

Sectoral analysis

Sector	Key announcements	Overall impact	Key companies impacted
Budget impact: Positive Sector view: Neutral (Preferred picks: HUL, ITC, Dabur India, Marico and Emami)			
Consumer Goods	Cigarette tax rate: No change	Positive	Positive for ITC and other cigarette companies
	Rural: Prime Minister Dhan-Dhaanya Krishi Yojana - Developing Agri Districts Programme To cover 100 districts and likely to help 1.7 crore farmers	Positive	Positive for rural sentiments and thus supportive for rural dependent companies such as HUL, Emami and Dabur.
Budget impact: Positive Sector view: Positive (Preferred picks: Indian Hotels Company, Lemon Tree Hotels, Jubilant Foodworks, Trent, V2 Retail, Welspun Living and Gokaldas Exports)			
Consumer Discretionary	Travel & Tourism: <ul style="list-style-type: none"> Develop top 50 tourist sites in partnership with states Extend mudra loans to homestays Measures to ease travel to key tourist destinations Visa fee waivers and e-visa options to be introduced for certain tourist groups Modified Udaan Scheme to be launched. Scheme will connect 120 new destinations & carry 4 crore passengers in next 10 years Performance-linked incentives to states 	Positive	Positive for Indian Hotel Cos, Lemon Tree Hotels, Thomas Cook India, Ease my Trip, Interglobe Aviation
	Footwear: Focused scheme for footwear and leather sectors, aimed at boosting domestic production and global competitiveness.	Positive	Positive for Relaxo Footwears, Bata India, Capus Activewear, Liberty Shoes and other footwear companies.
	Apparel & QSRs: Increase in income tax exemption limit to Rs. 12 lakh and a change in tax slabs, will leave more money in the hands of middle-class consumers.	Positive	Positive for ABFRL, Trent and other apparel players and for QSR players such as Jubilant Foodworks, Devyani International, among others.
	Textile: A five-year mission for cotton productivity will focus on Extra Long Staple Cotton varieties, aiming to enhance quality cotton and rejuvenate India's traditional textile sector.	Positive	Positive for KPR Mills, Ambika Cotton Mills, Vardhman Textiles, Welspun Living, S.P. Apparels, Nitin Spinners, Arvind, and Himatsingka Seide.
Budget impact: Positive Sector view: Positive (Preferred picks: NTPC and Power Grid)			
Power	Incentivise distribution reforms and augmentation of intra-state transmission. Additional borrowing of 0.5 % of GSDP to states, contingent on these reforms.	Positive	CESC and Powergrid
	Nuclear energy mission with a goal to reach atleast 100 GW of nuclear energy by 2047 to support India's energy transition A Nuclear Energy Mission for research & development of Small Modular Reactors (SMR) with an outlay of Rs. 20,000 crore will be set up. At least 5 indigenously developed SMRs will be operationalized by 2033.	Positive	NTPC, L&T, BHEL, HCC and power industry companie
	Aim to create ecosystem for solar cells, electrolyzers, EV batteries.	Positive	Positive for Waaree Energies, Premier Energies and battery companies

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Agri, fertilisers and chemicals	Prime Minister Dhan Dhanya Krishi Yojna in partnership with states Program to cover 100 districts with below average productivity to help improve lives of 1.7 crore farmers.	Positive	Positive for Deepak and Chambal Fertilizers
Budget impact: Banking - Neutral, NBFCs - Neutral, Life Insurance - Negative Sector View: Positive (Preferred picks: ICICI Bank, HDFC Bank, SBI, Bajaj Finance, Cholamandalam Finance, PNB HF, HUDCO, HDFC Life, ICICI Lombard)			
Banking & Financial Services	Loan limit is proposed to be increased from Rs 3 lakh to Rs. 5 lakh under Kisan credit card scheme	Neutral to Positive	Aimed to facilitate greater financial assistance to farmers. Neutral to Positive for banks
	Credit guarantee cover is expected to be enhanced for Startups to Rs 20 crore from Rs. 10 crore while for MSME to Rs.10 crore from Rs. 5 crore. Also credit cards with limit of Rs. 5 lakh to be issued to micro SMEs.	Neutral to Positive	Aimed to facilitate greater financial assistance to MSMEs. Neutral to Positive for banks
	There is revision in classification criteria for MSMEs based on turnover & Investments	Neutral to Positive	Upward revision in the limits will help banks to meet PSL target organically
	FDI limit for the insurance sector will be raised from 74 to 100%.	Sentimentally negative	The proposal is expected to attract more global insurers, increasing competition and bringing in new market entrants over the medium term
	Government has proposed to exempt income tax on income upto Rs. 12.75 lakh under new tax regime	Sentimentally Negative	The new tax regime has no exemption for life/ health insurance premium. If more people opt for new tax regime given the higher exemption limit, then it could negatively impact sale of Insurance for tax saving. However, around 2-5% of the total premium only comes for tax benefit under 80 C and quantum is not large.
Budget impact: Negative Sector view: Positive (Preferred picks: L&T)			
Infrastructure	<p>Revised capital investment budget estimates for FY25 of Rs 10.18 lakh crore lower than earlier BE of Rs 11.11 lakh crore presenting an 8% shortfall.</p> <p>Budget capex for FY26 is estimated at Rs 11.21 lakh crore an increase of 10% from the revised BE of Rs 10.18 lakh crore for FY25. But the capex announced for FY26 is barely 1% higher than FY25 BE and lower than what street was expecting.</p>	Negative	Capital goods & Infra among others

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Building materials	Jal Jeevan Mission has been extended till 2028 to provide tap water connections to rural households in which 80% of households have been covered till now.	Positive	Supreme Industries, Astral, Hitech Pipes, APL Apollo
Budget impact: Positive Sector view: Positive (Preferred picks: DLF, Macrotech Developers, Oberoi Realty, Sunteck Realty)			
Real Estate	The Union Budget 2025 announces a Rs15,000 crore SWAMIH Fund 2.0 to complete 1 lakh stalled housing units, boosting affordable housing. Homeowners can now claim two self-occupied properties as tax-free, easing tax burdens and promoting real estate investment.	Positive	DLF, Macrotech, Oberoi realty, Sunteck Realty, Mahindra Lifespace Developers, Arvind Smartspaces, Puravankara
Budget impact: Negative Sector view: Positive (Preferred picks: L&T, Cummins India, HAL, Bharat Electronics, Mazagaon Dock, Garden Reach, Cochin Shipyard)			
Capital Goods/ Defence/ Consumer Electronics/ Shipbuilding	Infrastructure capex of Rs 11.21 lakh crore is higher by 10% to RE of FY25 but broadly remains the same as FY25BE and is lower to what street was expecting.	Negative	L&T, ABB India, Cummins India and other capital goods companies
	The Budget was earmarked at Rs 6.81 lakh crore presenting a 9.55% increase from Rs 6.22 lakh crore. A substantial chunk of the budget — Rs 3.11 lakh crore — has been allocated for revenue expenditure, up from Rs 2.83 lakh crore in 2024–25. Rise in allocation reinforces India's commitment to keeping its armed forces battle ready for any possible threats.	Positive	L&T, HAL, Bharat Electronics, Bharat Forge, Jupiter Wagons
	Capital Outlay for modernisation: The capital outlay is set at Rs 1.8 lakh crore vs last year Rs 1.72 lakh crore. The funding is crucial for modernisation of the armed forces.		
	Railways capital outlay remains unchanged at Rs 2.52 lakh crore keeping the growth outlook intact.	Negative	RVNL, Railtel, Jupiter Wagons, Titagarh Wagons etc
	Government will establish a maritime development fund of Rs 25,000 crore to enhance the competitiveness and capacity of India's shipbuilding sector, providing financial assistance for expansion, modernization, and innovation.	Positive	Mazagaon Dock, Garden Reach Ship Builders, Cochin Shipyard and others

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Information Technology	National Geospatial Mission announced to modernise land records.	Positive	C.E. Info Systems
	Social Security Scheme for Welfare of Online Platform Workers Gig workers will now be registered on the e-Shram portal and receive healthcare under PM-Jan Arogya Yojana	Positive	Zomato, Swiggy
	Govt to rollout revamped central KYC registry in 2025 for better data privacy	Positive	Protean eGov Technologies
	Street vendors to get Rs 30,000 limit credit card under PM SVANidhi scheme	Positive	One MobiKwik, Paytm
Education	Government will set up five National Centres of Excellence for skilling with global expertise and partnerships to impart world-class skills training to the youth. Government to establish a Centre of Excellence in Artificial Intelligence for education with a Rs 500 crore investment	Positive	TeamLease Quess Corp, NIIT, Navnet education
Budget impact: Positive Sector view: Positive (Preferred picks: Sun Pharma, Cipla, Zydus Lifesciences, Biocon)			
Pharmaceuticals/ Healthcare	The allocation for the sector has increased to Rs. 98,311 crore, a growth of 10% y-o-y. Also, Rs. 2,445 crore has been earmarked for the Production-Linked Incentive (PLI) scheme aimed at boosting the pharmaceutical industry.	Positive	Positive for pharma companies and hospitals

Source: Budget documents, Mirae Asset Sharekhan Research

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