ISSN PRINT 2319 1775 Online 2320 7876

Research paper UGC CARE Listed (Group -I) Journal Volume 11, Iss 8, Dec 2022

An Analysis Of Indian Investments And Economic Growth Post Covid -19 Pandemic

Prof. Praveen Suryavanshi

Research Scholar

Bharati Vidyapeeth

Ph. 8111868102

Dr. Ashwini Rodrigues

Bharati Vidyapeeth,

Karad.

Ph.9923531236

ABSTRACT

India is well poised to become to developed countries in coming years, after Covid-19 Pandemic India has recover very fast, all the sectors in India are doing very well and in coming years India will in number one in world, there is a positive growth in the GDP also. According to a research by EY, India's GDP would reach $26 trillion (in market exchange values) and its per capita income will reach $15,000 by 2047, firmly placing it among the developed countries. All the sectors of India are also performing well. With significant growth in net sales in the quarter ended March 2022, aided by a general improvement in demand, the business sector has started to show indications of resurgence. The gross non-performing assets (GNPA) ratio decreased to its lowest level in six years during H2 of 2021–22, increasing the lending capacity of the Indian banking system, which then entered a consolidation phase. Investor confidence has been boosted by a well-capitalized financial system and better business sector fundamentals. Strong macroeconomic underpinnings of the economy are reflected in the economy's resilience in Q1 2022–2023, pointing to positive growth, Perspective for the upcoming quarters. Real GFCF to GDP increased from 30.5 to 32.0 percent in 2021–2022 as a result of a rebound in investment confidence. This paper will focus on growth of India in Investment and all sectors.

Key Words: Per Capita Income, Non-Performing Assets, Lending capacity

ISSN PRINT 2319 1775 Online 2320 7876

Research paper UGC CARE Listed (Group -I) Journal Volume 11, Iss 8, Dec 2022

INTRODUCTION

India is growing fast, post covid-19 pandemic India has recover very fast and all the sectors of India are doing very well. According to a research by EY, India's GDP would reach $26 trillion (in market exchange values) and its per capita income will reach $15,000 by 2047, firmly placing it among the developed countries. All the sectors of India are also performing well. With significant growth in net sales in the quarter ended March 2022, aided by a general improvement in demand, the business sector has started to show indications of resurgence. The gross non-performing assets (GNPA) ratio decreased to its lowest level in six years during H2 of 2021–22, increasing the lending capacity of the Indian banking system, which then entered a consolidation phase. Investor confidence has been boosted by a well-capitalized financial system and better business sector fundamentals. Strong macroeconomic underpinnings of the economy are reflected in the economy's resilience in Q1 2022–2023, pointing to positive growth, Perspective for the upcoming quarters. Real GFCF to GDP increased from 30.5 to 32.0 percent in 2021–2022 as a result of a rebound in investment confidence. This paper will focus on growth of India in Investment and all sectors. Actual rainfall across the entire nation is 7% above average thanks to the South-West monsoon. The regional distribution of the rainfall has been significantly improved. It has much less skew. With terms of trade for agricultural commodities continuing positive since March 2022, increased international agricultural prices have increased the real purchasing power in rural communities. Rural demand has recovered as a result, albeit some indicators have not yet returned to their pre-pandemic levels.

Objectives of the study

a) To analyze the growth in all sectors
b) To understand the growth of Investments Sector in India

Research Methodology

This study is to find out the growth of India, various journals and papers were analyzed in order to get the correct results. Various reports of RBI were analyzed to get the correct information. India is growing very fast and each sector is growing at a faster rate. Each sector was analyzed to

ISSN PRINT 2319 1775 Online 2320 7876

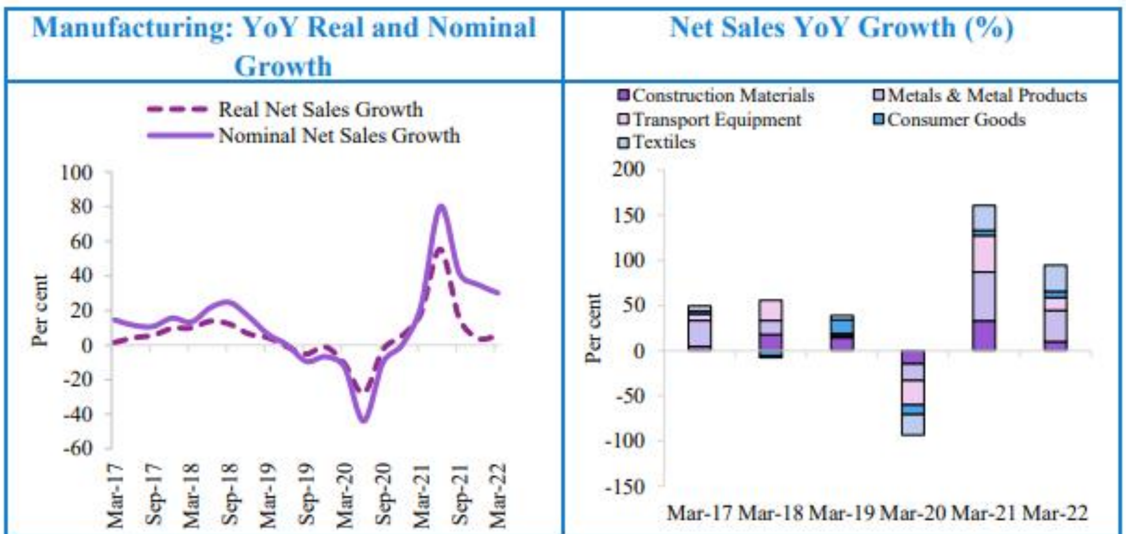
Research paper UGC CARE Listed (Group -I) Journal Volume 11, Iss 8, Dec 2022

understand the growth of these sectors and how much they are contributing to the growth of the country.

Analysis of Contribution of each sector for Indian Growth

Growth in Manufacturing Sector

The private sector saw strong year-over-year growth in net sales during the quarter ended in March 2022, both in nominal and real terms, demonstrating a persistent improvement in demand conditions. On a pro forma basis, real revenue growth increased as well.



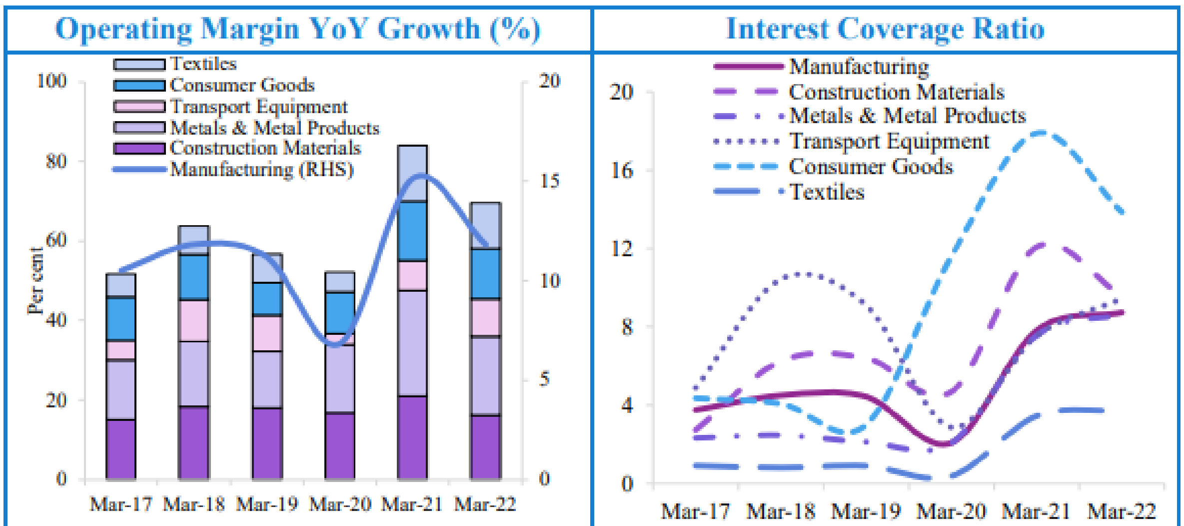
Source: Private Sources

Inorganic chemicals such as fertilizer's, insecticides, petroleum goods, and rubber performed particularly well within the manufacturing sector. This is in line with the agricultural sector's continuous performance during the epidemic and the significant increase in exports that fueled the economic recovery. In the three months ending in March 2022, it was also predicted that the recovery would become more widely spread, with strong revenue growth in the following industries: electronic machinery, textiles, vegetable oils & goods, commercial vehicles, and paper/newsprint/paper products.Due to pent-up demand, the textile industry's sales growth in the quarter ending in March 2022 did not suffer despite the pass-through of input prices. The textile industries saw an increase in average prices of 12–22% on a yearly basis. Both the metals and

ISSN PRINT 2319 1775 Online 2320 7876

Research paper UGC CARE Listed (Group -I) Journal Volume 11, Iss 8, Dec 2022

petroleum products industries benefited from the pass-through, with the latter experiencing actual sales increase as a result of the rise in metal prices brought on by the crisis in Russia and Ukraine. On the other hand, increased subsidies aided the fertiliser industry in generating bigger sales earnings. The pesticides industry saw volume increase on the domestic and international markets. Commercial vehicle industry sales revenue rose in terms of both volumes and realisations. Strong demand for these products was enabled by the real estate, infrastructure, and e-commerce sectors. The demand for commercial vehicles was aided by strong demand from the infrastructure, real estate, and e-commerce industries.



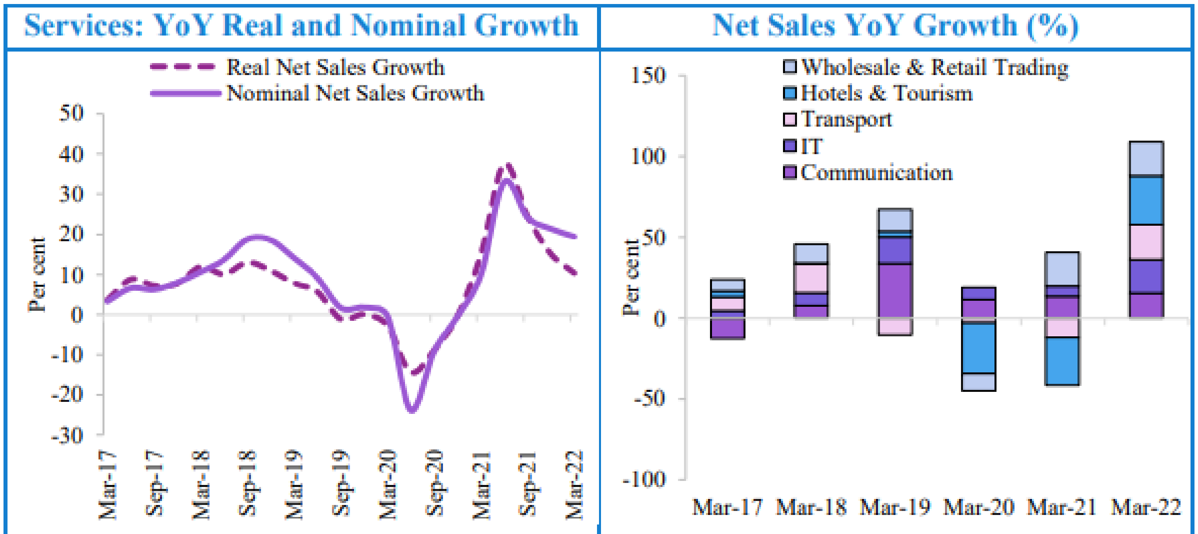
Source: Private Sources

The services sector is recovering.

Company's profits in the service sector experienced a widespread rebound in nominal and real terms during the quarter of January to March 2022. While non-IT service industries continued to recover from the lockdown-related slowdown, information technology (IT) companies maintained robust growth. Over 20% growth was seen in the hotel and tourism industries, commerce, shipping and transport services, information technology or software, and cinema exhibition. Real growth in the transportation sectors via road, rail, ship, and media was negative. Companies in the IT and non-IT service sectors were also successful in keeping their operational profit margins.

ISSN PRINT 2319 1775 Online 2320 7876

Research paper UGC CARE Listed (Group -I) Journal Volume 11, Iss 8, Dec 2022



Source: Private Sources

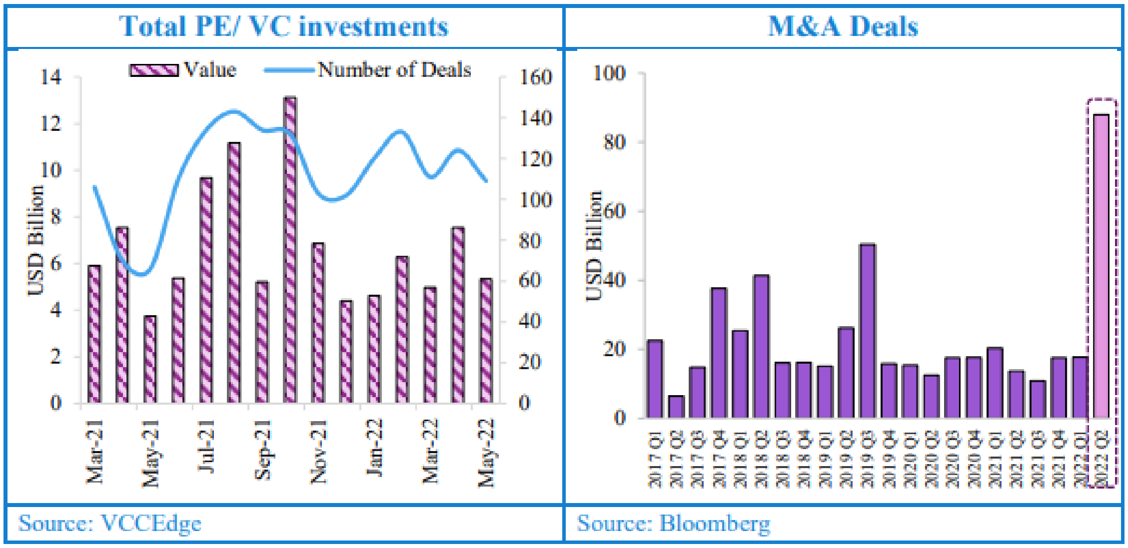
Growth of Investments in Private sector

Investor sentiment has been boosted by a well-capitalized financial system and better business sector fundamentals. Sound macroeconomic underpinnings of the economy are reflected in the economy's resilience in Q1 2022–2023, providing hope for future growth. Real GFCF to GDP increased from 30.5 to 32.0 percent in 2021–2022 as a result of a rebound in investment confidence. The government's policy decisions over a number of years can be blamed for the improvement in investor morale. Investment activity has been supported by factors such improvements in business accessibility, simple business exits, mature digital infrastructure, and simple & affordable data access.

Investments in private equity (PE) and venture capital (VC) surpassed previous highs in 2021. PE/VC investments in the first two months of Q1 2022–23 totaled USD 12.9 billion, up 14% from the amount seen in the same time the previous year, maintaining the momentum of investment. At 233, the number of transactions was a 71% increase over the previous year. Growth deals attracted the most PE/VC funding overall, followed by start-up deals. In terms of sectors, real estate came out on top, followed by the power sector.

ISSN PRINT 2319 1775 Online 2320 7876

 UGC CARE Listed (Group -I) Journal Volume 11, Iss 8, Dec 2022



Increase in House Saving

For the fiscal year 2021–2022, the Reserve Bank of India (RBI) recently provided information on household savings in India. The strength of a household's balance sheet can be seen in the savings it has accumulated for important life events like marriage and children's education, a long-term cover for retirement expenses, and the desire to leave a bequest, as well as the ability of families to meet emergency needs in the event of a sudden income shock.

Gross household savings as of the end of March 2022 were 10.8% of GDP, calculated using today's values. This represents a drop of more than 5 percentage points from the previous year, when it peaked at 16% of GDP. A rise in 2020–21 was caused by the pandemic spending decrease, which was partially imposed by lockdowns and a rise in precautionary savings. As household spending returns to normal after last year's phase of pent-up demand being satisfied, gross household financial savings should increase somewhat from the number for 2021–22 to get closer to the pre–pandemic trend of around 12% of GDP.

Household cash holdings decreased from 1.9% of GDP in 2020–2021 to 1.1% of GDP in 2021–2022 due to a rise in demand for money during the pandemic uncertainty. The volatility of cash holdings was also influenced by issues connected to policy throughout the past ten years. Demonetization in 2016–17 made it necessary for families to deposit a large portion of their household cash in banks, which resulted in much smaller cash holdings than the previous year

ISSN PRINT 2319 1775 Online 2320 7876

Research paper UGC CARE Listed (Group -I) Journal Volume 11, Iss 8, Dec 2022

while the ratio of bank deposits to GDP increased significantly. In 2017–18, when money was once again widely accessible, a turnaround occurred.

Conclusion

India is growth at a very fast rate, all rectors are contributing for the growth of India, a stable government, good economic reforms and policies and good implementation of these policies made sure that India is progressing well. A stable financial sector and good banking policies has also ensured that the India is going to be the number one county in the coming days. Indian GDP is also growing and it shows a positive upward movement.

References

- Goodhart, Charles and Boris Hofmann, 2008. "House prices, money, credit, and the
- macroeconomy," Oxford Review of Economic Policy, Oxford University Press, vol. 24(1), pages 180-205, spring.
- International Monetary Fund, 2017. "Global Financial Stability Report." Washington, October 2017.
- La Porta, Rafael, Florencio Lopez-de-Silanes, and Andrei Shleifer, 2002, "Government ownership of banks," Journal of Finance 62, pp. 265–302.
- Levine, Ross, 2005. "Finance and Growth: Theory and Evidence," Handbook of Economic
- Growth, in: Philippe Aghion & Steven Durlauf (ed.), Handbook of Economic Growth, edition 1,volume 1, chapter 12, pages 865-934, Elsevier.
- Muduli, S. and Behera, H., 2021. Bank capital and monetary policy transmission in India. Macroeconomics and Finance in Emerging Market Economies, pp.1-2
- Acharya, Shankar (2007), "India's Growth: Past Performance and Future Prospects", paper for presentation at the Eighth Annual Global Development Conference of the Global Development Network, January 14—16, 2007.
- Azeez, E. Abdul (2002), "Economic Reforms and Industrial Performance: An Analysis of Capacity Utilisation in Indian Manufacturing", Working Paper 334, CDS, Thiruvanantapuram.

ISSN PRINT 2319 1775 Online 2320 7876

Research paper © 2012 IJFANS. All Rights Reserved, UGC CARE Listed (Group -I) Journal Volume 11, Iss 8, Dec 2022

- Balakrishnan, Pulapre and M. Suresh Babu (2003), "Growth and Distribution in Indian
- Industry in the Nineties", Economic and Political Weekly, Vol. 38, No. 38, September 20.

  Bosworth, Barry and Susan M. Collins (2007), "Accounting for Growth: Comparing china and India", National Bureau of Economic Research Working Paper 12943,
- http://www.nber.org/papers/w12943
- Debroy, Bibek (2006), "India's demographic dividend", The Telegraph, December 6, 2006.
- DeLong, J. Bradford (2003), "India Since Independence: An Analytic Growth Narrative", in Dani Rodrik (ed.) In Search of Prosperity: Analytic Narratives on Economic Growth, Princeton, New Jersey: Princeton University Press.
- Felipe, J. and F. Fisher (2003), "Aggregation in production functions: What applied economists should know", Metroeconomica, 54:208–262.
- Goldar, Bishwanath and Anita Kumari (2003), "Import Liberalization and Productivity
- Growth in Indian Manufacturing Industries in the 1990s", The6Developing Economies, XLI-4, Pp. 436–60, December 2003