

Goa Budget Analysis 2025-26

The Chief Minister of Goa, Mr. Pramod Sawant, presented the Budget for the state for the financial year 2025-26 on March 26, 2025.

Budget Highlights

- The **Gross State Domestic Product (GSDP)** of Goa for 2025-26 (at current prices) is projected to be Rs 1.39 lakh crore, amounting to growth of 14% over the previous year.
- **Expenditure (excluding debt repayment)** in 2025-26 is estimated to be Rs 25,639 crore, roughly the same as the revised estimates of 2024-25. In addition, debt of Rs 2,523 crore will be repaid by the state.
- **Receipts (excluding borrowings)** for 2025-26 are estimated to be Rs 22,706 crore, an increase of 7% as compared to the revised estimate of 2024-25.
- **Revenue surplus** in 2025-26 is estimated to be 1.7% of GSDP (Rs 2,404 crore), higher than the revised estimate for 2024-25 (Rs 1,097 crore, or 0.9% of GSDP) at the revised estimate stage in 2024-25.
- **Fiscal deficit** for 2025-26 is targeted at 2.1% of GSDP (Rs 2,932 crore). In 2024-25, as per the revised estimates, fiscal deficit is expected to be 3.5% of GSDP, higher than budgeted (2.6% of GSDP).

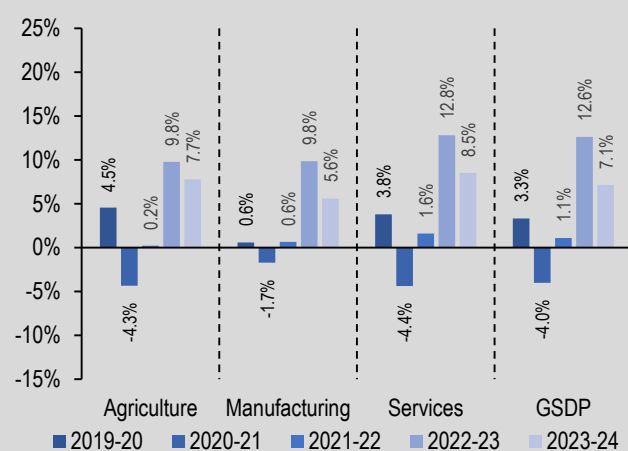
Policy Highlights

- **Mukhyamantri Kaushalya Sahay Yojana:** Under this scheme, students who complete certified courses in areas such as apparel, automobiles, and beauty and wellness will be provided accessory kit grants of Rs 20,000.
- **Pension:** The Unified Pension Scheme will be implemented from 2025-26 onwards. Assured pension will be provided to government employees, funded by a retirement corpus with the government meeting any shortfall.
- **Tax holiday for new hotels and hospitals:** Investors setting up hotels (three stars or above) or hospitals in hinterland talukas will receive 50% rebate on state GST, exemption of stamp duty and registration, and waivers of other processing fees.
- **Ease of Doing Business:** The Goa Value Added Tax Act, 2005 will be amended to reduce the compliance burden for small businesses. The one-time settlement scheme to resolve VAT legacy disputes will be re-introduced. Excise duty slabs will be rationalised to five slabs, with revised rates notified annually.
- **Tax relief for real estate development:** 50% discount on infrastructure tax will be provided for real estate developments at the time of technical clearance. Further 50% discount will be provided on the issuance of the occupancy certificate. An amnesty scheme to waive penalties on property transfers has also been proposed.

Goa's Economy

- **GSDP:** In 2023-24, Goa's GSDP (at constant prices) is estimated to grow by 7% over the previous year. In comparison, India's GDP is estimated to grow by 8.2% in 2023-24.
- **Sectors:** In 2023-24, agriculture, manufacturing, and services sectors are estimated to contribute 7%, 51%, and 42% of Goa's economy, respectively (at current prices).
- **Per capita GSDP:** In 2023-24, Goa's per capita GSDP (at current prices) is estimated to be Rs 6,74,684, a 13% increase over 2022-23. India's per capita GDP is estimated to be Rs 1,88,892 in 2023-24.

Figure 1: Growth in Goa'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 2025-26

- **Total expenditure (excluding debt repayment)** in 2025-26 is targeted at Rs 25,639 crore. This is marginally higher than the revised estimate of 2024-25. This expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 22,706 crore and net borrowings of Rs 2,764 crore. Total receipts for 2025-26 (other than borrowings) are expected to register an increase of 7% over the revised estimate of 2024-25.
- The state estimates a **revenue surplus** of 1.7% of GSDP (Rs 2,404 crore) in 2025-26, higher than the revised estimate for 2024-25 (0.9% of GSDP). **Fiscal deficit** for 2025-26 is targeted at 2.1% of GSDP (Rs 2,932 crore), lower than the revised estimates for 2024-25 (3.5% of GSDP).
- The fiscal deficit for 2024-25 at the revised stage was 35% higher than the budget estimate. This may be due to revenue surplus decreasing by 36% between the budget and revised estimates.

Table 1: Budget 2025-26 - Key figures (in Rs crore)

Items	2023-24 Actuals	2024-25 Budgeted	2024-25 Revised	% change from BE 24-25 to RE 24-25	2025-26 Budgeted	% change from RE 24-25 to BE 25-26
Total Expenditure	22,179	26,755	27,094	1%	28,162	4%
(-) Repayment of debt	1,524	1,880	1,580	-16%	2,523	60%
Net Expenditure (E)	20,655	24,875	25,513	3%	25,639	0.5%
Total Receipts	22,575	26,465	24,769	-6%	27,994	13%
(-) Borrowings	4,287	4,715	3,468	-26%	5,288	52%
of which central capex loans*	695	450	1,300	189%	900	-31%
Net Receipts (R)	18,289	21,750	21,301	-2%	22,706	7%
Fiscal Deficit (E-R)	2,366	3,125	4,212	35%	2,932	-30%
as % of GSDP	2.2%	2.6%	3.5%		2.1%	
Revenue Surplus	1,200	1,720	1,097	-36%	2,404	119%
as % of GSDP	1.1%	1.4%	0.9%		1.7%	
Primary Deficit	477	1,075	2,162	101%	635	-71%
as % of GSDP	0.4%	0.9%	1.8%		0.5%	
GSDP	1,06,533	1,21,309	1,21,309	0%	1,38,625	14%

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. The figures for fiscal deficit and primary deficit may not match those in the Budget at a Glance (BAG) document, due to differences in accounting for ways and means allowance and opening balance.

Sources: Annual Financial Statement, FRBM Statement, Goa Budget Documents 2025-26; PRS.

Expenditure in 2025-26

- **Revenue expenditure** for 2025-26 is proposed to be Rs 20,300 crore, a marginal increase of 1% over the revised estimate of 2024-25. This includes the expenditure on salaries, pension, interest, grants, and subsidies.
- **Capital outlay** for 2025-26 is proposed to be Rs 5,330 crore, roughly the same as the revised estimate of 2024-25. Capital outlay indicates the expenditure towards creation of assets.

Persistent underspending on capital outlay

Between 2017-18 and 2022-23, Goa's actual capital outlay was 48% less than budgeted. Similar trends can also be seen when revised estimates are compared with actual capital outlay. In 2023-24, significant underspending was seen in health and family welfare (actual expenditure was 65% less than budgeted), rural development (49%), and education (42%).

Source: Goa Budget Documents; PRS.

Figure 2: Shortfall in capital outlay (% change from budget estimates to actuals)

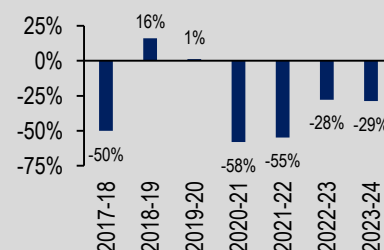


Table 2: Expenditure budget 2025-26 (in Rs crore)

Items	2023-24 Actuals	2024-25 Budgeted	2024-25 Revised	% change from BE 24-25 to RE 24-25	2025-26 Budgeted	% change from RE 24-25 to BE 25-26
Revenue Expenditure	17,086	20,011	20,184	1%	20,300	1%
Capital Outlay	3,566	4,853	5,318	10%	5,330	0.2%
Loans given by the state	3	10	11	9%	10	-13%
Net Expenditure	20,655	24,875	25,513	3%	25,639	0.5%

Sources: Annual Financial Statement, Goa Budget Documents 2025-26; 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 2025-26, Goa is estimated to spend Rs 10,059 crore on committed expenditure, 44% of its revenue receipts. This is estimated to comprise spending on salaries (23% of revenue receipts), pension (11%), and interest payments (10%).

Table 3: Committed Expenditure in 2025-26 (in Rs crore)

Committed Expenditure	2023-24 Actuals	2024-25 Budgeted	2024-25 Revised	% change from BE 24-25 to RE 24-25	2025-26 Budgeted	% change from RE 24-25 to BE 25-26
Salaries	NA	NA	NA	-	5,181	-
Pension	2,302	2,814	2,811	-0.1%	2,580	-8%
Interest payment	1,889	2,050	2,050	0%	2,298	12%
Total	-	-	-	-	10,059	-

Sources: Annual Financial Statement, Goa Budget Documents 2025-26; PRS.

Sector-wise expenditure: The sectors listed below account for **65%** of the total expenditure on sectors by the state in 2025-26. A comparison of Goa's expenditure on key sectors with that by other states is shown in Annexure 1.

Table 4: Sector-wise expenditure under Goa Budget 2025-26 (in Rs crore)

Sectors	2023-24 Actuals	2024-25 BE	2024-25 RE	2025-26 BE	% change from RE 24-25 to BE 25-26	Budget Provisions (2025-26)
Energy	3,972	3,943	4,153	4,077	-2%	▪ Rs 2,479 crore has been allocated towards purchase of power from NTPC, KPTCL, and RSPCL.
Education, Sports, Arts, and Culture	3,143	3,585	3,533	3,497	-1%	▪ Rs 1,249 crore has been allocated towards secondary education.
Health and Family Welfare	1,699	2,077	2,127	2,029	-5%	▪ Rs 967 crore has been allocated towards Goa Medical College. ▪ Rs 828 crore has been allocated towards state health services.
Transport	1,204	1,611	1,702	1,680	-1%	▪ Rs 962 crore has been allocated as capital outlay towards roads and bridges.
Water Supply and Sanitation	928	1,203	1,230	1,221	-1%	▪ Rs 382 crore has been allocated for urban water supply, and Rs 207 crore for rural water supply.
Social Welfare and Nutrition	744	1,014	1,014	1,097	8%	▪ The Freedom from Hunger scheme has been allocated Rs 410 crore. ▪ Rs 248 crore has been allocated as dearness allowance for housewives.
Police	764	901	914	1,042	14%	▪ Rs 844 crore has been allocated for district police and Rs 114 crore for criminal investigation and vigilance.
Agriculture and Allied Activities	549	628	631	749	19%	▪ Rs 247 crore has been allocated towards crop husbandry.
Irrigation and Flood Control	509	646	701	735	5%	▪ Rs 217 crore has been allocated as capital outlay on minor irrigation, and Rs 185 crore as capital outlay on medium irrigation.
Urban Development	402	440	530	489	-8%	▪ Rs 280 crore has been allocated as capital outlay on urban development. ▪ Rs 136 crore has been allocated as assistance to local bodies, and corporations.
% of total expenditure on all sectors	67%	65%	65%	65%		

Sources: Annual Financial Statement, Goa Budget Documents 2025-26; PRS.

Receipts in 2025-26

- **Total revenue receipts** for 2025-26 are estimated to be Rs 22,703 crore, an increase of 7% over the revised estimate of 2024-25. Of this, Rs 15,849 crore (70%) will be raised by the state through its **own resources**, and Rs 6,855 crore (30%) will come **from the centre**. Resources from the centre will be in the form of state's share in central taxes (24% of revenue receipts) and grants (6% of revenue receipts).
- **Devolution:** In 2025-26, the state's share in central taxes is estimated at Rs 5,491 crore, an increase of 11% over the revised estimate of 2024-25.
- **Grants from the centre** in 2025-26 are estimated at Rs 1,364 crore, an increase of 24% over the revised estimates for 2024-25 (Rs 1,100 crore). As per revised estimates, in 2024-25, the state is estimated to receive 27% less grants from the centre than budgeted. This may be due to the state receiving less grants for centrally sponsored and central sector schemes.
- **State's own tax revenue:** Goa's total own tax revenue is estimated to be Rs 9,743 crore in 2025-26, an increase of 5% over the revised estimate of 2024-25. Own tax revenue as a percentage of GSDP is estimated at 7% in 2025-26, lower than the revised estimates for 2024-25 (7.6%). As per the actual figures for 2023-24, own tax revenue as a percentage of GSDP was 8.2%.

Table 5: Break-up of the state government's receipts (in Rs crore)

Items	2023-24 Actuals	2024-25 Budgeted	2024-25 Revised	% change from BE 2024-25 to RE 2024-25	2025-26 Budgeted	% change from RE 2024-25 to BE 2025-26
State's Own Tax	8,726	9,392	9,277	-1%	9,743	5%
State's Own Non-Tax	4,234	6,124	5,936	-3%	6,106	3%
Share in Central Taxes	4,360	4,708	4,967	5%	5,491	11%
Grants-in-aid from Centre	966	1,507	1,100	-27%	1,364	24%
Revenue Receipts	18,286	21,731	21,281	-2%	22,703	7%
Non-debt Capital Receipts	3	18	20	9%	3	-84%
Net Receipts	18,289	21,750	21,301	-2.1%	22,706	7%

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

Sources: Annual Financial Statement, Goa Budget Documents 2025-26; PRS.

- In 2025-26, **State GST** is estimated to be the largest source of own tax revenue (48% share). State GST revenue is estimated to increase by 8% over the revised estimates of 2024-25.
- As per revised estimates of 2024-25, receipts from sales tax/VAT is 6% less than budgeted.
- In 2025-26, revenue from taxes on vehicles is estimated to see a 10% decrease over the revised estimate for the previous year.

Raising revenue from non-tax sources

Goa is estimated to earn Rs 6,106 crore (27% of revenue receipts) from non-tax sources in 2025-26. Of this, Rs 187 crore (3%) is estimated to come from mining and metallurgical industries.

As per a 2024 judgement of the Supreme Court, states can tax mineral rights, and lands with mines and quarries. This could increase revenue generated from the mining industry in the future. States could also gain from retrospective demands on mining companies for operations from April 1, 2005 onwards.

Source: Goa Budget Documents 2025-26; 2024 INSC 554, Supreme Court of India; PRS.

Table 6: Major sources of state's own-tax revenue (in Rs crore)

Head	2023-24 Actuals	2024-25 Budgeted	2024-25 Revised	% change from BE 2024-25 to RE 2024-25	2024-25 Budgeted	% change from RE 2024-25 to BE 2025-26
State GST	4,057	4,367	4,335	-1%	4,682	8%
Sales Tax/ VAT	1,858	2,117	1,999	-6%	2,044	2%
Stamps Duty and Registration Fees	1,247	1,206	1,228	2%	1,309	7%
State Excise	900	975	977	0.2%	1,040	6%
Taxes on Vehicles	483	549	546	-1%	491	-10%
Land Revenue	127	106	113	7%	120	5%
GST Compensation Grants	343	0	164	-	0	-

Sources: Annual Financial Statement, Revenue Budget, Goa Budget Documents 2025-26; PRS.

Deficits, Debt, and FRBM Targets for 2025-26

The Goa Fiscal Responsibility Act, 2006 provides annual targets to progressively reduce the outstanding debt, revenue deficit and fiscal deficit of the state government.

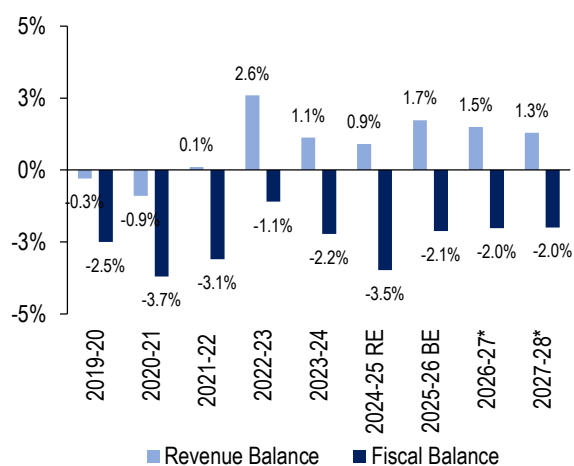
Revenue surplus: It is the difference of revenue expenditure and revenue receipts. A revenue surplus implies that the government is able to finance those expenses which do not increase its assets or reduces its liabilities from its revenue receipts. The budget estimates a revenue surplus of Rs 2,404 crore (or 1.7% of the GSDP) in 2025-26. This is higher than the revised estimate for 2024-25 (0.9% of the GSDP).

Fiscal deficit: It is the excess of total expenditure over total receipts. This gap is filled by borrowings by the government and leads to an increase in total liabilities. In 2025-26, the fiscal deficit is estimated to be 2.1% of GSDP. For 2025-26, the central government has permitted fiscal deficit of up to 3% of GSDP to states. Additional borrowing space up to 0.5% of GSDP will also be available for undertaking certain power sector reforms.

As per the revised estimates, in 2024-25, the fiscal deficit of the state is expected to be 3.5% of GSDP. This is higher than the budget estimate of 2.6% of GSDP.

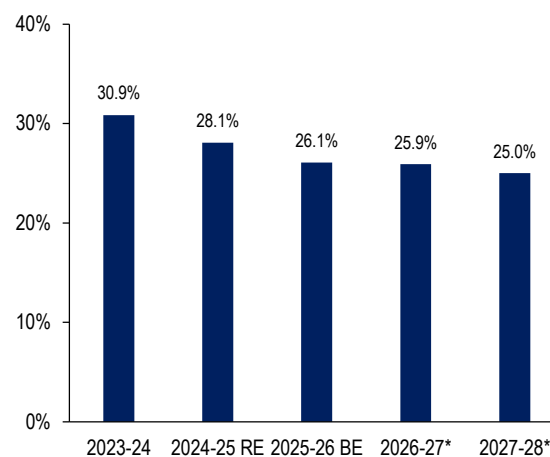
Outstanding liabilities: Outstanding liabilities is the accumulation of total borrowings at the end of a financial year. At the end of 2025-26, the outstanding liabilities is estimated to be 26% of GSDP, lower than the revised estimate for 2024-25 (28% of GSDP).

Figure 3: Revenue and Fiscal Balance (% of GSDP)



Note: *Figures from 2026-27 onwards are projections. RE is Revised Estimates; BE is budget estimates. Negative figures indicate a deficit.
Sources: Medium Term Fiscal Policy, Goa Budget Documents 2025-26; PRS.

Figure 4: Outstanding Liabilities (as % of GSDP)



Note: *Figures from 2026-27 onwards are projections. BE is budget estimates.
Sources: Medium Term Fiscal Policy, Goa Budget Documents 2025-26; PRS.

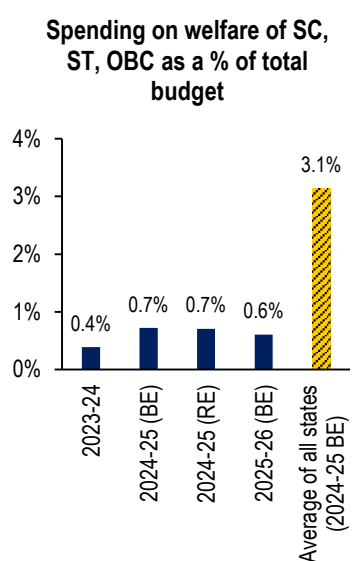
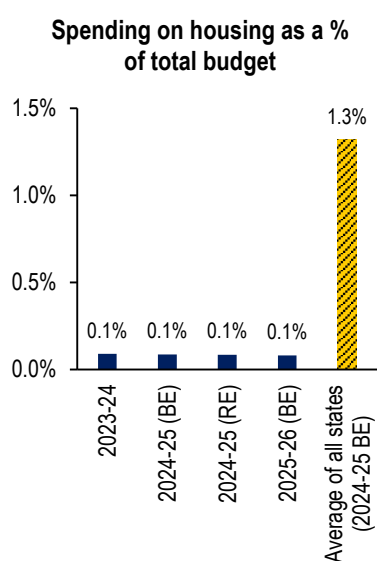
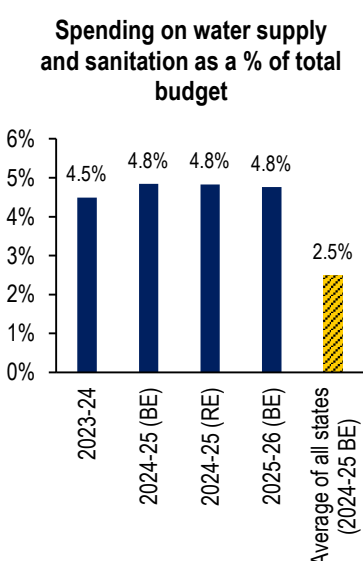
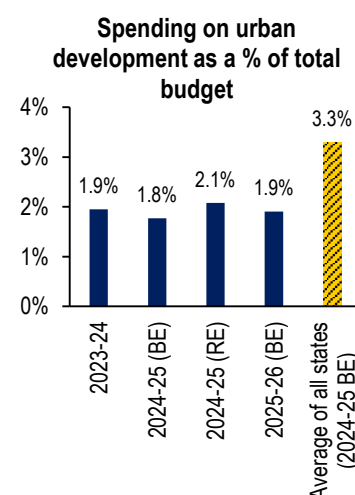
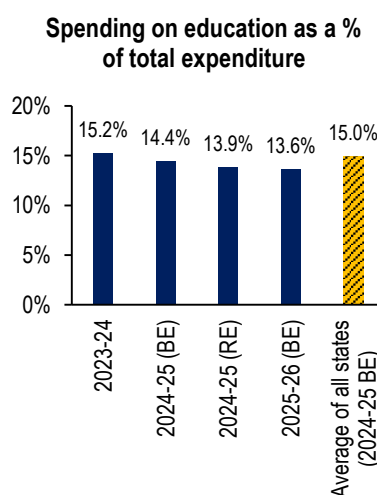
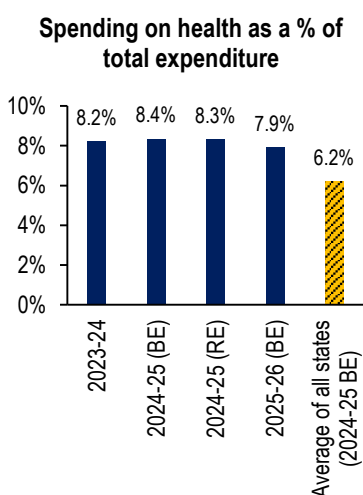
Outstanding Government Guarantees: Outstanding debt of states do not include a few other liabilities that are contingent in nature, which states may have to honour in certain cases. State governments guarantee the borrowings of State Public Sector Enterprises (SPSEs) from financial institutions. As of March 31, 2025, the state's outstanding guarantee is estimated to be Rs 528 crore (0.4% of GSDP).

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Annexure 1: Comparison of states' expenditure on key sectors

The graphs below compare Goa's expenditure in 2025-26 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 Goa) as per their budget estimates of 2024-25.¹

- **Health:** Goa has allocated 7.9% of its expenditure on health in 2025-26. This is higher than the average allocation for health by states in 2024-25 (6.2%).
- **Education:** Goa has allocated 13.6% of its expenditure towards education in 2025-26. This is marginally lower than the average allocation for education by states in 2024-25 (15%).
- **Urban Development:** Goa has allocated 1.9% of its expenditure on urban development in 2025-26. This is lower than the average allocation for the sector by states in 2024-25 (3.3%).
- **Water supply and sanitation:** Goa has allocated 4.8% of its expenditure on water supply and sanitation in 2025-26. This is higher than the average allocation for the sector by states in 2024-25 (2.5%).
- **Housing:** Goa has allocated 0.1% of its expenditure on housing in 2025-26. This is lower than the average allocation for housing by states in 2024-25 (1.3%).
- **Welfare of SC, ST, OBC:** Goa has allocated 0.6% of its expenditure for welfare of SC, ST, OBC in 2025-26. This is lower than the average allocation for welfare of SC, ST, OBC by states in 2024-25 (3.1%).



Note: 2023-24, 2024-25 (BE), 2024-25 (RE), and 2025-26 (BE) figures are for Goa.

Sources: Annual Financial Statement, Goa Budget Documents 2025-26; various state budgets; PRS.

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

Annexure 2: Comparison of 2023-24 Budget Estimates and Actuals

The following tables compare the actuals of 2023-24 with budget estimates for that year.

Table 7: Overview of Receipts and Expenditure (in Rs crore)

Particular	2023-24 BE	2023-24 Actuals	% change from BE to Actuals
Net Receipts (1+2)	20,262	18,289	-10%
1. Revenue Receipts (a+b+c+d)	20,228	18,286	-10%
a. Own Tax Revenue	8,589	8,726	2%
b. Own Non-Tax Revenue	6,026	4,234	-30%
c. Share in central taxes	3,943	4,360	11%
d. Grants-in-aid from the Centre	1,670	966	-42%
2. Non-Debt Capital Receipts	35	3	-91%
3. Borrowings	5,574	4,287	-23%
Of which central capex loans	489	695	42%
Net Expenditure (4+5+6)	24,571	20,655	-16%
4. Revenue Expenditure	19,558	17,086	-13%
5. Capital Outlay	5,001	3,566	-29%
6. Loans and Advances	12	3	-74%
7. Debt Repayment	1,923	1,524	-21%
Revenue Balance	669	1,200	79%
Revenue Balance (as % of GSDP)	0.67%	1.1%	
Fiscal Deficit	4,308	2,366	-45%
Fiscal Deficit (as % of GSDP)	4.31%	2.2%	

Source: Goa Budget Documents of various years; PRS.

Table 8: Key Components of State's Own Tax Revenue

Tax Source/Head	2023-24 BE	2023-24 Actuals	% change from BE to Actuals
Sales Tax/ VAT	2,142	1,858	-13%
Taxes on Vehicles	499	483	-3%
State GST	3,836	4,057	6%
State Excise	841	900	7%
Stamps Duty and Registration Fees	1,098	1,247	14%
Land Revenue	95	127	33%

Source: Goa Budget Documents of various years; PRS.

Table 9: Allocation towards Key Sectors

Sector	2023-24 BE	2023-24 Actuals	% change from BE to Actuals
Rural Development	571	199	-65%
Welfare of SC, ST, OBC, and Minorities	195	80	-59%
Urban Development	644	402	-37%
Health and Family Welfare	2,271	1,699	-25%
Social Welfare and Nutrition	987	744	-25%
Transport	1,516	1,204	-21%
of which Roads and Bridges	1,030	921	-11%
Police	947	764	-19%
Agriculture and Allied Activities	661	549	-17%
Education, Sports, Arts, and Culture	3,651	3,143	-14%
Irrigation and Flood Control	574	509	-11%
Housing	19	18	-3%
Water Supply and Sanitation	938	928	-1%
Energy	3,790	3,972	5%

Source: Goa Budget Documents of various years; PRS.