



BUSINESS CLUB
NIT AGARTALA

Dream - Believe - Achieve

India: The World's 4th Largest Economy (2024-25)

– Rising from Reform to Resilience



SUMMARY

India's transformation into the world's 4th largest economy in 2024–25 marks a significant milestone in its development journey. Driven by decades of structural reforms, a growing consumer base, and a robust digital and manufacturing push, India now stands as a global economic leader. This report explores the macroeconomic evolution, key policy reforms, sectoral performance, and emerging opportunities shaping India's economic landscape. It highlights critical challenges such as unemployment, inequality, and infrastructure gaps, while outlining strategic solutions including skill development, MSME support, and global trade integration. India's growth story is one of resilience, innovation, and inclusive potential on the world stage.

References : Oxfam ,World Bank,AISHE ,CMIE,IMD, Wikipedia, Make in India, Ministry of MSMEs, National Budget ,UNDP, PLFS, RBI,Economic Survey of India,MoSPI,Goldman Sachs,Exim Bank ,ILO,OECD

Overview

SIGNIFICANCE OF INDIAN'S ECONOMIC POSITION GLOBALLY

➤ India as the Fastest-Growing Major Economy

- India has consistently been one of the fastest-growing major economies, with an average GDP growth rate of 5-7% over the past decade.
- According to the IMF (2023), India contributed 15% to global GDP growth in 2023, surpassing China and the EU.- Key drivers include demographic dividend, digital transformation, and manufacturing growth (Make in India).



➤ India's Role in Global Trade & Supply Chains

- India is the 5th largest economy (nominal GDP) and a key player in services exports (IT, pharmaceuticals).
- Research by Exim Bank (2023) highlights India's export potential in electronics, chemicals, and textiles.
- The PLI (Production-Linked Incentive) scheme aims to make India a global manufacturing hub, reducing dependency on China.



Digital Economy & Fintech Leadership

- India leads in digital payments (UPI processed ~10 billion transactions/month in 2023).
- Aadhaar and India Stack have set global benchmarks in digital public infrastructure.
- Research by NITI Aayog (2022) predicts India's AI economy to reach \$1 trillion by 2035.



Demographic Dividend & Labor Market

- With 65% of its population under 35, India has a competitive labor force.
- World Bank (2023) estimates India will supply 25% of the global workforce by 2030.
- Challenges include skill gaps, as per ILO (2022) report on employment trends



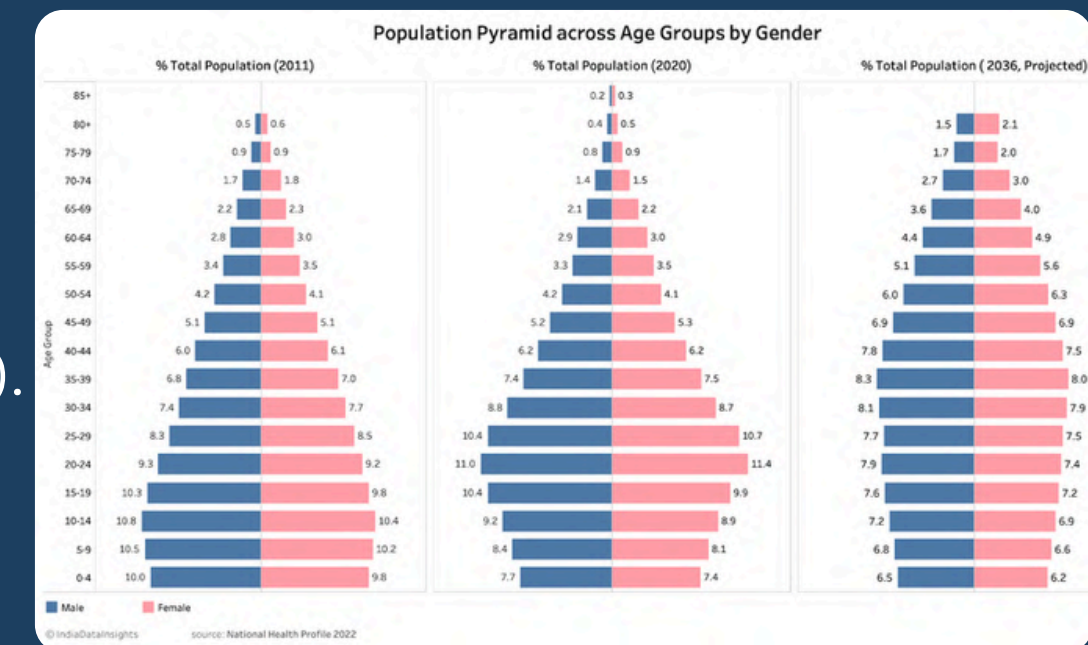
Geopolitical & Strategic Economic Influence

- India is a key player in BRICS, G20, and Quad, shaping global economic policies.
- Chatham House (2023) highlights India's strategic trade partnerships (EU, UAE, Australia).
- The Rupee trade settlement mechanism aims to reduce dollar dependency.



Challenges & Future Outlook

- Income inequality, infrastructure gaps, and regulatory hurdles remain concerns.
- OECD (2023) suggests reforms in labor laws, taxation, and FDI policies for sustained growth.
- Goldman Sachs (2023) projects India to become the 2nd largest economy by 2075.





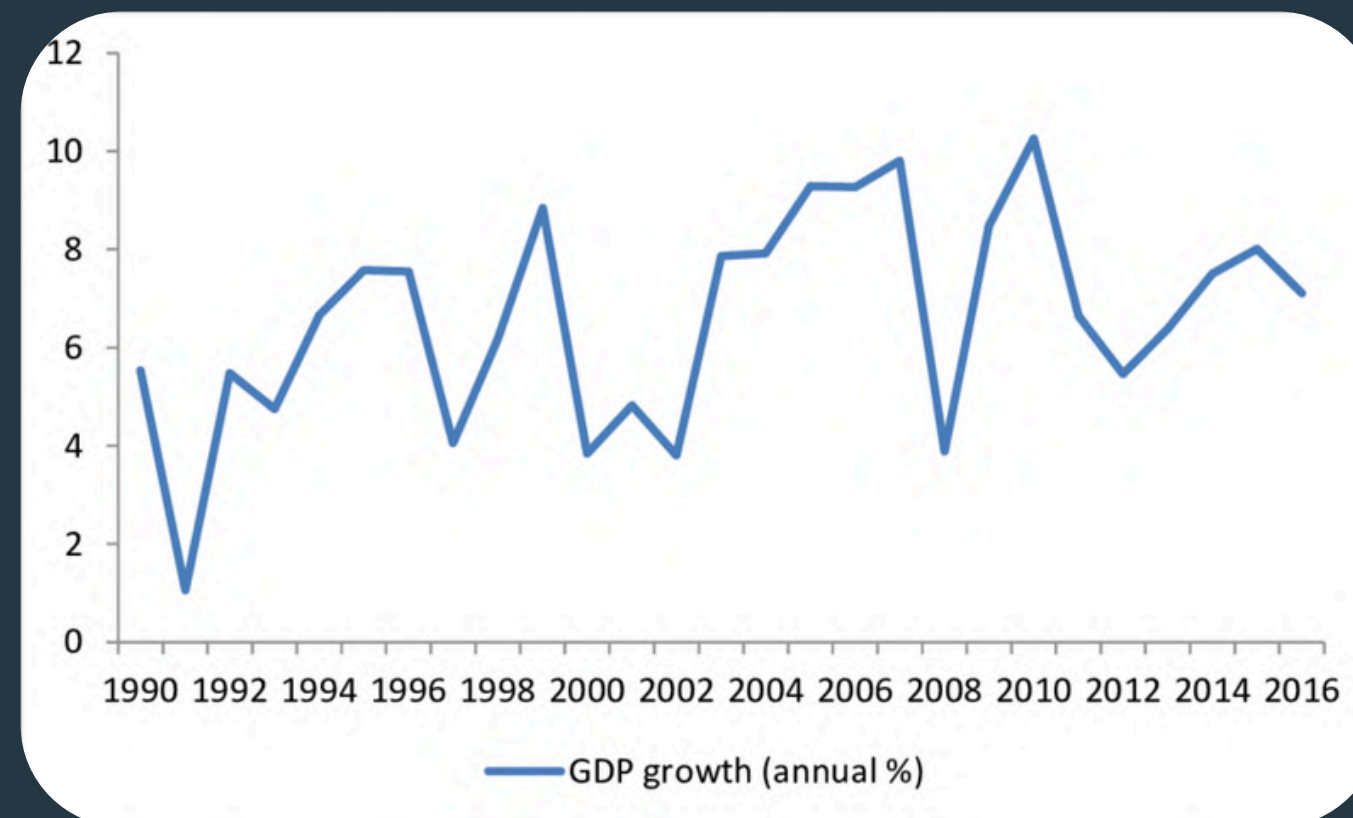
Background & Timeline

INDIA'S ECONOMIC TRANSFORMATION SINCE 1991:

A Story of Change, Growth, and Challenges

The Backstory: Why 1991 Was a Turning Point?

Imagine India in 1991—short on cash, struggling with high debts, and cut off from global trade. The government was running out of foreign reserves (just \$1 billion—barely enough to cover three weeks of imports!). This crisis forced India to open its doors to economic reforms, moving away from decades of strict government control.



The Big Reforms: What Changed After 1991?

1. End of the "License Raj"

- Before 1991, businesses needed government approval for almost everything. Reforms scrapped most of these restrictions, allowing companies to grow without endless red tape.
- Example: Entrepreneurs like Narayana Murthy (Infosys) and Ratan Tata (Tata Group) could now expand freely.

2. Opening Up to the World

- India lowered import taxes (from over 300% to around 50%), letting in foreign goods and investments.
- companies like Hyundai, Coca-Cola, and Nokia entered India, creating jobs and better products.

3. Privatization & Modernization

- Government-run companies (like Air India and BSNL) faced competition, forcing them to improve or lose market share.
- Banks and stock markets were reformed, making it easier for people to invest and get loans.

INDIA'S GROWTH JOURNEY: THE UPS AND DOWNS

PHASE 1



(1991–2002)

The Early Years
– Finding Its Feet

Growth: Around 5–6% per year (better than before, but not spectacular)

Challenges: Many feared foreign companies would wipe out Indian businesses. Some old industries (like textiles) struggled, but new ones (like IT) started rising.

PHASE 2



(2003–2010)

The Boom Years India Shining?

Growth: A red-hot 8–9% per year—India was now a global success story!

Why?

IT Revolution: Companies like TCS, Infosys, and Wipro made India the world's back office.

Mobile & Internet Boom: Airtel, Reliance, and Vodafone brought cheap telecom to millions.

Global Demand: The world wanted Indian software, pharmaceuticals, and cars.

PHASE 3



(2011–2019)

The Slowdown Reality Check

Growth: It Dropped to 6–7%—still good, but not enough for a young, job-hungry population.

Problems:

Policy Delays: Big projects (like highways and factories) got stuck in bureaucracy.

Banking Crisis: Many loans turned bad, hurting businesses.

Global Shocks: The 2008 financial crisis and later slowdowns in Europe/US affected expo.

PHASE 4



(2020–Present)

The Recent Years Recovery & New Reforms

– Post-COVID Rebound: Growth bounced back to 7%+, making India one of the fastest-growing economies.

– New Reforms:

– GST (2017): One tax for the whole country—simpler, but some small businesses struggled.

– Digital India: UPI (Google Pay, PhonePe) transformed payments—even street vendors use QR codes now!

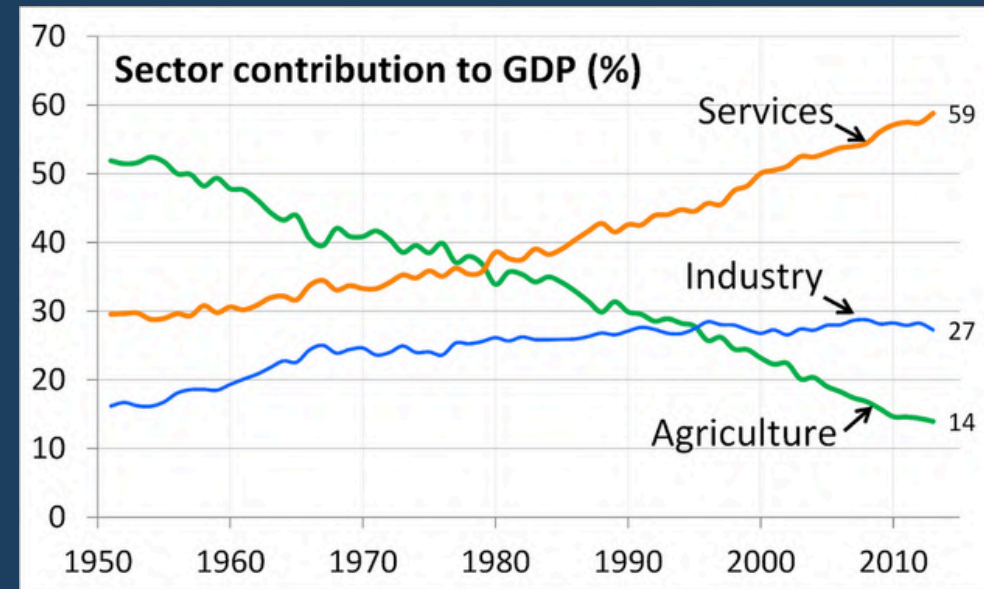
– Make in India: Trying to boost manufacturing (like smartphones and EVs) to compete with China.



MARKET LANDSCAPE /COMPETITIVE LANDSCAPE

IT Sector & Services:

- The IT-BPM sector earned \$245 billion in FY 2023, with 79% from global exports.
- It employs over 5.4 million people, with major hubs in Hyderabad, Bengaluru, and Pune.
- India is a global leader in Global Capability Centers (GCCs), providing AI, legal, R&D, and compliance services.
- Mid-tier IT firms are expanding their presence in Global Business Services (GBS) with automation and enterprise AI.
- 92% of Indian knowledge workers use generative AI—among the highest adoption rates globally.



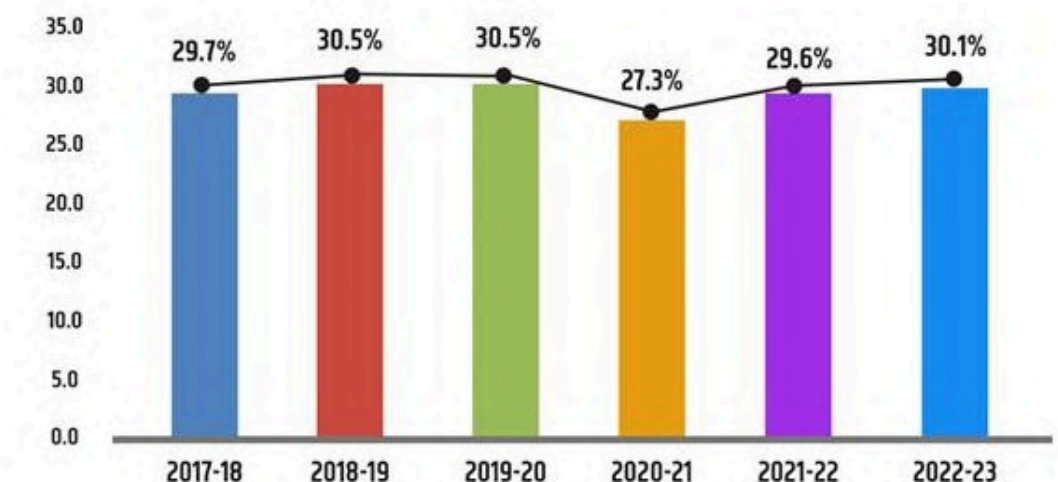
Manufacturing Sector :

- The manufacturing sector currently contributes around 14% to India's GDP.
- The government's PLI (Production-Linked Incentive) scheme of ₹1.97 lakh crore supports 13 industrial sectors.
- Indian manufacturing SMEs demonstrate over 75% technical efficiency, showing strong operational potential.
- Adoption of Industry 4.0 tools like AI, IoT, and robotics is gradually increasing in factories.
- Innovations in product design, process optimization, and marketing are helping firms grow faster

MSMEs

- MSMEs contribute about 29% to GDP, 36% of manufacturing output, and provide jobs to 120 million+ people.
- They generate around 45% of India's exports, covering diverse sectors from textiles to tech services.
- Medium enterprises, though only 0.3% of total MSMEs, account for 40% of MSME exports, showing high efficiency.
- Government support includes schemes like CGTMSE (credit guarantees), PM Vishwakarma (for artisans), and RAMP (for competitiveness & resilience).
- Digitally enabled MSMEs—using cloud computing, AI, e-commerce, and automation—show higher growth and efficiency.

Share of MSME Gross Value Added (GVA) in India's GDP





User Persona

Workforce segment



Name :Rohit Nai

Age: 27

Occupation: Software Developer,
Fintech Company

Location: Bengaluru, Karnataka

Income: ₹12 LPA

GOALS :

- Career growth in a global tech firm
- Remote work flexibility
- Exposure to global markets and clients

CHALLENGES :

- Global competition for high-skill jobs
- Rapid technological changes
- Taxation complexity on stock options (ESOPs)

NEEDS & EXPECTATION :

- Better work-life balance policies
- Simplified tax structures for digital professionals
- Greater access to international markets and exchange

IMPACT OF POLICY REFORM:

- Remote working is made easier through digital infrastructure.
- Supported by India's growing tech diplomacy and startup ecosystem

Entrepreneur Segment



Name :Neha Sharma

Age:30

Occupation: Founder, AgriTech Startup

Location: Indore, Madhya
Pradesh (Tier-2 City)

Income: Variable (early-stage
startup)

GOALS :

- Scale operations across India
- Raise venture capital funding
- Improve small farmers' income using technology

CHALLENGES :

- Access to reliable funding and mentors
- Complex regulatory compliance
- Competition with larger tech platforms

NEEDS & EXPECTATION :

- Startup-friendly tax policies and grants
- Simplified compliance processes
- Infrastructure support in Tier-2 cities

IMPACT OF POLICY REFORM:

- Benefitted from Startup India and DPIIT registration
- Uses UPI, GeM, and digital platforms for outreach

Consumer segment



Name : Meena Devi

Age: 45

Occupation: Homemaker and Self-
Help Group Member

Location: Village near Varanasi, Uttar
Pradesh

Household Income: ₹10,000–
15,000/month

GOALS :

- Better access to quality goods and services
- Financial independence through local business
- Digital literacy for her and her children

CHALLENGES :

- Unreliable internet connection
- Difficulty understanding digital payments
- Low awareness of government schemes

NEEDS & EXPECTATION :

- Access to affordable internet and digital education
- Support for SHGs and local women entrepreneurs
- Trustworthy digital payment systems

IMPACT OF POLICY REFORM:

- Benefitted from Jan Dhan account, UPI, and SHG subsidies
- Uses smartphone to sell handicrafts through WhatsApp



User Journey

EDUCATION

EMPLOYMENT / ENTREPRENEURSHIP

CONSUMPTION

INVESTMENT

Key Stats

- Literacy: 65% (2000) → 77% (2021)
- Higher Ed Enrollment: 27.3%
- Govt spend on education: 2.9% of GDP

Global Standing

- 38M+ students in higher education (AISHE 2023)
- Strong STEM & IT presence
- Institutes like IITs, IIMs, AIIMS globally recognized

Economic Impact

- +1 year schooling → +0.37% GDP (World Bank)
- IT exports: \$200B; Services: 53% of GDP
- Education powers startups & innovation

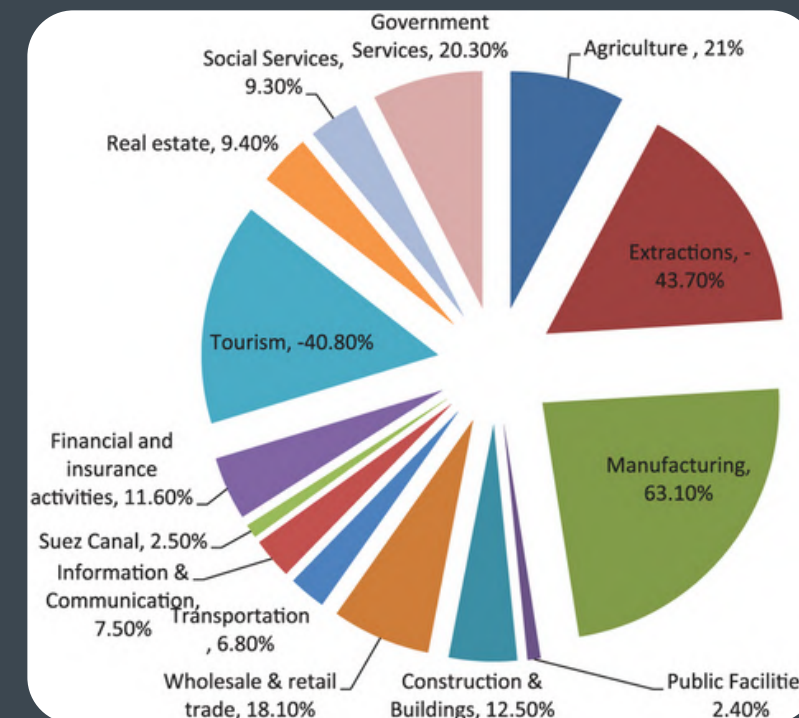
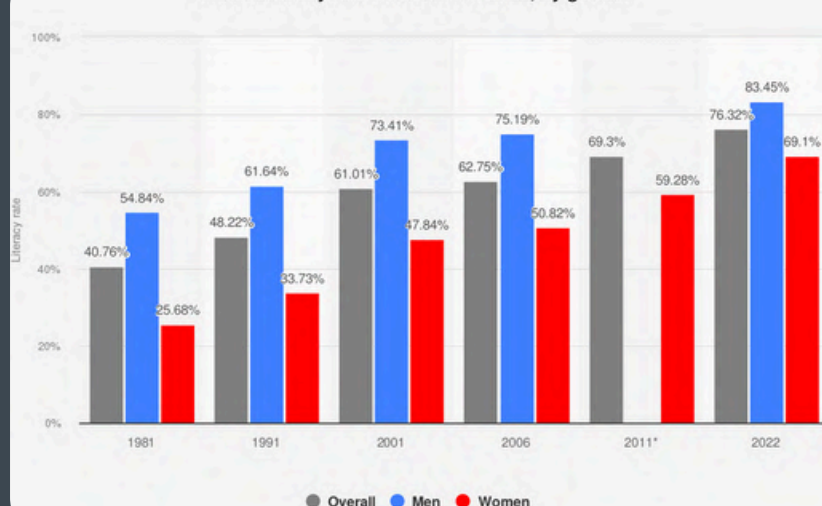
Future Suggestions

- Boost EdTech in rural areas
- Skill-based learning (AI, green tech)
- Teacher training upgrades
- PPPs for labs & internships
- Target: 6% of GDP for education

Major Policies

- NEP 2020: 5+3+3+4, coding, skill dev
- RTE 2009: Free education (6–14 yrs)
- Digital push: DIKSHA, PM eVidya

India: Literacy rate from 1981 to 2022, by gender



Sectoral contribution to indian's GDP

EDUCATION



EMPLOYMENT / ENTREPRENEURSHIP



CONSUMPTION



INVESTMENT



Key Stats

- India adds 12M+ job seekers annually
- 65% population under 35 → powerful workforce potential



Global Standing

- 3rd largest startup ecosystem globally
- Top exporter of IT services
- Indian-origin CEOs lead major global firms (Google, Microsoft, Adobe)
- India ranked in top 10 for digital competitiveness (IMD 2023)



Economic Impact

- Startups contribute \$100B+ to GDP
- MSMEs: ~30% of GDP & 40% of exports



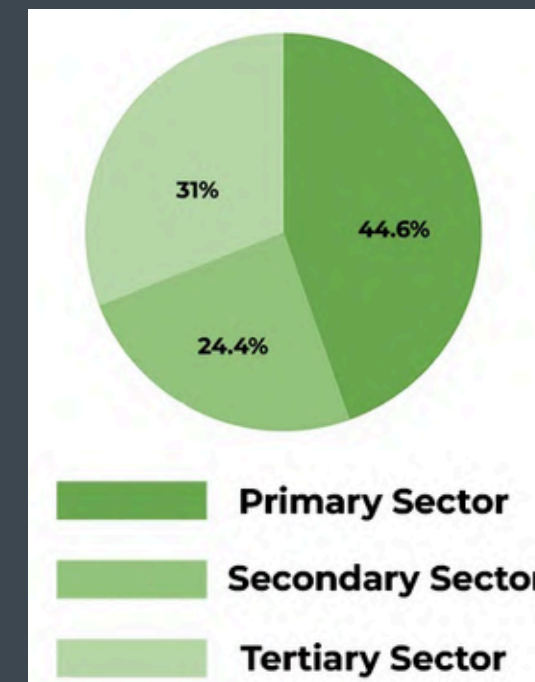
Major Policies

- Startup India: Funding, tax breaks, mentoring
- PMEGP: Micro-entrepreneur loans
- Skill India Mission: Vocational & digital skills
- MGNREGA: Rural job safety net
- PLI: boosts manufacturing jobs



Employment Trends

- Shift from agriculture to services & manufacturing
- IT, e-commerce, logistics creating new job roles
- Gig economy expansion: 7.7M gig workers (2023)



Sector-wise employment distribution



Rise of Entrepreneurship

- 100+ unicorns; 90K+ startups
- India = 3rd largest startup ecosystem
- Major sectors: Fintech, EdTech, HealthTech, AgriTech
- Women-led startups rising



Future Suggestions

- Strengthen MSME-credit linkages
- Promote rural entrepreneurship
- Upgrade ITIs, skilling centers
- Support youth in green/AI sectors
- Integrate entrepreneurship in education

EDUCATION

EMPLOYMENT / ENTREPRENEURSHIP

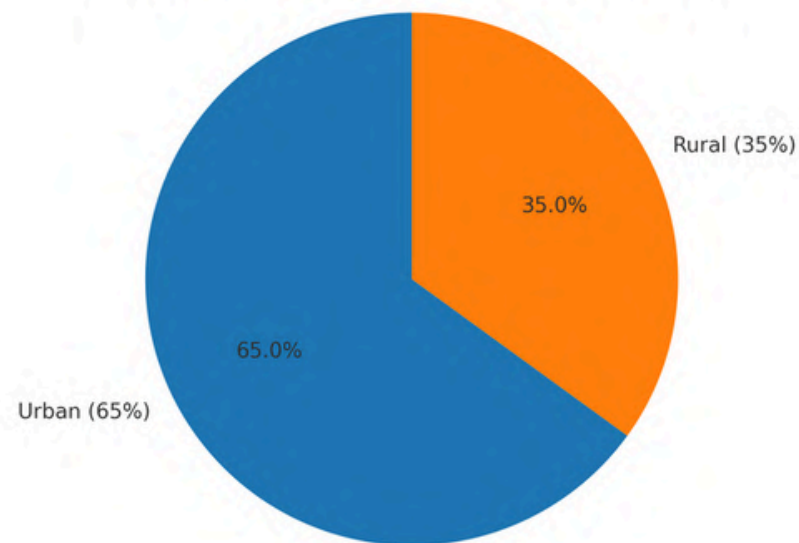
CONSUMPTION

INVESTMENT

Key Stats

- PFCE contributes ~58.5% of India's GDP (FY24)
- Driven by rising incomes, urbanization, and digital access

Urban vs Rural Consumption Share in India (2024-25)



Urban vs. Rural Consumption Share

Economic Impact

- Private consumption = ~58.5% of GDP (FY24).
- Drives demand in FMCG, retail, digital services.
- Boosts job creation, tax revenue, and economic growth.

Global Standing

- India is the 5th largest consumer market (2024), set to be 3rd by 2030.
- Leading in digital payments (UPI) and youth-driven consumption.

Key Sectors & Consumption Drivers

- FMCG: Rapid growth surging
- Automobiles: EV adoption, 2-wheeler surge
- Real Estate & Housing: Driven by affordable housing, PMAY
- Electronics: Smartphone & smart TV penetration rising
- Healthcare & Wellness: rising wellness spend

Challenges

- Inequality: Top 10% dominate spending.
- Rural demand unstable due to income fluctuations.
- Inflation & youth unemployment limit mass consumption.

Future Suggestions

- Boost rural income (MNREGA, agri-reforms).
- Expand digital & financial access in small towns.
- Support MSMEs & local producers.
- Incentivize youth skill-building & gig economy jobs.

EDUCATION

EMPLOYMENT /
ENTREPRENEURSHIP

CONSUMPTION

INVESTMENT

Key Stats

Flowchart of investment journey :
Awareness → Savings →
First Investment →
Diversification → Wealth
Creation

- Investment is a key driver of GDP, employment, and innovation
- Most active age group: 25–45 years

Economic Impact

- Boosts GDP: Investment-to-GDP ratio at ~34% in FY24.
- Strengthens Markets: More retail investors → deeper capital markets.
- Funds Infra Growth: Drives development in roads, power, digital.
- Builds Economic Resilience: Domestic capital reduces global dependency.
- Supports Inclusive Growth: Fintech-led access empowers rural investors.

Major Policies

- SEBI reforms: T+1 settlement, tighter disclosure norms.
- Start-up India & Digital India: Enabling investor-backed entrepreneurship.
- Tax benefits via ELSS, NPS, PPF to boost long-term investment.
- NIP & PM Gati Shakti: Focused on infrastructure investment.
- Jan Dhan & UPI: Financial inclusion + digital transaction backbone.

Challenges

- Low financial literacy especially in rural areas.
- herd behavior, poor risk understanding.
- Volatility and lack of trust in digital finance.
- Urban-rural divide in market access.

Future Suggestions

- Integrate investing basics in schools and public campaigns.
- Tax Perks – Offer incentives for long-term and ESG investments
- Clear Crypto Rules – Establish stable regulations for digital assets.

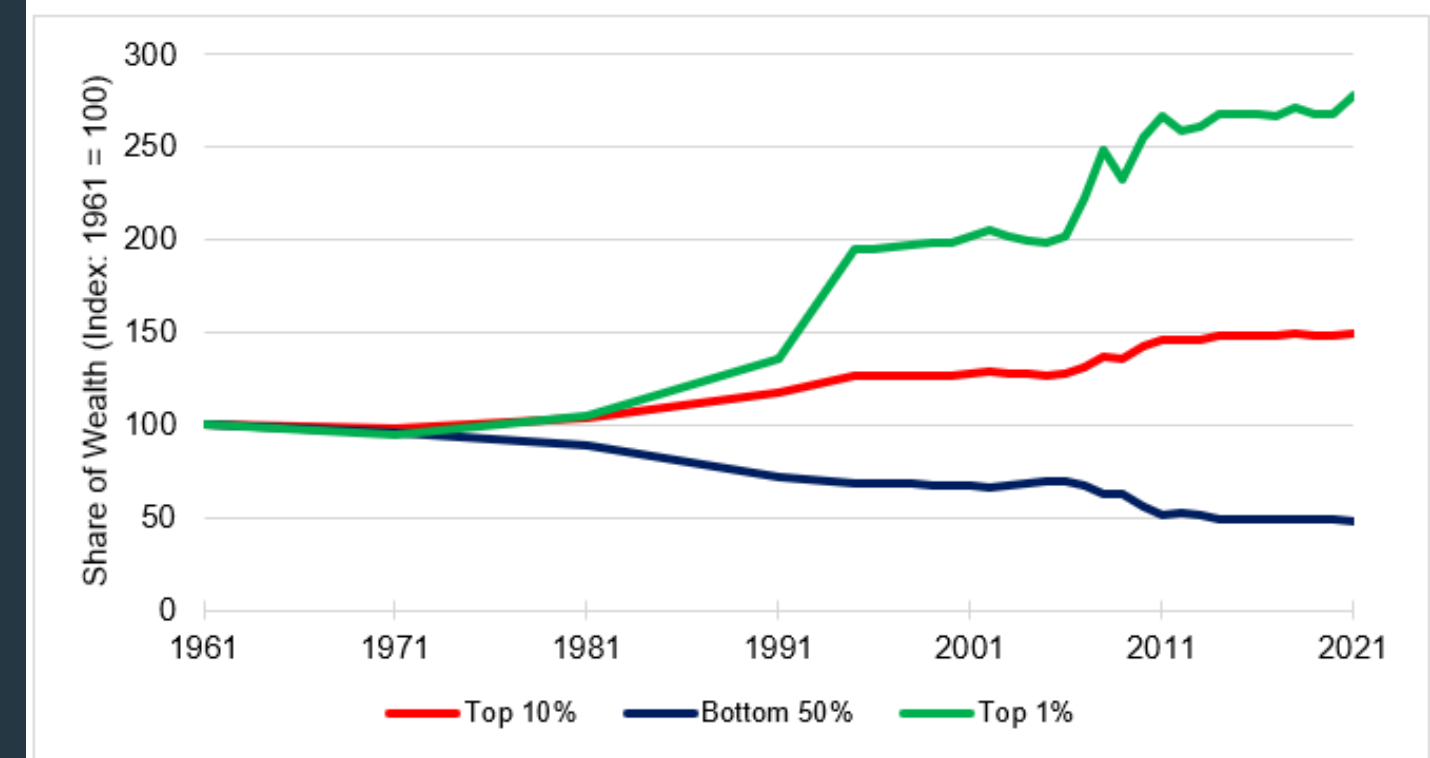
Key Issues



INEQUALITY :

- Top 1% of Indians own over 40% of national wealth, while the bottom 50% own just 3% (Oxfam, 2024).
- High Gini coefficient indicates growing income inequality.
- Urban–rural income gap is still more than 2x in many states.

Figure 1: Wealth Inequality in India (1961-2021)



Impact

- Social tensions, under-consumption by the poor, reduced human capital formation.

Causes

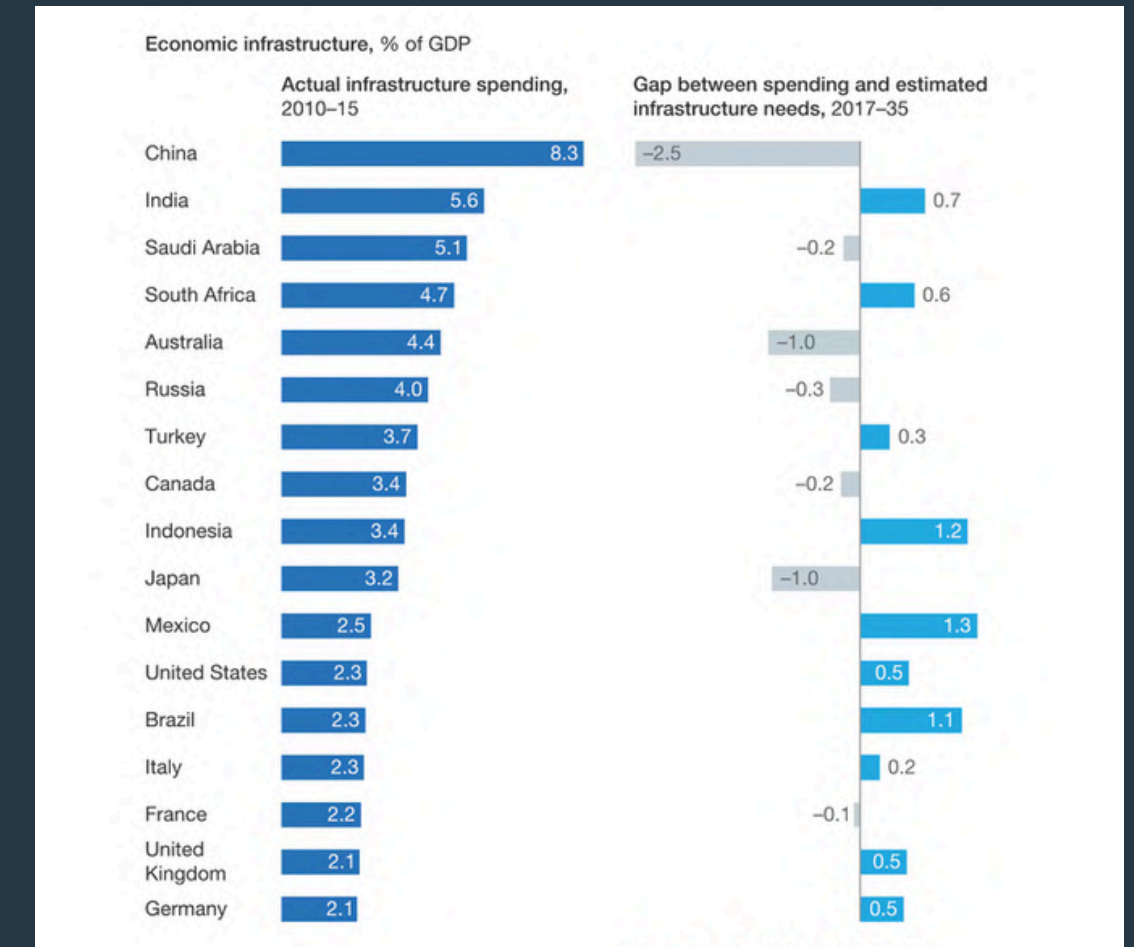
- Unequal access to education, poor tax redistribution, caste/gender divide

Policies that can be implemented to Reduce Inequality

- **UBS:** Free health, education, housing.
- **Progressive Taxes:** Higher taxes on the ultra-rich
- **DBT Expansion:** More targeted welfare transfers.

INFRASTRUCTURE DEFICITS :

- India's logistics cost is 13–14% of GDP, compared to 8% in developed nations.
- 40% of rural roads still lack all-weather connectivity.
- Tier-2/3 cities lack modern infrastructure for education, healthcare, and industries.
- Urban congestion and pollution continue to rise due to lagging public transport systems.



Impact

- Slows business, weakens rural services, affects health and education.

Causes

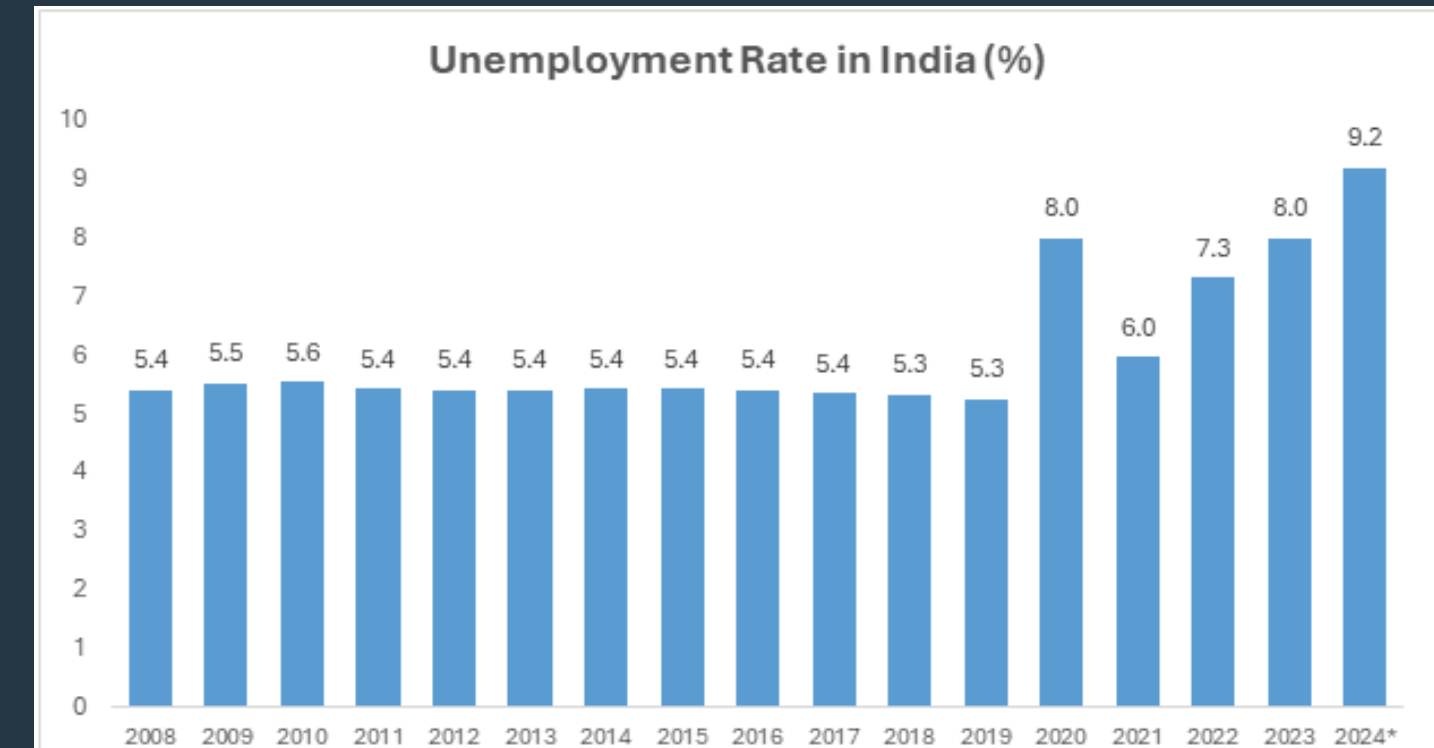
- Delays in public projects, underfunding, bureaucratic red-tape

Policies that can be implemented to Reduce Inequality

- **PM Gati Shakti:** Faster, integrated infra planning.
- **PPP Models:** Private sector-led development.
- **Digital Bharat 2.0:** Rural broadband access.

UNEMPLOYMENT :

- Youth unemployment (15–29 age group) is at 18.6% (CMIE, 2024).
- Job creation is not keeping pace with GDP growth – especially in manufacturing and formal sector.
- Over-dependence on informal jobs (~90% of employment).
- Educated but unemployable workforce due to skills mismatch



Impact

- Wastes youth potential, reduces income, triggers migration.



Causes

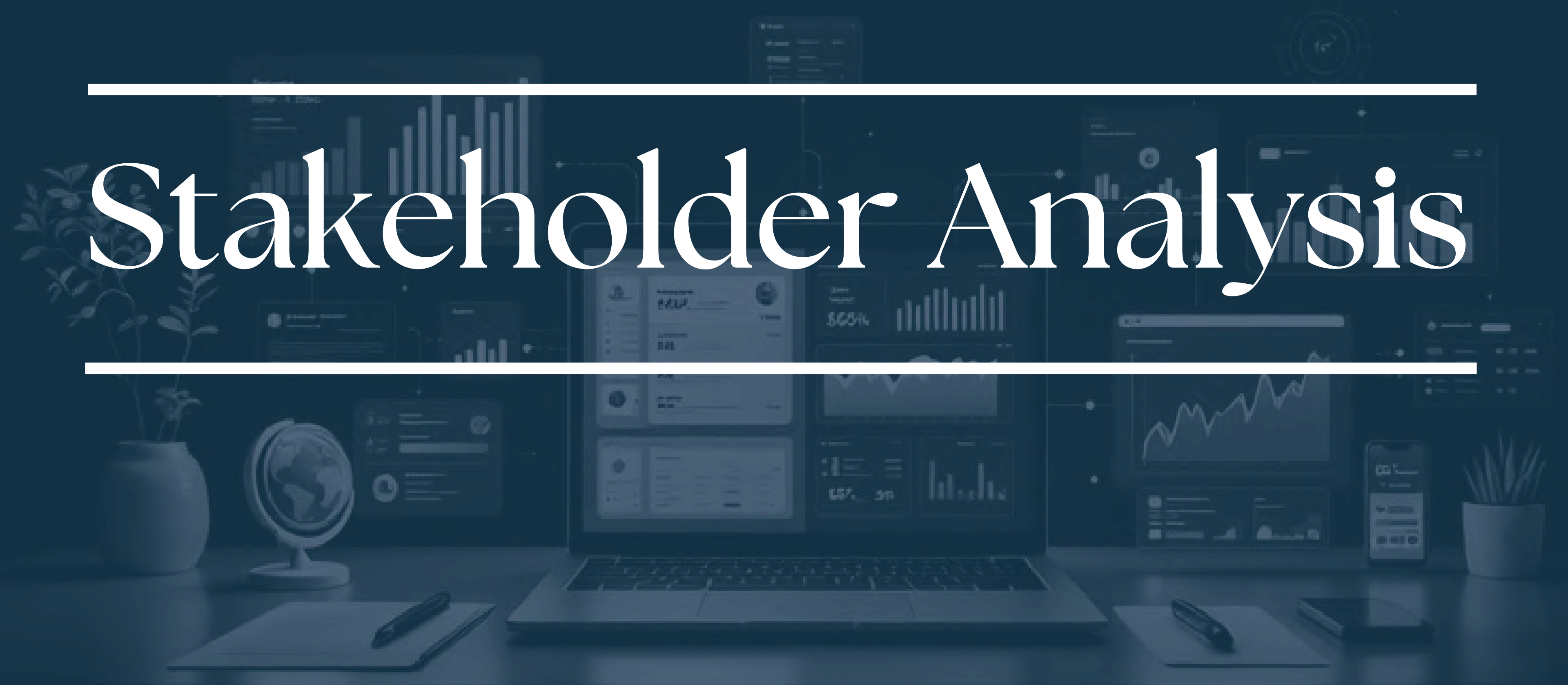
- Low industrialisation, skill mismatch, rural-urban divide

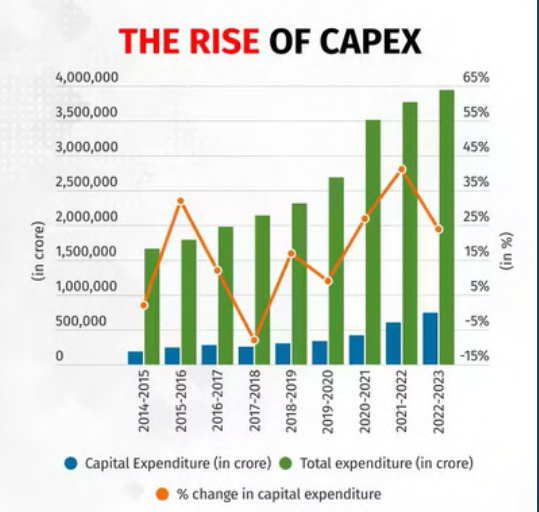
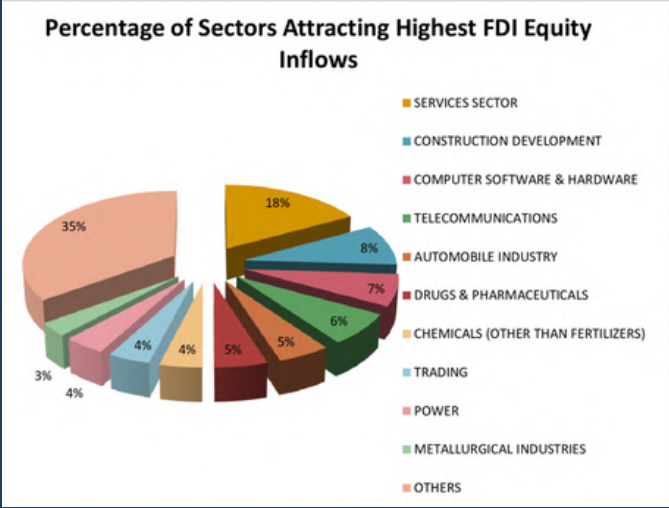
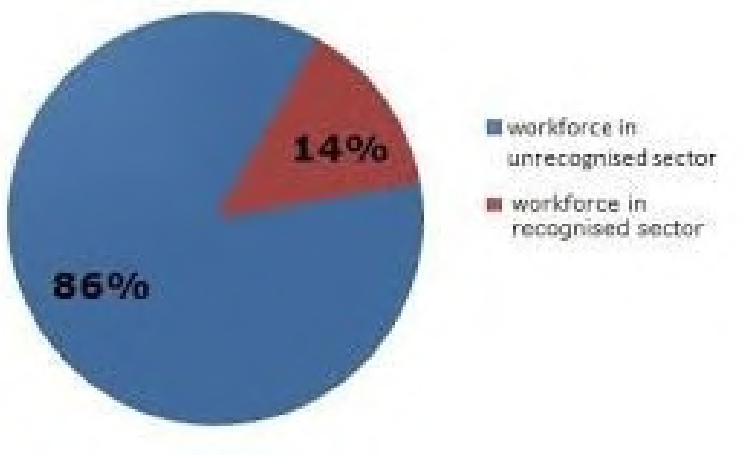
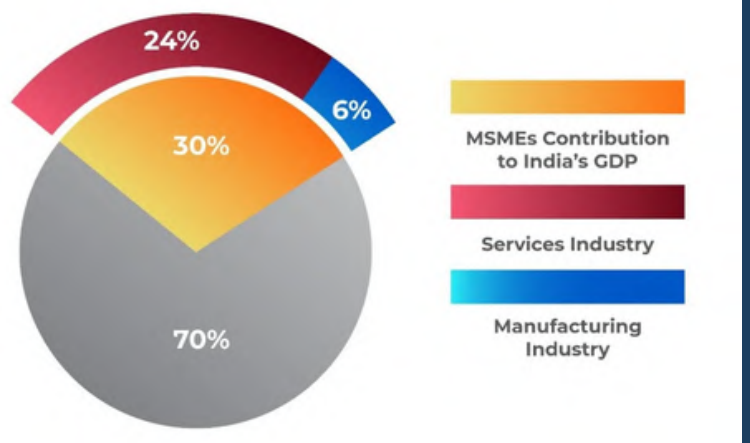


Policies that can be implemented to Reduce Inequality

- **NEP:** Job-linked industrial incentives.
- **Skill India 4.0:** Industry-ready skilling.
- **Urban Job Scheme:** MGNREGA-like jobs in cities.
- **MSME Support:** Easy loans + compliance relief.

Stakeholder Analysis



STAKEHOLDER	Government	Coporates	Labour Union	MSMEs
➤ Role in economic growth	Policy-making, infrastructure, incentives	Investment, innovation, employment	Workforce representation, wage negotiation	Employment driver, exports, grassroots innovation
➤ Key contribution	<ul style="list-style-type: none"> PLI Schemes: ₹1.97 lakh crore to boost 14 sectors Digital India: Increased financial inclusion Budget Focus: Capex allocation up by 11.1% in 2024–25 (₹11.1 lakh crore). 	<ul style="list-style-type: none"> FDI Inflows: Over \$70 billion in FY24 Green & Tech Investment: Tata, Reliance investing in semiconductor, renewables. Job Creation: Top 500 companies responsible for over 12 million direct jobs. 	<ul style="list-style-type: none"> Support Base: ~90 million workers in central trade unions. New Labor Codes: <ol style="list-style-type: none"> One nation, one salary day Flexibility in hiring/firing with social security 	<ul style="list-style-type: none"> Contribute 30% of India's GDP. 11 crore+ jobs supported. Major driver in exports (~48%).
➤ Graphics	<p>Central Govt Capex Trend:</p> 	<p>% of FDI Share :</p> 	<p>Labor Market Composition:</p> 	<p>MSME Contribution to GDP & Jobs:</p> 
➤ Challenges faced	Bureaucracy, implementation lag	Regulatory compliance, global competition	Resistance to labor reform and Balancing job security with ease of doing business.	Credit access, tech adoption
➤ Reform Impact	Digitization, GST, PLI, labor code reforms	Lower tax rates, FDI liberalization	New labor codes – balancing rights & growth	Udyam registration, collateral-free loans



Case Study

The background of the slide is a dark blue field with a complex, abstract network of thin white lines and small white dots, resembling a molecular structure or a data network. The lines and dots are scattered across the entire frame, creating a sense of depth and connectivity.

Make in India: Catalyzing Industrial Growth

➤ Investment and Employment:

- By March 2024, the Production Linked Incentive (PLI) schemes under 'Make in India' had approved 755 applications across various sectors, leading to an investment realization of ₹1.23 lakh crore and generating employment for approximately 8 lakh individuals .

➤ Global Rankings Improvement:

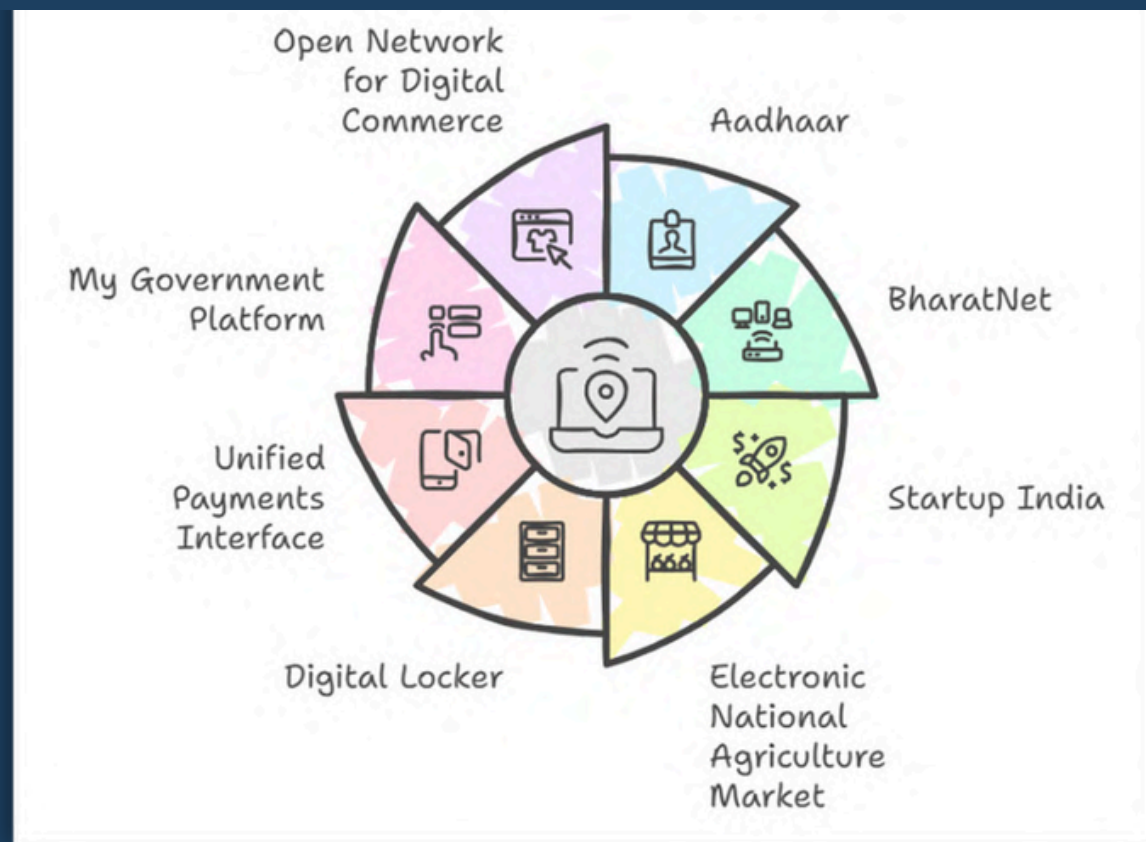


- Ease of Doing Business: India's rank improved from 134th to 63rd globally.
- Global Innovation Index: Advanced from 76th in 2014 to 39th in 2024.
- Logistics Performance Index: Improved from 54th to 38th position .
- Defense Manufacturing: India has significantly enhanced its defense production capabilities, increasing defense exports to \$2.76 billion from \$1.07 billion five years ago. Uttar Pradesh has emerged as a key player, housing seven ordnance factories, three Hindustan Aeronautics Limited units, and two Indo-Russian joint ventures, including the AK-203 rifle plant in Amethi and the BrahMos missile facility in Lucknow .

Digital India: Transforming the Digital Landscape

➤ Digital Public Infrastructure (DPI):

India's DPI, including platforms like Aadhaar, UPI, and DigiLocker, has gained national and global prominence. By 2030, the economic value added from DPIs to India's GDP could reach 2.9-4.2%, up from 0.9% in 2022 .



➤ E-Governance Initiatives:

1. O CEIR Portal: Between January and mid-May 2025, Lucknow police recovered 990 out of approximately 1,100 reported lost or stolen mobile phones using the Central Equipment Identity Register (CEIR) portal, achieving a 90% recovery rate .
2. Digi Yatra Initiative: Implemented at various airports, including Delhi, Bengaluru, and Varanasi, the Digi Yatra initiative uses facial recognition technology for seamless and paperless air travel, enhancing passenger experience and security .

➤ Smartphone and UPI Penetration:

As of 2025, 85.5% of Indian households possess at least one smartphone, and 99.5% of youth use the Unified Payments Interface (UPI) for financial transactions, reflecting a significant shift towards a cashless economy .



Solution

Infrastructure Investments: Building the Backbone of Growth

»»» Sagarmala Programme:

- **Total Projects** - The program has identified 839 projects worth ₹5.79 lakh crore, with 272 projects completed, investing ₹1.41 lakh crore. Coastal Shipping Growth: Coastal shipping has grown by 118% over the last decade, reducing logistics costs and emissions.
- **Inland Waterway Cargo Surge** - Cargo movement through inland waterways has increased by 700%, easing congestion on roads and railways.
- **Passenger Benefits** - Over 40 lakh passengers have benefited from Ro-Pax ferries, enhancing coastal connectivity.
- **Budgetary Support** - The government has allocated ₹40,000 crore for Sagarmala 2.0, aiming to unlock ₹12 lakh crore in investments over the next decade.
- **Port Rankings** - Nine Indian ports are now among the world's top 100, with Visakhapatnam ranking in the top 20 container ports globally.

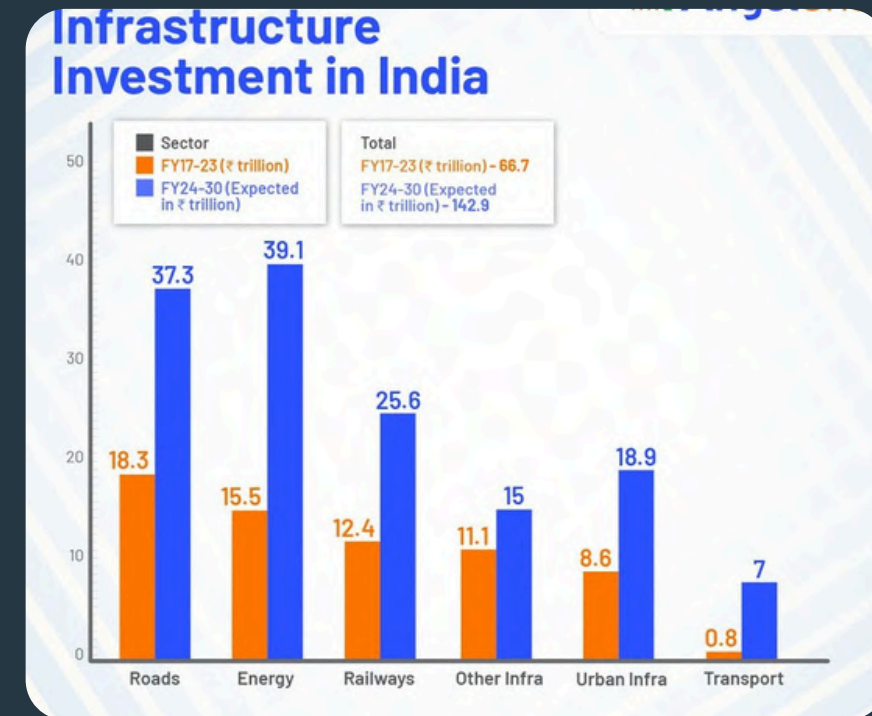
»»» Bharatmala Pariyojana:

- **Improving the quality of roads** - The launch of the scheme has been done for bring a new wave of development in the nation in the form of well-maintained and developed roads.
- **Total road construction** - As per the draft of the scheme, government and the ministry will strive to complete new roads, which will add up to a whopping 34, 800 kms.
- **Integrated scheme** - The Bharatmala is the name that is given to the road development and it will include many other related schemes as well.
- **Total tenure of the program** -The central government has the plans of finishing the scheme within a span of five years. Thus, all is set for finishing the first phase before the end of 2022.
- **Constriction on a daily basis** - To finish the first phase in time, the respective department has made efforts of constructing at least 18 km of path on a daily basis

Skill Development: Empowering the Workforce

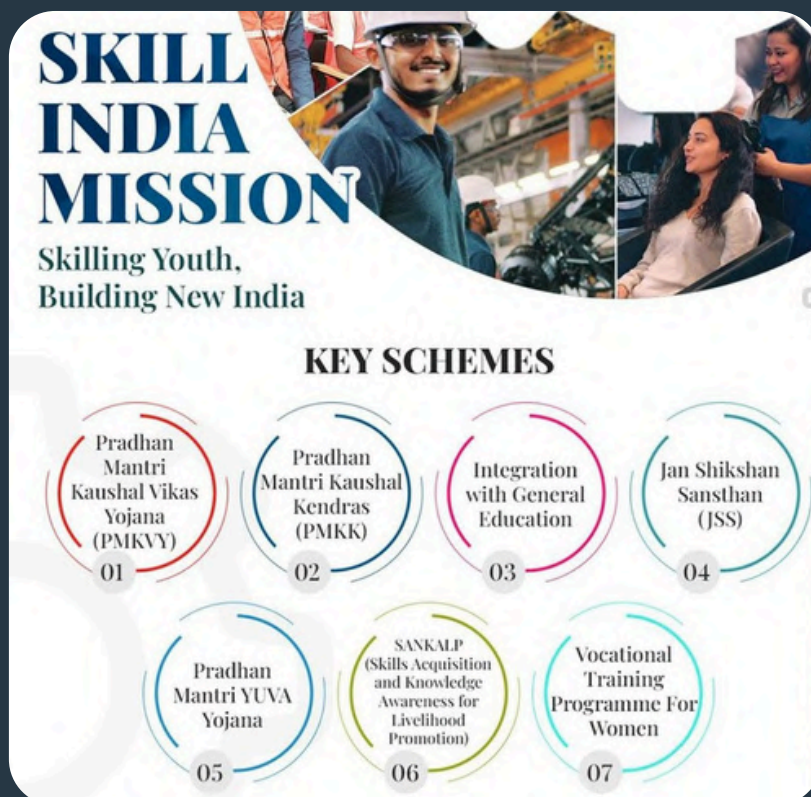
Pradhan Mantri Kaushal Vikas Yojana (PMKVY):

- **Total Beneficiaries:** As of April 2025, PMKVY has trained over 1.63 crore youth across various sectors. PMKVY 4.0 Impact: The latest phase of the scheme has already benefited more than 26 lakh candidates, focusing on AI, mechatronics, and digital skills.
- **Sectoral Training:** The program covers manufacturing, healthcare, IT, construction, and emerging technologies, ensuring industry-aligned skill development.
- **Digital Skilling Expansion:** The Skill India Digital Hub (SIDH) provides AI, automation, and robotics training, enhancing employability.



Skill India Mission:

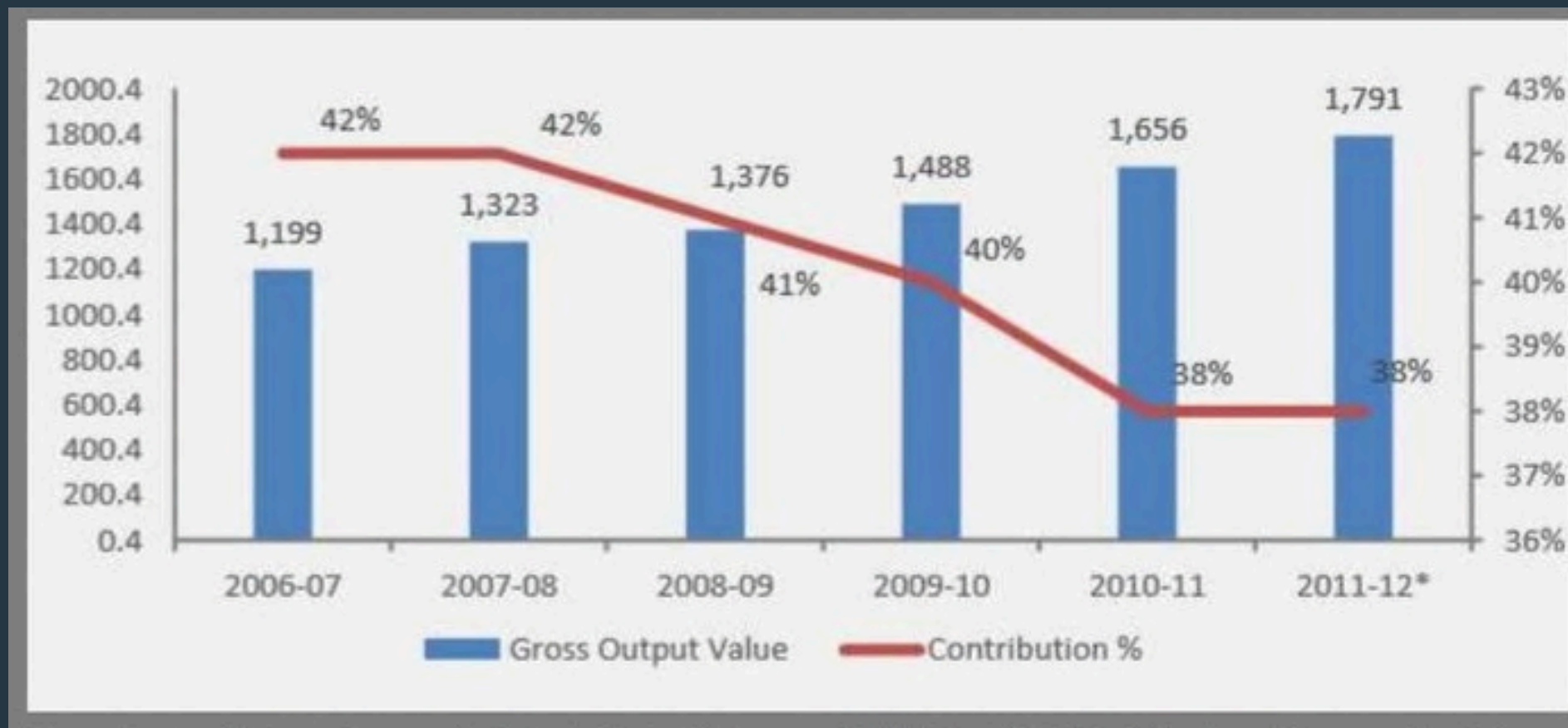
- **Skilling Targets:** The mission aims to train over 40 crore (400 million) people in various skills to bridge the gap between industry demands and workforce capabilities.
- **Employment Impact:** The initiative has contributed to reducing unemployment, with the employment rate increasing to 37.9% in January 2025, compared to 36.9% in 2024..
- **Global Collaboration:** The Technical Intern Training Programme (TITP) facilitates skill exchange with Japan, allowing Indian professionals to gain international exposure..



MSME Support: Nurturing the Growth Engines

- Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth.

Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE):



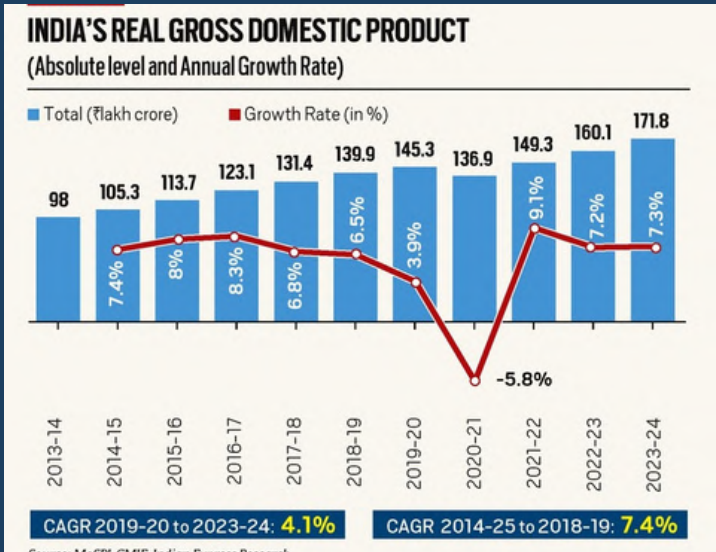
- Facilitating collateral-free credit to MSEs through a risk-sharing mechanism.
- Encouraging first-generation entrepreneurs to formalize their businesses.
- Promoting equitable credit access for women-led enterprises and units in underdeveloped regions.
- Strengthening lender confidence through partial credit risk coverage.
- In 2025, CGTMSE partnered with NITI Aayog to integrate AI-driven risk assessment tools and automate claim settlement processes. This reduced approval times by 30% and improved fraud detection.

The background is a dark blue collage of various economic and business terms. The words are in different fonts, sizes, and orientations, some appearing as if they are torn pieces of paper or cutouts. Visible terms include 'inflation', 'jobs', 'economic growth', 'exports', 'GDP' (formed by three wooden blocks), 'industrial output', and 'business'.

Metrics

GDP GROWTH

- India's real GDP at constant (2011–12) prices is estimated to have grown by 6.5% in FY 2024–25, reaching ₹187.97 lakh crore, compared to ₹176.51 lakh crore in 2023–24. At current prices, the nominal GDP has increased by 9.8%, amounting to ₹330.68 lakh crore, up from ₹301.23 lakh crore in the previous financial year.
- In the fourth quarter (January to March) of FY 2024–25, real GDP rose to ₹51.35 lakh crore, a 7.4% increase from ₹47.82 lakh crore in Q4 of FY 2023–24. Nominal GDP during the same period reached ₹88.18 lakh crore, reflecting a 10.8% growth. Real GVA in Q4 stood at ₹45.76 lakh crore, up 6.8% from ₹42.86 lakh crore, while nominal GVA reached ₹79.46 lakh crore, marking a 9.6% increase
- Among the key drivers of this economic performance, the construction sector led with an annual growth of 9.4%, accelerating to 10.8% growth in Q4. The public administration, defence, and other services sector followed with 8.9% growth during the year and 8.7% in Q4. Financial, real estate, and professional services saw a 7.2% increase annually and 7.8% growth in the final quarter
- The primary sector, which includes agriculture, livestock, forestry, fishing, mining, and quarrying, registered a growth rate of 4.4% in FY 2024–25, a notable improvement from 2.7% in the previous year. In Q4 alone, the sector grew by 5.0%, up significantly from 0.8% in the same quarter of the previous year.
- Private Final Consumption Expenditure (PFCE) recorded a 7.2% growth during FY 2024–25, reflecting stronger consumer spending compared to 5.6% in FY 2023–24. Gross Fixed Capital Formation (GFCF), an indicator of investment demand, grew by 7.1% for the full year and 9.4% in Q4.

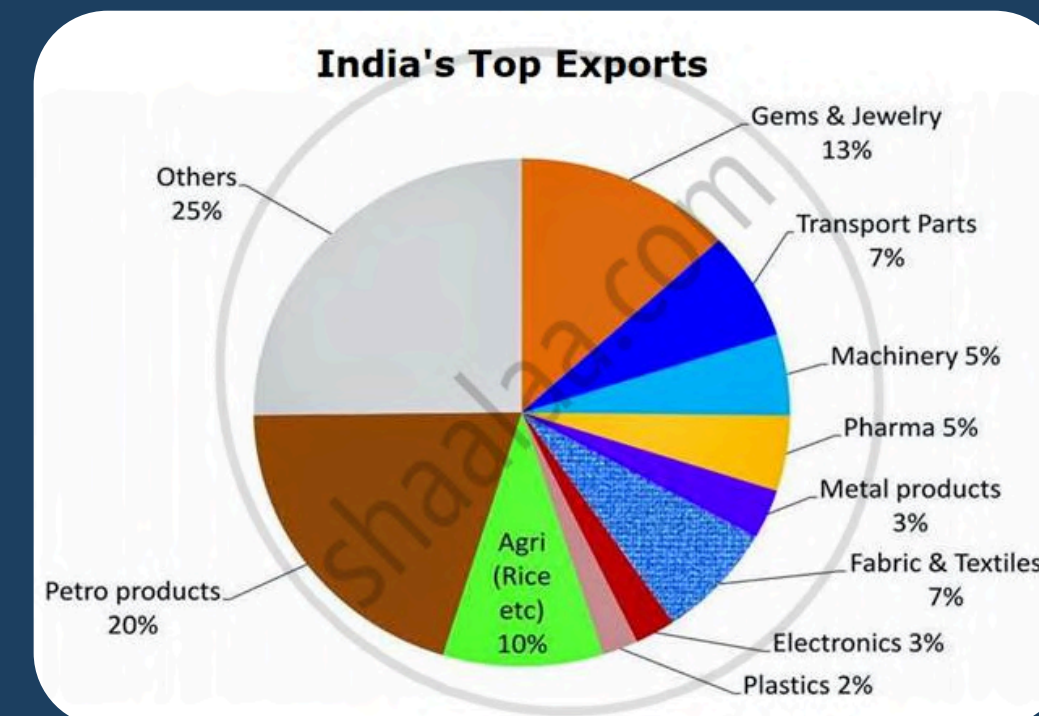
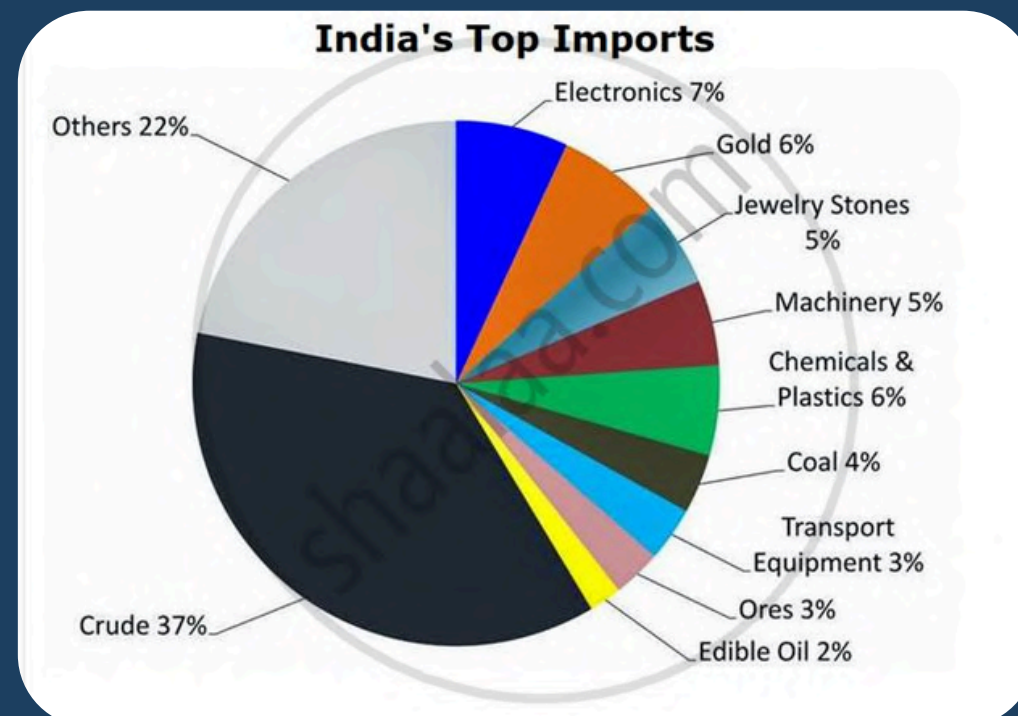


PER CAPITA INCOME

- ➔ Nominal GDP per capita: India's nominal GDP per capita is projected at \$2,937, reflecting steady economic growth.
- ➔ PPP-based GDP per capita: At purchasing power parity (PPP), India's GDP per capita is estimated at \$11,938, which accounts for 46.8% of the world average.
- ➔ Per capita net national income (NNI): The per capita NNI at current prices is expected to reach ₹205,579, compared to ₹188,892 in 2024.
- ➔ Real per capita income: Adjusted for inflation (2011-12 constant prices), India's real per capita income is estimated at ₹114,705, showing a gradual increase.
- ➔ Global ranking: India ranks 143rd in nominal GDP per capita and 125th in PPP-based GDP per capita, indicating room for improvement compared to developed economies.
- ➔ Historical comparison: India's per capita income has grown significantly over the years. In 1993, it was 6.46% of the global average, whereas in 2025, it has improved to 20.4%.

EXPORT-IMPORT DYNAMICS

- ➔ Export Growth: India's total exports (merchandise and services) for January 2025 were estimated at USD 74.97 billion, reflecting a 9.72% year-on-year growth.
- ➔ Import Growth: Imports for the same period stood at USD 77.64 billion, marking a 12.98% increase compared to January 2024.
- ➔ Trade Deficit: The trade deficit widened to USD 2.67 billion, compared to USD 0.39 billion in January 2024.
- ➔ Major Export Drivers: Growth in exports was driven by electronic goods, engineering goods, pharmaceuticals, rice, and gems & jewellery.
- ➔ Policy Changes: The Reserve Bank of India (RBI) introduced new trade regulations to streamline export-import processes and enhance ease of doing business



UNEMPLOYMENT RATE

- ➔ Overall unemployment at 5.1% in April 2025:
Based on the first-ever monthly unemployment bulletin released in mid-May by the Ministry of Statistics & Programme Implementation (MoSPI), the nationwide unemployment rate for individuals aged 15 and above stood at 5.1% in April 2025
- ➔ Gender and area breakdown:
Men: 5.2% unemployment, slightly higher than Women: 5.0%; Urban areas: 6.5%; Rural areas: 4.5% .This indicates that urban joblessness exceeds rural by about 2 percentage points.
- ➔ Youth unemployment is a concern:
Among those aged 15–29, the unemployment rate soared to 13.8 %, with urban youth at 17.2% and rural youth at *12.3%* Gender splits in the youth cohort show urban female youth jobless at 23.7%, urban males 15.0 %; in rural youth, females 10.7%, males *13.0 %* .
- ➔ Labour force participation & employment ratios:
The Labour Force Participation Rate (LFPR) for those aged 15+ was 55.6 % in April 2025.
Rural: 58.0 %; Urban: 50.7 %; Worker Population Ratio (WPR) stood at 52.8% overall; Rural: 55.4 %, Urban: 47.4 %



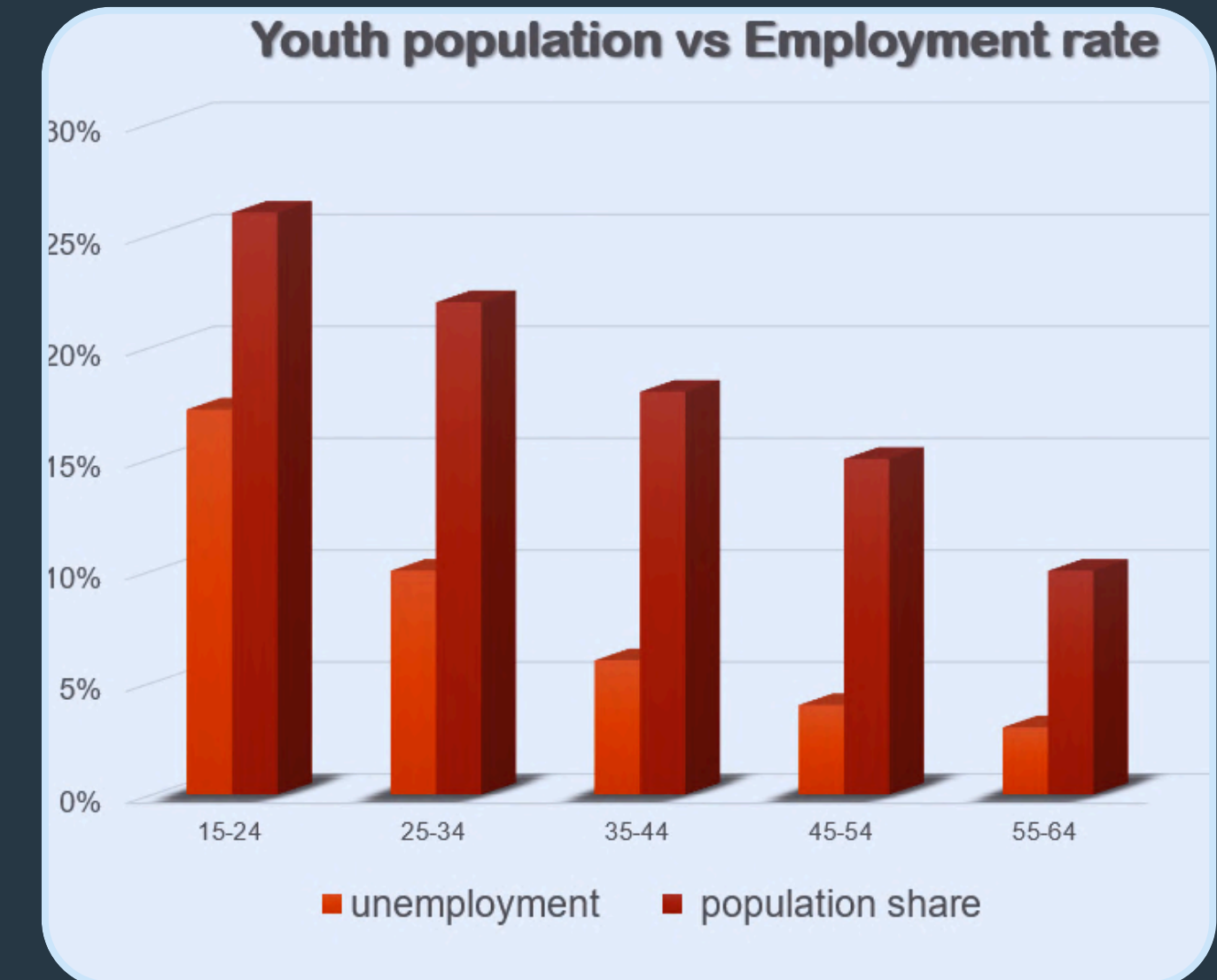
Prioritization to data & market insights

SKILLING INDIA'S YOUTH

India's most powerful asset is its youth population. Over 65% of Indians are under 35, yet a large share remains unemployed or under-skilled

According to the PLFS report, the 15–24 age group faces the highest unemployment rate at 17.2%, followed by the 25–34 group. At the same time, these two groups also make up nearly half of the working-age population.

The graph clearly shows that unemployment is highest where the population is most concentrated—making it obvious why the government prioritized skill-building.



Sector-wise Contribution to India's GDP

service

India's economy is services-driven, with IT, finance, and digital platforms leading growth and global competitiveness

agriculture

Though declining in share, agriculture remains vital for rural livelihoods and food security.

other

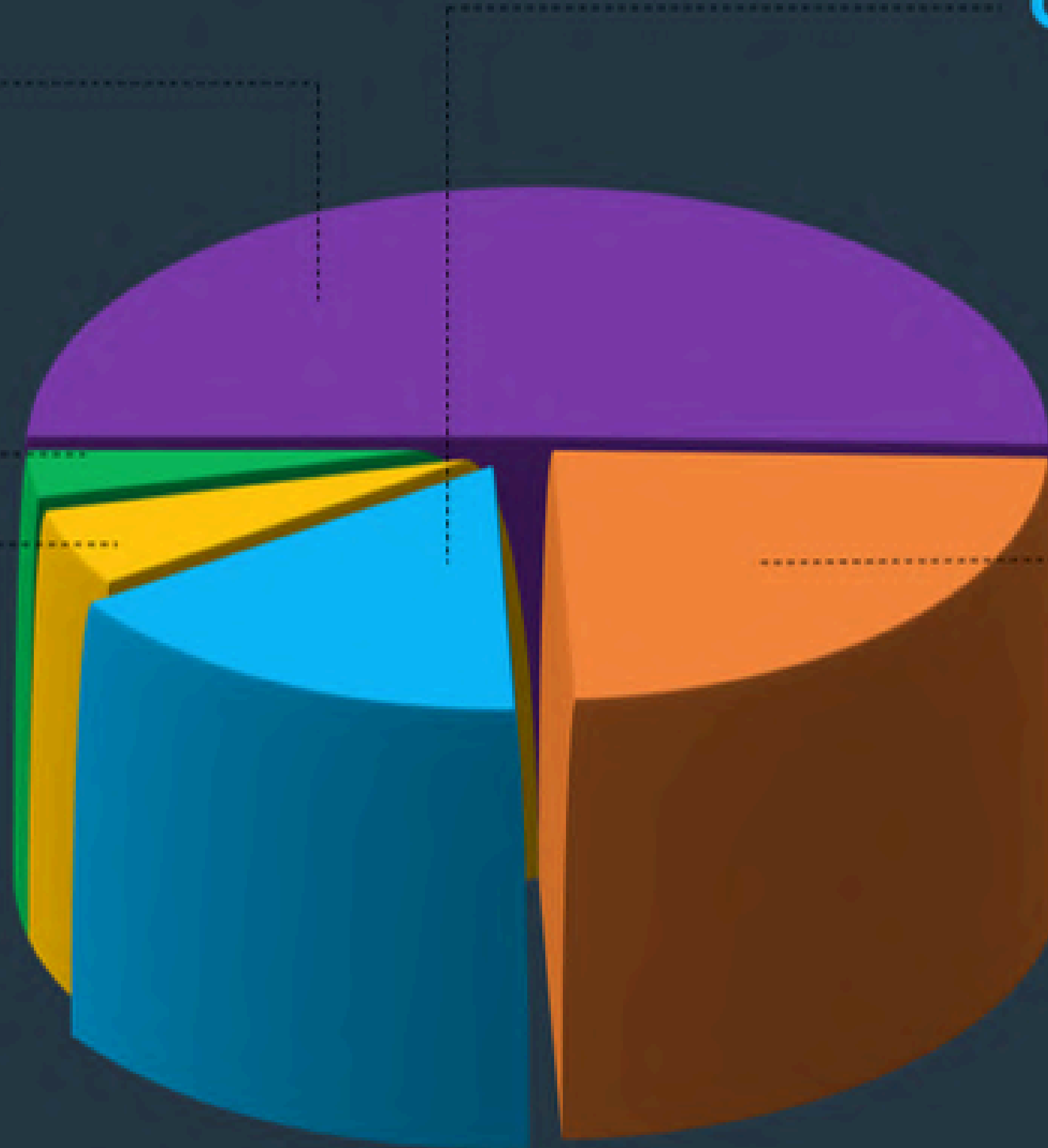
Other sectors like mining and utilities contribute modestly but are essential for energy and raw material needs.

construction

Construction supports infrastructure growth, urbanization, and large-scale employment in cities.

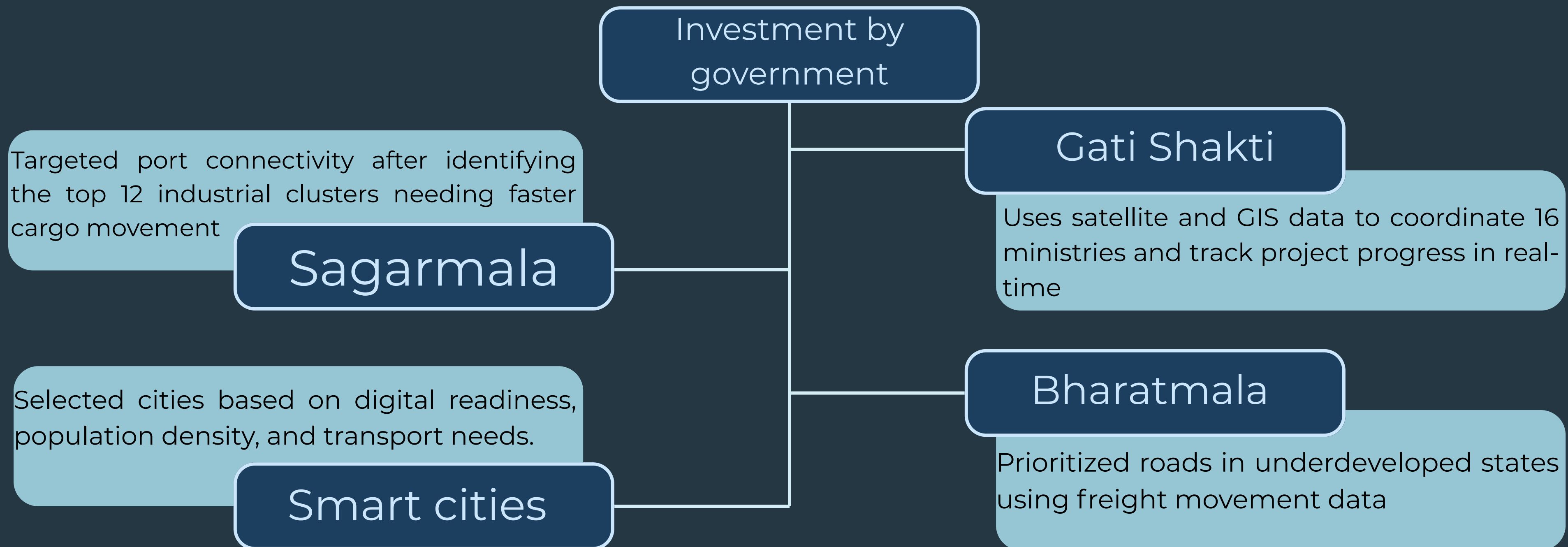
industry

Manufacturing, especially under "Make in India," plays a key role in exports, jobs, and industrial self-reliance



INFRASTRUCTURE – INVESTING WHERE IT MATTERS:

- Data also shows that India's logistics and infrastructure bottlenecks increase the cost of doing business. As per the Economic Survey, logistics costs in India are 14% of GDP, much higher than the global average of 8–10%.



Gati Shakti



? What It Is:

Gati Shakti is India's National Master Plan for Multimodal Connectivity, launched in 2021. It integrates 16 ministries into one digital platform using geospatial data, satellite imagery, and AI-based tools.

? Why It Matters:

Before Gati Shakti, projects often overlapped or faced delays due to poor coordination. Now, railway lines, highways, and ports are planned in sync. It tracks bottlenecks using data and ensures faster project execution.

● Impact:

- Reduced infrastructure delays significantly
- Optimized industrial corridor planning
- Increased private-sector interest due to better transparency

Sagarmala



? What It Is:

Sagarmala focuses on port-led development. It uses data from industrial zones, cargo patterns, and maritime traffic to enhance port capacity and connectivity.

? Why It Matters:

India's ports were inefficient, causing delays and high costs. Sagarmala used real-time data to prioritize port expansion, inland waterways, and industrial clusters near coasts.

● Impact:

- Turnaround time at major ports reduced by 30%
- Port capacity increased without unnecessary spending
- Boosted exports by linking production hubs with shipping routes

Bharatmala



? What It Is:

Bharatmala Pariyojana is a highway development program launched in 2017. Using freight movement maps, the government identified logistics-heavy zones and missing road links.

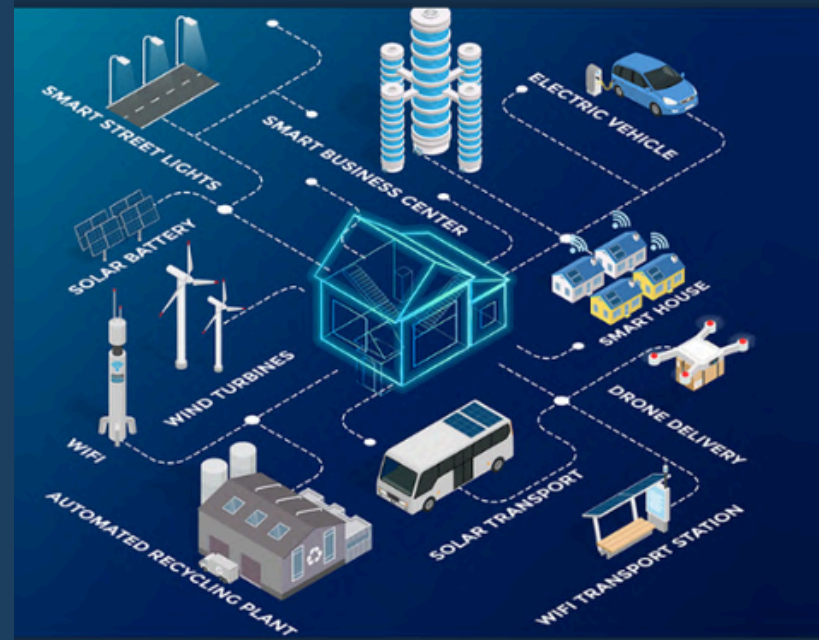
? Why It Matters:

Instead of random road-building, the program focused on corridors with the highest economic activity, improving both freight and passenger connectivity.

● Impact:

- National highway construction rose from 12 km/day to 30+ km/day
- Better access to border areas, ports, and industrial zones
- Reduced travel time and fuel costs for goods transport

Smart cities



? What It Is:

Launched in 2015, this mission aims to transform Indian cities into smart, sustainable, and citizen-friendly hubs, using urban mobility, pollution, and digital infrastructure data.

? Why It Matters:

Cities were chosen not politically, but based on a competitive, data-backed selection process—measuring readiness, population density, energy use, and more.

● Impact:

- Cities adopted e-governance, digital waste tracking, smart lighting
- Real-time dashboards now help manage water, power, and traffic
- Enhanced livability and investment in urban infrastructure

MSMES & SECTORAL INSIGHTS

The MSME sector is the backbone of India's economy

MSMEs Importance

- MSMEs contribute 30% to India's GDP
- Employ over 11 crore people
- Account for 45% of India's exports

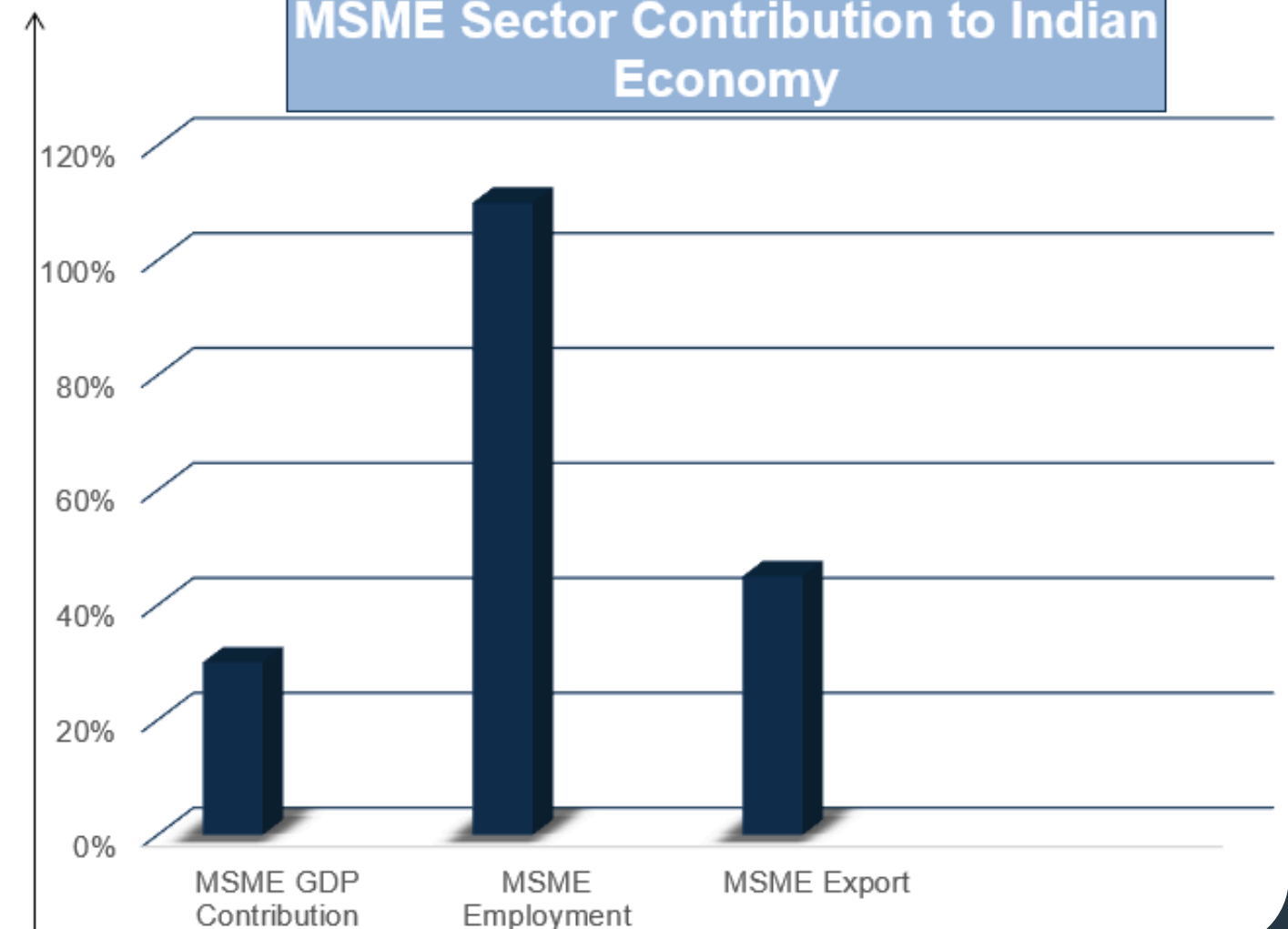
Challenges Based on Data

- 70% of MSMEs don't have access to formal credit
- Most lack digital tools and online presence
- Micro enterprises dominate, with limited scalability
- Complex regulations increase compliance burden

Reforms & Solutions

- **ECLGS:** *Provided loans to MSMEs during COVID-19*
- **Udyam Portal:** *Enabled self-registration and better tracking*
- **Digital MSME Scheme:** *Encouraged use of cloud and ERP tools*
- **ODOP:** *Helped small producers market local products*

MSME Sector Contribution to Indian Economy

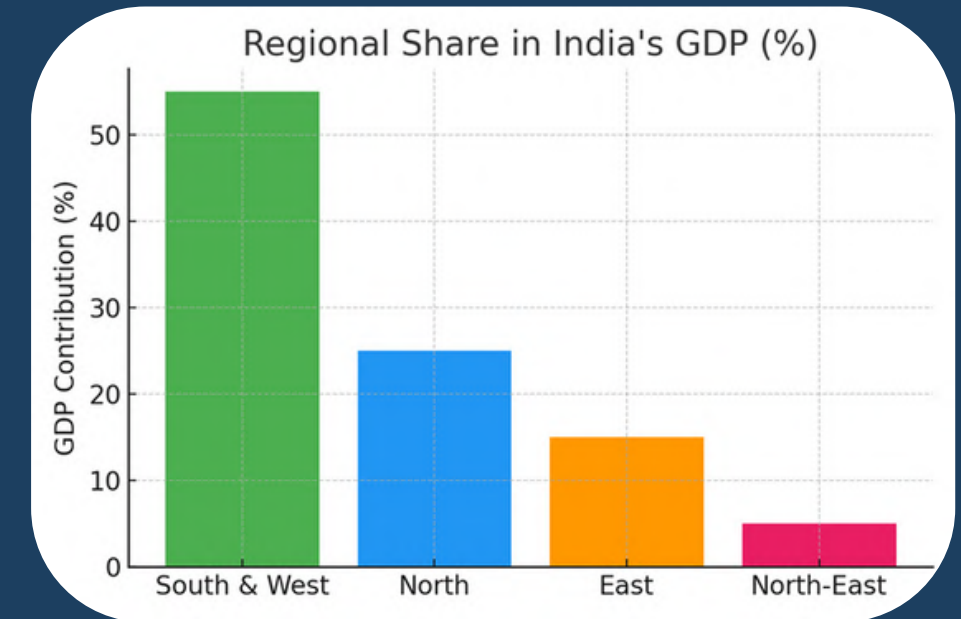


Risks & Ethical Concerns

REGIONAL DISPARITIES

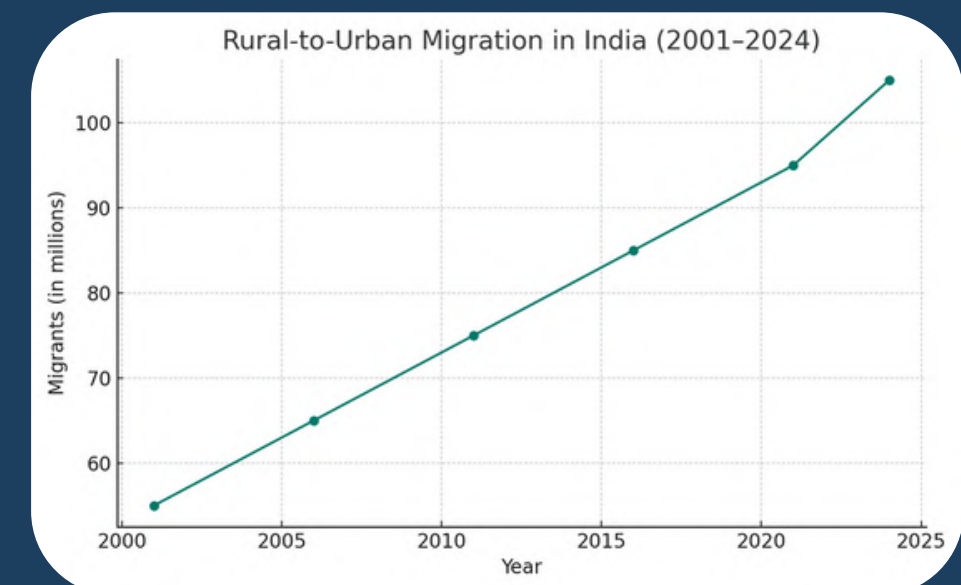
CAUSES

- India's federal structure naturally fosters economic variation across states.
- Advanced states like Maharashtra, Tamil Nadu, and Karnataka contribute disproportionately to:
 - National GDP
 - Industrial output
 - Digital and technological penetration
- In contrast, Eastern (e.g., Bihar, Odisha) and Northeastern states remain underdeveloped due to:
 - Poor infrastructure
 - Low private and public investment
 - Limited access to major markets



CONSEQUENCES & RECOMMENDATION

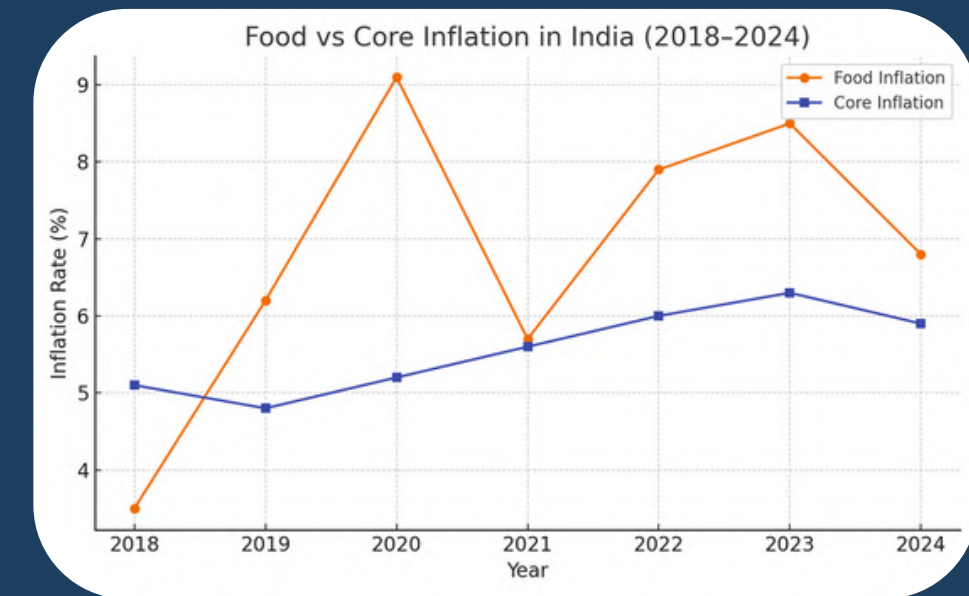
- Consequences of this imbalance include:**
 - Increased rural-to-urban migration
 - Depopulation in backward districts
 - Strain on urban infrastructure and services
 - Rising political and regional dissatisfaction
- Policy Recommendation:** Adopt a bottom-up economic strategy focusing on:
 - Strengthening regional logistics networks
 - Improving access to quality education
 - Encouraging localized entrepreneurship



INFLATION PRESSURES

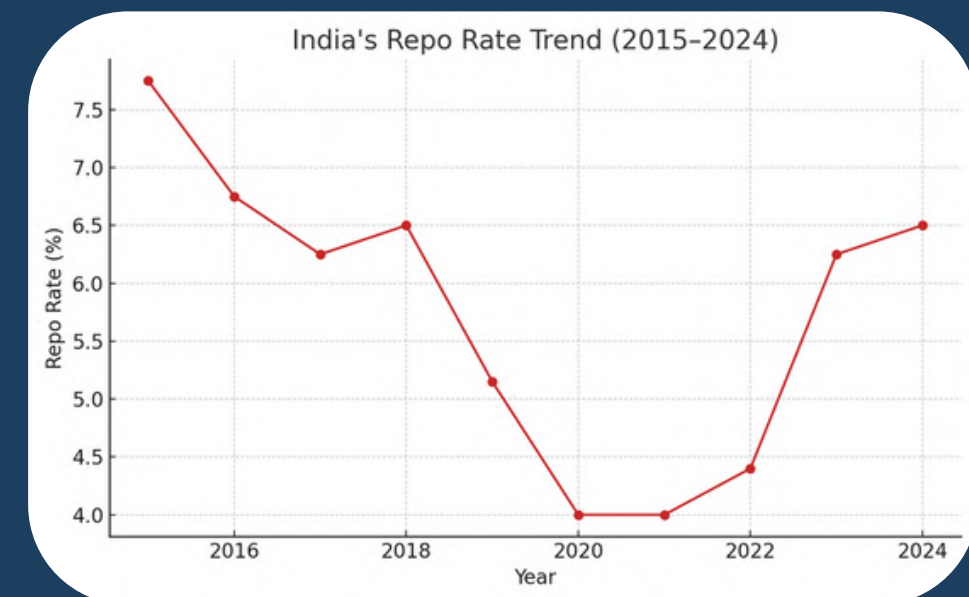
CAUSES & EFFECTS

- Global inflation trends affect India, but the impact is disproportionately harsh on the poor due to their high food expenditure.
- Key drivers of inflation in India include:
 - Food price spikes from monsoon variability and supply chain issues
 - Oil price volatility affecting transport and energy sectors
 - Export restrictions (e.g., wheat, rice) contributing to domestic shortages
- Core inflation (excluding food and fuel) remains persistently high, eroding middle-class consumption power.



MEASURES TAKEN

- The RBI balances inflation control with ensuring credit availability through cautious interest rate hikes.
- Fiscal measures are essential to support stability:
 - Counter-cyclical use of MSP adjustments, fuel and food subsidies
 - Targeted tax reductions to shield vulnerable households



PUBLIC DEBT CHALLENGE

► Persistent High Debt Levels

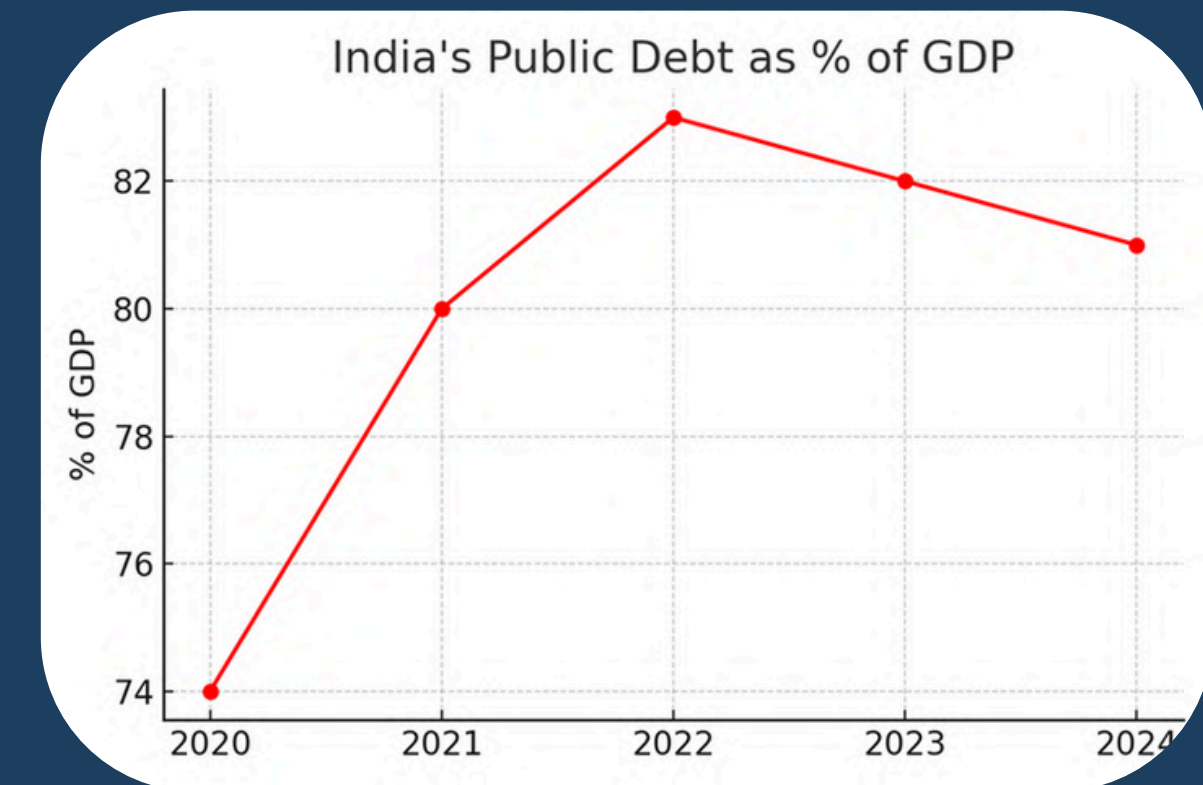
- Despite GDP growth in 2024–25, India's public debt—including off-budget liabilities like subsidies—remains among the highest in emerging economies.

► Reduced Fiscal Resilience

- High debt levels limit the government's ability to respond to future economic shocks, climate crises, or pandemics

► Ethical Concerns for Future Generations

- Long-term borrowing for short-term needs shifts the burden to future citizens, demanding stronger transparency and fiscal accountability.

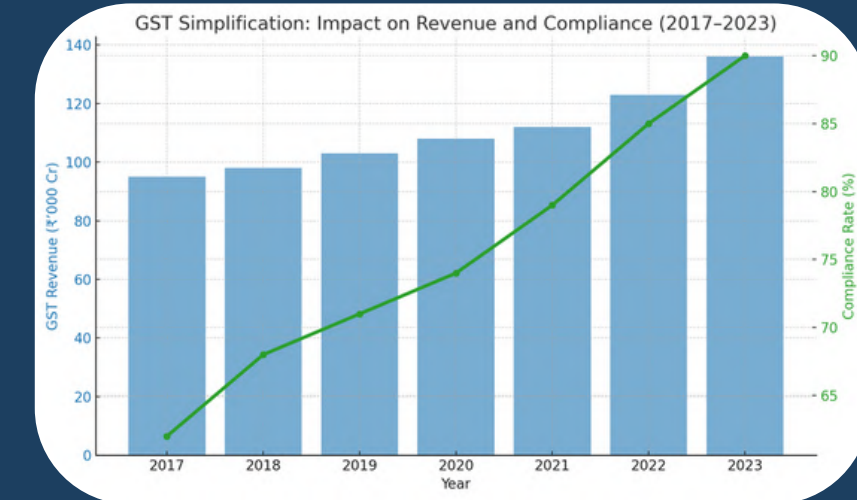


Policy Review & Legal Framework

STRUCTURAL REFORMS

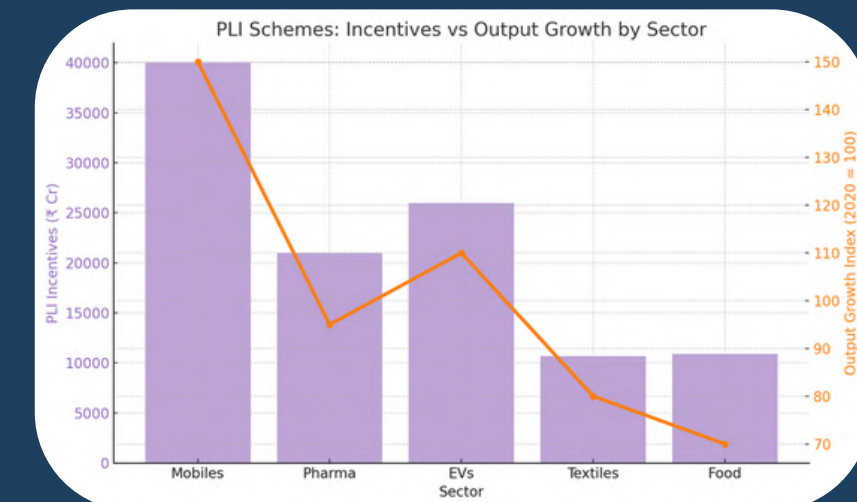
➤ GST Simplification

- India's unified GST system has been streamlined with fewer tax slabs, reducing business confusion and boosting compliance.
- New technologies like e-invoicing and AI-based return matching help minimize evasion and improve tax accuracy.
- These reforms have enabled greater formalization of the economy and smoother interstate trade.



➤ PLI SCHEMES

- The government allocated over ₹2 lakh crore to incentivize 14 key sectors including electronics, pharma, and auto.
- These schemes helped boost mobile phone exports, reduce pharma imports, and attract foreign investment in EVs and semiconductors.
- The PLI strategy marks a shift from mere assembly to value-added domestic manufacturing.



➤ Labor Code Reform

- 29 central labor laws have been consolidated into 4 simplified codes: Wages, Social Security, OSH, and Industrial Relations.
- The reform aims to ensure universal social security, streamline hiring, and improve safety and dispute resolution.
- However, progress is mixed due to delays in state-level adoption and lack of awareness among employers and workers.

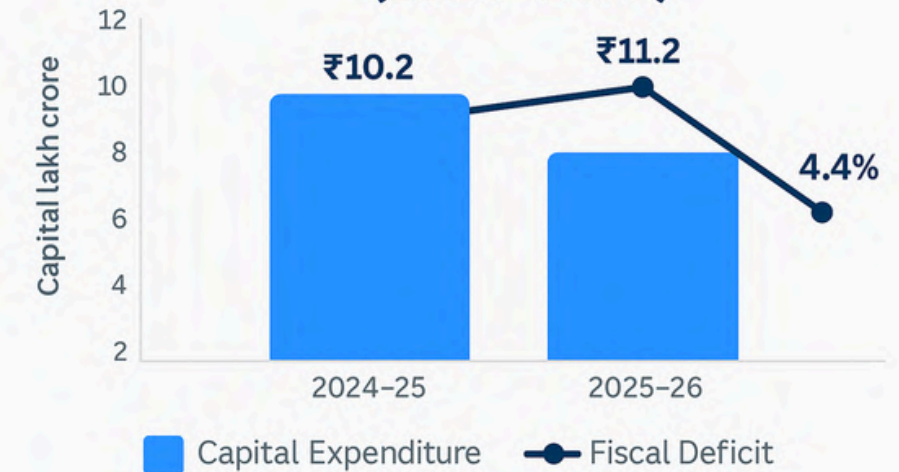


FISCAL POLICY (2024–25)

➤ Budget Highlights

- Capital Expenditure: ₹11.21 lakh crore (~3.1% of GDP), +10% from last year.
- Fiscal Deficit Target: 4.4% of GDP (down from 4.8% in FY24–25).
- Focus Areas: Infrastructure, digital innovation, green transition.

India's Fiscal Policy Outlook (2024–2026)



➤ Key Growth Investments



+400 Vande Bharat trains by 2027

₹ 2.52 lakh crore



₹ 1.5 lakh crore interest-free loans to states for reforms

₹ 1.5 lakh crore



₹ 1.5 lakh crore interest-free loans to states for reforms

₹ 1.5 lakh crore

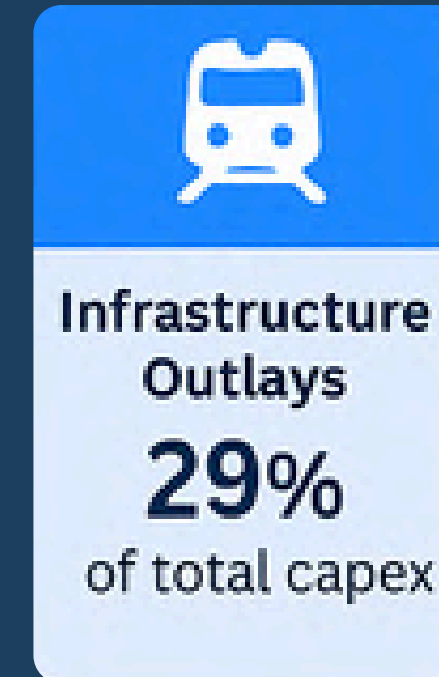


to boost shipping & exports ₹ 25,000 crore

Small Modular Nuclear Reactors (₹20,000 crore) for clean energy R&D

➤ Digital & Innovation Push

- ₹20,000 crore for private-sector R&D.
- National Geospatial & Broadband Missions to modernize planning and connectivity.



➤ Climate & Urban Transformation

- ₹1 lakh crore Urban Challenge Fund for city redevelopment.
- Extended Jal Jeevan Mission until 2028.
- Support for renewables, green bonds, and EV ecosystem.



Opportunities & Recommendations

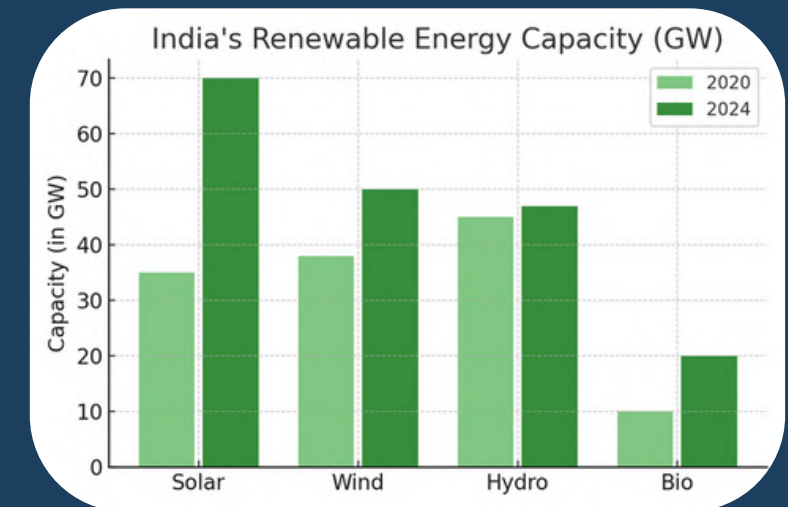
RISE OF INNOVATION HUBS

- India's innovation capacity is globally recognized, with Bengaluru and Hyderabad ranking among top startup hubs. Government initiatives like Startup India, Digital India, and Atal Innovation Mission have catalyzed entrepreneurship.
- To scale this success:
 - Encourage startup clusters in Tier-2/3 cities with reduced compliance burdens.
 - Set up local R&D grant schemes via state innovation funds.
 - Encourage research in AI, biotech, quantum computing and open innovation models.



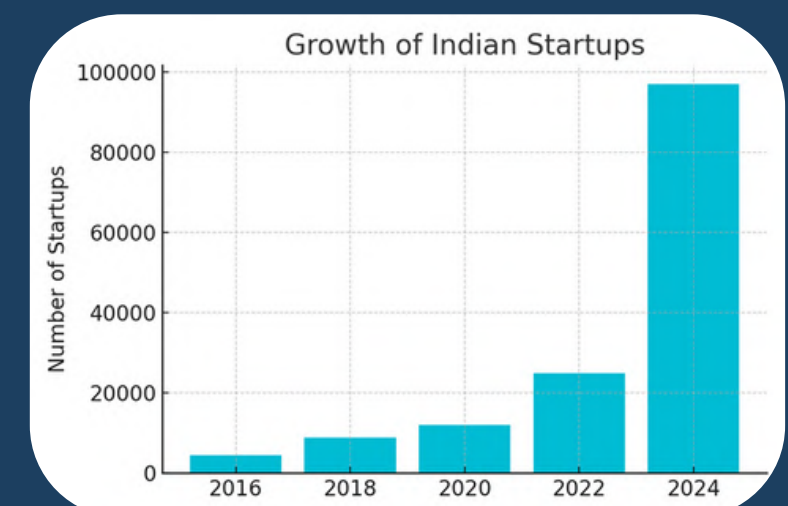
GREEN ECONOMY & CLIMATE TECH

- Agriculture must also transition from chemical-heavy practices to precision and sustainable methods. Investment in water management and crop insurance should be accelerated.
- India's ambitious net-zero by 2070 target calls for aggressive clean energy adoption. Green hydrogen, solar and wind, and EV infrastructure are at the center of its energy transition strategy. The sovereign green bonds issued recently mark a key step in climate financing.



STRENGTHENING THE STARTUP ECOSYSTEM

- From just 400 startups in 2014 to over 1 lakh in 2024, India's startup revolution is reshaping sectors. However, most funding is concentrated in a few metros and sectors.
- - Focus must shift to enabling rural, women-led, and domain-specific ventures.
 - Simplify regulatory compliance and ease of exit.
 - Expand access to global markets through soft diplomacy and export facilitation.



CONCLUSION

India's emergence as the world's 4th largest economy in 2024–25 highlights its progress through strategic reforms, demographic strength, and global integration. From liberalization in 1991 to recent digital and manufacturing initiatives, the nation has transformed into a dynamic, diversified economy. Yet, challenges like inequality, unemployment, and infrastructure gaps remain. To sustain growth, India must prioritize skill development, inclusive policies, and green innovation. By leveraging its youthful population, fostering entrepreneurship, and enhancing global trade ties, India can achieve resilient and equitable growth. With focused execution and strong governance, it is poised to shape the global economic landscape in the coming decade.

MEET OUR TEAM!

Rajdeep
Bhowmik



Iash
Das



Ankur
Malakar



Pragati
Godara



Aditiya
Raj

