## Q3 GDP growth likely rebounded to 6.4%

## Poll of 12 forecasters shows pickup in rural demand, govt capex

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A revival in rural demand, an increase in central government capital expenditure (capex), and a pickup in industrial production likely led to a rebound in India's economic growth to around 6.4 per cent in the December quarter of FY25, according to a poll of 12 professional forecasters.

In the preceding September quarter, gross domestic product (GDP) growth had fallen to a seven-quarter low of 5.4 per cent, driven by an industrial slowdown and a moderation in investment demand.

Forecasts for the third quarter (Q3) of FY25 range from 6.2 per cent by HDFC Bank to 6.7 per cent by L&T, with the Reserve Bank of India's (RBI's) Nowcast estimating 6.2 per cent growth. However, the real GDP growth for Q3 of FY25 may also depend on any revisions to the Q3 GDP print for FY24.

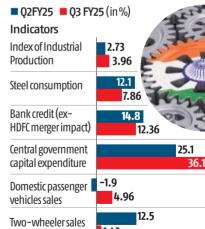
The Ministry of Statistics will release the Q3 growth numbers on February 28, along with the second Advance Estimates of GDP for the current financial year.

Icra Chief Economist Aditi Nayar said India's economic performance in Q3 benefited from a spike in aggregate government spending on capital and revenue expenditure, high growth in services exports, a turnaround in merchandise exports, and healthy output of major kharif crops, which supported rural sentiment. "Some consumer-focused sectors saw a pickup during the festival season, even as urban consumer sentiment dipped slightly, and sectors like mining and electricity, saw an improvement after weather-related challenges in the previous quarter," she added.

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GDP METER	Q3FY2	5 projections (%Y-o-Y)
L&T	6.7	
ICICI Securities 6	.6-6.7	
Bank of Baroda	6.6	
India Ratings	6.5	
QuantEco	6.5	
Icra	6.4	
Care Ratings	6.3	
ICICI Bank	6.3	
BoFA Securities	6.3	
HDFC Bank	6.2	
RBI Bulletin	6.2	
IDFC	6.0	

## **UNEVEN CONSUMPTION**



11.4

16.9

16.93

Domestic aviation

passenger traffic

GST e-way bill

Source: BS Research

## India's top 10 firms surpass Saudi's GDP

"For the first time, Bharti Airtel stormed into the top five with an ₹9.74 trillion valuation, a 75 per cent increase, climbing two spots. The company has contributed the highest value in absolute terms, adding more than ₹4 trillion this year," it said.

The report added that the total value of the top ten most valuable Indian companies has increased 3.5 times over the past decade. The top seven companies have remained in the top 10 for the past five and ten years.

Meanwhile, the threshold to secure a spot in the list has risen to ₹9,580 crore, marking a 43 per cent increase from last year's limit of ₹6,700 crore. As a result, all the companies in this list are valued at least \$1 billion, despite a significant depreciation of the Indian rupee.

"The size of the business and their valuations is growing over the years, which is a good sign from a valuation creation perspective", said Anas Rahman Junaid, founder and chief researcher, Hurun India, on the increase in the threshold by almost ₹3,000 crore.

In terms of sectors, financial services companies dominate the list, with 63 companies valued at ₹62 trillion, accounting for 19 per cent of the total valuation, followed by health care, with 59 companies and a valuation of ₹29.3 trillion. Industrial products and automobile companies occupy the next two spots, while chemical companies rank fifth.

The exhaustive list of the 500 firms also has start-ups including Zepto, Zerodha, OneCard, CRED, Zetwark, BharatPe, and Ola Electric. Electronic trading platform Zerodha is also the fourth most valuable unlisted company, with a valuation of ₹87,750 crore, after NSE, Serum Institute of India, and Zoho Corporation. According to the report, startups in the list collectively registered a net increase of ₹1.09 trillion in valuation, led by Zepto, Oyo, and Zerodha.

Other gainers were Motilal Oswal Financial Services that led the list of fastest-growing companies with Y-o-Y value growth of 297 per cent, followed by Inox Wind and Zepto, both nearly tripling their valuations over the year.