

# Insights Unwrapped

*India-Centric Issue:*

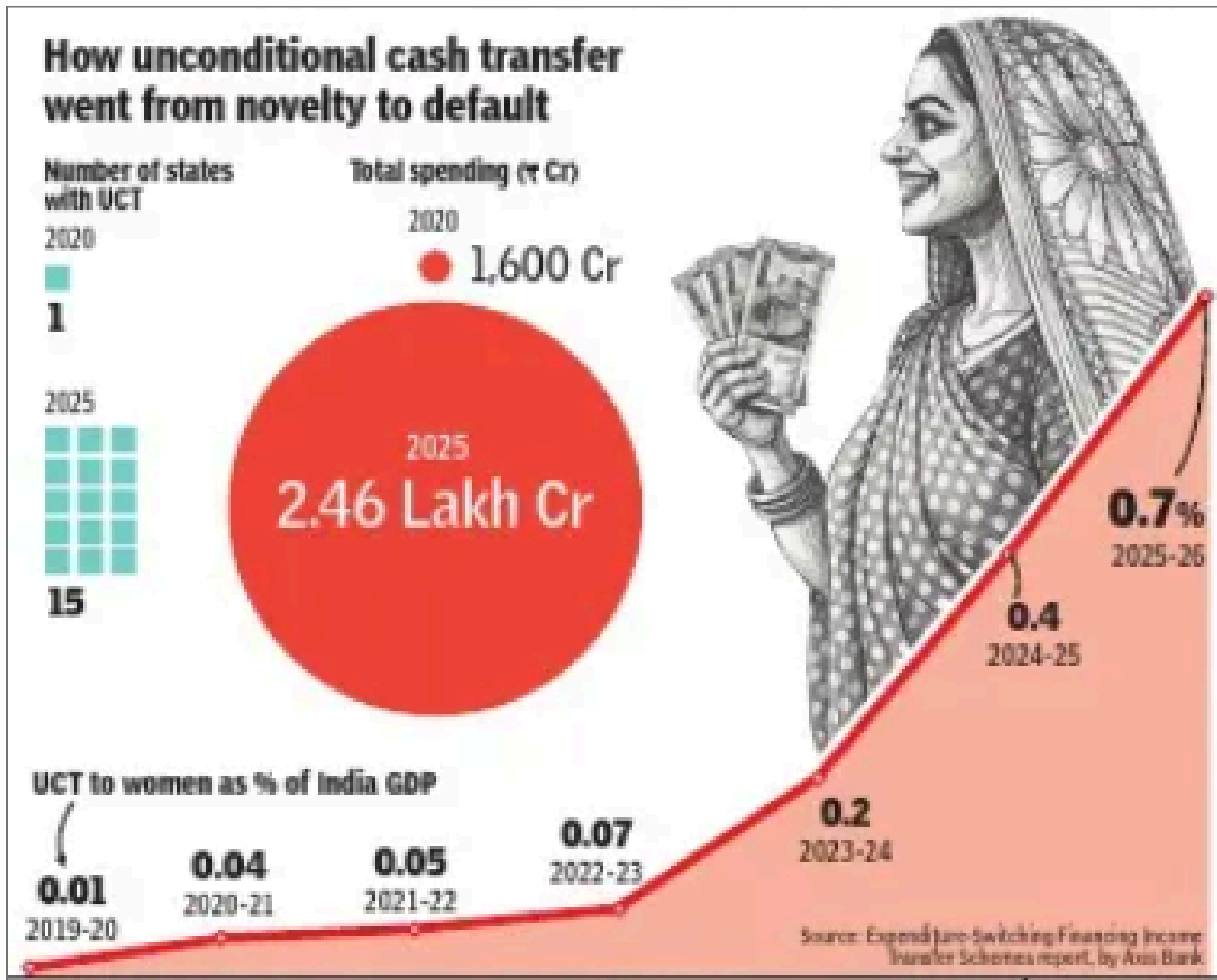
*Are State Freebies for Women Draining the Economy?*



14th March 2026

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# Rising Unconditional Cash Transfers (UCTs)

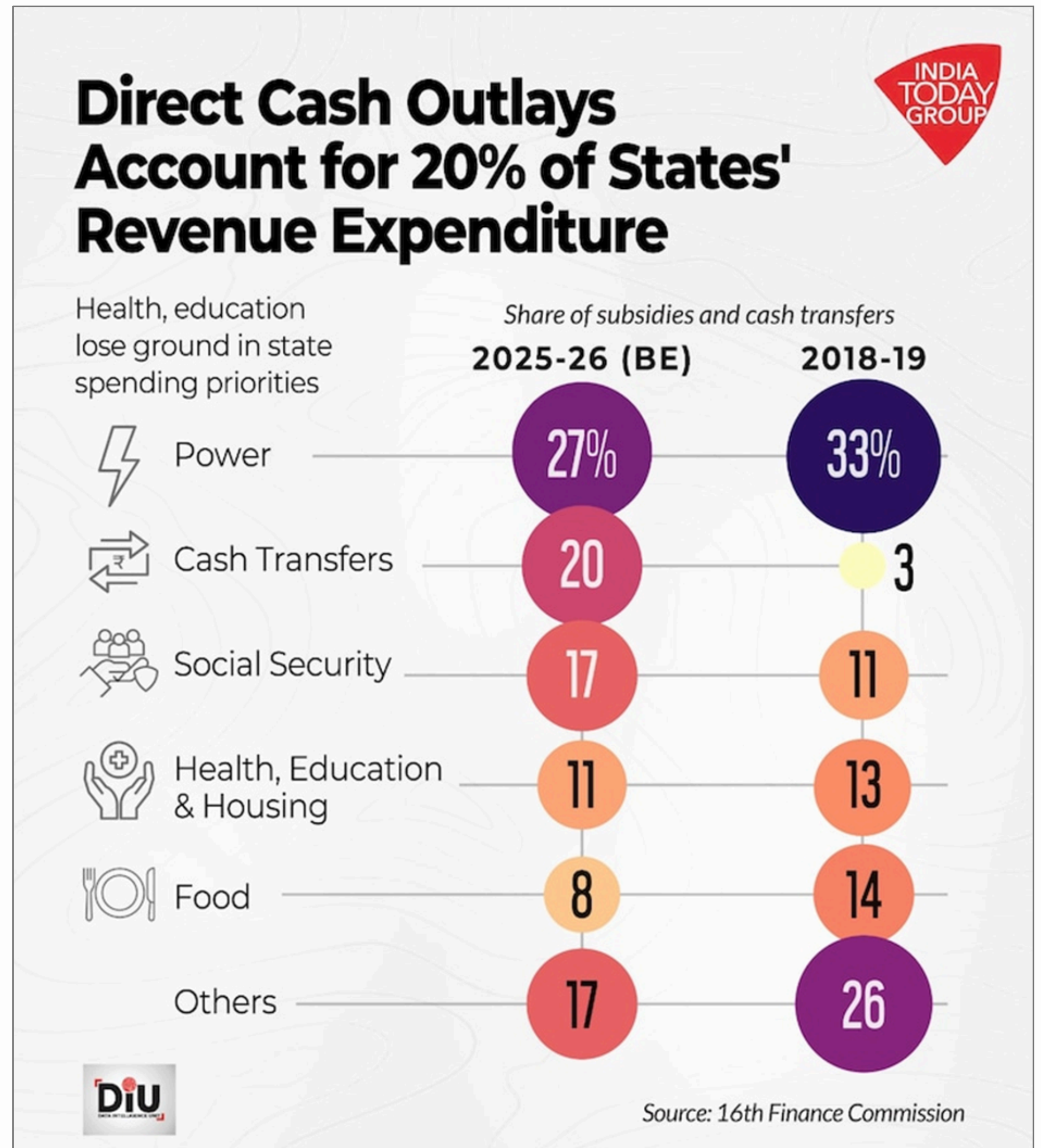


- The scale of UCTs has exploded from a mere **INR 1,600 Crore (~USD 216 Mn) in 2020 to a projected INR 2.46 Lakh Crore (~USD 27 Bn) by FY26**
- UCTs as a percentage of India's GDP have surged from **0.01% to 0.7%** in just five years
- For investors, this signals a tightening of state "free cash flow", potentially leading to higher state market borrowings and a **squeeze on infrastructure spending**

Source: Times of India

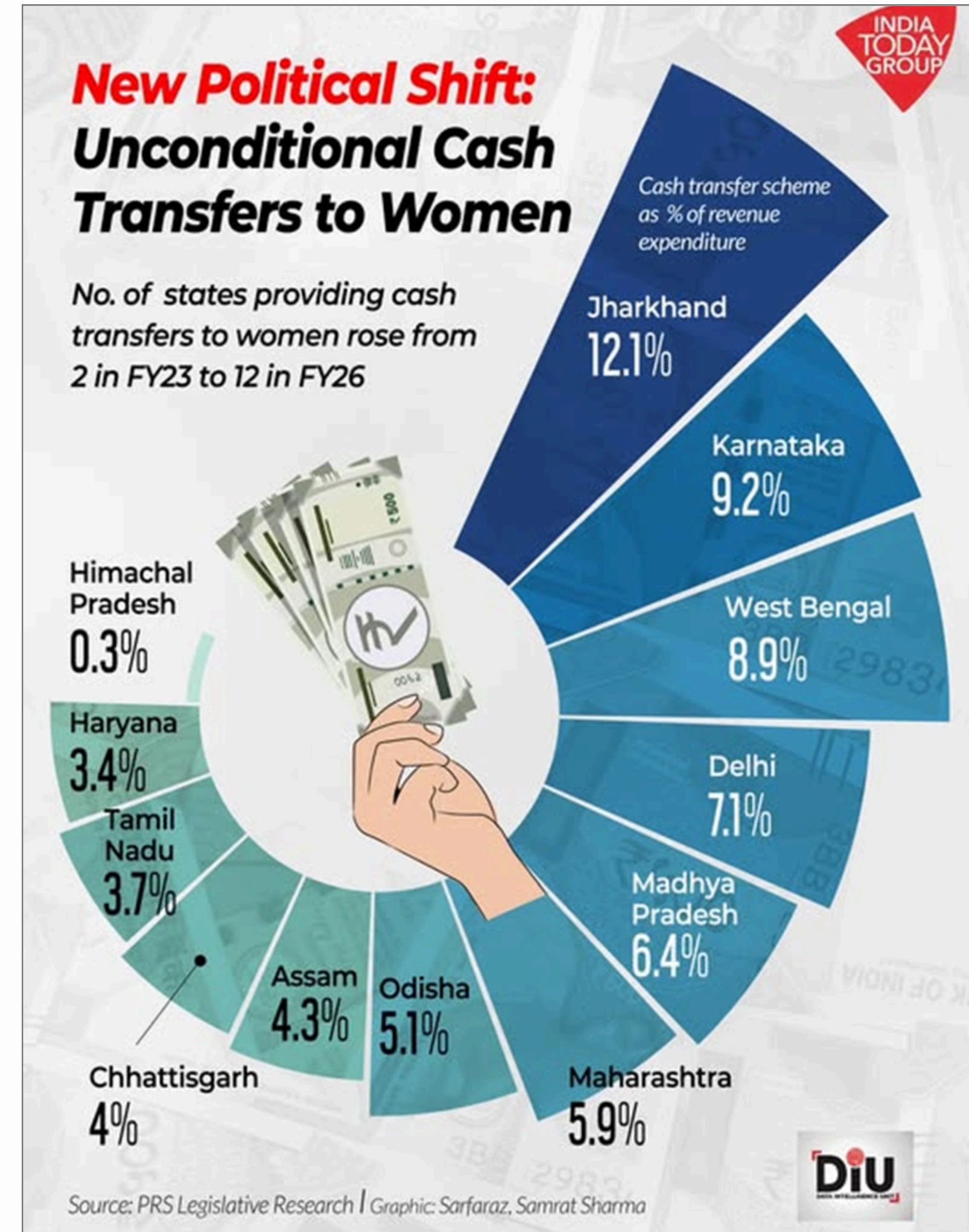
## Shifting State Priorities: Lower Spending on Health, Education and Food

Across 21 large states, the share of revenue expenditure devoted to cash transfers has risen dramatically, from **3% in 2018–19** to **around 20% now**.



## Increasing Adoption of 'Freebie'

- The number of states implementing Unconditional Cash Transfer (UCT) schemes for women has increased sharply from just **2 in 2022–23 to 12 in 2025–26.**
- **Six of the twelve states** implementing UCT schemes **have projected revenue deficits** for 2025–26.  
(Source- PRS Legislative Research report)



## The Real Cost of 'Free' politics:

Budgetary Estimates of ~INR 2.4  
Lakh Crore (USD 27 Bn)

### What these states spend on unconditional cash transfers

Year	State	Scheme	Benefit (₹/month)	Budget Est. 2025-26 (₹ crore)
2023	Telangana	Mahalakshmi Scheme	2,500	<b>49,200</b>
2024	Maharashtra	Mukhyamantri Majhi Ladki Bahin Yojana	1,500	<b>36,000</b>
2023	Karnataka	Gruha Lakshmi Yojana	2,000	<b>28,608</b>
2021	Bengal	Lakshmir Bhandar Scheme	1000-1200	<b>26,700</b>
2025	Bihar	Mukhyamantri Mahila Rojgar Yojana	10,000*	<b>20,000</b>
2023	MP	Mukhyamantri Ladli Behna Yojana	1,250	<b>18,669</b>
2023	Tamil Nadu	Kalaigiar Magalir Urimai Thittam (KMUT)	1,000	<b>13,807</b>
2024	Jharkhand	CM Maiyan Samman Yojana	2,500	<b>13,363</b>
2024	Odisha	Subhadra Scheme	833	<b>10,145</b>
2020	Andhra	YSR Cheyutha	18,750**	<b>8,800</b>
2024	Chhattisgarh	Mahtari Vandan Yojana	1,000	<b>5,500</b>
2025	Delhi	Mahila Samridhhi Yojana	2,500	<b>5,110</b>
2021	Assam	Orunodoi Scheme	1,250	<b>5,000</b>
2024	Haryana	Lado Laxmi Yojana	2,100	<b>5,000</b>
2024	Himachal	Indira Gandhi Pyari Behna Yojana	1,500	<b>138</b>

\*Bihar govt gave the amount as initial instalment payment, up to Rs 2 lakh promised after assessment. \*\*Andhra govt under the YSR Cheyutha scheme is giving out the amount as an annual payment. Source: State of State Finances report, by PRS

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