PRIME RESEARCH

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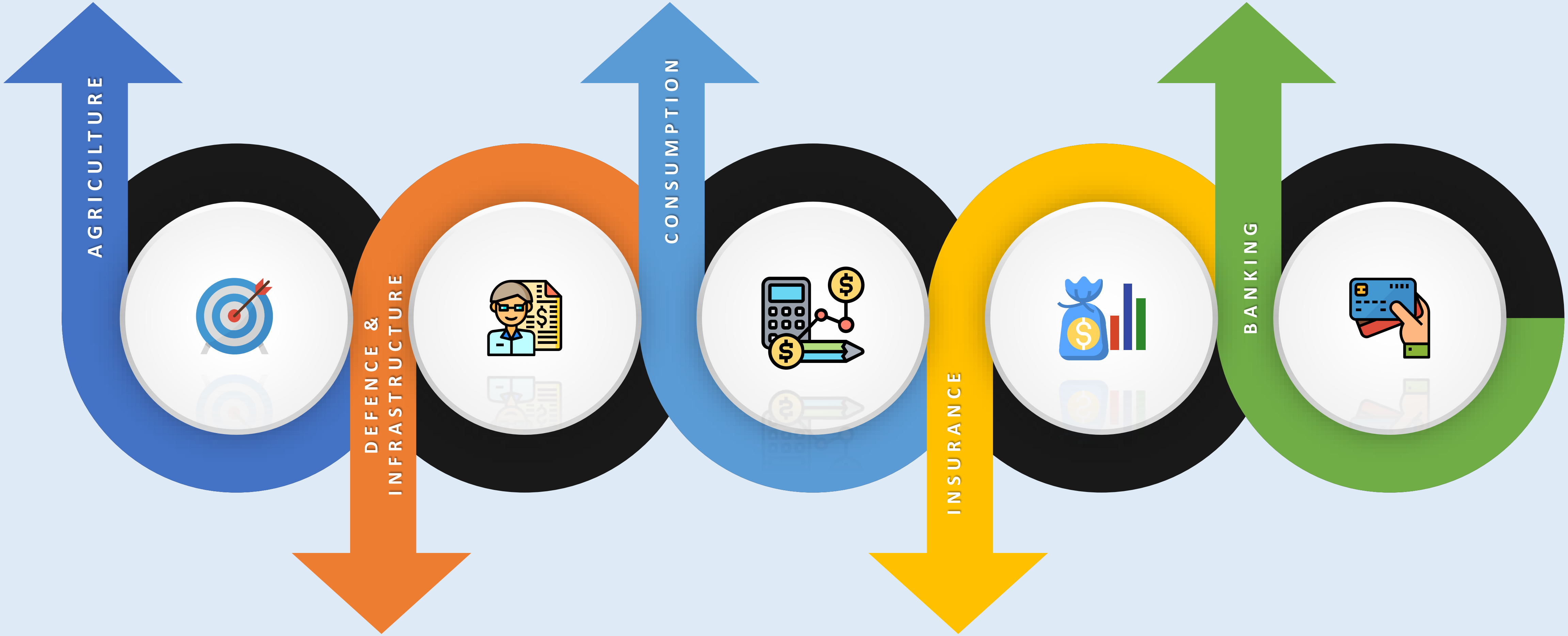
01-February-2025

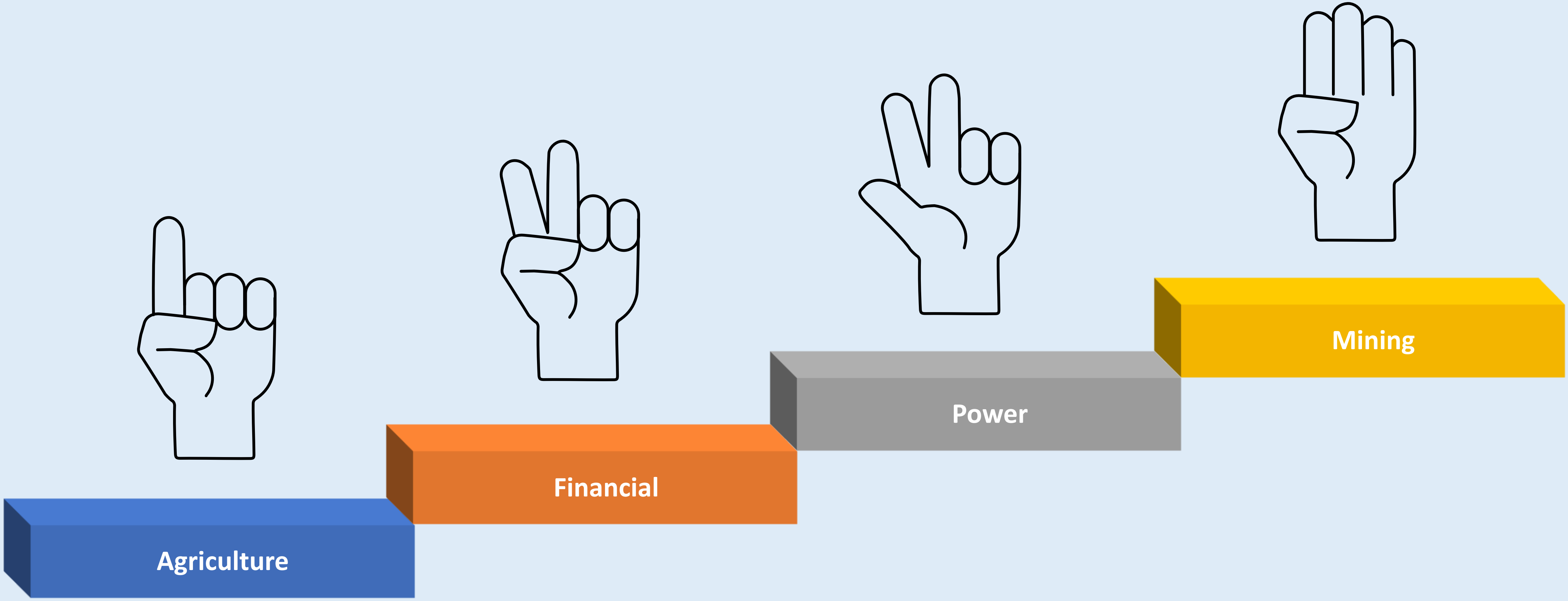
Union Budget 2025 -26

The Great Consumption Shift - A New Economic Paradigm?

Impact of Budget Announcements on Sectors



Key Focus Areas



The Great Consumption Shift: A New Economic Paradigm?

The government's strategic pivot marks a fundamental shift in economic policy, moving away from the traditional model of heavy infrastructure spending and capital-intensive investments. Instead of relying primarily on expanding industrial capacity and accelerating infrastructure projects, policymakers are now channelling resources toward stimulating consumer spending and domestic demand. This transformation reflects a growing recognition that sustainable economic growth requires a robust consumer base along with infrastructure improvements.

In a landmark fiscal measure designed to uplift the nation's backbone - its middle class - the government has graciously extended the tax-free threshold to a remarkable ₹12.75 lakh under the new tax regime. This magnanimous gesture translates into an unprecedented infusion of ₹1 lakh crore into the hands of middle-class households nationwide. Such a substantial enhancement to disposable income promises to invigorate the marketplace, mainly benefitting the fast-moving consumer goods sector and durable goods manufacturers, as families find themselves empowered to fulfil their essential needs and aspirational purchases with renewed confidence.

Agricultural Abundance

The government's intensified focus on agriculture represents a dual-pronged strategy - enhancing farm productivity through modernization while simultaneously catalysing rural consumption through improved farmer incomes.

The Union Budget has allocated Rs. 1.7 lakh cr for agriculture and allied activities. 21.7% increase in allocation makes up 3.4 % of the total government spending for the fiscal.
The government will undertake *Dhan Dhanya Yojana* in partnership with state, to enhance productivity, crop diversification, augment post harvest storage, improve irrigation, facilitate short- and long-term credit to help 1.7 crore farmers.

Under the Prime Minister Krishi Yojana, a new initiative inspired by the success of the Aspirational District Programme, the government will launch an agricultural district programme in partnership with states. This will target 100 districts with low productivity, moderate crop intensity, and below-average credit parameters. The program aims to boost agricultural productivity through crop diversification, sustainable farming practices, enhancing post-harvest storage at the Panchayat and block levels, improving irrigation facilities, and facilitating access to both long-term and short-term credit.

The loan limit under the modified interest subvention scheme will be increased from Rs. 3 lakh to Rs. 5 lakh for loans taken through the KCC, providing greater financial support for agricultural production.

Divestment & Dividends

The Housing and Urban Affairs sector received a substantial 18% increase in allocation to Rs. 37,623 crore. The government has set an ambitious target of Rs. 47,000 crore from disinvestment and monetization proceeds, up from Rs. 33,000 crore, suggesting potential stake sales in IDBI and significant Offers for Sale (OFS) of PSU holdings. The projected 25% growth in PSU dividends to Rs. 69,000 crore reflects the government's expectations of both enhanced earnings and increased profit-sharing with shareholders from public sector enterprises.

Inadequately Insured

Any amount received under a ULIP will be taxed under the ‘Capital Gains’ head and considered income for the recipient in the year of receipt. As a result, such amounts are now taxable, making ULIPs a less attractive investment option and impacting the prospects of insurance companies. Following this amendment, insurance stocks reacted negatively.

The hike in FDI in the insurance sector from 74% to 100% could prove to be positive for attracting foreign inflows in the country as companies wouldn’t require a domestic alliance to enter the insurance market. However, it is negative for existing players as it could drive higher competition for them. Large banks and NBFCs having insurance subsidiaries might look at selling their stake sometime in the future.

Disappointing for Defence, Road & Railways

The government has established ambitious targets to expand defence production to Rs.3 lakh crore by FY29 and boost exports to Rs.50,000 crore. While these goals suggested an expectation of increased resource allocation, the actual 13% rise in defence capital outlay to ₹1.8 lakh crore fell short of market expectations. The FY26 budget's allocation of just 27.66% of defence spending to capital expenditure, with the majority earmarked for personnel costs is quite disappointing. The infrastructure sector faced similar constraints, with capital outlays for Roads and Railways remaining stagnant year-over-year - failing to keep pace with GDP growth and effectively reducing their share of overall spending in real terms.

RBI Poised for Greater Intervention in Forex Markets

A projected 10% increase in RBI dividends to Rs.2,56,000 crore suggests heightened central bank activity in foreign exchange markets. Meeting this ambitious target would require significant forex trading profits, as traditional income streams - including bank lending operations, government securities interest, and foreign investment returns - are unlikely to generate sufficient yields. This implies potential increased intervention in currency markets, particularly if the rupee remains stable against major currencies.

Olive branch to Trump

The strategic reduction in import duties on select items appears to be a calculated move to demonstrate goodwill towards U.S. trade concerns, particularly in light of potential Trump-era style tariff threats. By selectively lowering barriers on specific imports, the budget seems to be extending an olive branch while carefully balancing domestic interests with international trade diplomacy. However, whether such limited concessions would be sufficient to prevent broader retaliatory tariffs remains questionable, given the historically aggressive stance of Trump-style trade negotiations.

Parting thoughts – Rekindling Animal spirits

The budget's emphasis on consumption-oriented measures, coupled with a relatively modest increase in capital expenditure allocation, signals a shift in focus from strengthening fiscal multipliers through capex to prioritizing immediate economic gains. The government is banking on rekindling animal spirits and encouraging the private sector to take the lead in investments by prioritizing consumption growth and strengthening the health of the agriculture sector.

With the immediate impact of the budget priced in, markets will now shift their focus back to global cues, closely tracking movements in international cues from equity, bond, and currency markets. Additionally, all eyes will be on the Reserve Bank of India's (RBI) policy meeting scheduled for February 7th. Market participants will be keenly watching for any signals regarding RBI’s stance on the interest rate decisions, inflation outlook, liquidity management, and the economic growth.

Rupee Comes From

Other Items (19 paise)

Corporate Tax (17 paise)

GST & Other Tax (18 paise)

Income Tax (22 paise)

Borrowings & Other Liabilities (24 paise)

Rupee Goes To

State Share of Taxes & Duties (22 paise)

Interest Payments (20 paise)

Central Sector Schemes
(Excl. Capital Outlay) (16 paise)

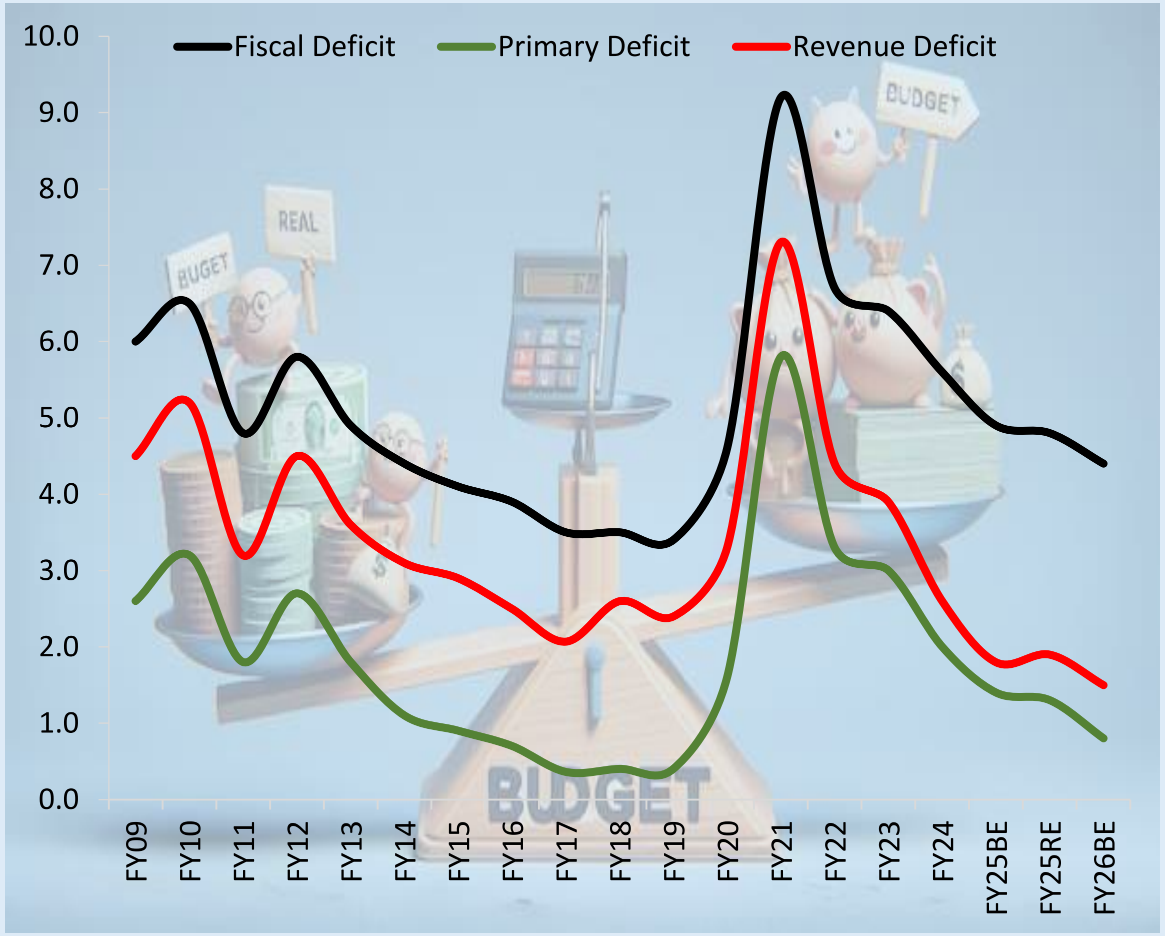
Defence (8 paise)

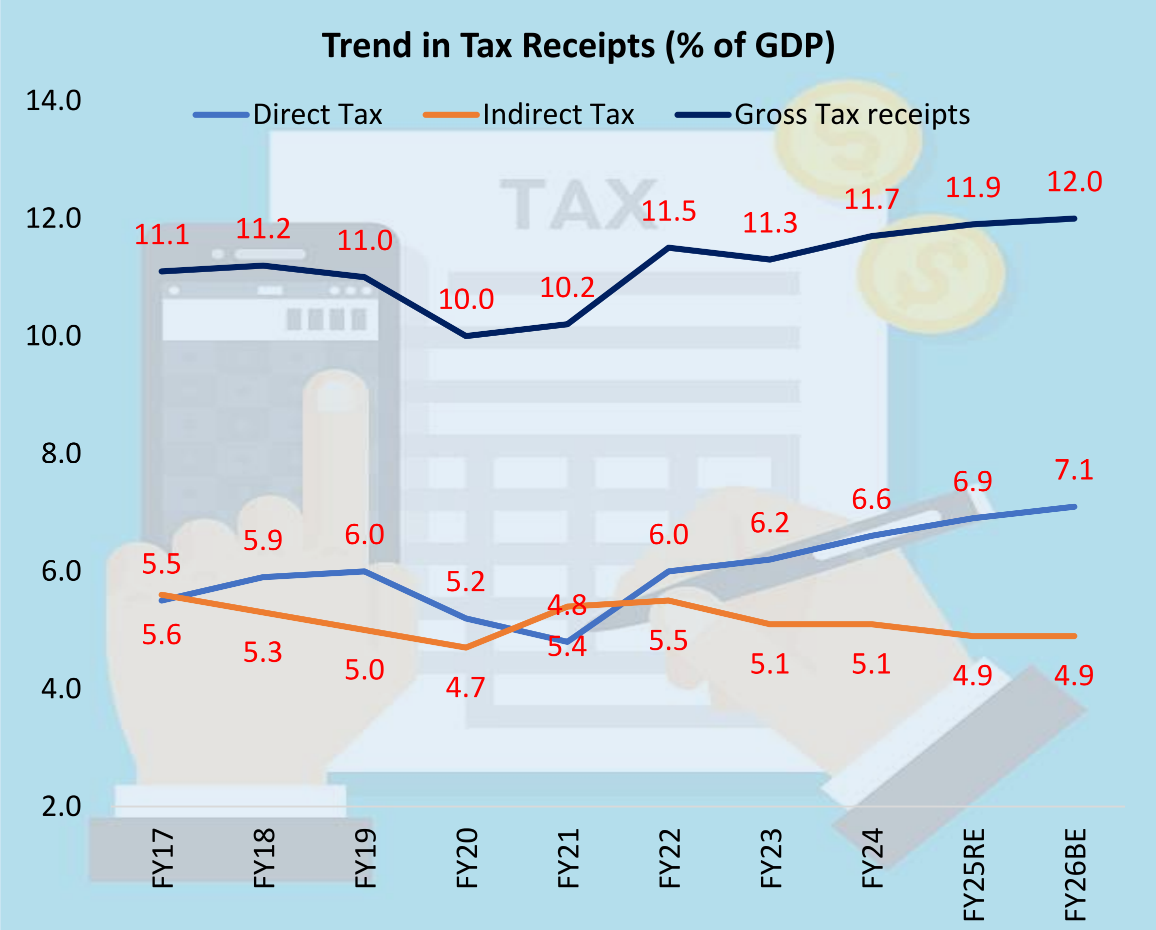
Other Items (26 paise)

Budget Estimates

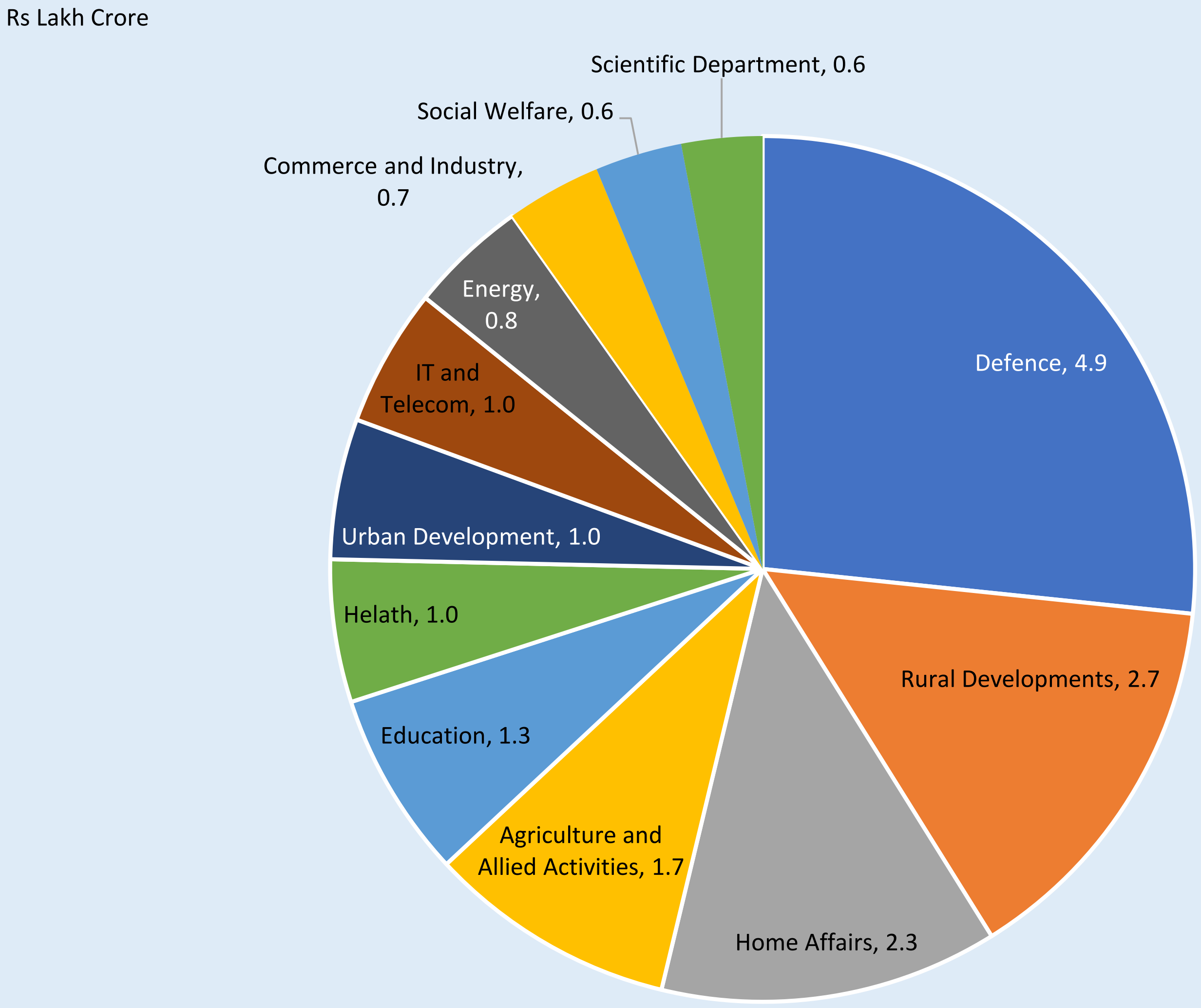
	FY24	FY25	FY25	FY26	% Change		
	Actual	Budget Estimates	Revised Estimates	Budget Estimates	FY25RE vs FY24	FY25RE vs FY25BE	FY26BE vs FY25RE
1. Revenue Receipts	27,29,036	31,29,200	30,87,960	34,20,409	**13.2**	**-1.3**	**10.8**
2. Tax Revenue (Net to Centre)	23,27,251	25,83,499	25,56,960	28,37,409	**9.9**	**-1**	**11**
3. Non Tax Revenue	4,01,785	5,45,701	5,31,000	5,83,000	**32.2**	**-2.7**	**9.8**
4. Capital Receipts	17,14,411	16,91,312	16,28,527	16,44,936	**-5**	**-3.7**	**1**
5. Recovery of Loans	26,646	28,000	26,000	29,000	**-2.4**	**-7.1**	**11.5**
6. Other Receipts	33,122	50,000	33,000	47,000	**-0.4**	**-34**	**42.4**
7. Borrowings and Other Liabilities	16,54,643	16,13,312	15,69,527	15,68,936	**-5.1**	**-2.7**	**0**
8. Total Receipts (1+4)	44,43,447	48,20,512	47,16,487	50,65,345	**6.1**	**-2.2**	**7.4**
9. Total Expenditure (10+13)	44,43,447	48,20,512	47,16,487	50,65,345	**6.1**	**-2.2**	**7.4**
10. On Revenue Account of which	34,94,252	37,09,401	36,98,058	39,44,255	**5.8**	**-0.3**	**6.7**
11. Interest Payments	10,63,872	11,62,940	11,37,940	12,76,338	**7**	**-2.1**	**12.2**
12. Grants in Aid for creation of capital assets	3,03,916	3,90,778	2,99,891	4,27,192	**-1.3**	**-23.3**	**42.4**
13. On Capital Account	9,49,195	11,11,111	10,18,429	11,21,090	**7.3**	**-8.3**	**10.1**
14. Revenue Deficit (10-1)	7,65,216	5,80,201	6,10,098	5,23,846	**-20.3**	**5.2**	**-14.1**
	2.6%	**1.8%**	**1.9%**	**1.5%**			
15. Effective Revenue Deficit (14-12)	4,61,300	1,89,423	3,10,207	96,654	**-32.8**	**63.8**	**-68.8**
	1.6%	**0.6%**	**1%**	**0.3%**			
16. Fiscal Deficit [9-(1+5+6)]	16,54,643	16,13,312	15,69,527	15,68,936	**-5.1**	**-2.7**	**0**
	5.6%	**4.9%**	**4.8%**	**4.4%**			
17.Primary Deficit (16-11)	5,90,771	4,50,372	4,31,587	2,92,598	**-26.9**	**-4.2**	**-32.2**
	2%	**1.4%**	**1.3%**	**0.8%**			

Path of Fiscal and Tax Receipts





Capital Expenditure



Personal Income Tax

Existing Income Tax Slab	New Income Tax Slab	% Tax
Up to Rs 3,00,000	Upto Rs. 4,00,000	Nil
Rs 3,00,001 - 7,00,000	Rs 4,00,001 - 8,00,000	5
Rs 7,00,001- 10,00,000	Rs 8,00,001 - 12,00,000	10
Rs 10,00,001 - 12,00,000	Rs 12,00,001 - 16,00,000	15
Rs 12,00,001 - 15,00,000	Rs 16,00,001 - 20,00,000	20
NA	Rs 20,00,001 - 24,00,000	25
More than Rs 15,00,000	Above Rs 24,00,000	30

Income	Tax on Slabs and Rates		Benefit of	Rebate Benefit	Total Benefit	Tax after Rebate Benefit
	Present	Proposed	Rate/Slab	Full up to Rs 12 lacs		
8 Lakh	30,000	20,000	10,000	20,000	30,000	-
9 Lakh	40,000	30,000	10,000	30,000	40,000	-
10 Lakh	50,000	40,000	10,000	40,000	50,000	-
11 Lakh	65,000	50,000	15,000	50,000	65,000	-
12 Lakh	80,000	60,000	20,000	60,000	80,000	-
16 Lakh	1,70,000	1,20,000	50,000	-	50,000	1,20,000
20 Lakh	2,90,000	2,00,000	90,000	-	90,000	2,00,000
24 Lakh	4,10,000	3,00,000	1,10,000	-	1,10,000	3,00,000
50 Lakh	11,90,000	10,80,000	1,10,000	-	1,10,000	10,80,000

Automobile

Tariff reduction on imported cars from 125% to 70%, motorcycles 100% to 70% and PV 40% to 20%.
No major impact on listed OEMs.

Exemption of custom duty on 35 additional capital goods for EV battery manufacturing.
Custom duty on waste and scrap of Lithium-Ion Battery reduced from 5% to NIL.
Allocated Rs 4,000 crore for EV growth & clean mobility
Largely positive for Exide and Amara Raja.

Income tax relief could drive demand in entry-level auto segments.
Hero Motocorp and Maruti to be major beneficiaries.

Allocation of Rs 1310 crore or PM-eBus Sewa Scheme.
Ashok Leyland, JBM Auto and Olectra to benefit.

Agriculture

A National Mission on High Yielding Seeds will be launched, aimed at i) strengthening the research ecosystem, ii) targeted development and propagation of seeds with high yield, pest resistance and climate resilience. Positive for seeds companies like Kaveri Seeds, Rallis etc.

Fertiliser Subsidy 2024-2025 Budget estimates at Rs 164000 crore, 2024-2025 at Rs 171299 crore and 2025-2026 budget estimates at Rs 167887 crore. Agri and Allied activities 2024-2025 Budget estimates at Rs 151851 crore, 2024-2025 revised at Rs 140859 crore and 2025-2026 budget estimates at Rs 171437 crore. Positive for fertiliser sector.

Government had reopened three dormant urea plants in the Eastern region. To further augment urea supply, a plant with annual capacity of 12.7 lakh metric tons will be set up at Namrup, Assam.

Government is implementing the National Mission for Edible Oilseed for achieving atma-nirbharta in edible oils. Positive for players like Godrej Agrovet

Makhana Board in Bihar
A Makhana Board will be established to improve production, processing, value addition, and marketing of makhana.

Government will undertake a ‘Prime Minister Dhan-Dhaanya Krishi Yojana’ in partnership with states. Through the convergence of existing schemes and specialized measures, the programme will cover 100 districts with low productivity, moderate crop intensity and below-average credit parameters. This programme is likely to help 1.7 crore farmers.

Banking

The loan limit under the Modified Interest Subvention Scheme enhanced from Rs 3 lakh to Rs 5 lakh for loans taken through the KCC.
Higher credit growth for rural focused banks, NBFC and SFB

Credit guarantee cover enhanced; MSME Rs 5 cr to Rs 10 cr; Startups Rs 10 cr to Rs 20 cr; exporter MSME term loans upto Rs 20 cr
- Customized Credit Cards with a Rs 5 lakh limit for micro enterprises registered on Udyam portal

Likely to benefit SFBs and MFIs majorly

FDI limit for the insurance sector raised from 74% to 100%
ULIPs to be considered asa equity oriented fund and taxed accordingly
Positive for insurance companies but could increase competition; ULIPs could lose attractiveness

Increased allocation under PMAY-Urban 1/2 by 45%/133% from revised estimate to Rs 19794 crore/Rs 3500 crore
Positive for housing finance companies specifically focusing on affordable housing

Centre will borrow Rs 14.82 lakh crore from the markets for FY26E to finance its fiscal deficit an increase from 141 lakh in FY25E
Lower Deficit creates room for a possible rate cut.

Consumer & Retail

Increased exemption limit in Personal Income Tax to boost consumption

Exemption of personal income tax up to Rs 12 lakh under the new tax regime to aid demand for consumption staples and FMCGs benefitting companies like **HUL, Tata Consumer, Godrej Consumer, Britannia etc.**

Revamped tax slabs to boost discretionary spending

Revamped tax slabs under the new tax regime are expected to benefit individuals, especially the middle class, through tax savings which may be directed towards discretionary spending benefiting companies like **Titan, Kalyan Jewellers, Trent, Dmart etc.**

Boost to the Rural Economy

Kisan Credit Cards (short term loans for 7.7 crore farmers, fishermen, and dairy farmers), strengthening of rural posts and payment bank infra and 'Rural Prosperity and Resilience' programme to boost rural economy and strengthen rural consumption. Positive for companies like **Emami, Marico and Dabur.**

Programme for Vegetables and Fruits to aid consumption basket

A comprehensive programme to promote production, supply, processing and remunerative prices of vegetables and fruits for farmers in partnership with states.

Promoting the Gig Economy

Recognition to 1 crore Gig workers of online platforms through identity cards, registration on the e-Shram portal and healthcare under PM Jan Arogya Yojana. Positive for **Zomato and Swiggy.**

Defence & Space

Budget Allocation

Allocated budget of Rs 6.8 lakh crore for the coming year, as the government continues to step up efforts to make in India. The total outlay on defence is less than street expectations.

Defence Capex

Allocated defence capex of Rs 4.9 Lakh crore for FY26E from Rs 4.6 Lakh crore for FY25RE, increased by 7.7%.

Space Budget

Increased the budget outlay for space technology from Rs 8,986 crore for FY25RE to Rs 10,230 crore for FY26E. This fuel the growth of India’s space sector.

BCD on Ground Installations

Announced to reduce Basic Custom Duties on ground installations and satellite launches, along with goods used in the manufacturing of launch vehicles (rockets) to zero. It is positive for **MIDHANI and BEL.**

Education

Bharatiya Bhasha Pustak Scheme to provide digital-form Indian language books for school and higher education.

Five National Centres of Excellence for skilling will be set up with global expertise and partnerships to equip youth with the skills required for “Make for India, Make for the World” manufacturing.

Total number of students in 23 IITs has increased 100% from 65,000 to 1.35 lakh in the past 10 years. Additional infrastructure will be created in the 5 IITs started after 2014 to facilitate education for 6,500 more students.

Government added almost 1.1 lakh UG and PG medical education seats in ten years, an increase of 130%. In the next year, 10,000 additional seats will be added in medical colleges and hospitals, towards the goal of adding 75,000 seats in the next 5 years.

Housing and Real Estate

SWAMIH Fund 2

SWAMIH Fund 2 established of Rs 15,000 crore for expeditious completion of 1 lakh units for affordable and mid-income housing as a blended facility between GOI, banks and private investors.

Tax benefits of up to 2 self-occupied properties

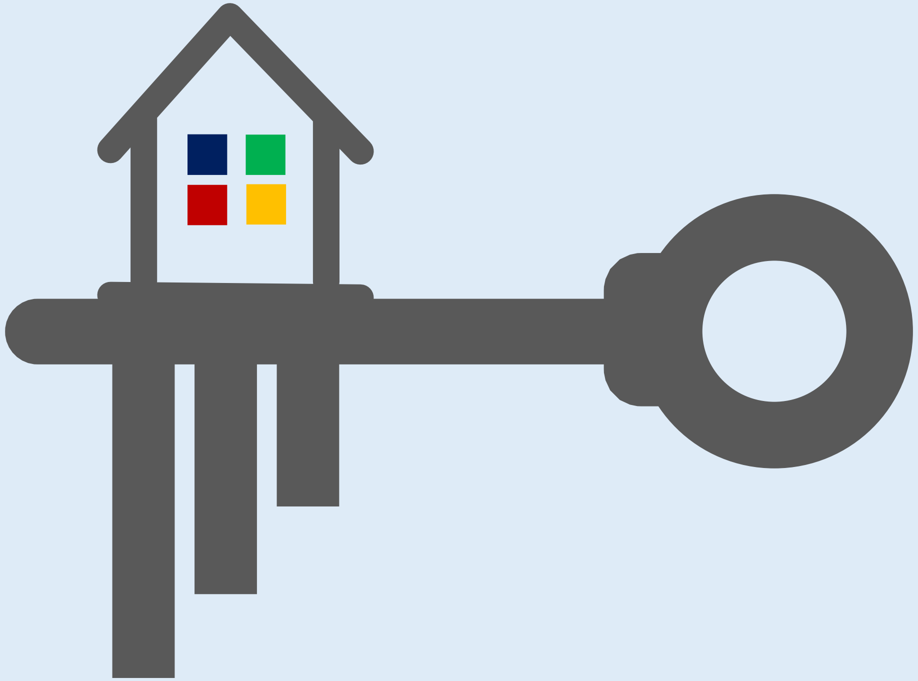
Tax payers can claim the annual value of self-occupied properties as Nil for 2 self-occupied properties instead of 1 earlier and without any condition.

TDS on Rent

The annual limit for Tax Deducted at Source on rent increased from Rs 2.4 lakh to Rs 6 lakh, thus benefitting small tax payers receiving small payments.

Smart City Mission

25% increase in allocation from Rs.8,000 crore to Rs.10,000 crore in AMRUT and Smart Cities Mission. Higher allocation will have positive impact on building materials to some extent.



Healthcare & Pharmaceuticals

2024-2025 Health Budget estimates Rs 89287cr, 2024-2025 revised Rs 88032 crore and 2025-2026 budget estimates at Rs 98311 crore. Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (PMJAY) 2024-2025 Budget estimates Rs 7300cr, 2024-2025 revised Rs 7606 crore and 2025-2026 budget estimates at Rs 9406 crore.

Government will facilitate setting up of Day Care Cancer Centres in all district hospitals in the next 3 years. 200 Centres will be established in 2025-26. Negative for private oncology focused players such as **HCG, Max Healthcare, KIMS etc.**

Announcement of 36 life-saving drugs and medicines (mainly in Cancer and Rare diseases) to be added to the list of medicines that are fully exempt from basic customs duty (BCD). Another 6 life-saving medicines are to be added to the list, that would attract concessional customs duty of 5%. Negative for oncology focused domestic pharma players.

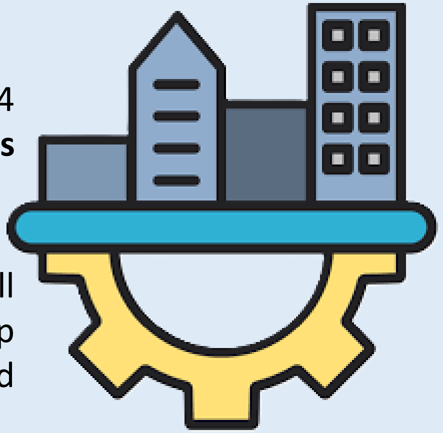
Infrastructure

The capex outlay for FY25 was revised and reduced to Rs 10.18 lakh crore and for FY26E the capex outlay has been increased to 11.2 lakh cr which is 3.4 percent of the GDP. An outlay of Rs. 1.5 lakh cr in the form of a 50-year interest-free loans to support states in their resource allocations. Allocation to the infra segment was less as a higher capex outlay was expected.

This can be positive for road building, railways, renewables, power transmission, defence and new-age infra such as data centres etc.

Stocks impacted: KPIL,KEC Int, HG Infra, NCC, KNR Constr, etc.

Second Asset Monetization Plan for 2025-2030 aiming to generate Rs 10 lakh crore by monetizing government-owned assets and reinvesting the funds into new infrastructure projects. Expected to provide significant capital for infrastructure development and invest into new projects.



Jal Jeevan Mission is extended till 2028 with an enhanced total outlay of Rs. 67,000 cr in FY26BE from Rs. 22,694 cr in FY25RE. Aims to achieve 100% coverage of potable tap water connections across rural households. **Stocks impacted: Va tech Wabag, Ion exchange, etc.**

Urban Challenge Fund of Rs. 1 lakh cr is announced and allocation for FY26BE is Rs.10,000 cr. This fund is will finance 25 percent of the cost of bankable projects and 50% from bonds , bank loans and PPP. Aims to develop cities as growth hubs, push for their creative redevelopment, and provide essential infrastructure (water and sanitation).

Maritime Development Fund of Rs. 25,000 cr is announced for long term financing of maritime infrastructure industry. The government will contribute up to 49% to the fund and mobilize the rest from the private sector. Aims to provide long-term financial support for Indigenous shipbuilding, water infrastructure projects and reduce impact of red sea crisis. **Stocks impacted: ITD cementation.**

Development of a new Greenfield airport, expansion of IIT Patna in the state of Bihar and financial support to Western Koshi Canal Project. Projects to benefit over 50,000 hectares of farmlands in Bihar, Additional infrastructure to accommodate more students in IITs.

Oil and Gas

Petroleum subsidy

Petroleum subsidy decreased to Rs 12,100 crore for FY26E, from Rs 14,700 crore for FY25RE.

Allocation for LPG connection to poor households

Planning to allocate Rs 9,100 crore for FY26E vs. Rs 12,700 crore for FY25RE for LPG connection to poor households. Allocation cut is negative for the OMCs.

Tariff rate for key petroleum products

Tariff rate for Liquified Propane and Butane decreased from 15% to 2.5% and for LPG (for automotive and non-automotive) reduced from 15% to 5% for FY25-26. it is positive for topline of OMCs.

Capex plan for Ministry of Petroleum

The budgeted capex of Ministry of Petroleum was reduced to Rs. 19,327 cr from Rs. 17,368 cr for FY25RE and allocating the fund for Indian Strategic Petroleum Reserve Ltd.of Rs 5,597 cr.

DBT on LPG

The government has allocated Rs 1500 crore for Direct Benefit Transfer on LPG for FY26E vs. Rs 500 crore for FY25RE. It is positive for OMCs.

Materials

METAL

The budget scrapped custom duty on waste and scrap of some critical minerals. This move is expected to positively impact metal sector as production costs will be lower for metal companies.

MINING

A policy for recovery of critical minerals is to be brought out (National Critical Mineral Mission). Rs. 16,300 crore is the expected outlay over 7 years out of which Rs.410 crores are to be spent in current year. This move is expected to positively impact the mining sector as it is considered to be a major step towards self reliance in critical minerals.

CHEMICALS - Cut in Custom Duties

Rate of Duty	From	To
Phosphoric Acid	20	7.5
Glycerol crude, glycerol waters, glycerol lye	30	20
Compounds containing a pyrimidine ring or piperazine ring	10	7.5
Synthetic flavouring essences and mixtures of odoriferous substances	100	20
Sorbitol	30	20

CEMENT

The Union Budget 2025 has allocated ₹11.2 lakh crore for capital expenditure in FY2026, up from ₹10.2 lakh crore in FY2025. This represents a 10.1% increase compared to the previous year. Negative impact on cement sector is expected as increase in expenditure on infrastructure sector was lesser than street expectations.

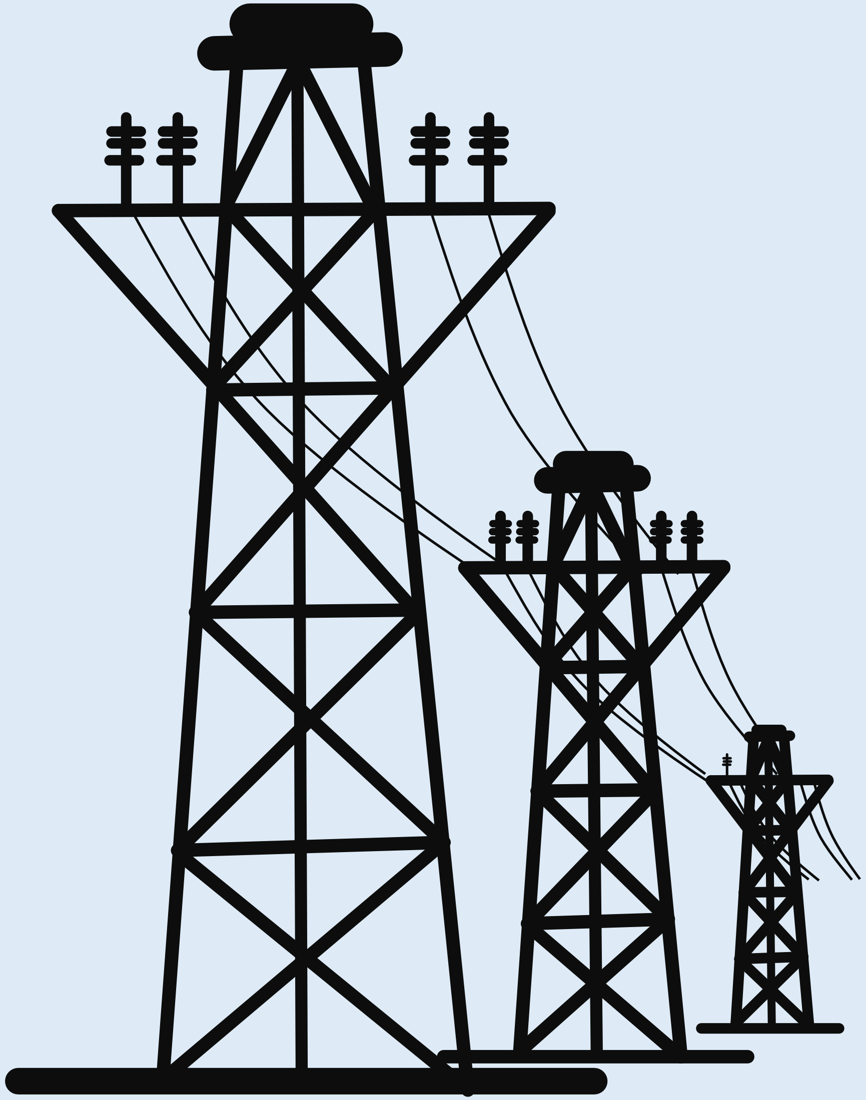
Power & Renewables

Allocation to Ministry of New and Renewable Energy was up 53% to Rs. 26,549 cr in FY26BE against Rs.17,298 cr in FY25RE. The National Green Hydrogen Mission received Rs 600 cr in FY26BE, compared to Rs 300 cr in FY25RE. **Stocks impacted: L&T, BHEL, Walchandnagar.**

Govt has proposed to set up Nuclear Energy Mission for R&D of Small Modular Reactors (SMRs) with an outlay of Rs.20,000 cr. Atleast five indigenously developed SMRs are expected to be operationalised by 2033.

The Govt's move is a step toward increasing India's nuclear power capacity from 8,180 MW to 22,480 MW by 2031-32 and eventually 100 GW by 2047. The mission includes private sector involvement, legislative changes, and the operationalization of small modular reactors by 2033 to drive the nation's clean energy transition.

Govt has increased allocation to the PM Surya Ghar Muft Bijli Yojana and National manufacturing mission from Rs. 11,100 cr in FY25RE to Rs. 20,000 cr in FY26BE. Aims to promote the manufacturing of solar PV cells, wind turbines, grid scale batteries and electrolysers. **Stocks Impacted: HBL Engg., Waree Energies.**



Travel & Tourism

Focus on Tourism and Travel

Top 50 tourist destination sites to be developed in partnership with states to benefit companies like **Indian Hotels, Lemon Tree Hotels, Easy Trip Planners** etc. Hotels in those destinations will be included in the infrastructure HML.

Employment Led Tourism Growth

Organizing skill-development programmes in Institutes of Hospitality Management, MUDRA loans for homestays and performance-linked incentives to states for effective destination management including tourist amenities, cleanliness, and marketing efforts.

UDAN - Regional Connectivity Scheme

Modified UDAN scheme to enhance regional connectivity to 120 new destinations and carry 4 crore passengers in the next 10 years and supporting helipads and smaller airports in hilly, aspirational, and North East region districts benefiting companies like **Interglobe Aviation, GMR Airports.**

Improvement in tourism infrastructure

Measures such as improving ease of travel and connectivity to tourist destinations and introduction of streamlined e-visa facilities along with visa-fee waivers for certain tourist groups.

Medical, Spiritual and Religious

Medical Tourism and Heal in India will be promoted in partnership with the private sector along with capacity building and easier visa norms, special focus on destinations related to the life and times of Lord Buddha.

Technology

Budget Allocation

Increased the budget outlay for space technology from Rs 8,986 crore for FY25 RE to Rs 10,230 crore for FY26E. Positive for IT and Telecom companies providing IT and telecom infra-related product and services.

Urban Digital Mission

National Urban Digital Mission increased to Rs 1250 crore for FY25-26E from Rs 109 crore for FY24-25 RE.

National Digital Repository

Planning to set up a National Digital Repository of Indian knowledge systems for knowledge sharing under the Gyan Bharatam Mission. Positive for **TCS, Infosys, HCL Tech and Wipro, etc.**

'BharatTradeNet'

Planning to set-up as a unified platform 'BharatTradeNet' (BTN) for trade documentation and financing solutions.

Telecom

Compensation to Service Providers

Allocated compensation to Service Providers for creation and augmentation of telecom infrastructure Increased to Rs 28400 cr for FY26E from Rs 13700 cr for FY25RE. Positive for Telecom players like **Bharti Airtel, Jio, Vodafone Idea, and Bharti Hexacom**.

Cut in the Basic Customs Duty (BCD)

Announced a cut in BCD on mobile phones from 2.5% to Zero. Inputs or Parts/sub-parts for use in the manufacture of the Printed Circuit Board Assembly, Camera module and connectors of cellular mobile phone.

Exempted Capital goods for mobile battery

Proposed to add 28 additional capital goods for mobile phone battery manufacturing to the list of exempted capital goods.

Custom duty on specified inputs/parts

Custom duty on specified inputs/parts (chip on film, PCBA, glass board/substrate cell) for use in the manufacturing of open cells of TV panels of LED/LCD TV has been fully exempted.

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