

## Explanatory Note on Data Sources and Methodology

### Data Sources

This Report is based on the receipts and expenditure data presented in the budget documents of 31 State governments and union territories (UTs) with legislature. For accounts data, this has also been supplemented with the data taken from Finance Accounts of the States published by Comptroller and Auditor General (CAG) of India, wherever required. Data from 2017-18 onwards includes UTs with legislature. The analysis conforms to the data presented in State budgets and the accounting classification thereof. The detailed Appendices are based on the classification of receipts and expenditure of individual States/UTs into revenue and capital accounts. Some supplementary information regarding outstanding guarantees (contingent liabilities), expenditure on 'wages and salaries' 'subsidies' and 'operations and maintenance' are obtained from State governments. Data on outstanding guarantees from 2006-07 to 2016-17 were obtained from Comptroller and Auditor General of India (CAG).

Data on the outstanding State wise loans under the National Small Savings Fund have been obtained from the CAG. The outstanding State-wise central loans have been sourced from Controller General of Accounts (CGA). Besides, several items of data including the availment of ways and means advances (WMA)/ overdraft (OD), market borrowings, investment of State governments in central government treasury bills and the data on the State government securities (SGSs) have been taken from the Reserve Bank records. Data on gross domestic product (GDP) and the State wise gross

State domestic product (GSDP) are at market (current) prices and have been sourced from the National Statistics Office (NSO). This is supplemented by information received from the respective State governments and GSDP estimates used in the budget documents of the State Governments. Wherever GSDP data are not available or not consistent with NSO's data, the data are estimated based on the previous three years' annual average growth rate or the growth rate projected by States. GSDP data prior to 2011-12 correspond to 2004-05 base and data from 2011-12 onwards correspond to 2011-12 base, as published by NSO. GSDP data for current publication is sourced from the data released by NSO in March 2025. GDP data for the year 2025-26 (BE) is taken from the Union Budget 2025-26.

Jammu & Kashmir has not provided complete accounts data for 2023-24 in its budget for 2025-26. This has been the practice in the past also. Therefore, the RBI has been using audited accounts data released by CAG each year. For 2019-20, this data are available in 2 parts – Accounts (1st April 2019 to 30th October 2019), and Accounts (31st October 2019 to 31st March 2020). For comparability with other States/UTs, actuals for J&K is taken by combining these two-period data. Data from 2020-21 onwards pertain to UT of J&K and given on a full year basis.

### Methodology

The analysis of the expenditure data is disaggregated into development and non-development expenditure. All expenditures relating to revenue account, capital outlay and loans

and advances are categorised into social services, economic services, and general services. While social and economic services constitute development expenditure, expenditure on general services is treated as non-development expenditure. Thus, development expenditure includes the development components of revenue expenditure, capital outlay and loans and advances by State governments. Social sector expenditure includes expenditure on social services, rural development, and food storage and warehousing (given under revenue expenditure, capital outlay and loans and advances by State governments).

The term 'Aggregate Expenditure' used in Chapter II is defined as summation of revenue expenditure, capital outlay and loans and advances. The term 'Aggregate Disbursement' used in Appendix Tables and Statements is summation of aggregate expenditure and debt repayments. The capital receipts provided in Appendix Tables (consolidated) and Statements (State-wise) and used in the analysis include public account items on a net basis while these are excluded from the respective capital expenditure. Percentage variation worked out in Appendix Tables and Statements may differ due to rounding-off of figures.

The data provided in Appendix III (capital receipts) and Appendix IV (capital expenditure) are on a gross basis for all items, including public account items. Additionally, total capital receipts taking public account items on a net basis are also given in Appendix III to have comparable data with those of the previous years. Total capital expenditure given in Appendix IV is exclusive of public account items. The 'overall deficit/surplus' in the appendices is equal to the sum

of cash deficit/ surplus (difference between the closing balance and opening balance), increase/ decrease in cash balance investment account and the increase/ decrease in WMA/ ODs extended by the Reserve Bank.

### Methodology for Debt Statistics

The Reserve Bank, in the 2005- 06 edition of this Report, had compiled a data series on outstanding liabilities of State governments since 1990-91. In the 2006-07 Report, a revised series of outstanding liabilities was published by including data on reserve funds, deposits and advances and contingency funds of State governments. In the 2007-08 Report, a revised data series on outstanding liabilities of State governments was published from 2003-04 onwards based on the Combined Finance and Revenue Accounts of union and State governments, Reserve Bank of India records, data received from the Ministry of Finance (Government of India), Union Finance Accounts (CGA) and the budget documents of State governments. The present Report follows the same methodology for compilation of outstanding liabilities as given in 2007-08 Report and uses the same data sources.

The outstanding liabilities of the State governments as at end-March 2024 have been directly taken from CAG of India's 'Combined Finance and Revenue Accounts of the Union and State Governments in India' (except for column nos. 2 to 4 and 15 in Statement 18).

The outstanding liabilities position for end-March 2025 and end-March 2026 have been derived by adding annual flows [2024-25 (RE) and 2025-26 (BE)] to the outstanding amounts for end-March 2024 and end-March 2025. This has been done in conformity with recommended

methodology of 'Report of the Working Group on Compilation of State Government Liabilities', 2005. Based on the State wise market loans (Statement 22), the maturity profile of outstanding State government securities is provided in Statements 23 and 24. These Statements also incorporate the appropriation of liabilities of the four bifurcated States (Bihar, Madhya Pradesh, Uttar Pradesh and Andhra Pradesh) to their respective newly formed States (Jharkhand, Chhattisgarh, Uttarakhand and Telangana) on the basis of Government of India notifications.

The data on liabilities of the Union Territory of Jammu and Kashmir in this edition, as well as in earlier editions of this Report, pertain only to apportioned liabilities. As indicated by the Government of Jammu and Kashmir, the Ministry of

Finance, Government of India, in the Supplementary Demands for Grants for 2025-26 has authorised the Union Territory of Ladakh to repay the unapportioned liabilities to the Union Territory of Jammu and Kashmir. In line with this, for reference, the outstanding liabilities of Jammu and Kashmir including the unapportioned liabilities, as sourced from the Government of Jammu and Kashmir, are presented in a footnote for statements 18, 19 and 20 in this edition. The data on liabilities are provisional and subject to reconciliation with the records of the Comptroller and Auditor General of India.

#### **e-STATES Database**

Subsequent to the release of this Report, the [e-STATES data base](#) released by the Reserve Bank of India will stand-updated.