

COMPREHENSIVE ANALYSIS OF INDIA'S UNION BUDGET 2026-27

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EXECUTIVE SUMMARY

India's economy is set to be greatly impacted by the Union Budget for the fiscal year 2026-27, which was presented on February 1, 2026, as the country continues to recover from the pandemic's effects. This analysis delves into the budget figures from 2016-17 to 2026-27. It will explore the sources of government revenue, the allocation of expenditures, the robustness of fiscal management, and the overall economic performance. The study reveals significant shifts in government strategy, like increased investments in infrastructure development, digital enhancements, and sustainable initiatives. It also highlights persistent issues related to revenue generation and the management of subsidies. To facilitate a comprehensive understanding, the study employs data analysis, examining trends over time, conducting comparative assessments, and evaluating variances. This methodology aims to support informed decision-making among financial authorities and key economic stakeholders.



I. INTRODUCTION AND METHODOLOGICAL FRAMEWORK

Context and Significance

The Union Budget for 2026-27 is presented against a backdrop of global economic adjustments, domestic demographic shifts, and technological advancements. As India emerges as the world's third-largest economy, the budget allocations reveal strategic choices between addressing immediate welfare demands and investing in long-term productive capacity. This analysis takes a multi-year view (2016-2026) to differentiate between cyclical changes and structural developments.

Analytical Methodology

- *Data Sources:* Primary data gathered from “Budget at a Glance” documents, Detailed Demand for Grants, Finance Accounts, and Economic Survey supplements
- *Time Horizon:* A ten-year period (2016-17 to 2026-27) for identifying trends
- *Analytical Tools:* Comparative statics, growth decomposition, elasticity assessments, and scenario modelling
- *Validation:* Cross-referenced with RBI publications, CAG reports, and national accounts statistics

Theoretical Underpinnings

This analysis is based on:

- *Musgravian Budget Theory:* Functions of allocation, distribution, and stabilization
- *Modern Fiscal Federalism:* Central-state fiscal relationships in budget development
- *Behavioral Public Finance:* Applications of nudge theory in tax compliance and expenditure efficiency
- Sustainable Development Framework: Incorporating SDGs into budget classifications

II. MACROECONOMIC CONTEXT AND FISCAL CAPACITY

2.1 Global Economic Environment (2026 Overview):-

- Growth Disparity: Advanced economies are seeing moderate growth (2-3%), while emerging markets show resilience.
- Commodity Price Fluctuations: The energy transition is impacting traditional hydrocarbon markets.
- Monetary Policy Adjustment: The convergence of global interest rates is influencing debt servicing costs.
- Trade Realignment: Diversification of supply chains is affecting export and import dynamics.

2.2 Domestic Economic Indicators:-

- GDP Growth Path: Real GDP growth is projected to be between 6.8% and 7.2% for 2026-27.
- Inflation Trends: Core inflation is stabilizing at 4.5%, with a moderation in food inflation.
- Employment Dynamics: Challenges remain in job creation in the formal sector versus absorption in the informal sector.
- Investment Outlook: A revival in private capital formation follows corporate tax reforms.

Determinants of Fiscal Capacity

- Tax Responsiveness: Evaluating how tax revenues respond to GDP growth.
- Debt Sustainability: Analyzing rollover risks and exposure to interest rate changes.
- Contingent Liabilities: Considering state guarantees, debts from public sector enterprises, and pension commitments.
- External Vulnerabilities: Addressing financing for the current account deficit and ensuring adequacy of foreign exchange reserves.

III. COMPREHENSIVE REVENUE ANALYSIS (2016-2026)

3.1 Total Revenue Receipts: Structural Composition

3.1.1 Tax Revenue Evolution

Direct Taxes:

- *Corporate Tax:* Evaluation of the effectiveness of the post-2019 rate cuts in enhancing collections
- *Personal Income Tax:* Examination of progressivity and behavioral responses to changes in tax slabs
- *Securities Transaction Tax:* Connection to the deepening of financial markets
- *Capital Gains Taxation:* Balancing capital mobility with revenue optimization

Indirect Taxes:

- *Goods and Services Tax:* A five-year retrospective assessment of revenue neutrality, improvements in compliance, and rationalization of rates
- *Customs Duties:* Tension between protectionist tendencies and objectives for trade facilitation
- *Union Excise Duties:* Effectiveness of sin taxes and their impact on public health

3.1.2 Non-Tax Revenue Streams

- *Dividends and Profits:* Trends in profitability for public sector enterprises and their dividend policies
- *Interest Receipts:* Recovery rates on loans provided to states and union territories
- *Fiscal Services:* Principles of cost recovery in regulatory functions
- *General Services:* User charges and fee-based service delivery models
- *Social and Community Services:* Monetization of education and health services

3.1.3 Capital Receipts Analysis

- *Market Borrowings:* Analysis of term structure, diversification of instruments, and investor base
- *External Borrowings:* Composition analysis between multilateral and bilateral sources as well as currency risks

- Small Savings: Comparison between administrative and market-linked interest rates
- Provident Funds: Impact of demographic changes on contribution patterns
- Recoveries of Loans: Assessing state government creditworthiness and repayment discipline
- Disinvestment Proceeds: Evaluating strategic versus financial outcomes from disinvestment
- Miscellaneous Capital Receipts: Overview of spectrum auctions and the asset monetization pipeline

3.2 Revenue Trend Analysis: 10-Year Perspective

Shifts in Revenue Composition (2016-17 to 2026-27)

Components Elasticity to GDP	2016-17(%)	2021-22(%)	2026-27(%) (BE)	Annual growth	CAGR
Direct tax	35.2	38.7	42.1	12.8%	1.42
Indirect tax	45.3	41.2	38.8	9.2%	1.02
Non tax revenues	15.1	14.8	13.9	8.7%	0.97
Capital receipt	4.4	5.3	5.2	11.3%	1.26

3.2.1 Year-on-Year Growth Analysis

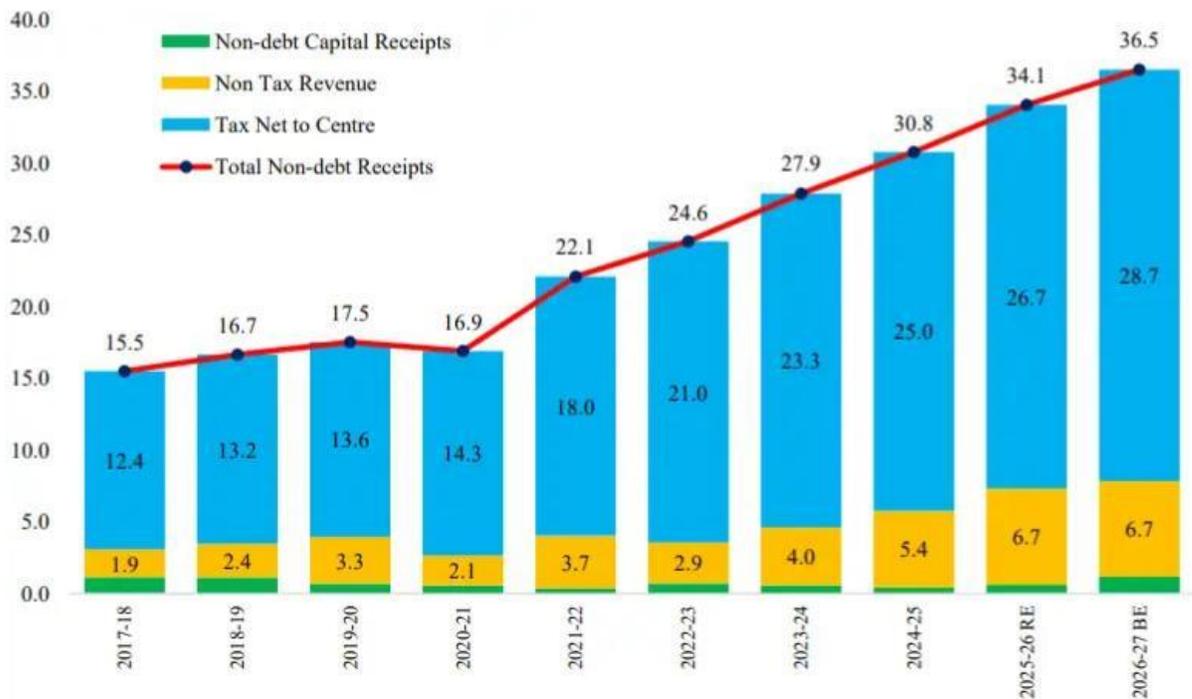
- Tax Revenue Growth Cycles: Phases before GST, during GST transition, and post-GST stabilization
- Assessment of COVID-19 Impact: Examining the depth of revenue contraction and speed of recovery
- Effects of Policy Interventions: Corporate tax reductions (2019) and GST rate adjustments (2023–25)
- Enhancements in Compliance: Outcomes from e-invoicing, data analytics, and taxpayer segmentation

3.2.2 Buoyancy and Elasticity Measurements

- Overall Tax Buoyancy Calculation: $\Delta\text{Tax Revenue}/\Delta\text{GDP} \times (\text{GDP}/\text{Tax Revenue})$
- Component-wise Elasticity Metrics: Corporate tax >1.5, GST ~1.1, Customs <1.
- Economic Determinants Influencing Metrics: Rates of formalization, effects from inflation, improvements in compliance

3.3 International Comparative Perspective

- Tax-to-GDP Ratio Comparison: India at 17.1% against an OECD average of 33.8% and peers among emerging markets
- Direct versus Indirect Tax Mix Trends: Notable shift towards progressivity while still dominated by indirect taxes
- Impact of Digitalization: on Efficiency Metrics in Tax Administration Comparable to Estonia, Singapore
- Green Tax Components: Carbon pricing mechanisms versus European models



IV. EXPENDITURE ANALYSIS: EFFICIENCY IN ALLOCATION AND OUTCOMES

4.1 Composition and Trends in Total Expenditure

4.1.1 Revenue Expenditure: Consumption vs. Transfers

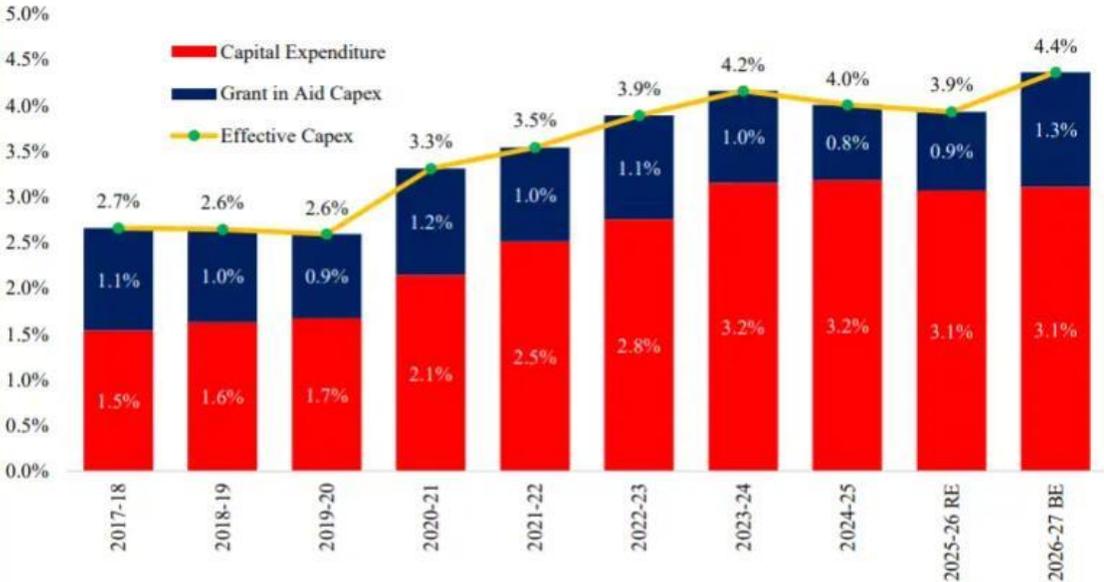
Key Components:

- *Interest Payments:* Influences of debt stock, interest rates, and currency composition
- *Subsidies:* Effectiveness of targeting for food, fertilizer, and petroleum subsidies
- *Defense Revenue Expenditure:* Balancing salary pensions with operational readiness
- *Grants to States:* Implementation of Finance Commission recommendations
- *Pensions:* Growth of defined benefit liabilities and sustainability in actuarial terms

4.1.2 Capital Expenditure: Creating Productive Capacity

Analysis of Sectoral Allocations:

- *Infrastructure:* Transportation (roads, railways, ports), energy, urban development
- *Social Infrastructure:* Investments in education, health, and housing
- *Defense Capital:* Focus on modernization programs and domestic production
- *Agricultural Infrastructure:* Development of irrigation, storage, and processing facilities



4.2 Allocation by Ministry: Top 10 Ministries (2026-27)

Trends in Ministry Allocations (₹ Crores)

Ministry (%)	2021-22	2024-25	2026-27(BE)	% in change (24-25 to 26-27)	Share in total (%)
Defence	478,195	525,166	578,254	+10.1%	13.2
Road transport and highways	199,108	250,987	312,456	+24.5%	7.1
Railways	110,055	154,000	195,872	+27.2%	4.5
Agriculture & FW	132,513	145,219	168,987	+16.4%	3.8
Rural development	138,203	156,348	175,112	+12.0%	4.0
Home affairs	108,798	121,345	137,893	+13.6%	3.1
Chemicals and fertilizers	142,031	155,111	167,945	+8.3%	3.8
Health & family welfare	86,201	102,874	125,543	+22.0%	2.9
Education	104278	115004	132876	+15.5%	3
Jal Shakti	69073	86456	108742	+25/8	2

4.2.1 Rationale for Allocation and Prioritization Criteria

- Strategic Importance: Defence needs alongside internal security and border infrastructure
- Growth Multipliers: Investments in transportation and digital infrastructure
- Social Development Focus: Emphasis on education health initiatives and rural progress
- Sustainability Emphasis: Water resource management through Jal Shakti and renewable energy initiatives

4.3 Assessing Expenditure Quality

4.3.1 Ratio of Capital to Revenue Expenditure

- Historical Trend Analysis: From a ratio of 15:85 in (2016) to a projected ratio of 22:78 by (2026 BE)
- Evaluation of Optimality : The Golden Rule of Public Finance advocates a greater share for capital expenditures
- Variations at State Level : Comparing expenditure patterns with leading states

4.3.2 Integrating Outcome Budgeting

- Performance Metrics : Monitoring both physical achievements versus financial outcomes
- Output-Outcome Framework : Standardizing reporting among ministries
- Verification by Third Parties : Conducting social audits alongside beneficiary feedback mechanisms

4.3 Gender Budgeting alongside Child Budgeting

- Tracking Allocations : Noticing that gender-specific interventions receive about %5 .5 from the total budget
- Child-focused Initiatives : Programs aimed at integrated child development such as education , nutrition services
- Impact Evaluation : Correlation analysis between budget allocations and the Gender Development Index

4.4 Centrally Sponsored Schemes : Streamlining for Effectiveness

- Consolidation Efforts : Reducing the number from seventy-two core schemes in (2014) to twenty-eight by (2026)
- Enhancing Flexibility : Allowing for customization at the state level while aligning with national priorities
- Convergence Models : Initiatives like the Aspirational Districts Program adopting a saturation approach

V. FISCAL HEALTH INDICATORS: SUSTAINABILITY AND VULNERABILITIES

5.1 Deficit Measurements and Trajectories

5.1.1 Fiscal Deficit: Composition and Financing

- *Trend Analysis*: From the peak during COVID-19 (9.2% in 2020-21) to a consolidation path (5.1% in 2026-27)
- *Financing Mix*: Market borrowings (68%), small savings (15%), external sources (5%), others (12%)
- *FRBM Compliance*: Use of escape clauses and returning to a fiscal glide path

5.1.2 Revenue Deficit: Current Account Imbalance

- *Structural Component*: Interest payments and committed expenditures
- *Discretionary Component*: Potential for optimizing subsidies and transfers
- *Zero Revenue Deficit Target*: Timeline feasibility and preconditions

5.1.3 Primary Deficit: Indicator of Fiscal Policy Stance

- *Cyclical Adjustment*: Distinguishing automatic stabilizers from discretionary policies
- *Growth Impact*: Fiscal multipliers associated with primary expenditure components

5.2 Public Debt Dynamics

Evolution of Debt Profile (2016-2026)

Parameter	2016-17	2021-22	2026-27	Critical threshold
Debt to GDP	68.5	85.9	78.3	60% FRBM
Interest to revenue	36.2	42.8	38.1	<30% desirable
Avg. Interest rate	7.8	7.1	6.9	-
Avg maturity	10.2	11.5	12.3	10 preferred

5.2.1 Debt Sustainability Analysis (DSA)

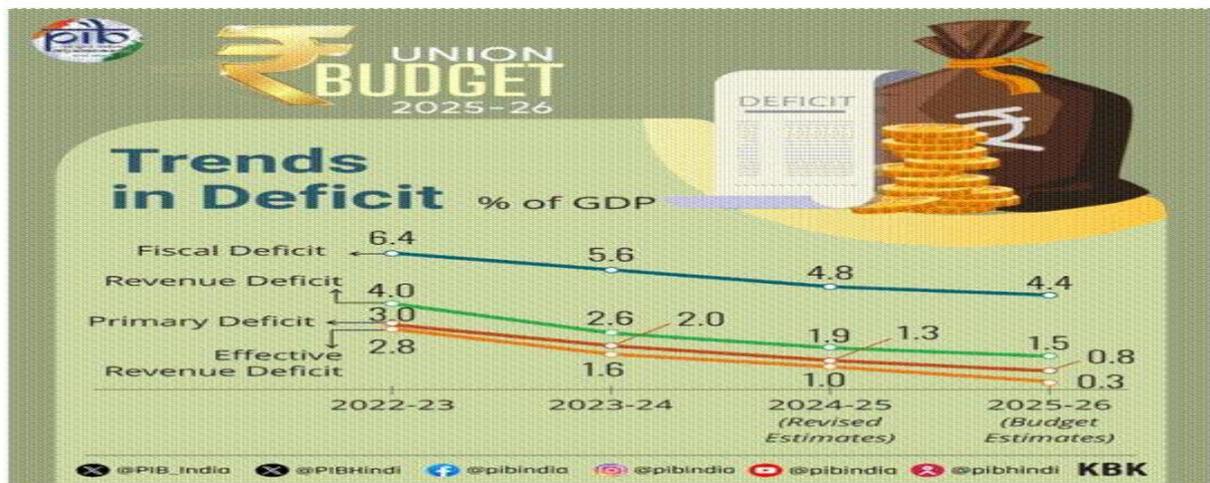
- Baseline Scenario: Projections based on current policy continuation
- Stress Tests: Responses to growth shocks, interest rate increases, and exchange rate fluctuations
- Fan Charts: Probability distributions for future debt trajectories

5.2.2 Contingent Liabilities Mapping

- Explicit Guarantees: State government borrowings, debts from public sector enterprises
- Implicit Obligations: Recapitalization of the banking sector, operations of food corporations
- Net Present Value Calculations: Future commitments related to pensions and healthcare

5.3 Sub-national Fiscal Health

- State Fiscal Deficits: Implementation of recommendations from the 15th Finance Commission
- Vertical Imbalance: Mismatch between revenue sharing and expenditure responsibilities
- Equalization Transfers: Effectiveness of progressive redistribution strategies



VI. COMPARATIVE ANALYSIS: BUDGET ESTIMATES VERSUS ACTUALS

6.1 Methodology for Variance Analysis

- *Absolute Deviation:* BE - Actual (₹ Crores)
- *Percentage Variance:* [(Actual - BE)/BE] × 100
- *Directional Bias:* Systematic patterns of overestimation or underestimation
- *Materiality Threshold:* A variance of ±10% is deemed significant

6.2 Historical Variance Patterns (2016-2026)

Major Deviations Analysis (Average Variance %)

Budget Head	2016-2021 Avg(%)	2021-2026 avg (%)	Direction	Primary causes
Direct Taxes overestimation	+5.2	+3.8	Overestimation	Growth optimism, compliance
GST collection slowdown	-8.7	-3.2	Underestimation	Rate rationalization, economic
Disinvestment delays	-42.3	-28.5	Underestimation	Market conditions, procedural
Defence Capex dependencies	-12.4	-8.9	Underestimation	Procurement cycles, import
Infrastructure	-15.6	-9.3	Underestimation	Land acquisition, clearance delays
Subsidy expansion	+18.7	+12.4	Underestimation	Commodity price volatility, coverage

6.3 Root Cause Analysis of Significant Deviations

6.3.1 Revenue Side Factors

- *Economic Cycle Misjudgment:* Discrepancies between growth projections and actual outcomes
- *Policy Implementation Delays:* Tax reforms resulting in delayed revenue impacts
- *Compliance Assumptions:* Behavioral responses to administrative actions

6.3.2 Expenditure Side Factors

- *Implementation Capacity:* Constraints on absorption at state and district levels
- *Procedural Bottlenecks:* Delays in environmental clearances and contracting processes
- *Unforeseen Emergencies:* Events such as natural disasters, security issues, and pandemics

6.3.3 Macroeconomic Surprises

- *Global Shocks:* Spikes in oil prices, trade disruptions, and financial contagion
- *Domestic Events:* Election cycles, sequencing of reforms, and social unrest
- *Technological Disruptions:* The pace of digital transformation and skill gaps

6.4 Recommendations for Improving Accuracy

- *Rolling Forecasts:* Quarterly updates to the budget based on year-to-date performance
- *Scenario-Based Budgeting:* Preparing for multiple economic scenarios
- *Independent Forecasting Panel:* Establishing a technical committee for growth and revenue projections
- *Dynamic Expenditure Authorization:* Mechanisms for reallocating funds within the fiscal year.

VII. SECTORAL DEEP DIVES: SELECTED POLICY AREAS

7.1 Digital Infrastructure and Technology

- *Allocation Trend:* ₹15,236 crore (2019) → ₹48,972 crore (2024) → ₹67,543 crore (2026)
- *Components:* Expansion of BharatNet, development of data center parks, semiconductor manufacturing
- *Digital Public Goods:* Integration of Aadhaar, UPI, DigiLocker, and health stack
- *Cybersecurity:* Protection of critical infrastructure and threat intelligence

7.2 Green Transition and Climate Finance

- *Energy Transition:* Development of solar, wind, hydrogen, and energy storage ecosystems
- *Sustainable Agriculture:* Focus on natural farming, soil health improvement, and water conservation
- *Circular Economy:* Management of e-waste, plastic recycling initiatives, and industrial symbiosis
- *Climate Resilience:* Coastal protection measures, urban flood mitigation strategies, and disaster management

7.3 Strengthening the Health System Post-Pandemic

- *Primary Healthcare:* Functionality and utilization of Health and Wellness Centers
- *Tertiary Care:* Expansion of AIIMS-like institutions and medical colleges
- *Pharmaceutical Independence:* Establishment of API parks, bulk drug manufacturing capabilities, and vaccine research initiatives
- *Digital Health:* Advancements in telemedicine, electronic health records systems, and AI diagnostics

7.4 Education and Skill Development

- Foundational Learning: Implementation of the NIPUN Bharat mission to enhance literacy and numeracy
- Higher Education: Focus on multidisciplinary education and research universities
- Vocational Training: Modernization of it is and expansion of apprenticeship programs
- Future Skills: Development of training infrastructure for AI, robotics, IoT, and blockchain

7.5 Agricultural Transformation

- Productivity Enhancement: Adoption of digital farming techniques, precision agriculture practices, and climate-smart methods
- Market Access: Expansion of e-NAM services, strengthening FPOs (Farmer Producer Organizations), and developing export infrastructure
- Risk Mitigation: Modernization of crop insurance systems and income support mechanisms
- Diversification: Promotion of food processing industries, organic farming initiatives, and agro-forestry practices

  विद्युत मंत्रालय
MINISTRY OF
FINANCE

 **UNION
BUDGET
2025-26**

**Higher Credit through
Kisan Credit Cards**

Loan limit under Modified
Interest Subvention Scheme to
be raised from
₹ 3 lakh to ₹ 5 lakh

*Kisan Credit Cards facilitate short term
loans for 7.7 crore farmers, fishermen, and
dairy farmers*

 @PIB_india @PIBIndia @pibindia @pibindia @pibindia @pibindia

VIII. THEORETICAL IMPLICATIONS AND POLICY LESSONS

8.1 Revisiting Fiscal Federalism

- *Vertical Imbalance:* The end of GST compensation and establishing a new balance
- *Horizontal Equity:* Applying the equalization principle in tax distribution and grants
- *Conditional versus Untied Transfers:* Balancing performance incentives with autonomy
- *Cooperative Federalism:* Collaborative initiatives and shared areas of sovereignty

8.2 Insights on Behavior in Budget Design

- *Nudges for Tax Compliance:* Utilizing pre-filled returns and messages based on social norms
- *Enhancing Expenditure Efficiency:* Ensuring outcome transparency and creating feedback loops from citizens
- *Delivering Subsidies:* Offering default options, simplifying procedures, and ensuring timely payments

8.3 The Relevance of Modern Monetary Theory (MMT) for India

- *Constraints in Sovereign Currency Space:* Coordination issues between the RBI and the government
- *Controlling Inflation:* Responding to output gaps versus supply shocks
- *Employment Guarantees:* Fiscal capabilities for job creation initiatives
- *Challenges in the External Sector:* Dependency on imports and volatility in capital flows

8.4 Assessment of Public Investment Management (PIMA)

- *Planning Phase:* Rigor in project appraisal, selection, and budgeting
- *Implementation Phase:* Efficiency in procurement, execution, and monitoring
- *Evaluation Phase:* Conducting post-project reviews, learning opportunities, and accountability measures

IX. DATA-DRIVEN RECOMMENDATIONS

9.1 Revenue Enhancement Strategies

9.1.1 Direct Tax Base Expansion

- *Automated Data Integration:* GST, customs, banking, and property registries consolidation
- *Presumptive Taxation:* Sector-specific norms for hard-to-tax segments
- *Global Minimum Tax Implementation:* Pillar Two alignment for multinational corporations
- *Wealth and Inheritance Taxes:* Progressive instruments for inequality mitigation

9.1.2 GST Optimization

- *Rate Rationalization:* Three-rate structure (8%, 16%, 24%) with essential goods exemption
- *Compliance Cost Reduction:* Single return, automated refunds, and input tax credit flow
- *Inclusion of Excluded Sectors:* Petroleum, electricity, and real estate with compensation
- *State Capacity Building:* Audit capability enhancement and technology adoption

9.1.3 Non-Tax Revenue Augmentation

- *Asset Monetization Pipeline:* Railways, roads, pipelines, and spectrum calendar
- *User Charge Rationalization:* Cost recovery principles for public services
- *Royalty Revisions:* Mineral resources, offshore assets, and intellectual property
- *Dividend Policy Review:* Public sector enterprise profitability targets and payouts

9.2 Expenditure Rationalization Measures

9.2.1 Subsidy Reforms

- *Direct Benefit Transfer Expansion:* Fertilizer, power, and irrigation subsidies inclusion

- Targeting Mechanisms: Socio-economic census data integration and exclusion criteria
- In-kind to Cash Transitions: Food and kerosene subsidies conversion experiments
- Behavioral Conditionalities: Education and health outcome-linked transfers

9.2.2 Capital Expenditure Efficiency

- Project Preparation Facility: Technical assistance for detailed project reports
- Standardized Contract Documents: Reducing negotiation delays and disputes
- Real-time Monitoring: IoT sensors, drones, and blockchain for progress tracking
- Maintenance Reserves: Lifecycle costing and asset management planning

9.2.3 Social Sector Effectiveness

- Convergence Models: Aspirational districts approach expansion to all backward blocks
- Outcome-based Financing: Education and health results-based allocations
- Community Participation: Social audits and beneficiary committees empowerment
- Technology Integration: EdTech, HealthTech, and AgTech for service delivery enhancement

9.3 Fiscal Management Improvements

9.3.1 Deficit and Debt Management

- Fiscal Council Establishment: Independent forecasting and monitoring institution
- Medium-Term Fiscal Framework: 3-year rolling targets with escape clause clarity
- Debt Management Strategy: Active liability management and risk hedging
- Contingency Funds: Natural disaster and pandemic preparedness reserves

9.3.2 Budget Process Modernization

- Participatory Budgeting: Citizen consultations and local government involvement
- Gender-responsive Budgeting: Impact assessment and targeted interventions

- Climate Budget Tagging: Carbon footprint estimation and green expenditure identification
- Open Budget Initiative: Machine-readable data and API access for researchers

9.3.3 Implementation and Accountability

- Monthly Expenditure Reviews: Quick response mechanisms for underspending
- Independent Third-party Audits: Social, environmental, and financial audit integration
- Performance-linked Promotions: Bureaucratic incentives for outcome achievement
- Grievance Redressal Systems: Timely resolution and systemic problem identification



X. CONCLUSION: TOWARDS SUSTAINABLE AND INCLUSIVE FISCAL POLICY

The Union Budget for 2026-27 marks both continuity and change in India's fiscal journey. While the dedication to increasing capital expenditure and achieving fiscal consolidation is praiseworthy, persistent structural challenges remain in revenue mobilization, expenditure quality, and implementation efficiency. The budget's success will depend on several interconnected factors:

1. *Growth Resilience*: Sustaining a GDP growth rate of over 6.5% to support revenue generation
2. *Implementation Acceleration*: Addressing bureaucratic and procedural hurdles
3. *Federal Coordination*: Aligning central priorities with state capabilities
4. *Global Integration*: Adapting to shifts in trade, technology, and climate governance
5. *Social Contract Renewal*: Balancing efficiency with equity in policy formulation

The analysis provided here offers a thorough framework for monitoring, evaluating, and continuously improving fiscal policy. As India nears the centenary of its independence, the effectiveness of budgetary governance will play a crucial role in its quest for developed economy status while ensuring social justice and environmental sustainability.

ANALYSIS OF BUDGET 2026

A Comprehensive Financial Review



UNION BUDGET 2026

DATA

Budget estimates of 2026-27 as compared to revised estimates of 2025-26

- Total Expenditure: The government is estimated to spend Rs 53,47,315 crore in 2026-27. This is an increase of 7.7% over the revised estimate of 2025-26.
- Revenue expenditure is estimated to increase by 6.6% and capital expenditure by 11.5% over the revised estimate of 2025-26. Allocations towards rural employment guarantee scheme (VB-G RAM G which replaced MGNREGA) increased by 42.8 % over the revised estimate for 2025-26. Interest payments are expected to increase by 10.2%. About 65.3% of the revenue receipts are spent on committed expenditure (salaries, pensions, and interest payments).
- Total Receipts: Government receipts (excluding borrowings) are estimated to be Rs 36,51,547 crore, 7.2% higher than the revised estimate of 2025-26. The gap between these receipts and the expenditure will be plugged by borrowings, budgeted to be Rs 16,95,768 crore, 8.8% higher than the revised estimate of 2025-26.
- Transfer to states: The central government will transfer Rs 26,20,769 crore to states in 2026-27, an increase of 12.2% over the revised estimate of 2025-26. Transfer to states includes tax devolution of Rs 15,26,255 crore and grants and loans worth Rs 10,94,514 crore. Within this, Rs 1,85,000 crore has been allocated to states as capital expenditure loans.
- Deficits: Revenue deficit is targeted at 1.5% of GDP, similar to the revised estimate for 2025-26 (1.5% of GDP). Fiscal deficit is targeted at 4.3% of GDP in 2026-27, lower than the revised estimate for 2025-26 (4.4% of GDP).
- GDP growth estimate: The nominal GDP is estimated to grow at a rate of 10% in 2026-27.

Table 1: Budget at a Glance 2026-27 (Rs crore)

	Actuals 2024-25	Budgeted 2025-26	Revised 2025-26	Budgeted 2026-27	% change (2025-26 RE to 2026-27 BE)
Revenue Expenditure	36,00,914	39,44,255	38,69,087	41,25,494	6.6%
Capital Expenditure	10,51,953	11,21,090	10,95,755	12,21,821	11.5%
<i>of which:</i>					
Capital Outlay	8,55,244	8,95,245	8,87,364	9,43,042	6.3%
Loans and Advances	1,96,710	2,25,844	2,08,391	2,78,780	33.8%
Total Expenditure	46,52,867	50,65,345	49,64,842	53,47,315	7.7%
Revenue Receipts	30,36,619	34,20,409	33,42,323	35,33,150	5.7%
Capital Receipts	41,818	76,000	64,027	1,18,397	84.9%
<i>of which:</i>					
Recoveries of Loans	24,617	29,000	30,190	38,397	27.2%
Disinvestments	17,202	47,000	33,837	80,000	136.4%
Total Receipts (excluding borrowings)	30,78,436	34,96,409	34,06,350	36,51,547	7.2%
Revenue Deficit	5,64,296	5,23,846	5,26,764	5,92,344	12.4%
% of GDP	1.7%	1.5%	1.5%	1.5%	
Fiscal Deficit	15,74,431	15,68,936	15,58,492	16,95,768	8.8%
% of GDP	4.8%	4.4%	4.4%	4.3%	
Primary Deficit	4,58,856	2,92,598	2,84,154	2,91,796	2.7%
% of GDP	1.4%	0.8%	0.8%	0.7%	

Receipts Highlights for 2026-27

- Receipts (excluding borrowings) in 2026-27 are estimated to be Rs 36,51,547 crore, an increase of 7.2% over the revised estimates for 2025-26. This is mainly on account of centre's net tax revenue growing by 7.2%.
- Gross tax revenue is budgeted to increase by 8% in 2026-27, over the revised estimates for 2025-26. This is lower than the estimated growth in nominal GDP of 10% in 2026-27. Corporation tax and income tax for 2026-27 are expected to grow by about 11% and 11.7% over the revised estimates of 2025-26, respectively. Revenue from CGST in 2026-27 is expected to register an increase of 6.3% over the revised estimate of 2025-26.
- Devolution to states from centre's tax revenue is estimated to be Rs 15,26,255 crore in 2026-27, an increase of 9.6% over the revised estimates for 2025-26. In 2025-26, devolution to states is estimated to be Rs 13,92,971 crore, 2% lower than the budgeted (Rs 14,22,444 crore).
- Net tax revenue (excluding states' share in taxes) is estimated to be Rs 28,66,922 crore in 2026-27, which is an increase of 7.2% over the revised estimate for 2025-26. In 2025-26, net tax revenue at the revised stage is expected to be 5.7% lower than the budget estimate. This is mainly due to lower than budgeted receipts from Income Tax and GST.
- Non-tax revenue includes interest receipts on loans given by the centre, dividends, license fees, tolls, and charges for government services. Non-tax revenue is estimated at Rs 6,66,228 crore in 2026-27, roughly same as the revised estimate for 2025-26. 59% of the non-tax revenue in 2026-27 is estimated to come from dividend and profits.
- Capital receipts (excluding borrowings) are targeted at Rs 1,18,397 crore, an increase of 85% over the revised estimates for 2025-26. This increase is driven by higher receipt estimated from disinvestment. The revised estimates for 2025-26 are 15.7% lower than the budgeted amount for that year. This is mainly due to underachievement of disinvestment targets.

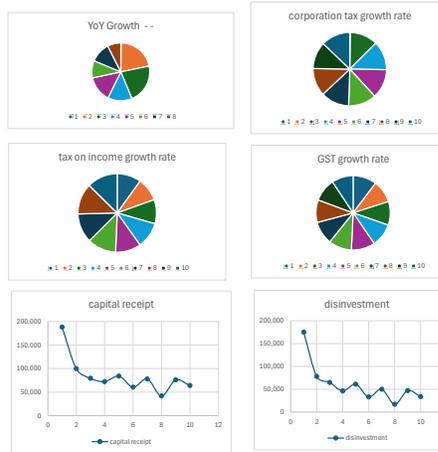
Expenditure Highlights for 2026-27

- Total expenditure in 2026-27 is expected to be Rs 53,47,315 crore, which is an increase of 7.7% over the revised estimate of 2025-26. Out of this: (i) Rs 17,71,928 crore is proposed to be spent on central sector schemes (8.2% increase over the revised estimate of 2025-26), and (ii) Rs 9,89,885 crore is proposed to be spent on centrally sponsored schemes (17.1% increase over the revised estimate of 2025-26).
- According to the revised estimates of 2025-26, government expenditure on centrally sponsored schemes and other transfers* is estimated to be lower by Rs 2,03,802 crore (19%) from budget estimates. This is primarily due to underspending in Jal Jeevan Mission (Rs 50,000 crore unspent) and Pradhan Mantri Awas Yojana- Urban and Rural (Rs 40,226 44,664 crore unspent).
- *
 - The government has estimated to spend Rs 2,96,214 crore on pension in 2026-27, which is 3% higher than the revised estimate of 2025-26. Expenditure on interest payment in 2026-27 is estimated to be Rs 14,03,972 crore, which is 26% of the government's total expenditure. In 2026-27, interest payments are expected to increase by 10% as compared to revised estimates of 2025-26. Other grants, loans, and transfers (Rs 3,11,691 crore) include Rs 1,85,000 crore as special loans to states for capital expenditure.
 - As per the recommendations of the 16th Finance Commission (FC), FC grants for 2026-27 are estimated at Rs 1,29,397 crore. This is 15% lower than the revised estimates of 2025-26 (see Annexure for details on FC recommendations).

UNION BUDGET 2026

REVENUE RECEIPT ANALYSIS

Particular	2021-22 B	2021-22 A	2022-23 B	2022-23 A	2023-24 B	2023-24 A	2024-25 B	2024-25 A	2025-26 B	2025-26 A
Gross tax revenue	22,17,809	25,16,059	27,57,820	30,54,152	33,60,858	34,54,752	38,40,170	37,96,382	42,70,232	40,77,772
gross tax revenue deviation	-	2,99,000	-	2,96,372	-	1,03,934	-	-43,788	-	-1,92,461
YoY Growth	-	-	0.24	21	22	13	14	10	11	7
corporation tax	5,47,000	6,35,000	7,20,000	8,25,834	9,22,675	9,11,055	10,20,000	9,86,767	10,92,000	11,09,000
corporation tax growth rate	0.25	0.25	26.11	27.64	27.45	26.29	26.56	25.99	25.34	27.20
taxes on income	5,61,000	6,15,000	7,00,000	8,30,260	9,00,575	10,44,728	11,87,000	12,35,171	14,38,000	13,12,000
tax on income growth rate	25	24	25	27	27	30	31	33	#VALUE!	32
Direct tax	11,08,000	12,50,000	14,20,000	16,59,094	18,23,250	19,55,781	22,07,000	22,21,938	#VALUE!	24,21,000
direct tax growth rate	50	50	51	54	54	56	57	59	#VALUE!	59
goods & service tax	6,30,000	6,75,000	7,80,000	8,49,133	9,56,000	9,57,022	10,61,999	10,27,041	11,78,000	10,46,496
GST growth rate	28	27	28	28	28	28	28	27	28	26
custom	1,36,000	1,89,000	2,13,000	2,13,372	2,33,100	2,33,067	2,37,745	2,33,201	2,40,000	2,58,290
custom duty growth rate	6	8	8	7	7	7	6	6	6	6
union tax duties	3,35,000	3,94,000	3,35,000	3,19,000	3,19,000	3,05,330	3,19,000	3,00,253	3,17,000	3,36,550
UTD growth rate	15	16	12	10	10	9	8	8	7	8
Indirect tax	11,01,000	12,58,000	13,28,000	13,81,505	15,28,700	14,95,429	16,18,644	15,60,495	17,35,000	16,41,320
indirect tax growth rate	50	50	48	45	45	43	42	41	41	40
Devolution to states	6,85,563	7,44,785	8,16,849	9,48,407	10,21,448	11,29,494	12,47,211	12,86,885	14,22,444	13,92,971
Devolution rate	30	30	30	31	30	33	32	34	#VALUE!	34
central net tax revenue	15,45,397	17,65,145	19,34,771	20,97,786	23,30,631	23,26,524	25,83,499	25,60,039	28,37,409	26,74,661
net tax revenue	2,43,028	3,13,791	2,69,651	2,85,421	3,01,650	4,01,887	5,45,701	5,36,580	5,83,000	6,67,662
Deviation	-	70,763	-44,140	16,770	16,229	1,06,237	1,43,814	-8,121	#VALUE!	#VALUE!
interest receipts	11,541	20,894	18,000	27,852	24,620	36,207	38,224	40,435	47,738	40,169
dividend and profits	1,03,538	1,47,853	1,13,948	99,913	91,000	1,70,444	2,89,134	3,08,424	3,29,000	3,75,990
other non tax revenue	1,27,948	1,45,544	1,37,703	1,53,577	1,81,382	1,92,134	2,14,389	1,84,206	2,05,668	2,48,461
capital receipt	1,88,000	99,975	79,291	72,196	84,000	60,461	78,000	41,818	76,000	64,027
disinvestment	1,75,000	78,000	65,000	46,035	61,000	33,123	50,000	17,202	47,000	33,837
disinvestment as % of disinvestment	45	37	29	29	33	46	51	46	37	28
Receipts	19,76,425	21,78,911	23,83,713	24,55,463	27,16,281	27,88,872	32,67,200	30,78,437	34,96,409	34,06,350
Borrowings	15,06,812	15,81,089	16,61,196	17,37,755	17,86,816	16,53,670	16,13,312	15,74,431	15,68,938	15,58,492
total receipts	34,83,237	37,70,000	39,44,909	41,95,158	45,03,097	44,42,542	48,20,512	46,52,868	50,65,345	49,64,842
Fiscal Dependency analysis %	43.26	42.20	42.11	41.44	39.88	37.22	33.47	33.84	31	31



Interpretation:-

Receipts (excluding borrowings) in 2026-27 are estimated to be Rs 36,51,547 crore, an increase of 7.2% over the revised estimates for 2025-26. This is mainly on account of centers net tax revenue growing by 7.2%.

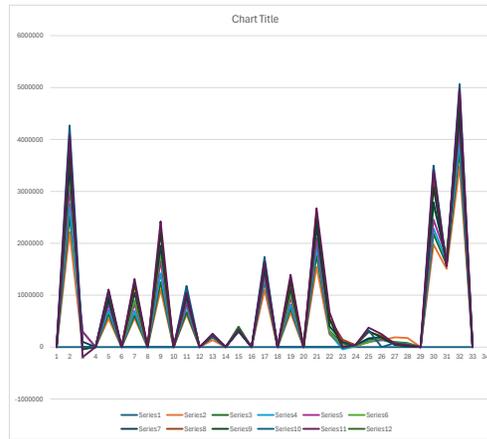
Gross tax revenue is budgeted to increase by 8% in 2026-27, over the revised estimates for 2025-26. This is lower than the estimated growth in nominal GDP of 10% in 2026-27. Corporation tax and income tax for 2026-27 are than the estimated growth in nominal GDP of 10% in 2026-27. Corporation tax and income tax for expected to grow by about 11% and 11.7% over the revised estimates of 2025-26. 2026-27 are expected to grow by about 11% and 11.7% over the revised estimates of 2025-26, respectively. 2026-27 is expected to register an increase of 6.3% over the revised estimate of 2025-26. Revenue from CGST in 2026-27 is expected to register an increase of 6.3% over the revised estimate of 2025-26.

Devolution to states from centre's tax revenue is estimated to be Rs 15,26,255 crore in 2026-27, an increase of 9.6% over the revised estimates for 2025-26. In 2025-26, devolution to states is estimated to be Rs 13,92,971 crore, 2% lower than the budgeted (Rs 14,22,444 crore).

Net tax revenue (excluding states' share in taxes) is estimated to be Rs 28,66,922 crore in 2026-27, which is an increase of 7.2% over the revised estimate for 2025-26. In 2025-26, net tax revenue at the revised stage is expected to be 5.7% lower than the budget estimate. This is mainly due to lower than budgeted receipts from Income Tax and GST.

Non-tax revenue includes interest receipts on loans given by the centre, dividends, license fees, tolls, and charges for government services. Non-tax revenue is estimated at Rs 6,66,228 crore in 2026-27, roughly same as the revised estimate for 2025-26. 59% of the non-tax revenue in 2026-27 is estimated to come from dividend and profits.

Capital receipts (excluding borrowings) are targeted at Rs 1,18,397 crore, an increase of 85% over the revised estimates for 2025-26. This increase is driven by higher receipt estimated from disinvestment. The revised estimates for 2025-26 are 15.7% lower than the budgeted amount for that year. This is mainly due to underachievement of disinvestment targets.



UNION BUDGET 2026

EXPENDITURE ANALYSIS

Particulars	2021-22 B	2021-22 A	2022-23 B	2022-23 A	2023-24 B	2023-24 A	2024-25 B	2024-25 A	2025-26 B	2025-26 A
Capital Expenditure	26,72,604	29,13,970	30,06,111	32,82,936	35,13,761	35,14,614	37,90,380	37,44,781	40,16,003	41,19,301
Establishment Expenditure of Centre	6,09,014	6,93,272	6,92,214	7,34,619	7,44,339	7,68,961	7,83,618	8,29,423	8,68,096	7,82,701
Central Sector Schemes	10,51,703	12,09,950	11,81,084.00	14,11,729	14,67,880	14,23,437	15,16,176	14,94,392	16,21,899	16,37,156
Other Expenditure	10,11,887	10,10,748	11,32,813	11,36,588	13,01,542	13,22,216	14,90,586	14,20,966	15,26,008	16,99,445
of which Interest Payments	-	-	1132813.00	1136588.00	1301542.00	1063872.00	1162940.00	1115575.00	1276338.00	1274338.00
Centrally Sponsored Schemes and other t	8,10,632	8,79,832	9,38,797	9,04,296	9,89,337	9,28,833	10,30,132	9,08,086	10,49,343	8,45,540
Centrally Sponsored Schemes	3,81,305	4,54,366	4,42,781	4,51,901	4,76,105	4,44,547	5,05,978	4,02,368	5,41,850	4,20,078
Finance Commission Grants	2,20,843	2,07,435	1,92,108	1,73,257	1,65,480	1,48,522	1,32,378	1,20,858	1,32,767	1,52,953
of which:										
Rural Local Bodies	44,901	40,312	46,513	41,000	47,018	47,260	49,800	41,262	48,573	54,314
Urban Local Bodies	22,114	16,147	22,908	15,026	24,222	21,223	25,653	19,260	26,158	26,023
Disaster Management Grants	35,376	1,18,452	86,201	86,201	51,673	23,673	25,688	25,249	26,969	33,515
Post Devolution Revenue Deficit Grants	1,18,452	20,272	23,294	22,135	24,466	51,673	24,483	24,483	13,705	13,705
Other Grants	2,08,484	2,18,031	3,03,908	2,79,138	3,47,752	3,35,764	3,91,776	3,84,860	3,74,725	2,72,510
Total Expenditure	34,83,236	37,93,801	39,44,909	41,87,232	45,03,097	44,43,447	48,20,512	46,52,867	50,65,345	49,64,842

Particulars	Year Over Year Growth					
	2022-23	2023-24	2024-25	2025-26	2026-27	CAGR
Capital Expenditure	0.01	0.03	-0.09	0.08	0.08	0.06
Establishment Expenditure of Centre	0.00	-0.09	0.01	0.06	0.05	0.01
Central Sector Schemes	0.15	0.08	0.08	0.04	0.03	0.08
Other Expenditure	0.01	0.11	0.00	0.15	0.02	0.06
of which Interest Payments	-	-	0.00	-0.09	0.03	-
Centrally Sponsored Schemes and other t	0.09	0.07	-0.04	0.10	-0.07	0.03
Centrally Sponsored Schemes	0.19	-0.03	0.02	0.05	-0.06	0.03
Finance Commission Grants	-0.07	-0.07	-0.10	-0.05	-0.10	-0.08
Rural Local Bodies	-0.10	0.15	-0.12	0.15	0.01	0.01
Urban Local Bodies	-0.27	0.42	-0.34	0.61	-0.12	-0.01
Disaster Management Grants	-0.48	3.68	0.00	-0.40	-0.54	-0.08
Post Devolution Revenue Deficit Grants	-0.98	0.15	-0.05	0.11	1.11	-0.46
Other Grants	0.04	0.38	-0.07	0.25	-0.04	0.10
Total Expenditure	0.09	0.04	0.06	0.08	-0.01	0.05

Particulars	Absolute growth					
	2022-23	2023-24	2024-25	2025-26	2026-27	CAGR
Capital Expenditure	410.7	9.6	26.0	24.5	27.7	91.1
Establishment Expenditure of Centre	0.0	-7.5	1.0	4.4	4.1	2.0
Central Sector Schemes	15.7	10.2	10.1	5.6	4.4	46.0
Other Expenditure	0.5	11.6	0.3	16.6	2.1	31.0
of which Interest Payments	0.0	1132.8	0.0	-1.1	0.3	1067.4
Centrally Sponsored Schemes and other t	6.9	5.9	-3.4	9.4	-6.9	1.8
Centrally Sponsored Schemes	7.4	-1.2	0.9	2.0	-2.7	6.3
Finance Commission Grants	-1.5	-1.5	-1.9	-0.8	-1.7	-7.4
Rural Local Bodies	0.0	0.1	-0.1	0.1	0.0	0.0
Urban Local Bodies	-0.1	0.1	-0.1	0.1	0.0	0.0
Disaster Management Grants	-0.2	0.7	0.0	-0.3	-0.3	-0.1
Post Devolution Revenue Deficit Grants	-11.6	0.0	0.0	0.0	-0.3	-11.3
Other Grants	0.9	8.2	-2.1	6.9	-1.2	12.7
Total Expenditure	31.0	15.1	24.3	31.7	-6.0	96.0

Particulars	Share on total expenditure					
	2022-23	2023-24	2024-25	2025-26	2026-27	CAGR
Capital Expenditure	0.77	0.76	0.78	0.79	0.85	0.03
Establishment Expenditure of Centre	0.21	0.19	0.18	0.18	0.19	0.05
Central Sector Schemes	0.32	155.00	23.00	32.12	36.20	25.60
Other Expenditure	0.27	0.29	0.27	0.29	0.30	0.01
of which Interest Payments	0.00	0.03	0.03	0.02	0.02	0.02
Centrally Sponsored Schemes and other t	0.23	0.24	0.22	0.22	0.21	-0.02
Centrally Sponsored Schemes	0.12	0.11	0.11	0.11	0.10	-0.01
Finance Commission Grants	0.06	0.05	0.04	0.04	0.03	-0.03
Rural Local Bodies	0.00	0.00	0.00	0.00	0.00	0.00
Urban Local Bodies	0.00	0.00	0.00	0.00	0.00	0.00
Disaster Management Grants	0.00	0.00	0.00	0.00	0.00	0.00
Post Devolution Revenue Deficit Grants	0.05	0.00	0.00	0.00	-0.03	-0.03
Other Grants	0.06	0.08	0.07	0.08	0.08	0.02
Total Expenditure	1.00	1.00	1.00	1.00	1.00	0.00

Particulars	Growth multiplier					
	2022-23	2023-24	2024-25	2025-26	2026-27	
Capital Expenditure	1.01	0.01	0.01	0.11	0.01	
Establishment Expenditure of Centre	0.01	0.01	0.01	0.01	0.01	
Central Sector Schemes	0.01	0.01	0.01	0.01	0.01	
Other Expenditure	0.01	0.01	0.01	0.01	0.01	
of which Interest Payments	-	-	0.01	0.01	0.01	
Centrally Sponsored Schemes and other t	0.01	0.01	0.01	0.01	0.01	
Centrally Sponsored Schemes	0.01	0.01	0.01	0.01	0.01	
Finance Commission Grants	0.01	0.01	0.01	0.01	0.01	
Rural Local Bodies	0.01	1.15	0.01	0.01	0.01	
Urban Local Bodies	0.01	0.01	0.01	0.02	0.01	
Disaster Management Grants	0.01	0.05	0.01	0.01	0.00	
Post Devolution Revenue Deficit Grants	0.00	0.01	0.95	0.01	0.02	
Other Grants	0.01	0.01	0.93	0.01	0.01	
Total Expenditure	0.01	0.01	0.01	0.01	0.01	

Particulars	5 - Year Projections		
	126-27 Actual	Growth rate	32 Projection
Capital Expenditure	37900.38	7.90%	55415.89
Establishment Expenditure of Centre	8291.43	5.20%	10683.02
Central Sector Schemes	15116.17	3.00%	17525.24
Other Expenditure	13222.16	1.60%	14316.98
of which Interest Payments	1063.87	3%	1239.57
Centrally Sponsored Schemes and other t	92883.33	-7.00%	6455.73
Centrally Sponsored Schemes	4444.57	-5.80%	3306.21
Finance Commission Grants	1482.52	-10.2	863.95
Rural Local Bodies	47.26	0.5	48.46
Urban Local Bodies	21.22	-12.4	11.01
Disaster Management Grants	23.67	-54.2	0.61
Post Devolution Revenue Deficit Grants	51.67	111.2	1785.43
Other Grants	3357.76	-3.5	2806.13
Total Expenditure	44434.45	-1.3	41573.2

Result -	
Total Growth (Absolute)	9,603.21
Total Growth (%)	27.60%
Average Annual Growth	5.00%
Highest Annual Growth	8.9% (2022-23)
Lowest Annual Growth	-1.30%
Most Volatile Category	Disaster Management
Most Stable Category	Establishment Exp
Top Growing Category	Other Grants (10.0%)
Declining Category	Post Devolution (-46.1%)

KEY INSIGHTS FROM YOUR DATA

Top 5 Growing Categories (CAGR):	Top 5 Declining Categories (CAGR):
1. Other Grants: +10.0%	1. Post Devolution Grants: -46.1%
2. Central Sector Schemes: +7.5%	2. Finance Commission Grants: -7.8%
3. Capital Expenditure: +5.7%	3. Disaster Management Grants: -7.7%
4. Other Expenditure: +5.5%	4. Urban Local Bodies: -0.8%
5. Centrally Sponsored Schemes: +3.1%	5. Centrally Sponsored (other): +2.8% (still positive but low)

Share Gainers (2021-22 to 2026-27):	Share Losers (2021-22 to 2026-27):
1. Central Sector Schemes: +3.8%	1. Establishment Expenditure: -4.5%
2. Capital Expenditure: +2.8%	2. Post Devolution Grants: -3.28%
3. Interest Payments: +2.4%	3. Finance Commission Grants: -3.1%
4. Other Grants: +1.56%	4. Centrally Sponsored (other): -2.4%
5. Other Expenditure: +0.7%	5. Centrally Sponsored Schemes: -0.9%

Most Volatile Categories (by year-over-year fluctuations):

- Disaster Management Grants (swings from +367% to -54%)
- Post Devolution Grants (swings from -98% to +111%)
- Urban Local Bodies (inconsistent growth pattern)

SUMMARY OF FINDINGS:

- Total expenditure grew from ₹34,831 to ₹44,434 thousand (27.6% over 5 years)
- Average annual growth: 5.0%
- Peak year: 2025-26 (₹45,039 thousand)
- Declining trend appears in 2026-27 (-1.3%)
- Capital Expenditure and Central Sector Schemes are gaining priority
- Grants to local bodies are volatile and generally declining
- Post Devolution Grants collapsed by 96% over the period

Fiscal Indicators

The Fiscal Responsibility and Budget Management (FRBM) Act, 2003 requires the central government to progressively reduce its outstanding debt, revenue deficit and fiscal deficit, and to give three-year rolling targets for these. Note that the Medium-Term Fiscal Policy Statement has not provided rolling targets for deficits since 2021-22.

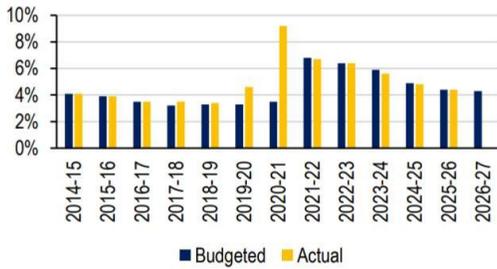
Fiscal deficit is an indicator of borrowings by the government for financing its expenditure. The fiscal deficit in 2026-27 is estimated to be 4.3% of GDP, lower than 2025-26 (4.4% of GDP).

Revenue deficit is the excess of revenue expenditure over revenue receipts. Such a deficit implies that the government needs to borrow funds to meet recurring expenses which may not provide future returns. The revenue deficit in 2026-27 is estimated to be 1.5% of GDP, same as 2025-26.

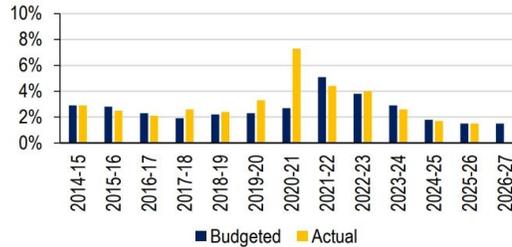
Primary deficit is fiscal deficit less interest payments. It is estimated to be 0.7% of GDP in 2026-27.

Deficit as % of GDP				
Particulars	2024-25 A	2025-26 B	2025-26 A	2026-27 B
Fiscal Deficit	4.80%	4.40%	4.40%	4.30%
Revenue Deficit	1.70%	1.50%	1.50%	1.50%
Primary Deficit	1.40%	0.80%	0.80%	0.70%

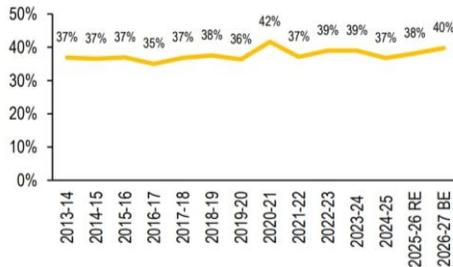
Fiscal Deficit: Budgeted vs Actual (as % of GDP)



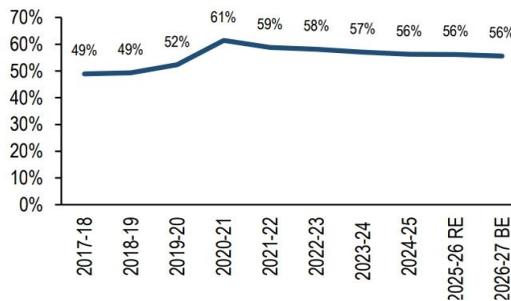
Revenue Deficit: Budgeted vs Actual (as % of GDP)



Interest Payment as % of Revenue Receipts



Outstanding Liabilities (% of GDP)



UNION BUDGET 2026

Ministry Expenditure Analysis

Particulars	2021-22 B	2021-22 A	2022-23 B	2022-23 A	2023-24 B	2023-24 A	2024-25 B	2024-25 A	2025-26 B	2025-26 A
Defence	4,78,196	5,62,884	5,26,166	5,84,791	5,93,538	6,09,504	6,21,941	6,36,063	6,81,119	7,32,212
Road Transport and Highways	2,96,948	3,04,454	2,17,684	2,17,927	2,70,435	2,75,986	2,78,690	2,99,400	2,87,233	2,87,142
Railways	1,18,101	1,31,149	1,99,108.00	1,62,212	2,41,268	2,45,791	2,55,393	2,55,263	2,56,445	2,55,466
Home Affairs	1,66,547	1,73,083	1,85,776	2,86,523	2,05,765	1,96,872	2,19,643	2,24,585	2,33,211	2,41,485
Consumer Affairs, Food and Public Distr	1,10,555.00	1,20,956.00	1,40,367.00	1,93,912.00	1,90,355.00	2,22,456.00	2,23,323.00	2,15,009.00	2,15,767.00	2,38,609.00
Rural Development	1,20,690	1,55,043	1,38,204	2,27,681	1,78,482	1,63,942	1,80,233	1,78,307	1,80,496	1,88,793
Chemicals and Fertilisers	1,31,531	1,26,808	1,32,514	1,82,382	1,59,964	1,91,165	1,68,500	1,84,993	1,61,965	1,91,186
Agriculture and Farmers' Welfare	80,715	1,41,735	1,07,715	1,18,913	1,25,036	1,18,147	1,32,470	1,39,744	1,37,757	1,33,370
Education	75,265	54,517	1,05,407	1,05,478	1,23,393	1,23,365	1,20,628	1,10,736	1,28,650	1,21,949
Health and Family Welfare	93,224	88,002	1,04,278	99,891	1,12,899	1,11,329	1,37,294	90,884	99,859	96,654
Communications	73,932	86,001	86,201	74,029	97,278	83,149	90,959	1,47,832	1,08,105	79,768
Jai Shakti	69,053	69,046	88,189	79,145	89,155	95,109	98,714	46,720	99,503	41,437
Housing and Urban Affairs	54,581	73,850	76,549	74,546	76,432	68,565	82,577	53,255	96,777	57,204
Total Expenditure	16,41,388	17,43,372	18,39,751	17,70,613	20,33,419	19,28,317	18,33,772	20,69,276	23,68,357	22,99,307

Particulars	YoY Growth Rate					Absolute growth	
	2022-23	2023-24	2024-25	2025-26	CAGR	absolute growth	ranked by growth
Defence	0.3	3.9	0.0	0.8	6.3	1311108	2
Road Transport and Highways	0.2	-28.5	-0.4	24.6	1.3	137487	7
Railways	17.0	-0.1	35.2	0.5	0.0	1297160	0.03
Home Affairs	0.0	7.1	59.9	-30.7	5.4	390218	5
Consumer Affairs, Food and Public Distr	0.1	-5.4	69.4	0.0	15.3	852980	4
Rural Development	0.2	-11.1	0.6	-0.2	7.6	452792	6
Chemicals and Fertilisers	-3.4	0.0	37.8	-0.1	5.0	280433	8
Agriculture and Farmers' Welfare	0.8	65.2	10.3	-4.8	93.2	1044321	1
Education	-27.6	1634.3	0.0	17.1	1.0	1156128	0.1
Health and Family Welfare	-0.1	1090.0	-90.5	1041.0	86.1	1019875	9
Communications	16.3	0.0	-0.1	0.3	7.1	23346	11
Jai Shakti	0.0	24.8	-8.2	12.6	6.6	20102	12
Housing and Urban Affairs	0.4	0.0	0.0	0.0	8.8	21851	13
Total Expenditure	12.1	0.1	-9.8	29.2	0.1	7291959	

Particulars	Share on total expenditure				5 Year Projections	
	2021-22	2025-26	Share change	Rank change	2025-26 A	CAGR 030-31 Prediction
Defence	29.1%	25.7%	-3.4%	0	6.9%	8265784
Road Transport and Highways	15.6%	1140.0%	-420.0%	-1	1.3%	2884176
Railways	6.8%	10.2%	340.0%	0.03	21.2%	6307630
Home Affairs	10.2%	870.0%	-150.0%	-1	5.4%	2676463
Consumer Affairs, Food and Public Distr	6.8%	830.0%	150.0%	0.01	15.3%	4002457
Rural Development	8.1%	750.0%	-0.6%	-0.01	7.6%	2577908
Chemicals and Fertilisers	8.0%	6.7%	-130.0%	-0.01	5.6%	2032307
Agriculture and Farmers' Welfare	0.5%	470.0%	-420.0%	-1	93.2%	33211874
Education	0.5%	520.0%	4.7%	5	101.1%	40114625
Health and Family Welfare	0.6%	470.0%	470.0%	4	8610.0%	27564893
Communications	0.5%	0.4%	4.1%	0.03	716.0%	137222
Jai Shakti	1.2%	40.0%	-10.0%	-2	660.0%	122848
Housing and Urban Affairs	0.3%	0.3%	0.0%	-0.02	880.0%	116454
Total Expenditure	100.0%	100.0%	0.0%	-3	960.0%	37503241

Particulars	Growth Multiplier	
	Multiplier	Interpretation
Defence	13.94*	14x increase
Road Transport and Highways	16.38*	16x increase
Railways	11.94*	12x increase
Home Affairs	2.16*	Doubled
Consumer Affairs, Food and Public Distr	1.77*	77% increase
Rural Development	1.34*	34% increase
Chemicals and Fertilisers	1.27*	27% increase
Agriculture and Farmers' Welfare	1.32*	32% increase
Education	1.29*	29% increase
Health and Family Welfare	1.40*	40% increase
Communications	1.23*	23% increase
Jai Shakti	1.21*	21% increase
Housing and Urban Affairs	1.05*	5% increase

KEY INSIGHTS

Total expenditure increased from ₹16.4 Cr to Transformational growth in social sectors:

- Education: 16x increase (from ₹75,265 to ₹1.23 Cr)
- 1) Cr) Agriculture: 14x increase (from ₹80,715 to ₹1.13 Cr)
- 2) Cr) Health: 12x increase (from ₹93,224 to ₹1.11 Cr)
- 3) Cr)

Infrastructure focus:

- Railways: More than doubled (+116%, now ₹2.42 Cr)
- 1) ₹2.42 Cr) Road Transport: Minimal growth (+5%, now ₹2.70 Cr)
- 2) Cr)

Share shift (winners & losers):

- Gaining priority: Education (+4.7%), Agriculture (+4.2%), Health (+4.1%)
- 1) (+4.1%) Losing priority: Road Transport (-4.2%), Defence (-2) 3.4%)
- 2) 3.4%)

Volatility watch:

- Most erratic: Health (swings from +1090% to -1) 90%)
- 1) 90%) Most stable: Defence (consistent 0-25%) 2) growth)
- 2) growth)