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# Annual Survey & Reports

## Economic Survey 2025-26

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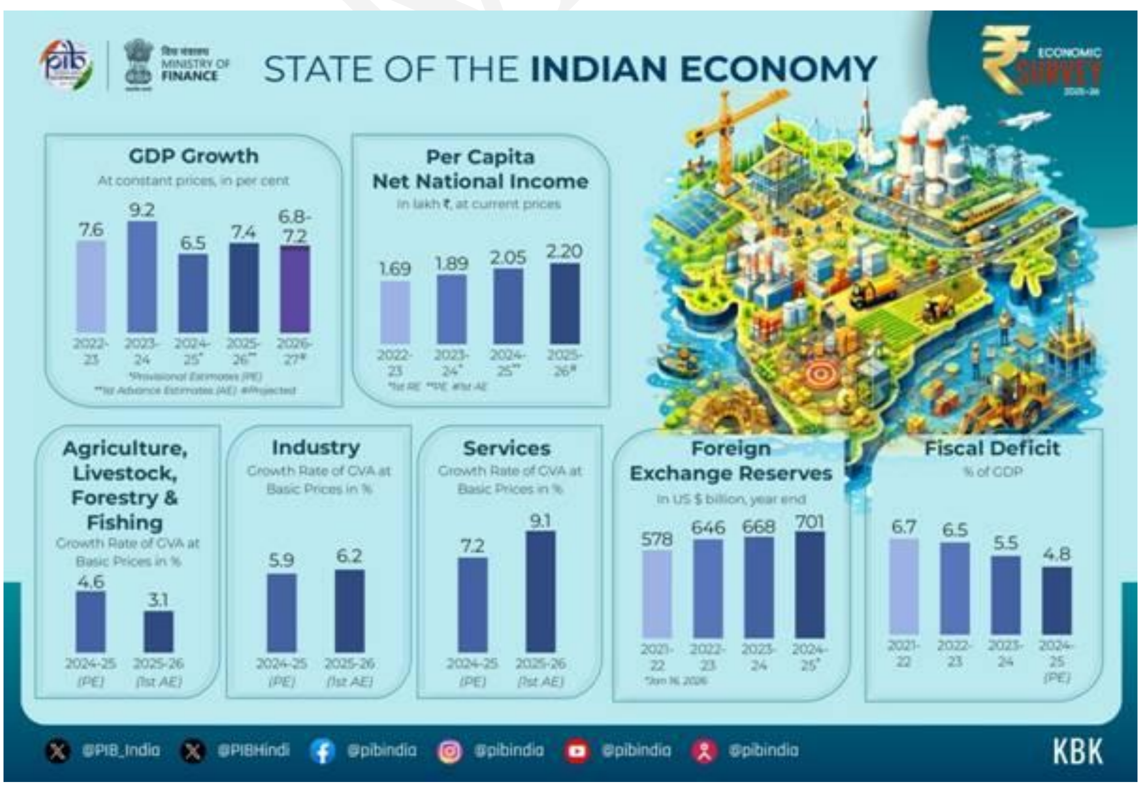
# Ch 1 – State of the Economy

- The global environment remains fragile, with growth holding up better than expected.
- There are elevated risks amid intensifying geopolitical tensions, trade fragmentation and financial vulnerabilities
- Against this backdrop, India's performance stands out.
    - The First Advance Estimates place FY26 real GDP growth at **7.4% and GVA growth at 7.3%,** reaffirming India's status as the fastest-growing major economy for the fourth consecutive year
- Private Final Consumption Expenditure grew by **7.0% in FY26**, reaching 61.5% of GDP, the highest since 2012
- This growth is supported by low inflation, stable employment, and increasing real purchasing power.
- Strong agricultural performance has enhanced the rural consumption.
- Improvements in urban consumption, aided by tax rationalization, indicate broad-based demand momentum.
- Gross Fixed Capital Formation growing **by 7.8%** and its share remaining steady at 30 per cent of GDP
- On the supply side, services remain the main driver of growth.
    - In the first half of FY26, the Gross Value Added for services increased by 9.3%, with an estimated 9.1% growth for the entire fiscal year



# Ch 2 – Fiscal Developments

- The government's prudent fiscal management has strengthened confidence in India's macroeconomic and fiscal framework.
    - This led to three sovereign credit rating upgrades in 2025 – ***by Morningstar DBRS, S&P Global Ratings, and Rating and Investment Information Inc.***
- Centre's revenue receipts strengthened from an average of about 8.5% of GDP in FY16–FY20 to **9.2% of GDP in FY25**
- The direct tax base expanded steadily, with income tax returns filed increasing from 6.9 crore in FY22 to **9.2 crore in FY25**
- Gross GST collections during April–December 2025 stood at ₹17.4 lakh crore, registering a year-on-year growth of 6.7%
- The effective capital expenditure of the Central government stood at **4% of GDP in FY25**
- The combined fiscal deficit of State Governments stayed broadly stable at around 2.8% of GDP in the post-pandemic period but has edged up to 3.2% in FY25
- India reduced its general government **debt-to-GDP ratio by about 7.1 percentage points since 2020**

# Ch 3 – Monetary Management and Financial Intermediation

### *Banking Sector*

- The GNPA ratio of SCBs stood at 2.2% in September 2025 and net NPA ratio at 0.5% in September 2025
- As of 31 December 2025, the year-on-year growth in outstanding credit by SCBs increased to 14.5% compared to 11.2% in December 2024

### *Financial Inclusion*

- The PMJDY, launched in 2014, has opened 55.02 crore accounts as of March 2025
- The Stand-Up India Scheme offers bank loans ranging from ₹10 lakh to ₹1 crore to SC, ST, and women entrepreneurs for establishing greenfield enterprises
- The PM SVANidhi scheme is providing collateral-free working capital loans to street vendors

### *Financial Sector*

- During FY26 (till December 2025), 235 lakhs of demat accounts were added, pushing the total count beyond 21.6 crore.

- The mutual fund industry also expanded, with 5.9 crore unique investors as of the end of December 2025
- Financial Sector Assessment Program was conducted jointly by the IMF and World Bank in 2025
    - It highlighted that the total financial sector assets stood at nearly 187% of GDP in 2024 and capital markets expanding at 175% in CY 2024

# Ch 4 – External Sector

- Between CY 2005 & CY 2024, India's share of global merchandise exports nearly doubled from **1 per cent to 1.8%**
    - In the same period, the share of global commercial services exports more than doubled from 2% to 4.3%
- India's total exports reached a record **USD 825.3 billion in FY25**, registering a 6.1% year-on-year growth
    - It was primarily driven by service exports
- Services exports touched an all-time high of **USD 387.6 billion in FY25**, growing by 13.6%
- India's current account deficit remained moderate
    - In Q2 FY26, CAD stood at around 1.3 per cent of GDP
- India remained the **world's largest recipient of remittances**, with inflows reaching USD 135.4 billion in FY25
- India's foreign exchange reserves increased to **USD 701.4 billion as of 16 January 2026**,
    - It provides import cover of about **11 months and cover over 94% of external debt**
- Gross FDI inflows reaching USD 64.7 billion during April-November 2025
- India ranked fourth globally in Greenfield investment announcements in 2024

# Ch 5 – Inflation

- India recorded the lowest inflation rate since the beginning of the CPI series, with April-Dec '25 average **headline inflation coming in at 1.7%**
    - This is attributed to the general disinflationary trend in food and fuel prices
- Among major Emerging Markets & Developing Economies, India has recorded one of the sharpest declines in headline inflation in 2025 over 2024, amounting to about 1.8 percentage points

# Ch 6 – Agriculture & Food Management

- Between FY15 and FY24, the livestock sector witnessed strong growth, with GVA rising by nearly 195%.
- The fisheries sector has also performed well, with fish production increasing by more than 140% during 2014-2024
- India's foodgrain production is estimated to have reached 3,577.3 lakh metric tonnes in Agriculture Year 2024–25
  - This growth has been driven by higher output of rice, wheat, maize and coarse cereals (Shree Anna)
- In 2024-25, horticulture production reached 362.08 million tonnes
- Farmers' incomes are supported through assured MSP for mandated crops and PM-KISAN income transfers
  - Since its inception, under PM-KISAN, more than ₹4.09 lakh crore has been released to eligible farmers in 21 instalments

# Ch 7 – Service Sector

- Services' share in GDP rose to **53.6% in H1 FY26**
- Services' share in GVA stood at the highest ever i.e. 56.4%
- India is the **world's seventh-largest exporter of services**
  - India's share in global services trade doubled from **2% in 2005 to 4.3% in 2024**
- The services sector continues to be the largest recipient of foreign direct investment inflows
  - It accounts for an average of **80.2% of total FDI** during FY23-FY25

# Ch 8 – Industrial Sector

- Industrial activity strengthened in FY26, with Industry GVA growing **7.0% in H1**
- Manufacturing growth accelerated, with GVA expanding 7.72% in Q1 and 9.13% in Q2 FY26
- Production Linked Incentive Schemes across 14 sectors have attracted over ₹2.0 lakh crore of actual investment
- India's Global Innovation Index rank improved to $38^{th}$ in 2025 from $66^{th}$ in 2019
- The India Semiconductor Mission has advanced domestic capabilities, with 10 semiconductor manufacturing and packaging projects approved across 6 States

# Ch 9 – Investment & Infrastructure

- India's capital expenditure has increased nearly 4.2 times, from **₹2.63 lakh crore in FY18 to ₹11.21 lakh crore in FY26**
- National highway infrastructure expanded substantially, with the NH network growing by about 60% during FY 14 to FY 26
- India has emerged as the **world's third-largest domestic aviation market**, with the number of airports increasing from 74 in 2014 to 164 in 2025
- Renewable energy constitutes around **49.83% of total power generation capacity as of November 2025**
    - India ranks third globally in overall RE and installed solar capacity
- **Tele-density reached 86.76%,** and 5G services are now available in 99.9% of districts in the country
- Over 81 per cent of rural households have access to clean tap water under the Jal Jeevan Mission, as of October 2025
- Space infrastructure strengthened, with India becoming the fourth nation to achieve autonomous satellite docking

# Ch 10 – Education & Health

- India operates one of the world's largest school systems, serving 24.69 crore students across 14.71 lakh schools, supported by over 1.01 crore teachers
- Gross Enrolment Ratio (GER)
    - 90.9 at the primary stage (Grade I to V)
    - 90.3 at the upper primary (Grade VI to VIII
    - 78.7 at the secondary stage (Grade IX and X)
    - 58.4 at the higher secondary stage (Grade XI and XII)
- The number of higher education institutions has increased from **51,534 in 2014-15 to 70,018 as of June 2025**
- India has 23 IITs, 21 IIMs, and 20 AIIMS, alongside the establishment of two international IIT campuses in **Zanzibar (IIT Madras) and Abu Dhabi (IIT Delhi)**
- Since 1990, India has reduced its maternal mortality rate by 86%, far exceeding the global average of 48%
- A 78 per cent decline in the under-five mortality rate was achieved, surpassing the global reduction of 61%
- A 70 per cent decline in the neonatal mortality rate compared to 54% globally

- The infant mortality rate marked a drop of more than 37% over the past decade

## Ch 11 – Employment & Skill Development

- A total of **56.2 crore people (aged 15 years and above) were employed in Q2 FY26**
    - It reflects a creation of around 8.7 lakh new jobs in Q2 compared to Q1 of FY26
- The Labour Codes have formally recognised gig and platform workers, expanding social security, welfare funds, and benefit portability
- As of January 2026, the e-Shram portal has successfully registered over 31 crore unorganised workers
    - Women account for over 54% of total registrants

## Ch 12 – Rural Development & Social Progress

- The World Bank has raised the poverty line from USD 2.15 to USD 3.00 a day
- According to the revised IPL, India's poverty rates in 2022-23 were 5.3% for extreme poverty and 23.9% for lower-middle-income poverty
- The government's social services expenditure has shown a rising trend since FY22
    - It stands at 7.9% of GDP in FY 2025-26 against 7.7% in 2024-25 and 7% in 2023-24

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# Union Budget 2026-27

# Introduction

The Union Budget 2026-27 is a Yuva Shakti Driven Budget with Government’s Sankalp to focus on poor, underprivileged and Disadvantaged.


# Pillars of Growth & Development

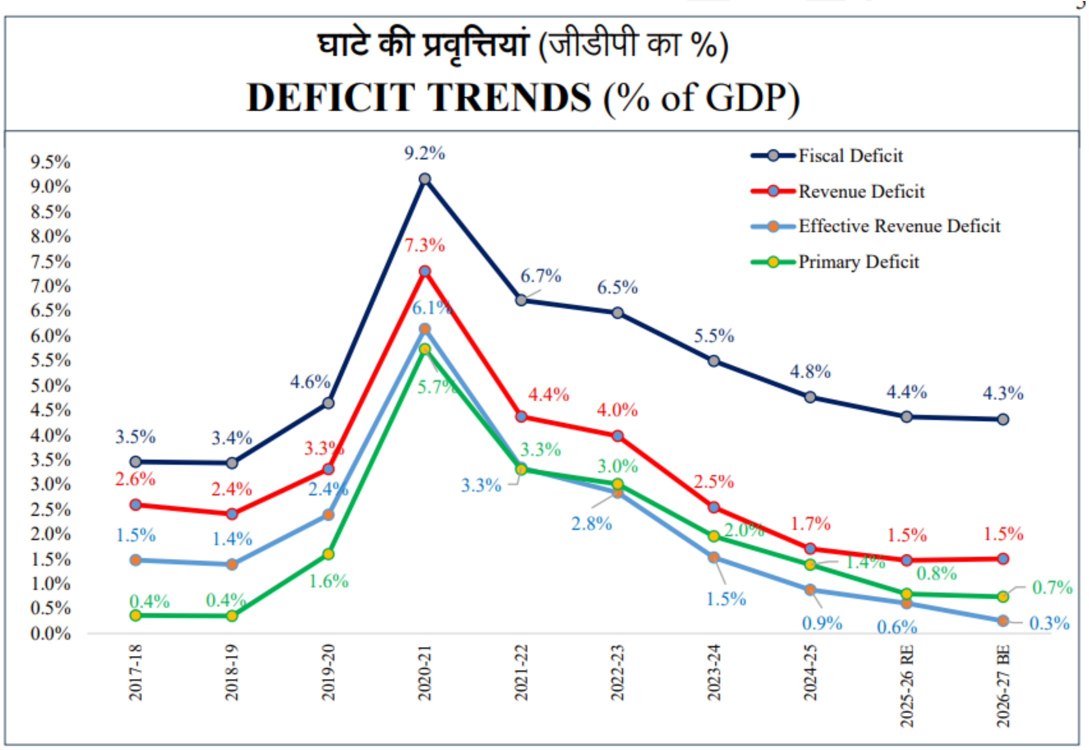
The budget has highlighted **six pillars** of growth & development.

- Sustaining Economic Growth
- Strengthening the Foundations of Growth
- People-Centric Development
- Trust Based Governance
- Ease of Doing Business and Ease of Living
- Fiscal Matters

# Deficit Statistics

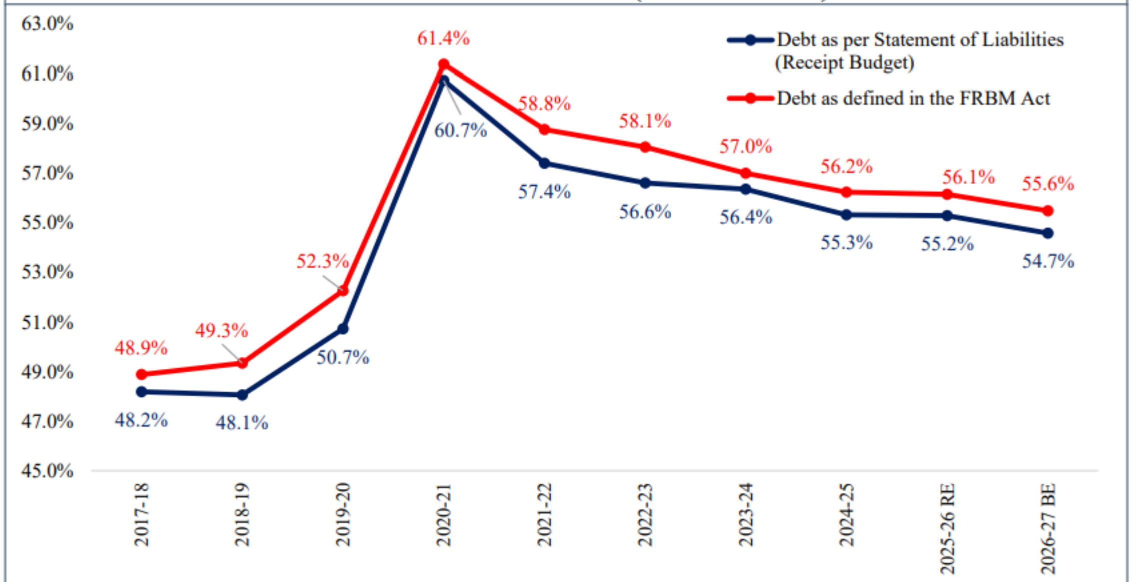
| Deficit | 2024-25 (Actuals) | 2025-26 (BE) | 2025-26 (RE) | 2026-27 (BE) |
|---|---|---|---|---|
| Fiscal Deficit | 4.8 | 4.4 | 4.4 | 4.3 |
| Revenue Deficit | 1.7 | 1.5 | 1.5 | 1.5 |
| Effective Revenue Deficit | 0.9 | 0.3 | 0.6 | 0.3 |
| Primary Deficit | 1.4 | 0.8 | 0.8 | 0.7 |

- BE – Budgetary Estimates
- RE – Revised Estimates



## ऋण की प्रवृत्तियां (जीडीपी का %)

## TRENDS IN DEBT (% of GDP)

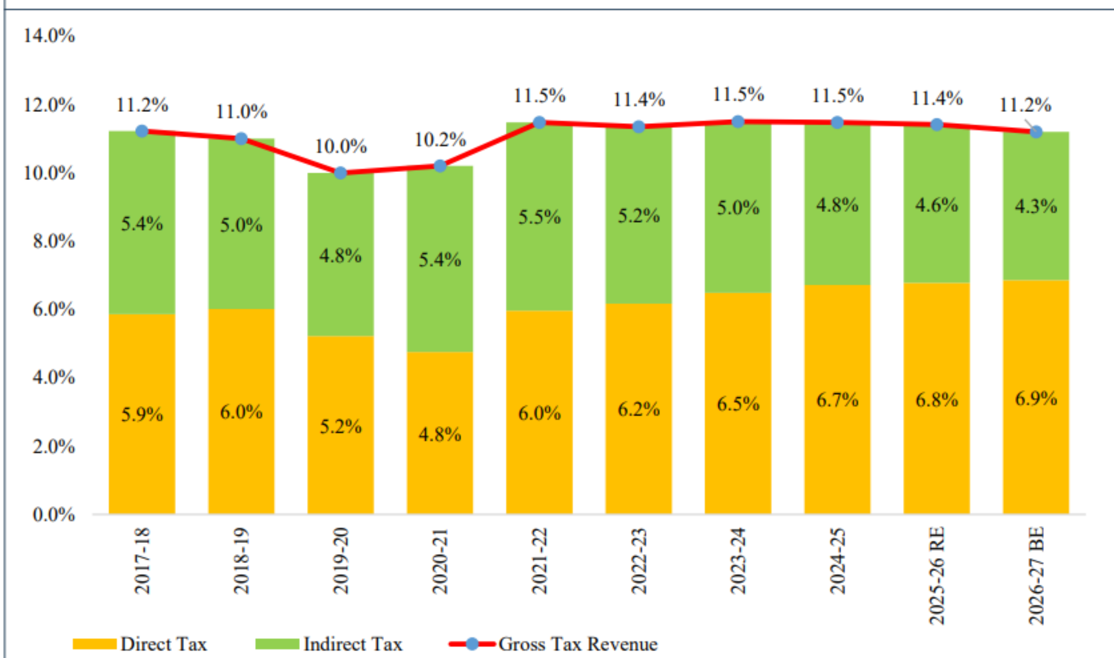



Note: Debt as defined in the FRBM Act includes external debt valued at current exchange rate, and liabilites on account of extra budgetary resources as reported in Statement 27 of Expenditure Profile.

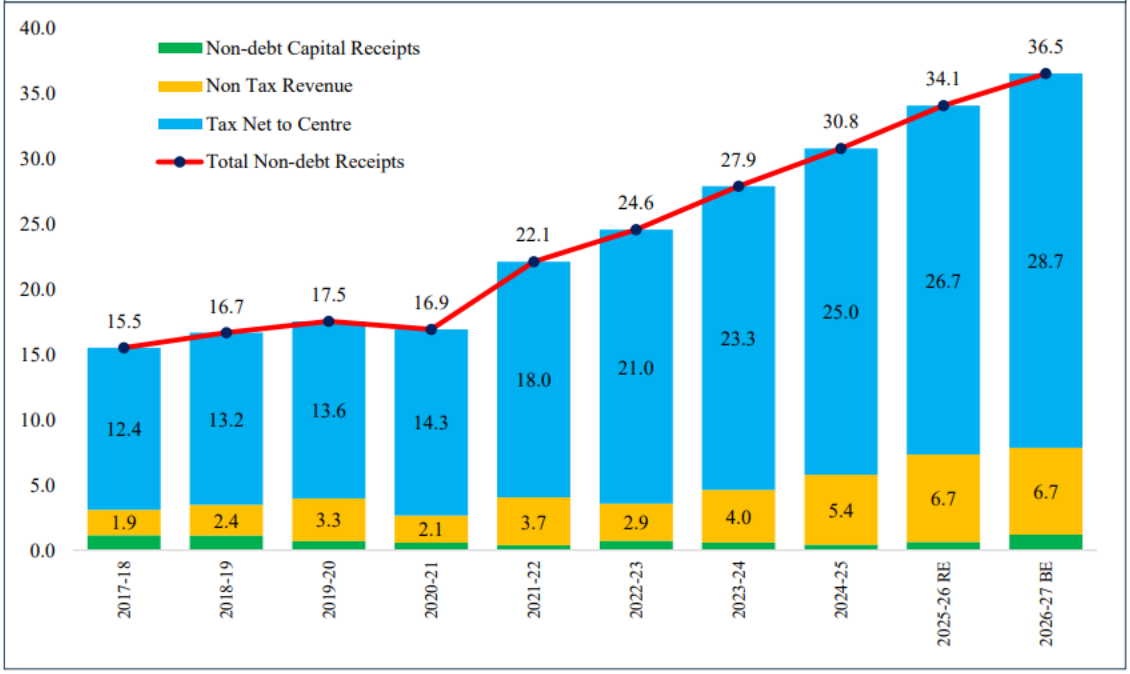
टिप्पणी : एफआरबीएम अधिनियम में ऋण की परिभाषा में वर्तमान विनिमय दर पर मूल्यांकित विदेशी ऋण और अतिरिक्त बजटीय संसाधन के कारण हुई देयताएं शामिल है जैसा कि व्यय की रूपरेखा के विवरण 27 में रिपोर्ट किया गया है।

## कर प्राप्तियों में रूझान (जीडीपी का %)

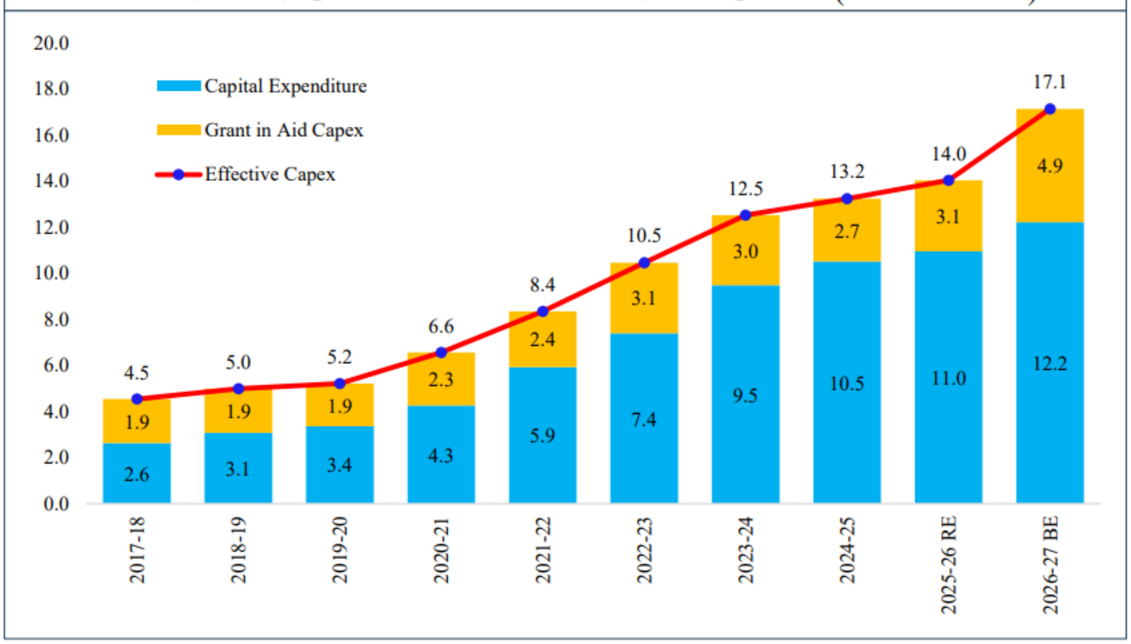
## TREND IN TAX RECEIPTS (% of GDP)



## केन्द्र की निवल प्राप्तियों में रूझान (₹ लाख करोड़ में)
## TREND IN NET RECEIPT OF THE CENTRE (₹ in lakh crore)




## पूंजीगत व्यय की प्रवृत्ति (₹ लाख करोड़ में)
## TREND IN CAPITAL EXPENDITURE (₹ in lakh crore)



## Budgetary Estimates

- Total Receipts & Expenditure – 53.5 Lakh Crores (5347315 Crores)
- Revenue Receipts – 3533150 Crores (35.34 Lakh Crores)
- Capital Receipts – 1814165 Crores (18.14 Lakh Crores)
- Revenue Expenditure – 4125494 Crores (41.25 Lakh Crores)
- Capital Expenditure – 1221821 Crores (12.21 Lakh Crores)

# Schemes Announced

**Biopharma SHAKTI** (***Strategy for Healthcare Advancement through Knowledge, Technology and Innovation***)

- To develop India as a global Biopharma manufacturing hub
- Outlay – Rs.10000 Crores
- Duration – 5 years
- 3 new National Institutes of Pharmaceutical Education and Research (NIPER) will be set up
- 7 NIPERs will be strengthened
- A network of over 1000 accredited India Clinical Trials sites will be developed

**India Semiconductor Mission 2.0**

- It will be launched to produce equipment and materials, design full-stack Indian IP, and fortify supply chains

**Electronics Components Manufacturing Scheme**

- The outlay has been increased to Rs.40000 Crores

**Scheme for Rare Earth Permanent Magnets**

- Support will be provided to mineral-rich States of Odisha, Kerala, Andhra Pradesh and Tamil Nadu to **establish dedicated Rare Earth Corridors**
- The states will promote mining, processing, research and manufacturing

**Scheme to support States in establishing 3 dedicated Chemical Parks**

- To enhance domestic chemical production and reduce import-dependency

## Scheme for Enhancement of Construction and Infrastructure Equipment (CIE)

- It will be introduced to strengthen domestic manufacturing of high-value and technologically-advanced CIE

## Scheme for Container Manufacturing

- To create a globally competitive container manufacturing ecosystem
- Outlay – Rs.10000 Crores
- Duration – 5 Years

**Integrated Program for textile Sector** – The program will have 5 sub-parts –

- **National Fibre Scheme** – For self-reliance in natural fibres such as silk, wool and jute, man-made fibres, and new-age fibres
- **Textile Expansion and Employment Scheme** – To modernise traditional clusters with capital support for machinery, technology upgradation
- **National Handloom and Handicraft programme** – To integrate and strengthen existing schemes
- **Tex-Eco Initiative** – To promote globally competitive and sustainable textiles and apparels
- **Samarth 2.0** – To modernize and upgrade the textile skilling ecosystem through collaboration with industry and academic institution

## Mahatma Gandhi Gram Swaraj initiative

- To strengthen khadi, handloom and handicrafts
- It will help in global market linkage and branding

## Infrastructure Risk Guarantee Fund

- To provide prudently calibrated partial credit guarantees to lenders

## Pilot Scheme for Upskilling 10000 Guides

- 10000 guides will be provided high-quality 12-week training course in hybrid mode
- These guides will be from 20 iconic tourist sites
- The training will be done in collaboration with an IIM

## Khelo India Mission

- To transform the Sports sector over the next decade

- The Mission will facilitate:
  - An integrated talent development pathway, supported by training centres
  - Systematic development of coaches and support staff
  - Integration of sports science and technology
  - Competitions and leagues to promote sports culture and provide platforms
  - Development of sports infrastructure for training and competition

## Coconut Promotion Scheme

- To increase production and enhance productivity through various interventions

## Bharat-VISTAAR (Virtually Integrated System to Access Agricultural Resources)

- It will be a multilingual AI tool
- It will integrate the AgriStack portals and the ICAR package on agricultural practices with AI systems
- This will enhance farm productivity, enable better decisions for farmers and reduce risk by providing customised advisory support

## SHE-Marts (Self-Help Entrepreneur Marts)

- The marts will be set up as community-owned retail outlets within the cluster level federations

## Divyangjan Kaushal Yojana

- Industry-relevant and customized training specific to each divyang group will be provided
- The targeted industries are - IT, AVGC sectors, Hospitality and Food and Beverages

## Divyang Sahara Yojana

- To provide access to assistive living devices to Divyangjans
- Strengthen PM Divyasha Kendras
- Support will be provided for setting up of Assistive Technology Marts as modern retail-style centres

## Scheme for Development of Buddhist Circuits

- It will cover preservation of temples and monasteries, pilgrimage interpretation centers, connectivity and pilgrim amenities

- It will be implemented in Arunachal Pradesh, Sikkim, Assam, Manipur, Mizoram and Tripura

**Scheme to adopt Carbon Capture Utilization and Storage (CCUS)**

- It will be launched with an outlay of ₹20,000 crore

# Pillar Wise Key Announcements

## Sustaining Economic Growth

**MSMEs**

- Dedicated ₹10,000 crore **SME Growth Fund**
- Top up the Self-Reliant India Fund with **₹2,000 crore**
- Government to facilitate Professional Institutions to develop '***Corporate Mitras'*** especially in Tier-II and Tier III towns
  - It will help MSMEs meet compliance requirements at affordable costs
- **Liquidity Support through TReDS**
  - Mandate TReDS as the transaction settlement platform for all purchases from MSMEs by CPSEs, serving as a bench
  - Introduce a credit guarantee support mechanism through CGTMSE for invoice discounting on the TReDS platform
  - Linking GeM with TReDS to encourage cheaper and quicker financing

**Service Sector**

- High-Powered 'Education to Employment and Enterprise' Standing Committee to focus on the Services Sector as a core driver of Viksit Bharat

**Health**

- Upgrade and establishing new institutions for Allied Health Professionals (AHPs) in ten selected disciplines.
- Developing a variety of NSQF-aligned programs to train **1.5 lakh multiskilled caregivers**.
- Schemes to support States in establishing **Five Hubs for Medical Value Tourism** in partnership with the private sector
- 3 new **All India Institutes of Ayurveda**

- Upgradation of the WHO Global Traditional Medicine Centre

**Orange Economy**

- Setting up **AVGC Content Creator Labs** in 15,000 secondary schools and 500 colleges.

**Design**

- Setting up of a **new National Institute of Design** through the Challenge route in eastern region of India

**Education**

- **5 University Townships** in the vicinity of major industrial and logistic corridors
- A **girls' hostel** in Higher Education STEM institutions in every district.
- Setting up or upgrading **of four Telescope Infrastructure facilities** –
  - National Large Solar Telescope
  - National Large Optical-infrared Telescope
  - Himalayan Chandra Telescope
  - COSMOS-2 Planetarium

**Tourism**

- Setting up a **National Institute of Hospitality** as a bridge between academia, industry and the Government
- National Destination Digital Knowledge Grid to digitally document all places of significance.
- India to host the first ever Global Big Cat Summit

**Financial Sector**

- Setting up of High-Level Committee on Banking for Viksit Bharat to align with India's next growth phase
- Incentive of ₹100 crore for single issuance of municipal bonds of more than ₹1000 crore
- Restructuring Power Finance Corporation (PFC) and Rural Electrification Corporation (REC)
- Introduction of Market making framework and total return swaps on corporate bonds

**Agriculture & Allied Sector**

- Loan-linked capital subsidy support scheme for establishment of veterinary and para-vet colleges, veterinary hospitals, diagnostic laboratories and breeding facilities in the private sector
- Indian Cashew & Cocoa Programmes
- Integrated development of 500 reservoirs and Amrit Sarovars, Strengthening fisheries value chain in coastal areas

## Strengthening the Foundations of Growth

**Infrastructure**

- Continue to focus on developing infrastructure in cities with over 5 lakh population (Tier II and Tier III)
- Establishment of **new Dedicated Freight Corridors** connecting Dankuni in the East, to Surat in the West
- Operationalizing 20 new National Waterways connecting mineral rich areas, industrial centres and ports
- **Coastal Cargo Promotion Scheme** to increase the share of inland waterways and coastal shipping from 6% to 12% by 2047
- **Seaplane VGF Scheme** to indigenise manufacturing
- ₹2 lakh crore support to states under **Special Assistance to States for Capital Investment**

**City Economic Regions**

- Amplifying the potential of cities to deliver the economic power of agglomerations
- Focus on **Tier II, Tier III cities**, and temple-towns
- **7 High-Speed Rail corridors** between cities -
  - Mumbai-Pune
  - Pune-Hyderabad
  - Hyderabad-Bengaluru
  - Hyderabad-Chennai
  - Chennai-Bengaluru
  - Delhi-Varanasi
  - Varanasi-Siliguri

## People Centric Development

- Setting up of a NIMHANS-2 & upgrading National Mental Health Institutes in Ranchi and Tezpur
- Establishing Emergency and Trauma Care Centres in district hospitals

## Ease of Doing Business & Ease of Living

- Individual Persons Resident Outside India (PROIs) will be permitted to invest in equity instruments of listed Indian companies
- Time available for revising returns extended from 31st December to up to 31st March with the payment of a nominal fee
- Introducing a one-time 6-month foreign asset disclosure scheme below a certain size for small taxpayers

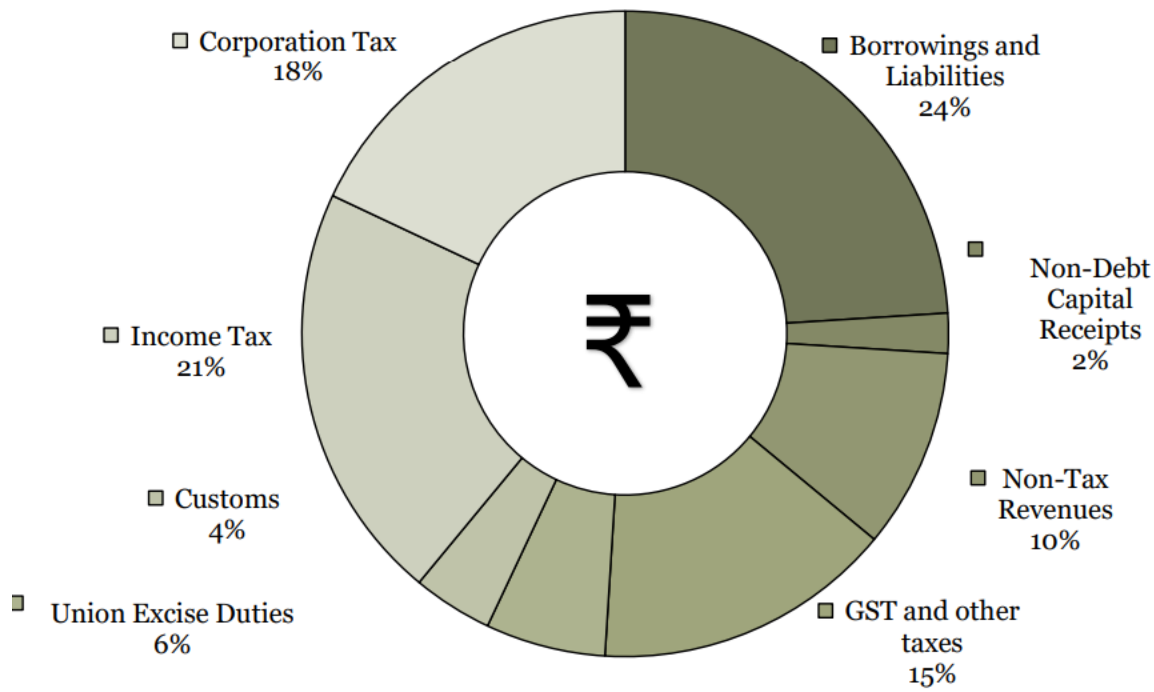
## Fiscal Matters

- The Government has accepted the recommendation of **16th finance Commission** to retain the vertical share of devolution at 41%
- Provision of **₹1.4 lakh crore** to the States for the FY 27 as Finance Commission Grants
- Central Government will target reaching a **debt-to-GDP ratio of 50±1 percent** by 2030
- The debt-to-GDP ratio is estimated to be **55.6 percent of GDP in BE 2026-27**, compared to 56.1 percent of GDP in RE 2025-26

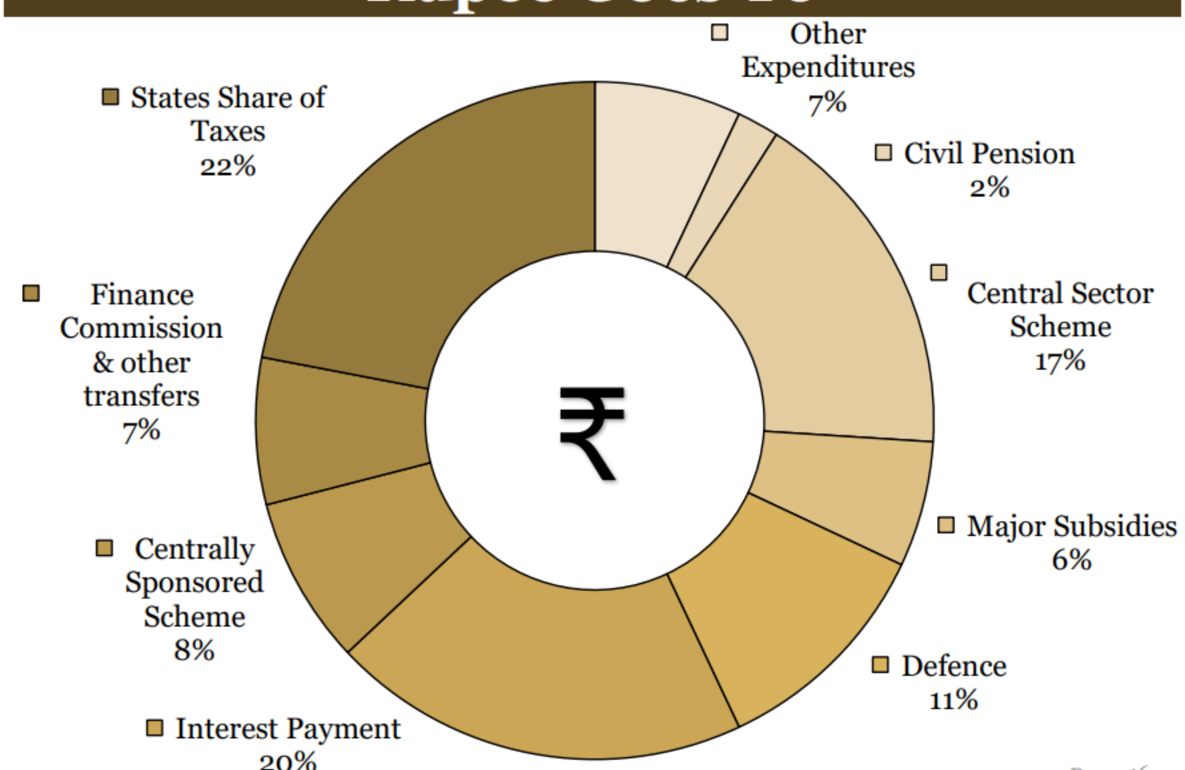
# Tax Related Major Announcements

- Exemption from income tax for five years to non-residents providing capital goods, equipment or tooling, to any toll manufacturer in a bonded zone
- Removal of the current value cap of ₹10 lakh per consignment on courier exports for MSMEs
- Safe harbour threshold for IT services increased from ₹ 300 crore to ₹2,000 crore
- Raising the STT on Futures from 0.02% to 0.05%
- STT on options premium and exercise of options to be raised to 0.15% from rate of 0.1% and 0.125%, respectively
- Honest taxpayers willing to settle disputes will now be able close cases by paying an additional amount in lieu of penalty

# Rupee Comes From

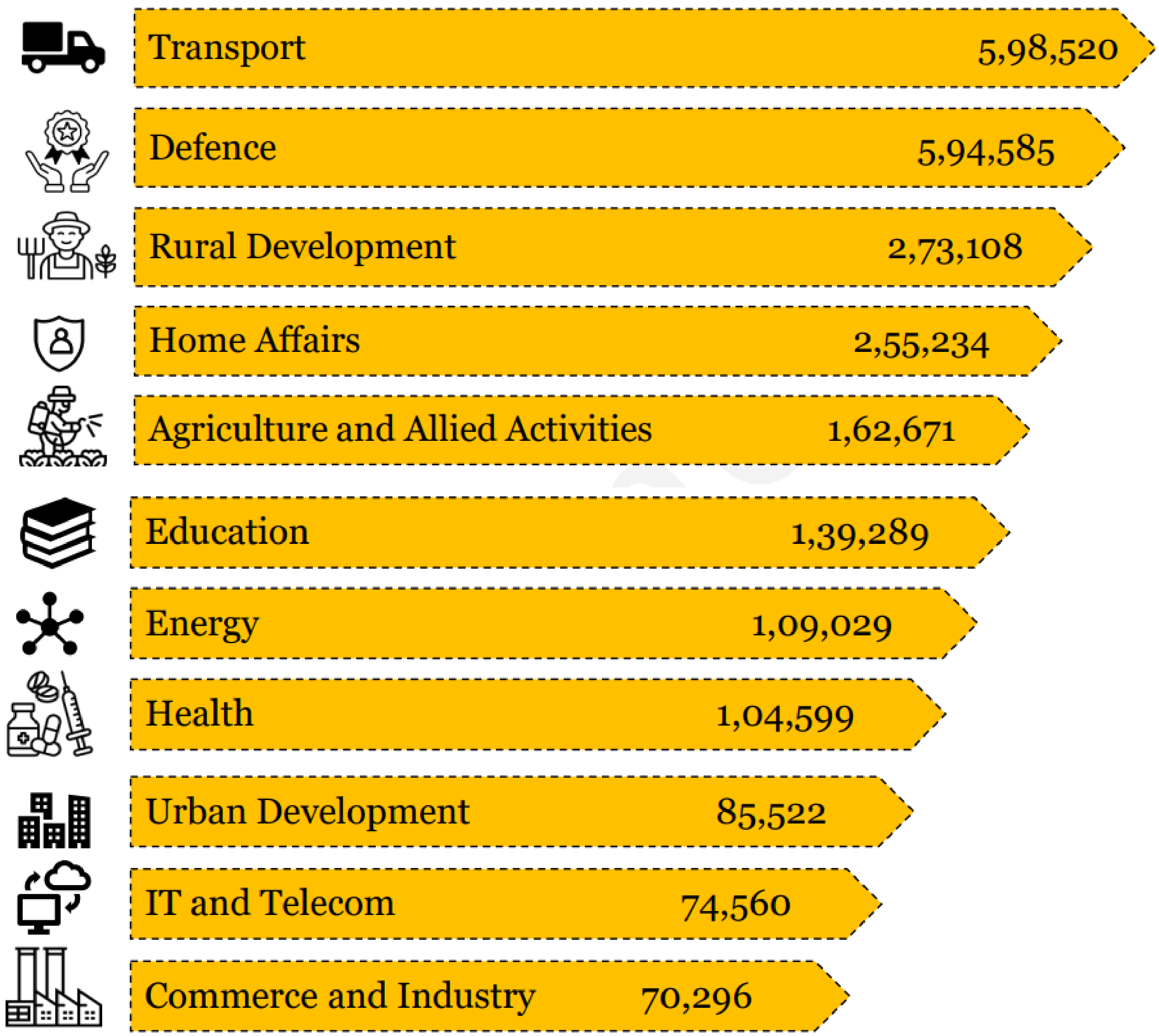



# Rupee Goes To



# Expenditure of Major Items

*In ₹ crore*



| | |
|---|---|
| Social Welfare | 62,362 |
| Scientific Departments | 55,756 |
| Tax Administration | 45,500 |
| External Affairs | 22,119 |
| Finance | 20,649 |
| Development of North East | 6,812 |

## Allocation to Major Schemes

| Schemes | Allocation |
|---|---|
| Rashtriya Krishi Vikas Yojna | 8550 |
| Pradhan Mantri Poshan Shakti Nirman (PM POSHAN) | 12750 |
| PM Schools for Rising India (PM SHRI) | 7500 |
| Pradhan Mantri Uchchatar Shiksha Abhiyan (PM-USHA) | 1850 |
| Pradhan Mantri Matsya Sampada Yojana | 2500 |
| Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana | 9500 |
| Pradhan Mantri Awas Yojana - Urban 2.0 | 3000 |
| AMRUT | 8000 |
| Swachh Bharat Mission (SBM) – Urban | 2500 |
| Pradhan Mantri Krishi Sinchai Yojna | 6587 |
| Jal Jeevan Mission | 67670 |
| Viksit Bharat-Guarantee for Rozgar and Ajeevika Mission (Gramin | 95692 |
| Pradhan Mantri Gram Sadak Yojna | 19000 |
| DAY-NRLM | 19200 |

| | |
|---|---|
| Pradhan Mantri Awas Yojna (PMAY)-Rural | 54917 |
| Pradhan Mantri Skilling and Employability Transformation through Upgraded ITI | 6141 |
| PM YASASVI | 2320 |
| Mission VATSALYA | 1550 |
| Mission Shakti | 3605 |
| Bharat-VISTAAR | 150 |
| Pradhan Mantri Kisan Samman Nidhi | 63500 |
| Bio-pharma SHAKTI | 500 |
| Pradhan Mantri Garib Kalyan Anna Yojana | 227429 |
| PM E-DRIVE | 1500 |
| Scheme for Enhancement of Construction and Infrastructure Equipment | 200 |
| Vibrant Villages Programme Phase-II | 300 |
| PM Vishwakarma | 3861 |
| PM Surya Ghar Muft Bijli Yojana | 22000 |
| Member of Parliament Local Area Development Scheme (MPLAD) | 3952 |
| Eklavya Model Residential Schools | 7150 Crores |