

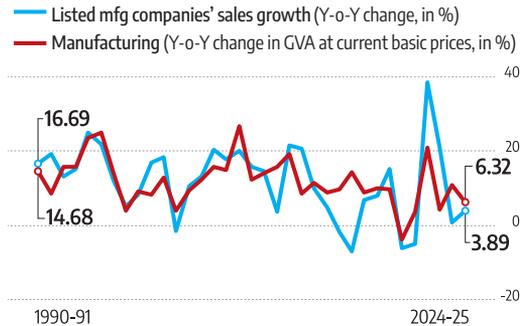
# India Inc: Eye on revised mfg maths amid capex push

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Indian companies may keep a close eye on manufacturing numbers under the new gross domestic product (GDP) series with a revised base year of 2022-23, released on Friday. Previous years have seen differences with manufacturing growth reported in corporate results lagging expansion in manufacturing recorded under the previous GDP series (2011-12 base year). For listed manufacturing firms, growth lagged in seven of the previous 10 years.

The divergence in company results and manufacturing growth recorded in the country has been large at times. For example, the rate of growth in manufacturing gross value added (GVA) at current basic prices year-on-year for 2014-15 was 9.62 per cent. Listed manufacturing companies had seen -1.89 per cent in the same year. Current prices are used because they are not inflation-adjusted and are comparable to figures for company sales, which are also reported without inflation adjustment.

## Keeping track



Note: Manufacturing gross value added data is for GDP series with base year 2011-12  
Source: CMIE

Manufacturing GVA was up 10.94 per cent in 2023-24, while listed companies saw sales growth of 0.63 per cent. Differences in methodology may have contributed, and the latest GDP series brings in additional data sources and methodological changes for greater accuracy for calculating real growth (after adjusting for inflation). The latest numbers, released on Friday, show that the average share of manufacturing in GDP at current prices between FY23 and FY26 has increased to 13.3 per cent under the new series com-

pared to 12.9 per cent earlier.

Manufacturing GVA growth has seen some changes in the latest series compared to the old. Quarterly manufacturing growth numbers are lower for the first quarter of FY26 (10.07 per cent under the new series compared to 10.13 per cent under the old) and higher for the second quarter (13.11 per cent vs 11.68 per cent). Manufacturing growth in the third quarter came in even higher, at 13.25 per cent under the new series. This gains importance in the light of a record announcement of

new manufacturing projects by Indian entities. Announcements were at ₹17.94 trillion for FY25, the highest in the Centre for Monitoring Indian Economy data for more than 30 years. Quarterly numbers since then suggest figures have moved higher. New project announcements worth ₹22.5 trillion were recorded on a rolling four-quarter basis as of December 2025.

“While it was being expected that manufacturing could have a slightly lower bias due to double deflation, the new series numbers reflect that perhaps both organised and unorganised segments have done better,” said Sachchidanand Shukla, group chief economist, Larsen & Toubro.

He pointed out that the economy had undergone technological and legislative changes since the last time the government changed the way it calculated GDP and value added more than a decade ago. This is likely to have resulted in significant structure changes in the economy.

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