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Assessing the Fiscal Dynamics of Chhattisgarh State: A Comparative Study with Jharkhand and Odisha

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Anil K Sharma, Arjita Chandna and Jayanta Talukder*

Abstract

This paper analyses the fiscal position of Chhattisgarh in comparison with Odisha and Jharkhand, focusing on revenue mobilisation, expenditure quality, fiscal deficits, debt sustainability, and compliance with fiscal responsibility targets. While Chhattisgarh performs relatively well in revenue generation and developmental spending, its fiscal position remains vulnerable due to high subsidies, rising committed expenditure, widening deficits, and large contingent liabilities. In contrast, Odisha and Jharkhand have maintained relatively stronger fiscal discipline and revenue surpluses. The paper highlights that Chhattisgarh's dependence on mining revenues and growing reliance on borrowings constrain its fiscal sustainability and capital investment capacity. It argues that improving fiscal health will require strengthening own revenue mobilisation, rationalising subsidies, containing committed expenditure, and adopting more prudent borrowing practices.

Keywords: Chhattisgarh; mineral wealth; revenue receipts; expenditure; deficit; debt sustainability; FRBM.

JEL Classification: H62, H63, H71, H72, H74

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1. Introduction

The state of Chhattisgarh like Jharkhand is one of India's newer states, in contrast to Odisha, which has existed since independence. Chhattisgarh has a population of 30.8 million, significantly lower than Jharkhand's 40.4 million and Odisha's 46.8 million, as of 2025. The state also has a lower population density, with 231 people per square km, compared to 303 in Odisha and 514 in Jharkhand, as per 2026 projections. In all three states, the majority of the population still lives in rural areas, with only 19% to 27.1% residing in urban regions, as of 2023-24 (NITI-NCAER State Economic Forum, 2025).

The literacy rates in Chhattisgarh (70.3%) and Jharkhand (66.4%) remain below the national average, while Odisha has seen significant progress over the decades and is now close to the national average of 73%, as of 2011. In terms of life expectancy, Chhattisgarh lags behind at 64.6 years, compared to 69.5 years in Jharkhand and 70.5 years in Odisha, both close to the national average of 70.3 years in 2023. Infant mortality rates are higher than the national benchmark in both Chhattisgarh and Odisha, ranging from 30 to 37 deaths per 1,000 live births, whereas Jharkhand performs better with a lower rate of 29 deaths per 1,000 live births, as of 2023 (Sample Registration System Statistical Report, 2025).

Since the majority of the population in all three states resides in rural areas, a large portion of the workforce, ranging from 50.5% in Odisha to 58.8% in Chhattisgarh, is primarily engaged in agriculture and related sectors, as of 2024-25. This is followed by the services sector, which employs between 21.9% of the workforce in Chhattisgarh and 25.1% in Odisha. Employment in construction and manufacturing mining remains relatively limited across all three states (Periodic Labour Force Survey, 2025).

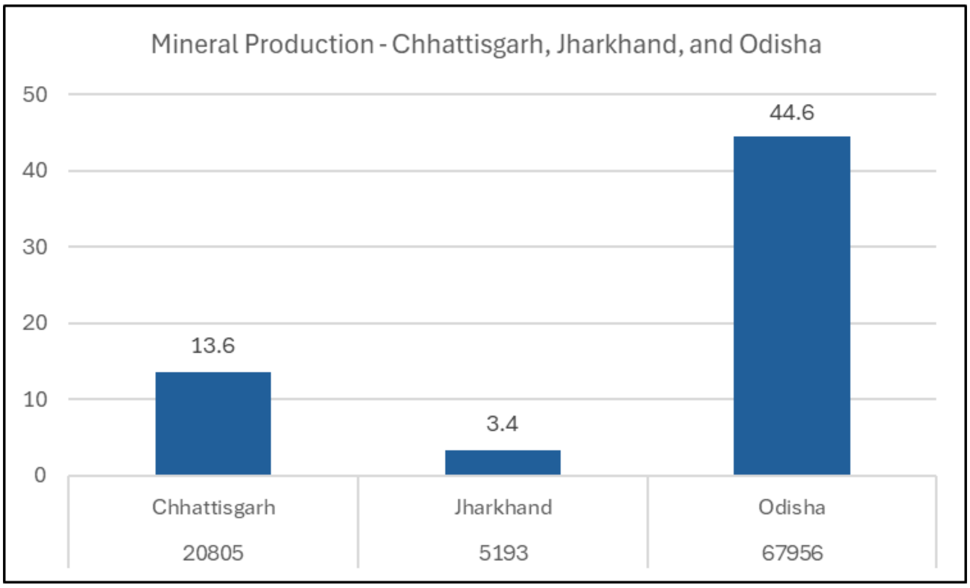
During the past decade, between 2014–15 and 2024–25, Chhattisgarh's real GSDP grew at an average rate of 6%, which is close to the national average of 6.1%. In comparison, Jharkhand recorded a lower average growth rate of 5.2 % during the same period, falling short of the national average. Odisha, on the other hand, experienced a relatively stronger economic performance, with its real GSDP growing at an average rate of 7.1 %, surpassing both the national average and the growth rates of Chhattisgarh and Jharkhand (MOSPI, 2025).

As per the data in NITI-NCAER State Economic Forum, 2025, Chhattisgarh's share in India's nominal GDP declined from 2.1% in 1993–94 to 1.7% in 2024–25. As of 2024–25, its nominal per capita income is about 21.6% lower than the national average. Similarly, Jharkhand has seen a significant drop in its share, falling from 2.7% in 1993–94 to 1.6% by 2024–25, with its per capita income standing at just 54.6% of the national average. In contrast, Odisha has performed relatively better, its share in the country's nominal GDP increased slightly from 2.5% in 1990–91 to 2.7% in 2024–25. Additionally, its nominal per capita income is close to around 17.7% below the national average as of 2024–25.

In terms of sectoral composition, the industry sector is the largest contributor to the Gross State Value Added (GSVA) in both Chhattisgarh (47.2%) and Odisha (41.4%) in 2024-25. In contrast, the services sector leads in Jharkhand, accounting for 45.2% of its GSVA. The services sector is the second-largest contributor in Chhattisgarh and Odisha, with shares ranging from 32.3% to 38.6%. However, in Jharkhand, the industrial sector holds the second-largest share at 38.6% (MOSPI, 2025).

With 41.3% of its land area covered by forests, higher than Odisha's 33.7% and Jharkhand's 29.8%, as of 2022-23, Chhattisgarh, along with Odisha, is rich in mineral resources. These two states contribute significantly to the national mineral output by value in 2024-25, accounting for 13.6% and 44.6%, respectively (Figure 1). In contrast, Jharkhand's share is relatively modest at 3.4% (Ministry of Mines, Government of India, 2024-25). However, the mining and quarrying sector plays a much larger role in the Gross State Value Added (GSVA) of all three states, ranging from 6.8% in Jharkhand to 9.9% in Odisha in 2024-25, compared to the national average of just 1.8%. This underscores the considerable importance of mineral resources in shaping the economic structure and fiscal performance of these states. These three states taken together account for nearly 30.6% of the country's total area under mining leases.[1]

Figure 1: Mineral Production – Absolute (Rs. Crore.) and Share (%) in All India in 2024-25



***Source**:* Ministry of Mines, Government of India, *National Mineral Scenario*, 2024–25.

Yet, despite these similarities, there are important differences in the ways in which state of Chhattisgarh mobilizes its revenues, allocates its expenditures, and manages its debt. This study examines the State's fiscal position in comparison with Odisha and Jharkhand, highlighting the composition of receipts and expenditures, the dynamics of deficits and debt, and the compliances with the Fiscal Responsibility Act.

2. Revenue Receipts and Resource Mobilisation

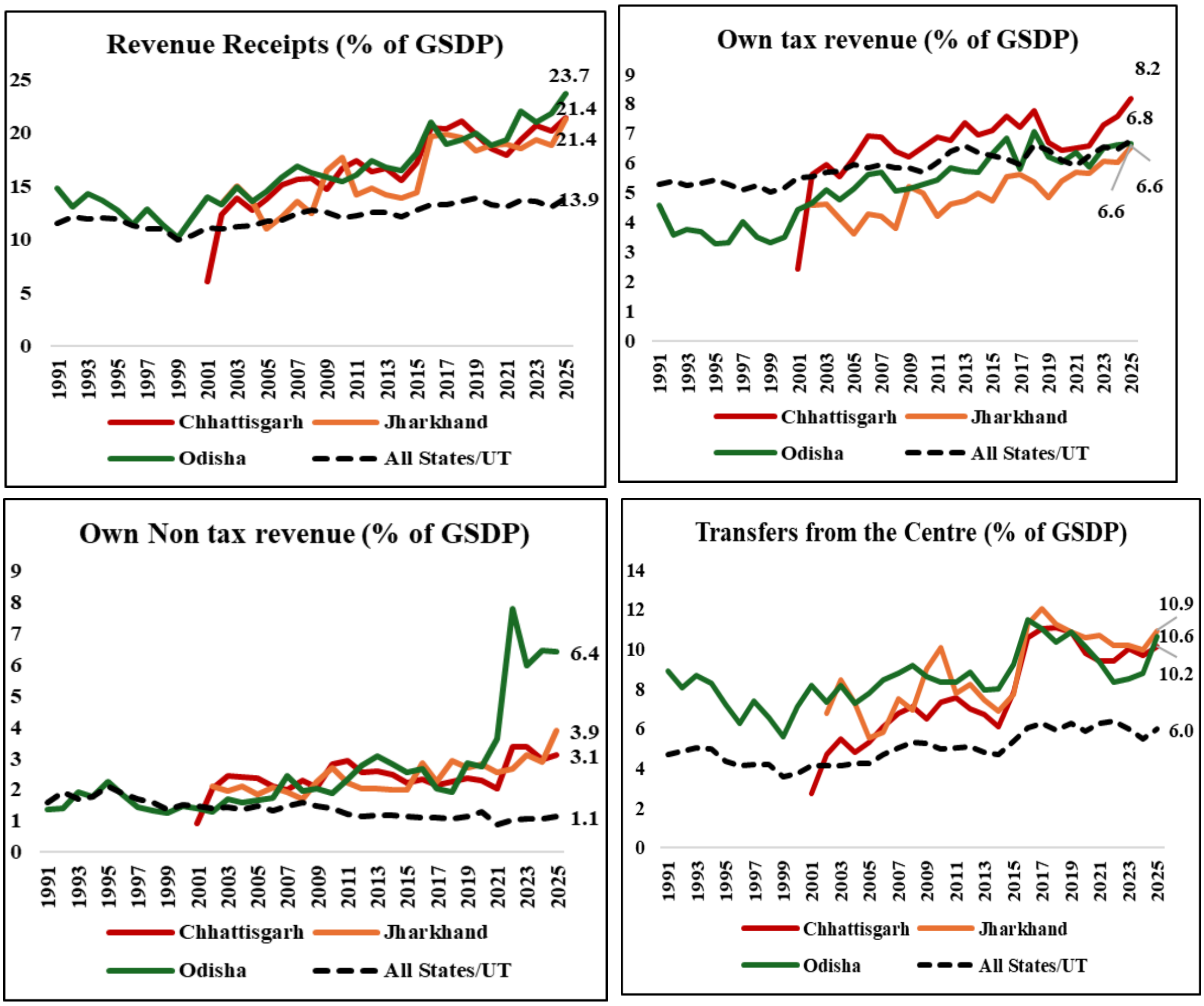
Among the three states, Chhattisgarh generates a relatively higher share of revenue in relation to its GSDP, relative to Jharkhand but lower revenue relative to Odisha. In 2024-25, its total revenue receipts amounted to 21.4% of GSDP, lower than Odisha (23.7%) (Figure 2). The composition of these revenues also differs across the states. Chhattisgarh leads in own tax revenue, which stands at 8.2% of GSDP, but trails Odisha in own non-tax revenue, 3.1% of GSDP in Chhattisgarh compared to 6.4% in Odisha. Transfers from the Centre continue to be a major revenue source for all three states, with Jharkhand

[1] Government of India, Indian Minerals Year Book 2024, Ministry of Mines.

receiving the highest share (10.9%), followed by Odisha (10.6%) and Chhattisgarh (10.2%).

Own revenue receipts as a share of GSDP, which is a key indicator of revenue mobilisation, are higher in Chhattisgarh than in Jharkhand but remain below those of Odisha.

Figure 2: Revenue Receipts and Sources of Revenues for Chhattisgarh, Jharkhand and Odisha (% of GSDP)

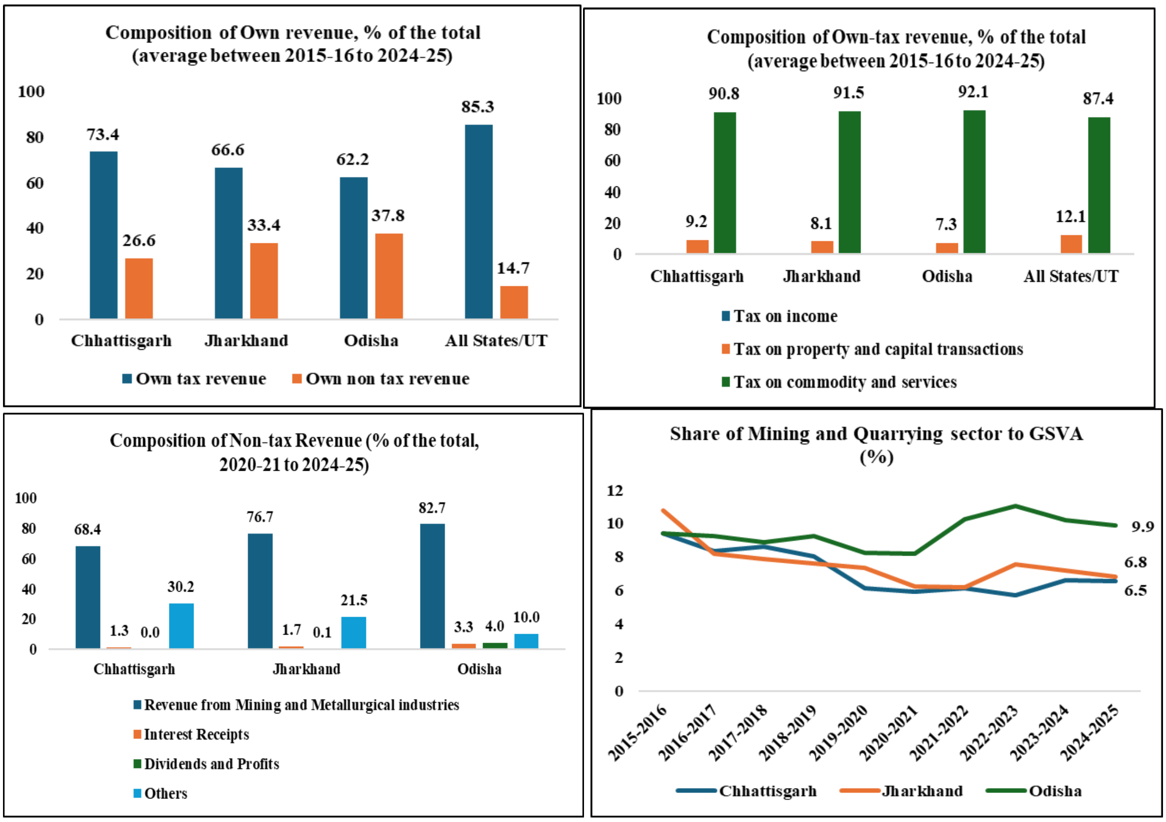


Source: Reserve Bank of India, State Finances Report 2026
Note*:* First Revised Estimates for FY 2024-25 have been used for GSDP.

Breaking down own revenues into tax and non-tax components reveals that tax revenues constitute nearly two-thirds of the total in both Jharkhand and Odisha. In contrast, Chhattisgarh's tax revenues account for nearly three-fourth share of the total, with non-tax sources contributing only one-fourth share (Figure 3). Further decomposition of own tax revenues in all three states shows that taxes on commodities and services accounts for the bulk of the tax receipts ranging from 90.8% in Chhattisgarh to 91.5% in Jharkhand. And, unlike other states of the country, where taxes on Property and Capital Transactions account for 12% share of the tax revenues, but in these three states, the share of such taxes is much smaller and ranges between 7.4% in Odisha to 9.2% in Chhattisgarh.

A de-composition of non-tax revenues reveals that the mining sector alone contributes over 70% of non-tax revenues in all three states, which creates a degree of vulnerability, as mining revenues are highly sensitive to fluctuations in mineral prices. In addition, a more specific challenge for Chhattisgarh is that the share of mining and quarrying in its Gross State Value Added (GSVA) is comparatively lower than in both Odisha and Jharkhand and Chhattisgarh has seen a reduction in the mining sector's contribution to GSVA over time (Figure 3). In contrast, Odisha has experienced a modest increase in the sector's share, surpassing both Chhattisgarh and Jharkhand.

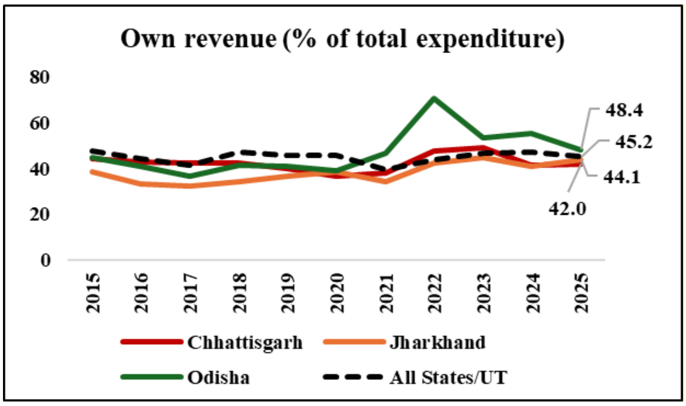
Figure 3: Composition of Own Tax and Non-Tax Revenues (%)



Source: Reserve Bank of India, State Finances Report 2026; Composition of Own Non tax Revenue is from the CAG State Finances Audit Report of Chhattisgarh, Jharkhand and Odisha, 2024-25
Note: First Revised Estimates for FY 2024-25 have been used for GSDP.

The need for Chhattisgarh to strengthen its own revenue generation capacity is evident from its relatively low reliance on own revenues to fund its expenditure, especially when compared to Odisha. Over the past decade (2015-16 to 2024-25), the ratio of own revenue to total expenditure in Chhattisgarh has remained largely unchanged (Figure 4). This ratio, which is a key metric in NITI Aayog's Fiscal Performance Index, reflects a state's fiscal autonomy. Chhattisgarh consistently covers a smaller share of its expenditure through its own revenues than both Odisha and the all-states average, pointing to lower fiscal independence and a greater reliance on central transfers and external funding.

Figure 4: Own Revenue as a share of Total Expenditure (%)

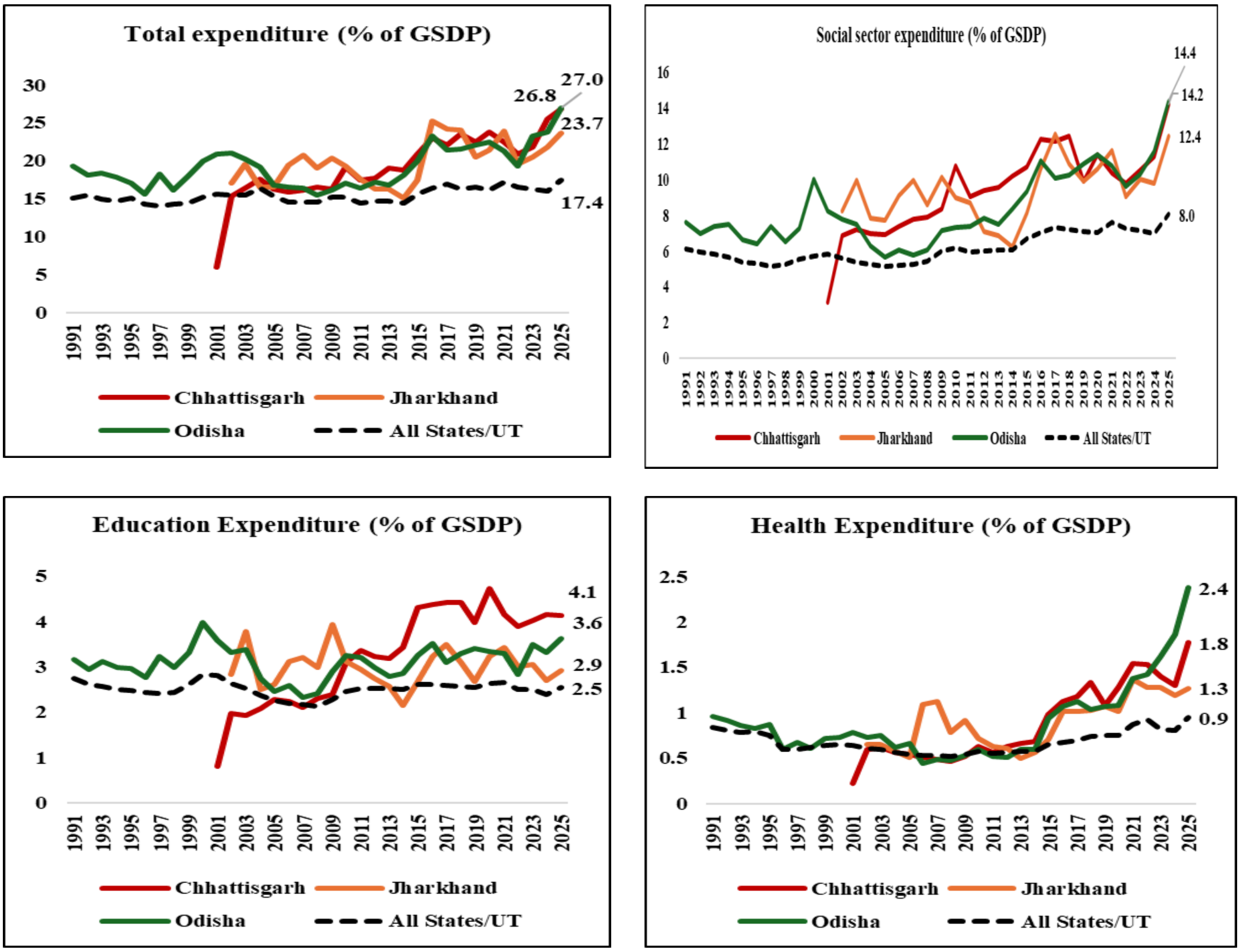


Source: Reserve Bank of India, State Finances Report 2026
Note*:* First Revised Estimates for FY 2024-25 have been used for GSDP.

3. Expenditure and Quality of Expenditure

Chhattisgarh's total expenditure, at 26.8 percent of its GSDP in 2024-25, is significantly higher than Jharkhand and marginally lower than Odisha (Figure 5). This figure also exceeds the average for all States and Union Territories, which stood at 17.4 percent during the same period. Notably, Chhattisgarh allocates a considerable portion of its resources to the social sector including health, education, and social services such as the Public Distribution System (PDS). As illustrated in Figure 5, the state's expenditure on health, education, and other social sectors amounts to 14.2 percent of GSDP, compared to 12.4 percent in Jharkhand and 14.4 percent in Odisha, as of 2024-25.

Figure 5: Expenditure and its composition for Chhattisgarh, Jharkhand and Bihar (as % of GSDP)

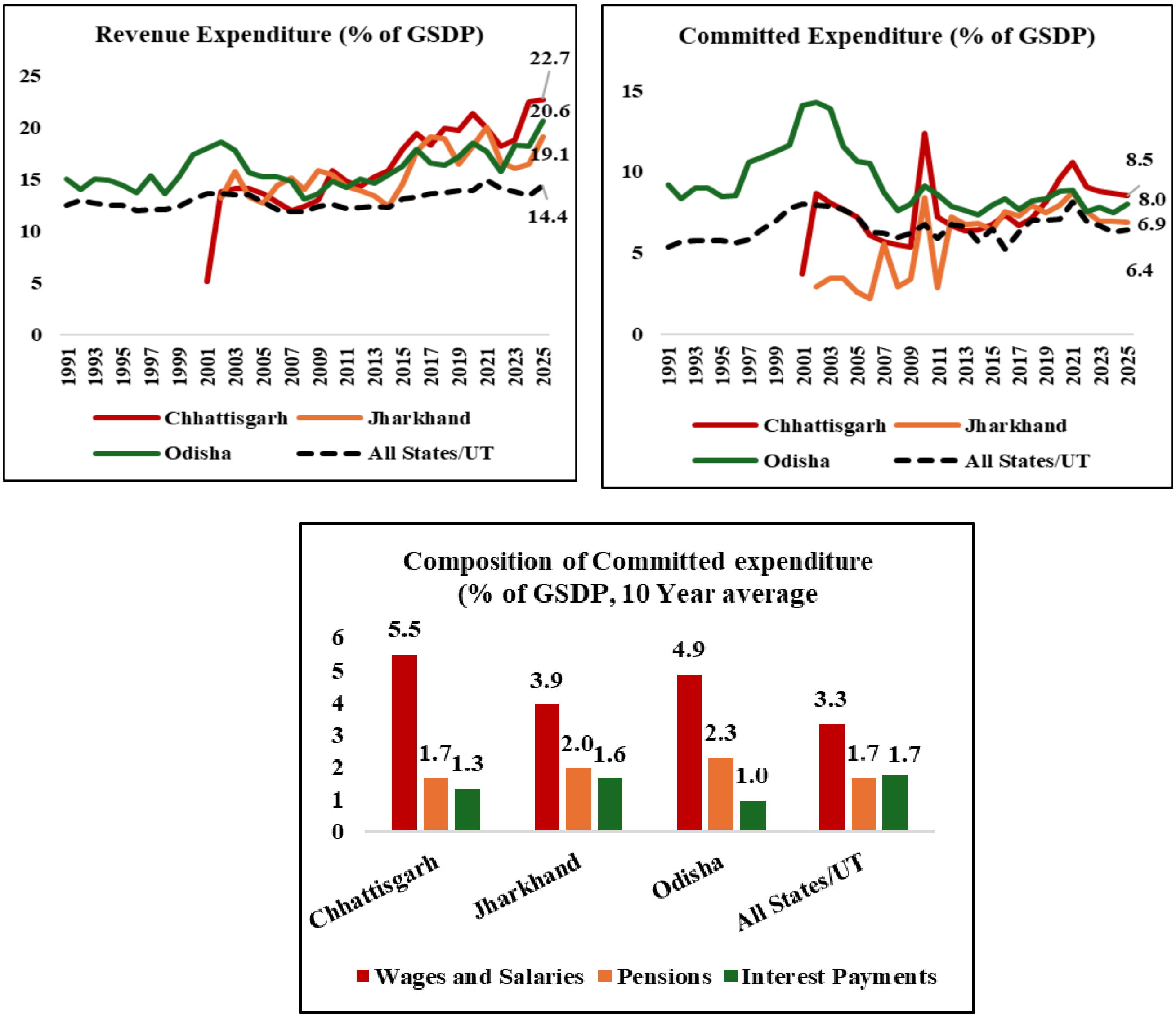


Source: Reserve Bank of India, State Finances Report 2026
Note*:* First Revised Estimates for FY 2024-25 have been used for GSDP.

There are, however, three main disconcerting signs.

First, a significant portion of Chhattisgarh's total expenditure is allocated to revenue expenditure (Figure 6), primarily driven by a high level of committed spending. This includes expenditures on wages and salaries, pensions, and interest payments, which have risen from 7.3% of GSDP in 2015-16 to 8.5% in 2024-25. In comparison, committed expenditure levels in Jharkhand and Odisha are lower, standing at 6.9% and 8% of GSDP, respectively, in 2024-25.

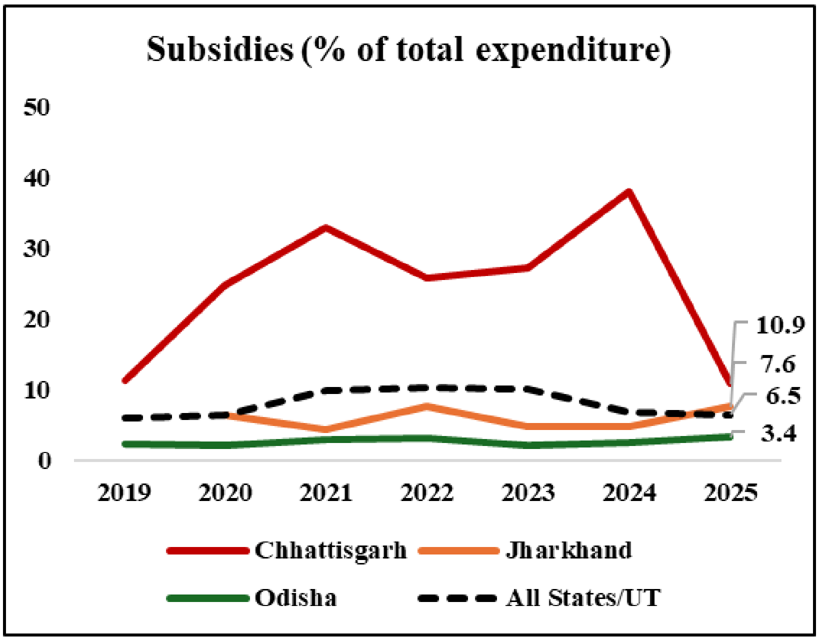
Figure 6: Revenue and Committed Expenditure in Chhattisgarh, Jharkhand and Bihar (as % of GSDP)



Source: Reserve Bank of India, State Finances Report 2026
Note*:* First Revised Estimates for FY 2024-25 have been used for GSDP.

Second, Chhattisgarh bears high subsidy burden (Figure 7), with subsidies comprising nearly 10.9% of its total expenditure in 2024-25. This is markedly higher than in Jharkhand (7.6%), Odisha (3.4%), and the all-states average (6.5%). This pattern reflects the state's policy focus on social transfers, especially in the form of food and electricity subsidies.

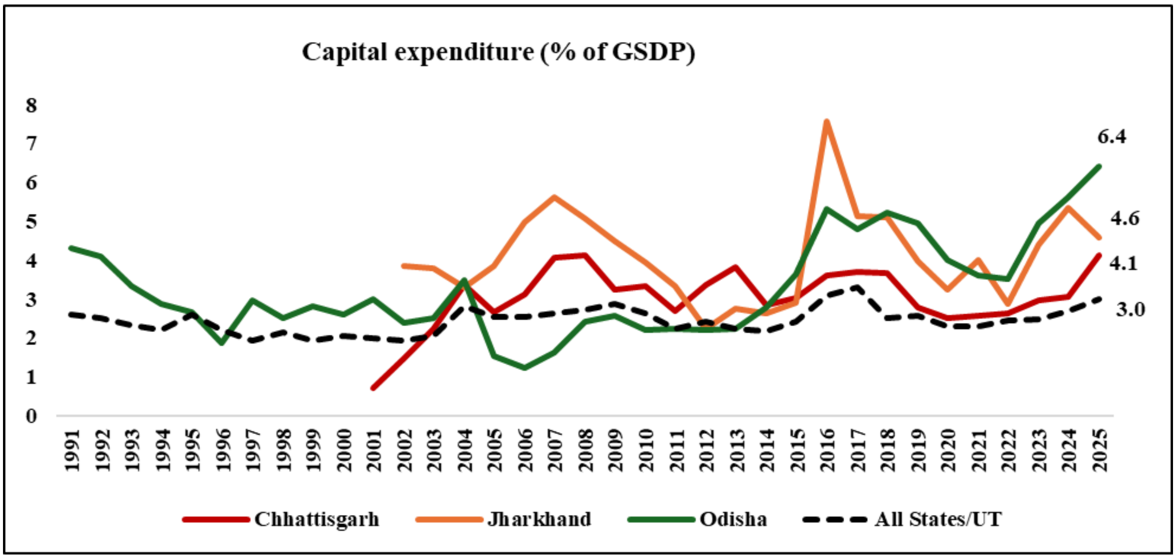
Figure 7: Subsidies (as % of total expenditure)



Source: Reserve Bank of India, State Finances Report 2026
Note: First Revised Estimates for FY 2024-25 have been used for GSDP.

Third, a large share of the spending in all three states, ranging from 77% to 85%, is directed toward current expenditure, leaving limited resources for capital formation. The state's fiscal space is constrained by high levels of committed spending and a substantial subsidy burden, which restrict its ability to allocate funds for capital outlays. As a result, capital expenditure in Chhattisgarh stands at just 4.1% of GSDP, compared to 4.6% in Jharkhand and 6.4% in Odisha (Figure 8). This limited investment in capital infrastructure poses concerns for the state's long-term economic growth prospects.

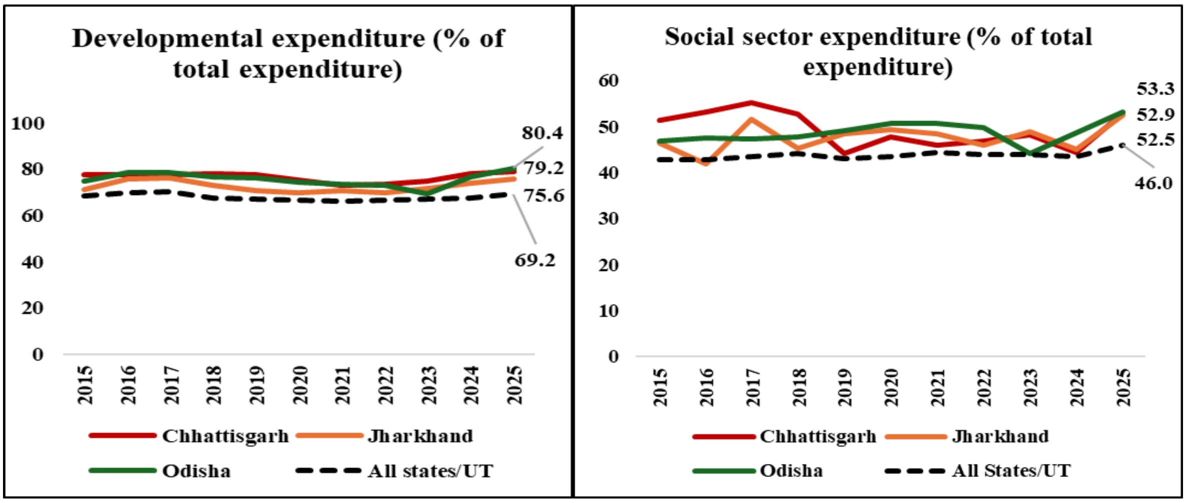
Figure 8: Capital expenditure (as % of GSDP) in Chhattisgarh, Jharkhand and Odisha



Source: Reserve Bank of India, State Finances Report 2026
Note: First Revised Estimates for FY 2024-25 have been used for GSDP.

Although the overall quality of expenditure in all three states is relatively strong, with 75.6% to 80.4% of total spending directed toward developmental activities such as health, education, and social services, this share has remained largely unchanged over the past decade (Figure 9). While this focus has contributed to their higher rankings in NITI Aayog's Fiscal Health Index 2024, the stagnation suggests limited progress in further improving the composition of public spending.

Figure 9: Development expenditure (as % of total expenditure) in Chhattisgarh, Jharkhand and Odisha



Source: Reserve Bank of India, State Finances Report 2026
Note: First Revised Estimates for FY 2024-25 have been used for GSDP.

4. Fiscal Prudence - Deficits and Debt

While expenditure levels and quality are important, a state's overall fiscal health also hinges on the sustainability of its fiscal balances. Two key aspects are crucial here.

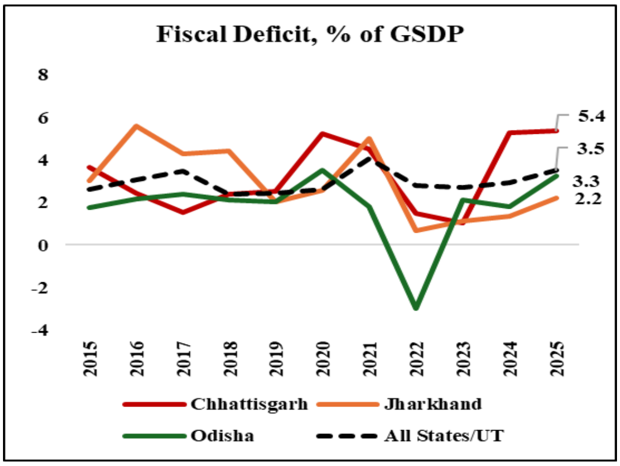
First, fiscal prudence, the ability to fund regular operations through own revenues while maintaining manageable fiscal deficits. States with consistent revenue surpluses and moderate deficits create more room for development spending, whereas persistent revenue deficits signal structural issues and reliance on borrowing for routine expenses.

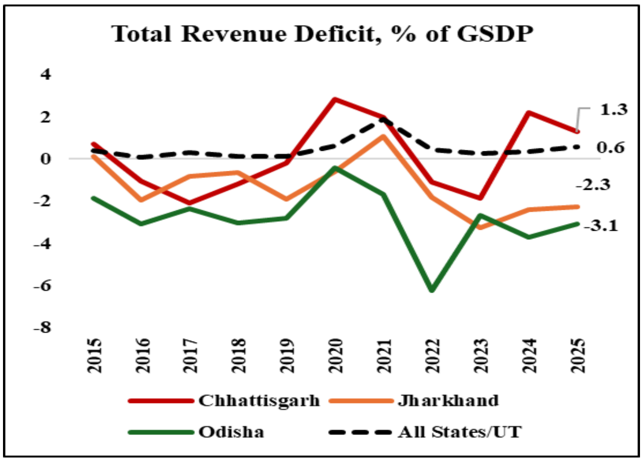
Second, the debt position, assessed through the debt-to-GSDP ratio, interest payments relative to revenues, and contingent liabilities. High debt and servicing costs can limit fiscal flexibility, while rising off-budget borrowings and guarantees pose hidden risks that can surface during economic stress.

4.1 Fiscal Deficit

As of 2024-25, Chhattisgarh's fiscal deficit stands at 5.4% of GSDP, considerably higher than the all-States and UTs average of 3.5% (Figure 10). In contrast, Jharkhand and Odisha have much lower deficits at 2.2% and 3.3%, respectively. This indicates Chhattisgarh's heavy reliance on borrowings, increasing the vulnerability of its finances. Over the past decade, Chhattisgarh's fiscal deficit averaged 3.2% of GSDP but surged to 5.4% in 2024-25, largely due to higher-than-expected central loans for capital expenditure. Meanwhile, the fiscal deficit trends for Jharkhand and Odisha have generally aligned with the all-states average, showing expected spikes during the COVID-19 period (FY 2020-21) before returning to pre-pandemic levels by 2024-25.

Figure 10: Fiscal and Revenue Deficits: Chhattisgarh, Jharkhand and Odisha (as % of GSDP)





Source: Reserve Bank of India, State Finances Report 2026
Note: First Revised Estimates for FY 2024-25 have been used for GSDP.

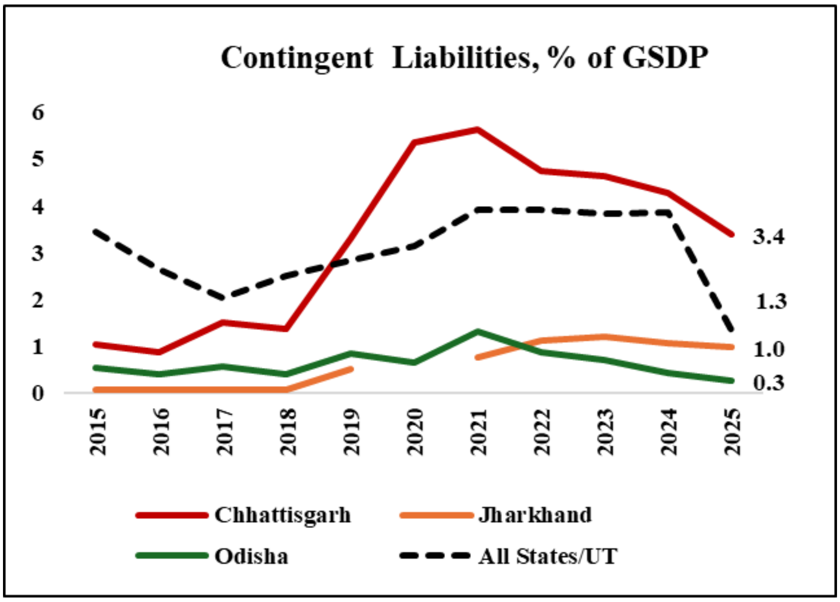
Over the past decade, Chhattisgarh's revenue deficit has grown, unlike Odisha, which has consistently maintained a revenue surplus, reaching a peak of around 6% of GSDP in FY 2021-22. Jharkhand has also sustained a surplus, albeit at a lower level, except during the COVID-19 year.

This highlights that despite Chhattisgarh's higher revenue collection, its total expenditure remains significantly greater, limiting its fiscal space. The state is forced to borrow not only for investments but also to cover routine expenses. Clearly, there is substantial room for improving the quality of Chhattisgarh's fiscal management.

4.2 Contingent Liabilities.

As of FY 2024-25, Chhattisgarh's contingent liabilities stand at 3.4% of GSDP, significantly exceeding the all-India average of 1.3% (Figure 11). In contrast, Jharkhand and Odisha report much lower levels at 1% and 0.3%, respectively. The elevated contingent liabilities in Chhattisgarh increase the risk of financial strain due to potential defaults by state-owned enterprises or public utilities, which account for the majority of these liabilities.

Figure 11: Chhattisgarh's Contingent Liabilities and Revenue Deficit over the last 10 years (FY 2015-16 to 2024-25) with comparative States



Source: RBI State Finances Report, 2026; National Account Statistics, Ministry of Statistics & Programme Implementation, 2026
Note: First Revised Estimates for FY 2024-25 have been used for GSDP.

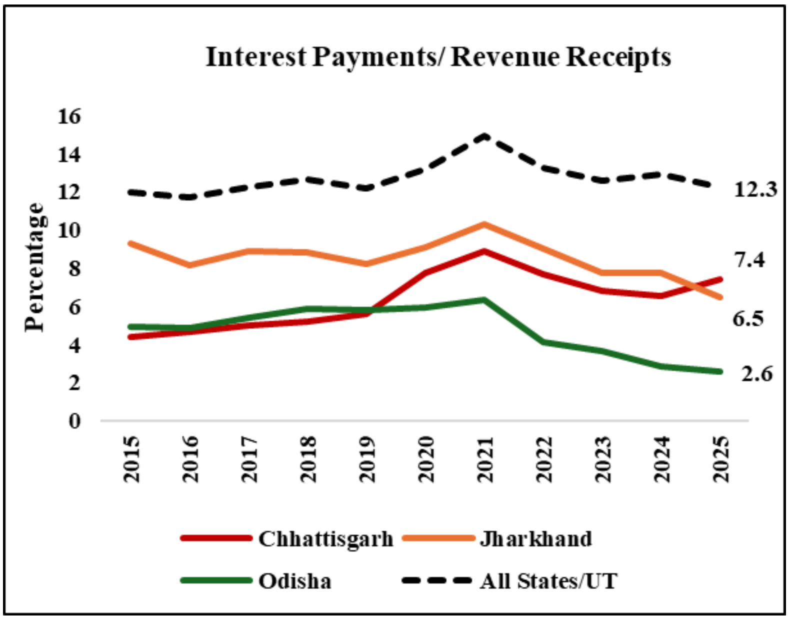
What is particularly concerning is that Chhattisgarh experienced a significant rise in contingent liabilities during the pandemic year (FY 2020-21), contributing to its current above-average level. In comparison, Jharkhand and Odisha are in a stronger position, even relative to the all States/UTs benchmark as of FY 2024-25. Unlike these two states, however, Chhattisgarh's increased contingent liabilities from the pandemic period have persisted, leaving it more vulnerable.

In contrast, Odisha has established one of India's strongest fiscal records, maintaining continuous revenue surpluses, including a peak of nearly 6% of GSDP in FY 2021-22. This fiscal strength has allowed Odisha to invest in infrastructure while keeping deficits in check. Jharkhand also maintains steady, albeit smaller, surpluses with consistently moderate fiscal deficits. This contrast underscores Chhattisgarh's fiscal fragility: while Odisha and Jharkhand primarily borrow to fund investments, Chhattisgarh's borrowing increasingly covers current expenditures, thereby limiting its fiscal flexibility.

4.3 Interest Payments and the Debt Index

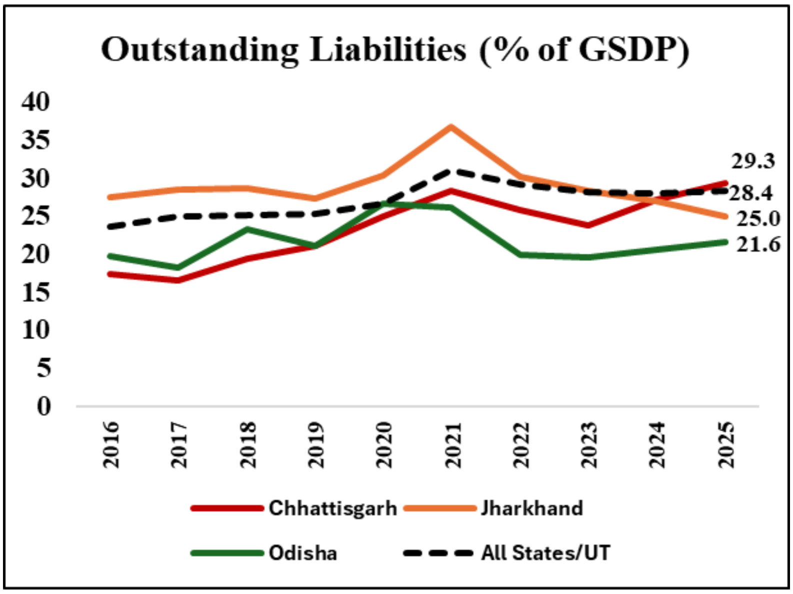
The interest payments-to-revenue receipts ratio shows the share of revenue used to cover interest on outstanding debt. A high ratio suggests that a state is spending a disproportionate amount of its revenue on debt servicing, which may signal financial stress. Figure 12 highlights that all three states are in a relatively better position compared to the national average of 12.3% as of FY 2024-25. Among them, Odisha performs the best at 2.6%, followed by Jharkhand at 6.5% and Chhattisgarh at 7.4%, indicating Odisha allocates a smaller portion of its revenue to interest payments each year.

Figure 12: Chhattisgarh's Interest Payments/Revenue Receipts ratio over the last 10 years (FY 2015-16 to 2024-25) along with comparative States



Source: RBI State Finances Report, 2026; National Account Statistics, Ministry of Statistics & Programme Implementation, 2026
Note: First Revised Estimates for FY 2024-25 have been used for GSDP.

Figure 13: Chhattisgarh's Outstanding Liabilities (% of GSDP) over the last 10 years (FY 2015-16 to 2024-25) along with comparative States



Source: RBI State Finances Report, 2026
Note: First Revised Estimates for FY 2024-25 have been used for GSDP.

By considering both the outstanding liabilities-to-GSDP ratio and the interest payments-to-revenue receipts ratio together as indicators of a state's debt profile, it appears that Chhattisgarh's debt situation is superficially similar to the national average. However, this masks underlying vulnerabilities, particularly its large contingent liabilities and relatively high interest burden. For instance, Chhattisgarh's average debt-to-GSDP ratio over the last decade (2015-16 to 2024-25) is 23.4%, which is lower than the all-states average of 27.1% and Jharkhand's 29%, largely due to lower debt levels between 2014-15 and 2017-18. In comparison, Odisha's average debt-to-GSDP ratio during the same period was 21.9%, placing it in a far stronger fiscal position thanks to disciplined borrowing and consistent surpluses.

As noted earlier, Chhattisgarh's contingent liabilities are notably high, reaching 3.4% of GSDP in 2024-25 and averaging 3.5% over the past decade. This is well above the all-India average of 1.3% in 2024-25, and significantly higher than neighbouring Jharkhand (1%) and Odisha (0.3%). Over the last ten years, Jharkhand and Odisha have maintained low contingent liabilities, averaging 0.6% each, compared to the all-India average of 3%. These liabilities, mainly tied to guarantees for state-owned enterprises and utilities, represent potential hidden debts. If these entities default, the state would have to shoulder the financial burden, substantially worsening its debt position.

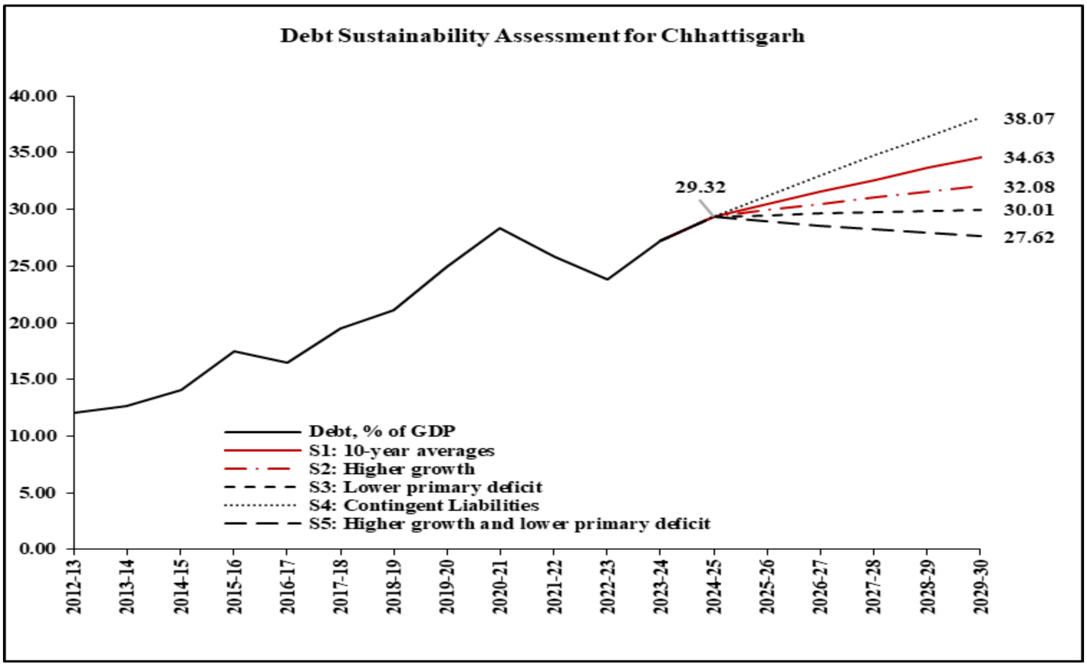
Additionally, Chhattisgarh carries a relatively high interest burden on its revenue receipts, which limits the funds available for developmental spending. In contrast, Odisha's low debt levels and moderate interest obligations allow it to allocate a greater portion of its revenue toward investments. Jharkhand, though not as strong as Odisha, maintains a manageable debt service ratio that prevents excessive crowding out. Therefore, despite Chhattisgarh's debt ratio appearing similar to its peers, its significant contingent liabilities combined with higher interest costs increase its vulnerability to fiscal stress.

4.4 Debt Sustainability Assessment

The Debt Sustainability Assessment for Chhattisgarh projects a troubling rise in the debt-to-GSDP ratio under most scenarios. In the baseline scenario, the ratio is expected to increase by at least 5 percentage points by 2029-30. Scenarios featuring only higher growth, lower primary deficits, or reduced contingent liabilities also do not show any significant decline. A modest decrease in the debt-to-GSDP ratio is predicted only when higher growth is combined with a lower primary deficit (Figure 13).

A similar trend is observed for Jharkhand, where the debt-to-GSDP ratio is forecasted to rise over the next five years (2025-26 to 2029-30) across most scenarios. In contrast, Odisha's projections indicate a consistent decline in its debt-to-GSDP ratio across all five scenarios, including the one where the state takes on its outstanding contingent liabilities.

Figure 14: Debt Sustainability Assessment for Chhattisgarh



***Source**: Eichengreen and Gupta (2023) Link; Author's calculations.*
***Note**: In Scenario 2, half a standard deviation of 10-year average of real GDP growth rate is added as a positive growth shock. In Scenario 3, half a standard deviation of 10-year average of primary deficit is removed as a positive fiscal shock. In Scenario 4, 0.73 percentage points of Contingent Liabilities are assumed to be taken on by the government in each fiscal year.*

4.5 Overall Fiscal Health Index

As per the Fiscal Health Index for the FY 2023-24 by NITI Aayog, Chhattisgarh ranks 6th out of 18 major States, lower than Odisha due to poor debt sustainability score. As per the report, the State ranked 3rd on quality of expenditure, 5th on revenue mobilization, 17th on fiscal prudence and 2nd on the debt index, putting it on the category of a 'Front runner' State. While the other two states, Jharkhand and Odisha falls under the 'Achiever' category.

5. FRBM Compliance

Following the Twelfth Finance Commission's recommendations for prudent fiscal management, the Chhattisgarh State Government enacted the **Chhattisgarh Fiscal Responsibility Act and Budget Management Act (CFRBM)** in 2005, in line with Union Fiscal Responsibility and Budget Management Act, 2003[2]. The Chhattisgarh FRBM Rules, 2006 prescribed the following fiscal targets for the State Government:

- **Revenue Deficit:** Eliminate revenue deficit by 31st March, 2009 and maintain a revenue surplus in every financial year from 2005-06 onwards, however, the State's revenue deficit should not exceed 253.20 crore in 2005-06, 168.80 crore in 2006-07, 84.40 crore in 2007-08 and eliminate the deficit in 2008-09 and maintain thereafter.

[2] Data is sourced from the State Audit Report of the CAG for the respective years and the State Government Gazette.

- **Fiscal Deficit:** Reduce fiscal deficit every year beginning with financial year 2005-06 by an amount at least equivalent to one fourth of what actual fiscal deficit as a percentage of GSDP exceeds three per cent in the financial year 2004-05, so that fiscal deficit is brought down to not more than three per cent of GSDP at the end of March 2009.
- The State Government shall not give new guarantees, in any financial year beginning with the financial year 2005-06, in excess of 1.5 percent of GSDP in nominal terms or 0.5 per cent on risk weighted basis, whichever is lower.
- The State Government shall not assume additional total liabilities in excess of 5 percent of GSDP for any financial year beginning with 2005-06.

As per the State Finances Audit Report for the FY 2023-24 of the Comptroller and Auditor General of India (CAG). These achievements are tabulated in Table 1 below.

- Chhattisgarh achieved its Revenue Surplus targets in 2021-22 and 2022-23 during the five-year period from 2019-20 to 2023-24. In comparison, Jharkhand had a revenue surplus during the period of 4-years from FY 2019-20 to FY 2023-24, except in FY 2020-21. Odisha on the other hand recorded a revenue surplus in all five years during the period from FY 2019-20 to 2023-24.
- The state of Chhattisgarh was successful in containing the fiscal deficit below the targets fixed under State's Fiscal Responsibility and Budget management Act in three out of these last five years barring the exception of FY 2019-20 and 2023-24. On the other hand, Jharkhand and Odisha were able to achieve fiscal deficit targets in 4 out of five years with the exceptions of FY 2020-21 and 2019-20, respectively.
- During the five-year period from FY 2019-20 to 2023-24, the outstanding debt of Chhattisgarh State remained within the norms prescribed in the State FRBM Act for 2 out of 5 years (2021-22 and 2022-23) as shown in the table below. Jharkhand also had a similar situation. Odisha fared much better in terms of its commitments to meet the debt-to-GSDP ratio and contained it within the 25 percent target set by the State's FRBM Act.

Table 1: Fiscal Compliance for Chhattisgarh (FY 2019-20 to 2023-24)

Fiscal Parameters	Fiscal Targets set in the Act/MTFPS	Achievements (Rs. crores)				
		2019-20	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Revenue Deficit (-)/ Surplus (+)	Revenue Surplus	(-)9,608.61	(-)6,856.66	(+)4,642.02	(+)8,592.11	(-)11,232.76
		No	**No**	**Yes**	**Yes**	**No**
Fiscal Deficit (-)/ Surplus (+)(as percent of GSDP)	5.00% for 2019-20 5.00% for 2020-21 4.56% for 2021-22 3.33% for 2022-23 2.99% for 2023-24	(-)17,969.38 (5.21%)	(-)15,822.38 (4.49%)	(-)6,093.10 (1.48%)	(-)4,691.21 (1.01%)	(-)26,933.03 (5.32%)
		No	**Yes**	**Yes**	**Yes**	**No**
Ratio of overall outstanding liabilities to GSDP (as percent of GSDP)	21.23% for 2019-20 21.59% for 2020-21 28.34% for 2021-22 26.41% for 2022-23 23.81% for 2023-24	22.84%	25.42%	22.19%	20.16%	24.93%
		No	**No**	**Yes**	**Yes**	**No**

Source: CAG State Finances Audit Reports, 2023-24.

5. Way Forward

(i) Boosting Non-Tax Revenues and Reducing Dependence on Mining: Unlike Odisha, Chhattisgarh has struggled to fully capitalize on its mineral resources to increase non-tax revenues. This issue is further exacerbated by the shrinking contribution of the mining and quarrying sector to the state's GSDP, even though the majority of its non-tax revenue still comes from mining. This heavy dependence increases fiscal vulnerability. To create a more stable and resilient revenue base, Chhattisgarh must both enhance mining-related collections and also diversify its non-tax revenue sources.

(ii) Tax Revenue Mobilization: Although Chhattisgarh collects more in overall commodity and service taxes, its SGST contribution to own revenues is lower than Odisha's. Moving forward, the state needs to boost SGST collections and widen its tax base by enhancing compliance, plugging revenue leakages, and increasing coverage in underrepresented areas of the services sector, where it currently trails other states.

(iii) Rationalising Subsidy Spending: Although Chhattisgarh's high developmental expenditure enhances its expenditure quality, the state allocates a disproportionately large portion of its budget to subsidies, especially in food and power, compared to Odisha and Jharkhand. Streamlining and better targeting these subsidies could release funds for increased capital investment.

(iv) Managing Committed Expenditure to Boost Capital Investment: A significant portion of Chhattisgarh's revenue expenditure goes toward committed costs like wages, pensions, and interest payments. Streamlining these current expenses is essential to free up fiscal space for increased capital outlays and sustained long-term growth.

(v) Fiscal Prudence: Although Chhattisgarh outperforms many other states, its fiscal position remains fragile. It lags behind Odisha in fiscal discipline; while Odisha has maintained surpluses and kept deficits in check, Chhattisgarh's deficits have widened significantly. Although its debt stock is not exceptionally high, Chhattisgarh's large contingent liabilities and interest burden expose it to risks much greater than those faced by Odisha or Jharkhand.

The takeaway for Chhattisgarh is clear: revenue growth alone cannot ensure fiscal sustainability without controlling expenditures and managing contingent liabilities. Otherwise, the state risks falling into a cycle where rising revenues are consistently overshadowed by increasing spending, forcing it to borrow for both investments and ongoing commitments. The experiences of Odisha and Jharkhand demonstrate that fiscal health relies not just on revenue generation but also on disciplined spending and prudent borrowing.

(vi) Borrowing Discipline: The state must rein in its public debt and contingent liabilities and reverse the upward trend in overall debt to restore fiscal sustainability.

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Annexure: Data Tables

Table A.1: Deficit, debt, receipts and contingent liabilities for FY 2024-25

State	Fiscal Deficit (% of GSDP)	Revenue Deficit (% of GSDP)	Public Debt (% of GSDP)	Total Revenue Receipts (% of GSDP)	Contingent Liabilities (% of GSDP)
Chhattisgarh	5.4	-1.3	29.3	21.4	3.4
Odisha	3.3	3.1	21.6	23.7	0.3
Jharkhand	2.2	2.3	25.0	21.4	1.0
All States/UT	3.5	-0.6	28.4	13.9	1.3

Source: RBI State Finances Report, 2026; National Account Statistics, Ministry of Statistics & Programme Implementation, 2026

Table A.2: Revenues, transfers and total expenditures for FY 2024-25

State	Own Tax Revenue (% of GSDP)	Own Non-Tax Revenue (% of GSDP)	Transfers from Centre (% of GSDP)	Total Expenditure (% of GSDP)	RevEx (% of GSDP)	Capital Outlay (% of GSDP)
Chhattisgarh	8.2	3.1	10.2	26.8	22.7	4.1
Odisha	6.6	6.4	10.6	27.0	20.6	6.1
Jharkhand	6.6	3.9	10.9	23.7	19.1	3.7
All States/UT	6.8	1.1	6.0	17.4	14.4	2.7

Source: RBI State Finances Report, 2026; National Account Statistics, Ministry of Statistics & Programme Implementation, 2026

Table A.3: Grants, interest payments and expenditure sub-categories for FY 2024-25

State	Grants-in-Aid and Contribution (% of GSDP)	Interest Payments (% of GSDP)	Committed Expenditure (% of GSDP)	Social Sector Expenditure (% of GSDP)	Education Expenditure (% of GSDP)	Health Expenditure (% of GSDP)
Chhattisgarh	0.2	1.6	8.5	14.2	4.1	1.8
Odisha	0.2	0.6	8.0	14.4	3.6	2.4
Jharkhand	0.0	1.4	6.9	12.4	2.9	1.3
All States/UT	0.4	1.7	6.4	8.0	2.5	0.9

Source: RBI State Finances Report, 2026; National Account Statistics, Ministry of Statistics & Programme Implementation, 2026

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