



**GOVERNMENT OF TELANGANA**

**STATEMENT OF FISCAL POLICY TO BE  
LAID ON THE TABLE OF THE  
TELANGANA STATE LEGISLATURE  
IN MARCH, 2025**

*(As required under Section 5 of the Fiscal Responsibility and  
Budget Management Act, 2005 as Amended in 2016)*

**BHATTI VIKRAMARKA MALLU**

**Deputy Chief Minister**

## Form F-1

### MACRO-ECONOMIC FRAMEWORK STATEMENT

(Under Rule 3 of FRBM Rules, 2006)

Economic Performance at a Glance

### Trends in Select Macro-economic and Fiscal Indicators

#### REAL SECTOR

S N	Item	Absolute Value (Rs.in crores)		Percentage Change	
		2023-24 (FRE) <sup>1</sup>	2024-25 (AE) <sup>2</sup>	2023-24 (FRE)	2024-25 (AE)
I	<b>GSDP</b>				
a)	Constant Prices	7,64,900	8,16,835	6.2%	6.8%
b)	Current Prices	14,64,378	16,12,579	11.1%	10.1%
	i) Primary	2,43,049	2,56,498	4.7%	5.5%
	ii) Secondary	2,25,883	2,43,081	12.6%	7.6%
	iii) Tertiary	8,79,134	9,83,529	13.1%	11.9%

<sup>1</sup> FRE: First Revised Estimate (2011-12 Series)

<sup>2</sup> AE: Advance Estimates (2011-12 Series)

**GOVERNMENT FINANCES**  
**(2023-24 Actuals)**

S N	Item	Absolute Value (Rs.in crore)	Percentage Change
<b>I</b>	<b>Opening Balance</b>	<b>34.80</b>	<b>-45.48</b>
<b>II</b>	<b>Revenue Receipts</b>	<b>1,69,293.36</b>	<b>6.24</b>
1	Share of Central Taxes	23,742.04	20.71
2	Tax Revenue	1,11,798.13	4.53
3	Non Tax Revenue	23,819.50	21.81
4	Grants-in-aid	9,933.69	-24.63
<b>III</b>	<b>Capital Receipts</b>	<b>61,496.15</b>	<b>36.22</b>
5	Open Market Loans	49,618.00	23.58
6	Loans from the GOI	1,948.34	-22.10
7	Other Loans	910.22	-35.44
8	Deposits Transactions etc.(Net)	8,984.19	1880.86
9	Loans and Advances	35.97	-94.28
10	Other Receipts		--
11	Contingency Fund(Net)	-0.70	-1500.00
12	Inter State Settlement	0.13	--
<b>IV</b>	<b>Total Receipts(II + III)</b>	<b>2,30,789.51</b>	<b>12.86</b>
<b>V</b>	<b>Total Receipts with Ways &amp; Means Advances</b>	<b>3,28,887.00</b>	
<b>VI</b>	<b>Revenue Expenditure</b>	<b>1,68,514.09</b>	<b>9.85</b>
13	<i>of which</i> , Interest Payments	24,347.19	11.58
<b>VII</b>	<b>Capital Expenditure</b>	<b>43,917.62</b>	<b>145.62</b>
<b>VIII</b>	<b>Loans and Advances</b>	<b>6,860.77</b>	<b>-67.71</b>
<b>IX</b>	<b>Capital Disbursements (14 to 17)</b>	<b>12,533.49</b>	<b>4.56</b>
14	Repayment of Public Debt excluding Ways and Means Advances	9,341.77	12.07
15	Loans Form GOI	324.70	-37.04
16	Other Loans	2,852.93	-9.01
17	Interstate Settlement	14.09	
<b>X</b>	<b>Total Expenditure</b>	<b>2,31,825.97</b>	<b>13.35</b>
<b>XI</b>	<b>Total Expenditure with Ways &amp; Means Advances</b>	<b>3,28,923.23</b>	
<b>XII</b>	<b>Overall Transactions (V – XI)</b>	<b>-36.23</b>	<b>24.80</b>
<b>XIII</b>	<b>Closing Balance (I + XII)</b>	<b>-1.43</b>	<b>-104.11</b>
<b>XIV</b>	<b>Revenue Surplus (II – VI)</b>	<b>779.27</b>	<b>-86.89</b>
<b>XV</b>	<b>Fiscal Deficit(X-(II+9+12+14+15+16+17))</b>	<b>49,977.11</b>	<b>53.51</b>
<b>XVI</b>	<b>Primary Deficit (XV - 13)</b>	<b>25,629.92</b>	<b>138.74</b>

**GOVERNMENT FINANCES**  
**(R.E. 2024-25)**

S N	Item	Absolute Value (Rs.in crore)	Percentage Change
<b>I</b>	<b>Opening Balance</b>	<b>-1.43</b>	<b>-104.11</b>
<b>II</b>	<b>Revenue Receipts</b>	<b>2,02,107.69</b>	<b>19.53</b>
1	Share of Central Taxes	27,050.25	13.93
2	Tax Revenue	1,29,406.75	15.75
3	Non Tax Revenue	25,814.54	8.38
4	Grants-in-aid	19,836.15	103.87
<b>III</b>	<b>Capital Receipts</b>	<b>64,501.00</b>	<b>13.15</b>
5	Open Market Loans	56,940.00	14.76
6	Loans from the GOI	2,500.00	28.31
7	Other Loans	1,000.00	9.86
8	Deposits Transactions etc.(Net)	4,000.00	-11.11
9	Loans and Advances	61.00	69.59
10	Other Receipts		--
11	Contingency Fund(Net)		--
12	Inter State Settlement		--
<b>IV</b>	<b>Total Receipts (II + III)</b>	<b>2,66,608.69</b>	<b>17.92</b>
<b>V</b>	<b>Total Receipts with Ways &amp; Means Advances</b>	<b>2,66,708.69</b>	
<b>VI</b>	<b>Revenue Expenditure</b>	<b>1,96,218.98</b>	<b>17.23</b>
13	<i>of which</i> , Interest Payments	17,729.77	-24.03
<b>VII</b>	<b>Capital Expenditure</b>	<b>33,087.85</b>	<b>-25.23</b>
<b>VIII</b>	<b>Loans and Advances</b>	<b>19,626.32</b>	<b>186.07</b>
<b>IX</b>	<b>Capital Disbursements (14 to 17)</b>	<b>17,001.36</b>	<b>35.80</b>
14	Public Debt Repayment	13,117.60	40.43
15	Loans Form GOI	397.66	22.47
16	Other Loans	3,486.10	22.19
17	Interstate Settlement	0.00	--
<b>X</b>	<b>Total Expenditure</b>	<b>2,65,934.51</b>	<b>15.11</b>
<b>XI</b>	<b>Total Expenditure With Ways &amp; Means Advances</b>	<b>2,66,034.51</b>	
<b>XII</b>	<b>Overall Transactions(V – XI)</b>	<b>674.18</b>	<b>-113.70</b>
<b>XIII</b>	<b>Closing Balance(I + XII)</b>	<b>672.75</b>	<b>-113.77</b>
<b>XIV</b>	<b>Revenue Surplus(II – VI)</b>	<b>5,888.71</b>	<b>245.40</b>
<b>XV</b>	<b>Fiscal Deficit(X-(II+9+12+14+15+16+17))</b>	<b>46,764.46</b>	<b>-5.28</b>
<b>XVI</b>	<b>Primary Deficit(XV - 13)</b>	<b>29,034.69</b>	<b>11.52</b>

## MACROECONOMIC FRAMEWORK STATEMENT

Under sections 5 and 6 of the Fiscal Responsibility and Budget Management (FRBM) Act 2005, as amended from time to time, the State Government is required to present the Macroeconomic Framework Statement containing an overview of the State economy along with an analysis of growth and the sectoral composition of Gross State Domestic Product (GSDP) and an assessment of State Government finances and future prospects to the State Legislature.

### **Overview of the Economy:**

2. Telangana's economic performance in 2024-25 demonstrates sustained growth momentum, driven by key sectors such as IT, agriculture, and infrastructure. According to the Advance Estimates of GSDP at constant prices is estimated at Rs.8,16,835 crore with a growth rate of 6.8%.

3. Trends in the growth of GSDP in Telangana at constant prices are presented in Table-1.

**Table-1: GSDP of Telangana State at Constant Prices**

<b>Year</b>	<b>GSDP (Rs. in crore)</b>	<b>Growth over previous year (%)</b>
2023-24 (FRE)	7,64,900	6.2%
2024-25 (AE)	8,16,835	6.8%

4. At current prices, GSDP in Telangana is estimated to grow at 10.1 per cent in 2024-25 as per the Advance Estimates. Trends in the growth of GSDP at current prices in Telangana are presented below (Table-2)

**Table-2: GSDP of Telangana State at Current Prices**

<b>Year</b>	<b>GSDP (Rs. in crore)</b>	<b>Growth over previous year (%)</b>
2023-24 (FRE)	14,64,378	11.1%
2024-25 (AE)	16,12,579	10.1%

### **Per capita Income**

11. While the GSDP reflects the total size of economy, the per capita income is a broad measure of economic development and the well-being of the people. In 2014-15, the first year of the formation of the State, the per capita income of Telangana was Rs.1,24,104. In 2024-25, the per capita income of Telangana is estimated to increase Rs.3,79,751 as compared with the national per capita income of Rs.2,00,162. Trends in the per capita income of Telangana and All-India at current prices are presented below (Table-3).

**Table-3: Per capita Income at Current Prices**

<b>Year</b>	<b>Telangana</b>		<b>All-India</b>	
	<b>Per capita (Rs)</b>	<b>Growth (%)</b>	<b>Per capita (Rs)</b>	<b>Growth (%)</b>
2023-24 (FRE)	3,46,457	10.3%	1,88,892	11.4%
2024-25 (AE)	3,79,751	9.6%	2,05,579	8.8%

**Form F-2**  
**(See Rule 4 of FRBM Rules, 2006)**

**MEDIUM TERM FISCAL POLICY STATEMENT**

**A. Fiscal Indicators - Rolling Targets**

**(in percentages)**

			Previous Year (Y-2) (Actual) 2023-24	Current Year (Y-1) 2024-25 (Budget Estimate)	Current Year (Y-1) 2024-25 (Revised Estimate)	Ensuing Year (Y) 2025-26 (Budget Estimate)	Targets for next two years	
							2026-27	2027-28
1	Revenue Deficit / Surplus as percentage of Total Revenue Receipts (TRR)		0.46	0.13	2.91	1.19		
2	Fiscal Deficit as percentage of GSDP	Target	3.00	3.00	3.00	3.00	3.00	3.00
		Achmt.	3.41	2.99	2.90	3.00		
3	Total outstanding Liabilities as percentage of GSDP	Target	33.10	32.80	32.80	32.50	32.50	
		Achmt.	27.57	27.38	27.98	28.08		
4	[Any additional target(s)]		-	-	-	-	-	-

***Note:** The Fifteenth Finance Commission prescribed total liabilities as a percentage of GSDP of States at 33.1 per cent for the year 2023-24, 32.8 per cent for 2024-25 and 32.5 per cent for the year 2025-26.*

## FORM - F 3

### FISCAL POLICY STRATEGY STATEMENT

*(Under Rule 6 of FRBM Rules 2006)*

The State's Fiscal Policy Strategy Statement set out below is mandated to be laid before the Legislature under sections 5 and 6 of the Fiscal Responsibility and Budget Management (FRBM) Act, 2005. The Strategy Statement shall include a policy overview and the outlook for the ensuing year on taxation, expenditure, borrowings, sinking and the Contingency Fund.

2. As mandated in the above Act, the State Government is required to eliminate revenue deficit. At the same time, fiscal deficit had to be brought down to 3 percent of GSDP.

3. In 2024-25, total outstanding liabilities (FRBM Loans) of the State were budgeted at 27.38 per cent of GSDP. The revised estimates indicate that the outstanding liabilities will be contained at 27.98 per cent of GSDP.

#### **Tax Revenue**

4. Tax revenue is the predominant source of resource to the State. Therefore, the State Government's strategy is to improve tax administration, plug leakages and to expand the tax base upto the potential available under various heads without imposing any burden on the common man. Efforts will be made to encourage digital transactions and thereby improve tax compliance. Expecting that the growth momentum will pick up further, own tax revenue in 2025-26 is budgeted at Rs.1,45,420 crore as compared with the RE of Rs.1,38,181 crore in 2024-25. This is based on the fact that there was an increase in the buoyancy of tax revenue from GST and Stamps & Registration. An Economic intelligence unit was established in the Commercial Taxes Department which has resulted in curbing evasion of taxes and improving the tax base.

## **Non-Tax Revenue**

5. Efforts are being made to improve the non-tax revenue of the State. One of the major sources of non-tax revenues to the State is royalty and seigniorage fees from mines and minerals. A number of reforms have been introduced in the mines and mineral sectors to rationalize auction of mines and plug loopholes in sand mining. The possibilities of rationalising other non-tax revenues of the State are also being explored. These policies have resulted in improving the non-tax revenues of the State. Thus, there are a number of proposals underway to shore up the revenues in the State during 2025-26 and thus make adequate resources available for development and welfare programmes.

## **Expenditure Strategy**

6. As part of the rationalisation of expenditure, the Government had completed a thorough review of all ongoing schemes and rationalised them to meet the priorities of the State. Apart from terminating some of the schemes which have outlived their utility, schemes with same objectives have been merged. The scope for further rationalisation is being explored. The Government is in the process of reviewing all ongoing schemes and retain only those schemes which are found to be useful to the State.

7. Productivity of public expenditure is proposed to be enhanced through better expenditure management, elimination of discretion and strengthening of monitoring and evaluation.

8. The strategy of the Government's expenditure management is to redirect expenditure away from less productive schemes towards investments which will result in lasting benefits to people. The Government is according priority to the completion of ongoing works before taking up any new works.

## **Debt Management**

9. To address the issue of off-budget borrowings, the State is actively negotiating with financial institutions to lower borrowing costs and extend the

repayment periods associated with these borrowings. The government took a decision to not resort to off-budget borrowings serviced from the budget. These steps will result in reducing the outstanding debt and the debt servicing burden in the short to medium term. Guarantees will be extended to only those Public Sector Undertakings which have sufficient cash flows of their own to service the debt.

10. Market borrowings are planned to be raised with different tenures with a view to ensure that the redemption burden is equally spread across the years.

11. Most of the borrowings of the Government are being utilized for capital expenditure. This will result in income generating assets and more income to people.

**FORM D-1**

[See Rule 6 of FRBM Rules, 2006]

**SELECT FISCAL INDICATORS**

<b>SN</b>	<b>Item</b>	<b>2023-24 (Actuals)</b>	<b>2024-25 (RE)</b>
1	Gross Fiscal Deficit as Percentage of GSDP	3.41	2.90
2	Revenue Deficit/Surplus as Percentage of Gross Fiscal Deficit	1.56	12.59
3	Revenue Deficit/Surplus as Percentage of GSDP	0.05	0.37
4	Revenue Deficit/Surplus as Percentage of TRR	0.46	2.91
5	Total Liabilities -GSDP Ratio (%)	27.57	27.98
6	Total Liabilities - Total Revenue Receipts (%)	238.44	223.25
7	Total Liabilities –State’s Own Revenue Receipts (%)	297.65	290.68
8	State’s Own Revenue Receipts to Revenue Expenditure (%)	80.48	79.11
9	Capital Outlay as Percentage of Gross Fiscal Deficit	87.88	70.75
10	Interest Payment as Percentage of Revenue Receipts	14.38	8.77
11	Salary Expenditure as Percentage of Revenue Receipts	23.62	20.16
12	Pension Expenditure as Percentage of Revenue Receipts	9.95	5.76
13	Gross Transfers from the Centre as Percentage of Aggregate Disbursements (TRE)	5.89	10.11
14	Non-tax Revenue as Percentage of TRR	14.07	12.77

Note: Outstanding Liabilities – FRBM Loans only.

**FORM D-2**

[See Rule 6 of FRBM Rules, 2006]

**Components of State Government Liabilities**

(Rs.in crore)

Category	Raised during the Fiscal Year		Repayment/Redemption during the fiscal year		Outstanding amount (End-March) *	
	2023-24 actual	2024-25 (RE)	2023-24 actual	2024-25 (RE)	2023-24 actual	2024-25 (RE)
Market Borrowings	49,618	56,940	9,341	13,118	3,14,546	3,58,368
Loans from Centre	1,948	2,500	325	398	18,057	20,159
Special Securities issued to the NSSF	0	0	827	1,389	4,723	3,334
Borrowings from Financial Institutions/ Banks *	99,008	1,100	99,123	2,097	13,194	12,197
Provident Funds, Insurance Funds etc.	3,468	3,181	1,568	2,226	16,862	17,816
Reserve Funds & Deposits	76,587	93,630	72,266	90,584	36,283	39,328
<b>Total</b>	<b>2,30,629</b>	<b>1,57,351</b>	<b>1,83,451</b>	<b>1,09,812</b>	<b>4,03,664</b>	<b>4,51,203</b>

Note: FRBM Loans only.

\* Including Ways &amp; Means Advances

**FORM D-3**

[See Rule 6 of FRBM Rules, 2006]

**Consolidated Sinking Fund (CSF)**

(Rs.in Crores)

Outstanding balance in CSF as on 31.3.2023	Additions to CSF during the 2023-24	Withdrawals from CSF during the 2024-25	Outstanding balance in CSF at the end of the 2023-24/ beginning of 2024-25	(Col.4)/ Outstanding Stock of SLR Borrowings (%)	Additions to CSF during the 2024-25 (RE)	Withdrawal- also from CSF during the 2024-25	Outstanding at the end of 2024-25/ beginning of 2025-26	(8)/ Stock of SLR Borrowings (%)
1	2	3	4	5	6	7	8	9
7,053	562	--	7,615	--	390	--	8,005	--

Source: Finance Accounts, CAG.

**FORM D-4**  
*[See rule 6]*  
**Guarantees given by the Government**

(Rs.in crore)

Category (No. of Guarantees within bracket)	Maximum amount guaranteed during the year upto Feb-2025	Outstanding at the beginning of the year as on 1.4.2024	Additions during the year upto Feb-2025	Reductions during the year (other than invoked during the year) upto Feb-2025
1	2	3	4	5
Category-I (18): Government Guaranteed loans raised by SPVs but are serviced by Government	2,671	1,20,944	2,671	6506
Category-II (14): Government Guarantee loans which are raised by SPVs and serviced by them	54,634	99,678	54,634	29,894
<b>Total</b>	<b>57,305</b>	<b>2,20,622</b>	<b>57,305</b>	<b>36,400</b>
Non-Guarantee Loans which are paid by Corporations	7,672	63,140	7,672	10,856

Invoked during the year		Outstanding at the end of the year upto Feb-25	Guarantee Commission or Fee		Remarks
Discharged	Not discharged		Receivable	Received	
6	7	8	9	10	11
		1,17,109	2,244		
		1,24,419	995	3	
		<b>2,41,528</b>	<b>3,239</b>	<b>3</b>	
		59,956	--	--	

**FORM D-5***[See rule 6]***Outstanding Risk-weighted Guarantees**

(Rs.in crore)

<b>Default Probability</b>	<b>Risk weights (per cent)</b>	<b>Amount outstanding as in the previous year and the current year</b>	<b>Risk weighted outstanding Guarantee in the previous year and the current year</b>
Direct Liabilities	100%	1,17,109	1,17,109
High Risk	75%	--	--
Medium Risk	50%	--	--
Low Risk	25%	--	--
Very Low Risk	5%	1,24,419	6,221
<b>Total Outstanding</b>		<b>2,41,528</b>	<b>1,23,330</b>

\* Excluding Non-Guarantee Loans which are paid by Corporations.

**FORM D-6**

*[See Rule 6 of FRBM Rules, 2006]*

**Guarantee Redemption Fund (GRF)**

(Rs.in crores)

Outstanding invoked guarantees at the end of the previous year	Outstanding amount in GRF at the end of the previous year	Amount of Guarantees likely to be Invoked during the current year	Addition to GRF during the current year	Withdrawal from the GRF during current year	Outstanding amount in GRF at the end of the current year
(1)	(2)	(3)	(4)	(5)	(6)
	1,664	--	85	--	1,749

Source: Finance Accounts, CAG.

**FORM D-7***[See rule 6]***STATEMENT OF ASSETS**

	Assets at the beginning of the reporting year	Assets acquired During the reporting year	Cumulative total of assets at the end of the reporting year
	<b>Book Value (Rs.in crore)</b>	<b>Book Value (Rs.in crore)</b>	<b>Book Value (Rs.in crore)</b>
<b>Financial assets:</b>			
Loans and advances			
Loans to Local Bodies	1,632.36	--	1,632.36
Loans to companies	52,907.48	5,961.03	58,868.51
Loans to others	18,458.37	863.77	19,322.14
Equity Investment			
Shares	31,100.35	18,631.39	49,731.74
Bonus shares			
Investments in GoI dated securities/Treasury Bills	2,283.41	* (-)2,283.41	--
Investments in 14-day Intermediate Treasury Bills			
Other financial investments			
Investment out of earmarked funds	8,600.17	683.39	9,283.56
<b>Total</b>	<b>114,982.14</b>	<b>23,856.17</b>	<b>1,38,838.31</b>
<b>Physical assets:</b>			
Land			
Building – Office/Residential			
Roads			
Bridges			
Irrigation Projects Power projects			
Other capital projects			
Machinery & Equipment			
Office Equipment Vehicles			
<b>Total</b>			

Notes: 1) Reporting year refers to the second year preceding the year for which annual financial statement (AFS) and Demand for Grants are prepared.

2) Local bodies include Urban Local Development Authorities.

3) Companies include Statutory Corporations, Govt. Companies, SPVs.

4) Loans to other include loans to Government Servants.

\* Purchases ... 4,436.72 crore

Sales ... 6,720.13 crore

Net ... (-)2,283.41 crore

**FORM – D-9***(See Rule 6)***Statement of Miscellaneous Liabilities: Outstandings****(Rs.in crore)**

<b>Sl. No.</b>	<b>Item</b>	<b>Outstanding Amount</b>
1	Major Works and Contracts	1,56,831.90
2	Committed liabilities in respect of land acquisition charges	1,810.62
3	Claims in respect of unpaid bills on works and supplies	15,637.14

The outstanding amount pertains to the end-March position for the year before the current year.

**FORM – D-10**  
(See Rule 6)

**NUMBER OF EMPLOYEES IN GOVERNMENT, PUBLIC SECTOR  
UNDERTAKINGS & AIDED INSTITUTION AND RELATED SALARIES &  
PENSIONS**

(Rs.in crore)

Sl. No.	Sector Name	Total employees as on 31.1.2025	Related Expenditure during	
			On salary	On Pension
1	State Government	2,34,597	40,739	11,642
2	Pensioners	2,88,169		
3	Judiciary	9,557		
4	Aided Educational Institutions	2,220		
5	Zilla Praja Parishads / Mandal Praja Parishads	98,278		
6	Gram Panchayaths	13,512		
7	Municipal Corporations / Municipalities	5,712		
8	Urban Development Authorities	323		
9	Zilla Grandhalaya Samasthas	324		
10	State Public Sector Undertakings	1,14,869		
11	Universities	5,266		
12	Cooperative institutions and other Government Bodies	34,516		
13	Temples	2,518		
	<b>Total</b>	<b>8,09,861</b>	<b>40,739</b>	<b>11,642</b>