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# India's GDP on the Rise: Key Trends and Challenges for FY25

## A Glimpse into India's Economic History

- **Post-Independence Growth (1950-1980):** India followed a socialist-inspired mixed economy, with heavy government intervention and slow growth (often called the Hindu Rate of Growth, ~3-4%).
- **Liberalization & Reforms (1991 Onward):** The 1991 economic reforms opened India's economy, leading to higher growth rates (~6-8%), driven by globalization, privatization, and foreign investments.
- **Post-2000 Boom & Slowdown:** Between 2003-2008, GDP grew at 8-9% annually, but the global financial crisis (2008-09) caused a slowdown.
- **Recent Trends (2015-Present):** Economic reforms like GST, Make in India, and digital transformation have shaped India's growth trajectory, though COVID-19 (2020-21) caused a major contraction (-7.3%), followed by a strong recovery.

## Economic Growth Momentum

- **Q3 GDP Growth:** India's real GDP grew 6.2% in Q3 of FY25 (Oct-Dec 2024), up from 5.6% in Q2, driven by rising consumption demand.
- **Annual Projection:** The National Statistics Office (NSO) estimates FY25 GDP growth at 6.5%, slightly higher than the 6.4% projected in the first advance estimates.
- **Historical Trends:** The GDP growth for FY24 has been revised up to 9.2%, making it the second highest in the last 12 years.
- **Q4 Growth Target:** To meet the 6.5% FY25 target, Q4 (Jan-March) GDP must grow at 7.6%, according to Chief Economic Advisor V. Anantha Nageswaran.

## Key Growth Drivers

- **Strong Export Performance:** Non-petroleum and non-gems & jewelry exports rose 10% in April-January, boosting GDP.
- **Government Capex Surge:** 75% of targeted capital expenditure was completed by January, despite a slow start due to elections.
- **Mahakumbh Effect:** The massive spending from 50-60 crore visitors during the Mahakumbh Mela is expected to significantly contribute to Q4 GDP.



- **Agriculture Growth:** The agriculture sector recorded a six-quarter high growth rate of 4.6%, driven by a robust kharif crop output.

## Sectoral Performance

- **Manufacturing Slowdown:** The manufacturing sector is expected to grow 4.3% in FY25, down from 12.3% last year, indicating corporate profitability pressure.
- **Investment Decline:** The investment-to-GDP ratio fell to a three-year low of 31.9% in Q3, signaling weak private sector investment.
- **Government Spending:** Government final consumption expenditure (GFCE) is estimated to grow at 3.8% in FY25, down from 8.1% last year.
- **Services Sector Performance:** The services sector is projected to grow at 7.3% in FY25, lower than 9% in FY24, with slower growth in trade, hotels, transport, and finance.
- **Mining and Quarrying:** Growth in this sector remains sluggish at 2.8% in FY25, down from 3.2% last year.
- **Construction Sector:** Expected to grow 8.6%, a decline from 10.4% in FY24, reflecting a slowdown in infrastructure expansion.

## Challenges Ahead

- **Manufacturing Struggles:** Corporate profitability has been under pressure, and urban stress due to inflation is affecting consumer demand.
- **Private Investment Slump:** Despite government capital expenditure rising 47.7%, private corporate investment remains weak.
- **Rising Geopolitical Risks:** Global uncertainty may hinder investment and consumption growth in Q4 FY25.
- **Moderating Inflation:** Inflation is expected to decline to 4.5% in Q4, improving real wages and consumption.
- **Fiscal Deficit Considerations:** Higher nominal GDP could help lower fiscal deficit and debt-to-GDP ratio, providing room for future government spending.
- **Q4 Growth Challenge:** Achieving a 7%+ growth in Q4 will be difficult, given the investment slowdown and global uncertainties.

# Maharashtra's Shakti Bill Under Review: A Step Towards Stronger Laws for Women & Children

## Background & History of the Shakti Bill



- **Origins of the Bill:** The Shakti Criminal Laws (Maharashtra Amendment) Bill was passed by both Houses of the Maharashtra Legislature in December 2021 to ensure stringent action against crimes targeting women and children.
- **Presidential Approval Pending:** The Bill has been awaiting Presidential assent since 2021, delaying its implementation.
- **Inspired by Disha Act:** The Bill was modeled after Andhra Pradesh's Disha Act, 2019, which introduced harsh penalties and fast-track trials for crimes against women.

## Key Provisions of the Shakti Bill

- **Death Penalty for Heinous Crimes:** The Bill proposes capital punishment for rape, gang rape, and penetrative sexual assault on children under 16 years.
- **Harsher Sentences:** It recommends life imprisonment for crimes like acid attacks and a minimum 10-year sentence for sexual violence.
- **Faster Investigation & Trials:** Cases related to rape and sexual offenses were to be investigated within 15 days and trials completed in 30 days for speedy justice.
- **Stronger Witness Protection:** A comprehensive witness protection program was included to safeguard victims and key witnesses from threats.

## Current Developments & Government's Stand

- **Review Ordered by Maharashtra CM:** Chief Minister Devendra Fadnavis announced a review of the Bill, stating that new Central laws have already incorporated many of its provisions.
- **Conflict with Supreme Court Rulings:** The Union Home Department raised objections, arguing that the Shakti Bill overstepped Supreme Court judgments, necessitating amendments.
- **New Legal Framework Introduced:** The Bharatiya Nyay Sanhita (BNS), which replaced the Indian Penal Code in 2024, now includes several key provisions from the Shakti Bill.
- **Potential Amendments:** The Maharashtra government may modify the Bill to align with the new BNS framework before seeking re-approval.

## Political Debate & Public Outrage

- **Opposition Criticism:** Former Maharashtra Home Minister Anil Deshmukh criticized the government for delaying the Bill's implementation, calling it "long overdue".
- **Pune Rape Case Sparks Renewed Demand:** The brutal rape case in Pune has intensified calls for immediate action, with opposition leaders demanding urgent enforcement of stricter laws.
- **Public Demand for Action:** Civil rights groups and legal experts are urging the state government to speed up the process and ensure that stringent laws are implemented without further delays.



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## Legal Landscape: Shakti Bill vs. Bharatiya Nyay Sanhita

- **Overlap of Provisions:** The BNS already includes many stringent punishments for crimes against women and children, reducing the need for a separate state law.
- **Need for Customization:** Despite the overlap, experts argue that Maharashtra may still need specific legal provisions tailored to the state's unique social and crime patterns.
- **Federal vs. State Authority Conflict:** Legal analysts point out that criminal law falls under the Concurrent List, meaning both the Centre and State have powers to make laws, leading to legal complexities.

## Future Course of Action

- **Bill Likely to Be Reworked:** Maharashtra may restructure the Shakti Bill by incorporating only the provisions not covered under BNS.
- **Consultations with Legal Experts:** The government is likely to consult legal experts and Supreme Court guidelines before presenting a revised version.
- **Speedy Implementation Expected:** Amidst rising pressure from the public and political opposition, the government may push for faster implementation post-review.