

TRENDS & TIDES

**GDP growth recovers to
6.2% YoY in Q3FY25,
FY25 estimate revised higher
to 6.5% YoY**



FY25 GDP growth estimate revised to 6.5% YoY from 6.4% earlier

Q3FY25 GDP growth recovers to 6.2% YoY from 5.6% in the previous quarter

Real Growth YoY%	Share	FY24	FY25	FY25			
Sector	FY25			Q1	Q2	Q3	
Agriculture	14%	2.7%	4.6%	1.7%	4.1%	5.6%	← Agriculture records strong growth, driven by a healthy Kharif harvest and a good Rabi sowing season
Industry	21%	11.0%	4.3%	7.7%	2.0%	3.5%	
Mining	2%	3.2%	2.8%	6.8%	(0.3%)	1.4%	
Manufacturing	17%	12.3%	4.3%	7.5%	2.1%	3.5%	← Manufacturing sector growth sees a marginal recovery in Q3, driven by improved operating profit growth of listed manufacturers and an uptick in IIP manufacturing growth
Electricity	2%	8.6%	6.0%	10.2%	3.0%	5.1%	
Services	64%	9.2%	7.5%	7.2%	7.4%	7.3%	
Construction	9%	10.4%	8.6%	10.1%	8.7%	7.0%	← Construction sector growth slows in line with weakness in steel consumption
Trade, Hotels, Transport, Communication	19%	7.5%	6.4%	5.4%	6.1%	6.7%	
Financial services, Real estate, Professional Services	24%	10.3%	7.2%	6.6%	7.2%	7.2%	← Financial services+ growth remained resilient despite weak credit and deposit growth
Public Admin, Defence & Other Services	13%	8.8%	8.8%	9.0%	8.8%	8.8%	
Real GVA	100%	8.6%	6.4%	6.5%	5.8%	6.2%	
Real GDP		9.2%	6.5%	6.5%	5.6%	6.2%	← Based on FY25 estimates, imputed GVA and GDP growth for Q4 stand at 6.8% YoY and 7.6% YoY, respectively

Source: MOSPI, 360 ONE Asset Research

Note: GDP = GVA + indirect taxes – subsidies

Private consumption recovers on strong rural demand

Weak government capital expenditure impacts fixed investment growth

Real Growth YoY%	Share FY25	FY24	FY25	FY25		
				Q1	Q2	Q3
Consumption Expenditure	66%	5.9%	7.1%	6.4%	5.6%	7.1%
Private Consumption	57%	5.6%	7.6%	7.7%	5.9%	6.9%
Government Consumption	9%	8.1%	3.8%	-0.5%	3.8%	8.3%
Gross Capital Formation	37%	7.3%	12.3%	6.4%	6.1%	5.0%
Fixed Investments	33%	8.8%	6.1%	6.7%	5.8%	5.7%
Changes in Stocks	2%	53.4%	4.3%	7.5%	2.1%	3.5%
Valuables	1%	14.4%	1.0%	-12.7%	13.9%	-6.5%
Exports	22%	2.2%	7.1%	8.1%	2.5%	10.4%
Less Imports	23%	13.8%	-1.1%	-0.7%	-2.5%	-1.1%
Real GDP	100%	9.2%	6.5%	6.5%	5.6%	6.2%

Private consumption growth recovers due to strong rural demand, while urban consumption remains subdued

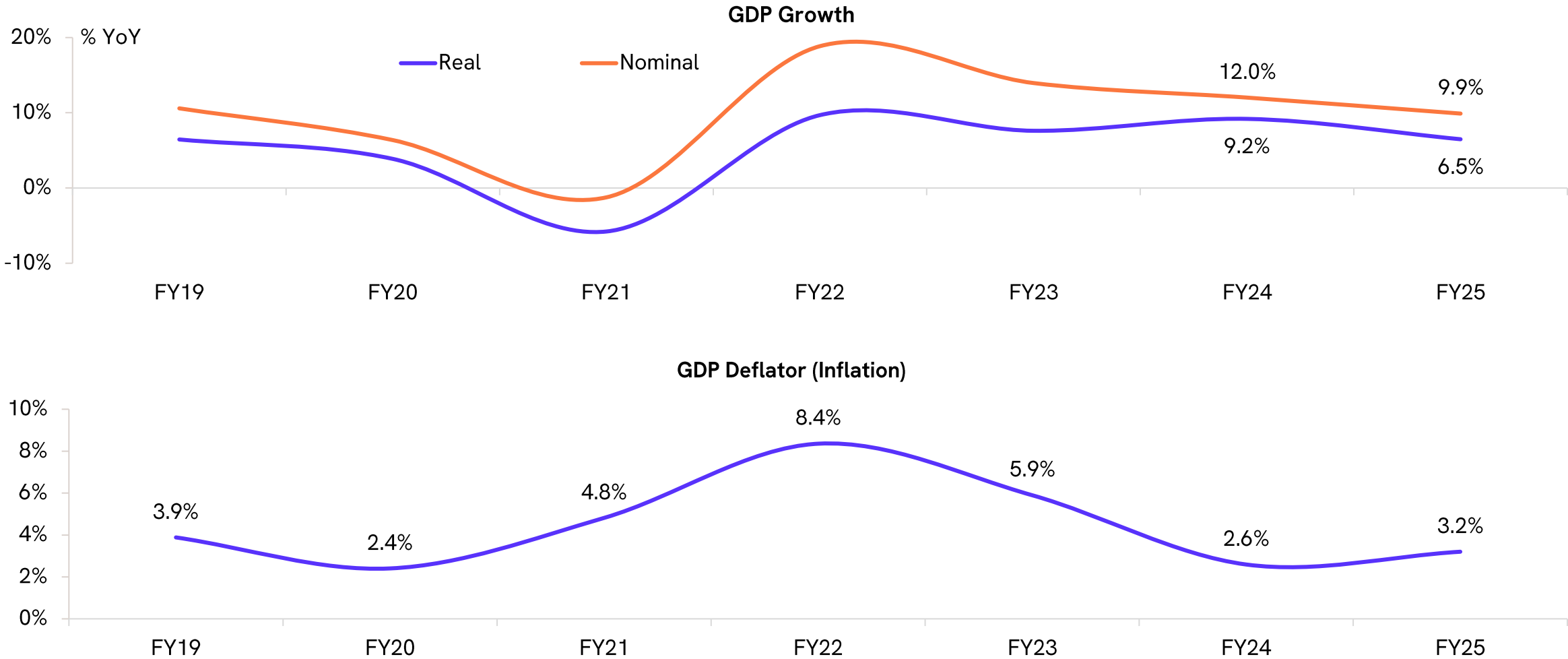
Government consumption improves on account of recovery in spending in the December quarter

Fixed investment growth slows in FY25 due to weak central government capital expenditure

Net exports (exports minus imports) positively contribute to GDP as export growth outpaces import growth in real terms

Nominal GDP growth slows to 9.9% YoY in FY25 due to weaker real growth

GDP deflator (inflation) picks up in FY25 on account of a rise in Wholesale Price Index (WPI) inflation

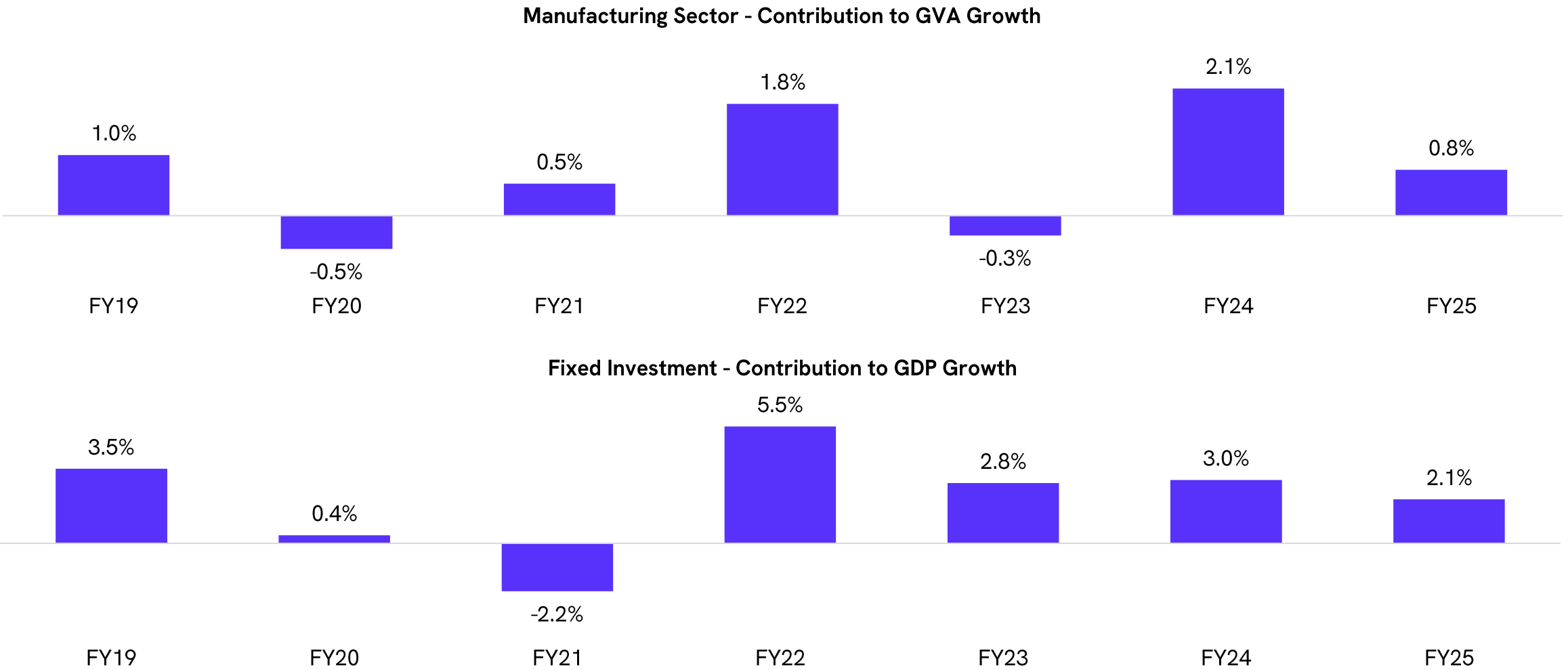


Source: MOSPI, 360 ONE Asset Research

Manufacturing sector's contribution declines to 0.8% from 2.1% in FY24

On the expenditure side, fixed investment contribution declines to 2.1% in FY25 from 3.0% in FY24

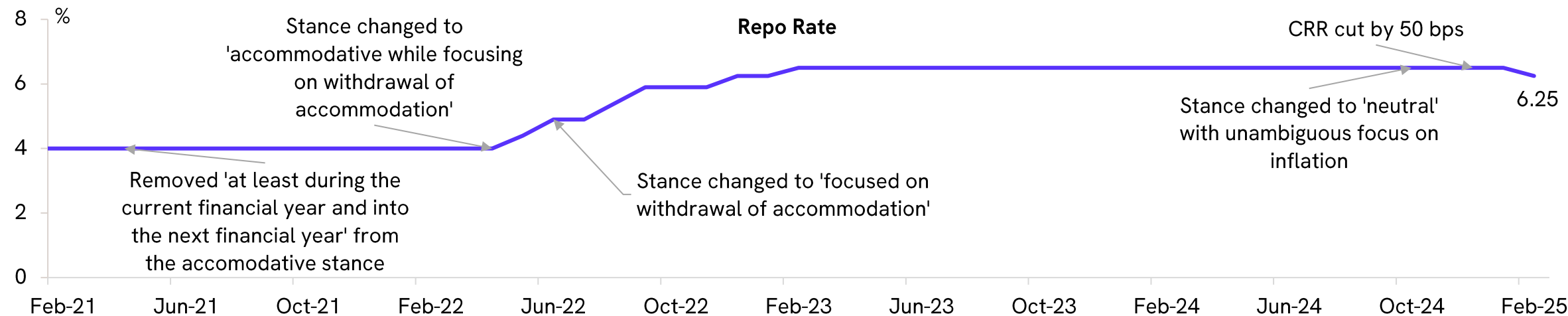
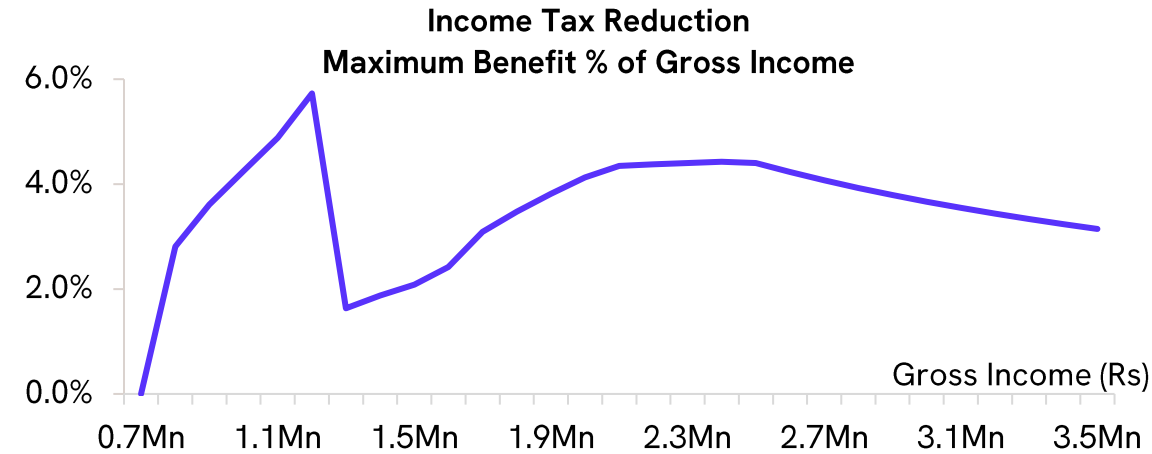
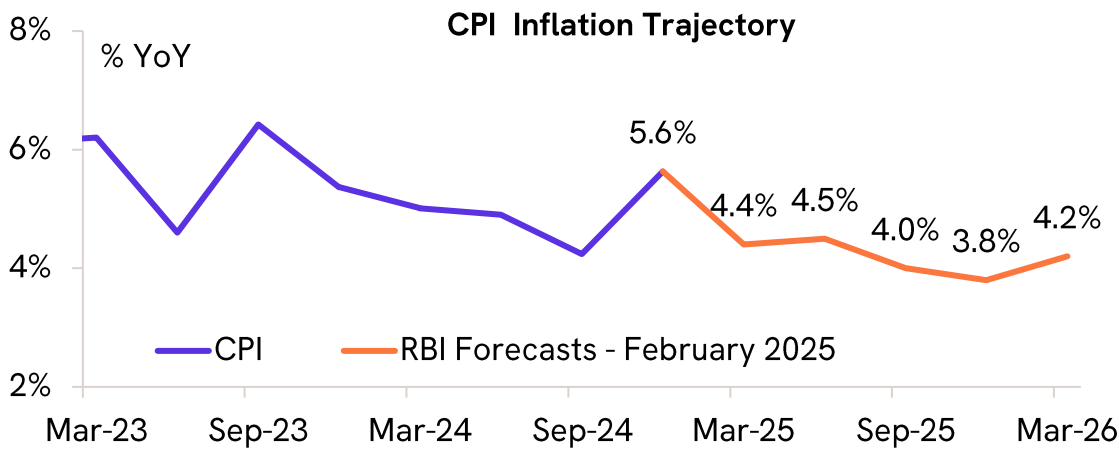
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Source: MOSPI, 360 ONE Asset Research

Outlook: FY26 GDP growth is expected to be around 6.5-6.7% YoY

Lower inflation, interest rate cuts, regulatory easing, and income tax reductions should support growth in FY26



Source: RBI, Budget Documents, 360 ONE Asset Research

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