

Delhi Budget Analysis 2025-26

The Chief Minister of Delhi, Ms. Rekha Gupta, presented the Budget for the state for the financial year 2025-26 on March 25, 2025.

Budget Highlights

- **Expenditure (excluding debt repayment)** in 2025-26 is estimated to be Rs 95,358 crore, an increase of 48% from the revised estimates of 2024-25. In addition, debt of Rs 4,642 crore will be repaid by the state.
- **Receipts (excluding borrowings)** for 2025-26 are estimated to be Rs 81,655 crore, an increase of 29% as compared to the revised estimates of 2024-25.
- **Revenue surplus** in 2025-26 is estimated to be Rs 9,661 crore, which is 16% higher than the revised estimates of 2024-25 (Rs 8,314 crore).
- **Fiscal deficit** for 2025-26 is estimated at Rs 13,703 crore, which is 799% higher than the revised estimates for 2024-25 (Rs 1,524 crore). In 2022-23, Delhi reported a fiscal surplus (0.4% of GSDP).

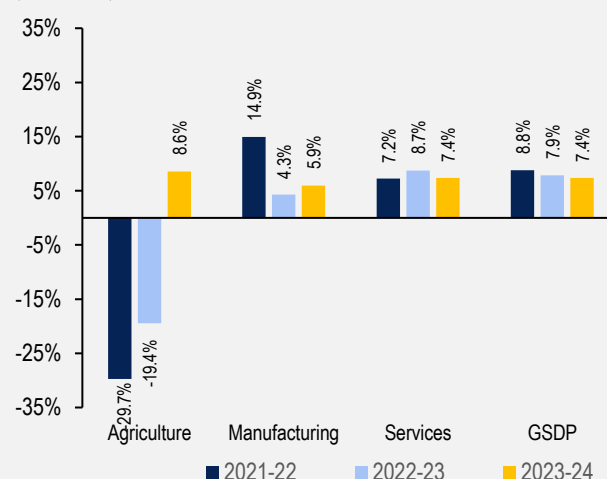
Policy Highlights

- **Cash transfer to women:** The Mahila Samridhi Yojana will be launched to provide financial assistance of Rs 2,500 per month to poor women of Delhi. Rs 5,100 crore has been allocated towards the scheme.
- **Health Insurance:** The Ayushman Bharat scheme will be implemented in the state. Under the insurance component of the scheme, beneficiaries will receive an additional coverage of five lakh rupees over the existing coverage of the same amount. Rs 2,144 crore has been allocated towards Ayushman Bharat.
- **Traders:** A Traders' Welfare Board will be set up to identify and address problems faced by traders.
- **Enhanced social protection:** Financial assistance to women in distress and persons with disabilities will be increased from Rs 2,500 to Rs 3,000 per month. Assistance to senior citizens will also be increased.
- **Cleaning Yamuna River:** 40 decentralised sewage treatment plants will be set up to clean the Yamuna river, at a total cost of Rs 500 crore. Existing treatment plants will also be upgraded to improve operational capacity.
- **School education:** Smart classrooms will be set up in 7,000 classrooms from classes 9 to 12. These will contain projectors, audio-visual aids and internet connectivity. Additionally, Rs 100 crore has been allocated for establishing 60 CM Shri schools, in line with PM Shri schools.

Delhi's Economy

- **GSDP:** In 2023-24, Delhi's 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 9.2% in 2023-24.
- **Sectors:** In 2023-24, agriculture, manufacturing, and services sectors are estimated to contribute 2%, 13%, and 85% of Delhi's economy, respectively (at current prices).
- **Per capita GSDP:** In 2023-24, Delhi's per capita GSDP (at current prices) is estimated to be Rs 5,12,131, an increase of 7% over 2022-23. In 2023-24, India's per capita GDP is estimated to increase by 11% over 2022-23 to Rs 2,15,935.

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



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

Sources: MoSPI; PRS.

Budget Estimates for 2025-26

- **Total expenditure (excluding debt repayment)** in 2025-26 is targeted at Rs 95,358 crore. This is an increase of 48% from the revised estimates of 2024-25. This expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 81,655 crore and net borrowings of Rs 10,738 crore. Total receipts for 2025-26 (other than borrowings) are expected to register an increase of 29% over the revised estimate of 2024-25 (Rs 63,062 crore).
- **Revenue surplus** in 2025-26 is estimated to be Rs 9,661 crore, which is 16% higher than the revised estimates of 2024-25 (Rs 8,314 crore).
- **Fiscal deficit** for 2025-26 is estimated at Rs 13,703 crore, which is 799% higher than the revised estimates for 2024-25 (Rs 1,524 crore).

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

Items	2023-24 Actuals	2024-25 Budgeted	2024-25 Revised	% change from BE 24-25 to RE 24-25	2025-26 Budgeted	% change from RE 24-25 to BE 25-26
Total Expenditure	65,824	76,000	69,500	-9%	1,00,000	44%
(-) Repayment of debt	4,994	4,914	4,914	0%	4,642	-6%
Net Expenditure (E)	60,830	71,086	64,586	-9%	95,358	48%
Total Receipts	56,896	74,521	67,042	-10%	97,035	45%
(-) Borrowings	0	10,000	3,980	-60%	15,380	286%
Net Receipts (R)	56,896	64,521	63,062	-2%	81,655	29%
Fiscal Deficit (E-R)	3,934	6,565	1,524	-77%	13,703	799%
as % of GSDP	0.4%	-	-	-	-	-
Revenue Surplus	6,462	3,231	8,314	157%	9,661	16%
as % of GSDP	0.6%	-	-	-	-	-
Primary Deficit	840	3,899	-1,142	-129%	11,457	-1103%
as % of GSDP	0.1%	-	-	-	-	-
GSDP*	11,07,746	-	-	-	-	-

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

* Estimates for GSDP are not available at the budget stage for 2024-25 and 2025-26, and at the revised stage for 2024-25.

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

Expenditure in 2025-26

- **Revenue expenditure** for 2025-26 is proposed to be Rs 71,885 crore, an increase of 31% over the revised estimates of 2024-25 (Rs 54,706 crore). This includes spending on salaries, pensions, interest and subsidies.
- **Capital outlay** indicates the expenditure towards creation of assets. Capital outlay for 2025-26 is proposed to be Rs 17,224 crore, an increase of 255% from the revised estimates of 2024-25 (Rs 4,857 crore). This is due to increased allocation on capital outlay towards: (i) health and family welfare (Rs 2,717 crore higher than revised estimates in 2024-25), (ii) roads and bridges (Rs 2,007 crore) and, (iii) education (Rs 1,185 crore).
- In 2025-26, loans and advances by the state are expected to be Rs 6,250 crore, 24% higher as compared to the revised estimates of 2024-25 (Rs 5,023 crore).

Grants-in-aid to Delhi Transport Corporation

According to a CAG report (2022), the cumulative losses of Delhi Transport Corporation (DTC) have increased from Rs 25,300 crore in 2015-16 to Rs 60,741 crore in 2021-22. The report noted that in 2021-22, DTC incurred a loss of Rs 8,498 crore. The losses were primarily due to the heavy interest burden on the loans provided by the Delhi government between 1996-97 and 2010-11. As on 2022, cumulative interest of Rs 47,800 crore on such loans had not been paid since 2011-12.

In 2021-22, DTC received revenue grants worth Rs 2,320 crore, to finance its deficit. This deficit is the loss excluding interest payments. In 2025-26, the Delhi government is estimated to provide DTC grants worth Rs 2,000 crore to finance the working deficit.

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

Items	2023-24 Actuals	2024-25 Budgeted	2024-25 Revised	% change from BE 24-25 to RE 24-25	2025-26 Budgeted	% change from RE 24-25 to BE 25-26
Revenue Expenditure	50,335	60,911	54,706	-10%	71,885	31%
Capital Outlay	6,855	5,919	4,857	-18%	17,224	255%
Loans given by the state	3,639	4,256	5,023	18%	6,250	24%
Net Expenditure	60,830	71,086	64,586	-9%	95,358	48%

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

Committed expenditure: Committed expenditure of a state typically includes expenditure on payment of salaries, pension, and interest. A larger proportion of the budget allocated for committed expenditure items limits the state's flexibility to decide on other expenditure priorities, such as capital outlay. In 2025-26, Delhi is estimated to spend Rs 2,252 crore on interest payments and pension, which is 3% of its estimated revenue receipts. Figures for salaries are not available in the budget.

As per CAG (2022), in 2019-20, the Delhi government spent 29% of its revenue receipts towards committed expenditure. Expenditure towards salaries in 2019-20 was Rs 11,070 crore (23% of revenue receipts).

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

Committed Expenditure	2023-24 Actuals	2024-25 Budgeted	2024-25 Revised	% change from BE 24-25 to RE 24-25	2025-26 Budgeted	% change from RE 24-25 to BE 25-26
Pension	4	3	5	67%	6	20%
Interest	3,094	2,666	2,666	0%	2,246	-16%
Total	3,098	2,669	2,671	0%	2,252	-16%

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

Sector-wise expenditure: The sectors listed below account for 75% of the total expenditure on sectors by the state in 2025-26. A comparison of Delhi's expenditure on key sectors with that by other states is shown in Annexure 1.

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

Sectors	2023-24 Actuals	2024-25 BE	2024-25 RE	2025-26 BE	% change from RE 24-25 to BE 25-26	Budget Provisions (2025-26)
Education, Sports, Arts, and Culture	14,681	16,146	15,924	19,039	20%	Rs 12,732 crore has been allocated towards secondary education.
Health and Family Welfare	7,555	8,685	8,519	12,894	51%	Rs 1,667 crore has been allocated to introduce Pradhan Mantri Ayushman Bharat Health Infrastructure Mission.
Transport	9,129	6,865	6,535	10,677	63%	Rs 2,000 crore has been allocated as revenue grants to Delhi Transport Corporation for financing their working deficit.
Social Welfare and Nutrition	3,969	6,437	4,438	10,232	131%	Rs 5,110 crore has been allocated towards Mahila Samridhi Yojana.
Water Supply and Sanitation	1,828	3,442	1,589	4,917	209%	Rs 2,050 crore has been allocated as grants to Delhi Jal Board for capital projects.
Energy	3,272	3,350	3,648	3,843	5%	Rs 3,600 crore has been allocated towards power subsidy to consumers.
Urban Development	2,211	4,290	2,316	3,213	39%	Rs 609 crore has been allocated towards grants to local bodies under AMRUT 2.0.
Rural Development	168	922	192	1,024	434%	Rs 999 crore has been allocated towards Village Board for Integrated Development of Rural Villages.
Irrigation and Flood Control	335	302	397	581	46%	Rs 475 crore has been allocated towards drainage.
Police	162	338	114	425	274%	Rs 183 crore has been allocated towards Forensic Science laboratories.
% of total expenditure on all sectors	76%	76%	73%	75%		

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

Receipts in 2025-26

- **Total revenue receipts** for 2025-26 are estimated to be Rs 81,546 crore, an increase of 29% over the revised estimate of 2024-25. Of this, Rs 69,450 crore (85%) will be raised by the state through its **own resources**, and Rs 12,096 crore (15%) will come **from the centre**. Resources from the centre will be in the form of grants from the centre.
- **Grants from the centre** in 2025-26 are estimated at Rs 12,096 crore, an increase of 276% over the revised estimates for 2024-25. In 2025-26, Delhi is estimated to receive central grants of Rs 6,000 crore for capital expenditure, which was not estimated for in previous years. It is also budgeted to receive increased grants of Rs 2,239 crore under centrally sponsored schemes (CSS), over the revised estimates of 2024-25. As per revised estimates, in 2024-25, central grants are estimated to be 27% lower than budgeted. This may be due to an estimated shortfall of Rs 1,335 crore in CSS grants.
- **State's own tax revenue:** Delhi's total own tax revenue is estimated to be Rs 68,700 crore in 2025-26, an increase of 16% over the revised estimate of 2024-25. Own tax revenue as a percentage of GSDP is estimated at 4.8% in 2023-24.

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

Items	2023-24 Actuals	2024-25 Budgeted	2024-25 Revised	% change from BE 2024-25 to RE 2024-25	2025-26 Budgeted	% change from RE 2024-25 to BE 2025-26
State's Own Tax	53,681	58,750	59,200	1%	68,700	16%
State's Own Non-Tax	1,024	1,000	600	-40%	750	25%
Grants from Centre	2,093	4,392	3,219	-27%	12,096	276%
Revenue Receipts	56,798	64,142	63,019	-2%	81,546	29%
Non-debt Capital Receipts	98	379	42	-89%	109	160%
Net Receipts	56,895	64,520	63,061	-2%	81,655	29%

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

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

- In 2025-26, **State GST** is estimated to be the largest source of own tax revenue (50% of revenue receipts). State GST revenue is estimated to increase by 15% over the revised estimates of 2024-25.
- Revenue from Sales tax/ VAT in 2025-26 is expected to be 11% higher than the revised estimates of 2024-25.

Revenue from state excise to increase by 25%

In 2023-24, actual revenue from State excise was 30% lower than budgeted. In 2025-26, collection from state excise is estimated to be 25% higher over the revised estimates of 2024-25. As per a CAG report (2024), implementation of excise policy in Delhi led to a loss of revenue of around Rs 2,003 crore in 2021-22.

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

Head	2023-24 Actuals	2024-25 Budgeted	2024-25 Revised	% change from BE 2024-25 to RE 2024-25	2025-26 Budgeted	% change from RE 2024-25 to BE 2025-26
State GST	31,571	34,000	35,499	4%	41,000	15%
Sales Tax/ VAT	6,551	7,000	7,200	3%	8,000	11%
Stamps Duty and Registration Fees	7,152	7,750	7,600	-2%	9,000	18%
Taxes on Vehicles	3,242	3,600	3,300	-8%	3,700	12%
State Excise	5,164	6,400	5,600	-13%	7,000	25%
GST Compensation Grants	1,138	-	363	-	-	-

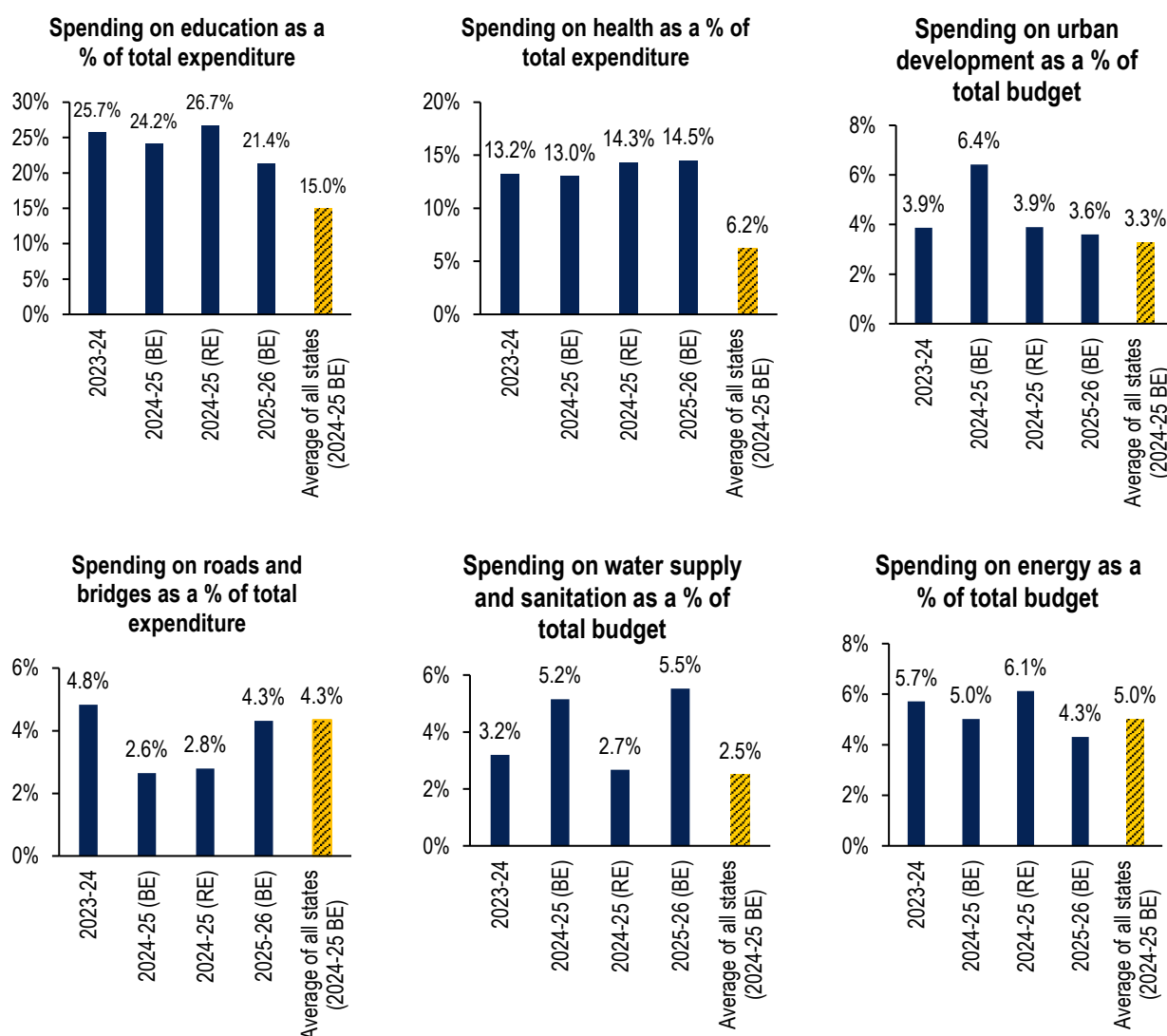
Sources: Annual Financial Statement, Revenue Budget, Delhi Budget Documents 2025-26; PRS.

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Annexure 1: Comparison of states' expenditure on key sectors

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

- **Education:** Delhi has allocated 21.4% of its expenditure on education in 2025-26. This is significantly higher than the average allocation for education by states in 2024-25 (15%). However, spending as percentage of total expenditure is estimated to decline from the revised estimates of 2024-25 (26.7%).
- **Health:** Delhi has allocated 14.5% of its expenditure on health in 2025-26. This is significantly higher than the average allocation for health by states in 2024-25 (6.2%).
- **Urban development:** Delhi has allocated 3.6% of its expenditure on urban development in 2025-26. This is marginally higher than the average allocation for urban development by states in 2024-25 (3.3%).
- **Roads and bridges:** Delhi has allocated 4.3% of its expenditure on roads and bridges in 2025-26. This is similar to the average allocation for roads and bridges by states in 2024-25 (4.3%).
- **Water Supply and Sanitation:** Delhi has allocated 5.5% of its expenditure on water supply and sanitation in 2025-26. This is higher than the average allocation by states in 2024-25 (2.5%).
- **Energy:** Delhi has allocated 4.3% of its expenditure on energy in 2025-26. This is lower than the average allocation for energy by states in 2024-25 (5.0%).



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

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

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

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

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

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

Particular	2023-24 BE	2023-24 Actuals	% change from BE to Actuals
Net Receipts (1+2)	63,374	56,896	-10%
1. Revenue Receipts (a+b+c+d)	62,752	56,798	-9%
a. Own Tax Revenue	53,565	53,681	0%
b. Own Non-Tax Revenue	1,050	1,024	-2%
c. Share in central taxes	-	-	-
d. Grants-in-aid from the Centre	8,137	2,093	-74%
2. Non-Debt Capital Receipts	622	98	-84%
3. Borrowings	10,000	0	-100%
Net Expenditure (4+5+6)	73,759	60,830	-18%
4. Revenue Expenditure	56,983	50,335	-12%
5. Capital Outlay	11,189	6,855	-39%
6. Loans and Advances	5,587	3,639	-35%
7. Debt Repayment	5,040	4,994	-1%
Revenue Surplus	5,769	6,462	12%
Fiscal Deficit	10,385	3,934	-62%

Source: Delhi 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
Land Revenue	3	0	-99%
State Excise	7,365	5,164	-30%
State GST	31,500	31,571	0%
Taxes on Vehicles	3,000	3,242	8%
Sales Tax/ VAT	5,700	6,551	9%
Stamps Duty and Registration Fees	5,997	7,152	19%

Source: Delhi Budget Documents of various years; PRS.

Table 9: Allocation towards Key Sectors

Sector	2023-24 BE	2023-24 Actuals	% change from BE to Actuals
Police	398	162	-59%
Welfare of SC, ST, OBC, and Minorities	285	122	-57%
Urban Development	4,455	2,211	-50%
Irrigation and Flood Control	603	335	-44%
Water Supply and Sanitation	2,866	1,828	-36%
Agriculture and Allied Activities	313	242	-23%
Health and Family Welfare	9,742	7,555	-22%
Social Welfare and Nutrition	4,794	3,969	-17%
Education, Sports, Arts, and Culture	16,574	14,681	-11%
Energy	3,348	3,272	-2%
Transport	8,481	9,129	8%
<i>of which Roads and Bridges</i>	3,126	2,764	-12%
Housing	240	260	8%
Rural Development	152	168	11%

Source: Delhi Budget Documents of various years; PRS.