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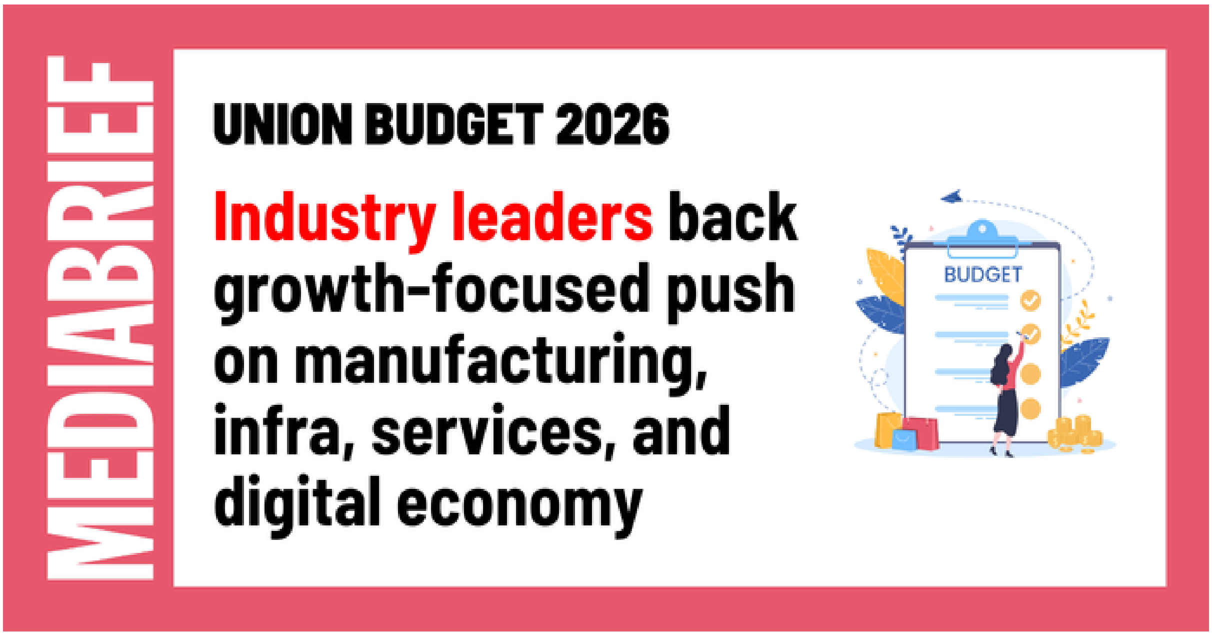
Union Budget 2026 | Industry leaders back growth-focused push on manufacturing, infrastructure, services, and digital economy



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Article Content:

Industry leaders from sectors spanning manufacturing, infrastructure, services, and digital technologies have welcomed the Union Budget 2026–27, citing its clear focus on long-term growth, global competitiveness, and skill development. They highlighted the emphasis on domestic manufacturing, EVs, rare earths, adhesives, and capital goods, alongside investments in digital infrastructure, AI, and creative industries. They also appreciated measures aimed at improving ease of doing business, financial sector reforms, and regional development, calling the Budget a decisive step toward India's vision of Viksit Bharat 2047.

Sudhanshu Vats, MD, Pidilite

The Union Budget 2026–27 reinforces strong confidence in India's growth trajectory, anchored in manufacturing, infrastructure and consumption. The continued focus on domestic manufacturing across chemicals, electronics and capital goods strengthens supply-chain resilience and supports India's ambition to be a globally competitive production hub.

With public capex at ₹12.2 lakh crore, demand across housing, construction and infrastructure-linked industries will remain robust, directly benefiting the building materials and adhesives ecosystem.

The emphasis on digital infrastructure, Automation & AI-led Customs reforms and trade facilitation will enhance ease of doing business and global integration. Overall, the Budget provides the confidence to invest, innovate and scale alongside India's long-term economic vision. Onwards to a Viksit Bharat 2047.

Saugata Gupta, MD & CEO, Marico Limited

The Union Budget 2026–27 lays out India's growth strategy with a clear focus on sustained public investment, manufacturing scale-up, support to MSMEs, employment generation and fiscal consolidation, a decisive shift towards people-first, consumption-led growth aligned with the vision of Viksit Bharat.

The continued emphasis on enhancing agricultural incomes through higher productivity and value addition is structurally positive for rural and semi-urban demand, creating sustained tailwinds for consumption.

At the same time, the thrust on strengthening MSMEs and legacy industrial clusters, supported by improved access to credit and deeper formalisation, will further improve domestic supply chains, particularly across Tier II and Tier III markets. This is complemented by the public capital expenditure target of ₹12.2 lakh crore and continued investments in freight corridors, inland waterways and multimodal logistics, which are expected to enhance distribution networks, improve supply chain efficiencies and enable faster scale up of emerging consumption hubs.

The Budget positions technology-backed artificial intelligence as a powerful driver of inclusive growth. Initiatives such as Bharat VISTAAR are an encouraging step towards boosting farm productivity, while the expanded AI Mission and enhanced R&D focus are set to accelerate innovation and services across sectors. Collectively, these measures reflect a strong commitment to leveraging technology to bridge regional, income and capability gaps.

Additionally, the simplification of compliances reflects the government's intent to build trust-based governance.

Overall, this Budget reflects a consistent, reform first approach anchored in fiscal prudence, infrastructure-led development and inclusive growth, creating a supportive ecosystem for long term, consumption driven growth across both urban and rural India. The emphasis is firmly on execution, competitiveness and long-term capacity building as we advance towards becoming an Atmanirbhar Bharat.

Mukundan Menon, MD, Voltas Ltd

The Union Budget 2026–27 reflects a confident and future-ready macroeconomic vision, firmly aligned with India's Viksit Bharat aspirations. By combining strong fiscal discipline with a record public capital expenditure outlay of ₹12.2 lakh crore, the government has reinforced the foundation for inclusive, broad-based, and durable growth.

The Budget's strategic push on manufacturing and technology is especially significant for the consumer durables sector. Initiatives such as the India Semiconductor Mission 2.0 and the enhanced ₹40,000 crore outlay for electronics component manufacturing will meaningfully deepen domestic value addition. These measures not only improve affordability for consumers but also elevate India's competitiveness in global value chains.

Equally important is the Budget's sustained emphasis on urban infrastructure development. Investments in modern transit systems, housing, and smart city capabilities create a multiplier effect, boosting jobs, strengthening income visibility, and expanding the addressable market for technology-driven, energy-efficient appliances.

The introduction of the New Income Tax Act and the Government's focused efforts on easing compliance are timely reforms that will enhance household confidence. As disposable incomes rise and purchasing power strengthens, we expect a positive impact on discretionary consumption across categories.

Overall, this Budget strengthens a constructive growth cycle, enhanced investments will translate into more robust incomes, which in turn will drive demand for Make in India, energy-efficient, and smart consumer technologies. It sets the stage for sustained momentum in domestic manufacturing and positions India strongly for the next phase of transformation.

Atul Soneja, Chief Operating Officer, Tech Mahindra

The Union Budget 2026 reinforces India's emergence as a trusted technology and innovation partner. The Government's recognition of cutting-edge technologies such as Artificial Intelligence as force multipliers for good governance is particularly encouraging. It underscores the pivotal role of the Indian IT industry in delivering innovation, efficiency and scalable digital solutions for the nation.

Initiatives such as the IndiaAI Mission, National Quantum Mission, National Research Fund and the enhanced R&D ecosystem reflect a bold, inclusive, and future-ready vision. This alignment of policy, technology and talent will accelerate India's journey toward becoming a global innovation powerhouse.

Additionally, the launch of India Semiconductor Mission 2.0 will significantly strengthen the country's technology ecosystem by deepening the integration of hardware and software capabilities, positioning India as a leader in next-generation digital infrastructure.

Manjari Singhal, Chief Growth and Business Officer, Cleartrip

The Union Budget 2026 signals a clear and consistent commitment to strengthening India's travel and tourism ecosystem. Continued investments in building an integrated network of roads, railways, airports and emerging connectivity like seaplanes will make travel easier, more accessible and better distributed, supporting the next phase of both domestic and inbound tourism growth.

As infrastructure improves access and connectivity, these efforts help travellers feel more confident to explore new regions and experiences. Overall, the Budget reinforces travel and tourism as long-term drivers of jobs, regional development and inclusive growth, and sets the right foundation for India's inbound and outbound travel story in the years ahead

Rajan Navani, Chairman — JetSynthesys | Chairman of CII India@100 Council

As Chairman of JetSynthesys, India's pioneering operating platform in the Orange Economy, I am happy to see the government recognise the economic value of youth-led creation capabilities and actively support their growth as India moves towards a Viksit Bharat. This acknowledgement reinforces the critical role that creativity, content, and digital-first industries will play in shaping India's next phase of economic expansion.

As a Member of the Board of Directors of IICT, I especially welcome the government's initiative to establish 15,000 content labs across secondary schools and 500 colleges nationwide. This is a powerful step towards expanding the creative talent pool while simultaneously raising the bar for world-class capabilities and quality—laying a strong foundation for Bharat's creative industries to compete globally.

Budgets shape balance sheets for a year, but growth-focused budgets shape the nation's future for decades. And this is definitely one for Viksit Bharat of 2047, Deepening Bharat's internal economic strength for inclusivity and at the same time ensuring India's march on the global stage leveraging the technology and creative power of a young India.

Boman Irani, Chairman & Managing Director, Rustomjee Group

Budget 2026 – 27 reflects continuity and fiscal maturity. Sustaining public capital expenditure at ₹12.2 lakh crore while maintaining a credible path of fiscal consolidation underscores policy stability – an important enabler for long gestation sectors like real estate.

The continued emphasis on infrastructure led development across transport corridors, urban mobility and economic clusters will gradually widen real estate demand beyond traditional metros. Improved connectivity and employment creation are essential for strengthening Tier 2 and Tier 3 cities as viable residential and commercial markets.

The focus on sustainability, clean energy and climate-resilient infrastructure is also directionally encouraging. It reinforces the shift towards more efficient buildings, integrated urban planning and lower lifecycle costs, while aligning development with long-term climate goals.

However, the Budget is notably restrained on affordable housing. With the current definition no longer reflecting market realities, the segment's share of total housing supply risks declining from around 18% to nearly 12%. Rising land and construction costs, without targeted policy support are making this segment increasingly difficult to sustain.

Affordable housing should be viewed not merely as a social imperative but as economic infrastructure – one that directly impacts employment, rental affordability, commuting patterns and urban stability. Addressing this gap, alongside faster approvals and execution-led reforms, would have made the Budget more balanced from a real estate standpoint.

Masood Mallick, Chairman, CII National Committee on Waste to Worth Technologies and Managing Director & Group CEO, Re Sustainability Limited

The Union Budget 2026–27 marks a decisive shift in how India approaches resource security and decarbonisation—treating them as strategic economic priorities rather than regulatory afterthoughts.

The INR 20,000 crore commitment to Carbon Capture, Utilisation and Storage (CCUS) over five years is a particularly important signal. It directly addresses the competitiveness challenge Indian industry faces under mechanisms such as the EU's Carbon Border Adjustment Mechanism and provides a credible pathway for hard-to-abate sectors like steel and cement to remain globally competitive while decarbonising.

Equally significant is the focus on building domestic capability across the critical minerals value chain—from exploration to processing. Duty exemptions on capital goods for critical mineral processing, along with support for rare-earth corridors in mineral-rich states, will strengthen urban mining and large-scale resource recovery.

For industries engaged in recovering value from end-of-life materials, this recognition of secondary resources as strategic assets is both timely and overdue.

The extension of duty exemptions for lithium-ion cell manufacturing in battery energy storage systems, and the rationalisation of excise duty on biogas-blended CNG, reflect a sophisticated understanding of how clean energy transition and circularity reinforce each other. These measures will unlock investment in recovery infrastructure and accelerate the shift from linear to circular industrial models.

By placing execution, scale, and infrastructure at the centre of its approach, this Budget positions circularity as foundational to India's manufacturing resilience and its Viksit Bharat ambitions—giving industry the confidence to invest boldly in sustainable technologies.

Vidit Aatrey, Co-founder, Managing Director and CEO at Meesho

The Union Budget 2026–27 reflects a clear shift from isolated support measures to an ecosystem-led approach for Indian MSMEs and digital commerce. Initiatives such as the ₹10,000 crore SME Growth Fund, deeper integration of TReDS with GeM, and stronger credit guarantees will meaningfully ease working capital constraints for small sellers, particularly in Tier 2 and Tier 3 markets where e-commerce is growing rapidly.

The emphasis on logistics infrastructure, cluster modernisation, and cost-efficient supply chains is critical to improving efficiency and lowering cost-to-serve. The continued focus on strengthening the MSME ecosystem, including targeted efforts to encourage women entrepreneurs, will help broaden participation and deepen livelihood creation across regions.

Beyond MSMEs, the Budget's focus on strengthening core technology infrastructure, including data centres and cloud capacity, is an important enabler for the broader economy. By lowering the cost of domestic digital infrastructure, these measures will support wider adoption of AI-driven tools and advanced technologies across businesses of all sizes. Taken together, the Budget lays the foundation for a more resilient, inclusive, and scalable growth ecosystem.

Achint Setia, CEO, Snapdeal

Budget 2026 makes several practical improvements to the operating environment for e-commerce and digital-first businesses. The complete removal of the ₹10 lakh cap on courier exports meaningfully expands cross-border opportunities for small Indian brands. Faster tax dispute resolution and simpler compliance processes lower execution friction for growing companies.

Support for MSMEs through growth funds, liquidity enhancement, access to CPSE purchases, and a focus on reviving MSME clusters in traditional hubs will boost economic activity in smaller towns. Together, these measures strengthen MSMEs and India's digital commerce ecosystem.

Rohit Bansal, CEO, Snapdeal | Co-Founder, Titan Capital & Snapdeal, Promoter – Unicommerce

In the middle of all the manufacturing and capex talk in Budget 2026, one policy stood out. Global cloud companies will now get a tax holiday till 2047 for running data centres in India. This is a big deal. This exempts global-facing data centre income from Indian income tax for over two decades.

Data centres involve high upfront capex, long gestation periods, and returns that are extremely sensitive to taxation, power costs, and utilisation certainty.

A near 20-year tax holiday materially changes the math. Project IRRs improve sharply. Payback periods compress. Large capex decisions become meaningfully de-risked. Crucially, this comes on top of India's existing advantage: a deep pool of high-quality engineering and operations talent at globally competitive costs. From network engineering and cloud operations to cybersecurity and facilities management, India already offers scale without the wage inflation seen in mature hubs.

The downstream impact is just as important. Hyperscale data centres anchor high-quality jobs across construction, electrical and cooling systems, network engineering, cybersecurity, and long-term facility operations. Each large campus also catalyses local ecosystems: renewable power, transmission infrastructure, fibre networks, hardware supply chains, and managed services.

Few fiscal measures combine long-term capital attraction, skilled job creation, and export competitiveness as cleanly as this one.

R.S Subramanian, SVP, DHL Express India

The trade facilitation measures announced in the Union Budget mark a significant evolution in India's approach to global commerce. By placing systemic trust and digital integration at the centre of reforms, the government has laid a strong foundation for a more resilient, agile and globally competitive export-import ecosystem.

A major highlight is the transition towards a fully digital, trust-based customs framework. The adoption of AI-enabled scanning, faster clearances and more predictable regulatory rulings goes beyond improving speed and efficiency. It enhances transparency, reduces uncertainty and provides businesses with the confidence required for long-term investment and operational planning.

Several measures directly address long-standing pain points in cross-border trade. The removal of value caps on courier exports and the simplification of duty structures significantly ease compliance, particularly for MSMEs and e-commerce exporters apart from Individuals who were always perplexed & unhappy on different duty rates These steps will help expand India's footprint in global markets by removing procedural and value-related constraints.

The introduction of seamless export returns and "Return-to-Origin" processes reduces risk, cost and congestion in international trade. This reform improves shipper confidence, ensures faster resolution of non-clearance scenarios and creates a more business-friendly trading environment.

Further, the integration of SEZ clearances through a combination of ECCS, ICEGATE and ICES strengthens the digital trade infrastructure. This will enable Special Economic Zones to operate in a more frictionless manner and remain globally competitive. This also sets the tone for clearances of EOU, IGCRD, MOOWR, etc via Courier.

Another impactful reform is the strengthening of the Authorized Economic Operator (AEO) framework through the introduction of a 30-day deferred duty payment option. This is a significant enabler for working capital efficiency and offers a strong incentive for businesses to adopt higher compliance standards.

Collectively, these measures represent a decisive shift towards a modern, trust-based and technology-driven trade ecosystem, reinforcing India's ambition to become a preferred global trade and logistics hub.

Abhay Sinha, Director General, SEPC – Services Export Promotion Council

Hoping to hear from you soon. The Union Budget 2026-27 reinforces the services sector as a core engine of Viksit Bharat, with targeted measures across education-to-employment linkages, medical value tourism, IT and digital services, tourism, and the creative economy.

Initiatives such as rationalisation of safe harbour provisions for IT services, promotion of medical value tourism hubs, stronger skilling pathways for allied health and caregiving services, and trust-based trade facilitation are poised to lift India's global competitiveness in services exports.

SEPC welcomes these forward-looking steps, which will further improve ease of doing business, strengthen service quality and compliance readiness, and provide a clearer runway for sustained, export-led growth in India's services sector.

Tarun Garg, MD & CEO, Hyundai Motor India Limited

Further building on the mega GST 2.0 reforms, the Union Budget 2026–27 presents a long-term focused roadmap that accelerates India's rise as a global manufacturing hub and Atmanirbhar Bharat. Focus on the rare earth corridor, EV Battery and Electronics manufacturing, MSME empowerment, inclusivity and AI investments position India for global leadership.

The strong push for tourism, rural growth and enhanced regional connectivity will further spur economic activity and open new avenues for advanced mobility, logistics and transportation solutions. With a bold capital outlay, simplified taxation and improved ease of doing business, this Budget is a decisive step towards a healthy and Viksit Bharat, reinforcing confidence in India's growth story.

Gayathri Parthasarathy, Partner and Leader – Financial Services, PwC India

Union Budget 2026–27 reinforces the government's dual priority of sustaining growth while maintaining fiscal discipline. Continued high capital expenditure in infrastructure, manufacturing, digital public infrastructure, and energy transition is expected to crowd in private investment and strengthen India's long-term growth trajectory.

A key highlight is the strong emphasis on financial sector reforms. The banking system was described as healthier and more resilient—with improved asset quality, stronger balance sheets, and rising profitability. A high-level committee on banking has been proposed to align the sector with India's next growth phase and help in achieving Viksit Bharat goals. This committee will undertake a comprehensive review of the banking sector's structure, governance, and future readiness to meet India's expanding credit needs, while safeguarding stability and consumer interests.

Public sector banks are set to see further governance and technology-driven reforms aimed at improving efficiency and competitiveness. The Budget also includes the restructuring of Power Finance Corporation (PFC) and Rural Electrification Corporation (REC), alongside a comprehensive review of the Foreign Exchange Management (FEMA) (non-debt instruments) Rules.

Additionally, the Budget underscores the growing role of non-banking financial companies (NBFCs) in expanding credit access and calls for deeper insurance penetration. It further provides an incentive of ?100 crore for single issuance of municipal bonds of more than ?1,000 crore and introduces a market-making framework and total return swaps on corporate bonds—supported by tax measures such as raising the STT on futures from 0.02% to 0.05% and increasing STT on options premium and exercise of options to 0.15% from 0.1% and 0.125%, respectively.

Together, these measures point to a reform-led push to build a stronger, more inclusive financial ecosystem.

Manpreet Singh Ahuja, Chief Clients Officer and TMT Leader, PwC India

Union Budget 2026–27 is a clear signal that India wants to be a producer of digital value. The Budget strengthens the foundations of a future-ready digital economy through three big moves: building global-scale digital infrastructure, deepening 'trust by design' in governance, and accelerating talent creation for the next wave of technology-led growth.

For the technology ecosystem, the most significant announcement is the intent to make India a global hub for cloud and data infrastructure—via a tax holiday till 2047 for foreign companies providing global cloud services using India-based data centre capacity. This move, coupled with a more predictable tax and compliance regime for IT services, reduces uncertainty, improves capital confidence, and enables faster global scaling for India.

Shishir Baijal, International Partner, Chairman and Managing Director, Knight Frank India

We welcome the Honourable Finance Minister's announcement today, so far as the thrust on infrastructure development is concerned. The FY27 Union Budget signals continuity in India's macro-growth trajectory, with a consistent infrastructure push and fiscal discipline. The Budget maintains a stable macro environment for investors, keeping buyer sentiment measured and pragmatic.

The focus on selective opportunities in tier-2 and tier-3 growth corridors, and connectivity in urban economic regions, provides a supportive backdrop for demand in residential and logistics markets over the medium term. However, disappointingly, the

Budget does not introduce any real estate-specific fiscal incentives, especially to boost affordable housing in India, which has already been a cause of concern for the sector.

Sharad Malhotra, Managing Director, Nippon Paint (India) Group

Union Budget 2026 reinforces the government's focus on sustaining economic momentum through higher capital expenditure, infrastructure creation and fiscal discipline. This continued emphasis on investment-led growth will be critical in supporting India's long-term ambition of becoming the world's third-largest economy while creating meaningful employment at scale.

The proposal to support states in setting up three dedicated chemical parks through a cluster-based, plug-and-play framework is a timely step. It will strengthen domestic manufacturing capabilities, improve supply chain efficiency and reduce import dependence, which is particularly important for sectors such as paints and coatings that rely on a robust chemical ecosystem.

Overall, the Budget reflects a balanced approach that combines industrial growth, technological advancement and sustainability. By improving ease of doing business amid a volatile global environment, it lays the foundation for higher productivity, long-term manufacturing resilience and India's emergence as a globally competitive industrial hub.

Pragya Priyadarshini, Managing Director, Primus Partners

This year's budget presents a balanced and forward-looking blueprint for infrastructure, highlighting development of high-speed and freight corridors to reduce logistics cost and time while encouraging a modal shift from road to rail and waterways.

The Infrastructure Risk Guarantee Fund will help improve project bankability by mitigating risks and attracting private capital. A ₹10,000-Crore, five-year container manufacturing scheme will help India reduce reliance on foreign suppliers and strengthen self-reliance in line with Atmanirbhar Bharat.

Greater domestic production will stabilise container availability and reduce logistics costs, enhancing trade competitiveness. These steps collectively are a journey towards an integrated, future-ready ecosystem, which now needs effective and timely implementation.