

Chhattisgarh Budget Analysis 2025-26

The Finance Minister of Chhattisgarh, Mr O.P. Choudhary, presented the Budget for the state for the financial year 2025-26 on March 3, 2025.

Budget Highlights

- The **Gross State Domestic Product (GSDP)** of Chhattisgarh for 2025-26 (at current prices) is projected to be Rs 6.35 lakh crore, amounting to growth of 12% over 2024-25.
- **Expenditure (excluding debt repayment)** in 2025-26 is estimated to be Rs 1,65,000 crore, an increase of 9% from the revised estimates of 2024-25. In addition, debt of Rs 11,337 crore will be repaid by the state.
- **Receipts (excluding borrowings)** for 2025-26 are estimated to be Rs 1,41,100 crore, an increase of 16% as compared to the revised estimate of 2024-25.
- **Revenue surplus** in 2025-26 is estimated to be 0.4% of GSDP (Rs 2,804 crore). In 2024-25, the state is estimated to incur a revenue deficit of 1.3% of GSDP (Rs 7,206 crore), against the budget target of revenue surplus of 0.2% of GSDP.
- **Fiscal deficit** for 2025-26 is targeted at 3.8% of GSDP (Rs 23,900 crore). In 2024-25, as per the revised estimates, fiscal deficit is expected to be 5.3% of GSDP, higher than the budget target of 3.8% of GSDP.

Policy Highlights

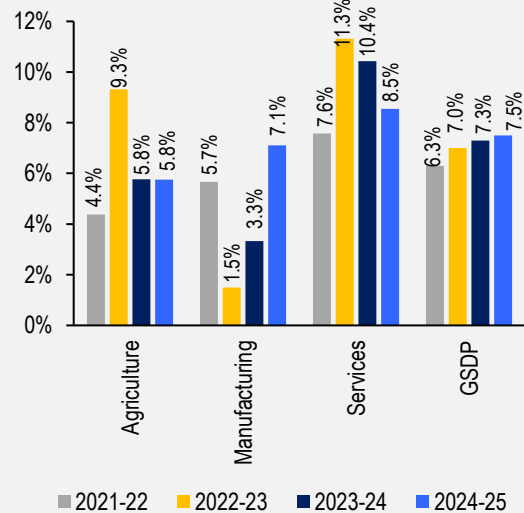
- **Education:** Education city will be established in Nava Raipur. Six new physiotherapy colleges and 12 new nursing colleges will be set up. National Institute of Fashion Technology will be established in the state.
- **Connectivity:** Mukhya Mantri Mobile Tower Scheme will be launched to provide mobile network connectivity in remote areas.
- **Tax Proposals:** VAT liabilities of up to Rs 25,000 which have been pending for over 10 years will be waived off for small traders. VAT on petrol will be reduced by one rupee per litre. Cess on stamp duty for immovable property transactions will be removed.
- **Inter-linking of rivers:** Survey for interlinking of Mahanadi-Indravati and Sikaskar-Kodar rivers will be started.

Chhattisgarh's Economy

- **GSDP:** In 2024-25, Chhattisgarh's GSDP (at constant prices) is estimated to grow by 7.5% over the previous year. In comparison, India's GDP is estimated to grow by 9.2% in 2024-25.
- **Sectors:** The agriculture sector (at constant prices) is estimated to grow at 5.8% over 2023-24. Manufacturing sector is estimated to grow by 7.1%. In 2023-24, it had grown by 3.3%. The services sector is estimated to grow by 8.5% in 2024-25, slower than the previous year (10.4%).

In 2024-25, agriculture, manufacturing, and services sectors are estimated to contribute 27%, 36%, and 37% of Chhattisgarh's economy, respectively (at current prices).
- **Per capita GSDP:** In 2024-25, Chhattisgarh's per capita GSDP (at current prices) is estimated to be Rs 1,62,870, an increase of 9.4% over 2023-24. In 2024-25, India's per capita GDP is estimated at Rs 1,33,488, an increase of 5.5% over the previous year.

Figure 1: Growth in Chhattisgarh'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: Economic Survey 2024-25, Chhattisgarh Budget Documents 2025-26; PRS.

Budget Estimates for 2025-26

- **Total expenditure (excluding debt repayment)** in 2025-26 is targeted at Rs 1,65,000 crore. This is an increase of 9% over the revised estimate of 2024-25. This expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 1,41,000 crore and net borrowings of Rs 23,000 crore. Total receipts for 2025-26 (other than borrowings) are expected to register an increase of 16% over the revised estimate of 2024-25.
- In 2025-26, the state has estimated a **revenue surplus** of 0.4% of GSDP (Rs 2,804 crore). In 2024-25, as per revised estimates, the state has estimated a revenue deficit (1.3% of GSDP) against a budget target of revenue surplus (0.2% of GSDP). This is due to an increase estimated in revenue expenditure of Rs 3,566 crore over the budget estimate, whereas revenue receipts are estimated to be lower than budgeted by Rs 4,700 crore.
- **Fiscal deficit** for 2025-26 is targeted at 3.8% of GSDP (Rs 23,900 crore), lower than the revised estimates for 2024-25 (5.3% of GSDP). In 2024-25, fiscal deficit is estimated to be significantly higher than the budget estimate (3.8% of GSDP). One of the reasons for higher fiscal deficit in 2024-25 is higher than budgeted central loans for capital expenditure.

Table 1: Budget 2025-26 - Key figures (in Rs crore)

Items	2023-24 Actuals	2024-25 Budgeted	2024-25 Revised	% change from BE 24-25 to RE 24-25	2025-26 Budgeted	% change from RE 24-25 to BE 25-26
Total Expenditure	1,54,584	1,56,801	1,61,060	3%	1,76,337	9%
(-) Repayment of debt	24,113	9,360	9,360	0%	11,337	21%
Net Expenditure (E)	1,30,471	1,47,440	1,51,700	3%	1,65,000	9%
Total Receipts	1,57,584	1,55,160	1,60,373	3%	1,75,437	9%
(-) Borrowings	54,050	29,110	39,023	34%	34,337	-12%
of which central capex loans*	3,365	3,400	6,200	82%	4,000	-35%
Net Receipts (R)	1,03,534	1,26,050	1,21,350	-4%	1,41,100	16%
Fiscal Deficit (E-R)**	26,938	21,390	30,350	42%	23,900	-21%
as % of GSDP	5.3%	3.8%	5.3%		3.8%	
Revenue Balance#	-11,233	1,060	-7,206	-780%	2,804	-139%
as % of GSDP	-2.2%	0.2%	-1.3%		0.4%	
Primary Deficit	20,139	13,459	21,334	59%	14,385	-33%
as % of GSDP	3.9%	2.4%	3.8%		2.3%	
GSDP	5,12,107	5,61,736	5,67,880	1%	6,35,917	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.

Negative revenue balance indicates revenue deficit, positive indicates surplus. ** For arriving at fiscal deficit, the state government has included public account receipts as non-debt capital receipts, and treated special loan from centre for capex as grants. This leads to a lower fiscal deficit. For our calculations, public account receipts have not been considered.

Sources: Annual Financial Statement, Chhattisgarh Budget Documents 2025-26; PRS.

Expenditure in 2025-26

- **Revenue expenditure** for 2025-26 is proposed to be Rs 1,38,196 crore, an increase of 8% over the revised estimate of 2024-25. This includes the expenditure on salaries, pension, interest, grants, and subsidies.
- **Capital outlay** for 2025-26 is proposed to be Rs 26,341 crore, an increase of 15% from the revised estimate of 2024-25. Capital outlay indicates the expenditure towards creation of assets.
- In 2025-26, loans and advances by the state are expected to be Rs 463 crore, an increase of 55% over the revised estimate of 2024-25.

Expenditure on Mahtari Vandan Yojana

Chhattisgarh has allocated Rs 5,500 crore for the Mahtari Vandan Yojana in 2025-26, which is 3.9% of its revenue receipts. Under this scheme, eligible married women are provided financial assistance of Rs 1,000 per month. The scheme was announced in 2024 and Rs 3,000 crore were allocated under the scheme in 2024-25. Several other states are now implementing cash transfer schemes for women including Maharashtra, West Bengal, and Karnataka.

Table 2: Expenditure budget 2025-26 (in Rs crore)

Items	2023-24 Actuals	2024-25 Budgeted	2024-25 Revised	% change from BE 24-25 to RE 24-25	2025-26 Budgeted	% change from RE 24-25 to BE 25-26
Revenue Expenditure	1,14,741	1,24,840	1,28,406	3%	1,38,196	8%
Capital Outlay	15,419	22,300	22,994	3%	26,341	15%
Loans given by the state	311	300	300	0%	463	55%
Net Expenditure	1,30,471	1,47,440	1,51,700	3%	1,65,000	9%

Sources: Annual Financial Statement, Chhattisgarh Budget Documents 2025-26; 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 2025-26, Chhattisgarh is estimated to spend Rs 56,793 crore on committed expenditure, which is 40% of its estimated revenue receipts. This comprises spending on salaries (26% of revenue receipts), pension (7%), and interest payments (7%). In 2023-24, as per actual figures, 43% of revenue receipts were spent on committed expenditure. In 2024-25, spending on salaries is estimated to be 12% lower than budgeted.

Table 3: Committed Expenditure in 2025-26 (in Rs crore)

Committed Expenditure	2023-24 Actuals	2024-25 Budgeted	2024-25 Revised	% change from BE 24-25 to RE 24-25	2025-26 Budgeted	% change from RE 24-25 to BE 25-26
Salaries	28,405	36,387	32,182	-12%	36,945	15%
Pension	9,112	7,737	7,737	0%	10,334	34%
Interest payment	6,798	7,931	9,015	14%	9,515	6%
Total	44,315	52,055	48,934	-6%	56,793	16%

Sources: Annual Financial Statement, Chhattisgarh Budget Documents 2025-26; PRS.

Sector-wise expenditure: The sectors listed below account for **73%** of the total expenditure on sectors by the state in 2025-26. A comparison of Chhattisgarh's expenditure on key sectors with that by other states is shown in Annexure 1.

Table 4: Sector-wise expenditure under Chhattisgarh Budget 2025-26 (in Rs crore)

Sectors	2023-24 Actuals	2024-25 BE	2024-25 RE	2025-26 BE	% change from RE 24-25 to BE 25-26	Budget Provisions (2025-26)
Agriculture and Allied Activities	33,299	23,357	25,646	26,754	4%	<ul style="list-style-type: none"> Rs 10,000 crore has been allocated towards the Krishak Unnati Yojana.
Education, Sports, Arts, and Culture	21,281	25,340	23,339	26,730	15%	<ul style="list-style-type: none"> Rs 5,394 crore has been allocated for Higher Secondary Schools. Rs 5,859 crore has been allocated for Government Primary Schools.
Health and Family Welfare	6,907	10,459	10,420	11,205	8%	<ul style="list-style-type: none"> Rs 1,850 crore has been allocated towards the National Health Mission. Rs 1,500 crore has been allocated towards Shahid Veernarayan Singh Ayushman Swasthya Yojana.
Social Welfare and Nutrition	5,765	8,073	10,095	10,710	6%	<ul style="list-style-type: none"> Rs 5,500 crore has been allocated for the Mahatari Vandan Yojana.
Housing	3,473	8,548	8,397	9,138	9%	<ul style="list-style-type: none"> Rs 8,500 crore has been allocated towards Pradhan Mantri Awas Yojana – Gramin.
Transport	5,202	6,939	7,492	8,537	14%	<ul style="list-style-type: none"> Rs 7,186 crore has been allocated towards capital outlay on roads and bridges.
Police	5,336	7,134	6,781	7,897	16%	<ul style="list-style-type: none"> Rs 4,012 crore has been allocated towards District Police.
Rural Development	5,447	7,414	7,747	7,627	-2%	<ul style="list-style-type: none"> Rs 2,800 crore has been allocated towards National Rural Employment Guarantee Scheme. Rs 800 crore has been allocated for the National Rural Ajeevika Mission.
Energy	7,794	7,224	8,366	6,248	-25%	<ul style="list-style-type: none"> Rs 3,500 crore has been allocated for grants for free electricity for agricultural pumps.
Urban Development	3,482	5,296	6,042	5,601	-7%	<ul style="list-style-type: none"> Rs 947 crore has been allocated towards Naya Raipur Atal Nagar Vikas Pradhikaran.
% of total expenditure on all sectors	75%	75%	76%	73%		

Sources: Annual Financial Statement, Chhattisgarh Budget Documents 2025-26; PRS.

Receipts in 2025-26

- **Total revenue receipts** for 2025-26 are estimated to be Rs 1,41,000 crore, an increase of 16% over the revised estimate of 2024-25. Of this, Rs 76,000 crore (54%) will be raised by the state through its **own resources**, and Rs 65,000 crore (46%) will come **from the centre**. Resources from the centre will be in the form of state's share in central taxes (35% of revenue receipts) and grants (11% of revenue receipts).
- **Devolution:** In 2025-26, the state's share in central taxes is estimated at Rs 50,000 crore, an increase of 14% over the revised estimate of 2024-25.
- **Grants from the centre** in 2025-26 are estimated at Rs 15,000 crore, an increase of 11% over the revised estimates for 2024-25.
- **State's own tax revenue:** Chhattisgarh's total own tax revenue is estimated to be Rs 54,000 crore in 2025-26, an increase of 17% over the revised estimate of 2024-25. Own tax revenue as a percentage of GSDP is estimated at 8.5% in 2025-26, higher than the revised estimates for 2024-25 (8.1%). As per the actual figures, own tax revenue in 2023-24 was 7.6% of GSDP.

Table 5: Break-up of the state government's receipts (in Rs crore)

Items	2023-24 Actuals	2024-25 Budgeted	2024-25 Revised	% change from BE 2024-25 to RE 2024-25	2025-26 Budgeted	% change from RE 2024-25 to BE 2025-26
State's Own Tax	38,786	49,700	46,200	-7%	54,000	17%
State's Own Non-Tax	15,148	18,700	17,500	-6%	22,000	26%
Share in Central Taxes	38,482	44,000	44,000	0%	50,000	14%
Grants-in-aid from Centre	11,092	13,500	13,500	0%	15,000	11%
Revenue Receipts	1,03,508	1,25,900	1,21,200	-4%	1,41,000	16%
Non-debt Capital Receipts	30	150	150	0%	100	-33%
Net Receipts	1,03,538	1,26,050	1,21,350	-3.7%	1,41,100	16%

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

Sources: Annual Financial Statement, Chhattisgarh Budget Documents 2025-26; PRS.

- In 2025-26, **State GST** is estimated to be the largest source of own tax revenue (34% share). State GST revenue is estimated to increase by 10% over the revised estimates of 2024-25.
- Revenue from Sales tax/ VAT in 2025-26 is expected to register an increase of 35% over the revised estimate for 2024-25. In 2024-25, revenue from this source is estimated to be 35% lower than the budget estimate.
- Revenue from state excise duty is estimated to register an increase of 19% over the revised estimate for 2024-25. Stamp duty and registration fees, and taxes on vehicles are expected to increase by 25% and 20%, respectively.

Table 6: Major sources of state's own-tax revenue (in Rs crore)

Head	2023-24 Actuals	2024-25 Budgeted	2024-25 Revised	% change from BE 2024-25 to RE 2024-25	2025-26 Budgeted	% change from RE 2024-25 to BE 2025-26
State GST	13,793	17,446	16,919	-3%	18,611	10%
State Excise	8,430	11,000	10,500	-5%	12,500	19%
Sales Tax/ VAT	6,513	9,960	6,490	-35%	8,789	35%
Stamps Duty and Registration Fees	2,494	2,800	3,200	14%	4,000	25%
Taxes on Vehicles	2,048	2,200	2,500	14%	3,000	20%
Taxes and Duties on Electricity	4,585	5,000	5,500	10%	6,000	9%
Land Revenue	848	1,200	1,000	-17%	1,000	0%

Sources: Annual Financial Statement, Revenue Budget, Chhattisgarh Budget Documents 2025-26; PRS.

Deficits, Debt, and FRBM Targets for 2025-26

The Chhattisgarh Fiscal Responsibility and Budget Management Act, 2005 provides annual targets to progressively reduce the outstanding debt, 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 reduces its liabilities. The budget estimates a revenue surplus of Rs 2,804 crore (or 0.4% of the GSDP) in 2024-25.

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 2025-26, the fiscal deficit is estimated to be 3.8% of GSDP. For 2025-26, the central government has permitted fiscal deficit of up to 3% of GSDP to states. Additional borrowing space up to 0.5% of GSDP will also be available for undertaking certain power sector reforms. 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. In 2025-26, the state is estimated to receive Rs 4,000 crore as loans under this head for capital expenditure. This is about 0.6% of the state's GSDP, bringing down the fiscal deficit of the state to 3.1% of the GSDP in 2025-26.

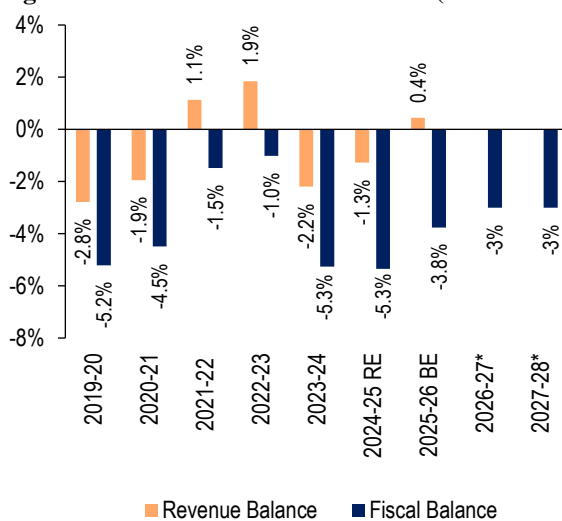
As per the revised estimates, in 2024-25, the fiscal deficit of the state is expected to be 5.3% of GSDP. This is higher than the budget estimate of 3.8% of GSDP.

Outstanding debt: Outstanding debt is the accumulation of total borrowings at the end of a financial year. At the end of 2025-26, the outstanding debt is estimated to be 29.6% of GSDP, higher than the revised estimate for 2024-25 (28.9% of GSDP). The state aims to bring down its outstanding debt to 24% of GSDP by 2027-28.

Revenue Balance of Chhattisgarh

The state has estimated a revenue deficit of 1.3% of its GSDP (Rs 7,206 crore) in 2024-25, according to the revised figures. This is significantly higher than the estimated revenue surplus of 0.2% of the GSDP at the budget stage. In 2023-24, as against a budgeted revenue surplus of Rs 3,500 crore, the state had recorded a revenue deficit of Rs 11,233 crore. According to the RBI, since 2004-25, the state has recorded a revenue surplus in all years except for four years when it recorded a revenue deficit. Chhattisgarh recorded revenue deficits recently in three years since 2019-20. The 13th Finance Commission had observed that states should target to eliminate revenue deficits in the long run.

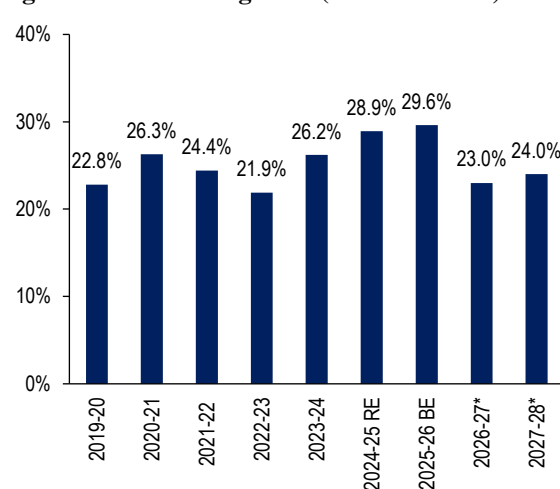
Figure 2: Revenue and Fiscal Balance (% of GSDP)



Note: *Figures from 2026-27 onwards are projections. RE is Revised Estimates; BE is budget estimates. Negative figures indicate a deficit.

Sources: Medium Term Fiscal Policy, Chhattisgarh Budget Documents 2025-26; PRS.

Figure 3: Outstanding Debt (as % of GSDP)



Note: RE is Revised Estimates; BE is budget estimates. Sources: Medium Term Fiscal Policy, Chhattisgarh Budget Documents 2025-26; PRS.

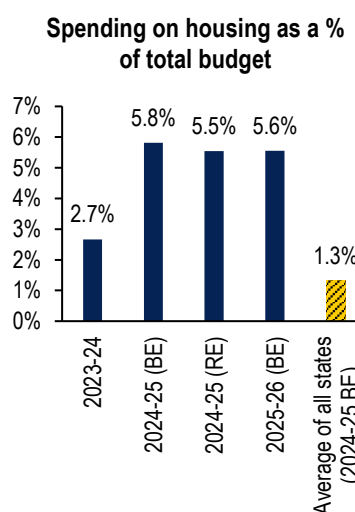
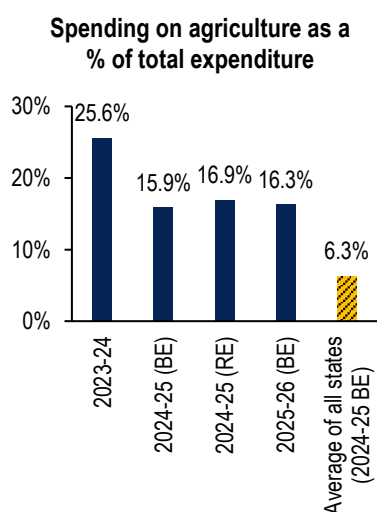
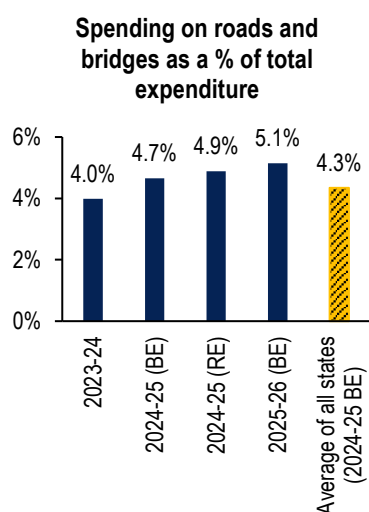
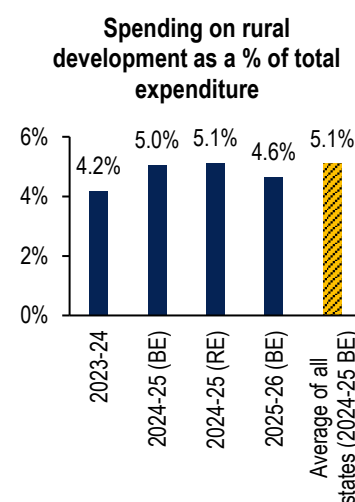
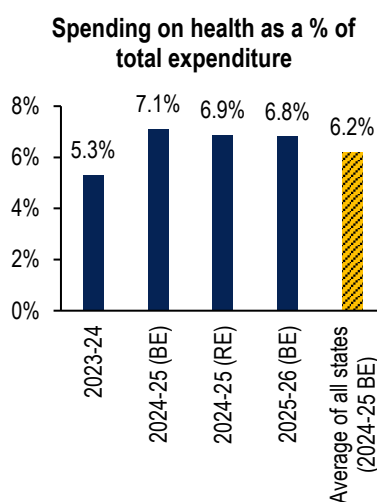
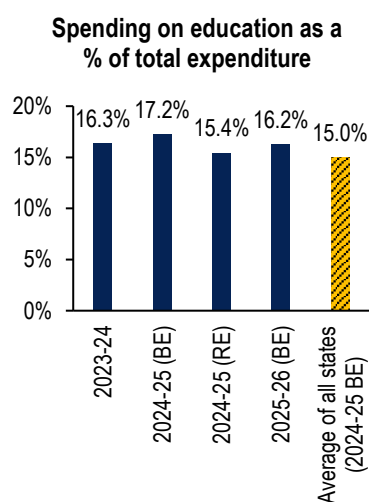
Outstanding Government Guarantees: Outstanding debt of states do not include a few other liabilities that are contingent in nature, which states may have to honour in certain cases. State governments guarantee the borrowings of State Public Sector Enterprises (SPSEs) from financial institutions. As of March 2024, the state's outstanding guarantee is estimated to be Rs 20,392 crore, which is 4% of Chhattisgarh's GSDP.

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Annexure 1: Comparison of states' expenditure on key sectors

The graphs below compare Chhattisgarh's expenditure in 2025-26 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 Chhattisgarh) as per their budget estimates of 2024-25.¹

- **Education:** Chhattisgarh has allocated 16.2% of its expenditure on education in 2025-26. This is higher than the average allocation for education by states in 2024-25 (15%).
- **Health:** Chhattisgarh has allocated 6.8% of its expenditure on health in 2025-26. This is higher than the average allocation for health by states in 2024-25 (6.2%).
- **Rural development:** Chhattisgarh has allocated 4.6% of its expenditure on rural development in 2025-26. This is lower than the average allocation for rural development by states in 2024-25 (5.1%).
- **Roads and bridges:** Chhattisgarh has allocated 5.1% of its expenditure on roads and bridges in 2025-26. This is higher than the average allocation for roads and bridges by states in 2024-25 (4.3%).
- **Agriculture:** Chhattisgarh has allocated 16.3% of its expenditure on agriculture in 2025-26. This is significantly higher than the average allocation for agriculture by states in 2024-25 (6.3%).
- **Housing:** Chhattisgarh has allocated 5.6% of its expenditure on housing in 2025-26. This is higher than the average allocation for housing by states in 2024-25 (1.3%).



Note: 2023-24, 2024-25 (BE), 2024-25 (RE), and 2025-26 (BE) figures are for Chhattisgarh.

Sources: Annual Financial Statement, Chhattisgarh Budget Documents 2025-26; various state budgets; PRS.

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

Annexure 2: Comparison of 2023-24 Budget Estimates and Actuals

The following tables compare the actuals of 2023-24 with budget estimates for that year.

Table 7: Overview of Receipts and Expenditure (in Rs crore)

Particular	2023-24 BE	2023-24 Actuals	% change from BE to Actuals
Net Receipts (1+2)	1,06,301	1,03,534	-3%
1. Revenue Receipts (a+b+c+d)	1,06,001	1,03,508	-2%
a. Own Tax Revenue	38,000	38,786	2%
b. Own Non-Tax Revenue	18,200	15,148	-17%
c. Share in central taxes	34,801	38,482	11%
d. Grants-in-aid from the Centre	15,000	11,092	-26%
2. Non-Debt Capital Receipts	300	26	-91%
3. Borrowings	19,042	54,050	184%
Of which central capex loans	4,600	3,365	-27%
Net Expenditure (4+5+6)	1,21,495	1,30,471	7%
4. Revenue Expenditure	1,02,501	1,14,741	12%
5. Capital Outlay	18,660	15,419	-17%
6. Loans and Advances	334	311	-7%
7. Debt Repayment	7,542	24,113	220%
Revenue Balance	3,500	-11,233	-421%
Revenue Balance (as % of GSDP)	0.7%	-2.2%	
Fiscal Deficit	15,194	26,938	77%
Fiscal Deficit (as % of GSDP)	3.0%	5.3%	

Source: Chhattisgarh Budget Documents of various years; PRS.

Table 8: Key Components of State's Own Tax Revenue

Tax Source/Head	2023-24 BE	2023-24 Actuals	% change from BE to Actuals
Land Revenue	1,200	848	-29%
Sales Tax/ VAT	7,900	6,513	-18%
State GST	14,028	13,793	-2%
Stamps Duty and Registration Fees	2,500	2,494	0%
Taxes on Vehicles	1,900	2,048	8%
Taxes and Duties on Electricity	3,700	4,585	24%
State Excise	6,700	8,430	26%

Source: Chhattisgarh Budget Documents of various years; PRS.

Table 9: Allocation towards Key Sectors

Sector	2023-24 BE	2023-24 Actuals	% change from BE to Actuals
Welfare of SC, ST, OBC, and Minorities	1,118	552	-51%
Irrigation and Flood Control	3,364	2,076	-38%
Transport	6,617	5,202	-21%
<i>of which Roads and Bridges</i>	6,595	5,193	-21%
Urban Development	4,344	3,482	-20%
Police	6,189	5,336	-14%
Health and Family Welfare	7,842	6,907	-12%
Education, Sports, Arts, and Culture	23,493	21,281	-9%
Rural Development	5,920	5,447	-8%
Housing	3,335	3,473	4%
Water Supply and Sanitation	3,178	3,653	15%
Social Welfare and Nutrition	4,581	5,765	26%
Energy	5,860	7,794	33%
Agriculture and Allied Activities	19,896	33,299	67%

Source: Chhattisgarh Budget Documents of various years; PRS.