

February 02, 2026 – Monday

Economy

Budget 2026: FM Sitharaman pegs fiscal deficit at 4.3% of GDP for FY27

Finance Minister Nirmala Sitharaman, while presenting the Union Budget 2026 on Sunday, pegged the fiscal deficit for the financial year 2026–27 (FY27) at 4.3 per cent of gross domestic product (GDP), down from 4.4 per cent in FY26. "The fiscal deficit is one of the key operational indicators for debt targeting. I am happy to inform this August House that I have fulfilled my commitment made in 2021–22 to bring the fiscal deficit below 4.5 per cent of GDP. In the Revised Estimates (RE) for 2025–26, the fiscal deficit is pegged at 4.4 per cent of GDP, in line with the Budget Estimates (BE). In keeping with the new path of fiscal prudence and debt consolidation, the fiscal deficit for 2026–27 is estimated at 4.3 per cent of GDP," Sitharaman said.
https://www.business-standard.com/budget/news/union-budget-2026-fiscal-deficit-fy27-nirmala-sitharaman-be-re-126020100352_1.html

Budget 2026 keeps infra at core, raises capital spending to ₹12.2 trillion

Infrastructure remains at the centre of the government's growth strategy in Union Budget 2026, with Finance Minister Nirmala Sitharaman announcing a rise in capital expenditure (capex) to ₹12.2 trillion in FY2026–27, up from ₹11.2 trillion budgeted for the current financial year (FY2025–26). Capital expenditure primarily includes spending on infrastructure such as roads and railways. Presenting the Budget in Parliament on Sunday, Sitharaman underlined the government's continued push towards infrastructure-led growth, even as it seeks to remain on the path of fiscal consolidation.
https://www.business-standard.com/budget/news/union-budget-2026-infra-push-capex-rises-12-2-trillion-126020100385_1.html

Finance

High-level panel to review bank ownership and consolidation for Viksit Bharat

A new committee will review India's banking sector. It aims to create fewer, larger banks. This will help fund big projects for India's growth. The panel will also look at ownership rules for private banks. This could attract more foreign investors. The goal is to align banks with India's vision for a developed nation by 2047.
https://economictimes.indiatimes.com/industry/banking/finance/banking/high-level-panel-to-review-bank-ownership-and-consolidation-for-viksit-bharat/articleshow/127847152.cms

Budget resolves long-standing dilemma on TDS for contract work

Contract work will now be specifically brought under contractor payments for taxing purposes as per the Union Budget 2026, resolving longstanding ambiguities around the tax deduction provisions for such work. On Sunday, Finance Minister Nirmala Sitharaman, during her Budget speech, said, "Supply of manpower services is proposed to be specifically brought within the ambit of payment to contractors for the purpose of TDS to avoid ambiguity. TDS on these services will be at the rate of either 1 per cent or 2 per cent only."

https://www.thehindubusinessline.com/economy/budget/budget-resolves-long-standing-dilemma-on-tds-for-contract-work/article70579026.ece

India expects record ₹3.16 trn dividend from RBI, state-run firms in FY27

India expects to receive a record ₹3.16 trillion ($34.4 billion) in dividends from its central bank and state-owned financial institutions in the fiscal year starting in April, according to budget documents tabled in the Parliament on Sunday. That would mark about a 3.6 per cent rise from the current financial year's revised budget estimate of ₹3.05 trillion. Last year, the Reserve Bank of India alone transferred ₹2.69 trillion to the government. The estimate for 2026-27 is in line with economists' expectation of ₹3.2 trillion in a Bloomberg survey, most of it expected from the RBI.
https://www.business-standard.com/finance/news/india-expects-record-3-16-trn-dividend-from-rbi-state-run-firms-in-fy27-126020100563_1.html

FinMin asks Nabard to study impact of RRB amalgamation during FY28

The finance ministry (FinMin) has told National Bank for Agriculture and Rural Development (Nabard) to conduct a comprehensive study on the impact of amalgamation of Regional Rural Banks (RRBs) during 2027-28 (FY28), a senior government official said on Friday. The official spoke to Business Standard on the condition of anonymity soon after the ministry reviewed financial performance, financial inclusion initiatives, and priority sector lending of RRBs at a meeting in New Delhi chaired by Department of Financial Services (DFS) Secretary M Nagaraju.
https://www.business-standard.com/finance/news/finmin-asks-nabard-to-study-impact-of-rrb-amalgamation-during-fy28-126013001248_1.html

Gross GST collection rises 6.2% to over ₹1.93 trillion in January

Gross GST collections rose 6.2 per cent to over ₹1.93 trillion in January, mainly on higher revenues from imports, sources said on Sunday. Total refunds declined 3.1 per cent to ₹22,665 crore. Net Goods and Services Tax (GST) revenues, however, grew 7.6 per cent to about ₹1.71 trillion in January. Cess collection (from tobacco products) in January stood at ₹5,768 crore. This compares to ₹13,009 crore in collections in January last year when a cess was levied on luxury, sin and demerit goods such as cars, and tobacco products.
https://www.business-standard.com/economy/news/gross-gst-collection-rises-6-2-to-over-1-93-trillion-in-january-126020100146_1.html

Industry

Budget 2026: FM Sitharaman announces India Semiconductor Mission 2.0, increases ECM Scheme outlay to Rs 40,000 crore

Union Finance Minister Nirmala Sitharaman on Sunday announced India's Semiconductor Mission 2.0. While delivering her ninth consecutive Budget speech, FM Sitharaman said that India's Semiconductor Mission 1.0 expanded the country's semiconductor capabilities. "Building on this, the government will launch the India Semiconductor Mission (ISM 2.0) to produce equipment and materials, develop full-stack Indian IP, and strengthen supply chains," the minister stated, proposing to increase the outlay for the Electronics Components Manufacturing Scheme to Rs 40,000 crore to capitalise on the momentum of India's semiconductor growth.
https://economictimes.indiatimes.com/small-biz/sme-sector/budget-2026-fm-sitharaman-announces-india-semiconductor-mission-2-0-increases-outlay-to-rs-40000-crore/articleshow/127835004.cms

Budget 2026: Textile boost through five-pronged integrated programme

India's textile industry is set for a robust transformation with new government initiatives. The National Fibre Mission and Textile Eco Initiative are designed to enhance production capabilities. These strategic efforts are poised to help the sector seize the advantages presented by recent free trade agreements. Additionally, extended export timelines and enhanced logistics will provide essential support to garment exporters.
https://economictimes.indiatimes.com/industry/cons-products/garments-/-textiles/budget-2026-textile-boost-through-five-pronged-integrated-programme/articleshow/127838330.cms

India Budget: Customs overhaul to cut costs, boost manufacturing

India's Union Budget 2026-27 introduces a comprehensive customs overhaul, featuring duty relief for manufacturing and exports, and a single digital window for faster clearances. Measures aim to boost competitiveness in sectors like textiles and footwear, while rationalizing duties on strategic imports to enhance market access with the US.
https://economictimes.indiatimes.com/news/economy/foreign-trade/india-budget-customs-overhaul-to-cut-costs-boost-manufacturing/articleshow/127846481.cms

Budget 2026 lays three-part roadmap to help MSMEs scale: Details here

With micro, small and medium enterprises (MSMEs) positioned as a core driver of economic expansion, the Union Budget 2026–27 outlines a structured three-part framework to help small businesses scale operations and formalise growth. Presenting the Union Budget 2026-27 in Parliament, Finance Minister Nirmala Sitharaman described MSMEs as a "vital engine of growth" and said the government aims to help them evolve into "champions". The framework rests on three pillars: equity support, liquidity access and professional compliance assistance.
https://www.business-standard.com/budget/news/budget-2026-msme-roadmap-equity-liquidity-compliance-changes-126020100659_1.html

Defence budget up by unprecedented 15% at ₹7.84 lakh crore

The government's focus on strengthening the armed forces' capabilities after Operation Sindoor and amid continuing global geopolitical upheaval is reflected clearly in the Union Budget, with the Ministry of Defence (MoD) receiving an unprecedented 15 per cent hike to ₹7.84 lakh crore for FY27, up from ₹6.81 lakh crore allocated for FY26. The total capital expenditure has been pegged at ₹2.19 lakh crore for FY27, while revenue expenditure is ₹5.54 lakh crore, as per the budget documents placed before Parliament by Finance Minister Nirmala Sitharaman.
https://www.thehindubusinessline.com/economy/budget/defence-budget-up-by-unprecedented-15-at-784-lakh-crore/article70578566.ece

SEZ units get one-time domestic sales window in Budget amid 50% US tariffs

To cushion exporters from the impact of the 50 per cent tariff imposed by the United States (US), finance minister Nirmala Sitharaman on Sunday announced a one-time measure to help units in Special Economic Zones (SEZs) utilise idle capacity and improve the export competitiveness of sectors that have been hit the hardest by the tariffs. The finance minister proposed customs duty exemptions on items that are manufactured in India or imported in negligible quantities, simplified duty rates, and lowered costs for strategic manufacturing, clean energy, defence, healthcare, and exports. She also raised tariffs on a few consumer goods.
https://www.business-standard.com/budget/news/sez-units-get-one-time-domestic-sales-window-in-budget-amid-50-us-tariffs-126020100444_1.html

Budget 2026: Govt allocates ₹600 crore for three dedicated chemical parks

Presenting the Union Budget 2026-27 in Parliament on Sunday, Finance Minister Nirmala Sitharaman said the government would launch a scheme to support states in setting up three dedicated chemical parks. "To enhance domestic chemical production and reduce import dependency, we will launch a scheme to support states in establishing three dedicated chemical parks through a challenge route, on a cluster-based plug-and-play model," Sitharaman said.
https://www.business-standard.com/budget/news/budget-2026-rs-600-crore-chemical-parks-scheme-three-dedicated-clusters-126020100412_1.html

FM proposes first-ever National Institute of Hospitality in Budget 2026

Finance Minister Nirmala Sitharaman laid emphasis on the tourism sector in her speech presenting the Union Budget 2026 on Sunday, as she announced the upgradation of the National Council for Hotel Management and Catering Technology (NCHMT) to the National Institute of Hospitality, which will function as a bridge between academia, industry and government. The Ministry of Tourism has been allocated ₹2,438.4 crore in Union Budget 2026, lower than the budgetary estimate of ₹2,541 crore in the preceding Budget. Last year's revised estimate stood at ₹1,310.3 crore.
https://www.business-standard.com/budget/news/fm-proposes-first-ever-national-institute-of-hospitality-in-budget-2026-126020100361_1.html

Union Budget 2026-27: Harnessing the yuva shakti

Seeking to address India's job crisis in times of AI adoption and a skills gap between education and market needs, the Budget has prioritised long-term job creation, focusing on services, creative industries, rural, healthcare, textiles and tourism. Today, when global uncertainty is growing and the emphasis remains firmly on India, the FM's proposals aim to prepare India's workforce for future growth sectors. While domestic demand has gotten a fillip in the past one year through monetary, fiscal and GST relief measures, experts point to the need for demand to sustain long-term growth. "The big challenge after last year's bazooka is how to keep demand going. The government's response to this has been to focus on income resiliency through job creation.
https://www.financialexpress.com/business/news/union-budget-2026-27-harnessing-the-yuva-shakti/4127715/

Agriculture

Farm jam: Budget bets on nuts, cocoa, fisheries to boost agri value

The budget's thrust on high-value farm produce and allied sectors will help India cut import dependence, raise farm incomes, strengthen exports, and modernise agricultural practices, experts said, pointing to a fresh look at areas that may have been relative stragglers in drawing sufficient funds over the past few years.
https://economictimes.indiatimes.com/news/economy/agriculture/farm-jam-budget-bets-on-nuts-cocoa-fisheries-to-boost-agri-value/articleshow/127847491.cms

Infrastructure

Budget 2026 proposes seven high-speed rail corridors linking growth cities

In a major push towards environmentally sustainable and faster passenger transport, Union Finance Minister Nirmala Sitharaman on Sunday announced plans to develop seven high-speed rail corridors linking cities that act as key growth connectors, as part of Budget 2026, tabled in Parliament. The seven high-speed rail corridors proposed under Budget 2026 are: Mumbai–Pune High-Speed Rail Corridor, Pune–Hyderabad High-Speed Rail Corridor, Hyderabad–Bengaluru High-Speed Rail Corridor, Hyderabad–Chennai High-Speed Rail Corridor, Chennai–Bengaluru High-Speed Rail Corridor, Delhi–Varanasi High-Speed Rail Corridor, Varanasi–Siliguri High-Speed Rail Corridor Together, these routes are expected to connect India's financial centers, technology hubs, manufacturing clusters and emerging urban regions through faster and more environmentally sustainable passenger transport.
https://www.business-standard.com/budget/news/budget-2026-seven-high-speed-rail-corridors-growth-cities-india-126020100282_1.html

FM announces ₹10,000 cr container manufacturing scheme, 20 new waterways

Finance Minister Nirmala Sitharaman has earmarked ₹10,000 crore in the Union Budget for container manufacturing, alongside a massive expansion of 20 waterways, new ship-repair hubs in Varanasi and Patna, and a scheme to promote coastal shipping. The new waterways will be operationalised over the next five years, she said on Sunday. India's container manufacturing capacity is around 30,000 units a year, according to industry and government estimates. In contrast, China, which dominates the global container market, has the capacity to produce 5 million units a year.
https://www.business-standard.com/budget/news/container-manufacturing-scheme-waterways-coastal-shipping-126020100336_1.html

Energy

Securing India's energy future: Budget 2026 bets on minerals, manufacturing and decarbonization

The Union Budget has laid out one of its most ambitious industrial and energy blueprints yet, with finance minister Nirmala Sitharaman unveiling a coordinated push across rare earths, clean manufacturing, nuclear power and industrial decarbonisation. The package signals a clear intent to reduce import dependence, strengthen domestic value chains and position India as a competitive manufacturing hub in the global energy transition.
https://www.financialexpress.com/business/news/budget-bets-on-minerals-manufacturing-and-decarbonisation-to-secure-indias-energy-future/4127629/

Restructuring PFC & REC to improve credit flows, execution discipline in power sector

The Budget proposal to restructure PFC and REC, funding and investment arms of the Power Ministry, not only emphasises the government's focus on prepare a vision for state-controlled NBFCs in a developed economy, but also to improve credit flows and execution in the electricity and infrastructure sectors. "The vision for NBFCs for Viksit Bharat has been outlined with clear targets for credit disbursement and technology adoption. In order to achieve scale and improve efficiency in the public sector NBFCs, as a first step, it is proposed to restructure the Power Finance Corporation and Rural Electrification Corporation," said Finance Minister Nirmala Sitharaman.
https://www.thehindubusinessline.com/economy/budget/restructuring-pfc-rec-to-improve-credit-flows-execution-discipline-in-power-sector/article70579860.ece

States

16th Finance Commission retains States' devolution share at 41% till FY31

Finance Minister Nirmala Sitharaman announced on Sunday that the Centre has accepted the 16th Finance Commission's recommendation to maintain the vertical devolution at 41 per cent. This tax-sharing formula will span five years from April 1, 2026, to March 31, 2031, preserving the fiscal continuity established during the previous five-year cycle.
https://www.thehindubusinessline.com/economy/budget/finance-commission-retained-devolution-share-for-states-at-41/article70578457.ece

Gujarat leads India in renewable energy, contributes 16.5% of total

Gujarat, under the leadership of Chief Minister Bhupendra Patel, has set new benchmarks in renewable energy, contributing significantly to Prime Minister Narendra Modi's national target of achieving net-zero emissions by 2070, introducing key initiatives to reduce dependence on conventional fuels, aiming for 50 per cent of India's electricity to come from renewable energy by 2030, according to an official release. As of Dec 31, 2025, Gujarat had become the first largest contributor to the country's renewable energy capacity, with cumulative installations reaching 42.583 GW, accounting for 16.50 per cent of India's total.
https://www.business-standard.com/industry/news/gujarat-leads-india-in-renewable-energy-contributes-16-5-of-total-126013100499_1.html

Healthcare

Budget 2026: Biopharma Shakti plan aims to make India a biologics hub

Finance Minister Nirmala Sitharaman on Sunday announced 'Biopharma Shakti', a ₹10,000 crore initiative aimed at developing India into a global biopharma manufacturing hub, as she presented the Union Budget 2026–27 in Parliament. "BioPharma Shakti, meaning, BioPharma Strategy for Health Advancement through Knowledge, Technology and Innovation. India's digital disease burden is observed to be shifting towards non-communicable diseases like diabetes, cancer and autoimmune disorders," Sitharaman announced.
https://www.business-standard.com/budget/news/budget-2026-biopharma-shakti-rs-10000-crore-biologics-plan-explained-126020100255_1.html

External

Union Budget 2026: Duty free import of processing inputs to boost export of value added seafood

India's seafood exports are set to see more value-added products. A threefold increase in duty-free import limits for processing inputs will lower production costs. This move aims to boost competitiveness against rivals like Vietnam and Thailand. Value-added products currently form a small portion of India's seafood exports. This change is expected to significantly improve that share.
https://economictimes.indiatimes.com/news/economy/foreign-trade/union-budget-2026-duty-free-import-of-processing-inputs-to-boost-export-of-value-added-seafood/articleshow/127841099.cms

Finalised eight FTAs with 37 developed countries in recent years: Goyal

India has finalised eight free trade agreements (FTAs), covering 37 developed countries in the last few years, Commerce and Industry Minister Piyush Goyal has said. He also said that India is in active dialogue for similar pacts with several countries, including Chile, Peru and Canada. Trade negotiations with Chile, he said, are almost at conclusion, where India has interests in critical minerals. "We've done eight free trade agreements covering 37 developed countries in the last few years under the Modi-government," the minister told PTI.
https://www.business-standard.com/economy/news/finalised-eight-ftas-with-37-developed-countries-in-recent-years-goyal-126020100196_1.html