

# Kerala Budget Analysis 2025-26

The Finance Minister of Kerala, Mr. K. N. Balagopal, presented the Budget for the state for the financial year 2025-26 on February 7, 2025.

## Budget Highlights

- Kerala's **Gross State Domestic Product (GSDP)** for 2025-26 (at current prices) is projected to be Rs 14,27,145 crore, amounting to growth of 12% over the revised estimates for 2024-25.
- **Expenditure (excluding debt repayment)** in 2025-26 is estimated to be Rs 1,98,582 crore, an 11% increase over the revised estimates of 2024-25. In addition, debt of Rs 1,14,961 crore is estimated to be repaid by the state.
- **Receipts (excluding borrowings)** for 2025-26 are estimated to be Rs 1,53,544 crore, an increase of 15% as compared to the revised estimate of 2024-25.
- **Revenue deficit** in 2025-26 is estimated to be 1.9% of GSDP (Rs 27,125 crore), as compared to a revenue deficit of 2.3% of GSDP (Rs 29,196 crore) at the revised estimate stage in 2024-25.
- **Fiscal deficit** for 2025-26 is targeted at 3.2% of GSDP (Rs 45,039 crore). In 2024-25, as per the revised estimates, fiscal deficit is expected to be 3.5% of GSDP, marginally higher than the budgeted 3.4% of GSDP.

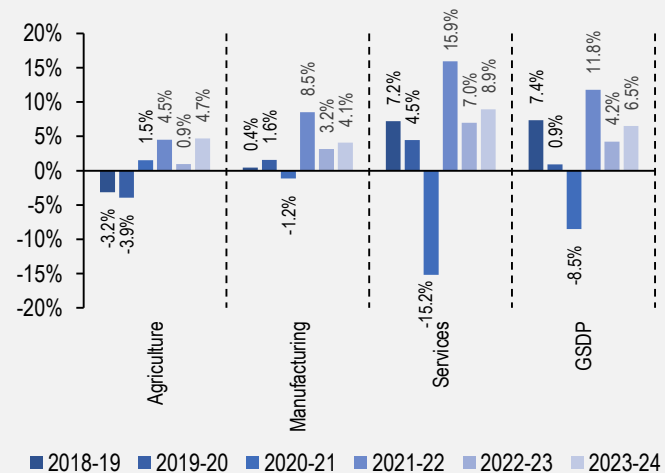
## Policy Highlights

- **Land Revenue:** Basic tax rates on land will be increased by 50%.
- **Vehicle tax:** Road tax on two-wheelers, three-wheelers, and private cars older than 15 years will be increased by 50%. The life-time tax of private electric cars will be fixed relative to their cost.
- **Cooperative Housing:** A cooperative housing project to create affordable housing in rural and urban areas has been announced. At least one lakh houses are aimed to be built in the next two years.
- **Coastal Development:** A special package for coastal area development has been announced. In the first phase, Rs 100 crore has been allocated for geo-tube off-shore break water projects.
- **Green Hydrogen Valley:** A project to generate hydrogen using renewable sources will be piloted with an initial outlay of five crore rupees.

## Kerala's Economy

- **GSDP:** In 2023-24, Kerala's GSDP (at constant prices) is estimated to grow by 6.5% 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 10%, 24%, and 66% of Kerala's economy, respectively (at current prices).
- **Per capita GSDP:** In 2023-24, Kerala's per capita GSDP (at current prices) is estimated to be Rs 3,17,723, an increase of 11% over 2022-23. In 2023-24, India's per capita GDP is estimated to increase by 9% over 2022-23 to Rs 2,11,725.

**Figure 1: Growth in Kerala'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 1,98,582 crore. This is an increase of 11% from the revised estimate of 2024-25. This expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 1,53,544 crore and net borrowings of Rs 40,848 crore. Total receipts for 2025-26 (other than borrowings) are expected to register an increase of 15% over the revised estimate of 2024-25.
- The state estimates a **revenue deficit** of 1.9% of GSDP (Rs 27,125 crore) in 2025-26, as compared to a revenue deficit of 2.3% of GSDP as per revised estimates for 2024-25.
- **Fiscal deficit** for 2025-26 is targeted at 3.2% of GSDP (Rs 45,039 crore), lower than the revised estimates for 2024-25 (3.5% of GSDP). In absolute terms, fiscal deficit is estimated to increase in 2025-26 (Rs 45,039 crore) over the revised estimates for 2024-25 (Rs 44,747 crore). Due to the 12% growth estimated in GSDP, the fiscal deficit for 2025-26 as a percentage of GSDP is estimated to be less than the revised estimate for 2024-25.

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

| Items                         | 2023-24<br>Actuals | 2024-25<br>Budgeted | 2024-25<br>Revised | % change from<br>BE 24-25 to RE<br>24-25 | 2025-26<br>Budgeted | % change from<br>RE 24-25 to BE<br>25-26 |
|-------------------------------|--------------------|---------------------|--------------------|--|---------------------|--|
| Total Expenditure             | 2,33,872           | 2,55,386            | 2,87,997           | 13%                                      | 3,13,543            | 9%                                       |
| (-) Repayment of debt         | 74,366             | 71,058              | 1,09,226           | 54%                                      | 1,14,961            | 5%                                       |
| <b>Net Expenditure (E)</b>    | <b>1,59,507</b>    | <b>1,84,327</b>     | <b>1,78,772</b>    | <b>-3%</b>                               | <b>1,98,582</b>     | <b>11%</b>                               |
| Total Receipts                | 2,29,603           | 2,46,845            | 2,83,856           | 15%                                      | 3,09,353            | 9%                                       |
| (-) Borrowings                | 1,04,355           | 1,07,047            | 1,49,832           | 40%                                      | 1,55,809            | 4%                                       |
| of which central capex loans* | 0                  | 100                 | 2,600              | 2500%                                    | 2,750               | 6%                                       |
| <b>Net Receipts (R)</b>       | <b>1,25,248</b>    | <b>1,39,798</b>     | <b>1,34,025</b>    | <b>-4%</b>                               | <b>1,53,544</b>     | <b>15%</b>                               |
| <b>Fiscal Deficit (E-R)</b>   | <b>34,258</b>      | <b>44,529</b>       | <b>44,747</b>      | <b>0%</b>                                | <b>45,039</b>       | <b>1%</b>                                |
| as % of GSDP                  | 3.0%               | 3.4%                | 3.5%               |  | 3.2%                |  |
| <b>Revenue Deficit</b>        | <b>18,140</b>      | <b>27,846</b>       | <b>29,196</b>      | <b>5%</b>                                | <b>27,125</b>       | <b>-7%</b>                               |
| as % of GSDP                  | 1.6%               | 2.1%                | 2.3%               |  | 1.9%                |  |
| <b>Primary Deficit</b>        | <b>7,272</b>       | <b>15,835</b>       | <b>15,008</b>      | <b>-5%</b>                               | <b>13,215</b>       | <b>-12%</b>                              |
| as % of GSDP                  | 0.6%               | 1.2%                | 1.2%               |  | 0.9%                |  |
| GSDP                          | 11,46,109          | 13,11,437           | 12,75,412          | -3%                                      | 14,27,145           | 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, Kerala Budget Documents 2025-26; PRS.

## Expenditure in 2025-26

- **Revenue expenditure** for 2025-26 is proposed to be Rs 1,79,476 crore, an increase of 11% 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 16,938 crore, an increase of 20% over the revised estimate of 2024-25. Capital outlay indicates the expenditure towards creation of assets.
- In 2025-26, loans and advances by the state are expected to be Rs 2,168 crore, 16% lower as compared to the revised estimate of 2024-25.

### 50% cut in plan expenditure proposed

In 2023-24, Kerala's total receipts (excluding borrowings) were 8% less than the budget estimate. Total expenditure (excluding debt repayment), subsequently, was 9% less than the budget estimate. When receipts are less than estimated, states have to borrow to meet the shortfall. If borrowing is insufficient, then expenditure must be reduced. Between 2015-16 and 2022-23, Kerala underspent their budget estimates by 8%. During the same period, revenue was overestimated by 11%.

In August 2024, the Kerala government issued an order to assess the expenditure on schemes included in the state's five-year Plan. If the schemes are found to be inessential, plan expenditure would be reduced by 50%.

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

| Items                    | 2023-24<br>Actuals | 2024-25<br>Budgeted | 2024-25<br>Revised | % change from<br>BE 24-25 to RE<br>24-25 | 2025-26<br>Budgeted | % change from<br>RE 24-25 to BE<br>25-26 |
|--------------------------|--------------------|---------------------|--------------------|--|---------------------|--|
| Revenue Expenditure      | 1,42,626           | 1,66,501            | 1,62,126           | -3%                                      | 1,79,476            | 11%                                      |
| Capital Outlay           | 13,584             | 15,663              | 14,070             | -10%                                     | 16,938              | 20%                                      |
| Loans given by the state | 3,296              | 2,163               | 2,576              | 19%                                      | 2,168               | -16%                                     |
| <b>Net Expenditure</b>   | <b>1,59,507</b>    | <b>1,84,327</b>     | <b>1,78,772</b>    | <b>-3%</b>                               | <b>1,98,582</b>     | <b>11%</b>                               |

Sources: Annual Financial Statement, Kerala 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 budget allocated for committed expenditure items limits the state's flexibility to decide on other expenditure priorities such as capital outlay. In 2025-26, Kerala is estimated to spend Rs 1,05,398 crore on committed expenditure, which is 69% of its estimated revenue receipts. This comprises spending on salaries (29% of revenue receipts), interest payments (21%), and pension (19%). In 2023-24, as per actual figures, 73% of revenue receipts were spent towards committed expenditure.

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

| Committed Expenditure | 2023-24<br>Actuals | 2024-25<br>Budgeted | 2024-25<br>Revised | % change from<br>BE 24-25 to RE<br>24-25 | 2025-26<br>Budgeted | % change from<br>RE 24-25 to BE<br>25-26 |
|-----------------------|--------------------|---------------------|--------------------|--|---------------------|--|
| Salaries              | 38,541             | 40,675              | 41,002             | 1%                                       | 44,114              | 8%                                       |
| Pension               | 25,644             | 28,609              | 27,582             | -4%                                      | 29,460              | 7%                                       |
| Interest payment      | 26,986             | 28,694              | 29,739             | 4%                                       | 31,824              | 7%                                       |
| <b>Total</b>          | <b>91,172</b>      | <b>97,978</b>       | <b>98,323</b>      | <b>0.4%</b>                              | <b>1,05,398</b>     | <b>7%</b>                                |

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

**Sector-wise expenditure:** The sectors listed below account for **44%** of the total expenditure on various sectors by the state in 2025-26. A comparison of Kerala's expenditure on key sectors with that by other states is shown in Annexure 1.

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

| Sector                                       | 2023-24<br>Actuals | 2024-25<br>BE | 2024-25<br>RE | 2025-26<br>BE | % change<br>from RE<br>24-25 to<br>BE 25-26 | Demand Provisions (2025-26)   |
|--|--------------------|---------------|---------------|---------------|---|---|
| Education, Sports, Arts, and Culture         | 22,373             | 24,256        | 23,597        | 26,398        | 12%   | <ul style="list-style-type: none"> <li>Rs 3,149 crore has been allocated towards government primary schools, of which Rs 3,147 crore is for wages and allowances.</li> <li>Rs 644 crore has been allocated towards the PM Poshan Shakti Nirman scheme.</li> </ul> |
| Social Welfare and Nutrition                 | 8,506              | 13,473        | 15,306        | 16,054        | 5%  | <ul style="list-style-type: none"> <li>Rs 13,340 crore (83% of expenditure on this sector) has been allocated as assistance to Kerala Social Security Pension Limited.</li> </ul>   |
| Health and Family Welfare                    | 9,577              | 10,087        | 9,583         | 10,874        | 13%   | <ul style="list-style-type: none"> <li>Rs 2,688 crore has been allocated for allopathic health services in urban areas, and Rs 1,379 crore in rural areas.</li> </ul>   |
| Agriculture and Allied Activities            | 6,368              | 7,742         | 7,092         | 8,259         | 16%   | <ul style="list-style-type: none"> <li>Rs 1,539 crore has been allocated for crop husbandry.</li> <li>Rs 600 crore has been allocated towards the rubber production incentive scheme.</li> </ul>  |
| Rural Development                            | 2,704              | 7,365         | 3,785         | 8,021         | 112%  | <ul style="list-style-type: none"> <li>Rs 4,120 crore has been allocated towards MGNREGS.</li> <li>Interest subsidies towards HUDCO for implementing the Life Mission (Rural) has been allocated Rs 256 crore.</li> </ul>   |
| Transport                                    | 4,193              | 5,287         | 3,961         | 5,411         | 37%   | <ul style="list-style-type: none"> <li>Rs 2,870 crore has been allocated as capital expenditure on roads and bridges.</li> <li>The Kochi Metro Rail system has been allocated Rs 289 crore.</li> </ul>  |
| Police                                       | 4,423              | 4,714         | 4,660         | 5,098         | 9%  | <ul style="list-style-type: none"> <li>District police has been allocated Rs 3,466 crore.</li> <li>Rs 112 crore has been allocated towards the modernisation of police.</li> </ul>  |
| Welfare of SC, ST, OBC, and Minorities       | 2,793              | 3,284         | 2,335         | 3,488         | 49%   | <ul style="list-style-type: none"> <li>Rs 1,175 crore has been allocated for the welfare of scheduled castes, and Rs 537 crore for scheduled tribes.</li> </ul>   |
| Urban Development                            | 1,206              | 1,720         | 1,580         | 2,049         | 30%   | <ul style="list-style-type: none"> <li>Rs 218 crore has been allocated for the Life Parppida Mission (Urban).</li> <li>The AMRUT scheme has been allocated Rs 1,083 crore.</li> </ul>   |
| Water Supply and Sanitation                  | 1,470              | 1,311         | 1,628         | 1,299         | -20%  | <ul style="list-style-type: none"> <li>Rs 560 crore has been allocated for the Jal Jeevan Mission.</li> </ul>   |
| <b>% of total expenditure on all sectors</b> | <b>41%</b>         | <b>43%</b>    | <b>42%</b>    | <b>44%</b>    |   |   |

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

## Receipts in 2025-26

- **Total revenue receipts** for 2025-26 are estimated to be Rs 1,52,352 crore, an increase of 15% over the revised estimate of 2024-25. Of this, Rs 1,10,660 crore (73%) will be raised by the state through its **own resources**, and Rs 41,691 crore (27%) will come **from the centre**. Resources from the centre will be in the form of state's share in central taxes (19% of revenue receipts) and grants (9% of revenue receipts).
- **Devolution:** In 2025-26, state's share in central taxes is estimated at Rs 28,617 crore, an increase of 12% over the revised estimate of 2024-25.
- **Grants from the centre** in 2025-26 are estimated at Rs 13,075 crore, an increase of 67% over the revised estimates for 2024-25. In 2024-25, Rs 7,847 crore is estimated to be received as grants from the centre, 32% less than the budget estimate (Rs 11,533 crore).
- **State's own tax revenue:** Kerala's total own tax revenue is estimated to be Rs 91,515 crore in 2025-26, an increase of 12% over the revised estimate of 2024-25. Own tax revenue as a percentage of GSDP is estimated at 6.4% in 2025-26, the same as the revised estimates for 2024-25. As per the actual figures for 2023-24, own tax revenue as a percentage of GSDP was 6.5%.

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

| Items                     | 2023-24<br>Actuals | 2024-25<br>Budgeted | 2024-25<br>Revised | % change from<br>BE 2024-25 to<br>RE 2024-25 | 2025-26<br>Budgeted | % change from<br>RE 2024-25 to<br>BE 2025-26 |
|---------------------------|--------------------|---------------------|--------------------|--|---------------------|--|
| State's Own Tax           | 74,329             | 84,884              | 81,627             | -4%  | 91,515              | 12%  |
| State's Own Non-Tax       | 16,346             | 18,356              | 17,906             | -2%  | 19,146              | 7%   |
| Share in Central Taxes    | 21,743             | 23,882              | 25,550             | 7%   | 28,617              | 12%  |
| Grants-in-aid from Centre | 12,068             | 11,533              | 7,847              | -32%   | 13,075              | 67%  |
| <b>Revenue Receipts</b>   | <b>1,24,486</b>    | <b>1,38,655</b>     | <b>1,32,930</b>    | <b>-4%</b>                                   | <b>1,52,352</b>     | <b>15%</b>                                   |
| Non-debt Capital Receipts | 762                | 1,143               | 1,095              | -4%  | 1,192               | 9%   |
| <b>Net Receipts</b>       | <b>1,25,248</b>    | <b>1,39,798</b>     | <b>1,34,025</b>    | <b>-4.1%</b>                                 | <b>1,53,544</b>     | <b>15%</b>                                   |

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

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

- In 2025-26, **State GST** is estimated to be the largest source of own tax revenue (41% share). State GST revenue is estimated to increase by 12% over the revised estimates of 2024-25.
- Revenue from Sales tax/ VAT in 2025-26 is expected to be 10% higher than the revised estimates for 2024-25. Revenue from state excise is estimated to be 7% higher in 2025-26 over the revised estimate of 2024-25.
- Revenue from electricity duty is estimated to be Rs 1,100 crore in 2025-26. As per revised estimates, this duty is estimated to generate Rs 100 crore in 2024-25, as opposed to a budget estimate of Rs 1,100 crore.

### Finance Commission (FC) Grants

The 15<sup>th</sup> Finance Commission (2021-26) recommended that various grants be given to states from the centre's resources. These include revenue deficit grants, grants to local bodies, grants for disaster risk management, sector-specific grants. In 2025-26, Kerala has estimated to receive Rs 2,797 crore as FC grants. This is 13% higher than the revised estimates of 2024-25.

Kerala estimates to receive Rs 383 crore as grants for disaster risk mitigation and response in 2025-26. Rs 1,301 crore is estimated to be received from rural local body grants, and Rs 1,113 crore from urban local body grants. Note that about 60% of grants to rural local bodies and 73% grants to urban local bodies are tied to specific purposes.

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

| Head                              | 2023-24<br>Actuals | 2024-25<br>Budgeted | 2024-25<br>Revised | % change from<br>BE 2024-25 to<br>RE 2024-25 | 2025-26<br>Budgeted | % change from<br>RE 2024-25 to<br>BE 2025-26 |
|-----------------------------------|--------------------|---------------------|--------------------|--|---------------------|--|
| State GST                         | 30,564             | 35,875              | 33,582             | -6%  | 37,763              | 12%  |
| Sales Tax/ VAT                    | 27,690             | 30,267              | 30,451             | 1%   | 33,591              | 10%  |
| Taxes on Vehicles                 | 6,340              | 6,704               | 6,847              | 2%   | 7,397               | 8%   |
| Stamps Duty and Registration Fees | 5,695              | 6,662               | 6,620              | -1%  | 7,343               | 11%  |
| State Excise                      | 2,944              | 3,107               | 2,949              | -5%  | 3,150               | 7%   |
| Taxes and Duties on Electricity   | 85                 | 1,100               | 100                | -91%   | 1,100               | 996%   |
| Land Revenue                      | 712                | 842                 | 762                | -10%   | 843                 | 11%  |
| GST Compensation Grants           | 738                | -                   | 67                 | -  | -                   | -  |

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

## Deficits, Debt, and FRBM Targets for 2025-26

The Kerala Fiscal Responsibility Act, 2003 provides annual targets to progressively reduce the outstanding debt, revenue deficit and fiscal deficit of the state government.

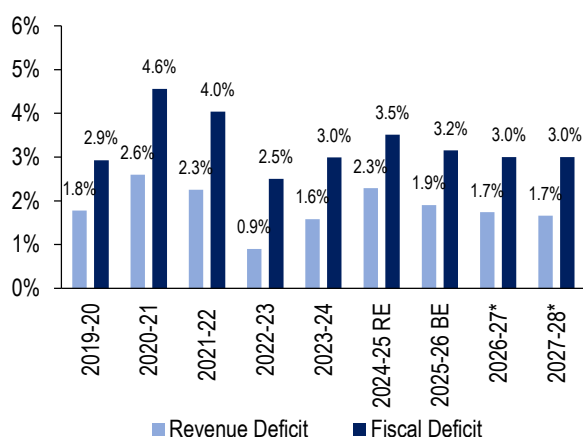
**Revenue deficit:** It is the difference between revenue expenditure and revenue receipts. A revenue deficit implies that the government needs to borrow to finance those expenses which does not increase its assets or reduces its liabilities. The budget estimates a revenue deficit of Rs 27,125 crore (or 1.9% of the GSDP) in 2025-26.

**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 3.2% 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 marginally higher than the budget estimate of 3.4% of GSDP (for 2024-25).

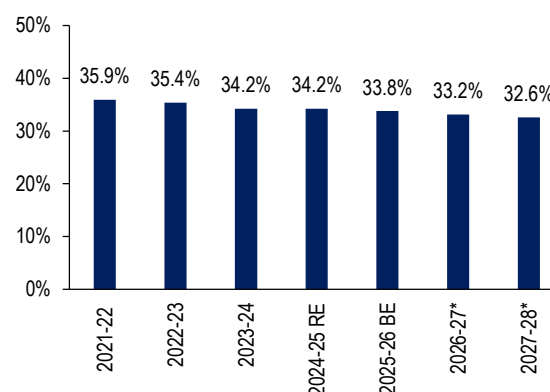
**Outstanding debt:** Outstanding debt is the accumulation of total borrowings at the end of a financial year. At the end of 2025-26, the outstanding debt is estimated to be 33.8% of GSDP, marginally lower than the revised estimate for 2024-25 (34.2% of GSDP).

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



Note: \*Figures from 2026-27 onwards are projections. RE is Revised Estimates; BE is budget estimates.  
Sources: Medium Term Fiscal Policy and Strategy Statement, Kerala Budget Documents 2025-26; PRS.

**Figure 3: Outstanding Debt (as % of GSDP)**

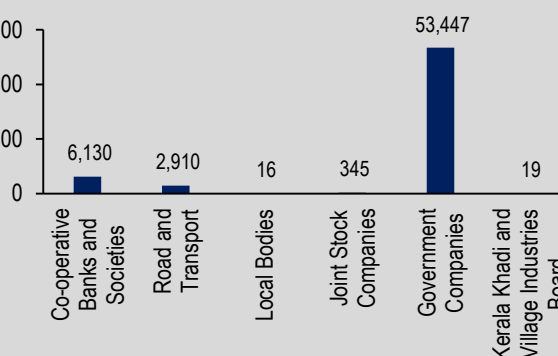


Note: \*Figures for 2026-27 onwards are projections. BE is budget estimates.  
Sources: Medium Term Fiscal Policy and Strategy Statement, Kerala Budget Documents 2025-26; PRS.

**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, 2024, the state's outstanding guarantee is estimated to be Rs 62,868 crore, which is 5.5% of Kerala's GSDP. Of this, Rs 53,447 crore has been given to government companies. This figure increased to Rs 65,713 crore as of September 30, 2024. Of this, the Kerala Infrastructure Investment Fund Board (KIIFB) has outstanding guarantees of Rs 20,213 crore. Kerala State Financial Enterprises Limited (KSFE) has outstanding guarantees of Rs 19,724 crore.

**Figure 4: Quantum of guarantees given by Kerala as of March 31, 2024 (in Rs crore)**



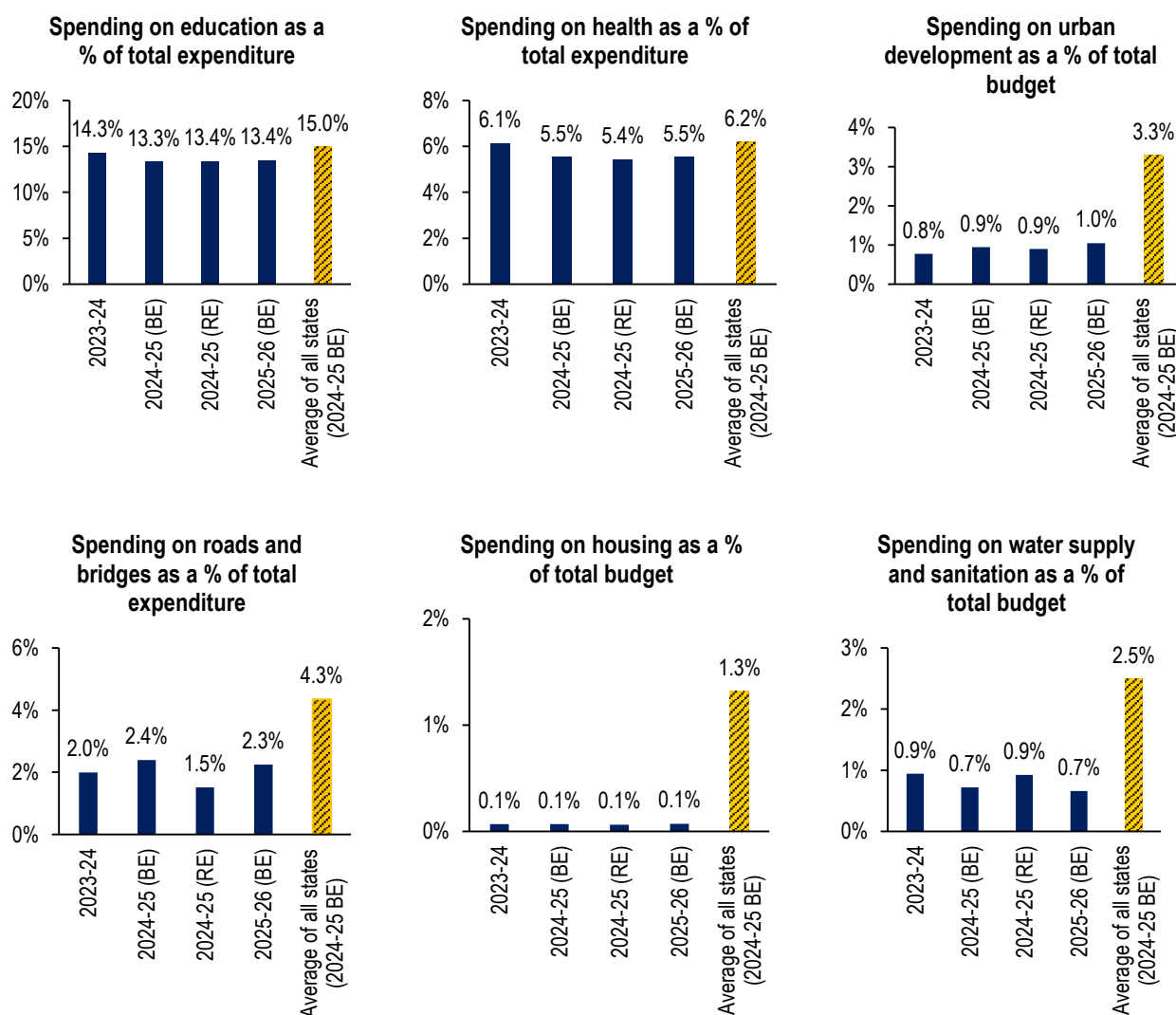
Source: Kerala Budget Documents 2025-26; PRS.

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## Annexure 1: Comparison of states' expenditure on key sectors

The graphs below compare Kerala'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 Kerala) as per their budget estimates of 2024-25.<sup>1</sup>

- **Education:** Kerala has allocated 13.4% of its expenditure on education in 2025-26. This is lower than the average allocation for education by states in 2024-25 (15%).
- **Health:** Kerala has allocated 5.5% of its expenditure on health in 2025-26. This is lower than the average allocation for health by states in 2024-25 (6.2%).
- **Urban development:** Kerala has allocated 1% of its expenditure on urban development in 2025-26. This is lower than the average allocation for urban development by states in 2024-25 (3.3%).
- **Roads and bridges:** Kerala has allocated 2.3% of its expenditure on roads and bridges in 2025-26. This is lower than the average allocation for roads and bridges by states in 2024-25 (4.3%).
- **Housing:** Kerala 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%).
- **Water Supply and Sanitation:** Kerala has allocated 0.7% of its expenditure on water supply and sanitation in 2025-26. This is lower than the average allocation for this sector by states in 2024-25 (2.5%).



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

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

<sup>1</sup> 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 |
|----------------------------------|-----------------|-----------------|-----------------------------|
| <b>Net Receipts (1+2)</b>        | <b>1,36,427</b> | <b>1,25,248</b> | <b>-8%</b>                  |
| 1. Revenue Receipts (a+b+c+d)    | 1,35,419        | 1,24,486        | -8%                         |
| a. Own Tax Revenue               | 81,039          | 74,329          | -8%                         |
| b. Own Non-Tax Revenue           | 17,089          | 16,346          | -4%                         |
| c. Share in central taxes        | 21,425          | 21,743          | 1%                          |
| d. Grants-in-aid from the Centre | 15,866          | 12,068          | -24%                        |
| 2. Non-Debt Capital Receipts     | 1,008           | 762             | -24%                        |
| 3. Borrowings                    | 78,104          | 1,04,355        | 34%                         |
| Of which central capex loans     | 0               | 0               | -                           |
| <b>Net Expenditure (4+5+6)</b>   | <b>1,76,089</b> | <b>1,59,507</b> | <b>-9%</b>                  |
| 4. Revenue Expenditure           | 1,59,361        | 1,42,626        | -11%                        |
| 5. Capital Outlay                | 14,606          | 13,584          | -7%                         |
| 6. Loans and Advances            | 2,123           | 3,296           | 55%                         |
| 7. Debt Repayment                | 49,551          | 74,366          | 50%                         |
| <b>Revenue Deficit</b>           | <b>23,942</b>   | <b>18,140</b>   | <b>-24%</b>                 |
| Revenue Deficit (as % of GSDP)   | 2.1%            | 1.6%            |                             |
| <b>Fiscal Deficit</b>            | <b>39,662</b>   | <b>34,258</b>   | <b>-14%</b>                 |
| Fiscal Deficit (as % of GSDP)    | 3.5%            | 3.0%            |                             |

Source: Kerala 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 |
|-----------------------------------|------------|-----------------|-----------------------------|
| Taxes and Duties on Electricity   | 573        | 85              | -85%                        |
| State GST                         | 35,983     | 30,564          | -15%                        |
| Sales Tax/ VAT                    | 28,646     | 27,690          | -3.3%                       |
| Taxes on Vehicles                 | 5,858      | 5,695           | -2.8%                       |
| State Excise                      | 2,975      | 2,944           | -1%                         |
| Stamps Duty and Registration Fees | 6,112      | 6,340           | 4%                          |
| Land Revenue                      | 610        | 712             | 17%                         |

Source: Kerala 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                      | 7,038      | 2,704           | -62%                        |
| Urban Development                      | 1,856      | 1,206           | -35%                        |
| Social Welfare and Nutrition           | 12,411     | 8,506           | -31%                        |
| Housing                                | 136        | 107             | -21%                        |
| Agriculture and Allied Activities      | 7,853      | 6,368           | -19%                        |
| Irrigation and Flood Control           | 1,128      | 937             | -17%                        |
| Transport                              | 4,835      | 4,193           | -13%                        |
| of which Roads and Bridges             | 3,702      | 3,113           | -16%                        |
| Welfare of SC, ST, OBC, and Minorities | 3,109      | 2,793           | -10%                        |
| Education, Sports, Arts, and Culture   | 24,328     | 22,373          | -8%                         |
| Police                                 | 4,699      | 4,423           | -6%                         |
| Health and Family Welfare              | 9,935      | 9,577           | -4%                         |
| Water Supply and Sanitation            | 1,310      | 1,470           | 12%                         |
| Energy                                 | 106        | 841             | 695%                        |

Source: Kerala Budget Documents of various years; PRS.