

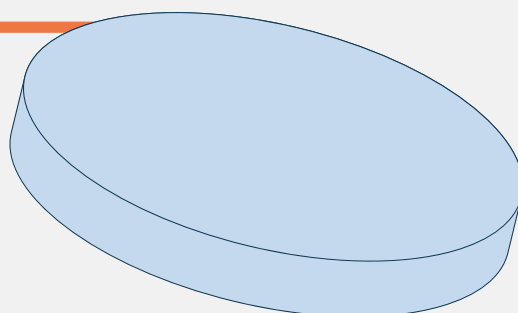
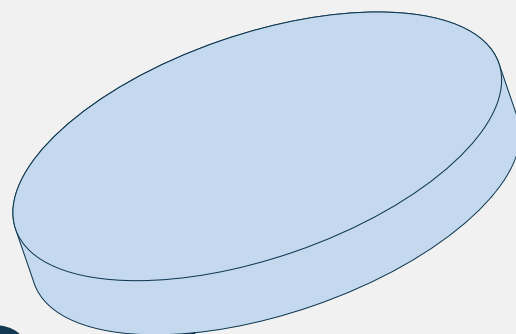
Budget for Mental Health



The fifth in the series, this brief analyses the budgetary allocations for mental health in the Union Budget for the Financial Year (FY) 2025–26.

We focus on allocations and trends in the budget for mental health mainly through the Ministry of Health and Family Welfare (MoHFW) and the Ministry of Social Justice and Empowerment (MoSJE).

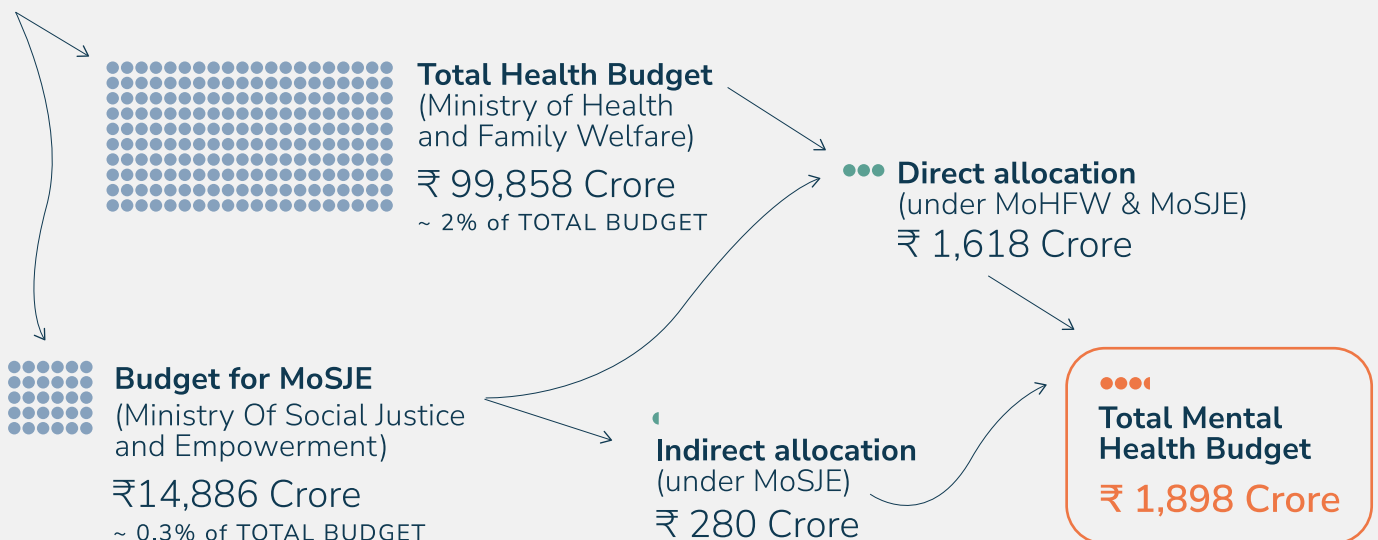
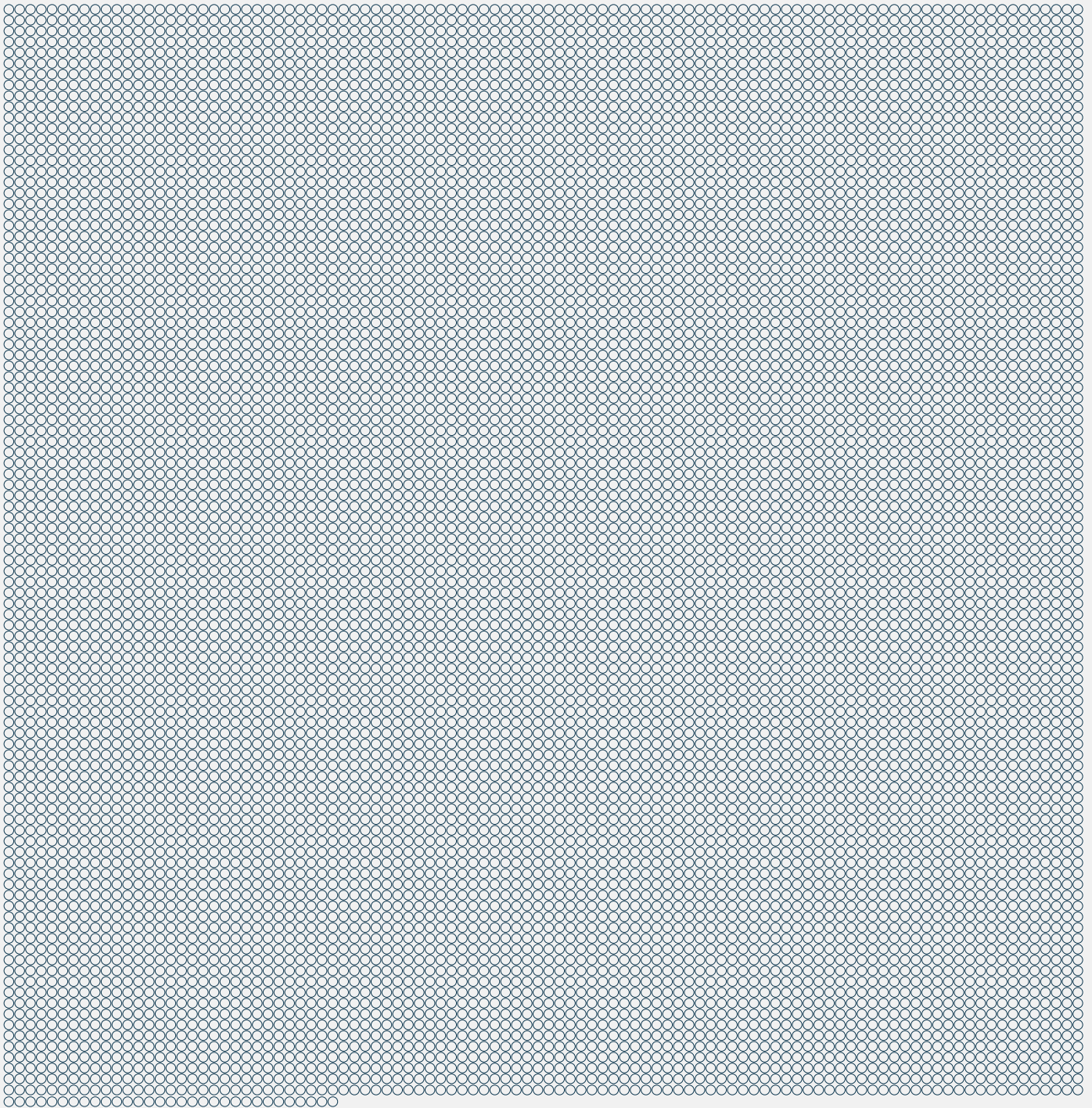
Analysis of Union Budget 2025–2026



Total Government of India Budget for 2025–2026

₹ 50,65,345 Crore

Each dot represents
approx. 500 Crore



EXECUTIVE SUMMARY

The Union Budget for FY 2025–26 was presented on 1st February. The proposed fiscal outlay by the Government of India (GoI) for FY 2025–26 is ₹ 50,65,345 crores, an increase of 7% compared to the revised expenditure of FY 2024–25.

A day before presenting the budget, the Finance Minister presents the Economic Survey in Parliament. Taking a leaf from the previous year, the Economic Survey 2024–25 continues to highlight mental health as a critical economic concern, with a particular focus on youth mental wellness, especially in the context of workplace mental health.

The survey draws direct connections between mental well-being and national productivity, warning that rising mental health concerns among youth could significantly impact economic growth and productivity. In examining workplace dynamics, the survey emphasises that hostile work environments and high stress levels pose a serious threat to economic momentum. Companies must prioritise work-life balance to maintain productivity, as better workplace culture is fundamental to mental well-being. The survey underscores that India's economic ambitions, and the potential of its demographic dividend could be compromised without proper attention to mental health.

The survey recommends comprehensive interventions across multiple fronts. It advocates for early intervention programmes at the school, family, and workplace levels, promoting outdoor activities and social interactions while reducing excessive internet use. The survey also highlights the importance of healthy lifestyle choices, including dietary habits, noting the adverse impact of processed and junk food on mental well-being.

These recommendations reflect a growing recognition that India's long-term economic growth is intrinsically linked to the psychological well-being of its workforce, particularly its youth, making mental health a crucial component of economic planning & policy development.

This begs the question, do we find the concern addressed in the budget? Although mental health is spotlighted, it fails to garner budgetary attention. For the past several years, government spending on mental health has plateaued. Across several previous fiscal years, the budgetary allocations for health and related programs have stayed at around 2% of the total fiscal outlay of the Union government. At ₹1,338 crore, the Budgeted Expenditure (BE) for direct mental health expenses is just above 1% of BE of the MoHFW.

In the following sections, we provide an overview of these direct & indirect allocations and utilisation under relevant ministries and unpack its implications on the policy priorities of the Government of India (GoI) for mental health & suicide prevention.

Direct Expenditure

The direct expenditure for mental health services includes mental health-related allocation under MoHFW and the budgetary allocations for the National Action Plan for Drug Demand Reduction (NAPDDR) under the Ministry of Social Justice & Empowerment (MoSJE).

The Mental Healthcare Act, 2017 (MHCA) recognizes alcohol and drug use in the definition for mental health conditions, therefore programmes for rehabilitation and treatment for those addiction-related conditions will be considered within direct allocations for mental health.

Indirect expenditure refers to budgetary allocations under the MoSJE where components for psychosocial services are available, but the exact allocations are unknown.

Ministry of Health & Family Welfare ^{2 3 4 5 6}

For FY 2025-26, the total BE for the MoHFW is ₹99,859 crore. Compared to FY 2024–25, this is 10% higher than the BE (₹ 90,659 crores) and 11% higher than the Revised Expenditure (RE) (₹89,974 crore) respectively. 96% or ₹95,958 crores is the BE for the Department of Health & Family Welfare (DoHFW) and the remaining allocation of ₹3,901 crore is the BE for the Department of Health Research. The actual expenditure or utilisation for the MoHFW for FY 2023–24 was at 93% compared to a BE of ₹89,155 crores.

Of the total ₹ 90,959 crore allocated last year to the MoHFW, the direct budget for mental health was ₹1,000 crore which was a little over 1% of the total health budget. Similarly, this year's mental health allocations amount to ₹1,004 crore which is also about 1% of the health budget.

Under the MoHFW budget, direct allocations for mental health are constituted under the line-items of

1. National Institute of Mental Health and Neurosciences, (NIMHANS), Bengaluru (₹860 crore);
2. Lokpriya Gopinath Bordoloi (LGB) Regional Institute of Mental Health, Tezpur (₹65 crore)
3. National Tele-Mental Health Programme (Tele MANAS) (₹80 crore).

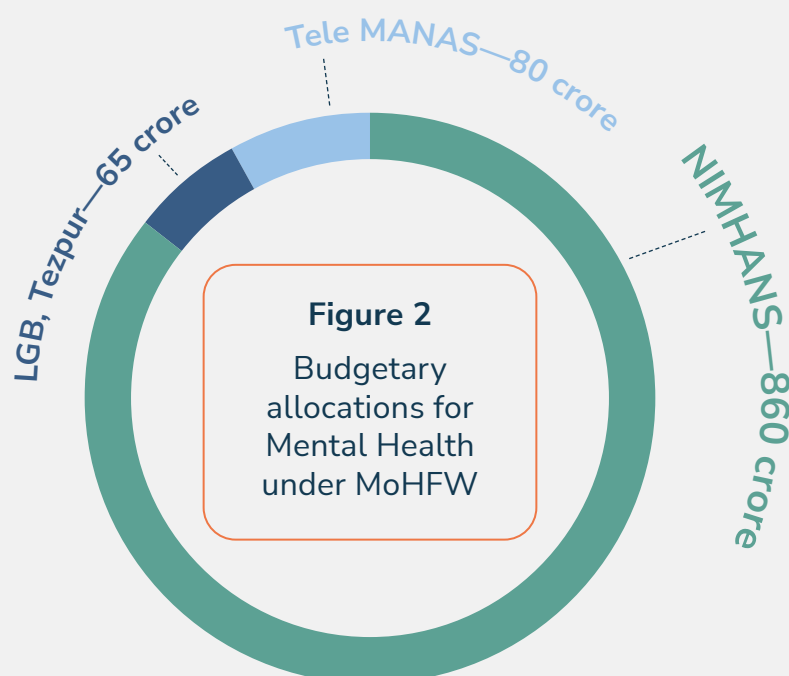


Figure 2 illustrates the distribution of budgetary allocations across these line-items. The centrally funded mental health institutions (MHI) collectively account for 92% a majority of mental health budgets under MoHFW compared to 8% towards Tele MANAS.

Compared to the previous years, allocation towards mental health institutions (MHIs) as a percentage of total direct mental health allocations under the MoHFW has grown from 85% in FY 2023–24 to 91% in FY 2024–25 to 92% in FY 2025–26. This is primarily due to the decrease in allocation in funding for Tele MANAS which reduced by 12% from the previous year.

National Institute of Mental Health and Neurosciences (NIMHANS), Bengaluru⁸

NIMHANS is the apex institution for service delivery, research and training for mental health and neurosciences. The institution steers policy and programmatic planning and implementation of key mental health initiatives including the National Mental Health Programme in addition to service delivery and capacity building at the institution.

While NIMHANS receives the highest budgeted allocations for mental health, it must be said that these funds are intended for both mental health and neurosciences, and the proportion of funds allocated for each department cannot be determined.

Expenditure Budget

The BE for FY 2025–26 for NIMHANS, ₹860 crore, has increased by a 1.2% compared to the BE (₹850 crore) for FY 2024–25. However, for the past few years, BE had grown considerably.

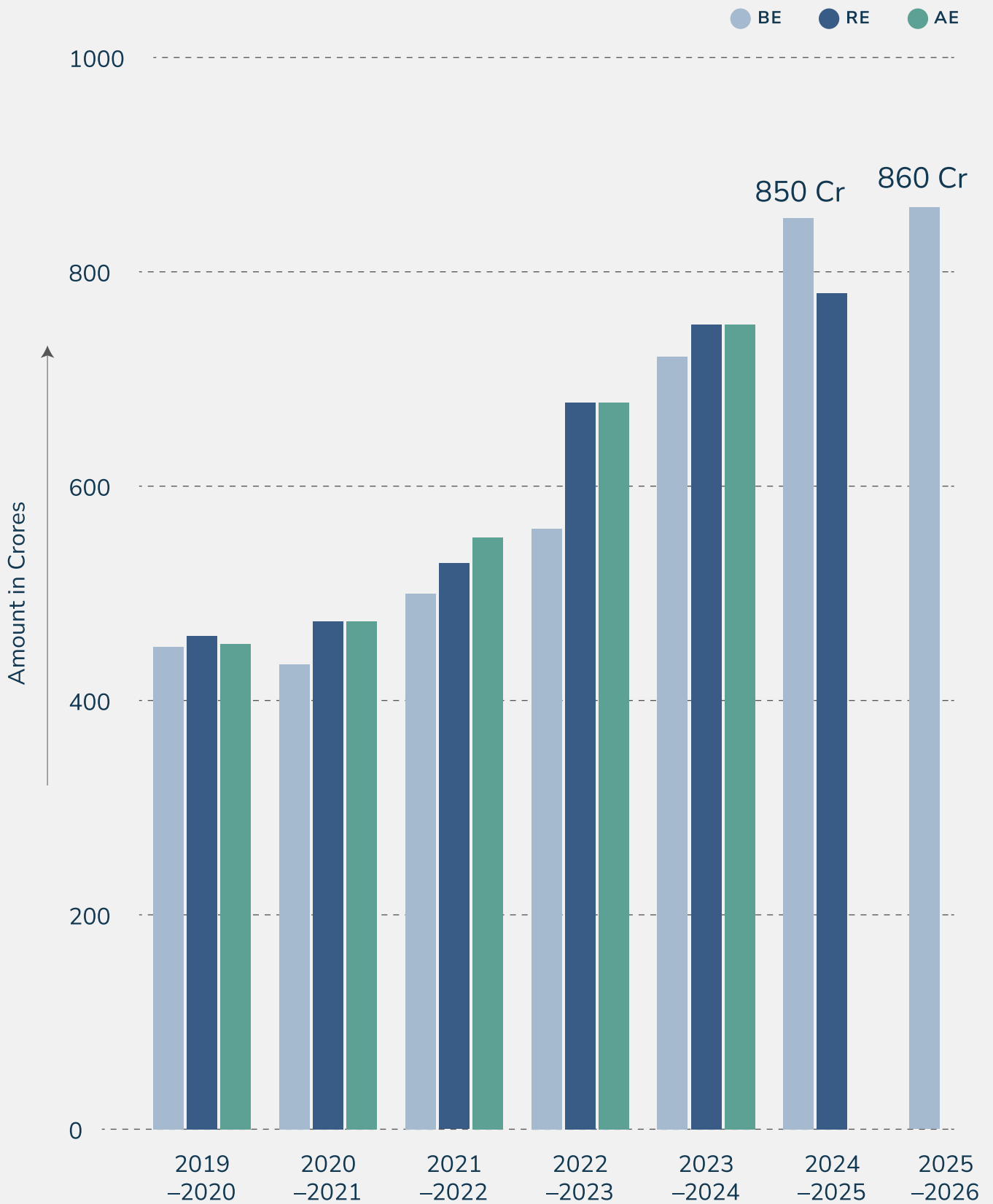
The BE of FY 2024–25 had grown by 18% over the previous year and the BE for FY 2023–24 was up by 29% from the BE of ₹560 crore in FY 2022–23. The RE for FY 2024–25 was ₹780 crore, 8% lower than the BE for that same year.

Actual Expenditure (AE) & Utilisation

NIMHANS has a good record in utilisation of funds. Actual Expenditure is available until FY 2023–24. From fiscal years 2019–20 till 2023–24, NIMHANS has utilised over 100% of budgeted allocations. For FY 2023–24 utilization stood at ₹751 crore which was 4% above the BE of ₹720 crore.

Budgeted allocations for NIMHANS have almost doubled from ₹434 crore in FY 2020–21 to ₹860 crore in FY 2025–26. This might be attributed to consistent utilisations and the growing mandate of the institution.

Figure 3
BE, RE and AE for NIMHANS



National Tele-Mental Health Programme (Tele MANAS)⁹

The National Tele Mental Health Programme (Tele MANAS) was announced during the Union Budget 2022–23 with the official launch in October 2022. Tele MANAS is a tele mental health initiative providing counselling and psychiatric services.

For the initial three years, the initiative will be a fully centrally sponsored after which it will merge with the National Health Mission (NHM). The funds post the initial setup costs will be borne by States and UTs through Program Implementation Plans (PIP) under NHM¹⁰.

As of 3rd February 2025, 36 States/ UTs have set up 53 Tele MANAS Cells. Tele MANAS services are available in 20 languages based on language opted by States. More than 18,13,000 calls have been handled on the helpline number. Tele MANAS has signalled the growing public interest & policy impetus to scale digital mental health initiatives in the country.

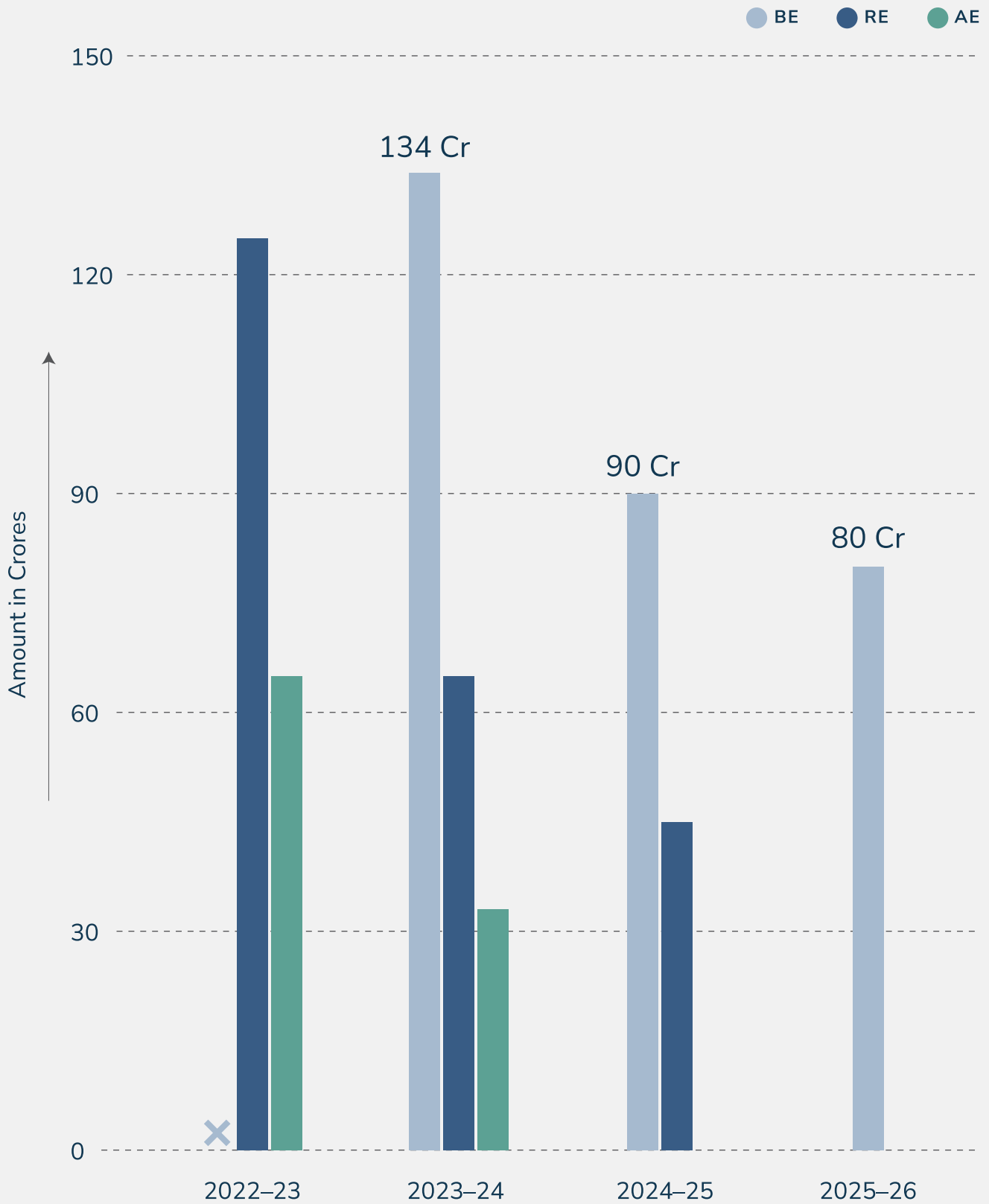
Expenditure Budget

For FY 2025-26 the BE for Tele MANAS has further reduced to ₹80 crore from ₹90 crore in FY 2024–25. This itself was a 32% decrease against BE of ₹134 crore for FY 2023–24. This substantial drop might be attributed to the one-time capital costs towards infrastructure and equipment that were invested in the first two years of the initiative.

Actual Expenditure (AE) & Utilisation

Actual utilisation for Tele MANAS is significantly lower than allocated budget expenditure, a consistent trend since the inception of the initiative in 2022. In FY 2023–24 the utilisation was 25% of BE or 75% below BE and almost 50% below RE. In FY 2022–23, utilisation was ₹ 66 crore, 45% below the RE of ₹ 121 crore for the same year.

Figure 4
BE, RE and AE for Tele MANAS



National Mental Health Programme (NMHP)

The National Mental Health Programme (NMHP), initiated in 1982, operates through two main channels:

1. **Central/Tertiary Activities:** These focus on human resource development, establishing centers of excellence, and running postgraduate mental health programs. Until FY 2021–22, this had a dedicated line item in the Department of Health and Family Welfare (DoHFW) budget. This funding supports 25 Centers of Excellence and 47 PG Departments in mental health specialties at government medical institutions.
2. **District-Level Activities:** The District Mental Health Programme (DMHP) aims to integrate mental health services into general healthcare.

Recent budgetary changes have affected tracking of NMHP funding:

- The tertiary component is now subsumed under the Tertiary Care Programme (TCP), which funds six different programs including cancer care, elderly care, trauma and burn care, drug dependency care, mental health care and blindness and visual impairment management. While the TCP budget increased by 48% from ₹369 crore (FY 2023–24) to ₹483 crore (FY 2025–26), the specific allocation for NMHP activities cannot be determined due to lack of disaggregated data.

- Primary care integration is occurring through 1.73 lakh Ayushman Arogya Mandirs, though the specific mental health allocation within this framework remains undisclosed.
- The DMHP, currently operational in 767 districts, was previously funded through the ‘Flexible-pool of Non-Communicable Diseases, Injury and Trauma’ under the National Health Mission. This component no longer appears as a separate item in this year’s DoHFW budget estimates, suggesting it may have been merged with the ‘Flexible Pool for RCH & Health System Strengthening, National Health Programme and National Urban Health Mission’.¹¹

Ministry of Social Justice and Empowerment (MoSJE)

For FY 2024–25, Ministry of Social Justice and Empowerment received a budgetary allocation of ₹14,886 crore. 91% or ₹13,611 crore of the total BE is allocated to the Department of Social Justice and Empowerment and the remaining 9% or ₹1,275 crore to the Department for Empowerment of Persons with Disabilities.

National Action Plan for Drug Demand Reduction (NAPDDR)

The National Action Plan for Drug Demand Reduction (NAPDDR), established in 2018 by the Ministry of Social Justice and Empowerment (MoSJE), represents a key component of direct mental health expenditure. This comprehensive initiative aims to tackle alcohol and substance use disorders through a multi-faceted approach encompassing prevention, treatment, rehabilitation, and social reintegration services.

In 2020, the NAPDDR underwent significant restructuring when it merged with the pre-existing Scheme of Assistance for Prevention of Alcoholism and Substance (Drug) Abuse. This consolidation created a more integrated centrally sponsored scheme to address the complex challenges of addiction and substance use disorders across the country^{12 13}.

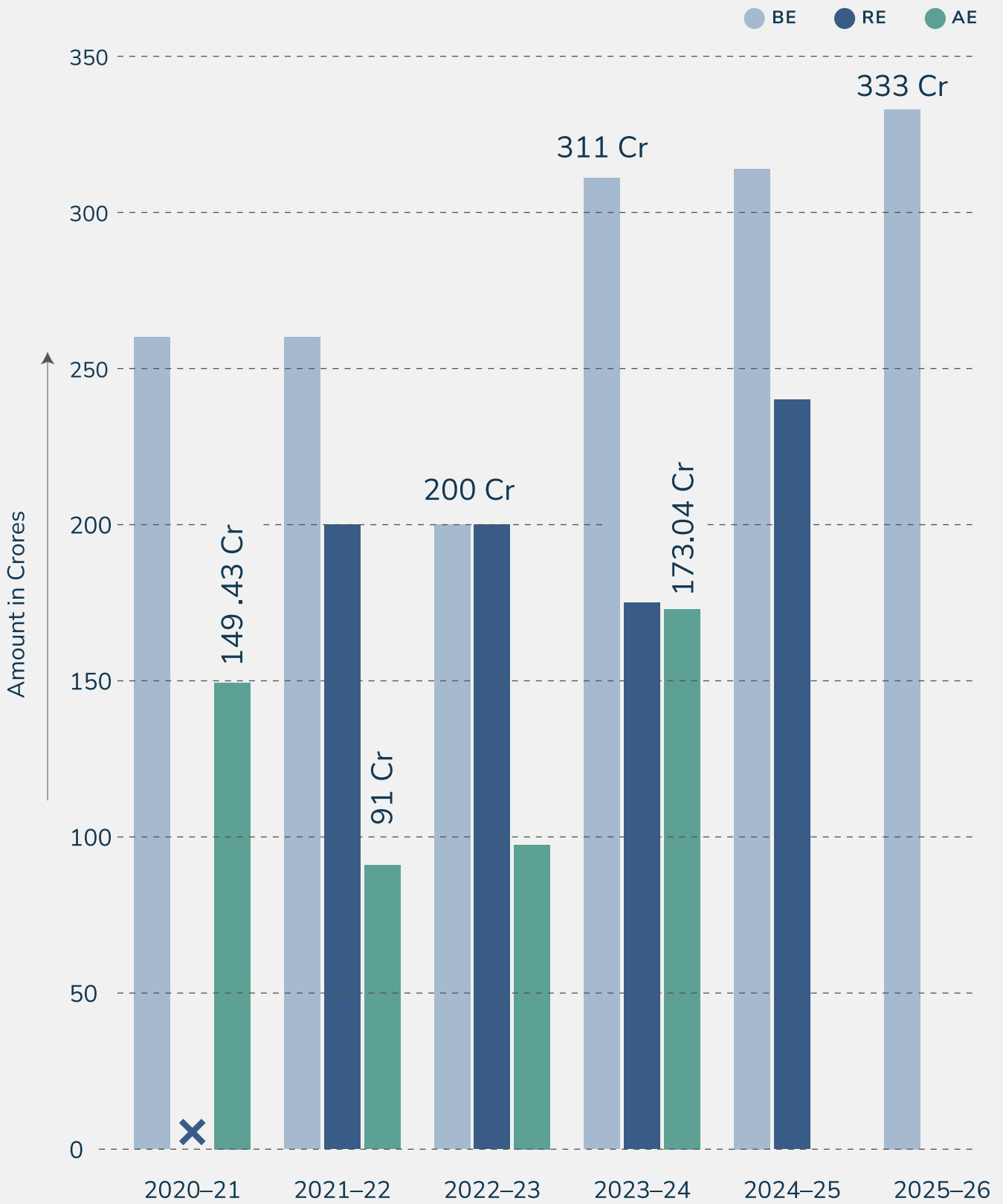
Expenditure Budget

In FY 2025–26, the BE for NAPDDR is ₹333 crore a slight increase from the BE in the previous year which was ₹314 crore. The budget for NAPDDR has risen by 55% from ₹200 crore in FY 2022–23 to ₹311 crore in FY 2023–24 and has remained relatively stable since then.

Actual Expenditure & Utilisation

Utilisation for the NAPDDR is available from 2020–21 to 2023–24 and has been suboptimal over all the years. Expenditure dropped by 39% from ₹149 crore in FY 2020–21 to ₹91 crore in FY 2021–22. In FY 2022–23, where BE is available, utilisation was staggeringly low at 48% of the RE and BE in the same year. For FY 2023–24, it slightly improved to 55%.

Figure 5
BE, RE and AE for NAPDDR



Indirect Expenditure

The Ministry of Social Justice and Empowerment (MoJSE) administers additional programs relevant to mental healthcare through its Department for the Empowerment of Persons with Disabilities. Two key initiatives—the Deendayal Disabled Rehabilitation Scheme (DDRS) and the Scheme for implementation of Rights of Persons with Disabilities Act, 2016—fall under the umbrella National Programme for Welfare of Persons with Disabilities. The budget allocation for this umbrella program has seen a slight decrease, with FY 2025–26 Budget Estimates (BE) at ₹597 crore, representing a 3% reduction from the FY 2023–24 BE of ₹615 crore.

While both schemes include provisions for people with psychosocial disabilities, the specific funding designated for mental health services cannot be precisely determined. Consequently, the budgetary allocations for these programs are classified as indirect expenditure for mental health in our analysis.

Deendayal Disabled Rehabilitation Scheme (DDRS)

The Deendayal Disabled Rehabilitation Scheme (DDRS) was launched in 1999 and provides financial assistance to non-governmental organizations which work towards psychosocial rehabilitation of persons with mental illness through the creation of half-way homes, home-based rehabilitation and management, and community-based rehabilitation services¹⁴.

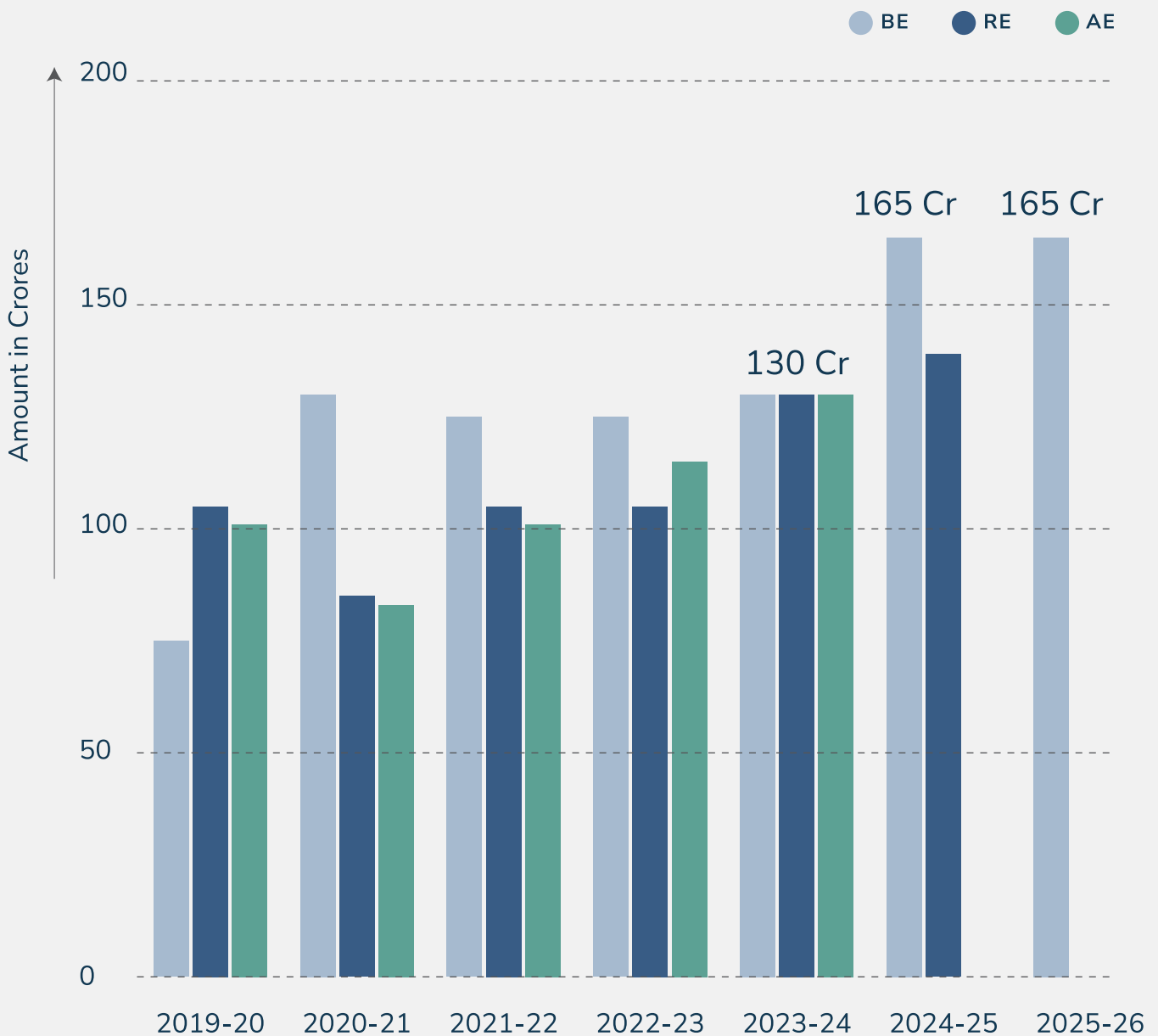
Expenditure Budget

For FY 2025–26, the BE for DDRS is ₹165 crore, the same as that for FY 2024–25. The BE for FY 2024–25 was 28% higher against the BE and RE of ₹130 crore in FY 2023–24, after a meagre 4% rise in the BE between FY 2022–23 and FY 2023–24.

Actual Expenditure & Utilisation

For this scheme, the utilisation has been close to the budgeted allocation across time periods. In FY 2023–24, the utilisation was 100%. In FY 2022–23, utilisation stood at ₹115 crore, 9% higher than the RE of ₹105 crore and 9% below BE of ₹125 crore. Apart from FY 2020–21 where utilisation dipped to 63% of the BE, utilisation has remained between 80–100% of the BE.

Figure 6
BE, RE and AE for DDRS



Scheme for Implementation of Rights of Persons with Disabilities Act, 2016

The Scheme for Implementation of Rights of Persons with Disabilities Act, 2016 provides grants-in-aid including transfers to the states to set up and assist relevant intersectoral autonomous bodies and agencies for implementing the provisions of the Act¹⁵.

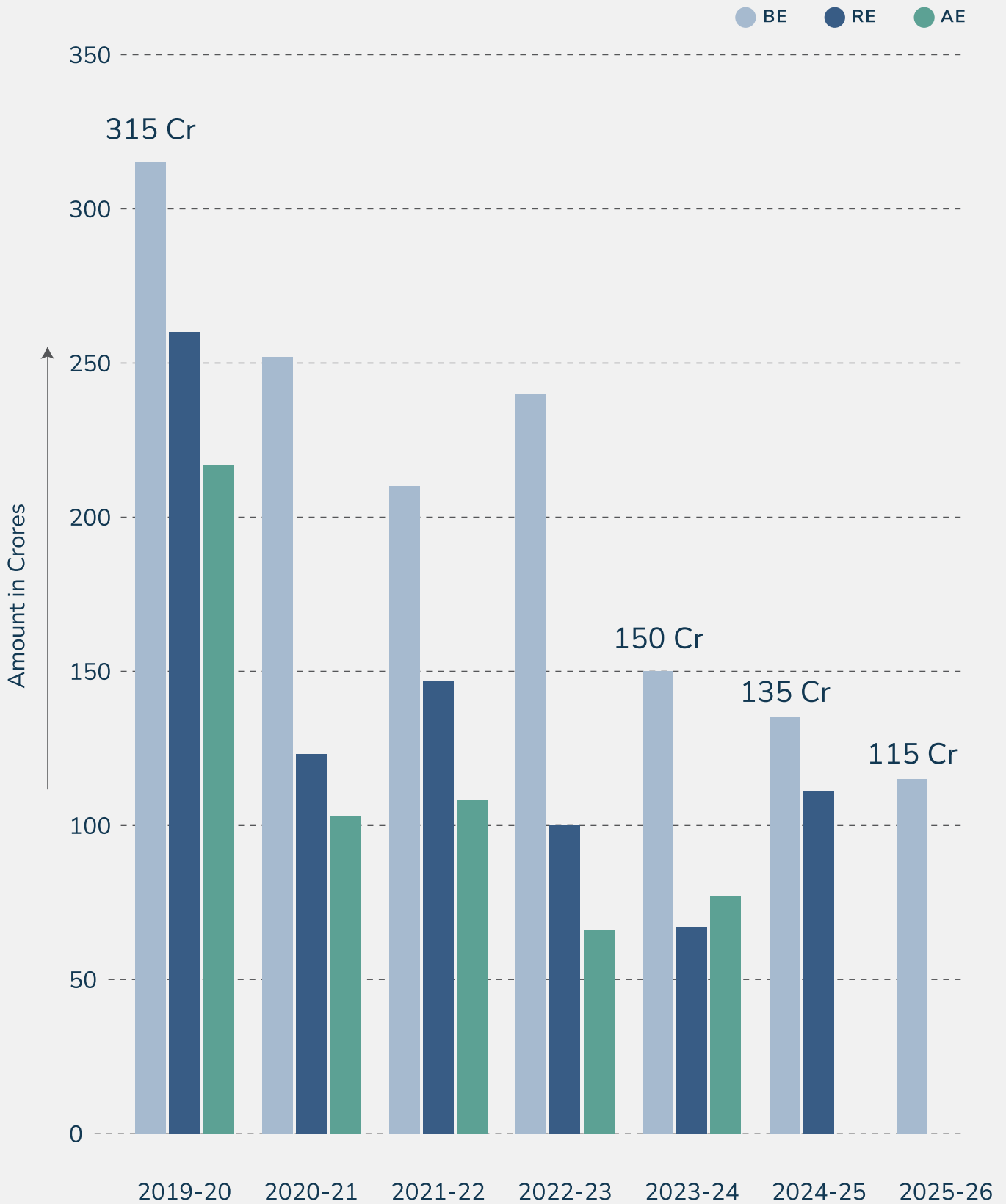
Expenditure Budget

In FY 2025–26, the BE for the Scheme is ₹115 crore which declined by 15% compared a BE of ₹135 crore allocated in FY 2024–25. Across the six previous financial years, allocation for the scheme has seen a steady decline.

Actual Expenditure & Utilisation

Utilisation trends for the Scheme have been far below optimal. For FY 2023–24, the scheme utilised just over 50% of its budgeted allocation. Between FY 2019–20 and FY 2021–22, utilisation stayed at around 40-60% of the respective BE. In the recent FY 2022–23, the utilisation was ₹66 crore, a stark 28% of the BE of ₹240 crore for that year. This could be a reason for continued reduction in budgeted allocation for the scheme.

Figure 7
BE, RE and AE for Scheme for Implementation of Rights of Persons with Disabilities Act, 2016



Reflections on the Union Budget: Mental Health Through an Equity Lens

The Economic Survey of 2025 continues the focus on mental health as a crucial to social and economic development. However, examining the subsequent budget allocations, especially through an equity lens, reveals concerning gaps between the policy vision and resource allocation.

Structural Inequities in Budget Allocation

The mental health expenditure has stagnated over last several years. In terms of increase in allocation, the picture looks bleak considering inflation and per capita allocation over the years. The budget also reflects a deeper systemic issue - the perpetuation of existing inequities in healthcare access. While centrally run mental health institutions receive consistent funding with annual increments, community-based programs find no mention. This disparity disproportionately affects rural and remote communities who heavily rely on local, publicly accessible mental health services rather than centralised institutions located in urban areas.

The National Health Mission (NHM) through Centrally Sponsored Schemes (CSS) has reduced inequalities in healthcare financing to some extent by assuring centrally transferred funds for healthcare for all states and UTs. However, transfers to states have reduced over time resulting in stagnation in funds for health care resources. Mental health services are available at scale through the DMHP.

The programme is primarily driven by funding from the NHM mechanism. Recent consolidations and the reduction in the overall share of central funding has knock-on effects, likely reducing investment in the DMHP across states and UTs¹⁶.

Gol has focused its attention on Tele MANAS as a means of “revolutionising” mental health in India. Although the effort is praiseworthy, Tele MANAS cannot be a panacea or replacement for accessible, quality and culturally acceptable services as mandated as a right under the Mental Healthcare Act 2017.

Impact of Economics on Mental Health

Mental health and well-being cannot be removed from broader socioeconomic conditions and factors. In 2022, 7% of suicides were attributed to economic distress underscoring the link between poverty, unemployment, and suicide rates. The narrative around welfare spending as “revadi” (freebies) misses the crucial point that public resources belong to the people. This perspective is particularly relevant for mental health and other social services, where access to public health care and other social benefits is imperative to ensuring equity and well-being for all.

Looking forward

The Economic Survey’s recognition of mental health as an economic imperative is a positive step. However, true progress requires moving beyond symbolic acknowledgment to meaningful resource allocation that addresses structural inequities. Future budgets must reflect a more nuanced understanding of how economic disparities affect mental health outcomes and demonstrate a commitment to closing these gaps through targeted, sustained funding.

The pathway to better mental health outcomes in India necessarily involves addressing both healthcare-specific needs and broader socioeconomic determinants. This requires a budget that recognizes mental health not just as a healthcare issue but as a fundamental aspect of social equity and economic justice.

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