

India to become 3rd largest economy by 2027, m-cap to hit \$10 trillion by 2030: Report

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India is expected to become the 3rd largest economy by 2027, and the market cap will hit \$10 trillion by 2030, the latest report said on Tuesday.

In FY2024, the Indian equity market witnessed a phenomenal performance as



benchmark indices soared to unprecedented all-time highs, with the Nifty and Sensex scaling milestones of 22,526.60 and 74,245.17 mark respectively.

Currently, India's market cap is the 5th largest globally with \$4.5 trillion. The US (\$44.7 trillion), China (\$9.8 trillion), Japan (\$6 trillion) and Hong Kong (\$4.8 trillion) are at present ahead of India in the market cap race.

A report by Pantomath titled 'Recap 2024. Crystal Gaze 2025' said India will lead as the best-growing

emerging market economy in 2025 as well compared to other markets and continue to attract global investors.

Highlighting the Financial Year 2025 projection for the IPO market, the report said the IPO market is buzzing with anticipation as a multitude of innovative and captivating offerings are poised to hit the market, buoyed by India's robust economic growth.

With FY2025 on the horizon, expectations are high for yet another stellar year for IPOs. This optimism is fuelled

by a confluence of factors, including the surge in domestic capital, enhanced governance practices, the vibrant spirit of Indian entrepreneurship, and favourable government policies bolstered by FDI support.

Moreover, the landscape is enriched by the rising tide of financial literacy and the unwavering commitment of institutional investors.

In FY24, a staggering 76 companies tapped into the public markets through mainboard IPOs, raising nearly Rs 62,000 crore – a 19 per cent increase compared to the previous fiscal year.

For this fiscal, a total of 56 companies have filed their documents with SEBI targeting to raise Rs 70,000 crores. Currently, 19 companies have secured SEBI approval to raise an impressive Rs 25,000 crore, while additional 37 companies, eyeing a substantial Rs 45,000 crore, and eagerly await regulatory clearance.

Notably, among these 56 prospective IPO candidates, 9 are the new-age tech firms, collectively seeking to raise around Rs 21,000 crores.

India is poised to be the engine of growth in the next 10 years. India has emerged as one of the fastest-growing economies, surpassing even China, with an impressive GDP growth rate of 7.3 per cent.

The Gross Fixed capital formation was around 30% of GDP in 2023. To double the country's GDP by 2030 without excessive leverage, India would need additional equity capitalisation of Rs 2.5 lakh crore every year for the next 7 years, the report said.

The similar size of equity capitalisation is also desired from an investor perspective, considering the anticipated domestic inflow to the capital market. The report further said there is a need to broad-base and capitalise wider canvass of business enterprises.