

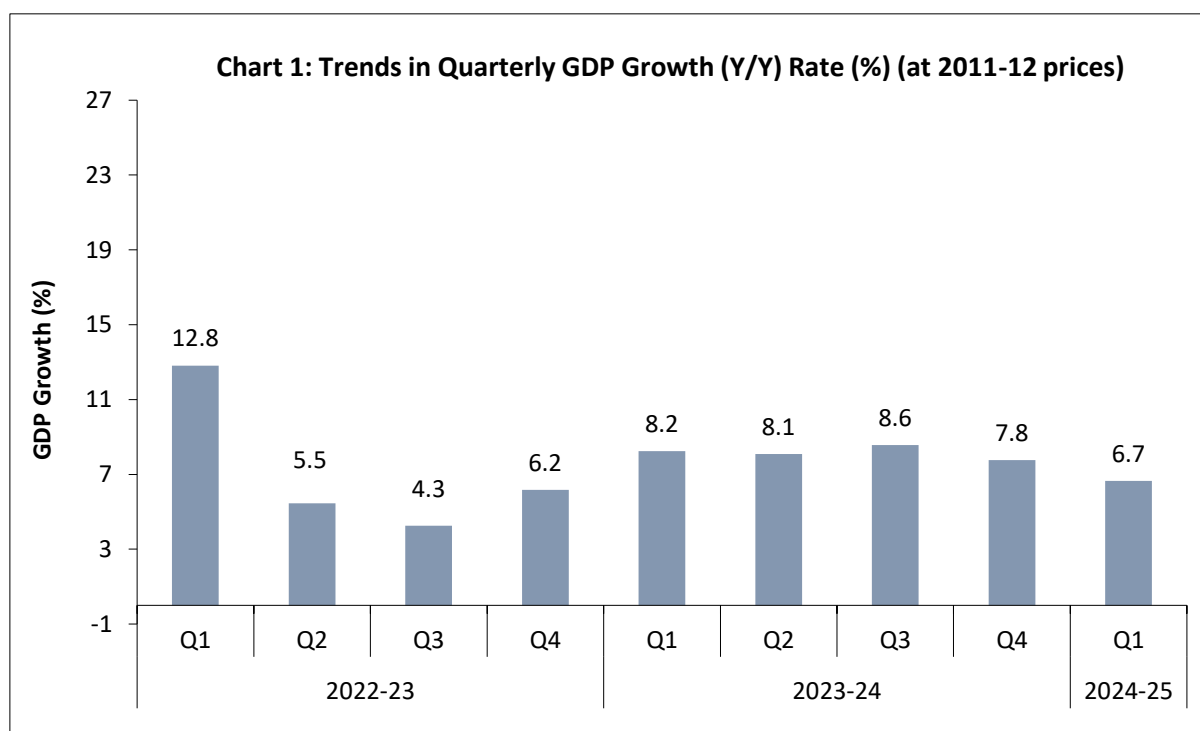


#### **GDP rises by 6.7% in Q1, slowest growth in five quarters**

- India's GDP growth rose 6.7% in April-June quarter of FY2024-25, as compared to 7.8% growth observed in Q4.
- Activity in agriculture and allied sectors picked up, rising by 2% in Q1 FY25, from 0.6% rise in Q4 FY24 and 0.4% growth registered in Q3 FY24. Industrial segment witnessed slight moderation in growth as it grew by 8.3% in Q1 FY25 as compared to 8.4% growth in Q4 FY24 and 10.5% growth in Q3FY24. Within the industrial segment, the construction segment grew the fastest at 10.5% in Q1 FY25 as compared to 8.7% in Q4 FY24. Meanwhile, Electricity, gas, water supply & other utility services segment also witnessed momentum with a 10.4% rise in Q1 FY25 versus 7.7% in Q4 FY24.
- Services sector registered growth of 7.2% in Q1 FY25 as against 6.7% growth posted in Q4 FY24. Public administration, defence and other services continued its momentum and grew 9.5% in Q1 FY25 as against 7.8% in Q4 FY24. Trade, hotels, transport, communication & broadcasting related services grew by 5.7% in Q1 FY25 as compared to 7.6% in Q4 FY24. Financial, real estate & professional services rose 7.1% in Q1 FY25 as compared to previous quarter growth of 7.6%.
- Gross fixed capital formation rose at 7.5% in Q1 FY25 versus 6.5% in Q4 FY24. Private consumption surged by 7.4% in Q1 FY25 as compared to 4% growth registered in Q4 FY24. Export activity continued its robust momentum rising 8.7% in Q1 FY25 as compared to 8.1% rise in Q4 FY24.

**Outlook:** In the first quarter of FY2025, GDP growth was sluggish, marking a five-quarter low and reflecting a noticeable slowdown. Despite this, India remained the fastest-growing economy in the world. The agriculture sector showed early signs of recovery, rising by 2% compared to the subdued growth in previous quarters. This segment is expected to grow further, bolstered by an above-average monsoon. The construction sector's robust growth was a pleasant surprise. Manufacturing experienced an acceleration in growth, reaching 7.0% for the first quarter of the current fiscal year on an annual basis.

Despite the slowdown in Q1 numbers, the underlying data presents a positive outlook, with a notable increase in private consumption and a modest improvement in investment activity. India's external position also appears to be strengthening, supported by healthy export performance and strong remittance inflows in Q1. Looking ahead, easing retail inflation may prompt the central bank to cut its policy rate later this year, potentially boosting household consumption and supporting private investments.



Source: Ministry of Statistics & Programme Implementation (MOSPI) and CCIL Research

Table 1: Trends in GVA Growth Estimate at Factor Cost (at 2011 – 12 Prices)	Share (%)	GVA (Q1 2024-25) @ Rs Crore	Quarterly GVA Growth (Y/Y) Rate (%)				
			2023-24 Q1	2023-24 Q2	2023-24 Q3	2023-24 Q4	2024-25 Q1
<b>1. Agriculture, Forestry &amp; Fishing</b>	<b>13</b>	<b>532092</b>	<b>3.7</b>	<b>1.7</b>	<b>0.4</b>	<b>0.6</b>	<b>2.0</b>
<b>2. Industry</b>	<b>31</b>	<b>1250215</b>	<b>6.0</b>	<b>13.6</b>	<b>10.5</b>	<b>8.4</b>	<b>8.3</b>
Mining & Quarrying	2	91691	7.0	11.1	7.5	4.3	7.2
Manufacturing	17	684792	5.0	14.3	11.5	8.9	7.0
Electricity, Gas, Water Supply & Other Utility Services	3	103805	3.2	10.5	9.0	7.7	10.4
Construction	9	369927	8.6	13.6	9.6	8.7	10.5
<b>3. Services</b>	<b>56</b>	<b>2290427</b>	<b>10.7</b>	<b>6.0</b>	<b>7.1</b>	<b>6.7</b>	<b>7.2</b>
Trade, Hotels, Transport, Communication and Services related to Broadcasting	17	681942	9.7	4.5	6.9	5.1	5.7
Financial, Real Estate & Professional Services	27	1089219	12.6	6.2	7.0	7.6	7.1
Public Administration, Defense and Other Services	13	519267	8.3	7.7	7.5	7.8	9.5
<b>GVA at Basic Price</b>	<b>100</b>	<b>4072734</b>	<b>8.3</b>	<b>7.7</b>	<b>6.8</b>	<b>6.3</b>	<b>6.8</b>
<b>GDP @ 2011-12</b>		<b>4363732</b>	<b>8.2</b>	<b>8.1</b>	<b>8.6</b>	<b>7.8</b>	<b>6.7</b>

Source: Ministry of Statistics & Programme Implementation (MOSPI) and CCIL Research

**Primary Author:** Abhishek Date  
**Email ID:** [adate@ccilindia.co.in](mailto:adate@ccilindia.co.in)

**Research Department**

The Clearing Corporation of India Limited  
CCIL Bhavan,  
S.K.Bole Road,  
Dadar (W), Mumbai – 400 028  
Phone: 6154 6589/82  
Email:  
[research@ccilindia.co.in](mailto:research@ccilindia.co.in)  
[vpawaskar@ccilindia.co.in](mailto:vpawaskar@ccilindia.co.in)

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