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MANIFEST A BETTER BHARAT WITH AI

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From the President's Desk

Ms. Sunita Ramnathkar

Dear Members,

Greetings from the IMC Chamber of Commerce and Industry.

Indian Economy and the Union Budget 2026–27

The beginning of 2026 finds the global economy navigating a complex landscape shaped by geopolitical tensions, supply chain realignments, fluctuating energy prices, and uneven growth across major economies. Amidst this uncertainty, India continues to stand out as one of the fastest-growing large economies in the world. The **Union Budget 2026–27** reflects this confidence while also acknowledging the need for fiscal prudence and structural reforms to sustain long-term growth.

The government has estimated **total expenditure for FY 2026–27 at ₹ 53.47 lakh crore**, representing a **7.7% increase over the revised estimates of FY 2025–26.** A notable feature of the budget is the sustained emphasis on investment-led growth. **Capital expenditure has been budgeted at ₹ 12.21 lakh crore,** marking an increase of **11.5% over the previous year.** This continued expansion of public investment highlights the government's strategic focus on infrastructure development as the backbone of economic transformation.

Infrastructure investments in sectors such as **railways, highways, logistics, energy transition, and digital infrastructure** are expected to generate strong multiplier effects across the economy. Public capital expenditure not only stimulates immediate economic activity but also enhances productivity, reduces logistics costs, and strengthens India's integration into global value chains. Such investments are critical at a time when the global economy is slowing and countries are increasingly competing for manufacturing capacity and supply chain diversification.

From a fiscal perspective, the government has maintained its commitment to gradual consolidation while preserving growth-supportive spending. The **fiscal deficit for FY 2026–27 is projected at 4.3% of GDP,** continuing the glide path toward fiscal stability. At the same time, the budget highlights a structural challenge that remains central to India's fiscal framework: **interest payments are estimated at ₹ 14.03 lakh crore**, accounting for **26% of total government expenditure and approximately 40% of revenue receipts.** This underlines the importance of sustaining robust economic growth so that the debt burden remains manageable and fiscal space can continue to support developmental priorities.

The budget also reflects a conscious effort to strengthen India's long-term growth engines. Increased allocations toward **infrastructure, manufacturing, digitalization, and logistics networks** aim to create a more competitive economic environment for industry and enterprise. Investments in transportation corridors, energy infrastructure, and urban development will play a critical role in improving ease of doing business and enhancing productivity across sectors.

The strategic intent of the budget becomes even clearer when viewed in the context of the global economic environment. The world economy today is navigating a period of significant geopolitical uncertainty. Ongoing conflicts, shifts in global trade dynamics, and economic slowdowns in key markets are influencing capital flows, commodity prices, and supply chain structures. In this environment, India's policy approach has remained pragmatic and balanced.

India's diplomatic strategy has been guided by the principle of **strategic autonomy,** allowing the country to maintain strong relationships across multiple global blocs while safeguarding national interests. By engaging constructively with both developed and emerging economies, India has expanded its global economic partnerships and strengthened its role as a bridge between the Global North and the Global South. This balanced approach to international relations has enhanced India's credibility as a reliable partner in global trade, technology cooperation, and supply chain diversification.

In an increasingly polarized world, India's neutral and pragmatic stance has helped ensure continuity in trade relationships, energy partnerships, and investment flows. Such diplomatic maturity not only enhances India's global standing but also provides stability to its economic environment, enabling businesses and investors to plan with greater confidence.

Complementing the government's fiscal initiatives is the proactive role played by the **Reserve Bank of India (RBI)** in maintaining macroeconomic and financial stability. The RBI has continued to pursue a carefully calibrated monetary policy aimed at balancing inflation control with the need to support economic growth. Through prudent liquidity management and regulatory oversight, the central bank has ensured that India's financial system remains resilient even amid global volatility.

Over the past year, the RBI has strengthened the banking sector through improved asset quality, enhanced supervisory frameworks, and measures aimed at deepening financial inclusion. The rapid expansion of India's **digital payments ecosystem**, supported by initiatives such as the Unified Payments Interface (UPI), has transformed the country's financial landscape and positioned India as a global leader in digital financial infrastructure.

The RBI has also continued to promote financial innovation while maintaining regulatory safeguards. Efforts toward the development of a **central bank digital currency (CBDC)**, improvements in credit delivery mechanisms, and regulatory reforms aimed at strengthening financial markets reflect the central bank's broader commitment to supporting sustainable economic growth.

Taken together, the Union Budget 2026–27 and the policy direction of the Reserve Bank of India illustrate a coordinated approach to economic management. While fiscal policy continues to prioritize infrastructure investment and structural reforms, monetary policy remains focused on maintaining price stability, strengthening financial institutions, and ensuring adequate credit flow to productive sectors.

Looking ahead, India's economic outlook remains encouraging despite the challenges facing the global economy. With a strong domestic market, improving infrastructure, expanding global partnerships, and a resilient financial system, India is well positioned to sustain its growth trajectory in the years ahead. For industry and business leaders, the message is clear: India is entering a phase of sustained structural transformation. The policy framework outlined in the Union Budget and supported by the Reserve Bank of India aims to create an environment that encourages investment, innovation, and entrepreneurship. By continuing to strengthen the foundations of economic growth while maintaining fiscal discipline and financial stability, India is steadily reinforcing its position as a key driver of global economic progress.

Highlights of the IMC Activities:

The first two months of 2026 have been eventful, with IMC hosting many industry engagements aligned with national priorities.

- ✓ The **MahaBharat International Trade Expo**, organized by the IMC Chamber of Commerce and Industry, was held from **14–23 February 2026** at the MMRDA Grounds. The multi-sector exhibition brought together MSMEs, artisans, industry leaders, exporters, policymakers, and international delegates to showcase products, promote traditional crafts and GI-tagged goods, and encourage trade partnerships and innovation. The event was supported by the Ministry of Micro, Small and Medium Enterprises under the PMS scheme, National Bank for Agriculture and Rural Development, and the National Jute Board.
- ✓ The **26th Edition of the IMC Bharat Calling Conference,** organised by the IMC Chamber of Commerce and Industry, was held on 27 February 2026 at Hotel Taj Lands End under the theme "Building a Globally Competitive Manufacturing and Export Powerhouse." The inaugural session was addressed by **Shri Jaykumar Rawal**, Hon'ble Minister of Marketing and Protocol, Government of Maharashtra who highlighted Maharashtra's vision of strengthening global competitiveness through MSME growth, agri-entrepreneurship, and an industry-friendly policy aimed at making the state a trillion-dollar sub-economy.
- ✓ IMC's YLF hosted the **'Yuva Kshamata – Sports Conclave' at Hotel Taj Lands End,** bringing together a diverse gathering of athletes and para-athletes, sports federations, sports-tech start-ups, corporate leaders, educators, youth representatives, and international delegates. **Dr.**

Mansukh Mandaviya, Hon'ble Union Minister of Youth Affairs & Sports and Labour & Employment, gave inaugural video address. **Mr. Mahanaaryaman Scindia**, President MPCA, Chairman Madhya Pradesh Cricket League delivered Valedictory Address.

- ✓ IMC organised a talk on **'Maharashtra's Governance and Development'** by **Shri Rajesh Aggarwal**, IAS, Chief Secretary to the Government of Maharashtra. He highlighted the State Government's forward-looking initiatives in the education sector, notably a dedicated Education City near the new airport terminal, equipped with plug-and-play infrastructure for foreign universities.
- ✓ IMC jointly with The Public Premises Tenants (WR) Association organised a discussion on Public Premises Eviction Act and recent judgements related to it.
- ✓ IMC's Direct Taxation Committee, jointly with Bombay Chartered Accountants Society and The Chamber of Tax Consultants organised a full-day hybrid seminar on **TDS and TCS Provisions – A 360° Perspective.** It provided a comprehensive overview of current Tax Deduction at Source (TDS) and Tax Collection at Source (TCS) provisions.
- ✓ IMC's Travel, Tourism and Hospitality Committee organised a Panel Discussion on **Impact of AI on the Travel, Tourism & Hospitality Industry.**
- ✓ IMC hosted a live viewing of Budget 2026-27, presented by Hon'ble Finance Minister Smt. Nirmala Sitharaman on February 1, 2026 as a part of its annual tradition. The budget announcement was followed analysis by the Managing Committee members present. Over 25 electronic/print/online media covered the budget session at IMC, including DD News, ANI, PTI Digital, ZEE News, Republic Bharat, News 24, News Nation, ABP News, Midday, Free Press Journal, Sakal, Lokmat, Pudhari and Janmabhoomi/Vyapar, among others.
- ✓ The IMC Chamber of Commerce and Industry Travel, Tourism and Hospitality Committee organised **"The Heritage Walk 2026"** on February 8, 2026, for the diplomatic and expatriate community, showcasing the rich historical and architectural heritage of Mumbai. Guided by experts, the walk highlighted hidden heritage sites in South Mumbai and offered participants an immersive experience of the city's colonial past, while encouraging member engagement in IMC's initiatives for policy advocacy, industry collaboration, and global outreach.

I hope you find the articles and insights in this issue enjoyable and engaging.

The Freebie Faultline: Growth, AI Ambition and the Supreme Court's Warning

Dr. Ram Gandhi
Businessman, Governor & Past President, IMC

The Supreme Court's recent sharp observations on the culture of electoral freebies—particularly in the context of the Tamil Nadu government's announcement of free electricity for all—have once again brought to the centre a debate that refuses to die. Questioning what kind of political culture encourages ever-expanding handouts without transparent fiscal backing, the Court has signalled that the issue is no longer just political rhetoric; it is a constitutional and economic concern.

The problem is not welfare per se, but the steady drift from productive, capability-enhancing public spending to perpetual, consumption-oriented political doles. The Court's intervention now adds moral and institutional gravity to that concern.

The Fiscal Illusion: Free Today, Pay Tomorrow

Free electricity "for all" is not merely a budget line item. It is a structural commitment. Electricity boards already operate under stress, often dependent on state guarantees and cross-subsidisation. When power is made universally free, without differentiation or targeting, three distortions occur simultaneously – encouraging inefficiency and wastage, private investment confidence erodes as pricing becomes politically manipulated and fiscal gaps widen, requiring larger transfers financed through borrowing.

There is no such thing as free electricity. Someone pays. If not the consumer, then the taxpayer. If not the taxpayer today, then the taxpayer tomorrow—through debt.

When recurring revenue does not keep pace with recurring expenditure, governments borrow. Borrowing leads to rising interest payments. Rising interest payments consume revenue that could otherwise fund development. To finance even basic services, more borrowing is undertaken. That is the classic vicious cycle of fiscal populism.

AI Power or Subsidy Economy?

India today speaks of becoming a global AI powerhouse—building indigenous foundation models, semiconductor ecosystems, data centres, compute infrastructure, AI skilling programmes, and research universities. Each of these requires massive, sustained capital investment.

AI architecture is not rhetorical. It demands hyper scale data centres, high performance compute clusters, reliable power grids, skilled manpower pipelines, advanced universities and research grants.

All of this requires fiscal space.

If states and the Union lock increasing shares of revenue into non-productive, permanent consumption subsidies, the fiscal room for AI infrastructure shrinks. A nation cannot simultaneously aspire to build world-class AI compute capacity and subsidise unlimited electricity for universal consumption without corresponding revenue expansion.

There is a deeper contradiction here.

AI competitiveness depends on skilled human capital, Innovation ecosystems and productive labour force participation.

Yet a culture of permanent freebies risks creating the very dependency mindset that undermines productivity and aspiration standing in stark contrast to the vision of Viksit Bharat and raising the danger of India drifting towards a society of dependent citizens.

Every rupee tied into blanket subsidies is a rupee unavailable for foundational education, modernized ITIs and skilling, urban infrastructure, water management, climate resilience, semiconductor fabrication plants and defence modernisation.

India's demographic dividend is already fragile. Without sustained capability-building investments, it could become a demographic liability.

If service revenues are made free across the board, tax buoyancy weakens. If capital expenditure declines while committed expenditure rises, growth moderates. Slower growth reduces revenue. Reduced revenue increases borrowing. Borrowing inflates interest burden. The cycle tightens.

This is not alarmism. It is fiscal mechanics.

Once announced, universal freebies become politically irreversible. Any rollback is branded anti-people. Governments across party lines then compete to outbid one another. Over time, welfare is no longer calibrated policy; it becomes competitive populism.

That is why the Supreme Court's reprimand is significant.

Economic rise requires investment discipline.

The fundamental question is not moral but strategic:

Does India want to be a high-income, AI-enabled, globally competitive economy — or a fiscally strained polity trapped in auction politics?

Freebies feel compassionate in the short run. But compassion without productivity becomes unsustainable.

The Reform Moment: A Legislative Reset

The clock is ticking. If there was ever a moment to address the structural roots of competitive populism, it is now. What is required is perhaps the most consequential political reform since the liberalisation era: a clear amendment to the Representation of the People Act to mandate transparent distinction between legitimate, policy-backed welfare and electoral doles.

Such an amendment should require that:

- Every announced welfare scheme be backed by a clearly stated funding source
- Recurring fiscal liabilities be transparently disclosed before implementation
- Welfare programmes carry defined sunset clauses and periodic impact review
- Universal consumption subsidies be subjected to strict targeting norms

Welfare is the duty of a responsible state. Perpetual, open-ended handouts designed for electoral gain are not welfare; they are fiscal encumbrances passed to future generations.

India cannot afford a political marketplace where voters are treated as clients and public finance becomes collateral damage. The distinction between empowerment and patronage must be codified into law, not left to political discretion.

The Prime Minister Modi himself initiated the national debate on **"revdi culture."** He has consistently spoken against systems that perpetuate dependency rather than opportunity. His political capital, mandate, and reformist track record position him uniquely to champion such a correction.

If India truly seeks to realise the vision of Viksit Bharat—powered by innovation, human capital, and AI-driven growth—then fiscal discipline must be institutional, not rhetorical. Reforming the electoral incentive structure that fuels competitive freebies would not be anti-poor; it would be pro-future. Here I would add why the proposal of **One Nation, One Election mooted by Prime Minister Modi** deserves serious consideration by all political parties, not merely as an administrative reform, but as a fiscal stabiliser. Synchronised electoral cycles would reduce the constant political incentive to announce fresh doles in response to impending state polls. It would create longer, uninterrupted governance windows focused on policy execution rather than poll positioning.

The nation does not need more promises. It needs a framework that ensures promises are responsible, time-bound, and growth-compatible.

(Views are personal)

Bracing for Turbulence

Mr. Sanjay Mehta
Deputy Director General, IMC Chamber of Commerce and Industry and Executive Secretary, Indo-Vietnamese Chamber of Commerce and Industry

As war in West Asia prolonging into second week, with Israel and US intensifying attacks on Iran, and retaliating attacks by Iran on Israel and US assets on nations across the Gulf, the world is on the edge. The Indian economy cruising comfortably is bracing for heavy turbulence. As I write this, the crude oil has crossed \$100 a barrel, sensex and Nifty plunging to over 10-month lows, markets in Asia are trading in red, and rupee has crashed to 92.33 to a dollar. The Indian government has assured of enough stock of oil and LPG to last about 10 weeks. But as there is no end to the conflict in sight in near terms, the caution alarm is sounding louder every passing day.

For India, which imports a large share of its crude oil and natural gas requirements from the Middle East, such developments could impact inflation, fiscal balances, and current account stability. Rising energy prices would affect transportation, manufacturing costs, and household consumption, potentially moderating the growth momentum projected in the budget.

In this context, prudent macroeconomic management becomes even more important. The coordinated approach between fiscal policy led by the Hon'ble Union Finance Minister and monetary policy led by the RBI will be crucial in maintaining financial stability and containing inflationary pressures while ensuring adequate liquidity for productive sectors.

The silver line amid this gloom is that despite these external geopolitical shocks, India's economic fundamentals has still been strong. A large domestic market, ongoing infrastructure expansion, a rapidly digitizing economy, and a stable financial system position the country well to navigate global volatility.

For industry and policymakers alike, the coming year will require both optimism and vigilance—leveraging India's structural growth drivers while carefully managing the external risks arising from geopolitical conflicts and energy market disruptions.

Monetary measures

The RBI monetary policy committee is due to meet to deliberate on policy cycle due early April. Given the prevailing volatile and disruptive geopolitics, the MPC is likely to be cautious in its approach. It is advisable to keep rates unchanged and maintain wait and watch approach. This will allow central banks to watch geopolitical development and oil price trajectory and accordingly keep neutral or accommodative stance depending on situation. To support the growth at the same time, it can inject liquidity into system through OMO or variable repo operation to improve credit flow to MSMEs. This supports growth and at the same time avoid risk of inflation.

Fiscal measures

The situation calls for fiscal measures that are innovative, out-of-box temporary solutions to combat the potentially severe impact on economy by infusing growth-orientated measures. The fiscal measures must be such that do the job of absorbing the shock, provide temporary reliefs so that monetary policy does not have to shoulder full load. In the present situation, a war-driven oil and logistics shock is mainly a supply-side external shock. Rate hikes alone cannot create more crude, LNG, or shipping capacity; they mainly suppress domestic demand. India is somewhat cushioned by low inflation, strong reserves, and the government's stated view that the recent oil rise has not yet had a substantial inflation impact. But India still imports more than 80% of its crude requirement. The prolonged turmoil could weaken the rupee, widen the current account deficit, and hurt sectors linked to LNG, fertilisers, and petrochemicals.

So, the right fiscal support has to be targeted, temporary, and productivity-oriented, not a broad consumption giveaway.

What could the centre do?

First is the temporary reduction on excise duty on petrol and

diesel. This will help negate the impact of inflation on logistics, transportations and essential goods. This is because final inflation impact will significantly depend on fuel price transmission.

Second is to give exporters and MSMEs temporary relief on compliance and cash flow. At a time of external volatility, the government should consider faster GST refunds, deferred statutory dues for badly hit sectors, export credit support, and quicker customs clearance. This is especially important if freight costs rise and payment cycles lengthen. Such measures reduce stress without distorting the broader price system.

Third is the support measures to agriculture. Target measures for food and fertiliser affordability and availability. This is important to prevent inflation shock and rural distress. This can be achieved by using buffer stock, targeted food management, and calibrated fertiliser support. The government is already giving free food grains to more than 80 crore beneficiaries. This scheme will come as a blessing in disguise at this crucial period.

Fourth is to continue with capex investment as allocated or even accelerate. It is commonly understood economic rule that during such a dire geopolitical situation, the spending on infrastructure like rail, roads, ports, connectivity, and industrial clusters supports growth without spiking consumption inflation.

And lastly more radical but potentially effective counter-cyclical step could be temporary relief in personal and corporate taxes. At a time when external shocks such as a Middle East conflict, rising oil prices and global trade disruption may weaken demand and investment, such relief would help sustain consumption, preserve corporate cash flows and maintain growth momentum until global conditions stabilise. While advanced economies deployed large-scale fiscal transfers during the pandemic to stabilise their economies, India may adopt a more prudent approach by providing limited, time-bound tax relief. Properly designed and clearly time-bound, this measure could help cushion the impact of external shocks while preserving overall fiscal discipline.

While temporary tax relief may initially widen the fiscal deficit, protecting economic growth during a global shock ultimately safeguards government revenues and fiscal stability. A calibrated and time-bound relief, combined with expenditure reprioritisation and subsidy rationalisation, can cushion the economy without permanently derailing the fiscal consolidation path.

In addition to fiscal and monetary measures, India should also explore all possible avenues to ensure energy security. Over the past few years, India has demonstrated flexibility by expanding its import basket to include supplies from a wider set of producers, including Russia. India should increase its volume of purchase from Russia. Russian crude transported through the Suez Canal route has emerged as an additional channel that has helped moderate import costs and cushion the domestic economy from global price volatility. Such diversification strengthens India's resilience and reduces dependence on any single geography. India's energy procurement decisions must be anchored in its developmental priorities and economic stability, while navigating the evolving geopolitical landscape with prudence and balance. The country has previously faced external pressures and sanctions yet has consistently demonstrated the capacity to adapt and protect its national interests.

These were some of the points that I pondered over a few cups of coffee during the weekend on how India could brace itself for geopolitical turbulence.

(Views are personal)

Oil, Nerves and a Narrow Strait

Ms. Upasna Bhardwaj
Chief Economist
Kotak Mahindra Bank

India's macro story had been looking comfortably "Goldilocks" until now, with growth holding firm, inflation moderating and external risks appearing manageable—only for the Middle East crisis to reintroduce a fresh layer of uncertainty.

Tensions between the US/Israel and Iran escalated sharply over the past few days, reaching a flashpoint after a series of strikes on key locations across Iran, reportedly targeting critical infrastructure and senior leadership. Iran responded with retaliatory attacks on US assets across the Gulf, spanning Kuwait, Bahrain, the UAE, Jordan, Qatar, Saudi Arabia and Iraq. The rapid back and forth raised fears that a localized conflict could quickly spill over into a wider regional confrontation.

For markets, the immediate concern was not just geopolitics, but the risk of a major supply side shock to the global economy. The Strait of Hormuz sits at the heart of this risk. Nearly 27% of global oil supply flows through this narrow passage, but its importance extends well beyond crude. According to the US Energy Information Administration, close to 90% of the oil transiting the Strait is destined for Asia—primarily China and India. In addition, nearly 20% of global LNG supplies also pass through this route, making it one of the most critical chokepoints for global trade.

India's exposure to the region is particularly significant. Around 47% (roughly US$68 billion) of India's crude oil and petroleum product imports come from West Asia and the GCC, while nearly 80% (about US$23 billion) of LNG imports are sourced from the GCC. Any prolonged disruption therefore risks spilling over into domestic energy availability, external balances and even fertilizer supplies—especially concerning with the kharif season approaching.

Markets were quick to price in these risks. Oil prices surged by nearly 55–60%, natural gas prices rose over 20%, and fertilizer prices jumped sharply by 33%, reflecting fears of sustained supply disruptions. Unsurprisingly, risk aversion spiked, with volatility rising across global asset classes.

That said, the tone has shifted more recently. Risk sentiment has improved, with investors turning cautiously optimistic after comments from former US President Donald Trump suggested that the conflict with Iran could be nearing an end. The possibility of de escalation has helped ease tail risk concerns around energy supply shocks and broader geopolitical spillovers. As a result, risky assets have found support, and markets have begun recalibrating for a lower geopolitical risk premium.

The bigger question, however, is whether a pause—or even an end—to hostilities is enough to fully reverse the damage. Will supply chains snap back quickly, or will lingering disruptions leave lasting scars on the global economy through the rest of the year?

For India, the implications of a deferred conflict are multifaceted. The country's ties with the Middle East extend far beyond oil and goods trade, encompassing remittances, tourism and deep diplomatic relationships. The region accounts for around 15% of India's total goods exports and about 21% of imports. Exports are concentrated in petroleum products, jewellery, aircraft parts, mobiles, rice and auto components, while imports are dominated by crude oil, gold, diamonds, organic chemicals and fertilizers. A de facto closure—or even partial disruption—of the Strait of Hormuz would extend transit times and push up insurance and freight costs, weighing on trade margins.

Beyond trade, remittances are another key channel of impact. The UAE is India's second largest source of inward remittances, contributing roughly one fifth of total inflows. While higher oil prices are typically associated with stronger remittances from Gulf countries, this episode is different. A prolonged conflict risks dampening economic activity within the Gulf itself, potentially weakening remittance flows rather than boosting them.

Encouragingly, early indicators suggest that the conflict may be winding down, limiting risks to India's FY2027 macroeconomic outlook. However, if supply constraints persist, the fallout could still show up in the form of a wider current account deficit, capital outflows, fiscal slippages, higher inflation and softer growth.

Policymakers are likely to cushion part of the impact. Measures could include limiting the pass through of higher fuel prices to consumers, reducing excise duties on petroleum products, ensuring adequate household fuel supplies while restricting industrial usage, and curbing exports of petroleum products amid constrained availability. The RBI, meanwhile, is expected to continue intervening judiciously in FX and bond markets to maintain orderly financial conditions. Globally, policymakers are also exploring options such as easing sanctions, allowing imports from Russia, and considering coordinated releases from strategic petroleum reserves by G7 countries.

Ultimately, episodes like this serve as a stark reminder of India's heavy dependence on imported raw materials and its vulnerability to global shocks. With geopolitical disruptions becoming more frequent rather than exceptional, there is a growing case for India to adopt a long term strategy—quicker diversification in favor of renewable energy, building deeper partnerships with global frontrunners to create buffers against future upheavals.

(Views are personal)

Anchoring Growth from Within: An Assessment of the Union Budget 2026-27

Dr. V. Anantha Nageswaran
Chief Economic Adviser
Dept of Economic Affairs
Ministry of Finance, GoI

As on the date of this article being written, the world is in a state of considerable flux. The post-pandemic decade has been defined not by recovery alone but by a cascading sequence of disruptions that have fundamentally redrawn the contours of the global order. Post-2020, uncertainty became the operative condition within which policymakers across the world were compelled to function, always exercising decisions with a modicum of caution, fully aware that the next shock could materialise from an entirely unforeseen quarter.

We have witnessed these shocks manifest as persistent supply chain vulnerabilities, the disruption of capital flows, sharply shifting geopolitical agendas, and mounting trade-related uncertainties. The liberal multilateral trading order, which for decades served as the foundation of globalisation as the world knew it, has been fundamentally upended. Protectionism has returned with renewed vigour, alliances have fractured and realigned, and the assumptions that once underpinned development strategies across the Global South can no longer be taken for granted.

For India, that harbours credible aspirations of becoming a developed nation within a defined timeframe, a benign and predictable external environment is essential. It is, however, an environment that India may not have the luxury of counting upon for the foreseeable future. As we noted in the Economic Survey 2024-25, India will have to rely significantly on its internal growth drivers to sustain the momentum of its development trajectory. External tailwinds cannot be assumed; domestic engines must be stoked with purpose and precision.

Facilitating precisely this has been the primary objective of the Union Budget 2026-27. The Budget is notable in its conscious orientation towards domestic demand, productive capacity, and institutional resilience. Rather than being hostage to the fortunes of a volatile global economy, the Budget seeks to build the structural foundations upon which India's growth can be made more self-sustaining, thus, reflecting continuity with the policy direction established in the previous two budgets.

The Union Budget takes a broadly sector-agnostic stance, prioritising all the sectors of the economy with considered importance. In doing so, it reflects an understanding that a complex, aspirational economy like India's cannot afford to privilege one sector at the expense of others.

The Economic Survey 2025–26 emphasised that India's industrial strategy must evolve from simple import substitution towards building strategic resilience and, over time, strategic indispensability. In this direction, the Budget has expanded support for manufacturing by identifying seven strategic and frontier sectors critical for India's Viksit Bharat vision. These span biopharmaceuticals, semiconductors, electronics components, rare earth permanent magnets, chemical parks, capital goods, and textiles, each receiving dedicated programmatic and financial support. Complementing this sectoral push is a robust framework for MSMEs, recognised in the Budget as vital engines of India's industrial growth. A dedicated SME Growth Fund, enhanced TReDS-linked liquidity mechanisms, and the institution of a Corporate Mitras cadre for compliance support together constitute a comprehensive package aimed at enabling MSMEs to scale from survivability to championship.

Underlying the manufacturing push is a set of customs and indirect tax measures that address a structural concern that has long hobbled Indian industry: the high cost of imported inputs. This has made intermediate inputs more expensive for domestic manufacturers and affected their competitiveness in global markets. The Budget takes meaningful steps to correct this. Basic customs duty exemptions have been extended to capital goods used in the processing of critical minerals, to inputs for lithium-ion cell manufacturing for battery energy storage systems, and to components required for civilian and defence aviation manufacturing.

Further, the proposed dedicated Chemical Parks and Rare Earth Corridors, supported by targeted duty relief, also address upstream supply chain gaps that have historically forced manufacturers to depend on costly or unreliable import sources. Taken together, these measures respond directly to the logic of lowering input tariffs as a driver of manufacturing competitiveness, an approach well-evidenced in the experience of East Asian economies, and bring India meaningfully closer to a more rational and growth-conducive customs architecture.

In addition, reforms to strengthen the ease of doing business also receive continued attention in the Budget. Provisions such as updated returns after reassessment, automated systems for lower or nil TDS certificates, and steps to facilitate investment by non-residents, alongside the rollout of an integrated digital window for cargo clearances, reflect a steady movement towards a more predictable, technology-enabled and investor-friendly regulatory environment.

Recognising the central role that service sector holds in India's medium-term growth ambitions, the Budget enhances support for services in a meaningful and forward-looking manner. It seeks to leverage the strengths of diverse service segments, including IT-enabled services, education, health, tourism and the orange economy. Particular emphasis is placed on creating employment pathways that are less susceptible to automation or displacement by artificial intelligence. For instance, the initiative to scale up Allied Health Professionals and build a robust elder-care ecosystem has the potential to generate significant skilled employment in the coming decade.

Similarly, the proposed High-Powered Education to Employment and Enterprise Standing Committee represents an important institutional intervention. Its mandate to assess the impact of emerging technologies, including AI, on jobs and skill requirements, and to recommend targeted responses, is aimed at bridging the gap between education systems and labour market needs. Systematic skill identification and continuous mapping of emerging requirements can enable more focused policy interventions than broad-based programmes have historically allowed.

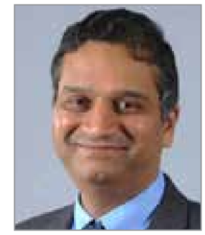
In agriculture, the Budget builds upon a decade of significant progress. The Government now seeks to expand the frontiers of agricultural income by extending support to high-value crops such as coconut, cashew, cocoa, sandalwood and nuts grown in hilly regions. Alongside this, the Budget provides a strong push to allied sectors including fisheries, animal husbandry and dairy. The launch of Bharat-VISTAAR, a multilingual AI-integrated agricultural advisory platform, signals that the next phase of agricultural growth will be driven as much by technological access as by price support.

All in all, the Union Budget 2026-27 presents a comprehensive and structurally coherent support package for driving growth via India's domestic engines. It does not seek to manufacture confidence through fiscal largesse alone but attempts to build it through institutional depth, and sectoral breadth. Fiscal consolidation has been continued, with the fiscal deficit budgeted at 4.3 per cent of GDP in 2026-27 while continuing the emphasis on capital expenditure, which has been raised to ₹ 12.2 lakh crore, thereby reinforcing the momentum of public investment without compromising on fiscal discipline.

This approach will help build on India's strong macroeconomic fundamentals and render the country more resilient in the face of a deeply uncertain external environment. In a world where the terms of globalisation are being rewritten daily, the Union Budget 2026–27 provides a clear direction, underscoring that India's clearest path to prosperity lies in the robustness of what it builds within.

(Views are personal)

Ruminations on the Union Budget: 2026-27



Mr. Madan Sabnavis
Chief Economist
Bank of Baroda

Before the Union Budget is presented, there are a plethora of suggestions made by different constituencies urging the FM to provide sops. There are also strong recommendations made by economists and analysts to dove tail expenditures and walk the road of prudence. And then there are several formal discussions held with different sections of business ranging from agriculture to industry to markets to gauge the mood of the economy. All this leads to the formulation of the Union Budget which is probably the biggest policy announcement made at the start of the year.

When one looks back at what the budget sought to achieve, the answer is quite straight forward. The goal was to walk the path of prudence and anchor the fiscal deficit ratio as the starting point from whereon the rest of the numbers have been worked out. It has been crafted keeping in mind the absorptive capacity of the bond market, which is important in terms of the overall borrowing programme of the government. Next, expenditures have then be allocated keeping in mind the principle of making money work better. All this has been done by making conservative, but pragmatic, assumptions on overall economic environment in terms of GDP growth for the year which serves as the basis of calculating future tax revenue.

Keeping these contours in mind, the budget can be analysed. The assumption of 10% growth in GDP is reasonable as it is known that with the new GDP series coming in, there would be changes in the growth number for FY26 which will also have a bearing for FY27. Hence the tax revenue growth rates have been aligned to this number. There will be higher inflation in FY27 for sure and there would also be possibly higher real GDP growth with there being signs of both consumption and investment being higher this year.

The fiscal deficit ratio at 4.3% should be looked at more from the point of view of how it would be financed. The net borrowings programme has been kept at the same level as last year at Rs 11.7 lakh crore and hence would be largely neutral in effect from the point of view of the market. However, the market has looked more at the gross borrowing programme of Rs 17.2 lakh crore, which is more a result of the large repayments of Rs 5.5 lakh crore, and bond yields moved upwards and has stayed there since then. This is probably something the market should get used to as repayments in the coming years would be very high which will make the borrowing side of deficit financing progressively challenging even as the ratio comes down.

The other interesting aspect on the revenue side is the non-tax revenue component which indicates that the banking sector will continue to play an important role when it comes to supporting the budget. In particular the RBI will continue to provide funds through the transfer of surplus on its income-expenditure sheet. This may also be a feature in future budgets as the fiscal deficit ratio if sought to be brought down towards the 3% mark over the next few years.

The budget was announced before the US deal was agreed upon. Hence there were expectations of some support to the MSMEs which was delivered through a series of proposals. Besides working on leveraging the TReDS platform by linking to CPSUs purchases, a special fund for champions in this segment was announced. This should help to support the interests of MSMEs especially in sectors such as textiles, readymade garments, jewellery, auto components, leather products etc.

Rationalization of customs duties was also on the anvil especially since there have been some trade deals already signed with countries like UK, UAE, EU among others which do involve providing easier access to imports. This is more of a reciprocal action that goes along with any trade deal as both the counter parties would be aspiring to get these benefits from one another.

On the direct taxes front nothing much was expected considering that the FY26 budget had rationalized the income tax rates to provide a boost to spending. Therefore further changes cannot really be expected and while there were demands for benefits to be given under Section 80C or for interest on deposits to get a separate tax dispensation, the indications given in the past are that the government would like everyone to migrate to the new tax system with no concessions but lower rates.

The same held for indirect taxes where GST rationalization before the festival season was invoked. This also means that it would be static for a few more years before any review is taken by the government. The GST was anyway outside the purview of the Budget as it is the GST Council which takes a call on these rates.

The curious case was that on what comes under 'miscellaneous receipts' for which an outlay of Rs 80,000 cr has been budgeted. This refers to disinvestment and sale of assets – what is called asset monetization. This is something which has been on the agenda of the government for quite some time. The Economic Survey has spoken of having more FDI in public sector units which can also be part of this overall game plan of disinvestment. The same has also been spoken for PSBs for which there will be a high-powered Committee set up to bring about some restructuring. For the financial sector, the Budget seeks to make Municipals more independent by providing an incentive of Rs 100 cr for issuances of over Rs 1000 cr. This should provide a boost to the municipal bond market.

On the expenditure side, the capex of the government has been increased and would be around Rs 12.2 lakh crore. Here the relentless focus would be on roads, railways and defence which is good news for industries like steel, cement, engineering etc. While states have tended to cut back often on their capex to meet their fiscal deficit targets, the centre has been steadfast. This is also due to the fact that the FRBM rules are not strictly binding on the centre which also has been targeting a higher fiscal deficit ratio compared with the states. A rather novel thrust has been placed on the freight corridors which have been announced as part of the railways outlay and new waterways which will strengthen the overall infrastructure of the country.

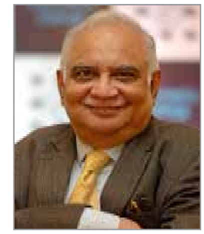
The government has also maintained the social welfare schemes with a bit of tinkering on fertilizer subsidy being an exception. The PM Kisan and reformulated employment schemes would continue as usual thus providing support to the rural economy.

Last, from the point of view of the stock market the higher STT on F & O trades was more symbolic that would help to keep the uninformed retail investor away from this segment. The increase will not really affect trading volumes of the long term investors.

Therefore, the budget has done well in ticking most of the boxes and while at the household level, tax benefits would have been welcome, the tightrope to be walked when balancing other objectives did not offer too much scope for such concessions.

(Views are personal)

Union Budget 2026–27: Continuity with Calibrated Change



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Perspective

Historically, *Kautilya's Arthashastra* first mentioned the basic tenets of a Budget. He highlighted revenues, expenditures and fiscal deficit.

Under Article 112 of the Indian Constitution, the Government of India is required to present to Parliament each financial year a statement detailing the estimated receipts and expenditures. However, the Budget transcends this constitutional requirement. It offers a comprehensive analysis of the macroeconomic environment, outlining both global and domestic economic conditions, highlighting the government's priorities, and indicating the policy instruments intended to achieve its stated objectives. It also shapes the direction, pace, and strategy of policy implementation while mapping the country's broader growth trajectory.

These are VUCA (volatility, uncertainty, complexity, ambiguity) times. The present-day VUCA world is characterised by extensive and rapid changes in all walks of life and activity, the explosion of information fuelled by the Internet, the dramatic growth of technology and increasing globalisation.

The Union Budget 2026–27, presented on February 1, 2026, was formulated against a backdrop of elevated global uncertainty, evolving domestic macroeconomic priorities, and India's determination to consolidate its status as the fastest-growing major economy. Eschewing headline-grabbing populism, the Budget adopts a tone of continuity, predictability, and calibrated reform. This approach reflects confidence in the broad policy direction pursued over the past few years, while recognising the constraints imposed by fiscal realities and an unsettled global environment.

The government chose to deepen existing reforms, protect macroeconomic stability, and reinforce medium-term growth drivers rather than attempting to reorient the growth strategy. This is a pragmatic Budget, prioritising resilience and execution over dramatic policy shifts.

Global and Geopolitical Context

The global economy in 2026 remains fragile and uneven. World growth is projected at about 3.3%, below historical averages. Although inflation has eased in some advanced economies, it remains sticky elsewhere, keeping interest rates higher for longer and weighing on investment and financial conditions.

Geopolitical risks are elevated. Conflicts in Eastern Europe and West Asia continue to disrupt energy markets and trade routes, while the US–China strategic rivalry has entrenched geo-economic fragmentation. Protectionism, industrial policy activism, and supply-chain realignments are now structural features of the global economy.

Amid this uncertainty, India is seen as a relatively stable and credible economic partner, benefiting from *"China-plus-one"* diversification strategies. However, gains are tempered by volatile capital flows, weak global goods demand, and tight global liquidity. The IMF and World Bank caution that external demand may stay subdued, even as services and digital exports remain more resilient.

Accordingly, the Budget's focus on strengthening domestic growth drivers—public investment, crowding in private capex, productivity-led consumption, and structural reforms—is well conceived. The writing on the wall is clear, the message of history unmistakable: near-term growth cannot rely excessively on exports and must be anchored in robust domestic demand and internal shock absorbers.

Key Fiscal Highlights

Gross Tax Revenue (GTR) growth for FY27 (BE) is budgeted at 8 % over FY26 (RE), implying a slight decline in tax buoyancy. Direct taxes are projected to grow by a healthy 11.4 %, reflecting confidence in income and corporate profitability trends. In contrast, indirect tax growth is budgeted at a modest 3 %, largely due to a contraction in GST revenues, underscoring lingering demand and compliance challenges.

Total Union expenditure is pegged at ₹ 53.5 lakh crore, indicating restraint rather than expansionary excess. Capital expenditure is maintained at ₹ 12.2 lakh crore (3.1% of GDP), while revenue expenditure growth is limited to 6.6 %. Importantly, ₹ 1.4 trillion has been allocated for tax devolution to states, in line with the 16th Finance Commission's recommendations, reaffirming the government's commitment to cooperative federalism.

Continuity and Contextual Significance

This Budget marks the first full-year fiscal statement of the new government's mandate. Expectations of structural reform, fiscal prudence, and inclusive growth have been steadily building, and the Budget responds by emphasising consolidation rather than disruption.

In a world characterised by inflation risks, geopolitical fragmentation, and uneven recovery, the government has consciously chosen stability over surprise. The absence of conspicuous policy shifts should not be mistaken for inertia; rather, it reflects a strategic decision to deepen earlier reforms, maintain policy credibility, and focus on long-term growth drivers instead of short-term populism.

The *"Three Kartavya"* Framework

The Budget is articulated around a *"three-Kartavya"* framework—accelerating growth, empowering citizens, and enhancing inclusivity. This framework seeks to reconcile macroeconomic discipline with developmental aspirations. While the intent is well calibrated, the real test will lie in execution, inter-governmental coordination, and the translation of budgetary allocations into tangible outcomes.

Capex-Led Growth and Infrastructure

I have consistently demonstrated in my writings, published in India and abroad, for well over three decades, that infrastructure is central to accelerated growth and structural transformation. With capex rising by around 8–9 % year-on-year, the government justifiably continues to rely on infrastructure investment as a high-multiplier tool for job creation, productivity enhancement, and private investment crowd-in.

Investments in transport, urban infrastructure, logistics, and regional connectivity are expected to ease supply-side constraints. The announcement of seven high-speed rail corridors linking major economic hubs, such as Mumbai–Pune, Pune–Hyderabad, and Chennai–Bengaluru, signals an ambition to modernise India's transport ecosystem and reduce logistics costs.

However, these projects are capital-intensive and long-gestation. India's experience highlights risks related to land acquisition delays, regulatory bottlenecks, cost overruns, and financing sustainability. Without parallel reforms in project governance, contract enforcement, and institutional accountability, higher allocations alone may not deliver commensurate economic returns.

Tax Policy: Stability over Stimulus

Tax policy certainty, as I have consistently maintained over the years, is a prerequisite to development. Hence, the Budget's focus on predictability and administrative refinement is welcome. There are no major changes to personal income tax rates, a departure from earlier Budgets that focused on middle-class relief. While this may dampen sentiment toward consumption in the short run, it reflects fiscal constraints and a conscious decision to avoid revenue volatility.

Procedural improvements, such as staggered return-filing timelines and incremental compliance simplification, are welcome, particularly for salaried taxpayers and small businesses. Yet, in an environment of rising living costs and uneven real wage growth, targeted and calibrated tax relief could have supported consumption without undermining fiscal discipline. The government's choice suggests a clear preference for investment-led growth over consumption-led stimulus in the near term.

Manufacturing and Structural Transformation

I have cogently argued that moving to a higher growth orbit requires a manufacturing renaissance. The Budget reinforces India's manufacturing through targeted strategic support, e.g., expansion of the India Semiconductor Mission (ISM 2.0), development of rare-earth corridors, and incentives for biopharma, chemicals, and textiles, aligning with the objective of deeper integration into global value chains and reduced import dependence.

While strengthening technological self-reliance and high-quality job creation, fiscal incentives alone cannot ensure manufacturing competitiveness. Persistent structural constraints, viz., labour market rigidities, power reliability, logistics efficiency, regulatory predictability, and contract enforcement, must be addressed to achieve scale and global competitiveness.

Services, Skills, and Human Capital

Recognising the dominance of services in India's growth model, the Budget proposes an Education-to-Employment-and-Enterprise (E2E) standing committee to align education outcomes with labour market needs and expand India's share of global services exports. Yet committees must translate their work into action through curriculum reform, expanded vocational training, industry-academia collaboration, and continuous skill upgrading. Without tangible improvements in employability and productivity, India's demographic dividend risks turning into a demographic liability.

MSMEs and the SME Growth Fund

The proposed ₹ 10,000 crore SME Growth Fund acknowledges the central role of MSMEs in employment, exports, and innovation. Access to patient capital can help firms scale, adopt technology, and integrate into global markets. But finance is only one constraint. Regulatory complexity, delayed payments, compliance costs, and limited digital adoption continue to impede MSME growth. The fund's effectiveness will depend on governance quality, transparent allocation, and outcome-based monitoring.

Inclusion, Social Sectors, and Rural Economy

The Budget includes measures aimed at social inclusion and rural income enhancement, viz., girls' hostels in every district, farm diversification, productivity improvement, and formal integration of fisheries into value chains, reflecting a long-term human capital perspective. Given the humungous challenges in healthcare, education, nutrition, and employment, allocations appear modest. Outcomes will, however, hinge on implementation capacity at the state and district levels.

Fiscal Policy

Fiscal policy refers to the government's use of taxation, public expenditure, and transfer payments to influence macroeconomic conditions, such as aggregate demand, employment, inflation, and economic growth. Its main instruments include government spending, taxation, and transfer payments. The government pursues four key objectives of efficient allocation of resources, equitable distribution of income, promotion of economic growth, and macroeconomic stabilisation.

The theoretical foundation of fiscal policy is largely based on the work of John Maynard Keynes (1883–1946). Keynes argued that governments should actively intervene in the economy to stabilise business cycles instead of relying solely on free markets. Keynes stressed *"pump priming,"* which involves government spending during economic downturns to stimulate demand and revive economic activity. By injecting funds into the economy during recessions, governments can boost purchasing power, increase demand for goods and services, and support employment and output.

Fiscal Policy in India

Since the economic reforms of 1991, fiscal policy has been a central component of India's economic framework, aimed at promoting growth, maintaining price stability, and ensuring social equity. Achieving these goals required greater resource mobilisation through improved taxation and control over unproductive expenditures. From 2001–02 onward, the central government adopted a prudent fiscal strategy focused on two pillars:

1. A balanced tax structure combining direct and indirect taxes with moderate rates and fewer exemptions to broaden the tax base.
2. An expenditure policy that restrains non-developmental spending while prioritising social and infrastructure needs.

During the COVID-19 pandemic, India adopted a calibrated fiscal response to address the severe economic disruption. Initial fiscal measures focused on supporting vulnerable households through cash transfers and in-kind assistance. Simultaneously, the RBI used both conventional and unconventional tools to expand liquidity, stabilise financial markets, and support growth. As the pandemic subsided, policy emphasis gradually shifted toward promoting investment and sustaining economic recovery.

Fiscal Deficit and Fiscal Discipline

Large and persistent fiscal deficits can weaken macroeconomic stability by raising interest burdens, *"crowding out"* productive spending, increasing borrowing costs, and discouraging private investment. Excessive deficits can also fuel inflation, worsen the balance of payments, and raise concerns among credit rating agencies, thereby increasing the cost of foreign borrowing.

India's pursuit of fiscal consolidation projects a decline from 4.4% of GDP in FY26 to 4.3% in FY27, while public debt is expected to fall gradually. This disciplined approach reassures investors and rating agencies, helps contain bond yields, and prevents crowding out of private credit. Although higher capital expenditure may increase short-term borrowing, it focuses on productivity-enhancing infrastructure that supports long-term growth. Overall, India's fiscal strategy aims to balance growth, welfare, and fiscal sustainability through gradual consolidation and targeted public investment.

Financial Sector

Proposals to review banking sector reforms and refine foreign investment frameworks signal intent to strengthen financial stability and attract long-term capital.

Key Sectoral Highlights

1. Education

The Budget prioritises skills, technology, and job readiness, with AI at the centre of education reform. Measures such as IIT Creator Labs, a new design institute in eastern India, and district-level girls' hostels aim to expand innovation and women's access to higher education. Expanded healthcare training and AI-focused skill programs will address workforce gaps and prepare students for future tech-driven jobs. Overall, the shift toward outcome-based, employment-aligned education is a timely step.

2. Aviation

The Budget aims to strengthen aviation manufacturing and lower operating costs. Customs duty exemptions on aircraft manufacturing inputs will boost domestic production across the civil and defence sectors. Incentives for seaplane manufacturing and operations support regional connectivity, while expected reductions in ATF prices could lower airline costs and ticket prices. These steps reinforce the Make-in-India aviation ecosystem, including MRO services and local supply chains.

3. Petroleum

Direct petroleum announcements were limited. However, related developments, such as ATF price reductions benefiting aviation and infrastructure-led capital expenditure, may indirectly influence fuel demand and logistics. Recent LPG price changes reflect market dynamics rather than new Budget measures.

4. IT & Artificial Intelligence (AI)

Technology and AI remain major priorities in the Budget. Key initiatives include the Bharat VISTAAR multilingual AI platform, tax incentives for foreign cloud providers operating in Indian data centres, and expanded AVGC education programs. Semiconductor Mission 2.0, with ₹ 40,000 crore funding, aims to boost chip manufacturing and AI design capabilities. These measures strengthen India's position as a global hub for AI and digital innovation.

Conclusion

The Union Budget represents continuity with calibrated change. It prioritises growth through real investment in infrastructure and manufacturing, stability via fiscal consolidation and debt discipline, capex-led growth, and strategic sectoral support while consciously avoiding populist excesses. Its focus on infrastructure, manufacturing, services, MSMEs, and human capital could strengthen India's medium-to-long-term growth prospects in an uncertain global environment. But risks from revenue strains and execution challenges remain. Ultimately, the Budget's success will be a function less of intent and allocations and more of execution, focusing on institutional capacity, reform follow-through, and cooperative federalism. With policy stability and effective delivery, this Budget could provide a durable foundation for resilient, inclusive, and sustainable growth.

(Views are personal)

Three Kartavyas - One Vision Budget 2026-27 Chart the Road to Viksit Bharath

Dr. Narendra Mairpady
Chairman
IMC Banking, Finance and NBFC Committee

Growth, Capacity Building and Inclusive Participation define India's Development Roadmap

Recent submission of Union Budget 2026-27 has received overwhelming positive response except the equity market had a sharp fall due to enhanced tax on derivatives. Subsequently the market could understand the various positive steps envisaged in the Budget for short term, medium term all round growth of India in its march towards Vikasit Bharath by 2047, as well the trade deal entered by India with European Free Trade Agreement as well recently with much awaited agreement with USA with sharp fall in trade tariffs to 18% has provided positive momentum to equity market. With various strong enablers, policy initiatives, with fiscal consolidation path bring carried out along with the focus on capex, with quality of expenditure and fiscal prudence, new initiatives and strong momentum for domestic growth, has laid the strong foundation for Vikasit Bharath.

As the Budget 2026-27 for the 9th time presented by Union Finance Minister Nirmal Sitharaman, is prepared in Kartavya Bhavana, FM has stated 3 Karthavya namely first Karthavya and top post priority is to continue to focus on accelerate and sustain economic growth. India currently like to grow this year at 7.4% , however in its drive for Vikasit Bharath, this growth in GDP even though looks better compared to other peers particularly in view of the current global headwinds, as the risks in terms of geo political uncertainties still remain, trade disturbance, supply chain disturbance due to sanction etc are continuing, however India has to accelerate the current trend of GDP growth as we have to catch up lot of GDP growth which suffered after COVID 19, delayed our immediate vision of crossing the milestone of $ 5 trillion dollars economy and if we wish to achieve developed Economy by 2047 and have $ 30 trillion dollars Economy, the current rate of GDP growth has to be accelerated to 8 to 9 % growth which looks Challeng but with India,'s potential and strong consumption led economy along with opportunities for global trade for India, there should be bold and structural reforms, enhanced private capex along with government focus on infrastructure projects, New sun rise sectors are opened up by the government for the private sector, it is now absolutely essential that we would not waste any time to grap the opportunities in Manufacturing, Services sector and have productivity and quality in focus for enhanced growth and sustainable growth.

Second Kartavya is fulfill aspirations of people and build their capacity. As India has lifted quite lot of people from the poverty line and number of people living below the poverty line as come to very low level, it is necessary that upcoming young generation,(yuva Shakti), aspiring women to take lead role in nation building and women participation in Employment, self employment, entrepreneurship are going, enablement and proper utilisation of Nari Shakti (Women Empowerment) becomes necessity, providing equity opportunities to all sections of population, agriculture and allied sectors, manufacturing becoming major economic support which currently hovers around 15% which needs to be taken to much desired level of 25% along with India becoming a global Hub for Manufacturing, with technology adoption along with Research & Development, technology collaboration with global peers, Innovation and substantial fresh investments, productivity growth and quality growth, global appeal for fresh substantial investment etc., enhanced skills development, professional expertise and knowledge enhanced, new Innovation along with emerging technology like AI related Investments for enhanced services exports, at the same while providing higher scope for excess employment dependency on agriculture to self employment, Local arts and crafts getting attention with each district one product, micro and small enterprises becoming the main stay for economic growth with continuous favourable policies support by the government including in the current Budget with Equity support etc, at the same agriculture becoming higher productivity, technology adoption in agriculture, productivity enhancement with quality seed, manure and focus on fruits, and agro park, better cold storage and warehousing facilities, supply chain, logistics cost becoming competive with global standards, ensuring direct purchase and supply to ensure better pricing support, reduce the dependence on middle men to have higher realisation, are some of the steps already envisaged and futuristically implement which will lead to aspirations of all sections of the people are met and enough opportunities and enablers are provided so that Viksit Bharath becomes the commitment of the people and collectively these Aspirational goals becomes the goal of every proud Indian and then only enhanced per capita income and benefits of developed India helps everyone to enhance their quality of life, better education, higher skills, social infrastructure getting equal support like in the Budget, more focus on health, girls hostel facilities in each district, education institutions quality and reach being enhanced, availablity of clean water, urban facilities are enhanced, new urban infrastructure providing along with Smart City, strengthening Gram Panchayats and Municipal corporation, encouraging them to go for better social infrastructure, incentivising for raising municipal bonds by subsidy providing etc. Such bold and innovative proposals in the Budget are in right direction towards Vikasit Bharath and to meet the aspirations of people.

Third Kartavya is that every initiatives will have to be aligned with vision of SABKA SATH, SABKA VIKAS. Vikash, Growth is the primary focus and Growth necessitates involvement and participation of all. Hence there is necessity that both Centre and States both are development focussed, both taking great initiatives for domestic and foreign investments, higher priority for CAPEX, all opportunities for all sectors, should align themselves in creating physical and social infrastructure, embracing Sabka Sath Sabka Vikas and this alignment, mutual support and cooperation, taking every step for the best interest of all, will find more acceptance and greater social impact and there will be higher appreciation and private sector participation and common man gets the fruits of growth and feels obliged that every such individuals need to be greater contributor the process of growth and accomplishments.

It is great gratifying to note that Central Government in spite of the need to keep the fiscal deficit to goal of 4.3% by 2026-27, has allocated public capex to 12.2 lakh crore as against 11.2 lakh crore in 2025-26. There has been massive growth in road infrastructure, connectivity has enhanced and distance taken between all major centres are reduced. Roads and highways allocation rises to Rs 3.10 lakh crore vas against budget estimate of Rs 2.87 lakh crore in the last year Budget. In the recent years, India's roads and highways sector has remained a central pillar of government's infrastructure strategy, with a higher public spending over the past decade. The ministry of Road Transport and Highways has seen its expenditure grow nearly six fold during this period, supporting close to 60% expansion of the national highway network to over 1.46 lakh kilometres.

Another area of capex is in respect of Railways. Budget proposes seven high speed rail Corridors between cities will be developed as Growth Connectors to promote environmentally sustainable passenger system. The Budget has allocated it's highest ever budgetary allocation of Rs 2,78,030 crore for 2026-27 up from the allocation of

Rs 2.65 lakh crore in 2025-26. The Seven new Corridors as growth connectors will cover nearly 4,000 kms and are estimated to attract investments approximately 192 billion USD (16 trillion rupees) thus strengthening the role of railways as a central element of future mobility

As stated earlier, Rs 10,000 SME Growth Fund proposed to create MSME's as a future Champion. MSMEs who are the major contributor to GDP and exports and the goal is their contribution to reach 50% of GDP from 30.1% of India's GDP and exports from over 45.73% to 50% and later 75%. These goals are very important to actualise and support from the government in recent days specially for this sector has been appreciated. Moreover, they are the second largest employer, with over 6 5 crore units providing jobs to 28 crore people, contributing to 35.4% manufacturing output.

Overall the Budget focus and innovative proposals amongst different sectors to fulfill the aspirations of all, quite a lot of proposals for strong foundation for Vikasit Bharath, at the same time, with commitment towards fiscal prudence and fiscal buffers, are greatly appreciated and it is now necessary that these proposals becomes a reality by expedious execution and output and impact monitoring.

(Views are personal)

How Thurro approached the pre-Budget series

Mr. Pradip K Saha
Head of Research, Thurro

Strap: By using AI to examine eight Budget documents and seven Economic Surveys as a continuous dataset, we identified structural transitions in fiscal language and policy intent that annual readings often miss

Ahead of the Union Budget 2026–27, as policy experts and commentators debated what lay ahead, Thurro turned to the past, examining how the government's economic language has shifted over the last decade.

Most fiscal commentary treats each year as a standalone picture: a snapshot of allocations, deficits, and announcements. We instead treated the Budget as a video of transitions.

Our central question was simple: how has the state's economic language and intent evolved across phases?

We identified eight Budget speeches—from FY2019 to FY2026—and seven editions of the Economic Survey—from 2018–19 to 2024–25. All of these reside within Thurro's AI-enabled research platform, which processes 25–35 million new data points daily from more than 800 verified regulatory, corporate, and proprietary sources and integrates them into structured, searchable pipelines for longitudinal analysis. The objective was to detect structural shifts in tone, emphasis, and policy framing across time.

Viewed longitudinally, a clear progression emerged.

The pre-pandemic phase was marked by ambition. Speeches were framed around aspiration and persuasion. During the pandemic years, the tone shifted toward protection: resilience, safeguarding livelihoods, and the emergence of "Atmanirbharta" as a response to external vulnerability. In the post-pandemic phase, the language became more execution-oriented, and less rhetorical, more structured, and focused on delivery. These transitions are subtle in a single year's Budget, but when read as a series of documents over time, they became more visible.

We used Thurro's AI-driven platform to process the large document sets—including the nearly 500-page Economic Survey of 2024-25—in a way that would be impractical manually, allowing shifts in language, structure, emphasis, and time horizon to be identified at scale. We also kept the process simple.

Core learnings

First, we used simplified prompting. Instead of broad, abstract questions, we broke the analysis into structured cuts—tracking references to specific sectors, social groups, and policy themes across eight speeches. In one exercise, for example, we examined 10 sectors across eight years, creating nearly 80 analytical intersections.

Second, we segmented queries rather than relying on general summaries. This improved consistency and reduced interpretive drift.

Third, we verified outputs against source documents. In one instance, the tool initially reported reading only a subset of the speeches; it took a few attempts to ensure all eight were being processed. Every pattern had to withstand textual cross-checking and economic reasoning.

An additional advantage of this approach was the recovery of forgotten initiatives. Human readers tend to remember flagship announcements; policies that failed to take off are buried under successive waves of new schemes and quietly disappear from the record. A machine reading retains references to such forgotten schemes. That allowed us to ask not only what was introduced, but what disappeared, and why.

In our view, this method matters because budgets are not merely fiscal tables; they are evolving policy narratives. Reading them longitudinally enables the detection of structural shifts in state thinking that annual commentary often misses. The same approach—assembling long comparable datasets, applying structured tools, and interpreting with domain knowledge—can extend to corporate annual reports, monetary policy documents, or any body of text that accumulates over time.

AI expands reading capacity. It does not replace judgement. The result is analysis that moves from annual snapshots to structural transitions.

Appendix (published pre-budget)

Article 1

The Economic Survey's long arc

Read across the last seven editions, the Survey reveals how the state's economic imagination has informed its doctrine

Pradip K Saha,
Head of research, Thurro

January 29, 2026

This analysis is based on Thurro Answers' AI-led reading of India's Economic Surveys from 2018–19 to 2024–25. Rather than treating each Survey as a standalone precursor to the Union Budget, Thurro Answers reads them longitudinally—tracking shifts in language, argument structure, metaphors, and policy logic across years.

By structuring Economic Surveys into a ***comparable, searchable*** *corpus and applying* ***AI-assisted thematic and linguistic analysis****, Thurro Answers enables patterns to emerge that are difficult to detect through isolated reading. This makes it possible to trace how the Survey's role itself evolved—from diagnosis to persuasion to operational guidance—well beyond headline chapters or charts.*

Earlier in the budget series, we analysed how the Budget speeches have evolved, how they redefined their intended audience, reframed employment, and realigned sectoral priorities over time. In this analysis note, we examine the Economic Survey itself: how its language, structure, and role changed over the last seven years, and what that revealed about the state's evolving economic worldview.

From wealth creation to system design

The first three editions of the Survey in this period were prepared by Chief Economic Adviser Krishnamurthy V. Subramanian. The 2021–22 edition was prepared by Sanjeev Sanyal, then Principal Economic Adviser. The last three editions have been prepared by Chief Economic Adviser V. Anantha Nageswaran.

Concepts such as wealth creation, ethical wealth, and the moral legitimacy of markets were placed at the core of the State's economic argument. Deregulation, private enterprise, and market efficiency were not presented merely as policy tools; they were framed as ethical necessities underpinning long-term prosperity.

In 2019-20, this worldview deepened. Markets were defended explicitly through the distinction between pro-business and pro-crony policies, with trust positioned as a public good that allowed the invisible hand to function effectively. The Survey was persuasive, argumentative, and normative in tone.

The pandemic years tested this worldview. 2020-21 and 2021-22 editions of the Survey reframed the state temporarily as crisis manager, insurer, and stabiliser. However, this shift was explicitly positioned as conditional and exceptional. The Survey argued repeatedly that crisis response should preserve long-term growth logic, not replace it. The introduction of the Agile Approach in 2021-22 signalled a move toward continuous monitoring and adaptive policy, rather than a return to permanent intervention.

From 2022-23, the emphasis shifted decisively from why growth mattered to how it would be delivered. The Survey increasingly read **less like a philosophical defence of markets and more like a design document for economic systems** —focused on coordination, sequencing, and execution.

The State's changing self-image

One of the clearest longitudinal shifts in the Economic Survey was how the state described itself.

In earlier Surveys, the state was cast as a reformer—reducing policy uncertainty, correcting distortions, and unleashing private initiative. Chapters dwelt on deregulation, market signals, incentive alignment, and legal predictability as growth enablers.

Post-pandemic, this identity evolved. From 2022-23 onwards, the state increasingly presented itself as an adaptive policy-maker and fiscal stabiliser, capable of responding to shocks through feedback loops, real-time data, and targeted interventions.

In the last two editions, the Survey adopted a more explicitly managerial and strategic tone. The state was no longer just enabling markets; it was coordinating them—setting platforms, defining interfaces, sequencing reforms, and, in some cases, deliberately stepping back. The emphasis on deregulation in 2024-25 reframed governance itself as an act of restraint: getting out of the way became a policy objective.

How the Survey treats the private sector

Early Surveys were explicitly pro-enterprise, almost defensive in tone. Firms were framed as engines of national prosperity, with repeated arguments in favour of scale, profitability, and creative destruction after years of policy scepticism.

In later Surveys, this celebratory tone softened. 2022-23 onwards, firms appeared less as partners to be convinced and more as actors operating within designed systems—participants in supply chains, adopters of technology, and executors of incentives.

In the last two editions, persuasion gave way to expectation. The Survey spoke to firms as agents assumed to respond rationally to incentives and regulatory clarity. Trust-based regulation, compliance simplification, and cost reduction replaced moral argument. The assumption was no longer that firms needed encouragement to invest, but that they would—if the system was correctly designed.

Jobs, productivity, and the quiet reframing of labour

In the earlier Surveys, employment was discussed largely in aggregate terms. Growth was expected to generate jobs; formalisation was framed as a natural outcome of scale; productivity gains were treated as indirect enablers of opportunity.

Over time, this framing sharpened. From 2022-23 onwards, productivity became the central analytical concern. Job quality, skill intensity, and labour reallocation mattered more than raw employment numbers. Informality was increasingly framed as a productivity constraint rather than a moral failure.

Labour appeared less as a lived experience and more as a system input. Jobs were treated as outcomes of functioning ecosystems—industrial clusters, services expansion, technology diffusion—rather than objects of direct targeting. This aligned closely with how later Budgets framed employment policy.

Technology: from sector to substrate

One of the most striking evolutions in the Economic Survey was how technology was treated.

In early Surveys, technology was discussed as a sector—IT services, startups, and digital payments. Over time, it became infrastructural. From 2021-22 onwards, digital public infrastructure, data systems, and platforms were treated as economic substrates on which other sectors depended.

In 2023-24 and 2024-25, this framing matured further. Artificial intelligence was no longer speculative. It was discussed in terms of augmented intelligence, productivity enhancement, and administrative capacity. Technology receded as a headline topic and re-emerged as embedded leverage.

Long-term vision: from aspiration to inevitability

Across these years, the Economic Survey's long-term imagination changed tone. While the early Surveys spoke aspirationally—of catching up, becoming a USD 5 trillion economy, and reclaiming growth momentum—there was urgency and ambition.

Later Surveys spoke with inevitability. Concepts such as Viksit Bharat, demographic advantage, and structural resilience were

treated less as goals and more as trajectories already underway. Risks were acknowledged, but the underlying confidence was unmistakable.

Growth was no longer framed as something India hoped to achieve. It was framed as something India was structurally positioned to deliver—provided execution remained disciplined.

What the Economic Survey now is

Taken together, these shifts reveal a document that quietly changed function. The Economic Survey is no longer primarily a diagnostic report or a persuasive essay. It has become a pre-Budget policy framework — setting conceptual framework, explaining policy choices, and pre-structuring the terms of debate before fiscal announcements are even made.

By the time the Budget is presented, much of its logic has already been embedded.

The Survey no longer asks whether a policy direction is correct. It assumes correctness—and focuses on how quickly, efficiently, and systematically it can be implemented.

What this evolution reveals

Across these years, the Economic Survey steadily consolidates its core economic framework. Markets are affirmed; the state is strengthened, systems replace schemes, and execution replaces argument. The document reflects a government that believes its economic worldview is settled—and that the remaining challenge is coordination, scale, and delivery.

The Economic Survey has become quieter, firmer, and more settled. In doing so, it reveals a state that no longer feels the need to persuade—but assumes participation and execution.

Appendix- Article 2

How the purpose of the India Union Budget has evolved

Over the last seven years, the Union Budget has evolved from near-term fiscal steering to a Covid-19 crisis-response instrument to a long-horizon system-design document

Pradeep K Saha,
Head of research, Thurro

January 22, 2026

Over the past seven years, the Union Budget has undergone a discernible shift in role, tone, and intent. Thurro's AI-based analysis of Budget speeches across these years, available on its platform, shows a progression— from a platform for near-term strategic macroeconomic steering and sectoral resource allocation to a crisis stabiliser, to a narrative anchor, and finally to a document increasingly focused on long-term economic architecture.

Phase I: The baseline (FY2020-FY2021)

The FY2020 regular Budget was presented by Finance Minister Nirmala Sitharaman on 19 July 2019, marking the beginning of the NDA government's second term. It provides a useful reference point for what the Union Budget looked like before disruption of the pandemic reshaped its function.

Delivered in a period of relative macroeconomic normalcy, the FY2020 speech followed a familiar pattern. It focused on growth aspirations, sectoral initiatives, and incremental reform. The language was forward-looking but measured, framed around boosting investment, supporting consumption, and continuing structural reforms already underway.

At the same time, the speech introduced an explicit long-term aspiration—the vision of a ***USD 5 trillion*** economy. While this goal setting remained directional rather than architectural, it signalled an early attempt to frame annual policy within a broader developmental ambition, captured in the framing of Building New India.

The tone was measured rather than urgent, and although longer-term ambitions were clearly articulated—including decade-long economic goals—the Budget's organising logic remained anchored in the annual fiscal cycle. Strong emphasis was placed on delivery and implementation, including last-mile reach of government programmes, but these priorities were addressed within the existing fiscal framework. The document functioned primarily as a platform for setting near- to medium-term priorities, adjusting policy levers, and signalling intent to markets and households.

The FY2021 Budget extended this framework. Framed around ***Ease of Living***, it emphasised continuity of welfare delivery, support for vulnerable households, and the maintenance of public investment. The Budget maintained the same three-pillar structure established in FY2020, with a focus on boosting incomes, enhancing purchasing power, and supporting higher growth to enable meaningful employment.

This phase serves as the baseline: Budget speeches that prioritised near-term policy direction while articulating longer-term ambition and delivery priorities.

Phase II: The shock absorber (FY2022)

The FY2022 Budget speech marked a sharp break, shaped by exceptional circumstances. Delivered during the Covid-19 pandemic, it reflected uncertainty, disruption, and the need for institutional reassurance.

The language shifted decisively toward protection and resilience. The speech explicitly acknowledged disruption, loss, and collective endurance. Health systems, food security, income support, and emergency measures were framed as essential to holding the economic and social fabric together.

A key organising frame during this period was ***Atmanirbhar Bharat***, or self-reliant India. Emergency measures were presented through this lens, positioning self-reliance as both a response to crisis and a demonstration of governance capacity.

Policy announcements in this phase were presented less as reforms and more as stabilisers. The Budget's role was to signal governance capacity, enable extraordinary intervention, and reinforce legitimacy at a moment of systemic stress.

Here, the Union Budget functioned primarily as a shock absorber—designed to contain damage and restore confidence rather than reshape long-term structure.

Phase III: The narrative anchor (FY2023–FY2024)

From FY2023 onwards, the Budget's framing began to expand beyond crisis response.

The introduction of ***Amrit Kaal*** marked a further extension of the Budget's time horizon within India's national narrative. Framed as the 25-year period leading to the centenary of independence, it expanded on the earlier decade-scale ambitions by situating annual policy decisions within a clearly articulated multi-decade trajectory of recovery, aspiration, and national direction. The tone in these years shifted toward confidence. References to economic rebound, India's global standing, and comparative performance became more frequent. Infrastructure expansion, digital public platforms, and energy transition initiatives were increasingly discussed as steps along a defined national journey of continued economic growth rather than as standalone annual measures.

In this phase, the Budget assumed the role of a narrative anchor. It linked the immediate post-crisis present to a longer arc of development, using language and framing to give coherence and meaning to policy choices across years.

Phase IV: The system architect (FY2025–FY2026)

By FY2025 and FY2026, the evolution became structural. The Budget speeches in these years reflected a clear movement from broad themes toward formal frameworks. Early pillars and narrative priorities were reorganised into explicit engines of growth. The FY2026 Budget, in particular, articulated a structured architecture in which agriculture, MSMEs, investment, and exports were framed as engines.

Within this structure, ***Reforms as the Fuel*** emerged as an explicit organising principle, reinforcing the idea that governance and institutional change were necessary to power these engines.

The language became more enumerated and programmatic. Policy domains were broken into categories, missions, and sequences. Emotional appeals receded, replaced by institutional logic and internal coherence.

The time horizon extended decisively. ***Repeated references to 2047*** embedded the Budget within a multi-decade planning frame, shifting attention away from year-on-year adjustment toward how different components of the economy are expected to interact over time.

In this phase, the Budget functioned as a system-design document, outlining economic architecture rather than responding to immediate disruption or narrating recovery.

What this evolution signals

Across FY2020 to FY2026, the Union Budget follows a clear progression:

- A conventional annual fiscal exercise
- A stabilising instrument during crisis
- A narrative device anchoring recovery and aspiration
- A framework for long-term economic organisation

This evolution does not speak to outcomes or effectiveness. It reflects a change in how the state conceives the Budget itself—less as a one-year statement and more as a planning and signalling instrument over time. The shift is gradual, but it is visible in how the document's language, structure, and time horizon change over time.

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(Views are personal)

Union Budget 2026–27: From Infrastructure Push to Seamless Logistics Ecosystem

Dr. Pramod Sant
Chairman, IMC - Logistics and Transportation Committee

The Union Budget 2026–27 marks a major turning point in India's logistics narrative from incremental improvements to structural transformation. The Economic Survey (FY26) projected a real GDP growth in the range of 6.8% to 7.2% for FY26 and The fiscal deficit to GDP ratio is budgeted to fall to 4.3% of GDP in FY27 (BE) from 4.4% in FY26 (RE). The real story for the logistics sector lies in the continued capital expenditure thrust, customs modernization, multimodal expansion and sector-focused manufacturing incentives.

For logistics professionals, this Budget is not merely about allocations, it is about enabling velocity, predictability and global competitiveness.

Capital Expenditure: Logistics as Growth Multiplier

The Government has retained capital expenditure at INR 12.2 lakh crore (3.1% of GDP) for FY27. This sustained investment signals policy continuity and reinforces infrastructure-led growth as the backbone of competitiveness. It is interesting to see Impact on logistics - Direct and log term.

Budget Allocation/Policy Focus	Budget 2026-27 Direction	Direct Logistics Impact	Long-Term Competitiveness Outcome
Capital Expenditure - ₹ 12.2 lakh crore (3.1% of GDP)	Sustained public capex	Infrastructure creation	Lower national logistices cost
Dedicated Freight Corridors	Expansion & operationlisation	Faster rail cargo movement	Modal shift from road to rail
National Waterways	20 new waterways	Lower bulk cargo cost	Sustainable freight network
High-Speed Rail Connectors	7 growth corridors	Improved inter-city freight connectivity	Industrial corridors integration
Port & Logistices-linked Manufacturing	Port-led growth model	Reduced dwell time & evacuation delays	Export competitiveness

Manufacturing Expansion: Direct Impact on Freight Demand

A major policy signal in Budget 2026 is the scaling up of seven strategic manufacturing sectors i.e. semiconductors, biopharma, electronics components, rare earths, chemicals, textiles and capital goods. These sectors are freight-intensive and export-oriented.

Strategic Sector	Freight Type Impact	Logistics Opportunity
Semiconductors	High-value air cargo	Air Freight, bonded warehousing
Electronics Components	High-value air cargo and Containerized exports	Air freight and Port-led logistics
Biopharma	Temperature-controlled logistics	Cold chain infrastructure
Rare Earths	Bulk mineral transport	Rail & port handling
Textiles & Footwear	Seasonal export cycles	Container consolidation & CFS demand

Similarly, support for MSMEs through an SME Growth Fund and professional compliance support, strengthens domestic supply chains and Tier-2 manufacturing clusters directly expanding regional logistics networks.

As India positions itself within new Free Trade Agreements and global value chains, logistics capacity must scale proportionately not just in volume, but in sophistication.

Customs Facilitation & Digital Transformation :- Faster, Simpler, More Predictable

Perhaps the most impactful changes for the logistics community lie in customs modernization.

1. Deferred Duty Payment

Increase duty deferment period from 15 day to 30 days and introduction of deferred payment of import duty under "Eligible Manufacturer Importer" improves working capital cycles for compliant importers. This reduces liquidity strain and improves cargo flow predictability.

2. Auto Registration & Auto Out-of-Charge

Automatic goods registration and auto "Out of Charge" for compliant consignments marks a shift toward reduced manual intervention. This directly translates into reduced dwell time, Lower demurrage costs, Faster cargo evacuation.

3. Auto Let Export Order (LEO)

Automation of Let Export Orders for e-sealed cargo enhances export predictability and aligns with global best practices.

4. Customs Integrated System (CIS)

The rollout of the Customs Integrated System (CIS) is a major reform. It integrates data, approvals and risk management into a unified digital architecture. When combined with AI-enabled non-intrusive inspection and container scanning deployment, the result is faster, more secure trade flows.

5. Baggage Rules 2026: Passenger and Professional Mobility

While primarily passenger-focused, the revised Baggage Rules 2026 reflect India's increasing global integration. Enhanced duty-free allowances, clarity for foreign professionals, and digital monitoring of temporary imports create smoother entry processes. This indirectly supports:- 1)International business travel, 2) Temporary equipment imports, 3) Event logistics, 4) Professional relocation. In a globally integrated economy, facilitation at airports is part of the logistics ecosystem.

Energy transition and Green Logistics

The Budget continues support for Carbon Capture, Lithium-ion manufacturing and critical minerals processing

Basic customs duty exemptions on goods required for nuclear and lithium-ion projects indicate policy support for clean energy infrastructure.

For logistics operators, this implies: Growing EV fleet adoption, Battery supply chain development, Increased import-export of critical minerals. Green logistics is no longer optional. It is being embedded in industrial policy.

Risk Guarantee Fund & Private Participation

The announcement of an Infrastructure Risk Guarantee Fund aims to crowd-in private investment. This could accelerate and increase PPP participation in Logistics related area such as

- Logistics parks
- Warehousing clusters
- Multimodal terminals
- Port-linked infrastructure

As public investment stabilizes baseline infrastructure, private players can expand capacity with reduced risk perception.

Strategic Direction: From Movement to Momentum

The Budget's broader policy thrust reflects three structural shifts:

a) From Cost Focus to Competitiveness Focus

Logistics is being viewed as an enabler of exports and manufacturing, not just as a cost component.

b) From Manual Control to Digital Trust

Automation, AI-based scanning, risk-based clearance and deferred duty represent a trust-based ecosystem.

c) From Mode-Specific to Multimodal Integration

Freight corridors, waterways, rail connectors and port modernization indicate integrated planning.

India's logistics sector is moving from being a "cost drag to a growth flywheel" powered by policy, platforms and multimodal strategy.

What Budget Means for Logistics Industry Stakeholders

The Union Budget 2026–27 creates significant opportunities across India's logistics and supply chain ecosystem. However, the real benefits will depend on how both manufacturers and logistics service providers align their logistics strategies, operational planning and compliance frameworks with the evolving policy direction.

India's ambition to become a reliable link in global value chains will depend not only on manufacturing growth, but equally on the efficiency, reliability and competitiveness of its logistics systems.

What Manufacturers and Exporters Should Do from a Logistics Perspective

Manufacturers are no longer silent users of logistics services. With increasing FTAs, export incentives and digital customs facilitation, logistics planning must become an integral part of production and export strategy.

1. Integrate Logistics into Production and Export Planning

Manufacturers should align sourcing decisions, inventory planning and transport mode selection by working closely with LSP keeping in mind multimodal logistics, use of rail freight corridors, coastal shipping to optimise logistics cost and reliability.

2. Strengthen Logistics and Trade Compliance Systems

Trust-based facilitation under customs reforms is supporting compliant businesses. Companies must become AEO, strengthen documentation, classification accuracy and audit readiness.

3. Digitally Integrate Customs clearance and Logistics Operations

Adoption of digital initiatives, e-BG/Bond, e-AWB, e-BL shipment tracking and integration with customs brokers and port platforms and Freight Forwarders to reduce delays and improve coordination across logistics partners.

4. Redesign Supply Chains Around Logistics Efficiency

With manufacturing incentives expanding across multiple sectors, manufacturers should develop logistics-led supply chains using bonded warehousing, MOOWAR, FTWZ, consolidation hubs and port-linked logistics infrastructure.

5. Adopt Sustainable Logistics Practices

Global markets increasingly evaluate supply chains based on logistics emissions and sustainability standards. Manufacturers must collaborate with logistics partners adopting green transport and optimized cargo movement.

What Logistics Service Providers Should Do

For freight forwarders, customs brokers, shipping lines, transport operators and warehouse developers, the Budget signals both logistics expansion opportunities and structural transformation.

1. Invest in Digital Logistics Integration

Logistics companies to upgrade systems for seamless logistics data exchange with Manufacturer, customs, ports, terminals, and various other logistics stakeholders

2. Prepare for Multimodal Logistics Operations

Expansion of freight corridors, waterways and logistics parks will reshape cargo flows. Logistics service providers must expand beyond road-based transport into integrated multimodal logistics solutions.

3. Build Compliance-Driven Logistics Services

Logistics operators with strong compliance capabilities in areas of safety, risk management will be beneficiaries . Customs brokers and freight forwarders must evolve into logistics compliance advisors for exporters and importers.

4. Develop Specialized Logistics Capabilities

Emerging sectors will require advanced logistics solutions including: cold-chain logistics, high-value cargo logistics, secure warehousing, project and heavy-lift logistics.

5. Expand Logistics Networks in Emerging Manufacturing Regions

Growth of manufacturing clusters in Tier-2 and Tier-3 cities will increase demand for inland logistics hubs, consolidation centres and last-mile industrial logistics connectivity.

Conclusion

The Budget clearly signals a transition of logistics from a support activity to a strategic economic enabler.

Manufacturers must adopt logistics-led planning, while logistics providers must evolve into integrated supply chain partners. Effective coordination across the logistics ecosystem will ultimately determine India's ability to reduce transaction costs, improve export competitiveness and strengthen its position in global trade networks.

(Views are personal)

Powering India's Growth Through Cities[1]

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India's Union Budget FY27 places renewed emphasis on the role of cities in driving long-term economic growth. The Finance Minister emphasised that India's first *kartavya* is to accelerate and sustain economic growth by enhancing productivity, competitiveness, and resilience in an uncertain global environment. Achieving the vision of *Viksit Bharat by 2047* will require India's per-capita GDP to grow at roughly 7.5–8 percent annually, faster than the decadal growth rate of 4.8 percent (2016-26) and last year growth of 6.5 percent. Sustaining such growth depends fundamentally on productivity gains—and historically these gains have been concentrated in cities. Across the world, urbanisation has been closely tied to prosperity because cities enable the transition to more productive non-agricultural employment while generating powerful agglomeration advantages through the concentration of talent, capital, and enterprise. South Korea's rapid rise between the mid-1960s and 1990s, when urbanisation increased from 27 percent to nearly 80 percent, and China's high-growth period from 1980 to 2010, when urbanisation rose from 20 percent to 50 percent, illustrate this relationship clearly. India's urbanisation, however, has progressed more gradually—from 26 percent in 1991 to about 31 percent in 2011—and the virtuous cycle between urbanisation and growth appears to have weakened over time. The urban share of Net Domestic Product, which rose steadily until 2000, has since stagnated at around 52–55 percent, while manufacturing activity has increasingly dispersed outside cities.

Reflecting this recognition, recent budgets have introduced policy initiatives aimed at strengthening the economic role of cities. The Urban Infrastructure Development Fund (UIDF), launched in the Union Budget 2023–24, sought to address one of the most persistent bottlenecks facing urban India—deficits in basic infrastructure and services. The scheme provides ₹ 10,000 crore annually to support infrastructure creation in Tier-II and Tier-III cities, covering activities such as water supply and sanitation, solid waste management, urban roads, bridges and underpasses, town planning schemes for greenfield development, heritage conservation, and congestion-reduction projects. The FY27 budget builds on this approach by introducing the idea of City Economic Regions (CERs). The objective is to amplify the economic potential of cities by identifying clusters based on their specific growth drivers and investing in infrastructure and planning to harness agglomeration economies. The budget proposes an allocation of ₹ 5,000 crore per CER over five years, with a focus on Tier-II and Tier-III cities and emerging urban centres, including temple towns, that require improved infrastructure and amenities to support economic expansion.

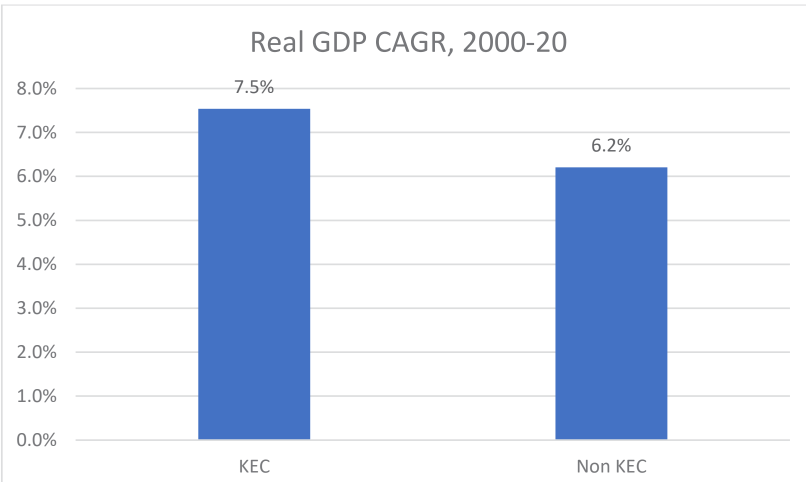
The focus on cities is a welcome shift in India's growth strategy. Urban infrastructure deficits—particularly in basic services—have long constrained the productivity of Indian cities, making the UIDF's emphasis on improving urban services an important step forward. The CER programme similarly recognises the importance of agglomeration economies, where the clustering of firms, workers, and infrastructure generates productivity gains and economies of scale. Global and domestic experience demonstrates this clearly: the Chinese cluster of the Pearl River Delta (PRD) in Guangdong province is a prime example of a world-leading labour-intensive cluster. The PRD's share in China's GDP increased from 5 to 9 per cent between 1990 and 2011, accounting for 27 per cent of China's exports and 19 per cent of China's foreign investment by 2013 (Cheng, 2018). Similarly in India, Bangalore accounted for 25 per cent of Karnataka's GDP in 2000, which increased to 38 per cent by 2018. This growth resulted from the expansion of the Information and Communications Technology (ICT) sector in Bangalore, whose share in district GDP increased from 20 per cent to 53 per cent during the same period.

India had 7,935 towns and cities according to the 2011 Census. This raises a fundamental question: which

1. This article is based on CSEP's working paper-Decoding State Growth:Stronger Attributes, Specialised Cities by Shishir Gupta and Rishita Sachdeva (2025)

among these has a meaningful impact on national growth? The district is the most granular level at which GDP is collected, and work with this level of granularity to determine which growth centres matter. In our analysis of district-level data across 18 states, we identify 58 Key Economic Centres (KECs) comprising 77 districts, including major metropolitan economies and a few rapidly expanding industrial districts (Gupta & Sachdeva, 2025). The share of these KECs in India's GDP increased from 29 percent to 34 percent between 2000 and 2020, and on average they grow 1.3 percentage points faster than other districts.

Figure 1: KECs grow faster than their counterparts



Note: Non-KECs represents the rest of the State. Growth rates are weighted growth rates of all KECs and Non KECs added up together. Growth rate calculations are elaborated in Appendix. Source: NITI Aayog, State Economic Departments of various states, and MoSPI.

Their growth advantage is because of two reasons. First, due to concentration of major connectivity infrastructure. Second, due to deep specialisation in select sectors, leading to agglomeration benefits. Across states with available data, KECs host roughly 75 percent of international airports, 67 percent of major railway junctions, and nearly half of major and private ports, giving them superior connectivity to domestic and global markets. Growth in these centres is further reinforced by sectoral specialisation. We define specialisation as disproportionate share of a sector in KEC's GDP relative to the national average. For example, share of business services in Bangalore's GDP is 4 times the share of the sector in national GDP. Similarly, share of automobile manufacturing in Udham Singh Nagar is 39 times that of the share of sector in national GDP (Gupta & Sachdeva, 2025).

Importantly, industrial specialisation often emerges organically rather than through deliberate planning. This occurs because multiple elements of the economic ecosystem must align in a manner that makes it optimal for firms to agglomerate in a particular KEC. Achieving such alignment purely through policy design is inherently difficult. In practice, specialisation tends to arise due to three main factors. First, the concentration of factors of production can attract specific industries. For instance, the availability of a large pool of educated and English-speaking workers in Bengaluru enabled its emergence as India's leading IT services hub. Second, natural resource endowments shape industrial activity. Districts such as Purbi Singhbhum (Jharkhand) and Raipur (Chhattisgarh) have developed strong specialisation in mining-related manufacturing due to abundant mineral resources. Third, government policy can sometimes induce specialisation. The 2003 Special Industrial Incentive Package for Uttarakhand and Himachal Pradesh, which provided 100% excise duty and corporate tax exemptions for five years, contributed to the development of automobile manufacturing and chemical-pharmaceutical clusters in these states.

This evidence has important implications for urban policy. India has thousands of towns and cities, but only a relatively small number function as genuine economic growth engines. While initiatives such as UIDF and CER rightly recognise the importance of cities, the risk is that limited public resources could be spread thinly across too many locations rather than concentrated in cities that already demonstrate strong growth potential. Major Indian economic hubs such as Mumbai, Bengaluru, Chennai, and Hyderabad have been central to the country's growth, yet their scale and long-term growth trajectories remain modest compared with global metropolitan engines such as Shanghai or Beijing, which sustained rapid expansion for several decades. If India aims to accelerate growth in the coming decades, urban policy must therefore focus not only on expanding infrastructure but also on strengthening the competitiveness of its most dynamic urban economies. A more targeted strategy—prioritising high-potential growth centres while continuing to address basic urban service gaps—would ensure that India's cities can fully realise their role as engines of economic transformation on the path to Viksit Bharat.

(Views are personal)

Union Budget 2026–27: Deepening India's Capabilities and Competitiveness for the Next Decade

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The Union Budget 2026–27 arrived at a defining moment for India's economic trajectory. With the economy expected to grow at **7.5%** in FY2025-26, India is positioned as one of the fastest growing major economies. Strong domestic demand, active investments, and a stable macro environment have underpinned this performance. India enters FY2027 with **strong economic fundamentals of strong** growth, decadal low inflation, and a manageable current account balance supported by healthy reserves. Domestic consumption remains resilient, while investments, especially public capital expenditure, continue to serve as a critical growth lever.

Yet, global trade uncertainties, capital outflows, and pressures from imported inflation continue to pose challenges. Escalating geopolitical tensions, shifting supply chains, declining world trade volumes, volatile commodity prices, and surplus capacities in China have implications for India's external sector. Capital outflows and a weakening currency reinforce the importance of strengthening domestic growth engines.

Against this backdrop, the government prudently responded by doubling down on the supply-side reforms, manufacturing competitiveness, and long horizon investments that reduce exposure to external volatility. The Budget document lays out a decisive agenda; one that shifts from short-term stimulus to long term capability building across manufacturing, MSMEs, innovation, human capital, technology, and infrastructure.

This year's Budget is not merely a fiscal statement; it is a structural reform blueprint aimed at deepening India's economic capacity while enabling inclusive and regionally balanced growth.

A push towards building strategic capabilities

A central pillar of the Budget is its vision to elevate India's manufacturing ecosystem beyond cost arbitrage toward high value, capability driven sectors.

Some of the strategic initiatives that were announced were on a biopharma scheme to build a domestic biologics ecosystem, reducing import dependence and supporting innovation in advanced therapies. The ISM 2.0 and the Electronics Components Manufacturing Scheme aimed to deepen design, materials engineering, and semiconductor workforce capabilities. The rare earth corridors and Chemical Parks were critical announcements to build strategic material resilience.

The strategy is to push industries from being cost-competitive suppliers to IP driven, technology intensive players integrated into global value chains. Healthcare, electronics, and materials sectors will stand to benefit from a more robust domestic capability base.

And the core of the growth of manufacturing sits the MSME sector, which is the biggest source of employment and income and account for 45% of the manufacturing sector. Recognising MSMEs as the backbone of the economy, the finance minister addressed the two big challenges MSMEs face; access to capital and technology. The minister announced a multifaceted support package that included a ₹ 10,000 crore SME Growth Fund, a ₹ 2,000 crore SRI Fund top-up to strengthen access to patient capital, mandatory TReDS onboarding for all CPSE procurement from MSMEs, securitisation of TReDS receivables, and a new 'Corporate Mitras' cadre—accredited para-professionals—to support Tier-II/III MSMEs with compliance, finance, and technology. These measures are meant to shift the focus from survival finance to growth finance. Improved liquidity, reduced bankruptcy risks from delayed payments, and access to

affordable capability support are likely to enhance competitiveness across non-metro manufacturing clusters.

Several measures were announced around the ease of doing business such as the simplified tax norms, extended return timelines, and PAN based TDS for non resident property sales, digitised customs ecosystem with instant clearance for low risk goods, removal of caps on e commerce exports, signalling export friendly regulatory intent, and a one time SEZ-to-DTA concessional sales to utilise idle capacities. Together, these reforms enhance India's credibility as a rules based, predictable business environment, lowering compliance costs, improving logistics efficiency, and positioning India as a frictionless trade hub.

Boost to services and talent:

Quite a few incentives around Tax, regulatory, and infrastructure were aimed to attract investments in frontier technologies that could boost services. Tax holiday till 2047 for cloud and data centre investments, expansion of Safe Harbour norms to promote GCC operations, with a unified 15.5% margin, and AI-driven advisory for farmers and AI-based customs risk profiling were announced to integrate technology to enhance services capabilities. Besides, these measures will strengthen India's digital sovereignty, reduce compute costs, and encourage large-scale global capability centers to scale R&D and innovation operations in India.

Again, people remain at the centre of services growth and the budget emphasized inclusive, future ready human capital development. Be it the Education-to-Employment & Enterprise Standing Committee to align skilling with services-led export opportunities, establishment of 15,000 school-level audio-visual graphic content (AVGC) creator labs, or SHE-Marts for women-led enterprises and large-scale skilling for Divyangjan, the announcements were more aligned to enterprise demand, an drising recognition of creative skills in the era of AI-disrupted world.

Government's Continued Push for Investment Led and Broad Based Regional Growth

A deliberate emphasis on decentralising growth, coupled with record capital expenditure, aimed to unlock new regional engines of development and strengthen the country's economic backbone. On the regional development front, the government introduced challenge mode funding to accelerate the rise of Tier II and Tier III cities, enabling states and local bodies to design and execute growth models tailored to their unique economic strengths. The government complemented regional empowerment with a continued focus on infrastructure driven investment, raising public capex to ₹ 12.2 lakh crore in FY27. Key priorities include an Infrastructure Risk Guarantee Fund to crowd in private investment, expansion of Dedicated Freight Corridors, development of new national waterways, creation of ship repair hubs, and investments in High Speed Rail corridors and tourism assets.

Multimodal logistics efficiencies have multiplier effects of lowering costs and increases investment efficiencies. At the same time, tourism and industrial parks emerge as complementary growth engines. All of these are likely to encourage private investment as they receive stronger risk-sharing support.

The Union Budget 2026–27 marks a deliberate shift toward capability competitiveness, manufacturing depth, regional balance, and human capital enhancement. While external uncertainties remain, the Budget's long-horizon investments lay the foundation for a resilient, technologically advanced, and inclusively growing economy.

If executed with discipline, this Budget could accelerate India's transition into a globally competitive, innovation led economic powerhouse.

(Views are personal)

Union Budget 2026–27: The Watershed That Re-Architects India's Economic Future

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The Union Budget 2026–27 will be remembered not as an annual fiscal exercise, but as a structural inflection point in India's economic evolution.

Budgets typically adjust tax rates, recalibrate allocations, and signal policy priorities. This one does something more profound. It redefines the architecture of growth itself — aligning fiscal prudence, technological ambition, and social aspiration under three "Kartavya Pillars": growth acceleration, aspiration fulfilment, and inclusive development.

This is not incrementalism. It is systems design.

1. From Fiscal Arithmetic to Fiscal Architecture

In the years following the pandemic, India leaned decisively on public capital expenditure as the primary growth multiplier. Budget 2026–27 deepens that approach — but with sharper intentionality.

The message is clear:

- Capex is not expenditure.
- It is future asset creation.
- It is monetisable sovereign strength.

Corridor investments in logistics, rail modernisation, multimodal transport, ports, energy transmission and digital highways are not merely infrastructure projects. They are balance sheet enhancers for the nation.

What makes this Budget a watershed is the sequencing:

1. Build hard infrastructure.
2. Digitise governance and trade.
3. Monetise mature assets.
4. Recycle capital into next-generation capabilities.

India is moving from spending to compounding.

2. The 22-Year Signal: Patient Capital Meets Patient Policy

Perhaps the most underestimated structural reform is the long-horizon tax clarity provided to frontier sectors — especially the massive exemption framework extended to data centre investments until 2047.

This is not a tax incentive.

It is a geopolitical signal.

India is telling global capital:

"If you build here, commit here, and create domestic value here — we will stand with you for decades."

The domestic value-add condition is critical. This is not an import-and-assemble arbitrage model. It demands ecosystem creation:

- Local employment
- Renewable energy sourcing
- Data localisation
- Indigenous cloud and AI capability
- Deep integration with India's digital public infrastructure

In a world where digital sovereignty is becoming as strategic as energy security, this provision positions India as a trusted digital host nation.

It is the fiscal equivalent of a constitutional guarantee.

3. Customs Reorganisation: The Silent Revolution

Customs rationalisation and trade facilitation reforms may appear technical — but they are transformational.

India has moved decisively to:

- Reduce inverted duty structures
- Simplify classifications
- Digitise clearance
- Improve port efficiency
- Align tariff structures with new trade agreements

The result? Reduced regulatory cholesterol.

Trade friction is taxation in disguise. By removing complexity, India is improving competitiveness without subsidy.

Combined with recently concluded trade arrangements with major economic blocs, this customs reform makes India not just a production base — but a preferred node in global value chains.

For the first time in decades, India is aligning its domestic manufacturing push with seamless external integration.

This is strategic openness — not defensive liberalisation.

4. Trust Capital as an Economic Multiplier

One of the most sophisticated but least discussed elements of the Budget is its philosophy of trust-based governance.

Simplified compliance.

Reduced litigation.

Digitised assessments.

Pre-filled returns.

Dispute resolution acceleration.

India is investing in trust capital.

When governments demonstrate faith in taxpayers and entrepreneurs, compliance improves organically. Risk-taking increases. Innovation accelerates.

The removal of friction is not just administrative reform — it is entrepreneurial liberation.

In behavioural economics terms, India is lowering the cost of aspiration.

5. Frontier Manufacturing: The Shift from Scale to Sophistication

The Budget's emphasis on advanced construction capabilities, precision manufacturing, green energy components, semiconductors, and AI-enabled production systems marks a strategic shift.

India is not merely chasing scale. It is pursuing sophistication.

Three elements stand out:

1. Technology-linked incentives.
2. Domestic ecosystem integration.
3. Export competitiveness support.

Manufacturing is no longer labour arbitrage. It is algorithmic optimisation, robotics integration, and circular resource design.

India is positioning itself for Manufacturing 6.0 — where automation, AI, renewable energy, and circularity converge.

6. Public Capex as Sovereign Leverage

Sustained infrastructure investment continues to anchor the Budget. But this is no longer Keynesian pump-priming.

It is sovereign leverage strategy.

By building high-quality physical and digital assets:

- India increases productivity.
- Reduces logistics costs.
- Enhances energy reliability.
- Attracts private capital.
- Creates REITable and InvIT-ready asset pools.
- Improves sovereign credit perception.

Public capex is now the scaffolding upon which private enterprise compounds.

7. Balancing Growth with Prudence

A watershed moment requires credibility. Fiscal prudence remains intact.

Deficit management is not sacrificed at the altar of growth. Instead, growth is designed to improve fiscal metrics organically.

This is the maturity of policy sequencing:

- Growth first.
- Revenues follow.
- Deficit declines sustainably.

It reflects confidence — not constraint.

8. India in a Volatile World

The global environment remains unstable:

- Exchange rate volatility.
- Commodity price swings.
- Supply chain realignments.
- Geopolitical fragmentation.
- Digital sovereignty battles.

Yet, India's response is calm, strategic, and forward-looking.

Rather than reacting defensively, Budget 2026–27 builds structural strength:

- Energy security via renewable acceleration.
- Digital security via data localisation and infrastructure.
- Trade resilience via diversified agreements.
- Fiscal strength via asset creation.

India is not insulating itself from the world.

It is strengthening itself to lead within it.

9. Why This Budget Is a Watershed

This Budget will be remembered as a watershed for five reasons:

1. It signals long-term policy stability.

Decade-spanning clarity is rare in emerging markets.

2. It integrates digital sovereignty with fiscal design.

Data centres, cloud infrastructure, AI capability — these are now budget priorities.

3. It treats infrastructure as monetisable capital.

Asset recycling becomes a core strategy.

4. It lowers compliance friction structurally.

Trust becomes policy.

5. It aligns aspiration with execution.

(Views are personal)

Union Budget 2026–27: Discipline, Direction, and the Economics of Credibility

Dr(CA) Sharad Kohli
Economist & Financial Guru

The Union Budget 2026–27 is not a populist document. Nor is it a cautious retreat. It is a calculated assertion that India's growth story will be written with discipline, not drama.

At a time when global economies are wrestling with debt overhangs, currency instability, supply-chain fractures, and geopolitical flashpoints, India has chosen steadiness over spectacle. That choice, in my view, is the real headline.

Framed around three "Kartavya Pillars" — accelerating economic growth, fulfilling aspirations, and ensuring inclusive development — the Budget attempts something structurally ambitious: sustaining high growth without compromising macroeconomic credibility.

Let us be clear. Growth without fiscal discipline is inflation tomorrow. Discipline without growth is stagnation today. The art of budgeting lies in avoiding both traps. This Budget attempts precisely that balance.

Fiscal Consolidation: A Signal to Markets

The continued commitment to fiscal consolidation, while maintaining strong public capital expenditure, is economically sound. It sends a message — not just to rating agencies, but to global and domestic investors — that India understands the cost of fiscal indiscipline.

As someone who regularly analyses tax policy and macro indicators on national platforms, I can state this unequivocally: investor confidence is built less on incentives and more on predictability.

In closed-door discussions with business leaders, the dominant concern is rarely "What new benefit is coming?" It is "Will the rules change unpredictably?" This Budget reduces that anxiety.

India's fiscal glide path is not merely a number in a document. It is a credibility anchor.

Capital Expenditure: Productive, Not Cosmetic

Public capital expenditure continues to serve as the principal growth multiplier. Infrastructure spending in logistics, rail, roads, urban systems, and digital networks has a compounding effect on productivity.

However, I would emphasise a critical distinction: allocation is not achievement.

If execution velocity slows, the multiplier weakens. Cost overruns are not just accounting inefficiencies; they are macroeconomic leakages. The next phase of reform must focus on sharper project monitoring and faster dispute resolution in infrastructure contracts.

Private capital follows clarity and execution. It does not follow announcements.

Manufacturing and Strategic Depth

The renewed emphasis on frontier technology manufacturing and advanced construction capability reflects geopolitical realism. The world is reorganising supply chains. India cannot afford to remain at the lower end of value addition.

Domestic value-add requirements in data centres and digital infrastructure are strategically justified. If India is to be a technology hub, it must own part of the value chain — not merely host consumption.

But here is the uncomfortable truth: incentives fail when compliance frameworks become labyrinthine.

In my advisory practice, especially with mid-sized manufacturers, I repeatedly see enthusiasm dampened by procedural opacity. Policy intent must be matched by administrative simplicity. Otherwise, the uptake remains selective.

If India wants manufacturing depth, it must reduce friction as aggressively as it increases incentives.

Customs Rationalisation: Correcting Structural Distortions

The rationalisation of customs duties is a long-overdue structural correction. Inverted duty structures had placed certain domestic manufacturers at a competitive disadvantage.

Simplification is welcome. But stability is indispensable.

Let me say this candidly: capital forgives volatility; it does not forgive unpredictability.

Export competitiveness depends not only on tariff alignment but also on logistics efficiency, judicial speed, and contract enforceability. These structural factors determine whether India becomes embedded in global value chains or remains a peripheral participant.

Digital Infrastructure: Economic Sovereignty

The continued thrust on digital infrastructure signals an understanding that data is now economic capital.

Encouraging domestic data centres and cloud ecosystems is strategically aligned with the global shift toward digital sovereignty. Yet sovereignty must not become isolation. Regulatory clarity, interoperability standards, and innovation incentives must coexist.

India's digital public infrastructure has already positioned it as a global reference model. The next step is scaling monetisable digital capability — not merely domestic deployment.

Inclusion: Participation Over Populism

The narrative around inclusion has moved from redistribution to participation. Skilling, rural connectivity, agricultural modernisation, and MSME credit facilitation suggest a productivity-oriented approach.

In my interaction with entrepreneurs across smaller cities, the aspiration is clear: they do not seek perpetual subsidy. They seek accessible credit, reasonable compliance, and stable taxation.

Let me put this plainly — sustainable inclusion is created by enterprise, not entitlement.

If employment-linked growth accelerates, the demographic dividend becomes an economic asset. If not, it becomes a fiscal burden.

Tax Stability: The Quiet Strength

This Budget does not radically restructure direct taxation. Some may call that conservative. I would call it mature.

Frequent tax experimentation creates uncertainty. Stability builds investment cycles.

As someone often introduced on television as a "Tax Guru," I am frequently asked what dramatic tax reform is coming next. My answer this year is simple: the most powerful reform is restraint.

A stable tax regime is itself a growth policy.

Risks and Realities

No domestic policy can insulate India from global shocks. Energy prices remain vulnerable to geopolitical escalation. Capital flows remain sensitive to global monetary tightening. Export demand is externally contingent.

Revenue buoyancy must therefore be monitored carefully. Fiscal arithmetic assumes growth momentum. Any external slowdown will require recalibration.

However, the government has avoided expansionary populism despite electoral temptations. That restraint strengthens macro stability.

The Strategic Message

The underlying message of Union Budget 2026–27 is that India intends to grow — but with guardrails.

It signals to the world that India is combining infrastructure scale, manufacturing ambition, digital capability, and fiscal discipline. Few emerging economies manage all four simultaneously.

Here is the sharper truth: macroeconomic credibility is India's competitive advantage today. Lose that, and capital becomes cautious. Preserve it, and capital becomes patient.

This Budget preserves it.

Conclusion

As the IMC Chamber of Commerce and Industry convenes informed debate on the Union Budget 2026–27, the essential takeaway is this: the government has chosen long-term positioning over short-term applause.

This is not a Budget designed for headlines. It is designed for balance sheets.

Policy direction has been articulated. Implementation will determine legacy.

Growth — yes.

Inclusion — yes.

But above all, credibility.

And in economics, credibility compounds.

(Views are personal)

Direct Tax Proposals: Finance Bill, 2026

CA Sushil Lakhani
Co-chair, IMC Direct Tax Committee
CA Manav Sarvaiya

The presentation of India's Union Budget 2026 came at a time when the global economy continues to grapple with heightened uncertainty and shifting geopolitical dynamics. Against this backdrop when taxpayers had anticipated structural changes or aggressive revenue measures, the absence of harsh or adverse tax proposals was itself perceived as a relief.

This Bill is unique as it incorporates changes in both the Legacy Act (Income-tax Act, 1961) provisions of which continue to apply upto financial year ended 31-3-2026 and the newly enacted Act (Income-tax Act, 2025) which applies from financial year beginning 1st April, 2026.

While overall this Finance Bill is very well thought out and focusses attention on providing the much required and desired tax incentives to strategic sectors like GCCs, Data Centres, Electronic Manufacturing etc. which are tailored in a way to take India to the next level of development, there are, however, a few proposed amendments relating to Income Tax which need a serious rethink on the part of the Finance Minister before this Bill becomes an Act. Some of such retrograde proposed amendments are the ones seeking to overturn judicial interpretation of the existing provisions, combining the penalty order with the assessment order, discontinuance of MAT credit which would impact foreign companies more than domestic companies and non-deductibility of interest deduction against dividend income.

We have summarised below the proposed income tax amendments introduced through the Finance Bill, 2026.

A) Proposals affecting Individuals

a) Amounts received under motor vehicle accident claims and compensation received under the Right to Fair Compensation and Transparency in Land Acquisition Act in cases of compulsory acquisition have been exempted. Consequential amendments have also been made to the relevant TDS provisions.

b) The rate of Tax Collected at Source (TCS) on foreign remittances under the Liberalised Remittance Scheme (LRS) has been reduced from 20% to 2%.

c) All remittances for overseas tour programmes will now be subject to TCS at the rate of 2%. For other remittances, the existing threshold of ₹ 10,00,000 continues to apply.

d) Individuals can now report TDS deducted on purchase of property from Non-residents or Foreign Company using PAN based reporting, instead of TAN based reporting.

B) Proposals affecting Businesses

a) With a view to shift companies to special regime of taxation, it is proposed to make MAT a final tax, and no credit for MAT to be available from Tax year 2026-27 onwards. MAT rate has been reduced from 15% to 14%.

Unlike domestic companies, the Finance Bill, 2026 does not materially alter the MAT credit utilisation mechanism for foreign companies, except aligning it with the revised MAT rate. Set-off continues to be permitted only in years where tax under normal provisions exceeds MAT.

b) Domestic Companies can claim past MAT Credit in subsequent years with a limit of 25% of their tax liability in each of the subsequent year. Further in case of conversion of entities to LLP, MAT Credit shall not be available to LLP.

c) Deduction in respect of employees' contribution to social security funds shall now be allowed when deposited on or before the due date for filing the return of income.

d) Expenditure incurred on prospecting, extraction, production or development for Beryllium bearing minerals, Glauconite, Graphite and certain other minerals, shall now be eligible for deferral.

e) Under the Income-tax Act, 2025, any deduction previously allowed or income excluded under the repealed Income-tax Act, 1961 will become taxable in the year in which prescribed conditions are violated assuming them to be included in the income or be disallowed had the Legacy Act not been repealed.

f) TDS on payments for manpower supply has been clarified to be applicable at the rate prescribed for contractual payments rather than the rate applicable to professional services.

C) Proposals affecting Capital Gains & Other Source Income

a) Income arising from buyback of shares will now be taxed as capital gains instead of dividend income, along with an additional tax implication for promoters.

b) Gains arising from Sovereign Gold Bonds will be exempt at the time of maturity, but only in the hands of the subscriber to the original issue.

c) No deduction of Interest shall now be allowed in-respect of Dividend Income earned by assessees.

D) Proposals affecting Other Entities

Co-operative Societies

a) A multi-state co-operative society is now included in the definition of a co-operative society.

b) Co-operative societies can now claim a deduction in-respect of income arising from the supply of cattle feed and cotton seeds produced by their members.

c) At parity with companies, co-operative societies can now claim a deduction in-respect of dividend income received from other cooperative societies, to the extent distributed to its members.

d) A notified National Cooperative Federation can claim a deduction in-respect of dividend received from investments made in a Company upto 31/01/2026, upto the same further distributed to its members. The deduction is available for a period of 3 years Tax Year 2028-29.

e) TDS relief is granted in-respect of interest received by Co-operative Banks

Trusts

a) To provide relief to genuine charitable trusts, it is proposed that certain commercial activities undertaken by Trusts to support public welfare objectives, will not be treated as serious violations which could lead to cancellation of registration.

b) It is clarified that where a registered non-profit organisation merges with another registered non-profit having the same or similar objectives, the tax on accreted income will not apply.

E) Proposals relating to Foreign Companies and Non-Residents

a) Data Centres: An exemption has been granted to foreign companies in respect of income arising from procuring data centre services, for a period of 20 years, up to 2047, subject to prescribed conditions, and sales to Indian customers must be undertaken through an Indian reseller entity. Further, a safe harbour margin of 15% has also been proposed in respect of services availed by foreign companies from specified data centres.

It may be noted that the exemption specifically refers to "procuring" data centre services, and further clarification from the Government is awaited in this regard.

b) Contract Manufacturer: It is proposed that supply of equipment or operations carried out through contract manufacturers in India will not automatically result in a business connection or permanent establishment exposure for foreign companies. However, the exemption is available till Tax Year 2030-2031.

c) An exemption for foreign income has been granted for a period of five years to individuals who have been non-residents for the preceding five years from the date of first visit for rendering specified services under a government-approved scheme

d) APA: Advance Pricing Agreement (APA) applications will now be disposed of within two years, with an option to assessee to seek six-month extension.

e) Modified Return: "Associated Enterprises" shall now be entitled to file modified returns pursuant to an APA.

f) MAT: The non-application of MAT provisions has now been extended to non-residents and foreign companies who are offering income arising from "Business of Operation of Ships" and "Business of providing of Technology for setting up an electronic manufacturing facility" under presumptive rate of taxation

g) The safe harbour turnover threshold eligibility for software development and IT-enabled services has been increased to ₹ 2,000 crores, while the margin requirement has been standardised at 15%.

h) A special safe harbour margin of 2% of invoice value has been proposed for component warehousing by non-residents in bonded warehouses for electronics manufacturing.

i) Automation also features prominently. Applications under the safe harbour framework and requests for lower or nil withholding tax certificates are proposed to be processed through automated rule-based systems, signalling a continued push toward digital tax administration.

j) Foreign Income Disclosures: A one-time compliance window has also been introduced for disclosure of foreign assets and income in specified cases:

   a. On payment of additional tax of 30% where the value of foreign assets or income is less than ₹ 1 crore.

   b. On payment of a fee of ₹ 1,00,000 where the aggregate value of disclosed foreign assets is less than ₹ 5 crores and the asset was acquired either from income on which due taxes were paid or when the assessee was a non-resident.

k) The period of deduction for units in IFSC has now been extended to 20 consecutive years out of 25 years, post this period the income shall be taxed at a rate of 15 per cent.

F) Proposals affecting Assessment and Penalties

a) The time limit for filing revised returns has been extended up to 31 March of the relevant assessment year.

b) Taxpayers have also been provided with an extended opportunity to file returns where losses are required to be reported.

c) An assessee may now obtain relief from penalty proceedings even after receipt of a reassessment notice by paying 10% of the additional tax liability.

d) Retrospective Amendments have been introduced to overturn decisions of High Courts, to grant jurisdiction for Re-assessment proceedings to both Faceless Assessment Centre and Jurisdictional Officer, grant additional time period for completion of assessment in DRP cases, and passing of Orders by Transfer Pricing Officers, making assessments valid if they are referenced by computer generated DIN in any manner.

e) Powers have been granted to the Dispute Resolution Committee to waive penalties once a dispute is resolved under DRP mechanism.

f) Procedural penalties are proposed to be replaced with fixed statutory fees, reducing litigation arising from discretionary penalty proceedings. In line with commitment under CRS for Crypto Assets, penalty provisions were introduced for non-furnishing or furnishing of inaccurate particulars of information.

(Views are personal)

Latvia, a vibrant hub of innovation and green technology in Northern Europe, is deepening its ties with India through trade, education, culture, and sustainable collaboration

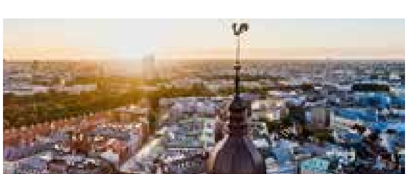
Mr. Juris Bone
Ambassador of Latvia to India

Ancient Links, Modern Ties

Although separated by thousands of kilometres, Latvia and India share ancient connections through the Amber Way - a historic trade route that once linked the Baltic amber traders to India. The Latvian language, rooted in the IndoEuropean family, even bears close resemblance to Sanskrit, underscoring centuries-old cultural resonance. Diplomatic relations have flourished since the establishment of the Latvian Embassy in New Delhi in 2014 and the Indian Embassy in Riga in 2024. A steady exchange of visits and dialogues continues to strengthen this partnership.

Expanding Economic Horizon

Economic cooperation between the two nations has surged. In 2025, Latvia's total foreign trade turnover with India reached €221 million. Exports stood at €48 million. Latvia's export profile is anchored in strong sectors such as wood, pharmaceuticals, chemicals, ICT, telecommunications, artificial intelligence, automation, and robotics. Leading Latvian companies, including MicroTic, SAF Tehnika, Valmiera Glass Fiber, Biolars, Olpha, and Grindex, maintain active trade relationships with India.



Technology and Start-up Synergies

Latvian start-ups are increasingly eyeing the Indian market. DeskTime, a leader in automated productivity software, has opened an office in India, where over 18,000 companies now use its platform. During her March 2025 visit to India, Foreign Minister Ms Baiba Braže led a business delegation spanning ICT, space, and chemical industries, including Deep Space Energy, Eventech, and PrintyMed. Notably, in Bengaluru, the delegation met with the Indian Space Research Organisation (ISRO) to explore space cooperation opportunities.

Focus on Green and AI Innovations

Latvia is a pioneer in green and sustainable technologies, with firms like Aerones (wind turbine maintenance), Advangrid (energy efficiency), Naco Tech (hydrogen technology), and Fortes Energy (cogeneration plants) leading the way. The country is also establishing an AI Centre of Excellence, collaborating with global tech companies to advance speech technologies, computer vision, and machine learning applications in healthcare, finance, and Smart Cities.

Gateway to Europe

Strategically positioned with ice-free ports, robust rail and road links, and EU and NATO membership, Latvia offers investors an attractive environment with low taxes and Special Economic Zones. The World Bank ranks Latvia 19th globally for ease of doing business. Riga Airport is evolving into a regional e-commerce hub connecting Asia and Europe, with Air India and Air Baltic now sharing a code-share agreement. Riga also stands out as a destination for conferences and business events in the Baltic and Nordic region. The country, with 53% forest cover, offers a unique mix of nature, history, and culture.

Education and Culture

Latvia's universities are drawing growing interest from Indian students - over 3,000 are currently enrolled in 2025. With excellence in sports, culture, and education, Latvia offers Indians rewarding opportunities for both business and leisure. Its capital, Riga, boasts stunning Art Nouveau architecture and a UNESCO World Heritage-listed Old Town. Latvia's renowned Song and Dance Festival, one of the world's largest choral gatherings, celebrates its deeprooted folk traditions.

More detailed information on website of the Latvian Agency of Development and Investment

Latvia Travel	Doing Business:

February 25, 2026

Smt. Nirmala Sitharaman
Hon'ble Union Minister for Finance
Ministry of Finance
Room No. 134, North Block
New Delhi 110 001

Respected Smt. Nirmala Sitharamanji,

Sub: IMC Post Budget Memorandum – 2026: Representation on Finance Bill, 2026

We extend warm greetings from IMC Chamber of Commerce and Industry (IMC).

At the outset, IMC Chamber of Commerce and Industry ('IMC') places on record its sincere appreciation for the continued efforts of the Government, particularly the Ministry of Finance, in introducing progressive tax reforms through the Union Budget and the Finance Bill, 2026, with a view to strengthening India's economic growth and improving the overall business environment.

With reference to the Finance Bill, 2026, we enclose herewith IMC's **Post Budget Memorandum – 2026 as Appendix A**, containing our representations and recommendations on certain amendments and proposals introduced in the said Bill. These recommendations are based on consultations with industry and professionals and seek to highlight specific provisions which, in our respectful view, may benefit from suitable clarification, rationalisation, or reconsideration.

We wish to particularly emphasise two overarching concerns of high priority:

1) Retrospective / curative amendments to overcome litigation pending before the Hon'ble Supreme Court – Certain proposals appear to have been introduced with a view to override judicial precedents of Hon'ble High Courts on issues which are presently **sub judice before the Hon'ble Supreme Court.** In our respectful submission, such legislative intervention—especially where it effectively seeks to pre empt adjudication by the Hon'ble Supreme Court—may be **unwarranted**, and could send an unintended signal of uncertainty to taxpayers and investors, besides resulting in avoidable litigation. The said amendments are contrary to clear policy assurance on the floor of Parliament that the present Government had provided way back in 2014, that it would not ordinarily introduce retrospective amendments creating fresh tax liabilities, and retrospective taxation would be resorted to only with extreme caution, keeping in mind its impact on investment climate and certainty.

It is to be noted that the present amendments are introduced to over-rule the High Court judgements passed right from 2020 onwards and said issues were sub-judice before the Hon'ble Apex Court. A principled and policy consistent approach would be to **allow the issues pending before the Hon'ble Supreme Court to attain finality through judicial adjudication,** and where legislative intervention is considered necessary thereafter, to ensure that the changes are prospective, appropriately ring fenced, and carefully calibrated to prevent disruption to settled positions. Such amendments are deterrent to the foreign investors mindset, considering there is no settled law in the country.

2) **Foreign Assets of Small Taxpayers – Disclosure Scheme, 2026 (FAST Disclosure Scheme) should be made more attractive and easier for small taxpayers** – The proposed **FAST – Disclosure Scheme** is a welcome step towards voluntary compliance. However, to truly meet its objective and drive meaningful participation, the scheme should be made **more attractive and user friendly for small taxpayers,** through **simplified procedures, clear certainty on outcomes, and a facilitative immunity/ protection framework**, so that eligible taxpayers can avail it with confidence and ease.

The enclosed memorandum also addresses, inter alia, issues relating to combined assessment order, penalty provisions, exemptions for specified cross border transactions, rationalisation of Minimum Alternate Tax provisions and buy back of shares, and exemptions for non residents under notified schemes.

We have made these suggestions keeping in mind the Government's stated objectives of **ease of doing business, reduction of litigation, simplification of tax laws,** and creation of a **stable and predictable tax regime,** while duly safeguarding revenue interests.

We earnestly request your kind consideration of the enclosed representations. IMC would be honoured to explain its recommendations in greater detail and to assist the Government by providing constructive inputs or draft amendments, should your good office consider it appropriate.

With warm regards,

Sunita Ramnathkar
President

Scan QR code for Appendix

IMC
Chamber of Commerce and Industry

MAHABHARAT INTERNATIONAL TRADE EXPO

14th to 23rd Feb. 2026

MMRDA Grounds, BKC Mumbai

IMC Chamber of Commerce and Industry organised its first-ever mega 10-day multi sector exhibition **MahaBharat International Trade Expo**, which aimed at showcasing India's industrial strength, entrepreneurial dynamism, and expanding global trade potential. The Expo was held from **14–23 February 2026** at the MMRDA Grounds, Bandra Kurla Complex, Mumbai.

The Inaugural Ceremony was graced by the presence of Shri Milind Deora, hon'ble member of parliament along with the Shri. R K Mishra, Additional Director General of Foreign Trade, Mumbai, Shri. Sanjay Ghadi, Hon'ble Deputy Mayor of Mumbai, distinguished dignitaries, celebrities, and several social media influencers also visited the expo.

The Expo received strong institutional backing from key government and development partners, including the Department of Industries, Government of Maharashtra; Maharashtra Industrial Development Corporation; Ministry of Micro, Small and Medium Enterprises, Government of India; National Bank for Agriculture and Rural Development (NABARD), Government of India; National Small Industries Corporation (NSIC), Government of India; National Jute Board, Ministry of Textiles, Government of India; along with the supporting organisation Free Press Journal (FPJ), and Zhep Udyogini whose unwavering support has made this initiative possible. Their support reinforced the Expo's objective of strengthening MSMEs, promoting industrial growth, and enhancing trade competitiveness.

The Expo was aligned with IMC's long-term vision to position **Maharashtra as a premier industrial and investment destination** and contribute to India's broader economic agenda including Viksit Bharat @ 2047. Rooted in over a century of trade promotion by IMC, the event aims to create a **convergence of businesses, governments, and international partners** to foster trade, investment, innovation, and collaboration.

Much like the MahaBharat brought together warriors from every corner of the land, this Expo brought together enterprises from across the regions of our country from grassroots innovators and rural artisans to emerging startups and established manufacturers all united with one common purpose: to showcase India's capability to scale, innovate, and lead.

This Expo was never meant to be just an exhibition of products and services, it was envisioned as a platform to represent the true strength, resilience, and diversity of Bharat's entrepreneurial spirit.

The Expo witnessed strong participation of 300 exhibitors from a diverse sectors and geographies. About **60 MSME exhibitors** participated under the PMS scheme of the Ministry of Micro, Small and Medium Enterprises, while **30 exhibitors** were supported by the National Bank for Agriculture and Rural Development. Additionally, **12 stalls** were represented by the National Jute Board, highlighting the importance of traditional and sustainable industries.

The overwhelming footfall of nearly 5,000 visitors each day comprising industry leaders, policymakers, students, entrepreneurs, business owners, celebrities, influencers, and citizens from all walks of life — is a testament to the relevance and impact of this initiative.

One of the unique strengths — indeed, the USP — of the MahaBharat International Trade Expo has been its ability to directly connect the consumers of Mumbai with artisans and entrepreneurs from rural Maharashtra and across India. This platform has enabled micro and small businesses, many of whom rarely find space in conventional retail formats, to present their craftsmanship, products, and innovations directly to thousands of discerning Mumbaikars. In true spirit of its commitment to providing growth opportunities, IMC is delighted that exhibitors have reported encouraging business outcomes. Equally heartening has been the response from visitors, who expressed immense satisfaction in discovering distinctive, high-quality products that are seldom available in malls or mainstream outlets. The joy and appreciation were evident on both sides — from the artisans and entrepreneurs who found new customers and market visibility, and from the thousands of citizens who enjoyed a rich and meaningful exhibition experience.

On the sidelines of the Expo, we curated a series of knowledge-driven seminars aimed at empowering our MSMEs with the tools for growth and global competitiveness, including sessions on:

- Provisions & Opportunities under the Latest Free Trade Agreements led by DGFT
- MSME Financing & Credit Support, sponsored by CGTMSE, with participation from NABARD, EXIM Bank, BSE, and HSBC and CGTMSE
- Startup Valuation & Growth Strategies

These discussions empowered our entrepreneurs with insights into market access, financial inclusion, and future readiness.

MahaBharat International Trade Expo stands as a landmark initiative by the IMC Chamber of Commerce and Industry, successfully creating a dynamic platform for the MSMEs. Over ten impactful days at the MMRDA Grounds, Mumbai, the Expo not only showcased the strength and diversity of India's MSME ecosystem but also fostered meaningful business connections, knowledge exchange, and market access. The overwhelming participation of exhibitors, partners, and visitors reaffirms the relevance of such collaborative platforms in driving inclusive economic growth. With this successful inaugural edition, IMC has laid a strong foundation for the Expo to evolve into a premier global trade platform in the years ahead, contributing meaningfully to India's journey toward sustainable development and Viksit Bharat @ 2047.

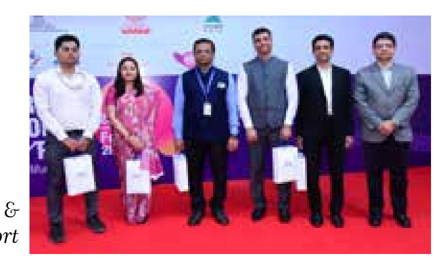
NETWORKING SERIES

Inaugural and Seminars

*Inauguration by Guest of Honour by **Shri Milind Deora**, Hon'ble Member of Parliament*

*(L-R) : **Mr. Ajit Mangrulkar,** DG, IMC, **Ms. Susieben Shah**, Politician & Social Activist, **Shri Milind Deora**, Hon'ble Member of Parliament, **Ms. Sunita Ramnathkar**, IMC President, **Shri R. K. Mishra,** Additional Director General of Foreign Trade, Mumbai, **Mr. M K Chouhan**, VP, IMC*

Seminar on "Key Provisions and Opportunities under the Latest Free Trade Agreements (FTAs)"



Seminar on MSME Financing & Credit Support

__Shri Sanjay Ghadi__, Hon'ble Deputy Mayor of Mumbai and __Smt. Madhumita Patil__, CEO, Chetna's RK Institute of Management and Research along with IMC Officials.

__Shri Vishvas Mote,__ Deputy Commissioner, BMC along with IMC Officials.

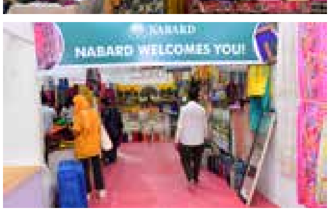
IMC
Chamber of Commerce and Industry

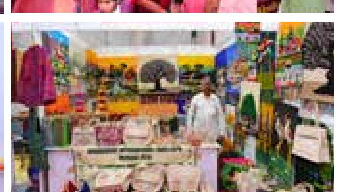
Smt. Sanjana Ghadi, *Deputy Leader and Spokesperson, Shiv Sena along with dignitaries and IMC Officials.*

Delegation from Srilanka

Celebrities visited Expo

Glimpses of Exhibition





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BHARAT CALLING CONFERENCE 2026

26th edition IMC भारत CALLING CONFERENCE — A Platform to Network

Building a Globally Competitive Manufacturing and Export Powerhouse

Friday 27th February, 2026

Hotel Taj Lands End, Bandra West, Mumbai

At the 26th Edition of the IMC Bharat Calling Conference, organised by the IMC Chamber of Commerce and Industry and held at Hotel Taj Lands End, Bandra West, Mumbai, on 27 February 2026, **Shri Jaykumar Rawal, Hon'ble Minister of Marketing and Protocol, Government of Maharashtra**, addressed the inaugural session as the Chief Guest. The conference was themed "Building a Globally Competitive Manufacturing and Export Powerhouse."

In his keynote address, Shri Rawal emphasized the vision of building a globally competitive India powered by Maharashtra. He stated that the state is proactively driving growth through scale, trust, and competitiveness, with MSMEs serving as the backbone of the economy and agriculture as its foundation. He highlighted the need to transform farmers into agri-entrepreneurs and integrate them into global trade.

He further outlined the state's industry-friendly Industrial Policy aimed at making Maharashtra a trillion-dollar sub-economy, with a focus on high-technology manufacturing, green industries, semiconductors, ease of doing business, employment generation, and export growth. Referring to the World Economic Forum in Davos, he noted that Maharashtra formalized nearly ₹ 30 lakh crore in investment MoUs, potentially creating up to 40 lakh jobs, reflecting the government's "Move on Urgently" approach to fast-tracking investment commitments.

Mr. Anant Goenka, Vice Chairman, RPG Group, President, FICCI highlighted India's strong economic fundamentals, robust growth, and reform-oriented governance, emphasizing the need to deepen investments in R&D, quality, brand-building, and global competitiveness to achieve the vision of Viksit Bharat.

Mr. Ashishkumar Chauhan, Managing Director & CEO, National Stock Exchange of India stressed that manufacturing's share of GDP must rise from 16% to 25% through sustained investment in research, technology adoption, and global brand development, urging Indian companies to design for global markets.

IMC President Ms. Sunita Ramnathkar stated that the coming decade will shape India's global economic role and emphasized that "Made in India" must stand for quality, reliability, and innovation. The event also featured the release of a report on global competitiveness and export readiness of India's manufacturing sector by IMC and Dun & Bradstreet.

The Inaugural Session was followed by engaging discussions throughout the day.

The Inaugural Plenary featured the GenNxt CEO Panel on **"Why the World Will Build in India"**, highlighting India's emergence as a global manufacturing hub. With competitive labor, skilled talent, robust infrastructure, and a large domestic market, along with supply chain diversification and policy reforms, India is increasingly seen as an attractive alternative to China, Vietnam, and Mexico.

The Technology and Industry 4.0 – **Make Mittelstand in India - Industry 4.0** emphasized Adopting Industry 4.0 and partnering with Germany's Mittelstand can boost innovation, skills, and productivity, positioning India as a global digital manufacturing leader.

The session on Enabling India's Export Surge highlighted how modern trade corridors, FTAs, and enhanced logistics are enabling Indian manufacturers to reach global markets faster and more competitively, positioning India as a hub for export-oriented investment and supply-chain partnerships.

The event also had Creative & Content Industry panel which highlighted The Business of Stories, Screens and Soft Power' India's booming creative economy—film, TV, OTT, VFX, gaming, and digital content—is becoming a global hub for production, co-creation, and content export, supported by government initiatives, cost efficiency, and world-class talent.

A Panel Discussion on Factory 4.0 to Factory Infinite focused on AI and the future of Indian businesses, examining how emerging technologies, smart factories, and automation are shaping next-generation manufacturing and digitally empowered enterprises.

A Fireside Chat on Inner Stability, Industrial Strength: The Leadership Mindset for Modern Manufacturing was addressed by Shri Gauranga Das, Monk and Spiritual Leader, ISKCON.

In his concluding remarks **Mr. Ajit Mangrulkar, Director General, IMC** mentioned that "Bharat Calling is more than a conference. It is a statement of confidence. For 26 editions, this platform has consistently showcased India's reform journey, entrepreneurial spirit, and global ambition. It is where policy meets enterprise, where domestic potential meets international opportunity."

The Conference witnessed participation over 300 business leaders, policy makers, dilpomats, MSME's and others.

Inaugural

*(L-R) : **Mr. Ajit Mangrulkar**, Director General, IMC, **Mr. Dinesh Joshi**, Chairman, International Business Committee, IMC, **Mr. Anant Goenka**, Vice Chairman, RPG Group, President, FICCI, **Mr. Jaykumar Rawal**, Hon'ble Minister of Marketing and Protocol, Government of Maharashtra, **Mrs. Sunita Ramnathkar,** President, IMC, **Mr. Ashishkumar Chauhan**, Managing Director & CEO, National Stock Exchange of India, **Prof. Mahendra Kumar Chouhan** President, IMC.*

Mr. Jaykumar Rawal, Hon'ble Minister of Marketing and Protocol, Government of Maharashtra

Inaugural Plenary GenNxt CEO Panel

Technology and Industry 4.0 panel

IMC
Chamber of Commerce and Industry








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Enabling Export Surge Panel

Ms. Priyam Gandhi Mody, Author and Political Communication Expert

Creative and Content Industry Panel

Factory 4.0 to Factory Infinite: What Comes Next?

Fireside Chat : Inner Stability, Industrial Strength: The Leadership Mindset for Modern Manufacturing

Audience

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488 IPOs WITH A FUND-RAISING OF **Rs. 3.5 LAKH CRORE** IN 2024-2025

NSE'S EMERGE PLATFORM HAS ENABLED **709 SME IPOs** SINCE INCEPTION

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*Till January 2026

YUVA KSHAMATA
SPORTS CONCLAVE

22nd January, 2026

The Young Leaders' Forum of IMC successfully hosted the **'Yuva Kshamata – Sports Conclave'** on January 22, 2026, at Hotel Taj Lands End, Bandra, bringing together a diverse and influential gathering of athletes and para-athletes, sports federations, sports-tech start-ups, corporate leaders, educators, youth representatives, and international delegates.

Hon'ble Chief Guest, Dr. Mansukh Mandaviya, Union Minister of Youth Affairs & Sports and Labour & Employment, Government of India, conveyed in his video address at the inaugural session that, "Sports is more than competition; it is a catalyst that shapes character, strengthens leadership, and fuels national progress."

Mr. Jalaj Dani, Co-promoter, Dani Sports Foundation highlighted that 'Sports builds citizen' and forums like the Yuva Kshamats Sports Conclave serve a useful purpose in shaping India's sporting future.

Mr. Niraj Bajaj, Past President, IMC and Chairman, Bajaj Auto, stated in his keynote video address that, "Champions are not created by perfect circumstances but by inner inspiration. With discipline, hard work, focus, and passion, anyone can rise because true strength is the ability to get up and keep moving forward. Sport makes us better human beings."

Ms. Diana Edulji, former Captain of the Indian Women's Cricket Team, highlighted the importance of leadership, governance and grassroots development in sports and emphasized the need for more tournaments and better training opportunities for women in cricket and other sports.

While welcoming the dignitaries, **Ms. Sunita Ramnathkar,** President, IMC said "Sports are not merely a competition, but a powerful instrument of nation-building, youth development, and social transformation. **Prof. Mahendra Kumar Chouhan**, Vice President, IMC gave the vote of thanks at the inaugural session and echoed similar sentiments, emphasizing the role of collaborative efforts between industry, institutions, and young leaders in strengthening the sports ecosystem and driving meaningful impact.

The inaugural session also featured a traditional **Mallakhamb performance** and the unveiling of a **knowledge paper on reviving and promoting indigenous sports in India.**

The valedictory address was delivered by **H.H. Yuvraj Mahanaaryaman Scindia**, President MPCA and Chairman, Madhya Pradesh Cricket League, Co-founder Kuberha.ai and Ethara AI. He spoke about the four pillars of the sports ecosystem—sportspersons, the public, business and media—working together for sustainable progress.

The Conclave comprised of four key panel discussions and interesting video addresses by industry leaders from the sports fraternity.

The first panel was on the topic **Sports Psychology: Health, Nutrition and Mental Fitness** and it gave an overview of how physical health, proper nutrition, and mental conditioning work together to enhance athletic performance. The panel was moderated by **Mr. Pranav Gandhi**, Founder and Host @SportifywithPRG Podcast, Sports Analyst, and commentator. The speakers were **Nt. Kinita Kadakia Patel**, Sports Nutritionist - Founder MEALpyramid Nutrition and Wellness, and Official Nutritionist for Mumbai Indians IPL Team, **Ms. Mugdha Bavare**, Sports and Counseling Psychologist, Founder Mindsports, Consultant - Olympic Gold Quest and Sports Psychologist at BCCI, **Dr. Sarita Bhalerao**, Consultant Obstetrician and Gynaecologist and **Dr. Vishwanath Prabhu**, Movement Specialist, Dean Exercise Science Academy -American College of Sports Medicine.

The second panel was on the topic **Education and Careers in Sports — The Game Beyond the Game**, and it provided an insightful overview of the diverse career opportunities available in the sports industry beyond active athletic participation. The panel was moderated by **Ms. Moona Ssahni**, Committee Member, IMC Indirect Taxation Committee. The speakers were **Mr. Raghuram Iyer**, CEO, Indian Olympic Association; **Mr. Alok Chitre**, COO, Rajasthan Royals; **Mr. Nandan Kamath**, Sports Lawyer, Co-founder of Sports and Society Accelerator and Managing Trustee, GoSports Foundation; and **Mr. Aazaz Khan**, Sports Director, Somaiya Sports Academy, Somaiya Vidyavihar University.

The Fireside Chat on the topic **"From Local Nets to Global**

Dreams: A Vision for Grassroots Cricket" featured **Mr. Liam Botham**, Director of Botham Club and Founder of Powerplays, in conversation with **Mr. Vedant Podar,** Member, IMC Young Leaders Forum. The discussion shared valuable insights on developing sustainable grassroots programs, bridging local and global cricketing ecosystems, and inspiring the next generation to dream big while staying rooted in strong fundamentals.

The third panel discussion was on the topic **AI & Startup Revolution in Business of Sports** provided a forward-looking perspective on how artificial intelligence and emerging startups are reshaping the sports industry. The panel was moderated by **Mr. Uday Wankawala**, CEO, Atal Incubation Centre, Rambhau Mhalgi Prabodhini. The speakers were **Mr. Arjun Vaidya**, Partner, V3 Ventures (Verlinvest India); **Mr. Mandar Marathe,** Co-founder, Elemnt Sports Science; and **Mr. Sharan Mangrulkar**, Founder, Cricprocess, who shared valuable insights on leveraging AI, building sports-tech startups, and identifying emerging opportunities in the evolving sports business landscape.

The motivational speech on **"Train the Body, Win the Mind"** was a powerful and inspiring session by Mr. Baqar Nasser, 11-time National Cycling Champion and pioneer of indoor cycling in India, who shared insights from his personal journey of dedication and achievement.

The fourth panel discussion as on the topic **"Roots & Reboots: New Age Sports and the Revival of Traditional Indian Games"** offered a compelling exploration of how modern innovation is breathing new life into India's rich sporting heritage. The panel was moderated by **Ms. Jyyotsana Sanghi**, Co-Chairperson, YLF. The speakers were **Yuvraj Digvijay Singh Kathiwada**, Managing Director, Kathiwada Foundation; Director, House of Kathiwada 1434; and Vice President, Padel Sports Foundation; **Mr. Kailash Kandpal**, CEO, Insurekot Sports Pvt. Ltd., representing Puneri Paltan – Pro Kabaddi League and Ganges Grandmasters – Global Chess League; **Mr. Nikhil Bhandare**, Vice-Captain, India Racketlon Team and Senior Practice Head, Tata Strategic Management Group; and **Mr. Tenzing Niyogi**, Chief League Advisor – Pro Wrestling League and Former CEO & Co-Founder – Ultimate Kho Kho League.

Another key highlight of the event was the student competition, which saw active participation from students from MoU-affiliated institutes of IMC from India and abroad. Held alongside each panel discussion, the competition allowed students to present their ideas aligned with the session themes, with the respective panelists serving as jury members and selecting the best participant from each segment. The winners were felicitated by **H.H. Yuvraj Mahanaaryaman Scindia**, making it a proud and memorable moment for all participants. The winning students were from Amity Mumbai University, Flame University, H. R. College of Commerce and Economics and Shailendra Education Society's Arts, Commerce and Science College.

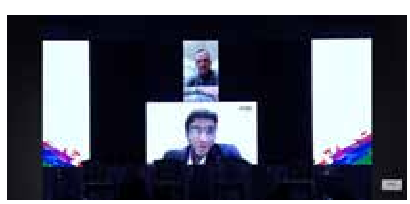
Glimpses of the event

Hon'ble Dr. Mansukh Mandaviya, Union Minister of Youth Affairs & Sports; and Labour & Employment, Government of India

Mr. Niraj Bajaj, Past President, IMC, Chairman Bajaj Auto, Promoter Bajaj Group, and Arjuna Awardee in Table Tennis

Mr. Jalaj Dani, Co-promoter, Dani Sports Foundation

H.H. Yuvraj Mahanaaryaman Scindia, President MPCA, Chairman Madhya Pradesh Cricket League, Co-founder Kuberha.ai and Ethara AI



Fireside Chat with Mr. Liam Botham, Botham Club - Director and Founder of Powerplays alongside Mr. Vedant Podar, Member, IMC Young Leaders Forum, and Co-founder & Director, Podar Eduspace

Ms. Rashi Shah, H. R. College of Commerce and Economics winner of Roots & Reboots: New Age Sports and the Revival of Traditional Indian Games topic

Mr. Soloman Joash, Amity Mumbai University winner of Sports Psychology: Health, Nutrition and Mental Fitness topic

Mr. Soham Rasal, Flame University Pune winner of Education and Careers in Sports — The Game Beyond the Game topic

Mr. Mrugank Pathare, Shailendra Education Society's Arts, Commerce and Science College winner of the AI & Startup Revolution in Business of Sports topic

Unveling of knowledge paper with IMC and Rambhau Mhalgi Prabodhini

Inspirational Address by Ms. Revathi Devasthale, International Badminton Athlete (World Rank #81), Law Gold Medalist and Real Estate Professional @ Cushman & Wakefield

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Mitchell USA: A journey through history...

Our trail began in the quaint Ayrshire highlands of Scotland with our own 'Coat of Arms' and 'Tartan' specific to the master chemist clan named 'Mitchell', who long before the commercialization of dermatology, cultivated a vision that has now proven to transcend the boundaries of gorgeousness.

Over the years, the Mitchell Group and its laboratories in Switzerland, United States and France, continued to reinvent this Scottish myth with constant research and development of unique formulations and ingredients; like its patented 'Age-Less' formulations made with lotus seed extracts, 'LightenUp' made with imperial peony from Mt. Jirisan, Korea, etc.

In 2008, the current IMC President, Mrs. Sunita Ramnathkar, acquired a sizeable stake in Mitchell USA LLC and founded its subsidiary Mitchell Group USA Pvt. Ltd. in India. In a subcontinent obsessed with fair skin, she earlier spun a tale of success in a span of 35 years and became synonymous to beauty in every household through her then brand 'FEM' (Now part of Dabur).

Today, the Mitchell Group is headquartered in Miami, USA, with offices and manufacturing in the US, UK, Lebanon and India. We also distribute in the Unites States, South America, The Caribbean, Africa and Asia.

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Special address by Shri Rajesh Aggarwal, IAS, Chief Secretary, Government of Maharashtra

6th January, 2026

Shri Rajesh Aggarwal, IAS, Chief Secretary to the Government of Maharashtra, addressed the Managing Committee of IMC on January 6 in the presence of invited dignitaries, Consul Generals, and senior officials from several diplomatic missions based in Mumbai.

An alumnus of IIT Delhi with B. Tech in Computer Science and specialisation in algorithms and artificial intelligence, Shri Aggarwal spoke candidly about his administrative vision and priorities for the State. He emphasised that one of his key missions would be to further enhance the Ease of Doing Business in Maharashtra, by reforming processes related to the establishment and operation of industries in a manner that inspires confidence among both domestic and global companies. He underlined that the objective of governance must be to ensure that new investors actively choose Maharashtra, while existing industries remain committed to expanding their presence in the State rather than contemplating relocation.

Shri Aggarwal also outlined the State Government's forward-looking initiatives in the education sector, notably a dedicated Education City near the new airport terminal, equipped with plug-and-play infrastructure for foreign universities. He informed the audience that seven international universities have already signed Letters of Intent and requested the Consul Generals and representatives of diplomatic missions present at the meeting to share this opportunity with universities in their respective countries that may be interested in establishing campuses in Maharashtra.

The address reflected a strong commitment to reform-driven governance, global engagement, and positioning Maharashtra as a preferred destination for investment, innovation, and international education, resonating strongly with industry leaders and diplomatic representatives alike.

*(L-R) : **Shri Shailesh Haribhakti**, Past President, IMC; **Prof. Mahendra Kumar Chouhan**, Vice-President, IMC; **Shri Rajesh Aggarwal,** IAS, Chief Secretary, Government of Maharashtra, **Smt. Sunita Ramnathkar**, President, IMC, **Shri Ajit Mangrulkar**, Director General, IMC, **Shri Sanjay Mehta**, Deputy Director General, IMC; **Smt. Sheetal Kalro**, Deputy Director General, IMC; and **Smt. Vanita Ghuge**, Director, IMC*

Seminar on TDS and TCS Provisions – A 360° Perspective

20th January, 2026

IMC's Direct Taxation Committee, jointly with Bombay Chartered Accountants Society and The Chamber of Tax Consultants organised a Full day Hybrid Seminar on **TDS and TCS Provisions – A 360° Perspective.** It provided a comprehensive overview of current Tax Deduction at Source (TDS) and Tax Collection at Source (TCS) provisions. The event focused on the transition to the **Income Tax Act 2025**, the impact of emerging technologies like AI, and practical challenges in compliance and litigation.

Mr. Ajit Mangrulkar, Director General, IMC, in his welcome address mentioned that Tax Deduction at Source (TDS) and Tax Collection at Source (TCS) have been one of the vital tools of revenue collection for the Government. Several TDS & TCS provisions have changed and compliances have increased substantially in last few years, impacting MSMEs and other tax payers both big and small.

Smt. Malathi Shridharan, Pr. Chief Commissioner of Income Tax,

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Mumbai in her inaugural address mentioned that TDS and TCS are sometimes perceived as mere "compliance provisions. In reality, they are foundational instruments of revenue assurance, tax-base expansion, and trust-building between the State and its citizens. They ensure timely and steady flow of revenue to the government, widening of the tax base by bringing transactions into the formal economy, improved reporting discipline and information symmetry, built-in compliance mechanisms reducing tax evasion, reduction of leakage in a high-volume economy, and creation of comprehensive audit trails for economic transactions. In many ways, the quality of the TDS/TCS experience determines whether a taxpayer perceives the tax system as predictable and fair—or as uncertain and burdensome.

Key Themes and Strategic Shifts

- **Foundational Role of TDS/TCS:** These provisions are now considered "foundational instruments" for revenue assurance, contributing approximately **57–60% of total net direct tax collection.**
- **Administration by Trust:** The Income Tax Department is shifting from "enforcement with suspicion" to "administration by trust," focusing on simplification, rationalization of rates, and enhanced taxpayer services.
- **Digital Empowerment:** Tools like the **Annual Information Statement (AIS)** and the **Traces portal** are designed to empower taxpayers with real-time feedback and control over their data, rather than serving merely as surveillance tools.

*(L-R) : **Mr. Ajit Mangrulkar**, Director General, IMC; **CA Anil Sathe,** Past President, Bombay Chartered Accountants Society; **Smt. Malathi Shridharan**, Pr. Chief Commissioner of Income Tax, Mumbai; **CA Rajan Vora**, Chairman, Direct Taxation Committee, IMC; and **CA Jayant Gokhale**, President, The Chamber of Tax Consultants.*

The New Income Tax Act 2025

- **Effective Date:** Provisions will come into force on **April 1, 2026.**
- **Structural Simplification:** The Act has been drastically concise, reducing TDS sections from **65 to 13** and using streamlined tables for nature of income, payers, rates, and thresholds.
- **Language Changes:** Complex legal terminology has been replaced with clearer language (e.g., "notwithstanding" replaced with "irrespective of") to reduce ambiguity and litigation.
- **Compliance Changes:** The time limit for filing correction statements will be restricted to **two years** from the end of the relevant tax year.

Critical Compliance Areas and Challenges

- Newer Provisions: Sections such as **194R** (benefits/perquisites in business), **194S** (Virtual Digital Assets), and **194T** (payments to partners) demand careful attention to thresholds and accurate reporting.
- **Partner Remuneration (194T):** Firms must proactively apply for a Tax Deduction Account Number (TAN) as nearly all partnership firms will now be required to deduct tax on partners' salaries, interest, and bonuses.
- **Common Errors:** Major pain points include delay in filing correction statements, incorrect PAN reporting, and deducting tax but failing to deposit it, which can block deductee refunds.
- **CPC 2.0:** The department is launching **CPC TDS 2.0**, which promises improved processing speed (targeting under 72 hours), a better grievance management system, and e-proceedings for end-to-end electronic communication.

Judicial and Procedural Insights

- **Compounding Liberalization:** New guidelines have drastically reduced compounding charges (e.g., from 3% to 1.5%) and simplified application procedures for companies and their directors.
- **Non-Resident Payments (195):** Discussions emphasized that **Tax Residency Certificates (TRC)** are not the sole evidence for treaty benefits,

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and other documentation can substantiate residency.

- **Tiger Global Case:** The panel analyzed the Supreme Court's emphasis on "substance over form" and the revenue's right to invoke anti-abuse provisions to deny treaty benefits.
- The seminar underscored the need for taxpayers and professionals to "unlearn" the 1961 Act and approach the new provisions with a positive mindset. Success in the transition will depend on early adaptation of internal ERP systems and ongoing dialogue between the industry and the department.

The event featured panel discussions and presentations focused on highly relevant TDS and TCS matters. The presence of officers from the Income Tax Department; distinguished senior professionals from the chartered accountants and tax professionals from the corporate fraternity. The seminar covered New Income Tax Act; TDS on procedural issues; Issues under Domestic TDS & TCS provisions; Issues pertaining to Penalty, Prosecution and Compounding procedures under TDS/TCS regime; Issues related with TDS u/s. 195 from payments to non-residents - including issues on SEP/MLI etc. These eminent experts also gave a balanced perspective and shared insightful, practical, and theoretical solutions in response to participant queries.

The Seminar was hosted in a hybrid mode and it was attended by 280 paid participants.

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Interactive Session on "Impact of AI on the Travel, Tourism & Hospitality Industry"

30th January, 2026

IMC's Travel, Tourism and Hospitality Committee organised an interactive session on **'Impact of AI on the Travel, Tourism and Hospitality Industry'** on January 30, 2026. The event brought together industry stakeholders to explore how artificial intelligence is redefining operations, customer engagement, and business growth across these sectors.

In his special address, Chief Guest **Mr. Jimmy Shaw**, President of the Hotel and Restaurant Association - Western India (HRAWI), noted that the hospitality industry has consistently been at the forefront of global technology adoption. He highlighted how the industry continues to lead innovation—from early operational systems to advanced digital solutions—effectively reshaping guest experiences and enhancing business efficiency.

Mr. Farhat Jamal, Chairman, Travel, Tourism and Hospitality Committee, IMC mentioned that, Artificial Intelligence is transforming the hospitality landscape by enabling smarter recommendations, greater personalization, and more seamless experiences for travellers across every touchpoint.

In her keynote address, **Ms. Sudeshna Mukhopadhyay**, Co-Founder & CEO of Intelekt AI and moderator of the panel discussion, highlighted how Artificial Intelligence is rapidly transforming the tourism industry's operations, customer outreach, and growth. She mentioned that rather than viewing AI as a replacement for human skill, it should be recognized as a strategic partnership. This collaboration enables organizations to manage operational pressures while consistently delivering service excellence.

The esteemed panellists for the session were **Mr. Ali A. Sanwarwalla,** Vice President & Head of Social Media Insights and Analytics, AGR Knowledge Services Pvt Ltd; **Mr. Jitendra Kanojia**, Vice President, Artificial Intelligence, The Indian Hotels Company Ltd. (IHCL); **Mr. Shantanu Tungare**, Filmmaker & Narrative Strategist, Mumbai, India and **Mr. Uday Sanghani**, Co-Chairman, Partner, CXO, Founder-Global Digital Leader - AI, Digital.

Esteemed dignitaries along with IMC Officials

Meeting to watch Live Union Budget presentation and to formulate the Chamber's initial reaction to the Union Budget for the year 2026-27

1st February, 2026

IMC is hosted the live viewing of Budget 2026-27 presented by Hon'ble Finance Minister Smt. Nirmala Sitharaman on February 1, 2026 as a part of its annual tradition. The budget announcement was followed analysis by the Managing Committee members present.

Around 30 media (electronic/print/online) covered the budget session at IMC, including DD News, ANI, PTI Digital, ZEE News, Republic Bharat, News 24, News Nation, ABP News, Midday, Free Press Journal, Sakal, Lokmat, Pudhari and Janmabhoomi/Vyapar, among others.

Interviews were conducted with office bearers and other dignitaries during the pre- and post-budget session.

Following press quote was issued to Media from IMC:

Union Budget 2026–27 Advances the Three Kartavya of Growth, Aspiration and Inclusion

The Union Budget 2026-27 announced by **Honourable Finance Minister Smt. Nirmala Sitharaman was inspired by the three Kartavya — i) Accelerate And Sustain Economic Growth** by enhancing productivity and competitiveness, **ii) Fulfilling Aspirations Of People And Building Capacity** by making them strong partners in India's path to prosperity, and iii) **Ensuring Inclusive Access to Opportunities for All** - with a focus on farmers' income, women-led development, youth, Divyang citizens, MSMEs, and equitable regional growth. These three Kartavyas together formed the guiding framework of the Budget's vision for a sustainable, inclusive, and future-ready India.

The budget presented a strategic roadmap for economic growth, focusing on key areas such as **pharma, tourism, AI, manufacturing, banking, infrastructure, agriculture, taxation, global businesses, foreign investments, ease of doing business and more**. The Budget underscored that achieving these three Kartavya requires a robust and supportive ecosystem.

Prof. Mahendra Kumar Chouhan, Vice-President, IMC, Chamber of Commerce and Industry, described the #UnionBudget2026 as a strategically focused and inclusive Budget, highlighting strong support for MSMEs, youth, women, farmers, modern manufacturing sectors including semiconductors and electronics, traditional industries such as Ayurveda, and enhanced capital expenditure, positioning it as a roadmap for sustainable and inclusive growth.

Demonstrating a firm commitment to innovation-led growth, the Finance Minister announced ₹ 40,000 crore for **India's Semiconductor Mission** and the launch of **India Semiconductor Mission 2.0**, aimed at strengthening domestic capabilities and talent development. Infrastructure received a major push with the announcement of high-speed rail corridors, including an **East–West freight corridor** connecting West Bengal and Gujarat, alongside targeted investments to boost tourism. Initiatives such as **training programmes** for tourist guides, the development of **five regional medical hubs** to promote medical tourism, and enhanced sports infrastructure under a strengthened **Khelo India Mission** reflect the government's focus on employment generation and regional development.

The Kartavya to enhance farmers' incomes and ensuring inclusive growth — featured prominently in the Budget. The launch of **Bharat Vista**, a multilingual AI-powered tool, will support farm productivity and provide advisory services to farmers, while AI-enabled tools will also assist Divyang citizens. The **Lakhpati Didi programme** and targeted measures to encourage women entrepreneurship further strengthen grassroots economic participation. The government announced a ₹ 10,000 crore allocation for the pharmaceutical sector through the launch of **Biopharma Shakti**, alongside reforms to make **FEMA** more foreign-investor friendly and initiatives to simplify tax norms, including tax exemption on motor accident compensation payouts. Steps such as the proposed banking sector panel, support to the Finance Commission, and continued efforts to improve ease of living reinforce the Budget's vision of a resilient, inclusive, and future-ready India.

The Union Budget delivered today showcased that the three-fold approach requires a supportive ecosystem. The Union Budget sends a strong signal of confidence to businesses, investors and global partners, reinforcing India's commitment to sustainable growth and economic leadership.

Mr. M K Chouhan
Vice President, IMC

Ms. Rajyalakshmi Rao
President, IMC Ladies Wing

Mr. Aashay Doshi
Chairman, IMC Agriculture and Food Processing Committee

Mr. Shailesh Haribhakti
Past President, IMC

Mr. Rajiv Podar
Past President, IMC

Mr. M Narendra
Chairman, IMC Banking, NBFC and Finance Committee

Mr. Dushyant C. Dave
IMC Managing Committee Member and Managing Director, Puneet Advisory Services Pvt. Ltd.

Mr. Deepak Doshi
Member, IMC Managing Committee

Mr. Hari Hara Mishra
Member, IMC Banking, NBFC and Finance Committee

Ms. Moona Ssahni
Member, IMC Indirect Taxation Committee

Mr. Navin M. Punjabi (Dr.)
Co-Chairman, IMC Knowledge Committee

Mr. Nishant Shah
Co-Chairman, IMC Indirect Taxation Committee

Mr. Uday Wankawala
CEO, Atal Incubation Centre, Rambhau Mhalgi Prabodhini

Mr. Ajit Mangrulkar
DG, IMC Chamber of Commerce and Industry

Mr. Sanjay Mehta
DDG, IMC Chamber of Commerce and Industry

Ms. Sheetal Kalro
DDG, IMC Chamber of Commerce and Industry

Media Fraternity present

Union Budget analysis by Managing Committee of IMC

IMC Heritage Walk 2026

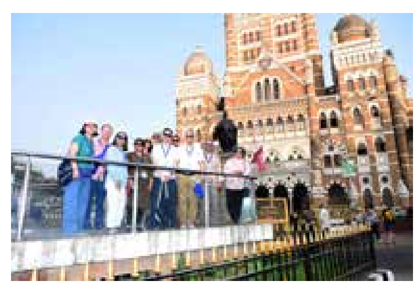
8th February, 2026

IMC's Travel, Tourism and Hospitality Committee organised its annual event **'Heritage Walk'** on Sunday, February 08, 2026, to showcase to the expatriate community the rich history, tradition and culture of the city and how it has been beautifully woven with unity in diversity.

This year participants were offered glimpses through the walk that took them through busting South Mumbai's architecture and heritage which truly stands testimony to the city's colonial past. Some of the most enticing structures included Municipal Corporation Building, Chhatrapati Shivaji Terminus, Maneckji Seth Agiary, The Asiatic Society of Mumbai Town Hall, St. Thomas Cathedral, Flora Fountain, Kala Ghoda, Synagogue, Horniman Circle Gardens, Mumbai University Fort Campus, Mumbai High court and Bhikha Behram Well. Walking was the best way to see these captivating heritage structures which blend Victorian and contemporary architectural styles.

The walk was attended by over 80 participants representing the Consulate General of Canada, British Deputy High Commission for Western India, Consulate General of the People's Republic of China, Consulate General of France, Consulate General of the Fed Rep. of Germany, Consulate-General of Japan, Consulate General of the Republic of Korea, Consulate General of Malaysia, Royal Thai Consulate General, Consulate General of the Republic of Turkey, Consulate General of the Democratic Socialist Republic of Sri Lanka, Consulate General of the United States of America along with the eminent stakeholders representing the Travel, Tourism and Hospitality Industry and eminent committee members of the Chamber.

Glimpses of the Heritage Walk



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Educational Seminar for MSMEs Entrepreneurs on "Importance of Insurance in Business Growth

9th & 10th February, 2026

IMC's Navi Mumbai Expert Committee in association with New India Assurance, initiated a series of "Educational Seminars for MSME Entrepreneurs on Importance of Insurance in Business Growth" for IMCs member associations and their members at their office premises. The objective of organizing seminars was to create awareness among MSMEs entrepreneurs about the importance of insurance in mitigating business risks and to educate them on the various types of insurance suitable for their sustainable business growth.

The first seminar in the series was held on Monday 9th February 2026 at conference room of Additional Ambernath Manufacturer's Association (AAMA). Mr. Jayant Khadilkar, Chairman of the IMCs Navi Mumbai Expert Committee, welcomed the keynote speaker, Ms. Shashikala Sreedharan DGM Mumbai Regional office V, New India Assurance and all participants. He briefed the attendees about IMC and its activities and emphasized the seminar's objective. He advised participants to understand the various types of insurance products provided by New India Assurance. Mr. Makarand Pawar Vice Chairman of the Additional Ambernath Manufacturer's Association (AAMA) addressed gathering and thanked IMC and New India Assurance for their initiative to organise an educational seminar for AAMA members.

The second seminar was held on Tuesday 10th February 2026 at conference room of Thane Belapur Industries Association (TBIA) for their members, covering the same topics. Dignitaries at the seminar included Mr. Jayant Khadilkar, Chairman of the IMCs Navi Mumbai Expert Committee, Ms. Shashikala Sreedharan DGM Mumbai Regional office V, New India Assurance and Mr. M.K. Kothari Founder & Managing Committee member of TBIA.

In her keynote address, Ms. Shashikala Sreedharan discussed key insights about varies types insurance and informed MSMEs that this educational seminar would bridge the knowledge gap, empowering entrepreneurs to make informed decisions that protect their enterprises and foster long-term growth.

In his presentation, Mr. Satyaprakash, Operating Office Incharge Ghansoli, New India Assurance in his presentation talk about exploring insurance solutions specifically designed for MSMEs, smooth claim settlement and information in proposal form, Fire and All Risk insurance and its underwriting, Parametric insurance, Liability insurance such as Directors' and Employees' Compensation, types of liability covers, and the impact of the Union Budget 2026-27 on new labour codes concerning insurance relevance.

Those seminars saw active participation and received overwhelmingly positive feedback. Finally, there was an interactive Q&A session where the New India Assurance team answered all queries raised by participants. The seminars concluded with the vote of thanks.

Day 1

(L-R) : ***Mr. Jayant Khadilkar***, *Chairman, IMC's Navi Mumbai Expert Committee,* ***Ms. Shashikala Sreedharan,*** *Dy. General Manager, New India Assuarance,* ***Mr. Makarand Pawar,*** *Vice Chairman Additional Ambernath Manufacturer's Association*

Day 2

(L-R) : ***Mr. Jayant Khadilkar,*** *Chairman, IMC's Navi Mumbai Expert Committee,* ***Ms. Shashikala Sreedharan,*** *DGM New India Assuarance,* ***Mr. M. K. Kothari,*** *Founder & Managing committee member, Thane Belapur Industries Association*

Panel Discussion on Budget Insights: Decoding the Union Budget 2026-27

H.R. College of Commerce and Economic - 6th February, 2026

The IMC's Young Leaders Forum (YLF) in association with H.R. College of Commerce & Economics, Mumbai, organized a panel discussion on the Union Budget 2026–27 on 6th February 2026 at the college campus. The panel featured Ms. Moona Ssahni, Member, IMC Indirect Taxation Committee, Mr. Apurva Chaturvedi, Co-chair, IMC YLF and Mr. Aashay Doshi, Chairman IMC Agriculture and Food Processing Committee; and was moderated by Mr. Ateet Sanghavi, Co-chair, IMC YLF. The session provided an engaging discussion on the key highlights and economic impact of the Union Budget.

Distinguished experts from IMC and H.R. College of Commerce and Economic held the Union Budget Session at the college.

Lala Lajpatrai Institute of Management - 11th February, 2026

IMC Knowledge (Skill & Education) Committee in association with Lala Lajpatrai Institute of Management organised a **Panel Discussion on Budget Insights: Decoding the Union Budget 2026-27.** The panel discussion brings together distinguished experts from taxation, logistics, and automotive leadership to decode the multifaceted impact of India's Union Budget 2026.

The speakers for the panel discussion were Ms. Jyotsana Sanghi, Co-chair, Young Leaders' Forum, Mr. Aditya Lakhotia and Ms. Stella Joseph, members of the committee, and moderated by Ms. Sheetal Kalro, Deputy Director General, IMC. The discussion provided to around 150 students understanding on direct tax, indirect tax and overall economic aspects in budget proposals.

Distinguished experts from taxation, logistics and automotive leadership along with IMC officials

PTVA's Institute of Management - 18th February, 2026

IMC Knowledge (Skill & Education) Committee in association with PTVA's Institute of Management organised a **Panel Discussion on Budget Insights: Decoding the Union Budget 2026-27.** The session brought together distinguished experts from banking, taxation, agriculture, climate action, and development sectors to decode the Budget's implications for industry, students, and the broader economy.

The speakers for the panel discussion were: Dr. M. Narendra, Chairman, IMC Banking and Finance Committee, Ms. Moona Sahni, Committee Member, IMC Indirect Taxation Committee, Mr. Karan Sinha, Committee Member. The discussion was moderated Dr. Navin Punjabi, Co-Chair, IMC Knowledge, Skill and Education Committee.

Esteemed experts from banking, taxation, agriculture, climate action and development sectors along with IMC Officials

COURTESY CALL

Meeting with Hon'ble Union Minister of Commerce and Industry Shri Piyush Goyal ji in connection with the upcoming IMC Bharat Calling Conference scheduled for 27th February 2026.

Meeting with Hon'ble MoS Shri Jitin Prasada ji, to apprise him of IMC's initiatives in strengthening MSMEs and promoting global trade engagement, and to brief you about the upcoming IMC Bharat Calling Conference 2026.

IMC team met with Hon'ble Shri Milind Deora Hon'ble Member of Parliament, and Ms. Susieben Shah, Politician & Social Activist, along with Hon'ble Deputy Chief Minister Shri Eknath Shinde

IMC President Ms. Sunita Ramnathkar met Ms. Vijaya Rahatkar, Chairperson National Commission for Woman along with Director General Mr. Ajit Mangrulkar, Deputy Director General Mr. Sanjay Mehta and Director, Mr. Vipul Srivasatava

IMC partnered with LIBF Expo 2026 – "Mumbai Calling", held from 30th January to 1st February 2026 organized by the Lohana International Business Forum.

IMC in association with The Public Premises Tenants (WR) Association - Discussion on Public Premises Eviction Act held on 12 January, 2026

IMC Ladies Wing Events

32nd Jankidevi Bajaj Puraskar

7th January 2026

The **32nd Jankidevi Bajaj Puraskar Ceremony** celebrated over three decades of recognising women leaders dedicated to social and economic empowerment.

The **Jankidevi Bajaj Puraskar 2026** was conferred upon **Mrs. Nikkitaa Navlekar, Founder of Aangan of Kutch, Bhuj,** for her transformative work in empowering rural women artisans through sustainable livelihoods while preserving India's rich craft heritage.

The event was graced by **Shri S. P. Singh Baghel, Hon'ble Minister for Fisheries, Animal Husbandry, Dairying and Panchayati Raj, Government of India,** as Chief Guest, who appreciated the IMC Ladies' Wing for its continued commitment to honouring women's leadership and acknowledged the Bajaj family's enduring legacy in India's freedom movement and nation-building. **Mrs. Ratna Pathak Shah**, Guest of Honour, inspired the audience with her message encouraging women to pursue their dreams with courage and conviction.

Instituted in memory of **Smt. Jankidevi Bajaj,** the Puraskar honours women whose work reflects Gandhian values of self-reliance, ethical leadership, and social reform.

***Mrs. Rajyalakshmi Rao,** President, IMC Ladies' Wing; **Mrs. Ratna Pathak Shah** – Actor and Director (Guest of Honour); **Mrs. Nikkitaa Navlekar** - Founder of Aangan of Kutch, Bhuj, Gujarat (Award Recipient); **Mr. S. P. Singh Baghel** – Hon'ble Minister of State for Fisheries, Animal Husbandry, Dairying, and Panchayati Raj, Government of India (Chief Guest); **Mrs. Radhika Nath** – Chairperson – 32nd JBP Committee*

***Mrs. Ratna Pathak Shah** – Actor and Director (Guest of Honour)*

***Mr. S. P. Singh Baghel** – Hon'ble Minister of State for Fisheries, Animal Husbandry, Dairying, and Panchayati Raj, Government of India (Chief Guest)*

***Mrs. Nikkitaa Navlekar** - Founder of Aangan of Kutch, Bhuj, Gujarat (Award Recipient)*

Mr. Shekhar Bajaj, Mrs. Nikkitaa Navlekar** and **Mrs. Kiran Bajaj

Distinguished members of the audience

IMC Chamber of Commerce and Industry

Beyond the Clock - Fertility, the female body and modern choice

31st January 2026

The IMC Ladies' Wing hosted an insightful session titled **"Beyond the Clock: Fertility, the Female Body & Modern Choice,"** focusing on important aspects of women's health, including fertility, PCOS, egg freezing, IVF, and body image.

The discussion featured **Dr. Rishma Dhillon Pai, Ms. Anshula Kapoor**, and was moderated by **Ms. Ghazalah Mody,** who together shared valuable perspectives on women's health, empowerment, and informed choices.

The program was supported by **NM Eva Health**, and concluded with an engaging exchange of ideas that encouraged greater awareness and understanding of women's health and wellbeing.

Ms. Ghazalah Mody, Ms. Anshula Kapoor and Dr. Rishma Dhillon Pai

Esteemed Speakers with the members of the Next Gen and Wellness Committee

Members of the audience

Film Retreat to Bhopal – The City of Lakes

1st-4th February 2026

Members embarked on a memorable **Film Retreat to Bhopal** – The City of Lakes, combining cinema, culture, and meaningful exploration.

The journey took participants from the historic **Sanchi Stupa** to discovering the inspiring legacy of **Bhopal's Nawab Begums**, while also experiencing the unique moment of standing proudly at the **Tropic of Cancer**. Each day concluded with engaging and thought-provoking cinema screenings at the beautiful **Jehan Numa Palace,** creating a perfect blend of reflection and artistic appreciation.

The retreat offered members an enriching opportunity to connect, exchange ideas, and celebrate their shared love for film, heritage, and culture, leaving everyone with unforgettable memories of Bhopal's history and charm.

Members having good time at the retreat

Property Rights, Wills and Probate

17th February 2026

The IMC Ladies' Wing organized an insightful session on **"Property Rights of Women, Guidance on Making a Will, and the Need for Probate"** under the Swabhimaan Series, aimed at enhancing legal awareness and empowering women with practical knowledge on managing and protecting their assets.

The session was led by **Senior Solicitor Mr. Parimal K. Shroff,** who shared his extensive expertise with remarkable clarity, simplifying complex legal concepts related to property rights, inheritance, wills, and probate. His practical guidance enabled participants to better understand how informed legal planning can safeguard assets and ensure a smooth transfer of wealth across generations.

The program witnessed enthusiastic participation from members and guests, culminating in a **record-breaking interactive Q&A session with over 25 questions from the audience.** Mr. Shroff addressed each query with patience and precision, making the discussion highly engaging and informative.

The session successfully furthered the IMC Ladies' Wing's commitment to **legal awareness and women's empowerment**, equipping participants with the knowledge and confidence to make informed decisions about their financial and legal futures.

Senior Solicitor Mr. Parimal K. Shroff

Mrs. Rajyalakshmi Rao**, President IMC Ladies' Wing presenting her book to **Mr. Parimal K. Shroff

Guest Speaker with the members of the Legal Committee

Distinguished Audience

Soulful Bihar Escape – Bodh Gaya & Patna

24th-28th February 2026

The IMC Ladies' Wing organized a memorable **Soulful Bihar Escape to Bodh Gaya and Patna**, where members explored the region's rich spiritual and cultural heritage. The journey included visits to the sacred **Mahabodhi Temple in Bodh Gaya**, several international Buddhist monasteries, the historic **Nalanda ruins**, and the **Jain Mahavir Temple in Patna.**

Along with discovering Bihar's historical legacy, members also enjoyed local cuisine and meaningful camaraderie, making the trip a truly enriching and memorable experience.

Members having good time at the trip

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