



STATE REPORT CARD 2016

CHHATTISGARH

SUMMARY

Revenue

Revenue receipts for the state of Chhattisgarh grew by 55 per cent between FY 2014-15 (Actuals) and FY 2015-16 Revised Estimates (RE). Union Government transfers for the year increased by a substantial 65 per cent during the same period. Untied funds accounted for 60 per cent of the total transfers received from the Government of India (GOI) in FY 2015-16 (RE).

Expenditure

The state's total expenditure in FY 2015-16 (RE) grew by 41 per cent over FY 2014-15 (Actuals). Specifically, social sector expenditure increased by 49 per cent in the same period. While expenditure under the sector "Social Welfare and Nutrition" increased significantly by 92 per cent, expenditure under the major head "Relief on account of Natural Calamities" increased by a massive 740 per cent.

RECEIPTS

Overall receipts

Revenue receipts in FY 2015-16 (RE) grew by 55 per cent over FY 2014-15 (Actuals). Union tax revenues transferred to the state increased substantially by 94 per cent in FY 2015-16 (RE) over FY 2014-15 (Actuals).

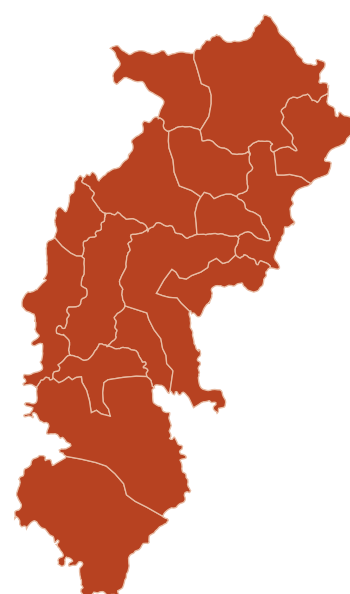
REVENUE RECEIPTS (IN ₹ CRORE)			
	2014-15 (Actuals)	2015-16 (RE)	2016-17 Budget Estimates (BE)
Share in Union taxes	8,363	16,213	18,650
Grants in Aid (GIA)	8,988	12,417	13,392
Own taxes	15,707	21,559	21,964
Own non-tax revenue	4,875	8,625	7,420
Total	37,933	58,814	61,427

Source: Collated from state budget documents.

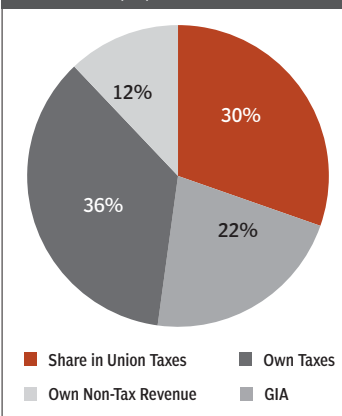
Note: Grants in Aid (GIA) include: Normal Central Assistance (NCA), Finance Commission (FC) Grants, Centrally Sponsored Schemes (CSSs) and other grants from the Government of India (GOI). Numbers have been rounded off.

Tied and untied funding

Tied funds are usually for specific purposes, such as grants under Centrally Sponsored Schemes (CSSs) which must be used for particular activities under the schemes. In contrast, states can decide how to spend untied funds which are transferred to them. In accordance



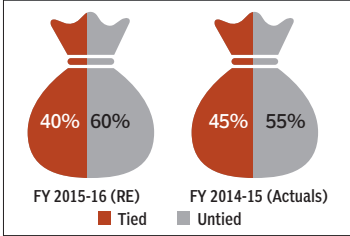
REVENUE RECEIPTS
FY 2016-17 (BE)



Source: Collated from state budget documents.

Note: GIA includes: NCA, FC Grants, CSSs and other grants from GOI. Numbers have been rounded off.

COMPOSITION OF UNION TRANSFERS



Source: Collated from state budget documents.

Note: Untied grants include grants in aid from FC, NCA and Tax devolution. Tied grants include grants for CSSs and other grants such as Additional Central Assistance and Special Central Assistance. Some of the other grants may not specifically be for a particular scheme but there proportions would be very small. NCA has been collated from Ministry of Finance and is thus actual releases.

with the 14th Finance Commission (FFC) recommendations, the share of untied funds transferred from GOI to the states increased significantly in FY 2015-16 (RE). For instance, to allow for the increase in untied funds, the Union Government reduced tied funding, such as CSSs and other grants, in FY 2015-16 (RE) by 35 per cent over FY 2014-15 (Actuals) in aggregate across the 19 states we analysed.

The overall share of CSSs and other grants in Union transfers to Chhattisgarh decreased from 45 per cent in FY 2014-15 (Actuals) to 40 per cent in FY 2015-16 (RE).

Transfers from the Union Government

Transfers from the Union government accounted for 49 per cent of revenue receipts in FY 2015-16 (RE). Compared to FY 2014-15 (Actuals), Union transfers increased by 65 per cent in FY 2015-16 (RE), which is the highest among the 19 states we analysed.

COMPOSITION AND CHANGES IN UNION TRANSFERS TO CHHATTISGARH (IN ₹ CRORE)

	2014-15 (Actuals)	2015-16 (RE)	2016-17 (BE)	2015-16 (RE) over 2014-15 (Actuals)
Taxes	8,363	16,213	18,650	94%
FC Grants	842	935	1,413	11%
CSSs and other scheme grants	7,826	11,482	11,979	47%
Normal Central Assistance (NCA)	320	0	0	-100%
Total	17,351	28,630	32,042	65%

Source: Collated from individual state budget documents. NCA collected from Ministry of Finance and thus constitutes actual funds released.

Note: Figures have been rounded off.

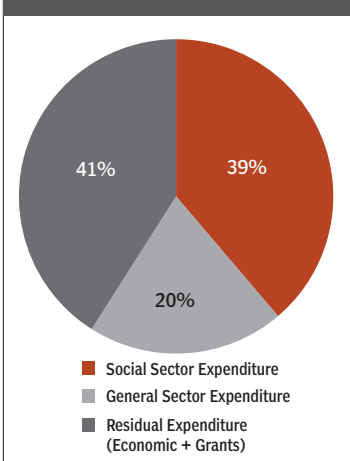
EXPENDITURE

Overall expenditure

FY 2015-16 saw the introduction of the Ujwal DISCOM Assurance Yojana, or UDAY scheme (Press Information Bureau, 2015). This scheme required states to bring into their budgets 50% of the outstanding debt of power distribution companies in FY 2015-16, and finance this by means of special power bonds. Due to the special nature of this scheme, we have excluded it from the analysis.

Chhattisgarh's total expenditure grew by 41 per cent in FY 2015-16 (RE) over FY 2014-15 (Actuals).

EXPENDITURE FY 2016-17 (BE)



Source: Collated from individual state budget documents.

Note: Social sector has been defined as per the Comptroller and Auditor General of India and does not include expenditure on rural development and warehousing. Total and capital expenditure excludes repayment of public debt. Figures have been rounded off.

EXPENDITURE IN CHHATTISGARH'S BUDGET (IN ₹ CRORE)

Type of expenditure	2014-15 (Actuals)	2015-16 (RE)	2016-17 (BE)
Total expenditure	46,207	65,028	69,624
Revenue expenditure	39,497	53,996	55,955
Capital expenditure	6,710	11,032	13,669
Social sector expenditure	16,949	25,231	26,990
General sector expenditure	9,236	11,448	14,102
Residual expenditure (Economic + Grants)	20,022	28,349	28,531
Fiscal Deficit	8,075	5,962	7,676

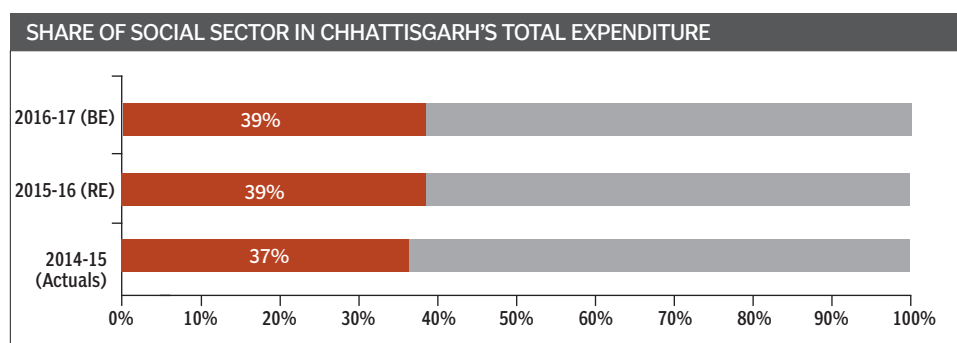
Source: Collated from individual state budget documents.

Note: Social sector has been defined as per the Comptroller and Auditor General of India and does not include expenditure on rural development and warehousing. Note: Only expenditures from the Consolidated Fund have been accounted, net of recoveries. Total and capital expenditure excludes repayment of public debt. Total expenditure, Revenue expenditure, Capital expenditure and Residual expenditure excludes UDAY scheme numbers. Figures have been rounded off.

It is worth noting here that in FY 2016-17 (BE), Chhattisgarh has allocated more than ₹430 crore in its budget for UDAY. This affects the composition of its total expenditure as well as the total expenditure of the state. Social sector expenditure, however, remains at 39 per cent as a proportion of total expenditure in FY 2016-17 (BE) even when we include the scheme. Residual expenditure which is directly impacted by the inclusion of the scheme in the analysis too remains constant at 41 per cent as a proportion of total expenditure.

Social sector expenditure

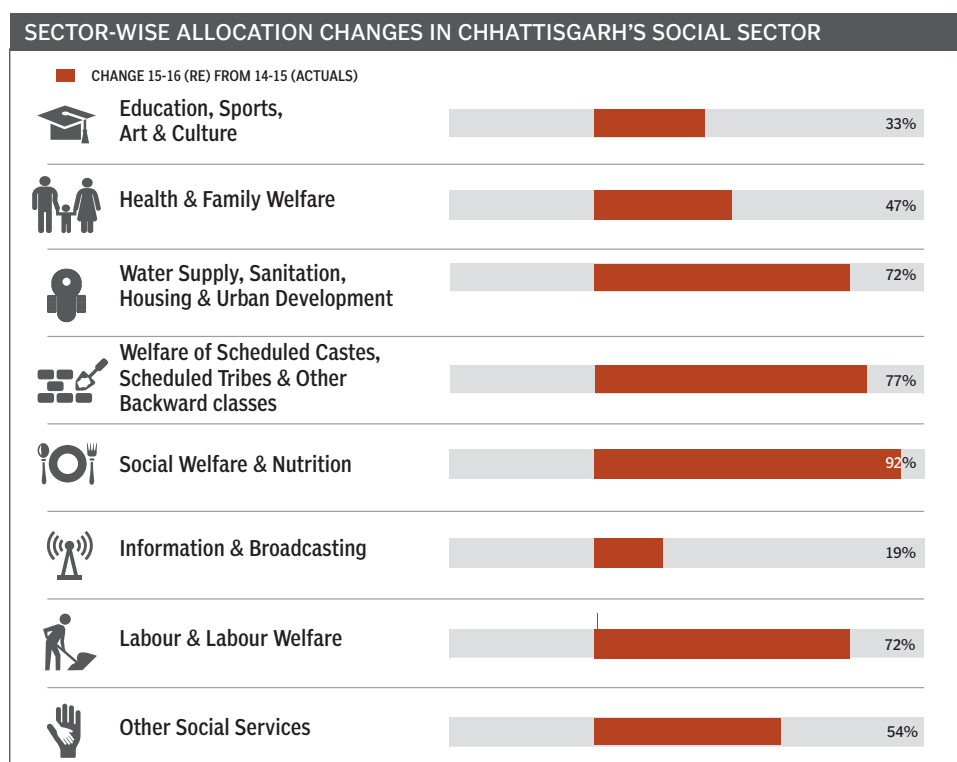
Social sector expenditure in the state increased by ₹8,282 crore or 49 per cent in FY 2015-16 (RE) over FY 2014-15 (Actuals). The share of social sector expenditure as a proportion of total expenditure in Chhattisgarh increased by 2 per cent between FY 2014-15 (Actuals) and FY 2015-16 (RE).



Source: Source: Collated from individual state budget documents.

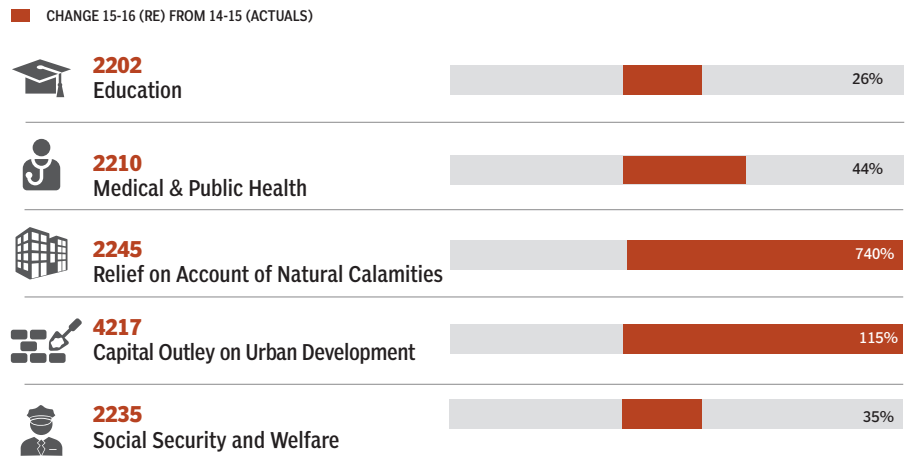
Note: Social sector has been defined as per the Comptroller and Auditor General of India and does not include expenditure on rural development and warehousing. Note: Only expenditures from the Consolidated Fund have been accounted, net of recoveries. Total and capital expenditure excludes repayment of public debt. Figures have been rounded off.

The most significant budget increases in FY 2015-16 (RE) were in the sectors “Social Welfare and Nutrition” and “Welfare of Scheduled castes, Scheduled Tribes and Other Backward Classes” which saw a substantial 92 per cent and 77 per cent increase, respectively, in funding compared to FY 2014-15 (Actuals).



Source: Collated from state budget documents.

CHANGES IN THE FIVE BIGGEST COMPONENTS OF CHHATTISGARH'S SOCIAL SECTOR



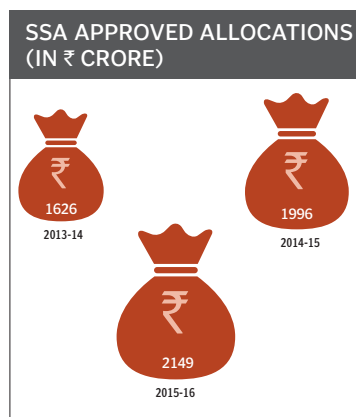
Source: Collated from state budget documents.

CENTRALLY SPONSORED SCHEMES

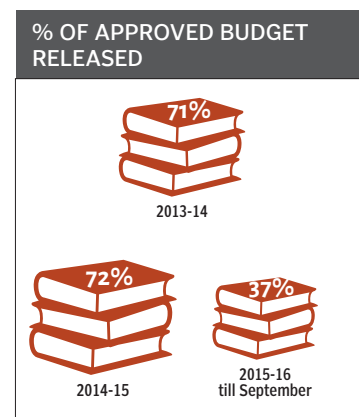
Sarva Shiksha Abhiyan (SSA)

Approved allocations for Sarva Shiksha Abhiyan (SSA) (including state shares) increased by 8 per cent from ₹1,996 crore in FY 2014-15 to ₹2,149 crore in FY 2015-16.

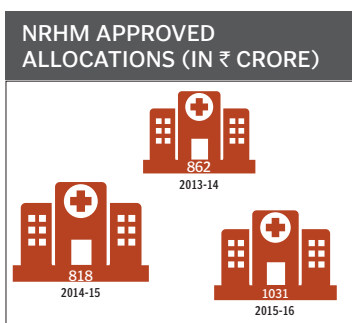
However, the release of funds has been slow. In FY 2014-15, 72 per cent of the total approved funds were released. Up to September 2015, halfway through the current financial year, releases were as low as 37 per cent. Expenditure, too, was slow. In contrast, by September 2014, 29 per cent of approved funds had been released. This suggests that fund release was faster in FY 2015-16 over FY 2014-15.



Source: RTI filed by Accountability Initiative and SSA portal.



Source: RTI filed by Accountability Initiative and SSA portal.



Source: NHM Website

National Rural Health Mission (NRHM)

Approved funds for the National Rural Health Mission (NRHM) increased marginally from ₹818 crore in FY 2014-15 to ₹1,031 crore in FY 2015-16. However, expenditure in both years has been extremely slow. In FY 2014-15 a mere 47 per cent of funds approved had been spent. A similar trend seems to be emerging in FY 2015-16. By September, the state had only spent 23 per cent of its total approved budget.