



BUDGET ^{FY 2026}

Fiscal Position



Nominal GDP: FY26 Nominal GDP growth targeted at 10.1% at Rs.357 lakh crore



FY26 Fiscal Deficit Target: 4.4% of GDP



Estimated Gross Market Borrowing: Rs.14.82 lakh crore



Estimated Net Market Borrowing: Rs.11.54 lakh crore



Disinvestment Target: Rs.47,000 Crore



Expected Dividends from Central and Public Sector Banks: Rs.2.56 Lakh Crore



Capex: FY26 effective capex will be Rs.15.48 lakh crore (including grants); forming 4.3% of GDP



Estimated Gross Tax Collections: Rs.42.70 lakh crore for FY26

Source: Union Budget FY26 document

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The total size of the 2025-26 budget stood at Rs.50.65 Lakh Crore - a 7.4% jump over the Revised Estimates for 2024-25

Fiscal Maths	FY26 BE	FY25 RE	% CHANGE
Fiscal deficit	15.69	15.70	-0.04%
% of GDP	4.4%	4.8%	
Revenue deficit	5.24	6.10	-14.14%
% of GDP	1.5%	1.9%	
Total receipts	50.65	47.16	7.40%
- Tax revenue (Net to Centre)	28.37	25.57	10.97%
- Non-tax revenue	5.83	5.31	9.79%
Total expenditure	50.65	47.16	7.40%
- Revenue spend	39.44	36.98	6.66%
- Effective Capital Expenditure	15.48	13.18	17.44%
% of GDP	4.3%	4.1%	

Revenue Break-up	FY26 BE	FY25 RE	% Change
Gross tax revenue	42.70	38.53	10.82%
- Corporation tax	10.82	9.80	10.41%
- Income tax	14.38	12.57	14.40%
- Customs	2.40	2.35	2.13%
- Excise	3.17	3.05	3.93%
- GST	11.78	10.62	10.93%
Non-tax revenue	5.83	5.31	9.79%
- Interest Receipts	0.48	0.34	40.23%
- Dividends & Profits	3.25	2.89	12.35%

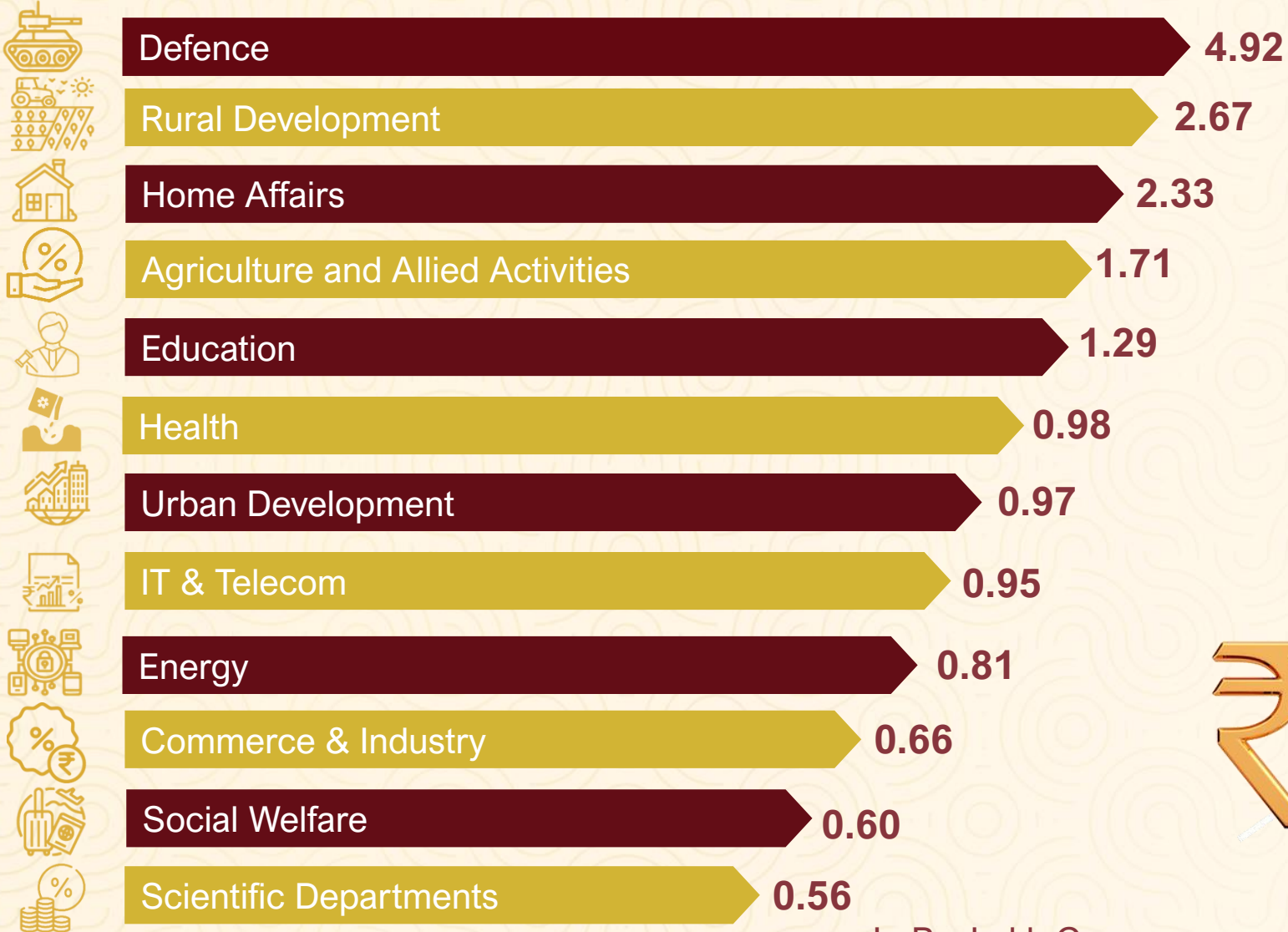
In. Rs. Lakh Cr

Source: Union Budget FY26 document, , BE - Budget Estimates, RE – Revised Estimates

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Expenditure of Major Items



In Rs. Lakh Crore

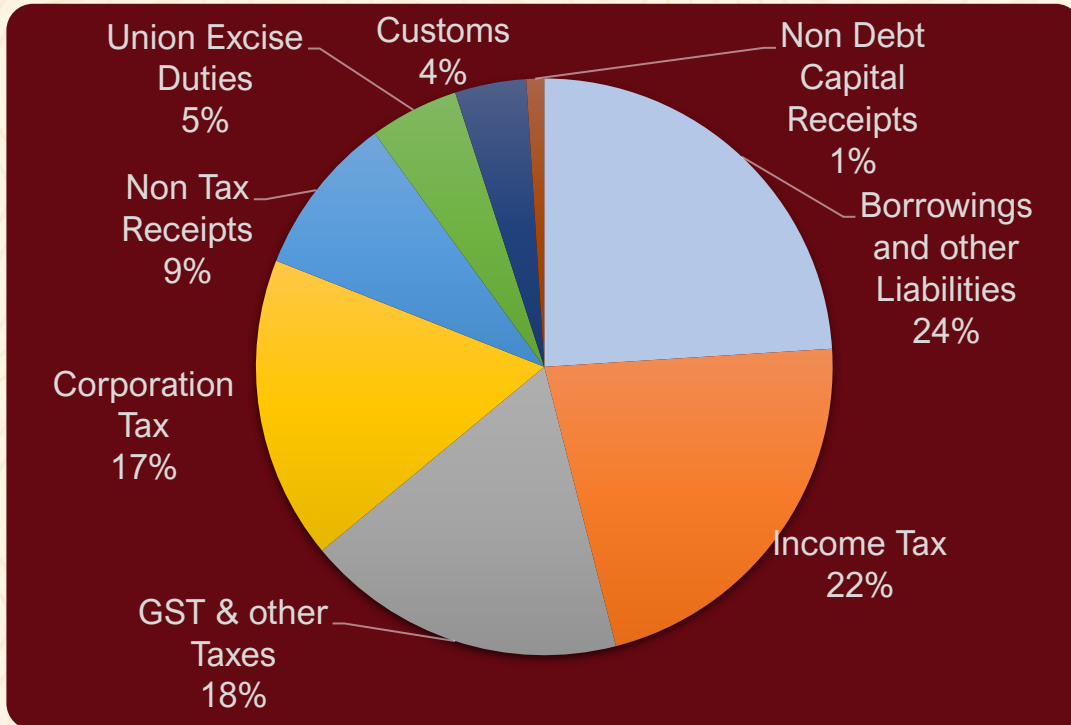


Source: Union Budget FY26 document

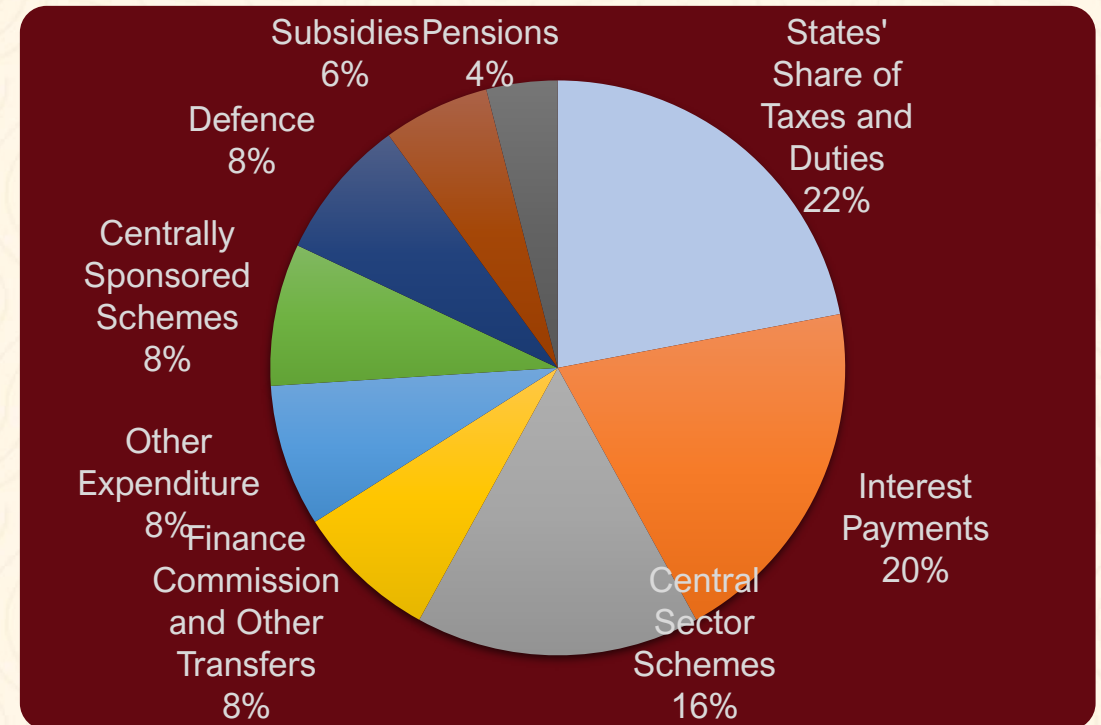
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Receipts

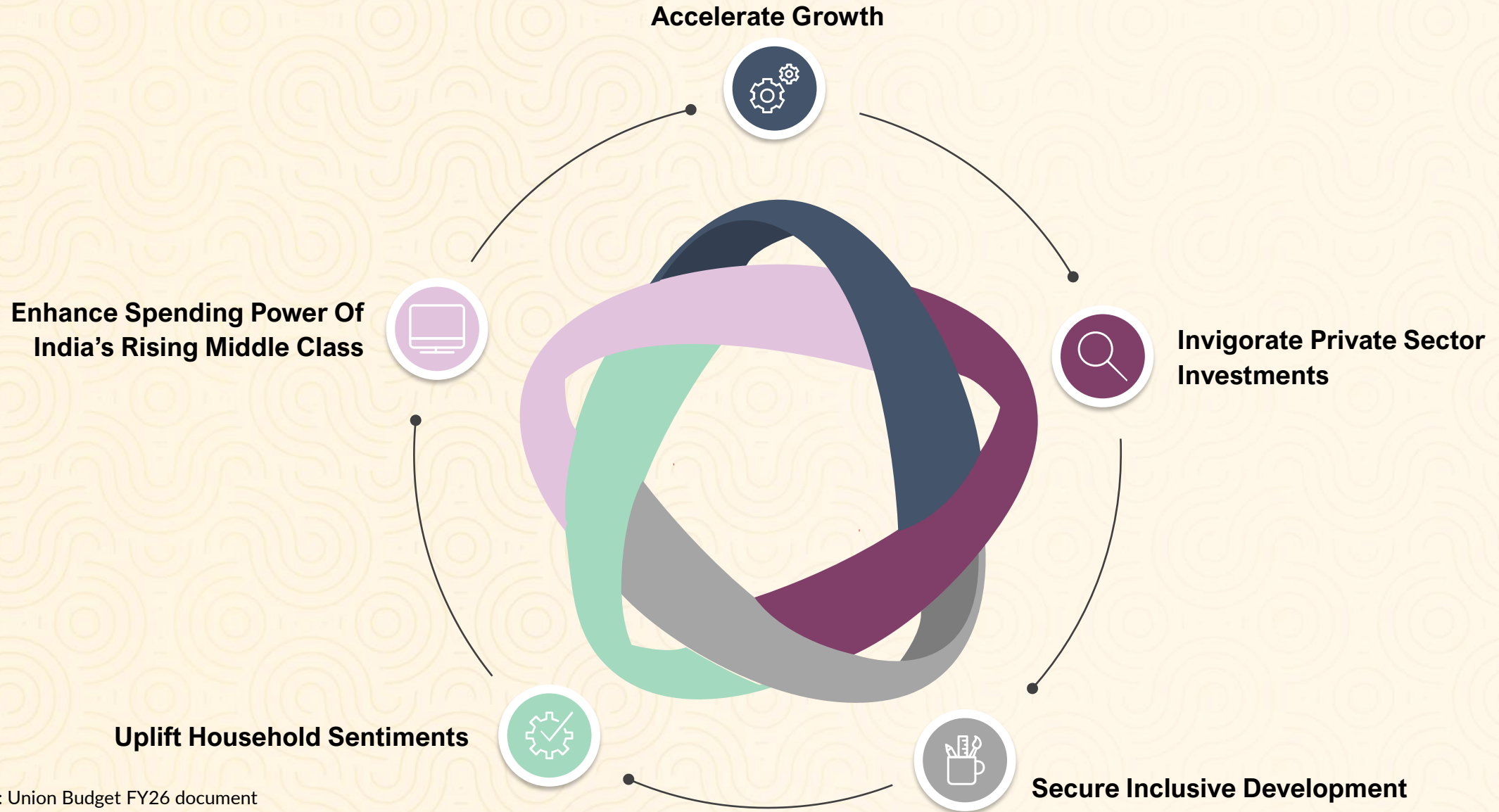


Expenditures



Source: Union Budget FY26 document

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**Women
(Mahilayen)**

**Poor
(Garib)**

**Farmer
(Annadata)**

**Youth
(Yuva)**



Spurring Agricultural Growth & Building Rural Prosperity



Building Rural Prosperity and Resilience



Securing Energy Supplies



Supporting MSMEs



Spurring Agricultural Growth and Productivity



Enabling Employment-led Development



Promoting Exports



Nurturing Innovation



Investing in People, Economy and Innovation



Taking Everyone Together On Inclusive Growth Plan



Sector Announcements



Nuclear push for Clean Energy

01

Target of 100 gigawatts (GW) of nuclear energy by 2047.

02

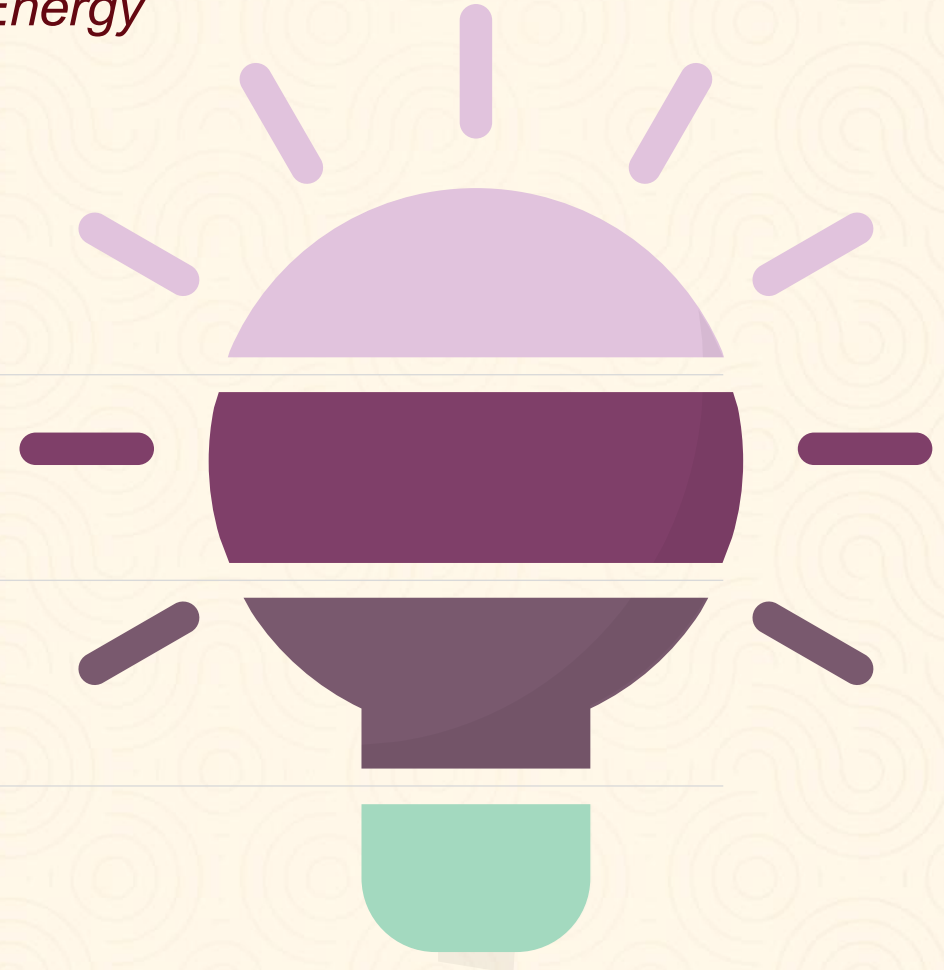
A dedicated research and **development (R&D) unit with a focus on Small Modular Reactors (SMR) with an outlay of Rs. 20,000 crore.**

03

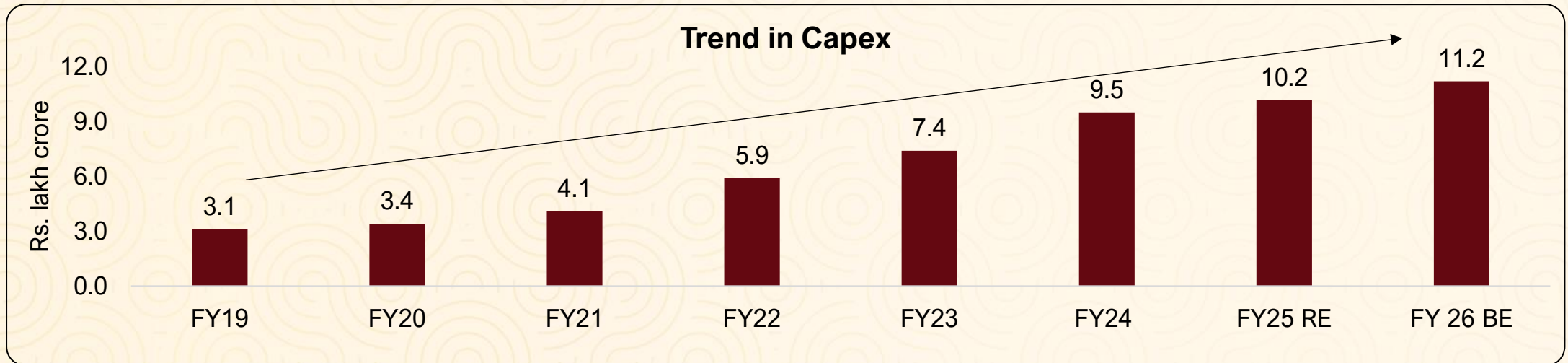
At least 5 indigenously developed SMRs will be operationalized by 2033.

04

Amendments to the Atomic Energy Act and the Civil Liability for Nuclear Damage Act will be taken up for active partnership with the private sector.



- ❖ **Provision of Rs. 11.21 lakh crore for infrastructure (3.1% of GDP)**
- ❖ Financial support will be provided for the development of greenfield airports in Bihar.
- ❖ **Rs 1.5 lakh crore in 50-year interest-free loans will be provided to states** for capital expenditure (Capex).
- ❖ An asset monetisation plan will be launched for the period until FY30, aimed at generating Rs. 10 lakh crore to fund new infrastructure projects.
- ❖ **Additional infrastructure will be created in the 5 IITs started after 2014** to facilitate education for 6,500 more students.
- ❖ **Centre of Excellence in Artificial Intelligence for education will be set up** with a total outlay of Rs. 500 crore.
- ❖ **UDAN:** Regional connectivity to 120 new destinations and carry 4 crore passengers in the next 10 years to enhance regional connectivity.



Source: Union Budget FY26 document

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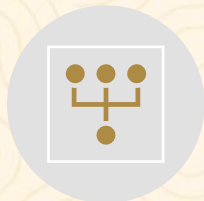


Agriculture



Prime Minister Dhan-Dhaanya Krishi Yojana:

Developing Agri Districts Programme to cover 100 districts and likely to help 1.7 crore farmers.



Makhana Board in Bihar To be set up to improve production, processing, value addition, and marketing and organisation of FPOs.



A 6-year mission to be launched with special focus on Tur, Urad and Masoor, emphasising Aatmanirbharta in Pulses.



Enhanced Credit through KCC

to facilitate short term loans for 7.7 crore farmers, fishermen, and dairy farmers with enhanced loan of Rs. 5 lakh.



Mission for Cotton Productivity:

5-year mission to facilitate improvements in productivity and sustainability of cotton farming.



National Mission on High Yielding Seeds:

Targeted development and propagation of seeds with high yield, pest resistance and climate resilience.



- ❖ **Scheme for first time Entrepreneurs:** For 5 lakh first-time entrepreneurs, including women, Scheduled Castes and Scheduled Tribes, a new scheme, to be launched, providing term loans up to Rs. 2 crore during the next 5 years.
- ❖ **Credit Cards for Micro Enterprises:** Customised Credit Cards with a Rs. 5 lakh limit for micro enterprises registered on Udyam portal. In the first year, 10 lakh such cards will be issued.
- ❖ **For MSMEs, the guarantee limit has been increased from Rs 5 crore to Rs 10 crore,** unlocking an additional Rs 1.5 lakh crore in credit over the next five years. For term loans up to Rs 20 crore, credit guarantees will also be enhanced.
- ❖ **For microenterprises, a customized credit card with a Rs 500 limit will be introduced. In the first year, 10 lakh such cards will be issued**
- ❖ **Support for Food Processing:** Establishment of a National Institute of Food Technology, Entrepreneurship, and Management in Bihar to facilitate enhanced income for the farmers, skilling entrepreneurship and employment opportunities for the youth.
- ❖ **Credit guarantee cover enhanced for MSME:** To improve access to credit, the credit guarantee cover will be enhanced, leading to Rs.1.5 lakh crore of additional credit over the next five years. This will also be granted for well-run exporter MSMEs, for term loans upto Rs. 20 crore.



Tourism:

- ❖ **The top 50 tourism destination sites will be developed in partnership with states to boost tourism across India.**
- ❖ **States will provide land for the development of tourist sites, with a focus on enhancing infrastructure.**
- ❖ Mudra loans will be made available for homestay businesses to encourage local tourism.
- ❖ A focus will be placed on promoting medical tourism and "Heal-in-India" initiatives to attract international patients.



Innovation

- ❖ **A deeptech fund-of-funds will be explored to support technological innovation and startups in the sector.**
- ❖ A National Geospatial Mission will be launched to enhance spatial data and mapping capabilities for better planning and development.



- ❖ **Broadband connectivity will be provided** to all government secondary schools and primary healthcare centres.
- ❖ **Five National Centers of Excellence for Skilling will be established** to promote vocational training and skill development.
- ❖ A new urea plant with a capacity of 1.27 lakh tonnes will be established in Namrup, Assam.
- ❖ Three Centres of Excellence in Artificial Intelligence for education will be set up, with a Rs. 500 crore outlay.
- ❖ Day-care cancer centres will be established in every district within three years, with 200 centres planned for 2025-26.
- ❖ 10,000 new seats in medical colleges and hospitals will be added in FY26.
- ❖ A new social security scheme for gig workers will be launched, providing E-shram portal registration and insurance.
- ❖ **Insurance FDI Limit Raised:** Foreign Direct Investment in insurance increased from 74% to 100%.
- ❖ **Central KYC Registry:** Central KYC registry to be rolled out in 2025 for streamlined financial processes.

Source: Union Budget FY26 document

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Tax Announcements



- ❖ **TDS on Interest for Senior Citizens:** The deduction limit on interest income has been doubled from Rs. 50,000 to Rs.1 lakh. For other taxpayers, the threshold has been raised from Rs. 40,000 to Rs. 50,000 when interest is earned from banks, post offices, or cooperative societies.
- ❖ **Dividend Income & Mutual Fund payouts:** TDS threshold increased from Rs. 5,000 to Rs.10,000, providing relief to small investors.
- ❖ **TDS on Rent:** The annual limit of Rs. 2.40 lakh for TDS on rent is being increased to Rs. 6 lakh..
- ❖ **TCS on Remittances:** The threshold on remittances under RBI's Liberalized Remittance Scheme (LRS) is proposed to be increased from Rs. 7 lakh to Rs.10 lakh.
- ❖ **TCS on Remittances for Education Purposes:** Removed for such remittance is out of a loan taken from a specified financial institution.
- ❖ **Decriminalization of TCS Delay:** Delayed payment of TCS will no longer be treated as a criminal offense.



New Tax Regime (w.e.f. April 01, 2024)

Income	Slab Rate FY25
up to Rs.3 lakh	Nil
Rs.3 lakh - Rs.7 lakh	5%
Rs.7 lakh - Rs.10 lakh	10%
Rs.10 lakh - Rs.12 lakh	15%
Rs.12 lakh - Rs.15 lakh	20%
Above Rs.15 lakh	30%



Revised New Tax Regime (w.e.f. April 01, 2025)

Income	Slab Rate FY26
up to Rs.4 lakh	Nil
Rs.4 lakh - Rs.8 lakh	5%
Rs.8 lakh - Rs.12 lakh	10%
Rs.12 lakh - Rs.16 lakh	15%
Rs.16 lakh - Rs.20 lakh	20%
Rs.20 lakh - Rs.24 lakh	25%
Above Rs.24 lakh	30%

- ❖ **No tax on income up to Rs.12 lakh:** No income tax payable on annual earnings of up to Rs. 12 lakh under the new tax regime.
- ❖ **Standard deduction limit:** Currently, the old tax regime offers a standard deduction of Rs. 50,000, while the new tax regime offers Rs. 75,000.
- ❖ **There is no change in the tax slab or rates in the old tax regime.**
- ❖ **Self-Occupied Property Valuation:** Taxpayers can now declare the value of two self-occupied properties as nil.
- ❖ **NPS Vatsalya accounts to get the same tax benefits as regular NPS accounts.**

Impact on Markets



Equity Market Update:

- ❖ Benchmark indices Sensex and Nifty ended on a flat note on Budget day as gains in consumption-linked stocks were offset by declines in infrastructure-related shares.
- ❖ The Finance Minister announced tax relief for the middle class and a modest increase in capital expenditure, disappointing many sectors, including defense and railways.

Index	1 day change
Sensex	0.01%
Nifty 50	-0.11%
Nifty Midcap 150	-0.39%
Nifty Smallcap 250	0.66%

Top Gainers	1 day change
Nifty Realty	3.4%
Nifty India Consumption	3.1%
Nifty India Tourism	3.1%
Nifty FMCG	3.0%
Nifty Media	2.2%
Nifty Auto	1.9%

Top Losers	1 day change
Nifty India Defence	-3.1%
Nifty Energy	-2.1%
Nifty PSU Bank	-1.6%
Nifty IT	-1.5%
Nifty Commodities	-1.3%
Nifty Metal	-1.2%
Nifty Infrastructure	-1.1%
Nifty Pharma	-0.5%
Nifty India Manufacturing	-0.2%
Nifty Bank	-0.2%

Debt Market Update:

- ❖ The gross borrowing figure of Rs 14.8 lakh crore was higher than market estimates. According to experts, there is a possibility of significant RBI buying in FY26 to provide durable liquidity to the banking system.
- ❖ **Post the budget announcement, India's 10-year G-sec yield was trading 0.16% higher at 6.69% from previous days close.**

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