

# Andhra Pradesh Budget Analysis 2020-21

The Finance Minister, Mr. Buggana Rajendranath, presented the Budget for Andhra Pradesh for the financial year 2020-21 on June 16, 2020.

## Budget Highlights

- The **Gross State Domestic Product** of Andhra Pradesh for 2019-20 (at current prices) is projected to be Rs 9,72,782 crore.<sup>1</sup> This is 12.7% higher than the GSDP estimate for 2018-19 (Rs 8,62,957 crore).
- **Total expenditure** for 2020-21 is estimated to be Rs 2,24,789 crore, a 28.6% increase over the revised estimates of 2019-20. In 2019-20, as per the revised estimate, total expenditure is estimated to decrease by 23.3% (Rs 53,218 crore) from the budget estimate.
- **Total receipts (excluding borrowings)** for 2020-21 are estimated to be Rs 1,62,558 crore, an increase of 41.1% 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 64,071 crore (by 35.7% of the budgeted estimate).
- **Revenue deficit** for 2020-21 is targeted at Rs 18,434 crore or 1.82% of the Gross State Domestic Product (GSDP). **Fiscal deficit** is targeted at Rs 48,296 crore (4.78% of GSDP). In 2019-20, Andhra Pradesh is estimated to observe a revenue deficit of 2.47% of GSDP against a budget target of 0.16% of GSDP. Fiscal deficit is estimated to increase from the budgeted 3.26% of GSDP to 3.75% of GSDP in 2019-20.

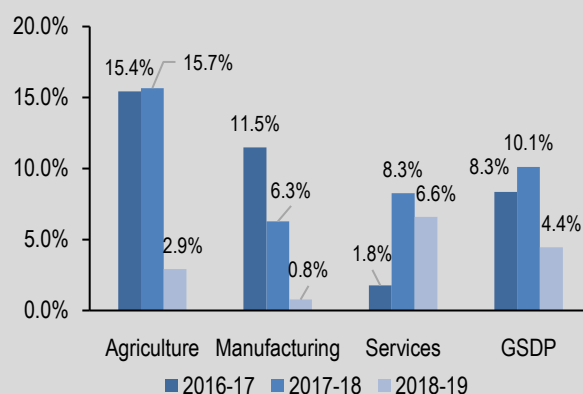
## Policy Highlights

- **Income support for women:** The YSR Cheyutha scheme will provide financial assistance of Rs 18,750 per year to women of SC, ST, BC, and minority communities for four years starting from 2020-21. Rs 3,000 crore has been allocated for this scheme.
- **Income support for street hawkers and vendors:** The Jagananna Thodu scheme will provide financial assistance of Rs 10,000 to street hawkers and vendors who belong to the poorest of poor category.
- **Agri Testing Labs:** The state government will set up 160 Dr. YSR Agri Testing Labs across the state. These labs will provide the facility for testing of seeds, pesticides, and fertilizers.
- **Multi-speciality hospitals:** The state government has proposed to set up six multi-speciality hospitals at Seethampeta, Parvatipuram, Rampachodavaram, Chintoor, K R Puram, and Srisailam.

## Andhra Pradesh's Economy

- **GSDP:** The growth rate of Andhra Pradesh's GSDP (at constant prices) was 4.4% in 2018-19.
- **Sectors:** In 2018-19, agriculture, manufacturing, and services sectors contributed to 34%, 23% and 43% of the economy. These sectors grew by 2.9%, 0.8%, and 6.6%, respectively.
- **Per capita GSDP:** The per capita GSDP of Andhra Pradesh in 2018-19 (at current prices) was Rs 1,68,083, 8% higher than the corresponding figure in 2017-18.
- **Unemployment:** According to the Periodic Labour Force Survey (2017-18), the unemployment rate in Andhra Pradesh in 2017-18 was 4.5%, as compared to 6.1% in the country.

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



Sources: MOSPI; PRS.

Note: These numbers are as per constant prices (2011-12) which implies that the growth rate is adjusted for inflation.

<sup>1</sup> This GSDP number for 2019-20 is as per the Budget Speech for 2020-21. For computing fiscal deficit, revenue deficit, and primary deficit as a percentage of GSDP for 2018-19, 2019-20, and 2020-21 everywhere in the document, GSDP values have been calculated using outstanding liabilities as a percentage of GSDP figures given in Andhra Pradesh Budget in Brief 2020-21.

## Budget Estimates for 2020-21

- The total expenditure in 2020-21 is targeted at Rs 2,24,789 crore. This is 28.6% higher than the revised estimates of 2019-20. This expenditure is proposed to be met through receipts (other than borrowings) of Rs 1,62,558 crore and borrowings of Rs 60,258 crore. Total receipts for 2020-21 (other than borrowings) are expected to be 41.1% higher than the revised estimate of 2019-20.
- As per the revised estimates of 2019-20, the receipts (other than borrowings) is estimated to reduce by 35.7% over the budget estimates. The total expenditure is estimated to decrease by 23.3% from budget to revised stage in 2019-20. The borrowing in 2019-20 is estimated to increase by 10.2% from budget to revised stage.
- In 2019-20, revenue deficit is estimated to be Rs 26,647 crore at the revised stage as compared to Rs 1,779 crore at the budget stage. Revenue deficit in 2020-21 is estimated to be Rs 18,434 crore. In 2019-20, fiscal deficit is estimated to increase by 14.8% from budget to revised stage. Fiscal deficit for 2020-21 is 19.3% higher than the revised estimates for 2019-20.

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

Items	2018-19 Actuals	2019-20 BE	2019-20 RE	% change from BE 2019- 20 to RE 2019- 20	2020-21 BE	% change from RE 2019-20 to BE 2020-21
<b>Total Expenditure</b>	<b>1,63,960</b>	<b>2,27,975</b>	<b>1,74,757</b>	<b>-23.3%</b>	<b>2,24,789</b>	<b>28.6%</b>
A. Receipts (except borrowings)	1,14,948	1,79,297	1,15,226	-35.7%	1,62,558	41.1%
B. Borrowings	38,251	46,921	51,687	10.2%	60,258	16.6%
<b>Total Receipts (A+B)</b>	<b>1,53,199</b>	<b>2,26,218</b>	<b>1,66,914</b>	<b>-26.2%</b>	<b>2,22,816</b>	<b>33.5%</b>
<b>Revenue Deficit</b>	<b>13,899</b>	<b>1,779</b>	<b>26,647</b>	<b>1,398.3%</b>	<b>18,434</b>	<b>-30.8%</b>
As % of GSDP	1.51%	0.16%	2.47%		1.82%	
<b>Fiscal Deficit</b>	<b>35,441</b>	<b>35,261</b>	<b>40,493</b>	<b>14.8%</b>	<b>48,296</b>	<b>19.3%</b>
As % of GSDP	3.86%	3.26%	3.75%		4.78%	
<b>Primary Deficit</b>	<b>20,099</b>	<b>18,017</b>	<b>24,101</b>	<b>33.8%</b>	<b>27,912</b>	<b>15.8%</b>
As % of GSDP	2.19%	1.67%	2.23%		2.76%	

Note: BE is Budget Estimates; RE is Revised Estimates. GSDP values have been calculated using outstanding liabilities as a percentage of GSDP figures given in Andhra Pradesh Budget in Brief 2020-21. Capital receipts in the Budget in Brief document is inclusive of public account receipts. The number in the above table has been computed after excluding public account receipts.

Sources: Andhra Pradesh Budget Documents 2020-21; PRS.

## Expenditure in 2020-21

- **Capital expenditure** for 2020-21 is proposed to be Rs 44,397 crore, which is an increase of 19.2% 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 the creation of assets (such as bridges and hospitals), and (ii) repayment and grant of loans by the state government.
- Andhra Pradesh's capital outlay for 2020-21 is estimated to be Rs 29,908 crore, which is 132.8% higher than the revised estimates of 2019-20. The revised estimate for capital outlay in 2019-20 is 60% lower as compared to the budget estimate.
- **Revenue expenditure** for 2020-21 is proposed to be Rs 1,80,393 crore, which is an increase of 31% over revised estimates of 2019-20. This expenditure includes the payment of salaries, interest, and subsidies.

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

Items	2018-19 Actuals	2019-20 BE	2019-20 RE	% change from BE 2019-20 to RE 2019-20	2020-21 BE	% change from RE 2019-20 to BE 2020-21
Capital Expenditure	35,390	47,499	37,239	-21.6%	44,397	19.2%
of which Capital Outlay	19,976	32,293	12,845	-60.2%	29,908	132.8%
Revenue Expenditure	1,28,569	1,80,476	1,37,518	-23.8%	1,80,393	31.2%
<b>Total Expenditure</b>	<b>1,63,960</b>	<b>2,27,975</b>	<b>1,74,757</b>	<b>-23.3%</b>	<b>2,24,789</b>	<b>28.6%</b>
A. Debt Repayment	13,545	13,417	19,035	41.9%	13,935	-26.8%
B. Interest Payments	15,342	17,244	16,393	-4.9%	20,383	24.3%
<b>Debt Servicing (A+B)</b>	<b>28,887</b>	<b>30,661</b>	<b>35,428</b>	<b>15.5%</b>	<b>34,318</b>	<b>-3.1%</b>

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

Sources: Andhra Pradesh Budget Documents 2020-21; PRS.

## Sector-wise expenditure in 2020-21

The sectors listed below account for **73%** of the total expenditure by the state in 2020-21. The expenditure on these sectors is estimated to increase by 54% in 2020-21 over the revised estimate of 2019-20. However, the expenditure on these sectors in 2019-20 is estimated to be 35% lower than the budgeted estimate. A comparison of Andhra Pradesh's expenditure on key sectors with that by other states can be found in Annexure 1.

**Table 3: Sector-wise expenditure under Andhra Pradesh Budget 2020-21 (in Rs crore)**

Sector	2018-19 Actuals	2019-20 BE	2019-20 RE	2020-21 BE	% change from 2019-20 RE to 2020-21 BE	Budget provisions for 2020-21
<b>Welfare of SC, ST, OBC and Minorities</b>	5,591	14,088	28,313	41,430	46%	<ul style="list-style-type: none"> <li>Rs 16,000 crore has been allocated to the YSR Pension Kanuka Scheme.</li> <li>Rs 6,300 crore has been allocated towards the YSR Aasara Scheme for loans to women cooperatives.</li> <li>Rs 6,000 crore and Rs 3,009 crore has been allocated to the Jagananna Amma Vodi scheme and the Jagananna Vidya Deevena scheme, respectively.</li> </ul>
<b>Education, Sports, Arts, and Culture</b>	19,586	33,410	20,330	25,517	26%	<ul style="list-style-type: none"> <li>Rs 3,000 crore has been allocated towards Naadu-Nedu scheme for upgrading school facilities.</li> <li>Rs 1,937 crore has been allocated to Samagra Shiksha Abhiyaan.</li> <li>Rs 975 crore and Rs 500 crore has been allocated towards the Jagananna Gorumudda scheme and the Jagananna Vidya Kanuka scheme, respectively.</li> </ul>
<b>Agriculture and allied activities</b>	8,766	20,558	6,912	13,563	96%	<ul style="list-style-type: none"> <li>Rs 3,615 crore has been allocated to the YSR Rythu Bharosa. Rs 3,000 crore has been allocated to the Price Stabilization Fund.</li> <li>Rs 1,100 crore has been allocated for providing interest subvention on farmer loans under YSR Interest-Free Loans to farmers. Rs 500 crore has been allocated to Pradhan Mantri Fasal Bima Yojana.</li> </ul>
<b>Rural Development</b>	8,335	10,672	8,361	13,544	62%	<ul style="list-style-type: none"> <li>Rs 3,270 crore has been allocated towards the MGNREGS scheme.</li> <li>Rs 839 crore has been allocated towards the Pradhan Mantri Gram Sadak Yojana.</li> </ul>
<b>Water Supply, Sanitation, Housing and Urban Development</b>	10,451	12,297	6,663	13,401	101%	<ul style="list-style-type: none"> <li>Rs 3,000 crore has been allocated towards YSR Gruha Vasathi. Rs 2,540 crore and Rs 500 crore has been allocated towards PMAY-Urban and PMAY-Rural, respectively.</li> </ul>
<b>Health and Family Welfare</b>	7,400	11,610	7,594	11,673	54%	<ul style="list-style-type: none"> <li>Rs 2,100 crore has been allocated towards the YSR Aarogyasri scheme for providing health insurance.</li> <li>Rs 1,808 crore has been allocated towards National Health Mission.</li> <li>Rs 1,528 crore has been allocated towards the Naadu-Nedu scheme for upgradation of hospitals.</li> </ul>
<b>Irrigation and Flood Control</b>	13,988	12,712	4,941	11,358	130%	<ul style="list-style-type: none"> <li>Rs 1,349 crore will be spent on irrigation projects in Kadapa.</li> </ul>
<b>Social Welfare and Nutrition</b>	22,744	27,461	7,958	10,795	36%	<ul style="list-style-type: none"> <li>Rs 1,340 crore has been allocated towards the Integrated Child Development Services scheme.</li> <li>Rs 1,250 crore has been allocated towards YSR Sampurna Poshana. Rs 163 crore has been allocated towards the National Nutrition Mission.</li> </ul>
<b>Energy</b>	1,903	6,623	6,860	6,796	-1%	<ul style="list-style-type: none"> <li>Rs 4,000 crore has been allocated towards Y.S.R Nine Hours Free Power Supply.</li> </ul>
<b>Transport</b>	1,990	4,267	2,135	6,250	193%	<ul style="list-style-type: none"> <li>Rs 2,357 crore has been allocated towards capital outlay on roads and bridges.</li> </ul>
<b>% of total expenditure</b>	<b>68%</b>	<b>72%</b>	<b>67%</b>	<b>73%</b>		

Sources: Andhra Pradesh Budget Documents 2020-21; PRS.

## Receipts in 2020-21

- The **total revenue receipts** for 2020-21 are estimated to be Rs 1,61,959 crore, an increase of 46.1% over the revised estimates of 2019-20. Of this, Rs 76,545 crore (47%) will be raised by the state through its **own resources**, and Rs 85,413 crore (53%) will **come from the centre** in the form of grants (33% of revenue receipts) and the state's share in central taxes (20% of revenue receipts).
- **Devolution:** In 2020-21, receipts from the state's share in central taxes are estimated to increase by 14.2% over the revised estimates of 2019-20. However, as per the revised estimates of 2019-20, the receipts from the state's share in central taxes is estimated to decrease by 19% as compared to the budget stage. This may be due to a 19% cut in the union budget for devolution to states, from Rs 8,09,133 crore at the budget stage to Rs 6,56,046 crore at the revised stage. Andhra Pradesh's share in the centre's tax revenue will decrease from 1.81% during the 2015-20 period to 1.69% for 2020-21 (a decrease of 7%) as per the recommendations of the 15th Finance Commission (Annexure 2).
- **Grants-in-aid:** Grants-in-aid from the centre is estimated to be Rs 53,175 crore, a 143% increase over the revised estimates of 2019-20. In 2019-20, as per the revised estimates, grants-in-aid is estimated to be 64% lower than budget estimates.
- **Tax Revenue:** Total own tax revenue of Andhra Pradesh is estimated to be Rs 70,679 crore in 2020-21, an increase of 23% over the revised estimates of the previous year. In 2019-20, as per the revised estimates, state's own tax revenue is estimated to be 23.8% less than the budget estimates.

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

Items	2018-19 Actuals	2019-20 BE	2019-20 RE	% change from BE 2019-20 to RE 2019- 20	2020-21 BE	% change from RE 2019-20 to BE 2020- 21
State's Own Tax	58,107	75,438	57,447	-23.8%	70,679	23.0%
State's Own Non-Tax	4,396	7,355	3,324	-54.8%	5,866	76.5%
Share in Central Taxes	32,711	34,833	28,225	-19.0%	32,238	14.2%
Grants-in-aid from Centre	19,457	61,072	21,876	-64.2%	53,175	143.1%
<b>Total Revenue Receipts</b>	<b>114,671</b>	<b>178,697</b>	<b>110,871</b>	<b>-38.0%</b>	<b>161,959</b>	<b>46.1%</b>
Borrowings	38,251	46,921	51,687	10.2%	60,258	16.6%
Other receipts	277	600	4,355	625.9%	600	-86.2%
<b>Total Capital Receipts</b>	<b>38,528</b>	<b>47,521</b>	<b>56,043</b>	<b>17.9%</b>	<b>60,858</b>	<b>8.6%</b>
<b>Total Receipts</b>	<b>153,199</b>	<b>226,218</b>	<b>166,914</b>	<b>-26.2%</b>	<b>222,816</b>	<b>33.5%</b>

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

Sources: Andhra Pradesh Budget Documents 2020-21; PRS.

- In 2020-21, Sales Tax and VAT is estimated to be the largest source of own tax revenue (36.4% of total own tax revenue). Sales Tax and VAT collection is estimated to increase by 21.2% over the revised estimates of the previous year.
- In 2020-21, Andhra Pradesh is expected to generate Rs 25,604 crore through the levy of SGST, an increase of 26.6% over the revised estimates of 2019-20. In 2019-20, SGST collection is estimated to decline by 25% over the budget estimates.
- Rs 7,931 crore is estimated to come from state excise duty in 2020-21, an increase of 14.7% over the revised estimates of the previous year.

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

Head	2018-19 Actuals	2019-20 BE	2019-20 RE	% change from BE 2019-20 to RE 2019-20	2020-21 BE	% change from RE 2019-20 to BE 2020-21	% of Revenue Receipts in 2020-21
Sales Tax and VAT	21,914	28,000	21,238	-24.2%	25,743	21.2%	15.9%
State GST	20,611	27,000	20,227	-25.1%	25,604	26.6%	15.8%
State Excise Duty	6,220	8,518	6,915	-18.8%	7,931	14.7%	4.9%
Stamps Duty and Registration Fees	5,428	6,600	5,318	-19.4%	6,337	19.1%	3.9%
Taxes on Vehicle	3,341	4,000	3,279	-18.0%	4,463	36.1%	2.8%
Land Revenue	57	300	21	-92.9%	32	50.2%	0.0%
Taxes and Duties on Electricity	11	100	11	-88.7%	13	17.3%	0.0%

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

Sources: Andhra Pradesh Budget Documents 2020-21; PRS.

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

The Andhra Pradesh 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 Balance:** It is the difference of revenue expenditure and revenue receipts. A revenue deficit implies that the government needs to borrow to finance its expenses which do not create capital assets. Once the revenue deficit is accounted for, only then the borrowings can be used for capital investments. A revenue surplus implies that the revenue receipts of state are sufficient to meet the revenue expenditure requirements. The 14<sup>th</sup> Finance Commission had recommended that states should eliminate revenue deficit.

The budget estimates a revenue deficit of Rs 18,434 crore (or 1.82% of GSDP) in 2020-21. The 15<sup>th</sup> Finance Commission has recommended a revenue deficit grant of Rs 5,897 crore for Andhra Pradesh for 2020-21.

**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, the fiscal deficit is estimated to be Rs 48,296 crore (4.78% of GSDP). The estimate is higher than the 3% limit as per the FRBM Act.

Given the situation due to COVID-19 pandemic, the central government has permitted increasing the fiscal deficit limit for a state from 3% to 5% in 2020-21. This 5% includes an unconditional increase of the limits up to 3.5% of GSDP, followed by 0.25% increase each linked to reforms on: (i) universalisation of 'one nation one ration card', (ii) ease of doing business, (iii) power distribution and (iv) urban local body revenues. An additional increase of 0.5% will be permitted if three out of four reforms are achieved.

As per the revised estimates, in 2019-20, the fiscal deficit of the state is expected to be 3.75% of GSDP, higher than the budget estimate at 3.26%.

**Outstanding liabilities:** Outstanding liabilities is the accumulation of borrowings over the years. In 2020-21, the outstanding liabilities are expected to be 34.6% of the GSDP, higher than that in 2019-20 (28% of GSDP). This is higher than the average level of outstanding liabilities of 29 states in 2019-20 (24.6% of their GSDP).

**Outstanding government guarantees:** Outstanding liabilities of states do not include a few other liabilities that are contingent in nature, which states may have to honour in certain cases. For example, state governments guarantee the borrowings of State Public Sector Enterprises (SPSEs) from financial institutions. The total outstanding government guarantees of the state at the end of 2019-20 is estimated at Rs 67,171 crore (6% of GSDP).

### Debt Servicing

In 2020-21, Andhra Pradesh is expected to spend Rs 34,318 crore on servicing its debt. This is 3.1% less than the revised estimates of 2019-20. This includes Rs 13,935 crore towards repaying loans (41% of total), and Rs 20,383 crore towards interest payments (59% of total).

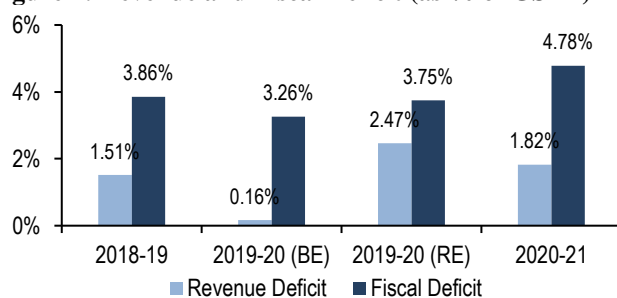
**Table 6: Budget targets for deficits for Andhra Pradesh in 2020-21 (% of GSDP)**

Year	Revenue Deficit	Fiscal Deficit	Outstanding Liabilities
2018-19	1.51%	3.86%	28.0%
2019-20 (BE)	0.16%	3.26%	27.0%
2019-20 (RE)	2.47%	3.75%	28.0%
2020-21 (BE)	1.82%	4.78%	34.6%

Note: GSDP values have been calculated using outstanding liabilities as a percentage of GSDP figures given in Andhra Pradesh Budget in Brief 2020-21. Outstanding liabilities include liabilities on public accounts.

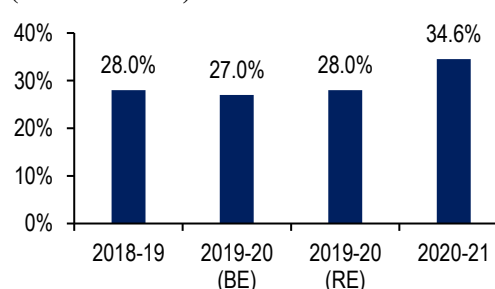
Sources: Andhra Pradesh Budget Documents 2020-21; PRS.

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



Sources: Andhra Pradesh Budget Documents; PRS.

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



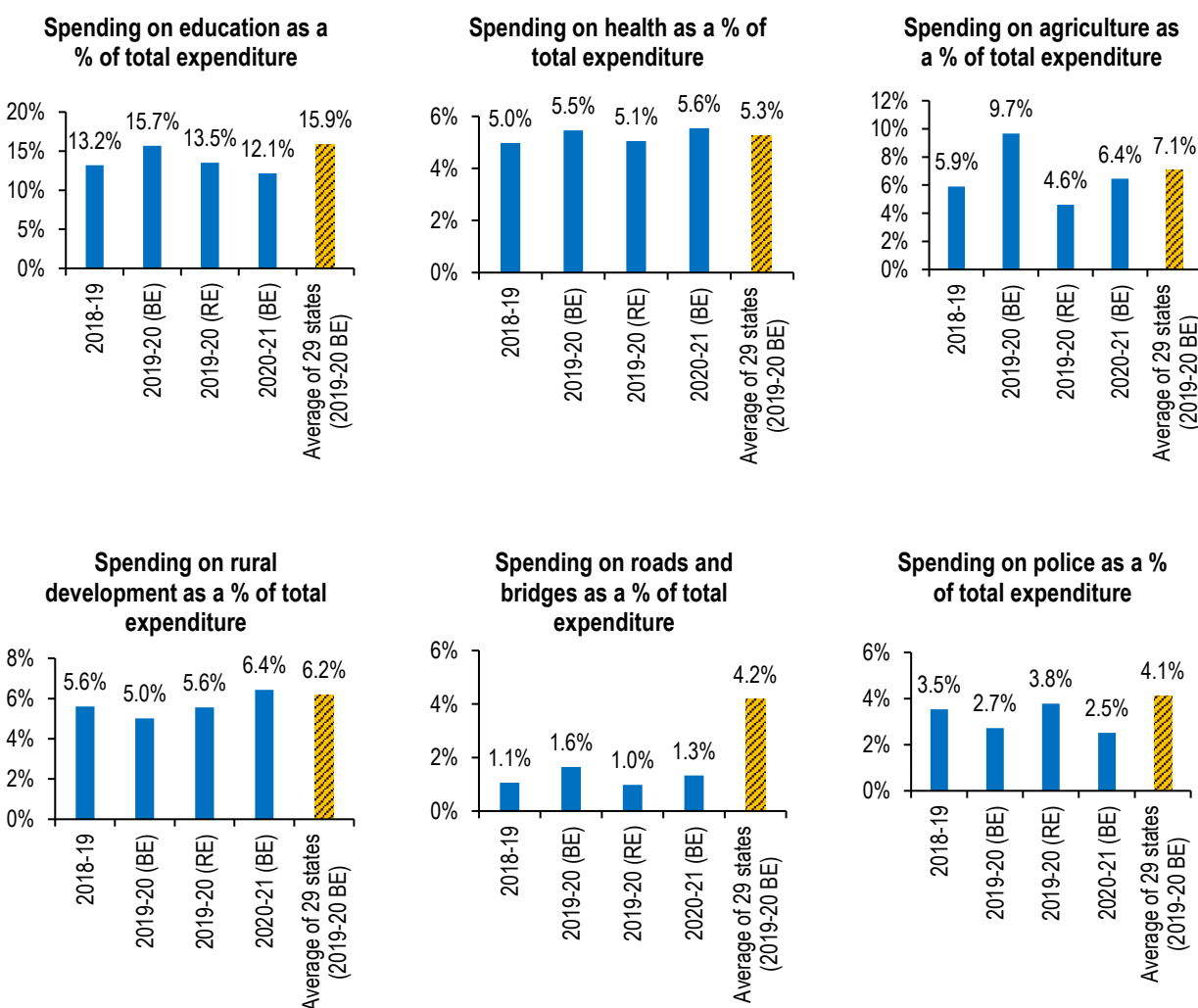
Sources: Andhra Pradesh Budget Documents; PRS.

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

The graphs below compare Andhra Pradesh'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 29 states as per their budget estimates of 2019-20.<sup>2</sup>

- **Education:** Andhra Pradesh has allocated 12.1% of its total budget for education in 2020-21. This is lower than the average expenditure (15.9%) allocated for education by states (using 2019-20 BE).
- **Health:** Andhra Pradesh has allocated 5.6% of its total budget on health, which is marginally higher than the average allocation for health by states (5.3%).
- **Agriculture:** The state has allocated 6.4% of its total expenditure towards agriculture and allied activities. This is lower than the average allocated by states (7.1%).
- **Rural development:** Andhra Pradesh has allocated 6.4% of its expenditure on rural development. This is marginally higher than the average allocation for rural development by states (6.2%).
- **Roads and bridges:** Andhra Pradesh has allocated 1.3% of its total expenditure on roads and bridges, which is significantly lower than the average expenditure of 29 states (4.2%).
- **Police:** Andhra Pradesh has allocated 2.5% of its total expenditure on police, which is lower than the average allocation for police by states (4.1%).



Note: 2018-19, 2019-20 (BE), 2019-20 (RE), and 2020-21 (BE) figures are for Andhra Pradesh.  
Sources: Annual Financial Statement (2019-20 and 2020-21), various state budgets; PRS.

<sup>2</sup> The 28 other states include all states except Manipur. It includes the Union Territory of Delhi and erstwhile state of Jammu and Kashmir.

## Annexure 2: Recommendations of the 15<sup>th</sup> Finance Commission 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>3</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 1.69% share for Andhra Pradesh in the centre's tax revenue for 2020-21 (a decrease of 7% over the 14<sup>th</sup> FC period). This implies that out of every Rs 100 of centre's tax revenue in 2020-21, Andhra Pradesh will receive Rs 1.69. Table 7 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
<b>Andhra Pradesh</b>	<b>1.81</b>	<b>1.69</b>	<b>-7%</b>	<b>28,242</b>	<b>32,238</b>	<b>14%</b>
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%
Tamil Nadu	1.69	1.72	2%	26,392	32,849	24%
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 Andhra Pradesh will receive Rs 5,897 crore, (ii) Rs 90,000 crore as grants to local bodies, of which Andhra Pradesh will receive Rs 3,889 crore, and (iii) Rs 22,184 crore as the centre's grants to disaster management, out of which Andhra Pradesh will receive Rs 1,119 crore.

<sup>3</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 accounted for 15% of the estimated gross tax revenue of the central government.