

Haryana Budget Analysis 2025-26

The Chief Minister of Haryana, Mr. Nayab Singh, presented the Budget for the state for the financial year 2025-26 on March 17, 2025.

Budget Highlights

- The **Gross State Domestic Product (GSDP)** of Haryana for 2025-26 (at current prices) is projected to be Rs 13,47,486 crore, amounting to growth of 11% over revised estimates of 2024-25.
- **Expenditure (excluding debt repayment)** in 2025-26 is estimated to be Rs 1,69,229 crore, an increase of 15% from the revised estimates of 2024-25. In addition, debt of Rs 70,789 crore will be repaid by the state.
- **Receipts (excluding borrowings)** for 2025-26 are estimated to be Rs 1,33,234 crore, an increase of 17% as compared to the revised estimate of 2024-25.
- **Revenue deficit** in 2025-26 is estimated to be 1.53% of GSDP (Rs 20,600 crore), as compared to a revenue deficit of 1.47% of GSDP (Rs 17,848 crore) at the revised estimate stage in 2024-25.
- **Fiscal deficit** for 2025-26 is targeted at 2.7% of GSDP (Rs 35,995 crore). In 2024-25, as per the revised estimates, fiscal deficit is expected to be 2.7% of GSDP, marginally lower than the budgeted 2.8% of GSDP.

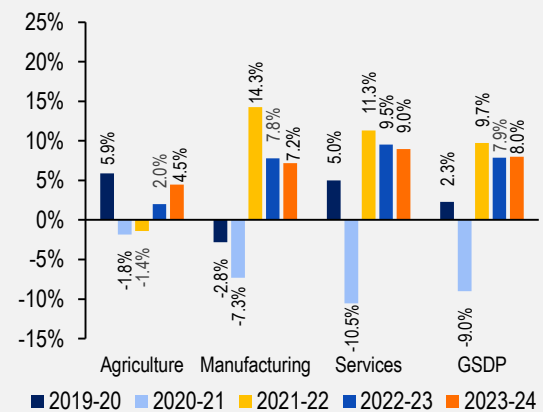
Policy Highlights

- **Cash transfer to women:** The Lado Laxmi Yojana will be launched to provide financial assistance of Rs 2,100 per month to women. Rs 5,000 crore has been allocated to the scheme in 2025-26.
- **Skill development:** Mukhyamantri Yuva Kaushal Samman Yojana will be launched to provide 2,000 final year students with internship opportunities. They will receive an honorarium of Rs 10,000 per month.
- **Haryana AI Mission:** The Haryana AI Mission will be launched. One AI hub will be built in Gurugram and Panchkula, each. These hubs will train over 50,000 professionals from Haryana in latest technologies.
- **Paddy cultivation:** Under the Mera Pani, Meri Viraasat Yojana, subsidy for farmers giving up paddy cultivation will be increased from Rs 7,000 to Rs 8,000 per acre. Subsidy for direct sowing of paddy will be raised from Rs 4,000 to Rs 4,500 per acre.
- **Upgradation of district hospitals:** Each district hospital will be equipped with state-of-the-art equipment such as CT-scan, MRI, ultrasound, blood analyser, and digital x-ray machines. A 50-bed critical care block will be established in each district hospital and medical college.
- **Natural farming:** In 2025-26, one lakh acres of land will be covered by natural farming.

Haryana's Economy

- **GSDP:** In 2023-24, Haryana's GSDP (at constant prices) is estimated to grow by 8% 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 18%, 29%, and 53% of Haryana's economy, respectively (at current prices).
- **Per capita GSDP:** In 2023-24, Haryana's per capita GSDP (at current prices) is estimated to be Rs 3,61,993, an increase of 10% 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 Haryana'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 1,69,229 crore. This is an increase of 15% from the revised estimate of 2024-25. This expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 1,33,234 crore and net borrowings of Rs 35,561 crore. Total receipts for 2025-26 (other than borrowings) are expected to register an increase of 17% over the revised estimate of 2024-25.
- The state estimates a **revenue deficit** of 1.53% of GSDP (Rs 20,600 crore) in 2025-26, as compared to a revenue deficit of 1.47% of GSDP at the revised estimate stage of 2024-25.
- **Fiscal deficit** for 2025-26 is targeted at 2.7% of GSDP (Rs 35,995 crore), similar to the revised estimates for 2024-25 (2.7% of GSDP).

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	1,92,366	2,19,877	2,10,314	-4%	2,40,017	14%
(-) Repayment of debt	59,194	64,044	63,744	-0.5%	70,789	11%
Net Expenditure (E)	1,33,172	1,55,832	1,46,569	-6%	1,69,229	15%
Total Receipts	1,90,452	2,19,361	2,10,163	-4%	2,39,584	14%
(-) Borrowings	88,721	97,163	96,150	-1%	1,06,350	11%
of which central capex loans*	1,702	1,093	1,680	54%	2,000	19%
Net Receipts (R)	1,01,731	1,22,198	1,14,013	-7%	1,33,234	17%
Fiscal Deficit (E-R)	31,441	33,635	32,556	-3%	35,995	11%
as % of GSDP	2.9%	2.8%	2.7%		2.7%	
Revenue Deficit	11,881	17,817	17,848	0.2%	20,600	15%
as % of GSDP	1.1%	1.5%	1.5%		1.5%	
Primary Deficit	9,836	8,493	7,863	-7%	9,764	24%
as % of GSDP	0.9%	0.7%	0.6%		0.7%	
GSDP	10,85,510	12,16,044	12,13,951	-0.2%	13,47,486	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, Haryana Budget Documents 2025-26; PRS.

Expenditure in 2025-26

- **Revenue expenditure** for 2025-26 is proposed to be Rs 1,48,417 crore, an increase of 14% 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 16,164 crore, an increase of 27% from the revised estimate of 2024-25. Capital outlay indicates the expenditure towards creation of assets. In 2024-25, as per revised estimates, capital outlay is estimated to be 22% lower than budgeted. Key sectors with the highest cutback in capital outlay include: (i) agriculture (Rs 990 crore), (ii) transport (Rs 933 crore), (iii) education (Rs 269 crore), and (iv) irrigation (Rs 165 crore).
- In 2025-26, loans and advances by the state are expected to be Rs 4,648 crore, 39% higher than the revised estimate of 2024-25.

Lado Laxmi Yojana

The Lado Laxmi Yojana has been announced to provide financial assistance of Rs 2,100 per month to women. In 2025-26, Rs 5,000 crore are allocated to the scheme. This is estimated to be 4% of Haryana's revenue receipts. In recent years, certain other states have also launched cash transfer schemes for women. These include Maharashtra, Karnataka and Madhya Pradesh.

In 2025-26, Haryana's revenue expenditure is estimated to rise by Rs 17,945 crore (14% increase) over revised estimates of 2024-25. In this period, the state's revenue deficit is estimated to rise by Rs 2,752 crore (15%).

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	1,13,196	1,34,456	1,30,472	-3%	1,48,417	14%
Capital Outlay	15,921	16,281	12,753	-22%	16,164	27%
Loans given by the state	4,055	5,095	3,345	-34%	4,648	39%
Net Expenditure	1,33,172	1,55,832	1,46,569	-6%	1,69,229	15%

Sources: Annual Financial Statement, Haryana 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, Haryana is estimated to spend Rs 74,701 crore on committed expenditure, which is 58% of its estimated revenue receipts. This comprises spending on salaries (25% of revenue receipts), pension (13%), and interest payments (21%). In 2023-24, as per actual figures, 61% of revenue receipts were spent on committed expenditure.

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

Committed Expenditure	2023-24 Actuals	2024-25 Budgeted	2024-25 Revised	% change from BE 24-25 to RE 24-25	2025-26 Budgeted	% change from RE 24-25 to BE 25-26
Salaries	26,196	29,542	29,185	-1%	31,975	10%
Pension	13,497	15,000	15,000	0%	16,495	10%
Interest payment	21,605	25,142	24,693	-2%	26,231	6%
Total	61,298	69,684	68,878	-1%	74,701	8%

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

Sector-wise expenditure: The sectors listed below account for 57% of the total expenditure on sectors by the state in 2025-26. A comparison of Haryana's expenditure on key sectors with that by other states is shown in Annexure 1.

Table 4: Sector-wise expenditure under Haryana 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	17,391	20,774	19,779	21,295	8%	Rs 8,258 crore has been allocated towards Government primary schools.
Social Welfare and Nutrition	12,645	14,415	15,456	19,828	28%	Rs 5,000 crore has been allocated towards Lado Lakshmi Yojana.
Health and Family Welfare	7,241	9,541	9,017	9,674	7%	Rs 892 crore has been allocated towards grants under National Rural Health Mission.
Agriculture and Allied Activities	7,907	7,919	6,060	8,908	47%	Rs 820 crore has been allocated towards extension and farmers training.
Police	6,053	6,389	6,683	7,588	14%	Rs 5,397 crore has been allocated towards district police.
Rural Development	4,890	7,326	5,677	7,379	30%	Rs 2,221 crore has been allocated for grants to rural bodies on recommendation of the State Finance Commission.
Energy	8,187	7,053	8,230	6,372	-23%	Rs 5,603 crore has been allocated for financial assistance to PSUs.
Urban Development	3,902	6,225	4,245	6,227	47%	Rs 1,541 crore has been allocated for assistance for municipalities and municipal councils.
Irrigation and Flood Control	5,239	6,323	5,604	6,100	9%	Rs 1,424 crore has been allocated for capital outlay on major irrigation.
Roads and Bridges	3,997	4,051	3,951	3,808	-4%	Rs 1,751 crore has been allocated for capital outlay on road works.
% of total expenditure on all sectors	57%	57%	56%	57%		

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

Receipts in 2025-26

- **Total revenue receipts** for 2025-26 are estimated to be Rs 1,27,817 crore, an increase of 13% over the revised estimate of 2024-25. Of this, Rs 1,02,478 crore (80%) will be raised by the state through its **own resources**, and Rs 25,339 crore (20%) will come **from the centre**. Resources from the centre will be in the form of state's share in central taxes (12% of revenue receipts) and grants (8% of revenue receipts).
- **Devolution:** In 2025-26, the state's share in central taxes is estimated at Rs 15,547 crore, an increase of 11% over the revised estimate of 2024-25.
- **Grants from the centre** in 2025-26 are estimated at Rs 9,792 crore, an increase of 25% over the revised estimates for 2024-25. In 2024-25, central grants are estimated to be 18% lower than budgeted. The estimated shortfall in 2024-25 may be due to reduced grants for centrally sponsored schemes (CSS). In 2024-25, CSS grants were budgeted at Rs 5,657 crore, but are 19% lower at the revised stage.
- **State's own tax revenue:** Haryana's total own tax revenue is estimated to be Rs 92,144 crore in 2025-26, increase of 12% over the revised estimate of 2024-25. Own tax revenue as a percentage of GSDP is estimated at 6.8% in 2025-26, similar to the revised estimates for 2024-25. As per the actual figures for 2023-24, own tax revenue as a percentage of GSDP was 6.7%.

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	72,511	84,551	81,944	-3%	92,144	12%
State's Own Non-Tax	8,103	9,243	8,772	-5%	10,334	18%
Share in Central Taxes	12,345	13,332	14,066	6%	15,547	11%
Grants-in-aid from Centre	8,355	9,512	7,843	-18%	9,792	25%
Revenue Receipts	1,01,315	1,16,639	1,12,624	-3%	1,27,817	13%
Non-debt Capital Receipts	416	5,559	1,389	-75%	5,417	290%
Net Receipts	1,01,731	1,22,198	1,14,013	-7%	1,33,234	17%

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

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

- In 2025-26, **State GST** is estimated to be the largest source of own tax revenue (46% share). State GST revenue is estimated to increase by 12% over the revised estimates of 2024-25.
- Revenue from Stamps Duty and Registration in 2025-26 is expected to be 18% higher than the revised estimates of 2024-25. In 2024-25, collection from this source is estimated to be 7% lower than the budget estimate.
- Revenue from state excise is estimated to be 11% higher in 2025-26 over the revised estimate of 2024-25.

Disinvestment Receipts

Disinvestment refers to receipts earned from the sale of stake in a public sector enterprise. In 2024-25, the state estimated disinvestment receipts of Rs 4,870 crore. At the revised stage, these receipts are estimated to be Rs 700 crore (86% lower).

The state has been unable to meet its disinvestment target in successive years. In 2021-22, it met only 1.3% of its budgeted target for disinvestment. 1.4% of the target was met in 2022-23 and 2.2% in 2023-24.

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	33,960	37,498	37,500	0.01%	42,021	12%
Stamps Duty and Registration Fees	10,529	15,101	14,049	-7%	16,555	18%
State Excise	11,326	12,650	12,650	0%	14,064	11%
Sales Tax/ VAT	11,331	13,200	11,800	-11%	12,750	8%
Taxes on Vehicles	4,904	5,404	5,250	-3%	6,000	14%
Taxes and Duties on Electricity	424	656	650	-1%	700	8%
Land Revenue	22	28	28	0%	35	25%
GST Compensation Grants	3,505	-	-	-	-	-

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

Deficits, Debt, and FRBM Targets for 2025-26

The Haryana Fiscal Responsibility and Budget Management 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 between 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 state estimates a revenue deficit of Rs 20,600 crore (or 1.5% 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 2.7% 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 2.7% of GSDP. This is lower than the budget estimate of 2.8% of GSDP.

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 26.2% of GSDP, marginally higher than the revised estimate for 2024-25 (26.1% of GSDP).

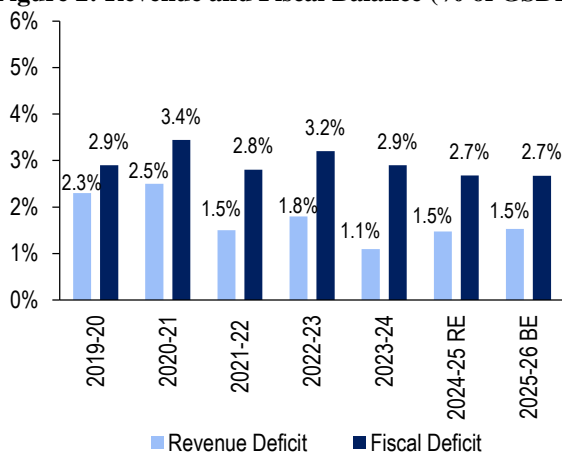
Debt Sustainability

As per the Reserve Bank of India (RBI), the debt of a state can be considered sustainable when: (i) the growth rate of public debt is lower than nominal GSDP growth and (ii) growth rate of GSDP is higher than the effective interest rate.

Between 2017-18 and 2022-23, Haryana's outstanding debt has grown at an annualised rate of 13%, whereas its nominal GSDP has grown at 9%. As per the RBI, as of March 2025, Haryana's outstanding debt is estimated at 30.4% of GSDP. This is higher than 20% of GSDP recommended by the FRBM Review Committee (2017).

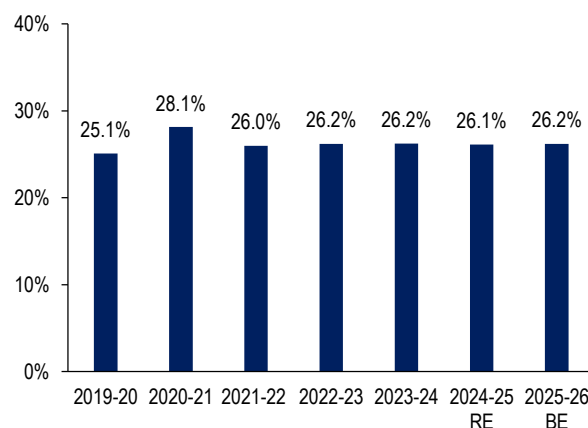
Sources: State Finances: A Study of Budgets of 2024-25; RBI.

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



Note: RE is revised estimates; BE is budget estimates.
Sources: Medium Term Fiscal Policy, Haryana Budget Documents 2025-26; PRS.

Figure 3: Outstanding Debt (as % of GSDP)



Note: RE is revised estimates; BE is budget estimates.
Sources: Medium Term Fiscal Policy, Haryana Budget Documents 2025-26; PRS.

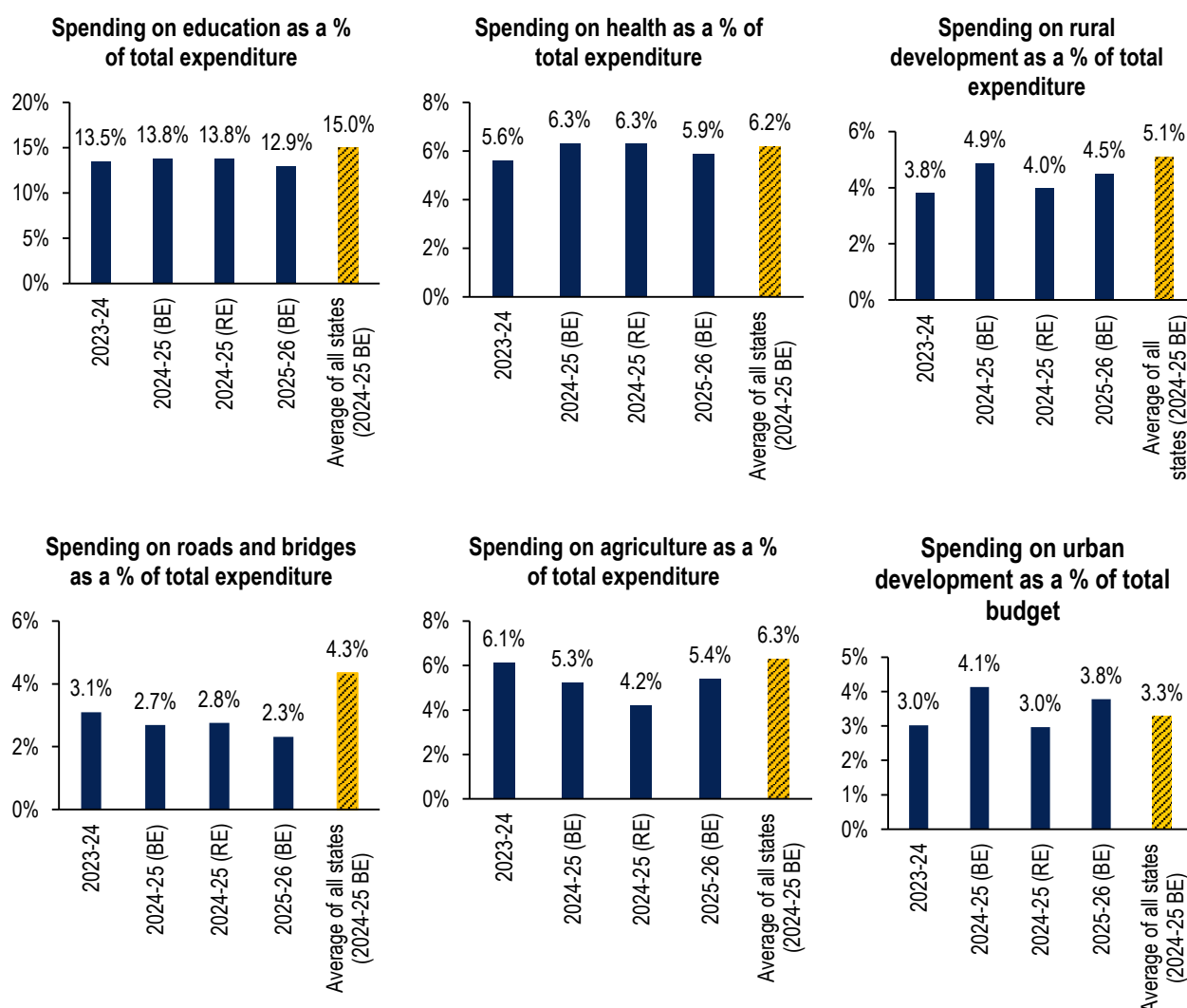
Outstanding Government Guarantees: Outstanding debt of states do not include a few other liabilities that are contingent in nature, which states may have to honour in certain cases. State governments guarantee the borrowings of State Public Sector Enterprises (SPSEs) from financial institutions. As of March 31, 2024, the state's outstanding guarantee is estimated to be Rs 24,215 crore, which is 2% of Haryana's GSDP.

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Annexure 1: Comparison of states' expenditure on key sectors

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

- **Education:** Haryana has allocated 12.9% of its expenditure on education in 2025-26. This is lower than the average allocation for education by states in 2024-25 (15%).
- **Health:** Haryana has allocated 5.9% of its expenditure on health in 2025-26. This is lower than the average allocation for health by states in 2024-25 (6.2%).
- **Rural development:** Haryana has allocated 4.5% of its expenditure on rural development in 2025-26. This is lower than the average allocation for rural development by states in 2024-25 (5.1%).
- **Roads and bridges:** Haryana 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%).
- **Agriculture:** Haryana has allocated 5.4% of its expenditure on agriculture in 2025-26. This is lower than the average allocation for agriculture by states in 2024-25 (6.3%).
- **Urban Development:** Haryana has allocated 3.8% of its expenditure on urban development in 2025-26. This is higher than the average allocation for urban development by states in 2024-25 (3.3%).



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

Sources: Annual Financial Statement, Haryana 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)	1,15,455	1,01,731	-12%
1. Revenue Receipts (a+b+c+d)	1,09,122	1,01,315	-7%
a. Own Tax Revenue	75,717	72,511	-4%
b. Own Non-Tax Revenue	12,651	8,103	-36%
c. Share in central taxes	11,164	12,345	11%
d. Grants-in-aid from the Centre	9,590	8,355	-13%
2. Non-Debt Capital Receipts	6,333	416	-93%
3. Borrowings	84,840	88,721	5%
Of which Central Capex Loans	1,000	1,702	70%
Net Expenditure (4+5+6)	1,48,730	1,33,172	-10%
4. Revenue Expenditure	1,26,071	1,13,196	-10%
5. Capital Outlay	18,460	15,921	-14%
6. Loans and Advances	4,198	4,055	-3%
7. Debt Repayment	55,220	59,194	7%
Revenue Deficit	16,949	11,881	-30%
Revenue Deficit (as % of GSDP)	1.51%	1.1%	
Fiscal Deficit	33,274	31,441	-6%
Fiscal Deficit (as % of GSDP)	2.96%	2.9%	
GSDP	11,23,320	10,85,510	-3%

Source: Haryana Budget Documents of various years; PRS.

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

Tax Head	2023-24 BE	2023-24 Actuals	% change from BE to Actuals
Stamps Duty and Registration Fees	12,550	10,529	-16%
Taxes and Duties on Electricity	500	424	-15%
Sales Tax/ VAT	12,950	11,331	-13%
Land Revenue	25	22	-10%
State Excise	11,500	11,326	-2%
State GST	33,480	33,960	1%
Taxes on Vehicles	4,700	4,904	4%

Source: Haryana Budget Documents of various years; PRS.

Table 9: Allocation towards Key Sectors

Sector	2023-24 BE	2023-24 Actuals	% change from BE to Actuals
Welfare of SC, ST, OBC, and Minorities	983	632	-36%
Rural Development	7,269	4,890	-33%
Urban Development	5,699	3,902	-32%
Irrigation and Flood Control	6,672	5,239	-21%
Housing	596	491	-18%
Health and Family Welfare	8,717	7,241	-17%
Education, Sports, Arts, and Culture	20,188	17,391	-14%
Police	6,649	6,053	-9%
Transport	7,913	7,285	-8%
of which Roads and Bridges	3,936	3,997	2%
Water Supply and Sanitation	4,977	4,624	-7%
Energy	8,264	8,187	-1%
Social Welfare and Nutrition	12,495	12,645	1%
Agriculture and Allied Activities	7,525	7,907	5%

Source: Haryana Budget Documents of various years; PRS.