



# INDIA REPORT

Celebrating 27 years

Since 1995: Independent, objective, succinct analysis  
Over 1,000 issues in 27 years

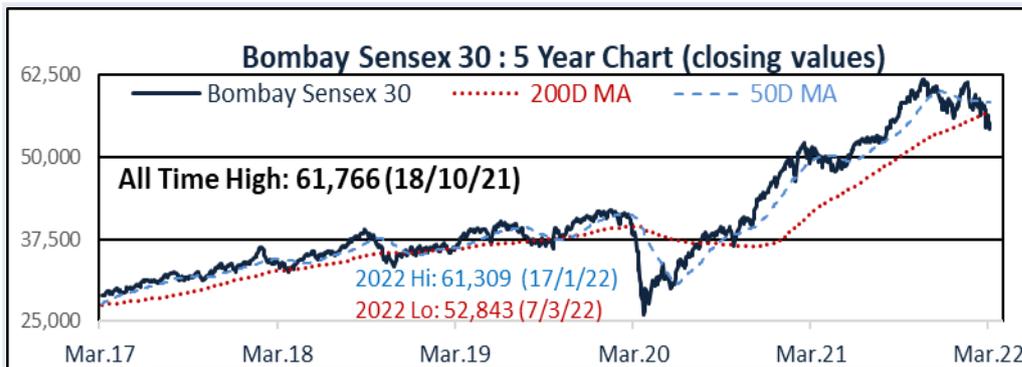


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Close:	Level	Index Pts Chg-Day	% Chg YTD
7 Mar 2022			
SENSEX 30	52,843	-1491	-9.3%
NIFTY 50	15,863	-382	-8.6%

### Other Markets: Level & % YTD

ASIA: CHINA Shanghai:	3,373 (-7%)
JAPAN Nikkei 225:	25,221 (-12%)
EUROPE: UK FTSE:	6,973 (-6%)
GERMANY DAX:	13,020 (-18%)
USA: Dow Jones:	33,614 (-7%)
NASDAQ Composite:	13,314 (-15%)
GOLD:	\$1,978.06 (+8%)
SILVER:	\$25.55 (+10%)
BRENT OIL:	122.02 (+57%)

### Indian Currency: Level & YTD

INR ₹ / USD	\$1=	Rs76.85 (-3.2%)
INR ₹ / GBP	£1=	Rs101.39 (-0.6%)
INR ₹ / EUR	€1=	Rs83.80 (+1.1%)

The India Report completed 27 years on 6 March 2022. The journey began when the first report was written at the request of The Indian High Commission (Indian Embassy) in London for an investor meeting there on 6 March 1995. Over 1,000 reports have been written since. This probably makes it the longest and most consistent independent analysis in the UK on the unfolding India economic story. Also, the report has readership across five continents now.

⇒ India has fully vaccinated more than 765 million of its 940 million adult population and about 28 million teenagers aged 15-18, but has not started vaccinating children younger than 15. India's daily coronavirus infections are rising by less than 10,000 in March so far, a level last seen in late December before the rapid spread of the Omicron variant, data from the health ministry showed. This has encouraged people across the country to increasingly resume normal life. Economic activity has picked up. Roads and trains are once again congested as people return to offices, movie theatres are reporting a spike in box office sales and restaurants are crowded again. It is generally felt that there should be no reason for another lockdown so long as people behave responsibly by maintaining social distancing and wearing of masks where prudent.

⇒ India's Tata Group, the I.T. software-to-steel conglomerate, last month regained ownership of state-run carrier Air India after nearly 70 years in a \$2.4 billion equity-and-debt deal. The airline, with its maharajah logo, was once renowned for its lavishly decorated planes and excellent service inspired by founder JRD Tata. Air India was founded in 1932 and nationalised in 1953. Since the mid-2000s, however, Air India's reputation declined as financial problems increased. It flew widebody planes with business class seats in poor repair and grounded some of its new 787s.

⇒ While Air India has lucrative landing slots, the group faces an uphill task to upgrade the airline's aging fleet and turn around its financials and service levels. Air India has a mixed fleet of over 140 Airbus and Boeing planes, and industry executives estimate it would cost Tata more than \$1 billion to renovate the aging aircrafts. Boeing and Airbus will be beneficiaries of new orders from Air India. Tata operates two other airlines: Vistara, in a joint venture with Singapore Airlines, and AirAsia India, which it operates in partnership with AirAsia Group.

⇒ India is the world's third largest oil importer. The 57% rise in oil this year hurts India badly. Diesel accounts for about two-fifths of India's overall refined fuel consumption, and the farm sector is one of the largest users of the fuel, according to government data. India is hoping to cut diesel use by farms to zero and migrate the agriculture sector to renewable energy as early as 2024, the Power Ministry said, as a part of its broader plan to transition to cleaner energy sources. "India will replace diesel with renewables to achieve target of zero diesel use in agricultural sector by 2024," the ministry said in a statement. The ministry did not say how it planned to achieve the ambitious target. In February 2020 it launched a scheme to provide financial incentives to farmers to use solar instead of diesel-fired irrigation pumps.

⇒ Five Indian states have gone to the polls for seats in the state assembly. Counting in all five states begins on 10 March, with the results expected soon after. The five states are: Uttar Pradesh (U.P.), Goa, Uttarakhand, Punjab and Manipur. These elections are important because they are the biggest set of polls since the pandemic. The ruling Bharatiya Janata Party's performance is likely to be seen as a referendum on Prime Minister Narendra Modi's handling of COVID-19 and the economy. They will also provide a useful indicator of voter sentiment ahead of national elections due latest by May 2024. In particular the results for U.P. are crucial, which BJP currently governs. Few parties are able to govern the country without enjoying popular support in U.P., India's largest state, that sends the most lawmakers to India's parliament. A good result there would give the BJP a major boost to its hopes for a third consecutive term in power.



## Indian States (A-K) : Key highlights, including comparable economy in the world to that state

Source and credit: India Brand Equity Forum (<https://www.ibef.org/states.aspx>) , IMF, Wikipedia

1. There are 29 states and 7 Union Territories in India. Below are listed states A-K (future reports to continue with the rest). Delhi, a Union Territory, is included in the table below because of its importance.
2. Key highlights are shown, including comparing the state's economy to its nearest equivalent with a nation in the world.
3. Andhra Pradesh was divided into two states, Telangana and a residual Andhra Pradesh on 2 June 2014. Hyderabad, located entirely within the borders of Telangana, is to serve as the capital for both states for a period of time not exceeding ten years. The Government of Andhra Pradesh and the Andhra Pradesh Legislature completed the process of relocating to temporary facilities in the envisaged new capital city Amaravati in early 2017.
4. India's \$2.9 trillion economy (3.10% of world GDP) is ranked 6<sup>th</sup> in 2021 according to IMF data, and is not far behind that of the United Kingdom: \$3.1 trillion.
5. Russia's economy is ranked 11<sup>th</sup> by the IMF at \$1.6 trillion.
6. The combined economies of the largest 7 Indian states (out of 29 states) are bigger than Russia's economy: Maharashtra: \$430 billion, Tamil Nadu: \$297 billion, U.P.: \$240 billion, Gujarat: \$230 billion, Karnataka: \$228 billion, West Bengal: \$181 billion and Rajasthan: \$140 billion.
7. Source: Wikipedia for GSDP (Gross State Domestic Product) figures and comparable economy and the rest from IBEF, IMF.

	State (and its capital)	GSDP (US\$) billion	Comparable Economy	State languages	Literacy rate %	Key industries
1.	<b>Andhra Pradesh</b> (Hyderabad for 10 years from 2014. Amaravati thereafter)	140	Kuwait	Telugu, Hindi, English and Tamil	67.4%	Agro and food-based, biotechnology, bulk drugs and pharmaceuticals, IT and ITeS, textile and leather, tourism, automotive and auto components, gems and jewellery It is the first state in the country to have enacted the Industrial Single Window Clearance. The Act made it compulsory for new industries to register with the single-window to obtain clearances quickly. It also simplified procedures for getting industrial clearances.
2.	<b>Arunachal Pradesh</b> (Itanagar)	4	Djibouti	Assamese, Bengali, Hindi and English	65.4%	Arts and Crafts, weaving, cane and bamboo, carpet weaving, wood carving, ornaments, tourism and horticulture
3.	<b>Assam</b> (Dispur)	54	DR Congo	Assamese, Bodo, Bengali and English	72.2%	Tea, coal, oil and gas, limestone and cement, agriculture, horticulture, food processing and tourism
4.	<b>Bihar</b> (Patna)	100	Ecuador	Hindi, English, Urdu and Bhojpuri	61.8%	Food and beverages, rubber and plastics, transport equipment, chemicals, tobacco, textile, leather and dairy
5.	<b>Chhattisgarh</b> (Raipur)	46	Jordan	Chhattisgarhi, Hindi and English	70.3%	Mining, iron and steel, cement, power, IT and ITeS and biotechnology



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6.	<b>Delhi</b> (New Delhi - also capital of India)	110	Kenya	English, Hindi, Punjabi, Bihari and Haryanvi	86.2%	Banking, financial services and insurance (BFSI), Agri and processed food, construction and real estate, IT and ITeS, Tourism and Logistics
7.	<b>Goa</b> (Panaji)	11.0	Mauritius	Konkani, Marathi, Portuguese, Hindi and English	88.7%	Tourism, food processing, IT & ITeS, mining, biotechnology, pharmaceuticals and fishing
8.	<b>Gujarat</b> (Gandhinagar)	230	Peru	Gujarati, Hindi and English	78.03%	Agro and food processing, Dairy, Chemicals and petrochemicals, Textiles and apparels, Engineering and auto, Gems and jewellery, Oil and gas, Pharmaceuticals and biotechnology, IT, Minerals, Ports, power and Tourism
9.	<b>Haryana</b> (Chandigarh, which is also the capital of Punjab)	100	Ecuador	Hindi, Punjabi and English	75.5%	Automotive, agro-based industry, IT and ITeS, textiles, oil refining, biotechnology and petrochemicals
10.	<b>Himachal Pradesh</b> (Shimla)	21	Trinidad and Tobago	Hindi and Pahari	82.8%	Agriculture is the main occupation and the major source of employment in the state, as 89.96% of the population lives in rural areas. Himachal Pradesh is one of the fastest-growing regions in the pharmaceutical industry in India, driven by incentives announced by the state Government in its Industrial Policy, 2004. Other: Textiles, pharmaceuticals, food procurement and processing, light engineering, IT and electronics, cement, tourism and hydropower.
11.	<b>Jammu and Kashmir</b> (Srinagar; Winter Capital - Jammu)	23	Zambia	Urdu, Kashmiri, Dogri, Hindi, Pahari and Ladakhi	68.7%	Horticulture, floriculture, handlooms and handicrafts, tourism, mineral-based industry, gems and jewellery, sericulture, IT and pharmaceuticals
12.	<b>Jharkhand</b> (Ranchi)	44	Venezuela	Hindi, Santhali, Urdu, Bengali and English	66.4%	Mining and mineral extraction, engineering, iron and steel, chemicals, handloom, food and beverages, automotive and cement
13.	<b>Karnataka</b> (Bengaluru)	228	Venezuela	Kannada, Tulu, Kodava, Hindi and English	75.6%	IT and ITeS, biotechnology, engineering, electronics and telecom, automotive, textiles and apparel, aerospace, animations, tourism and renewable energy
14.	<b>Kerala</b> (Thiruvananthapuram)	130.0	Kuwait	Malayalam, Hindi, English and Tamil	94.6%	Handlooms and power looms, rubber, bamboo, coir, khadi and village, sericulture, seafood and other marine products, cashew, mining, tourism, food processing, spice and spice extracts, IT & electronics



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