

ABOUT PRIMUS PARTNERS

Headquartered in India, Primus Partners is one of India's largest Management Consulting firms operating in India, USA, UAE and KSA. With 6 offices and operations in 18 Indian States, Primus Partners has been built around the concept of "Idea Realisation" an approach that focuses on the long-term strategy for our clients driven by innovation that is grounded in execution and realises the benefit of new ideas in short, medium and long term. The concept of idea realisation is delivered by a senior and diverse team backed by industry-leading research capabilities.



India



United States of America



United Arab Emirates



Kingdom of Saudi Arabia

TABLE OF CONTENTS

Imperatives of Viksit Bharat

04

Expert Takes

Opinions from Atanu Chakraborty, Smriti Irani, Piyush Arora, Nishant Arya, Dr. Ashwin Fernandes, Captain Brijesh Chowta, and Mathukumilli Sribharat

India – Global Image: Impact of the Union Budget on the India-USA Relationship and India-Middle East Relationship

07

Budget Overview

CEO Speaks, Highlights of the Economic Survey, Macroeconomic Overview, Key Announcements, Key Schemes in Focus and Key Ministries in Focus

33

Impact of the Budget on Citizens

On the 24 personas, as conceptualised in “India’s Turn to Lead by 2047: Different Voices, Unifying Aspirations”, a report published by the firm in 2024

53

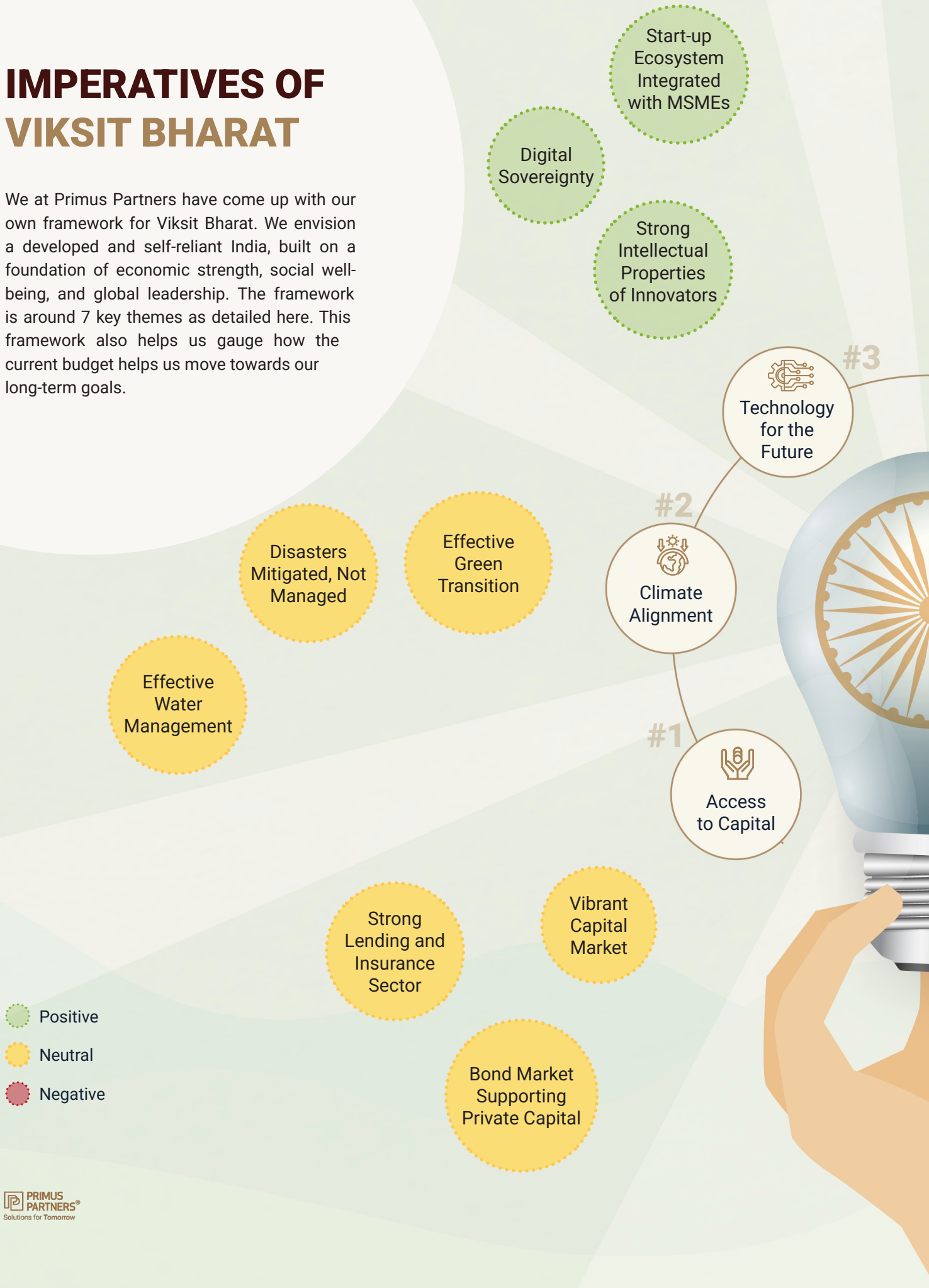
Sectoral Focus

Impact of the Budget on Key Sectors

65

IMPERATIVES OF VIKSIT BHARAT

We at Primus Partners have come up with our own framework for Viksit Bharat. We envision a developed and self-reliant India, built on a foundation of economic strength, social well-being, and global leadership. The framework is around 7 key themes as detailed here. This framework also helps us gauge how the current budget helps us move towards our long-term goals.







1

EXPERT TAKES

Atanu Chakraborty

Chairman, HDFC Bank and Former Secretary of Department of Economic Affairs

08

Smriti Irani

Founder of The Alliance for Global Good and Former Union Minister

10

Piyush Arora

MD and CEO, Skoda Auto Volkswagen India

12

Nishant Arya

Vice Chairman and MD, JBM Group

14

Dr. Ashwin Fernandes

Executive Director, QS

16

Patrick Smets

CEO, Submer Technologies S.L.

18

Captain Brijesh Chowta

Member of Parliament, Lok Sabha

20

Mathukumilli Sribharat

Member of Parliament, Lok Sabha

22

How Does the Union Budget 2026-27 Impact the India-USA Relationship and India-Middle East Relationship

28

UNION BUDGET 2026-27: SECURING INDIA'S FUTURE AMID GLOBAL UNCERTAINTY

ATANU CHAKRABORTY

Chairman, HDFC Bank and Former Secretary
of Department of Economic Affairs



The Union Budget FY2026-27 is presented against the backdrop of significant global economic, geopolitical uncertainty and conflict. The international order continues to be affected by fragmented trade relationships and persistent volatility in financial markets and regional wars.

Domestic inflation has moderated to around 1.7 percent, but cost pressures are expected to resurface as geopolitical fragmentation raises costs and increased inflation on account of base affect. Given this context, macroeconomic and policy stability assumed utmost importance for the budget. The Union Budget proposals came in a backdrop of low inflation, moderate nominal growth in the economy, tepid tax collection and depreciating rupee. However, there has been a reform momentum such as labour code, GST rate rationalisation etc. The Union Budget has delivered on the expectations of stability, maintaining a trajectory for lowering fiscal deficit. Given the global scenario, it has tried to continue the reform push as well as provide for growth for capex in infrastructure, sunrise sectors as well traditional sectors that have been hit by tariff hikes made overseas.

The Union Budget tackles major economic issues by giving important industries a focused boost and placing citizens at the centre of its approach. A big emphasis is given on *Atmanirbharta* and *Yuva Shakti*, which reaffirms the government's focus on strengthening domestic capabilities and expanding opportunities for the young workforce.

The fiscal deficit for RE 2025–26 is estimated at 4.4 percent of GDP, and for BE 2026–27 it is projected to moderate further to 4.3 percent of GDP. However, globally people will look at general government debt that includes both Central and State debt.

Government has also accepted the recommendation of Finance Commission for State devolution of 41% and a provision of incentive grants worth ₹ 1.4 Lakh Crore during this year for urban local bodies, disaster

management etc. That should provide a good support to States and make them fiscally more prudent.

The Union Budget has provided for a nominal growth of the GDP at 10%. It has raised the provision on Capex, i.e., largely infrastructure to ₹ 12.2 Lakh Crore a rise of 9% over BE FY2025-26. Taking note of low growth in employment potential, Union Budget has focussed on development of Tier II & Tier III cities, especially through temple towns and make them hubs of growth. High speed train links between major metros and dedicated freight corridor on the East coast is a major infrastructure initiative.

While there is a clear stress on future ready technologies such as Biopharma, Semi-Conductor, AI etc, the traditional sectors such as Textiles, Leather and MSMEs have been kept in focus. MSMEs have been supported both on equity side as well as on liquidity through further expansion of TREDs platform. A focused push to scale manufacturing across strategic and frontier sectors, such as biopharma, semiconductors, electronics, chemicals, textiles, capital goods, and rare earths, highlights Centre's intent to deepen domestic value chains and reduce import dependence.

BFSI sector has a share of about 40% of the country's economy. NIIF meant to support the infrastructure sector has been strengthened through a Credit Guarantee Institution. That was a crying need. A high-level committee has been set up for banking with focus on Financial Inclusion and Consumer Support. Government has also shown an intent to develop the corporate bond market. However important, this will not happen without a substantial reform in the G-Sec market.

There are other targeted interventions in Union Budget that focus on addressing structural gaps in incomes and access. Measures to support agriculture include the integrated development of *500 reservoirs and Amrit*

Sarovars, a renewed emphasis on high-value crops, and the launch of Bharat-VISTAAR, an AI-enabled platform to improve farmers' access to agricultural knowledge and resources. Investments to strengthen mental health infrastructure through the establishment of NIMHANS-2 and the upgradation of national mental health institutions reflects a need that is strongly felt on the ground.

In line with Atmanirbharta, select measures seek to anchor global participation within India's domestic ecosystem. A key example is the proposal to offer tax incentives to foreign companies providing cloud services, subject to the condition that such services are delivered using data centres located in India. It is a small beginning both to improve our Tech competitiveness, Start-up Eco System and absorb some highly educated youth who are affected by global upheavals. However, we will need to do much more.

Net tax growth at 7.7 % over BE FY25 is not encouraging and limits space for major concessions. However, decriminalizing minor offences in the direct tax code is a welcome step. In addition, support for tariff hit sectors is a timely move.

In sum, the budget is a calibrated approach to economic openness while balancing domestic capability building. Given limited fiscal space and competing demands, time has come for the industry to start building up excess capacity that meet economies of scale for export and domestic competitiveness. **I feel the overall message is that the country needs to pull itself by its bootstraps.**

ORANGE ECONOMY GETS A GREEN LIGHT

SMRITI IRANI

Founder of The Alliance for Global Good
and Former Union Minister



India is entering into a decisive decade of transformation. The Economic Survey and the Union Budget signal a shift from managing growth to shaping the nation's long-term identity, one that places creativity, culture and intellectual property within India's green growth and productivity agenda.

The Economic Survey demonstrates the strength of India's economic foundations: sustained growth, expanding participation, and rising productive capacity. Even amid global uncertainty, India is projected to remain the fastest-growing major economy, with real GDP growth estimated at 7.4 percent in FY26 and 6.8–7.2 percent in FY27. The Union Budget builds on this analysis with decisive investments, simplified systems, and structural reforms that enable enterprise, innovation, and employment. Guided by Yuva Shakti and the three Kartavya — growth, capability, and inclusion — our development strategy is anchored in both aspiration and responsibility.

This is a phase of deliberate nation-building. Record public investment, support for MSMEs, leadership in emerging technologies, and strategic manufacturing

initiatives are creating an economy that produces more, exports more, and competes at the highest level. India is no longer preparing to participate in global value chains — it is positioning itself to lead them.

A defining dimension of this transformation is the rise of the Orange Economy. Creativity, culture, and intellectual property are becoming central to India's economic identity. From digital content and gaming to live events and cultural tourism, India is converting its civilisational depth and youthful energy into economic power and global influence. As creativity becomes a source of national capability, the Union Budget embeds this vision in new institutions of learning. With demand for two million AVGC professionals projected by 2030, the Indian Institute of Creative Technologies, Mumbai will anchor a nationwide network of AVGC Content

Creator Labs across 15,000 secondary schools and 500 colleges, nurturing creative and digital skills from an early age.

Equally fundamental is the investment in people. From education and skilling to women's empowerment and rural livelihoods, development is being anchored in opportunity, dignity, and mobility. The establishment of one girls' hostel in every district with STEM institutions will strengthen access and retention of women in higher education, ensuring that growth expands human potential alongside economic output. Growth is meaningful only when it expands human potential.

The emphasis on disciplined self-reliance reflects India's strategic maturity – engaging openly with the world while strengthening domestic capability and technological sovereignty. This is the foundation of long-term resilience and strategic indispensability.

Together, the Economic Survey and the Union Budget articulate a national mission: to build an innovative, competitive, inclusive, and culturally confident India.

With clarity of purpose and collective resolve, we move forward – not merely to grow, but to lead.



UNION BUDGET 2026-27: ON THE ROAD TO COMPETITIVE, SUSTAINABLE MOBILITY

PIYUSH ARORA

MD and CEO, Skoda Auto
Volkswagen India



The Union Budget 2026–27 is presented at a pivotal juncture for the Indian economy, as it consolidates recent reforms while preparing the ground for the next phase of growth towards Viksit Bharat 2047. Following the successful rollout of GST 2.0, the industry had been keenly watching for continuity in policy direction and clarity in long-term intent.

The first Kartavya announced in the Union Budget aims to accelerate and sustain economic growth by enhancing productivity and competitiveness which includes scaling up manufacturing in strategic sectors and creating champion MSMEs. For manufacturing-led sectors such as automotive, this reinforcement will help in sustaining investment momentum and strengthen India's role in global value chains.

Over the past decade, India has made measurable progress in positioning manufacturing as a core growth engine, with the sector contributing close to 17% of GDP and employing about 26% of the workforce. Continued public investment in road and transport infrastructure has consistently received priority in recent budgets, evident from national highway construction reaching

12,349 km in FY24 alone, has become a crucial enabler for the automotive ecosystem, by significantly supporting overall economic growth and demand generation.

The Union Budget also arrives against the backdrop of the signing of the India–EU Free Trade Agreement that signals India's intent to deepen economic integration with advanced manufacturing economies. In this context, for a global OEM such as Škoda Auto Volkswagen India, trade facilitation and customs policy are equally important levers. India's tariff structure has remained complex in certain segments and addressing areas such as customs classification can significantly enhance supply chain efficiency. The announcement on minimizing verification requirements for importers

with longstanding supply chains is commendable. The customs warehouse framework being made into an operator-centric system with self-declaration and risk-based audit will also enhance ease of doing business.

India's transition towards sustainable mobility is another critical area. The electric vehicle market, while still nascent, has expanded rapidly with a CAGR of 62.5% in the last 5 years (Economic Survey 2025-26), supported by rising consumer awareness and targeted government interventions. However, EV penetration in passenger vehicles is projected to reach only 10% by 2030, and the government aims to scale the overall EV penetration up to 30%. The government, by extending exemptions on basic customs duty on Capital Goods used for manufacturing Li-Ion batteries and extending concessional duty benefits Li-ion cells and components till FY28.

The Union Budget reinforces a macroeconomic framework that is broadly supportive of long-term industrial investment, particularly in capital-intensive and technology-driven sectors such as automotive manufacturing. The sustained emphasis on public capital expenditure—especially in transport, logistics, and urban infrastructure where the allocation is increased by ₹ 1 Lakh Crore over previous year to ₹ 12.2 Lakh Crore—strengthens demand fundamentals. Equally important

is the Union Budget's clear signal of fiscal prudence: the revised estimate of fiscal deficit at 4.4% of GDP for FY26 and projection of 4.3% of GDP for FY27 augurs well for the overall economy during current turbulent times. The Union Budget's focus on skilling, modular training, and industry-aligned education also addresses a critical constraint facing advanced manufacturing—availability of appropriately skilled manpower. While near-term demand conditions will continue to depend on global factors, Union Budget provides a stable macro and policy environment that encourages long-term commitment, localisation, and innovation by global automotive players operating in India.

Finally, sustaining demand remains central to overall sectoral growth. Measures that support household disposable incomes and consumer confidence have a direct multiplier effect on automobile demand and broader economic activity. As India targets becoming a \$ 5 trillion economy, the growth-oriented and forward-looking policy framework will be key to ensuring that India's automotive sector continues to serve as both an economic and technological cornerstone of this journey.



CHARTING INDIA'S GREEN ASCENT

NISHANT ARYA

Vice Chairman and MD,
JBM Group



Each Union Budget reflects the government's broader vision for India's future. The latest Union Budget FY 2026-27 adopts an inclusive approach responding to industry needs and emerging sectoral trends, while emphasizing sustainability and green growth. Rather than limiting itself to mere fiscal adjustments, it provides structural direction.

The Union Budget aligns economic growth with long-term national priorities and reinforces India's growth trajectory as a global economic power. After India's impressive showing at the World Economic Forum in Davos, the Union Budget consolidates existing strengths and addresses remaining gaps in the country's economic ecosystem.

India's rise on the global socio-economic stage has been driven in part by its willingness to embrace innovation-led sectors that promise sustainable and inclusive growth. This is particularly evident in the government's continued focus on green industries, supported by enabling infrastructure and policy stability. Electric mobility is a key example. India's EV sales grew by

16.9% in FY25 to 1.97 million units, with 0.89 million units registered in H1 FY 25 compared with a surge of 22.9% in H1 FY26 to 1.1 million units, reflecting strong market confidence and momentum. The Union Budget enhances this growth trajectory through measures such as extending basic customs duty exemptions on capital goods used for manufacturing lithium-ion cells for battery energy storage systems; thereby strengthening domestic value addition across the EV and energy storage ecosystem.

Encouragingly, leading OEMs such as Tata Motors, Mahindra, TVS, Ather Energy, Ola Electric, Bajaj Auto, and Switch Mobility are scaling capacity through investments in gigafactories, EV platforms,

and advanced research. Complementing this, the government's proposal to support mineral-rich states, including Odisha, Kerala, Andhra Pradesh, and Tamil Nadu, in establishing dedicated Rare Earth Corridors is a timely step. By promoting mining, processing, research, and manufacturing, these corridors can help secure critical inputs for clean technologies and reduce strategic supply vulnerabilities. Other measures, such as the Scheme for Container Manufacturing help create a strong supporting ecosystem.

The Union Budget also underscores demand-side and public adoption measures, including the provision of 4,000 e-buses across five major tourism destinations. Such initiatives not only advance decarbonisation goals but also demonstrate scalable public deployment models for electric mobility. Initiatives like ISM 2.0, incentives for processing critical minerals, and duty relief on capital goods for lithium-ion cell and storage manufacturing, the government is strategically reducing long-term supply-chain risk for industry and opening up a major growth runway for Indian manufacturers.

At the same time, innovation-led growth must remain inclusive. India's diversity demands that MSMEs and smaller local enterprises are integrated into high-growth sectors rather than sidelined by larger players. This requires not just access to finance backed by a strengthened TReDS ecosystem, but also sustained investments in skilling, mentorship, and ecosystem-building to create a competitive MSME base. This is

reflected in the budget through new MSME-focused growth funds and liquidity support, which can significantly strengthen Tier-II and Tier-III enterprises. Furthermore, multifaceted and inclusive initiatives like Anusandhan National Research Fund, Research, Development and Innovation Fund, IndiaAI Mission, and National Quantum Mission will help in building a more resilient India.

In this context, the recently concluded India-EU Free Trade Agreement is a significant development. By enhancing market access and strengthening cooperation in green technologies, advanced manufacturing, and digital trade, the FTA can amplify the impact of domestic policy initiatives and help Indian firms integrate more deeply into global value chains.

Overall, the Union Budget lays a strong foundation for India's next phase of development: one defined by sustainability, innovation, and inclusivity. As Vice Chairman of JBM Group and as a citizen invested in India's future, I am hopeful that this budget marks a decisive step toward a greener, more resilient, and globally competitive economy.

REALIGNING EDUCATION AND SKILLS FOR A GLOBAL FUTURE



DR. ASHWIN FERNANDES

Executive Director, QS

India's Union Budget 2026–27 has been announced at a time when education systems across the world are undergoing transformation.

Over the last decade, my work with universities, governments, and education leaders across Africa, the Middle East, and South Asia has shown one clear truth: countries that invest in education particularly in research, skills, and global engagement are better prepared for long-term economic growth.

The Union Budget reinforces these priorities through the reduction of TCS under the Liberalized Remittance Scheme from 5% to 2%, easing upfront financial pressure for overseas education spending. The Department of Higher Education has also received an increased allocation of ₹ 55,724 Crore, a rise of approximately 11.3%.

In my view, three areas are of importance:

- **Research and innovation:** Through initiatives such as the National Research Foundation and increased competitive funding, India is moving from measuring research by volume to valuing its

impact. For top-ranked universities, improvements in academic reputation are driving gains in global rankings. IIT Delhi's improved academic reputation contributed to its best-ever QS World University Rankings position of 123rd in 2026, while a similar trend enabled IIT Madras to enter the global top 200 for the first time. New specialized institutions, including National Institutes of Pharmaceutical Education and Research and All-India Institutes of Ayurveda, underscore a renewed emphasis on domain-specific excellence. Investments in 5 university townships and semiconductor

institutes, along with upgrades to major astronomy facilities, reinforce the research–industry–science continuum.

- Advanced technologies and sectoral skills:** Investments in Centre of Excellences in AI and digital learning infrastructure reflect an important policy choice. More than 40 Indian universities now feature in Computer Science and IT in QS Subject Rankings more than any country except the US, the UK, and China. India is also the third most represented country globally in data science and AI, alongside Australia. However, for AI and STEM to become sustained strengths, foundations must be laid much earlier. Union Budget measures supporting skills for the orange economy, including National Institute of Design in Eastern India, AVGC and content creator labs across 15,000 schools and 500 colleges, signal an effort to integrate creative skills across the education pipeline. This

direction is supported by the proposed High-Powered ‘Education to Employment and Enterprise’ Committee as a key driver of Viksit Bharat and 10% global share by 2047.

- Flexible learning pathways and improved access:** QS surveys of over 60,000 students across India show rising interest in flexible study options, increasing from 70% in 2021 to 75% in 2025. Combined with National Education Policy (NEP) provisions such as multiple entry and exit, academic credit banks, and vocational integration, this has the potential to improve employability. Capital support for girls’ hostel in every district, backed by Viability Gap Funding (VGF) is a critical enabler for retention of women in STEM and underserved regions.

Ultimately, credibility and outcomes-driven governance matter just as much as funding. India has built scale; the next phase is about earning global confidence where investments are linked to clear outcomes.



LAYING THE FOUNDATIONS FOR INDIA'S AI LED GROWTH

PATRICK SMETS

CEO, Submer Technologies S.L.



The accelerating adoption of artificial intelligence marks a defining moment for India's economic and technological trajectory. Through the IndiaAI Mission and sustained investment in digital infrastructure, the Government of India has moved decisively from intent to execution, laying the foundations for domestic capability and global leadership in AI.

In a short span of time, the IndiaAI Mission has begun delivering tangible outcomes. Expanded national compute capacity has improved access to high-performance infrastructure for startups, researchers, and enterprises, addressing one of the most binding constraints of developing large-scale AI systems. Parallel support for indigenous foundation models, multilingual AI systems, and sector-specific applications reflects a conscious choice towards bottom-up, use-case driven strategy. This aligns with India's strengths in talent, data diversity, and application led innovation, signalling a transition from experimentation to real-world economic and social impact.

Equally important is the Mission's emphasis on talent and data readiness, reinforced by the Union Budget FY26-27's strong focus on upskilling and re-skilling

technology professionals in AI and emerging technologies. Investments in AI labs, fellowships, and national datasets are strengthening the ecosystem required for sustained innovation, reinforcing India's position as one of the world's most dynamic AI talent hubs. India is not simply adopting AI technologies; it is actively shaping how they are developed, governed, and applied.

For the private sector, this progress creates a powerful platform for collaboration. Clear policy direction, combined with operational initiatives under the IndiaAI framework, enables companies to accelerate research and development, engage in public-private partnerships, and deploy solutions aligned with national priorities and global market opportunities. With this opportunity comes a shared responsibility. As highlighted by the Economic Survey, AI adoption should

align with institutional readiness. Systems should be trustworthy, transparent, and socially aligned. They should also include clear safeguards to prevent misuse, opacity, and exclusion

This intent is further reflected in recent Union Budget measures aimed at strengthening the data centre ecosystem supporting global cloud and digital services. By addressing long-term investment considerations for compute infrastructure, these steps point to the growing recognition of data centres as critical national infrastructure underpinning AI-driven innovation and growth.

At Submer, we see this moment as a convergence of policy ambition, enterprise demand, and infrastructure readiness. As AI workloads scale, the efficiency and sustainability of the underlying compute infrastructure become critical. The Survey emphasizes that – despite

having capital, the speed of AI growth depends heavily on access to hardware, energy, and resilient infrastructure. Energy-efficient data centres, liquid cooling, and optimised compute platforms are essential enablers of AI at scale, ensuring growth does not come at the cost of environmental or resource efficiency.

This year's budget reinforces a clear vision for AI as a driver of national progress. Submer is committed to supporting this journey through infrastructure innovation, technical expertise, and responsible deployment, working alongside government and industry partners to build a robust, sustainable, and globally competitive AI ecosystem for India. We aim to support India's budding, sustainable, and globally competitive AI ecosystem. A vision that reflects not only technological prowess but also economic and social priorities.



STRENGTHENING INDIA'S GROWTH ARCHITECTURE: ENERGY, SECURITY, AND ENTERPRISE

CAPTAIN BRIJESH CHOWTA

Member of Parliament, Lok Sabha



The Union Budget 2026-27 is being presented at a time when the global economic and strategic landscape continues to evolve rapidly. Persistent geopolitical uncertainty accelerated technological disruption, and the urgency of climate and energy transitions are reshaping global growth pathways. In this environment, India stands out as a stable, fast-growing economy with the institutional depth to convert global disruption into strategic opportunity.

After more than a decade of sustained reforms and capacity-building, the emphasis now rightly shifts from laying foundations to strengthening the drivers of the next phase of growth, expanding opportunities for young Indians (Yuva Shakti), deepening women's participation in the workforce (Nari Shakti), nurturing creative and cultural industries (Orange Economy), and enabling MSMEs and emerging entrepreneurs to scale.

I believe this Budget, presented by our Hon'ble Finance Minister, Smt. Nirmala Sitharaman, comes at a moment when policy clarity and execution discipline will be critical to sustaining India's long-term growth momentum. Three sectors will play a defining role in shaping India's economic trajectory in the years ahead: new and renewable energy, defence and start-ups.

New and Renewable Energy: Advancing the 2030 Transition

I believe India's energy transition has moved decisively from ambition to implementation, and the coming years will determine how effectively we meet our 2030 objectives and targets. Over the past decade, the Government of India has laid strong foundations by strengthening the country's energy security through the planned and progressive expansion of electricity generation capacity from non-fossil fuel sources, including solar, wind, hydro, and nuclear, while retaining the flexibility to adapt targets and timelines as technologies and system requirements evolve. This has been complemented by the rapid expansion of solar and wind capacity, promotion of green hydrogen, bioenergy initiatives, and focused efforts on grid modernisation.

The allocation for the new and renewable energy sector in the Union Budget 2026-27, at ₹32,914.7 Crore, representing a 30% increase over the revised estimates of 2025-26, reflects a continued commitment to aligning economic growth with sustainability. Key initiatives such as the National Green Hydrogen Mission, the PLI Scheme for High-Efficiency Solar PV Modules, PM-Surya Ghar, and the National Bio-Energy Programme will accelerate domestic manufacturing, strengthen supply-chain resilience, and support employment generation across the clean energy value chain.

From my engagement with energy-sector deliberations, including discussions in the Parliamentary Standing Committee on Energy on electricity distribution reforms, grid integration of renewables, transmission readiness, cyber security in the power sector, and the revival of hydropower, it is evident that system resilience and financial sustainability will be as critical as capacity addition itself. Deliberations on the performance of solar power projects, achievement of non-fossil energy targets by 2030, and domestic manufacturing under the PLI framework have further underscored the need for coordinated policy support. I am confident that sustained focus on these areas can position India not only as a major consumer of clean energy, but as a global manufacturing and innovation hub.

Defence: Strengthening Preparedness in a Volatile World

Recent global developments have underscored the importance of sustained investment in national defence capabilities. The operational readiness and effectiveness demonstrated by India's armed forces in 2025, including Operation Sindoor, reaffirm the necessity for sustained investment in national defence capabilities and adequate resource allocation.

Having served in uniform, I understand that defence preparedness is built through consistency of policy, investment, and capability development. In a world where uncertainty has become the norm rather than the exception, the defence outlay of ₹7.85 Lakh Crore in this Budget reflects a clear recognition of India's evolving security environment.

Beyond immediate operational readiness, the continued focus on indigenisation, defence manufacturing, and

private sector participation under Aatmanirbhar Bharat strengthens India's strategic autonomy while creating high-skilled jobs.

Start-ups and MSMEs: Anchoring India's Growth Engine

I firmly believe that the long-term strength of the Indian economy will be anchored in the resilience and innovation of its start-ups and MSMEs. Over the years, sustained policy attention from improved credit access and formalisation to ease-of-doing-business reforms has enabled this sector to scale and integrate with global value chains, including those emerging from India's expanding maritime and port-led development ecosystem. In this context, the proposed ₹10,000 Crore SME Growth Fund, designed to provide equity support to high performing "champion" enterprises, is a timely intervention that addresses a long-standing gap in patient growth capital. Complementing this, the announcement of SHE-Marts for rural women-led enterprises represents an important shift from credit-led livelihoods to enterprise ownership by strengthening market access and value realisation for women entrepreneurs.

From regional initiatives such as BOLPU and Back to Ooru in Mangaluru, I have seen how local entrepreneurship, when aligned with national policy frameworks, can deliver scalable and sustainable outcomes. With its growing creative industries, strong MSME base, port-led logistics ecosystem, and emerging digital infrastructure, Mangaluru is well placed to contribute to the Orange Economy and to evolve as India's Silicon Beach. In this context, the Budget's focus on strengthening market access for creative enterprises, alongside tax relief measures for data centres and digital infrastructure, reinforces the potential of coastal cities to become hubs for innovation and services exports.

Taken together, I see the Union Budget 2026-27 as a calibrated roadmap: balancing fiscal responsibility with strategic ambition, and immediate priorities with long-term vision. By reinforcing momentum in energy transition, national security, and entrepreneurship, this Budget strengthens India's capacity to navigate global uncertainty while progressing steadily towards the goal laid down by our Hon'ble Prime Minister, Shri Narendra Modi, of *Viksit Bharat @2047*.

INDIA'S GROWTH STORY LIES IN ITS PEOPLE

MATHUKUMILLI SRIBHARAT

Member of Parliament, Lok Sabha



The Union Budget 2026–27 marks a crucial step toward realizing Viksit Bharat@2047, with a renewed focus on strengthening human capital, trade integration, and regulatory reform. The recently released Economic Survey rightly noted that India's education challenges today extend beyond access to issues of quality, relevance, and equity. While institutional capacity has expanded over the years, persistent gaps remain in access to funding, sustainable teaching and learning practices, and learning outcomes across the rural-urban divide.

This year's budget reflects a clear intent to integrate emerging technologies with education and skilling systems. The opportunity for HEIs and Training institutions lies not in adopting these tools but in reshaping curricula, strengthening teacher training, and building sustainable industry linkages. For these efforts to have a sustainable impact, they must extend beyond leading urban institutions and reach students and educators across regions.

The Budget is also presented amid heightened geopolitical uncertainty and disrupted global supply

chains. Its emphasis on Ease of Doing Business, deregulation, and support for MSMEs signals an important imperative to strengthen India's position in global trade while protecting the domestic industry. The survey's call for trust-based governance is reflected in reforms such as the Jan Vishwas legislation and continued decriminalization. The government's focus on the '3 Kartavyas' or imperatives highlights its vision to translate these reforms into benefits for firms, exporters, and regional enterprises, ensuring India's global competitiveness.

Trade and education, therefore, are increasingly interlinked as pillars of growth. As production systems become more technology-intensive and globally integrated, India's competitiveness will depend on how effectively skills, education, and enterprise ecosystems align with trade policy and regulatory reform. Reducing import dependence and strengthening domestic capacity will require not only policy intent but also coordinated execution across ministries and institutions.

The combined message of the Economic Survey and the Union Budget outline a development vision anchored in youth empowerment, technological advancement, and deregulation. The success of this vision hinges on steadily improving educational quality, expanding access to funding, reducing regional disparities, and ensuring that trade and Ease of Doing Business reforms translate into effective on-the-ground outcomes. The priority now is to ensure that policies lead to tangible results, making growth not just ambitious but also inclusive and sustainable, embodying the true spirit of Sabka Saath, Sabka Vikas.



PRIVATE SECTOR

BUDGET REFLECTIONS 2026-27

This section presents a curated set of perspectives on the Union Budget 2026 from a diverse group of stakeholders, including senior industry leaders, economists, policy experts, and citizens.

Their views reflect expectations, interpretations, and assessments of this year's budget priorities, policy directions, and potential economic impact. Captured through direct interactions, these insights offer a deeper understanding of how individuals across sectors perceive the budget's provisions and its implications for growth and long-term development.

Together, these voices provide a balanced and nuanced lens through which the budget can be viewed and comprehended beyond headline announcements.



**NIRANJAN
HIRANANDANI**
CEO, Hiranandani Group



The Union Budget 2026–27 firmly lays out a roadmap for Aatmanirbhar Bharat, emphasising infrastructure development, regionally integrated growth, and MSME empowerment as cornerstones of India's robust economic expansion. Surging public capex generates strong multiplier effects in real estate, construction, logistics, and allied sectors thereby enhancing execution certainty, investor confidence, and sustainable development.

Breaking from metro focus, it propels City Economic Regions (CERs), integrating Tier-2/3 cities, temple towns, and hinterlands into unified ecosystems via challenge-based funding for connectivity, competitiveness, and liveability. Transformative investments unlock multimodal logistics parks, cold chains and warehousing. An extended tax holiday till 2047 boosts green data centres. Infrastructure Risk Guarantee Fund de-risks projects; PMAY sustains affordable housing; CPSE REITs recycle real estate—building resilient cities, global supply chains, and digital hubs.



SANJIV KANWAR
Country Manager,
YARA India



The Union Budget's focus on high-value agriculture, improving farm productivity and encouraging entrepreneurship reflects a practical approach to strengthening India's agricultural ecosystem. Special attention to small and marginal farmers, rural youth and the North-East will help ensure more inclusive and balanced growth across regions. The introduction of technology-led initiatives like Bharat VISTAAR is also a positive step, as it can help farmers access timely, data-driven insights and adopt better farming practices. The continued emphasis on value addition, support for women-led rural enterprises, and long-term sustainability aligns well with the industry's focus on responsible fertiliser use and efficient farming systems. Overall, these initiatives enable Indian agriculture to move towards a more productive, technology-enabled and sustainable future.

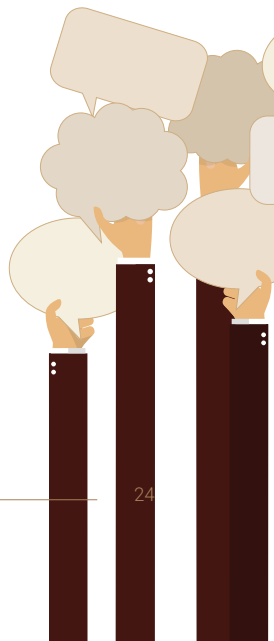


SV GOYAL
Wholtime Director and
CEO, METL - Reliance



The Union Budget 2026–27 reinforces the government's commitment to infrastructure-led growth for economic expansion, employment generation, and nationwide connectivity. Enhanced capital expenditure of ₹12.2 Lakh Crore focuses on world-class physical and industrial infrastructure, driving progress in transport corridors, modern logistics networks, urban infrastructure, and industrial ecosystems—especially in Tier-2 and Tier-3 cities.

Strong urban development emphasis bolsters this via urban housing, mobility, and city-level services, fostering sustainable, liveable, investment-ready cities. Integrated projects like Reliance MET City merge industrial infrastructure, urban planning, and workforce ecosystems, attracting private investment, enabling seamless urbanisation, and advancing India's growth ambitions on the path to Viksit Bharat 2047.





Through this budget, the government's bet on Manufacturing is reinforced; special emphasis on modern infrastructure, high-speed rail corridors, healthcare and cities as engines of growth, is timely and strategic. The progression of the semiconductor programme to ISM 2.0 through ecosystem development, alongside the announcement of rare-earth corridors across eastern and southern India, will significantly strengthen domestic supply chains.



BABA KALYANI
Chairman and Managing
Director, Bharat Forge Limited



The Budget's renewed tourism focus signals strong confidence in an industry creating livelihoods at scale for entrepreneurs, artisans, and communities. Upgrading National IHMs and NCHMT, alongside structured guide skilling, will boost quality and provide a global edge in the sector. Additionally, the emphasis on medical tourism cements India as a trusted destination for a care-hospitality blend. Union Budget's 'Growth Connectors'—seven high-speed rail corridors shall improve connectivity across the country's major cities. Furthermore, adventure tourism, including trekking, hiking, wildlife trails, and north-east buddhist circuits promotes responsible, experience-led growth, safeguarding destinations. These steps build India's tourism on quality, authenticity, and sustainability.



ANIL CHADHA
Managing Director,
ITC Hotels



In stable economies, annual budgets do not witness wide variations. The changes are largely aimed at refining ongoing reforms, maintaining continuity in policy direction, and so is the case with India.

The Union Budget 2026-27 stands out for significantly enhanced public expenditure on agriculture, animal husbandry, and infrastructure development. Strengthening the primary sector will provide a strong foundation for agricultural & industrial growth, boosting MSMEs.

This, in turn, would generate employment, raise disposable incomes, stimulate consumption and ultimately strengthen domestic demand, creating a cycle of sustainable economic growth.



RAJIV GANDHI
CEO and Managing
Director, Hester
Biosciences Limited



The Union Budget 2026-27 delivers a strategic masterstroke for aviation by prioritising structural indigenization over operational support. Exemption of Basic Customs Duty (BCD) on aircraft components and MRO raw materials lowers business costs, incentivising global OEMs to 'Make in India.'

Aligning fiscal policy with Maintenance, Repair, and Overhaul (MRO) needs, it positions India as a global service hub, curbing forex drain from overseas maintenance. BCD waivers for civilian/training aircraft parts catalyse domestic aero-structures assembly. Indigenous seaplane manufacturing and Viability Gap Funding (VGF) unlock inaccessible tourism circuits for last-mile connectivity.

This fiscal 'lift' builds a self-reliant, resilient, world-class aerospace ecosystem, signaling India's readiness to lead the global aviation narrative.



NEELU KHATRI
Aviation Industry Leader

#BudgetWithPrimus

A TECH-FORWARD BUDGET: INDIA SIGNALS LONG-TERM GROWTH & GLOBAL COLLABORATION WITH THE USA

VINAY SINGH

Managing Director,
Primus Partners USA



With the Union Budget now on the table, India has sent a clear message: growth, scale, and technology are central to its economic story. From a U.S. perspective, the Union Budget strikes a pragmatic balance—supporting near-term stability while doubling down on long-term competitiveness through infrastructure, manufacturing, and skills.

What stands out is the strong push toward technology-led growth. Continued investment in digital public infrastructure, artificial intelligence, and advanced manufacturing - positions India not just as a market, but

as a global innovation partner. For U.S. companies and investors, this opens the door to deeper collaboration across AI, semiconductors, cloud, and next-generation platforms—backed by a vast talent base and an increasingly predictable policy environment.

As AI reshapes industries and supply chains worldwide, India's focus on innovation, talent development, and scale feels timely and strategic. Overall, the Union Budget reinforces confidence in India's trajectory and highlights why the U.S.–India economic partnership is consequential.

INDIA AND THE MIDDLE EAST: A PARTNERSHIP FOR THE NEXT PHASE OF GLOBAL GROWTH

NADER HAFFAR

Board Member, Primus Partners



India's relationship with the Middle East, particularly, the United Arab Emirates (UAE) has matured into a comprehensive strategic partnership, rooted in shared economic growth, mutual trust and strategic interests. Over the past decade, the relationship between the two countries has deepened by expanding opportunities across trade, technology, clean energy, infrastructure, fintech, human capital development and defence, marking a steady shift from transactional and bilateral exchange to long-term economic cooperation.

As we enter the fourth year of the India-UAE Comprehensive Economic Partnership (CEPA), both sides have reaffirmed the target of doubling bilateral trade to \$200 billion by 2032, building on the milestone of \$100 billion in FY 2024-25. Subsequent initiatives such as Bharat Mart, and Virtual Trade Corridor (VTC) and the Bharat-Africa Setu strengthen digital trade facilitation, enhance customs efficiency and expand market access for Indian MSMEs across the Middle East, West Asia, Africa and the Eurasia region, with the UAE serving as a regional gateway. To complement this momentum, the India-Middle East-Europe Economic Corridor (IMEEC) aims to boost commercial connectivity and strategic partnerships between India, the UAE and Europe.

The Union Budget 2026-27 reinforces India's outward facing economic strategy through investment-friendly policies, regulatory simplification and a continued emphasis on export competitiveness. The focus on ease of doing business builds on the gains achieved through CEPA and the recently operationalised Bilateral Investment Treaty (BIT) signed in 2024. Looking ahead, the next phase of CEPA-led engagement is expected to move beyond tariff liberalisation toward services trade, digital trade and regulatory alignment, particularly in education, fintech, healthcare, professional services and logistics. Greater alignment of skilling initiatives, mutual recognition of qualifications and mobility pathways can further support high-value talent flows, while deeper integration of India's DPI stack with UAE platforms can enable seamless cross-border payments, trade documentation and MSME financing.

As churning of the global order continues in 2026, India's strong relationship with the Middle East and the rest of the world will become the stabilising factor in the 21st century, for a booming global trade, stable geopolitics and shared prosperity for all.

INTERNATIONAL EXPERTS

BUDGET REFLECTIONS 2026-27

This section presents a curated set of perspectives on the Union Budget 2026 from a diverse group of stakeholders, including senior industry leaders, economists, policy experts, and citizens.

Their views reflect expectations, interpretations, and assessments of this year's budget priorities, policy directions, and potential economic impact. Captured through direct interactions, these insights offer a deeper understanding of how individuals across sectors perceive the budget's provisions and its implications for growth and long-term development.

Together, these voices provide a balanced and nuanced lens through which the budget can be viewed and comprehended beyond headline announcements.



IAN STEFF

Former U.S. Assistant
Secretary of Commerce
for Global Markets



India's Union Budget sends a strong signal about the country's economic direction and its growing role as a strategic partner for the United States. The focus on infrastructure, advanced manufacturing, and technology-led growth aligns well with shared priorities around resilient supply chains, innovation, and job creation. Continued investment in digital public infrastructure, artificial intelligence, and skills development strengthens the foundation for deeper U.S.-India commercial collaboration. From a U.S. perspective, policy clarity and long-term commitment to improving market access and the domestic investment climate are essential. This Union Budget reinforces confidence in India as a reliable, forward-looking partner in an increasingly competitive global economy.



JIM GOLSEN

Vice President, Meridian
International Center



India's Union Budget sends a clear & timely signal to global partners, including the United States with the emphasis on infrastructure, digital public platforms, and technology-driven growth. India's role as a stabilizing force and opportunity market in a changing global economy has been reinforced. From the standpoint of corporate diplomacy and international trade, policy consistency and long-term vision matter, this Union Budget delivers both. Its focus on artificial intelligence, skills development, and advanced manufacturing strengthens the foundation for deeper U.S.-India commercial collaboration, investment flows, and innovation partnerships. As companies reassess supply chains and growth strategies, the Union Budget enhances confidence that India is positioning itself not just for near-term expansion, but for sustained, globally integrated growth.



**DARSHAN
HIRANANDANI**

Founder, Yotta
Infrastructure Solutions



The data centre tax holiday is a landmark signal of India's long-term commitment to becoming a global digital infrastructure hub. For companies building and operating data centres, it significantly enhances long-term project viability, reduces tax uncertainty, and supports large-scale capital deployment. It positions India as a preferred destination for large-scale, sustainable data centre investments serving Indian and global markets.







2

BUDGET OVERVIEW

A Political Reality That Permeates Through the Budget Nilaya Varma Co-Founder and Group CEO, Primus Partners	34
Highlights of Economic Survey	36
Macroeconomic Overview	38
Key Announcements	42
Key Schemes in Focus	48
Key Ministries in Focus	50

JOBS, JOBS, JOBS: A POLITICAL REALITY THAT PERMEATES THROUGH THE BUDGET



NILAYA VARMA

Co-Founder and Group CEO,
Primus Partners

As the Hon'ble Finance Minister presented her ninth consecutive Union Budget, a clear message emerged: India's growth strategy is fundamentally a job-creation strategy. In an era of global volatility, the Union Budget recognises that deeper global integration must be complemented by stronger domestic employment preparedness.

Accordingly, protecting Indian industry while strengthening human capital and skills has become the central economic priority. This approach is reflected in the Hon'ble Finance Minister's articulation of the Union Budget as one that places *people over populism*.

India's demographic reality makes this focus unavoidable. As the world's most populous nation with a median age of 28, the country stands at a decisive moment where its youth demographic dividend can either translate into productive employment or become a source of economic strain. The Budget responds by making skilling and workforce readiness central to its design. It acknowledges that job creation today is not confined to traditional sectors alone, but increasingly

shaped by new labour markets in the care economy, the gig economy, and emerging industries such as AI and AVGC. The emphasis on building structured care systems and training frameworks signals recognition that social sectors are also major employers.

What stands out is that the jobs narrative is not confined to one sector or one scheme. It is designed as a pipeline to strengthen demand and enterprise capacity, create clearer pathways from education to employability, and broaden the set of "credible job markets" beyond foreseeable limits. The Government's decision to set up a High-Powered Education to Employment and Enterprise Standing Committee, with an explicit services ambition and a focus on how emerging technologies shape skills

and jobs, is one such attempt to institutionalise the employment agenda rather than treat it as an annual announcement.

At the same time, the Budget identifies where the scale will come from. MSMEs and micro enterprises remain the backbone of India's employment engine, and initiatives such as Champion SMEs, liquidity support, and professional mentoring through ICAI, ICSI, and ICMAI, delivered via a network of "Corporate Mitras," reflect efforts to strengthen enterprises that directly translate growth into jobs. Parallel investments in emerging sectors through institutions such as IICT highlight a forward-looking strategy that links job creation with technology, creativity, and innovation rather than low-productivity work alone. A dedicated ₹10,000 Crore SME Growth Fund and a top-up to the Self-Reliant India Fund are signals that the Government wants more firms to move beyond survival to scale.

The Budget also carries a distinct *Yuva Shakti* character, shaped by inputs from the Viksit Bharat Young Leaders Dialogue. As the Economic Survey notes, India's constraint today lies less in policy imagination and more in execution capacity. The Union Budget's focus on the three Kartavyas, therefore, sets up an important moral and administrative framework, but its success will ultimately depend on whether these commitments translate into credible delivery systems for jobs and skills.

Beyond new sectors, the Union Budget recognises the need to stabilise and protect existing employment-intensive industries facing global headwinds. Targeted support for pharmaceuticals and labour-intensive sectors such as textiles and leather reflects an

understanding that trade volatility and supply chain disruptions directly threaten livelihoods. In parallel, investments in healthcare, sports, heritage, and cultural tourism widen the employment base beyond manufacturing and services, creating job opportunities across regions and skill levels.

Taken together, the Union Budget presents a coherent employment narrative: one that links global engagement with domestic capability, technology with skills, and enterprise growth with social inclusion. However, India's core challenge has never been a lack of ideas. As the Hon'ble PM has emphasised, when you make and design in India, you make for the world. The binding constraint lies in implementation. Too often, ministries, schemes, and departments operate in silos, even as employment demands coordinated action.

The Union Budget, serving as a comprehensive national plan, aligns these priorities within a single framework and highlights the importance of a true whole-of-government approach. This year's focus on jobs and growth requires more than celebration; it calls for thorough examination to ensure strong intentions translate into targeted action. Ultimately, the Union Budget's effectiveness will be measured not by its vision but by how well it turns policies into tangible results and ambitions into lasting, dignified employment for India's youth.



HIGHLIGHTS OF THE ECONOMIC SURVEY

How does the Union Budget line up with the Economic Survey?

WORLD-CLASS INFRASTRUCTURE

Economic Survey: India must reimagine cities as autonomous economic engines, coupled with sustained public capex, integrated infrastructure, and investment in transport, energy, urban development, and creative, participatory ecosystems.

Budget: The Union Budget emphasises scaling urban infrastructure in Tier II and III cities, mapping City Economic Regions with outcome-linked funding of ₹5,000 Crore over 5 years, and developing seven high-speed rail corridors as growth connectors.

TECHNOLOGY FOR THE FUTURE: FROM ADOPTION TO LEADERSHIP

Economic Survey: Calls for a phased, bottoms-up AI strategy aligned with India's realities, emphasising data security, capacity building, and open innovation to position India as an AI leader.

Budget: The Union Budget includes Bharat-VISTAAR for smart agriculture, education-to-employment alignment in the AI era, incentives for cloud and data centres, and scaling assistive-device production through R&D and AI integration.

CLIMATE ALIGNMENT: BALANCING DECARBONISATION WITH EQUITABLE GROWTH

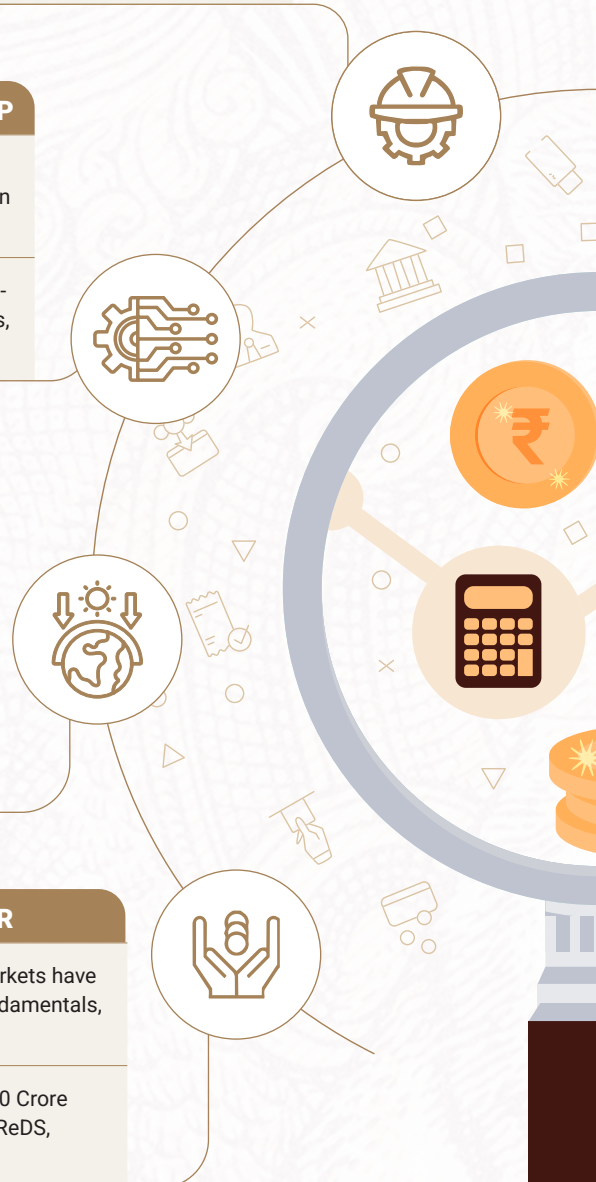
Economic Survey: Advocates a growth-aligned energy transition, expanded affordable climate finance, and regulatory reforms to prevent ESG standards becoming barriers while enabling a clean, equitable transition.

Budget: The Union Budget advances climate action through targeted investments in CCUS, green logistics, critical minerals, renewable manufacturing, and sustainable transport infrastructure, aligning emissions reduction with industrial growth and energy security.

ACCESS TO CAPITAL: DOMESTIC STRENGTH AS NEW FDI ANCHOR

Economic Survey: Strong public capex, healthier credit transmission, and deepening equity markets have strengthened India's access to capital, positioning domestic investment fundamentals, not openness alone, as the anchor for future FDI.

Budget: Capital access is strengthened via a ₹10,000 Crore SME Growth Fund, ₹2,000 Crore equity top-up for micro enterprises, over ₹7 Lakh Crore MSME liquidity via TReDS, and incentives for ₹1,000 Crore+ municipal bond issuances.



SOCIAL PROTECTION: TOWARDS DIGITISATION, SKILLING, & ECONOMIC INCLUSION

Economic Survey:

India's diverse rural landscape needs sustained digitisation, skilling, innovation, and inclusion to build self-sufficient ecosystems and enable new forms of work such as orange economies.

Budget:

The Union Budget focuses on strengthening local livelihoods through handicrafts and handloom market linkages, boosting farmer incomes via fisheries, animal husbandry and high-value crops, and empowering women entrepreneurs through community-owned SHE Marts.

FUTURE-READY WORKFORCE: FROM DEMOGRAPHIC ADVANTAGE TO PRODUCTIVE CAPABILITY

Economic Survey:

Quality, equity and skills gaps in education, stronger teacher training and digital learning curricula, recognition of emerging work like gig work, and support industry linkages.

Budget:

The Union Budget strengthens a people-centric, future-ready workforce by nurturing the orange economy, creating local professional cadres, investing ₹5,000 Crore per city economic region, and targeting a 10% global services share by 2047.

FISCAL PRUDENCE: STABILITY WITH GROWTH

Economic Survey:

The Survey highlights a fiscally disciplined yet growth-oriented stance, with sustained capex and revenue mobilisation reinforcing market confidence, monetary transmission, and a credible glide path anchored by a sub-4.5% deficit target.

Budget:

The Union Budget reaffirms fiscal discipline with a FY27 deficit target of ~4.3% of GDP (down from 4.4% FY26), capex at ₹12.2 Lakh Crore, and a declining debt-to-GDP ratio (~55.6% vs 56.1%)

CREATING AN EXPORT ENGINE: BUILDING EXPORT RESILIENCE IN UNCERTAIN GLOBAL WATERS

Economic Survey:

Amid global economic uncertainty, India must leverage its diverse governance framework, pursue import substitution, strengthen export capabilities, leverage recent developments like the EU FTA, and integrate domestic firms into global value chains.

Budget:

The Union Budget reduces customs duties on critical inputs, ease courier export limits, simplify tariff rates, and improve tax refunds to strengthen manufacturing competitiveness with measures such as complete removal of the current value cap of ₹10 Lakh per consignment on courier exports.

MACROECONOMIC OVERVIEW

India's macroeconomic scenario has held steady as it navigates a fractured geopolitical order and trade uncertainty. A healthy real GDP growth rate projection of ~7.0% displays optimism and the strong promise that the Indian economy holds. Important reforms such as GST rationalisation, labour codes along with steady public investment, positive signs of increasing private investment, and other domestic drivers are expected to play a dominant role in macroeconomic stability. In the upcoming fiscal, the fiscal deficit is projected to be at 4.3% with a strong focus to continue on infrastructure-led growth with an increase in Capex to ₹12.2 Lakh Crore from ₹10.95 Lakh Crore last fiscal.

FISCAL DEFICIT

The fiscal deficit is targeted at

4.3% 

FY 2025-26 revised fiscal deficit was

4.4%

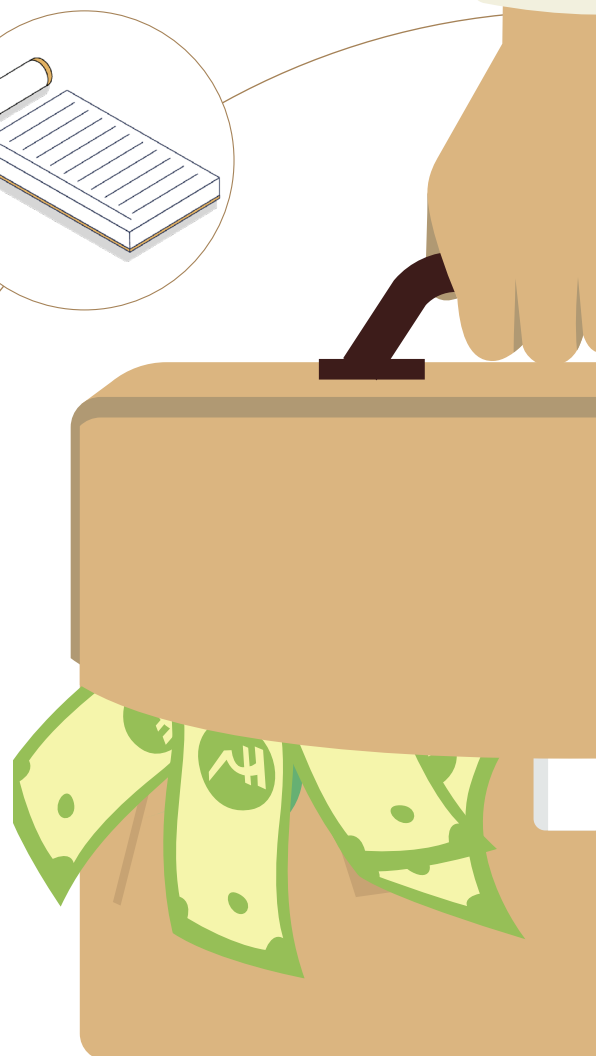
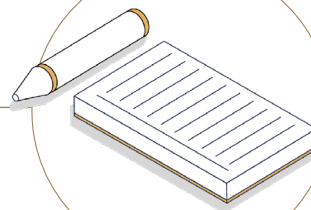
TOTAL EXPENDITURE

The expenditure is targeted at

₹53.47  Lakh Crore

FY 2025-26 revised total expenditure was:

₹49.64 Lakh Crore



TOTAL REVENUE

Receipts (excluding borrowing) pegged at

₹35.33  Lakh Crore

FY 2025-26 revised total revenue was:

₹33.42 Lakh Crore

CAPITAL EXPENDITURE

Capital expenditure pegged at

₹12.2  Lakh Crore

FY 2025-26 revised capital expenditure was:

₹10.95 Lakh Crore

TAX REVENUE

FY 2026-27 total tax receipts pegged at

₹28.66  Lakh Crore

FY 2025-26 revised total tax receipts was:

₹26.74 Lakh Crore

Source: Budget at a glance.

ECONOMISTS

BUDGET REFLECTIONS 2026-27

This section presents a curated set of perspectives on the Union Budget 2026 from a diverse group of stakeholders, including senior industry leaders, economists, policy experts, and citizens.

Their views reflect expectations, interpretations, and assessments of this year's budget priorities, policy directions, and potential economic impact. Captured through direct interactions, these insights offer a deeper understanding of how individuals across sectors perceive the budget's provisions and its implications for growth and long-term development.

Together, these voices provide a balanced and nuanced lens through which the budget can be viewed and comprehended beyond headline announcements.



DR. CHARAN SINGH
Co-founder, EGROW
Foundation

The 2026-27 Union budget is an excellent Budget, and the first step in the ladder for Viksit Bharat@2047. The Union Budget ushers in stability in policy-making by not unnecessarily tinkering with the tax rates. The focus is on economic growth, technology, balanced development across the country and job creation.

The setting up of high level Committee on Banking for Viksit Bharat is most appropriate.



**DR. ARPITA
MUKHERJEE**
Professor, ICRIER

The Union Budget comes at a volatile global trade situation, with a promise for stability and sustainable high growth. Enhancing productivity, competitiveness, building resilient supply chains, digital inclusion, ensuring ease of doing business, controlling fiscal deficit, and saving mobilisation are some of the objectives of this Budget. Stressing on India's continued efforts towards paperless trade, the proposed single and interconnected digital window for cargo clearance linking different government agencies will save cost and time. The removal of the value limit of ₹10 Lakh per consignment on courier exports, will benefit exporters. With India signing multiple FTAs, allowing manufacturing units in Indian SEZs to sell to the Domestic Tariff Area (DTA) at concessional rates is a welcoming step. Ideally, units in SEZs should get the best FTA duty rates.



Exciting to see the Union Budget focus on digital infrastructure investments, allowing a tax holiday up to 2047 for multinationals building Data Centers in India. Moreover, the introduction of a multilingual AI app for farmers, Bharat VISTAAR, is the first of its kind.



ADHIL SHETTY

CEO, BankBazaar.com



India's global success hinges on entrepreneurs—from street vendors and garment makers to infrastructure builders and AI startups—whose growth requires credit access. Union Budget's financial-sector reforms lowering savings-to-investment costs are welcome, including a high-level committee on banking reforms and deepening corporate and municipal bond markets. Sustained reform via deregulation, decriminalisation, and digitisation will revive India's animal spirits more than one-off announcements.



DR. PARTH SHAH

Founder, CCS and
Co-Founder, ISPP



The Union Budget's focus on expanding formal credit, strengthening digital infrastructure, and building inclusive financial frameworks is a significant step for rural India. For women-led enterprises and last-mile entrepreneurs, access to affordable finance and data-driven credit systems is critical for unlocking growth. By prioritising MSMEs, digital inclusion, and rural financial resilience, this Union Budget creates an enabling environment where women entrepreneurs can scale sustainable businesses and actively contribute to India's economic transformation.



AJAITA SHAH

Founder and CEO,
Frontier Markets

KEY ANNOUNCEMENTS

OVERALL BUDGET ESTIMATES

- The total revenue receipts for the year are ₹35.33 Lakh Crore, with net tax receipts at ₹28.66 Lakh Crore and other receipts at ₹6.67 Lakh Crore.
- The total expected expenditure stands at ₹53.47 Lakh Crore, with ₹41.25 Lakh Crore allocated for revenue expenditure and ₹12.21 Lakh Crore for capital expenditure.
- The fiscal deficit is expected to be at 4.3% of GDP, with capital receipts amounting to ₹18.14 Lakh Crore.
- The debt-to-GDP ratio is expected to be 55.6% of GDP.

01.

ANIMATION, VISUAL EFFECTS, GAMING AND COMICS (AVGC)

- Recognition of the AVGC sector as a sunrise industry, growing at a CAGR of 14-16%, estimated to require around 2 Million professionals by 2030.
- To realise the potential and strengthen early-stage skilling and workforce readiness, the Government has allocated ₹250 Crore for talent development in the AVGC sector in the FY 2026-27, including support to the Indian Institute of Creative Technologies (IICT), Mumbai, for setting up AVGC Content Creator Labs across 15,000 secondary schools and 500 colleges.
- Additionally, under the Divyangjan Kaushal Yojana, AVGC has been identified among priority sectors for customised, industry-aligned training to enable dignified employment opportunities for Divyangjan.

02.

MSMEs

- Establishment of a ₹10,000 Crore SME Growth Fund to nurture high-potential MSMEs into future national champions based on defined eligibility criteria.
- A ₹2,000 Crore enhancement to the Self-Reliant India Fund to sustain risk capital support for micro enterprises.
- Strengthening of the TReDS platform to improve MSME liquidity through mandatory CPSE participation, CGTMSE-backed invoice discounting, GeM integration, and introduction of receivables as asset-backed securities.
- Introduction of the "Corporate Mitras" programme to provide affordable compliance assistance to MSMEs via trained professionals, with special focus on Tier II and Tier III cities.
- Removal of the ₹10 Lakh cap on courier exports, enabling MSMEs, artisans, and start-ups to access global markets through e-commerce, along with improved return mechanisms.

03.

MANUFACTURING

- Reduction in customs duties to strengthen export competitiveness and support domestic manufacturing across areas such as aviation and defence, electronics, lithium-ion batteries, and power.
- Expansion of the Electronics Components Manufacturing Scheme, with the outlay increased from ₹22,919 Crore to ₹40,000 Crore, following strong investment commitments exceeding initial targets.
- Establishment of Hi-Tech Tool Rooms by CPSEs at two locations as digitally enabled facilities for the design, testing, and large-scale production of high-precision components at lower costs.
- Launch of India Semiconductor Mission (ISM) 2.0, building on ISM 1.0 to manufacture equipment and materials domestically, develop end-to-end Indian IP, strengthen supply chains, and support industry-led research and workforce training, with an outlay of ₹1,000 Crore

04.

AGRICULTURE AND ALLIED SECTORS

- Targeted support for high-value crops, including coconut, cashew, cocoa, sandalwood and region-specific nuts, to diversify farm incomes across regions while promoting self-reliance and positioning Indian cashew and cocoa as premium global brands by 2030 through a dedicated program.
- Development of 500 reservoirs and Amrit Sarovars will strengthen fisheries value chains and market linkages with start-ups, women-led groups and Fish FPOs, and fish caught by Indian vessels in EEZ or high seas will be made duty-free to enable new marine export opportunities.
- The livestock sector will receive credit-linked subsidies and capital support for veterinary colleges, para-veterinary institutes, hospitals, labs and breeding facilities.
- Bharat VISTAAR, a multilingual AI tool integrating AgriStack and ICAR practices, will provide customised advisory to improve decisions and reduce risks.
- SHE-Marts will be set up as community-owned retail outlets within cluster-level federations to support rural women's enterprise.

05.

URBAN DEVELOPMENT AND HOUSING

- Tier II and III cities, along with temple towns, to be developed as engines of growth through mapping of City Economic Regions (₹5,000 Crore per CER over five years).
- Development of large-scale infrastructure in Tier II and III cities through financing instruments such as InVITs and REITs, and institutions including NIIF and NABFID.
- Further strengthening of infrastructure financing through Infrastructure Risk Guarantee Fund and accelerated asset monetisation via CPSE REITs.
- Seven high-speed rail corridors to be developed as sustainable inter-city growth connectors.
- Incentivization of Municipal Bond issuances for larger cities (₹100 Crore incentive for a single bond issuance of more than ₹1,000 Crore).

06.



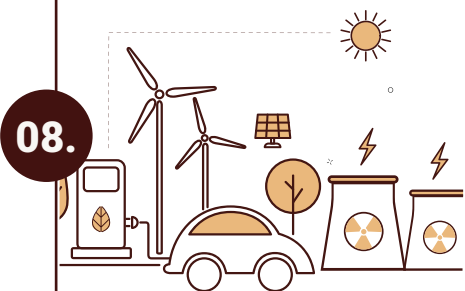
07.

BFSI

- Government to set up a High-Level Committee on Banking for Viksit Bharat to review the banking sector and guide future reforms for stability, inclusion and growth.
- Restructuring of Power Finance Corporation (PFC) and Rural Electrification Corporation (REC) signals major public NBFC reforms.
- ₹100 Crore incentive for municipal bonds (for issuances >₹1,000 Crore) and a market-making framework for corporate bonds to deepen debt markets.
- Enhancement of PIS limits for NRIs, with the individual NRI cap raised from 5% to 10% and the overall limit from 10% to 24% for investments in listed Indian companies, boosting offshore capital inflows.
- Revision in Securities Transaction Tax (STT) with futures STT increased from 0.02% to 0.05%, and options STT raised to 0.15% on both premium and exercise, from 0.1% and 0.125% respectively.

ENERGY

- Support for mineral-rich states (Odisha, Kerala, Andhra Pradesh, Tamil Nadu) to establish dedicated Rare Earth Corridors covering mining, processing, R&D and manufacturing, along with Basic Customs Duty exemption on import of capital goods required for processing critical minerals in India.
- Extension of Basic Customs Duty exemption on imports of goods for nuclear power projects till 2035, with expanded coverage to all nuclear power plants irrespective of capacity.
- Exemption of Basic Customs Duty on sodium antimonate used in solar glass manufacturing, extension of Duty Exemption on capital goods for lithium-ion cells to cover Battery Energy Storage Systems (BESS) and exclusion of the biogas component from Central Excise Duty on biogas-blended Compressed Natural Gas (CNG).
- An outlay of ₹20,000 Crore over 5 years for scaling up CCUS technologies across 5 industrial sectors (power, steel, cement, refineries and chemicals) in line with the national CCUS roadmap launched in December 2025.



08.

INFRASTRUCTURE

- Infrastructure Risk Guarantee Fund to help mitigate risks and attract private capital by offering credit guarantees that encourage lenders.
- Scheme for Enhancement of Construction and Infrastructure Equipment (CIE) to boost domestic manufacturing of advanced equipment from lifts to tunnel-boring machines.
- Seven high-speed rail corridors developed across growth centres to enhance connectivity and promote environmental sustainability to encourage modal shift from road to rail.
- Dedicated Freight Corridor from Dankuni East to Surat West to strengthen cargo movement and reduce logistics costs.
- ₹10,000 Crore allocated over 5 years for container manufacturing to build domestic capacity and reduce import dependency in the logistics sector.



09.

PORTS AND AIRPORTS

- 20 new National Waterways to be operationalised over the next 5 years, and training institutes in waterways to be established to provide ready-talent for the waterways industry.
- Coastal Cargo Promotion Scheme to increase the share of coastal shipping and inland waterways from 6% to 12% by 2047, significantly lowering logistics costs and decongesting land routes.
- Ship repair ecosystems in Varanasi and Patna to support the growing inland waterways network.
- Seaplane VGF Scheme for indigenous manufacturing to enable affordable and safe seaplane operation, thereby promoting tourism in remote areas.
- Custom duty exemptions on aviation components required for manufacturing of civilian, training and other aircraft, and exemption of Basic Customs Duty on raw materials imported for manufacture of aircraft parts that are used in MRO in defence sector.

10.



HEALTH

- ₹10,000 Crore outlay for next 5 years for Biopharma scheme with focus on Biologics and Biosimilars. ALIMCO to scale up production of assistive devices, invest in R&D and AI integration.
- Setting up of 3 new NIPERs, NIMHANS-2 in North India and upgrading 2 other Mental Health Institutes in Ranchi and Tezpur and 3 new All India Institutes of Ayurveda to bolster research and facilitate better health care delivery.
- Existing institutions for Allied Health Professionals (AHPs) will be upgraded, and new AHP institutions established covering 10 selected disciplines and adding 100,000 AHPs over the next 5 years. 1.5 Lakh caregivers will be trained, providing support to the geriatric population.
- Exemption of BCD for 17 cancer care drugs and 7 rare disease drugs will reduce treatment cost by 20-30%.
- Boosting "Heal in India" initiative through 5 medical value travel hubs for holistic healing and upgradation of AYUSH pharmacies and Drug Testing Labs for higher standards of products.

11.

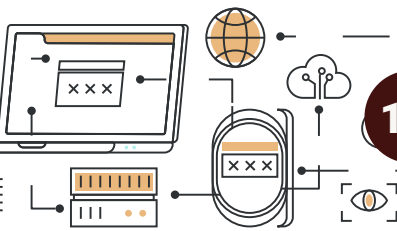


DIRECT AND INDIRECT TAX

- Decriminalisation of technical defaults, simplified dispute resolution, small taxpayer schemes, and trust-based digital customs systems.
- Reduction in TCS under the Liberalised Remittance Scheme for tourism, education and medical expenses.
- Exemptions and deductions on dividend income for cooperatives, with additional deductions for cattle feed and cotton seed supply.
- Long-term tax holidays for data centres and cloud service providers, incentives for logistics and manufacturing sectors, and rationalisation of MAT.
- Taxation of share buybacks as capital gains instead of being treated as dividend income.

12.





13.

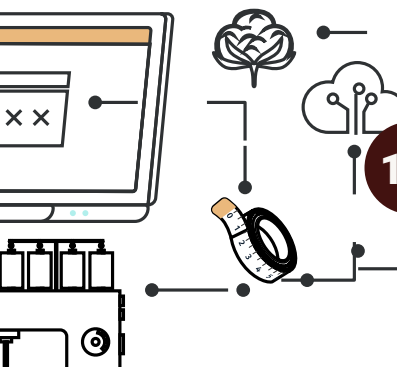
TECH AND DIGITAL

- Tax holiday till 2047 for foreign data centres and 15% safe harbour on data centre costs to attract global investors.
- IT services unified under a single category with 15.5% safe harbour, eligibility threshold raised from ₹300 Crore to ₹2,000 Crore, and automated approvals valid for five years, providing tax certainty for IT firms and GCCs.
- IndiaAI Mission allocation increased to ₹1,000 Crore to expand AI adoption across education, governance, agriculture, and industry.

16TH FINANCE COMMISSION

- Vertical share of devolution to states to remain the same at 41% of the net proceeds (divisible pool) of Union Taxes in the period of FY2026-27 to FY2030-31.
- ₹7,91,493 Crore allocated for grants to Rural and Urban Local Bodies between FY2026-27 to FY2030-31, divided into basic and performance-based components in the ratio of 80:20.
- ₹1,29,396.6 Crore has been allocated in FY2026-27 to state governments as finance commission grants for Rural & Urban Local Bodies and Disaster Management, a decline of 15.4% compared to revised estimates for FY2025-26 (₹1,52,953 Crore).
- Anchored in the principles of fiscal federalism, the Finance Commission has adopted a prudent stance by maintaining the devolution rate at 41%. At the same time, it has encouraged state governments to undertake local body reforms by linking a portion of devolution to performance-based criteria.

14.



15.

TEXTILE

- Launch of an Integrated Textile Programme with five components, National Fibre Scheme, Textile Expansion and Employment Scheme, National Handloom and Handicraft Programme, Tex-Eco Initiative, and SAMARTH 2.0, to strengthen self-reliance, modernise clusters, promote sustainable textiles, and upgrade skilling.
- Establishment of Mega Textile Parks, with a focus on scaling value addition in technical textiles and enhancing global competitiveness.
- Launch of the Mahatma Gandhi Gram Swaraj Initiative to strengthen khadi, handloom, and handicrafts through improved skilling, quality processes, branding, and global market linkages, benefiting weavers, village industries, ODOP (One District One Product) clusters, and rural youth.
- Extension of duty-free import benefits to exports of Shoe Uppers, aligning them with existing incentives for leather and synthetic footwear exports.
- Extension of export timelines from 6 months to 1 year for exporters of textile garments, leather and synthetic footwear, and other leather products to ease compliance and support export growth.

TOURISM

- Pilot scheme for large-scale skilling of 10,000 tour guides in 20 tourist destinations through 12 week training courses in collaboration with Indian Institute of Management.
- 15 ASI sites and major heritage spots to be developed as experience driven cultural destinations.
- National Destination Digital Knowledge Grid to map and manage cultural, heritage, and tourism assets across the country.
- Scheme for Development of Buddhist circuits, ecologically sustainable mountain, turtle and bird watching trails and 5 tourism destinations in 5 Purvodaya states.
- Lower TCS on travel and targetted regional initiatives to position tourism as a growth and employment engine.

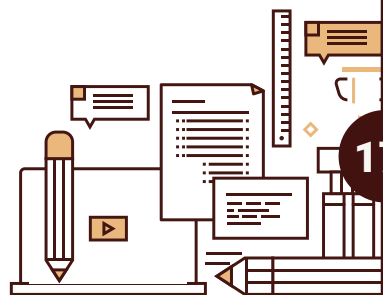
16.



EMPLOYMENT, SKILLING AND EDUCATION

- Formation of a High-Powered Education-to-Employment to Enterprise Standing Committee will align skills, curricula, and career pathways, supported by reduction of TCS under LRS for higher education from 5% to 2%.
- Content creator labs in 15,000 schools and 500 higher education institutions, anchored by the Indian Institute of Creative Technology, along with the establishment of a new National Institute of Design in eastern India, will strengthen the AVGC ecosystem and help meet the industry's demand for 2 Million professionals by 2030.
- Development of 5 integrated university townships near major industrial and logistics corridors, hosting universities, colleges, R&D hubs, and skill centres.
- In Higher Education STEM institutions, capital support for setting up one girls' hostel in every district, with VGF and financial support, to improve access, safety, participation and retention of girls.
- Large-scale skilling in healthcare and allied services (including 1.5 Lakh caregivers), medical, wellness, AYUSH and pharma fields, supported by the expansion of NIPERs and All-India Institutes of Ayurveda, will be complemented by industry-linked skilling across textiles (SAMARTH 2.0), sports and sports science (Khelo India Mission), tourism and hospitality, waterways, and rural/ODOP sectors.

17.



KEY SCHEMES IN FOCUS

Previous Year vs. Current Year

#1  PMGKAY – Pradhan Mantri Garib Kalyan Anna Yojana Ministry of Consumer Affairs, Food & Public Distribution Total Budget (FY 26-27) ₹2,27,429 Cr. YoY Change ▼ 0.14%	#2  Investment in NHAI Ministry of Road Transport and Highways Total Budget (FY 26-27) ₹1,87,293 Cr. YoY Change ▲ 10%
#3  Bhartiya Jan Urvarak Pariyojana Ministry of Chemicals and Fertilisers Total Budget (FY 26-27) ₹1,16,805 Cr. YoY Change ▼ 7.64%	#4  Viksit Bharat-VB-G RAM G Scheme* Ministry of Rural Development Total Budget (FY 26-27) ₹95,692 Cr. YoY Change -
#5  Jal Jeevan Mission Ministry of Jal Shakti Total Budget (FY 26-27) ₹67,670 Cr. YoY Change ▲ 298.05%	#6  PM KISAN – Pradhan Mantri Kisan Samman Nidhi Ministry of Agriculture & Farmers' Welfare Total Budget (FY 26-27) ₹63,500 Cr. YoY Change 0%
#7  PMAY – Pradhan Mantri Awas Yojana – Rural Ministry of Rural Development Total Budget (FY 26-27) ₹54,916 Cr. YoY Change ▲ 68.9%	#8  Nutrient-Based Subsidy Ministry of Chemicals and Fertilisers Total Budget (FY 26-27) ₹54,000 Cr. YoY Change ▼ 10%

* The allocation for the Viksit Bharat – Guarantee for Rozgar and Aajeevika Mission (Gramin) [VB-G RAM G] Scheme replaced the Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA).

Please note – YoY change in budget allocations for key schemes has been calculated as - ((BE FY 26-27 - RE FY 25-26) / RE FY 25-26) * 100

Source: Expenditure Budget 2026-2027

#9



Samagra Shiksha Mission

Ministry of Education

Total Budget (FY 26-27)

₹42,100 Cr.

YoY Change

▲ 10.78%

#10



PMAY – Pradhan Mantri Awas Yojana – Urban & Urban 2.0

Ministry of Housing and Urban Affairs

Total Budget (FY 26-27)

₹21,625 Cr.

YoY Change

▲ 177.2%

#11



Metro Projects

Ministry of Housing and Urban Affairs

Total Budget (FY 26-27)

₹30,996 Cr.

YoY Change

▲ 4.89%

#12



National Health Mission

Ministry of Health & Family Welfare

Total Budget (FY 26-27)

₹39,390 Cr.

YoY Change

▲ 6.17%

#13



Saksham Anganwadi and Poshan 2.0

Ministry of Women and Child Development

Total Budget (FY 26-27)

₹23,100 Cr.

YoY Change

▲ 10.2%

#14



MISS – Modified Interest Subvention Scheme

Ministry of Agriculture & Farmers' Welfare

Total Budget (FY 26-27)

₹22,600 Cr.

YoY Change

0%

#15



Guarantee Emergency Credit Line Scheme

Ministry of Micro, Small and Medium Enterprises

Total Budget (FY 26-27)

₹9,000 Cr.

YoY Change

-

#16



Electronics Components Manufacturing Scheme

Ministry of Electronics

Total Budget (FY 26-27)

₹1,500 Cr.

YoY Change

▲ 21959%

#17



PM FME - Prime Minister Formalisation of Micro Food Processing Enterprises Scheme

Ministry of Food Processing Industries

Total Budget (FY 26-27)

₹1,700 Cr.

YoY Change

▲ 13.3%

#18



PM USHA - Pradhan Mantri Uchchatar Shiksha Abhiyan

Ministry of Education

Total Budget (FY 26-27)

₹1,850 Cr.

YoY Change

▲ 131.2%

Please note – YoY change in budget allocations for key schemes has been calculated as - ((BE FY 26-27 - RE FY 25-26) / RE FY 25-26) * 100


Source: Expenditure Budget 2026-2027

KEY MINISTRIES IN FOCUS

Previous Year vs. Current Year

#1

Ministry of Defence


 **रक्षा मंत्रालय**
MINISTRY OF DEFENCE

Total Budget (FY 26-27)
₹7,84,678 Cr.

YoY Change
▲ 7.1%

#2

Ministry of Road Transport & Highways


 **सड़क परिवहन एवं राजमार्ग मंत्रालय**
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

Total Budget (FY 26-27)
₹3,09,875 Cr.

YoY Change
▲ 7.9%

#3

Ministry of Railways


 **रेल मंत्रालय**
MINISTRY OF RAILWAYS

Total Budget (FY 26-27)
₹2,81,377 Cr.

YoY Change
▲ 10.1%

#4

Ministry of Consumer Affairs, Food & Public Distribution


 **उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण विभाग**
DEPARTMENT OF CONSUMER AFFAIRS

Total Budget (FY 26-27)
₹2,39,521 Cr.

YoY Change
▲ 0.5%

#5

Ministry of Chemicals & Fertilisers


 **रासायन एवं उर्वरक मंत्रालय**
MINISTRY OF CHEMICALS AND FERTILISERS

Total Budget (FY 26-27)
₹1,71,130 Cr.

YoY Change
▼ 8.4%

#6

Ministry of Rural Development


 **ग्रामीण विकास मंत्रालय**
MINISTRY OF RURAL DEVELOPMENT
GOVERNMENT OF INDIA

Total Budget (FY 26-27)
₹1,94,368 Cr.

YoY Change
▲ 3.9%

#7

Ministry of Agriculture & Farmers' Welfare

 **कृषि एवं किसान कल्याण मंत्रालय**
MINISTRY OF AGRICULTURE AND FARMERS WELFARE

Total Budget (FY 26-27)
₹1,30,561 Cr.

YoY Change
▲ 6.1%

#8

Ministry of Communications


 **संचार विभाग**
MINISTRY OF COMMUNICATIONS

Total Budget (FY 26-27)
₹73,990 Cr.

YoY Change
▲ 38.6%

#9

Ministry of Education


 **शिक्षा मंत्रालय**
MINISTRY OF EDUCATION

Total Budget (FY 26-27)
₹1,39,289 Cr.

YoY Change
▲ 14.2%

#10

Ministry of Jal Shakti


 **जल शक्ति मंत्रालय**
MINISTRY OF JAL SHAKTI

Total Budget (FY 26-27)
₹94,807 Cr.

YoY Change
▲ 128.8%

#11

Ministry of Health & Family Welfare


 **स्वास्थ्य एवं परिवार कल्याण मंत्रालय**
MINISTRY OF HEALTH AND FAMILY WELFARE

Total Budget (FY 26-27)
₹1,01,709 Cr.

YoY Change
▲ 9.5%

#12

Ministry of Housing & Urban Affairs

 **आवास एवं शहरी मामलों का विभाग**
Ministry of Housing and Urban Affairs
Government of India

Total Budget (FY 26-27)
₹85,522 Cr.

YoY Change
▲ 49.5%

Please note — YoY change in budget allocations for key schemes has been calculated as - ((BE FY 26-27 - RE FY 25-26) / RE FY 25-26) * 100

Source: Expenditure Budget 2026-2027

#13

Ministry of **Women & Child Development**

Total Budget (FY 26-27)
₹28,183 Cr.

YoY Change
▲ 15.6%

#14

Ministry of **Science & Technology**

Total Budget (FY 26-27)
₹28,049 Cr.

YoY Change
▲ 135.3%

#15

Ministry of **Power**

Total Budget (FY 26-27)
₹29,996 Cr.

YoY Change
▲ 39.0%

#16

Ministry of **Electronics & IT**

Total Budget (FY 26-27)
₹21,632 Cr.

YoY Change
▲ 6.9%

#17

Ministry of **MSME**

Total Budget (FY 26-27)
₹24,566 Cr.

YoY Change
▲ 103.1%

#18

Ministry of **New & Renewable Energy**

Total Budget (FY 26-27)
₹32,914 Cr.

YoY Change
▲ 30.1%

#19

Ministry of **Information & Broadcasting**

Total Budget (FY 26-27)
₹4,551 Cr.

YoY Change
▼ 25.4%

#20

Ministry of **Textiles**

Total Budget (FY 26-27)
₹5,279 Cr.

YoY Change
▼ 8.5%

#21

Ministry of **Skill Development and Entrepreneurship**

Total Budget (FY 26-27)
₹9,885 Cr.

YoY Change
▲ 265.7%

#22

Ministry of **Civil Aviation**

Total Budget (FY 26-27)
₹2,102 Cr.

YoY Change
▲ 2.3%

#23

Ministry of **Environment, Forest & Climate Change**

Total Budget (FY 26-27)
₹3,759 Cr.

YoY Change
▲ 8.0%

#24

Ministry of **Tourism**

Total Budget (FY 26-27)
₹2,438 Cr.

YoY Change
▲ 86.1%

#25

Ministry of **Ports, Shipping & Waterways**

Total Budget (FY 26-27)
₹5,164 Cr.

YoY Change
▲ 78.2%

#26

Ministry of **Financial Services**

Total Budget (FY 26-27)
₹3,746 Cr.

YoY Change
▼ 1.4%

Please note — YoY change in budget allocations for key schemes has been calculated as - ((BE FY 26-27 - RE FY 25-26) / RE FY 25-26) * 100
Source: Expenditure Budget 2026-2027

#BudgetWithPrimus

3

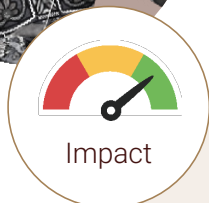
IMPACT OF THE BUDGET ON CITIZENS

Primus Partners' 24 handpicked personas - aligned with segments within the SEC classification such as rural and urban geography, education, age, gender, and occupation - reflect India's unique socio-economic fabric. They have been strategically crafted to encapsulate the diversity of aspirations and challenges while moving towards a Viksit Bharat.

Through a nationwide survey conducted in 2023-24 across 25 Indian states and UTs, more than 2000 interviews were collected using stratified random sampling with targeted questions on dreams, hopes and fears and what they aspire individually and collectively to achieve by 2047.

The following section highlights the impact of the Union Budget 2026-27 on the 24 personas, as conceptualised in 'India's Turn to Lead by 2047: Different Voices, Unifying Aspirations', a report published by the firm in 2024.

The report can be found at the following link: <https://primuspartners.in/docs/documents/yYo8lCuXK7n13xxElnay.pdf>



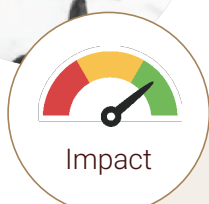
Artisans

Engaged in traditional crafts, with education limited to primary or secondary school but having a dedicated focus on refining their craft. Typically married with a family, their craft serves not only as a source of income but also as a crucial factor in preserving traditional skills within the community.

Aspirations

1. Culturally Vibrant India
2. Handicraft Export Hub
3. Affordable Basic Amenities
4. Support for Small Businesses
5. Social Inclusiveness

The Union Budget consolidates handloom and handicraft interventions under a National Handloom and Handicraft Programme, aimed at improving scale, quality, and market competitiveness. The Mahatma Gandhi Gram Swaraj initiative reinforces khadi, handloom, and handicraft ecosystems through targeted institutional and market support.



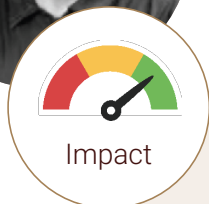
Aspirational Indians

Professionals making significant strides up the corporate ladder within competitive sectors. They hold post-graduate qualifications that complement their career ambitions. Their aspirations are not limited to personal career growth but also echo India's broader developmental needs.

Aspirations

1. Strong Economy
2. Smart Technology
3. World-Class Infrastructure
4. Green and Pollution Free Urban Spaces
5. Global Leadership

For Aspirational Indians, the Union Budget reinforces global competitiveness through City Economic Regions, high-speed rail corridors, and continued investment in STEM, AI, quantum, and national research institutions. Lower TCS on overseas education remittances under LRS supports global mobility and skill acquisition, while the broader ₹12.2 Lakh Crore public capex push provides indirect demand.



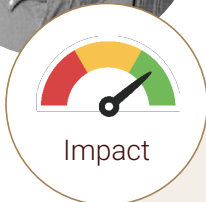
Backbone of Urban India

Encompasses electricians, salesmen, construction workers, security personnel, and other blue-collared jobs. With varying levels of formal education, they often support large families. Residing in urban or peri-urban areas, some may be migrants from rural regions.

Aspirations

1. House for All
2. Employment for All
3. Skill Development
4. Connecting Villages
5. Affordable Basic Amenities

Higher public capex of ₹12.2 Lakh Crore and an Infrastructure Risk Guarantee Fund can sustain construction pipelines and contractor cashflow. Reviving 200 legacy industrial clusters and a ₹10,000 Crore SME Growth Fund support shopfloor demand. Faster MSME payments via mandated TReDS for CPSE purchases may stabilise wages overall.



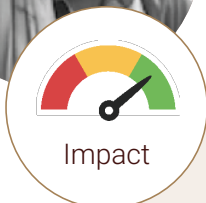
Builders of Tomorrow

Students hailing from diverse socio-economic backgrounds and residing in urban and semi-urban areas. While some are enrolled in schools and colleges, others are exploring vocational skills or extracurricular activities. This techsavvy generation is seamlessly connected to global trends through the internet.

Aspirations

- | | | | | |
|------------------------------|--|--------------------------------|----------------------|---------------------------|
| 1. Technological Advancement | 2. Tech and Innovation Focused Education | 3. Environmental Consciousness | 4. High Quality Jobs | 5. Scientific Advancement |
|------------------------------|--|--------------------------------|----------------------|---------------------------|

An Education-to-Employment committee will assess AI's impact on jobs and curriculum updates. The Union Budget further supports AVGC content-creator labs in 15,000 secondary schools and 500 colleges, 5 university townships near industrial corridors. To promote participation of girls in STEM, it resolves to set up one girls' hostel in every district, expanding options beyond traditional degrees.



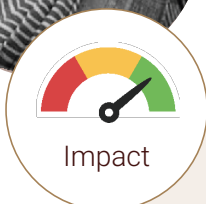
City Sustainers

Individuals with basic education, sustaining their families through street vending, tailoring, cobbling, and crafting in urban areas. Vital to the local economy's fabric with their resilient work ethics and adaptability.

Aspirations

- | | | | | |
|----------------------|---------------------------|---------------------------------|-----------------------------------|-----------------|
| 1. Digital Inclusion | 2. Financial Independence | 3. Robust Public Infrastructure | 4. Entrepreneurship Opportunities | 5. Clean Cities |
|----------------------|---------------------------|---------------------------------|-----------------------------------|-----------------|

City Economic Regions aim to upgrade Tier II and III infrastructure and basic amenities, supporting commerce and safer public spaces. Incentive of ₹100 Crore for a single municipal bond issue above ₹1,000 Crore, continued AMRUT support for smaller towns, could improve water, roads, and daily services for residents.



Community Educators

One of the few highly educated individuals in the rural community, teaching in government schools, Anganwadis and colleges, actively participating in educational initiatives within the village. Passionate about literacy, they drive educational initiatives while balancing family life.

Aspirations

- | | | | | |
|----------------------------|------------------------------|-------------------------|------------------------------|-----------------------|
| 1. Empowered Women & Youth | 2. Adaptive Education System | 3. Social Inclusiveness | 4. Technological Advancement | 5. Employment For All |
|----------------------------|------------------------------|-------------------------|------------------------------|-----------------------|

Proposed Education-to-Employment and Enterprise Standing Committee mentions State Councils of Educational Research and Training for teacher training. Support for AVGC Content Creator Labs and University Townships may create indirect professional opportunities.



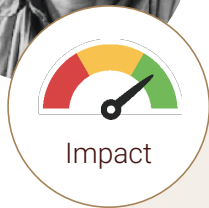
Corporate Captains

High-income professionals who are well-educated with post-graduate degrees and corporate experience across industries. They hold influential leadership positions in the corporate world, such as CEOs, Businessmen, Advisors, Chartered Accountants and Specialists.

Aspirations

1. Pioneer in Innovation & R&D
2. Manufacturing Powerhouse
3. Strong Financial Institutions
4. Self Reliant India
5. Global Leadership in New World Order

A new, simplified Income Tax Act is proposed to reduce litigation and compliance burden. Corporate bond market depth is supported through measures to improve liquidity and risk management. The Union Budget also tightens taxation of share buybacks, discouraging tax arbitrage and strengthening minority shareholder protection.



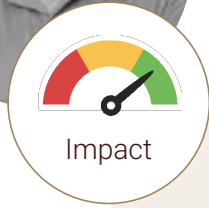
Dairy Farmers

Own and oversee modest dairy farms, a common rural enterprise. Their education may extend to high school, but they possess knowledge of their business. The entire family, including spouses & children, participates in the dairy business.

Aspirations

1. Increased Literacy
2. Social Cooperation
3. Rural Empowerment
4. Rural-Urban Connectivity
5. Feminisation of Farming

The Union Budget supports dairy farmers through targeted initiatives for animal husbandry. Credit-linked subsidies, scaling and modernisation of livestock enterprises, and strengthened livestock, and dairy value chains will improve productivity and income.



Enterprising Indians

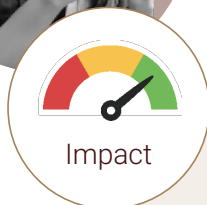
Retail business owners with high school or college education, rooted in urban neighbourhoods. With a longstanding presence in the neighbourhoods, their shops are local landmarks. Whether living with grown-up children or alone, they are an integral part of both the local community and the bustling market life.

Aspirations

1. High Per Capita Income
2. Pro-Business Environment
3. Robust Hospitality Infrastructure
4. Air and Road Connectivity
5. Regional Development

As its 1st Kartavya, the Union Budget delivers direct gains for small businesses through a ₹10,000 Crore SME Growth Fund, a top-up to the Self-Reliant India Fund to sustain risk capital for micro-enterprises, and enhanced liquidity through TReDS reforms. Support for e-commerce exports and regional connectivity further strengthens market access.

Global Indians



Global Indians constitute a crucial diaspora, shaping global perceptions and economic ties with India. Aspiring for a developed India, they emphasize both economic advancement and the celebration of cultural identity on the global stage.

Aspirations

1. Safe & Clean Public Spaces
2. High GDP Per Capita
3. Globally Competitive
4. Advanced Infrastructure
5. Global Hub for Culture and Tourism

The Union Budget signals easier cross-border engagement. It permits Individuals Resident Outside India to invest in listed Indian equities, raising the per-person limit from 5% to 10%. Tax relief is proposed for overseas education, medical remittances, and tour packages through lower TCS rates.

Governance Guardians



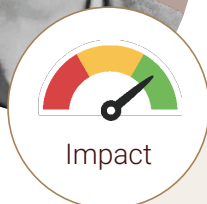
Public sector professionals in public administration, law enforcement, military service, or legal practice acting as the bridge between public and governmental institutions. They work intimately with the community while ensuring public security, advancing social justice, and maintaining social order.

Aspirations

1. Empowered Citizens
2. Good Governance
3. Social Equality
4. Ecological Sustainability
5. Technical Education & Skilling

For Governance Guardians, the Union Budget has limited direct impact on service conditions. It increases accountability through Reform Express, Centre-State deregulation, and expanded digital systems. Government staff are expected to implement faster clearances, reduced compliance, and AI-enabled processes.

Hamlet Healers

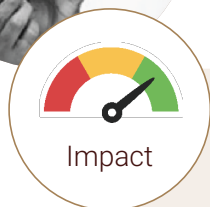


Rural healthcare workers, doctors and ASHA workers. Equipped with diplomas or specialised training, they serve as frontline workers, acting as crucial links between the village and nearest health centers. Typically married, they may have children pursuing careers in urban areas.

Aspirations

1. Scientific & Technical Temperament
2. Equal Access to Healthcare
3. Gender Equality
4. Robust Public Services
5. Promotion of Traditional Medicine

Training 1.5 Lakh caregivers and adding 100,000 allied health professionals over five years can ease frontline shortages. Expanding Emergency and Trauma Care Centres by 50% in district hospitals, NIMHANS-2 and upgraded mental health institutes, should strengthen health infrastructure.



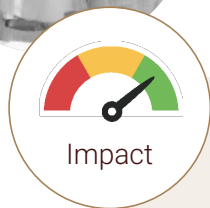
Local Kirana Store Owners

Managing and owning kirana stores, a pivotal fixture in rural marketplaces. They are recognised in the local region as a 'supplier' of essential goods and commodities. Beyond commerce, their stores serve as social hubs. Married with a family, they reside in a house located near their store.

Aspirations

1. Employment for Youth
2. Financial Inclusiveness
3. Strong Infrastructure
4. Transport Connectivity
5. Industrial Development

A ₹10,000 Crore SME Growth Fund and ₹2,000 Crore top-up to the Self-Reliant India Fund can expand risk capital for traders. Mandating TReDS for CPSE purchases, linking GeM with TReDS, and adding credit guarantees for invoice discounting can speed liquidity. Corporate Mitras may lower compliance costs.



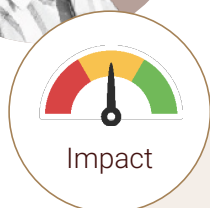
Marginal Farmers

Engaged in traditional farming practices with moderately sized landholdings. Their formal education may be limited to primary or secondary school, but they have accumulated wealth and farming knowledge over decades. Often the patriarch of a family, their roots run deep in agricultural traditions in rural areas.

Aspirations

1. Financial Stability
2. Modern Agriculture
3. Agricultural Prosperity
4. Education For All
5. Improved Infrastructure

The Union Budget supports marginal farmers by promoting high-value agriculture beyond traditional crops. Dedicated programmes for coconut, cashew, cocoa, sandalwood, and nuts aim to raise productivity, incomes, and export competitiveness. The Bharat-VISTAAR multilingual AI tool will enable informed decision-making, helping them significantly improve productivity through customised and data-driven support.



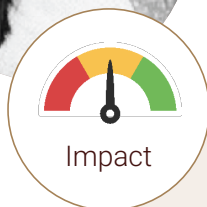
Migrant Agriculture Labourers

Individuals with limited formal education, relying on manual farm labour as their primary skill. Supporting their family back in their home State through earnings, they reside in temporary or shared housing. They navigate seasonal work and the recurring cycle of migration between their home State and their workplace.

Aspirations

1. Universal Education
2. Socio-Economic Investment
3. Empowering Female Farmers
4. Youth Employment
5. Agricultural Empowerment through Infrastructure & Subsidies

For migrant agricultural labourers, the Union Budget supports them through rural work demand, not direct wage support. Strong focus on increasing farmers' income through targeted programmes can increase workdays and wages for these labourers and create more farm and peri-urban jobs.



Nurturing Indians

Urban homemakers with higher education, prioritising family over careers. Actively involved in children's education and community life, their role extends beyond mere management to active participation in their children's education and activities, embodying the essence of social inclusivity and empowerment.

Aspirations

1. Family Welfare & Social Empowerment
2. Population Control
3. Universal Healthcare
4. Economic Self-Sufficiency
5. Improved Infrastructure

Urban homemakers see indirect but real relief through health and care investments that reduce household stress. The Union Budget proposes a stronger care ecosystem, training 1.5 Lakh caregivers, and expanding allied health professionals, which can improve access to affordable support for elders and families.



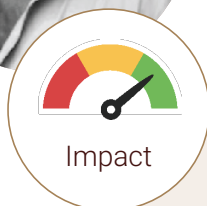
Pillars of Progress

Engaged in physical labour, in construction, manufacturing, or similar sectors. Their educational background is often limited. Many are migrants seeking better opportunities in urban settings just to find minimal food/shelter. Their work often entails physical labour, long hours, and challenging conditions.

Aspirations

1. Housing Security
2. Job Security & Labour Welfare
3. Robust Employment Regulation
4. Good Governance
5. Affordable Utilities

Higher public capex, ₹12.2 Lakh Crore, and partial credit guarantees via an Infrastructure Risk Guarantee Fund can sustain construction pipelines and contractor payments. New freight corridors and 20 national waterways over five years add sites and demand for labor.



Progressive Farmers

Well-established rural farmers owning substantial landholdings and modern equipments. With educational backgrounds in agriculture or related fields, their families are also engaged in farming or pursuing higher education. Regarded as respected figures in the community, frequently participating in local politics.

Aspirations

1. Robust Supply Chain
2. India as the Agri-Export Hub
3. Sustainable Farming Practices
4. Rural Infrastructure Development
5. Technology Integration

The Union Budget pushes for crop diversification and greater technology adoption. Strong support for high value agriculture - coconut, cashew, cocoa, sandalwood, and nuts - encourages shift from low-margin crops. These dedicated programmes will create new opportunities for farmers to raise productivity and export competitiveness by specializing in high value crops.



Impact

Resilient Indians

Hailing from professional backgrounds such as healthcare, law and order, pharmaceutical, and hospitality, they live in modest urban settings and work as essential workers in challenging environments.

Aspirations

1. Affordable Healthcare Infrastructure
2. Female Labour Force Participation
3. Equal Opportunities across Genders
4. Skill Development
5. Better Disaster Management

Health system strengthening supports frontline workers indirectly. Expanding district Emergency and Trauma Care Centres by 50%, building NIMHANS-2, and upgrading mental health institutes can improve surge capacity and staff support. Training 1.5 Lakh caregivers adds auxiliary manpower.



Impact

Rural Homemakers

Efficiently manage household affairs while actively supporting their family's agricultural activities. Educated up to middle school, they support families, take care of children, and engage in community initiatives with local women's group.

Aspirations

1. Opportunities for Women
2. Universal Access to Basic Utilities
3. Safe Public Spaces & Security
4. Education Access
5. Better Housing

The Union Budget empowers rural women and homemakers by expanding avenues for entrepreneurship and financial independence. Strengthened fisheries value chains enables market linkages for women-led groups. The introduction of SHE-Marts supports women's transition from credit-led livelihoods to enterprise ownership through community-owned retail outlets.



Impact

Rural Students

Typically hailing from diverse family backgrounds, considered trailblazers as they are the first in their families to receive formal education. Their educational journey spans from primary to higher secondary levels, typically within government-run or local community schools.

Aspirations

1. Atmanirbhar (Self-Reliant)
2. Modern Education
3. Modern Amenities (Playgrounds, malls)
4. United and Prosperous
5. Global Excellence in Sports

A Yuva Shakti driven Union Budget, positions youth at the centre of growth. Initiatives such as the Mahatma Gandhi Gram Swaraj programme, setting up of new regional training centres, and the proposal for Education-to-Employment Standing Committee aim to build skills, create new career pathways, and improve employability across traditional and emerging sectors.



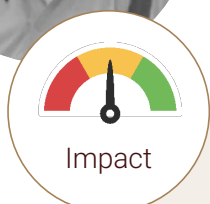
Tech-Forward Innovators

A vibrant mix of young tech professionals possessing education in engineering, computer science etc. These unmarried or newlywed individuals are concentrated in metro cities, representing professional roles such as business analysts, startup founders, data scientists, software engineers etc.

Aspirations

- | | | | | |
|----------------------|-----------------------------|------------------------------------|--------------------|-----------------------|
| 1. Atmanirbhar India | 2. Global Technology Leader | 3. Clean & Sustainable Environment | 4. Good Governance | 5. Global Startup Hub |
|----------------------|-----------------------------|------------------------------------|--------------------|-----------------------|

For Tech-Forward Innovators, the Union Budget deepens India's technology stack by advancing ISM 2.0 for full-stack semiconductor IP and scaling the Electronics Components Manufacturing Scheme to ₹40,000 Crore. Continued backing for the AI and National Quantum Missions, alongside unified IT-ITES categorisation with a 15.5% safe-harbour margin and automated approvals, reduces friction and improves scale economics for technology firms.



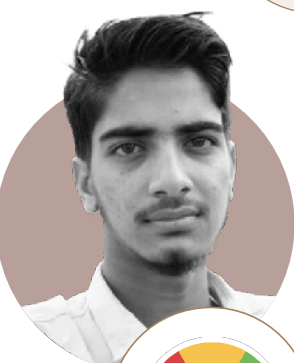
Urban Lifelines

Urban gig workers in roles like delivery services, driving and freelance work, among others. They exhibit high mobility and adaptability to technology. Juggling multiple gigs, their primary focus is on achieving financial stability and accessing better opportunities.

Aspirations

- | | | | | |
|--------------------------|-------------------------|-----------------------------|----------------------|--------------------|
| 1. Skill-Based Education | 2. Economic Inclusivity | 3. Safe Working Environment | 4. Digital Inclusion | 5. Social Security |
|--------------------------|-------------------------|-----------------------------|----------------------|--------------------|

For delivery riders, urban service upgrades matter more than new schemes. Faster city logistics, smoother clearances, and investment-led demand can raise order volumes indirectly. The Education-to-Employment committee's plan to make informal work verifiable could help riders prove experience and access skilling and better jobs.



Workforce in Waiting

Individuals residing in their hometowns with their families. Despite having decent educational qualifications, they lack specialised skills, making job hunt a challenge. Their day revolves around applying for jobs and attending interviews, determined to secure employment and contribute to household expenses.

Aspirations

- | | | | | |
|-----------------------------------|-------------------------|--------------------------------|-------------------|--------------------|
| 1. Equal Employment Opportunities | 2. Vocational Education | 3. Environmental Consciousness | 4. Skilled Labour | 5. Empowered Women |
|-----------------------------------|-------------------------|--------------------------------|-------------------|--------------------|

The Kartavya of fulfilling aspirations and building capacity targets employability through skilling and services-led job creation reforms. The Education to Employment and Enterprise framework, along with new professional avenues in tourism, healthcare, caregiving, AVGC, hospitality, etc., expands vocational and service-sector pathways, improving entry-level job prospects and formal employment transitions.

AAM AADMI

BUDGET REFLECTIONS 2026-27

This section presents a curated set of perspectives on the Union Budget 2026 from a diverse group of stakeholders, including senior industry leaders, economists, policy experts, and citizens.

Their views reflect expectations, interpretations, and assessments of this year's budget priorities, policy directions, and potential economic impact. Captured through direct interactions, these insights offer a deeper understanding of how individuals across sectors perceive the budget's provisions and its implications for growth and long-term development.

Together, these voices provide a balanced and nuanced lens through which the budget can be viewed and comprehended beyond headline announcements.



DEEP NARAYAN SARKAR

Advocate and Startup Owner, New Delhi



As a practising lawyer running my own practice, I welcome the Union Budget's move towards simpler tax compliance and reduced filings, which allows professionals to focus more on clients than paperwork. The rationalisation of compliance requirements is a positive step, especially for smaller practices like ours, that often lack the bandwidth to manage complex tax procedures.



ROHAN BHARDWAJ

HR Professional, Nagpur



In the current job market scenario, the initiatives announced by the government would help bridge skill gaps and improve employability, especially in tier-2 cities like Nagpur. Additionally, with the recently introduced Labour Codes, these efforts would help accelerate formalisation of employment and strengthen social protection of workers, supporting a more stable and transparent labour market that benefits both employers and employees.



UMA VENKATRAMAN

Senior Citizen and Retired School Principal, Kolkata



A good education system that ensures access as well as equity is the bedrock of any evolved society. The focus in this year's Union Budget has been on strengthening inclusive learning. This alongside enhanced healthcare and tax relief for senior citizens like me reflects a holistic approach to nation-building across generations.





As a working mother and a professional tracking emerging markets, I view this Union Budget through both a household and macroeconomic lens. The continued focus on capital expenditure, infrastructure-led growth, and fiscal discipline sends a strong signal of policy stability to investors. At the same time, increased attention to healthcare and urban infrastructure directly affects workforce participation and productivity for working women. By balancing growth-oriented investments with social infrastructure, the Union Budget recognises that sustainable economic development depends not only on strong markets, but also on enabling families, especially women, to participate fully in the economy.



ROHINI SANYAL
Corporate Professional,
Mumbai



Measures to improve access to affordable MSME credit, simplify GST compliance, and expand digital and physical infrastructure directly impact small businesses in India. This year's Union Budget offers the opportunity to strengthen enterprises beyond the metros. For businesses in border and hilly regions like ours, predictable policies and timely credit matter more than large incentives. The focus on logistics, connectivity, and formalisation gives confidence that smaller cities and towns are being integrated into India's growth story, enabling entrepreneurs like us to compete on a more level playing field.



TANMAY SINGH
Small Business
Owner, Jammu



Having witnessed multiple policy cycles over my years in manufacturing, this Union Budget stands out for its emphasis on long-term industrial growth. The continued focus on capital expenditure, logistics, and manufacturing competitiveness reflects a clear understanding that factories and supply chains cannot be built overnight. Support for domestic manufacturing, skills, and infrastructure strengthens India's position in global value chains. Equally important is the signal of policy continuity, which gives businesses the confidence to invest. For industry veterans, this Union Budget reinforces the importance of discipline and consistency in sustaining manufacturing-led growth.



NARAYANA PURANIK
Former Factory
Owner, Chennai

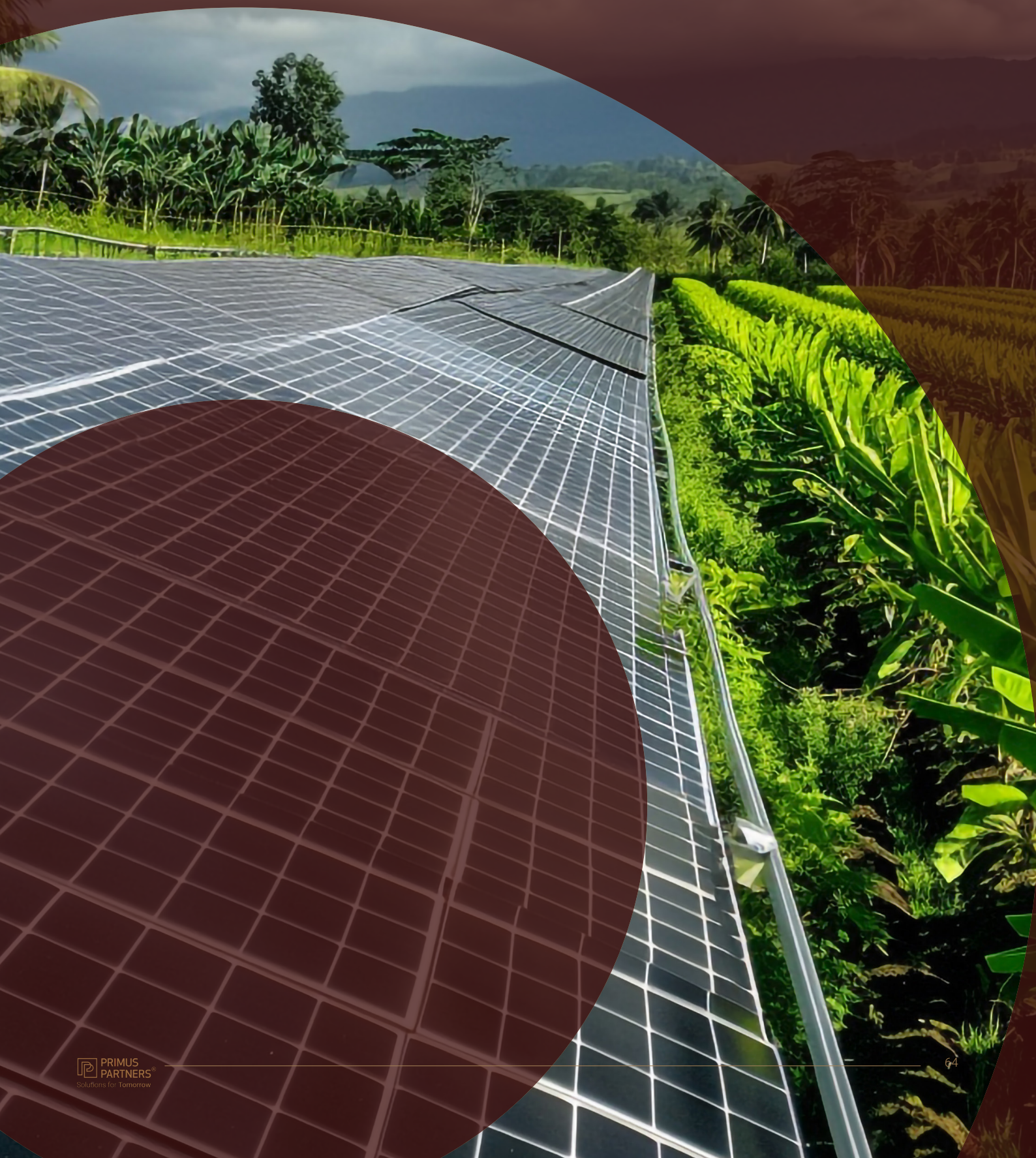


Preparing students for competitive exams offers a close view of the pressures young learners face today. The Union Budget's emphasis on education, digital learning, and skill development can help reduce gaps in access and quality, especially for students from modest backgrounds. Support for affordable learning infrastructure and teacher capacity building strengthens the ecosystem beyond formal schools. By investing in education and employability together, the Union Budget recognises that student aspirations and workforce readiness must progress hand in hand.



KRITIKA KAUR
Private Educator

#BudgetWithPrimus



4

SECTORAL FOCUS

Aerospace and Defence	66
Agriculture and Allied Services	66
Automotive and Mobility	67
Healthcare	67
Manufacturing	68
Infrastructure and Transportation	68
Education and Skilling	69
Climate Change and Sustainability	69
FMCG and Retail	70
Technology and Innovation	70
Housing and Urban Development	71
Banking and Finance	71
Direct Tax and Indirect Tax	72
Tourism	72

SECTOR SNAPSHOT



Davinder Sandhu

Co-Founder and Chairperson

The defence budget increased by 7% to ₹7.85 Lakh Crore, driven by post-Operation Sindoor imperatives and fast-evolving geopolitical dynamics. Capex is envisaged to increase by 22% to ₹2.19 Lakh Crore, with ₹63,733 Crore allocated to hardware acquisition, including aircraft and aero-engines (largely committed liabilities), to modernise air assets. Given the significant overlap, both military and civil aerospace will benefit from zero customs duty on aircraft parts and components, as well as on raw materials. Emphasis on developing critical ancillary industries, including semiconductors, critical minerals, REs, and permanent magnets, will enhance the armed forces' strategic autonomy and operational readiness. Execution needs to be on a war footing to further enable the ecosystem.



Ramakrishnan M

Managing Director

This year's budget offers steady, measured support for agriculture and allied activities. The emphasis on high-value agriculture and fisheries is a welcome step towards improving productivity and diversifying rural incomes. Targeted support for coconut, cashew, cocoa and sandalwood, along with orchard rejuvenation and expanded nut cultivation, can strengthen farmers' earnings across coastal, North-Eastern and hilly regions. The development of 500 reservoirs and Amrit Sarovars will deepen the fisheries value chain, particularly for women-led groups and FPOs. Bharat VISTAAR, the new multilingual AI platform, has strong potential to improve advisory services and risk management, making this a constructive step forward for the sector.

Aerospace and Defence

Defence spending clubbed with supporting schemes pivots towards R&D and equipment modernisation - thereby signalling a sustained capability and capacity-driven growth



Expected Impact

- Faster progress in India's civil aviation ecosystem is enabled by BCD exemptions on parts, components, and MRO raw materials, while a 31% increase to around ₹64,000 Crore for aircraft and aero-engines strengthens military aviation capabilities at a critical time
- Focused efforts on achieving self-sufficiency in key sectors such as minerals and rare earths processing, permanent magnets, BESS, and nuclear power, all of which will boost Atmanirbharta in the aerospace and defence industries
- Skilling continues to be a focus area for the government, given the requirement of a strong, skilled workforce in this sector

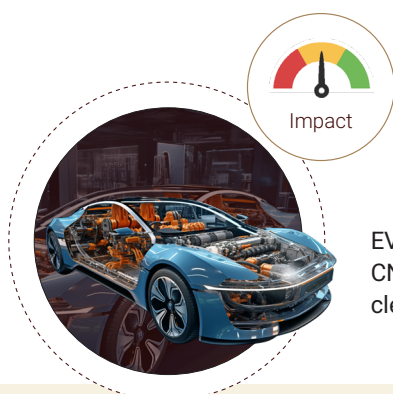
Agriculture and Allied Services

The budget marks a measured shift toward diversified high-value agriculture, stronger allied sectors, improved fisheries systems and AI-led farm support



Expected Impact

- Diversified support for high-value crops and orchard rejuvenation is likely to broaden income opportunities across coastal, Northeastern and hilly farming regions
- Strengthening fisheries through reservoir development and duty-free deep-sea catch can improve market access and value-chain efficiency for fishing communities
- The introduction of Bharat VISTAAR and the rollout of community-owned SHE-Marts are expected to expand AI-driven farm advisory and create new rural enterprise opportunities



Automotive and Mobility

EV localisation via duty relief, cleaner CNG excise tweak, and faster customs clearances to cut component cycle times

Expected Impact

- Duty exemptions for lithium-ion cell (BESS) capex and critical-mineral processing should lower localisation costs for EV supply chains
- Excluding the biogas or CBG value from excise computation on blended CNG should improve the economics of CNG/CBG adoption in fleets
- Single-window customs and CIS rollout should improve cashflows for auto ancillaries and reduce clearance delays for parts



Healthcare

Leap for healthcare sector backed by ₹10,000 Cr investment, NIPERs, Ayurveda, mental health institutes, 1.5 Lakh trained caregivers, and exemption of BCD for lifesaving drugs for cancer and rare diseases

Expected Impact

- ₹10,000 Cr investment in biologics and biosimilars, along with ALIMCO scale-up, will drive R&D, AI integration, and local manufacturing of assistive devices
- Establishment of 3 new NIPERs, NIMHANS-2, upgrading 2 regional mental health institutes, and 3 AIAs will improve research capacity nationwide. Duty exemptions on 17 cancer and 7 rare disease drugs lower OPE
- Upgraded and new institutions across 10 disciplines will train 1.5 Lakh caregivers and 1Lakh AHPs, strengthening care economy
- Development of 5 new MVT hubs is expected to attract 10-15 Lakh international patients, create employment and achieve a projected growth of ₹1.23 Lakh Crore by 2026



Anurag Singh

Advisor

The GST relief announced in September 2025 provided an early demand stimulus for the auto sector, improving affordability across mass and commercial vehicle segments. Budget 2026 builds on this momentum with a competitiveness push focused on cleaner fuels, EV localisation, and faster trade processes. Excluding the biogas or CBG component from excise computation on blended CNG should improve fleet economics. Duty exemptions for capital goods used in lithium-ion cell manufacturing and critical mineral processing strengthen domestic battery supply chains. This is supported by higher fiscal outlay, with spending rising to about ₹6,000 Crore from around ₹2,100 Crore last year.



Nilaya Verma

Co-Founder and Group CEO

The 2026–27 budget marks a pivotal moment for India's healthcare, blending innovation, tradition, and social responsibility. With a ₹10,000 Cr 'Biopharma Shakti' outlay, India will tackle NCDs while strengthening research through NIPERs, AYUSH, and mental health institutes. Training 1.5 Lakh caregivers builds a future-ready care system that supports healthy ageing and creates employment. Five Medical Value Travel hubs will offer high-quality, affordable treatment while boosting wellness tourism, projected to reach ₹1.23 Lakh Cr by 2026.

SECTOR SNAPSHOT



Kanishk Maheshwari

Co-Founder and
Managing Director

This Budget presents a forward-looking roadmap for Atmanirbhar Bharat, anchored in growth, inclusion, and future readiness. It places MSMEs at the centre, builds Champion SMEs through targeted incentives, and expands access to capital and global partnerships. By rationalising customs duties and investing in strategic and frontier sectors, it strengthens domestic manufacturing, productivity, and resilience. Focused support for textiles, electronics, energy storage, and infrastructure enhances export competitiveness and global value-chain integration. Together, these measures position Indian industry for sustainable scale and innovation.



Pragya Priyadarshini

Managing Director

This year's budget presents a balanced, forward-looking blueprint for infrastructure, highlighting the development of high-speed and freight corridors to reduce logistics costs and time while encouraging a modal shift from road to rail and waterways. The Infrastructure Risk Guarantee Fund will improve project bankability by mitigating risks and attracting private capital. A ₹10,000-Crore, five-year container manufacturing scheme will help India reduce reliance on foreign suppliers and strengthen self-reliance in line with Atmanirbhar Bharat. Greater domestic production will stabilise container availability and reduce logistics costs, enhancing trade competitiveness. These steps collectively mark a journey towards an integrated, future-ready ecosystem, which now needs effective and timely implementation.

Manufacturing

The Union Budget boosts manufacturing through focused support for MSMEs, textiles, and advanced industries, strengthening India's position as a global manufacturing hub



Expected Impact

- The Future Champions initiative will help MSMEs integrate into global value chains through structured matchmaking and technology upgrades
- Textiles Push: Investments in modern infrastructure and skills aim to attract foreign capital and deepen global linkages
- Export Competitiveness: Rationalised customs duties will boost exports in defence, electronics, energy, and battery sectors
- Capacity Expansion: A ₹10,000 Crore fund for container manufacturing will strengthen domestic logistics and production capacity

Infrastructure and Transportation

The Union Budget 2026-27 aims to cut logistics costs and transit time by developing high-speed and freight corridors, promoting domestic manufacturing, and driving modal shift to railways and waterways



Expected Impact

- Shifting freight from road to rail and waterways will cut logistics costs, lower emissions, and boost trade competitiveness
- The ₹10,000 Crore push for container manufacturing and duty exemptions on aviation components will reduce import dependence and strengthen supply chains
- The Infrastructure Risk Guarantee Fund and Coastal Cargo Promotion Scheme will improve project bankability and accelerate waterways development

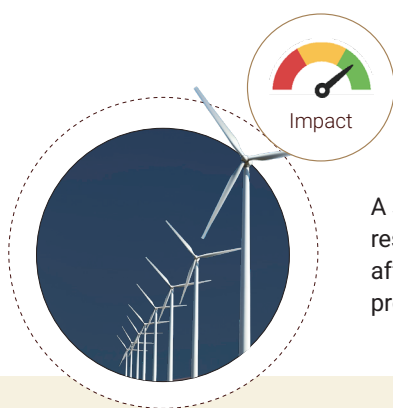


Education and Skilling

The Union Budget prioritises industry-linked education, sectoral skills, early school level exposure to creative economy skills, girls' education and university townships

Expected Impact

- **Enhanced Skill Development:** New NIPERs, Ayurveda institutes, NID, acceleration of emerging technologies including AI & AVGC labs will deliver industry-aligned, future-ready skills directly bridging education & employment
- **Improved Access and Inclusion:** Girls' hostels and targeted STEM residential facilities will significantly improve female participation, safety, and retention in higher education
- **Stronger Industry–Academia Linkages:** University townships, bio-pharma and semiconductor institutes, and upgraded astronomy infrastructure will accelerate research, innovation, and global competitiveness



Climate Change and Sustainability

A strategic budget focusing on climate-resilience by prioritizing performance-linked afforestation, landscape-level biodiversity protection, and industrial decarbonization

Expected Impact

- **Support for carbon capture and storage (CCUS) and MSME energy efficiency** will enable emissions reduction in hard-to-abate industrial sectors and keep Indian manufacturing globally competitive
- **Investments in biodiversity, eco-trails, and the Big Cat Alliance** will strengthen ecosystem conservation and institutionalize India's global leadership in species preservation
- **Ecological Balancing of Industrial Growth** through landscape-level wildlife funding and Rare Earth Corridors ensures that mineral-led development does not fragment critical habitats



Charu Malhotra

Co-Founder and Managing Director

The Budget positions education and skilling as the backbone of India's employment and competitiveness strategy. The focus on sectoral skilling is evident in the scale - textile clusters alone are expected to generate 22 Lakh jobs, while investments in the orange economy and AVGC skilling aim to meet the demand for nearly 20 Lakh professionals by 2030. The establishment of new institutions such as NIDs, NIPERs and Ayurveda institutes, combined with integrated university townships and a high-powered Education-to-Employment and Enterprise Committee, strengthens the education–industry continuum. Importantly, reforms like reduced TCS under LRS and district-level girls' hostels reflect a strong commitment to access, inclusion, and long-term human capital development.



Sameer Jain

Managing Director

The Union Budget marks a clear shift towards embedding sustainability across sectors rather than treating climate and environment as standalone themes. Measures supporting carbon capture, utilisation and storage (CCUS), backed by a ₹500 Cr push for the scheme, signal early but important steps towards addressing hard-to-abate emissions while preserving industrial competitiveness. Nature-based solutions also remain a core pillar, with over ₹212 Cr allocated under the Green India Mission for afforestation and forest fire prevention, including through Sovereign Green Bonds. This is complemented by sustained investments in wildlife conservation, eco-trails, the International Big Cat Alliance, to advance landscape-level conservation and ecosystem resilience. Sustainability is also being integrated into infrastructure planning, including the development of sustainable transport and rail corridors that balance connectivity with ecological safeguards.

SECTOR SNAPSHOT



Sunita Mohanty

Managing Director

India's FMCG and retail exports are gaining momentum through Budget 2026-27's infrastructure and trade reforms. Logistics modernisation includes the launch of new Dedicated Freight Corridors and 20 National Waterways. MSME support has been strengthened by the ₹10,000 Crore SME Growth Fund and TReDS-enabled financing of over ₹7 Lakh Crore. Digital clearance systems will process 70% of cargo (food, drugs, agricultural products) through a unified window by April 2026. Targeted Export measures include tripling seafood duty-free import limits, doubling textile/leather export timelines, and eliminating the ₹10 Lakh e-commerce courier caps. These reforms position Indian FMCG, from food to textiles, from food to marine products, as globally competitive and export-ready.



Devroop Dhar

Co-Founder and India CEO

The Union Budget 2026 places technology and innovation at the core of India's growth strategy, with digital initiatives spanning governance, skill development, job creation, electronics manufacturing, data centres, artificial intelligence and emerging sectors such as AVGC. Continued implementation of national missions, including IndiaAI, the National Quantum Mission and the Research, Development and Innovation framework, underscores the Government's sustained focus on emerging technologies. The launch of ISM 2.0, along with the expansion of the ECMS from ₹22,919 Crore to ₹40,000 Crore, significantly strengthens domestic electronics and chip manufacturing. The Budget also provides long-term certainty for the digital economy through a unified IT services safe-harbour regime and tax holidays until 2047 for cloud services via India-based data centres.

FMCG and Retail

Inclusive retail, faster clearances, and multimodal logistics broaden MSME market access across domestic and global consumer channels



Expected Impact

- Targeted MSME, women-led, and inclusive retail initiatives broaden product innovation and market access across domestic and global channels, particularly for the elderly and differently abled
- Digital EoDB and customs reforms enable faster clearances for over 70% cargo and seamless transport
- DFC, inland waterways, and plug-and-play export logistics improve domestic mobility, lower costs, and expand MSME participation in consumer markets

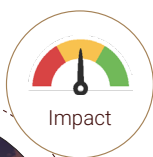
Technology and Innovation

The Union Budget deepens India's technology push through semiconductor manufacturing, data-centre incentives, unified IT services and sustained emerging tech missions



Expected Impact

- Technology manufacturing and supply-chain resilience will strengthen, supported by ISM 2.0 and the expanded ₹40,000-Crore electronics components manufacturing scheme
- India's digital services and data-centre ecosystem will gain long-term certainty, driven by tax holidays till 2047 and a stable, safe-harbour framework for cloud and data-centre services
- AI adoption and workforce readiness will deepen, through continued implementation of the IndiaAI Mission and proposals to embed AI in education, skills and labour-market systems



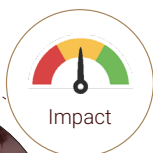
Housing and Urban Development

Urban transformation through increased focus on local economic development through City Economic Regions, enhanced connectivity, sustained infrastructure financing via REITs and InVITs for smaller towns and fiscal strengthening of urban local bodies



Expected Impact

- City Economic Regions backed by ₹5,000 Crore per cluster are expected to stimulate local economic activity, improve job accessibility, and strengthen regional value chains to develop a poly-nodal urban growth system
- Encouragement to stronger municipal balance sheets, outcome-linked institutional reforms, and incentives upto ₹100 Crore on issuances of ₹1,000+ Crore bonds for improving the fiscal strength of Urban local bodies
- Together, CERs, REITs, and municipal bonds lay the groundwork for private capital participation, sustainable infrastructure financing, and resilient urban governance systems



Banking and Finance

Deepening bond markets, strengthening MSME liquidity, facilitating foreign capital flows, and supporting structural reforms in banking & NBFCs, Budget FY 26-67 focuses on fiscal prudence and lays a stable foundation for sustainable growth



Expected Impact

- With over ₹7 Lakh Crore already unlocked via TReDS, scaling the platform will boost liquidity for these companies and ease chronic working capital constraints
- High-level Committee on Banking for Viksit Bharat would help push structural reforms in banks and make them future-ready
- Increasing PROI limits to 10% for Individuals and 24% for aggregate will help channel capital from the 1.5 Crore+ strong diaspora towards Indian equities



Aarti Harbhajanka

Co-Founder and Managing Director

Drawing on the outcomes and reform pathways outlined in the Economic Survey 2026, the Union Budget FY 2026–27 represents a structural reset in India's urban and housing strategy. It marks a decisive shift from city-centric growth to integrated regional development, recognising cities not merely as service providers but as economic platforms driving national growth. Anchored in City Economic Regions, enhanced connectivity, stronger municipal finances, asset monetisation through REITs, infrastructure financing instruments, and high-speed corridors, the Budget moves from scheme-based delivery to market-enabled urban systems. By prioritising Tier-II and Tier-III cities, it lays the foundation for the next wave of urbanisation.



Shravan Shetty

Managing Director

The Union Budget FY 2026–27 reflects a strong sense of kartavya in building a more resilient financial system for India's next phase of growth. With over ₹7 Lakh Crore already unlocked through TReDS, targeted measures to strengthen cash flows for nearly 1mm registered MSMEs. The Budget also deepens the corporate bond market, eases long-term capital inflows by raising PROI investment limits, and advances future-ready reforms for banks and NBFCs. Together, these steps address structural gaps, improve capital flows, and reinforce confidence in India's financial ecosystem.

SECTOR SNAPSHOT



Shravan Shetty
Managing Director

The Budget marks the final step towards proposed Income Tax Act, 2025 along with rationalised MAT, integrated assessment and penalty proceedings. It encourages individuals through simplified procedures, targeted relief on overseas remittances and accident-related incomes, flexible filing timelines, and a trust-based approach to disclosure and dispute resolution.

The Budget places strong emphasis on technology-led automation to reduce compliance friction for small taxpayers and also provides long-term tax certainty for the IT sector through expanded, rule-based safe harbour regimes.



Aarti Harbhajanka
Co-Founder and
Managing Director

The Union Budget 2026–27 positions tourism as a core pillar of India's services-led growth. With a National Institute of Hospitality, training of 10,000 guides at 20 iconic sites, development of 15 heritage destinations, and creation of a National Destination Digital Knowledge Grid, the Government is institutionalising tourism as an employment engine. The push for sustainable mountain, turtle, and bird-watching trails across multiple States reflects a transition to experience-led tourism. These measures will unlock regional economies, strengthen local supply chains, and create high-quality jobs. Tourism is no longer ancillary, but it is now a strategic driver of inclusive and decentralised growth.

Direct and Indirect Tax

Taxation initiatives focused on simplifying processes, rationalising taxes for export competitiveness, attracting global investment for critical infrastructure and providing impetus to strategic sectors.



Expected Impact

- Procedural changes such as decriminalisation of technical defaults, simplified dispute processes, scheme for small taxpayers, trust-based digital customs systems etc. will reduce compliance burden, litigation risk, and costs for taxpayers and businesses
- Long-term tax holidays for data centres, incentives for the logistics, manufacturing sector, and MAT rationalisation will help attract investment for sectoral growth, greenfield projects and maintain regional dominance
- Taxing share buybacks as capital gains would improve post-tax investor returns and encourage more efficient capital distribution, supporting deeper and more attractive equity markets

Tourism

Tourism is positioned as a potential employment generator, driving local growth through skilling, astro experiences, heritage circuits, eco-tourism infrastructure, and medical tourism hubs



Expected Impact

- The National Institute of Hospitality and training of 10,000 guides across 20 destinations will improve service quality and visitor trust and build a national tourism talent pipeline
- Development of 15 heritage sites, eco-trails across 7 States, and the Digital Knowledge Grid will shift tourism from footfall to experience-led growth, increasing stay, spend, and destination value
- Targeted investments in 15 archaeological sites, eco-trails across 7 States, heritage towns, and the North-East will decentralise tourism, enable year-round employment, and strengthen regional economies



CORE BUDGET TEAM



DAVINDER SANDHU
Co-Founder and Chairperson



NILAYA VARMA
Co-Founder and Group CEO



DEVROOP DHAR
Co-Founder and India CEO



AARTI HARBHAJANKA
Co-Founder and Managing Director



CHARU MALHOTRA
Co-Founder and Managing Director



KANISHK MAHESHWARI
Co-Founder and Managing Director



ARUN MORAL
Managing Director



RAMAKRISHNAN M.
Managing Director



SAMEER JAIN
Managing Director



SHRAVAN SHETTY
Managing Director



SUNITA MOHANTY
Managing Director



ANURAG SINGH
Advisor



PRAGYA PRIYADARSHINI
Managing Director



VINAY SINGH
Managing Director, Primus Partners USA



NADER HAFFAR
Board Member, Primus Partners



GARIMA BABBAR
Executive Director



SANJAY MALHOTRA
Senior Advisor



AYAN SARKAR
Vice President



ARINDAM PAL
Vice President



ADITI N BATISH
Vice President



GUNDEEP KAUR
Vice President



IPSITA GAUBA
Vice President



MUNISH VAID
Vice President



NIKHIL DHAKA
Vice President



NIPUN MATREJA
Vice President



POOJA LAHRI
Vice President



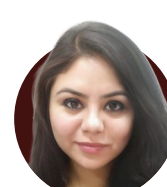
SHRUTI SINGH
Vice President



SHUBHAM KATYAYAN
Vice President



VIVEK TANDON
Vice President



ABHILASHA SACHDEVA
Asst.Vice President



**ASHWARYA
GUPTA**

Asst.Vice President



**FARHAN
AHMAD**

Asst.Vice President



**HARSHA
S BHAT**

Asst. Vice President



**HIMANI
ANAND**

Asst. Vice President



**KRIATIKA
SHARMA**

Asst. Vice President



**LAKSHAY
KAPUR**

Asst. Vice President



**MADHUMITA
SEN GUPTA**

Asst.Vice President



**SUMAN
KASANA**

Asst.Vice President



**SABBIR AHMED
HUSSAIN**

Asst.Vice President



**VEDA
HALVE**

Asst.Vice President



**ARJUN
VERMA**

Manager



**ANSHUMAN
SINGH**

Manager



**ANANYA
SETH**

Manager



**ANMOL
RANA**

Manager



**CHAHAT
AHLUWALIA**

Manager



**INDRANUJ
PATHAK**

Manager



**INAYAT
VIRK**

Manager



**MAYURI
DUTTA**

Manager



**NANCY
GAUTAM**

Manager



**NEETISH
KUMAR**

Manager



**SIDDHARTH
SINGH**

Manager



**SHREYA
PANDEY**

Manager



**SANJANA
MISHRA**

Manager



**SANDEEP REDDY
BANDA**

Manager



**SHAIVYA
HARIT**

Manager



**TAVISHI
DARBARI**

Manager



**VIDHI
NARANG**

Manager



**VIKRAM
VIJAYAKUMAR**

Manager



**VARUN
CHOTHANI**

Manager



**AMAN
SARTAJ**

Senior Consultant



**ANKUSH
SHARMA**

Senior Consultant



**AYUSH
ARYA**

Senior Consultant



**DHARMESH
MINAT**

Senior Consultant



**HARSHPREET
KAUR**

Senior Consultant



**ISHITA
GARG**

Senior Consultant



**KARAN
MOHINDROO**

Senior Consultant



**KANISHKA
TIWARI**

Senior Consultant



**MALIKA
MAKHIYA**

Senior Consultant



**PRINCE
GUPTA**

Senior Consultant



**PALAK
ARORA**

Senior Consultant



**PRASHANT
SHARMA**

Senior Consultant



**RAGHAV
AGRAWAL**

Senior Consultant



**RAKSHIT
KHULBE**

Senior Consultant



**SAKSHI
NAPHADE**

Senior Consultant



**SHARAD
VENKATRAMAN**

Senior Consultant



**SHILPA
BATRA**

Senior Consultant



**SRINJIT
VENKATESH**

Senior Consultant



**SRIRADHA
GUPTA**

Senior Consultant



**SUYASH
KUMAR JHA**

Senior Consultant



**SUYASH
PANDEY**

Senior Consultant



**ZEHRA ALI
SHAH**

Senior Consultant



**KARTHIK
GOVIL**

Consultant



**SALONI
CHAPPARIA**

Consultant



**PARUL
KATARIA**

Consultant



**SAMARTH
SHETTY**

Consultant



**SHRIYA
UPPAL**

Associate



**PRABAL PADAM
SINGH RANA**

Associate



**VEDANT
TEWARI**

Associate

DISCLAIMER

The report is prepared using information of a general nature and is not intended to address the circumstances of any particular individual or entity. The report has been prepared from various public sources and the information received from these sources is believed to be reliable. The information available in the report is selective and subject to updation, revision and amendment. While the information provided herein is believed to be accurate and reliable, Primus Partners Pvt. Ltd. does not make any representations or warranties, expressed or implied, as to the accuracy or completeness of such information and data available in the public domain. While due care has been taken while preparing the report, Primus Partners Pvt. Ltd. does not accept any liability whatsoever, for any direct or consequential loss arising from this document or its contents. The comments shared are expert opinions and do not represent Primus Partners' advisory. The content of this document should not be used for any investment or decision-making.

© 2026 Primus Partners Private Limited. All Rights Reserved

India



BENGALURU

91 Springboard
Business Hub 175, 176
Bannerghatta Rd,
Dollars Colony,
Bengaluru – 560076



CHANDIGARH

4th Floor, Netsmartz,
Plot No. 10, Rajiv
Gandhi Chandigarh
Technology Park,
Chandigarh – 160019



CHENNAI

147, Pathari Rd, Door #3,
WorkEz Hansa Building, RK
Swamy Center,
Thousand Lights,
Chennai, TN - 600006



DELHI

1 to 7, UG Floor,
Tolstoy House, Tolstoy Road,
Connaught Place
New Delhi - 110001



KOLKATA

Collab Deck (Cabin W1021)
Kankaria Center, 2/1 Russel
Street, Park Street Area,
Kolkata - 700071



MUMBAI

156/157, 15th Floor,
Nariman Bhavan,
NCPA Road, Nariman Point,
Mumbai – 400021

International



WASHINGTON D.C.

United States of America
(USA)



DAMMAM

Kingdom of Saudi Arabia
(KSA)



DUBAI

United Arab Emirates
(UAE)

