

January 27, 2026 – Tuesday

Economy

Private-sector capex tumbles for second straight quarter in Q3FY26

Fresh private-sector capex plans dropped sequentially for a second straight quarter between October and December 2025 (Q3FY26), even as government projects rebounded after six months of decline to lift overall new investment plans 4.6 per cent over Q2 levels to ₹15.7 trillion, shows data from investment monitoring firm Projects Today. While promoters have turned cautious amid global headwinds, this suggests public capex may need to keep doing the heavylifting for longer.
https://www.business-standard.com/industry/news/private-sector-capex-tumbles-for-second-straight-quarter-in-q3fy26-126012600973_1.html

Budget Expectations

Nominal GDP pegged at 10.5%-11% for FY27, fiscal deficit seen at 4.2%: Report

An SBI report projects nominal GDP growth at 10.5-11% for FY27, with the fiscal deficit estimated at 4.2%. Capital expenditure is expected to surpass ₹12 lakh crore. The report also highlights the need for better expenditure planning and suggests states adopt medium-term debt paths aligned with growth needs.
https://economictimes.indiatimes.com/news/economy/indicators/nominal-gdp-pegged-at-10-5-11-for-fy27-fiscal-deficit-seen-at-4-2-report/articleshow/127570163.cms

Budget 2026: Government seen easing fiscal grip amid global headwinds

Budget 2026 will likely focus on supporting the economy amidst global challenges. Rating agencies suggest a cautious approach to fiscal consolidation. Reforms, especially in deregulation, will be viewed favorably. Any deviation from fiscal discipline could negatively impact ratings. Experts anticipate continued strong economic growth for India.
https://economictimes.indiatimes.com/news/economy/policy/budget-202627-government-seen-easing-fiscal-grip-amid-global-headwinds/articleshow/127570171.cms

Govt's tax collections remain weak in FY26 so far, likely to improve in FY27: CareEdge Ratings

The central government's tax collections have remained weak so far in the ongoing financial year 2025-26 (FY26), with growth significantly lower than budgeted estimates, but the situation is expected to improve in the next financial year, FY27, according to a report by CareEdge Ratings. The report noted that gross tax collections have grown by just 3.3 per cent year-on-year during the first eight months of FY26, much lower than the budgeted growth of 12.5 per cent.
https://www.thehindubusinessline.com/economy/govts-tax-collections-remain-weak-in-fy26-so-far-likely-to-improve-in-fy27-careedge-ratings/article70552381.ece

Gold reserve fund likely to see high allocation in RE of FY26, BE of FY27

With gold prices surging, the Union Budget is likely to provide a higher allocation to the Gold Reserve Fund in both the revised estimates (RE) for FY26 and the budget estimates (BE) for FY27. The fund is primarily used to meet

redemption payouts under the Sovereign Gold Bond (SGB) scheme. A key driver of the higher allocation is the large volume of SGB redemptions. Fourteen tranches of the 2017–18 series were redeemed during the current fiscal, with the final tranche maturing earlier this month. While these bonds were issued at ₹2,881–2,951 per unit, redemption prices ranged between ₹9,486 and ₹13,486.
https://www.thehindubusinessline.com/markets/gold/gold-reserve-fund-likely-to-see-high-allocation-in-re-of-fy26-be-of-fy27/article70553591.ece

PMO urges Finance Ministry to propose ways to accelerate agri growth in Budget

This year, the Budget will likely focus on providing renewed thrust to the rural economy, with the Prime Minister's Office urging the Finance Ministry to accelerate agricultural growth. "The Prime Minister's Office (PMO) has taken cognisance of the declining growth trajectory in the agriculture sector, which has slipped from 4.6 per cent in 2024-25 to an estimated 3.1 per cent in 2025-26," said a source with access to the PMO.
https://www.thehindubusinessline.com/economy/agri-business/indias-pmo-urges-finance-ministry-to-propose-ways-to-accelerate-agri-growth-in-budget/article70552868.ece

Budget 2026 Expectations LIVE: Middle Class eyes new tax relief as experts predict corporate tax cuts for SMEs

Finance Minister Nirmala Sitharaman is set to present the Union Budget 2026 on February 1. All eyes are on the key benefits and the sops that are expected to be announced by the Finance Minister. The popular expectation ranges from Govt staying the course on fiscal consolidation to income tax cuts and a potential cut in the corporate tax rate for SMEs. According to EY India, capital investments in green infrastructure are expected to see a significant rise, while growth in the retail segment is also anticipated due to lower personal taxes.
https://www.financialexpress.com/business/news/budget-2026-live-ey-jm-financial-outline-growth-drivers-amid-tariff-and-market-concerns/4119546/

Budget FY27 eyes Rs 13,000 crore incentive for construction equipment

The Union Budget to be presented on February 1 is expected to propose an incentive scheme of over Rs 13,000 crore for the construction equipment sector, as the government looks to strengthen domestic manufacturing and reduce reliance on imports, according to officials familiar with the discussions. The proposed scheme is likely to be part of the government's broader effort to build domestic capacity in capital goods that are critical to infrastructure creation, at a time when public investment continues to anchor economic growth.
https://www.financialexpress.com/business/news-budget-fy27-eyes-rs-13000-crore-incentive-for-construction-equipment-4119847/

Budget 2026: India Inc may get income tax exemptions for deploying CSR funds into vocational training

The government is considering income tax exemptions for companies that deploy CSR funds toward vocational training to boost private sector participation in skilling. A formal proposal has been submitted to the finance ministry, with potential incentives expected in the Union Budget on February 1.
https://economictimes.indiatimes.com/news/economy/policy/budget-2026-india-inc-may-get-income-tax-exemptions-for-deploying-csr-funds-into-vocational-training/articleshow/127496793.cms

Budget 2026 could change how India builds, exports and sells from SEZs

India's Union Budget 2026-27 is approaching. Companies seek measures to boost investment and growth. Reforms are needed for Special Economic Zones (SEZs) to regain competitiveness. Key areas include duty structures for domestic sales, tax ambiguities with Free Trade Warehousing Zones, and operational bottlenecks.
https://economictimes.indiatimes.com/news/economy/policy/budget-2026-could-change-how-india-builds-exports-and-sells-from-sezs/articleshow/127532262.cms

Budget 2026: The GCC capital of the world needs more brains to bank its $100-billion dream

Budget 2026 is poised to bolster India's role as a global brain hub, addressing a widening skills gap in the burgeoning Global Capability Centres (GCC) sector. With GCCs transitioning to AI-driven roles and aiming for $100 billion in revenue, targeted skilling initiatives are crucial to sustain growth and leverage India's demographic advantage.
https://economictimes.indiatimes.com/news/economy/policy/budget-2026-gcc-expectations-sitharaman-india-global-capacity-centers-announcement-tech-job-skill/articleshow/127533183.cms

Raise home loan interest deduction limit, restore tax commission: NAREDCO

The National Real Estate Development Council (NAREDCO) has appealed to Union Finance Minister to increase the limit for interest deduction on home loans and to reinstate the Income Tax Settlement Commission. “At least the limit of ₹2 lakh should be raised to ₹5 lakh or more for owner occupied houses. Also, five years period for acquisition / completion from the year of borrowing should be dispensed with,” Parveen Jain, President, NAREDCO, has said.
https://www.thehindubusinessline.com/news/real-estate/raise-home-loan-interest-deduction-limit-restore-tax-commission-naredco/article70552255.ece

Finance

Transmission of rate cut only half complete in public sector banks

The effectiveness of monetary policy hinges on how quickly banks pass on repo rate changes to borrowers. Foreign banks have been the most agile in passing on the entire rate cuts in the current cycle (between February to November 2025) on both outstanding and fresh rupee loans. Private banks have completed around three-fourth of the transmission to loans. But public sector banks have been the slowest, bringing down the weighted average lending rate (WALR) on fresh loans by only 54 basis points and WALR on outstanding loans by 59 basis points.
https://www.thehindubusinessline.com/data-stories/data-focus/transmission-of-rate-cut-only-half-complete-in-public-sector-banks/article70552628.ece

RBI nudges banks towards direct priority sector lending

The Reserve Bank of India’s latest changes to priority sector lending (PSL) norms are aimed at pushing banks towards direct lending and tighter borrower-level accountability, while reducing reliance on indirect routes such as on-lending through NBFCs, bankers and industry experts said. “The idea behind these changes is that banks should do PSL themselves and not rely on NBFCs. A bank should directly be involved in priority sector lending,” said Amitava Chatterjee, managing director and CEO of Jammu & Kashmir Bank.
https://www.financialexpress.com/business/banking-finance-rbi-nudges-banks-towards-direct-priority-sector-lending-4120026/

Mutual funds eye more allocation in SDLs

With states planning to raise funds to the tune of Rs 5 lakh crore in the fourth quarter, mutual fund houses are keenly looking forward to participating in them for higher yields. Market participants said that the spread between government and state bonds, which have already more than doubled to 85 basis points, are expected to widen further. “We are planning to increase our allocation in SDL (State Development Loans), as spreads have reached near recent highs — driven purely by liquidity shortages and oversupply. said Abhishek Bisen, head of fixed income at Kotak Mutual Fund. He explained that given these attractive spreads, the 2030–2035 maturities offer far better risk-reward profiles. “We plan to scale up to 20–30% on SDLs,” he added.
https://www.financialexpress.com/market/mutual-funds-eye-more-allocation-in-sdls-4120019/

Industry

Cement, aluminium expansion to test India’s net-zero pathway

India’s cement production is projected to rise more than four-fold from around 390 million tonnes currently to 1,743 million tonnes by 2047, while aluminium output is expected to increase from about 5 million tonnes to 18 million tonnes by 2040 and 37 million tonnes by 2070, according to a decarbonisation roadmap released by NITI Aayog. The expansion trajectory comes as the industrial sector already accounts for about 24 per cent of India’s total greenhouse gas emissions, with cement, aluminium and MSMEs together contributing roughly 12–13 per cent, the report titled Roadmap for Decarbonisation of Aluminium, Cement and MSME Sectors noted.
https://www.financialexpress.com/business/news/cement-aluminium-expansion-to-test-indias-net-zero-pathway/4119892/

Commercial vehicle sales set to hit a new milestone in FY26 amid replacement demand after tax rationalization

Commercial vehicle sales are set for their best years in FY26 and FY27. This surge is fueled by replacement demand after tax changes and ongoing infrastructure development. Industry leaders anticipate strong growth continuing into next year. This positive outlook is supported by increased utilization levels and government spending on infrastructure projects.
https://economictimes.indiatimes.com/industry/auto/auto-news/commercial-vehicle-sales-set-to-hit-a-new-milestone-in-fy26-amid-replacement-demand-after-tax-rationalisation/articleshow/127568985.cms

E2W companies seek PM E-Drive subsidy extension beyond March 2026

India's electric two-wheeler (e2W) manufacturers have urged the government to extend subsidies under the PM E-Drive (Electric Drive Revolution in Innovative Vehicle Enhancement) scheme beyond March 2026, cautioning that a withdrawal could slow near-term demand even as confidence in long-term electric mobility adoption remains intact. Industry executives say incentives continue to play a role in easing upfront cost concerns for price-sensitive buyers while policy visibility beyond 2025-26 (FY26) is critical for sustaining investments in manufacturing, dealer expansion, and localisation.
https://www.business-standard.com/industry/auto/ev-two-wheeler-makers-seek-pm-e-drive-subsidy-extension-beyond-march-2026-126012600645_1.html

Mines ministry proposes partial lease execution to speed up production from auctioned blocks

India's mines ministry is proposing new rules to speed up mining operations. These changes will allow companies to start production in parts of mineral blocks even if forest clearances are pending. A new online portal will streamline the auction and lease execution process. This aims to boost mineral production and attract more investment in the sector.
https://economictimes.indiatimes.com/industry/indl-goods/svs/metals-mining/mines-ministry-proposes-partial-lease-execution-to-speed-up-production-from-auctioned-blocks/articleshow/127570153.cms

Agriculture

Higher area, conducive weather may lift India's mustard output by 10%

After sliding more than four per cent last year, mustard production may exceed by at least 10 per cent in 2025-26 due to increased area as well as conducive weather, so far. However, latest prediction of rain and hailstorms over north-west region in the next few days may be a concern due to possibility of crop damage. The mustard acreage this year is higher by 3.2 per cent at 89.36 lakh hectare (lh) against 86.57 lh in 2024-25. The production was 126.67 lakh tonnes (lt) last year and the government has set a target of 139 lt during 2025-26.
https://www.thehindubusinessline.com/economy/agri-business/higher-area-conducive-weather-may-lift-indias-mustard-output-by-10/article70553386.ece

Infrastructure

Resale housing becomes core buying channel amid affordability crunch

India's housing resale market has emerged as a primary buying channel rather than a fallback option, driven largely by affordability pressures and premiumisation of new launches, according to industry insiders and experts. "Resale homes have become a strong alternative to a primary buying channel for value-conscious end-users. They offer a more compelling price-to-value equation and access to established, vibrant neighbourhoods, something new launches often cannot match," said Saurabh Garg, co-founder and chief business officer of NoBroker.
https://www.business-standard.com/industry/news/resale-housing-becomes-core-buying-channel-amid-affordability-crunch-126012500322_1.html

Energy

Budget 2026: Centre may roll out Rs 20,000 cr PLI scheme for nuclear components

The government is likely to announce a dedicated Production Linked Incentive (PLI) scheme for manufacturing critical nuclear components, in the upcoming Union Budget, as part of efforts to strengthen India's domestic nuclear supply chain and support long-term capacity expansion, a government official said on the condition of anonymity.

People aware of the discussions said the incentive outlay being examined is in the range of ₹18,000-20,000 crore, though final approvals, timelines and eligibility criteria are yet to be firmed up.
https://www.financialexpress.com/business/news/budget-may-roll-outnbsppli-for-nuclear-sector/4119117/

Russia oil flows into India show resilience, likely to continue into 2026

For much of last year, discounted Russian oil made up the lion's share of Indian purchases, a financial lifeline for Moscow that also shaved billions off New Delhi's import bill. Then came US threats, tariffs, sanctions — and months of disruption. But against the expectations of many in the market, those Russian flows have proved remarkably resilient. With discounts widening and a US trade deal still elusive, the new normal could include significant purchases well into 2026.
https://www.business-standard.com/economy/news/russia-oil-flows-into-india-show-resilience-likely-to-continue-into-2026-126012700077_1.html

States

MP govt to sign three agreements for generating 4,000 MW of thermal power

Madhya Pradesh is set to ink three agreements for 4,000 MW of thermal power production, attracting an estimated Rs 60,000 crore investment. Selected developers, including Adani Power and Torrent Power, will establish these plants in Anuppur district, with power supply expected from 2030.
https://economictimes.indiatimes.com/industry/energy/power/mp-govt-to-sign-three-agreements-for-generating-4000-mw-of-thermal-power/articleshow/127559799.cms

Uttar Pradesh govt sets aside 425 acres for fintech, apparel parks

In a move to further industrialise the state, the Uttar Pradesh (UP) government has earmarked 425 acres of industrial grade land in the National Capital Region (NCR) for two export-oriented projects in the fintech and apparel sectors. The proposed fintech and apparel parks will come up in the Yamuna Expressway Industrial Development Authority (YEIDA) area of Gautam Buddha Nagar district (Noida/Greater Noida). Of the total land, 250 acres will be allocated to the fintech park and 175 acres to the apparel park. The projects are expected to generate thousands of jobs for the state's youth.
https://www.business-standard.com/industry/news/uttar-pradesh-govt-sets-aside-425-acres-for-fintech-apparel-parks-126012600651_1.html

Rajasthan records 9.74% growth in domestic tourist arrivals in 2025

Rajasthan witnessed significant growth in domestic tourists during the calendar year 2025, registering a 9.74 per cent increase in the number of visitors as compared to the previous year. According to the released data, a total of over 25.44 crore tourists visited Rajasthan in 2025. Of these, over 25.25 crore were domestic travellers. Tourism Commissioner Rukmani Riar said that while there has been a decline in foreign tourist arrivals in India, the decrease in Rajasthan is less compared to other states.
https://www.business-standard.com/industry/news/rajasthan-records-9-74-growth-in-domestic-tourist-arrivals-in-2025-126012600689_1.html

Davos 2026: States need equitable risk sharing, new-age financing for investments

Speaking during a panel discussion on new age financing-mobilising capital for infrastructure creation and sustainable regional growth at ET House in Davos, Jharkhand's finance secretary Prashant Kumar said his state has started looking for new-age financing with blended finance and public-private partnerships to fund capital infrastructure.
https://economictimes.indiatimes.com/news/economy/finance/davos-2026-states-need-equitable-risk-sharing-new-age-financing-for-investments/articleshow/127496068.cms

Healthcare

Antimicrobial sales growth set to temper in 2026 over govt's AMR push

Sales of antimicrobials such as antibiotics are expected to see constrained growth this year due to possible regulatory restrictions on their use, as part of the Central government's plan to reduce antimicrobial resistance (AMR). AMR is a condition where microorganisms such as bacteria, viruses, fungi and parasites evolve to resist the medicines designed to kill them, making infections harder or impossible to treat.
https://www.business-standard.com/health/antimicrobial-sales-growth-set-to-temper-in-2026-over-govt-s-amr-push-126012500371_1.html

External

Negotiations over, India-EU much-awaited FTA set for rollout by 2027

India and the European Union (EU) have concluded negotiations on the much-awaited free-trade agreement (FTA), with a formal announcement slated for Tuesday, said government officials. They said ratification of the pact is likely to take another six months, clearing the way for the agreement to come into force in early 2027. "Official-level negotiations are being concluded and both sides are all set to announce the successful conclusion of FTA talks on January 27," said Commerce Secretary Rajesh Agrawal. He described the pact as balanced and forward-looking from India's perspective, and said it would help deepen economic integration between the two sides.
https://www.business-standard.com/economy/news/india-eu-conclude-long-awaited-fta-talks-deal-may-kick-in-early-2027-126012600824_1.html

India, Russia likely to achieve $100 billion trade target by 2030: Envoy

India and Russia are moving confidently to achieve a target of $100 billion in bilateral trade by 2030 and steps are being taken to expand the trade basket, Ambassador Vinay Kumar said on Monday. "The past year has been particularly active. We had a very successful visit of President (Vladimir) Putin. Achieving the bilateral trade target of $100 billion by 2030 is eminently possible," Ambassador Kumar said while talking to PTI on India's 77th Republic Day.
https://www.business-standard.com/economy/news/india-russia-moving-confidently-to-achieve-usd-100-billion-trade-target-by-2030-126012600612_1.html

Canada PM may visit India in March, ink C$2.8 billion uranium deal

Canadian Prime Minister (PM) Mark Carney could visit India in the first week of March, and the two sides are looking at formally starting their negotiations on a free trade deal, with New Delhi and Ottawa having resolved to double bilateral trade to $50 billion by 2030. The two sides could also sign agreements on artificial intelligence (AI), critical minerals, energy, and a 10-year C$2.8 billion uranium supply deal during Carney's visit. India is exploring more investments from Canadian pension funds as well.
https://www.business-standard.com/india-news/world-canada-mark-carney-india-visit-march-trade-talks-cepa-126012600646_1.html