

Telangana Budget Analysis 2026-27

The Deputy Chief Minister of Telangana, Mr. Bhatti Vikramarka Mallu, presented the Budget for the financial year 2026-27 on March 20, 2026.

Budget Highlights

- The **Gross State Domestic Product (GSDP)** of Telangana for 2026-27 (at current prices) is projected to be Rs 19,61,701 crore, amounting to a growth of 10% over 2025-26.
- **Expenditure (excluding debt repayment)** in 2026-27 is estimated to be Rs 3,01,209 crore, an increase of 15% over the revised estimates of 2025-26. In addition, debt of Rs 23,025 crore will be repaid by the state.
- **Receipts (excluding borrowings)** for 2026-27 are estimated to be Rs 2,42,750 crore, 18% higher than the revised estimate for 2025-26.
- **Revenue surplus** in 2026-27 is estimated to be 0.3% of GSDP (Rs 6,858 crore), higher than the revised estimate for 2025-26 (0.03% of GSDP). In 2025-26, revenue surplus (Rs 591 crore) is estimated to be 78% lower than the budget estimate (Rs 2,738 crore).
- **Fiscal deficit** for 2026-27 is targeted at 3% of GSDP (Rs 58,459 crore). In 2025-26, as per the revised estimates, fiscal deficit is expected to be 3.2% of GSDP, higher than budgeted (3% of GSDP).

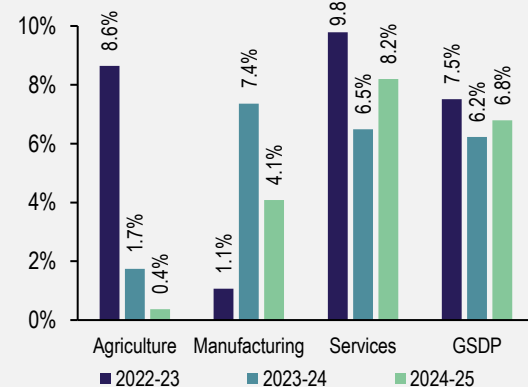
Policy Highlights

- **Insurance:** Insurance cover of five lakh rupees will be given to every family in the state, under the Indiramma Family Life Insurance Scheme. This scheme will start in June, 2026. An accident insurance scheme will also be launched for government servants and pensioners.
- **Child Nutrition:** A breakfast scheme covering students from the pre-primary to the intermediate level will be launched. Students will be provided with milk and ragi malt. The midday meal scheme will be expanded to include students pursuing intermediate education in government junior colleges.
- **CM Overseas Employment Programme:** Under this scheme, youth will be provided skilling, language training, visa guidance, and other support required to enable their employment in foreign countries.
- **Social security pensions:** Under the Cheyutha scheme, monthly pension is provided to economically weaker sections including senior citizens, widows, and disabled individuals. Two lakh new pensions will be added under the scheme this year.

Telangana's Economy

- **GSDP:** In 2024-25, Telangana's GSDP (at constant prices) is estimated to grow by 6.8% over the previous year. In comparison, India's GDP is estimated to grow by 6.5% in 2024-25.
- **Sectors:** In 2024-25, agriculture, manufacturing, and services sectors are estimated to contribute 17%, 16%, and 66% of Telangana's economy, respectively (at current prices).
- **Per capita GSDP:** In 2024-25, Telangana's per capita GSDP (at current prices) is estimated to be Rs 4,20,347 an increase of 10% over 2023-24. In 2024-25, India's per capita GDP is estimated to be Rs 2,34,859, an increase by 9% over 2023-24.

Figure 1: Growth in Telangana's GSDP at constant prices (2011-12)



Note: These numbers are as per constant prices (2011-12) which implies that the growth rate is adjusted for inflation.
Sources: MoSPI; PRS.

Budget Estimates for 2026-27

- **Total expenditure (excluding debt repayment)** in 2026-27 is targeted at Rs 3,01,209 crore. This is an increase of 15% over the revised estimate for 2025-26. This expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 2,42,750 crore and net borrowings of Rs 56,959 crore. Total receipts for 2026-27 (other than borrowings) are expected to register an increase of 18% over the revised estimate for 2025-26.
- The state estimates a **revenue surplus** of 0.3% of GSDP (Rs 6,858 crore) in 2026-27, higher than the revised estimate for 2025-26 (0.03% of GSDP). The revenue surplus in 2025-26 (Rs 591 crore) is estimated to be 78% lower than budgeted (Rs 2,738 crore).
- **Fiscal deficit** for 2026-27 is targeted at 3% of GSDP (Rs 58,459 crore), lower than the revised estimate for 2025-26 (3.2% 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	3,60,952	3,04,965	2,81,339	-8%	3,24,234	15%
(-) Repayment of debt [^]	1,42,701	20,128	20,128	0%	23,025	14%
Net Expenditure (E)	2,18,251	2,84,837	2,61,211	-8%	3,01,209	15%
Total Receipts	3,58,400	3,00,467	2,77,617	-8%	3,22,734	16%
(-) Borrowings [^]	1,89,071	69,639	72,539	4%	79,984	10%
of which central capex loans*	2,727	4,000	4,400	10%	5,500	25%
Net Receipts (R)	1,69,329	2,30,828	2,05,078	-11%	2,42,750	18%
Fiscal Deficit (E-R)	48,922	54,010	56,133	4%	58,459	4%
as % of GSDP	3.0%	3.0%	3.2%		3.0%	
Revenue Balance**	-9,420	2,738	591	-78%	6,858	1060%
as % of GSDP	-0.6%	0.2%	0.03%		0.3%	
Primary Deficit	21,120	34,641	36,764	6%	37,154	1%
as % of GSDP	1.3%	1.9%	2.1%		1.9%	
GSDP[#]	16,09,279	18,00,325	17,82,004	-1%	19,61,701	10%

Note: BE is Budget Estimates; RE is Revised Estimates. [^]Relatively high borrowing and repayment figures in 2024-25 due to receipt of cumulative short-term advances from RBI worth Rs 1,29,376 crore, and its repayment. *Central government has been providing 50-year interest-free loans to states for capital expenditure since 2020-21. These loans are excluded from the calculation of the state's borrowing ceiling. **(+/-) indicates a surplus and (-) indicates a deficit. [#]GSDP has been back calculated from fiscal deficit as a percentage of GSDP given in the FRBM statement. Sources: Annual Financial Statement, Telangana Budget Documents 2026-27; PRS.

Expenditure in 2026-27

- **Revenue expenditure** for 2026-27 is proposed to be Rs 2,34,406 crore, an increase of 15% over the revised estimate for 2025-26. This includes expenditure on salaries, pension, interest, grants, and subsidies.
- **Capital outlay** for 2026-27 is proposed to be Rs 47,267 crore, an increase of 30% over the revised estimate for 2025-26. Capital outlay is the expenditure towards creation of assets such as roads and buildings. Sectors with a higher allocation for capital outlay in 2026-27 include irrigation (Rs 12,836 crore), welfare of SC, ST, OBC and minorities (Rs 9,432 crore), and roads and bridges (Rs 5,677 crore).

Expenditure on transfers and subsidies

In 2026-27, the state is estimated to spend Rs 50,713 crore on the six guarantees. Of this, about 85% is estimated to go towards Rythu Bharosa (Rs 18,000 crore), Cheyutha pension (Rs 14,861 crore), Indiramma Houses (Rs 5,500 crore), and Mahalaxmi scheme (Rs 4,305 crore). In 2026-27, spending on the six guarantees is estimated to be 21% of revenue receipts. As per the revised estimates, it constituted 24% of revenue receipts in 2025-26.

Telangana's subsidies and transfers as a percentage of GSDP increased from 3% in 2017-18 to 5.2% in 2024-25. This ratio exceeded 5% in 2024-25 only in two other states - Chhattisgarh and Jharkhand. Power subsidy is among the major subsidies in Telangana. Between 2018-19 and 2025-26, power subsidy grew at an annualised rate of 21% in Telangana.

Sources: Report of the 16th FC Volume-I, 2026-27; A Study of Subsidies and Transfers, Submitted by Asian Development Bank to the 16th FC; 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	1,77,224	2,26,982	2,03,380	-10%	2,34,406	15%
Capital Outlay	36,072	36,504	36,481	-0.1%	47,267	30%
Loans given by the state	4,855	21,351	21,351	0%	19,536	-8%
Net Expenditure	2,18,251*	2,84,837	2,61,211	-8%	3,01,209	15%

Note: *includes inter-state settlements of Rs 100 crore.

Sources: Annual Financial Statement, Telangana 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 2024-25, 55% of revenue receipts were spent on committed expenditure. According to the revised estimates of 2025-26, committed expenditure is estimated to come down to 40% of revenue receipts. While revenue receipts in 2025-26 are estimated to register a 22% increase over the actuals in 2024-25, expenditure on salaries is estimated to increase at a slower rate (6%). Both pension and interest payments are estimated to be lower than the previous year. Interest payments as a percentage of revenue receipts is estimated to decline from 17% in 2024-25 to 9% in 2025-26. As per the Budget Speech, the state government undertook restructuring of debt, which enabled reduced interest rates and an extended repayment period.

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	46,784	-	49,463	-	-	-
Pension	16,950	13,110	13,110	0%	14,737	12%
Interest payment	27,803	19,369	19,369	0%	21,304	10%
Total	91,537	-	81,942	-	-	-

Note: Salaries figures have been back calculated using revenue receipts from budget documents.

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

Sector-wise expenditure: The sectors listed below account for 70% of the total expenditure on sectors by the state in 2026-27. A comparison of Telangana's expenditure on key sectors with that by other states is shown in Annexure 1.

Table 4: Sector-wise expenditure under Telangana 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)
Welfare of SC, ST, OBC, and Minorities	7,421	32,743	26,870	34,883	30%	<ul style="list-style-type: none"> Rs 5,800 crore has been allocated towards Rajiv Yuva Vikasam scheme. Rs 5,000 crore has been allocated towards Young India Integrated Residential Schools.
Education, Sports, Arts, and Culture	21,595	23,729	23,526	27,663	18%	<ul style="list-style-type: none"> Rs 6,837 crore has been allocated towards assistance to government, non-government and local bodies for primary education, and Rs 9,117 crore for secondary education.
Agriculture and Allied Activities	31,056	26,684	25,797	25,686	-0.4%	<ul style="list-style-type: none"> Rs 18,000 crore has been allocated towards investment support scheme for farmers (Rythu Bharosa).
Social Welfare and Nutrition	14,885	23,158	22,419	24,428	9%	<ul style="list-style-type: none"> Rs 14,861 crore has been allocated towards Cheyutha pension scheme.
Energy	16,554	19,617	16,821	20,573	22%	<ul style="list-style-type: none"> Rs 10,056 crore has been allocated as assistance to Transmission Corporation of Telangana Limited for agricultural subsidies
Health and Family Welfare	10,002	12,742	12,431	13,997	13%	<ul style="list-style-type: none"> Rs 1,143 crore has been allocated towards the Rajiv Aarogya Sri scheme.
Irrigation and Flood Control	23,493	13,478	13,478	13,717	2%	<ul style="list-style-type: none"> Rs 9,979 crore has been allocated towards capital outlay on major irrigation.
Urban Development	4,719	12,731	10,508	13,221	26%	<ul style="list-style-type: none"> Rs 9,229 crore has been allocated towards assistance to local bodies and urban development authorities.
Transport	5,939	9,376	9,364	11,430	22%	<ul style="list-style-type: none"> Rs 5,677 crore has been allocated as capital outlay on roads and bridges.
Police	9,918	9,641	9,589	11,353	18%	<ul style="list-style-type: none"> Rs 5,632 crore has been allocated towards district police.
% of total expenditure on all sectors	68%	70%	71%	70%		

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

Receipts in 2026-27

- **Total revenue receipts** for 2026-27 are estimated to be Rs 2,41,264 crore, an increase of 18% over the revised estimate for 2025-26. Of this, Rs 1,83,916 crore (76%) will be raised through **own resources**, and Rs 57,348 crore (24%) will come **from the centre**. Resources from the centre will be in the form of share in central taxes (14% of revenue receipts) and grants (10% of revenue receipts).
- **Devolution:** In 2026-27, the state's share in central taxes is estimated at Rs 33,182 crore, an increase of 13% over the revised estimate for 2025-26.
- **Grants from the centre** in 2026-27 are estimated to be Rs 24,166 crore, 117% higher than the revised estimates of 2025-26. The state has estimated to receive Rs 2,700 crore as grants for capital assistance. This is in addition to 50-year interest-free loans for capital expenditure. According to the revised estimates, the state is estimated to witness a shortfall of 51% in grants from the centre in 2025-26, as compared to the budget estimate. The state is estimating a significant shortfall in grants for centrally sponsored schemes. Against a budget estimate of Rs 15,727 crore, the state is expected to receive Rs 8,529 crore as per the revised estimates.
- **State's own tax revenue:** Telangana's total own tax revenue is estimated to be Rs 1,48,186 crore in 2026-27, an increase of 11% over the revised estimate of 2025-26. Own tax revenue as a percentage of GSDP is estimated at 7.6% in 2026-27. As per actuals, own tax revenue was 6.8% of GSDP in 2024-25.

Credibility of budget estimates

Between 2015-16 and 2023-24, Telangana saw a 21% shortfall in revenue receipts as compared to budget estimates. In 2024-25, there was a shortfall of 24% in revenue receipts as compared to the budget estimates of that year (see Page 10). The table below shows shortfall in various components of revenue receipts between 2021-22 and 2024-25.

Table 5: % Change from budget to actuals in revenue receipts

Items	2021-22	2022-23	2023-24	2024-25
State's own tax	-2%	-1%	-15%	-21%
State's own non-tax	-71%	-23%	4%	-33%
Share in Central Taxes	34%	7%	11%	3%
Grants-in-aid from Centre	-78%	-68%	-76%	-63%
Revenue Receipts	-28%	-17%	-22%	-24%

Sources: State budget documents of various years; PRS.

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

Items	2024-25 Actuals	2025-26 Budgeted	2025-26 Revised	% change from 2025-26 BE to 2025-26 RE	2026-27 Budgeted	% change from 2025-26 RE to 2026-27 BE
State's Own Tax	1,09,233	1,45,420	1,34,020	-8%	1,48,186	11%
State's Own Non-Tax	23,608	31,619	29,319	-7%	35,730	22%
Share in Central Taxes	27,050	29,900	29,471	-1%	33,182	13%
Grants-in-aid from Centre	7,913	22,783	11,161	-51%	24,166	117%
Revenue Receipts	1,67,804	2,29,721	2,03,971	-11%	2,41,264	18%
Non-debt Capital Receipts	1,525	1,107	1,107	0%	1,487	34%
Net Receipts	1,69,329	2,30,828	2,05,078	-11.2%	2,42,750	18%

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

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

- In 2026-27, **State GST (SGST)** is estimated to be the largest source of own tax revenue (35% share). SGST revenue in 2026-27 is estimated to register an increase of 5% over the revised estimate for 2025-26.
- Revenue from state excise in 2026-27 is estimated to increase by 17% over the revised estimate for 2025-26. Revenue from Sales tax/ VAT in 2026-27 is expected to register an increase of 7% over the revised estimate for 2025-26.

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	42,443	51,000	50,000	-2%	52,490	5%
Sales Tax/ VAT	31,816	37,464	35,464	-5%	38,106	7%
State Excise	18,604	27,623	23,623	-14%	27,668	17%
Stamps Duty and Registration Fees	8,473	19,087	16,087	-16%	19,541	21%
Taxes on Vehicles	6,992	8,535	7,535	-12%	8,814	17%
Taxes and Duties on Electricity	15	776	376	-52%	486	29%
Land Revenue	1	11	11	0%	11	0%

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

Deficits and Debt for 2026-27

The Telangana Fiscal Responsibility and Budget Management Act, 2005 provides annual targets to progressively reduce outstanding liabilities, revenue deficit, and fiscal deficit of the state government.

Revenue balance: It is the difference of revenue expenditure and revenue receipts. A revenue deficit implies that the government needs to borrow to finance those expenses which do not increase its assets or reduces its liabilities. The budget estimates a revenue surplus of Rs 6,858 crore (0.3% of GSDP) in 2026-27.

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 3% of GSDP. 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 5,500 crore (0.3% of GSDP). In 2024-25, as per actuals, fiscal deficit was 3% of GSDP. Central capex loans in 2024-25 were Rs 2,727 crore (0.2% of GSDP).

Losses of power distribution companies

Telangana's distribution companies (DISCOMS) have been incurring losses (see Table 8). The gap between average cost of supply (ACS) and average revenue realised (ARR) was Rs 1.58 per unit in 2022-23. This implies that cost of supplying power is higher than the revenue realised by them. This gap came down to 31 paise per unit in 2024-25. Losses can be attributed to under-pricing of tariff, and technical and commercial losses in distribution. In 2024-25, AT&C losses were higher in Telangana (20%) than the national average (15%).

Table 8: DISCOM losses in Telangana

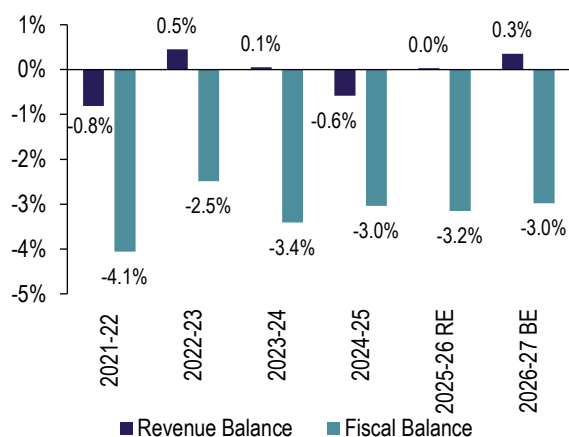
Year	Losses (in Rs crore)	ACS-ARR gap (in Rs per unit)
2022-23	11,103	1.58
2023-24	6,351	0.86
2024-25	2,462	0.31

Note: ACS-ARR gap on energy sold basis.

Sources: Report of the 16th FC Volume-I; Report on Performance of Power Utilities 2024-25, Power Finance Corporation Ltd.; PRS.

Outstanding liabilities: Outstanding liabilities are the accumulation of total borrowings at the end of a financial year. They also include any liabilities on public accounts such as provident funds. At the end of 2026-27, outstanding liabilities are estimated to be 28.7% of GSDP, higher than the revised estimate for 2025-26 (28.3% of GSDP).

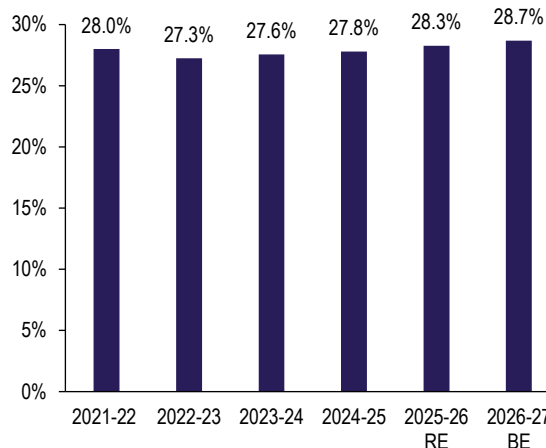
Figure 2: Revenue and Fiscal Balance (% of GSDP)



Note: RE is Revised Estimates; BE is Budget Estimates. (+) indicates a surplus and (-) indicates a deficit.

Sources: Medium Term Fiscal Policy, Telangana Budget Documents of various years; PRS.

Figure 3: Outstanding liabilities (% of GSDP)



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

Sources: Medium Term Fiscal Policy, Telangana Budget Documents of various years; PRS.

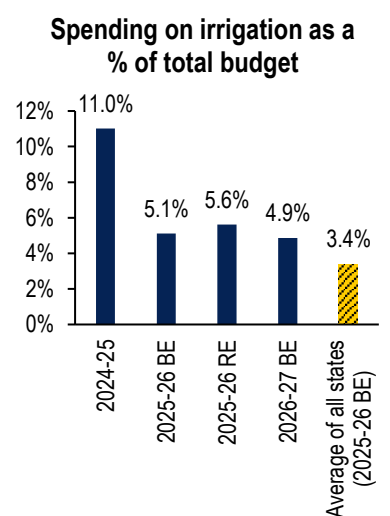
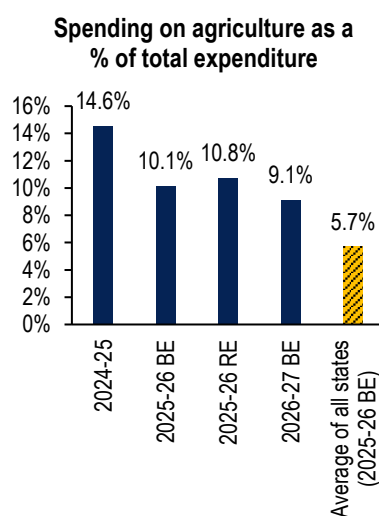
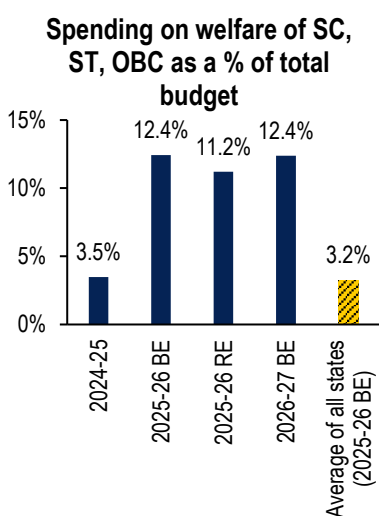
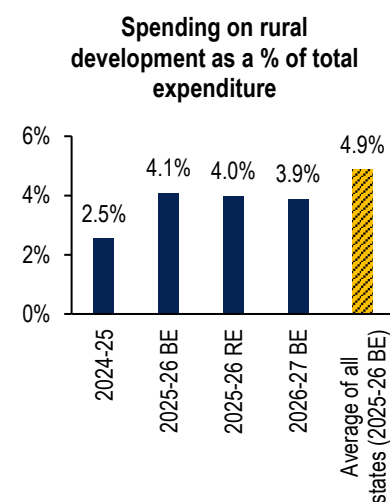
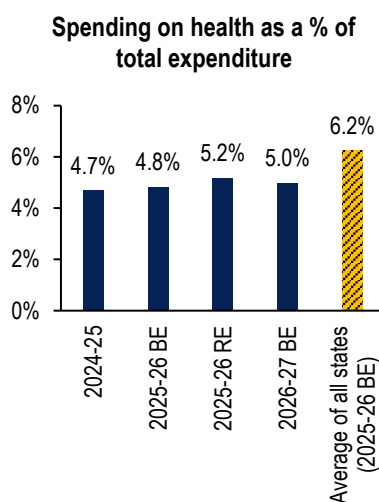
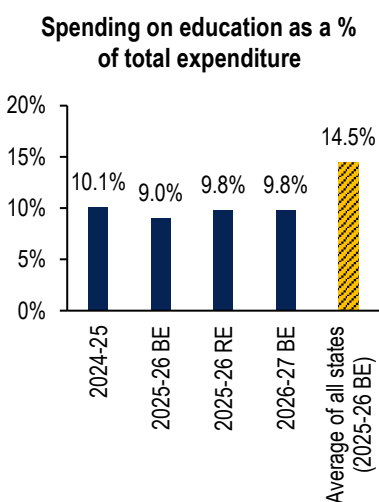
Outstanding Government Guarantees: Outstanding liabilities of states do not include a few other liabilities that are contingent in nature, which states may have to honour in certain cases. State governments guarantee the borrowings of State Public Sector Enterprises (SPSEs) from financial institutions. As of February 28, 2026, the state's outstanding guarantee is estimated to be Rs 2,41,743 crore, which is 14% of Telangana's GSDP.

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Annexure 1: Comparison of states' expenditure on key sectors

The graphs below compare Telangana'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 Telangana) as per their budget estimates of 2025-26.¹

- **Education:** Telangana has allocated 9.8% of its expenditure towards education in 2026-27. This is lower than the average allocation for education by states in 2025-26 (14.5%).
- **Health:** Telangana has allocated 5% of its expenditure towards health in 2026-27. This is lower than the average allocation for health by states in 2025-26 (6.2%).
- **Rural development:** Telangana has allocated 3.9% of its expenditure towards rural development in 2026-27. This is lower than the average allocation for rural development by states in 2025-26 (4.9%).
- **Welfare of SC, ST, OBC, and Minorities:** Telangana has allocated 12.4% of its expenditure towards welfare of SC, ST, OBC, and Minorities in 2026-27. This is higher than the average allocation for this sector by states in 2025-26 (3.2%).
- **Agriculture:** Telangana has allocated 9.1% of its expenditure towards agriculture in 2026-27. This is higher than the average allocation for agriculture by states in 2025-26 (5.7%).
- **Irrigation:** Telangana has allocated 4.9% of its expenditure towards irrigation in 2026-27. This is higher than the average allocation for irrigation by states in 2025-26 (3.4%).



Note: 2024-25, 2025-26 (BE), 2025-26 (RE), and 2026-27 (BE) figures are for Telangana. Sources: Annual Financial Statement, Telangana 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%. 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 share remains unchanged from the 15th FC award period (2021-26). The 16th FC has proposed revised criteria to determine the share of individual states. Based on the recommendations of the 16th FC, Telangana will have a 2.17% share in the divisible pool of central taxes during the 2026-31 period, a marginal increase compared to the 15th FC period (2.1%).

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. The 16th FC 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 Telangana over the 2026-31 period include: (i) Rs 11,548 crore for urban local bodies, (ii) Rs 9,968 crore for rural local bodies, and (iii) Rs 2,774 crore as disaster management grants.

See [here](#) for the 16th Finance Commission Report summary. See Table 9 and Table 10 for state-wise share.

Table 9: 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	2.5	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	0.5	0.56
Nagaland	0.5	0.57	0.48
Odisha	4.64	4.53	4.42
Punjab	1.58	1.81	2.00
Rajasthan	5.5	6.03	5.93
Sikkim	0.37	0.39	0.34
Tamil Nadu	4.02	4.08	4.10
Telangana	2.44	2.1	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 10: 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 Reports; PRS.

Table 11: Taxes devolved to states as per Union Budget 2026-27 (in Rs crore)

State	2024-25 Actuals	2025-26 Revised	2026-27 Budget
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 12: Overview of Receipts and Expenditure (in Rs crore)

Particular	2024-25 BE	2024-25 Actuals	% change from BE to Actuals
Net Receipts (1+2)	2,24,802	1,69,329	-25%
1. Revenue Receipts (a+b+c+d)	2,21,242	1,67,804	-24%
a. Own Tax Revenue	1,38,181	1,09,233	-21%
b. Own Non-Tax Revenue	35,208	23,608	-33%
c. Share in central taxes	26,216	27,050	3%
d. Grants-in-aid from the Centre	21,636	7,913	-63%
2. Non-Debt Capital Receipts	3,560	1,525	-57%
3. Borrowings	62,112	1,89,071	204%
Of which central capex loans	3,900	2,727	-30%
Net Expenditure (4+5+6)	2,74,058	2,18,251	-20%
4. Revenue Expenditure	2,20,945	1,77,224	-20%
5. Capital Outlay	33,487	36,072	8%
6. Loans and Advances	19,626	4,956	-75%
7. Debt Repayment	17,101	1,42,701	734%
Revenue Balance*	297	-9,420	-3267%
Revenue Balance (as % of GSDP)	0.02%	-0.6%	
Fiscal Deficit	49,255	48,922	-1%
Fiscal Deficit (as % of GSDP)	3.05%	3.0%	

Note: *(+) indicates a surplus, (-) indicates a deficit.

Source: Telangana Budget Documents of various years; PRS.

Table 13: Key Components of State's Own Tax Revenue

Head	2024-25 BE	2024-25 Actuals	% change from BE to Actuals
Taxes and Duties on Electricity	716	15	-98%
Land Revenue	11	1	-92%
Stamps Duty and Registration Fees	18,229	8,473	-54%
State Excise	25,618	18,604	-27%
Taxes on Vehicles	8,478	6,992	-18%
State GST	50,763	42,443	-16%
Sales Tax/ VAT	33,449	31,816	-5%

Source: Telangana Budget Documents of various years; PRS.

Table 14: Allocation towards Key Sectors

Sector	2024-25 BE	2024-25 Actuals	% change from BE to Actuals
Housing	7,903	413	-95%
Welfare of SC, ST, OBC, and Minorities	23,026	7,421	-68%
Urban Development	10,670	4,719	-56%
Water Supply and Sanitation	10,643	5,307	-50%
Rural Development	10,245	5,435	-47%
Agriculture and Allied Activities	51,463	31,056	-40%
Social Welfare and Nutrition	22,085	14,885	-33%
Transport	8,911	5,939	-33%
of which Roads and Bridges	4,795	1,827	-62%
Health and Family Welfare	11,800	10,002	-15%
Education, Sports, Arts, and Culture	21,801	21,595	-1%
Energy	16,254	16,554	2%
Police	8,972	9,918	11%
Irrigation and Flood Control	12,408	23,493	89%

Source: Telangana Budget Documents of various years; PRS.