

# Uttarakhand Budget Analysis 2024-25

The Finance Minister of Uttarakhand, Mr Premchand Aggarwal, presented the Budget for the state for the financial year 2024-25 on February 27, 2024.

## Budget Highlights

- The **Gross State Domestic Product (GSDP)** of Uttarakhand for 2024-25 (at current prices) is projected to be Rs 3,94,675 crore, amounting to growth of 14% over 2023-24.
- **Expenditure (excluding debt repayment)** in 2024-25 is estimated to be Rs 70,094 crore, an increase of 13% over the revised estimates of 2023-24. In addition, debt of Rs 19,137 crore will be repaid by the state.
- **Receipts (excluding borrowings)** for 2024-25 are estimated to be Rs 60,677 crore, an increase of 11% as compared to the revised estimate of 2023-24.
- **Revenue surplus** in 2024-25 is estimated to be 1.2% of GSDP (Rs 4,737 crore), higher than the revised estimates for 2023-24 (0.9% of GSDP). In 2023-24, the revenue surplus is expected to be 29% lower than the budget estimate.
- **Fiscal deficit** for 2024-25 is targeted at 2.4% of GSDP (Rs 9,416 crore). In 2023-24, as per the revised estimates, fiscal deficit is expected to be 2.2% of GSDP, lower than the budget estimate for 2023-24.

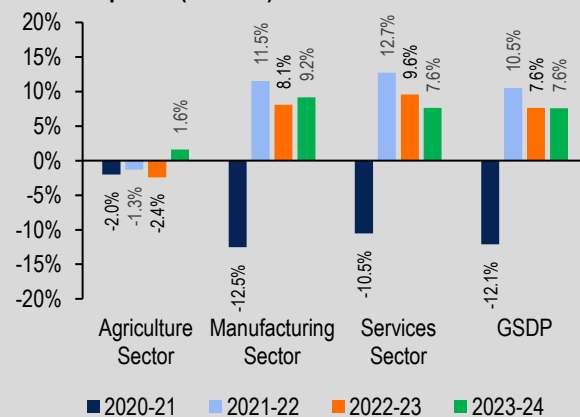
## Policy Highlights

- **Safety:** All unsafe bridges and river trolleys operated for transportation will be removed. Crash barriers will be installed along identified stretches to prevent accidents.
- **Infrastructure:** Air connectivity will be provided across all districts of the state. E-office systems will be introduced in all government offices. A new scheme is being proposed to strengthen cyber security infrastructure in Uttarakhand.
- **Green Energy:** Solar energy systems will be installed across all government buildings. Rs 100 crore has been allocated for installation of solar rooftop panels.
- **Social welfare:** To promote women’s equality and ensure gender sensitive planning, Rs 14,538 crore has been allocated as gender budget.
- **Education and Sports:** All government schools will be provided essential furniture. Rs 250 crore has been allocated towards organising the 38<sup>th</sup> National games in the state.

## Uttarakhand’s Economy

- **GSDP:** In 2023-24, Uttarakhand’s GSDP (at constant prices) grew at 7.6%, same as 2022-23. In comparison, national GDP is estimated to grow at 7.6% in 2023-24.
- **Sectors:** The agriculture sector grew by 1.6% in 2023-24, over a 2.4% contraction in 2022-23. Manufacturing sector grew by 9.2% in 2023-24, over an 8.1% growth in 2022-23. Services are estimated to grow by 7.6% in 2023-24, compared a 9.6% growth in 2022-23.
- In 2023-24, agriculture, manufacturing, and services sectors are estimated to contribute 10%, 47%, and 43% to the economy, respectively (at current prices).
- **Per capita GSDP:** The per capita GSDP of Uttarakhand in 2023-24 (at current prices) is estimated at Rs 2,95,751, an annualised increase of 7% over 2017-18.

**Figure 1: Growth in GSDP and sectors in Uttarakhand at constant prices (2011-12)**



Note: Agriculture includes mining and quarrying; Manufacturing includes construction and electricity. These numbers are as per constant prices (2011-12) which implies that the growth rate is adjusted for inflation.

Sources: Uttarakhand FRBM Statements 2024-25; PRS.

## Budget Estimates for 2024-25

- **Total expenditure (excluding debt repayment)** in 2024-25 is targeted at Rs 70,094 crore. This is an increase of 12.8% over the revised estimate of 2023-24. This expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 60,677 crore and net borrowings of Rs 8,783 crore. Total receipts for 2024-25 (other than borrowings) are expected to register an increase of 10.9% over the revised estimate of 2023-24.
- **Revenue surplus** in 2024-25 is estimated to be 1.2% of GSDP (Rs 4,737 crore), higher than the revised estimates for 2023-24 (0.9% of GSDP). **Fiscal deficit** for 2024-25 is targeted at 2.4% of GSDP (Rs 9,416 crore), higher than the revised estimates for 2023-24 (2.2% of GSDP).

**Table 1: Budget 2024-25 - Key figures (in Rs crore)**

Items	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	% change from BE 23-24 to RE 23-24	2024-25 Budgeted	% change from RE 23-24 to BE 24-25
Total Expenditure	60,536	77,407	77,888	0.6%	89,230	14.6%
(-) Repayment of debt	8,475	11,228	15,728	40.1%	19,137	21.7%
<b>Net Expenditure (E)</b>	<b>52,061</b>	<b>66,179</b>	<b>62,160</b>	<b>-6.1%</b>	<b>70,094</b>	<b>12.8%</b>
Total Receipts	58,543	76,593	77,411	1.1%	88,597	14.5%
(-) Borrowings	9,431	19,460	22,710	16.7%	27,920	22.9%
<b>Net Receipts (R)</b>	<b>49,112</b>	<b>57,133</b>	<b>54,701</b>	<b>-4.3%</b>	<b>60,677</b>	<b>10.9%</b>
<b>Fiscal Deficit (E-R)</b>	2,949	9,047	7,459	-17.5%	9,416	26.2%
as % of GSDP	1.0%	2.7%	2.2%		2.4%	
<b>Revenue Surplus</b>	5,310	4,310	3,041	-29.4%	4,737	55.8%
as % of GSDP	1.7%	1.3%	0.9%		1.2%	
<b>Primary Deficit</b>	-2,155	2,886	1,400	-51.5%	2,780	98.6%
as % of GSDP	-0.7%	0.9%	0.4%		0.7%	
GSDP	3,03,781	3,32,883	3,46,206	4.0%	3,94,675	14.0%

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

Sources: Annual Financial Statement, Uttarakhand Budget 2024-25; PRS.

## Expenditure in 2024-25

- **Revenue expenditure** for 2024-25 is proposed to be Rs 55,816 crore, an increase of 8% over the revised estimate of 2023-24. This includes the expenditure on salaries, pensions, interest, grants, and subsidies.
- **Capital outlay** for 2024-25 is proposed to be Rs 13,780 crore, an increase of 32% over the revised estimate of 2023-24. Capital outlay indicates the expenditure towards creation of assets. At the revised stage in 2023-24, capital outlay was 21% lower than budgeted for that year (Rs 13,134 crore).
- In 2024-25, loans and advances by the state are expected to be Rs 498 crore, higher than the revised estimates of 2023-24 (Rs 172 crore). In the 2023-24 revised stage, it decreased by 42%.

### Loans disbursed by the state

State governments provide loans to various institutions and organisations. In 2024-25, Uttarakhand has budgeted to provide loans worth Rs 498 crore. As of March 2023, Uttarakhand has disbursed loans worth Rs 2,455 crore, for which repayment is due. The Comptroller and Auditor General (CAG) (2022) noted that recovery of loans has been poor. Between 2017-18 and 2021-22, only Rs 119 crore has been repaid. As of March 2022, organisations in four sectors, i.e., Special Area Program, Water Supply, Sanitation, Housing and Urban Development and Transport had not repaid their loans. CAG recommended that the state treat these loans as grants, and categorise them as revenue expenditure. This would ensure that the accounts reflect a more accurate financial position of the state.

Sources: State Finance Audit Report (2021-22); Finance Accounts (2022-23), CAG.

**Table 2: Expenditure budget 2024-25 (in Rs crore)**

Items	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	% change from BE 23-24 to RE 23-24	2024-25 Budgeted	% change from RE 23-24 to BE 24-25
Revenue Expenditure	43,773	52,748	51,585	-2%	55,816	8%
Capital Outlay	8,195	13,134	10,403	-21%	13,780	32%
Loans given by the state	94	298	172	-42%	498	190%
<b>Net Expenditure</b>	<b>52,061</b>	<b>66,179</b>	<b>62,160</b>	<b>-6%</b>	<b>70,094</b>	<b>13%</b>

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

Sources: Annual Financial Statement, Uttarakhand Budget 2024-25; PRS.

**Committed expenditure:** Committed expenditure of a state typically includes expenditure on payment of salaries, pensions, 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 2024-25, Uttarakhand is estimated to spend Rs 34,364 crore on committed expenditure, which is 57% of its estimated revenue receipts. This comprises spending on salaries (32% of revenue receipts), pension (13%), interest payments (11%).

**Table 3: Committed Expenditure in 2024-25 (in Rs crore)**

Committed Expenditure	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	% change from BE 23-24 to RE 23-24	2024-25 Budgeted	% change from RE 23-24 to BE 24-25
Salaries	15,883	18,820	17,830	-5%	19,582	10%
Pension	7,181	7,602	7,421	-2%	8,146	10%
Interest payment	5,104	6,161	6,059	-2%	6,636	10%
<b>Total Committed Expenditure</b>	<b>28,167</b>	<b>32,583</b>	<b>31,310</b>	<b>-4%</b>	<b>34,364</b>	<b>10%</b>

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

Sources: Annual Financial Statement, Uttarakhand Budget 2024-25; PRS.

**Sector-wise expenditure:** The sectors listed below account for 55% of the total expenditure on sectors by the state in 2024-25. A comparison of Uttarakhand's expenditure on key sectors with that by other states is shown in Annexure 1.

**Table 4: Sector-wise expenditure under Uttarakhand Budget 2024-25 (in Rs crore)**

Sector	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	2024-25 Budgeted	% change from RE 23-24 to BE 24-25	Budget Provisions 2024-25
Education, Sports, Arts, and Culture	9,831	10,907	10,435	11,700	12%	<ul style="list-style-type: none"> <li>Government primary schools have been allocated Rs 3,455 crore.</li> <li>Rs 3,864 crore revenue expenditure is budgeted for government secondary schools.</li> </ul>
Health and Family Welfare	3,993	4,435	5,052	4,574	-9%	<ul style="list-style-type: none"> <li>Rs 619 crore has been allocated for prevention and control of diseases.</li> <li>Rs 1,359 crore is proposed to be spent on allopathic rural health services such as primary health centres and community health centres.</li> </ul>
Social Welfare and Nutrition	3,709	4,558	4,714	4,572	-3%	<ul style="list-style-type: none"> <li>Child welfare has been allocated Rs 821 crore.</li> <li>Women welfare has been allocated Rs 574 crore.</li> <li>Rs 350 crore has been allocated for the National Old Age Pension programme.</li> </ul>
Rural Development	4,102	4,845	4,132	4,552	10%	<ul style="list-style-type: none"> <li>Rs 2,217 crore has been allocated towards community development including schemes such as Pandit Deendayal Upadhyay Rural Skill Scheme, PMAY and PMGSY.</li> </ul>
Agriculture and Allied Activities	3,296	5,037	4,486	4,450	-1%	<ul style="list-style-type: none"> <li>Crop husbandry has been allocated Rs 644 crore which includes schemes such as National Mission for Natural Farming and PMKSY.</li> <li>Rs 157 crore is allocated for research assistance to agriculture institutions.</li> </ul>
Police	2,150	2,447	2,334	2,667	14%	<ul style="list-style-type: none"> <li>Rs 1,466 crore is proposed to be spent on district police.</li> </ul>
Roads and Bridges	1,717	2,257	2,555	2,389	-7%	<ul style="list-style-type: none"> <li>Rs 1,955 crore has been allocated towards district and other roads.</li> </ul>
Irrigation and Flood Control	875	1,507	1,082	2,191	103%	<ul style="list-style-type: none"> <li>Rs 1,587 crore is allocated for major irrigation.</li> <li>The Jamarani Dam Multipurpose project under PM-Krishi Sinchayee Yojana has been allocated Rs 700 crore.</li> </ul>
Energy	168	1,172	518	1,263	144%	<ul style="list-style-type: none"> <li>Rs 823 crore is proposed to be spent as capital outlay on transmission and distribution for power projects.</li> </ul>
Water Supply and Sanitation	1,159	1,283	1,748	1,186	-32%	<ul style="list-style-type: none"> <li>Rs 525 crore has been allocated towards urban water supply programmes and Rs 427 crore towards rural water supply programmes.</li> </ul>
<b>% of total expenditure on all sectors</b>	<b>57%</b>	<b>56%</b>	<b>57%</b>	<b>55%</b>	<b>-</b>	

Sources: Annual Financial Statement, Uttarakhand Budget 2024-25; PRS.

## Receipts in 2024-25

- **Total revenue receipts** for 2024-25 are estimated to be Rs 60,553 crore, an increase of 11% over the revised estimate of 2023-24. Of this, Rs 27,383 crore (45%) will be raised by the state through its **own resources**, and Rs 33,170 crore (55%) will come **from the centre**. Resources from the centre will be in the form of state's share in central taxes (23% of revenue receipts) and grants (32% of revenue receipts).
- **Devolution:** In 2024-25, state's share in central taxes is estimated at Rs 13,637 crore, an increase of 10% over the revised estimate of 2023-24.
- **Grants from the centre** in 2024-25 are estimated at Rs 19,533 crore, an increase of 6% over the revised estimates for 2023-24.
- **State's own tax revenue:** Uttarakhand's own tax revenue is estimated to be Rs 22,509 crore in 2024-25, an increase of 15% over the revised estimate of 2023-24. Own tax revenue as a percentage of GSDP is estimated at 5.7% in 2024-25, same as the revised estimates for 2023-24. As per the actual figures for 2022-23, own tax revenue as a percentage of GSDP was 5.6%.

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

Items	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	% change from BE 2023-24 to RE 2023-24	2024-25 Budgeted	% change from RE 2023-24 to BE 2024-25
State's Own Tax	17,103	19,983	19,620	-2%	22,509	15%
State's Own Non-Tax	4,367	4,762	4,175	-12%	4,873	17%
Share in Central Taxes	10,617	11,420	12,348	8%	13,637	10%
Grants-in-aid from Centre	16,997	20,893	18,483	-12%	19,533	6%
<b>Revenue Receipts</b>	<b>49,083</b>	<b>57,057</b>	<b>54,627</b>	<b>-4%</b>	<b>60,553</b>	<b>11%</b>
Non-debt Capital Receipts	29	75	74	-1%	124	67%
<b>Net Receipts</b>	<b>49,112</b>	<b>57,133</b>	<b>54,701</b>	<b>-4%</b>	<b>60,677</b>	<b>11%</b>

BE is Budget Estimates; RE is Revised Estimates.

Sources: Annual Financial Statement, Uttarakhand Budget 2024-25; PRS.

- In 2024-25, **State GST** is estimated to be the largest source of own tax revenue (45% share). State GST revenue is estimated to increase by 16% over the revised estimates of 2023-24.
- Revenue from State Excise in 2024-25 is expected to see a 14% increase over the revised estimates for 2023-24.

### Augmenting Own Tax Revenue

In 2024-25, Uttarakhand's own tax revenue is estimated to be 37% of its total revenue receipts. The Comptroller and Auditor General (CAG) (2022) recommended making efforts to augment its own tax revenue. It suggested: (i) settling pending tax claims on time, (ii) settling arrears in assessment of taxes, and (iii) recovering the arrears of revenue. Arrears of revenue indicate delayed realisation of revenue and arrears of assessment indicate potential revenue which is blocked due to delayed assessment. This deprives the state of potential revenue receipts, thus affecting revenue deficits. As of March 2022, arrears of revenue under Commercial taxes/VAT and State Excise amounted to Rs 11,618 crore, of which 40% were outstanding for more than five years.

Sources: State Finance Audit Report (2021-22), CAG.

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

Head	2022-23 Actuals	2023-24 Budgeted	2023-24 Revised	% change from BE 23-24 to RE 23-24	2024-25 Budgeted	% change from RE 23-24 to BE 24-25
State GST	7,341	8,788	8,788	0%	10,201	16%
State Excise	3,526	3,950	3,900	-1%	4,439	14%
Stamps Duty and Registration Fees	1,987	2,063	2,256	9%	2,665	18%
Sales Tax/ VAT	2,555	2,603	2,603	0%	2,504	-4%
Taxes on Vehicles	1,212	1,475	1,375	-7%	1,550	13%
Taxes and Duties on Electricity	294	550	360	-35%	550	53%
Land Revenue	65	54	38	-30%	50	32%
GST Compensation Grants	2,136	0	0	-	0	-
GST Compensation Loans	0	0	0	-	0	-

Sources: Annual Financial Statement, Revenue Budget, and Uttarakhand Budget 2024-25; PRS.

## Deficits, Debt, and FRBM Targets for 2024-25

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

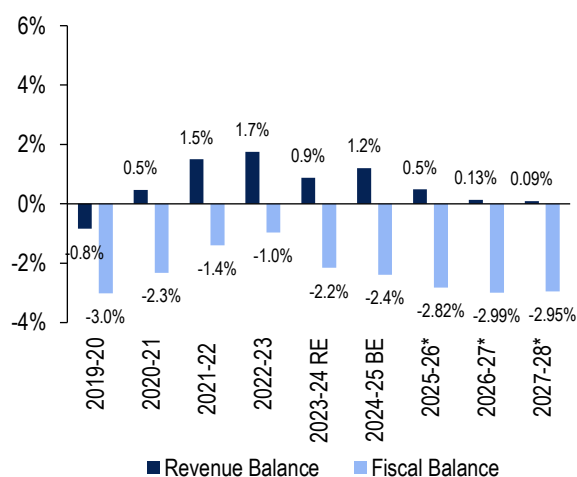
**Revenue surplus:** It is the difference of revenue expenditure and revenue receipts. A revenue surplus implies that government borrowings are being used for asset creation. The budget estimates a revenue surplus of Rs 4,737 crore (or 1.2% of the GSDP) in 2024-25.

**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 2024-25, the fiscal deficit is estimated to be 2.4% of GSDP. For 2024-25, the central government has permitted fiscal deficit of up to 3.5% of GSDP to states, of which 0.5% of GSDP will be available only upon carrying out certain power sector reforms.

Fiscal deficit was 1% in 2022-23, and is estimated to rise to 2.2% at the revised stage in 2023-24. It is projected to be 2.95% of GSDP by 2027-28.

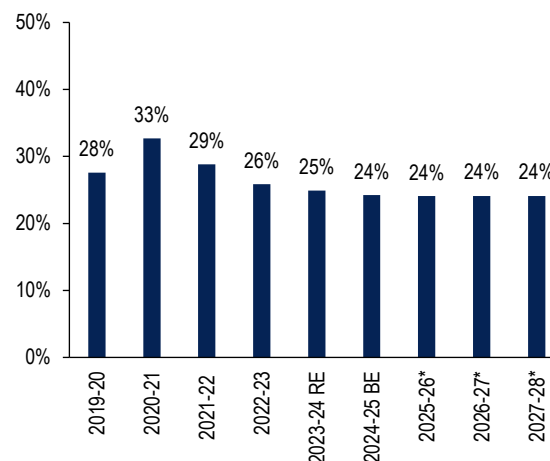
**Outstanding liabilities:** Outstanding liabilities is the accumulation of total borrowings at the end of a financial year, it also includes any liabilities on public account. At the end of 2024-25, the outstanding liabilities are estimated to be 24.2% of GSDP, lower than the revised estimate for 2023-24 (24.9% of GSDP). The outstanding liabilities have significantly rose in 2020-21 (32.7% of GSDP), and moderated thereafter.

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



Note: \*Figures for 2025-26 and 2026-27 are projections; Negative numbers indicate a deficit and positive indicate a surplus. RE is Revised Estimates; BE is budget estimates.  
Sources: Medium Term Fiscal Policy, Uttarakhand Budget 2024-25; PRS.

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



Note: \*Figures for 2025-26 and 2026-27 are projections; For 2020-21 and 2021-22, deficits reported without treating GST compensation loans as grants. RE is Revised Estimates; BE is budget estimates.  
Sources: Medium Term Fiscal Policy, Uttarakhand Budget 2024-25; PRS.

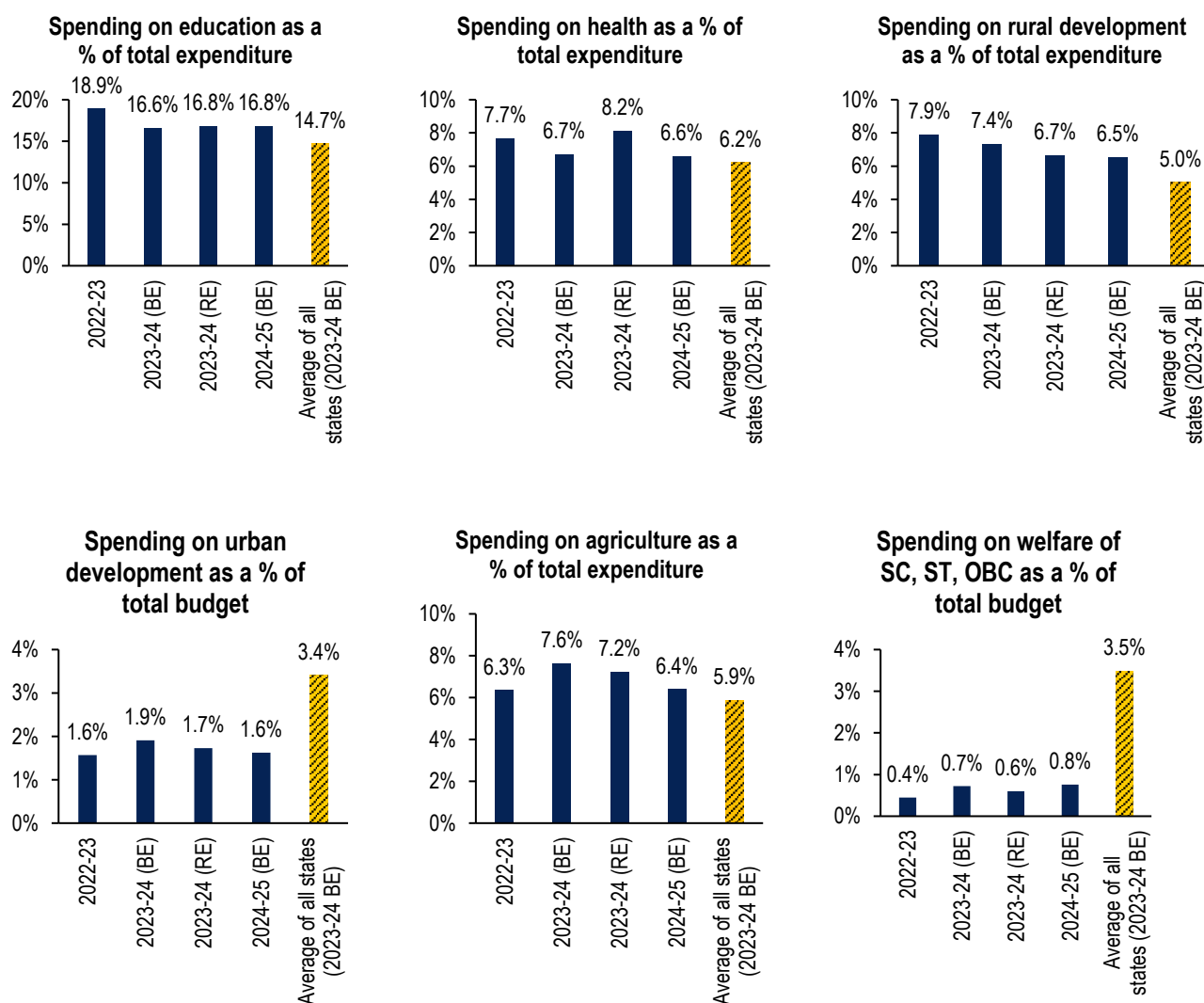
**Outstanding Government Guarantees:** Outstanding liabilities of states do not include a few other liabilities that are contingent in nature, which states may have to honour in certain cases. State governments guarantee the borrowings of State Public Sector Enterprises (SPSEs) from financial institutions. As of March 31, 2024, the state's outstanding guarantee is estimated to be Rs 119.4 crore, i.e., 0.03% of Uttarakhand's GSDP in 2023-24.

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

The graphs below compare Uttarakhand's expenditure in 2024-25 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 Uttarakhand) as per their budget estimates of 2023-24.<sup>1</sup>

- **Education:** Uttarakhand has allocated 16.8% of its expenditure on education in 2024-25. This is higher than the average allocation for education by states in 2023-24 (14.7%).
- **Health:** Uttarakhand has allocated 6.6% of its total expenditure towards health, which is marginally higher than the average allocation for health by states (6.2%).
- **Rural development:** Uttarakhand has allocated 6.5% of its expenditure on rural development. This is higher than the average allocation for rural development by states (5%).
- **Urban development:** Uttarakhand has allocated 1.6% of its expenditure towards urban development. This is lower than the average allocation towards urban development by states (3.4%).
- **Agriculture:** Uttarakhand has allocated 6.4% of its total expenditure towards agriculture, which is higher than the average expenditure on agriculture by states (5.9%).
- **Welfare of SC, ST and OBC:** Uttarakhand has allocated 0.8% of its total expenditure towards welfare of Sc, ST and OBC, which is lower than the average allocation by states (3.5%).



Note: 2022-23, 2023-24 (BE), 2023-24 (RE), and 2024-25 (BE) figures are for Uttarakhand.  
Sources: Annual Financial Statement, Uttarakhand Budget 2024-25; 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 2022-23 Budget Estimates and Actuals

The following tables compare the actuals of 2022-23 with budget estimates for that year.

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

Particular	2022-23 BE	2022-23 Actuals	% change from BE to Actuals
<b>Net Receipts (1+2)</b>	<b>51,500</b>	<b>49,112</b>	-5%
1. Revenue Receipts (a+b+c+d)	51,474	49,083	-5%
a. Own Tax Revenue	15,371	17,103	11%
b. Own Non-Tax Revenue	5,521	4,367	-21%
c. Share in central taxes	9,130	10,617	16%
d. Grants-in-aid from the Centre	21,453	16,997	-21%
Of which GST compensation grants	2,590	2,136	-18%
2. Non-Debt Capital Receipts	25	29	15%
3. Borrowings	12,275	9,431	-23%
Of which GST compensation loan	0	0	-
<b>Net Expenditure (4+5+6)</b>	<b>60,003</b>	<b>52,061</b>	-13%
4. Revenue Expenditure	49,013	43,773	-11%
5. Capital Outlay	10,840	8,195	-24%
6. Loans and Advances	150	94	-37%
7. Debt Repayment	5,568	8,475	52%
<b>Revenue Surplus</b>	<b>2,461</b>	<b>5,310</b>	116%
Revenue Balance (as % of GSDP)	0.8%	1.7%	-
<b>Fiscal Deficit</b>	<b>8,504</b>	<b>2,949</b>	-65%
Fiscal Deficit (as % of GSDP)	2.8%	1.0%	-

Source: Uttarakhand Budget Documents of various years; PRS.

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

Tax Source/Head	2022-23 BE	2022-23 Actuals	% change from BE to Actuals
Taxes and Duties on Electricity	550	294	-47%
State Excise	3,522	3,526	0%
Taxes on Vehicles	1,155	1,212	5%
Sales Tax/ VAT	2,204	2,555	16%
State GST	6,201	7,341	18%
Stamps Duty and Registration Fees	1,590	1,987	25%
Land Revenue	38	65	71%

Source: Uttarakhand Budget Documents of various years; PRS.

**Table 9: Allocation towards Key Sectors**

Sector	2022-23 BE	2022-23 Actuals	% change from BE to Actuals
Energy	473	168	-64%
Welfare of SC, ST, OBC, and Minorities	419	233	-44%
Irrigation and Flood Control	1,365	875	-36%
Housing	116	76	-35%
Social Welfare and Nutrition	4,572	3,709	-19%
Agriculture and Allied Activities	4,059	3,296	-19%
Rural Development	4,922	4,102	-17%
Education, Sports, Arts, and Culture	10,896	9,831	-10%
Health and Family Welfare	4,416	3,993	-10%
Water Supply and Sanitation	1,279	1,159	-9%
Transport	2,184	1,993	-9%
of which Roads and Bridges	1,870	1,717	-8%
Urban Development	886	815	-8%
Police	2,333	2,150	-8%

Source: Uttarakhand Budget Documents of various years; PRS.