



APTI PLUS

Academy for Civil Services Pvt. Ltd.

CREATING CIVIL SERVANTS FOR THE NATION

West Bengal Budget

2026-27

At A Glance



WEST BENGAL BUDGET AT A GLANCE 2026-2027

Highlights

- **Welfare-centric priorities dominate** – **Social Services + Welfare** capture nearly **half** the budget – electoral compulsions visible
- **Revenue deficit halves** – signals improved fiscal management but **structural deficit persists** – state still spends more than it earns on recurring items
- **Capital expenditure surges 42.5%** – infrastructure push visible but **debt repayment still dominates** capital outgo – not enough fresh asset creation
- **Central dependency deepens** – **44.8%** receipts flow from Union, **SNA-SPARSH mechanism** drives massive CSS expansion – federal fiscal imbalance
- **Debt sustainability concerns** mount – **Outstanding debt crosses ₹8 lakh crore, interest payments alone** eat over **₹53,000 crore** – debt trap risk

Finance Minister Swapan Dasgupta presented the West Bengal Budget 2026-2027.

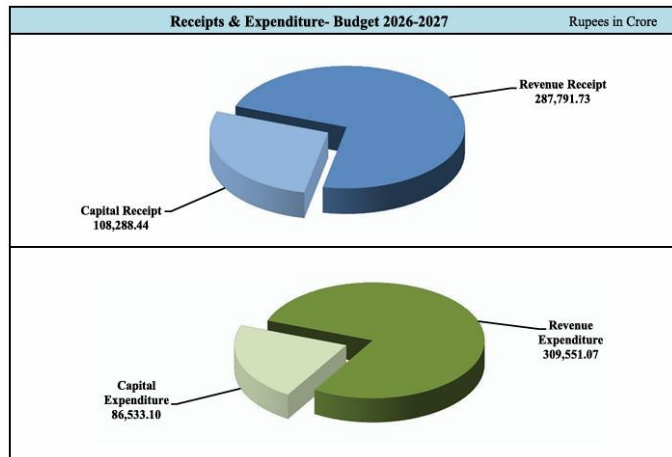
Major Announcements

- Allocate ₹14,000 crore for providing jobs **under VB-G RAM G scheme** in the state. Rural jobs under MGNREGA was suspended in WB since 2021.
- Allocated ₹36,000 crore for **women's financial assistance scheme Annapurna Yojna** providing ₹3,000 per month to women eligible under the scheme.
- **Four new medical colleges to be set up** at Alipurduar, Kalimpong, Dakshin Dinajpur and Paschim Bardhaman.
- Salary of Asha workers under ICDS scheme will be **hiked by ₹5000 per month** and salary of civic volunteers and civil police will be hiked by ₹2,000 per month.
- Govt announced ₹3000 per month for unemployed youth under **Bhorsa Karmasathi scheme**.
- Cook-cum-helpers working for PM POSHAN Scheme will get a raise of ₹1000 in their honorarium.
- An integrated deep sea port will be set up at **Dadanpatrabarh in Purba Medinipur**.
- Govt announced to allocate 1,000 to 1,500 acres of land to build a **new greenfield airport near Kolkata**.
- ₹550 crore allocated for the free bus scheme for women. The government will also grant women a "Pink Card" soon.
- Raising MLA local area development funds from annual ₹70 lakh to ₹1 crore.

1. FISCAL SITUATION

- **Total Budget** stands at **₹3,96,084 crore** with **Total Receipts** matching at **₹3,96,080 crore** – the near-balance shows minimal deficit of ₹4 crore
- **Revenue Receipts** contribute **₹2,87,792 crore** – **72.7%** of total inflow – recurring income from taxes and grants
- **Capital Receipts** bring **₹1,08,288 crore** – **27.3%** of total inflow – one-time inflows like loans and recoveries

- **Revenue Expenditure** absorbs ₹3,09,551 crore – 78.2% of total outgo – recurring spending on salaries, pensions, subsidies
- **Capital Expenditure** deploys ₹86,533 crore – 21.8% of total outgo – asset creation and infrastructure
- **Debt-to-GSDP ratio hovering around 38%**, among the highest for major States.



2. REVENUE RECEIPTS: OWN SOURCES vs CENTRAL TRANSFERS

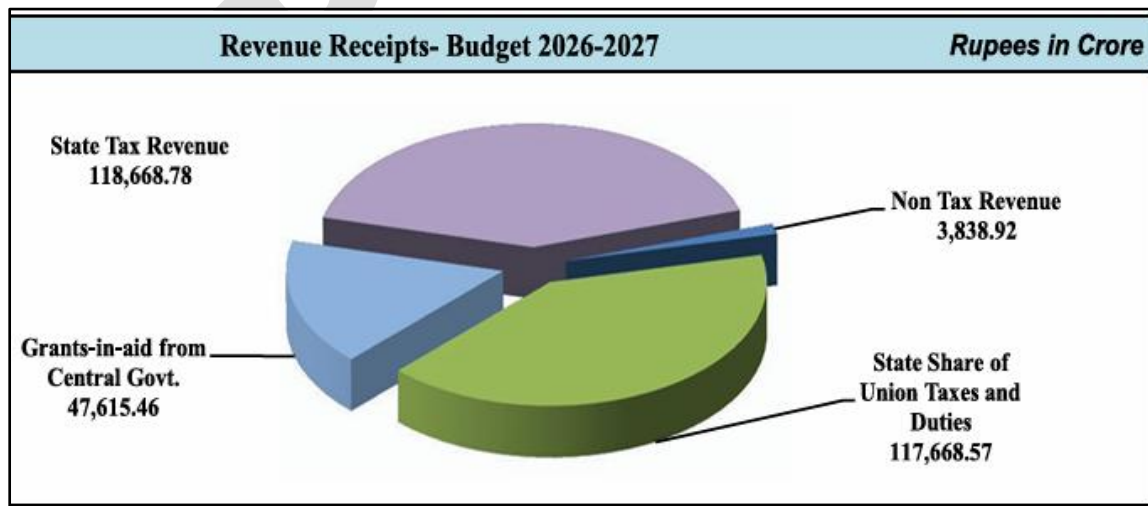
State's Own Tax Revenue fetches ₹1,18,669 crore – largest single revenue source – money West Bengal generates itself

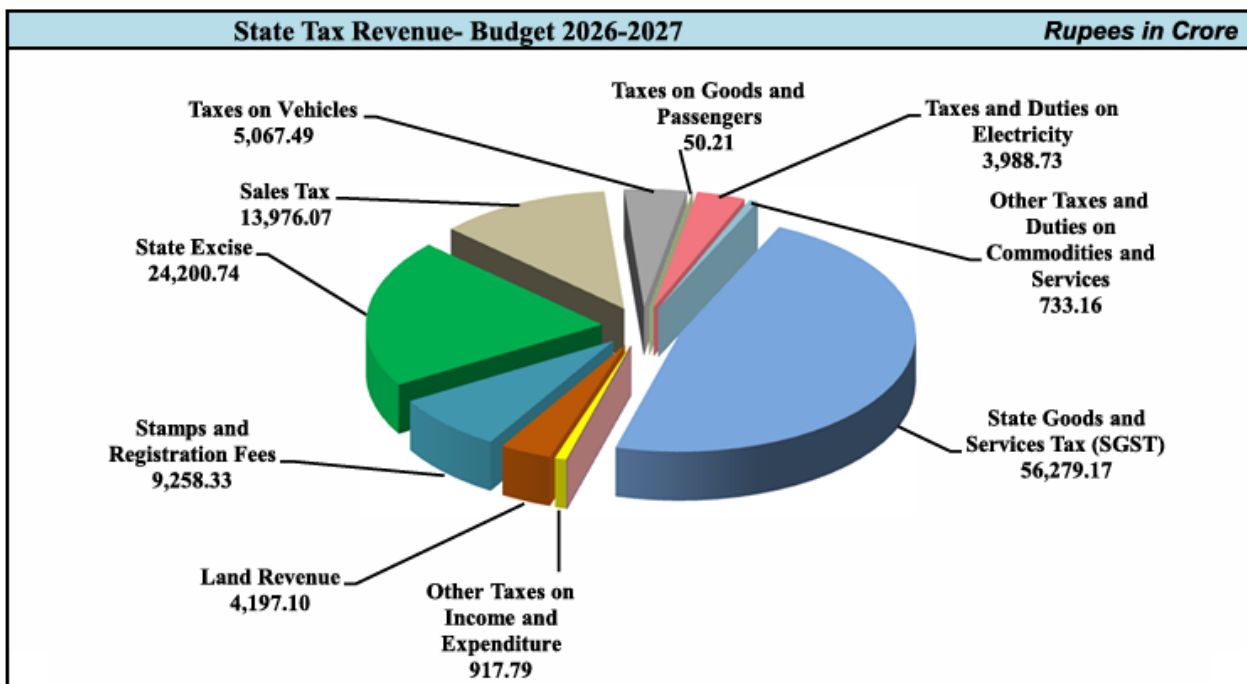
- **State GST (SGST)** generates ₹56,279 crore – dominant own tax – tax on goods and services within state
- **State Excise** yields ₹24,201 crore – liquor and alcohol taxes
- **Sales Tax** collects ₹13,976 crore – on goods outside GST net
- **Stamps and Registration Fees** earns ₹9,258 crore – property transaction charges

Central Transfers deliver ₹1,65,284 crore – 57.4% of total revenue receipts – money coming from Delhi

- **State Share of Union Taxes and Duties** transfers ₹1,17,669 crore – Constitutionally mandated share of central taxes
- **Grants-in-aid from Central Government** provides ₹47,615 crore – more than doubles from Revised 2025-26 figure of ₹22,069 crore – sharp increase suggests either new schemes or central push

Non Tax Revenue contributes a meager ₹3,839 crore – only 1.3% of revenue receipts – dividends, interest, user charges





3. EXPENDITURE PRIORITIES: SOCIAL SERVICES DOMINATE

Social Services command ₹1,80,862 crore – 45.6% of total budget – clear welfare priority, election-sensitive spending

- **Welfare of SC, ST, OBC and Social Welfare & Nutrition** absorbs ₹56,758 crore – largest social spend – targeted at backward classes and food security
- **Education, Sports, Art and Culture** secures ₹50,317 crore – schools, colleges, student welfare
- **Water Supply, Sanitation, Housing and Urban Development** receives ₹34,074 crore – urban infrastructure and housing schemes
- **Health and Family Welfare** obtains ₹19,981 crore – hospitals, clinics, family planning

Economic Services utilize ₹73,774 crore – 18.6% of total outlay – productive sector spending

- **Agriculture and Allied Activities and Rural Development** grabs ₹40,188 crore – top economic priority – farmer welfare, crop support, rural roads
- **Transport channels** ₹4,631 crore (revenue) plus ₹9,758 crore (capital) – ₹14,389 crore total – roads, bridges, public transport

General Services consume ₹94,389 crore – 23.8% of budget – administrative and obligatory costs

- **Interest payment and servicing of Debt** swallows ₹53,284 crore – single largest expenditure item – past borrowing coming due.
- Budget has made provisions of additional 20% DA to State government employees.

SALARY, PENSION & SUBSIDY BURDEN

- **Total Salaries** including Salary Grant and Wages costs **₹75,843 crore** – **19.1%** of budget – every fifth rupee pays government staff
- **Pension and Other Retirement Benefits** drops sharply to **₹18,393 crore** – **29.4% reduction** from Budget 2025-26 figure of ₹25,905 crore – possible pension reform or accounting change
- **Subsidy** rationalizes to **₹13,544 crore** – **30.4% cut** from ₹19,444 crore (2024-25 actuals) – power subsidy, transport subsidy reduction

4. CAPITAL EXPENDITURE SURGE

Total Capital Expenditure jumps to **₹86,533 crore** – **42.5% increase** from Revised 2025-26 figure of ₹60,661 crore – push for visible infrastructure

- **Public Debt Repayment** commits **₹44,607 crore** – **51.5%** of capital outgo – debt servicing dominates, not new projects
- **Economic Services** invests **₹21,599 crore** – **Transport** alone takes **₹9,758 crore** – roads and bridges
- **Social Services** deploys **₹18,251 crore** – **Water Supply, Sanitation, Housing and Urban Development** grabs **₹11,470 crore** – urban infrastructure focus

5. FISCAL DEFICIT & DEBT INDICATORS

- **Revenue Deficit** improves to (-) **₹21,759 crore** – **47.1% narrowing** from Revised 2025-26 deficit of ₹41,164 crore – state earns more than it spends on recurring items, gap closing
- **Fiscal Deficit** contracts to **₹62,423 crore** – **7.9% reduction** from Revised 2025-26 figure of ₹67,774 crore – total borrowing need shrinking
- **Outstanding Debt** breaches **₹8 lakh crore** mark – reaches **₹8,15,891 crore** – **7% rise** – debt stock keeps growing
- **Total Debt Servicing** devours **₹97,640 crore** – **24.6%** of total budget – every fourth rupee goes to debt
 - **Principal Repayment** demands **₹44,607 crore** – returning borrowed money
 - **Interest Payments** alone consume **₹53,034 crore** – **13.4%** of total expenditure – cost of borrowing

6. CENTRAL DEPENDENCY & SNA-SPARSH EXPLOSION

Total Resources from Union Government transfer **₹1,77,324 crore** – **44.8%** of total receipts – nearly half the money comes from Delhi

- **State's Share of Union Taxes and Duties** devolves **₹1,17,669 crore** – Constitutionally guaranteed, cannot be reduced
- **Finance Commission Grants** surge to **₹18,365 crore** – **more than doubles** from ₹7,299 crore (2024-25) – local body grants and disaster relief
- **Centrally Sponsored Schemes through SNA-SPARSH** explode to **₹43,033 crore** – **massive jump** from mere ₹617 crore (2024-25 actuals) – **nearly 70x increase** – SNA-SPARSH is Centre's direct benefit transfer mechanism bypassing state treasury

7. TOP SPENDING DEPARTMENTS

- **Finance Department** tops with **₹1,17,742 crore** – mostly **debt servicing** and **administrative costs** – not a productive department but obligatory

- Panchayats & Rural Development secures ₹46,293 crore – State Development Schemes dominate at ₹44,038 crore – rural vote bank focus
- Women & Child Development and Social Welfare absorbs ₹42,114 crore – Social Welfare and Nutrition schemes claim ₹41,614 crore – Lakshmir Bhandar, Kanyashree type programs
- School Education receives ₹41,235 crore – administrative expenditure takes ₹30,717 crore – teacher salaries dominate
- Health & Family Welfare obtains ₹22,338 crore – hospitals and health infrastructure

8. KEY SECTORAL ALLOCATIONS

- Social Welfare & Nutrition leads with ₹51,815 crore – food security, old age pensions, widow pensions
- Education, Sports, Art & Culture follows with ₹51,531 crore – human capital investment
- Water Supply, Sanitation, Housing & Urban Development grabs ₹45,544 crore – urban vote focus, Smart City type projects
- Agriculture & Allied Activities secures ₹24,313 crore – farmer distress relief
- Health & Family Welfare obtains ₹23,119 crore – post-COVID health infrastructure
- Transport channels ₹14,388 crore – road connectivity

