

# Economy Watch

Monitoring India's  
macro-fiscal performance

October 2025



The better the question. The better the answer. The better the world works.



Shape the future  
with confidence



# CONTENTS



Highlights	3
Foreword: Internationalizing the Indian rupee	4
1. Growth: PMI indicated ongoing expansion in manufacturing and services in September 2025	5
2. Inflation: CPI inflation fell to 1.5% in September 2025	7
3. Fiscal: Govt's capital expenditure grew by 43.4% during April-August FY26	9
4. Comparative trends: IMF projected India's real growth at 6.6% in 2025, twice the global GDP growth	12
5. In-focus: India makes significant strides in reducing poverty	14
6. Money and finance: The RBI retained the repo rate at 5.5% in its October 2025 monetary policy review	24
7. Trade and CAB: Current account showed a deficit of 0.2% of GDP in 1QFY26	27
8. Global growth: OECD projected global growth at 3.2% in 2025 and 2.9% in 2026	29
9. Index of Aggregate Demand (IAD): Growth in IAD increased to 5.2% in August 2025	31
10. Capturing macro-fiscal trends: Data appendix	32
11. List of abbreviations	37

Prepared by Macro-fiscal Unit, Tax and Economic Policy Group, EY India

D.K. Srivastava, Chief Policy Advisor, EY: [dk.srivastava@in.ey.com](mailto:dk.srivastava@in.ey.com)  
Muralikrishna Bharadwaj, Senior Manager, EY: [muralikrishna.b@in.ey.com](mailto:muralikrishna.b@in.ey.com)  
Tarrung Kapur, Senior Manager, EY: [tarrung.kapur@in.ey.com](mailto:tarrung.kapur@in.ey.com)  
Ragini Trehan, Senior Manager, EY: [ragini.trehan@in.ey.com](mailto:ragini.trehan@in.ey.com)





# Highlights

1. With manufacturing PMI at 57.7 in September 2025, its 2QFY26 average level at 58.7 was the highest since 4QFY08. Services PMI also remained at a high level of 60.9 in September 2025 with its 2QFY26 average at 61.4.
2. Overall IIP growth moderated to 4.0% in August 2025 from 4.3% in July 2025 due to a moderation in the growth of manufacturing output.
3. CPI inflation breached the lower end of RBI's target band, falling to 1.5% in September 2025, its lowest level in the 2012 base series, while core CPI inflation firmed up to a 25-month high of 4.7%.
4. WPI inflation moderated to 0.1% in September 2025 from 0.5% in August 2025 due to contraction in food prices and a softer pace of inflation in non-food articles.
5. Govt's gross tax revenues (GTR) grew by 0.8% during April-August FY26 with a contraction of (-)1.0% in direct taxes and a growth of 2.9% in indirect taxes.
6. Govt's total expenditure grew by 13.8% in April-August FY26, with growth in revenue expenditure at 7.2% and that in capital expenditure at 43.4%.
7. Govt's fiscal and revenue deficits during April-August FY26 stood at 38.1% and 37.9% of their respective annual budget estimates.
8. Gross bank credit growth remained stable at 10.0% in July and August 2025.
9. In August 2025, net FDI turned negative with outflows amounting to US\$0.6 billion. Net FPI also witnessed outflows, for the second successive month, at US\$2.6 billion.
10. Led by an increase in net merchandise trade deficit and accompanied by narrowing of a surplus in invisibles, current account posted a deficit of 0.2% of GDP in 1QFY26 as compared to a surplus of 1.3% in 4QFY25.
11. Merchandise trade deficit widened to a 13-month high of US\$32.1 billion in September 2025 from US\$26.5 billion in August 2025, attributable mainly to increasing non-oil deficit.
12. Merchandise exports showed moderate growth of 6.8% in September 2025, while growth in merchandise imports turned positive at 16.7% from (-)10.1% in August 2025, owing mainly to a surge in gold imports.
13. Global crude price fell to a four-month low of US\$66.5/bbl. in September 2025 owing to an expected increase in OPEC+ output beginning November 2025.
14. OECD projected global growth at 3.2% in 2025 and 2.9% in 2026 with India's FY26 and FY27 growth rates forecasted at 6.7% and 6.2% respectively.
15. We estimate India's poverty headcount ratio to fall below 3% by FY25/FY26 in terms of Rangarajan Committee norms. The World Poverty Clock considers a poverty headcount ratio of less than 3% for a country as signaling eradication of poverty.

2.69%

+5.63%

-5.63%

+14.35

-25.35





# Foreword

## Internationalizing the Indian rupee

The RBI, in its October 2025 Monetary Policy review, maintained the repo rate at 5.5% while also retaining its policy stance as neutral. However, given the fast-changing global trade and exchange rate scenario, the RBI governor, in his statement on 1 October 2025, announced three important initiatives towards internationalizing the Indian rupee (INR). First, permit Authorized Dealer (AD) banks to lend in Indian Rupees to non-residents from Bhutan, Nepal and Sri Lanka for cross-border trade transactions. Second, establish transparent reference rates for currencies of India's major trading partners to facilitate INR based transactions. So far, the general practice has been to quote reference rates in US\$, GBP, EUR and JPY. Third, permit wider use of Special Rupee Vostro Accounts (SRVA) balances by making them eligible for investment in corporate bonds and commercial papers. One related event was the launch of the Foreign Currency Settlement System (FCSS) for the GIFT International Financial Services Centre (IFSC) by the Union Finance Minister at the Global Fintech Festival 2025. The FCSS, authorized by the International Financial Services Centre's Authority, directly addresses the significant delays of the traditional 'correspondent banking route'. Previously, foreign currency payments between IFSC Banking Units had to be routed through banks in other countries, a process that took 36 to 48 hours to complete. The new system eliminates this dependency, allowing transactions to be settled in real-time or near real-time.

With regard to global growth prospects, the IMF, in its October 2025 issue of the World Economic Outlook, has projected global growth to ease from 3.3% in 2024 to 3.2% in 2025 and 3.1% in 2026. World output is projected to expand at an average annual pace of 3.2% from 2027 to 2030, a subdued performance compared with the pre-pandemic (2000 to 2019) historical average of 3.7%, reflecting headwinds from uncertainty and protectionism, even though the tariff shock is expected to be smaller than originally announced. Growth in advanced economies (AEs) is projected at 1.6% in both 2025 and 2026 and that in emerging market and developing economies (EMDEs) at 4.2% and 4.0%, respectively. Amid this global uncertainty, India's real GDP growth is forecasted to remain above 6% in all years from 2025 (FY26) to 2030 (FY31). For FY26, growth is projected at 6.6% with carryover from a strong first-quarter growth more than offsetting the increase in the US effective tariff rate on imports from India since July 2025. Growth is expected to ease to 6.2% in FY27 before increasing to 6.4% in FY28 and 6.5% during the next three years.

India's growth forecasts by the OECD (September 2025 Interim Economic Outlook) for FY26 and FY27 at 6.7% and 6.2%, respectively, are quite close to the IMF's projections. The OECD assessed India's growth in these two years to be the highest among G20 countries with overall activity anticipated to be supported by monetary and fiscal policy easing, including the reform to the GST despite higher US tariffs weighing on the export sector.

The RBI, in its latest assessment, has revised upwards its India's real GDP growth projection for FY26 to 6.8% from its earlier projection of 6.5%, with quarterly projection at 7.0% for 2Q, 6.4% for 3Q, and 6.2% for 4QFY26. Thus, despite the tariff related uncertainties and challenges, India's growth prospects remain buoyant. RBI's forecast for CPI inflation for FY26 was revised downwards to 2.6% from 3.1% in its assessment as per the August 2025 Monetary Policy Review. On a quarterly basis, CPI inflation is projected at 1.8%, 1.8% and 4.0% in 2Q, 3Q and 4QFY26, respectively. Monthly data for CPI inflation shows a persistent falling trend. In September 2025, it breached the lower end of RBI's target band, easing to 1.5%, its lowest level in the 2012 base series, from 2.1% in August 2025. This was mainly on account of an increase in the pace of contraction in consumer food prices to (-)2.3% in September 2025, its highest pace of contraction since December 2018, led by a strong harvest and benefiting from favorable base effects. The fall in overall CPI inflation was also facilitated by a moderation in inflation in fuel and light, which was at a six-month low of 2.0% in September 2025.

Average global crude prices fell to a four-month low of US\$66.5/bbl. in September 2025. More recently, on a daily basis, both Brent and WTI crude prices fell to their local troughs of US\$60.9/bbl. and US\$57.0/bbl., respectively, on 20 October 2025. This may be attributable to the OPEC+ decision to increase oil production by 137,000 bbl./day in November 2025 during the latest meeting held on 5 October 2025. In its October 2025 Monetary Policy Report, as part of the baseline assumptions, the RBI retained its assumption of Indian Crude Price basket at US\$70 per barrel during 2HFY26, similar to its assumption for 1HFY26.



High-frequency indicators for August and September 2025 suggest continuation of the ongoing growth momentum. With manufacturing PMI at 57.7 in September 2025, its 2QFY26 average level at 58.7 was the highest since 4QFY08. Services PMI also remained at a high level of 60.9 in September 2025 with the 2QFY26 average at 61.4, its joint highest level since 2QFY09 along with 1QFY11. IIP growth at 4.0% in August 2025 was marginally lower as compared to 4.3% in July 2025. Gross bank credit growth remained stable at 10.0% in July and August 2025. Monthly gross GST collections marginally increased from INR1.86 lakh crore in August 2025 to INR1.89 lakh crore in September 2025. Subsequent GST performance may depend on the new rate structure in the reformed GST framework and the related price and demand changes. Merchandise exports showed a moderate growth of 6.8% in September 2025, while growth in merchandise imports turned positive at 16.7% in September 2025 from (-)10.1% in August 2025 owing mainly to a surge in gold imports. Merchandise trade deficit widened to a 13-month high of US\$32.1 billion in September 2025 from US\$26.5 billion in August 2025 attributable to increasing non-oil deficit. On a quarterly basis, current account posted a deficit of 0.2% of GDP in 1QFY26 as compared to a surplus of 1.3% in 4QFY25, led by an increase in net merchandise trade deficit and accompanied by narrowing of a surplus in invisibles.

The performance of Gol's GTR during the first five months of FY26 was, however, subdued with a growth of only 0.8% over the corresponding period of the previous year. Direct taxes have not performed that well, showing a contraction of (-)1.0%, mainly due to a negative growth of (-)2.5% in Personal Income Tax (PIT) revenues during April to August FY26. This may be partly attributable to the postponement of the date of filing of IT returns from July to September 2025. Corporate Income Tax (CIT) revenues also showed only a modest growth of 2.1% during this period. Indirect taxes showed a growth of 2.9% during April-August FY26, lower than 9.5% during the corresponding period of FY25, with a continuing contraction in customs duties at (-)11.9%. On the other hand, Gol's expenditures have continued to show a healthy growth of 13.8%, with capital expenditure growing by 43.4% and revenue expenditure by 7.2% during April to August FY26. Thus, owing to a subdued growth in GTR accompanied by a high growth in expenditure, particularly capital expenditure, Gol's fiscal deficit during April-August FY26 stood at 38.1% of the annual budget estimate (BE), higher than 27.6% in the previous fiscal year based on actual data.

This month's In-focus section takes note of a major landmark in the evolution of India's growth and development story. It notes that measured in terms of Rangarajan Committee norms, the poverty headcount ratio is estimated to fall below 3% in FY25, considering the weighted average for 19 states. This projection is based on a recent study published by RBI (2025). The World Poverty Clock considers a poverty headcount ratio of less than 3% for a country as signaling eradication of poverty. It is notable that some of the large population states like Uttar Pradesh, Bihar and Madhya Pradesh are projected to have an overall poverty headcount ratio well below the threshold of 3% during FY25/FY26. Some of the states with a large share of tribal population such as Chhattisgarh, Jharkhand and Maharashtra whose poverty headcount ratios are still projected to be above the 3% threshold, may require further policy attention aimed at reducing poverty.



**D.K. Srivastava**  
Chief Policy Advisor, EY India





# 1.

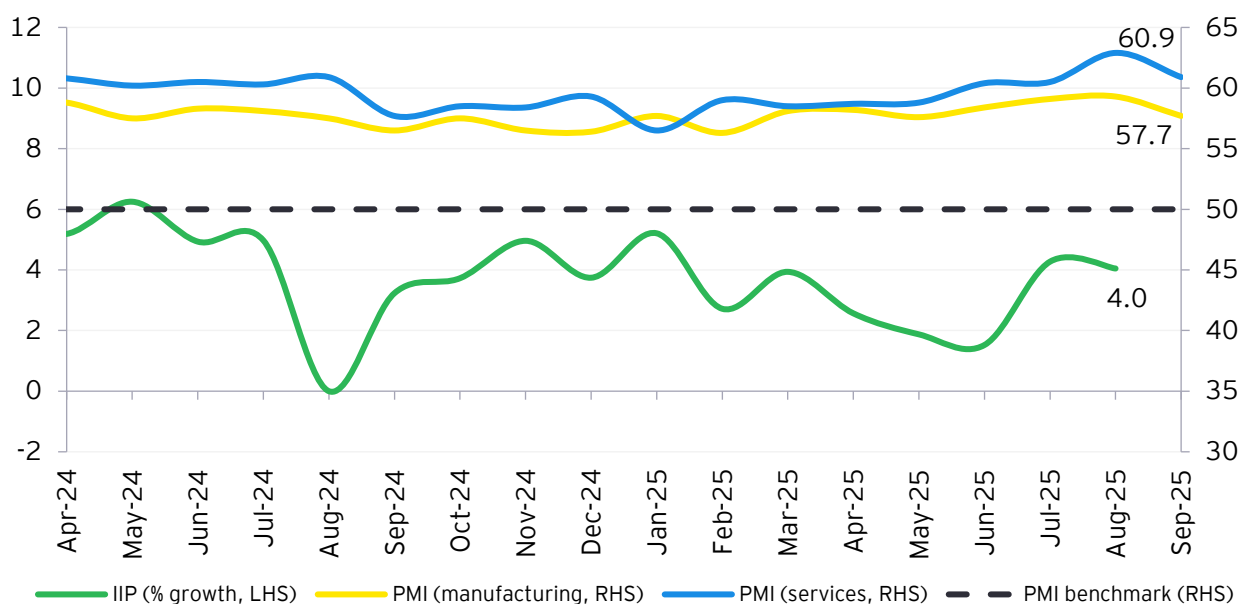
## Growth: PMI indicated ongoing expansion in manufacturing and services in September 2025

### 1.1. PMI: Despite a moderating pace of growth, manufacturing and services PMI remained high at 57.7 and 60.9 in September 2025

- Despite easing from 59.3 in August 2025 to 57.7 in September 2025 (Chart 1), manufacturing PMI (seasonally adjusted or sa) remained well above its long run average of 54.2. New export orders increased faster in September 2025 despite US tariffs. Business confidence, as indicated by expectations for future output, also showed a sharp increase during the month. On a quarterly basis, manufacturing PMI averaged 58.7 in 2QFY26, its highest quarterly value since 4QFY08.
- Services PMI (sa) remained high at 60.9 in September 2025 although easing from 62.9 in August 2025. With this, services PMI remained above 60 for the fourth successive month. On a quarterly basis, services PMI averaged 61.4 in 2QFY26, its joint highest level since 2QFY09 (services PMI averaged 61.4 in 1QFY11 also).
- Owing to easing growth momentum in both manufacturing and services PMI, the composite PMI Output Index (sa) fell from 63.2 in August 2025 to 61 in September 2025. On a quarterly basis, however, composite PMI Output Index averaged 61.8 in 2QFY26, its highest level since 2QFY09.

With manufacturing PMI at 57.7 in September 2025, its 2QFY26 average level at 58.7 was the highest since 4QFY08. Services PMI also remained at a high level of 60.9 in September 2025 with its 2QFY26 average at 61.4.

Chart 1: PMI and IIP growth



Source: MoSPI and S&P Global.



## 1.2. IIP: Growth moderated to 4.0% in August 2025

- According to the quick estimates, IIP grew by 4.0% in August 2025, moderating marginally from 4.3% (revised) in July 2025 (Chart 1). This is attributable to a fall in the growth of manufacturing output, even while the growth in the output of electricity and mining sectors improved.
- The manufacturing output grew at a slower pace of 3.8% in August 2025 as compared to 6.0% (revised) in July 2025. Growth in the output of electricity increased to a five-month high of 4.1% in August 2025 from 3.7% in July 2025. Output of the mining sector also grew by 6.0% in August 2025 as compared to a contraction of (-)7.2% in July 2025.
- Within manufacturing, among the key sub-industries, output of basic metals (12.2%) and other non-metallic mineral products (2.9%) witnessed moderation in their respective growth rates while output of pharmaceuticals et al. ((-)9.2%), food products ((-)4.8%), chemical and chemical products ((-)1.9%) and other machinery and equipment ((-0.3%) contracted during the month.
- However, growth in the output of motor vehicles et al. (9.8%) and coke and refined petroleum products (5.4%) improved during the month.
- Within the 'use-based' classification of industries, although the output of infrastructure/construction showed the strongest growth of 10.6% in August 2025, it was lower as compared to 13.7% in July 2025. Output of consumer durables and capital goods also showed lower growth rates of 3.5% and 4.4%, respectively, in August 2025 as compared to 7.3% and 6.8% in July 2025.
- Output of consumer non-durables, however, contracted sharply by (-)6.3% in August 2025 following a low growth of 0.5% in July 2025.
- Owing to a favorable base effect, growth in the output of eight core infrastructure industries (core IIP) increased to a 15-month high of 6.3% in August 2025 from 3.7% in July 2025. Within the sub-industries, growth in the output of steel was the highest at 14.2%. This was followed by coal, cement and petroleum refinery products with growth rates of 11.4%, 6.1% and 3.0%, respectively, in August 2025. Output of natural gas and crude oil, however, contracted by (-)2.2% and (-)1.2%, respectively, in August 2025.

**Overall IIP growth moderated to 4.0% in August 2025 from 4.3% in July 2025 due to a moderation in the growth of manufacturing output.**





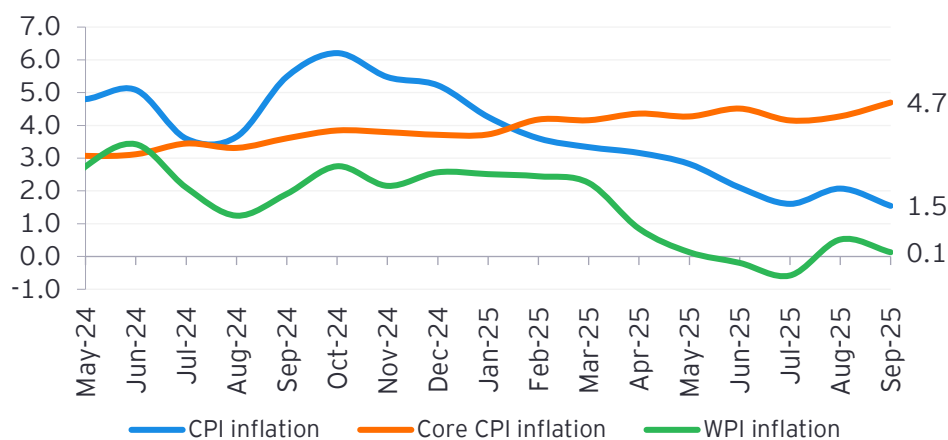
## 2.

### Inflation: CPI inflation fell to 1.5% in September 2025

#### 2.1. CPI inflation

- CPI inflation breached the lower end of RBI's target band falling to 1.5% in September 2025, its lowest level in the 2012 base series, from 2.1% in August 2025.
- Led by a strong harvest and benefiting from favorable base effects, the pace of contraction in consumer food prices increased to (-)2.3% in September 2025, its highest pace of contraction since December 2018 (Chart 2).
- The contraction in consumer food prices was on account of sustained contraction in prices of vegetables, pulses and products and softening inflation in oils and fats and fruits. Vegetable prices contracted for the eighth consecutive month at (-)21.4% in September 2025, their highest pace of contraction since September 2021, led by contraction in prices of tomatoes ((-)6.1%), onions ((-)49.9%), and garlic ((-)55.5%).
- Inflation in fuel and light eased to a six-month low of 2.0% in September 2025 from 2.3% in August 2025.
- Housing-based inflation at 4.0% in September 2025, was at its highest level since September 2023.
- Inflation in miscellaneous items remained firm at 5.4% in September 2025, higher than 5.0% in August 2025, as rising silver and gold prices led to inflation in personal care and effects reaching an unprecedented level (2012 base series) of 19.4%.
- Inflation in transportation and communication services moderated to a 15-month low of 1.8% in September 2025, reflecting lower crude prices.
- Core CPI inflation<sup>1</sup> increased to 4.7% in September 2025, its highest level since August 2023, partly due to higher costs in housing, gold and silver and services, suggesting persistence of underlying demand or cost pressures.
- On a quarterly basis, CPI inflation was at a historic low (2012 base series) of 2.0% in 2QFY26.

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



CPI inflation breached the lower end of RBI's target band, falling to 1.5% in September 2025, its lowest level in the 2012 base series, while core CPI inflation firmed up to a 25-month high of 4.7%.

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

<sup>1</sup> Core CPI inflation is measured as CPI inflation excluding food and beverages, pan, tobacco and intoxicants, and fuel and light.



## 2.2. WPI inflation: Eased to 0.1% in September 2025

- WPI inflation moderated to 0.1% in September 2025 from 0.5% in August 2025, reflecting deflation in wholesale food prices on account of a strong harvest and a softer pace of inflation in non-food articles.
- The pace of contraction in prices of vegetables increased to (-)24.4% in September 2025 from (-)14.2% in August 2025, as inflation in tomatoes turned negative at (-)12.9%.
- WPI food index-based inflation turned negative at (-)2.0% in September 2025 from 0.2% in August 2025, partly due to favorable monsoon leading to a robust agricultural output.
- The wholesale price of crude petroleum and natural gas continued to contract for the thirteenth successive month at (-)3.8% in September 2025 as compared to (-)9.9% in August 2025, reflecting a sustained fall in global crude prices on y-o-y basis.
- Fuel and power prices continued to contract for the sixth successive month at (-)2.6% in September 2025 as compared to (-)3.2% in August 2025, as inflation in electricity and minerals remained negative while that in coal was only marginally positive.
- Inflation in manufactured products remained low at 2.3% in September 2025, moderating from 2.5% in August 2025, as inflation in manufactured food products eased to a 13-month low of 4.6% from 7.1% over the same period.
- Core WPI inflation increased marginally to 1.9% in September 2025 from 1.6% in August 2025 led by a softening pace of contraction in prices of manufactured basic metals.
- On a quarterly basis, WPI inflation at 0.0% in 2QFY26, was at an eight-quarter low.





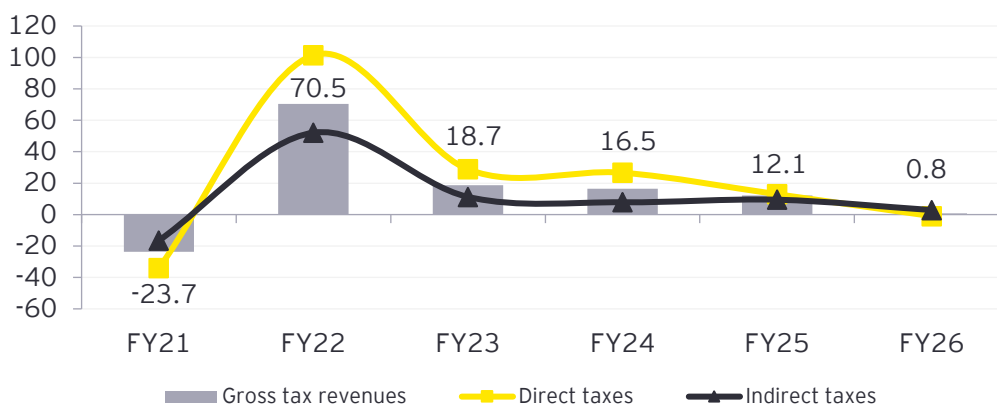
# 3.

## Fiscal: Gol's capital expenditure grew by 43.4% during April-August FY26

### 3.1. Tax and non-tax revenues

- As per the CGA, Gol's GTR<sup>(b)</sup> showed a subdued growth of 0.8% during April-August FY26, much lower than 12.1% during the corresponding period of FY25. This was mainly on account of a contraction in direct taxes accompanied by a low growth in indirect taxes during this period (Chart 3).
- During April-August FY26, direct taxes<sup>(a)</sup> showed a contraction of (-)1.0% as compared to a double-digit growth of 12.9% during the corresponding period of FY25. Growth in indirect taxes<sup>(a)</sup> was also lower at 2.9% during the first five months of FY26 as compared to 9.5% during the corresponding period of FY25.
- PIT revenues contracted by (-)2.5% during April-August FY26 as compared to a strong growth rate of 25.5% in the corresponding period of FY25. This contraction may partly be due to the postponement of the date of filing of IT returns from July to September 2025 as also the PIT rate rationalisation measures announced in the FY26 Budget.
- CIT revenues grew by 2.1% during April-August FY26 as compared to a contraction of (-)6.0% during April-August FY25.
- Among indirect taxes, Gol's GST revenues showed a growth of 5.0% during April-August FY26, lower than 10.2% during the corresponding period of FY25.
- Union excise duties (UED) showed a growth of 7.6% during the first five months of FY26 as compared to 4.2% during the corresponding period of the previous year.
- There was a contraction in customs duties at (-)11.9% during April-August FY26 as compared to a growth of 12.9% during April-August FY25.

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



Gol's GTR grew by 0.8% during April-August FY26 with a contraction of (-)1.0% in direct taxes and a growth of 2.9% in indirect taxes.

Source: Monthly Accounts, CGA, Government of India

Notes: (a) Direct taxes include personal income tax (excluding STT) 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 Gol's GTR along with direct and indirect taxes.

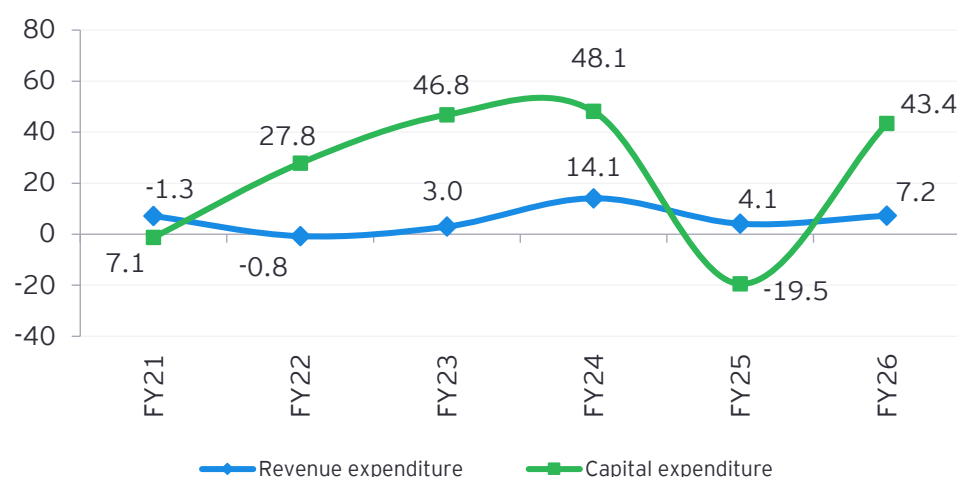


- Gol's non-tax revenues showed a high growth of 31.7% during April-August FY26, owing to substantially higher dividends by the RBI. Dividends and profits of the Gol during the first five months of FY26 stood at 95% of the FY26 (BE) at INR3,25,000 crore.
- Non-debt capital receipts of the Gol during April-August FY26 stood at 42.1% of the annual FY26 (BE), higher than the corresponding three-year average ratio at 30.2% based on actual data.
- As per the Department of Investment and Public Asset Management (DIPAM)<sup>2</sup>, Gol's disinvestment receipts as of 24 October 2025 were at INR3,673.42 crore, amounting to 7.8% of the FY26 BE at INR47,000 crore.

### 3.2. Expenditures: Revenue and capital

- Growth in Gol's total expenditure was at 13.8% during April-August FY26 compared to a contraction of (-)1.2% during the corresponding period of FY25 (Chart 4).
- As a proportion of FY26 BE, total expenditure in the first five months stood at 37.1%, higher than the three-year average ratio at 35.4% during FY23 to FY25 based on actual data.
- Gol's revenue expenditure growth was at 7.2% during the first five months of FY26, higher than 4.1% during the corresponding period of FY25, mainly attributable to a high growth of 32.1% in interest payments.
- Gol's capital expenditure has shown strong growth of 43.4% during April-August FY26 as compared to a contraction of (-)19.5% during the corresponding period of FY25.

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



Gol's total expenditure grew by 13.8% in April-August FY26, with growth in revenue expenditure at 7.2% and that in capital expenditure at 43.4%.

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

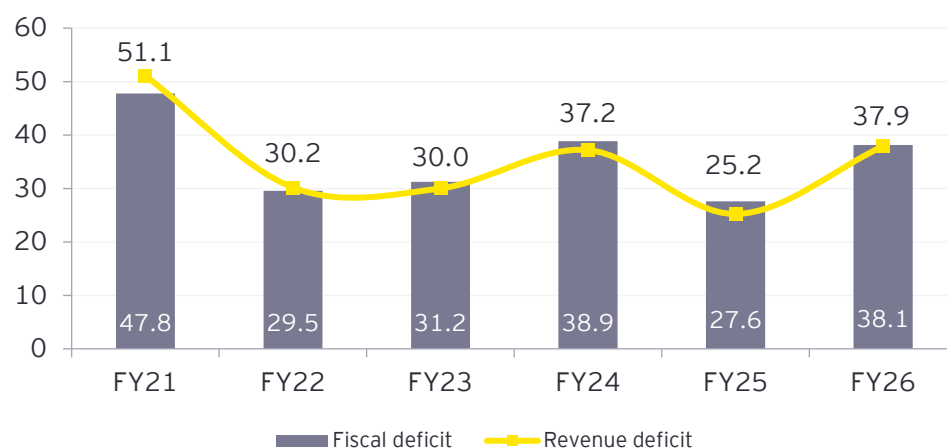
<sup>2</sup> <https://dipam.gov.in/>



### 3.3. Fiscal imbalance

- Gol's fiscal deficit during April-August FY26 was at 38.1% of FY26 (BE), higher than 27.6% in the previous fiscal year (based on actual data) owing to a subdued growth in GTR accompanied by a high growth in expenditure particularly capital expenditure (Chart 5). However, this ratio is comparable to the corresponding level in FY24 at 38.9% based on actual data.
- Gol's revenue deficit during the first five months of FY26 stood at 37.9% of the FY26 (BE), higher than the corresponding ratio in FY25 based on actual data but comparable to that in FY24.

**Chart 5: Fiscal and revenue deficit during April-August as a percentage of annual actuals (BE for FY26)**



Gol's fiscal and revenue deficits during April-August FY26 stood at 38.1% and 37.9% of their respective annual budget estimates.

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





# 4.

## Comparative trends: IMF projected India's real growth at 6.6% in 2025, twice the global GDP growth

### 4.1. Growth

- As per the IMF (World Economic Outlook, October 2025), global growth is projected to ease from 3.3% in 2024 to 3.2% in 2025 and 3.1% in 2026. World output is projected to expand at an average annual pace of 3.2% during 2027 to 2030, a subdued performance compared with the pre-pandemic (2000 to 2019) historical average of 3.7%. This reflects headwinds from uncertainty and protectionism, even though the tariff shock is expected to be smaller than originally announced.
- Growth in AEs is projected at 1.6% in both 2025 and 2026, followed by only marginal variations during 2027 to 2030. EMDEs are forecasted to show a growth of 4.2% and 4.0% in 2025 and 2026, followed by an average growth of 4.1% during 2027 to 2030 (Table 1).

**Table 1: Real GDP growth (% annual)**

Country	2024	2025	2026	2027	2028	2029	2030
World	3.3	3.2	3.1	3.2	3.2	3.2	3.1
AEs	1.8	1.6	1.6	1.7	1.7	1.6	1.5
US	2.8	2.0	2.1	2.1	2.1	1.9	1.8
UK	1.1	1.3	1.3	1.5	1.4	1.4	1.4
Euro area	0.9	1.2	1.1	1.4	1.3	1.2	1.1
Japan	0.1	1.1	0.6	0.6	0.6	0.5	0.5
EMDEs	4.3	4.2	4.0	4.2	4.1	4.1	4.0
Brazil	3.4	2.4	1.9	2.2	2.3	2.4	2.5
Russia	4.3	0.6	1.0	1.1	1.1	1.1	1.1
India*	6.5	6.6	6.2	6.4	6.5	6.5	6.5
China	5.0	4.8	4.2	4.2	4.0	3.7	3.4
S. Africa	0.5	1.1	1.2	1.5	1.7	1.8	1.8

Source: IMF World Economic Outlook, October 2025; \*Data pertains to fiscal year

- Although growth in the US is projected to slow from 2.8% in 2024 to 2.0% in 2025, it is expected to remain steady at 2.1% in 2026 on account of lower effective tariff rates, a fiscal boost from the passage of the One Big Beautiful Bill Act and easing financial conditions. In the medium term, growth is forecasted to fall to 1.8% by 2030 due to greater policy uncertainty, higher trade barriers and lower growth in labor force and employment.
- Growth in the Euro area is expected to pick up modestly from 0.9% in 2024 to 1.2% in 2025 and to 1.1% in 2026. Average growth during 2027 to 2030 is estimated at a low level of 1.3%, driven by elevated uncertainty at multiple fronts and higher tariffs.
- In Japan, growth is expected to accelerate from 0.1% in 2024 to 1.1% in 2025 and moderate to 0.6% in 2026 and further to 0.5% by 2029. These dynamics are driven by an expected pickup in real wage growth supporting private consumption, despite headwinds from elevated trade policy uncertainty and softening external demand.
- Growth prospects in the UK in 2025 and 2026 reflect a slight improvement as compared to the earlier projections pertaining to April 2025, primarily reflecting stronger activity in the first half of 2025 and an improvement in external environment including a UK-US trade deal announced in May 2025.



- Among EMDEs, growth in China is projected to ease to 4.8% in 2025 and further to 4.2% in 2026. China's growth prospects in the medium term appear weak owing mainly to the continuing weakness in the property sector. In IMF's assessment, real estate investment continues to shrink while the economy teeters on the verge of a debt-deflation cycle.
- For Brazil, growth is projected to moderate from 3.4% in 2024 to 2.4% in 2025 and further to 1.9% in 2026 partly because of the higher tariff rate on the country's exports to the US.
- Growth in India is estimated at 6.6% in 2025 (FY26) with carryover from a strong first quarter growth more than offsetting the increase in the US effective tariff rate on imports from India since July 2025. Growth is, however, projected to ease to 6.2% in 2026 (FY27) before increasing to 6.4% in 2027 (FY28) and 6.5% thereafter.

## 4.2. Inflation

- Global headline inflation is projected to decline to 4.2% in 2025 and further to 3.7% and 3.4% in 2026 and 2027, respectively (**Table 2**). By 2029, global CPI inflation is forecasted to fall to 3.2%. Both AEs and EMDEs considered as groups show a falling trend in CPI inflation during the period 2025 to 2030.

**Table 2: CPI inflation (% , annual)**

Country	2024	2025	2026	2027	2028	2029	2030
World	5.8	4.2	3.7	3.4	3.3	3.2	3.2
AEs	2.6	2.5	2.2	2.1	2.1	2.1	2.1
US	3.0	2.7	2.4	2.2	2.2	2.2	2.2
UK	2.5	3.4	2.5	2.0	2.0	2.0	2.0
Euro area	2.4	2.1	1.9	2.1	2.0	2.0	2.0
Japan	2.7	3.3	2.1	2.0	2.0	2.0	2.0
EMDEs	7.9	5.3	4.7	4.2	4.1	3.9	3.9
Brazil	4.4	5.2	4.0	3.3	2.9	2.9	2.9
Russia	8.4	9.0	5.2	4.0	4.0	4.0	4.0
India*	4.6	2.8	4.0	4.0	4.0	4.0	4.0
China	0.2	0.0	0.7	1.4	1.8	1.9	2.0
S. Africa	4.4	3.4	3.7	3.2	3.0	3.0	3.0

Source: IMF World Economic Outlook, October 2025; \*Data pertains to fiscal year

- In the US, inflation is expected to pick up beginning second half of 2025, as the impact of tariffs is no longer absorbed within supply chains and instead passed on to consumers. Inflation is projected to moderate to 2.2% 2027 onwards, although remaining above the Federal Reserve's 2% target.
- In the UK, headline inflation, which started picking up in 2024, is expected to continue rising in 2025 partly because of changes in regulated prices. This is projected to be temporary, with a loosening labor market and moderating wage growth eventually helping inflation return to target in 2027.
- Among EMDEs, Brazil's CPI inflation is forecasted to increase to 5.2% in 2025 partly reflecting the stabilization of inflation expectations above target rates, indicating credibility challenges associated with fiscal policy uncertainties last year, although relief from more recent currency appreciation is expected to arrive in late 2025 and in 2026.
- India's CPI inflation is projected at 2.8% in 2025 (FY26), 0.2% points higher than the RBI's forecast at 2.6%. This is significantly lower than the level of 4.6% in 2024 (FY25) and may be partly attributable to the expected positive effect of the recent GST rate rationalization initiatives in terms of simplifying taxes and lowering consumer prices. Forecasts for subsequent years are maintained at the RBI's target rate of 4%.
- CPI inflation in China is forecasted to remain subdued in 2025 and 2026 due to the ongoing property market downturn, weak private demand and rising industrial output. A modest pickup in the headline inflation is expected to begin 2027 onwards.



# 5.

## In-focus: India makes significant strides in reducing poverty

### 5.1. Introduction

For the last several decades, economic welfare discussions in India have focused on eliminating poverty. In 1969, 'Garibi Hatao' had become an official policy target. Poverty itself has been defined in many ways. In international discussions, poverty lines have been set up in terms of alternative thresholds with the lowest benchmark at \$1.9 in purchasing power parity (PPP) terms which has now been revised to \$2.15 as defining 'extreme' poverty. A country where poverty headcount ratio<sup>3</sup> is less than 3% in terms of this benchmark, is considered as having eradicated extreme poverty according to the World Poverty Clock<sup>4</sup>. India's poverty headcount ratio as per the World Poverty Clock fell below 3% in 2021. At present, i.e., in 2025, this has fallen to just 1%.

Policy discussions within India have focused on concepts of poverty with respect to nutritional and supplementary thresholds. In this formulation, calorific benchmarks have been set up from time to time separately for rural and urban areas and converted into monthly per capita consumption expenditure benchmarks called poverty lines. Even in terms of nutritional poverty, India has made significant progress. This has become apparent with the publication of the latest Household consumption expenditure survey, data for which has now become available for FY2023 and FY2024. In this writeup, we undertake a review of the evolution of poverty lines in India based on Lakdawala and Rangarajan Committee studies and estimate state-wise poverty headcount ratios for FY2024 to FY2026.

A recent RBI study undertaken by Das et al. (2025)<sup>5</sup> has estimated poverty headcount ratios after revising the poverty line using Rangarajan methodology (2014)<sup>6</sup> for FY2023 for selected states. In this study, sharp reduction in poverty headcount ratios has been noted between FY2012 and FY2023. If the state-wise annual rate of reduction in the poverty headcount ratio calculated on the basis of the FY2012 and FY2023 results are used to estimate the poverty headcount ratios for different states for FY2024 to FY2026, it is seen that this ratio falls below 3% by FY2025/FY2026.

### 5.2. Mitigating poverty

The World Poverty Clock provides country-wise data pertaining to eradication of extreme poverty on real time basis. It defines the poverty line relevant for study of extreme poverty in terms of PPP\$. These poverty lines have been revised upwards over time and we can convert these in terms of INR by using PPP exchange rates (IMF). Table 3 gives the details. It is seen that extreme poverty headcount ratio for India using PPP\$2.15 poverty line was close to 5% in 2016. It fell below 3% in 2021 and is presently estimated at marginally above 1%.

<sup>3</sup> Poverty headcount ratio may be defined as the percentage share of population living below a defined poverty aggregate

<sup>4</sup> <https://worldpoverty.io/>; <https://worldpoverty.io/methodology>; <https://www.nature.com/articles/s41599-018-0083-y>

<sup>5</sup> Das, K.S., Gopalakrishnan P., and Mazumder D. (2025), Is Consumption Inequality Declining? - What the 2022-23 NSSO Survey Tells Us, RBI Bulletin September 2025, 97-105

<sup>6</sup> Report of the Expert Group to Review the Methodology for Measurement of Poverty, Planning Commission, GoI, June 2014.



**Table 3: Poverty line and headcount ratio estimates for India: World Poverty Clock**

Year	Poverty lines in INR using PPP exchange rates in terms of monthly per capita consumption expenditure			Headcount ratio (%)		
	below PPP \$2.15 per day per person	below PPP \$3.65 per day per person	below PPP \$6.85 per day per person	below PPP \$2.15 per day	below PPP \$3.65 per day	below PPP \$6.85 per day
2016	1292	2193	4116	4.99	21.3	51.3
2017	1319	2240	4204	4.23	18.5	48.2
2018	1321	2242	4208	3.41	15.5	44.7
2019	1305	2216	4159	2.83	13.6	42.4
2020	1311	2225	4176	3.32	15.9	45.0
2021	1337	2270	4260	2.20	11.9	39.8
2022	1322	2244	4211	1.62	9.9	36.0
2023	1309	2222	4170	1.30	8.0	32.4
2024	1318	2237	4199	1.14	6.6	29.6
2025	1333	2263	4246	1.05	5.5	27.3
2026	1356	2303	4321	0.99	4.6	25.0
2027	1385	2351	4413	0.94	3.9	22.8
2028	1411	2396	4496	0.90	3.2	20.5
2029	1441	2447	4592	0.86	2.6	18.1
2030	1471	2498	4687	0.82	2.1	15.8
2031	NA	NA	NA	0.78	1.7	13.7

Source (basic data): World Poverty Clock, IMF

Note: Population living below \$3.65 is considered as living in poverty, while population living below \$6.85 is considered as living in highly vulnerable conditions

### 5.3. State-wise poverty line estimates

The most well-known methodology for defining the poverty line has been referred to, in poverty measurement discussions, as being based on the Lakdawala methodology covering the period FY1974 to FY2005. Subsequently, some revisions in norms were introduced and we have more recent poverty thresholds defined in terms of Rangarajan and Tendulkar methodology. The Rangarajan poverty thresholds are somewhat higher than the Tendulkar poverty thresholds. For more recent years, poverty estimates have become available using Rangarajan Committee poverty lines.

The Rangarajan Committee norms are the latest available based on Planning Commission's Expert Committee. This Committee used the modified mixed reference period (MMRP) based estimates of consumption expenditure. It derived the food component of the poverty line consumption basket by referring to the simultaneous satisfaction of all three nutrient norms relating to energy, protein and fat, taking into account public provision of a range of public goods and services aimed at the amelioration of the diseases facing the population. The Rangarajan Committee used NSSO's estimates and not the NAS estimates for consumption expenditure since the latter led to higher estimates of consumption. Spatial and temporal variation in prices were captured in defining the state level and rural-urban poverty levels. Thus, the Rangarajan Committee poverty estimate refers to normative levels of nourishment, clothing, house rent, conveyance and education and a behaviorally determined level of other non-food expenses.

Poverty estimates in India generally rely on data from household consumption expenditure surveys (HCES), particularly thick sample or detailed surveys covering a large number of households. The National Sample Survey Organisation (NSSO) conducts periodic HCES to capture detailed information on consumption patterns across rural and urban India. These surveys provide state-wise and fractile-wise data on per capita monthly consumption expenditure (MPCE), enabling analysis of inequality, spatial variation and rural-urban differences. The 2011-12 NSSO survey was a thick or detailed survey for household consumption expenditures in India. After a gap of few years, detailed consumption expenditure surveys have again been conducted by the NSSO for 2022-23 and 2023-24. The 2022-23 and 2023-24 surveys marked a



methodological shift, adopting a multi-visit canvassing approach where each of the 2.62 lakh sampled households were visited three times to account for seasonal variations and reduce recall bias. Together, these rounds provide a consistent and evolving picture of India's consumption dynamics, with recent data expected to inform revisions in the Consumer Price Index (CPI) base year and analyses of post-pandemic consumption trends.

Thus, estimates of poverty lines in India have been revised upwards from time to time to take into account the impact of inflation as well as changes in norms. Accordingly, we have estimates available of the poverty line from FY1974 onwards up to FY2023. Tables 4 and 5 give poverty line estimates for rural and urban areas for different years using Lakdawala methodology.

**Table 4: State specific poverty lines in INR monthly per capita in rural areas (Lakdawala methodology)**

States	FY1974	FY1978	FY1984	FY1988	FY1994	FY2000	FY2005
AP	41.7	50.9	72.7	91.9	163.0	262.9	293.0
AS	49.8	60.3	98.3	127.4	232.1	365.4	387.6
BH	57.7	58.9	97.5	120.4	212.2	333.1	354.4
CH	NA	NA	NA	NA	NA	NA	322.4
GA	50.5	58.1	88.2	115.6	194.9	318.6	362.3
GJ	47.1	54.7	83.3	115.0	202.1	318.9	353.9
HR	50.0	59.4	88.6	122.9	233.8	362.8	414.8
HP	50.0	59.4	88.6	122.9	233.8	367.5	394.3
JK	46.6	61.5	91.8	124.3	NA	367.5	391.3
JH	NA	NA	NA	NA	NA	NA	366.6
KA	47.2	52.0	83.3	104.5	186.6	309.6	324.2
KL	51.7	58.9	99.4	130.6	243.8	374.8	430.1
MP	50.2	56.3	83.6	107.0	193.1	311.3	327.8
MH	50.5	58.1	88.2	115.6	194.9	318.6	362.3
OD	46.9	58.9	106.3	121.4	194.0	323.9	325.8
PB	50.0	59.4	88.6	122.9	233.8	362.7	410.4
RJ	51.0	57.5	80.2	117.5	215.9	344.0	374.6
TN	45.1	56.6	96.2	118.2	196.5	307.6	351.9
UP	48.9	54.2	83.9	114.6	213.0	336.9	365.8
UK	NA	NA	NA	NA	NA	NA	478.0
WB	54.5	63.3	105.6	129.2	220.7	350.2	382.8
<b>All India</b>	<b>49.6</b>	<b>56.8</b>	<b>89.5</b>	<b>115.2</b>	<b>205.8</b>	<b>327.6</b>	<b>356.3</b>

Source (basic data): Rangarajan Committee report (2014)

Note: Poverty lines for AR, MN, ML, MZ, NL, SK, and TR states were not calculated; poverty line of Maharashtra and expenditure distribution of Goa is used to estimate poverty ratio of Goa

Poverty lines are different between rural and urban areas and across states. Urban poverty lines are generally higher than rural poverty lines. Within the set of rural poverty lines, the highest poverty lines were for Uttarakhand, Kerala and Haryana for FY2005.

**Table 5: State specific poverty lines in urban areas (Lakdawala methodology)**

States	FY1974	FY1978	FY1984	FY1988	FY1994	FY2000	FY2005
AP	54.0	69.1	106.4	151.9	278.1	457.4	542.9
AS	50.3	61.4	97.5	126.6	212.4	344.0	378.8
BH	61.3	67.3	111.8	150.3	238.5	379.8	435.0
CH	NA	NA	NA	NA	NA	NA	560.0
GA	59.5	74.0	126.5	189.2	328.6	539.7	665.9
GJ	62.2	72.4	123.2	173.2	297.2	474.4	541.2
HR	52.4	66.9	103.5	143.2	258.2	420.2	504.5
HP	51.9	66.3	102.3	144.1	253.6	420.2	504.5



States	FY1974	FY1978	FY1984	FY1988	FY1994	FY2000	FY2005
JK	37.2	55.4	99.6	148.4	NA	420.2	553.8
JH	NA	NA	NA	NA	NA	NA	451.2
KA	58.2	68.9	120.2	171.2	302.9	511.4	599.7
KL	62.8	67.1	122.6	163.3	280.5	477.1	559.4
MP	63.0	74.4	122.8	178.4	317.2	481.7	570.2
MH	59.5	74.0	126.5	189.2	328.6	539.7	665.9
OD	59.3	72.4	124.8	165.4	298.2	473.1	528.5
PB	51.9	65.7	101.0	145.0	253.6	388.2	466.2
RJ	60.0	72.0	113.6	165.4	280.9	465.9	559.6
TN	51.5	67.0	120.3	165.8	296.6	475.6	547.4
UP	57.4	69.7	110.2	154.2	258.7	416.3	483.3
UK	NA	NA	NA	NA	NA	NA	637.7
WB	54.8	67.5	105.9	150.0	247.5	409.2	449.3
<b>All India</b>	<b>56.8</b>	<b>70.3</b>	<b>115.7</b>	<b>162.2</b>	<b>281.4</b>	<b>454.1</b>	<b>538.6</b>

Source (basic data): Rangarajan Committee report (2014)

Note: Poverty lines for AR, MN, ML, MZ, NL, SK, and TR states were not calculated; poverty line of Maharashtra and expenditure distribution of Goa is used to estimate poverty ratio of Goa

In the case of urban poverty lines for FY2005, the highest poverty lines are for Goa, Maharashtra and Uttarakhand (Table 5).

For FY2012, poverty lines as estimated by Rangarajan Committee (2014), were the highest for Mizoram, Nagaland and Goa for rural areas and Mizoram, Nagaland and Manipur for urban areas (Table 6).

Recently, poverty line estimates were updated for FY2023 (RBI, 2025) for 19 states and one Union Territory (Delhi). The highest poverty thresholds are for Haryana, Punjab and Tamil Nadu for rural areas and Maharashtra, Haryana and Gujarat for urban areas.

**Table 6: State-wise rural and urban poverty lines based on Rangarajan Committee and RBI (Das, Gopalakrishnan and Mazumder, 2025) estimates (INR per capita, per month)**

	Rural			Urban		
	Rangarajan	Rangarajan	RBI Sep 2025	Rangarajan	Rangarajan	RBI Sep 2025
State	FY2010	FY2012	FY2023	FY2010	FY2012	FY2023
APCB	832	1032	1903	1258	1371	2588
AR	957	1151	NA	1294	1483	NA
AS	841	1007	1968	1232	1420	2586
BH	819	971	1724	1033	1229	2277
CH	763	912	1586	1168	1230	2149
GA	1026	1201	NA	1329	1470	NA
GJ	859	1103	2014	1245	1507	2664
HR	880	1128	2083	1276	1528	2696
HP	827	1067	1895	1179	1412	2547
JK	848	1045	1980	1200	1403	2653
JH	745	904	1621	1086	1272	2356
KA	681	975	1784	1146	1373	2599
KL	803	1054	1982	1140	1354	2563
MP	772	942	1707	1154	1340	2521
MH	829	1078	2006	1331	1560	2791
MN	924	1185	NA	1274	1562	NA
ML	859	1111	NA	1307	1524	NA



	Rural			Urban		
	Rangarajan	Rangarajan	RBI Sep 2025	Rangarajan	Rangarajan	RBI Sep 2025
State	FY2010	FY2012	FY2023	FY2010	FY2012	FY2023
MZ	981	1231	NA	1386	1704	NA
NL	985	1230	NA	1424	1616	NA
OD	716	876	1608	1031	1205	2182
PB	888	1128	2048	1231	1479	2622
RJ	865	1036	1887	1187	1406	2561
SK	883	1126	NA	1303	1543	NA
TN	786	1082	2041	1180	1380	2608
TR	778	936	NA	1172	1377	NA
UP	769	890	1622	1131	1330	2429
UK	830	1015	NA	1170	1408	NA
WB	767	934	1755	1162	1373	2572
<b>All India</b>	<b>801</b>	<b>972</b>		<b>1198</b>	<b>1407</b>	

Source (basic data): Rangarajan Committee Report 2014, RBI Note: For FY2023, Telangana is included in Andhra Pradesh (APCB) and Ladakh is included in Jammu and Kashmir. Data for Delhi has not been given in this Table.

## 5.4. State-wise poverty headcount ratio

Using these poverty lines estimated from time to time, the poverty headcount ratio estimates also became available for different years. As per the Lakdawala methodology, at the all-India level, poverty headcount ratio was as high as 56.4% in FY1974 for rural areas (Table 7). Considering individual states, the highest poverty headcount ratio in rural areas was at 73.2% for West Bengal, followed by 67.3% for Odisha and 63.0% for Bihar. This ratio progressively declined and by FY2005, the all-India rural poverty headcount ratio was 28.3%. Amongst individual states, for West Bengal it had fallen to 28.6%, for Odisha to 46.8% and for Bihar to 42.1%.

**Table 7: State-wise headcount ratio - Rural (Lakdawala methodology)**

States	FY1974	FY1978	FY1984	FY1988	FY1994	FY2000	FY2005
AP	48.4	38.1	26.5	20.9	15.9	11.1	11.2
AR	52.7	59.8	42.6	39.4	45.0	40.0	22.3
AS	52.7	59.8	42.6	39.4	45.0	40.0	22.3
BH	63.0	63.3	64.4	52.6	58.2	44.3	42.1
CH	--	--	--	--	--	--	40.8
GA	46.9	37.6	14.8	17.6	5.3	1.4	5.4
GJ	46.4	41.8	29.8	28.7	22.2	13.2	19.1
HR	34.2	27.7	20.6	16.2	28.0	8.3	13.6
HP	27.4	33.5	17.0	16.3	30.3	7.9	10.7
JK	45.5	42.9	26.0	25.7	30.3	4.0	4.6
JH	--	--	--	--	--	--	46.3
KA	55.1	48.2	36.3	32.8	29.9	17.4	20.8
KL	59.2	51.5	39.0	29.1	25.8	9.4	13.2
MP	62.7	62.5	48.9	41.9	40.6	37.1	36.9
MH	57.7	64.0	45.2	40.8	37.9	23.7	29.6
MN	52.7	59.8	42.6	39.4	45.0	40.0	22.3
ML	52.7	59.8	42.6	39.4	45.0	40.0	22.3
MZ	52.7	59.8	42.6	39.4	45.0	40.0	22.3
NL	52.7	59.8	42.6	39.4	45.0	40.0	22.3



States	FY1974	FY1978	FY1984	FY1988	FY1994	FY2000	FY2005
OD	67.3	72.4	67.5	57.6	49.7	48.0	46.8
PB	28.2	16.4	13.2	12.6	12.0	6.4	9.1
RJ	44.8	35.9	33.5	33.2	26.5	13.7	18.7
SK	52.7	59.8	42.6	39.4	45.0	40.0	22.3
TN	57.4	57.7	54.0	45.8	32.5	20.6	22.8
TR	52.7	59.8	42.6	39.4	45.0	40.0	22.3
UP	56.5	47.6	46.5	41.1	42.3	31.2	33.4
UK	--	--	--	--	--	--	40.8
WB	73.2	68.3	63.1	48.3	40.8	31.9	28.6
<b>All India</b>	<b>56.4</b>	<b>53.1</b>	<b>45.7</b>	<b>39.1</b>	<b>37.3</b>	<b>27.1</b>	<b>28.3</b>

Source (basic data): Rangarajan Committee report (2014)

Note: In the Expert Group, poverty ratios for the following states namely: AR, MN, ML, MZ, NL, SK, and TR have not been calculated separately, but have been adopted from those of other states.

Similar dramatic reductions in the poverty headcount ratio estimated basis Lakdawala methodology, were noted for urban poverty headcount ratios. The fastest declines were noted for Kerala, Gujarat, Assam and Uttar Pradesh (Table 8). At the all-India level, poverty headcount ratios nearly halved by FY2005 compared to their FY1974 levels.

**Table 8: State-wise headcount ratio - Urban (Lakdawala methodology)**

States	FY1974	FY1978	FY1984	FY1988	FY1994	FY2000	FY2005
AP	50.6	43.6	36.3	40.1	38.3	26.6	28.0
AR	36.9	32.7	21.7	9.9	7.7	7.5	3.3
AS	36.9	32.7	21.7	9.9	7.7	7.5	3.3
BH	53.0	48.8	47.3	48.7	34.5	32.9	34.6
CH	--	--	--	--	--	--	41.2
GA	37.7	36.3	27.0	35.5	27.0	7.5	21.3
GJ	52.6	40.0	39.1	37.3	27.9	15.6	13.0
HR	40.2	36.6	24.2	18.0	16.4	10.0	15.1
HP	13.2	19.4	9.4	6.3	9.2	4.6	3.4
JK	21.3	23.7	17.8	17.5	9.2	2.0	7.9
JH	--	--	--	--	--	--	20.2
KA	52.5	50.4	42.8	48.4	40.1	25.3	32.6
KL	62.7	55.6	45.7	40.3	24.6	20.3	20.2
MP	57.7	58.7	53.1	47.1	48.4	38.4	42.1
MH	43.9	40.1	40.3	39.8	35.2	26.8	32.2
MN	36.9	32.7	21.7	9.9	7.7	7.5	3.3
ML	36.9	32.7	21.7	9.9	7.7	7.5	3.3
MZ	36.9	32.7	21.7	9.9	7.7	7.5	3.3
NL	36.9	32.7	21.7	9.9	7.7	7.5	3.3
OD	55.6	50.9	49.2	41.6	41.6	42.8	44.3
PB	28.0	27.3	23.8	14.7	11.4	5.8	7.1
RJ	52.1	43.5	37.9	41.9	30.5	19.9	32.9
SK	36.9	32.7	21.7	9.9	7.7	7.5	3.3
TN	49.4	48.7	47.0	38.6	39.8	22.1	22.2
TR	36.9	32.7	21.7	9.9	7.7	7.5	3.3
UP	60.1	56.2	49.8	43.0	35.4	30.9	30.6
UK	--	--	--	--	--	--	36.5
WB	34.7	38.2	32.3	35.1	22.4	14.9	14.8
<b>All India</b>	<b>49.0</b>	<b>45.2</b>	<b>40.8</b>	<b>38.2</b>	<b>32.4</b>	<b>23.6</b>	<b>25.7</b>



Source (basic data): Rangarajan Committee report (2014)

Note: In the Expert Group, poverty ratios for the following states namely: AR, MN, ML, MZ, NL, SK, and TR have not been calculated separately, but have been adopted from those of other states.

For more recent years, using a higher poverty threshold as given by the Rangarajan Committee norms at the all-India level, poverty headcount ratio had fallen to 30.9% for rural areas and 26.4% for urban areas<sup>7</sup> in FY2012 compared to their corresponding levels in FY2010 estimated using the same methodology (Table 9).

**Table 9: Headcount ratios (%) based on Rangarajan Committee estimates**

S. No.	State/UT	Rural		Urban		Combined	
		FY2010	FY2012	FY2010	FY2012	FY2010	FY2012
1	Andhra Pradesh	27.0	12.7	30.5	15.6	28.1	13.7
2	Arunachal Pradesh	31.3	39.3	34.1	30.9	31.9	37.4
3	Assam	42.9	42	40.2	34.2	42.5	40.9
4	Bihar	65.1	40.1	55.0	50.8	63.9	41.3
5	Chhattisgarh	58.9	49.2	36.5	43.7	53.8	47.9
6	Goa	7.2	1.4	13.1	9.1	10.8	6.3
7	Gujarat	37.0	31.4	35.6	22.2	36.4	27.4
8	Haryana	19.2	11	24.8	15.3	21.1	12.5
9	Himachal Pradesh	11.2	11.1	22.5	8.8	12.3	10.9
10	Jammu & Kashmir	14.4	12.6	32.4	21.6	19.2	15.1
11	Jharkhand	55.3	45.9	42.1	31.3	52.1	42.4
12	Karnataka	24.3	19.8	26.7	25.1	25.2	21.9
13	Kerala	9.7	7.3	23.7	15.3	16.0	11.3
14	Madhya Pradesh	51.3	45.2	45.0	42.1	49.6	44.3
15	Maharashtra	27.6	22.5	30.3	17	28.8	20
16	Manipur	44.4	34.9	76.7	73.4	54.1	46.7
17	Meghalaya	25.8	26.3	36.8	16.7	28.0	24.4
18	Mizoram	29.9	33.7	24.8	21.5	27.3	27.4
19	Nagaland	11.1	6.1	37.2	32.1	18.3	14
20	Odisha	50.0	47.8	41.2	36.3	48.5	45.9
21	Punjab	14.8	7.4	28.6	17.6	20.0	11.3
22	Rajasthan	31.9	21.4	38.5	22.5	33.5	21.7
23	Sikkim	25.0	20	16.7	11.7	23.1	17.8
24	Tamil Nadu	25.9	24.3	29.7	20.3	27.7	22.4
25	Tripura	16.2	22.5	31.7	31.3	20.1	24.9
26	Uttar Pradesh	46.3	38.1	49.6	45.7	47.0	39.8
27	Uttarakhand	22.5	12.6	36.4	29.5	26.7	17.8
28	West Bengal	37.8	30.1	36.6	29	37.4	29.7
	<b>All India</b>	<b>39.6</b>	<b>30.9</b>	<b>35.1</b>	<b>26.4</b>	<b>38.2</b>	<b>29.5</b>

Source (basic data): Rangarajan Committee Report 2014

Note: Population as on 1 March 2010 has been used for estimating number of persons below poverty line (Interpolated between 2001 and 2011 population census)

## 5.5. State-wise poverty line and poverty headcount ratio: RBI study

In the study undertaken by Das, Gopalakrishnan and Mazumder (2025), using Rangarajan Committee norms we notice poverty headcount ratios have substantially fallen for many states. The highest rates of reductions, comparing FY2012 to FY2023, in terms of percentage reduction in the headcount ratio, are for Himachal Pradesh, Karnataka and Punjab for rural areas (Table 10). Similarly for urban areas, the best performing states were Tamil Nadu, Karnataka and Andhra Pradesh. Some of the large population states in India such as Uttar Pradesh, Madhya Pradesh and Bihar also did quite well in terms of lowering the poverty headcount ratio. Since these carry a relatively larger weight in total population, we notice that with respect

<sup>7</sup> Since poverty line thresholds as per Rangarajan (2014) methodology are higher than that those estimated using Lakdawala methodology, the headcount ratios under Rangarajan (2014) are also higher.



to the weighted average for the 19 states covered in the FY2023 study, there was a dramatic decline in the poverty headcount ratios from FY2012 to FY2023. Thus, this weighted average fell from 31.1% to 6.7% for rural areas and from 26.9% to 6.8% for urban areas.

**Table 10: Percentage of population below poverty in FY2010, FY2012 and FY2023 for selected Indian states (%)**

State	Rural			Urban		
	FY2010	FY2012	FY2023	FY2010	FY2012	FY2023
Andhra Pradesh	27.0	12.7	1.2	30.5	15.6	2.2
Assam	42.9	42.0	8.7	40.2	34.2	5.5
Bihar	65.1	40.1	5.9	55.0	50.8	9.1
Chhattisgarh	58.9	49.2	25.1	36.5	43.7	13.3
Gujarat	37.0	31.4	5.9	35.6	22.2	4.1
Haryana	19.2	11.0	4.1	24.8	15.3	4.3
Himachal Pradesh	11.2	11.1	0.4	22.5	8.8	2.0
Jammu & Kashmir	14.4	12.6	4.2	32.4	21.6	4.1
Jharkhand	55.3	45.9	16.6	42.1	31.3	12.6
Karnataka	24.3	19.8	0.9	26.7	25.1	3.3
Kerala	9.7	7.3	1.4	23.7	15.3	4.3
Madhya Pradesh	51.3	45.2	9.6	45.0	42.1	11.6
Maharashtra	27.6	22.5	11.3	30.3	17.0	8.6
Odisha	50.0	47.8	8.6	41.2	36.3	10.2
Punjab	14.8	7.4	0.6	28.6	17.6	2.6
Rajasthan	31.9	21.4	6.8	38.5	22.5	6.7
Tamil Nadu	25.9	24.3	2.1	29.7	20.3	1.9
Uttar Pradesh	46.3	38.1	5.7	49.6	45.7	9.9
West Bengal	37.8	30.1	7.5	36.6	29.0	12.4
Weighted average for 19 states		31.1	6.7		26.9	6.8

Source (basic data): RBI monthly bulletin, September 2025

Note: Telangana is included in Andhra Pradesh; Ladakh is included in Jammu and Kashmir

## 5.6. Estimated headcount ratio for FY2024, FY2025 and FY2026

Observing that the poverty headcount ratios in FY2023 have fallen to substantively low levels, i.e., 6.7% for rural areas and 6.8% for urban areas, it is useful to consider whether there is a likelihood of these falling below 3% in the next few years. For this purpose, we have estimated the average annual rate of fall in the headcount ratios over the period FY2012 to FY2023 (Table 11).

**Table 11: Estimated average annual change in headcount ratio (FY2012 to FY2023)**

State	Rural	Urban	Total		Rural	Urban	Total
APCB	-1.0	-1.2	-1.1	KL	-0.5	-1.0	-0.8
AS	-3.0	-2.6	-3.0	MP	-3.2	-2.8	-3.1
BH	-3.1	-3.8	-3.2	MH	-1.0	-0.8	-0.9
CH	-2.2	-2.8	-2.3	OD	-3.6	-2.4	-3.4
GJ	-2.3	-1.6	-2.0	PB	-0.6	-1.4	-0.9
HR	-0.6	-1.0	-0.8	RJ	-1.3	-1.4	-1.4
HP	-1.0	-0.6	-0.9	TN	-2.0	-1.7	-1.9
JK	-0.8	-1.6	-1.0	UP	-2.9	-3.3	-3.0
JH	-2.7	-1.7	-2.4	WB	-2.1	-1.5	-1.9
KA	-1.7	-2.0	-1.8	Selected 19 states	-2.2	-1.8	-2.1

Source (basic data): EY Estimates



The estimated average annual rate of fall in the headcount ratios over the period FY2012 to FY2023 was 2.2% points for rural and 1.8% points for urban areas. Government policies including direct benefit transfers, PM Garib Kalyan Anna Yojana and subsidized provision for education and health services may have played a key role in accelerating the rate of reduction in poverty headcount ratio. We apply these annual rates of reduction on the FY2023 poverty headcount ratios to estimate these ratios for FY2024 to FY2026 (Table 12).

Thus, poverty headcount ratios for rural areas during FY2024, FY2025 and FY2026, considered as the weighted average for the selected 19 states, are estimated at 4.5%, 2.3% and 0.1%, respectively. For urban areas, the estimated poverty headcount ratios are 4.9%, 3.1% and 1.3%, respectively.

**Table 12: Estimated headcount ratio for selected states**

State	Rural			Urban			Total		
	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026	FY2024	FY2025	FY2026
AP	0.2	0.0	0.0	1.0	0.0	0.0	0.5	0.0	0.0
AS	5.7	2.6	0.0	2.9	0.3	0.0	5.4	2.4	0.0
BH	2.8	0.0	0.0	5.3	1.5	0.0	3.0	0.0	0.0
CH	22.9	20.7	18.5	10.5	7.8	5.0	20.5	18.3	16.0
GJ	3.6	1.3	0.0	2.5	0.8	0.0	3.2	1.1	0.0
HR	3.5	2.8	2.2	3.3	2.3	1.3	3.4	2.7	1.9
HP	0.0	0.0	0.0	1.4	0.8	0.1	0.0	0.0	0.0
JK	3.4	2.7	1.9	2.5	0.9	0.0	3.2	2.2	1.2
JH	13.9	11.3	8.6	10.9	9.2	7.5	13.4	11.0	8.6
KA	0.0	0.0	0.0	1.3	0.0	0.0	0.0	0.0	0.0
KL	0.9	0.3	0.0	3.3	2.3	1.3	2.0	1.2	0.4
MP	6.4	3.1	0.0	8.8	6.1	3.3	7.0	3.9	0.8
MH	10.3	9.3	8.2	7.8	7.1	6.3	9.3	8.4	7.5
OD	5.0	1.5	0.0	7.8	5.5	3.1	5.5	2.1	0.0
PB	0.0	0.0	0.0	1.2	0.0	0.0	0.4	0.0	0.0
RJ	5.5	4.1	2.8	5.3	3.8	2.4	5.4	4.1	2.7
TN	0.1	0.0	0.0	0.2	0.0	0.0	0.2	0.0	0.0
UP	2.8	0.0	0.0	6.6	3.4	0.1	3.5	0.5	0.0
WB	5.4	3.4	1.3	10.9	9.4	7.9	7.0	5.1	3.2
<b>Selected states</b>	<b>4.5</b>	<b>2.3</b>	<b>0.1</b>	<b>4.9</b>	<b>3.1</b>	<b>1.3</b>	<b>4.6</b>	<b>2.5</b>	<b>0.4</b>

Source (basic data): EY estimates

Note: Andhra Pradesh includes Telangana

The World Poverty Clock considers a poverty headcount ratio of less than 3% for a country as signaling eradication of poverty. Considering the weighted sum of rural and urban headcount ratios, the overall poverty headcount ratio is estimated to have fallen below 3% in FY2025. It is particularly notable that some of the large population states, namely Bihar, Uttar Pradesh and Madhya Pradesh, are projected to have an overall poverty headcount ratio well below the 3% threshold by FY2025/FY2026. Some of the states with a large share of tribal population such as Chhattisgarh, Jharkhand and Maharashtra, whose poverty headcount ratios are projected to remain above 3%, may require policy attention aimed at reducing poverty.

## 5.7. Conclusions

India had embarked upon a major policy initiative to reduce poverty in the early 1970s. There has been a steady reduction in the poverty headcount ratio since then. Poverty itself was defined by a number of specialized committees which used nutritional and other norms. Poverty lines were different for rural and urban areas and were estimated at the state level. Initially, the methodology proposed by the Lakdawala Committee was used to estimate poverty lines for the period FY1974 to FY2005. Subsequently, some of



the poverty norms were revised, first by Tendulkar Committee and later by Rangarajan Committee. The Rangarajan Committee (2014) estimated state-wise poverty lines for FY2010 and FY2012. These norms are the latest available. The FY2012 NSSO survey was the last thick or detailed survey for household consumption expenditures in India. After a gap of few years, NSSO has again conducted detailed consumption expenditure surveys for FY2023 and FY2024. Using the survey for FY2023, updated poverty lines were estimated for a set of 19 states by Das et. al. (RBI, 2025). In their updated poverty lines, state-wise commodity-wise inflation rates and other micro data were used. These estimates indicate considerable acceleration in the rate of reduction of the poverty headcount ratio during FY2012 and FY2023. The average annual rate of reduction of the poverty headcount ratio between FY2012 and FY2023 can be used to get some idea of further reduction in the poverty headcount ratio in the three subsequent years namely FY2024, FY2025 and FY2026. Some of the main landmarks and findings in India's poverty mitigation journey are noted below:

1. As per the World Poverty Clock, extreme poverty in India fell below 3% in 2021 and stands at 1% in 2025.
2. With respect to the weighted average for the 19 states covered in the RBI study, there was a dramatic decline in the poverty headcount ratios from FY2012 to FY2023.
3. As per the RBI study, this ratio fell from 31.1% to 6.7% for rural areas and from 26.9% to 6.8% for urban areas during FY2012 to FY2023.
4. According to our estimates, poverty headcount ratios for rural areas during FY2024-26, considered as the weighted average for the selected 19 states, is estimated at 4.5%, 2.3% and 0.1%, respectively.
5. For urban areas, the estimated poverty headcount ratios are 4.9%, 3.1% and 1.3%, respectively for FY2024, FY2025 and FY2026.
6. Considering the weighted sum of rural and urban headcount ratios, the overall poverty headcount ratio is estimated to have fallen below 3% in FY2025.

Thus, measured in terms of Rangarajan Committee norms, the poverty headcount ratio is projected to fall below 3% in FY2025, considering the weighted average for 19 states. The World Poverty Clock considers a poverty headcount ratio of less than 3% for a country as amounting to eradication of poverty. It is particularly notable that some of the large population states, namely Bihar, Uttar Pradesh and Madhya Pradesh are estimated to have an overall poverty headcount ratio well below the 3% threshold by FY2025/FY2026. Some of the states with a large share of tribal population such as Chhattisgarh, Jharkhand and Maharashtra, whose poverty headcount ratios are projected to remain above 3%, may require policy attention aimed at reducing poverty.





# 6.

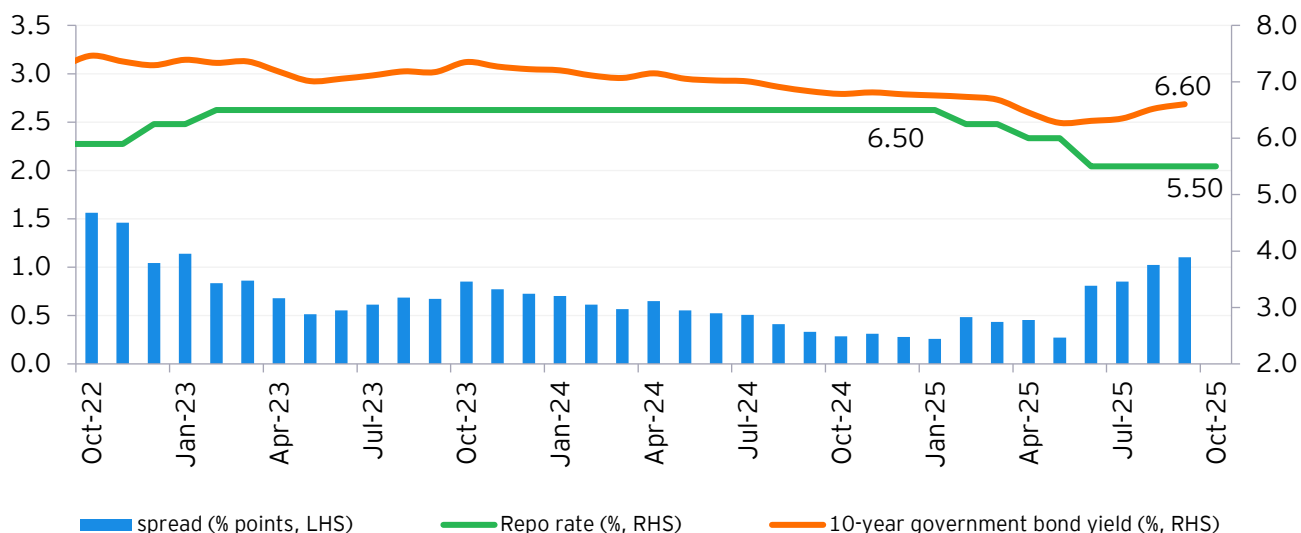
## Money and finance: The RBI retained the repo rate at 5.5% in its October 2025 monetary policy review

### 6.1. Monetary sector

#### Monetary policy

- In its monetary policy review held on 01 October 2025, the RBI's Monetary Policy Committee (MPC) unanimously decided to keep the repo rate unchanged at 5.5% and maintained a neutral policy stance (Chart 6).
- While acknowledging that the current macroeconomic conditions and outlook provide some space for additional policy support to growth, the MPC emphasized that the effects of earlier front-loaded monetary easing and recent fiscal measures are still unfolding. Therefore, the MPC considered it prudent to allow these policy actions to take full effect before making further adjustments.
- The RBI has revised its real GDP growth forecast for FY26 upward to 6.8%, from 6.5% projected in August 2025. This upgrade, according to the RBI, reflects a positive outlook for agriculture and rural demand, supported by an above-normal monsoon and strong kharif sowing. Domestic demand is expected to strengthen further, driven by buoyant services sector activity, stable employment conditions, rising capacity utilization, and favorable financial conditions. However, persistent tariff and trade-related uncertainties may adversely impact external demand.

Chart 6: Movements in the repo rate and 10-year government bond yield



Source: Database on Indian Economy, RBI



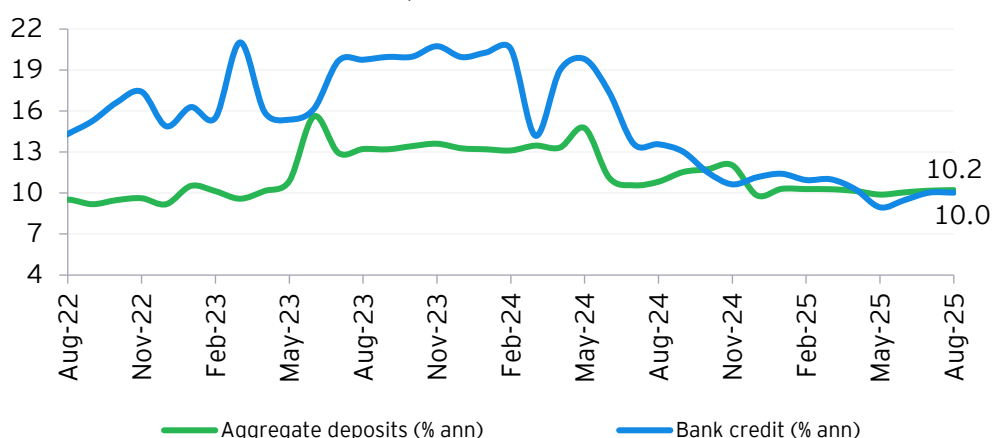
## Money stock

- Growth in broad money stock (M3)<sup>8</sup> was lower at 9.2% in September 2025 as compared to 9.8% in August 2025 due to moderation in the growth of both demand and time deposits.
- Time deposits, the largest component of M3, grew by 8.6% in September 2025, moderating from 8.9% in August 2025.
- Growth in narrow money (M1) was also lower at 11.2% in September 2025 as compared to 12.7% in August 2025. This is due to a fall in the growth of demand deposits from 17.2% in August 2025 to 13.2% in September 2025. Growth in currency with the public, however, improved marginally from 9.1% in August 2025 to 9.3% in September 2025.

## Aggregate credit and deposits

- Growth in gross bank credit<sup>9</sup> remained low but stable at 10.0% in July and August 2025 largely due to stable growth in non-food credit (Chart 7). Non-food credit growth at 9.9% in August 2025 was also at the same level as in July 2025.

**Chart 7: Growth in credit and deposits**



Gross bank credit growth remained stable at 10.0% in July and August 2025.

Source: Database on Indian Economy, RBI

- Credit to the services sector, with an average share of about 27% in total non-food credit (last five years) grew by 10.6% in July and August 2025.
- Personal loans (share of close to 30% in total non-food credit) also showed a near stable growth of 11.8% in August 2025, close to the level of 11.9%, in July 2025. Among the sub-components of personal loans, growth in housing loans improved marginally to 9.7% in August 2025 from 9.6% in July 2025. On the other hand, growth in vehicle loans was lower at 8.7% in August 2025 as compared to 8.9% in July 2025. Loans for consumer durables contracted for the seventh successive month by (-)6.0% in August 2025.
- Growth in outstanding credit to industries, having a share of about 25% on average in total non-food credit (last five years), increased for the third successive month to 6.5% in August 2025 from 6.0% in July 2025. Within industrial credit, among major segments, growth in credit to infrastructure, having the largest share in industrial credit, increased marginally to 2.1% in August 2025 from 1.9% in July 2025.
- Growth in agricultural credit increased to 7.6% in August 2025 from 7.3% in July 2025.
- Growth in other non-food credit, i.e., non-food credit excluding credit to agriculture, industry, services and personal loans, fell to 13.9% in August 2025 from 17.4% in July 2025.
- Aggregate deposits posted a stable growth of 10.2% in July and August 2025.

<sup>8</sup> The RBI has stopped reporting data on 'Money Stock: components and sources' excluding the impact of merger of a non-bank with bank from 11-July-2025. Therefore, we have used M3 data that includes the impact of merger of a non-bank with a bank as reported by the RBI.

<sup>9</sup> The RBI has stopped publishing data on bank credit and aggregate deposits excluding the impact of merger of a non-bank with a bank since July 2025. Hence, bank credit and aggregate deposits data analysed here includes the impact of merger of a non-bank with a bank.



## Financial sector

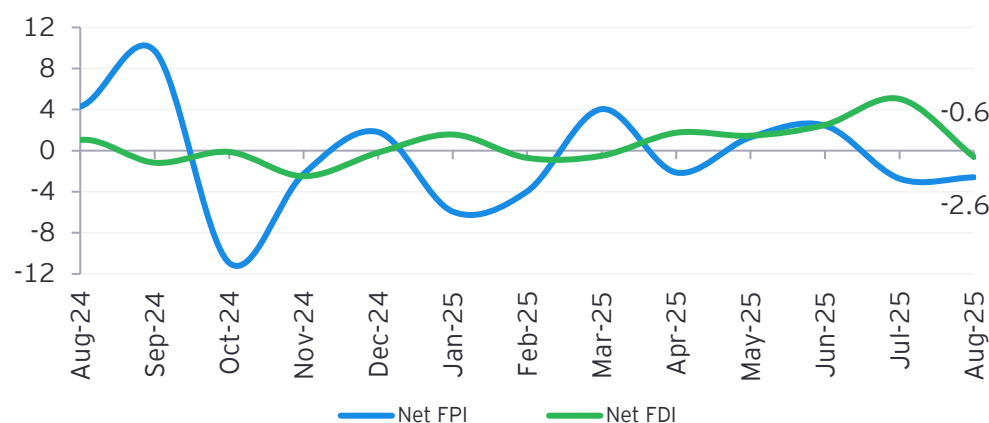
### Interest rates

- As per the data released by the RBI in the first week of October 2025, the yield on 10-year government bonds (benchmark) increased for the fourth successive month to 6.60% in September 2025 from 6.52% in August 2025, implying a cumulated increase of 33 basis points since May 2025 (Chart 6). During 2QFY26, the benchmark bond yield averaged marginally higher at 6.49% as compared to 6.34% in 1QFY26.
- The average interest rate on term deposits with a maturity period of more than one year at 6.23% in September 2025 was close to its level of 6.24% in August 2025, with actual rates ranging between 5.85% and 6.60%. Term deposit rates averaged lower at 6.25% in 2QFY26 as compared to 6.49% in 1QFY26.
- The average MCLR moderated for the fifth successive month to 7.92% in September 2025 from 7.99% in August 2025, with the actual MCLR ranging between 7.80% and 8.04% during the month. The MCLR fell by 24 basis points to 7.99% in 2QFY26 from 8.23% in 1QFY26.
- WALR on 'Fresh Rupee Loans' (FRL) by SCBs fell to 8.75% in August 2025 from 8.81% in July 2025.

### FDI and FPI

- As per provisional data released by the RBI on 20 October 2025, overall foreign investments (FIs) turned negative with outflows amounting to US\$3.2 billion in August 2025 as compared to inflows amounting to US\$2.3 billion in July 2025.

**Chart 8: Net FDI and FPI inflows (US\$ billion)**



In August 2025, net FDI turned negative with outflows amounting to US\$0.6 billion. Net FPI also witnessed outflows, for the second successive month, at US\$2.6 billion.

Source: Database on Indian Economy, RBI

- Net FDIs witnessed outflows amounting to US\$0.6 billion in August 2025 as compared to inflows amounting to US\$5.0 billion in July 2025 (Chart 8). On a cumulated basis, during April-August FY26, net FDI inflows were at US\$10.1 billion as compared to US\$4.6 billion during the corresponding period of FY25.
- Gross FDI inflows fell to US\$6.0 billion in August 2025 from US\$11.1 billion in July 2025. On a cumulated basis, during April-August FY26, gross FDI inflows were higher at US\$43.8 billion as compared to US\$37.0 billion during the corresponding period of FY25.
- Net FPI witnessed outflows for the second successive month at US\$2.6 billion in August 2025, close to its level of US\$2.7 billion in July 2025. During April-August FY26, on a cumulated basis, net FPI outflows amounted to US\$3.7 billion as compared to net inflows amounting to US\$11.1 billion during the corresponding period of FY25.





# 7.

## Trade and CAB: Current account showed a deficit of 0.2% of GDP in 1QFY26

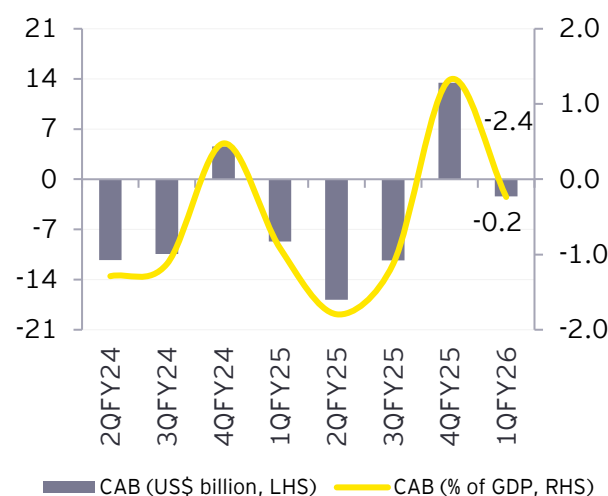
### 7.1. Current account posted a deficit of 0.2% of GDP in 1QFY26 as compared to a surplus of 1.3% in 4QFY25

- Led by an increase in net merchandise trade deficit accompanied by narrowing of a surplus in invisibles, current account posted a deficit in 1QFY26 as compared to a surplus in 4QFY25 (Chart 9).
- Net merchandise trade deficit widened to 6.8% of GDP in 1QFY26 from 5.8% (Table 13) in 4QFY25, as 1) merchandise imports increased to 18.0% of GDP from 17.3% and 2) merchandise exports moderated to 11.2% from 11.4% of GDP over the same period. The increase in merchandise imports is partly attributable to higher imports of chemicals, oil, silver and coal.
- Net invisibles, which amounted to 6.6% of GDP in 1QFY26 fell from 7.2% of GDP in 4QFY25, driven by a moderation in net services surplus to 4.8% of GDP from an all-time high of 5.2% over the same period.
- Net transfers remained nearly stable at 3.1% of GDP while the net income account reflected a deficit of 1.3% of GDP in 1QFY26.

**Table 13: Components of CAB (in US\$ billion)**

Fiscal year	CAB as % of nominal GDP	CAB	Merchandise net	Invisibles* net
FY22	-1.2	-38.8	-189.5	150.7
FY23	-2.0	-67.1	-265.3	198.2
FY24	-0.7	-26.1	-244.9	218.8
FY25	-0.6	-23.4	-287.2	263.8
2QFY25	-1.8	-16.8	-84.6	67.8
3QFY25	-1.1	-11.3	-79.3	68.0
4QFY25	1.3	13.4	-59.5	72.9
1QFY26	-0.2	-2.4	-68.5	66.1

**Chart 9: CAB**



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

- Compared to 1QFY25, current account deficit in 1QFY26 eased to 0.2% from 0.9%, supported by robust services exports and strong remittances receipts. As per the RBI, these trends exhibit India's external sector resilience and are expected to keep the deficit low and rangebound throughout the year.

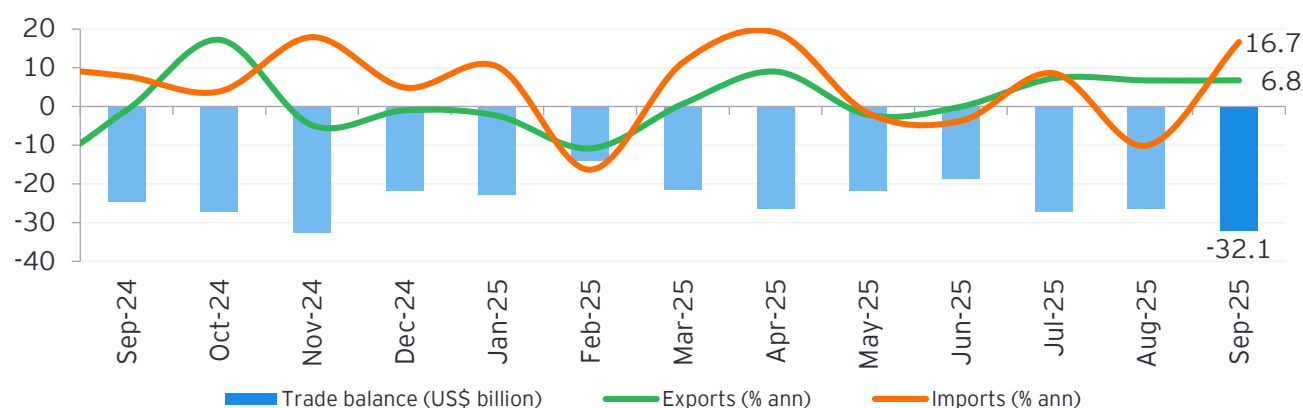


## 7.2. Merchandise trade and exchange rates

Merchandise exports showed a moderate growth of 6.8% in September 2025, while growth in merchandise imports turned positive at 16.7% in September 2025 from (-)10.1% in August 2025 owing mainly to a surge in gold imports.

- Merchandise exports growth was at 6.8% in September 2025 as compared to 6.7% in August 2025 (Chart 10). This was driven primarily by growth in electronic goods and petroleum products at 50.5% and 15.2% (16-month high) respectively in September 2025 as compared to 25.9% and 6.5% in August 2025.
- Merchandise imports growth in September 2025 was driven by a sharp surge in gold imports, which rose by 106.9%, reversing the steep contraction of (-)56.7% seen in August 2025. This sharp increase largely offset the contractionary impact of a (-)5.8% decline in oil imports during the month, compared to a growth of 9.4% in August 2025.
- Growth of exports excluding oil/coal, gold/silver and jewelry was stable at 6.1% in September 2025, the same level as in August 2025, while that in imports of the same category accelerated to 15.0% from 0.9% over this period.

**Chart 10: Developments in merchandise trade**



Source: Ministry of Commerce and Industry, Gol

- In September 2025, merchandise trade deficit widened to a 13-month high of US\$32.1 billion from US\$26.5 billion in August 2025 attributable mainly to increasing non-oil deficit (**Chart 10**).
- Services trade deficit eased to a nine-month low of US\$15.6 billion in August 2025 as services exports fell to a 12-month low of US\$31.2 billion reflecting moderation in business services and software services exports.
- The goods and services trade deficit was stable for the second successive month at a nine-month high of US\$10.9 billion in August 2025 as both merchandise trade deficit and services trade surplus eased, counterbalancing each other.
- The Indian Rupee depreciated considerably to INR88.3/US\$ (average) in September 2025 from INR87.5/US\$ (average) in August 2025. This depreciation was mainly driven by sustained foreign portfolio outflows, heightened import-related dollar demand (particularly for gold and oil), and some adverse sentiment stemming from U.S. tariff and visa policy changes affecting India's exports.



# 8.

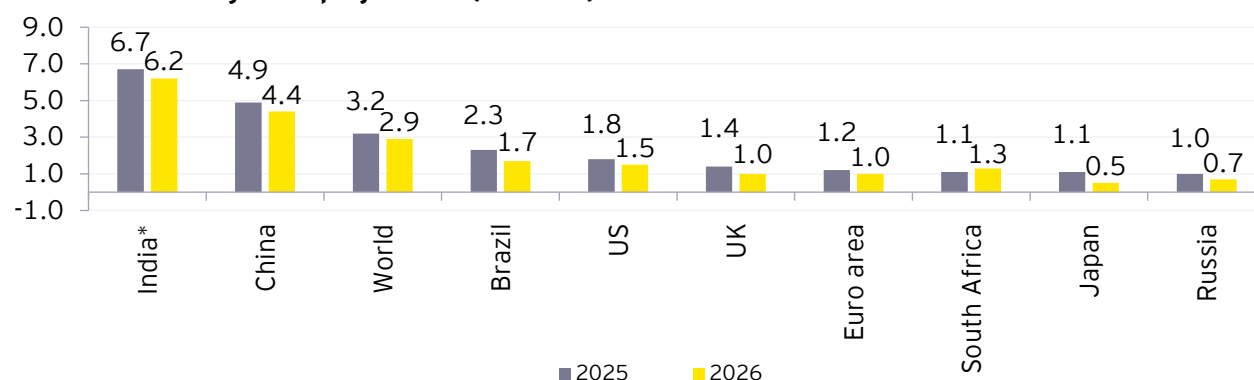
## Global growth: OECD projected global growth at 3.2% in 2025 and 2.9% in 2026

### 8.1. Global growth

- The OECD, in its September 2025 Interim Economic Outlook, projected global GDP growth to ease from 3.3% in 2024 to 3.2% in 2025 and further to 2.9% in 2026 as front-loading of production and trade ceases, and higher tariff rates and still-high policy uncertainty dampen investment and trade (Chart 11).
- The projections are based on a technical assumption that the bilateral tariff rates prevailing at the end of August 2025 persist through the rest of 2025 and 2026.
- Growth in the US is projected to fall from 2.8% in 2024 to 1.8% in 2025 and 1.5% in 2026, as strong investment growth in high technology sectors is expected to be more than offset by higher tariff rates and a drop in net immigration.
- Euro area GDP growth is expected to be 1.2% in 2025 and 1.0% in 2026, with increased trade frictions and geopolitical uncertainty somewhat offset by easier credit conditions.
- In the UK, a tighter fiscal stance, higher trade costs and uncertainty are anticipated to be a drag on external and domestic demand, with growth projected to ease from 1.4% in 2025 to 1.0% in 2026.
- In Japan, robust corporate profits and strong investment growth are expected to be a tailwind to economic activity this year, with growth projected to be 1.1% in 2025 before slowing to 0.5% in 2026.
- Among emerging market G20 economies, growth in Brazil is projected to fall from 2.3% in 2025 to 1.7% in 2026 as one-off factors behind the high growth in 2025 are expected to unwind. Similarly, growth in South Africa is also forecasted to be modest at 1.1% and 1.3% in 2025 and 2026 respectively.
- In OECD's assessment, growth in China is projected to be 4.9% in 2025 and 4.4% in 2026, as front-loading unwinds, higher tariffs take effect and fiscal support fades.
- In India, higher tariff rates are expected to weigh on the export sector, but overall activity is anticipated to be supported by monetary and fiscal policy easing, including the reform to the GST, with growth projected to be 6.7% in 2025 (FY26) and 6.2% in 2026 (FY27), the highest amongst G20 economies.

**OECD projected global growth at 3.2% in 2025 and 2.9% in 2026 with India's FY26 and FY27 growth rates forecasted at 6.7% and 6.2%.**

**Chart 11: Global growth projections (% annual)**



Source: OECD Economic Outlook, Interim Report (September 2025)

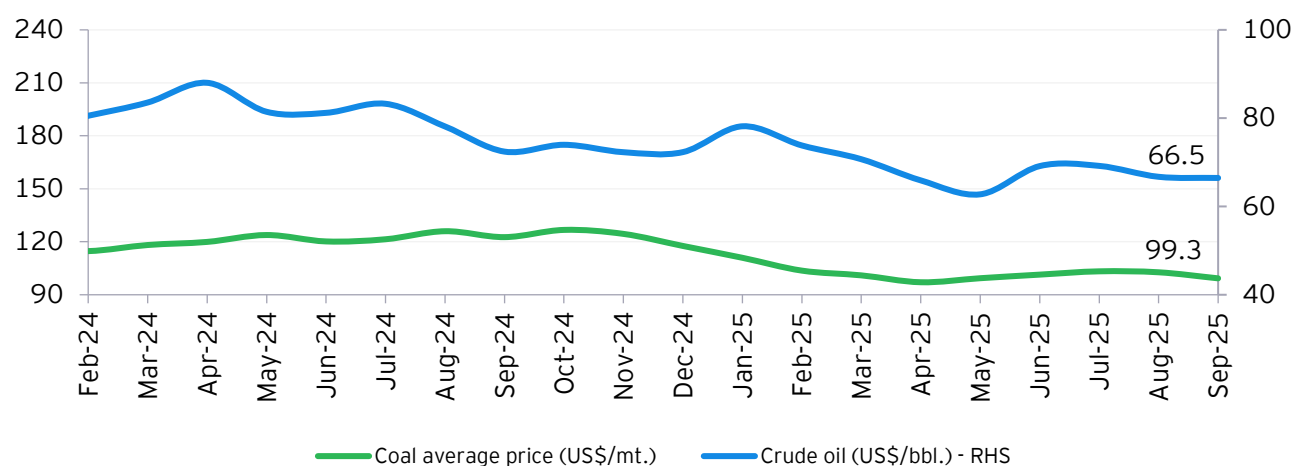
\*data pertains to fiscal years



## 8.2. Global energy prices: Global crude price fell to a four-month low of US\$66.5/bbl. in September 2025

- Average global crude price<sup>10</sup> fell to a four-month low of US\$66.5/bbl. in September 2025 owing to an expected boost in supply from OPEC+ countries beginning November 2025<sup>11</sup> (Chart 12). On a quarterly basis, global crude price averaged US\$67.5/bbl. in 2QFY26, up from US\$65.9/bbl. in 1QFY26.
- Average global coal price<sup>12</sup> also eased to a five-month low of US\$99.3/mt. in September 2025. On a quarterly basis, global coal price averaged US\$101.8/mt. in 2QFY26, higher than US\$99.3/mt. in 1QFY26.

**Chart 12: Global crude and coal prices**



Source (basic data): World Bank Pink Sheets, October 2025

<sup>10</sup> Simple average of three spot prices, namely, Dated Brent, West Texas Intermediate and Dubai Fateh

<sup>11</sup> <https://www.reuters.com/business/energy/opec-plans-another-oil-output-hike-november-sources-say-2025-09-28/>

<sup>12</sup> Simple average of Australian and South African coal prices.





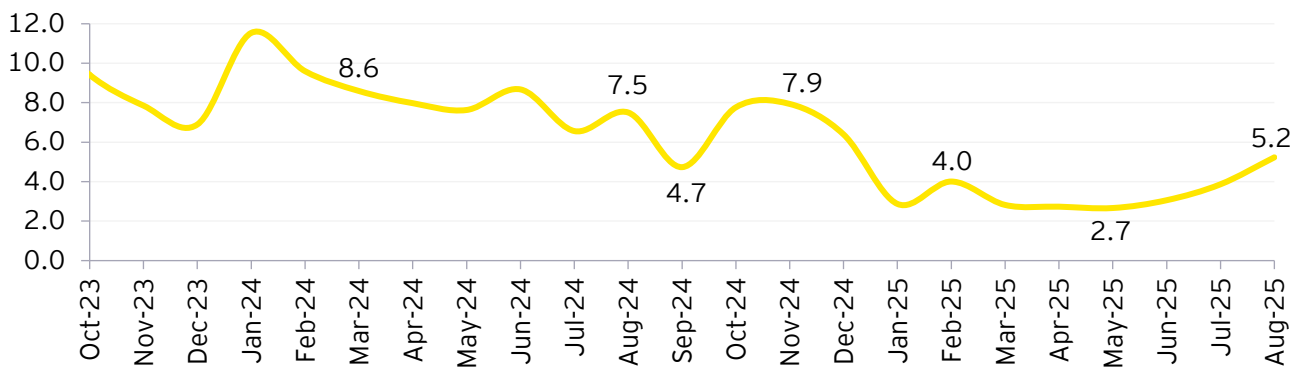
# 9.

## Index of Aggregate Demand (IAD): Growth in IAD increased to 5.2% in August 2025

### 9.1. Growth in IAD improved for the third successive month in August 2025

- Pointing to a sustained pickup in demand conditions across major sectors of the economy, growth in IAD<sup>13</sup> increased to an eight-month high of 5.2% in August 2025 from 3.9% in July 2025 (Chart 13 and Table 14).
- In August 2025, demand conditions in the manufacturing sector improved further as reflected by the PMI manufacturing (sa), which increased for the third successive month to 59.3 in August 2025 from 59.1 in July 2025.
- Pointing to robust demand conditions in the services sector during the month, the PMI services (sa) expanded at a healthy pace of 62.9 in August 2025 compared to 60.5 in July 2025.
- There was marginal improvement in the demand conditions in the agricultural sector, reflected by a higher growth in agricultural credit at 7.6% (sa) in August 2025 compared to 7.3% in July 2025.

**Chart 13: Growth in IAD (% y-o-y)**



Source (Basic data): S&P - IHS Markit PMI, RBI and EY estimates

**Table 14: IAD**

Month	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25
IAD	180.8	179.8	181.6	182.7	183.3	183.2	185.9	187.2	190.5
Growth (% y-o-y)	6.4	2.9	4.0	2.8	2.7	2.7	3.1	3.9	5.2
Growth in agr. credit	12.6	12.1	11.5	10.5	9.1	7.4	6.7	7.3	7.6
Mfg. PMI**	6.4	7.7	6.3	8.1	8.2	7.6	8.4	9.1	9.3
Ser. PMI**	9.3	6.5	9.0	8.5	8.7	8.8	10.4	10.5	12.9

Source (basic data): S&P Global, RBI and EY estimates; \*\*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 Manufacturing and Services are seasonally adjusted (sa).

<sup>13</sup> 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) capture the demand conditions in the agricultural sector.





# 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							
FY22	11.4	12.2	11.8	7.9	10.4	FY22	54.0	52.3
FY23	5.2	5.8	4.7	8.9	7.8	FY23	55.6	57.3
FY24	5.9	7.5	5.5	7.1	7.6	FY24	57.2	60.3
FY25	4.0	2.9	3.9	5.1	4.4	FY25	57.4	59.2
2QFY25	2.7	-0.1	3.3	1.4	2.4	3QFY25	56.8	58.7
3QFY25	4.1	1.8	4.5	4.1	4.9	4QFY25	57.4	58.0
4QFY25	4.0	2.4	4.2	4.6	4.3	1QFY26	58.1	59.3
1QFY26	2.0	-3.0	3.3	-1.5	1.5	2QFY26	58.7	61.4
May-25	1.9	-0.1	3.2	-4.7	1.2	Jun-25	58.4	60.4
Jun-25	1.5	-8.7	3.7	-1.2	2.2	Jul-25	59.1	60.5
Jul-25	4.3	-7.2	6.0	3.7	3.7	Aug-25	59.3	62.9
Aug-25	4.0	6.0	3.8	4.1	6.3	Sep-25	57.7	60.9

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			
FY22	5.5	3.8	11.3	6.1	13.0	6.8	11.1	32.5	11.0
FY23	6.7	6.6	10.3	6.3	9.4	6.3	5.6	28.1	5.8
FY24	5.4	7.5	1.2	4.4	-0.7	3.2	-1.7	-4.7	-1.4
FY25	4.6	7.3	-2.5	3.6	2.3	7.3	1.7	-1.3	0.7
3QFY25	5.6	9.4	-1.6	3.8	2.5	10.0	2.0	-3.6	0.5
4QFY25	3.7	4.1	-0.5	4.0	2.4	6.2	3.0	-1.0	1.4
1QFY26	2.7	0.6	2.8	4.4	0.3	1.6	2.2	-3.9	1.0
2QFY26	1.7	-1.6	2.3	4.4	0.0	-1.3	2.3	-2.9	1.5
Jun-25	2.1	-1.0	2.6	4.5	-0.2	-0.3	1.9	-3.1	0.9
Jul-25	1.6	-1.8	2.7	4.2	-0.6	-2.1	2.0	-3.0	1.1
Aug-25	2.1	-0.6	2.3	4.3	0.5	0.2	2.5	-3.2	1.6
Sep-25	1.5	-2.3	2.0	4.7	0.1	-2.0	2.3	-2.6	1.9

Source: Office of the Economic Adviser, Ministry of Commerce and Industry and MoSPI

Note: The CPI for April and May 2020 has been imputed. 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



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

Fiscal year/month	Gross tax revenue	Corporate tax	Income tax	Direct taxes*	Indirect taxes**	Fiscal deficit % of GDP	Revenue deficit % of GDP
FY22	33.7	55.6	42.9	49.0	20.2	6.7	4.4
FY23	12.7	16.0	19.7	17.8	7.2	6.4	4.0
FY24	13.5	10.3	25.4	17.9	8.5	5.6	2.6
FY25 (RE over act.)	11.2	7.6	20.3	14.4	6.8	4.8	1.9
FY26 (BE over RE)	10.8	10.4	14.4	12.7	8.3	4.4	1.5
Cumulated growth (% , y-o-y)						% of budgeted target	
Jan-25	10.3	-0.6	22.0	10.7	8.5	74.5#	72.4#
Feb-25	10.9	1.9	22.0	12.4	7.9	85.8#	93.8#
Mar-25	9.5	8.3	17.0	12.9	4.2	100.5#	92.9#
Apr-25	6.5	-40.7	10.8	-3.0	17.4	11.9	9.4
May-25	12.1	-0.8	6.4	5.0	19.4	0.8	-34.9
Jun-25	4.6	-1.2	-0.5	-0.8	11.5	17.9	6.4
Jul-25	0.8	7.6	-9.9	-4.3	6.9	29.9	28.9
Aug-25	0.8	2.1	-2.5	-1.0	2.9	38.1	37.9

Source: Monthly Accounts, Controller General of Accounts, Government of India, Union Budget documents; # indicates that the values as percent of revised estimates; annual data is sourced from Union budget documents.

\* Includes corporation tax and income tax

\*\* Includes customs duty, excise duty, service tax, CGST, UTGST, IGST and GST compensation cess

Fiscal year/month	CGST	UTGST	IGST	GST compensation cess	Total GST (Gol)
INR crore					
FY25 (RE)	9,08,459	-	0	1,53,440	10,61,899
FY26 (BE)	10,10,890	-	0	1,67,110	11,78,000
Jan-25	79,258	864	3,980	13,415	97,517
Feb-25	77,623	304	-9,998	ss 13,356	81,285
Mar-25	78,843	1,230	4,613	12,179	96,865
Apr-25	78,240	119	31,097	12,696	1,22,152
May-25	76,744	372	2,333	12,310	91,759
Jun-25	76,739	288	-6,118	13,319	84,228
Jul-25	79,902	336	-15,405	11,980	76,813
Aug-25	78,877	372	-11,537	11,655	79,367

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
Nov-24	6.50	FY22	7.0	9.7	38.6	-16.8	FY22	10.7	8.8	6.40	617.6
Dec-24	6.50	FY23	14.4	9.5	28.0	-5.2	FY23	6.9	9.0	7.35	578.4
Jan-25	6.50	FY24	15.7	13.0	10.1	44.1	FY24	7.3	11.1	7.16	645.6
Feb-25	6.25	FY25	13.6	11.3	2.3	2.7	FY25	7.8	9.6	6.88	665.4
Mar-25	6.25	2QFY25	13.4	11.0	-2.8	19.9	3QFY25	6.0	9.0	6.79	640.3
Apr-25	6.00	3QFY25	11.1	11.2	-2.8	-11.4	4QFY25	7.9	9.4	6.72	665.4
May-25	6.00	4QFY25	11.1	10.3	0.4	-5.9	1QFY26	12.1	9.5	6.34	702.8
Jun-25	5.50	1QFY26	9.6	10.0	5.7	1.6	2QFY26	11.2	9.2	6.49	700.2
Jul-25	5.50	May-25	9.0	9.9	1.5	1.3	Jun-25	12.1	9.5	6.31	702.8
Aug-25	5.50	Jun-25	9.5	10.1	2.5	2.4	Jul-25	11.9	9.6	6.35	698.2
Sep-25	5.50	Jul-25	10.0	10.2	5.0	-2.7	Aug-25	12.7	9.8	6.52	694.2
Oct-25	5.50	Aug-25	10.0	10.2	-0.6	-2.6	Sep-25	11.2	9.2	6.60	700.2

Source: Database on Indian Economy - RBI

**Table A5: External trade and US Dollar Index**

External trade indicators (annual, quarterly and monthly growth rates)							Calendar year	DXY
Fiscal year/ quarter/ month	Exports	Imports	Trade balance	Ex. rate (avg.)	Crude prices (avg.)	Coal prices (avg.)		
	% change y-o-y		US\$ billion	INR/US\$	US\$/bbl.	US\$/mt.		
FY22	44.8	56.0	-191.0	74.5	78.4	164.8	2021	92.5
FY23	6.0	16.8	-268.5	80.4	92.7	283.4	2022	104.0
FY24	-2.3	-5.3	-241.1	82.8	81.1	126.4	2023	103.4
FY25	0.1	6.2	-282.8	84.6	77.1	118.2	2024	104.2
3QFY25	3.6	8.6	-81.9	84.5	72.9	122.9	4QCY24	105.4
4QFY25	-4.2	1.2	-58.6	86.7	74.2	105.2	1QCY25	106.7
1QFY26	2.1	4.2	-67.1	85.6	65.9	99.3	2QCY25	99.7
2QFY26	6.9	4.3	-86.0	87.3	67.5	101.8	3QCY25	98.0
Jun-25	-0.1	-3.7	-18.8	85.9	69.1	101.4	Jun-25	98.4
Jul-25	7.3	8.6	-27.3	86.1	69.2	103.3	Jul-25	98.0
Aug-25	6.7	-10.1	-26.5	87.5	66.7	102.7	Aug-25	98.3
Sep-25	6.8	16.7	-32.1	88.3	66.5	99.3	Sep-25	97.8

Source: Database on Indian Economy - RBI, Pink Sheet - World Bank; E = estimates; and \*projections as given in April 2025 issue of the IMF WEO.



**Table A6: Global growth**

Calendar year	Growth (annual)			
	World GDP	Adv. econ.	Emer. econ.	India <sup>#</sup>
	% change y-o-y			
2019	2.9	1.9	3.7	3.9
2020	-2.7	-4.0	-1.7	-5.8
2021	6.6	6.0	7.0	9.7
2022	3.6	2.9	4.1	7.6
2023	3.5	1.7	4.7	9.2
2024	3.3	1.8	4.3	6.5
2025*	3.2	1.6	4.2	6.6
2026*	3.1	1.6	4.0	6.2
2027*	3.2	1.7	4.2	6.4
2028*	3.2	1.7	4.1	6.5
2029*	3.2	1.6	4.1	6.5
2030*	3.1	1.5	4.0	6.5

Source: IMF WEO October 2025; \* indicates projections # data is on fiscal year basis



**Table A7: 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
FY22	9.4	4.6	6.3	10.0	10.3	19.9	15.2	5.7	7.5	8.6
FY23	7.2	6.3	3.4	-1.7	10.8	9.1	12.3	10.8	6.7	6.3
FY24 (1st RE)	8.6	2.7	3.2	12.3	8.6	10.4	7.5	10.3	8.8	2.5
FY25 (PE)	6.4	4.6	2.7	4.5	5.9	9.4	6.1	7.2	8.9	2.9
1QFY24	9.9	5.7	4.1	7.3	4.1	9.2	11.0	15.0	9.3	1.1
2QFY24	9.2	3.7	4.1	17.0	11.7	14.6	5.4	8.3	8.9	2.5
3QFY24	8.0	1.5	4.7	14.0	10.1	10.0	8.0	8.4	8.4	3.3
4QFY24	7.3	0.9	0.8	11.3	8.8	8.7	6.2	9.0	8.7	2.9
1QFY25	6.5	1.5	6.6	7.6	10.2	10.1	5.4	6.6	9.0	2.8
2QFY25	5.8	4.1	-0.4	2.2	3.0	8.4	6.1	7.2	8.9	2.3
3QFY25	6.5	6.6	1.3	3.6	5.1	7.9	6.7	7.1	8.9	3.9
4QFY25	6.8	5.4	2.5	4.8	5.4	10.8	6.0	7.8	8.7	2.6
1QFY26	7.6	3.7	-3.1	7.7	0.5	7.6	8.6	9.5	9.8	1.0

Source: National Accounts Statistics, MoSPI

\*Growth numbers for FY23 pertain to final estimates while that for FY24 pertain to first revised estimates as per the National statistics released on 28 February 2025. Growth numbers for FY25 are based on provisional estimates released on 31 May 2025.

Fiscal year/quarter	Expenditure components						IPD inflation
	GDP	PFCE	GFCE	GFCF	EX	IM	GDP
FY22	9.7	11.7	0.0	17.5	29.6	22.1	8.4
FY23	7.6	7.5	4.3	8.4	10.3	8.9	5.9
FY24 (1st RE)	9.2	5.6	8.1	8.8	2.2	13.8	2.6
FY25 (PE)	6.5	7.2	2.3	7.1	6.3	-3.7	3.1
1QFY24	9.7	7.4	5.3	8.4	-7.0	18.0	1.2
2QFY24	9.3	3.0	20.1	11.7	4.6	14.3	2.5
3QFY24	9.5	5.7	2.3	9.3	3.0	11.3	3.1
4QFY24	8.4	6.2	6.6	6.0	7.7	11.4	3.4
1QFY25	6.5	8.3	-0.3	6.7	8.3	-1.6	3.0
2QFY25	5.6	6.4	4.3	6.7	3.0	1.0	2.5
3QFY25	6.4	8.1	9.3	5.2	10.8	-2.1	3.7
4QFY25	7.4	6.0	-1.8	9.4	3.9	-12.7	3.1
1QFY26	7.8	7.0	7.5	7.8	6.3	10.9	0.9

Source: National Accounts Statistics, MoSPI

\* Growth numbers for FY23 pertain to final estimates while that for FY24 pertain to first revised estimates as per the National statistics released on 28 February 2025. Growth numbers for FY25 are based on provisional estimates released on 31 May 2025.





## List of abbreviations

Sr. no.	Abbreviations	Description
1	AD	aggregate demand
2	AEs	advanced economies
3	Agr.	agriculture, forests 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	Disc.	discrepancies
18	ECBs	External Commercial borrowings
19	Elec.	electricity, gas, water supply and other utility services
20	EMDEs	Emerging Market and Developing Economies
21	EXP	exports
22	FAE	first advance estimates
23	FC	Finance Commission
24	FII	foreign investment inflows
25	Fin.	financial, real estate and professional services
26	FPI	foreign portfolio investment
27	FRBMA	Fiscal Responsibility and Budget Management Act
28	FRL	Fiscal Responsibility Legislation
29	FY	fiscal year (April–March)
30	GDP	Gross Domestic Product
31	GFCE	government final consumption expenditure
32	GFCF	gross fixed capital formation
33	Goi	Government of India
34	G-secs	government securities
35	GST	Goods and Services Tax
36	GVA	gross value added
37	IAD	Index of Aggregate Demand
38	IBE	interim budget estimates
39	ICRIER	Indian Council for Research on International Economic Relations
40	IEA	International Energy Agency



Sr. no.	Abbreviations	Description
41	IGST	Integrated Goods and Services Tax
42	IIP	Index of Industrial Production
43	IMF	International Monetary Fund
44	IMI	Index of Macro Imbalance
45	IMP	imports
46	INR	Indian Rupee
47	IPD	implicit price deflator
48	MCLR	marginal cost of funds-based lending rate
49	Mfg.	manufacturing
50	MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
51	Ming.	mining and quarrying
52	m-o-m	month-on-month
53	Mt	metric ton
54	MoSPI	Ministry of Statistics and Programme Implementation
55	MPC	Monetary Policy Committee
56	MPF	Monetary Policy Framework
57	n.i.e	Not indicated elsewhere
58	NEXP	net exports (exports minus imports of goods and services)
59	NSO	National Statistical Office
60	NSSO	National Sample Survey Organisation
61	NPA	non-performing assets
62	OECD	Organization for Economic Co-operation and Development
63	OPEC	Organization of the Petroleum Exporting Countries
64	PFCE	private final consumption expenditure
65	PIT	personal income tax
66	PMI	Purchasing Managers' Index (reference value = 50)
67	PoL	petroleum oil and lubricants
68	PPP	Purchasing power parity
69	PSBR	public sector borrowing requirement
70	PSU/PSE	public sector undertaking/public sector enterprises
71	RE	revised estimates
72	REE	Rare earth elements
73	RBI	Reserve Bank of India
74	sa	Seasonally adjusted
75	SLR	Statutory Liquidity Ratio
76	Trans.	trade, hotels, transport, communication and services related to broadcasting
77	US\$	US Dollar
78	UNCTAD	United Nations
79	UTGST	Union Territory Goods and Services Tax
80	WALR	weighted average lending rate
81	WHO	World Health Organization
82	WPI	Wholesale Price Index
83	y-o-y	year-on-year
84	1HFY20	first half of fiscal year 2019-20, i.e., April 2019-September 2019



# Our offices

## Ahmedabad

22nd Floor, B Wing, Privilon  
Ambli BRT Road, Behind Iskcon Temple  
Off SG Highway  
Ahmedabad - 380 059  
Tel: + 91 79 6608 3800

8th Floor, Building No. 14A  
Block 14, Zone 1  
Brigade International Financial Centre  
GIFT City SEZ  
Gandhinagar - 382355, Gujarat  
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 & 1st Floor  
# 11, 'A' wing  
Divyasree Chambers  
Langford Town,  
Bengaluru - 560 025  
Tel: + 91 80 6727 5000

3rd & 4th Floor  
MARKSQUARE  
#61, St. Mark's Road  
Shantala Nagar,  
Bengaluru - 560 001  
Tel: + 91 80 6727 5000

1st & 8th Floor, Tower A  
Prestige Shantiniketan  
Mahadevapura Post  
Whitefield,  
Bengaluru - 560 048  
Tel: + 91 80 6727 5000

## Bhubaneswar

8th Floor, O-Hub, Tower A  
Chandaka SEZ, Bhubaneswar,  
Odisha - 751024  
Tel: + 91 674 274 4490

## Chandigarh

Elante offices, Unit No. B-613 & 614  
6th Floor, Plot No- 178-178A  
Industrial & Business Park, Phase-I  
Chandigarh - 160 002  
Tel: + 91 172 6717800

## Chennai

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

## Delhi NCR

Aikyam  
Ground Floor  
67, Institutional Area  
Sector 44w, Gurugram - 122 003  
Haryana  
Tel: + 91 124 443 4000

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

## Hyderabad

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

## Jaipur

9th floor, Jewel of India  
Horizon Tower, JLN Marg  
Opp Jaipur Stock Exchange  
Jaipur, Rajasthan - 302018

## 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

6th floor, Sector V,  
Building Omega, Bengal Intelligent  
Park, Salt Lake Electronics Complex,  
Bidhan Nagar, Kolkata - 700 091  
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

3rd Floor, Unit No.301  
Building No.1, Mindspace-Gigaplex  
IT Park, MIDC, Plot No. IT-5  
Airoli Knowledge Park  
Airoli West, Navi Mumbai - 400 708  
Tel: + 91 22 6192 0003

Altimus, 18th Floor  
Pandurang Budhkar Marg  
Worli, Mumbai - 400 018  
Tel: +91 22 6192 0503

## Pune

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

10th Floor, Smartworks  
M-Agile, Pan Card Club Road  
Baner, Pune - 411 045  
Tel: + 91 20 4912 6800



Ernst & Young LLP

**EY | Building a better working world**

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

**All in to shape the future with confidence.**

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via [ey.com/privacy](https://ey.com/privacy). EYG member firms do not practice law where prohibited by local laws. For more information about our organization, please visit [ey.com](https://ey.com).

Ernst & Young LLP is one of the Indian client serving member firms of EYGM Limited. For more information about our organization, please visit [www.ey.com/en\\_in](https://www.ey.com/en_in).

Ernst & Young LLP is a Limited Liability Partnership, registered under the Limited Liability Partnership Act, 2008 in India, having its registered office at Ground Floor, Plot No. 67, Institutional Area, Sector - 44, Gurugram - 122 003, Haryana, India.

©2025 Ernst & Young LLP. Published in India.  
All Rights Reserved.

EYIN2510-018  
ED None

This publication contains information in summary form and is therefore intended for general guidance only. It is not intended to be a substitute for detailed research or the exercise of professional judgment. Neither EYGM Limited nor any other member of the global Ernst & Young organization can accept any responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication. On any specific matter, reference should be made to the appropriate advisor.

RK

[ey.com/en\\_in](https://ey.com/en_in)

