INVESTMENT FACT SHEET

INDIA

Economic Momentum, Policy Reform and the Technology Frontier: A Briefing for European Investors

Embassy of India
Budapest

India enters the second half of this decade as the world's fastest-growing major economy and the site of the most consequential regulatory liberalisation programme it has undertaken since 1991. Over the past five years the country has rebuilt its macroeconomic buffers, decriminalised and simplified vast tracts of business law, opened previously closed sectors (insurance, nuclear power, space) to private and foreign capital, and signed its largest-ever free trade agreement, with the European Union. In parallel, India has built, at a scale with no real precedent, the digital public infrastructure, artificial intelligence capacity, physical connectivity and clean-energy base on which the next phase of growth will rest. For enterprises in Hungary and across Central Europe, the practical question is no longer whether India matters but how to position for a market that the EU-India agreement will open more widely than ever before. This fact sheet sets out the headline indicators, the policy architecture behind them, the facilitation network to contact, and the technology ecosystem that follows.

All figures are drawn from Government of India ministries and agencies (Ministry of Finance, RBI, NPCI, MoSPI, NITI Aayog, PIB), the IMF, World Bank, S&P Global and financial media, current as of early August 2026 unless otherwise noted. Indian rupee amounts are converted to euros at the market rate of roughly 110 rupees per euro (early August 2026) and rounded. Figures reported by different official sources for the same indicator occasionally vary owing to differing base years, provisional versus revised data, or methodology.

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Executive Summary

- India's economy is valued at approximately US$4.15 trillion (about €3.6 trillion), the 6th-largest globally in nominal terms and 3rd-largest by purchasing power. Growth in FY2025-26 is estimated at around 7.4%, again the fastest among the world's major economies, and the IMF's July 2026 outlook projects 6.4% for FY2026-27, roughly seven times the 0.9% projected for the euro area.
- S&P Global upgraded India's sovereign credit rating to BBB in August 2025, its first upgrade of India in eighteen years, citing fiscal discipline and macroeconomic resilience.
- Foreign exchange reserves stand at about US$682 billion (late July 2026), after touching a record US$728 billion in February 2026. The buffer covers close to a year of imports and allowed the RBI to steady the rupee through this year's oil price shock without resorting to capital controls.
- India and the EU signed a comprehensive Free Trade Agreement at the New Delhi summit on 27 January 2026, the largest trade agreement either side has ever concluded. It eliminates or reduces tariffs on more than 90% of goods trade and is expected to double EU goods exports to India by 2032; ratification by the European Parliament and the Council of the EU is under way.
- Since 2023, two successive Jan Vishwas Acts have decriminalised more than 900 minor regulatory provisions across nearly 100 Central laws, replacing imprisonment with civil penalties for technical business infractions. This is one of the largest deregulation exercises undertaken by any major economy in this period.
- India runs the world's largest real-time digital payments network (UPI), which set a fresh monthly record of 23.66 billion transactions worth about €272 billion in July 2026, is deploying a sovereign artificial intelligence compute and model programme, and added more non-fossil power generation capacity in FY2025-26 (55.3 GW) than in any prior year in its history.

2. Macroeconomic Indicators: The Five-Year Trajectory

The five years spanning the pandemic-era contraction and the present have produced one of the sharpest turnarounds in India's macroeconomic history: a swing from a 5.8% GDP contraction and a 9.2%-of-GDP fiscal deficit in FY2020-21 to growth estimated at 7.4%, a rating upgrade, and record foreign investment and market capitalisation today.

Indicator	FY2020-21 (COVID trough)	FY2025-26 (latest)
Real GDP growth	-5.8%	≈7.4% (provisional; fastest among major economies)
Nominal GDP (current US$)	≈ US$2.7 trillion	≈ US$4.15 trillion (≈ €3.6 trillion)
Fiscal deficit (% of GDP)	9.2%	4.3-4.4% (glide path to ≈50% debt/GDP by 2031)
Headline CPI inflation	6%+ range, volatile	As low as 1.5-2.1% in 2025; RBI target band 2-6% held
Forex reserves	≈ US$580 billion	US$682 billion (late July 2026); record ≈US$728 billion, Feb 2026
Sovereign credit rating (S&P)	BBB- (unchanged since 2007)	BBB (upgraded Aug 2025, first upgrade in 18 years)
Gross annual FDI inflows	≈ US$50-55 billion (equity)	US$58.85 billion equity / US$94.5 billion gross, record high
Stock market capitalisation	≈ US$2.5 trillion	≈ US$5 trillion (BSE-listed, June 2026)
Annual GST collections	≈ €100-110 billion	≈ €200 billion (record, FY2025-26)

Sources: IMF World Economic Outlook Update (July 2026); Ministry of Finance Economic Survey 2025-26; National Statistics Office; RBI Weekly Statistical Supplement; S&P Global Ratings; NPCI; NSDL/BSE; PIB.

Reading the numbers

- Growth momentum: The economy grew 8.2% year-on-year in Q3 FY2025-26, its sharpest quarterly expansion since early 2024, and the National Statistics Office's revised estimate puts full-year FY2025-26 growth at 7.4%, well above the government's initial 6.3-6.8% projection. For FY2026-27 the IMF (July 2026) projects 6.4% and the RBI 6.6%, a moderation driven mainly by higher global energy prices rather than domestic weakness; the IMF projects 4.6% for China and 0.9% for the euro area over the same horizon.
- Currency and ranking effects: India's headline nominal-GDP world ranking has fluctuated between 4th and 6th place over the past year, driven almost entirely by rupee depreciation (from roughly 84.6 to 88-95 per US dollar amid an oil-price shock) and a technical rebasing of GDP statistics (base year moved from 2011-12 to 2022-23), not by any slowdown in underlying output, which the IMF still projects to nearly double in dollar terms to around US$7.3 trillion by 2030.

- Fiscal consolidation: The fiscal deficit has been brought down from a pandemic peak of 9.2% of GDP to a targeted 4.3% in FY2026-27, alongside a shift in the composition of spending. Capital expenditure has risen from 1.7% of GDP pre-pandemic to around 4% today, funding infrastructure rather than subsidies.
- Price stability: Retail inflation, which ran in high single digits for much of the 2010s, registered some of the lowest readings on record in late 2025 (0.25% in October 2025) and has stayed inside the RBI's 2-6% tolerance band, aided by GST rate cuts and record agricultural output.
- External buffers: Reserves of about US$682 billion cover close to a year of imports. Combined with record FDI inflows and disciplined external borrowing, this allowed the RBI to manage the rupee through the 2026 Middle East oil shock by selling dollars from a position of strength rather than imposing capital controls; reserves have been rebuilding again since mid-July 2026.

3. Socio-Economic Indicators

Macroeconomic stability has been accompanied by a socio-economic transformation on a scale rarely achieved this quickly: a decade-long poverty reduction programme, near-universal financial inclusion, and a leap in innovation output that together provide a domestic market of scale and a growing skilled workforce for investors.

Indicator	≈ 2013-15	Latest (2022-26)
Multidimensional poverty (NITI Aayog MPI)	29.17% (2013-14)	11.28% (2022-23); ≈248 million people lifted out of poverty
Jan Dhan bank accounts (financial inclusion)	≈150 million (2015)	577 million, with ≈€26.7 billion in deposits
Global Innovation Index rank (WIPO)	81st (2015)	38th of 139 economies (2025); 1st among lower-middle-income economies
Broadband / internet subscribers	≈ 300-350 million	1.07 billion (March 2026)
Direct Benefit Transfer disbursed digitally	modest base	≈€464 billion cumulative (June 2026)
Extreme poverty (World Bank, $3/day PPP)	well above 20%	≈5.3% (2022-23)

Sources: NITI Aayog Multidimensional Poverty Index discussion paper; WIPO Global Innovation Index 2025; PIB Digital India progress releases; World Bank poverty data.

Structural reforms underpinning this progress

- A new Income Tax Act 2025 has replaced the 1961 statute, cutting its length from over 800 sections and 4,000-plus amendments to 536 sections, and lifted the income-tax-free threshold to roughly €11,000 of annual income, freeing up middle-class disposable income.
- Four consolidated Labour Codes, in force since November 2025, have replaced 29 separate central labour laws, standardised the definition of "wages" across statutes, and raised the threshold for prior government approval of layoffs and closures from 100 to 300 workers, giving larger employers materially greater operational flexibility.
- The MSME investment and turnover thresholds were roughly doubled to two-and-a-half-fold (for example, the micro-enterprise investment limit was raised from about €90,000 to €230,000), widening the pool of firms eligible for streamlined compliance and credit support.

4. Major Government Reforms and Stimulus Policies

The past five years have seen a concentration of structural reform unmatched since the 1991 liberalisation, spanning taxation, sectoral FDI limits, industrial incentives, and the opening of previously state-monopolised sectors.

Fiscal and tax reform

- GST 2.0 (effective September 2025): rationalised India's Goods and Services Tax into a simplified two-rate structure, cutting rates across roughly 11% of the consumer price basket and contributing directly to record-low inflation readings and a consumption rebound (festive-season sales reached about €55 billion in 2025).
- Income Tax Act 2025: a full rewrite of India's direct tax code, effective April 2026, alongside a personal tax-free threshold of roughly €11,000 designed to lift household consumption.
- Sustained capital expenditure push: the FY2026-27 Union Budget allocates about €111 billion to capital expenditure, more than six times the pre-pandemic level, funding highways, ports, railways and the semiconductor and AI missions described in the Annex.

Sectoral liberalisation

- Insurance FDI raised to 100%: the Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Act removed the previous 74% cap on foreign ownership of Indian insurers, alongside stronger IRDAI regulatory powers.
- Nuclear power opened to private and foreign capital: the SHANTI Act ended the decades-old state monopoly on civil nuclear generation, introducing a revised civil liability framework designed to attract international nuclear technology partners.
- Space sector liberalisation: the Indian Space Policy has enabled a private space start-up ecosystem to grow from roughly 11 companies in 2014 to more than 400 today, with IN-SPACe facilitating over 70 technology transfers from ISRO to industry. In July 2026 this ecosystem produced its first privately built orbital rocket (see Annex B).

Industrial incentives

- Production-Linked Incentive (PLI) schemes: an outlay of roughly €17.9 billion across 14 sectors (electronics, pharmaceuticals, automotive, textiles, solar modules and more) has driven, for example, a 32% rise in electronics exports and a 51% surge in telecom instrument exports in a single year.
- India Semiconductor Mission 2.0: a €730 million allocation for FY2026-27 (the largest single-year outlay since the mission's 2021 launch) supports 13 approved semiconductor projects across seven states. The first made-in-India memory modules shipped commercially from Micron's Sanand plant in February 2026, and Tata Electronics' front-end fabrication plant is under construction in Gujarat (see Annexes A and B).

– IndiaAI Mission: a €940 million programme to build sovereign AI compute, datasets and foundation models, discussed further in Annex A.

Trade policy: the India-EU Free Trade Agreement

On 27 January 2026, at the India-EU summit in New Delhi, the two sides signed a comprehensive Free Trade Agreement, concluding negotiations begun in 2007 and relaunched in 2022. European Commission President Ursula von der Leyen described it as creating "a free trade zone of two billion people." Key features:

– Tariff elimination or reduction on more than 90% of goods traded between the two economies; the European Commission states the agreement removes or lowers tariffs on over 96% of EU goods exports to India, saving EU exporters an estimated €4 billion annually.

– The EU is already India's largest trading partner, with €120 billion in goods trade in 2024; the European Commission projects the FTA could double EU goods exports to India by 2032.

– For Hungarian and Central European exporters, the gains fall in precisely the sectors where the region is strongest: the agreement phases down India's high tariffs on vehicles and automotive components, machinery, pharmaceuticals and agri-food products including wine, while dedicated SME provisions lower the entry cost for mid-sized firms.

– The agreement covers goods, services, investment facilitation, government procurement, intellectual property, digital trade, and sustainable development commitments (including tariff reductions on low-carbon goods and services).

– Alongside the FTA, the two sides signed a Strategic Partnership document and a Security and Defence Partnership, launched negotiations on a Security of Information Agreement, and concluded MoUs including one between the RBI and the European Securities and Markets Authority.

– Ratification is under way: the European Parliament and the Council of the EU must approve the agreement, and India's Union Cabinet has endorsed it; entry into force is expected in the course of 2027, following legal scrubbing and translation.

5. Regulatory Easing and Ease of Doing Business

Alongside fiscal and sectoral reform, India has pursued what officials describe as "trust-based governance": a systematic effort to remove criminal liability from minor, technical regulatory infractions and replace it with proportionate civil penalties, reducing both compliance risk and the burden on the judicial system.

The Jan Vishwas reform programme

- The first Jan Vishwas Act (2023) decriminalised 183 provisions across 42 Central laws.
- The Jan Vishwas (Amendment of Provisions) Act, 2026, passed by both Houses of Parliament in April 2026, goes far further: it amends 784 provisions across 79 Central Acts administered by 23 ministries, of which 717 provisions have been decriminalised outright and 67 amended to ease compliance.
- The reform replaces imprisonment with monetary or administrative penalties for offences such as late regulatory filings, minor labelling or documentation errors, and technical lapses under laws covering pharmaceuticals, food safety, ports, shipping, and legal metrology: sectors of direct relevance to manufacturing and logistics investors.
- Independent legislative analysis (PRS India) notes the reform is one of the largest omnibus decriminalisation exercises undertaken anywhere: cumulatively, more than 900 provisions across roughly 100 Central Acts have now been rationalised since 2023.

Complementary deregulation measures

- Mandatory compliance requirements were removed for 76 products under India's Quality Control Order regime, with more than 200 further products identified for deregulation, directly reducing the compliance burden on exporters and manufacturers.
- The revised MSME definition (investment and turnover thresholds roughly doubled) brings a substantially larger pool of enterprises within streamlined regulatory and credit frameworks.
- India's Global Innovation Index ranking has advanced from 81st in 2015 to 38th of 139 economies in 2025, placing it first among lower-middle-income economies and reflecting sustained gains in institutional quality, infrastructure and knowledge output that underpin the ease-of-doing-business case for India.

6. Investment Facilitation: Key National and State Agencies

India's investment facilitation architecture works on two levels. At the national level, Invest India acts as the first point of contact and dedicated hand-holding agency for foreign investors, while the National Single Window System consolidates central and state approvals on one digital portal. At the state level, India's federal structure means that states compete actively for investment, each through its own promotion agency or single-window bureau, much as EU member states and regions compete within the single market. Hungarian and European companies shortlisting a location should engage the relevant state agency early; the Commercial Wing of the Embassy of India in Budapest can broker introductions at both levels.

National agencies and platforms

	Organisation	Mandate	Website
INVEST INDIA	Invest India	National investment promotion and facilitation agency; first point of contact and dedicated account management for foreign investors	www.investindia.gov.in
National Single Window System	National Single Window System (NSWS)	Unified digital portal for central and state approvals and clearances, covering 29 states and union territories	www.nsws.gov.in
	Department for Promotion of Industry and Internal Trade (DPIIT)	FDI policy, industrial policy and the Production-Linked Incentive framework	www.dpiit.gov.in
GIFT	GIFT City (Gujarat International Finance Tec-City)	India's international financial services centre and fintech hub at Gandhinagar	www.giftgujarat.in
INDIA INVESTMENT GRID	India Investment Grid	Live national database of investible projects and opportunities across sectors and states	www.indiainvestmentgrid.gov.in

	Organisation	Mandate	Website
	National Industrial Corridor Development Corporation (NICDC)	Plug-and-play industrial cities and corridors, including Dholera and the Delhi-Mumbai corridor	www.nicdc.in
	Startup India	National platform for start-up registration, incentives and investor connections	www.startupindia.gov.in
	India Brand Equity Foundation (IBEF)	Official knowledge resource on Indian states, sectors and investment policy	www.ibef.org
	India AI	Umbrella national initiative by the Government of India designed to build a comprehensive, sovereign artificial intelligence ecosystem.	https://indiaai.gov.in

State agencies

State	Investment promotion agency	Website
Andhra Pradesh	AP Economic Development Board (APEDB)	apedb.gov.in
Arunachal Pradesh	AP Industrial Development & Financial Corporation (APIDFC)	www.apidfc.in
Assam	Assam Industrial Development Corporation (Invest Assam)	www.aidcltd.com
Bihar	Udyog Mitra, Department of Industries	udyogmitrabihar.in
Chhattisgarh	Chhattisgarh State Industrial Development Corporation (CSIDC)	csidc.in
Goa	Goa Industrial Development Corporation (Goa-IDC)	www.goaidc.com
Gujarat	Industrial Extension Bureau (iNDEXTb)	www.indextb.com
Haryana	Haryana Enterprises Promotion Centre (Invest Haryana)	investharyana.in
Himachal Pradesh	HP State Industrial Development Corporation (HPSIDC)	hpsidc.in

State	Investment promotion agency	Website
Jharkhand	Department of Industries, Government of Jharkhand	www.jharkhand.gov.in
Karnataka	Invest Karnataka (Karnataka Udyog Mitra)	investkarnataka.co.in
Kerala	Kerala State Industrial Development Corporation (KSIDC)	ksidc.org
Madhya Pradesh	MP Industrial Development Corporation (Invest MP)	invest.mp.gov.in
Maharashtra	Maharashtra Industrial Development Corporation (MIDC)	www.midcindia.org
Manipur	Manipur Industrial Development Corporation (MANIDCO)	manidco.in
Meghalaya	Department of Commerce & Industries	meghalaya.gov.in
Mizoram	Directorate of Commerce & Industries	mizoram.gov.in
Nagaland	Nagaland Industrial Development Corporation (NIDC)	www.nagaind.com
Odisha	IPICOL (Invest Odisha)	www.investodisha.org
Punjab	Punjab Bureau of Investment Promotion (Invest Punjab)	investpunjab.gov.in
Rajasthan	RIICO and Bureau of Investment Promotion	www.riico.co.in
Sikkim	Sikkim Industrial Development & Investment Corporation (SIDICO)	www.sidico.org
Tamil Nadu	Guidance Tamil Nadu	investingintamilnadu.com
Telangana	Invest Telangana (TS-iPASS single window)	invest.telangana.gov.in
Tripura	Tripura Industrial Development Corporation (TIDC)	tidc.tripura.gov.in
Uttar Pradesh	Invest UP	investup.org.in
Uttarakhand	State Infrastructure & Industrial Development Corporation (SIIDCUL)	www.siidcul.com
West Bengal	West Bengal Industrial Development Corporation (WBIDC)	www.wbidc.com

Union Territory agencies

Union Territory	Investment promotion agency	Website
Delhi (NCT)	Delhi State Industrial & Infrastructure Development Corporation (DSIIDC)	www.dsiidc.org

Union Territory	Investment promotion agency	Website
Jammu & Kashmir	J&K State Industrial Development Corporation (J&K SIDCO)	www.jksidco.org
Chandigarh	Chandigarh Industrial & Tourism Development Corporation (CITCO)	citcochandigarh.com
Puducherry	Puducherry Industrial Promotion Development & Investment Corporation (PIPDIC)	www.pipdic.com
Andaman & Nicobar	A&N Islands Integrated Development Corporation (ANIIDCO)	aniidco.and.nic.in
Dadra & Nagar Haveli and Daman & Diu	UT Administration, Industries Department	daman.nic.in
Lakshadweep	Department of Industries	lakshadweep.gov.in

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This fact sheet is intended as a briefing aid and does not constitute investment, legal or tax advice. Euro conversions use the early-August 2026 market rate of roughly 110 rupees per euro and will move with the exchange rate. Readers should verify current figures against primary sources before making investment decisions, given the pace of policy and market change described throughout.

India's Technology Ecosystem: A Survey

India's technology build-out over the past decade has proceeded along four parallel tracks that are of direct relevance to investors: digital public infrastructure that has slashed the cost of onboarding customers and citizens; a fast-emerging sovereign artificial intelligence capability; a historic expansion of physical connectivity; and a renewable and nuclear energy build-out that is reshaping the industrial power-cost equation.

A.1 Digital Public Infrastructure (DPI)

India's "India Stack" (Aadhaar digital identity, the Unified Payments Interface (UPI), DigiLocker, and the Open Network for Digital Commerce) is widely regarded, including by the IMF, as the world's most advanced population-scale digital public infrastructure, and is now being exported as a model.

- UPI processed roughly 241.6 billion transactions worth about €2.85 trillion in FY2025-26, a nearly 12,000-fold increase in volume since its 2016 launch, and set a fresh monthly record in July 2026: 23.66 billion transactions worth about €272 billion, more than Hungary's entire annual economic output moved in a single month. By some industry estimates UPI accounts for close to half of the world's real-time digital payment volume.
- UPI merchant payments are now live in ten countries (Bhutan, Singapore, the UAE, France, Mauritius, Sri Lanka, Nepal, Qatar, Cambodia and the Maldives), with person-to-person transfers connected in Greece, so European travellers already encounter it at home and in India. The network is supported by India Stack Global and a Global DPI Repository launched during India's 2023 G20 Presidency, and India has signed digital-infrastructure cooperation agreements with 24 countries.
- Aadhaar digital identity now covers over 1.44 billion enrolments; DigiLocker has issued over 8.5 billion digital documents to more than 700 million registered users, reducing paperwork across banking, education and government services.
- Direct Benefit Transfer has moved more than €464 billion in welfare and subsidy payments directly and digitally to citizens, sharply reducing intermediary leakage: a data point of interest to any investor assessing the efficiency of India's public administration.

A.2 Public-Facing Artificial Intelligence

India's AI strategy centres on building sovereign compute and language capability rather than relying solely on imported models, reflecting both its linguistic diversity and a broader push for technological self-reliance.

- The IndiaAI Mission (€940 million / ≈US$1.2 billion outlay) has financed the deployment of more than 34,000 GPUs through empanelled cloud providers, subsidising compute access for start-ups, researchers and enterprises by up to 40%.

- Bhashini, the government's language-AI mission, provides real-time translation, speech-to-text and text-to-speech across all 22 constitutionally scheduled Indian languages, and is already embedded in citizen-facing platforms such as MyGov (some 140 million users).
- Sarvam AI, selected under the IndiaAI Mission to build India's sovereign large language model, released open 30-billion and 105-billion parameter models in February 2026 and reached unicorn status (US$1.5 billion valuation) in June 2026 on a US$234 million raise led by HCLTech: evidence of investor appetite for India-specific AI infrastructure (see Annex B).
- Complementary national programmes include BharatGen (an IIT Bombay-led consortium building a roughly 1-trillion-parameter model) and Krutrim, alongside a National Quantum Mission (€546 million) that has produced India's first full-stack quantum computer, a 64-qubit superconducting chip, and a fully indigenous 1,000 km quantum-secured communication network (see Annex B).

A.3 Physical Infrastructure

Public capital expenditure has risen roughly six-fold since 2014, financing a transport and logistics build-out coordinated since 2021 through the PM Gati Shakti national master plan, which integrates highway, rail, port and industrial-corridor planning across ministries.

- National highway length has grown from 91,287 km (2014) to 146,572 km (March 2026), with four-lane-and-above highways more than doubling (18,371 km to 45,516 km) and 3,644 km of access-controlled expressways now operational.
- Indian Railways has reached 99.6% broad-gauge electrification (from around 20% in 2014), operates more than 160 indigenous Vande Bharat semi-high-speed services, and has cut the train accident rate by roughly 90% since 2014-15 through the indigenous Kavach automatic train-protection system. The first Vande Bharat sleeper services entered operation in January 2026, and India's first hydrogen-powered train, the most powerful in service anywhere, began running in July 2026, placing Indian Railways in a small club with Germany's hydrogen fleet (see Annex B).
- Major port capacity has nearly doubled, from 873 to 1,726 million tonnes per annum, while vessel turnaround time has been cut from 94 to under 49 hours under the Sagarmala port-led development programme.
- Metro rail networks have expanded from 248 km (5 cities, 2014) to 1,155 km (26 cities, 2026), the world's third-largest metro network by length, while the number of operational airports has grown from 74 to 165.

A.4 Sustainable Energy and Green Development

India met its Paris Agreement commitment to source 50% of installed electricity capacity from non-fossil sources in June 2025, five years ahead of its 2030 target, and is now the world's third-largest renewable energy market by installed capacity.

- Total non-fossil installed capacity reached 283.46 GW by March 2026 (150.26 GW solar, 56.09 GW wind, 51.41 GW large hydro, 8.78 GW nuclear, plus bio and small hydro); FY2025-26 saw a record 55.3 GW of non-fossil capacity added, nearly double the prior year's addition.

- Solar module manufacturing capacity has grown from 2.3 GW (2014) to approximately 172 GW (2026), and utility-scale solar tariffs have fallen by roughly 90% over the past decade, now undercutting new coal generation on cost.
- The National Green Hydrogen Mission (€1.8 billion outlay) targets 5 million tonnes of green hydrogen production annually by 2030, backed by an associated 125 GW of dedicated renewable capacity. Early SECI-run auctions have discovered green ammonia prices among the lowest recorded globally, a point of direct relevance to European buyers preparing for carbon border adjustment.
- India's civil nuclear programme entered its second stage with the Prototype Fast Breeder Reactor at Kalpakkam achieving first criticality in April 2026 (see Annex B), positioning India, alongside Russia, as one of only two countries operating fast breeder technology at this scale, with commercial nuclear power now open to private and foreign investment under the SHANTI Act.

Ten Technological Breakthroughs Reported from January to July 2026

1. Rail transport: India's first Vande Bharat sleeper train enters service

17 January 2026

Prime Minister Narendra Modi flagged off India's first Vande Bharat sleeper train between Howrah and Guwahati, a fully air-conditioned, indigenously designed and built long-distance trainset intended to give overnight passengers an airline-style experience at economical fares. The launch extends the Vande Bharat platform, with over 160 daytime services already running, into the overnight segment and confirms the maturity of a domestic rolling-stock industry that now designs and exports semi-high-speed trains. For European readers following the revival of night trains at home, India is entering the same market with entirely home-grown technology.

2. Sovereign artificial intelligence: Sarvam AI releases open Indian foundation models

February 2026

Sarvam AI, the Bengaluru-based company selected under the IndiaAI Mission to build India's homegrown large language model, released open 30-billion and 105-billion parameter foundation models trained substantially on government-subsidised sovereign compute. The company reports that the models outperform comparable global systems on Indian-language benchmarks across the country's 22 scheduled languages. By June 2026 Sarvam had become India's newest AI unicorn, closing a US$234 million round led by HCLTech at a US$1.5 billion valuation, evidence that investors see multilingual, sovereign AI as a durable market rather than a policy experiment.

3. Semiconductors: first made-in-India memory modules ship from Micron's Sanand plant

28 February 2026

Prime Minister Modi inaugurated Micron's semiconductor assembly, test and packaging (ATMP) facility at Sanand, Gujarat, marking the start of commercial production and shipment of the first made-in-India memory modules. The plant was the first project approved under the India Semiconductor Mission when ground was broken in September 2023, and its move into commercial output demonstrates that India can take a semiconductor facility from approval to revenue in under three years, a datapoint European electronics and automotive supply-chain planners will recognise as significant.

4. Nuclear energy: Prototype Fast Breeder Reactor attains first criticality

6 April 2026

The 500 MWe Prototype Fast Breeder Reactor at Kalpakkam, Tamil Nadu, designed by the Indira Gandhi Centre for Atomic Research and built by Bharatiya Nabhikiya Vidyut Nigam Ltd, achieved first criticality after a two-decade construction and licensing process, formally moving India into the second stage of its three-stage nuclear power programme. The reactor uses a closed fuel cycle and breeds more fuel than it consumes, opening the path to India's large thorium reserves; commercial power generation is targeted for later in 2026, and two further 600 MWe fast breeder units are planned for

the same site. India becomes only the second country after Russia to operate fast breeder technology at this scale.

5. Quantum communication: a fully indigenous 1,000 km quantum-secured network

8 April 2026

The Department of Science and Technology announced a fully indigenous, 1,000 km secure quantum communication network built by the start-up QNu Labs under the National Quantum Mission. The mission launched in October 2024 with an eight-year target of 2,000 km, and reaching the halfway mark in under two years places India among the very few countries anywhere to have deployed quantum key distribution at this scale, alongside a small group of European and Asian programmes.

6. Hypersonics: DRDO completes record-duration scramjet combustor test

9 May 2026

The Defence Research and Development Organisation's Defence Research & Development Laboratory ran an indigenously developed, actively cooled full-scale scramjet combustor for over 1,200 seconds at its Scramjet Connect Pipe Test facility in Hyderabad, nearly double the 700-second test it had completed in January 2026 and one of the longest sustained hypersonic ground trials reported anywhere. The combustor uses a domestically developed liquid hydrocarbon endothermic fuel and high-temperature ceramic thermal barrier coatings, and underpins India's air-breathing hypersonic propulsion programme.

7. Semiconductors: Tata Electronics and ASML agree to equip India's first front-end chip fab

16 May 2026

Tata Electronics and the Dutch lithography leader ASML signed a strategic agreement to equip India's first front-end semiconductor fabrication plant, a 50,000-wafer-per-month, 300mm facility under construction at Dholera, Gujarat, in partnership with Taiwan's PSMC. First silicon is targeted for late 2026 at process nodes of 28nm and below, covering automotive, industrial and IoT-grade chips. The agreement followed the Union Budget's launch of India Semiconductor Mission 2.0 and a €730 million FY2026-27 allocation, the largest single-year outlay since the mission began, and ties one of Europe's most strategically important technology companies directly into India's chip build-out.

8. Space propulsion: ISRO fires next-generation semi-cryogenic rocket engine

24 June 2026

The Indian Space Research Organisation successfully hot-tested the power head of its semi-cryogenic rocket engine at its Propulsion Complex in Tamil Nadu, reaching 88% of target thrust at a stable 175-tonne thrust level. The semi-cryogenic engine is central to India's Next Generation Launch Vehicle, intended to carry payloads of up to 30 tonnes to low Earth orbit, roughly three times the capacity of India's current heaviest operational launcher, and to underpin the country's crewed lunar and space-station ambitions.

9. Clean mobility: India's first hydrogen-powered train enters service

17 July 2026

Prime Minister Modi flagged off India's first hydrogen fuel cell train on the Jind-Sonipat route in Haryana: a ten-coach, fully indigenous trainset rated at 3,200 horsepower, described at launch as the most powerful and longest hydrogen train in operation anywhere, with water vapour as its only exhaust. The service places India in a small group alongside Germany, China, Japan and Sweden running hydrogen-powered passenger rail, and complements a network that has already electrified almost its entire 70,000 km system. It also gives the National Green Hydrogen Mission a visible, operating flagship.

10. Private space: Skyroot's Vikram-1 makes India the third nation with a private orbital rocket

18 July 2026

Skyroot Aerospace's Vikram-1 lifted off from Sriharikota and reached a 450 km orbit in 17 minutes, making India the third country, after the United States and China, where a privately built rocket has reached orbit, and doing so on the vehicle's first attempt. Weeks before launch Skyroot had become India's first space-technology unicorn, closing a US$60 million round at a US$1.1 billion valuation. With more than 400 private space companies and over US$500 million in cumulative investment, India's commercial space sector has moved from policy promise to operating industry within four years of liberalisation.

Sources: PIB, Akashvani and Ministry of Railways (Vande Bharat sleeper; hydrogen train); PIB and India Semiconductor Mission (Micron Sanand); DAE / PIB (Prototype Fast Breeder Reactor); Department of Science and Technology (quantum network); DRDO / Ministry of Defence releases (scramjet); India Briefing and CSIS semiconductor analysis (Tata-ASML); ISRO and Bloomberg (semi-cryogenic engine); Business Standard and Inc42 Unicorn Tracker (Sarvam AI); Prime Minister's Office and financial press (Skyroot Vikram-1).