

# Kerala Budget Analysis 2022-23

The Finance Minister of Kerala, Mr K.N. Balagopal, presented the Budget for the state for the financial year 2022-23 on March 11, 2022.

## Budget Highlights

- The **Gross State Domestic Product (GSDP)** of the state for 2022-23 (at current prices) is projected to be Rs 9,99,643 crore. This is a growth of 10.8% over the revised estimate of GSDP for 2021-22 (Rs 9,01,998 crore). In 2021-22, GSDP is estimated to grow at 12% over the previous year (at current prices).
- **Expenditure (excluding debt repayment)** in 2022-23 is estimated to be Rs 1,73,588 crore, a 5% increase over the revised estimates of 2021-22 (Rs 1,64,800 crore). In addition, debt of Rs 55,198 crore will be repaid by the state in 2022-23. In 2021-22, expenditure (excluding debt repayment) is estimated to be 2% higher than the budget estimate.
- **Receipts (excluding borrowings)** for 2022-23 are estimated to be Rs 1,34,471 crore, an increase of 6% from the revised estimates of 2021-22 (Rs 1,27,144 crore). In 2021-22, receipts (excluding borrowings) are estimated to be 3% lower than the budget estimate (Rs 1,31,335 crore).
- **Fiscal deficit** for 2022-23 is targeted at Rs 39,117 crore (3.91% of GSDP). In 2021-22, as per the revised estimates, fiscal deficit is expected to be 4.17% of GSDP, higher than the budget estimate of 3.50% of GSDP.
- **Revenue deficit** for 2022-23 is estimated to be Rs 22,968 crore, which is 2.30% of the GSDP. In 2021-22, the state is estimated to observe a revenue deficit of 2.57% of GSDP, as compared to a revenue deficit of 1.93% of GSDP estimated at the budget stage.

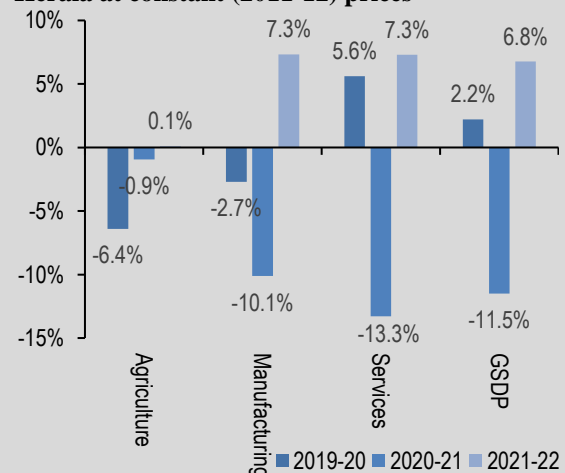
## Policy Highlights

- **Tax proposals:** The basic land tax rates would be increased in a calibrated manner across all slabs. Further, a new slab of above 40.47 acres would be introduced in Gram Panchayats, Municipalities, and Corporations. Motor vehicle tax on motor cycles costing up to two lakh rupees will be increased by 1%. Green tax on old diesel vehicles (more than 15 years) will be increased by 50%. Green tax will also be levied on other diesel vehicles (except motor cycles).
- **Environment:** The state targets to reach net-zero carbon emissions by 2050. Interest subsidy will be given to loans availed by consumers for installing solar panels in their houses. From 2023-24 a document named 'Environment Budget' depicting the environment related expenses will be presented.
- **Skill development:** A pilot project for establishing employment entrepreneurship centres in all 14 districts of Kerala will be initiated.

## Kerala's Economy

- **GSDP:** Kerala's GSDP (at constant prices) saw a growth of 6.8% in 2021-22. In comparison, national GDP is estimated to grow at 8.9% in 2021-22. In 2021-22, the manufacturing sector and services sector of Kerala is estimated to witness a growth of 7.3%.
- **Sectors:** In 2021-22, at current prices, agriculture, manufacturing, and services sectors contributed to 12%, 23%, and 66% of the economy, respectively.
- **Per capita GSDP:** The per capita GSDP of Kerala in 2021-22 (at current prices) is estimated to be Rs 2,36,093; 9% higher than the corresponding figure in 2020-21 (Rs 2,16,749). In comparison, the per capita GDP at the national level is estimated to be Rs 1,72,761 (at current prices) in 2021-22.

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



Note: These numbers are as per constant (2011-12) prices which implies that the growth rate is adjusted for inflation. Sources: Ministry of Statistics and Programme Implementation; PRS.

## Budget Estimates for 2022-23

- **Expenditure (excluding debt repayment)** in 2022-23 is targeted at Rs 1,73,588 crore. This is an increase of 5% over the revised estimate of 2021-22 (Rs 1,64,800 crore). This expenditure is proposed to be met through **receipts (excluding borrowings)** of Rs 1,34,471 crore and **net borrowings** of Rs 27,856 crore. Receipts (excluding borrowings) for 2022-23 are expected to register an increase of 6% over the revised estimate of 2021-22. In 2021-22, receipts are estimated to be 3% lower than the budget estimates.
- In 2022-23, the state is estimated to observe a **revenue deficit** of Rs 22,968 crore, which is 2.30% of its GSDP. In comparison, in 2021-22, the state is expected to observe a revenue deficit of Rs 23,176 crore (2.57% of GSDP).
- **Fiscal deficit** in 2022-23 is estimated to be 3.91% of GSDP which is within the limit of 4% of GSDP permitted by the central government as per the Union Budget 2022-23 (of which, 0.5% of GSDP will be made available upon undertaking power sector reforms). In 2021-22, the state has estimated a fiscal deficit of 4.17% of GSDP, lower than the limit of 4.5% of GSDP permitted by the central government (of which, 0.5% of GSDP becomes available upon undertaking power sector reforms).

**Table 1: Budget 2022-23 - Key figures (in Rs crore)**

Items	2020-21 Actuals	2021-22 Budgeted	2021-22 Revised	% change from BE 2021-22 to RE 2021-22	2022-23 Budgeted	% change from RE 2021-22 to BE 2022-23
Total Expenditure	1,77,812	2,14,479	2,06,606	-4%	2,28,785	11%
(-) Repayment of debt	38,928	52,446	41,806	-20%	55,198	32%
<b>Net Expenditure (E)</b>	<b>1,38,884</b>	<b>1,62,032</b>	<b>1,64,800</b>	<b>2%</b>	<b>1,73,588</b>	<b>5%</b>
Total Receipts	1,67,650	2,08,201	1,95,583	-6%	2,17,525	11%
(-) Borrowings	63,969	76,866	68,439	-11%	83,054	21%
<b>Net Receipts (R)</b>	<b>1,03,681</b>	<b>1,31,335</b>	<b>1,27,144</b>	<b>-3%</b>	<b>1,34,471</b>	<b>6%</b>
<b>Fiscal Deficit (E-R)</b>	<b>35,204</b>	<b>30,698</b>	<b>37,656</b>	<b>23%</b>	<b>39,117</b>	<b>4%</b>
as % of GSDP	4.40%	3.50%	4.17%		3.91%	
<b>Revenue Deficit</b>	<b>20,064</b>	<b>16,910</b>	<b>23,176</b>	<b>37%</b>	<b>22,968</b>	<b>-1%</b>
as % of GSDP	2.51%	1.93%	2.57%		2.30%	
<b>Primary Deficit</b>	<b>14,228</b>	<b>8,757</b>	<b>15,541</b>	<b>77%</b>	<b>13,151</b>	<b>-15%</b>
as % of GSDP	1.78%	1.00%	1.72%		1.32%	

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

Sources: Kerala Budget Documents 2022-23; Kerala Economic Survey 2021-22; PRS.

## Expenditure in 2022-23

- **Revenue expenditure** in 2022-23 is estimated to be Rs 1,57,066 crore, which is an increase of 5% over the revised estimate of 2021-22 (Rs 1,49,803 crore). This expenditure includes the payment of salaries, pensions, interest, and subsidies. In 2021-22, as per the revised estimates, revenue expenditure is estimated to be 1% higher than the budget estimate.
- **Capital outlay** in 2022-23 is estimated to be Rs 14,891 crore, which is an increase of 22% over the revised estimate of 2021-22. Capital outlay comprises expenditure towards creation of assets. This includes expenditure on building schools, hospitals, and roads and bridges. In 2021-22, capital outlay is estimated to be 3% lower than the budget estimate.

### Capital outlay

In 2022-23, revenue expenditure is estimated to be 90% of the total expenditure (excluding debt repayment). In comparison, capital outlay only accounts for 9% of the total expenditure. Note that in 2022-23, the revenue deficit is estimated to be 2.3% of GSDP. This may lead to an increased spending in revenue expenditure, to finance this deficit. Further, there has been an increased spending on committed expenditure (salaries, pension, and interest). In the last five years, the share of committed expenditure to revenue receipts has been more than 60%. In 2020-21, the state spent 65% of its revenue receipts on committed expenditure. As per the Medium Term Fiscal Plan presented along with the budget documents, the spending on committed expenditure is estimated to increase to around 72% in 2024-25.

**Table 2: Expenditure Budget 2022-23 (in Rs crore)**

Items	2020-21 Actuals	2021-22 Budgeted	2021-22 Revised	% change from BE 2021-22 to RE 2021-22	2022-23 Budgeted	% change from RE 2021-22 to BE 2022-23
Revenue Expenditure	1,23,446	1,47,891	1,49,803	1%	1,57,066	5%
Capital Outlay	12,890	12,596	12,226	-3%	14,891	22%
Loans given by the state	2,549	1,545	2,771	79%	1,631	-41%
<b>Net Expenditure</b>	<b>1,38,884</b>	<b>1,62,032</b>	<b>1,64,800</b>	<b>2%</b>	<b>1,73,588</b>	<b>5%</b>

Sources: Kerala Budget Documents 2022-23; PRS.

**Committed expenditure:** Committed expenditure of a state typically includes expenditure on payment of salaries, pensions, and interest. Allocation of a large portion of the budget towards committed expenditure items limits the state's flexibility to decide on other expenditure priorities such as developmental schemes and capital outlay. In 2022-23, Kerala is estimated to spend Rs 94,781 crore on committed expenditure items, which is **71% of its revenue receipts**. This comprises spending on salaries (31.3% of revenue receipts), pension (20.0%), and interest payments (19.4%). Committed expenditure in 2022-23 is estimated to increase by 2% over the revised estimate of 2021-22. Spending on interest is estimated to increase by 17% and spending on salaries is estimated to decrease by 5%.

**Table 3: Committed Expenditure in 2022-23 (in Rs crore)**

Committed Expenditure	2020-21 Actuals	2021-22 Budgeted	2021-22 Revised	% change from BE 2021-22 to RE 2021-22	2022-23 Budgeted	% change from RE 2021-22 to BE 2022-23
Salaries	27,728	39,732	44,276	11%	41,981	-5%
Pension	18,943	23,106	26,959	17%	26,834	0%
Interest	20,975	21,940	22,115	1%	25,966	17%
<b>Committed Expenditure</b>	<b>67,646</b>	<b>84,778</b>	<b>93,350</b>	<b>10%</b>	<b>94,781</b>	<b>2%</b>

Sources: Kerala Budget Documents 2022-23; PRS.

**Sector-wise expenditure:** The sectors listed below account for **47%** of the total expenditure on sectors by the state in 2022-23. A comparison of Kerala's expenditure on the key sectors with that by other states is shown in Annexure 1.

**Table 4: Sector-wise expenditure under Kerala Budget 2022-23 (in Rs crore)**

Sector	2020-21 Actuals	2021-22 Budgeted	2021-22 Revised	2022-23 Budgeted	% change from RE 2021-22 to BE 2022-23	Budget Provisions 2022-23 BE
Education, Sports, Arts, and Culture	16,862	23,662	25,500	25,430	0%	<ul style="list-style-type: none"> <li>Rs 586 crore has been allocated towards Samagra Shiksha Abhiyaan.</li> <li>Mid-day meal scheme has been allocated Rs 584 crore.</li> </ul>
Social Welfare and Nutrition	14,069	11,058	10,393	13,497	30%	<ul style="list-style-type: none"> <li>Rs 148 crore has been allocated towards NOKRA department for welfare of non-resident Keralites.</li> </ul>
Health and Family Welfare	8,802	10,354	12,098	9,967	-18%	<ul style="list-style-type: none"> <li>Rs 875 crore has been allocated towards national health mission</li> <li>Capital Outlay on medical and public health is estimated at Rs 2,629 crore.</li> </ul>
Agriculture and allied activities	10,932	8,983	8,764	7,737	-12%	<ul style="list-style-type: none"> <li>Rs 500 crore has been allocated towards subsidies for rubber sector.</li> <li>Rs 250 crore has been allocated towards loan for agriculture sector.</li> </ul>
Rural Development	4,002	6,893	3,154	6,901	119%	<ul style="list-style-type: none"> <li>Rs 260 crore has been allocated towards various activities of Kudumbasree.</li> </ul>
Roads and Bridges	5,807	4,883	6,390	5,664	-11%	<ul style="list-style-type: none"> <li>Rs 2,364 crore has been allocated towards capital outlay on roads and bridges.</li> </ul>
Police	3,321	4,406	4,782	4,574	-4%	<ul style="list-style-type: none"> <li>Rs 3,115 crore and Rs 648 crore have been allocated towards district police and special police respectively.</li> </ul>
Welfare of SC, ST, OBC, and Minorities	2,788	3,202	2,173	3,333	53%	<ul style="list-style-type: none"> <li>Rs 1,935 crore and Rs 736 crore have been allocated towards welfare activities of SCs and STs.</li> </ul>
Water Supply and Sanitation	1,552	1,525	1,871	2,303	23%	<ul style="list-style-type: none"> <li>Rs 1,000 crore has been allocated towards Jalajeevan mission.</li> <li>Rs 406 crore has been allocated towards implementing projects of Jananidhi and Kerala Water Authority.</li> </ul>
Urban Development	1,584	2,083	1,112	1,902	71%	<ul style="list-style-type: none"> <li>Rs 125 crore has been allocated towards Ayyankali Urban Employment Guarantee Scheme.</li> </ul>
<b>% of total expenditure on all sectors</b>	<b>52%</b>	<b>48%</b>	<b>47%</b>	<b>47%</b>		

Sources: Kerala Budget Documents 2022-23; PRS.

## Receipts in 2022-23

- **Total revenue receipts** for 2022-23 are estimated to be Rs 1,34,098 crore, an increase of 6% over the revised estimate of 2021-22. Of this, Rs 85,867 crore (64%) will be raised by the state through its **own resources** (tax and non-tax revenue), and Rs 48,230 crore (36%) will come **from the centre**. Resources from the centre will be in the form of state's share in central taxes (13% of revenue receipts) and grants (23% of revenue receipts).
- **Devolution:** In 2022-23, the state estimates to receive Rs 17,121 crore in the form of share in central taxes, an increase of 2% over the revised estimates of 2021-22.
- **State's own tax revenue:** In 2022-23, total own tax revenue of the state is estimated to be Rs 74,098 crore, an increase of 26% over the revised estimate of 2021-22. State's own tax revenue as a percentage of GSDP is estimated to rise from 6% of GSDP in 2020-21 (as per actuals) to 7.4% of GSDP in 2022-23 (as per budget estimate). In 2021-22, own tax as percentage of GSDP has been revised to 6.5% of GSDP as compared to the budget estimate of 8.2% of GSDP.
- **State's non-tax revenue:** In 2022-23, the state is estimated to earn Rs 11,770 crore in the form of state's own non-tax revenue, a 17% increase over the revised estimates of 2021-22. In 2021-22, state's own non-tax revenue is estimated to register a decrease of 30% over the budget estimates.

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

Items	2020-21 Actuals	2021-22 Budgeted	2021-22 Revised	% change from BE 2021-22 to RE 2021-22	2022-23 Budgeted	% change from RE 2021-22 to BE 2022-23
State's Own Tax	47,661	71,833	58,868	-18%	74,098	26%
State's Own Non-Tax	7,327	14,336	10,038	-30%	11,770	17%
Share in Central Taxes	11,560	12,812	17,332	35%	17,721	2%
Grants from Centre	36,834	32,000	40,389	26%	30,510	-24%
<b>Revenue Receipts</b>	<b>1,03,383</b>	<b>1,30,981</b>	<b>1,26,627</b>	<b>-3%</b>	<b>1,34,098</b>	<b>6%</b>
Non-debt Capital Receipts	298	354	517	46%	373	-28%
<b>Net Receipts</b>	<b>1,03,681</b>	<b>1,31,335</b>	<b>1,27,144</b>	<b>-3%</b>	<b>1,34,471</b>	<b>6%</b>

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

Sources: Kerala Budget Documents 2022-23; PRS.

- In 2022-23, **SGST** is estimated to be the largest source of own tax revenue (50%). SGST revenue in 2022-23 is estimated at Rs 36,818 crore, which is a 51% increase over the revised estimates of 2021-22. In 2021-22 as per revised estimates, SGST revenue is estimated to be 34% lower than the budget estimate. In 2022-23, Rs 5,273 crore has been estimated as GST compensation grants to be received by the state government. In 2021-22, the state has estimated to receive Rs 11,830 crore as GST compensation, as per the revised estimates. Of this, Rs 8,739 crore is a back-to-back loan in-lieu of GST compensation.
- In 2022-23, revenue from Sales Tax/VAT is expected to increase by 9% over revised estimates of 2021-22. Sales Tax/VAT is the second largest source of own tax revenue after SGST in 2022-23 (34% of own tax revenue). State excise is estimated to increase by 14% in 2022-23.

### GST Compensation ends in June 2022

When the GST was introduced, the central government guaranteed states a 14% compounded annual growth in their GST revenue for a period of five years. Any shortfall in a state's GST revenue from this level is covered by the Centre by providing compensation grants to the state. This guarantee ends in June 2022. During 2018-22, Kerala has relied on GST compensation grants to achieve the guaranteed SGST revenue level. In 2021-22, Kerala is estimated to receive Rs 11,830 crore in the form of GST compensation grants, which is about 20% of its own tax revenue. Hence, beyond June 2022, Kerala might see a decline in the level of revenue receipts. In 2020-21, the state received Rs 12,487 crore as GST compensation.

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

Head	2020-21 Actuals	2021-22 Budgeted	2021-22 Revised	% change from BE 2021-22 to RE 2021-22	2022-23 Budgeted	% change from RE 2021-22 to BE 2022-23
State GST	20,028	36,922	24,351	-34%	36,818	51%
Sales Tax/ VAT	17,689	23,101	22,963	-1%	24,965	9%
Stamps Duty and Registration Fees	3,490	4,156	4,524	9%	4,687	4%
Taxes on Vehicles	3,386	4,179	3,942	-6%	4,139	5%
State Excise	2,329	2,701	2,330	-14%	2,656	14%
Land Revenue	493	440	481	9%	510	6%
Taxes and Duties on Electricity	57	77	67	-13%	71	5%
GST Compensation Grants	6,721	-	3,091	-	5,273	71%
GST Compensation Loans	5,766	-	8,739	-	-	-

Sources: Kerala Budget Documents 2022-23; PRS.

## Deficits and Debt Targets for 2022-23

The Kerala Fiscal Responsibility Act, 2003 provides annual targets to progressively reduce the outstanding liabilities, revenue deficit, and fiscal deficit of the state government.

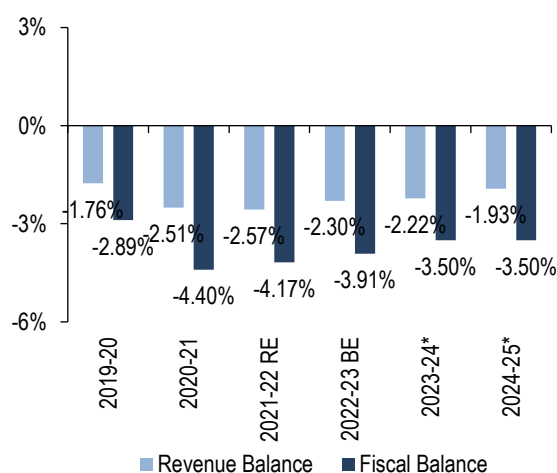
**Revenue Balance:** It is the difference of revenue expenditure and revenue receipts. A revenue deficit implies that the government needs to borrow to finance its expenses which do not increase its assets or reduces its liabilities. In 2022-23, Kerala is estimated to observe a revenue deficit of Rs 22,968 crore, which is 2.30% of the GSDP. In 2020-21 the state observed a revenue deficit of Rs 20,064 crore (2.51% of GSDP). According to revised estimates, Kerala is expected to have a revenue deficit of Rs 23,176 crore (2.57% GSDP) in 2021-22. As per the medium term fiscal plan presented along with the budget, the state's revenue deficit is expected to decrease to 1.93% of GSDP in 2024-25.

The 15<sup>th</sup> Finance Commission has recommended grants for eliminating revenue deficit to 17 states during the 2021-26 period. As per the Finance Commission, Kerala will receive revenue deficit grants till 2023-24. In 2022-23, the state is expected to receive revenue deficit grant of Rs 13,174 crore. Revenue deficit grant in 2021-22 is estimated to be Rs 19,891 crore.

**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 of the state government. In 2022-23, the fiscal deficit is estimated to be Rs 39,117 crore (3.91% of GSDP). It is within the limit of 4% of GSDP permitted by the central government in 2022-23 as per the Union Budget (of which, 0.5% of GSDP will be made available upon undertaking power sector reforms). As per the revised estimates, in 2021-22, the fiscal deficit of the state is expected to be 4.17% of GSDP, which is more than the budget estimate of 3.50% of GSDP. It is within the 4.5% limit permitted by the central government for 2021-22 (of which, 0.5% of GSDP becomes available upon undertaking power sector reforms). As per the medium term fiscal plan presented along with the budget, the state's fiscal deficit is expected to be 3.50% of GSDP in 2024-25.

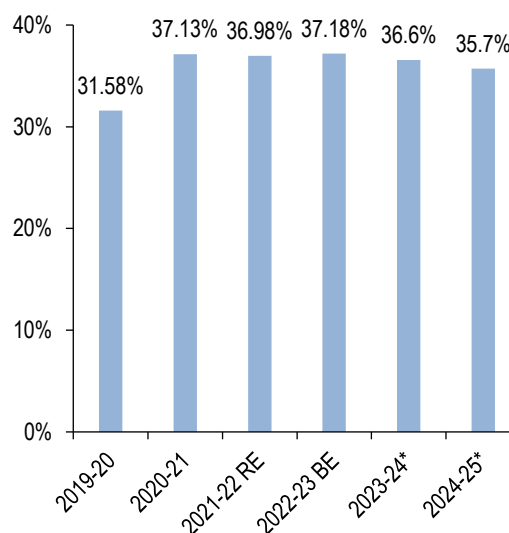
**Outstanding liabilities:** Outstanding liabilities is the accumulation of total borrowings at the end of a financial year, it also includes any liabilities on public account. Outstanding liabilities are set to rise from 31.58% of GSDP in 2019-20 to 37.18% of GSDP in 2022-23.

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



Note: RE: Revised Estimates; BE: Budget Estimates. A positive figure means a surplus, a negative figure means a deficit. \*Figures for 2023-24 and 2024-25 are projections.  
Sources: Kerala Budget Documents 2022-23; PRS.

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



Note: RE: Revised Estimates; BE: Budget Estimates. \*Figures for 2023-24 and 2024-25 are projections.  
Sources: Kerala Budget Documents 2022-23; PRS.

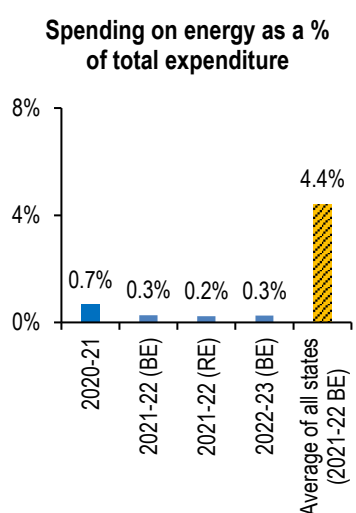
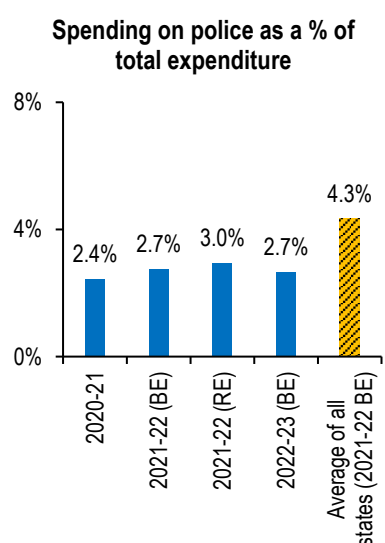
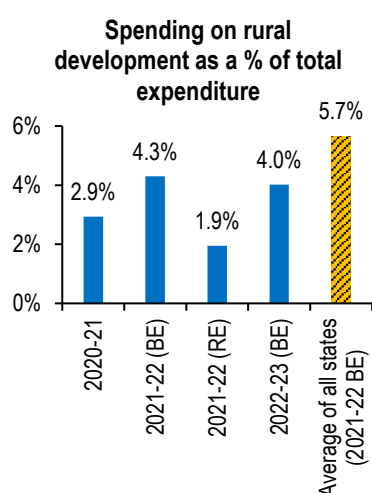
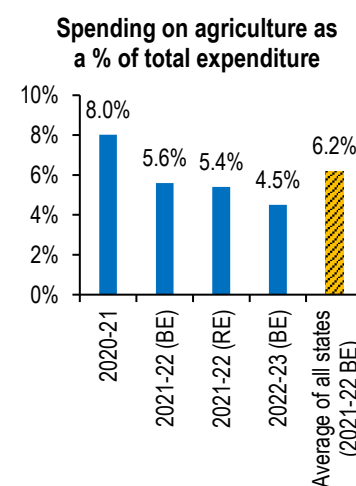
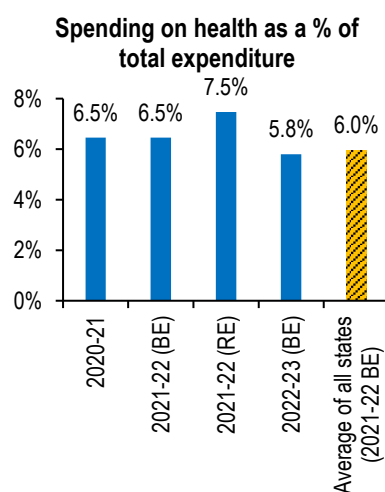
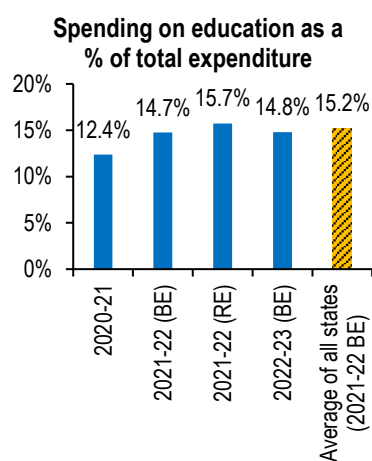
**Outstanding Government Guarantees:** Outstanding liabilities of states do not include a few other liabilities that are contingent in nature, which states may have to honour in certain cases. State governments guarantee the borrowings of State Public Sector Enterprises (SPSEs) from financial institutions. At the end of 2020-21, the outstanding guarantee of the state is estimated to be Rs 31,714 crore (4% of GSDP), higher than 3.2% of GSDP at the end of 2019-20 (Rs 27,757 crore).

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

The graphs below compare Kerala's expenditure 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 30 states (including Kerala) as per their budget estimates of 2021-22.<sup>1</sup>

- **Education:** Kerala has allocated 14.8% of its total expenditure for education in 2022-23. This is lower than the average allocation (15.2%) for education by all states (as per 2021-22 Budget Estimates).
- **Health:** Kerala has allocated 5.8% of its total expenditure on health, which is marginally lower than the average allocation for health by states (6%).
- **Agriculture:** The state has allocated 4.5% of its total expenditure towards agriculture and allied activities. This is lower than the average allocation for agriculture by states (6.2%).
- **Rural development:** Kerala has allocated 4.0% of its expenditure on rural development. This is lower than the average allocation for rural development by states (5.7%).
- **Police:** Kerala has allocated 2.7% of its total expenditure on police, which is lower than the average expenditure on police by states (4.3%).
- **Energy:** Kerala has allocated 0.3% of its total expenditure on energy, which is significantly lower than the average allocation by states (4.4%).



Note: BE: Budget Estimates; RE: Revised Estimates; 2020-21, 2021-22 (BE), 2021-22 (RE), and 2022-23 (BE) figures are for Kerala. Sources: Kerala Budget Documents 2022-23; various state budgets; PRS.

<sup>1</sup> The 30 states include the Union Territory of Delhi and Union Territory of Jammu and Kashmir.

## Annexure 2: Comparison of 2020-21 Budget Estimates and Actuals

The following tables compare the actuals of 2020-21 with budget estimates for that year.

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

Particular	2020-21 BE	2020-21 Actuals	% change from BE to Actuals
<b>Net Receipts (1+2)</b>	<b>1,14,970</b>	<b>1,03,681</b>	<b>-10%</b>
1. Revenue Receipts (a+b+c+d)	1,14,636	1,03,383	-10%
a. Own Tax Revenue	67,420	47,661	-29%
b. Own Non-Tax Revenue	14,587	7,327	-50%
c. Share in central taxes	20,935	11,560	-45%
d. Grants-in-aid from the Centre	11,694	36,834	215%
Of which GST compensation grants		6,721	
2. Non-Debt Capital Receipts	334	298	-11%
3. Borrowings	49,370	63,969	30%
Of which GST compensation loan		5,766	-
<b>Net Expenditure (4+5+6)</b>	<b>1,44,265</b>	<b>1,38,884</b>	<b>-4%</b>
4. Revenue Expenditure	1,29,837	1,23,446	-5%
5. Capital Outlay	12,913	12,890	0%
6. Loans and Advances	1,515	2,549	68%
7. Debt Repayment	24,878	38,928	56%
Revenue Balance*	15,201	-20,064	-232%
<b>Revenue Balance (as % of GSDP)*</b>	<b>1.55%</b>	<b>-2.5%</b>	
Fiscal Deficit	29,295	35,204	20%
<b>Fiscal Deficit (as % of GSDP)</b>	<b>3.00%</b>	<b>4.40%</b>	

Note: \*A negative revenue balance indicates a deficit. BE: Budget Estimates.

Sources: Kerala Budget Documents of various years; PRS.

**Table 8: Key Components of State's Own Tax Revenue (in Rs crore)**

Sector	2020-21 BE	2020-21 Actuals	% change from BE to Actuals
SGST	32,388	20,028	-38%
Taxes and Duties on Electricity	75	57	-24%
Sales Tax/VAT	23,263	17,689	-24%
Stamps Duty and Registration Fees	4,306	3,490	-19%
State Excise Duty	2,801	2,329	-17%
Taxes on Vehicles	3,968	3,386	-15%
Land Revenue	376	493	31%

Note: BE: Budget Estimates.

Sources: Kerala Budget Documents of various years; PRS.

**Table 9: Allocation towards Key Sectors (in Rs crore)**

Sector	2020-21 BE	2020-21 Actuals	% change from BE to Actuals
Rural Development	6,389	4,002	-37%
Urban Development	2,346	1,584	-32%
Irrigation and Flood Control	1,167	813	-30%
Education, Sports, Arts, and Culture	20,862	16,862	-19%
Police	3,781	3,321	-12%
Welfare of SC, ST, OBC, and Minorities	3,045	2,788	-8%
Housing	142	138	-3%
Water Supply and Sanitation	1,440	1,552	8%
Health and Family Welfare	7,856	8,802	12%
of which Roads and Bridges	5,084	5,807	14%
Transport	5,885	7,021	19%
Agriculture and allied activities	7,407	10,932	48%
Social Welfare and Nutrition	7790	14,702	89%
Energy	390	912	134%

Note: BE: Budget Estimates.

Sources: Kerala Budget Documents of various years; PRS.