



business today.in **Business Today**

February 16, 2025 ₹200

On Sale

On Air



DL (053) 04/WP/2025-26-21, RNI No. 53481/22 @ F8030840/145/2023-25 BPC (published as Date of posting: Tue, Wed & Thursday



BUDGET SPECIAL

THE CONSUMPTION BET

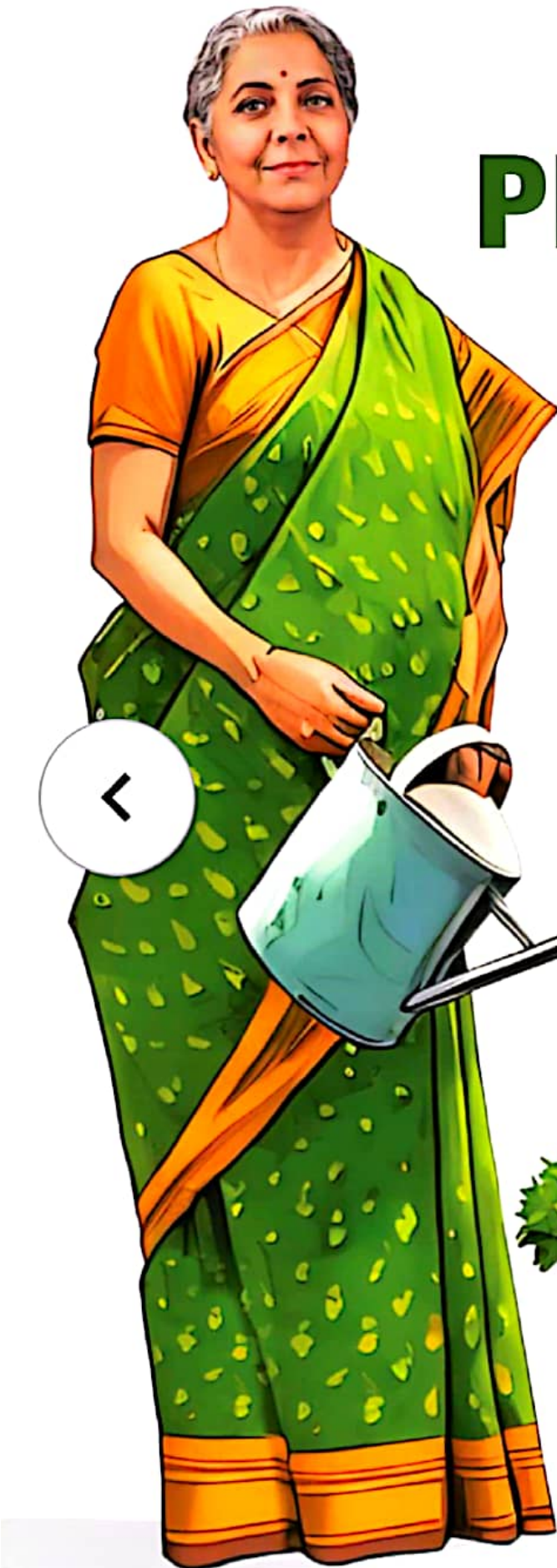
THE NDA 3.0 HAS GIVEN INDIA ITS BIGGEST EVER TAX REBATE OF ₹1 LAKH CRORE. WILL THIS LEAD TO A MIDDLE-CLASS SPENDING SURGE THAT CAN LIFT FLAGGING ECONOMIC GROWTH?

POLICY PRIORITIES

Over the past decade, the size of the Union government's balance sheet has risen by more than 180% till 2025-26. In that period, the Prime Minister Narendra Modi-led central government has prioritised core infrastructure, housing, and essential amenities such as sanitation and drinking water. Meanwhile, state governments, whose total expenditure jumped 205% during FY15-25, have focused on education, social security, and public health. Here's some data

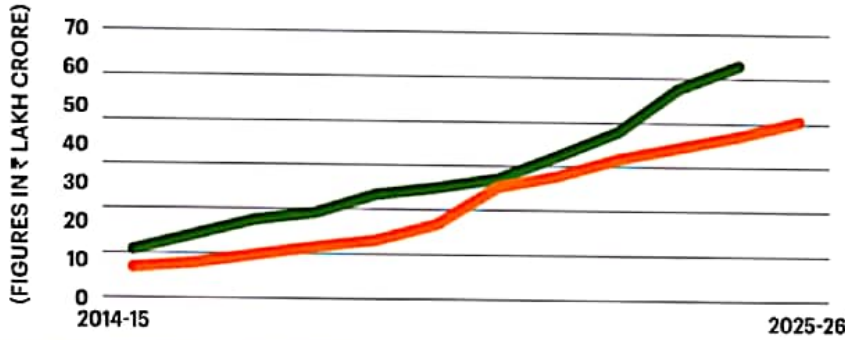
By **RAHUL OBEROI & PRINCE T**

Graphics By **RAJ**



TOTAL SPENDING

THE COMBINED TOTAL EXPENDITURE OF CENTRAL AND STATE GOVERNMENT JUMPED SHARPLY AFTER COVID-19



STATE GOVERNMENTS TOTAL EXPENDITURE (₹ LAKH CRORE)
CENTRAL GOVERNMENT TOTAL EXPENDITURE (₹ LAKH CRORE)
SOURCE CMIE ECONOMIC OUTLOOK

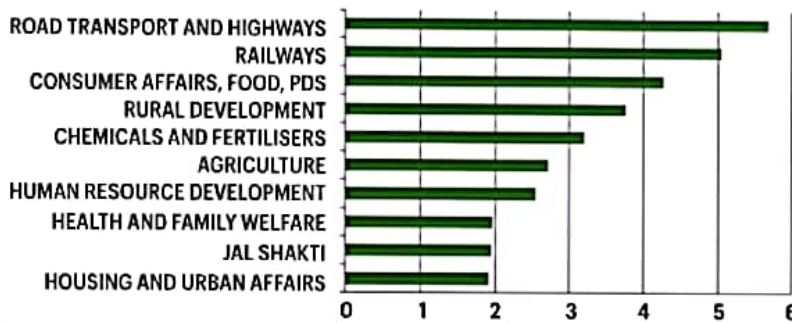
8.4

PER CENT

OR ₹4.26 LAKH CRORE, OF THE TOTAL BUDGET OUTLAY FOR FY26, IS THE SHARE OF SUBSIDIES. THIS MARKS A DECLINE FROM 21.6% (₹7.58 LAKH CRORE) IN FY21

ALLOCATIONS

BARRING FINANCE AND DEFENCE, THE ROAD, RAILWAYS, PUBLIC DISTRIBUTION SECTORS SAW MAJOR CENTRAL SPENDING



% SHARE OF MINISTRIES IN CENTRAL GOVERNMENT BUDGET 2025-26
SOURCE CMIE ECONOMIC OUTLOOK

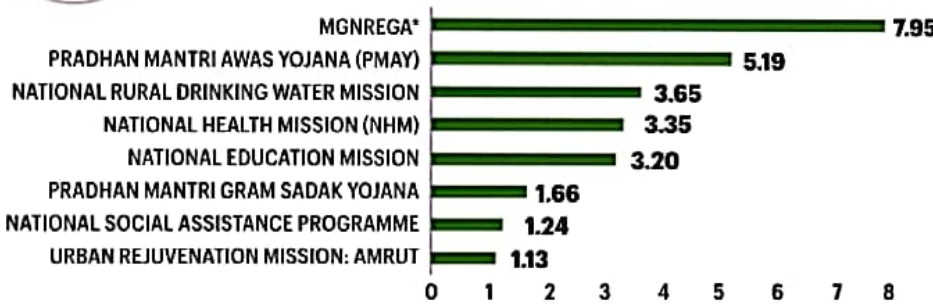
₹2.75

LAKH CRORE

UTTAR PRADESH'S EXPENDITURE ON SOCIAL SECTOR, OR 10.8% OF ITS GSDP AT CURRENT PRICES AS PER FOLLOWING MAHARASHTRA (₹2.39 LAKH CRORE OR 5.9% OF GSDP) AND WEST BENGAL (₹1.55 LAKH CRORE OR 9.1% OF GSDP)

SCHEMES

SPENT OVER ₹13 LAKH CRORE ALONE ON MGNREGA & IN THE PAST 10 YEARS TILL FY26



*MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE PROGRAMME VALUES IN ₹ LAKH CRORE
SOURCE CMIE ECONOMIC OUTLOOK

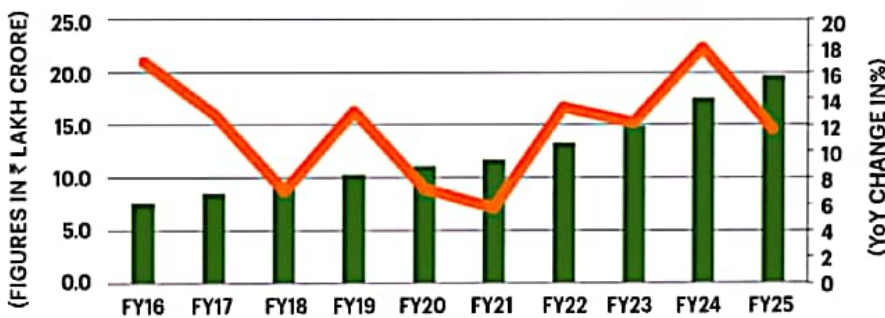
₹11.21

LAKH CRORE

THE GOVERNMENT'S CAPEX TARGET FOR FY26, REFLECTING A 10% INCREASE FROM THE REVISED ESTIMATES OF ₹10.18 LAKH CRORE FOR FY25. HOWEVER, THIS IS AN INCREASE OF 1% OVER THE BUDGET ESTIMATES OF ₹11.11 LAKH CRORE IN FY25

STATE PRIORITIES

TOTAL EXPENDITURE BY STATE GOVERNMENTS ON SOCIAL SERVICES HAS RISEN OVER 200% IN 10 YEARS



STATE GOVERNMENT REVENUE EXPENDITURE ON SOCIAL SERVICES
YOY CHANGE IN % (RHS)
SOURCE CMIE ECONOMIC OUTLOOK