

Haryana Budget Analysis 2021-22

The Chief Minister of Haryana, Mr. Manohar Lal, presented the Budget for the state for the financial year 2021-22 on March 12, 2021. Due to the impact of COVID-19, 2020-21 was not a standard year with respect to the performance of the economy and government finances. In this note, 2021-22 budget estimates have been compared to the actuals for 2019-20 (in terms of compounded annual growth rate or CAGR). A comparison of the revised estimates for 2020-21 and budget estimates for 2021-22 has been provided in the Annexure.

Budget Highlights

- The **Gross State Domestic Product (GSDP)** of Haryana for 2021-22 (at current prices) is projected to be Rs 8,87,252 crore. This is an annual increase of 7% over 2019-20. As per the revised estimate of 2020-21, GSDP is estimated to decrease by 2% over the GSDP in 2019-20.
- **Total expenditure** for 2021-22 is estimated to be Rs 1,55,645 crore, an annual increase of 14% over 2019-20. As per the revised estimates, total expenditure in 2020-21 is estimated to be 3% less than the budget estimate (a decrease of Rs 4,605 crore).
- **Total receipts (excluding borrowings)** for 2021-22 are estimated to be Rs 93,480 crore, an annual increase of 13% over 2019-20. In 2020-21, as per revised estimates, total receipts (excluding borrowings) are estimated to fall short of the budget estimate by Rs 15,826 crore (a decrease of 17%).
- In 2021-22, the **revenue deficit** is estimated to be Rs 29,194 crore, which is 3.29% of the GSDP. In 2020-21, the state has estimated a revenue deficit of Rs 20,856 crore (2.73% of GSDP) at the revised stage.
- The **fiscal deficit** in 2021-22 is estimated to be Rs 34,004 crore (3.83% of GSDP). In 2020-21, the fiscal deficit is estimated to be 3.36% of GSDP at Rs 25,713 crore, which is higher than the budget estimate of 2.73% of GSDP at Rs 25,682 crore.

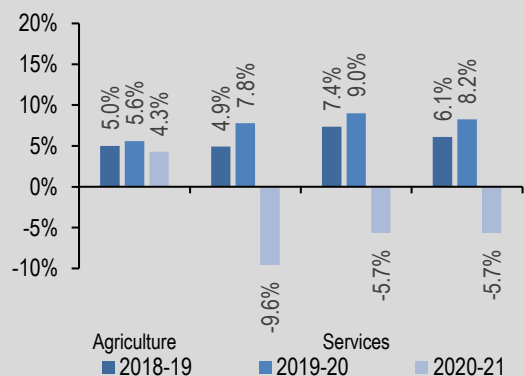
Policy Highlights

- **Medium term expenditure framework (MTEF) reserve fund:** Rs 8,585 crore has been allocated towards the MTEF reserve fund. The fund will be spent on special projects in health, agriculture and infrastructure sectors such as upgradation of district hospitals, micro irrigation, and expansion of metro network.
- **Agriculture:** Kisan Mitra Yojana will be launched to facilitate financial services (such as deposit and withdrawal of cash) for farmers. Har Khet Swasth Khet Abhiyan will be launched to focus on soil quality.
- **Education:** Rs 700 crore will be allocated towards the promotion of technology-based learning in all government schools (includes the provision of tablets and digital classrooms). To promote inclusivity in education, free education will be provided to students of class 9 to class 12.

Haryana's Economy

- **GSDP:** Haryana's GSDP (at constant prices) is estimated to contract by 5.7% in 2020-21 as compared to 2019-20. In comparison, the overall GDP of the country is estimated to contract at a higher rate of 8%.
- **Sectors:** In 2020-21, the contribution of agriculture, manufacturing, and services sectors in the economy was 19%, 30%, and 51%, respectively. The agriculture sector is estimated to grow by 4.3% in 2020-21 whereas the growth in manufacturing and services sectors is estimated to decline by 9.6% and 5.7%, respectively.
- **Per capita income:** The per capita income of Haryana in 2020-21 (at constant prices) was Rs 1,63,992, which is 7% lower than that in 2019-20 (Rs 1,76,199).
- **Unemployment:** According to the Periodic Labour Force Survey (July 2018-June 2019), the unemployment rate in Haryana was 9.2%, which is significantly higher than the all-India level (5.8%).

Figure 1: Growth in GSDP and sectors in Haryana at constant prices (2011-12)



Note: These numbers are as per constant prices (2011-12) which implies that the growth rate is adjusted for inflation. Manufacturing includes mining.

Sources: Haryana Economic Survey 2020-21; PRS.

Budget Estimates for 2021-22

- Total expenditure in 2021-22 is estimated to be Rs 1,55,645 crore. This is an annual increase of 14% over the actual expenditure in 2019-20. This expenditure is proposed to be met through the receipts (other than borrowings) of Rs 93,480 crore and borrowings of Rs 58,314 crore.
- Total receipts for 2021-22 (other than borrowings) are expected to register an annual increase of 13% over 2019-20. As per the revised estimate for 2020-21, receipts (other than borrowings) are estimated to be 17% less than the budget estimate and total expenditure is estimated to be 3% less than the budgeted estimate.
- For 2021-22, the state has estimated a fiscal deficit of 3.83% of GSDP. This is lower than the 4% limit allowed by the central government for the fiscal deficit of states for the year. The fiscal deficit is estimated to be 3.36% of GSDP in 2020-21 (revised estimate), which is higher than the budget estimate (2.73% of GSDP). In 2021-22, the state estimates to have a revenue deficit of Rs 29,194 crore (an annual increase of 31% from 2019-20). In 2020-21, as per the revised figures, the revenue deficit for Haryana is estimated to be 2.73% of GSDP, which is higher than the budget estimate (1.64% of GSDP).

Table 1: Budget 2021-22 - Key figures (in Rs crore)

Items	2019-20 Actuals	2020-21 Budgeted	2020-21 Revised	% change from BE 2020-21 to RE 2020-21	2021-22 Budgeted	Annualised Change (2019-20 to 2021-22 BE)
Total Expenditure	1,19,599	1,42,344	1,37,738	-3%	1,55,645	14%
A. Receipts (except borrowings)	73,305	94,070	78,244	-17%	93,480	13%
B. Borrowings	44,432	44,439	48,142	8%	58,314	15%
Total Receipts (A+B)	1,17,737	1,38,509	1,26,386	-9%	1,51,794	14%
Revenue Deficit	16,990	15,374	20,856	36%	29,194	31%
As % of GSDP	2.18%	1.64%	2.73%		3.29%	
Fiscal Deficit	30,519	25,682	25,713*	0%	34,004	6%
As % of GSDP	3.91%	2.73%	3.36%		3.83%	
Primary Deficit	14,931	7,544	8,070	7%	14,227	-2%
As % of GSDP	1.91%	0.80%	1.06%		1.60%	

Note: * Includes Rs 800 crore as contingency funds; BE is Budget Estimates; RE is Revised Estimates.

Sources: Haryana Budget Documents 2020-22; PRS.

Expenditure in 2021-22

- Capital expenditure** for 2021-22 is proposed to be Rs 38,718 crore, which is an annual increase of 6% over 2019-20. Capital expenditure includes expenditure affecting the assets and liabilities of the state, such as: (i) capital outlay, i.e., expenditure which leads to the creation of assets (such as bridges and hospitals), and (ii) repayment and grant of loans by the state government. The capital outlay in 2021-22 (Rs 9,318 crore) is estimated to annually decrease by 27% from 2019-20.
- Revenue expenditure** for 2021-22 is proposed to be Rs 1,16,927 crore, which is an annual increase of 17% over 2019-20. This includes expenditure such as payment of salaries, pensions, interest, and subsidies. In 2020-21, revenue expenditure at Rs 96,991 crore is estimated to be 8% less than the budget estimate (Rs 1,05,338 crore).

Capital Outlay

In 2020-21, capital outlay at the revised stage (Rs 5,065 crore) is estimated to be 62% less than the budget estimate. This is mainly due to a cut in capital outlay in certain sectors including: (i) Education, Sports, Art and Culture (Rs 436 crore at revised stage against budget estimate of 1,766 crore), and (ii) irrigation and flood control (Rs 1,361 crore at revised stage against budget estimate of Rs 2,321 crore).

Further, the agriculture and allied services observed a negative capital outlay of Rs 2,681 crore at the revised stage against the budget estimate of a positive capital outlay of Rs 232 crore. This is mainly due to decline in the expenditure on the grain supply scheme from Rs 14,730 crore at the budget stage to Rs 12,301 crore at the revised stage (a decrease of 16%). A negative capital outlay means that the recoveries in the sector have been higher than the expenditure.

Table 2: Expenditure budget 2021-22 (in Rs crore)

Items	2019-20 Actuals	2020-21 Budgeted	2020-21 Revised	% change from BE 2020-21 to RE 2020-21	2021-22 Budgeted	Annualised Change (2019-20 to 2021-22 BE)
Capital Expenditure	34,751	37,006	40,747	10%	38,718	6%
of which Capital Outlay	17,666	13,201	5,065	-62%	9,318	-27%
Revenue Expenditure	84,848	1,05,338	96,991	-8%	1,16,927	17%
Total Expenditure	1,19,599	1,42,344	1,37,738	-3%	1,55,645	14%
A. Debt Repayment	15,776	22,592	33,781	50%	28,161	34%
B. Interest Payments	15,588	18,138	17,643	-3%	19,776	13%
Debt Servicing (A+B)	31,364	40,729	51,424	26%	47,938	24%

Note: BE is Budget Estimates; RE is Revised Estimates. Capital outlay denotes expenditure which leads to the creation of assets.

Sources: Haryana Budget Documents 2021-22; PRS.

Sectoral expenditure in 2021-22

The sectors listed below account for **59%** of the total expenditure on all sectors by the state in 2021-22. A comparison of Haryana's expenditure on key sectors with that by the other states is given in Annexure 1.

Table 3: Sector-wise expenditure under Haryana Budget 2021-22 (in Rs crore)

Sector	2019-20 Actuals	2020-21 BE	2020-21 RE	2021-22 BE	Annualised Change (2019-20 to 2021-22 BE)	Budget provisions 2021-22
Education, Sports, Arts, and Culture	14,868	20,169	15,865	18,891	13%	Rs 500 crore and Rs 317 crore has been allocated towards Sarva Shiksha Abhiyan, and mid-day meal programme, respectively.
Social Welfare and Nutrition	8,209	10,168	9,870	9,970	10%	Rs 5,547 crore has been allocated for pension under various social security schemes.
Health and Family Welfare	4,983	6,512	6,240	7,317	21%	Rs 883 crore has been allocated towards the strengthening of urban hospitals and dispensaries. Rs 837 crore has been allocated as grants for National Rural Health Mission.
Energy	12,845	7,437	6,520	7,162	-25%	Rs 460 crore and Rs 100 crore have been allocated towards subsidy towards domestic consumer tariff, and subsidy towards relief against COVID-19, respectively.
Rural Development	3,985	6,327	5,304	6,017	23%	Rs 1,375 crore and Rs 1,040 crore has been allocated as grants to gram panchayats on recommendations of state and central finance commission, respectively. Rs 500 crore has been allocated towards Haryana Gramin Vikas Yojana.
Police	4,653	5,580	5,233	5,768	11%	Rs 4,009 crore has been allocated towards expenditure on district police.
Irrigation and Flood Control	2,893	5,020	2,957	5,162	34%	Rs 3,150 crore and Rs 1,023 crore has been allocated towards major and medium irrigation, respectively. Rs 539 crore has been allocated towards Pradhan Mantri Krishi Sinchayee Yojana.
Transport	4,898	5,473	4,232	5,161	3%	Rs 2,156 crore has been allocated for Haryana Roadways.
Urban Development	4,185	6,549	5,379	5,155	11%	Rs 1,070 crore and Rs 423 crore has been provided as grants to the municipal committee on recommendations of state and central finance commissions, respectively.
Agriculture and allied activities	7,678	5,950	2,438	4,386	-24%	Rs 518 crore has been allocated towards Pradhan Mantri Fasal Bima Yojana.
% of total expenditure on all sectors	67%	67%	63%	59%		

Sources: Haryana Budget Documents 2021-22; PRS.

Committed expenditure: Committed expenditure of a state typically includes expenditure on payment of salaries, pensions, and interest. A larger proportion of the budget allocated for committed expenditure items limits the state's flexibility to decide on other expenditure priorities such as capital outlay. In 2021-22, Haryana is estimated to spend Rs 55,454 crore on committed expenditure, which is 63% of its revenue receipts. It comprises spending on salaries (30% of revenue receipts), pension (10% of revenue receipts), and interest payments (23% of revenue receipts). Committed expenditure is estimated to grow 11% annually over 2019-20.

Table 4: Committed Expenditure in 2021-22 (in Rs crore)

Items	2019-20 Actuals	2020-21 BE	2020-21 RE	% change from BE 2020-21 to RE 2020-21	2021-22 BE	Annualised Change (2019-20 to 2021-22 BE)
Salaries	20,978	27,012	22,448	-17%	26,478	12%
Pensions	8,833	9,000	9,900	10%	9,200	2%
Interest	15,588	18,138	17,643	-3%	19,776	13%
Total Committed Expenditure	45,399	54,150	49,991	-8%	55,454	11%

Sources: Haryana Budget Documents 2021-22; PRS.

Receipts in 2021-22

- **Total revenue receipts** for 2021-22 are estimated to be Rs 87,733 crore, an annual increase of 14% over actual revenue receipts in 2019-20. Of this, Rs 63,738 crore (73%) will be raised by the state through its **own resources**, and Rs 23,995 crore (27%) will come **from the Centre**. Resources from the Centre will be in the form of the state's share in central taxes (8% of revenue receipts) and grants (19% of revenue receipts).
- In 2021-22, the state expects to receive Rs 5,000 crore as share capital from the disinvestment of co-operative societies. In 2020-21, Haryana is estimated to receive Rs 1,600 crore as share capital from disinvestment of co-operative societies at the revised stage against the budget estimate of Rs 3,750 crore.
- **Devolution:** In 2021-22, receipts from the state's share in central taxes are estimated to be Rs 7,275 crore, an annual increase of 1% over 2019-20. In 2020-21, devolution at the revised stage is estimated to be 30% less than the budget estimate. Note that the Union Budget 2021-22 estimates the devolution to states in 2020-21 to be 30% less than the budget estimate.
- **State's own non-tax revenue:** In 2020-21, the own non-tax revenue of the state is estimated to be 50% less than the budget estimate. A large part of this decrease is due to lower than expected revenue from urban development (Rs 1,800 crore at the revised stage against the budget estimate of Rs 7,500 crore) and road transport (Rs 701 crore against the budget estimate of Rs 2,500 crore).

Table 5: Break up of state government receipts (in Rs crore)

Items	2019-20 Actuals	2020-21 BE	2020-21 RE	% change from BE 2020-21 to RE 2020-21	2021-22 BE	Annualised Change (2019-20 to 2021-22 BE)
State's Own Tax	42,825	52,096	46,529	-11%	52,887	11%
State's Own Non-Tax	7,400	15,428	7,763	-50%	10,851	21%
Share in Central Taxes	7,112	8,485	5,951	-30%	7,275	1%
Grants-in-aid from Centre	10,522	13,955	15,893	14%	16,720	26%
Total Revenue Receipts	67,858	89,964	76,135	-15%	87,733	14%
Borrowings	44,432	44,439	48,142	8%	58,314	15%
Other receipts	5,447	4,106	2,109	-49%	5,747	3%
Total Capital Receipts	49,878	48,545	50,251	4%	64,061	13%
Total Receipts	1,17,737	1,38,509	1,26,386	-9%	1,51,794	14%

Note: BE is Budget Estimates; RE is Revised Estimates.

Sources: Haryana Budget Documents 2021-22; PRS.

Table 6: Some of the major state's own tax revenue sources (in Rs crore)

Head	2019-20 Actuals	2020-21 BE	2020-21 RE	% change from BE 2020-21 to RE 2020-21	2021-22 BE	Annualised Change (2019-20 to 2021-22 BE)	% of Revenue Receipts in 2021-22
State GST	18,873	22,350	20,350	-9%	24,300	13%	28%
Sales Tax/ VAT	8,398	10,702	10,350	-3%	11,000	14%	13%
State Excise	6,323	7,500	7,500	0%	9,200	21%	10%
Stamps Duty and Registration Fees	6,013	7,500	5,500	-27%	5,000	-9%	6%
Taxes on Vehicles	2,916	3,616	2,500	-31%	3,003	1%	3%
GST Compensation Grants	5,453	7,000	9,200	31%	9,200	30%	10%

Sources: Haryana Budget Documents 2021-22; PRS.

- **State's own tax revenue:** Total own tax revenue of Haryana is estimated to be Rs 52,887 crore in 2021-22, an annual increase of 11% over 2019-20. In 2020-21, total own tax revenue at the revised stage is estimated to be less than the budget estimate by Rs 5,567 crore (a decrease of 11%).
- In 2021-22, State GST (SGST) is estimated to be the largest source of the state's own tax revenue (46% of the state's own tax revenue). SGST in 2021-22 is estimated to be Rs 24,300 crore (an annual increase of 13% over 2019-20).
- In 2021-22, Haryana is expected to generate Rs 11,000 crore through the collection of sales tax/ VAT, an annual increase of 14% over 2019-20.

GST Compensation

The GST (Compensation to States) Act, 2017 guarantees states compensation for five years (till 2022) for any revenue loss arising due to GST implementation. The Act guarantees states a 14% annual growth in their GST revenue, failing which compensation grants are provided to states to meet the shortfall. These grants are funded through the GST compensation cess levied by the centre. As the cess collection is not sufficient to meet the compensation requirement of states in 2020-21, a part of their requirement will be met through loans from the centre (which will be repaid using future cess collection). As per the revised estimate of 2020-21, Haryana is estimated to receive a total of Rs 9,200 crore as GST compensation grants. Haryana is estimated to receive Rs 4,344 crore as total borrowings for the shortfalls in GST compensation in 2020-21.

The state estimates to receive Rs 9,200 crore as GST compensation grants for the year 2021-22, which is equivalent to 10.5% of the revenue receipts estimated for that year.

Deficits, Debts and FRBM Targets for 2021-22

The Haryana Fiscal Responsibility and Budget Management Act, 2005 (FRBM) provides annual targets to progressively reduce the outstanding liabilities, revenue deficit, and fiscal deficit of the state government.

Revenue Balance: It is the difference of revenue expenditure and revenue receipts. A revenue deficit implies that the government needs to borrow to finance its expenses which do not increase its assets or reduces its liabilities. A revenue surplus implies that the revenue receipts of the state are sufficient to meet the revenue expenditure requirements. The state estimates a revenue deficit of Rs 29,194 crore (or 3.29% of the GSDP) in 2021-22.

Fiscal deficit: It is the excess of total expenditure over total receipts. This gap is filled by borrowings by the government and leads to an increase in total liabilities. In 2021-22, the fiscal deficit is estimated to be Rs 34,004 crore (3.83% of GSDP). As per the revised estimates, in 2020-21, the fiscal deficit of the state is expected to be 3.36% of GSDP, which is higher than the budget estimate of 2.73% of GSDP. In both 2020-21 and 2021-22, states have been allowed a higher fiscal deficit than the usual 3% limit under the FRBM Act for undertaking expenditure to support economic recovery.

Enhanced borrowing limit in 2020-21: Given the situation due to COVID-19, the central government permitted states to increase their fiscal deficit up to 5% of GSDP in 2020-21. All states are allowed to increase their fiscal deficit up to 4% of GSDP. The remaining 1% of GSDP is conditional on the implementation of reforms by states in the following areas (0.25% of GSDP for each reform): (i) one nation one ration card, (ii) ease of doing business, (iii) urban local body/ utility, and (iv) power distribution. As of February 19, 2021, Haryana is eligible to borrow Rs 4,292 crore for implementing reforms related to ease of doing business and one nation one ration card.

Public debt: Public Debt is the accumulation of total borrowings at the end of a financial year. In 2021-22, the public debt is estimated to be 25.92% of the GSDP, which is higher than the revised estimate for 2020-21 (23.27% of GSDP).

Fiscal Roadmap for 2021-26

The 15th Finance Commission recommended the following fiscal deficit targets for states for the 2021-26 period (as a % of GSDP): (i) 4% for 2021-22, (ii) 3.5% for 2022-23, and (iii) 3% for 2023-26. The Commission estimates that this path will enable Haryana to bring down its total liabilities from 31.9% of GSDP in 2020-21 to 29.9% of GSDP at the end of 2025-26.

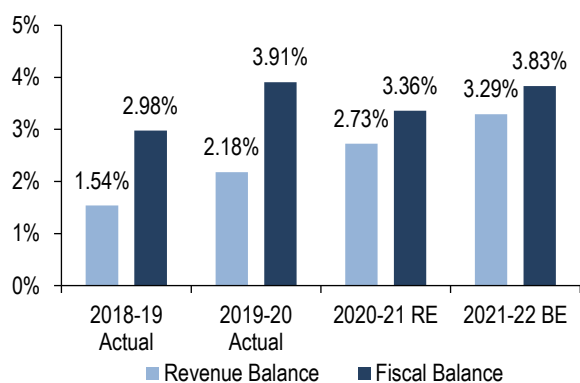
If a state is unable to fully utilise the sanctioned borrowing limit as specified above in any of the first four years (2021-25), it can avail the unutilised borrowing amount in subsequent years (within the 2021-26 period). An additional borrowing worth 0.5% of GSDP will be allowed each year for the first four years (2021-25) upon undertaking certain power sector reforms including: (i) reduction in operational losses, (ii) reduction in revenue gap, (iii) reduction in payment of cash subsidy by adopting direct benefit transfer, and (iv) reduction in tariff subsidy as a percentage of revenue.

Table 7: Budget targets for deficits for Haryana in 2021-22 (% of GSDP)

Year	Revenue Deficit	Fiscal Deficit	Public Debt
2018-19 Actual	1.54%	2.98%	21.36%
2019-20 Actual	2.18%	3.91%	22.30%
2020-21 RE	2.73%	3.36%	23.27%
2021-22 BE	3.29%	3.83%	25.92%

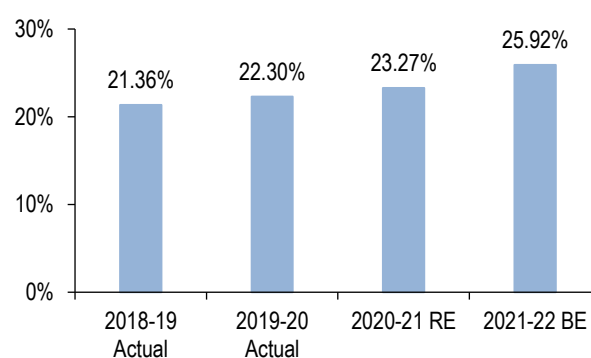
Sources: Haryana Budget Documents 2021-22; PRS.

Figure 2: Revenue and Fiscal Balance (% of GSDP)



Note: Revenue Balance data not available for 2022-23 and 2023-24; RE is Revised Estimates; BE is budget estimates. Negative sign indicates a deficit, positive sign indicates a surplus.
Sources: Haryana Budget Documents 2021-22; PRS.

Figure 3: Public debt targets (% of GSDP)

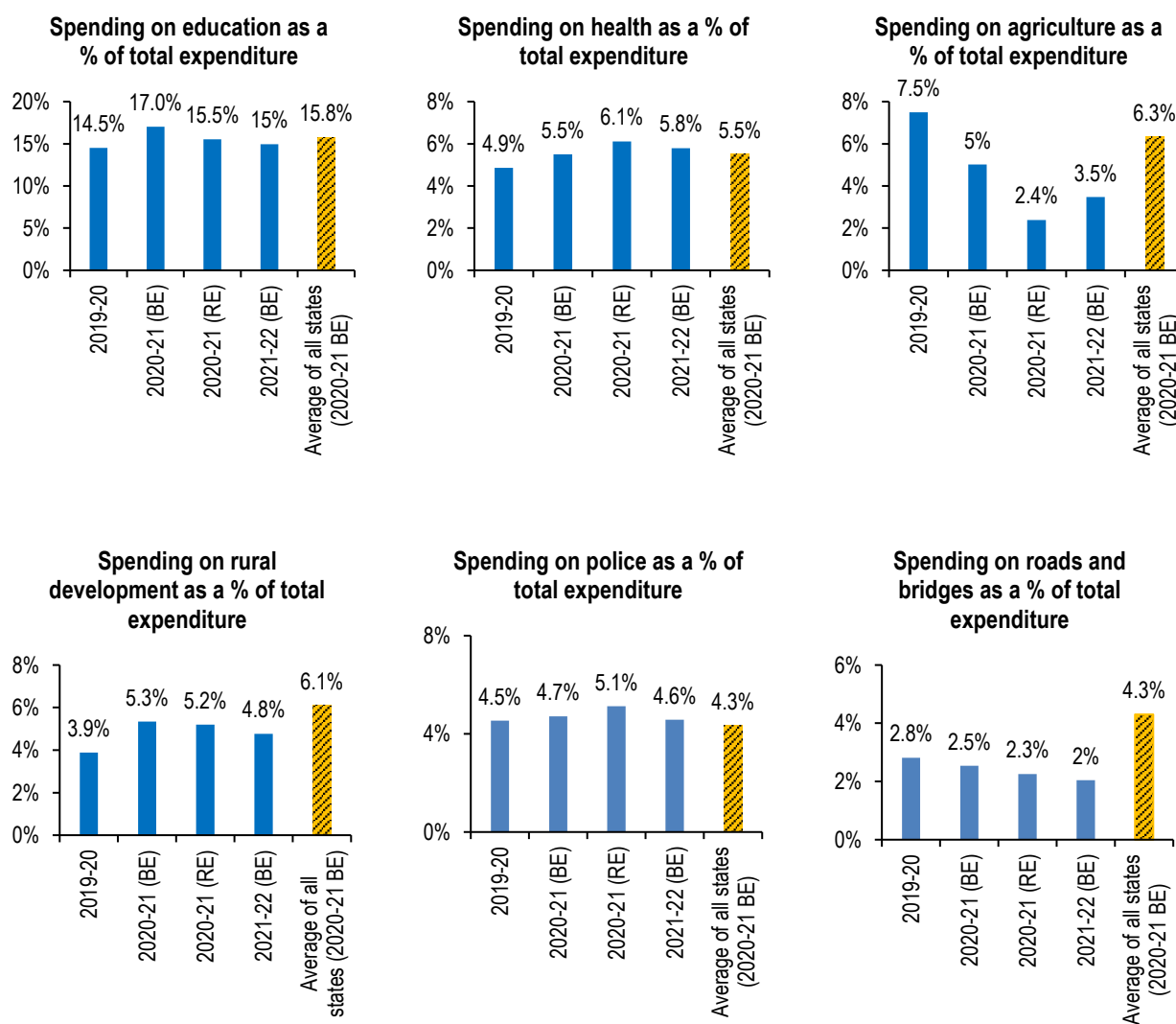


Note: RE is Revised Estimates; BE is budget estimates.
Sources: Haryana Budget Documents 2021-22; PRS.

Annexure 1: Comparison of states' expenditure on key sectors

The graphs below compare Haryana's expenditure on six key sectors as a proportion of its total expenditure on all sectors. The average for a sector indicates the average expenditure in that sector by 30 states (including Haryana) as per their budget estimates of 2020-21.¹

- **Education:** Haryana has allocated 15% of its total expenditure for education in 2021-22. This is less than than the average allocation (15.8%) for education by all states (2020-21 BE).
- **Health:** Haryana has allocated 5.8% of its total expenditure on health, which is marginally higher than the average allocation for health by states (5.5%).
- **Agriculture:** The state has allocated 3.5% of its total expenditure towards agriculture and allied activities. This is significantly less than the average allocation for agriculture by states (6.3%).
- **Rural development:** Haryana has allocated 4.8% of its expenditure on rural development. This is less than the average allocation for rural development by states (6.1%).
- **Police:** Haryana has allocated 4.6% of its total expenditure on police, which is marginally higher than the average expenditure on police by states (4.3%).
- **Roads and bridges:** Haryana has allocated 2% of its total expenditure on roads and bridges, which is significantly less than the average allocation by states (4.3%).



Note: 2019-20, 2020-21 (BE), 2020-21 (RE), and 2021-22 (BE) figures are for Haryana.
Sources: Haryana Budget Documents 2021-22; various state budgets; PRS.

¹ The 30 states include the Union Territory of Delhi and Union Territory of Jammu and Kashmir.

Annexure 2: Recommendations of the 15th Finance Commission for 2021-26

The 15th Finance Commission's (FC) report for the 2021-26 period was released on February 1, 2021. For the 2021-26 period, the Commission has recommended the share of states in the divisible pool of central taxes to be 41%, same as that for 2020-21 (also recommended by the 15th FC in its report for 2020-21). This is 1% point lower than the 42% share recommended by the 14th FC (for the 2015-20 period) to separately provide funds for the newly formed union territories of Jammu and Kashmir and Ladakh. The 15th FC proposed revised criteria for determining the share of individual states (different from 14th FC). Based on the 15th FC's recommendations for the period 2021-26, Haryana will have a 0.45% share in the divisible pool of central taxes. This implies that out of every Rs 100 of revenue in the divisible pool during 2021-26, Haryana will receive Rs 0.45.

Table 8: Share of states in the divisible pool of central taxes under the 14th and 15th FC periods

State	14th FC	15th FC	15th FC	% change	
	2015-20	2020-21	2021-26	2015-20 to 2021-26	2020-21 to 2021-26
Andhra Pradesh	1.81	1.69	1.66	-8.2%	-1.6%
Arunachal Pradesh	0.58	0.72	0.72	25.2%	-0.2%
Assam	1.39	1.28	1.28	-7.8%	-0.1%
Bihar	4.06	4.13	4.12	1.6%	0.0%
Chhattisgarh	1.29	1.40	1.40	8.0%	-0.3%
Goa	0.16	0.16	0.16	-0.3%	0.0%
Gujarat	1.30	1.39	1.43	10.1%	2.4%
Haryana	0.46	0.44	0.45	-1.6%	1.0%
Himachal Pradesh	0.30	0.33	0.34	13.6%	3.9%
Jammu & Kashmir	0.78	-	-	-	-
Jharkhand	1.32	1.36	1.36	2.8%	-0.2%
Karnataka	1.98	1.50	1.50	-24.5%	0.0%
Kerala	1.05	0.80	0.79	-24.8%	-0.9%
Madhya Pradesh	3.17	3.23	3.22	1.5%	-0.5%
Maharashtra	2.32	2.52	2.59	11.7%	3.0%
Manipur	0.26	0.29	0.29	13.3%	-0.3%
Meghalaya	0.27	0.31	0.31	16.6%	0.3%
Mizoram	0.19	0.21	0.21	6.1%	-1.2%
Nagaland	0.21	0.24	0.23	11.5%	-0.7%
Odisha	1.95	1.90	1.86	-4.8%	-2.2%
Punjab	0.66	0.73	0.74	11.9%	1.1%
Rajasthan	2.31	2.45	2.47	7.1%	0.8%
Sikkim	0.15	0.16	0.16	3.2%	0.0%
Tamil Nadu	1.69	1.72	1.67	-1.0%	-2.6%
Telangana	1.02	0.88	0.86	-15.8%	-1.5%
Tripura	0.27	0.29	0.29	7.7%	-0.1%
Uttar Pradesh	7.54	7.35	7.36	-2.5%	0.0%
Uttarakhand	0.44	0.45	0.46	3.7%	1.3%
West Bengal	3.08	3.08	3.08	0.3%	0.1%
Total	42.00	41.00	41.00		

Note: % share in the divisible pool has been rounded off. Although the 15th FC recommended the same criteria for 2020-21 and 2021-26 periods, the reference period for computation on some underlying indicators are different. This is why the share in the divisible pool in 2020-21 and 2021-26 differ for states.

Sources: Reports of 14th and 15th FCs; Union Budget Documents 2021-22; PRS.

The 15th FC recommended grants worth Rs 10.3 lakh crore for states over five years (2021-26). A portion of these grants will be conditional. 17 states will receive revenue deficit grants during this period. Sector-specific grants include grants for sectors such as health, agriculture, and education. Grants to local governments include: (i) Rs 1.2 lakh crore for urban local bodies, (ii) Rs 2.4 lakh crore for rural local bodies, and (iii) health grants worth Rs 70,000 crore through local bodies for healthcare infrastructure.

Table 9: Grants recommended for 2021-26 (Rs crore)

Grants	Total	Haryana
Revenue deficit grants	2,94,514	132
Local governments grants	4,36,361	9,066*
Sector-specific grants	1,29,987	3,005#
Disaster management grants	1,22,601	2,715
State-specific grants	49,599	2,003
Total	10,33,062	16,921

Note: This does not include competition-based grants including *grants for incubation of new cities (part of local bodies grants), and #grants for school education, and aspirational districts and blocks.

Source: Report of 15th FC; PRS.

Grants recommended for Haryana include: (i) Rs 132 crore as revenue deficit grants, (ii) Rs 9,066 crore as grants for local bodies, (iii) Rs 2,715 crore as disaster management grants, and (iv) Rs 3,005 crore as state-specific grants. The state-specific grants are for purposes such as: (i) strengthening and upgradation of health infrastructure, (ii) irrigation and water resources, and (iii) medical education and research.

Table 10: Taxes devolved to states as per Union Budget 2021-22

State	2019-20	2020-21 Revised	2021-22 Budget
Andhra Pradesh	29,421	22,611	26,935
Arunachal Pradesh	9,363	9,681	11,694
Assam	22,627	17,220	20,819
Bihar	66,049	55,334	66,942
Chhattisgarh	21,049	18,799	22,676
Goa	2,583	2,123	2,569
Gujarat	21,077	18,689	23,148
Haryana	7,408	5,951	7,275
Himachal Pradesh	4,873	4,394	5,524
Jammu & Kashmir	12,623	-38	-
Jharkhand	21,452	18,221	22,010
Karnataka	32,209	20,053	24,273
Kerala	17,084	10,686	12,812
Madhya Pradesh	51,584	43,373	52,247
Maharashtra	37,732	33,743	42,044
Manipur	4,216	3,949	4,765
Meghalaya	4,387	4,207	5,105
Mizoram	3,144	2,783	3,328
Nagaland	3,403	3,151	3,787
Odisha	31,724	25,460	30,137
Punjab	10,777	9,834	12,027
Rajasthan	37,554	32,885	40,107
Sikkim	2,508	2,134	2,582
Tamil Nadu	27,493	23,039	27,148
Telangana	16,655	11,732	13,990
Tripura	4,387	3,899	4,712
Uttar Pradesh	1,22,729	98,618	1,19,395
Uttarakhand	7,189	6,072	7,441
West Bengal	50,051	41,353	50,070
Total	6,83,353	5,49,959	6,65,563

Note: Actuals for 2019-20 and Revised Estimates for 2020-21 have been reported in the Union Budget after adjusting for excess or less devolution in previous years.

Sources: Union Budget Documents 2021-22; PRS.

Annexure 3: Comparison of 2020-21 Revised and 2021-22 Budget Estimates

The following tables compare the budget estimates for 2021-22 with the revised estimates for 2020-21.

Table 11: Overview of Revised Estimates for 2020-21 and Budget Estimates for 2021-22 (in Rs crore)

Particular	2020-21 RE	2021-22 BE	% change from 2020-21 RE to 2021-22 BE
Receipts (1+2)	1,26,386	1,51,794	20%
Receipts except Borrowings	78,244	93,480	19%
1. Revenue Receipts (a+b+c+d)	76,135	87,733	15%
a. Own Tax Revenue	46,529	52,887	14%
b. Own Non-Tax Revenue	7,763	10,851	40%
c. Share in central taxes	5,951	7,275	22%
d. Grants-in-aid from the Centre	15,893	16,720	5%
Of which GST compensation	9,200	9,200	0%
2. Capital Receipts	50,251	64,061	27%
a. Borrowings	48,142	58,314	21%
Of which GST compensation loan	0	-	-
Expenditure (3+4)	1,37,738	1,55,645	13%
3. Revenue Expenditure	96,991	1,16,927	21%
4. Capital Expenditure	40,747	38,718	-5%
i. Capital Outlay	5,065	9,318	84%
ii. Debt Repayment	33,781	28,161	-17%

Particular	2020-21 RE	2021-22 BE	% change from 2020-21 RE to 2021-22 BE
Revenue Deficit	20,856	29,194	40%
Revenue Deficit (as % of GSDP)	2.73%	3.29%	
Fiscal Deficit	25,713	34,004	32%
Fiscal Deficit (as % of GSDP)	3.36%	3.83%	

Note: Negative revenue balance indicates revenue deficit.

Sources: Haryana Budget Documents 2021-22; PRS.

Table 12: Key components of State's Own Tax Revenue (in Rs crore)

Tax	2020-21 RE	2021-22 BE	% change from 2020-21 RE to 2021-22 BE
SGST	20,350	24,300	19.4%
Sales Tax/VAT	10,350	11,000	6.3%
State Excise Duty	7,500	9,200	22.7%
Stamps Duty and Registration Fees	5,500	5,000	-9.1%
Taxes on Vehicles	2,500	3,003	20.1%
Taxes and Duties on Electricity	300	345	15.0%
Land Revenue	22	25	13.6%

Sources: Haryana Budget Documents 2021-22; PRS.

Table 13: Allocation towards key sectors (in Rs crore)

Sector	2020-21 RE	2021-22 BE	% change from 2020-21 RE to 2021-22 BE
Education, Sports, Arts, and Culture	15,865	18,891	19%
Social Welfare and Nutrition	9,870	9,970	1%
Health and Family Welfare	6,240	7,317	17%
Energy	6,520	7,162	10%
Rural Development	5,304	6,017	13%
Police	5,233	5,768	10%
Irrigation and Flood Control	2,957	5,162	75%
Transport	4,232	5,161	22%
<i>of which Roads and Bridges</i>	2,306	2,583	12%
Urban Development	5,379	5,155	-4%
Agriculture and allied activities	2,438	4,386	80%
Water Supply and Sanitation	3,283	3,387	3%
Housing	152	565	272%
Welfare of SC, ST, OBC, and Minorities	513	526	2%

Sources: Haryana Budget Documents 2021-22; PRS.

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