

Making sense of GDP data

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Real GDP grew by 8.2% Y-o-Y in Q2 FY26 (July-Sep 2025), the highest in six quarters.

Supply side				
Particulars (Rs lakh Crore)	Q2 2023-24	Q2 2024-25	Q2 2025-26	% Y-o-Y Q2FY26
Agriculture, Livestock, Forestry & Fishing	4.57	4.76	4.93	3.5
Industry	11.92	12.36	13.32	7.7
Mining & Quarrying	0.65	0.65	0.65	-0.04
Manufacturing	7.05	7.20	7.86	9.1
Electricity, Gas, Water Supply & Other Utility Services	1.00	1.03	1.08	4.4
Construction	3.22	3.49	3.74	7.2
Services	22.63	24.27	26.50	9.2
Trade, Hotels, Transport, Communication & Broadcasting	7.14	7.57	8.13	7.4
Financial, Real Estate & Professional Services	10.47	11.22	12.37	10.2
Public Administration, Defence & Other Servc.	5.03	5.47	6.00	9.7
GVA at Basic Prices	39.12	41.39	44.75	8.1
Net Taxes	3.42	3.53	3.86	9.50
GDP	42.54	44.93	48.63	8.20

Expenditure method					
Sectors (Rs lakh Cr)	Q2 2023-24	Q2 2024-25	Q2 2025-26	Change Over Previous Year	Ratio to GDP
Private Consumption	44.3	48.7	53.3	9.3	62.5
Government Consumption	7.3	7.8	7.7	-1.4	9.1
Gross Fixed Capital Formation (GFCF)	22.4	24.0	26.0	8.2	30.5
Changes in Stocks (CIS)	1.1	1.2	1.3	6.7	1.5
Exports	15.8	16.6	18.4	11.0	21.6
Imports	17.7	19.7	21.4	8.4	25.1
GDP	72.4	78.4	85.3	8.7	

- 7% growth in Q3 and q4 will take real GDP growth for the full year to 7.5%
- Consumption GDP ratio is more than 62% due to the impact of 100 bps repo rate cut and cut in bank lending rates

If We Nullify the Base Effect, What Would be Actual GDP Growth ...

	Q2: 2024-Q2:2025			HF:2025 -HF:2026		
	Q2FY25 (y/y%)	Q2FY26 (y/y%)	GDP Growth Without Base Effect	H1FY25 %	H1FY 26%	Without Base Effect
GDP	5.6 (Act)	8.2 (Act)	6.9 (Est.)	6.1 (Act)	8.0 (Act.)	7.0 (Est.)
Agriculture, forestry and fishing	4.1	3.5	3.8	2.7	3.6	3.2
Industry	3.8	7.7	5.7	6.1	7.0	6.5
Mining and quarrying	-0.4	0.0	-0.2	3.6	-1.8	0.9
Manufacturing	2.2	9.1	5.6	4.8	8.4	6.6
Electricity, gas, water supply and other utility services	3.0	4.4	3.7	6.5	2.4	4.4
Construction	8.4	7.2	7.8	9.3	7.4	8.3
Services	7.2	9.2	8.2	7.0	9.3	8.1
Trade, hotels, transport, communication and broadcasting services	6.1	7.4	6.8	5.8	8.0	6.9
Financial services, real estate and professional services	7.2	10.2	8.7	6.9	9.9	8.4
Public administration, defense and other services	8.9	9.7	9.3	8.9	Internal 9.7	9.3

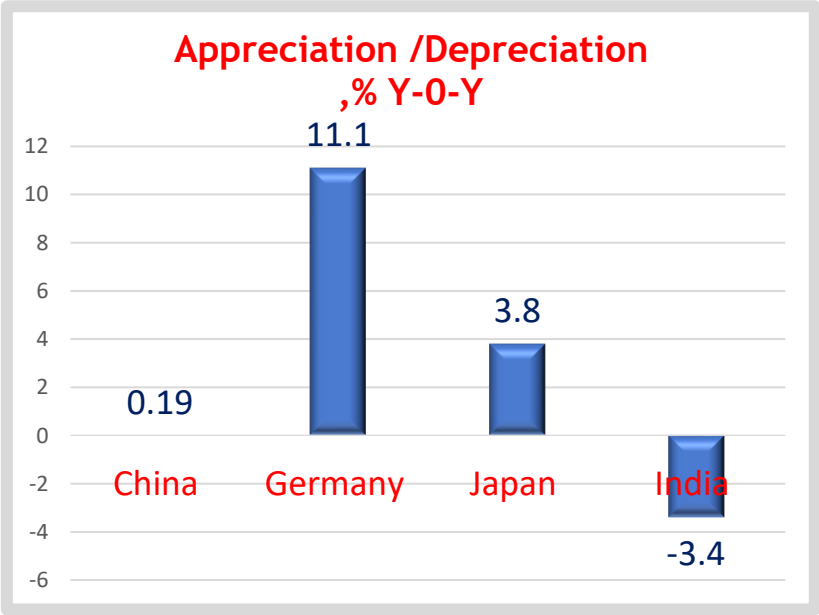
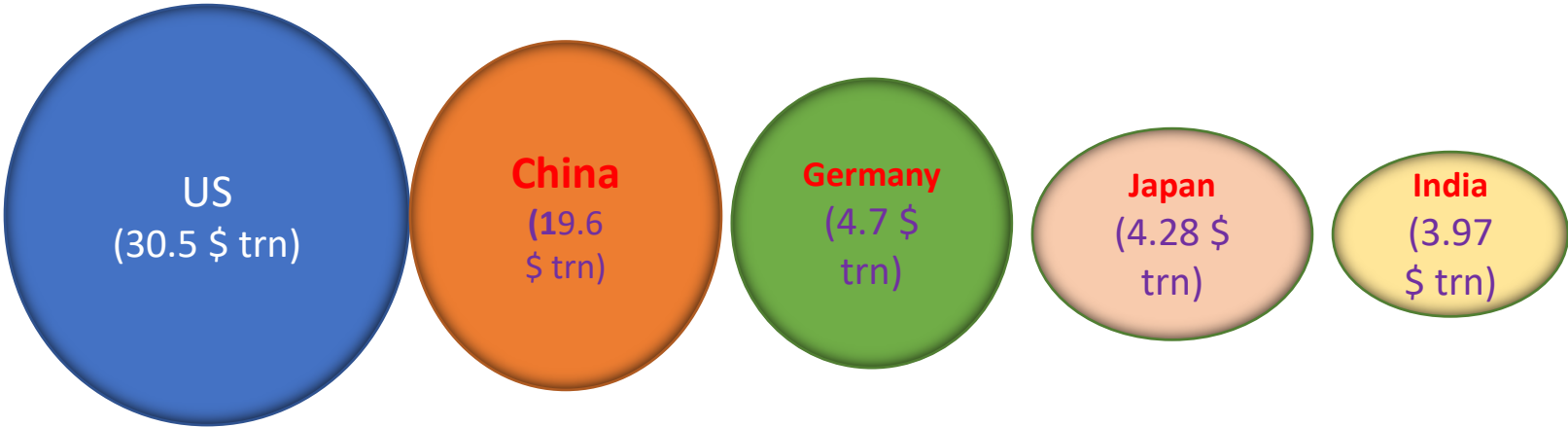
Observations

- ✓ Despite nullifying the Base Effect, GDP Growth has been @6.9% (Q2: 2024-Q2:2025)
- ✓ If We nullify the Base effect on Half Yearly Basis , the conservative approach suggests a minimal growth of 7% for FY2025-26

How other Major Economies have progressed in Q2: 2025 ?

Economy	India	US	China	Eurozone	Japan	We are Still the Fastest Growing Economy
Q2 2025 GDP Growth (YoY)	8.2%	3.8%	4.8%	0.3%	-1.8	

We are Close to Japan , But Still Behind due to rupee Depreciation (Latest \$trn)



Assumptions

1. Real GDP growth expected at 7.2-7.5% during FY26-30
2. Average annual INR depreciation of 2%
3. Inflation to remain subdued

GDP Projection					
	Fiscal Year	Avg USD/INR	Real GDP Growth (%)	Nominal Growth (%)	Nominal GDP] (₹ Lakh Cr)
Actual	FY 2019-20		3.87	6.37	201.03
	FY 2020-21		-5.87	-1.24	198.54
	FY 2021-22		9.69	18.85	235.97
	FY 2022-23		7.61	13.96	268.9
	FY 2023-24		9.19	12.02	301.23
	FY 2024-25		6.49	9.78	330.68
Projection	FY 2025-26	89.5	7.5	8.5	358,8
	FY 2026-27	91.3	7.5	8.0	387.5
	FY 2027-28	93.1	7.3	8.5	418.5
	FY 2028-29	94.9	7.4	8.5	452.0
	FY 2029-30	96.9	7.2	8.5	488.1
	GDP in 2030	\$ 5.03 trn (approx.)	nominal growth of 8.5% in FY26 & 8% in FY27 Nominal growth of 8.5% during FY26-30		

India expected to just cross the \$5T mark by FY30. Rupee depreciation delaying the milestone

Projected parameters (Rs lakh crore except %)	FY26	FY27	FY28	FY29	FY30
Nominal GDP	358.8	387.5	418.5	452.0	488.1
Bank credit (12.%% from FY27)	204.3	229.9	258.6	290.9	327.3
Non bank credit 50% bank credit)	102.1	114.9	129.3	145.5	163.7
Bank credit to GDP %	56.9	59.3	61.8	64.4	67.1
Total credit to GDP %	85.4	88.9	92.7	96.5	100.6

- India will just cross credit GDP ratio of 100 in FY30 under the current assumptions
- Many advanced economies have a ratio of 150 to 160% presently

THANK YOU !

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