

Gujarat Budget Analysis 2026-27

The Finance Minister of Gujarat, Mr. Kanubhai Desai, presented the Budget for the financial year 2026-27 on February 18, 2026.

Budget Highlights

- The **Gross State Domestic Product (GSDP)** of Gujarat for 2026-27 (at current prices) is projected to be Rs 33,24,676 crore, amounting to growth of 11% over 2025-26.
- **Expenditure (excluding debt repayment)** in 2026-27 is estimated to be Rs 3,60,122 crore, an increase of 13% over the revised estimates of 2025-26. In addition, debt of Rs 43,252 crore will be repaid by the state.
- **Receipts (excluding borrowings)** for 2026-27 are estimated to be Rs 2,94,602 crore, an increase of 13% over the revised estimate for 2025-26.
- **Revenue surplus** in 2026-27 is estimated to be 0.8% of GSDP (Rs 25,587 crore), similar to the revised estimate for 2025-26 (0.8% of GSDP).
- **Fiscal deficit** for 2026-27 is targeted at 2% of GSDP (Rs 65,520 crore). In 2025-26, as per the revised estimates, fiscal deficit is expected to be 1.9% of GSDP, lower than the budget estimate (2% of GSDP).

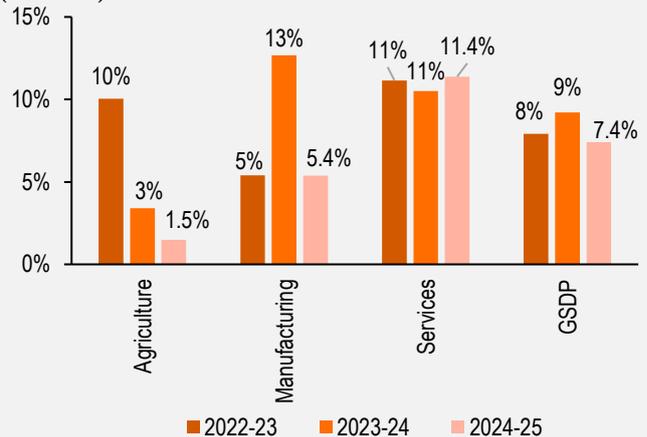
Policy Highlights

- **Economic development:** Under the regional economic plan, six regions in Gujarat have been identified for infrastructural development. These include North Gujarat, Central Gujarat, Saurashtra, Coastal Saurashtra, Kachchh, and Surat. An outlay of Rs 6,600 crore has been allocated for the same.
- **Urban development:** Metro rail projects will be expanded in Ahmedabad and Surat. An outlay of Rs 2,217 crore has been allocated for metro rail projects.
- **Agriculture:** Bio-CNG plants will be established across the four zones of the state. Rs 112 crore has been allocated for the same. Six centres of excellence will be established for pulses, oilseeds, and agro processing.
- **Tribal development:** Five industrial corporations will be established in tribal areas. The annual maintenance grants to tribal students in Ekalavya model residential schools will be increased from Rs 70,000 to Rs 80,000.

Gujarat's Economy

- **GSDP:** In 2024-25, Gujarat GSDP (at constant prices) is estimated to grow by 7.4% 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 19.5%, 43.9%, and 36.6% of Gujarat's economy, respectively (at current prices).
- **Per capita GSDP:** In 2024-25, Gujarat's per capita GSDP (at current prices) is estimated to be Rs 3,71,016, an increase of 9% over the previous year. In 2024-25, India's per capita GDP is estimated to be Rs 2,34,859, amounting to an increase of 9% over the previous year.

Figure 1: Growth in Gujarat'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: Gujarat Socio-Economic Review 2025-26; PRS.

Budget Estimates for 2026-27

- **Total expenditure (excluding debt repayment)** in 2026-27 is targeted at Rs 3,60,122 crore. This is an increase of 13% over the revised estimate of 2025-26. This expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 2,94,602 crore and net borrowings of Rs 56,748 crore. Total receipts for 2026-27 (other than borrowings) are expected to register an increase of 13% over the revised estimate of 2025-26.
- The state has estimated a **revenue surplus** of 0.8% of GSDP (Rs 25,587 crore) in 2026-27, similar to revised estimates of 2025-26 (0.8% of GSDP).
- **Fiscal deficit** for 2026-27 is estimated at 2% of GSDP (Rs 65,520 crore), higher than the revised estimates for 2025-26 (1.9% 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 | 2,97,717 | 3,65,747 | 3,52,538 | -4% | 4,03,374 | 14% |
| (-) Repayment of debt | 29,126 | 33,596 | 34,027 | 1% | 43,252 | 27% |
| Net Expenditure (E) | 2,68,591 | 3,32,150 | 3,18,511 | -4% | 3,60,122 | 13% |
| Total Receipts | 2,70,880 | 3,63,254 | 3,49,960 | -4% | 3,94,602 | 13% |
| (-) Borrowings | 51,253 | 89,501 | 89,501 | 0% | 1,00,000 | 12% |
| <i>of which central capex loans*</i> | 5,958 | 6,000 | 6,000 | 0% | 7,000 | 17% |
| Net Receipts (R) | 2,19,627 | 2,73,753 | 2,60,459 | -5% | 2,94,602 | 13% |
| Fiscal Deficit (E-R) | 48,965 | 58,397 | 58,052 | -1% | 65,520 | 13% |
| <i>as % of GSDP</i> | 1.8% | 2.0% | 1.9% | - | 2.0% | - |
| Revenue Surplus | 18,943 | 19,695 | 23,725 | 20% | 25,587 | 8% |
| <i>as % of GSDP</i> | 0.7% | 0.7% | 0.8% | - | 0.8% | - |
| Primary Deficit | 20,940 | 27,197 | 27,768 | 2% | 32,501 | 17% |
| <i>as % of GSDP</i> | 0.8% | 0.9% | 0.9% | - | 1.0% | - |
| GSDP | 27,03,518 | 29,82,032 | 29,84,449 | 0.1% | 33,24,676 | 11% |

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, Gujarat Budget Documents 2026-27; PRS.

Expenditure in 2026-27

- **Revenue expenditure** for 2026-27 is proposed to be Rs 2,46,016 crore, an increase of 7% over the revised estimates of 2025-26. This includes expenditure on salaries, pension, interest, grants, and subsidies.
- **Capital outlay** for 2026-27 is proposed to be Rs 1,07,160 crore, an increase of 25% over the revised estimate of 2025-26. Capital outlay indicates the expenditure towards creation of assets such as roads and buildings. In 2026-27, sectors with a relatively higher increase in capital outlay include transport (increase of Rs 4,073 crore) and urban development (Rs 3,413 crore increase), and irrigation and flood control (Rs 3,193 crore increase).
- In 2026-27, loans and advances by the state are estimated to be Rs 6,947 crore, 72% higher than the revised estimate of 2025-26. In 2026-27, the loan amount of Rs 2,643 crore is estimated for urban development.

Public health infrastructure in Gujarat

CAG (2024) reported a 23% shortage of doctors and paramedics each across public health institutions in Gujarat as of March 2022. Out of 33 districts, only 19 had district hospitals. Emergency services were partially available in 13 district hospitals.

CAG re-iterated the recommendation of the National Health Policy, 2017 for states to allocate at least 8% of their budget towards health. In 2026-27, Gujarat has estimated to spend 7.1% of its budget towards health and family welfare (Rs 24,920 crore). Other key recommendations of CAG include: (i) filling up the vacancies, (ii) maximising in-patient and out-patient services, (iii) increasing the coverage of health services for pregnant women, and (iv) timely finalising the rates of essential drugs.

Source: Report No. 5 of 2024, Public Health Infrastructure and Management of Health Services in Gujarat, 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 | 1,99,611 | 2,31,858 | 2,28,984 | -1% | 2,46,016 | 7% |
| Capital Outlay | 65,428 | 95,472 | 85,495 | -10% | 1,07,160 | 25% |
| Loans given by the state | 3,552 | 4,821 | 4,033 | -16% | 6,947 | 72% |
| Net Expenditure | 2,68,591 | 3,32,150 | 3,18,511 | -4% | 3,60,122 | 13% |

Sources: Annual Financial Statement, Gujarat 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, Gujarat is estimated to spend Rs 1,18,144 crore on committed expenditure, which is 43% of its estimated revenue receipts. This comprises spending on salaries (20% of revenue receipts), pension (11%), and interest payments (12%). In 2024-25, as per actual figures, 47% of revenue receipts were spent on committed expenditure.

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 | 48,043 | 52,847 | 49,747 | -6% | 54,722 | 10% |
| Pension | 26,530 | 29,158 | 27,640 | -5% | 30,403 | 10% |
| Interest payment | 28,025 | 31,201 | 30,284 | -3% | 33,019 | 9% |
| Total | 1,02,598 | 1,13,206 | 1,07,670 | -5% | 1,18,144 | 10% |

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

Sector-wise expenditure: The sectors listed below account for 62% of the total expenditure on sectors by the state in 2026-27. A comparison of Gujarat's expenditure on key sectors with that by other states is shown in Annexure 1.

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

| Sectors | 2024-25 Actuals | 2025-26 BE | 2025-26 RE | 2026-27 BE | % change from 2025-26 RE to 2026-27 BE | Budget Provisions 2026-27 BE |
|--|--------------------|---------------|---------------|---------------|--|--|
| Education, Sports, Arts, and Culture | 40,896 | 48,476 | 44,505 | 51,796 | 16% | Rs 1,951 crore has been allocated towards the Samagra Shiksha Abhiyan. |
| Transport | 22,902 | 24,980 | 23,782 | 29,929 | 26% | Rs 21,310 crore has been allocated for capital outlay towards roads and bridges. |
| Urban Development | 17,892 | 25,750 | 25,779 | 28,646 | 23% | Rs 13,446 crore has been allocated for Swarnim Jayanti Mukhya Mantri Shaheri Vikas Yojana. |
| Health and Family Welfare | 20,032 | 22,840 | 23,549 | 24,920 | 6% | Rs 3,256 crore has been allocated for Arogya Suraksha Yojana. |
| Irrigation and Flood Control | 11,376 | 18,476 | 14,656 | 19,589 | 34% | Rs 15,279 crore has been allocated for capital outlay under irrigation and flood control projects. |
| Agriculture and Allied Activities | 9,943 | 14,144 | 16,900 | 16,280 | -4% | Rs 1,539 crore has been allocated for interest-free credit up to three lakh rupees to Kisan Credit Card beneficiaries. |
| Energy | 15,564 | 18,444 | 15,475 | 14,832 | -4% | Rs 7,926 crore has been allocated for subsidy to discoms for providing free electricity to farmers. |
| Social Welfare and Nutrition | 11,235 | 12,971 | 20,695 | 12,768 | -38% | Rs 2,815 crore has been allocated for special nutrition program. |
| Police | 8,130 | 10,029 | 9,266 | 10,020 | 8% | Rs 8,243 crore has been allocated for district police. |
| Rural Development | 6,997 | 8,513 | 7,668 | 9,916 | 29% | Rs 1,500 crore has been allocated towards Viksit Bharat Guarantee for Rozgar and Ajeevika Mission (Gramin). |
| % of total expenditure on all sectors | 62% | 63% | 64% | 62% | | |

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

Receipts in 2026-27

- **Total revenue receipts** for 2026-27 are estimated to be Rs 2,71,602 crore, an increase of 7% over the revised estimate of 2025-26. Of this, Rs 1,94,050 crore (71%) will be raised by the state through its **own resources**, and Rs 77,552 crore (29%) will come **from the centre**. Resources from the centre will be in the form of state's share in central taxes (21.1% of revenue receipts) and grants (7.5% of revenue receipts).
- **Devolution:** In 2026-27, the state's share in central taxes is estimated at Rs 57,254 crore, an increase of 18% over the revised estimate for 2025-26.
- **Grants from the centre** in 2026-27 are estimated at Rs 20,299 crore, a decrease of 8% over the revised estimate for 2025-26. In 2026-27, the finance commission grants are estimated to be Rs 4,042 crore, a decrease of 53% from the revised estimate of 2025-26 (Rs 8,654 crore).
- **State's own tax revenue:** Gujarat's total own tax revenue is estimated to be Rs 1,64,222 crore in 2026-27, an increase of 6% over the revised estimate of 2025-26. Own tax revenue as a percentage of GSDP is estimated at 4.9% in 2026-27, lower than the revised estimates for 2025-26 (5.2%). As per the actual figures for 2024-25, own tax revenue as a percentage of GSDP was 5.2%.
- **Non-debt capital receipts:** In 2026-27, non-debt capital receipts are estimated to be Rs 23,000 crore, an increase of 197% over the revised estimate of 2025-26 (Rs 7,750 crore). Of this, Rs 20,000 crore is estimated to come from disinvestment of state public sector undertakings. In 2025-26, the state had budgeted a receipt of Rs 19,700 crore from disinvestment, however, this estimate has been revised down to Rs 5,000 crore. In 2023-24 and 2024-25, actual receipts from disinvestment were zero, against a budget target of Rs 17,500 crore in each year.

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 | 1,40,778 | 1,58,482 | 1,54,950 | -2% | 1,64,222 | 6% |
| Share in Central Taxes | 44,686 | 49,401 | 48,386 | -2% | 57,254 | 18% |
| State's Own Non-Tax | 18,964 | 23,659 | 27,337 | 16% | 29,828 | 9% |
| Grants from Centre | 14,127 | 20,011 | 22,036 | 10% | 20,299 | -8% |
| Revenue Receipts | 2,18,554 | 2,51,553 | 2,52,709 | 0.5% | 2,71,602 | 7% |
| Non-debt Capital Receipts | 1,072 | 22,200 | 7,750 | -65% | 23,000 | 197% |
| Net Receipts | 2,19,627 | 2,73,753 | 2,60,459 | -4.9% | 2,94,602 | 13% |

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

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

- In 2026-27, **State GST** is estimated to be the largest source of own tax revenue (49% share). State GST revenue is estimated to increase by 8% over the revised estimate for 2025-26.
- Revenue from Sales tax/ VAT in 2026-27 is expected to register an increase of 5% over the revised estimate for 2025-26.

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

| Head | 2024-25 Actuals | 2025-26 Budgeted | 2025-26 Revised | % change from BE 2025-26 to RE 2025-26 | 2026-27 Budgeted | % change from RE 2025-26 to 2026-27 |
|-----------------------------------|--------------------|---------------------|--------------------|--|---------------------|---|
| State GST | 65,840 | 80,520 | 74,100 | -8% | 80,127 | 8% |
| Sales Tax/ VAT | 33,112 | 32,626 | 32,042 | -2% | 33,780 | 5% |
| Stamps Duty and Registration Fees | 17,445 | 19,800 | 19,800 | 0% | 21,000 | 6% |
| Taxes and Duties on Electricity | 11,736 | 12,117 | 12,402 | 2% | 13,022 | 5% |
| Taxes on Vehicles | 5,908 | 6,200 | 6,547 | 6% | 7,201 | 10% |
| Land Revenue | 4,801 | 5,181 | 5,885 | 14% | 6,031 | 2% |
| State Excise | 201 | 250 | 240 | -4% | 264 | 10% |

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

Deficits and Debt in 2026-27

The Gujarat Fiscal Responsibility Act, 2005 provides annual targets to progressively reduce the outstanding debt, 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 surplus of Rs 25,587 crore (0.8% of GSDP) in 2026-27. In 2025-26, as per the revised estimates, revenue surplus is expected to be Rs 23,725 crore, higher than budgeted (Rs 19,695 crore).

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 2026-27, the fiscal deficit is estimated to be 2% of GSDP (Rs 65,520 crore).

The 16th Finance Commission has recommended the fiscal deficit target for states to be 3% of GSDP for the 2026-31 period. 50-year interest free loans for capital expenditure given by the central government will be excluded to arrive at the borrowing ceiling. In 2026-27, this loan is estimated to be Rs 7,000 crore (0.21% of GSDP). In 2024-25, as per actuals, fiscal deficit was 1.8% of GSDP. Excluding capex loans, fiscal deficit in 2024-25 was 1.6% of GSDP.

Outstanding public debt: Outstanding public debt is the accumulation of total unpaid borrowings at the end of a financial year. At the end of 2026-27, the outstanding public debt is estimated at 14.7% of GSDP, higher than the revised estimate for 2025-26 (14.4% of GSDP).

Performance of State Public Sector Undertakings (SPSUs)

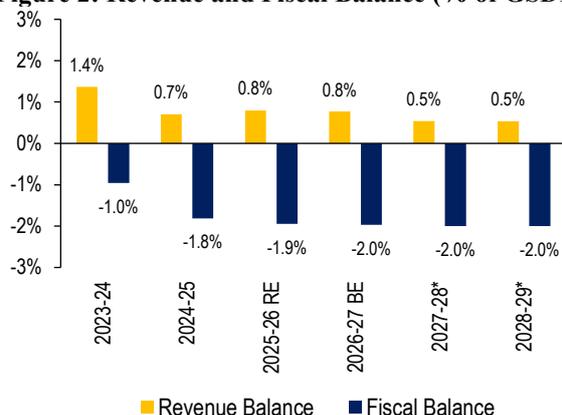
A 2024 study report for the 16th Finance Commission noted that investments in SPSUs increased at an annualised rate of 6.7% in the last ten years. These include equity capital and long-term loans. As of 2022-23, there were 101 SPSUs. Budget support to SPSUs increased from Rs 15,341 crore in 2012-13 to Rs 23,822 crore in 2022-23.

The study noted although there has been an increase in the number of SPSUs from 81 to 101 between 2012-13 and 2022-23, their turnover as % of GSDP had decreased. Turnover decreased from 12.6% of GSDP in 2012-13 to 8.6% of GSDP in 2022-23. It observed that this shows a declining contribution to the state's economy. Their cumulative turnover grew at an annualised rate of 7.8% during this period. The study noted that SPSUs have been declaring very low or negligible dividend.

The study observed that disinvestment of loss-making SPSUs can improve the financial efficiency of the state. In 2022-23, 30 SPSUs had incurred losses. As of March 2023, net worth of 21 SPSUs was negative. The 16th Finance Commission has also recommended that states formulate a disinvestment policy to target inactive and underperforming SPSUs. The 2024 study had noted that the state government has formed a committee on strategic disinvestment, however, the outcome or strategy is not available in public domain. The state has not met its disinvestment targets in recent years (see Page 4 for details).

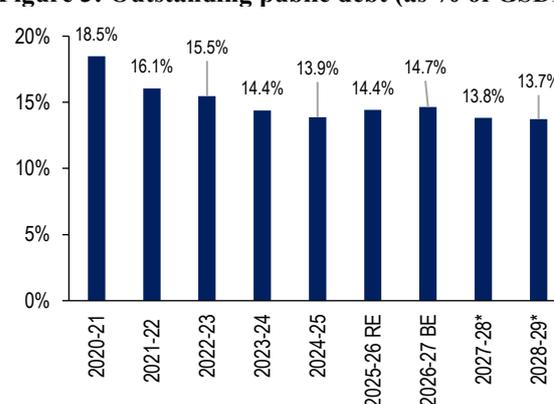
Source: Evaluation of Finances of State of Gujarat, A Study Report for the 16th Finance Commission, December 2024; Report No. 1 of 2024, State Finances Audit Report for 2022-23, CAG; PRS.

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



Note: *Figures from 2027-28 onwards are projections. RE is Revised Estimates; BE is budget estimates. (+) indicates a surplus and (-) indicates a deficit.
Sources: Medium Term Fiscal Policy, Gujarat Budget Documents 2026-27; PRS.

Figure 3: Outstanding public debt (as % of GSDP)



Note: *Figures from 2027-28 onwards are projections. RE: Revised Estimates, BE: Budget Estimates. Does not include liabilities on public accounts such as provident funds.
Sources: Medium Term Fiscal Policy, Gujarat Budget Documents 2026-27; PRS.

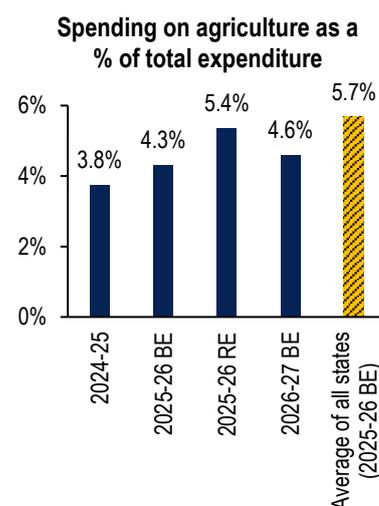
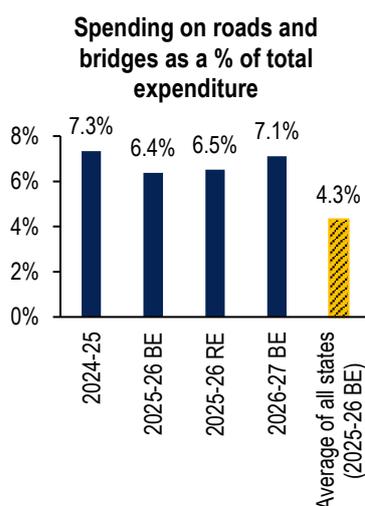
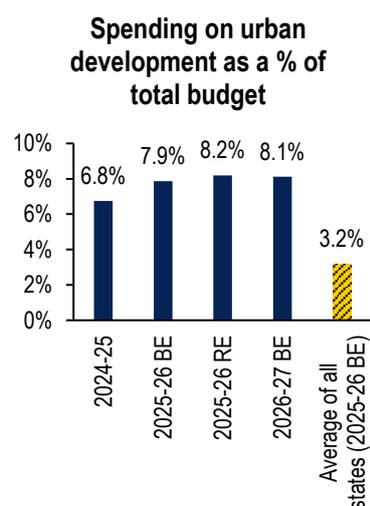
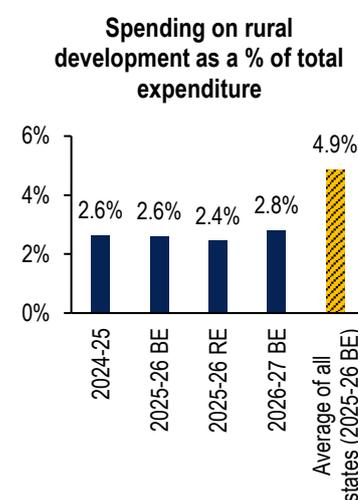
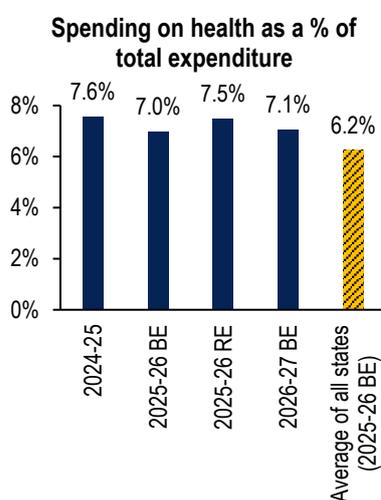
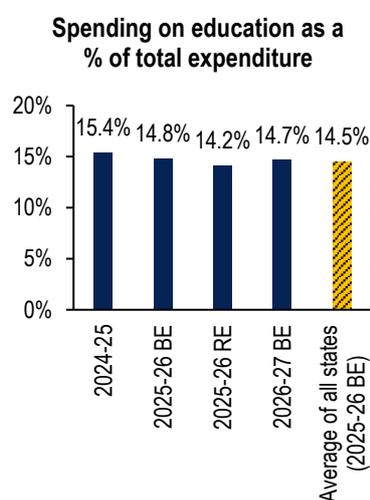
Outstanding Government Guarantees: Outstanding debt of states do not include a few other liabilities that are contingent in nature, which states may have to honour in certain cases. State governments guarantee the borrowings of State Public Sector Enterprises (SPSEs) from financial institutions. As of March 31, 2025, the state's outstanding guarantee is estimated to be Rs 1,421 crore, which is 0.05% of Gujarat's 2025-26 GSDP.

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Annexure 1: Comparison of states' expenditure on key sectors

The graphs below compare Gujarat'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 Gujarat) as per their budget estimates of 2024-25.¹

- **Education:** Gujarat has allocated 14.7% of its expenditure on education in 2026-27. This is marginally higher than the average allocation for education by states in 2025-26 (14.5%).
- **Health:** Gujarat has allocated 7.1% of its expenditure on health in 2026-27. This is higher than the average allocation for health by states in 2025-26 (6.2%).
- **Rural development:** Gujarat has allocated 2.8% of its expenditure on rural development in 2026-27. This is lower than the average allocation for rural development by states in 2025-26 (4.9%).
- **Urban development:** Gujarat has allocated 8.1% of its expenditure on urban development in 2026-27. This is higher than the average allocation for urban development by states in 2025-26 (3.2%).
- **Roads and bridges:** Gujarat has allocated 7.1% of its expenditure on roads and bridges in 2026-27. This is higher than the average allocation for roads and bridges by states in 2025-26 (4.3%).
- **Agriculture:** Gujarat has allocated 4.6% of its expenditure on agriculture in 2026-27. This is lower than the average allocation for agriculture by states in 2025-26 (5.7%).



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

Sources: Annual Financial Statement, Gujarat 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 a 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, Gujarat will have a 3.76% 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 Gujarat over the 2026-31 period include: (i) Rs 23,764 crore for urban local bodies, (ii) Rs 18,802 crore for rural local bodies, and (iii) Rs 8,459 crore as disaster management grants. In addition, Vadodara and Rajkot will be eligible for a special infrastructure grant for development of wastewater management system (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 7: 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 8: 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 9: 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 10: Overview of Receipts and Expenditure (in Rs crore)

| Particular | 2024-25 BE | 2024-25 Actuals | % change from BE to Actuals |
|----------------------------------|------------------|--------------------|--------------------------------|
| Net Receipts (1+2) | 2,47,445 | 2,19,627 | -11% |
| 1. Revenue Receipts (a+b+c+d) | 2,29,653 | 2,18,554 | -5% |
| a. Own Tax Revenue | 1,49,000 | 1,40,778 | -6% |
| b. Own Non-Tax Revenue | 19,675 | 18,964 | -4% |
| c. Share in central taxes | 42,195 | 44,686 | 6% |
| d. Grants-in-aid from the Centre | 18,783 | 14,127 | -25% |
| 2. Non-Debt Capital Receipts | 17,792 | 1,072 | -94% |
| 3. Borrowings | 77,500 | 51,253 | -34% |
| Of which Central Capex Loans | 4,000 | 5,958 | 49% |
| Net Expenditure (4+5+6) | 2,99,363 | 2,68,591 | -10% |
| 4. Revenue Expenditure | 2,19,832 | 1,99,611 | -9% |
| 5. Capital Outlay | 75,689 | 65,428 | -14% |
| 6. Loans and Advances | 3,842 | 3,552 | -8% |
| 7. Debt Repayment | 29,085 | 29,126 | 0.1% |
| Revenue Surplus | 9,821 | 18,943 | 93% |
| Revenue Surplus (as % of GSDP) | 0.4% | 0.7% | |
| Fiscal Deficit | 51,918 | 48,965 | -6% |
| Fiscal Deficit (as % of GSDP) | 1.9% | 1.8% | |
| GSDP | 27,92,545 | 27,03,518 | -3% |

Source: Gujarat Budget Documents of various years; PRS.

Table 11: Key Components of State's Own Tax Revenue

| Head | 2024-25 BE | 2024-25 Actuals | % change from BE to Actuals |
|-----------------------------------|---------------|--------------------|--------------------------------|
| Land Revenue | 5,510 | 4,801 | -13% |
| State GST | 74,597 | 65,840 | -12% |
| Sales Tax/VAT | 33,900 | 33,112 | -2% |
| Taxes and Duties on Electricity | 11,754 | 11,736 | -0.2% |
| Taxes on Vehicles | 5,600 | 5,908 | 5% |
| Stamps Duty and Registration Fees | 16,000 | 17,445 | 9% |
| State Excise | 155 | 201 | 30% |

Source: Gujarat Budget Documents of various years; PRS.

Table 12: Allocation towards Key Sectors

| Sector | 2024-25 BE | 2024-25 Actuals | % change from BE to Actuals |
|--------------------------------------|---------------|--------------------|--------------------------------|
| Irrigation and Flood Control | 17,438 | 11,376 | -35% |
| Energy | 20,267 | 15,564 | -23% |
| Rural Development | 8,555 | 6,997 | -18% |
| Agriculture and Allied Activities | 11,857 | 9,943 | -16% |
| Education, Sports, Arts, and Culture | 44,579 | 40,896 | -8% |
| Police | 8,712 | 8,130 | -7% |
| Urban Development | 18,634 | 17,892 | -4% |
| Social Welfare and Nutrition | 11,358 | 11,235 | -1% |
| Transport | 22,692 | 22,902 | 1% |
| Of which roads and bridges | 18,781 | 19,430 | 3% |
| Health and Family Welfare | 19,348 | 20,032 | 4% |

Source: Gujarat Budget Documents of various years; PRS.