

# Tamil Nadu Budget Analysis 2020-21

The Finance Minister, Mr. O. Panneerselvam, presented the Budget for Tamil Nadu for financial year 2020-21 on February 14, 2020.

## Budget Highlights

- The **Gross State Domestic Product** of Tamil Nadu for 2020-21 (at current prices) is projected to be Rs 20,91,927 crore. This is 13% higher than the revised estimate for 2019-20.
- **Total expenditure** for 2020-21 is estimated to be Rs 3,00,390 crore, a 11.2% increase over the revised estimate of 2019-20. In 2019-20, total expenditure is estimated to increase by 2.2% (Rs 5,699 crore) from the budget estimates.
- **Total receipts (excluding borrowings)** for 2020-21 are estimated to be Rs 2,24,739 crore, an increase of 13.9% as compared to the revised estimate of 2019-20. In 2019-20, total receipts (excluding borrowings) are estimated to fall short of the budgeted estimate by Rs 5,455 crore (2.7% of the budgeted estimate).
- **Revenue deficit** for 2020-21 is targeted at Rs 21,618 crore, or 1.03% of the Gross State Domestic Product (GSDP). **Fiscal deficit** is targeted at Rs 59,346 crore (2.84% of GSDP).
- In 2020-21, the sectors of Energy (37%), Transport (27%), and Water Supply, Sanitation, Housing and Urban Development (25%) saw the highest increase in allocations over the revised estimate of previous year.

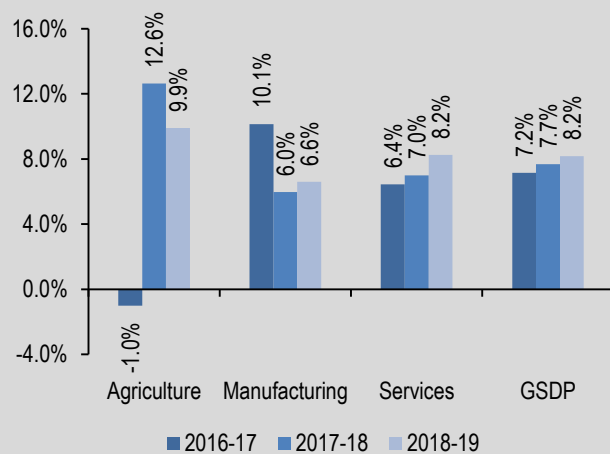
## Policy Highlights

- **Urban Development and Infrastructure:** The government has proposed the Tamil Nadu Urban Flagship Investment Programme to support the state in developing urban and environmental infrastructure. The programme will cost of Rs 8,156 crore and will be financed with assistance from the Asian Development Bank. Further, 179 projects at a cost of Rs 8.6 lakh crore relating to Tamil Nadu have been included in the National Infrastructure Pipeline. These projects will be implemented in the next five years.
- **Agriculture and Irrigation:** During 2020-21, crop loans of Rs 11,000 crore will be provided by co-operative institutions. Further, Rs 200 crore has been allocated as interest waiver for repayment of loans.
- **Disaster Management:** A comprehensive flood mitigation project for Greater Chennai has been proposed at a cost of Rs 3,000 crore. This will be undertaken with assistance from the World Bank and Asian Infrastructure Investment Bank. In 2020-21, Rs 1,360 crore has been provided for disaster management.
- **Stamp duty:** Stamp duty for rental agreements will be reduced from 1% to 0.25%. Further, registration charges on such agreements will be reduced from 1% to 0.25% (subject to a maximum of Rs 5,000).

## Tamil Nadu's Economy

- **GSDP:** The growth rate of Tamil Nadu's GSDP (at constant prices) has increased from 7.2% in 2016-17 to 8.2% in 2018-19.
- **Sectors:** In 2018-19, agriculture, manufacturing, and services contributed to 12%, 36% and 52% of the GSVA, respectively. In the same year, these sectors grew by 9.9%, 6.6% and 8.2%, respectively.
- **Per capita income:** The per capita GSDP of Tamil Nadu in 2018-19 (at constant prices) was Rs 1,56,041. This is 7% higher than that in 2017-18.
- **Unemployment:** According to the annual report of the Periodic Labour Force Survey (2017-18), Tamil Nadu has one of the lowest unemployment rates at 3.5% as compared to the all-India unemployment rate of 6.0%.

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



Note: GSVA (or gross state value added) by a sector denotes the contribution of that sector to state's economy.  
Sources: Central Statistics Office, MOSPI; PRS.

## Budget Estimates for 2020-21

- The total expenditure in 2020-21 is targeted at Rs 3,00,390 crore. This is 11.2% higher than the revised estimates of 2019-20. This expenditure is proposed to be met through receipts (other than borrowings) of Rs 2,24,739 crore and borrowings of Rs 74,107 crore. Total receipts for 2020-21 (other than borrowings) are expected to be 13.9% higher than the revised estimate of 2019-20.

**Table 1: Budget 2020-21 - Key figures (in Rs crore)**

Items	2018-19 Actuals	2019-20 Budgeted	2019-20 Revised	% change from BE 2019-20 to RE 2019-20	2020-21 Budgeted	% change from RE 2019-20 to BE 2020-21
<b>Total Expenditure</b>	<b>2,43,053</b>	<b>2,64,556</b>	<b>2,70,256</b>	<b>2.2%</b>	<b>3,00,390</b>	<b>11.2%</b>
A. Receipts (except borrowings)	1,80,655	2,02,788	1,97,334	-2.7%	2,24,739	13.9%
B. Borrowings	47,936	58,978	67,838	15.0%	74,107	9.2%
<b>Total Receipts (A+B)</b>	<b>2,28,591</b>	<b>2,61,767</b>	<b>2,65,172</b>	<b>1.3%</b>	<b>2,98,847</b>	<b>12.7%</b>
<b>Revenue Deficit</b>	<b>23,459</b>	<b>14,315</b>	<b>25,072</b>	<b>75.1%</b>	<b>21,618</b>	<b>-13.8%</b>
As % of GSDP	1.41%	0.83%	1.35%		1.03%	
<b>Fiscal Deficit</b>	<b>47,335</b>	<b>44,176</b>	<b>55,058</b>	<b>24.6%</b>	<b>59,346</b>	<b>7.8%</b>
As % of GSDP	2.84%	2.56%	2.97%		2.84%	
<b>Primary Deficit</b>	<b>18,578</b>	<b>11,715</b>	<b>23,378</b>	<b>99.6%</b>	<b>23,035</b>	<b>-1.5%</b>
As % of GSDP	1.11%	0.68%	1.26%		1.10%	

Notes: BE is Budget Estimate; RE is Revised Estimate. GSDP for 2020-21 is Rs 20,91,927 crore. GSDP for 2019-20 BE and 2019-20 RE taken to be Rs 17,25,625 crore, and Rs 18,54,952 crore respectively.

Sources: Tamil Nadu Budget Documents 2020-21; PRS.

## Expenditure in 2020-21

- Capital expenditure** for 2020-21 is proposed to be Rs 59,397 crore, which is an increase of 11.4% over the revised estimates of 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 creation of assets (such as bridges and hospitals), and (ii) repayment and grant of loans by the state government.
- Tamil Nadu's capital outlay for 2020-21 is estimated to be Rs 36,368 crore, which is 16.5% higher than the revised estimate of 2019-20. The capital outlay towards health and family welfare is estimated to increase by Rs 1,385 crore (an increase of 147%) from the revised estimates of 2019-20. For 2019-20, the revised estimate for capital outlay on health and family welfare is 12% lower than the budget estimate.
- Revenue expenditure** for 2020-21 is proposed to be Rs 2,40,993 crore, which is an increase of 11.1% over revised estimates of 2019-20. This expenditure includes payment of salaries, interest payments etc.

### Grants to Local Governments

The state government provides compensation and assignments to local bodies and Panchayati Raj institutions. In 2020-21, this amount is estimated to be Rs 19,167 crore. This is a 5% increase over the revised estimates of 2019-20.

**Table 2: Expenditure budget 2020-21 (in Rs crore)**

Items	2018-19 Actuals	2019-20 Budgeted	2019-20 Revised	% change from BE 2019-20 to RE 2019-20	2020-21 Budgeted	% change from RE 2019-20 to BE 2020-21
Capital Expenditure	45,852	52,520	53,323	1.5%	59,397	11.4%
of which Capital Outlay	24,311	31,251	31,221	-0.1%	36,368	16.5%
Revenue Expenditure	1,97,201	2,12,036	2,16,933	2.3%	2,40,993	11.1%
<b>Total Expenditure</b>	<b>2,43,053</b>	<b>2,64,556</b>	<b>2,70,256</b>	<b>2.2%</b>	<b>3,00,390</b>	<b>11.2%</b>
A. Debt Repayment	15,064	17,591	17,863	1.5%	16,304	-8.7%
B. Interest Payments	28,757	32,461	31,680	-2.4%	36,311	14.6%
<b>Debt Servicing (A+B)</b>	<b>43,821</b>	<b>50,052</b>	<b>49,543</b>	<b>-1.0%</b>	<b>52,616</b>	<b>6.2%</b>

Note: Capital outlay denotes expenditure which leads to creation of assets.

Sources: Tamil Nadu Budget Documents 2020-21; PRS.

## Sectoral expenditure in 2020-21

The sectors listed below account for **56%** of the total budgeted expenditure of Tamil Nadu in 2020-21. A comparison of Tamil Nadu's expenditure on key sectors with that by other states can be found in the Annexure.

**Table 3: Sector-wise expenditure for Tamil Nadu Budget 2020-21 (in Rs crore)**

Sector	2018-19 Actuals	2019-20 Budgeted	2019-20 Revised	2020-21 Budgeted	% change from RE 2019-20 to BE 2020-21	Budget provisions for 2020-21
Education	33,709	35,777	37,402	41,626	11%	<ul style="list-style-type: none"> <li>Rs 10,111 crore has been allocated for government primary schools.</li> <li>11,131 crore has been allocated for government secondary schools.</li> </ul>
Agriculture and allied activities	13,348	15,247	16,260	16,986	4%	<ul style="list-style-type: none"> <li>Rs 724 crore has been allocated towards the Pradhan Mantri Fasal Bima Yojana.</li> </ul>
Water Supply, Sanitation, Housing and Urban Development	11,568	15,196	13,304	16,630	25%	<ul style="list-style-type: none"> <li>Rs 3,700 crore, Rs 1,650 crore, and Rs 1,450 crore have been allocated for PM Awas Yojana (Urban), Smart Cities, and AMRUT, respectively.</li> </ul>
Health and Family Welfare	12,489	12,398	12,898	15,773	22%	<ul style="list-style-type: none"> <li>Rs 1,033 crore has been allocated for the Chief Minister's Comprehensive Health Insurance Scheme.</li> <li>Rs 1,515 crore has been allocated towards maternity and child health.</li> </ul>
Transport	9,443	12,223	11,616	14,744	27%	<ul style="list-style-type: none"> <li>Rs 5,500 crore has been allocated for the Comprehensive Road Infrastructure Development programme.</li> </ul>
Social Welfare and Nutrition	13,909	12,877	14,589	14,072	-4%	<ul style="list-style-type: none"> <li>Rs 1,863 crore has been allocated for the MGR Nutritious Meal programme.</li> </ul>
Energy	7,869	9,771	9,549	13,118	37%	<ul style="list-style-type: none"> <li>Rs 4,563 crore has been granted to TANGEDCO for paying off its debt as per the UDAY scheme. Further, Rs 4,266 crore has been allocated for taking over its future losses.</li> </ul>
Police	7,144	7,749	8,124	8,516	5%	<ul style="list-style-type: none"> <li>Rs 4,539 crore has been allocated towards the district police.</li> </ul>
Rural Development	6,745	6,435	6,522	8,004	23%	<ul style="list-style-type: none"> <li>Rs 3,099 crore has been allocated for the PM Awas Yojana (Gramin).</li> </ul>
Irrigation and Flood Control	3,339	5,071	5,189	6,342	22%	<ul style="list-style-type: none"> <li>Rs 1,45 crore has been allocated to increase coverage of micro irrigation.</li> </ul>
<b>% of total expenditure</b>	<b>54%</b>	<b>55%</b>	<b>55%</b>	<b>56%</b>		

Source: Tamil Nadu Budget Documents 2020-21; 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 investments.

In 2020-21, Tamil Nadu is estimated to spend Rs 1,36,098 crore on committed expenditure, i.e. payment of salaries, pensions, and interest. This is 13.2% higher than the revised estimate of 2019-20 (Rs 1,20,242 crore). These committed liabilities form 62% of the state's revenue receipts. Salaries form the highest component (47%) of the committed expenditure. This expenditure on salaries is estimated to increase by 12.7% in 2020-21 over the 2019-20 revised estimate.

**Table 4: Committed Expenditure for the state in 2020-21 (in Rs crore)**

Item	2018-19 Actuals	2019-20 Budgeted	2019-20 Revised	% change from BE 2019-20 to RE 2019-20	2020-21 Budgeted	% change from RE 2019-20 to BE 2020-21
Salaries	52,539	54,611	56,963	4.3%	64,211	12.7%
Pensions	30,281	33,410	31,598	-5.4%	35,575	12.6%
Interest Payments	28,757	32,461	31,680	-2.4%	36,311	14.6%
<b>Committed Expenditure</b>	<b>1,11,577</b>	<b>1,20,482</b>	<b>1,20,242</b>	<b>-0.2%</b>	<b>1,36,098</b>	<b>13.2%</b>

Sources: Tamil Nadu Budget Documents 2020-21; PRS.

## Receipts in 2020-21

- The **total revenue receipts** for 2020-21 are estimated to be Rs 2,19,375 crore, an increase of 14.3% over the revised estimates of 2019-20. Of this, Rs 1,49,429 (68% of the revenue receipts) crore will be raised by the state through its **own resources**, and Rs 69,946 crore (32% of the revenue receipts) will be in the form of **central transfers**, i.e. state's share in central taxes and grants-in-aid from the central government.
- **Devolution:** In 2020-21, receipts from the state's share in central taxes is estimated to increase by 24.5% over the 2019-20 revised estimate. However, in 2019-20, devolution is estimated to decrease by 22.3% to Rs 26,392 crore as compared to the budgeted estimate. This may be due to a 19% cut in the union budget for devolution to states, from Rs 8,09,133 crore at the budgeted stage to Rs 6,56,046 crore at the revised stage. Annexure 2 outlines the major recommendations of the 15<sup>th</sup> Finance Commission for the year 2020-21, particularly the revised share of Tamil Nadu and the other states in central government's tax revenue.

**Table 4: Break up of state government receipts (Rs crore)**

Items	2018-19 Actuals	2019-20 Budgeted	2019-20 Revised	% change from BE 2019-20 to RE 2019-20	2020-21 Budgeted	% change from RE 2019-20 to BE 2020-21
State's Own Tax	1,05,534	1,24,813	1,20,810	-3.2%	1,33,530	10.5%
State's Own Non-Tax	14,200	13,327	14,195	6.5%	15,899	12.0%
Share in Central Taxes	30,639	33,978	26,392	-22.3%	32,849	24.5%
Grants-in-aid from Centre	23,368	25,603	30,464	19.0%	37,097	21.8%
<b>Total Revenue Receipts</b>	<b>1,73,741</b>	<b>1,97,721</b>	<b>1,91,861</b>	<b>-3.0%</b>	<b>2,19,375</b>	<b>14.3%</b>
Borrowings	47,936	58,978	67,838	15.0%	74,107	9.2%
Other receipts	6,913	5,067	5,473	8.0%	5,364	-2.0%
<b>Total Capital Receipts</b>	<b>54,850</b>	<b>64,046</b>	<b>73,311</b>	<b>14.5%</b>	<b>79,472</b>	<b>8.4%</b>
<b>Total Receipts</b>	<b>2,28,591</b>	<b>2,61,767</b>	<b>2,65,172</b>	<b>1.3%</b>	<b>2,98,847</b>	<b>12.7%</b>

Sources: Tamil Nadu Budget Documents 2020-21; PRS.

- **Own tax revenue:** Total own tax revenue of Tamil Nadu is estimated to be Rs 1,33,530 crore in 2020-21. The own tax to GSDP ratio is targeted at 6.4% in 2020-21, which is in the same range as the revised estimate of 6.5% in 2019-20. This implies that growth in collection of taxes has been at par with the growth in the economy.

**Table 5: Some of state's own-tax revenue (in Rs crore)**

Items	2018-19 Actuals	2019-20 Budgeted	2019-20 Revised	% change from BE 19-20 to RE 19-20	2020-21 Budgeted	% change from RE 19-20 to BE 20-21	% of Revenue Receipts in 20-21
Sales Tax and VAT	42,701	48,034	48,452	1%	56,046	16%	26%
State GST	38,533	48,157	44,218	-8%	46,196	4%	21%
Stamps Duty and Registration Fees	11,066	13,123	13,123	0%	14,435	10%	7%
State Excise Duty	6,863	7,262	7,262	0%	8,134	12%	4%
Taxes on Vehicle	5,573	6,511	6,019	-8%	6,898	15%	3%
Taxes and Duties on Electricity	621	1,364	1,443	6%	1,480	3%	1%
Land Revenue	178	357	279	-22%	328	18%	0%
<b>GST Compensation Grants</b>	<b>3,151</b>	<b>5,582</b>	<b>9,000</b>	<b>61%</b>	<b>10,300</b>	<b>14%</b>	<b>5%</b>

Sources: Tamil Nadu Budget Documents 2020-21; PRS.

- Sales tax (on items such as petroleum products), and VAT is the largest component of tax revenue of the state. It comprises 26% of revenue receipts budgeted for the year 2020-21. Sales tax is expected to generate Rs 56,046 crore in 2020-21, an increase of 16% over the revised estimates of 2019-20.
- In 2020-21, Tamil Nadu is expected to generate Rs 46,196 crore from State Goods and Services Tax (SGST). This is an increase of 4% from the revised estimates of 2019-20.
- Further, in 2020-21 the state is expected to generate Rs 14,435 crore from stamp duty and registration fees and Rs 8,134 crore from state excise duty.

**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 on their revenue which was subsumed under GST. If the GST revenue of a state does not match the guaranteed growth, compensation grants are provided to meet the shortfall.

Tamil Nadu has estimated GST compensation grants of Rs 10,300 crore for 2020-21, which is an increase of 14% over the revised estimate of 2019-20. In 2019-20, compensation grants are estimated to increase by 61% from Rs 5,582 crore at the budgeted stage to Rs 9,000 crore at the revised stage. An increase in the compensation requirement of the state reflects a further decrease in the GST revenue growth rate, as compared to the 14% growth proposed under the Act.

## Deficits, Debts and FRBM Targets for 2020-21

The Tamil Nadu Fiscal Responsibility Act, 2003 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 in order to finance its expenses which do not create capital assets.

The budget estimates a revenue deficit of Rs 21,618 crore (or 1.03% of GSDP) in 2020-21. This implies that revenue receipts are expected to be lower than the revenue expenditure, resulting in a deficit. The 14<sup>th</sup> Finance Commission had recommended that states should eliminate revenue deficits. The 2020-21 estimates for Tamil Nadu suggest that the state will not be meeting this target of eliminating revenue deficit. As per the 15<sup>th</sup> Finance Commission recommendations, in 2020-21, Tamil Nadu will receive revenue deficit grants of Rs 4,025 crore to eliminate its revenue deficit.

**Debt Servicing:** In 2020-21, Tamil Nadu is expected to spend Rs 52,616 crore on servicing its debt. This is 6.2% higher than the revised estimates of 2019-20. This includes Rs 16,304 crore towards repaying loans, and Rs 36,311 crore towards interest payments.

**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 2020-21, fiscal deficit is estimated to be Rs 59,346 crore, which is 2.8% of the GSDP. The estimate is lower than the 3% limit as per the FRBM Act. This limit may be relaxed to a maximum of 3.5% of GSDP, if states are able to contain their debt and interest payments to certain specified levels.

**Outstanding Liabilities:** Outstanding liabilities is the accumulation of borrowings over the years. In 2020-21, the outstanding liabilities are expected to be 21.8% of the GSDP.

**Table 6: Budget targets for deficits for Tamil Nadu in 2020-21 (% of GSDP)**

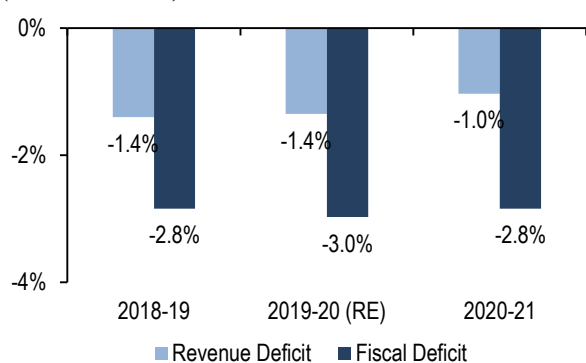
Year	Revenue	Fiscal	Outstanding Liabilities
	Deficit (-)/Surplus (+)	Deficit (-)/Surplus (+)	
2018-19 (actuals)	-1.4%	-2.8%	20.8%
2019-20 (RE)	-1.4%	-3.0%	21.4%
2020-21	-1.0%	-2.8%	21.8%
2021-22	-0.7%	-2.6%	21.9%
2022-23	-0.4%	-2.5%	22.0%

Note: RE indicates revised estimate.

Sources: Tamil Nadu Budget Documents 2020-21; PRS.

Figures 2 and 3 show the trend in deficits and outstanding liabilities targets from 2018-19 to 2022-23.

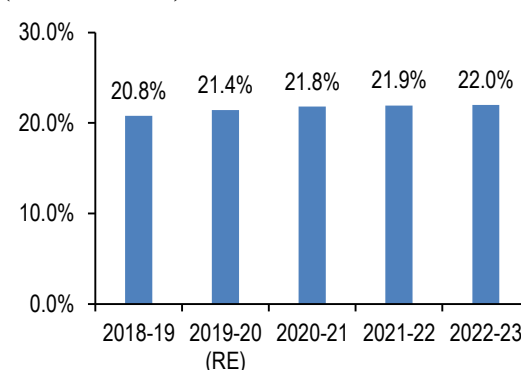
**Figure 2: Revenue and Fiscal Deficit/Surplus (as % of GSDP)**



Note: Numbers for 2018-19, 2019-20 and 2020-21 are actuals, revised estimates, and budget estimates respectively.

Sources: Tamil Nadu Budget Documents; PRS.

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



Note: Numbers for 2018-19, 2019-20 and 2020-21 are actuals, revised estimates, and budget estimates respectively.

Sources: Tamil Nadu Budget Documents; PRS.

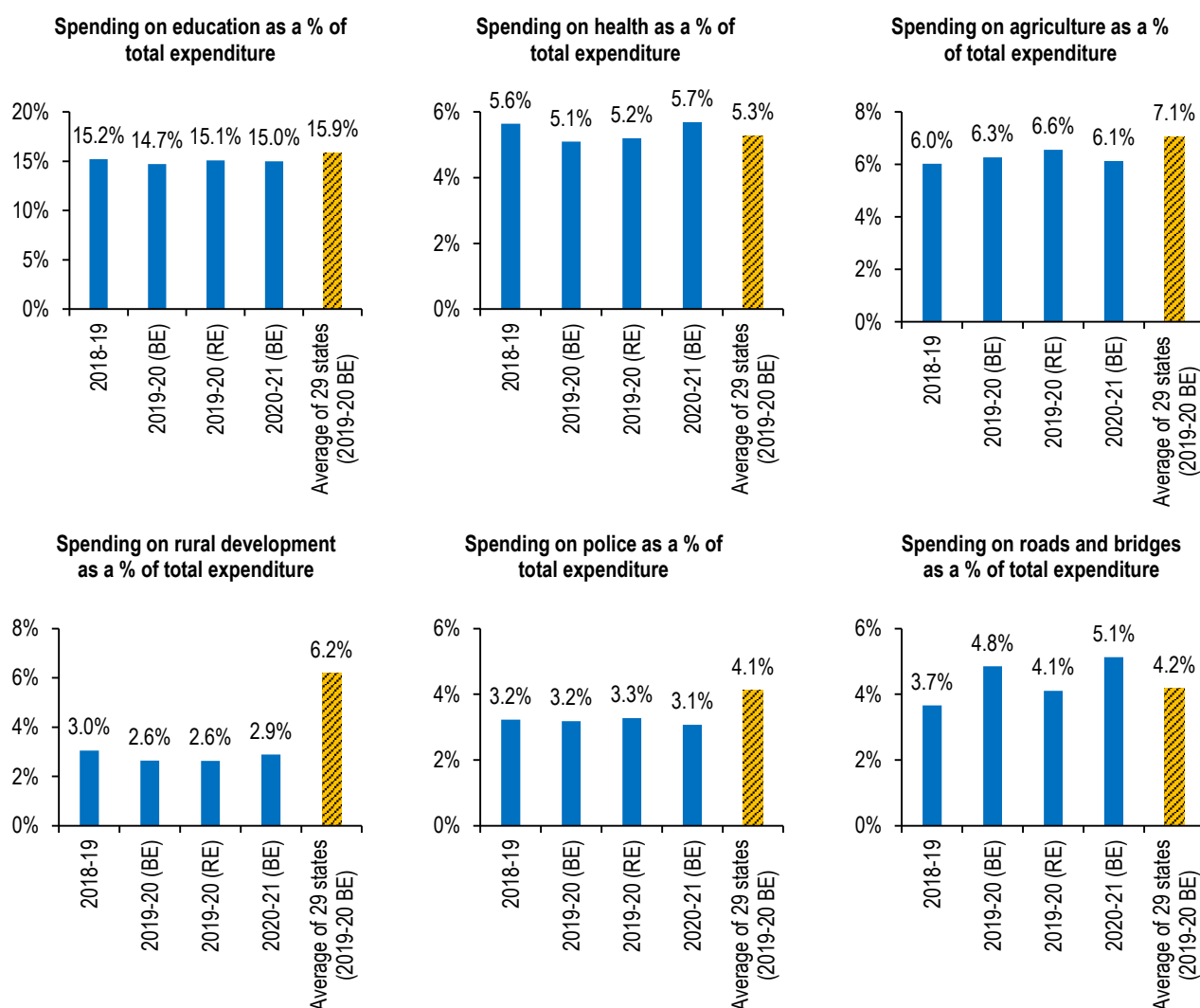
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## Annexure

The graphs below compare Tamil Nadu's expenditure on six key sectors as a proportion of its total budget, with the average of 29 states.<sup>1</sup>

- **Education:** Tamil Nadu has allocated 15% of its expenditure on education in 2020-21. This is marginally lower than the average budget allocation for education by 29 states (using 2019-20 BE).
- **Health:** Tamil Nadu has allocated 5.7% of its total expenditure on health, which is higher than the average expenditure of 29 states.
- **Agriculture and allied activities:** The state has allocated 6.1% of its total budget towards agriculture and allied activities. This is lower than the allocations of 29 states (7.1%).
- **Rural development:** Tamil Nadu has allocated 2.9% of its expenditure on rural development. This is significantly lower than the average (6.2%) of the 29 states.
- **Police:** Tamil Nadu has allocated 3.1% of its total expenditure on police, which is lower than the average expenditure of 29 states (4.1%).
- **Roads and bridges:** Tamil Nadu has allocated 5.1% of its total expenditure on roads and bridges, which is higher than the average expenditure of 29 states (4.2%).



Note: 2018-19, 2019-20 (BE), 2019-20 (RE), and 2020-21 (BE) figures are for Tamil Nadu.

Source: Annual Financial Statement (2019-20 and 2020-21), various state budgets; PRS.

<sup>1</sup> The 29 states include all states except Manipur. It includes the Union Territory of Delhi and erstwhile state of Jammu and Kashmir.

## Annexure 2: 15<sup>th</sup> Finance Commission's recommendations for 2020-21

The 15<sup>th</sup> Finance Commission's (15<sup>th</sup> FC) report for the financial year 2020-21 was tabled in Parliament on February 1, 2020. The 15<sup>th</sup> FC recommended a 41% share for states in the central government's tax revenue in 2020-21, a 1% decrease from the 42% share recommended by the 14<sup>th</sup> FC (2015-20). The 1% decrease is to provide funds to the newly formed union territories of Jammu and Kashmir, and Ladakh from the share of the central government. The 15<sup>th</sup> FC also proposed revised criteria for determining the share of individual states.

Table 7 shows the share of states in the central government's tax revenue<sup>2</sup>, as per the recommendations of the 14<sup>th</sup> FC for 2015-20 and the 15<sup>th</sup> FC for 2020-21. The 15<sup>th</sup> FC has recommended a 1.72% share for Tamil Nadu in the centre's tax revenue for 2020-21 (same as the share recommended by the 14<sup>th</sup> FC for 2015-20). This implies that out of every Rs 100 of centre's tax revenue in 2020-21, Tamil Nadu will receive Rs 1.72. Table 8 also shows the estimated devolution to states by the centre for 2019-20 and 2020-21 (in Rs crore).

**Table 7: Share of states in centre's tax revenue under the 14th and 15th Finance Commissions (2020-21)**

State	Share of states in centre's tax revenue			Devolution to states by the centre		
	14 <sup>th</sup> FC (2015-20)	15 <sup>th</sup> FC (2020-21)	% change	2019-20 RE	2020-21 BE	% change
Andhra Pradesh	1.81	1.69	-7%	28,242	32,238	14%
Arunachal Pradesh	0.58	0.72	24%	8,988	13,802	54%
Assam	1.39	1.28	-8%	21,721	24,553	13%
Bihar	4.06	4.13	2%	63,406	78,896	24%
Chhattisgarh	1.29	1.4	9%	20,206	26,803	33%
Goa	0.16	0.16	0%	2,480	3,027	22%
Gujarat	1.3	1.39	7%	20,232	26,646	32%
Haryana	0.46	0.44	-4%	7,112	8,485	19%
Himachal Pradesh	0.3	0.33	10%	4,678	6,266	34%
Jammu and Kashmir	0.78	-	-	12,171	-	-
Jharkhand	1.32	1.36	3%	20,593	25,980	26%
Karnataka	1.98	1.49	-25%	30,919	28,591	-8%
Kerala	1.05	0.8	-24%	16,401	15,237	-7%
Madhya Pradesh	3.17	3.23	2%	49,518	61,841	25%
Maharashtra	2.32	2.52	9%	36,220	48,109	33%
Manipur	0.26	0.29	12%	4,048	5,630	39%
Meghalaya	0.27	0.31	15%	4,212	5,999	42%
Mizoram	0.19	0.21	11%	3,018	3,968	31%
Nagaland	0.21	0.23	10%	3,267	4,493	38%
Odisha	1.95	1.9	-3%	30,453	36,300	19%
Punjab	0.66	0.73	11%	10,346	14,021	36%
Rajasthan	2.31	2.45	6%	36,049	46,886	30%
Sikkim	0.15	0.16	7%	2,408	3,043	26%
<b>Tamil Nadu</b>	<b>1.69</b>	<b>1.72</b>	<b>2%</b>	<b>26,392</b>	<b>32,849</b>	<b>24%</b>
Telangana	1.02	0.87	-15%	15,988	16,727	5%
Tripura	0.27	0.29	7%	4,212	5,560	32%
Uttar Pradesh	7.54	7.35	-3%	1,17,818	1,40,611	19%
Uttarakhand	0.44	0.45	2%	6,902	8,657	25%
West Bengal	3.08	3.08	0%	48,048	58,963	23%
<b>Total</b>	<b>42</b>	<b>41</b>	<b>-2%</b>	<b>6,56,046</b>	<b>7,84,181</b>	<b>20%</b>

Sources: Reports of 14<sup>th</sup> and 15<sup>th</sup> Finance Commissions (2020-21); Union Budget Documents 2020-21; PRS.

In addition, the 15<sup>th</sup> FC has also recommended certain grants-in-aid for various purposes for the year 2020-21. These include: (i) Rs 74,341 crore as grants to states for eliminating revenue deficit, of which Tamil Nadu will receive Rs 4,025 crore, (ii) Rs 90,000 crore as grants to local bodies, of which Tamil Nadu will receive Rs 3,607 crore.

<sup>2</sup> This excludes the cess and surcharge revenue of the central government as it is outside the divisible pool and not shared with states. As per the 2019-20 union budget, cess and surcharge revenue account for 15% of the estimated gross tax revenue of the central government.