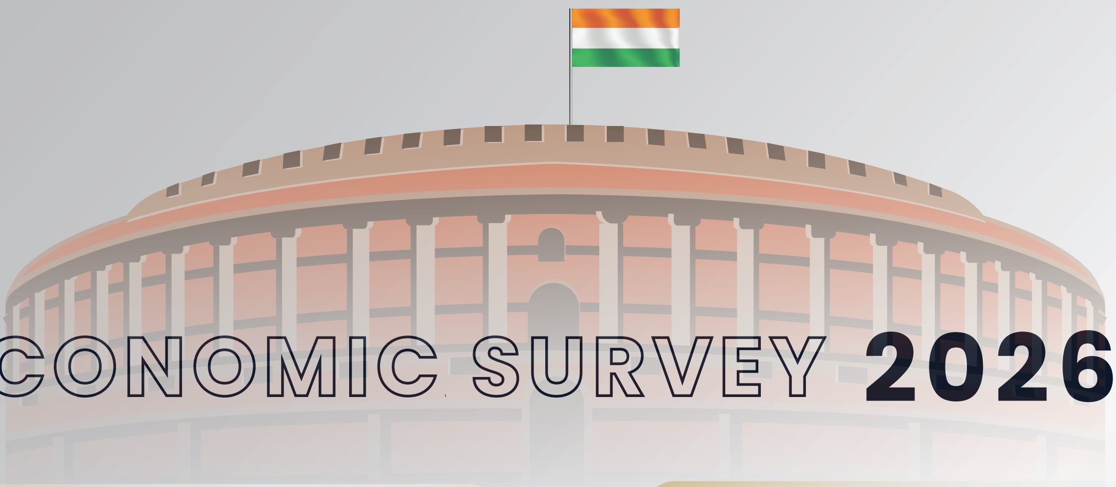
Dipen D Shah & Associates
CHARTERED ACCOUNTANTS



ECONOMIC SURVEY 2026

Infrastructure & Urban Development

Modern Cities & Connectivity

Business & MSME Growth

Boosting Entrepreneurship

Tax Reforms & Transparency

Simplified Tax System

Digital India & Governance

E-Governance & Innovation

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On 29th January, the Finance Minister Nirmala Sitharaman presented Economic survey 2025-26 in parliament, outlining India's economic performance and policy direction for the year ahead. The Economic Survey 2025–26 presents India as a resilient and reform-driven economy, maintaining strong growth momentum amid global uncertainty. India's real GDP growth is projected at 6.8–7.2% for FY27, supported by robust private consumption, rising investment, and sustained capital expenditure.

We are giving a synopsis on same as below, highlighting key macroeconomic trends, sectoral developments, fiscal stability measures, and the government's strategic focus on sustainable and inclusive growth as follows :

1. **Macroeconomic Stability and Fiscal Consolidation**
2. **Monetary and Financial Sector Developments**
3. **External Sector Performance**
4. **Inflation Management**
5. **Sectoral Performance**
6. **Investment, Infrastructure and Connectivity**
7. **Climate, Energy and Sustainability**
8. **Human Capital: Education, Health and Employment**
9. **Future Focus Areas**

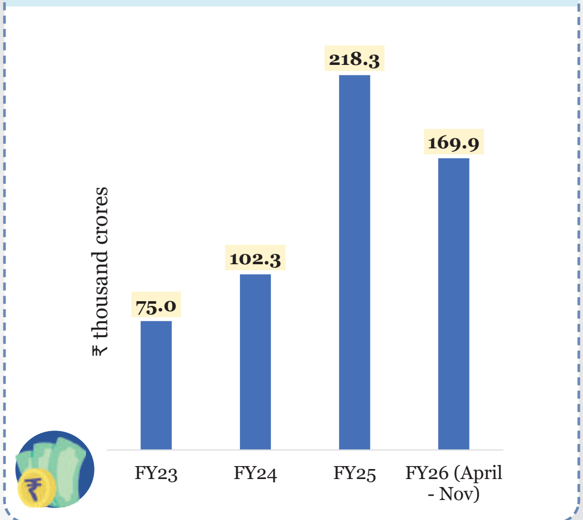
1. Macroeconomic Stability and Fiscal Consolidation

Fiscal discipline remains a key anchor of economic stability. Strong revenue growth, an expanding direct tax base, and credible deficit reduction have boosted investor confidence and supported sovereign rating upgrades. Increased government capital expenditure has accelerated infrastructure development and attracted private investment. Robust GST transactions, with gross collections tracking nominal GDP growth, reflect the system's effectiveness. The rollout of GST 2.0, featuring a two-rate structure, is expected to further stimulate consumption, manufacturing, and trade.

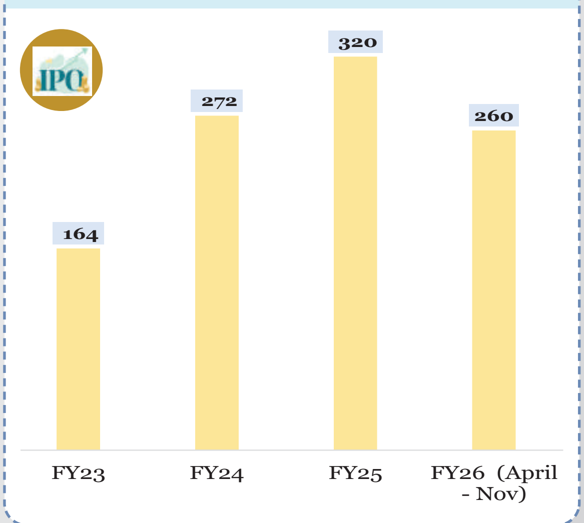
2. Monetary and Financial Sector Developments

The monetary environment reflects eased financial conditions and effective policy transmission. NPAs have fallen to multi-decade lows, while credit to MSMEs and micro-enterprises continues to rise. Insurance and pension coverage has expanded, boosting financial inclusion and social security, supported by initiatives like PMMY. Capital markets have also strengthened, with growing equity and debt mobilization and a rise in IPOs, further enhancing the inclusiveness of the financial ecosystem.

Steady rise in total resource mobilization (equity + debt) from primary markets



Rise in number of Initial Public Offers



3. External Sector Performance

Despite increasing global trade protectionism, India's merchandise trade has remained resilient, while services exports continue to drive a trade surplus. The current account deficit remains manageable at 0.8% of GDP (H1 FY26). Robust foreign exchange reserves and growing greenfield digital investments highlight India's external sector stability and its appeal to global investors. India's strategic efforts to expand trade partnerships, coupled with the growth of free trade agreements—many of which are still under negotiation—are positioning the country to capitalize on global reorientation and attract sustained foreign direct investment (FDI).

From FY15 → 2025-2026*	
Forex Reserves $341.6 bn in FY15 → $701.4 as of 16 January 2026 **Reserves more than doubled**	**External debt to GDP** 23.8% in FY15 → 19.2% end Sept 2025 **Lower external leverage**
Import Cover From 8.9 months in FY15 → To 11.1 months as of 9 January 2026 **Stronger import buffer**	**Current Account Deficit/GDP** -1.32% in FY15 → -0.8% in H1 FY26 **Improved external balance**

4. Inflation Management

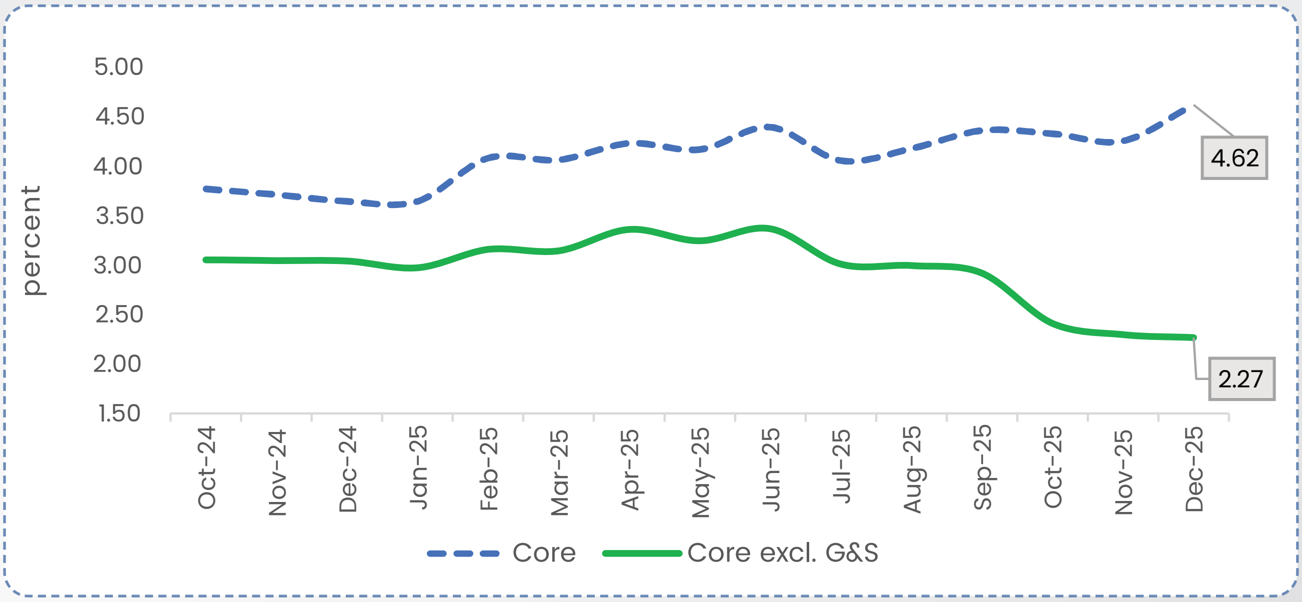
India recorded its lowest headline inflation since the CPI series began, averaging 1.7% during April–December 2025, driven by subdued food prices, improved supply management, favorable monsoon conditions, and targeted policy measures. Core inflation remained steady, mainly due to rising precious metal prices. Key factors behind this benign inflation include moderate global metal prices, strong agricultural output, improved foodgrain stocks, and the pass-through of GST rate rationalization.

5. Sectoral Performance

- Agriculture showed steady growth, led by diversification into livestock and fisheries, with continued emphasis on productivity, food security, and farmer income support.

- Services sector remained the primary growth engine, outperforming global peers and generating significant urban employment. Services exports expand on the back of high-value software and professional services.

- Industry and manufacturing recorded strong momentum, with rising production in steel, cement, electronics, automobiles, pharmaceuticals, and electric vehicles, alongside rapid growth in innovation and startup ecosystems.



6. Investment, Infrastructure and Connectivity

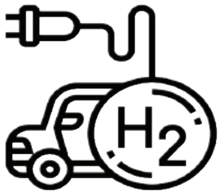
Public and private investments in transport, power, logistics, telecom, and digital infrastructure have expanded significantly, improving highways, railways, ports, broadband, and rural connectivity. Enhanced telecom affordability has driven a surge in data usage. Additionally, over 81% of rural households now have tap water access under the Jal Jeevan Mission.

24/7 Clean Power
Low-carbon

No intermittency
Energy security

Supports Heavy Industry

Reliable baseload
Tech-ready power



Hydrogen Production

Transport fuel
Industrial use

7. Climate, Energy and Sustainability

The Survey highlights the rising role of renewable energy, nuclear power, and energy storage in India’s clean energy transition. Nuclear energy is identified as a key pillar, supported by a ₹20,000 crore allocation in the Union Budget 2025–26 and a target of 100 GW capacity by 2047. Environmental governance reforms—such as PARIVESH 3.0 single-window clearances, uniform guidelines, third-party audits, promotion of the circular economy, decriminalization under the Jan Vishwas Act, and rationalized green-belt norms—aim to balance sustainability with development, reinforcing India’s commitment to environmental stewardship.

8. Human Capital: Education, Health and Employment

Education reforms under NEP 2020, improved foundational learning outcomes, expanded healthcare coverage, and a declining Infant Mortality Rate reflect steady social progress. Rising nutritional intake and life expectancy further indicate better population health. Healthcare delivery has strengthened with over 1.8 lakh Ayushman Arogya Mandirs operational and a cumulative footfall of 506.50 crore. Labour reforms, through the consolidation of 29 laws into four labour codes enacted on 21 November 2025, are expected to boost formalisation, social security, and job creation, while targeted interventions have led to a significant rise in female workforce participation.

Flexible, Integrated, Credit-Bearing Pathways start early, building experience with education

9. Future Focus Areas

The Survey highlights key strategic priorities, including the development of a robust AI ecosystem, urbanisation reforms, digital governance, and skill development. It underscores the need to move beyond traditional white-collar employment by addressing gaps in high-skill, human-centric jobs. Emphasis is placed on strong data governance, innovation-led growth, sustainable urban planning, and inclusive development as essential drivers for sustaining long-term economic momentum.

CONCLUSION

the Economic Survey 2025–26 reflects India's resilient economic outlook and strong growth fundamentals while emphasizing the importance of continued reforms and policy stability. The Survey sets a clear roadmap for strengthening competitiveness, enhancing productivity, and ensuring balanced economic development in the coming years.

THANK YOU..

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Competence Credibility Commitment