Syllabus heading

Indian Economy

UPSC Civil Services (Main) Examination · GS III · General Studies Paper III

Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.

Facts & figures for this syllabus heading.

Numbers move. Confirm the latest Budget, Economic Survey or census round. This sheet is for revision, not a substitute for the model answer.

https://wrapexams.com/upsc/mains-answers/gs-3/indian-economy/

Primary Sector (Includes

Agriculture, Livestock, Forestry, Fishing, Mining, Quarrying); Share in Gross Value Added (GVA): About 18.4% of India's nominal GVA in FY 2025-26.; Growth Rate (FY 2025-26): +2.7% real GVA growth.; Employment Share:; Agriculture accounts for about 43.0% of total workers.; In rural areas, agriculture engages 44.6% of male workers and 70.9% of female workers.

Secondary Sector (Includes

Manufacturing, Construction, Electricity, Gas, Water Supply); Share in GVA (FY 2025-26): About 25.3%.; Growth Rate: FY 2025-26: +6.6% real GVA growth, with manufacturing and construction each estimated at 7.0%.; Employment Share: Roughly 24-25% of the workforce, with manufacturing at 12.1% and construction at 12.0%.

Asset Quality (Npas) Gross NPA (GNPA) of

Declined to 2.2% at end-March 2025 and further to about 2.1% by end-September 2025. This marks a multi-decadal / historic low in SCB asset quality stress.; Net NPA (NNPA): Down to about 0.5% in 2025.

Credit Growth & Distribution Overall Credit

Rose to 15.4% in FY 2023-24 (from 9.7% last year); Sectoral Share of Total Bank Credit:; Personal Loans: 32.1% (Largest share); Services: 28.4%; Industry: 26.2%; Agriculture: 13.3% LEGAL FRAMEWORK: SARFAESI Act-2002,Insolvency and Bankruptcy Code (IBC),-2016 & 2020,Banking Regulation Act, 1949

Merchandise And Services Trade Merchandise

USD 441.78 billion, up 0.93% from previous year.; Overall exports (FY 2025-26): USD 860.09 billion, up 4.22% from previous year. Export Growth & Share; Merchandise exports grew by 0.93% overall in FY 2025-26.; Merchandise imports grew to USD 774.98 billion, up about 7.5% year-on-year.; India's share of global merchandise exports: around 1.8% in 2024. Trade Deficit; Merchandise trade deficit (FY 2025-26): USD 333.19...

TOP EXPORT ITEMS

Engineering goods, petroleum products, electronics, drugs and pharmaceuticals, minerals/ores, etc. TOP IMPORT ITEMS: Crude oil/petroleum, gold, electronics/machinery, chemicals, etc. MAJOR EXPORT DESTINATIONS: United States, UAE, Netherlands, China, United Kingdom, Singapore. MAJOR IMPORT SOURCES: China, UAE, United States of America, Russia, Saudi Arabia, etc. Foreign Trade Policy & Initiatives; Target: USD 2...

Other Initiatives Pradhan Mantri Gati Shakti

Aims to enhance multi-modal connectivity and infrastructure.; National Industrial Corridor Development Programme: Develops industrial corridors to promote industrial growth.; GIS-enabled India Industrial Land Bank (IILB): A platform for GIS-based industrial land information.; Industrial Park Rating System (IPRS): Evaluates industrial parks based on infrastructure quality.; Productivity Linked Incentive (PLI) Scheme...

Coal

Backbone Of Energy; Coal supplies ~55% of India's total energy.; Production in FY 2024-25 reached 1.047 billion tonnes, up ~5% YoY; Delivers 74% of domestic electricity and makes India the third-largest coal consumer .

Energy

Renewable & Non-Fossil Energy; India achieved 50% cumulative electric power installed capacity from non-fossil fuel sources in June 2025, five years ahead of its 2030 NDC target.; Installed non-fossil capacity stood at 283.46 GW as on 31 March 2026.; Non-fossil fuels accounted for 29.2% of total electricity generation in 2025-26, with 538.97 BU generated. Oil & Gas; India meets about 88% of its crude oil needs...

Energy

Government Targets & Global Pledges; Aim to reach 500 GW of non-fossil energy capacity by 2030 (including solar, wind, hydro, nuclear).; Revised solar capacity target of 300 GW under the National Solar Mission.; Committed to net-zero emissions by 2070 and reducing emissions intensity by 33-35% from 2005 levels. Major Policies & Schemes; Jawaharlal Nehru National Solar Mission - aim of 300 GW solar by 2030.; PM...

Energy

Key Challenges Ahead; Despite capacity milestones coal still generates ~70%+ of power .; Renewable generation remains just ~24% of total electricity; capacity utilization and grid integration are lagging .; Requires urgent build-up of battery storage, grid infrastructure, and peak power solutions like green hydrogen.

Supercomputing & Big Data High-Performance Systems

Pratyush, Mihir, PARAM Siddhi, and AIRAWAT (in global top 500).; Applications include defense, climate modeling, biotech, finance, energy.; Mission: National Supercomputing Mission.

Vulnerability

More than 36% of the country's forest cover has been estimated to be prone to frequent forest fires. Nearly 4 % of the country's forest cover is extremely prone to fire, whereas 6% of forest cover is found to be very highly fire prone; 54.40% of forests in India are exposed to occasional fires, 7.49% to moderately frequent fires and 2.40% to high incidence levels (FSI); Commonly reported during November - June...

Banking Sector and Other Economic Reforms

Inclusive Include ffinancially and socially excluded groups, integrate emerging technologies, and ensure the security of digital transactions.

Tarapore Committee, 1997 [Committee on Capital

Focus Areas Recommendations Preconditions Fiscal consolidation, in lation target, and strengthened ffinancial system for CAC were recommended as preconditions for Capital Account Convertibility (CAC). Exchange Rate Policy RBI to maintain a +/- 5% band around the neutral REER; intervene when REER is outside the band. Narrow Banks Convert weak banks into narrow banks, where resources are used only for government...

Sharda Prasad Committee, 2016 [Report on Skill

Focus Areas Recommendations Separate Stream for Establish a separate stream in secondary education, create Vocational Vocational Schools/Colleges for upward mobility, and have a Central University for Education awarding degrees and diplomas. Industry- Vocational Education and Training (VET) should last at least one year Employer Engagement with an internship; industry-employer engagement is vital in all VET...

Parthasarathi Shome Committee, 2014 [On Tax

Focus Areas Recommendations Taxpayer Services Establish a separate vertical for taxpayer services in each board. Binding Decision Ombudsman decisions on taxpayer grievances should be binding on tax of icers. Pre- illed Tax Returns Provide pre- illed tax returns to all individuals, with the option to accept or modify. Separate Dispute Set up a separate dispute management vertical for each board. Management Vertical...

Narasimham Committee- I (1991)

IMPORTANT COMMITTEES, RECOMMENDATIONS 22 Four-tier Hierarchy: The Indian Banking System was proposed to have a four-tier hierarchy, with a few major public sector banks at the top and rural development banks for agricultural activities at the bottom. Quasi-Autonomous Body: A Quasi-Autonomous body under the supervision of the RBI would oversee the functioning of banks and ffinancial institutions.

Narasimham Committee- II (1998)

Focus Areas Recommendations Merger of Banks Merge major public sector banks to enhance international trade, ensuring stronger banks don't merge with weaker ones. Narrow Banking Implement Narrow Banking for banks with high NPAs, allowing them to invest in short term, low-risk assets. RBI as Regulator RBI should solely act as the regulator and not own any banks. Increase Review government ownership of banks to...

P J Nayak Committee, 2014 [On Review of Governance

Focus Areas Recommendations Government's Reduce the government's stake in PSBs to below 50% to improve Stake Rationalisation ef iciency and governance. Administrative Separate the roles of chairman and managing director in PSBs to Reform improve accountability and transparency. Independent Strengthen the role of Independent Directors in PSBs, establish a Bank Directors Investment Company to hold Government Equity...

K.V. Kamath Committee, 2020 [On Restructuring Of

Focus Areas Recommendations Graded Adopt a graded approach to restructure stressed accounts based on the severity of Approach impact on borrowers. Categorisation Banks should categorize accounts as mild, moderate, and severe based on the severity of stress. Fffinancial Banks should assess sector health using the following ive ffinancial parameters: - Parameters Total Outside Liabilities to Adjusted Tangible Net...

P K Mohanty Committee, 2020 [On Private Sector

Focus Areas Recommendations Promoters of Banks Large corporates and industrial houses should be allowed as promoters of banks once the Banking Regulation Act, 1949 is amended. This aims to prevent connected lending and unfair loans to promoters. Criteria for NBFCs can convert to banks if they have: - Asset size of Rs. 50,000 crore+ - Conversion to Banks 10 years of operations - Due diligence and compliance met....

N. S. Viswanathan Committee, 2021 [On Urban

Focus Areas Recommendations Four-tier Implement a four-tier structure for urban cooperative banks (UCBs) based on Structure deposits size and capital availability. UCB Allow large UCBs to operate like small inance banks (SFBs) and universal banks. Operations Tier-3 UCBs Tier-3 UCBs (deposits of INR 1,000 crore to INR 10,000 crore) should operate like SFBs with a 15% Capital Adequacy Ratio (CAR). Tier-4 UCBs Tier-4...

Usha Thorat Committee, 2011 [On Issues and Concerns

Focus Areas Recommendations Fffinancial Increase capital norms to 12% for NBFCs, align asset classi ication and Regulatory Norms provisioning with banks, and set a minimum asset size of over 50 crore for new NBFCs. Simpli ication Simplify regulations: RBI approval required for 25%+ shareholding changes, of Regulations and tax deductions on provisions. Liquidity Ratio Introduce a liquidity ratio to cover gaps between...

Urjit Patel Committee, 2014: On Monetary Policy

Focus Areas Recommendations In lation RBI should anchor Monetary Policy to the Headline CPI with a 4% in lation Targeting target for a two-year horizon, within a band of ±2%. Fiscal De icit Reduce the Fiscal De icit to 3% of GDP by 2016-17, and eliminate administered prices, wages, and interest rates to improve monetary policy transmission. Monetary MPC should consist of the RBI Governor, Deputy Governor, Executive...

Sunil Mehta Committee, 2018: On Stressed Assets of

Long-Term Capital and Governance: The resolution process suggested by the committee will also bring in credible long-term external capital to limit the burden on the domestic banking sector while ensuring robust governance and credit architecture to prevent a similar build-up of non-performing loans in the future. IMPORTANT COMMITTEES, RECOMMENDATIONS 26

Bimal Jalan Committee, 2019 [For Reviewing the

The Committee reviewed the reserves, risk provisions, and risk buffers maintained by RBI and recommended their continuation. Focus Areas Recommendations Realised Maintain realised equity within 6.5% to 5.5% of the RBI's balance sheet to cover Equity credit and operational risks. Surplus Surplus will be transferred to the Government only if realised equity exceeds the Distribution required level. If below the lower...

Committee/recommendation for UPSC Mains revision

Focus Areas Recommendations Issues with the Fragmented Data: Data is fragmented across entities, e.g., borrowings from current Credit banks, inter corporate borrowings, etc., not available in a single repository. Information Reliance on Self-disclosure: Borrowers disclose income, assets, and liabilities, Infrastructure: which may not be accurate or comprehensive. Cross-Validation: Data needs to be cross-validated...

Nandan Nilekani Panel, 2019 [Deepening of Digital

Focus Areas Recommendations Targets for Achieve: a. 10 fold increase in per capita digital transactions (22.4 to 220) b. Digital Payments Double digital transactions as % of GDP (769% to 1500%) c. Triple digital payment users (10 crore to 30 crore) in 3 years. Merchant Subsidise MDR and reduce interchange fees on card payments by 15 bps to Discount Rate incentivise digital payments. Import Duties Remove import...

Ratan Watal Panel, 2016 [Committee on Digital

Focus Areas Recommendations Medium-term Strategy Develop a medium-term strategy to accelerate Digital Payments growth with a regulatory regime. Digital Divide Bridge the digital divide by promoting competition, open access, and interoperability in payments. Inclusive Include ffinancially and socially excluded groups, integrate emerging technologies, and ensure the security of digital transactions. Level Playing...

G. N. Bajpai Committee, 2021 [Development of

International Fffinancial Services Centre] Focus Areas Recommendations Aircraft Leasing and IFSCA has developed an ecosystem for Aircraft Leasing and Financing, Financing which can be used to develop an Aviation Insurance Hub and Trade Credit Insurance at IFSC, and similar platforms for the shipping industry. Captive International Fffinancial Services Centre (IFSCA) should create a framework Insurance Model to...

R. N. Malhotra Committee, 1993 [On Reforms in

Focus Areas Recommendations Private Players Include private players in the insurance sector. Foreign Allow foreign companies to enter the insurance sector, preferably Companies Participation through joint ventures with Indian partners. Autonomous Body Constitute the Insurance Regulatory and Development Authority (IRDA) as an autonomous body to regulate and develop the insurance sector. Enhance IRDA's key objectives...

Committee/recommendation for UPSC Mains revision

ACT) Review] Focus Areas Recommendations Debt as the Use debt as the primary target for iscal policy. Primary Target Targeted Debt to Target a Debt to GDP ratio of 60%, with a 40% limit for the Centre and 20% GDP Ratio for States, to be achieved by 2023. Autonomous Establish an Autonomous Fiscal Council with a Chairperson and two Fiscal Council members appointed by the Centre to:; Prepare multi-year iscal forecasts...

Mahesh Kumar Jain Review Committee, 2019 [On

Focus Areas Recommendations DBT Distribute subsidies directly to farmers' accounts through Direct Bene it Transfer (DBT) for ef iciency and transparency. Subsidies Reduce subsidies on electricity and fertiliser, as they are unsustainable and do not yield desired benefits to farmers. Information Systems Strengthen information systems to aid better decision-making for policymakers and farmers. Technology Use...

Shanta Kumar Committee, 2014 [High Level Committee

Corporation of India (FCI)] Focus Areas Recommendations Procurement FCI should transfer procurement operations of wheat, paddy, and rice to states Operations with sufficient experience and infrastructure. Review Review the coverage of 67% of the population, allocation of 5 kg per person, and frozen central issue prices for three years (rice/wheat/coarse cereals). Outsourcing FCI should outsource stocking operations...

Beekeeping Development Committee, 2019 [Under the

Advancing Beekeeping in India] Focus Areas Recommendations Recognition Recognize honeybees as agricultural inputs and landless beekeepers as farmers. Women Plant bee-friendly lora and engage women self-help groups in managing Engagement these plantations. National Institutionalize the National Bee Board, rename it as the Honey and Pollinators Bee Board Board of India under the Ministry of Agriculture and Farmers'...

Standing Committee Report on Fisheries, Animal

The Standing Committee on Fisheries, Animal Husbandry and Dairying, chaired by Mr. P.C. Gaddigoudar, presented its report on 'Employment Generation and Revenue Earning Potential of the Fisheries Sector'. Committee's observations and recommendations are as follows:; Employment Generation in Fisheries: Fisheries offer diverse job opportunities, with the PM Matsya Sampada Yojana aiming to create 55 lakh jobs by...

Ramesh Chandra Committee, 2018 [On Integration of

Market] Focus Areas Recommendations Reforms Amend the APMC Act to improve agricultural market ef iciency, integrating farm-level production with end-uses (Model APLM Act, 2017). Multiple Modes of Selling Allow multiple selling modes and remove restrictions on selling only through recognized APMCs. Farmers' Form FPOs/cooperatives to enhance farmers' bargaining power. Producers Organizations IMPORTANT COMMITTEES...

T Haque Committee, 2017 [Expert Committee on Land

Observations Legal Bans Most states have either legally banned or imposed restrictions on and Restrictions agricultural land leasing. Informal Legal bans or restrictions on land leasing have led to informal tenancy across Tenancy the country, affecting the productivity of land cultivated by informal tenants. Recommendations Legalisation of Land Legalising land leasing will make more land available for landless and...

Bimal Jalan Committee, 2010 [Market Infrastructure

Focus Areas Recommendations Systemic Importance MIIs (stock exchanges, depositories, clearing corporations) are systemically important, and their failure could lead to major economic collapse. Regulatory Support MIIs should reduce regulatory burdens by supporting the market regulator. Public Utility MIIs, considered public utilities, should generate only reasonable pro its, vs. Pro it Orientation with a cap on...

Kirit Parikh Committee, 2022 [On Fair pricing of

Focus Areas Recommendations Price Introduce a loor and ceiling price for gas from legacy ields, with complete Liberalisation pricing freedom starting January 1, 2026. State Producers ONGC and Oil India Ltd. will receive a price linked to imported oil, with a loor price of $4/ million British thermal unit (mBtu) and a ceiling price of $6.5/mBtu. Unified Tax Include natural gas in the GST regime by subsuming excise...

Atanu Chakraborty Panel, 2019 [On National

Focus Areas Recommendations Capital Plan Rs 111 lakh crore capital investments over six years (FY25), with Investment Roadmap 71% allocated to energy, roads, urban development, and railways, involving private investors. IMPORTANT COMMITTEES, RECOMMENDATIONS 34 Market and Deepen corporate bond markets (including municipal bonds), set up Fffinancial Reforms development ffinancial institutions, and accelerate...

Kris Gopalakrishnan Committee, 2020 [On Various

Focus Areas Recommendations Classi ication Classify data into: - Public (generated by government) - Community (sourced from individuals) - Private (generated by private entities). Privacy Address privacy concerns regarding the re-identification of anonymized personal Concerns data to prevent harm from such processing. Data Establish 'data business' as a new category. Entities (including government agencies) Business...

S. Sunder Committee, 2007 [Road Safety and Traf ic

Focus Areas Recommendations Creation of National Road Safety Establish an Apex body through an Act of Parliament to & Traf ic Management Board promote road safety and traf ic management, with advisory and regulatory functions. State Road Safety Set up State-level Road Safety Boards to advise state Boards governments on road safety and traf ic management. Road Safety Fund Allocate 1% of cess proceeds on diesel and...

Bibek Debroy Committee, 2012 [For Restructuring of

Focus Areas Recommendations Role Separation Separate policy-making, regulation, and operations to ensure sustainable private sector participation. Regulatory Establish an independent Railways Regulatory Authority as a statutory body Authority with its own budget, independent of the Ministry. Reduce Non- Reduce railway engagement in peripheral activities like running schools, core Activities hospitals, and a police...

Standing Committee Report on Development and

The Standing Committee on Transport, Tourism, and Culture, chaired by Mr. V. Vijayasai Reddy, presented its report on 'Development and Expansion of Existing and New National Inland Waterways' on September 21, 2023. It's key indings and recommendations: 1. Operationalisation of National Waterways; Key Issue: Out of 111 noti ied national waterways, only 23 are operational. Fffinancial and staf ing constraints hinder...

Arjun Sengupta Committee, 2005 [On Central Public

Focus Areas Recommendations Empowerment Empower holding companies to transfer assets, loat fresh equity, and divest of Companies shareholding in subsidiaries with conditions. Selecting Chief Executive of CPSE to be a member of the Search Committee for Independent selecting Independent Directors for CPSE Board. Directors IMPORTANT COMMITTEES, RECOMMENDATIONS 37 Non-Accepted Government rejected AGE recommendations on...

U K Sinha Panel, 2019 [On MSME]

Focus Areas Recommendations De inition of Adjust definition criteria regularly to re lect the changing economic Criteria scenario, and delegate MSME classi ication power to the Executive. Legislation Create comprehensive and holistic MSME legislation. Payments Ensure timely payments to MSEs, and make it mandatory for and Procurement PSUs/Government Departments to procure 25% from MSEs via the GeM portal. Role of...

Baba Kalyani Committee, 2018 [On Special Economic

Focus Areas Recommendations Framework Shift focus from export growth to broad-based employment and economic Shift growth through Employment and Economic Enclaves (3Es). MSMEs Promote MSME participation in 3Es and enable manufacturing service players to locate in 3Es. Rules Formulate separate rules and procedures for manufacturing and service SEZs. Ecosystem Enhance competitiveness by developing ecosystems through...

T K Viswanathan Committee, 2018 [On Fair Market

Focus Areas Recommendations Fraudulent Consider Benami trading and trading beyond known ffinancial resources as Activity fraudulent activities. Regulatory Broaden the scope of fraud regulations to cover not only intermediaries but Changes also their employees and agents. Whistle- Grant SEBI authority to provide immunity to whistle-blowers who expose Blower Immunity illegal activities. Preventive Empower SEBI to tap...
