Lens Asia

1 February, 2025

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Finance minister Nirmala Sitharaman announced measures to counter slowing growth, rising prices and flagging consumption among the middle class in Asia's third-largest economy.

After a period of world-beating growth of more than 8%, India is set for its slowest economic expansion in four years as stagnant wages and high food prices hit consumer spending and corporate profits.

Here are five key takeaways from India's union budget:

a major relief to millions of taxpayers, the government has raised income tax exemption limits, making earnings of up to 1.2m rupees ($13,841; £11,165) - excluding special rate income like capital gains - entirely tax free.

The finance minister has also announced tweaks to other income tax slabs which is likely to leave more money in the hands of the middle class.

The income tax concessions to the middle class "seems aimed at addressing the slump in urban consumption", said Nomura's India Economist Aurodeep Nandi.

The impact, however, could be limited since a tiny fraction of Indians pay direct taxes. In 2023, 1.6% of Indians (22.4 million people) actually paid income taxes, according to data presented in parliament.

The market cheered the announcements with stocks of automobiles, consumer goods and online grocery companies rallying.State-funded capital expenditure on major road, port and railway projects has been a key driver of India's growth engine since 2020.

Despite an unexpected contraction in actual spending in the first nine months of this year, the government has modestly increased its infrastructure expenditure target for this year from 11.1 trillion to 11.2 trillion rupees ($129.18bn; £104.21bn).

The government has also proposed offering interest-free loans to states to enable them to spend more on infrastructure development.The budget has set a goal to generate 100GW of nuclear energy by 2047. As part of this plan, a Nuclear Energy Mission has been launched with a budget of 200bn rupees ($2.3bn, £1.86bn). The plan is to deploy five indigenous reactors by 2033 and amend laws, like the Civil Liability for Nuclear Damage Act, to realise goals and get more private sector participation in the sector.

Meanwhile, foreign direct investment limits for the insurance sector have been increased from 74% to 100%.

"This will aid foreign insurers' interest in investing in the growing Indian insurance market, where we expect strong premium growth to boost profitability," said Mohammed Ali Londe, Senior analyst at Moody's In order to ease the climate for doing business, which has been a major concern among investors, a high-level committee has been announced to undertake regulatory reforms in the non-financial sectors and reduce the compliance burden on corporations. The panel will make recommendations within a year.

Small and micro industries, that account for 35% of India's manufacturing and create millions of jobs, also got a boost through fiscal support of 1.5 trillion rupees ($17.31bn; £13.96bn) over the next five year

The government has also raised production-linked subsidies and slashed import duties for local manufacturing units across sectors like textiles, mobile telephones and electronics. This could promote private investments, which have not picked up post the Covid-19 pandemics.