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WeChat

Ashish Thukral

CEO and Cofounder
NeuGenM.ai
PGDM Marketing (1995-1997), WeSchool

MESSAGE FROM THE DIRECTOR

Prof. Dr. Uday Salunkhe
Group Director

Dear Readers,

It gives me great pride to introduce SAMVAD's edition every month. Our SAMVAD team's efforts seem to be paying off, and our readers seem to be hooked onto our magazine. At WeSchool, we try to acquire as much knowledge as possible and share it with everyone.

As we begin a new journey with 2025, I sincerely hope that SAMVAD will reach new heights with the unmatched enthusiasm and talent of the entire team.

Here at WeSchool, we believe in the concept of AAA: Acquire Apply and Assimilate. The knowledge you have acquired over the last couple of months will be applied somewhere down the line. When you carry out a process repeatedly, it becomes ingrained in you and eventually tends to come out effortlessly. This is when you have assimilated all the knowledge that you have gathered.

At WeSchool, we aspire to be the best and unique, and we expect nothing but the extraordinary from all those who join our college. From the point of view of our magazine, we look forward to having more readers and having more contributions from our new readers.

SAMVAD is a platform to share and acquire knowledge and develop ourselves into integrative managers. Our earnest desire is to disseminate our knowledge and experience with not only WeSchool students but also the society at large.

Prof. Dr. Uday Salunkhe,
Group Director

ABOUT US

OUR VISION

“To nurture thought leaders and practitioners through inventive education.”

CORE VALUES

Breakthrough Thinking and Breakthrough Execution
Result Oriented, Process Driven Work Ethic
We Link and Care
Passion

“The illiterate of this century will not be those who cannot read and write, but those who cannot learn, unlearn and relearn.” -Alvin Toffler.

At WeSchool, we are deeply inspired by the words of this great American writer and futurist. Undoubtedly, being convinced of the need for a radical change in management education, we decided to tread the path that led to the corporate revolution.

Emerging unarticulated needs and realities require a new approach in both thought and action. Cross-disciplinary learning, discovering, scrutinizing, prototyping, learning to create and destroy the mind’s eye needs to be nurtured differently.

WeSchool has chosen the ‘design thinking’ approach towards management education. All our efforts and manifestations, as a result, stem from the integration of design thinking into management education. We dream of creating an environment conducive to experiential learning.

FROM THE EDITOR'S DESK

Dear Readers,
Welcome to the **168th** Issue of Samvad!

SAMVAD is a platform for "Inspiring Futuristic Ideas". We constantly strive to provide thought-provoking articles that add value to your management education.
We have an ambitious goal of becoming one of the most coveted business magazines for B-school students as well as industry experts across the country. To help this dream become a reality, we invite articles from all management domains, so as to impart a holistic view, and bridge the gap between industry veterans and students through our WeChat section.
In this special issue of SAMVAD, we focus on the theme of the **Budget**, featuring an exclusive WeChat interaction with **Ashish Thukral**, **Co-Founder** and **CEO of NeuGenM.ai**. Through his insights, we explore how the Budget has been perceived and understood, and its impact on the corporate world.
Union Budget is a matter of great excitement for the business world and the students alike. The numbers represent the aspirations and the goals of the crores of people who want to build the nation from the roots. This year's budget dares to dream big in all aspects, with a cautious stance against the global pessimism in the light of growing regional tensions and tariff wars. The numbers suggest the greatest plans for AI expansion and boom in India. Similarly, the collective youth imagination is again captured by the plans to upskill and employ the youth.
This edition intends to examine the key highlights, changes and viewpoints of individuals with respect to the India's Budget of 2026-27. As students, citizens, and future leaders, this sectorally specific budget makes us aware and helps us engage with the nations' goals. Through insightful articles, interviews, and infographics, we aim to make this complex subject relatable and relevant to you.
A heartfelt thanks to the entire SAMVAD team, faculty members, and contributors who have shaped this issue with dedication and clarity.
We hope you have a great time reading SAMVAD!
Let's read, share and grow together!

Best Regards,
Team Samvad

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ARTICLES

Ashish Thukral

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From your current role/industry, what is one direct impact of Budget 2026 that you're already seeing or expecting?

The most immediate impact is the formalization of the "Orange Economy" (Creative Economy). The allocation of ₹250 crore for the AVGC (Animation, Visual Effects, Gaming, and Comics) sector and the establishment of 15,000 Content Creator Labs signals a shift where content is no longer just "marketing" but "infrastructure." I expect a massive surge in high-quality, localized content that feeds the Stream and Browse behaviors of the Fluid Audience(NeuGenM term for audience whi hop between platforms), especially in Tier 2 and 3 markets.

Did this budget change any business decisions—like hiring, investment, or expansion—in your organization?

Yes. The ₹40,000 crore outlay for Semiconductor Mission 2.0 and the IndiaAI Mission funding (₹1,000 crore) are forcing a pivot from "AI experimentation" to "AI implementation." Businesses are shifting hiring away from traditional media buyers toward AI Growth Engineers and Creative Technologists who can bridge the "Agentic Wall"—building brand identities that AI agents can recognize and recommend.

WeChat

Which specific announcement in Budget 2026 do you think will actually get implemented effectively, and which might just stay on paper?

Effective Implementation: The Tax Holiday for Data Centers (until 2047) and the Safe Harbour rationalization for IT services. These are structural "Science" wins with clear regulatory paths that provide the "predictability" global investors crave.

Stay on Paper: The "Education to Employment" Standing Committee. While the intent is noble, bridging the gap between academic curricula and the rapid evolution of Agentic Ad-Tech often gets bogged down in bureaucracy before it can impact the "Fluid Audience" landscape.

Are there any provisions that look good in theory but may be difficult to execute in reality?

The plan to set up 15,000 Content Creator Labs in secondary schools. In theory, this democratizes creativity. In reality, the "Art" of storytelling requires specialized mentorship that is hard to scale. Without a robust private-public partnership to provide real-world industry mentors, these labs risk becoming rooms full of expensive, underutilized hardware.

From an industry point of view, what is one missed opportunity in this budget?

A direct consumption booster for the middle class. While the budget focused heavily on the "Supply Side" (infrastructure, manufacturing), it was conservative on the "Demand Side." To truly leverage our scale we need higher disposable income to drive the Shop phase of the consumer journey. The lack of real-estate-specific fiscal incentives for affordable housing was also a notable "missed beat."

How are clients/investors reacting to this budget in your experience—positive, cautious, or neutral?

The reaction is "Measured Optimism." * Positive: Regarding the ₹12.2 lakh crore Capex and fiscal prudence (4.3% deficit target).
Cautious: Regarding the hike in Securities Transaction Tax (STT) on F&O and the taxation of share buybacks as capital gains.

This has made investors more selective, moving away from "speculative growth" toward "sustainable, profitable growth."

Do you think this budget will realistically create jobs in the next 1–2 years? Why or why not?

Yes, but with a caveat. It will create "hard-hat" jobs in infrastructure (7 high-speed rail corridors) and "creative-tech" jobs in the AVGC sector. However, the Agentic Wall means that traditional entry-level white-collar roles in data entry or basic reporting may shrink. Job creation will be net-positive only for those who can navigate the Yin-Yang of human creativity and AI efficiency.

Has this budget made India more attractive for business or investment compared to last year?

Significantly so for Tech and Manufacturing. The Biopharma SHAKTI (₹10,000 crore) and the SMEGrowth Fund (₹10,000 crore) create a "protection + growth" layer. By treating India as a "Global Compute Hub" through data center incentives, the budget has moved India from being just a "back-office" to being the "brain" of the global AI economy.

If you had to advise the Finance Minister based on your industry experience, what is one change you would suggest?

Introduce an "AI Sovereignty" Tax Credit. Instead of just funding hardware, give specific tax offsets to Indian brands that build and own their proprietary data models. In an era of the "Agentic Wall," whoever owns the data and the "Identity-Based Branding" owns the future. We must incentivize IP Ownership, not just service delivery.

For students like us entering the workforce, what is one practical takeaway from this budget we should actually care about?

Stop preparing for a "Service Career" and start preparing for an "IP Career." The Budget's focus on AVGC, Design (new NID), and AI labs means the government is betting on India becoming a Product and Content Creator.
Your value won't be in doing a task, but in owning the creative or technical output that an AI then scales.

MSME Reforms & Production Scalability: Operational Impact of Union Budget 2026

WINNER

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2025-2027

Introduction- The MSME ecosystem represents nearly one-third of India's economic output and forms the operational foundation of the country's industrial structure. Beyond its contribution to GDP and manufacturing output, the sector acts as a decentralized production network supporting employment intensity and supply chain resilience. From an operations management perspective, the Union Budget 2026 signals a strategic transition from survival-oriented micro production toward structured scalability and process modernization. Rather than merely expanding fiscal allocations, the policy framework attempts to correct structural inefficiencies in access to finance, technological depth, and productivity enhancement. The broader ambition aligns MSME development with self-reliance objectives and the ongoing shift toward Industry 4.0-enabled manufacturing systems.e-

Policy Reforms and Budgetary Trends

The evolution of MSME policy over recent years reflects a decisive shift toward formalization and institutional integration. A significant increase in budgetary allocations during the pandemic period marked the beginning of this transition, with sustained funding levels maintained in subsequent financial years. This fiscal commitment underpins initiatives such as RAMP, which aims to strengthen enterprise capability through technology access, market linkages, and improved Centre-State coordination.

Formalization through the Udyam portal has emerged as a foundational step in operational scalability. Large-scale digital registration has not merely provided numerical visibility to enterprises but has enabled structured access to procurement ecosystems and formal credit channels. Legal identity and data traceability now function as operational enablers, allowing micro units to move gradually from informal survival operations toward organized production systems.

Credit Constraints and Scalability Challenges Despite a surge in registrations, MSMEs continue to grapple with a substantial credit gap, estimated at ₹20 lakh crore to ₹25 lakh crore. This deficit severely hinders their ability to invest in capital-intensive production improvements. Traditionally, formal financial institutions have only met about 16% to 19% of the total debt requirements.

Consequently, many businesses are compelled to seek informal credit, often at exorbitant interest rates of 30% to 60%. This financial constraint contributes to a "missing middle" in the industrial landscape, with 97.92% of registered MSMEs remaining in the micro-segment, and only a small percentage successfully transitioning to small or medium enterprises. The Union Budget 2026 aims to alleviate this issue by enhancing the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE). This revamped scheme now offers collateral-free loans up to ₹5 crore and has reduced annual guarantee fees, thereby lowering the overall cost of borrowing. Additionally, the integration of technological innovations, such as the GST SAHAY digital lending platform, promotes cash-flow-based lending.

This platform evaluates creditworthiness using digital footprints instead of solely

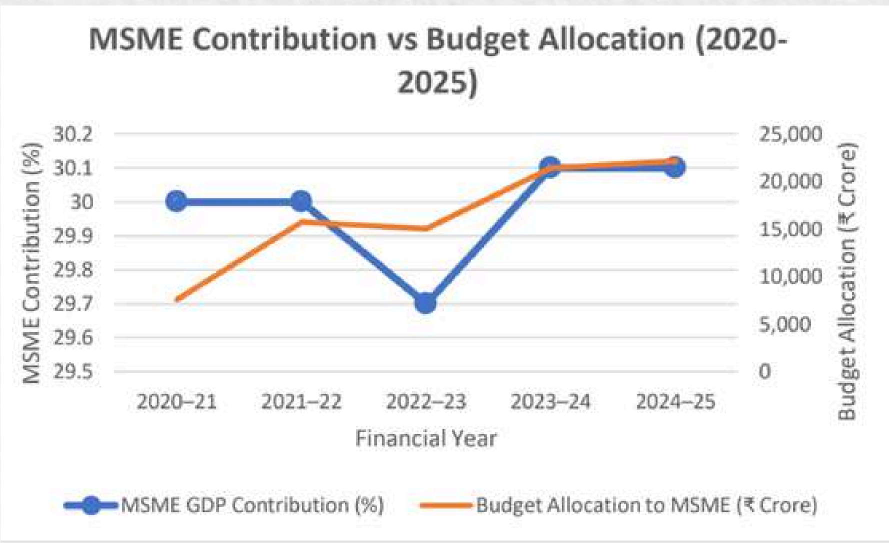

Figure 2 MSME C0ntribution vs Budget Allocation Trend

Operational Implications

Budgetary reforms and operational changes are most clearly linked in the areas of capacity expansion and process innovation. Programs like the Micro and Small Enterprises-Cluster Development Programme (MSE-CDP) promote collective efficiency by offering grants for Common Facility Centres (CFCs). This allows smaller businesses to utilize shared infrastructure, cutting down on overhead costs and achieving economies of scale. From a lean management standpoint, the MSME Champions scheme, which includes Competitive (Lean) and Sustainable (ZED) certifications, helps businesses update their processes and minimize waste. The ZED 2.0 scheme, by lowering certification costs by 20%, encourages MSMEs to aim for "Zero Defect" manufacturing. This, in turn, reduces rejection rates and boosts their competitiveness within Global Value Chains (GVCs). Additionally, the creation of 15 new Technology Centres under the Technology Centre Systems Programme (TCSP) offers the crucial technical assistance MSMEs need to integrate Industry 4.0 technologies, like sensors and automation, which are vital for advanced manufacturing.

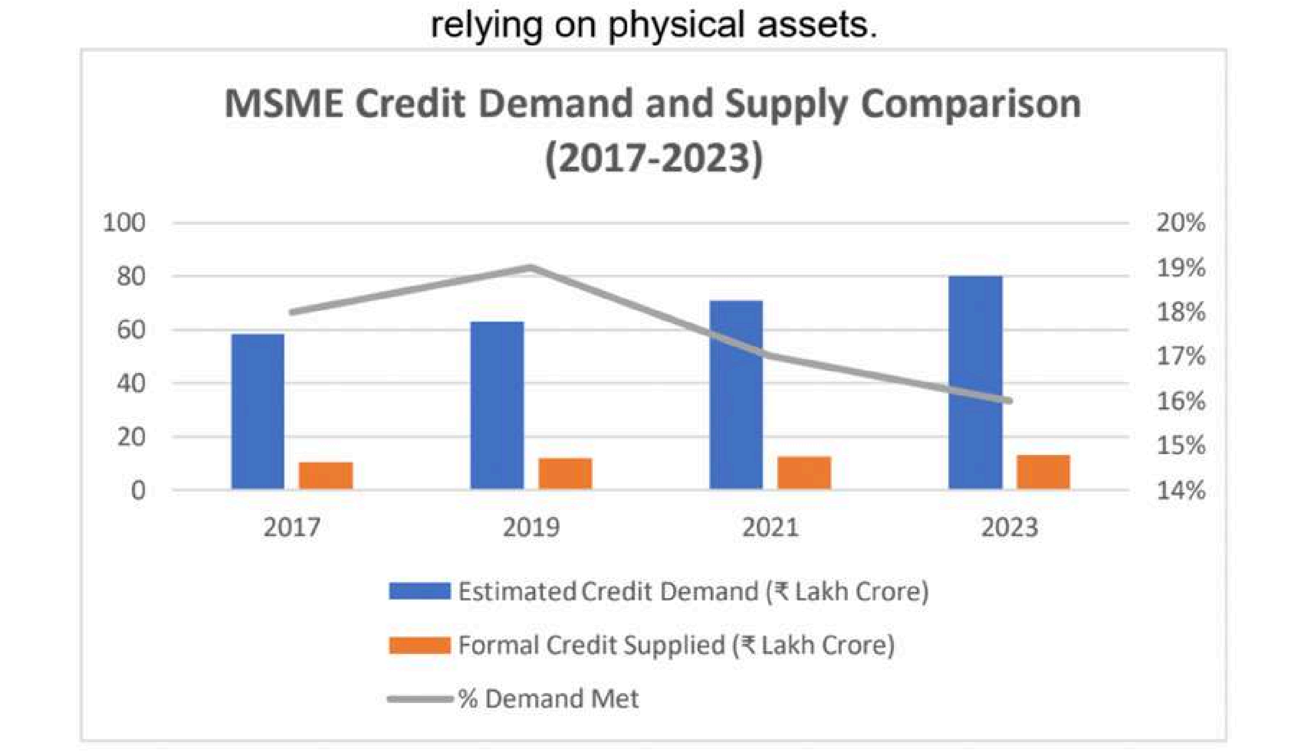

Figure 3 MSME Credit Demand & Supply Comparison

Conclusion

The Union Budget 2026 outlines a thorough structural overhaul of India's MSME sector, going beyond mere financial allocations to tackle fundamental operational challenges. By emphasizing formalization, technological advancement, and improved credit access, the budget offers a distinct strategy for MSMEs to evolve from local operations to globally competitive businesses. The ultimate impact of these reforms will hinge on the sector's capacity to address the "missing middle"
problem and serve as the main driver for India's industrial resilience and widespread prosperity. Maintaining strategic alignment in skill development, digital infrastructure, and credit accessibility will enable the MSME sector not only to retain its 30% GDP contribution but also to become the cornerstone of a sustainable, high-tech industrial economy by 2047.

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MSMEs and Startups: The Backbone of India’s Economy in Budget 2026

RUNNER UP

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Abstract

Micro, Small and Medium Enterprises (MSMEs) and startups form the productive core of India’s economy, contributing nearly 30% of GDP, 45% of total exports, and employing over 110 million people (Ministry of MSME, 2023). As India prepares for Budget 2026 amid global uncertainty and domestic structural shifts, the focus must move beyond liquidity support toward systemic empowerment. This article evaluates how Budget 2026 can strengthen MSMEs and startups through credit deepening, domestic capital mobilization, sectoral allocation alignment, compliance rationalization, and export competitiveness enhancement.

The success of Budget 2026 will ultimately depend on whether it reduces structural

Introduction: Why Budget 2026 Matters More Than

Ever India’s MSME sector includes over 63 million enterprises (MSME Annual Report, 2022–23), forming the base of industrial production and employment generation. These enterprises:

- Contribute ~30% to India’s GDP
- Account for ~45% of merchandise exports
- Provide employment to over 110 million individuals

At the same time, India hosts more than 100 unicorn startups, making it the third-largest startup ecosystem globally (DPIIT, 2023). Despite this scale, structural challenges persist. Credit gaps remain significant. According to the International Finance Corporation (IFC), India’s MSME credit gap is estimated at over $300 billion. Budget 2026 must address not just liquidity — but scalability.

Credit Access: Bridging the $300 Billion Gap

Access to affordable credit remains the most pressing constraint. RBI data shows MSME credit growth improving in recent years, with bank lending to MSMEs growing above 15% annually in 2023–24. However, this growth is uneven and skewed toward medium enterprises.

Micro enterprises — which form the majority — continue to face:

- High collateral requirements
- Limited formal credit history
- Higher effective interest rates

India's digital ecosystem offers a solution. With UPI processing over 130 billion transactions in 2023–24 (NPCI data), digital transaction trails provide behavioral credit signals.

Budget 2026 should institutionalize:

- Cash-flow-based lending using GST and UPI data
- Expansion of CGTMSE coverage limits
- Faster invoice financing through TReDS Reducing credit friction can unlock working capital cycles and increase reinvestment rates.

Startup Financing: Building Domestic Capital Strength

India's startup ecosystem attracted record venture funding in 2021, but funding volumes declined significantly in 2022–23 due to global liquidity tightening.

Over 70% of startup capital historically originated from foreign investors (industry reports).

This dependency exposes the ecosystem to global capital volatility.

Budget 2026 must encourage:

1. Greater domestic institutional participation (pension and insurance funds)
2. Simplified ESOP taxation frameworks
3. Incentives for retained earnings reinvestment
4. Expansion of government-backed Fund-of-Funds schemes

Encouraging domestic capital reduces external vulnerability and stabilizes growth cycles.

Public Capital Expenditure: The Multiplier Engine

India's capital expenditure allocation increased significantly in recent budgets, reaching over ₹10 lakh crore in Budget 2023–24.

Capital expenditure has a multiplier effect estimated between 2.0–2.5 (Economic Survey estimates), meaning every rupee spent generates more than double economic output over time.

If Budget 2026 continues prioritizing:

- Infrastructure
- Renewable energy
- Semiconductor manufacturing
- Defense indigenization

MSMEs embedded in supply chains will benefit directly.

Supply-chain-linked MSMEs often experience demand spillovers from public capital investments.

Strategic allocation matters more than nominal spending increases.

percentage of revenue. In classic SaaS products, additional users contribute negligible incremental costs. In contrast, AI products add up to real expenses as they are used. This adds up to a variable cost of 20-40% of the revenue. In a Traditional SaaS model, once the software is built, the scaling costs are manageable. This is not the case for AI-based products, the more these tools are used, the higher the computing costs rise. As a result, an increase in scale is no longer completely positive.

The economic differences between traditional SaaS and AI products force a rethinking of pricing models. Fixed subscription pricing, long considered the gold standard in SaaS, becomes dangerous when costs scale with usage. In AI-driven products, high-usage customers can quickly become unprofitable, turning growth into a liability rather than a strength. This mismatch between pricing and cost structure explains why many AI start-ups struggle to achieve profitability even when demand is strong. Companies that successfully manage to create a pricing model that can cope with usage-based or tiered models are the ones that can afford to scale sustainably.

One such example is OpenAI, with every new user they gained, the marginal costs kept rising. Every prompt gave rise to new costs. To solve this problem, the company built a pricing model where no user could scale usage without contributing to the underlying operational costs, thus proving that disciplined financial execution can save even the most compute-intensive innovations.

The key lesson from these examples is that in the age of AI, financial planning cannot come after the product is built, it has to be integrated into the design itself. Companies that succeed are those that price their products in line with real costs, keep a close watch on how much each user actually costs them, and slow down growth when spending starts to outpace earnings. For AI-based products, rapid growth on its own is no longer proof of success. What truly matters is whether every use of the product supports long-term sustainability. Businesses that recognise these limits early are able to grow steadily, while those that chase scale, hoping efficiency will eventually catch up, often end up overwhelmed by the very demand they worked so hard to create. In today's environment, where new ideas are everywhere, but costs remain high, financial discipline has become a decisive advantage.

In the rush to celebrate innovation, it is easy to mistake attractiveness for strength. Ideas, like icing, catch the eye and create desire but without a solid base, they cannot stand for long. The AI era has made it easier than ever to produce dazzling products, but it has also made weak foundations collapse faster and more publicly than before. Financial execution is the cake beneath the icing: unseen, often uncelebrated, yet essential.

Compliance Rationalization: A Hidden Productivity Lever

While GST and digital formalization have improved transparency, compliance costs disproportionately affect smaller firms.

India ranks 63rd in the World Bank's Ease of Doing Business (last published ranking), but small enterprises still report procedural complexity.

Budget 2026 should consider:

- Simplified quarterly compliance for micro enterprises
- Integrated digital compliance dashboards
- Incentivized adoption of accounting software
- Reduction in minor penalty burdens

Lower compliance cost improves margins without increasing fiscal outlay.

Export Resilience in a Fragmented Global Economy

MSMEs contribute nearly 45% of India's exports (Ministry of Commerce data).

With global trade fragmentation and supply chain realignment, India has an opportunity to increase its manufacturing export share.

Budget 2026 can enhance export competitiveness through:

- Interest subvention for export-oriented MSMEs
- Faster GST refunds
- Trade facilitation digitization
- Market diversification incentives

Export resilience strengthens foreign exchange stability and reduces vulnerability to domestic demand shocks.

Balancing Fiscal Prudence

India's fiscal deficit target has been gradually consolidating toward 4.5% of GDP (medium- term roadmap). Budget 2026 must balance support with macro stability.

Excessive expansionary spending risks:

- Higher bond yields
- Crowding out private borrowing
- Inflationary pressure

Targeted, data-driven interventions are more effective than broad stimulus.

Conclusion: Structural Empowerment, Not Temporary Relief

MSMEs and startups are not marginal contributors.

They are structural pillars of India's economy.

Budget 2026 must move beyond liquidity patches and deliver systemic reinforcement by:

- Closing the $300 billion credit gap
- Strengthening domestic startup capital
- Aligning capital expenditure with MSME supply chains
- Simplifying compliance
- Enhancing export competitiveness

If fiscal policy reduces friction across financial, regulatory, and operational dimensions, India can convert its entrepreneurial base into a sustained growth engine.

The true impact of Budget 2026 will not be judged by allocation size.

It will be judged by whether small businesses grow faster, hire more, and compete globally with confidence.

That is the real measure of fiscal leadership.

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Budget 2026: Rural Spending Announcements & FMCG Strategy

NATIONAL FINALIST

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(2025 - 2027)

Abstract
The Union Budget 2026-27 has taken a bold step in putting rural development front and center as the engine for India's next consumption cycle.
Through increased use of funds for rural job creation, building, housing, farming and related sectors, the government has indicated a structural shift away from provision of welfare transfers in the short run towards building of assets in the long run. The local area development drive is likely to increase people's spending powers, improve the last mile connectivity and thus speed up the consumption in non-urban India. Since the rural markets are already account for large portion of the FMCG sales and are currently growing at faster rate than the urban, this paper, which puts emphasis on the rural presents a major strategic inflection point for consumer goods companies. This paper evaluates the rural policy thrust and outlines its implications for FMCG strategy.

Budget 2026: Rural Policy Focus
Budget 2026 makes a dramatic shift in the focus of expenditure toward rural productivity, employment, and infrastructure creation. Among other things, it proposes the enactment of the VB-G RAM G (Gramin) Act, 2025, which completely changes the MGNREGA model. The new scheme has been given a fund of about ₹95,692 crore which is almost 40% of the total expenditure of the Rural Development Ministry [1].
On the other hand, MGNREGAs budget was cut dramatically to ₹30,000 crore clearly indicating that the government is moving away from direct wage support to incept asset, building programs. The move evidences a shift in trust toward the improvement of rural employment conditions[1].
According to the Economic Survey, the rural unemployment rate has dropped a lot in the past few years, thus, the government refocused its attention on capital formation for productivity enhancement, rather than on income transfers[2].

Infrastructure Acceleration
Infrastructure spending is one of the mainstays of the rural strategy. The Government increased capital expenditure to ₹12.2 lakh crore,

of which a significant part was used for rural connectivity and infrastructure development [3]. Almost all eligible villages now have access to roads that can be used throughout the year, with over 6.25 lakh kilometres constructed under PMGSY. Budgetary support for rural roads increased to ₹19,000 crore as compared to ₹12,581 crore in FY17. Rural housing funds were also substantially increased. PMAY-G's funding rose from ₹15,000 crore in 2016 to ₹54,917 crore in FY27 [4]. Electrification, water supply, sanitation, and digital connectivity were similarly enhanced. These investments together raise the standard of living in rural areas and ease the flow of goods, thus having a direct impact on the market accessibility of FMCG companies.

Agriculture and Allied Sectors

Budget 2026 also unveils initiatives directed towards livestock, fisheries, and high, value crops like coconut, cashew, cocoa, and orchards. There is an emphasis on financial support for veterinarians and rural entrepreneurs to increase the production of dairy and poultry. These steps help to widen the sources of rural income beyond farming alone, thus stabilizing the earnings and increasing the purchasing power of the villagers [3].

Experts say that reinforcing the income of farmers along with the development of agro-allied sectors will be a source of constant rural demand which will act as a tailwind for the economy. When there are multiple sources of income, the risk brought about by the monsoon cycles is lowered, thus making the pattern of rural consumption more stable and predictable [5].

Social and Institutional Support

The Budget continues to provision substantial funds for Panchayats and livelihood missions as CPF grants amount to ₹4.35 lakh crore [4]. People living in rural areas have more opportunities to start a business through government programs such as DAY, NRLM and SHG empowerment. Although employment guarantee person, days have decreased since 2021, this is a sign of better labour market conditions rather than a decrease.

On the whole, the government's financial strategy moves away from providing relief to consumers towards investing in people's capacities. It is about creating the base (assets, skills and infrastructure) for sustained growth [6].

Rural Consumption & FMCG Market Trends

Market data is very much in line with the main argument that rural India is the major contributor to the current growth of FMCG. The Economic Survey notes that rural consumption is at its highest level in 17 quarters and has outpaced urban demand [2].

According to NielsenIQ data, rural FMCG volume growth has continually surpassed urban growth. To illustrate, Q4 FY25 rural volumes increased approximately 8.4% year, on, year as against 2.6% in urban markets. In Q2 FY25, rural growth was 8.4% and 4.6% in cities. The difference between the two demonstrates a fundamental change in demand momentum [7] [8].

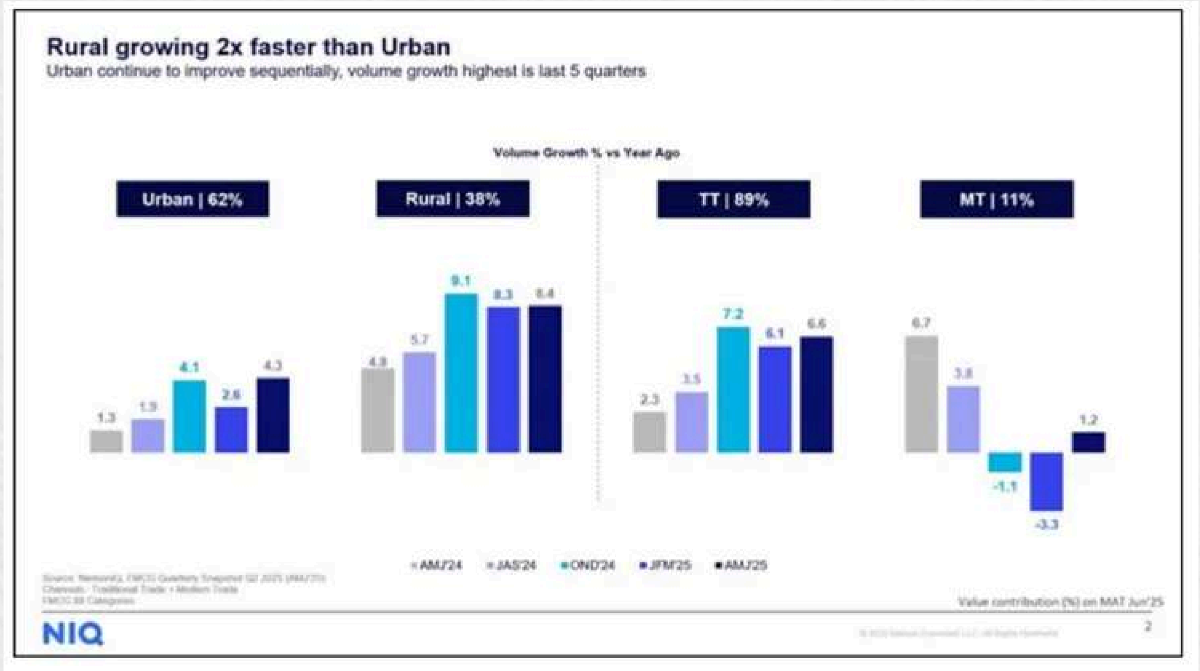

Figure: Rural vs urban FMCG volume growth (YoY). In Q2 FY25 (Apr–Jun 2025), rural volume was +8.4% vs urban +4.6% [8]

The consumption of small packs is a key aspect of this story. In Q3 FY25, value growth was 12.9%, while volume growth was 5.4%, thus suggesting a higher reception of low, priced smaller units. Unit sales growth went beyond volume growth, thus indicating a price, sensitive yet demand that is firm and confident.

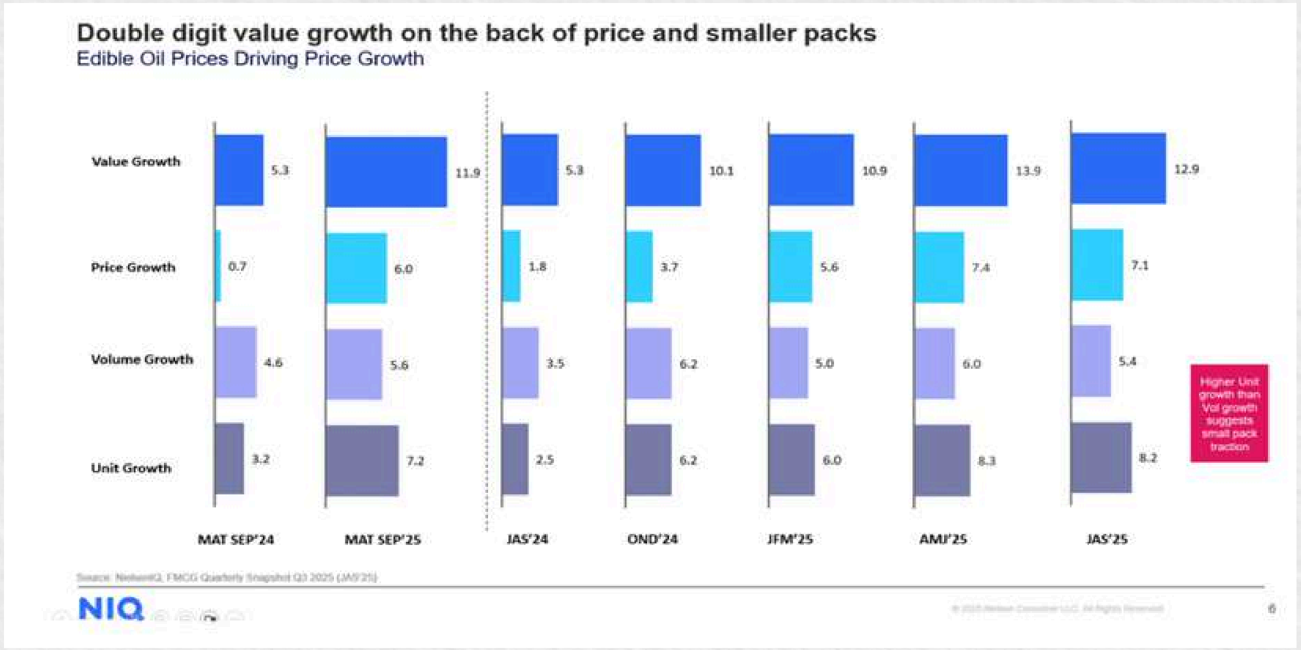

Figure: FMCG price vs volume growth trend. In Q3 FY25, unit sales (8.2%) outpaced volume (5.4%), showing strong uptake of smaller, value packs.

Industry data indicates that rural India accounts for around 38% of total FMCG sales, and that semi, urban and rural areas together make up almost half of the market value. Brands like HUL and Dabur get a big chunk of their money from rural markets [9].

Expansion in distribution has also increased access considerably. More than 1.4 million rural retail outlets are now being served by digital ordering platforms. Better roads, electrification, and infrastructure for digital payments help to lower the barriers for rural trade. Therefore, Budget 2026s rural expenditure is spot on, in fact, it probably accelerates the consumption trend which is already running pretty fast.

Strategic Implications for FMCG Firms

1. Deepen Rural Distribution

To reach rural areas effectively, companies need to extend their last mile delivery networks by engaging with technology, based platforms and partnering with local wholesalers, self, help groups and rural entrepreneurs. Improved infrastructure lowers logistics costs making deeper penetration viable [4].

2. Prioritize Affordable Packaging

Small packs and variants of different value are essential. The data reveal higher rural
demand for sachets and low-price SKUs. Consumer goods companies must devise pricing strategies that ensure affordability and margin sustainability at the same time [10].

3. Embrace Omni-Channel Strategies

With smartphones becoming more common in rural areas, companies have to equip their customer service by integrating WhatsApp ordering, kirana apps, digital payments, and geo-targeted campaigns.

4. Localize Marketing
Consistent brand messages that are culturally relevant to the people raise the ability of the brand to resonate in rural India. Vernacular advertising, community engagement and festival-promotional are some of the ways to increase brand loyalty [11].

5. Align with Government Schemes
Consumer goods companies can make use of SHG, farmer producer organizations and government supported rural infrastructure programs as the base for their distribution and engagement activities.

6. Expand Wellness and Premium Essentials
While staples are dominant, higher rural incomes lead to demand for health, nutrition and herbal products. Budget emphasis on preventive health and allied sectors reinforces this opportunity.

Conclusion

Budget 2026 continues to focus on and strengthen rural infrastructure and incomes along with the consumption side. As rural markets continue to be the main driver of FMCG growth, companies will need to improve distribution, affordability, localization, and digital engagement to get hold of the growth momentum and market leadership.

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Empowerment of Half of India: My reflections on Gender Allocations in Budget 2026-27

NATIONAL FINALIST

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Being a prospective MBA student at IRMA, who is presently carrying out rural development and village fieldwork, I have seen first hand how women economic inclusion can change the community structures. I worked with Self-Help Groups (SHGs) on my Village Field Segment (VFS) to evaluate waste management and behavioural change, nevertheless, despite being at the centre of the process, women are trapped in unpaid labour and opportunities. The Economic Survey 2026-27 that I analysed states that in 2023-24, the Female Labour Force Participation Rate (FLFPR) was 41.7 per cent but on average, women are spending 363 minutes a day on unpaid care versus 123 minutes by men. The Gender Budget Statement of the Union Budget 202627 allocates 500,879 crore - 9.37% of the total outlay which is more than that of last year 449,029 crores. It is divided into Part A (1,07,688 -100 percent women-focused), Part B (3,63,412 30 - 99 percent women participation) and Part C (29,778 crore less than 30 percent women participation) to introduce a roadmap to a gender inclusive growth. The next question is whether such allocations will lead to material employment.

In the light of sustainable development, rural participation, and economics, the following analysis is given.

Rural Women: The Nerve of Employment Push

The lion share of the allocation, more than 60 percent of Part A, goes to rural India, where 65 percent of women live. The Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) of 19200 crore enables SHGs to develop micro-enterprises in agriculture, handicrafts and services. In my field experience, SHGs under DAY-NRLM transformed the waste segregation into income through production of composting units, women received between 5000 and 8000 monthly, which led to increased stability in the household. The Pradhan Mantri Awaas Yojana - Gramin (PMAY -G, 52,575 crore) provides construction employment where 40-50% of this workforce is women as was witnessed in my village research. Viksit Bharat -

Guarantee on Rozgar and Ajeevika Mission (VB-GRAM at 44,506 crores in Part B) replaces the 13,956 crore MGNREGA component, indicating a move to skill based rural jobs, which has historically had 55-60 percent women participation. The NAMO DRONE DIDI scheme (₹677 crore, Agriculture) provides 15,000 SHGs of women farmers with drones to carry out precision farming, which is a new project that fits the sustainable technology. On an economic perspective, such programmes may enlarge rural GVA - transport and services represent 4.5 - percent of GVA according to Survey, however, this would require proper training, my VFS data would show that 30 percent of SHG members drop out because of skills mismatch. The Jal Jeevan Mission (₹33,023, Part B) conserves 2-3 hours of water per day on the part of women, liberating them to do paid labour, which resonates with Keynesian consequences of multiplier in community involvement. However, as a specialist in rural development, I am concerned with implementation: in Gujarat villages, leaky taps waste the prospective gains. The Budget need then to tie money to the outcome.

Skills and Entrepreneurship: Urban-Rural Bridging

The Skill India Programme (₹840 crore, an increase of ₹697 crore last year) in Part B focuses on digital and manufacturing training, which is essential under the current circumstances of AI and cybersecurity needs, as pointed out in the Survey. My Foundation Certificate in AI (Upgrad-Microsoft) exemplifies the underrepresentation of women (15-20 per cent in technology courses), any incentives in this programme might lead to women working in IT services, which is an addition of 1.2 per cent to GVA. Pradhan Mantri Employment Generation Programme (PMEGP, ₹1,574 crore) and Pradhan Mantri Vishwakarma (₹1,253 crore) promote micro-enterprises; Survey data indicate that 69 percent of PMMY loans (34.8 crore accounts) were to women. The Vishwakarma initiative would be able to grow the crafts industry, 80 percent of which is made up of women. Part C Pradhan Mantri Viksit Bharat Rozgar Yojana (4,089 crore) promotes formal jobs through EPFO, which is attractive especially to Generation Z urban women. The GECL (1,800 crore) expands MSME credit but women entrepreneurs have collateral bias. Stand-Up India initiative of SC/ST women needs to be increased. As a luxury-marketing angle initiative such as PMFME (300cr) institutionalize food processing so that women who can make their home based capabilities make it into brand markets. My intuition is that these 1.2 lakh crore employment programs are reminiscent of Nordic welfare systems that I read about - selective skilling has 20-25 percent FLFPR gains (Sweden). The problem of India is the scale, my experience in the village showed that there are digital illiteracy issues, only 40 per cent of SHG women know smartphones.

Safety and Enablers: The Multipliers that are not sung

Safety enables employment. One-Stop Centres, which are needed in night jobs in urban areas are financed by Mission Shakti (3,200 crore). Police related schemes (1,014 crores) and Safe City projects (125 crores) deal with harassment, which is in line with field evidence that 25 per cent of women list safety issues as a reason to quit work. The Light-Up India Programme (₹9,200 -10,000 crore) saves time on cooking, which saves one or two hours a day. Girls are kept in school and human capital developed by education allocations, Samagra Shiksha (₹12,630 crore), PM POSHAN (3,825 crore). The report on PARAKH 2024 shows that rural girls show greater skills in foundational skills when compared to urban counterparts.

Problems and My recommendations

This is despite the large allocation, which has traps. Unpaid care continues - Survey recommendations on creches are not to be found in the Budget. The urban de centralization through VB-G-RAM-G exposes rural distress; indicates that there may be inflation risks in case the reduction of MGNREGA is drastic. Implementation: NITI Aayog SDG Index is more inclined towards the single-window clearance systems in Kerala and Tamil Nadu; such approaches should be extended to the national scale. My recommendations include:

- Digital dashboards inspired by the Vidya Samiksha Kendras would track SHG FLFPR impacts
- AI-Skills Linkage would combine drone and AI modules with women
- Orange Economy Tie-in fund women in tourism and media (33 crore Swadesh Darshan)
- Behavioural nudges - fund Generation Z outreach
- Impact bonds leverage the power of the private capital, following Nordic models.

Path to Viksit Bharat

The Budget 2026-27 is not a charity project, it is an investment. With the surge in services - IT exports and the space sector to $44 B by 2033 according to the Survey, empowered women will be the key drivers. The experience I have had with IRMA, such as SHG conversations and macroeconomic analysis, makes me believe that 5 lakh crore, when tracked, would contribute 1-2 percent to GDP via FLFPR parity. The Budget thus appeals to my country heart, women are not foot notes, they are the forces behind the transformative change. Viksit Bharat calls us to fuel this momentum.

POLICY-DRIVEN MARKET OPPORTUNITIES IN 2026

NATIONAL FINALIST

NANDINI VERMA
ARYA PG
B.A
2025-2028

The Union Budget 2026 is more than a fiscal document; it is a market signal that determines the growth trajectory.

While the Union Budget 2026 appears to be a whole lot of numbers, the actual importance of the Union Budget 2026 lies in the growth trajectory that it signals. Whether it is the development of infrastructure, the transformation of the healthcare sector, or the technology-driven growth of industries, the Union Budget 2026 signals a clear policy guideline that has a direct bearing on where the markets will go. For marketers and entrepreneurs, the question is not what has been delivered but how it all adds up to new demand.

A stable macroeconomic setting is the basis for market development. The fact that the fiscal deficit is expected to slow down to 4.3% from 4.4% is a sign that finances are being managed well.

Fiscal deficit to GDP ratio
Fiscal deficit = (Total revenue - Total expenditure)
FY 2025-26
4.4% (Revised estimate)
FY 2026-27
4.3%(Budget estimate)

A stable macroeconomic setting gives businesses more courage to expand their reach and innovate. A stable macroeconomic setting is the basis for market development, and other opportunities can be built on that.

Infrastructure is one of the most critical growth multipliers in Budget 2026.

The development of new freight corridors (connecting Dankuni of east to Surat of west) between major industrial zones and the development of 22 national waterways, planning to connect mineral rich areas, industrial centres and ports, is an indication of the emphasis on the development of logistics. This will enable brands to reach their customers quickly and also cut down costs, making it simpler to enter markets in Tier 2 and Tier 3 cities.

Further, the proposed policies that help in the manufacture of containers and the growth fund for SMEs show that the government is doing its best to ensure that the local manufacturing and export competitiveness are enhanced. For the brands, the development of the logistics infrastructure will ensure that goods reach consumers faster, and there will be savings that will help in improving the pricing strategies.

This will ensure that the development of infrastructure is not only a development tool but also a market driver.

The healthcare and life sciences sector is one of the most notable opportunity domains in Budget 2026.

The proposed plan for the development of medical hubs in regions and the improvement of biopharma manufacturing, with an allocation of ₹10,000 crore for the next five years, clearly indicates the focus on making India a healthcare destination in the international arena.

This will further strengthen the medical tourism sector of India and increase the competitiveness of pharmaceutical exports from the country. From a marketing perspective, this is a complex opportunity domain. Hospital chains can further strengthen their international branding programs, health tech startups can leverage the development of infrastructure, and wellness brands can leverage the growing demand for quality healthcare services.

The development of AYUSH institutions also helps in cultural branding and sustainability narratives, which will give Indian wellness products greater international visibility.

Technology-driven industrialization is another feature of Budget 2026.

- The Semiconductor Mission 2.0, with an outlay of ₹40,000 crore, is a welcome move towards the right direction to develop the overall electronics manufacturing ecosystem in the country.

Less import dependence and overall improvement in manufacturing capabilities are the first steps towards “Make in India” categorization, especially in the consumer electronics and technology domain.

On the other hand, the increasing focus on the Creative and orange economy (Orange Economy simply means the creative economy.

For example - entertainment, content creation, design etc). It indicates a realization of the growing content and digital ecosystem in the country.

Spending on animation, gaming, and visual effects infrastructure is a welcome move to institutionalize the creator economy. The impact of this is
enormous in the context of influencer marketing, digital content, and media driven brand engagement.

Initiatives in the energy sector, such as the nuclear power expansion program, further complement the potential for industrial growth by ensuring a stable supply of energy, which is a critical factor for manufacturing and technology development.

Budget 2026 also focuses on inclusive growth in the areas of education, skill development, and the rural sector.

The development of university townships around industrial areas and the enhancement of STEM infrastructure in different districts will help the country gear up for the future and will also encourage the youth to become a part of the formal economy.

A more skilled and geographically diverse population will automatically lead to an increased consumer base for education, technology, and lifestyle offerings. The fisheries and dairy industry also has some marketing implications.

With increased rural incomes, the demand for FMCG products, financial services, and consumer goods in smaller markets will also rise. Inclusive growth policies, therefore, lead to diversified consumption patterns.

In a nutshell,

Budget 2026 is an agenda of structural transformation, not a list of sector announcements.

Infrastructure development improves distribution channels. Healthcare development improves global positioning. Semiconductor and manufacturing development improves industrial competitiveness. Creative economy development improves digital engagement. Inclusive growth development improves the customer base. For businesses and marketers, the challenge and opportunity is to connect with the policy agenda. Businesses that develop a local manufacturing story, capitalize on healthcare positioning, develop a digital story, and expand into new markets in the region are well-positioned to take advantage of the new reality

At the end of the day, Budget 2026 simply reinforces an important truth: policy is more than regulation, it is a direction. And in a dynamic economy like India, those who can spot the direction signs first are well positioned to lead the market evolution.

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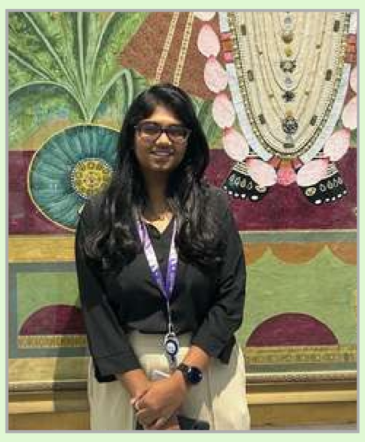

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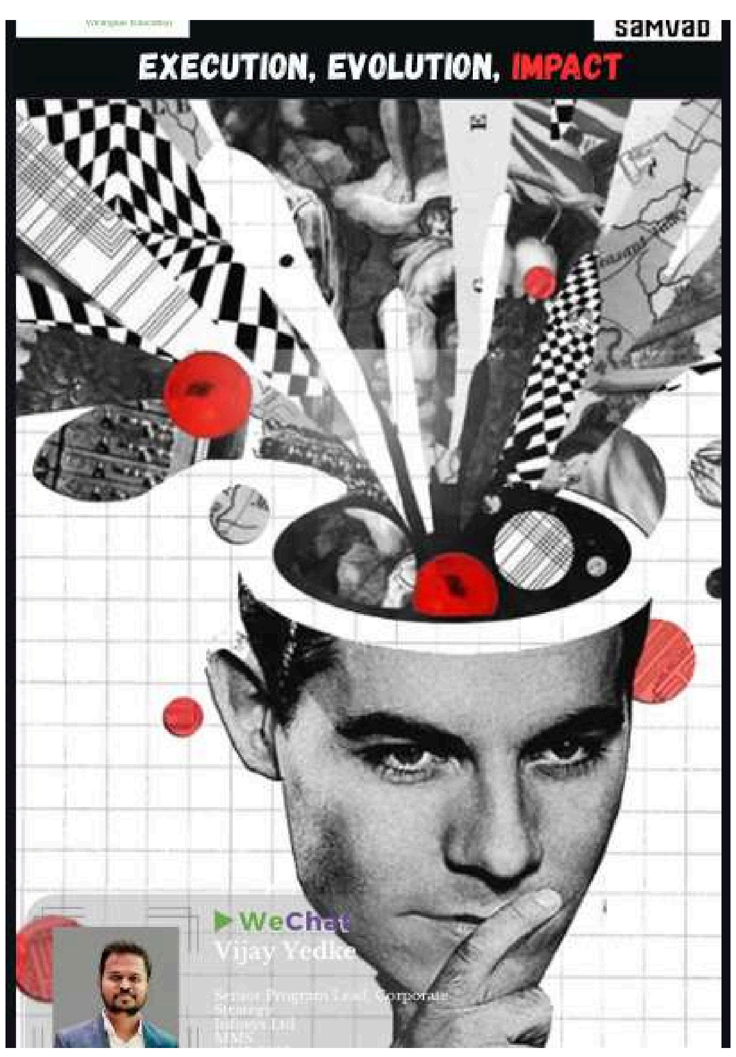

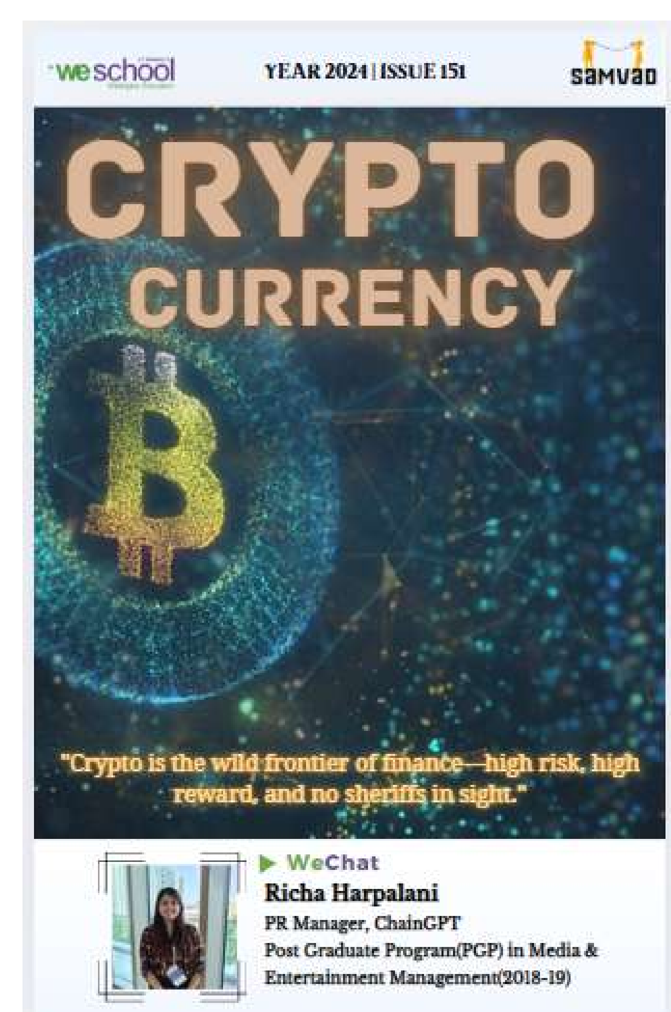

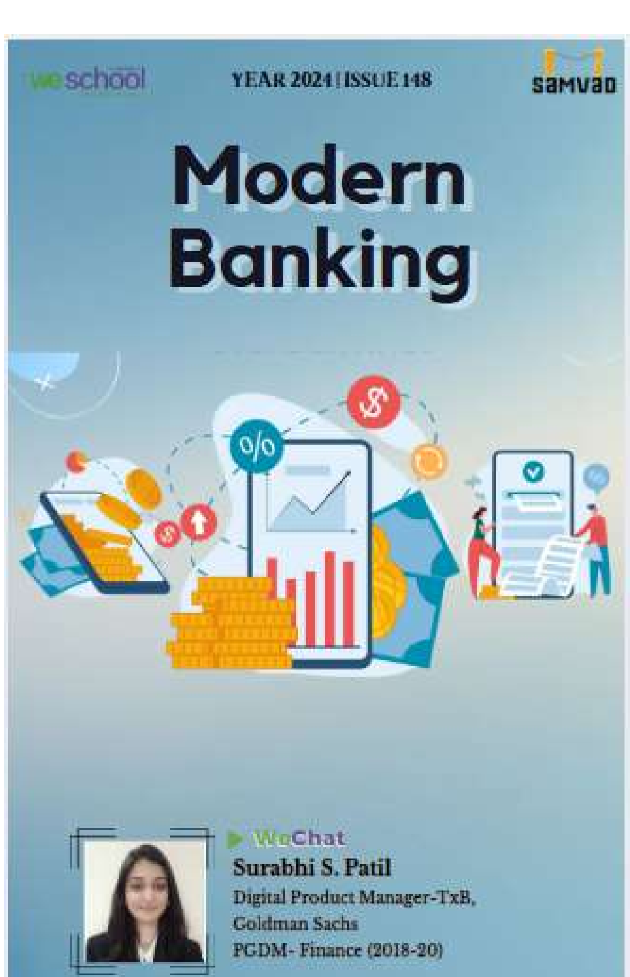

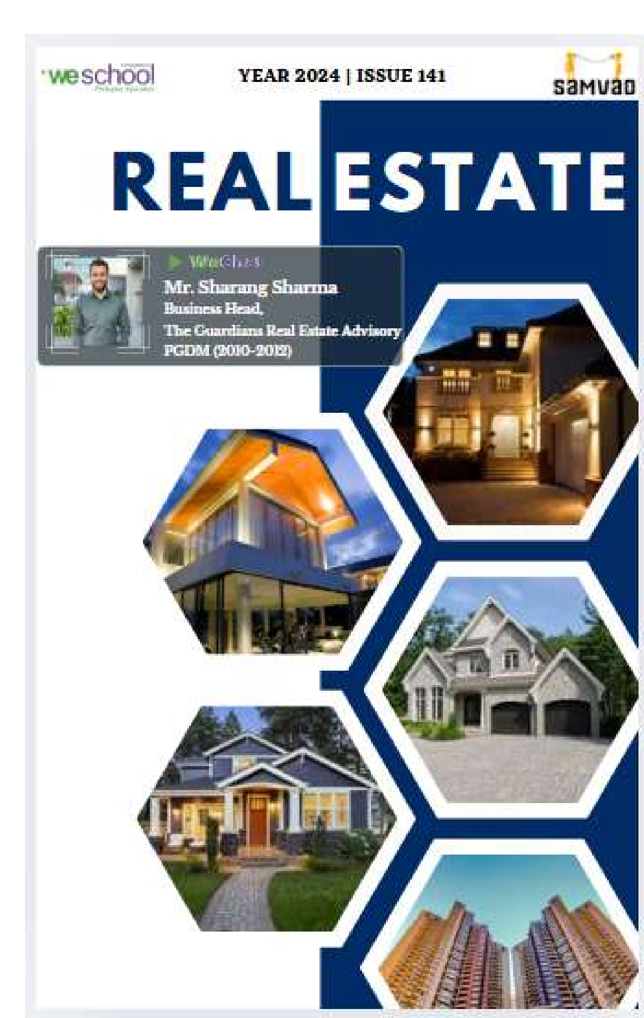

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