



# Highlights of **BUDGET** 2021-22

1

## Highlights of Assam Budget 2021-22

The Finance Minister of Assam, Ms. Ajanta Neog, who is also Assam's first woman Finance Minister, presented a deficit budget of Rs 566 crore for the state for the Fiscal Year 2021-22 on July 16, 2021.

Due to the impact of COVID-19, 2020-21 was not a standard year with respect to the performance of the economy and government finances, thus, 2021-22 budget estimates have been compared to the actuals for 2019-20 (in terms of compounded annual growth rate or CAGR).

The aggregate income of the government has been calculated at Rs 2,89,770.68 crore for FY 2021-22, and the total expenditure for the financial year has been estimated at Rs 2,89,367.10 crore.

The estimated transactions during the year will result in an estimated surplus of Rs 403.58 crore. This, together with the opening deficit of Rs 969.78 crore will lead to a budget deficit of Rs 566.20 crore at the end of the year 2021-22.

### Fiscal State of Assam

- Gross State Domestic Product (GSDP) of Assam for 2021-22 (at current prices) is projected to be Rs 3,77,102 crore, which is an annual increase of 4% over the GSDP figure of 2019-20 and 0.9% higher than the revised estimate of GSDP for 2020-21 (Rs 3,73,872 crore).
- Total expenditure for 2021-22 is estimated to be Rs 1,07,556 crore, an annual increase of 14% over the actual expenditure in 2019-20.

- Total receipts (excluding borrowings) for 2021-22 are estimated to be Rs 88,992 crore, an annual increase of 17% over 2019-20. In 2020-21, total receipts (excluding borrowings) are estimated to fall short of the budget estimate by Rs 2,148 crore.
- Revenue surplus for 2021-22 is estimated to be Rs 4,574 crore, which is 1.21% of the GSDP. In 2020-21, as per the revised estimate, revenue deficit is estimated at Rs 6,229 crore (1.67% of GSDP) as compared to the revenue surplus of Rs 9,154 crore estimated at the budget stage.
- Fiscal deficit for 2021-22 is targeted at Rs 15,028 crore (3.9% of GSDP). In 2020-21, fiscal deficit is estimated to be 8.05% of GSDP as per the revised estimate, higher than the budget estimate of 2.3% of GSDP.

### **Expenditure in Financial Year 2021-22**

- Capital expenditure for 2021-22 is proposed to be Rs 23,151 crore, which is an annual increase of 17% over the actual capital expenditure in 2019-20.
- Capital outlay for 2021-22 is estimated to be Rs 19,491 crore, which is an annual increase of 22% over 2019-20.
- Revenue expenditure for 2021-22 is proposed to be Rs 84,405 crore, an annual increase of 13% over 2019-20.

### **Receipts in 2021-22**

- In 2021-22, State GST (SGST) is estimated to be Rs 11,180 crore, the largest source of the state's own tax revenue (53%). It is estimated to increase at an annual rate of 13% over 2019-20.
- In 2021-22, the state is expected to generate Rs 5,722 crore through Sales Tax/VAT, an annual increase of 13% over 2019-20.
- In 2021-22, the state expects to generate Rs 2,107 crore through State Excise.

### **Tax proposals**

- The upper limit for composition levy has been increased to Rs 1.5 crore for marginal taxpayers. Online platform will be created to improve the ease of compliance for non-GST laws.
- The budget made no new tax proposal, and tax rates remain unchanged.

## Education & Employment

- The budget also allocated funds for establishing 5 new medical colleges at Golaghat, Dhemaji, Morigaon, Bongaigaon and Tamulpur to improve the quality of health services.
- Three new engineering colleges will be established at Bongaigaon, Behali, and Sualkuchi. State university will be established in Karbi Anglong for students in hill districts.
- The budget also promises smartphones to class IX and X students in government schools.
- State government will recruit 1 lakhs youths for government jobs in the state.
- Rs 2,176 crore has been allocated towards Sarva Shiksha Abhiyan.
- Rs 840 crore has been allocated towards National Mid-Day Meal Programme.

## Agriculture and allied activities

- 100 agricultural markets and 40 warehouses will be upgraded and modernised. 1,500 high quality Murrah buffaloes will be provided to 500 beneficiaries to increase the milk production.
- 60 commercial dairy farms will be established to increase dairy entrepreneurship.
- Rs 253 crore has been allocated towards crop insurance programme.

## Health & Welfare initiatives

- The government has allocated Rs 40 crore for aiding the families who lost their loved ones due to the COVID-19 pandemic. The budget promises Rs 1 lakh one-time compensation to the next of the kins of those who have died due to COVID-19.
- The Budget will provide microfinance loan waivers to economically vulnerable people through incentives.
- Under the poverty alleviation Orunodoi scheme, financial assistance has been increased from Rs 830 to Rs 1,000 per month to ensure support for financially weaker families.
- Budget proposed piped gas supply to 2,69,648 families of tea garden workers.
- Rs 3,890 crore has been allocated towards Rural Health Services – Allopathy.
- Rs 435 crore has been allocated towards Urban Health Services – Allopathy.
- Rs 2,837 crore has been allocated towards Pradhan Mantri Awas Yojana – Gramin.
- Rs 947 crore has been allocated towards child welfare and Rs 179 crore towards welfare of handicapped.

## Infrastructure

- The government has also proposed to build 1000 KM of embankments and roads so as to make Assam flood-free.
- Rs 7,715 crore has been allocated towards capital outlay on roads and bridges.
- Rs 3,109 crore has been allocated towards capital outlay on power projects.
- Rs 72 crore has been allocated towards City Amenities Development Fund.
- Rs 334 crore has been allocated towards Pradhan Mantri Awas Yojana.

## State of Economy of Assam

**GSDP:** In 2019-20, Assam's GSDP (at constant prices) is estimated to grow by 6.3% over the previous year. The per capita GSDP of Assam in 2019-20 (at constant prices) was Rs 72,129. This is 5.2% higher than that in 2018-19.

**Sectors:** In 2019-20, agriculture, manufacturing, and services sectors contributed to 30%, 29%, and 41% of the economy. In 2019-20, agriculture, manufacturing, and services sectors grew by 4.9%, 8.3%, and 4.5% respectively.

*Growth in GSDP and sectors in Assam at constant prices (2011-12)*

