



## What's Inside ?



Union Budget 2026  
- 27 : Key Highlights



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Story

## A Clear Path to Sustainable Growth and Opportunity

### Building Confidence in India's Economic Direction

The Union Budget presents a forward-looking roadmap aimed at sustaining India's growth momentum amid global economic uncertainties. A strong emphasis on record infrastructure spending reflects the government's intent to strengthen roads, railways, urban development and logistics, creating long-term economic capacity and employment.

The budget continues its focus on manufacturing and strategic sectors, encouraging domestic production, technology adoption, and self-reliance. Fiscal discipline remains a key priority, with efforts to balance growth while keeping the fiscal deficit under control. Stability in the tax structure and simplified compliance measures provide clarity and confidence to taxpayers and investors alike. Targeted support for MSMEs, agriculture, and digital initiatives highlights the government's commitment to inclusive development. Overall, the budget strikes a measured balance between growth, reforms, and financial stability, laying the foundation for sustainable economic progress.

The next chapter, Union Budget 2026-27 – Key Highlights, explores the key announcements that shape this growth-oriented roadmap.



On 1st **February 2026**, Finance Minister **Nirmala Sitharaman** presented the **Union Budget 2026-27** in both Houses of Parliament, outlining the Government of India's vision for the nation's economic priorities in the coming fiscal year. This budget, the first to be prepared in **Kartavya Bhawan**, is anchored in three core *Kartavyas* — or duties — focused on accelerating growth, empowering people, and ensuring equitable access to opportunities.

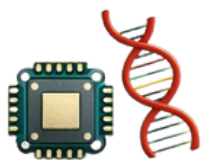


## Macroeconomic Framework & Fiscal Prudence

The Budget adopts a balanced approach between expansionary capital investment and fiscal discipline:

- Total expenditure is estimated at ₹53.5 lakh crore, with non-debt receipts of ₹36.5 lakh crore.
- Fiscal deficit is targeted at 4.3% of GDP, signaling continued fiscal consolidation.
- Debt-to-GDP ratio is projected to decline to 55.6%.
- Gross market borrowings are estimated at ₹17.2 lakh crore.

These numbers underline the government's commitment to fiscal responsibility while sustaining growth and public investment.



## Strategic Growth through Manufacturing & Industry

A key pillar of Budget 2026-27 is a **renewed push towards manufacturing excellence and supply-chain resilience**. Under the **First Kartavya**, six major interventions were announced:

### A). Biopharma SHAKTI Mission:

With an outlay of **₹10,000 Cr. over five years**, the mission aims to establish India as a **global biopharmaceutical manufacturing hub**, supported by new institutes & accredited clinical trial sites.

### **B). India Semiconductor Mission (ISM) 2.0:**

A comprehensive mission to build semiconductor manufacturing capability—including design, materials, equipment, and talent development—marking a major strategic focus.

### **C). Electronics & Component Ecosystem:**

The outlay for the **Electronics Components Manufacturing Scheme** has been increased to **₹40,000 crore**, supporting deeper local value addition.

### **D). Rare Earth Corridors:**

Dedicated corridors in **Odisha, Kerala, Andhra Pradesh, and Tamil Nadu** will enhance mining, processing, and manufacturing of rare-earth materials—critical for advanced technologies. ✨

### **E). Chemical, Capital Goods & Container Manufacturing:**

New **chemical parks, enhanced construction equipment schemes**, and a **₹10,000 crore container manufacturing plan** aim at high-value industrial capacity building.

### **F). Textiles & Fiber Sector Rejuvenation:**

Initiatives include a **National Fiber Scheme**, mega textile parks, and employment programs to modernize traditional clusters with technology and infrastructure upgrades.



## **Empowering MSMEs & Entrepreneurship**

To create the “**Champion SMEs**” of tomorrow:

- A **₹10,000 crore SME Growth Fund** has been introduced to support scaling enterprises.
- An additional **₹2,000 crore** will be infused into the **Self-Reliant India Fund**.
- The government will establish “**Corporate Mitras**” to help MSMEs with compliance and business formalities, particularly in **Tier-II and Tier-III towns**.

These measures are designed to improve access to capital, deepen liquidity, and unlock growth potential at the grassroots level.



## **Massive Infrastructure Investment**

Infrastructure continues to be a growth engine, with several transformative initiatives:

### **A). High-Speed Rail Network:**

The Budget proposed **seven high-speed rail corridors** connecting major economic cities, including routes like **Delhi–Varanasi, Mumbai–Pune**, and **Hyderabad–Bengaluru**.

### **B). Dedicated Freight Corridor:**

A new **Dankuni–Surat freight corridor** was announced to boost logistics efficiency and reduce movement costs.

### **C). Waterways & Shipping:**

Plans to operationalize **20 new National Waterways** over the next five years will support coastal and inland transport expansion.

## D). Infrastructure Risk Guarantee & Urban Investment:

The government also proposed an **Infrastructure Risk Guarantee Fund** to boost private participation and allocated ₹5,000 crore per City Economic Region (CER) for urban infrastructure upgrades.



## Taxation & Compliance Reforms

The Budget further focuses on simplifying the tax framework and enhancing ease of compliance:

- Tax collected at source (TCS) on **overseas tour packages, education and medical remittances** has been reduced to **2%**, supporting travel and student mobility.
- Extended timelines announced for revised income-tax returns to ease compliance burdens.

While the core income-tax slabs largely remain unchanged, these tweaks aim to boost taxpayer convenience and financial flows.



## Sectoral & Regional Initiatives

Several sectors and regions stand to benefit from targeted interventions:

### Energy & Green Economy:

Customs duties on critical solar components and battery storage elements were rationalized to accelerate clean energy adoption.

### Creative & Digital Sectors:

Budget 2026 gives a special boost to the **Animation, Visual Effects, Gaming & Comics (AVGC)** industry by supporting institutional capacity and skilling—recognizing the growth potential of creative content.

### Healthcare & Medicines:

There's greater emphasis on health infrastructure, with enhanced funding for national health missions and removal of duties on certain critical drugs—all aimed at improving overall access to affordable care.

### Transport & Regional Connectivity:

Uttar Pradesh and other regions will benefit from clean-energy-related incentives and broader connectivity through highways and rail corridors.

## Conclusion: A Budget for Growth, Capability & Inclusion


**Union Budget 2026–27** balances long-term investments with systemic reforms to support India's structural transformation. By prioritizing infrastructure, manufacturing ecosystems, MSME support, and inclusive growth models, the Government has aimed to position India for sustained economic resilience while expanding opportunities for individuals and businesses alike.






The focus on strategic industries, digital innovation, regional growth hubs, and skills development signals a nuanced vision—one that aligns with India's broader ambition to be a **global economic and manufacturing powerhouse**.

# CHAPTER 2 - MARKET UPDATES:

## DATA & REPORTS

### EQUITY MARKET SNAPSHOT - LAST ONE YEAR






Period	KEY INDIAN INDICES 					
	SENSEX	NIFTY 50	Nifty Next 50	Nifty Midcap 150	Nifty Smallcap 250	Nifty 500
31st Jan 2026	82270.00	25320.00	67839.00	21490.00	15763.00	23079.00
1 Month	-3.46%	-3.10%	-2.20%	-2.59%	-4.42%	-2.49%
3 Months	-2.03%	-1.72%	-3.75%	-3.00%	-9.47%	-3.20%
6 Months	1.34%	2.23%	1.11%	-0.23%	-8.89%	0.20%
1 Year	6.15%	7.71%	7.47%	10.13%	1.14%	8.37%
Current P/E	22.6	22	19.4	31.81	27.14	23.48
Current P/B	4.41	3.44	3.52	4.35	3.37	3.59

Period	KEY INTERNATIONAL INDICIES					
	USA 		UK 	HONG KONG 	JAPAN 	GERMANY 
	NASDAQ 100	S&P 500	FTSE 100	Hang Seng	Nikkei 225	DAX
31st Jan 2026	25552.00	6939.00	10223.00	27387.00	53322.00	24538.00
1 Month	1.20%	1.37%	2.94%	6.85%	2.87%	0.00%
3 Months	-1.62%	1.27%	5.38%	4.70%	3.55%	1.68%
6 Months	10.05%	9.46%	11.94%	10.55%	29.83%	1.97%
1 Year	18.97%	14.87%	17.86%	35.46%	34.75%	12.92%



### COMMODITY MARKET SNAPSHOT - LAST ONE YEAR

Period	GOLD - MCX		SILVER - MCX		CRUDE OIL	
	INR 10 GRAMS	%	INR 1 KG	%	USD / BRL	%
31st Jan 2026	₹ 1,68,584	-	₹ 3,51,034	-	\$65.21	-
1 Month	₹ 1,32,649	27.09%	₹ 2,28,432	53.67%	\$57.32	13.76%
3 Months	₹ 1,20,732	39.63%	₹ 1,49,358	135.03%	\$61.05	6.81%
6 Months	₹ 97,639	72.66%	₹ 1,09,697	220.00%	\$67.33	-3.15%
1 Year	₹ 81,877	105.90%	₹ 92,961	277.61%	\$71.00	-8.15%

### OTHER MARKET INDICATORS

Country	India 	USA 	China 	Japan 	Germany 	UK 
GDP (USD Bil.)	USD 3913 Bn	USD 29185 Bn	USD 18744 Bn	USD 4026 Bn	USD 4660 Bn	USD 3644 Bn
10 yr Govt. Bond Yield	6.70%	4.23%	1.80%	2.25%	2.84%	4.53%
Global Currencies vs. INR	1.00	USD 1 / INR 91.68	Yuan 1 / INR 13.26	Yen 1 / INR 0.60	Euro 1 / INR 108.70	GBP 1 / INR 125.51
Latest Inflation Rate	1.33%	2.70%	0.80%	2.10%	2.10%	3.40%

### NIFTY EQUITY SECTORAL INDICIES 31st Jan 2026

INDEX 	CURRENT	1 WEEK%	1 MONTH%	1 YEAR%	52W H 	FALL FROM 52 WEEK HIGH
NIFTY BANK	59,610.45	1.95%	0.74%	21.24%	60,437.35	-1.37%
NIFTY AUTO	26,750.35	-0.20%	-4.09%	18.44%	29,179.10	-8.32%
NIFTY FMCG	51,215.20	-0.86%	-6.94%	-7.16%	58,485.05	-12.43%
NIFTY IT	38,036.15	-0.53%	0.10%	-11.37%	43,133.35	-11.82%
NIFTY METAL	11,827.55	3.05%	7.45%	42.35%	12,509.75	-5.45%
NIFTY PHARMA	21,715.10	-0.03%	-3.66%	2.60%	23,492.55	-7.57%
NIFTY REALTY	783.00	3.52%	-9.98%	-11.82%	1,049.70	-25.41%
NIFTY HEALTHCARE INDEX	13,893.85	-0.45%	-4.46%	2.25%	15,144.95	-8.26%
NIFTY CONSUMER DURABLES	34,387.55	0.68%	-4.99%	-8.01%	44,426.55	-22.60%
NIFTY OIL & GAS	11,791.70	4.29%	-1.03%	15.21%	13,607.20	-13.34%
NIFTY INDIA CONSUMPTION	11,469.00	-0.55%	-5.85%	5.46%	12,716.20	-9.81%
NIFTY ENERGY	35138.05	6.16%	0.93%	7.76%	36,938.90	-4.88%
NIFTY INFRASTRUCTURE	9,153.20	2.54%	-3.71%	12.12%	9,792.60	-6.53%
NIFTY INDIA DIGITAL	9,018.65	0.26%	-4.73%	-0.38%	10,152.15	-11.17%
NIFTY100 ESG	5,070.75	1.12%	-1.43%	11.65%	-	-
NIFTY INDIA MANUFACTURING	15,055.70	1.87%	-1.07%	15.35%	-	-

Ratio of total market cap over GDP	
Recent 10 Year Maximum - 155%	
Recent 10 Year Minimum - 48.29%	
Current Market Cap / GDP- 118%	
Current Market Cap of India as on 31st Jan 2026 - INR 459.88 LAKHS CR.	
Current GDP: \$4.13 TRLN US dollars or INR 391 LAKHS CR.	

GDP Growth Figures		% of Growth
LATEST QUARTER (JAS 2025)		8.20%
PREVIOUS QUARTER (AMJ 2025)		7.80%
YEAR AGO (JAS 2024)		5.60%

### FII's/FPI's Activities in Indian Equity Markets

FII / DII - ACTIVITIES IN INDIAN EQUITY MARKET (CASH)		
Month- Year	FII ( Rs Crores)	DII (Rs Crores)
	Net Purchase / Sale	Net Purchase / Sale
Jan-26	-₹ 41,435	₹ 69,221
Dec-25	-₹ 34,350	₹ 79,620
Nov-25	-₹ 17,500	₹ 77,084
Oct-25	-₹ 2,347	₹ 52,794
Sep-25	-₹ 35,301	₹ 65,343
Aug-25	-₹ 46,902	₹ 94,829
Jul-25	-₹ 47,667	₹ 60,939
Jun-25	₹ 7,489	₹ 72,674
May-25	₹ 11,773	₹ 67,642
Apr-25	₹ 2,735	₹ 28,228
Mar-25	₹ 2,014	₹ 37,586
Feb-25	-₹ 58,988	₹ 64,853
Last 12 Months	-₹ 2,60,479	₹ 7,70,813

COUNTRY WISE FPI AUC (Asset Under Custody ) IN INDIAN MARKET		
Country Wise AUC (in cr.)	As on Dec 31, 2025	% of Holdings
UNITED STATES OF AMERICA	₹ 32,61,440	43.9%
SINGAPORE	₹ 4,79,410	6.5%
LUXEMBOURG	₹ 5,49,281	7.4%
IRELAND	₹ 4,76,351	6.4%
MAURITIUS	₹ 3,02,442	4.1%
UNITED KINGDOM	₹ 3,40,104	4.6%
NORWAY	₹ 2,90,398	3.9%
JAPAN	₹ 2,20,590	3.0%
CANADA	₹ 1,93,495	2.6%
FRANCE	₹ 1,83,409	2.5%
Other	₹ 11,29,526	15.2%
Total	₹ 74,26,446	100.0%

SECTOR WISE FPI AUC (Asset Under Custody ) IN INDIAN MARKET		
Sector Wise AUC (in cr.)	As on Dec 31, 2025	% FPI Holdings
Financial Services	₹ 23,63,331	31.8%
Automobile and Auto Components	₹ 5,74,896	7.7%
Oil, Gas & Consumable Fuels	₹ 5,68,986	7.7%
Information Technology	₹ 5,37,779	7.2%
Healthcare	₹ 4,70,466	6.3%
Capital Goods	₹ 4,15,937	5.6%
Telecommunication	₹ 4,06,630	5.5%
Fast Moving Consumer Goods	₹ 3,66,905	4.9%
Consumer Services	₹ 2,94,970	4.0%
Power	₹ 2,28,307	3.1%
Top 10 Sector Holdings	₹ 62,28,207	83.9%
OTHERS	₹ 11,98,238	16.1%
FPI HOLDING IN INDIAN EQ MARKET	₹ 74,26,445	100.0%

**Mutual Fund CATEGORY AVG Performance across Industry - 31st Jan 2026**

Equity Funds Category - AVG Performance across Industry %				
Category Type	1 Month	3 Months	6 Months	1 year
Sector - Financial Services	1.08	2.74	8.63	23.9
Sector - Energy	-0.39	-4.76	-0.06	12.3
Value	-0.66	-0.49	3.68	9.94
Contra	-2.38	-2.82	0.15	9.76
Large-Cap	-2.19	-2.56	1.37	9.24
Mid-Cap	-2.66	-4.19	-1.09	9.21
Large & Mid- Cap	-2.72	-4.3	-0.99	8.33
Dividend Yield	-1.46	-1.66	2.17	8.09
Focused Fund	-2.22	-3.49	-0.46	7.96
Multi-Cap	-2.71	-4.48	-1.45	7.23
Flexi Cap	-2.33	-3.92	-1.01	7.22
ELSS (Tax Savings)	-2.8	-4.09	-1.35	6.94
Equity - ESG	-2.55	-3.32	-0.34	6.18
Equity- Infrastructure	-2.46	-5.96	-3.34	5.29
Small-Cap	-3.58	-7.88	-6.6	2.57
Equity - Consumption	-5.7	-8.75	-4.16	1.84
Sector - Healthcare	-4.29	-6.88	-8.79	-0.04
Sector - Technology	-2	0.79	3.79	-4.84
Sector - FMCG	-3.36	-4.35	-4.36	-5.67

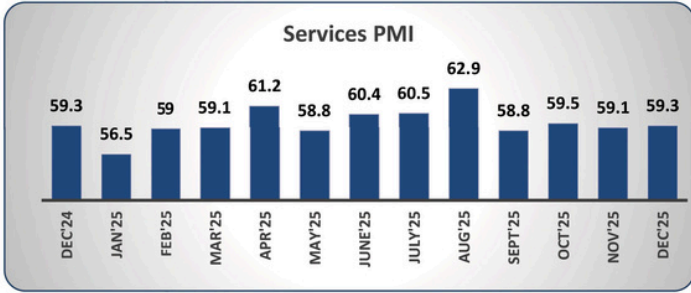
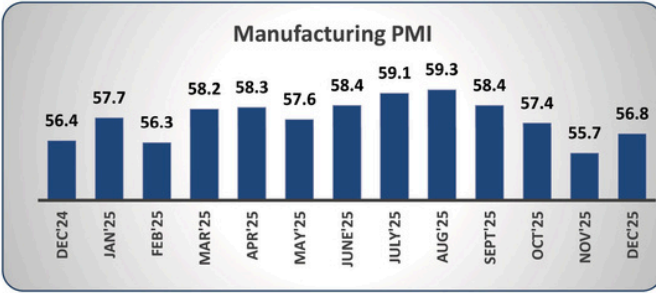
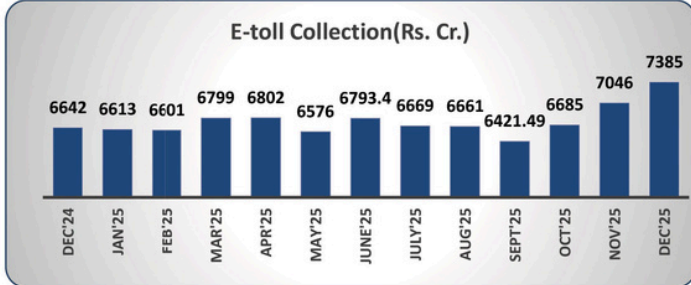
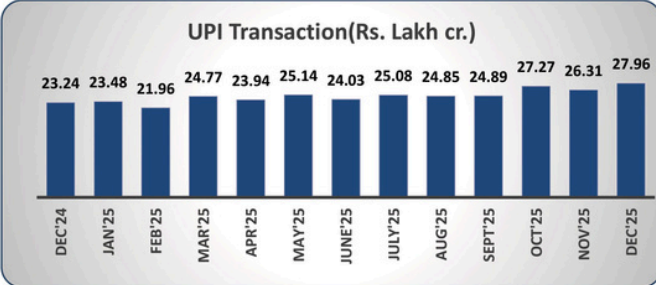
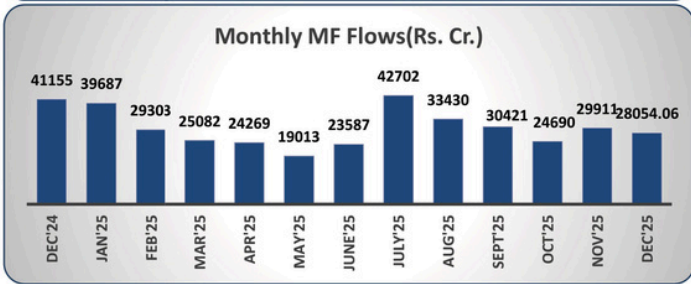
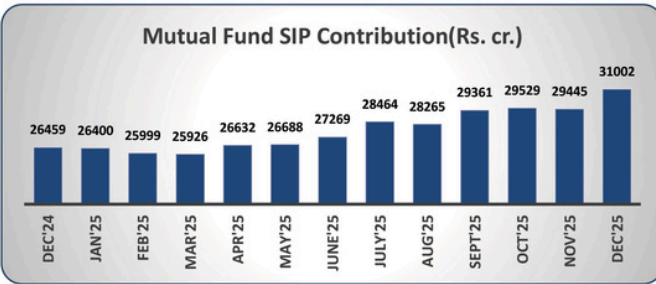
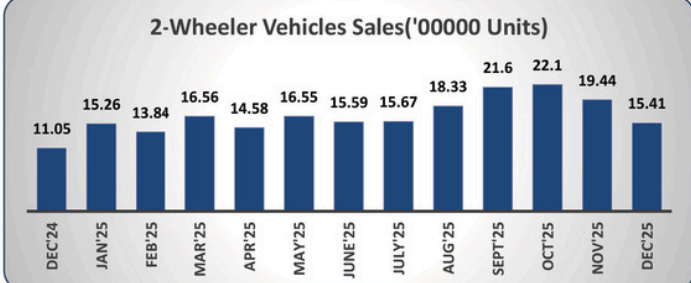
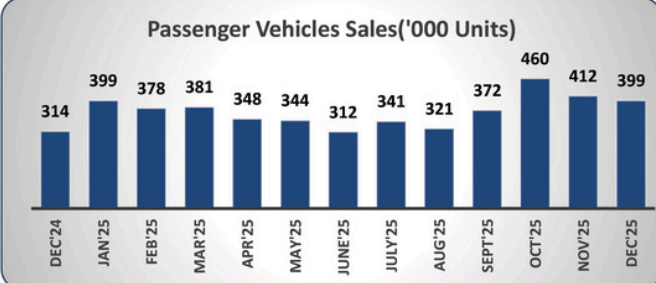
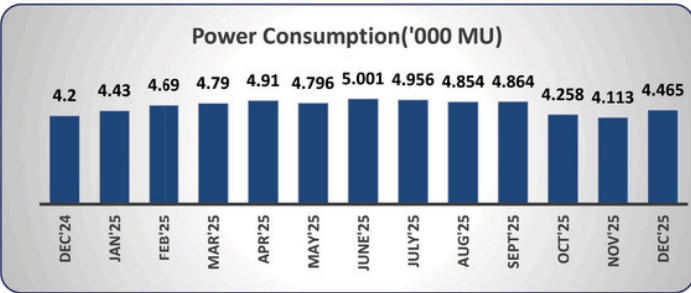
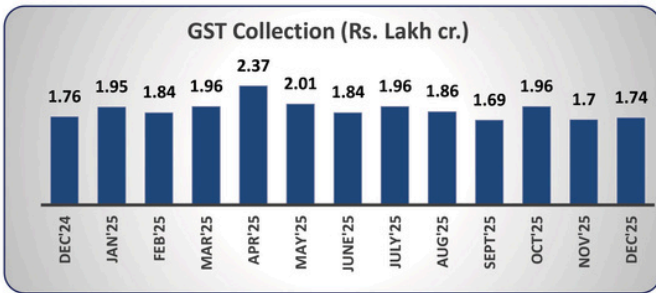
Fixed Income Category- AVG Performance across Industry %				
Morningstar Category	1 MONTH	3 MONTHS	6 MONTHS	1 year
Credit Risk	0.82	1.59	3.34	10.49
Floating Rate	0.17	1.02	2.32	7.19
Short Duration	0.06	0.65	1.98	6.96
Medium Duration	0.18	0.89	2.07	6.95
Low Duration	0.21	1.01	2.43	6.88
Corporate Bond	-0.01	0.51	1.69	6.73
Money Market	0.26	1.13	2.5	6.69
Banking & PSU	-0.01	0.52	1.81	6.62
Ultra Short Duration	0.29	1.09	2.51	6.41
Arbitrage Fund	0.65	1.67	3.05	6.03
Liquid	0.38	1.22	2.58	5.77
10 yr Government Bond	-0.14	0.57	0.75	5.63
Dynamic Bond	0.03	0.44	0.9	4.98
Medium to Long Duration	-0.04	0.23	0.56	4.86
Government Bond	0.01	0.46	0.4	4.36
Long Duration	-0.08	0.21	-0.1	3.06

Balance Fund Category- AVG Performance across Industry %				
Category Type	1 Month	3 Months	6 Months	1 year
Aggressive Allocation	-1.92	-2.63	-0.05	7.78
Dynamic Asset Allocation	-1.31	-1.46	0.72	6.93
Equity Savings	-0.57	-0.43	1.81	6.30
Balanced Allocation	-1.48	-2.53	-0.79	5.48
Conservative Allocation	-0.43	-0.52	0.66	5.27

**Source** - Morning Star as on 31<sup>st</sup> Jan 2025

**NOTE:** This is not a single scheme fund performance. This is an average performance of all the funds in same category across the mutual fund industry. However, performance may be different for different scheme under same category. Please check with your advisor for the top performing funds in above category for last one year.

## MACRO ECONOMIC INDICATORS



**Source** - Multiple websites as on 31st Jan 2025

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# CHAPTER 3 - INSPIRING INVESTMENT STORY

## Funding a Daughter's Education Through Smart Income Planning

At 48, Mr. Raghav looks back with quiet pride at a financial decision he made eight years ago—one that has played a crucial role in shaping his daughter's educational journey. When Raghav was 40, he had accumulated a lumpsum amount through years of disciplined savings in Fixed Deposits and Recurring Deposits. While the money was safe, he felt it was not working hard enough for his long-term goals.

At that time, his daughter was studying in Class 4. Raghav wanted a solution that could support her education expenses year after year—school fees, tuition costs, and other academic needs—without disturbing the core capital. More importantly, he wanted the principal to remain available later for her graduation or post-graduation.

The investment strategy was structured around this clear objective. The corpus was invested in a well-diversified combination of Hybrid Funds, Multi-Asset Funds, and Balanced Advantage Funds. This approach allowed controlled exposure to equity for growth, while maintaining stability and regular income through a Systematic Withdrawal Plan (SWP).

Over the years, the SWP generated steady monthly income, which Raghav used to comfortably fund his daughter's school education. Today, his daughter is in the 12th standard, and her education expenses so far have been fully managed through investment income—without financial stress or last-minute borrowing. The below table presents historical performance data of certain schemes, as on 31st Jan 2026:

Scheme Name	Investment Date	Lumpsum Amount	SWP Start Date	SWP Amount	Total Monthly Income withdrawn	Current Value 30-01-2026	Return (%)
ICICI Pru Equity & Debt Gr	10-10-2017	₹10,00,000	10-11-2017	₹6500	₹6,43,500	₹19,39,441	14.83
HDFC Balanced Advtg Gr	10-10-2017	₹10,00,000	10-11-2017	₹6500	₹6,43,500	₹16,37,739	12.99
ICICI Pru Multi Asset Fund Gr	10-10-2017	₹10,00,000	10-11-2017	₹6500	₹6,43,500	₹19,34,018	14.80
		<b>₹30,00,000</b>		<b>₹19,500</b>	<b>₹19,30,500</b>	<b>₹15,11,198</b>	<b>14.20</b>

What makes this journey truly inspiring is that despite regular withdrawals, the original corpus of ₹30 lakh has grown to approximately ₹55 lakh. As his daughter now prepares to pursue Engineering, this accumulated amount is sufficient to cover her graduation expenses and related costs, with some surplus still intact.

Raghav's experience proves that with the right asset allocation and disciplined planning, investments can deliver both regular income and long-term growth—turning a parent's educational dream into a well-funded reality.

### Key Takeaways:

- Early planning helps align investments with long-term education goals.
- Regular income through **SWP** can support ongoing education expenses.
- A diversified mix of **Hybrid, Multi-Asset, and Balanced Advantage funds** can balance income needs with growth potential.
- Disciplined investing allows the **corpus to grow despite periodic withdrawals**.
- Well-structured investments can fund both **current education costs and future higher studies**.

**Note:** The above story is for illustration purposes only and is based on past fund performance, which does not guarantee future returns. Mutual fund investments are subject to market risks, and investors should read all scheme-related documents carefully before investing. The returns mentioned are based on assumed fund performance and may vary depending on market conditions. It is advisable to consult a financial advisor to assess personal financial goals and risk appetite before making any investment decisions.

# Contact Us

You can contact us for all your investment related queries through any mode of communication.



**AMFI Registered Mutual Fund Distributor**

Mutual Fund Disclaimer: Mutual Fund investments are subject to market risks. Read all scheme related documents carefully. The NAVs of the schemes may go up or down depending upon the factors and forces affecting the securities market including the fluctuations in the interest rates. The past performance of the mutual funds is not necessarily indicative of future performance of the schemes. The Mutual Fund is not guaranteeing or assuring any dividend under any of the schemes and the same is subject to the availability and adequacy of distributable surplus.

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