



KAMARAJ IAS ACADEMY
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CRISIL Intelligence Projects India's GDP Growth at 7.1% for FY27

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Key Forecast:

India's real GDP growth is expected to moderate to 7.1% in FY2027 from 7.6% in FY2026 (revised).

Growth remains healthy despite global and domestic uncertainties.

Key Assumptions:

Normal monsoon (El Niño possible after August)

Low food inflation

Brent crude \$75–80/barrel

Stable global growth

Domestic Drivers:

Domestic demand remains the key growth engine (~57% of GDP from private consumption).

Fiscal measures supporting growth:

Income tax cuts

Rationalisation of GST rates

Higher direct benefit transfers

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Adequate liquidity lowering borrowing costs

Public infrastructure capital expenditure (capex) and gradually broadening private sector capex cycle counterbalance external uncertainties.

Inflation Outlook:

Consumer Price Index (CPI) inflation expected at ~4.3%.

Food normalization to contain headline inflation; lower food weight in CPI (base year 2024) also helps.

Discretionary sectors (autos, durables, airlines, hotels) expected to outperform due to affordability, latent demand, smaller households, more women in workforce, and rising incomes.

Exports and Trade:

Export momentum likely to continue, supported by steady global demand and robust services exports.

Trade agreements may boost exports, though geopolitical tensions (Middle East) could pose risks via crude/commodity price spikes.

Corporate and Sectoral Outlook:

Corporate revenue growth expected 8–9%, supported by resilient consumption and private investment.

Commodity-linked sectors may face pricing pressure; construction growth could moderate.

Ebitda margins could decline 40–60 bps due to temporary supply disruptions; sensitive sectors include airlines, ceramics, chemicals, fertilisers, paints, petrochemicals, tyres.

Capex and Emerging Sectors:

Public capex expected at ~3.1% of GDP, supporting private investment.

Industrial capex driven by PLI schemes and emerging sectors:

Electronics & Semiconductors: 4.7x growth

EV manufacturing & charging: 3.1x growth

ACC batteries: 3.3x growth

Total industrial capex projected ~₹9.1 lakh crore per annum between FY2027–2031.

Policy and Competitiveness:

Export competitiveness improving through infrastructure, technology adoption, skill development, and market access.

Exports expected to double to ~₹80 lakh crore by FY2031.

Sustained growth requires policy consistency, reforms, private-sector balance-sheet strength, and execution focus.