



**VAJIRAM & RAVI**  
Institute for IAS Examination

# **BUDGET HANGOUTS**

**2026-27**

**BY DR. JAYANT PARIKSHIT SIR**

**(Delhi School of Economics, IIM Lucknow)**



# **BUDGET SESSION I**

## **BUDGET STRUCTURE**

### **BUDGET LECTURES**



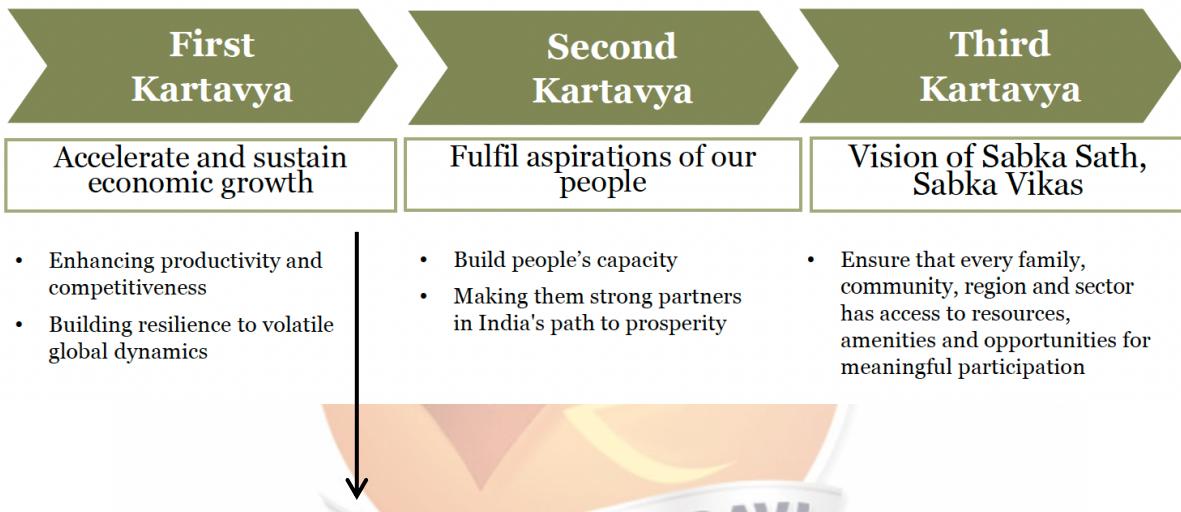
### **ECONOMIC SURVEY LECTURES**



## Yuva Shakti-driven Budget

### Government's 'Sankalp'

*To focus on poor, underprivileged and disadvantaged*

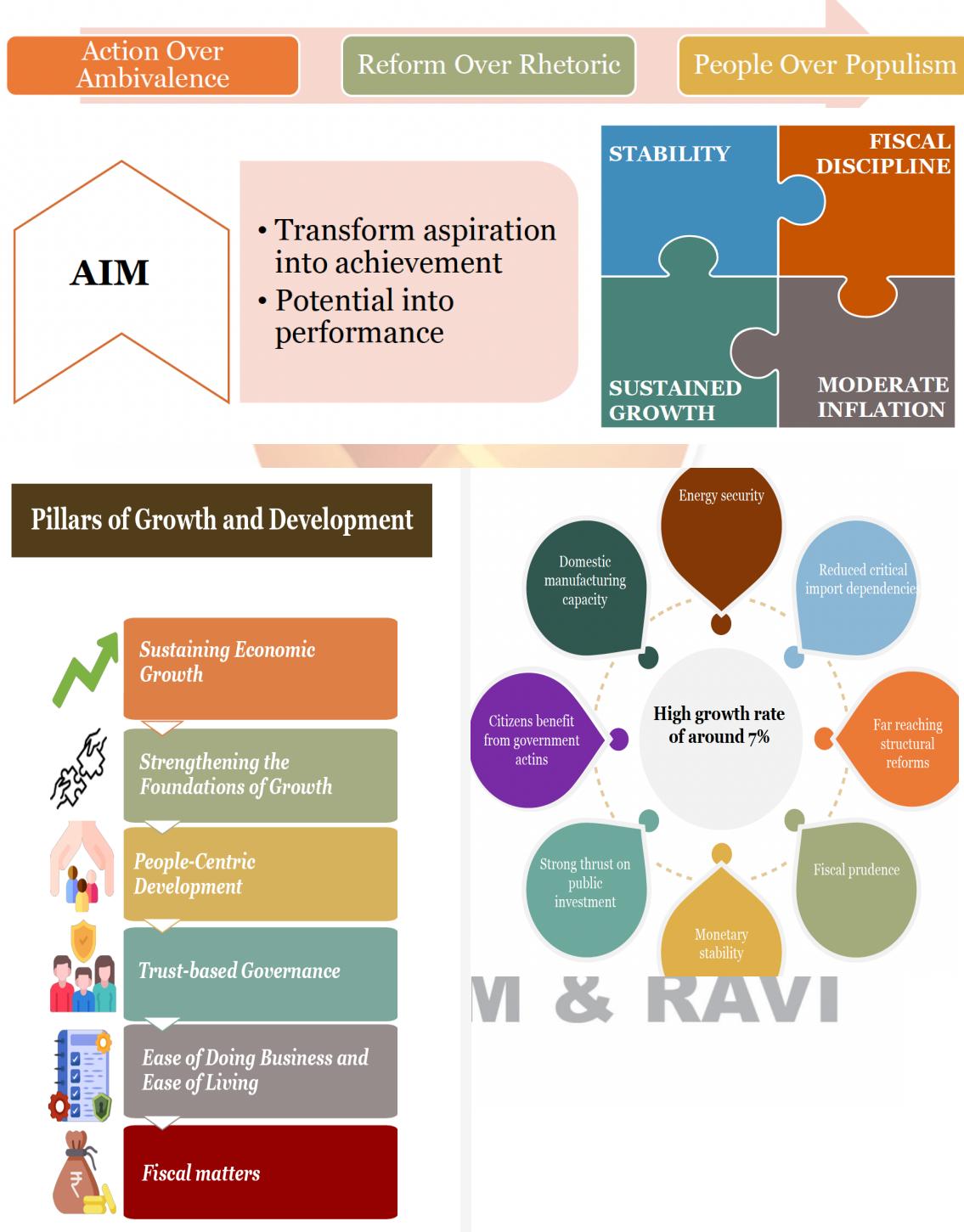


1. Scaling up manufacturing in 7 strategic and frontier sectors
2. Rejuvenating legacy industrial sectors
3. Creating "Champion MSMEs"
4. Delivering a powerful push to Infrastructure
5. Ensuring long-term energy security and stability
6. Developing City Economic Regions

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# India's economic trajectory

*Viksit Bharat, balancing ambition with inclusion*



**Table I.2b: Sectoral contribution to GDP**

Share as % of Nominal GDP, Percent				
<b>Production Approach (Supply Side)</b>				
	<b>H1: FY25</b>	<b>H1: FY26</b>	<b>FY25 (PE)</b>	<b>FY26 (FAE)</b>
<b>Agriculture, Livestock, Forestry &amp; Fishing</b>	<b>14.0</b>	<b>13.2</b>	<b>16.3</b>	<b>15.2</b>
<b>Industry</b>	<b>24.5</b>	<b>24.3</b>	<b>24.6</b>	<b>24.3</b>
Mining & Quarrying	1.6	1.4	1.6	1.4
Manufacturing	12.7	13.0	12.6	12.8
Electricity, Gas, Water Supply & Other Utility Services	2.5	2.4	2.4	2.3
Construction	7.7	7.6	7.9	7.8
<b>Services</b>	<b>52.6</b>	<b>53.6</b>	<b>49.9</b>	<b>51.1</b>
Trade, Hotels, Transport, Communication & Services related to Broadcasting	15.1	15.0	15.9	15.8
Financial, Real Estate & Professional Services	23.7	24.3	20.8	21.4
Public Administration, Defence & Other Services	13.7	14.3	13.2	13.8
<b>Expenditure Components (Demand Side)</b>				
Private Final Consumption Expenditure (PFCE)	61.1	61.4	61.4	61.5
Government Final Consumption Expenditure (GFCE)	10.0	9.6	10.0	9.9
Gross Fixed Capital Formation (GFCF)	30.6	30.5	29.9	30.0
Exports	21.1	21.2	21.2	21.5

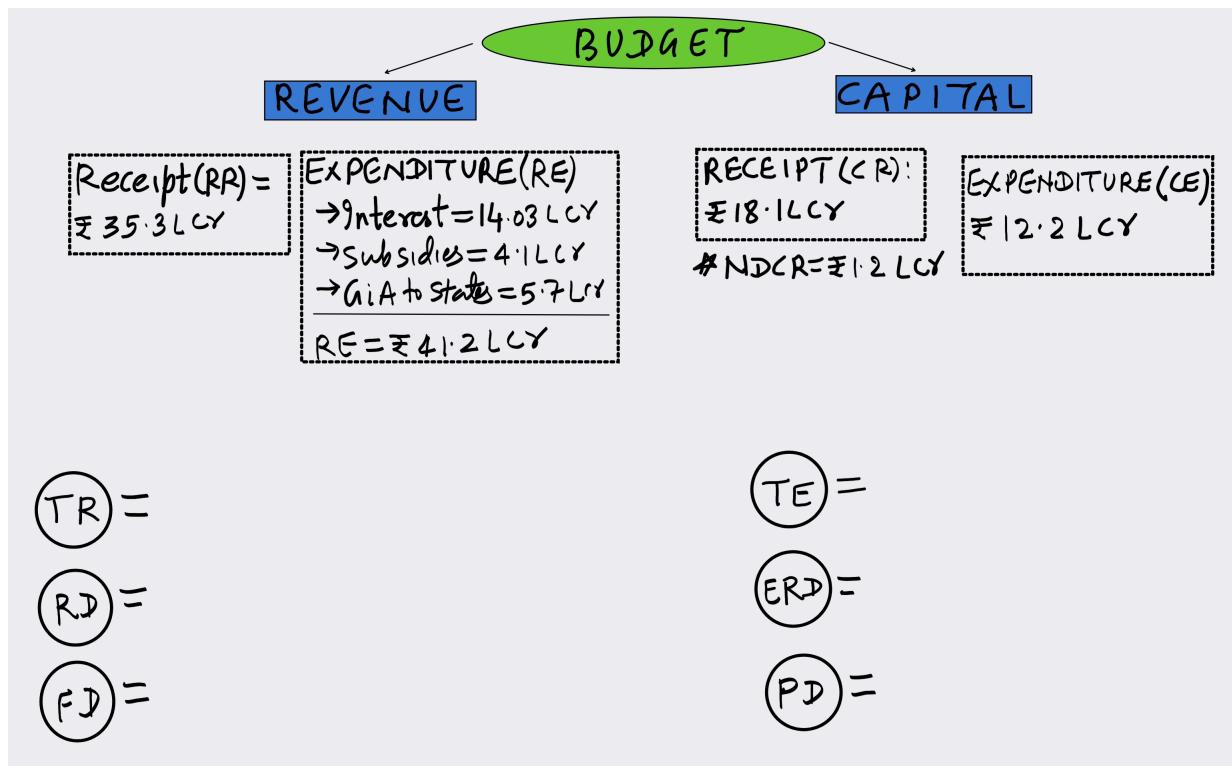
Source: MoSPI

**Table I.2a: Demand and Supply side drivers of growth**

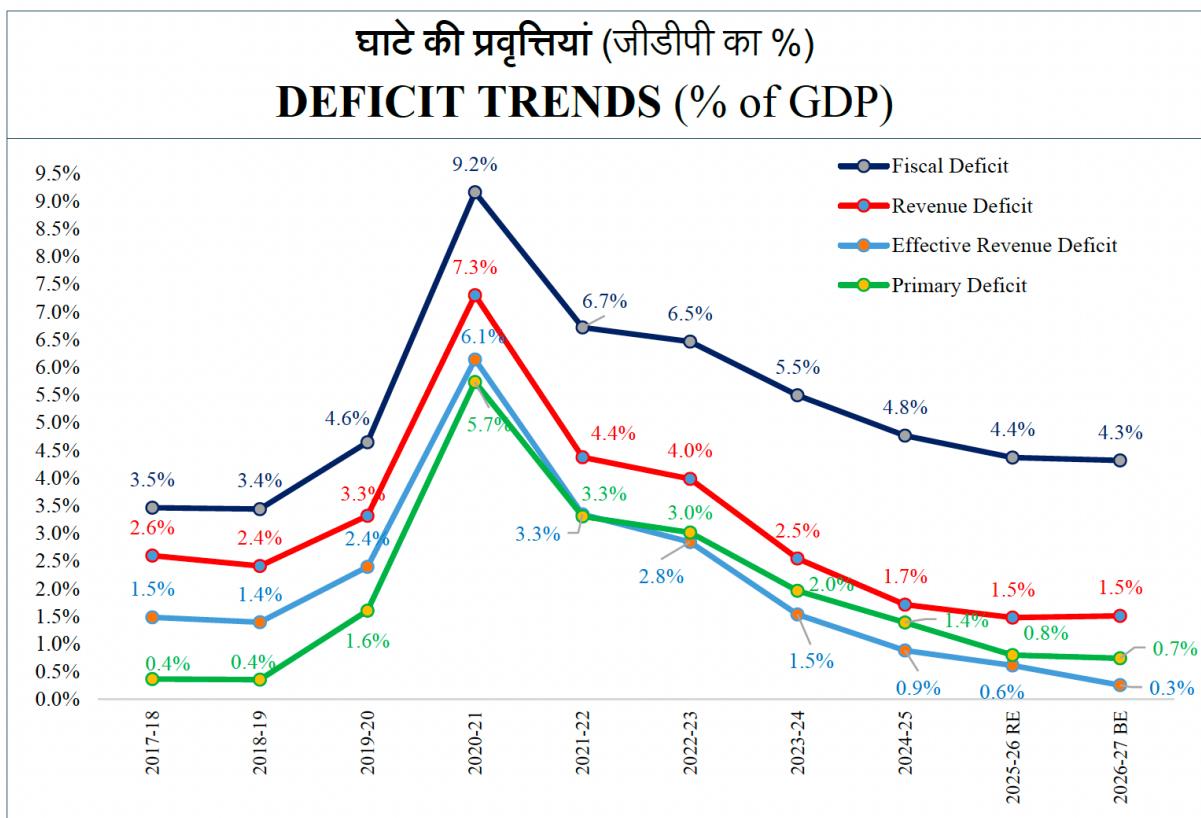
Real Growth, YoY, Percent				
<b>Production Approach (Supply Side)</b>				
	<b>H1: FY25</b>	<b>H1: FY26</b>	<b>FY25 (PE)</b>	<b>FY26 (FAE)</b>
<b>Agriculture, Livestock, Forestry &amp; Fishing</b>	<b>2.7</b>	<b>3.6</b>	<b>4.6</b>	<b>3.1</b>
<b>Industry</b>	<b>6.1</b>	7	<b>5.9</b>	<b>6.2</b>
Mining & Quarrying	3.6	-1.8	2.7	-0.7
Manufacturing	4.8	8.4	4.5	7.0
Electricity, Gas, Water Supply & Other Utility Services	6.5	2.4	5.9	2.1
Construction	9.3	7.4	9.4	7.0
<b>Services</b>	<b>7.0</b>	<b>9.3</b>	<b>7.2</b>	<b>9.1</b>
Trade, Hotels, Transport, Communication & Services related to Broadcasting	5.8	8	6.1	7.5
Financial, Real Estate & Professional Services	6.9	9.9	7.2	9.9
Public Administration, Defence & Other Services	8.9	9.7	8.9	9.9
<b>GVA at Basic Prices</b>	<b>6.2</b>	<b>7.9</b>	<b>6.4</b>	<b>7.3</b>
<b>Expenditure Components (Demand Side)</b>				
Private Final Consumption Expenditure (PFCE)	7.3	7.5	7.2	7.0
Government Final Consumption Expenditure (GFCE)	1.9	2.5	2.3	5.2
Gross Fixed Capital Formation (GFCF)	6.7	7.6	7.1	7.8
Exports	5.5	5.9	6.3	6.4
<b>GDP</b>	<b>6.1</b>	<b>8.0</b>	<b>6.5</b>	<b>7.4</b>

Source: MoSPI

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**Sources of Deficit Financing:**

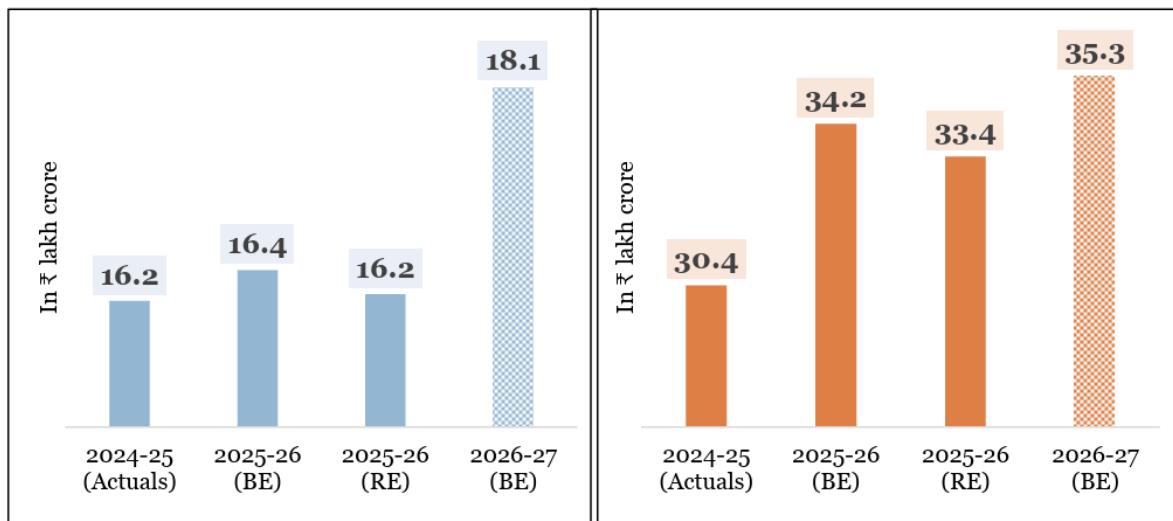
1. Market Borrowings:
2. T Bills:
3. Security Against Small Savings:
4. Others (like External Debt):

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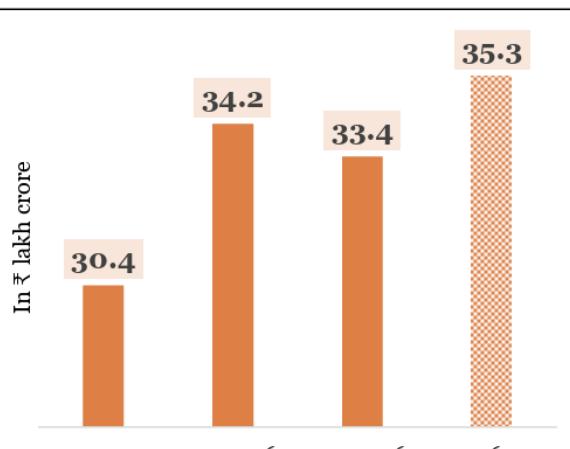


## RECEIPTS

### Capital Receipts

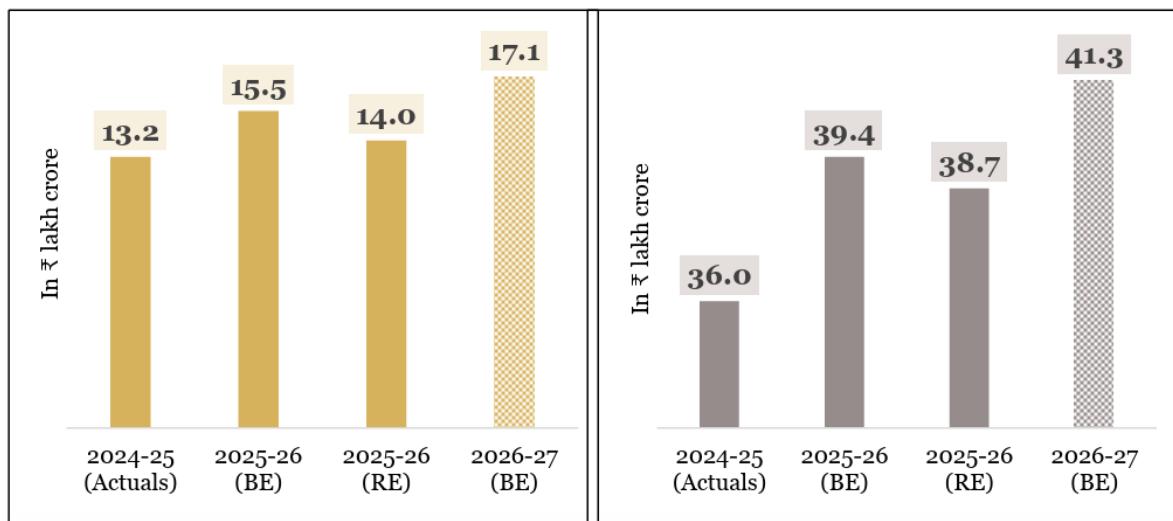


### Revenue Receipts

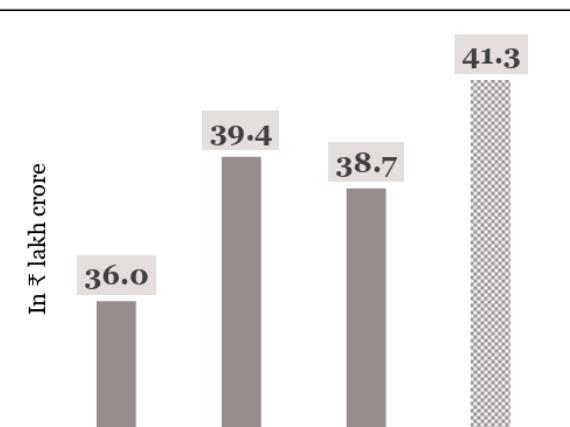


## EXPENDITURES

### Effective Capital Expenditure

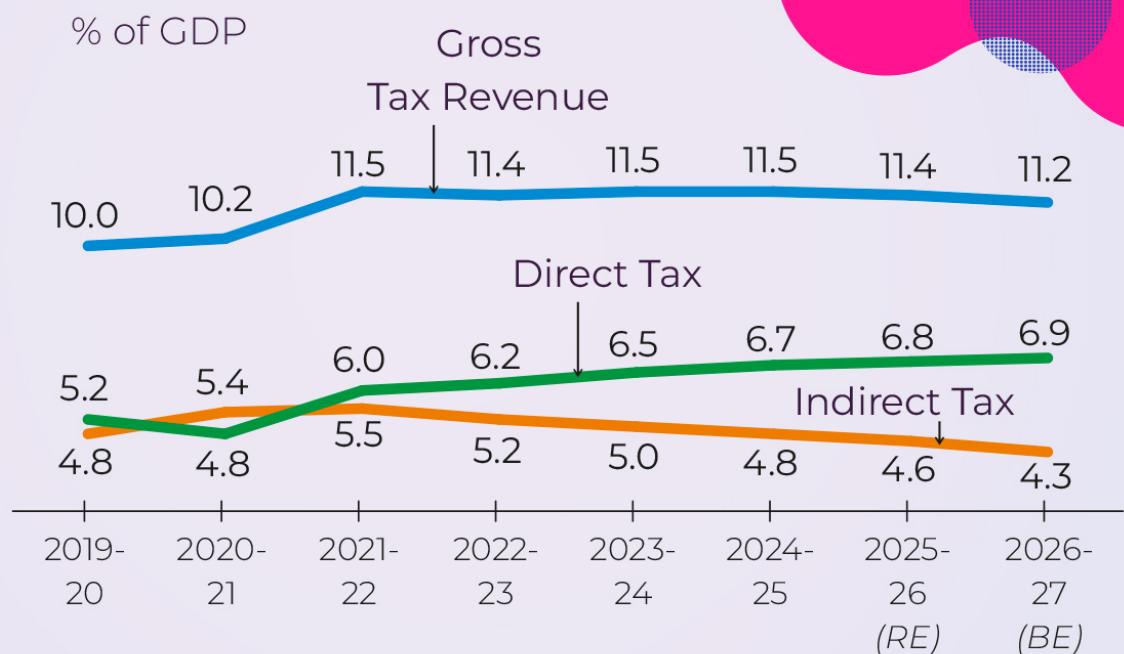


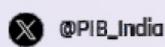
### Revenue Expenditure



Data: 14

## Trend in Tax Receipts



REVENUE EXPENDITURE (in Lakh Cr)		
	2025-26 BE	2026-27
Pension	2.77	2.96
Fertiliser	1.68	1.7
Food	2.03	2.2
Petroleum	0.12	0.12
Interest Payment	12.76	14.03

### 3. CAPITAL RECEIPTS

A. Non-debt Receipts@	41818	76000	64027	118397
B. Debt Receipts*#	1573823	1566452	1512770	1663066
Total Capital Receipts (A+B)	1615641	1642452	1576797	1781463

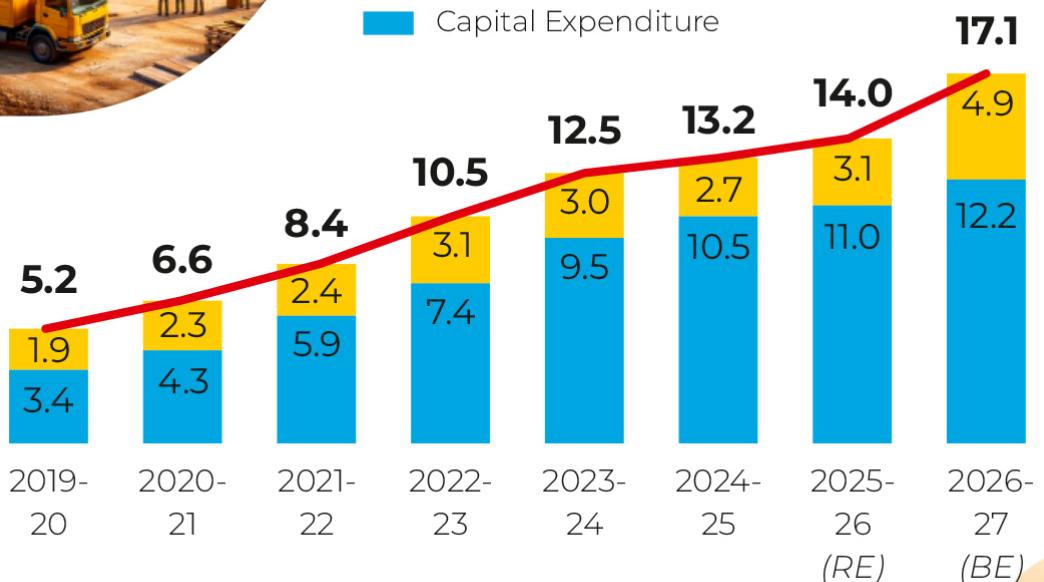


## Trends in CapEx

₹ in lakh crore



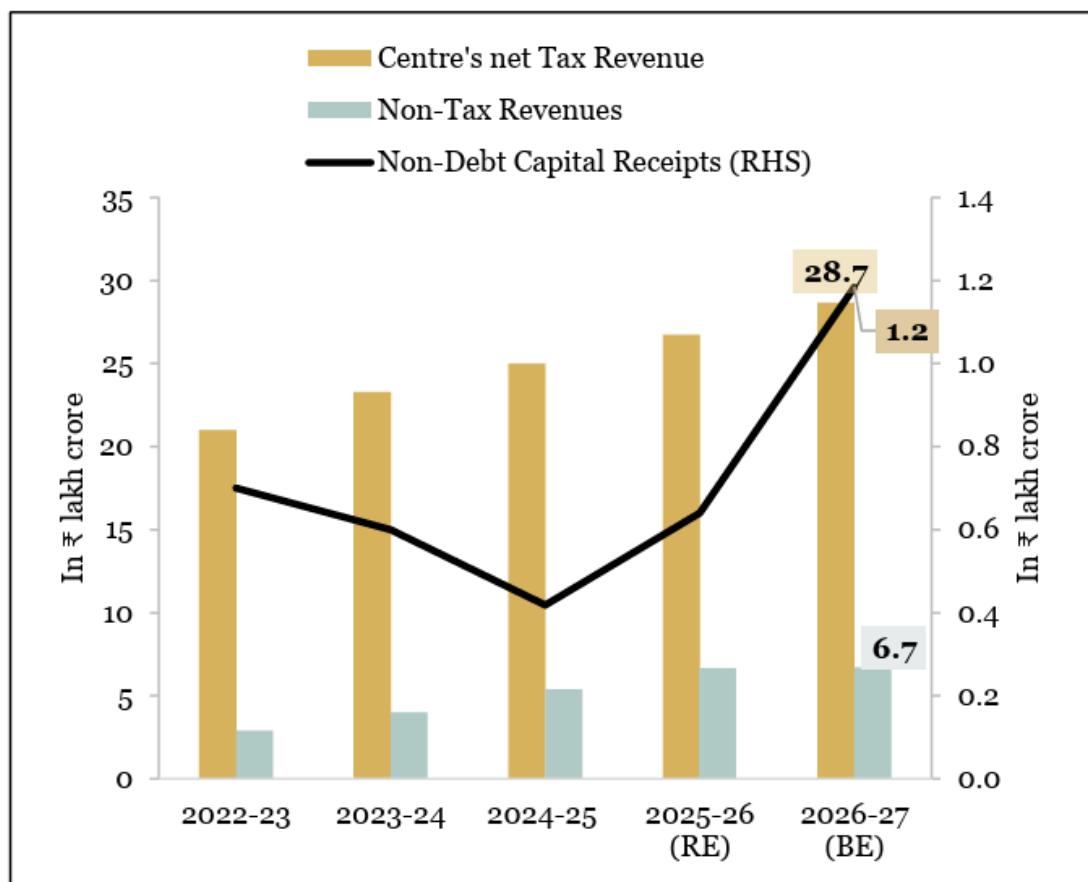
- Effective CapEx
- Grant in Aid CapEx
- Capital Expenditure



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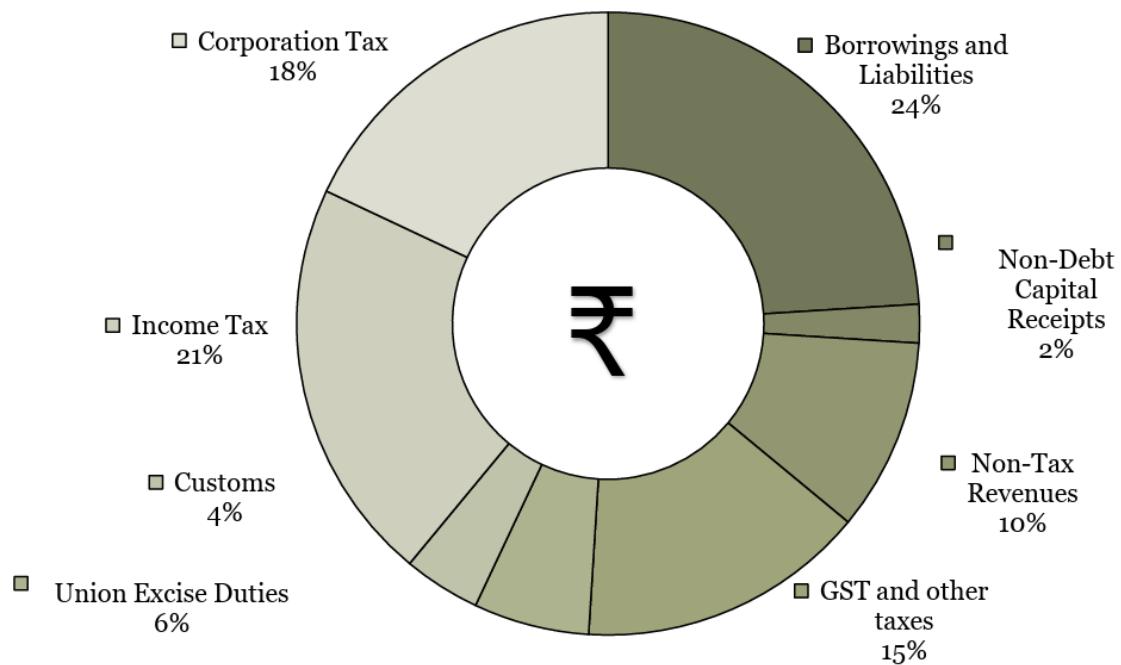


## Trend in Net Receipt of Centre

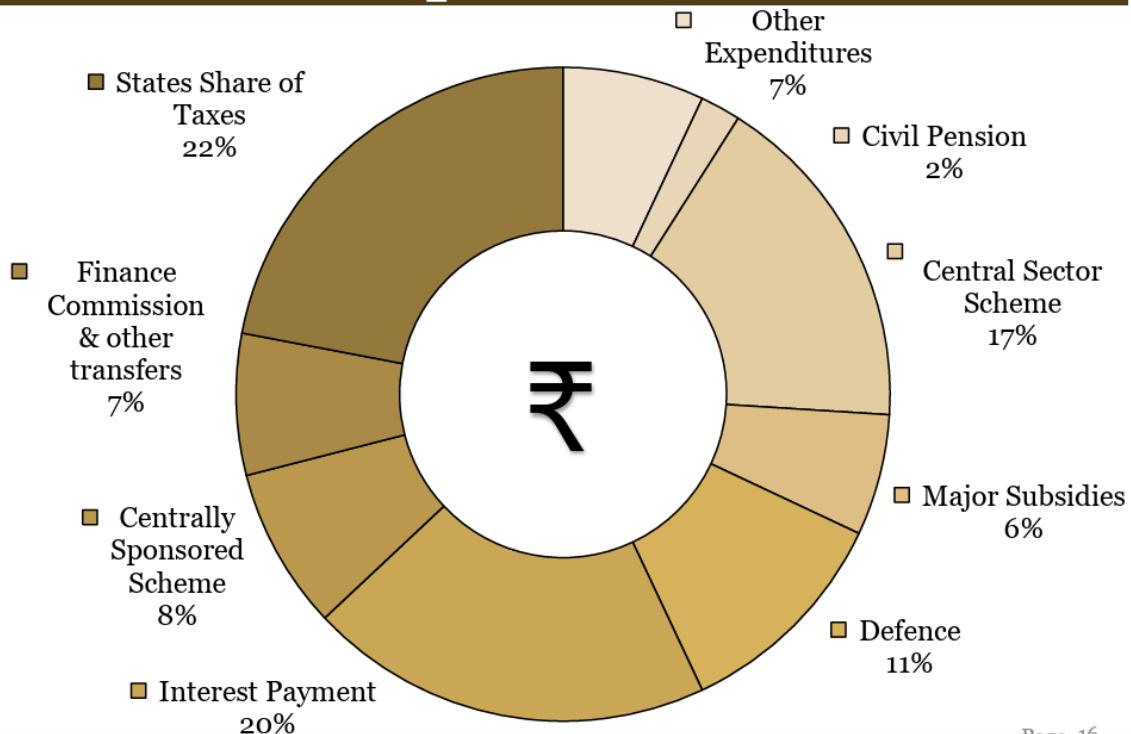


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## Rupee Comes From



## Rupee Goes To



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# BUDGET SESSION 2

## BUDGET INSIGHTS THROUGH NUMBERS

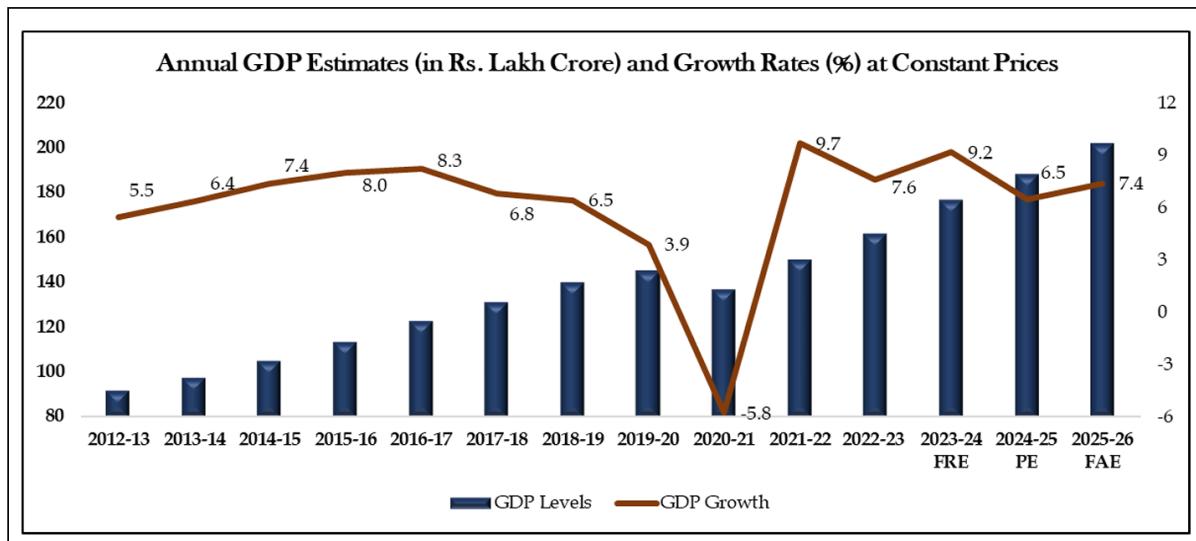
### BUDGET LECTURES



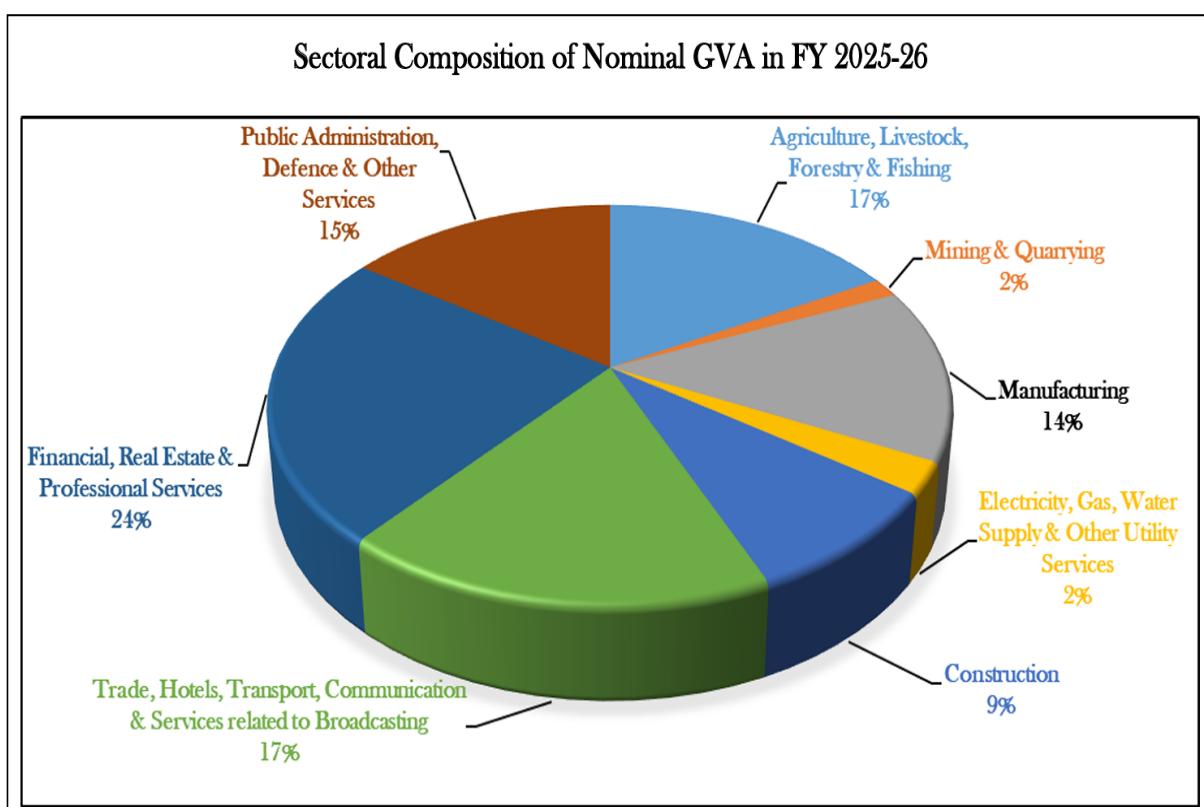
### ECONOMIC SURVEY LECTURES



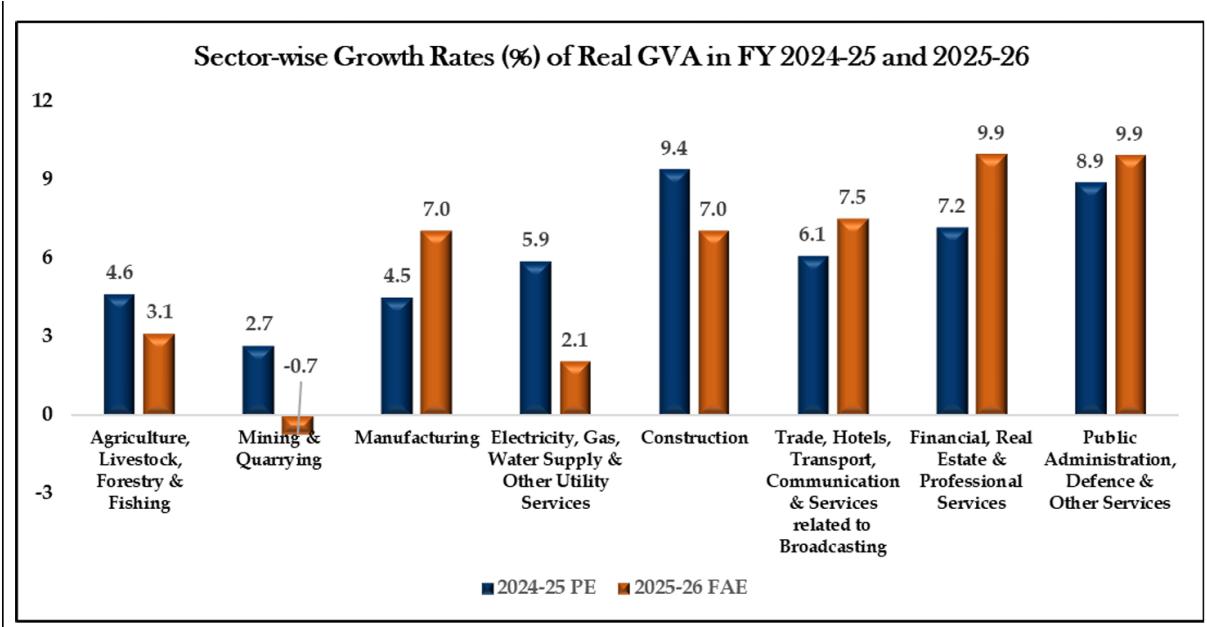
**Fig. 1: Annual GDP and GVA Estimates along with Y-o-Y Growth Rates at Constant Prices**



**Fig. 2: Sectoral Composition and Growth Rates of Annual GVA**

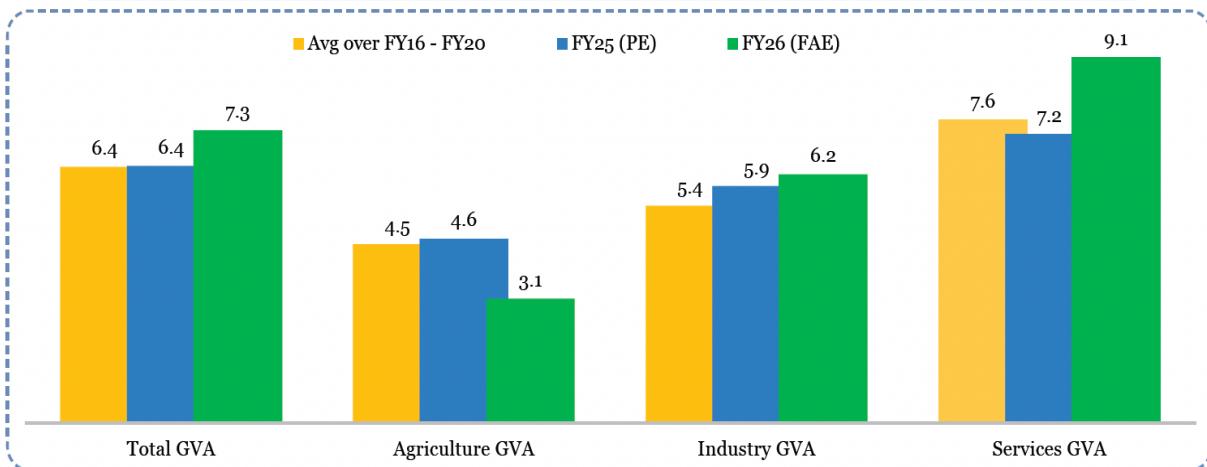


SECTOR	SHARE IN GVA
Agriculture	
Industries	
Services	

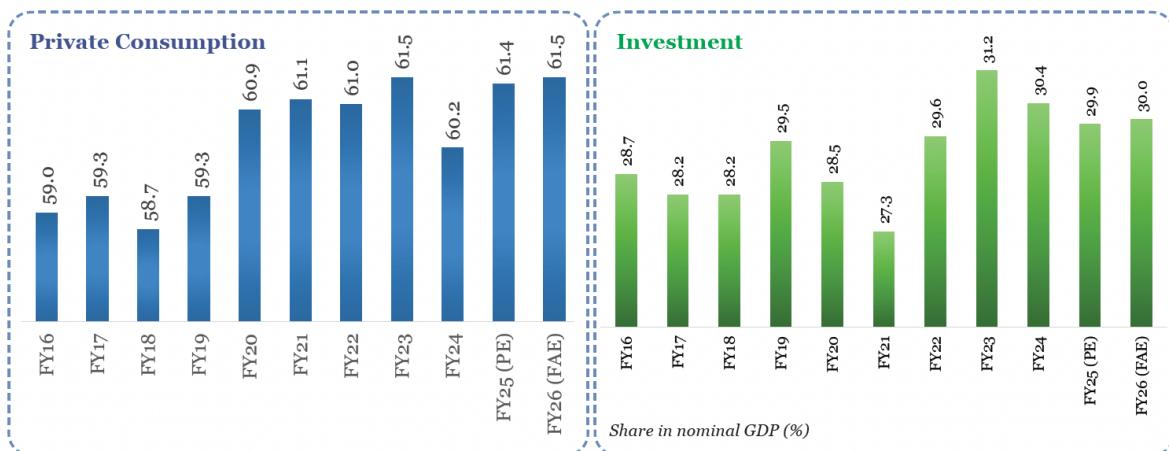


SECTOR	Rate of Growth (RoG) y-o-y	TREND
Agriculture		
Industries		
Services		

### Broad-Based Growth in Real Gross Value Added (%)

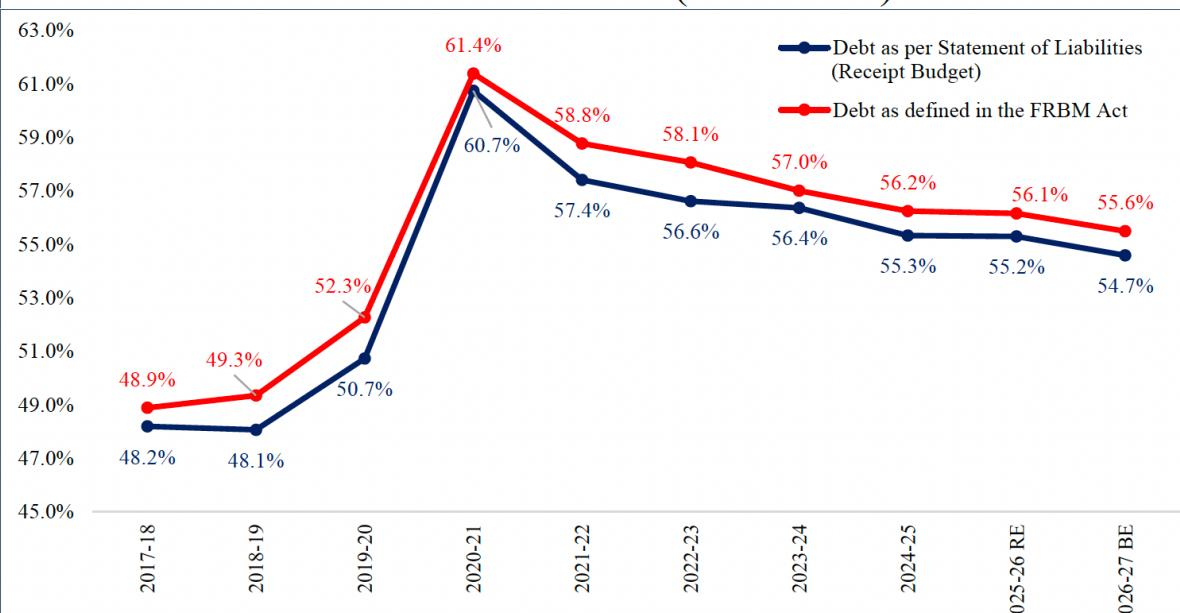


## Private Consumption and Investment are Drivers of India's Growth



### ऋण की प्रवृत्तियां (जीडीपी का %)

### TRENDS IN DEBT (% of GDP)



Note: Debt as defined in the FRBM Act includes external debt valued at current exchange rate, and liabilities on account of extra budgetary resources as reported in Statement 27 of Expenditure Profile.

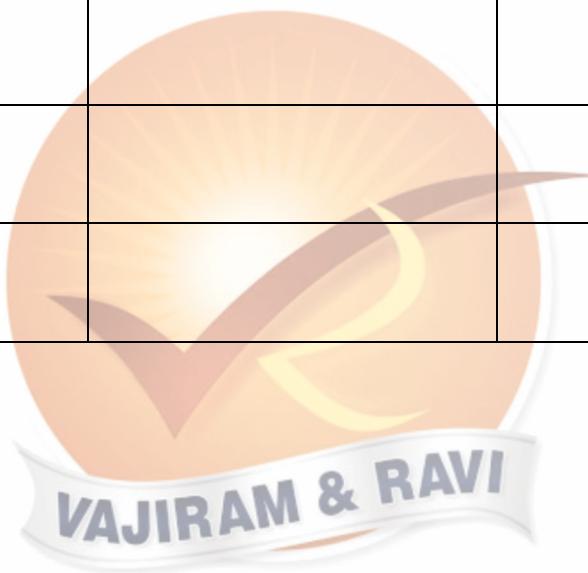
टिप्पणी : एफआरबीएम अधिनियम में ऋण की परिभाषा में वर्तमान विनियम दर पर मूल्यांकित विदेशी ऋण और अतिरिक्त बजटीय संसाधन के कारण हुई देयताएं शामिल हैं जैसा कि व्यय की रूपरेखा के विवरण 27 में रिपोर्ट किया गया है।

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### SOME BUDGET NUMBERS:

2025-26:	2026-27:
RR:33.4	RR:35.3
RE:38.7	RE:41.2
CR:16.2	CR:18.1
CE:11	CE:12.2
Effective Capex:14	Effective Capex: 17.1

RATIOS	2025-26	2026-27
CE/RE		
CE/TE		
ECE/TE		



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HERE**

# BUDGET SESSION 3

## THE FINE PRINT

### BUDGET LECTURES



Budget Session Part 1



Budget Session Part 2



Budget Session Part 3

### ECONOMIC SURVEY LECTURES



Economic Survey Part 1



Economic Survey Part 2

1. **Sustaining Economic Growth**
  - a. Scaling up manufacturing in 7 strategic and frontier sectors
  - b. Boost MSMEs-Threefold Strategy
  - c. Renewing emphasis on service sector
  - d. Financial Sector Reforms
  - e. Increase Farmer's Income via productivity in Agriculture & allied sector
2. **Strengthening the foundation of Growth**
  - a. Infrastructure
  - b. Long term energy security & stability
  - c. Urbanisation
3. **Public Centric Development**
4. **Trust Based Governance**
5. **Ease of Doing Business (EoDB)**
6. **Fiscal Matters**



### Inclusive Growth requires targeted efforts for:

- a. **Increasing farmer incomes** through productivity enhancement and entrepreneurship, with special attention to small and marginal farmer.
- b. **Empowering Divyangjan** through access to livelihood opportunities, training and high-quality assistive devices
- c. **Empowering the vulnerable** to access mental health and trauma care
- d. **Focus on the Purvodaya States and the North-East Region** to accelerate development and employment opportunities

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## SUSTAINING ECONOMIC GROWTH

It has 5 important components:

### **Scaling up manufacturing in 7 strategic and frontier sectors**

#### **Meaning of bioeconomy:**

The bioeconomy is the use of renewable biological resources to produce food, energy and industrial goods, which supports sustainability and economic growth.

#### **Background:**

- India's bioeconomy has grown from \$10 billion in 2014 to \$165.7 billion in 2024, with a target of \$300 billion by 2030.
- The sector contributes 4.25% to GDP with a compound annual growth rate (CAGR) of 17.9% over the past four years.

#### **Biopharma SHAKTI 2026:**

- **India's disease burden:** Shift from CD to NCD, like diabetes, cancer and autoimmune disorders.
- **Objective:** Develop India into a global biopharmaceutical manufacturing hub by domestic production of biologics and biosimilars.
- **Funding:** Outlay of ₹ 10,000 crores over the next 5 years.
  - 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**.
  - To strengthen the **Central Drugs Standard Control Organisation (CDSCO)** to meet global standards and approval timeframes.

- **Biologics** are class of medicines which are made from natural and living sources like animal and plant cells, and microorganisms.
- **Biosimilars** are copies of biologics that are highly similar to biologics and have no clinically meaningful differences from the reference product.

#### **BioE3 POLICY (BIOTECHNOLOGY FOR ECONOMY, ENVIRONMENT, AND EMPLOYMENT)-2024**

The BioE3 Policy introduces key initiatives such as advanced biomanufacturing facilities, biofoundry clusters, and bio-AI hubs to support bio-based product development and commercialization.

#### **Key Features**

1. Innovation-driven support for R&D and entrepreneurship
2. Establishment of Biomanufacturing & Bio-AI hubs
3. Focus on regenerative bioeconomy models for green growth
4. Expansion of India's skilled workforce
5. Alignment with 'Net Zero' carbon economy and 'Lifestyle for Environment' (LiFE) initiatives

#### **NATIONAL BIOPHARMA MISSION- INNOVATE IN INDIA (i3),2017**

- Co-funded by (total budget \$250mn): co-funded 50% by the World Bank
- Initiative by the Department of Biotechnology (DBT)
- Implemented by Biotechnology Industry Research Assistance Council (BIRAC)
- Aims to boost India's capabilities in biopharmaceuticals, vaccines, biosimilars, medical devices, and diagnostics by fostering collaboration between industry and academia.

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- It has helped set up 11 shared facilities for testing, validation, and manufacturing—benefiting start-ups and MSMEs.

### **BIOTECH-KISAN (BIOTECH-KRISHI INNOVATION SCIENCE APPLICATION NETWORK)-2017**

- A scientist-farmer partnership programme launched to empower farmers, especially women and those in rural and tribal areas, through agricultural innovation and scientific interventions. It is active across 115 Aspirational Districts in India.
- The programme links available science and technology to the farm by first understanding the problem of the local farmer and then providing scientific solutions to those problems.

### **INDIA SEMICONDUCTOR MISSION (ISM): 2021**

- **Semiconductor Fabs Scheme:** up to 50% fiscal support for setting up semiconductor wafer fabrication (fab) units in India.
- **Display Fabs Scheme:** up to 50% fiscal support, of project cost to set up display fabrication units in India and covers technologies such as AMOLED and LCD displays.
- **Compound Semiconductors & ATMP/OSAT Scheme:** Supports compound semiconductors, silicon photonics, MEMS/sensors, discrete semiconductors (50% fiscal support).
- **Design Linked Incentive (DLI) Scheme:** Promotes design startups & MSMEs through incentives up to ₹15 crore per company.

### **INDIA SEMICONDUCTOR MISSION (ISM) 2.0**

- SM 2.0 builds on the progress of the first phase and aims to create a self-reliant, end-to-end semiconductor ecosystem in India.
- 10 approved projects across 6 states (Gujarat, Assam, Odisha, Andhra Pradesh, Punjab, and Uttar Pradesh) and ₹1.60 lakh crore in investments.

#### **Key focus areas**

- a. Manufacturing of equipment & materials used in chipmaking
- b. Development of full-stack Indian semiconductor IP
- c. Strengthening semiconductor supply chains
- d. Industry-led R&D and training centres to build skilled manpower

### **ELECTRONICS COMPONENTS MANUFACTURING SCHEME (ECMS)-2025**

- The ECMS seeks to integrate India's electronic industry with global value chains by encouraging production of essential components, sub-assemblies, and raw materials within the country. It has now been proposed to increase the outlay to Rs. 40,000 Crores.

### **INDIA'S RARE EARTH STRATEGY: MANUFACTURING, CORRIDORS, AND GLOBAL INTEGRATION**

- **Rare Earth Permanent Magnets (REPMs)** are among the strongest types of permanent magnets, known for their high magnetic strength and stability.
- **Geographic Spread:** Odisha, Kerala, Andhra Pradesh, Tamil Nadu, West Bengal, Gujarat, Maharashtra, and Jharkhand, primarily in coastal beach sands, teri/red sands, and inland alluvium.
- India is establishing a domestic ecosystem for **Rare Earth Permanent Magnets (REPMs)** - essential for electric vehicles, wind turbines, electronics, aerospace, and defence.

- **Allocation:** ₹7,280
- Complementing this, GoI has announced the creation of **Dedicated Rare Earth Corridors** in Odisha, Kerala, Andhra Pradesh, and Tamil Nadu to promote mining, processing, research, and manufacturing.

**CHEMICAL PARKS:** 3 new dedicated Chemical Parks have been proposed under plug & play to enhance domestic chemical production and reduce import dependency.



### **CAPITAL GOODS**

- a. **Hi-Tech Tool Rooms** will be established by CPSEs that locally design, test, and manufacture high-precision components at scale and at lower cost.
- b. Scheme for **Enhancement of Construction and Infrastructure Equipment (CIE)** to strengthen domestic manufacturing of high-value and technologically-advanced CIE. Example: Lifts, fire-fighting equipment, large and small, to tunnel-boring equipment
- c. **Scheme for Container Manufacturing** to create a globally competitive container manufacturing ecosystem, with a budgetary allocation of ₹10,000 crore over a 5 year period. India aims to achieve an annual domestic manufacturing capacity of approximately one million TEUs over the next decade. It is expected to create 53000 jobs.

### **TEXTILE SECTOR**

- Indian T&A industry contributes **~2% to the country's GDP, accounts for ~11% of manufacturing gross value added (GVA), and 8.63% to exports**, underscoring its critical role in India's economic architecture.
- Notably, the Indian textile sector possesses significant intrinsic strengths- the country is the **world's largest cultivator of cotton by acreage, the largest producer of jute, the second-largest producer of silk and cotton, second major global hub in the man-made fibres (MMF) segment and the second-largest producer of polyester and viscose fibres**.

**Important Schemes:**

<b>1. INTEGRATED PROGRAMME FOR THE TEXTILE SECTOR: 2026</b>		
<b>SL.NO</b>	<b>SUB COMPONENTS</b>	<b>FOCUS</b>
i.	National Fibre Scheme	Natural fibres such as silk, wool, and jute, alongside man-made fibres (MMF) and new-age fibres.
ii.	Textile Expansion and Employment Scheme	Capital support for machinery, technology upgradation, and the establishment of common testing and certification centres.
iii.	National Handloom and Handicraft Programme	Existing schemes for handloom and handicrafts will be integrated and strengthened under a unified national programme. Promotion of natural and vegetable dyes and for the establishment of dye houses, through two components viz. the Mega Cluster Development Programme and Need-based Special Infrastructural Projects.
iv.	Tex-Eco Initiative	International sustainability standards, and supports access to emerging green markets.
v.	Samarth 2.0	To modernise the textile skill ecosystem through deeper collaboration with industry and academic institutions

- Mega Textile Parks and Technical Textiles:** To provide integrated infrastructure, enabling scale efficiencies, and promoting value addition across the textile value chain.
- Mahatma Gandhi Gram Swaraj Initiative:** To strengthen khadi, handloom, and handicrafts. The initiative emphasises global market linkage, branding, streamlined training, skilling, quality improvement, and process modernisation. It aims to benefit weavers, village industries, and rural youth, while supporting One District One Product (ODOP) initiative.
- Export Promotion Measures for Textiles and Allied Sectors:** To support exports of textiles and allied sectors, the Budget has announced the extension of the export obligation period from **six months to twelve months** for exporters of textile garments, leather garments, leather or synthetic footwear, and other leather products manufactured using duty-free imported inputs.
- SME Growth Fund and Champion SMEs:** A dedicated ₹10,000 crore SME Growth Fund has been introduced to support the creation of future “Champion SMEs.” The fund is poised to incentivise enterprises based on select criteria.
- Rejuvenation of Legacy Industrial Clusters:** To introduce a Scheme to revive 200 legacy industrial clusters to improve their cost competitiveness and efficiency through infrastructure and technology upgradation.

**Creating “Champion SMEs” and supporting micro enterprises:**

Three-pronged approach to help them grow as ‘Champions’:

a. **Equity Support:**

- Propose to introduce a dedicated ₹10,000 crore **SME Growth Fund**, to create future Champions, incentivizing enterprises based on select criteria.

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- To top up the **Self-Reliant India Fund of Rs 50,000 cr set up in 2021**, with ₹2,000 crore to continue support to micro enterprises and maintain their access to risk capital. It operates like Mother-Daughter Fund.

b. **Liquidity Support:**

- With TReDS, more than ₹7 lakh crore has been made available to MSMEs. To strengthen liquidity access for textile MSMEs, the Government has announced measures to enhance the effectiveness of the TReDS.
  - Mandatory use of TReDS by CPSEs for procurement from MSMEs
  - Credit guarantee support through the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) for invoice discounting on TReDS
  - Linking the Government e-Marketplace (GeM) with TReDS to enable faster and lower-cost financing of government procurement receivables
  - Introduction of TReDS receivables as asset-backed securities to support secondary market participation and improve liquidity

c. **Professional Support:** Government will facilitate Professional Institutions such as ICAI, ICSI, ICMAI to design short-term, modular courses and practical tools to develop a cadre of '**Corporate Mitras**', especially in Tier-II and Tier-III towns. These accredited para-professionals will help MSMEs meet compliance requirements at affordable costs.

## SERVICE SECTOR

1. **High-Powered 'Education to Employment and Enterprise' Standing Committee:** India is the world's 7<sup>th</sup>-largest exporter of services, with its share in global services trade more than doubling from 2% in 2005 to 4.3% in 2024. To set up a High-Powered 'Education to Employment and Enterprise' Standing Committee to recommend measures that focus on the Services Sector as a core driver of Viksit Bharat.
  - To become global leader in services, with a 10% global share by 2047.
  - To increase service growth, employment and exports.
  - To assess the impact of emerging technologies, including AI, on jobs and skill requirements and propose measures thereof.
2. **Creation of Skilled Professionals for Viksit Bharat**

### Health

- a. **New Allied Health Professionals (AHPs)** institutions to be established in private and Government sectors. This will cover 10 selected disciplines, including optometry, radiology, anesthesia, OT Technology, Applied Psychology and Behavioural Health and add 100,000 AHPs over the next 5 years.
- b. A strong **Care Ecosystem**, covering geriatric and allied care services will be built using NSQF-aligned programmes, such as, wellness, yoga and operation of medical and assistive devices. In the coming year, 1.5 lakh caregivers will be trained.
- c. **Hubs for Medical Value Tourism:** To promote India as a hub for medical tourism services, establishing **five Regional Medical Hubs**, in partnership with the private sector. These Hubs will serve as integrated healthcare complexes that combine medical, educational and research facilities.

## AYUSH:

- a. Set up 3 new All India Institutes of Ayurveda
- b. Upgrade AYUSH pharmacies and Drug Testing Labs for higher standards of certification ecosystem, and make available more skilled personnel
- c. Upgrade the WHO Global Traditional Medicine Centre in Jamnagar to bolster evidence-based research, training and awareness for traditional medicine.

## Orange Economy/Creative Economy:

- The term was created by former **Colombian President Iván Duque Márquez** and former culture minister **Felipe Buitrago** in their 2013 book, **The Orange Economy: An Infinite Opportunity**.
- Orange Economy is a concept that includes sectors related to creativity and cultural industries, like animation, gaming, film, music, design, and digital content, aiming to foster job creation, urban development, and cultural value.
- GoI aims to support the Indian Institute of Creative Technologies, Mumbai in setting up AVGC Content Creator Labs in 15,000 secondary schools and 500 colleges.

**Design:** A new National Institute of Design to boost design education and development in the eastern region of India.

## Education:

- Creating **5 University Townships** in the vicinity of major industrial and logistic corridors. These planned academic zones will host multiple universities, colleges, research institutions, skill centres and residential complexes.
- In Higher Education STEM institutions, through VGF/capital support, **1 girls' hostel will be established in every district**.
- To promote Astrophysics and Astronomy via immersive experiences, **4 Telescope Infrastructure facilities** will be set up or upgraded - the National Large Solar Telescope, the National Large Optical-infrared Telescope, the Himalayan Chandra Telescope and the COSMOS-2 Planetarium.

## Tourism

- To set up a **National Institute of Hospitality** by upgrading the existing National Council for Hotel Management and Catering Technology. It will function as a bridge between academia, industry and the Government.
- A **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.
- A **National Destination Digital Knowledge Grid** will be established to digitally document all places of significance—cultural, spiritual and heritage. This initiative will create a new ecosystem of jobs for local researchers, historians, content creators and technology partners.

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- India has the potential and opportunity to offer world-class **trekking and hiking** experience. We will develop ecologically sustainable (i) Mountain trails in Himachal Pradesh, Uttarakhand and Jammu and Kashmir; Araku Valley in the Eastern Ghats and Podhigai Malai in the Western Ghats. (ii) Turtle Trails along key nesting sites in the coastal areas of Odisha, Karnataka and Kerala; and (iii) Bird watching trails along the Pulikat lake in Andhra Pradesh and Tamil Nadu.

**International Big Cat Alliance in 2024:** The initiative focuses on the conservation of seven big cat species: the Tigers, Lions, Leopards, Snow Leopards, Cheetah, Jaguar and Puma. Five of these—tiger, lion, leopard, snow leopard, and cheetah—are found in India, excluding the puma and jaguar. **In 2026**, India is hosting the first ever **Global Big Cat Summit**, where heads of governments and ministers from 95 range countries will deliberate on collective strategies for conservation.

**Heritage and Culture Tourism:** To develop 15 archeological sites including Lothal, Dholavira, Rakhigarhi, Adichanallur, Sarnath, Hastinapur, and Leh Palace into vibrant, experiential cultural destinations.

**Sports:** To launch a Khelo India Mission to transform the Sports sector over the next decade. The Mission will facilitate:

- a. An integrated talent development pathway, supported by training centres (foundational, intermediate and elite levels)
- b. systematic development of coaches and support staff
- c. integration of sports science and technology
- d. competitions and leagues to promote sports culture and provide platforms
- e. development of sports infrastructure for training and competition

## FINANCE

- To set 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, while safeguarding financial stability, inclusion and consumer protection.
- The vision for **NBFCs for Viksit Bharat** has been outlined with clear targets for credit disbursement and technology adoption. In order to achieve scale and improve efficiency in the Public Sector NBFCs, as a first step, it is proposed to restructure the Power Finance Corporation and Rural Electrification Corporation.
- Review of the **Foreign Exchange Management (Non-debt Instruments) Rules** to create a more contemporary, user-friendly framework for foreign investments, consistent with India’s evolving economic priorities.
- **Corporate Bond Market:** To introduce a market making framework of corporate bond & introduce **total return swaps** on corporate bonds
- **Municipal Bonds:** To encourage the issuance of municipal bonds of higher value by large cities, an incentive of ₹100 crore for a single bond issuance of more than ₹1000 crore. The

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current scheme under AMRUT which incentivises issuances up to ₹200 crore, will also continue to support smaller and medium towns.

STT TYPE	SELLER	BUYER
Intra-Day Trade	0.025%	NA
Shares (delivery)	0.1%	0.1%
Futures	0.05% (earlier 0.02%)	NA
Options (sell)	0.15%	NA
Options (Exercised)	NA	0.15

## FARMER INCOME

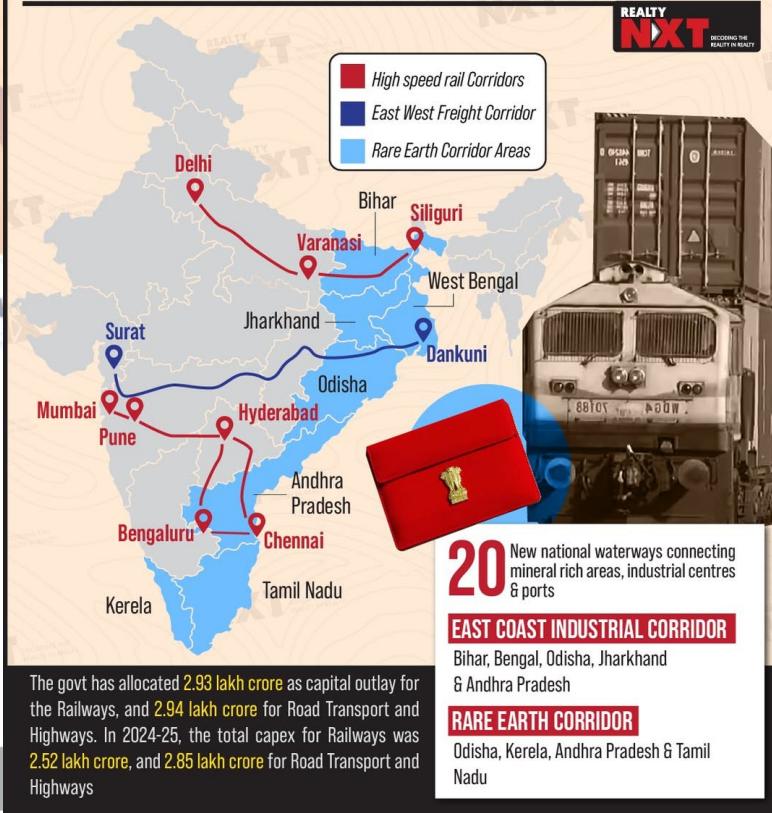
- Fisheries:** (i) for integrated development of 500 reservoirs and Amrit Sarovars (ii) strengthen the fisheries value chain in coastal areas and enable market linkages involving start-ups and women-led groups together with Fish Farmers Producer Organisations.
- Animal Husbandry:** To provide quality employment opportunities in rural and peri-urban areas, & support the Animal Husbandry Sector in entrepreneurship development through: (a) a Credit-Linked Subsidy Programme (b) scaling-up and modernisation of livestock enterprises (c) enhance creation of livestock, dairy and poultry-focused integrated-value chains and (d) encourage creation of Livestock Farmer Producers Organisations.
- High Value Agriculture:** To diversify farm outputs, increase productivity, enhance farmers' incomes, and create new employment opportunities, support high value crops such as coconut, sandalwood, cocoa and cashew in our coastal areas. Agar trees in North East and nuts such as, almonds, walnuts and pine nuts in hilly regions will also be supported.
- Coconut Promotion Scheme:** India is the world's largest producer of coconuts. About 30 million people, including nearly 10 million farmers, depend on coconuts for their livelihood. **Coconut Promotion Scheme** to increase production and enhance productivity through various interventions including replacing old and non-productive trees with new saplings/plants/varieties in major coconut growing States.
- Transform **Indian Cashew and Indian Cocoa** into premium global brands by 2030 through processing.
- Restore **Sandalwood ecosystem** in India.
- To rejuvenate old, low-yielding orchards and expand high-density **cultivation of walnuts, almonds and pine nuts**, we will support a dedicated programme to enhance farmer incomes and in bringing value addition by engaging youth.
- Bharat-VISTAAR (Virtually Integrated System to Access Agricultural Resources)**—a multilingual AI tool that shall integrate the AgriStack portals and the ICAR package on agricultural practices with AI systems. This will enhance farm productivity, enable better decisions for farmers and reduce risk by providing customised advisory support.

## STRENGTHENING THE FOUNDATION OF GROWTH

## INFRASTRUCTURE

- **Public capex:** Rs 2 Lak cr (2013-14), Rs 11.2 Lakh cr (2025-26) and Rs 12.2 Lakh cr (2026-27)
- To strengthen the confidence of private developers regarding risks during infrastructure development and construction phase, to **set up an Infrastructure Risk Guarantee Fund** to provide prudently calibrated partial credit guarantees to lenders like Banks.
- Over the years, **Real Estate Investment Trusts (REITs)** have emerged as a successful instrument for asset monetisation. To accelerate recycling of significant real estate assets of CPSEs through the setting up of dedicated REITs.
- **New Dedicated Freight Corridor (DFC):** Establish new DFCs connecting Dankuni in the East, to Surat in the West
- To operationalise **20 new National Waterways (NW)** over next 5 years, starting with Rs 12204 cr NW-5 in Odisha to connect mineral rich areas of Talcher and Angul and industrial centres like Kalinga Nagar to the Ports of Paradeep and Dhamra. Further, a ship repair ecosystem catering to inland waterways will also be set up at Varanasi and Patna
- To launch a **Coastal Cargo Promotion Scheme** for incentivising a modal shift from rail and road, to increase the share of inland waterways and coastal shipping from 6 % to 12 % by 2047.
- To enhance last-mile and remote connectivity, and promote tourism, give incentives to indigenize manufacturing of seaplanes. A **Seaplane VGF Scheme** will be also be introduced to provide support for operations.

## HOW UNION BUDGET 2026 IS REWIRING INDIA'S ECONOMIC GEOGRAPHY

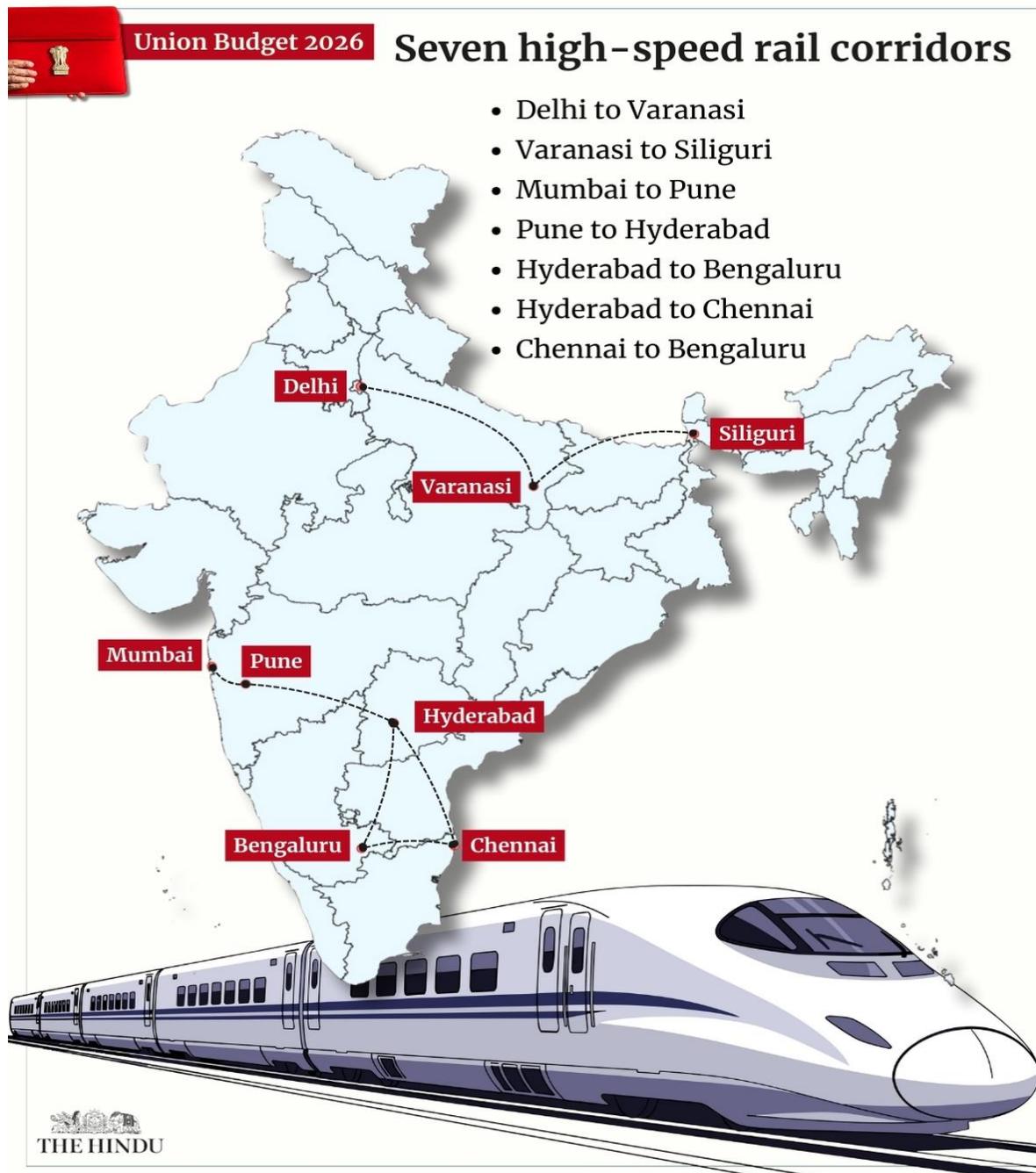


### Railways:

- High-Speed Rail corridors between cities as 'growth connectors'
- These corridors will be of 4000 km in length, and be developed at an outlay of ₹16 lakh crore.

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- A total outlay of ₹2,78,030 crore has been set aside for the Ministry of Railways in the Union Budget 2026-27 as compared to ₹2,55,466 lakh in the revised estimate of Financial Year 2025-2026, indicating a hike of 10.8%. The total capital expenditure for railways is at ₹2,93,030 crore.



- Rail Minister said a sum of ₹1,20,000 crore has been earmarked on safety related measures such as track maintenance, locomotives, coaches as rapid installation of Kavach (indigenously developed Automatic Train Protection (ATP) system) and overhead electrics.

### ENERGY SECURITY

- **Carbon Capture Utilization and Storage (CCUS):** Aligning with the roadmap launched in December 2025, CCUS technologies at scale will achieve higher readiness levels in end-use

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applications across five industrial sectors, including, power, steel, cement, refineries and chemicals. An outlay of ₹20,000 crore is proposed over the next 5 years.

### **URBANISATION:**

- **City Economic Regions:** The Budget aims to further amplify the potential of cities to deliver the economic power of agglomerations by mapping city economic regions (CER), based on their specific growth drivers. An allocation of ₹ 5000 crore per CER over 5 years is proposed for implementing their plans with a reform-cum-results based financing mechanism. Focus areas: Tier-II, Tier-III and Temple Towns.

## PEOPLE'S CENTRIC DEVELOPMENT

1. **Care Economy:** 1.5 lakh caregivers like wellness, yoga, medical device operators to be created using NSQF-aligned programmes to train workers.
2. **SHE-Marts for Rural Women-led Enterprises:** Self-Help Entrepreneur (SHE) Marts is a community-owned retail outlet run by women entrepreneurs, particularly those associated with Self-Help Groups. These marts will act as dedicated spaces where women can sell products they produce — directly to consumers. Instead of selling from doorsteps, temporary stalls, or informal channels, women will now have permanent, visible, organised retail spaces.
3. **Empowering Divyangjan**
  - a. Divyangjan Kaushal Yojana: To ensure dignified livelihood opportunities through industry-relevant and customized training specific to each divyang group. Example: IT, AVGC sectors, Hospitality and Food and Beverages sectors
  - b. Divyang Sahara Yojana: Timely access to high-quality assistive devices for all eligible Divyangjans. To (i) support the Artificial Limbs Manufacturing Corporation of India (ALIMCO) to scale up production of assistive devices, invest in R&D and AI integration, (ii) strengthen PM Divyasha Kendras and support setting up of Assistive Technology Marts as modern retail-style centres where Divyangjans and senior citizens can see, try and purchase assistive products.
4. **Mental Health and Trauma Care:** To set up a NIMHANS-2 and also upgrade National Mental Health Institutes in Ranchi and Tezpur as Regional Apex Institutions. Increase these capacities by 50% in District Hospitals by establishing Emergency and Trauma Care Centres.

## TRUST BASED GOVERNANCE

- To enhance duty deferral period for Tier 2 and Tier 3 Authorised Economic Operators as well as manufacturer-Importers, from 15 days to 30 days.
- To provide greater certainty and for better business planning, extended validity period of advance ruling, binding on Customs, from the present 3 years to 5 years.
- Regular importers with trusted longstanding supply chains will be recognized in the risk system, so that the need for verification of their cargo every time can be minimized. Export

cargo using electronic sealing will be provided through clearance from the factory premises to the ship.

### EASE OF DOING BUSINESS

- **Single Window Clearance (SWC)** for cargo of food, drugs, plant, animal & wild life products, accounting for around 70 percent of interdicted cargo, will be operationalised on this system by April 2026 itself.
- For goods not having any compliance requirement, **clearance will be done by Customs** immediately after online registration is completed by the importer
- **Customs Integrated System (CIS)** will be rolled out in 2 years as a single, integrated and scalable platform for all the customs processes.
- Budget 2026-27 allows **Individual Persons Resident Outside India (PROI)** to invest in listed Indian company equities via the Portfolio Investment Scheme (PIS), with individual investment limits raised from 5% to 10%, and aggregate limits increased to 24%
- To support **Indian fishermen** to fully harness the economic value of marine resources beyond our territorial waters, the following measures will be taken.
  - a. Fish catch by an Indian fishing vessel in Exclusive Economic Zone (EEZ) or on the High Seas will be made free of duty.
  - b. Landing of such fish on foreign port will be treated as export of goods.
- To support aspirations of **India's small businesses, artisans and start-ups** to access global markets through e-commerce, complete removal of the current value cap of ₹10 lakh per consignment on courier exports. In addition, handling of rejected and returned consignments will be improved with effective use of technology for identifying such consignments.

### FISCAL MATTERS

- States shall continue to receive 41% of funds from the Union government's divisible pool of taxes for the next five years.
- The horizontal formula for devolution has changed
- Finance Commission Grant for 2026-27= Rs 1.4 Lakh crore = Rural & Urban Local Body Grant + Disaster Management
- Centr's target debt to GDP Ratio = 50+/-1% by 2030
- Fiscal Deficit for 2026-27: 4.3% of GDP

## HORIZONTAL DEVOLUTION FORMULA

Parameter	15th FC	16th FC
Population (as per 2011 census)	15%	17.50%
Demographic performance	12.50%	10%
Area	15%	10%
Forest	10%	10%
Per capita GSDP distance	45%	42.50%
Tax and fiscal efforts	2.50%	-
Contribution to GDP	-	10%

## HORIZONTAL DEVOLUTION SHARES

States	15th FC	16th FC
Uttar Pradesh	17.94%	17.62%
Bihar	10.06%	9.95%
Haryana	1.09%	1.36%
Telangana	2.10%	2.17%
Karnataka	3.65%	4.13%
Andhra Pradesh	4.05%	4.22%
Tamil Nadu	4.08%	4.097
Kerala	1.93%	2.38%

**✗ NO CHANGES TO INCOME TAX SLAB RATES**

Government maintains the structure from Budget 2025. The **NEW TAX REGIME** remains the **DEFAULT** choice for taxpayers.

**CURRENT INCOME TAX SLABS (NEW REGIME) FOR TAX YEAR 2026-27**

Income Slab (₹)	Tax Rate (%)
₹ 0 – 4,00,000	Nil 0
₹ 4,00,001 – 8,00,000	5%
₹ 8,00,001 – 12,00,000	10%
₹ 12,00,001 – 16,00,000	15%
₹ 16,00,001 – 20,00,000	20%
₹ 20,00,001 – 24,00,000	25%
Above 24,00,000	30%

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