



INDIA REPORT

Celebrating 27 years

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

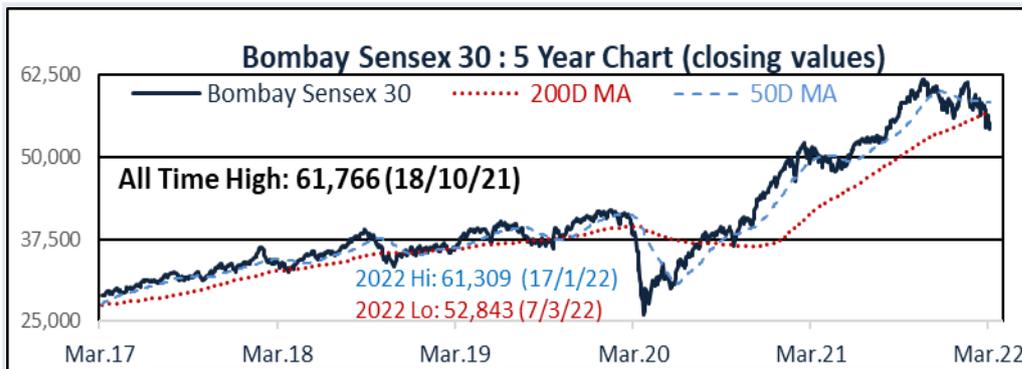


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London, 16 March 2022



Close:	Level	Index Pts Chg-Day	% Chg YTD
16 Mar 2022			
SENSEX 30	56,816	+ 1040	-2.5%
NIFTY 50	16,975	+ 312	-2.2%

Other Markets: Level & % YTD

ASIA: CHINA Shanghai:	3,171 (-13%)
JAPAN Nikkei 225:	25,762 (-11%)
EUROPE: UK FTSE:	7,289 (-1%)
GERMANY DAX:	14,736 (-9%)
USA: Dow Jones:	33,927 (-7%)
NASDAQ Composite:	13,308 (-15%)
GOLD:	\$1,912.71 (+5%)
SILVER:	\$24.64 (+6%)
BRENT OIL:	99.38 (+28%)

Indian Currency; Level & YTD

INR ₹ / USD	\$1=	Rs76.17 (-2.3%)
INR ₹ / GBP	£1=	Rs99.89 (+0.8%)
INR ₹ / EUR	€1=	Rs83.75 (+1.2%)

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.

- ⇒ In the latest set of state assembly elections Prime Minister Modi's Hindu nationalist Bharatiya Janata Party (BJP) retained with a big majority India's most populous state, Uttar Pradesh (U.P.), with a big majority. U.P. is home to about a fifth of India's 1.35 billion people and sends the most lawmakers to parliament of any state. The victory in the northern state has come despite the state and federal government's much-criticised handling of COVID-19, lack of jobs and anger over farm reforms that Modi finally reversed last year after protests.
- ⇒ It has long been experienced in Indian politics that without winning Uttar Pradesh and the neighbouring state of Bihar, no party or coalition has much hope of securing a majority in parliament. The BJP has ruled in both. For decades, Uttar Pradesh was staunchly held by the main opposition Congress party, but it has been unable to control a slide in its popularity over recent years. "Humbly accept the people's verdict," senior Congress leader Rahul Gandhi, the scion of the Nehru-Gandhi dynasty who has overseen the party's decline, said on Twitter.
- ⇒ In elections in four smaller states over the past month, the Aam Aadmi Party (AAP), which governs the national capital territory of Delhi, won a landslide victory in Punjab. The BJP retained control of Uttarakhand, and formed governments in Goa and Manipur. The AAP, whose name means "common man" in Hindi, emerged in

2012 out of an anti-corruption movement. Party leaders said they were ready to take on Modi nationally. The win in Uttar Pradesh is a seal of approval for Hindu monk Yogi Adityanath, who was surprisingly chosen as chief minister for the state five year ago and is seen as a future prime ministerial candidate for the BJP.

- ⇒ According to the World Gold Council India's gold demand in 2021 stood at 797.3 tonnes, worth around \$46.1 billion. India's central bank currently allows some domestic banks to import gold, which is then purchased by bullion dealers and sold to jewellers before going to retail customers. India's National Stock Exchange (NSE) said last Saturday it planned to set up a new domestic spot gold exchange that would bring more efficiency and transparency to bullion pricing. NSE will create the exchange together with the India Bullion and Jewellers Association, which represents industry members in the world's second largest consumer of gold.
- ⇒ The new bourse will be overseen by the Securities and Exchange Board of India (SEBI), the country's market regulator. NSE did not specify when the exchange, where jewellers, retailers, refiners and banks will be able to trade over a regulated platform, will start operating. China, the top gold consumer, runs a similar bourse, where all domestic production and imported gold has to be bought and sold. "This exchange shall bring in efficiency as well as transparency in the price discovery of bullion," NSE managing director and CEO Vikram Limaye said in a statement.
- ⇒ India's annual retail inflation in February rose 6.07%, boosted by rising costs of food, fuel and household items, compared with 6.01% in the previous month. The Reserve Bank of India has a target band of 2% to 6%. In contrast to the U.S. Fed and some other central banks, the RBI is not expected to raise rates soon despite high inflation because of the need to support economic recovery. Warning against inflationary pressures, Michael Patra, RBI's deputy governor said last week that India's growth story remained as weak as it was during the 2013 'taper tantrum', and geopolitical tensions in Ukraine and Russia were further likely to hamper a recovery. Still, India has the highest economic growth among major economies.



Indian States (L-Z) : 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 L-Z.
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 6th 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 11th 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.	Madhya Pradesh (Bhopal)	120	Kuwait	Hindi, English and Marathi	70.6%	Auto and auto components, textiles, cement, agro-based industries, forest-based industries, pharmaceuticals, mineral-based industries, manufacturing, tourism, IT and ITeS, logistics and warehousing and biotechnology
2.	Maharashtra (Mumbai)	430 (highest among all states)	Norway	Marathi, Konkani, Hindi and English	82.3%	Pharmaceuticals, biotechnology, IT and ITeS, electronics, engineering, auto and auto components, oil and gas, food and agro processing, gems and jewellery, banking, financial services and insurance (BFSI) and textiles
3.	Manipur (Imphal)	4.2	Barbados	Meiteilon, English and Hindi	76.9%	Handlooms, handicrafts, sericulture, food processing, bamboo processing, Information Technology, hydro power, tourism and mineral-based products
4.	Meghalaya (Shillong)	4.6	Barbados	English, Khasi, Pnar and Garo	74.4%	Agriculture and food processing, floriculture, horticulture, mining, cement, tourism, hydroelectric power, handlooms, handicrafts and sericulture
5.	Mizoram (Aizawl)	3.5	Djibouti	Mizo and English	91.3%	Bamboo, energy, sericulture agriculture and horticulture, tourism, food processing, IT and medicinal plants
6.	Nagaland (Kohimaia)	4.2	Barbados	English and Sino-Tibetan	79.5%	Bamboo, agriculture and allied industries, horticulture, sericulture, tourism, minerals and mining



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7.	Odisha (Bhubaneswar)	68	Ivory Coast	Oriya, Hindi and English	72.8%	Iron, steel, ferroalloy, aluminium, handloom, mining, IT and ITeS, electronics and tourism. In February 2018, Odisha contributed the largest share (32.8%) of mineral production India in terms of value.
8.	Punjab (Chandigarh, which is also the capital of Haryana)	72	Myanmar	Punjabi, Hindi and English	76.7%	Tractors and auto components, agro-based industries, bicycles and bicycle parts, chemical products, food products, light engineering goods, pharmaceuticals and textiles. The confluence of five rivers makes Punjab's agricultural land rich and productive. The state is known as the 'Bread Basket of India'
9.	Rajasthan (area-wise, the largest state in India) (Jaipur)	140	Algeria	Hindi, Punjabi and English	66.1%	Cement, tourism, IT and ITeS, ceramics, handicrafts, chemicals, textile, marble and steel
10.	Sikkim (Gangtok)	4.3	Barbados	Nepali, Bhutia, Lepcha, Limboo, Magar, Rai, Hindi and English	81.4%	Tourism, agriculture, floriculture, agro-processing, hydroelectric power, tea, large cardamom, minerals, electronics and pharmaceuticals. Sikkim has several snow-capped peaks including Kanchenjunga, the world's third highest peak that attracts a large number of tourists from across the globe.
11.	Tamil Nadu (Chennai)	297	Finland	Tamil and English	80.1%	Textiles, heavy commercial vehicles, automobile and auto components, engineering, IT and ITeS, cement, banking and financial services, drugs and pharmaceuticals, agro and food processing, leather tanning industries, electronic hardware and tourism
12.	Telangana (Hyderabad)	130	Kuwait	Telegu, Hindi, and English	65.5%	Information technology, pharmaceuticals manufacturing, tourism, textile, mines and minerals
13.	Tripura (Agartala)	7.9	Kosovo	Bengali, Kokborok/ Tripuri and English	87.8%	Natural gas, food processing, rubber, tea, bamboo, handloom and handicrafts, sericulture and tourism
14.	Uttar Pradesh (Lucknow) India's most populous state	240	New Zealand	Hindi, English and Urdu	67.7%	Information technology, agro processing, tourism, mineral-based industries, textiles, handloom and handicrafts, food processing and sports goods



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15.	Uttarakhand (Dehradun)	34	Sudan	Hindi, Garhwali, Kumaoni and English	78.8%	Agro-based and food processing, information and communications technology (ICT), floriculture, horticulture, pharmaceutical and biotechnology, hydropower, tourism, engineering and allied industries and fast moving consumer goods (FMCG)
16.	West Bengal (Kolkata)	181	Kazakhstan	Bengali, English, Hindi and Nepali	77.1%	Tea, petroleum and petrochemicals, leather. Iron and steel, information technology, mineral resources, automobile and auto components, biotechnology, fisheries, jute products and textiles

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