

## States on reforms path, yet not fast enough - Brickwork Ratings State Finances Book

NEW DELHI, OCTOBER 29 :

"Hungry man, reach for the book: it is a weapon."  
- Bertolt Brecht

And so Brickwork Ratings, a wholly Indian credit rating agency, released the fourth edition of State Finances Handbook 2015 on Thursday. Brickwork has unique criteria for rating state government that looks at state's willingness and ability to honor debt obligations.

### Highlights

The criterion considers political, economic, budgetary, financial and institutional parameters relevant to the state government's creditworthiness.



Brickwork study of state finances reveals that most states are on reform path in power sector, urban development, taxation as well as governance. Yet some have done better than others. Each state has its own uniqueness and strengths. Each one has her own challenges to be overcome. This study highlights some of them.

Urbanisation indicates development of state. Naturally Delhi scores highest at 97 per cent being a metropolitan city. Goa - a lovely developed little state scores second highest in urbanization. Tamil Nadu with 48% urbanization comes up third. Her achievement is creditable considering the vastness of state. Assam, Bihar and Himachal Pradesh are at the bottom with urbanization less than 14%. Himachal Pradesh might be low in urbanization, yet this lovely state with picturesque scenery is a heaven on earth and sought after by many urbanites, who are fed up of pollution in urban areas.

Per capita Income denotes how rich the state is. Goa is richest with per capita income of Rs 1.92 lakh per year. Delhi scores second at Rs 1.75 lakhs and Haryana is placed at third with per capita income at Rs 1.08 lakhs. The bottom three poor states are Assam, Uttar Pradesh and Madhya Pradesh with per capita income less than Rs 33,633 per year.

Infant mortality rate (IMR) which is good indicator of Human Development shows Goa in the best light. Goa has minimum IMR at 11, followed by Kerala at 12 and Tamil Nadu at 22. The states with poor IMR are Odisha & Uttar Pradesh at 57 and Madhya Pradesh at 59.

Delhi is no place for daughters, with the most adverse sex ratio – 866 males per 1000 females. Kerala tops the country with sex ratio of 1084 followed by Andhra Pradesh and Chhattisgarh at 996, 991 respectively.

Kerala tops the country with 92% female literacy. Goa comes second at 81.8% and Delhi at 80.9 per cent. The states with least female literacy are Rajasthan at 52.7 per cent, Jharkhand at 56.2 per cent and Telangana at 57.9 per cent.

Speaking at the occasion, Vivek Kulkarni, Chairman, Brickwork Ratings, said, "Our objective of undertaking the fourth edition of the nationwide, comprehensive State Finances Handbook is to get a true picture of the transforming profile of India's finances following similar parameters and metrics of the Government of India. By partnering with various government officials and departments, Brickwork Ratings is seeking to advance understanding, boost awareness and support proper quantification and fund allocation of the various states of our country."