

Editor's Note

Our policy is to review all books which are either sent to us or in our opinion are useful to our readers.

Book Review

SC Garg's Explanation and Commentary on the Budget 2025-26¹

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BUDGET OF THE government is an account of the expenditures and revenues of the government for the next year. It enables people to understand the manner in which the government spending and revenue sources add value to the nation and the people at large. The budgets presented by the Finance Minister Nirmala Sitaraman have been often different from the budgets presented in the past. They would often lay the futuristic vision of the government for several years accommodating the notes to the expenditure for several years in the contextual clarity of the vision it provides for a perpetual government. The comments of Mr. Subhash Garg on Budget 2025-26 begin with numbers travelling through the expenditures and much debated macroeconomic indicators. I remember I was once told by a journalist that in television we avoid numbers as people lose interest, the moment numbers are spoken on the television. So as rule anchors avoid the number game. Yet among statisticians and in bureaucratic corridors numbers do their bit by explaining the motives of the actions. As we travel through the numbers game in the book we find that the author notes the number of times a word is spoken in the budget speech to emphasize the importance of the word. The text yet does not clearly specify if the number of times a word spoken becomes the true priority of the present government. The emphasis of speech is much lost in the up and downward movements of the graphic numbers that the expenditures and revenues are stated in the Union Budget 2025-26.

The Vision of the government is truly a source of inspiration to explain numbers which echo of the second and third term backed by the Modi government on its popularity. The book surely gives credit to the political garib connotation for many of its welfare oriented scheme including the tax rebate to the middle class. The headline budget numbers and trends tabulate the revenue and non-debt receipts and expenditure of the government in Chapter 2. The Chapter 3 on tax receipts from direct taxes indicates higher volatility in direct taxes particularly corporate taxes, identifies greater proportions of GTRs, assumption of higher growth in 2024-25, discussion on sources of taxation from business income, income and capital gains from

1 Garg, Subhash Chandra; *Subhash Chandra Garg's Explanation and Commentary on Budget 2025-26; Outcome & Implementation of Budgets 2023-25*; March 2025, Leadstart, One Point Six Technologies Pvt. Ltd, Mumbai, India, pp. 653, Price ₹1,499/-

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assets, reforms in capital gains, real estate dynamics, review of Income Tax Act 1961 and a question on wealth tax. The author criticize the personal income tax on overestimations, no real expansion in taxpayer base, complex tax rate structure, lack of objectivity of progressivity. Well, there is praise for tax regime promoting consumption and savings continuously and bazooka in budget 2025-26 with the tax rebate for the middle class. The fall in the corporate taxes goes without much criticism except that it has not yielded the desired results of growth.

The Chapter 4 offers a discussion on Indirect taxes namely GST, excise duty on petroleum products and customs duty. Oral and lung cancer is given much importance in the highlights of the taxes applied on tobacco and cigarettes including more Sin goods like gambling and casino services. GST is evaluated for its growth and robustness to check on each invoice. The rest of the chapter moves with numbers much like the first chapter. Chapter 5 on Non tax revenue concentrates on dividend payments from PSUs and RBI and discusses its volatility. Telecom, petroleum and interest receipt find their mentions. The chapter marks its end with sovereign receipts explained.

The Chapter 6 on loan recovery, disinvestment and monetization refers to the equity investments in PSUs, recovery of loans from state governments, PSUs, foreign governments and other entities. There is excess concentration on the receipts of capital nature but no mention of its suitable use. It also does not mention about the future of the government employees and public who are beneficiaries of government undertakings and formed social capital. The Chapter 7 refers to the overview of expenditures divided into centre's expenditure including establishment expenditures, central sector schemes expenditures and other central expenditures and transfers to centrally sponsored schemes, finance commission transfers and other transfers. Welfare of women and children, gender budgets, children welfare budget, sovereign green bonds find special mention in the chapter.

The Chapter 8 on Capital, Growth and PLI expenditure refers to expenditure in the form of investment. Infrastructure outlays, defence outlays, housing and urban affairs outlay with real capex growth of Rs. 8.48 trillion in 2024-25 and 8.95 trillion in 2025-26 is contained in the chapter. Chapter 9 refers to subsidies and transfers in five broad categories -food subsidy, fertilizer subsidy, petroleum subsidy, interest subsidy and other subsidies. The finance commission transfers are also detailed in the chapter.

The Chapter 10 refers to expenditures reorganized referring to non-productive non-current expenditures namely payment of interest and pension. Chapter 11 refers to welfare, redistribution and freebies where the redistribution program is divided in to five categories namely free or subsidized provision of foodgrains and fertilizers, wage assistance through jobs, pension contributions and backstop employment programmes, direct cash and other direct benefit transfer, indirect income transfers and provision of benefits indirectly through running schools, hospital and others. Unfortunately non of these expenditures refer to the responsibility of the public services that are falling inefficient and have private premium attached to them today. The tax payers money spend on various services and utilities is not held accountable for the services they should render.

The Chapter 12 refers to the fiscal deficits and borrowings of the government. The chapters have sought to offer analysis of the past data from 2022-23 and much goes without saying is the spikes mentioned in the data due to Covid which did not see much gains to the common man as the vaccines were priced in the private hospitals and other medical expenses of people were borne by them and deaths a serious reality faced by all households in near and dear family members. The lockdowns, job loss, increased household and corporate debt and poor state of banks and savings in the economy are not even mentioned. Chapter 13 refers to debt and liabilities of the government raised internally and externally. Financing sources and their present and past level seem to guide the two chapters discussions.

The Chapter 14 refers to financial sector programmes and policies where the focus is channelizing household savings to equity market without sufficient security from any bust. Bond Market, money and currency market, foreign investment, know your customer, privatization and washout of financial sector reforms in Budget 2024-25 are the highlights of the chapter. The key stakeholder of finance is the public and there is no mention of its benefits of the public or other stakeholders in the chapter. Chapter 15 refers to the digital economy policies and programmes which has been the mainstay of the government with minimum government and maximum governance. The author stresses on electronics policy, semiconductor ambition, hardware reforms, right policy regime for software services, data use and protection and digital public infrastructure. The Chapter 16 refers to environment programs and policies where the author criticizes the government for lacking seriousness to the matter it deserves.

The Part II of the book refers to the Implementation part of the Budget 2024-25 with chapters on Receipts, expenditures, deficits, borrowing and debt, central development schemes, centrally sponsored schemes, Capital and infrastructure expenditures, Policy and programme measures. Each chapter has more elaborate mentions of the each topic.

The Part III of the book refers to the results and outcomes of Budget 2023-24. The chapter presents the assessment of the numbers in terms of their impact on GDP and other macroeconomic aggregates and benefits of the schemes and their usefulness.

The Part I is complemented by Part II and Part III which frame the main part of the book discussion. The book is good to understand the different dimensions of the budgets from 2022 till date and offers explanations to many of the movements with critique in favour of fiscal consolidation, privatization, sourcing of funds and also defending the budget on many parameters. It is on reading the book you are reminded to the statement that a person in bureaucratic capacity once told me that they are taught to speak without speaking anything. The book on numbers that count our population appears to make the population a number. A lot is mentioned and a lot is expected from the capacity of the authors long standing service to the government as the reader choose to pick the book. I recommend reading the book with pinch of salt.

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