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Economy Watch

Monitoring India's macro-fiscal performance

November 2022

Building a better working world

Contents

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Highlights

1. In October 2022, PMI indicated an expansion in both manufacturing and services with their respective levels at 55.3 and 55.1.

2. IIP grew by 3.1% in September 2022, recovering from a contraction of (-)0.7% in August 2022.

3. CPI inflation fell to 6.8% in October 2022 from 7.4% in September 2022 due to lower inflation in food items.

4. WPI inflation moderated to 8.4% in October 2022 from 10.7% in September 2022, led by high base effect and broad-based easing of price pressures.

5. GoI's gross tax revenues (GTR) grew by 17.6% during 1HFY23, with growth in direct taxes at 23.5% and that in indirect taxes at 11.8%.

6. During 1HFY23, GoI's total expenditure grew by 12.2% with growth in revenue expenditure at 6% and that in capital expenditure at 49.5%.

7. During 1HFY23, GoI's fiscal and revenue deficits relative to BE stood at 37.3% and 31.4% respectively.

8. Gross bank credit grew by 15.3% in September 2022 as compared to 14.3% in August 2022.

9. Merchandise exports contracted for the first time since March 2021 by (-)16.6% in October 2022 whereas merchandise imports growth decelerated to 5.7%, its lowest level since February 2021.

10. Merchandise trade deficit remained elevated at US$(-)26.9 billion in October 2022.

11. Net FDI inflows fell to US$6.6 billion in 2QFY23 from US$13.7 billion in 1QFY23.

12. Average global crude price increased to US$90.3/bbl. in October 2022 from an eight-month low of US$88.2/bbl. in September 2022.

13. The IMF, in its October 2022 release of the World Economic Outlook, has projected global growth at 3.2% in 2022, with India's FY23 growth forecasted at 6.8%.

Foreword

With falling inflation and improved revenues, GoI is well placed for the FY24 Budget

Inflation appears to be moderating. Global crude prices have averaged US$91.5/bbl. in the preceding three months from August to October 2022, after having reached a peak of US$116.8/bbl. in June 2022. The price of the Indian crude basket has averaged US$93.3/bbl. during the period August to October 2022. GoI's GTR has grown by 17.6% during 1HFY23. If this momentum is maintained for the latter half of the fiscal year, GoI would have a much larger gross tax collection in FY23 as compared to the actual revenues in FY22. In fact, the budgeted FY23 growth in GoI's GTR over CGA's FY22 actuals is only 1.8%. Thus, the GoI would be comfortably placed in terms of fiscal resources and in terms of growth and inflation profiles for the preparation of the FY24 Budget.

CPI inflation moderated to 6.8% in October 2022 from 7.4% in September 2022 due to lower inflation in food items. However, the October 2022 level remained above 6%, which is the upper tolerance limit of the RBI. Consumer food inflation fell to an eight-month low of 7% in October 2022 led by lower inflation in vegetables at 7.8% as compared to 18.2% in September 2022. Core CPI inflation remained stable for the second successive month at an elevated level of 6.2% in October 2022. WPI inflation eased to a single digit level of 8.4% in October 2022 after 19 months, led by high base effect and broad-based easing of price pressures. In comparison, in September 2022, it was at 10.7% in September 2022.

During 1HFY23, while direct taxes grew by 23.5%, indirect taxes showed a growth of 11.8%. Among indirect taxes, GoI's GST revenues showed a strong growth of 33.4% during April-September FY23. Strong revenue performance facilitated a higher capital spending by the GoI and also contained the 1HFY23 fiscal deficit at 37.3% of the annual budgeted target. Capital expenditure showed a strong growth of 49.5% during 1HFY23 while revenue expenditure grew by 6%. The emphasis on prioritizing government capital expenditure with a focus on infrastructure expansion would support both short- and medium-term growth in India.

The RBI expects the Indian economy to grow by 7% in FY23. The IMF (October 2022) and the OECD's (November 2022) projections are slightly lower at 6.8% and 6.6% respectively. Nonetheless, India has been acknowledged as the global growth leader among major economies in the world. High frequency indicators continue to signal the ongoing economic recovery in the Indian economy. Headline manufacturing PMI increased to 55.3 in October 2022 from 55.1 in September 2022. The October 2022 level was higher than its long run average at 53.7 and largely reflected a stronger increase in employment and stocks of purchases. PMI services also expanded for the fifteenth successive month, with its level increasing from 54.3 in September 2022 to 55.1 in October 2022, outpacing its long run average. As per the data released by Federation of Automobile Dealers Associations (FADA), all-India retail sales of vehicles showed a y-o-y growth of 47.6% in October 2022 as compared to 10.9% in September 2022 largely due to a favorable base effect. When compared to the pre-COVID-19 month of October 2019, total vehicle retail sales turned positive for the first time with a growth of 8% in October 2022. Outstanding bank credit by SCBs showed a strong growth of 17.9% in the week ended 21 October 2022. Gross GST collections reached a six-month high level of INR1.52 lakh crore in October 2022, increasing from INR1.47 lakh crore in September 2022.

It is imperative to recognize that India's growth is going to be largely driven by domestic demand. The contribution of net exports to real GDP growth may remain negative in FY23. As per available information, merchandise exports contracted for the first time since March 2021 by (-)16.6% in October 2022, reflecting global recessionary conditions. Merchandise imports growth decelerated to 5.7% in October 2022, its lowest level since February 2021, due to a broad-based fall across categories. Services trade surplus increased to an all-time high of US$11.9 billion in September 2022.

With respect to medium term growth prospects, it is important to signal a return to fiscal consolidation after the upsurge in the fiscal deficit to GDP ratio during the pandemic and the subsequent years. GoI's fiscal deficit was at 9.2% of GDP in FY21, and at 6.7% in FY22. In FY23, GoI is well-placed to adhere to the budgeted fiscal deficit level of 6.4% of GDP. However, these numbers imply that for three successive years, GoI's fiscal deficit to GDP ratio was more than double the FRBMA (2018) target of 3%. Correspondingly, the debt-GDP ratio of the central government has also increased from 51% in FY20 to 61% in FY21. It is estimated at a high level of 58.5% in FY22 (RE) and 59% in FY23 (BE). This implies a higher interest payment to GDP ratio. The burden of interest payment would be high both because of the pressure on interest rate and relatively higher debt levels. In order to create fiscal space for the future, it is important for the FY24 Union Budget to target a reduction of at least 1% point as compared to the FY23 budgeted fiscal deficit. Alongside, the central government may lay out a credible glide path for reducing its fiscal deficit and debt relative to GDP. This would facilitate maintaining a robust medium-term growth for the Indian economy along with improved fiscal room for supporting growth.

The FY24 Union Budget may continue supporting the poor through well-targeted subsidies and income support with policy emphasis on health and education services, along with infrastructure expansion. The In-Focus section of this issue discusses in detail, India's success in reducing extreme and multidimensional poverty. This achievement, which has been underlined by three recent 2022 reports published by the UNDP and the IMF as well as the World Poverty Clock, has been facilitated by support from various government policies including food subsidies and subsidization of services relating to health, education, water, and sanitation.

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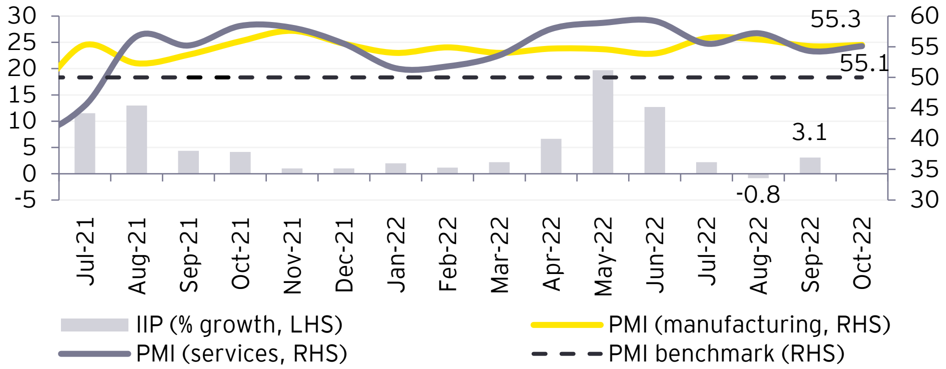
1. Growth: PMI signaled a strong expansion in private sector output in October 2022

A. PMI: signaled a strong expansion in both manufacturing and services in October 2022

- Headline manufacturing PMI (seasonally adjusted (sa)) increased to 55.3 in October 2022 from 55.1 in September 2022 **(Chart 1)**. The October 2022 level was higher than its long run average at 53.7, reflecting stronger increases in employment and stocks of purchases.
- PMI services also expanded for the fifteenth successive month, with its level increasing from 54.3 in September 2022 to 55.1 in October 2022, outpacing its long run average.
- Indicating a stronger growth in private sector output, the composite PMI Output Index (sa) increased from 55.1 in September 2022 to 55.5 in October 2022, led by a relatively stronger improvement in the services sector activity.

Chart 1: PMI and IIP growth



Source: MoSPI and S&P Global.

In October 2022, PMI indicated a strong expansion in both manufacturing and services with their respective levels at 55.3 and 55.1.

B. IIP: grew by 3.1% in September 2022

- The quick estimates of IIP, released by the MoSPI on 11 November 2022, showed a growth of 3.1% in September 2022, recovering from a contraction of (-)0.7% (revised) in August 2022 **(Chart 1)**. In 2QFY23, as the base effect waned, IIP posted a low growth of 1.5% as compared to 12.8% in 1QFY23.
- Among the sub industries, electricity output showed the highest growth of 11.6% in September 2022 as compared to 1.4% in August 2022. This was followed by mining output, which grew by 4.6% in September 2022 after witnessing two successive months of contraction. Manufacturing output, with a share of 77.6% in the overall IIP, however, showed a low growth of 1.8% in September 2022, although emerging from a contraction of (-)0.5% in August 2022.
- As per the 'Use-based' classification of industries, output of capital goods showed a strong growth of 10.3% in September 2022 as compared to 4.3% in August 2022. Similarly, growth in the output of infrastructure/construction goods improved to 7.4% in September 2022 from 2.1% in August 2022.
- Output of both consumer durables and non-durables, together accounting for 28.2% of overall IIP, contracted by (-)4.5% and (-)7.1% respectively in September 2022 following a contraction of (-)2.5% and (-)9.5% respectively in August 2022.
- According to provisional estimates, growth in the output of eight core infrastructure industries (core IIP) accelerated to a three-month high of 7.9% in September 2022, increasing from 4.1% in August 2022. This was due to a favorable base effect and an improvement in the output growth of cement (12.1%), coal (12.0%), electricity (11.0%) and steel (6.7%). However, output of crude oil ((-)2.3%) and natural gas ((-)1.7%) continued to contract in September 2022.

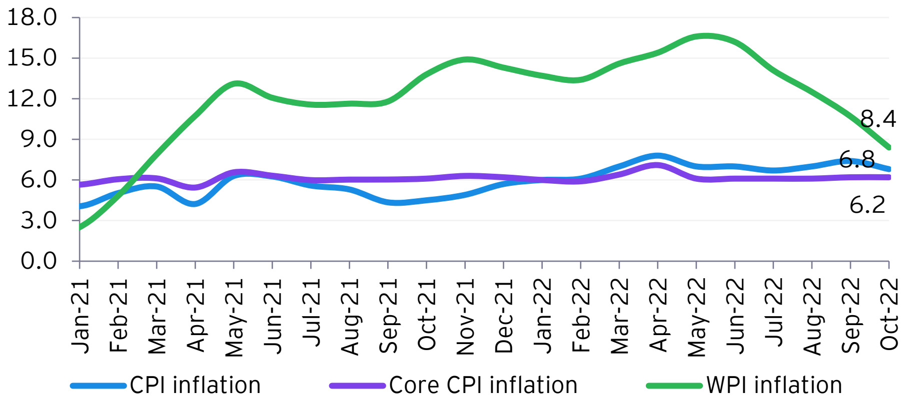
IIP grew by 3.1% in September 2022, recovering from a contraction of (-)0.7% in August 2022.

2. Inflation: CPI inflation eased to 6.8% in October 2022

CPI inflation moderated to 6.8% in October 2022 from 7.4% in September 2022 due to lower inflation in food items (Chart 2).

- Consumer food inflation fell to an eight-month low of 7.0% in October 2022 led by lower inflation in vegetables at 7.8% as compared to 18.2% in September 2022. This moderation in inflation in vegetables was led by a) a contraction in the prices of onion by (-)26.8%, the fastest pace of contraction in the last 11 months, and b) inflation in tomatoes falling to a 12-month low of 13.9%.
- Inflation in cereals and products, and spices increased for the fifth successive month to 105-month high levels of 12.1% and 18.0% respectively in October 2022.
- Inflation in transportation and communication services fell to a 31-month low of 4.6% in October 2022 as prices of petrol and diesel contracted by (-)3.7% and (-)6.9% respectively in October 2022 as compared to (-)0.1% and (-)1.9% in September 2022. This was mainly due to a high base effect.
- Fuel and light-based inflation remained high at 9.9% in October 2022 as compared to 10.4% in September 2022 on account of elevated levels of inflation in kerosene and LPG.
- Inflation in clothing and footwear remained stable at a 112-month high level of 10.2% in October 2022.
- Core CPI inflation[1] remained stable at a six-month high level of 6.2% in October 2022.

Chart 2: Inflation (y-o-y, in %)



Source: MoSPI, Office of the Economic Adviser, Government of India (GoI)

CPI inflation at 6.8% in October 2022 remained above the RBI's 6% upper tolerance limit for the tenth successive month, although easing from its level of 7.4% in September 2022.

WPI inflation fell to 8.4% in October 2022 from 10.7% in September 2022, led by a high base effect and broad-based easing of price pressures.

- Inflation in manufactured products eased to a 23-month low of 4.4% in October 2022, mainly reflecting broad-based moderation in inflation across categories, partly due to a higher base. Inflation in manufactured basic metals eased to a 27-month low of 1.3% in October 2022.
- Inflation in fuel and power fell to an 18-month low of 23.2% in October 2022, reflecting lower inflation in mineral oils, which eased to 29.1%, its lowest level since April 2021. Within mineral oils, inflation in diesel prices was at 43.1% in October 2022, its lowest level since May 2021.
- WPI food index-based inflation eased to a 12-month low of 6.5% in October 2022 as inflation in vegetables fell to an 11-month low of 17.6% and that in fruits to a 14-month low of 0.2%.
- Core WPI inflation moderated to a 22-month low of 4.7% in October 2022, mainly due to lower inflation in manufactured basic metals.

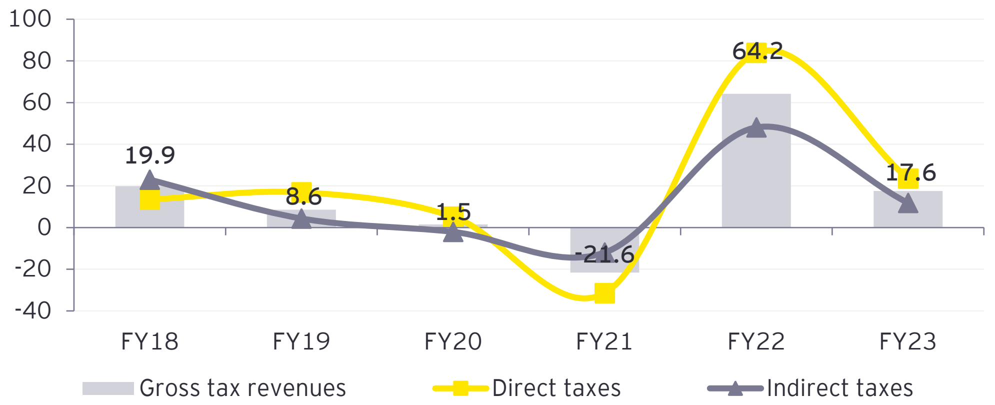
[1] Core CPI inflation is measured in different ways by different organizations/agencies. Here, it has been calculated by excluding food, and fuel and light from the overall index.

3. Fiscal: union government's capital expenditure grew by 49.5% during 1HFY23

A. Tax and non-tax revenues

- As per the CGA, the central government's GTR[b] grew by 17.6% during 1HFY23. GTR had shown a high growth of 64.2% during the corresponding period of FY22 mainly due to a favorable base effect **(Chart 3).**
- GoI's GTR during April-September FY23 stood at 50.5% of the annual budget estimate (BE), close to the corresponding ratio at 53.4% in FY22. During FY01 to FY21, this ratio had averaged relatively lower at 38.7%.
- During 1HFY23, direct taxes[a] showed a growth of 23.5% while indirect taxes[a] grew by 11.8%. Owing to considerable base effects, growth in direct and indirect taxes during the corresponding period of FY22 was high at 83.9% and 48.1% respectively.
- Both corporate income tax (CIT) and personal income tax (PIT) revenues showed strong growth rates of 21.6% and 25.7% respectively during April-September FY23. In comparison, these taxes showed a growth of 105.1% and 64.7% during the corresponding period of FY22.
- Among indirect taxes, central government's GST revenues[c] showed a growth of 33.4% during 1HFY23 as compared to 42.4% during the corresponding period of FY22.
- Union excise duties (UED) showed a contraction of (-)18.5% during April-September FY23 as compared to a growth of 33.3% during the corresponding period of the previous year.
- Customs duties also contracted by (-)6.9% during April-September FY23 as compared to a growth of 129.6% during April-September FY22 that reflected strong base effects.
- Due to a higher outgo to states, growth in GoI's net tax revenues during 1HFY23 was at 9.9% as compared to 100.8% during the corresponding period of FY22.

Chart 3: Growth in central gross tax revenues during April-September (%, y-o-y)



Central government's GTR grew by 17.6% during 1HFY23, with growth in direct taxes at 23.5% and that in indirect taxes at 11.8%.

Source: Monthly Accounts, CGA, Government of India
Notes: (a) Direct taxes include personal income tax and corporation tax, and indirect taxes include union excise duties, arrears of service tax, customs duty, and GST (comprising CGST, UTGST, IGST and GST compensation cess) (b) Other taxes (securities transaction tax, wealth tax, fringe benefit tax, banking cash transaction tax, etc.) are included in the GoI's GTR along with direct and indirect taxes, (c) IGST revenues are subject to final settlement.

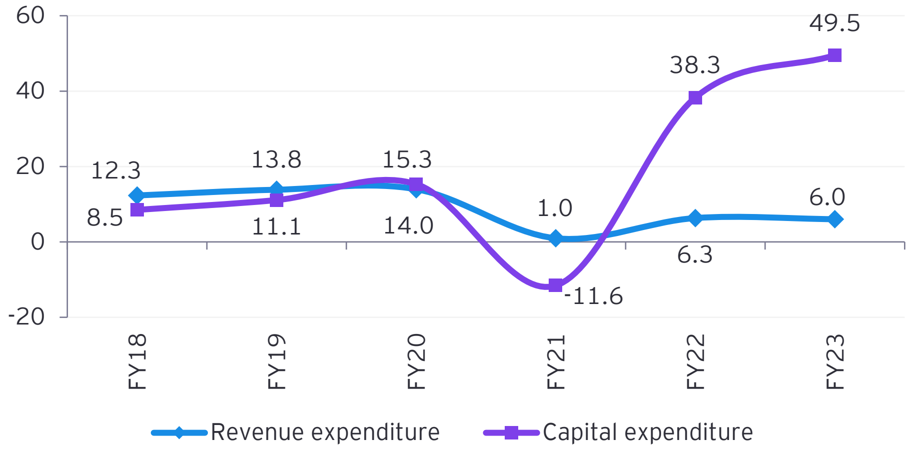
- GoI's non-tax revenues showed a contraction of (-)1.7% during 1HFY23. Non-tax revenues during the first six months of FY23 stood at 58.4% of the annual BE as compared to the corresponding ratio at 66% during April-September FY22.
- Non-debt capital receipts of the GoI during 1HFY23 stood at 43.1% of the annual BE as compared to the corresponding ratio of 9.6% during FY22.
- As per DIPAM[2], disinvestment receipts up to 23 November 2022 stood at INR24,543.7 crore, that is 37.7% of the FY23 BE at INR65,000 crore.

[2] https://dipam.gov.in/

B. Expenditures: revenue and capital

- GoI's total expenditure grew by 12.2% during 1HFY23 as compared to 9.9% during the corresponding period of FY22.
- Revenue expenditure grew by 6% during April-September FY23 as compared to 6.3% during April-September FY22.
- Supported by strong revenue performance, GoI's capital expenditures showed a high growth of 49.5% during April-September FY23. This was significantly higher than the corresponding growth rates in recent years **(Chart 4)**.

Chart 4: Growth in central expenditures during April-September (%, y-o-y)



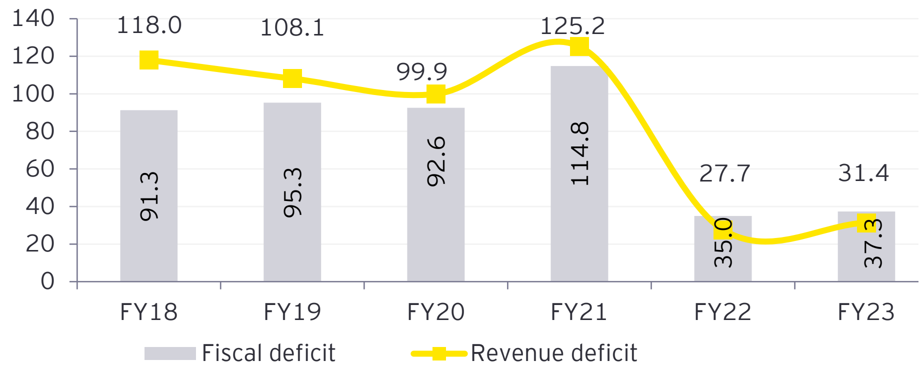
During 1HFY23, GoI's total expenditure grew by 12.2% with growth in revenue expenditure at 6% and that in capital expenditure at 49.5%.

Source (basic data): Monthly Accounts, CGA, Government of India

C. Fiscal imbalance

- GoI's fiscal deficit during 1HFY23 stood at 37.3% of the annual BE, slightly higher than the corresponding ratio at 35% in FY22. However, this remains much lower than the corresponding ratios in recent years. Strong revenue performance of the GoI largely enabled a low level of fiscal deficit relative to BE during this period (**Chart 5**).
- GoI's revenue deficit during April-September FY23 was at 31.4% of the annual BE as compared to 27.7% during the corresponding period of FY22. Revenue deficit during the first six months as a proportion of BE in FY23 was the lowest, considering the period FY01 to FY21.

Chart 5: Fiscal and revenue deficit during April-September as percentage of BE



During 1HFY23, GoI's fiscal and revenue deficits relative to BE stood at 37.3% and 31.4% respectively.

Source: Monthly Accounts, CGA, Government of India and MoSPI.

4. Comparative trends: IMF projected India's general government debt to GDP ratio at 83.4% in FY23

General government net lending/borrowing

- As per the IMF, general government fiscal deficit in advanced as well as emerging markets and developing economies (AEs and EMDEs) have fallen in 2021 and 2022 from their high levels in 2020. However, these have still remained above the pre-pandemic levels.
- Fiscal deficits relative to GDP in AEs and EMDEs are expected to remain elevated during the projection period largely because of higher spending due to relatively high food and energy prices, and partial recovery of government revenues, particularly in EMDEs.
- The high fiscal deficit relative to GDP for AEs is mainly driven by the US where this ratio is projected to average (-)6.4% during 2022 to 2027 as compared to (-)4.6% during the pre-pandemic period from 2014 to 2019.

Table 1: General government net lending/borrowing (% to GDP)

Country	2022	2023	2024	2025	2026	2027
AEs	**-3.6**	**-3.7**	**-3.8**	**-4.0**	**-4.0**	**-3.8**
US	-4.0	-5.7	-6.6	-7.4	-7.3	-7.1
UK	-4.3	-2.3	-1.5	-1.4	-1.3	-1.0
Euro area	-3.8	-3.3	-2.8	-2.6	-2.5	-2.5
Japan	-7.9	-3.6	-2.5	-2.5	-2.6	-2.6
EMDEs	**-6.1**	**-5.4**	**-5.4**	**-5.3**	**-5.2**	**-5.1**
Brazil	-5.8	-7.5	-6.8	-5.9	-5.4	-4.8
Russia	-2.3	-2.1	-1.2	-0.4	-0.1	0.04
India*	-9.9	-9.0	-8.5	-7.9	-7.5	-7.3
China	-8.9	-7.2	-7.5	-7.3	-7.2	-7.1
South Africa	-4.9	-5.4	-6.2	-6.6	-7.0	-7.5

Source: IMF World Economic Outlook, October 2022; *data pertains to fiscal year
Note: -ve implies a deficit and +ve implies a surplus

- Among EMDEs, the fiscal prospects for oil exporting economies starkly vary from those of oil importing economies. Oil exporting economies are projected to have fiscal surpluses because of higher oil revenues. Despite sanctions, Russia is also expected to gain from this and witness a falling fiscal deficit up to 2026, after which a small surplus is expected in 2027.
- On the other hand, oil importing economies like India and China are expected to face high fiscal deficit. In China, fiscal deficit to GDP ratio is projected to average (-)7.5% during 2022 to 2027 as compared to (-)3.4% during the pre-pandemic period from 2014 to 2019. Similarly for India, the average fiscal deficit relative to GDP during FY23 to FY28 is projected at (-)8.4%, which is up from (-)6.9% during FY15 to FY20.
- Apart from the US and South Africa, general government fiscal deficit relative to GDP in all other selected countries is projected to steadily decline from 2022 to 2027 **(Table 1)**.

General government gross debt

- In AEs, general government debt relative to GDP is projected at 112.4% in 2022, lower than the recent peak witnessed in 2020 but still higher than the pre-pandemic levels **(Table 2)**.
- In EMDEs, government debt to GDP ratio is projected to increase further from its 2020 level of 63.7%. By 2027, this ratio is forecasted to reach a level of 76.2%.
- To deal with the rising food and energy prices, many countries have implemented new measures including price subsidies, tax cuts and cash transfers to help households.

Table 2: General government gross debt (% to GDP)

Country	2022	2023	2024	2025	2026	2027
AEs	**112.4**	**111.3**	**111.8**	**112.7**	**113.3**	**114.0**
US	122.1	122.9	126.0	129.4	132.2	134.9
UK	87.0	79.9	76.7	73.7	70.6	68.0
Euro area	93.0	91.3	89.8	88.8	88.1	87.8
Japan	263.9	261.1	260.3	260.7	262.0	263.4
EMDEs	**64.5**	**67.5**	**70.2**	**72.7**	**74.6**	**76.2**
Brazil	88.2	88.9	90.6	92.2	93.2	93.3
Russia	16.2	16.9	16.4	15.3	13.9	12.5
India*	83.4	83.8	84.1	83.8	83.4	83.0
China	76.9	84.1	89.8	94.8	99.2	102.8
South Africa	68.0	70.7	73.7	76.8	80.2	83.8

Source: IMF World Economic Outlook, October 2022; *data pertains to fiscal year

- Among AEs, while Japan's government debt relative to GDP is projected to remain broadly stable at high levels, this is expected to fall in the UK and Euro area. In contrast, the US is expected to witness an increase in its government debt to GDP ratio that is expected to reach a level of 134.9% by 2027.
- Among EMDEs, India's government debt relative to GDP is forecasted to remain in a narrow range of 83% to 84% during the forecast period. A sharp increase is forecasted for China, followed by Brazil and South Africa. In China's case, government debt relative to GDP is projected to cross 100% in 2027.

5. In focus: India's success in reducing multidimensional poverty

Introduction

A recent UNDP Report[3] has highlighted India's relative success in bringing down multidimensional poverty quite significantly during the period 2005-06 to 2019-21. The Report indicated that India was successful in bringing 415 million people above the poverty line during this period. According to the definitions used by the UN, the poverty headcount ratio in the multidimensional measurement of poverty was reduced from 55.1% in 2005-06 to 16.4% in 2019-21. It was also recognized that the Sustainable Development Goal (SDG) target 1.2 – *"reducing at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions by 2030"* is within reach. It was observed that the fastest reduction in poverty happened for the poorest states and groups (children, lower castes and those living in rural areas), although the data do not reflect post-pandemic changes.

Simulations in 2020 suggested that the COVID-19 pandemic had set the progress in reducing the Multidimensional Poverty Index (MPI) values back by between 3 to 10 years. More recent data indicate that the setback at the global level is likely to be on the higher end of this range.

1. Understanding multidimensional poverty: the 2022 UNDP Report findings

The conventional measurement of poverty related to a single dimension of purchasing power of households generally captured by income. These measures led to summary indices such as the headcount ratio, the poverty gap ratio and the FGT index[4]. In subsequent literature, these measures have been supplemented by considering multi-dimensional aspects of poverty. These initiatives were undertaken by institutions such as the United Nations Development Programme (UNDP) and the Oxford Poverty and Human Development Initiative (OPHI). They provided a platform for cross-country comparison of poverty levels and reduction in these over time. The 2010 study compared 104 countries covering 5.2 billion people[5]. The latest study published in 2022 compared poverty reduction achievements across 111 countries covering 6.1 billion people.

These studies were based on three dimensions namely, health, education, and living standards. In turn, these were captured by 10 indicators closely aligned to the SDGs developed by the UNDP. **Table 3** summarizes these three broad dimensions along with the ten related indicators and the relative weights assigned to these.

Equal weights are assigned to the three broad dimensions. For health and education, there are two indicators each, which are given a weight of 1/6 each. With regards to the dimension pertaining to living standards, there are six indicators, and these have been individually given a weight of 1/18. For each person, a deprivation score is first created by adding up the weights of each indicator the person is deprived in, thus reflecting the percentage of a person's weighted deprivations. An MPI poor is defined as someone who experiences one-third of the weighted deprivations or more, severely poor as someone with half or more, and vulnerable as someone with greater than 20% but less than one-third.

Table 3*: Dimensions, indicators, deprivation cutoffs, and weights of the Global MPI (2018, 2022)*

#	Poverty dimension	Indicator and SDG area	Deprived if…	Weight	SDG indicator
1	Health	Nutrition	Any person under the age of 70 for whom there is nutritional information is undernourished.	1/6	SDG 2
		Child mortality	Any child has died in the family in the five-year period preceding the survey.	1/6	SDG 3
2	Education	Years of schooling	No household member aged 10 years or older has completed six years of schooling.	1/6	SDG 4
		School attendance	Any school-aged child is not attending school up to the age at which he/she would have completed class 8.	1/6	SDG 4

[3] https://hdr.undp.org/system/files/documents/hdp-document/2022mpireportenpdf.pdf
[4] Foster, J., Greer, J., Thorbecke, E.: A class of decomposable poverty measures. Working Paper No. 243, Department of Economics, Cornell University (1981).
[5] https://www.ophi.org.uk/wp-content/uploads/MPI_One_Page_final_updated.pdf

3	Living standards	Cooking fuel	The household cooks with dung, wood or charcoal.	1/18	SDG 7
		Sanitation	The household's sanitation facility is not improved (according to SDG guidelines) or it is improved but shared with other households.	1/18	SDG 11
		Drinking water	The household does not have access to improved drinking water (according to SDG guidelines), or where safe drinking water is at least a 30-minute walk from home, roundtrip.	1/18	SDG 6
		Electricity	The household has no electricity.	1/18	SDG 7
		Housing	The household has inadequate housing: the floor is of natural materials, or the roof or wall are of rudimentary materials.	1/18	SDG 11
		Assets	The household does not own more than one of these assets: radio, TV, telephone, computer, animal cart, bicycle, motorbike or refrigerator, and does not own a car or truck.	1/18	SDG 1

Source: Alkire, S., Oldiges, C. and Kanagaratnam, U. (2018). "Multidimensional poverty reduction in India 2005/6–2015/16: still a long way to go but the poorest are catching up", OPHI Research in Progress 54a, University of Oxford.

The global MPI begins by constructing a deprivation profile for each household and the person in it. For example, a household and all people living in it are deprived if a) any child is stunted or any child or adult for whom data are available is underweight, b) if at least one child died in the past five years, c) if any school-aged child is not attending school up to the age at which he or she would have completed class 8 or no household member has completed six years of schooling, or d) if the household lacks (i) access to electricity, (ii) source of drinking water within a 30-minute walk round trip, (iii) sanitation facility that is not shared, (iv) non-solid cooking fuel, (v) durable housing materials, and (vi) basic assets such as a radio, animal cart, phone, television or bicycle.

Information relating to these criteria are aggregated into a summary index of poverty called MPI, which also captures the intensity of poverty faced by the households. An aggregate MPI is calculated by multiplying the incidence of poverty (H) and the average intensity of poverty (A). More specifically, H is the proportion of the population that is multi-dimensionally poor, while A is the average proportion of dimensions in which poor people are deprived. So, MPI = H x A, reflecting both the share of people in poverty and the degree to which they are deprived. A higher value of MPI indicates greater incidence of poverty.

MPI estimates for India: perspectives on poverty reduction

Table 4 gives the estimates of MPI and related aggregates for India. In 2005-06, 55.1% (H) of India's population was deprived in at least one-third of the 10 weighted indicators. These are counted as MPI poor. The headcount ratio had fallen to 27.7% in 2015-16 resulting in a reduction in the number of MPI poor people by 275 million. In 2019-21, the headcount ratio fell further to 16.4%. Correspondingly, the number of MPI poor fell by 140 million over the period 2015-16 to 2019-21. The intensity of poverty amongst the multi-dimensionally poor reduced to 44% during 2015-16 from 51.3% in 2005-06. In 2019-21, there was a further fall to 42%. As a result, the MPI has fallen by 0.214 points over the period 2005-06 to 2019-21, a decline of more than 75%.

Table 4: MPI estimates for India

Year	MPI (HxA)	Headcount ratio (H)	Number of MPI poor (million)	Intensity of poverty (A)	Vulnerable
2005-06	0.283	55.1%	646	51.3%	17.1%
2015-16	0.122	27.7%	371	44.0%	19.1%
2019-21	**0.069**	16.4%	231	42.0%	18.7%
Change (2005-06) - (2015-16)	0.161	27.4%	275	7.3%	-2.0%
Change (2015-16) - (2019-21)	0.053	11.3%	140	2.0%	0.4%
Change (2005-06) - (2019-21)	0.214	38.7%	415	9.3%	-1.6%

Source: "Global MPI Country Briefing 2018: India (South Asia)", Oxford Poverty and Human Development Initiative (OPHI), University of Oxford; Global Multidimensional Poverty Index 2022

Table 5 shows the contribution of the three dimensions of deprivation used for constructing the MPI. In 2019-21, with reference to the total MPI value of 6.9, the largest contribution came from deprivation with reference to living standards, followed by health and education. In the latest report (2022), while the total MPI value is given, its decomposition for the earlier years was not provided.

Table 5: Dimension-wise weighted contribution to multidimensional poverty in India

#	Dimension	2019-21	2015-16	2005-06
			Weighted index	Weighted index
1	Health	2.2	NA	NA
2	Education	1.9	NA	NA
3	Living standards	2.7	NA	NA
4	**Total** (=MPIx100)	**6.9**	**12.1**	**27.9**

Source (basic data): Global Multidimensional Poverty Index 2022 (UNDP, OPHI)

Rural and urban poverty

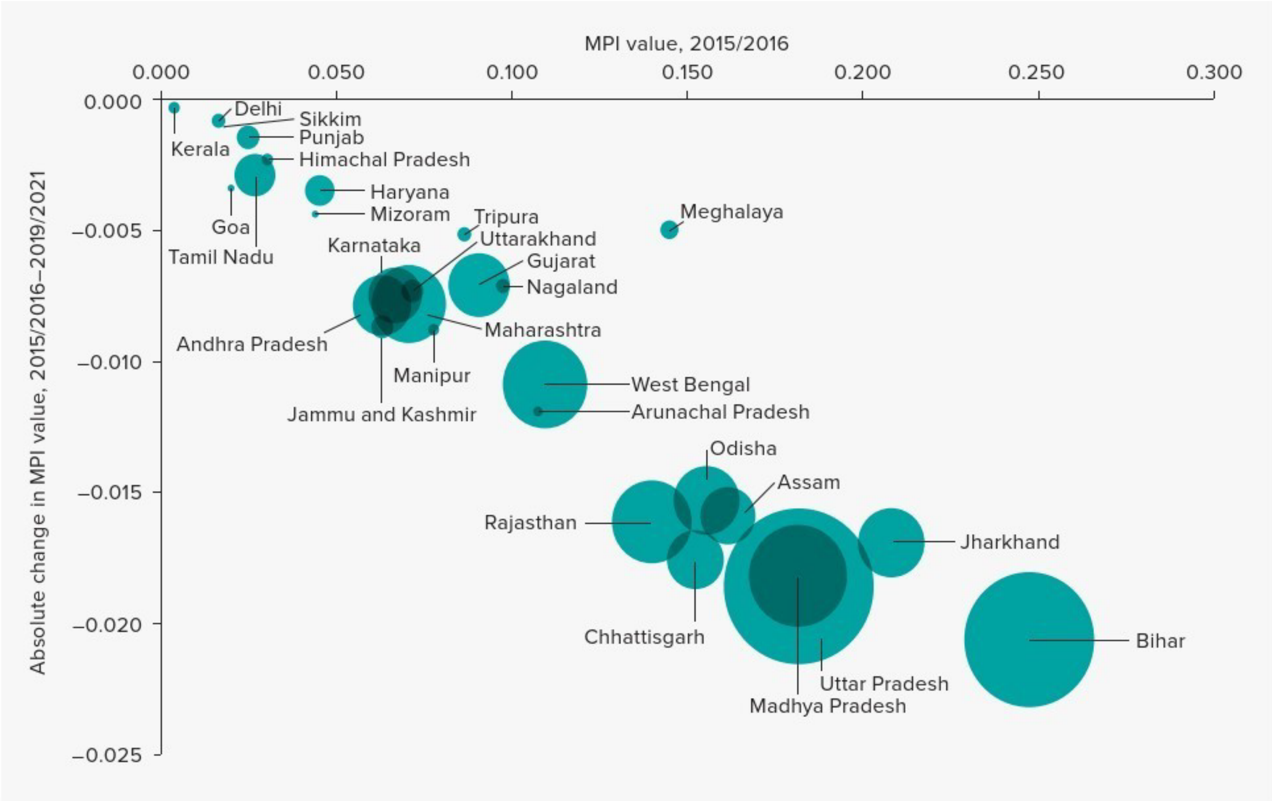
One of the key findings of the UNDP report (2022) is that for the poorest states and groups (children, lower castes and those living in rural areas), poverty reduced the fastest in absolute terms, although the data do not reflect post-pandemic changes. The incidence of poverty fell from 36.6% in 2015-2016 to 21.2% in 2019-2021 in rural areas and from 9% to 5.5% in urban areas. Rural disparities are comparatively pronounced. 90% of India's poor people live in rural areas and 10% in urban areas. In absolute numbers, 205 million of the nearly 229 million poor people live in rural areas. Only 23 countries among those covered have a higher proportion of poor people living in rural areas as compared to India.

In rural areas, the dimensions of poverty are often interlinked. Taking school attendance as an example, 1.9% of people (8.2 million) in urban areas are poor and living with an out-of-school child as compared with 4.8% (46.3 million) in rural areas. In rural areas, 82.4% of poor people who are deprived in school attendance live in households that are also deprived in housing, and 84.7% live in households that are also deprived in cooking fuel. The corresponding percentages in urban areas are 45.4% and 41.6%. In both rural and urban areas, nutritional deprivation is rampant, with around 60% of people experiencing it. Schooling programs such as the midday cooked meals scheme address some interlinked deprivations affecting out-of-school children while also supporting their educational attainment.

Poverty estimates: state-wise perspective

One of the key findings of the UNDP Report (2022) is that the incidence of multidimensional poverty got reduced the fastest in the poorest states **(Chart 6)**. Bihar, the poorest state in 2015-2016, saw the fastest reduction in its MPI value. The incidence of poverty there fell from 77.4% in 2005-2006 to 52.4% in 2015-2016 and further to 34.7% in 2019-2021. Across states and union territories, the fastest reduction in the MPI in relative terms was in Goa, followed by Jammu and Kashmir, Andhra Pradesh, Chhattisgarh and Rajasthan. Despite this improvement, in relative terms, the poorest states are still behind the rich states. Of the 10 poorest states in 2015-2016, only one (West Bengal) was not among the 10 poorest in 2019-2021. The rest of the states namely, Bihar, Jharkhand, Meghalaya, Madhya Pradesh, Uttar Pradesh, Assam, Odisha, Chhattisgarh and Rajasthan, remain among the 10 poorest.

Chart 6: State-wise MPI values from 2015-16 to 2019-20



Note: The size of the bubble is proportional to the number of poor people in 2015/2016.

Source: UNDP Global Multidimensional Poverty Index 2022

The impact of COVID-19 on multidimensional poverty

The 2020 global MPI report noted that the COVID-19 pandemic could set back the progress in poverty reduction by 3 to 10 years. The analysis built on microsimulations informed by data on school closures and food security published by the UN agencies in early 2020. Their recent estimates suggest that the most pessimistic scenarios are likely. Updated data from the United Nations Educational, Scientific and Cultural Organization show that, on average, students across the globe have lost half a year of schooling due to the pandemic. Even where school attendance has swiftly rebounded, the learning process has still been negatively affected in many cases, and some children never went back to school. Furthermore, the most recent data on food insecurity from the World Food Programme suggest that the number of people living in food crisis increased to 193 million in 2021 as compared to 135 million in 2020[6].

Poverty estimates: cross-country perspective

As compared to an MPI value of 0.069 for India, Bangladesh and Pakistan had higher MPI values of 0.104 and 0.198 respectively for the latest period. It was 0.091 for South Asia as a whole. **Table 6** compares multidimensional poverty with income poverty measured by the percentage of the population living below 2011 PPP US$1.9 per day. It shows that income poverty only tells a part of the story. The headcount or incidence of multidimensional poverty is 6.1% points lower than the incidence of income poverty. This implies that individuals living below the income poverty line may have access to non-income resources. **Table 6** also shows the percentage of India's population that lives in severe multidimensional poverty. The contributions of deprivations in each dimension to the overall poverty provide a comprehensive picture of people living in multidimensional poverty. It may be noted that India has the lowest incidence of population in severe MPI as compared to Bangladesh and Pakistan as also the South Asia region.

[6] The World Food Programme (WFP 2021)

Table 6: Poverty reduction: International perspectives

Country	Survey Year	MPI Value	Headcount ratio (%)	Intensity of deprivations (%)	Population share (%)			Contribution of deprivation in dimension to overall MDP (%)		
					Vulnerability to MPI	In severe MPI	Below income poverty line	Health	Education	Standard of living
India	2019-2021	0.069	16.4	42	18.7	4.2	22.5	32.2	28.2	39.7
Bangladesh	2019	0.104	24.6	42.2	18.2	6.5	14.3	17.3	37.6	45.1
Pakistan	2017-2018	0.198	38.3	51.7	12.9	21.5	3.6	27.6	41.3	31.1
South Asia	-	0.091	20.5	44.6	17.9	6.9	19	28	33.7	38.3

Source: UN

2. Pandemic poverty and inequality in India: key findings of a recent IMF study

Bhalla et al. (2022)[7] have recently provided findings based on some innovations toward the study of poverty in India. They cover the pandemic years of 2020 and 2021, highlighting the critical role of food subsidies in containing extreme poverty in India.

These estimates indicate that prior to the pandemic, in 2019, extreme poverty in India, using alternate methods, ranged between 1.4% (official MMRP method, PFCE growth) and 5.4% (outdated uniform recall method, state domestic product growth). According to the official MMRP method, poverty in the pre-pandemic year of 2019 was just 1.4%, implying a decline of 10.8% points since 2011-12. This indicates that India was close to eliminating extreme poverty prior to the pandemic. Bhalla et al. argue that even this low level of extreme poverty may be an overestimate since it ignores poverty removal because of the transfer of food rations (to now almost two-thirds of the population). In their estimate, extreme poverty was as low as 0.8% in 2019. Food transfers played an important role in ensuring that extreme poverty remained contained at a low level even in the pandemic year of 2020. Post-food subsidy inequality at 0.294 is now very close to its lowest level of 0.284 observed way back in 1993-94.

Charts 7 and **8** show the steady fall in the incidence of extreme poverty with reference to two benchmarks namely, a poverty line of PPP$1.9 and of PPP$3.2[8]. The fall is steady except for the pandemic years, when there is a slight increase in the incidence of poverty. The blue line indicates the impact of food transfers on reducing the incidence of poverty. Accordingly, with reference to the PPP$1.9 poverty line, extreme poverty fell to below 1% by 2020. Even with reference to the higher benchmark of PPP$3.2, poverty fell to about 14.8% and 18.1% in 2019 and 2020 respectively after inclusion of food subsidies. With reference to PPP$3.2 poverty line, there was an increase of 3.3% points as a result of the pandemic. In comparison, with reference to PPP$1.9 poverty line, the increase in the incidence of poverty due to the pandemic was only 0.1% points. This indicates that the food subsidy program was well targeted and had the necessary impact on the lowest income rungs of the society.

Chart 7: Poverty rate (%) estimates using PPP$1.9

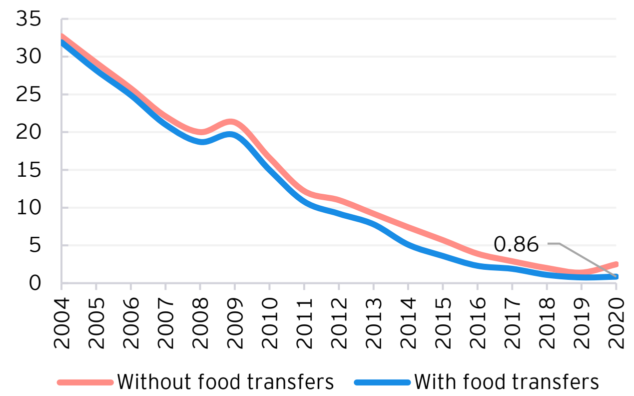
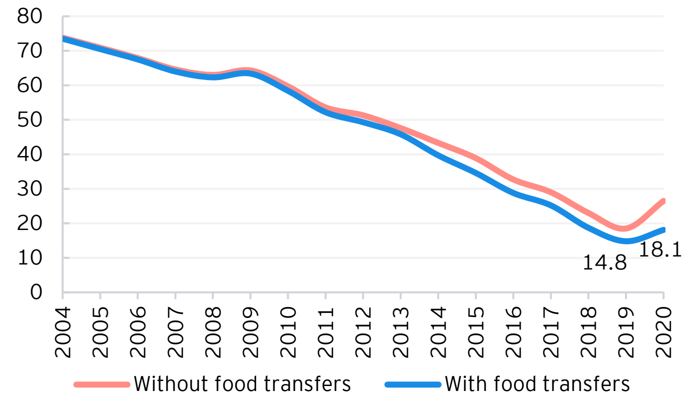


Chart 8: Poverty rate (%) estimates using PPP$3.2



Source (basic data): Bhalla. S. et. al (2022)

[7] Pandemic, Poverty, and Inequality: Evidence from India' Bhalla, S., Bhasin, K., & Virmani, A. (2022)
[8] Computations by Bhalla et al. using the 2011-12 NSO Consumer Expenditure Survey & National Accounts Statistics

3. India in the World Poverty Clock

The World Poverty Clock provides another complementary perspective on poverty reduction in India. It renders an online platform for monitoring the progress in reducing extreme poverty defined by the poverty line of PPP$1.9 with respect to individual countries on an annual basis. It provides insights on the progress made on eradication of extreme poverty under the business as usual assumptions provided by specific scenarios called 'Shared Socio-economic Pathways (SSP 2)'. The methodology builds a relationship of poverty reduction with population and average per capita income [for detailed methodological framework, see Cuaresma (2018) [9]]. As per this study, empirical evidence indicates that increase in the income level of the poor tends to be proportional to increase in average income per capita (Dollar and Kraay, 2002, Dollar et al., 2016)[10].

According to this clock, India would be able to eliminate extreme poverty by 2024[11]. Despite this, an estimated 36.8 million people would still remain in extreme poverty in 2024. It can be seen that prior to the onset of COVID-19 in 2019, India was on course to achieving its SDG goal of bringing extreme poverty below a level of 3% of the population. However, due to the deleterious impact of COVID-19, close to 17 million people were pushed into extreme poverty in 2020, with the number of people living in extreme poverty increasing from 53.3 million to 70.2 million **(Table 7).** However, in 2021, about 11 million people have moved out of extreme poverty largely due to the government support through the pandemic stimulus packages. In 2022, close to 8.3 million people are expected to be lifted out of extreme poverty.

Table 7: Estimated people living in extreme poverty in India as per world poverty clock

Year	Estimated			
	No. of people living in extreme poverty (million)	No. of people living in extreme poverty as % of total population	No. of people lifted out of extreme poverty (million)	Total population (million)
1	2	3	4	5
2016	74.4	5.6		1,324.1
2017	67.7	5.1	-6.7	1,339.0
2018	59.1	4.4	-8.6	1,353.6
2019	53.3	3.9	-5.8	1,368.0
2020	70.2	5.1	16.9	1,382.2
2021	59.4	4.3	-10.8	1,395.9
2022	51.1	3.6	-8.3	1,409.4
2023	44.2	3.1	-6.9	1,422.6
2024	36.8	2.6	-7.4	1,435.4

Source: World Poverty Clock website; https://worldpoverty.io/index.html

Conclusions

India has been quite successful in reducing poverty in its various dimensions. Poverty reduction has been made more effective and comprehensive by support from various government policies, including food subsidies and subsidization of services relating to health, education and water and sanitation. These effects are captured in multidimensional measurement of poverty as highlighted in the recent UNDP study (2022).

PM Garib Kalyan Anna Yojana (PM-GKAY) played a critical role in containing extreme poverty even in the presence of COVID-19. The PM-GKAY provided 5 kg of food grain per person per month free of cost for all the beneficiaries

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[9] Crespo Cuaresma, J., Fengler, W., Kharas, H. et al. Will the Sustainable Development Goals be fulfilled? Assessing present and future global poverty. Palgrave Commun 4, 29 (2018). https://doi.org/10.1057/s41599-018-0083-y

[10] Growth is good for the poor. J Econ Growth 7(3):195–225 Edward P, Sumner A (2014) Estimating the scale and geography of global poverty now and in the future: How much difference do method and assumptions make? World Dev 58:67-82; Dollar D, Kleineberg T, Kraay A (2016) Growth still is good for the poor. Eur Econ Rev 81:68-85

[11] The UN SDG number 1 considers bringing extreme poverty below 3% of population as equivalent to abolition of poverty.

covered under the National Food Security Act (NFSA) [Antodaya Anna Yojana and Priority Households] including those covered under Direct Benefit Transfer (DBT). Up to November 2022, PM-GKAY has been in operation for 27 months under different phases. As per available information, the government provided food grains to around 800 million beneficiaries covering all 36 states/UTs during April 2020 to November 2021[12].

The more general policy support programs covering sectors such as health and education also have had a bearing on poverty reduction, especially when poverty is viewed as a multidimensional phenomenon. As substantiated by the 2022 UNDP report, the reduction in the incidence of poverty is much sharper in a multidimensional perspective as compared to the income-based measurement of poverty. The key findings of the UNDP report (2022) are summarized below:

1. India was successful in bringing 415 million people above the poverty line during the period 2005-06 to 2019-21. The poverty headcount ratio reduced from 55.1% in 2005-06 to 27.7% in 2015-16 and further to 16.4% in 2019-21.
2. In 2019-21, with reference to the total MPI value of 6.9, the largest contribution came from deprivation with reference to living standards, followed by health and education. For the poorest groups (children, lower castes and those living in rural areas), poverty reduced the fastest in absolute terms, although the data do not reflect post- pandemic changes.
3. The incidence of poverty fell from 36.6% in 2015-2016 to 21.2% in 2019-2021 in rural areas and from 9% to 5.5% in urban areas.
4. India's headcount or incidence of multidimensional poverty is 6.1% points lower than the incidence of income poverty, implying that individuals living below the income poverty line may have access to non-income resources.
5. India is relatively better placed in terms of the MPI as compared to some of its South Asian counterparts. As compared to an MPI value of 0.069 for India, Bangladesh and Pakistan had higher MPI values of 0.104 and 0.198 respectively for the latest period. The MPI value was 0.091 for the South Asia region.

The UNDP report (2022) observes that there have been visible investments in boosting access to sanitation, cooking fuel and electricity. A policy emphasis on universal coverage in the case of education, nutrition, water, sanitation, employment and housing has also contributed to a sharp reduction in multidimensional poverty in India.

[12] In a response given to Lok Sabha Starred Question no.39 dated 20th July 2021

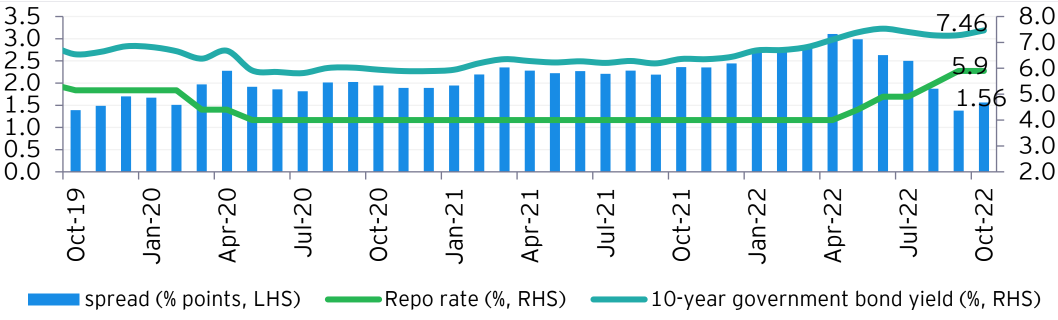
6. Money and finance: bank credit grew by 15.3% in September 2022

A. Monetary sector

Monetary policy

- In September 2022, in order to contain inflation, the RBI increased the repo rate for the fourth time since April 2022 to 5.9% **(Chart 9).** Thus, on a cumulated basis, the repo rate was increased by 190 basis points during this period.
- In RBI's assessment, India's CPI inflation outlook may be impacted by the following factors: (a) continued geopolitical uncertainties and its implication on global crude prices, (b) elevated imported inflation accentuated by continuing appreciation of the US$ and (c) excessive/unseasonal rains leading to crop damage and thereby adding pressure on food prices.
- Taking these factors into consideration and assuming an average crude oil price (Indian basket) of US$100 per barrel, the RBI projected CPI inflation to average 6.7% in FY23.

Chart 9: Movements in the repo rate and 10-year government bond yield



Gross bank credit grew by 15.3% in September 2022 as compared to 14.3% in August 2022.

Source: Database on Indian Economy, RBI

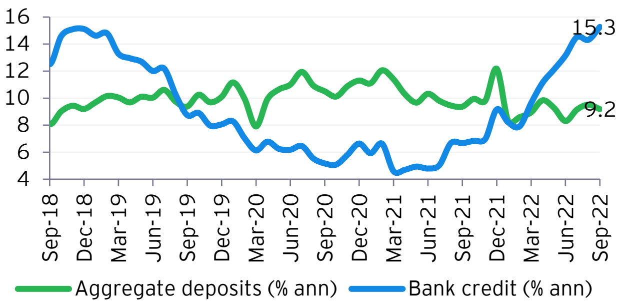
Money stock

- Growth in broad money stock (M3) increased to a six-month high of 9.1% in October 2022 from 8.6% in September 2022. This was due to a higher growth in narrow money (M1).
- Growth in M1 improved to 10.6% in October 2022 from 8.5% in September 2022 due to a higher growth in both currency with the public and demand deposits. Growth in demand deposits increased to 11.5% in October 2022 from 8.3% in September 2022 while that of currency with the public increased to 9.3% in October 2022 from 8.2% in September 2022.
- Time deposits, accounting for slightly over 75% of M3 on average (last three years), grew by 8.6% in October 2022, close to its growth of 8.7% in September 2022.

Aggregate credit and deposits

- Gross bank credit by SCBs grew by 15.3%[13] in September 2022, improving from 14.3% in August 2022 **(Chart 10).** Credit growth averaged 14.7% in 2QFY23, improving from 12.1% in 1QFY23.
- In September 2022, non-food credit growth increased to 15.7% from 14.8% in August 2022. In 2QFY23, non-food credit grew by 15.2% on average as compared to 12.5% in 1QFY23.

Chart 10: Growth in credit and deposits



Source: Database on Indian Economy, RBI

[13] As per the RBI's press release dated 31 October 2022 (https://bit.ly/3A6x698), gross bank credit amounted to INR126.3 trillion as on 23 September 2022 as compared to INR109.57 trillion as on 24 September 2021. Similarly, non-food credit amounted to INR126.08 trillion in September 2022 as compared to INR108.94 trillion in September 2021. Using these magnitudes, the calculated y-o-y growth rates of gross bank credit and non-food credit are 15.3% and 15.7% respectively. However, RBI's press release gives these growth rates at 16.4% and 16.9% respectively.

- Sectoral bank credit data indicate that credit to services grew at a strong pace of 20% in September 2022 as compared to 17.2% in August 2022. This was followed by agricultural credit, which showed a growth of 13.4% in both August and September 2022.
- Outstanding credit to industries also showed a strong growth of 12.6% in September 2022, its fastest pace since March 2014. Within the industrial sector, even though growth in credit to chemicals and chemical products was the highest at 22.5% in September 2022, it was marginally lower than 23.5% in August 2022. This was followed by credit to infrastructure, which grew by 10.9% in September 2022, slightly lower than 11% in August 2022.
- Growth in credit to cement and cement products moderated to 2.9% in September 2022 from 3.3% in August 2022. Credit to iron and steel grew by 10.2% in September 2022, its highest level since June 2016.
- Maintaining a strong growth momentum, personal loans grew by 19.6% in September 2022 as compared to 19.5% in August 2022.
- Growth in aggregate deposits of residents moderated marginally to 9.2% in September 2022 from 9.5% in August 2022. In 2QFY23, growth in aggregate deposits averaged 9.3% as compared to 9.1% in 1QFY23.

B. Financial sector

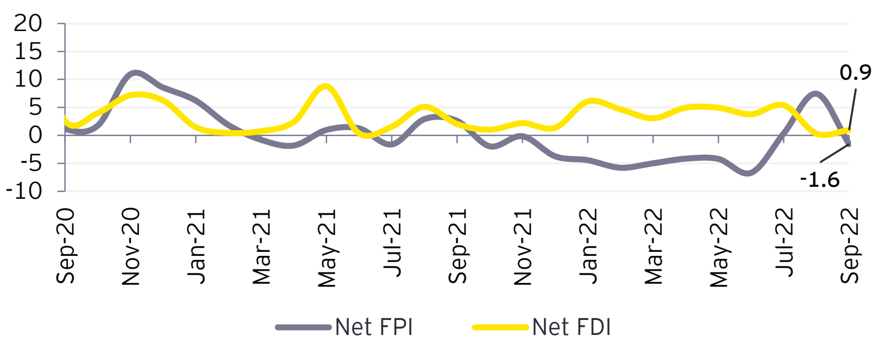
Interest rates

- As per the data released by the RBI on 4 November 2022, the average interest rate on term deposits with a maturity period of more than one year was increased for the sixth successive month to 5.95% in October 2022 from 5.7% in September 2022, with the actual rate ranging between 5.48% to 6.43%.
- The average MCLR was also increased to 7.4% in October 2022 from 7.3% in September 2022 and the actual MCLR ranged between 6.95% and 7.85% during the month.
- The average yield on 10-year government bonds surged to a four-month high of 7.46% in October 2022 from 7.28% in September 2022, an increase of 18 basis points **(Chart 9).** The spread between bond yield and repo rate was higher at 156 basis points in October 2022, as compared to 138 basis points in September 2022.
- WALR on fresh rupee loans by SCBs increased by 26 basis points to its highest level since March 2020 at 8.59% in September 2022 from 8.33% in August 2022. During 1HFY23, WALR on fresh rupee loans increased by a cumulated 108 basis points as compared to an increase of 190 basis points in repo rate.

FDI and FPI

- As per the provisional data released by the RBI on 18 November 2022, driven largely by net FPI outflows, overall foreign investments[14] (FIs) turned negative with outflows amounting to US$(-)0.6 billion in September 2022 as compared to inflows of US$7.8 billion in August 2022.

Chart 11: Net FDI and FPI inflows (US$ billion)



Net FDI inflows fell to US$6.6 billion in 2QFY23 from US$13.7 billion in 1QFY23.

Source: Database on Indian Economy, RBI

- Net FDI inflows increased marginally to US$0.9 billion in September 2022 from US$0.3 billion in August 2022 **(Chart 11)**. Although gross FDI inflows remained strong, increasing from US$4.6 billion in August 2022 to US$5 billion in September 2022, net FDI was subdued due to relatively high levels of repatriation/disinvestment at US$3.3 billion in September 2022 and US$3.5 billion in August 2022.
- Net FPIs turned negative, witnessing outflows amounting to US$(-)1.6 billion in September 2022 as compared to inflows of US$7.4 billion in August 2022.

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[14] Foreign Investment (FI) = net FDI plus net FPI

7. Trade and CAB: merchandise exports contracted by (-)16.6% in October 2022

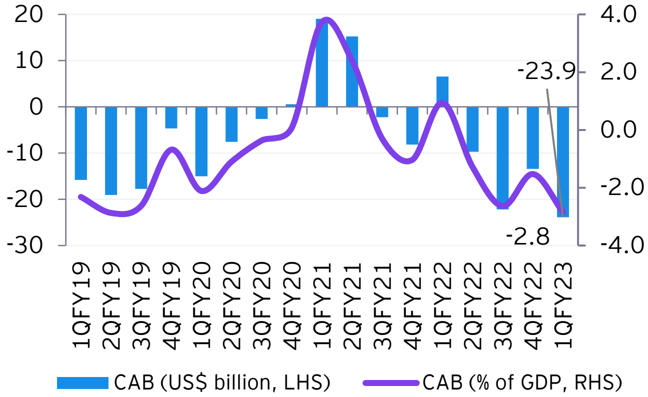
A. CAB: current account deficit widened to (-)2.8% of GDP in 1QFY23

- Current account deficit widened to (-)2.8% of GDP in 1QFY23 from (-)1.5% of GDP in 4QFY22 **(Chart 12, Table 8)**, reflecting an expansion in net merchandise trade deficit to a 36-quarter high of (-)8.1% of GDP. This was due to a surge in imports to 22.8% of GDP in 1QFY23 from 19.6% in 4QFY22. In comparison, there was a milder improvement in exports relative to GDP to 14.6% from 13.4% over the same period, largely reflecting rising global crude and commodity prices.
- Net invisibles relative to GDP increased to an eight-quarter high of 5.3% in 1QFY23 as net services exports improved to 3.7% of GDP in 1QFY23 from 3.2% in 4QFY22.

Table 8: Components of CAB in US$ billion

Fiscal year	CAB as % of nominal GDP	CAB	Goods account net	Invisibles* net
FY19	-2.1	-57.3	-180.3	123.0
FY20	-0.9	-24.7	-157.5	132.8
FY21	0.9	23.9	-102.2	126.1
FY22	-1.2	-38.8	-189.5	150.7
2QFY22	-1.3	-9.7	-44.5	34.8
3QFY22	-2.6	-22.2	-59.7	37.6
4QFY22	-1.5	-13.4	-54.5	41.1
1QFY23	-2.8	-23.9	-68.6	44.7

Chart 12: CAB



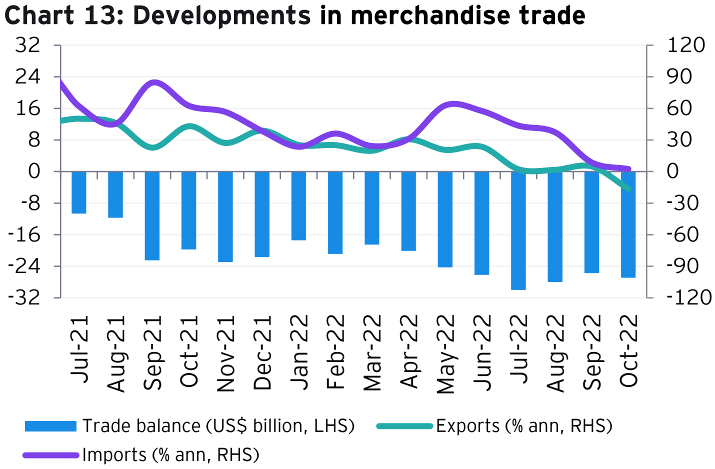
Source: Database on Indian Economy, RBI; Note: (-) deficit; (+) surplus; *invisibles include services, current transfers and income components

B. Merchandise trade and exchange rate

Merchandise exports contracted for the first time since March 2021 by (-)16.6% in October 2022, whereas merchandise imports growth decelerated to 5.7%, its lowest level since February 2021.

- The contraction in merchandise exports was broad-based, reflecting global recessionary conditions. Exports of oil and chemicals contracted for the first time in 20 months by (-)11.3% and (-)16.4% respectively in October 2022 accompanied by an increase in the pace of contraction in engineering goods and readymade garments to (-)21.3% and (-)21.2% respectively in October 2022 from (-)10.9% and (-)18.1% respectively in September 2022.
- The deceleration in imports growth was also broad-based as growth in pearls and precious stones, chemicals, and electronic goods turned negative at (-)13.0%, (-)10.4% and (-)9.2%, respectively in October 2022 accompanied by a fall in the growth of machinery imports to a seven-month low of 2.7%. Crude imports growth rose to 29.1% in October 2022 as compared to (-)5.4% in September 2022 mainly due to an unfavorable base effect.
- Exports excluding oil, gold and jewelry contracted for the third successive month by (-)16.9% in October 2022, whereas growth in imports of this category fell to a 23-month low of 3.6%. Consequently, the trade deficit of this category remained high at US$(-)13.3 billion.
- Merchandise trade deficit increased marginally to US$(-)26.9 billion in October 2022 from US$(-)25.7 billion in September 2022 **(Chart 13).**
- Services trade surplus increased to an all-time high of US$11.9 billion in September 2022.
- In October 2022, the rupee depreciated significantly to a historic low of INR82.3 per US$ from INR80.2 per US$ in September 2022 due to sustained pressures arising from FPI outflows, a high merchandise trade deficit and monetary policy tightening by the US.

Chart 13: Developments in merchandise trade



Source: Ministry of Commerce and Industry, GoI

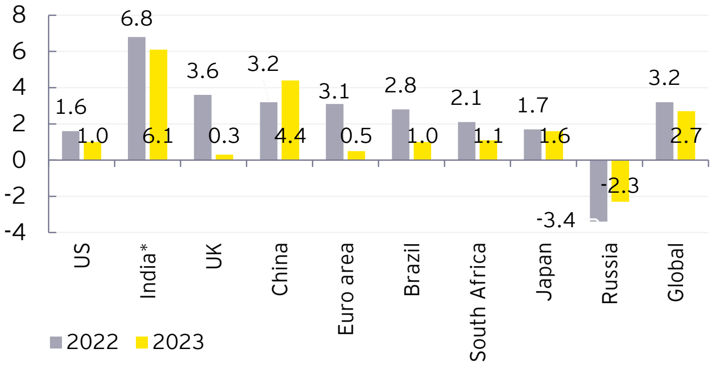
8. Global growth: IMF projected global growth at 3.2% in 2022, falling to 2.7% in 2023

A. Global growth

The IMF projected global growth at 3.2% in 2022, with India's FY23 growth at 6.8%.

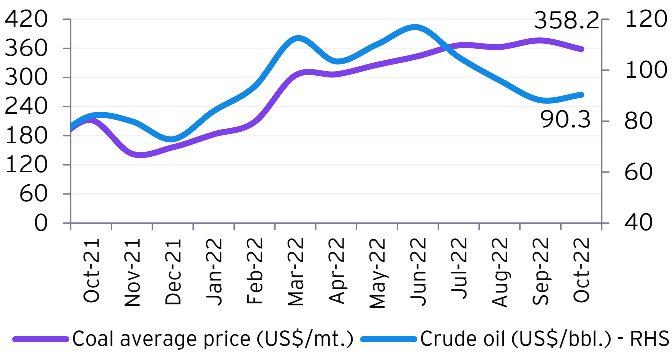
- As per the IMF (World Economic Outlook, October 2022), global growth is projected at 3.2% in 2022, slowing to 2.7% in 2023 **(Chart 14)**. These levels are far lower than the average global growth during the period 2000 to 2021 at 3.6%.
- Growth in AEs is projected at 2.4% in 2022 and 1.1% in 2023, while that for EMDEs is forecasted at 3.7% in both years.
- Growth slowdown in the AEs is largely attributable to the US and the European economies. Growth in the US is projected to decline from 5.7% in 2021 to 1.6% in 2022 and 1.0% in 2023, with no y-o-y growth in the fourth quarter of 2022. In the euro area, the growth slowdown is less pronounced than that in the US in 2022 but is expected to deepen in 2023. Projected growth is 3.1% in 2022 and 0.5% in 2023.
- Growth in the UK is forecasted at 3.6% in 2022, falling sharply to 0.3% in 2023 due to the adverse impact of high inflation on purchasing power, and subdued consumer spending and business sentiment due to tighter monetary policy.
- Growth in Japan is projected at low levels of 1.7% in 2022 and 1.6% in 2023 mainly reflecting external factors, with a negative shift in the terms of trade (ratio of export to import prices) from higher energy import prices as well as lower consumption as price inflation outpaces wage growth.
- In China, an unusually weak growth of 3.2% is projected in 2022. This would be its lowest growth in more than four decades, excluding the COVID-19 crisis in 2020.
- India's growth projected at 6.8% in FY22 and 6.1% in FY23 would be the highest among major AEs and EMDEs.
- Russia is projected to contract by (-)3.4% in 2022 and (-)2.3% in 2023 due to the negative impact of the geopolitical conflict and the resultant sanctions.

Chart 14: Global growth projections (%)



Source: IMF World Economic Outlook, (October 2022)
*Data pertains to fiscal years FY23 and FY24 respectively.

Chart 15: Global crude and coal prices



Source (basic data): World Bank Pink Sheets, November 2022

B. Global energy prices: World Bank projected Brent crude price at US$100/bbl. in 2022, easing to US$92/bbl. in 2023

- Average global crude price[15] increased from its eight-month low level of US$88.2/bbl. in September 2022 to US$90.3/bbl. in October 2022 as OPEC+ members agreed to cut production by 2 million barrels per day (mb/d) **(Chart 15)**. The World Bank in its Commodity Markets Outlook (October 2022) has projected Brent crude price to average at US$100/bbl. in 2022, easing to US$92/bbl. in 2023 and US$82/bbl. in 2024.
- Average global coal price[16] remained high at US$358.2/mt. in October 2022. High natural gas prices have heavily influenced coal markets, encouraging many countries to switch from natural gas to coal in power generation thereby pushing up demand. The World Bank has projected Australian coal price to average at US$320/mt. in 2022, easing to US$240/mt. in 2023 and US$212.3/mt. in 2024.

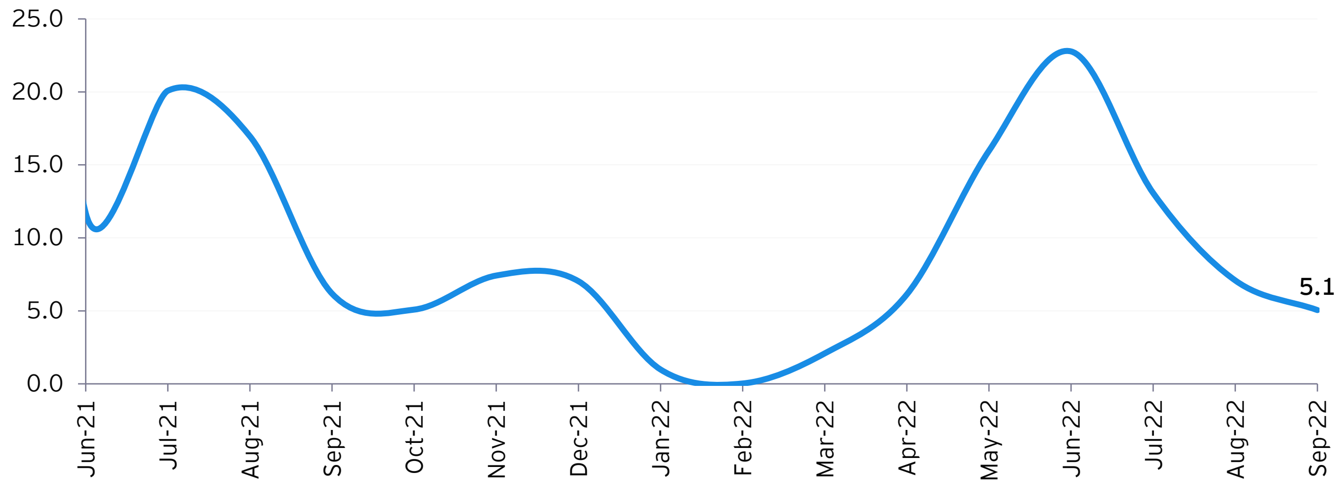
[15] Simple average of three spot prices, namely, Dated Brent, West Texas Intermediate and Dubai Fateh
[16] Simple average of Australian and South African coal prices.

9. Index of Aggregate Demand (IAD): grew by 5.1% in September 2022

IAD grew at a slower pace of 5.1% in September 2022, falling from 7.1% in August 2022

- EY has developed an Index of Aggregate Demand (IAD) to reflect the monthly combined demand conditions in the agriculture, manufacturing, and services sectors. It considers the movements in PMI for manufacturing and services, both measured in seasonally adjusted (sa) terms, tracing the demand conditions in these sectors. Movements in the monthly agricultural credit off-take (sa)[17] capture the demand conditions in the agricultural sector.
- Growth in IAD fell further to 5.1% in September 2022 from 7.1% in August 2022 due to moderation in demand conditions across manufacturing and services sectors during the month **(Chart 16 and Table 9).**
- Demand conditions in the services sector deteriorated sharply in September 2022 as compared to August 2022. In the case of manufacturing sector also, there was a weakening of demand conditions in September 2022 relative to August 2022.
- However, demand conditions in the agricultural sector, as indicated by growth in agricultural credit off-take, remained strong, improving further in September 2022.

Chart 16: Growth in IAD (y-o-y)



Source (Basic data): S&P - IHS Markit PMI, RBI and EY estimates
Note: From this issue onwards, we will be using seasonally adjusted data for constructing the IAD.

Table 9: IAD

Month	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
IAD	140.6	141.5	143.1	148.5	150.2	151.2	150.0	152.4	149.2
Growth (% y-o-y)	1.0	0.0	2.1	6.1	16.0	22.8	13.1	7.1	5.1
Growth in agr. credit	10.2	10.4	9.6	10.5	11.9	13.1	13.1	13.3	13.5
Mfg. PMI**	4.0	4.9	4.0	4.7	4.6	3.9	6.4	6.2	5.1
Ser. PMI**	1.5	1.8	3.6	7.9	8.9	9.2	5.5	7.2	4.3

**Values here indicate deviation from the benchmark value of 50. A positive value indicates expansion in demand while a negative value implies contraction in demand; PMI for Mfg. and Serv. are seasonally adjusted.

Source (basic data): IHS Markit PMI, RBI and EY estimates

[17] We have constructed a seasonally adjusted series for agricultural credit using Census X-13 technique in E-views (version 12).

10. Capturing macro-fiscal trends: data appendix

Table A1: Industrial growth indicators (annual, quarterly, and monthly growth rates, y-o-y)

Fiscal year/ quarter/ month	IIP	Mining	Manufacturing	Electricity	Core IIP	Fiscal year/ quarter /month	PMI mfg.	PMI ser.
	% change y-o-y							
FY19	3.8	2.8	3.8	5.2	4.4	FY19	52.8	52.2
FY20	-0.8	1.6	-1.4	0.9	0.4	FY20	52.3	51.9
FY21	-8.5	-7.8	-9.6	-0.5	-6.4	FY21	50.2	41.7
FY22	11.4	12.2	11.7	8.0	10.4	FY22	54.0	52.3
3QFY22	2.1	6.1	1.4	2.7	5.3	3QFY22	56.3	57.3
4QFY22	1.8	3.8	1.2	3.9	4.9	4QFY22	54.3	52.3
1QFY23	12.8	9.1	12.8	17.1	13.9	1QFY23	54.4	58.7
2QFY23	1.5	-1.0	1.4	4.9	5.4	2QFY23	55.9	55.7
Jun-22	12.6	7.8	12.9	16.4	13.1	Jul-22	56.4	55.5
Jul-22	2.2	-3.3	3.0	2.3	4.5	Aug-22	56.2	57.2
Aug-22	-0.7	-3.9	-0.5	1.4	4.1	Sep-22	55.1	54.3
Sep-22	3.1	4.6	1.8	11.6	7.9	Oct-22	55.3	55.1

Source: MoSPI, Office of the Economic Adviser, Ministry of Commerce and Industry and S&P Global

Table A2: Inflation indicators (annual, quarterly, and monthly growth rates, y-o-y)

Fiscal year/ quarter/ month	CPI	Food Price Index	Fuel and light	Core CPI	WPI	Food Price Index	Mfg. products	Fuel and power	Core WPI
	% change y-o-y				% change y-o-y				
FY19	3.4	0.1	5.7	5.5	4.3	0.6	3.7	11.5	4.2
FY20	4.8	6.7	1.3	3.8	1.7	6.9	0.3	-1.8	-0.4
FY21	6.2	7.7	2.7	5.5	1.3	4.0	2.8	-8.0	2.2
FY22	5.5	3.8	11.3	6.1	13.0	6.8	11.1	32.5	11.0
3QFY22	5.0	2.2	12.9	6.2	14.3	6.8	12.0	40.4	12.2
4QFY22	6.3	6.3	8.5	6.1	13.9	9.2	10.3	32.3	10.5
1QFY23	7.3	8.0	10.1	6.4	16.1	10.5	10.3	46.3	10.6
2QFY23	7.0	7.6	11.0	6.1	12.4	9.1	7.4	36.9	7.8
Jul-22	6.7	6.7	11.8	6.1	14.1	9.3	8.2	44.6	8.5
Aug-22	7.0	7.6	10.8	6.1	12.5	10.1	7.5	35.0	7.9
Sep-22	7.4	8.6	10.4	6.2	10.7	8.1	6.3	32.6	7.0
Oct-22	6.8	7.0	9.9	6.2	8.4	6.5	4.4	23.2	4.7

Source: Office of the Economic Adviser, Ministry of Commerce and Industry and MoSPI
* The CPI for April and May 2020 has been imputed

Table A3: Fiscal indicators (annual growth rates, cumulated monthly growth rates, y-o-y)

Fiscal year/month	Gross tax revenue	Corporate tax	Income tax	Direct taxes*	Indirect taxes**	Fiscal deficit % of GDP	Revenue deficit % of GDP
FY19 (CGA)	8.4	16.2	13.1	14.9	3.0	3.4	2.4
FY20 (CGA)	-3.4	-16.1	4.0	-7.8	1.7	4.7	3.3
FY21 (CGA)	0.7	-17.9	-2.3	-10.7	12.7	9.2	7.3
FY22 (CGA)	33.8	55.7	43.5	49.6	20.0	6.7	4.4
FY23 (BE over FY 22 RE)	9.6	13.4	13.8	13.6	5.7	6.4	3.8
	Cumulated growth (%, y-o-y)					% of budgeted target	
Feb-22	36.6	61.3	45.7	53.3	23.3	82.7	79.7$
Mar-22	33.8	55.7	43.5	49.6	20.0	99.7	94.9$
Apr-22	36.5	75.2	59.6	65.9	10.1	4.5	-0.1
May-22	29.1	80.7	49.9	61.2	9.0	12.3	12.3
Jun-22	22.4	30.0	40.7	35.4	11.0	21.2	20.7
Jul-22	24.9	34.7	50.0	42.7	10.8	20.5	16.4
Aug-22	18.7	23.6	33.2	28.8	11.2	32.6	32.4
Sep-22	17.6	21.6	25.7	23.5	11.8	37.3	31.4

Source: Monthly Accounts, Controller General of Accounts, Government of India, Union Budget documents
* Includes corporation tax and income tax
** Includes customs duty, excise duty, service tax, CGST, UTGST, IGST and GST compensation cess.
$as a proportion of revised estimate

Fiscal year/month	CGST	UTGST	IGST	GST compensation cess	Total GST (GoI)
	INR crore				
FY 2022 (RE)	5,70,000	-	-	1,05,000	6,75,000
FY 2023 (BE)	6,60,000	-	-	1,20,000	7,80,000
	Monthly tax collection (INR crore)				
Feb-22	48,169	159	7,903	10,100	66,331
Mar-22	63,330	1,230	-14,480	9,092	59,172
Apr-22	64,093	162	11,345	10,435	86,035
May-22	49,876	244	4,741	10,199	65,060
Jun-22	65,423	259	-16,396	10,749	60,035
Jul-22	55,357	155	6,898	10,654	73,064
Aug-22	51,911	149	8,938	9,889	70,887
Sep-22	54,689	406	9,964	9,967	75,026

Source: Monthly Accounts, Controller General of Accounts, Government of India, Union Budget documents
Note: IGST revenues are subject to final settlement.

Table A4: Monetary and financial indicators (annual, quarterly, and monthly growth rates, y-o-y)

Fiscal year/ month	Repo rate (end of period)	Fiscal year/ quarter/ month	Bank credit	Agg. deposits	Net FDI	Net FPI	Fiscal year/ quarter/ month	M1	M3	10-year govt. bond yield	FX reserves
	%		% change y-o-y		US$ billion			% change y-o-y		%	US$ billion
Dec-21	4.00	FY19	13.7	8.9	30.7	-0.6	FY19	13.6	10.5	7.69	411.9
Jan-22	4.00	FY20	9.5	9.9	43.0	1.4	FY20	11.2	8.9	6.83	475.6
Feb-22	4.00	FY21	5.9	11.0	44.0	36.1	FY21	16.2	12.2	6.05	579.3
Mar-22	4.00	FY22	7.0	9.7	38.6	-16.8	FY22	10.6	8.7	6.40	617.6
Apr-22	4.00	3QFY22	7.7	10.6	4.6	-5.8	3QFY22	11.5	9.3	6.38	633.6
Apr-22	4.00	4QFY22	8.6	8.6	13.8	-15.2	4QFY22	10.6	8.7	6.74	617.6
May-22	4.40	1QFY23	12.1	9.1	13.7	-15.1	1QFY23	8.7	7.8	7.34	593.3
Jun-22	4.90	2QFY23	14.7	9.3	6.6	6.2	2QFY23	8.5	8.6	7.32	532.7
Jul-22	4.90	Jun-22	13.2	8.3	3.8	-6.7	Jul-22	9.3	8.6	7.40	573.9
Aug-22	5.40	Jul-22	14.5	9.2	5.4	0.4	Aug-22	10.0	8.9	7.28	561.0
Sep-22	5.90	Aug-22	14.3	9.5	0.3	7.4	Sep-22	8.5	8.6	7.28	532.7
Oct-22	5.90	Sep-22	15.3	9.2	0.9	-1.6	Oct-22	10.6	9.1	7.46	531.1

Source: Database on Indian Economy - RBI

Table A5: External trade and global growth

External trade indicators (annual, quarterly and monthly growth rates)							Global growth (annual)			
Fiscal year/ quarter/ month	Exports	Imports	Trade balance	Ex. rate (avg.)	Crude prices (avg.)	Coal prices (avg.)	Calendar year	World GDP	Adv. econ.	Emer. econ.
	% change y-o-y		US$ billion	INR/US$	US$/bbl.	US$/mt		% change y-o-y		
FY19	8.6	10.6	-182.3	69.9	67.3	100.4	2012	3.5	1.2	5.4
FY20	-5.1	-8.2	-157.4	70.9	58.5	70.4	2013	3.5	1.4	5.1
FY21	-7.0	-16.6	-101.4	74.2	43.8	67.2	2014	3.5	2.1	4.7
FY22	41.7	54.9	-195.6	74.5	78.4	164.8	2015	3.4	2.4	4.3
3QFY22	36.7	49.9	-62.5	74.9	78.3	170.3	2016	3.3	1.8	4.5
4QFY22	23.1	27.7	-56.8	75.2	96.6	231.7	2017	3.8	2.5	4.8
1QFY23	24.8	49.5	-70.6	77.2	110.1	325.4	2018	3.5	2.2	4.5
2QFY23	2.9	28.3	-83.7	79.8	96.4	368.3	2019	2.8	1.6	3.7
Jun-22	2.1	43.6	-30.0	79.6	105.1	366.0	2020	-3.1	-4.5	-2.0
Jul-22	1.6	37.3	-28.0	79.6	96.0	362.6	2021	6.0	5.2	6.6
Aug-22	4.9	8.7	-25.7	80.2	88.2	376.1	2022	3.2	2.4	3.7
Sep-22	-16.6	5.7	-26.9	82.3	90.3	358.2	2023	2.7	1.1	3.7

Source: Database on Indian Economy - RBI, Pink Sheet - World Bank and IMF World Economic Outlook October 2022

Table A6: Macroeconomic aggregates (annual and quarterly real growth rates, % change y-o-y)

Fiscal year/quarter	Output: major sectors									IPD inflation
	GVA	Agr.	Ming.	Mfg.	Elec.	Cons.	Trans.	Fin.	Publ.	GVA
FY19 (3rd RE)	5.8	2.1	-0.8	5.4	7.9	6.5	7.2	7.0	7.5	4.7
FY20 (2nd RE) $	3.8	5.5	-1.5	-2.9	2.2	1.2	5.9	6.7	6.3	2.9
FY21(1st RE) $	-4.8	3.3	-8.6	-0.6	-3.6	-7.3	-20.2	2.2	-5.5	3.3
FY22(PE)*	8.1	3.0	11.6	9.9	7.5	11.5	11.1	4.2	12.6	9.4
1QFY21	-21.4	3.0	-17.8	-31.5	-14.8	-49.4	-49.9	-1.1	-11.4	2.3
2QFY21	-5.9	3.2	-7.9	5.2	-3.2	-6.6	-18.8	-5.2	-10.2	1.7
3QFY21	2.1	4.1	-5.3	8.4	1.5	6.6	-10.1	10.3	-2.9	3.4
4QFY21	5.7	2.8	-3.9	15.2	3.2	18.3	-3.4	8.8	1.7	5.2
1QFY22	18.1	2.2	18.0	49.0	13.8	71.3	34.3	2.3	6.2	7.0
2QFY22	8.3	3.2	14.5	5.6	8.5	8.1	9.6	6.1	19.4	8.8
3QFY22	4.7	2.5	9.2	0.3	3.7	-2.8	6.3	4.2	16.7	10.4
4QFY22	3.9	4.1	6.7	-0.2	4.5	2.0	5.3	4.3	7.7	10.9
1QFY23	12.7	4.5	6.5	4.8	14.7	16.8	25.7	9.2	26.3	12.2

Source: National Accounts Statistics, MoSPI
$ Growth numbers for FY21 are based on the first revised estimates (RE) of NAS released by the MoSPI on 31 January 2022 over the second RE of NAS for FY20, *FY22 growth numbers are based on the Provisional Estimates (PE) of National Accounts released on 31 May 2022 over the first revised estimates for 2021 released on 31 January 2022.

Fiscal year/quarter	Expenditure components						IPD inflation
	GDP	PFCE	GFCE	GFCF	EX	IM	GDP
FY19 (3rd RE)	6.5	7.1	6.7	11.2	11.9	8.8	3.9
FY20 (2nd RE) $	3.7	5.2	3.4	1.6	-3.4	-0.8	2.4
FY21(1st RE) $	-6.6	-6.0	3.6	-10.4	-9.2	-13.8	5.6
FY22(PE)*	8.7	7.9	2.6	15.8	24.3	35.5	10.0
1QFY21	-23.8	-23.7	13.6	-45.3	-25.5	-41.1	2.9
2QFY21	-6.6	-8.3	-22.9	-4.5	-6.4	-17.9	4.0
3QFY21	0.7	0.6	-0.3	-0.6	-8.6	-5.2	5.4
4QFY21	2.5	6.5	29.0	10.1	3.7	11.7	9.2
1QFY22	20.1	14.4	-4.8	62.5	40.8	61.1	10.2
2QFY22	8.4	10.5	8.9	14.6	20.7	41.0	9.8
3QFY22	5.4	7.4	3.0	2.1	23.1	33.6	9.8
4QFY22	4.1	1.8	4.8	5.1	16.9	18.0	10.4
1QFY23	13.5	25.9	1.3	20.1	14.7	37.2	11.6

Source: National Accounts Statistics, MoSPI
$ Growth numbers for FY21 are based on the first revised estimates (RE) of NAS released by the MoSPI on 31 January 2022 over the second RE of NAS for FY20, *FY22 growth numbers are based on the Provisional Estimates (PE) of National Accounts released on 31 May 2022 over the first revised estimates for 2021 released on 31 January 2022.

List of abbreviations

Sr. no.	Abbreviations	Description
1	AD	aggregate demand
2	AEs	advanced economies
3	Agr.	agriculture, forestry and fishing
4	AY	assessment year
5	Bcm	billion cubic meters
6	bbl.	barrel
7	BE	budget estimate
8	CAB	current account balance
9	CGA	Comptroller General of Accounts
10	CGST	Central Goods and Services Tax
11	CIT	corporate income tax
12	Cons.	construction
13	CPI	Consumer Price Index
14	COVID-19	Coronavirus disease 2019
15	CPSE	central public-sector enterprise
16	CRAR	Credit to Risk- weighted Assets Ratio
17	CSO	Central Statistical Organization
18	Disc.	discrepancies
19	ECBs	external commercial borrowings
20	EIA	US Energy Information Administration
21	Elec.	electricity, gas, water supply and other utility services
22	EMDEs	Emerging Market and Developing Economies
23	EXP	exports
24	FAE	first advance estimates
25	FC	Finance Commission
26	FII	foreign investment inflows
27	Fin.	financial, real estate and professional services
28	FPI	foreign portfolio investment
29	FRBMA	Fiscal Responsibility and Budget Management Act
30	FRL	Fiscal Responsibility Legislation
31	FY	fiscal year (April–March)
32	GDP	Gross Domestic Product
33	GFCE	government final consumption expenditure
34	GFCF	gross fixed capital formation
35	GoI	Government of India
36	G-secs	government securities
37	GST	Goods and Services Tax
38	GVA	gross value added
39	IAD	Index of Aggregate Demand

Sr. no.	Abbreviations	Description
40	IBE	interim budget estimates
41	ICRIER	Indian Council for Research on International Economic Relations
42	IEA	International Energy Agency
43	IGST	Integrated Goods and Services Tax
44	IIP	Index of Industrial Production
45	IMF	International Monetary Fund
46	IMI	Index of Macro Imbalance
47	IMP	imports
48	INR	Indian Rupee
49	IPD	implicit price deflator
50	MCLR	marginal cost of funds-based lending rate
51	Ming.	mining and quarrying
52	Mfg.	manufacturing
53	m-o-m	month-on-month
54	Mt	metric ton
55	MoSPI	Ministry of Statistics and Programme Implementation
56	MPC	Monetary Policy Committee
57	MPF	Monetary Policy Framework
58	NEXP	net exports (exports minus imports of goods and services)
59	NSO	National Statistical Office
60	NPA	non-performing assets
61	OECD	Organization for Economic Co-operation and Development
62	OPEC	Organization of the Petroleum Exporting Countries
63	PFCE	private final consumption expenditure
64	PIT	personal income tax
65	PMI	Purchasing Managers' Index (reference value = 50)
66	PoL	petroleum oil and lubricants
67	PPP	Purchasing power parity
68	PSBR	public sector borrowing requirement
69	PSU/PSE	public sector undertaking/public sector enterprises
70	RE	revised estimates
71	RBI	Reserve Bank of India
72	SLR	Statutory Liquidity Ratio
73	Trans.	trade, hotels, transport, communication and services related to broadcasting
74	US$	US Dollar
75	UTGST	Union Territory Goods and Services Tax
76	WALR	weighted average lending rate
77	WHO	World Health Organization
78	WPI	Wholesale Price Index
79	y-o-y	year-on-year
80	1HFY20	first half of fiscal year 2019-20, i.e., April 2019-September 2019

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Tel: + 91 79 6608 3800

Bengaluru
12th & 13th floor
"UB City", Canberra Block
No.24 Vittal Mallya Road
Bengaluru - 560 001
Tel: + 91 80 6727 5000

Ground Floor, 'A' wing
Divyasree Chambers
11, Langford Gardens
Bengaluru - 560 025
Tel: + 91 80 6727 5000

Chandigarh
Elante offices,
Unit No. B-613 & 614
6th Floor, Plot No- 178-178A,
Industrial & Business Park, Phase-I,
Chandigarh - 160002
Tel: + 91 172 671 7800

Chennai
Tidel Park, 6th & 7th Floor
A Block, No.4, Rajiv Gandhi Salai
Taramani, Chennai - 600 113
Tel: + 91 44 6654 8100

Delhi NCR
Golf View Corporate Tower B
Sector 42, Sector Road
Gurgaon - 122 002
Tel: + 91 124 443 4000

3rd & 6th Floor, Worldmark-1
IGI Airport Hospitality District
Aerocity, New Delhi - 110 037
Tel: + 91 11 4731 8000

4th & 5th Floor, Plot No 2B
Tower 2, Sector 126
NOIDA - 201 304
Gautam Budh Nagar, U.P.
Tel: + 91 120 671 7000

Hyderabad
THE SKYVIEW 10
18th Floor, "SOUTH LOBBY"
Survey No 83/1, Raidurgam
Hyderabad - 500 032
Tel: + 91 40 6736 2000

Jamshedpur
1st Floor, Shantiniketan Building
Holding No. 1, SB Shop Area
Bistupur, Jamshedpur – 831 001
Tel: + 91 657 663 1000

Kochi
9th Floor, ABAD Nucleus
NH-49, Maradu PO
Kochi - 682 304
Tel: + 91 484 433 4000

Kolkata
22 Camac Street
3rd Floor, Block 'C'
Kolkata - 700 016
Tel: + 91 33 6615 3400

Mumbai
14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (W), Mumbai - 400 028
Tel: + 91 22 6192 0000

5th Floor, Block B-2
Nirlon Knowledge Park
Off. Western Express Highway
Goregaon (E)
Mumbai - 400 063
Tel: + 91 22 6192 0000

Pune
C-401, 4th floor
Panchshil Tech Park
Yerwada
(Near Don Bosco School)
Pune - 411 006
Tel: + 91 20 4912 6000

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