

Delhi Budget Analysis 2026-27

The Chief Minister of Delhi, Ms. Rekha Gupta, presented the Budget for the financial year 2026-27 on March 24, 2026.

Budget Highlights

- **Expenditure (excluding debt repayment)** in 2026-27 is estimated to be Rs 99,446 crore, an increase of 5% over the revised estimate for 2025-26. In addition, debt of Rs 4,254 crore will be repaid by the state.
- **Receipts (excluding borrowings)** for 2026-27 are estimated to be Rs 82,480 crore, an increase of 14% over the revised estimate of 2025-26 (Rs 72,379 crore). In 2025-26, receipts are estimated to be 11% lower than the budget estimate.
- **Revenue surplus** in 2026-27 is estimated to be Rs 9,092 crore, higher than the revised estimate of 2025-26 (Rs 5,135 crore). In 2025-26, revenue surplus is estimated to be lower than budgeted (Rs 9,661 crore).
- **Fiscal deficit** for 2026-27 is estimated at Rs 16,966 crore. In 2025-26, fiscal deficit is expected to be Rs 22,289 crore as per the revised estimates, higher than the initial budget estimate (Rs 13,703 crore).

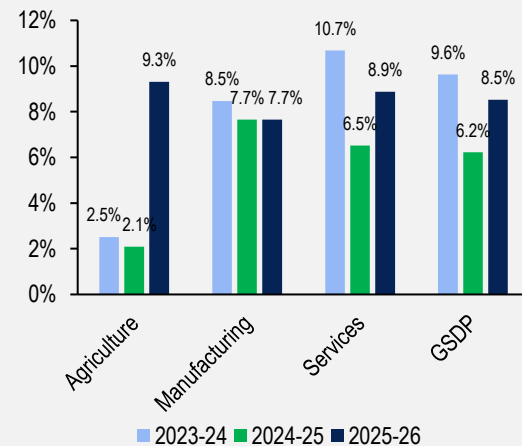
Policy Highlights

- **Industrial Policies:** The Delhi government will bring policies that will seek to transform Delhi into an industrial powerhouse. These include the Start-up and Incubation Policy, the Delhi Semiconductor Policy, the Delhi Drone Policy, and a New Warehousing Policy.
- **Pollution Control:** The state government will launch a new Pollution Control and Emergency Measures Scheme consisting of mechanical sweepers, anti-smog guns, and water sprinklers. Rs 300 crore has been allocated to this scheme.
- **Welfare Boards:** Separate welfare boards will be established for following persons: (i) gig workers, (ii) transgenders, and (iii) auto taxi drivers.
- **Anmol Scheme:** A new monitoring initiative called the Anmol (Advanced Newborn Monitoring and Optimal Lifecare) Scheme will be launched. Under this, 56 types of free tests will be conducted for new born babies.
- **Mobility:** The Delhi government will provide free cycles for around 1.3 lakh girls in Class 9.
- **DURGA Scheme:** The Delhi government has proposed the DURGA (Driving Upliftment and Rozgar for Women or Transgender Green e-Auto) Scheme. Under the first phase of the scheme, 1,000 women and 100 transgenders will be given auto permit.

Delhi's Economy

- **GSDP:** In 2025-26, Delhi's GSDP (at constant prices) is estimated to grow by 8.5% over the previous year. In comparison, India's GDP is estimated to grow by 7.4% in 2025-26.
- **Sectors:** In 2025-26, agriculture, manufacturing, and services sectors are estimated to contribute 1%, 13%, and 86% of Delhi's economy, respectively (at current prices).
- **Per capita GSDP:** In 2025-26, Delhi's per capita GSDP (at current prices) is estimated to be Rs 5,93,071, an increase of 7.5% over 2024-25. In 2025-26, India's per capita GDP is estimated to be Rs 2,51,393, an increase of 7% over 2024-25.

Figure 1: Growth in Delhi'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: Economic Survey of Delhi 2025-26; PRS.

Budget Estimates for 2026-27

- **Total expenditure (excluding debt repayment)** in 2026-27 is targeted at Rs 99,446 crore. This is an increase of 5% from the revised estimate of 2025-26. This expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 82,480 crore and net borrowings of Rs 15,326 crore. Total receipts for 2026-27 (other than borrowings) are expected to register an increase of 14% over the revised estimate of 2025-26.
- The state estimates a **revenue surplus** of Rs 9,092 crore in 2026-27. In 2025-26, revenue surplus is estimated to be Rs 5,135 crore, 47% lower than the budget estimate (Rs 9,661 crore).
- **Fiscal deficit** for 2026-27 is targeted at Rs 16,966 crore, lower than the revised estimate for 2025-26 (Rs 22,290 crore). In 2025-26, fiscal deficit is estimated to be 63% higher than the budget estimate (Rs 13,703 crore). This is driven by a shortfall anticipated in receipts (11% lower than budgeted). In 2024-25, Delhi registered a fiscal surplus of Rs 5,724 crore (see Page 6 for more details).

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	61,471	1,00,000	99,310	-1%	1,03,700	4%
(-) Repayment of debt	4,914	4,642	4,642	0%	4,254	-8%
Net Expenditure (E)	56,557	95,358	94,668	-1%	99,446	5%
Total Receipts	62,423	97,035	78,576	-19%	1,02,060	30%
(-) Borrowings	142	15,380	6,196	-60%	19,580	216%
<i>of which central capex loans*</i>	-	-	921	-	2,500	171%
Net Receipts (R)	62,281	81,655	72,379	-11%	82,480	14%
Fiscal Balance (R-E)	5,724	-13,703	-22,289	63%	-16,966	-24%
<i>as % of GSDP</i>	0.5%	-	-1.7%	-	-	-
Revenue Surplus	12,247	9,661	5,135	-47%	9,092	77%
<i>as % of GSDP</i>	1.0%	-	0.4%	-	-	-
Primary Balance	8,390	-11,457	-19,032	66%	-14,233	-25%
<i>as % of GSDP</i>	0.7%	-	-1.4%	-	-	-
GSDP	12,13,000	-	13,27,000	-	-	-

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. Union Territories were not provided loans under the scheme until 2024-25.

For fiscal balance and primary balance, negative (-) numbers indicate a deficit and (+) numbers indicate a surplus.

Sources: Annual Financial Statement and Budget Speech, Delhi Budget Documents 2026-27; PRS.

Expenditure in 2026-27

- **Revenue expenditure** for 2026-27 is proposed to be Rs 72,900 crore, an increase of 9% 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 17,624 crore, an increase of 13% over the revised estimate of 2025-26. Capital outlay indicates the expenditure towards creation of assets.
- In 2026-27, loans and advances by the state are expected to be Rs 8,922 crore, 28% lower as compared to the revised estimate of 2025-26. In 2025-26, loans and advances given by the state are estimated to be 97% higher than budgeted. This is largely due to an increase in loans for road transport.

Delhi Jal Board

The Delhi government provides loans and financial support to the Delhi Jal Board (DJB). All loans received from the Delhi government under different schemes such as water supply, drainage, and sanitation have to be repaid by DJB within 15 years. CAG (2025) observed that the outstanding loan of DJB increased from Rs 25,140 crore as of April 2017 to Rs 34,540 crore as of March 2022. Interest on accumulated loan was Rs 32,055 crore. Outstanding loans including interest as of March 2022 was Rs 66,595 crore. However, DJB had not repaid any loan since 2013-14. DJB has requested the government to convert loans into grants. Further, it has suffered revenue losses due to poor billing of water charges, which is one of its major revenue sources. The total distribution of potable water was 743 million gallons per day (MGD) in 2021-22, against which DJB had billed 371 MGD (50%). Transmission losses had increased from 16% in 2017-18 to 21% in 2021-22.

Source: Report No. 3 of 2025, Functioning of Delhi Jal Board, CAG; 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	49,986	71,885	66,710	-7%	72,900	9%
Capital Outlay	3,695	17,224	15,638	-9%	17,624	13%
Loans given by the state	2,876	6,250	12,320	97%	8,922	-28%
Net Expenditure	56,557	95,358	94,668	-1%	99,446	5%

Sources: Annual Financial Statement, Delhi 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, Delhi is estimated to spend Rs 2,734 crore on interest payments (3% of revenue receipts) and six crore rupees on pension. Figures for salaries are not available in the budget.

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
Pension	4	6	6	2%	6	-2%
Interest payment	2,666	2,246	3,257	45%	2,734	-16%

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

Sector-wise expenditure: The sectors listed below account for 72% of the total expenditure on sectors by the state in 2026-27. A comparison of Delhi's expenditure on key sectors with that by other states is shown in Annexure 1.

Table 4: Sector-wise expenditure under Delhi 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
Education, Sports, Arts, and Culture	14,910	19,039	19,812	19,066	-4%	Rs 1,146 crore has been allocated towards Samagra Shiksha Scheme.
Health and Family Welfare	7,326	12,894	10,076	13,034	29%	Rs 1,500 crore has been allocated towards PM Ayushman Bharat Health Infrastructure Mission.
Transport	5,625	10,677	13,833	10,303	-26%	<ul style="list-style-type: none"> Rs 250 crore has been allocated as subsidy towards Delhi Transport Corporation for female commuters. Rs 200 crore has been allocated as subsidy towards cluster buses for female commuters.
Social Welfare and Nutrition	3,828	10,232	4,760	10,200	114%	Mahila Samridhi Yojana has been allocated Rs 5,110 crore.
Energy	3,638	3,843	4,306	3,938	-9%	Rs 3,500 crore has been allocated towards power subsidy to consumers.
Urban Development	2,051	3,213	3,339	3,927	18%	Rs 800 crore has been allocated towards capital outlay for the development of unauthorised colonies.
Water Supply and Sanitation	1,119	4,917	2,679	2,415	-10%	<ul style="list-style-type: none"> Rs 500 crore has been allocated towards water subsidy to consumers. Rs 160 crore has been allocated as grants to Delhi Jal Board for providing potable water supply in unauthorised colonies.
Rural Development	171	1,024	323	812	151%	Rs 787 crore has been allocated towards capital outlay for different rural development programmes.
Irrigation and Flood Control	331	583	646	790	22%	Rs 526 crore has been allocated towards capital outlay for irrigation and flood control.
Housing	126	448	446	486	9%	<ul style="list-style-type: none"> Rs 100 crore has been allocated as grants towards Delhi Urban Shelter Improvement Board (DUSIB) for Atal Canteen in Jhuggi Jhopri (JJ) Clusters. Rs 80 crore has been allocated as grants towards DUSIB for construction of night shelters and for providing food facility at these shelters.
% of total expenditure on all sectors	73%	75%	73%	72%	-	

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

Receipts in 2026-27

- **Total revenue receipts** for 2026-27 are estimated to be Rs 81,992 crore, a 14% increase over the revised estimate of 2025-26. Of this, Rs 74,900 crore (91%) will be raised by Delhi through its **own resources**, and Rs 7,092 crore (9%) will come **from the centre** in the form of grants (9% of revenue receipts).
- **Grants from the centre** in 2026-27 are estimated at Rs 7,092 crore, an increase of 34% over the revised estimate for 2025-26. The grants from centre in 2025-26 is estimated to be 56% lower than budgeted. Against a budget estimate of Rs 6,000 crore for capital projects from the central government, no receipts are estimated at the revised stage.
- **State's own tax revenue:** Delhi's total own tax revenue is estimated to be Rs 74,000 crore in 2026-27, an increase of 13% over the revised estimate of 2025-26.
- **Non-debt capital receipts:** Non-debt capital receipts are estimated to be Rs 488 crore in 2026-27, a decrease of 9% from revised estimate of 2025-26. In 2025-26, non-debt capital receipts are estimated to be 388% higher than budgeted. This is largely due to a higher recovery anticipated from miscellaneous loans and advances given by the Delhi government (Rs 534 crore, compared to the budget estimate of Rs 109 crore).

Table 5: 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	59,458	68,700	65,700	-4%	74,000	13%
State's Own Non-Tax	911	750	850	13%	900	6%
Grants-in-aid from Centre	1,864	12,096	5,295	-56%	7,092	34%
Revenue Receipts	62,233	81,546	71,845	-12%	81,992	14%
Non-debt Capital Receipts	48	110	534	388%	488	-9%
Net Receipts	62,281	81,655	72,379	-11%	82,480	14%

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

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

- In 2026-27, **State GST** is estimated to be the largest source of own tax revenue (59% share). State GST revenue is estimated to increase by 9% over the revised estimate of 2025-26.
- Revenue from stamps duty and registration fees in 2026-27 is expected to increase by 25% over the revised estimate of 2025-26.
- Revenue from state excise is estimated to register a 20% increase in 2026-27 over the previous year.

Trends in Own Revenue

CAG (2025) observed that Delhi's own tax revenue and own non-tax revenue as a percentage of GSDP have stagnated below 5% and 0.15%, respectively (Table 6). It noted that this implies ineffective resource mobilisation. It observed that improvement on this front would enable investment in physical and human capital formation, and accelerate and attain potential growth.

Table 6: Delhi's Own Revenue as % of GSDP

Year	Own Tax Revenue	Own Non-Tax Revenue
2019-20	4.61%	0.14%
2020-21	3.95%	0.13%
2021-22	4.54%	0.09%
2022-23	4.67%	0.06%
2023-24	4.85%	0.09%
2024-25	4.90%	0.08%

Source: Report No. 1 of 2025, State Finances Audit Report for 2023-24, CAG; PRS.

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	35,623	41,000	40,000	-2%	43,500	9%
Stamps Duty and Registration Fees	7,651	9,000	8,780	-2%	11,000	25%
Sales Tax/ VAT	7,241	8,000	7,500	-6%	8,500	13%
State Excise	5,701	7,000	6,000	-14%	7,200	20%
Taxes on Vehicles	3,241	3,700	3,200	-14%	3,800	19%
Land Revenue	0.02	0.03	220	-	0.01	-100%

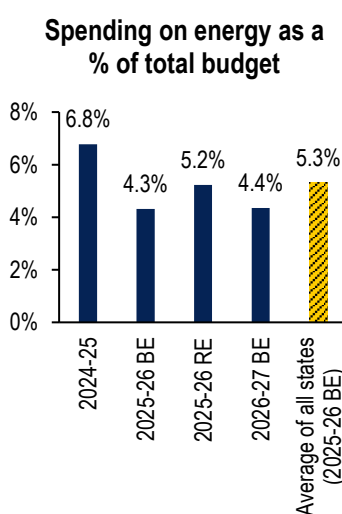
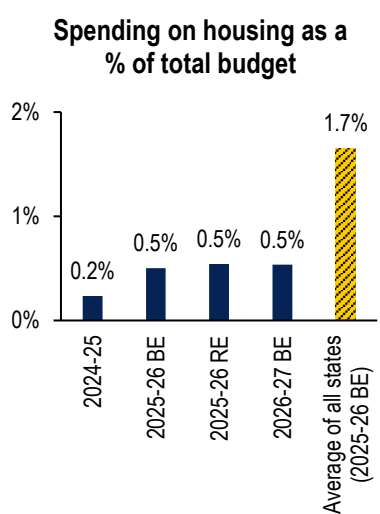
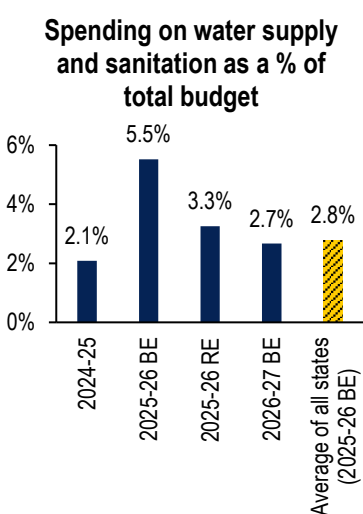
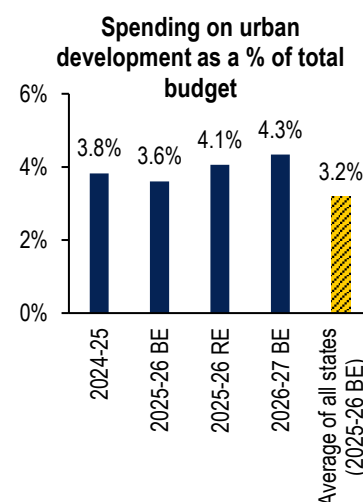
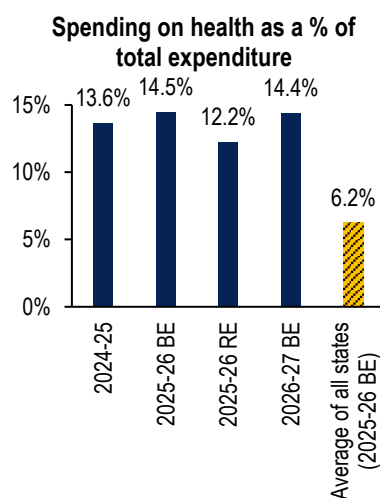
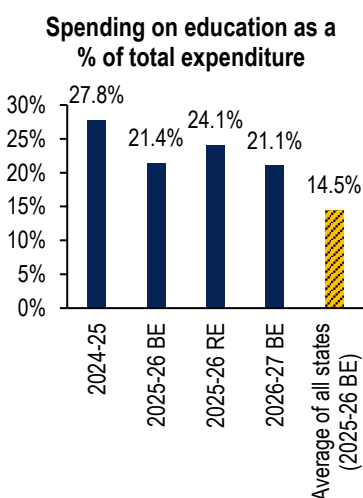
Sources: Annual Financial Statement, Delhi Budget Documents 2026-27; PRS.

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Annexure 1: Comparison of states' expenditure on key sectors

The graphs below compare Delhi'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 Delhi) as per their budget estimates of 2025-26.¹ The sectoral spending in Delhi may be different from other states as police is with the Centre and the state has negligible rural or agricultural area.

- **Education:** Delhi has allocated 21.1% of its expenditure towards education in 2026-27. This is higher than the average allocation for education by states in 2025-26 (14.5%).
- **Health:** Delhi has allocated 14.4% of its expenditure towards health in 2026-27. This is higher than the average allocation for health by states in 2025-26 (6.2%).
- **Urban development:** Delhi has allocated 4.3% of its expenditure towards urban development in 2026-27. This is higher than the average allocation for urban development by states in 2025-26 (3.2%).
- **Water Supply and Sanitation:** Delhi has allocated 2.7% of its expenditure towards water supply and sanitation in 2026-27. This is marginally lower than the average allocation for water supply and sanitation by states in 2025-26 (2.8%).
- **Housing:** Delhi has allocated 0.5% of its expenditure towards housing in 2026-27. This is lower than the average allocation for housing by states in 2025-26 (1.7%).
- **Energy:** Delhi has allocated 4.4% of its expenditure towards energy in 2026-27. This is lower than the average allocation for energy by states in 2025-26 (5.3%).



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

Sources: Annual Financial Statement, Delhi 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: Comparison of 2024-25 Budget Estimates and Actuals

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

Table 8: Overview of Receipts and Expenditure (in Rs crore)

Particular	2024-25 BE	2024-25 Actuals	% change from BE to Actuals
Net Receipts (1+2)	64,521	62,281	-3%
1. Revenue Receipts (a+b+c)	64,142	62,233	-3%
a. Own Tax Revenue	58,750	59,458	1%
b. Own Non-Tax Revenue	1,000	911	-9%
c. Grants-in-aid from the Centre	4,392	1,864	-58%
2. Non-Debt Capital Receipts	379	48	-87%
3. Borrowings	10,000	142	-99%
Net Expenditure (4+5+6)	71,086	56,557	-20%
4. Revenue Expenditure	60,911	49,986	-18%
5. Capital Outlay	5,919	3,695	-38%
6. Loans and Advances	4,256	2,876	-32%
7. Debt Repayment	4,914	4,914	0%
Revenue Surplus	3,231	12,247	279%
Revenue Surplus (as % of GSDP)	-	1.01%	-
Fiscal Balance	-6,565	5,724	-187%
Fiscal Balance (as % of GSDP)	-	0.47%	-

For fiscal balance, (+) indicates a surplus and (-) indicates a deficit.

Source: Delhi Budget Documents of various years; PRS.

Table 9: Key Components of State's Own Tax Revenue

Head	2024-25 BE	2024-25 Actuals	% change from BE to Actuals
State Excise	6,400	5,701	-11%
Taxes on Vehicles	3,600	3,241	-10%
Stamps Duty and Registration Fees	7,750	7,651	-1%
Sales Tax/ VAT	7,000	7,241	3%
State GST	34,000	35,623	5%

Source: Delhi Budget Documents of various years; PRS.

Table 10: Allocation towards Key Sectors

Sector	2024-25 BE	2024-25 Actuals	% change from BE to Actuals
Rural Development	922	171	-81%
Police	338	92	-73%
Water Supply and Sanitation	3,442	1,119	-68%
Urban Development	4,290	2,051	-52%
Social Welfare and Nutrition	6,437	3,828	-41%
Housing	191	126	-34%
Transport	6,865	5,625	-18%
<i>of which Roads and Bridges</i>	<i>1,768</i>	<i>1,409</i>	<i>-20%</i>
Welfare of SC, ST, OBC, and Minorities	202	168	-17%
Health and Family Welfare	8,685	7,326	-16%
Education, Sports, Arts, and Culture	16,146	14,910	-8%
Agriculture and Allied Activities	241	256	6%
Energy	3,350	3,638	9%
Irrigation and Flood Control	302	331	10%

Source: Delhi Budget Documents of various years; PRS.