

Chhattisgarh Budget Analysis 2021-22

The Chief Minister of Chhattisgarh, Mr. Bhupesh Baghel, presented the Budget for the state for the financial year 2021-22 on March 1, 2021. Note that due to 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 Chhattisgarh for 2021-22 (at current prices) is projected to be Rs 3,83,098 crore. This is an annual increase of 5% over the actual GSDP of 2019-20, and 9.4% higher than the revised estimate of GSDP for 2020-21 (Rs 3,50,270 crore). In 2020-21, GSDP is estimated to be 3.2% lower than the budget estimate. In comparison, the nominal GDP of India is estimated to contract by 13% in 2020-21, and grow by 14.4% in 2021-22.
- **Total expenditure** for 2021-22 is estimated to be Rs 1,02,483 crore, a 6% annual increase over the actual expenditure in 2019-20.
- **Total receipts (excluding borrowings)** for 2021-22 are estimated to be Rs 79,645 crore, an annual increase of 11% over 2019-20. In 2020-21, total receipts (excluding borrowings) are estimated to fall short of the budget estimate by Rs 15,488 crore (decrease of 18%).
- **Revenue deficit** for 2021-22 is estimated to be Rs 3,702 crore, which is 0.97% of the GSDP. In 2020-21, as per the revised figures, revenue deficit is estimated at Rs 12,304 crore (3.51% of GSDP) as compared to a revenue surplus of Rs 2,431 crore (0.67% of GSDP) estimated at the budget stage.
- **Fiscal deficit** for 2021-22 is targeted at Rs 17,461 crore (4.56% of GSDP). In 2020-21, the revised estimate for fiscal deficit is expected to be 6.52% of GSDP, higher than the budget estimate of 3.18% of GSDP.

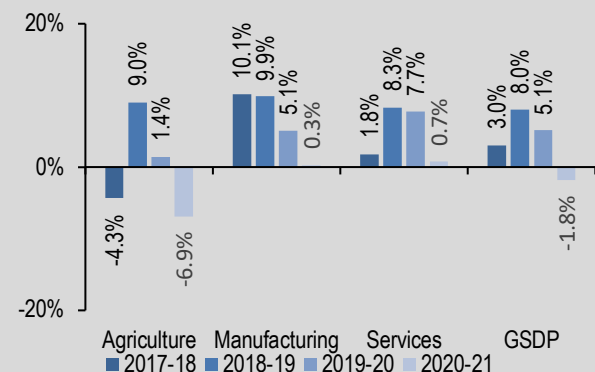
Policy Highlights

- **Navin Nyaya Yojana:** A new scheme will be introduced to expand the benefits of Rajiv Kisan Nyaya Yojana to landless labourers.
- **Kausalya Matritva Yojana:** A new scheme will be introduced to improve women’s nutrition. One time support of Rs 5,000 will be provided to mothers on the birth of a second girl-child.
- **Mukhyamantri Dharsa Vikas Yojana** will be introduced to provide pucca roads to farmers.
- C-Mart stores will be established to provide marketing facility for local agricultural products, forest produce, and food products from the state.

Chhattisgarh’s Economy

- **GSDP:** The growth rate of Chhattisgarh’s GSDP (at constant prices) was -1.8% in 2020-21, which is less than the growth rate in 2019-20 (5.1%).
- **Sectors:** In 2020-21, agriculture, manufacturing, and services sectors contributed to 26%, 38%, and 36% of the economy. In 2020-21, the growth of all three sectors declined as compared to 2019-20.
- **Per capita GSDP:** The per capita GSDP of Chhattisgarh in 2020-21 (at constant prices) was Rs 82,419, 3.3% lower than in 2019-20.
- **Unemployment:** According to the Periodic Labour Force Survey 2018-19, Chhattisgarh has an unemployment rate of 2.4%, which is significantly lower than all-India unemployment rate of 5.8%.

Figure 1: Growth in GSDP and sectors in Chhattisgarh 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. Agriculture includes mining.

Sources: MOSPI; Chhattisgarh Economic Survey 2020-21

Budget Estimates for 2021-22

- **Total expenditure** in 2021-22 is targeted at Rs 1,02,483 crore. This is an annual increase of 6% over 2019-20. This expenditure is proposed to be met through receipts (other than borrowings) of Rs 79,645 crore and borrowings of Rs 18,776 crore. **Total receipts** for 2021-22 (other than borrowings) are expected to register an annual increase of 11% over 2019-20.
- As per the revised estimates for 2020-21, total expenditure is estimated to decrease by 4% over the budget estimates. In 2020-21, receipts (other than borrowings) are estimated to reduce by 18% from budget to revised stage. Borrowings in 2020-21 are estimated to increase by 41% from budget to revised stage.
- The state expects a **revenue deficit** of Rs 3,702 crore in 2021-22 (0.97% of GSDP). In 2020-21, revenue deficit is estimated to be Rs 12,304 crore at the revised stage as compared to the revenue surplus of Rs 2,431 crore estimated at the budget stage. **Fiscal deficit** for 2021-22 is estimated to be Rs 17,461 crore (4.56% of GSDP). In 2020-21, fiscal deficit is estimated to increase to 6.52% of GSDP at the revised stage as compared to 3.18% 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	90,795	1,00,491	96,323	-4%	1,02,483	6%
A. Receipts (except borrowings)	64,130	84,131	68,644	-18%	79,645	11%
B. Borrowings	19,588	15,701	22,069	41%	18,776	-2%
Total Receipts (A+B)	83,718	99,833	90,713	-9%	98,422	8%
Revenue Balance	-9,609	2,431	-12,304	-606%	-3,702	-38%
As % of GSDP	-2.79%	0.67%	-3.51%		-0.97%	
Fiscal Balance	-17,970	-11,518	-22,838	98%	-17,461	-1%
As % of GSDP	-5.21%	-3.18%	-6.52%		-4.56%	
Primary Balance	-12,999	-5,678	-16,597	192%	-10,990	-8%
As % of GSDP	-3.77%	-1.57%	-4.74%		-2.87%	6%

Note: BE is Budget Estimates; RE is Revised Estimates. For revenue balance, fiscal balance, and primary balance, positive values indicate surplus and negative values indicate deficit.

Sources: Chhattisgarh Budget Documents 2021-22; PRS.

Expenditure in 2021-22

- **Capital expenditure** for 2021-22 is proposed to be Rs 19,455 crore, which is an annual increase of 6% over the actual 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.
- **Revenue expenditure** for 2021-22 is proposed to be Rs 83,028 crore, which is an annual increase of 6% over 2019-20. This expenditure includes the payment of salaries, pensions, and interest. In 2020-21, revenue expenditure is estimated to be 1% less than the budget estimate.
- In 2021-22, expenditure on debt servicing is estimated to be Rs 11,847 crore, an annual reduction of 7% over 2019-20. In 2020-21, revised estimate for debt servicing is 3.7% higher than the budget estimate.

Capital Outlay

Chhattisgarh's capital outlay for 2021-22 is estimated to be Rs 13,839 crore, which is annual increase of 27% over 2019-20. The revised estimate for capital outlay in 2020-21 is Rs 10,681 crore which is 23% lower than the budget estimate. This includes reduction of Rs 1,279 crore in the allocation towards transport and reduction of Rs 815 crore towards irrigation. This accounts for 67% of the total reduction in capital outlay in 2020-21.

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	17,318	19,091	15,676	-18%	19,455	6%
of which Capital Outlay	8,566	13,814	10,681	-23%	13,839	27%
Revenue Expenditure	73,477	81,400	80,647	-1%	83,028	6%
Total Expenditure	90,795	1,00,491	96,323	-4%	1,02,483	6%
A. Debt Repayment	8,695	4,841	4,841	0%	5,376	-21%
B. Interest Payments	4,970	5,841	6,241	7%	6,471	14%
Debt Servicing (A+B)	13,665	10,682	11,082	3.7%	11,847	-7%

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

Sources: Chhattisgarh Budget Documents 2021-22; PRS.

Sectoral expenditure in 2021-22

The sectors listed below account for 73% of the total expenditure on sectors by the state in 2021-22. A comparison of Chhattisgarh's expenditure on the key sectors with other states can be found in Annexure 1.

Table 3: Sector-wise expenditure under Chhattisgarh 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	16,298	18,719	17,699	18,394	6%	<ul style="list-style-type: none"> Rs 1,480 crore has been allocated towards Samagra Shiksha Abhiyan. Rs 643 crore has been allocated towards Mid-Day Meal programme.
Agriculture and allied activities	15,293	15,804	15,378	16,640	4%	<ul style="list-style-type: none"> Rs 5,703 crore has been allocated to Rajiv Gandhi Kisan Nyaya Yojana. Rs 606 crore has been allocated towards Fasal Bima Yojana.
Transport	4,962	6,583	4,882	6,818	17%	<ul style="list-style-type: none"> Rs 5,097 crore has been allocated towards capital outlay on construction of roads and bridges.
Health and Family Welfare	4,671	5,712	6,521	5,902	12%	<ul style="list-style-type: none"> Rs 1,200 crore has been allocated to National Health Mission. Rs 550 crore has been allocated to Dr Khubchand Baghel Swastha Sahayata Yojana.
Police	4,170	4,841	4,470	4,958	9%	<ul style="list-style-type: none"> Rs 2,638 crore has been allocated to district police force and Rs 1,500 crore has been allocated to special police force.
Rural Development	4,867	4,887	5,056	4,727	-1%	<ul style="list-style-type: none"> Rs 1,603 crore has been allocated towards MGNREGA Scheme. Rs 1,500 crore has been allocated to Pradhanmantri Awas Yojana (Gramin).
Energy	5,265	5,130	5,185	4,666	-6%	<ul style="list-style-type: none"> Rs 2,500 crore has been allocated towards providing free electricity for agriculture pumps.
Social Welfare and Nutrition	3,058	3,790	3,926	3,801	11%	<ul style="list-style-type: none"> Rs 732 crore has been allocated towards Vishesh Poshahar Yojana. Rs 883 crore has been allocated towards various social security pensions.
Irrigation and Flood Control	1,709	2,846	1,984	2,642	24%	<ul style="list-style-type: none"> Rs 203 crore has been allocated towards large scale irrigation projects such as Arpa-Bhainsajhar Project, Kelo Reservoir.
Urban Development	1,851	2,651	2,476	2,618	19%	<ul style="list-style-type: none"> Rs 457 crore has been allocated towards Sab Ke Liye Awas Yojana.
% of total expenditure on all sectors	76%	75%	74%	73%		

Sources: Chhattisgarh 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, Chhattisgarh is estimated to spend Rs 39,192 crore on committed expenditure, which is 49% of its revenue receipts. This is an annual increase of 9% over 2019-20. This comprises spending on salaries (33% of revenue receipts), pension (8%), and interest payments (8%). In 2020-21, payment towards salaries decreased by 6% and payment towards pension increased by 6% from budget to revised state. On average, states spend 50% of their revenue receipts on committed expenditure.

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	21,624	25,897	24,439	-6%	26,140	10%
Pensions	6,611	6,300	6,678	6%	6,581	0%
Interest	4,970	5,841	6,241	7%	6,471	14%
Total Committed Expenditure	33,205	38,038	37,358	-2%	39,192	9%

Sources: Chhattisgarh Budget Documents 2021-22; PRS.

Receipts in 2021-22

- **Total revenue receipts** for 2021-22 are estimated to be Rs 79,325 crore, an annual increase of 11% over 2019-20. Of this, Rs 35,000 crore (44%) will be raised by the state through its **own resources**, and Rs 44,325 crore (56%) will come **from the centre**. Resources from the centre will be in the form of state's share in central taxes (29% of revenue receipts) and grants (27% of revenue receipts).
- **Devolution:** In 2021-22, receipts from the state's share in central taxes are estimated to register an annual increase of 6% over 2019-20. However, as per the revised estimates of 2020-21, receipts from the state's share in central taxes are estimated to decrease by 30% as compared to the budget stage. This may be due to a 30% cut in the union budget for devolution to states, 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 Chhattisgarh is estimated to be Rs 25,750 crore in 2021-22, an annual increase of 8% over the actual tax revenue in 2019-20. In 2020-21, as per the revised estimates, state's own tax revenue is estimated to be 14% lower than the budget estimates. In 2020-21, state's own tax to GDP ratio is targeted at 6.7% which is higher than the revised estimate of 6.4% of 2020-21. This implies state's own tax growth is higher than the economic growth.

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	22,118	26,155	22,550	-14%	25,750	8%
State's Own Non-Tax	7,934	9,215	8,495	-8%	9,250	8%
Share in Central Taxes	20,206	26,803	18,799	-30%	22,675	6%
Grants-in-aid from Centre	13,611	21,658	18,500	-15%	21,650	26%
Total Revenue Receipts	63,869	83,831	68,344	-18%	79,325	11%
Borrowings	19,588	15,701	22,069	41%	18,776	-2%
Other receipts	261	300	300	0%	320	11%
Total Capital Receipts	19,849	16,001	22,369	40%	19,096	-2%
Total Receipts	83,718	99,833	90,713	-9%	98,422	8%

Sources: Chhattisgarh Budget Documents 2021-22; PRS.

- In 2021-22, SGST is estimated to be Rs 9,338 crore, which is the largest source (36%) of the state's own tax revenue. This is an annual increase of 9% over the actual SGST revenue in 2019-20. In 2020-21, SGST is estimated to be 28% less than the budget estimate.
- In 2021-22, Chhattisgarh is expected to generate Rs 5,500 crore through the collection of State Excise, an annual increase of 5% over 2019-20. In 2020-21, the State Excise collection is estimated to decrease by 4% over the budget estimates.

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's own tax revenue	22,118	26,155	22,550	-14%	25,750	7.9%	44%
State GST (SGST)	7,895	10,701	7,754	-28%	9,338	9%	12%
State Excise	4,952	5,200	5,000	-4%	5,500	5%	7%
Sales Tax/VAT	3,931	4,145	3,741	-10%	4,357	5%	5%
Taxes and Duties on Electricity	1,837	2,200	2,350	7%	2,450	15%	3%
Taxes on Vehicles	1,275	1,600	1,400	-13%	1,600	12%	2%
Stamps Duty and Registration Fees	1,635	1,705	1,500	-12%	1,650	0%	2%
Land Revenue	552	600	800	33%	850	24%	1%
GST Compensation Grants	3,081	2,938	1,500	-49%	6,500	45%	8%

Sources: Chhattisgarh Budget Documents 2021-22; PRS.

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, Chhattisgarh is estimated to receive a total of Rs 1,500 crore in the form of GST compensation grants which is 51% lower than that in 2019-20. In 2021-22, the state estimated to receive compensation grants of Rs 6,500 crore, which is 334% higher than the revised estimate of 2020-21. This implies that the state will not be able to achieve the expected revenue growth.

Deficits, Debts and FRBM Targets for 2021-22

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

Revenue deficit: It is the excess of revenue expenditure over 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 deficit implies that the revenue receipts of the state are not sufficient to meet the revenue expenditure requirements. The budget estimates a revenue deficit of Rs 3,702 crore (or 0.97% of the GSDP) in 2021-22. The 15th Finance Commission has not recommended revenue deficit grants to Chhattisgarh over the period of 2021-26.

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 17,461 crore (4.56% of GSDP). This is higher than the 3% limit as per the FRBM Act. As per the revised estimates, in 2020-21, the fiscal deficit of the state is expected to be 6.52% of GSDP, which is higher than the budget estimate of 3.18%.

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 were 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.

Outstanding debt: Outstanding debt is the accumulation of total borrowings at the end of a financial year. In 2021-22, the outstanding debt is expected to be 28.3% of the GSDP, higher than the revised estimate for 2020-21 (27.7% of GSDP). The outstanding debt is estimated to increase from 22.8% in 2019-20 to 28.3% 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 allow Chhattisgarh to increase its total liabilities from 28.1% of GSDP in 2020-21 to 31.6% 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.

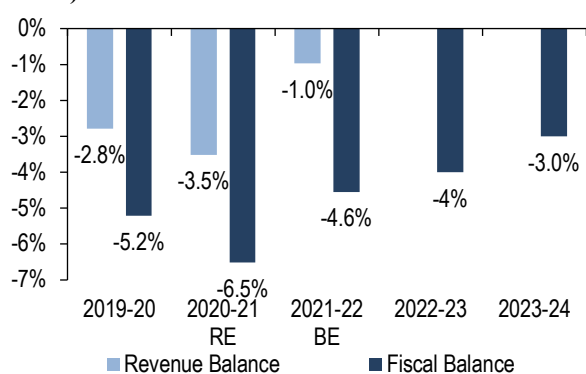
Table 7: Budget targets for deficits for Chhattisgarh (% of GSDP)

Year	Revenue Balance	Fiscal Balance	Outstanding Debt
2019-20 (Actuals)	-2.8%	-5.2%	22.8%
2020-21 (Revised)	-3.5%	-6.5%	27.7%
2021-22 (Budget)	-1.0%	-4.6%	28.3%
2022-23	-	-4.0%	23.0%
2023-24	-	-3.0%	24.0%

Note: Outstanding debt includes outstanding debt under Internal Debt, Loans and Advances from Centre, Small Savings, Provident Fund, and Insurance and Pension Fund. For revenue balance, and fiscal balance, positive values indicate surplus and negative values indicate deficit.

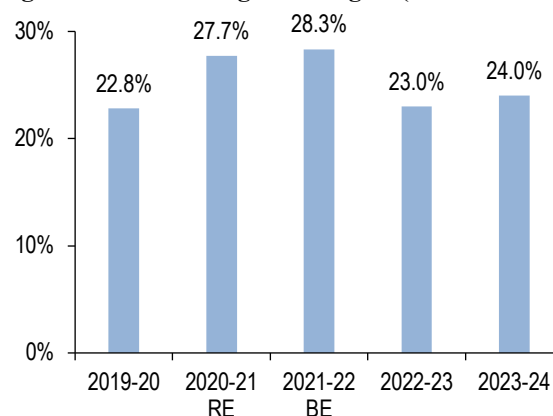
Sources: Chhattisgarh Budget Documents 2021-22; PRS.

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



Note: Negative values indicate deficit and positive values indicate surplus; RE is Revised Estimates; BE is Budget estimates.
Sources: Chhattisgarh Budget Documents 2021-22; PRS.

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

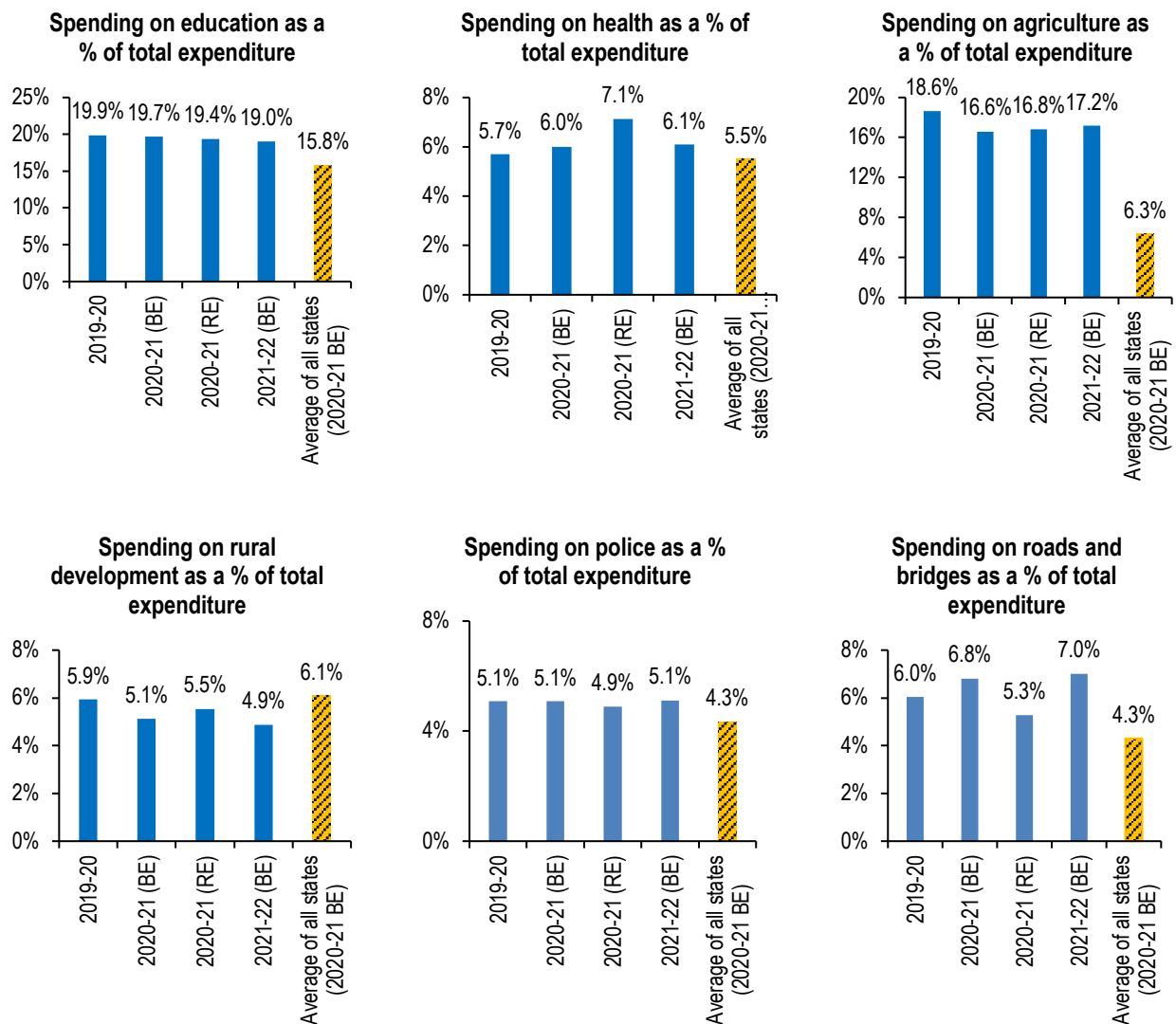


Note: RE is Revised Estimates; BE is budget estimates.
Sources: Chhattisgarh Budget Documents 2021-22; PRS.

Annexure 1: Comparison of states' expenditure on key sectors

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

- **Education:** Chhattisgarh has allocated 19% 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:** Chhattisgarh has allocated 6.1% of its total expenditure on health, which is higher than the average allocation for health by states (5.5%).
- **Agriculture:** Chhattisgarh has allocated 17.2% of its total expenditure towards agriculture and allied activities. This is nearly three times of the average allocation for agriculture by states (6.3%).
- **Rural development:** Chhattisgarh has allocated 4.9% of its expenditure on rural development. This is lower than the average allocation for rural development by states (6.1%).
- **Police:** Chhattisgarh has allocated 5.1% of its total expenditure on police, which is higher than the average expenditure on police by states (4.3%).
- **Roads and bridges:** Chhattisgarh has allocated 7% of its total expenditure on roads and bridges, which is significantly higher than the average allocation by states (4.3%).



Note: 2019-20, 2020-21 (BE), 2020-21 (RE), and 2021-22 (BE) figures are for Chhattisgarh.
Sources: Chhattisgarh Budget in Brief 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, Chhattisgarh will have a 1.40% 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, Chhattisgarh will receive Rs 1.40. This is higher than Rs 1.29 recommended by the 14th FC.

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.

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

Grants	Total	Chhattisgarh
Revenue deficit grants	2,94,514	0
Local governments grants	4,36,361	10,386*
Sector-specific grants	1,29,987	2,816#
Disaster management grants	1,22,601	2,387
State-specific grants	49,599	1,660
Total	10,33,062	17,249

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 Chhattisgarh include: (i) Rs 10,386 crore has grants for local bodies, and (ii) Rs 1,660 crore as state-specific grants in the areas of promotion of traditional crafts, aviation, Dandakaranya circuit, and

new capital development projects.

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)	90,713	98,422	8%
Receipts except Borrowings	68,644	79,645	16%
1. Revenue Receipts (a+b+c+d)	68,344	79,325	16%
a. Own Tax Revenue	22,550	25,750	14%
b. Own Non-Tax Revenue	8,495	9,250	9%
c. Share in central taxes	18,799	22,675	21%
d. Grants-in-aid from the Centre	18,500	21,650	17%
<i>Of which GST compensation</i>	1,500	6,500	334%
2. Capital Receipts	22,369	19,096	-15%
a. Borrowings	22,069	18,776	-15%
<i>Of which GST compensation loan</i>	-	-	-
Expenditure (3+4)	96,323	1,02,483	6%
3. Revenue Expenditure	80,647	83,028	3%
4. Capital Expenditure	15,676	19,455	24%
i. Capital Outlay	10,681	13,839	30%
ii. Debt Repayment	4,841	5,376	11%

Particular	2020-21 RE	2021-22 BE	% change from 2020-21 RE to 2021-22 BE
Revenue Balance	12,304	3,702	-70%
Fiscal Balance	22,838	17,461	-24%
Revenue Balance (as % of GSDP)	-3.51%	-0.97%	-
Fiscal Balance (as % of GSDP)	-6.52%	-4.56%	-

Note: For revenue balance, and fiscal balance, positive values indicate surplus and negative values indicate deficit.

Sources: Chhattisgarh 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	7,754	9,338	20%
Sales Tax/ VAT	3,741	4,357	16%
State Excise	5,000	5,500	10%
Stamps Duty and Registration Fees	1,500	1,650	10%
Taxes on Vehicles	1,400	1,600	14%
Taxes and Duties on Electricity	2,350	2,450	4%
Land Revenue	800	850	6%

Sources: Chhattisgarh 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	17,699	18,394	4%
Agriculture and allied activities	15,378	16,640	8%
Transport	4,882	6,818	40%
Health and Family Welfare	6,521	5,902	-9%
Police	4,470	4,958	11%
Rural Development	5,056	4,727	-7%
Energy	5,185	4,666	-10%
Social Welfare and Nutrition	3,926	3,801	-3%
Irrigation and Flood Control	1,984	2,642	33%
Urban Development	2,476	2,618	6%

Sources: Chhattisgarh Budget Documents 2021-22; PRS.

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