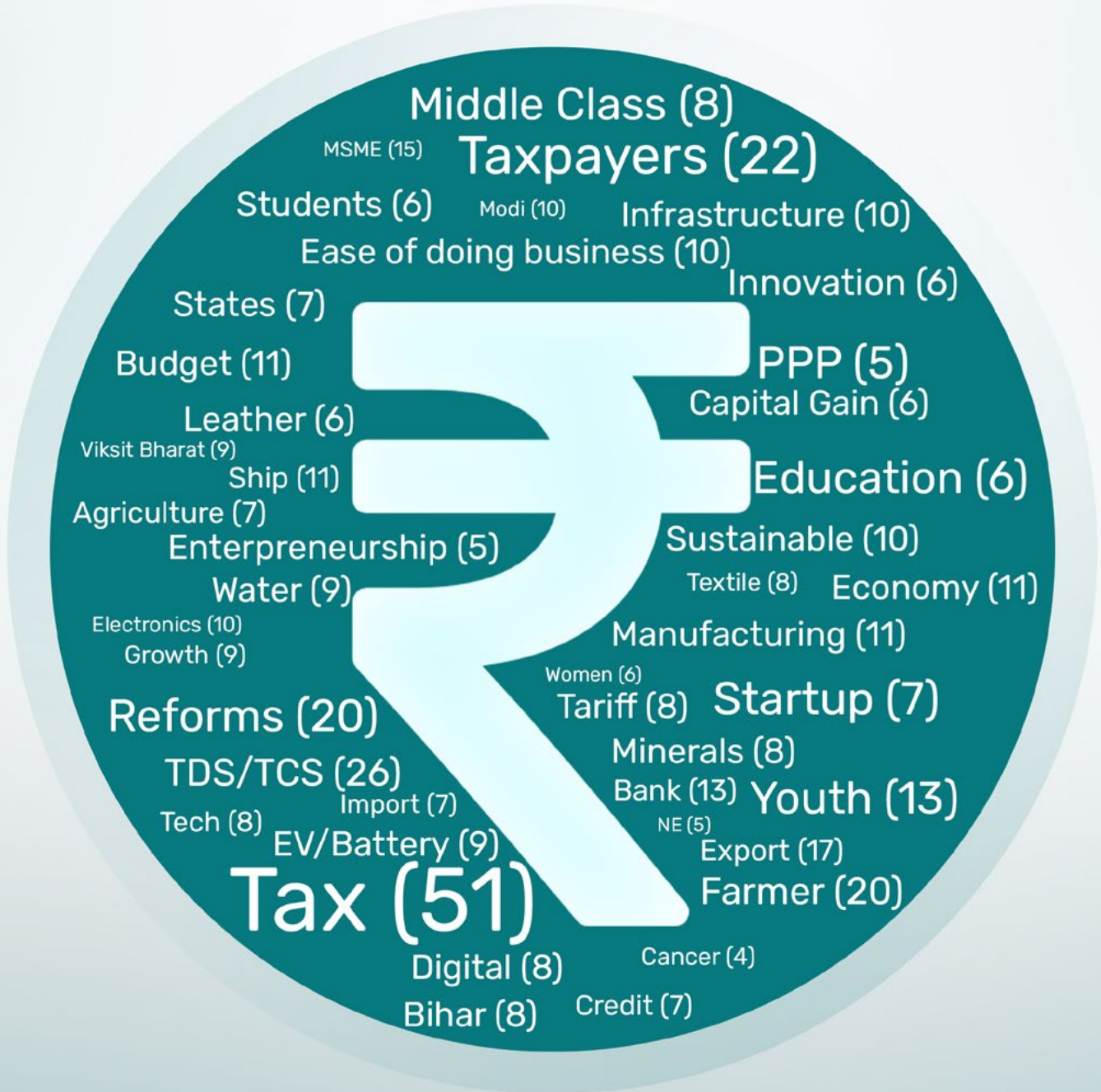


PLANET IPE

Budget Special

(2025-26)



MD SPEAKS

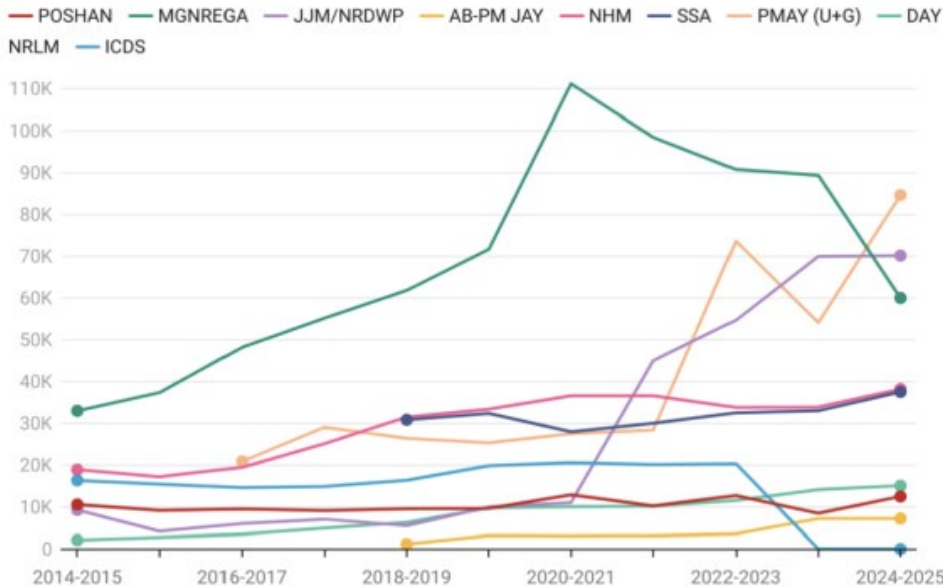
A forward-looking blueprint, Budget 2025 stood out with one of the most anticipated and talked about changes - recalibration of personal income tax. A move that will put more money in the hands of the middle class and trigger consumption, savings and investments. This reduction in direct tax collection due to reduced income tax rates will lead to a more buoyant economy.

With an urban flavour, the Budget has a strong message on reforms, ease of doing business, custom tariff rationalisation across specific industries. Yet another welcome announcement is ‘SWAMIH Fund-2 (Special Window for Affordable and Mid-Income Housing)’ - a blended finance fund of Rs 15,000 crore for completing an additional 1 lakh affordable housing units, over and above the 50,000 units already completed. An increased outlay for flagship schemes, MGNREGA and PM-Kisan, which remained the same as last year would have been welcomed. Overall, the budget once again reaffirms the government’s commitment to strengthening India’s position as a stable global business hub, aligning with the vision of the ‘Make in India, Make for the World initiative.



ASHWAJIT SINGH
Founder and Managing Director

Budget Allocations for Major Social Schemes (2014-2025)



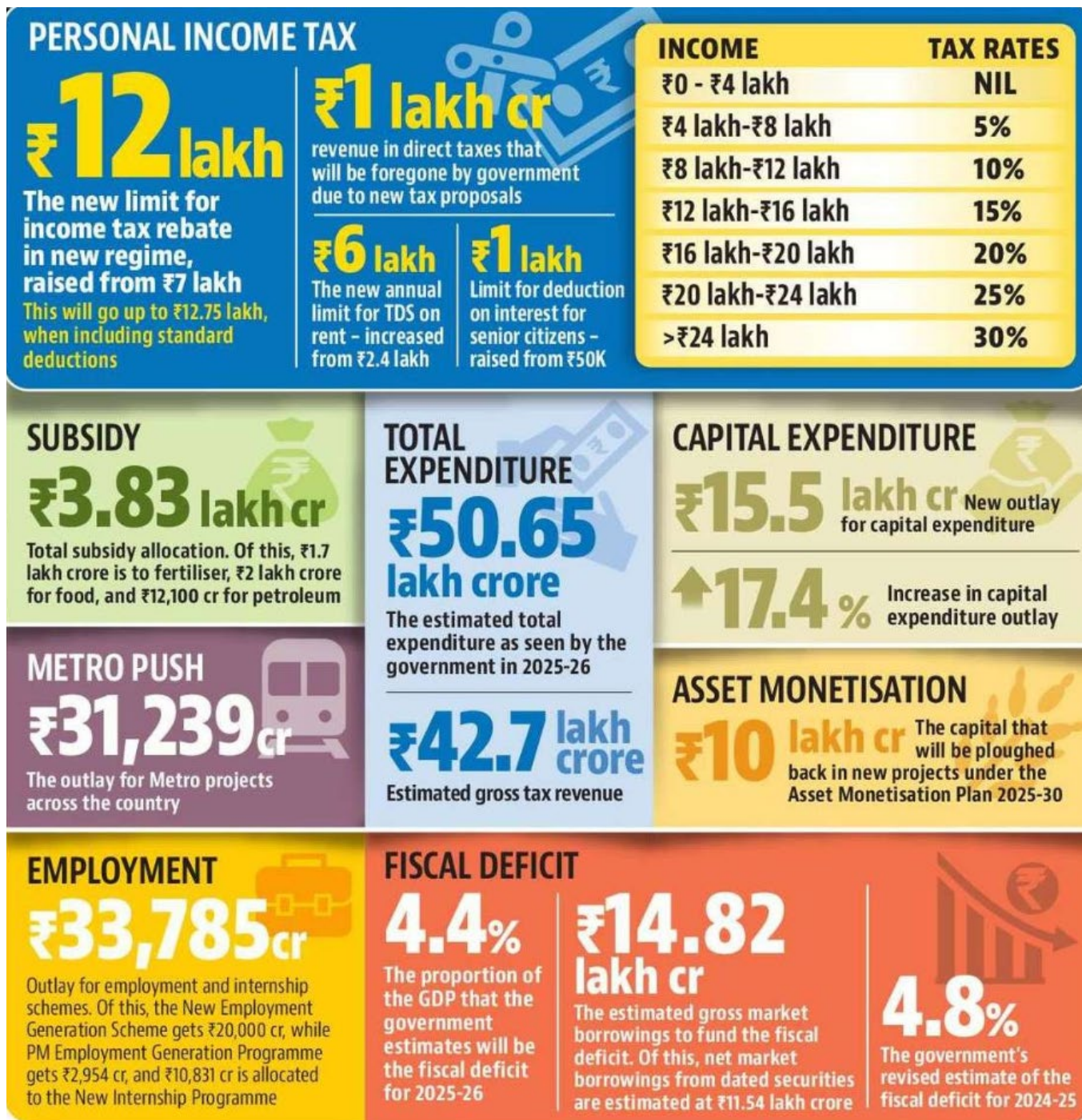
For the years where the Actual Estimates are not available, Revised Estimates (RE) have been used and where REs aren't available Budget Estimates (BE) are used

Chart: Author's compilation • Source: From various budget documents of the Union Government • Created with Datawrapper

The Wire 2025

Beyond taxes, the Budget identified priority social sector areas like education, health, social justice and empowerment, and women and child development, which received higher allocations, showing the government’s intent to strengthen welfare. However, as seen in the past, the real challenge will be to ensure the effective implementation of initiatives to ensure the desired impact.

DECODING THE BIG NUMBERS



EDITOR'S NOTE



TANYA SINGH
Senior Director

A 'pro-growth budget' which delivers big!

A short speech has set the stage for India's journey towards economic resilience, sustainable development, and social progress.

Focussed on the theme of Sabka Vikas, with a vision to empower youth, farmers, and women, the budget aligns with the goal of a Viksit Bharat by 2047. It promises to continue the government's efforts to accelerate growth, promote inclusive development, boost private sector investments, and uplift household confidence. Additionally, the tax relief focuses on strengthening the spending power of India's growing middle class, which represents nearly 31% of the country's population.

Celebrating two decades of gender budgeting, this budget sets one of the most ambitious targets: **integrating 70% of women into the workforce, up from 41.7% in**

2023-24. Indeed, it is heartening to see women-led development central to India's growth story.

Once again, the budget reaffirms the government's commitment towards a knowledge-driven and technology-enabled future for India. Initiatives such as the establishment of 50,000 Atal Tinkering Labs (ATLs), National Centres of Excellence for Skilling, expansion of IITs, and the Centre of Excellence for AI highlight the focus on developing future-ready competencies, strengthening India's position as a global knowledge hub.

On the health front, while it has taken steps to address affordability and accessibility, there has been a moderate increase in budget outlay in the last decade, which fell short of the [National Health Policy \(2017\) recommendation](#) that public health expenditure should account for 2.5% of Gross Domestic Product (GDP).

The budget prioritises resilience and energy security, but climate action remains relatively subdued. The feelers did come in from the Economic Survey, presented a day earlier, highlighting concerns on why India opposed the \$300 billion climate deal in Baku earlier.

Hope you enjoy reading this edition.

FIVE KEY TAKEAWAYS

- 01** Massive income tax cuts, more money in the hands of taxpayers
- 02** Fiscal discipline maintained, deficit to reduce despite forgone revenue
- 03** Capital expenditure growth stalls, signalling a shift away from recent budgets
- 04** Focus on employment generation, visible in attempt to boost specific sectors
- 05** Push for regulatory reforms, a late but welcome step

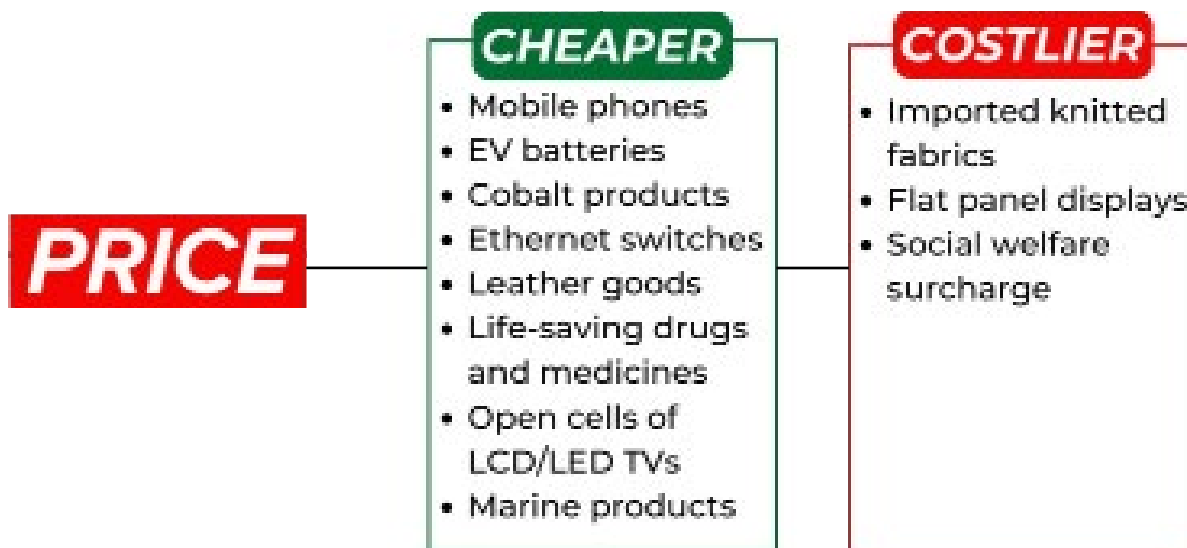
BUDGET PRIORITIES 2025-26

Path of Strong Development and All-round Prosperity



PIB 2025

THE EFFECT



A blueprint for resilient & inclusive growth...

A budget that hits the 'right note.' Laying a strong foundation for long-term economic growth, this annual financial statement reflects confidence in India's economic resilience and potential.

Despite external headwinds and the IMF's global growth projections of 3.3% for 2025 and 2026, India continues to remain stable, with an average growth of 6.7% for these years. This resilience reflects in the budget, which prioritises infrastructure development and digital transformation and targets fiscal policies to support economic stability and growth across key sectors.

The announcement of tax relief for middle-class salaried employees, particularly those earning up to ₹12,00,000, along with some tax reductions for higher-income earners, brings cheer. While this stands out, the budget misses an opportunity to do more in decarbonisation and green transition areas. On the women-development front, while it does introduce schemes for rural women and first-time entrepreneurs, the overall financial outlay is modest, considering women's workforce participation continues to be a pressing issue. With an ambitious female labour force participation target of 70% from the current 41% (approx.) in the budget, it will be interesting to see some targeted efforts to reach this goal, especially in the case of paid employment.



MK PADMA KUMAR
Chief Operating Officer

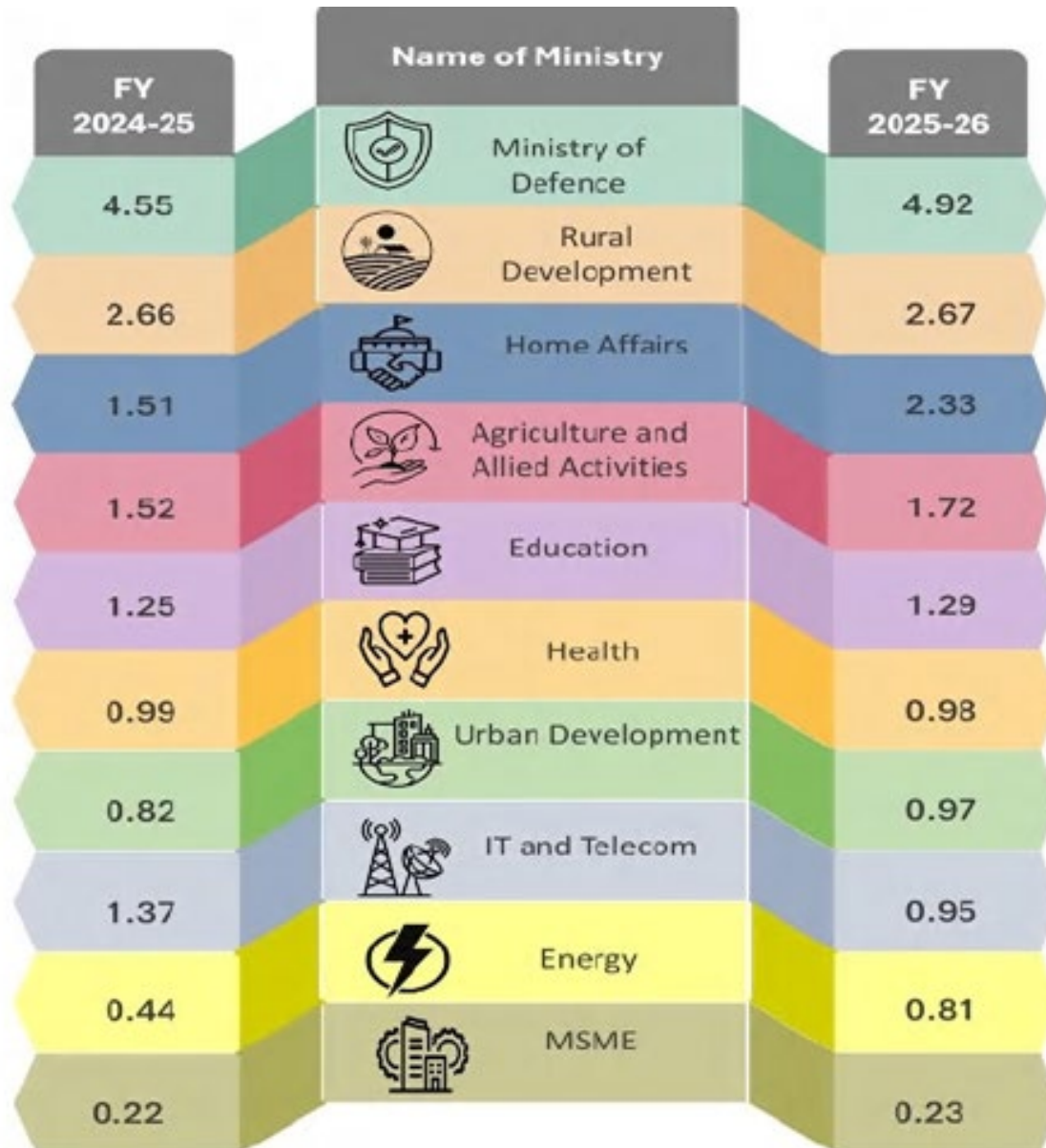


RATTAN CHHABRA
Chief Finance Officer

The budget underscores a strategic balance between economic growth, fiscal consolidation, and sectoral resilience. **A significant increase in capital expenditure to ₹11.2 lakh crore (3.1% of GDP) highlights the government's commitment to infrastructure-led growth, fostering long-term economic sustainability.**

The personal income tax, including raising the exemption limit to ₹12 lakh, aims to boost disposable income, encourage consumption, and drive domestic demand. However, a more favourable tax structure for long-term equity investors and rationalising capital gain tax would have further boosted the stock market.

DEPARTMENT/MINISTRY WISE ALLOCATION OF FUND (AT A GLANCE)



OUR ASK & DID IT HAPPEN?

- Focus on 'GYAN' (Gareeb, Yuva, Annadata, Naari) _____ 😊
- Impetus to Public-Private Partnership (PPP) _____ 😊
- Recalibration of income tax _____ 😊
- Prioritise urban development, Incentivise Urban Local Bodies (ULBs); encourage blended finance and affordable housing _____ 😊
_____ 😊
- Prioritise Health & focus on PPP to boost health innovations _____ 😊
- Invest in reskilling and upskilling talent _____ 😊
- Promote STEM Education _____ 😊
- Vishwa Guru by becoming the climate solutions capital of the world _____ 😊
- Clean Energy _____ 😊
- Social Stock Exchange _____ 😐
- Robust Climate Adaptation Strategy _____ 😐



A budget that ticks most of the boxes...

HEALTH



Healthcare Sector

- Govt to facilitate setting up of daycare cancer centre in all district hospitals in next 3 years.
- Next year, 10,000 seats will be added in medical colleges and hospitals; 75,000 seats to be added in next 5 years.
- 36 Lifesaving drugs and medicines to be added to the list of medicines fully exempted from Basic Customs Duty
- 37 more medicines and 13 new patient assistance programmes to be fully exempted from Basic Customs Duty (where they are supplied free of cost to patients)

The Economic Times 2025

The Budget presents a compelling vision for India's health tech startups. The announcement to establish 200 Day Care Cancer Centres in district hospitals in 2025-26 creates immense opportunities for healthcare innovators.

The government's approach to blended finance demonstrated through the new Fund of Funds with a ₹10,000 crore contribution and focus on public-private partnerships will catalyse private investment in healthcare innovation. Combined with doubling the credit guarantee cover to ₹20 crore and extending startup benefits until 2030, these measures create a robust foundation for health tech startups to scale and make quality healthcare more accessible and affordable across India.



HIMANSHU SIKKA
Chief Strategy and
Diversification Officer

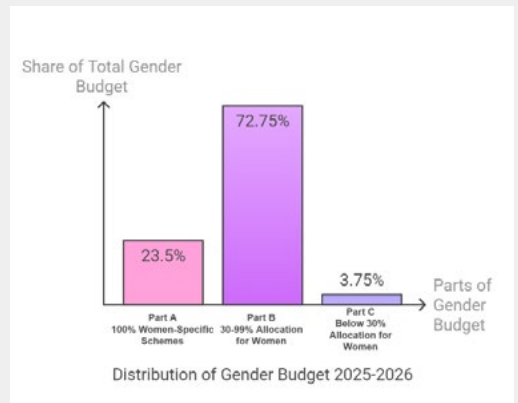
GENDER



RAGHWESH RANJAN
Senior Director,
Social Economic Empowerment

The Budget marks a significant commitment to the welfare of women and children in India. The MWCD has been allocated ₹26,889.69 crore, up from ₹23,182.98 crore in the previous year. Notably, ₹21,960 crore is dedicated to the Saksham Anganwadi and Poshan 2.0 programs, which provide nutritional support to over 8 crore children and a crore pregnant and lactating women.

The overall Gender Budget has increased by 37.25%, reaching ₹4.49 lakh crore, constituting 8.86% of the total Union Budget. However, it would have been great to see the universalisation of benefits to all second-time pregnant women under PMMVY and more impetus for skilling and jobs for girls under skill development programmes through some affirmative actions.



The Leaflet 2025

The budget push in urban financing through the Urban Challenge Fund (UCF) emphasises the need for cities to transition towards self-sufficient financing and investment models.

The larger cities now have a dedicated scheme to accelerate their adoption of innovative financing mechanisms, such as bonds and Public-Private Partnerships (PPPs) while harnessing the lessons learned from traditional scheme financing and leveraging existing infrastructure. Tier 2 and Tier 3 cities will be encouraged to design their projects through better Capex support through bonds and PPPs.

While enabling governance mechanisms still needs to be strengthened, the UCF scheme can act as a strategic shift enabling cities to take charge of their financial futures, deploying diverse financing tools to fuel growth, drive infrastructure development, and enhance public services. One of the finest and most progressive budgets in a decade, pushing cities to manage their funds and investments.

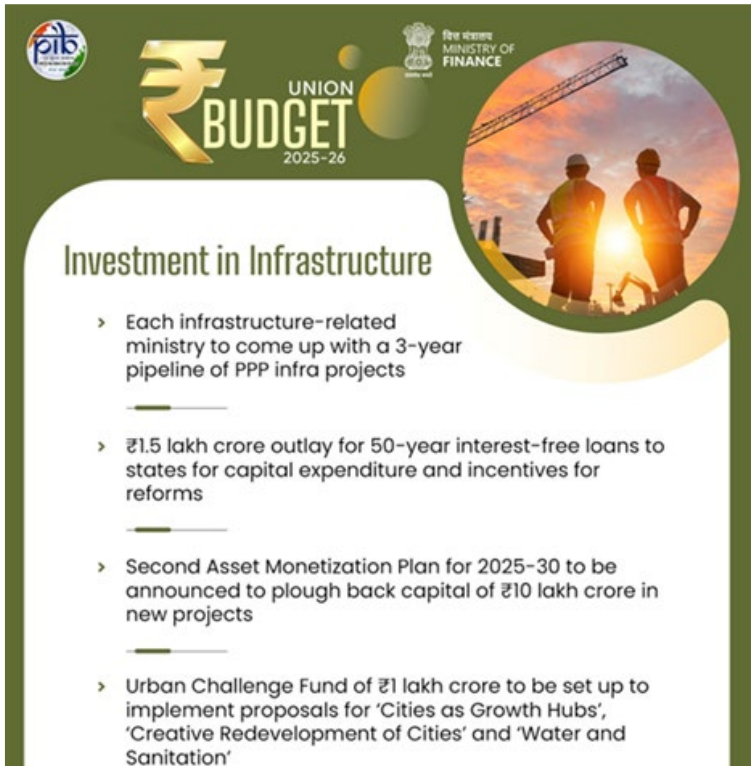
Seeing the government identify tourism as a sector for employment-led growth is heartening.

With a mix of visa reforms, destination development, and healthcare-focused travel, it will surely give a fillip to position India as a top global destination for both leisure and medical tourism.



ANIL BANSAL


Senior Director, Urban Infrastructure and Tourism



UNION BUDGET 2025-26

Investment in Infrastructure

- Each infrastructure-related ministry to come up with a 3-year pipeline of PPP infra projects
- ₹1.5 lakh crore outlay for 50-year interest-free loans to states for capital expenditure and incentives for reforms
- Second Asset Monetization Plan for 2025-30 to be announced to plough back capital of ₹10 lakh crore in new projects
- Urban Challenge Fund of ₹1 lakh crore to be set up to implement proposals for 'Cities as Growth Hubs', 'Creative Redevelopment of Cities' and 'Water and Sanitation'



UNION BUDGET 2025-26

Investment in Tourism for Employment-led Growth

- Top 50 tourist destination sites in the country to be developed in partnership with states through a challenge mode
- States to be given performance-linked incentives for effective destination management
- MUDRA loans for homestays to be provided
- Special focus on destinations related to the life and times of Lord Buddha
- Medical Tourism and Heal in India to be promoted in partnership with the private sector



The 2025 budget, with its focus on enhancing human capital through investments in STEM education, fostering critical-thinking, developing a future-ready workforce and encouraging entrepreneurial agility **represents a significant milestone towards transforming India into a knowledge economy.**

SHALENDER SHARMA

Senior Director, Education & Skill Development

Investing in Skilling and Higher Education

- **Five National Centres of Excellence for skilling** to be set up with global expertise and partnerships to equip youth with skills required for 'Make for India, Make for the World' manufacturing
- **Additional infrastructure to be created in 5 IITS** started after 2014 to facilitate education for 6,500 more students
- **Centre of Excellence in Artificial Intelligence for Education** to be set up with outlay of ₹500 crore
- **10,000 additional seats to be added in medical colleges and hospitals in next year, with the goal of adding 75,000 seats in next 5 years**



PIB



GAURAV VERMA

Associate Director, Education & Skill Development

The Budget heralds a transformative shift in India's workforce strategy, reinforcing the 'Make in India, Make for the World' vision through cutting-edge skilling initiatives, global partnerships, and industry-driven training programs.

By embedding digital fluency, entrepreneurial agility, and future-ready capabilities, this Budget lays the foundation for a resilient, innovation-driven economy.



DR. SHASHIRANJAN JHA

Associate Vice President, Education and Skill Development

Building upon the foundations laid by last year's measures, this year's budget is designed to foster innovation, enhance skill development, and expand educational infrastructure at all levels. **Key initiatives like establishing 50,000 Atal Tinkering Labs, National Centres of Excellence for Skilling and Bharatiya Bhasha Pustak Scheme demonstrate a forward-thinking approach** to fostering critical thinking and embracing linguistic diversity.

Collectively, these measures are set to create a robust and dynamic educational system that is responsive to the needs of today's learners and capable of anticipating and adapting to future challenges. This comprehensive approach promises to transform India into a global hub for innovation and skill development, ultimately contributing to sustainable growth and development in the decades to come.





ABINASH MOHANTY
 Sector-Head, Climate Change and Sustainability

Through a walk-the-talk green growth and green transition budget speech that tries to climate-proof the trinity of jobs, growth, and sustainability misses patenting the invaluable grains of climate adaptation.

Down To Earth

The Telegraph online

The budget marks a significant step in India's journey towards energy transition and net-zero goals. **With a strong focus on the Atmanirbhar Mission, the budget underscores our nation's commitment to clean energy, economic resilience, and sustainability.**

PIB 2025

The much-anticipated push for nuclear power and cleaner energy alternatives sends a clear message—India is strengthening its position as a global thought leader in low-carbon development.



With various schemes announced in the budget to boost employment, education, and sustainability, **effective monitoring will be critical to ensure transparency, accountability, and their timely implementation.** Added to it, the government's technology push in the budget, will also bring in greater efficiency, reduce leakages to ensure that intended beneficiaries receive the benefits.

SHANTANU DAS

Director, Economic and Public Financial Management (EPFM) & Monitoring, Evaluation, and Learning (MEL)



TOP WORDS IN BUDGET SPEECH



The Indian Express 2025



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Credits: Team Corporate Communication

Tanya Singh, Shilpi Jain, Sapna Subba, Shreya Basak, Priyanka Nagpal,
Priya Khurana, Punya Mishra

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