

Assam Budget Analysis 2021-22

The Finance Minister of Assam, Ms. Ajanta Neog, presented the Budget for the state for the financial year 2021-22 on July 16, 2021. Note that 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). The Annexure to this note provides a comparison of the revised estimates for 2020-21 and budget estimates for 2021-22.

Budget Highlights

- The **Gross State Domestic Product (GSDP)** of Assam for 2021-22 (at current prices) is projected to be Rs 3,77,102 crore. This is an annual increase of 4% over the GSDP of 2019-20. The GSDP for 2021-22 is estimated to be 0.9% higher than the revised estimate of GSDP for 2020-21 (Rs 3,73,872 crore). In 2020-21, the GSDP of Assam is estimated to grow by 6.4% over the previous year.
- **Total expenditure** for 2021-22 is estimated to be Rs 1,07,556 crore, an annual increase of 14% over the actual expenditure in 2019-20.
- **Total receipts (excluding borrowings)** for 2021-22 are estimated to be Rs 88,992 crore, an annual increase of 17% over 2019-20. In 2020-21, total receipts (excluding borrowings) are estimated to fall short of the budget estimate by Rs 2,148 crore (a shortfall of 2%).
- **Revenue surplus** for 2021-22 is estimated to be Rs 4,574 crore, which is 1.21% of the GSDP. In 2020-21, as per the revised estimate, revenue deficit is estimated at Rs 6,229 crore (1.67% of GSDP) as compared to the revenue surplus of Rs 9,154 crore estimated at the budget stage.
- **Fiscal deficit** for 2021-22 is targeted at Rs 15,028 crore (3.99% of GSDP). In 2020-21, fiscal deficit is estimated to be 8.05% of GSDP as per the revised estimate, higher than the budget estimate of 2.3% of GSDP.

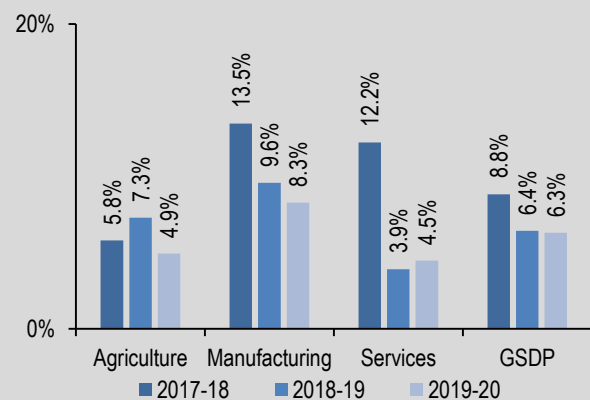
Policy Highlights

- **Tax proposals:** The upper limit for composition levy has been increased to Rs 1.5 crore for marginal taxpayers. Online platform will be created to improve the ease of compliance for non-GST laws.
- **Education:** Five new medical colleges will be established to improve the quality of health services. Three new engineering colleges will be established at Bongaigaon, Behali, and Sualkuchi. State university will be established in Karbi Anglong for students in hill districts.
- **Agriculture and allied activities:** 100 agricultural markets and 40 warehouses will be upgraded and modernised. 1,500 high quality Murrah buffaloes will be provided to 500 beneficiaries to increase the milk production. 60 commercial dairy farms will be established to increase dairy entrepreneurship. 281 entrepreneurs will be supported to establish single layered poultry farms.

Assam's Economy

- **GSDP:** In 2019-20, Assam's GSDP (at constant prices) is estimated to grow by 6.3% over the previous year. The per capita GSDP of Assam in 2019-20 (at constant prices) was Rs 72,129. This is 5.2% higher than that in 2018-19.
- **Sectors:** In 2019-20, agriculture, manufacturing, and services sectors contributed to 30%, 29%, and 41% of the economy. In 2019-20, agriculture, manufacturing, and services sectors grew by 4.9%, 8.3%, and 4.5% respectively.
- **Unemployment:** According to the Periodic Labour Force Survey 2018-19, Assam has an unemployment rate of 6.7%, which is higher than the all-India unemployment rate of 5.8%.

Figure 1: Growth in GSDP and sectors in Assam 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.
Sources: MOSPI; PRS.

Budget Estimates for 2021-22

- **Total expenditure** in 2021-22 is targeted at Rs 1,07,556 crore. This is an annual increase of 14% over the actual expenditure in 2019-20. This expenditure is proposed to be met through receipts (other than borrowings) of Rs 88,992 crore and borrowings of Rs 18,326 crore. In 2021-22, **total receipts (other than borrowings)** are expected to register an annual increase of 17% over the actual receipts in 2019-20.
- As per the revised estimate for 2020-21, total expenditure is estimated to be 18% higher than the budget estimate. In 2020-21, receipts (other than borrowings) are estimated to be 2% lower than budgeted.
- The state expects a **revenue surplus** of Rs 4,574 crore in 2021-22 (1.21% of GSDP). In 2020-21, revenue deficit is estimated to be Rs 6,229 crore at the revised stage, as compared to the revenue surplus of Rs 9,154 crore estimated at the budget stage. **Fiscal deficit** for 2021-22 is estimated to be Rs 15,028 crore (3.99% of GSDP). In 2020-21, as per the revised estimates, fiscal deficit is estimated to increase to 8.05% of GSDP as compared to 2.30% of GSDP estimated at the budget stage.

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	82,588	1,03,762	1,22,342	18%	1,07,556	14%
A. Receipts (except borrowings)	64,503	92,231	90,083	-2%	88,992	17%
B. Borrowings	14,250	13,015	17,231	32%	18,326	13%
Total Receipts (A+B)	78,753	1,05,246	1,07,314	2%	1,07,318	17%
Revenue Balance	-1,322	9,154	-6,229	-168%	4,574	
As % of GSDP	-0.38%	2.24%	-1.67%		1.21%	
Fiscal Deficit	14,816	9,383	30,110	221%	15,028	1%
As % of GSDP	4.22%	2.30%	8.05%		3.99%	
Primary Deficit	10,377	3,581	24,308	579%	7,964	-12%
As % of GSDP	2.95%	0.88%	6.50%		2.11%	

Note: BE is Budget Estimates; RE is Revised Estimates. Positive value of revenue Balance indicates a surplus and negative value indicates a deficit.

Sources: Assam Budget Documents 2021-22; PRS.

Expenditure in 2021-22

- **Capital expenditure** for 2021-22 is proposed to be Rs 23,151 crore, which is an annual increase of 17% over the actual capital expenditure in 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.
- **Capital outlay** for 2021-22 is estimated to be Rs 19,491 crore, which is an annual increase of 22% over 2019-20. The revised estimate for capital outlay in 2020-21 is Rs 23,838 crore, which is 29% higher than the budget estimate. This includes an increase of Rs 1,892 crore in the allocation towards roads and bridges and an increase of Rs 1,499 crore towards energy.
- **Revenue expenditure** for 2021-22 is proposed to be Rs 84,405 crore, an annual increase of 13% over 2019-20. This expenditure includes the payment of salaries, pensions, interest, and subsidies. In 2020-21, as per the revised estimates, revenue expenditure is estimated to be 16% higher than the budget estimates.

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	16,771	20,985	26,330	25%	23,151	17%
of which Capital Outlay	13,185	18,521	23,838	29%	19,491	22%
Revenue Expenditure	65,817	82,777	96,012	16%	84,405	13%
Total Expenditure	82,588	1,03,762	1,22,342	18%	1,07,556	14%
A. Debt Repayment	3,169	2,148	2,148	0%	3,536	6%
B. Interest Payments	4,439	5,802	5,802	0%	7,064	26%
Debt Servicing (A+B)	7,608	7,950	7,950	0%	10,600	18%

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

Sources: Assam Budget Documents 2021-22; PRS.

Sectoral expenditure in 2021-22

The sectors listed below account for **66%** of the total expenditure on all sectors by the state in 2021-22. A comparison of Assam's expenditure on key sectors with that by the other states is given in Annexure 1.

Table 3: Sector-wise expenditure under Assam 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	15,980	19,422	21,066	20,049	12%	<ul style="list-style-type: none"> Rs 2,176 crore has been allocated towards Sarva Shiksha Abhiyan. Rs 840 crore has been allocated towards National Mid-Day Meal Programme.
Transport	9,874	10,083	12,374	9,755	-1%	<ul style="list-style-type: none"> Rs 7,715 crore has been allocated towards capital outlay on roads and bridges.
Health and Family Welfare	5,334	6,496	8,809	7,397	18%	<ul style="list-style-type: none"> Rs 3,890 crore has been allocated towards Rural Health Services – Allopathy. Rs 435 crore has been allocated towards Urban Health Services – Allopathy.
Agriculture and allied activities	4,019	5,072	6,834	5,647	19%	<ul style="list-style-type: none"> Rs 253 crore has been allocated towards crop insurance programme.
Rural Development	5,455	3,829	5,305	5,297	-1%	<ul style="list-style-type: none"> Rs 2,837 crore has been allocated towards Pradhan Mantri Awas Yojana – Gramin.
Police	4,118	4,783	5,203	5,182	12%	<ul style="list-style-type: none"> Rs 2,279 crore has been allocated towards district police forces.
Social Welfare and Nutrition	2,899	4,550	5,948	4,508	25%	<ul style="list-style-type: none"> Rs 947 crore has been allocated towards child welfare and Rs 179 crore towards welfare of handicapped.
Energy	1,518	2,223	4,155	4,311	69%	<ul style="list-style-type: none"> Rs 3,109 crore has been allocated towards capital outlay on power projects.
Urban Development	1,264	2,596	3,477	3,158	58%	<ul style="list-style-type: none"> Rs 72 crore has been allocated towards City Amenities Development Fund.
Housing	1,580	1,910	3,579	2,920	36%	<ul style="list-style-type: none"> Rs 334 crore has been allocated towards Pradhan Mantri Awas Yojana.
% of total expenditure on all sectors	66%	60%	64%	66%		

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

Sources: Assam 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 budget allocated for committed expenditure items limits the state's flexibility to decide on other expenditure priorities such as capital outlay. In 2021-22, Assam is estimated to spend Rs 45,708 crore on committed expenditure, which is 51% of its revenue receipts. This is an annual increase of 6% over 2019-20. This comprises spending on salaries (34% of revenue receipts), pension (10% of revenue receipts), and interest payments (8% of revenue receipts). In 2020-21, as per the budget estimates, the state is estimated to spend 48% of revenue receipts towards committed expenditure (Rs 44,545 crore).

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	27,008	29,450	-	-	29,948	5%
Pension	9,609	9,293	9,662	4%	8,697	-5%
Interest	4,439	5,802	5,802	0%	7,064	26%
Total Committed Expenditure	41,056	44,545	-	-	45,708	6%

Note: BE is Budget Estimates; RE is Revised Estimates. Revised estimate not available for expenditure on salaries in 2020-21.

Sources: Assam Budget Documents 2021-22; PRS.

Receipts in 2021-22

- **Total revenue receipts** for 2021-22 are estimated to be Rs 88,979 crore, an annual increase of 17% over 2019-20. Of this, Rs 27,275 crore (31%) will be raised by the state through its **own resources**, and Rs 61,704 crore (69%) will come **from the centre**. Resources from the centre will be in the form of the state's share in central taxes (23% of revenue receipts) and grants (46% of revenue receipts).
- **Devolution:** In 2021-22, receipts from the state's share in central taxes (devolution) are estimated to register an annual decrease of 2% over the actual devolution in 2019-20. As per the revised estimates, devolution to Assam in 2020-21 is estimated to be the same as the budget estimate. However, in 2020-21, devolution to states was cut by 30% in the union budget, from Rs 7,84,181 crore at the budgeted stage to Rs 5,49,959 crore at the revised stage.
- **State's own tax revenue:** Total own tax revenue of the state in 2021-22 is estimated to be Rs 21,178 crore, an annual increase of 13% over 2019-20. In 2020-21, as per the revised estimates, the state's own tax revenue is estimated to be 20% lower than the budget estimates. In 2021-22, the state's own tax to GSDP ratio is targeted at 5.6% which is higher than the revised estimate of 5% in 2020-21. This implies that the growth in the state's own tax revenue is estimated to be higher than the economic growth in 2021-22.

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	16,529	23,210	18,678	-20%	21,178	13%
State's Own Non-Tax	5,539	7,304	4,731	-35%	6,098	5%
Share in Central Taxes	21,721	26,776	26,776	0%	20,819	-2%
Grants-in-aid from Centre	20,706	34,642	39,599	14%	40,885	41%
Total Revenue Receipts	64,495	91,931	89,783	-2%	88,979	17%
Borrowings	14,250	13,015	17,231	32%	18,326	13%
Other receipts	8	300	300	0%	13	26%
Total Capital Receipts	14,258	13,315	17,532	32%	18,338	13%
Total Receipts	78,753	1,05,246	1,07,314	2%	1,07,318	17%

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

Sources: Assam Budget Documents 2021-22; PRS.

- In 2021-22, State GST (SGST) is estimated to be Rs 11,180 crore, the largest source of the state's own tax revenue (53%). It is estimated to increase at an annual rate of 13% over 2019-20. In 2020-21, SGST is estimated to be 29% less than the budget estimate.
- In 2021-22, the state is expected to generate Rs 5,722 crore through Sales Tax/VAT, an annual increase of 13% over 2019-20.
- In 2021-22, the state expects to generate Rs 2,107 crore through State Excise. In 2020-21, the State Excise collection is estimated to be 7% higher than the budget estimate.

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).

The state has estimated to receive Rs 2,200 crore as GST compensation grant in 2021-22. The requirement of GST compensation grants implies that the state will not be able to achieve the expected annual revenue growth of 14%.

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	8,755	13,935	9,894	-29%	11,180	13%	13%
Sales Tax/ VAT	4,481	5,341	5,063	-5%	5,722	13%	6%
State Excise	1,650	1,750	1,865	7%	2,107	13%	2%
Taxes on Vehicles	816	1,078	922	-14%	1,042	13%	1%
Stamps Duty and Registration Fees	293	400	331	-17%	374	13%	0%
Taxes and Duties on Electricity	195	166	220	32%	320	28%	0%
GST Compensation Grants	879	1,000	1,380	38%	2,200	58%	-

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

Sources: Assam Budget Documents 2021-22; PRS.

Deficits, Debt, and FRBM Targets for 2021-22

The Assam 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 surplus: It is the excess of revenue receipts over revenue expenditure. A revenue surplus implies that the government does not need to borrow to finance its expenses which do not increase its assets or reduces its liabilities. A revenue surplus indicates that the revenue receipts of the state are sufficient to meet the revenue expenditure requirements. The budget estimates a revenue surplus of Rs 4,574 crore (or 1.21% of the GSDP) in 2021-22. In 2020-21, as per the revised estimates, revenue deficit is estimated at Rs 6,229 crore (1.67% of GSDP) against a revenue surplus of Rs 9,154 crore estimated at the budget stage. The 15th Finance Commission has recommended post-devolution revenue deficit grants of Rs 14,184 crore for the period between 2021-22 and 2023-24 for Assam.

Fiscal deficit: It is the excess of total expenditure over total receipts. This gap is filled by borrowings which leads to an increase in total liabilities. In 2021-22, the fiscal deficit is estimated to be Rs 15,028 crore (3.99% of GSDP). As per the revised estimates, in 2020-21, the fiscal deficit of the state is estimated to be 8.05% of GSDP, which is higher than the budget estimate of 2.3% 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. Assam's fiscal deficit for 2020-21 is expected to be 8.05% of GSDP, which is higher than the increased limit. All states were allowed to increase their fiscal deficit up to 4% of GSDP. The remaining 1% of GSDP was 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 17, 2021, Assam was eligible to borrow Rs 934 crore for implementing ease of doing business reforms.

Outstanding debt: Outstanding debt refers to the accumulation of total borrowings at the end of a financial year. In 2021-22, the outstanding debt is estimated to be 26.4% of GSDP. As per the budget estimates of 2020-21, the outstanding debt was estimated to be 19.5% of GSDP. The outstanding debt of the state is estimated to increase from 19.1% of GSDP in 2019-20 to 26.4% of GSDP in 2021-22.

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 lead to an increase in total liabilities of Assam from 27.1% of GSDP in 2020-21 to 30.4% of GSDP in 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). 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.

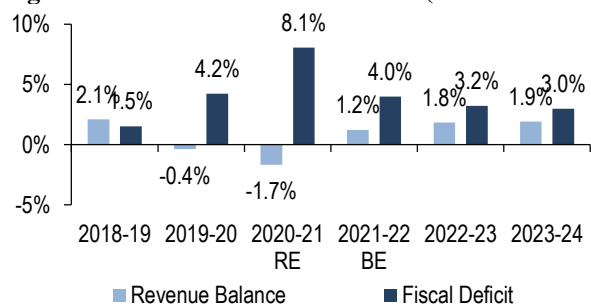
Table 7: Budget targets for deficits for Assam (% of GSDP)

Year	Revenue Balance	Fiscal Deficit	Outstanding Debt
2019-20	-0.4%	4.2%	19.1%
2020-21 (Revised)	-1.7%	8.1%	-
2021-22 (Budgeted)	1.2%	4.0%	26.4%
2022-23	1.8%	3.2%	26.4%
2023-24	1.9%	3.0%	26.4%

Note: Outstanding liabilities includes outstanding debt under Internal Debt, Loans and Advances from Centre, Small Savings, Provident Fund, and Deposit and Reserve Funds. Negative values of revenue balance indicate a revenue deficit and positive values indicate a revenue surplus. Revised estimate not available for outstanding debt for 2020-21.

Sources: Assam Budget Documents 2021-22; PRS.

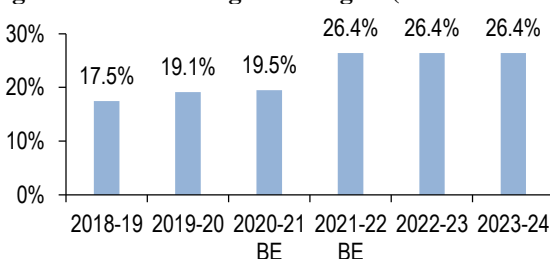
Figure 2: Revenue and Fiscal Deficit (as % of GSDP)



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

Sources: Assam Budget Documents 2021-22; PRS.

Figure 3: Outstanding debt targets (as % of GSDP)



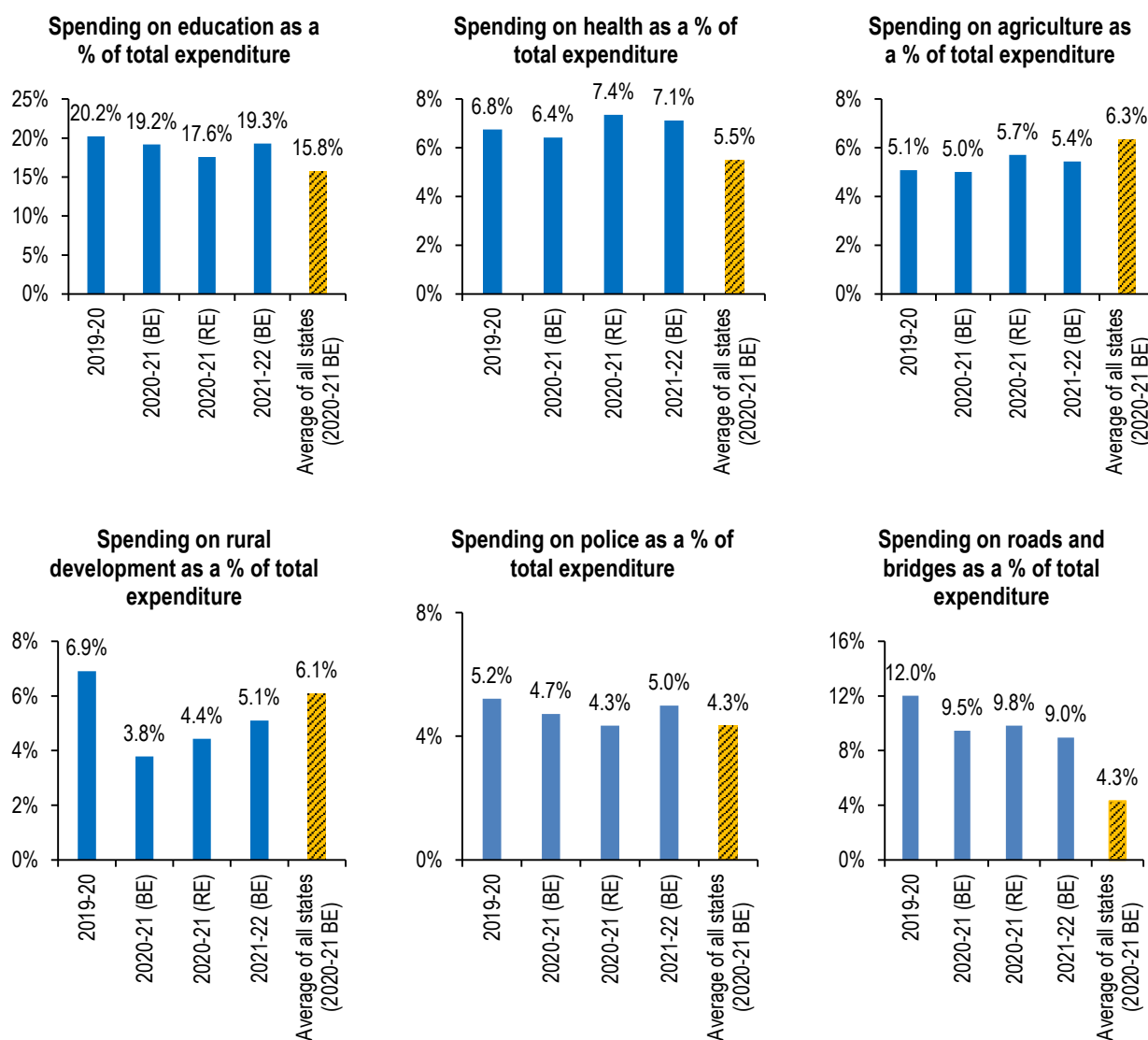
Note: RE is Revised Estimates; BE is budget estimates.

Sources: Assam Budget Documents 2021-22; PRS.

Annexure 1: Comparison of states' expenditure on key sectors

The graphs below compare Assam'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 Assam) as per their budget estimates of 2020-21.¹

- **Education:** Assam has allocated 19.3% of its total expenditure for education in 2021-22. This is higher than the average allocation (15.8%) for education by all states (2020-21 BE).
- **Health:** Assam has allocated 7.1% of its total expenditure on health, which is higher than the average allocation for health by states (5.5%).
- **Agriculture:** Assam has allocated 5.4% of its total expenditure towards agriculture and allied activities. This is lower than the average allocation for agriculture by states (6.3%).
- **Rural development:** Assam has allocated 5.1% of its expenditure on rural development. This is lower than the average allocation for rural development by states (6.1%).
- **Police:** Assam has allocated 5% of its total expenditure on police, which is higher than the average expenditure on police by states (4.3%).
- **Roads and bridges:** Assam has allocated 9% of its total expenditure on roads and bridges, which is more than double the average allocation by states (4.3%).



Note: 2019-20, 2020-21 (BE), 2020-21 (RE), and 2021-22 (BE) figures are for Assam.

Sources: Assam 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, Assam will have a 1.28% share in the divisible pool of central taxes. This implies that out of every Rs 100 of revenue in the divisible pool during the 2021-26 period, Assam will receive Rs 1.28. This is lower than the 1.39% share recommended by the 14th FC for the 2015-20 period.

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: Although the 15th Finance Commission 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. State's share has been rounded off to two decimal places.

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.

State-specific grants recommended for Assam include: (i) Rs 1,075 crore for the construction of new circular road around the Majuli island and (ii) Rs 300 crore for comprehensive development of the Kamakhya Mandir complex.

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

Grants	Total	Assam
Revenue deficit grants	2,94,514	14,184
Local governments grants	4,36,361	10,934*
Sector-specific grants	1,29,987	6,850#
Disaster management grants	1,22,601	4,268
State-specific grants	49,599	1,375
Total	10,33,062	37,611

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.

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: Key Components of State's Receipts and Expenditure

Particular	2020-21 RE	2021-22 BE	% change from 2020-21 RE to 2021-22 BE
Receipts (1+2)	1,07,314	1,07,318	0%
Receipts except Borrowings	90,083	88,992	-1%
1. Revenue Receipts (a+b+c+d)	89,783	88,979	-1%
a. Own Tax Revenue	18,678	21,178	13%
b. Own Non-Tax Revenue	4,731	6,098	29%
c. Share in central taxes	26,776	20,819	-22%
d. Grants-in-aid from the Centre	39,599	40,885	3%
<i>Of which GST compensation</i>	<i>1,380</i>	<i>2,200</i>	<i>59%</i>
2. Capital Receipts	17,532	18,338	5%
a. Borrowings	17,231	18,326	6%
<i>Of which GST compensation loan</i>	<i>-</i>	<i>-</i>	<i>-</i>
Expenditure (3+4)	1,22,342	1,07,556	-12%
3. Revenue Expenditure	96,012	84,405	-12%
4. Capital Expenditure	26,330	23,151	-12%
i. Capital Outlay	23,838	19,491	-18%
ii. Debt Repayment	2,148	3,536	65%
Revenue Deficit	-6,229	4,574	-
Fiscal Deficit	30,110	15,028	-50%
Revenue Deficit (as % of GSDP)	-1.67%	1.21%	-
Fiscal Deficit (as % of GSDP)	8.05%	3.99%	-

Sources: Assam Budget Documents 2021-22; PRS.

Table 12: Key Components of State's Own Tax Revenue

Tax	2020-21 RE	2021-22 BE	% change from 2020-21 RE to 2021-22 BE
State GST	9,894	11,180	13%
Sales Tax/ VAT	5,063	5,722	13%
State Excise	1,865	2,107	13%
Taxes on Vehicles	922	1,042	13%
Stamps Duty and Registration Fees	331	374	13%
Taxes and Duties on Electricity	220	320	46%
Land Revenue	106	120	13%

Sources: Assam Budget Documents 2021-22; PRS.

Table 13: Allocation towards Key Sector

Sector	2020-21 RE	2021-22 BE	% change from 2020-21 RE to 2021-22 BE
Education, Sports, Arts, and Culture	21,066	20,049	-5%
Transport	12,374	9,755	-21%
Health and Family Welfare	8,809	7,397	-16%
Agriculture and allied activities	6,834	5,647	-17%
Rural Development	5,305	5,297	0%
Police	5,203	5,182	0%
Social Welfare and Nutrition	5,948	4,508	-24%
Energy	4,155	4,311	4%
Urban Development	3,477	3,158	-9%
Housing	3,579	2,920	-18%

Sources: Assam Budget Documents 2021-22; PRS.

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