

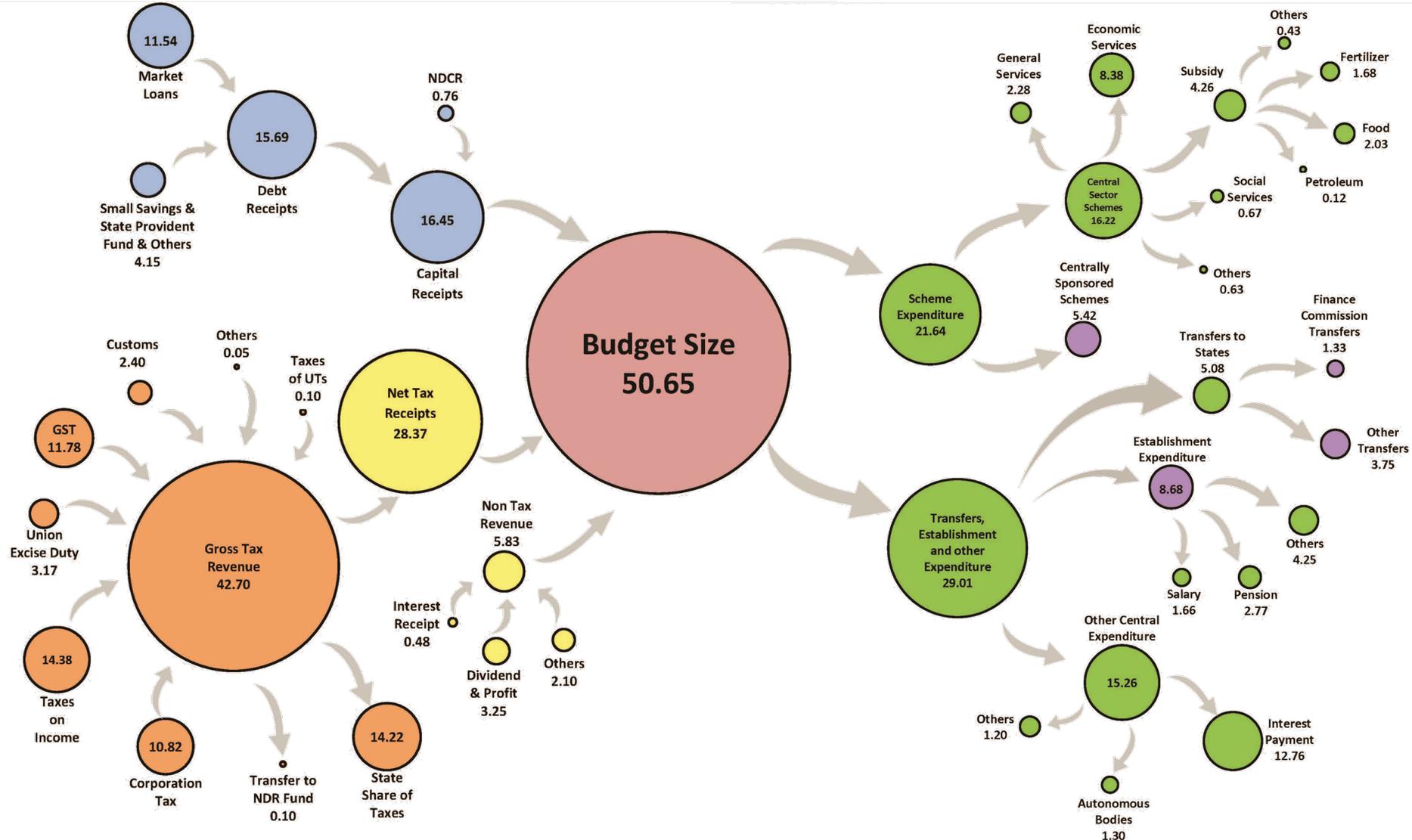
# UNION BUDGET

**2025 – 2026**



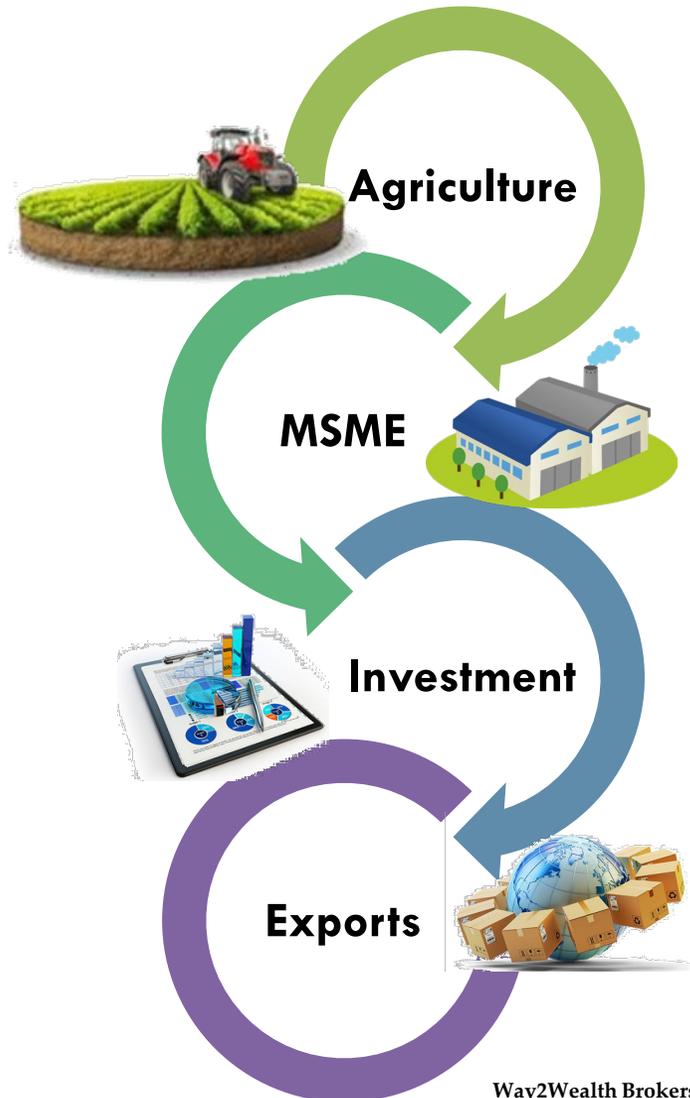
# Budget Profile

(In lakh crs)



# Budget Theme

## Engines of Development



## Transformative Reforms across Six Domains



**Taxation**



**Power Sector**



**Urban Development**



**Mining**



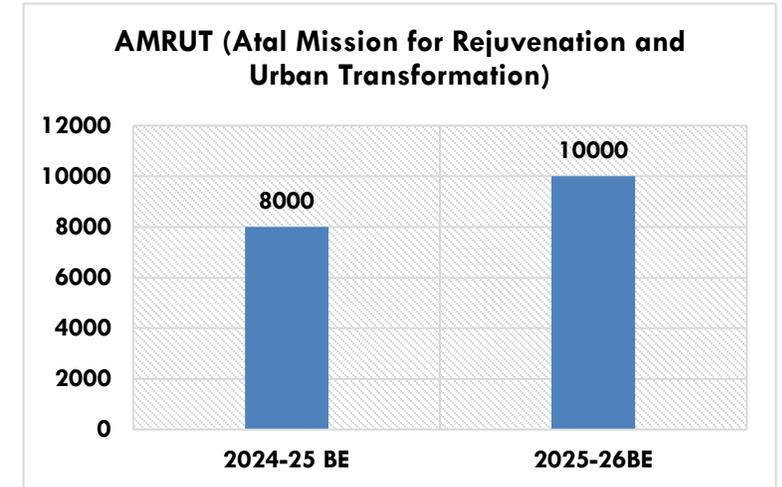
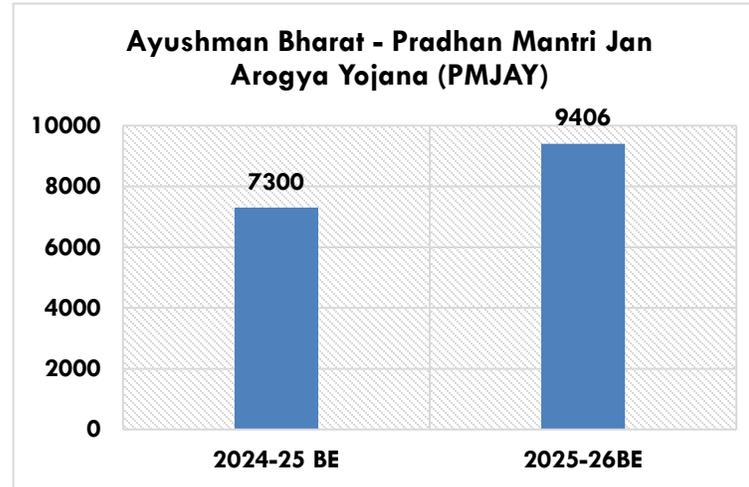
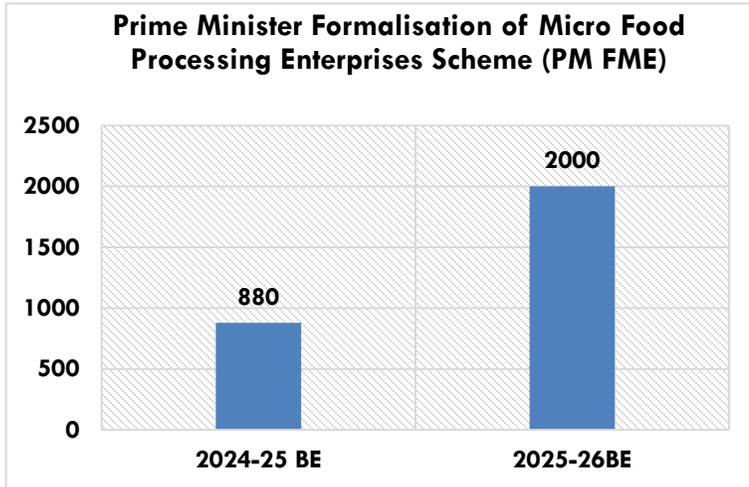
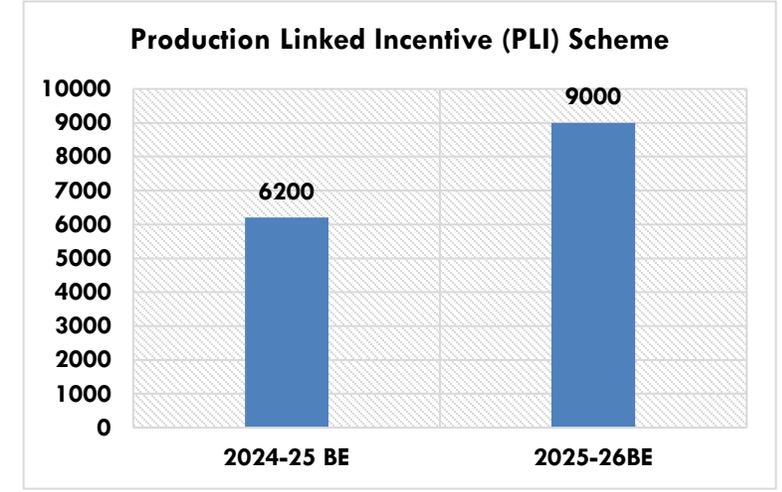
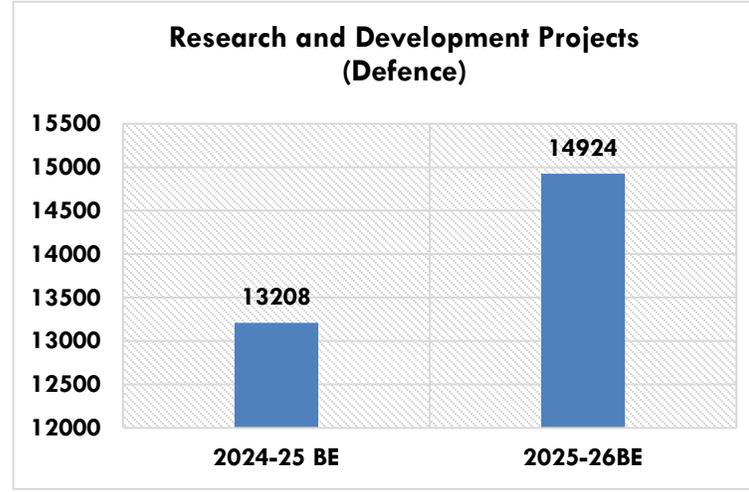
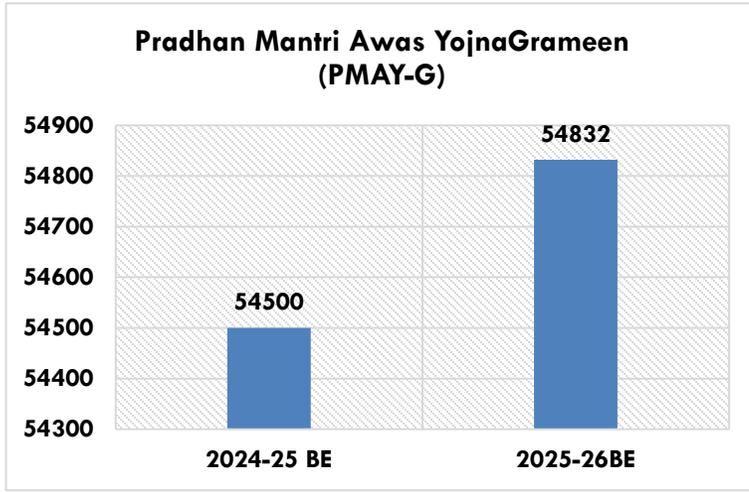
**Financial Sector**



**Regulatory Reforms**

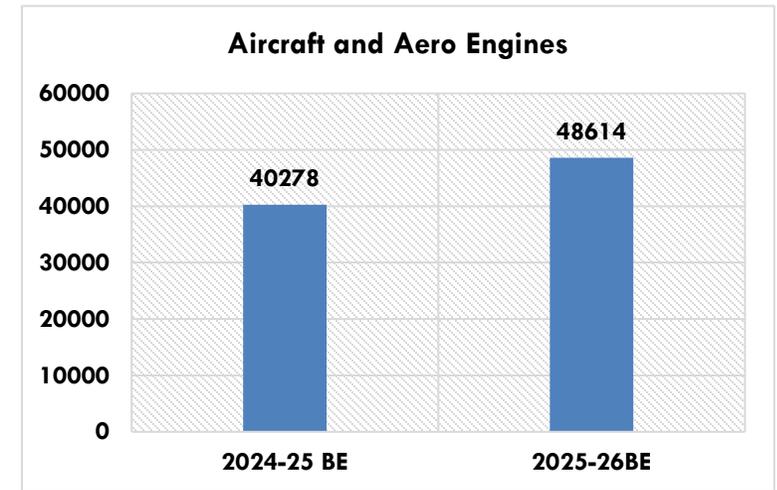
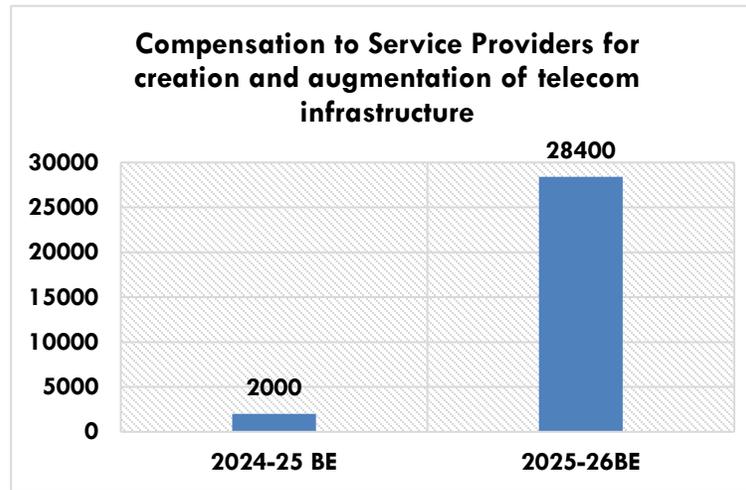
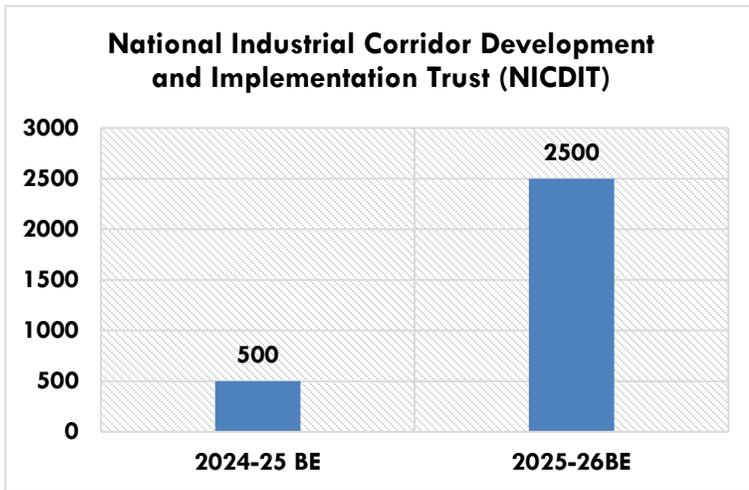
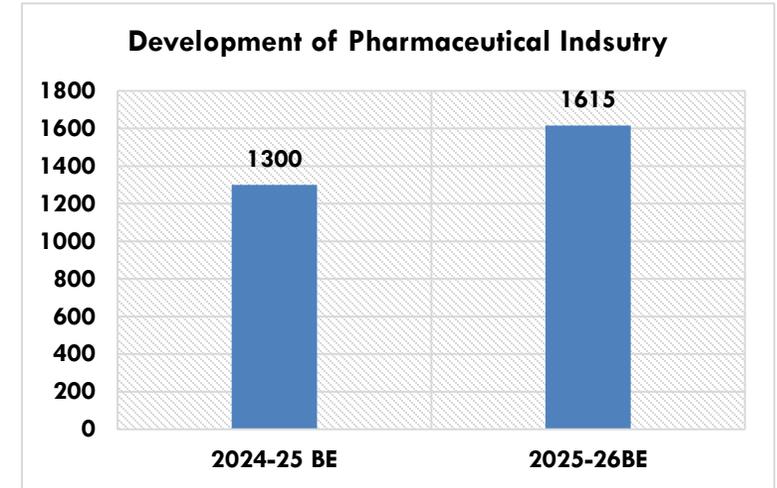
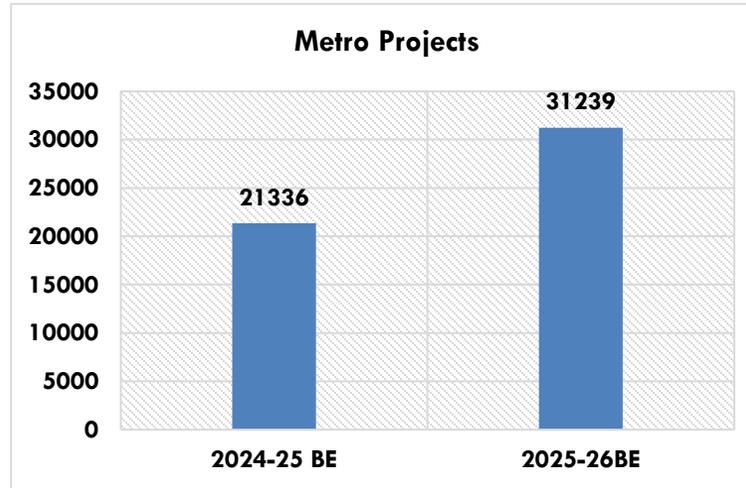
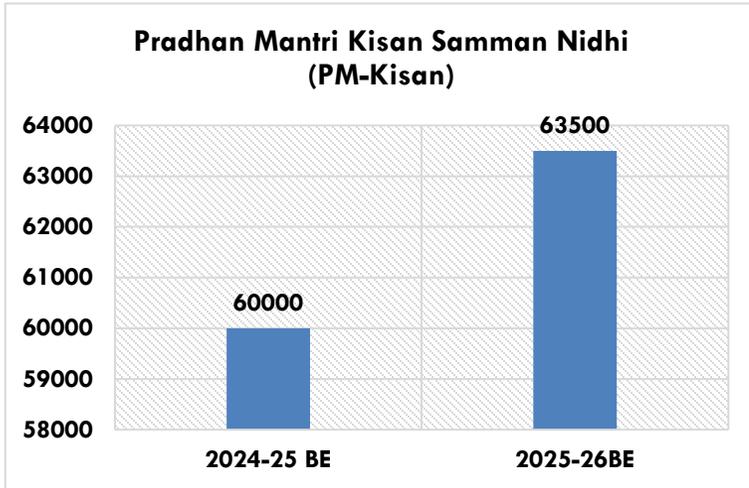
# Allocation to Major Schemes

(crs)

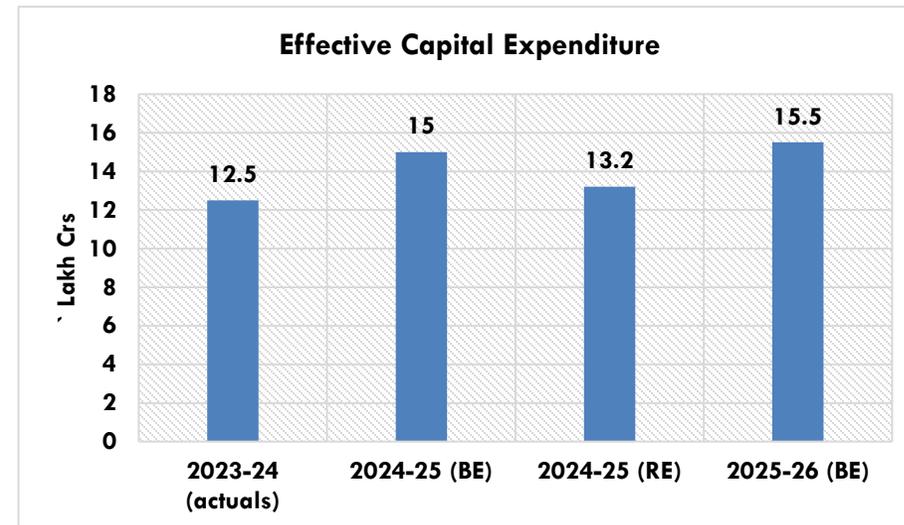
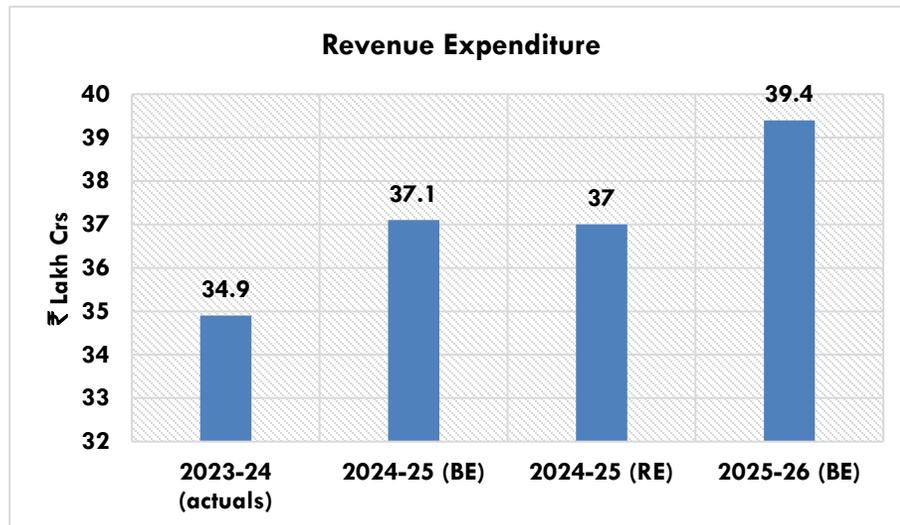
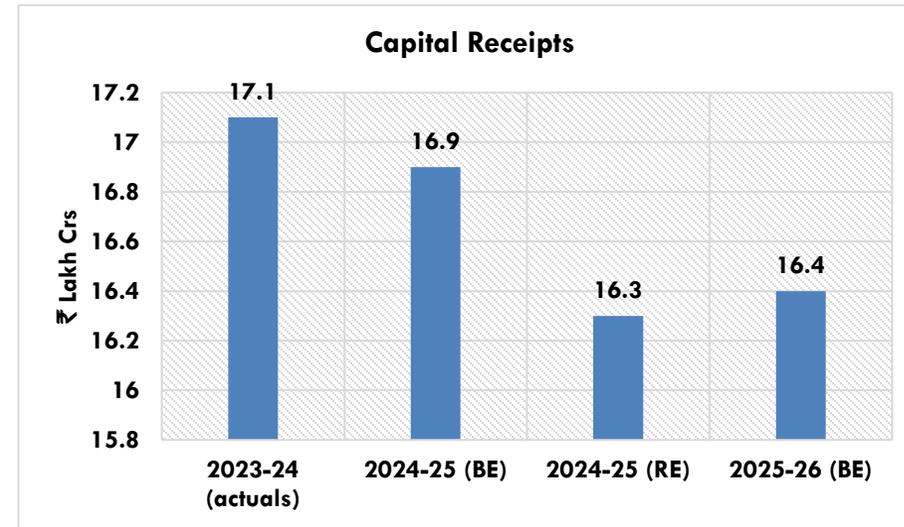
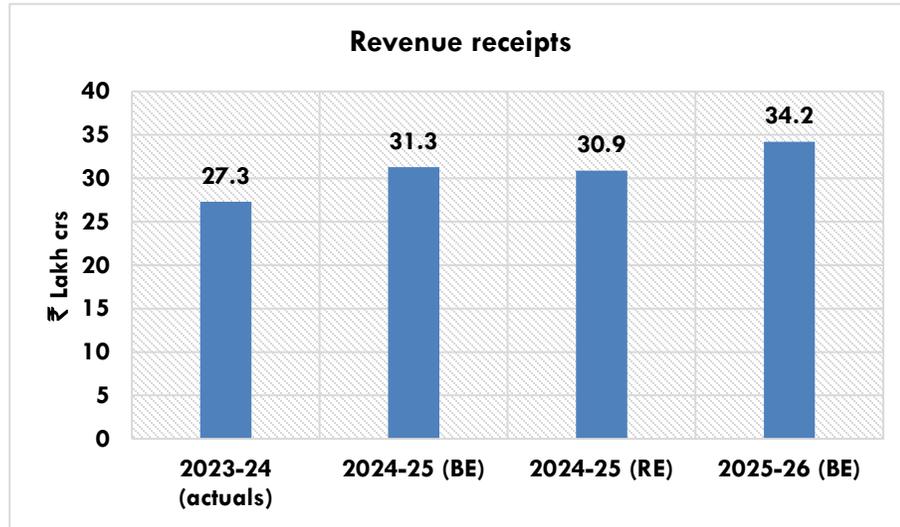


# Allocation to Major Schemes

(crs)



# Receipts and Expenditure



## Agricultural

## Major Beneficiaries

- The 'Prime Minister Dhan-Dhaanya Krishi Yojana' will have agricultural productivity and sustainability boosted in 100 low-productivity districts, with a focus on crop diversification, irrigation, and post-harvest storage. Credit access will also be provided to 1.7crs farmers, with outcomes improved through existing schemes and targeted measures.
- The Government will launch a 6-year "Mission for Aatmanirbharta in Pulses," focusing on Tur, Urad, and Masoor. The government will invest ₹1,000crs in FY26 towards this scheme.
- The Government will establish a Makhana board in the state of Bihar with an investment of ₹100crs in FY26. Also, the government will establish a National Institute of Food Technology, Entrepreneurship and management in Bihar.
- The Government will be launching mission for vegetables and fruits with an investment of ₹500crs in FY26.
- The Government will launch a National Mission on High Yielding Seeds will focus on enhancing research, developing pest-resistant and climate-resilient seeds, and making over 100 seed varieties available commercially since July 2024. The government will do the investment of ₹100crs in FY26.
- To boost urea production, the Government has reopened three dormant plants in Eastern India and will set up a new 12.7 lakh metric ton capacity plant in Namrup, Assam.

**UPL, National Fertilizers, PI Industries ,  
RCF, GSFC**

## Tourism

## Major Beneficiaries

- The top 50 tourist destinations will be developed with states through a challenge mode, with states providing land for key infrastructure. Hotels at these sites will be included in the infrastructure HML.
- To facilitate employment-led growth, the government will take measures which will include intensive skill development for youth, MUDRA loans for homestays, enhanced travel and connectivity to tourist destinations, performance-linked incentives for states on destination management, and streamlined e-visa facilities with fee waivers for select tourist groups.
- The government will continue to emphasis on places of spiritual and religious significance with a special focus on destination related to the life and times of Lord Buddha.

**Indian Hotels, Lemon Tree Hotels, IRCTC, BLS International Services**

## MSME

## Major Beneficiaries

- The Government will enhance credit guarantee cover by increasing limits for Micro and Small Enterprises to ₹10crs, Startups to ₹20crs with a reduced 1% fee for key sectors, and well-run exporter MSMEs to ₹20crs in term loans, boosting access to credit.
- The government will introduce customized credit cards with a ₹5 lakh limit for micro enterprises registered on the Udyam portal, issuing 10 lakh cards in the first year.
- A new Fund of Funds for startups, with an additional ₹10,000crs contribution, will be set up, expanding on the existing AIFs that have already secured over ₹91,000crs in commitments, supported by a ₹10,000crs government contribution.
- The government will launch a scheme for 5 lakh first-time women, SC, and ST entrepreneurs, providing loans up to ₹2crs over 5 years, building on the Stand-Up India model and offering online entrepreneurship training.

**Ugro Capital, SBFC Finance, Aditya Birla Capital**

| Footwear  | Major Beneficiaries   |
|---|---|
| <ul style="list-style-type: none"><li>➤ A focus product scheme will be implemented to boost the productivity, quality, and competitiveness of India's footwear and leather sector, supporting design, component manufacturing, and machinery for both leather and non-leather footwear. It is expected to create 22 lakh jobs, generate ₹4 lakh crs in turnover, and exports of over ₹1.1 lakh crs .Interest subsidy to facilitate loans at affordable rates is envisaged.</li><li>➤ The government has exempted BCD on Wet Blue leather to boost imports for domestic value addition and job creation, while also removing the 20% export duty on crust leather to promote exports by small tanners.</li></ul> | <p><b>Bata India, Relaxo Footwears, Mirza International</b></p>                   |
| Fisheries sector  | Major Beneficiaries   |
| <ul style="list-style-type: none"><li>➤ Announced plans to strengthen the sector with a special focus on the Andaman &amp; Nicobar and Lakshadweep Islands</li><li>➤ The loan limit under the Modified Interest Subvention Scheme will be enhanced from ₹3 lakh to 5 lakhs for loans taken through the KCC</li><li>➤ To enhance India's competitiveness in the global seafood market, Govt propose to reduce BCD from 30% to 5% on Frozen Fish Paste (Surimi) for manufacture and export of its analogue products. And propose to reduce BCD from 15% to 5% on fish hydrolysate for manufacture of fish and shrimp feeds.</li></ul>   | <p><b>Godrej Agrovet, Apex Frozen Foods, Avanti Feeds.</b></p>                    |
| Textile Sector  | Major Beneficiaries   |
| <ul style="list-style-type: none"><li>➤ Government aims to boost the production of agro-textiles, medical textiles, and geo-textiles by making advanced machinery more affordable.</li><li>➤ Announce a 'Mission for Cotton Productivity'. This 5-year mission will facilitate significant improvements in productivity and sustainability of cotton farming and promote extra-long staple cotton varieties.</li><li>➤ Propose to revise the BCD rate on knitted fabrics covered by nine tariff lines from 10% or 20%” to 20% or ₹115 per kg, whichever is higher.</li><li>➤ Production Linked Incentive (PLI) Scheme for Textiles increased from ₹45crs in 2024-25BE to ₹1148crs in 2025-26BE</li></ul>        | <p><b>Ambika Cotton Mills, Welspun Living Ltd., KPR Mills, Nitin Spinners</b></p> |

## Auto sector

## Major Beneficiaries

- The fund allocation for the Modified Programme for the Development of Semiconductors and Display Manufacturing Ecosystem in India is ₹7,000crs in the Budget Estimates (BE) for 2026, an increase from ₹3,816crs in the Revised Estimates (RE) for 2025.
- The fund allocation for the Production Linked Incentive (PLI) Scheme for Automobiles and Auto Components has increased to ₹2,819crs in the Budget Estimates (BE) for 2026, up from ₹347crs in the (RE) for 2025.

**Maruti Suzuki, M&M, Bajaj Auto, TVS Motors, Exide Industries**

## Educational and Skilling Initiatives

## Major Beneficiaries

- Atal Tinkering Labs: 50,000 labs to be set up in government schools over five years to foster curiosity, innovation, and scientific temper.
- Broadband for Schools & PHCs: Bharatnet project to provide broadband connectivity to all government secondary schools and rural primary health centers.
- Bharatiya Bhasha Pustak Scheme: Digital Indian language books for school and higher education to enhance subject comprehension.
- National Centres of Excellence for Skilling: Five centers with global partnerships for skill development in "Make for India, Make for the World" manufacturing.
- IIT Expansion: Additional infrastructure will be created in the 5 IITs started after 2014 to facilitate education for 6,500 more students. Hostel and other infrastructure capacity at IIT, Patna will also be expanded.
- AI Centre for Education: A new AI Centre of Excellence for education with a ₹500crs outlay, complementing existing AI centers in agriculture, health, and sustainable cities.
- The funding allocation for Samagra Shiksha has increased to ₹41250crs in the Budget Estimates (BE) for 2026, up from ₹37010crs.

**Reliance Industries, Airtel, Navneet Education**

| Healthcare sectors   | Major Beneficiaries  |
|--|--|
| <ul style="list-style-type: none"> <li>➤ Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (PMJAY) has been allocated ₹9406crs in the BE for 2026, reflecting a 23% increase from the RE for 2025.</li> <li>➤ Expansion of medical education: UG and PG medical seats have increased by 130% in 10 years, with 1.1 lakh seats added. Another 10,000 seats will be introduced next year, aiming for 75,000 more in five years.</li> <li>➤ Day Care Cancer Centres will be set up in all district hospitals within three years, with 200 centers planned for 2025-26.</li> <li>➤ The funding allocation for the PLI scheme for pharmaceuticals has increased to ₹2445crs in the BE for 2026, up from ₹2151crs in the Revised Estimates RE for 2025.</li> <li>➤ Research, Development, and Innovation (RDI) scheme under Science and Technology has been allocated ₹20,000crs in the Budget Estimates (BE) for 2026.</li> <li>➤ The fund allocation for the Biotechnology Research Innovation and Entrepreneurship Development (Bio-RIDE) scheme has increased to ₹2,300crs in the Budget Estimates (BE) for 2026, up from ₹672crs.</li> </ul> | <p><b>Max healthcare, Apollo hospital, Fortis, Global Healthcare, Narayana Hrudayalaya</b></p> |
| Banking & Finance  | Major Beneficiaries  |
| <ul style="list-style-type: none"> <li>➤ Revamping PM SVANidhi Scheme: The PM SVANidhi scheme, benefiting over 68 lakh street vendors, will be revamped to offer enhanced loans, UPI-linked credit cards with ₹30,000 limit, and capacity-building support.</li> <li>➤ FDI in Insurance Sector: The FDI limit for the insurance sector will be increased from 74% to 100%</li> </ul>   | <p><b>SBI &amp; Public Sector Banks</b></p>  |
| E-commerce Sector  | Major Beneficiaries  |
| <ul style="list-style-type: none"> <li>➤ Social Security for Online Platform Workers: Gig workers will receive identity cards, registration on the e-Shram portal, and healthcare under PM Jan Arogya Yojana, benefiting nearly 1 crore workers.</li> </ul>  | <p><b>Swiggy, Zomato</b></p>   |

## Shipbuilding Sector Reforms

## Major Beneficiaries

- The Shipbuilding Financial Assistance Policy will be revamped to address cost disadvantages, include Credit Notes for shipbreaking, and promote circular economy. Large ships will be added to the Infrastructure Harmonized Master List (HML). Shipbuilding clusters will be developed with enhanced infrastructure, skilling, and technology to expand ship range, categories, and capacity.
- Maritime Development Fund : A ₹25,000crs Maritime Development Fund will be set up for long-term financing of the maritime industry, with up to 49% government contribution. The remaining funds will be mobilized from ports and the private sector to promote competition and support industry growth.

**Mazagoan Dock, Guj Pipavav, Adani Ports, Cochin Shipyard**

## Aviation

## Major Beneficiaries

- Greenfield Airport in Bihar: Greenfield airports will be developed in Bihar to meet future needs, alongside the expansion of Patna airport and the development of a brownfield airport at Bihta.
- Support to States for Infrastructure: With an outlay of ₹ 1.5 lakh crs, 50-year interest free loans to states for capital expenditure and incentives for reforms.
- UDAN - Regional Connectivity Scheme: The modified UDAN scheme will expand connectivity to 120 new destinations, targeting 4 crs passengers in the next 10 years. It will also support helipads and smaller airports in hilly, aspirational, and North East regions.

**Interglobe Aviation, GMR Infra, Adani Enterprises**

## Power

## Major Beneficiaries

- Power Sector Reforms: Incentivize distribution reforms and augmentation of intra-state transmission. Additional borrowing of 0.5 % of GSDP to states, contingent on these reforms.
- Boosting Clean Tech Manufacturing : The mission will support domestic manufacturing of solar PV cells, EV batteries, wind turbines, electrolyzers, and grid-scale batteries for a climate-friendly economy.

**Power Grid, Tata Power, NTPC Green**

## Telecom & Infrastructure

## Major Beneficiaries

- The fund allocation for compensation to service providers for the creation and augmentation of telecom infrastructure has increased to ₹28,400crs in the Budget Estimates (BE) for 2026, up from ₹13,700crs in the Revised Estimates (RE) for 2025.
- National Geospatial Mission has been allocated ₹100crs in the Budget Estimates (BE) for 2026.

**Genesys International**

| Sectors  | Changes in Custom Duty   |
|--|--|
| <b>Rationalization of Custom Tariff Structure for Industrial goods</b>                             | <ol style="list-style-type: none"><li>1. Removal of 7 tariff rates.</li><li>2. Apply not more than one cess or surcharge.</li><li>3. Apply equivalent cess to maintain effective duty incidence on most items and lower cess on certain items.</li></ol> |
| <b>Export promotion</b>  | Duty free inputs and leather sectors   |
| <b>Promotion of MRO</b>  | Exemption for 10 years on goods for ship building and ships for breaking, extension of time limit for export of railway goods imported for repairs.  |
| <b>Trade Facilitation</b>  | ICGR rule amended to extend time limit to 1 year and file quarterly statement instead of monthly   |
| <b>Improve access to lifesaving medicines for rare disease, cancer and severe chronic diseases</b> | <ol style="list-style-type: none"><li>1. 36 lifesaving drugs/medicines in exempted list.</li><li>2. 6 medicines in 5% duty list</li><li>3. 37 medicines and 13 new patient assistance programmes in exempt list</li></ol>                                |
| <b>Capital Goods/ Auto/ Textiles</b>   | Exemptions have been granted for open cells in LED/LCD TVs, looms for textiles, and capital goods for lithium-ion batteries in mobile phones and electric vehicles (EVs).  |

'Nil Tax' slab up to ₹12 lakh (₹12.75 lakh for salaried tax payers with standard deduction of ₹75,000)

Tax deduction limit for senior citizens doubled from ₹50,000 to ₹1,00,000

Annual limit of ₹2.4 lakh for TDS on rent increased to ₹6 lakhs.

## Taxation Reforms

Extension for incorporation by 5 years of start-ups

Encouraging voluntary compliance by extension of time limit to file updated returns from 2 years to 4 years.

Tonnage tax scheme for Inland Vessels

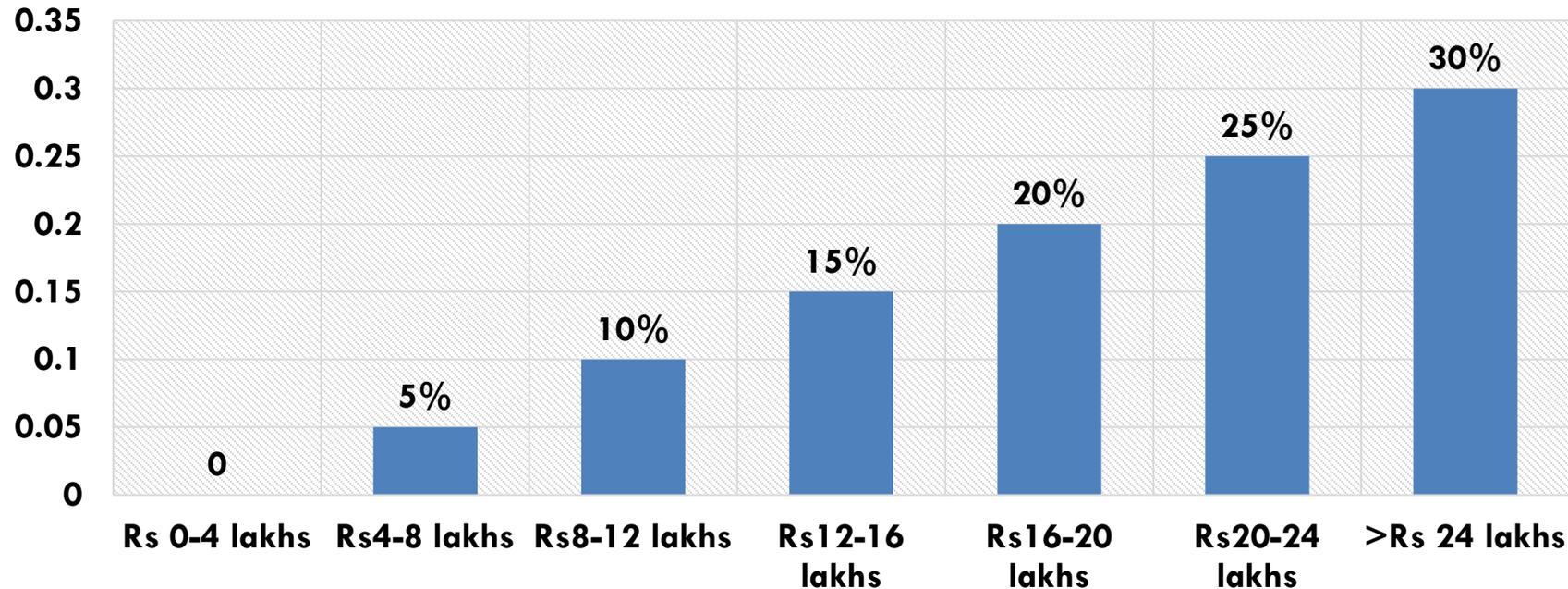
Reduced compliance burden by increasing time period of registration from 5 to 10 years for small charitable trust/ institutes and allowing tax payers to claim the annual value of 2 self properties from 1 without any condition.

# Simplifying New Tax Regime

'Nil Tax' slab up to ₹12 lakhs

New structure reduces taxes of middle class and leaves more money in their hands boosting household consumption, savings and investments

**Income Tax Slabs**

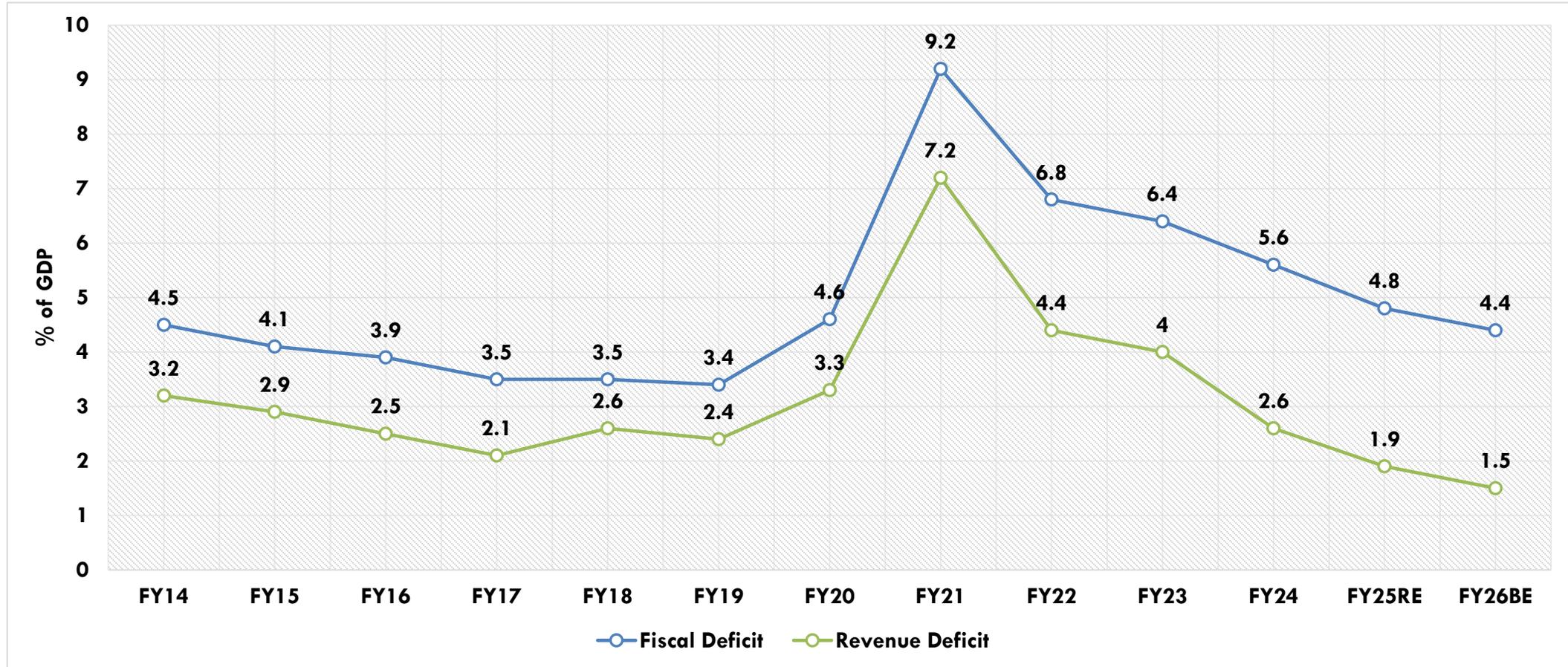


# Budget at a Glance

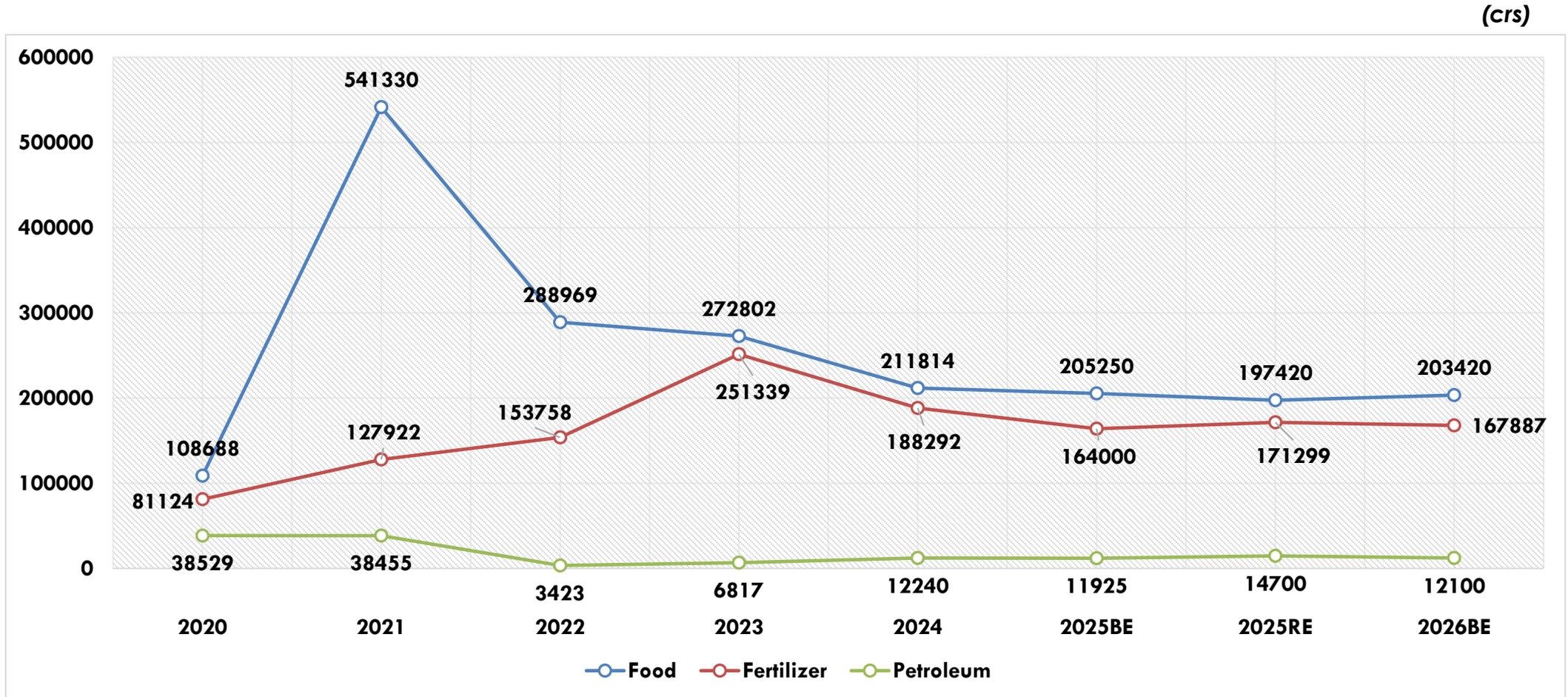
(crs)

| Particulars                                  | 2023-24        | 2024-2025BE    | 2024-2025RE    | 2025-2026BE    |
|--|----------------|----------------|----------------|----------------|
| <b>Revenue Receipts</b>                      | <b>2729036</b> | <b>3129200</b> | <b>3087960</b> | <b>3420409</b> |
| Tax Revenue (Net to Centre)                  | 2327251        | 2583499        | 2556960        | 2837409        |
| Non Tax Revenue                              | 401785         | 545701         | 531000         | 583000         |
| Capital Receipts                             | 1714411        | 1691312        | 1628527        | 1644936        |
| Recovery of Loans                            | 26646          | 28000          | 26000          | 29000          |
| Other Receipts                               | 33122          | 50000          | 33000          | 47000          |
| Borrowings and Other Liabilities             | 1654643        | 1613312        | 1569527        | 1568936        |
| <b>Total Receipts</b>                        | <b>4443447</b> | <b>4820512</b> | <b>4716487</b> | <b>5065345</b> |
| <b>Total Expenditure</b>                     | <b>4443447</b> | <b>4820512</b> | <b>4716487</b> | <b>5065345</b> |
| On Revenue Account of which                  | 3494252        | 3709401        | 3698058        | 3944255        |
| Interest Payments                            | 1063872        | 1162940        | 1137940        | 1276338        |
| Grants in Aid for creation of Capital Assets | 303916         | 390778         | 299891         | 427192         |
| On Capital Account                           | 949195         | 1111111        | 1018429        | 1121090        |
| Effective Capital Expenditure                | 1253111        | 1501889        | 1318320        | 1548282        |
| <b>Revenue Deficit</b>                       | <b>765216</b>  | <b>580201</b>  | <b>610098</b>  | <b>523846</b>  |
|  | -2.6           | -1.8           | -1.9           | -1.5           |
| <b>Effective Revenue Deficit</b>             | <b>461300</b>  | <b>189423</b>  | <b>310207</b>  | <b>96654</b>   |
|  | -1.6           | -0.6           | -1             | -0.3           |
| <b>Fiscal Deficit</b>                        | <b>1654643</b> | <b>1613312</b> | <b>1569527</b> | <b>1568936</b> |
|  | -5.6           | -4.9           | -4.8           | -4.4           |
| <b>Primary Deficit</b>                       | <b>590771</b>  | <b>450372</b>  | <b>431587</b>  | <b>292598</b>  |
|  | -2             | -1.4           | -1.3           | -0.8           |

# Deficit Trends



# Subsidies



- **Sabka Saath, Sabka Vikas** found its prominence in today's Budget 2025 when FM announced income tax relief for the masses. In an historic budget announcement, Nirmala Sitharaman provided much awaited relief to the middle class by exempting the tax for income up to 12 Lakh from 7 Lakh previously. As a first full budget of Modi 3.0 Government, this budget was of significant importance as investors were looking at it as a catalyst for economic revitalization while it will also act as a platform to strengthen the 'Viksit Bharat' vision for 2047, building upon the measures taken in the past decade .
- From covering the needs of basic sectors such as agriculture and power to announcing schemes benefiting new edge startup ecosystem of the modern world such as providing healthcare to gig workers and boost start-up funding, government took initiatives on several fronts which can be build upon in next four-five years. This time as well, government focused on green energy through clean tech manufacturing to build ecosystem for Solar PV cells, EV Batteries, Electrolysers, Wind Turbines, etc. and slashed customs duty on essential material like Li-ion battery scrap, zinc, cobalt to enhance local manufacturing of EV batteries. To improve the basic building blocks of the country, significant importance was given to two key sectors i.e., Healthcare and Education. Health industries' ~₹1 Lakh crs allocation in FY25-26 was a whopping ~191% increase from FY14-15. Recognizing importance of R&D, 10,000 fellowships in next 5 years, additional infra in IITs and 50,000 ATAL tinkering labs will aid corporates also.
- To gear up the rural economy, two key industries Agriculture and MSME, attracted several initiatives from the government during the budget. Increase in credit limit under Kisan Credit Card, initiation of Atmanirbharta plan for Oilseeds and pulses, support to Cotton production and implementation of technology would augment overall production as well as post-harvest productivity. Government's support to MSME segment via increasing credit guarantee cover to ₹10crs from ₹5crs will certainly improve the funding crunch situation to a greater extent.
- Eyeing total expenditure of ₹50.65 Lakh crs in 2025-26, the government expects fiscal deficit to fall to 4.4% of GDP, which would enable FM to achieve its target to reduce it from 9.2% in CoVID hit FY21 to below 4.5% in FY26. However, as per experts, the government fail short to lure the street as this year's budget did not focus much on the capital expenditure side.
- In addition to exempting tax up to ₹12 Lakh, the finance ministry provided relief to the middle class by altering several other provisions in direct tax regime via doubling of tax deduction limit of senior citizens to ₹1 Lakh, raising TDS limit on rent from ₹2.4 Lakh to ₹6 Lakh, tax relief to two-house owners, etc. All these measures are expected to increase much needed disposable income, help increase household spendings to boost domestic demand, which was sluggish for many quarters now, and fuel India's aspirations to become the second largest consumer market by 2030.

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