

Haryana Budget Analysis 2024-25

The Chief Minister of Haryana, Mr. Manohar Lal Khattar, presented the Budget for the state for the financial year 2024-25 on February 23, 2024.

Budget Highlights

- The **Gross State Domestic Product (GSDP)** of Haryana for 2024-25 (at current prices) is projected to be Rs 12,16,044 crore, amounting to growth of 11% over 2023-24.
- **Expenditure (excluding debt repayment)** in 2024-25 is estimated to be Rs 1,55,832 crore, an increase of 13% over the revised estimate for 2023-24. In addition, the state has estimated to repay debt worth Rs 64,044 crore. In 2023-24, As per the revised estimates, expenditure is estimated to be 7.5% lower than the budget estimate.
- **Receipts (excluding borrowings)** for 2024-25 are estimated to be Rs 1,22,198 crore, an increase of 14% over the revised estimate of 2023-24. In 2023-24, receipts are estimated to be 7.3% lower than budgeted.
- **Revenue Deficit** in 2024-25 is estimated to be Rs 17,817 crore (1.5% of GSDP). In 2023-24, as per revised estimates, revenue deficit is estimated to be 1.2% of GSDP, lower than budgeted (1.5% of GSDP).
- **Fiscal deficit** for 2024-25 is targeted at 2.8% of GSDP (Rs 33,635 crore). As per the revised estimates, fiscal deficit in 2023-24 is estimated to be 2.8% of GSDP, lower than budgeted (2.96% of GSDP).

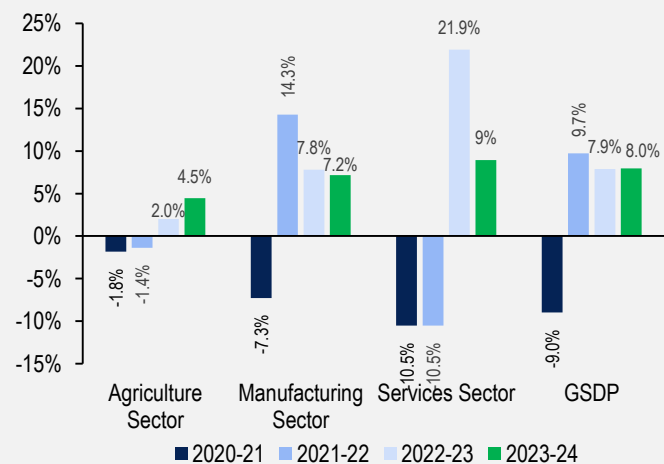
Policy Highlights

- **Free travel:** Families earning less than one lakh rupees annually will be entitled to 1,000 km of free travel per year on Haryana Roadways buses. Rs 600 crore is estimated to be spent on the scheme in 2024-25.
- **Assistance for solar rooftop:** The state government will provide additional assistance of Rs 50,000 to households installing rooftop solar under the PM Suroydaya Yojana. Assistance will be made available to one lakh households with monthly consumption under 200 units and annual income below Rs 1.8 lakh.
- **Expansion of health insurance coverage:** CHIRAYU-Ayushman Bharat scheme will be expanded to include families with income of above three lakh rupees. These families may avail benefit by paying annual contribution in the range of Rs 4,000-Rs 5,000.
- **Waiver on irrigation charges:** Charges levied for the use of canal water will be stopped from April 1, 2024. This is expected to provide annual relief of Rs 54 crore to farmers across 4,299 villages.

Haryana's Economy

- **GSDP:** In 2023-24, Haryana's GSDP (at constant prices) is expected to grow at 8%, compared to 7.9% in 2022-23. In comparison, national GDP is estimated to grow at 7.6% in 2023-24.
- **Sectors:** The agriculture sector (at constant prices) grew by 4.5% in 2023-24. Manufacturing and services sectors grew by 7.2% and 9% in 2023-24, respectively.
- In 2022-23 (at current prices), agriculture, manufacturing, and services sectors are estimated to contribute 18%, 31%, and 51% to the economy, respectively.
- **Per capita GSDP:** The per capita GSDP in 2023-24 (at current prices) is estimated at Rs 3,25,759, an increase of 10% over the previous year.

Figure 1: Growth in GSDP and Sectors in Haryana at constant prices (2011-12)



Note: Agriculture also includes mining and quarrying; manufacturing also includes construction, and electricity, gas, water, and other utility services. These numbers are as per constant prices (2011-12) which account for inflation.

Source: Ministry of Statistics and Programme Implementation; PRS.

Budget Estimates for 2024-25

- **Total expenditure (excluding debt repayment)** in 2024-25 is estimated at Rs 1,55,832 crore. This is an increase of 13% over the revised estimate for 2023-24. In 2023-24, expenditure is estimated to be 7.5% lower than the budget estimate. In 2024-25, expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 1,22,198 crore and net borrowings of Rs 33,119 crore. Total receipts in 2024-25 (other than borrowings) are expected to register an increase of 14.2% over the revised estimate for 2023-24.
- **Revenue deficit** in 2024-25 is estimated to be Rs 17,817 crore (1.5% of GSDP). In 2023-24, as per revised estimates, revenue deficit is estimated to be 1.2% of GSDP, lower than budgeted (1.5% of GSDP). This is due to a higher cutback in revenue expenditure (6% lower than budgeted) as compared to the shortfall in the revenue receipts (3% lower than budgeted).
- **Fiscal deficit** for 2024-25 is targeted at 2.8% of GSDP (Rs 33,635 crore). As per the revised estimates, fiscal deficit in 2023-24 is estimated to be 2.8% of GSDP, lower than budgeted (2.96% of GSDP). One key reason is the cutback of 22% in capital outlay as compared to the budget estimate in 2023-24.

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	1,73,554	2,03,950	1,95,491	-4.1%	2,19,877	12.5%
(-) Repayment of debt	53,021	55,220	57,859	4.8%	64,044	10.7%
Net Expenditure (E)	1,20,533	1,48,730	1,37,631	-7.5%	1,55,832	13.2%
Total Receipts	1,70,156	2,00,295	1,94,379	-3.0%	2,19,361	12.9%
(-) Borrowings	80,649	84,840	87,398	3.0%	97,163	11.2%
Net Receipts (R)	89,056	1,15,455	1,06,981	-7.3%	1,22,198	14.2%
Fiscal Deficit (E-R)	31,027	33,274	30,651	-7.9%	33,635	9.7%
as % of GSDP	3.15%	2.96%	2.80%		2.77%	
Revenue Deficit	17,212	16,949	13,165	-22.3%	17,817	35.3%
as % of GSDP	1.7%	1.5%	1.2%		1.5%	
Primary Deficit	10,931	12,024	8,401	-30.1%	8,493	1.1%
as % of GSDP	1.1%	1.1%	0.8%		0.7%	
GSDP	9,84,055	11,23,320	10,95,535	-2.5%	12,16,044	11.0%

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

Sources: Annual Financial Statement, Budget at a Glance, Haryana Budget 2024-25; PRS.

Expenditure in 2024-25

- **Revenue expenditure** for 2024-25 is proposed to be Rs 1,34,456 crore, an increase of 13% over the revised estimate for 2023-24. Revenue expenditure includes expenditure on salaries, pensions, interest, and subsidies.
- **Capital outlay** for 2024-25 is proposed to be Rs 16,281 crore, an increase of 13% over the revised estimate for 2023-24. Capital outlay indicates the expenditure towards creation of assets. In 2023-24, as per revised estimates, capital outlay is estimated to be 22% lower than the budget estimate. Key sectors with the highest cutback in capital outlay in 2023-24 include: (i) Public Works (Rs 1,069 crore lower), (ii) Major Irrigation (Rs 991 crore lower), and (iv) Urban Development (Rs 698 crore lower).
- In 2024-25, loans and advances given by the state are estimated to be Rs 5,095 crore, an increase of 20% over the revised estimate for 2023-24.

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	1,06,406	1,26,071	1,18,951	-6%	1,34,456	13%
Capital Outlay	11,665	18,460	14,443	-22%	16,281	13%
Loans given by the state	2,462	4,198	4,237	1%	5,095	20%
Net Expenditure	1,20,533	1,48,730	1,37,631	-7%	1,55,832	13%

Sources: Annual Financial Statement, Haryana 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, Haryana is estimated to spend Rs 69,684 crore on committed expenditure, which is **60% of its estimated revenue receipts**. This comprises spending on salaries (25% of revenue receipts), pension (13%), interest payments (22%). In

2023-24, on average, states had budgeted to spend 53% of their revenue receipts on committed items. In 2022-23, as per actual figures, Haryana spent 64% of its revenue receipts towards committed expenditure.

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

Particular	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	24,625	28,601	26,503	-7%	29,542	11%
Interest payment	20,096	21,250	22,250	5%	25,142	13%
Pension	12,404	13,000	14,200	9%	15,000	6%
Total Committed Expenditure	57,125	62,851	62,953	0%	69,684	11%

Sources: Budget-at-a glance, Annual Financial Statement, Haryana Budget 2024-25; PRS.

Sector-wise expenditure: The sectors listed below account for **60%** of the total expenditure on sectors by the state in 2024-25. 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 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	18,429	20,188	17,638	20,774	18%	<ul style="list-style-type: none"> Government primary schools has been allocated Rs 7,702 crore. Rs 5,876 crore has been allocated for secondary schools.
Social Welfare and Nutrition	11,153	12,495	13,305	14,415	8%	<ul style="list-style-type: none"> Rs 8,579 crore has been allocated for various pension schemes.
Health and Family Welfare	7,680	8,717	7,704	9,541	24%	<ul style="list-style-type: none"> Rs 2,838 crore has been allocated for hospitals and dispensaries in urban areas.
Agriculture and Allied Activities	4,718	7,525	5,904	7,919	34%	<ul style="list-style-type: none"> Rs 700 crore has been allocated for Pradhan Mantri Fasal Bima Yojana. Rs 200 crore has been allocated for Scheme for Promotion of Crop Diversification and Water Conservation.
Roads and Bridges	4,296	3,936	4,412	4,051	-8%	<ul style="list-style-type: none"> Rs 2,373 crore is allocated for district roads.
Rural Development	2,867	7,269	6,256	7,325	17%	<ul style="list-style-type: none"> Rs 2,729 crore has been allocated for Panchayati Raj. Rs 446 crore is allocated for National Rural Employment Guarantee Scheme.
Energy	7,080	8,264	8,373	7,053	-16%	<ul style="list-style-type: none"> Rs 5,907 crore has been allocated towards subsidy for rural electrification.
Police	5,765	6,649	6,030	6,389	6%	<ul style="list-style-type: none"> Rs 4,461 crore has been allocated towards district police.
Irrigation and Flood Control	4,597	6,672	4,865	6,323	30%	<ul style="list-style-type: none"> Rs 1,263 crore has been allocated towards capital outlay on major irrigation.
Urban Development	4,498	5,699	4,353	6,225	43%	<ul style="list-style-type: none"> Rs 1,637 crore has been allocated towards assistance to municipalities and municipal corporations.
% of total expenditure on all sectors	60%	60%	59%	60%	1%	

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

Receipts in 2024-25

- **Total revenue receipts** for 2024-25 are estimated to be Rs 1,16,639 crore, an increase of 10% over the revised estimate for 2023-24. Of this, Rs 93,795 crore (80%) will be raised by the state through its **own resources**, and Rs 22,844 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).
- **Grants from the centre** in 2024-25 are estimated at Rs 9,512 crore, a reduction of 18% as compared to the revised estimate for 2023-24. In 2023-24, grants from centre are estimated to be 20% higher than budgeted. One key reason for these variances is GST compensation grant. In 2023-24, the state had not budgeted any receipt on this account, however, at the revised stage, the state has estimated a receipt of Rs 3,505 crore. In 2024-25, the state has not budgeted any receipt in form of GST compensation grant. Note that GST compensation grant has been discontinued after June 2022.
- **State's own tax revenue:** Haryana's total own tax revenue is estimated to be Rs 84,551 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 7% in 2024-25, higher than the revised estimate for 2023-24 (6.7%).
- **Non-tax revenue:** In 2023-24, as per revised estimates, own non-tax revenue is estimated to be 32% lower than the budget estimate. This is mainly due to a shortfall estimated in collections from urban development (Rs 1,450 crore lower than budgeted) and road transport (Rs 1,086 crore lower).

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	62,961	75,717	73,586	-3%	84,551	15%
State's Own Non-Tax	8,743	12,651	8,583	-32%	9,243	8%
Share in Central Taxes	10,378	11,164	12,072	8%	13,332	10%
Grants-in-aid from Centre	7,113	9,590	11,546	20%	9,512	-18%
Revenue Receipts	89,195	1,09,122	1,05,787	-3%	1,16,639	10%
Non-debt Capital Receipts	312	6,333	1,194	-81%	5,559	366%
<i>of which</i> Disinvestment Receipts	74	5,200	580	-89%	4,870	740%
Net Receipts	89,506	1,15,455	1,06,981	-7.3%	1,22,198	14%

BE is Budget Estimates; RE is Revised Estimates.

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

- In 2024-25, **SGST** is estimated to be the largest source of own tax revenue (44% share). SGST revenue is estimated to increase by 14% over the revised estimate for 2023-24.
- In 2024-25, revenue from Stamp Duty and Registration Fees in 2024-25 is expected to register an increase of 21% over the revised estimate for 2023-24.

Disinvestment Receipts

Disinvestment refers to receipts earned from sale of stake in a public sector enterprise. In 2023-24, the state had budgeted a receipt of Rs 5,200 crore from disinvestment. However, as per the revised estimates, the receipt is expected to be Rs 580 crore (89% lower). The state has been unable to meet its disinvestment targets in successive years. In 2020-21, 2021-22 and 2022-23, Haryana met only 1.7%, 1.3% and 1.4% of its budget target for disinvestment, respectively.

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	28,557	33,480	32,893	-2%	37,498	14%
Stamps Duty and Registration Fees	8,607	12,550	12,480	-1%	15,101	21%
Sales Tax/VAT	11,262	12,950	11,460	-12%	13,200	15%
State Excise	9,673	11,500	11,400	-1%	12,650	11%
Taxes on Vehicles	4,231	4,700	4,740	1%	5,404	14%
Taxes and Duties on Electricity	578	500	575	15%	656	14%
Land Revenue	22	25	25	0%	28	12%
GST Compensation Grants	2,576	-	3,505	-	-	-
GST Compensation Loans	-	-	-	-	-	-

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

Deficits and Debt Targets for 2024-25

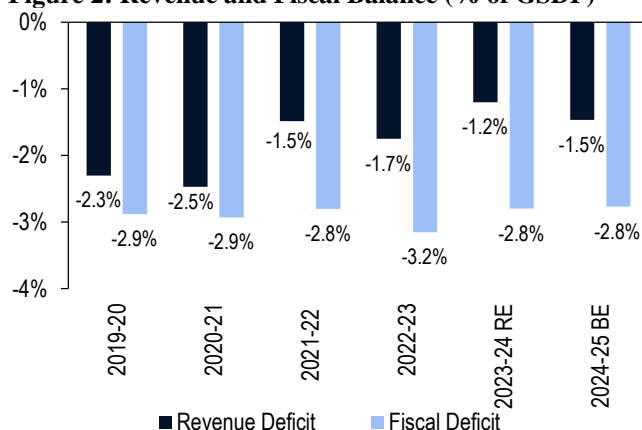
The Haryana Fiscal Responsibility and Budget Management Act, 2005 provides annual targets to progressively reduce the outstanding liabilities, revenue deficit and fiscal deficit of the state government.

Revenue deficit: 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 reduce its liabilities. The budget estimates a revenue deficit of Rs 17,817 crore (1.5% 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 2.77% 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. The state will also be eligible to avail 50-year interest-free loan for capital outlay from the central government over and above its borrowing limit. In 2023-24, as per revised estimates, fiscal deficit is estimated to be 2.8% of GSDP, lower than the budget estimate (2.96% of GSDP).

Outstanding liabilities: Outstanding liabilities are 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, outstanding liabilities are estimated to be 26.2% of GSDP, marginally higher than the revised estimate for 2023-24 (26% of GSDP).

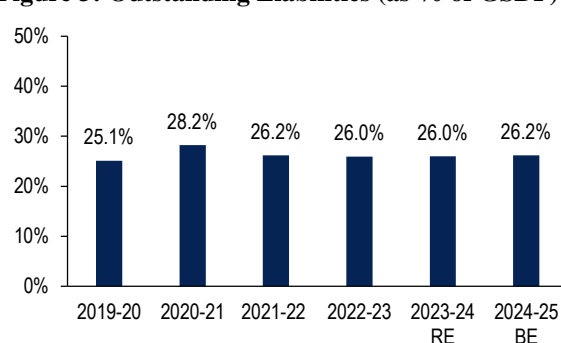
Figure 2: Revenue and Fiscal Balance (% of GSDP)



Note: RE is Revised Estimates; BE is budget estimates. Positive figures indicate a surplus, negative indicates a deficit.

Sources: Budget at a Glance Haryana Budget 2024-25; PRS.

Figure 3: Outstanding Liabilities (as % of GSDP)



Note: RE is Revised Estimates; BE is budget estimates.

Sources: Budget at a Glance, Haryana Budget 2024-25; PRS.

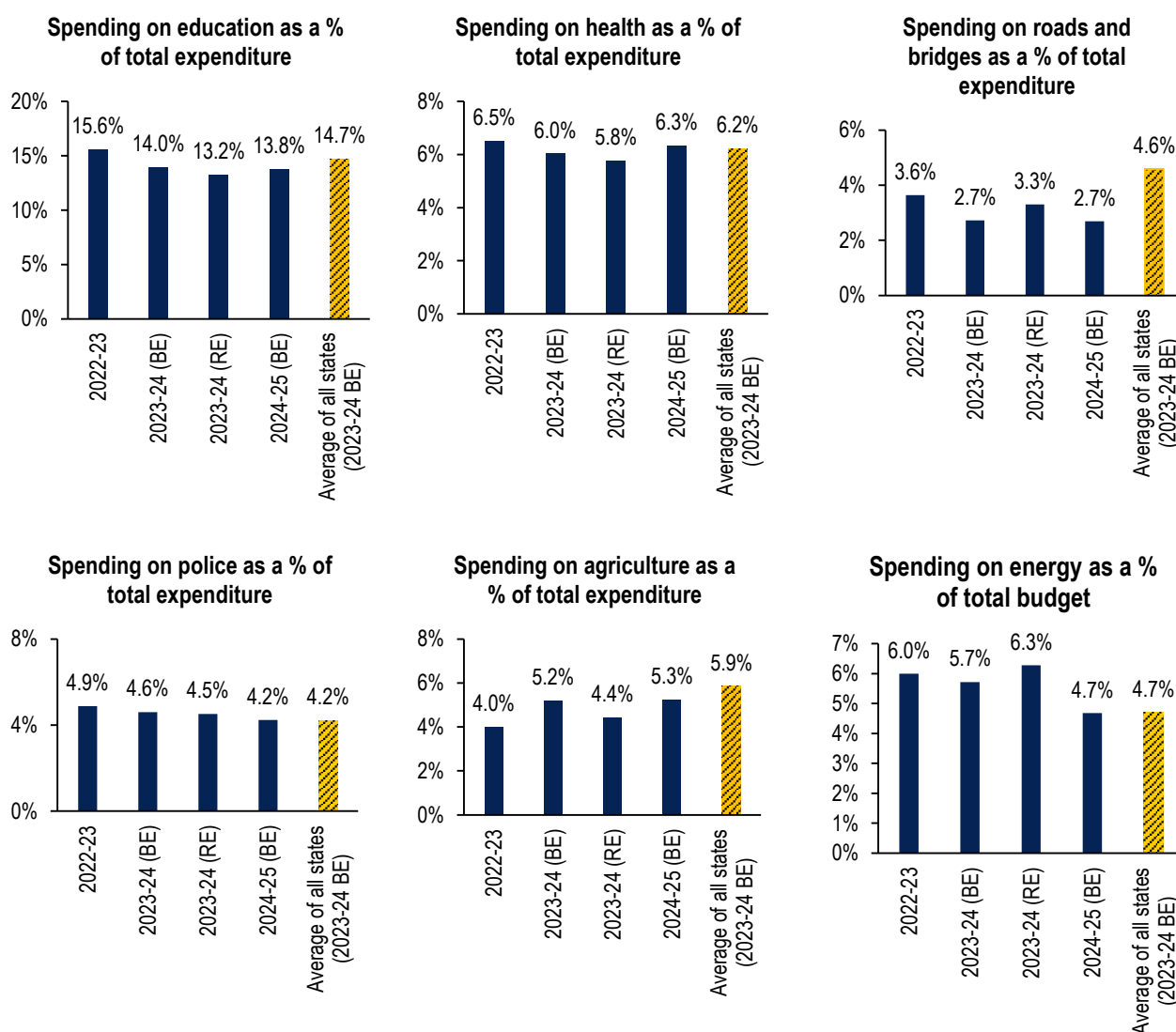
Outstanding Government Guarantees: Outstanding liabilities of states do not include a few other liabilities that are contingent in nature, which states may have to honour in certain cases. State governments guarantee the borrowings of State Public Sector Enterprises (SPSEs) from financial institutions. As of March 31, 2023, the state's outstanding guarantee is estimated to be Rs 23,058 crore, which is 2% of Haryana's GSDP in 2022-23. About 50% of these guarantees have been given to Haryana Shehri Vikas Pradhikaran (formerly Haryana Urban Development Authority).

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Annexure 1: Comparison of states' expenditure on key sectors

The graphs below compare Haryana'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 Haryana) as per their budget estimates of 2023-24.¹

- **Education:** Haryana has allocated 13.8% of its expenditure on education in 2024-25. This is lower than the average allocation for education by states in 2023-24 (14.7%).
- **Health:** Haryana has allocated 6.3% of its total expenditure towards health, which is roughly same as the average allocation for health by states (6.2%).
- **Agriculture:** Haryana has allocated 5.3% of its total expenditure towards agriculture, which is lower than the average expenditure on agriculture by states (5.9%).
- **Energy:** Haryana has allocated 4.7% of its total expenditure towards energy, which is same as the average allocation by states (4.7%).
- **Police:** Haryana has allocated 4.2% of its total expenditure towards police, which is same as the average allocation for health by states (4.2%).
- **Roads and Bridges:** Haryana has allocated 2.7% of its expenditure on roads and bridges. This is lower than the average allocation for roads and bridges by states (4.6%).



Note: 2022-23, 2023-24 (BE), 2023-24 (RE), and 2024-25 (BE) figures are for Haryana
 Sources: Annual Financial Statement, Haryana Budget 2024-25; various state budgets; PRS.

¹ 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
Net Receipts (1+2)	1,12,585	89,506	-20%
1. Revenue Receipts (a+b+c+d)	1,06,425	89,195	-16%
a. Own Tax Revenue	73,728	62,961	-15%
b. Own Non-Tax Revenue	12,205	8,743	-28%
c. Share in central taxes	8,926	10,378	16%
d. Grants-in-aid from the Centre	11,566	7,113	-38%
Of which GST compensation grants	2,400	2,576	7%
2. Non-Debt Capital Receipts	6,161	312	-95%
3. Borrowings	55,063	80,649	46%
Net Expenditure (4+5+6)	1,42,204	1,20,533	-15%
4. Revenue Expenditure	1,16,199	1,06,406	-8%
5. Capital Outlay	22,344	11,665	-48%
6. Loans and Advances	3,662	2,462	-33%
7. Debt Repayment	35,052	53,021	51%
Revenue Deficit	9,774	17,212	76%
Revenue Deficit (as % of GSDP)	1.0%	1.7%	-
Fiscal Deficit	29,618	31,027	5%
Fiscal Deficit (as % of GSDP)	3.0%	3.2%	-
GSDP	9,94,195	9,84,055	-1%

Source: Haryana Budget Documents of various years; PRS.

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

Tax Head	2022-23 BE	2022-23 Actuals	% change from BE to Actuals
Land Revenue	48	22	-53%
Sales Tax/ VAT	14,100	11,262	-20%
State Excise	12,030	9,673	-20%
State GST	32,825	28,577	-13%
Stamps Duty and Registration Fees	9,720	8,607	-11%
Taxes on Vehicles	4,450	4,231	-5%
Taxes and Duties on Electricity	545	578	6%

Source: Haryana Budget Documents of various years; PRS.

Table 9: Allocation towards Key Sectors

Sector	2022-23 BE	2022-23 Actuals	% change from BE to Actuals
Rural Development	6,867	2,867	-58%
Housing	592	329	-44%
Urban Development	7,990	4,498	-44%
Agriculture and Allied Activities	6,026	4,718	-31%
Welfare of SC, ST, OBC, and Minorities	891	639	-28%
Water Supply and Sanitation	4,514	3,293	-27%
Irrigation and Flood Control	6,204	4,597	-26%
Health and Family Welfare	8,595	7,680	-11%
Police	6,377	5,765	-10%
Social Welfare and Nutrition	12,098	11,153	-8%
Education, Sports, Arts, and Culture	19,711	18,429	-7%
Energy	7,190	7,080	-2%
Transport	6,533	7,464	14%
<i>of which Roads and Bridges</i>	2,973	4,296	44%

Source: Haryana Budget Documents of various years; PRS.