आर्थिक कार्य विभाग
DEPARTMENT OF
ECONOMIC AFFAIRS
सत्यमेव जयते
Government of India

Map on the front cover page is a creative representation and is not to scale.

ECONOMIC SURVEY 2025-26

HIGHLIGHTS

सत्यमेव जयते
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Economic Survey 2025-26
Highlights

The ‘Highlights’ document of the Economic Survey 2025-26 succinctly presents the key aspects of each of the sixteen chapters using charts, infographics, and minimal text, all around 45 pages. This document provides a visually engaging and easily readable overview of the Survey, encouraging readers to dive deeper into its content for a more comprehensive understanding. It aims to make complex data accessible and relatable, fostering curiosity and further exploration among readers, whether they are policy enthusiasts, students, or professionals.

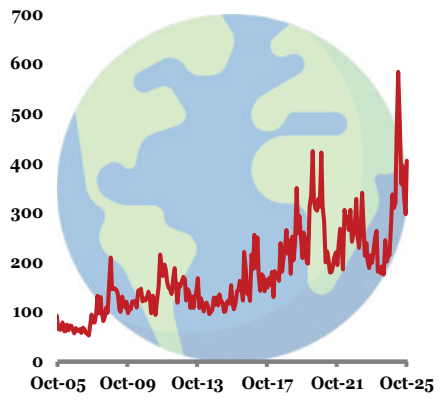
V. Anantha Nageswaran
Chief Economic Adviser
Ministry of Finance
Government of India

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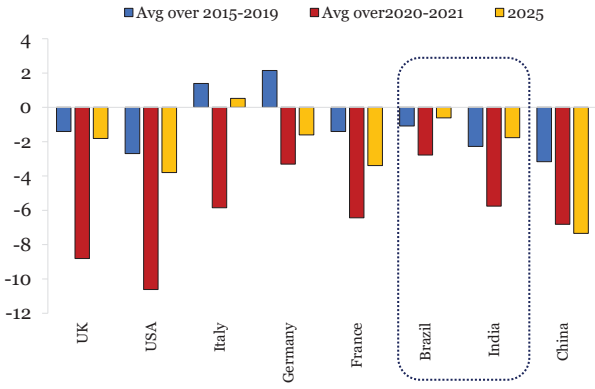
1 State of the Economy – Pushing the Growth Frontier

Global policy is increasingly shaped by security and political considerations rather than efficiency or multilateral rules

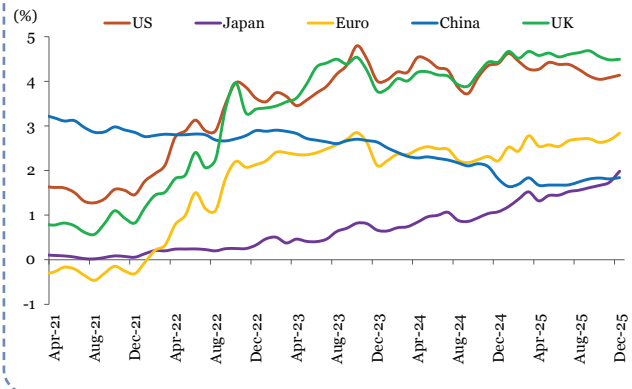


- Intensifying geopolitical conflicts
- Energy and finance weaponisation
- Export controls on technology
- Scepticism about free trade
- Competition for critical minerals

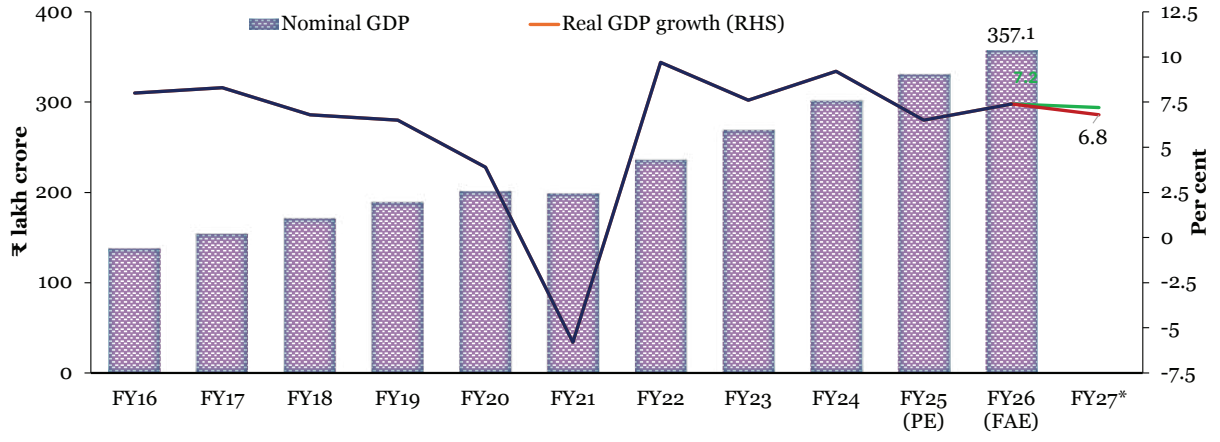
Deteriorating primary balances (% of GDP) across the world



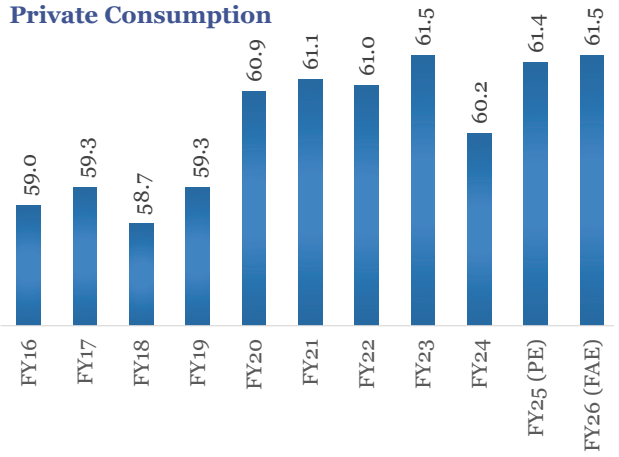
Rising sovereign yields across the world

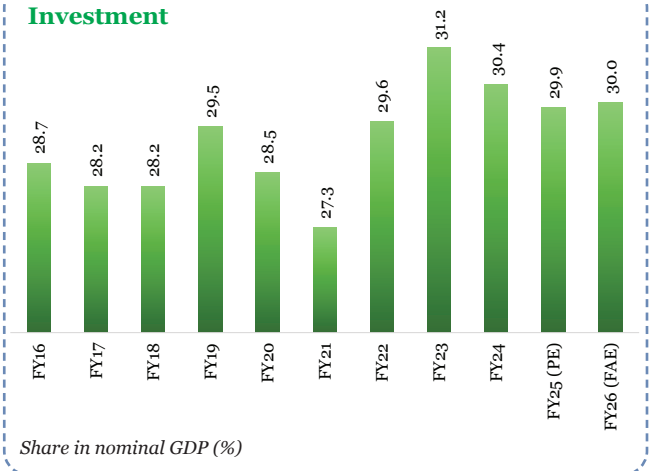


India Retains Strong Growth Momentum, Expected to Grow By 6.8 – 7.2% In FY27

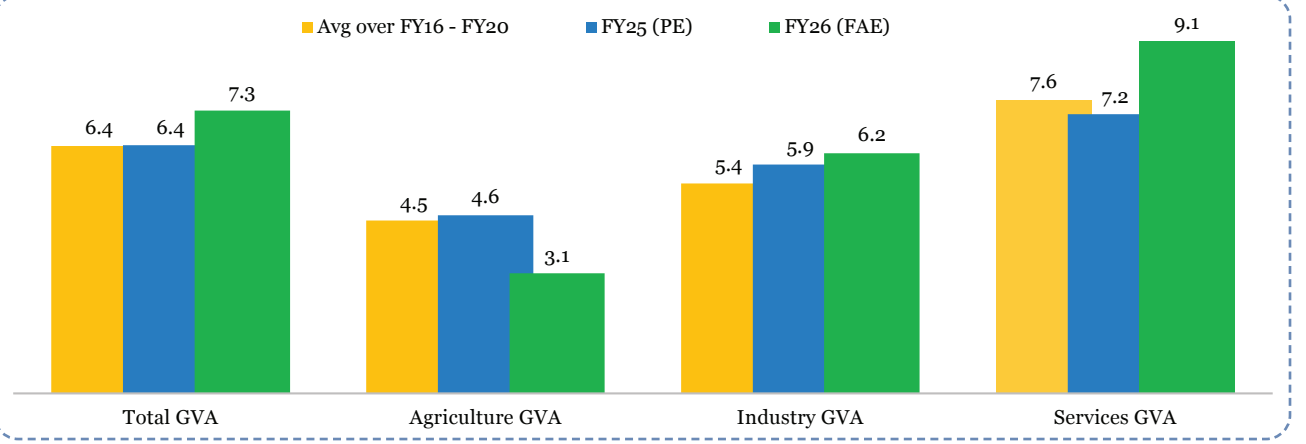


Private Consumption and Investment are Drivers of India's Growth

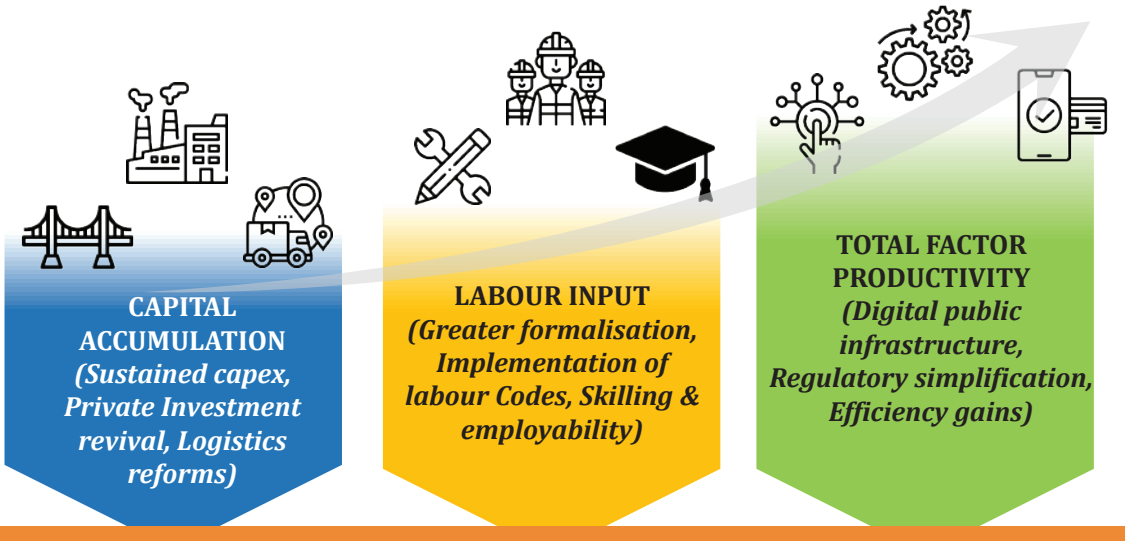




Broad-Based Growth in Real Gross Value Added (%)



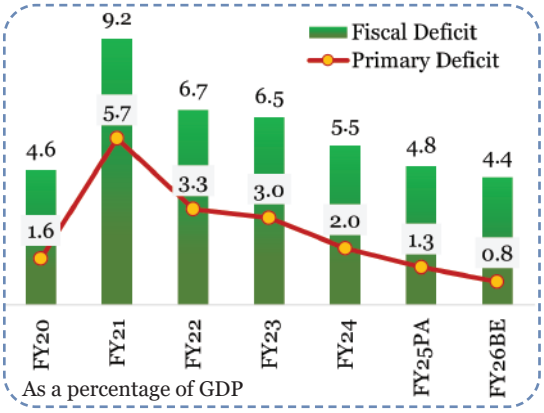
Reform Express Pushes India's Potential GDP to ~7%



STRONG MACRO FUNDAMENTALS AND SUSTAINED REFORMS

2 Fiscal Developments: Anchoring Stability through Credible Consolidation

Fiscal policy as a key anchor of macroeconomic stability and confidence



Prudent fiscal management as the key driver behind sovereign credit rating upgrades (2025)

- Morningstar DBRS
- S&P Global ratings
- R&I, Japan



Improved Revenue Buoyancy



Continued emphasis on capex

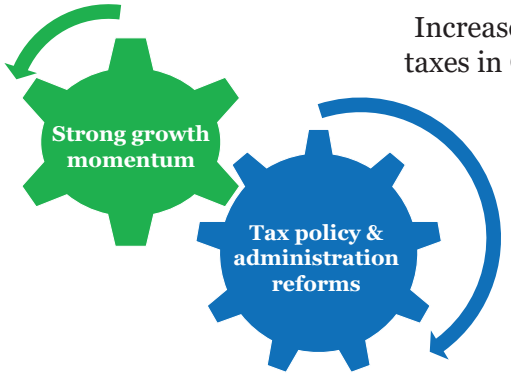


Improved fiscal transparency

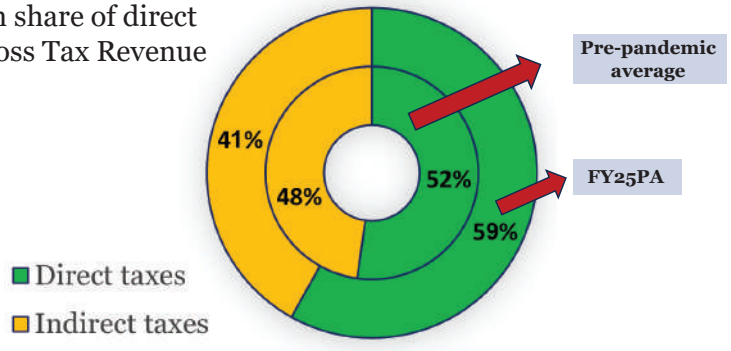


Continued Deficit reduction along a credible path

Sustained revenue buoyancy and broadening of the Direct Tax Base

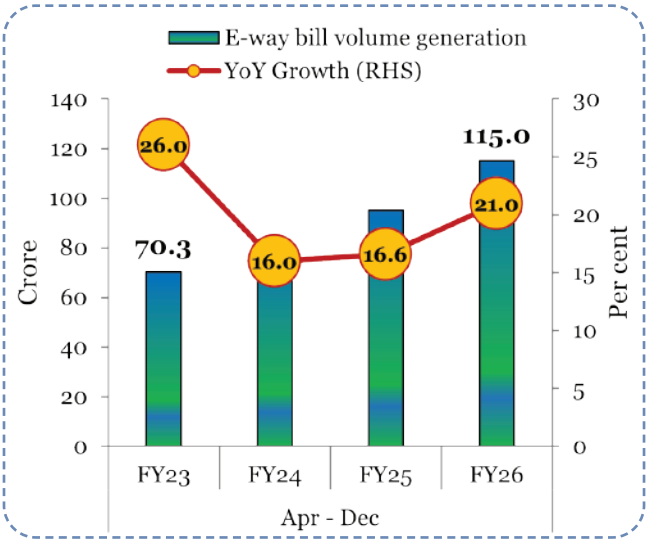


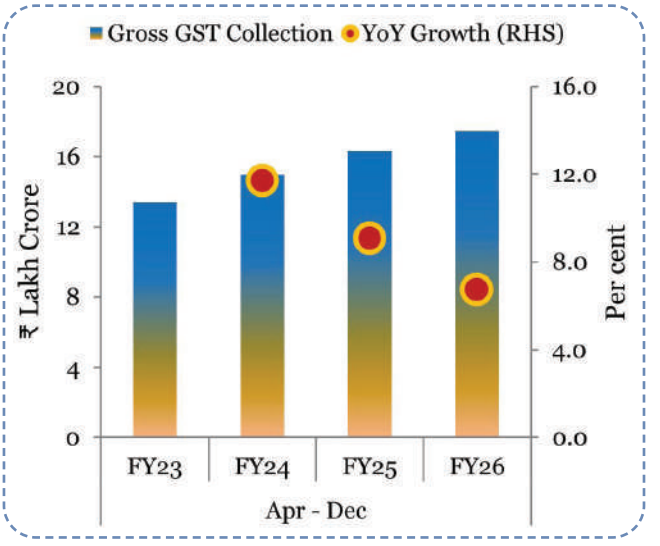
Increase in share of direct taxes in Gross Tax Revenue



	Revenue receipts / GDP	Gross Tax Revenue / GDP	Non-corporate tax collections / GDP		Income tax returns filed
Post-pandemic avg (FY22-FY25)	9.1%	11.5%	3.3%	2024-25	9.2 crore
Pre-pandemic avg (FY16-FY20)	8.5%	10.8%	2.4%	2021-22	6.9 crore

Robust transaction momentum under GST, even as gross GST collections track nominal GDP growth





GST 2.0 reforms & impact



Two-rate Structure	18% Standard and 5% Merit	40% De-merit/ Sin-good (incl of cess)

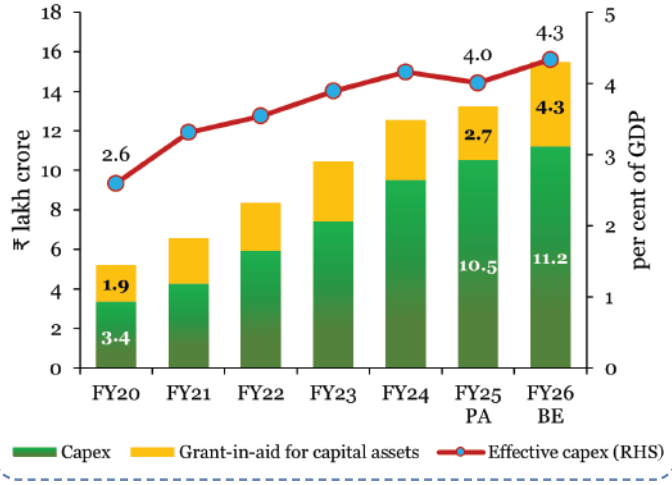
Expected channels of impact

CONSUMPTION BOOST
Simplified Compliance, Support household consumption, Wider Tax Base.

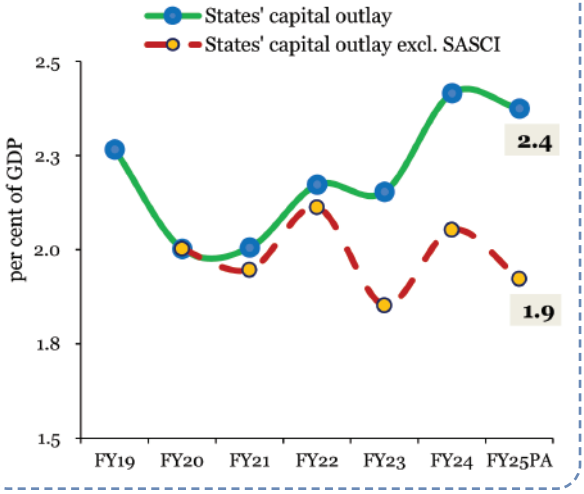
MANUFACTURING & TRADE
Boost Manufacturing, Enhance trade competitiveness, Encourage small businesses to formalise.

STRUCTURAL REFORMS
Resolve Inverted Duty Structure, Improve Working Capital.

Centre's effective capex to GDP scaled up from a pre-pandemic average of 2.7% to 4% in FY25

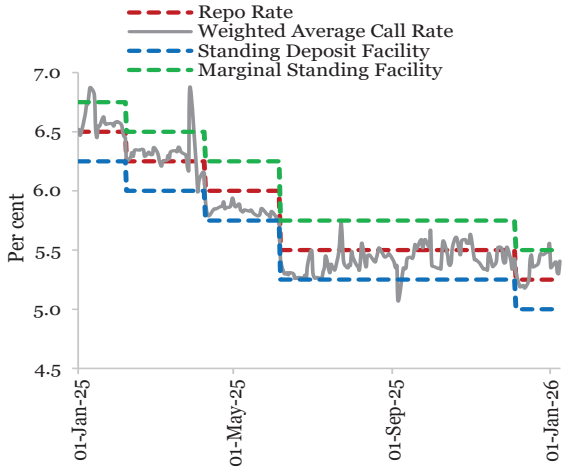


Centre's SASCI successfully incentivised the States to maintain their capex at 2.4% of GDP



3 Monetary Management & Financial Intermediation: Refining the regulatory touch

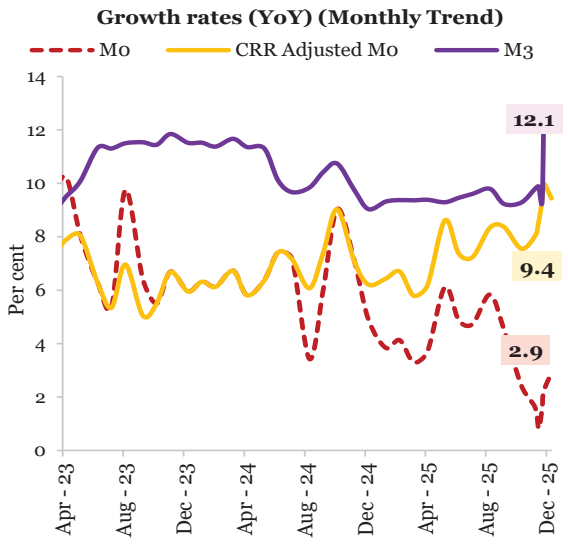
Effective transmission of the monetary policy to the money and credit markets



Weighted average call rate (the operating target of monetary policy) remained below the policy repo rate in FY26, averaging 8 bps lower (up to 8 Jan 2025).

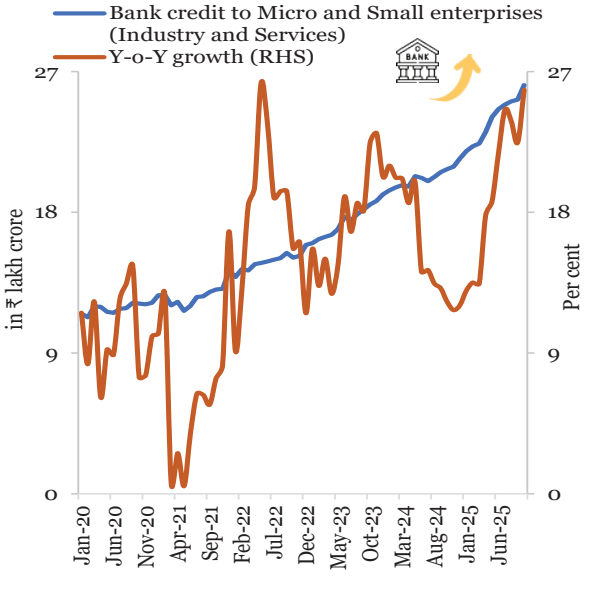
Source: RBI

Monetary developments reflect easing financial conditions



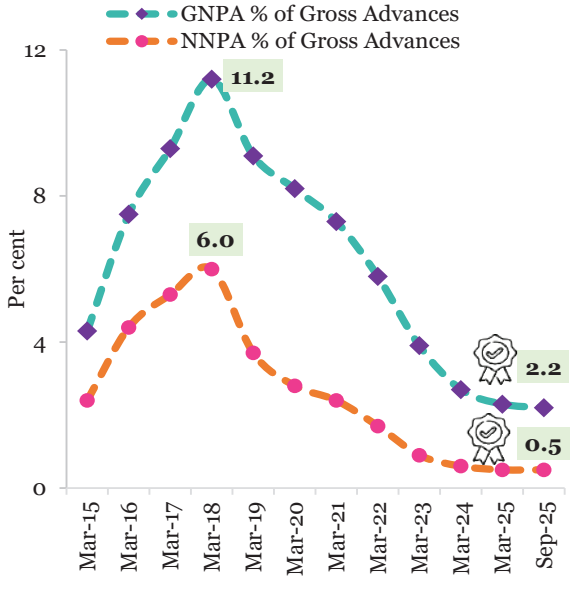
Note: Mo – Reserve Money, M3 – Broad Money

Bank credit to MSEs continues its strong upward trend



Source: RBI

SCBs' asset quality improves: GNPA and NNPA at multi-decade lows



SCBs: Scheduled Commercial Banks; GNPAs: Gross non-performing assets; NNPA: net NPAs

Source: RBI's Financial Stability Report

Expanding pension coverage

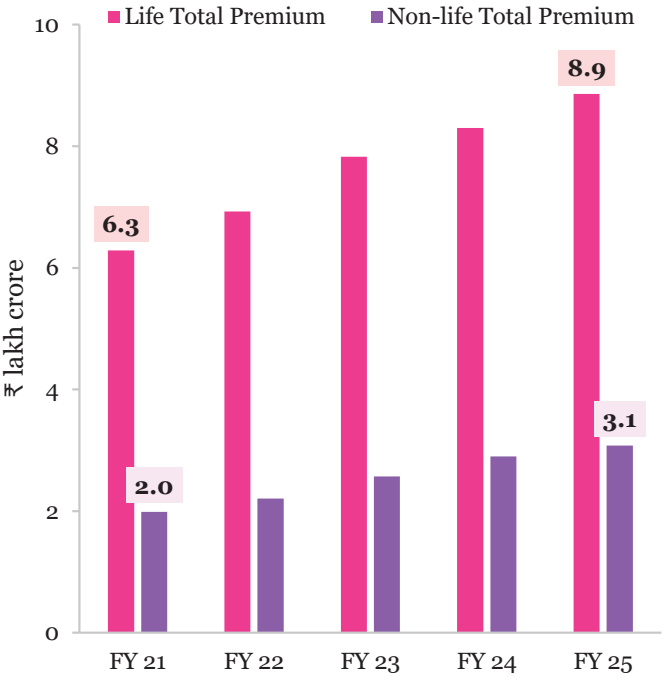
	APY	NPS
FY 16	24.6 lakh subscribers	AUM: 0.51 thousand crore	97.5 lakh subscribers	AUM: 118.3 thousand crore
FY 25	641.3 lakh subscribers	AUM: 44.8 thousand crore	198.6 lakh subscribers	AUM: 1398.7 thousand crore

Source: PFRDA

Note: AUM – Assets under management

Towards insurance for all

The total amount of life and non-life premiums is rising



AUM in FY25: ₹77.4 lakh crore

Total premium income rose from ₹8.3 lakh crore in FY21 to ₹11.9 lakh crore in FY25.

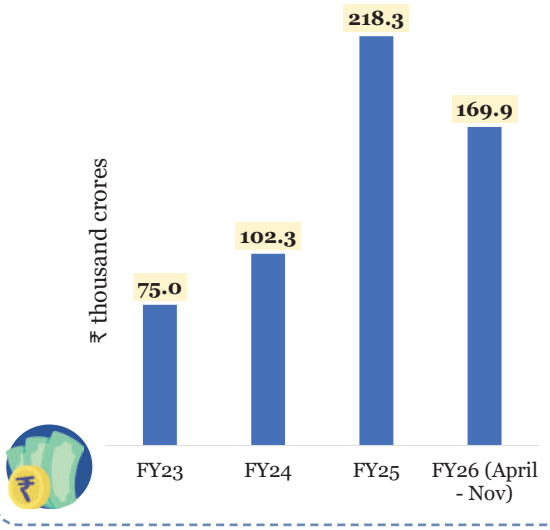
Life insurers paid benefits totalling ₹6.3 lakh crore in FY25.

Net incurred claims in the non-life sector stood at ₹1.9 lakh crore in FY25.

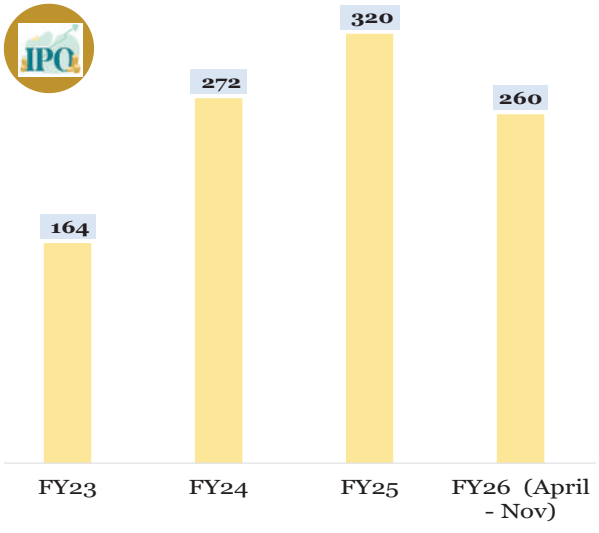
Expanding reach
- Insurer's offices as of March 2025: 22076
- Distribution network: 83 lakh partners as of FY25.

Developments in the capital market In FY26 (April-November 2025)

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



Rise in number of Initial Public Offers



Regulatory developments

Banking Sector

- RBI's Framework for Formulations of Regulations: Standardizes the regulatory process stipulating periodic review and consultation.
- RBI has consolidated over 9000 existing circulars and guidelines.
- Public Sector Banks introduced a credit assessment model to ease the doing business for MSMEs.
- RBI's FREE-AI: Structured approach for financial regulators and institutions to leverage AI while managing its risks.

Capital Markets

- The Securities Markets Code, 2025, repeals and replaces the SCRA (1956), SEBI Act (1992) and Depositories Act (1996), consolidating India's securities market laws into a single framework.
- SEBI launched investor protection tools (SEBI Check, SEBI vs SCAM), introduced an ESG debt framework, expanded municipal bond outreach, and introduced electricity derivatives.

Insurance Sector

- The Sabka Bima Sabki Raskha (Amendment of Insurance Laws) Act, 2025, was notified on 21 December 2025.
- Important provisions include higher FDI limits, simplified insurer regulations, strengthened policyholder protection and aligning insurance governance with India's digital data protection framework.

Progress in micro-credit:
Pradhan Mantri Mudra Yojana (PMMY) and
Pradhan Mantri Street Vendor's Atma Nirbhar Nidhi (PM SVANidhi)

A decade of 'funding the unfunded' through PMMY



Disbursed over ₹36.18 lakh crore across 55.45 crore loan accounts. (as of October 2025)

Women entrepreneurs accessed 69 % of all microloans.





₹ 15.6 lakh crore disbursed across 33.4 crore accounts of SCs, STs, OBCs and other minorities.

PM SVANidhi : Empowering India's street vendors through micro-credit delivery

Improved quality of life

The average annualised business income among SVANidhi borrowers increased by 20 % between 2023 and 2025.

Improved incomes have led to housing upgrades for 39% of households, better food access for 55%, more affordable healthcare for 44%, and enhanced educational opportunities for 50%.

Empowered minorities

33 % the beneficiaries are women, 64 % consist of OBCs, SCs and STs.

Healthy credit metrics

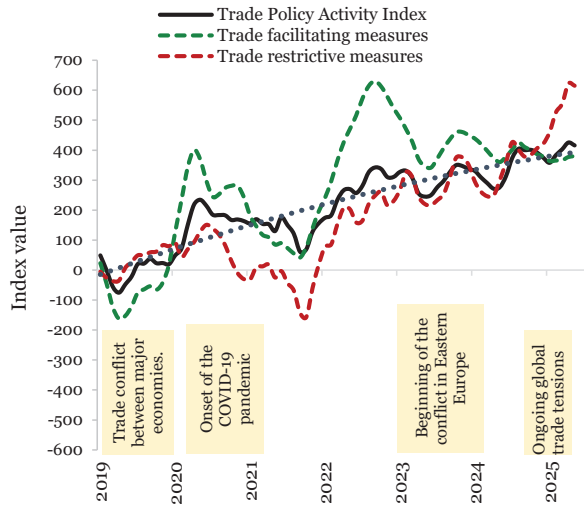
Showed strong repayment performance with the estimated NPA rate being below 10 %.

Source: PM SVANidhi impact assessment report – 2025. (In collaboration with the Ministry of Housing and Urban Affairs, Government of India) and Department for Financial Services (DFS).

4 External Sector: Playing the Long Game

Global trade dynamics

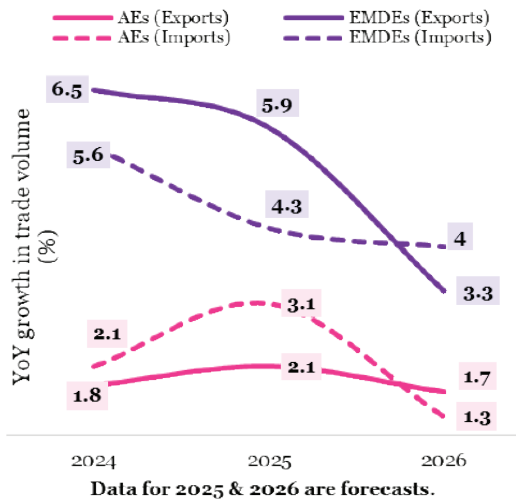
Rising trade policy activity



In CY 2025, the Trade Policy Activity Index increase was driven mainly by a sharper rise in restrictive trade measures than in facilitation measures.

Source: Centorrino, S., et al. (2025). Measuring global trade policy activity

Trends in trade growth (goods & services)

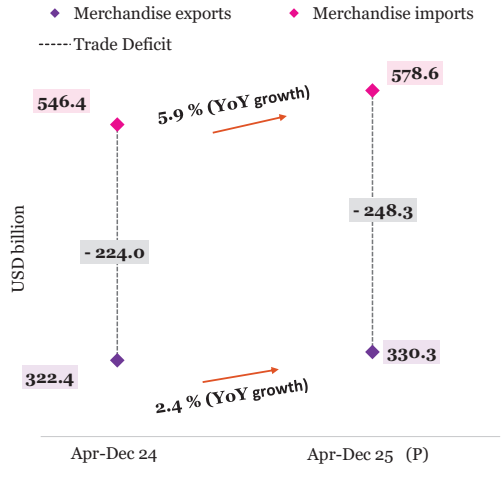


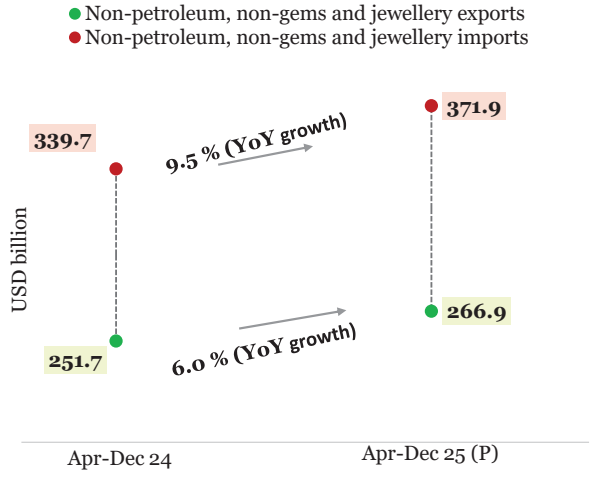
Trade policy uncertainty is likely to have a more pronounced impact on the trade volumes of Emerging Market & Developing Economies (EMDEs) than on those of Advanced Economies (AEs).

Source: WEO (October 2025), IMF

India's trade performance in FY26 (April-Dec 2025)

Merchandise trade remains resilient amid global trade uncertainty

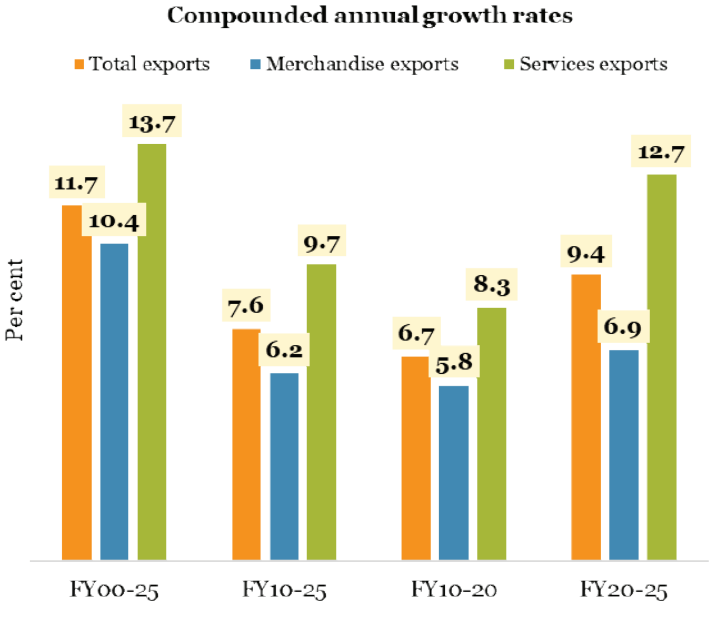


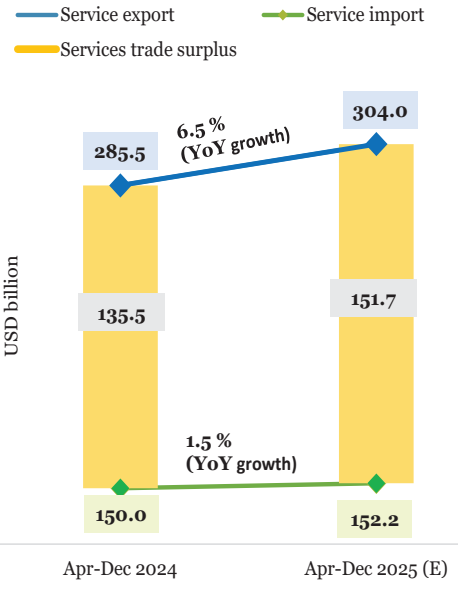


Note: P : Provisional

Source: DoC

Services trade continues to be a key driver of India's trade performance





Note: E : Estimates

Source: RBI and DoC

India's strategic push to expand trade partnerships

8 Free Trade Agreements and Comprehensive Economic Partnerships Agreements concluded in the past 5 years

- India-Mauritius CECPA (2021)
- India-UAE CEPA (2022)
- India-Australia ECTA (2022)
- India-EFTA TEPA (2024)
- India-UK CETA (2025) — Yet to be implemented
- India-Oman CEPA (2025) — Yet to be implemented
- India-New Zealand FTA (2025) — Negotiations concluded
- India - European Union FTA — Negotiations concluded

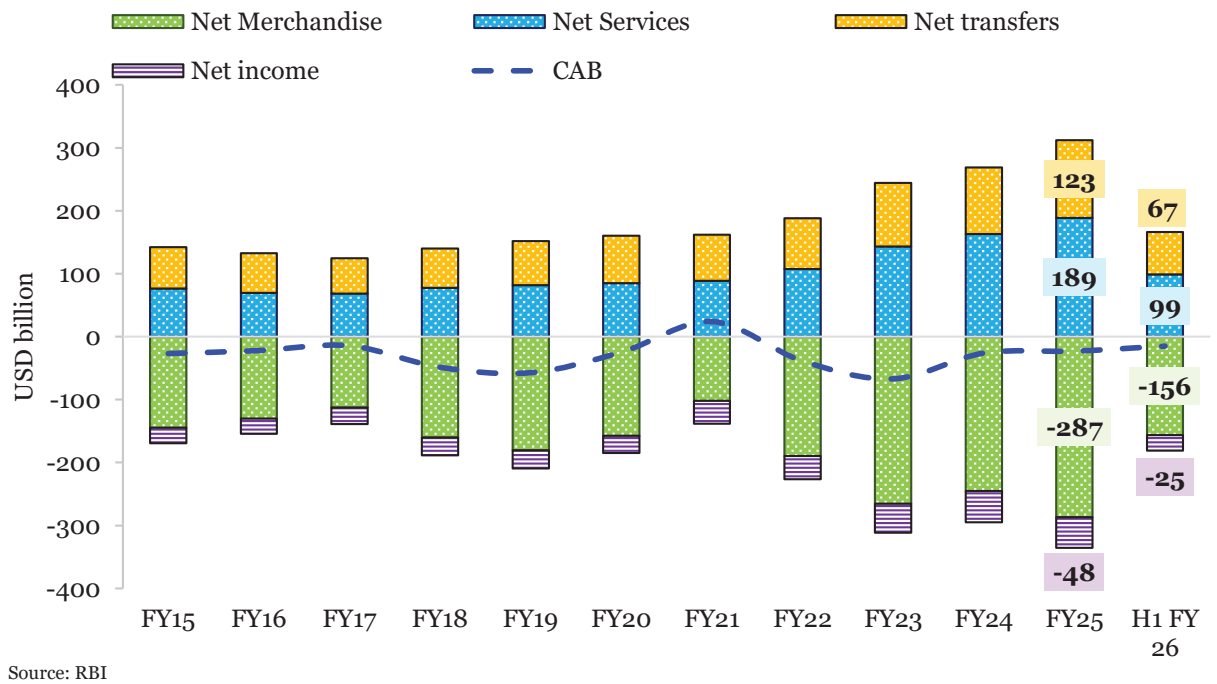


Free Trade Agreements under negotiation

- India - Australia CECA
- India - Sri Lanka ETCA
- India- Peru FTA
- India - Chile CEPA
- India - USA Bilateral Trade Agreement
- India - Eurasian Economic Union FTA
- India - Korea CEPA — Upgraded negotiations
- ASEAN - India (AITIGA) — Review ongoing

Comfortable current account deficit (CAD) position

Merchandise deficit is offset by services exports and remittances*, keeping CAD manageable



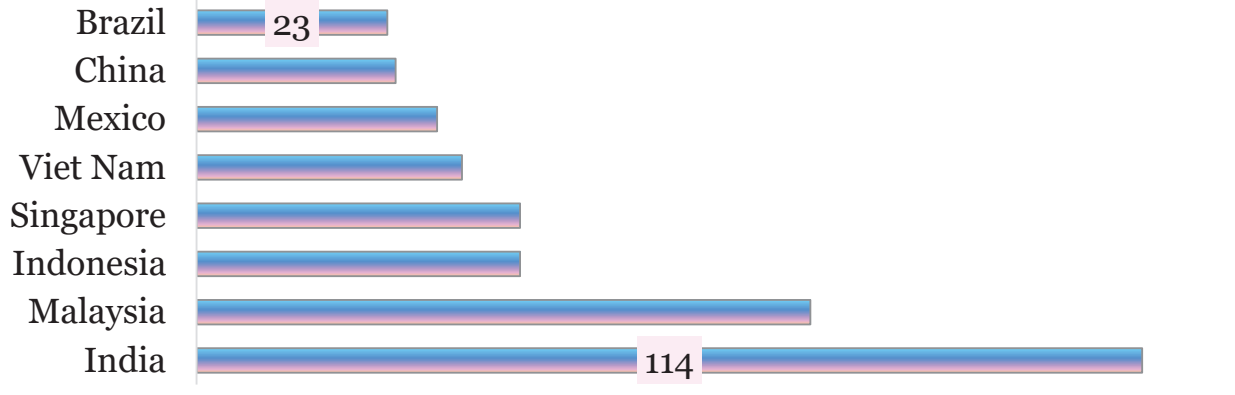
Source: RBI

CAD moderated to 0.8% of GDP in H1 FY26 from 1.3% in H1 FY25

*Transfer receipts mainly represent remittances by Indians employed overseas

India leads the world in greenfield digital investment between 2020-2024

Top economies by project announcements in digital economy

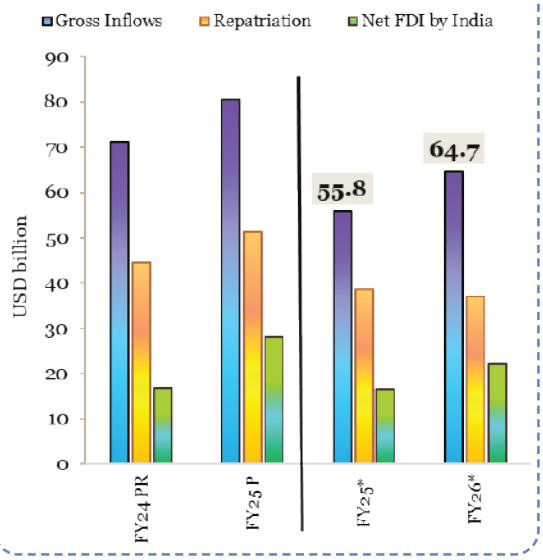


Source: UNCTAD

- India emerged as the largest destination for greenfield digital investments, attracting USD 114 billion between CY 2020-2024.
- Investments span digital services, data centres, and IT infrastructure

Turning global reorientation into sustainable foreign direct investment (FDI)

India attracts gross FDI at scale



Note: *(Apr-Nov); P: Provisional; PR: Provisionally Revised

Next step is deepening investment

Following factors create a window for India to plug into reconfigured GVCs & move up the value-addition ladder



Note: GVCs: Global Value Chains

Strong external buffers anchor stability (FY15 vs FY25)

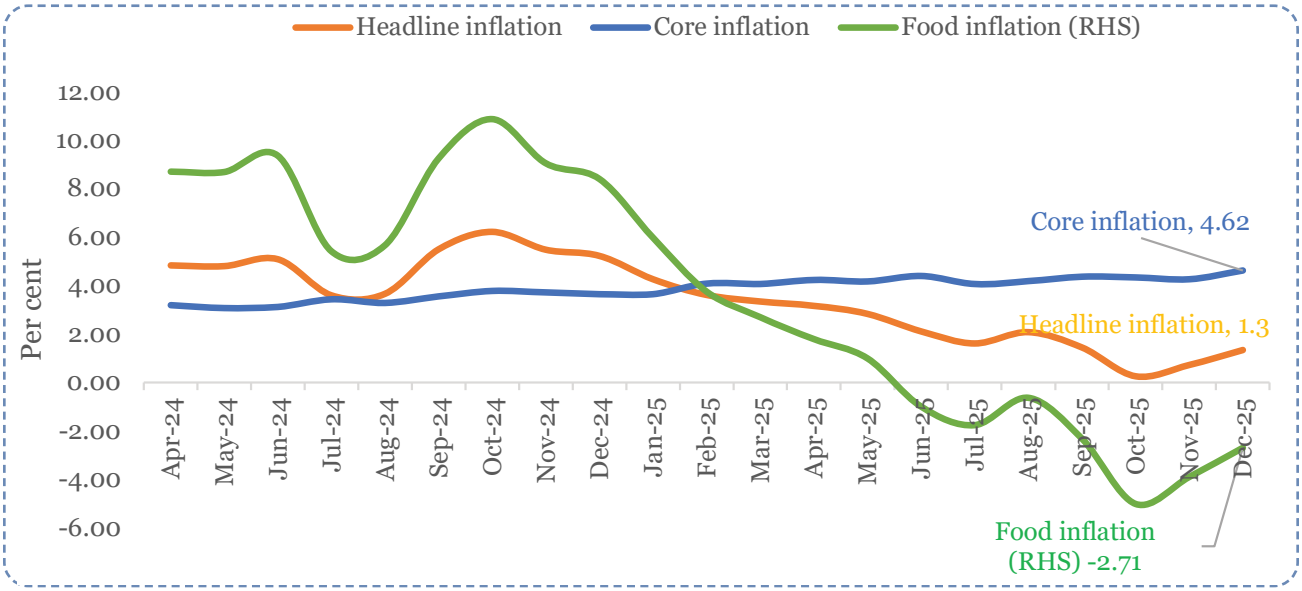
From FY15 → 2025-2026*	
Forex Reserves $341.6 bn in FY15 → $701.4 as of 16 January 2026 **Reserves more than doubled**	**External debt to GDP** 23.8% in FY15 → 19.2% end-Sept 2025 **Lower external leverage**
Import Cover From 8.9 months in FY15 → To 11.1 months as of 9 January 2026 **Stronger import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

* As of the latest available data.

India enters 2026 with strong buffers against external shocks.

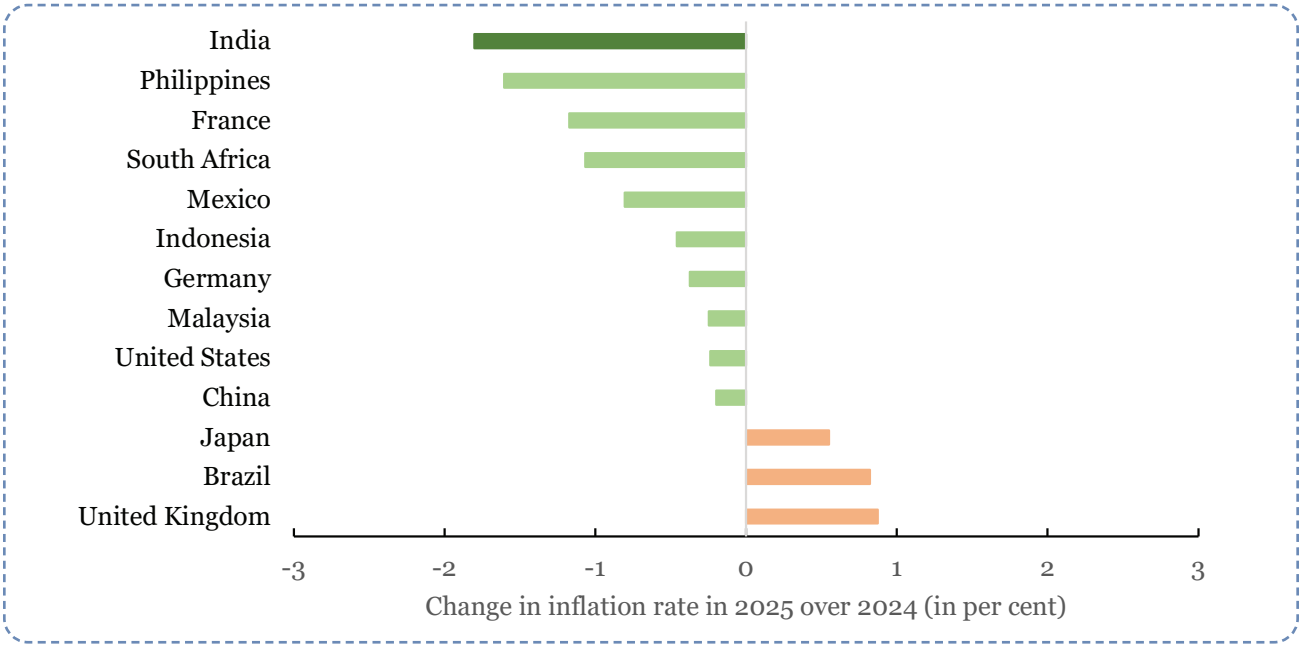
5 Inflation: Tamed and Anchored

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 was driven by a subdued food inflation



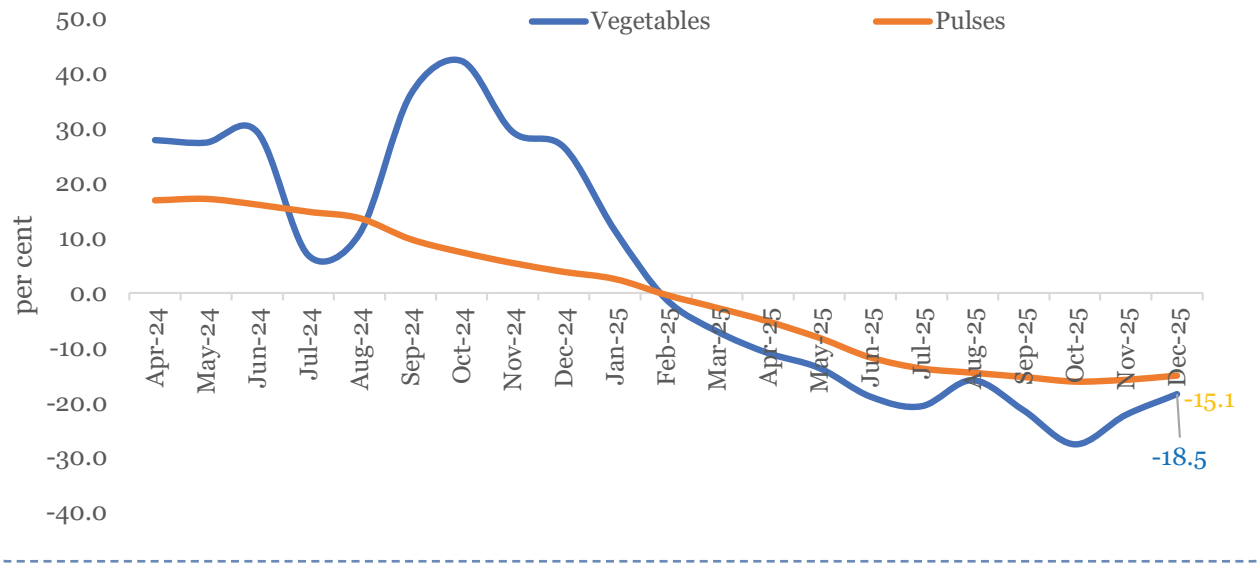
Source: Calculated using data from MoSPI

India has seen the highest reduction (1.8%) in headline inflation among major economies in 2025



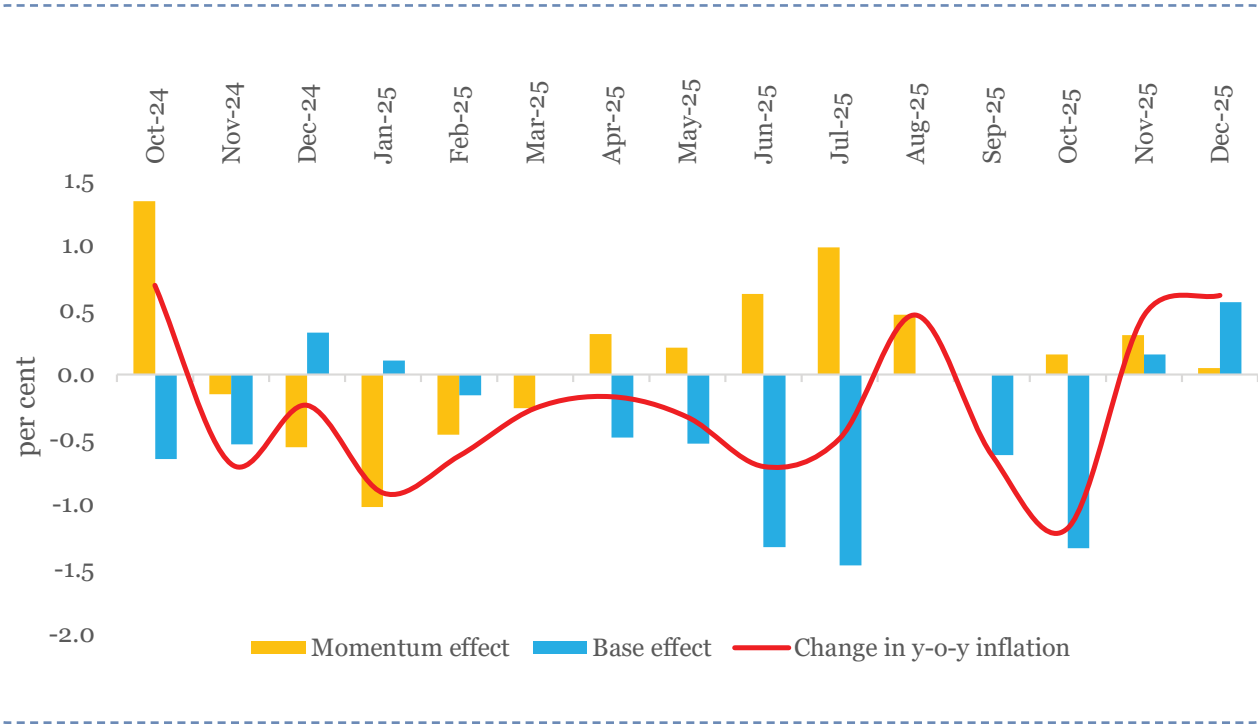
Source: World Economic Outlook Database, IMF

Decline in food inflation was driven by a persistent contraction in prices of major commodities like vegetables and pulses



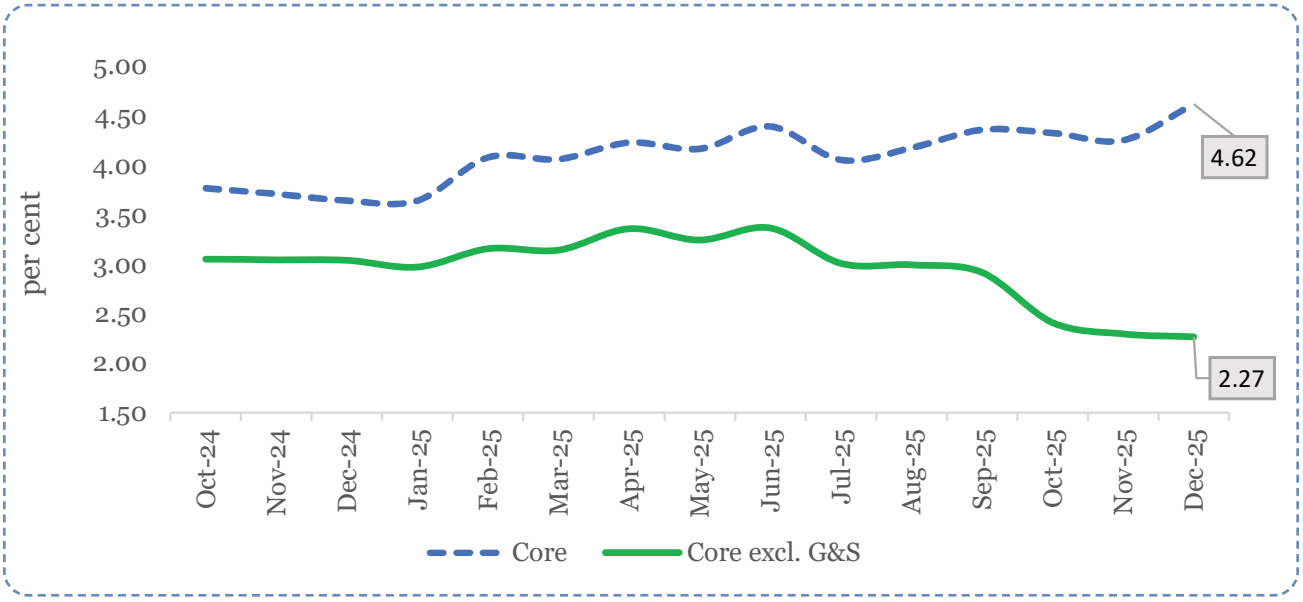
Source: MoSPI

A strong base effect played a critical role in tempering headline inflation, especially in second half of 2025



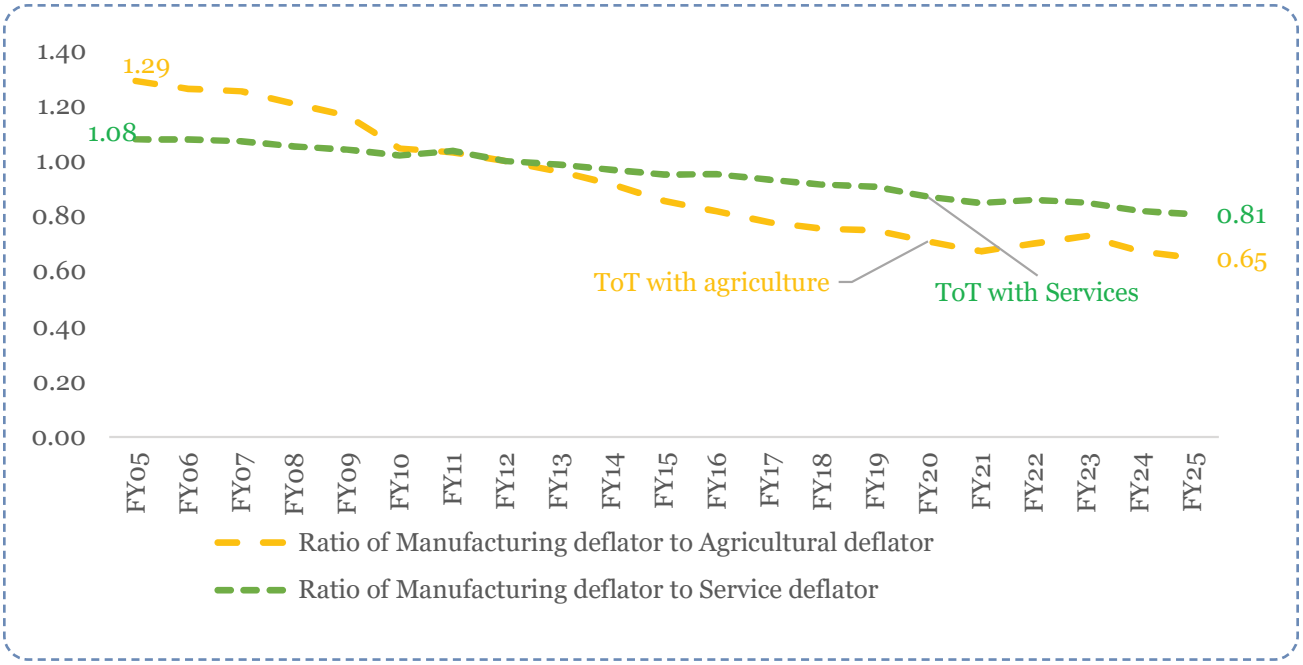
Source: Calculated from the CPI

Steady pace of core inflation has been largely influenced by higher inflation in the prices of precious metals like gold and silver



Source: Calculated from CPI numbers

Terms of Trade (ToT) of the manufacturing sector has progressively declined with respect to other sectors - agriculture and services – resulting in compression in its sectoral share in GVA



Source: Calculated from CPI numbers

Factors that made inflation benign



Moderate inflation in the global prices of key metals



Below-normal temperature coupled with above-normal monsoon created very favourable agriculture conditions in the country

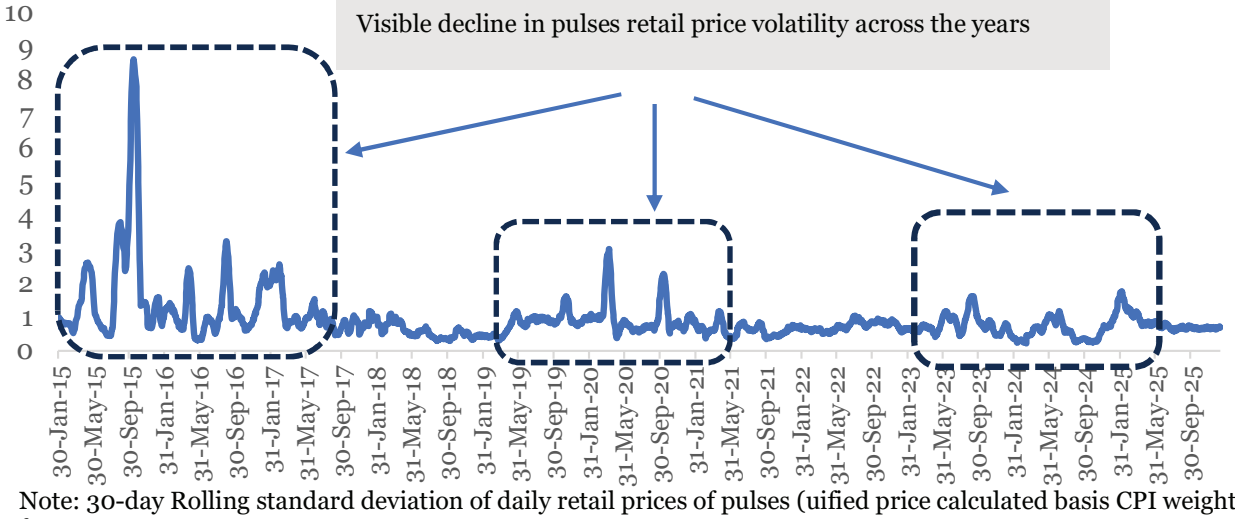


Improved stock position of foodgrains



Pass-through of GST rates rationalization into commodity prices

Timely intervention helped in reducing the volatility in the prices of pulses over the years



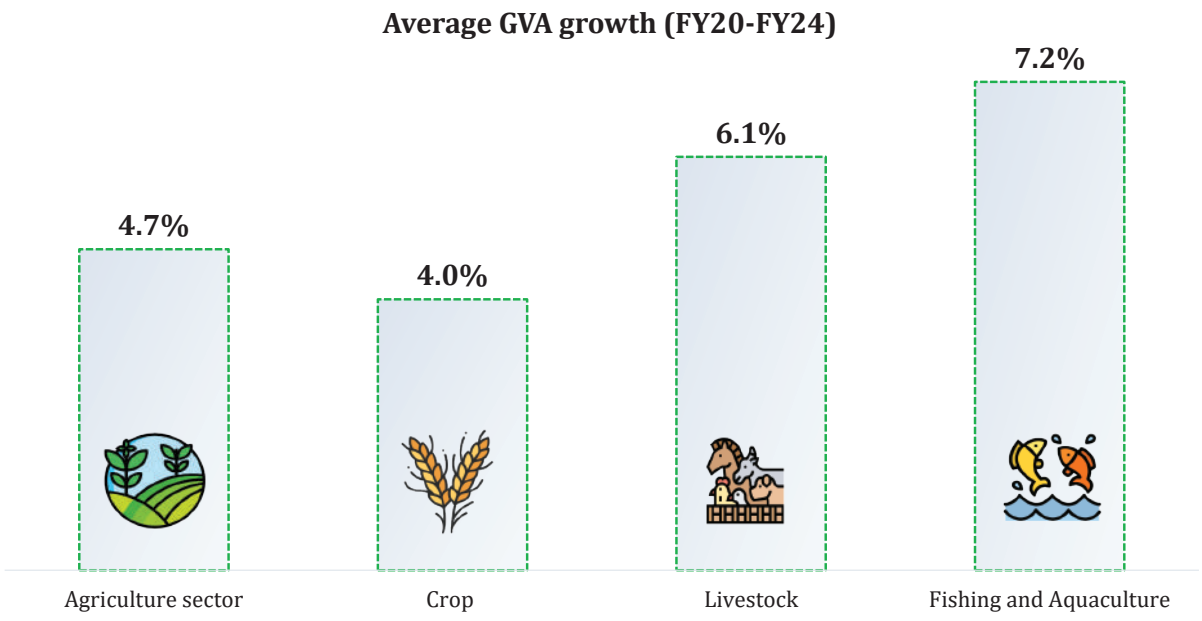
Note: 30-day Rolling standard deviation of daily retail prices of pulses (uified price calculated basis CPI weight from Jan.2015 to 11 Jan. 2026.

Source: Calculated from the daily data given by the Department of Consumer Affairs

6 Agriculture and Food Management: Raising productivity, Securing Incomes and Ensuring Food Security

Raising Productivity, Securing Incomes and Ensuring Food Security

Diversifying Agriculture: Livestock and Fisheries Lead the Way



Policy Considerations

Ethanol Pricing and Cropping Incentives

- Careful calibration of incentives is required to avoid unintended concentration across crops.
- Ethanol expansion to be pursued that supports both energy security and food and nutritional security.

Aligning Fertiliser Use with Agronomic Needs

- Fertiliser decisions need to be guided by soil health and crop requirements
- Input Distortion to Acre-Based Support

A Calibrated Approach to Crop Diversification

- Crop choices should reflect local soil, rainfall, and market conditions, ensuring economic and agronomic viability.
- Per-acre / per-quintal incentives cover transition losses; lower input costs improve profits

Government support to farmers

POLICY AND INSTITUTIONAL SUPPORT

- National Food Security and Nutrition Mission
- National Mission on Edible oils-Oilseeds
- National Mission on Edible oil-Oil Palm
- Krishi Vigyan Kendras
- Promotion of FPOs and Cooperatives
- Insurance support through PM Fasal Bima Yojana
- Krishonnati Yojana
- Digital Agriculture Mission

INPUT SUPPORT

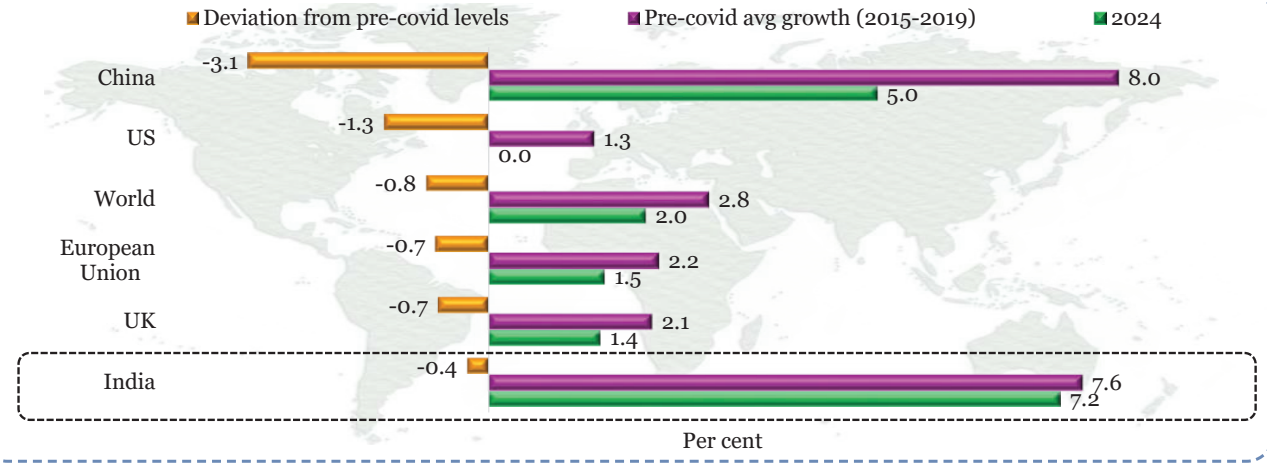
- Providing access to High Yielding seeds
- Assured Irrigation through Pradhan Mandri Krishi Sinchayee Yojana
- Soil Heath Cards
- Fertiliser Subsidy
- Kisan Credit Card Scheme
- Establishing Custom Hiring Centres
- Food and Mouth disease control programme for livestock
- Pradhan Mantri Matsya Kisan Samridhi Sah-Yojana for fisheries

INCOME SUPPORT

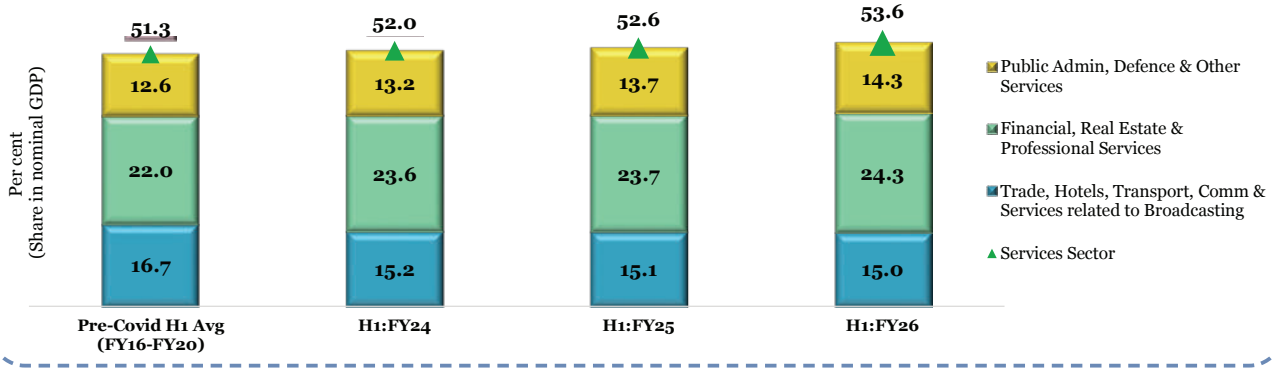
- Pradhan Mantri Kisan Samman Nidhi (PM Kisan)
- Minimum Support Prices
- PM Maandhan Yojana

7 Services – From Stability to New Frontiers

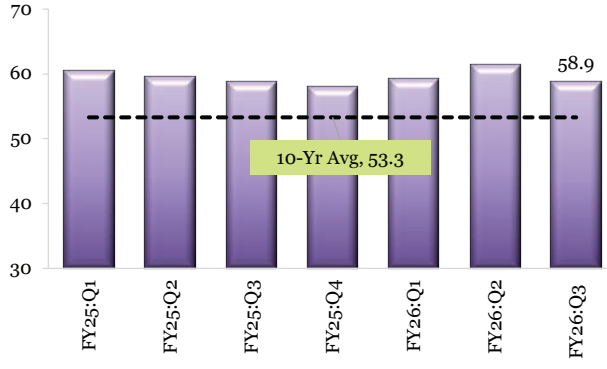
Resilient and steady: India's Services GVA growth outperforms global trends



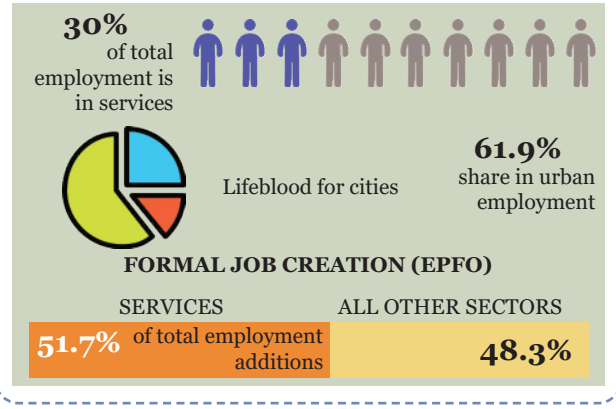
Services sector continues to be the major driver of growth



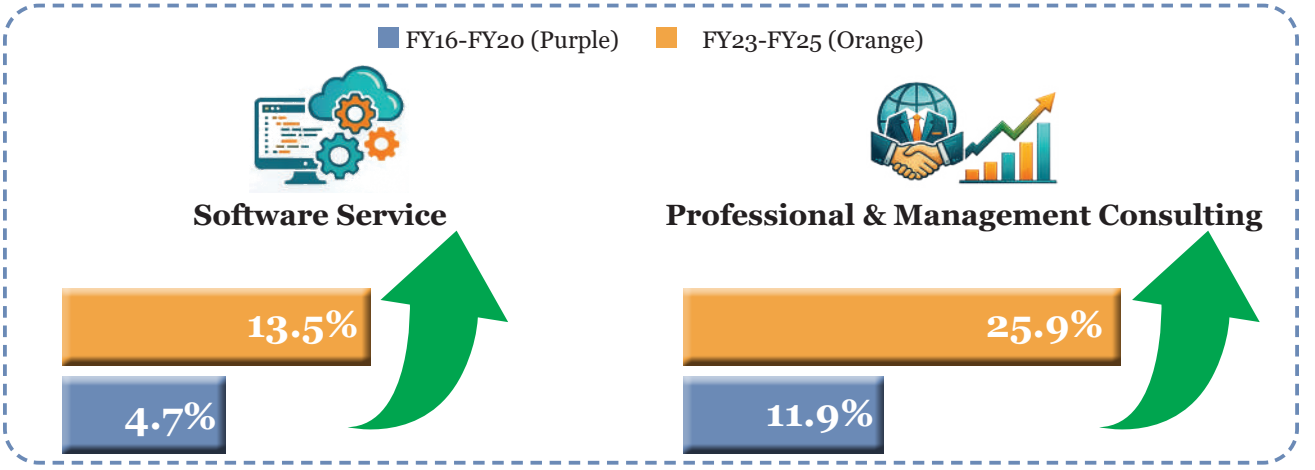
Services PMI expands higher than the long-run average in Q3 of FY26



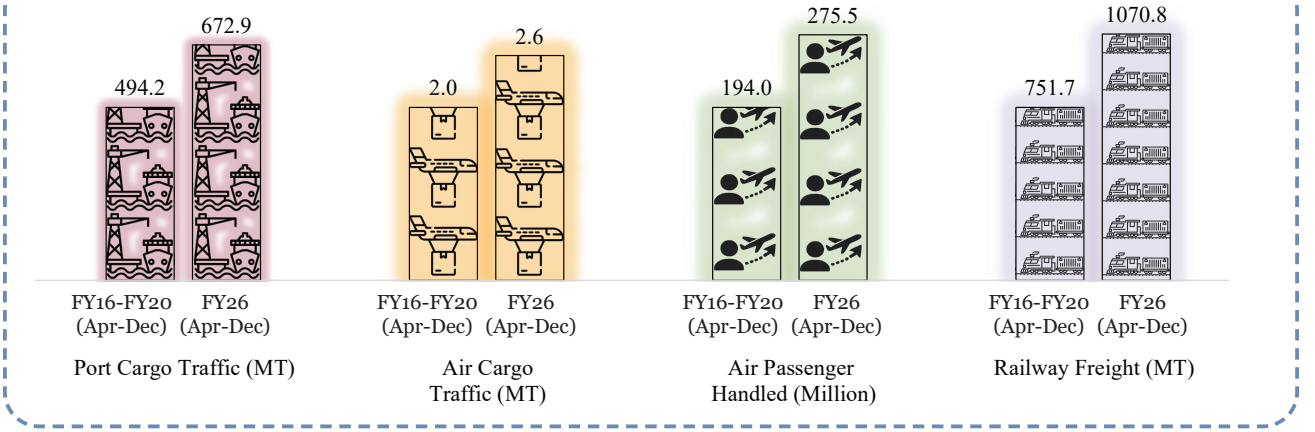
Services sector drives urban employment

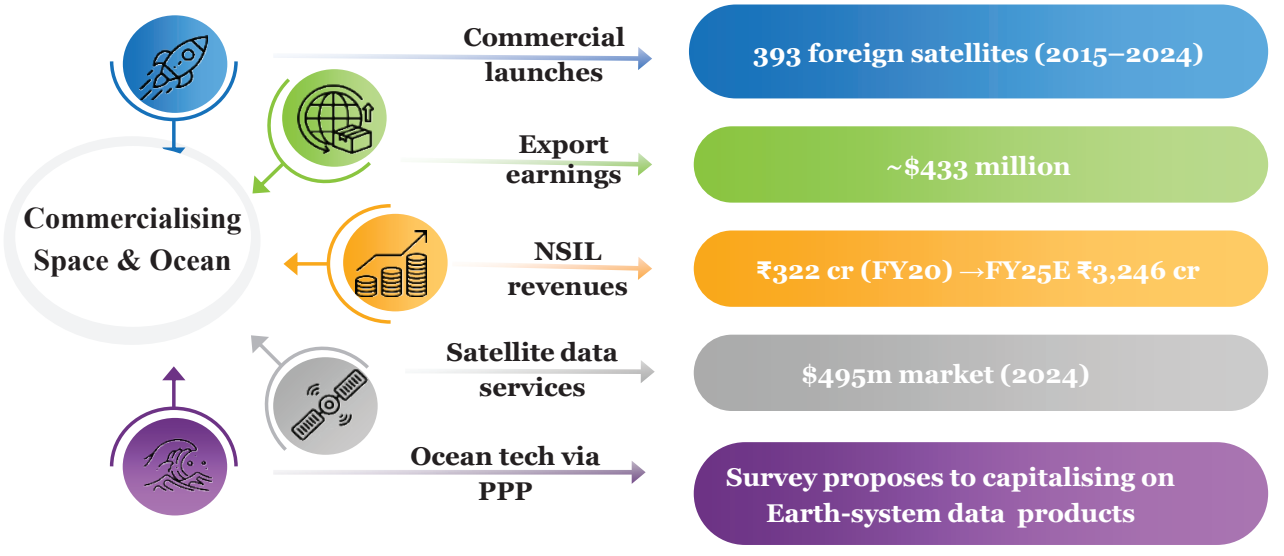


Services exports expand on the back of high-value software and professional services



Transport Services: Strengthening connectivity and logistics performance





Tourism sector: Domestic resilience with emerging high-value segments

17.5% Growth in domestic tourist visits (2024)

8.9% Growth in International tourist arrivals (2024)

>60% Avg hotel occupancy rate (FY24-FY26)

Medical & wellness tourism	Arrival CAGR: 12% during 2009-2024
Proposes Long distance trails	For enhancing livelihood through remote location tourism
Marina tourism/ blue economy	Marina development policy, High-value coastal tourism, Coastal jobs & incomes, Port revitalisation

Media and Entertainment

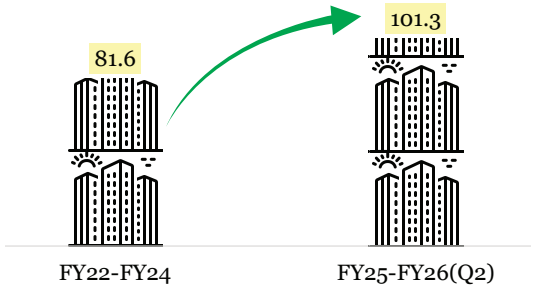
Sector size ~₹2.5 trillion (2024). **Digital media = key growth engine** (~**one-third** of total revenues)

Rev from Gaming ~₹232 billion,Animation & VFX ~₹103 billion, in 2024

Orange Economy:
Live entertainment >₹100 billion (2024); strong spillovers to **tourism and urban services**

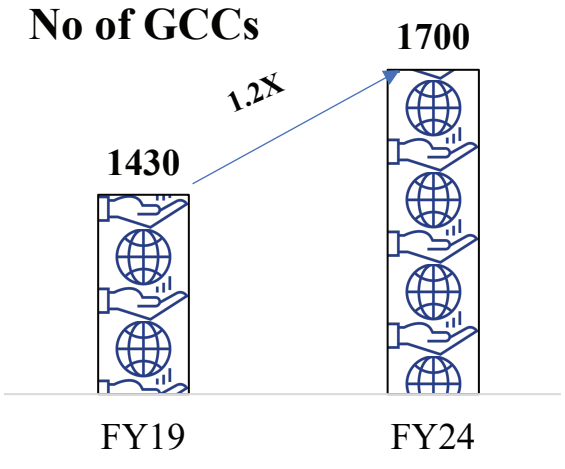
Real estate and housing services: A sustained upcycle

Quarterly Avg Housing Sales (Thousands)

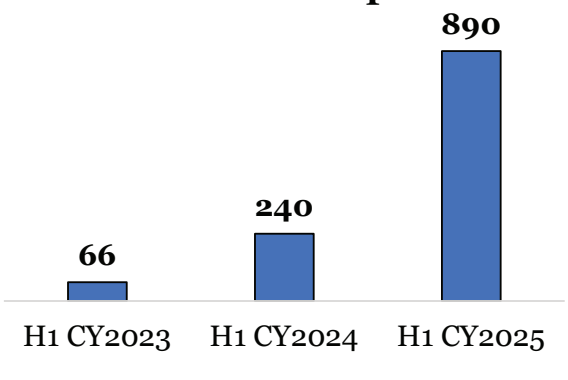


IT Sector-Global Technology and Innovation hub

Steady expansion of Global Capability Centres



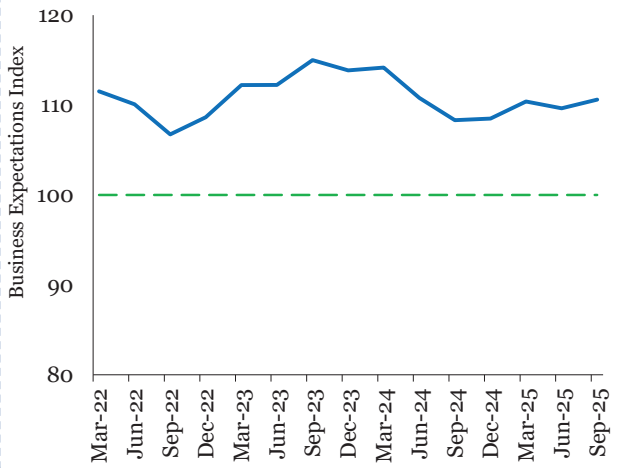
India's technology startup ecosystem is world's III largest



8 Industry's Next Leap: Structural Transformation and Global Integration

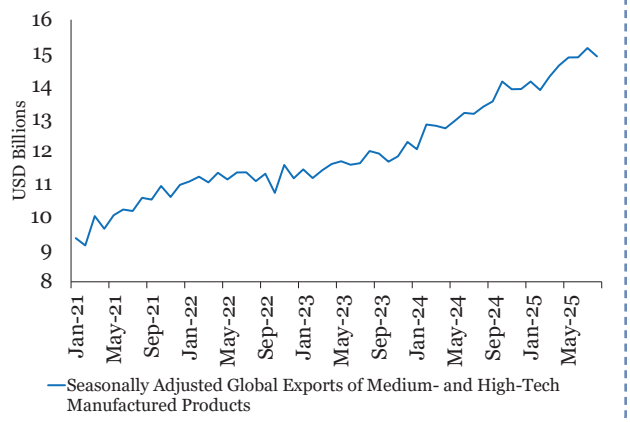
Industry Performance: Growth, Resilience and Transformation

Optimism about prospects continues to remain high



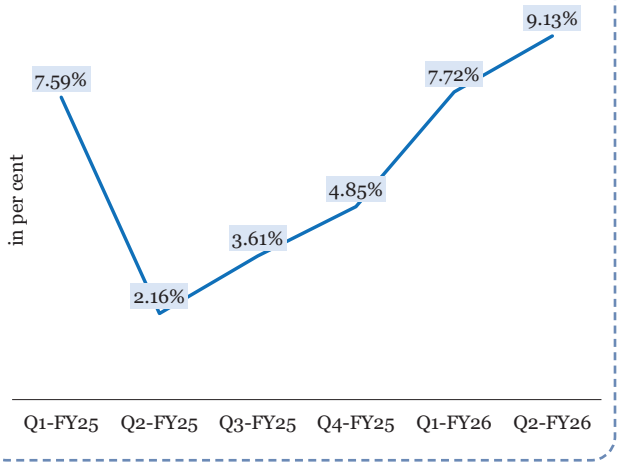
Source: Business Expectations Index (BEI) (RBI Industrial Outlook Survey of the Manufacturing Sector: Q2 FY26). Note: BEI >100-optimism; BEI<100 –pessimism.

Medium and high-technology activities now account for 46.3 per cent of India's total manufacturing value added



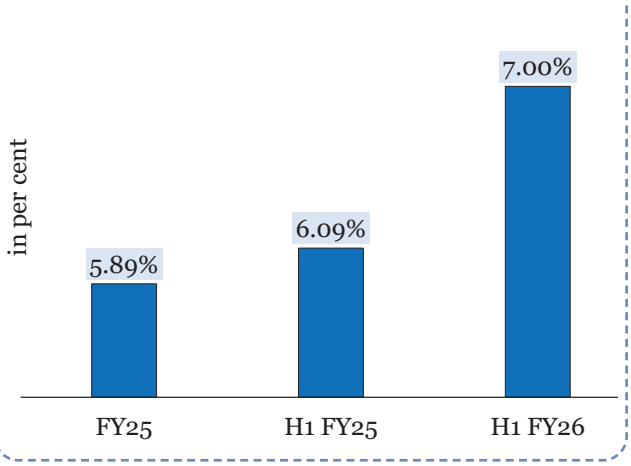
Source: UNIDO Statistics.

Sustained Momentum in Real Manufacturing GVA Growth (y-o-y)



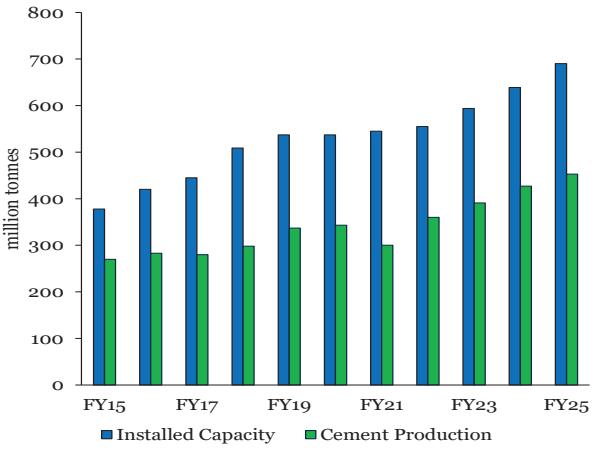
Source: National Accounts Statistics, MoSPI.

Real Industry Gross Value Added (GVA) Growth (y-o-y)



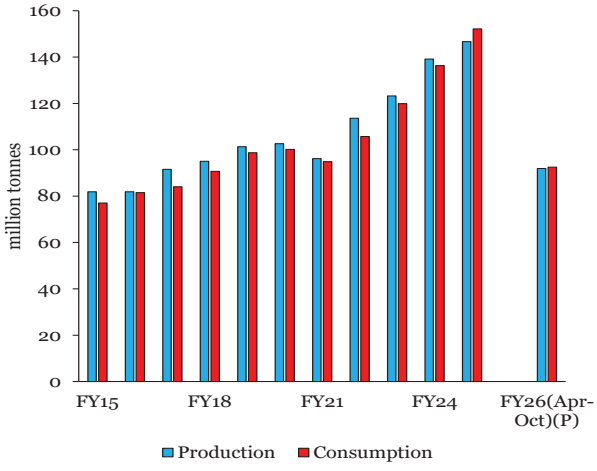
Note: Industry comprises of four sub-sectors- Manufacturing; Electricity, Gas, Water Supply & Other Utility Services; Construction and Mining & Quarrying.
Source: National Accounts Statistics, MoSPI.

Cement: Increasing Installed Capacity and Production



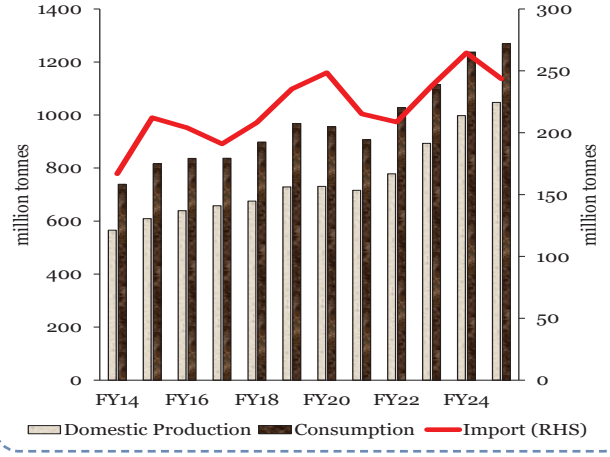
Source: Department for Promotion of Industry and Internal Trade (DPIIT).

Finished Steel: Rising Production and Consumption



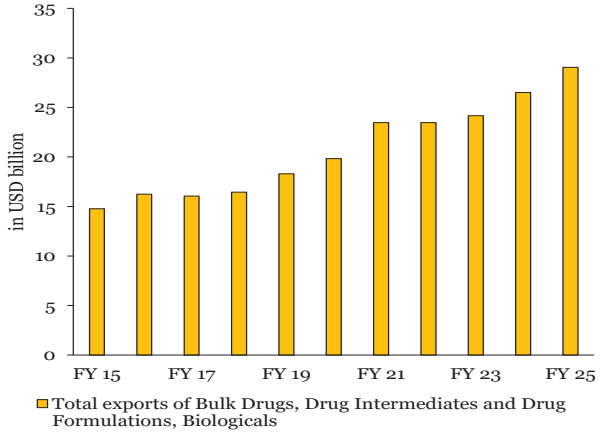
Source: Ministry of Steel.

Coal: Rising Domestic Production and Lower Imports



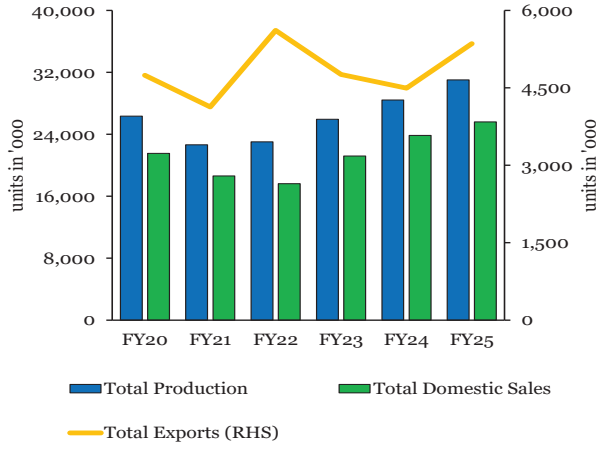
Source: Ministry of Coal.

Growing Exports of Pharmaceutical Industry



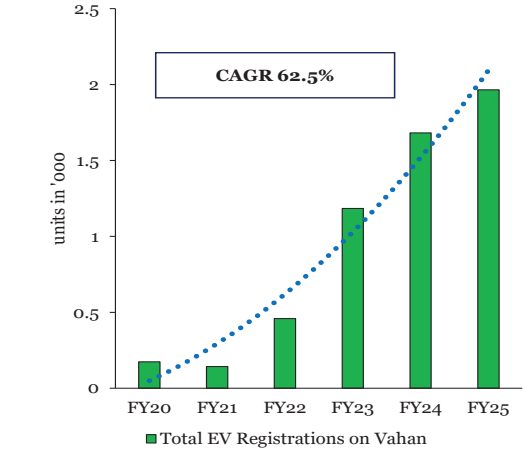
Source: Directorate General of Commercial Intelligence and Statistics.

Production, Sales and Exports of Automobiles



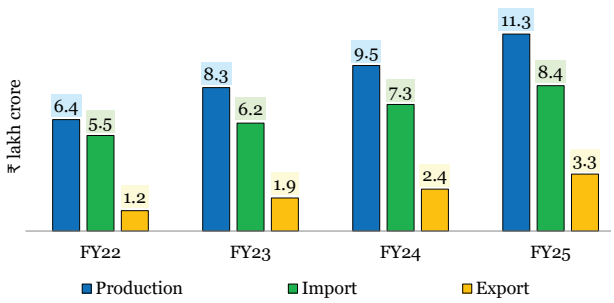
Source: SIAM; Ministry of Heavy Industries.

Growing EV registrations



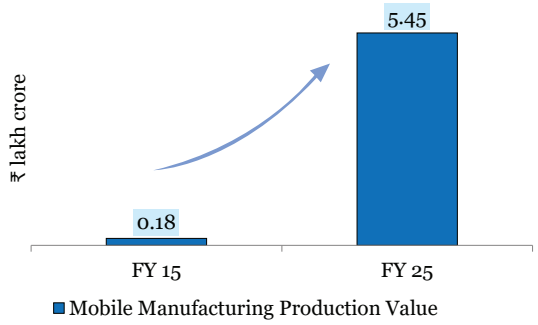
Source: Ministry of Heavy Industries.

Growth of Electronics Production and Exports



Source: Ministry of Electronics and Information Technology.

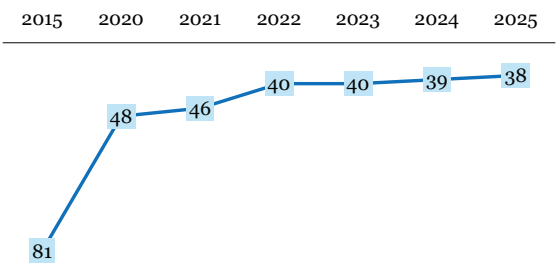
Nearly 30-fold increase in Mobile manufacturing production value



Source: Ministry of Electronics and Information Technology.

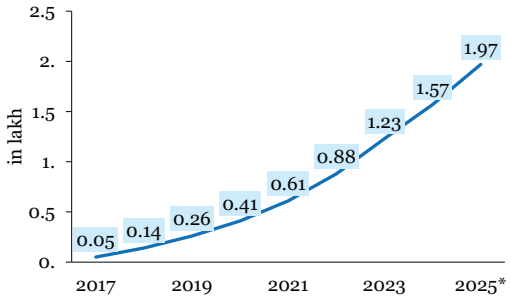
Innovation Ecosystem: Research, IP and Entrepreneurship

India's Ranking in the Global Innovation Index improving steadily



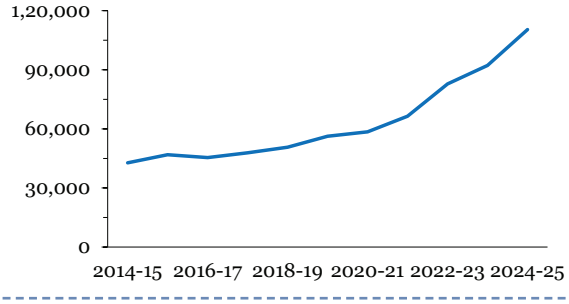
Source: World Intellectual Property Organization (WIPO).

Rapid growth in DPIIT-Recognised Startups



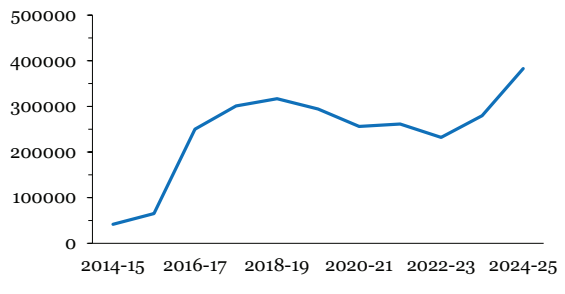
Source: DPIIT. Note: *Data for 2025 is as on 31 October 2025

Patent Applications nearly doubled from FY20 to FY25



Source: DPIIT.

Trademark Registrations grew 1.5 times from FY20 to FY25



Source: DPIIT.

🌎 **Global Innovation Leap:**
India ranks globally
- **12th in entrepreneurship policy & culture**
- **4th in trademarks;**
- **6th in patents;**
- **7th in industrial designs in global filings**

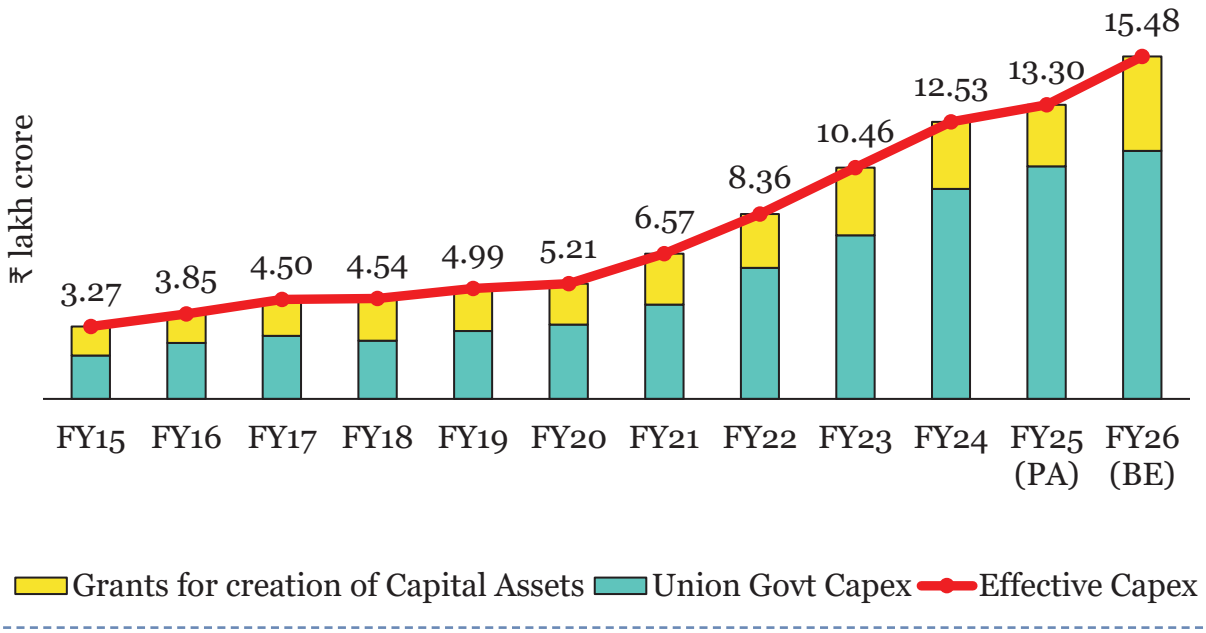
(World Intellectual Property Organization (2024))

- 🚀 **Critical Tech Breakthrough:**
- **Top-5 globally in 45 of 64 critical technologies** (up from 4 in 2003–07)

(Australian Strategic Policy Institute)

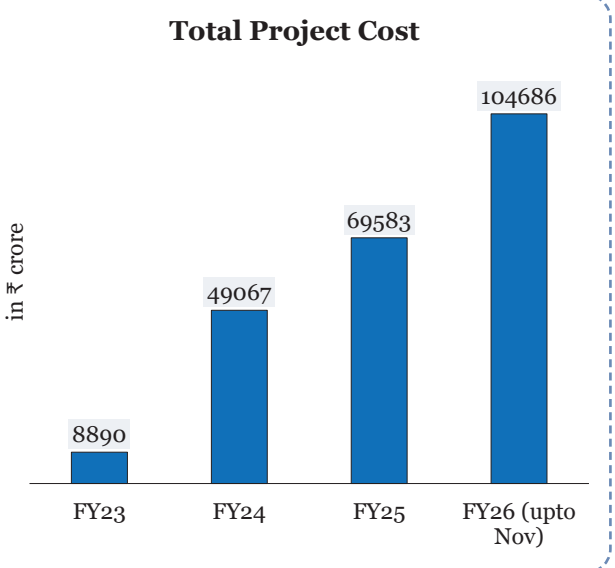
9 Investment and Infrastructure: Strengthening Connectivity, Capacity and Competitiveness

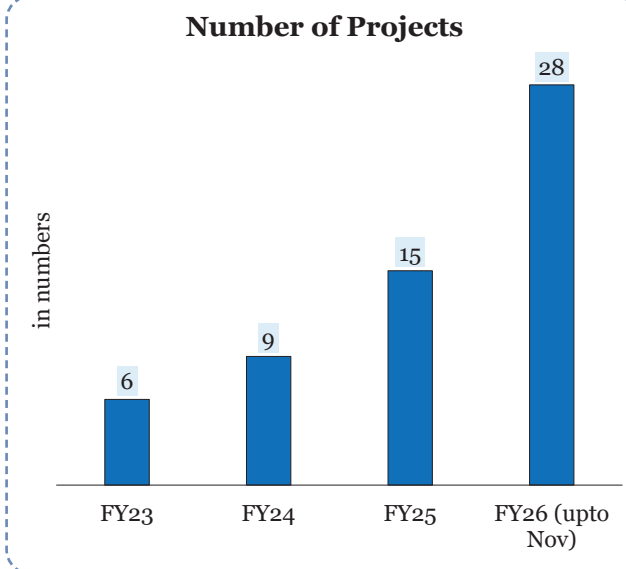
Effective Capex has increased steadily since FY15



Source: Union Budget documents.

Increase in Project Approvals by Public-Private Partnership Appraisal Committee

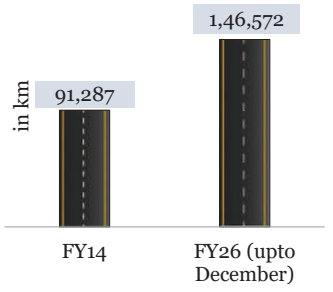




Source: PPP database, Department of Economic Affairs

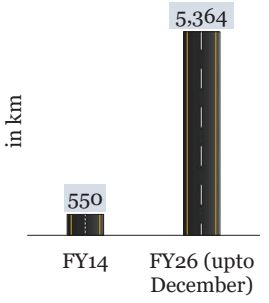
Progress in Physical connectivity

Total National Highway Network (60 per cent increase)



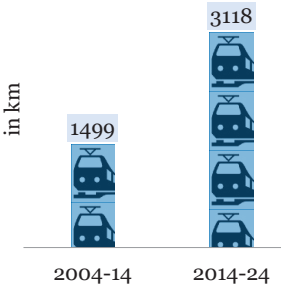
Source: Ministry of Roads, Transport & Highways.

Operational High-Speed Corridors (~10 times increase)



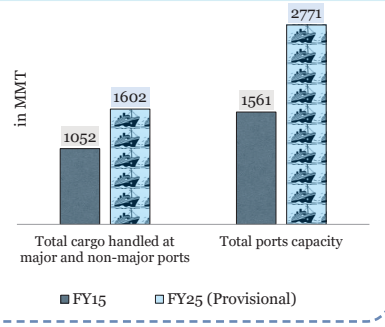
Source: Ministry of Roads, Transport & Highways.

Average Commissioning of railway network per year

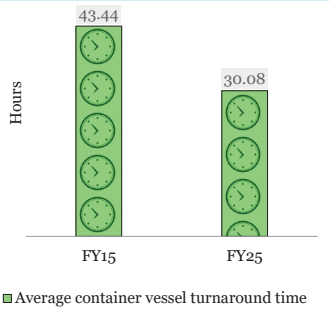


Source: Ministry of Railways.

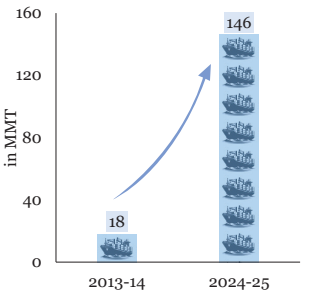
Port Infrastructure Expansion and Record Cargo Performance



Reduction in average container vessel turnaround time



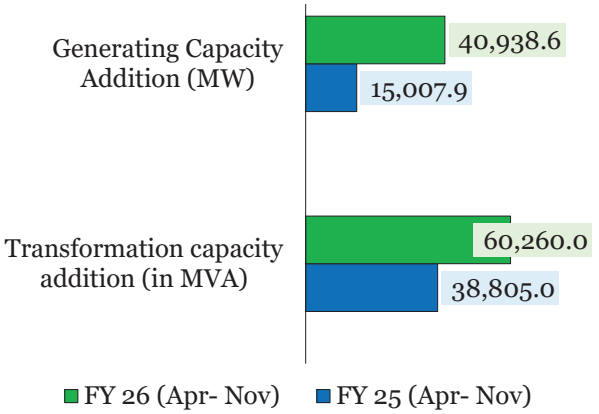
Cargo movement through Inland Water Transport



Source: Ministry of Ports, Shipping and Waterways.

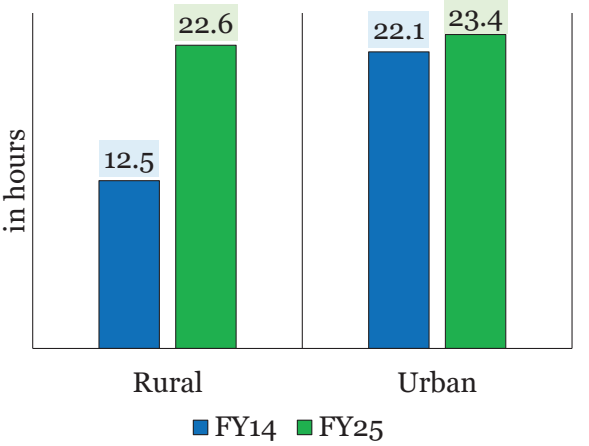
Power Sector

Capacity addition in the power sector



Source: Executive Summary Report (November 2025), Central Electricity Authority.

Improvement in Daily Average Power Supply



Source: Ministry of Power.

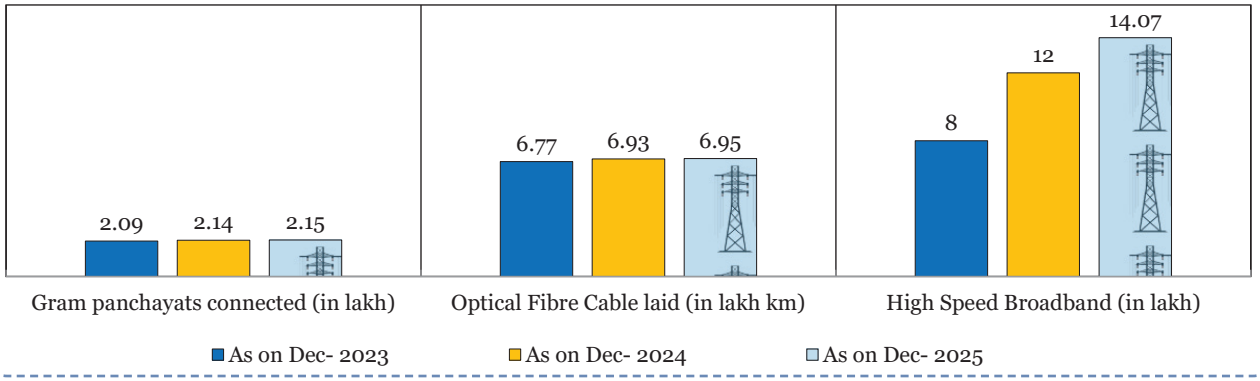
Power Distribution Turnaround:

Profit After Tax: ₹67,962 crore loss (FY14) → ₹2,701 crore profit (FY25)

AT&C Losses: 22.62% (FY14) → 15.04% (FY25)

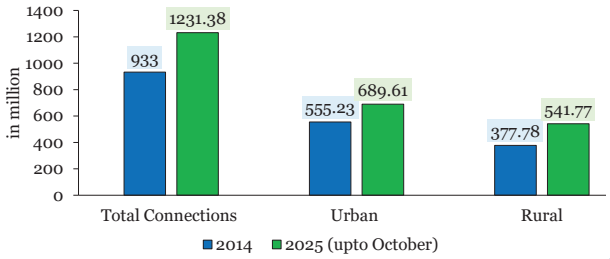
Improving Digital Connectivity

Progress in Telecommunication Infrastructure (Bharat Net Progress)



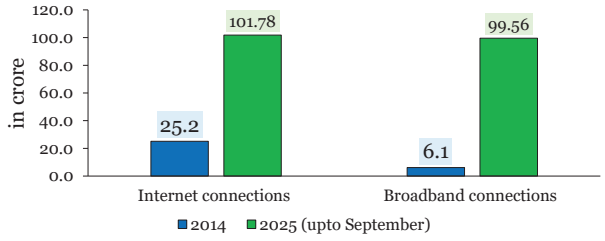
Source: Digital Bharat Nidhi Dashboard, Department of Telecommunications.

Expansion of Telecom Access



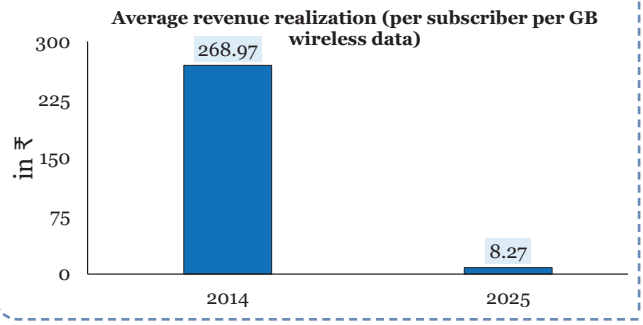
Source: Department of Telecommunications.

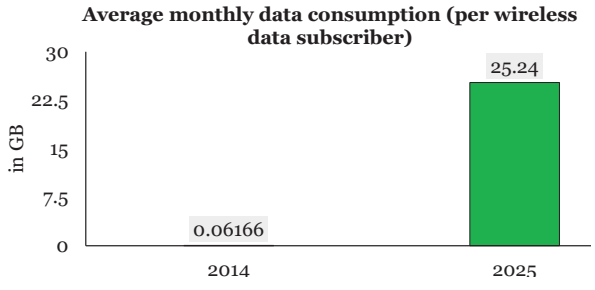
Expansion of Internet and Broadband Connectivity



Source: Department of Telecommunications.

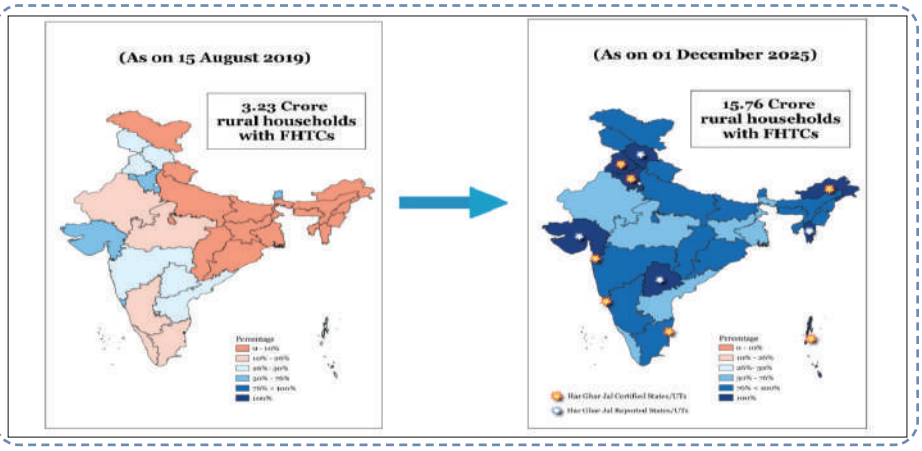
Affordability Driving Surge in Monthly Data Consumption





Source: Department of Telecommunications. Note: Data for 2025 is as of September 2025

Over 81% of rural households now have access to tap water under Jal Jeevan Mission



Source: Jal Jeevan Mission Dashboard.

10 Environment and Climate Change: Building a Resilient, Competitive and Development-Driven India

The Resource Intensity Challenge of Renewable Energy

SOLAR POWER per GW

Materials required

Silver ~ 18.5 t
Polysilicon ~ 2–3 thousand t
Aluminum~ 10,252 t

Energy required

Silver: 4,625 MWh
~350–400 households/year
Aluminum: 1,948,000 GJ
~100,000+ households/year

WIND POWER per GW

Materials required

Copper: 2,866 t
with a 0.6 per cent yield
Total material = 477,666.6t

Truckload

~ 1,194 truckloads (400-ton trucks)

Scaling renewables is also a materials, mining, and energy challenge

Nuclear Energy: A Pillar of India's Clean & Secure Energy Transition

Why Nuclear?

24/7 Clean Power Low-carbon

No intermittency
Energy security

Supports Heavy Industry

Reliable baseload
Tech-ready power

Hydrogen Production

Transport fuel
Industrial use

National Nuclear Energy Mission (2025–26)



₹20,000 cr allocation in Union Budget 2025–26

- Development of 5 indigenously designed SMRs
- Target: Operational by 2033
- Focus on Energy security & clean power

8,780 MW	→	100 GW by 2047
Current Nuclear Capacity		Target capacity

SHANTI Act – December 2025



- Enables **private & state participation**
- Graded **liability framework**
- Protects **victim compensation**
- **Boosts manufacturing, R&D & innovation**

India's Energy Storage Requirement & Policy Push

Energy storage is positioned as a key enabler for renewable integration, peak management, and long-term resource adequacy



Requirements
India will require around 411 GWh of energy storage by 2031–32



Policy Support

National Framework for Promoting Energy Storage Systems	Formally recognised under the Electricity Rules	Included in the Harmonised Master List of Infrastructure	A core resource in power system planning under Resource Adequacy Plans.



Market enablers and Deployment support

Waiver of Inter-State Transmission System charges	Storage assets allowed to provide ancillary services	PLI scheme - ₹18,100 crore for 50 GWh ACC manufacturing	VGF schemes targeting ~43 GWh of BESS

Recent Environmental Governance Reforms



PARIVESH 3.0 – Single Window Clearances

Digital approvals & post-clearance monitoring



Nation-wide uniform guidelines

Consent to Establish/Operate through amendments in Water & Air Acts



Streamlined Mining Regulations

Critical, Strategic, and Atomic Minerals



Third-Party Environmental Audits

Environment Audit Rules, 2025



Updated Graded Industry classifications

Encourage better compliance





Promoting Circular Economy

Circular Economy Action Plans covering 10 waste categories, Extended Producer Responsibility (EPR) frameworks for multiple waste streams, ban on Single use Plastics



Decriminalisation through the Jan Vishwas Act

Public Liability Insurance Act, Environment (Protection) Act, 1986, Air Act, 1981 Indian Forest Act, 1927 and the Water Act, 1974



Rationalised Green belt requirements for industries

based on the pollution potential of industrial estates/parks and individual industries

Key Milestones in India's Climate and Sustainable Finance Framework

2017

Disclosure Norms for issuance and listing of Green Bonds by SEBI

2021

BRSR by SEBI: Business Responsibility and Sustainability Reporting for top 1,000 listed companies:
Voluntary for FY 22
Mandatory from FY 23

2022

Framework for Sovereign Green Bonds by MoF

Guidance on Sustainable & Sustainability - Linked Lending by IFSCA

2023

BRSR Core by SEBI: Assurance-based reporting for key ESG indicators; value-chain disclosures introduced to reduce greenwashing and improve reliability of sustainability data

Framework for acceptance of Green Deposits by RBI

2025

Framework for Environment, Social and Governance (ESG) Debt Securities (other than green debt securities) by SEBI

Revision in BRSR Core to facilitate ease of doing business with respect to the framework for assurance or assessment, ESG disclosures for value chain, and the introduction of voluntary disclosure on green credits

Evolution of State Action Plans on Climate Change

SAPCC (2010–15)

Broad alignment with NAPCC missions

Predominantly mitigation-oriented sectors

Standalone climate projects

Limited budgetary linkage

SAPCC *(2020 onwards)*

Adaptation-led development approach

State- and district-specific climate risk analysis

Integration with Planning & Finance Departments

Convergence with flagship social sector schemes (water, agriculture, urban)

Strong role of communities & local institutions

Outcome- and resilience-focused monitoring.

11 Education and Health: What Works and What's Next

India's education landscape: Key achievements of NEP

Universal access



School Education





Higher Education

Achieving 100 % GER by 2030

- ~25 crore students enrolled in 14.7 lakh schools supported by over 1 crore teachers.
- GER*: 90.9 for Grades I to V, 90.3 for Grades VI to VIII, 78.7 for Grades IX and X and 58.4 for Grades XI and XII. (UDISE+).

Achieving 50 % GER by 2035

- 4.46 crore students enrolled in over 70018 institutions.
- GER increased from 27.1 in 2019-20 to 29.5 in 2022-23 (AISHE).

Inclusivity & Equity

- 500 hostels approved under PM-Janjati Adivasi Nyaya Maha Abhiyan.
- 2682 Kasturba Gandhi Balika Vidyalayas upgraded.
- 692 hostels sanctioned under Dharti Aaba Janjatiya Gram Utkarsh Abhiyan.

Multilingualism

- Over 3000 AI-driven interactive e-content in multiple languages.
- Digital study material in 22 Indian languages under Bhartiya Bhasha Pustak Scheme.

Universal FLN* under NIPUN Bharat

Improved proficiency at the foundational level (Grade III) (PARAKH 2024):

- From 39 % in 2021 to 57% in 2024 in language.
- From 42% in 2021 to 65% in 2024 in mathematics.

Academic Structure +Curriculum reforms

- Curriculum reform undertaken as per NEP recommended 5+3+3+4 structure.
- Competency-based assessments are being done under PARAKH.
- Teacher capacity strengthened through DIETs* and SCERTs*.

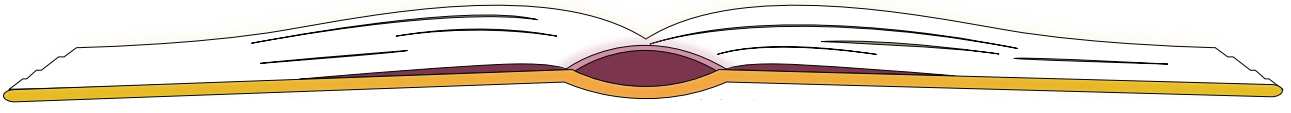
Learner centric education

- APAAR* IDs track learner progress across school, higher and skill education.
- Vidya Samiksha Kendra monitors learning progress for timely intervention.

Internationalisation

- 100 per cent FDI allowed in higher education.
- 15 foreign institutions are expected to set up campuses in India.

GER: Gross Enrolment Ratio; APAAR: Automated Permanent Academic Account Registry; DIET: District Institute of Education and Training; SCERT: State Council of Educational Research and Training; FLN : Foundational literacy and numeracy



Strengthening healthcare



37% Drop in IMR over the past decade.

Life expectancy of **70.3** years in 2023 compared to 49.7 in 1976.



Source: Sample registration system 2023 & MoSPI



Increase in nutrition intake (per capita)

Calories

(Kcal/day)

	2009-10	2023-24
Rural	2147	2212
Urban	2123	2240

Protein

(g/day)

	2009-10	2023-24
Rural	59.3	61.8
Urban	58.8	63.4

Rising nutritional intake, life expectancy and declining Infant Mortality Rate together point to sustained improvements in population health and overall well-being.

Government Initiatives towards a healthier lifestyle

Awareness initiatives for tackling obesity

- Eat right camapign
- 10% reduction in oil consumption
- Khelo India and Fit India Movement
- Aaj se Thoda kam Campaign
- Stop Obesity & Fight Obesity Campaign

Technology driven initiatives

- Centre of Excellence for AI driven reforms at AIIMS Delhi, AIIMS Rishikesh & PGIMER, Chandigarh
- Clinical decision support system integrated with e-Sanjeevani.
- AI-based diabetic retinopathy screening.
- 14.32 crore beneficiaries registered under U-Win portal.

Mental health: Combating digital addiction

- Safe Internet Guidelines for schools
- Pragyatah Framework for screen-time planning for digital education
- NCPCR* guidelines on screen-time limits and online safety
- Online Gaming Regulation Act, 2025
- Tele-MANAS* (14416): 24×7 national mental health helpline
- Specialised treatment: SHUT* Clinic, NIMHANS

Infrastructure strengthening



1.8+ lakh Ayushman Arogya Mandir operational with footfall of 506.50 crore.



Nearly 3.78 lakh human resources provided to states.



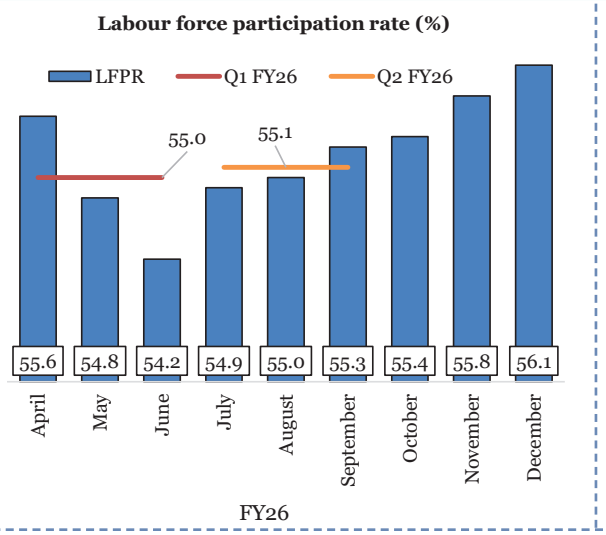
42.78 crore Ayushman Bharat cards generated.

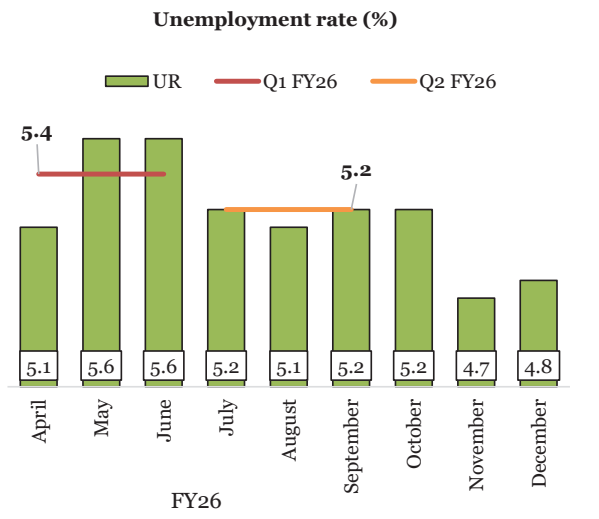
*NCPCR:National Commission for Protection of Child Rights; Tele-MANAS:Tele Mental Health Assistance and Networking Across States ; SHUT: Service for Healthy Use of Technology;

12 Employment and Skill Development : Getting Skilling Right

Catalysing job growth

Labour market dynamics for FY26





Source: Monthly and Quarterly PLFS Bulletin

Labour Codes: Balancing worker protection and flexibility

29 labour laws consolidated into 4 labour codes, enacted on 21 November 2025.

- Code on wages, 2019.
- Code on Social Security, 2020.
- Industrial Relations Code, 2020.
- Occupational Safety, Health and Working Conditions Code, 2020.

Boost to formalisation

- Recognition of fixed-term employment (FTE) as formal engagement.
- Equal benefits for FTE and contract workers
- Mandatory employment letter for all.

Enhanced Social Security

- Portability of benefits via Universal Account Number.
- Formal recognition of gig workers.

Female participation

- Provision of creches and enabling night shifts.
- Expansion of maternity benefit.
- Flexible work provisions.
- Work across all establishments.

Growth in income

- Introduction of a statutory National floor wage.
- Ensuring equal pay for equal work.

Ease of doing business

- 'Inspector' role shifts to 'Inspector-cum-Facilitator under Code on Wages, 2019, focusing on guidance.
- Introduction of Single Registration, Single Return, and Single License for businesses.

Employment expansion

- Higher layoff, retrenchment and closure thresholds to discourage firms from staying small.
- Provision of direct hiring and FTE to boost training and hiring.

Implementation could result in the creation of ~77 lakh jobs (SBI, November 2025).

Enhancing female participation

Increase in female labour force participation rate



A fall in female unemployment rate



Source: Annual PLFS report 2023-24

Flexible work structure

- Code on Social Security, 2020 (CSS) provides for flexible work models and gender-responsive work standards.

Affordable housing

- Sakhi Niwas, Ministry of Women & Child Development.
- Thozhi hostel, Tamil Nadu

Public-private partnership

Innovative models to enhance private participation

- Telangana's WE-Hub
- Maharashtra's *Mahila Arthik Vikas Mahamandal*
- *Kerala's Kudumbashree*

Skill development

- Aligning skilling with industry demand.
- Enhancing STEM enrolment.
- Initiatives such as 'Back to Work' and 'Returnship programme.

Enhanced urban mobility

Extending safety infrastructure

- Kochi's Women Police Control Room
- Hyderabad's SHE Team.
- Chennai's inclusive street design manual
- Bhubaneswar's Janpath Street

Removal of statutory restrictions

- 17 States/UTs removed prohibitions on women's employment in hazardous industries.
- 22 States/UTs permit night work for women in factories.
- 33 States/UTs allow night work in commercial establishments.

Care economy

- Expanding network of Anganwadi centres.
- Provision of creches under CSS.

Getting Skilling Right

Industry-driven skilling

National Scheme for Upgradation of Industrial Training Institutes (ITIs)

- To upgrade 1,000 ITIs
- Smart classrooms, modern labs, digital content, and industry-aligned courses being provided

Flexi-MoU Scheme

- Firms providing customised training.
- Nearly 10,000 trained by prominent enterprises

PMKVY 4.0

- Training in NSQF-aligned job roles
- Collaboration with industry-led sector skill councils.
- Rozgar & Apprenticeship Melas linking employers with job seekers.

Innovative financing for skill development

DBT under NAPS* 2.0 and NATS* 2.0

- Over 12 lakh DBT stipend transfers made under NATS 2.0.
- Under NAPS 2.0, 25% of the stipend directly transferred to apprentices via DBT.

Skill Vouchers

Demand-side financing instrument providing choice to learners.

- Maharashtra's Vikalp Skill Voucher Programme.
- Tamil Nadu skill voucher scheme.



Model Skill Loan Scheme

- Credit-based skilling expanded by raising loan limits and widening eligible lenders.
- Coverage extended to non-NSQF courses from MSDE-SIDH* registered providers.

Skill Impact Bond of NSDC*

Links funding with verified placement and retention outcomes.

*NSDC: National Skill Development Corporation; DBT: Direct Benefit Transfer; NAPS: National Apprenticeship Promotion Scheme; NATS: National Apprenticeship Training Scheme; NSQF: National Skills Qualifications Framework; SIDH: Skill India Digital Hub; PMKVY: PM Kaushal Vikas Yojana

13 Rural Development and Social Progress: From Participation To Partnership

India's progress against poverty.

Extreme poverty rate down to 5.3% in 2022-23 as per the revised international poverty line of USD 3.0 per day (World Bank).

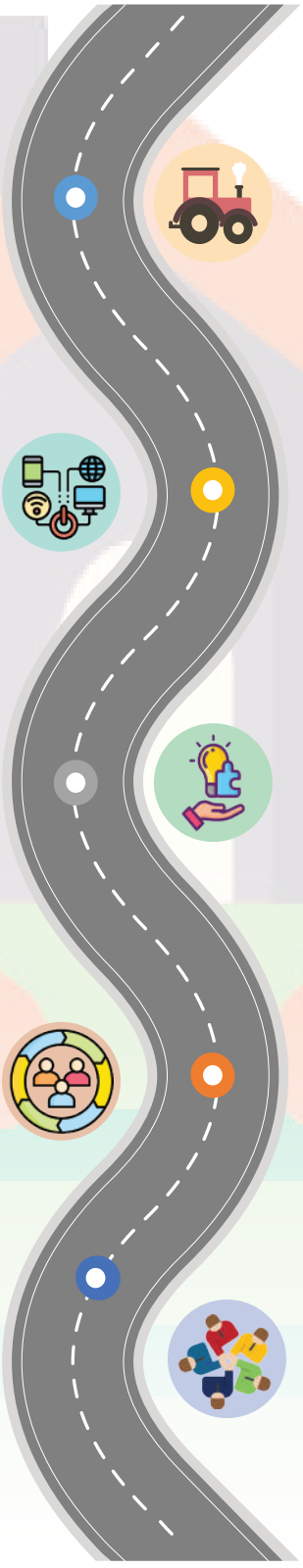
Tech-driven initiatives

- 3.28 lakh villages mapped; 2.76 crore property cards issued under **SVAMITVA**
- Empowering women through **Namo Drone Didi:** 500 drones provided (2023-24)
- Leverage technology, drones, solar & telemedicine for smart villages: **RuTAGe Smart Village Centre**

Participatory budgeting

- **Samarth application** for effective tax collection.
- **Meri Panchayat App** for monitoring.
- **eGramSwaraj**: Unified interface for reporting and tracking of Panchayat activities.

*:DDU-GKY: Deen Dayal Upadhyaya Grameen Kaushalya Yojana.
DAY-NRLM: Deendayal Antyodaya Yojana - National Rural Livelihood Mission.
RSETI: Rural Self-Employment Training Institutes.



Infrastructure

- **Enhanced rural connectivity**: Over 99.6% eligible habitations have been provided with connectivity.
- ***Har Ghar Jal***: Over 81% of rural households have a tap water connection.
- ***Housing for all***: Over 2.9 crore houses constructed.

Skill Development

- **DDU-GKY:** State-led, skill programme for rural poor youth focusing on employment, retention, progression, and third-party quality certification.
- **Upskilling through RSETIs:** 629 functional centres across 616 districts in 33 States/UTs.

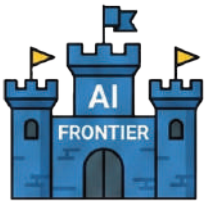
Harnessing social capital

- **Under DAY-NRLM** support provided for self-employment and skilled wage work via women-led SHGs.
- Over 9 lakh community resource persons work towards food security and stable incomes of households.

14 Evolution of the AI Ecosystem in India: The Way Forward

AI Ecosystem: Trade-Offs for India

Navigating Constraints for Policy Choices



AI Frontier

Few Firms; Greater AI Capability

FRONTIER vs APPLICATION

TRADE-OFF:

Scale & Control **OR** Local Alignment

Sector-Specific Solutions; Diverse set of Firms



AI Applications


Rapid Scale

Cost Reduction; Higher Productivity

SCALE vs INCLUSION

TRADE-OFF:

Productivity **OR** Absorption

Labour Augmentation; Slower Diffusion


Inclusion


Proprietary

Incentive to Innovate; Pushing Frontiers

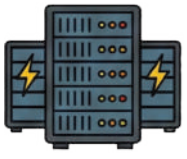
PROPRIETARY vs OPEN

TRADE-OFF:

Competitive Edge **OR** Openness

Shared Innovation; Adaptability


Open-Source


Compute Scale

Larger Models; Availability of powerful compute

DATA CENTRE SCALE vs LOCAL COMPUTE

TRADE-OFF:

Centralised Scale **OR** Distributed Efficiency

Small Models; Decentralised Compute


Local Compute


Regulation

Fixed Costs & Compliance; Safety & Risk Mitigation

REGULATION vs INNOVATION

TRADE-OFF:

Safety & Trust OR Sustaining Innovation

Speed; Diffusion; Possible Risks of Misuse


Innovation

Building a Future-Ready Workforce

Redefining Education & Work



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

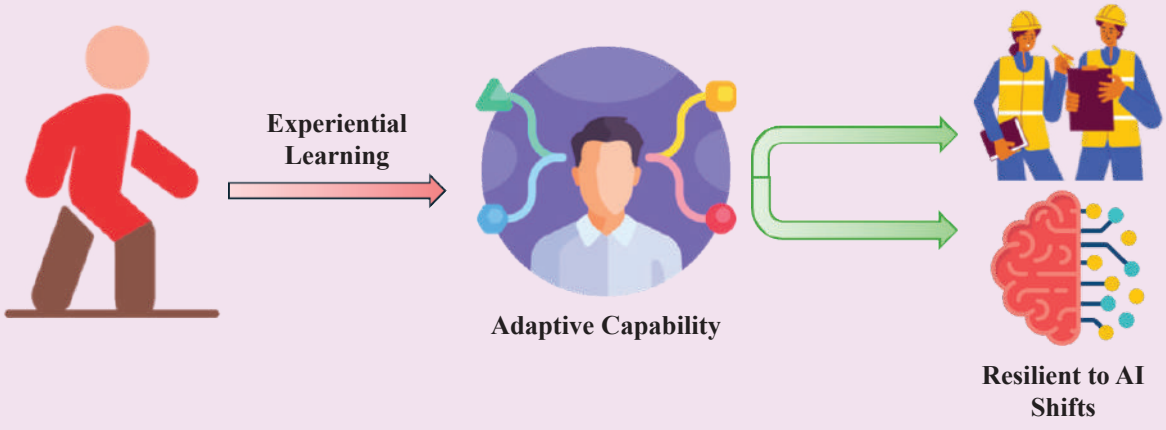
Beyond White-Collar: Filling Gaps in High-Skill, Human-Centric Jobs



HIGH POTENTIAL, UNDERSTAFFED SECTORS REQUIRING HANDS-ON EXPERTISE

Future-Ready System

Emphasising experience and flexibility over solely cognitive specialisation



DATA AS A STRATEGIC RESOURCE: INDIA'S AI ERA FRAMEWORK

Trusted Cross-Border Flows & Domestic Value Retention

The Context: India's Digital Scale

~ 1 Billion Connected People (Wireless/Broadband)





The Asset: Massive Human-Generated Data



Core AI Factor

High School

Three Core Objectives for the Data Localisation Framework



1. Preserve Openness

Innovation & Investment Flows



2. Ensure Oversight

Auditability, Transparency



3. Retain Domestic Value

Build India's AI Capabilities

Value Retention from Domestic Data is critical

Using Domestic Data to solve India's Developmental Challenges

1. Data from Healthcare, Education, and Agriculture are valuable factor inputs for training sector-specific models.
2. Sector-specific AI is needed to fulfil gaps in the availability of skilled talent, enhance the productivity of existing workers, and address India's challenges from the bottom up.

Menu-based compliance options for Domestic Value Creation



Local Training of Models



Running Upskilling Programs



Financial Contributions towards Domestic R&D

Regulating via Incentives

FOCUS ON POSITIVE INCENTIVES



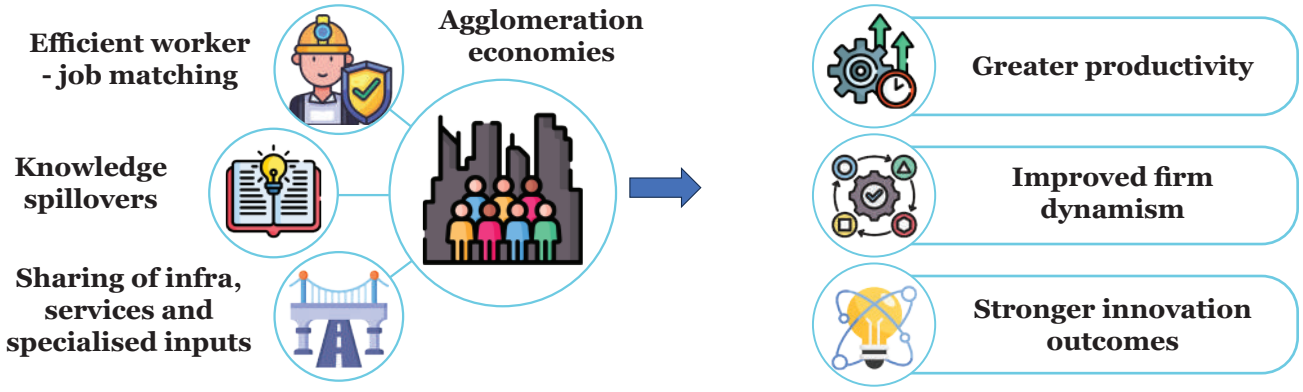
BENEFITS:
Contribute to Domestic Capacity-> Reduced Audits, Faster Clearances



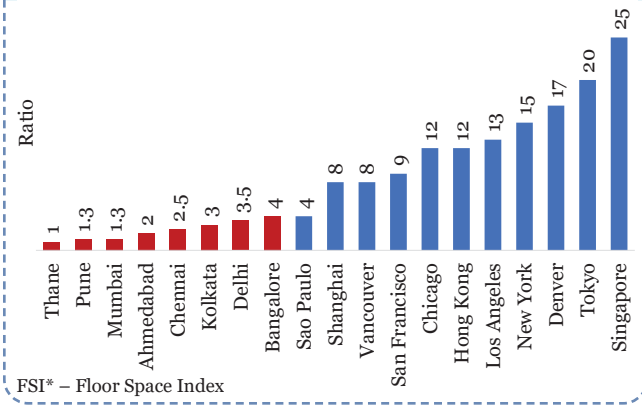
STATE LEVER:
Access to Govt Datasets and Incentives

15 Urbanisation: Making India's cities work for its citizens

Agglomeration economies underpin the logic of urbanisation



Free FSI* across India's cities is lower than in major cities across the globe



FSI* – Floor Space Index

Unlocking land productivity will help reduce urban sprawl

- Increasing FSI at scale across cities
- Improving land titling for ease of transactions. Government measures include Bhu-Aadhaar and National Generic Document Registration System.
- Reducing development control regulations needs to be followed by improvements in mobility, sanitation and waste management

Tackle mobility issues



In 2024, commuters in BengAaluru, Mumbai, and New Delhi lost **117** hours, **103** hours, and **76** hours, respectively during rush hour.



In recent years, India witnessed a massive expansion in public transport – metros, RRTS and e-buses

Measures to improve outcomes

- Augment and digitise bus fleets
- Finance-first e-bus deployment
- Mainstream last-mile and shared mobility
- Transit-oriented Development (TOD) and value capture around stations
- Manage demand where geometry is most binding through congestion pricing and parking management

Government measures have made significant progress in waste management



Door-to door collection of MSW: negligible in in 2014-15; covers 98% of urban wards in 2024-25



2.5 lakh waste collection vehicles nationwide



GPS-enabled vehicles and integrated command centres in many cities to monitor collection routes



Waste processing: 2014-15 – 16%
2024-25 – 80%

Changing the attitude of the public towards Waste Management – The case of Indore



Developing social order and civic sense

- Cities must prioritise rule certainty over rule proliferation
- Urban design and service delivery must be used as behavioural instruments
- Incentives should be aligned with correct behaviour
- Using behavioural nudges to encourage social contract around civic sense
- System-based civic-sense awareness rather than episodic messaging
- Efforts to strengthen civic order must recognise the distributional aspect of urban rules

Non-tangible aspects of future cities

