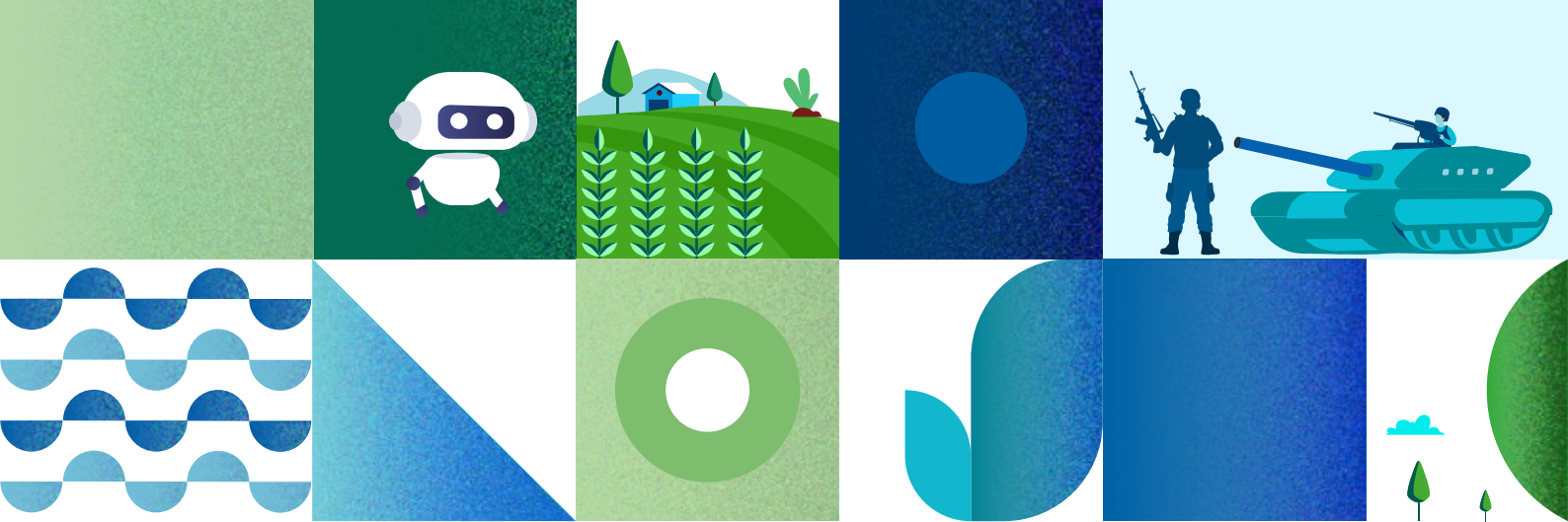
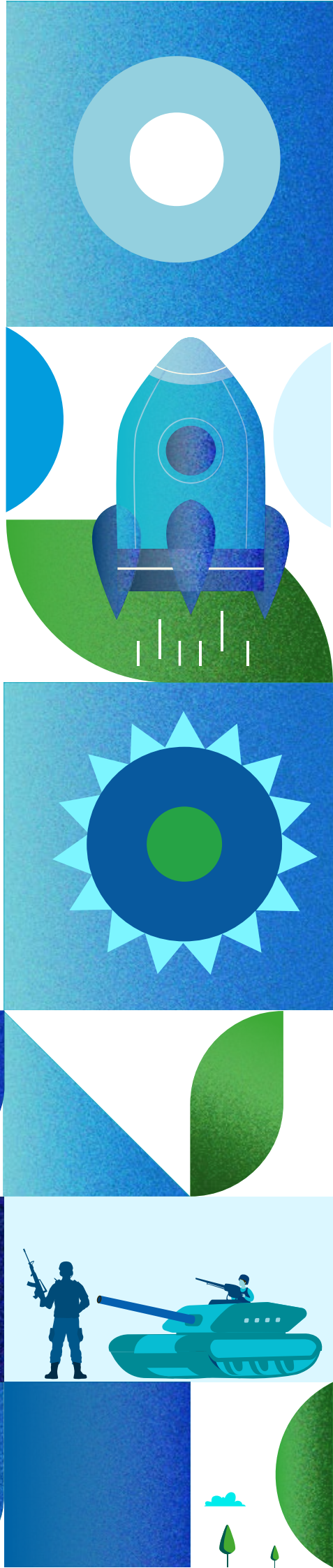


# Union Budget 2026 -2027

From Populism to Pragmatism - FM Lays  
Foundations for Structural Growth

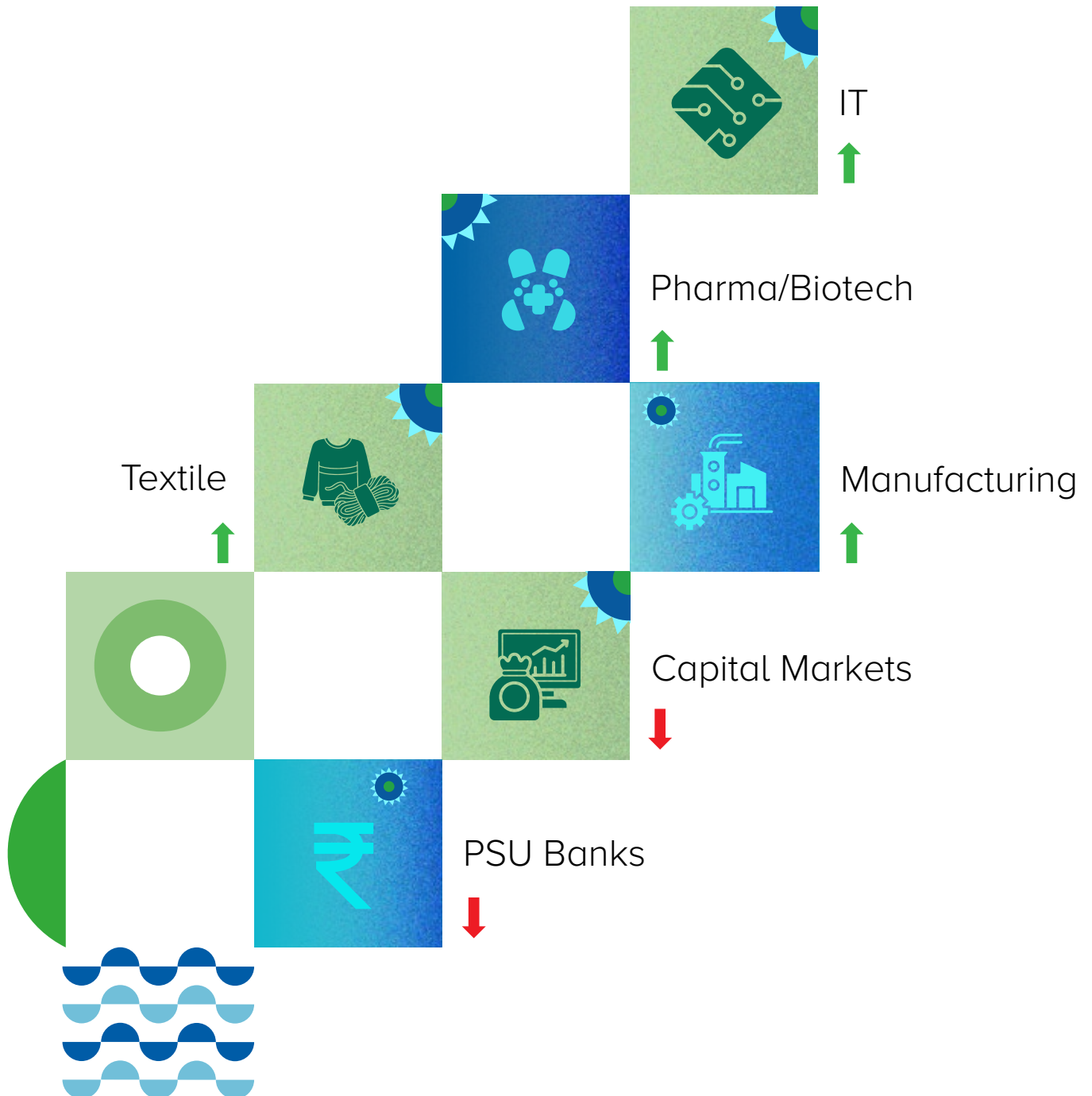
01 February 2026



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# Impact of Budget Announcements on Sectors



# Government's 'Sankalp'



## First Kartavya

### Accelerate & Sustain Economic Growth

- Enhancing productivity and Competitiveness
- Building resilience to volatile global dynamics



## Second Kartavya

### Fulfil aspiration of our People

- Build people's capacity
- Making them strong partners in India's path to prosperity

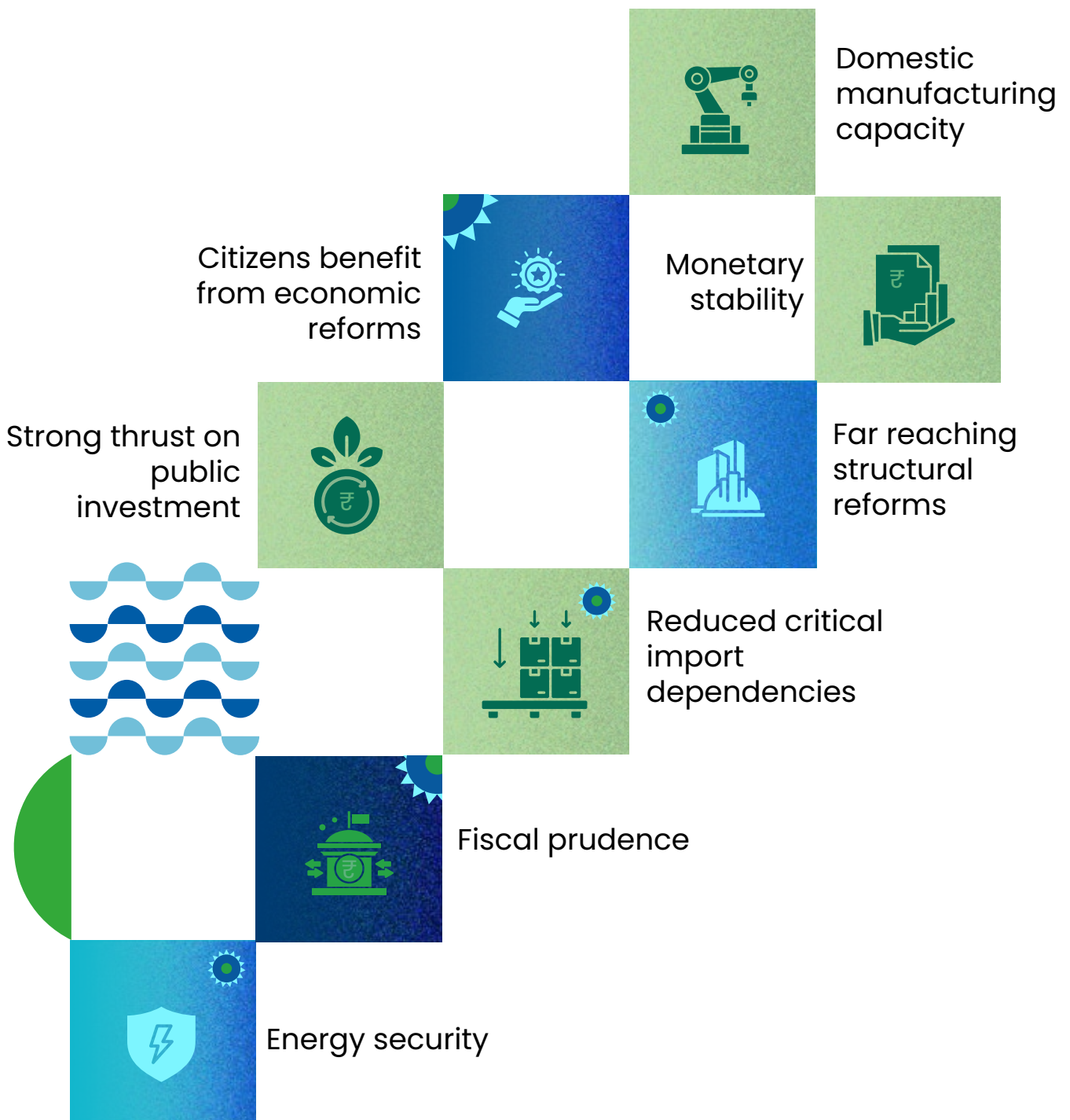


## Third Kartavya

### Vision of Sabka Sath, Sabka Vikas

- Ensure that every family, community, region and sector has access to resources, amenities and opportunities for meaningful participation

# Key Pillars for India's Economic Growth



# From Populism to Pragmatism

## **A+ in Arithmetic, C- in Chemistry – Sound Math Fails to Meet Heightened Market Expectations**

At a time when India is navigating considerable global uncertainty, the Union Budget's emphasis on structural reforms and maintenance of a stable policy regime is particularly welcome.

The budget delivers a pragmatic blueprint, shaped by global headwinds and domestic fiscal realities, that strikes a balance between ambition and prudence. Its underlying mathematics appears sound and credible, built on conservative revenue projections and aggressive funding for critical expenditure priorities.

However, markets reacted negatively, not because of fiscal weakness, but because the budget failed to meet the heightened expectations that had built up in the run-up to its announcement.

The disappointment was compounded by an unexpected increase in the Securities Transaction Tax on derivatives trading, a surprise that caught market participants off guard. This measure, aimed at discouraging speculative trading, jolted investor confidence and triggered a sharp sell-off despite the budget's otherwise reasonable fiscal framework.

The market was looking for immediate measures to turn around investor

sentiment and attract foreign inflows. Investors anticipated that, even if STT were raised, it would be accompanied by reductions in capital gains tax.

The interest burden has risen from 47.6% to 49% of net tax revenues to the Centre, a development unlikely to enthrone credit rating agencies.

In a shift in the government's revenue composition, GST and other indirect taxes now constitute merely 15% of total resources mobilised in the Union Budget 2026-27, marking a significant decline from the 18% share they commanded in the previous fiscal year. This three-percentage-point contraction in indirect tax contribution reflects the prior year's impact of comprehensive tax rationalisation measures.

The capital expenditure allocation of ₹12.22 lakh crore, representing 4.4% of GDP, is the highest in at least a decade and a remarkable achievement given the constraints of limited tax inflows.

The Centre has done what it reasonably could to provide for capital expenditure. However, the real test ahead lies in whether private sector capex can accelerate sufficiently to complement government spending. Achieving the budgeted nominal GDP growth of 10% will require close monitoring and concerted effort from all stakeholders.

To improve liquidity support for MSMEs, the budget introduced a credit guarantee support mechanism for invoice discounting on TReDS platform and introduced TReDS receivables as asset backed securities to help develop a secondary market.

Amidst elevated G-Sec & T-bill supply, RBI's open market purchase operation of G-Sec will be extremely critical to lessen the supply burden.

While the 15% increase in total allocation to the Ministry of Defence to ₹7.8 lakh crore moves in the anticipated direction, it still fell short of heightened market expectations.

The government has significantly raised the divestment revised estimates from ₹33,837 crore to an ambitious ₹80,000 crore under miscellaneous capital receipts in this budget. This sharp revision signals renewed optimism for stake sales in PSUs and asset monetisation, aiming to bolster non-tax revenues.

The liberalisation of investment norms for NRIs represents a welcome measure to attract much-needed capital to Indian markets, signalling the government's commitment to broadening the investor base. While the enhanced STT regime for derivatives may create near-term headwinds for capital market participants, it reflects a long-term vision for market stability and maturity, a necessary recalibration for sustainable growth.

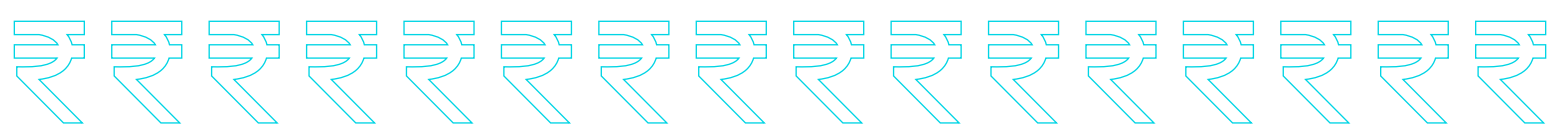
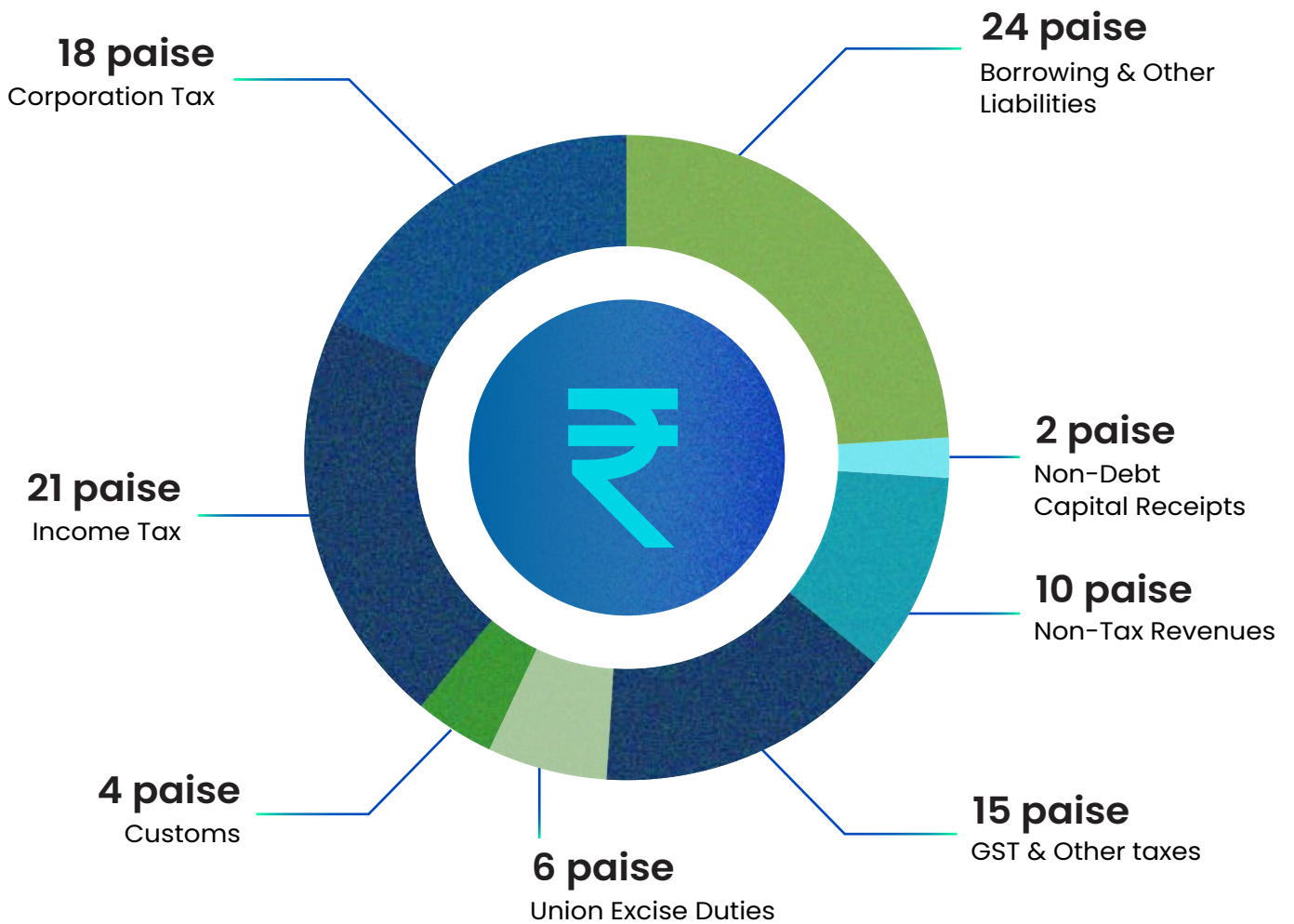
The establishment of a High-Level Committee on Banking for Viksit Bharat, tasked with comprehensively reviewing the sector and aligning it with India's next phase of growth while safeguarding financial stability, inclusion, and consumer protection, is a commendable step forward.

The government's sustained focus on deregulation deserves particular mention. Over 350 reforms have been rolled out, encompassing GST simplification, notification of Labour Codes, and rationalisation of mandatory Quality Control Orders. The formation of committees and the Central Government's collaboration with state governments to reduce compliance requirements demonstrate a systematic approach to ease of doing business.

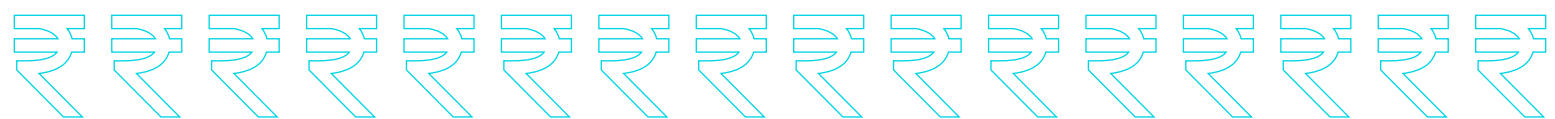
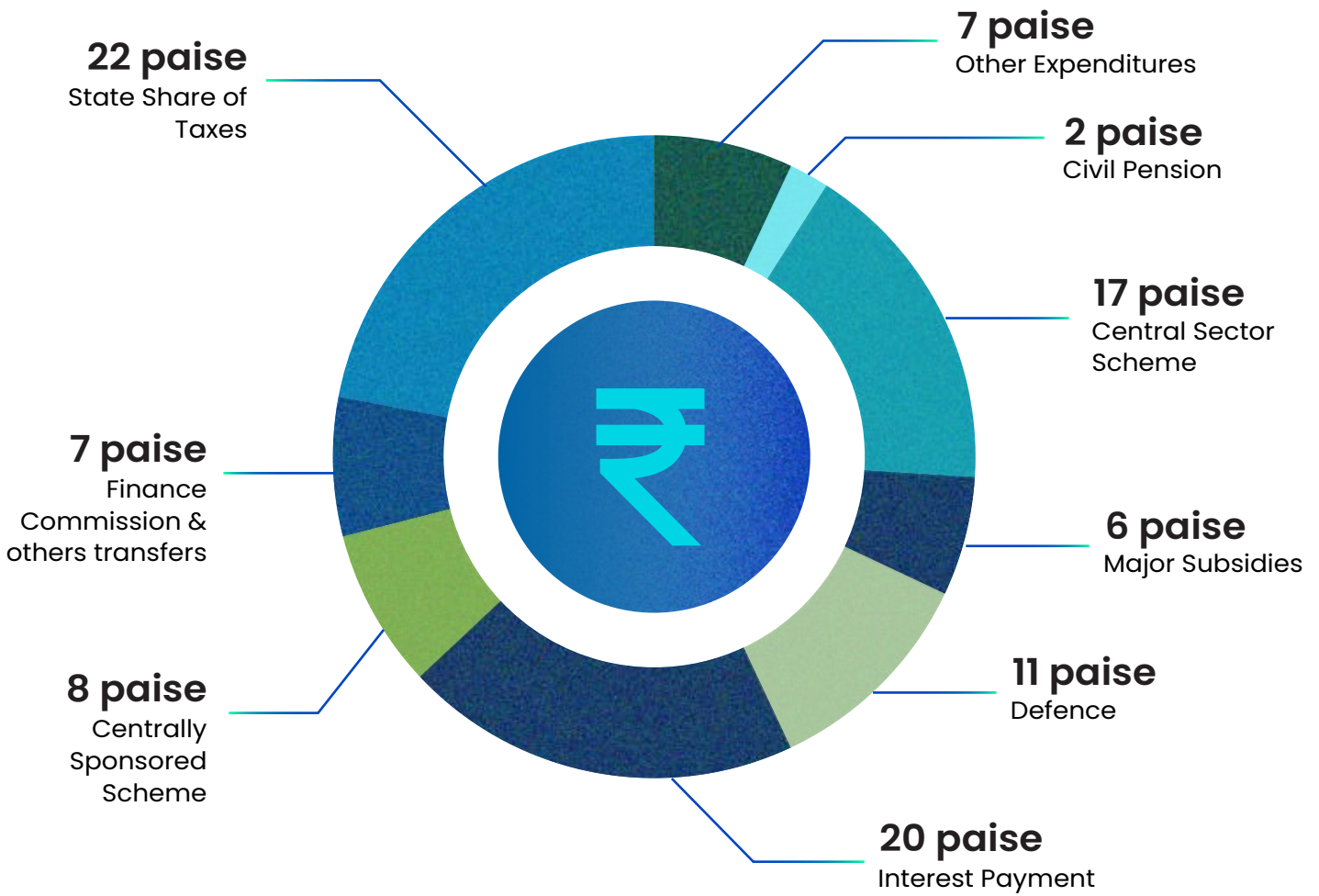
The budget's recognition of the tourism sector's potential to drive employment generation, forex earnings, and expansion of local economies is welcome and reflects an appreciation of India's diverse strengths.

Finally, the proposal to provide tax holidays until 2047 for foreign companies providing cloud services globally using data centre infrastructure in India demonstrates long-term strategic thinking. By enabling critical infrastructure and boosting investment in data centres, this measure positions India favourably in the global digital economy for decades to come.

# Rupee Comes From




# Rupee Goes To



# Budget Estimates

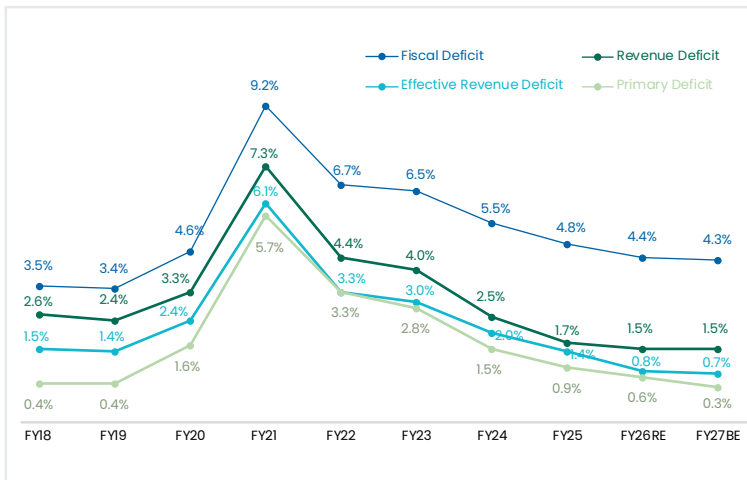
(Rs. crore)

	FY25	FY26	FY26	FY27	% Change		
	Actual	Budget Estimates	Revised Estimates	Budget Estimates	FY26RE vs FY25	FY26RE vs FY26BE	FY27BE vs FY26RE
<b>1. Revenue Receipts</b>	3,036,619	3,420,409	3,342,323	3,533,150	10.1	-2.3	5.7
2. Tax Revenue (Net to Centre)	2,500,039	2,837,409	2,674,661	2,866,922	7.0	-5.7	7.2
3. Non Tax Revenue	536,580	583,000	667,662	666,228	24.4	14.5	-0.2
<b>4. Capital Receipts (5+6+7)</b>	1,616,249	1,644,936	1,622,519	<b>1,814,165</b>	0.4	-1.4	11.8
5. Recovery of Loan	24,617	29,000	30,190	38,397	22.6	4.1	27.2
6. Other Receipts	17,202	47,000	33,837	80,000	96.7	-28.0	136.4
7. Borrowings and Other Liabilities	1,574,431	1,568,936	1,558,492	1,695,768	-1.0	-0.7	8.8
<b>8. Total Receipts (1+4)</b>	4,652,867	5,065,345	4,964,842	5,347,315	6.7	-2.0	7.7
<b>9. Total Expenditure (10+11)</b>	4,652,867	5,065,345	4,964,842	5,347,315	6.7	-2.0	7.7
10. On Revenue Account of which	3,600,914	3,944,255	3,869,087	4,125,494	7.4	-1.9	6.6
11. On Capital Account	1,051,953	1,121,090	1,095,755	1,221,821	4.2	-2.3	11.5
<b>12. Interest Payments</b>	1,115,575	1,276,338	1,274,338	1,403,972	<b>14.2</b>	-0.2	10.2
<b>13. Grants in Aid for creation of capital assets</b>	272,656	427,192	308,151	492,702	13.0	-27.9	59.9
<b>14. Revenue Deficit (10-1)</b>	<b>564,296</b>	<b>523,846</b>	<b>526,764</b>	<b>592,344</b>	-6.7	0.6	12.4
	1.7	1.5	1.5	1.5			
<b>15. Effective Revenue Deficit (14-12)</b>	<b>291,640</b>	<b>96,654</b>	<b>218,613</b>	<b>99,642</b>	-25.0	126.2	-54.4
	0.9	0.3	0.6	0.3			
<b>16. Fiscal Deficit [9-(1+5+6)]</b>	<b>1,574,431</b>	<b>1,568,936</b>	<b>1,558,492</b>	<b>1,695,768</b>	-1.0	-0.7	8.8
	4.8	4.4	4.4	4.3			
<b>17. Primary Deficit (16-11)</b>	<b>458,856</b>	<b>292,598</b>	<b>284,154</b>	<b>291,796</b>	-38.1	-2.9	2.7
	1.4	0.8	0.8	0.7			

 Strong growth anticipated in capital receipts

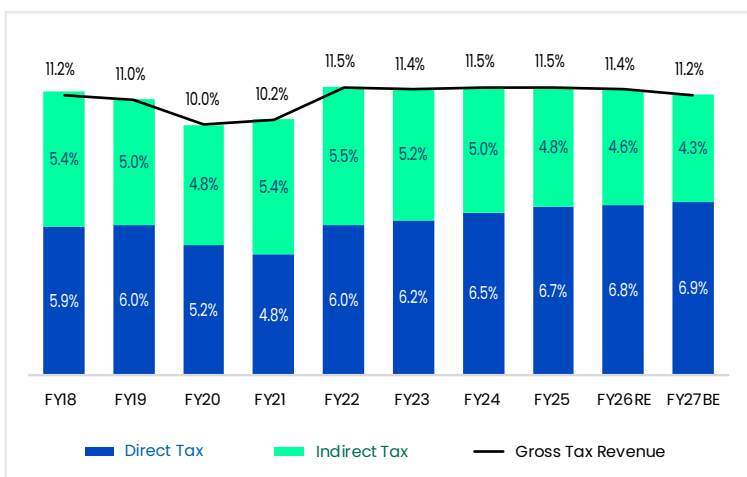
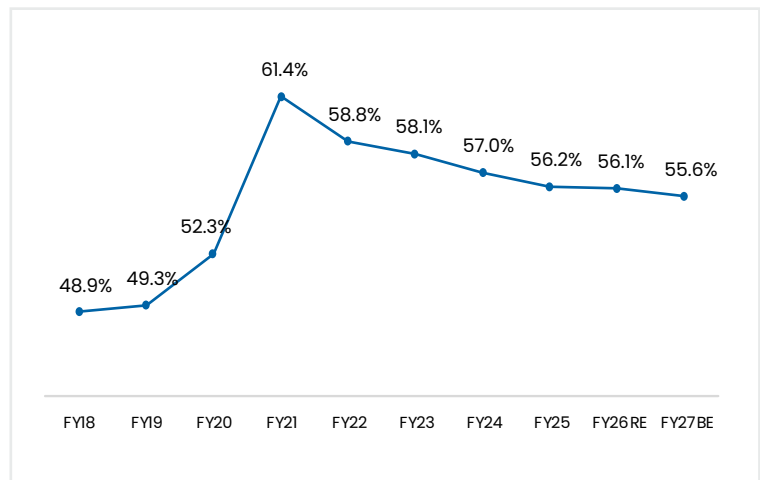
 Interest payments as percentage of tax revenue higher than anticipated

# Path of Fiscal and Tax Receipts



**Deficit Trends (% of GDP)**

**Debt % of GDP**



**Trend in Tax Receipts (% of GDP)**

# Automobile

- PLI for Automobiles & Auto Components raised to Rs 5,939 crore from Rs 2,091 crore

## **All major OEM and Auto components manufacturer**

- PLI for National Programme on Advanced Chemistry Cell (ACC) Battery

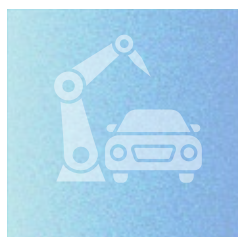
## **Positive for Exide and Amara Raja**

- Storage increased from Rs 13 crore to Rs 86 crore
- Extension of exemption of 35 capital goods for EV battery manufacturing from BCD
- Allocation for PM E Drive scheme raised from Rs 1300 crore to Rs 1500 crore

## **Ashok Leyland, JBM Auto, Tata Motors**

- Exemption of Central Excise Duty on Biogas component in blended CNG
- Basic Custom duty exemption for capital goods required for processing of critical minerals in India
- Creation of integrated East Coast industrial corridor and provision of 4,000 e-Buses

## **Positive for CV manufacturers**



# Aviation

- Reduced custom duty on components and engine parts for manufacture of aircraft to NIL

## **Positive for aviation companies**



# Agriculture

- India's Union Budget 2026 allocates Rs 1,70,780 crore to the Fertiliser Subsidy, marking a ~9% decline from Rs 1,86,460 crore revised estimates of 2025-26.
- In Agri & allied sector, the govt. allocated Rs 1,62,700 crore as against Rs 1,51,800 crore.
- Govt. announced the launch Bharat-VISTAAR - a multilingual AI tool that shall integrate the AgriStack portals and the ICAR package on agricultural practices with AI systems. This would enhance farm productivity, enable better decisions for farmers and reduce risk by providing customised advisory support.
- To support the Animal Husbandry Sector in entrepreneurship development through: a Credit-Linked Subsidy Programme, enhance creation of livestock, dairy and poultry-focused integrated-value chains and encourage creation of Livestock Farmer Producers Organisations.

## Minor negative for Fertiliser players



## BFSI

- Setting up a “High Level Committee on Banking for Viksit Bharat”, to comprehensively review the sector and align it with India’s next phase of growth
- Restructure Power Finance Corporation and Rural Electrification Corporation
- Dedicated Rs 10,000 crore fund for SME, incentivizing enterprises based on select criteria

### **Positive for MSME focused banks/NBFCs**

- Easier access to TReDS and invoice discounting for MSMEs
- Introduction of a market-making framework with suitable access to funds, as well as derivatives on corporate bond indices; Incentive for single bond issuance over Rs 1,000 crore

### **Deepening of bond markets to be beneficial for AMC**

- Public capex increased from Rs 11.2 lakh crore to Rs 12.2 lakh crore



## BioPharma/ Biologics

- Propose the Biopharma SHAKTI with an outlay of Rs 10,000 crore over the next 5 years. The Strategy will include a Biopharma-focused network with 3 new National Institutes of Pharmaceutical Education and Research (NIPER) and upgrading 7 existing ones. It will also create a network of over 1000 accredited India Clinical Trials sites.

### **Key beneficiaries include Sai Life, Aarti Pharmalabs, Anthem Bioscience, Divi’s Labs, Piramal Pharma, Zydus Life, Biocon**

- Propose to strengthen the Central Drugs Standard Control Organisation to meet global standards and approval timeframes through a dedicated scientific review cadre and specialists.

### **Positive Domestic Formulation players**



# Capital Market

- Increased STT on derivatives transactions from 0.02% to 0.05% for futures and 0.1%/0.125% to 0.15% for options

**Negative for broking companies and exchanges**

- Permitted individual Persons Resident Outside India (PROI) to invest in equity instruments through Portfolio Investment Scheme

**Positive for Wealth Management companies**



# Cement

- Public capital expenditure increased from Rs.11.2 lakh crore to Rs. 12.2 lakh crore

**Beneficial for metals as well as cement companies**

- New CER programme with Rs.5000 crore per CER over 5 years to fund urban infra projects in Tier II/III cities announced

**Beneficial for metals as well as cement companies**



# Consumer & Retail

- City Economic Regions:** Focus on modernizing infrastructure and basic amenities in Tier II/Tier III cities and temple towns by mapping city economic regions (CER), based on their specific growth drivers. Allocation of Rs 5000 crore per CER over 5 years is proposed for implementing their plans. This is expected to boost economic welfare and disposable incomes in these regions, leading to enhanced consumption.
- Focus on Ayurveda:** Setting up of 3 new All India Institutes of Ayurveda; upgrading AYUSH pharmacies and Drug Testing Labs for higher standards and upgrading WHO Global Traditional Medicine Centre in Jamnagar to bolster evidence-based research to aid exports of ayurvedic products, in turn helping farmers who grow the herbs and the youth who process the products.
- Support to Animal Husbandry to boost rural income:** Budget proposes to scale up availability of veterinary professionals by more than 20,000 and rolling out of a loan-linked capital subsidy support scheme for establishment of veterinary and paravet colleges, veterinary hospitals, diagnostic laboratories and breeding facilities in the private sector.
- Production boost of Coconut, Cashew and Cocoa:** Proposal of Coconut Promotion Scheme to increase production and enhance productivity, dedicate programme for Indian cashew and cocoa to make India self-reliant in raw cashew and cocoa production to aid raw material procurement for select FMCG companies
- Rationalization of TCS for specific goods:** TCS rate for sellers of specific goods namely alcoholic liquor, scrap and minerals will be rationalized to 2% and that on tendu leaves will be reduced from 5% to 2%
- Promotion of exports of marine and leather products:** Increase in limit for duty-free imports of specified inputs used for processing seafood products for export, from the current 1% to 3% of FOB value of the previous year's export turnover. Allowance of duty-free imports of specified inputs, which is currently available for exports of leather or synthetic footwear, to exports of Shoe Uppers as well.
- Import duty on goods for personal use:** Reduction in tariff rate on all dutiable goods imported for personal use from 20% to 10% to rationalize the customs duty structure for goods imported for personal use

**Positive for Patanjali Foods, Nestle India, Marico, Dabur etc.**



# Defence

- The government has allocated a budget of Rs 2.19 lakh crore for the coming year for defense capital outlay, as it continues to step up efforts for modernization and self-reliance for FY27E, up from Rs 1.86 lakh crore for FY26RE, an increase of 17%.

**The total outlay on defence is less than street expectations and can temporarily impact stock prices of defence focused companies.**

- The government increased the budget outlay for space technology from Rs 9602 crore for FY25-26 RE to Rs 10,397 crore for FY26-27

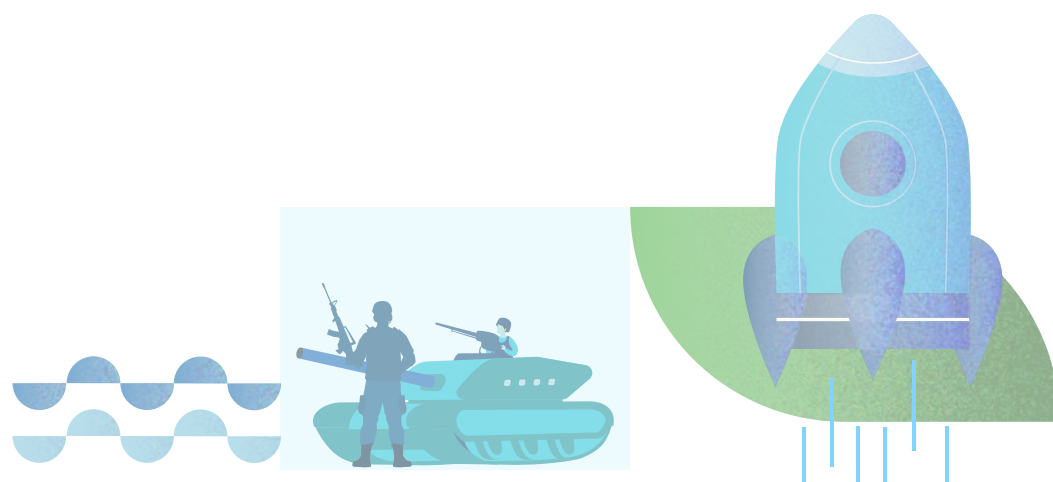
**This budget will fuel the growth of India's space sector and it could provide a massive boost for Indian companies to compete globally. positive for MIDHANI and BEL.**

- The government proposed to exempt basic customs duty on components and parts required for the manufacture of civilian, training and other aircrafts.

**Positive for companies like BEL, HAL, BDL, Zen Technologies, etc**

- It is proposed to exempt basic customs duty on raw materials imported for manufacture of parts of aircraft to be used in maintenance, repair, or overhaul requirements by Units in the Defence sector

**Positive for companies like HAL, and BDL, etc**



# Education

- Through VGF/capital support, one girls' hostel will be established in every district in India.
- Government will support States, through challenge route, in creating 5 University Townships in the vicinity of major industrial and logistic corridors.
- Propose to reduce Tax Collected Source (TCS) rate for pursuing education and for medical purposes under the Liberalized Remittance Scheme (LRS) to 2 percent from 5 percent.



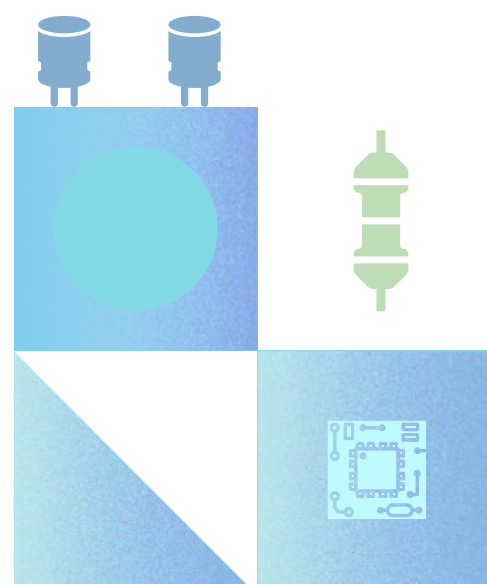
# EMS

- The Government proposed to increase the outlay to Rs 40,000 crore for Electronics Components Manufacturing Scheme vs. Rs 22,919 crore.

**Positive for EMS players like Kaynes, Syrma, Avalon, and Cyient DLM**

- Government plans to launch India Semiconductor Mission (ISM) 2.0, focus on producing equipment and materials, enabling "full-stack" Indian Intellectual Property (IP), and industry-led research

**Positive for EMS players and Zensar Tech**



# Healthcare

- Existing institutions for Allied Health Professionals (AHPs) will be upgraded and new AHP Institutions established in private and Government sectors. This will cover 10 selected disciplines, including optometry, radiology, anaesthesia, OT Technology, Applied Psychology and add 100,000 AHPs over the next 5 years.
- To launch a Scheme to support States in establishing five Regional Medical Hubs, in partnership with the private sector. They will have AYUSH Centres, Medical Value Tourism Facilitation Centres and infrastructure for diagnostics, post-care and rehabilitation.
- To scale up availability of veterinary professionals by more than 20,000, Propose to roll out a loan-linked capital subsidy support scheme for establishment of veterinary and para-vet colleges, veterinary hospitals, diagnostic laboratories and breeding facilities in the private sector.
- There are no national institutes for mental healthcare in north India. To set up a National Institute of Mental Health (NIMHANS-2) and also upgrade National Mental Health Institutes in Ranchi and Tezpur as Regional Apex Institutions. It will strengthen and increase these capacities by 50% in District Hospitals by establishing Emergency and Trauma Care Centres.

**Positive for Healthcare players such as Max Health, Apollo Hospital, Aster DM**

- To set up 3 new All India Institutes of Ayurveda; upgrade AYUSH pharmacies and Drug Testing Labs for higher standards of certification ecosystem, upgrade the WHO Global Traditional Medicine Centre in Jamnagar.



# Industrials & Infrastructure

- The budget sets capex at Rs 12,21,821 crore, an 11.5% increase over last year's revised estimate of Rs 10,95,755 crore. Effective capex is pegged at 4.4% of GDP, underscoring the government's commitment to infrastructure-led growth, multi-modal connectivity, and city-centric economic development.

## **L&T, PNC Infra, KNR, NCC**

- To strengthen India's capital goods and heavy industrial backbone, CPSEs will establish Hi-Tech Tool Rooms at two locations. These facilities will focus on designing, testing, and manufacturing high-precision components locally, reducing costs, improving productivity, and lowering dependence on imports.

## **AIA, Timken**

- A Rs 200 crore allocation has been made for the CIE scheme to boost domestic production of technologically advanced machinery. This includes lifts for multi-story apartments, firefighting equipment, and specialized tunnel-boring machines for metros and high-altitude roads.

## **ACE, ESCORTS, L&T**

- Rs 1,000 crore has been allocated under Major Central Sector Schemes to mitigate risks in project development and construction. This fund is designed to "crowd in" private investment by reducing uncertainties during execution phases.

## **KEC, NCC**

- A Rs 10,000 crore allocation over five years has been proposed to develop a globally competitive container manufacturing ecosystem. This initiative is part of the broader push to enhance capital goods capability and improve productivity across sectors.

## **Container corp, Adani Ports**

- The BCD exemption for imports required in nuclear power projects has been extended until September 30, 2035, now covering all plant capacities. Additionally, allocations for nuclear projects have been raised to Rs 2,500 crore for FY 2026–27, up sharply from Rs 1,333 crore in the previous year, reflecting an 87% increase.

## **L&T, BHEL**

- BCD has been exempted for capital goods used in processing critical minerals and manufacturing lithium-ion cells. Exemptions also extend to components for civilian aircraft manufacturing and raw materials for defence aircraft maintenance, repair, and overhaul (MRO).

## **HAL, Unimech**



# IT Services

- The government has allocated Rs 74,560 crore for IT and Telecom sectors, which has increased from Rs 53,946 for FY25-26 RE.

**Positive for IT and Telecom companies providing IT and telecom infra-related services**

- IT enabled services, knowledge process outsourcing services and contract R&D services relating to software development are proposed to be clubbed under a single category of Information Technology Services with a common safe harbour margin of 15.5% applicable to all.

**Positive for the sector, this removes the confusion of different rates for different sub-sectors**

- The threshold for availing safe harbour for IT services is proposed to enhance substantially from Rs 300 crore to Rs 2,000 crore.

**Positive move for the IT sector.**

- The government proposed for setting up AVGC Content Creator Labs in 15,000 secondary schools and 500 colleges.

**Positive for IT companies like TCS, Infosys, Wipro, HCL Tech etc**

- To position India as a global data hub, the government announced a tax holiday until 2047 for foreign cloud companies that utilize Indian data centers and resellers.

**Positive for the companies like net web and Data Centre companies**

- Proposed measures for upskilling and re-skilling of technology for professionals/engineers in AI and emerging technologies

**Support for AI centers of excellence, digital learning initiatives and increasing medical seats will continue to develop the talent pool and align with the Viksit Bharat vision.**



# Logistics

- New dedicated freight Corridor connecting Dankuni in West Bengal to Surat in Gujarat announced

**Beneficial for logistics companies by reducing logistics costs**

- Incentives given via Coastal cargo promotion scheme to shift cargo from rail/road to waterways/coastal, target share from 6% to 12%

**Beneficial for stocks like Adani Ports & SEZ**



# Metals & Mining

- Dedicated rare earth mineral corridors to be set up in four states- Tamil Nadu, Kerala, Odisha, Andhra Pradesh

**Beneficial to GMDC, NMDC, Vedanta**

- Allocation of Rs. 20,000 crores for carbon capture and utilisation announced

**Steel and cement companies like Tata Steel, JSW Steel, Ultratech Cement**

- BCD on Monazite cut from 2.5% to nil to support downstream rare earth value chains

**Beneficial to GMDC, NMDC, Vedanta, Permanent Magnets.**



# Oil and Gas

- Petroleum subsidy decreased to Rs 12,085 crore for FY27E, from Rs 15,121 crore for FY26RE.

**Due to high crude oil prices, oil marketing companies could continue to suffer under recoveries.**

- Government is planning to allocate Rs 9,200 crore for FY27E vs. Rs 12,736 crore for FY26RE for LPG connection to poor households.

**Allocation cut by ~28% on LPG connection compared to the previous year is negative for the OMC.**

- The budgeted capex of Ministry of Petroleum increased to Rs. 30,443 crore from the Previous year's revised budget of Rs. 29,800 crore.

**This reflects the reduction in capital assistance to Oil Market Companies.**

- The government has allocated Rs 1500 crore for Direct Benefit Transfer on LPG for FY27E vs. Rs 1000 crore for FY26RE.

**It is positive for OMCs.**

- Proposed tariff rate for Petroleum crude to Rs 1/ton for FY27 from 5%

**It is positive for OMC and Refining companies**

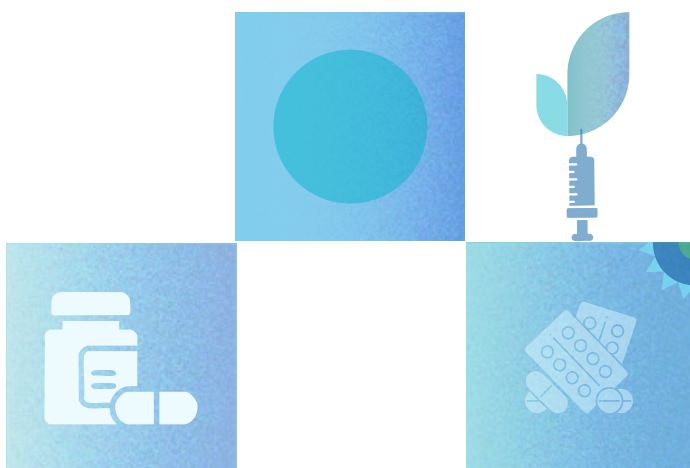


# Pharmaceuticals

- Particularly for Cancer, propose to exempt basic customs duty on 17 drugs or medicines (Ribociclib, Abemaciclib, Tremelimumab, Venetoclax, Brigatinib, Darolutamide, Tislelizumab, Dabrafenib).

**Minor negative impact on players such as IPCA Labs, Zydus Life, Sun Pharma, Natco Pharma.**

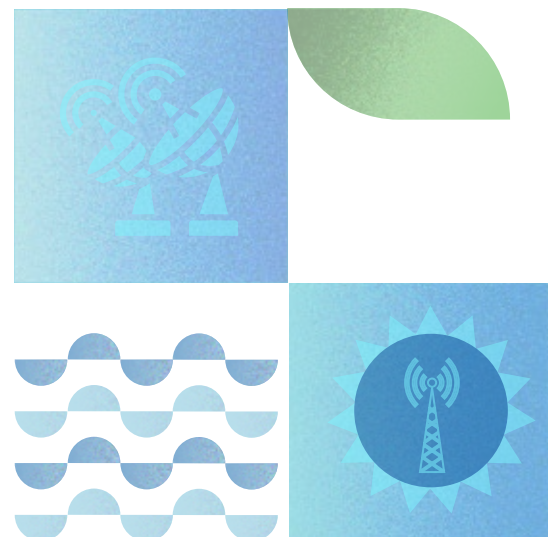
- Govt. announced to add 7 more rare diseases such as Congenital Hyperinsulinemic Hypoglycemia (CHI), Familial Homozygous Hypercholesterolemia, Primary Hyperoxaluria, Hereditary Angioedema, Primary Immune Deficiency Disorders etc. for the purposes of exempting import duties on personal imports of drugs, medicines and Food for Special Medical Purposes (FSMP) used in their treatment.



# Telecom

- Planning for compensation to service providers for creation and augmentation of telecom infrastructure increased to Rs 24,000 crore from Rs 9650 crore (RE)

**Positive for Telecom Sector**



# Power & Renewables

- India's Union Budget 2026 allocates Rs 1,09,029 Cr to the energy sector, marking a 26% increase from the Rs 86,471 Cr revised estimates of 2025-26. This boost underscores the government's focus on energy security, renewables, and infrastructure amid rising demand.
  - Government has undertaken scheme to adopt Carbon Capture Utilization and Storage (CCUS) with an outlay of Rs 20,000 Cr over the next five years with current budget allocation of Rs 500 Cr.
  - The ministry of renewables has been allotted Rs 32,911 Cr which is 30% higher than revised budget of 2025-2026 of Rs 25,229 Cr.
  - Solar energy saw incremental allocation as PM Surya Ghar Muft Bijli Yojana has been allotted Rs 22,000 Cr compared to allotment of Rs 20,000 Cr in 2025-2026 Budget.
  - VGF (Viability Gap Funding) for Battery Energy Storage Systems has been allocated Rs 1,000 Cr against Rs 100 Cr in 2025-2026 Budget.
  - Extension of the existing basic customs duty exemption on imports of goods required for Nuclear Power Projects till the year 2035 and expand it for all nuclear plants irrespective of their capacity.
- Expected Beneficiaries such as NTPC, Tata Power, Waaree Energies etc.**



# Textiles

- Self-reliance through the National Fibre Scheme:** Budget proposed the National Fibre Scheme to boost self-reliance in natural fibres such as silk, wool and jute, man-made fibres, and new-age fibres; which is expected to address production gaps, quality issues, and import dependence
- Modernisation through Textile Expansion and Employment Scheme:** The scheme aims to modernize traditional clusters with capital support for machinery, technology upgradation and common testing and certification centres
- Samarth 2.0 and Mahatma Gandhi Gram Swaraj initiative:** Samarth 2.0 to modernize and upgrade the textile skilling ecosystem through collaboration with industry and academic institutions and Mahatma Gandhi Gram Swaraj initiative to strengthen khadi, handloom and handicrafts to aid in global market linkage and branding of domestic textiles
- Export promotion:** Extension of time period for export of final product from the existing 6 months to 1 year, for exporters of leather or textile garments, leather or synthetic footwear and other leather products.
- Others Initiatives:** Tex-Eco Initiative to promote globally competitive and sustainable textiles and apparels; National Handloom and Handicraft programme to integrate and strengthen existing schemes and ensure targeted support for weavers and artisans and setting up of Mega Textile Parks for bringing value addition to technical textiles.

**Positive for KPR Mills, Arvind Ltd, Gokaldas Exports and other textile companies**



# Travel & Tourism

- **TCS on overseas travel:** Reduction in TCS rate on the sale of overseas tour program package from the current 5% (up to Rs 10 lakhs) and 20% (more than Rs 10 lakhs) to 2%, without any stipulation of amount to reduce upfront burden of tax on overseas travel.
- **National Institute of Hospitality:** Setting up of a National Institute of Hospitality by upgrading the existing National Council for Hotel Management and Catering Technology, to act as a bridge between academia, industry and the Government.
- **Upskilling of tour guides:** Pilot scheme for upskilling 10,000 guides in 20 iconic tourist sites through a standardized, high-quality 12-week training course in hybrid mode, in collaboration with an Indian Institute of Management.
- **Digitization through National Destination Digital Knowledge Grid:** A National Destination Digital Knowledge Grid will be established to digitally document all places of significance—cultural, spiritual and heritage to create a new ecosystem of jobs for local researchers, historians, content creators and technology partners.
- **Heritage, Culture and Medical Tourism:** Development of 15 archeological sites including Lothal, Dholavira, Rakhigarhi, Adichanallur, Sarnath, Hastinapur, and Leh Palace into vibrant, experiential cultural destinations to boost domestic tourism. Schemes to support States in establishing Five Hubs for Medical Value Tourism in partnership with the private sector.

**Positive for Lemon Tree, Indian Hotels, InterGlobe Aviation etc.**



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