

THE COMMITTEE ON REGIONAL ACCOUNTS

FIRST REPORT



सत्यमेव जयते

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Appendix II : List of Tables on State Accounts for Maharashtra

Table 1	SDP and some related aggregates, 1969-70	...	51
Table 2	Gross state domestic product at factor cost by industry of origin, 1969-70	...	52
Table 3	Net state domestic product at factor cost by industry of origin, 1969-70	...	53
Table 5.1	Income and outlay account of state government administration, 1969-70 (at current prices)	...	54
Table 5.2	Income and outlay account of municipalities and municipal corporations, 1969-70 (at current prices)	...	55
Table 5.3	Income and outlay account of village panchayats, 1969-70 (at current prices)...		56
Table 5.4	Income and outlay account of zilla parishad administration, 1968-69 (at current prices)	...	57
Table 6.1	Production account of state government departmental enterprises, 1969-70 (at current prices),	...	58
Table 6.2	Production account of municipalities and municipal corporations' enterprises, 1969-70 (at current prices)	...	58
Table 7.1	Capital finance of state government-administration and departmental enterprises, 1969-70 (at current prices)	...	59
Table 7.2	Capital finance of municipalities and municipal corporations administration and departmental enterprises, 1969-70 (at current prices)	...	59
Table 7.3	Capital finance of village panchayats, 1969-70 (at current prices)	...	60
Table 7.4	Capital finance of zilla parishad administration and departmental undertakings, 1968-69 (at current prices)	...	60
Table 8	Production accounts of public sector state government non-departmental enterprises, 1970(at current prices)	...	61
Table 10	Net state domestic product from commodity producing sectors by areas, 1967-68 (at current prices)	...	62
Table 11	Selected components of state domestic final expenditure, 1969-70 (at current prices)	...	63
Table 12	State government final expenditure by purpose, 1969-70 (at current prices)		64
Table 13	Household final consumption expenditure by object, 1969-70 (at current prices)		65
Table 14	Distribution of households and persons by per capita monthly expenditure groups, 1969-70 (at current prices)	...	66
Table 15	Gross domestic fixed capital formation by types and by agencies, 1969-70 (at current prices)	...	67
Table 16	Price indices by industry groups (1960-61 = 100)	...	67
Table 17A	Manpower by type of economic activity, 1961	...	68
Table 17B	Manpower by type of economic activity, 1951 & 1961	...	69
Table 18	Indicators of regional development	...	70-77

LIST OF TABLES

Chapter II : Standard Tables

	Page No.
Table 1 State domestic product and some related aggregates ...	19
Table 2.1 Gross state domestic product at factor cost by industry of origin (at current prices) ...	20
Table 4.1 Share of public sector in the state domestic product (at current prices) ...	21
Table 5.1 Income and outlay account of state government administration (at current prices) ...	22
Table 5.2 Income and outlay account of municipalities and municipal corporation administration (at current prices) ...	23
Table 6.1 Production account of state government departmental enterprises (at current prices) ...	24
Table 7.1 Capital finance of state government administration and departmental enterprises (at current prices) ...	24
Table 7.2 Capital finance of municipalities and municipal corporations administration and departmental enterprises (at current prices) ...	25
Table 7.3 Capital finance account of village panchayats (at current prices) ...	26
Table 8 Production account of public sector state government non-departmental enterprises (at current prices) ...	27
Table 9 Capital finance account of public sector state government non-departmental enterprises (at current prices) ...	27
Table 10.1 Gross state domestic product by areas (at current prices)	28
Table 11 Selected components of state domestic final expenditure (at current prices) ...	28
Table 12.1 State government final expenditure by purpose (at current prices) ...	29
Table 13.1 Private final consumption expenditure by object (at current prices) ...	30
Table 14 Distribution of households and persons by per capita household expenditure groups (at current prices) ...	30
Table 15.1 Gross domestic fixed capital formation by types and by agencies (at current prices) ...	31
Table 16 Price indices by industry groups (base year=100) ...	31
Table 17 Manpower by industry groups and agencies ...	32
Table 18 Indicators of regional development (table to be prepared for each district) ...	33-34

Contents

	Page
1. Introduction	1 - 3
2. Chapter I Review, Uses and Problems	4 - 18
3. Chapter II Standard Tables for State domestic product and expenditure	19 - 35
4. Appendix I Scope of the Standard Tables	36 - 41
5. Appendix II Standard Tables on state accounts for Maharashtra	42 - 86



FIRST REPORT
OF
THE COMMITTEE ON REGIONAL ACCOUNTS
NOVEMBER 1974

INTRODUCTION

1.1 The Second Joint Meeting of the Advisory Committees on Collection of Data on National Income and on Compilation and Analysis of National Accounts held at New Delhi on 7-8 January 1971 as also the Working Group on State Income in its Fifteenth Meeting held on 28-29 January 1971 recommended that a high level committee should be set up to suggest what system of accounts should be prepared at the State level.

1.2 In pursuance of the above recommendations a Committee on Regional Accounts was appointed under Government of India Resolution No. M. 13013/1/72-NSS. I, dated the 2nd May 1972, which reads as follows :—

"The Government of India have set up a Committee for Regional Accounts with the following functions :—

- (a) to consider and advise on the levels (State, district or other regions) at which Accounts should be prepared ;
- (b) to devise a system of regional accounts and standard supporting and supplementary tables for adoption by all the States ;
- (c) to suggest measures for building up regional accounts in the country taking into consideration the availability of data and requirements of Central and State Governments ; and
- (d) to examine the concepts, definitions and classifications for preparation of regional accounts and to lay down guidelines.

The Committee will consist of the following members :—

Prof. M. Mukherjee, Director, Research & Training School, Indian Statistical Institute, 203 B.T. Road, Calcutta-35.	Chairman
Shri V.V. Divatia, Adviser (Statistics) Department of Statistics, Reserve Bank of India, Bombay.	Member
Shri M.A. Telang, Director, Bureau of Economics & Statistics, Maharashtra, Bombay,	Member

Shri K.C. Sharma,
Dy. Economic Adviser,
Department of Economic Affairs,
Ministry of Finance,
New Delhi.

Member

Dr. L.S. Bhat,
Planning Division,
Indian Statistical Institute,
New Delhi.

Member

Smt. Uma Roy Choudhury,
Officer on Special Duty,
Central Statistical Organisation,
New Delhi.

Member-Secretary

The Committee will have power to co-opt, as and when considered necessary, any other person (s) to attend its meetings.

The Headquarters of the Committee will be at the Central Statistical Organisation, Department of Statistics, New Delhi, which will also provide secretarial assistance to the Committee. The Report of the Committee will be submitted to the Central Statistical Organisation, Department of Statistics, Government of India."

1.3 Shri K.C. Sharma resigned from the Committee on 18th January 1974 as he had to leave the country on a foreign assignment.

1.4 The Committee had five meetings in all till the end of November 1974 when the First Report was finalised. All the meetings were held at the Central Statistical Organisation, Department of Statistics, New Delhi and the actual dates of the meetings are detailed below :—

First Meeting : 10th July 1972

Second Meeting : 27th October 1972

Third Meeting : 23rd & 24th November 1973

Fourth Meeting : 27th April 1974

Fifth Meeting : 21st to 24th November 1974.

1.5 The Committee prepared a questionnaire for eliciting the views of users of income and related data at the state level. This questionnaire was sent to the Chief Ministers and Finance Ministers and concerned secretaries of all the states, to a number of research institutions dealing with economic problems, and to the heads of Economics Departments of various universities. Altogether, 156 questionnaires were mailed. The response to this questionnaire was quite encouraging. The Committee had formal discussions with the Planning Commission and the Finance Secretary of the Government of Tamil Nadu, the Finance Minister and the Finance Secretary of Karnataka Government and other senior officials. The Committee also had a meeting with Prof. S. Chakravarty, Member, Planning Commission Government of India. In addition, members of the Committee had several informal discussions with many other authorities and experts.

1.6 The Committee decided to submit its Report in two parts. The First Report is being released now, mainly to meet the immediate requirement, viz., to recommend a standard set of tables along with some description material on the tables, as well as notes on scope, coverage, etc. The Committee proposes to release its Final Report in 1975 which will cover the remaining terms of reference.

1.7 The First Report consists of two Chapters and two Appendices. Chapter I reviews the development of state income estimation in India and describes the uses and problems of state income estimates. Chapter II prescribes the standard format of eighteen tables which the Committee recommends. Appendix I gives the scope and coverage of the tables and presents some basic conceptual clarifications. The result of an exercise undertaken by the State Statistical Bureau, Maharashtra for filling up the recommended tables with data for Maharashtra are presented as Appendix II.

1.8 The Committee's thanks are due to the members of the State Income Unit of National Income Division in the Central Statistical Organisation, New Delhi for the hard and untiring work they have put in. Smt. Uma Datta Roy Choudhury, Member-Secretary, took up the responsibility of preparing the preliminary draft of the Report. Shri M. A. Telang and Shri S.M. Wagle prepared the draft of Appendix II.

1.9 The Committee's thanks are also due to Dr. N.T. Mathew, former Director, Central Statistical Organisation, Shri V. R. Rao, Director, Central Statistical Organisation and Shri T.P. Abraham, Joint Director, National Income Division, Central Statistical Organisation, who attended the meetings of the Committee as special invitees and participated in the deliberations.

1.10 Finally, the Committee would like to place on record the co-operation it has received from those who responded to its questionnaire and spent considerable time with the members of the Committee in discussions.



CHAPTER 1

REVIEW, USES AND PROBLEMS

1. A Review

1.1 The work on state income started in Bihar, Uttar Pradesh and West Bengal somewhere around 1948-49. The first estimate of state income was published in January 1950 for the erstwhile Bombay state for the year 1948-49 and subsequently in 1951 and 1952 for the years 1949-50 and 1950-51. The next to follow were Uttar Pradesh and Bihar. The estimates of Uttar Pradesh were first published in 1955 giving a rural-urban break-down and presenting figures at current and constant prices. Estimates for Bihar for the year 1946-47 were also published in 1955. After the publication of the *First* and the *Final Reports of the National Income Committee* in 1951 and 1954 respectively, a number of other states like Madhya Pradesh and Assam prepared their first estimates broadly following the methodology adopted by the National Income Committee ; West Bengal also adopted this pattern. The concept of state income followed for these estimates was generally that of total income originating in different sectors of the state economy or in other words, the net geographical output at factor cost. This concept has been referred to as the state domestic product (SDP) in this Report. Broadly, the value added method for most of the commodity producing sectors and income method for the remaining sectors were followed.

1.2 At this stage, the Fifth Joint Conference of Central and State Statisticians held at Jaipur in 1956, recommended that all states should make every effort to prepare estimates of state income broadly following the method recommended by the National Income Committee for preparation of such estimates at the all-India level. It was also suggested, that in the first instance, the states might prepare estimates of commodity producing sectors only and publish them in their Bulletins together with detailed technical notes on concepts, definitions and method of estimation. Subsequently, at the Preliminary Conference on Research in National Income in 1957, regional income estimation was discussed as one of the topics. This conference recommended that a Working Group consisting of active workers engaged in state income estimation in the Central Statistical Organisation (CSO), a few of the states and other agencies might be set up to review the work done on the subject in different states and to formulate standard concepts, definitions and methods of estimation. While laying down the procedures account should be taken of the nature of available statistics in individual states. The Working Group was also expected to undertake technical examination of the estimates of state income prepared by the State Statistical Bureaus (SSBs) from time to time and make recommendations on the important gaps in statistics which could be filled up for improvement of such estimates. Such a Working Group set up by the CSO has since been functioning.

1.3 With the progress of time, the work of estimation on state income has improved and expanded in different states. Today practically all the states of India compute such estimates. Annex I to this chapter gives the latest position in this respect. The estimates are being compiled both at current and constant prices though neither the period covered nor the base year for the constant price series is uniform among states. Also, the methodology adopted by the states is not always uniform being primarily dependent on the type of data available in individual states.

1.4 The Working Group has examined the estimates prepared by most of the states and has made detailed suggestions for improving the estimates and achieving inter-state comparability. The Working Group has made recommendations regarding farm management studies for improvement of the data on input structure of the agriculture sector and collection of basic data in sectors like unregistered manufacturing, construction, trade, transport by means other than railways and other services. The Working Group has also devoted considerable attention to other problems like the use of appropriate price for evaluation of agricultural output. In the last few meetings, the Working

Group has been concentrating on the problem of laying down standard methodologies for estimation of income originating in different sectors and such methodologies have been recommended for nearly all the sectors of the economy. To the extent data are available, the SSBs generally adopt the standard methodology recommended by the Working Group. This is particularly true for the estimates in the six commodity producing sectors, viz., agriculture, animal husbandry, forestry, fishery, mining & quarrying and manufacturing (registered). For the remaining sectors, the data position is far from satisfactory and the estimates of only a few of the states are prepared following the standard methodology.

1.5 However, it is generally felt that the standard methodologies have often been formulated too rigidly. This has resulted in a superficial uniformity among the state estimates and sometimes states having better data are required to follow unsatisfactory procedures in the name of standardisation. The Committee feels that it is necessary to ensure that only concepts and definitions are standardised and the best possible methods suited to different types of data are indicated so that states could make an optimal use of their available data. The standard methodologies are being reformulated by the Working Group keeping in view the present availability of data and recognising the fact that the methodology cannot be evolved independent of the data base. Appendix I of the present Report gives the broad definitions and scope in respect of the main macro-aggregates in the Standard Tables recommended for state income estimation while the possible methods to be adopted will be covered in the Final Report of the Committee along with detailed consideration of concepts and definitions.

1.6 No review of the development of state income studies in India would be complete without a reference to the work of the individual research workers who contributed substantially to the subject. Attempts have been made by research workers to compile the estimates either by the method of allocation or by direct estimation on the basis of the data collected at the local level or by a combination of the two different approaches depending upon the availability of data.

1.7 B. Natarajan presented estimates of income for British Provinces in undivided India for the years 1938-39 and 1949-50. Before estimating the incomes of the provinces, the national estimates had been obtained by taking forward the figures for the years 1931-32 prepared by V.K.R.V. Rao. The interesting part of the method was that the incomes for each one of the sectors were allocated among the states using a combined index of several items of information. Thus, for example, the agricultural index was based on cultivated area, population occupied in exploitation of land, total yield of principal crops and livestock population. For the services sector, the index was prepared on the basis of employment under each category weighted by the average income under each source. Subsequently, a detailed attempt was made by S.G. Tiwari in 1951 to prepare the estimates both at current and constant prices for one single state of India, viz., United Provinces for the years 1921-22, 1931-32 and 1938-39. In the compilation of these estimates extensive data on output, input, income per worker etc., at the state and local levels were collected and analysed. V.V. Divatia also attempted a comprehensive estimate of the domestic product for Bombay state for the period 1938-39 to 1948-49 making extensive use of data in respect of most of the sectors. S.R. Bose, about the same time, prepared the estimates for the state of Bihar for 1946-47 using the limited data available at the state level. Mahinder Choudhry obtained the estimates of state domestic product for the year 1955-56 using the allocation method. M.A. Telang jointly with B.W. Chavan worked on the state income of Maharashtra for the period 1955-56 to 1958-59. Allocation method had subsequently been used by K.N. Raj, Ravi Verma and others.

1.8 About the same time the work on compilation of state income also drew the attention of independent organisations like the Indian Institute of Public Opinion (IIPO) and the National Council of Applied Economic Research (NCAER). The IIPO compiled estimates for the years 1950-51, 1955-56, 1960-61 and 1965-66 both at the sectoral level as well as at the state level to assess the effect of the First, Second and Third Five Year Plans on the distribution of income between states.

The method followed was a combination of the allocation approach and the direct measurement at the local level depending on the type of data available for individual sectors. The NCAER undertook comprehensive studies on state domestic product in connection with their techno-economic surveys not only at the state level but even at the district level. The NCAER undertook detailed sectoral estimates for agriculture, manufacturing industry and services and covered different points of time between 1950-51 and 1960-61. The NCAER also attempted a study of the differential patterns of growth between states at 1960-61 prices. One of the special features of the estimates prepared by the NCAER was that a great deal of attention was given to the problems of methodological comparability of the estimates among the states so that the regional development studies based on these estimates would give meaningful results. The Indian Association for Research in National Income and Wealth (IARNIW) also contributed substantially to the development of regional income work at the research level. A special seminar on the subject was organised as far back as in 1962 at the Gokhale Institute of Politics & Economics at Poona where the problems of state income estimation were discussed in detail. Subsequently, regional income estimation, inter-regional comparison of macro-economic aggregates as well as special problems of state accounts have formed the subjects of discussion at different conferences of the IARNIW. At each of these sessions, a large number of papers either highlighting conceptual and estimational problems or presenting the estimates for individual macro-economic aggregates have been discussed. Such papers cover a wide range of subjects like sectoral estimates of value added, capital formation, distribution of personal consumption expenditure at the regional level, the determination of the reliability of the estimates, problems of inter-regional ranking on the basis of macro aggregates and the form of presentation of regional accounts. The Standard Tables recommended in this Report draw heavily on the deliberations at the IARNIW seminar held in January 1973 at Mahabaleshwar.

1.9 The work of state income estimation has thus reached a stage when it is pertinent not only to undertake a review of the available estimates but also to raise the basic question of the future development of the whole field of macro-statistics at the regional and sub-regional levels. It is only through such development that a deeper understanding of the regional disparities would be possible and policy formulation for the elimination of such disparities would become an easier task. Development of possible fields of study is, however, directly linked with the possible uses which can be made of such information. A review of the possible uses of regional income statistics may, therefore, be the first step towards their further development. The development of statistics on the subject can be viewed either in the context of independent study of each individual region or in the context of measurement of inter-regional disparities for the country as a whole.

2. Uses : Present and Potential

2.1 The estimates of SDP are of considerable importance to the individual states as a measure of their growth as well as for studying structural shifts within the states. Also, the rise in per capita income to a given level is normally kept as an objective in formulating the plans at the state level. This growth rate is further sought to be achieved through specified growth rates in individual sectors. Past patterns of growth rates as well as of investments in these sectors help in indicating the extent to which the postulated growth rates are achievable and are commensurate with the investment targets. The estimates are also useful in measuring the effects of implementation of planned programmes.

2.2 The sectoral estimates of SDP are also used for policy formulation in given sectors. The income generated in agricultural activities, for example, is used for purposes like measuring productivity differentials among districts or taxable capacity. Thus, the estimate of agricultural output per hectare in different districts is one of the indicators used for identifying backward districts and formulating agricultural development programmes. These estimates for the agricultural sector are also used for studying the incidence of prevailing agricultural taxes, potential for agricultural taxation and

revision or rationalisation of agricultural income tax rates. Individual departments such as the Commercial-tax Department also use sectoral estimates of gross value of agricultural output of important crops for checking their receipts. Similarly, for a state like Gujarat where the contribution of registered manufacturing industries to SDP is comparatively high, the estimates of SDP originating in registered manufacturing industries at current and constant prices are used for watching the growth of this sector. The development of small-scale manufacturing industries is one of the accepted policies for increasing employment opportunities. The study of the part played by the unregistered manufacturing sector in the development of the state economy and the assessment of the fund required for increase in its contribution to SDP is not only helpful in formulating the investment policy but also in directing the progress of the state economy along desired lines.

2.3 In budgetary work also the estimates of SDP are often used for studying the scope of resource mobilisation from different sectors of the economy and for shaping the fiscal policy on a rational basis. For assessment of tax burden, taxable capacity and tax efforts, per capita SDP, and SDP at the sectoral level are often made use of. Similarly, before introducing a new tax or increasing any prevalent tax rate or determining a new source of taxation, the levels of output at the sectoral level become an important point for consideration. State domestic product is also used for assessing the impact of budgetary transactions on the state economy. Thus, in a given year the proportions that the tax and non-tax receipts of the state government constitute to the SDP are worked out and these percentages are then applied to the projected SDP for the plan period to obtain some indication of state's likely receipts. Given the rate of growth of different sectors and the pattern of income distribution, the state governments can identify the pockets of higher money income and frame their taxation policies accordingly. Some states have made such attempts. The work of budgeting cannot, however, be based on the economic considerations alone. Besides economic aspects, social aspects have also to be kept in view. If the aim is to achieve a socialistic pattern of society, the tax structure is required to be such that the weaker sections of the society are called upon to bear the minimum burden of taxes, levies etc. At the same time care has to be taken during budgetary work that the additional levies or other budgetary measures do not hamper the growth of any sector of the economy.

2.4 The estimates of domestic product when available for areas smaller than the states become one of the more important indicators for studying the stage of development of such areas. Some states use per capita domestic product at the district level as the primary indicator in this respect. However, for a satisfactory assessment of the stage of development, indicators other than per capita income should also be taken into account. Thus, indicators like gross value of agricultural output per person in rural areas, net area sown per agricultural worker, cultivable area per agricultural worker, irrigated land, number of manufacturing and repair establishments using electricity have been considered by the Planning Commission and the state governments for determining the backward areas. The other indicators which could be used for the purpose are incomes of different sections of the population within regions, details of savings by households, sectorwise factor incomes with corresponding employment and the like. The use of several indicators, however, could raise the question of their aggregation into a single index and this question has not been answered satisfactorily by the planning authorities either at the centre or at the regional level. Absence of this statistical facility fortunately does not preclude one from arriving at some sort of a judgement.

2.5 In India, the existence of inequality in the distribution of per capita SDP by states or by areas smaller than states, has been recognised for quite some time and the reduction of such regional income disparities has been accepted as a part of the country's national development plans. However, a solution of the problem of regional disparity would require its identification. So far, very limited research has been undertaken on regional inequality as related to national development. The most important and convenient measure of regional disparity is the differential in regional or state domestic product at the per capita level. Such estimates when available for a given point of time for all regions

of the country, could give a cross-section measure of inter-regional disparity. When available over a period of time intertemporal comparisons will be possible and causal factors involved would be suggested. Thus, by relating the regional inequality pattern to the variations in growth rates among regions, it might be possible to understand better the factors responsible for persistence or otherwise of spatial inequality. It would also be necessary to consider the changes in the industrial structure, employment pattern, labour participation rates and capital structure in the overall analytical scheme. Statistical materials exist for some of the studies indicated and have been partially attempted by several agencies. With systematisation and augmentation of data, such studies would find a stronger underpinning.

2.6 The Planning Commission has used per capita income at the regional level as one of the criteria for determining the extent of central assistance to each individual state. Thus, nearly 20 per cent of the total assistance to the states is based on the comparable estimates of SDP. The proportionate allocation of this assistance is determined as follows :

- (i) 10 per cent of the total assistance is allocated to the states having average per capita income (over last three years) below the all-India average. The procedure of allocation is the deviation method according to which each state is allocated an amount A_i which is determined as

$$A_i = \frac{T}{P} \left(1 + \frac{\bar{x} - x_i}{\bar{x}} \right) P_i = \frac{T}{P} \left(2 - \frac{x_i}{\bar{x}} \right) P_i$$

where,

T = total amount to be distributed

P = total population

\bar{x} = average per capita income of all states

x_i = per capita income of state i

P_i = population of the state i

- (ii) Another 10 per cent is allocated on the basis of per capita income (over three years). For purposes of measurement of tax efforts only the state taxes are taken into account. The ratio of the state tax receipts to state income determines the direct proportion on the basis of which the allocation is made.

2.7 The fifth and subsequently the sixth Finance Commissions have also considered per capita income in a state as an important yardstick for obtaining an idea of the levels of development and have used this measure as the criterion for assessing the relative economic position of the states. These estimates have also been used by the Commission as one of the indicators for determining the share of individual states in central taxes. Thus, the sixth Finance Commission has recommended that :

- (i) 25 per cent of the divisible share of the union excise duties is to be divided among the states in relation to the 'distance' of a state's per capita income from that of the state with the highest per capita income multiplied by the population of the state concerned according to 1971 census. The balance, i.e., 75 per cent is to be distributed on the basis of population alone.
- (ii) additional excise duties are to be allocated among states, using the combined indicators of population, SDP and the production of relevant commodities (textile, sugar and tobacco). The weights given to these indicators for determining the overall position are 70, 20 and 10 per cent respectively.
- (iii) discriminatory debt relief to the states is to be determined on the basis of the ratio of amounts falling due for payment (to the centre) during the fifth plan period and the SDP. The states have then been classified into three groups A, B and C according to the ratio being less than 10 per cent, between 10 and 20 per cent and 20 per cent and above respectively and separate provisions are to be made for the states falling in each of these groups.

2.8 However, use of state domestic product as one of the indicators for such policy purposes has often been questioned. It is possible that the estimate of SDP could be partially affected by extra-economic consideration and use of such an aggregate as an indicator, whatever might be the formula used for the purpose, would have different effect for different states depending on its level of development. It is also true that the cut-off point of the national per capita income for determining the relative position of a state is arbitrary. As such, it might be desirable to classify the states in given slabs for determining the stage of development of a state or of a region and use this criterion for allocation of items of central aids in such a manner that even the states in the highest slab have a share in the distribution though at a much lower rate. The Finance Commission used a very similar method for discriminatory debt relief.

2.9 The study of regional disparity cannot, however, end here and has to be examined in the context of economic inter-dependence between regions and factor mobility. Internal factor flows have to be studied separately for labour and capital. Labour migration can obviously be selective accentuating the divergence between regional incomes unless special steps are taken to ensure proper distribution of sectoral development keeping the regional potentials in view. Similarly, for a country like India inter-regional flow of private capital may accelerate regional disparity unless investment in under-developed regions is made attractive and the effect of inter-regional capital flow is watched with care. Inter-regional development is also directly connected with inter-state linkages in the sense of the spread effects of technological change, income multipliers and social change. The study of sub-national disparity is directly linked with all these aspects and can hardly be undertaken in the absence of data on the other related variables besides total and per capita income at the regional level. The other variables to be considered for the purpose can be the proportion of agricultural/industrial labour to the total labour, the overall labour participation rates, the wage rates in agricultural/industrial sector in different regions, levels of sectoral output/income in different regions or agricultural/industrial productivity differentials.

2.10 Again, for balanced regional development, it is not only necessary to get a clear idea of the levels of development but the link effect of localised investment within the states in generating income and employment. In other words, it is necessary to study not only the inter-regional multiplier effect and inter-regional capital flow effect but also the intra-regional employment effect and capital flow effect along with the productive structure. This would, in essence, also include the study of the development of activities at the regional level as a result of the public sector outlay from the central funds. Also included will be activities such as public transport which have far reaching effects in the form of generating linked activities at all levels.

2.11 At the next stage, it would become necessary to have, if feasible, disaggregated limited input-output tables at the regional level. This would enable a study of the detailed input structure of industries at the state level and would be the first step towards multi-level planning which requires classification of all industries according to national, regional and local levels for identification of location of industries. This could then be used for studying localisation effect, clustering effect as well as spread effect among regions. Again, for multi-level planning it would be of utmost importance to have the measure of the indirect effect of development on the population or in other words, the cost to the population of organised services like transport in big cities. This would obviously require compilation of different macro-economic aggregates and their break-up at levels lower than the states. For full use of the regional income statistics for planning purposes, the analysis has to extend beyond the measure of differentials among states and among big cities and should also cover those among big cities and rural and urban areas. Demarcation of the areas within regions on the basis of proportions of monetised and non-monetised parts of the domestic product and study of the differentials either between the two sections for individual regions or for each of the two characteristics viz., monetised and non-monetised parts of the domestic product over different regions may make the study of regional disparity more meaningful.

2.12 Income redistribution between regions either through public investment or through differential distribution of central assistance is one of the accepted policies of the government. The total impact of public investment would tend to include secondary effects which also would result in redistribution of income among the regions of the country. To measure such impact it would become necessary to obtain detailed information on patterns of public investment made both by the central government as well as by the regional authorities. The industry of use, location and period of gestation would also be essential part of the information necessary to study the total impact of such investment. The sectoral break-up of SDP would give a broad indication of the extent to which the resources within the regions have been exploited and indicate the strategy to be adopted regarding the policy of public investment. Consequently the resources to be allocated to each region and to various sectors within each region would also be thus known. These details would help in obtaining a broad rationale for utilisation of resources among regions.

2.13 Some studies have indicated that per capita SDP by itself may not be sufficient as an indicator for assessing the differentials in the stage of development of states (regions) in as much as states (regions) with high per capita SDP but associated with low population density may not necessarily be economically advanced and states (regions) with low per capita SDP but associated with high population density may not necessarily be backward states (regions). The studies do, however, point out the fact that states (regions) with high per capita SDP and high population density, and those with low per capita SDP and low population density could be identified as really advanced and backward, respectively. The possible reason for this type of per capita SDP-population density relationship in a less developed economy such as ours, with preponderant dependence on agriculture for livelihood, is that areas of high per acre agricultural productivity also experience population pressures without anything being added at the margin. This tendency makes for low per capita income-high population density regions. Similarly, high per capita income-low population density regions belong to the category of somewhat backward regions from where population-particularly the working age group-tends to migrate to other regions. This aspect of inter-regional comparison for economies abounding in high rates of under-employment and unemployment deserves to be noted before any conclusions are drawn on the sole basis of differentials in per capita SDP of states (regions).

3. Major Problems

3.1. As has been seen, substantial use is being made of the estimates of state income and related sectoral and other aggregates, ratios, etc. for policy purposes both by the authorities at the centre as well as at the state level. However, their use would be much more widespread and intensive if the time-lag in the availability of the estimates can be reduced and the presentation can be made more policy oriented. Generally, the estimates become available with a time-lag of two to four years. Even the provisional figures are available with a substantial time lag. At present the estimates from most of the states are available till 1970-71 and in some cases only upto 1969-70. In the case of only a few states the estimates are available for 1971-72 or 1972-73. The main reason is not far to seek. Even for the sectors for which annual data are available, there exists no satisfactory arrangement for timely flow of the data necessary for the computation of state income. This is particularly true in respect of agriculture, forestry and registered manufacturing sectors.

3.2 Estimates of state income for the current year do not become available at the end of the financial year when the budget provisions for the following year are made. If methods can be developed for preparing a quick estimate of SDP of the current year, the review of the past performance of the economy as well as the financial proposals for the coming year would become more reliable. In the context of Planning, short-term projection of domestic product at the regional level would be extremely relevant even if the exercise is limited to a few important sectors only. Such exercises could even include quarterly or half-yearly estimates. Similarly, at present, the state budgetary estimates

are made on the basis of the past trends by items of taxes, etc. If the estimates of state domestic product can be presented with more detailed break-downs so that the individual items of taxes can be related to the corresponding values of commodity output, these would become more useful for policy purposes.

3.3 Besides the time-lag in the availability of the state income data, the background material accompanying the estimates quite often does not offer the necessary details regarding the method of collection of the basic data and the construction of the series. As such it is not possible to assess either the reliability of the estimates or their comparability with the estimates of other states or of the country as a whole. Thus, the estimates of agricultural by-products or yield rates of livestock products are not based on sample surveys in many cases. It would be extremely useful to indicate such limitations while issuing the estimates so that their reliability can be judged before using them for policy purposes. Similarly, the state income data give an overall picture of the economy as well as sector-wise data on value added but makes no distinction between the public and the private sectors. Since, in the planning process a substantial amount of investment is made by the public sector either through the state governments or by the central authorities directly, it is desirable that the estimates are given with break-down between the public and the private sectors. This would enable one to assess the effects of investments made by the public sector and also help in a better planning of the future investment policies. At the state level, the estimates of factor share for identifiable groups of industries as well as the urban-rural break-up of sectoral products would be extremely useful for understanding the problems of development and the implications of the policies adopted so far.

3.4 At present, the estimates suffer not only because of the lack of data but also because of indifferent quality of some of the data collected through the routine administrative system. Also, the absence of appropriate current data often leads to crude methods of estimation consisting of moving the benchmark estimates with the help of a set of indicators. This further affects the accuracy of the estimates. To make the estimates of state income more useful for policy purposes it is, therefore, of primary importance that the estimates of net value added for all the sectors are based on current data. Schemes for such improvements need to be taken up by all the states on uniform basis. Thus, the collection at regular intervals of data on prices and production of animal husbandry, unregistered manufacturing and other similar products and employment and earnings for services sectors become essential. This might make it necessary for the SSBs to have sufficient field agencies to carry out surveys and type studies at regular intervals. To ensure uniformity all over the country such surveys have to be coordinated by the centre and launched simultaneously.

3.5 The degree of reliability of the present estimates of state income varies considerably from sector to sector or among sub-sectors or for certain constituents of a sector. Thus, the gross value of output in agriculture (proper) is more reliable than that of net output; estimates of income originating from activities of state government are more reliable than the estimates of income from the central government activities within the state boundaries. Some objective assessment of the reliability of the estimates of various sectors and sub-sectors could be included in the notes accompanying the estimates. This will help the users in picking and choosing the figures for their purposes.

3.6 The choice of value added method for estimation in India has been, in large measure, governed by the availability of data as well as its usefulness for the study of problems of growth and development at the regional and sub-regional level. Measurement of income in a given region within a country, however, raises certain conceptual problems which are not common to the measure at the national level. Thus, it is to be determined whether the income of a region should include all the income originating as a result of the utilisation of the physical assets and the labour force of the region even though some of the income might flow to residents outside the region or it should include all the

income received by the residents of a region even though some of it might have accrued outside the region. The two measures might make substantial difference in the estimates. For example, there may be absentee landowners in rural areas who primarily live in the nearby urban areas and hence transfer the income earned from the property in rural areas for use in urban areas. Similarly, an employee or the owner of an un-incorporated enterprise may spend his working day in one state while his residence is in another. Consequently, in the smaller administrative units like districts and cities, the issue of place of residence versus place of activity becomes much more relevant and concerns not only income from capital but also income from labour. Such measurements have to be well defined and the statistics to be collected for the purpose have to be a joint endeavour of the central and regional authorities. Further, large incomes may originate within a state which is highly industrialised and be transferred to other areas so that it is not available for the well-being of the normal residents of the state. Thus, the possibility that a state with a lower originating per capita income may in fact be more affluent in respect of per capita income received than one with a higher originating per capita income as a result of repatriation of income cannot be ruled out. For a realistic measurement of income received, therefore, account needs to be taken of net inflow/outflow of income between states. But in an open economy like that of a state in this country, it is very doubtful whether such an estimate can be prepared unless special effort is made for the collection of relevant data.

3.7 The other two alternative methods of measurement, viz., aggregate expenditure and aggregate income of resident households, are also not easily feasible in India because of the insuperable difficulties involved in measuring the inter-regional flows. A direct survey approach could however yield the aggregate of expenditures. Consequently, a method of measurement limited to personal disposable income and household consumption expenditure, public current and capital expenditures can be developed as a complement to the sub-national value added methodology.

3.8 In the USA, income of states is compiled by the Department of Commerce by aggregating 'income payments to individuals'. This is, in fact, personal income with no deduction of personal taxes. This series differs from US national income because it excludes corporate savings and contributions by both employees and employers to social security funds and includes 'public assistance and other direct relief, veterans' pensions, adjusted service benefits (the soldiers' bonus), retirement payments by government, social insurance benefits, the government's contributions to allowances paid to dependents of enlisted military personnel, and mustering out payments'. The limited attempts in this direction made in Canada by the Dominion Bureau of Statistics and in the U.K. under a project at the National Institute of Economic & Social Research sponsored by the Department of Economic Affairs on the other hand, followed the value added method using either direct data of output at the regional level or allocation of factor incomes.

3.9 The income accruing to the households can obviously be measured by simply aggregating factor incomes and other transfer receipts. In such a case income data on receipts by way of wages and salaries, interest, dividend, rent, etc., transfer receipts (public and private), draft on past savings and liquidation of assets will have to be collected. The income approach by the aggregation of factor incomes has been attempted in the U.K. for the years 1961 and 1964 to estimate the total regional income. These estimates have been found to be quite reliable when compared with those provided by the regional authorities and based on other methods.

3.10 In case data on consumption expenditure by the resident households within regions can be considered as a possible proxy of income accruing, the relevant data have to be collected. On the expenditure side, data on consumption expenditure as well as data on purchase of gold and capital assets, increase in cash and bank holdings and transfer payments of different kinds could also be gathered simultaneously.

3.11. Income accruing at the state level is perhaps the most satisfactory measure of economic welfare. This measure is somewhat wider than personal income in the sense that the incomes from

public and private corporate sectors accruing to the region are included. This becomes more relevant for states where big public sector projects are located and the benefits from such projects often do not accrue to the people of the state. However, in view of the difficulty of measuring inter-state flows, it might be difficult to evolve a method for measurement of income accruing at the state level.

3.12 The present series of state income data do not give any idea about the income distribution pattern. For an understanding of the disparities either among regions or within regions, it is essential to have an idea of the distribution of personal income by size classes. While for the lower tail of the distribution the analysis based on household consumption expenditure may serve the purpose, for the upper tail expenditure distribution pattern is likely to be substantially different from the income distribution pattern and the latter will have to be studied independently. It might even be worthwhile studying the distribution for different sections of the population separately so that the population in the upper income classes and those at the lower income classes are automatically separated out.

3.13 Last but not the least in the list of requirements of macro-economic data at the regional level is the estimate of capital formation. Along with such estimates it would also be important to study the regional variation in savings rates. A direct measure of this rate may not be feasible with the present position of data availability. However, independent attempt at measuring household savings in a region, gross and net, might be fruitful. This component then, measured as a proportion of personal income or income accruing to households within a region may be a reasonable enough measure to assess the situation within and among the regions. Another important aspect on which data have to be collected and presented meaningfully is sectorwise employment along with the corresponding incomes so that the labour productivity and the employment potential between sectors can be studied for individual states.

3.14 Even the measurement of income originating which has been adopted in India has its own problems-both conceptual and operational. Conceptually one has to resolve the problem of measurement by states of income of enterprises whose activities extend beyond the boundaries of a given region and spread over the country as a whole. Value added in individual industrial sector at the state level in such cases can be estimated either independently by using the local data or by allocation of the national totals using relevant indicators. Even for allocation, determining the relevant indicator, for example, for allocation of overhead expenses of railway operations in the regions or for the surplus of public enterprises owned by the central government and located in different regions is complicated. For estimation of domestic product at the regional level two approaches have, therefore, been adopted: (i) use of local data in respect of all the sectors where the product can be measured within the given area without any ambiguity such as in agriculture or mining or storage, hotels and restaurants and (ii) allocation of value added (estimated at the centre for the country as a whole) for all sectors where the activities are spread over a number of regions.

3.15 The important categories of institutional sectors whose operations extend beyond the boundaries of a given region and for which allocation method need to be applied are railways, communications, central government administration, large corporations like banks and insurance and large productive enterprises (in the private and public sectors) with branches located in a number of regions. For such enterprises or activities, the internal accounts are not maintained in a form which would facilitate the estimation of income originating from their activities within given regions. For manufacturing enterprises which are registered under the Factories Act and for which the data are collected unit-wise, it is possible to prepare the estimates of income originating at the regional levels making full use of the data thus collected. However, since the activities extend over different regions, the problem of allocation of overhead expenses and operating surplus would still remain. For sectors like railways and communications, on the other hand, or for banks and insurance the problem is more complicated because of the absence of the relevant information at the unit/regional level. In such

cases the estimate of the domestic product has to be obtained by allocating the national total to regions on the basis of relevant indicators. Factor share approach or the distribution of different factor payments among regions appears to be the most convenient method in this case. The Working Group on State Income paid considerable attention to this problem and evolved standard indicators for allocation of such items for different sectors. For formulating the indicators, the Working Group has been primarily guided by the type of data available and these are different for different sectors, for different sub-sectors within the sector as well as for different types of factor payments. Thus, for railway freight earnings and passenger earnings different indicators are used for allocation of the corresponding products between regions. At present, such state-wise estimates for the sectors, railways, communications, banking & insurance, central government administration and air transport are prepared by the CSO by allocation of the national totals using relevant indicators and are communicated to the SSBs for their use. The procedure could continue to be used, taking care that the indicators do represent the value of output, gross or net.

3.16 Just as more meaningful presentation of the available data on state domestic product and additions to the list of available information would enhance the use of such data for policy purposes, the improvement in the reliability of the available estimates would also add to their utility. The standard framework for presentation of state income and related aggregates would also result in articulated plans for data development.

3.17 As regards the reliability of the estimates, these can be broadly grouped into three main categories according to the data base :

- (a) sectors for which the estimates are prepared on the basis of data collected every year (e.g. production data of principal crops, mining, registered manufacturing, etc.)
- (b) sectors for which current data are not available and the estimates are prepared on the basis of 'bench-mark estimates' and at times inadequate data for some past year/years (e.g. livestock products, unregistered manufacturing sector, construction, trade, services, etc.).
- (c) sectors for which the estimates are derived from allocation of national totals (e.g. banking and insurance, air transport, railways, communication, central government administration).

3.18 Even for sectors falling under category (a) the estimates are often not based on satisfactory current data. Thus, the area statistics of crops in states like Kerala and Orissa are obtained through sample surveys. The size of the sample is often not sufficient to provide reliable area figures for minor crops which contribute substantially to agricultural production in a state like Kerala. The production estimates of crops like coconut and arecanut are based on sample surveys for a few states only and for pepper, ginger, mango, citrus fruits, vegetables, etc. the estimates are based on either conventional yield rates or local enquiries. Up-to-date data on agricultural by-products such as rice husk, rice bran and straw are not available and the present estimates are based on out-dated data or local enquiries.

3.19 The computation of income from animal husbandry also suffers from limitation of data. The estimates of the output of livestock products are based on the yield rates which are not obtained from regular surveys. In the case of fisheries, data on catch of inland fish are inadequate and do not depend on any objective survey. Similarly, the lack of current data for sectors like forestry or registered manufacturing reduces the utility of the estimates of value added.

3.20 Lack of relevant annual data for sectors covered under (b) affect the reliability of the estimates and consequently their utility. Thus, for the non-commodity producing sectors, the basic data available for estimation are limited to given points of time at long intervals. The incomes for these sectors (trade, transport and unregistered manufacturing industries) are computed using estimates

of working force and per capita earnings. The main source for working force statistics is the decennial censuses. Besides their being available after long intervals, the definition used for working force in the 1951, 1961 and 1971 censuses are different affecting the comparability of working force estimates. As a result, the method adopted for obtaining the estimates for intercensal periods varies substantially between states and leads to unsatisfactory estimates at the state level. Similarly, basic data on average earning per worker are not collected by states in any uniform manner and are also not available annually. Issues connected with item (c) have already been dealt with earlier.

3.21 The overall estimates of domestic product are thus affected by the quality of the basic data which often vary markedly between states and often are not dependable enough for bringing out the regional growth pattern accurately. Consequently, it is difficult to observe inter-regional economic disparities. With these limitations, they can at best serve as broad indicators of the direction of growth of the states' economy. The answer to this problem lies in the improvement of the quality of basic data, their timely availability and the collection of data on important gaps at regular intervals following uniform concepts and definitions.

3.22 The development of the work on SDP in the individual states has also raised the problem of comparability of the estimates among states. Besides being used for a study of development of particular states, the most important application of the estimates of state income is in their use for studies of regional development and integrated plan programmes within the country. The use of state domestic product for inter-regional comparison implies that the estimates are comparable. But for such a large number of states with varying levels of statistical development, it is extremely difficult to ensure strict comparability in the estimates prepared by different agencies even when the details of concepts and methodology are laid down. This is mainly because of the differences in the quality of data available in different regions and large number of assumptions involved at different levels in the preparation of the estimates. In spite of their overall comparability in terms of concepts and definitions, the present estimates of state domestic product prepared by the individual SSBs suffer from this limitation. This problem had been raised often by the authorities like the Planning Commission as well as by independent bodies like the Fifth and Sixth Finance Commissions.

3.23 The Planning Commission first considered this problem as far back as in 1961 when it had suggested that the CSO should undertake compilation of comparable estimates of state income for the commodity producing sectors on the income originating basis and these would be used by the Planning Commission for policy purposes. It was also suggested that the preparation of these estimates could be undertaken by the CSO in consultation with the SSBs who should be requested to supply any basic data which might be required for the purpose. Subsequently the subject was discussed by the Planning Commission in several meetings with the state governments. At the instance of the Planning Commission, a set of comparable estimates for three years 1962-63 to 1964-65 initially for the commodity producing sectors and subsequently for all the sectors were prepared by the CSO in 1969. The estimates for the commodity producing sectors at the national level are even otherwise obtained as aggregates of the state level estimates prepared by CSO. The preparation of statewide estimates for the commodity producing sectors (except unregistered manufacturing industries), therefore, does not involve any special assumptions. For the rest of the sectors, however, except for the base year (1960-61), the estimates are prepared at the all-India level. The statewide estimates for these sectors have, therefore, been prepared by the CSO basically following the allocation method after the estimates at the national level are prepared. The indicators for the purpose are different for different activities depending on the type of activity as well as the data availability. These estimates do, implicitly, take account of the statewide differentials to the extent the base year estimates are prepared at the state level. For a strictly correct measurement of differential movement among states the base year state level estimates need to be moved by the corresponding indicators and the national totals built up as aggregates of the same. For the present estimates, however, statewide

physical indicators are used for allocation of the national totals and this method measures the differential movements, to the extent, the statewise indicators in individual years used for allocation do reflect the differential movements for individual states. These comparable estimates had been made available to the Planning Commission before the formulation of the Fourth Five Year Plan. The Fifth Finance Commission also used these estimates as one of the indicators for allocation of resources between states. Similar estimates for the subsequent period of 1967-68 to 1969-70 have also been prepared by the CSO in 1973 for the use of the Sixth Finance Commission as well as the Planning Commission prior to its formulation of the draft Fifth Five Year Plan. It is no doubt true that these estimates prepared by a single agency at the centre suffer from the limitation to the extent that some of the local material available for some of the states cannot be taken account of in the interest of comparability. However, generally, the indicators for the purpose of allocation are so formulated that all such information are integrated within the overall indicators to the extent possible.

3.24 The question of comparable estimates raises also another important issue. The comparability has to be achieved not only from the point of view of definitions and to the extent possible, methodology adopted for preparing the estimates but also from the point of view of measurement of real quantum of production in different states. The problem of inter-state price differentials becomes particularly important in this context because not only do the prices differ among states but their movement over time is not uniform for all states. This creates distortion in the inter-regional comparison of per capita incomes and the measurement of any conceivable index of disparity at different time points. The estimates of per capita state income at constant prices do not answer the question either because the inter-state variations in prices which are implicit in the base year estimates are not removed.

3.25 This problem, in a way, can be considered similar to the one of comparing of purchasing power of currencies for inter-country comparison of per capita incomes. At the international level, one of the simplest answer to the problem has been attempted by valuing the quantities of production at one or more common sets of prices. Perhaps, the earliest attempt along these lines was made by Colin Clark in which per capita income of a large number of countries were computed using as price weight "oriental units" representing the purchasing power of a rupee in India and "international units" representing the purchasing power of US Dollars. This method was, subsequently, improved upon by several authors and the work by Milton Gilbert and Irving Kravis stands out here as a significant contribution. This method compares the income of USA and other European countries at US and average European country prices. The UN Statistical Commission has recently, initiated methodological studies through the International Comparison Project to evolve a method for making binary and multilateral comparison of the purchasing power of currencies between countries. A suitable method developed along these lines would be extremely useful in making a more meaningful study of the extent of real disparity at the sub-national level within a country.

3.26 However, till such a detailed method can be developed, a satisfactory alternative needs to be evolved. The common method of inter-state comparison of per capita income (at state prices) is very unsatisfactory for such of the states where the price levels are either too high or too low in comparison with the rest of the country. Also, for a study over a given time horizon, if the price level in a state A rises faster than in another state B, the per capita income of state A at current prices would rise more steeply than in state B when the increase in production is the same in both. The Sixth Finance Commission recognised this problem and realised that the ranking of the states according to their per capita incomes does not represent a satisfactory picture. It felt that an adjustment of the comparable estimates of per capita state income on account of both absolute price differentials between states and their non-uniform movement between states would be desirable before they are used as one of the indicators for arriving at an equitable solution to problems like division of revenues. The method adopted by the Finance Commission for such an adjustment has been the

recalculation of the state domestic product of all the states using a common set of prices. The all-India weighted average prices have been used for the purpose and a fresh set of comparable estimates have been obtained. Development of a technically more sound method similar to that for international comparison would very much expand the horizon of possible uses of state per capita income data for the study of regional disparities.

4. Concluding remarks

4.1. Enough has been detailed on the importance, present status and quality of the state income statistics as available today. The possible uses to which the state income estimates can be put have also been elaborated. Whatever might be the current limitations of such statistics, their co-ordinated presentation in a meaningful manner can still go a long way in making them more useful for policy purposes. In the next Chapter such a broad framework is being presented with figures for Maharashtra state in Appendix II as an illustration. The framework is in the form of a set of Standard Tables and limits itself to such information as can be readily obtained by all the states without much effort. In Appendix I the concepts, definitions and coverage of the Standard Tables are elaborated.



ANNEX I

Estimates of State Income prepared by State Statistical Bureaus

State	at current prices			at constant prices		
	period for which estimates are available			base year	period for which estimates are available	
1. Andhra Pradesh	1952-53 to 1960-61	1960-61 to 1972-73		1952-53 to 1960-61	1960-61 to 1972-73	
2. Assam	1948-49 to 1955-56	1950-51 to 1972-73		1948-49 to 1955-56	1950-51 to 1972-73	
3. Bihar	1948-49 to 1966-67	1960-61 to 1969-70		1948-49 to 1966-67	1960-61 to 1969-70	
4. Gujarat	1955-56 to 1970-71			1960-61 to 1970-71		
5. Haryana	1960-61 to 1970-71			1960-61 to 1970-71		
6. Himachal Pradesh	1950-51 & 1955-56 to 1966-67	1950-51 to 1960-61		1950-51 & 1955-56 to 1966-67	1950-51 to 1960-61	
	1966-67 to 1970-71			1966-67 to 1970-71		
7. Jammu & Kashmir	Not compiled			1956-56 to 1968-69	1960-61 to 1968-69	
8. Karnataka	1956-57 to 1972-73			1956-57 to 1972-73		
9. Kerala	1955-56 to 1960-61	1955-56 to 1971-72		1955-56 to 1960-61	1955-56 to 1971-72	
10. Madhya Pradesh	1947-48 to 1950-51	1950-51 to 1971-72		Not compiled	1950-51 to 1971-72	
11. Maharashtra	1955-56 to 1960-61	1960-61 to 1972-73		1955-56 to 1960-61	1960-61 to 1972-73	
12. Manipur	1960-61 to 1970-71			1960-61 to 1970-71		
13. Orissa	1951-52 to 1962-63	1951-52 to 1970-71		1958-59 to 1962-63	1951-52 to 1970-71	
14. Punjab	1952-53 to 1964-65*	1960-61 to 1970-71		1952-53 to 1964-65*	1960-61 to 1970-71	
15. Rajasthan	1954-55 to 1971-72			1954-55 to 1971-72		
16. Tamil Nadu	1955-56 to 1961-62	1955-56 to 1970-71		1948-49 to 1961-62	1955-56 to 1970-71	
17. Tripura	1960-61 to 1969-70			1960-61 to 1969-70		
18. Uttar Pradesh	1948-49 to 1960-61	1960-61 to 1971-72		1948-49 to 1960-61	1960-61 to 1971-72	
19. West Bengal	1948-49 to 1959-60	1960-61 to 1970-71		1951-52 to 1959-60	1960-61 to 1970-71	
20. Delhi	1960-61 to 1971-72			1960-61 to 1971-72		

* Old Punjab State.

CHAPTER II

STANDARD TABLES FOR STATE DOMESTIC PRODUCT AND EXPENDITURE

INTRODUCTION

1. A system of Standard Tables, it is felt, may be taken up as a first step towards the preparation of accounts at the state/regional level. At present, the only tables available at the state level are the industrial origin table of state domestic product at current and constant prices. However, even at the state level, sufficient material exists, which can meaningfully be presented in tables which are suitable for policy purposes. Eighteen tables for presentation of data on state domestic product and expenditure are being recommended. This set of tables should be adopted by all the State Statistical Bureaus in presenting their results. It may be observed that some of the tables are split up into two or more parts.

2. Table (1) gives in summary, the data on SDP and a few related aggregates while the tables (2) to (9) are based on SDP and its component series. Table (10) gives gross SDP by areas. Tables (11) to (15) are on components of gross state domestic expenditure. Finally Tables (16) to (18) relate to important topics of price deflators, manpower and indicators of regional development. The scope of each of these tables is discussed in Appendix I.

TABLE 1
STATE DOMESTIC PRODUCT AND SOME RELATED AGGREGATES

-
1. gross state domestic product at factor cost (at current prices)
 2. consumption of fixed capital
 3. net state domestic product at factor cost (at current prices)
 4. estimated population
 5. per capita GSDP at factor cost (at current prices)
 6. per capita NSDP at factor cost (at current prices)
 7. GSDP at factor cost (at constant prices)
 8. NSDP at factor cost (at constant prices)
 9. index number of GSDP (at constant prices with base year=100)
 10. index number of NSDP (at constant prices with base year=100)
 11. per capita GSDP (at constant prices)
 12. per capita NSDP (at constant prices)
 13. index number of per capita GSDP (at constant prices with base year=100)
 14. index number of per capita NSDP (at constant prices with base year=100)
 15. indirect taxes collected by the state net of subsidies
-

TABLE 2.1

GROSS STATE DOMESTIC PRODUCT AT FACTOR COST BY INDUSTRY OF ORIGIN
(at current prices)

sector
1. agriculture
2. forestry and logging
3. fisheries
4. mining and quarrying
sub-total : primary
5. manufacturing
5.1 registered
5.2 unregistered
6. construction
7. electricity, gas and water supply
sub-total secondary
8. transport, storage and communication
8.1 railways
8.2 transport by other means and storage
8.3 communication
9. trade and hotels & restaurants
sub-total : transport, communication and trade
10. banking and insurance
11. real estate & ownership of dwellings and business services
sub-total : finance and real estate
12. public administration and defence
13. other services
sub-total : community and personal services
14. total gross domestic product at factor cost

Note : (i) table 2.2 will present similar data at constant prices
(ii) tables 3.1 and 3.2 will present similar data on NSDP.

TABLE 4.1

SHARE OF PUBLIC SECTOR IN THE STATE DOMESTIC PRODUCT
(at current prices)

item	
1. gross product of public sector	
1.1 administration	
1.1.1 central government	
1.1.2 state government	
1.2.3 local bodies	
1.2 departmental enterprises	
1.2.1 central government	
1.2.2 state government	
1.2.3 local bodies	
1.3 non-departmental enterprises	
1.3.1 central government	
1.3.2 state government	
1.3.3 local bodies	
2. net product of public sector	
2.1 administration	
2.1.1 central government	
2.1.2 state government	
2.1.3 local bodies	
2.2 departmental enterprises	
2.2.1 central government	
2.2.2 state government	
2.2.3 local bodies	
2.3 non-departmental enterprises	
2.3.1 central government	
2.3.2 state government	
2.3.3 local bodies	



Note : (i) local bodies by definition includes port trusts, improvement trusts, housing boards etc. unless otherwise specified.

(ii) table 4.2 will present similar data at constant prices.

TABLE 5.1

INCOME AND OUTLAY ACCOUNT OF STATE GOVERNMENT ADMINISTRATION
(at current prices)

disbursement	receipt
1. consumption expenditure	7. income from entrepreneurship and property.
1.1 compensation of employees	7.1 operating surplus of departmental enterprises
(a) wages and salaries	7.2 interest receipts
(b) pensions	(a) local bodies
1.2 net purchase of commodities and services	(b) inter-state
(a) purchases	(c) co-operatives
(b) less sales	(d) other sectors
2. subsidies	(e) less interest of departmental enterprises
3. interest on public debt	7.3 other property receipts
3.1 central government	8. direct taxes
3.2 inter-state	8.1 share of central taxes
3.3 autonomous bodies	8.2 land revenue
3.4 other sectors	8.3 other direct taxes
3.5 less interest of departmental enterprises	9. indirect taxes
4. other current transfers	9.1 share of central taxes
4.1 local bodies	9.2 excise duty
4.2 educational institutes	9.3 sales tax
4.3 households	9.4 stamps
4.4 others	9.5 taxes on vehicles
5. saving	9.6 entertainment tax
	9.7 other taxes and duties
6. total	10. miscellaneous receipts net of refunds.
	11. total

TABLE 5.2

INCOME AND OUTLAY ACCOUNT OF MUNICIPALITIES AND
MUNICIPAL CORPORATION ADMINISTRATION
(at current prices)

disbursement	amount	receipt	amount
1. consumption expenditure		7. income from entrepreneurship and property	
1.1 compensation of employees		7.1 operating surplus of departmental enterprises	
(a) wages and salaries		7.2 interest receipts	
(b) pensions		7.2.1 total	
1.2 net purchase of commodities and services		7.2.2 less interest of departmental enterprises	
(a) purchases		7.3 other property receipts	
(b) less sales			
2. subsidies		8. direct taxes	
3. interest on public debt		8.1 share of state taxes	
3.1 central government		8.2 property tax	
3.2 state government		8.3 other direct taxes	
3.3 autonomous bodies		9. indirect taxes	
3.4 other sectors		9.1 share of state taxes	
3.5 less interest of departmental enterprises		9.2 octroi	
4. other current transfers		9.3 taxes on vehicles	
4.1 other local bodies		9.4 entertainment taxes	
4.2 education institutes		9.5 advertisement taxes	
4.3 households		9.6 other taxes and duties	
4.4 others			
5. saving		10. miscellaneous receipts of (net) refunds	
6. total		11. total	

Note : Table 5.3 will contain similar data for zilla parishads and village panchayats. In states where port trusts, improvement trusts, housing boards etc. are important, table 5.4 for other local bodies may also be prepared.

TABLE 6.1

PRODUCTION ACCOUNT OF STATE GOVERNMENT DEPARTMENTAL ENTERPRISES
(at current prices)

disbursement	receipt
1. purchase of commodities and services.	7. sales
2. compensation of employees	8. other receipts
3. interest	9. subsidies
4. consumption of fixed capital	
5. operating surplus	
6. total	10. total

Note : (i) in concept item 1 should be intermediate consumption of commodities & services and item 7 value of output.
(ii) table 6.2 will contain similar data for state local authorities. For states where port trusts etc. are important, table 6.3 will contain data for these local bodies.

TABLE 7.1

**CAPITAL FINANCE OF STATE GOVERNMENT ADMINISTRATION AND
DEPARTMENTAL ENTERPRISES**
(at current prices)

disbursement	receipt
1. gross fixed capital formation	6. saving
1.1 administrative departments	7. consumption of fixed capital
1.1.1 new construction	8. net capital transfers from
1.1.2 new machinery and equipment	8.1 central government
1.1.3 net purchase of second hand physical assets	8.2 local bodies
1.2 departmental enterprises	8.3 private sector
1.2.1 new construction	8.4 others
1.2.2 new machinery and equipment	9. net borrowings from
1.2.3 net purchase of second hand physical assets	9.1 central government
2. increase in inventories	9.2 financial institutions
2.1 administrative departments	9.3 local bodies
2.2 departmental enterprises	9.4 private sector
3. net purchase of land	9.5 abroad
3.1 administrative departments	9.6 others
3.1 departmental enterprises	
4. net acquisition of financial assets	10. other liabilities
5. total gross accumulation	11. finance of gross accumulation

TABLE 7.2

**CAPITAL FINANCE OF MUNICIPALITIES AND MUNICIPAL CORPORATIONS
ADMINISTRATION AND DEPARTMENTAL ENTERPRISES
(at current prices)**

disbursement	receipt
1. gross fixed capital formation	6. saving
1.1 administrative departments	7. consumption of fixed capital
1.1.1 new construction	8. net capital transfers from
1.1.2 new machinery and equipment	8.1 central government
1.1.3 net purchase of second hand physical assets	8.2 state government
1.2 departmental enterprises	8.3 private sector
1.2.1 new construction	8.4 panchayats
1.2.2 new machinery and equipment	8.5 others
1.2.3 net purchase of second hand physical assets	9. net borrowings from
2. increase in inventories	9.1 central government
2.1 administrative departments	9.2 state government
2.2 departmental enterprises	9.3 financial institutions
3. net purchase of land	9.4 private sector
3.1 administrative departments	9.5 abroad
3.2 departmental enterprises	9.6 others
4. net acquisition of financial assets	10. other liabilities
5. total gross accumulation	11. finance of gross accumulation

TABLE 7.3

CAPITAL FINANCE ACCOUNT OF VILLAGE PANCHAYATS
(at current prices)

disbursement	receipt
1. gross fixed capital formation	6. saving
1.1 administrative department	7. consmption of fixed capital
1.1.1 new construction	8. net capital transfers from
1.1.2 new machinery and equipment	8.1 central government
1.1.3 net purchase of second hand physical assets	8.2 state government
1.2 departmental enterprises	8.3 municipalities and municipal corporations
1.2.1 new construction	8.4 others
1.2.2 new machinery and equipment	9. net borrowings
1.2.3 net purchase of second hand physical assets	9.1 central government
2. increase in inventories	9.2 financial institutions
2.1 administrative department	9.3 state governments
2.2 departmental enterprises	9.4 municipalities and municipal corporations
3. net purchase of land	9.5 others
3.1 administrative departments	10. other liabilities
3.2 departmental enterprises	
4. net acquisition of financial assets	
5. total gross accumulation	11. finance of gross accumulation

Note : in states where port trusts, improvement trusts, housing boards etc. are important, table 7.4 for other local bodies may also be prepared.

TABLE 8

**PRODUCTION ACCOUNT OF PUBLIC SECTOR STATE GOVERNMENT
NON-DEPARTMENTAL ENTERPRISES**
(at current prices)

disbursement	receipt
1. intermediate consumption of goods and services	6. value of output
2. compensation of employees	7. other receipts
3. consumption of fixed capital	
4. operating surplus	
4.1 interest	
4.2 rent	
4.3 dividend	
4.4 taxes	
4.5 other transfers	
4.6 retained profits	
5. total	8. total

Note : state government non-departmental enterprises will cover those owned by state government and also by all local authorities. If for any state, separate accounts for non-departmental enterprises owned by local authorities is desired, table 8 may be split up into tables 8.1 and 8.2.

TABLE 9
CAPITAL FINANCE ACCOUNT OF PUBLIC SECTOR
STATE GOVERNMENT NON-DEPARTMENTAL ENTERPRISES
(at current prices)

disbursement	receipt
1. gross fixed capital formation	6. retained profits
1.1 new construction	7. consumption of fixed capital
1.2 new machinery & equipment	8. net capital transfers from
1.3 net purchase of second hand physical assets	8.1 central government
2. increase in inventories	8.2 state government
3. net purchase of land	8.3 others
4. net acquisition of financial assets	9. net borrowings
	9.1 at home
	9.1.1 central government
	9.1.2 state government
	9.1.3 others
	9.2 abroad
	10. other liabilities
5. total	11. total

Note : same as in table 8.

TABLE 10.1

GROSS STATE DOMESTIC PRODUCT BY AREAS
(at current prices)

industry group	areas
1.	
2.	

Note : 1. only broad industry groups to be adopted, but these should not cut across classifications for tables 2 & 3. Areas may be districts.
2. table 10.2 will contain similar data at constant prices.

TABLE 11

SELECTED COMPONENTS OF STATE DOMESTIC FINAL EXPENDITURE
(at current prices)

item
1. final consumption expenditure
1.1. central government administration
1.2. state and local government administration
1.3. households
2. gross capital formation
2.1. public administration
(i) central government
(ii) state and local government
2.2. public sector enterprises
(i) central government
(a) departmental
(b) non-departmental
(ii) state and local government
(a) departmental
(b) non-departmental
2.3. private
(a) corporate
(b) non-corporate
(c) households

Note : Item 1.3. includes non-profit institutions serving households.

TABLE 12.1

STATE GOVERNMENT FINAL EXPENDITURE BY PURPOSE
(at current prices)

purpose	
1.	general services
1.0	general administration
1.1	state legislature
1.2	elections
1.3	cost of collection of taxes
1.4	stationery and printing
1.5	civil defence
1.6	justice
1.7	jails
1.8	police
1.9	other general services
2.	community services
2.1	fire protection and flood control
2.2	other community services
3.	social services
3.1	education
3.2	medical and public health
3.3	backward class welfare
3.4	other social services
4.	economic services
4.1	agriculture & non-mineral resources
4.2	fuel and power
4.3	other mineral resources, manufacturing and construction
4.4	transport, storage and communication
4.5	labour and employment
4.6	other economic services
5.	unallocable
5.1	interest on general debt
5.2	general transfers
5.3	other unallocable expenditure
6.	total



Note : table 12.2 will contain similar data for state local authorities.

PRIVATE FINAL CONSUMPTION EXPENDITURE BY OBJECT



Not : table 13.2 will contain similar data at constant prices.

**DISTRIBUTION OF HOUSEHOLDS AND PERSONS
BY PER CAPITA HOUSEHOLD EXPENDITURE GROUPS
(at current prices)**

[illegible]

TABLE 15.1

GROSS DOMESTIC FIXED CAPITAL FORMATION BY TYPES AND BY AGENCIES
(at current prices)

type of assets	by agencies			
	central govt.	state govt	local bodies	private
1. residential buildings				
2. non-residential buildings				
3. other construction works				
4. transport equipment				
5. machinery & equipment				
6. breeding stocks, draught animals, dairy cattle and the like				
7. total gross fixed capital formation				

Note : table 15.2 will contain similar data at constant prices.

TABLE 16

PRICE INDICES BY INDUSTRY GROUPS
(base year = 100)

industry group
1. agriculture, animal husbandry, forestry, fisheries and mining
2. industry, construction, electricity etc
3. transport and communications, trade and storage
4. banking and insurance, real estate and ownership of dwellings, public administration and other services
5. total net state domestic product
6. wholesale price
7. farm harvest price
8. cost of living for working class
9. cost of living for agricultural labour
10. cost of living for middle class

TABLE 17

MANPOWER BY INDUSTRY GROUPS AND AGENCIES

economic activity	agencies
1. agriculture	
2. forestry and logging	
3. fisheries	
4. mining and quarrying	
sub total : primary	
5. manufacturing	
5.1 registered	
5.2 unregistered	
6. construction	
7. electricity, gas and water supply	
sub total : secondary	
8. transport, storage & communication	
8.1 railways	
8.2 transport by other means & storage	
8.3 communication	
9. trade and hotels & restaurants	
sub total : transport, communication & trade	
10. banking and insurance	
11. real estate & ownership of dwellings and business services	
sub total : finance & real estate	
12. public administration & defence	
13. other services	
sub total : community & personal services	
14. total	

Note : agencies will be :

(i) central government (ii) state government (iii) local bodies (iv) public corporations
(v) private corporations (vi) household industries and (vii) non-household unorganised industries.

TABLE 18**INDICATORS OF REGIONAL DEVELOPMENT**
(table to be prepared for each district)

-
1. population
 - 1.1 urban
 - 1.2 rural
 - 1.3 percentage of urban population to total
 2. population density
 - 2.1 urban
 - 2.2 rural
 3. area in sq. kms
 - 3.1 percentage of urban area
 4. total working force
 - 4.1 urban
 - 4.2 rural
 5. percentage in working force
 - 5.1 of agricultural workers
 - 5.2 of manufacturing industrial workers
 6. area under cultivation
 7. cultivable waste
 8. area under forest
 9. area sown
 - 9.1 gross
 - 9.2 net
 10. percentage of gross area sown
 - 10.1 area sown under commercial crops
 - 10.2 area irrigated
 11. net area irrigated
 12. gross value of agricultural output (Rs.)
 - 12.1 per hectare
 - 12.2 per capita (rural)
 13. percentage of gross value of agricultural output
 - 13.1 food crops
 - 13.2 commercial crops
 14. chemical fertilisers distributed
 15. per capita value added by manufacturing
 - 15.1 urban
 - 15.2 total



TABLE 18 (Contd....)

-
16. percentage of villages electrified
 17. per capita consumption of electricity (kwh)
 - 17.1 domestic
 - 17.2 agricultural
 - 17.3 industrial
 18. percentage of villages connected by all weather roads
 19. surfaced road in kms per hundred sq. kms of area
 20. rural roads kms per hundred sq. kms of rural area
 21. regulated/markets per lakh hectares of net area sown
 22. percentage of school going children in age groups of
 - 22.1 6 years to 11 years
 - 22.2 11 years to 14 years
 23. number of schools per hundred school going children
 - 23.1 primary
 - 23.2 middle
 - 23.3 higher secondary
 24. percentage of literacy
 25. number of hospitals per lakh of population
 26. number of dispensaries per lakh of population
 - 26.1 urban
 - 26.2 rural
 27. number of hospital beds per lakh of population
 28. number of family welfare planning centres per lakh of population
 29. percentage covered by protected drinking water supply
 - 29.1 towns
 - 29.2 villages
 30. number of persons per bank
 31. per capita bank deposits
 32. number of post offices per lakh of population
 33. number of radio sets per lakh of population
 34. number of commercial vehicles per lakh of urban population
 35. birth rate per thousand of population
 36. infant mortality rate per thousand live births
-

Note : lakh = 10^5

3. The main gaps at the state level which the tables leave uncovered comprise :

- (1) saving
- (2) change in stocks, and
- (3) external trade and finances.

Savings estimates cannot be prepared at the state level without the availability of data on changes in financial assets and liabilities of the household sector and retained profits of the organised activities in manufacturing industries, trade, transport and services sectors. Estimate of change in stock, on the other hand, is not only a problem of the availability of relevant data, but also of clarifying the conceptual problems involved. Only broad estimates of stocks within the boundaries of a state can be prepared on the basis of the available data. Data on external trade and finances are just not available and it is futile to make any attempt to prepare any such estimate at this stage. For the measurement of external trade, it would, not only, be necessary to have the knowledge of external transaction of the state with the rest of the world but also with the rest of the country. Even if fragmentary data are available on internal trade, no information exists on the financial flows across the state boundaries.

4. Without the availability of data, which would enable the filling up of the gaps just mentioned, it does not seem immediately feasible to construct a system of accounts at the regional/state level. It is, however, expected that with the preparation of these standard tables, sufficient momentum will be gathered to enable the preparation of a system of regional/state accounts in the near future. With this in view, the Committee proposes to recommend the appropriate framework of regional/state accounts in its final report. The recommended set of tables as well as the system of accounts to be prepared draw heavily on the conclusions arrived at in the Mahabaleshwar seminar of the IARNIW.



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24 November 1974

APPENDIX I

SCOPE OF THE STANDARD TABLES .

A 1.1 The scope and certain essential concepts required for the preparation of the eighteen Standard Tables have been presented in this Appendix. It is expected that the concepts and definitions used for the national income estimation and given in the *Brochure on Revised Series of National Product for 1960-61 to 1964-65* (CSO, 1967) will continue to be used for the present in order to tackle the various problems of details. The standard methodology recommended by the Working Group on State Income may be of some use in the preparation of the tables. The Committee, however, expects to prepare a comprehensive note on concepts and definitions to be used at the state level along with the range of possible methods consistent with these set of concepts and definitions. This obviously will require uses of fresh information and the Committee's recommendations on development of statistical information will also be given. All this will form a part of the Final Report of the Committee.

TABLE 1 : State domestic product and some related aggregates :

A 1.2 This table contains the estimates of gross and net SDP (GSDP and NSDP) at factor cost evaluated at current and constant prices, estimated population of the state, indirect taxes collected by the state net of subsidies and the indices of gross and net SDP. For an idea of the complete flow and utilisation, the product concepts are conventionally measured at market prices. This, however, is not possible at the state level because the central component of the net indirect taxes cannot be easily assessed at the level of states.

A 1.3 **GSDP at factor cost** is the value added at producer prices in all the enterprises located within the geographical boundary of the state gross of consumption of fixed capital. NSDP at factor cost is GSDP less the consumption of fixed capital.

A 1.4 **Consumption of fixed capital** : In general terms this is defined as that part of gross product which is required to replace fixed capital used up in the process of production during the accounting period. This flow is based on the concept of the expected economic life of the individual assets ; and is designed to cover the loss in value due to foreseen obsolescence and the normal amount of accidental damage which is not made good by repair as well as normal wear and tear.

A 1.5 The scope of capital equipment for which capital consumption allowance should be recorded is given by the definition of gross fixed capital formation. Thus, the allowance is to be provided on, (i) producer's durables (including residential houses) i.e., physical assets of which the life period is one year or more, except land, mineral deposits, timber tract and the like, (ii) expenditure on the improvement and alteration of producer durable goods which significantly extend the expected life or productivity, (iii) outlay on the reclamation and improvement of land including agricultural holdings and the development and extension of timber tracts, plantations, orchards, mines, etc. and (iv) purchase or acquisition of breeding stocks, draught animals, dairy cattle and the like. Due to practical difficulties, allowance is not provided for assets such as roads, dams, etc. constructed by public authorities; however, allowances have been provided for structures. In these cases, it is assumed that outlays on repairs and maintenance are sufficient to maintain the assets intact.

A 1.6 The estimates of consumption of fixed capital are to be obtained separately for each industrial sector as presented in tables (2) and (3).

A 1.7 **Indirect taxes collected by the state not of subsidies** : Indirect taxes are those taxes, which are assessed on producers in respect of the production, sale, purchase or use of goods and services and which they charge to the expenses of production. Common examples of these are, excise duty, sales

tax, entertainment duty (or entertainment tax), tax on vehicles, transaction duty (e.g. stamp) and other similar taxes and duties. These taxes as far as the state is concerned, are collected by the state government and the local bodies like municipalities, village panchayats, zilla parishads, etc.

A 1.8 **Subsidies** include all cost reducing grants on current account which private producers and public corporations receive from the government. Government in the present context refers to state government and local bodies. Subsidies may be considered as negative indirect taxes.

A 1.9 Data on indirect taxes are available from the state government budgets, municipal year books and the annual reports of local bodies. Budgets are also the source for data on subsidies given by state government. These entries can be isolated in the course of the preparation of the economic-cum-functional classification of the budgets.

TABLE 2: Gross state domestic product at factor cost by industry of origin

A 1.10 This table gives, at current and constant prices, the producers' value of the product originating (value added) in thirteen broad sectors of the state's economy. These sectors are similar to those adopted for domestic product at the national level. The scope and coverage of the sectors are the same as adopted for estimates at the national level and the method of estimation have been indicated in the standard methodology recommended by the Working Group on State Income which can be used till revised methodology become available.

A 1.11 The estimation of GSDP might raise problems for industries like trade and hotels restaurants where NSDP is directly calculated by the income approach. A study of rates of consumption of fixed capital for the organised sectors may be quite helpful in this context.

TABLE 3: Net state domestic product at factor cost by industry of origin

A 1.12 This table is identical with table 2 except that estimates are presented here net of consumption of fixed capital. Tables 2 and 3 require that the estimates are prepared separately at current and constant prices.

TABLE 4: Share of public sector in the state domestic product

A 1.13 Public sector comprises :

(i) **Government administration at all levels** : The services of government administration encompass central government activities within the state, state government and local authorities like municipal corporations, municipalities, improvement trusts, panchayats, etc.

(ii) **Public enterprises** : These are further classified into departmental enterprises and non-departmental enterprises.

A 1.14 **Departmental enterprises** : cover economic activities of the various departments of the government, e.g. railways, posts and telegraphs, overseas communication services, irrigation and electricity schemes, forestry and logging, defence manufacturing establishments, government printing presses, road and water transport schemes, etc.

A 1.15 **Non-departmental enterprises** : comprise (a) government companies, i.e., the companies in which more than 50 per cent of the paid-up capital is entirely or jointly held by public authorities (central, state or local), and (b) Statutory corporations set up under special enactment of Parliament or State Legislature. Examples are Oil and Natural Gas Commission, Damodar Valley Corporation, Food Corporation, Warehousing Corporations, Air Transport Corporations, State Road Transport Corporations, Electricity Boards, State Industrial Development Corporations, etc.

A 1.16 Net product of public administration covers compensation of employees and imputed rents. Net product for the public enterprises, on the other hand, is obtained as the sum of compensation of employees, interest, rent and operating surplus. Net product plus allowance for capital consumption gives the estimates of gross product. The data for the estimates of these aggregates would flow from the budget documents, finance accounts, appropriation accounts, audit reports and the annual accounts of the public authorities for government administration and departmental enterprises. For non-departmental enterprises, the source material would be the annual profit and loss accounts and balance sheets.

TABLE 5 : Income and outlay accounts of state and local governments (administration).

A 1.17 This account gives the receipts of and disbursements by public administration. It is to be prepared separately for state government, municipalities and municipal councils, zilla parishads and village panchayats. On the disbursement side, the account consists of consumption expenditure decomposed into employee compensation and net purchase of commodities and services, interest on public debt, other current transfers and saving. Receipts consist of income from property and entrepreneurship, taxes (direct and indirect) and other receipts net of refunds.

A 1.18 Sources for compilation would be the data from Accountant General's records for state governments and the economic classification of the budgets. For local bodies the data can be obtained from their annual reports. However, the income and expenditure statements of the state governments and local bodies may not be available in such details as are required for the table. In such circumstances, some of the details of the items like current transfers and taxes may have to be clubbed. Tables 5.1, 5.2 and 5.3 give the accounts separately by types of authorities.

TABLE 6 & 8 : Production account of state departmental and non-departmental enterprises.

A 1.19 Production account reflects the details of productive activities of the undertakings during the accounting period. Revenue comprises sales and subsidies. On the expenditure side the entries are compensation of employees, purchase of commodities and services, interest on loans repair and maintenance and allowance for consumption of fixed capital. Operating surplus is obtained as a residual on the expenditure side and is defined as the excess of value added plus subsidies over expenditures on compensation of employees, repairs and maintenance, interest and consumption of fixed capital.

A 1.20 Intermediate consumption of goods and services represents the expenditure on the consumption of raw materials, power and fuel, packing materials, freight charges, handling and inspection charges, advertisement expenses and similar other charges, stationery and printing expenses, telephone bills, water and electricity charges, postage and telegrams, etc., auditors' fees, engineering fees, salaries of foreign technicians and experts, travelling expenses, legal expenses, rates and taxes, bank charges, insurance charges and commission and other office expenses.

A 1.21 Source of data for state government departmental enterprises will be the economic classification of the budget where the transactions of the commercial undertakings are classified separately. Tables 6.1, 6.2 and 6.3 give the accounts separately by types of authority.

A 1.22 For non-departmental enterprises the basic data would be the annual reports. For the purpose, it is necessary to prepare an expansive list of all the public sector non-departmental undertakings operating in the state. To begin with, only the state and local government undertakings may be covered and their accounts be analysed. The possibilities will have to be explored to obtain similar data for central government undertakings/corporations covering their activities within the state boundary to enable their inclusion as well. Table 8 gives the accounts for non-departmental enterprises.

TABLE 7 & 9 : Capital finance account of state government-administration and departmental enterprises and of non-departmental enterprises.

A 1.23 This account relates to the capital transactions and its financing. The table 7 is to be prepared separately for different types of authority and table 9 will contain similar data for non-departmental enterprises. On the receipt side, i.e., for the sources of finance, the entries are saving, capital transfers and borrowings while accumulation is in the form of fixed capital formation, increase in inventories, net purchase of second hand physical assets and acquisition of financial assets. The net purchase of second hand physical assets might include transactions in land as well, where no separate data on land are available.

TABLE 10 : Gross state domestic product by areas.

A 1.24 This table presents estimates of GSDP by areas smaller than the state. The decision regarding the unit of area to be adopted for the purpose is left to the state authorities. Since the district has now been adopted as the basic unit of planning, this table would perhaps be most useful if prepared at the district level. For several of the sectors, however, availability of data even at the state level is limited to provide reliable estimates and in such cases the estimation at the district level may involve several assumptions. As such, it may be advisable to present the table for the commodity producing sectors only for which the basic data are more extensive. If no data on differential cost ratio between districts are available, it may be expedient to prepare the table in terms of the aggregate value of output.

TABLE 11 : Selected components of state domestic final expenditure.

A 1.25 The table contains data on selected components of state domestic expenditure in the form of final current consumption expenditure and gross capital formation. The first part consists of current expenditure in the government (central, state and local) and household sectors (including non-profit institutions serving household) on final consumption. The second part refers to the asset formation in government, public enterprises, private enterprises and households.

A 1.26 **Final consumption expenditure of government services** is the gross output of government administration (sum of the value of consumption of goods and services, compensation of employees, consumption of fixed capital and indirect taxes) less their commodity and non-commodity sales and the value of their own account capital formation which is not segregated as an industry.

A 1.27 **Household final consumption expenditure** (in the domestic market) consists of the outlays within the state boundary of resident and non-resident households on new consumer durable and non-durable goods and services less their net sales of second hand goods, scraps and wastes. This item in the table also includes final consumption expenditure of private non-profit bodies serving households. This also relates to transactions in the domestic market and equals to the value of goods and services produced for own use on current account. It is equivalent to gross output and is measured as the sum of the value of their intermediate consumption of goods and services, compensation of employees, consumption of fixed capital and indirect taxes reduced by the sum of their commodity and non-commodity sales.

A 1.28 Estimates of **gross domestic capital formation** for government administration and public sector enterprises would follow from the economic classification of the budgets and the accounts of the public sector undertakings. Data on private gross capital formation (covering enterprises and household construction) would not be available readily for most of the states. Regular sample surveys on asset formation in private corporate and non-corporate sectors and in households would be necessary if such estimates are to be prepared.

TABLE 12 : State and local government final expenditure by purpose.

A 1.29 For the classification of the final expenditure of government administration by purpose, the distribution should be obtained under the broad heads like general services, community services, social services and economic services. This table is to be prepared separately for the state government and local bodies.

TABLE 13 : Private final consumption expenditure by object.

A 1.30 This table gives the figures of private final consumption expenditure comprising the outlays of resident households and private non-profit institutions serving households. The table is to be prepared both at current and constant prices. The object classification of household consumption expenditure has been made under two broad heads of food and non-food, with further sub-classifications under each. At the state level, because of open boundary, estimation of private final consumption by the commodity flow method would raise several measurement problems and therefore, consumer expenditure surveys would be a possible source for measurement of household consumption expenditure. The aggregates will not strictly conform to private consumption expenditure in the domestic market presented in table 11. Analysis of the accounts of private non-profit institutions would give the required data on their final consumption expenditure.

TABLE 14 : Distribution of households and persons by per-capita household expenditure groups.

A 1.31 The table gives the distribution of households by per capita household expenditure size classes. Against different per capita expenditure groups, the per capita household expenditure, percentage of households and percentage of persons in the households will be given. Source data for the purpose would be the consumer expenditure surveys and the concept used will be the same as that for table 13.

TABLE 15 : Gross domestic fixed capital formation by types and by agencies.

A 1.32 This will be a two way table giving fixed capital formation by types and by agencies like government administration (central, state and local), public sector enterprises (departmental and nondepartmental) and private sector. The two broad types of fixed capital formation, viz., construction and machinery and equipment have been further subclassified into six categories. The table should preferably be prepared both at current and constant prices.

TABLE 16 : Price indices by industry groups.

A 1.33 This table gives the implicit price deflators of sectoral and total NSDP. For purposes of comparison, some other indices, viz., index numbers of wholesale prices and farm harvest prices, and of consumer prices for working class, agricultural labour and urban non-manual employees (middle class) are also included.

A 1.34 **Sectoral price deflators :** For each of the sectors, price deflators are to be worked out as the ratio of current price estimate of NSDP to the corresponding constant price estimate for a given year. These ratios would thus show the percentage change in price level for the respective sectors and would be derived from the sectoral estimates of NSDP at current and constant prices presented in tables 2.1 and 2.2. The thirteen sectors of table 3 have been grouped into four broad sectors for presenting the price deflators.

A 1.35 Index numbers of **wholesale price** would cover a large number of commodities and would, at the overall level, be comparable with the implicit price indices obtained from the data on SDP at current and constant prices and presented under item 5. At present, most of the states compile index numbers of wholesale prices though they are not comparable from state to state because of differences in weight base, item coverage and method of compilation.

A 1.36 **Farm harvest prices** are defined as the prices received by the farmers while selling their crops at the village site during the peak marketing season of each individual crop. Data on these prices are regularly collected in many of the states and it would be possible to present the results in the form of overall indices.

A 1.37 **Cost of living indices** (consumer price indices) for various categories of workers measure the overall level of retail prices of goods and services consumed by them, in comparison to the price level in a given base year.

A 1.38 **Cost of living of industrial workers** (working class) covers the manual workers engaged in factories, mines and plantations. In every state, there exists specified centres for price collection for preparation of the all-India and the state series of indice. Each of the states compiles the indices for the centres falling within its boundary.

A 1.39 **Cost of living of agricultural labour** These indices both statewide and at the all-India level are prepared by the Labour Bureau and are therefore, readily available.

A 1.40 **Cost of living of urban non-manual employees** (middle class). The Central Statistical Organisation compiles this index for 45 centres scattered over the country. A middle class family for purposes of this index has been defined as a family deriving 50 percent or more of its income during the reference month from the earnings of its members who are gainfully occupied as employees in non-manual work in the non-agricultural sector. The state indices can be prepared by combining the results for selected centres.

TABLE 17 : Manpower by industry groups and agencies.

A 1.41 This is a two way table giving the distribution of state's working force by industries and by agencies like government, public sector, private sector, etc. The industrywise classification would be according to "*National Industrial Classification (NIC) 1970*" published by the CSO. For the 1971 population census, the industrial classification adopted by the Registrar General's office is the same as the NIC 1970 upto the three digit level. Census data can, therefore, be used to present the working force distribution upto the three digit level classification of industries. An attempt should be made to replace the estimates based on projections of census data, when more reliable data are available from other recent sources.

TABLE 18 : Indicators of regional development.

A 1.42 This table presents selected districtwise economic indicators which provide a comparative picture of the stages of development reached by different districts within the state. The indicators are presented for selected important sectors such as agriculture, industry, communication, social services, education and public health. To facilitate inter-district comparison of the stages of development, ratios of districtwise indicators to the corresponding state averages are also presented along with the indicators.

APPENDIX II

STANDARD TABLES ON STATE ACCOUNTS FOR MAHARASHTRA

A 2.1 On the basis of the data available in the state of Maharashtra, it is possible to compile a large portion of the Standard Tables prescribed in this Report. The set of tables that was possible to be compiled on the basis of the present data availability is given in the statements attached. The problems faced in constructing the given tables are elaborated in the comments on the tables.

A 2.2 Data for compilation of the tables were obtained from the following sources.

- (i) Estimates of State Income by industry of origin published in Maharashtra-An Economic Review, 1972-73.
- (ii) Economic-cum-functional classification of state government budget, presented in Maharashtra state 'Budget in Brief' 1969-70.
- (iii) Budget analysis of zilla parishads.
- (iv) Income and expenditure statements of municipalities, given in 'Municipal Year Book,' 1969-70.
- (v) Income and expenditure statements of village panchayats given in 'Village Panchayat Administration Report of Maharashtra,' 1969-70.
- (vi) Estimates of gross fixed capital formation from the report on Capital Formation in Maharashtra.
- (vii) Household consumer expenditure from the National Sample Survey consumer expenditure enquiry for Maharashtra.
- (viii) Accounts of public sector units, from the 'Brochure on Public Sector Undertakings in Maharashtra.'

A 2.3 Considering the complexity of the tables, compilation was not always directly possible from the data sources. Often the published data had to be re-adjusted and re-classified to suit needs of economic grouping in the Standard Tables presented. A number of gaps were located in the compilation and efforts had to be made to supplement the above data and sometimes adopt methods of extrapolation of the time series data using appropriate methods. In the following section, notes on compilation of each of the tables along with the problems faced are given. The economic classification of the state government budget giving separately the current and capital account transactions of the government administration and departmental enterprises is presented in Annex 3.

A 2.4 This attempt, to build up a new series of tables appropriate for economic policy decision at the state level, is being made for the first time. A number of difficulties have actually been faced in compiling these tables and in many cases methods had to be evolved to estimate some of the items. The estimates presented in these tables are, therefore, to be considered as indicative only of the dimension rather than the absolute levels.

Table 1, 2 and 3—State domestic product and related aggregates.

A 2.5 These three tables present estimates of gross and net state domestic product at factor cost both at current and constant prices and therefore require the measure of depreciation. The State Bureaus bring out annually estimates of net state domestic product by industry of origin by following either the production or the income method depending on the availability of data. In the absence of any reliable estimate of depreciation, the figures are arrived at on an *ad hoc* basis and are used to obtain the sectorwise net estimates of domestic product. Even in regard to the registered

manufacturing sector for which the value of depreciation is reported in the ASI returns, the depreciation worked out does not necessarily conform to the economic life of machinery and plants but is based on accounting procedures. It thus leaves a conceptual gap. In regard to other sectors, the estimates of depreciation are based on some *ad hoc* studies carried out at certain points of time. No systematic studies have been undertaken so far to work out annually the estimates of consumption of fixed capital for different sectors. Both on conceptual as well as operational grounds there is scope for improvement in the estimate of this flow. Conceptually thus the estimates of GSDP appear to be more reliable than the estimates of NSDP.

A 2.6 Estimation of gross domestic product at market prices at the state level raises some conceptual and methodological problems. As part of accounting identity, indirect taxes assessed on production, sales and purchases within the state appear on the receipt side of the Income and Outlay Account of the state. Indirect taxes assessed on production, purchase and sale of goods and services within the state, do not necessarily constitute the entire component of indirect taxes passed on to the consumers. A part of indirect taxes which contributes to the value of imports from outside the state thus do not appear on the receipt side of the Income and Outlay Account for the state. Further, imported goods from abroad transported through maritime states to landlocked states contribute marginally to value added within the maritime states in the form of transport charges etc. As a result, customs duties and other indirect taxes paid on imports appear on the receipt side of Income and Outlay Account of maritime states, although these may be paid by traders in the landlocked states. Such transactions do not provide any conceptual problem at the national level as the entire component of indirect taxes irrespective of the territory in which it is collected, appear on the receipt side of the corresponding account. In view of this problem at the state level, the quantum of indirect taxes assessed on sales and purchases within the state does not play the customary role of such taxes in relation to the income originating within the state. Consequently, table 1 does not include any estimate of SDP at market prices, and only estimates of SDP at factor cost are presented along with the estimate of net collection of indirect taxes by the state during the reference period.

A 2.7 The data relating to gross and net state domestic product at current and constant prices in table 1 are the same as in tables 2 and 3. The information on collection of indirect taxes and subsidies is culled out from the budget documents of different public authorities. Indirect taxes are broadly taken to represent taxes on commodities and services. The revenue receipts of these taxes are equivalent to the collections made during the year. These collections also contain a component of tax arrears of back years which cannot be segregated due to paucity of detailed records and also exclude arrears of the current year under study. The data on collection of indirect taxes by state, municipal authorities and village panchayats are obtained from *Budget in Brief* (brought out by the SSB), Municipal Year Book and Annual Administration Report of village panchayats respectively. As regards central government indirect taxes collected within the state, the information is obtained from the relevant central government departments located in this state. In respect of zilla parishads, detailed break up of indirect taxes is not available and the quantum of indirect taxes is arrived at by deducting total direct taxes as available from budget analysis of zilla parishads from total taxes collected by them. The taxes actually covered are :

indirect taxes

sources

central government

1. union excise

Central Excise Collectorate, Bombay.

2. customs duties

Collectorate of Customs, Bombay.

state government

1. state excise duties

Maharashtra State Budget

2. sales tax

3. taxes on vehicles

4. stamps and registration

5. electricity duty

6. entertainment tax

7. taxes on goods and passengers

8. other taxes (excluding direct taxes)

municipalities and municipal corporations.

1. octroi

2. taxes on animals and vehicles

3. toll on road and ferries

4. water rates

5. sanitary cess

6. lighting rates

7. other taxes (excluding those on property)



Municipal Year Book,
Maharashtra State.

village panchayats

1. octroi

2. taxes on bicycles and animal drawn vehicles

3. taxes on fairs, festivals etc.

4. fees on markets and weekly bazaars

5. toll on vehicles and animals

6. general and special water rates.

7. other taxes.

Village Panchayat Annual
Administration Report,
Maharashtra State.

A 2.8 Little information on the quantum of subsidy given by public authorities is at present available. The only figure of subsidy shown in the Account-1 of the Economic Classification of the state government budget is used as a proxy of the aggregate flow.

A 2.9 For working out per capita estimates of GSDP and NSDP population projected on the basis of data from 1961 and 1971 censuses are used. Index numbers of GSDP and NSDP for 1969-70 are worked out with the corresponding estimates for 1960-61 as the base.

A2.10 The estimates of sectorwise capital consumption is not available separately for each year and is worked out by using *ad hoc* ratios. These ratios are based on the corresponding sectorwise estimates of gross and net domestic products at all India level both at current and at constant prices.

A 2.11 For compiling the table of NSDP of Maharashtra state the estimates of state domestic product at current and constant prices which are annually prepared by the SSB and presented in the publication entitled 'Maharashtra—An Economic Review' are used.

A 2.12 Table 4. Share of public sector in SDP

The share of the public sector consists of —

- (i) wages and salaries paid by and net rental income accrued to government administration
- (ii) net output of departmental and non-departmental commercial undertakings and
- (iii) wages and salaries component of government outlays on construction.

The net output referred to at (ii) comprises wages and salaries, interest and profits transferred to administration and retained plus excess of depreciation provision over renewals and replacement. This is a derived table and can be built up on the basis of data presented in the accounts of the public sector. As the accounts of all the public sector enterprises cannot, at present, be built up at the state level, complete information on this table is not available and hence cannot be presented for the time-being. The problem in particular refers to the central government public sector undertakings functioning within the state of Maharashtra. In this case, it may not be possible for the SSB to prepare the accounts without the details which might best be collected by the CSO.

A 2.13 The table for the state government is constructed on the basis of data presented in Account-1 of the Economic Classification of State Government Budget, i.e. transaction in commodities and services and transfers (current account) of state government administration.

A 2.14 On the expenditure side, total consumption expenditure comprises the compensation of employees including pensions and net purchase of commodities and services. The component of compensation of employees, which is not available in Account of economic classification, has been obtained from Accountant General's record, which gives information on wages paid by budget heads. Deducting the wage component from the aggregate consumption expenditure in Account-1 of the Economic Classification, we arrive at the estimate of purchase of commodities and services. As regards the remaining items on the expenditure side, i. e., interest, current transfers and savings, the estimates can be directly built up by clubbing suitable items in Account-1 of the Economic Classification.

A 2.15 On the receipt side, the required break up of tax receipts according to direct and indirect taxes have to be worked out on the basis of detailed information on tax receipts given in the 'Budget in Brief' brought out by the SSB annually. Account-2 of the Economic Classification which pertains to the current account of departmental undertakings gives the estimates of operating surplus, which is shown on receipt side as a part of income from entrepreneurship and property. The remaining component, i. e., miscellaneous receipt is obtained as a residual.

A 2.16 The components of production account of state departmental enterprises are mostly available from Account-2 of the Economic Classification referred to above. Estimates of compensation of employees on the expenditure side and that of subsidies on the receipt side cannot be given because separate estimates of these components are not available.

A 2.17 In the case of the capital finance table, some new entries are introduced as it is felt that the entries proposed in the Standard Table are inadequate to cover all types of transactions recorded in the state budget. The capital finance account thus reconstituted combines in itself changes in financial assets, changes in financial liabilities and cash and capital reconciliation, i.e., the transactions which are recorded in separate accounts in the Economic Classification on State Government Budget.

A 2.18 The account presented in the table 7.1 is thus built up by combining the components in Account-3 : capital account of government administration, Account-4 : changes in financial assets and Account-5 : changes in financial liabilities of the Economic Classification. Account-4 of the Economic Classification gives estimates of net acquisition of financial assets, which constitute item 5 of disbursement side of this table. Account-3 of the Economic Classification provides estimates of capital transfers. Gross financial accumulation is thus obtained as the total of disbursements in Account-3 of the Economic Classification and changes in financial assets (from Account-4 of the Economic Classification) after deducting from it receipts on account of the sale of government properties. An adjustment is also made to account for purchase of physical assets on the disbursement side. As Account-3 of the Economic Classification does not provide information separately in respect of gross fixed capital formation, increase in inventories and net purchase of physical assets, these items are clubbed together and the estimates are obtained as residual on the disbursement side.

A 2.19 On the receipt side, finance of gross accumulation equals gross accumulation worked out on the disbursement side. Estimates of saving, consumption of fixed capital and capital transfers are directly available from Account-3 of the Economic Classification. The flow, net borrowing, is obtained from Account-5 of the Economic Classification. The estimates of other liabilities on the receipt side is obtained as a residual.

A 2.20 As regards municipalities, tables on current and capital finance accounts are compiled on the basis of accounts presented in the income and expenditure statements included in the annual Municipal Year Book, (issued by SSB, Government of Maharashtra). Similarly tables concerning village panchayats are constructed using income and expenditure statements given in Village Panchayats Administration Reports brought out annually. The Consolidated Accounts of zilla parishads compiled by the Chief Auditor, Local Funds Accounts, Bombay, have been made use of for preparing the current and capital finance accounts of zilla parishads and panchayat samities. In all the above cases, the data available from the sources referred to have been adjusted and re-classified to suit relevant economic classifications of the Income and outlay and capital finance accounts of the respective bodies. Moreover, the data available in the income and expenditure statements and budget publications of these local bodies are not always adequate to meet the entire requirement of the accounts to be constructed. Some of the gaps have been filled in by supplementing the data with additional information collected from independent sources and by making use of ratios based on past data.

A 2.21 The expenditure statement of the municipal councils given in the Municipal Year Book provides the combined capital and current expenditure by budget heads. Although, attempts have been made to obtain the current and capital expenditure separately for each individual head from the municipalities, the data collected do not fully meet the requirements. In view of this, the estimate of the net purchase of commodities and services for municipalities and municipal corporations is based on the ratio of wages and salaries to total consumption expenditure of the state government. Part II of the Municipal Year Book gives information on emoluments paid to municipal staff including

pension and this has been used for preparation of the table. As regards the remaining items on the expenditure side, namely other current transfers and interest on public debt, the figures have been estimated by combining suitable items from the expenditure statement. The difference between current receipts and expenditure constituted 'saving'.

A 2.22 As regards current receipts, data on direct and indirect taxes, miscellaneous receipts etc. are directly available from the income data presented in the Municipal Year Book. The source, however, does not give the break up of income and expenditure of departmental commercial enterprises and as a result it has not been possible to give itemwise break up of the production accounts of such enterprises. The difference between income and expenditure of the commercial enterprises (which are the only items on which information is available) has been taken to represent the operating surplus.

A 2.23 While compiling the capital finance account of the municipal councils, the economic groupings on the receipt side have first been built up by combining relevant items from capital receipts, transfers and borrowings of municipal councils and estimated saving obtained from the current account. As no details are available, the estimate of gross capital formation on the expenditure side has been obtained as a residual after deducting the estimate of net acquisition of financial assets from the total expenditure. The estimates of the net acquisition of financial assets is based on relevant data on capital expenditures of the municipal councils.

A 2.24 The accounts for village panchayats have been constructed following more or less similar methods using the sources referred to earlier. For zilla parishads accounts have been compiled using the details from the Consolidated Accounts presented by Chief Auditor, Local Funds. The present paucity of data and the use of rough methods for obtaining the accounts of local bodies show that there is considerable room for improvement here. In particular, it is necessary to obtain a break up of gross fixed capital formation by type and also an estimate of increase in inventories to make the capital finance account more meaningful.

TABLE 8 : Production Account of Public Sector Non-departmental Enterprises

A 2.25 The production account of such public sector non-departmental undertakings, activities of which are restricted to the state's boundary, can be presented by analysing the profit and loss accounts of such enterprises, mainly manufacturing and trading concerns. The SSB compiles an annual brochure on public sector undertakings operating in Maharashtra, on the basis of accounts obtained from these enterprises. The statement of accounts of these enterprises for the year 1968-69 have been utilised for presenting the production account. A list of the enterprises covered is given in Annex I. This table, however, remains incomplete in so far as it covers only a few enterprises operating within the state and is undertaken only to explore the feasibility of preparing such accounts on the basis of the statistics available otherwise. These accounts do not cover banks and insurance whose activities extend beyond the boundaries of the state. The preparation of the accounts of these bodies at the state level is not feasible in the present set up and requires a more careful consideration. However, the income accruing in such enterprises (both departmental and non-departmental) is expected to be estimated and presented in table 4.

TABLE 9 : Capital Finance Account of Public Sector Non-departmental Enterprises

A 2.26 It has not been possible to build up this account as the balance sheets of the undertakings for two consecutive years have to be analysed for the purpose and also it is necessary to link the estimates of net addition to the assets during the year with the estimates obtained from the profit and loss accounts.

TABLE 10: Net state domestic product from the commodity producing sectors by areas

A 2.27 With introduction of districts as the basic units for planning, the estimation of district income has assumed particular significance. The inter-district transactions are even more frequent than inter-state transactions and hence the operational problems of income estimation become more accentuated at the district level. Also, data at the level of districts in respect of such sectors for which data are weak even at the state level, e.g., inputs, operational cost etc., are at present almost impossible to obtain. Similarly, the estimates even at the state-level of some of the unorganised sectors are at present based on projection of bench-mark estimates as no usable annual data are available. The use of a method of this type for these sectors at the district level, is extremely unsatisfactory because physical indicators used for projections will be less reliable for smaller areas. Due to these limitations, the estimation of district income is at present restricted to commodity producing sectors only. A methodological note on the estimation of district income in commodity producing sectors is given in Annex 2. The commodity producing sectors covered are agriculture and allied activities, fishery, forestry, factory establishments, small enterprises, mining, electricity, gas and water supply.

A 2.28 The method of estimation largely involves allocation of state sectoral aggregates to districts using the relevant indicators based on districtwise output. Due to availability of data on output and prices, districtwise estimates of income from agriculture sector could be worked out independently. While income from the sector forestry has been apportioned to districts on the basis of districtwise forest output, that in respect of fisheries has been allocated by making use of districtwise break up of fish production in the case of marine fish and of working force in the case of inland fish. Districtwise information on output of minerals has been found to be of use in disaggregating income from the mining sector. In the case of the registered manufacturing sector, districtwise break up of income originating is directly available from the details of Annual Survey of Industries. In the absence of any data on districtwise production, income from unregistered manufacturing industries has been apportioned to districts on the basis of estimated working force. As regards electricity, data on districtwise value added available from Annual Survey of Industries result have been used for apportioning the aggregate income at the state level. District income estimates for commodity producing sectors thus worked out relating to the year 1967-68 are presented in this table.

TABLE 11: Components of State Domestic Expenditure

A 2.29 This table provides information regarding the main components of gross state domestic expenditure viz. final consumption expenditure by public authorities, household consumption expenditure and gross capital formation. No estimate of change in stocks have, however, been prepared and to this extent there exists a gap in obtaining a complete picture of state domestic expenditure.

A 2.30 The final consumption expenditure by public authorities represent the expenditure on purchase of commodities and services and wages and salaries paid to employees. Public authorities here comprise central government services within the state boundary, state government and local bodies. The budget documents of the individual bodies except central government constitute the main source for collection of requisite data on consumption expenditure. In respect of central government the relevant data are received from the CSO. The economic classification of state government budgets gives fairly reliable estimates of state government final consumption expenditure. Although no attempt has been made to prepare economic classification of budgets of local bodies, the income and expenditure statement of the respective bodies has been found, to a certain degree, useful in building up the estimate of their final consumption expenditure.

A 2.31 The National Sample Survey (NSS) results on household consumption expenditure give annual estimates of the aggregate. But these estimates have their own limitations. These

estimates leave a conceptual gap as it fails to account for non-cash expenditure such as rental value of owner occupied houses and some consumption of own account production, consumed by the households. At the national level these difficulties are overcome by preparing independent estimates of household consumption expenditure by the commodity flow method. Similar method, however, cannot be employed at the state level because of the absence of data on inter-state flows of commodities and services. Hence the estimates as provided by N.S.S. have been used supplementing them with estimates of non-cash expenditure otherwise left out.

A 2.32 Estimates of gross fixed capital formation at the state level are attempted by few states and Maharashtra is one of them. Unlike the national estimates which are based, by and large on commodity flow approach, the estimates at the state level are worked out following expenditure method. The method consists of estimating outlays on net addition to fixed assets by government, entrepreneurs households and non-profit institutions. The present estimates leave much scope for improvement. Due to the absence of annual data on unorganised sectors, the estimates are based on *ad-hoc* studies carried out from time to time and relevant annual physical indicators. Even in respect of organised sectors, data on outlays made within the state by agencies such as central government, railways, banks etc., whose activities extend beyond state boundaries are not always available and are often apportioned to the states using physical indicators.

TABLE 12 : State Government final expenditure by purpose

A 2.33 The final consumption expenditure recorded in the first account of the state government's economic classification of the budget is distributed over different functional heads of expenditure for the preparation of the table representing final expenditures by purposes. No such functional classification of consumption expenditure by local bodies has been attempted so far.

TABLE 13 : Household final consumption expenditure in Maharashtra by object
and

TABLE 14 : Distribution of households and persons by per capita monthly expenditure groups

A 2.34 Both these tables are compiled on the basis of household consumption expenditure data collected in the NSS round corresponding to the year 1969-70.

TABLE 15 : Gross Domestic Fixed Capital Formation by types

A 2.35 As indicated earlier this table is compiled by following the expenditure approach.

TABLE 16 : Indices of price deflators.

A 2.36 Sectoral price deflators are worked out as the ratio of the estimates of value added at current and constant prices by sectors. These indicate broadly the trend in overall sectoral prices over years.

TABLE 17 : Manpower by type of economic activity.

A 2.37 The only data on manpower are available from the decennial population censuses, which give distribution of working force by industries. Due to conceptual differences, the data on working force available from 1951 and 1961 census results are not strictly comparable. On the basis of recommendations made by the C.S.O. regarding the procedure to be adopted for preparing comparable bench mark estimates of working force for 1951, the State Bureau of Maharashtra has prepared estimates by industry groups for 1951 for the state of Maharashtra. These comparable estimates of working force for the years 1951 and 1961 are presented in table 17B while table 17A gives the estimates of working force for the year 1961 by industrial sectors. Due to non-availability of data, no estimates of manpower by agencies have been built up.

TABLE 18 : Indicators of Regional Development

A 2.38 Districtwise economic indicators which provide a comparative picture of levels of development for areas within the state, are presented for some of the important sectors viz. agriculture, industry, communications, education and public health. In order to make these indicators more meaningful, the ratios of district indicators to state averages are also presented for several of the indicators. The utility of the indicators is restricted to the measurement of the level of development in a chosen sector. It has not been possible to work out a composite index covering all the indicators because of the basic difficulty in assigning weights to different indicators on an objective basis.



TABLE : 1
SDP AND SOME RELATED AGGREGATES, 1969-70*

(Rs. crores)

item		amount
(1)		(2)
1.	GSDP at factor cost (at current prices)	3924.06
2.	collection of indirect taxes by the state <i>net</i> of subsidies	771.82
3.	consumption of fixed capital	267.69
4.	NSDP at factor cost (at current prices)	3656.37
5.	per capita GSDP at factor cost (Rs.)	807.20
6.	per capita NSDP at factor cost (Rs.)	752.20
7.	GSDP at factor cost (at constant prices)	2238.04
8.	NSDP at factor cost (at constant prices)	2064.34
9.	index number of NSDP(at constant prices with base year 1960-61=100)	129.24
10.	index number of GSDP (at constant prices with base year 1960-61=100)	124.68

*provisional

TABLE : 2**GROSS STATE DOMESTIC PRODUCT AT FACTOR COST BY INDUSTRY OF
ORIGIN, 1969-70*****(Rs. lakhs)**

sector		at current prices	at constant (1960-61) prices
(1)		(2)	(3)
1.	agriculture	111658	58540
2.	forestry and logging	2988	1683
3.	fisheries	1790	671
	sub-total	116436	60894
4.	mining and quarrying	848	708
5.	manufacturing :		
	5.1 registered	81615	54087
	5.2 unregistered	24804	10487
6.	construction	20788	9565
7.	electricity, gas and water supply	8104	3432
	sub-total	136159	78279
8.	transport & communications		
	8.1 railways	6234	4831
	8.2 communications	4732	2862
	8.3 transport by other means	21812	14240
9.	trade, storage, hotels & restaurants	40858	22940
	sub-total	73636	44873
10.	banking and insurance	9732	5256
11.	real estate & ownership of dwellings	10934	8276
12.	public administration	11264	8837
13.	other services	34245	17389
	sub-total	66175	39758
14.	grand total	392406	223804

*provisional

TABLE : 3**NET STATE DOMESTIC PRODUCT AT FACTOR COST BY INDUSTRY OF
ORIGIN, 1969-70***

(Rs. lakhs)

sector		at current prices	at constant (1960-61) prices
(1)		(2)	(3)
1.	agriculture	111044	57926
2.	forestry and logging	2960	1665
3.	fisheries	1671	629
	sub-total	115675	60220
4.	mining and quarrying	786	651
5.	manufacturing		
	5.1 registered	68740	45539
	5.2 unregistered	24192	10224
6.	construction	19931	9172
7.	electricity, gas and water supply	6195	2652
	sub-total	119844	68238
8.	transport and communications		
	8.1 railways	5445	4218
	8.2 communications	4637	2791
	8.3 transport by other means	17686	11403
9.	trade, storage, hotels & restaurants	39862	22376
	sub total	67630	40788
10.	banking and insurance	9562	5161
11.	real estate & ownership of dwellings	7999	6098
12.	public administration	11264	8837
13.	other services	33663	17092
	sub-total	62488	37188
14.	grand total	365637	206434

*provisional.

TABLE : 5.1

INCOME AND OUTLAY ACCOUNT OF STATE GOVERNMENT ADMINISTRATION
1969-70
(AT CURRENT PRICES)

(Rs. lakhs)

disbursement		receipt	
(1)	(2)	(3)	(4)
1. consumption expenditure	14833	6. income from entrepreneurship	
1.1 compensation of employees	10976	and property	2324
(a) wages and salaries	10633	6.1 operating surplus	847
(b) pensions	343	6.2 income from property	1477
1.2 net purchase of commodities and services	3857	7. direct taxes	4169
2. interest on public debt	3040	7.1 share of taxes	3430
2.1 central government	1993	7.2 land revenue	634
2.2 others	1047	7.3 other direct taxes	105
3. other current transfers	14392	8. indirect taxes	22996
4. saving	3723	8.1 share of central taxes	3049
		8.2 excise	441
		8.3 sales tax	12420
		8.4 stamps	897
		8.5 taxes on vehicles	1276
		8.6 entertainment tax	1020
		8.7 other taxes & duties	3893
		9. miscellaneous receipts	6499
5. total	35988	10. total	35988

Note :- figures are provisional.

TABLE : 5.2

**INCOME AND OUTLAY ACCOUNT OF MUNICIPALITIES AND MUNICIPAL
CORPORATIONS 1969-70
(AT CURRENT PRICES)**

(Rs. lakhs)

disbursement		receipt	
(1)	(2)	(3)	(4)
1. consumption expenditure		6. income from entrepreneurship & property	
1.1. compensation of employees		6.1 operating surplus	11
(a) wages and salaries	3585	6.2. income from property	422
(b) pensions*			
1.2 net purchase of commodities and services	1599	7. direct taxes	2357
2. interest on public debt	1234	7.1 share of taxes	
2.1. government		7.2 land revenue	
2.2. other		7.3 other direct taxes	
3. others current transfers	400	8. indirect taxes	4302
4. saving	1743	8.1 share of central taxes	
		8.2 excise	
		8.3 sales tax	
		8.4 stamps	
		8.5 taxes on vehicles	
		8.6 entertainment tax	
		8.7 other taxes and duties	
		9. miscellaneous receipts	1469
5. total	8561	10. total	8561

* not separately available and included under item 3.

TABLE : 5.3

INCOME AND OUTLAY ACCOUNT OF VILLAGE PANCHAYATS
1969-70

(AT CURRENT PRICES)

(Rs. lakhs)

disbursement		receipt	
(1)	(2)	(3)	(4)
1. consumption expenditure		6. income from entrepreneurship & property	
1.1 compensation of employees		6.1 operating surplus	
(a) wages and salaries	354	6.2 income from property	
(b) pensions			
1.2 net purchase of commodities and services	156	7. direct taxes	169
2. interest on public debt		7.1 share of taxes	
2.1 government		7.2 land revenue	
2.2 others		7.3 other direct taxes	
3. other current transfers	1	8. indirect taxes	194
4. saving	1001	8.1 share of central taxes	
		8.2 excise	
		8.3 sales tax	
		8.4 stamps	
		8.5 taxes on vehicles	
		8.6 entertainment tax	
		8.7 other taxes and duties	
		9. miscellaneous receipts	1149
5. total	1512	10. total	1512

*inclusive of Rs. 409 lakhs as grants from government

TABLE :5.4

INCOME AND OUTLAY ACCOUNT OF ZILLA PARISHAD ADMINISTRATION, 1968-69
(AT CURRENT PRICES)

(Rs. lakhs)

expenditure		receipt	
(1)	(2)	(3)	(4)
1. consumption expenditure		6. income from entrepreneurship and property	
1.1 compensation of employees		6.1 operating surplus	Neg.
(a) wages and salaries	4606	6.2 income from property	24
(b) pensions	41		
1.2 net purchase of commodities and services	1671	7. direct taxes	
2. interest on public debt		7.1 tax on profession, trade calling or employment	17
2.1 state government	2	7.2 other taxes and fees	10
2.2 others	1	8. indirect taxes	
3. other current transfers	800	8.1 cess under section 144, 151, 152, 155.	449
4. saving	1557	8.2 stamp duty grant	16
		8.3 forest cess	6
		8.4 cess on water rate	51
		9. miscellaneous receipts	
		9.1 grants from government	6126
		9.2 receipt from government on account of agency schemes	1757
		9.3 other receipts	222
5. total	8678	10. total	8678

TABLE : 6.1

**PRODUCTION ACCOUNT OF STATE GOVERNMENT DEPARTMENTAL ENTERPRISES
1969-70*
(AT CURRENT PRICES)**

(Rs. lakhs)

disbursement		receipt	
(1)	(2)	(3)	(4)
1. purchase of commodities and services	} 5849	7. sales	6718
2. compensation of employees			
3. interest	4		
4. consumption of fixed capital	18		
5. operating surplus	847		
6. total	6718	8. total	6718

* provisional

**TABLE : 6.2**

**PRODUCTION ACCOUNT OF MUNICIPALITIES AND MUNICIPAL CORPORATIONS'
ENTERPRISES, 1969-70
(AT CURRENT PRICES)**

(Rs. lakhs)

disbursement		receipt	
(1)	(2)	(2)	(4)
1. purchase of commodities and services	} 62	7. sales	73
2. compensation of employees			
3. interest			
4. consumption of fixed capital			
5. operating surplus	11		
6. total	73	8. total	73

TABLE : 7.1

**CAPITAL FINANCE OF STATE GOVERNMENT-ADMINISTRATION AND DEPARTMENTAL
ENTERPRISES, 1969-70
(AT CURRENT PRICES)**

(Rs. lakhs)

disbursement		receipt	
(1)	(2)	(3)	(4)
1. gross fixed capital formation : new	6458	7. saving	3723
2. net purchase of second hand physical assets		8. consumption of fixed capital	18
3. increase in inventories		9. capital transfers	213
4. capital transfers		10. net borrowing	6365
5. net acquisition of financial assets	2570	11. other liabilities	431
6. gross accumulation	10750	12. finance of gross accumulation	10750

TABLE : 7.2

**CAPITAL FINANCE OF MUNICIPALITIES AND MUNICIPAL CORPORATIONS ADMINIS-
TRATION AND DEPARTMENTAL ENTERPRISES, 1969-70
(AT CURRENT PRICES)**

(Rs. lakhs)

disbursement		receipt	
(1)	(2)	(3)	(4)
1. gross fixed capital formation	2997	7. saving	1743
(a) new construction		8. consumption of fixed capital	
(b) new machinery		9. capital transfers	36
2. net purchase of second hand physical assets		10. miscellaneous capital receipts	158
3. increase in inventories		11. net borrowing	(—) 665
4. capital transfers	—	12. other liabilities	566
5. net acquisition of financial assets (—)	1159		
6. total	1838	13. total	1838

TABLE : 7.3**CAPITAL FINANCE OF VILLAGE PANCHAYATS, 1969-70****(AT CURRENT PRICES)****(Rs. lakhs)**

disbursement		receipt	
(1)	(2)	(3)	(4)
1. gross fixed capital formation	} 1029	7. saving	1001
(a) new construction		8. consumption of fixed capital	
(b) new machinery		9. capital transfers	
2. net purchase of second hand physical assets		10. miscellaneous capital receipts	
3. increase in inventories		11. net borrowing	23
4. capital transfers	—	12. other liabilities	5
5. net acquisition of financial assets	—		
6. total	1029	13. total	1029

TABLE : 7.4**CAPITAL FINANCE OF ZILLA PARISHAD ADMINISTRATION AND DEPARTMENTAL UNDERTAKINGS, 1968-69****(AT CURRENT PRICES)****(Rs. lakhs)**

disbursement		receipt	
(1)	(2)	(3)	(4)
1. gross fixed capital formation	} 1793	6. saving	1557
1.1 new		7. consumption of fixed capital	Neg.
1.2 net purchase of second hand physical assets		6. capital transfers	660
2. increase in stocks		9. net borrowings	117
3. capital transfers	39	10. other liabilities	(—) 1
4. net acquisition of financial assets	501		
5. gross accumulation	2333	11. finance of gross accumulation	2333

TABLE : 8

**PRODUCTION ACCOUNTS OF PUBLIC SECTOR STATE GOVERNMENT
NON-DEPARTMENTAL ENTERPRISES, 1970
(AT CURRENT PRICES)**

(Rs. thousands)

disbursement		receipt	
(1)	(2)	(3)	(4)
1. purchase of goods and services	469846	6. value of output	720808
2. compensation of employees	193367	7. other receipts	30112
3. consumption of fixed capital	55301		
4. operating surplus	32401		
4.1 interest	22854		
4.2 rent	6277		
4.3 dividend	—		
4.4 taxes	2646		
4.5 other transfers	58		
4.6 retained profits	556		
5. total	750915	8. total	750915

Note : names of enterprises included are given in Annex 1.

TABLE : 10

NET STATE DOMESTIC PRODUCT FROM COMMODITY PRODUCING SECTORS
BY AREAS, 1967-68
(AT CURRENT PRICES)

(Rs. lakhs)

district	agriculture & allied activities	forestry	fishery	mining	manufact- uring	electricity and water supply	total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Gr. Bombay	2858	—	330	6	41598	4588	49380
2. Thana	3026	205	424	20	7332	122	11129
3. Kolaba	2694	89	179	9	483	5	3459
4. Ratnagiri	2825	22	123	55	488		7535
5. Nasik	5766	181	2	9	2259	16	8233
6. Dhulia	3724	209	2	—	533	—	4468
7. Jalgaon	6402	107	5	6	768	37	7325
BOMBAY DIVISION	27295	813	1065	105	53461	4770	87509
8. Ahmednagar	6288	107	1	4	1424	15	7839
9. Poona	5767	95	8	18	5617	21	11526
10. Satara	4210	83	5	1	1127	8	5434
11. Sangli	4451	26	1	2	923	17	5420
12. Sholapur	5331	20	1	1	2159	22	7534
13. Kolhapur	6064	88	2	2	1663	15	7834
POONA DIVISION	32111	419	18	28	12913	98	45587
14. Aurangabad	5785	52	2	2	624	1	6466
15. Parbhani	4449	20	2	—	403	6	4880
16. Bhir	3031	12	2	—	332	—	3377
17. Nanded	4196	71	2	—	463	—	4732
18. Osmanabad	5112	1	—	—	455	5	5573
AURANGABAD DIVISION	22573	156	8	2	2277	12	25028
19. Buldhana	2826	85	1	1	332	1	3246
20. Akola	3126	48	2	5	462	7	3650
21. Amraoti	4195	200	4	5	569	—	4973
22. Yeotmal	4077	204	9	7	334	12	4643
23. Wardha	1864	47	4	1	366	1	2283
24. Nagpur	3106	148	13	182	3225	70	6744
25. Bhandara	2757	228	19	267	1756	3	5030
26. Chanda	2827	997	23	213	789	3	4852
NAGPUR DIVISION	24778	1957	75	681	7833	97	35411
27. MAHARASHTRA STATE	106747	3345	1166	816	76484	4977	193545

TABLE: 11

**SELECTED COMPONENTS OF STATE DOMESTIC FINAL EXPENDITURE, 1969-70
(AT CURRENT PRICES)**

(Rs. lakhs)

item	amount
(1)	(2)
I final consumption expenditure	266441
(i) central government	5040
(ii) state government & local bodies	29979
(iii) private	231422
II gross fixed capital formation	65905
(1) public administration	13428
(2) public sector enterprises	12896
(3) private	39671

Note : (i) figures are provisional

(ii) item I excludes expenditure by non-profit private institutions

(iii) item I(iii) includes estimated imputed rent of owner occupied houses which is of the order of Rs. 20 crores and is not accounted for in the table on household expenditure

TABLE: 12

STATE GOVERNMENT FINAL EXPENDITURE BY PURPOSE, 1969-70
(AT CURRENT PRICES)

(Rs. thousands)

purpose	amount
(1)	(2)
1. general services	754805
1.0 general administration	235235
1.1 state legislature	5691
1.2 elections	7882
1.3 cost of collection of taxes	48702
1.4 stationery and printing	15723
1.5 civil defence	12986
1.6 justice	47059
1.7 jails	13734
1.8 police	306455
1.9 other general services	61338
2. community services	9883
2.1 fire protection and flood control	375
2.2 other community services	9508
3. social services	437801
3.1 education	99773
3.2 medical and public health	258958
3.3 backward class welfare	4654
3.4 other social services	74416
4. economic services	280781
4.1 agriculture and non-mineral resources	133427
4.2 fuel and power	12
4.3 other mineral resources, manufacturing and construction	48311
4.4 transport, storage and communication	38082
4.5 labour and employment	31159
4.6 other economic services	29790
5. unallocable	—
5.1 interest on general debt	—
5.2 general transfers	—
5.3 other unallocable expenditure	—
6. total	1483270

Note : figures are provisional

TABLE : 13**HOUSEHOLD FINAL CONSUMPTION EXPENDITURE BY OBJECT, 1969-70
(AT CURRENT PRICES),**

item	amount (Rs: crores)	percentage to total
(1)	(2)	(3)
1. cereals	644.52	28.09
2. pulses	101.64	4.43
3. milk & milk products	190.20	8.30
4. other food items	652.32	28.43
4.1 edible oil	125.52	5.47
4.2 meat, eggs, fish	78.36	3.42
4.3 sugar	83.40	3.63
4.4 beverages, refreshments etc.	135.00	5.89
4.5 miscellaneous	230.04	10.02
5. total food items	1588.68	69.25
6. clothing	108.48	4.73
7. fuel and light	154.68	6.74
8. other non-food items	442.38	19.28
8.1 rent	58.08	2.53
8.2 durable goods	8.40	0.37
8.3 miscellaneous	375.90	16.38
9. total non-food items	705.54	30.75
10. total	2294.22	100.00

Note : figures are provisional

TABLE : 14
DISTRIBUTION OF HOUSEHOLDS AND PERSONS BY PER CAPITA MONTHLY EXPENDITURE GROUPS
1969-70
(AT CURRENT PRICES),

per capita expenditure class (Rs)		per capita household expenditure (Rs)		percentage of households		percentage of persons in the households				
		rural	urban	state	rural	urban	state	rural	urban	state
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	0-8	6.26	—	6.26	0.09	—	0.05	—	—	0.05
2	8-11	10.29	—	10.29	0.41	—	0.27	—	—	0.28
3	11-13	11.88	12.11	11.91	0.73	0.19	0.50	0.26	0.26	0.73
4	13-15	14.19	13.90	14.14	1.69	0.58	1.22	1.04	1.04	1.82
5	15-18	16.64	16.66	16.64	4.67	1.38	3.29	2.04	2.04	4.45
6	18-21	19.19	19.47	19.23	8.44	2.76	6.06	4.03	4.03	8.08
7	21-24	22.50	22.71	22.53	10.83	3.68	7.85	5.22	5.22	9.78
8	24-28	26.06	25.43	25.93	15.16	6.71	11.62	9.23	9.23	14.25
9	28-34	30.86	30.53	30.78	19.50	10.36	15.67	12.72	12.72	17.38
10	34-43	37.89	38.29	38.02	17.23	14.72	16.18	16.66	16.66	16.29
11	43-55	47.41	48.30	47.78	10.37	13.20	11.56	14.16	14.16	10.58
12	55-75	62.11	63.22	62.72	6.71	17.09	11.06	15.30	15.30	8.61
13	75 and above	103.15	117.30	114.19	4.17	29.33	14.67	19.34	19.34	7.70
14	all classes	32.59	54.31	39.34	100.00	100.00	100.00	100.00	100.00	100.00

TABLE : 15**GROSS DOMESTIC FIXED CAPITAL FORMATION BY TYPES AND BY AGENCIES, 1969-70****(AT CURRENT PRICES)****(Rs. lakhs)**

type	agencies		
	central government	state & local governments	private
(1)	(2)	(3)	(4)
1. construction	1360	12983	19574
2. machinery and equipment	3152	8829	20097
3. total	4512	21812	39671

Note : figures are provisional

TABLE : 16**PRICE INDICES BY INDUSTRY GROUPS (1960-61=100)**

year	sector				
	agriculture, animal husbandry, forestry, fisheries etc.	mining, industry, construction, electricity, etc.	transport and communications, trade, storage etc.	banking and insurance, real estate and ownership of dwellings, public administration and other services	total net state domestic product
(1)	(2)	(3)	(4)	(5)	(6)
1. 1961-62	103.29	103.13	104.23	102.16	103.24
2. 1962-63	108.07	114.20	108.75	110.16	110.29
3. 1963-64	121.10	121.80	116.09	112.31	118.96
4. 1964-65	136.23	125.71	123.72	121.02	128.25
5. 1965-66	154.79	131.31	131.41	131.16	138.17
6. 1966-67	171.41	146.80	148.15	142.74	153.81
7. 1967-68	182.77	162.80	154.04	153.87	165.82
8. 1968-69*	175.91	164.84	155.50	160.14	165.61
9. 1969-70*	192.09	175.63	165.81	168.03	177.12

* provisional

TABLE : 17A
MAN POWER BY TYPE OF ECONOMIC ACTIVITY
1961

economic activity	1961 working force	percentage of total
(1)	(2)	(3)
1. agriculture	1,36,06,100	71.81
2. forestry and logging	43,183	0.23
3. fisheries	77,360	0.41
Sub-total	1,37,26,643	72.45
4. mining and quarrying	54,489	0.29
5. manufacturing	20,14,351	10.63
6. construction	2,35,616	1.23
7. electricity, gas & water supply	29,375	0.16
sub-total	23,33,831	12.31
8. transport and communications		
8.1 railways	1,30,323	0.69
8.2 communications	42,092	0.22
8.3 transport by other means	2,68,249	1.42
9. trade, storage, hotels & restaurants	9,31,879	4.91
sub-total	13,72,543	7.24
10. banking and insurance	57,670	0.30
11. public administration and defence	3,85,831	2.04
12. real estate and other services	10,71,963	5.66
sub-total	15,15,464	8.00
13. total working force	189,48,481	100.00

TABLE : 17 B**MAN POWER BY TYPE OF ECONOMIC ACTIVITY 1951 & 1961**

economic activity	1951 estimated	1961
(1)	(2)	(3)
1. cultivators	60,08,702	87,37,675
2. agricultural labourers	51,04,724	45,10,002
division		
0. agriculture, livestock, forestry, fishing, hunting	2,30,734	4,44,137
1. mining & quarrying	33,724	54,489
2 & 3 manufacturing	16,20,148	20,47,269
4. construction	1,66,321	2,35,616
5. electricity, gas, water supply and sanitary services	40,262	60,729
50 electricity & gas	11,743	22,434
51 water supply and sanitary services	28,519	38,295
6. trade and commerce	8,16,279	8,56,050
60 to 63 wholesale trade	95,254	73,097
64 to 68 retail trade	6,59,612	7,05,243
69 miscellaneous	61,413	77,710
7. transport, storage & communications	2,73,326	4,46,812
70 & 71 transport	2,48,023	3,98,572
700 railways	89,353	1,30,323
701 to 705 road	1,00,406	1,99,478
706 & 707 water	50,761	55,602
708 to 710 transport nec	7,503	13,169
72 storage & warehousing	4,272	6,148
73 communications	21,031	42,092
8 & 9 services	12,79,080	15,56,302
80 public services	2,92,580	3,85,831
81 educational & scientific services	91,411	2,00,462
82 medical & public health	43,160	69,340
83 religious & welfare services	42,091	45,827
84 to 86 legal, business & community services	30,828	56,182
87 recreation services	29,405	36,345
88 domestic services & personal services	3,55,260	4,39,101
89 & 90 services nec & activities not adequately described	3,94,345	3,23,214
total	1,55,73,300	1,89,48,481



TABLE : 18
INDICATORS OF REGIONAL DEVELOPMENT

district	agriculture (contd.)					
	per capita domestic pro- duct from commodity producing sectors 1967-68		gross value of agricul- ture product per ha. 1969-70		gross value of agricul- ture produce per capita (rural) 1969-70	
	(Rs.)	R	(Rs.)	R	(Rs.)	R
	(1)	(2)	(3)	(4)	(5)	(6)
1. Gr. Bombay	1008	242.89	—	—	—	—
2. Thana	571	137.59	1006	155.49	217	57.71
3. Kolaba	277	66.75	1148	117.43	252	67.02
4. Ratnagiri	163	39.28	1042	161.05	225	59.84
5. Nasik	376	90.60	743	114.84	420	111.70
6. Dhulia	281	67.71	641	99.07	348	92.55
7. Jalgaon	352	84.82	887	137.09	488	129.79
8. Ahmednagar	374	90.12	643	99.38	439	116.76
9. Poona	396	95.42	560	86.55	339	90.16
10. Satara	322	77.59	675	104.33	353	93.88
11. Sangli	373	89.88	687	106.18	372	98.94
12. Sholapur	343	82.65	462	71.41	376	100.00
13. Kolhapur	416	100.24	1409	217.77	378	100.53
14. Aurangabad	358	86.26	479	74.03	431	114.63
15. Parbhani	343	82.65	483	74.65	415	110.37
16. Bhir	286	68.91	486	75.12	381	101.33
17. Nanded	371	89.40	598	92.43	395	105.05
18. Osmanabad	320	77.11	594	91.81	419	111.44
19. Buldhana	259	62.41	597	92.27	430	114.36
20. Akola	260	62.65	507	78.36	371	98.67
21. Amraoti	342	82.41	688	106.34	460	122.24
22. Yeotmal	358	86.27	580	89.64	394	104.79
23. Wardha	305	73.49	554	85.63	425	113.03
24. Nagpur	378	91.08	663	102.47	424	112.77
25. Bhandara	336	80.96	850	131.38	324	86.17
26. Chanda	332	80.00	731	112.98	373	99.20
MAHARASHTRA STATE	415	100.00	647	100.00	376	100.00

Note : The indicators of regional development presented here for Maharashtra do not exactly tally with the ones recommended in table 18 of Chapter II. This is mainly because of the absence of relevant data.

TABLE : 18(contd.)

INDICATORS OF REGIONAL DEVELOPMENT

district	agriculture (contd.)					area under cultivation to geographical area 1969-70
	gross value of agricultural produce per capita (urban & rural 1969-70)		gross area irrigated to gross area sown 1968-69			
	Rs.	R	p.c.	R.	p.c.	R
(1)	(8)	(9)	(10)	(11)	(12)	(13)
1. Gr. Bombay	—	—	—	—	14.7	23.08
2. Thana	139	53.67	1.26	16.09	32.0	50.24
3. Kolaba	222	85.71	2.20	28.10	33.4	52.44
4. Ratnagiri	206	79.54	6.54	83.52	28.9	45.37
5. Nasik	301	116.22	8.99	114.81	59.4	93.26
6. Dhulia	290	111.97	8.79	112.26	55.7	87.45
7. Jalgaon	376	145.17	8.33	106.38	73.0	114.61
8. Ahmednagar	389	150.79	12.62	161.17	77.6	121.83
9. Poona	200	77.22	10.93	139.59	70.1	110.06
10. Satara	308	118.92	14.72	187.99	71.7	112.57
11. Sangli	307	118.53	8.94	114.18	76.1	119.48
12. Sholapur	270	104.25	13.08	167.05	85.3	133.92
13. Kolhapur	292	112.74	10.43	133.20	50.7	79.60
14. Aurangabad	357	137.84	6.54	83.52	86.4	135.65
15. Parbhani	355	137.07	1.89	24.14	82.5	129.53
16. Bhir	333	128.57	6.81	86.97	78.3	122.93
17. Nanded	330	127.41	2.87	36.65	71.5	112.26
18. Osmanabad	365	140.93	6.88	87.87	79.6	124.97
19. Buldhana	354	136.29	2.57	32.82	74.5	116.97
20. Akola	281	108.49	1.43	18.26	76.2	119.63
21. Amraoti	327	126.25	1.97	25.16	58.6	92.00
22. Yeotmal	349	134.75	0.90	11.49	60.3	24.67
23. Wardha	331	127.80	2.30	29.37	69.3	108.80
24. Nagpur	195	75.29	5.31	67.82	56.0	87.92
25. Bhandara	287	110.81	25.72	328.48	54.9	86.19
26. Chanda	326	125.87	15.71	200.64	27.9	43.80
MAHARASHTRA STATE	259	100.00	7.83	100.00	63.3	100.00

TABLE 18 : (contd.)

INDICATORS OF REGIONAL DEVELOPMENT

district	agriculture		industry			
	wells energised to total wells 1972		per capita value added by manufacture 1969		factory workers to labour force 1971	
	p.c.	R	Rs.	R	p.c.	R
(1)	(14)	(15)	(16)	(17)	(18)	(19)
1. Gr. Bombay	—	—	798.88	556.01	27.0	499.99
2. Thana	59.14	163.23	456.57	317.77	12.5	231.48
3. Kolaba	41.81	115.40	41.49	28.88	1.7	31.48
4. Ratnagiri	9.18	25.34	3.11	2.16	0.3	5.56
5. Nasik	26.79	73.94	40.73	28.35	2.6	48.15
6. Dhulia	50.72	139.99	8.42	5.86	1.4	25.93
7. Jalgaon	44.15	121.86	20.07	13.97	1.7	31.48
8. Ahmednagar	27.68	76.40	54.74	38.10	2.7	50.00
9. Poona	24.52	67.68	179.08	124.64	7.7	142.59
10. Satara	23.18	63.98	36.25	25.23	1.4	25.93
11. Sangli	32.66	88.77	17.60	12.25	1.8	33.33
12. Sholapur	16.58	45.76	38.69	26.93	3.2	59.26
13. Kolhapur	65.72	18.40	53.52	37.25	2.4	44.44
14. Aurangabad	19.33	53.35	2.13	1.48	0.8	14.81
15. Parbhani	27.49	75.88	2.32	1.61	0.3	5.56
16. Bhir	11.63	32.10	1.63	1.13	0.2	3.70
17. Nanded	65.18	179.91	1.50	1.03	1.2	22.22
18. Osmanabad	36.09	99.61	2.06	1.43	0.2	3.70
19. Buldhana	30.30	83.63	5.86	4.08	0.7	12.96
20. Akola	48.16	132.93	13.86	9.65	1.1	20.37
21. Amraoti	68.74	189.73	9.35	6.55	1.1	20.37
22. Yeotmal	46.56	128.51	4.21	2.93	0.8	14.81
23. Wardha	32.46	89.59	15.39	10.71	2.1	38.89
24. Nagpur	29.13	80.40	59.19	41.20	4.3	79.63
25. Bhandara	12.81	35.36	5.17	3.59	0.7	12.96
26. Chanda	8.05	22.22	224.88	156.51	0.8	14.81
MAHARASHTRA STATE	36.23	100.00	143.68	100.00	5.4	100.00

TABLE : 18 (Contd.)
INDICATORS OF REGIONAL DEVELOPMENT

District	industry		electrification			
	factory workers per lakh population 1971		per capita household electricity consumption 1969-70		villages electrified 1972	
	no	R	kwh	R	p.c.	R
(1)	(20)	(21)	(22)	(23)	(24)	(25)
1. Gr. Bombay	9925	501.52	75.07	542.76	—	—
2. Thana	4692	237.09	19.35	139.90	42	107.70
3. Kolaba	623	31.48	4.76	34.41	50	128.21
4. Ratnagiri	121	6.11	1.70	12.29	32	82.05
5. Nasik	986	49.82	4.86	35.14	29	74.36
6. Dhulia	487	24.61	2.57	18.58	36	92.31
7. Jalgaon	610	30.82	8.67	62.68	61	156.42
8. Ahmednagar	962	48.61	2.25	16.27	48	123.08
9. Poona	2527	127.69	15.50	112.07	40	102.57
10. Satara	452	22.84	3.08	22.27	46	117.95
11. Sangli	575	29.06	1.62	11.71	54	138.47
12. Sholapur	1086	54.88	2.96	21.40	42	107.70
13. Kolahpur	822	41.54	5.52	39.91	71	182.06
14. Aurangabad	289	14.60	2.90	20.97	35	89.75
15. Parbhani	101	5.10	1.64	11.86	29	74.36
16. Bhir	54	2.73	1.09	7.88	35	89.75
17. Nanded	432	21.83	1.89	13.66	39	100.00
18. Osmanabad	67	3.39	2.10	15.18	34	87.18
19. Buldhana	291	14.70	2.36	17.06	34	87.18
20. Akola	440	22.23	4.46	32.25	34	87.18
21. Amraoti	430	21.73	5.64	40.78	46	117.95
22. Yeotmal	331	16.73	2.55	18.44	35	89.75
23. Wardha	822	41.53	4.96	35.86	44	112.82
24. Nagpur	1522	76.91	15.33	110.84	40	102.57
25. Bhandara	312	15.77	2.52	18.22	40	102.57
26. Chanda	327	16.52	1.75	12.65	13	33.33
MAHARASHTRA STATE 1979		100.00	13.83	100.00	39	100.00

TABLE : 18 (Contd)
INDICATORS OF REGIONAL DEVELOPMENT

district	electrification		roads		villages over 1500 pop. not connected by all weather roads 1969	
	population covered by rural electrification 1972		rural roads per 100 sq. kms. 1969			
	p.c.	R	kms	R	no.	R
(1)	(26)	(27)	(28)	(29)	(30)	(31)
1. Gr. Bombay	—	—	—	—	—	—
2. Thana	62	89.85	16.58	134.25	85	2.24
3. Kolaba	67	97.10	32.42	262.50	32	0.84
4. Ratnagiri	53	76.81	25.74	208.42	286	7.52
5. Nasik	61	88.40	13.82	111.90	192	5.05
6. Dhulia	64	92.75	21.28	172.30	113	2.97
7. Jalgaon	77	111.59	18.02	145.91	195	5.13
8. Ahmednagar	67	97.10	8.34	67.53	136	3.58
9. Poona	81	117.39	25.70	208.09	98	2.58
10. Satara	68	98.55	25.76	208.58	239	6.29
11. Sangli	76	110.14	28.54	231.09	244	6.42
12. Sholapur	82	118.83	8.54	69.15	301	7.92
13. Kolahpur	88	127.53	24.97	202.18	156	4.10
14. Aurangabad	52	75.36	2.08	16.84	222	5.84
15. Parbhani	47	68.11	4.50	36.44	133	3.50
16. Bhir	52	75.36	1.75	14.17	197	5.18
17. Nanded	57	82.60	7.36	59.59	146	3.84
18. Osmanabad	48	69.56	1.17	9.47	252	6.63
19. Buldhana	58	84.05	13.49	109.23	116	3.05
20. Akola	62	89.85	5.44	44.05	102	2.68
21. Amraoti	64	92.75	5.27	42.67	105	2.76
22. Yeotmal	56	81.16	8.21	66.48	86	2.26
23. Wardha	69	100.00	2.54	20.57	47	1.24
24. Nagpur	79	114.49	6.44	52.14	48	1.26
25. Bhandara	58	84.05	21.02	170.20	160	4.21
26. Chanda	43	62.32	5.79	46.88	110	2.89
MAHARASHTRA STATE	69	100.00	12.35	100.00	3801	100.00

TABLE : 18 (Contd.)

INDICATORS OF REGIONAL DEVELOPMENT

district	regulated markets		education			
	regulated markets per lakh of net area sown 1969		literacy 1971		enrolment in classes I to V to children of 6-11 age group 1969-70	
	no.	R	p.c.	R	p.c.	R
(1)	(32)	(33)	(34)	(35)	(36)	(37)
1. Gr. Bombay	—	—	64	164.10	75	119.06
2. Thana	1.22	193.65	41	105.13	63	100.00
3. Kolaba	2.87	455.56	35	89.75	62	98.42
4. Ratnagiri	0.00	0.00	40	102.57	57	90.48
5. Nasik	0.35	55.56	36	92.31	63	100.00
6. Dhulia	1.67	265.08	32	82.05	35	55.56
7. Jalgaon	0.60	95.24	45	115.39	75	119.06
8. Ahmednagar	0.48	76.19	36	92.31	72	114.29
9. Poona	0.92	146.03	45	115.39	76	120.64
10. Satara	1.10	174.60	38	97.44	64	101.59
11. Sangli	0.51	80.95	38	97.44	74	117.47
12. Sholapur	0.78	123.81	34	87.18	74	117.47
13. Kolhapur	1.00	158.73	35	89.75	64	101.59
14. Aurangabad	0.21	33.33	29	74.36	52	82.54
15. Parbhani	0.58	92.06	24	61.54	47	74.61
16. Bhir	0.33	52.38	24	61.54	45	71.43
17. Nanded	0.72	114.29	23	58.98	55	87.31
18. Osmanabad	0.26	41.27	28	71.80	62	98.42
19. Buldhana	0.54	85.71	37	94.88	50	79.37
20. Akola	0.41	65.08	40	102.57	58	92.07
21. Amraoti	0.39	61.90	42	107.70	56	88.89
22. Yeotmal	0.46	73.02	32	82.05	48	76.20
23. Wardha	0.47	74.60	42	107.70	62	98.42
24. Nagpur	0.89	141.27	45	115.39	68	107.94
25. Bhandara	0.84	133.33	35	89.75	48	76.20
26. Chanda	0.55	87.30	27	69.23	48	76.20
MAHARASHTRA STATE	0.63	100.00	39	100.00	63	100.00

TABLE : 18 (Contd.)
INDICATORS OF REGIONAL DEVELOPMENT

district	education		public health			
	enrolement in classes I to VIII to children of 11-14 age group 1969-70		hospitals per lakh pop. 1969-70		dispensaries per lakh population 1969-70	
	p.c.	R	no	R	no	R
(1)	(38)	(39)	(40)	(41)	(42)	(43)
1. Gr. Bombay	70	116.67	2.26	262.79	1.20	61.85
2. Thana	59	98.34	0.39	45.35	1.52	78.35
3. Kolaba	93	155.00	1.11	129.07	1.92	98.97
4. Ratnagiri	72	120.00	0.80	93.02	0.85	43.81
5. Nasik	59	98.34	0.25	29.07	1.92	98.97
6. Dhulia	56	93.33	0.90	104.65	3.12	160.83
7. Jalgaon	73	121.67	1.08	125.58	2.71	139.70
8. Ahmednagar	68	113.34	0.44	51.16	0.65	33.50
9. Poona	72	120.00	0.91	105.81	0.25	12.89
10. Satara	64	106.67	0.69	80.23	1.32	68.04
11. Sangli	68	113.34	0.58	67.44	2.20	113.40
12. Sholapur	53	88.34	0.62	72.09	1.35	69.59
13. Kolhapur	62	103.33	0.39	45.35	2.48	127.84
14. Aurangabad	45	75.00	0.30	34.89	2.10	108.25
15. Parbhani	38	63.30	0.13	15.12	1.80	92.78
16. Bhir	48	80.00	0.16	18.60	1.77	91.24
17. Nanded	36	60.00	0.14	16.28	1.86	95.88
18. Osmanabad	41	68.33	0.16	18.60	1.37	70.62
19. Buldhana	55	91.67	1.19	138.37	1.62	83.51
20. Akola	57	95.00	0.33	38.37	2.93	151.03
21. Amraoti	62	103.34	1.82	211.63	2.13	109.80
22. Yeotmal	50	83.34	0.70	81.40	2.57	132.48
23. Wardha	67	111.67	0.90	104.65	1.25	64.43
24. Nagpur	71	118.34	2.06	239.54	4.79	246.91
25. Bhandara	31	51.67	0.44	51.16	3.06	157.73
26. Chanda	56	93.34	0.37	43.02	4.63	238.86
MAHARASHTRA STATE	60	100.00	0.86	100.00	1.94	100.00

TABLE : 18

INDICATORS OF REGIONAL DEVELOPMENT

district	drinking water supply				labour force	
	villages having inadequate water supply 1969		villages without any source of drinking water supply 1969		labour force in non-agricultural occupations to total labour force 1971	
	p. c.	R	p. c.	R	p. c.	R
(1)	(44)	(45)	(46)	(47)	(48)	(49)
1. Gr. Bombay	—	—	—	—	98.83	294.84
2. Thana	17	65.38	1	33.33	43.53	129.86
3. Kolaba	42	161.54	3	100.00	20.58	61.40
4. Ratnagiri	34	130.77	9	300.00	16.38	48.87
5. Nasik	21	80.77	—	—	26.93	80.34
6. Dhulia	8	30.76	2	66.66	18.36	54.77
7. Jalgaon	15	57.70	—	—	21.60	64.44
8. Ahmednagar	16	61.54	3	100.00	21.75	64.86
9. Poona	23	88.46	9	300.00	46.05	137.38
10. Satara	52	200.00	—	—	23.81	71.03
11. Sangli	30	115.39	—	—	25.39	75.75
12. Sholapur	20	76.92	—	—	29.47	87.92
13. Kolhapur	38	146.15	11	366.67	26.42	78.82
14. Aurangabad	21	80.77	2	66.66	19.54	58.29
15. Parbhani	17	65.38	1	33.33	15.65	49.67
16. Bhir	22	84.62	1	33.33	14.43	43.05
17. Nanded	26	100.00	1	33.33	18.82	56.15
18. Osmanabad	40	153.85	7	233.33	15.29	45.61
19. Buldhana	28	107.69	2	66.66	13.88	41.41
20. Akola	25	96.15	2	66.66	17.72	52.86
21. Amraoti	27	103.85	1	33.33	20.01	59.69
22. Yeotmal	35	134.62	5	166.67	13.97	41.68
23. Wardha	25	96.15	—	—	21.83	65.13
24. Nagpur	22	84.62	3	100.00	47.80	142.60
25. Bhandara	17	65.38	—	—	27.69	82.61
26. Chanda	32	123.08	1	33.33	17.04	50.84
MAHARASHTRA STATE	26	100.00	3	100.00	33.52	100.00

Note : 'R' denotes ratio in relation to state average.

ANNEX 1

List of non-departmental enterprises

1. The Edward Textiles (URS) Bombay.
2. R.B. Bansilal Abirchand Spinning and Weaving Mills (URS) Hinganghat.
3. The Vidarbha Mills Berar (URS) Achalpur.
4. Savatram Ramprasad Mills (URS) Akola.
5. Maharathwada Development Corporation Ltd., Aurangabad.
6. S.S.R. Gopaldas Mohta Spinning and Weaving Mills, Akola.
7. Maharashtra State Farming Corporation.
8. The Narsing Girjee Mills, Sholapur.
9. Manganese Ore (India) Ltd., Nagpur.
10. Shri Shahu Chhatrapati Mills, Kolhapur.
11. Zilla Parishad Mudrnalaya, Sangli.
12. The Gondwana Paints and Minerals Ltd., Nagpur.
13. Maharashtra State Financial Corporation, Bombay.
14. Maharashtra State Road Transport Corporation.

ANNEX 2

NOTE ON ESTIMATION OF DISTRICT INCOME IN COMMODITY PRODUCING SECTORS

This note explains in brief the method followed in estimating income from commodity producing sectors at current prices by districts in Maharashtra for the year 1967-68. The commodity producing sectors covered are (1) agriculture, animal husbandry and allied activities, (2) forestry, (3) fishery, (4) mining, (5) manufacturing : registered, (6) manufacturing : unregistered and (7) electricity, gas and water supply.

1. Agriculture, animal husbandry and allied activities.

1.1 Agriculture : For purposes of estimation, the sector is divided into (i) principal crops (ii) crops for which only area is available and (iii) by-products. For principal crops, the districtwise data on area and outturn for 1967-68, supplied by the Department of Agriculture, Poona, are used. The gross values of the crops are then worked out by districts. For crops for which only area figures are available, the value at the state level of each of these crops is allocated among the districts using the figures of districtwise area. For the by-products, norms or ratios used for estimation at the state level are utilised uniformly for all districts to arrive at the districtwise estimates. The values of principal crops, minor crops and by-products taken together give the gross value of agriculture for each district.

1.1.1 The deductible costs (value of inputs) in agriculture are worked out districtwise using relevant indicators for the allocation of the value at the state level to individual districts. The cost items together with the basis of allocation are given below :

item	basis for allocation
(a) seed.	1967-68 area of crops.
(b) chemical fertilisers.	quantity distributed during 1967-68 according to Block Level Reports.
(c) pesticides and insecticides	—do—
(d) organic manure.	gross cropped area for 1967-68.
(e) current repairs and maintenance etc.	gross cropped area for 1967-68 and CSO's annual estimate of operational cost.
(f) livestock feed.	number of working animals.
(g) irrigation charges.	area irrigated by canals.
(h) market charges.	percentage of gross value of agriculture (1967-68).
(i) electricity.	number of pumps run on electricity (1966—livestock census data).
(j) diesel oil.	no. of diesel pumps (1966—livestock census data).
(k) consumption of fixed capital.	gross cropped area 1967-68.
(l) rice milling charges.	output of rice.

1.2 Animal husbandry : The estimates of gross value from animal husbandry sector for the year 1967-68, already worked out for the Maharashtra State as a whole, are allocated to different districts according to the following method.

1.2.1 Milk and milk products: The post-census sample survey of 1961 has made available districtwise yield rates of milk of cows and she-buffaloes. These rates have been used to arrive at the estimates of districtwise milk production for the year 1961. The same proportions have been used for the year 1967-68. As regards goat milk, milk yield rate for the state as a whole is available and the milk production of goats is worked out for districts on the basis of the number of goats estimated by projecting the 1966 Census population of goats to 1967. The values of milk products are distributed in the proportion of district values of milk production as estimated.

1.2.2 Meat, bones, hides and skins, legs etc : In apportioning the values of these products among districts, the criterion followed is the number of slaughtered animals, the information on which is available districtwise for the year 1967-68.

1.2.3 Products of poultry, birds, increment in livestock and poultry and dung etc. : gross values are distributed among districts using projected census of population.

1.3 The net product from the operation of government irrigation schemes is split up district-wise on the basis of area irrigated.

1.4 As regards veterinary services and other allied activities, the 1961 census working force figures are used as the basis for distribution.

2. Forestry : The values of forest products furnished in the different District Statistical Abstracts for the year 1967-68 are utilised in apportioning the value at the state level to different districts.

3. Fishery : Districtwise figures of working force engaged in inland fishing according to 1961 census are used in splitting up the state estimate in the case of inland fishing. As regards marine fishing and fish curing, the estimates furnished by the Department of Fisheries for coastal districts are used for purposes of estimation of districtwise figures.

4. Mining : The districtwise data on output of major minerals supplied by the Indian Bureau of Mines, Nagpur, for the year 1967 are used for distribution of value of major minerals for 1967-68 among the concerned districts. As no districtwise output data on minor minerals are available, the districtwise revenue receipts of the government from minor minerals during 1967-68 (*Administration Report of the Directorate of Geology and Mining, Nagpur*) are utilised for splitting up the state estimate of minor minerals.

5. Manufacturing registered : Districtwise estimates of value added by manufactures are calculated directly from the ASI returns received for the census sector factories. As regards the sample sector, from the list of factories registered with the Chief Inspector of Factories all factories registered under Section 85 and those covered in census sector are excluded and the districtwise employment in the sample sector by industries is worked out. Total estimated value added by manufacture for each industry group is then distributed among districts in proportion to their relative share in the total sample sector employment of the group.

5.1 The estimates of value added by manufactures for each industry group for the sample and census sectors are then added to arrive at the estimate of value added by manufactures for every industry group for the district. From the grand total of value added by manufactures for each district the

value added by electricity, gas and gur industry is excluded. The domestic product in respect of these activities is shown elsewhere.

6. Manufacturing : unregistered : The figures of working force engaged in unregistered manufacturing industries in different districts, as available from the 1961 census, are first adjusted for every district in the same manner as for the state as a whole. The details of the procedure for such adjustment are described in the "*Report on Revised Series of State Income of Maharashtra*". As no districtwise growth rates are available, the growth rate adopted for the state as a whole is used for each district to arrive at the estimates of working force in 1967-68. The data on earnings per worker at the state level available from the Cottage and Small Scale Industries Survey, 1965-67 are adjusted to obtain the corresponding figures for the year for which the estimates are being prepared.

7. Electricity, gas and water supply : For allocating the state domestic product originating in electricity generation and transmission to different districts, the districtwise data on value added by the activity in 1967 from ASI are made use of. As regards gas, the domestic product is allocated to Greater Bombay district only. For water supply, the proportion of corresponding district working force to its state total for the Census year 1961, is used for apportioning the total income from this activity to different districts in the year 1967-68.



ANNEX 3
BASIC TABLES OF ECONOMIC CLASSIFICATION OF STATE
GOVERNMENT BUDGET

ACCOUNT-1

TRANSACTIONS IN COMMODITIES & SERVICES AND TRANSFERS
CURRENT ACCOUNT OF GOVERNMENT ADMINISTRATION, 1969-70.

(Rs. thousands)

expenditure	revised estimates	receipt	revised estimates
(1)	(2)	(3)	(4)
1. consumption expenditure*	1449012	6. tax receipts	2716527
2. transfer payments	1777553	6.1 taxes on income and wealth	416871
2.1 interest paid to	304026	6.1.1 state's share in central taxes	342997
2.1.1 central government	199353	6.1.2 state taxes	73874
2.1.2 others	104673	6.2 taxes on commodities and transactions	2299656
2.2 grants to	1239767	6.2.1 state's share in central taxes	304880
2.2.1 local bodies	848070	6.2.2 state taxes	1994776
2.2.2 others	391697	7. income from property and enterprises	232441
2.3 other current transfers	233760	7.1 surplus transferred by D.C.U.s.	84646
2.3.1 subsidies	64971	7.2 profits transferred by N.D.U.s.	6417
2.3.2 trading losses	40094	7.3 trading profits	—
2.3.3 pensions	33096	7.4 interest receipts	124348
2.3.4 equated payment of sterling pensions	1162	7.4.1 interest from N.D.U.s	74101
2.3.5 others	94437	7.4.2 interest from others	50247
3. total expenditure on Account-I (item 1 + item 2)	3226565	7.5 other income from property	17030
4. saving on current account	372262	8. fees and miscellaneous receipts	401358
		9. grants from central government	248401
5. total	3598827	10. total	3598827

D.C.U.s. : Departmental Commercial Undertakings.

N.D.U.s. : Non-Departmental Undertakings.

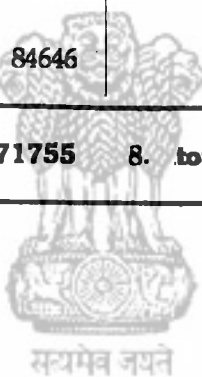
*includes payments of arrears on account of revision of pay scales.

ACCOUNT-2

TRANSACTIONS IN COMMODITIES & SERVICES AND TRANSFERS : CURRENT ACCOUNT OF DEPARTMENTAL COMMERCIAL UNDERTAKINGS, 1969-70

(Rs. thousands)

expenditure	revised estimates	receipt	revised estimates
(1)	(2)	(3)	(4)
1. wages and salaries and commodities and services	571744	7. receipts	671755
2. repairs and maintenance	13218		
3. interest (net)	377		
4. consumption of fixed capital	1770		
5. surplus transferred to current account of government administration	84646		
6. total	671755	8. total	671755



ACCOUNT-3

TRANSACTIONS IN COMMODITIES & SERVICES AND TRANSFERS : CURRENT
ACCOUNT OF GOVERNMENT ADMINISTRATION AND DEPARTMENTAL
COMMERCIAL UNDERTAKINGS, 1969-70

(Rs. thousands)

expenditure	revised estimates	receipts	revised estimates
(1)	(2)	(3)	(4)
1. gross capital formation	773593	4. gross savings	374032
1.1 buildings and other construction	569261	4.1 savings on current account	372262
1.1.1 new outlay	553987	4.2 consumption of fixed capital	1770
1.1.2 renewals and re- placements	15274	5. capital transfers	21270
1.2 machinery and equipments	81844	5.1 estate duty	6347
1.2.1 new outlay	80379	5.2 grants from central govt.	14923
1.2.2 renewals and re- placements	1465	6. miscellaneous receipts	127766
1.3 other capital formation	122488	6.1 sales of govt. property	4156
2. capital transfers	172233	6.2 others	123610
2.1 grants to	134315	7. deficit on all transactions	422758
2.1.1 local bodies	133640		
2.1.2 others	675		
2.2 gratuities and commuted value of pensions	6570		
2.3 compensation to zamindars	5373		
2.4 other capital transfers	25975		
3. total	945826	8. total	945826

ACCOUNT—4

**CHANGES IN FINANCIAL ASSETS : CAPITAL ACCOUNT OF GOVERNMENT
ADMINISTRATION AND DEPARTMENTAL COMMERCIAL UNDERTAKINGS,
1969-70**

(Rs. thousands)

expenditure	revised estimates	receipt	revised estimates
(1)	(2)	(3)	(4)
1. investment in shares	84291	5. repayment of loans	247183
1.1 of government concerns	5350	5.1 local bodies	23726
1.2 of other concerns	78041	5.2 M.S.E.B.	—
2. loans for capital formation	282852	5.3 by other N.D.U.s.	8427
2.1 to local bodies	4596	5.4 by others	215030
2.2 to M.S.E.B.	137500	6. increase in financial assets	256981
2.3 to other N.D.U.s.	14900		
2.4 to others	125856		
3. loans for other purposes	137021		
3.1 to local bodies	10255		
3.2 to M.S.E.B.	9000		
3.3 to other N.D.U.s.	985		
3.4 to others	116781		
4. total	504164	7. total	504164

M.S.E.B. : Maharashtra State Electricity Board.

N.D.U.s. : Non-Departmental Undertakings.

ACCOUNT—5

CHANGES IN FINANCIAL LIABILITIES : CAPITAL ACCOUNT OF GOVERNMENT ADMINISTRATION AND DEPARTMENTAL COMMERCIAL UNDERTAKINGS, 1969-70

(Rs. thousands)

expenditure	revised estimates	receipt	revised estimates
(1)	(2)	(3)	(4)
1. repayment of permanent debt	137400	6. permanent debt	248639
2. repayment of central government loans	398097	7. loans from central government	481913
		7.1 share of small savings	100000
3. repayment of other loans	17760	7.2 other loans	381913
4. net increase in financial liabilities	713853	8. floating debt (net)	77268
		9. other loans from	23624
		9.1 L.I.C. of India	14900
		9.2 Reserve Bank of India	5611
		9.3 others	3113
		10. interstate debt : net	19300
		11. unfunded debt : net	161073
		12. cash balance: investment account: net	127900
		13. other debts, deposits and remittances : net	120193
5. total	1259910	14. total	1259910

ACCOUNT—6

CASH AND CAPITAL RECONCILIATION ACCOUNT OF GOVERNMENT ADMINISTRATION AND DEPARTMENTAL COMMERCIAL UNDERTAKINGS, 1969-70

(Rs. thousands)

expenditure	revised estimates	receipt	revised estimates
(1)	(2)	(3)	(4)
1. deficit on all transaction (balancing item of Account-3)	422758	5. net increase in financial liabilities (balancing item of Account-5)	713853
2. net increase in financial assets (balancing item of Account-4)	256981	6. decrease in cash balance	—
3. increase in cash balance	34114		
4. total	713853	7. total	713853