

## State Budgets Snapshot: 2015-16

(Brief summary of the State Budgets: Northern, Central and Eastern States of India)

The state governments have announced their annual Budgets 2015-16 making allocations in important areas relating to socio-economic welfare. While Rajasthan has an investment inducing budget making spate of schemes for various sections and infrastructure development, Punjab laid emphasis on MSMEs and skill development. Uttarakhand has presented a welfare oriented and tax free budget while Himachal Pradesh and Haryana have focused on infrastructure development, roads and irrigation. A summary of the state budget highlights under the command area of PHD Chamber of Commerce and Industry is given below:

S. No.	States	Budget Focus
1.	Bihar	Focus on Education sector, power and social welfare
2.	Chhattisgarh	Focus on youth, infrastructure and industry
3.	Delhi	Focus on considering the issues and problems of the general public
4.	Haryana	Focus on capital expenditure and infrastructure development
5.	Himachal Pradesh	Priority to education, roads, irrigation and public health and agriculture
6.	Jammu & Kashmir	Focus on a three-pronged initiative of "government, governance and changes".
7.	Jharkhand	Focus on roads and building construction
8.	Madhya Pradesh	Focus on Make in Madhya Pradesh campaign by increasing production capacities and employment opportunities.
9.	Punjab	Focus on Micro and Small enterprises and skill development
10.	Rajasthan	Investment inducing budget
11.	Uttarakhand	Tax free and welfare oriented budget
12.	Uttar Pradesh	Priority to roads, irrigation and power sectors

Source: PHD Research Bureau, compiled from state budget document 2015-16

S. No.	States	Estimated Revenue	Estimated Expenditure	Fiscal deficit target(% of GSDP)
1.	Bihar	Rs 120914.40 crore	Rs 120685.32 crore	2.98%
2.	Chhattisgarh	Rs 64935 crore	Rs 65013 crore	3%
3.	Delhi	Rs 37169 crore	Rs 37,750 crore	NA
4.	Haryana	Rs 68985.87 crore	Rs 69140.29 crore	3.1%
5.	Himachal Pradesh	Rs 27138.22 crore	Rs 29539.04 crore	Rs 3285 crore
6.	Jammu & Kashmir	Rs 42,137 crore	Rs 46,473 crore	NA
7.	Jharkhand	Rs 55,492.95 crore	Rs 2136.84 crore	2.28%
8.	Madhya Pradesh	Rs 114422.89 crore	Rs 108834.92 crore	2.99%
9.	Punjab	Rs 78085.36 crore	Rs 79313.86 crore	2.98%
10.	Rajasthan	Rs 1,37,887.69 crore	Rs 1,37,713 crore	2.99%
11.	Uttarakhand	Rs 32310.07 crore.	Rs 32693.64 crore	2.63%
12.	Uttar Pradesh	Rs 296723.25 crore	Rs 302687.32 crore	2.96%

Source: PHD Research Bureau, compiled from state budget document 2015-16

### 1. Bihar

Bihar presented a revenue surplus budget for the state for next fiscal year setting aside sizable funds for education, power and social welfare sectors. The budget 2015-16 has set aside Rs 22,027 crore for education, while Rs 8,436.90 crore for energy sector. The revenue surplus has been pegged at Rs 11,980.95 crore, with estimated receipts at Rs 120914.40 crore and expenditure at Rs 1,20,685.32 crore. The fiscal deficit is likely to be contained at 2.98% of GSDP. For the year 2015-16, maximum funds have been allocated for education sector which is 19.16% of the total expenditure followed by other sectors. The budget has earmarked Rs. 4,1792.0 crore for social welfare schemes. Describing the Bihar's economic health as robust, the government has proposed to raise the borrowing limit under the FRBM from 3% to 4%.

### 2. Chhattisgarh

Chhattisgarh budget lays an emphasis on youth, infrastructure and industry. Focus on infrastructure, coupled with the newly declared Industrial and IT Policies of the State will boost the investment opportunity in the State. To make domestic trade and industry more competitive, a series of trade- and business-friendly tax incentives in VAT, Central Sales Tax and Entry Tax have been announced. A major highlight of the budget is the introduction of a separate Youth Budget, which brings into sharp focus the public investment schemes that directly relate to the State's youth. Rs. 6,151 crores has been allocated for youth, which represent 16% of the State Plan outlay. Total receipt has been estimated at Rs 64935 crore for the FY 2016 and expenditure is pegged at Rs 65013 crore. Fiscal deficit is to be contained at 3%.

### 3. Delhi

A Vote of Account is sought rather than presenting a new budget since the new government has been formed a month back only. The total expenditure is proposed at

Rs 37,750 crore while total receipts are pegged at Rs 37,169 crore. The Budget estimates are for a period of three months or till the regular budget is passed by the Government. People's suggestions would be taken into account in formulating the new budget. Maximum focus would be on considering the issues and problems of the general public and providing them with much needed relief on various fronts.

#### **4. Haryana**

As per Budget Estimates, total receipts are projected at Rs 68,985.87 crore, including Rs 52,312.10 crore revenue receipts and Rs 16,673.77 crore capital receipts. The total expenditure (excluding the repayments) under the Budget Estimates 2015-16 is projected at Rs 69,140.29 crore, of which Revenue Expenditure is Rs 61,869.62 crore and Capital Expenditure is Rs 7,270.67 crore. The focus of the budget is mainly on capital expenditure and infrastructure development. A significant priority has been given to skill development and job creation. The emphasis on social sector has been on priority. Removal of VAT on bio-fertilisers has been proposed as bio-fertilizer use needs to be promoted for the sake of environment and soil health. The Budget estimates do not contain any proposal either for imposition of new taxes or any upward revision of existing tax rates.

#### **5. Himachal Pradesh**

Himachal Pradesh presented a deficit budget of Rs 28339 crores with no announcements regarding new taxes. Provisions regarding entry tax on new industries have been changed to attract establishment of industrial houses in the state. New industries would be charged entry tax at the rate of 1% on industrial inputs instead of the existing 2%. Reduction of VAT on fabrication of bodies of trucks and buses and LED bulbs from 13.75% to 5% has been also announced. Priority is given to education, roads, irrigation and public health and agriculture. The State Government has proposed Rs. 4,800 Crore Annual Plan for 2015-16, which is Rs. 400 Crore higher from the previous financial year. Rs 27138.22 crore receipts have been estimated against Rs 29539.04 crore as total expenditure. The fiscal deficit for 2015-16 is likely to be Rs. 3,285 Crore.

#### **6. Jammu and Kashmir**

In 2015-16, the total public expenditure is budgeted to be Rs 46,473 crore while the total revenue receipts of the state in 2015-16 are budgeted to be Rs 42,137 crore leaving a resource gap of Rs 4,336 crore. The focus of the budget is on a three-pronged initiative of "government, governance and changes" and on revival of Jammu and Kashmir economy as the budget has discarded old plan and non-plan classification. The entire old classification of the plan and non-plan has been discarded, now with only two categories of expenditure, current and capital. On agricultural front, VAT exemption has been announced on paddy, rice, wheat, pulses, floor, Maida, suji and besan till March 2016.

#### **7. Jharkhand**

Jharkhand government tabled Rs 55,492 Crore annual budget 2015-16. The budget has proposed no new taxes. The budget has allocated 23,356.11 Crore on non-plan component while 32,136.84 Crore has been set aside for plan component of the budget.

One lakh employments within next one year is also on the agenda. Stating that no new tax was being announced in the budget, the government would augment revenue collection through royalties earned from coal and iron ore. Reduction of tax from 14% to 5% on plywood, blackboard, flush-door, and laminates is also proposed. At the same time a concession in registration costs for immovable property of women has been proposed. A further 10 percent reduction in tax fee and stamp duty has also been proposed in the budget. Fiscal deficit is to be contained at 2.28%.

## **8. Madhya Pradesh**

Total Expenditure of Rs 131199.06 crore for the year 2015-16 and appropriation of Rs 142094 crore have been estimated. Targets set under the Madhya Pradesh Fiscal Responsibility and Budget Management Act, 2005 are expected to be met. Fiscal deficit is to be maintained at 2.99%, Revenue surplus is estimated at 1% of GSDP while interest payments are estimated at 7.04% of Revenue Receipts. The state has witnessed revenue surplus since FY2004-05 which gives room for government spending. The receipts have been pegged at Rs 114422.89 crore while total expenditure for the FY2016 has been estimated at Rs 108834.92 crore.

## **9. Punjab**

The commitment of the state government is to put the state economy on the high growth trajectory, the benefits of which will reach all sections of the society. The Budget stresses on education and skill development with maximum budgetary allocation of 40.47% of plan outlay to social services. However, no new fresh taxes have been allowed. The revenue deficit is much higher at Rs 6240.38 crore as against the estimate of Rs 6393.96 crore mainly because of a decline in growth of revenue receipts. The fiscal deficit is targeted at 2.98%. Total receipts for the year have been estimated at Rs 78085.36 crores against the expenditure of Rs 79313.86 crores.

## **10. Rajasthan**

The Rajasthan government has proposed an Investment inducing budget. The budget aims for sustainable, inclusive growth with priority sector identification for the state's economic progress & prosperity. The Budget Estimates show an estimated fiscal deficit of Rs. 20609.75 crores for 2015-16 which is 2.99% of the Gross State Domestic Product. The estimated total revenue receipts have been shown at Rs 111361.66 crore. The estimated tax revenues generated by the State for 2015-16 are Rs. 47096.05 crore against Rs 39786.88 crore in the Revised Estimates for 2014-15, which is higher by 18.37%. Of the total GSDP, 6.84% tax revenues would be generated by the States itself while 10.74% of the total revenue receipts will go towards payment of interests. Mobile phones, two-wheelers and taxi services will cost more while coffee, marble cutting tools and radio sets will be cheaper owing to the hike in Value Added Tax certain items and removal of entry tax on 14 other items. Further, generation of 15 lakhs jobs by the end of 5 years are also on the agenda along with Make in Rajasthan initiative.

## **11. Uttarakhand**

Uttarakhand reveals tax free budget- welfare oriented budget. A tax-free budget has been announced by the Uttarakhand government this month. Wherein provisions for creation of a welfare fund for statehood activists and for running schemes launched last year for the elderly and the physically challenged among others have been made. The total expenditure in 2015-16 has been estimated to be Rs 32,693.64 crore, total non-plan expenditure is estimated to be Rs 21,059.15 crore which is 64.41 %of the total expenditure. Total receipts in 2015-16 are estimated to be Rs 32,310.07 crore. Fiscal deficit stands at 2.63% of GSDP. Budget estimates show a surplus in conformity with the FRBM Act. Provisions for the 38th National Games to be held in the state in 2018, 'Rajya Andolankari Kalyan Kosh', 'Mukhya Mantri Vriddha Mahila Poshan Yojana', 'Mera Gaon Meri Sadak Yojana', 'Mere Bujurg Mere Teerth Yojana', creation of a corpus fund for villages with a population of more than 500 in the hill districts and 5,000 in plain districts for construction/ reconstruction of drains, roads and water supply lines.

## **12. Uttar Pradesh**

Budget has accorded priority to roads, irrigation and power sectors. Rs. 51,516 crore has been allocated for strengthening and development schemes of energy, irrigation, roads and bridges. Rs. 17,871 crore has been allocated for roads and bridges, Rs. 25,764 crore for the power systems, Rs. 9388.79 crore for new schemes. The growth rate of the state has been inferred to be 5%, which is more than the national growth of 4.7%. A provision of Rs. 26,231 crore in the budget for Scheduled Tribes, Scheduled Castes, OBC's, physically challenged and poor people of the general category has been announced which would benefit them directly. Rs. 2,776 crore has been sanctioned for minority welfare and Rs. 300 crore for eight thousand homeless families. Provision for Rs. 250 crore has been made for a new sugar mill of 3500 TCD capacity at Azamgarh, co-generation and 'Aswaani' plant in place of the closed cooperative mill at Sathiaon which would uplift the economic status of the cane growers.

**Warm Regards,**

Dr. SP Sharma  
Chief Economist & Director- Research

---

PHD Chamber of Commerce and Industry  
August Kranti Marg, New Delhi-110016  
Tel 91 11 49545500, Fax 91 11 26855450  
[Email-research@phdcci.in](mailto:research@phdcci.in) , Website [www.phdcci.in](http://www.phdcci.in)