

# Economic Impact of Maha Kumbh Mela

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**Abstract**—The Maha Kumbh Mela 2025 in Prayagraj, Uttar Pradesh, is one of the largest religious gatherings of the world and a giant socio-economic extravaganza. While it brings millions of devotees to the fairground due to its religious importance, its financial contribution to the hosting state is no less appreciable. This research paper examines how the Maha Kumbh Mela 2025 brought revenue to the Uttar Pradesh state in terms of taxation, tourism, infrastructure, hospitality, and related service industries. The research will explain the channels through which religious mega events get realized as real economic gains for the government and local communities.

The research uses a descriptive and exploratory approach, based largely on secondary data from official reports, newspapers, and research journals, supplemented by simulated business data for purposes of illustration. Data analysis will cover government tax revenues, tourist arrivals, consumer expenditure patterns, and business growth metrics. The reports show that the Maha Kumbh Mela generated more than ₹ 500 crore of direct Goods and Services Tax (GST) and Value Added Tax (VAT) collections, and the overall economic footprint is estimated to be ₹ 2 lakh crore. Further, small and medium businesses, especially hospitality, retail, transportation, and craftsmanship units, reported an increase in revenues of 30–50 % during the festival.

The research concludes that massive cultural and religious congregations such as the Maha Kumbh Mela not only uphold cultural heritage but are also strategic economic opportunities for state governments. It emphasizes the necessity of sustainable planning to transform short-term revenue into long-term development dividends for Uttar Pradesh.

**Index Terms**—Religious tourism, economic impact, Maha Kumbh Mela 2025, Uttar Pradesh, tax revenue, infrastructure development, hospitality industry, pilgrimage economy

## I. INTRODUCTION

India's identity is strongly rooted in religion, spirituality, and communal celebrations of faith. Among them, the “Kumbh Mela” is special in the sense that it is the biggest peaceful human congregation on the planet. The word Kumbh itself means “pot” i.e., the mythological pot of nectar of Hindu mythology, which represents immortality. The festival moves to four holy places ‘Prayagraj, Haridwar, Nashik, and Ujjain’ every 12 years.

The ‘Maha Kumbh Mela 2025’ took place in ‘Prayagraj’ (earlier known as Allahabad), where the holy rivers ‘Ganga, Yamuna, and Saraswati’ meet. It drew ‘more than 400 million tourists’ during its duration, consisting of foreign and domestic tourists, saints, scholars, and local traders. The quantum of such a huge population necessitated elaborate planning, infrastructure creation, and resource distribution from the government of Uttar Pradesh.

Although the festival is religious in nature, it has grown into an economic engine. Aside from religion, the Mela opens up avenues for business development, tourism growth, and employment opportunities. The 2025 event, organized on the theme of “Divya Kumbh, Bhavya Kumbh”, witnessed investments crossing ‘₹ 20,000 crores’ towards infrastructure, sanitation, transportation, and hospitality.

The importance of this research comes from studying how these investments and religious inflows translated into ‘tangible financial returns’ for the state. Knowing these mechanisms is crucial for ‘policy makers, business leaders, and urban planners’ as it can inform future approaches to hosting mega events in a sustainable way.

Various studies have investigated comparable events:

1. Maurya et al. (2025) estimated big returns to the local economy and informal sectors in their analysis of the socio-economic effects of Maha Kumbh 2025.

- 2 Business Standard (2025) presented a report reflecting a flow of '₹ 500 crores' in taxes during the festival.
- 3 The 'All Finance Journal (2025)' wrote about cultural and business synergy, with the point stressed that pilgrimage festivals are temporary economic cities.
- 4 A 'Kotak Securities (2025)' report estimated a total revenue size of '₹ 2 lakh crores' for the Uttar Pradesh economy.

These researches cumulatively establish that the Maha Kumbh is as much of a 'religious' as well as an 'economic phenomenon', and this paper is based on that framework.

## II. RESEARCH STATEMENT AND OBJECTIVES

### Research Statement:

This study examines 'how the Maha Kumbh Mela 2025 brought revenue to Uttar Pradesh', determining major revenue streams, scale of economic impact, and meaning for long-term economic planning.

### Research Objectives:

1. Determination of the major revenue-generating sources during the Maha Kumbh Mela 2025.
2. Approximation of the magnitude of economic activity and state revenue due to the event.
3. To assess the effect on tourism, hospitality, small enterprises, and the informal economy.
4. To estimate the return on investments in infrastructure by the government.
5. To make recommendations on how to maximize future event-based economic planning.

### Research Questions:

1. What were the primary revenue streams contributing to Uttar Pradesh's revenues during Maha Kumbh Mela 2025?
2. How did the event impact local business development, tourism, and employment?
3. Were the investments in infrastructure economically warranted through revenue generation?
4. How can one utilize such events as models for sustainable regional development?

## III. RESEARCH METHODOLOGY

### Research Design

The study utilizes a descriptive-exploratory design. It is descriptive in the sense that it measures and describes the manner through which revenue was collected and exploratory since it aims to uncover under-explored dynamics of pilgrimage-based economics.

### Sampling Method and Size

Since the event has wide geographical and time coverage, the study employs purposive sampling for secondary data to cover Prayagraj district and surrounding areas. When numerical illustrations are necessary, simulated data for around 100 businesses (like hotels, restaurants, and transport operators) are created to illustrate possible revenue impacts.

### Data Collection Methods

**Secondary Data:** Compiled from official government announcements, media coverage (Business Standard, Deccan Herald), and research articles (GISRRJ, 2025; All Finance Journal, 2025).

**Simulated Data:** Assumed revenue and employment trends of small businesses are generated to demonstrate estimated effects, based on reported percentage increases.

### Data collection and Analysis

#### 1. Tourism Inflow & Spending

According to UP Tourism Board (2025), over 40 crore pilgrims went to Prayagraj in January and March 2025. Out of these, approximately 8–10 lakh were foreign tourists.

Average per-visitor spending (accommodation, transport, food, souvenirs, and services) was conservatively estimated to be ₹ 1,000–₹ 1,200 per day, generating direct spending of approximately ₹ 40,000–₹ 50,000 crore within two months.

#### 2. Hospitality Sector Analysis

The hospitality industry was one of the largest gainers. Prayagraj hotels and guesthouses saw occupancy rates reaching 100 %, against an average of 60 % annually.

#### Simulated Example:

A mid-scale hotel with base-case monthly revenue of ₹ 1 crore registered a 40 % increase, translating to ₹ 1.4 crore monthly revenue in the event period. For the two-month period, the incremental revenue would be

₹ 0.8 crore per hotel, reflecting sizeable total profits for 300 registered facilities.

### 3. Informal Sector & Artisans

The unorganized economy, such as street food vendors, artisans, and petty traders, also thrived. Research indicates average income increases of 35–45 % for local market stall owners.

The One District One Product (ODOP) program incorporated a large number of artisans into government-funded stalls so that crafts from areas like Bhadohi and Varanasi could find their way to millions of consumers.

### 4. Infrastructure Development

The state government of Uttar Pradesh spent almost ₹ 20,000–25,000 crore on new roads, flyovers, sewerage systems, lighting on the riverside, smart surveillance, and temporary shelters.

Not only did this augment the Mela, but also Prayagraj's own long-term urban infrastructure. The long-term economic multiplier of such investments in capital is likely to exceed 3× ROI over the next decade.

## IV. FINDINGS

### 1. Government Expenditure

The Uttar Pradesh government allocated approximately 6990 crore rupees for infrastructure, sanitation, and logistics in preparation for the event.

### 2. Direct Economics Turnover

The event is estimated to have generated 25,000 crore rupees in direct business activity from sectors like hospitality, transport, tourism, and retail.

### 3. Extended Economic Impact

Broader projections indicate an overall 2 lakh crore rupees contribution to the state's economy, considering visitor spending and multiplier effects.

### 4. Tax Revenue

During January–February 2025, event-linked activities yielded 239.47 crore rupees in additional GST and VAT collections, with total fiscal gains estimated at 500 crore rupees.

### 5. Employment Generation

The mela provided temporary and seasonal employment for thousands of people in

security, sanitation, food services, tourism, and local crafts sectors.

### 6. Infrastructure Development

New roads, bridges, sewage systems, and power lines were constructed, many of which continue to benefit Prayagraj residents beyond the event.

### 7. Tourism Boost

Domestic and international tourist inflows rose sharply, enhancing Uttar Pradesh's image as a spiritual and cultural tourism hub.

## V. INTERPRETATION AND ANALYSIS

The findings suggest a high return on investment (ROI) for the government, as every rupee spent on preparation likely generated multiple rupees in economic output. The multiplier effect of the Kumbh economy indicates that mega-religious events act as engines of regional development.

1. Economic Diversification: Revenue was distributed across formal and informal sectors, creating widespread but uneven benefits.

2. Fiscal Capture Limitations: Despite massive turnover, the state's direct revenue collection was proportionally small due to the dominance of informal transactions.

3. Sustainability and Legacy: The mela's infrastructure development offers long-term gains if effectively integrated into regional urban planning.

4. Socioeconomic Impact: Local vendors, artisans, and small businesses experienced income growth, highlighting the inclusive potential of cultural tourism.

## VI. CONCLUSION

The Maha Kumbh Mela 2025 exemplifies how religious and cultural events can become powerful tools for economic growth and revenue generation. The state's strategic investments in infrastructure and management yielded substantial returns in the form of business activity, tax revenue, and tourism promotion. However, the limited formalization of transactions and underutilization of post-event infrastructure reduce the efficiency of total economic capture. With appropriate fiscal and policy mechanisms, the Kumbh model can serve as a

replicable blueprint for other large-scale cultural events in India

## VII. RECOMMENDATIONS

### 1. Strengthen Revenue Collection Mechanisms

Encourage digital payment adoption among small vendors to enhance tax compliance, implement temporary tax frameworks and vendors registration systems during mega-events.

### 2. Leverage Infrastructure for Long-term Use

Convert temporary facilities into permanent tourism assets or training centers. Integrate Kumbh infrastructure into urban development plans for Prayagraj.

### 3. Enhance Local Enterprise Capacity

Provide skill and financial training for small businesses to optimize economic participation. Promote fair pricing and ensure inclusion of marginalized groups.

### 4. Data-Driven Governance

Develop real-time monitoring tools for visitor spendings, crowd management, and resource allocation. Conduct periodic post-event impact assessments.

### 5. Sustainable Development Focus

Adopt environmentally responsible waste management and water-use systems. Incorporate eco-tourism and green practices in future melas.

### 6. Integrate Event Tourism

Connect the Kumbh with other religious tourism circuits in Uttar Pradesh (Varanasi, Ayodhya, Mathura) to sustain visitor inflows year-round.

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