BUSINESS STANDARD CEOs POLL

# India Inc expects consumption boost, plans to push capex

**BS REPORTERS**
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A majority of Indian chief executive officers (CEOs) plan to step up investments in capacity expansion, anticipating a surge in urban consumption following budgetary incentives, according to a dipstick survey conducted after the 2025-26 Union Budget announcements on Saturday.

UNION BUDGET 2025-26

Of the 12 respondents, 91.67 per cent said the personal tax exemptions announced in the Budget would drive up consumption — where a slowdown was a key concern for top business leaders. Additionally, 75 per cent of CEOs believed the measures in the Budget would bolster business sentiment and confidence, prompting greater investment, even as they had anticipated a higher allocation for capital expenditure (capex).

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## WHAT TOP EXECS HOPE FOR

Responses of 12 CEOs surveyed (in %)

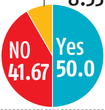
**Q** Will the Budget's personal income tax proposals boost consumption?


**Q** Do you believe the Budget will strengthen business confidence? If so, will you invest more?


**Q** Will the Budget impact India's global competitiveness?

| | |
|---|---|
| Yes | 58.33 |
| No | 8.33 |
| Don't know | 33.33 |

**Q** Are the Budget's infra allocations adequate to boost economic growth?




**Q** What effect will the Budget have on firm's hiring plans?

| Positive impact | No impact | Don't know |
|---|---|---|
| 41.67 | 41.67 | 16.67 |

Compiled by BS Research Bureau

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▶ 10% KCC A/Cs MAY BENEFIT FROM HIGHER LOAN LIMIT

▶ 'BUDGET TAX CUTS TO BOOST DEMAND, CONSUMPTION'

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# *BS* Poll: Most CEOs believe Budget would enhance India's global competitiveness

"Public capex is the frontrunner to private capex. While capex has been maintained, we were expecting a higher allocation to catapult growth," said the CEO of a large company, requesting anonymity.

The government introduced significant changes to personal income tax rates, including zero tax for individuals earning up to ₹12 lakh, offering relief to taxpayers. The resulting increase in disposable income is expected to lift sales of small cars, two-wheelers, and affordable homes.

Meanwhile, 58.33 per cent of respondents said the Budget would enhance India's global competitiveness, while half of the CEOs surveyed felt the infrastructure allocation was sufficient to drive growth.

"Measures have been announced, but their impact on the international market remains to be seen. It is a positive step, albeit a modest one," said the CEO of a large manufacturing firm.

Key infrastructure initiatives include ₹1.5 trillion in 50-year interest-free loans to states to accelerate capital expenditure. Additionally, a ₹25,000 crore Maritime Development Fund was announced to provide long-term financing for the maritime sector, with up to 49 per cent government participation, aimed at fostering sustainable growth in shipping and port infrastructure. However, capital expenditure for major infrastructure ministries, including railways, roads, and highways, is budgeted to remain flat in nominal terms compared to FY25's Revised Estimates.

"The 2025-26 Budget will positively impact India's global competitiveness. With measures like BharatTradeNet for seamless international trade, enhanced export credit support, and warehousing upgrades for air cargo, the Budget strengthens trade infrastructure, boosts exports, and integrates Indian businesses into global supply chains," said the chief executive of a real estate firm.

Hiring intentions remain mixed: 42 per cent of respondents said the Budget's proposals create conditions for increased hiring in the next financial year, while an equal share of CEOs said they would have no impact. The remainder were uncertain. "One will have to wait and watch for some time before hiring," said the head of a financial services firm.

"Talent retention is crucial, as attracting entry-level talent is relatively easier," said a CEO, referring to the National Framework for global capacity centres (GCCs), which seeks to establish operations in tier-II cities and beyond, tapping into local talent pools. The Economic Survey noted that the number of GCCs in India grew from approximately 1,430 in FY19 to over 1,700 in FY24. As of March last year, these centres employed nearly 1.9 million professionals.

*Dev Chatterjee, with inputs from Prachi Pisal, Jaden Mathew Paul, Sohini Das, Ishita Ayan Dutt, Ajinkya Kawale*