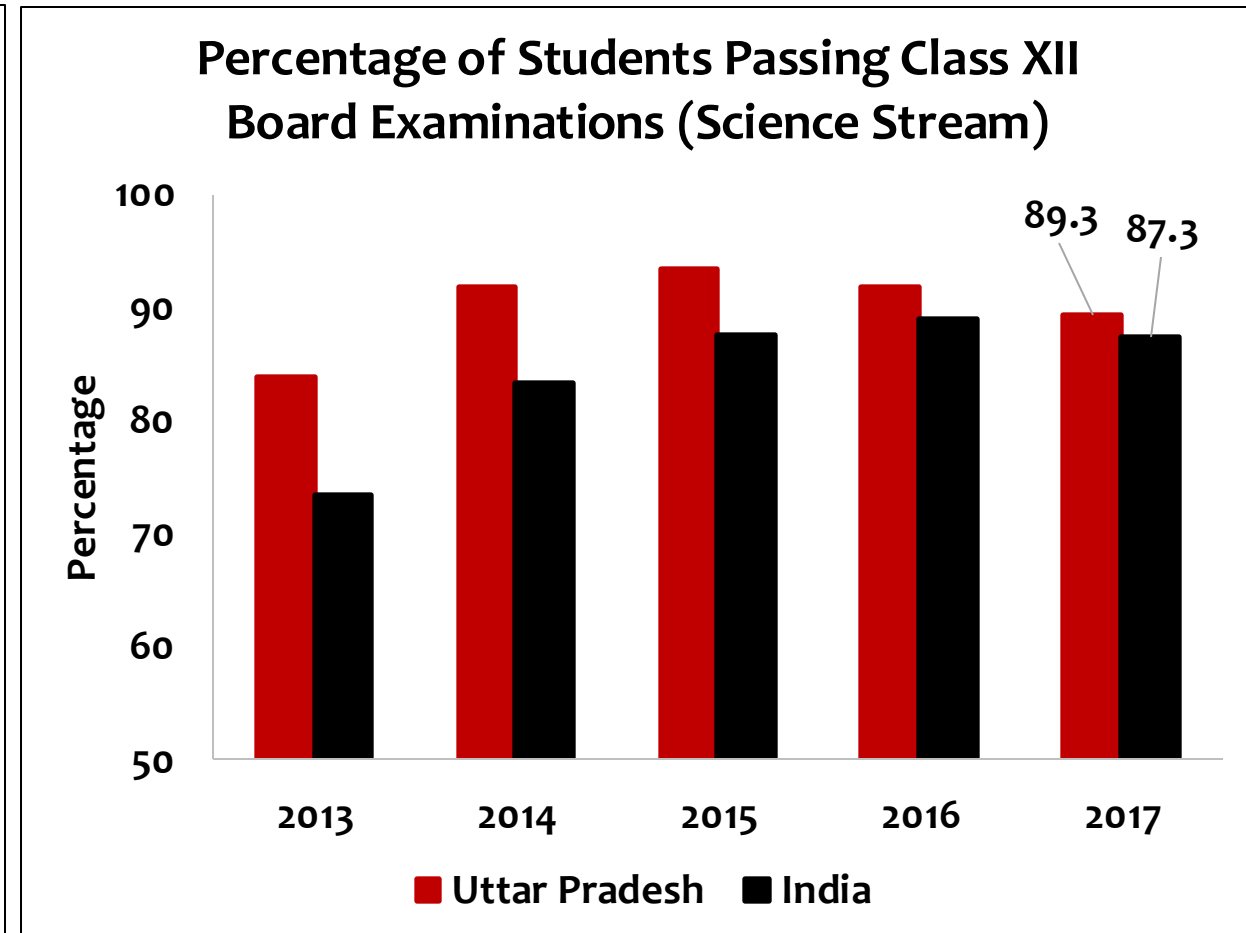
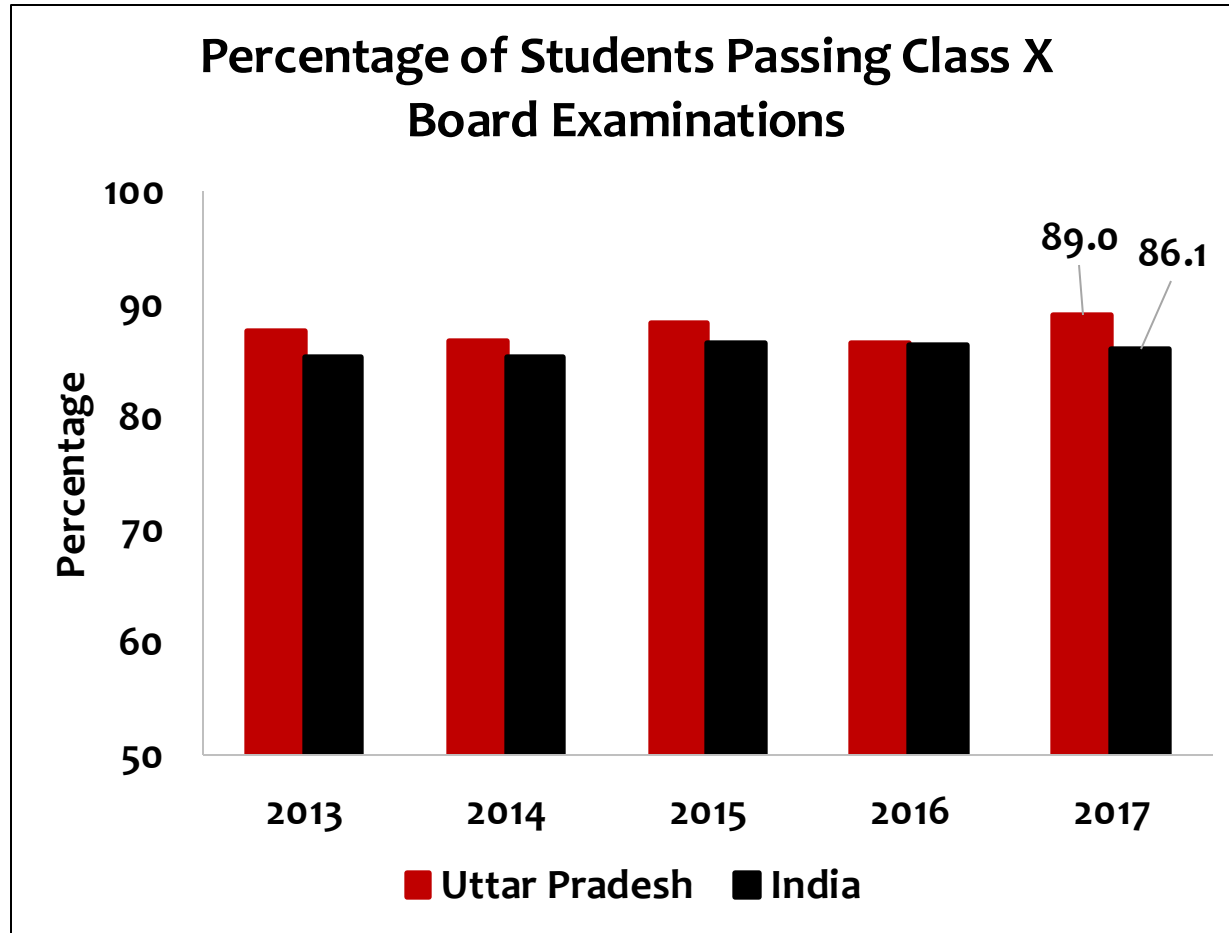
Uttar Pradesh's School Dropout Rates for Class X and Secondary (Class VIII-X) Level have been consistently lower than the national figures for the period 2013-14 to 2016-17



Source: Unified District Information System for Education (U-DISE), 2016-17.

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.

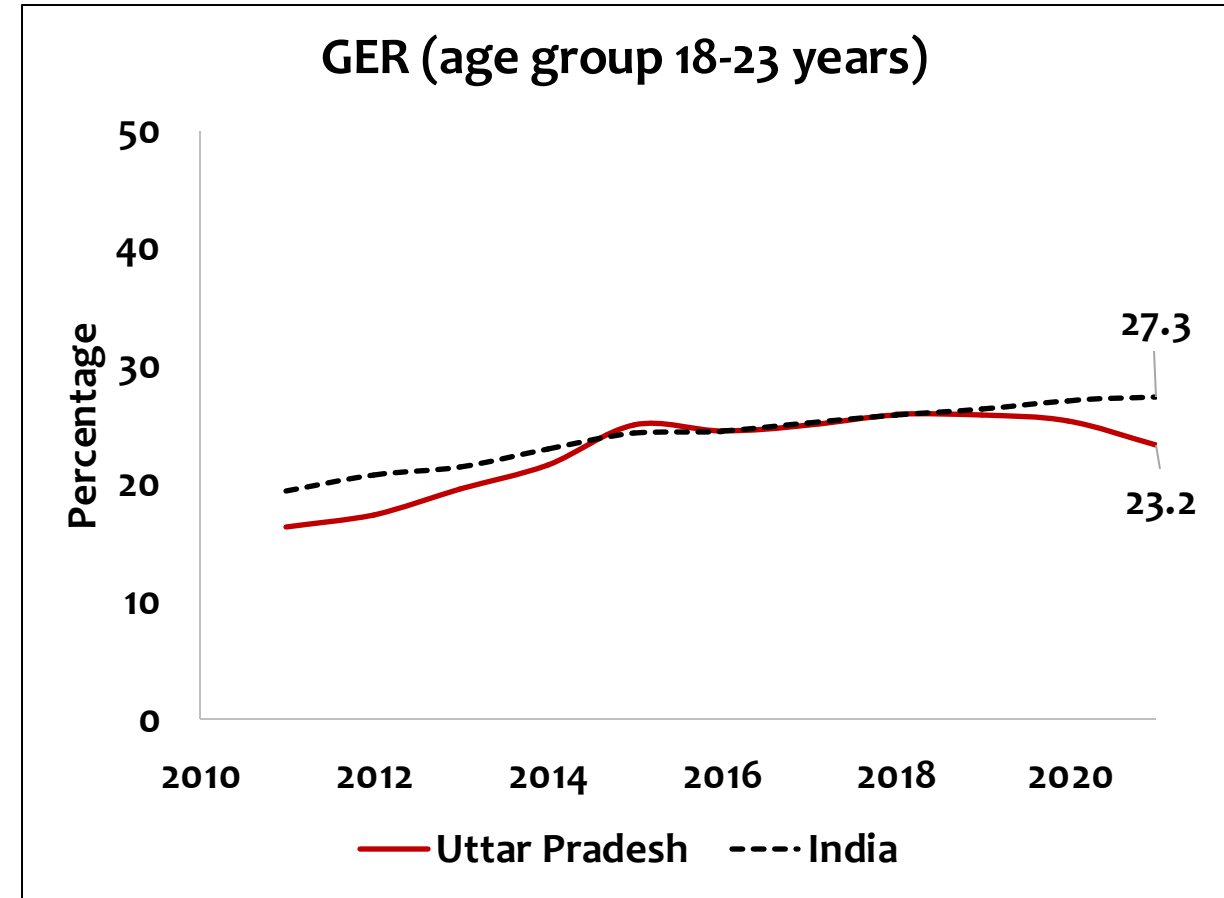
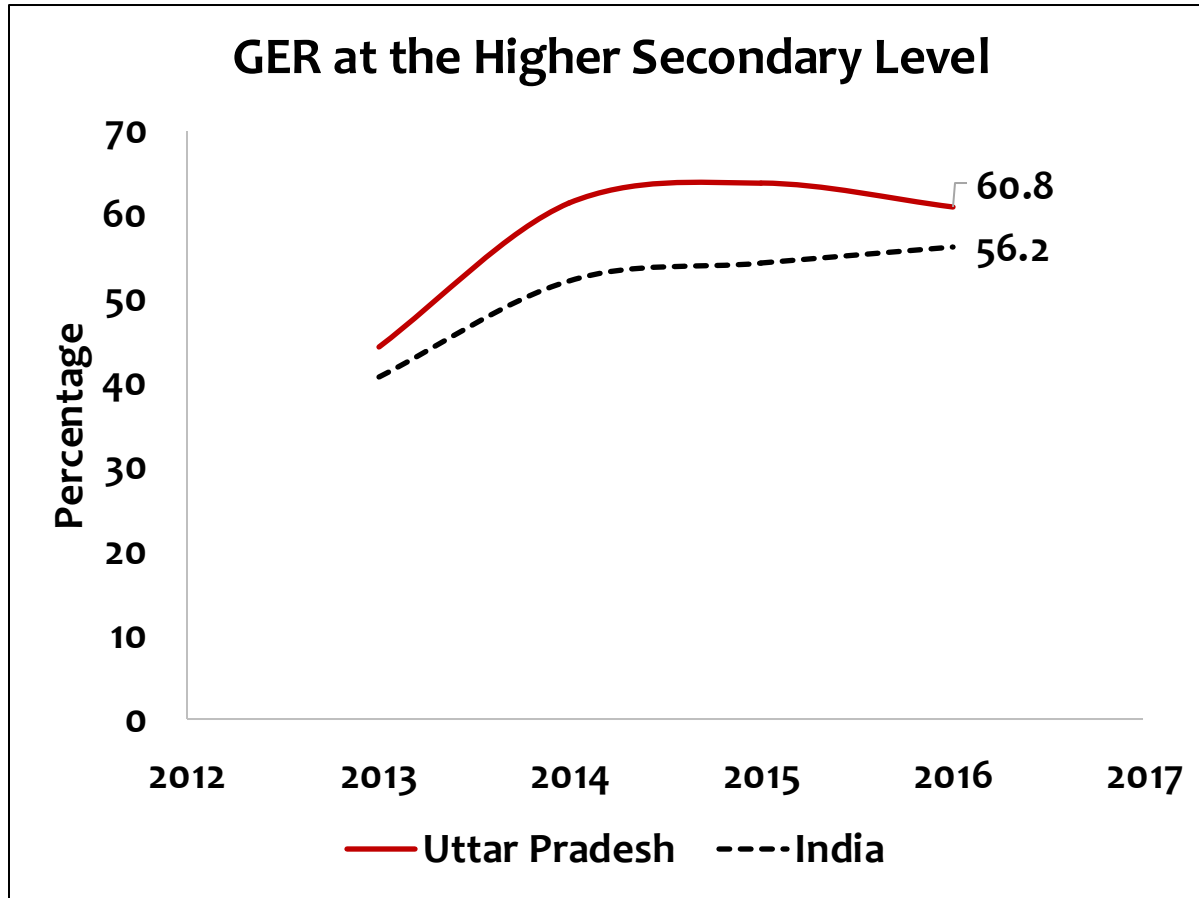
The share of students who pass the Secondary (Class X) Level Examinations has been close to the national average over the period 2012-13 to 2016-17. The share of students who pass the Higher Secondary (Class XII) Level Examinations has been above the national average over the period 2012-13 to 2016-17



Source: Unified District Information System for Education (U-DISE), 2016-17.

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).⁴⁴

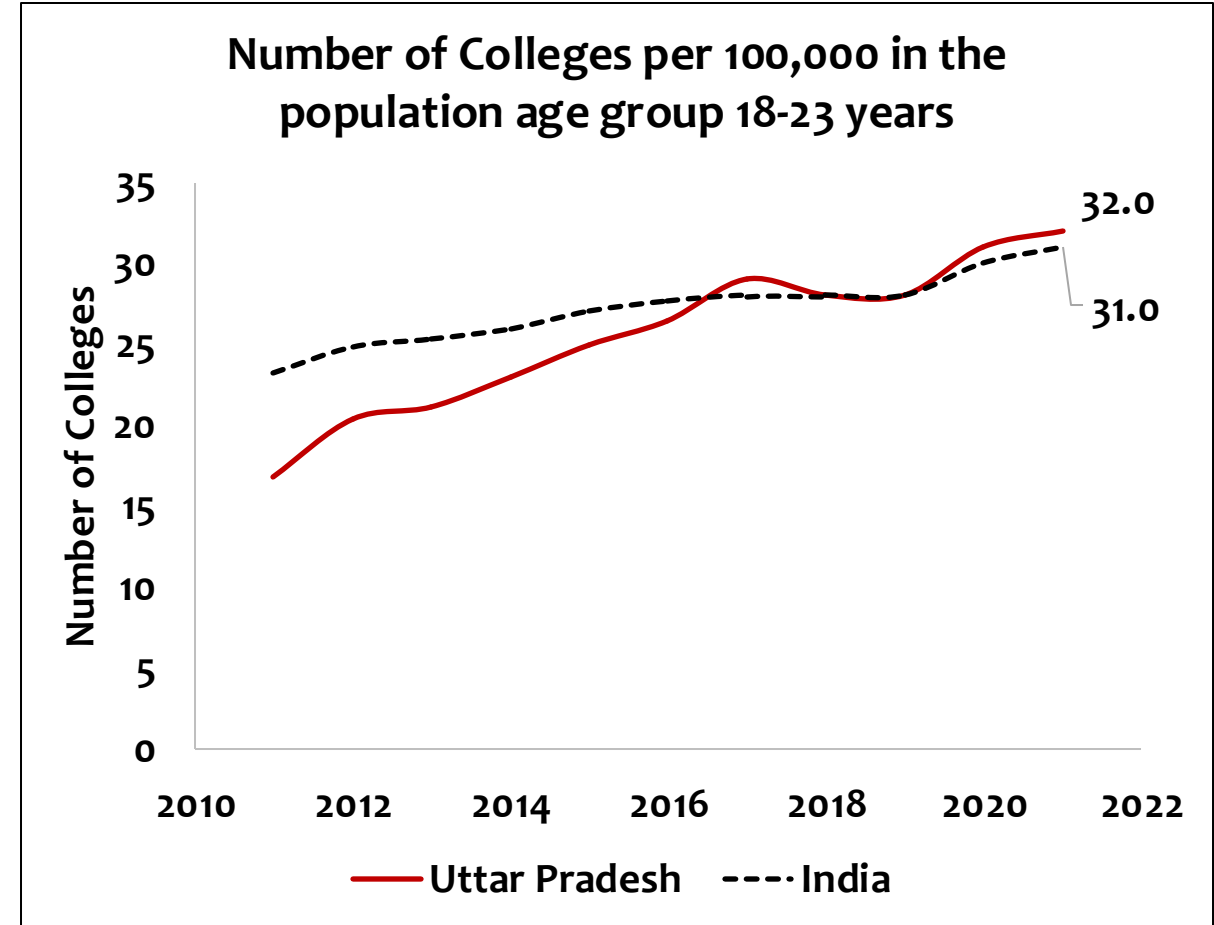
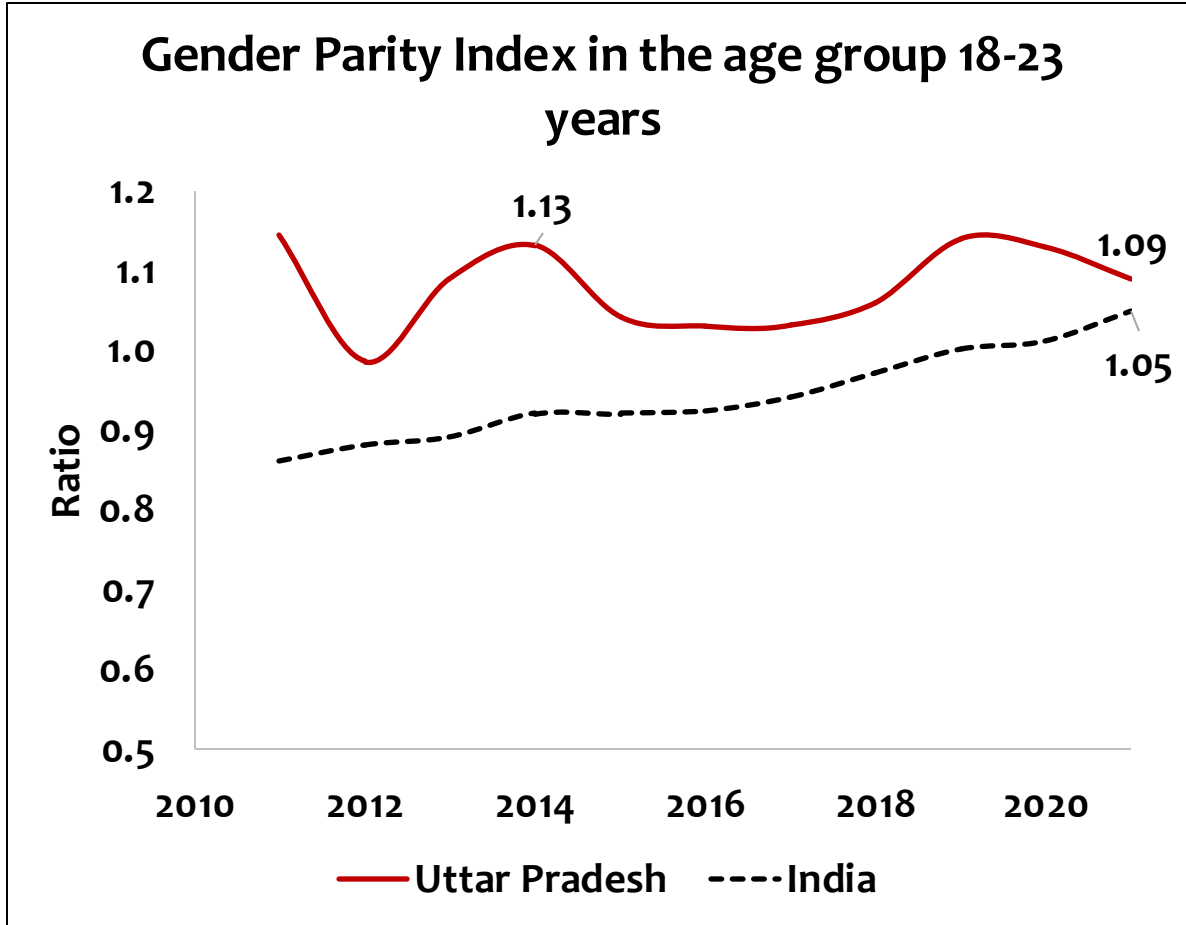
Uttar Pradesh's Gross Enrolment Ratio (GER) at the Higher Secondary (Class XII) Level has remained above the national figures over the period 2012-13 to 2015-16. GER for Higher Education (in the age group 18-23 years) has been close to the all-India estimate over most of the last decade



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.

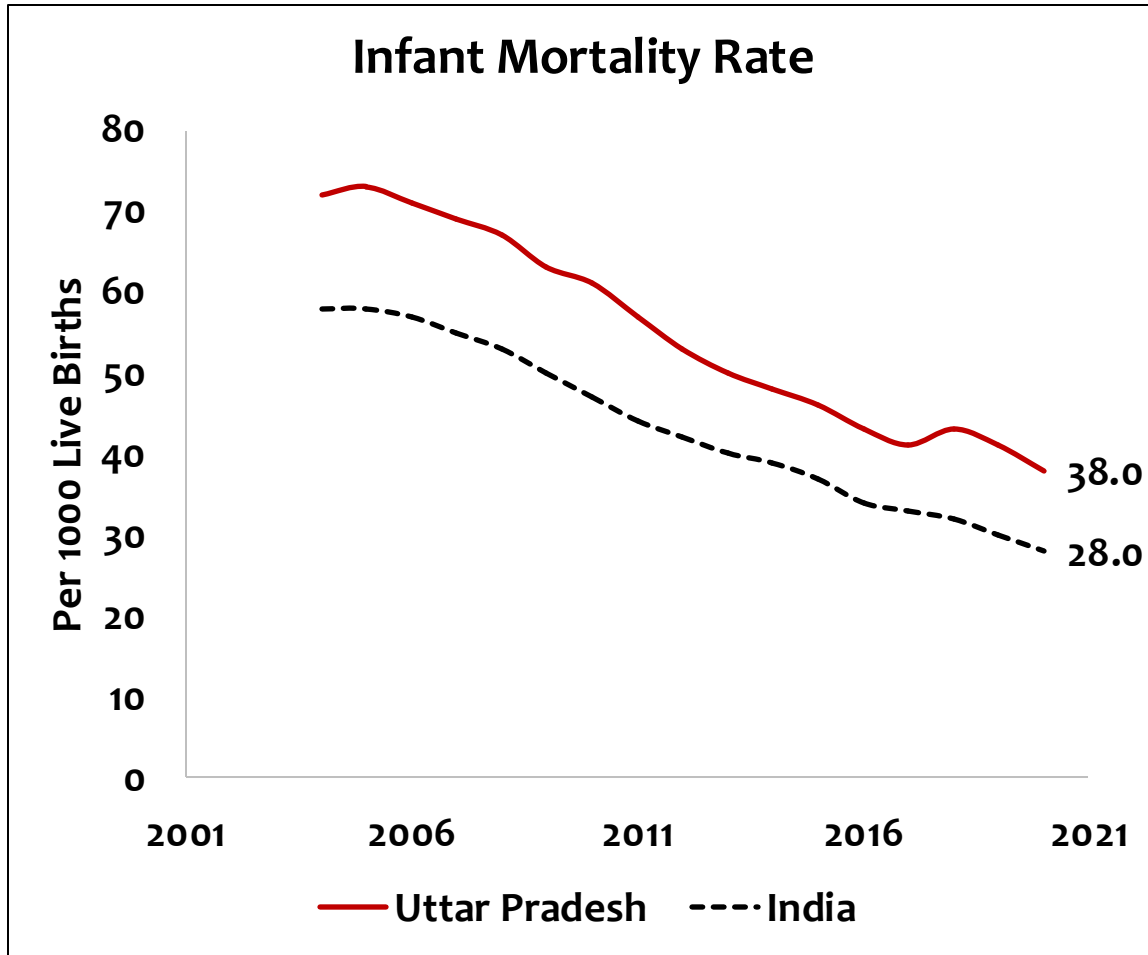
In terms of Gender Parity Index (the share of girls to boys enrolled at Higher Education institutions in the age group 18-23 years), Uttar Pradesh has consistently been above the national benchmark throughout the last decade. Uttar Pradesh has 32 colleges per 100,000 people in the age-group 18-23 years which is one more than the national average as of 2021



Source: All India Survey on Higher Education (AISHE), 2020-21

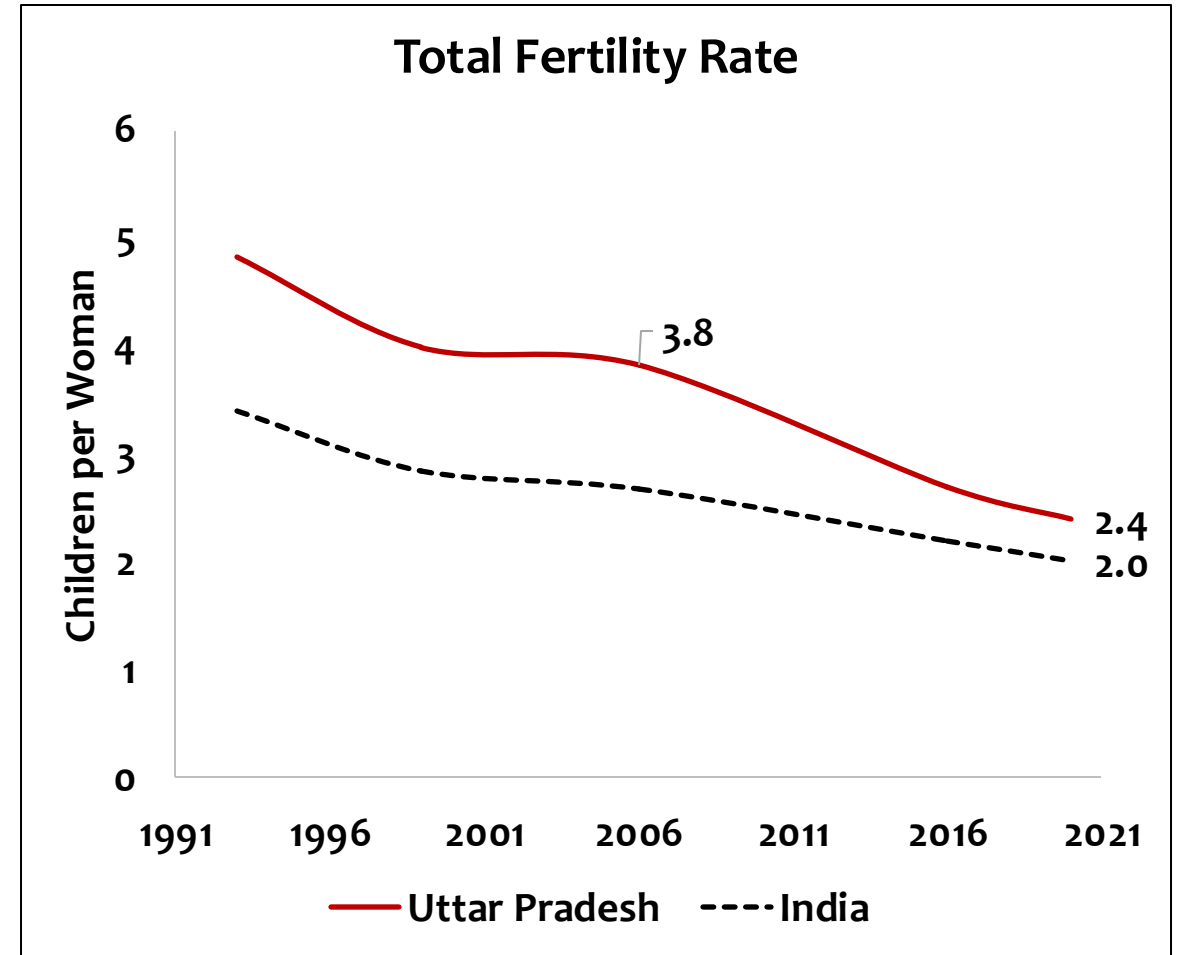
Note: The number for India has been taken directly from the source.

Uttar Pradesh has experienced a decline in both Infant Mortality and Total Fertility Rates over the past decades. However, despite these improvements, the State remains in a worse position compared to national benchmarks, with both rates still among the highest in the country.



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

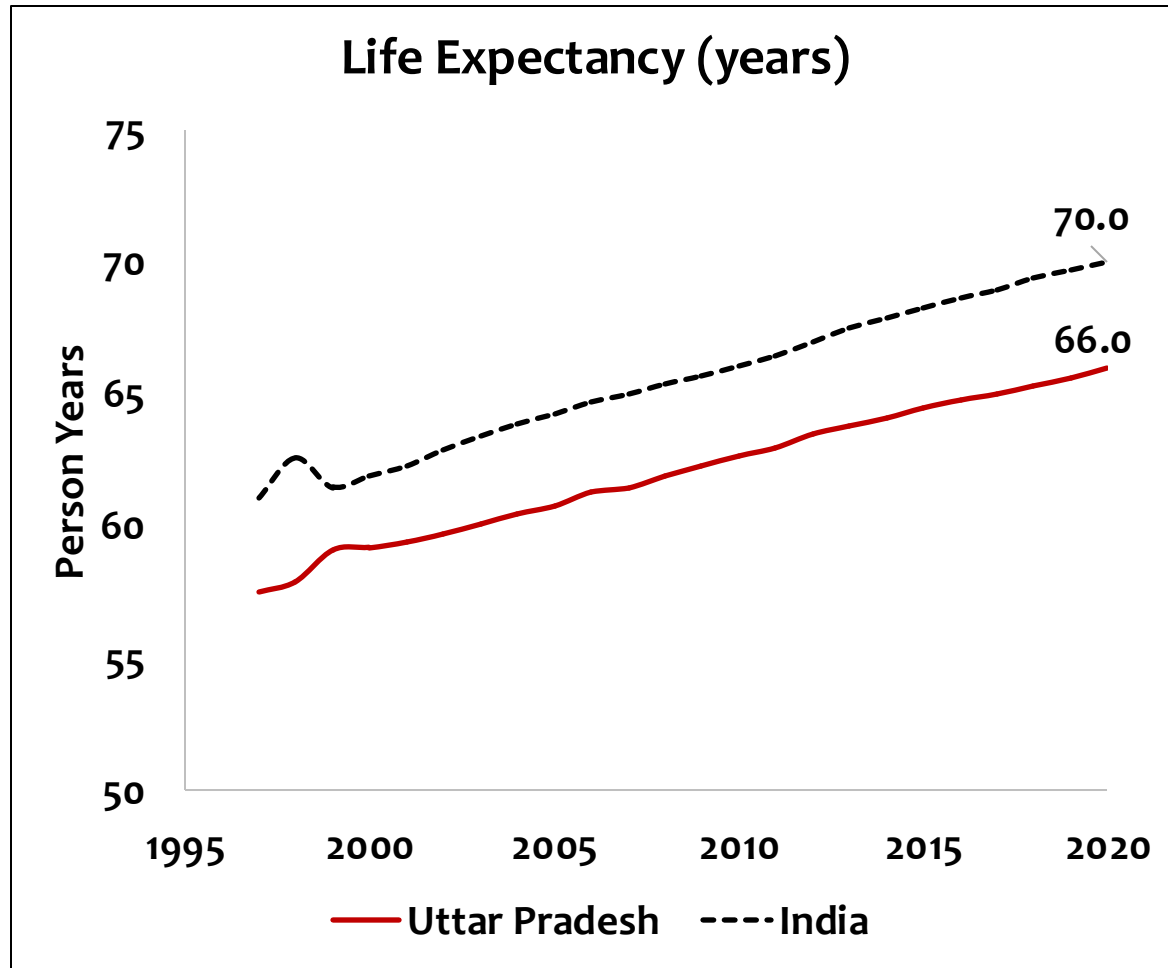
Note: India Number has been taken directly from the source



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

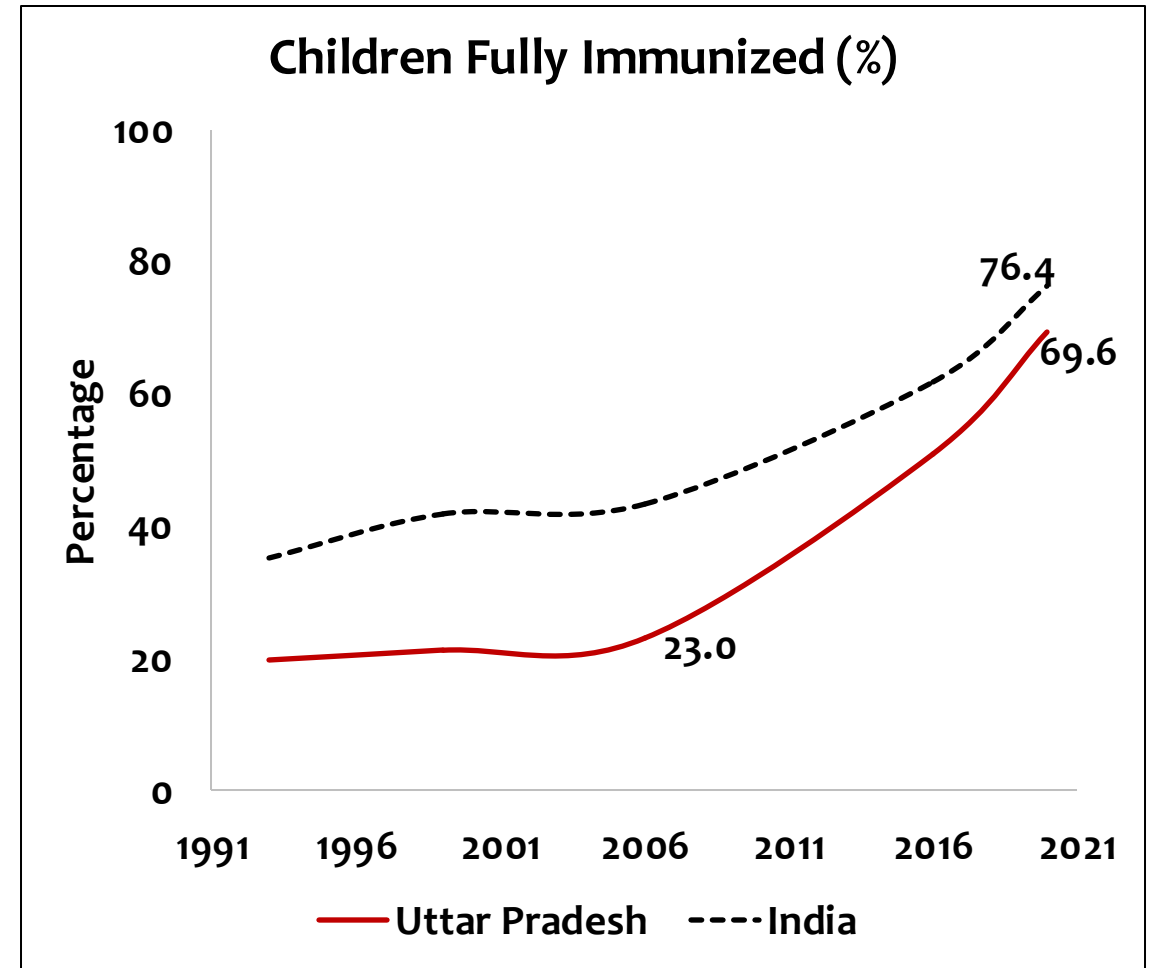
Note: India Number has been taken directly from the source

Life expectancy in Uttar Pradesh is lower than that of an average person in India. Uttar Pradesh is placed below the national average in terms of full immunization of children (12-23 months) but the gap between the two has decreased over the last decade



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

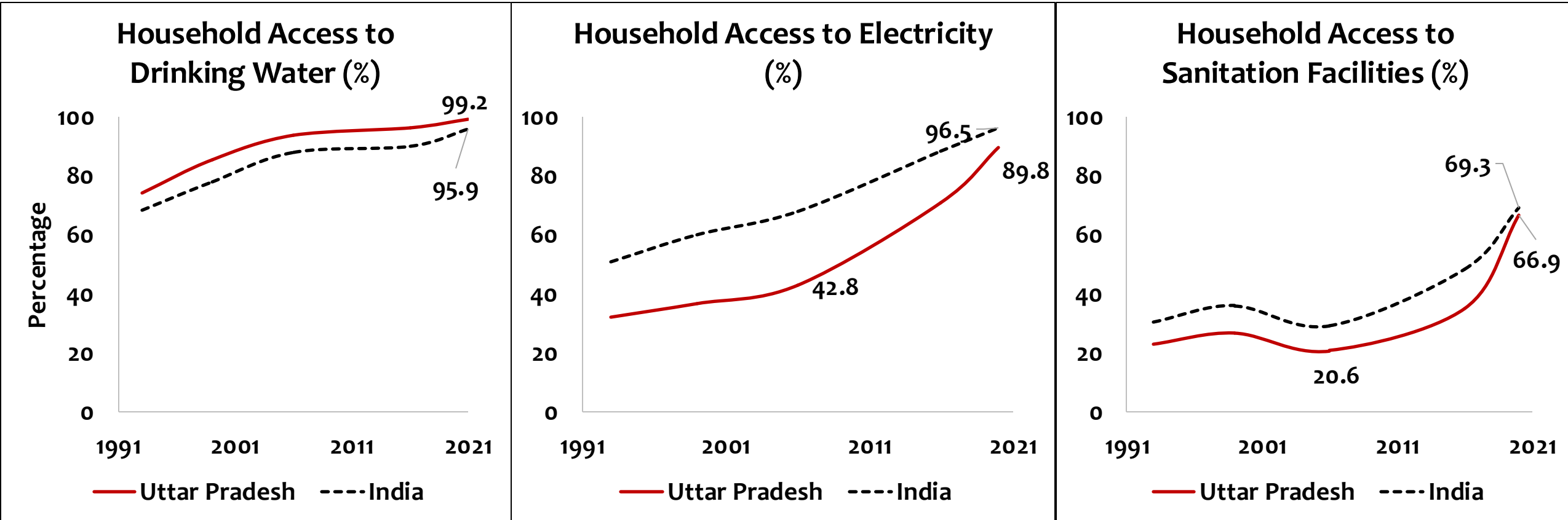
Note: India number has been taken directly from the source.



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

Note: India number has been taken directly from the source.

Uttar Pradesh has improved on basic “quality of life” indicators. Household access to drinking water is above the national average but household access to Electricity and Sanitation is below the national average, as of 2019-21. However, the gap in access to sanitation has narrowed over the past decade



Source: National Family Health Survey (I – 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.

5. Fiscal Indicators

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

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

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/UTs (% of National GDP)
Fiscal Deficit, % of GSDP	3.6 %	2022-23	+ 1.1 % points	3.8 %	3.6%	3.4 %
Primary Deficit, % of GSDP	1.6 %	2022-23	+ 0.9 % points	1.9 %	1.6%	1.7 %
Revenue Surplus (+)/Deficit (-), % of GSDP	+ 2.4 %	2022-23	+ 1.3 % points	0.3 %	-0.4%	- 0.5 %
Total Revenue Receipts, % of GSDP	21.2 %	2022-23	+ 3.3 % points	19.9 %	15.3%	14.4 %
Own Tax Revenue, % of GSDP	8.2 %	2022-23	+ 1.1 % points	6.3 %	6.4%	6.6 %
Own Non Tax Revenue, % of GSDP	0.5 %	2022-23	- 1.2 % points	1.2 %	1.1%	1.0 %
Total Expenditure, % of GSDP	24.9 %	2022-23	+ 4.5 % points	24.0 %	19.3%	17.8 %
Revenue Expenditure, % of GSDP	18.8 %	2022-23	+ 2.0 % points	18.8 %	16.9 %	14.8 %
Capital Expenditure, % of GSDP	6.1 %	2022-23	+ 2.5 % points	4.0 %	3.4%	3.0 %
Capital Expenditure, % of Total Exp	24.5 %	2022-23	+ 6.7 % points	17.6 %	16.1%	16.7 %
Total Public Debt, % of GSDP	30.7 %	2022-23	+ 2.4 % points	32.1 %	30.7%	27.5 %
Contingent Liabilities, % of GSDP	8.7 %	2021-22	+ 3.4 % points	1.6 %	1.7%	3.8 %

Source: Data is taken from State Finances Report (SFR), Reserve Bank of India (RBI), 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; iv. Most Recent Values are the Revised Estimates for 2022-23 (except for Contingent Liabilities, for which the most recent value is for 2021-22).

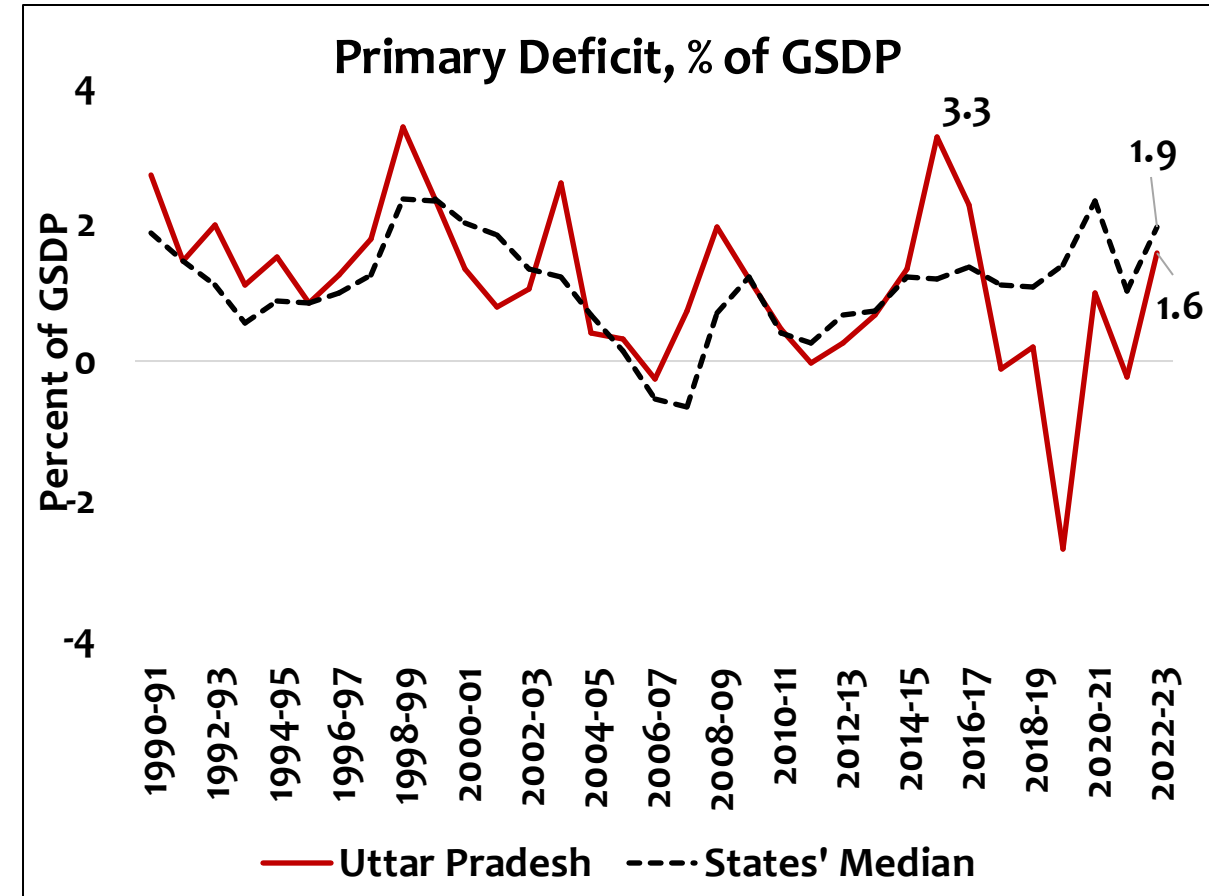
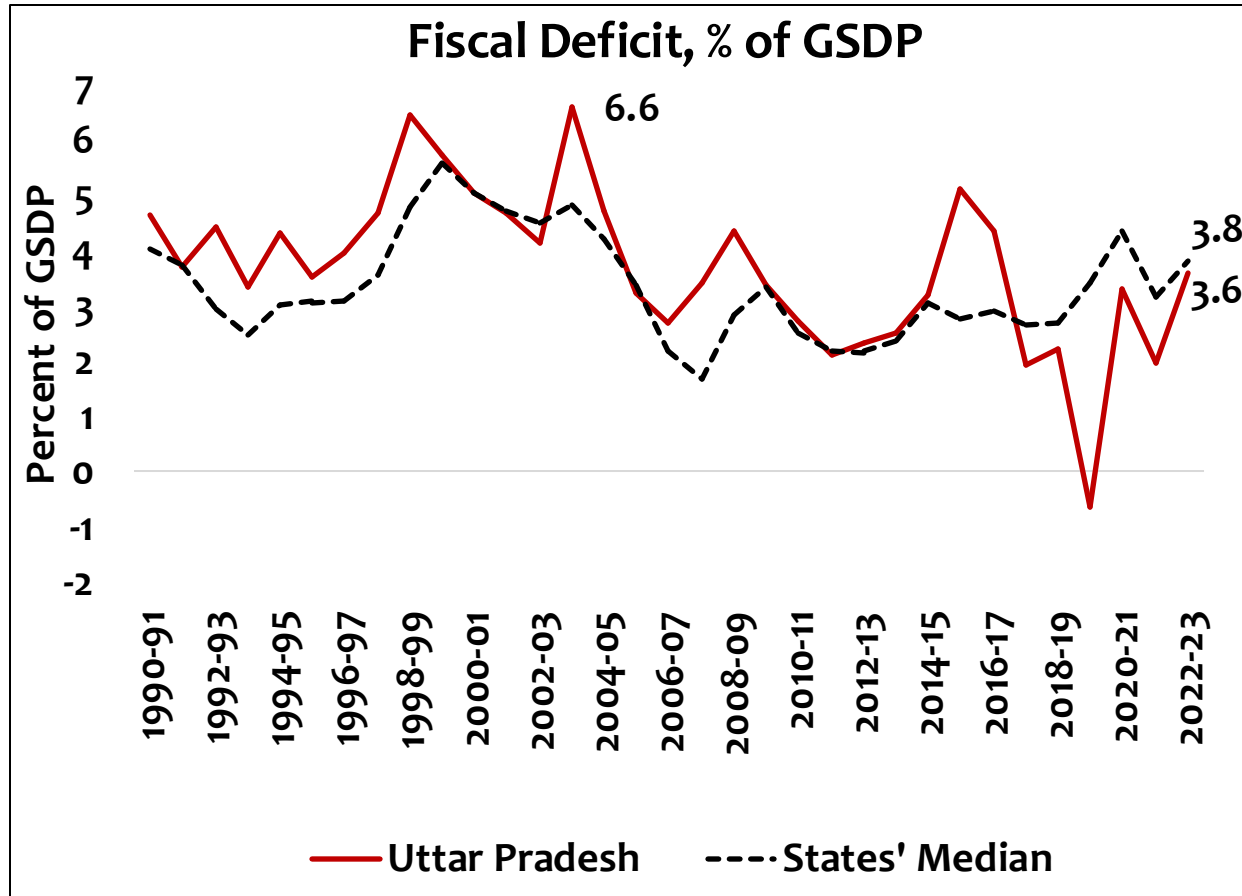
Table 4B: Deficits, Revenue, Expenditure, Debt, Subsidies and Off-Budget Borrowings for Uttar Pradesh

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)
Committed Expenditure, % of GSDP	10.4%	2022-23	+3.3% points	9.2%	8.1%	6.9%
Committed Expenditure, % of Total Expenditure	42.4%	2022-23	+7.6% points	42.4%	40.9%	38.6%
Subsidies, % of GSDP	1.1%	2022-23	+0.2% points (b/w 2018-19 & 2022-23)	1.0%	1.1%	1.5%
Subsidies, % of Total Expenditure	4.6%	2022-23	+0.8% points (b/w 2018-19 & 2022-23)	3.7%	5.8%	8.2%
Off-Budget Borrowings, % of GSDP	0.2%	2022-23	-	0.2%	0.2%	0.1%
Per Capita Social Expenditure	Rs. 10,039	2022-23	+Rs. 6,355	Rs. 18,949	Rs. 2,606	Rs. 6,514
Per Capita Health Expenditure	Rs. 1,678	2022-23	+Rs. 1,230	Rs. 17,385	Rs. 2,494	Rs. 5,669
Per Capita Education Expenditure	Rs. 2,789	2022-23	+Rs. 1,242	Rs. 17,585	Rs. 2,421	Rs. 5,700
Social Expenditure, % of Total Expenditure	41.9%	2022-23	+2.1% points	43.9%	45.6%	45.3%
Health Expenditure, % of Total Expenditure	7.0%	2022-23	+2.2% points	6.3%	6.3%	6.2%
Education Expenditure, % of Total Expenditure	11.6%	2022-23	-5.1% points	14.6%	14.8%	14.7%
Buoyancy for Revenue Expenditure with GSDP - ratio	1.7%	2022-23	+0.9% 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 SFR, as of December 2023; ii. Off-Budget Borrowing data is from Ministry of Expenditure (2021-22); 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 RevEx is calculated as the ratio between the year-on-year growth rate of Revenue Expenditure and that of GSDP.

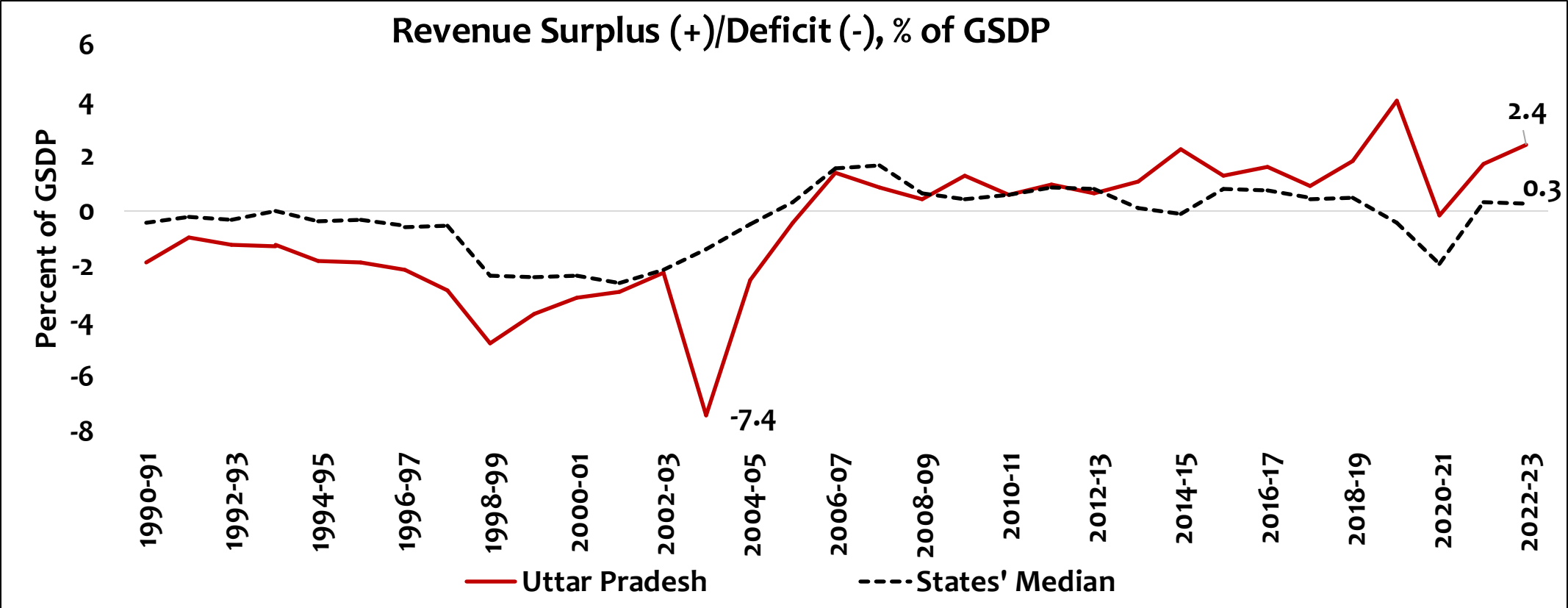
In 2022-23, Uttar Pradesh had a Fiscal Deficit of 3.6 percent and a Primary Deficit of 1.6 percent of its GSDP, both marginally lower than the median State



Source: i. Fiscal Deficit (FD) is from RBI State Finances Report (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).

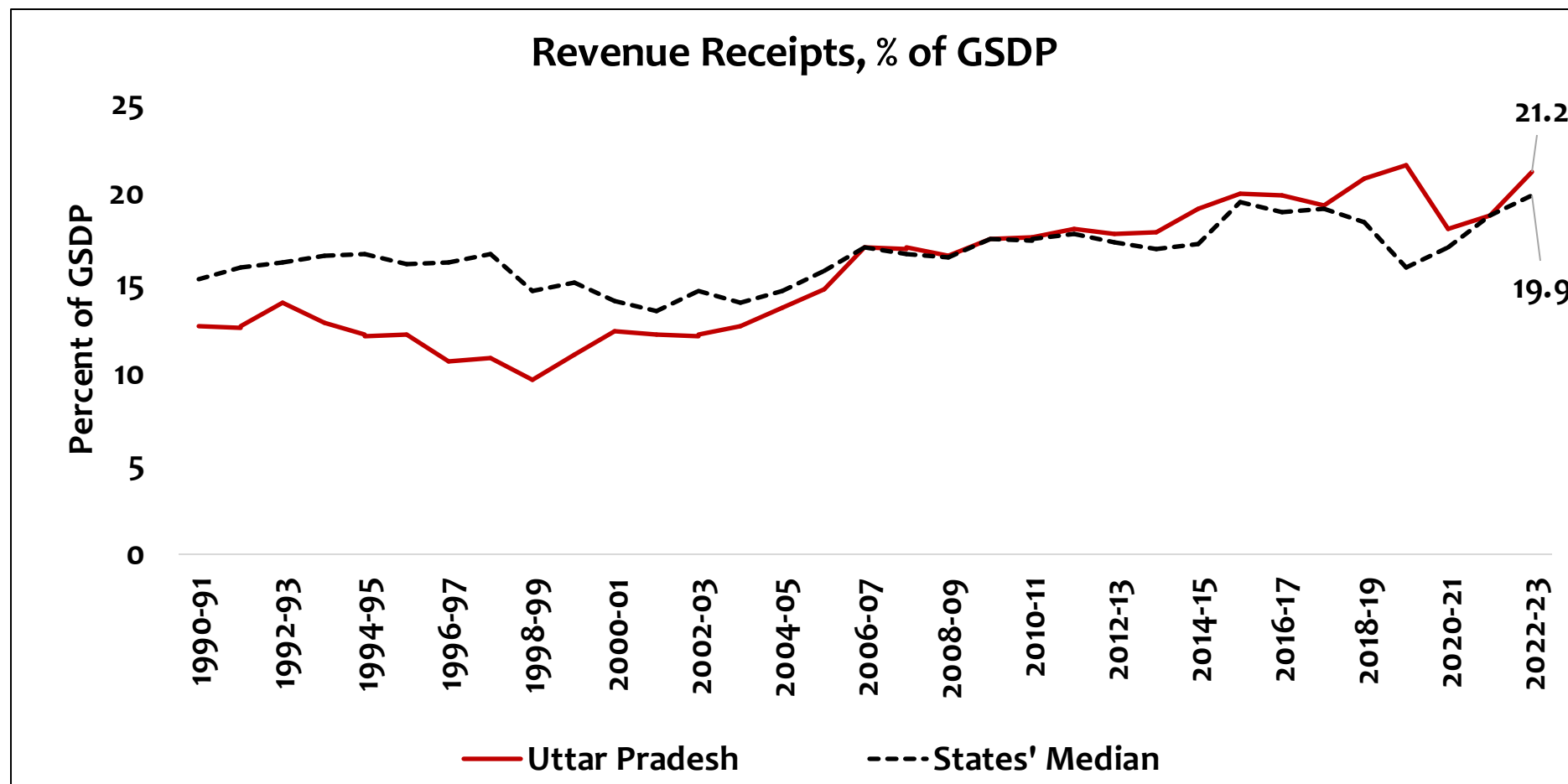
Uttar Pradesh ran a Revenue Surplus 2.4 percent of its GSDP in 2022-23, about 2 percentage points higher than that of a median State in the same year



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

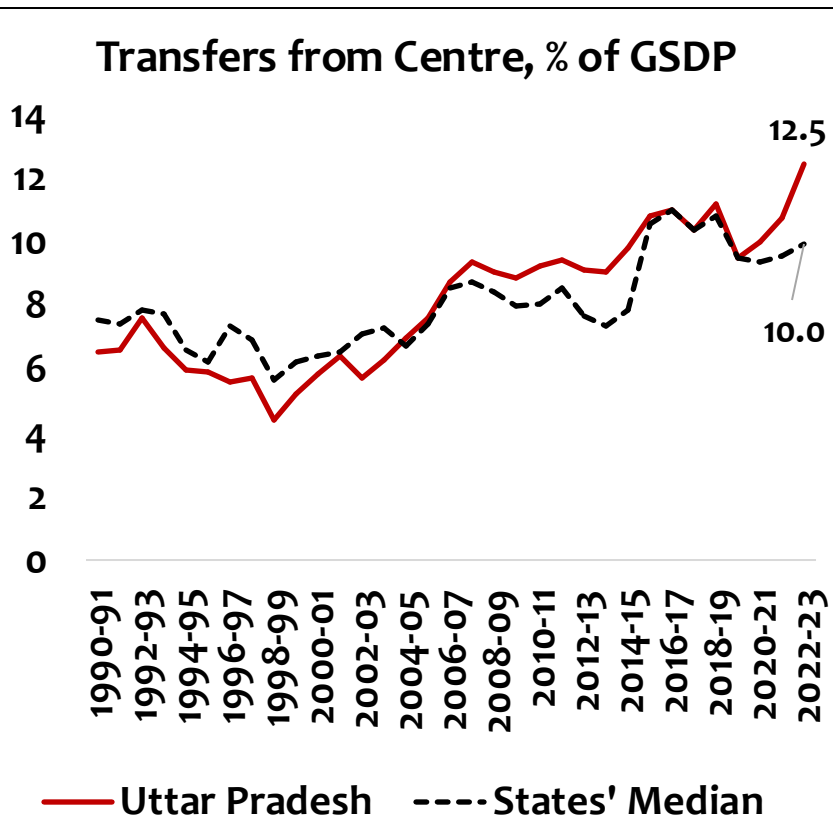
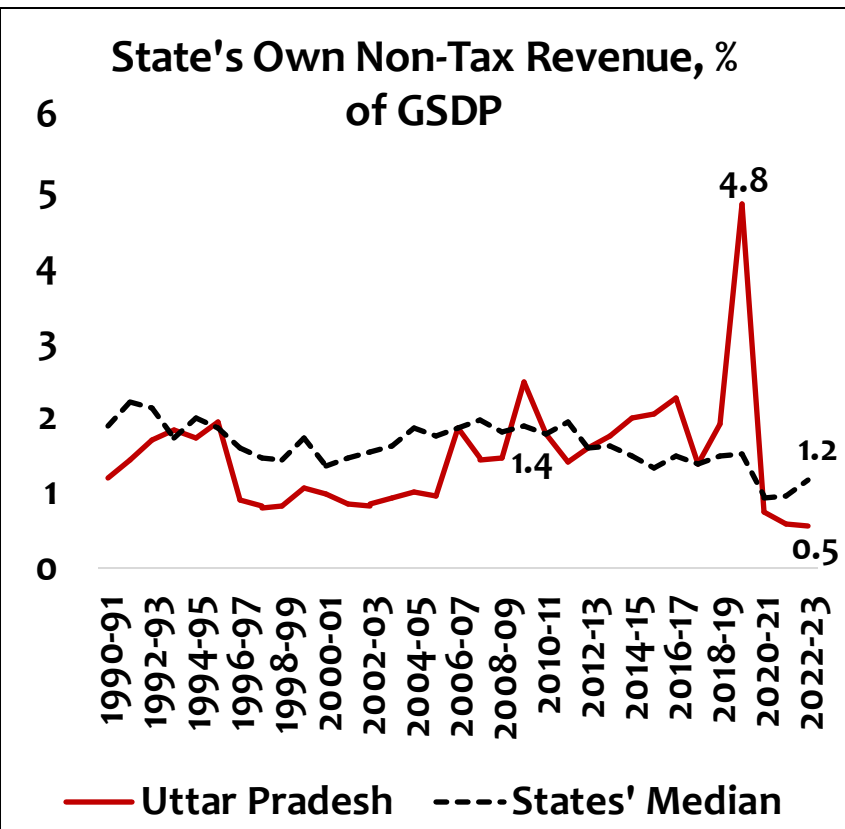
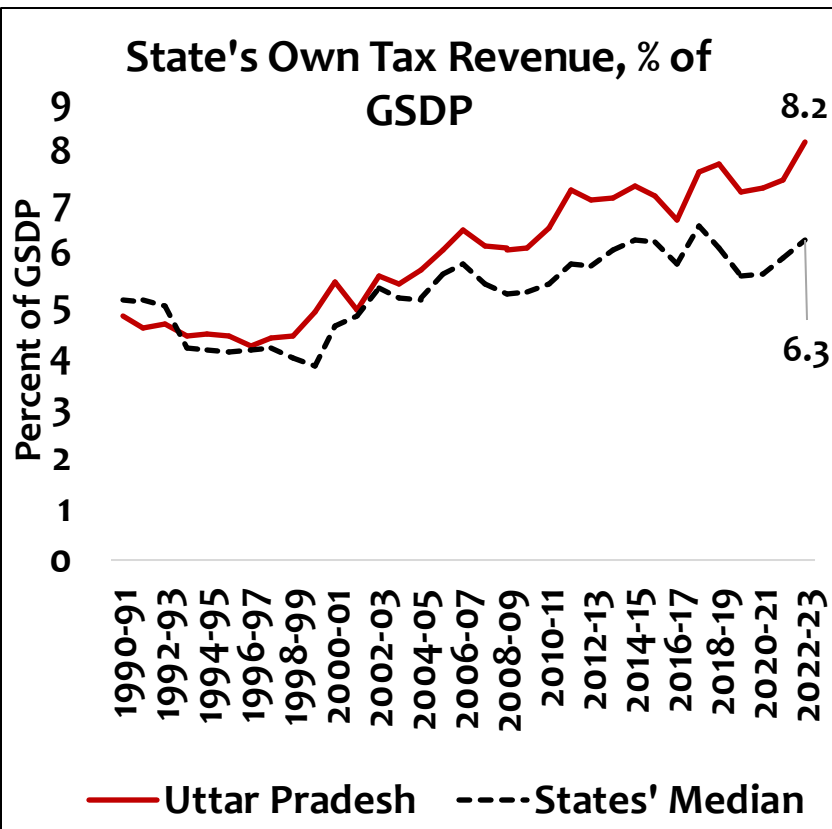
Note: The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded).

In 2022-23, Uttar Pradesh total Revenue Receipts (Own Tax, Own Non-Tax, and shared by the Centre) were higher than what a median State collected, at about 21.2 percent of its GSDP



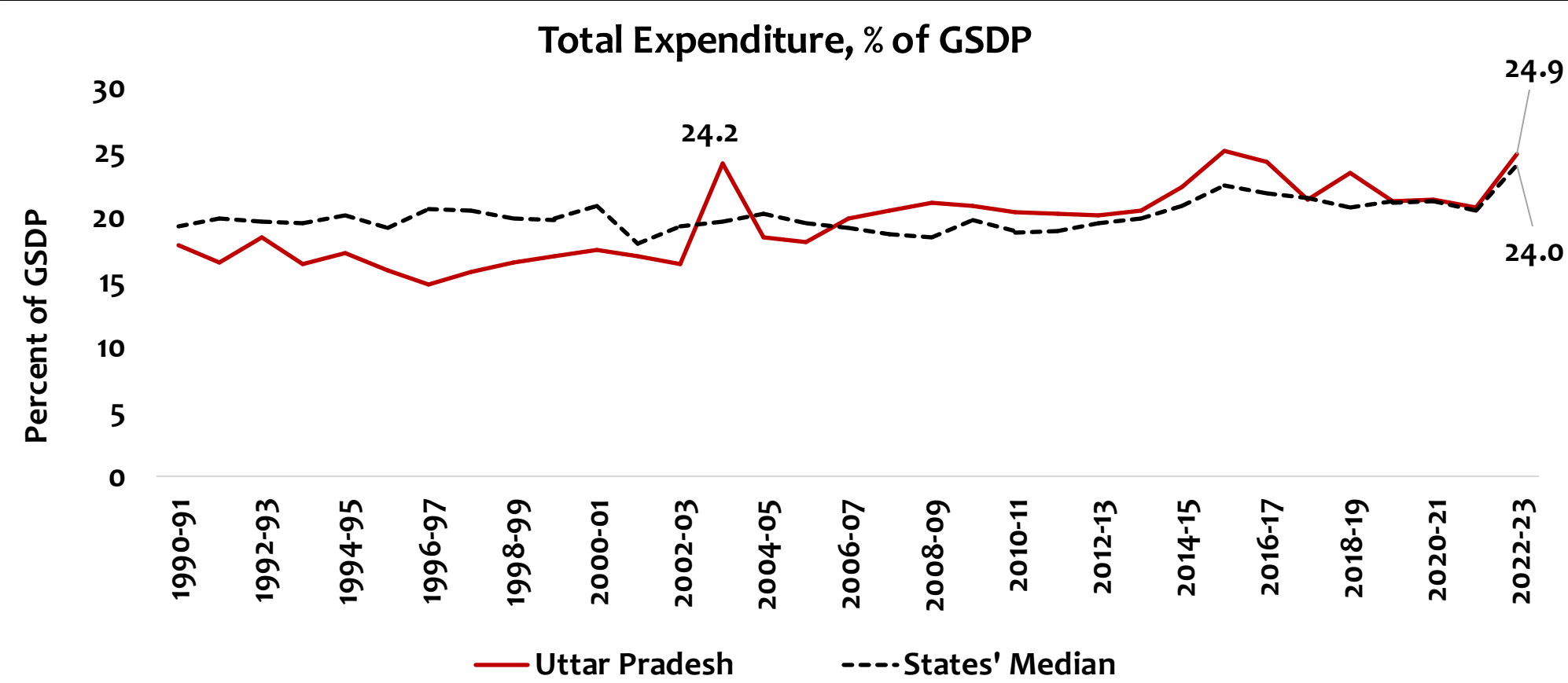
Source: i. Revenue Receipts from RBI State Finances Report (2022-23); ii. State GSDP data is from MoSPI (2022-23).
Note: The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded).

Uttar Pradesh's Own Tax Revenue, Own Non-Tax Revenue, and Transfers from the Centre were 8.2, 0.5, and 12.5 percent of its GSDP respectively. State's Own Tax Revenue and Transfers from the Centre to Uttar Pradesh were higher than what a median State received in 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 29 States has been shown (all Union Territories are excluded); ii. Transfers from the Centre include both Tax and Non-Tax transfers; iii. The spike in the Own Non-Tax Revenue in 2019-20 is explained by [higher receipts from their Sinking Fund](#). The CAG (2020) has flagged this practice to be inconsistent with standard accounting procedure, and noted that this leads to overestimation of revenue surplus.

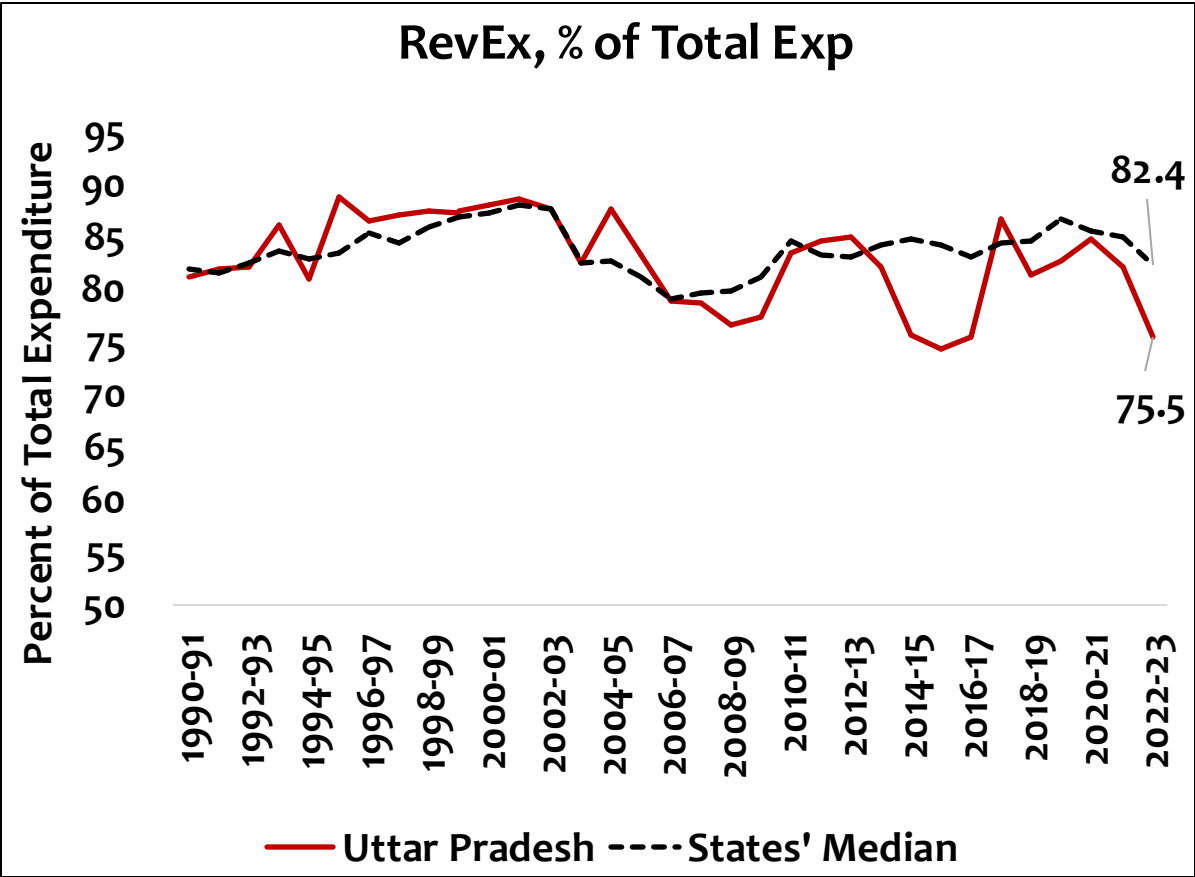
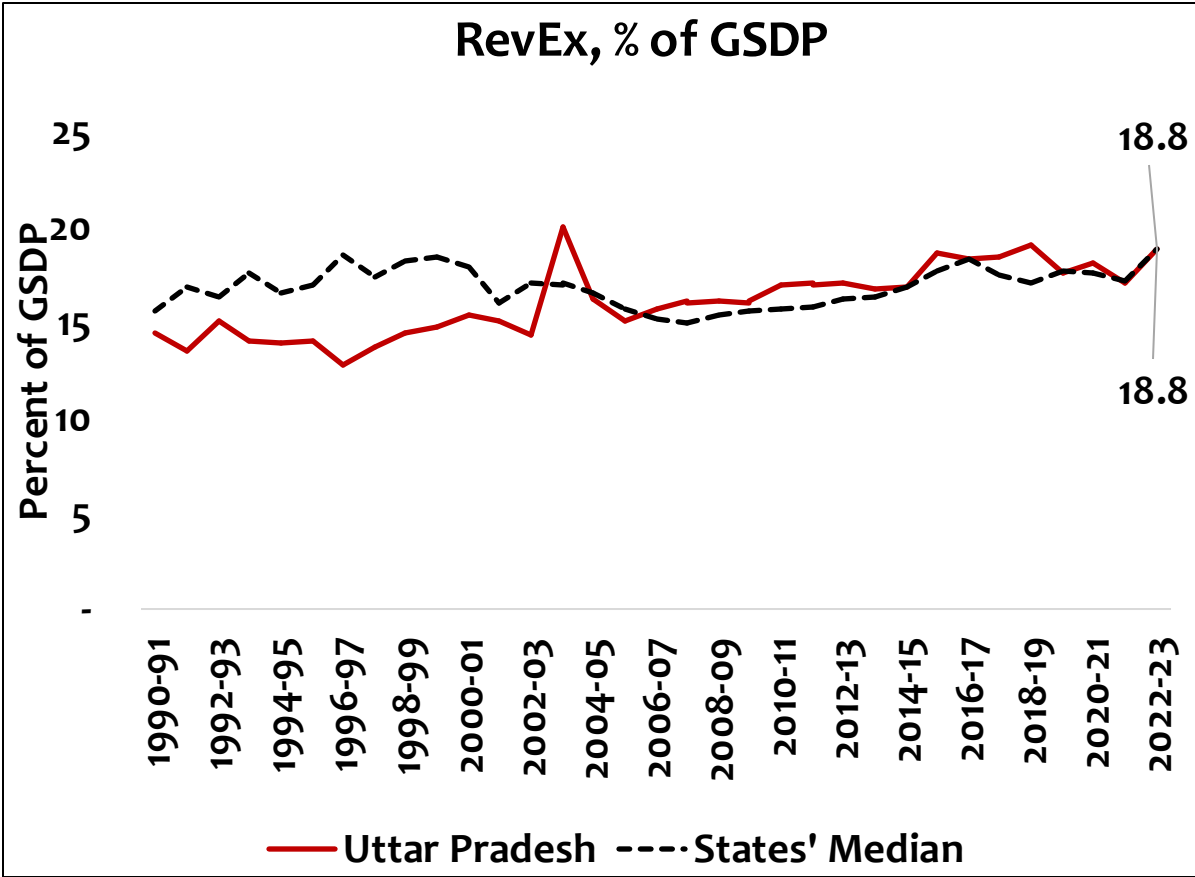
In 2022-23, Uttar Pradesh's Expenditure at 24.9 percent of its GSDP was nearly 1 percentage point higher than a median State



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

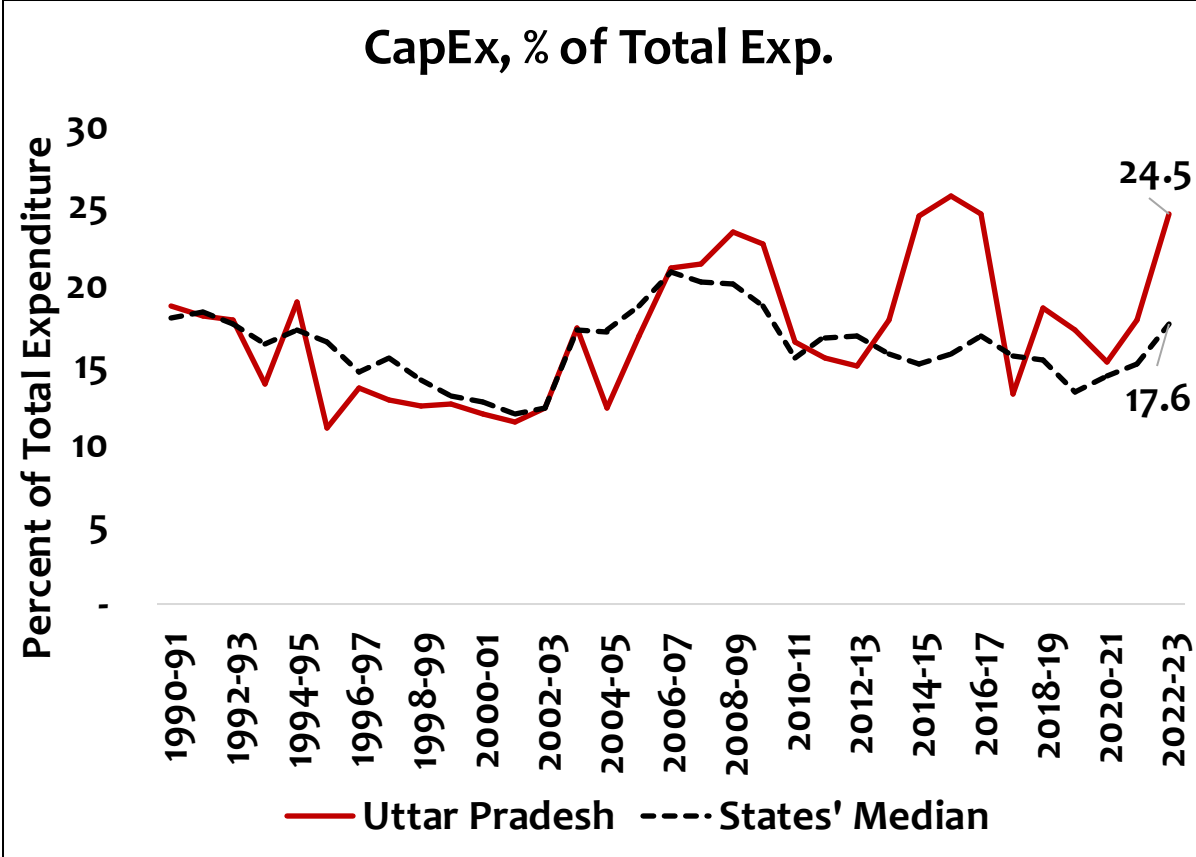
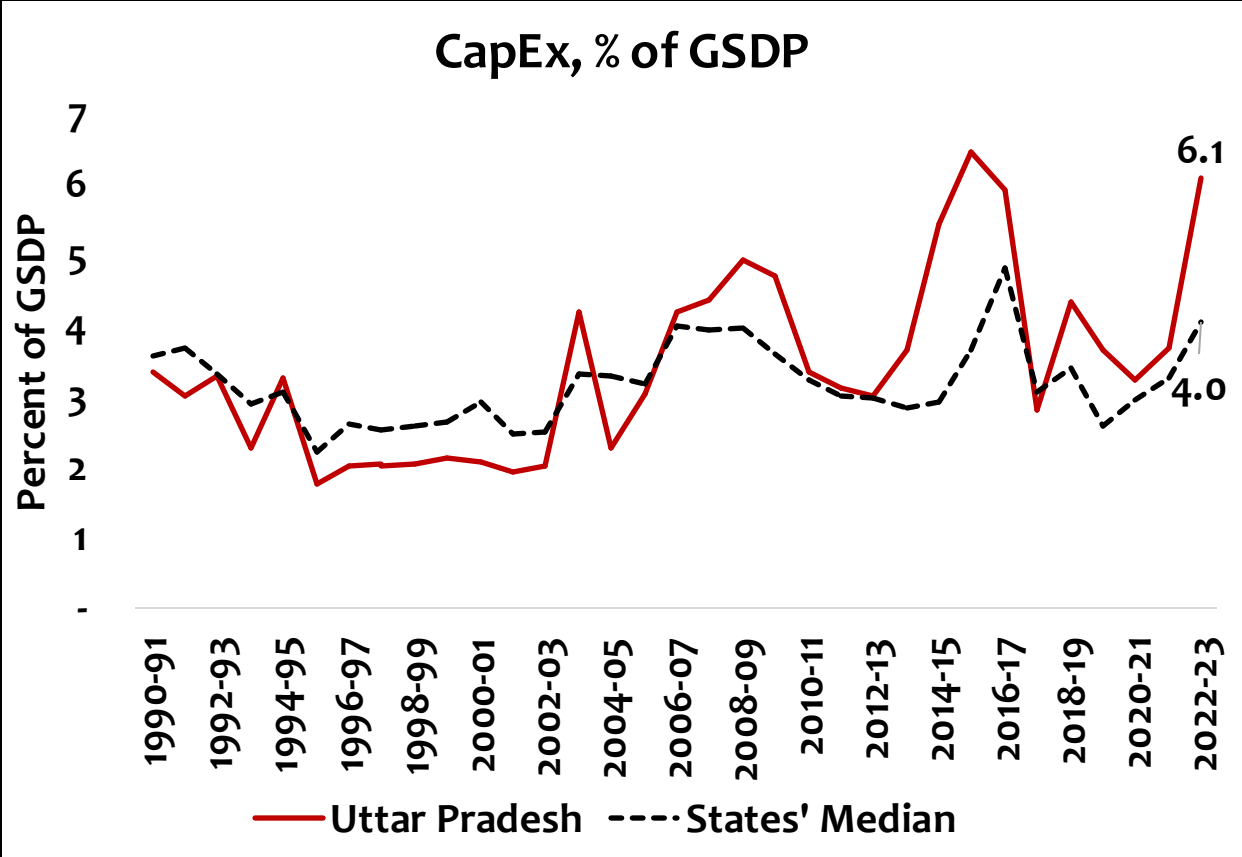
Note: i. Total Expenditure is calculated as RevEx + CapEx; ii. The variable as a percent of GSDP has been calculated for each State, and its median across 29 States has been shown (all Union Territories are excluded); iii. The sharp increase in the total expenditure in 2003-04 resulted partially from an [rise in the interest payments and pension payments](#), adding to the effects of the Uttar Pradesh Reorganisation Act, 2000.

Uttar Pradesh's RevEx at 18.8 percent of its GSDP was at par with a median State, while as a percentage of Total Expenditure it was 7 percentage points lower than that of a median State, as of 2022-23



Source: i. Revenue Expenditure 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).

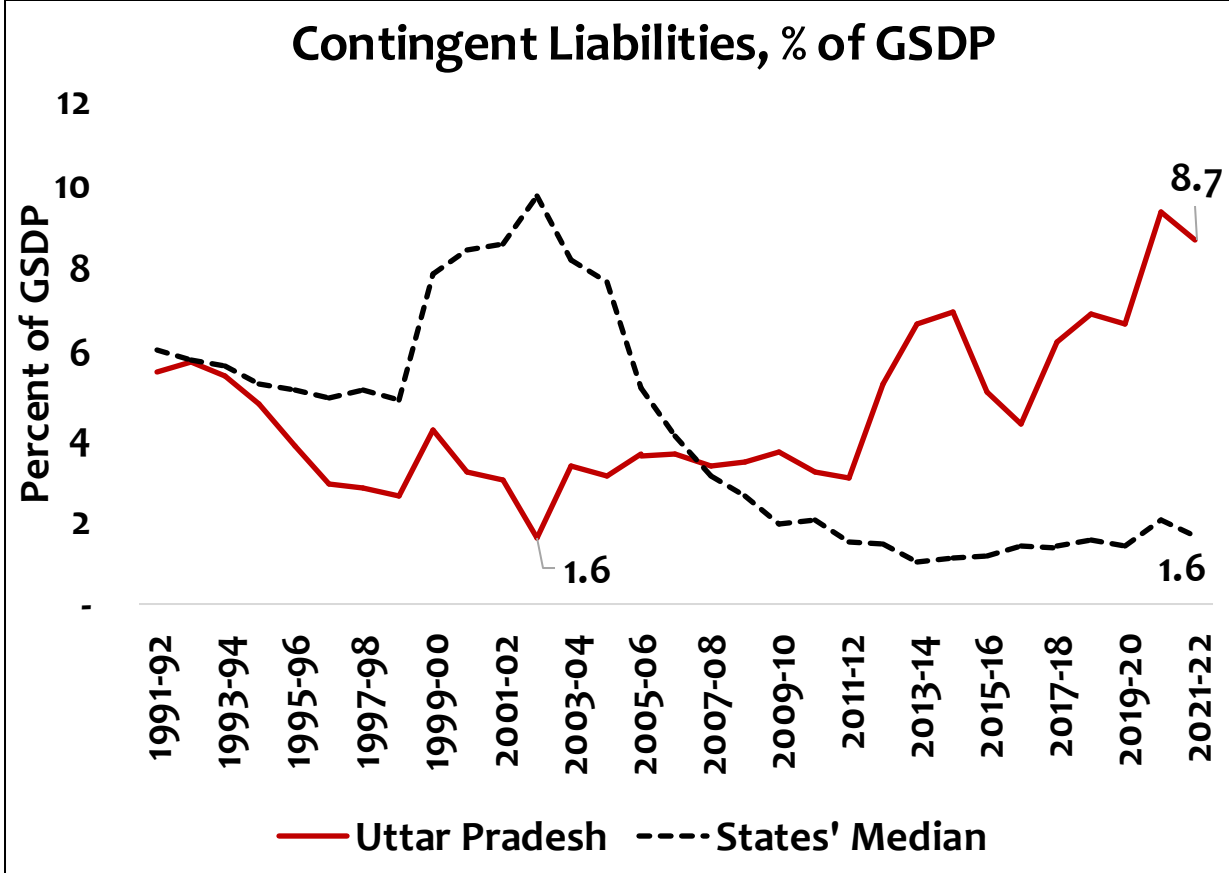
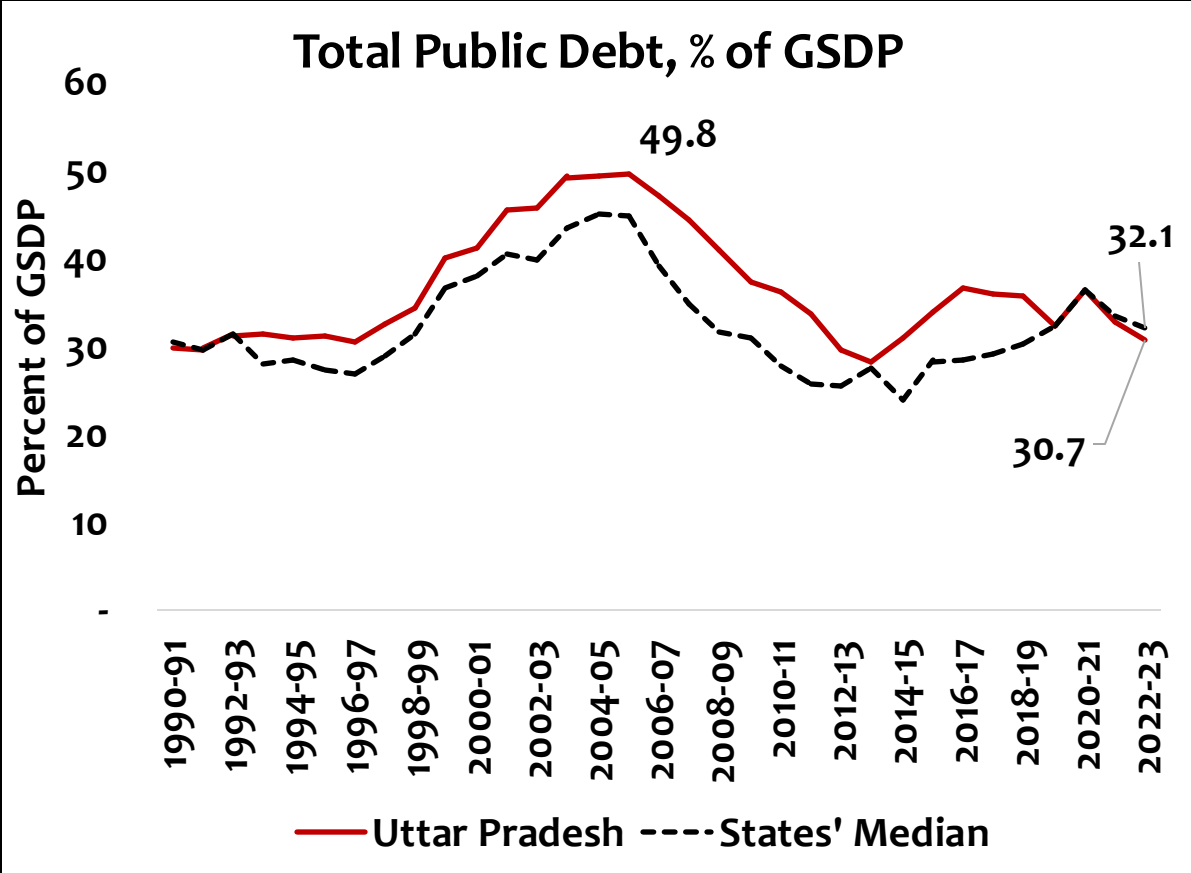
In 2022-23, Uttar Pradesh's CapEx at 6.1 percent of its GSDP, was about 2 percentage points higher than what a median State spent on CapEx . As a percentage of Total Expenditure, Uttar Pradesh's CapEx was 6.9 percentage points higher than that of the median State in 2022-23



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 plus 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).

Uttar Pradesh has seen a consistent decline in its Public Debt since 2006, and as of 2022-23, it stood at 30.7 percent of its GSDP, at par with the median State. Its Contingent Liabilities as of 2021-22 were 8.7 percent of its GSDP, 7.1 percentage points higher than that of a median State



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: 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).

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. Δb_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.

Uttar Pradesh Debt Evolution (2012-13 to 2021-22)

Averages and standard deviations of key parameters

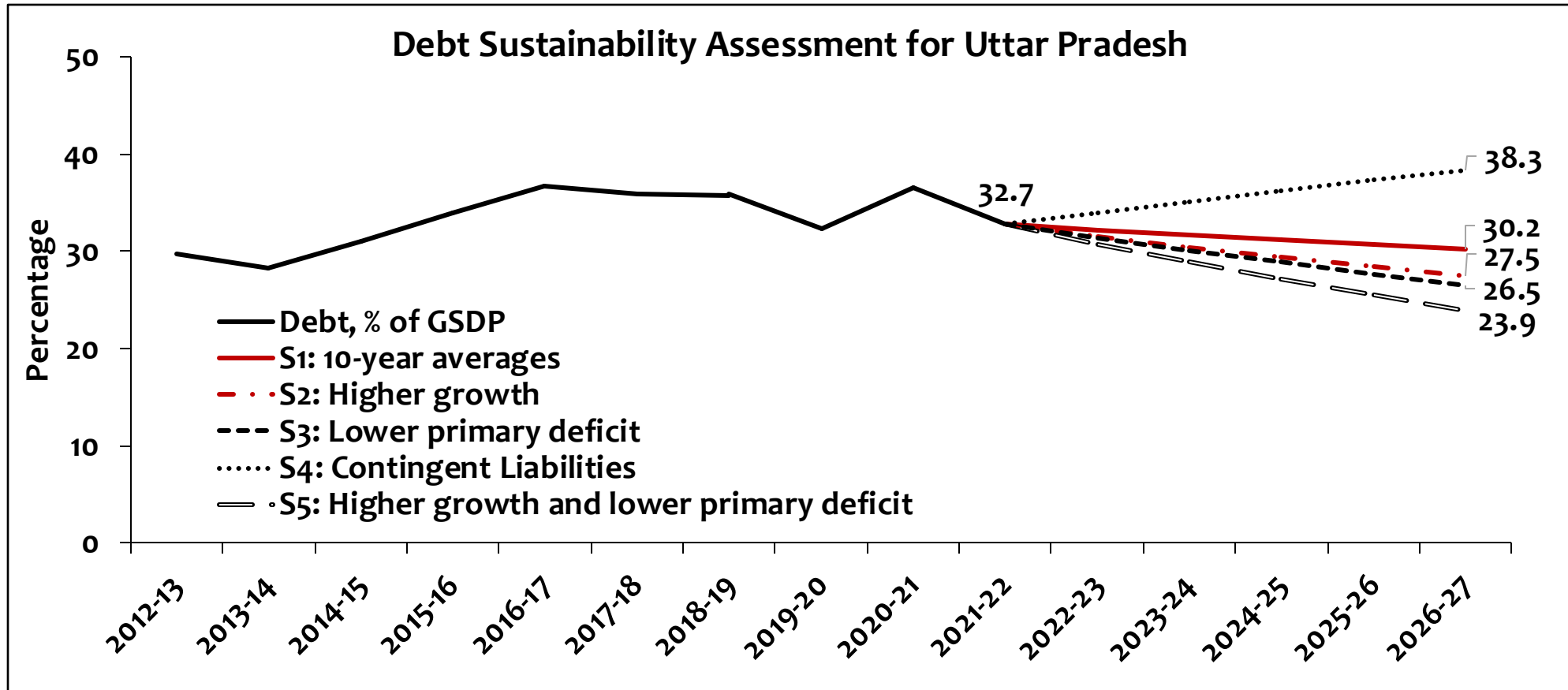
	Ten-year average and std. deviations (2012-13 to 2021-22)		Five-year average and std. deviations (2017-18 to 2021-22)	
	Mean	Std dev	Mean	Std dev
Nominal GDP growth (γ)	10.7	6.1	9.2	8.4
Deflator growth (π)	5.1	2.9	5.2	3.1
Real GDP growth (g)	5.3	4.4	3.7	5.1
Effective interest rate (e)	6.8	0.4	6.5	0.5
Real effective interest rate (\hat{e})	1.7	2.9	1.3	3.1
Primary deficit (pd)	0.6	1.6	-0.4	1.4
Growth-effective interest differential ($g-\hat{e}$)	3.7	5.8	2.3	8.1
Contingent Liabilities (CL) as of 2021-22	8.7	-	-	-
Percentage points of CL absorbed each year for 5 years	1.74	-	-	-

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 (\hat{e})	Change in Debt in first year (2022-23)	Cumulative change in Debt in next five years
Baseline (Scenario 1): 10-year averages (2012-13 to 2021-22)	32.7	0.6	5.3	1.7	-0.54	-2.50
Scenario 2: Higher growth (increasing growth by half a standard deviation over baseline)	32.7	0.6	7.5	1.7	-1.18	-5.28
Scenario 3: Lower Primary Deficit (reducing primary deficit by half a standard deviation over baseline)	32.7	-0.2	5.3	1.7	-1.33	-6.21
Scenario 4: Contingent Liabilities in 2021-22 are absorbed 20% in each year	32.7	0.6	5.3	1.7	1.20	5.61
Scenario 5: Lower Primary Deficit and Higher Growth	32.7	-0.2	7.5	1.7	-1.97	-8.85

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, 1.74 percentage points of Contingent Liabilities are assumed to be taken on by the government in each fiscal year.

Under most reasonable scenarios, debt sustainability assessment for Uttar Pradesh results in benign outcomes - its debt to GSDP ratio is projected to decline in the next five years. Only if the State assumes its existing contingent liabilities (as percent of GSDP) in 2021-22 at the rate of 20 percent in each year for the next five years, its debt to GSDP ratio is projected to increase quite rapidly



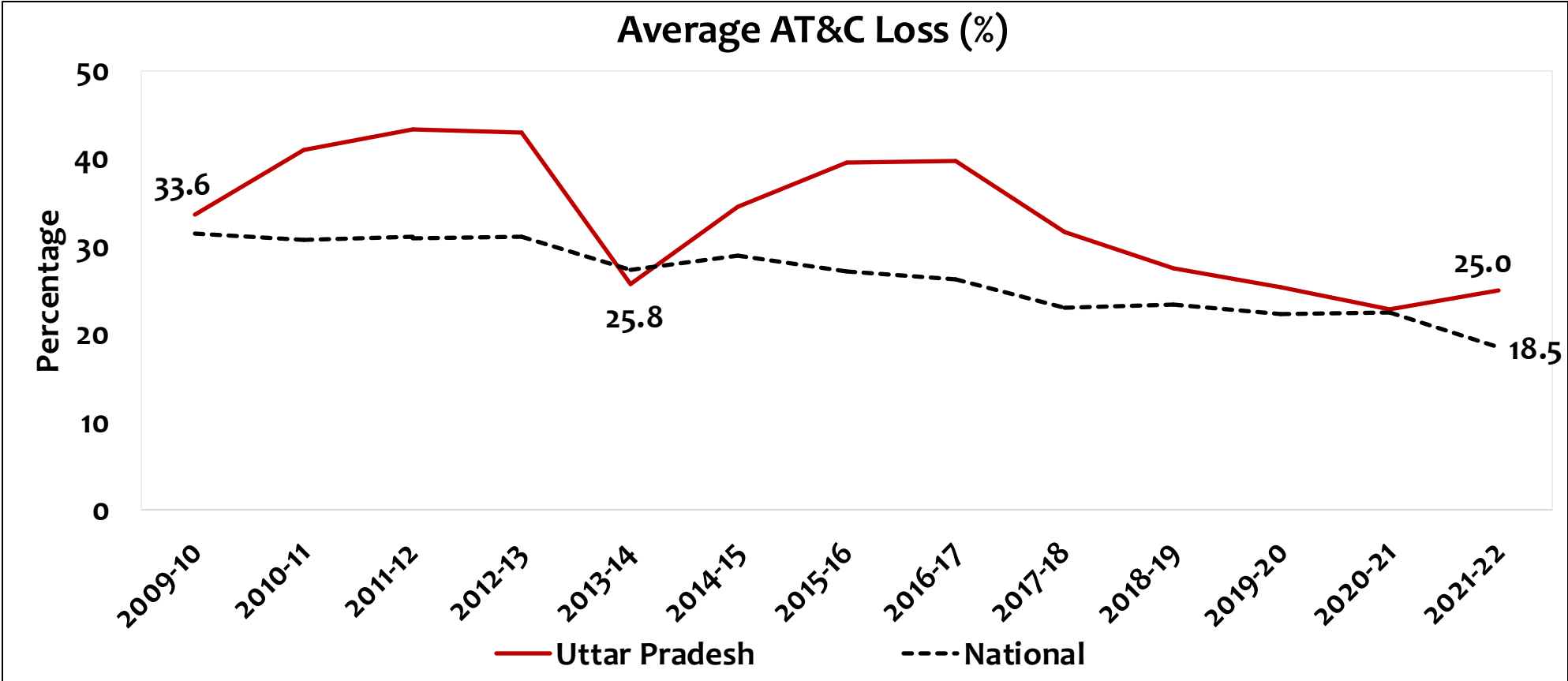
Note: Projection period is from 2022-23 till 2026-27. In Scenario 2, half a standard deviation of 10-year average of real GDP growth rate is added as a positive growth shock. In Scenario 3, half a standard deviation of 10-year average of primary deficit is removed as a positive fiscal shock. In Scenario 4, 1.74 percentage points of Contingent Liabilities are assumed to be taken on by the government in each fiscal year

Uttar Pradesh: Power Sector

- The State has six distribution companies (DISCOMs), five of which – Dakshinanchal Vidyut Vitaran Nigal Limited (DVVNL), Madhyanchal Vidyut Vitaran Niigam Limited (MVVNL), Pashchimanchal Vidyut Vitaran Nigam Limited (PaVVNL), Purvanchal Vidyut Vitaran Nigam Limited (PuVVNL), and Kanpur Electricity Supply Company Ltd. KESCo) are Government of Uttar Pradesh undertakings, and Noida Power Company Limited is a private undertaking.
- Compared to the national average, the DISCOMs in Uttar Pradesh report higher Aggregate Technical & Commercial (AT&C) Losses. Although the losses have reduced since 2009-10, the decline has been inconsistent, with some periods of increasing losses.
- The State signed the MoU for the Ujwal DISCOM Assurance Yojana (UDAY) scheme which was launched by the GoI in November 2015, for both the performance efficiency targets as well as the financial turnaround and financing of future losses by the State government.
- The State Government has sanctioned funds towards payment of outstanding dues of Uttar Pradesh Power Corporation Limited and its DISCOMs since 2015-16, per the UDAY mandates.
- **In 2021-22, of the State's total Contingent Liabilities (Rs. 174,218 crore), about 75 percent was accounted for by the power sector companies,** followed by Infrastructure and Industrial Development Department, Co-operative Department and Sugar Industry Department.

Source: Power Finance Corporation (PFC) Report on Performance of State Power Utilities (2009-10 to 2021-22), [CAG State Finances Audit Report for the year ended 31 March 2022](#).

AT&C Losses of Uttar Pradesh have reduced from about 34 percent in 2009-10 to 25 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 for the six DISCOMs over the years; ii. The National average is across all DISCOMs in the 29 States and 2 Union Territories (Delhi & Puducherry).

6. Devolution to Uttar Pradesh from Centre in 14th and 15th Finance Commission (FC)

Tax Devolution Criteria of 14th and 15th Finance Commissions to all States

- The Net Proceeds of all taxes¹ collected by the Union are shareable with the States, and constitute the divisible pool of taxes.
- The 14th FC placed the States' share of tax devolution to 42 percent of the divisible pool, and the 15th 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) ²	10	15
Demographic Performance	0	12.5
Forest Cover	7.5	0
Forest and Ecology	0	10
Tax and fiscal efforts ³	0	2.5
Total	100	100

Source: 14th and 15th FC Reports.

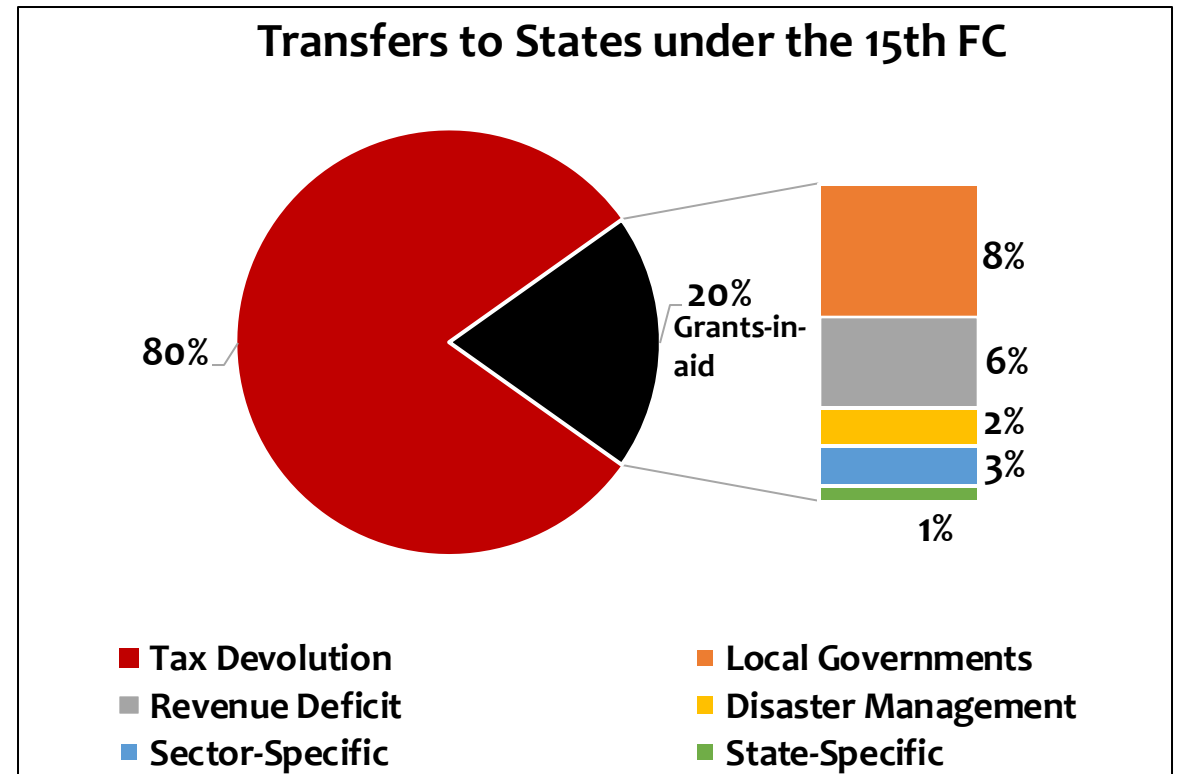
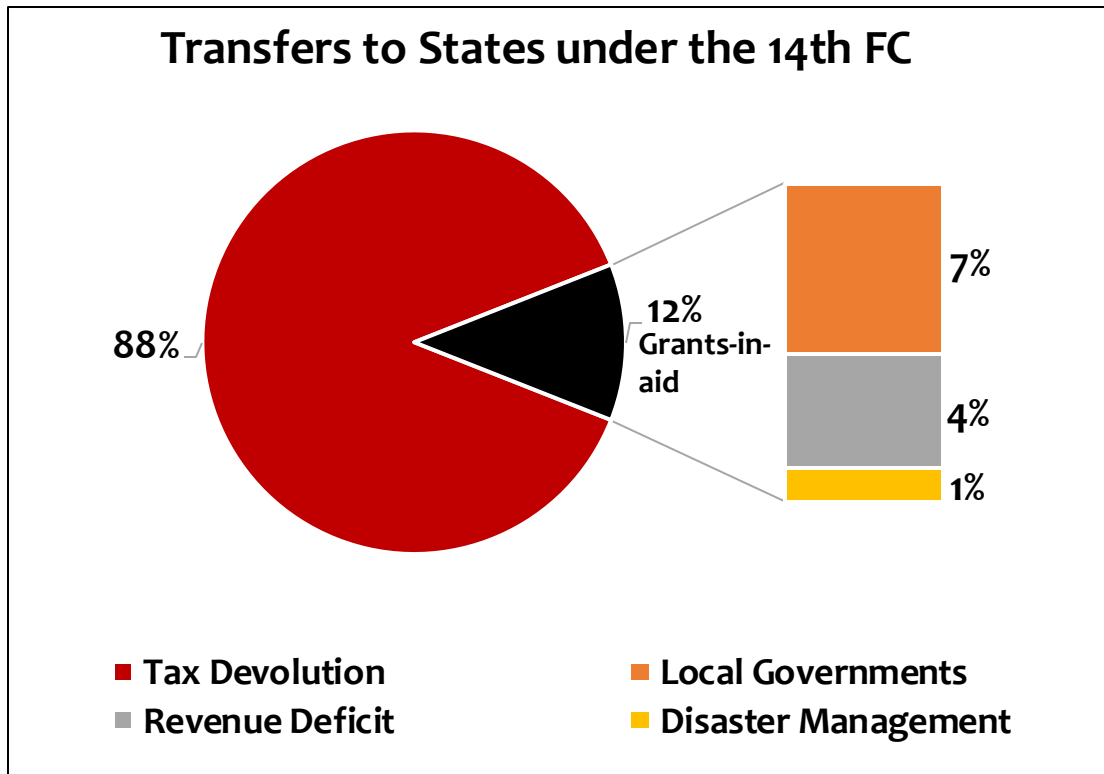
Note: i. Per Articles 270 and 279, Net Proceeds of taxes is defined as all the taxes, except cess and surcharges, reduced by the cost of collection; ii. 14th FC used the term “demographic change” which was defined as Population in 2011; iii. The 15th FC reintroduced the “tax and fiscal efforts” criteria.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

Grants-in-Aid

- There were three types of grants recommended by the 14th FC – Revenue Deficit grants, grants for local governments, and grants for Disaster Management. The 15th 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 15th 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 14th FC, it was recommended that Centre contribute 90 percent of the SDRF and States provide the remaining 10 percent. The 15th 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 15th 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 15th 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.

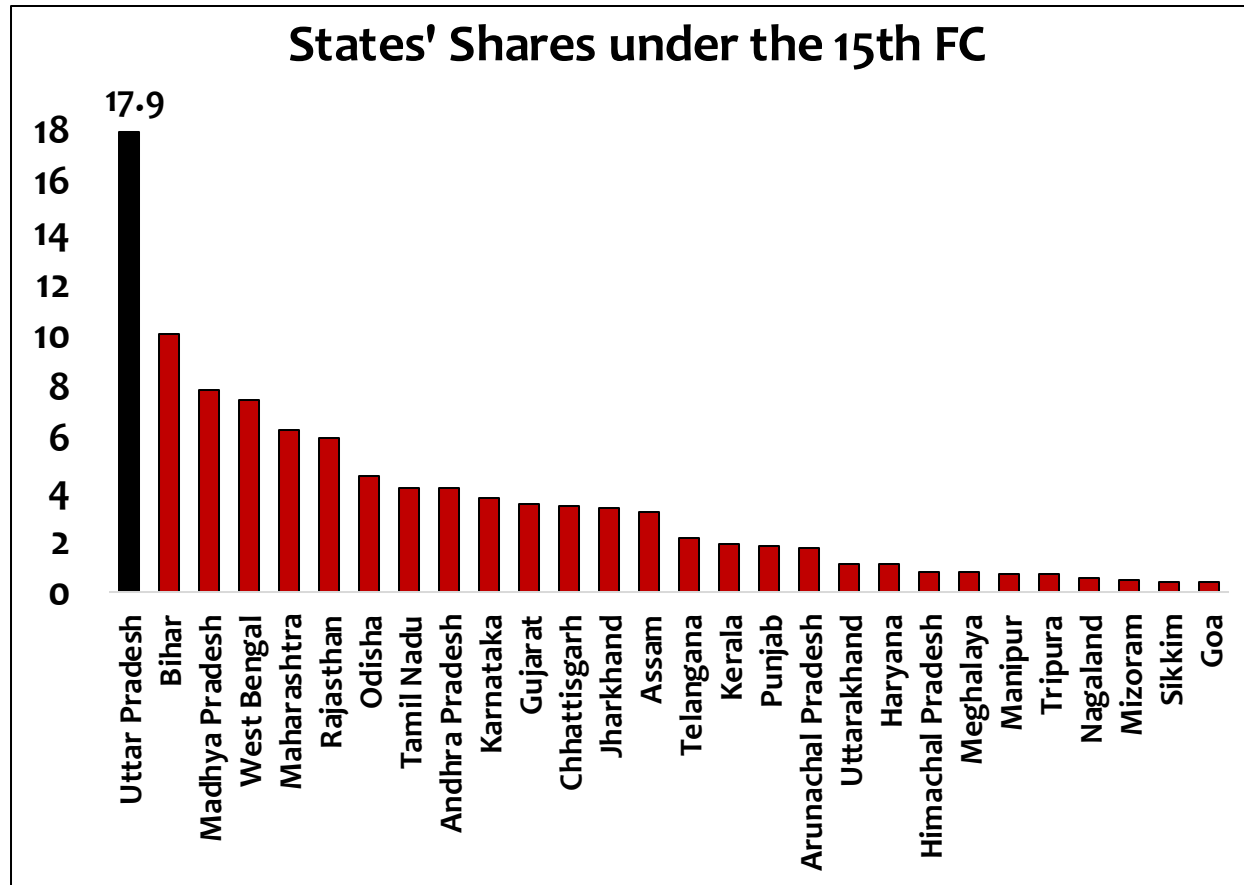
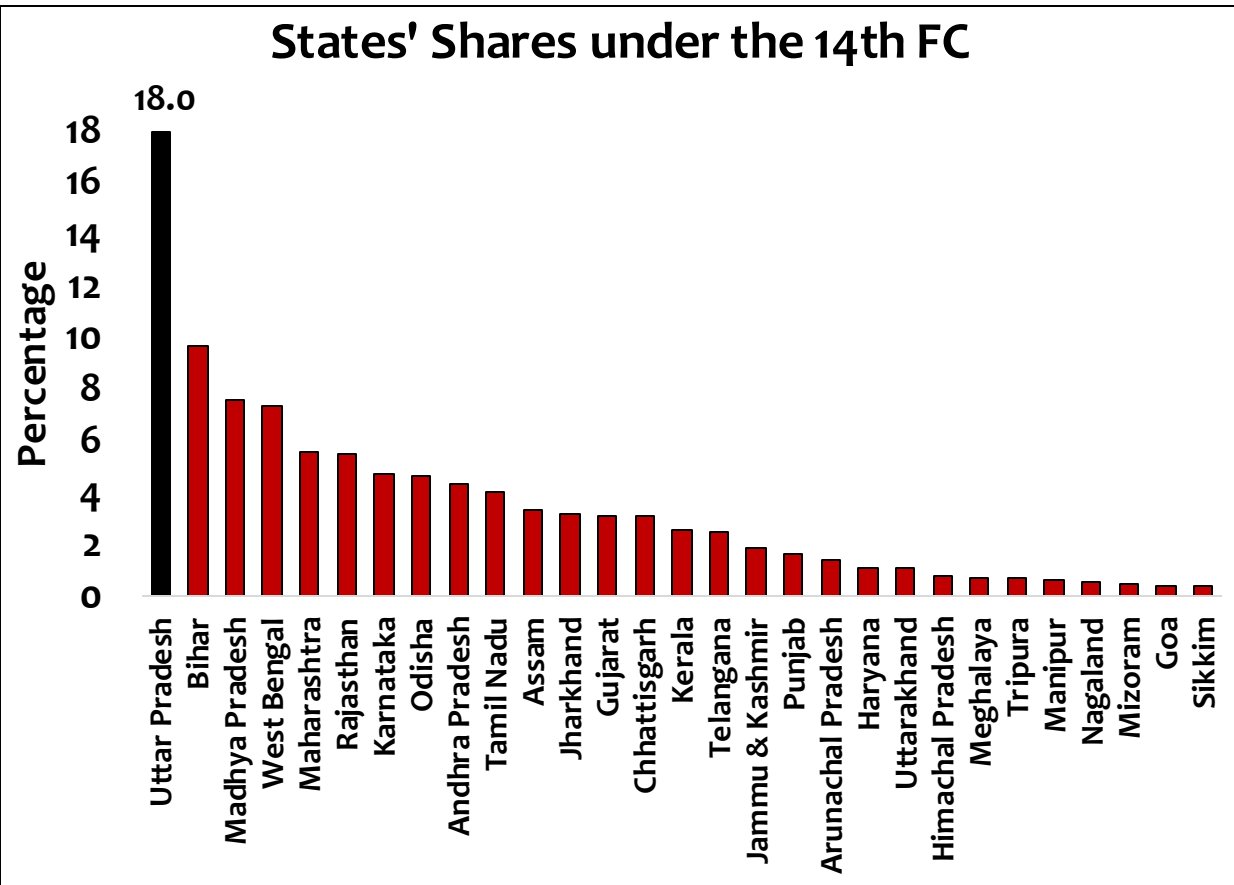
Source: 14th and 15th FC reports.

Proposed transfers from the Centre to all States: 15th Finance Commission reinstated recommendations on Sector-Specific and State-Specific grants, which 14th Finance Commission 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

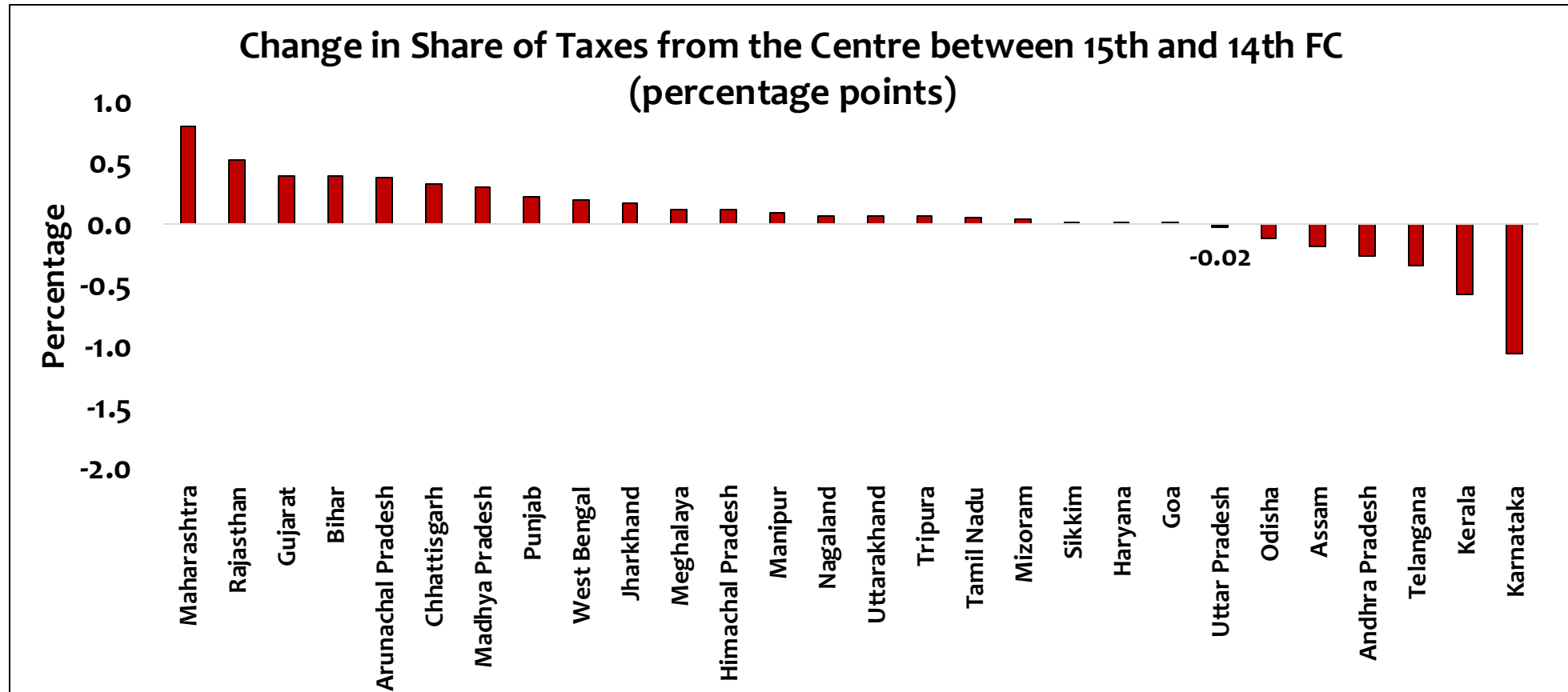
Uttar Pradesh's share in Taxes from Centre, as per the FC recommendations, remained consistent under 14th and 15th Finance Commission recommendations at about 18 percent, making it the largest recipient of taxes from the Centre



Source: 14th and 15th 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 taxes from the Centre.

Uttarakhand had a negligible change in share in Tax Devolution across States between 14th and 15th Finance Commissions



Source: 14th and 15th FC Reports.

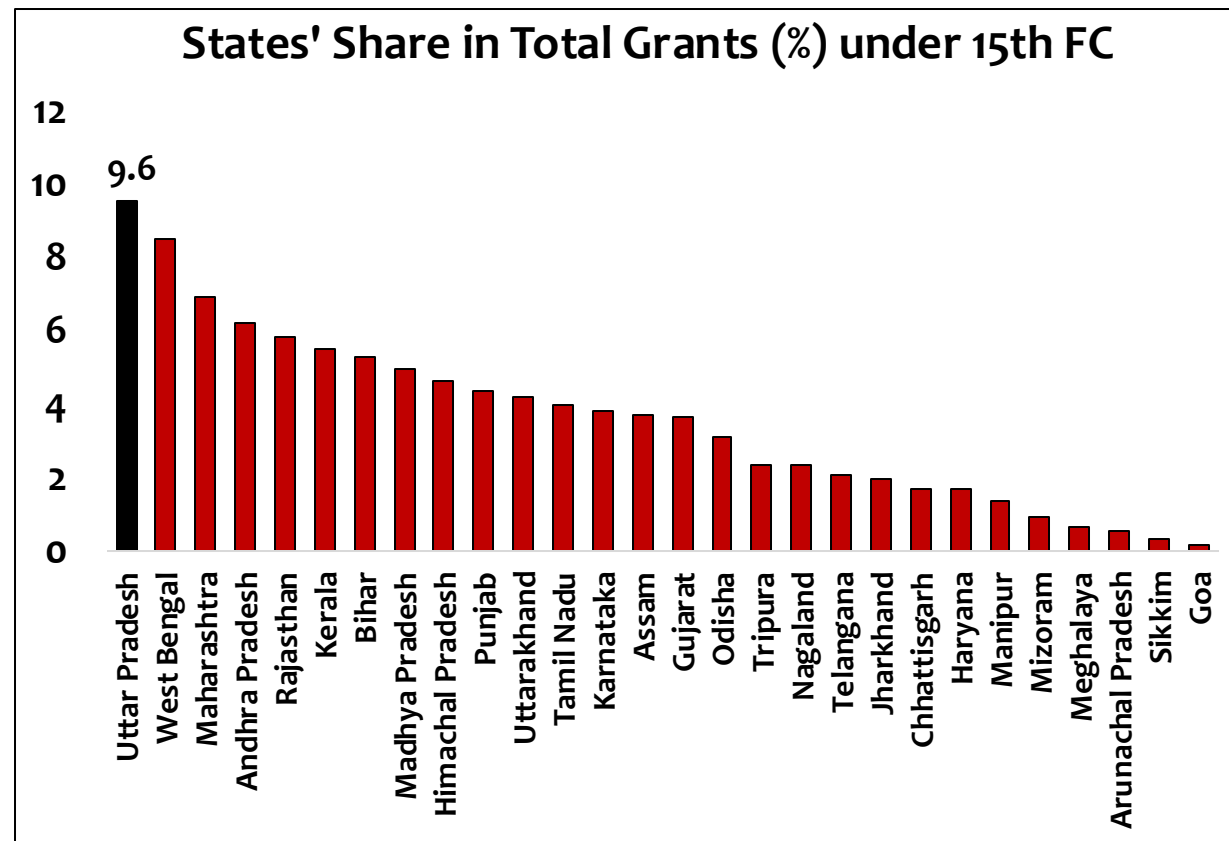
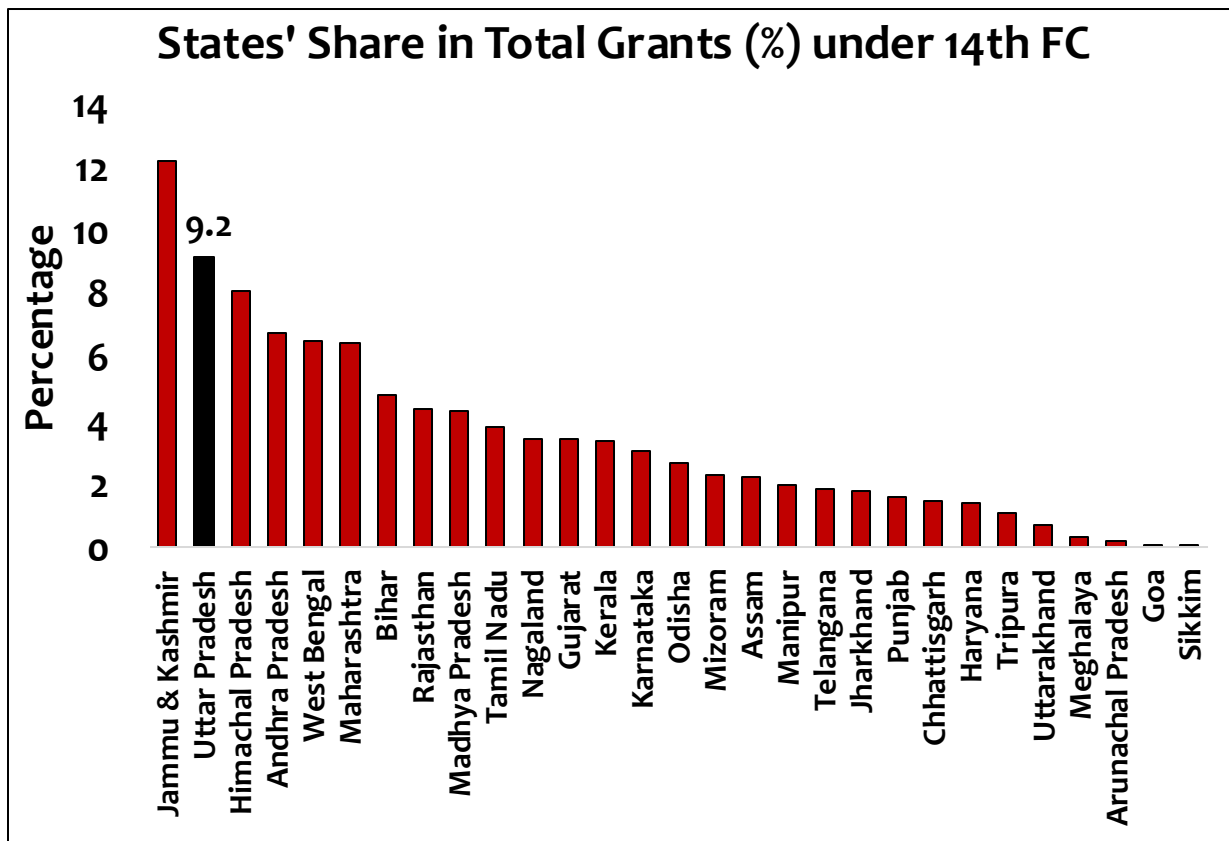
Note: Due to the changed status of Jammu & Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir, the 15th FC did not include it in the States' share of taxes from the Centre, and it has been excluded from this chart.

Grants-in-Aid: Uttar Pradesh

- There were three types of grants recommended by the 14th FC – revenue deficit grants, grants for local governments, and grants for disaster management. The 15th 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 0.4 percentage points under the 15th FC, compared to the 14th FC, at 9.6 percent, making it the State with the highest shares in Total Grant-in-Aid.
- **Revenue-deficit grants:** Uttar Pradesh **did not receive any revenue-deficit grants** under both the 14th and 15th FC recommendations.
- **Grants for Local Governments:** About **16 percent** of the total grants to local governments was recommended for Uttar Pradesh by the 14th FC, and this dropped to **15.7 percent under the 15th FC, although it remained the largest recipient of these grants.**
- **Grants for Disaster Management:** Uttar Pradesh received **8.7 percent** of the total grants for disaster management **under the 15th FC** recommendations (a 2.6 percentage point increase compared to the 14th FC recommendation). In its case, the disasters accounted for in the index are floods, cyclone, drought, earthquake and others.
- **Sector-Specific Grants:** **Per the 15th FC recommendations,** the State receives the **highest share** of the total sectoral grants at 13 percent (of the total). It is recommended to receive about 19 percent of total health and education grants and 18 percent of the grants for judiciary. Other sector-specific grants and the State's shares in each include agriculture performance incentive grants (12 percent), grants for improving statistical data collection and dissemination (10 percent) and grants for maintenance of PMGSY Roads (5 percent), making Uttar Pradesh the State with the **highest share of nearly all Sector-Specific Grants.**
- **State-specific Grants:** A total of Rs. 3,495 crore was recommended in State-specific grants, nearly 70 of which (Rs. 2,365 crore) was directed towards medical and health purposes (establishment and running costs of nursing and medical colleges, diagnostic centres). Rs. 950 crore was allocated to drainage, sanitation and waste management (Lucknow, Varanasi, Gorakhpur) and Rs. 180 crore to making Sevapuri block into a model block.

Source: 14th and 15th FC reports.

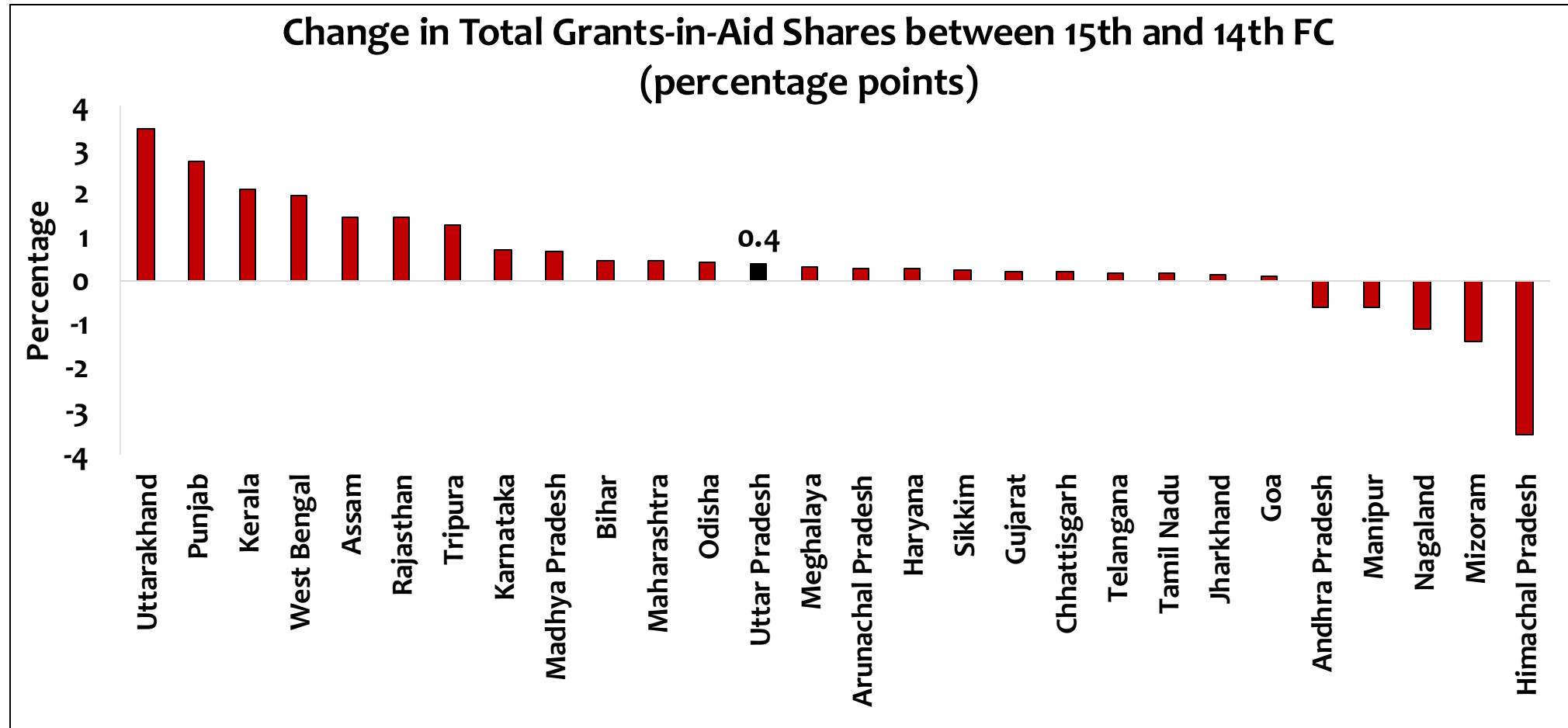
Uttar Pradesh noted an increase of 0.4 percentage points in its share of the Total Grants-in-Aid recommended between 14th and 15th Finance Commissions



Source: 14th and 15th 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.

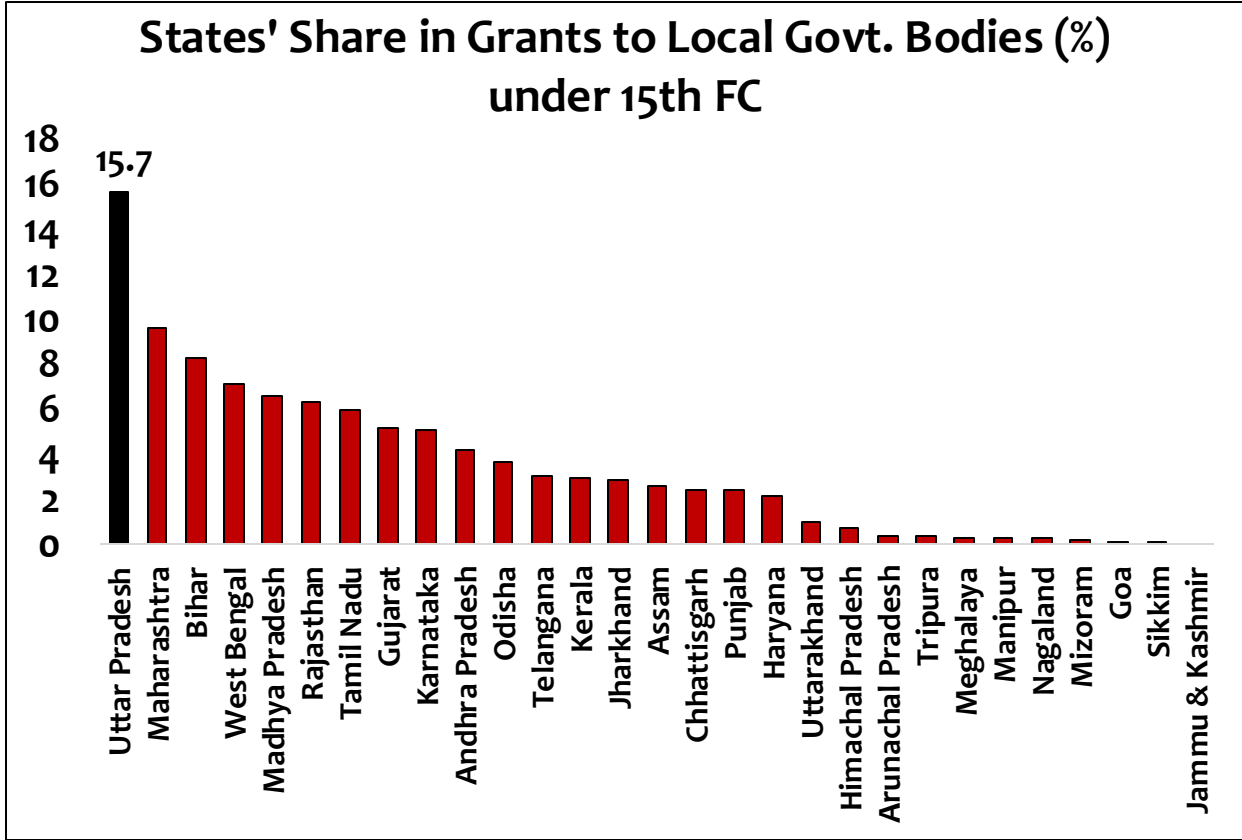
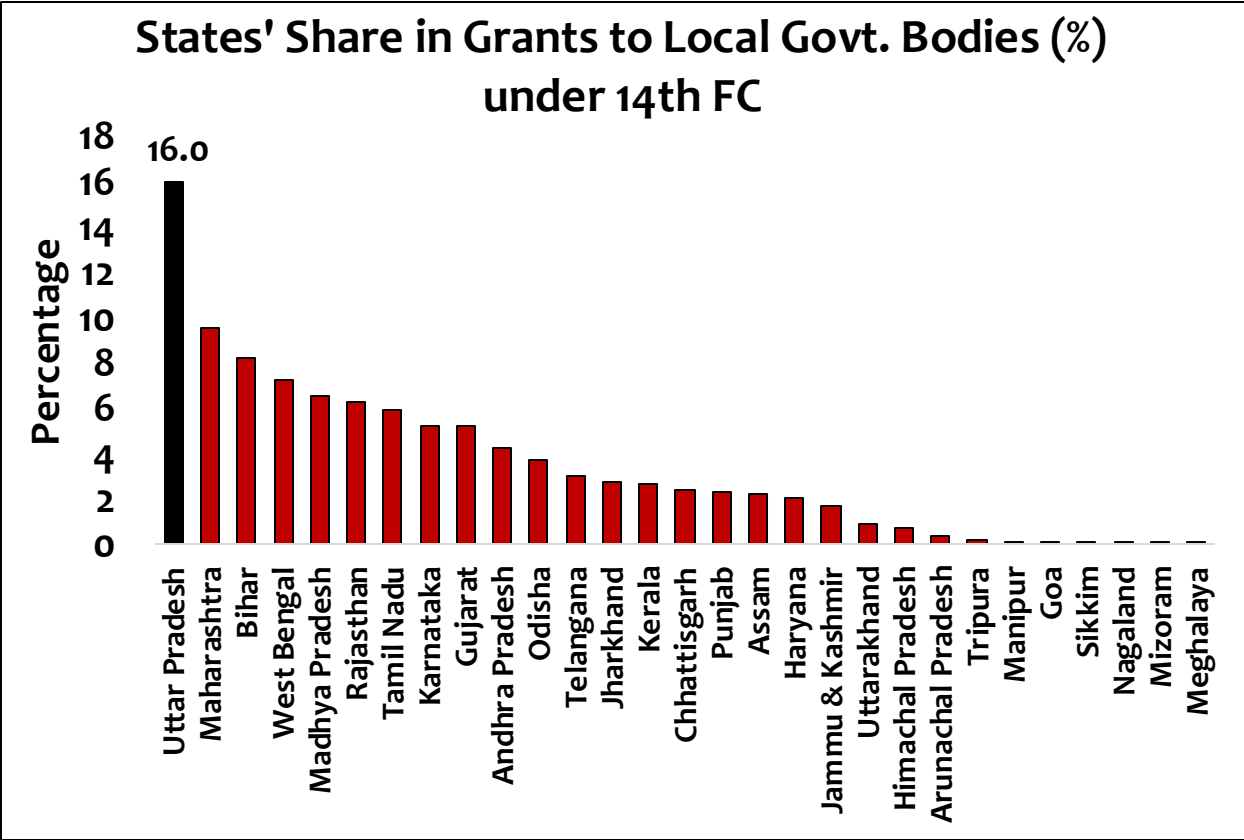
Uttar Pradesh had 0.4 percentage point increase in Total Grants-in-Aid shares between 14th and 15th FC recommendations



Source: 14th and 15th 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.

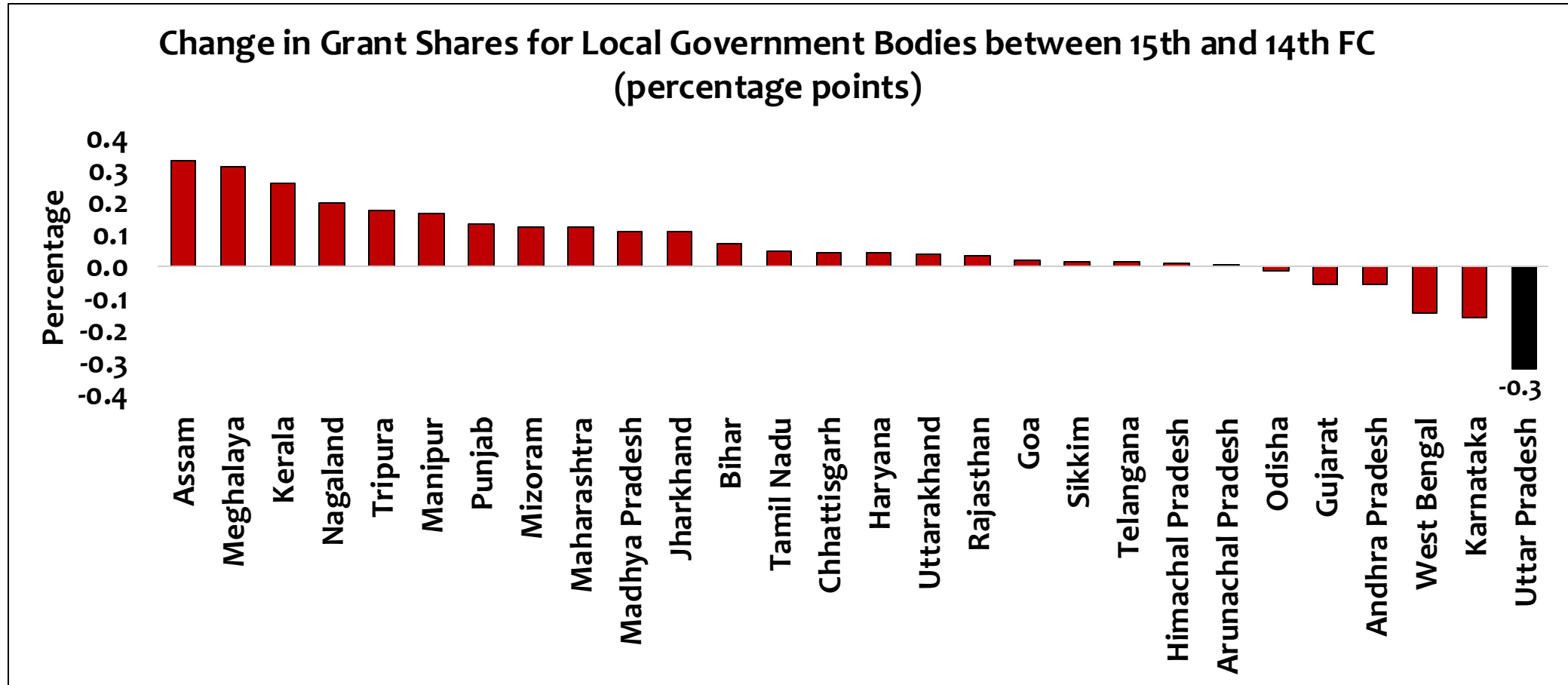
Uttar Pradesh's recommended share in the Grants to Local Government Bodies from the Centre dropped from 16 percent under 14th FC to 15.7 percent by 15th FC, and it remained the State with highest share in these grants



Source: 14th and 15th 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.

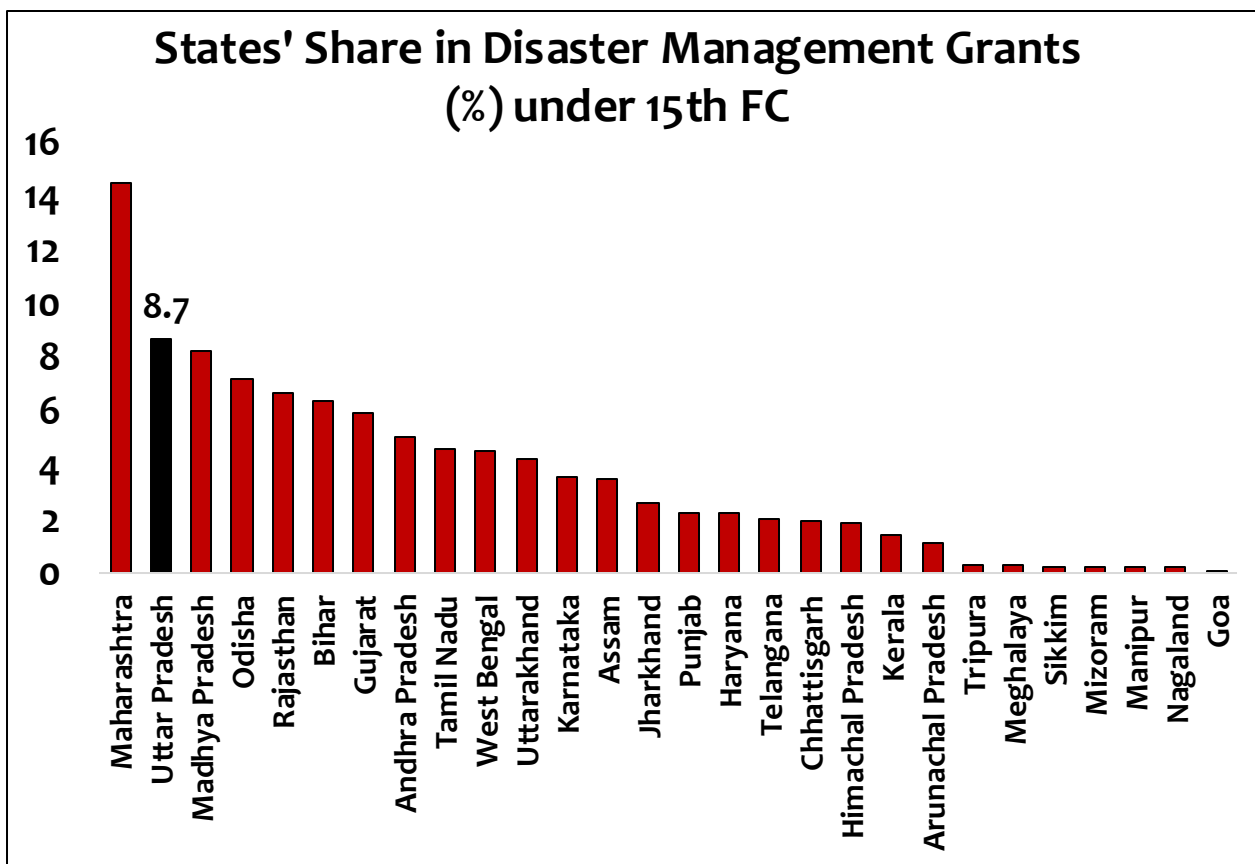
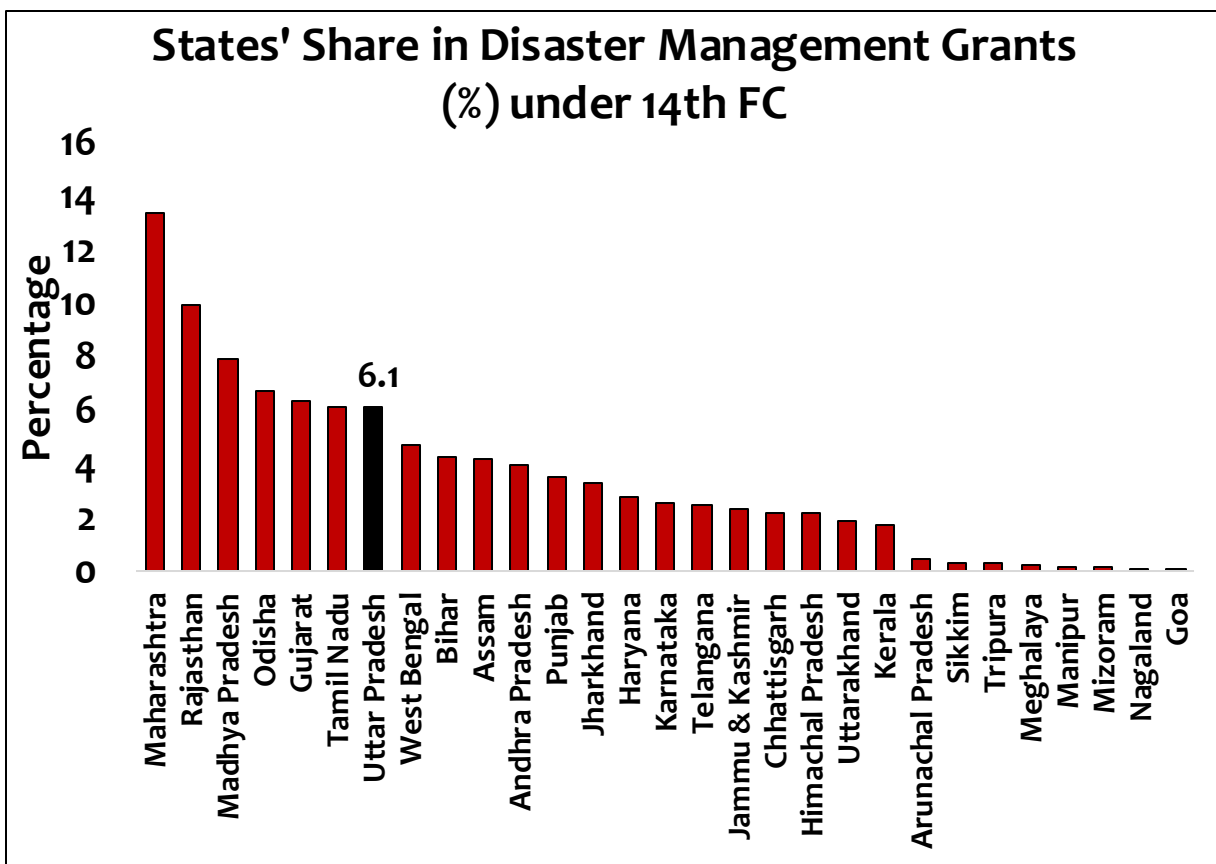
Uttar Pradesh had a 0.3 percentage point fall in Local Government Bodies' Grants between 14th and 15th FC recommendations



Source: 14th and 15th 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.

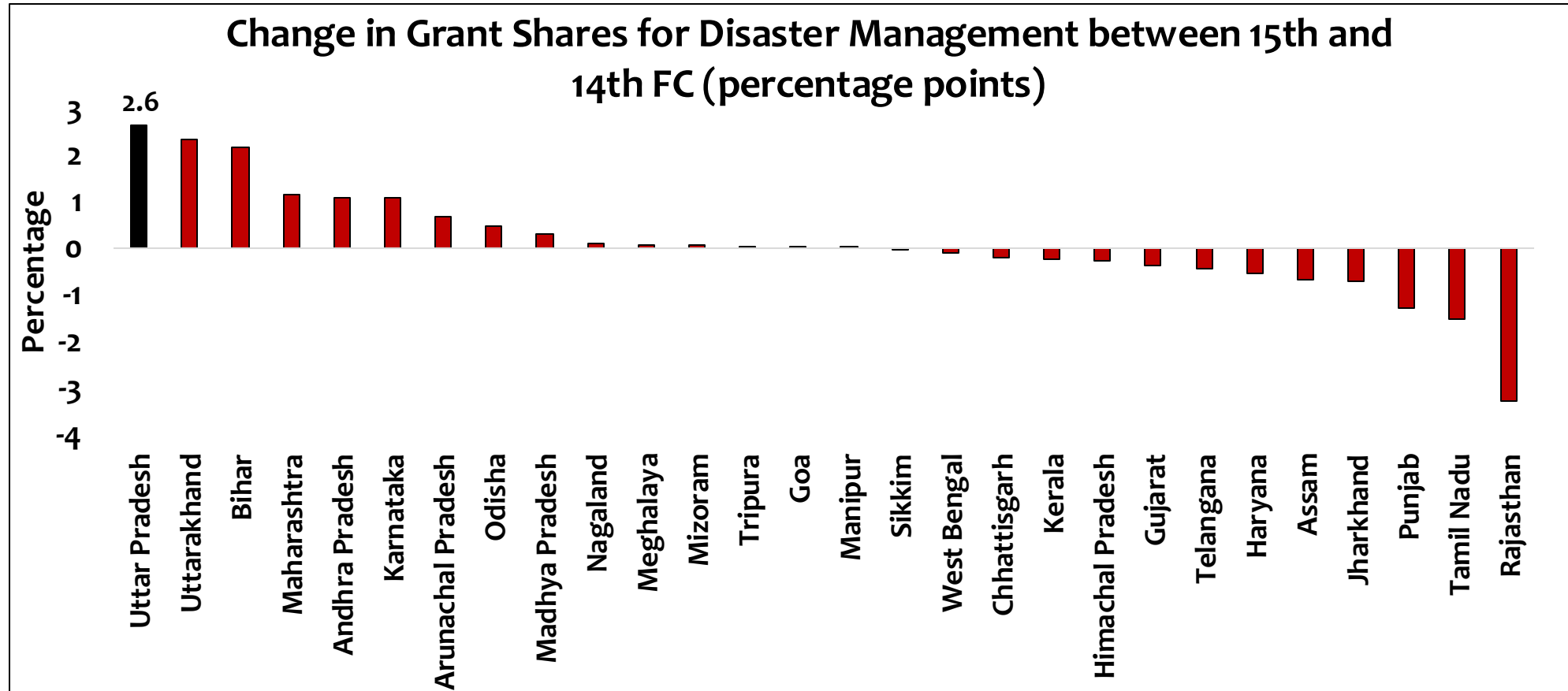
Uttar Pradesh's recommended share in the Grants for Disaster Management from the Centre increased from 6.1 percent by 14th FC to 8.7 percent by 15th FC



Source: 14th and 15th 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.

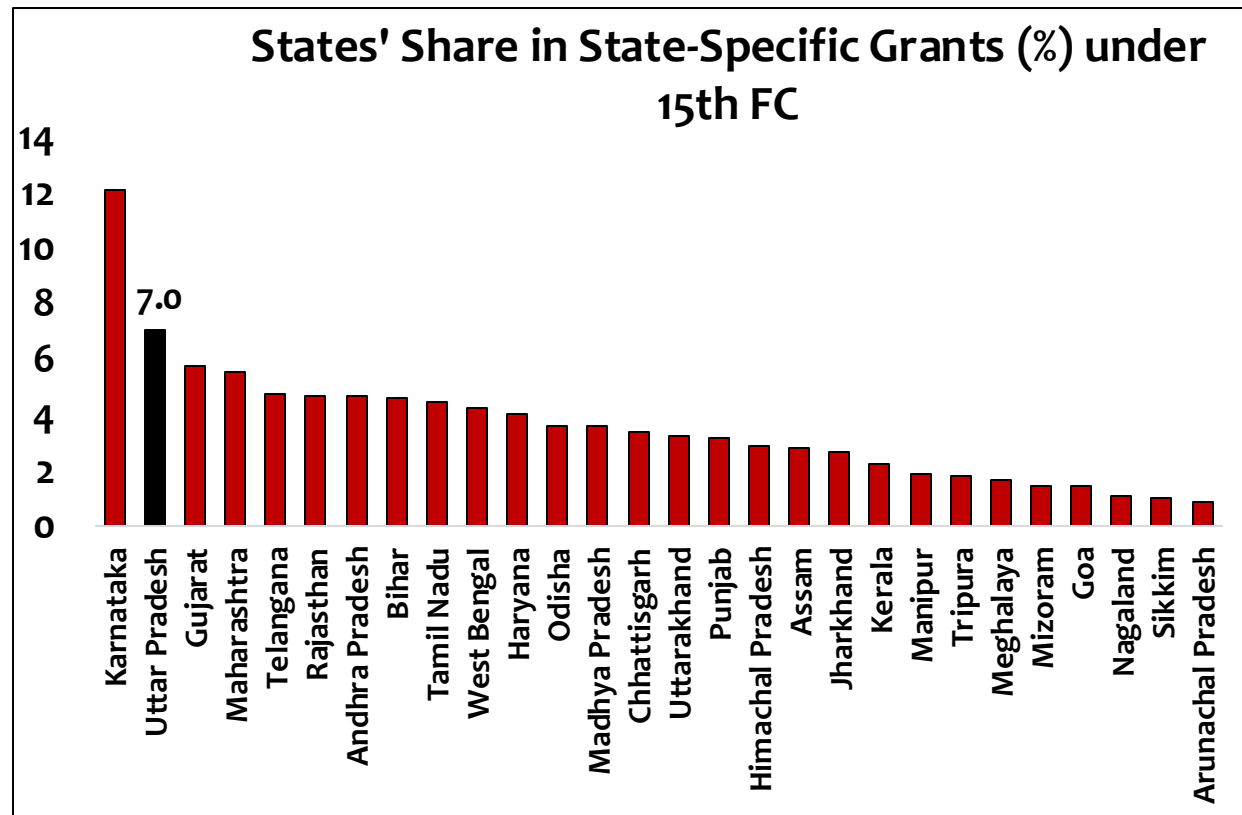
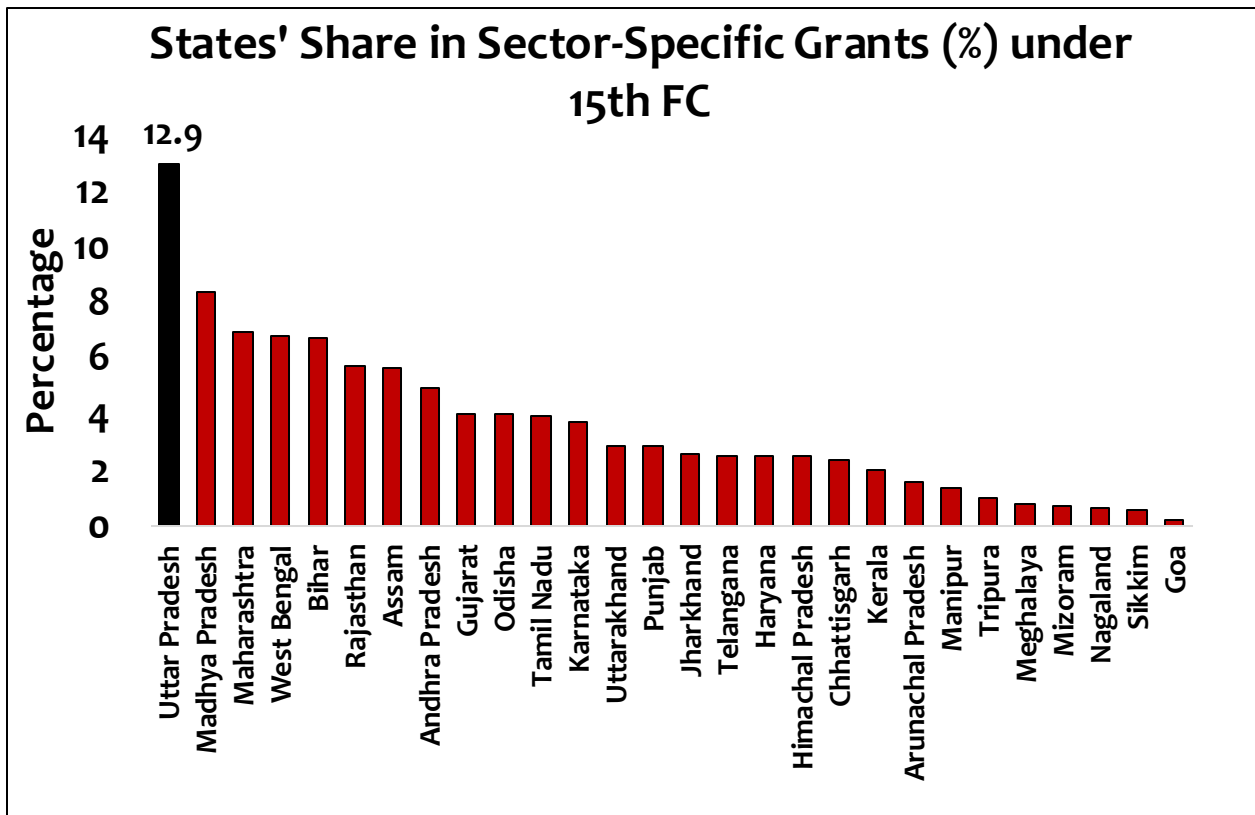
Uttar Pradesh had a 2.6 percentage point increase in Grants for Disaster Management between 14th and 15th FC recommendations – the highest among all states



Source: 14th and 15th 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 Disaster Management Grants from the Centre, and it has been excluded from this chart.

Uttar Pradesh's share in Sector-Specific Grants is about 12.9 percent of the total. It is recommended to receive about 19 percent of total health and education grants and 18 percent of the grants for judiciary. A total of Rs. 3,495 crore was recommended in State-Specific grants, nearly 70 of which (Rs. 2,365 crore) was directed towards medical and health purposes (establishment and running costs of nursing and medical colleges, diagnostic centres)



Source: 14th and 15th FC Reports.

Note: i. Other sector-specific grants and the State's shares in each include agriculture performance incentive grants (12 percent), grants for statistics (10 percent) and grants for maintenance of PMGSY Roads (5 percent), making Uttar Pradesh the State with the highest share of nearly all Sector-Specific Grants; ii. Uttar Pradesh received Rs. 2,365 crore in State-specific grants. Apart from the funds directed towards medical and health purposes, Rs. 950 crore was allocated to drainage, sanitation and waste management (Lucknow, Varanasi, Gorakhpur) and Rs. 180 crore to making Sevapuri block into a model block.

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.
- **12th and 13th FCs**
 - The **12th 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 **13th 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*]
- **14th and 15th FCs**
 - The **14th 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 13th 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 14th 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 **15th FC** maintained this recommendation, and assigned a higher weight of 10 percent to forest and ecology in the tax devolution matrix.
 - The 15th 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 13th 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. Uttar Pradesh Fiscal Responsibility and Budget Management Act, 2004

Status of Fiscal Rule in Uttar Pradesh

- Following the Twelfth Finance Commission's recommendations for prudent fiscal management, the Uttar Pradesh State Government enacted the Uttar Pradesh Fiscal Responsibility Act and Budget Management Act (UPFRBM) in 2004, in line with Union Fiscal Responsibility and Budget Management Act, 2003.

The UPFRBM, 2004 prescribed the following fiscal targets for the State Government:

- **Revenue Deficit:** Eliminate revenue deficit in a period of five financial years from 2004-05 to 2008-09 and reduce revenue deficit as a percentage of GSDP in each financial year to achieve this
 - **Fiscal Deficit:** Reduce fiscal deficit as a percentage of GSDP to not more than 3 percent from 2004-05 to 2008-09 and reduce this ratio in each financial year to achieve this
 - **Outstanding Guarantees:** Not to give guarantee for any amount exceeding the time stipulated under any rule or law of the State Government existing at the time of the coming into force of this Act or any rule or law to be made by the State Government subsequent to coming into force of this Act
 - **Total Liabilities:** Ensure within a period of fourteen financial years from 1st April, 2004 to 31st March 2018 that total liabilities do not exceed 25 percent of GSDP for that year
- The FRBM requires the State Government to present before the both the Houses of the Legislature a **Medium Term Fiscal Restructuring Policy** along with the budget

Status of Fiscal Rule in Uttar Pradesh

- In 2010, owing to slowed economic activity, the UPFRBM Act was amended such that the State Government could set the fiscal deficit target depending on the flexibility in policy space required at the time. Further, due to the slowdown in economy, the Union Government had allowed States to raise their fiscal deficit to GSDP ratio targets to 3.5 percent in 2008-09 and 4 percent in 2009-10.

- In 2011, the Act modified the targets as per the Thirteenth Finance Commission's recommendations. The State was required to:
 1. Revenue deficit: Eliminate revenue deficit by 2011-12 and maintain a revenue surplus thereafter
 2. Fiscal deficit: Reduce fiscal deficit to GSDP ratio to not more than 3 percent in each financial year from 2011-12 to 2014-15
 3. Total Liabilities: Ensure that total debt stock at the end of 2014-15 does not exceed 42 percent of GSDP of that year. Following the Thirteenth Finance Commission's recommendations, UP had developed a fiscal consolidation path for itself. This target was thus further modified through a second amendment in 2011. The State was required to ensure that the total debt stock is maintained at not more than 46.9 percent, 45.1 percent, 43.4 percent, and 41.9 percent of the estimated GSDP in the years 2011-12, 2012-13, 2013-14, 2014-15, respectively.

Status of Fiscal Rule in Uttar Pradesh

- In 2016, the State adopted the Fourteenth Finance Commission's recommendations. The State was required to maintain a fiscal deficit-GSDP ratio at not more than 3 percent in each financial year from 2015-16 to 2019-20.
- In addition, as per the recommendations, the State was eligible to target a maximum fiscal deficit of 3.5 percent of GSDP. Of this 0.5 percent additional fiscal space, 0.25 percent weight, each, was based on the following: (i) if the total debt liabilities to GSDP ratio of the State were 25 percent or less in the preceding year, and (ii) if the State's interest payments were less than or equal to 10 percent of revenue receipts, respectively, in the preceding year. This provision could have been availed only if there was no revenue deficit observed in the year in which the additional borrowing would be availed as well as in its preceding year. Furthermore, the two criteria could be applied individually or simultaneously for additional fiscal space. If the State had not exhausted the borrowing ceiling of 3 percent of GSDP in a particular year, it could have availed the unutilized borrowing amount (in rupees) in the succeeding year.
- The target for total liabilities was also modified such that the State maintained a total debt stock of not more than 31 percent, 31 percent, 30.5 percent, 30.5 percent and 30 percent of the estimated GSDP at the end of 2015-16, 2016-17, 2017-18, 2018-19, and 2019-20, respectively.
- Additionally, the following was introduced: "at least 70 percent of budget provision for capital works for the ongoing capital works and not more than 30 percent for the new capital works in the annual budget provision of various departments"

Status of Fiscal Rule in Uttar Pradesh

- The Government of India allowed the State of Uttar Pradesh an additional borrowing of Rs. 10,570 crore in the year 2019-20 as a one time special dispensation in view of reduction in States' resources due to fall in States' share in Central taxes. This was incorporated in the UPFRBM Act in 2020. Consequently, the fiscal deficit to GSDP ratio limit of 3 percent was enhanced by an additional borrowing of Rs. 10,570 crore for 2019-20. The limit for total debt stock was enhanced by Rs. 10,570 crore, over and above 30 percent of the estimated GSDP for 2019-20 as well.
- Through a second amendment in 2020, the fiscal deficit to GSDP ratio target was enhanced by additional 2 percent over and above the 3 percent target for 2020-21 to raise additional resources due to the adverse effects of the COVID-19 pandemic on the resources of the State. Additionally, in 2021, the fiscal deficit target for 2021-22 was enhanced to 4 percent, subject to attaining certain reforms suggested by the Union Government.
- Further, as per the State Finances Audit report for the year 2021-22 by the CAG for the State of Uttar Pradesh mentioned that the State Government informed (February 2023) that the action on fixing the targets for debt stock to GSDP would be taken after receiving the directions of Government of India on the recommendations of Fifteenth Finance Commission regarding fiscal road map of the States. However, the ratio of total outstanding debt to GSDP (32.14 per cent) was within the limit (40 per cent of GSDP) recommended by 15th Finance Commission as indicative debt path for the year 2021-22.

State Finances Audit Report of the Comptroller and Auditor General of India (CAG) for Uttar Pradesh

Table 1.4: Compliance with provisions of UPFRBM 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)	Reduce Revenue Deficit to Nil by year ending on 31 March 2009	12,552	28,250	67,560	(-) 2,367	33,430
		✓	✓	✓	✗	✓
Fiscal Deficit (-)/ Surplus (+) (as percentage of GSDP)	Not more than three per cent of estimated GSDP up to 2019-20, five per cent for 2020-21 and four per cent for 2021-22	(-) 27,810 (1.93)	(-) 35,203 (2.22)	11,083 (0.65)	(-) 54,622 (3.31)	(-)39,286 (2.11)
		✓	✓	✓	✓	✓
Ratio of total outstanding debt to GSDP (in per cent)	Not more than 30.50 per cent during 2017-18 and 2018-19 and 30.00 per cent during 2019-20.	32.49	32.75	29.55	33.91*	32.14*
		✗	✗	✓	Targets of debt stock to GSDP under FRBM Act was not fixed for the year 2020-21 and 2021-22.	

Source: Budget documents of the State Government, UPFRBM Act, 2004 as amended from time to time and Finance Accounts of the respective years

**Back-to-back loans of ₹6,007 crore during 2020-21 and ₹8,139.94 crore during 2021-22 received from GoI in lieu of GST compensation shortfall have been excluded for computing the ratio of outstanding debt to GSDP. As per GoI clarification⁶, these loans would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc.*

- During the period 2017-18 to 2021-22, Uttar Pradesh recorded a revenue surplus in all years except in 2020-21.
- The State was successful in containing its fiscal deficit to GSDP ratio within the limits stipulated in the State's FRBM Act in this period.
- However, the State contained its total outstanding liabilities to GSDP ratio within the given limits only in 2019-20. Targets for debt stock to GSDP was not fixed in the FRBM Act for 2020-21 and 2021-22.

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

Status of Fiscal Rule in Uttar Pradesh

- **Revenue deficit** in 2023-24 is estimated to be 2.8 percent of GSDP. In 2022-23, the State is expected to observe a revenue deficit 2.6 percent of GSDP, higher than the budget estimate of 2.1 percent of GSDP
- **Fiscal deficit** in 2023-24 is targeted at 3.5 percent of GSDP. In 2022-23, as per the revised estimates, fiscal deficit is expected to be 4 percent of GSDP, unchanged from the budget estimate
- **Outstanding debt** of Uttar Pradesh at the end of March 2024 is estimated to be 32.1 percent of GSDP. This is lower than the revised estimate of 34.2 percent of GSDP for 2022-23
- As of March 31, 2022, the State's outstanding guarantee is estimated to be Rs. 171,705 crore, which is 8.4 percent of Uttar Pradesh's GSDP in 2021-22

Table 5A: Fiscal Parameters set in the UPFRBM Act in various years

Fiscal Parameters	Fiscal Parameters set in the Act			
	2004	2010	2011	2016
Revenue Deficit (Rs crore)	Eliminate revenue deficit in a period of five financial years from 2004-05 to 2008-09 and reduce revenue deficit as a percentage of GSDP in each financial year to achieve this	Eliminate revenue deficit and reduce revenue deficit as a percentage of GSDP in each financial year to achieve this	Eliminate revenue deficit by 2011-12 and maintain a revenue surplus thereafter	Reduce the ratio of revenue deficit to total revenue receipt beginning from the initial financial year 2002-03 with a medium term goal of below 5 percent to be attained by 31 st March 2011 and eliminate revenue deficit by 2011-12
Fiscal Deficit (as percentage of GSDP)	Reduce fiscal deficit as a percentage of GSDP to not more than 3 percent from 2004-05 to 2008-09 and reduce this ratio in each financial year to achieve this	Due to the slowdown in economy, the Union Government had allowed States to raise their fiscal deficit to GSDP ratio targets to 3.5 percent in 2008-09 and 4 percent in 2009-10	Reduce fiscal deficit to GSDP ratio to not more than 3 percent in each financial year from 2011-12 to 2014-15	<i>Inter alia:</i> The State was eligible to target a maximum fiscal deficit of 3.5 percent of GSDP
Total Outstanding Debt (as percentage of GSDP)	Ensure within a period of fourteen financial years from 1 st April, 2004 to 31 st March 2018 that total liabilities do not exceed 25 percent of GSDP for that year	No change	Maintain total debt stock at not more than 46.9 percent, 45.1 percent, 43.4 percent, and 41.9 percent of the estimated GSDP in the years 2011-12, 2012-13, 2013-14, 2014-15, respectively	Maintain a total debt stock of not more than 31 percent, 31 percent, 30.5 percent, 30.5 percent and 30 percent of the estimated GSDP at the end of 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 respectively
Outstanding Guarantees	Not to give guarantee for any amount exceeding the time stipulated under any rule or law of the State Government existing at the time of the coming into force of this Act or any rule or law to be made by the State Government subsequent to coming into force of this Act	No change	No change	No change

Table 5B: Fiscal Parameters set in the UPFRBM Act in various years

Fiscal Parameters	Fiscal Parameters set in the Act	
	2020	2021
Revenue Deficit (Rs crore)	No change	Reduce revenue deficit to revenue receipts ratio to not more than 5 percent by 31st March 2016 and eliminate revenue deficit by 2016-2017
Fiscal Deficit (as percentage of GSDP)	The fiscal deficit to GSDP ratio limit of 3 percent was enhanced by an additional borrowing of Rs. 10,570 crore for 2019-20 Fiscal deficit to GSDP ratio target was enhanced by additional 2 percent over and above the 3 percent target for 2020-21	The fiscal deficit target for 2021-22 was enhanced to 4 percent, subject to attaining certain reforms suggested by the Union Government
Total Outstanding Debt (as percentage of GSDP)	Total debt stock was enhanced by Rs. 10,570 crore, over and above 30 percent of the estimated GSDP for 2019-20 as well	No set target, however, the ratio of total outstanding debt to GSDP (32.14 per cent) was within the limit (40 per cent of GSDP) recommended by XV Finance Commission as indicative debt path for the year 2021-22.
Outstanding Guarantees	No change	No change

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

Recommendations by the Comptroller and Auditor General of India (CAG)

- The CAG has made the following recommendations:
 - The State Government should ensure that annual contribution to the Consolidated Sinking Fund is at least 0.50 per cent of the outstanding liabilities at the end of the previous year as provided under the Consolidated Sinking Fund Scheme so that adequate balance would be available in the Fund for its further investment by the Reserve Bank of India and for future redemption of outstanding liabilities.
 - The State Government should transfer the full amount charged on works for Depreciation Reserve Fund (SDRF) to this Fund. Further, State Government should immediately regularise the negative balance under Depreciation Reserve Fund.
 - The State Government should invest the balances under SDRF in the manner prescribed in the SDRF guidelines and also remit the accrued interest to the Fund. ❓
 - The State Government should create the Guarantee Redemption Fund as per the recommendations of 13th Finance Commission.

8. Extra Slides on Fiscal Indicators

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

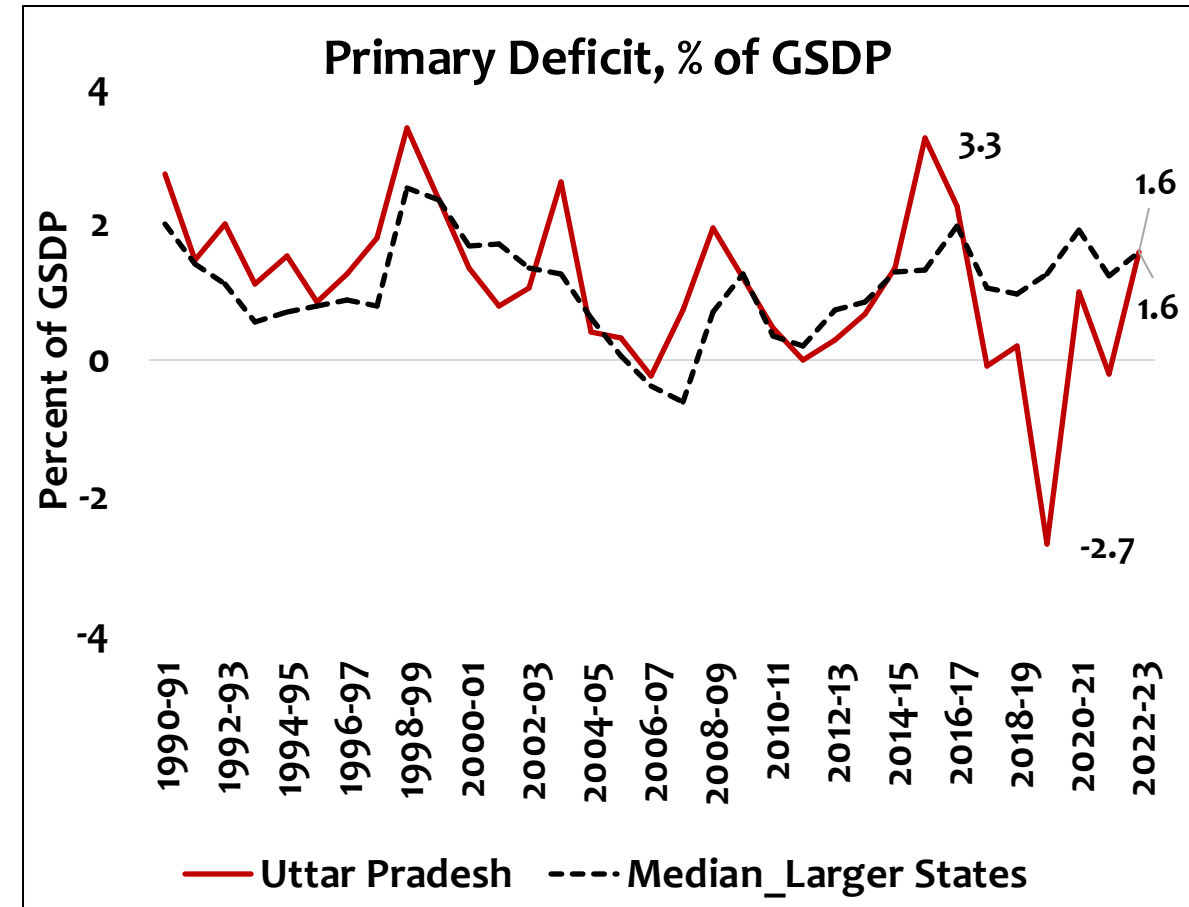
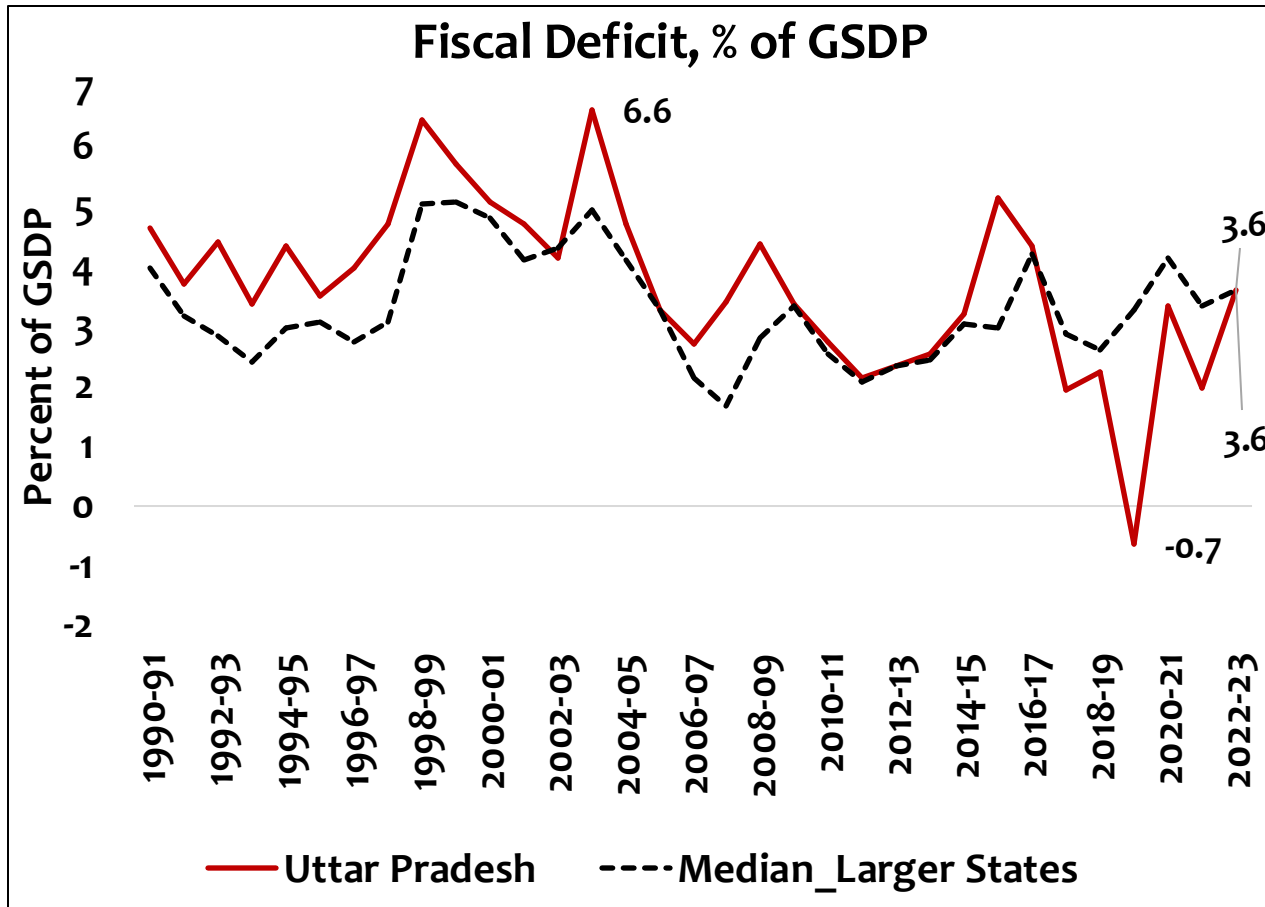
Fiscal Indicators

(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).

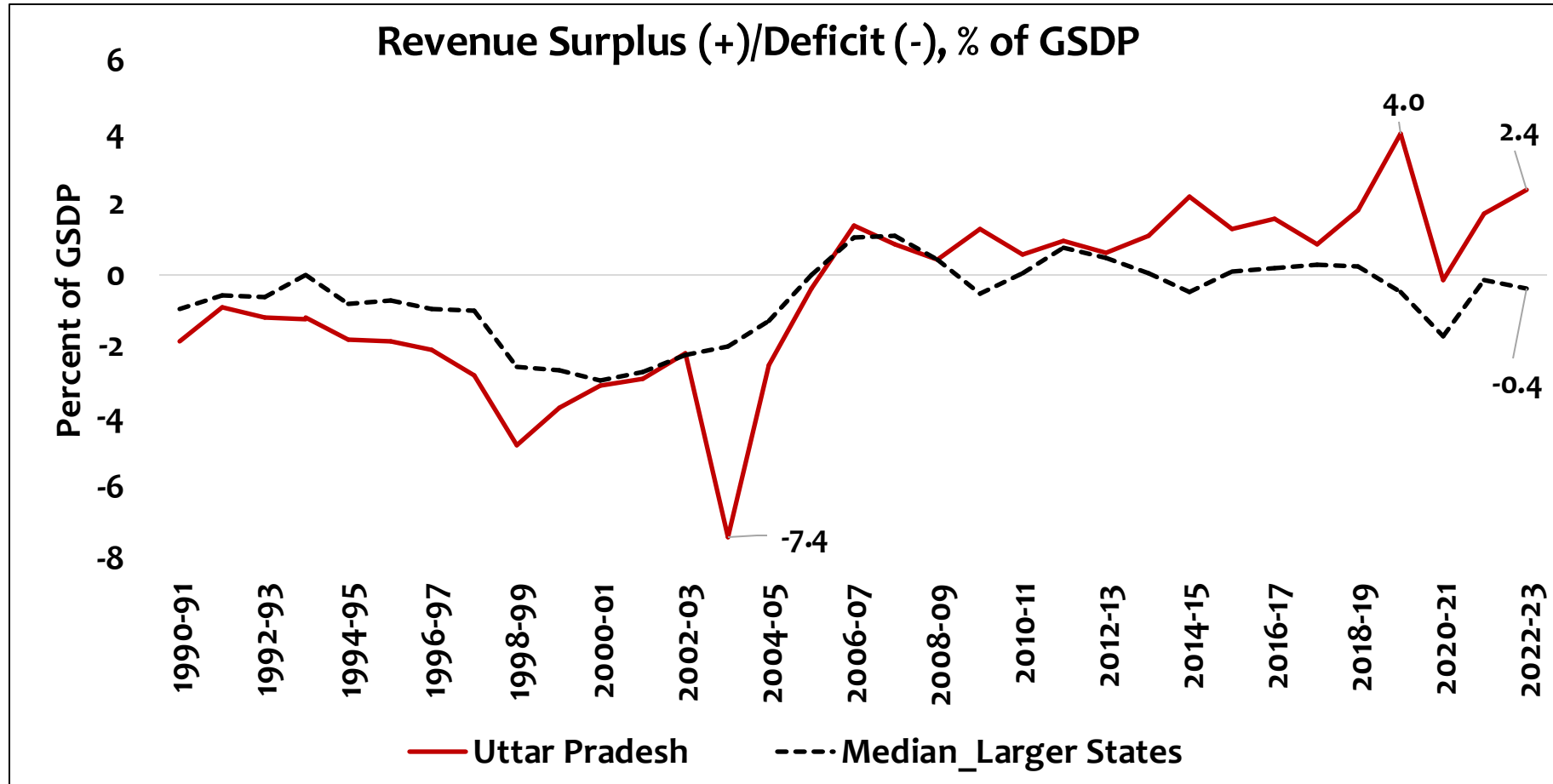
In 2022-23, Uttar Pradesh ran Fiscal and Primary Deficits of 3.6 and 1.6 percent of its GSDP respectively, both at par with a median State



Source: i. Fiscal Deficit (FD) is from RBI State Finances Report (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).

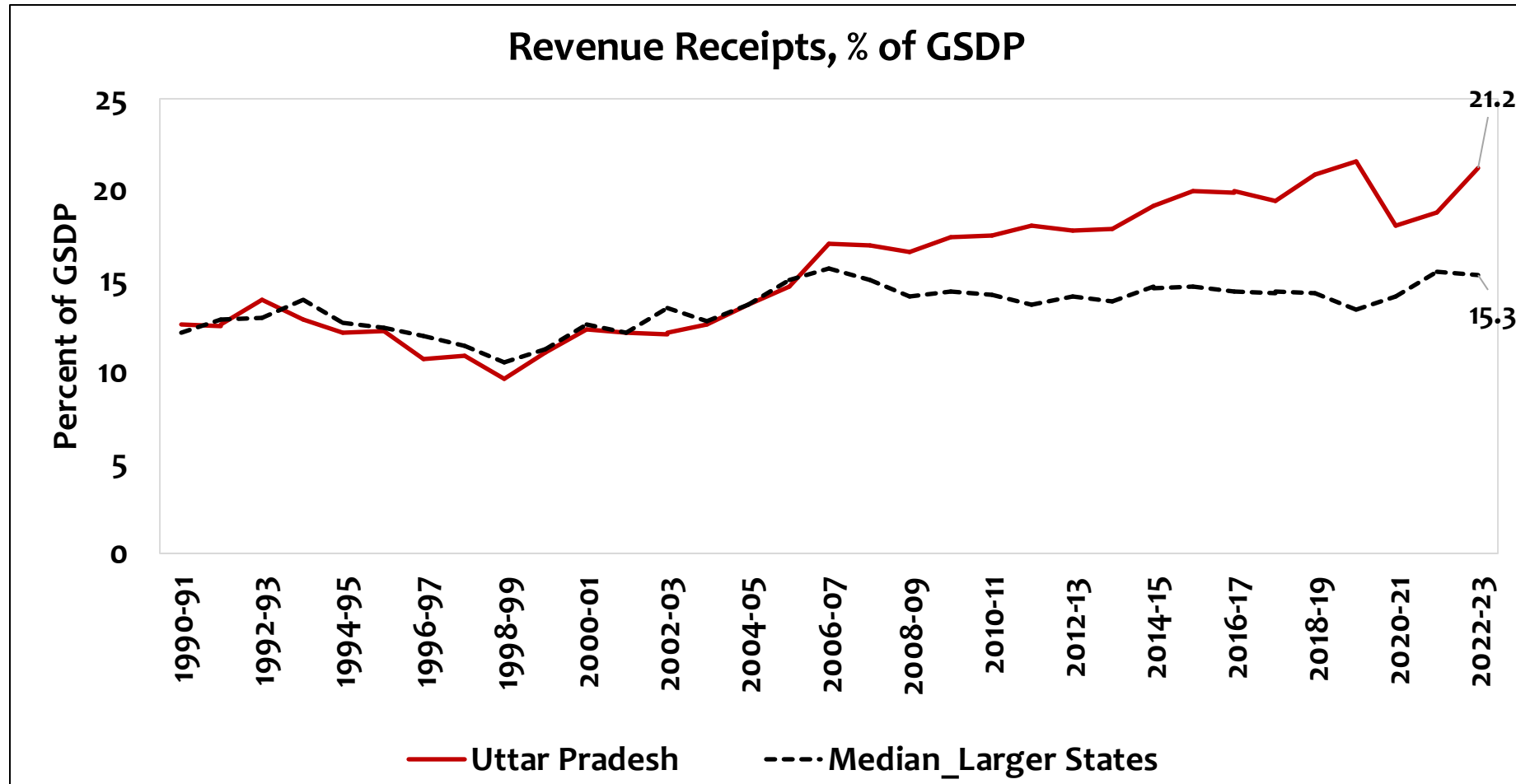
In 2022-23, Uttar Pradesh ran a Revenue Surplus of 2.4 percent of its GSDP, whereas a median State ran a Revenue deficit of 0.4 percent



Source: i. Revenue Deficit is 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).

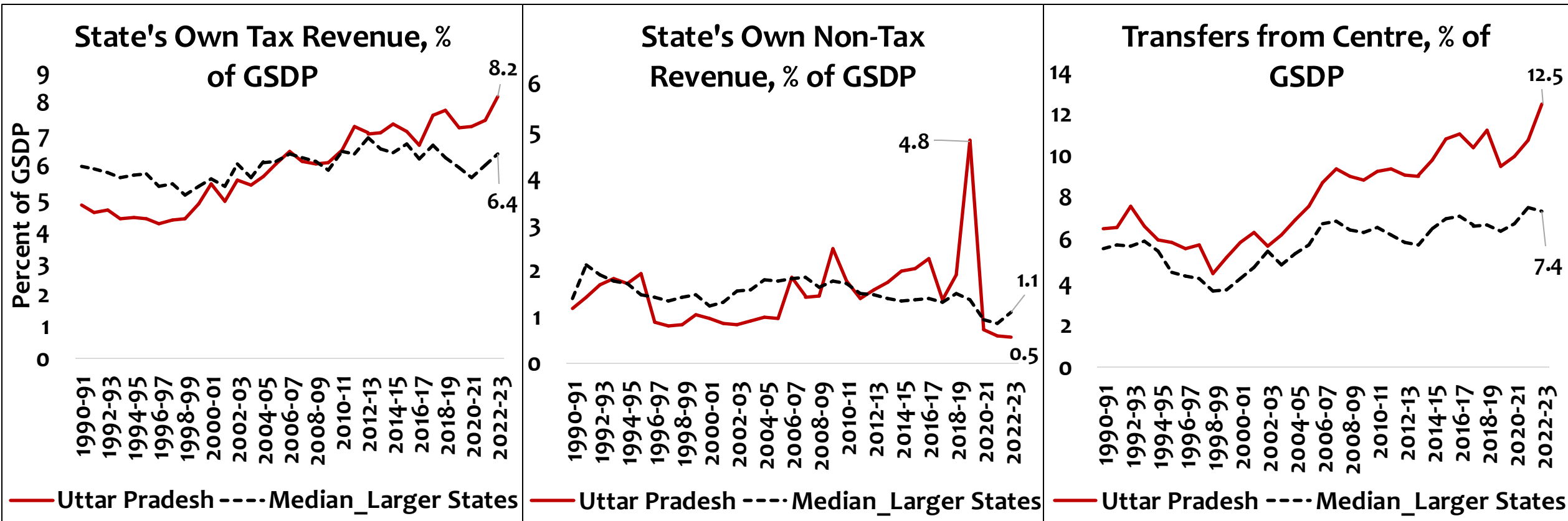
In 2022-23, Uttar Pradesh total Revenue Receipts (Own Tax, Own Non-Tax, and shared by the Centre) were nearly 6 percentage points higher than what a median State collected, at about 21.2 percent of its GSDP



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

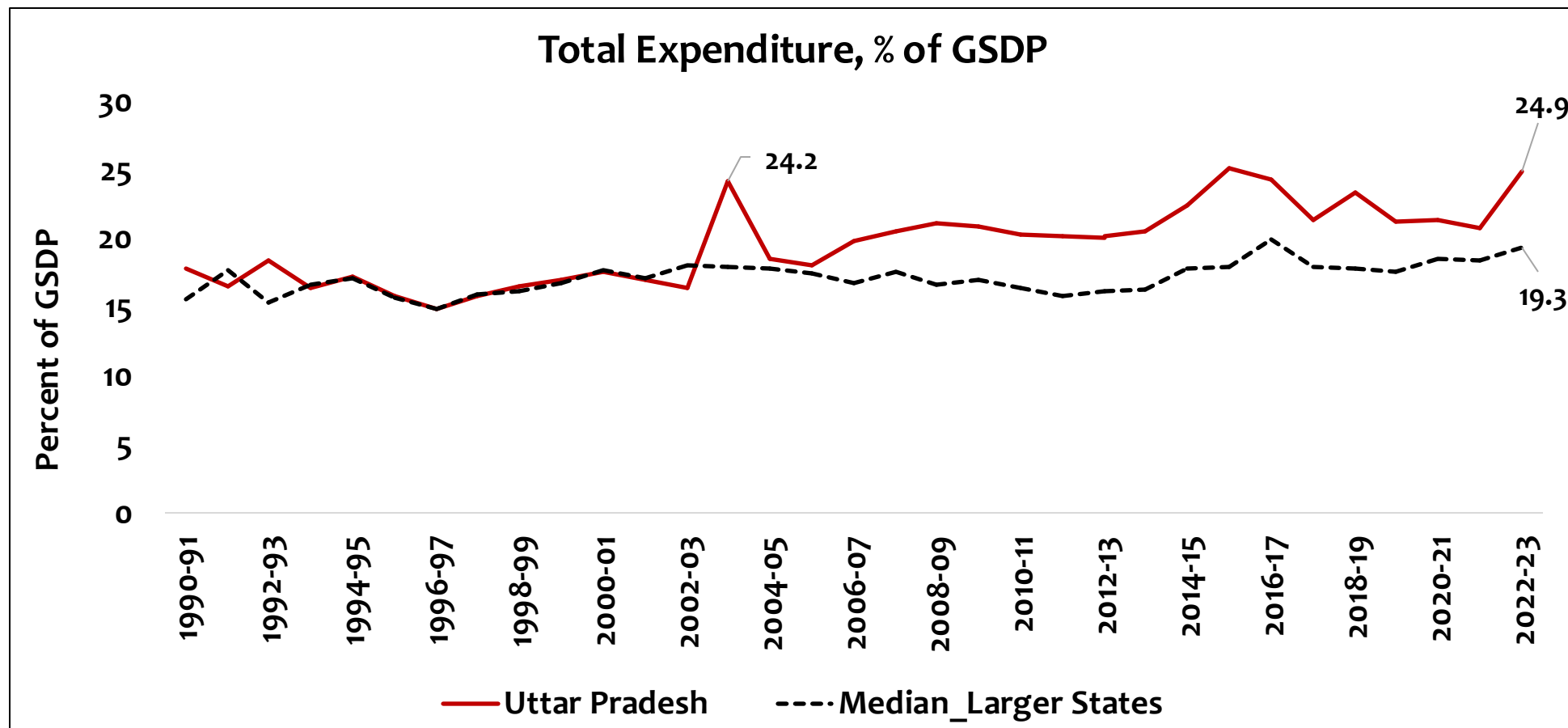
Note: The variable as a percent of GSDP has been calculated for each State, and its median across 22 States has been shown (all Union Territories and North Eastern States, except Assam, are excluded).

Uttar Pradesh's Own Tax Revenue, Own Non-Tax Revenue, and Transfers from the Centre were 8.2, 0.5, and 12.5 percent of its GSDP respectively. State's Own Tax Revenue and Transfers from the Centre were higher by 1.8 and 5.1 percentage points, respectively, compared to the median State



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; iii. The spike in the Own Non-Tax Revenue in 2019-20 is explained by [higher receipts from their Sinking Fund](#). The CAG (2020) has flagged this practice to be inconsistent with standard accounting procedure, and noted that this leads to overestimation of revenue surplus.

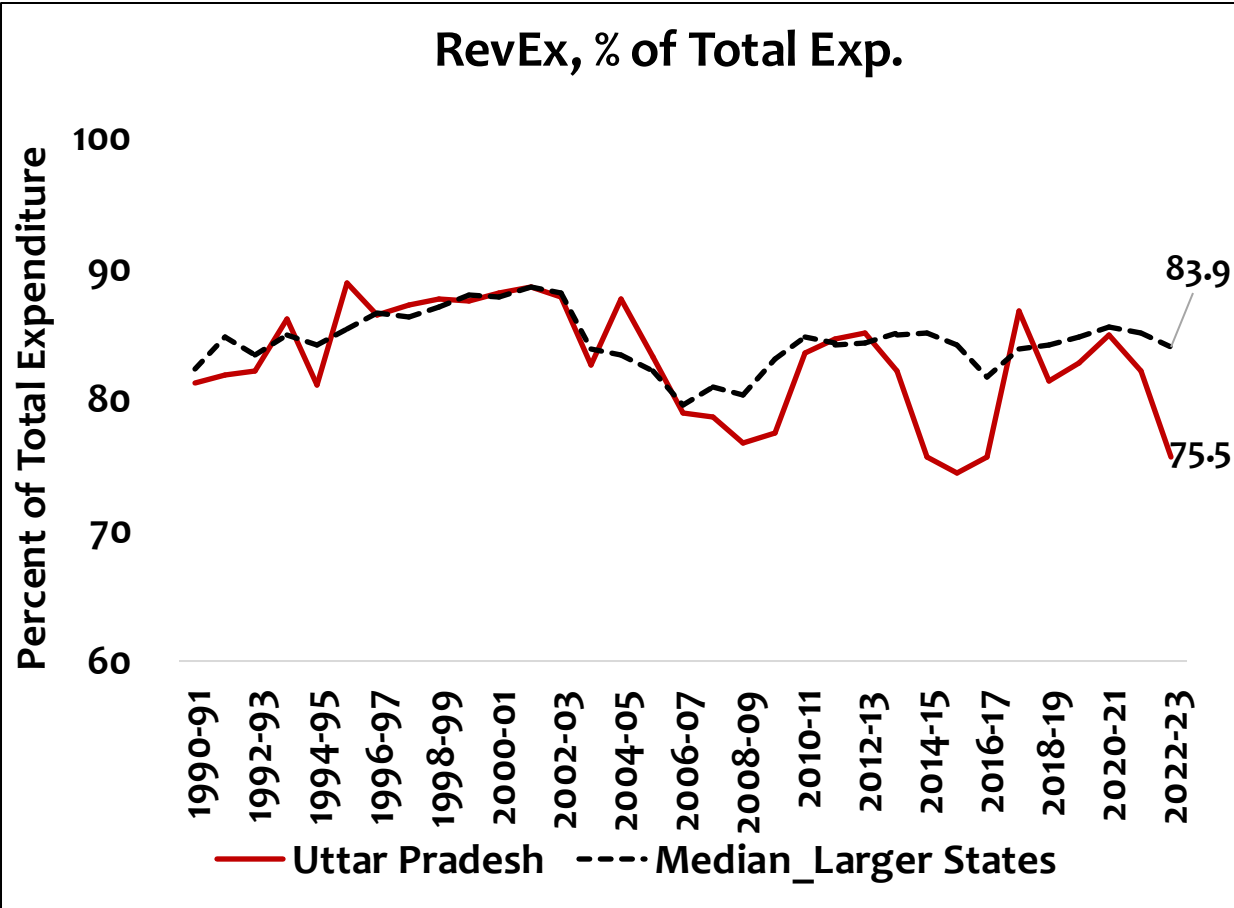
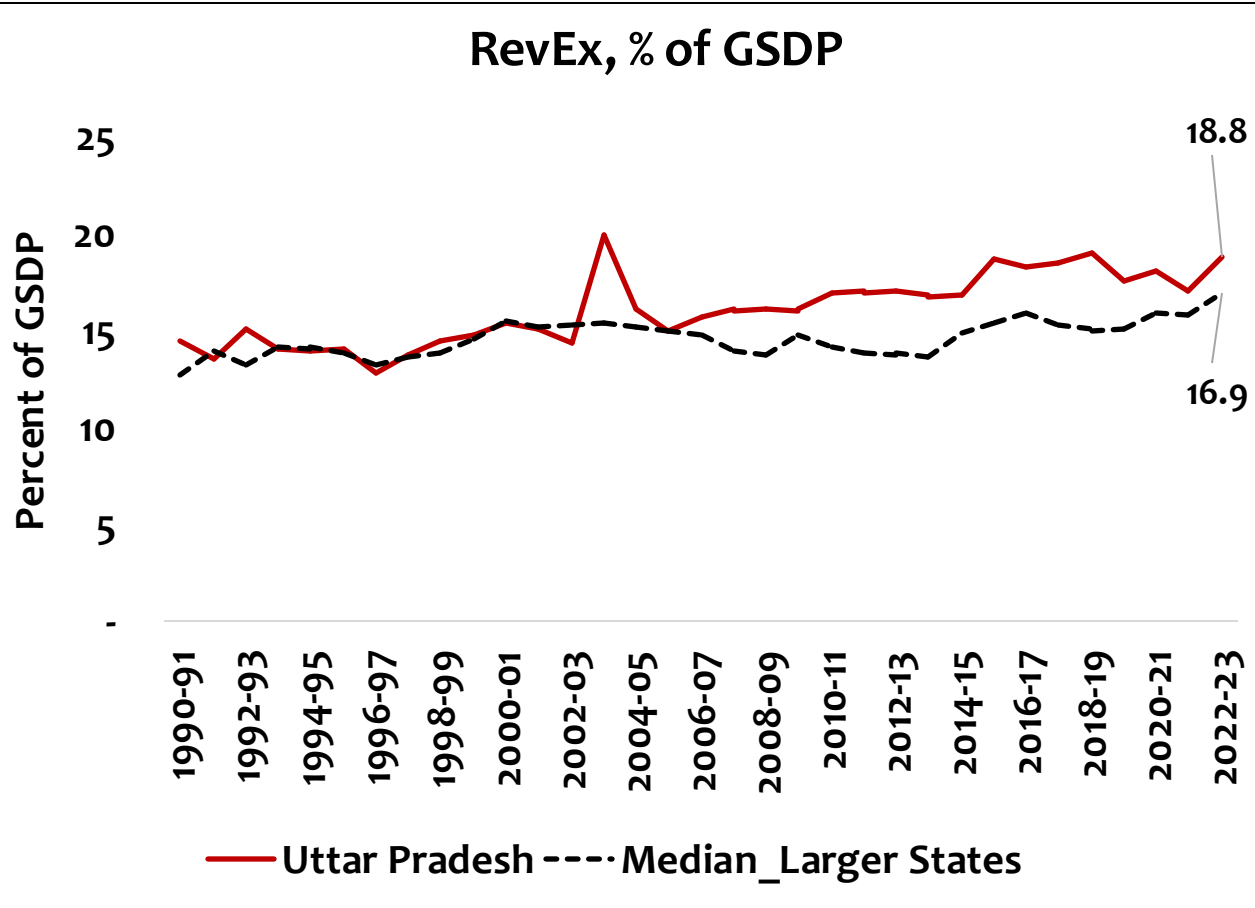
Uttar Pradesh's Expenditure at 24.9 percent of its GSDP was about 5.6 percentage point higher than that of a median State as of 2022-23



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 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 sharp increase in the total expenditure in 2003-04 resulted partially from an [rise in the interest payments and pension payments](#), adding to the effects of the Uttar Pradesh Reorganisation Act, 2000.

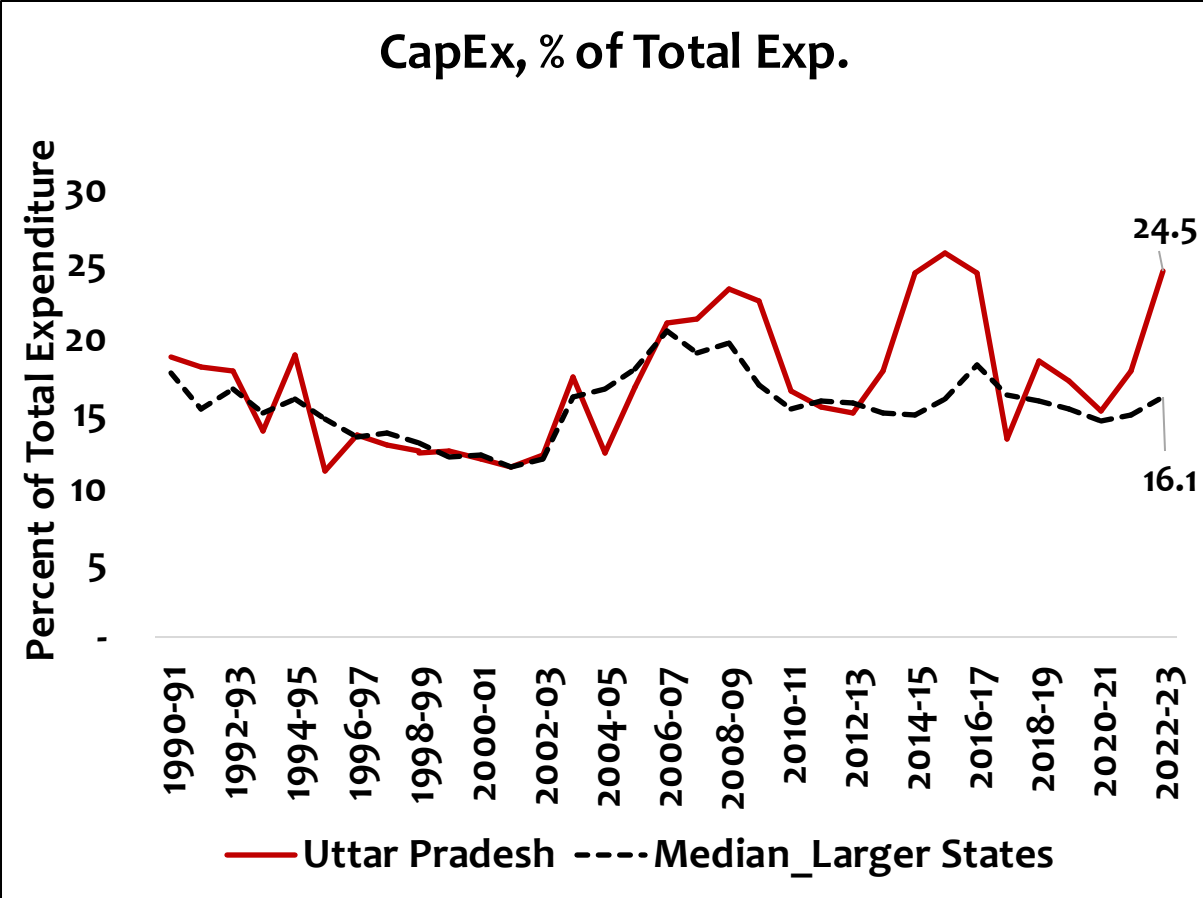
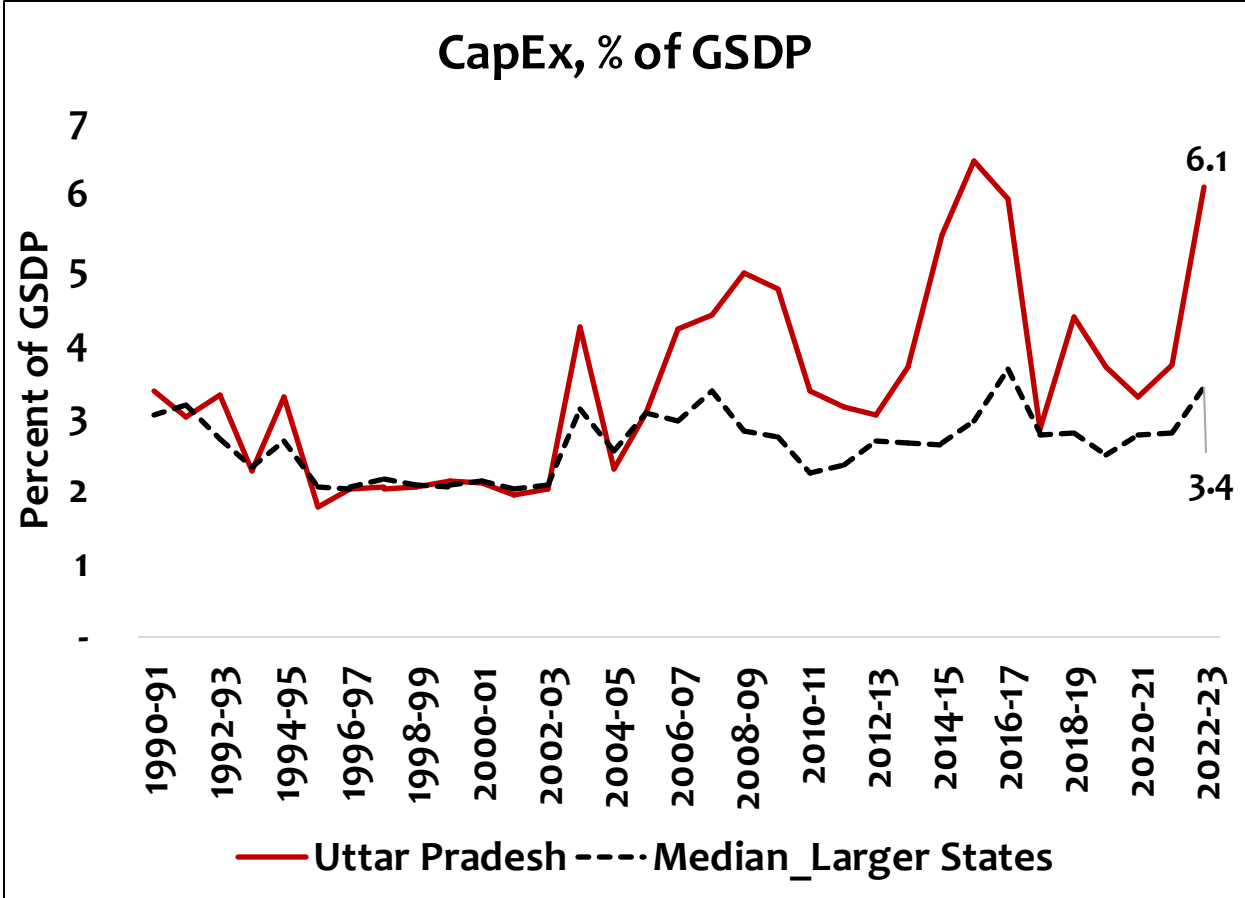
Uttar Pradesh's Revenue Expenditure at 18.8 percent of its GSDP was nearly 2 percentage points higher than that of a median State, while as a percentage of Total Expenditure it was 8.4 percentage points lower than that of a median State, as of 2022-23



Source: i. Revenue Expenditure 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).

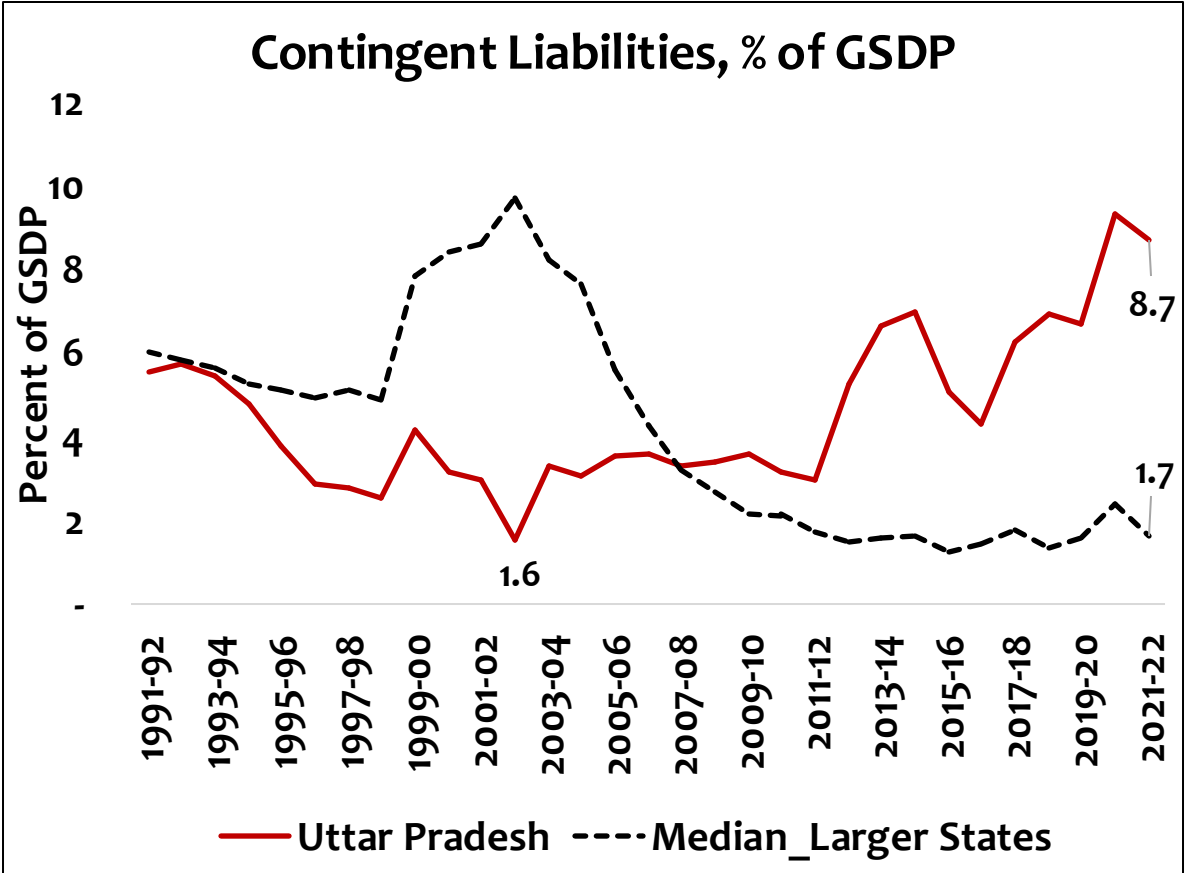
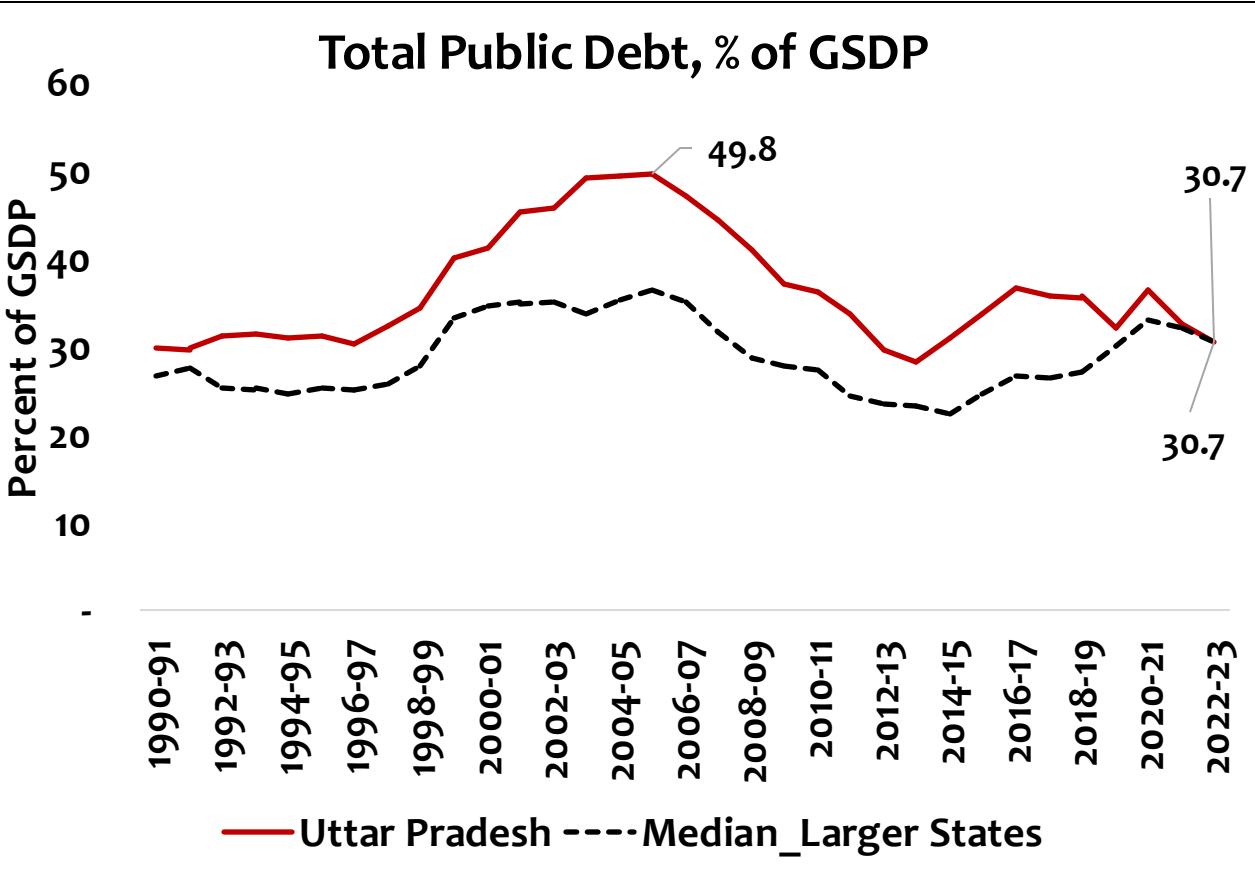
In 2022-23, Uttar Pradesh's CapEx, at 6.1 percent of its GSDP, was about 2.7 percentage points higher than the median State's CapEx. As a percentage of Total Expenditure, Uttar Pradesh's CapEx was 8.4 percentage points higher than that of the median State in 2022-23



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).

Uttar Pradesh has seen a consistent decline in its Public Debt since 2006, and as of 2022-23, it stood at 30.7 percent of its GSDP, at par with the median State. Its Contingent Liabilities as of 2021-22 were 8.7 percent of its GSDP, about 7 percentage points higher than that of a median State



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: 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).

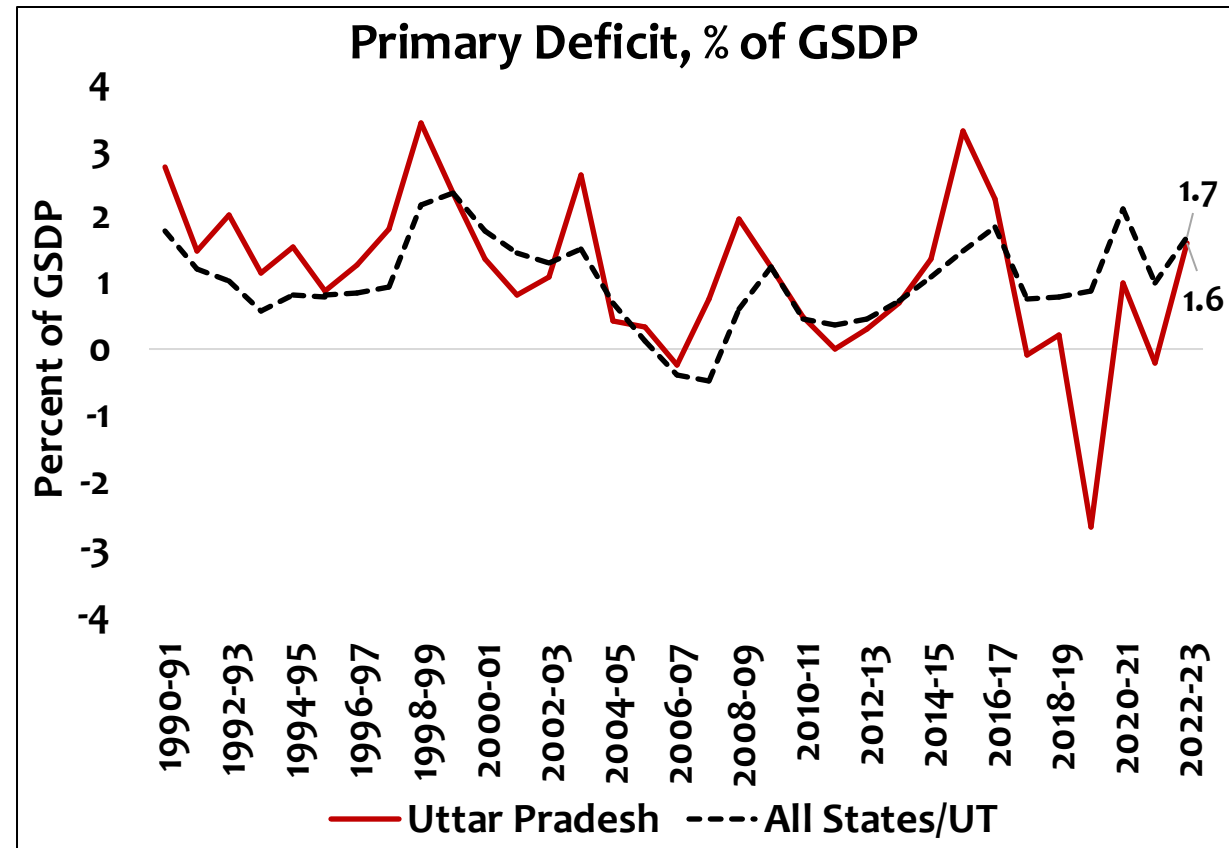
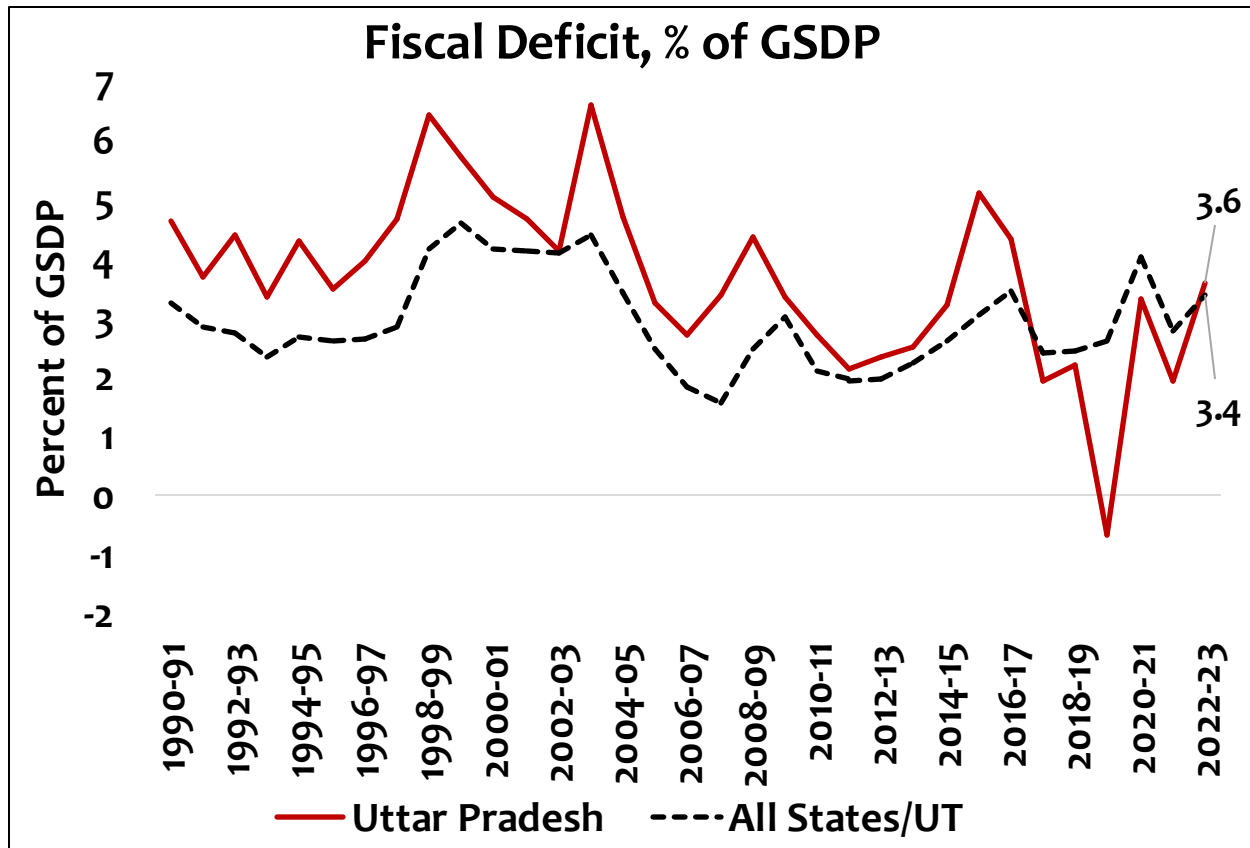
Fiscal Indicators

(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.

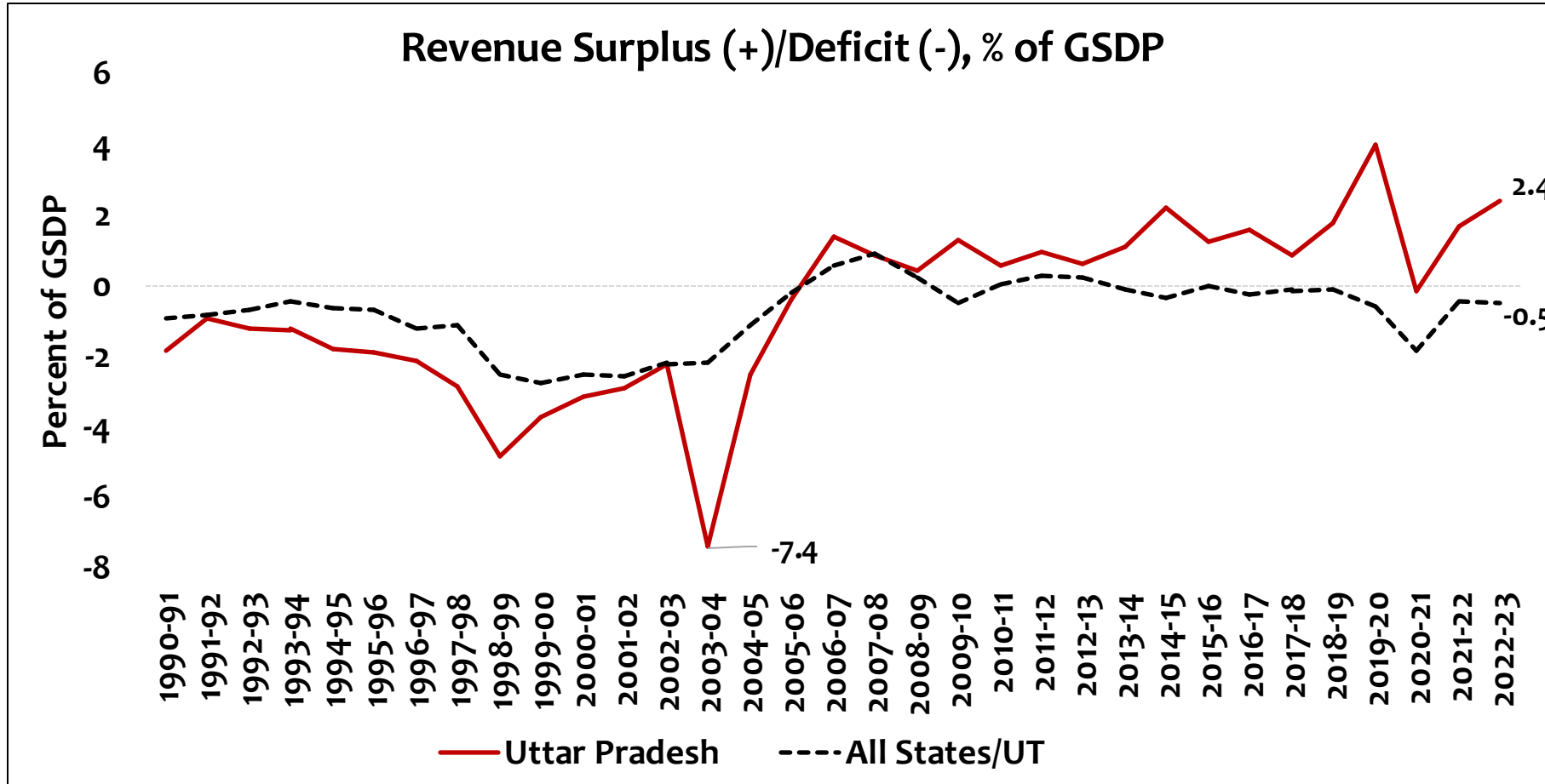
In 2022-23, Uttar Pradesh ran a Fiscal Deficit of 3.6 percent of its GSDP which was higher than that of an average State and a primary deficit of 1.6 percent of its GSDP which was lower than that of an average State



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).

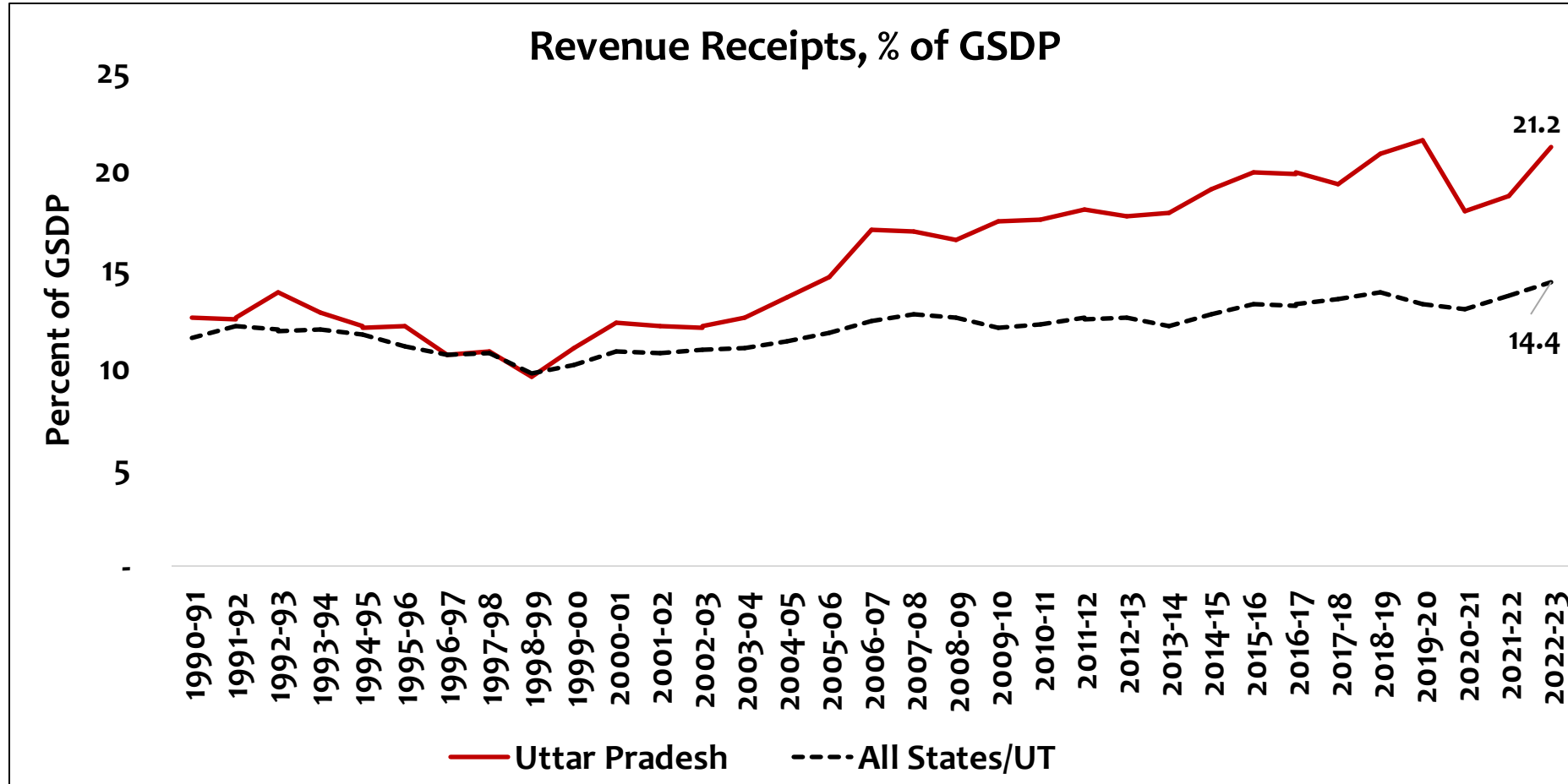
Note: ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product.

Uttar Pradesh ran a Revenue Surplus 2.4 percent of its GSDP in 2022-23, while an average State ran a Revenue Deficit of 0.5 percent of the GSDP in the same year



Source: i. Revenue Deficit from RBI SFR (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.

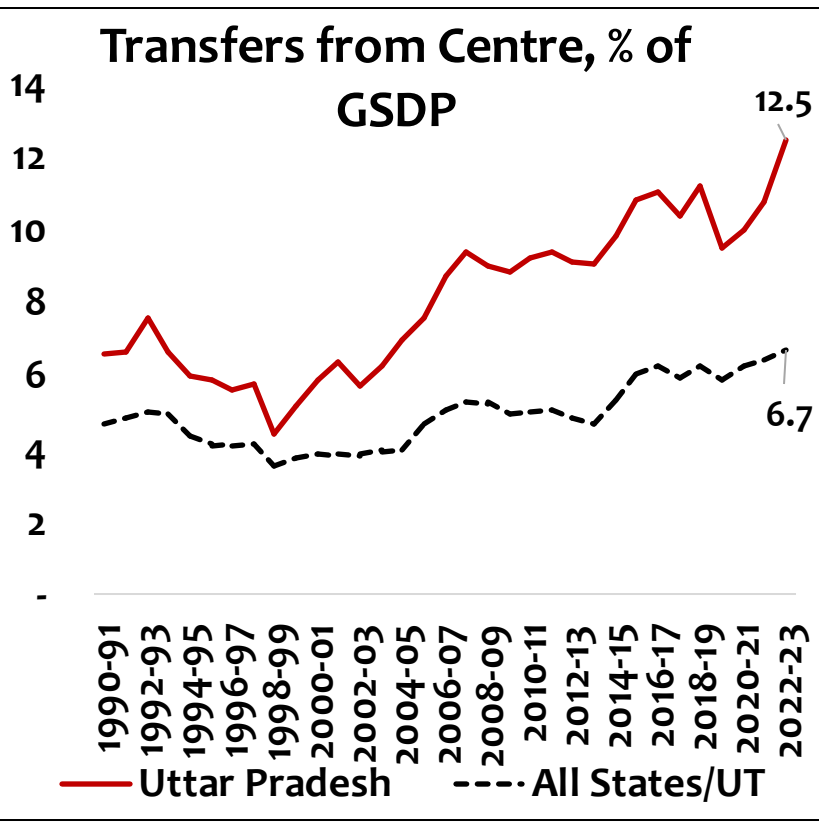
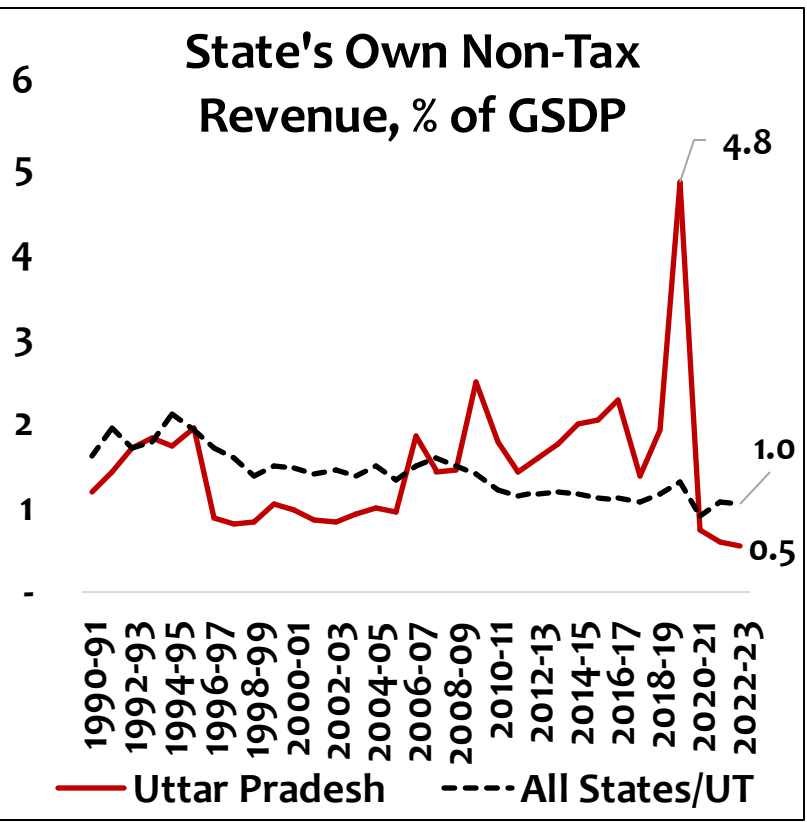
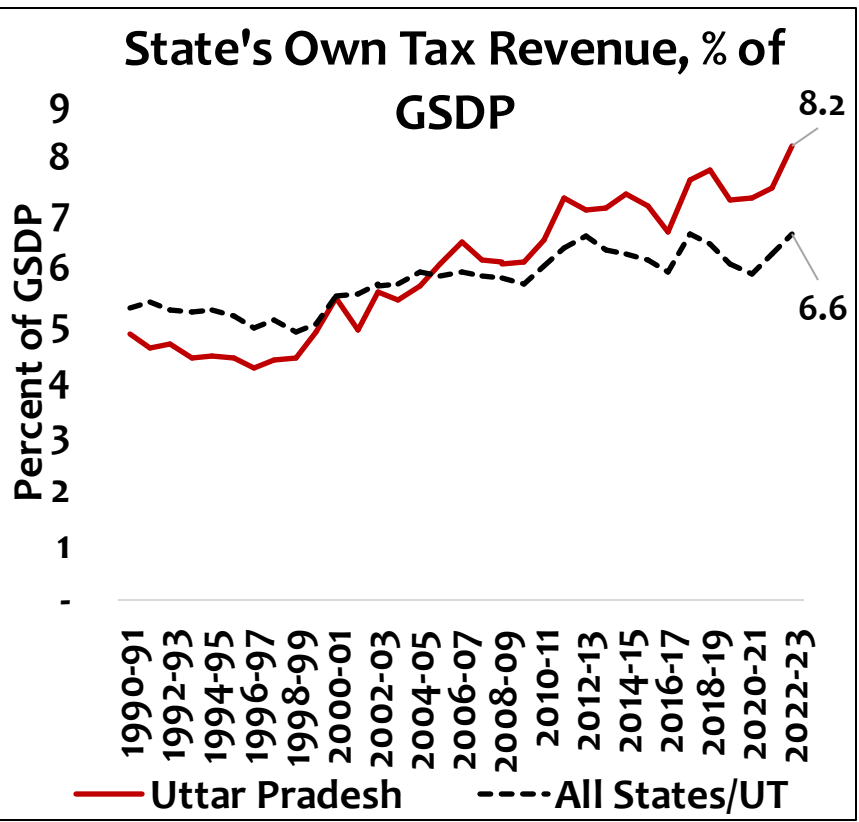
In 2022-23, Uttar Pradesh's Total Revenue Receipts (Own Tax, Own Non-Tax, and shared by the Centre) were about 7 percentage points higher than what an average State collected, at about 21.2 percent of its GSDP



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.

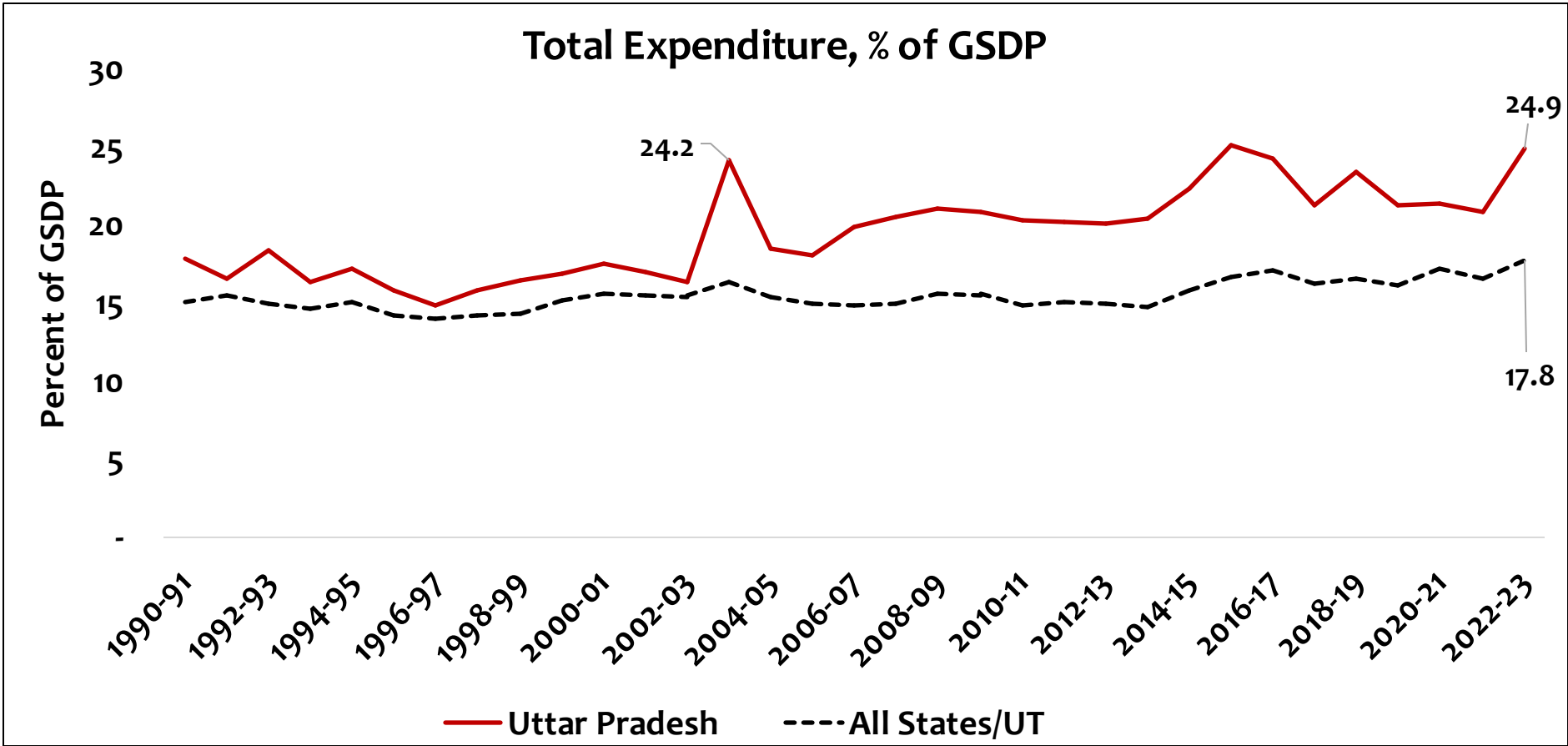
Uttar Pradesh's Own Tax Revenue, Own Non-Tax Revenue, and Transfers from the Centre were 8.2, 0.5, and 12.5 percent of its GSDP respectively as of 2022-23. It received nearly twice as much in Transfers from Centre as an average State in 2022-23



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).

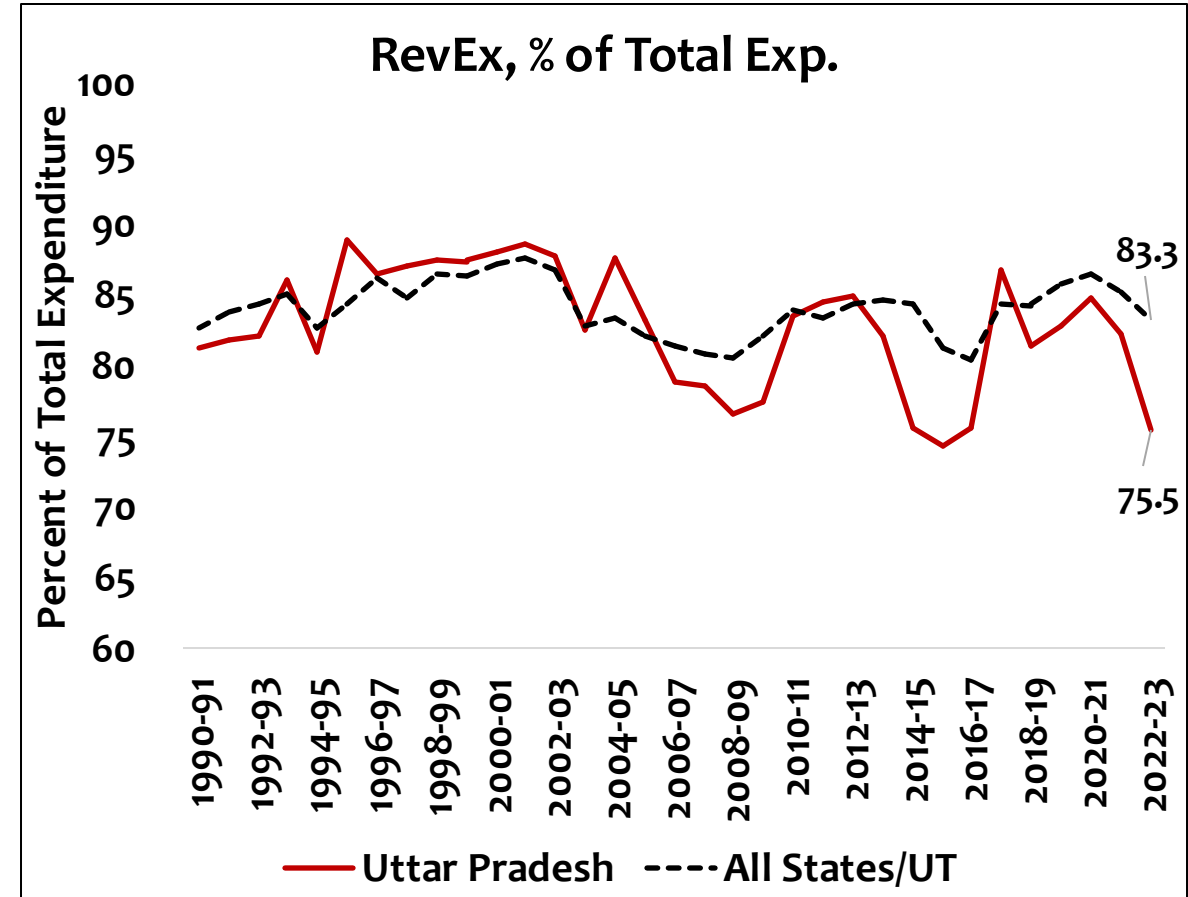
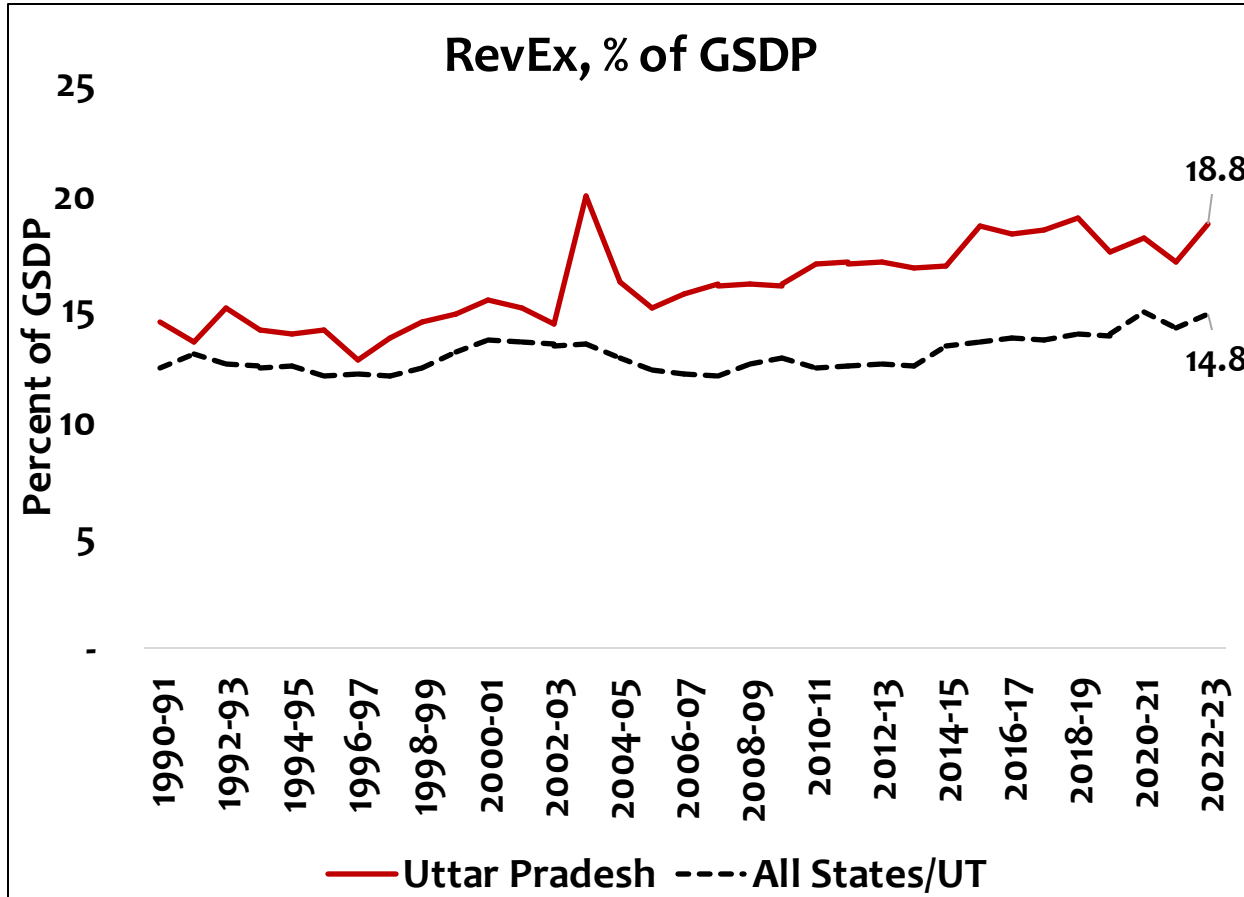
Note: i. Centre include both tax- and non-tax revenue transfers; ii. All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product; iii. Transfers from the Centre include both Tax and Non-Tax transfers; iv. The spike in the Own Non-Tax Revenue in 2019-20 is explained by [higher receipts from their Sinking Fund](#). The CAG (2020) has flagged this practice to be inconsistent with standard accounting procedure, and noted that this leads to overestimation of revenue surplus.

In 2022-23, Uttar Pradesh's Expenditure at 24.9 percent of its GSDP was about 7 percentage points higher than that of 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 sharp increase in the total expenditure in 2003-04 resulted partially from an [rise in the interest payments and pension payments](#), adding to the effects of the Uttar Pradesh Reorganisation Act, 2000.

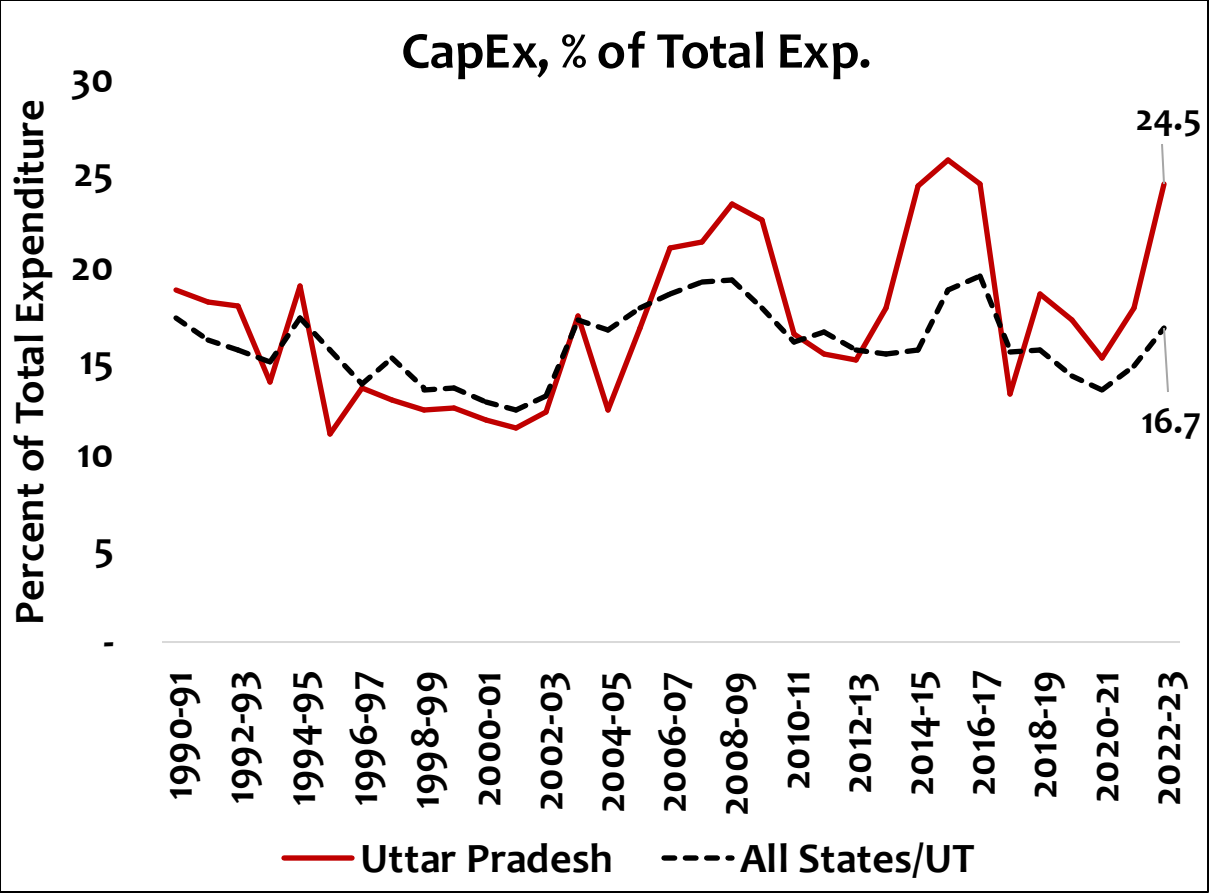
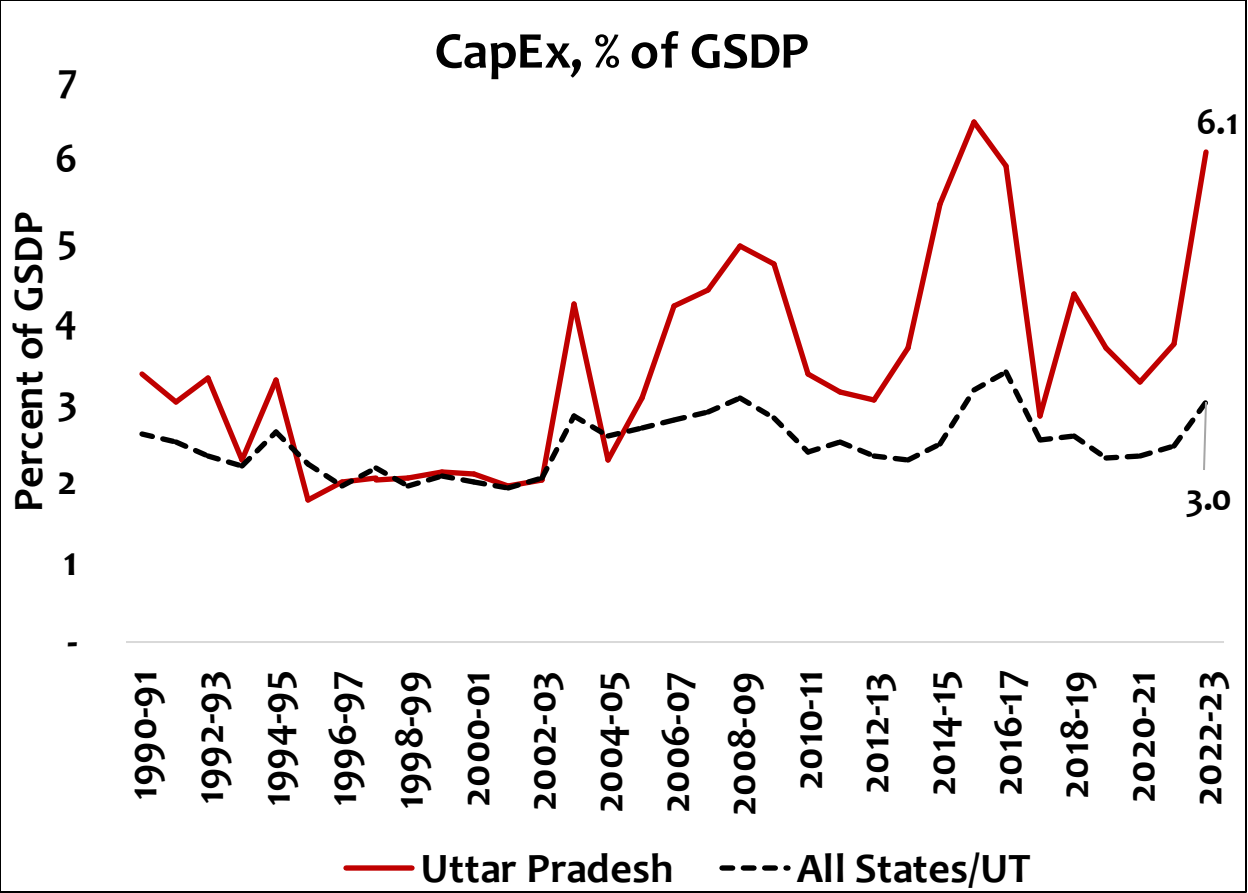
Uttar Pradesh's RevEx at 18.8 percent of its GSDP in 2022-23, was about 4 percentage points higher than that of an average State while as a percentage of Total Expenditure it was 7.8 percentage points lower than that of an average State, as of 2022-23



Source: i. Revenue Expenditure 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.

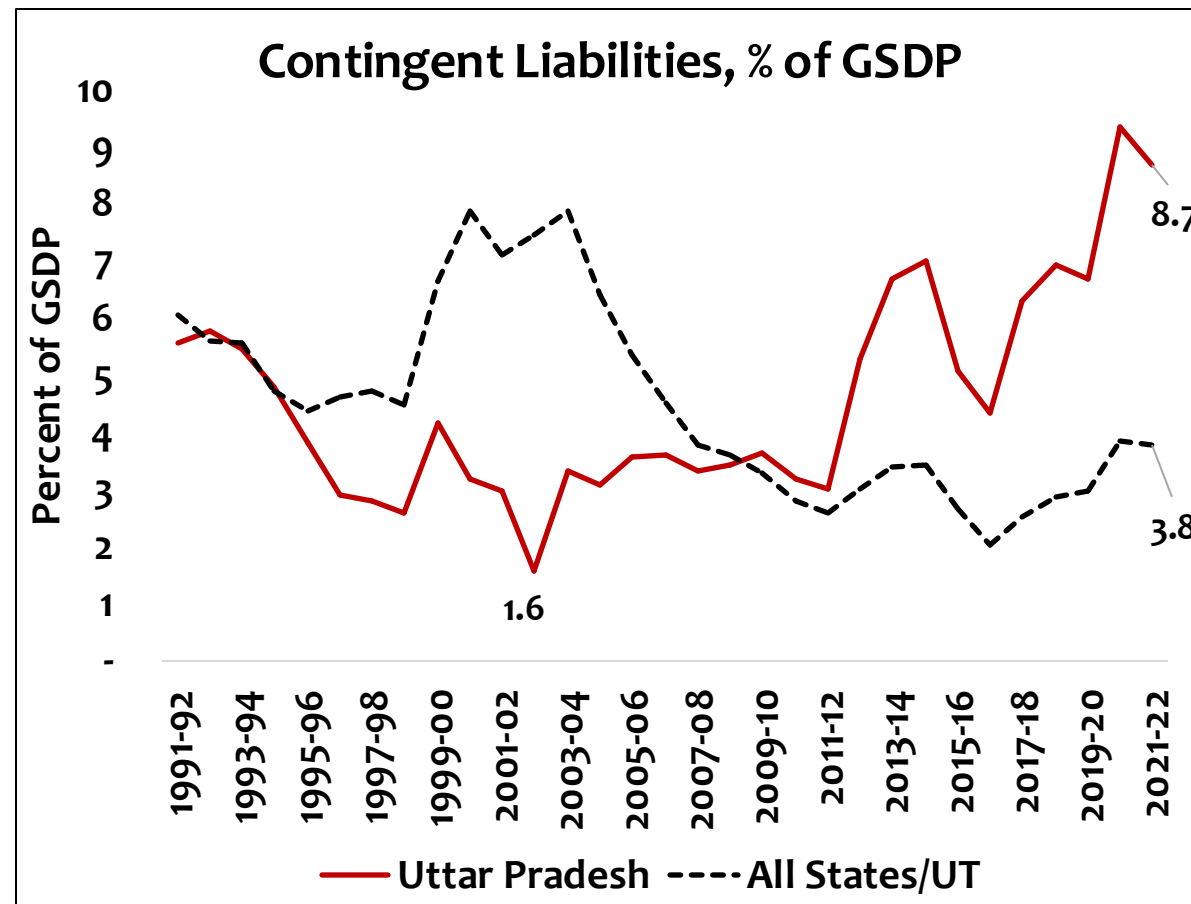
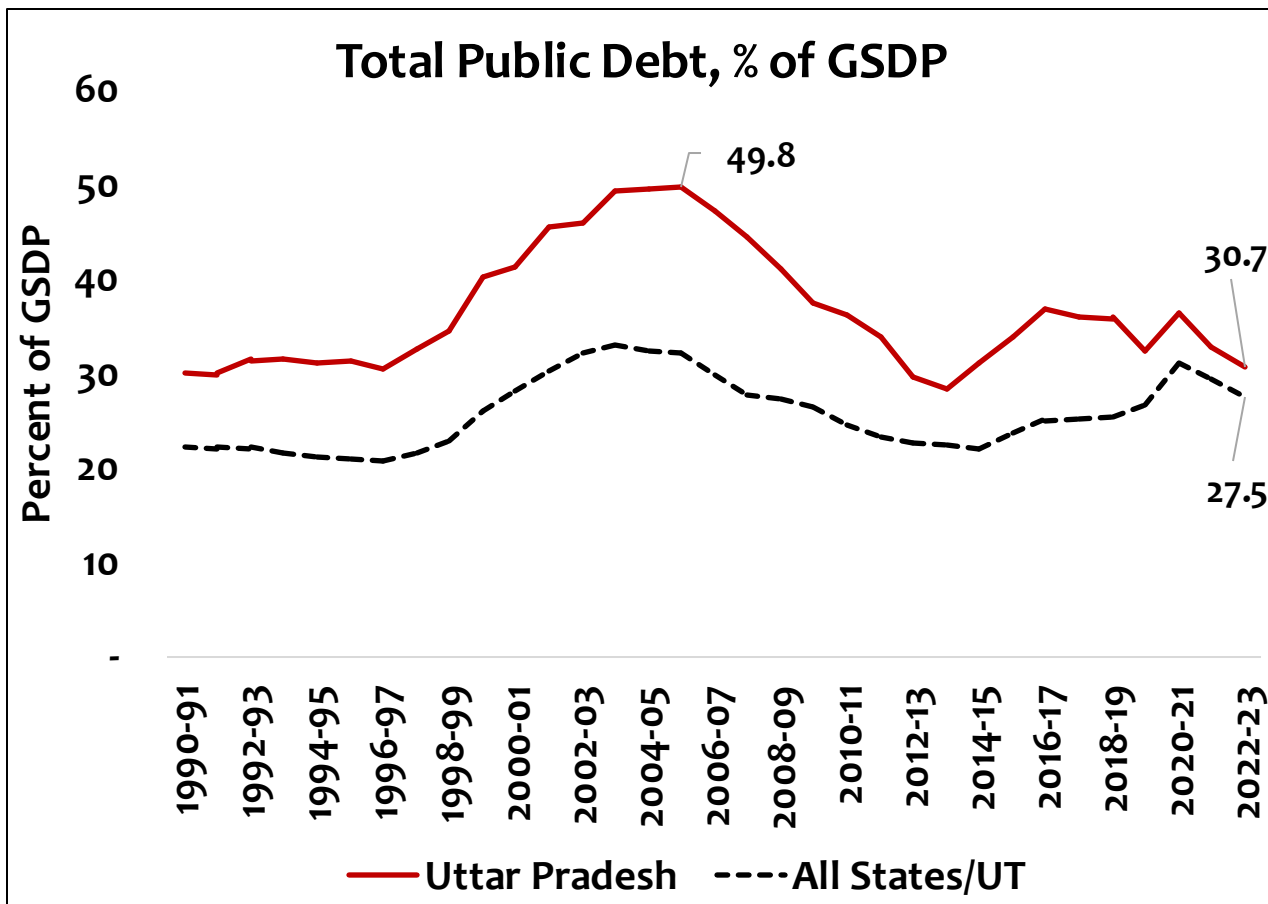
Uttar Pradesh’s CapEx at 6.1 percent of its GSDP was higher than that of an average State. CapEx contributed 24.5 percent to Total Expenditure, which was greater than what an average State spent on CapEx in 2022-23



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 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.

Uttar Pradesh has seen a consistent decline in its Public Debt since 2006, and as of 2022-23, it stood at 30.7 percent of its GSDP, at par with that of an average State. Its Contingent Liabilities were 8.7 percent of its GSDP, about 4.9 percentage points higher than that of an average State, as of 2021-22



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: All States/UTs shows the total of all States, Delhi and Puducherry as a % of national gross domestic product.

9. Annexure

Glossary of Select Terms

Variable	Section	Definition
Dependency Ratio	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).
Sex Ratio	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.
Unemployment Rate	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.
Female Labour Force Participation Rate	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.
Urbanization Rate	Demography and Employment	The urbanization rate is the annual percentage change in the proportion of the population that lives in urban areas.
SDG Index	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
MPI	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.
Inflation Rate	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
GSDP	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.
GSVA	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.
Decadal Average of Growth Rates	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.
Foreign Direct Investment (FDI)	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.
Exports	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
Pupil-Teacher Ratio	Socio-Economic Indicators (Education)	The Pupil-Teacher Ratio is the average number of students (pupils) per teacher in a school or educational institution.
Infant Mortality Rate	Socio-Economic Indicators (Health)	The probability of a child dying between birth and the first birthday, expressed per 1,000 live births.
Under-Five Mortality Rate	Socio-Economic Indicators (Health)	The probability of a child dying between birth and the fifth birthday, expressed per 1,000 live births.
Total Fertility Rate	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.
Children Fully Immunized	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.
Underweight Children	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.
Stunting among Children	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
Anaemia among Children, Anaemia among Women	Socio-Economic Indicators (Health)	Children under five years and Women aged 15-49 years with haemoglobin levels below 11 grams/decilitre are considered anaemic.
Fiscal Deficit	Fiscal Indicators	Fiscal Deficit is calculated as the difference between the total expenditure and the total revenue (excluding borrowings).
Primary Deficit	Fiscal Indicators	Primary Deficit is calculated as the difference between fiscal deficit and interest payments.
Revenue Surplus (+)/Deficit (-)	Fiscal Indicators	Revenue Surplus/Deficit is a measure of the difference between the revenue receipts and revenue expenditure.
Total Revenue Receipts	Fiscal Indicators	Total Revenue Receipts is calculated as the sum of own tax revenue, own non-tax revenue and transfers from the centre.
Own Tax Revenue	Fiscal Indicators	Own Tax Revenue is the revenue collected by the government through taxes.
Own Non Tax Revenue	Fiscal Indicators	Own Non-Tax Revenue is the revenue collected by the government from non-tax sources like various services, fees, and penalties.
Revenue Expenditure	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
Transfers from the Centre	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.
Capital Expenditure	Fiscal Indicators	Capital Expenditure refers to government spending on creating physical and financial assets or reducing its liabilities.
Total Public Debt	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.
Contingent Liabilities	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.
Off-Budget Borrowings	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.
Health Expenditure	Fiscal Indicators	Health Expenditure is calculated as the sum of Medical, Public Health, and Family Welfare expenditure.
Subsidies	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.
Buoyancy of Revenue Expenditure with GSDP	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.
Committed Expenditure	Fiscal Indicators	Committed Expenditure is calculated as the sum of Wages, Salaries, and Pensions.

List of Acronyms

- **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

List of Acronyms

- **MoSPI** Ministry of Statistical Programme and Implementation
- **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
- **UPFRBM** Uttar Pradesh Fiscal Responsibility and Budget Management Act

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