

India's Budget 2026 Aims to Build Services, Digital Infrastructure and Long-Term Competitiveness

Category: Business

written by News Mall | February 2, 2026



India's Union Budget 2026-27 has elicited strong reactions from industry leaders, particularly in services, technology, real estate and advisory sectors. Across responses, a common theme emerges: policymakers have sought to position India for long-term growth by strengthening digital infrastructure, enhancing the competitiveness of services and providing clarity on tax and regulatory frameworks. This approach signals a shift from short-term fiscal fixes to structural economic strategy.



Union Budget 2026

A central focus for technology and services executives is the Government's prioritisation of the services sector as a key engine for national growth. In this context, **Ankit Agarwal, Vice-Chairman and Non-Executive Director, Invenia-STL Networks**, said, *"The Union Budget 2026 firmly positions the services sector as a core growth engine of Viksit Bharat, reinforcing its role in driving economic growth, employment and exports."* This framing sets the tone for the broader industry reading of the Budget as a document aimed at delivering sustained structural progress rather than short-term stimulus.

For leaders in digital infrastructure, the Budget's emphasis on foundational assets such as data centres and cloud capabilities has been welcomed. Reflecting this, **Agarwal noted** that *"A clear emphasis on data centres recognises them as*

critical enablers of India's digital growth and its ambitions in artificial intelligence, cloud computing and digital public infrastructure." He further underscored that incentives aimed at strengthening this infrastructure will support India's drive to attract foreign investment, enhance domestic innovation and build a credible foundation for future technologies.

From a broader technology strategy perspective, **CP Gurnani, Co-Founder and Vice Chairman of AIONOS**, interpreted the Budget as signalling a decisive shift toward building strategic technological capability. He said, *"Union Budget 2026 signals a decisive shift in how India is approaching technology, from adoption to strategic capability building."* Highlighting the emphasis on AI, semiconductors, cloud and data infrastructure, **Gurnani noted** that *"Leadership in the digital economy is built bottom-up, starting with strong foundations."*

Gurnani emphasised that the Budget links technological ambition with inclusion and competitiveness, saying that aligning AI investments with skills development, workforce readiness and MSME enablement means that *"Scale, inclusion and competitiveness must move together."* Notably, he pointed to initiatives such as *"Bharat Vistar, which provides farmers local-language, data-driven crop guidance"* and *"The Centre of Excellence in AI for Education, which promotes research into AI tools for improving the quality of learning."* These examples illustrate how technology policy is being connected to real-world outcomes across sectors and regions.

Leaders in mobility and operational services also saw strategic value in the Budget's broader agenda. **Sriram Kannan, Founder and CEO, Routematic**, observed that *"Budget 2026 sends*

a strong signal on where India's next phase of growth will come from, through sustained public capex, the creation of rare-earth magnet corridors to support EV and advanced manufacturing, and the proposed MSME Growth Fund to help smaller enterprises scale." He noted that as manufacturing and services deepen in Tier-2 and Tier-3 cities, enterprises will increasingly focus on operational challenges such as employee mobility. Kannan stressed that organised, technology-enabled workforce mobility will be critical to ensure policy measures translate into productivity gains and workforce participation improvements.

The real estate industry responded positively to measures designed to unlock value and broaden investment channels. **Hardeep Dayal, President – Commercial, Bhartiya Urban,** described the Government's introduction of dedicated REITs for CPSE assets as *"An innovative step for India's real estate and capital markets."* He explained that by unlocking value from under-utilised government property and recycling capital into new infrastructure, the Government has created *"A transparent, market-driven pathway for investment."* Dayal said these reforms are expected to deepen liquidity, broaden the investor base and strengthen commercial real estate markets across India.

Finally, advisory professionals pointed to tax reforms that can support both domestic and global service engagement. **CA Nidhi Goyal, Managing Director, Avinav Consulting and Partner, Nivesa Advisors LLP,** said the Budget is *"Setting a long term vision for India's services sector; expanding its global market share; creating employment, analysing impact arising due to artificial intelligence and tax reforms for services sector such as tax certainty to BPO, clubbing of services under IT services with a common safe harbour margin of 15.5%."*

Goyal described these measures as enhancing the appeal of India's services ecosystem for both domestic and international players.

Taken together, reactions from across sectors indicate that Budget 2026 is being read as a strategic document focused on long-term competitiveness, structural capability building and inclusive growth. By combining digital infrastructure incentives, services tax clarity and capital-market reforms, the Budget sends a consistent signal that India is aiming to strengthen its position as a global hub for services, digital innovation and investment.

