BUDGET

Industry reactions to Union Budget 2026-27

Industry leaders have broadly read Union Budget 2026 as a capex-led, manufacturing-focused and technology-driven fiscal statement rather than a short-term stimulus.

by **Staff Writer** February 1, 2026

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The Budget prioritises infrastructure expansion, semiconductor and electronics localisation, rare earth security, clean energy transition and targeted support for MSMEs. While most stakeholders see stronger investment visibility and supply-chain depth, the real test will be the speed and consistency of implementation across states and sectors.

The tabling of the Union Budget 2026–27 has elicited a broad spectrum of responses from industry leaders across manufacturing, infrastructure, energy, logistics, chemicals, and technology. Industry leaders have characterised the fiscal roadmap as a “definitive statement of intent,” emphasising the government’s unwavering commitment to infrastructure-led growth, manufacturing depth, and sustainable development. Key highlights such as the India Semiconductor Mission 2.0, the ₹10,000 crore MSME Growth Fund, and the record ₹12.2 lakh crore capital expenditure outlay are being viewed as pillars that will fortify India’s position as a globally competitive manufacturing hub.

While expectations remain around faster execution and deeper structural reforms, the consensus suggests that Union Budget 2026–27 is viewed as a growth-supportive, investment-friendly, and macro-stable fiscal framework.

Here’s is a curated set of reactions from industry leaders:

Abhay Deshpande, Founder & CEO, Recykal
“Budget 2026 places strong emphasis on AI, semiconductors and digital infrastructure, strengthening India’s national tech stack. This will deepen digital traceability, EPR enforcement and waste-to-resource systems critical to scaling the circular economy. Building on this momentum, integrating dedicated policy frameworks for EPR enforcement, waste-to-resource infrastructure, and incentives for digital traceability platforms will be crucial to realizing the full circular economy potential.”

Abhishek Malik, Executive Director, Calcom Vision
“The Union Budget 2026 reinforces India’s manufacturing ambitions with an enhanced ₹40,000 crore outlay for electronics manufacturing and a ₹10,000 crore SME Growth Fund to strengthen domestic value chains. These measures will support innovation and scale across the sector, creating a more robust ecosystem in which companies like Calcom Vision can contribute to technology-driven growth and energy-efficient solutions, furthering India’s journey as a globally competitive manufacturing hub.”

Abhishek Shrivastava, MD, IMEA, The Lubrizol Corporation
“Continued support for domestic manufacturing, logistics and skills, along with lower customs duties on chemical raw materials, will strengthen supply chains and export competitiveness, provided execution remains timely. The Budget’s balanced approach, addressing structural bottlenecks while promoting higher value-added manufacturing supports sustainable growth and resilience. The recent clarity on the GST intermediary ruling also brings much-needed certainty for cross- border services, aiding ease of doing business.”

Amit Gossain, Chairman and Managing Director, KONE Elevators India & South Asia
“Higher capex of ₹12.2 lakh crore, urban focus in tier-2 and tier-3 cities, and sustained R&D support will accelerate smart urbanisation, logistics efficiency and future-ready infrastructure.”

Amit Sharma, MD & CEO, Tata Consulting Engineers
"High spending on infrastructure, high-speed rail, urban mobility, clean energy, semiconductors, data centres and rare earth corridors strengthens critical supply chains and elevates execution quality. Measures supporting hydrocarbons and chemicals, and metals and mining including rare earth corridors, strengthen critical supply chains."

Amitt Nenwani, MD, Shivtek Spechemi Industries Ltd
"The announcement of three dedicated chemical parks provides a plug-and-play ecosystem that reduces supply-chain risk and strengthens India's transition to a specialty chemicals hub. With these new chemical corridors, we expect a significant reduction in logistics costs and a massive surge in R&D-led manufacturing, positioning India as the primary 'Plus One' for the global specialty chemicals market."

Anil Agarwal, **Chairman of Vedanta Ltd**
"A growth-oriented Budget, with a clear focus on increasing public capital expenditure and boosting manufacturing… creating opportunities for youth to improve their livelihoods, women to become financially independent, and for employment-intensive sectors like medical tourism to take off."

Anurag Choudhary, **CMD and CEO, Himadri Speciality Chemical Limited**
"The establishment of dedicated Rare Earth Corridors… is a watershed moment; it will create the integrated infrastructure needed to transform raw minerals into high-value components for the EV and defense sectors… moving India from intent to execution."

Bhuvan Anandakrishnan, India Country Manager & VP, Caterpillar
"Predictable policy, infrastructure push and digital transformation improve long-term business resilience and support private investment-led growth."

Aravind Melligeri, **Executive Chairman & CEO, Aequs Limited**
"The decision to allow eligible SEZ manufacturing units to sell into the Domestic Tariff Area at concessional duty is a significant boost for companies that have created large-scale capacities in both the consumer and aerospace & defence sectors… Together, these measures will create a stable and enabling framework for companies to scale investments, deepen capabilities, and integrate India more firmly into global manufacturing value chains."

Arun Shukla, **President and Director, JK Lakshmi Cement**
"The Union Budget remains true to the Government's Viksit Bharat and 2070 Net Zero vision and sends a clear signal on the direction of India's growth—combining infrastructure-led development with a sharper focus on sustainability."

Atul Rai, CEO and CO founder of Staqu Technologies
"The Union Budget 2026–27 clearly recognises artificial intelligence as a strategic

driver of inclusive growth and governance efficiency… the government is creating a robust ecosystem for applied artificial intelligence."

Balbir Singh Dhillon, Brand Director, Audi India
"The Union Budget's strong emphasis on infrastructure and capital expenditure is a positive enabler for India's mobility landscape. Improved highways and intercity connectivity are strengthening the ownership and usage ecosystem for luxury automobiles."

Benjamin Lin, President, Delta Electronics India
"The ₹40,000 crore allocation for India Semiconductor Mission 2.0 and the enhanced outlay for electronics components manufacturing point to a clear focus on scale, depth, and ecosystem development."

C.S. Vigneshwar, President, FADA
"Customs duty exemptions for lithium-ion cell manufacturing, rare earth corridors, 4,000 e-buses for the North-East, and TReDS mandates for MSMEs will stabilise EV supply chains and dealer liquidity. These measures, alongside the India Semiconductor Mission 2.0, will help stabilize the supply chain for modern vehicles."

CS (Dr.) Mamta Binani, President, MSME Development Forum – West Bengal
"The ₹10,000-crore MSME Growth Fund strengthens access to capital, innovation and global integration at a time of liquidity stress and delayed payments. Coupled with enhanced credit access and structural support measures in the Budget, this move underscores the government's enduring commitment to unleashing the full potential of MSMEs — the backbone of India's industrial growth, employment generation, and export prowess."

D.V. Manjunatha, Founder & CMD, Emmvee Photovoltaic
"The Budget shifts focus from incentives to execution, scale and quality in renewables, providing long-term certainty for domestic solar manufacturers. With the policy direction firmly in place, the emphasis now is on operational excellence, cost competitiveness, and building depth across the value chain."

Deepak Acharya, CEO, INOX India Limited
"The Budget's sustained focus on energy through increased support for infrastructure, technology, and critical industrial sectors reinforces India's commitment to expanding reliable, low-carbon capacity while accelerating the shift toward cleaner fuels and future-ready technologies. These measures create a stable policy environment for investments in areas such as cryogenics, clean fuels, renewable energy components and high-value industrial equipment."

Dilip Oommen, CEO, AM/NS India
"The continued outlay on capex for infrastructure is a welcome step to support

industry’s long-term growth. Measures to strengthen project financing, revive industrial clusters and expand infrastructure in Tier-2 and Tier-3 cities will also boost domestic manufacturing and competitiveness. At AM/NS India, we remain committed to supporting this nation-building effort through sustainable steelmaking and long-term investment in India’s growth.”

Dr. Uday Narang, **Founder and Chairman, Omega Seiki Pvt. Ltd**
The strong push on advanced manufacturing, AI-led technologies, electronics and semiconductor expansion, rare-earth and battery supply chains, the ₹10,000 crore SME Growth Fund, and higher public capex will significantly strengthen the EV ecosystem. What stands out is the focus on ease of doing business and MSME financing, which lowers cost barriers and improves supply-chain resilience.

Harinder Singh, **Managing Director & CEO, Yokohama India Pvt. Ltd**.
“Enhanced support for electronic components manufacturing, battery storage, lithium-ion cells and critical minerals creates long-term policy visibility for EV platform localisation, battery assembly and advanced power electronics manufacturing, thereby strengthening investment confidence across emerging mobility ecosystems.”

Jasraaj S. Kalra, **Managing Director, Noble Group**
“Reviving 2,000 industrial clusters and setting up a ₹10,000 crore MSME growth fund is a very welcome signal for manufacturing. For many MSMEs in our ecosystem, equity support and day-to-day liquidity are serious bottlenecks. If this fund translates into easier access to growth capital, especially for cluster-level suppliers, tool rooms and component makers, it will lift the entire value chain and give manufacturers a lot more confidence to invest in capacity and localisation.”

Mukesh Vasani, **Chairman & Managing Director, Aimtron Electronics**
“The ₹40,000 crore allocation for electronics components and semiconductors will directly benefit Aimtron by improving domestic availability of semiconductor-linked components, reducing import dependence, and enabling faster scale-up of our EMS, PCB assembly, box-build, and system integration operations serving India, the US, and global customers. Coupled with the SME Growth Fund and logistics-led infrastructure investments, the budget reinforces India’s role as a trusted, export-ready manufacturing hub, aligning closely with Aimtron’s India–US growth strategy.”

Nikhil Mansukhani, **Managing Director, MAN Industries**
“The continued emphasis on ease of doing business, coupled with policy stability, will go a long way in encouraging manufacturers to plan long-term capacity expansion and technology investments. Particularly encouraging are the measures aimed at simplifying customs procedures and rationalising duties, which will help reduce cost inefficiencies, improve turnaround times at ports, and enhance supply chain reliability. The focus on integrating Indian manufacturing more deeply into global value chains aligns well with the ‘Make in India for the World’ vision.”

Niranjan Nayak, **MD, Delta Electronics India**

"What stands out in the Union Budget 2026 is the scale, consistency, and seriousness with which the government is approaching electronics and advanced manufacturing. Importantly, the focus goes beyond manufacturing capacity to include full-stack design, development of Indian intellectual property, skill creation, and stronger supply-chain resilience. This reflects a practical understanding of how globally competitive technology ecosystems are built."

Parmod Sagar, Chairman, MD & CEO RHI Magnesita India
"The government's budgetary commitment of ₹20,000 crore towards CCUS across key sectors is a forward-looking step. This will further strengthen industry–government collaboration in accelerating progress toward India's net zero goals."

Parth Jindal, President, Cement Manufacturers' Association
"Higher public capex, City Economic Regions, new freight corridors, expanded waterways and a ₹20,000-crore CCUS outlay strengthen demand visibility, logistics efficiency and decarbonisation for cement."

Pawan Kumar Garg, Chairman & JMD, Fujiyama Power Systems
"India Semiconductor Mission 2.0, coupled with stronger solar and storage value chains, advances both technology leadership and clean energy security. These combined priorities will not only accelerate India's technology and sustainability ambitions but also unlock meaningful opportunities for innovation and industrial growth."

Prashant Mathur, CEO, Saatvik Green Energy
"₹12.21 lakh crore capex, 29% higher PM Surya Ghar allocation, battery storage duty exemptions, and solar glass input relief improve cost competitiveness and investment visibility across the solar value chain. The continued focus on carbon capture technologies and long-term support for nuclear power underline a technology-agnostic approach to decarbonisation."

Priyank Rakholiya, Co-Founder, Samarth E Mobility
"The FY26 Union Budget backs India's push for a self-reliant, globally competitive EV ecosystem and homegrown innovation. Removing customs duty on 30 critical minerals strengthens domestic supply chains and supports Make in India. Extending the ₹18,100 crore PLI scheme for advanced chemistry cells to 2032 gives certainty for startups like Samarth E Mobility and the EV sector. A 10% capex cut for factories and tax exemptions on lithium-ion goods improve project viability, cut battery costs by 2.7% and accelerate localisation."

Rajamani Krishnamurti, President, ISSDA
"Greater investment in rail, water and urban infrastructure strengthens the case for stainless steel, while the ₹10,000-crore MSME allocation will upgrade quality, technology and standards across the sector. This policy direction, focused on quality-

centric procurement and standards enforcement, coupled with robust support for MSMEs, will be instrumental in enhancing material choices across public projects."

Rajendra Chodankar, Founder & Chairman, RRP Electronics
"ISM 2.0's ₹40,000-crore outlay, expanded ECMS funding, and new high-tech tool rooms deepen domestic semiconductor and electronics supply chains. This support for the production of PCBs, modules, and sub-assemblies is essential for building a local supply chain that feeds into the semiconductor sector."

Rajesh Gupta, MD & Founder, Evergreen Recyclekaro
"Dedicated rare earth corridors, chemical clusters and ISM 2.0 mark a shift from assembly-led growth to control over critical materials and strategic inputs. This clearly reflects India's shift from assembly led growth to building control over critical materials and strategic inputs."

S. Sunil Kumar, Country President, Henkel Adhesives
"Transport corridors, electronics manufacturing support and the ₹20,000-crore CCUS allocation strengthen demand for high-performance industrial materials while embedding sustainability in growth. Taken together, the Budget underscores a responsible growth framework anchored in inclusivity, capability building and long-term competitiveness, and we would like to credit the government for this."

Sandeep Kumar, Co-founder & MD, A-One Steel
"The announcement of a ₹20,000 crore carbon capture and utilisation scheme marks an important step for decarbonising steel manufacturing while safeguarding competitiveness. Combined with fiscal discipline and infrastructure-led growth, the Budget creates a balanced framework where sustainability and scale move together. This clarity on green transition, alongside steady demand drivers, supports long-term investments in cleaner technologies and modern production facilities."

Sanjay Chitkara, Co-CSMO, LG Electronics India
"Higher capex, ISM 2.0, duty exemptions and MSME funding strengthen local electronics supply chains while tax rationalisation supports consumption. Measures such as duty exemptions, MSME funding, and improved infrastructure will strengthen supply chains and enhance industry competitiveness."

Sanjay Choudhari, Chairman, SBL Energy
"Rare earth corridors and downstream processing reduce strategic dependencies, while chemical parks move India towards integrated industrial ecosystems. To sum it all up, these measures reduce import dependence, build supply-chain resilience, and position India as a more reliable and competitive player in global manufacturing networks."

Santosh Iyer, MD & CEO, Mercedes-Benz India
"Higher capex, better highways, and a 4.3% fiscal deficit target improve macro stability, ease of doing business and cash flows via deferred customs payments."

Satyen J. Mamtora, CEO & MD, TARIL
"Higher ECMS outlay, battery and solar glass duty exemptions, and nuclear duty relief till 2035 improve policy visibility for power and grid infrastructure."

Saurabh Marda, Co-Founder & MD, Freyr Energy
"REC and PFC restructuring should improve consumer solar financing, while continued battery storage support strengthens domestic clean energy capacity."

Shyam Sunder Jindal, Promoter, BC Jindal Group
"Duty exemptions for lithium-ion cells and solar glass inputs support India's 500 GW non-fossil capacity target and strengthen domestic manufacturing."

Simarpreet Singh, Executive Director & CEO, Hartek Group
"Industry-linked skilling, solar input duty relief and zero duty on lithium-ion capital goods will accelerate storage adoption and grid stability."

Smitha Shetty, Regional Director, APAC, Achilles Information
"ISM 2.0, rare earth corridors and chemical clusters signal a decisive move towards deeper manufacturing depth and resilient supply chains."

Sujay Shetty, MD (ESDM & Semiconductor), PwC India
"ISM 2.0's focus on domestic equipment, materials, IP, R&D and skilling, alongside rare earth corridors, could elevate India's position in the global semiconductor value chain."

Sumant Sinha, Founder & CEO, ReNew
"Lower duties on strategic inputs, focus on critical minerals, CCUS and next-generation nuclear underline a long-term, technology-driven energy transition."

Tadashi Chiba, MD & CEO, Panasonic India
"₹12.2 lakh crore capex, stronger ECMS support, and selective appliance duty exemptions improve domestic value addition, while AI-led governance enhances productivity."

Tanmoy Duari, CEO, AXITEC Energy India
"₹1,775 crore for grid solar, zero duty on transition equipment, and REC-PFC restructuring strengthen renewable financing and manufacturing competitiveness."

Vikrampati Singhania, President, ACMA & Vice Chairman, JK Fenner
"Sustained MSME support, clean mobility measures and export facilitation will help auto components remain competitive amid global headwinds. The focus on exports, trade facilitation and logistics efficiency is timely, particularly in the context of global trade uncertainties. Measures to improve access to export credit and address non-tariff barriers will further integrate Indian auto component manufacturers into global supply chains and reinforce India's position as a reliable sourcing hub."

Vikrant Labde, Co-founder & CTO, Turinton Consulting
"India Semiconductor Mission 2.0 is a turning point as it shifts the focus from fabs to full-stack IP development. Semiconductor manufacturing is inherently data-intensive and precision-driven, where success will depend on digital twins, predictive maintenance, yield optimisation, and real-time quality control powered by AI. Equally, in broader manufacturing and Industry 4.0, the priority should be layered intelligence over brownfield assets rather than replacing them. Manufacturers need decision-support systems that integrate with legacy machines, reduce downtime through predictive maintenance, optimise production scheduling, and strengthen quality control. "

Vikram Joshe, Founder & President, WAE
"The ₹10,000-crore SME Growth Fund benefits a limited cohort of formal firms, while payment delays, tax complexity and demand constraints remain unresolved for most SMEs."

Vinay Thadani, Director & CEO, GREW Solar
"₹40,000 crore for semiconductors and domestic solar components reduces import dependence, boosts exports and strengthens clean energy manufacturing."

Vinesh Mehta, Chairman, Abhay Ispat
"Urban housing, transport and renewable focus will lift steel demand, while the ₹20,000-crore CCUS plan supports large-scale industrial decarbonisation."

Vinod Aggarwal, MD & CEO, VE Commercial Vehicles
"*With a clear focus to build capability in crucial areas, the budget reinforces the foundations of the automotive and commercial vehicle industry.* ₹12.2 lakh crore capex sustains demand for logistics assets, while rare earth corridors strengthen EV supply chains and battery localisation. On the clean mobility front, the continuation of duty exemptions on capital goods for battery manufacturing, alongside targeted incentives for localized processing, sends a strong signal of intent. These measures are instrumental in accelerating EV adoption while building a cost-efficient battery ecosystem—crucial for improving the Total Cost of Ownership and driving wider commercial viability."

Vishal Sharma, CEO, Godrej Industries (Chemicals)
"The reforms around extra funding for R&D is big for chemical sector where progress depends on constant innovation, especially in advanced materials, specialty

chemicals, and fresh sustainable solutions. While the budget lays out a clear strategy, the industry would have welcomed stronger fiscal incentives for capital-heavy green tech, quicker clarity on the new labour codes, and more focused support for exports. Moves like these would help chemical companies attract more investment and compete faster on the global stage. Still, the ‘Reform Express’ narrative inspires confidence and provides a solid platform for sustainable, technology-driven manufacturing growth in India.”