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GROSS DOMESTIC PRODUCT

NSO's FY2025 GDP growth forecast of 6.4% implies an acceleration in H2, albeit slightly lower than ICRA's estimate

JANUARY 2025

Highlights

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NSO pegged GDP and GVA growth at 6.4% each in FY2025 FAE, marginally lower than expected

NSO implicitly projects GDP (+6.7%) and GVA (+6.6%) growth to improve in H2 FY2025

ICRA expects GDP and GVA growth to print at 6.5% each in FY2025 and maintain that pace in FY2026; the latter takes into account an anticipated capex push in the FY2026 Union Budget

The National Statistical Office (NSO) has pegged the year-on-year (YoY) growth in the GDP and GVA (at constant 2011-12 prices) at 6.4% each in the First Advance Estimates (FAE) for FY2025, marginally lower than ICRA's expectations (+6.5% each). This entails an implicit GDP and GVA growth of 6.7% and 6.6%, respectively, in H2 FY2025, a mild 10-20 bps lower than our projections. ICRA believes that the implicit growth estimates for mining, manufacturing, and trade, hotels, transport, communication and services related to broadcasting (THTCS) segments, and gross fixed capital formation (GFCF) are likely to exceed the implicitly assumed rates in H2, given the dissipation of the monsoon-related disruptions that had dampened growth in Q2, the upbeat outlook for rural demand, as well as expectations of some improvement in Government and private capex, post the slowdown in H1 that was partly on account of the Parliamentary Elections. Overall, ICRA estimates the GVA and GDP growth to print at 6.5% each in FY2025, and maintain that pace in FY2026.

- **NSO pegged YoY GDP growth at 6.4% in FY2025:** The NSO has projected the YoY growth in real GDP and GVA at 6.4% each in FY2025 FAE (+8.2% and +7.2%, respectively, in FY2024), slightly lower than ICRA's projections (+6.5% each). This entails slightly lower growth forecasts for mining and quarrying (YoY: +2.9%), manufacturing (+5.3%) and services (+7.2%), vis-à-vis our own estimates.
- **Implicit GDP growth for H2 FY2025 pegged at 6.7%:** The NSO expects the YoY GDP and GVA growth to rise to 6.7% and 6.6%, respectively, in H2 FY2025 from 6.0% and 6.2%, respectively, in H1. However, ICRA expects the estimates for mining, manufacturing, THTCS segments, and GFCF to exceed the NSO's estimates in H2 FY2025, given the dissipation of monsoon-related disruptions, the upbeat outlook for rural demand, and a low base in some segments, as well as expectations of a pick-up in Government and private capex, post the election-led slowdown in H1.
- **GDP growth to print at 6.5% each in FY2025 and FY2026:** The GVA and GDP growth is projected to improve to 6.7% and 6.9%, respectively, in H2 FY2025. Overall, ICRA estimates the GVA and GDP growth to print at 6.5% each in FY2025. Looking ahead, the GDP growth is likely to be maintained at 6.5% in FY2026, benefitting from an anticipated capex push in the upcoming Budget, while being influenced by global developments and domestic uneveness, amidst considerable base effects.

FIRST ADVANCE ESTIMATES OF GDP AND GVA FOR FY2025

NSO pegged the GDP and GVA growth at 6.4% each in FY2025 FAE, marginally trailing ICRA's expectations

YoY growth in GDP and GVA pegged at 6.4% each in FY2025 FAE, marginally lower than ICRA's expectations

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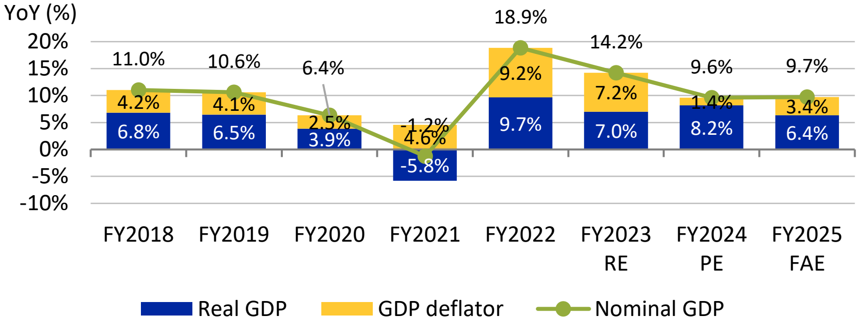
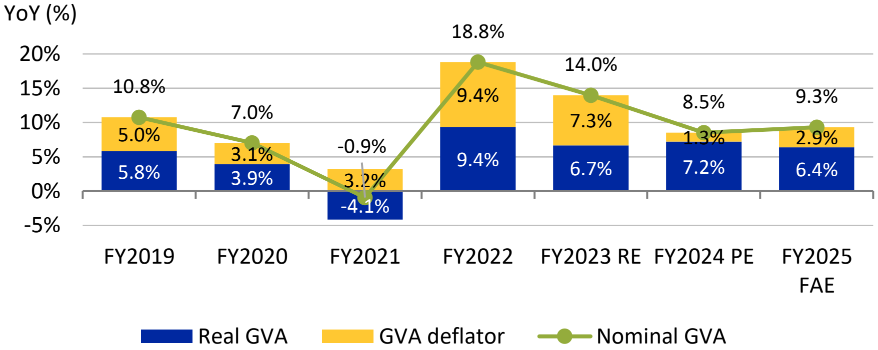
EXHIBIT: Annual trends in real and nominal GDP and deflator



RE: Revised Estimates; PE: Provisional Estimates; FAE: First Advance Estimates; Source: NSO; CEIC; ICRA Research

EXHIBIT: Annual trends in real and nominal GVA and deflator



Source: NSO; CEIC; ICRA Research

- The FAE released by the NSO indicate that the YoY expansion in GDP and GVA (at constant 2011-12 prices) is likely to ease to 6.4% each in FY2025 from 8.2% and 7.2%, respectively, in the FY2024 Provisional Estimates (PE). These are marginally lower than ICRA's expectations of a 6.5% growth each for GDP and GVA in FY2025. Additionally, the wedge between the GDP and GVA YoY growth is estimated to compress quite sharply to (-) 4 bps in FY2025 FAE from 93 bps in FY2024 PE.
- In nominal terms, the NSO has projected India's GDP and GVA at Rs. 324.1 trillion and Rs. 292.6 trillion, respectively, in FY2025 FAE, implying a YoY growth of 9.7% and 9.3%, respectively (+9.6% and +8.5%, respectively, in FY2024 PE), with the former being sharply lower than ICRA's estimate of nominal GDP growth (+10.2%). The marginal uptick in the nominal growth is entirely driven by the uptick in deflators; the GDP and GVA deflators are expected to rise to 3.4% and 2.9%, respectively, in FY2025 from 1.4% and 1.3%, respectively, in FY2024, largely reflecting the turnaround in the WPI to an inflation vis-à-vis the deflation of 0.7% seen in FY2024.
- The FAE for the nominal GDP for FY2025 (at Rs. 324.1 trillion) is slightly lower than Rs. 326.4 trillion included in the Union Budget for this year. Based on this, the GoI's absolute budgeted fiscal deficit of Rs. 16.1 trillion translates to 5.0% of GDP, higher than the FY2025 RBE of 4.9% of GDP. However, owing to expectations of a large miss in the capex target, we expect the fiscal deficit to trail the FY2025 RBE, which would offset the lower-than-budgeted nominal GDP print; consequently, ICRA expects the fiscal deficit to GDP ratio to only marginally trail the budget estimate of 4.9% for the fiscal.

Slowdown in YoY GDP growth to four-year low of 6.4% in FY2025 primarily driven by deterioration in GFCF

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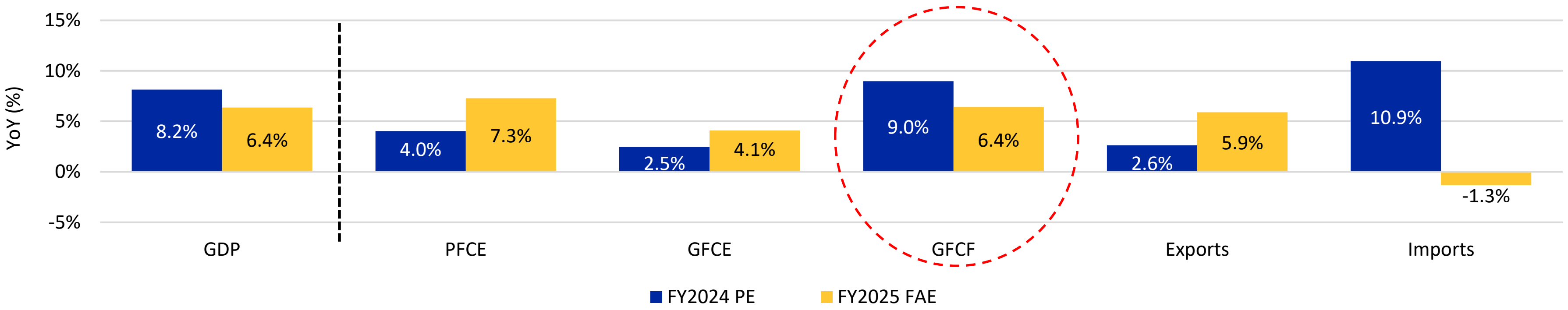
EXHIBIT: YoY trends in GDP and its components (Constant 2011-12 Prices)



PE: Provisional Estimates; FAE: First Advance Estimates; Source: NSO; CEIC; ICRA Research

- The YoY growth in GDP (at constant 2011-12 prices) is estimated to moderate to a four-year low of 6.4% in FY2025 FAE from 8.2% in FY2024 PE, largely driven by a deterioration in the YoY performance of GFCF (to a four-year low +6.4% in FY2025 from +9.0% in FY2024). In contrast, all other components of GDP are estimated to witness an uptick in FY2025 FAE, relative to FY2024 PE, including PFCE (to +7.3% from +4.0%; upbeat rural demand, even as outlook for urban sector remains uneven), GFCE (to +4.1% from +2.5%), and exports (to +5.9% from +2.6%).
- Notably, the drag exerted by net exports on real GDP is estimated to narrow sharply to Rs. 1.1 trillion in FY2025 FAE from Rs. 4.0 trillion in FY2024 PE, reflecting the expansion in exports (+5.9%) and the contraction in imports (-1.3%; partly led by high base), despite the slowdown in external demand seen during the year as well as the healthy domestic demand. This contrasts with the trends in nominal GDP, wherein the drag on account of net exports is expected to widen sharply vis-à-vis FY2024 (to -Rs. 8.5 trillion in FY2025 from -Rs. 6.6 trillion), with the divergence largely being driven by the large wedge between the growth in deflators for exports (+2.0% in FY2025 FAE) and imports (+11.2%).
- The discrepancies in the GDP data for FY2025 FAE are estimated to rise to (-) Rs. 2.1 trillion (at 2011-12 prices) from (+) Rs. 1.3 trillion in FY2024 PE, suggesting that the components of GDP may undergo considerable revision in subsequent releases.

GDP growth implicitly pegged to rise to 6.7% in H2 FY2025 from 6.0% in H1; pace of expansion in GFCF estimated at lower-than-expected 6.4%

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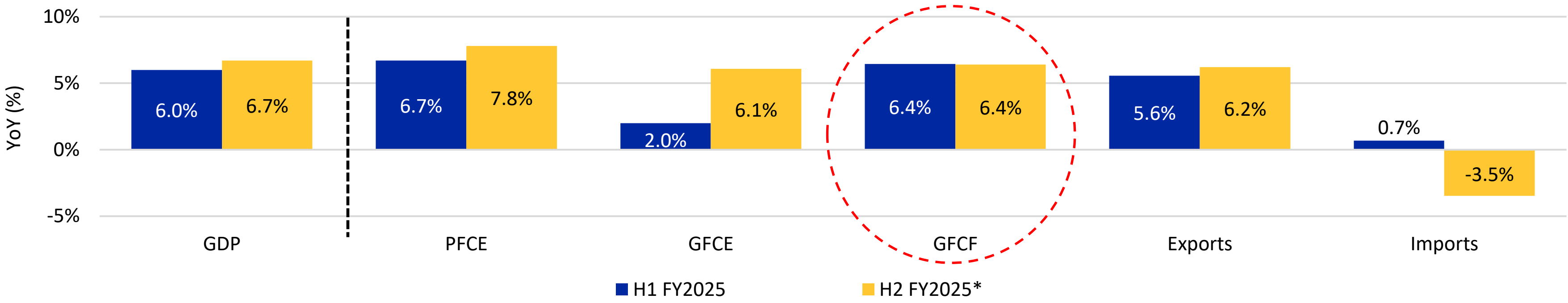
EXHIBIT: YoY trends in GDP and its components (Constant 2011-12 Prices) in H1 and H2 FY2025



**Values for H2 FY2025 have been implicitly calculated based on the FY2025 FAE released by the NSO on January 7, 2025, and the data for H1 FY2025 released previously; Source: NSO; CEIC; ICRA Research*

- The FY2025 FAE implicitly indicates that the YoY growth in India's GDP (at constant 2011-12 prices) will rise to 6.7% in H2 FY2025 (+8.1% in H2 FY2024) from 6.0% in H1 FY2025 (+8.2% in H1 FY2024). Such estimates are based on limited data for Q3 FY2025 and may undergo revision as more data becomes available.
- The NSO expects the growth in GFCE (to +6.1% in H2 FY2025 from +2.0% in H1 FY2025) to rise in H2 FY2025, which seems likely, with the Centre's non-interest non-subsidy revex rising by 16.2% YoY during October-November 2024, and adequate headroom for spending growth during December 2024-March 2025. Additionally, the pace of expansion in PFCE (to +7.8% from +6.7%) and exports (to +6.2% from +5.6%) is projected to pick up in H2 FY2025, relative to H1. While the YoY growth for GFCF (at +6.4%) is expected to remain unchanged during this period, ICRA believes that the actual print in H2 FY2025 is likely to exceed this estimate, amidst a pick-up in government and private capex, which were adversely impacted owing to the General Elections in H1. Moreover, imports (to -3.5% from +0.7%) are expected to record a contraction in H2 FY2025.
- Notably, in nominal terms, the NSO expects the drag from net exports on the GDP growth to narrow marginally in H2 FY2025 (-Rs. 4.1 trillion; -2.4% of GDP), relative to H1 FY2025 (-Rs. 4.3 trillion; -2.8% of GDP). This is in line with ICRA's expectations of a narrowing in the total trade deficit (merchandise + services) in H2 vis-à-vis H1. ICRA expects the current account deficit to ease in H2 FY2025 from the levels seen in H1, notwithstanding the expected enlargement to a nine-quarter high print in Q3 (on the back of the high initial estimate of gold imports).

GVA growth estimated to ease to 6.4% in FY2025 from 7.2% in FY2024, led by industry and services

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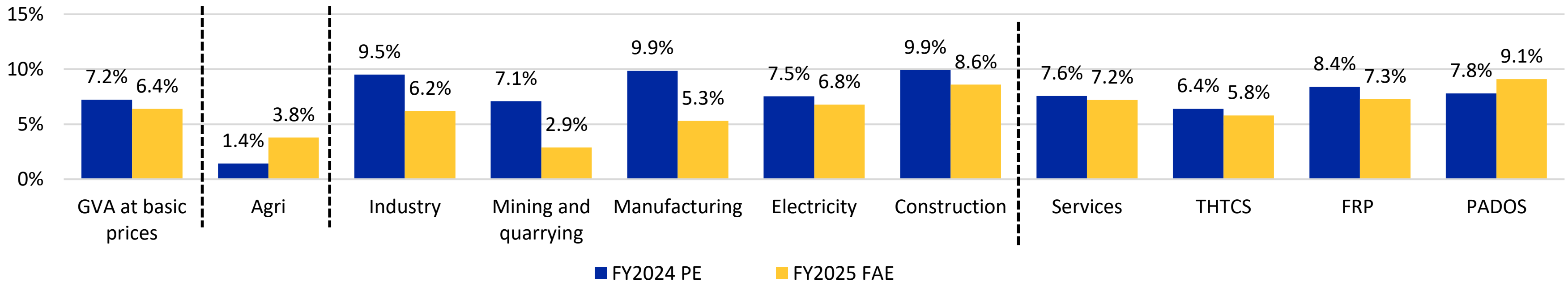
EXHIBIT: YoY Trends in GVA at Basic Prices and its components (Constant 2011-12 Prices)

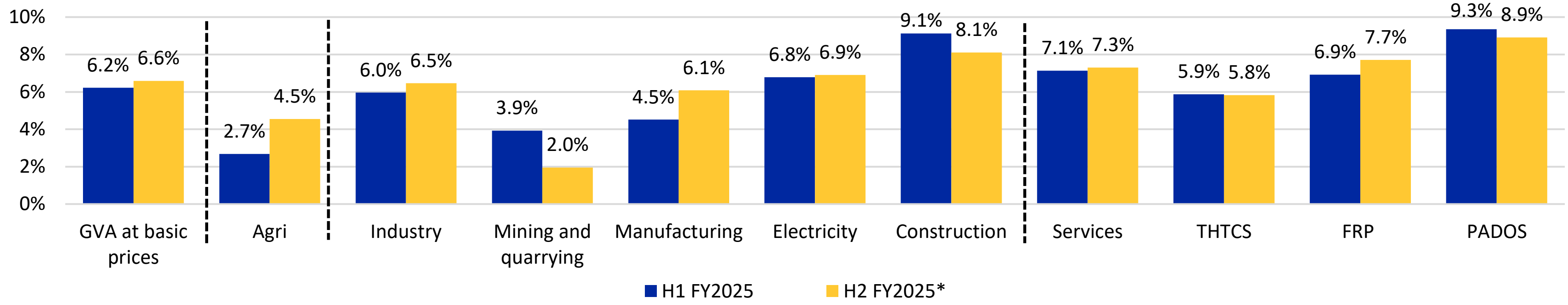


THTCS: Trade, Hotels, Transport, Communication and Services related to Broadcasting; FRP: Financial, Real Estate and Professional Services; PADOS: Public Administration, Defence and Other Services; PE: Provisional Estimates; FAE: First Advance Estimates; Source: NSO; CEIC; ICRA Research

- Similar to ICRA's forecast (+6.5%), the YoY GVA growth is anticipated to ease to 6.4% in FY2025 as per the FAE from 7.2% in FY2024 PE. This entails a moderation in growth rates projected for industry (to +6.2% in FY2025 FAE from +9.5% in FY2024 PE) and services (to +7.2% from +7.6%), even as that for agriculture, forestry and fishing is estimated to accelerate (to +3.8% from +1.4%).
- The sharp moderation in industrial GVA growth in FY2025 compared to FY2024, while broad based, is estimated to stem majorly from manufacturing (to +5.3% from +9.9%), and mining and quarrying (to +2.9% from +7.1%). The slowdown in mining GVA growth possibly factors in a muted 2.2% growth in Coal India Limited's output in 9M FY2025, owing to weather disruptions and a likely miss on the target given the high growth required in Q4 FY2025 (+22%), while the subdued trends in profitability of manufacturing sector in Q2 FY2025 amid sluggish urban demand has contributed to the dip in manufacturing GVA growth forecast for FY2025. The growth for electricity and construction is projected to ease mildly to 6.8% and 8.6%, respectively, in FY2025, to touch the lowest levels in last four years.
- The slight dip expected in services GVA growth in FY2025 is on account of THTCS (to +5.8% from +6.4%) and FRP (to +7.3% from +8.4%) segments, even as PADOS growth (to an eight-year high +9.1% from +7.8%) is estimated to improve between these years.

YoY GVA growth implicitly pegged to rise to 6.6% in H2 FY2025 from 6.2% in H1, stemming from agriculture, manufacturing and FRP

EXHIBIT: YoY Trends in GVA at Basic Prices and its components (Constant 2011-12 Prices) in H1 and H2 FY2025

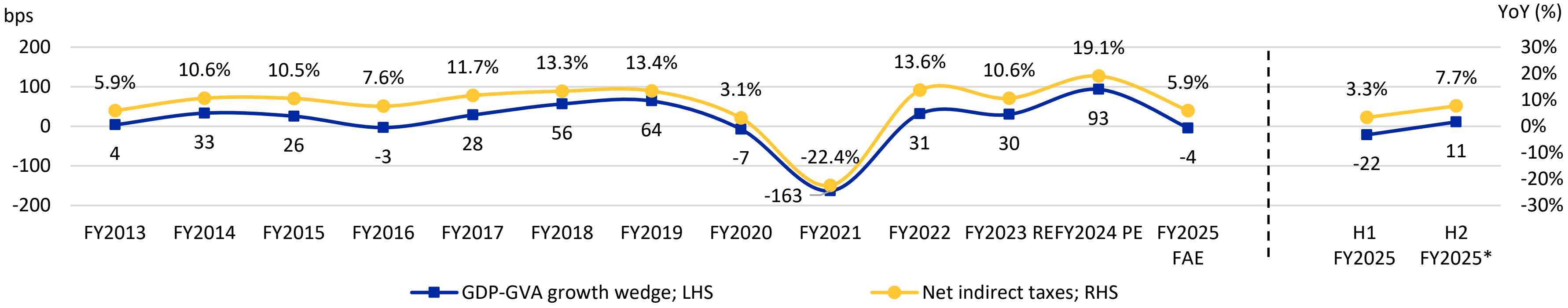


**Values for H2 FY2025 have been implicitly calculated based on the FY2025 FAE released by the NSO on January 7, 2025, and the data for H1 FY2025 released previously; Source: NSO; CEIC; ICRA Research*

- As per the FAE for FY2025, the YoY growth in implicit GVA in H2 FY2025 is pegged to improve to 6.6% from 6.2% in H1 FY2025, which is 10 bps higher than ICRA's forecast. While the NSO's implicit H2 FY2025 projections seem reasonable, some of the sectoral numbers could report higher growth prints in H2 FY2025, in our view. For instance, the growth rates for the mining (+2.0%), manufacturing (+6.1%) and THTCS (+5.8%) segments may exceed the assumed rates, given the dissipation of the adverse impact of excess rains that impacted growth in Q2 FY2025, the anticipated uptick in rural demand, and favourable base effect in some segments.
- While we concur with the NSO's view of a pick-up in agri GVA growth in H2 FY2025 vs. H1, amid healthy kharif foodgrain production and favourable prospects for rabi crop output, the growth is slightly on the higher side (ICRA P: +4.0%). The strongest growth across sub-sectors is projected for PADOS at 8.9% in H2 FY2025, echoing with the early data that revealed a healthy ~16% YoY rise in non-interest non-subsidy revex of the Centre in October-November 2024.
- The performance of the industrial GVA (to +6.5% from +6.0%) is also estimated to improve in H2 FY2025, vis-à-vis H1 FY2025, led by the trends in manufacturing (to +6.1% in H2 FY2025 from +4.5% in H1 FY2025) and electricity, gas, water supply and other utility services (to +6.9% from +6.8%), even as that for mining (to +2.0% from +3.9%; despite a low base), and construction (to +8.1% from +9.1%) is expected to moderate in H2 FY2025 compared to H1.

Wedge between GDP and GVA growth set to normalise in H2 FY2025, after remaining inverted in H1, with uptick in net indirect tax growth

EXHIBIT: Wedge between GDP and GVA YoY expansion and growth in net indirect taxes (in real terms)



*Net indirect taxes = taxes – subsidies; major subsidies includes food, fertilisers and petroleum; *Values for H2 FY2025 have been implicitly calculated based on the FY2025 FAE released by the NSO on January 7, 2025, and the data for H1 FY2025 released previously; Source: NSO; CEIC; ICRA Research*

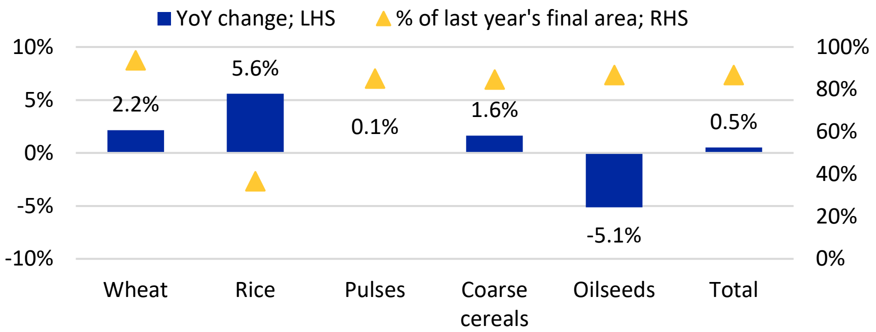
- The wedge between the GDP and GVA YoY growth is estimated to witness an inversion to (-) 4 bps in FY2025 FAE as against the peak of (+) 93 bps seen in FY2024 PE. This would be driven by a sharp slowdown in net indirect tax growth to a four-year low of 5.9% in FY2025 FAE from an unusually high 19.1% in FY2024 PE in real terms.
- In nominal terms as well, the growth in net indirect taxes is set to decelerate to 13.5% in FY2025 from 21.1% in FY2024. This seems in line with the moderation budgeted for the growth in GoI's indirect taxes (to +8.3% in FY2025 RBE from +10.6% in FY2024 PA), along with a narrower contraction in the subsidy outgo (to -7.8% from -22.1%) in FY2025 RBE, relative to FY2024 PA.
- Moreover, the wedge between the GDP and GVA growth is expected to normalise in H2 FY2025 at (+) 11 bps, after being inverted at (-) 22 bps in H1 FY2025, factoring in a pick-up in the growth of net indirect taxes (to +7.7% from +3.3%). In nominal terms, a sharper acceleration is being anticipated (to +18.4% in H2 from +8.0% in H1). This is in line the YoY contraction foreseen in the subsidy outgo (to -19.6% from +4.0%) in H2 FY2025, relative to H1 (as per the CGA and Union Budget data) which will prop up the net indirect tax growth in H2 FY2025, even as the GoI's indirect tax growth is likely to dip modestly (to +6.8% in H2 from +10.0% in H1).

OUTLOOK FOR H2 FY2025

NSO implicitly foresees GDP growth to rise to 6.7% in H2 FY2025, marginally lower than ICRA's forecast

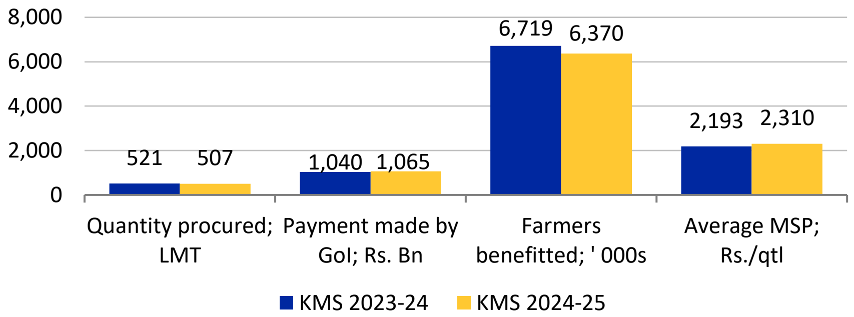
GVA growth of agriculture, forestry and fishing set to rise to 4.0% in H2 FY2025; rural demand likely to improve further in near term

EXHIBIT: Sowing of rabi crops as on December 30, 2024



Source: Department of Agriculture and Farmers' Welfare; CEIC; ICRA Research

EXHIBIT: Trends in KMS 2023-24 and 2024-25 for paddy



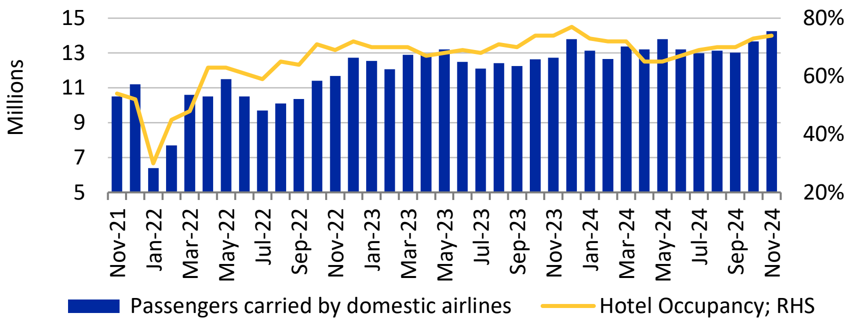
**Paddy procurement up to January 7, 2025; Average MSP considers both common and Grade A varieties; Source: CFPP; ICRA Research*

- The cumulative sowing of rabi crops has increased by a modest 0.5% YoY to 61.5 million hectare in the first half of the season (by end-December 2024). While the area sown for wheat, rice and coarse cereals has risen in the range of 1.5-6.0% compared to the year-ago levels, that for oilseeds trailed the same by a sobering 5.1%. Nevertheless, 87% of last year's final area has been sown already by end-December 2024, barring rice (37%; as it typically gathers pace in January).
- **ICRA estimates agri-GVA growth to rise to 4.0% in H2 FY2025 (+0.5% in H2 FY2024) from 2.7% in H1 (+2.8% in FY2024), partly aided by healthy prospects for rabi output of wheat and rice, and a low base. This is lower than the implicit growth of 4.5% in H2 assumed by the NSO.**
- As per the Central Foodgrains Procurement Portal (CFPP), farm cash flows from kharif paddy procurement have increased by 2.4% YoY to Rs. 1.1 trillion in the ongoing marketing season so far (from Oct 1, 2024 to Jan 7, 2025), benefitting from the 5.3% growth in MSPs indicated for the crop, even as quantity procured modestly trailed the year-ago level. This, along with high mandi prices for paddy (relative to the MSP) have improved rural sentiments. Besides, the real rural wages (for all occupations) rose by 0.9% YoY in Q2 FY2025 after remaining flat in Q1 FY2025. These trends, along with the favourable rabi outlook are likely to provide a fillip to rural consumption demand in the near term.

#Refer to ICRA's publication, Agri-GVA growth to rise to seven-quarter high 4.0% in Q3 FY2025, amid bountiful kharif output, flattish rabi sowing and muted base, published in December 2024.

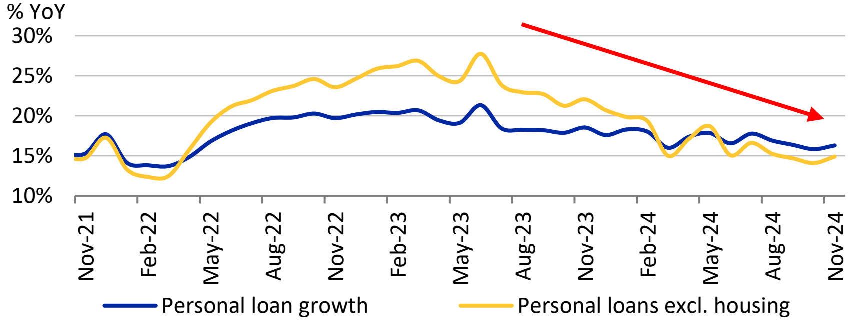
Urban consumption saw some recovery during festive season; anticipated to remain uneven in H2 FY2025

EXHIBIT: Trends in domestic air passenger traffic and hotel occupancy rates



Hotel Data is for premium market, based on total supply; Source: DGCA; ICRA Research

EXHIBIT: Trends in personal loan growth and personal loan excl. housing

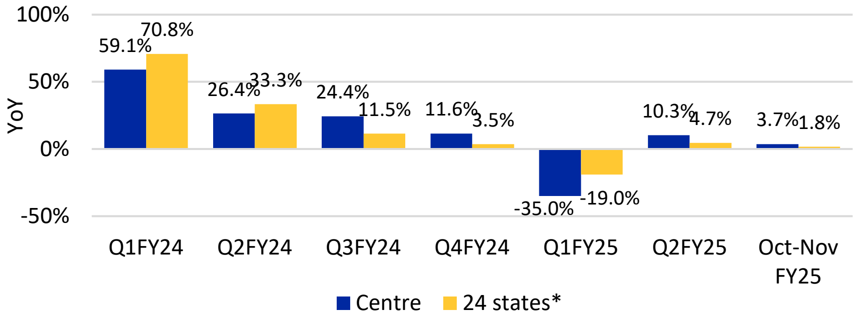


Source: RBI; ICRA Research

- The RBI's consumer confidence survey, that is conducted in 19 major cities, revealed that consumer sentiments eased slightly in the recent period with the current situation index falling to 94.0 in November 2024, from 94.7 in September 2024, despite the festive season. This was attributed to weaker sentiments across all of the parameters, except household spending. In our view, the recovery in consumer confidence has been sluggish in FY2025 so far owing to exogenous shocks like heatwave conditions during the pre-monsoon period, uncertainty around the General Elections, excess rains during August-September 2024, slowdown in Government spending and persistent high food inflation.
- The recent data for Q3 FY2025 indicates some recovery in urban demand, although this is partly on account of the festive season. Among high-ticket items, PV retail volumes rose by 10.4% YoY during Q3 FY2025 (+3.8% in Q3 FY2024) partly aided by a low base, after contracting by 3.3% in Q2 FY2025 (+10.2% in Q2 FY2024). Similarly, hotel occupancy rates improved in Q2 and Q3 FY2025, after the dip in Q1. However, the consumption of consumer non-durables is likely to have remained sluggish, with sustained high food inflation weighing on the budgets of low- and middle-income households.
- **Notwithstanding some improvement in the festive period, urban consumption is likely to remain uneven in the remainder of the fiscal, with the slowdown in personal loan growth also weighing on discretionary consumption of households to some extent. The NSO has projected a 7.8% growth in PFCE during H2 FY2025 (+6.7% in H1 FY2025), which appears slightly high, given the sluggishness in urban demand.**

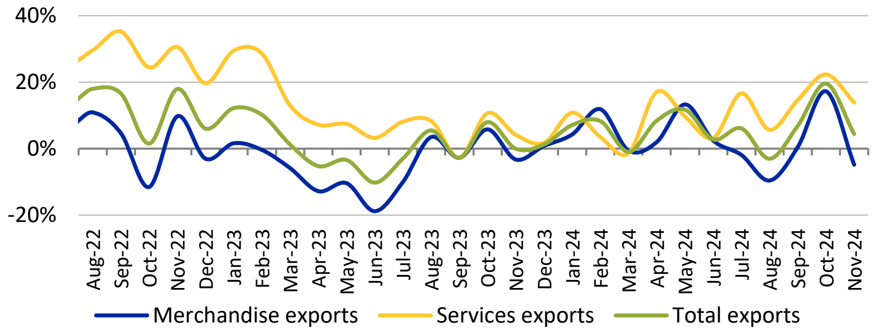
Expected pick up in Government capex growth would support the GDP growth in Q4 FY2025

EXHIBIT: Gross capital expenditure of Centre and capital outlay and net lending of 24 state governments



**Data is for 24 states excluding Arunachal Pradesh, Jharkhand, Goa and Manipur; Source: CGA; CAG; GoI; ICRA Research*

EXHIBIT: YoY trends in Merchandise and Services Exports



Source: Ministry of Commerce and Industry; RBI; ICRA Research

- The GoI's capex growth slowed to 3.7% in October-November FY2025 from 10.3% in Q2 FY2025, possibly dampened by the festive season. The GoI's capex needs to expand by 65% YoY in December-March FY2025 or record a monthly run rate of Rs. 1.5 trillion, to meet the FY2025 RBE, which appears quite substantial. **We are apprehensive that the capex target of Rs. 11.1 trillion for FY2025 will be missed by a relatively large margin of Rs. 1.4 trillion. Nevertheless, even after removing the likely shortfall amount, the implicit capex growth during December-March FY2025 is estimated at a high ~26% YoY (-12.3% in 8M FY2025), which would augur well for the GDP growth.**
- The aggregate capital outlay and net lending of 24 state governments increased by a modest 1.8% YoY in October-November FY2025 (+4.7% in Q2 FY2025). **The dull start to** capital spending by several states **in early FY2025 makes the achievement of the budgeted target for FY2025 challenging, even if they have adequate fiscal space for it.**
- Additionally, merchandise exports rose by 6.2% during October-November FY2025, while such imports expanded by a much sharper 14.6% in this period, owing to the surge in gold imports in November 2024. **The widening of goods' trade deficit is likely to exert a sharper drag on the GDP growth in Q3 FY2025 compared to 1.8% of GDP seen in Q3 FY2024. Thereafter, the seasonal uptick in merchandise exports may lead to a surplus on current account in Q4 FY2025, which is expected to support the GDP growth.**

ICRA expects GDP growth to print at 6.5% in FY2025, marginally higher than NSO's estimate of 6.4%

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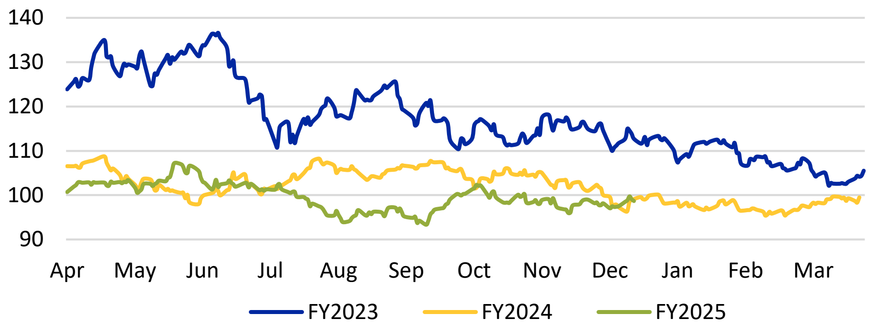
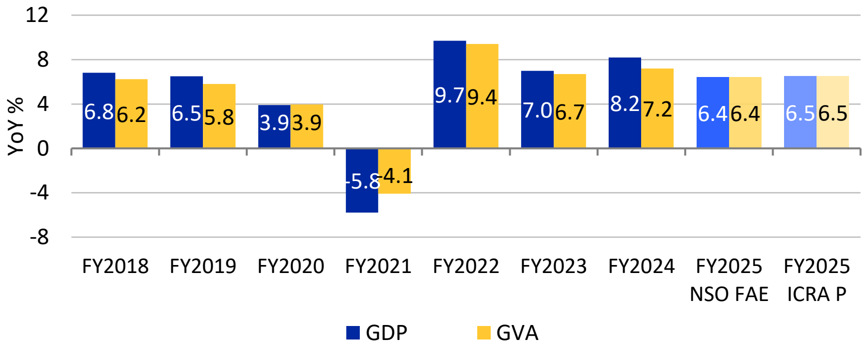
EXHIBIT: Trends in Bloomberg Commodity price index



Source: ICRA Research

EXHIBIT: Annual Growth in GDP and GVA (at constant 2011-12 prices)



P: Projected; Source: NSO; ICRA Research

- Although global commodity prices have inched up marginally in Q3 FY2025 vis-à-vis Q2, the YoY deflation in the same has narrowed to 3.1% from 7.8% between these quarters. This is likely to weigh on industrial margins, even as volume growth is likely to be supported by the seasonal uptick during the festive period in Q3 FY2025. Nevertheless, the YoY growth in the industrial sector is expected to have improved in Q3 FY2025 (+3.6% in Q2 FY2025), amid post-monsoon pick up in mining activity and electricity demand. Moreover, manufacturing activity is likely to be supported by the uptick in demand during the festive season as well as a normalising base.
- The outlook for agri GVA growth appears upbeat for Q3 and Q4 FY2025. However, the services sector has displayed a mixed trend in Q3 FY2025, based on available data. Overall, **ICRA expects the GVA growth to improve to ~6.6% in Q3 FY2025, and further to ~6.9% in Q4 FY2025, implying an average growth of 6.7% in H2, 10 bps higher than the NSO's implicit estimate for this period.**
- **The NSO's FAE for GDP and GVA growth of 6.4% each in FY2025, is slightly lower than our forecast of 6.5% each. Looking ahead, the GDP growth in FY2026 will be crucially influenced by global developments as well as domestic uncertainties, amidst considerable base effects. Benefitting from an anticipated capex push in the upcoming Budget, we project the GDP growth to be maintained at 6.5% in FY2026.**

Annexure

ANNEXURE A.1

EXHIBIT: GVA at Basic Prices and its Components (YoY Growth, Constant 2011-12 Prices)

	H1 FY2024	H2 FY2024	H1 FY2025	H2 FY2025*	FY2023	FY2024 PE	FY2025 FAE
GVA at Basic Prices	**8.0%**	**6.5%**	**6.2%**	**6.6%**	**6.7%**	**7.2%**	**6.4%**
Agriculture, Forestry & Fishing	***2.8%***	***0.5%***	***2.7%***	***4.5%***	***4.7%***	***1.4%***	***3.8%***
Industry	***9.7%***	***9.4%***	***6.0%***	***6.5%***	***2.1%***	***9.5%***	***6.2%***
Mining & Quarrying	8.8%	5.7%	3.9%	2.0%	1.9%	7.1%	2.9%
Manufacturing	9.6%	10.1%	4.5%	6.1%	-2.2%	9.9%	5.3%
Electricity, gas, water supply & other utilities	6.8%	8.3%	6.8%	6.9%	9.4%	7.5%	6.8%
Construction	11.0%	9.1%	9.1%	8.1%	9.4%	9.9%	8.6%
Services	***8.3%***	***6.9%***	***7.1%***	***7.3%***	***10.0%***	***7.6%***	***7.2%***
Trade, Hotels, Transport, Communication & Services related to Broadcasting	6.9%	6.0%	5.9%	5.8%	12.0%	6.4%	5.8%
Financial, Real Estate & Professional Services	9.3%	7.3%	6.9%	7.7%	9.1%	8.4%	7.3%
Public Administration, Defence and Other Services	8.0%	7.6%	9.3%	8.9%	8.9%	7.8%	9.1%

**Values for H2 FY2025 have been implicitly calculated based on the FY2025 FAE released by the NSO on January 7, 2025, and the data for H1 FY2025 released previously;*
Source: NSO; CEIC; ICRA Research

ANNEXURE A.2

EXHIBIT: GDP and Final Expenditures (YoY Growth, Constant 2011-12 Prices)

	H1 FY2024	H2 FY2024	H1 FY2025	H2 FY2025*	FY2023	FY2024 PE	FY2025 FAE
GDP	**8.2%**	**8.1%**	**6.0%**	**6.7%**	**7.0%**	**8.2%**	**6.4%**
PFCE	4.0%	4.0%	6.7%	7.8%	6.8%	4.0%	7.3%
GFCE	6.2%	-0.8%	2.0%	6.1%	9.0%	2.5%	4.1%
Exports	-0.7%	5.9%	5.6%	6.2%	13.4%	2.6%	5.9%
Imports	13.3%	8.5%	0.7%	-3.5%	10.6%	10.9%	-1.3%
Gross Capital Formation	9.1%	9.6%	6.5%	5.8%	5.5%	9.4%	6.1%
GFCF	10.1%	8.0%	6.4%	6.4%	6.6%	9.0%	6.4%
Change in Stocks	5.7%	6.2%	3.4%	5.6%	14.5%	5.9%	4.5%
Valuables	-5.8%	67.9%	9.1%	-6.7%	-19.1%	21.2%	1.1%

**Values for H2 FY2025 have been implicitly calculated based on the FY2025 FAE released by the NSO on January 7, 2025, and the data for H1 FY2025 released previously;*
Source: NSO; CEIC; ICRA Research

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Thank You!