# Macroeconomic Indicators and Capital Market Dynamics: A Critical Analysis of India's Economic Growth and Stability

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*Abstract*

*The Indian economy is shaped by various macroeconomic indicators including inflation, interest rates, exchange rates, and capital market performance. This study investigates the impact of these indicators on the Indian rupee and economic stability. It examines the relationship between capital markets and GDP growth, analysing how stock market fluctuations influence economic expansion. Additionally, the study evaluates the effects of rupee devaluation on financial indicators from 1970 to 2024, highlighting its implications on trade, inflation, and foreign exchange reserves. Another key aspect explored is household savings patterns and their role in capital formation, which is essential for long-term economic growth. Using a quantitative research methodology, the study employs statistical tools such as regression analysis and time-series modeling to examine historical data from government sources, financial institutions, and market reports. The analysis provides insights into how macroeconomic factors interact with currency stability and capital markets, offering a comprehensive view of India's financial landscape. The findings of this research contribute to a deeper understanding of the economic forces affecting the Indian rupee and GDP growth. The study also presents policy recommendations to enhance financial resilience, promote sustainable growth, and strengthen India's position in the global economic environment.*

*Keywords: - Indian economy, GDP, inflation, Capital Market Dynamics, Economic Growth*

## INTRODUCTION

The Indian economy, as one of the fastest-growing in the world, is intricately shaped by a multitude of macroeconomic indicators that influence its financial stability and long-term growth. Key factors such as inflation, interest rates, exchange rate movements, and capital market fluctuations significantly impact the nation's economic trajectory. The performance of the Indian rupee against global currencies serves as a crucial indicator of economic strength, policy effectiveness, and market confidence. As India deepens its integration into the global financial system, understanding these macroeconomic linkages is essential for ensuring sustainable growth and sound policymaking. Capital markets play a pivotal role in economic expansion, driving investment flows, corporate performance, and GDP growth. This research investigates the relationship between stock market trends and economic development, assessing whether financial markets serve as a reliable indicator of broader economic shifts. Additionally, the study delves into the historical trends of rupee devaluation from 1970 to 2024, analysing its impact

on trade balances, inflationary pressures, and overall monetary stability.

Household savings are another cornerstone of economic resilience, forming the foundation for capital accumulation. India's savings behavior, shaped by cultural, economic, and policy factors, has been instrumental in funding industrial growth and infrastructure development. This study aims to provide a detailed empirical analysis of these interconnected factors, offering insights that can guide policy decisions, enhance financial market stability, and deepen the understanding of India's evolving economic landscape.

## REVIEW OF LITERATURE

The effects of rupee devaluation have been widely studied. **Choudhury and Das (2019)** analysed the impact of currency depreciation on India's trade balance, finding that while exports benefited, rising import costs led to inflationary concerns. **Edwards (2019)** examined exchange rate pass-through effects in developing economies, noting that currency depreciation often translates into higher inflation due to import dependency. **Nair and Banerjee (2020)** explored the implications of sustained rupee

depreciation, noting its mixed effects on industrial competitiveness and external debt obligations. **Kumar et al. (2022)** studied the effectiveness of RBI's forex interventions in mitigating exchange rate volatility, concluding that strategic interventions have helped curb speculative pressures. Recent research has also focused on the role of external factors influencing the Indian economy. **Mukherjee and Sharma (2023)** analysed the impact of global financial shocks on India's currency market, emphasizing the country's vulnerability to capital flight during economic crises. **Stiglitz (2023)** studied how global economic disruptions, including trade wars and inflationary pressures, influence exchange rate dynamics in emerging economies like India. **Mehta and Rao (2022)** examined the role of savings in capital formation, concluding that declining household savings rates pose challenges to long-term investment-led growth. **Bernanke and Gertler (2023)** analyzed global savings-investment trends, arguing that declining household savings rates in developing economies can weaken capital formation and economic resilience. The role of digital financial platforms in shaping investment trends has also gained prominence. **Shah and Bhattacharya (2023)** studied the rise of fintech in India and its implications for financial market stability, emphasizing how digital lending and investment platforms influence liquidity flows. **Claessens et al. (2024)** examined global fintech adoption and its effects on financial stability, highlighting how digital disruptions can improve financial inclusion but also introduce new risks.

The survey of literature reveals a complex interplay between macroeconomic indicators, financial markets, and currency stability, yet gaps remain in understanding the long-term impact of rupee devaluation and market integration. This study addresses these gaps with empirical analysis and policy insights for economic stability.

## NEED OF THE STUDY:

To understanding the relationship between capital markets and GDP growth is crucial for, investors, and financial institutions in making informed decisions. how rupee devaluation has played a significant role in shaping financial indicators over the decades, affecting trade balances, inflation, and overall economic performance Assessing savings

patterns can help in formulating policies to enhance investment and sustainable development. This study aims to provide a comprehensive understanding of these key economic dynamics, aiding researchers and policymakers in designing effective strategies.

## OBJECTIVE OF THE STUDY

1. To study the historical trends of the Indian rupee and its impact on economic growth.
2. To assess the influence of capital markets on India's financial stability.
3. To examine the role of foreign exchange policies in shaping India's economic performance.
4. To analyse the contribution of household savings to investment and capital formation.

## RESEARCH METHODOLOGY

The methodology includes both qualitative and quantitative research techniques:

**Data Collection:** The study based on secondary data obtained from government reports, Reserve Bank of India publications, World Bank data, SEBI reports, and other financial institutions. Historical data from 1970 to 2024 is used to evaluate trends and patterns.

1. **Data Analysis:** Statistical tools such as correlation analysis, regression analysis, and time-series analysis is used to examine relationships between macroeconomic variables, capital markets, GDP growth, rupee devaluation, and financial indicators.
2. **Comparative Analysis:** A comparative assessment of past economic policies, exchange rate movements, and capital market performance will be conducted to understand their long-term implications.
3. **Interpretation and Findings:** The results are interpreted to derive meaningful conclusions, highlighting key trends and policy recommendations for economic stability and growth.

This research methodology ensures a systematic and data-driven approach to studying the complex interplay between macroeconomic factors and financial stability in India.

**Macroeconomic Indicator Convergence and Its Structural Implications for Indian Economic Growth and Stability:**

**Growth Indicators of Indian Economy: -** This section presents the value of Indian currency and the factors influencing the Indian currency. More specifically, the section concentrates on the factors

which include Gross Domestic Product (GDP), Inflation and Current Account Deficit (CAD). It explains how these factors are related to the value of rupee and how closely associated they are in influencing the value of rupee. The rising inflation rate and the slow-down in the GDP rate and the continuous increase in the current account deficit have influenced the value of rupee in a very large manner.

**Gross domestic product (GDP)** The GDP is one of the important indicators that helps to determine the growth of the economy. The growth rate in the GDP helps to determine the financial strength of the economy and further, healthy GDP rate attracts more foreign investments and helps to build the economy. The GDP presents the total worth of the goods produced in the country.

**Current account deficit: -** The country's trade progress is measured with the Current Account Deficit (CAD), the difference between value of

exports and value of imports represents the Current Account Deficit. The CAD showing negative indicates that the value of imports are more than value of exports.

**Inflation: -** The general increase in the prices of the goods and services in India is measured through inflation. The inflation is expressed in percentages and this indicate the growth in the price of the commodities. Higher the inflation, more negative effect on the growth of the economy.

**Impact of rupee devaluation on select financial indicators**

The table shows the averages of 10 years of all the factors including GDP, Inflation and current account deficit and the value of the rupee taken in the above table is also the averages of 10 years each and all the tests made in the research are taken from the genuine websites like macro trends and RBI"s website.

**Table-1 Performance of Select Economic Indicators**

| Years | Value of Rupee against Dollar | Inflation | GDP | CAD |
|---|---|---|---|---|
| 1970 to 1980 | 8.06 | 0.07 | 3.27 | -0.21 |
| 1981 to 1990 | 12.51 | 0.08 | 5.56 | -1.9 |
| 1991 to 2000 | 34.39 | 0.09 | 5.59 | -0.99 |
| 2000 to 2010 | 45.55 | 0.06 | 6.48 | -0.74 |
| 2011 to 2024 | 83.679 | 0.06 | 6.72 | -2.21 |

Source: RBI reports

**Table-2 Results of Correlation Analysis**

| | | Value of Rupee | GDP Growth rate | Inflation Rate | Current Account Deficit |
|---|---|---|---|---|---|
| **Value of Rupee** | Pearson's r-value | 1 | 0.431** | -0.203 | -0.172 |
| | P-value for two-tailed test | | 0.002 | 0.162 | 0.237 |
| | N | 49 | 49 | 49 | 49 |
| **GDP Growth rate** | Pearson's r-value | 0.431** | 1 | -0.070 | -0.162 |
| | P-value for two-tailed test | 0.002 | | 0.634 | 0.265 |
| | N | 49 | 49 | 49 | 49 |
| **Inflation Rate** | Pearson's r-value | -0.203 | -0.070 | 1 | -0.242 |
| | P-value for two-tailed test | 0.162 | 0.634 | | 0.093 |
| | N | 49 | 49 | 49 | 49 |
| **Current Account Deficit** | Pearson's r-value | -0.172 | -0.162 | -0.242 | 1 |
| | P-value for two-tailed test | 0.237 | 0.265 | 0.093 | - |
| | N | 49 | 49 | 49 | 49 |

Source: Accumulated from SPSS data

The table-2 the Pearson''s r-value coefficient shows the relation between the two or more factors given in the input and tells about the relationship between them and how they are correlated. Now according to the above given table, the value of rupee and the GDP growth rate have a degree of positive correlation i.e. 0.431 and the correlation between the value of rupee and the inflation is negative as the value given is negative i.e. - 0.203. The correlation between the CAD and the value of rupee is also negative i.e. - 0.172.

## Results of Regression Analysis

The relationship between the dependent and independent variables is significant as p-value is 0.006 which is less than significance level (i.e., 5% level = 0.05), hence null hypothesis is rejected; hence, it is proven that the relationship between the variables is significant. Further, it is also to notice that, the regression model obtained from the survey significant predicts the outcome variable, which show the evidence that the data is good fit for analysis of regression.

### Table-3 Results of Regression Analysis

**Summary of the Regression model**

| Form | R | co-efficient of determination | Adjusted co-efficient of determination | S.E.E. |
|---|---|---|---|---|
| 1 | .489[a] | .240 | .189 | 18.19243 |

**ANOVA[a]**

| Form | | SS | $\Omega$ | Average of squares | F | P-Value |
|---|---|---|---|---|---|---|
| 1 | Regression | 4692.962 | 3 | 1564.321 | 4.727 | .006[b] |
| | Enduring | 14893.406 | 45 | 330.965 | | |
| | Total | 19586.368 | 48 | | | |

**Coefficients[a]**

| Form | | Unidentical regression coefficients | | Identical Reg.Co-efficient | t | P-Value |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Invariable) | 19.098 | 7.350 | | 2.598 | .013 |
| | GDP Growth rate | 2.820 | .958 | .390 | 2.943 | .005 |
| | Inflation Rate | -.874 | .549 | -.215 | -1.592 | .118 |
| | Current Acount deficit | -2.453 | 2.079 | -.161 | -1.180 | .244 |

**Source**: Accumulated from SPSS data

The Summary of the Regression model results shows about the association framework of the dependent and independent variables, it shows that the computed r-value is 0.489 which is less than 0.5, hence there exist a low degree of positive relationship between the variables. The computed r-square was equals to 0.240, that shows that 24 percent of variance for dependent variable, i.e.., rupee was explained the independent variables GDP growth rate, inflation rate, current account deficit.

From the co-efficient table, the output of the regression equation obtained is presented here.

**Rupee value (y) = 19.098 + 2.82 (GDP Growth rate) – 0.874 (inflation rate) – 2.453 (Current Account deficit)**

The value of rupee can be obtained with the help of the above-mentioned regression equation. Here the rupee value is the dependent variable and the GDP growth rate, inflation rate and CAD are the independent variables. The results indicate that, 1unit change in the GDP growth rate increases 2.82 units increase in the Rupee value. Further, 1-unit change in the inflation rate makes 0.874 units decrease in the rupee value and 1-unit change in the CAD makes 2.453 units decrease in the rupee value. The results further indicate that GDP and rupee have positive relationship and inflation and rupee value, CAD and rupee value have negative relationship. The significant p-value for the independent variables show that, the constant, GDP growth rate are found significant and inflation rate, CAD are found insignificant.

**Analysis on Macro Indicators of Indian Economy Growth**

The macro indicators present the clear picture about the Indian economy and its growth. The select indicators are considered for the analysis. These include: Population growth, Gross Value Added at basic price, Net taxes on products, GDP, Consumption of Fixed capital, NDP, Gross National Income, Gross National Disposable income, Gross Saving, Net saving, Gross Capital formation and Net Capital formation.

### Table-4 PERFORMANCE OF MACRO ECONOMIC INDICATORS

| (Base Year: 2017-18 At Current Prices) | | | | (Amount in ` Crore) | |
|---|---|---|---|---|---|
| Year | Population (in Lakhs) | GVA at Basic Prices | Net taxes on products | Gross Domestic Product | Consumption of Fixed Capital | Net Domestic Product |
| 2014-15 | 11540 | -- | -- | 5303567 | 565197 | 4738370 |
| 2015-16 | 11700 | -- | -- | 6091485 | 657897 | 5433588 |
| 2016-17 | 11860 | -- | -- | 7157412 | 753473 | 6403939 |
| 2017-18 | 12020 | -- | -- | 8232652 | 864429 | 7368223 |
| 2018-19 | 12350 | 9202692 | 741321 | 9944013 | 1060905 | 8883108 |
| 2019-20 | 12510 | 10363153 | 870369 | 11233522 | 1195975 | 10037547 |
| 2020-21 | 12670 | 11504279 | 963680 | 12467959 | 1342291 | 11125668 |
| 2021-22 | 12830 | 12574499 | 1197376 | 13771874 | 1449697 | 12322177 |
| 2022-23 | 12990 | 13935917 | 1426469 | 15362386 | 1590725 | 13771661 |
| 2023-24 | 13160 | 15482715 | 1612290 | 17095005 | 1781718 | 15313286 |
| Average | 12363 | 12177209 | 1135251 | 10665988 | 1126231 | 9539757 |
| STDEV | 562.73 | 2313813 | 337938.9 | 4014394 | 414654.7 | 3600023 |
| CAGR | 1.47 | -- | -- | 13.89 | 13.61 | 13.92 |

Source: RBI reports from 2014-15 to 2023-24

### a) Population Growth

The population growth from the year 2014-15 to 2023-24 is shown in table it is to notice that, the population has increased from 115.40 crore to 131.60 crore in a span of 10 years. The average population in India is 123.63 crore and the compound annual growth rate in the population is 1.47 percent. The Gross Value Added at Basic prices is computed from 2018-19 to 2023-24. The Gross Value added at basic prices ranges in between Rs.9202692 crore to Rs.15482715 crore. The average of GVA at basic prices is Rs.12177209

crore. The net taxes on products ranges in between Rs.741321 crore to Rs.1612290 crore. The average of net taxes on products in between 2018-19 to 2023-24 is Rs.1135251 crore.

The average GDP is Rs.10665988 crore. The Compound Annual growth rate in GDP in between 2014-15to 2023-24 is 13.89 percent. The consumption of fixed capital has increased from Rs.565197 crore to Rs.1781718 crore in between 2014-15 to 2023-24. The average consumption of fixed capital is Rs.1126231 crore. the average of net domestic product is Rs.9539757 crore.

### PERFORMANCE OF MACRO ECONOMIC INDICATORS

### Table-5 (Amount in Crore)

| Year | Gross National ncome | Gross National Disposable Income | Gross Saving | Net Savings | Gross Capital Formation | Net Capital Formation |
|---|---|---|---|---|---|---|
| 2014-15 | 6419452 | 4531440 | 1802620 | 1237422 | 1931380 | 1366182 |
| 2015-16 | 7595248 | 5180319 | 2182970 | 1525073 | 2363670 | 1705773 |
| 2016-17 | -- | 5949444 | 2481931 | 1728458 | 2692031 | 1938558 |
| 2017-18 | 8772097 | 8964408 | 2853658 | 1892305 | -- | -- |
| 2018-19 | 9827250 | 10177331 | 3369202 | 2308297 | 3847122 | 2786217 |
| 2019-20 | 11093638 | 11489556 | 3608193 | 2412218 | 3794135 | 2598160 |

| | | | | | |
|---|---|---|---|---|---|
| **2020-21** | 12320529 | 12725683 | 4019957 | 2677666 | 4179779 | 2837487 |
| **2021-22** | 13612095 | 14025178 | 4282259 | 2832562 | 4422659 | 2972962 |
| **2022-23** | 15185986 | 15565424 | 4648421 | 3057696 | 4741385 | 3150660 |
| **2023-24** | 16910192 | 17315933 | 5216022 | 3434303 | 5526853 | 3745135 |
| **Average** | 11304054 | 10592472 | 3446523 | 2310600 | 3722113 | 2566793 |
| **STDEV** | 3519749 | 4440748 | 1116343 | 708754.6 | 1179523 | 757815.2 |
| **CAGR** | -- | 16.06 | 12.53 | 12.01 | -- | -- |

Source: RBI reports from 2014-15 to 2023-24

The compound annual growth rate is 13.92 percent. The average of Gross National Income is Rs.11304054 crore. The average Gross National Disposable income is Rs.10592472 crore. The Compound Annual Growth rate of GNPI is 16.06 percent. The Gross saving has increased from Rs.1802620 crore to Rs.5216022 crore and the average Gross saving from 2014-15 to 2023-24 is Rs.3446523 crore. The compound annual growth rate in between 2014-15 to 2023-24 is 12.53 percent. The Net savings have increased from Rs.1237422 crore to Rs.3434303 crore and the average net savings in between 2014-15 to 2023-24 is Rs.2310600 crore. The Compound Annual Growth rate in the net savings is 12 percent. The Gross capital formation ranges in between Rs.1931380 crore to Rs.5526853 crore. The average gross capital formation valued Rs.3722113 crore. The net capital formation has increased from Rs.1366182 crore to Rs.3745135 crore. The average of net capital formation in between 2014-15 to 2023-24 is Rs.2566793 crore.

**Analysis about Year wise Financial Savings of the Household Sector**

Household sector in India was one of the important bases to determine the behaviour of the Indian households towards various avenues of savings. From the annual reports of NSO and the subsequent reports of RBI compiled and displayed in table-6, it was observed that, the total gross financial savings of the households vary in between 9.2 to 14.0 in between 2014-15 to 2023-24. The savings in deposits vary in between 4.8 to 8.2 percent. The savings in shares and debentures vary in between 0.2 to 0.4. The savings in claims on government varies in between -0.2 to 0.5. The savings in insurance funds are in the range of 1.8 to 2.8 percent. The savings in provident and pension funds varies in between 1.1 and 2.0 percent. Highest proportion of financial savings are made in savings in the form of deposits, savings in insurance funds is the next preferred form of financial savings by the households in India.

**Table-6 Year wise Financial Savings of the Household Sector (in percent of GNDI)**

| Year | Total Gross financial savings | Savings in Currency | Savings in Deposits | Savings in Shares and Debentures | Savings in Claims on Government | Savings in Insurance Funds | Savings in Provident and Pension funds |
|---|---|---|---|---|---|---|---|
| **2014-15** | 14.0 | 1.8 | 8.2 | 0.4 | -0.4 | 2.8 | 1.3 |
| **2015-16** | 10.5 | 1.2 | 6.0 | 0.2 | -0.2 | 2.2 | 1.1 |
| **2016-17** | 10.3 | 1.2 | 6.0 | 0.2 | -0.2 | 2.1 | 1.1 |
| **2017-18** | 10.4 | 1.2 | 6.0 | 0.2 | -0.2 | 2.2 | 1.1 |
| **2018-19** | 10.5 | 1.1 | 6.0 | 0.2 | -0.1 | 1.8 | 1.5 |
| **2019-20** | 10.4 | 0.9 | 5.8 | 0.2 | 0.2 | 1.8 | 1.5 |
| **2020-21** | 9.9 | 1.0 | 4.8 | 0.2 | 0.0 | 2.4 | 1.5 |
| **2021-22** | 10.7 | 1.4 | 4.6 | 0.3 | 0.5 | 1.9 | 2.1 |
| **2022-23** | 9.2 | -2.0 | 6.3 | 0.2 | 0.4 | 2.3 | 2.0 |
| **2023-24** | 10.8 | 1.4 | 4.8 | 0.3 | 0.4 | 2.0 | 1.9 |
| **Average** | **10.67** | **0.92** | **5.85** | **0.24** | **0.04** | **2.15** | **1.51** |

**Source**: Accumulated from the reports of NSO published in RBI Annual Reports from 2014-15 to 2023-24

Further, the savings in shares and debentures is only about 0.24 percent and this gives a clear indication that, the household's preference of savings in shares and debentures in comparison with other form of savings such as savings in deposits, saving sin insurance funds and savings in provident and pension funds is very low.

**Analysis on impact of Financial Indicators on NPAs**

The status of Nonperforming assets shows the viability and adequacy of banks and the bank health to manage the borrowed loans over a period of time. The banking sector is one of the major services sectors contributing significantly to the Indian economy. In this direction, an attempt was made to ascertain the influence of NPA on the select economic indicators. With reference to Capital Adequacy Ratio (CRAR), the ratio lies in the range of 13.00 to 14.20, in most of the cases the rate of change is less. The inflation varied in between 3.6 to 12.31 percent. During 2015-16, the inflation rate is highest and n 2021-22; the inflation rate is less in the select period of study. The Gross NPA percent ranges in between 2.3 to 11.2 percent. Highest is recorded during 2023-24 period and the least ratio is recorded during 2014-15.

**Table-7 Results of Correlation Analysis**

| Correlations | | GDP (%) | Unemployment (%) | CRAR (%) | Inflation rate (%) | Gross NPA (%) |
|---|---|---|---|---|---|---|
| GDP | Pearson's r-value | 1 | 0.033 | -0.183 | -0.170 | 0.296 |
| | P-value for two-tailed test | | 0.933 | 0.637 | 0.662 | 0.439 |
| | N | 9 | 9 | 9 | 9 | 9 |
| Un employment | Pearson's r-value | 0.033 | 1 | 0.382 | 0.943** | -0.782* |
| | P-value for two-tailed test | 0.933 | | 0.311 | 0.000 | 0.013 |
| | N | 9 | 9 | 9 | 9 | 9 |
| CRAR | Pearson's r-value | -0.183 | 0.382 | 1 | 0.541 | -0.150 |
| | P-value for two-tailed test | 0.637 | 0.311 | | 0.132 | 0.701 |
| | N | 9 | 9 | 9 | 9 | 9 |
| Inflation rate | Pearson's r-value | -0.170 | 0.943** | 0.541 | 1 | -0.814** |
| | P-value for two-tailed test | 0.662 | 0.000 | 0.132 | | 0.008 |
| | N | 9 | 9 | 9 | 9 | 9 |
| Gross NPA | Pearson's r-value | 0.296 | -0.782* | -0.150 | -0.814** | 1 |
| | P-value for two-tailed test | 0.439 | 0.013 | 0.701 | 0.008 | |
| | N | 9 | 9 | 9 | 9 | 9 |

**Source**: Accumulated from SPSS data

Correlation analysis is applied to ascertain the significant relationship between these indicators. Results are displayed in table-4.33. Table-4.33 Show the significant relationship in between each of the five select financial indicators. In between Unemployment and inflation rate, there exists a high degree of positive relationship between unemployment and inflation rate. The computed p-value is 0.013 which show that the relationship is significant.

With reference to unemployment and Gross NPA, there exists a significant negative relationship. In between inflation rate and Gross NPA, there exist a high degree of negative relationship between the variables. The computed p0vale is 0.008 which show that in between inflation rate and Gross NPA, the relationship is found significant. Among the other financial indicators, there exists a relationship which is not significant as computed p-value is higher than 5 percent significance level.

**CONCLUSIONS OF THE STUDY**

The study on the impact of Rupee Devaluation on select financial indicators showed that the relation between the value of rupee and the GDP growth rate have a low degree of positive correlation and the correlation between the value of rupee and the inflation is negative as the value given is negative i.e., -0.203. The correlation between the current account deficit (CAD) and the value of rupee is also negative i.e., -0.172. The results of regression analysis reveal that GDP and rupee have a positive relationship, while inflation and rupee value, CAD and rupee value have a negative relationship. The significant p-value for the independent variables

show that the constant and GDP growth rate are found significant, whereas inflation rate and CAD are found insignificant. The study on macroeconomic indicators shows that the average population in India is 123.63 crore, with a compound annual growth rate of 1.47 percent. The GDP has increased from Rs. 5,30,35,67 crore in 2014-15 to Rs. 17,09,50,05 crore in 2023-24. The Net Domestic Product has increased from Rs. 4,73,83,70 crore to Rs. 15,31,32,86 crore. The study on national income indicators shows that Gross National Income has increased from Rs. 6,41,94,52 crore to Rs. 16,91,01,92 crore between 2014-15 and 2023-24. The Gross National Disposable Income has increased from Rs. 4,53,14,40 crore to Rs. 17,31,59,33 crore in the same period.

The analysis on savings reveals that Gross Savings have increased from Rs. 18,02,620 crores to Rs. 52,16,022 crores, while Net Savings have grown from Rs. 12,37,422 crores to Rs. 34,34,303 crores. The Gross Capital Formation ranges between Rs. 19,31,380 crore and Rs. 55,26,853 crores. The Net Capital Formation has increased from Rs. 13,66,182 crores to Rs. 37,45,135 crores. The highest proportion of financial savings is in the form of deposits, followed by insurance funds. Savings in shares and debentures remain low at only about 0.24 percent, indicating a strong preference for safer investment options like deposits, insurance, and pension funds.

For sustained economic stability, the RBI must proactively manage forex reserves and balance monetary-fiscal policies to curb rupee volatility. Strengthening capital markets through increased FDI, financial literacy, and reduced reliance on FPI is essential. A diversified export strategy, coupled with strategic trade pacts, can enhance global competitiveness. Encouraging domestic savings via tax incentives and digital finance will bolster capital formation. Inflation control through targeted policies and supply chain resilience is imperative. Additionally, mitigating geopolitical risks through diversified trade alliances will fortify economic defenses. These measures collectively ensure a stable rupee, robust markets, and long-term growth.

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