

Andhra Pradesh Budget Analysis 2026-27

The Finance Minister, Mr Payyavula Keshav, presented the Budget for Andhra Pradesh for the financial year 2026-27 on February 14, 2026.

Budget Highlights

- The **Gross State Domestic Product (GSDP)** of Andhra Pradesh for 2026-27 (at current prices) is projected to be Rs 19,75,073 crore, amounting to growth of 12% over the previous year.
- **Expenditure (excluding debt repayment)** in 2026-27 is estimated to be Rs 3,10,058 crore, an increase of 12% over the revised estimates of 2025-26. In addition, debt of Rs 22,147 crore will be repaid by the state.
- **Receipts (excluding borrowings)** for 2026-27 are estimated to be Rs 2,34,190 crore, an increase of 19% over the revised estimate for 2025-26 (Rs 1,96,952 crore). In 2025-26, receipts are estimated to be 10% lower than the budget estimate (Rs 2,18,002 crore)
- **Revenue deficit** in 2026-27 is estimated to be 1.1% of GSDP (Rs 22,003 crore), lower than the revised estimate for 2025-26 (2.3% of GSDP). In 2025-26, revenue deficit is estimated to be higher than budgeted (1.8% of GSDP).
- **Fiscal deficit** for 2026-27 is targeted at 3.8% of GSDP (Rs 75,868 crore). In 2025-26, as per the revised estimates, fiscal deficit is expected to be 4.6% of GSDP, higher than the budgeted (4.4% of GSDP).

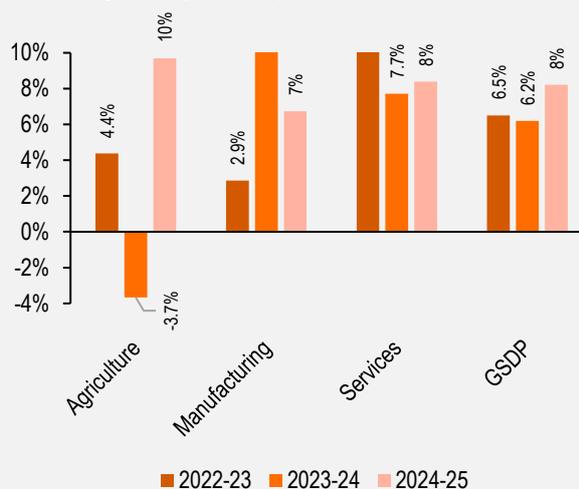
Policy Highlights

- **Free electricity for weavers:** From April 1, 2026, handloom weavers will receive free power up to 200 units per month. Power loom weavers will receive up to 500 units of free power monthly.
- **Police modernisation:** Several initiatives will be taken up to modernise the law and order machinery. These include inducting 3,000 new vehicles into the police department, and establishing one cybercrime police station in each district.
- **Sovereign Wealth Fund:** The Andhra Pradesh Wealth Fund will be established as a sovereign wealth fund. These are entities that manage and invest a state’s financial assets.
- **Harita Andhra Pradesh:** The state’s green cover will be increased from 30% (as of January 2026) to 37% by 2030, and to 50% by 2047.

Andhra Pradesh’s Economy

- **GSDP:** In 2024-25, Andhra Pradesh’s GSDP (at constant prices) is estimated to grow by 8% over the previous year. In comparison, India’s GDP is estimated to grow by 6.5% in 2024-25.
- **Sectors:** In 2024-25, agriculture, manufacturing, and services sectors are estimated to contribute 37%, 21%, and 42% of Andhra Pradesh’s economy, respectively (at current prices).
- **Per capita GSDP:** In 2024-25, Andhra Pradesh’s per capita GSDP (at current prices) is estimated to be Rs 2,98,058, an increase of 12% over 2023-24. In 2024-25, India’s per capita GDP is estimated at Rs 2,34,859, an increase of 9% over the previous year.

Figure 1: Growth in Andhra Pradesh’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: MoSPI; PRS.

Budget Estimates for 2026-27

- **Total expenditure (excluding debt repayment)** in 2026-27 is targeted at Rs 3,10,058 crore. This is an increase of 12% over the revised estimate of 2025-26. This expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 2,34,190 crore and net borrowings of Rs 75,168 crore. Total receipts for 2026-27 (other than borrowings) are expected to register an increase of 19% over the revised estimate of 2025-26.
- The state estimates a **revenue deficit** of 1.1% of GSDP (Rs 22,003 crore) in 2026-27, lower than the revised estimate for 2025-26 (2.3% of GSDP). In 2025-26, revenue deficit is estimated to be higher than the initial budget estimate (1.8% of GSDP). This is driven by a 10% shortfall estimated in revenue receipts.
- **Fiscal deficit** for 2026-27 is targeted at 3.8% of GSDP (Rs 75,868 crore), lower than the revised estimate for 2025-26 (4.6% of GSDP). In 2025-26, fiscal deficit is estimated to be higher than budgeted (4.4% of GSDP).

Table 1: Budget 2026-27 - Key figures (in Rs crore)

Items	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
Total Expenditure	2,72,228	3,22,359	3,00,535	-7%	3,32,205	11%
(-) Repayment of debt	23,094	24,430	23,015	-6%	22,147	-4%
Net Expenditure (E)	2,49,134	2,97,929	2,77,519	-7%	3,10,058	12%
Total Receipts	2,69,314	3,21,659	2,99,834	-7%	3,31,505	11%
(-) Borrowings	1,01,193	1,03,657	1,02,882	-1%	97,315	-5%
of which central capex loans*	7,902	10,200	9,429	-8%	11,000	17%
Net Receipts (R)	1,68,121	2,18,002	1,96,952	-10%	2,34,190	19%
Fiscal Deficit (E-R)	81,013	79,927	80,567	1%	75,868	-6%
as % of GSDP	5.1%	4.4%	4.6%		3.8%	
Revenue Deficit	60,285	33,186	41,118	24%	22,003	-46%
as % of GSDP	3.8%	1.8%	2.3%		1.1%	
Primary Deficit	48,046	44,929	43,334	-4%	38,588	-11%
as % of GSDP	3.0%	2.5%	2.5%		2.0%	
GSDP	15,91,226	18,25,000	17,62,357	-3%	19,75,073	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. Sources: Annual Financial Statement, Andhra Pradesh Budget Documents 2026-27; PRS.

Expenditure in 2026-27

- **Revenue expenditure** for 2026-27 is proposed to be Rs 2,56,143 crore, an increase of 8% over the revised estimate of 2025-26. This includes the expenditure on salaries, pension, interest, grants, and subsidies.
- **Capital outlay** for 2026-27 is proposed to be Rs 48,698 crore, an increase of 47% over the revised estimate for 2025-26. Sectors with relatively higher increase in the allocation for capital outlay include: (i) irrigation and flood control (increase of Rs 3,670 crore), (ii) water supply and sanitation (increase of Rs 3,637 crore), and (iii) urban development (increase of Rs 3,404 crore). Capital outlay indicates expenditure towards creation of assets.

Expenditure on Social Security Pensions

The 16th Finance Commission noted that Andhra Pradesh incurred the highest per capita expenditure on social security pensions (Rs 5,061 per capita as per 2025-26 BE). A key social security pension scheme being implemented in Andhra Pradesh is the NTR Bharosa pension scheme. In 2026-27, the scheme has been allocated Rs 27,719 crore.

The Commission observed that while JAM (Jandhan-Aadhaar-Mobile) has helped reduce leakages in transfer programs such as pension schemes, issues related to targeting remain. It observed that a recent ground verification of pension scheme beneficiaries by Andhra Pradesh government revealed that: (i) 9% of beneficiaries were ineligible and had been wrongly included, (ii) 0.6% beneficiaries were also found dead. This verification was carried out in one village/ward secretariat of each district.

Sources: 16th Finance Commission Report Volume-I, Andhra Pradesh Budget Documents 2026-27; PRS.

Table 2: Expenditure budget 2026-27 (in Rs crore)

Items	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
Revenue Expenditure	2,27,961	2,51,163	2,38,022	-5%	2,56,143	8%
Capital Outlay	16,141	40,636	33,135	-18%	48,698	47%
Loans given by the state	5,032	6,131	6,363	4%	5,218	-18%
Net Expenditure	2,49,134	2,97,929	2,77,519	-7%	3,10,058	12%

Sources: Annual Financial Statement, Andhra Pradesh Budget Documents 2026-27; 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 2026-27, Andhra Pradesh is estimated to spend Rs 37,281 crore towards interest payment (16% of revenue receipts) and Rs 23,713 crore towards pension (10% of revenue receipts).

Table 3: Committed Expenditure in 2026-27 (in Rs crore)

Items	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
Salaries	NA	NA	NA	-	NA	-
Pension	26,952	21,935	24,026	10%	23,713	-1%
Interest payment	32,967	34,998	37,233	6%	37,281	0.1%

Sources: Annual Financial Statement, Andhra Pradesh Budget Documents 2026-27; PRS.

Sector-wise expenditure: The sectors listed below account for 67% of the total expenditure on sectors by the state in 2026-27. A comparison of Andhra Pradesh's expenditure on key sectors with that by other states is shown in Annexure 1.

Table 4: Sector-wise expenditure under Andhra Pradesh Budget 2026-27 (in Rs crore)

Sector	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE	Budget Provisions (2026-27 BE)
Welfare of SC, ST, OBC, and Minorities	36,160	52,047	41,705	52,855	27%	<ul style="list-style-type: none"> Rs 27,719 crore has been allocated toward the NTR Bharosa Scheme. Rs 8,456 crore has been allocated to the Thalliki Vandanam scheme.
Education, Sports, Arts, and Culture	29,607	35,213	33,282	35,673	7%	<ul style="list-style-type: none"> Rs 20,801 crore has been allocated to teaching grants to Mandal Praja Parishads, Municipalities and Zila Praja Parishads. Samagra Shiksha Abhiyan has been allocated Rs 3,036 crore.
Rural Development	1,671	18,140	14,410	20,610	43%	<ul style="list-style-type: none"> Rs 8,365 crore has been allocated towards the VB-GRAM-G scheme.
Health and Family Welfare	15,063	19,589	17,809	19,630	10%	<ul style="list-style-type: none"> The Dr. Nandamuri Taraka Ramarao Vaidya Seva Trust has been allocated Rs 4,000 crore. Medical Colleges and Teaching Hospitals have been allocated Rs 2,819 crore.
Irrigation and Flood Control	9,766	16,490	13,210	16,734	27%	<ul style="list-style-type: none"> Rs 6,105 crore has been allocated for the Polavaram dam project.
Agriculture and Allied Activities	4,491	14,138	13,008	14,433	11%	<ul style="list-style-type: none"> Rs 6,600 crore has been allocated for the Annadata Sukhibhava scheme. Rs 1,365 crore has been allocated to various schemes under PM Rashtriya Krushi Vikas Yojana.
Energy	15,952	13,135	15,040	14,120	-6%	<ul style="list-style-type: none"> Rs 12,832 crore has been allocated to the Transmission Corporation as assistance for agricultural subsidies.
Urban Development	4,613	11,625	8,517	12,541	47%	<ul style="list-style-type: none"> Rs 6,000 crore has been allocated for Amravati Capital City Development.
Social Welfare and Nutrition	14,741	9,071	7,290	9,189	26%	<ul style="list-style-type: none"> Rs 3,344 crore has been allocated for subsidy on rice. Rs 941 crore has been allocated for the Saksham Anganwadi and POSHAN 2.0 scheme.
Transport	7,566	8,055	8,507	8,834	4%	<ul style="list-style-type: none"> Rs 2,399 crore has been allocated as capital outlay for roads and bridges. Rs 1,420 crore has been allocated for the Stree Shakti Scheme, which provides free bus travel for women.
% of total expenditure on all sectors	61%	68%	64%	67%		

Sources: Annual Financial Statement, Andhra Pradesh Budget Documents 2026-27; PRS.

Receipts in 2026-27

- **Total revenue receipts** for 2026-27 are estimated to be Rs 2,34,140 crore, an increase of 19% over the revised estimate of 2025-26. Of this, Rs 1,37,320 crore (59%) will be raised by the state through its **own resources**, and Rs 96,820 crore (41%) will come **from the centre**. Resources from the centre will be in the form of state's share in central taxes (27% of revenue receipts) and grants (14% of revenue receipts).
- **Devolution:** In 2026-27, the state's share in central taxes is estimated at Rs 64,362 crore, an increase of 13% over the revised estimate for 2025-26.
- **Grants from the centre** in 2026-27 are estimated at Rs 32,458 crore, an increase of 17% over the revised estimate for 2025-26. In 2025-26, grants from centre are estimated to be 14% lower than budgeted.
- **State's own tax revenue:** Andhra Pradesh's total own tax revenue is estimated to be Rs 1,25,846 crore in 2026-27, an increase of 28% over the revised estimate for 2025-26. Own tax revenue as a percentage of GSDP is estimated at 6.4% in 2026-27, significantly higher than the revised estimates for 2025-26 and actuals for 2024-25 (both 5.6%).

Non-tax revenue from mining

In 2026-27, Andhra Pradesh is estimated to earn Rs 5,196 crore as non-tax revenue from mining, 2% lower than the revised estimate for 2025-26 (Rs 5,320 crore). As of January 2025, 16% of the auctioned blocks in Andhra Pradesh were operational. This rate was lower than states such as Odisha (54%) and Karnataka (29%).

Table 5: State-wise auctioned and operational blocks as of January 2025

State	Auctioned	Operational	% Operational
Odisha	48	26	54%
Karnataka	45	13	29%
Andhra Pradesh	25	4	16%
Chhattisgarh	35	3	9%
Maharashtra	40	0	0%
Telangana	2	0	0%
Jharkhand	10	0	0%

Source: Report on States' Best Practices in Mining, Union Ministry of Mines Annual Report, January 2025; PRS.

Table 6: Break-up of the state government's receipts (in Rs crore)

Items	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
State's Own Tax	89,435	1,09,007	98,025	-10%	1,25,846	28%
State's Own Non-Tax	5,972	19,119	14,324	-25%	11,474	-20%
Share in Central Taxes	52,080	57,566	56,741	-1%	64,362	13%
Grants-in-aid from Centre	20,188	32,284	27,813	-14%	32,458	17%
Revenue Receipts	1,67,676	2,17,977	1,96,904	-10%	2,34,140	19%
Non-debt Capital Receipts	445	26	48	88%	50	3%
Net Receipts	1,68,121	2,18,002	1,96,952	-10%	2,34,190	19%

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

Sources: Annual Financial Statement, Andhra Pradesh Budget Documents 2026-27; PRS.

- In 2026-27, **State GST** is estimated to be the largest source of own tax revenue (36% share). State GST revenue is estimated to increase by 15% over the revised estimate for 2025-26.
- In 2026-27, stamps duty and registration fees is estimated to register an increase of 70% over the revised estimate for 2025-26. The corresponding increase in state excise and sales tax/VAT is estimated to be 27% and 34%, respectively.
- Revenue from several major sources of own tax revenue are estimated to be lower than budgeted in 2025-26. This includes sales tax/ VAT (14% lower than budgeted), state excise (16% lower), and stamps duty (13% lower).

Table 7: Major sources of state's own-tax revenue (in Rs crore)

Head	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
State GST	32,643	40,718	39,336	-3%	45,078	15%
State Excise	19,882	27,097	23,648	-13%	30,067	27%
Sales Tax/ VAT	17,423	20,874	18,007	-14%	24,126	34%
Stamps Duty and Registration Fees	8,837	13,150	11,025	-16%	18,701	70%
Taxes on Vehicles	4,482	5,664	4,679	-17%	6,018	29%
Land Revenue	196	222	255	15%	279	9%
Taxes and Duties on Electricity	5,309	510	410	-20%	512	25%

Sources: Annual Financial Statement, Andhra Pradesh Budget Documents 2026-27; PRS.

Deficits and Debt in 2026-27

The Andhra Pradesh Fiscal Responsibility and Budget Management Act, 2005 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 those expenses which do not increase its assets or reduces its liabilities. The budget estimates a revenue deficit of Rs 22,003 crore in 2026-27 (1.1% of GSDP).

Fiscal deficit: It is the excess of total expenditure over total receipts. This gap is filled by borrowings and leads to an increase in total liabilities. In 2026-27, the fiscal deficit is estimated to be 3.8% of GSDP (Rs 75,868 crore). The 16th Finance Commission has recommended the annual fiscal deficit limit for states to be 3% of GSDP for the 2026-31 period. 50-year interest free loans for capital expenditure (capex) given by the central government will be excluded to arrive at the borrowing ceiling. In 2026-27, the state has budgeted capex loans at Rs 11,000 crore (0.6% of GSDP). As per the revised estimates, in 2025-26, the fiscal deficit of the state is expected to be 4.6% of GSDP. This is higher than the budget estimate (4.4% of GSDP).

Outstanding liabilities: Outstanding liabilities is the accumulation of total borrowings at the end of a financial year. It also includes liabilities under public accounts such as provident funds. Andhra Pradesh's outstanding liabilities increased from 33% of GSDP in 2021-22 to 36% of GSDP in 2024-25. In 2026-27, outstanding liabilities is estimated at 36% of GSDP.

Off-budget borrowings

CAG (2024) observed that outstanding off-budget borrowings in Andhra Pradesh was Rs 1.28 lakh crore as of March 2023 (9.7% of GSDP). Off budget borrowings are borrowings which are not directly made by the government, but where the principal and/or interest are serviced from the government budget. In 2022-23, the state government incurred Rs 15,499 crore towards repayment and servicing of off-budget borrowings.

Source: Report No. 2 of 2024, State Finances Audit Report, CAG; PRS.

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

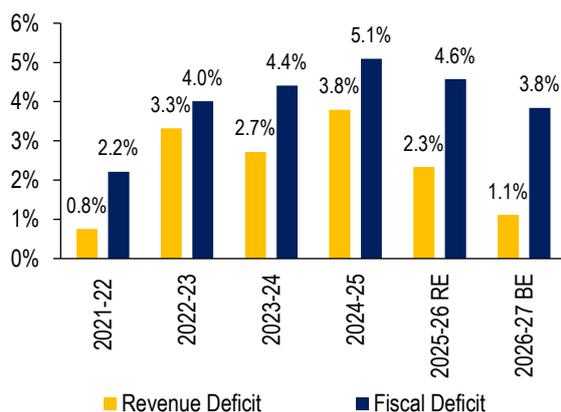
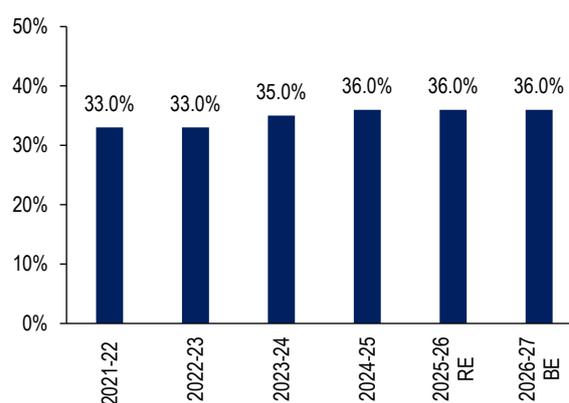


Figure 3: Outstanding liabilities (% of GSDP)



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

Sources: Budget at a Glance, Andhra Pradesh Budget Documents 2026-27; PRS.

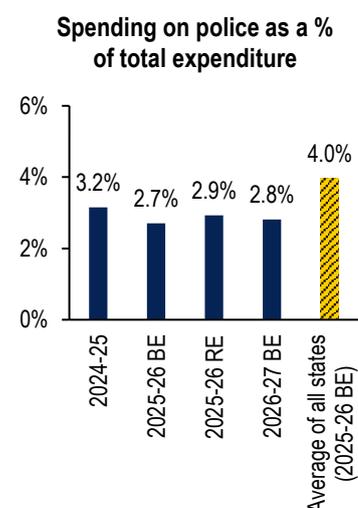
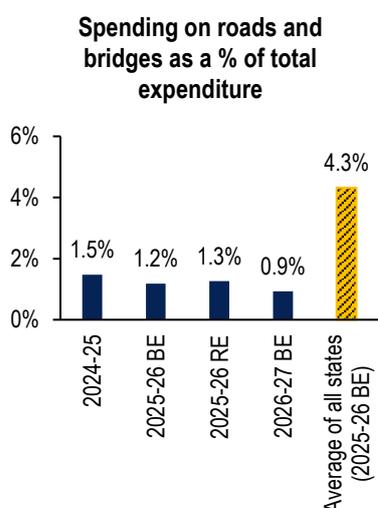
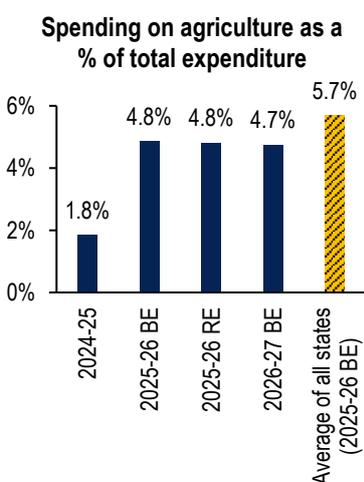
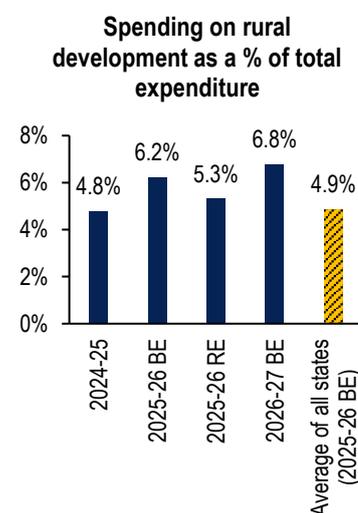
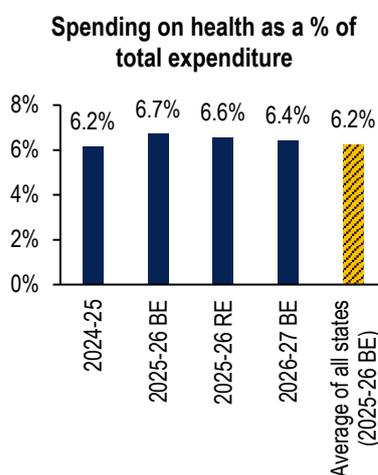
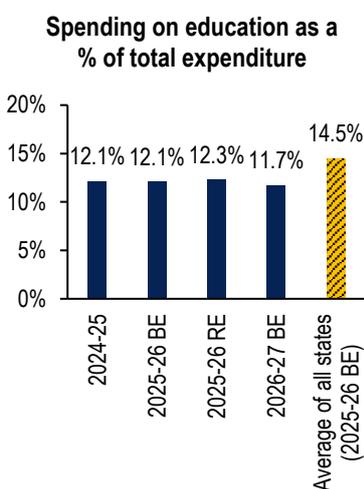
Outstanding Government Guarantees: Outstanding liabilities of states do not include a few other liabilities that are contingent in nature, which states may have to honour in certain cases. State governments guarantee the borrowings of State Public Sector Enterprises (SPSEs) from financial institutions. As of December 31, 2025, the state's outstanding guarantee is estimated to be Rs 1,77,328 crore, which is 10% of 2025-26 GSDP.

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Annexure 1: Comparison of states' expenditure on key sectors

The graphs below compare Andhra Pradesh's expenditure in 2026-27 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 Andhra Pradesh) as per their budget estimates of 2025-26.¹

- **Education:** Andhra Pradesh has allocated 11.7% of its expenditure towards education in 2026-27. This is lower than the average allocation for education by states in 2025-26 (14.5%).
- **Health:** Andhra Pradesh has allocated 6.4% of its expenditure towards health in 2026-27. This is marginally higher than the average allocation for health by states in 2025-26 (6.2%).
- **Rural development:** Andhra Pradesh has allocated 6.8% of its expenditure towards rural development in 2026-27. This is higher than the average allocation for rural development by states in 2025-26 (4.9%).
- **Agriculture:** Andhra Pradesh has allocated 4.7% of its expenditure towards agriculture in 2026-27. This is lower than the average allocation for agriculture by states in 2025-26 (5.7%).
- **Roads and bridges:** Andhra Pradesh has allocated 0.9% of its expenditure towards roads and bridges in 2026-27. This is significantly lower than the average allocation for roads and bridges by states in 2025-26 (4.3%).
- **Police:** Andhra Pradesh has allocated 2.8% of its expenditure towards police in 2026-27. This is lower than the average allocation for police by states in 2025-26 (4.0%).



Note: 2024-25, 2025-26 (BE), 2025-26 (RE), and 2026-27 (BE) figures are for Andhra Pradesh.

Sources: Annual Financial Statement, Andhra Pradesh Budget Documents 2026-27; various state budgets; PRS.

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

Annexure 2: Recommendations of the 16th Finance Commission for 2026-31

The Report of the 16th Finance Commission (Chair: Dr. Arvind Panagariya) was tabled in Parliament on February 1, 2026. The recommendations will apply for the five-year period between 2026-27 and 2030-31. The 16th Commission (FC) has recommended the share of states in the divisible pool of central taxes at 41%. The share remains unchanged from the 15th Finance Commission award period (2020-26). Divisible pool is arrived at after excluding cost of collection and cesses and surcharges from the gross tax revenue collected by the central government. The 16th FC has proposed revised criteria to determine the share of individual states. See [here](#) for a PRS summary of the 16th Finance Commission Report. Based on the recommendations of the 16th FC, Andhra Pradesh will have a 4.22% share in the divisible pool of central taxes for the 2026-31 period.

The 16th FC has recommended grants worth Rs 9.47 lakh crore over the five-year period. These comprise grants for: (i) urban and rural local bodies, and (ii) disaster management. It has discontinued the following grants recommended by the 15th FC: (i) revenue deficit grants, (ii) sector-specific grants, and (iii) state-specific grants. Grants recommended for Andhra Pradesh over the 2026-31 period include: (i) Rs 12,158 crore for urban local bodies, (ii) Rs 16,627 crore for rural local bodies, and (iii) Rs 6,125 crore as disaster management grants. Vijayawada and Vishakhapatnam will also be eligible for a special infrastructure grant for the development of wastewater management systems (up to Rs 5,000 crore each). States will also receive a one-time grant for merger of peri-urban villages into adjoining larger urban local body with population of one lakh or above.

Table 8: Individual share of states in the taxes devolved by the centre (out of 100)

State	14 th FC (2015-2020)	15 th FC (2021-26)	16 th FC (2026-31)
Andhra Pradesh	4.31	4.05	4.22
Arunachal Pradesh	1.37	1.76	1.35
Assam	3.31	3.13	3.26
Bihar	9.67	10.06	9.95
Chhattisgarh	3.08	3.41	3.30
Goa	0.38	0.39	0.37
Gujarat	3.08	3.48	3.76
Haryana	1.08	1.09	1.36
Himachal Pradesh	0.71	0.83	0.91
Jammu and Kashmir	1.85	-	-
Jharkhand	3.14	3.31	3.36
Karnataka	4.71	3.65	4.13
Kerala	2.50	1.93	2.38
Madhya Pradesh	7.55	7.85	7.35
Maharashtra	5.52	6.32	6.44
Manipur	0.62	0.72	0.63
Meghalaya	0.64	0.77	0.63
Mizoram	0.46	0.50	0.56
Nagaland	0.50	0.57	0.48
Odisha	4.64	4.53	4.42
Punjab	1.58	1.81	2.00
Rajasthan	5.50	6.03	5.93
Sikkim	0.37	0.39	0.34
Tamil Nadu	4.02	4.08	4.10
Telangana	2.44	2.10	2.17
Tripura	0.64	0.71	0.64
Uttar Pradesh	17.96	17.94	17.62
Uttarakhand	1.05	1.12	1.14
West Bengal	7.32	7.52	7.22

Table 9: State-wise details of grants-in-aid for 2026-31 (in Rs crore)

State	Rural Local Bodies	Urban Local Bodies	Disaster Management
Andhra Pradesh	16,627	12,158	6,125
Arunachal Pradesh	1,698	233	616
Assam	14,580	3,249	5,243
Bihar	51,923	9,169	13,615
Chhattisgarh	11,664	4,990	2,481
Goa	174	726	112
Gujarat	18,802	23,764	8,459
Haryana	8,270	7,834	2,922
Himachal Pradesh	3,744	435	2,682
Jharkhand	14,231	6,093	2,806
Karnataka	18,889	18,483	6,419
Kerala	3,308	16,683	1,935
Madhya Pradesh	32,033	16,016	11,697
Maharashtra	32,817	46,803	29,619
Manipur	1,262	609	259
Meghalaya	1,479	377	437
Mizoram	567	377	284
Nagaland	697	667	408
Odisha	18,715	5,078	8,900
Punjab	8,486	7,834	2,477
Rajasthan	31,467	12,680	9,211
Sikkim	218	203	455
Tamil Nadu	16,930	25,069	8,486
Telangana	9,968	11,548	2,774
Tripura	1,176	1,016	356
Uttar Pradesh	83,261	33,543	15,321
Uttarakhand	4,047	2,497	4,954
West Bengal	28,203	22,023	6,869

Sources: Reports of the 14th, 15th, and 16th Finance Commission; PRS.

Table 10: Taxes devolved to states as per Union Budget 2026-27 (in Rs crore)

State	2024-25 Actuals	2025-26 Revised	2026-27 Budgeted
Andhra Pradesh	51,564	56,374	64,362
Arunachal Pradesh	22,386	24,475	20,665
Assam	39,855	43,572	49,725
Bihar	1,28,151	1,40,105	1,51,832
Chhattisgarh	43,409	47,459	50,427
Goa	4,918	5,377	5,571
Gujarat	44,314	48,448	57,311
Haryana	13,926	15,225	20,772
Himachal Pradesh	10,575	11,562	13,950
Jharkhand	42,135	46,066	51,236
Karnataka	46,467	50,802	63,050
Kerala	24,527	26,815	36,355
Madhya Pradesh	1,00,019	1,09,348	1,12,134
Maharashtra	80,486	87,994	98,306
Manipur	9,123	9,974	9,554
Meghalaya	9,773	10,684	9,631
Mizoram	6,371	6,965	8,608
Nagaland	7,250	7,926	7,341
Odisha	57,692	63,074	67,460
Punjab	23,023	25,171	30,464
Rajasthan	76,779	83,940	90,446
Sikkim	4,944	5,405	5,113
Tamil Nadu	51,971	56,819	62,531
Telangana	26,782	29,280	33,181
Tripura	9,021	9,862	9,783
Uttar Pradesh	2,28,565	2,49,885	2,68,911
Uttarakhand	14,245	15,573	17,415
West Bengal	95,852	1,04,793	1,10,119
Total	12,74,121	13,92,971	15,26,255

Note: Actuals for 2024-25 and Revised Estimates for 2025-26 have been reported in the Union Budget after adjusting for excess or less devolution in previous years. Sources: Union Budget Documents 2026-27; PRS.

Annexure 3: Comparison of 2024-25 Budget Estimates and Actuals

The following tables compare the actuals of 2024-25 with budget estimates for that year.

Table 11: Overview of Receipts and Expenditure (in Rs crore)

Particular	2024-25 BE	2024-25 Actuals	% change from BE to Actuals
Net Receipts (1+2)	2,01,186	1,68,121	-16%
1. Revenue Receipts (a+b+c+d)	2,01,174	1,67,676	-17%
a. Own Tax Revenue	1,09,789	89,435	-19%
b. Own Non-Tax Revenue	10,576	5,972	-44%
c. Share in central taxes	50,475	52,080	3%
d. Grants-in-aid from the Centre	30,334	20,188	-33%
2. Non-Debt Capital Receipts	12	445	3,610%
3. Borrowings	91,443	1,01,193	11%
Of which central capex loans	12,950	7,902	-39%
Net Expenditure (4+5+6)	2,69,928	2,49,134	-8%
4. Revenue Expenditure	2,35,917	2,27,961	-3%
5. Capital Outlay	32,713	16,141	-51%
6. Loans and Advances	1,298	5,032	288%
7. Debt Repayment	24,499	23,094	-6%
Revenue Deficit	34,743	60,285	74%
Revenue Deficit (as % of GSDP)	2.1%	3.8%	
Fiscal Deficit	68,743	81,013	18%
Fiscal Deficit (as % of GSDP)	4.2%	5.1%	

Source: Andhra Pradesh Budget Documents of various years; PRS.

Table 12: Key Components of State's Own Tax Revenue

Head	2024-25 BE	2024-25 Actuals	% change from BE to Actuals
Stamps Duty and Registration Fees	13,500	8,837	-35%
Sales Tax/ VAT	24,500	17,423	-29%
State Excise	25,597	19,882	-22%
Taxes on Vehicles	5,203	4,482	-14%
State GST	37,489	32,643	-13%
Taxes and Duties on Electricity	2,648	5,309	100%
Land Revenue	58	196	239%

Source: Andhra Pradesh Budget Documents of various years; PRS.

Table 13: Allocation towards Key Sectors

Sector	2024-25 BE	2024-25 Actuals	% change from BE to Actuals
Housing	4,031	985	-76%
Agriculture and Allied Activities	12,514	4,491	-64%
Urban Development	11,168	4,613	-59%
Water Supply and Sanitation	2,520	1,547	-39%
Irrigation and Flood Control	15,237	9,766	-36%
Rural Development	15,899	11,671	-27%
Welfare of SC, ST, OBC, and Minorities	47,277	36,160	-24%
Health and Family Welfare	18,732	15,063	-20%
Education, Sports, Arts, and Culture	33,111	29,607	-11%
Transport	8,035	7,566	-6%
of which Roads and Bridges	3,456	3,584	4%
Police	7,874	7,695	-2%
Social Welfare and Nutrition	11,899	14,741	24%
Energy	7,612	15,952	110%

Source: Andhra Pradesh Budget Documents of various years; PRS.