

'More private capex needed to reach Viksit Bharat goal by 2047'

Our Bureau
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India's economy needs to consistently grow at around 7.5 per cent each year to reach the Viksit Bharat goal by 2047, while its per capita income must grow from about \$3,000 at present to \$18,000, C Rangarajan, former RBI Governor and Economic Advisory Council Chairman, said here on Wednesday.

"It is possible; there are some countries that have achieved such a feat earlier," he said, noting that a key requirement is increased investment levels.

Rangarajan was in conversation with NR Bhanumurthy, Director, Madras School of Economics, at the Madras Management Association's (MMA) annual convention themed 'India@2035: Driving progress in a changing global paradigm', during a session on the country's economic growth amid geopolitical flux.

GROWTH DRIVERS

"India needs to increase its gross fixed capital formation (GFCF) rate by 2 per cent or so. In the last 3-4 years, GFCF has been at



ECONOMIC PULSE. C Rangarajan, former Governor, RBI, in conversation with NR Bhanumurthy, Director, Madras School of Economics, at MMA Annual Convention 2026 in Chennai. BUJOY GHOSH

33.6 per cent share," he said. While government capex is rising, private sector investments have not increased despite measures such as the repo rate cut, he added, urging the attending corporate leaders to introspect.

He listed other key measures needed for growth, including embracing new technologies, focus on more labour-intensive sectors, multi-dimensional strategies that go beyond domestic markets, and investing in the health and education of citizens for long-term impacts.

However, challenges remain as India tries to accelerate its efforts, he said. "If

India is to remain competitive, we have to absorb new tech like AI," he added.

Describing the US tariffs as "weaponisation", Rangarajan said the recent developments around the trade deal with the US are a positive for India.

AI MODELS

Gopal Srinivasan, Chairman and Managing Director of TVS Capital Funds (TCF), said at the event that the ₹1 lakh crore R&D commitment from the government, in the form of the RDI fund, is unprecedented.

"This capital is structured in a way that it attracts private money alongside it, which means every rupee of

public investment could multiply into three to five rupees of innovation capital flowing into Indian companies and research," he said. TVS Capital is looking to make large-scale investments in AI infrastructure and will announce these in a few weeks, he added.

He pointed out that if IT services companies, which have returned nearly ₹72,000 crore through share buybacks over the past five years, had invested in building foundational AI models, India may have had globally competitive platforms by now.

Shokin Chauhan, former DG, Assam Rifles; R Vijayakumar, Executive Director, MMA; Lakshminarayanan D, Managing Director, Sundaram Home Finance; and MP Surya Prakas, Executive Director, PonPure Chemicals; were present at the event.

The event also saw awards presented to the winners of the 29th MMA competition for young managers, a platform for young professionals below the age of 40 to display their potential and leadership skills.

The Hindu and *businessline* are media partners for the MMA Annual Convention 2026.