

# Odisha Budget Analysis 2026-27

The Chief Minister of Odisha, Mr Mohan Charan Majhi, presented the Budget for the state for the financial year 2026-27 on February 20, 2026.

## Budget Highlights

- The **Gross State Domestic Product (GSDP)** of Odisha for 2026-27 (at current prices) is projected to be Rs 11.07 lakh crore, amounting to growth of 12% over the revised estimate for 2025-26.
- **Expenditure (excluding debt repayment)** in 2026-27 is estimated to be Rs 2,88,000 crore, an increase of 8% over the revised estimates for 2025-26. In addition, debt of Rs 22,000 crore will be repaid by the state.
- **Receipts (excluding borrowings)** for 2026-27 are estimated to be Rs 2,49,200 crore, an increase of 7% as over the revised estimate for 2025-26.
- **Revenue surplus** in 2026-27 is estimated to be 3% of GSDP (Rs 33,000 crore), higher than the revised estimate for 2025-26 (2.7% of GSDP).
- **Fiscal deficit** for 2026-27 is targeted at 3.5% of GSDP (Rs 38,800 crore). In 2025-26, as per the revised estimates, fiscal deficit is expected to be 3.5% of GSDP, higher than the budgeted (3.2% of GSDP).

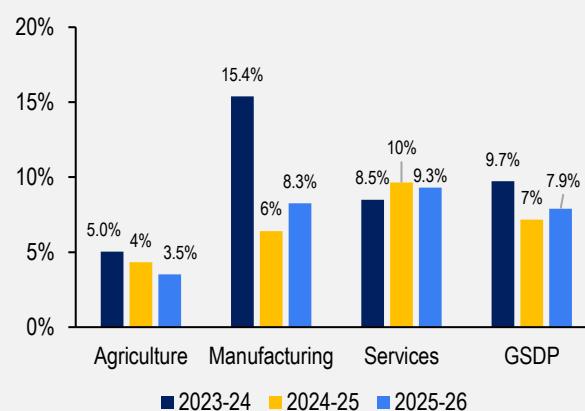
## Policy Highlights

- **Mukhyamantri Kanya Sumangal Yojana:** Under this scheme, a savings instrument of Rs 20,000 will be created in the name of a girl child born in an economically weaker section family. On completion of graduation, she will receive Rs 1,00,001.
- **Rural infrastructure:** State Support for Rural Piped Water Supply Projects will provide safe drinking water to rural households by completing pending projects, covering left-out habitations and addressing water quality issues, with an allocation of Rs 800 crore in 2026-27. A new scheme, Connectivity to Unconnected Habitations, under Mission PoWaR (Power, Water and Road) will provide road access to unserved rural habitations, with Rs 1,000 crore allocated for 2026-27.
- **Chief Minister Smart City Mission:** A new urban development scheme has been introduced for integrated development of major cities through infrastructure convergence. Rs 100 crore has been allocated in 2026-27.
- **Tax-related proposals:** Profession Tax is proposed to be abolished from 1 April 2026. As a result, the state will forego Rs 320 crore annually in revenues.
- **Samrudha Anganwadi Yojana:** A new scheme has been announced to complete all pending Anganwadi Centres in saturation mode. Centres will be constructed at a unit cost of Rs 15 lakh without crèche facilities and Rs 20 lakh with crèche facilities. An amount of Rs 635 crore has been allocated for 2026-27.

## Odisha's Economy

- **GSDP:** In 2025-26, Odisha's GSDP (at constant prices) is estimated to grow by 7.9% over the previous year. In comparison, India's GDP is estimated to grow by 7.4% in 2025-26.
- **Sectors:** In 2025-26, agriculture, manufacturing, and services sectors are estimated to contribute 29%, 32%, and 39% of Odisha's economy, respectively (at current prices).
- **Per capita GSDP:** In 2025-26, Odisha's per capita GSDP (at current prices) is estimated to be Rs 2,10,186, an increase of 8.8% over 2024-25. In 2025-26, India's per capita GDP is estimated to be Rs 2,51,394, an increase of 7% over the previous year.

**Figure 1: Growth in Odisha's GSDP 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: Odisha Economic Survey (2025-26); PRS.

## Budget Estimates for 2026-27

- **Total expenditure (excluding debt repayment)** in 2026-27 is targeted at Rs 2,88,000 crore. This is an increase of 8% from the revised estimate of 2025-26. This expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 2,49,200 crore and net borrowings of Rs 25,800 crore. Total receipts for 2026-27 (other than borrowings) are expected to register an increase of 7% over the revised estimate of 2025-26.
- The state estimates a **revenue surplus** of 3% of GSDP (Rs 33,000 crore) in 2026-27. In 2025-26, revenue surplus is expected to be 2.7% of GSDP as per the revised estimates, lower than the initial budget estimate (3% of GSDP).
- **Fiscal deficit** for 2026-27 is targeted at 3.5% of GSDP (Rs 38,800 crore), similar to the revised estimates for 2025-26 (3.5% of GSDP). Fiscal deficit as % of GSDP in 2025-26 is expected to be higher than the initial budget estimate (3.2% of GSDP). This is due to a downward revision of GSDP estimate for 2025-26.

**Table 1: Budget 2026-27 - Key figures (in Rs crore)**

Items	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
Total Expenditure	2,27,021	2,90,000	2,90,000	0%	3,10,000	7%
(-) Repayment of debt	17,351	23,200	23,200	0%	22,000	-5%
<b>Net Expenditure (E)</b>	<b>2,09,670</b>	<b>2,66,800</b>	<b>2,66,800</b>	<b>0%</b>	<b>2,88,000</b>	<b>8%</b>
Total Receipts	2,27,360	2,79,000	2,65,000	-5%	2,97,000	12%
(-) Borrowings	42,732	46,400	32,400	-30%	47,800	48%
of which central capex loans*	6,944	7,000	7,000	0%	9,000	29%
<b>Net Receipts (R)</b>	<b>1,84,628</b>	<b>2,32,600</b>	<b>2,32,600</b>	<b>0%</b>	<b>2,49,200</b>	<b>7%</b>
<b>Fiscal Deficit (E-R)</b>	<b>25,042</b>	<b>34,200</b>	<b>34,200</b>	<b>0%</b>	<b>38,800</b>	<b>13%</b>
as % of GSDP	2.8%	3.2%	3.5%	-	3.5%	-
<b>Revenue Surplus</b>	<b>22,651</b>	<b>31,800</b>	<b>27,000</b>	<b>-15%</b>	<b>33,000</b>	<b>22%</b>
as % of GSDP	2.5%	3.0%	2.7%	-	3.0%	-
<b>Primary Deficit</b>	<b>19,761</b>	<b>27,700</b>	<b>26,294</b>	<b>-5%</b>	<b>30,600</b>	<b>16%</b>
as % of GSDP	2.2%	2.6%	2.7%	-	2.8%	-
GSDP	9,03,057	10,63,000	9,88,421	-7%	11,07,391	12%

Note: BE is Budget Estimates; RE is Revised Estimates. \*Central government has been providing 50-year interest-free loans to state governments for capital expenditure since 2020-21. These loans are excluded from the calculation of the state's borrowing ceiling. Sources: Annual Financial Statement, Odisha Budget Documents 2026-27; PRS.

## Expenditure in 2026-27

- **Revenue expenditure** for 2026-27 is proposed to be Rs 2,15,500 crore, an increase of 6% over the revised estimate of 2025-26. This includes the expenditure on salaries, pension, interest, grants, and subsidies. Around 5% of the revenue expenditure has been allocated towards the Subhadra Yojana (Rs 10,145 crore). It provides for cash transfer of Rs 10,000 per year to women.
- **Capital outlay** for 2026-27 is proposed to be Rs 72,100 crore, an increase of 20% from the revised estimate of 2025-26. Capital outlay indicates the expenditure towards creation of assets.

### Underspending on capital outlay

Between 2021-22 and 2024-25, on average, the state underspent its capital outlay budget by 17%.

**Table 2: Capital outlay (in Rs crore)**

Year	BE	Actual	% change from BE to Actuals
2021-22	25,788	22,725	-12%
2022-23	38,732	33,349	-14%
2023-24	51,683	43,273	-16%
2024-25	58,195	45,481	-22%

Sources: Odisha budget documents of respective years; PRS.

**Table 3: Expenditure budget 2026-27 (in Rs crore)**

Items	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
Revenue Expenditure	1,61,312	2,00,200	2,04,000	2%	2,15,500	6%
Capital Outlay	45,481	65,012	60,153	-7%	72,100	20%
Loans given by the state	2,877	1,588	2,647	67%	400	-85%
<b>Net Expenditure</b>	<b>2,09,670</b>	<b>2,66,800</b>	<b>2,66,800</b>	<b>0%</b>	<b>2,88,000</b>	<b>8%</b>

Sources: Annual Financial Statement, Odisha Budget Documents 2026-27; PRS.

**Committed expenditure:** Committed expenditure of a state typically includes expenditure on payment of salaries, pension, 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 2024-25, Odisha is estimated to have spent Rs 57,490 crore on committed expenditure, which is 31.3% of its estimated revenue receipts. This comprises spending on salaries (16.5% of revenue receipts), pension (11.9%), and interest payments (2.9%). In 2026-27, Odisha is estimated to spend Rs 25,291 crore on pensions and Rs 8,200 crore on interest payments.

**Table 4: Committed Expenditure in 2026-27 (in Rs crore)**

Items	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
Salaries	30,359	N/A	N/A	-	N/A	-
Pension	21,849	24,800	22,899	-8%	25,291	10%
Interest payment	5,281	6,500	7,906	22%	8,200	4%
<b>Total</b>	<b>57,490</b>	-	-	-	-	-

Sources: Annual Financial Statement, Odisha Budget Documents 2026-27; PRS.

**Sector-wise expenditure:** The sectors listed below account for 71% of the total expenditure on sectors by the state in 2026-27. A comparison of Odisha's expenditure on key sectors with that by other states is shown in Annexure 1.

**Table 5: Sector-wise expenditure under Odisha Budget 2026-27 (in Rs crore)**

Sector	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE	Budget provisions (2026-27 BE)
Education, Sports, Arts, and Culture	27,945	37,310	37,785	38,397	2%	<ul style="list-style-type: none"> <li>Rs 3,805 crore has been allocated towards Samagra Siksha Abhiyan.</li> <li>Rs 1,278 crore has been allocated towards PM Poshan.</li> </ul>
Social Welfare and Nutrition	25,034	29,627	29,390	32,605	11%	<ul style="list-style-type: none"> <li>Rs 10,145 crore has been allocated towards Subhadra Yojana.</li> <li>Rs 5,837 crore has been allocated towards Madhubabu Pensions for Destitutes.</li> </ul>
Rural Development	10,758	19,448	19,874	24,353	23%	<ul style="list-style-type: none"> <li>Rs 5,575 crore has been allocated towards VB-G RAM G.</li> <li>Viksit Gaon Viksit Odisha and Antyodaya Gruha Yojana have been allocated Rs 2,000 crore each.</li> </ul>
Health and Family Welfare	19,731	22,909	23,035	22,505	-2%	<ul style="list-style-type: none"> <li>Rs 6,309 crore has been allocated towards Gopabandhu Jana Arogya Yojana.</li> <li>Rs 5,008 crore has been allocated towards Mukhya Mantri Swasthya Seva Mission.</li> </ul>
Agriculture and Allied Activities	17,707	21,233	25,431	22,039	-13%	<ul style="list-style-type: none"> <li>Rs 6,088 crore has been allocated towards Samrudha Krushaka Yojana.</li> </ul>
Roads and Bridges	19,501	20,228	19,657	21,468	9%	<ul style="list-style-type: none"> <li>Rs 17,293 crore has been allocated for capital outlay on roads and bridges.</li> </ul>
Irrigation and Flood Control	12,555	16,273	15,253	17,855	17%	<ul style="list-style-type: none"> <li>Rs 1,093 crore has been allocated towards Parvati Giri Megalift Project.</li> </ul>
Water Supply and Sanitation	5,733	11,287	10,736	12,309	15%	<ul style="list-style-type: none"> <li>Rs 7,000 crore has been allocated towards Jal Jeevan Mission.</li> </ul>
Police	5,239	6,831	6,840	7,101	4%	<ul style="list-style-type: none"> <li>Rs 542 crore has been allocated for introduction of Commissionerate system in Cuttack and Bhubaneswar.</li> <li>Rs 117 crore has been allocated towards Subhadra Surakhya Yojana.</li> </ul>
Welfare of SC, ST, OBC, and Minorities	5,033	6,191	6,269	6,422	2%	<ul style="list-style-type: none"> <li>Rs 1,443 crore has been allocated towards Mukhyamantri Medhabi Chatra Protsahan Yojana.</li> </ul>
<b>% of total expenditure on all sectors</b>	<b>72%</b>	<b>72%</b>	<b>74%</b>	<b>71%</b>	<b>-</b>	

Sources: Annual Financial Statement, Odisha Budget Documents 2026-27; PRS.

## Receipts in 2026-27

- **Total revenue receipts** for 2026-27 are estimated to be Rs 2,48,500 crore, an increase of 8% over the revised estimate of 2025-26. Of this, Rs 1,41,000 crore (57%) will be raised by the state through its **own resources**, and Rs 1,07,500 crore (43%) will come **from the centre**. Resources from the centre will be in the form of state's share in central taxes (27% of revenue receipts) and grants (16% of revenue receipts).
- **Devolution:** In 2026-27, the state's share in central taxes is estimated at Rs 67,460 crore, a 7% increase over the revised estimate of 2025-26.
- **Grants from the centre** in 2026-27 are estimated at Rs 40,040 crore, a decrease of 5% over the revised estimates for 2025-26. The decrease in grants is driven by: (i) no receipt estimated on account of GST compensation in 2026-27, compared to Rs 3,335 crore in 2025-26, (ii) lower grant for urban local bodies — Rs 652 crore in 2026-27 as compared to Rs 1,045 crore in 2025-26.
- **State's own non-tax revenue:** In 2026-27, the state has estimated to earn Rs 71,000 crore from own non-tax sources, an increase of 18% over the revised estimate for 2025-26. 75% of this revenue in 2026-27 is estimated to come from mining (Rs 53,000 crore).

**Table 6: Break-up of the state government's receipts (in Rs crore)**

Items	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
State's Own Tax	56,516	66,000	66,000	0%	70,000	6%
State's Own Non-Tax	51,221	60,000	60,000	0%	71,000	18%
Share in Central Taxes	58,270	64,408	63,074	-2%	67,460	7%
Grants-in-aid from Centre	17,956	41,592	41,926	1%	40,040	-5%
<b>Revenue Receipts</b>	<b>1,83,963</b>	<b>2,32,000</b>	<b>2,31,000</b>	<b>0%</b>	<b>2,48,500</b>	<b>8%</b>
Non-debt Capital Receipts	665	600	1,600	167%	700	-56%
<b>Net Receipts</b>	<b>1,84,628</b>	<b>2,32,600</b>	<b>2,32,600</b>	<b>0.0%</b>	<b>2,49,200</b>	<b>7%</b>

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

Sources: Annual Financial Statement, Odisha Budget Documents 2026-27; PRS.

- **State's own tax revenue:** Odisha's total own tax revenue is estimated to be Rs 70,000 crore in 2026-27, an increase of 6% over the revised estimate of 2025-26. Own tax revenue as a percentage of GSDP is estimated at 6.3% in 2026-27, lower than the revised estimates for 2025-26 (6.7%). As per the actual figures for 2024-25, own tax revenue as a percentage of GSDP was 6.3%.
- In 2026-27, **State GST** is estimated to be the largest source of own tax revenue (42% share). SGST revenue is expected to increase by 5% over the revised estimate for 2025-26.
- Revenue from Sales tax/ VAT in 2026-27 is expected to be roughly same as the revised estimate for 2025-26.
- In 2026-27, revenue from stamps duty and registration fees is estimated to increase by 30% over the previous year.

### Stamp duty and registration fees in Odisha

RBI (2025) observed that revenue from stamps duty and registration fees (SDRF) has performed strongly since the implementation of GST. SDRF collections by states recorded an average buoyancy of about 1.5. This implies that for every 1% increase in GSDP, SDRF revenue grew by 1.5%. This is higher than sales tax/VAT (0.20) and state excise duties (-0.08).

Between 2017-18 and 2022-23, SDRF constituted 5.2% of the own-tax revenue of Odisha. For Odisha, the SDRF tax effort between 2017-18 and 2022-23 was at 0.56, below the benchmark of 1.0. Tax effort measures actual collections relative to a state's estimated revenue potential. During this period, on an average, Odisha had the potential to collect Rs 3,306 crore from SDRF. However, actual collection amounted to an average of Rs 1,845 crore. Odisha lags behind states such as Maharashtra (1.48) and Uttar Pradesh (1.49) in SDRF tax effort. A study report for the 16<sup>th</sup> Finance Commission noted that this indicates the need to reform property registration, improve real estate valuation, and strengthen stamp duty enforcement to unlock higher revenue from SDRF.

Sources: State Finances: A Study of Budgets of 2025-26, Reserve Bank of India, 2026; Evaluation of State Finances of Odisha, 16<sup>th</sup> Finance Commission; PRS.

**Table 7: Major sources of state's own-tax revenue (in Rs crore)**

Head	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
State GST	25,061	28,175	28,175	0%	29,500	5%
Sales Tax/ VAT	13,089	15,970	15,970	0%	16,000	0%
State Excise	8,195	9,754	9,754	0%	10,900	12%
Taxes and Duties on Electricity	4,340	4,635	4,635	0%	5,100	10%
Taxes on Vehicles	2,669	3,034	3,034	0%	3,600	19%
Stamps Duty and Registration Fees	1,987	2,610	2,610	0%	3,400	30%
Land Revenue	785	980	980	0%	1,050	7%

Sources: Annual Financial Statement, Odisha Budget Documents 2026-27; PRS.

## Deficits and Debt in 2026-27

The Odisha Fiscal Responsibility and Budget Management Act, 2005 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 those expenses which do not increase its assets or reduce its liabilities. The budget estimates a revenue surplus of Rs 33,000 crore in 2026-27 (3% of GSDP).

**Fiscal deficit:** It is the excess of total expenditure over total receipts. This gap is filled by borrowings and leads to an increase in total liabilities. In 2026-27, the fiscal deficit is estimated to be 3.5% of GSDP (Rs 38,800 crore). The 16<sup>th</sup> Finance Commission has recommended the annual fiscal deficit limit for states to be 3% of GSDP for the 2026-31 period. 50-year interest-free loans for capital expenditure given by the central government will be excluded to arrive at the borrowing ceiling.

As per the revised estimates, in 2025-26, the fiscal deficit of the state is expected to be 3.5% of GSDP. This is higher than the budget estimate of 3.2% of GSDP. This is driven by a downward revision in GSDP estimate for 2025-26.

**Outstanding liabilities:** Outstanding liabilities is the accumulation of total borrowings at the end of a financial year. It also includes any liabilities on public accounts such as provident funds. At the end of 2026-27, outstanding liabilities is estimated to be 14.1% of GSDP, higher than the revised estimate for 2025-26 (13.1% of GSDP).

### Performance of State Public Sector Enterprises (SPSEs)

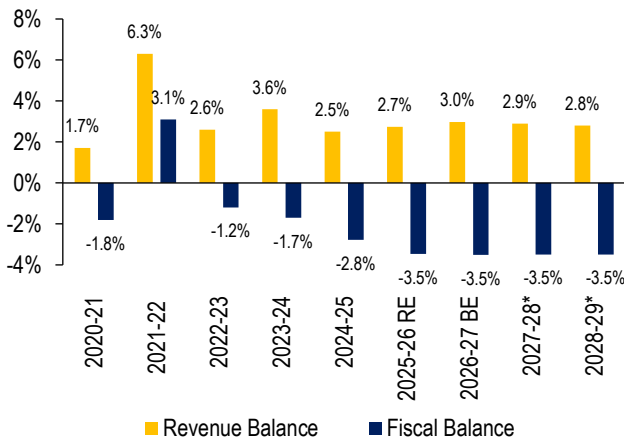
As of March 2022, there were 67 SPSEs in Odisha. A 2024 CAG audit evaluated performance of 32 of them. Of these, 21 SPSEs earned a combined profit of Rs 3,290 crore in 2021-22. Odisha Mining Corporation Limited earned the highest profit (Rs 2,732 crore). 11 of these SPSEs declared dividends to the government in 2021-22 (Rs 565 crore).

11 SPSEs incurred a cumulative loss of Rs 2,423 crore in 2021-22, largely concentrated in three entities. Odisha Mineral Bearing Areas Development Corporation reported the highest loss (Rs 1,818 crore), followed by GRIDCO (Rs 440 crore) and Odisha Power Generation Corporation Limited (Rs 103 crore). These 11 SPSEs had accumulated losses of Rs 8,036 crore as of March 2022. Net worth of eight out of 32 SPSEs was negative, (-) Rs 5,256 crore against the total equity investment of Rs 3,444 crore in them. These included GRIDCO, Odisha State Financial Corporation, and IDCOL Kalinga Iron Works Limited.

The 16<sup>th</sup> Finance Commission recommended a review of loss-making SPSEs by the State Cabinet. It observed that the Cabinet may decide closure, disinvestment, or continuation, based on the strategic importance.

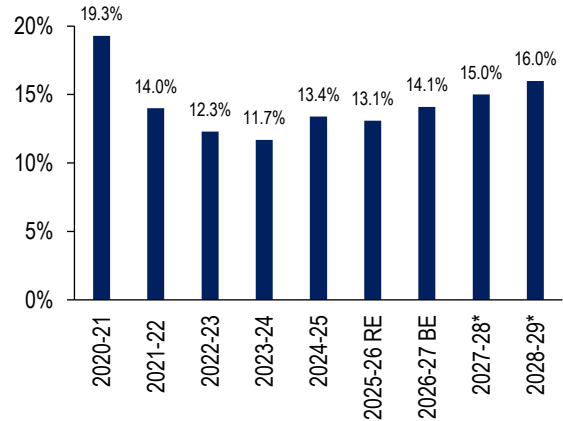
Sources: Report No. 1 of 2024, Compliance Audit of PSUs for the year 2021-22; CAG; Report of the 16<sup>th</sup> Finance Commission Volume-I; PRS.

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



Note: \*Figures from 2027-28 onwards are projections. RE is Revised Estimates; BE is Budget Estimates. (+) indicates a surplus and (-) indicates a deficit.  
Sources: Medium Term Fiscal Policy, Odisha Budget Documents 2026-27; PRS.

**Figure 3: Outstanding liabilities (as % of GSDP)**



Note: \*Figures from 2027-28 onwards are projections. RE is Revised Estimates; BE is Budget Estimates.  
Sources: Medium Term Fiscal Policy, Odisha Budget Documents 2026-27; PRS.

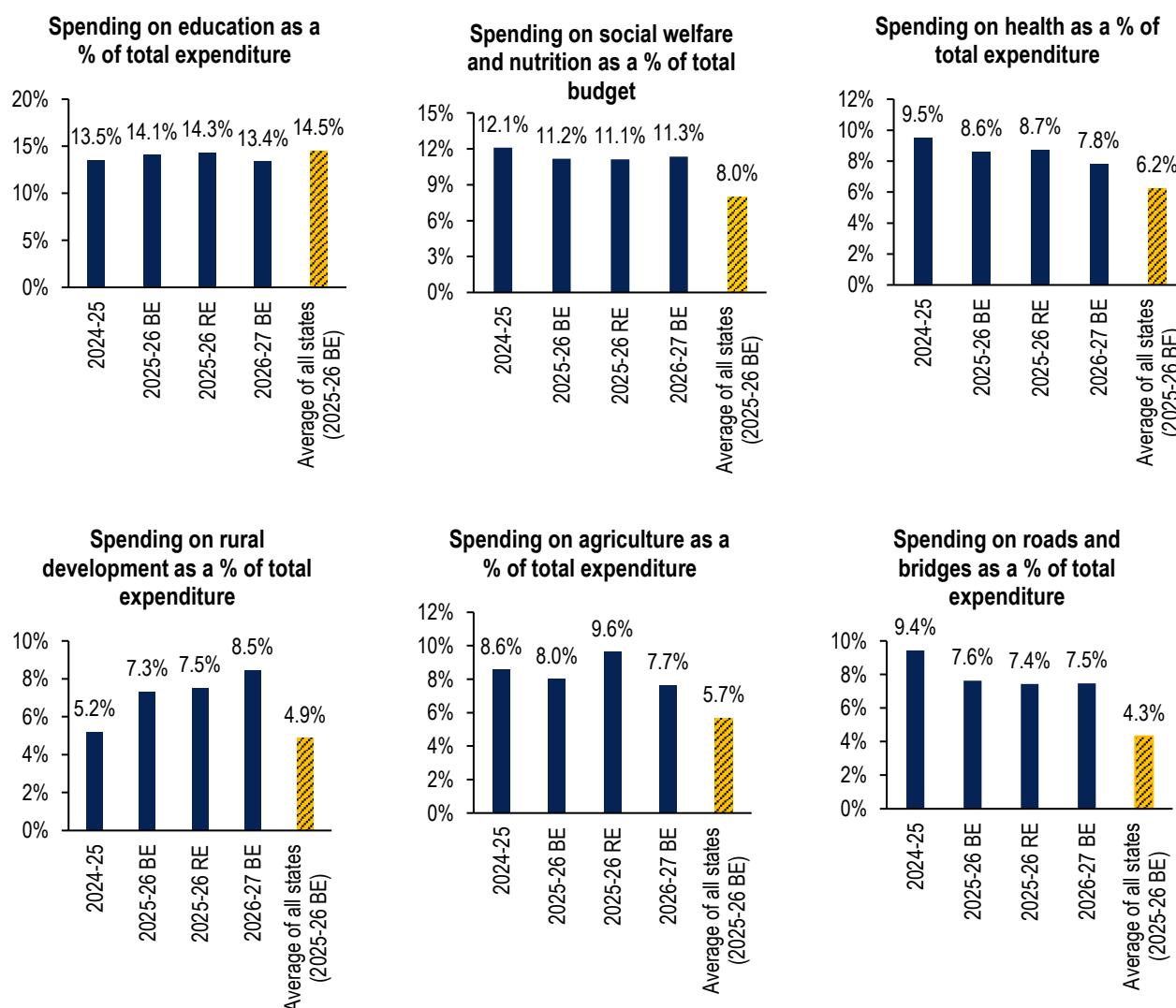
**Outstanding Government Guarantees:** Outstanding liabilities of states does not include a few other liabilities that are contingent in nature, which states may have to honour in certain cases. State governments guarantee the borrowings of State Public Sector Enterprises (SPSEs) from financial institutions. As of December 31, 2025, the state's outstanding guarantee is estimated to be Rs 18,440 crore, which is 1.9% of Odisha's GSDP. As of December 31, 2024, outstanding guarantee was Rs 2,341 crore (0.23% of GSDP). This increase is mainly due to guarantee for a loan of Rs 17,500 crore by Odisha State Civil Supplies Corporation Limited.

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## Annexure 1: Comparison of states' expenditure on key sectors

The graphs below Odisha's expenditure in 2026-27 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 31 states (including Odisha) as per their budget estimates of 2025-26.<sup>1</sup>

- **Education:** Odisha has allocated 13.4% of its expenditure on education in 2026-27. This is lower than the average allocation for education by states in 2025-26 (14.5%).
- **Social welfare and nutrition:** Odisha has allocated 11.3% of its expenditure on social welfare and nutrition in 2026-27. This is higher than the average allocation for the same by states in 2025-26 (8%).
- **Health:** Odisha has allocated 7.8% of its expenditure on health in 2026-27. This is higher than the average allocation for health by states in 2025-26 (6.2%).
- **Rural development:** Odisha has allocated 8.5% of its expenditure on rural development in 2026-27. This is higher than the average allocation for rural development by states in 2025-26 (4.9%).
- **Agriculture** Odisha has allocated 7.7% of its expenditure on agriculture in 2026-27. This is higher than the average allocation for agriculture by states in 2025-26 (5.7%).
- **Roads and bridges:** Odisha has allocated 7.5% of its expenditure on roads and bridges in 2026-27. This is higher than the average allocation for roads and bridges by states in 2025-26 (4.3%).



Note: 2024-25, 2025-26 (BE), 2025-26 (RE), and 2026-27 (BE) figures are for Odisha.

Sources: Annual Financial Statement, Odisha Budget Documents 2026-27; various state budgets; PRS.

<sup>1</sup> The 31 states include the Union Territories of Delhi, Jammu and Kashmir, and Puducherry.

## Annexure 2: Recommendations of the 16<sup>th</sup> Finance Commission for 2026-31

The Report of the 16<sup>th</sup> Finance Commission (Chair: Dr Arvind Panagariya) was tabled in Parliament on February 1, 2026. The recommendations will apply for the five-year period between 2026-27 and 2030-31. The 16<sup>th</sup> Commission (FC) has recommended the share of states in the divisible pool of central taxes at 41%. The share remains unchanged from the 15<sup>th</sup> Finance Commission award period (2020-26). Divisible pool is arrived at after excluding cost of collection and cesses and surcharges from the gross tax revenue collected by the central government. The 16<sup>th</sup> FC has proposed a revised criteria to determine the share of individual states. See [here](#) for a PRS summary of the 16<sup>th</sup> Finance Commission Report. Based on the recommendations of the 16<sup>th</sup> FC, Odisha will have a 4.42% share in the divisible pool of central taxes for the 2026-31 period.

The 16<sup>th</sup> FC has recommended grants worth Rs 9.47 lakh crore over the five-year period. These comprise grants for: (i) urban and rural local bodies, and (ii) disaster management. It has discontinued the following grants recommended by the 15<sup>th</sup> FC: (i) revenue deficit grants, (ii) sector-specific grants, and (iii) state-specific grants. Grants recommended for Odisha over the 2026-31 period include: (i) Rs 5,078 crore for urban local bodies, (ii) Rs 18,715 crore for rural local bodies, and (iii) Rs 8,900 crore as disaster management grants.

**Table 8: Individual share of states in the taxes devolved by the centre (out of 100)**

State	14 <sup>th</sup> FC (2015-2020)	15 <sup>th</sup> FC (2021-26)	16 <sup>th</sup> FC (2026-31)
Andhra Pradesh	4.31	4.05	4.22
Arunachal Pradesh	1.37	1.76	1.35
Assam	3.31	3.13	3.26
Bihar	9.67	10.06	9.95
Chhattisgarh	3.08	3.41	3.30
Goa	0.38	0.39	0.37
Gujarat	3.08	3.48	3.76
Haryana	1.08	1.09	1.36
Himachal Pradesh	0.71	0.83	0.91
Jammu and Kashmir	1.85	-	-
Jharkhand	3.14	3.31	3.36
Karnataka	4.71	3.65	4.13
Kerala	2.50	1.93	2.38
Madhya Pradesh	7.55	7.85	7.35
Maharashtra	5.52	6.32	6.44
Manipur	0.62	0.72	0.63
Meghalaya	0.64	0.77	0.63
Mizoram	0.46	0.50	0.56
Nagaland	0.50	0.57	0.48
<b>Odisha</b>	<b>4.64</b>	<b>4.53</b>	<b>4.42</b>
Punjab	1.58	1.81	2.00
Rajasthan	5.50	6.03	5.93
Sikkim	0.37	0.39	0.34
Tamil Nadu	4.02	4.08	4.10
Telangana	2.44	2.10	2.17
Tripura	0.64	0.71	0.64
Uttar Pradesh	17.96	17.94	17.62
Uttarakhand	1.05	1.12	1.14
West Bengal	7.32	7.52	7.22

**Table 9: State-wise details of grants-in-aid for 2026-31 (in Rs crore)**

State	Rural Local Bodies	Urban Local Bodies	Disaster Management
Andhra Pradesh	16,627	12,158	6,125
Arunachal Pradesh	1,698	233	616
Assam	14,580	3,249	5,243
Bihar	51,923	9,169	13,615
Chhattisgarh	11,664	4,990	2,481
Goa	174	726	112
Gujarat	18,802	23,764	8,459
Haryana	8,270	7,834	2,922
Himachal Pradesh	3,744	435	2,682
Jharkhand	14,231	6,093	2,806
Karnataka	18,889	18,483	6,419
Kerala	3,308	16,683	1,935
Madhya Pradesh	32,033	16,016	11,697
Maharashtra	32,817	46,803	29,619
Manipur	1,262	609	259
Meghalaya	1,479	377	437
Mizoram	567	377	284
Nagaland	697	667	408
<b>Odisha</b>	<b>18,715</b>	<b>5,078</b>	<b>8,900</b>
Punjab	8,486	7,834	2,477
Rajasthan	31,467	12,680	9,211
Sikkim	218	203	455
Tamil Nadu	16,930	25,069	8,486
Telangana	9,968	11,548	2,774
Tripura	1,176	1,016	356
Uttar Pradesh	83,261	33,543	15,321
Uttarakhand	4,047	2,497	4,954
West Bengal	28,203	22,023	6,869

Sources: Reports of the 14<sup>th</sup>, 15<sup>th</sup>, and 16<sup>th</sup> Finance Commission; PRS.

**Table 10: Taxes devolved to states as per Union Budget 2026-27 (in Rs crore)**

State	2024-25 Actuals	2025-26 Revised	2026-27 Budgeted
Andhra Pradesh	51,564	56,374	64,362
Arunachal Pradesh	22,386	24,475	20,665
Assam	39,855	43,572	49,725
Bihar	1,28,151	1,40,105	1,51,832
Chhattisgarh	43,409	47,459	50,427
Goa	4,918	5,377	5,571
Gujarat	44,314	48,448	57,311
Haryana	13,926	15,225	20,772
Himachal Pradesh	10,575	11,562	13,950
Jharkhand	42,135	46,066	51,236
Karnataka	46,467	50,802	63,050
Kerala	24,527	26,815	36,355
Madhya Pradesh	1,00,019	1,09,348	1,12,134
Maharashtra	80,486	87,994	98,306
Manipur	9,123	9,974	9,554
Meghalaya	9,773	10,684	9,631
Mizoram	6,371	6,965	8,608
Nagaland	7,250	7,926	7,341
<b>Odisha</b>	<b>57,692</b>	<b>63,074</b>	<b>67,460</b>
Punjab	23,023	25,171	30,464
Rajasthan	76,779	83,940	90,446
Sikkim	4,944	5,405	5,113
Tamil Nadu	51,971	56,819	62,531
Telangana	26,782	29,280	33,181
Tripura	9,021	9,862	9,783
Uttar Pradesh	2,28,565	2,49,885	2,68,911
Uttarakhand	14,245	15,573	17,415
West Bengal	95,852	1,04,793	1,10,119
<b>Total</b>	<b>12,74,121</b>	<b>13,92,971</b>	<b>15,26,255</b>

Note: Actuals for 2024-25 and Revised Estimates for 2025-26 have been reported in the Union Budget after adjusting for excess or less devolution in previous years. Sources: Union Budget Documents 2026-27; PRS.

### Annexure 3: Comparison of 2024-25 Budget Estimates and Actuals

The following tables compare the actuals of 2024-25 with budget estimates for that year.

**Table 11: Overview of Receipts and Expenditure (in Rs crore)**

Particular	2024-25 BE	2024-25 Actuals	% change from BE to Actuals
<b>Net Receipts (1+2)</b>	2,11,505	1,84,628	-13%
1. Revenue Receipts (a+b+c+d)	2,11,000	1,83,963	-13%
a. Own Tax Revenue	60,000	56,516	-6%
b. Own Non-Tax Revenue	58,000	51,221	-12%
c. Share in central taxes	55,232	58,270	6%
d. Grants-in-aid from the Centre	37,768	17,956	-52%
2. Non-Debt Capital Receipts	505	665	32%
3. Borrowings	42,495	42,732	1%
<b>Net Expenditure (4+5+6)</b>	2,43,908	2,09,670	-14%
4. Revenue Expenditure	1,83,563	1,61,312	-12%
5. Capital Outlay	58,195	45,481	-22%
6. Loans and Advances	2,150	2,877	34%
7. Debt Repayment	21,092	17,351	-18%
<b>Revenue Surplus</b>	27,437	22,651	-17%
Revenue Surplus (as % of GSDP)	3.0%	2.5%	
<b>Fiscal Deficit</b>	32,403	25,042	-23%
Fiscal Deficit (as % of GSDP)	3.5%	2.8%	

Source: Odisha Budget Documents of various years; PRS.

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

Head	2024-25 BE	2024-25 Actuals	% change from BE to Actuals
Land Revenue	954	785	-18%
Stamps Duty and Registration Fees	2,417	1,987	-18%
Sales Tax/ VAT	14,212	13,089	-8%
State Excise	8,680	8,195	-6%
State GST	26,073	25,061	-4%
Taxes on Vehicles	2,700	2,669	-1%
Taxes and Duties on Electricity	4,252	4,340	2%

Source: Odisha Budget Documents of various years; PRS.

**Table 13: Allocation towards Key Sectors**

Sector	2024-25 BE	2024-25 Actuals	% change from BE to Actuals
Water Supply and Sanitation	11,404	5,733	-50%
Rural Development	17,685	10,758	-39%
Energy	3,042	1,957	-36%
Urban Development	6,718	4,457	-34%
Education, Sports, Arts, and Culture	32,329	27,945	-14%
Irrigation and Flood Control	14,286	12,555	-12%
Social Welfare and Nutrition	28,144	25,034	-11%
Agriculture and Allied Activities	19,539	17,707	-9%
Welfare of SC, ST, OBC, and Minorities	5,522	5,033	-9%
Health and Family Welfare	21,099	19,731	-6%
Housing	1,647	1,544	-6%
Roads and Bridges	19,456	19,501	0%
Police	5,131	5,239	2%

Source: Odisha Budget Documents of various years; PRS.