

CHOOSING THE CHAMPION STATES

How we arrived at India's top-performing manufacturing states and assessed the strength of their manufacturing ecosystem

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▶ **INDIA'S STATES PRESENT** a differentiated and diverse landscape not only in terms of geography and culture but also socio-economic development parameters, including population size, economic growth, fiscal health and industrial progress.

60 | With this in mind, *Business Today* conducted a study to identify India's top-performing manufacturing states and assess the strength of their manufacturing ecosystem. The rankings were prepared using the latest available state-level data from the Annual Survey of Industries (ASI) and the Reserve Bank of India (RBI), which compiles data from the Ministry of Commerce, and other official government sources.

A total of 33 states and Union Territories (UTs) were considered for the study. However, the UTs of Dadra & Nagar Haveli and Daman & Diu, Ladakh, and Lakshadweep were excluded as data for several parameters was unavailable. (Table 1).

TOP PERFORMING STATES

For each parameter, the latest available annual data (FY25 or FY24, depending on availability) was used. State-wise data on the Number of Factories, Number of Workers, and Invested Capital was available only up to FY24. For Gross State Value Added (GSVA) – Manufacturing, Gross State Value Added (GSVA) – Construction, State-wise Exports, and Availability of Power, the latest

available data was up to FY25.

States were ranked based on their absolute values for each parameter, with the state recording the highest value being recognised as the top performing state in that category.

FASTEST GROWING STATES

To capture both long-term structural progress and recent momentum, the study identified the fastest growing major state and the fastest growing emerging state for each parameter over two different time horizons:

- 10-year growth, reflecting sustained long-term development since the inception of Make in India in 2014
- 5-year growth, highlighting recent momentum and medium-term progress since the Covid-19 pandemic and the focus on domestic self-reliance

For the exports parameter, long-term growth was calculated over a seven-year period (FY18–FY25), as comparable state-wise historical data was available only for this duration.

To ensure meaningful comparisons, states were first classified into Major and Emerging

THE BT STUDY EVALUATES STATES ACROSS SEVEN KEY INDICATORS THAT REFLECT THE SCALE AND STRENGTH OF THEIR MANUFACTURING ECOSYSTEM:

1. Number of Factories

2. State-wise Invested Capital

3. GSVA, at constant prices—manufacturing

4. GSVA, at constant

prices—construction

5. State-wise Exports

6. State-Wise Number of Workers

7. State-Wise Availability of Power



THE SEVEN PARAMETERS

+	+	+
Parameter	Major States	Emerging States
Number of Factories	More than 10,000 factories	Up to 10,000 factories
GSVA—Manufacturing	Above ₹50,000 crore	Up to ₹50,000 crore
GSVA—Construction	Above ₹50,000 crore	Up to ₹50,000 crore
Invested Capital	Above ₹1 lakh crore	Up to ₹1 lakh crore
Exports*	Above \$50,000 million	Up to \$50,000 million
Number of Workers	Above 500,000 workers	Up to 5,00,000 workers
Availability of Power	Above 10,000 crore units	Up to 10,000 crore units

NOTE *EXPORTS WERE ASSESSED OVER A SEVEN-YEAR PERIOD DUE TO LIMITED AVAILABILITY OF COMPARABLE HISTORICAL DATA; GSVA AT CONSTANT PRICE

categories using parameter-specific thresholds based on the latest available data. Growth rates were then compared only among states within their respective categories, ensuring that smaller states were assessed against comparable peers rather than larger, more established manufacturing economies.

For each parameter, the state recording the highest growth rate within the Major category was recognised as the fastest growing major state, while the state with the highest growth rate within the Emerging category was recognised as the fastest growing emerging state.

Separate recognitions were awarded for both 10-year and 5-year growth periods. Outlier states with very low base have been excluded. **BT**

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