



PHDCCI Analysis on Recent Macro Economic Developments

- 1. India's GDP grows at 6.2 % in Q3 of FY 2024-25**
- 2. Gross bank credit moderated to 12.5% in January 2025**
- 3. Fiscal Deficit stands at 74.5% of actuals to BEs of January 2025**
- 4. Core infra grew by 4.6% in January 2025**
- 5. Gross GST revenue grows at 9.4% Y-O-Y in February 2025**

1. India's GDP grows at 6.2 % in Q3 of FY 2024-25

India's Remains Resilient Amid Geopolitical Challenges

Industry body lauds 6.2% GDP growth in Q3 FY 2024-25 and 6.5% estimation for 2024-25

Despite geopolitical headwinds India's growth 6.2% in Q3 FY 2024-25 reflects India's resilience and the effectiveness of policies. The growth is largely driven by the strong performance of agriculture and allied sectors, which saw a growth rate of 5.6% in Q3 FY25. This rebound is expected to significantly boost farmers' income and further enhance agricultural productivity and rural growth. The tertiary sector has emerged as a key growth engine, showing an impressive 7.4% growth in Q3 FY25. Services such as trade, hotels, transport, communication, and broadcasting services have witnessed high growth of 6.7%.

This indicates a vibrant services sector that continues to expand, creating new avenues for employment and economic development. Private final consumption expenditure grew by 6.9% in Q3 FY25; showing steady increase in consumer spending and strength to demand trajectory. The manufacturing sector grew steady at 3.5%, reflecting the continued strength of India's manufacturing sector reforms. The construction sector remains a key contributor to India's economic stability, showing consistent growth of 7% in Q3 FY25. This sector not only generates significant employment across various skill levels but also acts as a catalyst for infrastructure development. The electricity, gas, water supply, and other utility services grew by 5.1% in Q3 FY 2024-25, indicating strong support for the manufacturing sector through enhanced infrastructure and energy. The robust performance of India's gross fixed capital formation (GFCF) at 27.6% of GDP for Q3 FY25 indicates sustained capacity expansion.

The National Statistical Office (NSO), Ministry of Statistics and Programme Implementation released in its Press Note the estimates of Gross Domestic Product (GDP) for Q2 FY 2024-25, both at constant (2011-12) and current Prices.

GDP Growth and its Components

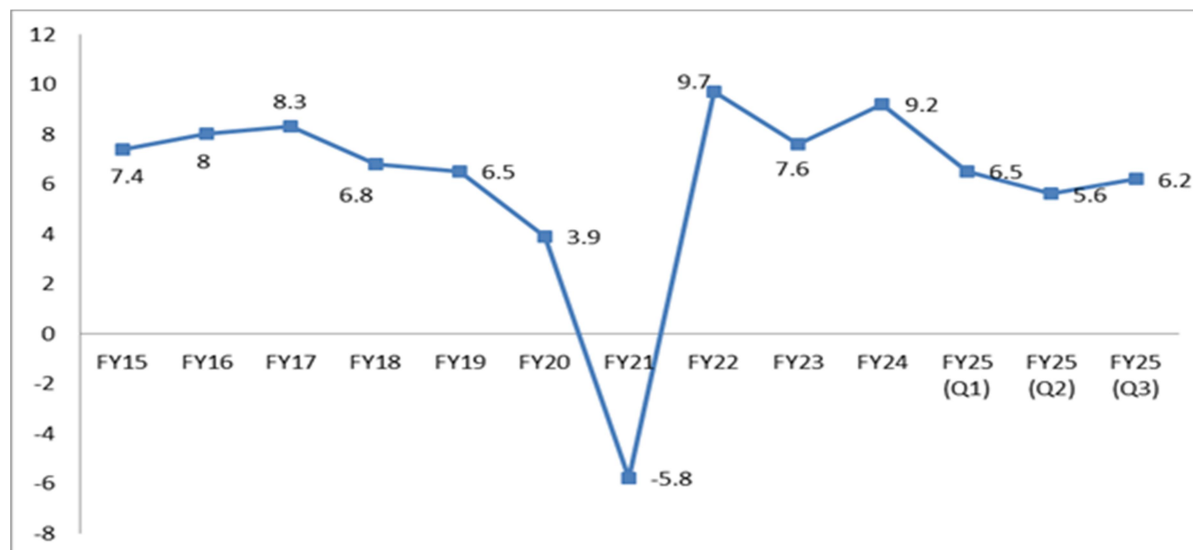
India has experienced a sustained growth trajectory characterized by an expanding Gross Domestic Product (GDP). The sectors contributing significantly to this growth include agriculture and allied and tertiary sectors. These sectors have emerged as key contributors, playing pivotal roles in shaping and bolstering India's economic advancement. This observation underscores the diverse and multifaceted nature of India's economic landscape, highlighting the strategic importance of various sectors in driving the nation's overall economic growth.

Growth of GVA so far

Components	Yearly Estimates							
	2019-20	2020-21	2021-22	2022-23 (FE)	2023-24 (FRE)	2024-25 (Q1)	2024-25 (Q2)	2024-25 (Q3)
Agriculture, forestry & fishing	6.2	4.0	4.6	6.6	2.7	1.7	4.1	5.6
Mining & quarrying	-3.0	-8.2	6.3	3.4	3.2	6.8	-0.3	1.4
Manufacturing	-3.0	3.1	10.0	-1.7	12.3	7.5	2.1	3.5
Electricity, gas, water supply & other utility services	2.3	-4.2	10.3	10.8	8.6	10.2	3.0	5.1
Construction	1.6	-4.6	19.9	9.1	10.4	10.1	8.7	7.0
Trade, hotels, transport, communication & services related to broadcasting	6.0	-19.9	15.2	14.4	8.2	5.4	6.1	6.7
Financial, real estate & professional services	6.8	1.9	5.7	20.2	18.8	6.6	7.2	7.2
Public administration, defense & other services	6.6	-7.6	7.5	12.7	16.9	9.0	8.8	8.8
GVA at Basic Price	3.9	-4.1	9.4	7.2	8.6	6.5	5.8	6.2
GDP at Basic Price	3.9	-5.8	9.7	7.6	9.2	6.5	5.6	6.2

Source: Compiled from MOSPI, Government of India
FE= Final Estimates, FRE= First Revised Estimates

India's Growth Trajectory India's Growth Trajectory



Source: PHD Research Bureau, PHDCCI compiled from CSO and MOSPI

The continued growth momentum at 6.5% in Q1, at 5.6% for Q2 and at 6.2% for Q3 for FY 2024-25 is encouraging, putting India on its path to Viksit Bharat@ 2047. Agri and allied industries show a significant boost, with a robust growth of 5.6% in Q3 FY 25. Notable, with 7.4% growth in Q3 FY 25, the tertiary sector is a growth driver for the Indian economy. India's economic growth trajectory will maintain its momentum, boosted by a strong growth in Agri and allied industries.

2. Gross bank credit moderated to 12.5% in January 2025

Gross bank credit growth (year-on-year) stands at 12.5% in January 2025 as compared to 16.1% in January 2024. Gross bank credit y-o-y growth stood at 12.8% in December 2024. Y-o-Y credit growth in January 2025 is registered in the industry sector of the economy.

Highlights

- Credit to agriculture and allied activities registered a growth of 12.2 per cent (y-o-y) as on the fortnight ended January 24, 2025 (20.0 per cent for the corresponding fortnight of the previous year).
- Credit to industry recorded a growth of 8.2 per cent (y-o-y) as on the fortnight ended January 24, 2025, compared with 7.5 per cent for the corresponding fortnight of the previous year. Among major industries, outstanding credit to 'petroleum, coal products and nuclear fuels', 'basic metal and metal product', 'chemicals and chemical products' and 'all engineering' recorded an accelerated growth.
- Credit growth to services sector moderated to 13.8 per cent (y-o-y) as on the fortnight ended January 24, 2025 (21.0 per cent for the corresponding fortnight of the previous

year), with a decelerated growth in credit to 'non-banking financial companies' (NBFCs) and trade segments. However, credit growth (y-o-y) to 'computer software' accelerated.

- Credit to personal loans segment registered a growth of 14.2 per cent (y-o-y) as on the fortnight ended January 24, 2025, as compared with 18.2 per cent a year ago, largely due to decline in growth rate in 'other personal loans', 'vehicle loans' and 'credit card outstanding' segments.

3. Fiscal Deficit stands at 74.5% of actuals to BEs of January 2025

The gross fiscal deficit of the Central Government stands at 74.5% of the actuals to budget estimates (BEs) in January 2025 as compared to 56.7% of the actuals to budget estimates in the previous year. The primary deficit and revenue deficit stand at 68.1% and 72.4% respectively, of the actuals to revised estimates in FY2024-25 as compared to 23.5% and 44.1%, of the actuals to revised estimates in FY 2023-24.

**GOVERNMENT OF INDIA
UNION GOVERNMENT ACCOUNTS
AT A GLANCE
AS AT THE END OF JANUARY 2025**

(Rs. in Crore) ^{@@}

			Revised Estimates 2024-2025*	Actuals@ upto January 2025	% of Actuals to Revised Estimates	
			Rs.	Rs.	Current	COPPY**
1	Revenue Receipts		3087960	2371188	76.8%	(82.2%)
2	Tax Revenue (Net)	(Details)	2556960	1903558	74.4%	(80.9%)
3	Non-Tax Revenue	(Details)	531000	467630	88.1%	(90.0%)

4	<u>Non-Debt Capital Receipts</u>	<i>(Details)</i>	59000	29224	49.5%	(61.1%)
5	<u>Recovery of Loans</u>		26000	20205	77.7%	(83.3%)
6	<u>Other Receipts</u>		33000	9019	27.3%	(41.9%)
7	<u>Total Receipts (1+4)</u>		3146960	2400412	76.3%	(81.7%)
8	<u>Revenue Expenditure</u>		3698058	2812595	76.1%	(74.4%)
9	<i>of which</i> <u>Interest Payments</u>		1137940	875461	76.9%	(77.9%)
10	<u>Capital Expenditure</u>		1018429	757359	74.4%	(75.9%)
11	<i>of which</i> <u>Loans disbursed</u>		170693	151438	88.7%	(67.7%)
12	<u>Total Expenditure (8+10)</u>	<i>(Details)</i>	4716487	3569954	75.7%	(74.7%)
13	<u>Fiscal Deficit (12-7)</u>		1569527	1169542	74.5%	(63.6%)
14	<u>Revenue Deficit (8-1)</u>		610098	441407	72.4%	(49.4%)
15	<u>Primary Deficit (13-9)</u>		431587	294081	68.1%	(41.3%)

Note :- Fiscal deficit figure shown in monthly accounts during a financial year is not necessarily an indicator of fiscal deficit for the year as it gets impacted by temporal mismatch between flow of non-debt receipts and expenditure up to that month on account of various transitional factors both on receipt and expenditure side, which may get substantially offset by the end of the financial year.

*Financial Year runs from "April to March"

**COPPY : Corresponding Period of the Previous Year

@ Actuals are unaudited provisional figures.

@@ 1 Crore = 10 Millions

Details

AS AT THE END OF JANUARY 2025

SOURCES OF FINANCING THE DEFICIT AS AT THE END OF JANUARY 2025

(Rs. in Crore)^{@@}

	Revised Estimates 2024-2025	Actuals@ upto January 2025	% of Actuals to Revised Estimates	
			Current	COPPY**
	Rs.	Rs.		
1 External Financing	31992.33	22292.39	70%	(131%)
2 Domestic Financing	1537534.66	1147250.11	75%	(63%)
(a) Market Borrowings	954514.17	676603.43	71%	(85%)
(b) Securities against Small Savings	411871.29	120819.45	29%	(51%)

	(c) <u>State Provident Funds</u>	5000.00	-7612.50	-152%	(-127%)
	(d) <u>Special Deposits</u>	0.00	-47508.09		
	(e) <u>National Small Saving Fund</u>	-4831.40	200624.81		
	- i- <u>Savings Deposit and Certificates</u>	220488.36	175106.44	79%	(75%)
	- ii- <u>Public Provident Funds</u>	99822.86	14536.14	15%	(27%)
	-iii- <u>Investment In Securities</u>	-322619.66	-55984.32	17%	(49%)
	- iv- <u>Income/Expenditure of NSSF</u>	-2522.96	66966.55	-2654%	(1529%)
	(f) <u>Others</u>	30865.45	176121.82	571%	(197%)
	(g) Cash Balance {Decrease(+)/Increase(-)}	140115.15	4405.19	3%	(-19%)
	(h) <u>Investment (-) / Redemption (+) of Surplus Cash</u>		23796.00		
	(i) <u>Ways & Means Advances</u>		0.00		
3	TOTAL FINANCING	1569526.99	1169542.50	75%	(64%)

*Financial Year runs from "April to March"

**COPPY : Corresponding Period of the Previous Year

@ Actuals are unaudited provisional figures.

@@ 1 Crore = 10 Millions

Details

AS AT THE END OF JANUARY 2025

MAJOR SUBSIDIES AS AT THE END OF JANUARY 2025

(Rs in Crore) @@

	Revised Estimates 2024- 2025*	Actuals@ upto January, 2025	COPPY	% of Actuals to Revised Estimates		
				Rs.	Rs.	
				Current	COPPY**	
1	Food Subsidy	197420.00	170541.73	148139.70	86%	(70%)
2	Nutrient Based Fertilizers Subsidy	52310.00	48014.75	59561.42	92%	(99%)
3	Urea Subsidy	118988.50	112199.97	105987.42	94%	(82%)
4	Petroleum	14700.01	6976.62	1870.22	47%	(15%)

Total Major Subsidies	383418.51	337733.07	315558.76	88%	(76%)
------------------------------	------------------	------------------	------------------	------------	--------------

*Financial Year runs from "April to March"

**COPPY : Corresponding Period of the Previous Year

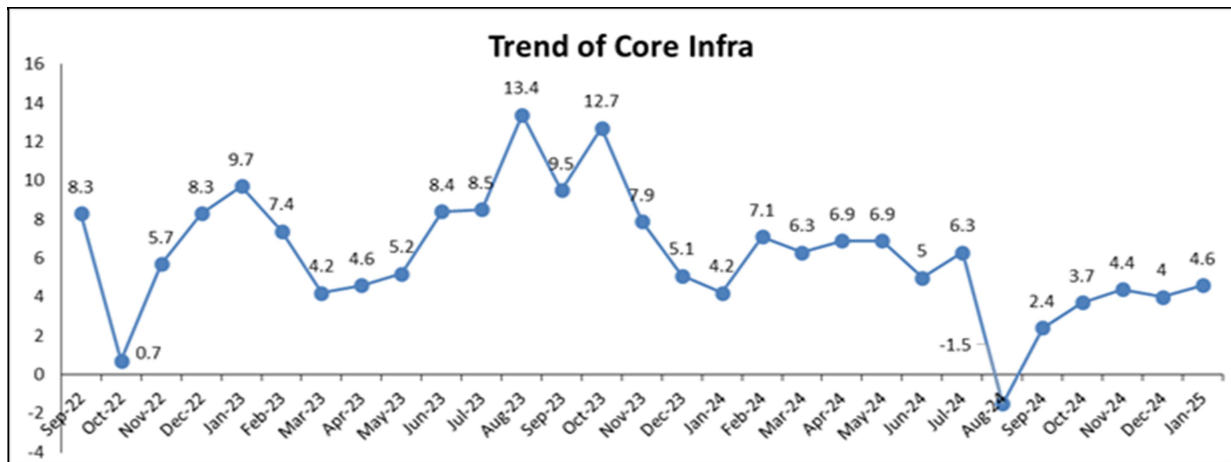
@ Actuals are unaudited provisional figures.

@@ 1 Crore = 10 Millions

4. Core infra grew by 4.6% in January 2025

The combined Index of Eight Core Industries (ICI) increased by 4.6% (provisional) in January, 2025 as compared to the Index in January, 2024. The production of Cement, Refinery Products, Coal, Steel, Fertilizers and Electricity recorded positive growth in January, 2025. The ICI measures the combined and individual performance of production of eight core industries viz. Coal, Crude Oil, Natural Gas, Refinery Products, Fertilizers, Steel, Cement and Electricity.

The y-o-y growth rate of Coal stands at 4.6%, Crude oil at - 1.1%, Natural Gas at - 1.5%, Refinery Products at 8.3%, Fertilizers at 3.0%, Steel at 3.7%, Cement at 14.5% and Electricity at 1.3% in January 2025 in comparison to January 2024. The y-o-y growth rate of Coal stands at 5.3%, Crude oil at 0.6%, Natural Gas at -1.8%, Refinery Products at 2.8%, Fertilizers at 1.7%, Steel at 7.3%, Cement at 4.6 % and Electricity at 6.2% in December 2024.



Source: PHD Research Bureau, PHDCCI, compiled from the Ministry of Commerce and Industry.

Note: YoY is calculated over the corresponding month of the previous year.

5. Gross GST revenue grows at 9.4% Y-O-Y in February 2025

The gross Goods and Services Tax (GST) revenue for the month of February 2025 stood at ₹1.8 lakh crore. This represents a 9.1% year-on-year growth. After accounting for refunds, the net GST revenue for February 2025 stands at ₹1.6 lakh crore, reflecting a growth of 8.1% compared

to the same period last year.

The gross GST collections in FY 2024-25 till February 2025 stood at ₹20.1 lakh crore. This represents the same period last year as an impressive 9.4% year-on-year growth. After accounting for refunds, the net GST revenue for FY 2024-25 till February 2025 stands at ₹17.7 lakh crore, reflecting a growth of 8.6% compared to the same period last year.

The government collected Central Goods and Services Tax (CGST) of ₹35,204 crore; State Goods and Services Tax (SGST) of ₹43,704 crore; Integrated Goods and Services Tax (IGST) of ₹90,870 crore, and Cess of ₹13,868 crore, in the month of February 2025.

Table 1: GST Gross and Net Collections (In Crores) for February 2025

GST Gross and Net Collections as on 28/02/2025 (Amount in crores)						
GST Collections	Monthly			Year To Date		
	Feb-24	Feb-25	% Growth	Feb-24	Feb-25	% Growth
A	B	C	D = C/B-1	E	F	G = F/E-1
A.1. Domestic						
CGST	31,785	35,204		3,41,178	3,75,631	
SGST	39,615	43,704		4,27,449	4,66,557	
IGST	45,505	50,049		4,96,079	5,53,511	
CESS	11,854	12,987		1,21,376	1,30,776	
Gross Domestic Revenue	1,28,760	1,41,945	10.2%	13,86,083	15,26,474	10.1%
A.2. Imports						
IGST	38,593	40,821		4,42,764	4,75,971	
CESS	984	880		10,919	10,274	
Gross Import Revenue	39,578	41,702	5.4%	4,53,683	4,86,245	7.2%
A.3. Gross GST Revenue(A.1+A.2)						
CGST	31,785	35,204		3,41,178	3,75,631	
SGST	39,615	43,704		4,27,449	4,66,557	
IGST	84,098	90,870		9,38,843	10,29,482	
CESS	12,839	13,868		1,32,295	1,41,050	
Total Gross GST Revenue	1,68,337	1,83,646	9.1%	18,39,766	20,12,720	9.4%
B.1. Domestic Refunds						
CGST	2,248	2,607		26,929	30,873	
SGST	2,867	3,083		33,429	38,977	
IGST	3,311	4,808		48,118	51,063	
CESS	296	269		2,039	2,720	
Refund - Domestic	8,722	10,766	23.4%	1,10,514	1,23,633	11.9%
B.2. Export GST Refunds through ICEGATE						
IGST	8,991	10,005		89,399	1,07,907	
CESS	96	118		1,502	1,673	
Refund - Imports	9,088	10,123	11.4%	90,901	1,09,581	20.5%
B.3. Total Refund (B.1+B.2)						
CGST	2,248	2,607		26,929	30,873	
SGST	2,867	3,083		33,429	38,977	
IGST	12,302	14,813		1,37,516	1,58,970	
CESS	393	386		3,541	4,394	
Total Refund	17,810	20,889	17.3%	2,01,415	2,33,214	15.8%
C.1 Net Revenue Domestic (A.1 - B.1)						
CGST	29,537	32,597		3,14,249	3,44,758	
SGST	36,749	40,621		3,94,020	4,27,580	
IGST	42,194	45,241		4,47,961	5,02,448	
CESS	11,558	12,719		1,19,337	1,28,056	
Net Domestic Revenue	1,20,038	1,31,178	9.3%	12,75,568	14,02,841	10.0%
C.2 Net Revenue Customs (GST) (A.2 - B.2)						
IGST	29,602	30,816		3,53,365	3,68,064	
CESS	888	763		9,417	8,601	
Net Customs Revenue	30,490	31,579	3.6%	3,62,782	3,76,665	3.8%
C.3 Net Revenue (C.1+C.2)						
CGST	29,537	32,597		3,14,249	3,44,758	
SGST	36,749	40,621		3,94,020	4,27,580	
IGST	71,796	76,057		8,01,327	8,70,512	
CESS	12,446	13,481		1,28,754	1,36,656	
Total Net GST Revenue	1,50,528	1,62,758	8.1%	16,38,350	17,79,506	8.6%

Source: PHD Research Bureau, Compiled from Ministry of Finance

Please contact us for any query related to this mail, Dr. Mansi Vinaik, Deputy Secretary, at mansi.vinaik@phdcci.in, Ms Reema Jain, Research Officer at reema.jain@phdcci.in, Ms.

Manpreet Kaur, Research Officer at manpreet.kaur@phdcci.in and Ms. Nishika Chauhan, Research Associate at nishika.chauhan@phdcci.in, with a cc to Dr. S P Sharma, Chief Economist | DSG at spsharma@phdcci.in , PHD Chamber of Commerce & Industry.



Warm regards,

Dr S P Sharma

Chief Economist | DSG

PHD Chamber of Commerce and Industry

PHD House, 4/2 Siri Institutional Area

August Kranti Marg, New Delhi-110016, India

Tel: +91 49545454

Fax: +91 11 26855450

Email: spsharma@phdcci.in

Website: www.phdcci.in

Follow us on



"Voice of Industry & Trade"



PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi - 110 016 (India) • Tel.: +91-11-2685 3801-04, 49545454, 49545400
Fax : +91-11-2685 5450, 49545451 • E-mail : phdcci@phdcci.in • Website : www.phdcci.in, CIN: U74899DL1951GAP001947

Connect with us:

