BUSINESS STANDARD CEO POLL

India Inc expects faster growth, stronger earnings in 2026

Plans to invest and hire more but is concerned about global uncertainty

BS REPORTERS
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Corporate India is heading into 2026 with expectations of better earnings and stronger growth, as well as with plans to invest and hire more. However, concerns around geopolitical uncertainty remain.

A survey by *Business Standard* involving 30 chief executive officers (CEOs) from across sectors shows that companies are willing to deploy balance-sheet strength for fresh capital investment even as external headwinds continue to be the biggest concern in boardrooms.

Responding to the questionnaire, 83.3 per cent of the CEOs said they plan to invest more or expand capacity in calendar 2026 (CY26), buoyed by expectations of higher demand following policy changes such as rate cuts in the goods and services tax (GST) and income tax exemptions.

India Inc's cautious investment stance has been a long-running concern, which the government has often flagged. Speaking at an event in September, Union Finance Minister Nirmala Sitharaman had urged corporates to take advantage of the policies and reforms brought in by the government, and not hesitate to invest more.

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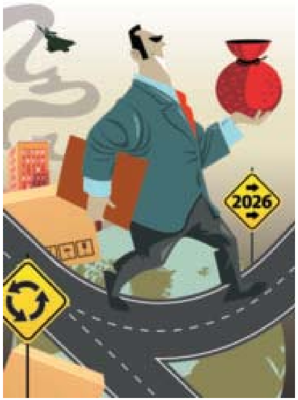
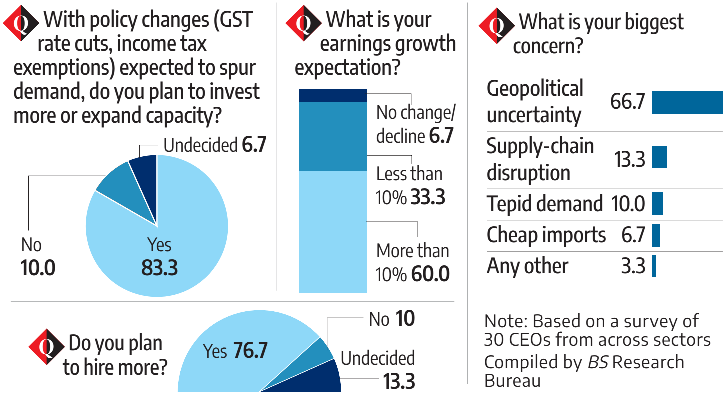


Top executives' outlook for 2026

(in %)



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Data released by the National Statistics Office on December 29, meanwhile, shows that India's industrial production has gone up 6.7 per cent in November, the highest in almost two years, supported by an 8 per cent growth in manufacturing and a pickup in mining.

This was in the backdrop of global volatility, with tariffs emerging as a key source of risk – a reality not lost on corporate India. About 66.7 per cent of the CEOs surveyed identified geopolitical uncertainty as their biggest concern for CY26.

Despite this, 60 per cent said they expected an earnings growth of over 10 per cent.

Market assessments echo this sentiment. According to a recent report by Motilal Oswal Financial Services, Indian markets were well poised to recover from the underperformance of CY25, backed by better earnings prospects, supportive domestic macroeconomic conditions, and an improved geopolitical situation. The brokerage predicts an earnings growth of 12 to 15 per cent year-on-year in FY26/FY27.

When asked, 96.7 per cent of the CEOs said they expect the economy to grow at more than 8 per cent for the remaining quarters. During the July-September period of FY26, India's economy expanded at its fastest pace in six quarters, growing 8.2 per cent.

However, the rupee breached the 90-per-dollar mark in the early part of December. While a weaker currency could help cushion tariff-related shocks, by making exports cheaper for foreign buyers and stimulating demand for local products, it would raise import costs. The CEOs forecast that the rupee may range between 83 and 100 to a dollar over the next year.

Optimism around the domestic stock market, however, remains intact, with 63.3 per cent of the CEOs expecting it to rise more than 10 per cent in CY26.

This is despite the alarm bells ringing globally regarding a potential artificial intelligence (AI) stock market bubble from a rapid increase in the valuation of AI-focused companies.

What CEOs expect...

Will you invest more in AI in 2026?

a) Yes	96.7
b) No	3.3
c) Undecided	0.0

How much do you expect stock markets to rise in 2026?

More than 10%	63.3
Less than 10%	33.3
Undecided	3.3

Will the new labour laws promote ease of doing business?

Yes	66.7
No	6.7
Unchanged	26.7

With GDP growth at 8.2% in Q2, what are your expectations for the remaining quarters this financial year?

a)Above 8%	96.7
b)Above 9%	0.0
c)Above 10%	3.3

Note: Based on a survey of 30 CEOs from across sectors

Compiled by BS Research Bureau

As many as 96.7 per cent of the CEOs surveyed said they would increase AI investments in CY26, and 76.7 per cent plan to step up hiring. Most also believe that the new labour laws would encourage ease of doing business.

When asked about their expectations from the upcoming Union Budget, the CEOs pointed to domestic manufacturing, infrastructure spending, and the rationalisation of input taxes as priority areas, with the head of a multinational company also underscoring the need for inclusive growth.

A steel company CEO called for the domestic steel market to be protected through holistic policy measures, while the chief executive of a diagnostic chain said stronger incentives were needed for the manufacturing sector to compete effectively with China.

Ishita Ayan Dutt with Sohini Das, Peerzada Abrar, Sanket Koul, Shine Jacob, Anjali Singh, Akshara Srivastava, Roshni Shekhar, Prachi Pisal, Ajinkya Kawale, and Udisha Srivastav