

: C O N T E N T S :

CHAPTER NO.	T I T L E	PAGE NO.
-------------	-----------	----------

INTRODUCTION AND RESEARCH METHODOLOGY

I	THEORY OF FISCAL FEDERALISM AND THE PROCESS OF CENTRAL FISCAL TRANSFERS TO STATES IN INDIA.	1
	INTRODUCTION	1
	1.1 Theory and Meaning of Federalism	2
	1.2 Features of Indian Fiscal Federalism	7
	1.3 Problem of Fiscal Non- Correspondence	9
	1.4. Process of Central Fiscal Transfers to States in India	12
	1.4.a Finance Commission	12
	1.4.b Planning Commission	15
	1.4.c Union Ministries	21
	1.5 Components of Central Fiscal Transfers	23
	1.5.a Shared Taxes	23
	1.5.b Grants	26
	1.5.c Central Loans	29
	1.6 Growth and Composition of Fiscal Transfers from the Central Government to State Governments in India : 1961-62 to 1990-91 Institution-wise and Component-wise Analysis	32
	Conclusion	40

CHAPTER NO.	T I T L E	PAGE NO
II	<u>CENTRAL FISCAL TRANSFERS AND THE LEVEL OF FISCAL DEPENDENCY OF MAHARASHTRA ON CENTRAL TRANSFERS : 1961-62 TO 1990-91</u>	45
	Introduction	45
2.1	Concepts used in the Study	48
2.2	Extent of Resource Gap in Maharashtra State Budget : 1961-62 to 1990-91.	49
2.3.a	Growth and Composition of Central Fiscal Transfers to Maharashtra : 1961-62 to 1990-91	53
2.3.b	Relative Percentage Share of Components of Central Fiscal Transfers to Maharashtra.	58
2.4	The Level of Fiscal Dependency of Maharashtra on the Central Fiscal Transfers.	62
2.4.a	The Level of Fiscal Dependency of Maharashtra on the Central Fiscal Transfers in the Total Revenue Mobilisation.	64
2.4.b	The Extent of Aggregate Expenditure of Maharashtra Financed by Central Fiscal Transfers	67
	Conclusion	71

III	<u>EXTENT OF FISCAL DEPENDENCY OF          MAHARASHTRA ON THE CENTRAL FISCAL          TRANSFERS IN THE REVENUE AND CAPITAL          ACCOUNT TRANSACTIONS OF ITS BUDGETARY          OPERATIONS : 1961-62 TO 1990-91</u>	74
	<u>SECTION-I</u>	75
	Extent of Fiscal Dependency of Maharashtra on Central Fiscal Transfers in its Revenue Account Budgetary <u>Operations.</u>	
3.1	The Extent of Resource Gap in Revenue Account of the Maharashtra State Budget.	75
3.2	Relative Contribution of Central Transfers (Shared Taxes and Grants) In the Total Revenue Receipts Mobilisation of Maharashtra.	81
3.2.a	Relative Share of Shared Taxes in Total Tax Revenue of Maharashtra.	85
3.2.b	Non-Tax Revenue of Maharashtra and the Relative Share of Grants from the Centre.	88
3.3	The Extent of Financing of Total Revenue Account Expenditure of Maharashtra by Central Fiscal Transfers : 1961-62 to 1990-91.	92

SECTION-II

96

Extent of Fiscal Dependency of  
Maharashtra on Central Transfers (Central  
Loans) in the Capital Receipts And  
Disbursements of Maharashtra.

3.4 Extent of Resource Gap in Capital  
Account of the Maharashtra State  
Budget. 97

3.5 Significance of Central Loans in  
the Capital Receipts and Debt  
Receipts Mobilisation of  
Maharashtra ; 1961-62 to 1990-91 101

3.6 Financing of Capital Expenditure  
of Maharashtra by Central Loans 106

Conclusion 110

IV

CONSEQUENCES OF STATES' DEPENDENCY ON  
CENTRAL FISCAL TRANSFERS ; PROBLEM OF  
STATES' INDEBTEDNESS TO THE CENTRE ;  
STUDY OF MAHARASHTRA ; 1961-62 TO 1990-91

113

Introduction 113

4.1 Growth of Outstanding Central  
Loans to Maharashtra. 114

4.2 Growth of Debt Servicing Burden  
of Central Loans to Maharashtra. 118

4.3.a Revenue Receipts and Burden of  
Interest Payments on Central Loans  
of Maharashtra. 122

CHAPTER NO.	T I T L E	PAGE NO.
4.3.b	Total Revenue Expenditure of Maharashtra and Interest Payment Burden of Central Loans.	125
4.4	Problem of Repayment of Central Loans.	129
4.4.a	Central Loan Repayments and Capital Receipts of Maharashtra : 1961-62 to 1990-91.	130
4.4.b	Central Loans Repayment and Capital Expenditure Ratio.	135
4.5	Gross and Net Central Fiscal Transfers to Maharashtra.	138
4.5.a	Gross and Net Central Fiscal Transfers on Revenue Account of Maharashtra State Budget.	138
4.5.b	Gross and Net Central Fiscal Transfers on Capital Account of Maharashtra State Budget.	141
	Conclusion	144
V	<u>MAJOR CONCLUSIONS AND SUGGESTION OF THE STUDY</u>	146
I.	Major Conclusions of the Study	147
II.	Major Suggestions of the Study.	161
	B I B L I O G R A P H Y.	170