

Trade, Capital, and State Formation: The Economic History of Hyderabad's Modern Transition (1900–Present)

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Abstract:

This paper examines the economic history of Hyderabad's transition from a princely-state economy to a globally networked service and manufacturing hub, tracing the interplay of trade, capital formation, and state power across four overlapping regimes: the late Nizam period (1900–1948), the Nehruvian developmental state (1948–1991), the era of liberalization and private capital formation (1991–2014), and the contemporary Telangana state economy (2014–present). Drawing on secondary historical and statistical sources, the study argues that Hyderabad's economic trajectory has been shaped less by a single, linear transition from state control to market liberalism than by successive, overlapping alignments between political authority and capital: princely fiscal-administrative modernization, socialist public-sector industrialization, and, since the 1990s, a developmental state that actively curates private and foreign capital rather than withdrawing from economic life. The paper presents four data tables charting demographic and fiscal trends under the Nizams, the establishment of central public sector undertakings, the growth of information-technology exports, and Telangana's sectoral gross state domestic product composition. It concludes that Hyderabad's modern economic transition is best understood as a continuous renegotiation of the relationship between sovereign authority, capital mobilization, and trade, rather than a simple passage from feudal stagnation to market-driven growth.

Keywords: Hyderabad; economic history; state formation; capital formation; trade; Nizam; public sector; liberalization; information technology; Telangana.

1. Introduction

Hyderabad occupies an unusual place in the economic history of modern India. Unlike Bombay, Calcutta, or Madras, whose modern commercial infrastructures grew directly out of colonial port-city trade, Hyderabad developed as the capital of the largest princely state in British India, governed by a hereditary Nizam who retained substantial fiscal and administrative autonomy under indirect colonial rule (New World Encyclopedia, n.d.). This distinctive constitutional position shaped the city's economic development in ways that continue to be visible in its present-day industrial geography, from the public sector townships of the 1950s and 1960s to the technology corridors of Madhapur and Gachibowli and the pharmaceutical clusters of Genome Valley. The central puzzle this paper addresses is how a regionally bounded, agrarian princely economy became, within little more than a century, one of India's leading centres of software services, biopharmaceutical manufacturing, and global capability centre investment.

The paper's argument is organized around three analytically distinct but empirically overlapping variables: trade (the movement of goods, services, and, increasingly, digital output across regional and international

boundaries); capital (the accumulation and deployment of financial and physical resources, whether by princely treasuries, central-government planning agencies, or private and multinational firms); and state formation (the reconfiguration of political authority through which trade and capital have been organized, taxed, and directed). Rather than treating these as sequential stages in a modernization narrative, the paper treats them as recurring structural relationships that have been reconstituted under four successive political regimes governing the city and its hinterland: the late Asaf Jahi dynasty (to 1948), the integrated Indian state during the planning era (1948–1991), the liberalizing state of undivided Andhra Pradesh (1991–2014), and the state of Telangana following its creation in 2014.

Methodologically, the paper draws on published historiography of the Hyderabad State economy, government and industry statistical releases on public sector undertakings and information-technology exports, and Telangana government and industry-body data on gross state domestic product (GSDP). Where possible, quantitative indicators are compiled into summary tables with cited sources, allowing the historical narrative to be read alongside a data-based account of structural change. The paper does not attempt an exhaustive economic history; rather, it foregrounds moments and institutions that illustrate the recurring co-dependence of political authority and capital formation in the city's development.

The paper is organized as follows. Section 2 sets out the conceptual framework linking trade, capital, and state formation. Sections 3 through 6 examine, in turn, the Nizam-era princely economy, the Nehruvian public sector era, the liberalization and information-technology era, and the contemporary Telangana economy, each accompanied by a data table summarizing the period's principal quantitative indicators. Section 7 draws the four periods together in a comparative discussion, and Section 8 concludes with implications for future research on Hyderabad and comparable regional economies elsewhere in India.

A brief note on scope and data is warranted before proceeding. This paper relies on secondary sources — published historiography, government and industry-body statistical releases, and journalistic accounts of contemporary policy — rather than on primary archival revenue records or firm-level investment data. This choice reflects the paper's aim of establishing a broad, comparative periodization of Hyderabad's economic transition rather than offering a definitive quantitative reconstruction of any single period. Where figures differ slightly across sources, for instance in reported IT export totals for a given fiscal year, the paper reports the range or notes the discrepancy rather than adjudicating between competing official estimates. Currency figures are reported in Indian rupees, with approximate United States dollar equivalents provided where the original source supplies them, and readers should treat cross-period comparisons of nominal rupee values with appropriate caution given intervening inflation and currency depreciation over more than a century.

2. Conceptual Framework: Trade, Capital, and State Formation

The relationship between state formation and capital accumulation has long been central to comparative economic history, from Tilly's (1990) account of how European states built fiscal-military capacity through bargains with capital-holders, to Bagchi's (1982) analysis of the way colonial and princely states in India shaped the terms on which indigenous capital could operate. This paper adopts a similarly relational view: state authorities are treated not as external regulators of an autonomous market but as active participants in constituting markets, defining property rights, mobilizing revenue, and, in the Indian case, directing industrial investment through licensing, public ownership, and, more recently, targeted incentive regimes.

Three recurring mechanisms are traced through the paper's four historical periods. The first is fiscal extraction and its redirection into infrastructure — irrigation and railways under the Nizams, industrial townships under the planning-era state, and information-technology and pharmaceutical parks under the post-1991 and post-2014 governments. The second is the state's role as a direct economic actor, whether as owner of public sector industrial units, as in the 1950s and 1960s, or as a facilitator that assembles land, infrastructure, and regulatory concessions for private and multinational capital, as in the periods after 1991. The third is the city's changing

position in wider circuits of trade, moving from an inland agrarian and craft economy oriented toward regional markets to a node in global software, business-process, and pharmaceutical value chains. These mechanisms are not mutually exclusive; as the empirical sections show, elements of princely fiscal modernization, developmental-state industrial ownership, and market-oriented investment promotion coexist and overlap across the periods under review.

3. The Princely State Economy: Trade and Capital under the Nizams, 1900–1948

By the turn of the twentieth century, Hyderabad State — comprising much of present-day Telangana together with Marathi- and Kannada-speaking tracts later transferred to neighbouring provinces — was administratively and fiscally distinct from directly ruled British India, retaining its own currency, railway system, postal administration, and revenue apparatus (Mohd., 2019; New World Encyclopedia, n.d.). This autonomy allowed successive administrations, beginning with the reforms associated with the Salar Jung ministry in the mid-nineteenth century and continuing through the reigns of the sixth and seventh Nizams, to pursue a distinctive programme of fiscal modernization, commercializing agriculture, expanding irrigation, and establishing early public-sector industrial and educational institutions, including Osmania University (Telangana Today, 2022; Centre for Economic and Social Studies [CESS], n.d.).

Trade and capital formation in this period rested substantially on the state's own fiscal capacity rather than on private indigenous banking or colonial port-city finance. Historical seminar findings summarized by the Centre for Economic and Social Studies indicate that fiscal reforms between 1858 and 1930 raised state revenue by nearly 292 percent, reflecting a transition from a largely tribute-based feudal fiscal order toward a more developmental, revenue-generating state (CESS, n.d.). Agriculture was increasingly commercialized under the Ryotwari and related tenurial reforms, integrating rural producers into markets for raw commodities such as cotton and oilseeds while exposing the state's economy to the volatility of global markets during the First World War, the Great Depression, and the Second World War (CESS, n.d.; Kpiasacademy, 2026).

Industrially, Hyderabad State moved from near-total stagnation before 1870 toward a more active, if still limited, programme of modern industrial development between 1870 and 1948, supported by mineral resources, an emerging railway network, and coal mining at Singareni (Mohd., 2019; Kpiasacademy, 2026). State institutions such as the Commerce and Industries Department and the Industrial Trust Fund were established to support agro-based industry and small-scale manufacturing, while the city itself retained older craft-trade specializations — most notably its historic reputation as a pearl and gem-trading centre — alongside newer forms of industrial employment (Grokikipedia, 2026a). Population data compiled from decennial census sources show that Hyderabad State's population growth outpaced the all-India average between 1881 and 1951, even as the workforce's sectoral composition shifted, moving further into agricultural labour by 1941 before adjusting again around the 1948 integration with the Indian Union amid land reform legislation such as the Jagirdari Regulation Act of 1948 and the Hyderabad Tenancy and Agricultural Lands Act of 1950 (Kpiasacademy, 2026; CESS, n.d.).

Table 1. Selected Demographic and Fiscal Indicators of Hyderabad State, 1881–1951

Year / Period	Indicator	Value / Trend
1881	Area of Hyderabad State	≈82,698 sq. miles
1881	Population	≈9.8 million
1858–1930	State revenue growth	≈292% cumulative increase

Year / Period	Indicator	Value / Trend
1870–1948	Industrial development phase	Transition from stagnation to modern industry (mining, agro-processing)
1881–1951	Population growth rate	Consistently above the all-India average
1948	Jagirdari Regulation Act	Abolition/regulation of jagirdari (landed-estate) tenures
1950	Hyderabad Tenancy and Agricultural Lands Act	Extension of tenant rights, agrarian restructuring

Source: Compiled by the author from Centre for Economic and Social Studies (n.d.), Kpiasacademy (2026), and Mohd. (2019).

It is worth noting that this fiscal and industrial modernization occurred within a political structure that historians frequently describe as an inclusive but ultimately absolutist form of dynastic rule, in which the Nizam's court simultaneously patronized literature, architecture, and cross-community cultural institutions while retaining final authority over revenue and industrial policy without significant representative check ("A Study on Economical Growth," 2022; Mohd., 2019). The absence of an income tax, the state's own currency and mint, and its independent railway and postal systems gave Hyderabad's rulers a degree of fiscal instrument-making that most other princely states lacked, and this autonomy is central to explaining why the state could pursue a comparatively assertive programme of infrastructure investment even as much of British India remained fiscally constrained by colonial extraction (Mohd., 2019).

4. Integration and Public Capital: The Nehruvian Developmental State, 1948–1991

The integration of Hyderabad State into the Indian Union following Operation Polo in September 1948, and its formal accession completed through 1950, ended the city's status as an autonomous fiscal and administrative unit and brought it within the ambit of India's centrally planned development strategy (Wikipedia, 2026a; Grokipedia, 2026a). The subsequent reorganization of states in 1956, which merged Telugu-speaking Telangana with the former Andhra State to form Andhra Pradesh, further embedded Hyderabad's economy within a larger, centrally coordinated planning framework built around Five-Year Plans and, from the Second Plan (1956–1961) onward, a strategy of state-led heavy industrialization informed by the Mahalanobis model (Sociology.Institute, 2026).

This period is best characterized as one of state-owned capital formation. Central government planning directed a series of major public sector undertakings (PSUs) to Hyderabad, reflecting both the city's inherited industrial infrastructure — notably the Sanathnagar and Azamabad industrial estates dating to the 1940s — and deliberate locational decisions by national planners seeking to disperse heavy industry beyond the established colonial port cities (Kpiasacademy, 2025). Enterprises such as Bharat Heavy Electricals Limited (BHEL), the Electronics Corporation of India Limited (ECIL), Hindustan Machine Tools (HMT), Bharat Electronics Limited (BEL), Indian Drugs and Pharmaceuticals Limited (IDPL), Hindustan Aeronautics Limited (HAL), and National Mineral Development Corporation (NMDC) establishments transformed Hyderabad's industrial base from small-scale craft and agro-processing activity toward large-scale engineering, electronics, and defence-related manufacturing, described by contemporary observers as shifting the city's economic pattern from a traditional trading centre to a cosmopolitan industrial-service economy (Kpiasacademy, 2025; Grokipedia, 2026b).

The BHEL Heavy Power Equipment Plant, dedicated in December 1965 following the company's formal incorporation in November 1964, exemplifies the scale and organization of this public-capital model: a wholly state-owned enterprise built to reduce India's dependence on imported heavy electrical equipment, embedded within a self-contained township providing housing, health, and educational services to its workforce (Grokikipedia, 2026c; Wikipedia, 2026b). This model of the public sector undertaking as both productive enterprise and social-welfare institution was replicated, with variation, across the other PSUs established in the city during this period, and it constituted the dominant form of capital formation in Hyderabad's modern (non-agricultural) economy for roughly three decades.

Table 2. Selected Central Public Sector Undertakings Established in Hyderabad, 1956–1970

Enterprise	Sector	Year Established / Commissioned in Hyderabad
Bharat Heavy Electricals Limited (BHEL)	Heavy electrical equipment	1964 (incorporated); plant dedicated 1965
Hindustan Machine Tools (HMT)	Machine tools	1950s–1960s
Electronics Corporation of India Limited (ECIL)	Electronics, defence	1967
Bharat Electronics Limited (BEL)	Defence electronics	1960s
Indian Drugs and Pharmaceuticals Limited (IDPL)	Bulk pharmaceuticals	1960s
Hindustan Aeronautics Limited (HAL)	Aeronautics	1960s
National Mineral Development Corporation (NMDC)	Mining	1958 (headquartered in Hyderabad)

Source: Compiled by the author from Kpiasacademy (2025), Grokikipedia (2026b, 2026c), and Wikipedia (2026b).

Beyond the individual enterprises listed in Table 2, this period saw the consolidation of four distinct industrial clusters within the city — the Azamabad Industrial Area, the oldest such cluster, together with the Balanagar–Sanathnagar–Kukatpally corridor, which combined consumer-goods manufacturing (refrigerators, machine components, soft drinks) with the larger public sector plants (Kpiasacademy, 2025). This clustering pattern, in which large PSUs anchored smaller ancillary and consumer-goods manufacturers around them, prefigures the agglomeration logic that would later characterize the city's information-technology corridor, suggesting a degree of institutional continuity in how Hyderabad's industrial geography has been organized across otherwise very different economic regimes. Trade during this period remained oriented primarily toward the domestic Indian market, consistent with the import-substituting orientation of national planning policy, with the state's own PSU output feeding national infrastructure programmes in power generation, transport, and defence rather than being directed toward export markets.

5. Liberalization and Private Capital: The Making of Cyberabad, 1991–2014

India's 1991 economic liberalization, associated nationally with then Finance Minister and, later, Prime Minister P. V. Narasimha Rao — himself from Andhra Pradesh — coincided with, and helped enable, a distinct shift in Hyderabad's mode of capital formation: from state ownership of production toward state-

facilitated attraction of private and foreign capital. Early moves toward an information-technology economy predate the political figure most associated with the transformation. Multinational firms such as Intergraph entered Hyderabad as early as 1987, the state-owned Computer Maintenance Corporation had an established presence, and the then Andhra Pradesh government allotted land for IT development in Madhapur in 1993, with the state's first dedicated information-technology policy introduced in 1992 (Sakshipost, 2018). Chief Minister N. Chandrababu Naidu, in office from 1995, subsequently accelerated and internationally marketed this trajectory, most visibly through the Hyderabad Information Technology and Engineering Consultancy City (HITEC City) project, whose first phase, Cyber Towers, was inaugurated in November 1998 with an estimated investment of US\$350 million (ResearchGate, 2018; Wikipedia, 2026c; Gunturtdp, 2023).

The institutional architecture built during this period — the Cyberabad Development Authority established in 2001, dedicated IT parks such as L&T Infocity, Cyber Gateway, and Mindspace Madhapur, and streamlined land and infrastructure provision for multinational software and business-process firms — marked a qualitatively different relationship between the state and capital than the PSU model of the previous four decades (Gunturtdp, 2023). Rather than owning productive assets directly, the state government positioned itself as an assembler and underwriter of the conditions private and multinational capital required: serviced land, telecommunications infrastructure, single-window regulatory clearance, and international marketing, captured in the period's promotional slogan contrasting Hyderabad with Bangalore, India's then-dominant software-export hub (Gunturtdp, 2023).

This period also saw the emergence of Hyderabad's second major post-liberalization sector: bulk pharmaceuticals and, later, biotechnology. Beginning in the 1970s with early bulk-drug and active pharmaceutical ingredient (API) manufacturing, and consolidated institutionally through the 1999 launch of Genome Valley, Hyderabad-based firms such as Dr. Reddy's Laboratories — founded in 1984 with modest initial capital and which achieved a New York Stock Exchange listing in 2001 — transformed India's pharmaceutical industry from a largely import-dependent to an export-oriented one (ARC Advisory Group, 2026; Wikipedia, 2026d; Labiotech, 2025). By the end of this period, Hyderabad's economy exhibited three overlapping capital-formation regimes operating simultaneously: legacy public sector manufacturing inherited from the planning era, a rapidly expanding private and multinational information-technology sector, and an increasingly export-oriented pharmaceutical and biotechnology cluster.

Table 3. Growth of IT/ITeS Exports from the STPI-Hyderabad Jurisdiction, Selected Years

Fiscal Year	IT/ITeS Exports (₹ crore, approx.)	Approx. USD Equivalent
1992–93	4.76	—
2021–22	1,83,000	≈US\$22 billion
2022–23	2,41,275	≈US\$29 billion
2023–24	2,68,233	≈US\$32.2 billion
2024–25	≈3,13,000	≈US\$37.0 billion

Source: Compiled by the author from Software Technology Parks of India–Hyderabad (2026), Wikipedia (2026e), Deccan Chronicle (2024, 2025), and India Brand Equity Foundation (2026).

The scale of change captured in Table 3 is worth dwelling on: exports registered by STPI-Hyderabad rose from a negligible ₹4.76 crore in 1992–93, the scheme's first year of operation, to over ₹2.6 lakh crore three decades later, an increase of more than five orders of magnitude in nominal terms (STPI-Hyderabad, 2026). This trajectory was not without interruption; national commentary on the sector has noted that Telangana's IT

export growth has periodically outpaced the all-India average even during years of broader sectoral slowdown, reflecting both the concentration of global capability centre investment in the city and continued state-level promotional effort (Deccan Chronicle, 2024). By the early 2020s, Hyderabad had displaced several longer-established centres to become India's second-largest IT export hub after Bengaluru, a reversal of the two cities' relative standing at the start of the liberalization period that is frequently, if imprecisely, attributed to a single political leader rather than to the cumulative institutional effort documented across this section (Wikipedia, 2026e; Sakshipost, 2018).

6. Telangana Statehood and the Contemporary Economy, 2014–Present

The bifurcation of Andhra Pradesh and the creation of Telangana in June 2014, with Hyderabad retained as joint and then sole capital, introduced a further reconfiguration of the state's relationship to capital and trade. Rather than reversing the private-capital-facilitation model established after 1991, the Telangana government extended and systematized it, most notably through the Telangana State Industrial Project Approval and Self-Certification System (TS-iPASS), a single-window investment clearance mechanism, and continued promotion of Hyderabad's information-technology and life-sciences clusters (South First, 2026; India Brand Equity Foundation [IBEF], 2026).

By the mid-2020s, information technology and pharmaceuticals had become the twin pillars of the Hyderabad-centred Telangana economy, operating alongside a resurgent role for global capability centres (GCCs) — captive research, engineering, and shared-services units of multinational corporations — which by 2023–24 contributed an estimated 36 to 38 percent of the state's IT exports (Deccan Chronicle, 2025). Genome Valley, meanwhile, had grown into one of India's largest organized biotechnology and pharmaceutical clusters, hosting more than two hundred firms and accounting for a substantial share of India's vaccine production and pharmaceutical exports, with Hyderabad-based manufacturers estimated to supply roughly one-third of global vaccine doses during peak production periods and to account for approximately 35 percent of India's bulk-drug manufacturing (Drug Discovery World, 2024; Labiotech, 2025; South First, 2026).

State-level economic indicators reflect this structural composition. Telangana's Gross State Domestic Product at current prices was estimated at approximately ₹17.82 trillion (about US\$201.7 billion) in FY26, having grown at a compound annual growth rate of nearly 11 percent between FY19 and FY26, with the tertiary (services) sector the fastest-growing component of the state economy over the 2011–12 to 2025–26 period (IBEF, 2026). The industrial sector's share of gross state value added remained comparatively steady at around 18 to 18.5 percent through the mid-2020s, while services-sector value added recorded double-digit annual growth, underscoring the continued centrality of IT, ITeS, and pharmaceutical services rather than traditional manufacturing to the state's growth trajectory (Deccan Herald, 2025).

Table 4. Telangana Economic Indicators, Selected Years (2021–22 to FY26)

Indicator	2021–22 / 2022–23	2023–24	FY25 / FY26
IT/ITeS exports	₹1.83 lakh crore (2021–22)	₹2.68 lakh crore	₹3.13 lakh crore (FY25)
Per-capita GSDP	₹3,45,225.7 (2022–23)	₹3,93,384.5	—
New investment proposals	₹1,33,102 crore (2022–23)	₹1,06,921 crore	—
Industrial share of GSVA	—	≈18.5%	—
GSDP at current prices	—	—	≈₹17.82 trillion (FY26)

Indicator	2021–22 / 2022–23	2023–24	FY25 / FY26
GSDP CAGR, FY19–FY26	—	—	≈10.97%

Source: Compiled by the author from Deccan Herald (2025), India Brand Equity Foundation (2026), and Elets CIO (2024).

These aggregate figures conceal an important structural tension identified in recent policy commentary: Hyderabad's pharmaceutical and life-sciences cluster has achieved global scale in manufacturing volume — Genome Valley alone hosting over two hundred firms and supplying a substantial share of global vaccine doses — without yet achieving a comparable position in higher-value drug discovery and innovation, a gap some analysts describe as a persistent "volume versus value" dilemma for the state's industrial policy (South First, 2026; Drug Discovery World, 2024). A similar tension is visible in the IT sector, where the growing share of exports attributable to global capability centres — captive units performing outsourced but often lower-margin engineering and services work for multinational parents — raises comparable questions about the depth of local value capture relative to headline export figures (Deccan Chronicle, 2025). Both observations suggest that the contemporary Telangana state, like its predecessors, continues to negotiate not only whether capital is attracted to Hyderabad but on what terms, and with what distribution of returns between global capital and the regional economy.

7. Discussion: Continuities in State–Capital–Trade Relations across Regimes

Read together, the four periods examined in this paper suggest that Hyderabad's modern economic transition is better characterized as a series of reconfigurations in the relationship between political authority and capital than as a linear passage from a feudal or stagnant princely economy to a liberal market economy. Under the Nizams, the state itself was the principal agent of fiscal modernization and infrastructure investment, deploying its considerable administrative autonomy to commercialize agriculture, expand irrigation, and seed early industrial and educational institutions, even as it retained essentially pre-capitalist agrarian tenurial structures such as jagirdari landholding until their abolition after 1948 (CESS, n.d.; Kpiasacademy, 2026). Under the Nehruvian planning regime, the state's role intensified rather than receded, as national planning directed direct public ownership of major industrial assets into the city, embedding PSU townships as both productive and social infrastructure (Groklopedia, 2026b, 2026c).

The post-1991 and post-2014 periods are frequently narrated, in both popular and some scholarly accounts, as a straightforward shift from state to market. The evidence assembled here suggests a more qualified conclusion: what changed was not the intensity of state involvement in economic life but its form, from direct ownership of productive assets to active curation of the conditions — land, infrastructure, regulatory clearance, and international marketing — under which private and multinational capital would invest (Gunturtdp, 2023; South First, 2026). The persistence of legacy PSUs such as BHEL and ECIL alongside the IT and pharmaceutical clusters further complicates any clean periodization, since public and private capital formation have coexisted, rather than one simply displacing the other, across the past three decades.

Trade patterns show a parallel continuity-within-change. The Nizam-era economy was oriented toward regional and inter-provincial trade in agricultural commodities and craft goods, most emblematically the historic pearl trade that gave the city its "City of Pearls" reputation (Groklopedia, 2026a). The planning-era economy substituted import-competing domestic industrial production for a still largely closed national market. The contemporary economy, by contrast, is oriented overwhelmingly toward export — of software services, business processes, and pharmaceutical and vaccine products — placing Hyderabad within global rather than primarily national or regional circuits of trade for the first time in its modern history (STPI-Hyderabad, 2026; Labiotech, 2025).

A further continuity concerns the geographic concentration of capital within the wider regional economy. Across all four periods, investment — whether princely irrigation and railway spending, PSU siting decisions, or IT and pharmaceutical park development — has concentrated disproportionately in and around the city of Hyderabad itself, relative to the surrounding districts of Telangana. This pattern of capital-city primacy, evident already in the nineteenth-century concentration of administrative and commercial activity around the Nizam's court, has arguably intensified rather than diminished across the twentieth and early twenty-first centuries, raising distributional questions that lie beyond this paper's scope but that connect directly to ongoing debates in Telangana about regional balance in industrial and infrastructure investment between Hyderabad and the state's other districts.

8. Conclusion

This paper has traced Hyderabad's economic history across four regimes — the late Nizam period, the Nehruvian developmental state, the era of liberalization, and the contemporary Telangana state economy — to argue that the city's modern transition reflects a continuous renegotiation, rather than a linear resolution, of the relationship between sovereign or state authority, capital formation, and trade. Each regime reorganized this relationship according to its own institutional logic: princely fiscal-administrative modernization, socialist public ownership of industry, and a developmental state that, since the 1990s, has positioned itself as an active facilitator rather than a withdrawing regulator of private and multinational capital. The data compiled in this paper — on Nizam-era fiscal and demographic trends, the establishment of central public sector undertakings, the growth of information-technology exports, and Telangana's sectoral GSDP composition — illustrate both the scale of this transformation and its underlying continuities.

Several avenues for further research follow from this analysis. A more granular study of land-revenue and taxation records from the Nizam period could refine the account of fiscal capacity offered here; similarly, firm-level data on the timing and sectoral distribution of foreign direct investment since 1991 would allow a more precise test of the claim that the post-liberalization state acted as an active curator, rather than a passive beneficiary, of private capital inflows. As Hyderabad's economy continues to evolve — with global capability centres, artificial intelligence-related investment, and vaccine manufacturing emerging as new drivers in the 2020s — the analytical framework developed here, treating trade, capital, and state authority as interdependent rather than sequential variables, offers a useful lens for understanding whatever transition comes next.

More broadly, the Hyderabad case offers a caution against economic-historical narratives that read Indian regional development simply as a passage "from plan to market." In each of the periods examined here, the state — whether princely, centrally planned, or post-liberalization — remained an indispensable architect of the conditions under which trade and capital could operate, even as the instruments through which it exercised that role changed substantially. Understanding contemporary Hyderabad's position as a global software and pharmaceutical hub therefore requires attention not only to market forces and multinational investment decisions but to the cumulative institutional legacy of over a century of state-directed economic transformation.

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