

Fiscal Fraud & Economic Collapse

The Congress Government's Deceptive Budgeting Traps Telangana in a Debt Grave

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The Great Revenue Mirage: Inflated Targets vs. Ground Reality

Recent CAG report exposes the naked reality that the Revanth Reddy administration has engaged in a dangerous game of fiscal fantasy by setting deliberately unachievable revenue targets to mask the state's weakening economy. Against a staggering Budget Estimate of **₹2,29,720.63 crore**, the state has managed to realize only **₹1,38,371.11 crore** as of January 2026, a mere **60.23%** of the target. This massive shortfall of nearly 40% with only two months left in the fiscal year exposes a government that prioritizes political optics over honest accounting. This inflated budgeting is a deliberate deception of the legislature and the public, creating a "paper prosperity" while the actual treasury stands depleted.

Real Estate & Industry in Freefall: The Stamps & Registration Slump

The collapse of Stamps and Registration collections serves as a damning indictment of the government's failed economic policies. Despite grand slogans like "Future City" and "Telangana Rising," the actual revenue realized in this sector **₹12,345.81 crore** against a target of **₹19,087.26 crore (64.68%)**, reveals a cooling economy and a total loss of investor confidence. The shortfall is a direct result of policy uncertainty and systemic corruption, proving that the real estate sector, once the engine of Telangana's growth, is now gasping for air under the current regime.

Excise Failures: Budgeting in Total Denial

In an act of administrative incompetence, the government set wildly ambitious targets for State Excise that have no basis in market reality or consumption patterns. With a Budget Estimate of **₹27,623.36 crore**, the government realized only **₹19,083.64 crore (69.09%)** by January. More alarmingly, the performance has worsened year-on-year, dropping from a realization rate of **37.08%** in the previous year to just **34.83%** in the same period for this year's targets. This double failure of both enforcement and realistic budgeting highlights a government that is more interested in cooking books than governing responsibly.

The Delhi Diplomacy Failure: Hollow Claims and Missing Grants Chief Minister Revanth Reddy's frequent, high-profile visits to Delhi have yielded nothing but photo-ops, as the state's share of central funds remains abysmally low. While the government budgeted **₹22,782.50 crore** in Grants-in-Aid, it has secured a humiliatingly low **₹4,213.29 crore (18.49%)** by January 2026. Similarly, Non-Tax Revenue, a measure of internal administrative efficiency is stuck at a pathetic **24.87% (₹7,864.18 crore realized against a ₹31,618.77 crore target)**. This total failure to secure funds despite claims of "political proximity and Bade Bhai" to the Union leadership suggests that the CM is being ignored at the negotiating table, leaving Telangana's treasury empty.

Despite frequent visits with public money to Delhi and public displays of political proximity with PM Shri Narendra Modi, Grants-in-Aid realisation remains abysmally low, and Non-Tax Revenue is in serious crisis. If political access is being claimed, why are central inflows and non-tax streams failing so badly? The Government must place on record what commitments were sought, what was promised, and what actually came.

Debt Explosion: Borrowing Away the Future of Telangana

The most reckless aspect of this government's fiscal mismanagement is the explosion of debt. The State Legislature approved net borrowings of ₹54,009.74 crore for the entire fiscal year, yet by January 2026, the government had already incurred **₹69,148.28 crore** in net borrowings, a staggering **128.03%** of the full-year limit. This means the government has breached its legal ceiling two months ahead of schedule. By borrowing at a pace that outstrips revenue receipts, the administration is pushing Telangana into a terminal debt trap, mortgaging the future of the state's children to fund today's routine operations.

Widening Deficits: A Blueprint for Bankruptcy

The state's financial health has deteriorated into a crisis, with the revenue deficit quadrupling from **₹2,738 crore** in the corresponding period last year to a massive **₹10,566 crore** this year.

The government is no longer borrowing for development or asset creation; it is borrowing simply to pay salaries and keep the lights on. Without a transparent financing plan for the "Six Guarantees," Musi Revival, or "Future City," these projects appear to be nothing more than PR slogans used to justify further asset sales and off-budget liabilities that will haunt Telangana for generations. In this context, Telangana Government must immediately:

1. **Table a White Paper** in the Legislature explaining why **revenue targets were inflated** despite repeated failures.
2. **Explain the breach of borrowing limits** and place the approvals and justifications in the public domain.
3. **Disclose funding plans** for Musi Revival, Future City, and the six guarantees, with sources and debt impact.
4. **Publish a quarterly revenue correction plan** for GST, stamps, excise, non-tax revenue, and grants.
5. **Release full details of guarantees and off-budget liabilities** flagged by the CAG.

Telangana deserves **honest budgets, disciplined borrowing, and real development** not a government that survives on **debt, deception, and hollow slogans** misleading people.