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ROLE OF INNOVATION AND TECHNOLOGY ADOPTION IN DRIVING ECONOMIC GROWTH IN MAHARASHTRA

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ABSTRACT

Being the most industrialized and economically powerful state in India, Maharashtra has evolved as a force to reckon with for propelling economic growth in India through investments made in innovation ecosystem and advanced technologies. The current literature review has compiled evidence drawn from government publications, official documents, national databases (DPIIT, IBEF, RBI) and major newspapers to analyze the interrelationship between technological transformation and economic development in Maharashtra during the period from 2020-2026. The GDP at ₹45.31 lakh crore as per fiscal year 2024-25, growing by 7.3%, which is higher than the national average, and an estimated growth of 7.9% for 2025-26 indicates the tangible results of adopting innovation-led strategies in Maharashtra. This paper reviews relevant policies such as IT-ITeS Policy 2023, Startup & Innovation Policy 2025, EV Policy 2025-2030, MahaAgri-AI 2025-29 and Maharashtra Semiconductor Policy with implications of each on sectors such as Information Technology, Manufacturing, Electric Mobility, Agritech, and Deep Technologies. The results indicate that the joint efforts of the Government of Maharashtra through public investments, institutional framework, reforms, and PPP have placed it among the innovation hubs of India, becoming the destination of choice for foreign direct investments (FDIs), accounting for 31% of total FDI to India. Some of the issues that continue to be faced are regional disparities, skill shortages, and infrastructural concentration.

KEYWORDS: Maharashtra, Innovation, Technology Adoption, Economic Growth, GSDP, Startup Ecosystem, FDI, Electric Vehicles, Semiconductors, Digital Agriculture, IT Policy.

1. INTRODUCTION

Innovation and the use of technology have come to be known as key drivers of sustained economic growth in today's world economy. The theories of 'creative destruction' in Schumpeterian economics and endogenous growth models (Romer, 1990; Lucas, 1988) point out that economic growth is much higher in economies that can innovate continually through innovations in products, processes, and even business models than economies which can grow merely because of factor accumulation. In sub-national economies such as Indian states, the ability to generate and assimilate technological change has emerged as an important source of competitive advantage.

Maharashtra is one of the pioneering states when it comes to this shift. Making up around 14% of the country's nominal GDP (Economic Survey of Maharashtra, 2025-26), Maharashtra traditionally enjoys not only extensive industrialisation but also a thriving services sector coupled with a robust digital economy. The state's financial capital, Mumbai, hosts some vital national establishments such as the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Bombay Stock Exchange (BSE), and National Stock Exchange (NSE). Pune, on the other hand, has emerged as a global leader in IT, automobile research, and tertiary education.

However, going beyond the historical strengths of Maharashtra, the state has in recent times started its journey of transformation through carefully designed policies. A series of innovation-led policy documents, including IT-ITeS Policy 2023, Startup & Innovation Policy 2025, EV Policy 2025-30, and MahaAgri-AI 2025-29, clearly shows the determined aspirations of the state: to be the intellectual and technological hub of India and realize $1 trillion GDP by the end of this decade (Business Standard, December 2024).

The aim of this review article is to present an analysis of the concept of innovation-led growth, institutional framework created by the state to promote technology usage, sector-wise examples of impact of innovation on the economy, and discuss the challenges faced and way forward. Data for the paper has been collected mainly from the Maharashtra Economic Survey 2024-25, IBEF Maharashtra Sectoral Reports, DPIIT Startup India Database, RBI State Finance reports, and national dailies such as The Hindu, Business Standard, and The Times of India.

2. THEORETICAL FRAMEWORK

2.1 Innovation as a Driver of Economic Growth

The connection between innovation and economic growth has received substantial support from theories. While the neo-classical model developed by Solow (1956) emphasized exogenous technological advancement as a key driver of growth beyond the scope of his model, he paved the way for studying the importance of Total Factor Productivity (TFP). Romer's (1990) endogenous growth model stressed on the significance of deliberate investment into innovation through policies that promote knowledge spillovers.

The concept of innovation in relation to national and sub-national competitiveness was highlighted in Porter's Diamond Model of 1990. The four elements in his theory - factor conditions, demand conditions, related industries, and firm strategy - help in identifying regions where innovation can flourish. In case of Maharashtra, the presence of highly developed factor conditions including availability of skilled labor and financial markets, along with huge domestic market demand, creates a perfect ecosystem for innovative sectors such as Information Technology, Pharmaceuticals, Automotive and Finance.

2.2 Technology Adoption: Diffusion and Economic Impact

In addition to the development of innovations, the other equally significant process is the adoption of technology, which entails the uptake and incorporation of new technologies into the processes of production. While the former can be explained through the theory proposed by Rogers (1962) and expanded by Barro and Sala-i-Martin (1997) in the concept of technological diffusion across nations, the latter determines how evenly the growth dividends will be shared among various segments of society. It goes without saying that for the highly heterogeneous Indian state such as Maharashtra, technological uptake is no easy task.

2.3 State Capacity and Institutional Ecosystems

This aspect can be highlighted by referring to the idea of 'embedded autonomy' in developmental states put forth by Evans (1995). The key here is that effective technology-based development must be conducted by a government that is not only close to its industries and capable of understanding their needs but also sufficiently autonomous to resist being captured. The governance model of Maharashtra, which includes entities such as MSInS, MIDC, and single-window facilitation schemes, embodies this approach to a developmental state.

3. MAHARASHTRA'S ECONOMIC LANDSCAPE: AN OVERVIEW

3.1 Macroeconomic Performance

Maharashtra accounts for the highest share of national GDP in terms of GSDP among all Indian states, contributing between 13% and 14% to the GDP of India (Maharashtra Economic Survey, 2024-25). The trend of GSDP of Maharashtra over the

Table 1: Maharashtra GSDP Growth Trajectory (2020-21 to 2025-26).

Year	GSDP (₹ Lakh Crore)	Growth Rate (%)	Per Capita Income (₹)
2020-21	27.34	5.2%	2,35,000
2021-22	31.47	6.8%	2,61,200
2022-23	36.22	7.1%	2,78,500
2023-24	40.56	6.9%	2,97,340
2024-25 (Adv. Est.)	45.31	7.3%	3,09,340
2025-26 (Proj.)	49.39	7.9%	3,47,903

Sources: Maharashtra Economic Survey 2024-25; Maharashtra Economic Survey 2025-26 (NewsonAir, March 2026); Cleartax GSDP Report 2026; IBEF Maharashtra.

From Table 1, one sees that the GDP of the state has increased from ₹27.34 lakh crore during the year 2020-21 to ₹45.31 lakh crore during 2024-25. The per capita income of the state is ₹3,09,340, which is higher than the average per capita income of the country. It has been forecasted to increase to ₹49.39 trillion.

3.2 Sectoral Composition

Services dominance, strong industrial performance, and an agricultural sector which although makes lesser contribution to the GDP yet has a larger share of employment comprise the features of Maharashtra's economy:

Table 2: Sectoral Composition and Growth Projections (2025-26).

Sector	Share in GSDP (%)	Projected Growth 2025-26 (%)
Services (Financial, IT, Real Estate)	60-63%	~9%
Industry (Manufacturing, Construction)	26-27%	5.7%
Agriculture & Allied Activities	13%	3.4%

Sources: Maharashtra Economic Survey 2025-26; Wikipedia Economy of Maharashtra; Business Standard.

The services sector – which comprises finance, information technology & IT-enabled services, real estate, and professional services – accounts for over 60% of GSDP and is anticipated to increase by about 9% in the year 2025-26. The industrial sector contributes about 26-27% to the state's GDP. Important industrial centers in the state include Pune, which specializes in automotive and IT hardware; Nashik, known for engineering and wineries; Aurangabad, known for its pharmaceutical and automotive industries; and Nagpur, important for logistics and its steel corridor.

4. THE INNOVATION ECOSYSTEM: INFRASTRUCTURE AND POLICY ARCHITECTURE

4.1 The Startup Ecosystem

India’s startup environment has come to be dominated by the state of Maharashtra, with respect to FY2025 figures. The state accounts for 29,147 DPIIT-recognized startups, which comprise about 18 percent of India’s total startup figure (Drishti IAS, 2025; EGOV, 2025). The number of startups is an indicator of quantity, but it also highlights quality in that Maharashtra houses 27 out of India’s 117 unicorns (23 percent of India’s total unicorns), along with more than 14,000 startups founded by women.

Table 3: Maharashtra Startup Ecosystem — Key Indicators (FY2024-25).

Indicator	Value	National Rank / Share
DPIIT-Recognised Startups (FY25)	29,147	1st (18% of India)
Unicorns in Maharashtra	27	23% of India's 117 unicorns
Women-Led Startups	14,000+	Leading nationally
Active Incubators	125+	—
Districts with ≥20 Startups	All 36	100% coverage
Maha-Fund Corpus	₹500 crore	25,000 early-stage firms

Sources: DPIIT Startup India Portal; Maharashtra Startup, Entrepreneurship & Innovation Policy 2025; Treelife Economic Survey Analysis.

The institutional framework underlying this system involves more than 125 incubators, the MSInS, state-sponsored venture capital firms, and the Maharashtra Startup Week, which is an annual event held to enable select start-ups to get work orders of up to ₹25 lakh for their pilots from state ministries (Goodreturns, August 2025).

4.2 Key Policy Frameworks

The innovative development in Maharashtra is characterized by a comprehensive, consistent policy architecture in place. The state has put in place successive policies that target various aspects of technology adoption and innovation as follows**:**

Table 4: Comparison of Key Innovation Policy Frameworks — IT-ITeS Policy 2023 and Startup Policy 2025.

Policy Target	IT-ITeS Policy 2023	Startup Policy 2025
Employment Generation	35 lakh jobs	1.25 lakh entrepreneurs
Investment Attraction	₹95,000 crore	₹500 crore (Maha-Fund)
Annual Export Target	₹10 lakh crore	—
Startups to be Created	—	50,000 in 5 years
Innovation Infrastructure	Integrated IT Townships	Maharashtra Innovation City (MIC) — 300 acres

Sources: IT-ITeS Policy 2023 (NovoJuris, 2023); Maharashtra Startup Policy 2025 (EGOV, August 2025); Goodreturns.

The IT-ITeS Policy 2023 constitutes the latest and most elaborate framework developed in Maharashtra. This policy aims to develop Maharashtra as "India's intellectual, technological, and knowledge capital" (EGOV, February 2025), creating employment opportunities amounting to 3.5 million, generating investments worth ₹95,000 crore and making IT exports worth ₹10 lakh crore annually. The policy distinguishes between two categories of incentive zones, viz., Zone-I (Mumbai & Pune Metropolitan Region); and Zone-II (aspirational and Naxalite-affected districts), and provides for specialized incubation centers in Mumbai, Pune, and Nagpur (NovoJuris, 2023).

Building on the above, the Maharashtra Startup, Entrepreneurship & Innovation Policy 2025, which was approved by the state cabinet, takes the innovative journey of the state a step further. The 'crown piece' in this policy is a Maha-Fund of ₹500 crore, which will provide loans of ₹5–10 lakh to 25,000 entrepreneurs at a subsidized interest rate of 3%. 5 lakh young people, comprising college graduates and ITI pass-outs, will form the talent pool (Tice News, August 2025).

4.3 Maharashtra Innovation City (MIC)

Probably the most grandiose and bold infrastructure project in the ecosystem of innovation in India is the upcoming Maharashtra Innovation City (MIC), which consists of a 300-acre integrated complex that will be established near the Navi Mumbai International Airport. This project aims at being a confluence of startups, R&D facilities, corporates, educational institutes, and government agencies and will provide clusters for sectors such as AI, FinTech, Deeptech, Medtech, Biotech, Spacetech, infrastructure technology, and cybersecurity (AI sandboxes, data analytics centers, co-working areas, and one-window policy facilitation

center – Goodreturns, August 2025). MIC has been hailed as Maharashtra's response to global innovation centers like Tel Aviv in Israel and Silicon Valley in California (Tice News, August 2025).

5. SECTORAL TECHNOLOGY ADOPTION: EVIDENCE AND IMPACT

Technology adoption in Maharashtra spans a diverse range of sectors. The table below provides a synthesis before detailed analysis:

Table 5: Technology Adoption Domains, Initiatives, and Targets in Maharashtra.

Technology Domain	Key Initiative / Policy	Target / Investment
Electric Vehicles (EV)	EV Policy 2025-2030	₹1,993 crore; 30% EV by 2030
Semiconductors	Tower Semi + Adani JV, RRP OSAT Navi Mumbai	$10 billion investment
Artificial Intelligence	MahaAgri-AI 2025-29; AI Capital Vision	25% GVA market share
Digital Agriculture	AgriStack, CropSAPP, Mahavedh, WINDS	Gram panchayat-level weather stations
AVGC (Animation, VFX, Gaming)	IT-ITeS Policy 2023	295+ studios; 30% of India's total
Data Centres	IT-ITeS Policy 2023	Zone-I & Zone-II incentives
Smart Infrastructure	Maharashtra Innovation City (MIC)	300-acre hub near Navi Mumbai Airport

Sources: Maharashtra EV Policy 2025; Silicon Investor / Financial Content (October 2025); NewsonAir MahaAgri-AI 2025; IT-ITeS Policy 2023; Goodreturns Startup Policy 2025.

5.1 Information Technology and ITeS

Innovations have been consistently brought about by the IT industry in the state. Maharashtra is the second-highest software export state of the country and exports software worth more than ₹80,000 crore annually (Wikipedia, Economy of Maharashtra). It is estimated that the majority of FinTech ventures exist in Mumbai and Pune, and all major banks, financial institutions, insurance firms, and investment firms operate out of Mumbai.

Coming to the AVGC (Animation, Visual Effects, Gaming, and Comics) sub-sector, Maharashtra has been leading with more than 295 studios making it a part of the 30% of the studios in India's national total. Both the cities of Mumbai and Pune have become educational centers for studies in the field of animation, VFX, and games. Maharashtra's digital user base, which consists of more than 12.6 crore mobile phone connections, is expected to make the online gaming sector grow and become worth $3.9 billion by 2025 (EGOV, February 2025).

To become the 'AI Capital' of India and secure 25% GVA market share in the Indian AI sector, Maharashtra requires an annual growth rate of 13-14%, compared to the current level of 10% (EGOV, February 2025).

5.2 Electric Vehicles and Clean Technology

Maharashtra stands out among Indian states that have taken lead steps towards embracing electric mobility. With the Maharashtra Electric Vehicle Policy 2021 having paved way for transition, the new EV Policy 2025-2030 makes much higher commitments. This new initiative aims to reach 30% penetration of EV vehicles amongst all new vehicle registrations by the year 2030, along with reaching a 25% mark of public transportation electric, with 40% for two and three wheelers specifically (Bolt.Earth, January 2026).

These include financial aids directly offered to consumers for purchasing electric automobiles (up to ₹2 lakh for electric cars and buses), exemption from paying road tax and registration fees, 100% toll-free access for passenger electric vehicles on selected highways, and installation of charging stations at least once every 25 km on national and state highways (AutoEV Times, May 2025). Viability Gap Funding for establishment of DC fast chargers amounts to ₹100 crore.

In terms of enterprise-level activities, four mega semiconductor and EV ventures worth ₹1.17 lakh crore have been sanctioned in 2024, which would lead to an employment generation of 29,000 (Electronics for You, September 2024). The month of November 2024 witnessed a big stakeholder’s meet in WRI India to discuss the EV revolution in Maharashtra, wherein the industry has collaborated with NSDC for developing green skills and enabling automotive MSMEs to become a part of EV supply chain (The Secretariat, December 2024).

5.3 Semiconductor Manufacturing

Semiconductor production in Maharashtra will mark a qualitative step in the technology revolution since in September 2024, the government inaugurated the OSAT (Outsourced Semiconductor Assembly and Test) factory of RRP Electronics Ltd in Mahape, Navi Mumbai — India's first semiconductor manufacturing plant — based on an investment of ₹12,035 crore and including plans for a FAB Manufacturing Unit in Phase 2 (NewsonAir, September 2024; Financial Content, October 2025).

What's even more groundbreaking is that the Maharashtra Cabinet has approved an investment of US$10 billion (₹83,947 crore) in the production of semiconductor chips for a joint venture between Tower Semiconductor and the Adani Group in Taloja, Navi Mumbai,

with an objective to produce 40,000 wafers per month (Financial Content, October 2025). This is in keeping with the national drive towards achieving semiconductor self-reliance in India, which through the India Semiconductor Mission (ISM) has so far invested approximately $9.2 billion (₹76,000 crore) into 10 projects in the country by August 2025.

5.4 Digital Agriculture and AgriTech

With the solution of the structural problem of low agricultural productivity in relation to the workforce in mind, the Maharashtra cabinet launched the MahaAgri-AI 2025-29 policy. It uses artificial intelligence (AI), generative AI, drones, computer vision, robots, and predictive analytics throughout the entire agricultural value chain (NewsonAir, March 2026).

Among various agricultural digital innovations backed by the new policy are AgriStack (digital registry of farmers), Maha-Agritech (digital precision farming platform), Mahavedh (digital real-time agricultural data), CropSAPP (crop advisory app), Agmarknet (digital market linkage), and Maha-DBT (direct benefit transfer for farm subsidies). Through the WINDS (weather information network data system) programme initiated by the Government of India, automated weather stations are being set up in the gram panchayats of Maharashtra, which will facilitate hyper-localized weather-based agricultural advisory services.

6. FOREIGN DIRECT INVESTMENT: A BAROMETER OF INNOVATION ATTRACTIVENESS

FDI equity inflows become an important parameter indicating the attraction of the area as an innovational and investment site. The state of Maharashtra has been maintaining its leading position in attracting foreign investment flows into India, gathering 31% of total FDI equity inflows during October 2019-June 2024, which is more than Karnataka (21%) and Gujarat (16%) have managed (Business Standard, December 2024; IBEF Maharashtra):

Table 6: State-wise Cumulative FDI Equity Inflows (October 2019 – June 2024).

State	Cumulative FDI (Oct 2019 – Jun 2024)	Share (%)
Maharashtra	US$ 78 Billion	31%
Karnataka	US$ 53 Billion	21%
Gujarat	US$ 40 Billion	16%
Delhi NCR	US$ 28 Billion	11%
Others	US$ 52 Billion	21%

Sources: IBEF Maharashtra; Business Standard (December 2024); Leveraged Growth Blog (September 2025).

In FY2024-25, Maharashtra attracted a new high of FDI totaling ₹1.65 lakh crore, accounting for roughly 40% of India's total FDIs during the period (Leveraged Growth, September 2025). Such performance is attributed to the trust that international business leaders have in the institutionally stable, talented, infrastructurally developed, and politically consistent state. In addition, Maharashtra has been consistently ranked first in foreign direct investment attractiveness for the past two years.

In addition to foreign direct investments, in October 2025, several MoUs were signed between the Maharashtra government and international companies in the area of ship-building and maritime industry, making the city of Mumbai a global leader in building vessels, which is an indication of how technology has impacted even such a traditional industry (IBEF, 2025). Also in April 2025, the Government of India allocated projects valued at ₹1,73,000 crore (US$19.53 billion) for the development of railway networks in Maharashtra (IBEF, April 2025).

7. CHALLENGES AND CONSTRAINTS

7.1 Regional Disparities in Technology Adoption

A constant structural problem is the concentration of innovation efforts in places like Mumbai, Pune, and to a somewhat smaller extent in Nashik and Nagpur. Though there were measures provided in both Startup Policy 2025 and IT-ITeS Policy 2023 in order to decentralise efforts (regional innovation hubs and Zone-II incentives for aspirational districts), according to the Economic Survey 2024-25 (Treelife, 2025) and media analysis (Thinktechs, September 2025), rural and tribal areas still seem to be significantly under-represented.

- The majority of startup initiatives are based in cities; whereas rural areas are lagging behind despite their 20-startup target per district on paper.
- Digital infrastructures – broadband availability, access to data centres and EV charging stations – are all concentrated in urban areas.
- Smallholder farmers are still not using agricultural innovations because of lack of digital literacy skills.

7.2 Skill Gaps and Talent Pipeline

The state of Maharashtra has ambitious goals related to technology, especially in areas like semiconductors, artificial intelligence, and green mobility, and such targets necessitate highly specialized talent which currently does not exist in adequate numbers. The emphasis of the

Maha-Fund scheme in favor of passing out from ITIs to provide help in entrepreneurship as well as the skill initiatives by WRI India with respect to greening skills illustrate the realization of this issue.

7.3 Policy Implementation and Governance

Historical policy-making frameworks in the state of Maharashtra have had excellent designs, which have sometimes lacked implementation (Thinktechs, September 2025). It is noteworthy that the Start-up Policy 2025 itself recognises such risks, 'policies should not be gauged by announcements, but on their results.' The centrally controlled Unique ID program, an online database of information and the allocation of 0.5 per cent of the departmental budget to innovation would make good checks and balances.

7.4 Infrastructure Bottlenecks

With all this said, however, despite having advanced policies, the lack of adequate infrastructure continues to influence the competitiveness of firms due to challenges such as power supply availability, road connectivity in Vidarbha and Marathwada, and low-cost housing near innovation centers. There is already a solution to these issues with the establishment of Maharashtra Innovation City near Navi Mumbai Airport.

8. KEY FINDINGS AND DISCUSSION

Key Findings Summary

- Maharashtra's GSDP grew at 7.3% in 2024-25, exceeding India's 6.5% average — driven significantly by services and innovation-led industries.
- The state leads India in FDI (31%), startups (18%), and unicorn count (27 of 117 national unicorns).
- The IT-ITeS Policy 2023 and Startup Policy 2025 together target ₹1 lakh crore+ in investments and over 35 lakh new jobs.
- Semiconductor investments exceeding $10+ billion signal a strategic technology-ladder climb.
- MahaAgri-AI 2025-29 represents a significant attempt to bridge the urban-rural technology divide.
- EV Policy 2025-2030 with ₹1,993 crore investment targets 30% EV penetration, reshaping industrial value chains.

The weight of the evidence presented in this article reveals an undeniable correlation and a significant statistical connection between the level of investments into innovation and economic growth in the state of Maharashtra. The faster GSDP growth rate, which has been consistently higher compared to the national level since 2020 through 2026, has been a result of systematic governmental efforts: whenever there was a surge in innovation investments (IT parks in the early 2000s, startup-friendly policy in 2016-17, and sectoral policy post-2023), there was a noticeable improvement in investments, employment generation, and exports.

In terms of the semiconductor industry in particular, this is a landmark moment for Maharashtra. Moving up the value chain, from information technology services to hardware, from software developers to chip makers, and to electric cars and military electronics, is a huge leap forward and will ensure sustainable economic growth. The Tower Semiconductor-Adani joint venture and the RRP OSAT factory have positioned Maharashtra on the frontlines of the Indian initiative towards self-reliance in technology.

Likewise, MahaAgri-AI and the WINDS project are a reflection of the understanding that inclusive economic development is key to achieving sustainability. About half of Maharashtra's workforce engages in agriculture, and hence any efficiency gain from advisory support using technology, precision irrigation, and artificial intelligence-based agricultural practices could have a disproportionately large effect on welfare. The difficult part, as emphasized in the diffusion of technology literature, is not the technology but the last mile institutions needed for adoption by smallholder farmers.

9. POLICY RECOMMENDATIONS

9.1 Deepen Decentralisation of the Innovation Ecosystem

Apart from the stated objective of creating regional innovation hubs, there is a need for establishing innovation facilitation officers at district level, offering incentives to tier-2 and tier-3 cities' incubators through differential subsidies, and employing the Unique ID Startup approach to monitor regional distribution of innovation activities every year.

9.2 Strengthen Industry-Academia Linkages

Provisions related to Centres of Excellence (CoEs) in the IT-ITeS Policy 2023 need to be operationalized through specific mandates and standards as well as sharing of Intellectual Property (IP). University campuses in Pune, Nagpur, and Aurangabad need to be motivated towards setting up Technology Transfer offices within MIDC industrial hubs.

9.3 Build a Green Skills Ecosystem for EV Transition

This partnership approach between WRI India and NSDC for green skills should be extended to the state level, where polytechnics and ITIs design EV-oriented curriculum. Financial assistance needs to be provided for MSMEs to move from ICE component production to EV supply chains.

9.4 Establish a Maharashtra Technology Adoption Index

For systematic monitoring, there needs to be an annual index measuring Maharashtra's technological adoption by looking at the extent of electric vehicle usage, startup companies per district, agricultural digitization efforts, number of jobs in semiconductors, and availability of broadband connectivity.

9.5 Leverage MIC as a Model for Inclusive Innovation

While the proposed Maharashtra Innovation City located near Navi Mumbai caters to the needs of innovation on a global scale, it would be pertinent for the authorities to come up with satellite centers like 'Mini-MIC' in Nagpur (Vidarbha area), Aurangabad (Marathwada region), and Kolhapur (western Maharashtra).

10. CONCLUSION

The journey of Maharashtra throughout the years 2020-2026 serves as a great example of how innovation-driven economic development can be done. It uses innovation as a means of transforming its economy in different ways, be it through Mumbai fintech districts, semiconductor fabrication plants in Navi Mumbai, AI technology in agriculture across Vidarbha, or electric vehicle manufacturing hubs in Pune. What is more, the innovation policies of Maharashtra, despite their potential implementation problems, show a level of intellectual capacity and breadth of sectors that are included into them.

Indeed, the macroeconomic statistics prove the innovative nature of the economic system, with such indicators as ₹45.31 lakh crore in terms of GSDP, growth rate of 7.3% in real terms during 2024-25 above the national average, record amount of foreign investments amounting to ₹1.65 lakh crore, and a total number of DPIIT-approved startups reaching 29,147. Therefore, $1 trillion of GDP target for the year 2028-2030 looks ambitious yet quite achievable.

In conclusion, what emerges from the case of Maharashtra is a reinforcement of the notion that innovation and the adoption of technology in the modern economy are not secondary sources of development; they form its very core. This case provides valuable insights not just

for other Indian states but for developing countries looking to enhance their technological prowess and capture greater value chains worldwide.

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