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Rural India

Shifting Economic Foundations

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In the past few quarters, rural India has been shouldering the responsibility of consumption growth in the country while urban mass consumption remained soft, impacted adversely by persistent inflation. Against this backdrop, our report is a bottom-up analysis of ~250 rural districts across eight key Indian states, representing ~72% of rural India GDP. It demonstrates the strength of rural growth with following inferences, reinforcing the thesis presented in our previous Rural India report

- **Rural India is transitioning swiftly from an agri-centric economy to a services-led economy**
- **112 rural districts representing a population of 291mn have already crossed the threshold of per capita income of USD2,000. This pool of wealthy individuals is expected to drive sustained demand for discretionary products and services.**

Our analysis has concluded that the states with strong rural economy and robust growth drivers are Maharashtra, Tamil Nadu, Kerala and Andhra Pradesh. A few of the key consumer-facing companies in the HSIE coverage universe with a strong presence in these geographies are Avenue Supermart, TVS, Ashok Leyland, Federal Bank, City Union Bank, and Medplus.




Varun Lohchab
Amit Kumar
Anuj D
Aryan Singh Dalal

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Key takeaways: Real growth observed during FY22-FY25 as below:

- **Services:** Fastest-growing sector with 8.8% CAGR, led by financial services (9.1%), trade & hotels (9.8%), and real estate (8.3%)
- **Industry:** Stable 7.1% CAGR, supported by strong performance in mining (13.5%) and construction (8.7%); manufacturing lagged (5%)
- **Agriculture:** Sluggish 3.9% CAGR, pulled down by weak crop growth (2.8%), although aquaculture (7.4%) and livestock (5%) showed resilience

State level performances during FY22-FY25:

- **Leaders:** Maharashtra, Tamil Nadu, Kerala and Andhra Pradesh are driving the growth, supported by the burgeoning services sector. Uttar Pradesh per capita income was low compared to peer states, but growth was stronger.
- **Laggards:** Karnataka and Madhya Pradesh reported poor growth in the agriculture and industry sectors

Other highlights:

- Wide disparity in district-wise per capita income, with certain rural districts like Dakshina Kannada (Karnataka) and Namakkal (Tamil Nadu) exceeding USD 5,000, while many others in Uttar Pradesh remain below USD 1,000
- Top-performing districts show sector specialization, e.g., aquaculture in Andhra Pradesh, livestock in Tamil Nadu, and mining in Uttar Pradesh

Rural score

States	Nominal rural per capita income FY25 ($)	Real rural GSDP CAGR (FY22-FY25) (%)	Nominal contribution of sectors to rural GSDP FY25			Sector scores			Weighted average rural score
			Agri	Industry	Services	Agri	Industry	Services	
Karnataka	3,086	6.2	20%	24%	56%	0.0	5.8	8.2	6.8
Andhra Pradesh	2,984	6.5	36%	22%	42%	3.9	6.0	8.6	7.0
Kerala	2,939	6.7	13%	21%	66%	3.5	3.9	8.2	7.2
Tamil Nadu	2,769	7.6	20%	30%	50%	2.1	7.8	9.1	7.5
Maharashtra	2,698	7.7	20%	22%	58%	5.2	5.6	9.1	7.7
Rajasthan	2,047	6.6	30%	27%	43%	4.0	7.6	7.3	6.1
Madhya Pradesh	1,680	6.2	48%	19%	33%	4.2	5.8	8.5	5.4
Uttar Pradesh	979	8.1	32%	21%	47%	5.9	10.0	7.6	6.1
Analysis universe	**1,972**	**7.1**	**28%**	**23%**	**49%**	**4.0**	**6.9**	**8.3**	**6.4**

Sources: DES of states, Census 2011, MOSPI, HSIE Research

Rural score summary

States	Nominal rural per capita income FY25 ($)	Weighted average rural score
Karnataka	3,086	6.8
Andhra Pradesh	2,984	7.0
Kerala	2,939	7.2
Tamil Nadu	2,769	7.5
Maharashtra	2,698	7.7
Rajasthan	2,047	6.1
Madhya Pradesh	1,680	5.4
Uttar Pradesh	979	6.1
Analysis universe	**1,972**	**6.4**

Varun Lohchab
varun.lohchab@hdfcsec.com
+91-22-6171-7334

Amit Kumar, CFA
amit.kumar1@hdfcsec.com
+91-22-6171-7354

Anuj D
anuj.d@hdfcsec.com
+91-22-6171-7357

Aryan Singh Dalal
aryan.dalal@hdfcsec.com
+91-22-6171-7363

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Rural India: (FY25 GDP: INR 151tn)

- The key eight states analysed by us (based upon data availability) explain ~72 % of rural India's GDP, i.e., INR 109tn. As per our analysis, this universe has grown at a 7.1 % real CAGR over FY22–FY25, while the nominal growth rate in the same period was 11.7 %. Notably, this recent growth is meaningfully higher than the real growth CAGR of 4.1% achieved between FY17 and FY22, reflecting growth sustenance after revival from COVID lows.
- Further, this real growth since FY22 was largely driven by the services sector—mainly real estate (8.3% CAGR), trade & hotels (9.8% CAGR), construction (8.7% CAGR), and financial services (9.1% CAGR). The crops segment, which contributes ~13% to rural GDP, has been a laggard with only 2.8% real growth CAGR. Manufacturing and livestock were other subsectors with muted growth CAGRs of 5% each, while mining showed strength at 13.5% CAGR.
- On the states front, Uttar Pradesh (8.1% CAGR), Maharashtra (7.7% CAGR), and Tamil Nadu (7.6%CAGR) have led the overall real growth of rural India, while other states also remained healthy with 6-7% real growth rates. Rajasthan (6.6% CAGR), Maharashtra (7.7% CAGR), and Tamil Nadu (7.6% CAGR) have witnessed encouraging improvements as their real growth rates were subdued at 3.7%, 5.6%, and 6.1% respectively in the pre-COVID period (FY16-FY19). Real growth CAGR of Madhya Pradesh, Karnataka and Andhra Pradesh deteriorated compared to the FY16-FY19 period.
- Notably, rural nominal per capita income has nearly reached USD2,000 with almost all states above USD2,000, except Uttar Pradesh and Madhya Pradesh.

Exhibit 1: Rural India GSDP for (FY25: INR 151 tn)

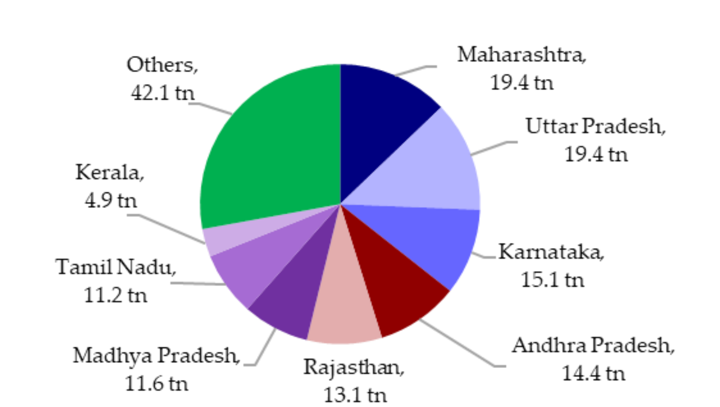


Exhibit 2: Overall nominal GDP of analysis universe (INR 109 tn)

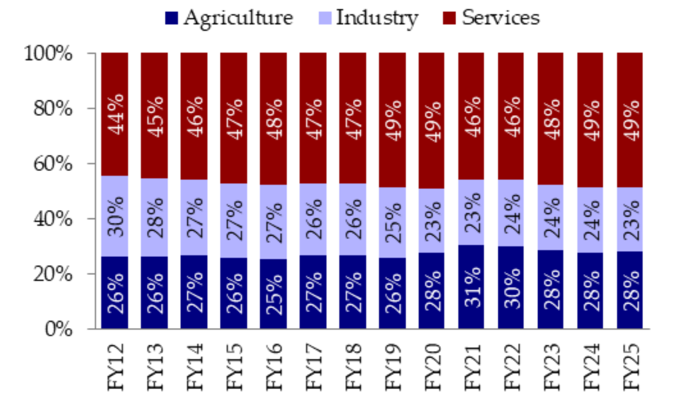


Exhibit 3: Overall nominal per capita income

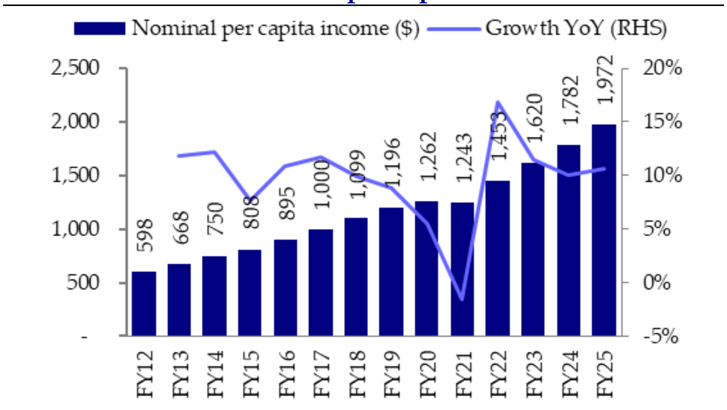
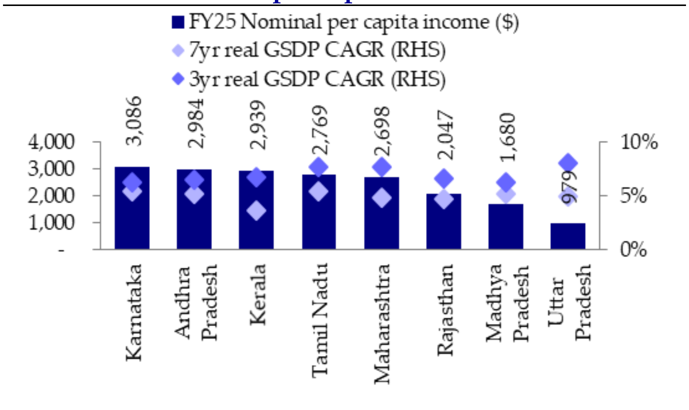


Exhibit 4: State-wise per capita income



Sources for above graphs: RBI, DES of states, Census 2011, MOSPI, HSIE Research

Exhibit 5: District-wise per capita income

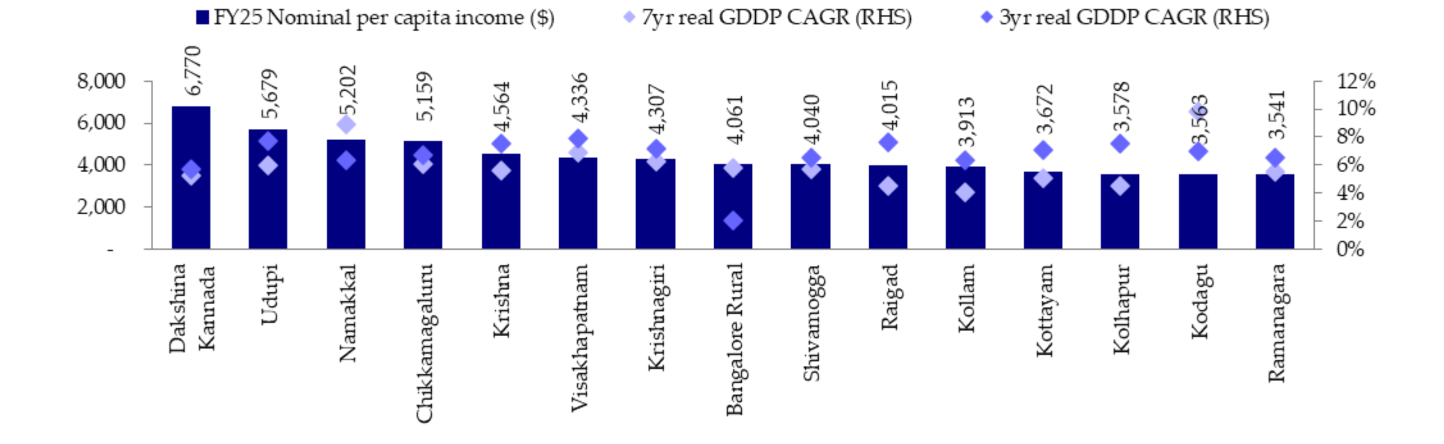


Exhibit 6: Sectoral growth drivers for districts with high per capita income

State	District	Nominal Per capita FY25 ($)	Top 3 sub-sectors Nominal % contribution/5yr real CAGR			Year of reference
Karnataka	Dakshina Kannada	6,770	Manufacturing 30/2%	Real estate 23/8%	Construction 8/5%	FY23
Karnataka	Udupi	5,679	Real estate 26/8%	Manufacturing 20/2%	Trade & hotels 8/3%	FY23
Tamil Nadu	Namakkal	5,202	Livestock 43/18%	Manufacturing 11/4%	Construction 8/4%	FY23
Karnataka	Chikkamagaluru	5,159	Manufacturing 21/2%	Crops 21/23%	Real estate 18/7%	FY23
Andhra Pradesh	Krishna	4,564	Aquaculture 20/17%	Trade & hotels 13/(4)%	Crops 9/4%	FY22
Andhra Pradesh	Visakhapatnam	4,336	Manufacturing 23/3%	Trade & hotels 21/10%	Logistics 9/3%	FY22
Tamil Nadu	Krishnagiri	4,307	Manufacturing 36/6%	Crops 14/13%	Trade & hotels 11/7%	FY23
Karnataka	Bangalore Rural	4,061	Real estate 27/8%	Manufacturing 24/2%	Trade & hotels 13/3%	FY23
Karnataka	Shivamogga	4,040	Real estate 21/7%	Crops 15/1%	Construction 11/5%	FY23
Maharashtra	Raigad	4,015	Real Estate 23/7%	Manufacturing 15/(0)%	Financial services 11/6%	FY23
Kerela	Kollam	3,913	Trade & hotels 29/6%	Real estate 17/5%	Construction 15/6%	FY24
Kerela	Kottayam	3,672	Trade & hotels 25/6%	Real estate 15/5%	Construction 13/10%	FY24
Maharashtra	Kolhapur	3,578	Real Estate 24/6%	Manufacturing 15/(1)%	Financial services 12/5%	FY23
Karnataka	Kodagu	3,563	Crops 40/45%	Real Estate 18/7%	Trade & hotels 12/3%	FY23
Karnataka	Ramanagara	3,541	Real Estate 26/7%	Manufacturing 25/2%	Trade & hotels 10/3%	FY23
Andhra Pradesh	West Godavri	3,538	Aquaculture 29/18%	Crops 15/1%	Livestock 13/7%	FY22
Karnataka	Tumakuru	3,465	Manufacturing 20/2%	Real Estate 20/7%	Crops 12/5%	FY23
Maharashtra	Sindhudurg	3,423	Forestry 18/11%	Crops 17/(10)%	Real Estate 16/9%	FY23
Kerela	Idukki	3,354	Trade & hotels 19/6%	Crops 19/5%	Other services 12/3%	FY24
Maharashtra	Sangli	3,337	Real Estate 20/6%	Crops 14/6%	Manufacturing 13/(1)%	FY23

Sources for above graphs: RBI, DES of states, Census 2011, MOSPI, HSIE Research

Sector-wise Analysis

Agriculture: (Rural GDP FY25: INR 61 tn)

- The analysis universe explains ~51% of rural agriculture across India. As per our analysis, the sector has grown at 3.9% real CAGR during the period FY22-FY25, 320bps below the overall growth of rural India under study.
- Crops with ~59% contribution grew only at ~2.8% real CAGR during this time while the next bigger segment, livestock, with 29% share, grew relatively better at 5% CAGR. Aquaculture delivered 7.4% CAGR. All three subsectors' crops, livestock and aquaculture decelerated over FY22-FY25 compared to their earlier real CAGRs of 4.5%, 8.2%, and 13.4% respectively reported over FY17-FY22.
- While Uttar Pradesh and Maharashtra delivered real growth CAGRs of 6% and 5.2% respectively over FY22-FY25, Karnataka was the laggard with a CAGR of -0.7%. Nominal agri per capita income was USD 1,145 in FY25.

Exhibit 7: Agri GSDP across states (FY25: INR 60.5 tn)

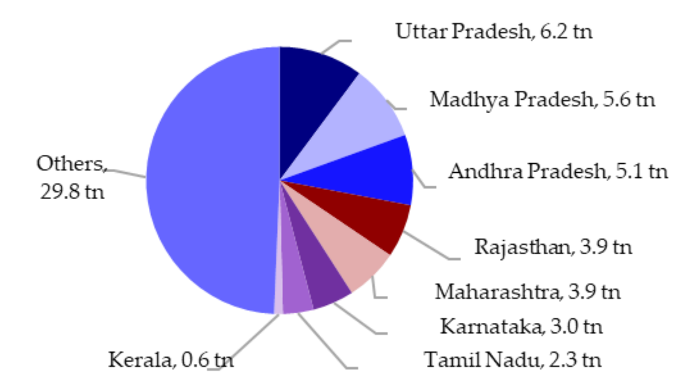


Exhibit 8: Nominal agri GDP for analysis universe (FY25: INR 30.7 tn)

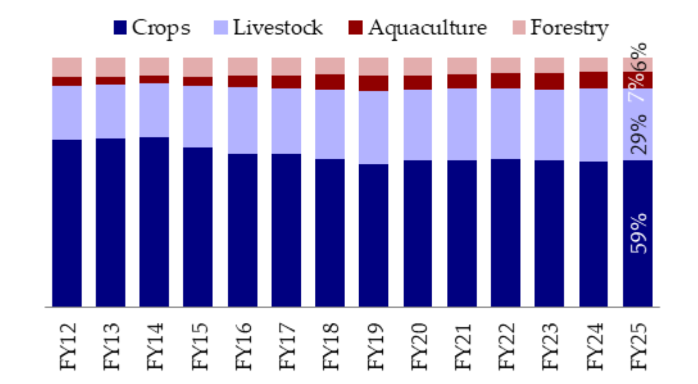


Exhibit 9: Overall nominal agri per capita income

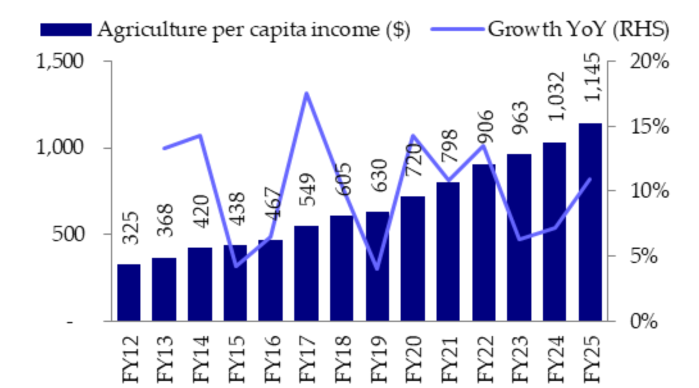


Exhibit 10: State wise nominal per capita income

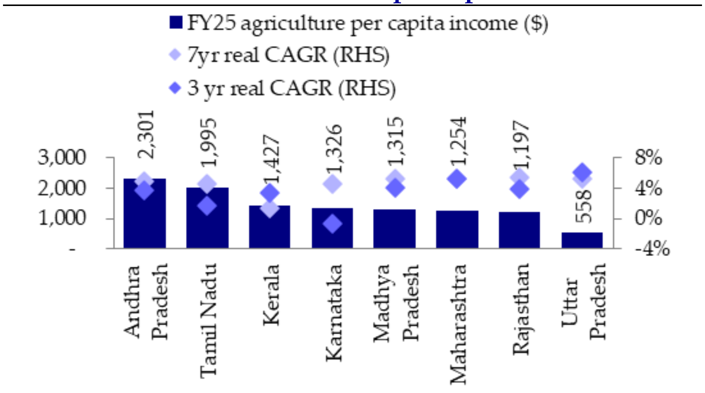


Exhibit 11: Andhra Pradesh (FY25 Agri GSDP: INR 5.1 tn)

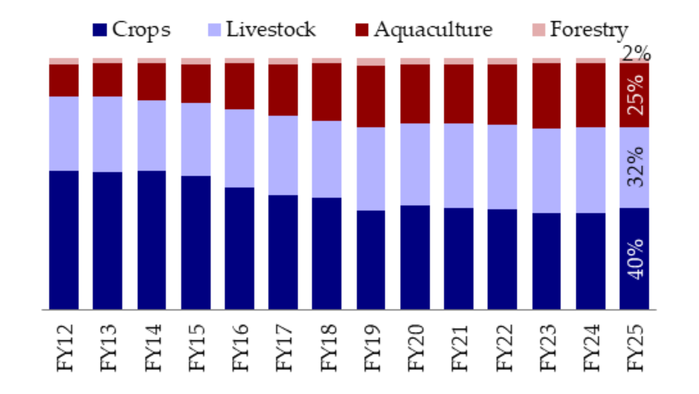
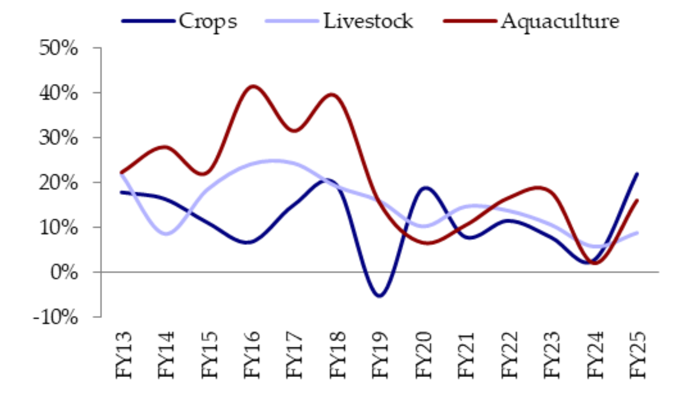


Exhibit 12: Andhra Pradesh (%YoY GSDP growth)



Sources for above graphs: RBI, DES of states, Census 2011, MOSPI, HSIE Research

Exhibit 13: Tamil Nadu (FY25 Agri GSDP: INR 2.3 tn)

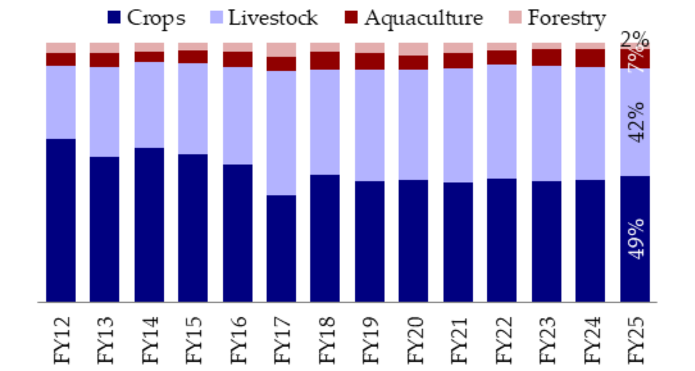


Exhibit 14: Tamil Nadu (%YoY GSDP growth)

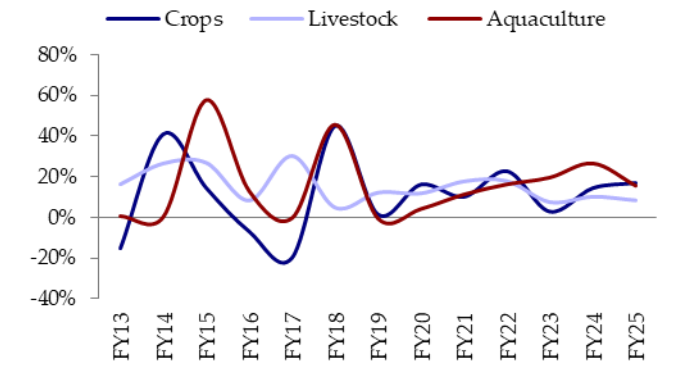


Exhibit 15: Kerala (FY25 Agri GSDP: INR 0.6 tn)

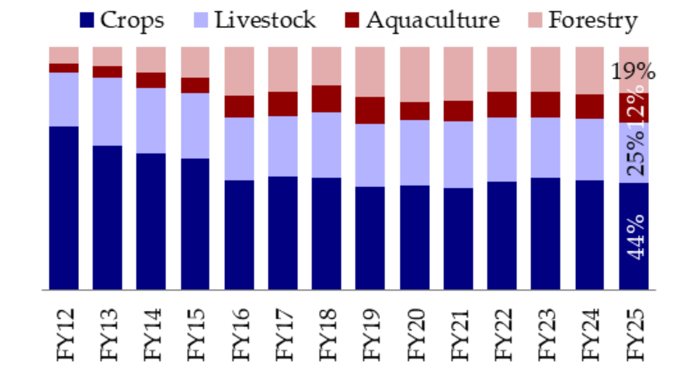


Exhibit 16: Kerala (%YoY GSDP growth)

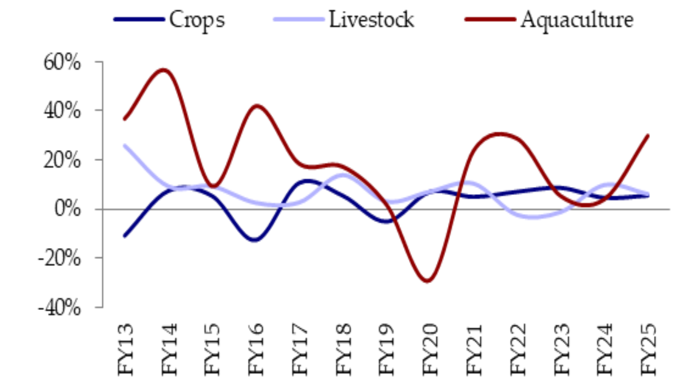


Exhibit 17: Karnataka (FY25 Agri GSDP: INR 3.0 tn)

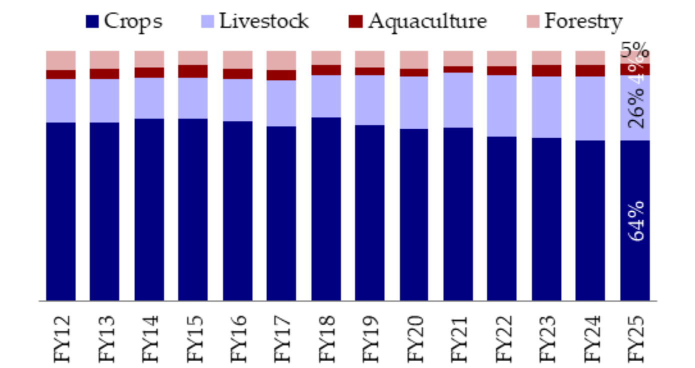


Exhibit 18: Karnataka (%YoY GSDP growth)

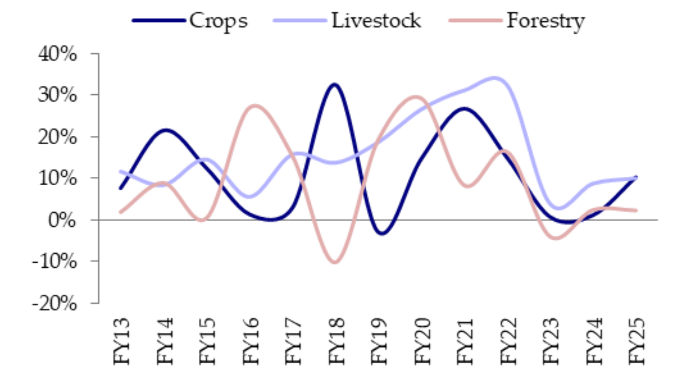


Exhibit 19: Madhya Pradesh (FY25 Agri GSDP: INR 5.6 tn)

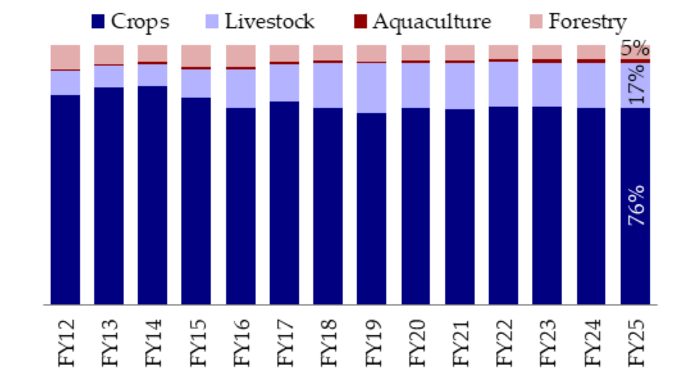
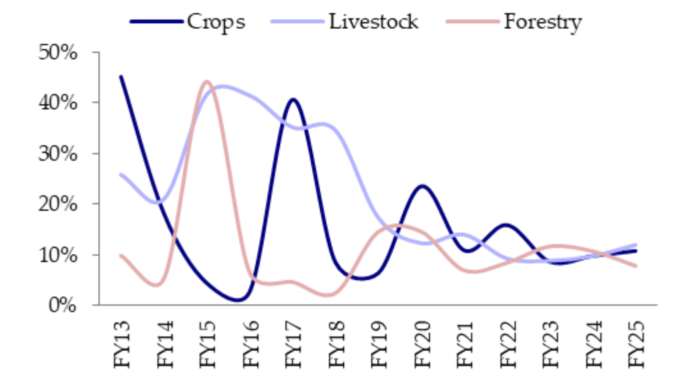


Exhibit 20: Madhya Pradesh (%YoY GSDP growth)



Sources for above graphs: RBI, DES of states, Census 2011, MOSPI, HSIE Research

Exhibit 21: Maharasthra (FY25 Agri GSDP: INR 3.9 tn)

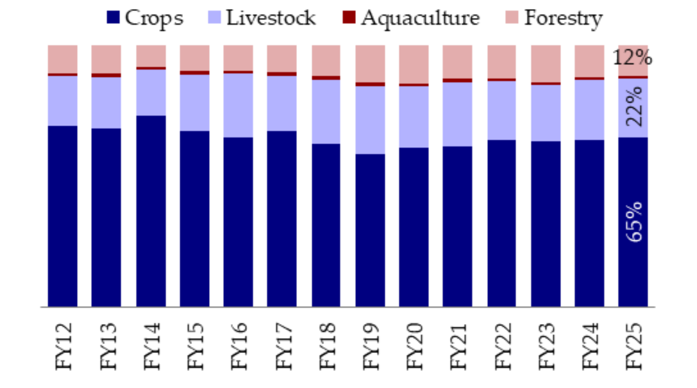


Exhibit 22: Maharashtra (%YoY GSDP growth)

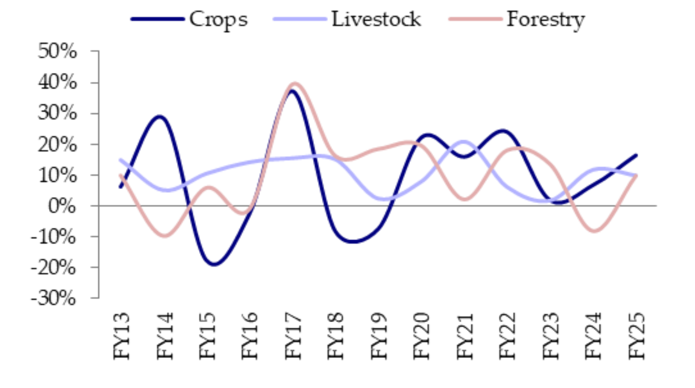


Exhibit 23: Rajasthan (FY25 Agri GSDP: INR 3.9 tn)

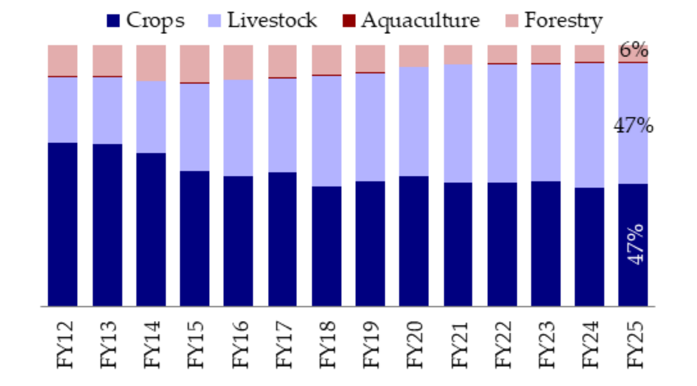


Exhibit 24: Rajasthan (%YoY GSDP growth)

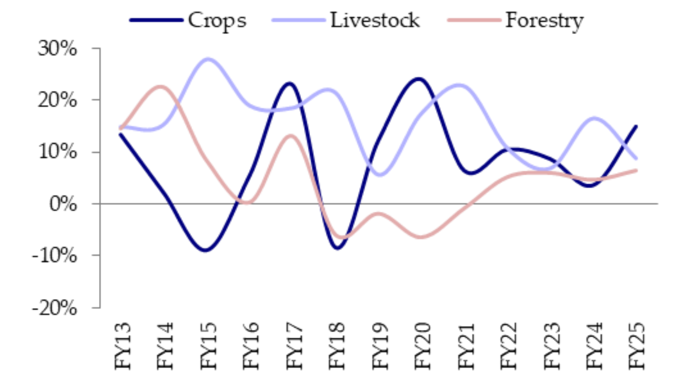


Exhibit 25: Uttar Pradesh (FY25 Agri GSDP: INR 6.2 tn)

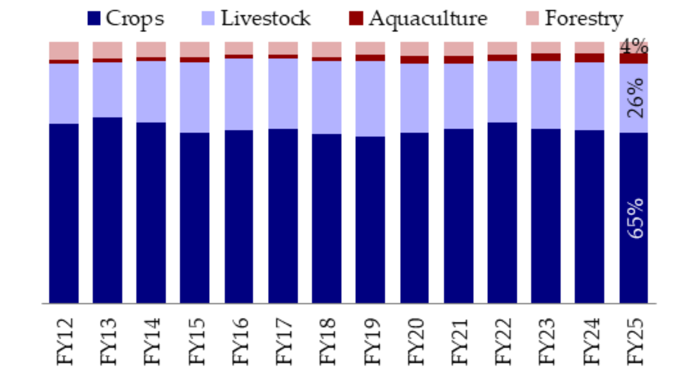


Exhibit 26: Uttar Pradesh (%YoY GSDP growth)

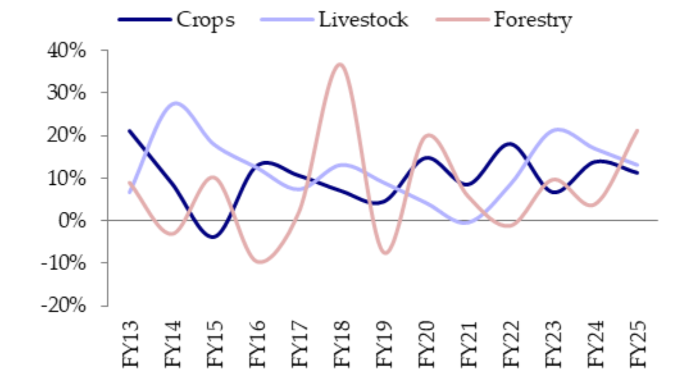
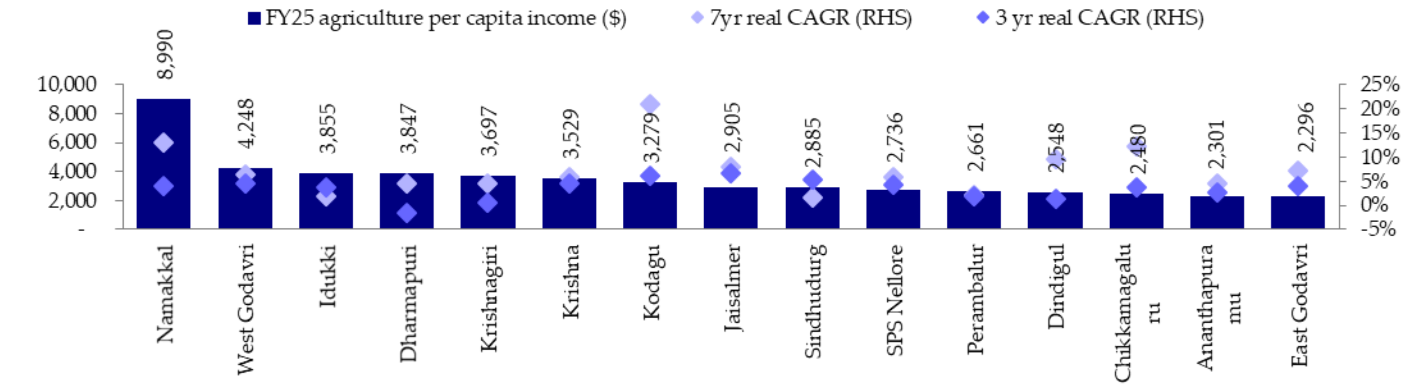


Exhibit 27: Per capita income from agriculture for key districts



Sources for above graphs: RBI, DES of states, Census 2011, MOSPI, HSIE Research

Industry: (Rural GDP FY25: INR 29tn)

- The analysis universe explains ~88% of rural industry across India. Based upon our analysis, the sector has grown at 7.1% 3Y real CAGR (FY22-FY25), in line with the overall growth of rural India under study.
- While manufacturing reported a subdued 5.0% real growth CAGR, construction, utilities, and mining reported healthy CAGRs of 8.7%, 6.9% and 13.5% in this period. Construction improved compared to pre-COVID (FY16-19) growth CAGR of 5.1% but manufacturing deteriorated from level of 7.4% CAGR seen in the FY16-FY19 period.
- Among the states, Uttar Pradesh led from the front with a real growth CAGR of 10.6%, followed by ~8% growth CAGRs reported by both Rajasthan and Tamil Nadu. Kerala was muted at 3.7% CAGR over FY22-FY25. Notably, the industry sector nominal per capita income has crossed USD2,000 with almost all states above USD1,000, except for Uttar Pradesh.

Exhibit 28: Industry GSDP across states (FY25: INR 28.7 tn)

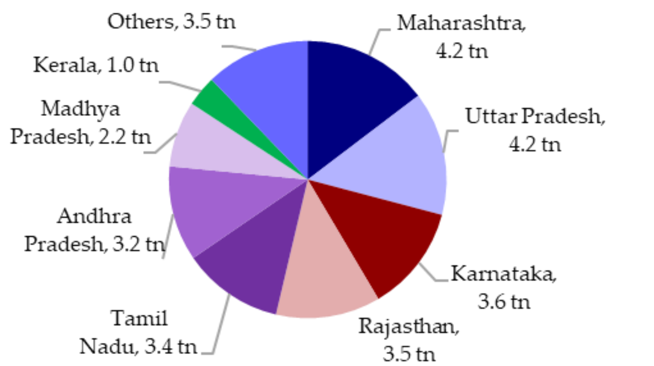


Exhibit 29: Nominal industry GDP for analysis universe (FY25: INR 25.2 tn)

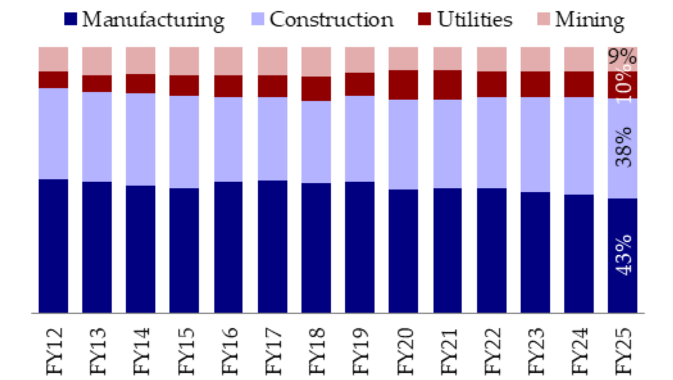


Exhibit 30: Overall nominal industry per capita income

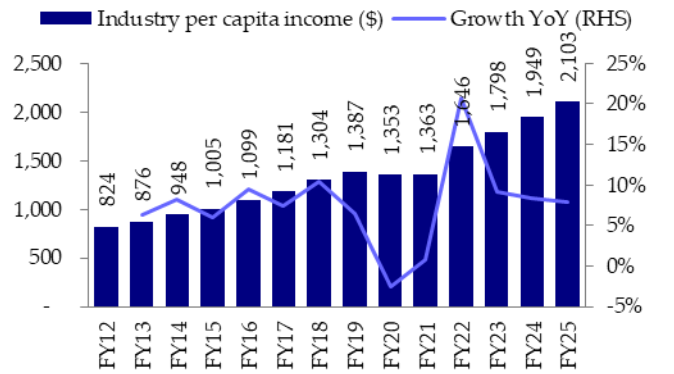


Exhibit 31: State-wise nominal per capita income

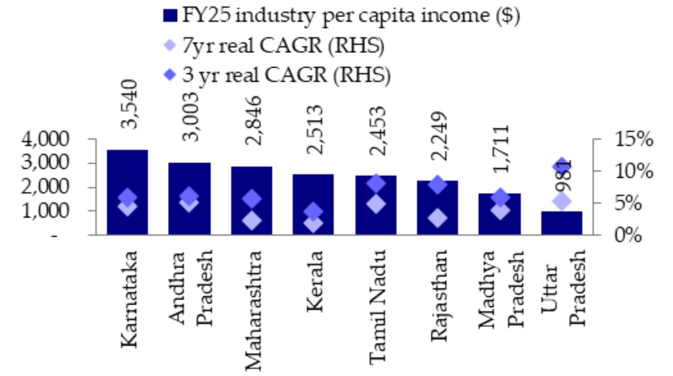


Exhibit 32: Andhra Pradesh (FY25 industry GSDP: INR 3.2 tn)

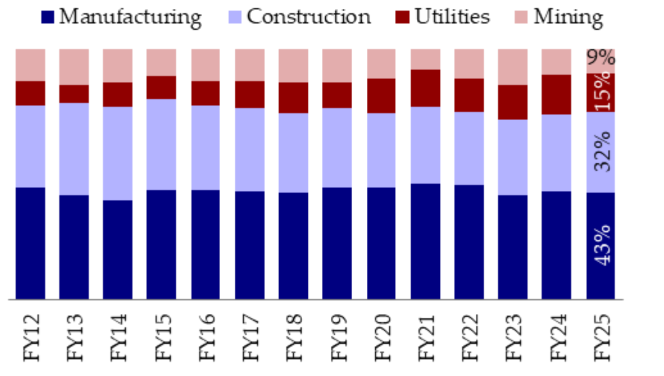
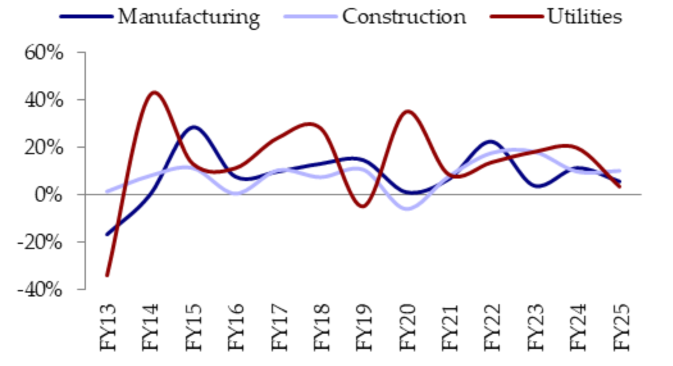


Exhibit 33: Andhra Pradesh (%YoY GSDP growth)



Sources for above graphs: RBI, DES of states, Census 2011, MOSPI, HSIE Research

Exhibit 34: Tamil Nadu (FY25 industry GSDP: INR 3.4 tn)

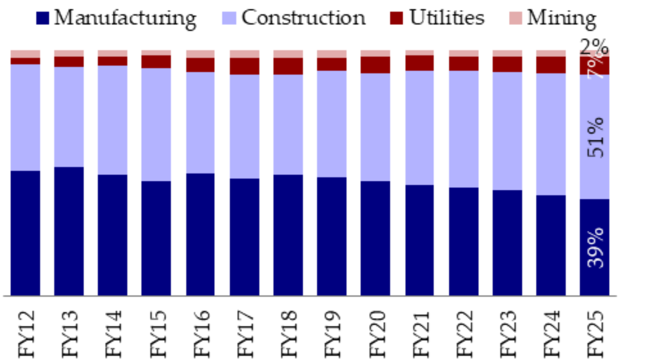


Exhibit 35: Tamil Nadu (%YoY GSDP growth)

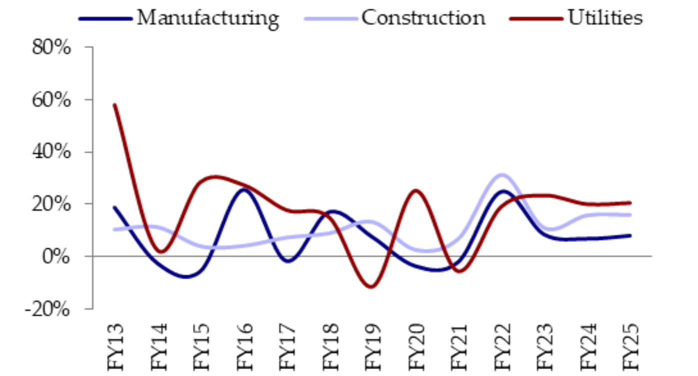


Exhibit 36: Kerala (FY25 industry GSDP: INR 1.0 tn)

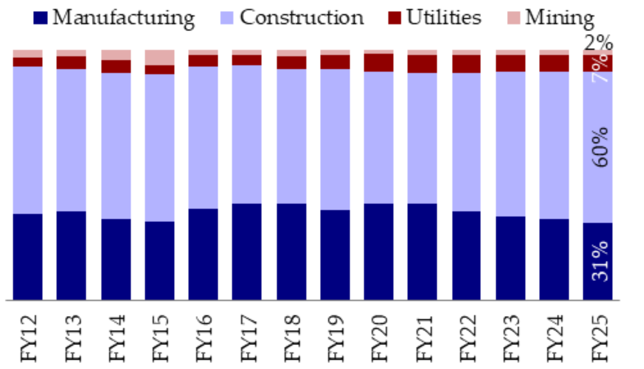


Exhibit 37: Kerala (%YoY GSDP growth)

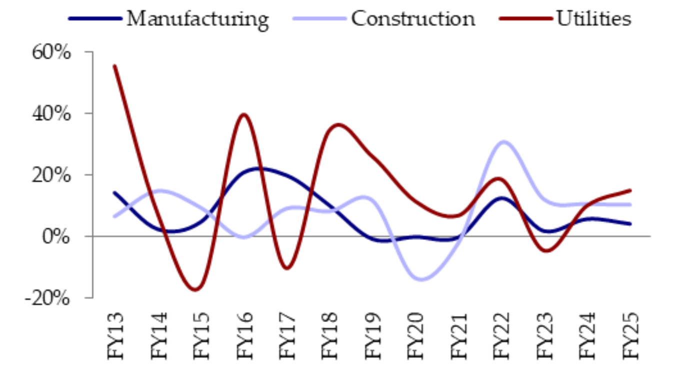


Exhibit 38: Karnataka (FY25 industry GSDP: INR 3.6 tn)

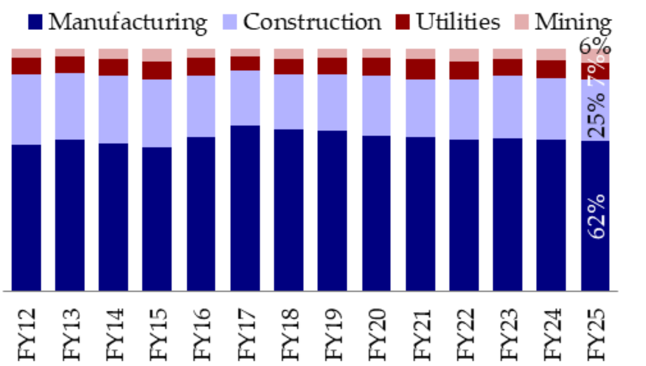


Exhibit 39: Karnataka (%YoY GSDP growth)

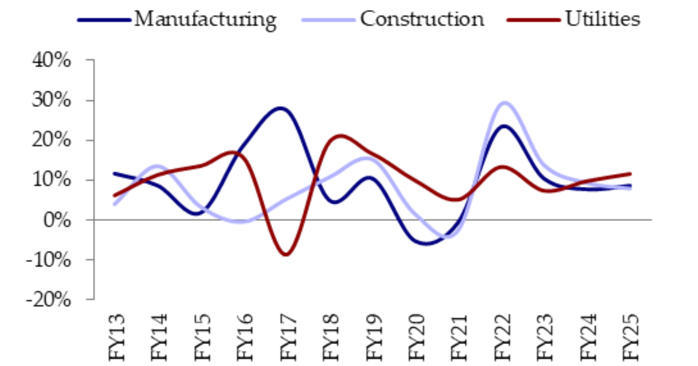


Exhibit 40: Madhya Pradesh (FY25 industry GSDP: INR 2.2 tn)

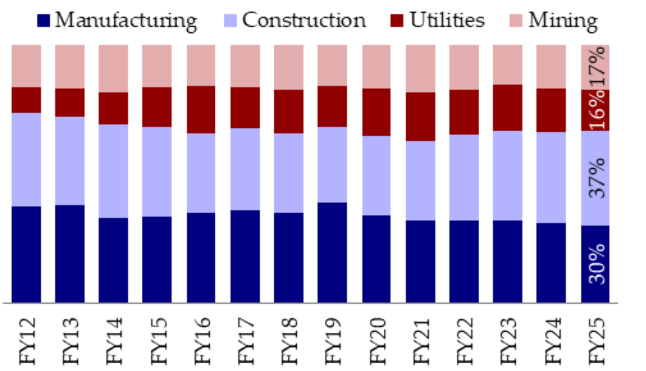
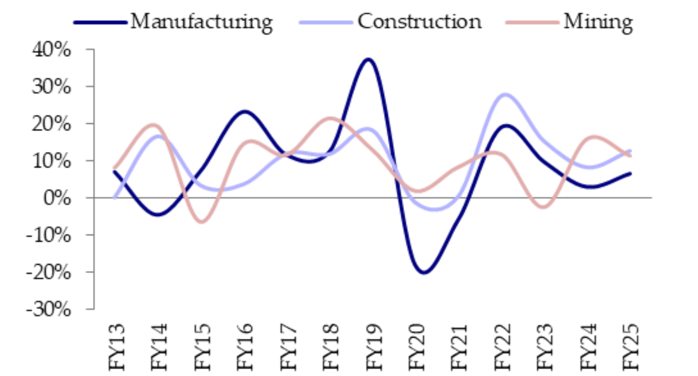


Exhibit 41: Madhya Pradesh (%YoY GSDP growth)



Sources for above graphs: RBI, DES of states, Census 2011, MOSPI, HSIE Research

Exhibit 42: Maharashtra (FY25 industry GSDP: INR 4.2 tn)

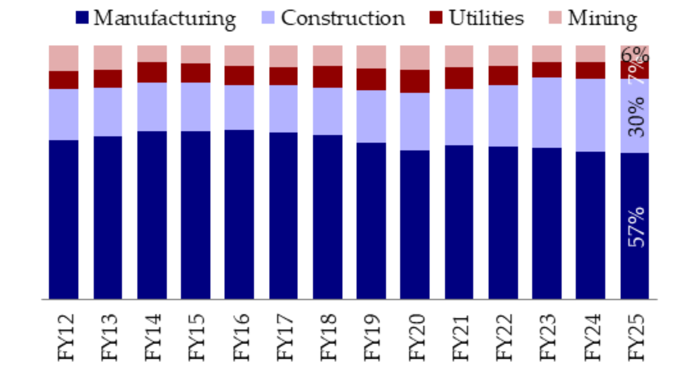


Exhibit 43: Maharashtra (%YoY GSDP growth)

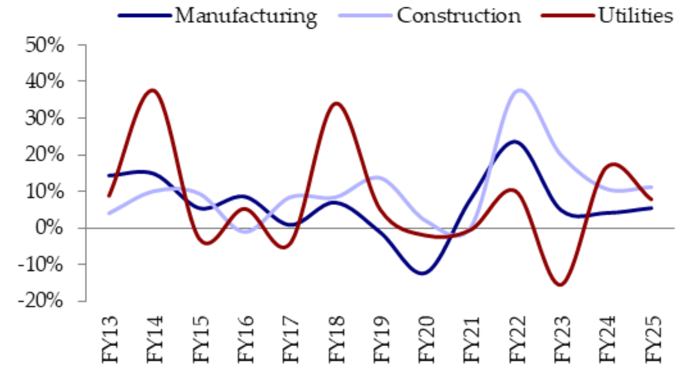


Exhibit 44: Rajasthan (FY25 industry GSDP: INR 3.5 tn)

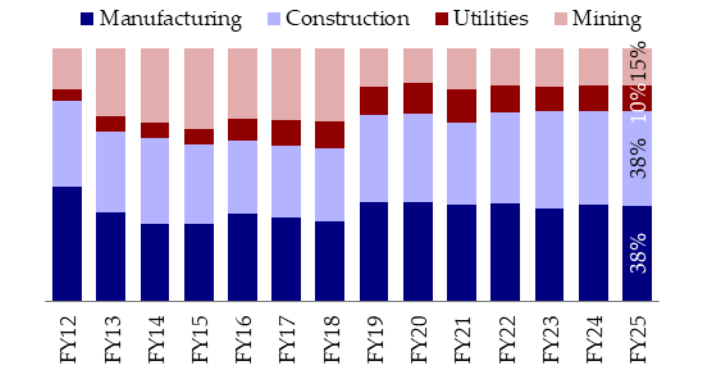


Exhibit 45: Rajasthan (%YoY GSDP growth)

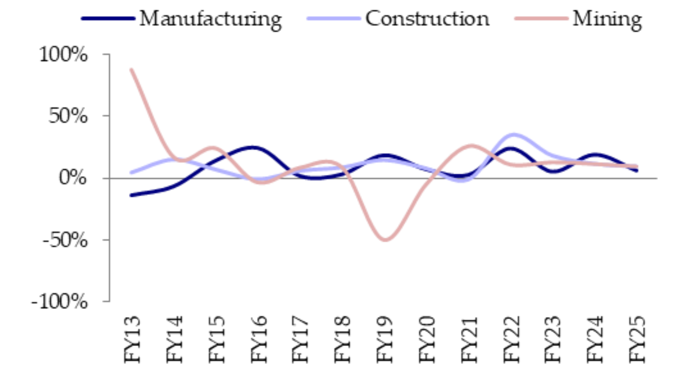


Exhibit 46: Uttar Pradesh (FY25 industry GSDP: INR 4.2 tn)

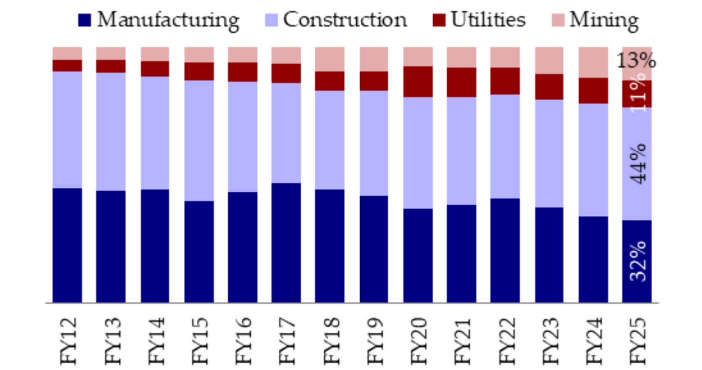


Exhibit 47: Uttar Pradesh (%YoY GSDP growth)

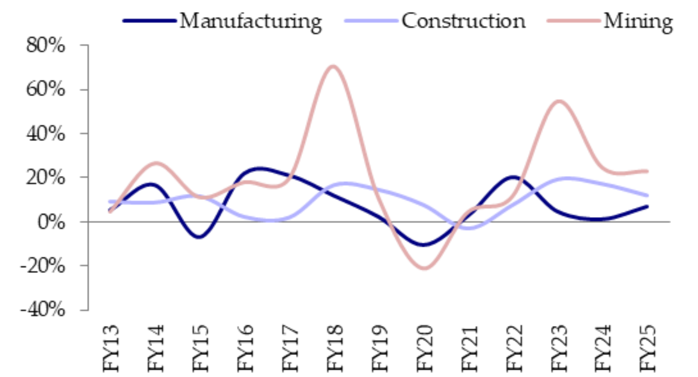
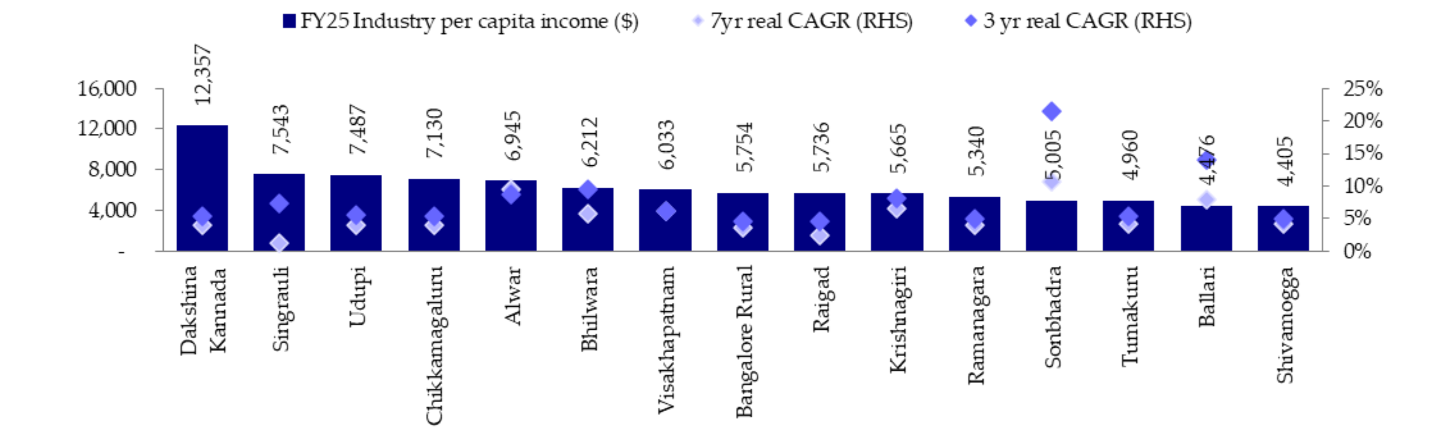


Exhibit 48: Per capita income from industries for key districts



Sources for above graphs: RBI, DES of states, Census 2011, MOSPI, HSIE Research

Services: (Rural GDP FY25: INR 62 tn)

- The analysis universe explains ~86% of rural services across India. As per our analysis, the sector has grown at 8.8% real CAGR over FY22-FY25, 170bps ahead of the overall growth of rural India under study.
- While trade & hotels (9.8% CAGR) and financial services (9.1% CAGR) led the growth, public administration (6.9% CAGR) was the main drag in this period. Real estate (8.3% CAGR), logistics (8.0% CAGR), and financial services (9.1% CAGR) improved significantly from their pre-COVID over FY16-FY19, when their real growth CAGRs were 5.6%,4.5% and 5.2% respectively.
- Among the states, Tamil Nadu (9.6% CAGR) and Maharashtra (9.6% CAGR) led the growth for the sector, but Rajasthan (7.6% CAGR) underperformed. Notably, the services sector's nominal per capita has broken the threshold of USD3,000 with this parameter being above USD2,000 for all the states.

Exhibit 49: Services GSDP across states (FY25: INR 62 tn)

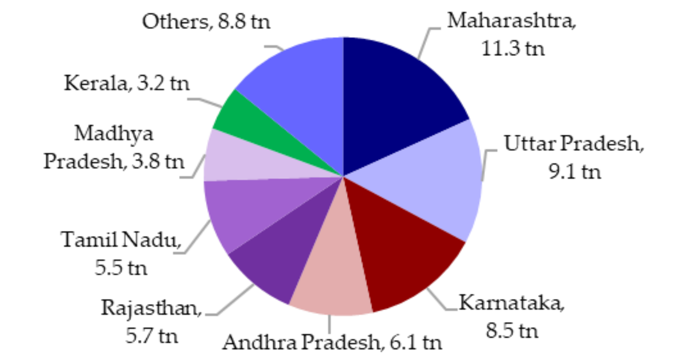


Exhibit 50: Nominal services GDP for analysis universe (FY25: INR 53.2 tn)

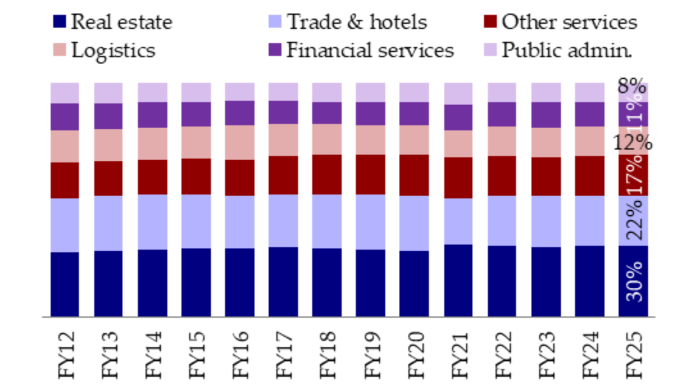


Exhibit 51: Overall nominal services per capita income

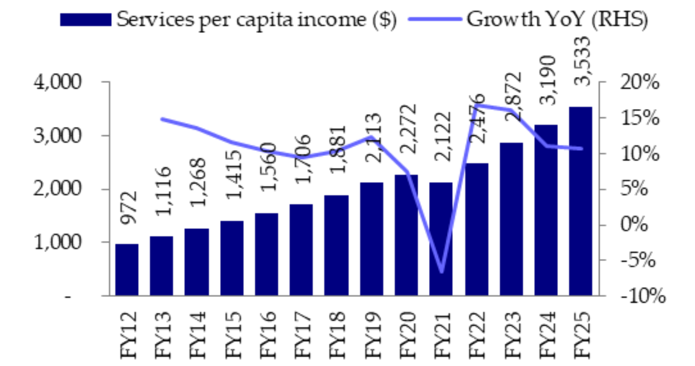


Exhibit 52: State-wise nominal per capita income

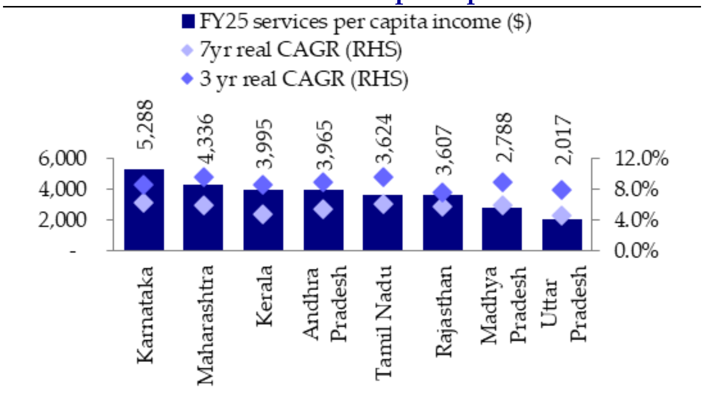


Exhibit 53: Andhra Pradesh (FY25 services GSDP: INR 6.1 tn)

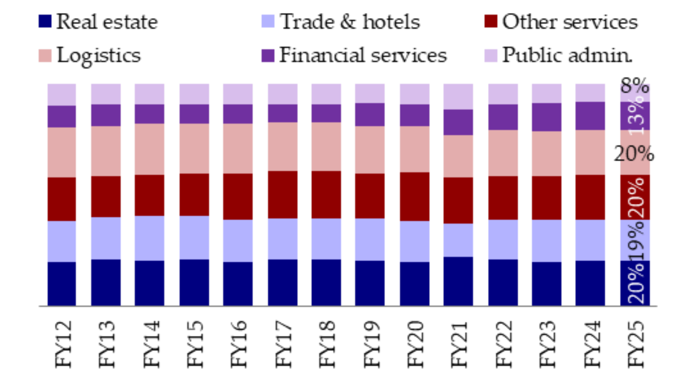
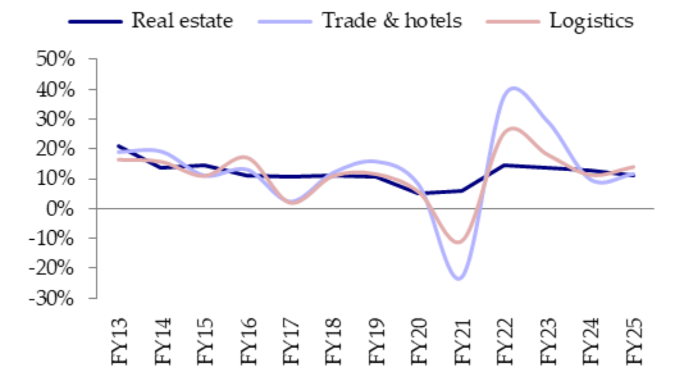


Exhibit 54: Andhra Pradesh (% YoY GSDP growth)



Sources for above graphs: RBI, DES of states, Census 2011, MOSPI, HSIE Research

Exhibit 55: Tamil Nadu (FY25 services GSDP: INR 5.5 tn)

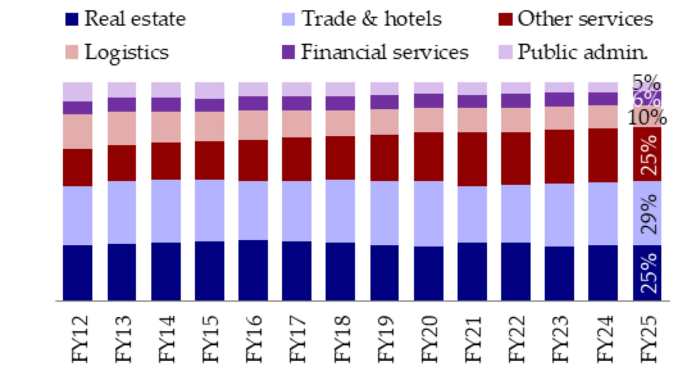


Exhibit 56: Tamil Nadu (%YoY GSDP growth)

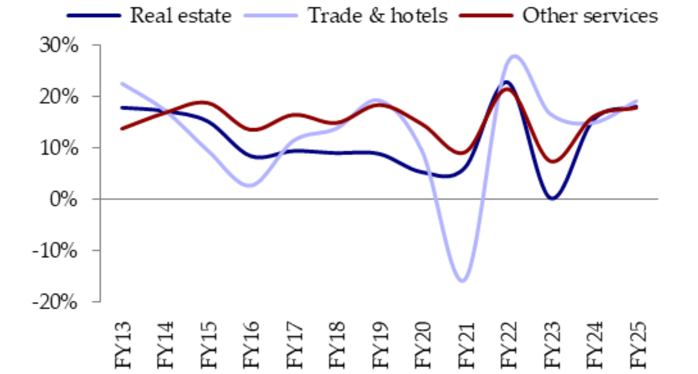


Exhibit 57: Kerala (FY25 services GSDP: INR 3.2 tn)

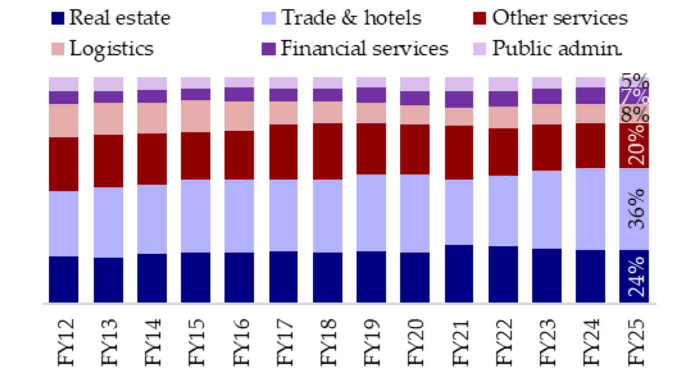


Exhibit 58: Kerala (% YoY GSDP growth)

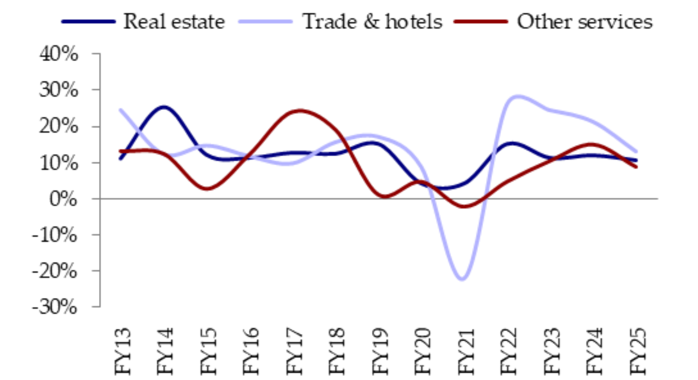


Exhibit 59: Karnataka (FY25 services GSDP: INR 8.5 tn)

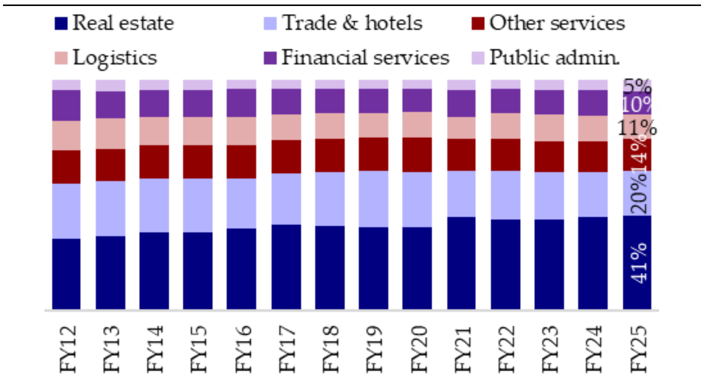


Exhibit 60: Karnataka (% YoY GSDP growth)

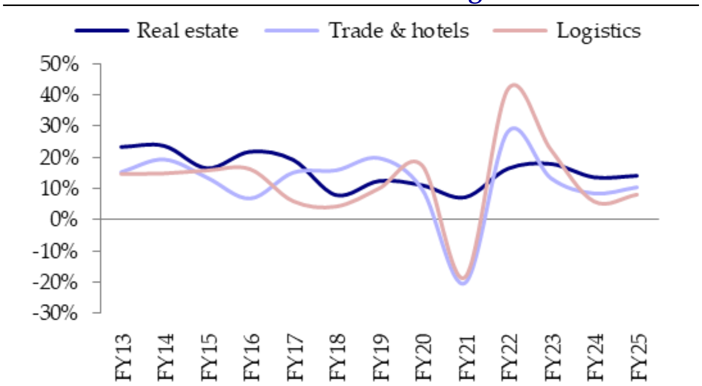


Exhibit 61: Madhya Pradesh (FY25 services GSDP: INR 3.8 tn)

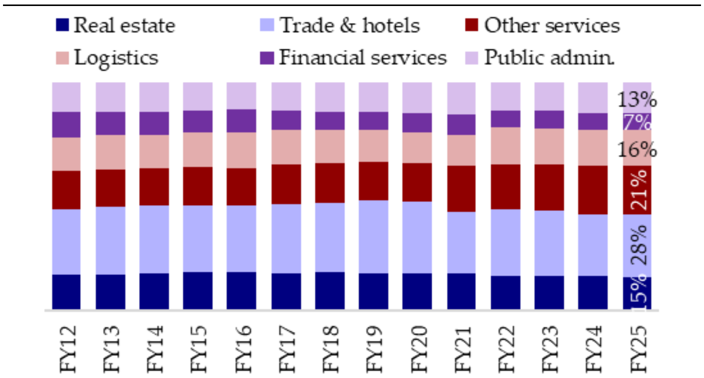
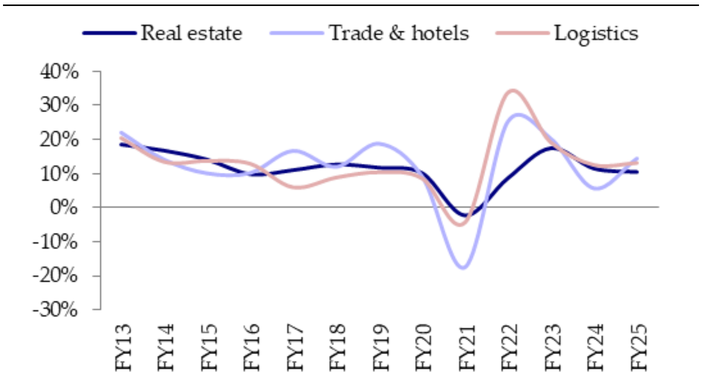


Exhibit 62: Madhya Pradesh (%YoY GSDP growth)



Sources for above graphs: RBI, DES of states, Census 2011, MOSPI, HSIE Research

Exhibit 63: Rajasthan (FY25 services GSDP: INR 5.7 tn)

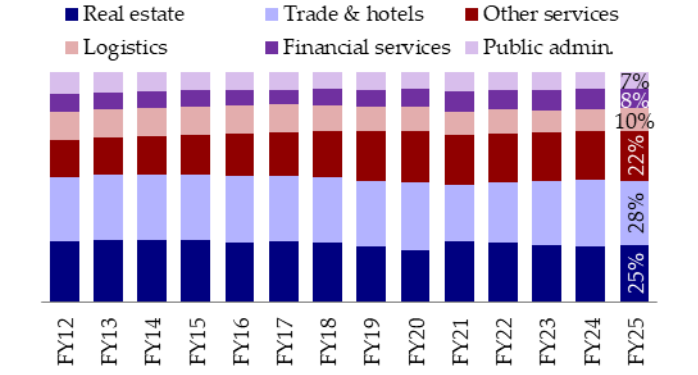


Exhibit 64: Rajasthan (%YoY GSDP growth)

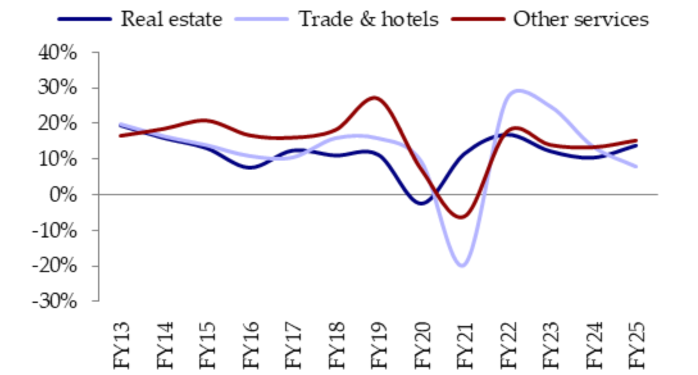


Exhibit 65: Maharashtra (FY25 services GSDP: INR 11.3 tn)

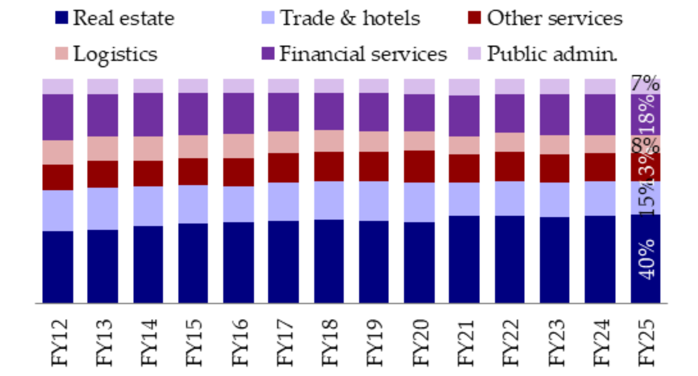


Exhibit 66: Maharashtra (% YoY GSDP growth)

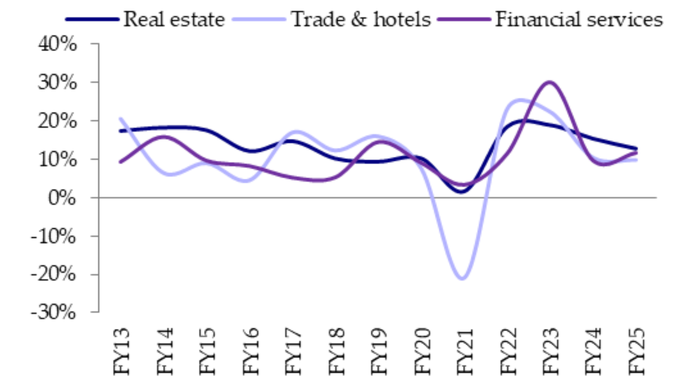


Exhibit 67: Uttar Pradesh (FY25 services GSDP: INR 9.1 tn)

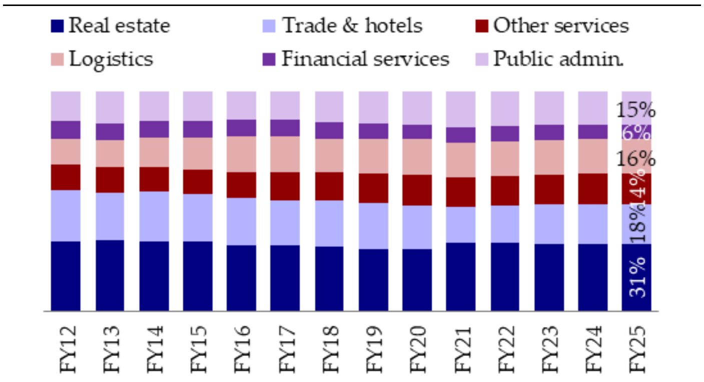


Exhibit 68: Uttar Pradesh (%YoY GSDP growth)

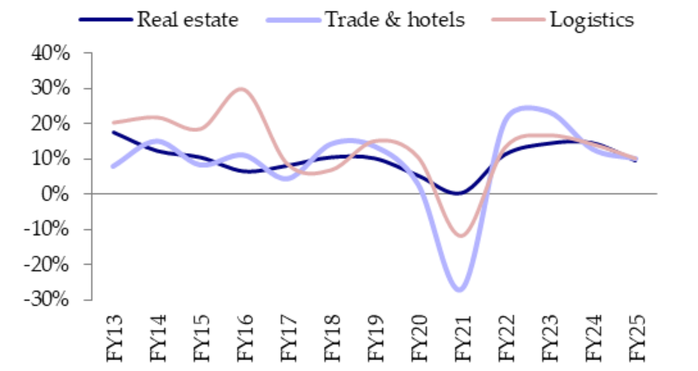
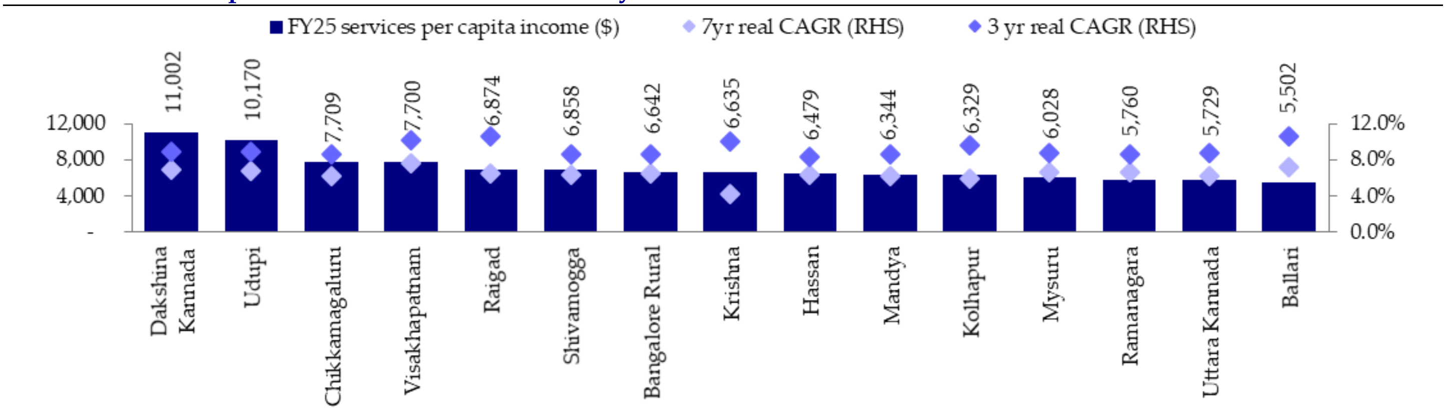


Exhibit 69: Per capita income from services for key districts



Sources for above graphs: RBI, DES of states, Census 2011, MOSPI, HSIE Research

State-wise analysis

Andhra Pradesh: (FY25 Rural GSDP: INR 14 tn)

- Rural Andhra Pradesh has grown at 6.5% real CAGR during FY22-FY25, in line with the overall state growth. Notably, nominal per capita at the state level has nearly broken the threshold of USD3,000 with almost all key districts being above USD2,000.
- Growth has been driven by the services sector (9.0% CAGR), led by logistics, trade & hotels and financial services, which contributed 21/19/13% to the services sector, growing at 8/13/14% real CAGR over the same period. The industry sector growth has remained stable. Further, the agriculture sector has underperformed (3.7% CAGR), mainly due to stress in crops and livestock, contributing 40/32% of agriculture sector but registering a meager 2/3% real CAGR respectively over the past three years.

Exhibit 70: Andhra Pradesh nominal GSDP (INR 14.4 tn)

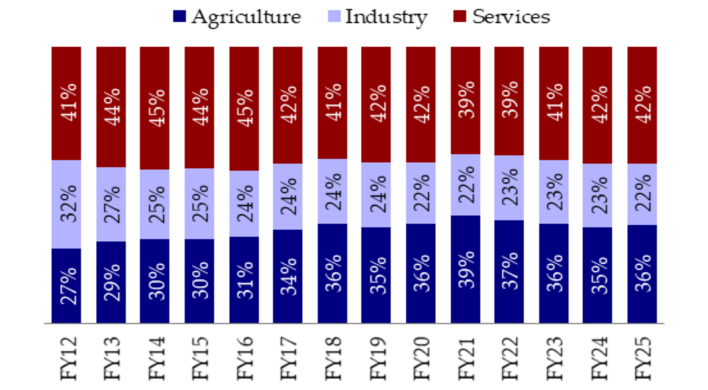


Exhibit 71: Andhra Pradesh (%YoY growth rates)

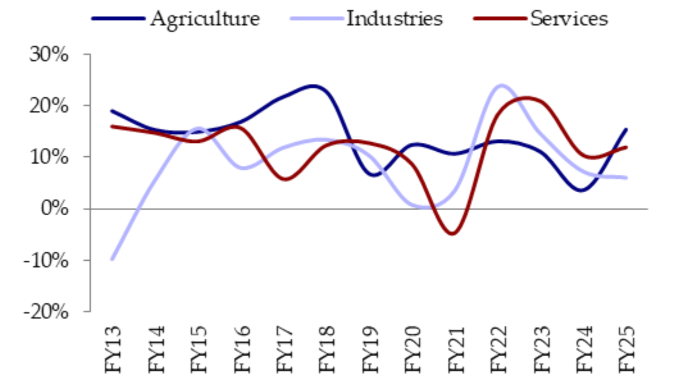


Exhibit 72: High contributing subsectors of Andhra Pradesh

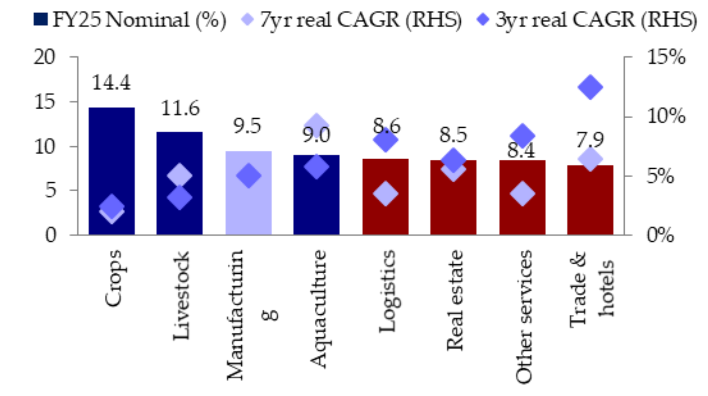


Exhibit 73: Andhra Pradesh Nominal per capita income

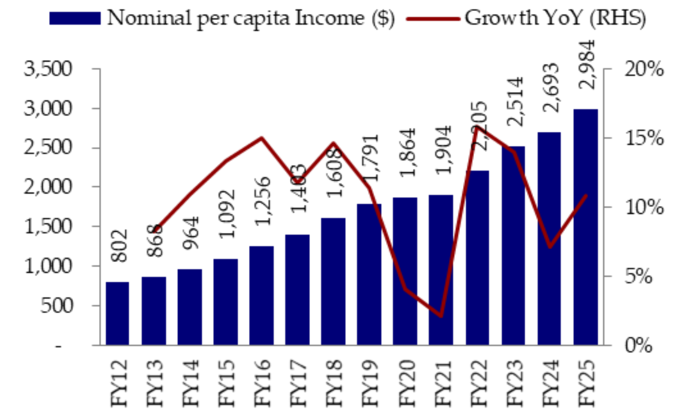


Exhibit 74: District-wise nominal per capita income

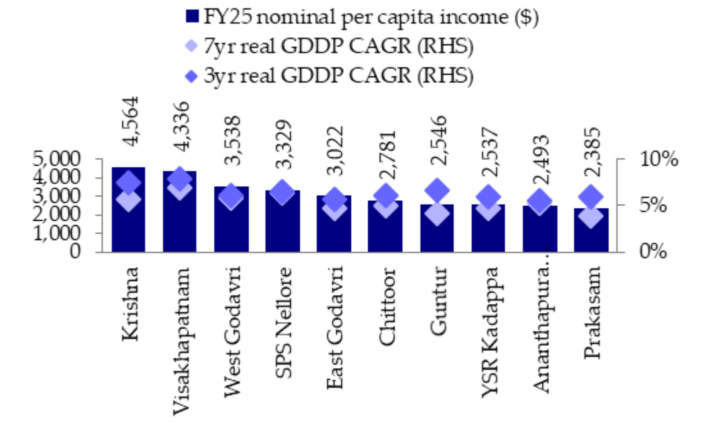


Exhibit 75: District-wise sectoral drivers

District	Per capita FY25 ($)	Top 3 sub-sectors Nominal % contribution FY22/5yr real CAGR		
Krishna	4,564	Aquaculture 20/17%	Trade & hotels 13/(4)%	Crops 9/4%
Visakhapatnam	4,336	Manufacturing 23/3%	Trade & hotels 21/10%	Logistics 9/3%
West Godavri	3,538	Aquaculture 29/18%	Crops 15/1%	Livestock 13/7%
SPS Nellore	3,329	Aquaculture 14/11%	Livestock 12/12%	Crops 12/10%
East Godavri	3,022	Livestock 15/15%	Mining 11/(1)%	Crops 10/0%

Sources for above graphs: RBI, DES of states, Census 2011, MOSPI, HSIE Research

Karnataka: (FY25 Rural GSDP: INR 15 tn)

- Rural Karnataka has grown at 6.2% real CAGR during FY22-FY25, 200bps below the overall state growth. Notably, nominal per capita income at the state level has crossed the threshold of USD3,000, with all the districts being above USD2,000.
- Growth has been driven by the services sector (8.6% CAGR), led by real estate and other services, which contributed 41/14% to the sector, growing at 10/9% real CAGR during FY22-FY25. While industry sector growth has remained stable, the agriculture sector (-1% CAGR) has underperformed, mainly due to performance in crops segment (which accounts for 64% of agriculture), registering a 4% decline per annum over the past three years.

Exhibit 76: Karnataka nominal GSDP (FY25: INR 15.1 tn)

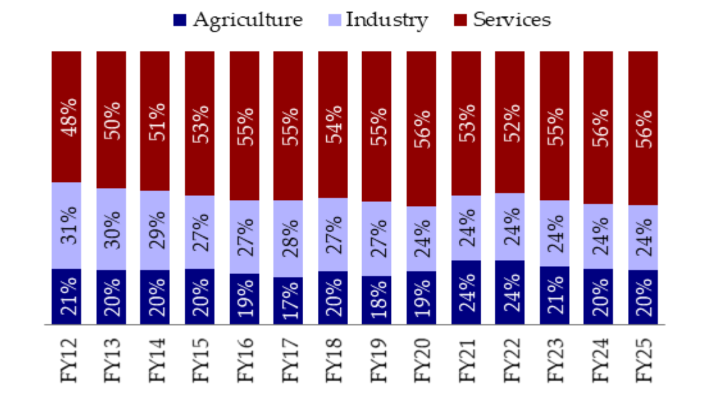


Exhibit 77: Karnataka (%YoY growth rates)

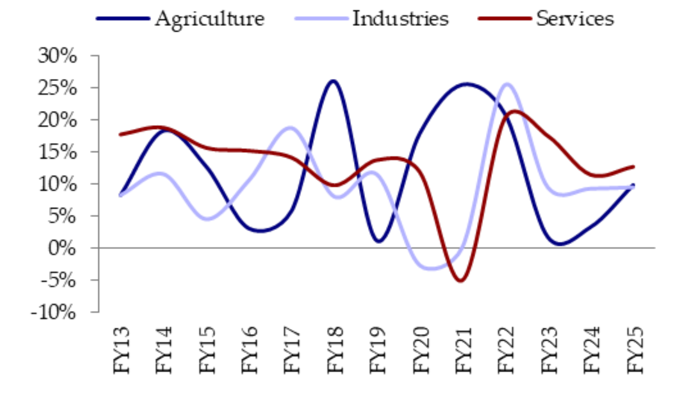


Exhibit 78: High contributing subsectors of Karnataka

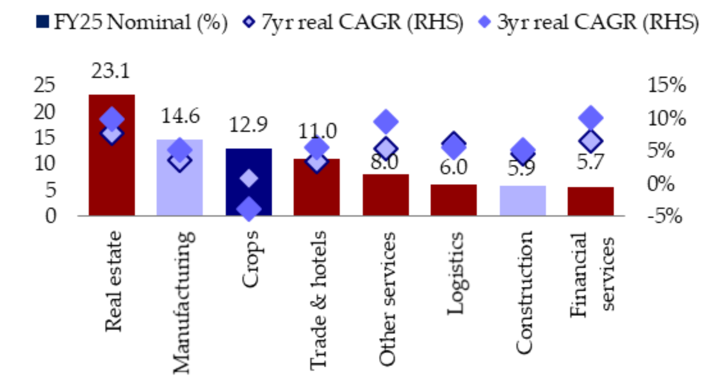


Exhibit 79: Karnataka Nominal per capita income

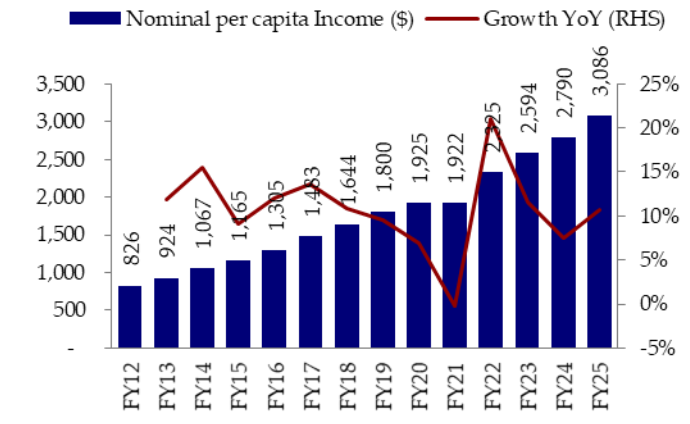


Exhibit 80: District-wise nominal per capita income

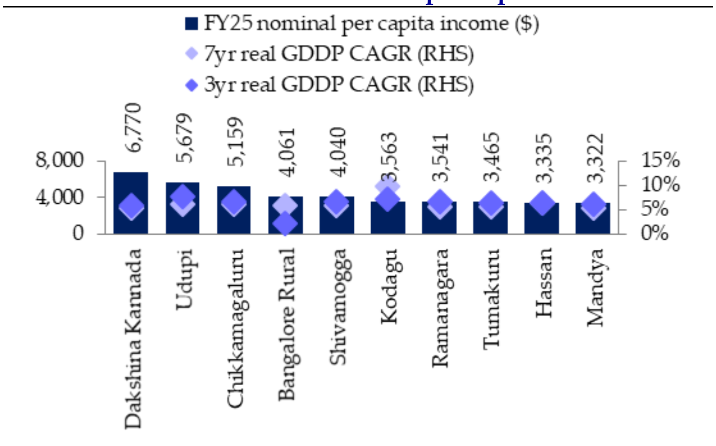


Exhibit 81: District-wise sectoral drivers

District	Per capita FY25 ($)	Top 3 sub-sectors Nominal % contribution FY23/5yr real CAGR		
Dakshina Kannada	6,770	Manufacturing 30/2%	Real estate 23/8%	Construction 8/5%
Udupi	5,679	Real estate 26/8%	Manufacturing 20/2%	Trade & hotels 8/3%
Chikkamagaluru	5,159	Manufacturing 21/2%	Crops 21/23%	Real estate 18/7%
Bangalore Rural	4,061	Real estate 27/8%	Manufacturing 24/2%	Trade & hotels 13/3%
Shivamogga	4,040	Real estate 21/7%	Crops 15/1%	Construction 11/5%

Sources for above graphs: RBI, DES of states, Census 2011, MOSPI, HSIE Research

Kerala: (FY25 Rural GSDP: INR 5 tn)

- Rural Kerala has grown at 6.7% real CAGR during FY22-FY25, 120bps ahead of the overall state growth. Notably, nominal per capita at the state level is at a healthy level of USD2,900, with minimal divergences across districts.
- Growth has been driven by the services sector (8.6% CAGR), led by trade & hotels, real estate and other services which contributed 36%/24%/20% to the sector, growing at 16%/6.4%/6.4% CAGR respectively during FY22-FY25. However, both industry and agriculture sector underperformed (recording a 3.7/3.3% real CAGR in the same period). The weakness is broad-based with no clear pockets of strength in these sectors.

Exhibit 82: Kerala nominal GSDP (FY25: INR 4.9 tn)

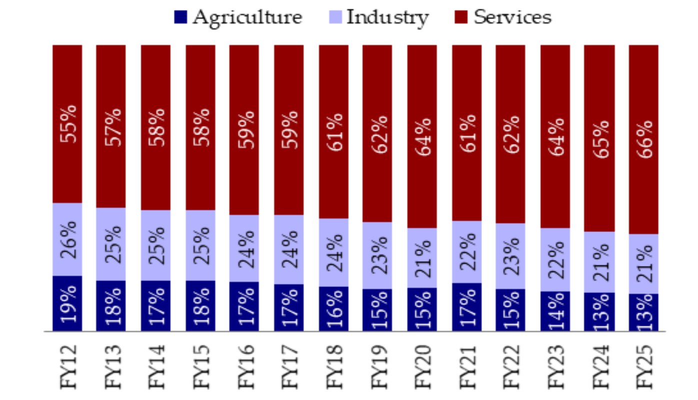


Exhibit 83: Kerala (%YoY growth rates)

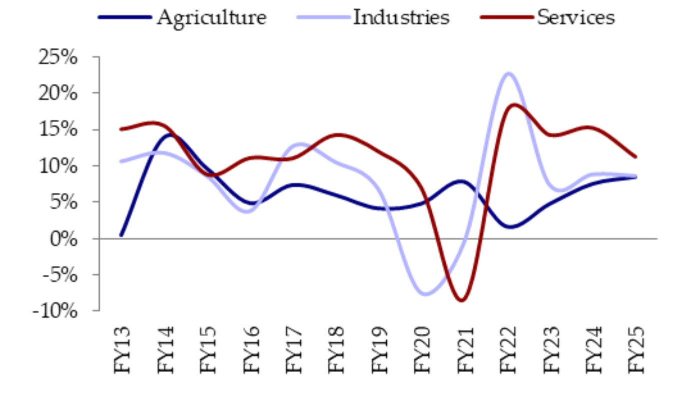


Exhibit 84: High contributing subsectors of Kerala

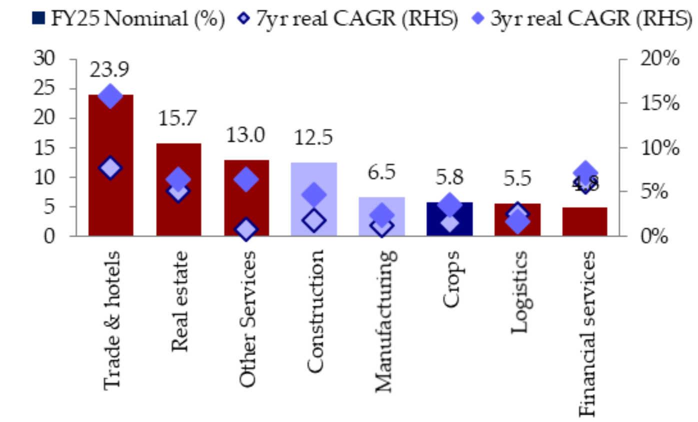


Exhibit 85: Kerala Nominal per capita income

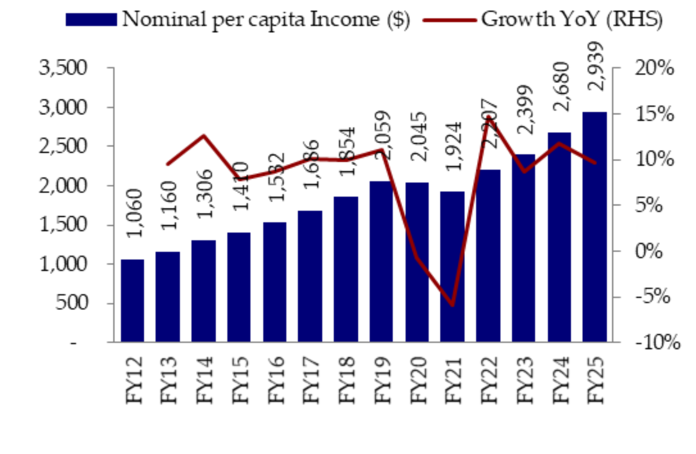


Exhibit 86: District-wise nominal per capita income

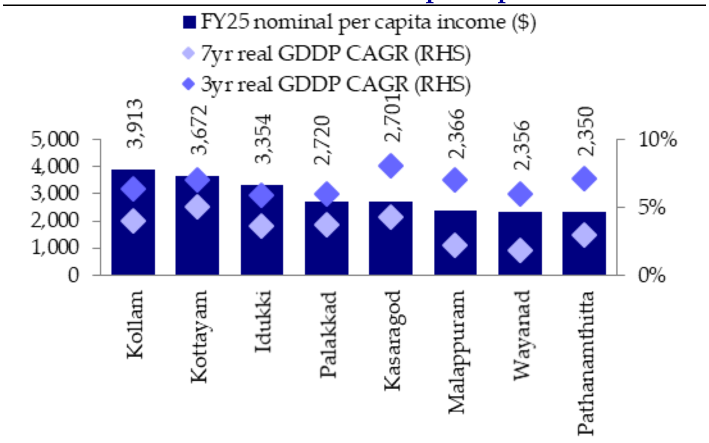


Exhibit 87: District-wise sectoral drivers

District	Per capita FY25 ($)	Top 3 sub-sectors Nominal % contribution FY24/5yr real CAGR		
Kollam	3,913	Trade & hotels 29/6%	Real estate 17/5%	Construction 15/6%
Kottayam	3,672	Trade & hotels 25/6%	Real estate 15/5%	Construction 13/10%
Idukki	3,354	Trade & hotels 19/6%	Crops 19/5%	Other services 12/3%
Palakkad	2,720	Trade & hotels 22/6%	Construction 16/9%	Real estate 15/5%
Kasaragod	2,701	Real estate 17/5%	Other services 17/1%	Construction 16/4%

Sources for above graphs: RBI, DES of states, Census 2011, MOSPI, HSIE Research

Madhya Pradesh: (FY25 Rural GSDP: INR 12 tn)

- Rural Madhya Pradesh has grown at 6.2% real CAGR during FY22-FY25, 40bps ahead of the overall state growth. Notably, nominal per capita at the state level is far lower than that of southern states at ~USD1,700, however it has grown consistently over the last five years.
- Growth has been driven by the services sector (9.0% CAGR), led by logistics and other services, contributing 16/21% of the sector, and growing at 11/12% real CAGR, respectively. The industry sector has shown stable growth, but the agriculture sector has underperformed owing to underperformance in crops (contributing 76% of the sector growing at only 3% real CAGR). This was partially offset by a stronger performance in livestock (which accounts for 17% of the sector and posted an 8% CAGR during FY22-FY25).

Exhibit 88: Madhya Pradesh nominal GSDP (FY25: INR 11.6 tn)

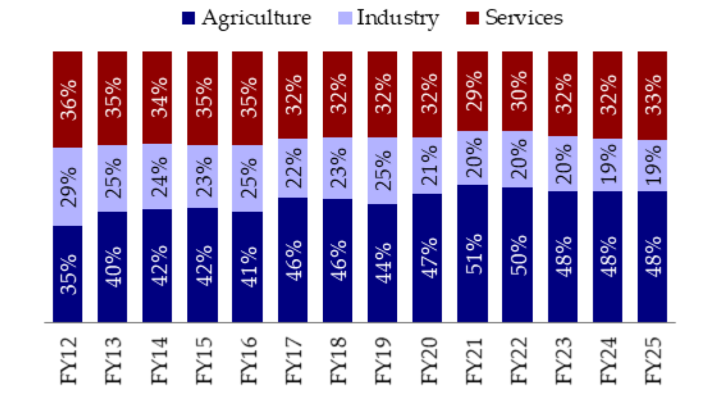


Exhibit 89: Madhya Pradesh (%YoY growth rates)

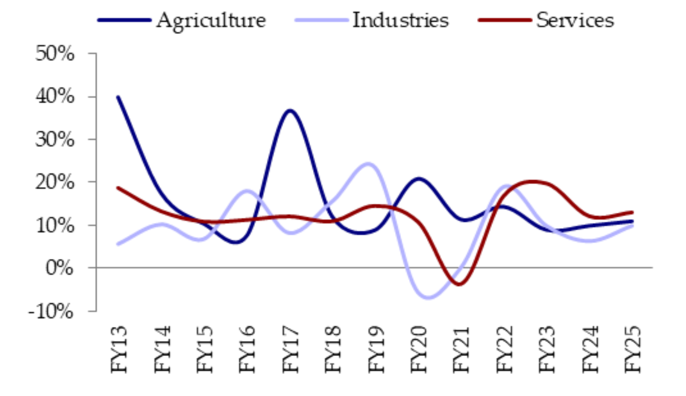


Exhibit 90: High contributing subsectors of Madhya Pradesh

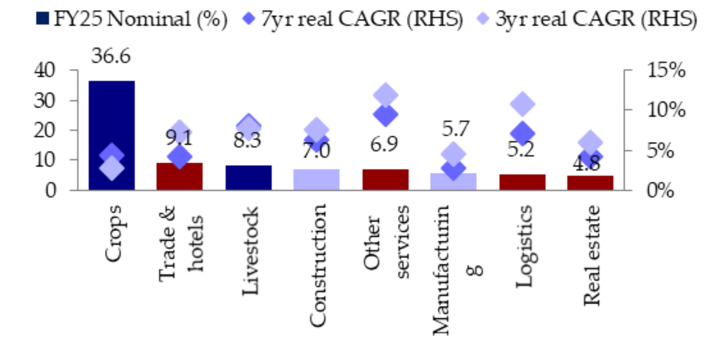


Exhibit 91: Madhya Pradesh Nominal per capita income

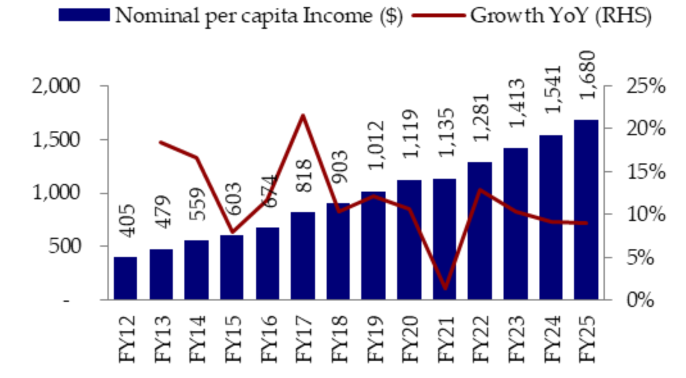


Exhibit 92: District-wise nominal per capita income

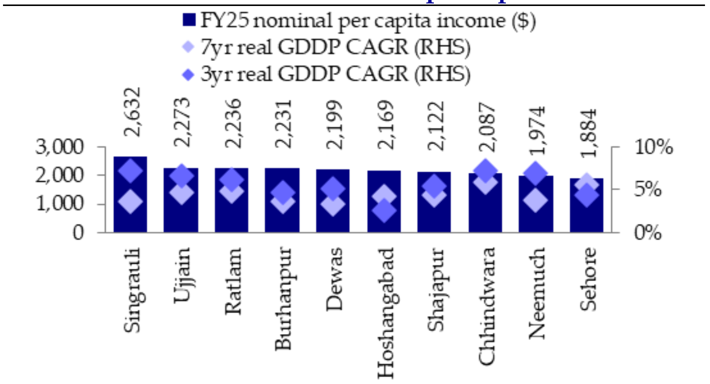


Exhibit 93: District-wise sectoral drivers

District	Per capita FY25 ($)	Top 3 sub-sectors Nominal % contribution FY23/5yr real CAGR		
Singrauli	2,632	Mining 32/(5)%	Crops 27/25%	Manufacturing 15/5%
Ujjain	2,273	Crops 33/4%	Trade & hotels 11/4%	Manufacturing 10/0%
Ratlam	2,236	Crops 35/2%	Utilities 14/8%	Trade & hotels 10/4%
Burhanpur	2,231	Crops 45/3%	Manufacturing 16/0%	Trade & hotels 9/4%
Dewas	2,199	Crops 30/1%	Utilities 18/8%	Manufacturing 12/6%

Sources for above graphs: RBI, DES of states, Census 2011, MOSPI, HSIE Research

Maharashtra: (FY25 Rural GSDP: INR 19 tn)

- Rural Maharashtra has grown at 7.7% real CAGR during FY22-FY25, 10bps ahead of the overall state growth. Notably, nominal per capita at the state level is ~USD2,700, with significant divergence across districts. Several rural districts have crossed the USD3,000 mark (Raigad overshooting the USD4,000 mark), while a few are even below USD2,000 such as Washim.
- Growth has been driven by the services sector (9.6% real CAGR). Within this, real estate and financial services have been the major drivers, contributing 40/18% of the sector and growing at 10/9% real CAGR. However, the industry and agriculture sectors underperformed on a relative basis owing to subdued performance in manufacturing and livestock (contributing 58/22% to their respective sectors and growing at a mere 4% real CAGR each). This was counterbalanced by strong performance by construction (contributing to 30% of the sector growing at 9% CAGR).

Exhibit 94: Maharashtra nominal GSDP (FY25: INR 19.4 tn)

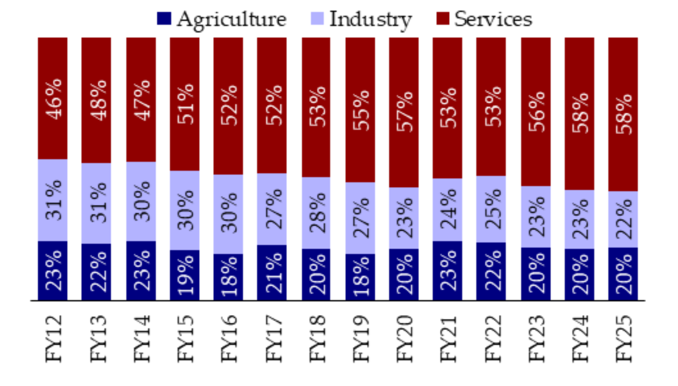


Exhibit 95: Maharashtra (%YoY growth rates)

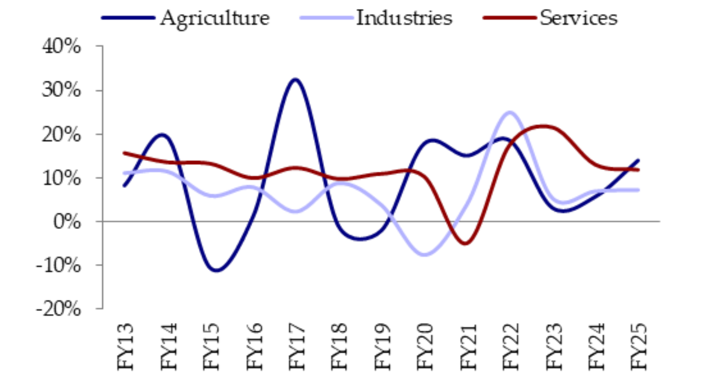


Exhibit 96: High contributing subsectors of Maharashtra

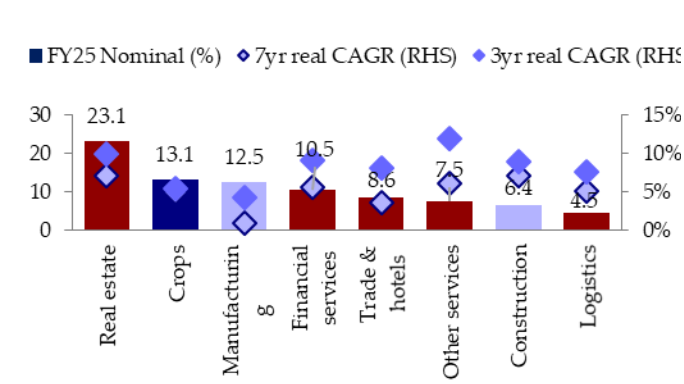


Exhibit 97: Maharashtra Nominal per capita income

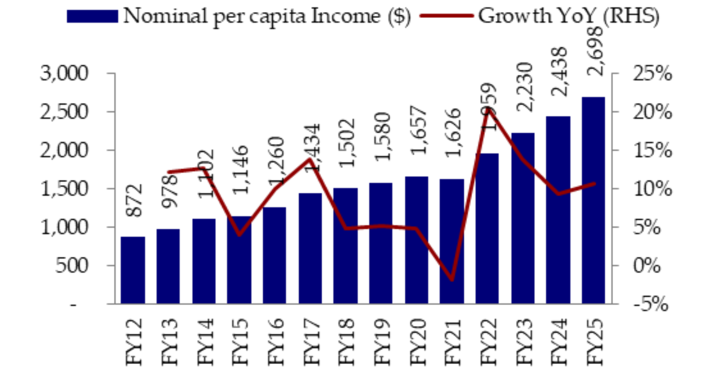


Exhibit 98: District-wise nominal per capita income

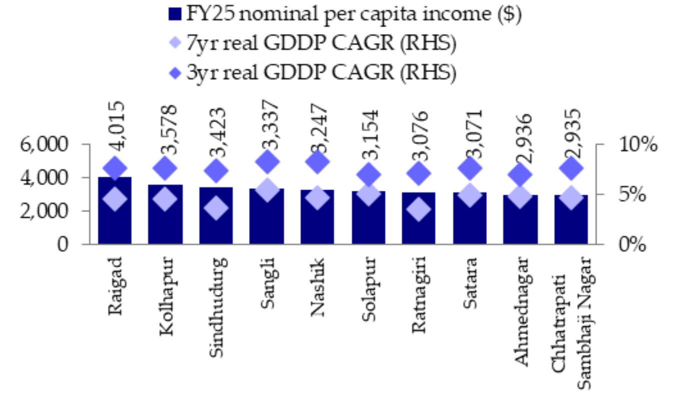


Exhibit 99: District-wise sectoral drivers

District	Per capita FY25 ($)	Top 3 sub-sectors Nominal % contribution FY23/5yr real CAGR		
Raigad	4,015	Real Estate 23/7%	Manufacturing 15/(0)%	Financial services 11/6%
Kolhapur	3,578	Real Estate 24/6%	Manufacturing 15/(1)%	Financial services 12/5%
Sindhudurg	3,423	Forestry 18/11%	Crops 17/(10)%	Real Estate 16/9%
Sangli	3,337	Real Estate 20/6%	Crops 14/6%	Manufacturing 13/(1)%
Nashik	3,247	Real Estate 23/6%	Manufacturing 15/(1)%	Crops 13/2%

Sources for above graphs: RBI, DES of states, Census 2011, MOSPI, HSIE Research

Rajasthan: (FY25 Rural GSDP: INR 13 tn)

- Rural Rajasthan has grown at 6.6% real CAGR during FY22-FY25, 10bps ahead of the overall state growth. Notably, nominal per capita is ~USD2,000 at the state level, with significant divergence across districts and a few rural districts even crossing the USD3,000 threshold.
- Growth has been driven by the industry and services sector (7.9/7.6% 3Y real CAGR). Within industry sector, manufacturing and construction have been key drivers, both contributing 38% each of the sector and growing at 9/8% real CAGR during FY22-FY25. While services sector growth has been driven by trade & hotels (contributing 28% to the sector and growing at 10% real CAGR). However, the agriculture sector has underperformed due to muted performance in crops and livestock, both contributing to 47% each of the sector and growing at only 4/3% real CAGR in the same mentioned period.

Exhibit 100: Rajasthan nominal GSDP (FY25: INR 13.1 tn)

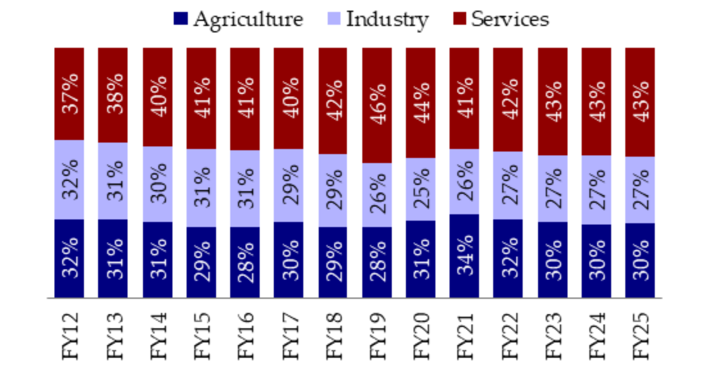


Exhibit 101: Rajasthan (%YoY growth rates)

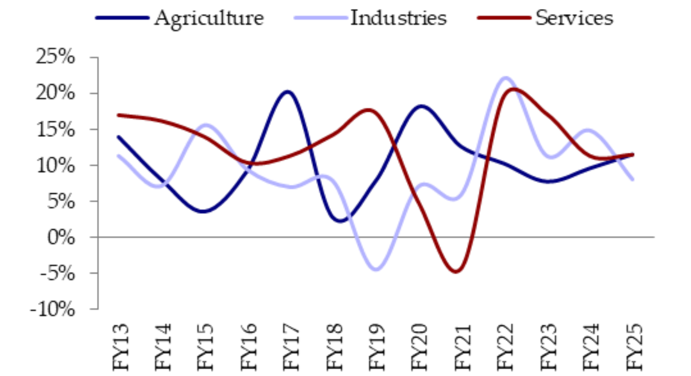


Exhibit 102: High contributing subsectors of Rajasthan

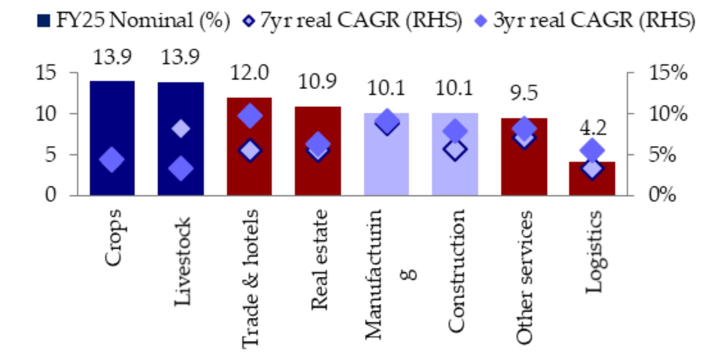


Exhibit 103: Rajasthan Nominal per capita income

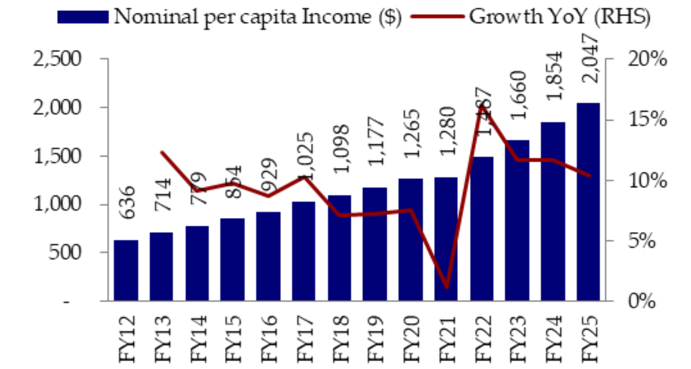


Exhibit 104: District-wise nominal per capita income

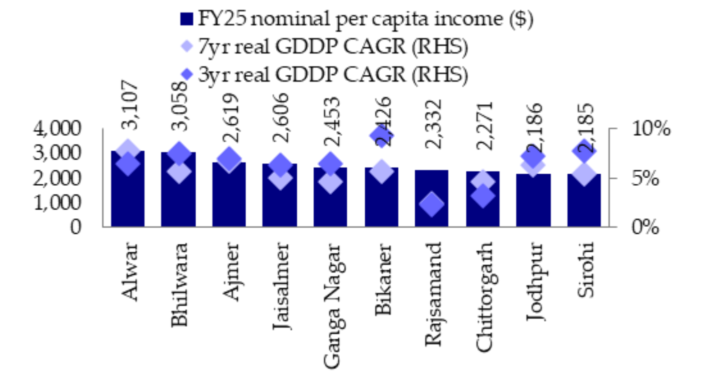


Exhibit 105: District-wise sectoral drivers

District	Per capita FY25 ($)	Top 3 sub-sectors Nominal % contribution FY22/5yr real CAGR		
Alwar	3,107	Manufacturing 44/9%	Construction 10/6%	Trade & hotels 9/4%
Bhilwara	3,058	Manufacturing 21/9%	Mining 21/(13)%	Livestock 10/7%
Ajmer	2,619	Trade & hotels 14/4%	Construction 14/6%	Manufacturing 13/11%
Jaisalmer	2,606	Crops 33/8%	Livestock 22/16%	Real estate 8/6%
Ganga Nagar	2,453	Crops 24/2%	Trade & hotels 16/4%	Other services 10/4%

Sources for above graphs: RBI, DES of states, Census 2011, MOSPI, HSIE Research

Tamil Nadu: (FY25 Rural GSDP: INR 11 tn)

- Rural Tamil Nadu has grown at 7.6% real CAGR during FY22-FY25, 100bps below the overall state growth. Notably, nominal per capita at the state level is ~USD2,700, with minimal divergences across the state; the lowest district is at USD2,000 with a few outliers north of USD4,000. One major thing to note about Tamil Nadu is that we see a trend of specialization, where top sub-sectors continue to sustain the growth momentum.
- Growth has been driven by the services and industry sectors (9.6/8% real CAGR respectively during FY22-FY25). It has been broad-based across sub-sectors. The agricultural sector underperformed led by soft performances across all sub-sectors but marginally offset by livestock (contributing 42% of the sector and growing at 4% CAGR during FY22-FY25).

Exhibit 106: Tamil Nadu nominal GSDP (FY25: INR 11.2 tn)

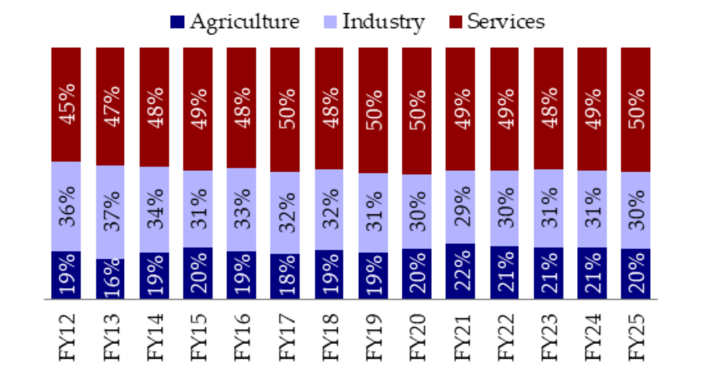


Exhibit 107: Tamil Nadu (%YoY growth rates)

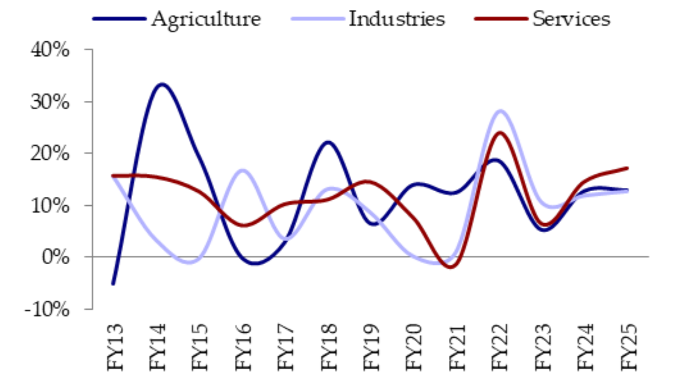


Exhibit 108: High contributing subsectors of Tamil Nadu

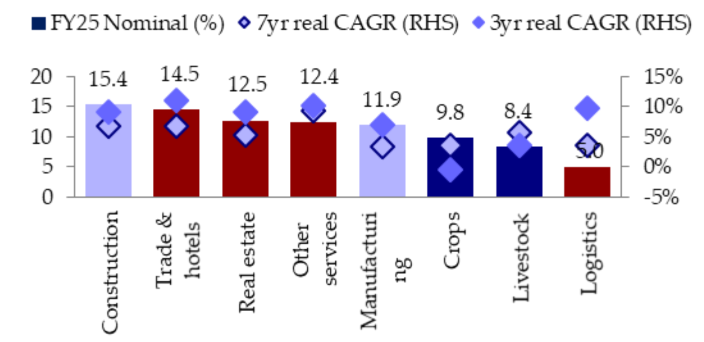


Exhibit 109: Tamil Nadu Nominal per capita income

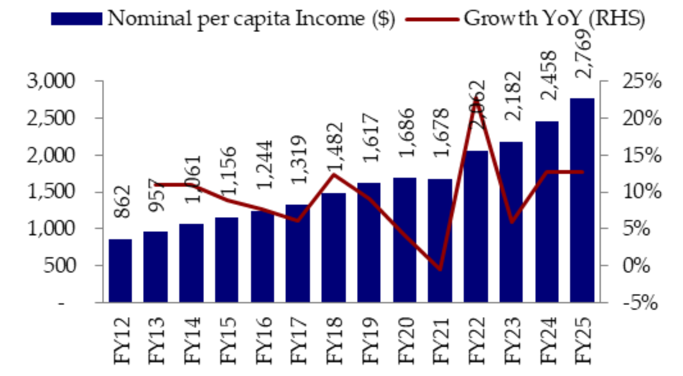


Exhibit 110: District-wise nominal per capita income

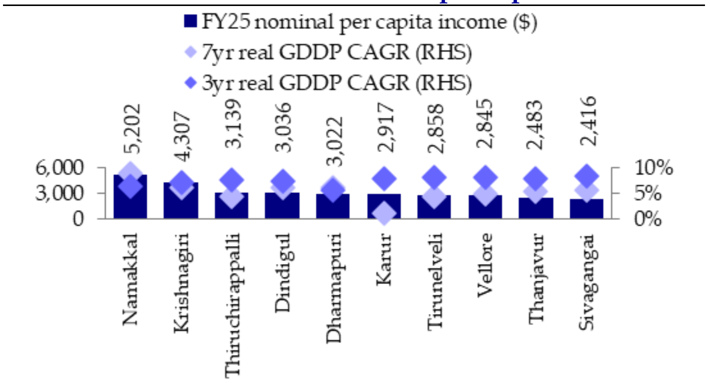


Exhibit 111: District-wise sectoral drivers

District	Per capita FY25 ($)	Top 3 sub-sectors Nominal % contribution FY22/5yr real CAGR		
Namakkal	5,202	Livestock 43/18%	Manufacturing 11/4%	Construction 8/4%
Krishnagiri	4,307	Manufacturing 36/6%	Crops 14/13%	Trade & hotels 11/7%
Thiruchirappalli	3,139	Real estate 20/5%	Trade, repair, hotels 16/4%	Construction 13/5%
Dindigul	3,036	Manufacturing 16/3%	Crops 15/9%	Construction 13/5%
Dharmapuri	3,022	Crops 24/15%	Construction 18/7%	Livestock 11/(3)%

Sources for above graphs: RBI, DES of states, Census 2011, MOSPI, HSIE Research

Uttar Pradesh: (FY25 Rural GSDP: INR 19 tn)

- Rural Uttar Pradesh has grown at 8.1% real CAGR during FY22-FY25, 120bps ahead of the overall state growth. Notably, nominal per capita is far below that of other states, at ~USD1,000, with stark divergence across districts. While a few rural districts crossed the USD1,500 threshold, nearly 60% remain below USD1,000.
- Growth has been driven by the industry sector (10.6% real CAGR during FY22-FY25), led by construction and mining, contributing 44/13% to the sector and growing at 12/35% real CAGR. Growth was offset by subdued performance by manufacturing (contributing 32% of the sector growing at a mere 1% real CAGR). While the services sector was stable, agriculture underperformed, owing to subdued performance in crops (contributing 65% of the sector and posting only 4% real CAGR). This was partly offset by healthy performance in the livestock segment (accounts for 26% of the sector, growing at 10% real CAGR in the mentioned period).

Exhibit 112: Uttar Pradesh nominal GSDP (FY25: INR 19.4 tn)

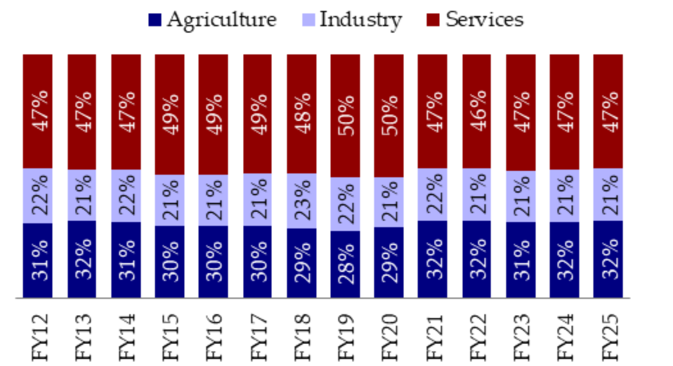


Exhibit 113: Uttar Pradesh (%YoY growth rates)

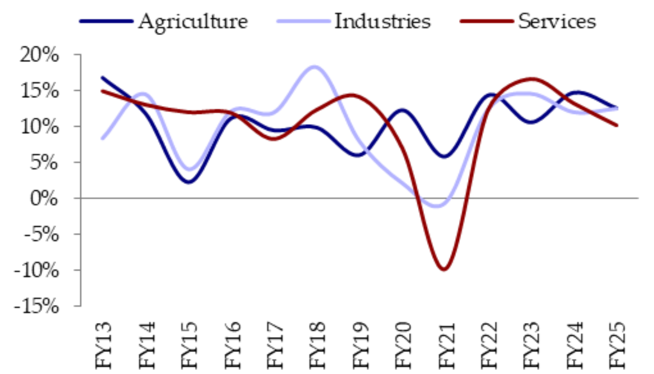


Exhibit 114: High contributing subsectors of Uttar Pradesh

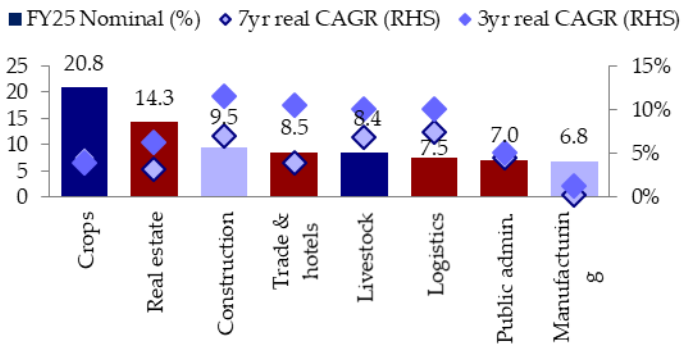


Exhibit 115: Uttar Pradesh Nominal per capita income

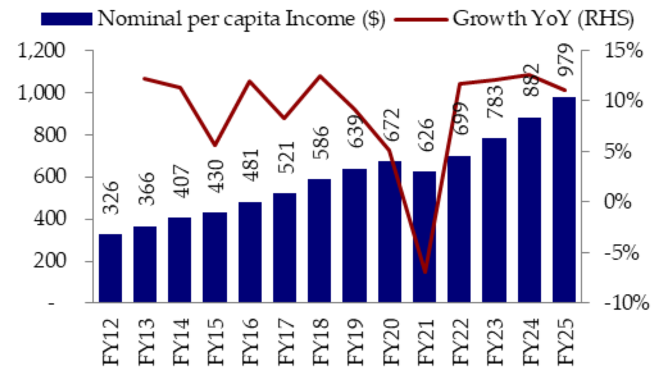


Exhibit 116: District-wise nominal per capita income

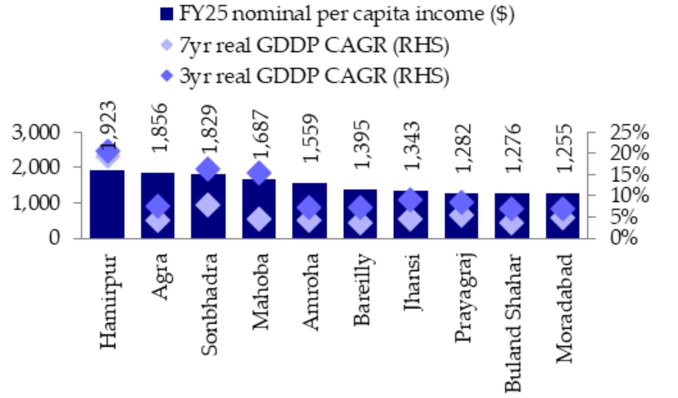


Exhibit 117: District-wise sectoral drivers

District	Per capita FY25 ($)	Top 3 sub-sectors Nominal % contribution FY22/5yr real CAGR		
Hamirpur	1,923	Mining 28/114%	Crops 16/1%	Trade & hotels 14/14%
Agra	1,856	Construction 21/6%	Manufacturing 18/6%	Real estate 12/6%
Sonbhadra	1,829	Utilities 32/88%	Mining 13/5%	Trade & hotels 11/3%
Mahoba	1,687	Mining 20/(1)%	Crops 17/4%	Trade & hotels 15/3%
Amroha	1,559	Construction 22/7%	Crops 22/9%	Manufacturing 15/3%

Sources for above graphs: RBI, DES of states, Census 2011, MOSPI, HSIE Research

Exhibit 118: State-wise business presence of select HSIE coverage universe companies

Company	Metric	HSIE Rating	Andhra Pradesh	Karnataka	Kerala	Madhya Pradesh	Maharashtra	Rajasthan	Tamil Nadu	Uttar Pradesh	Others
Avenue Supermart	Store count	ADD	10%	10%		6%	28%	5%	6%		35%
Sapphire Foods (KFC, Pizza Hut)	Store count	ADD	1%	8%	3%	4%	24%		23%	4%	34%
Trent (Zudio, Westside)	Store count	SELL	4%	10%	7%	3%	15%	4%	6%	7%	45%
Aditya Birla Fashion and Retail	Store count	SELL	3%	8%	1%	3%	12%	2%	8%	10%	52%
Metro Brands (Metro, Mochi, Crocs)	Store count	SELL	2%	11%	5%	3%	16%	5%	7%	8%	43%
Ashok Leyland	Volumes	BUY	5%	10%	3%	3%	15%	6%	16%	5%	37%
TVS Motors	Volumes	ADD	3%	8%	3%	6%	10%	5%	11%	15%	39%
Ather Energy	Volumes	BUY	5%	26%	13%	3%	14%	4%	13%	3%	19%
City Union Bank Limited	Branches	BUY	4%	2%	2%			0%	88%	0%	4%
Federal Bank Ltd	Branches	BUY	1%	6%	56%	0%	4%	0%	19%	1%	12%
Kotak Mahindra Bank Ltd.	Branches	BUY	9%	11%	3%	3%	19%	4%	5%	5%	40%
Karur Vysya Bank Ltd	Branches	ADD	17%	3%	2%				70%	0%	7%
RBL Bank Ltd	Branches	REDUCE	3%	12%	4%	7%	31%	4%	9%	1%	28%
Indian Bank	Branches	BUY	5%	1%	4%	4%	2%	2%	22%	21%	39%
Bank of Maharashtra	Branches	BUY	1%	2%	3%	9%	54%	2%	3%	3%	23%
Medplus	Store count	BUY	11%	21%	0%	0%	12%		21%		35%

Sources: Companies, RBI, Vahan, HSIE Research

*Trent data is as of FY24

**Bank branches excluding metro and urban branches

Disclosure:
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Unit No. 1602, 16th Floor, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
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