

Jharkhand Budget Analysis 2020-21

The Finance Minister, Dr. Rameshwar Oraon, presented the Budget for Jharkhand for the financial year 2020-21 on March 3, 2020.

Budget Highlights

- The **Gross State Domestic Product** of Jharkhand for 2020-21 (at current prices) is projected to be Rs 3,83,233 crore. This is 11.9% higher than the revised estimates for 2019-20. GSDP for 2019-20 (at current prices) is estimated to be 24% higher than that in 2018-19.
- **Total expenditure** for 2020-21 is estimated to be Rs 86,370 crore, a 1.7% increase over the revised estimates of 2019-20. In 2019-20, total expenditure is estimated to decrease by 0.6% (Rs 515 crore) from the budget estimates.
- **Total receipts (excluding borrowings)** for 2020-21 are estimated to be Rs 75,370 crore, an increase of 3.4% as compared to the revised estimates of 2019-20. In 2019-20, total receipts (excluding borrowings) are estimated to fall short of the budgeted estimate by Rs 1,515 crore (2% of the budgeted estimates).
- **Revenue surplus** for 2020-21 is targeted at Rs 1,993 crore or 0.52% of the Gross State Domestic Product (GSDP). Revenue surplus is estimated to decline by 69% over the revised estimates of the previous year (Rs 6,542 crore). **Fiscal deficit** is targeted at Rs 8,243 crore (2.15% of GSDP).
- In 2020-21, the highest increase in allocations was observed in Health and Family Welfare (26%), Education (16%), and Welfare of SC/ST/OBC and Minorities (13%) sectors over the revised estimates of the previous year. Significant decrease in allocation was observed in the sectors of Irrigation (34%) and Transport (21%).

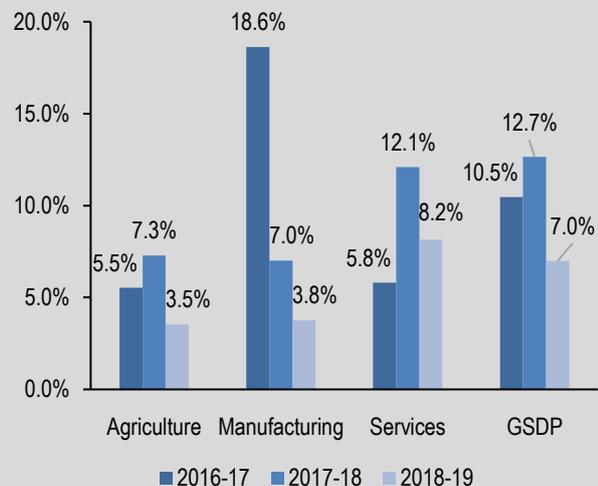
Policy Highlights

- **Debt relief to farmers:** A new schemes named Alpkaleen Krishi Rin Rahat Yojana will be launched to provide debt relief to farmers. In 2020-21, Rs 2,000 crore has been allocated to this scheme. Jharkhand State Farmers' Relief Fund will be established after incorporating changes in the PradhanMantri Fasal Beema Yojana.
- **Healthcare:** 100 mohalla clinics will be opened in slum areas in urban centres. Under a pilot project, healthcare services will be provided through mobile clinics in rural areas of districts with a significant tribal population. Special doctors as well as other doctors, employed in remote areas, will be provided with financial benefits worth Rs 40,000 and Rs 25,000 per month respectively.
- **Energy and transport:** Free electricity up to 100 units will be provided to domestic consumers with usage of up to 300 units. Jharkhand Mukhyamantri Grameen Parivahan Yojana 2020 will be launched to provide transport facilities in rural areas at subsidised prices.

Jharkhand's Economy

- **GSDP:** The growth rate of Jharkhand's GSDP (at constant prices) was 7% in 2018-19. In comparison, GSDP grew at 12.7% in 2017-18.
- **Sectors:** In 2018-19, agriculture, manufacturing, and services contributed to 24%, 30% and 46% to the economy. In the same year, these sectors grew by 3.5%, 3.8%, and 8.2%, respectively.
- **Per capita GSDP:** The per capita GSDP of Jharkhand in 2018-19 (at current prices) was Rs 82,430, 9.5% higher than the corresponding figure in 2017-18.
- **Unemployment:** According to the Periodic Labour Force Survey (July 2017-June 2018), the unemployment rate in Jharkhand was 7.7%, which is higher than that at the all-India level (6.1%).

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



Sources: Central Statistics Office, MoSPI; PRS.

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

Budget Estimates for 2020-21

- The total expenditure in 2020-21 is targeted at Rs 86,370 crore. This is 1.7% lower than the revised estimates of 2019-20. This expenditure is proposed to be met through receipts (other than borrowings) of Rs 75,370 crore and borrowings of Rs 11,000 crore. Total receipts for 2020-21 (other than borrowings) are expected to be 3.4% higher than the revised estimates of 2019-20.
- In 2020-21, revenue surplus of the state is estimated to be 0.52% of GSDP. This is significantly less than the revenue surplus in 2019-20 (1.91% of GSDP as per the revised estimates).

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
Total Expenditure	65,512	85,429	84,914	-0.6%	86,370	1.7%
A. Receipts (except borrowings)	56,199	74,429	72,914	-2.0%	75,370	3.4%
B. Borrowings	7,803	11,000	12,000	9.1%	11,000	-8.3%
Total Receipts (A+B)	64,003	85,429	84,914	-0.6%	86,370	1.7%
Revenue Surplus	5,896	8,555	6,542	-23.5%	1,993	-69.5%
As % of GSDP	2.13%	2.70%	1.91%		0.52%	
Fiscal Deficit	6,253	7,156	7,823	9.3%	8,243	5.4%
As % of GSDP	2.26%	2.26%	2.28%		2.15%	
Primary Deficit	1,625	1,969	2,636	33.9%	2,598	-1.4%
As % of GSDP	0.59%	0.62%	0.77%		0.68%	

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

Sources: Jharkhand Budget Documents 2020-21; PRS.

Expenditure in 2020-21

- **Capital expenditure** for 2020-21 is proposed to be Rs 13,054 crore, which is a decrease of 29.8% 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.
- Jharkhand's capital outlay for 2020-21 is estimated to be Rs 8,653 crore, which is 32.7% lower than the revised estimates of 2019-20. The revised estimates for capital outlay are 7.3% lower than the budget estimates for the year 2019-20.
- The key sectors which have seen the highest decrease in allocation towards capital outlay from the revised estimates of 2019-20 to the budget estimates of 2020-21 are: (i) Rural Development (45%), (ii) Irrigation (45%), and (iii) Transport (27%).
- **Revenue expenditure** for 2020-21 is proposed to be Rs 73,316 crore, which is an increase of 10.6% 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	15,256	19,626	18,597	0.8%	13,054	-29.8%
of which Capital Outlay	10,711	13,876	12,864	-7.3%	8,653	-32.7%
Revenue Expenditure	50,255	65,803	66,317	0.8%	73,316	10.6%
Total Expenditure	65,512	85,429	84,914	-0.6%	86,370	1.7%
A. Debt Repayment	3,060	3,844	4,177	8.7%	2,757	-34.0%
B. Interest Payments	4,628	5,187	5,187	0.0%	5,646	8.8%
Debt Servicing (A+B)	7,688	9,031	9,364	3.7%	8,402	-10.3%

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

Sources: Jharkhand Budget Documents 2020-21; PRS.

Sector-wise expenditure in 2020-21

The sectors listed below account for **75%** of the total expenditure by the state in 2020-21. A comparison of Jharkhand's expenditure on key sectors with that by other states can be found in Annexure 1.

Table 3: Sector-wise expenditure under Jharkhand 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
Education, Sports, Arts, and Culture	8,183	11,588	11,614	13,504	16%	<ul style="list-style-type: none"> Rs 1,586 crore and Rs 486 crore have been allocated towards Sarv Shiksha Abhiyan and Mid Day Meal Scheme respectively. Rs 240 crore has been allocated towards modernisation of one school per district. Rs 100 crore has been allocated towards provision for digital education in 2,000 schools.
Rural Development	9,749	12,230	11,527	11,415	-1%	<ul style="list-style-type: none"> Rs 4,199 crore has been allocated towards the Baba Saheb Bhimrao Ambedkar Awas Yojana. Rs 1,000 crore has been allocated to the Pradhan Mantri Gram Sadak Yojana.
Police	4,840	5,231	5,981	6,023	1%	<ul style="list-style-type: none"> Rs 3,111 crore and Rs 267 crore have been allocated towards the district police and village police respectively.
Water Supply, Sanitation, Housing and Urban Development	3,864	5,604	5,348	5,765	8%	<ul style="list-style-type: none"> Rs 360 crore, Rs 350 crore, and Rs 198 crore has been allocated towards the Pradhan Mantri Awas Yojana-Urban, AMRUT, and Smart City Mission respectively.
Social Welfare and Nutrition	3,106	5,091	5,767	5,701	-1%	<ul style="list-style-type: none"> Rs 2,599 crore will be spent on subsidy under the various pension schemes.
Agriculture and allied activities	2,178	5,049	4,458	4,718	6%	<ul style="list-style-type: none"> Rs 2,000 crore has been allocated towards providing debt relief to farmers. Rs 200 crore has been allocated to a new scheme Dhaan Utpadan and Bazar Sulabhata.
Health and Family Welfare	3,371	4,147	3,651	4,587	26%	<ul style="list-style-type: none"> Rs 739 crore has been allocated towards the National Health Mission.
Transport	4,257	5,401	5,471	4,309	-21%	<ul style="list-style-type: none"> Capital outlay of Rs 3,384 crore will be incurred on roads and bridges.
Energy	2,690	3,471	3,790	3,353	-12%	<ul style="list-style-type: none"> Rs 1,000 crore has been allocated towards subsidy for domestic electricity consumers.
Welfare of SC/ST/OBC and Minorities	1,541	1,873	1,701	1,927	13%	<ul style="list-style-type: none"> Capital outlay of Rs 278 crore is proposed.
% of total expenditure	72%	75%	75%	75%		

Sources: Jharkhand 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 outlay. In 2020-21, Jharkhand is estimated to spend Rs 28,248 crore on committed expenditure. This is 15% higher than the revised estimates of 2019-20. In 2020-21, Jharkhand is estimated to spend 37.5% of its revenue receipts on committed expenditure items. Payments of salaries and pensions in 2020-21 are estimated to increase by 14.4% and 22.5% respectively over the revised estimates of 2019-20.

Table 4: Committed Expenditure for the state in 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 Budgeted	% change from RE 2019-20 to BE 2020-21
Salaries	11,710	13,270	13,586	2.4%	15,542	14.4%
Pensions	5,989	5,762	5,762	0.0%	7,060	22.5%
Interest	4,628	5,187	5,187	0.0%	5,646	8.8%
Total	22,326	24,219	24,535	1.3%	28,248	15.1%

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

Sources: Jharkhand Budget Documents 2020-21; PRS.

Receipts in 2020-21

- The **total revenue receipts** for 2020-21 are estimated to be Rs 75,309 crore, an increase of 3.4% over the revised estimates of 2019-20. Of this, Rs 33,490 crore (44%) will be raised by the state through its **own resources**, and Rs 41,819 crore (56%) will **come from the centre** in the form of grants and the state's share in central taxes.
- **Devolution:** In 2020-21, receipts from the state's share in central taxes are estimated to increase by 2.3% 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 12.4% as compared to the budget stage. Jharkhand's share in the centre's tax revenue will increase from 1.32% during the 2015-20 period to 1.36% for 2020-21 (an increase of 3%) as per the recommendations of the 15th Finance Commission (Annexure 2).
- **Non-Tax Revenue:** Jharkhand has estimated to generate Rs 11,280 crore through non-tax sources in 2020-21 (15.6% of revenue receipts). This is 0.4% higher than the revised estimates of 2019-20. Of this, Rs 8,000 crore (71%) will be received from non-ferrous mining and metallurgical industries.
- **Tax Revenue:** Total own tax revenue of Jharkhand is estimated to be Rs 21,670 crore in 2020-21, an increase of 6.6% over the revised estimates of the previous year. The own tax to GSDP ratio is targeted at 5.7% in 2020-21, which is lower than the revised estimates for 2019-20 (5.9%). This implies that the growth of tax collections is estimated to be slower than the growth of the economy.

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	14,808	20850	20,319	-2.5%	21,670	6.6%
State's Own Non-Tax	8,258	10,674	11,771	10.3%	11,820	0.4%
Share in Central Taxes	23,851	29,000	25,399	-12.4%	25,980	2.3%
Grants-in-aid from Centre	9,236	13,834	15,370	11.1%	15,839	3.1%
Total Revenue Receipts	56,152	74,358	72,859	-2.0%	75,309	3.4%
Borrowings	7,803	11,000	12,000	9.1%	11,000	-8.3%
Other receipts	48	71	55	-22.5%	61	10.9%
Total Capital Receipts	7,851	11,071	12,055	8.9%	11,061	-8.2%
Total Receipts	64,003	85,429	84,914	-0.6%	86,370	1.7%

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

Sources: Jharkhand Budget Documents 2020-21; PRS.

- In 2020-21, State Goods and Services Tax (SGST) is estimated to be the largest source of own tax revenue (44% of total own tax revenue). In 2019-20, SGST collection is estimated to decrease by 17.9% from the budget stage to the revised stage.
- In 2020-21, Jharkhand is expected to generate Rs 5,862 crore through the levy of sales tax (on items such as petroleum products), and VAT, and Rs 2,301 crore through the levy of state's excise duty respectively.

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.

The state is estimated to receive GST compensation grants in all three years between 2018-19 and 2020-21 (Rs 1,568 crore in 2020-21). Reliance on GST compensation grants indicates a slower growth in SGST collection as compared to the 14% annual growth envisaged under the Act.

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
State GST	8,201	11,200	9,200	-17.9%	9,450	2.7%	12.5%
Sales Tax and VAT	3,475	5,050	5,400	6.9%	5,862	8.6%	7.8%
State Excise Duty	1,083	1,600	2,224	39.0%	2,301	3.5%	3.1%
Taxes on Vehicle	864	1,200	1,300	8.3%	1,500	15.4%	2.0%
Stamps Duty and Registration Fees	451	700	800	14.3%	1,007	25.8%	1.3%
Land Revenue	389	650	900	38.5%	1,000	11.1%	1.3%
Taxes and Duties on Electricity	209	300	300	0.0%	350	16.7%	0.5%
GST Compensation Grants	1,029	258	2,035	688.8%	1,568	-22.9%	2.1%

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

Sources: Jharkhand Budget Documents 2020-21; PRS.

Deficits, Debts and FRBM Targets for 2020-21

The Jharkhand Fiscal Responsibility and Budget Management (FRBM) Act, 2007 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 budget estimates a revenue surplus of Rs 1,993 crore (or 0.5% of GSDP) in 2020-21. The 14th Finance Commission had recommended that states should eliminate revenue deficit. The 15th Finance Commission did not suggest any revenue deficit grants for Jharkhand since it has been consistently witnessing a revenue surplus.

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 8,243 crore (2.15% of GSDP). The estimate is within the 3% limit as per the FRBM Act. This limit may be relaxed to a maximum of 3.5%, if the state can contain its 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 27% of the GSDP. This is higher than the average level of outstanding liabilities of 29 states in 2019-20 (24.6% of their GSDP).

Debt Servicing

In 2020-21, Jharkhand is expected to spend Rs 8,402 crore on servicing its debt. This is 10.3% lower than the revised estimates of 2019-20. This includes Rs 2,757 crore towards repaying loans (33%), and Rs 5,646 crore towards interest payments (67%).

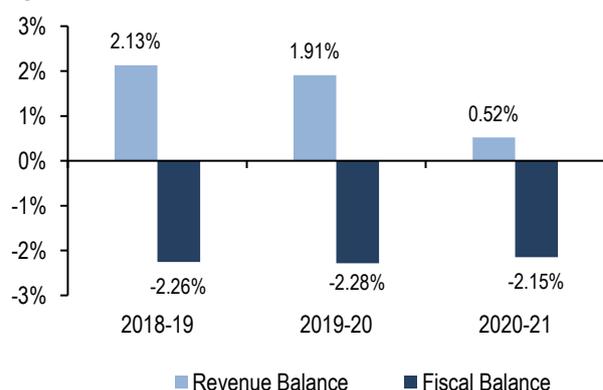
Table 6: Budget targets for deficits for Jharkhand in 2020-21 (% of GSDP)

Year	Revenue Deficit (-)/Surplus (+)	Fiscal Deficit (-)/Surplus (+)	Outstanding Liabilities
2018-19	2.13%	-2.26%	27.2%
2019-20	1.91%	-2.28%	27.1%
2020-21	0.52%	-2.15%	27.0%
2021-22	-	-3.25%	27.0%
2022-23	-	-3.25%	27.0%

Note: Numbers for 2019-20 and 2020-21 are revised estimates and budget estimates respectively. Numbers for 2021-22 and 2022-23 are targets as per the Medium Term Fiscal Policy Statement. Outstanding liabilities include liabilities on public accounts.

Sources: Jharkhand Budget Documents 2020-21; PRS.

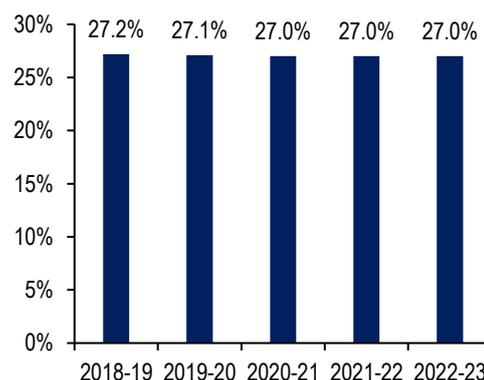
Figure 2: Revenue and Fiscal Balance (as % of GSDP)



Note: (-) indicates deficit and (+) indicates a surplus. Numbers for 2018-19 are actuals. Numbers for 2019-20 and 2020-21 are revised and budget estimates respectively.

Sources: Jharkhand Budget Documents; PRS.

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



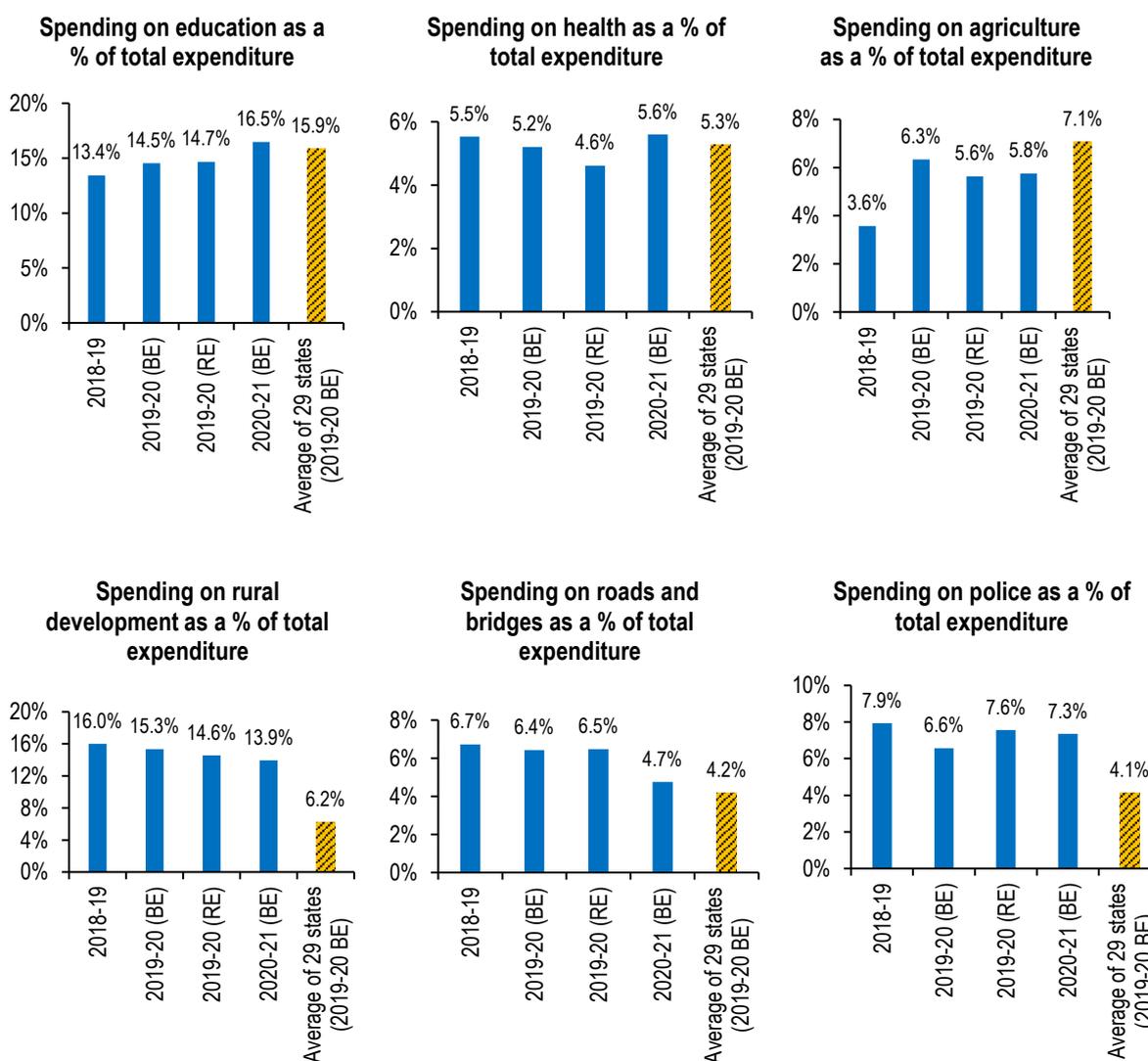
Sources: Jharkhand Budget Documents; PRS.

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Annexure 1: Comparison of states' expenditure on key sectors

The graphs below compare Jharkhand'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 2019-20.¹

- **Education:** Jharkhand has allocated 16.5% of its total budget for education in 2020-21. This is higher than the average expenditure (15.9%) allocated for education by states (using 2019-20 BE).
- **Health:** Jharkhand 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 5.8% of its total expenditure towards agriculture and allied activities. This is lower than the average allocated by states (7.1%).
- **Rural development:** Jharkhand has allocated 13.9% of its expenditure on rural development. This is significantly higher than the average allocation for rural development by states (6.2%).
- **Roads and bridges:** Jharkhand has allocated 4.7% of its total expenditure on roads and bridges, which is higher than the average expenditure of 29 states (4.2%).
- **Police:** Jharkhand has allocated 7.3% of its total expenditure on police, which is higher 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 Jharkhand. Sources: Annual Financial Statement (2019-20 and 2020-21), various state budgets; PRS.

¹ 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 15th Finance Commission for 2020-21

The 15th Finance Commission's (15th FC) report for the financial year 2020-21 was tabled in Parliament on February 1, 2020. The 15th 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 14th 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 15th 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 revenue², as per the recommendations of the 14th FC for 2015-20 and the 15th FC for 2020-21. The 15th FC has recommended a 1.36% share for Jharkhand in the centre's tax revenue for 2020-21 (an increase of 3% over the 14th FC period). This implies that out of every Rs 100 of centre's tax revenue in 2020-21, Jharkhand will receive Rs 1.36. 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 th FC (2015-20)	15 th 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%
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%
Total	42	41	-2%	6,56,046	7,84,181	20%

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

In addition, the 15th 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 Jharkhand will receive none, (ii) Rs 90,000 crore as grants to local bodies, of which Jharkhand will receive Rs 2,502 crore (this consists of Rs 1,689 crore for rural local bodies and Rs 813 crore for urban local bodies), and (iii) Rs 22,184 crore as the centre's grants to disaster management, out of which Jharkhand will receive Rs 568 crore.

² 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.