

## Budget On Energy Fy2019-fy2026

Dhruv - [Notebook Link](#)

Date: 28 Jan 2026

### Questions

1. Summarize energy emphasis in Union Budget speeches FY2019-FY2026

## Union Budget Energy Sector Policy Evolution (FY2019-FY2026) - Consolidated Analysis

FISCAL YEAR	PRIMARY ENERGY FOCUS	MAJOR POLICY INSTRUMENTS	KEY ALLOCATIONS/TARGETS
FY2019	Universal Electrification & Energy Efficiency	Saubhagya Yojana, UJALA Scheme	2.5 crore households electrified, 143 crore LED bulbs distributed
FY2020	Clean Energy & DISCOM Reforms	Smart Metering, Gas Grid Expansion	Rs. 22,000 crore allocation, Gas grid expansion to 27,000 km
FY2021	Green Hydrogen & Solar Manufacturing	National Hydrogen Mission, PLI for Solar	Rs. 4,500 crore PLI, Rs. 3,05,984 crore DISCOM reforms
FY2022	Energy Transition & Circular Economy	Additional PLI, Battery Swapping, Biomass Co-firing	Rs. 19,500 crore additional PLI, 280 GW solar target by 2030
FY2023	Green Growth Priority	Green Hydrogen Mission, Energy Storage, GOBARdhan	Rs. 19,700 crore Green Hydrogen, 5 MMT production by 2030
FY2024	Energy Security & Infrastructure	Transmission Infrastructure, GOBARdhan Expansion	Rs. 20,700 crore Ladakh transmission, 500 GOBARdhan plants
FY2025	Nuclear Energy & Rooftop Solar	PM Surya Ghar, Nuclear SMR, Pumped Storage Policy	1 crore households rooftop solar, Rs. 20,000 crore SMR R&D
FY2026	Nuclear Mission & Power Sector Reforms	Nuclear Energy Mission, Atomic Energy Act Amendments	100 GW nuclear by 2047, 5 SMRs by 2033, 0.5% GSDP state incentive

### Key Insights

#### Strategic Evolution of Energy Policy Framing

The Union Budget energy sector policy from FY2019 to FY2026 demonstrates a clear strategic evolution from basic infrastructure development to comprehensive energy transition. The framing shifted from social welfare objectives (universal electrification) to economic competitiveness and climate leadership, reflecting India's maturing energy strategy during the Amrit Kaal period.

- **FY2019-FY2020:** Foundation building phase focused on achieving universal access through Saubhagya Yojana electrifying 2.5 crore households and energy efficiency through UJALA scheme distributing 143 crore LED bulbs saving Rs. 50,000 crore annually
- **FY2021-FY2022:** Technology and manufacturing emphasis with National Hydrogen Energy Mission launch and Rs. 19,500 crore additional PLI for solar manufacturing targeting 280 GW capacity by 2030
- **FY2023-FY2024:** Holistic green growth framework with Rs. 19,700 crore Green Hydrogen Mission and comprehensive circular economy initiatives including 500 GOBARdhan plants with Rs. 10,000 crore investment
- **FY2025-FY2026:** Nuclear energy revolution with 100 GW target by 2047, legislative amendments to Atomic Energy Act, and Rs. 20,000 crore SMR mission alongside decentralized solar through PM Surya Ghar benefiting 2.5 million households

## Nuclear Energy - Transformative Policy Shift

The most significant policy transformation across the eight-year period is the elevation of nuclear energy from peripheral mention to centerpiece strategy. The **FY2026 Nuclear Energy Mission for Viksit Bharat** represents unprecedented commitment with concrete legislative, financial, and operational frameworks.

- **Capacity Expansion:** Target of 100 GW nuclear capacity by 2047 requires 12-fold expansion from current 8.18 GW, positioning nuclear as essential baseload clean energy
- **Legislative Reforms:** Amendments to Atomic Energy Act and Civil Liability for Nuclear Damage Act enable private sector participation, breaking decades of government monopoly
- **Technology Development:** Rs. 20,000 crore SMR mission targeting 5 operational reactors by 2033 demonstrates commitment to indigenous advanced nuclear technology
- **Strategic Rationale:** Nuclear positioned as solution to baseload clean energy requirement, complementing intermittent renewables while maintaining energy security during transition

## Renewable Energy - Ahead of Schedule Achievement

India's renewable energy deployment exceeded expectations, with current installed capacity exceeding 245 GW including 116 GW solar and 52 GW wind, achieving the milestone of 50% non-fossil fuel capacity five years ahead of NDC timeline.

- **Economic Impact:** IRENA study shows Rs. 4 lakh crore savings in 2024 from avoided fossil fuel imports and pollution costs, including \$14.9 billion fossil fuel savings and 410.9 million tonnes CO<sub>2</sub> avoided
- **Manufacturing Self-Reliance:** Progressive PLI schemes from Rs. 4,500 crore in FY2021 to additional Rs. 19,500 crore in FY2022 enabled 48.3 GW integrated solar PV manufacturing capacity
- **Decentralized Generation:** PM Surya Ghar scheme benefiting 2.5 million households with target of 10 million by March 2027 represents paradigm shift toward distributed solar
- **Agricultural Integration:** PM-KUSUM scheme benefiting 2.17 million farmers through solarization of agricultural feeders and pump replacement

## Green Hydrogen - Sunrise Sector Development

Green hydrogen emerged as strategic priority from FY2021 onwards, with comprehensive policy and financial support framework established across subsequent budgets.

- **Mission Launch:** National Hydrogen Energy Mission announced in FY2021 with comprehensive strategy for short-term (4 years) and long-term (10+ years) implementation
- **Financial Commitment:** Rs. 19,700 crore Green Hydrogen Mission outlay in FY2023 targeting 5 MMT annual production by 2030
- **Investment Opportunity:** USD 300 billion investment requirement by 2030 across renewable generation, storage, green hydrogen, grids and manufacturing
- **Global Leadership:** Positioning India as hub for green hydrogen production, utilization and export, leveraging abundant renewable energy resources

## Power Sector Reforms - Incentive-Based Approach

Power distribution sector reforms evolved from direct government schemes to incentive-based federalism model, addressing chronic DISCOM financial challenges while respecting state autonomy.

- **FY2020-FY2021:** Rs. 3,05,984 crore outlay over 5 years for revamped distribution sector scheme with smart metering and infrastructure upgrades
- **FY2026 Innovation:** Additional borrowing of 0.5% of GSDP allowed to states contingent on electricity distribution reforms, creating financial incentive for structural improvements
- **Technology Modernization:** Progressive push from FY2020 smart meter mandate to comprehensive grid modernization and energy storage deployment
- **Competitive Framework:** Introduction of consumer choice among multiple distribution companies, breaking traditional monopoly structure

## Circular Economy and Waste-to-Energy Integration

Energy policy increasingly integrated with circular economy principles, particularly through biomass and waste-to-energy initiatives creating rural income opportunities alongside energy generation.

- **Biomass Co-firing:** 5-7% biomass pellets co-firing in thermal plants resulting in 38 MMT annual CO<sub>2</sub> savings while providing extra income to farmers and avoiding stubble burning
- **GOBARdhan Expansion:** From initial concept to 500 new waste-to-wealth plants with Rs. 10,000 crore investment including 200 CBG plants and 5% CBG mandate for natural gas marketers
- **Ethanol Blending:** Achievement of 18.93% average ethanol blending toward 20% target by ESY 2025-26, advancing original 2030 target by 4 years
- **Natural Farming Integration:** One crore farmers adopting natural farming with 10,000 bio-input resource centers reducing energy-intensive chemical fertilizer dependence

## Companies with Direct Policy Exposure

The comprehensive policy framework from FY2019-FY2026 creates clear beneficiaries across multiple sectors with sustained government support.

### Nuclear Energy Sector - Highest Strategic Priority

- **Nuclear Power Corporation of India Limited (NPCIL):** Primary beneficiary of 100 GW expansion target and Rs. 20,000 crore SMR allocation
- **Bharat Heavy Electricals Limited (BHEL):** Key equipment supplier for nuclear plants and joint venture partner with NTPC for 800 MW AUSC thermal plant
- **Larsen & Toubro Limited:** Engineering and construction capabilities for nuclear infrastructure with potential private sector participation post-legislative amendments

### Renewable Energy - Largest Immediate Opportunity

- **Adani Green Energy Limited:** Largest renewable portfolio benefiting from 245 GW+ installed capacity expansion and transmission infrastructure investments
- **Tata Power Company Limited:** Integrated renewable solutions including rooftop solar for PM Surya Ghar scheme and energy storage systems
- **Waaree Energies Limited:** Solar module manufacturer benefiting from PLI schemes and domestic manufacturing push
- **ReNew Power Private Limited:** Major IPP positioned for continued renewable capacity additions

### Green Hydrogen Ecosystem - Emerging High-Growth

- **Reliance Industries Limited:** Major green hydrogen investments announced, positioned for electrolyzer manufacturing and production
- **NTPC Limited:** Green hydrogen production initiatives leveraging existing infrastructure
- **Indian Oil Corporation Limited:** Refinery integration for green hydrogen and distribution infrastructure
- **Adani Enterprises Limited:** Green hydrogen production and electrolyzer manufacturing plans

### Oil & Gas - Transition Period Stability

- **Oil and Natural Gas Corporation Limited (ONGC):** Benefiting from 172 exploration blocks under OALP Rounds I-IX and investor-friendly Draft Petroleum & Natural Gas Rules 2025
- **Indraprastha Gas Limited & Mahanagar Gas Limited:** CGD companies benefiting from 1.50 crore PNG connections and 8,083 CNG stations across 307 geographical areas
- **Petronet LNG Limited:** LNG infrastructure with 8 terminals operational at 52.7 MMTPA capacity

### Power Distribution and Grid Infrastructure

- **Power Grid Corporation of India Limited:** Transmission network expansion including Rs. 20,700 crore Ladakh transmission system
- **Genus Power Infrastructures Limited & Secure Meters Limited:** Smart metering beneficiaries from distribution sector reforms

- **Tata Power & Torrent Power:** Integrated utilities benefiting from distribution reforms and 0.5% GSDP state borrowing incentives

## Agriculture and Rural Energy

- **Shakti Pumps (India) Limited:** Solar pump manufacturer for PM-KUSUM scheme benefiting 2.17 million farmers
- **Coromandel International & Chambal Fertilisers:** Benefiting from agricultural support schemes and natural farming initiatives
- **Mahindra & Mahindra (Farm Equipment):** Tractor and farm machinery demand from PM-Kisan and agricultural missions

## Cross-Sectoral Policy Impact Analysis

Beyond energy-specific companies, Union Budget policy instruments from FY2019-FY2026 created sustained opportunities across multiple sectors through infrastructure investment, manufacturing incentives, and welfare schemes.

## Infrastructure and Construction

- **Larsen & Toubro Limited:** Benefiting from **National Infrastructure Pipeline expansion to 7,400 projects** and consistent capital expenditure priority
- **UltraTech Cement, ACC, Ambuja Cements:** Sustained demand from **Pradhan Mantri Awas Yojana (1.5 crore houses)** and infrastructure projects
- **IRB Infrastructure, Dilip Buildcon, KNR Constructions:** Road and highway development from infrastructure capex

## Manufacturing - PLI Scheme Beneficiaries

- **Dixon Technologies (India) Limited:** Mobile and electronics manufacturing under **PLI schemes for 13 sectors with Rs. 1.97 lakh crore outlay**
- **Sun Pharmaceutical, Aurobindo Pharma, Lupin:** Pharmaceutical PLI beneficiaries
- **Maruti Suzuki, Tata Motors, Mahindra & Mahindra:** Automotive sector PLI participants

## Financial Services and Insurance

## Disclaimer

**1. Thurro AI** leverages Artificial Intelligence to generate summaries, insights, and analysis based on publicly available data and source documents. While we aim for accuracy and reliability, the use of AI may result in occasional errors, omissions, or misinterpretations. Users are advised to independently verify any critical information before relying on it.

**2. No Investment Advice:** The information provided by Thurro, including all summaries, analytics, and outputs, is for informational purposes only. It does not constitute investment advice, financial guidance, or a recommendation to buy, sell, or hold any security. Thurro does not provide personalized advice and does not act as a financial advisor.

**3. User Responsibility:** All decisions made using Thurro's data or outputs are solely the responsibility of the user. Thurro shall not be held liable for any losses or damages arising from actions taken based on the information provided.

**4. Source Data Integrity:** All data used by Thurro is sourced from publicly available documents, filings, and third-party databases. While we endeavor to use reliable sources, Thurro does not independently audit or guarantee the accuracy or completeness of these sources.

**5. Evolving Outputs:** As Thurro's models and datasets are updated over time, outputs may change. Users should consider the timestamp and context of any insight or analysis and not rely on it as static or definitive.