

Union Budget FY27: No magic wand

Having undertaken considerable measures to boost demand outside the Budget and being constrained by resources, the Union Budget FY27 focuses on laying the foundation for "Future India" by focusing on 'new-age' sectors. Overall, the Budget aims at boosting value addition and export promotion by building resilience in supply chains. Elevated government borrowing, combined with the modest positive impact of this budget on FY27 earnings, is expected to remain a drag on market performance.

Value addition and new-age sectors – Main essence of the Budget: The Budget shifts emphasis from basic assembly or volume growth to high-value addition via R&D, full-stack capabilities, processing, and global competitiveness in emerging ("new-age") areas of semiconductors, biopharma, critical minerals/rare earths, advanced textiles, electronics components, and more. The allocation for India Semiconductor Mission 2.0 (INR 10bn), India AI Mission (INR 10bn), EMS component manufacturing (INR 400bn from INR 229.1bn), support for rare earth corridors and long-term tax holiday for foreign cloud services providers using Indian data centres corroborates the tilt in the budget.

Pivot to debt-GDP ratio allows 11.5% hike in capex over FY26RE: The budget stayed the course on fiscal consolidation, whilst moving to debt-GDP ratio, thus allowing space for capex to grow by 11.5% YoY in FY27BE versus FY26RE. The debt-to-GDP ratio is estimated to be 55.6% of GDP in FY27BE from 56.1% of GDP in FY26RE. As a percentage of GDP, allocation is 3.1% – same as in last year. The resources of public enterprises are projected to grow by 11.5% too, with the total allocation of INR 4.83tn being a tad lower than INR 4.88tn of FY25A. Two major components of capex are allocation to defence (17% growth) and tax-free loans to the states (28.5% growth)

Realistic Budget math: The Budget math is realistic as it projects net tax revenue growth of 7.2% versus 7% in FY26RE, on nominal GDP growth estimate of 10%. Among internals, the direct tax growth is projected at 11.4%. Among indirect taxes, customs duty rationalization reflects in lower growth of 5% versus 10.8%, whereas excise duty is expected to grow by 15.6% versus 12.1% in FY26RE. The discontinuation of the GST compensation cess is impacting the overall collection under GST, which is expected to fall by 2.6% versus a growth of 1.9% in FY26RE. The non-tax revenue growth is budgeted to be flat at -0.2% versus 24.4% in FY26RE. We see some upside to this and as such, do not anticipate that government to be compelled to compress expenditure to meet deficit target.

Rising short-term borrowing; expect yields to trend towards 6.9-7%: While the government's total dated borrowing at INR 11.7tn net is only slightly above market expectations (higher by ~INR 400 bn), a surge in short-term borrowing by INR 1.3tn versus FY26RE does not bode well for short-term rates. This amid likely higher supply from the states (Elara estimate of INR 9.5tn net for FY27BE) and rising global yields may continue to exert pressure on domestic yields. We see India 10-year yield gradually trending towards 6.9-7%, thus adversely impacting cost of funds for NBFCs and mid-sized banks that depend on wholesale funding sources. In the near term, we thus prefer well capitalised large cap private banks with steady CASA ratio. RBIs' reaction function with respect to liquidity and yields becomes crucial hereon.

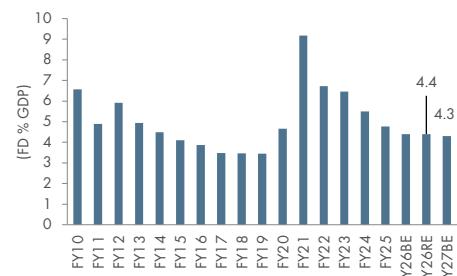
Budget offers no fillip to FY27 earnings: Markets responded negatively to the Budget as it failed to provide an anchor to FY27 earnings despite focus on macro-stability and capex spending. Structural initiatives like data centers and AI, expand the mid-term growth potential but do not uplift India's immediate relative appeal among its EM peers. Although, higher STT on F&O can reduce speculative churn and attract higher long-term investments, today's budget is unlikely to calm the FPI exodus as FPIs look for signs of earnings recovery and a respite in Rupee weakness before investing. MSCI India is trading at 21.3x on one-year blended forward multiples. (60% premium to MSCI EM vs one year peak of 65%).

Union Budget 2026-27

Focus areas

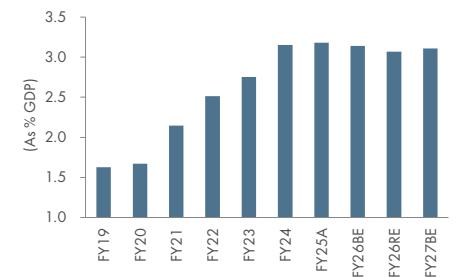
- ▶ Boost to new-age manufacturing
- ▶ Reiterating fiscal consolidation and shift to debt-GDP pivot
- ▶ Rationalization in customs duty
- ▶ Focus areas –Critical Mineral, AI, Semiconductors, Nuclear Power
- ▶ De-regulation and ease of doing business
- ▶ Simplification of income tax

Budget stays the course on fiscal consolidation



Note: RE=Revised estimate, BE=Budget estimate; Source: Union Budget, Elara Securities Research

Capex-to-GDP for FY27BE at 3.1%



Note: RE=Revised estimate, BE=Budget estimate; Source: Union Budget, Elara Securities Research

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Exhibit 1: Union government finances – Overview

Items	(INR bn)					(YoY, %)			
	FY24	FY25	FY26BE	FY26RE	FY27BE	FY25/ FY24	FY26BE/ FY25A	FY26RE/ FY25	FY27BE/ FY26RE
Receipts	27,888	30,784	34,964	34,064	36,516	10.4	13.6	10.7	7.2
Revenue	27,290	30,366	34,204	33,423	35,332	11.3	12.6	10.1	5.7
Net tax revenue	23,273	25,000	28,374	26,747	28,669	7.4	13.5	7.0	7.2
Gross taxes	34,655	37,964	42,702	40,778	44,041	9.5	12.5	7.4	8.0
Direct	19,558	22,219	25,200	24,210	26,970	13.6	13.4	9.0	11.4
Corporate	9,111	9,868	10,820	11,090	12,310	8.3	9.7	12.4	11.0
Personal	10,447	12,352	14,380	13,120	14,660	18.2	16.4	6.2	11.7
GST	9,572	10,270	11,780	10,465	10,190	7.3	14.7	1.9	(2.6)
Non tax Revenue	4,018	5,366	5,830	6,677	6,662	33.5	8.7	24.4	(0.2)
Capital (Non-debt)	598	418	760	640	1,184	(30.0)	81.7	53.1	84.9
Expenditure	44,435	46,529	50,654	49,600	53,500	4.7	8.9	6.6	7.9
Revenue	34,943	36,009	39,443	38,691	41,255	3.1	9.5	7.4	6.6
Interest payment	10,639	11,156	12,763	12,743	14,040	4.9	14.4	14.2	10.2
Subsidies	4,349	4,226	4,262	4,695	4,548	(2.8)	0.9	11.1	(3.1)
Food	2,118	1,999	2,034	2,282	2,276	(5.6)	1.8	14.2	(0.2)
Fertilizers	1,883	1,707	1,679	1,865	1,708	(9.4)	(1.6)	9.2	(8.4)
Petroleum	122	145	121	151	121	18.3	(16.4)	4.4	(20.1)
Capital	9,492	10,520	11,211	10,958	12,218	10.8	6.6	4.2	11.5
Defence	1,543	1,598	1,800	1,865	2,193	3.6	12.7	16.7	17.6
Railways	2,426	2,520	2,520	2,520	2,778	3.9	-	-	10.3
Roads	2,639	2,853	2,722	2,721	2,942	8.1	(4.6)	(4.7)	8.1
Fiscal deficit	16,546	15,744	15,689	15,585	16,958				
Net borrowings	11,805	10,745	11,538	10,404	11,732	(9.0)	7.4	(3.0)	13.0
Nominal GDP	301,230	330,682	356,979	357,139	393,004	9.8	8.0	8.0	10.0
<i>Fiscal deficit % of GDP</i>	6.0	4.8	4.4	4.4	4.3				
<i>Capex % of GDP</i>	3.2	3.2	3.1	3.1	3.1				
<i>Receipts % of GDP</i>	9.3	9.3	9.8	9.5	9.3				
<i>Expenditure % of GDP</i>	14.8	14.1	14.2	13.9	13.6				
<i>Subsidies % of GDP</i>	1.4	1.3	1.2	1.3	1.2				
<i>Gross Tax % of GDP</i>	11.5	11.5	12.0	11.4	11.2				

Note: A= Actuals; RE=Revised estimate, BE=Budget estimate; Source: Union Budget Documents, Elara Securities Research

Budget math is realistic

Per FY27BE, overall net tax revenue is expected to grow by 7.2% on revised 7.0% growth in FY26RE and 7.4% of FY25A. The composition of direct taxes suggests that the government has been realistic on corporate tax growth budgeted at 11.4% in FY27BE vs. 12.4% in FY26RE. The income tax growth of 11.7% in FY27BE vs 6.2% in FY26RE rests on improved compliance and higher nominal GDP. The Budget projects capital receipts (disinvestments & asset monetization) to grow 84.9% in FY27BE to INR 1,184bn. This represents an unusually large step-up, especially when viewed against the relatively healthy revised estimate of INR 640bn for FY26 RE and rests on likely INR 400 bn from IDBI stake sale.

On the expenditure front, capex growth is expected at 11.5% YoY in FY27BE at INR 12.2tn versus 4.2% YoY in FY26RE (INR 10.9tn). Monitor the possible exhaustion of the allocated capex spend of INR 12.2tn (INR 1.8tn continues to be allocated to states under 50-year interest free loan).

The growth in revenue spending is projected to moderate to 6.6% YoY in FY27BE from 7.4% in FY26RE, led by a 10.2% expected rise in interest payments in FY27BE. Overall subsidies are expected to decline in FY27BE (3.1% YoY) versus FY26RE, dragged down by petroleum subsidy. Any release of interim report of 8th Pay Commission may need to secure supplementary demand for grants if the government decides to provide for the same.

Exhibit 2: Gross tax revenue projections for FY27BE are realistic

Items	(INR bn)					YoY (%)			As % of GDP				
	FY24	FY25A	FY26BE	FY26RE	FY27BE	FY25A/ FY24	FY26RE/ FY25A	FY27BE/ FY26RE	FY24	FY25A	FY26BE	FY26RE	FY27BE
Direct tax	19,559	22,220	25,200	24,210	26,970	13.6	9.0	11.4	6.5	6.7	7.1	6.8	6.9
Corporate	9,111	9,868	10,820	11,090	12,310	8.3	12.4	11.0	3.0	3.0	3.0	3.1	3.1
Income	10,448	12,352	14,380	13,120	14,660	18.2	6.2	11.7	3.5	3.7	4.0	3.7	3.7
Indirect taxes	14,957	15,605	17,350	16,413	16,791	4.3	5.2	2.3	5.0	4.7	4.9	4.6	4.3
GST	9,572	10,270	11,780	10,465	10,190	7.3	1.9	-2.6	3.2	3.1	3.3	2.9	2.6
Central GST	8,206	9,090	10,109	9,585	10,190	10.8	5.4	6.3	2.7	2.7	2.8	2.7	2.6
Compensation cess	1,414	1,506	1,671	880	-	6.5	-41.6	-	0.5	0.5	0.5	0.2	-
Customs	2,331	2,332	2,400	2,583	2,712	0.0	10.8	5.0	0.8	0.7	0.7	0.7	0.7
Excise	3,054	3,003	3,170	3,366	3,889	-1.7	12.1	15.5	1.0	0.9	0.9	0.9	1.0
Gross tax	34,655	37,964	42,702	40,778	44,041	9.5	7.4	8.0	11.5	11.5	12.0	11.4	11.2
Net taxes	23,273	25,000	28,374	26,747	28,669	7.4	7.0	7.2	7.7	7.6	7.9	7.5	7.3
Nominal GDP growth	12	9.8	10.1	8	10								

Note: A= Actuals, RE=Revised estimate, BE=Budget estimate; Source: Union Budget, Elara Securities Research

Exhibit 3: GOI expenditure expected to grow by 7.6% in FY27BE

(INR bn)	FY24A	FY25A	FY26BE	FY26RE	FY27BE
A. Centre's expenditure					
Establishment expenditure	7,690	8,294	8,681	7,827	8,241
Central sector schemes/projects	14,234	14,944	16,219	16,372	17,719
Other central sector expenditure	13,222	14,210	15,260	16,994	17,614
Of which interest payments	10,639	11,156	12,763	12,743	14,040
B. Transfers					
Centrally sponsored schemes	4,446	4,024	5,419	4,201	5,488
Finance commission grants	1,485	1,209	1,328	1,530	1,294
Other grants/loans/transfers	3,358	3,849	3,747	2,725	3,117
Total	44,435	46,529	50,654	49,648	53,473

Note: A= Actuals, RE=Revised estimate, BE=Budget estimate; Source: Union Budget, Elara Securities Research

Exhibit 4: Effective capital expenditure of the government healthy

(INR bn)	FY24A	FY25A	FY26BE	FY26RE	FY27BE
Capital expenditure	9,492	10,520	11,211	10,958	12,218
Grants in aid for creation of capital assets	3,039	2,727	4,272	3,082	4,927
Total	12,531	13,246	15,483	14,039	17,145

Note: A= Actuals, RE=Revised estimate, BE=Budget estimate; Source: Union Budget, Elara Securities Research

Centre's net borrowing for FY27BE higher than market expectations; yields to remain firm

FY27BE projects the centre's net borrowing at INR 11.7tn, up by 3.6% YoY versus FY26RE but the gross supply of INR 17.2 (with redemptions in FY27BE estimated at INR 5.5tn) vs INR 14.6 in FY26RE was higher with INR 1.3 tn worth short-term borrowing further adding to the pressure. The amount for the small savings schemes at INR 3.9tn projected for FY27BE is ~3.9% higher than FY26RE and is largely as per expectations. The drawdown of cash balances at INR 0.3tn moderates from INR 0.4tn seen in FY26RE. The gross borrowing numbers for state are estimated at INR 13.6 tn vs INR 12.53 tn, further adding to the total supply in the market. We expect India 10-year yield to remain firm and trade in the range of 6.7-7% through FY27E versus 6.6% at present.

Exhibit 5: Net borrowings to finance major part of fiscal deficit

(INR tn)	FY24A	FY25A	FY26BE	FY26RE	FY27BE
Fiscal deficit	16.5	15.7	15.7	15.6	17.0
Gross borrowings	15.4	14.0	14.8	14.6	17.2
Net market loans	11.8	11.6	11.5	11.3	11.7
Repayments	3.6	2.4	3.3	3.3	5.5
Short term T-Bill borrowings	0.5	(1.6)	-	-	1.3
Net securities against small savings	4.5	4.3	3.4	3.7	3.9
Net state provident funds	0.1	-	0.1	-	-
Net other receipts (internal debts & public accounts)	(0.9)	1.8	0.4	0.8	(0.5)
Net external debt	0.6	0.5	0.2	0.2	0.2
Drawdown of cash balance	-	-	-	0.5	0.3

Note: A= Actuals, RE=Revised estimate, BE=Budget estimate; Source: Union Budget, Elara Securities Research

FY26 finances – Review

Fiscal consolidation maintained

In FY26 Budget, the government maintained fiscal consolidation, with fiscal deficit, as a percentage of GDP, at 4.4% (in line with budgeted estimates) as the shortfall in receipts was compensated by compression in expenditure, both capital as well as revenue.

FY26RE Government revenue receipts to undershoot budgeted estimates

The government's revenue receipts for FY26RE are likely to be underachieved by INR 780 bn over budgeted estimates, primarily due to a decline in net tax revenue of INR 1.6 tn as INR 846 bn worth non-tax revenue surplus helping to bridge the gap. However, revenue receipts in FY26RE were up by 10.1% YoY over FY25 actuals. The Centre's gross tax-to-GDP ratio was at 11.4% for FY26RE, slightly lower than 12% in FY26BE- but the lowest level since FY21, reflecting weaker tax collection. Notably, NSO's first advance estimates implies nominal GDP growth of 8% YoY in FY26, significantly below 10.1% growth implicit in FY26BE, thereby weighing on overall tax buoyancy, which we estimate at ~0.8x.

The direct taxes are expected to decline by ~3.9% YoY to INR 24.2tn in FY26RE on budgeted estimates, primarily due to an 8.8% YoY decline in income tax revenue in FY26RE over FY26BE. The corporate tax collections are estimated to grow by 2.5% in FY26RE over budgeted estimate.

Indirect tax growth – Set to moderate as GST rationalization weighs

The overall pace of indirect tax collection has weakened due to policy-led GST rate rationalization, and a tad underachievement in excise duty collections. The indirect tax collections are likely to grow by 5.2% YoY in FY26RE over FY25A, driven by 10.8% YoY growth expected in customs duty and modest 12.1% growth in excise duty collections in FY26RE over FY25A. The shortfall in indirect taxes is largely due to weak GST collections in FY26. The CGST collections are estimated to fall short by INR 524bn in FY26RE.

Higher dividends from RBI and CPSE limit fiscal slippage

Encouragingly, non-tax revenues provided a meaningful cushion in FY26. Non-tax revenue is expected to grow by 24.4% YoY to INR 6.7tn over FY25A (33.6% YoY in FY25), driven by higher revenue estimated from fiscal, general and social services. In FY26RE, dividends and profits from the PSU banks/financial institutions and the RBI are expected to be higher with FY26BE at INR 3.0tn versus INR 2.56tn. The healthy growth in non-tax revenue reflects surplus from the RBI (~INR 1tn) along with consistent PSU dividend payouts. Till December FY26, non-tax revenue was already 92.6% of FY26BE.

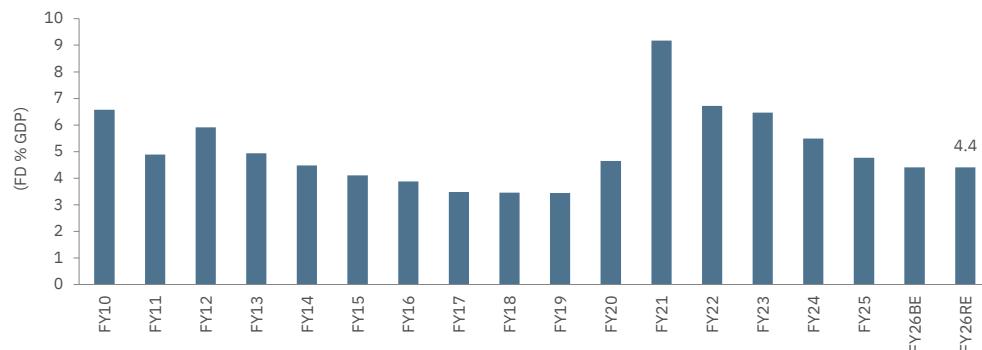
Capex allocation trimmed for FY26; defence to see higher spends

Total expenditure of the government is expected to moderate by 6.6% YoY in FY26RE versus 8.8% YoY in FY26BE over FY25A, due to a trimming in capex spends. The center's capital spending, till December, was robust at 15% YoY (a sharp rebound in December itself), accounting for 70.3% of FY26BE versus 61.7% of FY25BE during the same period last year. Ministry-wise, overall spending for infra/capex- Road, Transport and Highways and Railways, Ports, – is expected to be flat in FY26RE over FY26BE. Defence accounted for the largest increase in capital expenditure, with outlay rising by 3.5% in FY26RE over FY26BE.

Growth in revenue expenditure to moderate by 7.4% vs 9.5% in FY26BE

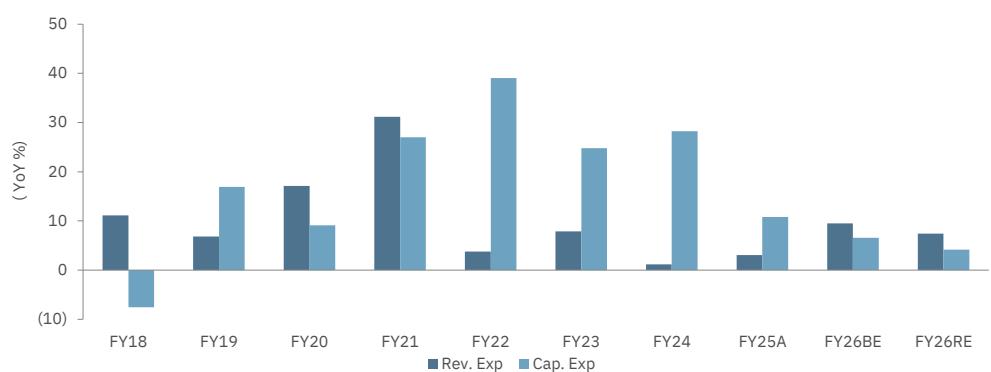
Traction in revenue expenditure has remained weak. Among the schemes, total allocation to the Ministry of Rural Development moderated to 5.9% YoY in FY26RE versus 7.8% YoY in FY25BE over FY25A. Key schemes that are likely to see lower spending in FY26RE are Jal Jeevan Mission and PM Sadak Yojana. The government lowered the allocation by 41% in FY25E over FY26BE in PMAY (Grameen) and the allocation declined by 42% in PM Sadak Yojana in FY26RE over FY26BE. The allocation for Jal Jeevan Mission in FY26RE was revised down to INR 170bn from INR 670bn in FY26BE, reflecting sluggish execution so far this year.

Exhibit 6: Fiscal deficit maintained at 4.4% of GDP in FY26RE



Source: Union Budget, Elara Securities Research

Exhibit 7: Central government's capital expenditure trimmed in FY26RE



Source: Union Budget, Elara Securities Research

FY27 finances – Review

Government stays the course on fiscal consolidation: In FY27 budget, the fiscal deficit for FY27BE is projected at 4.3% of GDP (nominal GDP growth estimated at 10% YoY vs 8% in FY26RE) and FY26RE was maintained at 4.4%. 4.3% fiscal deficit was 10 bps higher than our and market consensus. The government however remained steadfast in its resolve to maintain fiscal prudence and indicated reducing debt-to-GDP ratio to be the key objective. The government prefers to shift to debt-to-GDP targeting framework: 1) as it encourages a shift from rigid annual fiscal targets, 2) as it is a more reliable measure of fiscal performance due to its intertemporal comparability, and 3) has the potential to free up growth- augmenting the spending space.

Tax projection for FY27BE look realistic: The Centre's gross tax, as a percentage of GDP, is projected at 11.2% in FY27BE- the lowest since FY21. The net tax revenue is expected to increase by 7.2% YoY in FY27BE to INR 28.6tn versus INR 26.7tn in FY26RE, led by ~11% YoY rise in gross taxes. Devolution to the states is retained at 41% of the gross tax receipts as per recommendations of the Sixteenth Finance Commission. Direct tax collection is expected to rise by 11.4% YoY in FY27BE versus 9.0% in FY26RE, led by 11.7% rise in personal income taxes. The net tax revenue is expected to recover on the back of higher nominal GDP growth. Corporate income tax is expected to grow by 11% YoY in FY27BE versus 12.4% growth in FY26RE. Within indirect taxes, customs duty rationalization is reflecting in lower growth of 5% versus 10.8% in FY26RE, whereas excise duty is expected to grow by 15.6% versus 12.1% in FY26RE. The expiration of the GST compensation cess is impacting the overall collection under GST along with the recent tax rate cuts, culminating into a decline of 2.6% versus a growth of 1.9% in FY26RE.

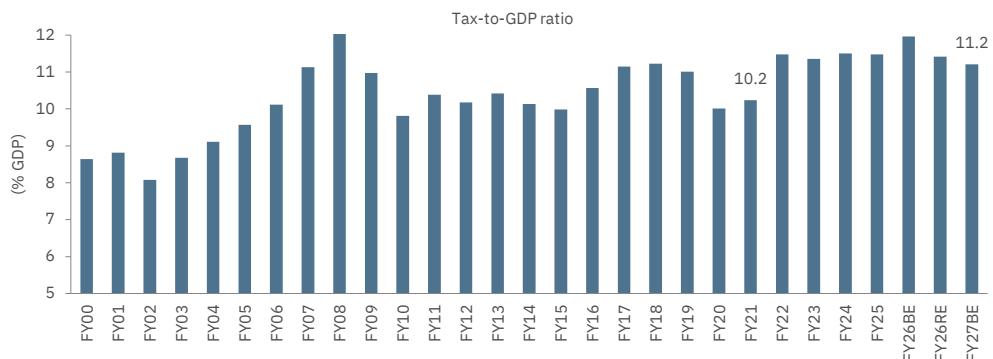
Non-tax revenue may likely surprise on upside in FY27: The non-tax revenue growth is budgeted to be flat at -0.2% versus 24.4% in FY26RE. We see some upside to this mainly on account of RBI dividend payout and as such, do not anticipate expenditure compression to meet deficit target. Within this, dividends from public sector enterprises and other investments for FY27BE is estimated at INR 750bn versus INR 710bn in FY26RE and dividends of Reserve Bank of India, nationalized banks and financial institutions are estimated at INR 3,160bn in FY27BE versus INR 3,045bn in FY26RE.

Total spending to grow by 6.7% YoY; 10% growth in capex spends

In FY27BE, the government focused on capex spending retaining capex to GDP ratio at 3.1% of GDP- par with FY26RE estimate. Overall government spending is estimated at INR 53.5tn, rising by 7.9% in FY27BE versus 6.6% in FY26RE. The capex spend is expected to grow by 11.5% YoY in FY27BE at INR 12.2tn versus 4.2% YoY in FY26RE (INR 10.9tn). Combined with Resources of Public Enterprises (RPE), the overall capex stands at INR 17.0tn, versus INR 15.2tn estimated in FY26RE. As a percentage of GDP, combined capex stands at 4.3%, versus FY26RE levels of 4.2%.

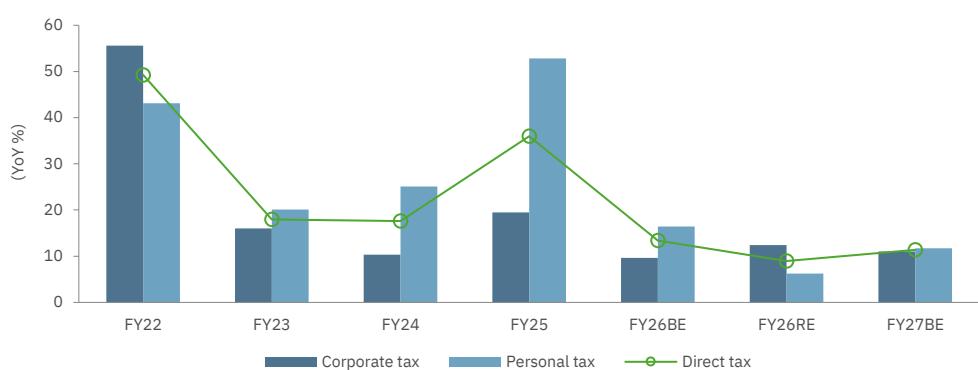
For capex-heavy ministries – Roads & Transport, Railways, Defence, and Housing – the combined FY27BE allocation grew 11.1% YoY, rebounding sharply from near-flat 0.2% YoY growth in FY26RE. The increase was led by Defence, which saw a 17.6% YoY rise to INR 2.2tn. Notably, capital spending estimated under department of economic affairs under the Ministry of Finance has been estimated weak. The government allocated INR 163bn in FY27BE against INR 708bn in FY26RE. The 50-year interest free loans to states however are seeing a step increase to INR 1.85 tn from INR 1.44 tn. The growth in revenue spending is estimated to increase by 6.6% in FY27BE (versus 7.4% YoY FY26RE), led by a 10.2% rise in interest payments in FY27BE.

Exhibit 8: Gross tax to GDP- lowest since FY21



Source: Union Budget, Elara Securities Research

Exhibit 9: Direct tax estimates for FY27BE in line



Source: Union Budget, Elara Securities Research

Exhibit 10: Allocation to urban-related schemes higher in FY27BE

Allocation to key schemes	(INR bn)				(YoY %)			
	FY25A	FY26BE	FY26RE	FY27BE	FY25A/ FY24A	FY26BE/ FY25A	FY26RE/ FY25A	FY27BE/ FY26RE
Mahatma Gandhi National Rural Employment Guarantee Program (MGNREGA)	858.3	860.0	880.0	300.0	(3.7)	0.2	2.5	(65.9)
Jal Jeevan Mission (JJM)/National Rural Drinking Water Mission	226.1	670.0	170.0	676.7	(67.7)	196.3	(24.8)	298.1
Flexible pool for RCH & Health System Strengthening, National Health Programme	316.9	300.1	298.7	318.2	27.5	(5.3)	(5.7)	6.5
National Urban Health Mission								
National AYUSH Mission	10.8	12.8	7.8	13.0	24.4	18.3	(27.8)	66.5
Pradhan Mantri Awas Yojna (PMAY)-Urban	323.3	325.0	325.0	549.2	49.1	0.5	0.5	69.0
Pradhan Mantri Awas Yojana - Urban 2.0 (PMAY-U 2.0)	0.5	35.0	3.0	30.0				
Pradhan Mantri Awas Yojna- Grameen (PMAY-G)	323.3	548.3	325.0	549.2	48.5	69.6	0.5	69.0
Pradhan Mantri Gram Sadak Yojana	178.7	190.0	110.0	190.0	16.2	6.3	(38.4)	72.7
Pradhan Mantri Krishi Sinchai Yojana	65.0	82.6	63.7	65.9	6.7	27.1	(1.9)	3.4
Watershed Development Component-Pradhan Mantri Krishi Sinchai Yojana	24.9	25.1	15.0	25.0	58.7	0.8	(39.8)	66.7
Swachh Bharat Mission (Gramin)	32.1	71.9	60.0	71.9	(51.0)	123.9	86.9	19.9
Urban Rejuvenation Mission: AMRUT and Smart Cities Mission	55.1	76.4	75.0	80.0	(1.4)	38.6	36.0	6.7
Crop Insurance Scheme	144.7	122.4	122.7	122.0	11.8	(15.4)	(15.2)	(0.5)
Pradhan Mantri Kisan Samman Nidhi (PM-Kisan)	661.2	635.0	635.0	635.0	7.6	(4.0)	(4.0)	-
Metro projects	246.9	312.4	274.5	287.4	26.5	26.5	11.2	4.7

Source: Union Budget, Elara Securities Research

Exhibit 11: Capital expenditure under Defence rising meaningfully

	(INR bn)				YoY (%)		
	FY25A	FY26BE	FY26RE	FY27BE	FY26BE/ FY25A	FY26RE/ FY25A	FY27BE/ FY26RE
Defence	1,598	1,800	1,865	2,193	12.7	16.7	17.6
Railways	2,519	2,520	2,520	2,778	-	-	10.3
Roads	2,853	2,722	2,721	2,942	(4.6)	(4.7)	8.1
Ports	13	18	12	12	34.4	(10.5)	0.1
Housing	316	376	330	348	18.9	4.3	5.5
Ministry of Finance	1,810	17,174	2,516	2,502	848.9	39.0	(0.6)
Department of Economic Affairs	101	466.1	708.0	163.1	363.8	604.4	(77.0)
Transfer to States	1,657	1,706	1,750	2,264	3.0	5.6	29.4

Source: Union Budget, Elara Securities Research

Exhibit 12: Revenue expenditure under key ministries for rural sector seeing mixed growth

	(INR bn)				YoY (%)		
	FY25A	FY26BE	FY26RE	FY27BE	FY26BE/ FY25A	FY26RE/ FY25A	FY27BE/ FY26RE
Ministry of Agriculture and Farmers' Welfare	1,299	1,377	1,230	1,305	6.0	(5.3)	6.1
Ministry of Chemicals and Fertilisers	1,848	1,683	1,912	1,770	(8.9)	3.4	(7.4)
Ministry of Consumer Affairs, Food and Public Distribution	2,148	2,157	2,383	2,394	0.4	10.9	0.5
Ministry of Panchayati Raj	8	12	10	12	39.6	13.4	24.8
Ministry of Rural Development	1,793	1,904	1,887	1,970	6.2	5.2	4.4
Ministry of Tribal Affairs	101	149	108	154	47.1	6.7	42.4

Source: Union Budget, Elara Securities Research

Exhibit 13: Allocation to newly introduced schemes in FY27BE

(INR bn)	FY27BE
Viksit Bharat-Guarantee for Rozgar and Ajeevika Mission (Gramin)-VB-G RAM G Scheme	956.9
Pradhan Mantri Skilling and Employability Transformation through Upgraded ITIs (PM SETU)	61.4
Support for High Value Agriculture	3.5
Bio-pharma SHAKTI	5.0
Chemical Parks	6.0
Startup India Fund of Funds 2.0	9.0
Grants-in-aid to National Co-operative Exports Limited (NCEL)	4.5
India Semiconductor Mission 2.0	10.0
SME Growth Fund	5.0
Infrastructure Risk Guarantee Fund	10.0
Integrated Scheme for Entrepreneurship Development	5.0
Scheme for Allied Health Care Professionals (AHPs)	10.0
Talent Development in Animation, Visual Effects, Gaming and Comics (AVGC) Sector	2.5
Pradhan Mantri Viksit Bharat Rozgar Yojana	200.8
Shram Registration, Inspection, Samadhan and Transparency Initiative (SRISTI)	0.3
Shipbuilding Financial Assistance Scheme (SBFAS) and National Shipbuilding Mission	5.2
Scheme for Capacity & Capability development and credit risk coverage for shipbuilding in India-Shipbuilding Development Scheme (SbDS)	2.5
Maritime Development Fund	10.0
Carbon Capture Utilization and Storage Scheme	5.0
Integrated Scheme in Skilling Architecture	6.0
Integrated Textile Program	15.0
Promotion of Sports Goods Manufacturing	5.0

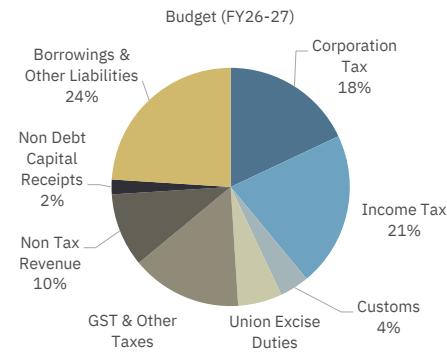
Source: Union Budget, Elara Securities Research

Exhibit 14: Ministry-wise spending in key sectors

(INR bn)	FY25A			FY26BE			FY26RE			FY27BE		
Departments	Revenue	Capital	IEBR									
Road Transport & Highways	141	2,853	0	151	2,722	0	151	2,721	0	157	2,942	0
Railways	33	2,519	170	35	2,520	130	35	2,520	130	35	2,778	150
Defence	46,539	17,062	40	4,888	1,800	41	53,509	19,742	38	55,367	23,101	43
Rural Development	1,767	0	0	1,878	0	0	1,870	0	0	1,944	0	0
Telecommunications	479	738	10	292	518	8	295	239	8	267	473	9
Power	186	11	766	212	7	861	210	6	858	296	4	1,018
New and Renewable Energy	186	0	315	265	0	355	253	0	361	329	0	429
Housing & Urban Affairs	216	316	385	592	376	622	242	330	674	507	348	726
Labour and Employment	114	0	0	326	0	0	127	0	0	326	0	0
Health and Family Welfare	850	23	1	923	36	1	905	24	1	988	29	1
MSMEs	76	6	2	225	7	3	112	9	2	226	19	3
Drinking Water & Sanitation	259	0	0	742	0	0	230	0	0	749	0	0

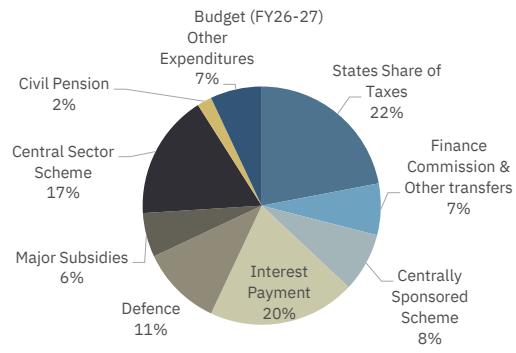
Source: Union Budget, Elara Securities Research

Exhibit 15: Rupee comes from



Source: Union Budget, Elara Securities Research

Exhibit 16: Rupee goes to



Source: Union Budget, Elara Securities Research

Equity Market view

Markets reacted negatively to the Budget, with the Nifty down ~2% intraday and IT the only sector in positive territory as Budget announcements failed to provide an anchor to immediate earnings trajectory. Although, macro-stability and capex focus was retained, a closer look suggested that the impulse on defence and railways sector was lower than what the headline numbers indicate. Structural initiatives in data centers, textiles, tourism, AI, and skilling expand the medium-term growth runway but do not uplift India's relative appeal among its peers. Although, higher STT on F&O can reduce speculative churn and attract higher long-term investments, the markets will await clearer signs on earnings recovery to trigger next leg of uptick. MSCI India is trading at 21.3x on one year blended forward multiples, which is at 60 percent premium to MSCI EM multiples of 13.3x. Although this has corrected from a one year peak multiple premium of 65 percent, investors await clearer signals on earnings recovery.

Some standout sectoral implications:

#1: Negative impact on BFSI

With the yields expected to rise (as short-term government borrowings increased by INR 1.3tn and dated borrowings were higher by INR 500 bn), immediate funding costs for NBFCs could see upward pressure, temporarily impacting margins. Borrowings are likely to shift towards bank credit as CP and CD rates move higher.

Equity impact: Continue to prefer large-cap private banks with healthy balance sheet and steady CASA. The impact on NBFC cost of borrowing and profitability trajectory remain key monitorable.

#2: Market structure: Tightening reduces speculative churn

The rise in STT on futures (0.02% to 0.05%) and options (up to 0.15%) directly raises trading friction for high-frequency strategies, proprietary desks, and short-term derivatives participants. This will likely lower intraday churn and compress brokerage volumes in F&O-heavy platforms. The reaction to the stocks such as BSE, MCX today reflected this, but definitive impact on volume must be observed to take a structural call. Separately, brokers like Groww and Angel One, where F&O forms a major revenue stream (e.g., 75% for Angel One) may also get impacted adversely.

#3: Data centers become a multi-year infrastructure theme

A tax holiday until 2047 for any foreign company that provides cloud services to customers globally by using data centre services from India materially improves project IRRs (positive on cash flow generation). With hyperscalers such as Alphabet and Meta Platforms committing ~USD 75bn cumulatively to data-center capacity in the next 4-5 years, India's role in global cloud infrastructure is set to strengthen. The announcement also complements other Budget measures like ISM 2.0 (semiconductors) and ₹40,000 crore for electronics manufacturing, enabling end-to-end new-age value chains in AI/cloud.

Equity impact: Power component companies, cooling and electrical equipment providers, and data-center real estate players are likely to see a fillip. For more on the theme, refer [FY27 strategy outlook](#).

#4: Textile related announcements target volume-led export revival

An integrated textile push – fiber self-reliance, cluster modernization, Samarth 2.0 skilling, and sustainability upgrades – aims to restore the export share lost to Bangladesh and Vietnam over decades. The recently concluded FTAs complement the policy stance. Listed textile manufacturers could benefit from operating leverage as volumes recover, but gains will be gradual and linked to global demand cycles rather than any immediate re-rating.

Preferred stocks: We like all large exporters focusing on creating capacities and increasing their competitiveness like Arvind, KPR Mill, Welspun Living, and Garware Technical Fibres among others.

#5: Tourism, AI and skilling

The Budget links tourism expansion with AI-led productivity and workforce skilling. Parallel focus on AI adoption and digital infrastructure aims to lift efficiency across services, logistics, and

manufacturing. This is not an immediate earnings trigger but shall support medium-term margin expansion and competitiveness.

Equity impact: Organized hotels, travel platforms, digital infrastructure providers, and automation-linked technology firms are structural beneficiaries.

#6: Capex-led connectivity with multi-modal execution

For FY27E, capex outlay is expected to rise 11.5% to INR 12.2tn from FY26RE of INR 10.95tn. The focus is primarily on defence (capex rise of ~18% to INR 2.2tn) and railways (capex rise of 10% to INR 2.8tn). Key announcements include CPSE real-estate recycling via REITs, a new Dedicated Freight Corridor (Dankuni–Surat), operationalization of 20 national waterways over five years, and seven high-speed rail corridors. Exclusion of biogas value from excise on biogas-blended CNG improves fuel economics, supporting freight and clean-energy adoption. Most projects will be executed over multiple years and depend on phased funding and off-budget capital.

Equity Impact: Structural beneficiaries include construction equipment manufacturers, EPCs, logistics players, railways, ports, CPSE REIT beneficiaries and select clean-energy enablers.

Preferred picks: Diversified Infra/EPC – Larsen & Toubro, NCC, Afcons Infrastructure; Housing – NBCC, Ahluwalia Contracts, PSP Projects; Energy & Water – Hindustan Construction Company, KNR Construction, PNC Infratech; Roads & Railways – HG Infra Engineering, Ashoka Buildcon; Airports – GMR Airports Infrastructure, Adani Airports; CBG/Clean Energy – Praj Industries

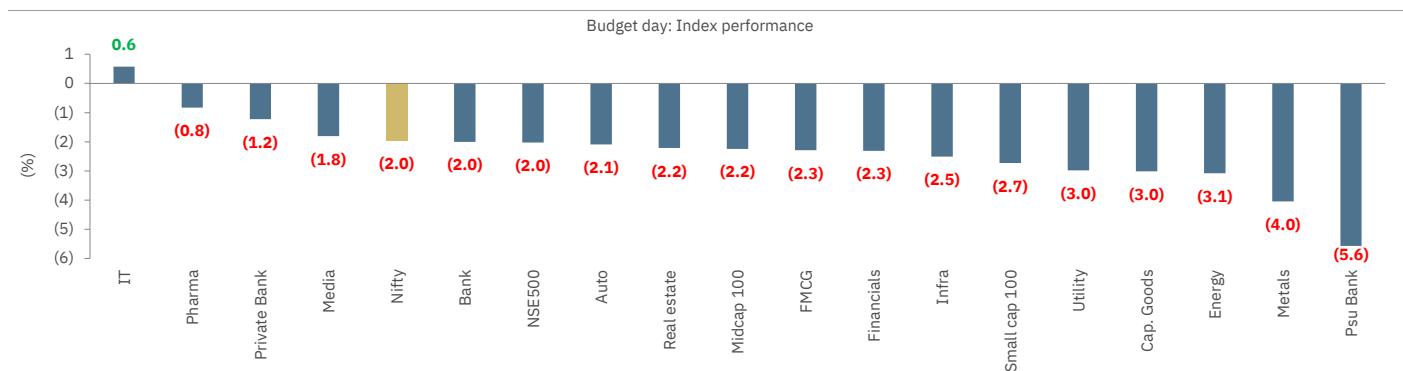
Sectoral preference

Overweight: Consumer Discretionary (Auto, Jewelry, Beauty & Personal Care, Hotels), BFSI, Real Estate, OMCs, non-ferrous metals.

Neutral: IT services

Underweight: Consumer Staples, Pharmaceuticals and Cements

Exhibit 17: Only one sector ended positive on budget day



Source: Bloomberg, Elara Securities Research

Exhibit 18: Stock performance on 01/01/26

Stock winners	(%)	Stock losers	(%)
Nifty 50			
Max Healthcare	2.1	Hindalco Industries	(5.7)
Wipro	2.1	State Bank of India	(5.5)
Tata Consultancy Services	2.0	ONGC	(5.5)
Sun Pharma	0.9	Adani Ports & SEZ	(5.3)
Infosys	0.8	Bharat Electronics	(5.3)
NSE500			
Global Health	6.3	Hindustan Copper	(12.7)
Anant Raj	5.3	MCX	(11.7)
Netweb Technologies	5.1	Bharat Dynamics	(10.0)
Amber Enterprises	4.8	IIFL Finance	(10.0)
Vardhman Textiles	4.6	Hindustan Zinc	(9.3)

Source: Bloomberg, Elara Securities Research

Budget implications for key sectors

Automobiles and Auto Ancillaries

Key announcement of the budget along with implications

- Government continues to focus on Production Linked Incentive Scheme (PLI) for auto components with total outlay more than doubling to INR 59.4bn (INR 20.9bn revised budget estimates in FY26). However, the impact is likely to be neutral based on EV volume gaining traction in the current year. Additionally, the budget approved funding of 4k eBuses to support integrated East Coast industrial corridor and support five tourism destinations in Purvodaya state, driving EV adoptions in underserved regions. In addition to the above provisions, the government had earlier earmarked INR 40bn under the PM E-Drive scheme for FY26 (subsequently revised to INR 13bn) while also approving incremental outlay of INR 15bn for FY27, reinforcing continued policy support for EV adoption and domestic manufacturing.
- In a bid to reduce reliance on rare earth magnets imported from China, the government approved setting up dedicated rare earth corridors in mineral rich states of Odisha, Andhra Pradesh, Tamil Nadu, and Kerala, signaling a strong push for domestic capabilities, boding well for EV firms.
- PLI for National Programme on Advanced chemistry cells (ACC) has been increased to INR 860mn vs FY26 revised allocation of INR 133mn but down vs FY26 budgeted earlier estimates of INR 1.55b

Implications: As a part of its broader manufacturing push, recent PLI announcement for auto components is aimed at accelerating domestic manufacturing for advanced technologies and deepening value chain localization by incentivizing higher production and investment in high value components, such as EV traction motors, Inverters, battery packs, ADAS components, and telematics & sensors. Additionally, the government renewed focus on lowering rare earth dependency is structurally positive for the automotive sector, particularly EV. Increased allocation toward eBuses is set to be positive for all major commercial vehicle original equipment manufacturers (OEM) and aiding in volume visibility for suppliers across traction motors, power electronics and battery packs.

Stock Impact: Neutral: Auto and Auto Ancillary companies

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Elara Automobiles and Auto Ancillaries

Company	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR bn)			EBITDA (INR bn)			PAT (INR bn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Maruti Suzuki	MSIL IN	Accumulate	4,464	14,199	19,560	37.8	1,879	2,162	2,397	218	274	309	168	196	220
Mahindra & Mahindra	MM IN	Buy	4,183	3,364	4,747	41.1	1,455	1,615	1,746	214	244	269	158	176	191
Bajaj Auto	BJAUT IN	Accumulate	2,655	9,500	10,657	12.2	577	650	711	117	133	147	97	108	119
Eicher Motors	EIM IN	Buy	1,890	6,890	9,000	30.6	237	278	314	58	70	79	55	64	72
TVS Motors	TVSL IN	Accumulate	1,707	3,594	4,486	24.8	464	536	612	60	74	88	38	48	58
Tata Motors Commercial Vehicle	TMCV IN	Accumulate	1,625	441	493	11.7	784	855	904	101	117	126	69	78	84
Tata Motors Private Vehicle	TMPV IN	Reduce	1,269	345	363	5.3	3,363	3,983	4,215	217	245	258	12	141	204
Samvardhana Motherson International	MOTHERSO IN	Sell	1,181	112	90	(19.6)	1,219	1,253	1,287	111	126	130	37	51	53
Ashok Leyland	AL IN	Sell	1,111	189	171	(9.6)	439	470	500	58	63	68	39	43	47
Hero Motocorp	HMCL IN	Accumulate	1,101	5,503	6,355	15.5	454	495	541	68	76	85	53	59	65
Minda Inds	UNOMINDA IN	Accumulate	661	1,145	1,405	22.7	194	224	254	22	26	30	12	15	19
Bharat Forge	BHFC IN	Sell	659	1,378	1,172	(14.9)	157	176	194	28	31	35	12	15	18
MRF	MRF IN	Sell	561	132,295	118,582	(10.4)	300	320	340	47	52	55	24	27	28
Endurance tech	ENDU IN	Accumulate	343	2,435	2,945	20.9	132	144	157	18	20	22	10	11	13
Apollo tyres	APTY IN	Reduce	310	487	496	1.8	276	290	300	41	44	46	17	21	23
Sona BLW Precision Forgings	SONACOMS IN	Buy	304	490	600	22.5	44	52	59	11	13	15	7	8	9
Motherson Sumi Wiring India	MSUMI IN	Sell	280	42	38	(10.1)	107	122	132	11	14	16	7	9	10
Exide Industries	EXID IN	Accumulate	269	317	400	26.3	185	198	210	21	23	25	10	12	13
Amara Raja Energy & Mobility	ARENM IN	Accumulate	151	827	1,078	30.4	138	150	162	17	19	21	9	10	11
CEAT	CEAT IN	Reduce	151	3,727	3,522	(5.5)	142	153	161	18	20	22	7	8	9
Gabriel India	GABR IN	Buy	132	920	1,470	59.8	47	55	60	4	5	6	3	3	4
Minda Corporation	MDA IN	Buy	130	545	746	36.9	59	66	74	7	8	9	3	5	5

Note: Pricing as on 1 February 2026; Source: Company, Elara Securities Estimate

BFSI

Key announcement of the budget along with implications

- ▶ **Banks:** High-level Committee formed to define sector structure and efficiency.
Implications: Lead to structural reforms; we expect discussion paper in due course, which could discuss PSU banks' consolidation.
- ▶ **NBFC:** Restructuring of PFC and REC.
Implications: Aimed at improving liquidity to infrastructure projects driving AUM growth for infra financiers. Also, tax holiday until 2047 for foreign companies providing Cloud services to global customers through India-based data center services to drive energy demand and AUM growth of infra financiers.
- ▶ **Insurance:** 1) No major headline reforms, but deepening corporate bond market via introduction of a market-making framework with suitable access to funds and derivatives on corporate bond indices as well as introduction of total return swaps on corporate bonds, and 2) Relief on import of drugs and medicines
Implications: 1) While clarity and effectiveness on rules and guidelines are awaited, a deeper corporate bond market should be a positive for insurance companies, especially life insurers in the non-par segment as it will allow better pricing and swaps on corporate bonds, which will help with hedging interest rate risk for non-par, and 2) Pricing relief on drugs and medicines should be positive for health insurers, driven by a reduction in claims payout cost.
- ▶ **Exchanges & Capital Markets:** There were a few changes like securities transaction tax (STT) hike on Futures & Options (F&O); non-resident India (NRI) investment limits raised; bond market deepening. STT on future is raised to 0.05% (from 0.02%). STT on options -- both on the premium and on the exercise of options -- is proposed to be raised to 0.015% from the current rates of 0.100% and 0.125%, respectively. However, there has been no raise in commodities transaction tax (CTT).
Implications: While higher STT could increase trading costs in the near term, historical trends suggest that volumes have not been materially impacted by such changes, and thus we do not expect a meaningful impact.. This move is better for creating long-term, deeper markets. The earlier raise impact is more reflected in Futures, not much on Options, which would result in minimal impact on BSE.

- ▶ **Payments:** UPI-related incentive up from ~INR 4.3bn to ~INR 21.9bn.

Implications: Higher incentive allocation is positive for the ecosystem. For context, the incentive pool last year was INR 19bn, of which Paytm received ~INR 700mn. FY27 allocation stands at ~INR 22bn, with some portion likely to be disbursed in Q4, which should benefit Paytm.

Stock Impact

Positive: **NBFC:** PFC& REC; **Payments:** Paytm. **Insurance:** Star Health Insurance, Niva Bupa and ICICI General Insurance.

Negative: **Exchanges and Capital Markets:** BSE in near term

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Elara Banking & Financial Services universe

Company	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR bn)			EBITDA (INR bn)			PAT (INR bn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
HDFC Bank	HDFCB IN	Buy	14,188	922	1,147	24.4	1,290	1,466	1,673	1,189	1,305	1,496	740	825	915
ICICI Bank	ICICIBC IN	Buy	9,543	1,334	1,783	33.6	878	974	1,101	718	807	917	486	534	586
State Bank of India	SBIN IN	Accumulate	9,389	1,017	1,050	3.2	1,731	1,954	2,205	1,218	1,269	1,445	753	753	852
Bajaj Finance	BAF IN	Accumulate	5,615	902	1,129	25.1	409	514	651	343	410	483	186	236	288
Life Insurance Corporation	LICI IN	Buy	5,054	799	1,200	50.2	625	682	745	112	125	140	810	874	966
Axis Bank	AXSB IN	Buy	4,162	1,340	1,555	16.0	556	633	733	432	520	617	239	307	365
Kotak Mahindra Bank	KMB IN	Buy	4,051	407	511	25.5	304	353	410	226	267	315	140	168	196
SBI Life	SBILIFE IN	Buy	1,983	1,977	2,510	27.0	244	275	308	68	76	86	132	153	176
Shriram Finance	SHFL IN	Accumulate	1,877	998	801	(19.7)	269	313	362	190	220	253	97	114	133
HDFC Life	HDFCLIFE IN	Buy	1,543	715	890	24.4	171	196	223	42	49	57	84	100	116
Bank of Baroda	BOB IN	Buy	1,446	280	326	16.6	495	562	641	324	345	404	192	198	226
Muthoot Finance Ltd	MUTH IN	Accumulate	1,402	3,493	2,916	(16.5)	125	140	163	94	108	130	65	75	91
Punjab National Bank	PNB IN	Accumulate	1,397	122	135	11.0	430	506	572	285	295	328	159	174	188
Cholamandalam Investment	CIFC IN	Reduce	1,333	1,580	1,608	1.8	166	206	249	103	126	153	52	64	79
Canara Bank	CBK IN	Reduce	1,279	141	130	(7.8)	366	415	461	314	322	347	168	168	178
Power Finance Corporation	POWF IN	Buy	1,259	382	508	33.2	224	244	276	238	267	295	185	197	215
Indian Bank	INBK IN	Sell	1,136	843	800	(5.1)	263	291	323	189	212	233	116	121	124
HDFC AMC	HDFCAMP IN	Buy	1,054	2,461	1,550	(37.0)	48	55	62	39	45	50	29	33	38
REC	RECL IN	Buy	948	360	633	75.9	216	252	282	227	264	291	172	189	208
IPRU Life	IPRU IN	Accumulate	932	643	730	13.5	106	118	131	26	29	33	63	72	82
ICICI Lombard	ICICIGI IN	Buy	911	1,829	2,250	23.0	280	312	350	27	33	37	30	35	40
AU Small Finance Bank	AUBANK IN	Reduce	732	980	955	(2.5)	91	111	133	52	63	76	26	33	42
IDFC First Bank	IDFCFB IN	Buy	705	82	85	3.6	216	265	316	89	116	146	27	43	59
Federal Bank	FB IN	Accumulate	702	285	290	1.7	102	117	134	66	75	87	40	45	51
SBI Cards and Payment Services	SBICARD IN	Accumulate	702	737	1,006	36.4	69	73	93	83	95	114	23	32	43
L&T Finance Holdings	LTF IN	Buy	699	279	330	18.2	97	111	138	62	76	97	31	39	51
IndusInd Bank	IIB IN	Reduce	698	896	910	1.6	182	191	215	94	100	115	8	37	55
Max Financial	MAXF IN	Buy	559	1,620	1,350	(16.7)	108	125	0	26	30	0	44	52	60
Nippon Life India AMC	NAM IN	Buy	554	870	1,030	18.4	31	35	40	21	24	27	16	18	20
M&M Financial Services	MMFS IN	Accumulate	498	359	334	(6.8)	92	98	110	63	68	79	25	30	36
HDFC Bank	HDFCB IN	Buy	14,188	922	1,147	24.4	1,290	1,466	1,673	1,189	1,305	1,496	740	825	915
ICICI Bank	ICICIBC IN	Buy	9,543	1,334	1,783	33.6	878	974	1,101	718	807	917	486	534	586
State Bank of India	SBIN IN	Accumulate	9,389	1,017	1,050	3.2	1,731	1,954	2,205	1,218	1,269	1,445	753	753	852
Bajaj Finance	BAF IN	Accumulate	5,615	902	1,129	25.1	409	514	651	343	410	483	186	236	288
Life Insurance Corporation	LICI IN	Buy	5,054	799	1,200	50.2	625	682	745	112	125	140	810	874	966
Axis Bank	AXSB IN	Buy	4,162	1,340	1,555	16.0	556	633	733	432	520	617	239	307	365
Kotak Mahindra Bank	KMB IN	Buy	4,051	407	511	25.5	304	353	410	226	267	315	140	168	196
SBI Life	SBILIFE IN	Buy	1,983	1,977	2,510	27.0	244	275	308	68	76	86	132	153	176
Shriram Finance	SHFL IN	Accumulate	1,877	998	801	(19.7)	269	313	362	190	220	253	97	114	133
HDFC Life	HDFCLIFE IN	Buy	1,543	715	890	24.4	171	196	223	42	49	57	84	100	116
Bank of Baroda	BOB IN	Buy	1,446	280	326	16.6	495	562	641	324	345	404	192	198	226
Muthoot Finance Ltd	MUTH IN	Accumulate	1,402	3,493	2,916	(16.5)	125	140	163	94	108	130	65	75	91
Punjab National Bank	PNB IN	Accumulate	1,397	122	135	11.0	430	506	572	285	295	328	159	174	188
Cholamandalam Investment	CIFC IN	Reduce	1,333	1,580	1,608	1.8	166	206	249	103	126	153	52	64	79
Canara Bank	CBK IN	Reduce	1,279	141	130	(7.8)	366	415	461	314	322	347	168	168	178
Power Finance Corporation	POWF IN	Buy	1,259	382	508	33.2	224	244	276	238	267	295	185	197	215
Indian Bank	INBK IN	Sell	1,136	843	800	(5.1)	263	291	323	189	212	233	116	121	124
HDFC AMC	HDFCAMP IN	Buy	1,054	2,461	1,550	(37.0)	48	55	62	39	45	50	29	33	38
REC	RECL IN	Buy	948	360	633	75.9	216	252	282	227	264	291	172	189	208
IPRU Life	IPRU IN	Accumulate	932	643	730	13.5	106	118	131	26	29	33	63	72	82
ICICI Lombard	ICICIGI IN	Buy	911	1,829	2,250	23.0	280	312	350	27	33	37	30	35	40
AU Small Finance Bank	AUBANK IN	Reduce	732	980	955	(2.5)	91	111	133	52	63	76	26	33	42
IDFC First Bank	IDFCFB IN	Buy	705	82	85	3.6	216	265	316	89	116	146	27	43	59
Federal Bank	FB IN	Accumulate	702	285	290	1.7	102	117	134	66	75	87	40	45	51
SBI Cards and Payment Services	SBICARD IN	Accumulate	702	737	1,006	36.4	69	73	93	83	95	114	23	32	43
L&T Finance Holdings	LTF IN	Buy	699	279	330	18.2	97	111	138	62	76	97	31	39	51
IndusInd Bank	IIB IN	Reduce	698	896	910	1.6	182	191	215	94	100	115	8	37	55
Max Financial	MAXF IN	Buy	559	1,620	1,350	(16.7)	108	125	0	26	30	0	44	52	60
Nippon Life India AMC	NAM IN	Buy	554	870	1,030	18.4	31	35	40	21	24	27	16	18	20
M&M Financial Services	MMFS IN	Accumulate	498	359	334	(6.8)	92	98	110	63	68	79	25	30	36

Note: Pricing as on 1 February 2026; Source: Company, Elara Securities Estimate

Cement

Key announcements of the budget along with implications

- ▶ Allocation towards Pradhan Mantri Gram Sadak Yojana (PMGSY) has witnessed a sharp increase of ~73% YoY, underscoring the government's continued emphasis on rural connectivity and infrastructure development.
- ▶ Under the Pradhan Mantri Awas Yojana (PMAY) Mission, allocations have seen a significant step-up. Funding for PMAY-Rural (PMAY-R) has risen ~69% YoY, while for PMAY-Urban (PMAY-U) has surged ~177% YoY, taking the total budgeted outlay (PMAY – Urban and Rural) under the Mission to ~90% YoY growth.
- ▶ Note that in both cases – PMAY and PMGSY – growth appears to be high due to lower RE versus BE for FY26.
- ▶ Budgeted allocations for other key infrastructure ministries also remain supportive, with the Ministry of Road Transport & Highways seeing an ~8% YoY increase, Ministry of Railways (including Internal and Extra Budgetary Resources) recording an ~11% YoY rise, and the Ministry of Housing & Urban Affairs (including Internal and Extra Budgetary Resources) witnessing ~6% YoY growth.
- ▶ Overall, cement-intensive capital expenditure – comprising spending on roads, railways, and housing – is budgeted to grow by ~9% YoY, reinforcing the government's infrastructure-led growth agenda.

Implications: Expect incremental central government infra spending to generate ~9.0mn tonnes incremental cement demand, which will add ~170bps YoY growth to FY27 demand. Higher budgetary allocation should accelerate housing execution that has been muted in past two years.

Stock impact

Positive: Ultratech Cement, Shree Cement, Ambuja Cement and JK Cement

Negative: None

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Elara Cement universe

Company	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR bn)			EBITDA (INR bn)			PAT (INR bn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
UltraTech	UTCEM IN	Accumulate	3,620	12,284	14,553	18	878	984	1,102	165.7	207.9	249.8	79.9	110.3	140.3
Ambuja	ACEM IN	Accumulate	1,229	497	647	30	412	452	485	77.9	103.5	123.8	27.3	39.5	51.8
Shree Cement	SRCM IN	Buy	952	26,385	35,695	35	214	237	260	48.2	57.6	64.1	19.5	24.1	28.5
JK Cement	JKCE IN	Accumulate	423	5,478	6,249	14	138	156	172	24.2	29.9	33.3	10.5	13.1	14.3
Dalmia Bharat	DALBHARA IN	Accumulate	376	2,005	2,384	19	149	165	181	30.7	33.9	37.2	11.4	11.9	14.1
ACC	ACC IN	Accumulate	304	1,621	2,115	30	241	261	277	29.0	33.2	38.1	16.3	18.9	22.1
Ramco Cements	TRCL IN	Reduce	257	1,088	1,064	(2)	95	107	116	16.8	19.8	21.6	3.9	5.7	7.1
India Cements	ICEM IN	Sell	136	438	366	(16)	47	54	60	4.2	8.6	12.4	3.2	4.0	6.8
Nuvoco Vistas Corporation	NUVOCO IN	Buy	117	329	438	33	114	127	141	17.4	20.1	22.5	3.1	4.3	4.9
JK Lakshmi	JKLC IN	Accumulate	95	763	1,008	32	71	81	94	10.3	13.0	16.0	4.3	5.9	7.9
Star Cement	STRCEM IN	Buy	87	214	302	41	37	39	45	8.5	8.8	10.3	3.6	3.4	4.3
Birla Corporation	BCORP IN	Accumulate	79	1,025	1,394	36	99	106	113	14.6	16.2	17.1	5.5	6.4	6.8
Prism Johnson	PRSMJ IN	Accumulate	62	123	159	30	80	87	94	6.8	8.0	8.7	0.0	1.3	2.1
Heidelberg Cement	HEIM IN	Reduce	38	167	207	24	24	26	29	3.3	4.4	5.0	1.8	2.7	3.2
Orient Cement	ORCMNT IN	Reduce	32	154	218	42	24	25	27	4.9	5.3	5.8	2.3	2.8	3.1

Note: Pricing as on 1 February 2026; Source: Company, Elara Securities Estimate

Consumer Electronics

Key announcements of the budget along with implications

- Allocation under the Electronic Component Manufacturing Scheme (ECMS) has been increased from INR 229bn to INR 400bn. The Indian Semiconductor Mission 2.0 has also been announced to produce equipment and material, full stack Indian IP and fortify supply chains.

Implications: The increase in allocation under ECMS augurs positively for Indian EMS players as so far, a limited number of companies had been approved in the two lists announced until now. We expect more companies involved in the semiconductor value chain, PCBs, and precision components to announce large investments and receive approvals under the scheme.

Stock impact

Positive: Keynes Technologies, Amber Enterprises, Dixon Technologies, Syrma SGS Technology, Avalon Technology, PG Electroplast, Cyient DLM, Aequus.

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Elara Consumer Electronics universe

Company	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR bn)			EBITDA (INR bn)			PAT (INR bn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Polycab India	POLYCB IN	Accumulate	1,027	6,819	8,180	20.0	291.3	341.9	392.8	40.6	48.0	55.1	28.0	33.3	38.4
Havells India	HAVL IN	Accumulate	801	1,278	1,620	26.8	237.8	277.2	320.8	24.6	30.9	37.7	16.9	21.3	26.5
Dixon Technologies	DIXON IN	Accumulate	619	10,196	18,300	79.5	555.2	694.5	808.6	21.1	25.7	32.3	11.9	14.5	19.0
Volta	VOLT IN	Accumulate	428	1,295	1,440	11.2	151.6	184.0	205.2	7.6	13.1	15.9	6.1	11.4	14.3
KEI Industries	KEII IN	Accumulate	380	3,974	4,575	15.1	117.6	143.0	178.8	12.4	15.7	20.3	9.2	11.5	15.0
Keynes Technology	KAYNES IN	Buy	239	3,560	5,365	50.7	42.6	62.2	85.7	6.8	10.2	14.9	4.8	6.7	9.7
Amber Enterprises	AMBER IN	Buy	211	5,993	8,460	41.2	117.6	141.1	164.4	8.4	11.7	14.5	2.7	4.3	6.2
V-Guard Industries	VGRD IN	Accumulate	151	345	400	15.9	60.5	68.3	75.7	5.5	6.7	7.9	3.3	4.3	5.2
Crompton Greaves Consumer	CROMPTON IN	Buy	145	226	410	81.5	83.1	95.1	110.1	8.4	10.3	12.3	5.7	7.4	9.0
Eureka Forbes	EUREKAFO IN	Buy	104	540	770	42.6	27.8	32.8	37.9	3.6	4.7	5.6	2.4	3.3	4.0

Note: Pricing as on 1 February 2026; Source: Company, Elara Securities Estimate

Defence

Key announcements of the budget along with implications

- Total capital expenditure surged 18% to INR 2.2tn for FY27E compared with FY26RE. Segment-wise, allocation for aircraft and aero engines declined 12% YoY, likely due to a rise in imports of Rafale M, MQ9B drones and MH-60R helicopters, while allocation to construction increased 24% YoY, to heavy vehicles 24% YoY, Naval fleet 17% YoY, and other equipment 62% YoY. The government has also announced a range of incentives for shipbuilding, ship repair, and civil aviation, including a reduction in basic customs duty on imported aircraft parts for MRO, to promote domestic manufacturing clusters and boost exports.
- **Implications:** The increase in defence budget augurs well for both DPSUs, which will gain a lion's share of the allocation, but also for private companies that will be a part of the value chain. Additionally, shipbuilding and civil aviation are emerging as sunrise sectors, receiving increased focus and support from the government.

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Stock impact

Positive: Hindustan Aeronautics, Bharat Electronics, MIDHANI, Data Patterns, Astra Microwave, MTAR Technologies, Zen Technologies, Bharat Forge, Axiscades Technologies, Paras Defence, Cochin Shipyard, GRSE, Mazagon Docks, Swan Defence and Heavy Industries.

Elara Defence universe

Company	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR bn)			EBITDA (INR bn)			PAT (INR bn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Bharat Electronics	BHE IN	Accumulate	3,109	425	485	14.0	286.6	347.0	406.6	81.6	96.6	112.2	61.5	73.8	86.2
Hindustan Aeronautics	HNAL IN	Buy	2,927	4,377	5,680	29.8	332.0	386.1	449.9	91.8	107.8	124.0	81.8	93.9	106.0
Bharat Dynamics	BDL IN	Accumulate	507	1,384	1,625	17.4	46.1	64.3	90.5	8.1	12.4	18.4	8.7	12.3	17.4
Garden Reach Shipbuilders	GRSE IN	Sell	289	2,522	2,030	(19.5)	68.6	78.8	73.8	7.5	9.6	8.6	8.3	10.7	9.2
Zen Technology	ZEN IN	Buy	120.7	1,336	2,120	58.6	7.9	15.0	19.9	2.9	5.2	6.9	2.6	4.4	5.7

Note: Pricing as on 1 February 2026; Source: Company, Elara Securities Estimate

Discretionary Retail

Union budget 2026 Key announcement of the budget for discretionary retail

- Targeted measures to support labor-intensive sectors critical for rural and Tier-II & III consumption. For the footwear and leather ecosystem, the government extended duty-free imports on shoe uppers and lengthened the export completion window from six months to one year, easing working capital pressures for manufacturers. The Budget outlined a strong push to support Tier-II & III and rural demand through initiatives, such as SHE-Marts, community-owned retail outlets aimed at bolstering women-led entrepreneurship and local income generation. This was complemented by a tourism-led employment drive covering 15 heritage and archaeological sites, ecotourism trails, upskilling of 10,000 tourist guides, and the establishment of a National Institute of Hospitality to strengthen non-metro economic activity

Implications: Structurally supportive of the organized footwear sector, as lower input duty incidence and improved exports flexibility should aid cost structure and margin while enabling a gradual demand revival in non-metro markets. The luggage segment benefits from higher domestic travel and tourism-led mobility, while value-oriented retail consumption should see incremental support from rising rural employment, although recovery is set to remain gradual and price-sensitive rather than a sharp discretionary upcycle.

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Stock Impact

Positive: Exports-oriented footwear firms, such as Mirza International and Liberty Shoes benefit from duty-free inputs and longer export timelines. Organized luggage companies, such as VIP Industries and Safari Industries see incremental positive from increased domestic travel and tourism infrastructure. Value retailers, including Vishal Mega Mart, benefit from rural employment and income-generation initiatives.

Elara Discretionary Retail universe

Company	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR bn)			EBITDA (INR bn)			PAT (INR bn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Vishal Mega Mart	VMM IN	Buy	582	124	192	54.3	127.8	153.6	185.6	18.9	23.0	28.0	8.5	10.6	13.6
Page Industries	PAG IN	Buy	366	32,840	49,482	50.7	52.4	57.4	64.0	11.6	12.8	13.5	8.0	8.6	9.1
Metro Brands	METROBRA IN	Buy	281	1,033	1,510	46.2	28.3	32.7	37.9	8.6	10.0	11.6	4.1	4.8	5.5
Vedant Fashions	MANYAVAR IN	Buy	116	478	871	82.0	15.0	16.9	19.2	6.8	7.8	8.9	4.0	4.5	5.3
Bata India	BATA IN	Accumulate	111	865	1,158	33.9	35.7	38.0	40.8	7.4	8.4	9.2	1.9	2.6	3.2
Safari Industries	SII IN	Buy	98	2,005	3,111	55.2	20.7	24.1	27.8	3.0	3.5	4.2	1.9	2.3	2.8
Relaxo Footwears	RLXF IN	Reduce	94	379	423	11.7	26.2	28.0	30.6	3.7	4.1	4.6	1.8	2.0	2.3
Campus Activewear	CAMPUS IN	Buy	78	255	353	38.3	17.9	20.2	22.4	2.8	3.4	3.9	1.4	1.7	2.0
VIP Industries	VIP IN	Buy	53	370	430	16.2	19.6	21.8	24.7	(1.0)	1.5	2.5	(2.5)	(0.2)	0.6
Go Fashion India	GOCOLORS IN	Accumulate	21	391	722	84.5	9.3	10.5	12.0	2.8	3.2	3.8	0.9	1.0	1.3
Dollar Industries	DOLLAR IN	Buy	17.9	315	565	79.4	19.3	21.8	25.2	2.4	2.7	3.2	1.3	1.6	2.0

Note: Pricing as on 1 February 2026; Source: Company, Elara Securities Estimate

Fertilizers and Agricultural Chemicals

Key announcements of the budget along with implications

- ▶ The budgeted fertilizer subsidy for FY27 has been reduced by 8.4% to INR 1,708.05bn from FY26 RE of INR 1,864.75bn.
- ▶ Urea subsidy has been lowered by 7.6% to INR 1,168.05bn versus FY26 RE of INR 1,264.75bn.
- ▶ P&K subsidy has dropped 10% versus FY26 RE to INR 540bn. Within P&K, indigenous P&K subsidy is marginally down by 3% to INR 340bn from INR 350bn. Imported P&K subsidy has been reduced 20% versus FY26 RE to INR 200bn.
- ▶ **Implications:** Any additional subsidy requirement can be met through supplementary grants. For instance, while the FY26 BE was INR 1,679bn, FY26 RE stands at INR 1,864.75bn, with the incremental INR 185.76bn raised through supplementary grants. Accordingly, despite the lower budgeted allocation for FY27, we view the announcement as largely neutral rather than negative for the sector.

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Stock impact

Neutral: Overall, the impact will be neutral (not negative) for all fertilizer companies, including Chambal Fertilizers, Coromandel International and Paradeep Phosphates

Elara Fertilizers and Agricultural Chemicals universe

Company	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR bn)			EBITDA (INR bn)			PAT (INR bn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Coromandel International	CRIN IN	Buy	654	2,218	2,601	17	321.4	331.7	357.7	33.6	41.7	45.5	22.9	28.9	32.4
UPL	UPLL IN	Buy	561	665	980	47	503.6	548.7	598.1	94.2	115.2	134.6	29.6	48.4	63.2
PI Industries	PI IN	Accumulate	470	3,098	4,023	30	84.5	91.2	98.5	23.2	25.8	28.3	17.8	19.8	22.1
Sumitomo Chemicals	SUMICHEM IN	Buy	208	417	605	45	32.5	36.9	40.8	6.8	8.0	9.1	5.6	6.7	7.7
Bayer CropScience	BYRCS IN	Accumulate	198	4,398	5,167	17	58.0	62.7	67.7	8.1	8.9	9.8	6.3	6.9	7.6
Chambal Fertilisers	CHMB IN	Accumulate	173	431	544	26	167.0	176.0	180.6	27.9	31.2	27.1	20.0	22.6	19.8
Paradeep Phosphates	PARADEEP IN	Buy	141	136	238	76	219.3	224.5	230.1	25.6	23.5	26.7	14.8	13.2	15.8
Rallis India	RALI IN	Accumulate	51	262	313	20	28.6	31.2	34.0	3.5	4.4	5.2	2.0	2.6	3.3
Dhanuka Agritech	DAGRI IN	Accumulate	49	1,085	1,628	50	21.0	25.0	29.7	4.4	5.3	6.6	3.0	3.8	4.8
Insecticides India	INST IN	Accumulate	18	602	726	21	21.2	24.4	26.8	2.4	3.0	3.2	1.5	1.9	2.0

Note: Pricing as on 1 February 2026; Source: Company, Elara Securities Estimate

FMCG

Key announcements of the budget along with implications

- Barring MGNREGA, the budget did not have much for the consumer staple sector. Under MGNREGA (renamed as Viksit Bharat-G RAM G), the total proposed FY27 BE budget allocation stands at INR 1,256bn, representing an increase of ~INR 80bn compared with the INR 880bn FY26 RE budgeted for MGNREGA.
- In a recent development, a significant change is in the funding model: the central government will now cover 60% of the costs, while states are required to contribute the remaining 40%, except for North Eastern and Himalayan states, which maintain the previous 90:10 Centre-state split.

Implications: While the MGNREGA allocation remains encouraging, with the change in the mix of central and state contribution, the implication on the sector remains neutral.

- The Union Budget FY26-27 does not introduce any additional modifications to cigarette taxes beyond what was already notified in the CBIC circular (40% GST on MRP) dated 31 December 2025 (effective from 1 January 2026, for implementation starting 1 February 2026).

Stock impact

Positive: While the MGNREGA allocation remains positive for the sector with change in the mix of central and state contribution, the exact quantum and implication are yet to be seen and the proposed increase in allocation seems neutral for the sector.

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Elara FMCG universe

Company	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR bn)			EBITDA (INR bn)			PAT (INR bn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Hindustan Unilever	HUVR IN	Accumulate	5,523	2,351	2,780	18	662.7	709.1	758.8	153.1	168.6	181.8	105.9	117.8	127.6
ITC	ITC IN	Accumulate	3,877	309	335	8	721.4	726.0	776.6	250.7	241.5	259.6	201.8	195.4	209.8
Titan Company	TTAN IN	Buy	3,538	3,985	4,540	14	752.9	910.0	1,068.9	79.0	96.8	114.9	47.8	58.1	70.4
Nestle	NEST IN	Reduce	2,473	1,283	1,262	(2)	219.6	240.4	262.6	49.0	55.8	61.5	31.6	36.5	40.6
Varun Beverages	VBL IN	Accumulate	1,586	469	587	25	215.7	246.7	276.5	50.8	58.0	65.1	31.1	36.1	41.6
Britannia Industries	BRIT IN	Accumulate	1,387	5,758	6,975	21	198.7	218.7	237.6	37.2	40.7	44.5	25.8	28.4	31.3
GCPL	GCPL IN	Accumulate	1,195	1,168	1,310	12	155.5	169.9	185.0	32.4	36.7	40.7	22.1	25.6	28.6
Tata Consumer Products	TATACONS IN	Accumulate	1,076	1,087	1,260	16	200.9	218.3	241.8	27.6	33.1	37.5	16.2	20.5	23.9
Marico	MRCO IN	Buy	935	721	900	25	136.7	144.4	159.3	23.4	27.6	30.9	17.9	21.2	23.8
Dabur	DABUR IN	Reduce	891	502	530	6	132.5	142.3	152.9	24.8	27.4	30.0	19.4	21.3	23.6
Colgate	CLGT IN	Reduce	574	2,109	2,260	7	59.4	63.4	67.4	18.6	19.4	20.9	13.2	13.8	15.0
Emami	HMN IN	Buy	207	475	700	47	39.4	42.5	45.7	10.8	11.7	12.7	9.5	8.6	9.3
Jyothy Lab	JYL IN	Buy	91	248	390	58	29.1	31.3	33.6	4.8	5.3	5.8	3.7	4.0	4.4
Mrs Bectors Food Specialities	BECTORS IN	Buy	68	221	314	42	20.7	24.1	28.0	2.6	3.4	4.1	1.4	1.9	2.4
Bajaj Consumer Care	BAJAJCON IN	Buy	41	314	400	28	11.4	12.6	13.5	2.1	2.5	2.7	1.8	2.2	2.4

Note: Pricing as on 1 February 2026; Source: Company, Elara Securities Estimate

Hotels

Key announcements of the budget along with implications

- ▶ **Destination-led tourism development:** Top-50 tourist destinations will be developed with states under a challenge-based model. The states will provide land and core infrastructure. Hotels in these destinations will be included under Infrastructure status (HML). Fifteen iconic archaeological sites (including Lothal, Dholavira, Sarnath, Leh Palace) will be developed into experiential cultural destinations.
- ▶ **Connectivity enhancement:** Modified UDAN scheme will connect 120 new destinations and carry 40mn passengers in the next 10 years, with support for helipads and small airports in hilly and North-Eastern regions. Incentives for indigenized seaplane manufacturing and operations will improve last-mile connectivity to leisure destinations. The government announced the development of greenfield airports in Bihar, along with the expansion of Patna Airport and the development of Bihta Airport.
- ▶ **Rail-led tourism boost:** Seven high-speed rail corridors will be developed: Mumbai-Pune, Pune-Hyderabad, Hyderabad-Bengaluru, Hyderabad-Chennai, Chennai-Bengaluru, Delhi-Varanasi and Varanasi-Siliguri.
- ▶ **Development of regional tourism:** The launch of Buddhist Circuit development across North-Eastern states will promote religious and inbound tourism. Eco-tourism initiatives will include mountain trails, turtle trails and bird-watching circuits across the Himalayas, Ghats and coastal regions. Five tourism destinations will be created in Purvodaya states, alongside the East Coast Industrial Corridor.
- ▶ **Industry ecosystem and skill development:** A National Institute of Hospitality will be established through upgradation of NCHMCT. Upskilling 10,000 tourist guides across 20 iconic destinations with the launch of a National Destination Digital Knowledge Grid (to digitally document cultural, heritage and spiritual sites) will aid the ecosystem.
- ▶ **Medical and wellness tourism push:** The government will support the development of five regional medical tourism hubs in partnership with the private sector, with integrated hubs comprising hospitals, research and education institutions, AYUSH centres, diagnostics, and post-care services, alongside easier visa norms and promotion of the "Heal in India" initiative to boost inbound medical travel.
- ▶ **Implications:** Overall, tourism measures in Union Budget 2026 are positive for the hotels sector. Destination development, infrastructure status for hotels and improved air and rail connectivity should gradually expand the demand base and support higher occupancies. While the impact will be gradual, the policy thrust improves medium-to long-term visibility for leisure, religious and medical tourism, supporting new hotel investments, regional diversification and inbound tourism growth.

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Stock impact

Neutral: Overall, the impact will be positive for all hotel companies.

Elara Hotels universe

Company	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR bn)			EBITDA (INR bn)			PAT (INR bn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Indian Hotels	IH IN	Buy	946	664	896	35	96.6	112.1	125.4	33.4	40.3	46.4	18.5	23.8	28.7
ITC Hotels	ITCHEOTEL IN	Buy	372	178	253	42	42.4	50.4	55.9	14.8	17.7	19.9	9.4	11.9	13.9
Chalet Hotels	CHALET IN	Accumulate	187	856	1,081	26	21.2	23.9	26.9	9.3	10.5	12.0	3.6	4.5	5.9
Leela Palace Hotels & Resorts	THELEELA IN	Buy	142	425	620	46	15.4	17.3	21.7	7.4	8.1	10.3	3.9	4.9	5.9
Lemon Tree Hotels	LEMONTRE IN	Accumulate	101	128	157	23	14.3	16.1	17.6	6.9	8.1	9.2	2.3	3.2	4.0
Juniper Hotels	JUNIPER IN	Buy	49	221	346	56	10.8	12.5	13.9	4.1	4.8	5.5	1.5	2.1	2.8
Samhi Hotels	SAMHI IN	Buy	37	169	260	54	12.8	13.9	15.8	4.6	5.1	6.2	1.7	2.0	3.2

Note: Pricing as on 1 February 2026; Source: Company, Elara Securities Estimate

Infrastructure

Key announcements of the budget along with implications

- **Increase in overall capital expenditure by 9% for FY27BE:** Total capital expenditure increased by 9% for FY26E. Allocation towards roads and railways largely remained muted at 8-10% YoY. Allocation shifted towards urban infrastructure, energy, water, and shipping sectors. **NHAI's** FY27BE allocation has been increased to INR 1,873bn (+10%), reflecting focus on completion of national highway corridors. For **Railways**, spending is largely focused on new line construction and doubling

Implications: Growth in budgetary allocation remains measured, reflecting a calibrated capex approach, with increasing reliance on PPPs, risk guarantees and asset monetization to crowd in private capital. After sustained investments in roads and railways, incremental spending is stabilizing in these sectors, with policy focus shifting towards under-invested areas such as shipping, ports and water, tier II/III urban infrastructure, manufacturing-linked infrastructure and energy transition, where long-term multipliers are higher.

- **Other key announcements** are: 1) push for domestic manufacturing of high value advanced construction and infrastructure equipment, 2) accelerating recycling of real estate assets of CPSEs, 3) establishing new Dedicated Freight Corridor between Dhankuni and Surat, 4) operationalizing 20 new national waterways in the next five years and development of 500 reservoirs, 5) developing seven high speed rail corridors (Mumbai-Pune, Pune-Hyderabad, Hyderabad-Bengaluru, Hyderabad-Chennai, Chennai-Bengaluru, Delhi-Varanasi, Varanasi-Siliguri), 6) the entire value of biogas has been excluded while calculating central excise duty payable on biogas blended CNG, which will spike demand as the CBG fuel price could become competitive

Implications: In addition to budgetary allocation, external sources of funding are crucial to develop projects announced, to be commissioned in the long term.

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Stock impact

Positive: Overall, diversified infrastructure companies such as L&T, NCC and Afcons Infra will benefit. In **Housing**, NBCC, Ahluwalia Contracts, PSP Projects; in **Energy**, L&T, HCC; in **Water**, NCC, KNR Construction, PNC Infratech, L&T, in **Airports**, GMR Airports, Adani Airports; in **Roads & Railways**, HG Infra, Ashoka Buildcon, KNR Construction, PNC Infra and all remaining road-focused players and in **CBG**, Praj Industries will benefit.

Elara Infrastructure universe

Company	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR bn)			EBITDA (INR bn)			PAT (INR bn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
L&T	LT IN	Accumulate	5,246	3,814	4,487	18	2,830.4	3,269.7	3,713.7	282.2	331.6	381.1	163.9	197.2	229.9
GMR Airports	GMRAIRPO IN	Buy	948	90	123	37	160.8	188.9	215.3	55.5	64.0	76.1	2.3	5.7	13.9
NBCC India	NBCC IN	Buy	258	95	165	73	152.7	186.8	227.9	7.9	10.1	13.8	7.4	8.9	11.8
Afcons Infra	AFCONS IN	Buy	123	333	567	70	138.9	160.7	179.1	16.0	19.0	21.7	6.1	7.7	9.0
NCC	NJCC IN	Accumulate	92	146	205	40	175.2	207.9	242.1	16.0	19.4	22.9	6.4	8.7	11.2
PNC Infratech	PNCL IN	Buy	58	226	330	46	56.5	65.0	79.6	7.2	8.4	10.2	4.5	5.2	6.0
Praj Industries	PRJ IN	Sell	52	286	320	12	32.1	34.7	36.4	2.2	3.3	3.5	1.3	2.1	2.3
HCC	HCC IN	Buy	51	19	35	81	48.1	50.3	55.0	6.6	6.9	7.6	1.9	2.5	3.4
Ashoka Buildcon	ASBL IN	Accumulate	42	150	191	28	76.3	82.3	89.0	6.9	7.6	8.5	3.6	4.5	5.2
H.G. Infra Engineering	HGINFRA IN	Buy	41	625	1,330	113	68.9	78.8	90.5	10.9	12.1	14.4	6.2	7.0	8.8
KNR Constructors	KNRC IN	Reduce	40	142	177	25	22.2	32.0	34.1	2.8	4.1	4.4	2.0	2.9	3.1
PSP Projects	PSPPL IN	Accumulate	29	733	820	12	28.4	43.2	55.8	2.1	3.7	4.8	0.8	1.8	2.5

Note: Pricing as on 1 February 2026; Source: Company, Elara Securities Estimate

Internet, Consumer and Media

Key announcement of the budget along with implications

- Tax collected at source (TCS) on alcoholic liquor has increased from 1% to 2%, leading to an additional 1% upfront cash blockage for state liquor corporations (buyers) and wholesalers.

Implications: There is no impact on manufacturer margin, pricing, on-trade buyers, or consumers; the impact is purely a working capital hit for State corporations and wholesalers.

- The GOI is embedding AI into public delivery systems to improve efficiency, grievance redressal, and decision-making.

Implications: This could increase demand for the government-system driven AI solutions, benefiting startup giving solutions in this space.

- The GOI plans to create a nationwide pipeline of animation, Visual effects (VFX), gaming and digital content talent by setting up hands-on Animation, VFX, Gaming, Content talent (AVGC) creator labs in 15,000 schools and 500 colleges, anchored by a national creative-tech institute in Mumbai as India would need 2mn professionals pertaining to these fields by 2030.

Implications: Availability of AVGC-skilled employee set to increase.

- Government will facilitate the issuance of identity cards and registration of gig workers on the e-Shram portal and will be provided health coverage under the PM Jan Arogya Yojana. The measure is expected to benefit nearly 10mn gig workers.

Implications: Above announcement is consistent with the Code of Social Security. We had estimated an incremental platform fee of INR 2-4 per order (for consumers) in case provisioning requires upper band of benefits for the gig workers.

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Elara Internet, Consumer and Media universe

Company	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR bn)			EBITDA (INR bn)			PAT (INR bn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Eternal	Eternal IN	Buy	2,601	270	415	54	536.8	1097.4	1990.0	8.2	29.1	50.0	7.7	23.4	36.3
Trent	TRENT IN	Accumulate	1,326	3,729	5,500	47	206.1	249.5	303.6	33.2	40.5	49.9	18.4	23.6	30.3
United Spirits	UNITDSPR IN	Accumulate	971	1,335	1,500	12	124.9	138.7	153.4	22.5	25.3	28.4	16.4	18.1	20.3
Swiggy	SWIGGY IN	Buy	868	314	425	35	208.9	273.4	362.7	(35.8)	(11.0)	8.3	(41.7)	(17.9)	(0.4)
FSN E-Commerce Ventures	NYKAA IN	Accumulate	688	240	260	8	101.7	130.9	167.0	7.0	11.1	15.0	2.4	5.5	8.2
United Breweries	UBBL IN	Reduce	389	1,470	1,800	22	97.3	108.3	120.5	9.2	12.3	14.5	5.3	7.8	9.2
Radico Khaitan	RDCK IN	Accumulate	367	2,744	3,500	28	61.5	70.2	80.4	10.3	12.2	14.7	6.2	7.8	9.9
Jubilant Foodworks	JUBI IN	Buy	326	494	780	58	70.7	79.3	88.7	13.8	16.0	18.8	3.2	4.2	5.4
Affle India	AFFLE IN	Buy	225	1,595	2,300	44	27.3	33.3	40.4	6.2	7.7	9.5	5.0	6.3	7.9
Sun TV	SUNTV IN	Buy	216	548	730	33	41.3	41.2	42.7	22.2	22.4	23.4	15.9	16.9	17.8
Devyani International	DEVYANI IN	Accumulate	144	117	185	58	57.0	62.6	68.8	8.9	10.7	12.3	0.6	1.7	2.6
PVR INOX	PVRINOX IN	Accumulate	94	958	1,225	28	69.8	72.9	77.6	19.3	20.8	22.3	0.6	1.0	1.4
Zee Entertainment	Z IN	Buy	78	82	140	72	82.1	85.4	89.0	8.6	9.8	11.1	5.4	6.5	7.6
Westlife Foodworld	WESTLIFE IN	Accumulate	75	479	640	34	27.3	30.1	33.2	3.4	3.9	4.5	0.0	0.4	0.8
Sapphire Foods	SAPPHIRE IN	Accumulate	60	188	330	75	30.5	34.6	38.8	4.6	5.6	6.6	0.1	0.4	0.8
DB Corp	DBCL IN	Accumulate	42	238	280	17.9	23.8	24.9	25.9	5.1	5.6	6.0	3.6	4.0	4.4
Restaurant Brands Asia	RBA IN	Buy	37	64	100	56.4	28.6	32.1	35.4	3.4	4.2	4.8	(1.6)	(1.6)	(1.6)
TV Today Network	TVTN IN	Accumulate	7	122	160	30.6	8.8	9.3	9.6	0.4	0.7	0.8	0.4	0.4	0.5
ENIL	ENIL IN	Buy	5	111	220	97.4	5.6	6.0	6.2	0.8	0.9	1.1	0.2	0.3	0.5

Note: Pricing as on 1 February 2026; Source: Company, Elara Securities Estimate

IT Services

Key announcements of the budget along with implications

- ▶ **Consolidation and safe harbor for IT Services:** India's IT sector, including software development, ITES, KPO, and contract R&D, will be classified under a single category of Information Technology Services with a common safe harbor margin of 15.5%. The eligibility threshold rises from INR 3bn to INR 20bn, approvals will be automated, and companies can lock in benefits for up to five years.

Implications: Reduction in tax scrutiny and compliance

- ▶ **Data center incentives:** To attract global business and strengthen infrastructure, the proposal offers a tax holiday until 2047 to foreign companies providing global cloud services using data centers in India, while services to Indian customers must be routed through an Indian reseller entity. Additionally, a 15% safe harbor on cost will apply where the Indian data center service provider is a related entity.

Implications: TCS likely to benefit.

- ▶ **Rationalization of share buyback:** The proposal seeks to rationalize the taxation of share buybacks by changing the nature of income in the hands of shareholders. Going forward, the consideration received on a share buyback will be taxed under capital gains instead of dividend income. In addition, a differential tax structure has been introduced for promoters, with an effective tax rate of 22% for promoters that are domestic companies and 30% for promoters other than domestic companies.

Implications: Buyback will be more attractive

- ▶ **IndiaAI mission:** For FY26-27, the Union Budget allocates INR 10bn to the IndiaAI Mission, higher than the revised INR 8bn, but down from the earlier INR 20bn proposal.

Implications: Neutral

Stock Impact

Neutral for IT services

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Elara IT Services universe

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			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Tata Consultancy Services	TCS IN	Accumulate	11,530	3,187	3,600	13	2,585	2,650	2,732	701	709	749	501	505	533
Infosys	INFO IN	Accumulate	6,874	1,655	1,770	7	1,772	1,911	2,042	411	455	490	292	332	354
HCL Technologies	HCLT IN	Sell	4,522	1,666	1,500	(10)	1,297	1,389	1,471	270	288	301	158	190	197
Wipro	WPRO IN	Sell	2,536	242	220	(9)	922	985	1,054	179	186	194	134	136	141
LTIMindtree	LTIM IN	Accumulate	1,800	6,071	6,740	11	420	471	521	75	86	99	55	64	75
Tech Mahindra	TECHM IN	Accumulate	1,683	1,717	1,840	7	564	618	671	88	109	121	51	74	80
Persistent Systems	PSYS IN	Sell	957	6,068	5,630	(7)	146	170	191	27	32	37	19	23	26
Coforge	COFORGE IN	Reduce	556	1,655	1,665	1	162	190	212	28	32	36	15	17	20
Mphasis	MPHL IN	Buy	528	2,770	3,440	24	158	177	194	30	34	37	19	23	25
Tata Elxsi	TELX IN	Sell	338	5,421	4,520	(17)	37	42	47	8	10	12	5	8	9
Tata Technologies	KPITTECH IN	Sell	272	991	995	0	64	71	79	13	14	17	8	9	11
KPIT Technologies	TATATECH IN	Sell	259	639	490	(23)	54	60	66	8	10	12	6	7	9

Note: Pricing as on 1 February 2026; Source: Company, Elara Securities Estimate

Logistics and Ports

Key announcements of the budget along with implications

- ▶ **New Dedicated Freight Corridors (DFCs):** East-West DFC has been proposed to connect Dankuni-Surat, strengthening long-haul rail freight and port connectivity.
- ▶ **Inland Waterways push:** Twenty new national waterways will be operationalized in five years, starting with NW-5 (Talcher–Angul–Paradip/Dhamra) to link mineral belts with ports.
- ▶ **Coastal Cargo Promotion Scheme:** Incentives shall enable a freight shift from road/rail to coastal shipping and inland waterways, targeting an increase in modal share from ~6% to 12% by 2047.
- ▶ **Port and multimodal integration:** Focus continues on port modernization, last-mile rail/road connectivity and multimodal logistics efficiency.
- ▶ **Container Manufacturing Scheme:** With INR 100bn outlay over five years, the Container Manufacturing Scheme will develop a domestic container manufacturing ecosystem, reducing import dependence and supporting EXIM logistics.
- ▶ **Customs and logistics efficiency reforms:** Expansion of AEO trust-based systems, non-intrusive scanning, AI-led risk assessment, faster clearance and warehousing reforms shall reduce dwell time and logistics costs.
- ▶ **Increase in budgetary allocation:** Allocation to the Ministry of Shipping has been increased by 78% to INR 58bn.

Implications: Positive in the long term as DFC, inland waterways, and container manufacturing capabilities will be developed in the long term.

Stock impact

Adani Ports & SEZ will benefit from port modernization, coastal shipping and multimodal freight growth

JSW Infrastructure is well-positioned for higher throughput from rail/road/port integration.

Container Corporation of India (CONCOR) is a core beneficiary of dedicated freight corridors, multimodal logistics parks and rail-port freight efficiency initiatives, driving long-haul container and EXIM logistics volumes

Transport Corporation of India (TCI) / Blue Dart / Mahindra Logistics are major logistics providers, poised to gain from improved last-mile infrastructure, and acceleration in warehousing and digital logistics.

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Elara Logistics and Ports universe

Company	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR bn)			EBITDA (INR bn)			PAT (INR bn)			
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	
Adani Ports & SEZ	ADSEZ IN	Buy	3,099	1,345	1,700	26	361.0	409.3	464.4	220.0	248.8	279.7	137.1	157.2	182.7	
JSW Infra	JSWINFRA IN	Buy	543	259	393	52	54.5	67.1	96.6	24.7	29.7	48.6	13.5	15.3	27.3	
Container Corporation	CCRI IN	Accumulate	385	505	631	25	99.8	112.2	125.8	20.4	22.5	27.1	13.6	14.6	17.5	
Delhivery	DELHIVER IN	Buy	327	437	593	36	105.6	119.1	134.5	6.8	9.2	11.9	4.3	5.6	7.6	
Blue Dart Express	BDE IN	Accumulate	131	5,532	6,683	21	61.5	71.0	81.9	6.0	7.0	8.1	3.3	4.1	4.9	
VRL Logistics	VRLL IN	Buy		48	273	366	34	32.4	35.0	38.2	5.6	5.9	6.4	1.7	2.0	2.3
Mahindra Logistics	MAHLOG IN	Accumulate		35	348	398	14	71.2	81.4	93.2	3.6	4.6	5.3	(0.0)	1.0	1.5

Note: Pricing as on 1 February 2026; Source: Company, Elara Securities Estimate

Metals & Mining

Key announcements of the budget along with implications

- ▶ Railways capital expenditure (including Internal and Extra Budgetary Resources) has been budgeted to increase by ~11% YoY.

Implications: Overall, increased spending across railways, metro, and road infrastructure is expected to result in a gradual uptick in domestic steel demand.

- ▶ The Jal Jeevan Mission (JJM) has been extended till CY28, with the budgeted allocation rising sharply by ~298% YoY. However, it is important to note that FY26 Revised Estimates (RE) were ~75% lower than FY26 Budget Estimates (BE), implying that the FY27 BE allocation is broadly in line with FY26 BE levels.

Implications: The extension of Jal Jeevan Mission, even with allocations rising on a lower base, is expected to support incremental demand for steel pipes,

- ▶ Capital spending on metro rail projects is budgeted to increase by ~5% YoY, supporting ongoing and upcoming urban mass transit projects across major cities, which are steel-intensive in nature. Allocation under the PM Surya Ghar Muft Bijli Yojana has been increased to ~INR 220bn from ~INR 170bn in FY26 RE, marking a ~29% YoY rise.

Implications: Higher allocations toward railways, metro projects, and PM Surya Ghar Muft Bijli Yojana are likely to drive demand for structural steel tubes and pipes, while rooftop solar installations rely on ERW steel structures for mounting systems.

- ▶ Under the National Critical Minerals Mission, allocation has been enhanced from INR 0.9bn to INR 4.4bn. Additionally, to support mineral-rich states such as Odisha, Kerala, Andhra Pradesh, and Tamil Nadu, the government has announced the establishment of three dedicated rare earth magnet facilities, covering mining, processing, R&D, and manufacturing, aimed at strengthening India's critical mineral ecosystem.

Implications: In the long term, push under the National Critical Minerals Mission and the establishment of rare earth magnet facilities are structurally positive for mining companies and downstream processors.

Stock impact

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Positive: Increase in railway spending – Jindal Stainless, Jindal Steel and SAIL

JJM beneficiary: Ratnamani Metals and Tubes

Metro projects and PM Surya Ghar Muft Bijli Yojana: APL Apollo Tubes.

Critical Mission: NMDC

Negative: None

Elara Metals & Mining universe

Company	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR bn)			EBITDA (INR bn)			PAT (INR bn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
JSW Steel	JSTL IN	Sell	2,914	1,192	1,089	(9)	1,840	2,053	2,007	308.4	351.6	350.3	85.3	114.6	134.5
Tata Steel	TATA IN	Accumulate	2,314	185	187	1	2,329	2,469	2,601	349.6	431.0	491.3	124.2	192.7	249.1
Hindalco Industries	HNDL IN	Accumulate	2,017	908	868	(4)	2,537	2,720	2,866	314.7	352.7	375.3	152.5	172.5	182.7
Jindal Steel and Power	JINDALST IN	Accumulate	1,124	1,102	1,123	2	544	665	739	82.4	129.4	149.4	52.9	89.0	103.1
NMDC	NMDC IN	Accumulate	707	80	80	(0)	288	317	338	92.2	104.6	111.9	75.3	84.9	90.4
Jindal Stainless	JDSL IN	Accumulate	650	788	867	10	431	491	554	56.9	63.6	70.9	35.2	42.4	49.4
Steel Authority of India	SAIL IN	Sell	614	149	129	(13)	1,069	1,148	1,237	118.6	130.6	140.7	35.4	42.8	47.9
APL Apollo Tubes	APAT IN	Buy	569	2,049	2,418	18	227	272	318	18.6	23.0	27.2	12.7	16.5	20.1
Ratnamani Metals & Tubes	RMT IN	Buy	149	2,120	3,420	61	56	67	81	9.8	11.4	13.6	6.9	8.6	10.6

Note: Pricing as on 1 February 2026; Source: Company, Elara Securities Estimate

Oil & Gas, Chemicals and Aviation

Key announcement of the budget along with implications

Oil & Gas

- ▶ Government proposed INR 200bn outlay for the next five years for carbon capture utilization & storage (CCUS) in five sectors, including refineries and chemicals.
- Implication:** It will help refineries and chemical companies with decarbonization and facilitate energy transition
- ▶ A 14.4% excise duty on biogas and compressed bio-gas (CBG) share out of biogas blended compressed natural gas (CNG) will be eliminated.
- Implication:** Eliminating biogas and CBG portion from blended CNG excise duty calculation make biogas attractive for city gas distribution (CGD), although slightly due to lower share in blending.
- ▶ No changes have been made to excise duty levied on gasoline & diesel retail sales. Government budgeted INR 300bn (INR 125bn in FY26 and INR 175bn in FY27) for past under-recoveries on liquid petroleum gas (LPG). It also allocated INR 128bn LPG subsidy for poor households.

Implications: No incremental earnings impact on oil marketing companies (OMC).

Chemicals

- ▶ The government allocated INR 6bn on a scheme to support State governments in establishing three dedicated Chemical Parks, through challenge route, on a cluster-based plug-and-play model.
- Implications:** This will promote chemicals sector to set up capacity and increase cost competitiveness.
- ▶ Basic customs duty exemption given to capital goods used for manufacturing Lithium-Ion Cells for batteries to those used for manufacturing Lithium-Ion Cells for battery energy storage systems will be extended.
- Implications:** This will help chemicals companies with battery chemicals manufacturing as it will support demand growth.

Aviation

- ▶ Basic customs duty on components and parts required for the manufacture of civilian, training and other aircrafts will be exempted.

Implications: It would help rise in pilots training facilities

Stock Impact

Oil & Gas: Mildly positive for CGDs (MAHGL, IGL and GUJGA); Neutral for refiners in the medium term (BPCL, HPCL, IOCL, MRPL, MRL and RIL)

Chemicals: Positive for BLA and FLUOROCHEM in the long term for their battery chemicals

Aviation: Positive for INDIGO in the long term

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Elara Oil & Gas, Chemicals and Aviation universe

Company	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR bn)			EBITDA (INR bn)			PAT (INR bn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Oil & Gas															
Reliance Industries	RELIANCE IN	Accumulate	18,229	1,347	1,717	27.5	9,643.6	10,396.0	11,252.9	1,855.9	2,056.3	2,262.7	800.7	964.2	1,092.0
ONGC	ONGC IN	Buy	3,199	254	304	19.5	6,196.4	6,804.0	6,864.7	1,171.0	1,259.4	1,298.4	511.6	562.2	583.3
Indian Oil Corporation	IOCL IN	Buy	2,255	160	202	26.5	7,420.9	7,884.5	8,204.3	664.4	727.2	730.0	309.6	347.8	344.7
Bharat Petroleum	BPCL IN	Buy	1,559	359	457	27.1	4,580.6	4,723.8	4,838.4	435.4	365.5	382.2	255.2	200.1	205.5
GAIL	GAIL IN	Accumulate	1,068	162	210	29.3	1,492.2	1,588.5	1,660.7	135.9	168.3	178.8	90.2	114.3	122.7
Hindustan Petroleum	HPCL IN	Buy	918	431	627	45.3	4,603.3	5,254.9	5,409.8	323.6	337.0	346.9	190.7	199.6	206.8
Oil India	OINL IN	Buy	816	502	536	6.8	421.6	540.4	719.9	119.9	151.1	190.3	72.7	97.0	127.5
Petronet LNG	PLNG IN	Reduce	422	281	293	4.1	465.2	508.9	533.9	59.3	65.6	71.5	41.2	46.6	51.0
MRPL	MRPL IN	Accumulate	285	163	163	0.1	887.0	936.1	936.0	61.0	50.6	47.7	26.1	21.2	19.6
Gujarat Gas Company	GUJGA IN	Accumulate	281	409	449	9.8	153.3	176.3	196.7	19.1	20.4	22.5	11.9	12.5	13.9
Indraprastha Gas	IGL IN	Accumulate	244	174	232	33.1	164.1	189.6	208.1	21.4	29.8	32.9	15.0	20.8	23.2
Gujarat State Petronet	GUJS IN	Accumulate	169	299	325	8.8	11.6	13.1	15.1	7.9	9.1	10.7	7.5	8.6	10.0
Chennai Petroleum	MRL IN	Accumulate	124	833	977	17.3	619.5	568.9	569.3	39.7	25.0	24.6	24.5	13.5	13.4
Mahanagar Gas	MAHGL IN	Accumulate	103	1,047	1,502	43.5	93.0	106.7	121.4	16.8	18.4	20.5	10.4	11.4	12.8
Chemicals															
SRF	SRF IN	Accumulate	808	2,727	3,258	19.5	150.7	172.5	194.5	32.4	41.6	48.6	16.8	23.3	27.6
Gujarat Fluorochemicals	FLUOROCH IN	Buy	326	2,970	4,291	44.5	52.5	64.2	80.7	14.9	19.8	25.9	7.5	10.8	15.2
Navin Fluorine International	NFIL IN	Buy	305	5,950	7,317	23.0	33.6	39.1	43.0	10.6	12.7	14.1	6.3	7.6	8.8
Deepak Nitrite	DN IN	Accumulate	217	1,590	1,762	10.8	76.0	80.0	89.0	8.3	11.1	12.7	4.9	6.8	7.7
Atul	ATLP IN	Accumulate	177	5,996	6,797	13.4	62.2	65.8	73.8	10.6	11.2	11.8	6.6	7.2	7.7
Vinati Organics	VO IN	Accumulate	155	1,491	1,764	18.3	22.9	27.0	30.9	7.5	7.6	8.6	5.0	5.6	6.0
Aarti Industries	ARTO IN	Accumulate	134	371	410	10.6	80.8	89.4	98.8	10.9	12.7	15.0	3.8	3.9	4.6
Alkyl Amines	AACL IN	Accumulate	79	1,544	1,784	15.5	16.0	18.5	21.2	2.8	3.3	4.0	1.8	2.2	2.6
Sudarshan Chemicals	SCHI IN	Accumulate	70	894	1,047	17.1	102.8	109.6	117.0	5.9	7.7	10.0	0.7	2.2	3.7
Balaji Amines	BLA IN	Accumulate	36	1,126	1,339	18.9	13.5	15.8	20.0	2.0	2.8	3.8	1.3	1.8	2.6
Aviation															
InterGlobe Aviation	INDIGO IN	Buy	1,774	4,590	6,020	31.2	858.0	964.5	1,060.4	211.5	237.3	261.8	84.0	89.1	96.5
SpiceJet	SJET IN	Accumulate	32	23	39	70.5	54.5	93.7	111.8	(2.1)	10.9	13.6	(11.4)	0.6	2.0

Note: Pricing as on 1 February 2026; Source: Company, Elara Securities Estimate

Pharmaceuticals and Healthcare

Key announcement of the budget along with implications

- ▶ **Biopharma SHAKTI: Scaling India's Biologic Ecosystem** - The Union Budget 2026 announced an INR 100bn Biopharma SHAKTI program for the next five years to position India as a global hub for biologics and biosimilars, aligned with the rising cases of non-communicable disease (NCD). The initiative combines manufacturing scale-up with ecosystem development through three new National Institute of Pharmaceuticals Education and Research (NIPER), upgradation of seven existing NIPER, creation of 1,000+ accredited clinical trial sites, and strengthening of Central Drugs Standard Control Organization (CDSCO) via a dedicated scientific review cadre to enable faster, globally aligned approvals. Collectively, these measures aim to accelerate domestic biologics development, improve trial execution, and enhance regulatory efficiency.
- ▶ **Implications:** Accelerates biologics and biosimilars launches, contract development and clinical trial activity, driving higher growth visibility and margin expansion for biopharma, contract development and manufacturing organization (CDMO) and please contract research organization (CRO) in the medium term.
- ▶ **Policy push to strengthen hospital ecosystem:** Announced a coordinated push to strengthen the hospital ecosystem through manpower augmentation, demand creation and infrastructure expansion. Key measures include adding 100,000 Allied Health Professionals and 150,000 multiskilled caregivers, launching a public private partnership (PPP)-based Medical Value Tourism (MVT) scheme with five Regional Medical Hubs, expanding emergency and trauma care capacity at district hospitals by ~50%, and scaling AYUSH infrastructure to support integrated and post-acute care pathways.
- ▶ **Implications:** Positive for large tertiary and quaternary hospital chains, driving higher occupancy, better operating leverage and incremental high-margin medical tourism volumes, while easing manpower constraints in the medium term.
- ▶ **Targeted duty relief for oncology & rare diseases:** Announced Basic Customs Duty (BCD) exemption on 17 drugs, primarily oncology therapies, aimed at improving affordability of high-cost cancer treatments. The duty relief directly reduces landed cost, facilitating faster adoption of targeted and biologic therapies, particularly in tertiary and private hospital settings. In addition, seven more rare diseases were included under duty-free personal imports of drugs and Food for Special Medical Purposes (FSMP), supporting access where imported therapies remain the only treatment option.

Implications: Improves access and therapy uptake in oncology and rare diseases, benefitting tertiary hospitals, specialty care providers, and innovator-led partnerships, while reinforcing India's patient-centric treatment framework.

Stock Impact

Positive: Pharma & CDMO - Biocon Biologics, Dr. Reddy's Laboratories, Zydus Lifesciences, Sun Pharmaceutical, Lupin, Novartis India, AstraZeneca India and Pfizer India. **Hospitals** - Apollo Hospitals Enterprise, Fortis Healthcare, Narayana Hrudayalaya, Aster DM Healthcare, KIMS & Jeena Sikho Lifecare.

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Elara Pharmaceuticals and Healthcare universe

Company	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR bn)			EBITDA (INR bn)			PAT (INR bn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Pharmaceuticals															
Sun pharma	SUNP IN	Accumulate	3,863	1,610	1,968	22	569.4	622.8	681.1	158.7	177.1	196.4	113.4	126.1	140.4
Divi's Laboratories	DIVI IN	Sell	1,608	6,056	4,486	(26)	106.9	123.8	145.2	34.9	41.8	51.1	26.0	30.1	36.4
Torrent Pharma	TRP IN	Accumulate	1,344	3,973	4,137	4	130.4	191.5	210.8	42.7	60.6	66.9	24.1	25.3	30.1
Cipla	CIPLA IN	Accumulate	1,073	1,329	1,438	8	286.2	313.1	355.6	60.4	62.0	83.0	43.5	43.7	59.1
Dr. Reddy's	DRRD IN	Buy	984	1,179	1,588	35	347.7	372.0	416.0	76.8	76.7	88.3	49.8	46.5	54.9
Lupin	LPC IN	Accumulate	973	2,131	2,239	5	263.2	265.2	276.7	68.9	60.2	59.8	45.6	41.0	40.2
Zydus Lifescience	ZYDUSLIF IN	Buy	884	878	1,311	49	264.4	278.4	330.6	70.4	65.2	75.3	47.5	43.6	51.0
Aurobindo Pharma	ARBP IN	Buy	681	1,172	1,568	34	336.0	392.1	413.1	68.3	73.9	77.8	36.4	42.3	46.3
Ajanta Pharma	AJP IN	Buy	351	2,809	3,115	11	53.0	58.8	65.1	14.4	16.1	17.8	10.0	11.1	12.3
Gland Pharma	GLAND IN	Buy	302	1,834	2,225	21	64.1	74.7	84.5	15.6	19.6	23.1	9.6	12.8	15.4
JB chemicals	JBCP IN	Accumulate	295	1,840	1,784	(3)	43.0	47.5	52.5	11.6	13.1	14.8	7.4	8.5	9.8
Hospitals															
Apollo Hospitals	APHS IN	Accumulate	999	6,948	8,395	21	247.7	282.6	320.2	35.9	40.0	47.0	17.8	19.2	23.8
Fortis Healthcare	FORH IN	Accumulate	629	833	927	11	90.8	103.0	114.3	20.8	24.2	27.3	10.6	13.3	15.8
Aster DM Healthcare	ASTERDM IN	Accumulate	296	570	733	29	45.6	51.0	58.3	8.9	9.8	11.1	3.9	4.5	4.8
Dr Lal PathLabs	DLPL IN	Accumulate	239	1,425	1,861	31	27.4	30.6	34.1	7.7	8.7	9.8	5.1	5.8	6.5
Thyrocare Technologies	THYROCAR IN	Buy	64	400	592	48	8.2	9.5	11.0	2.7	3.2	3.7	1.7	1.8	2.1
Shalby	SHALBY IN	Accumulate	18	166	219	32	12.0	13.6	15.5	1.6	1.9	2.3	0.5	0.9	1.2

Note: Pricing as on 1 February 2026; Source: Company, Elara Securities Estimate

Exhibit 19: 17 Cancer drugs exempted from Basic Custom Duty (BCD)

Sr No.	Drug	Originator / Major Marketer
1	Ribociclib	Novartis
2	Abemaciclib	Eli Lilly
3	Talyctagogene autoleucel	Novartis / partners (CAR-T cell therapy category)
4	Tremelimumab	AstraZeneca
5	Toripalimab	Junshi
6	Serplulimab	Innoven
7	Tislelizumab	BeOne Medicines (formerly BeiGene)
8	Ipilimumab	Bristol-Myers Squibb (BMS)
9	Venetoclax	AbbVie / Genentech (Roche)
10	Ceritinib	Novartis
11	Brigatinib	Takeda / ARIAD
12	Darolutamide	Bayer / Orion
13	Ponatinib	AstraZeneca
14	Ibrutinib	AbbVie / Pharmacyclics / Janssen
15	Dabrafenib	Novartis
16	Trametinib	Genentech / Roche
17	Inotuzumab ozogamicin	Pfizer

Source: Elara Securities Research

Exhibit 20: 7 Rare disease included in Duty-Free imports

Sr No.	Rare Disease	Product / Drug Name	Global Manufacturer
1	Congenital Hyperinsulinemic Hypoglycemia (CHI)	Diazoxide	Teva Pharmaceutical Industries
		Octreotide	Novartis
		Dasiglucagon	Zealand Pharma
2	Familial Homozygous Hypercholesterolemia (HoFH)	Repatha (Evolocumab)	Amgen
		Praluent (Alirocumab)	Sanofi / Regeneron
		Juxtapid (Lomitapide)	Amryt Pharma
3	Alpha Mannosidosis	Kynamro (Mipomersen)	Ionis Pharmaceuticals
		Evkeeza (Evinacumab)	Regeneron
		Lamzede (Velmanase alfa)	Chiesi Farmaceutici
4	Primary Hyperoxaluria	Oxluamo (Lumasiran)	Alnylam Pharmaceuticals
		Nedosiran	Dicerna Pharmaceuticals
5	Cystinosis	Cystagon	Horizon Therapeutics
		Procysbi	Horizon Therapeutics
		Cystadrops	Recordati
6	Hereditary Angioedema (HAE)	Takhzyro	Takeda
		Firazyr	Takeda
		Cinryze	Takeda
		Berinert	CSL Behring
		Ruconest	Pharming Group
7	Primary Immune Deficiency Disorders (PIDD)	Kalbitor	Takeda
		Gammagard	Takeda
		Privigen	CSL Behring
		Hizentra	CSL Behring
		Cuvitru	Takeda
		Gamunex-C	Grifols
		Octagam	Octapharma

Source: Elara Securities Research

Railways

Key announcements of the budget along with implications

- Total capital expenditure rose 10% to INR 2.9tn for FY27E compared with FY26RE. The allocation for new lines grew 20% YoY to INR 367bn, likely due to a sharp uptick in commodity prices as volumes dipped by 29%. Doubling lines allocation jumped 30% YoY to INR 378bn, also due to a sharp uptick in commodity prices as volumes dipped by 8% YoY. Among rolling stock, targets increased for production of electric locomotives by 13% YoY to 1,800 and for coaches by 10% to 10,392 and decreased for wagons by 16% YoY to 32,000.

Implications: The rise in railways budget is a positive for rolling stock manufacturers, EPC players as well as companies involved in safety and collision avoidance.

Stock impact

Positive: BEML, Titagarh Wagons, Texmaco Rail, Jupiter Wagons, RVNL, IRCON, Siemens Mobility, ABB India, CG Power, HBL Engineering, Kernex Microsystems, RITES.

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Elara Railways universe

Company	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR bn)			EBITDA (INR bn)			PAT (INR bn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
ABB	ABB IN	Reduce	1,152	5,437	5,030	(7.5)	149.4	171.7	0.0	22.4	26.1	0.0	18.0	21.0	0.0
Siemens	SIEM IN	Accumulate	1,062	2,982	3,550	19.1	195.5	229.1	277.0	25.6	30.9	37.8	21.3	25.3	30.5
BEML	BEML IN	Buy	141	1,688	2,700	60.0	44.5	54.6	68.7	5.8	7.7	9.8	3.7	4.9	6.5
RITES	RITE IN	Buy	105.0	218	320	46.5	24.4	33.1	49.9	5.7	6.8	10.1	4.4	5.1	7.3

Note: Pricing as on 1 February 2026; Source: Company, Elara Securities Estimate

Real Estate

Key announcement of the budget along with implications

- The key highlight was the tax holiday until 2047 to foreign companies providing Cloud services to global customers through India-based data center services.

Implications: 1) accelerate land monetization of branded developers where title challenges are limited, and 2) diversification for developers winning the execution game at scale, thereby building an added revenue stream at scale in several capacities including construction partner, operator or both.

- Recycling real estate assets of CPSE through setting up of dedicated REIT.

Implications: Enables a favourable regulatory environment for REIT.

Stock Impact

Positive: Lodha Developers, Prestige Estate, DLF, REIT

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Elara Real Estate universe

Company	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR bn)			EBITDA (INR bn)			PAT (INR bn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
DLF	DLFU IN	Buy	1,518	613	1,050	71.2	119.8	157.1	179.6	45.9	61.2	70.6	59.7	73.6	81.7
Lodha Developers	LODHA IN	Accumulate	917	918	1,400	52.6	202.9	210.1	249.3	69.6	70.2	84.3	47.3	48.5	60.2
Prestige Estates Projects	PEPL IN	Buy	646	1,500	2,300	53.3	161.1	214.5	257.7	55.7	82.6	103.7	21.3	35.1	44.7
Oberoi Realty	OBER IN	Buy	528	1,452	2,500	72.2	68.3	79.1	105.9	38.7	44.7	58.0	27.7	34.5	47.3
Godrej Properties	GPL IN	Buy	457	1,517	3,700	143.9	98.4	129.9	187.0	28.1	42.0	67.3	28.4	38.9	58.7
Brigade Enterprises	BRGD IN	Accumulate	181	739	1,200	62.3	72.9	83.4	0.0	24.1	29.3	0.0	10.4	13.9	0.0
Sobha	SOBHA IN	Buy	148	1,385	2,500	80.5	47.0	55.1	68.8	7.2	9.8	13.1	5.4	7.3	8.9

Note: Pricing as on 1 February 2026; Source: Company, Elara Securities Estimate

Textile

Key announcements of the budget along with implications

The Union Budget 2026-2027 announced a comprehensive transformation of India's textile sector, to be implemented through three major initiatives:

- ▶ **Integrated Textile Program** (new allocation: INR 15bn) has been introduced with five sub-schemes including:
 - ▶ National Fiber Scheme for self-reliance in natural, man-made and new-age fibers;
 - ▶ Textile Expansion and Employment Scheme (TEEM) to modernize traditional clusters with capital support for machinery and testing centers;
 - ▶ National Handloom and Handicraft Program to support weavers/ artisans
 - ▶ Tex-Eco Initiative for sustainable and globally competitive production; and
 - ▶ Samarth 2.0 to upgrade the textile skilling ecosystem.
- ▶ Additionally, the government will establish **Mega Textile Parks** with focus on technical textiles value addition, and
- ▶ The launch the **Mahatma Gandhi Gram Swaraj Initiative** will strengthen *khadi*, handloom and handicrafts.

Implication: The three major textile sector initiatives announced in Budget 2026-2027 are strategically positioned to accelerate growth in high-value segments such as Man-Made Fiber (MMF) products and technical textiles, which represent the future of textile manufacturing with higher margins and increasing global demand. These initiatives also aim to improve the overall productivity and global competitiveness, positioning India to capture a greater market share in both traditional textile exports and emerging high-value segments, while capitalizing on preferential market access secured through FTAs. These initiatives are likely to benefit in the long term.

- ▶ The overall textile sector budget allocation declined 8.5% YoY to INR 52.8bn in FY27BE from INR 57.7bn in FY26BE. PM-MITRA budget increased 50% YoY to INR 3.0bn in FY27BE versus INR 2.0bn in FY26BE, suggesting progress in establishment of parks. The PLI Scheme allocation rose marginally by 1.3% YoY to INR 4.05bn. The Cotton Corporation of India (CCI) has estimated expenditure for FY26 at INR 17.2bn for price support operations. Despite the overall budgetary decline, reallocation toward infrastructure development, high-value manufacturing, and the new Integrated Textile Program signals a strategic shift toward growth orientation, productivity enhancement and global competitiveness.

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Stock impact

Positive: Overall the budget demonstrates higher focus on sustainability, and growth areas such as Man Made Fiber products and technical textiles as also improving productivity to leverage the efforts involved in signing of FTAs. This will be positive for all large exporters focusing on creating capacities and increasing competitiveness, including Arvind, KPR Mill, Welspun Living, and Garware Technical Fibres among others.

Elara Textile universe

Company	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR bn)			EBITDA (INR bn)			PAT (INR bn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
KPR Mills	KPR IN	Reduce	303	888	1,086	22.3	68.4	72.6	76.4	13.0	14.2	16.1	8.7	9.5	11.0
Vardhman Textiles	VTEX IN	Accumulate	131	452	469	3.7	99.0	106.2	114.0	12.5	15.0	17.4	7.8	9.1	11.1
Arvind	ARVND IN	Buy	87	330	538	62.9	93.0	104.4	115.7	8.7	11.8	13.5	3.3	5.3	6.4

Note: Pricing as on 1 February 2026; Source: Company, Elara Securities Estimate

Utilities

Key announcement of the budget along with implications

- **Ministry of Power:** Ministry of Power announced a capex of INR 299.9bn for FY27 up 39% YoY over FY26RE and up 37% YoY over FY26BE. Expenditure by PSU have increased 18.5% YoY to INR 1017.6bn over FY26RE and 18% over FY26BE. NHPC expenditure has increased 14.7% YoY to INR 143bn over FY26RE and 10% YoY over FY26BE. Capex by PGCIL has increased 32% YoY to INR 370bn over FY26RE and 48% YoY over FY26BE. Capex for NTPC increased 6.89% YoY to INR 310bn over FY26RE and 19% YoY over FY26BE. Focus remains on Revamped Distribution Sector Scheme continued with INR 180bn capex earmarked in FY27 up 15% YoY from FY26RE and up 12.5% YoY from FY26BE.

Implications - Rise in capex would give much-needed push to capacity addition, thereby ensuring energy security. Increased spending on transmission would enable seamless evacuation of power from new capacity added. RDSS scheme will help DISCOM for infrastructure creation.

Ministry of New and Renewable Energy - Ministry of New and Renewable Energy has allocated capex of INR 329bn in FY27 up 30% YoY from FY26RE and 24% YoY from FY26BE. Allocation under PM Surya Ghar Muft Bijli Yojana is earmarked at INR 220bn for FY27 up 29% YoY from FY26RE and 10% YoY from FY26BE.

Implications - We expect increased capex would expedite RE capacity addition and facilitate rooftop installation in households.

- **Department Of Atomic Energy:** Capex for nuclear power is earmarked at INR 241bn in FY27 vs INR 244bn in FY26RE and INR 240bn in FY26BE. Total capex under central sector schemes increased 33% YoY over FY26RE to INR 71.21bn and 16% YoY over FY26BE. Basic custom duty has been removed on goods for generation of nuclear power from 7.5% earlier.

Implications: This is essential for energy transition efforts. This comprehensive announcement represents a significant step towards bolstering the country's nuclear energy sector and reducing operational costs for nuclear infrastructure development.

- **Ministry of Coal:** Capex by ministry of coal increased to INR 36.35bn vs 4.90bn in FY26RE vs INR 5.01bn in FY26BE. Capex for NLC increased 13% YoY to INR 57.37bn over FY26RE. Capex for Coal India increased 3% YoY to INR 165bn over FY26RE.
- **Implication:** Increased capex would facilitate opening new mines ensuring fuel security.

Stock Impact

Positive: NTPC, CESC, NLC

Negative: Torrent Power

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Elara Utilities universe

Company	Ticker	Rating	Mcap	CMP	TP	Upside	Sales (INR bn)			EBITDA (INR bn)			PAT (INR bn)		
			(INR bn)	(INR)	(INR)	(%)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
NTPC	NTPC IN	Buy	3,343	345	462	34	1,740.2	1,770.9	1,801.2	471.5	478.6	485.0	205.3	209.2	213.3
Coal India	COAL IN	Accumulate	2,586	420	432	3	1,422.3	1,493.2	1,567.6	404.3	421.7	438.5	284.5	290.8	295.8
Power Grid Corporation	PWGR IN	Buy	2,338	251	356	42	496.5	536.0	553.4	433.8	472.0	488.0	152.9	173.2	175.1
Tata Power	TPWR IN	Buy	1,132	354	504	42	661.9	786.2	849.3	147.1	169.7	194.0	55.6	61.1	64.8
Adani Energy Solutions	ADANIENS IN	Buy	1,016	846	1,169	38	260.6	280.5	315.1	97.2	125.4	150.8	25.5	35.8	39.6
NHPC	NHPC IN	Buy	773	77	105	36	103.8	118.3	123.9	58.5	72.1	76.8	34.5	39.4	42.2
JSW Energy	JSW IN	Buy	770	441	581	32	203.4	230.0	253.8	99.9	122.7	143.3	19.0	26.8	38.0
NTPC Green Energy	NTPCGREE IN	Reduce	727	86	104	21	49.8	95.6	144.4	44.3	85.2	129.1	8.8	15.0	20.5
Torrent Power	TPW IN	Reduce	654	1,298	1,313	1	312.9	350.2	376.6	62.4	79.7	84.4	26.4	28.9	29.0
NLC India	NLC IN	Buy	341	246	320	30	182.6	200.8	206.6	67.9	77.9	84.8	19.4	27.5	27.6
SJVN	SJVN IN	Buy	280	71	131	84	33.5	57.8	60.2	25.6	46.1	47.6	9.4	21.8	22.4
CESC	CESC IN	Buy	193	145	228	57	185.7	193.9	207.1	32.2	34.6	41.4	16.7	18.0	21.2
ACME Solar Holdings	ACMESOLA IN	Buy	134	222	356	61	20.9	32.7	62.7	18.6	29.0	56.1	4.5	7.4	13.3
IEX	IEX IN	Reduce	111	125	138	11	6.2	4.5	4.8	5.2	3.4	3.5	4.6	3.0	3.1
PTC India	PTCIN IN	Buy	50	168	210	25	164.8	172.7	181.1	5.3	5.5	5.7	3.9	4.0	4.2

Note: Pricing as on 1 February 2026; Source: Company, Elara Securities Estimate

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