

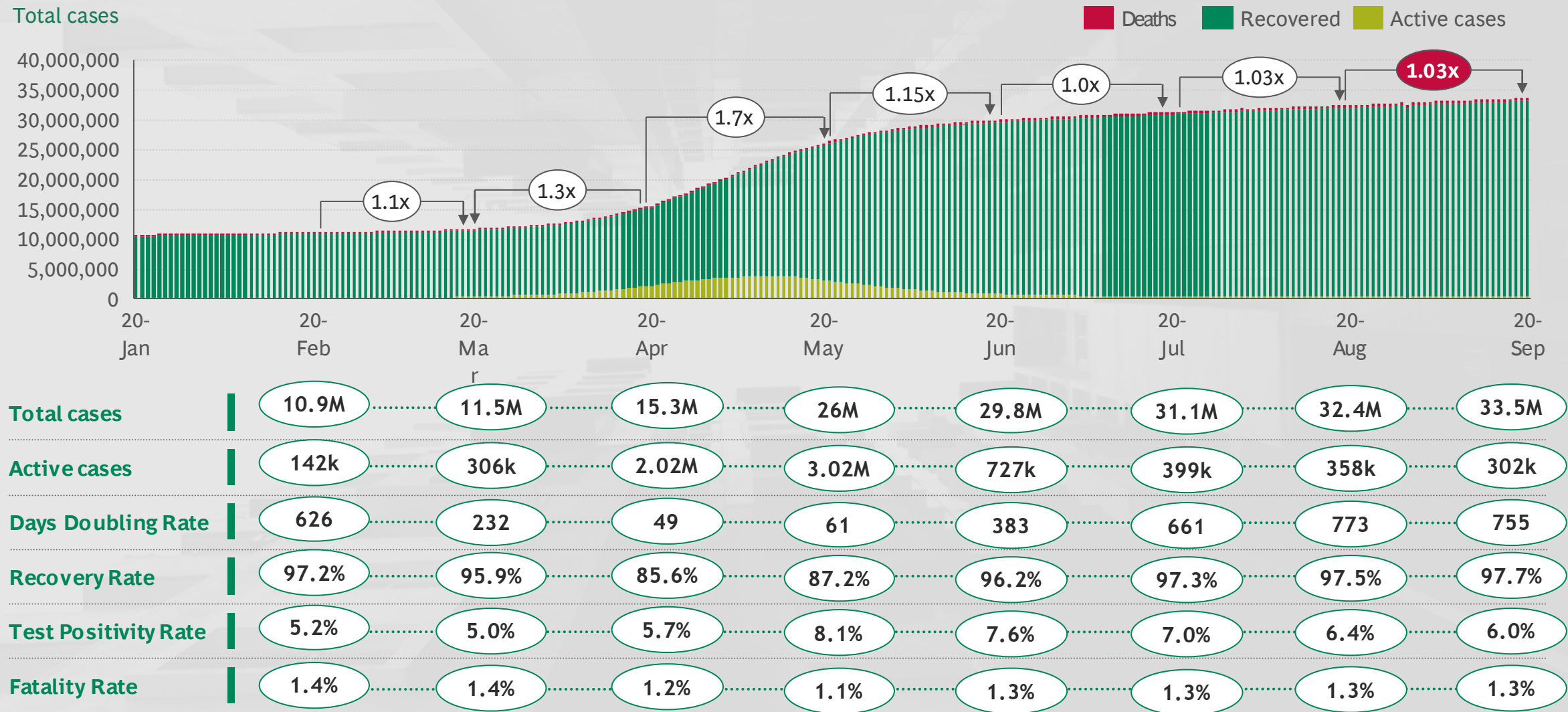
India Economic Monitor

September 2021 Update

COVID-19 active case count & recovery rate continued to improve in Aug & Sep'21

Data as of 20 Sep

Total cases



India administered ~0.8 Bn doses of COVID-19 vaccines; ~45% of India's population partially vaccinated & 15% fully vaccinated as on 3rd week of Sep'21

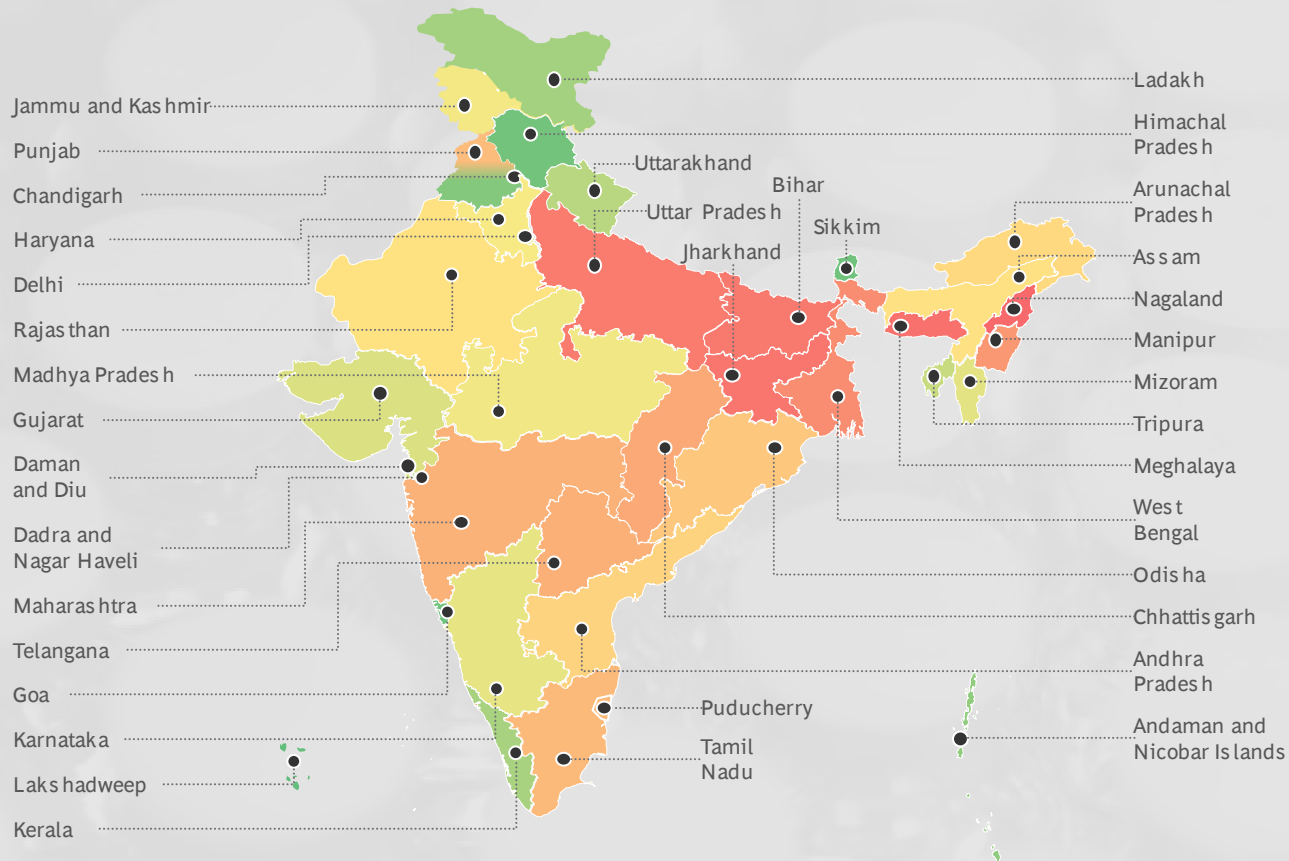
Data as of 20 Sep

INDIA

1st Dose
0.60 Bn
(45%)

2nd Dose
0.20 Bn
(15%)

Total Doses
0.80 Bn



















S. No	State/UT	Beneficiaries partially vaccinated (%)
1	Lakshadweep	79.9%
2	Goa	77.9%
3	Sikkim	77.5%
4	Himachal Pradesh	76.9%
5	Chandigarh	74.2%
6	A & N Islands	72.1%
7	Ladakh	68.5%
8	Kerala	67.8%
9	Dadra and Nagar Haveli and Daman and Diu	66.2%
10	Uttarakhand	64.8%
11	Tripura	62.2%
12	Gujarat	58.8%
13	Mizoram	57.4%
14	Karnataka	56.9%
16	Delhi	56.5%
16	Madhya Pradesh	54.9%
17	Jammu & Kashmir	54.6%
18	Haryana	53.8%
19	Rajasthan	50.9%
20	Assam	50.8%
21	Arunachal Pradesh	49.5%
22	Andhra Pradesh	48.6%
23	Odisha	46.6%
24	Punjab	44.9%
25	Puducherry	44.6%
26	Tamil Nadu	44.6%
27	Maharashtra	43.2%
28	Telangana	42.9%
29	Chhattisgarh	41.9%
30	Manipur	39.1%
31	West Bengal	37.3%
32	Uttar Pradesh	34.5%
33	Bihar	34.1%
34	Jharkhand	33.6%
35	Meghalaya	32.8%
36	Nagaland	31.4%

India's proportion of population vaccinated with first dose higher than select G20 peers, however long road ahead to fully vaccinate the Indian population

Data as of 20 Sep

Select G20 countries

Country	Doses administered (Mn)	Vaccinated—first dose (%)	Fully vaccinated (%)
 Canada	55.06	76.0%	70.0%
 U.K.	93.00	73.0%	66.0%
 Italy	82.41	73.0%	66.0%
 France	92.26	74.0%	64.0%
 Germany	105.67	67.0%	63.0%
 United States	383.99	64.0%	54.0%
 Japan	149.88	65.0%	53.0%
 Turkey	105.11	63.0%	50.0%
 Argentina	48.83	65.0%	44.0%
 South Korea	55.51	68.0%	42.0%
 Brazil	222.32	69.0%	38.0%
 Mexico	95.27	49.0%	33.0%
 Russia	87.74	32.0%	28.0%
 Indonesia	124.65	29.0%	17.0%
 India	808.57	45.3%	15.4%
 South Africa	15.68	19.0%	13.0%

Executive Summary

India's GDP grew by 20% YoY in Apr-Jun'21 albeit contracted by 9% vs. Apr-Jun'19. Govt. consumption shrank while other elements of GDP recorded significant YoY growth. Manufacturing & construction recorded stellar growth. However, vs. Apr-Jun'19 levels, govt. consumption grew while private consumption & investments contracted. High frequency indicators exhibited mixed trends in Jul-Aug'21. vs. previous months. Merchandize trade deficit widened & services trade surplus declined. UPI & FASTag transactions reached new milestones. Select sectors e.g., steel, auto (2W & 3W) registered a decline while insurance & cement remained above pre-COVID levels. Manufacturing PMI dipped vs. Jul'21 & global levels while Services PMI expanded beyond the 50-point mark for the first time in 3 months. Analyst forecasts indicate GDP growth of 8.3% to 10.5% YoY for FY22.

Trends across key economic indicators

- **Industrial Activity:** Average power consumption improved in Aug'21 vs. previous months, while fuel consumption recorded a decline vs. Jul'21 and pre-COVID levels; Indices of industrial activity (IIP & ICI) improved, approaching Aug'19 levels in Aug'21
- **Trade:** Merchandize trade deficit widened to a 4-month high in Aug'21 vs. Jul'21 owing to a rise in imports; Services trade surplus logged a contraction in Jul'21 vs. Jun'21
- **Logistics:** E-way bills & FASTag transaction volumes improved in Aug'21 vs. pre-COVID levels; Air freight traffic gained momentum in Aug'21 vs. Jul'21; Railway passenger bookings remained significantly below pre-COVID levels in Aug'21
- **Financial Services:** Aggregate deposits & bank credit exhibited steady growth, exceeding Jul'19 levels in Jul'21 ; Both UPI transaction value & volumes outpaced Jul'21 levels in Aug'21
- **Sector-wise Impact:** 2W sales touched a 4-month high in Aug'21, although remained below pre-COVID levels, while PV, 3W & tractor sales fell vs. Jul'21; Cement production remained above pre-COVID levels, steel production dropped below pre-COVID levels in Jul-Aug'21; Both life & non-life insurance premiums recorded an uptick vs. Jul'21 & pre-COVID levels in Aug'21
- **Macroeconomic Indicators:** GST collections remained above the INR 1 Tn mark for the second consecutive month in Aug'21, after dropping in Jun'21; Count of Govt. tenders grew, while the value of Govt. tenders took a nosedive in Aug'21 vs. Jul'21, albeit remained above pre-COVID levels; Gross fiscal deficit witnessed a steep decline in Jul'21 vs. Jun'21 & Jul'19 levels
- **Sentiment:** Both rural & urban consumer sentiments hovered close to Jul'21 levels in Aug'21, though remained significantly below pre-COVID levels; Manufacturing PMI dipped slightly vs. Jul'21, Services PMI expanded beyond the 50-point mark for the first time in 3 months

Note: 2019 data has been considered as pre-COVID level to assess recovery trends

Summary: Growth across high frequency indicators was uneven, with few falling below pre-COVID levels & some exceeding pre-COVID levels in Aug'21

Absolute YoY delta comparison of 2021 month-wise data vs. pre-COVID 2019 levels (for respective month)

	Indicator	Unit	Mar	Apr	May	Jun	Jul	Aug
1	Industrial Activity							
	Power Consumption	MU	-9%	2%	-10%	-4%	7%	16%
	Petroleum Consumption	MT	-5%	-7%	-21%	-8%	-6%	-7%
	Index of Industrial Prod.	Index	0%	0%	-14%	-5%	0%	NA
2	Trade							
	Services Export	USD	14%	-3%	-7%	6%	-1%	NA
	Services Import	USD	10%	-13%	-18%	-5%	-11%	NA
	Merchandise Export	USD	5%	17%	8%	30%	35%	28%
	Merchandise Import	USD	10%	10%	-15%	4%	17%	18%
3	Logistics							
	E-Way Bills Generated	Mn	30%	12%	-30%	29%	23%	29%
	Railway Freight Originated	MT	9%	10%	9%	11%	13%	22%
	JNPT Container Traffic	TEUs	12%	4%	1%	8%	1%	4%
	Air Freight	kT	-8%	-4%	-19%	-13%	-12%	-8%
	Air Passenger Traffic	Mn	-40%	-53%	-85%	-77%	-64%	-50%
	Rail Passengers Booked	Mn	-56%	-69%	-87%	-80%	-73%	-63%
4	Financial Services							
	UPI Transactions	Mn	280%	238%	222%	274%	314%	314%
	Total Bank Credit	INR	12%	13%	11%	12%	13%	NA
	Total Bank Deposits	INR	20%	22%	21%	20%	23%	NA

	Indicator	Unit	Mar	Apr	May	Jun	Jul	Aug
5	Sector-wise Impact							
	Cement Production	MT	-1%	-4%	-15%	-3%	5%	NA
	Steel Sales	MT	-2%	-2%	6%	-6%	-5%	-15%
	Passenger Vehicle Sales	k	-8%	0%	-58%	7%	26%	10%
	Tractor Sales	k	65%	16%	-2%	47%	47%	49%
	Two-wheeler Sales	k	10%	-20%	-65%	-28%	-10%	-6%
	Fertilizer Sales	MT	-23%	40%	35%	49%	35%	NA
	Gross Premium (Life)	INR	16%	-2%	-30%	-7%	-5%	18%
	Gross Premium (Non-Life)	INR	9%	9%	1%	3%	40%	37%
	Pharma. Sales	INR	21%	13%	36%	18%	NA	NA
	Chemical Production Index	Index	5%	3%	-1%	-2%	-3%	NA
6	Macroeconomic Indicators							
	Total GST Collection	INR	17%	24%	2%	-7%	14%	14%
	MGNREGA Jobs Demand	HHs	-87%	21%	10%	37%	73%	68%
	MGNREGA Jobs Provided	HHs	-88%	-7%	-22%	1%	42%	57%
	No. of Tenders Announced	k	102%	232%	82%	73%	130%	169%
7	Sentiment							
	India VIX	Index	20%	5%	5%	-10%	-6%	-12%
	PMI (Manufacturing)	Index	55.4	55.5	50.8	48.1	55.3	52.3
	PMI (Services)	Index	54.6	54	46.4	41.2	45.4	56.7

2021 Monthly Trend Summary: Most high frequency indicators plunged while others grew at a subdued pace in Jul-Aug'21 vs. previous months

Absolute MoM delta comparison of 2021 data (vs. previous month)

	Indicator	Mar	Apr	May	Jun	Jul	Aug
1	Industrial Activity						
	Power Consumption	5%	-2%	-7%	8%	5%	3%
	Petroleum Consumption	9%	-9%	-11%	8%	3%	-5%
	Index of Industrial Prod.	12%	-13%	-8%	6%	7%	NA
2	Trade						
	Services Export	17%	-14%	-1%	14%	-4%	NA
	Services Import	18%	-21%	3%	9%	3%	NA
	Merchandise Export	23%	-11%	5%	1%	9%	-6%
	Merchandise Import	19%	-5%	-16%	9%	11%	1%
3	Logistics						
	E-Way Bills Generated	12%	-18%	-32%	37%	17%	3%
	Railway Freight Originated	16%	-14%	3%	-2%	0%	-2%
	JNPT Container Traffic	14%	-11%	-3%	-3%	-2%	5%
	Air Freight	15%	-7%	-9%	0%	9%	2%
4	Financial Services						
	UPI Transactions	19%	-2%	-1%	12%	11%	5%
5	Sector-wise Impact						
	Steel Sales	-5%	-21%	27%	-13%	0%	-4%
	Passenger Vehicle Sales	5%	-8%	-61%	-137%	11%	-11%
	Two-wheeler Sales	3%	4%	-63%	97%	16%	4%
	Gross Premium (Life)	94%	-78%	33%	131%	-32%	36%
6	Macroeconomic Indicators						
	Total GST Collection	10%	14%	-27%	-10%	25%	-4%
	MGNREGA Jobs Provided	-12%	6%	4%	32%	-27%	-9%

Industrial activity mildly improved in Jul-Aug'21 after gathering pace in Jun'21 - Fuel consumption dropped slightly while power consumption & IIP grew marginally in Jul-Aug'21 vs. previous month

Exports (merchandise as well as services) fell; imports grew at a slower pace in Jul-Aug'21 vs. previous month

Logistics indicators exhibited mixed trends - JNPT traffic improved significantly while rail freight fell; E-way bills recorded mild improvement in Aug'21 vs. Jul'21

UPI transactions (by value) grew at a slower pace in Aug'21 vs. Jul'21

MoM growth across sectors was largely muted - Insurance premium clocked growth while most other indicators witnessed degrowth in Aug'21 vs. Jul'21

Select macroeconomic indicators decelerated - GST collections dipped & MGNREGA jobs provided continued to fall MoM

 Mixed growth
  Degrowth
  Growth



1

Economic Indicators

2

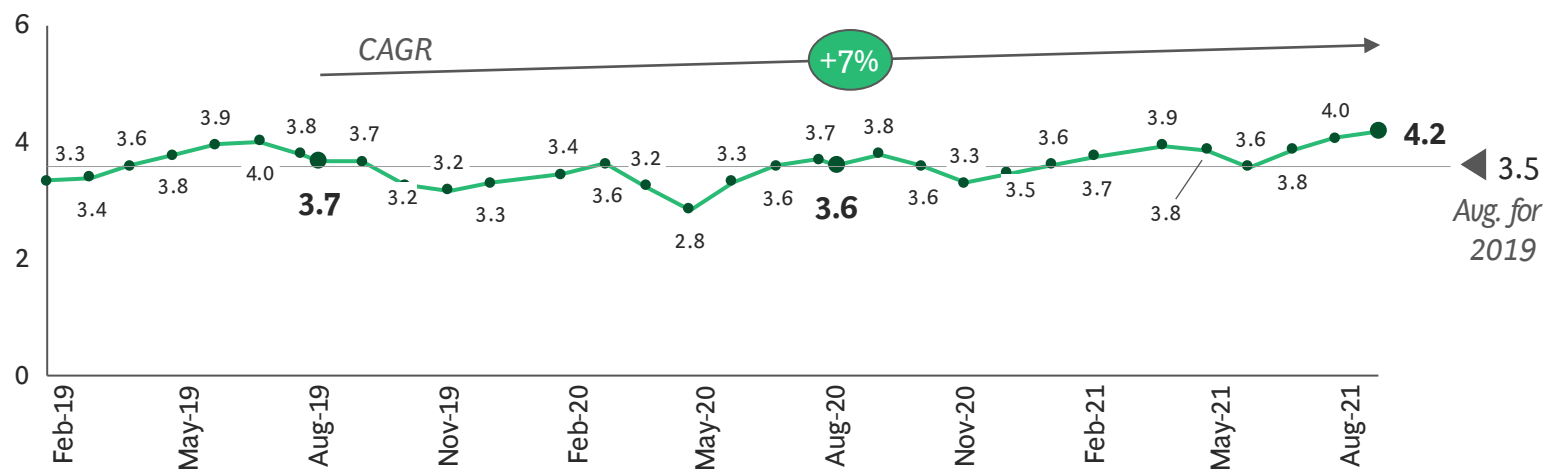
GDP Deep-Dive



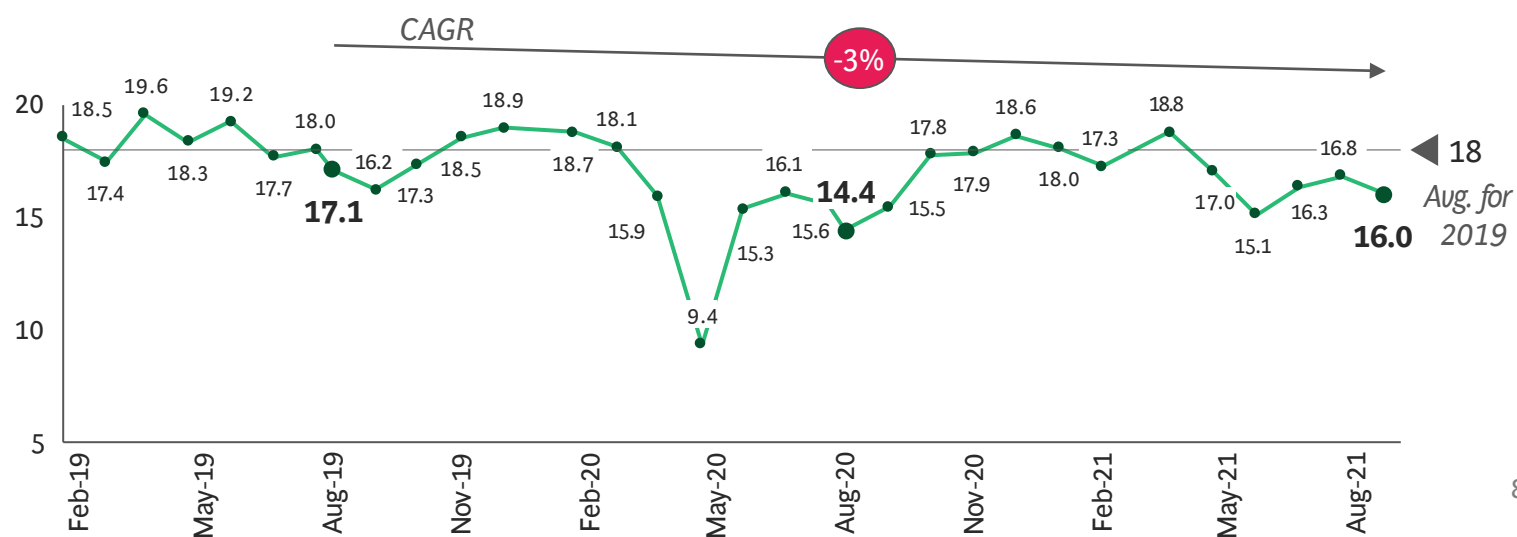
Daily average power consumption grew in Aug'21 vs. Aug'19 & Jul'21 levels, while fuel consumption dipped below Jul'21 & Aug'19 levels

1. Petroleum products include LPG, Naphtha, MS, ATF, SKO, HSD, LDO, Lubricants & Greases, FO & LSHS, Bitumen, coke as reported (provisional) by Petroleum Planning & Analysis Cell
Source: Power System Operation Corporation, Ministry of Statistics & Programme Implementation, Dept. for Promotion of Industry & Internal Trade, PPAC, BCG analysis

Daily Average Power Consumption Volume ('000s MUs)



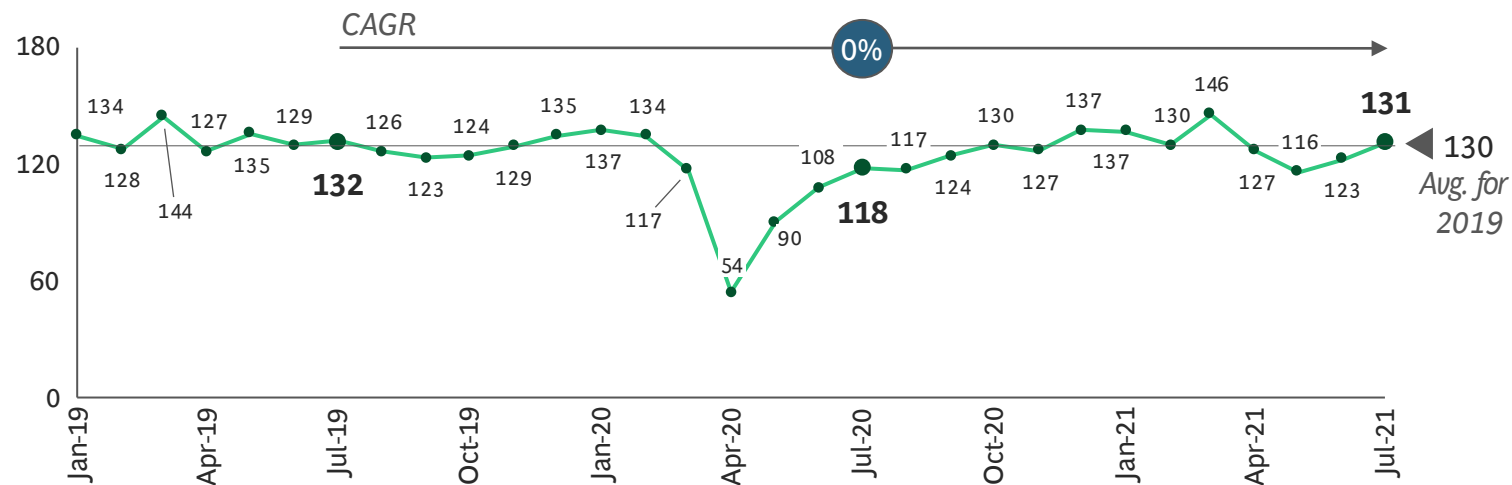
Consumption of Petroleum Products (in MMT)¹



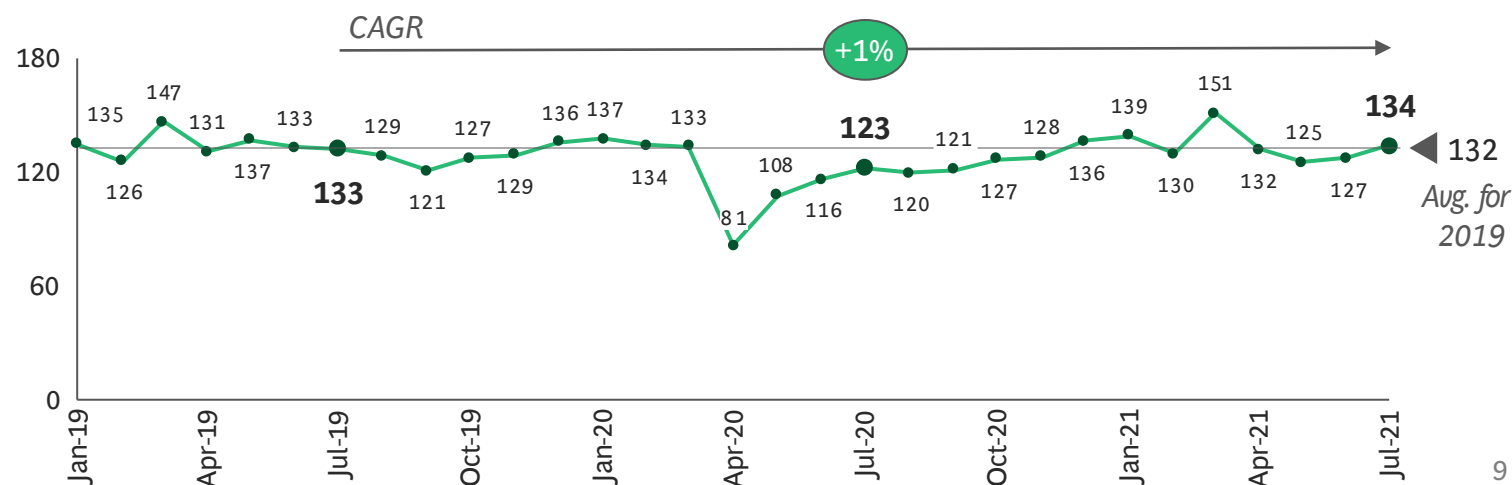


Both IIP & ICI grew in Jul'21 vs. Jun'21, approaching Jul'19 levels

IIP (Index of Industrial Production)¹



ICI (Index of Core Industries)²



1. Index of Industrial Production (IIP) shows the growth rates in different industry groups (comprises of Mfg. (78% weightage), Mining (14%), Electricity (8%))
 2. Index of Core Industries (ICI) measures performance of production in 8 core industries (Coal, Crude, NG, Refinery Products, Fertilizers, Steel, Cement & Electricity)

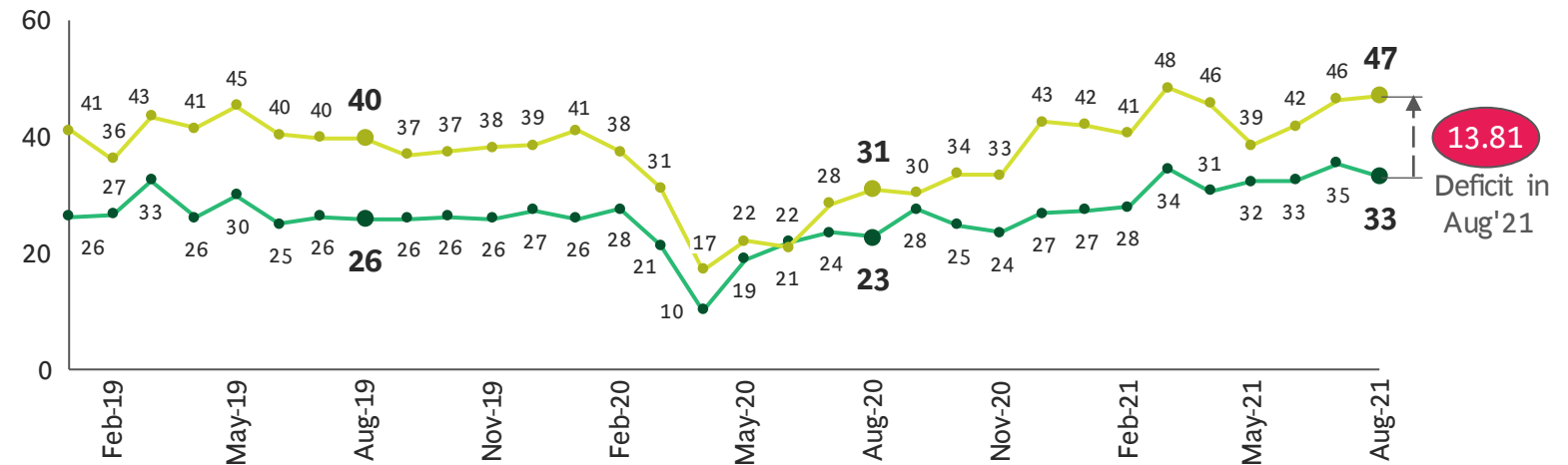


Merchandise trade gap widened in Aug'21 vs. Jul'21

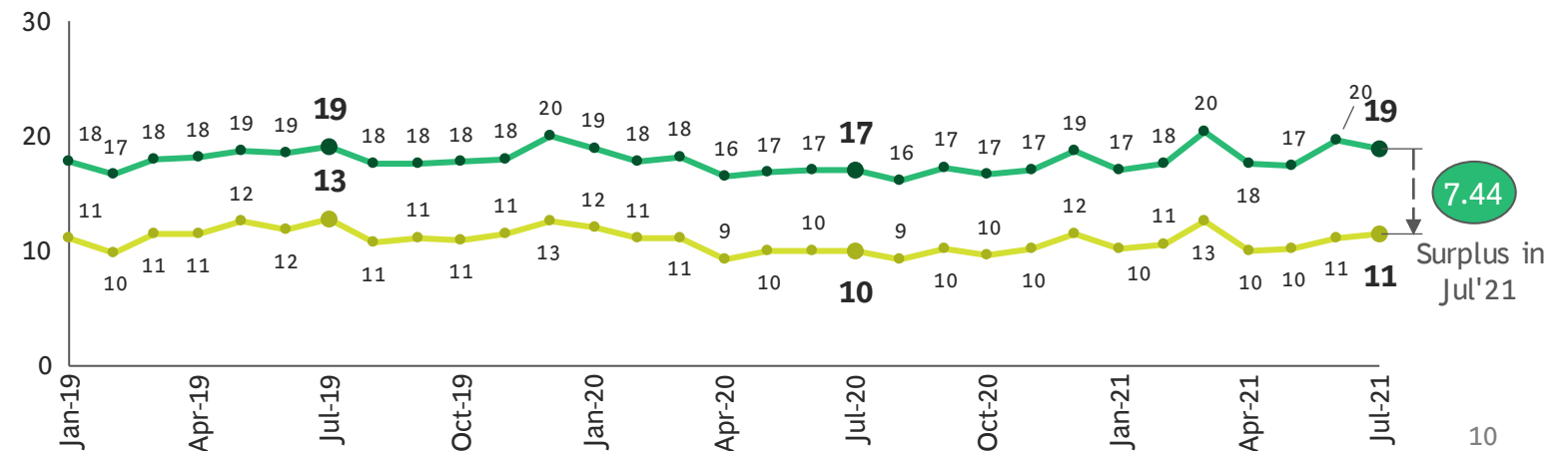
Services trade surplus contracted in Jul'21 vs. Jun'21, though remained above Jul'19 levels

1. Jul'21 Merchandise Import and Export numbers, Jun'21; Service Import and Export numbers are provisional as provided by the Ministry of Commerce and Industry on 13th Aug'21
Source: RBI, Ministry of Commerce and Industry, BCG analysis

Merchandise Trade (USD Bn)



Services Trade (USD Bn)

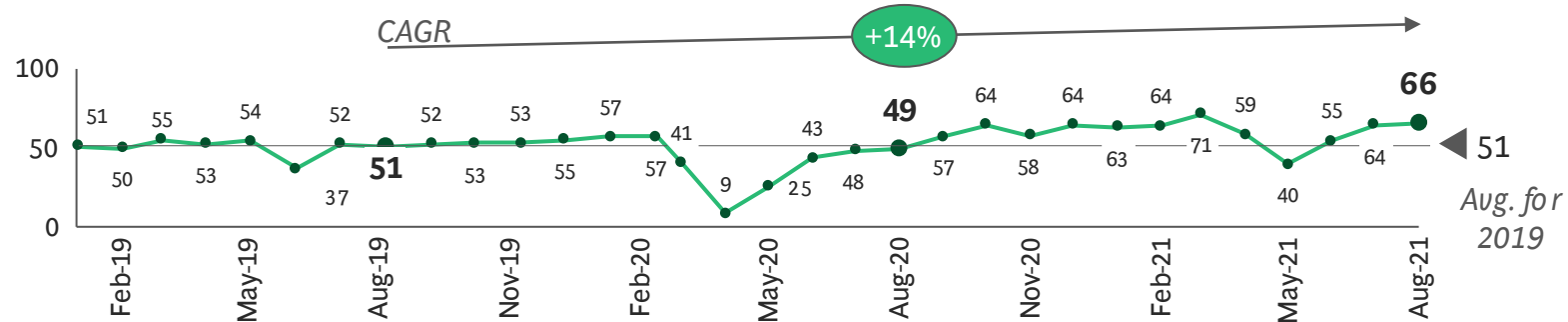




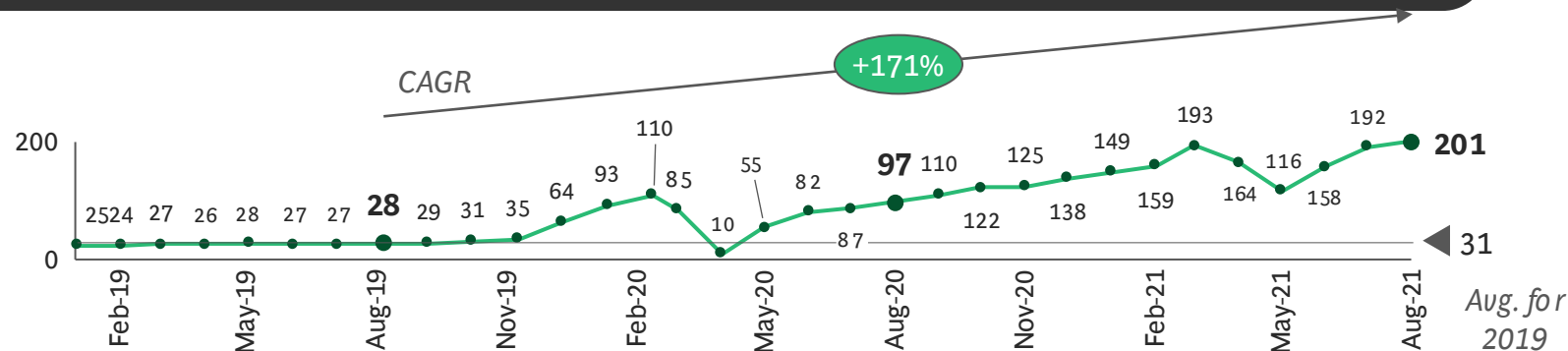
E-way bills recorded an uptick in Aug'21 vs. Jul'21 & Aug'19; FASTag transactions reached a record high in Aug'21

Railway freight dipped marginally in Aug'21 vs. Jul'21, although exceeded Aug'19 levels

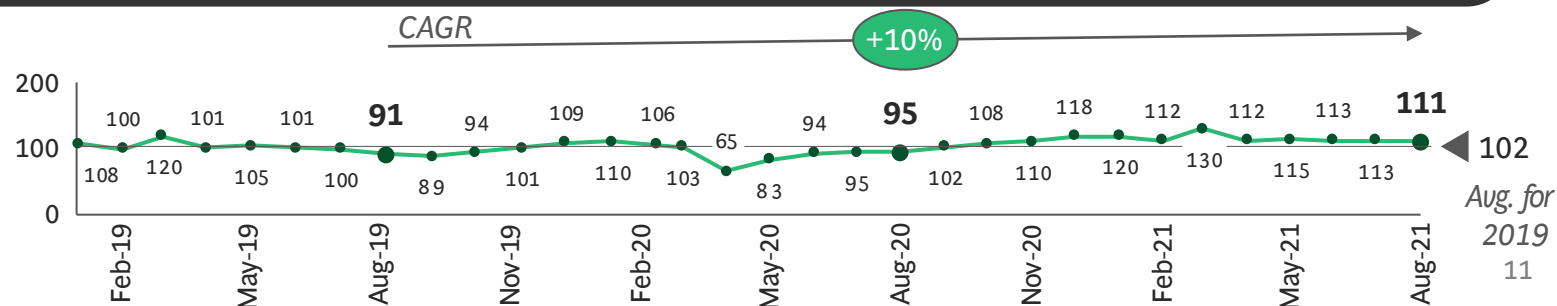
E-way bills¹ generated (Mn)



FASTag transaction volume (Mn)



Railway freight traffic originating (Mn Tons)



1. E-Way bills are required to be generated at the time of transport of goods by every registered person if the value of the consignment exceeds INR 50,000. Source: GST Network, NHAI, NPCI, Ministry of Railways, CEIC data, BCG analysis

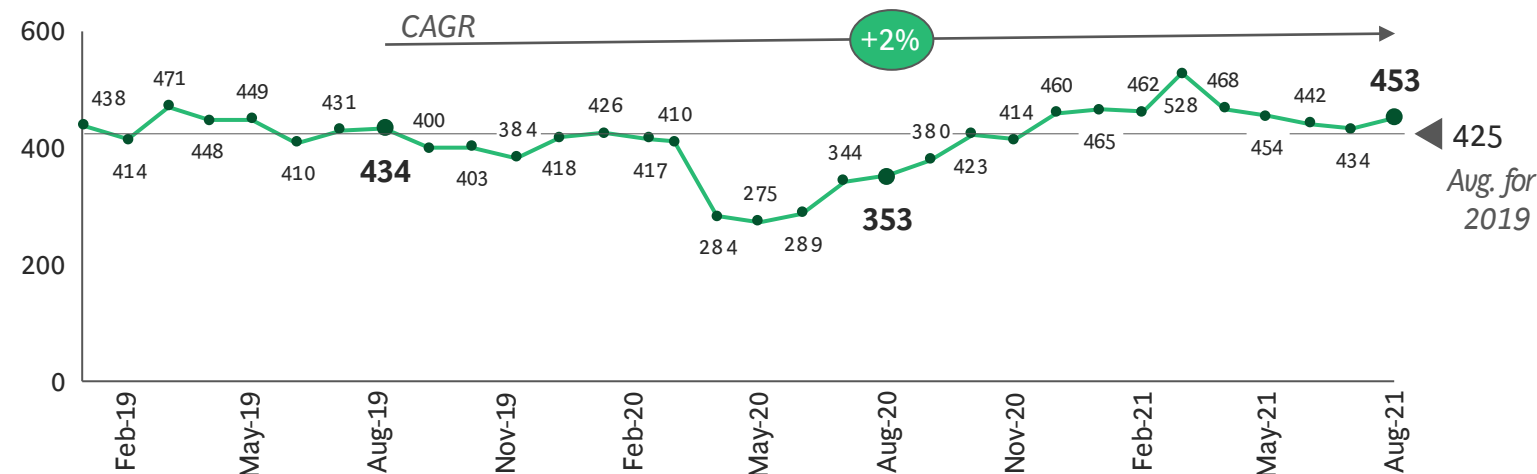


JNPT traffic recorded an upswing in Aug'21 after remaining subdued in previous months

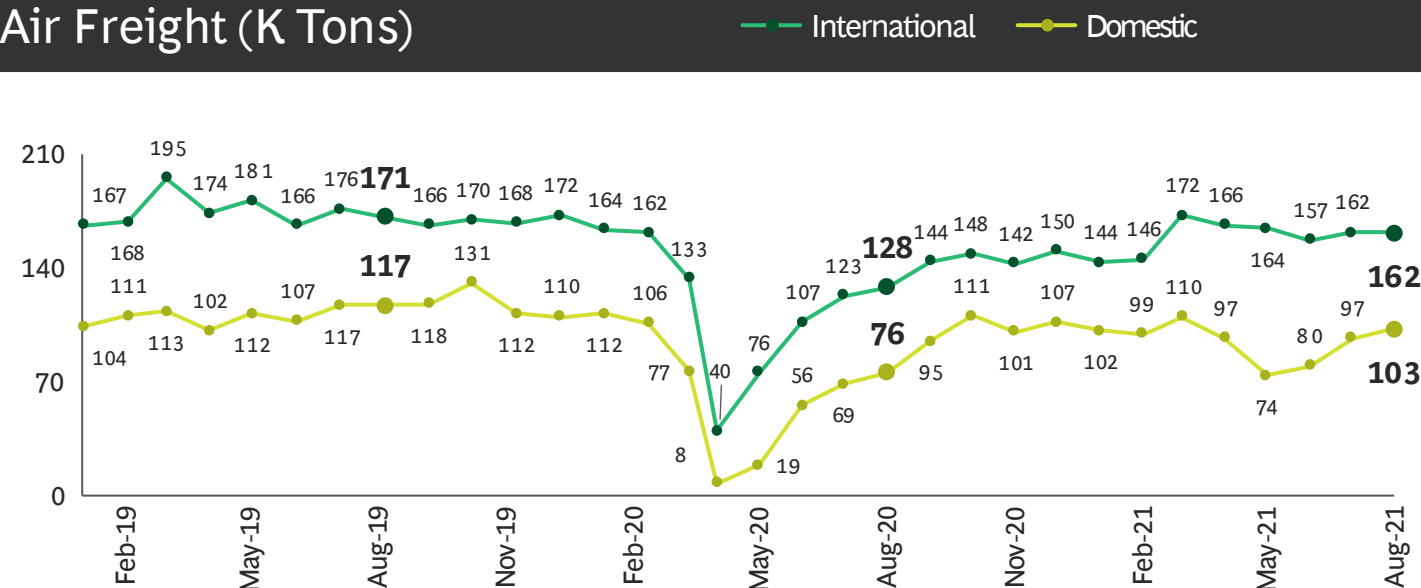
Air freight grew in Aug'21 vs. Jul'21, albeit remained below 2019 levels

1. TEU refers to Twenty-foot equivalent unit equivalent to 20 shipping containers (20 feet long, 8 feet tall)
Source: Jawaharlal Nehru Port Trust, Airport Authority of India, BCG analysis

JNPT Container Traffic ('000s TEUs¹)



Air Freight (K Tons)

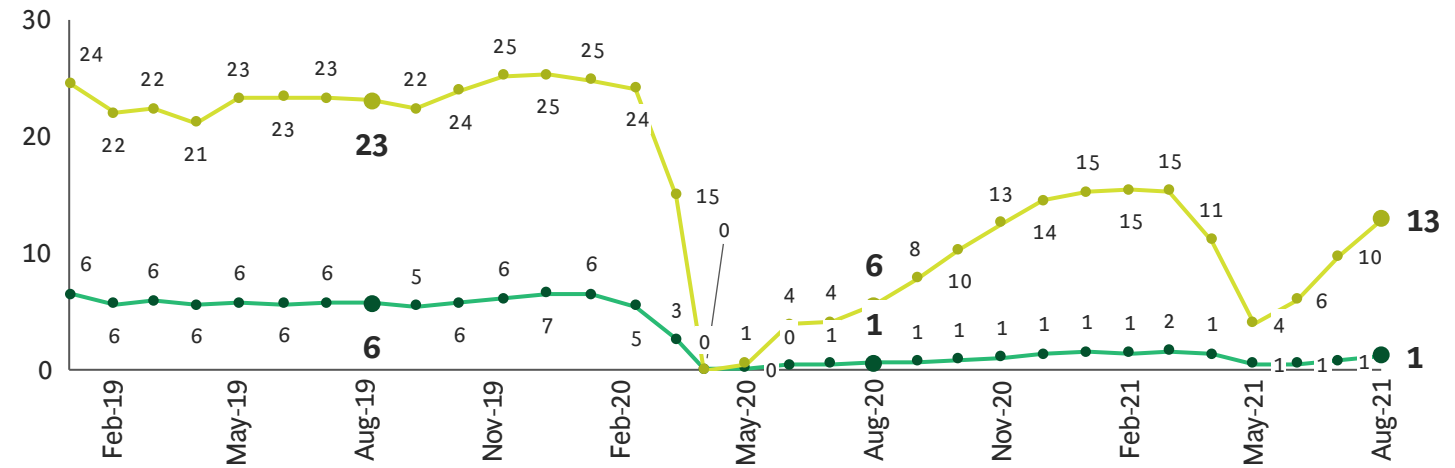




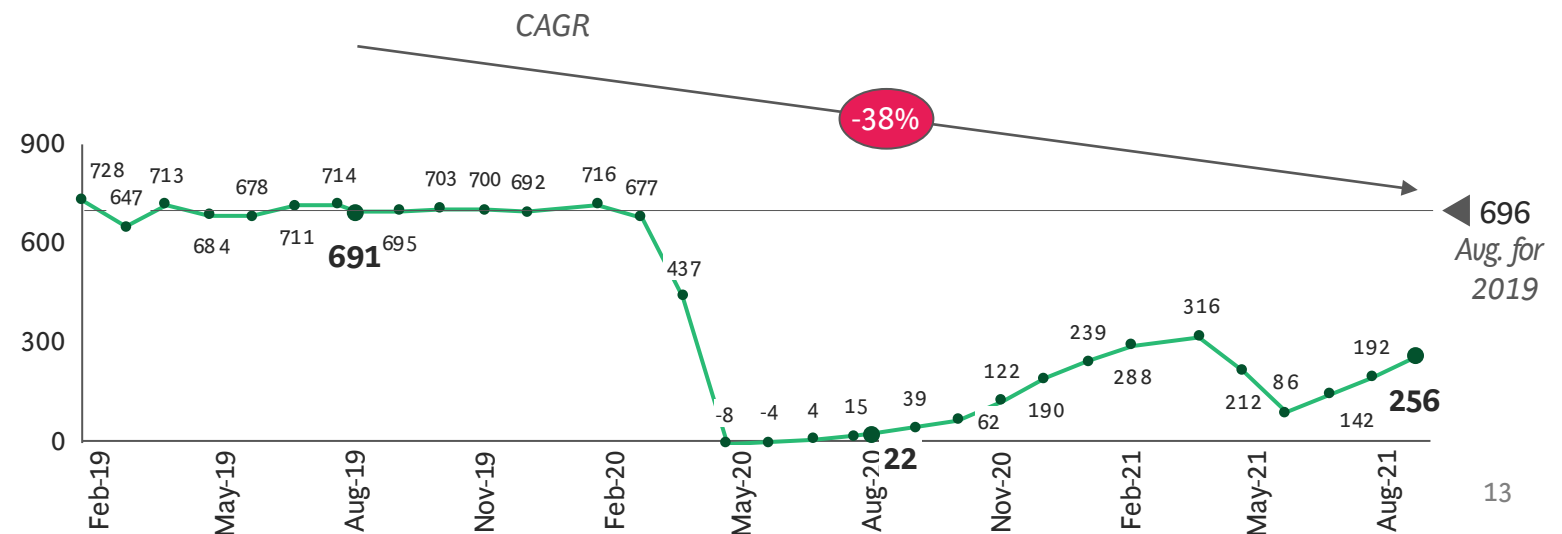
Both rail & air passenger traffic grew in Aug'21 vs. Jul'21, although remained significantly below 2019 levels

Air Passengers (Mn)

International Domestic



Railway Passenger Bookings (Mn)

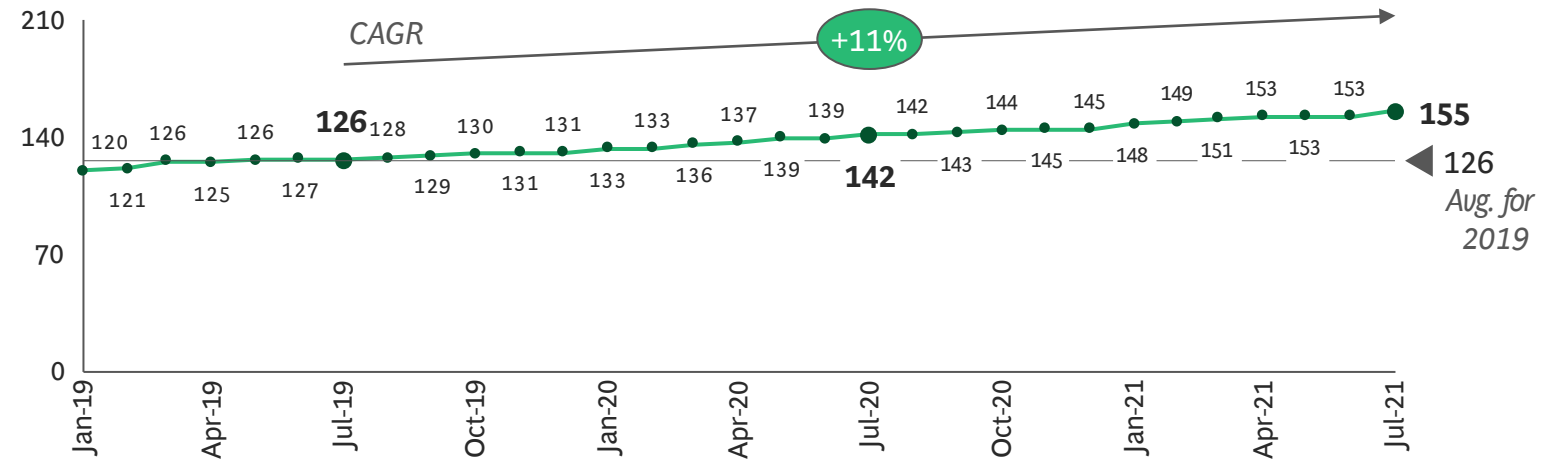




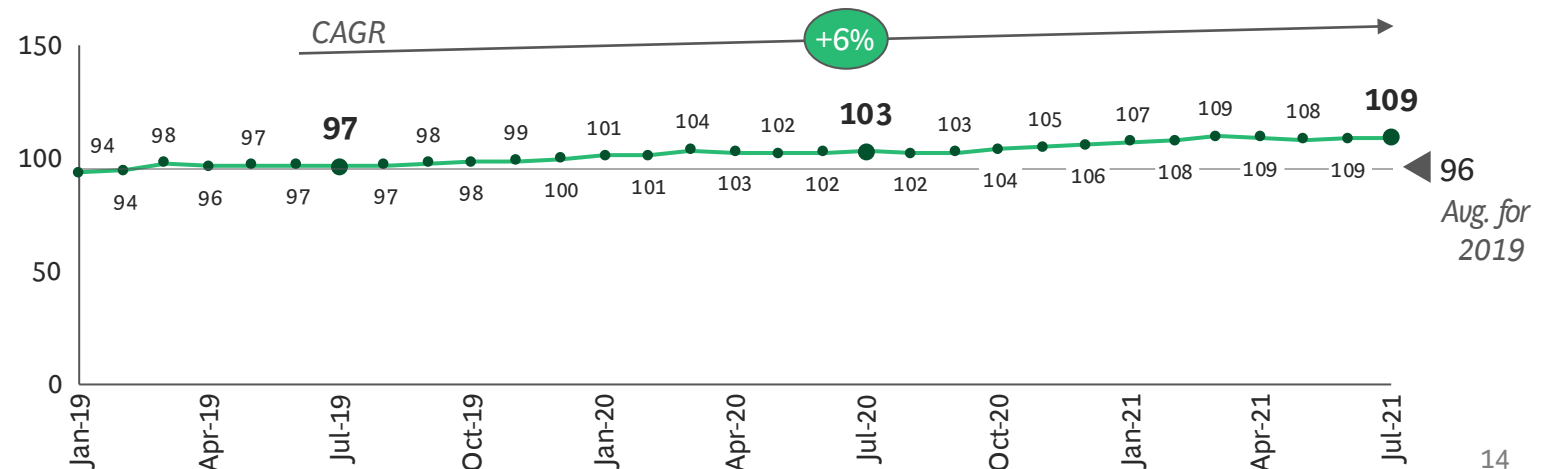
Aggregate deposits improved marginally in Jul'21 vs. previous months

Aggregate credit remained stable between Mar- Jul'21

Total deposits value aggregated for all banks (INR Tn)



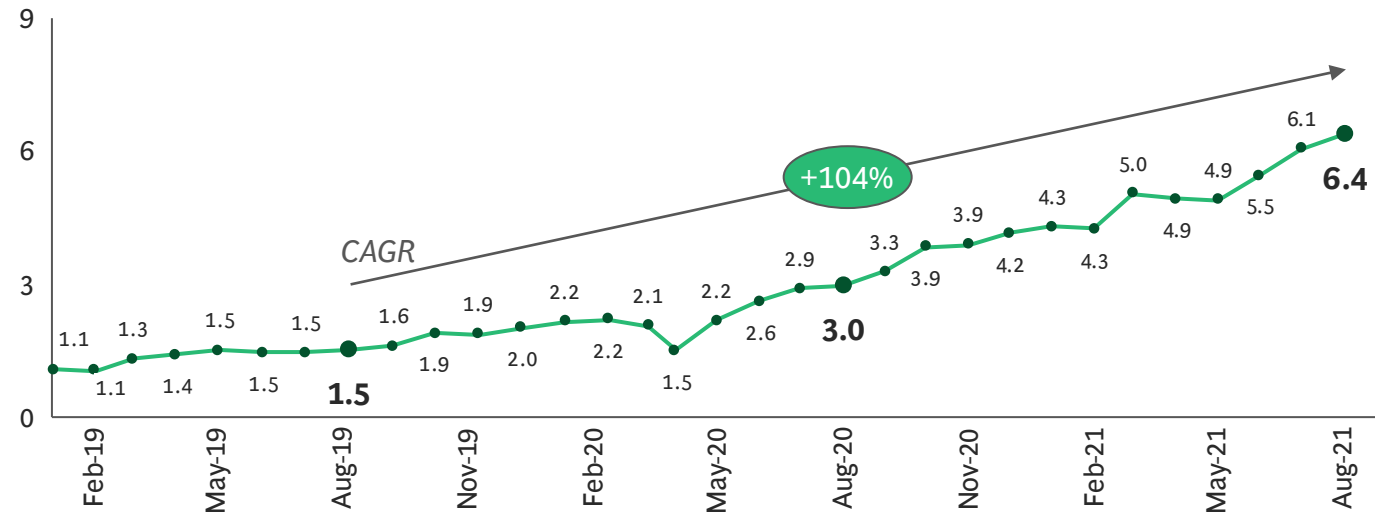
Total credit outstanding value aggregated for all banks (INR Tn)



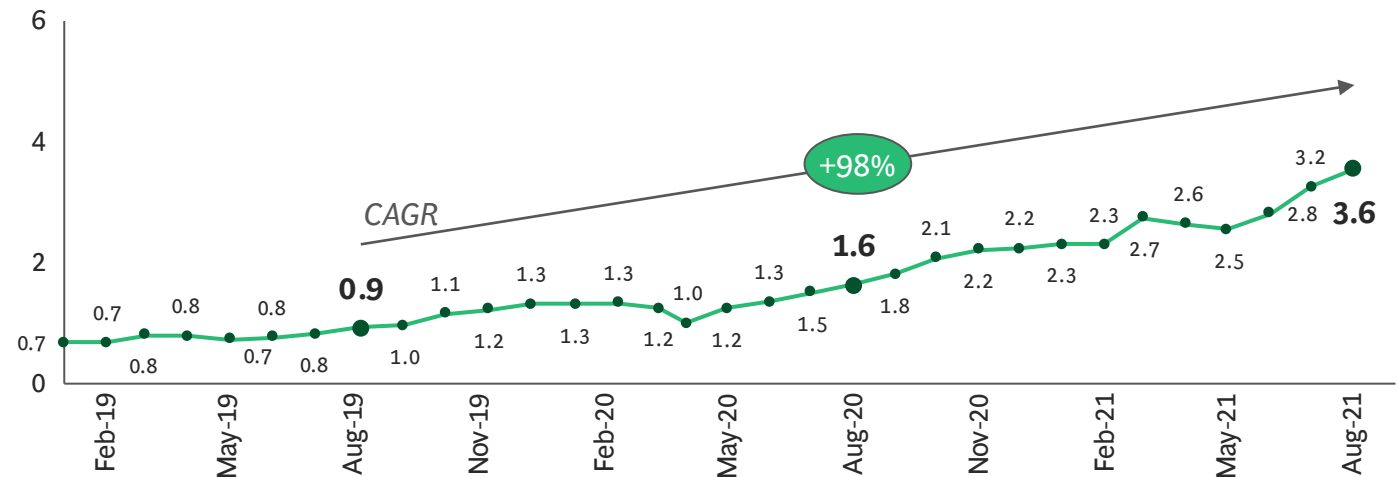


UPI transaction value & volume continued on an upward trajectory, reaching record high levels in Aug'21

UPI Transactions Value (in INR Tn)



UPI Transactions Volumes (in Bn)

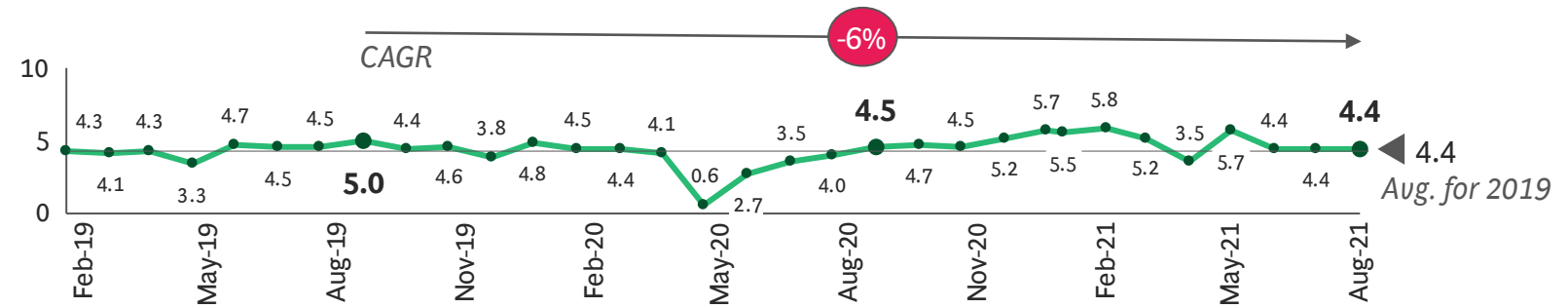




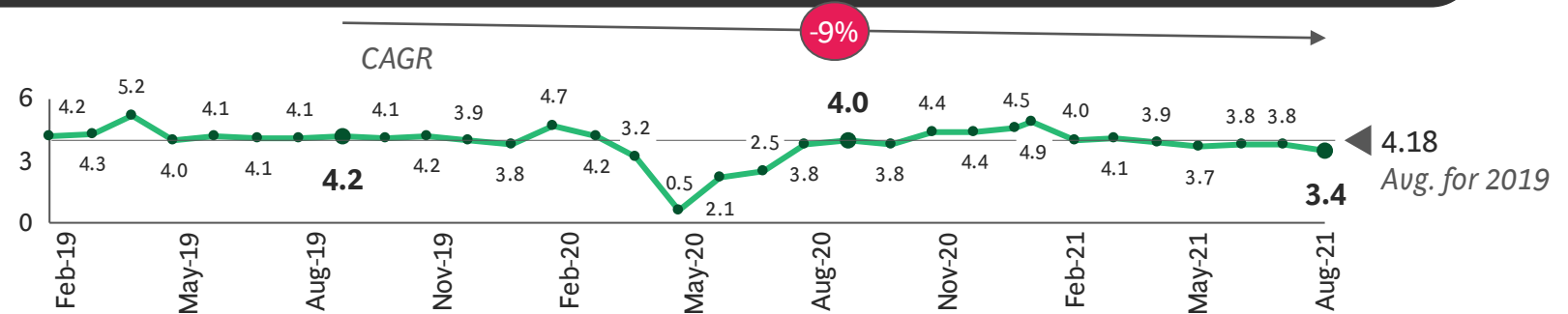
Steel consumption fell in Aug'21 vs. Jul'21 & Aug'19 levels

Cement production improved in Jul'21 vs. Jun'21, after dipping in May'21

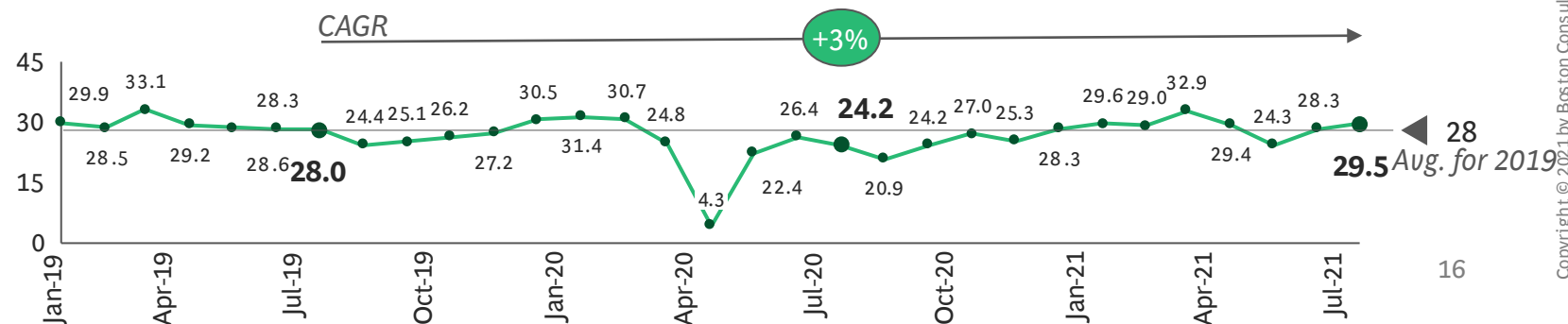
Consumption of Long Steel (in MMT)



Consumption of Flat Steel (in MMT)

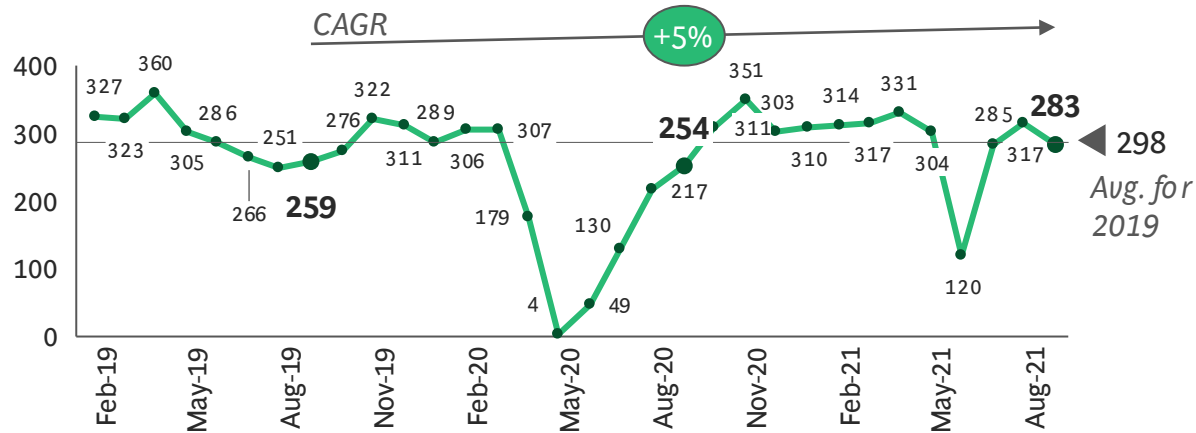


Cement Production (in MT)

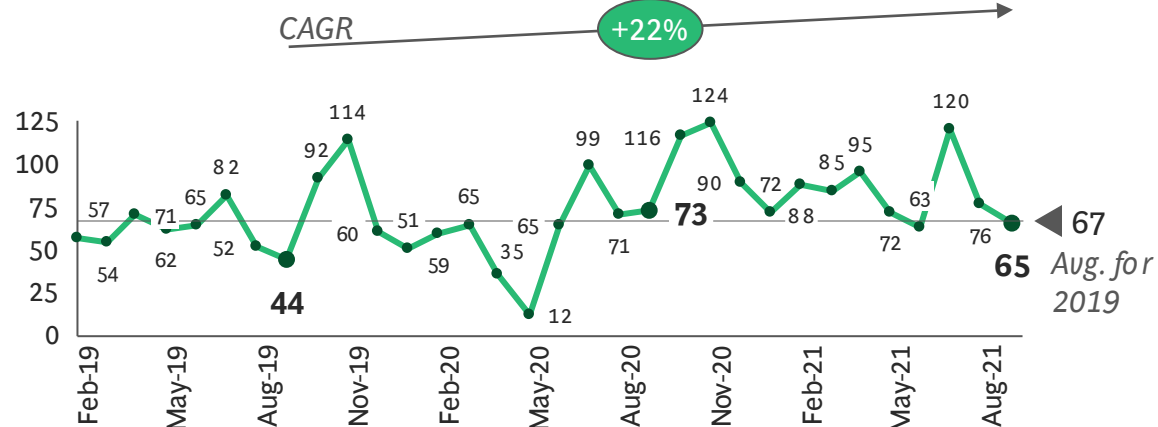


Passenger vehicles, 3W & tractor sales declined in Aug'21 vs. Jul'21; 2W sales grew marginally vs. Jul'21, albeit remained below Aug'19 levels

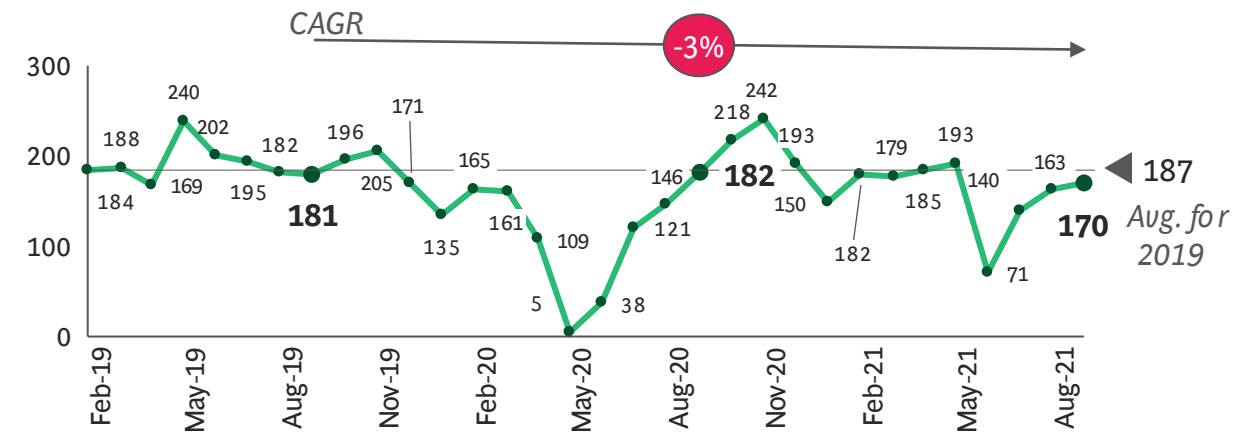
Passenger vehicles sales ('000 units)



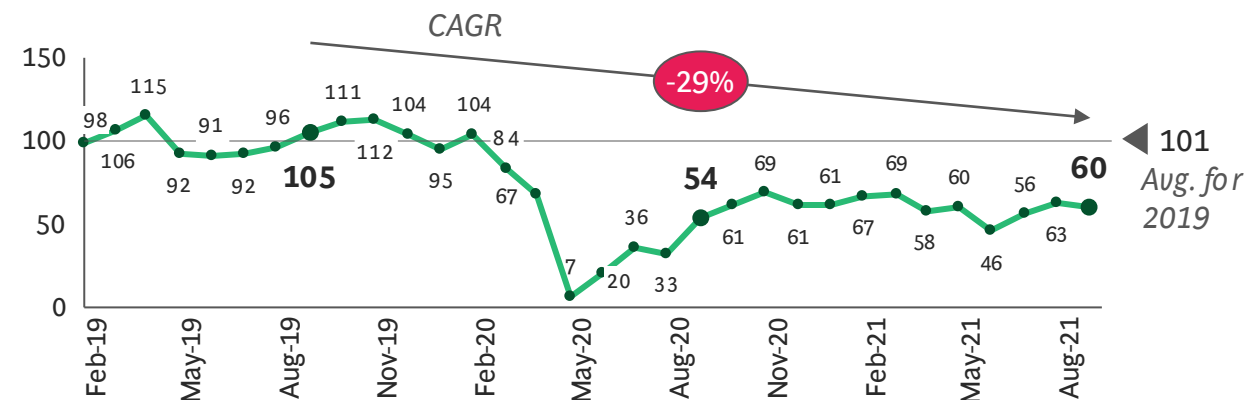
Tractor sales ('000 units)



Two-wheeler sales ('0000 units)



Three-wheeler sales ('000 units)



Figures represent wholesale numbers (including exports).

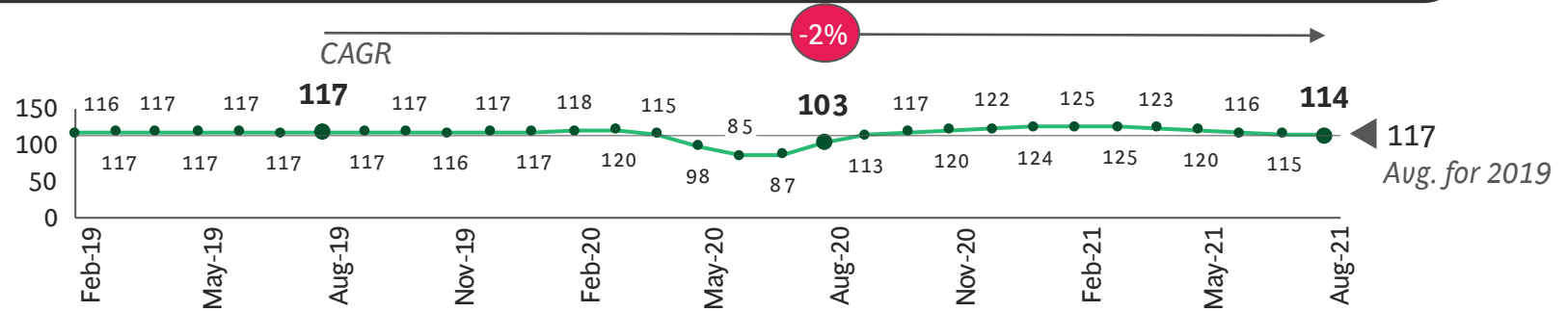
1. Tata Motors data is available for Apr-June only, BMW, Mercedes and Volvo Auto data is not available; Source: SIAM, CMIE, Press search, BCG analysis



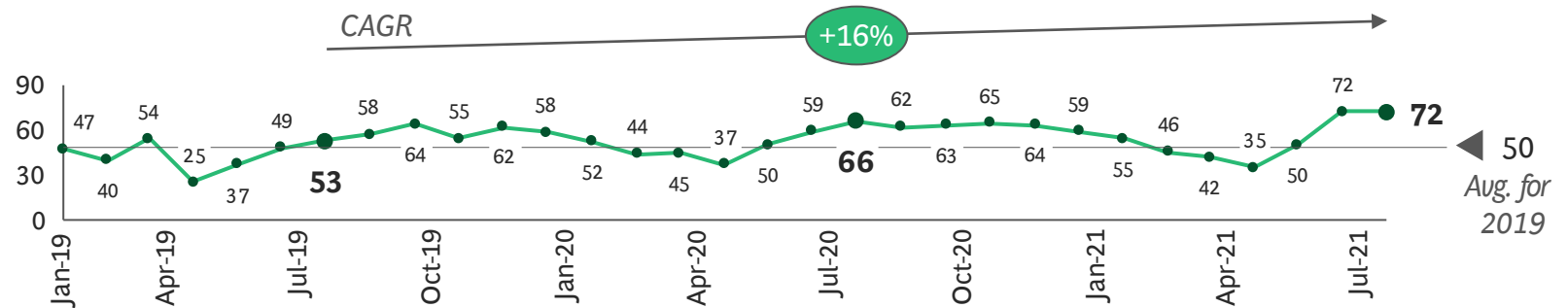
Chemical production remained stable in Aug'21 vs. previous months

Fertilizer sales stabilized in Jul'21 vs. Jun'21, exceeding Jul'19 levels

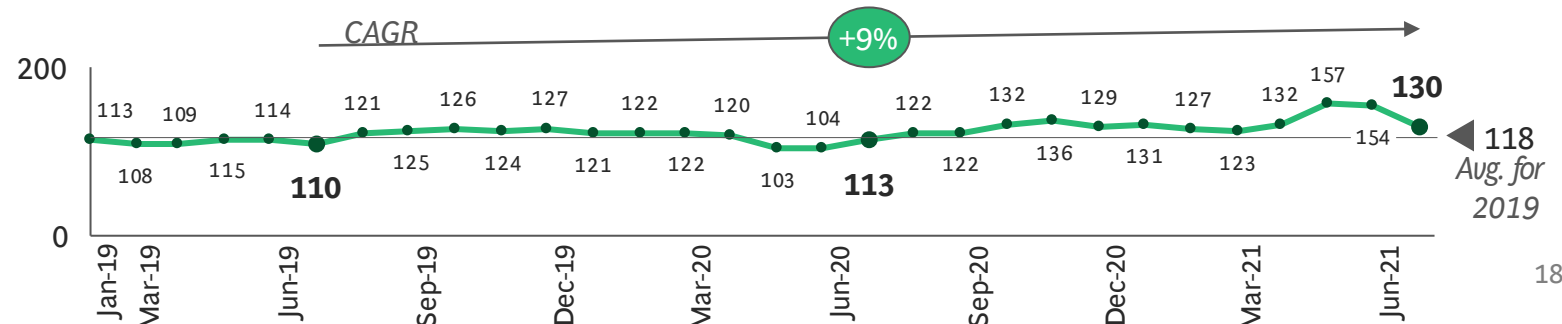
Indian Chemical Production Index¹ (3mo. Moving avg.)



Fertilizer Sales (in lac tonnes)



Pharmaceutical Sales² (INR Tn)



1. Indian Chemical Production Index refers to a 3-month moving average figure for chemicals production with figure for 2012 as base figure (100).
2. Pharmaceutical Sales are updated quarterly. Last updated in Jun'21

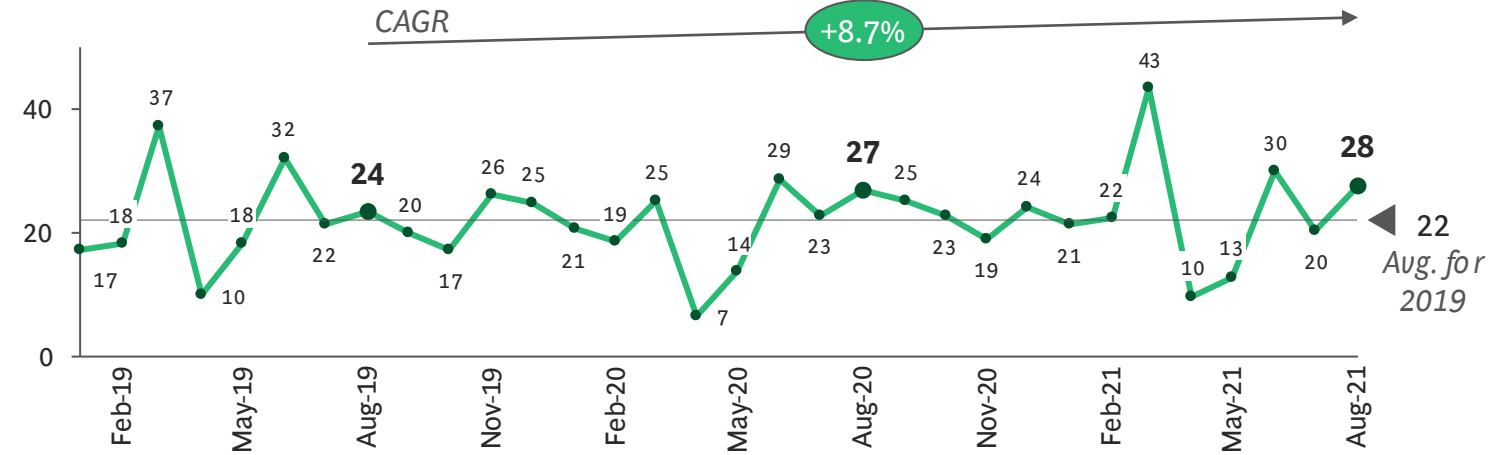
Source: AIOCD (Total Sales), American Chemistry Council, Mobile Based Fertilizer Management System (mFMS), Ministry of Chemicals and Fertilizers, Press search, BCG analysis



Both life & non-life insurance premium grew in Aug'21 vs. Jul'19 & Aug'19 levels

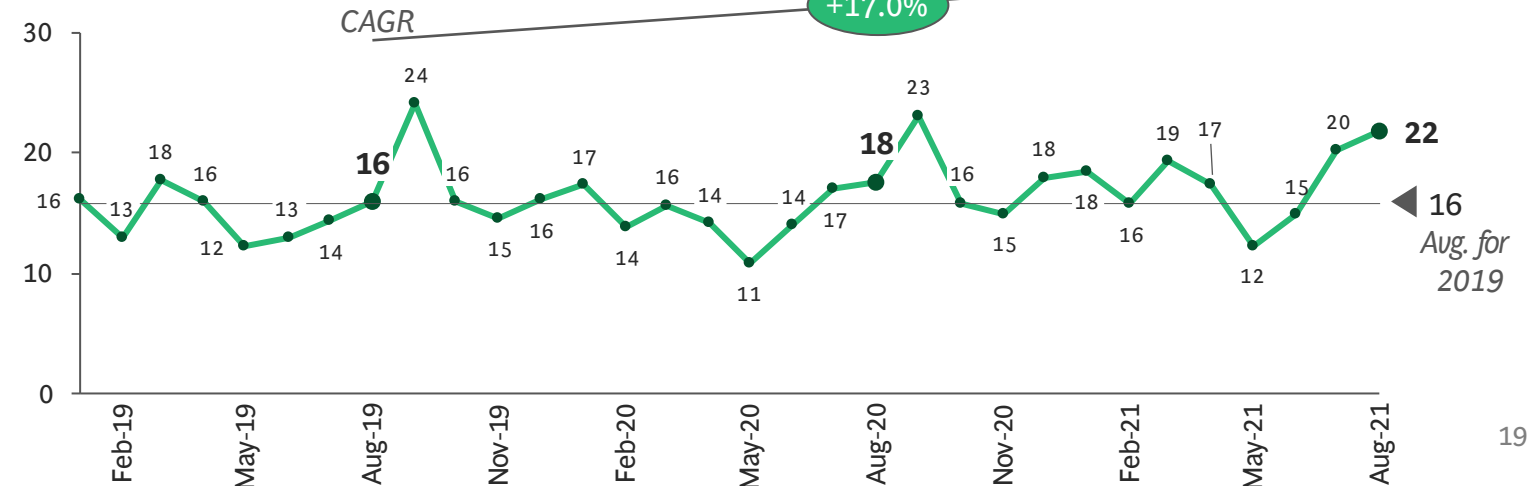
Life Insurance premium

New Business Premium (INR '000 Cr)



Non-Life Insurance premium¹

Gross Domestic Premium Income (INR '000 Cr)



1. Non-Life Insurance includes Fire, Marine, Motor, Engineering, Health, Cop Insurance, Credit Guarantee, Aviation, Personnel accident and Miscellaneous
Source: IRDAI, BCG Analysis



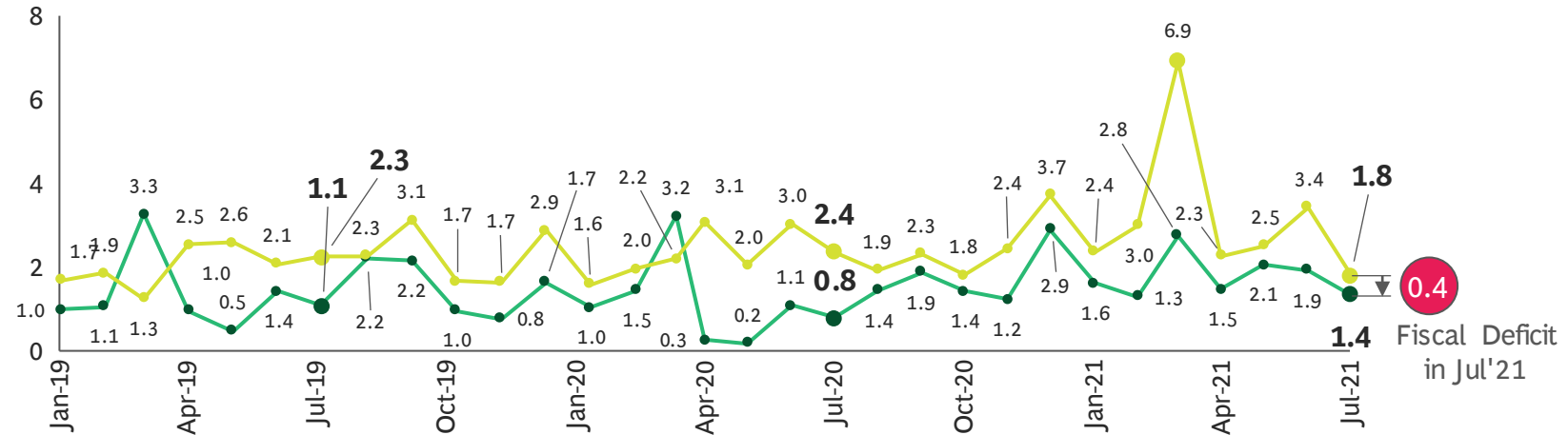
Fiscal deficit sharply fell in Jul'21 vs. Jun'21 & Jul'19 levels

GST collections dipped slightly in Aug'21 vs. Jul'21, albeit remained above INR 1 Tn mark

1. GST Collections include all components: CGST, SGST, IGST, Cess
Source: Ministry of Finance, GST Council, BCG analysis

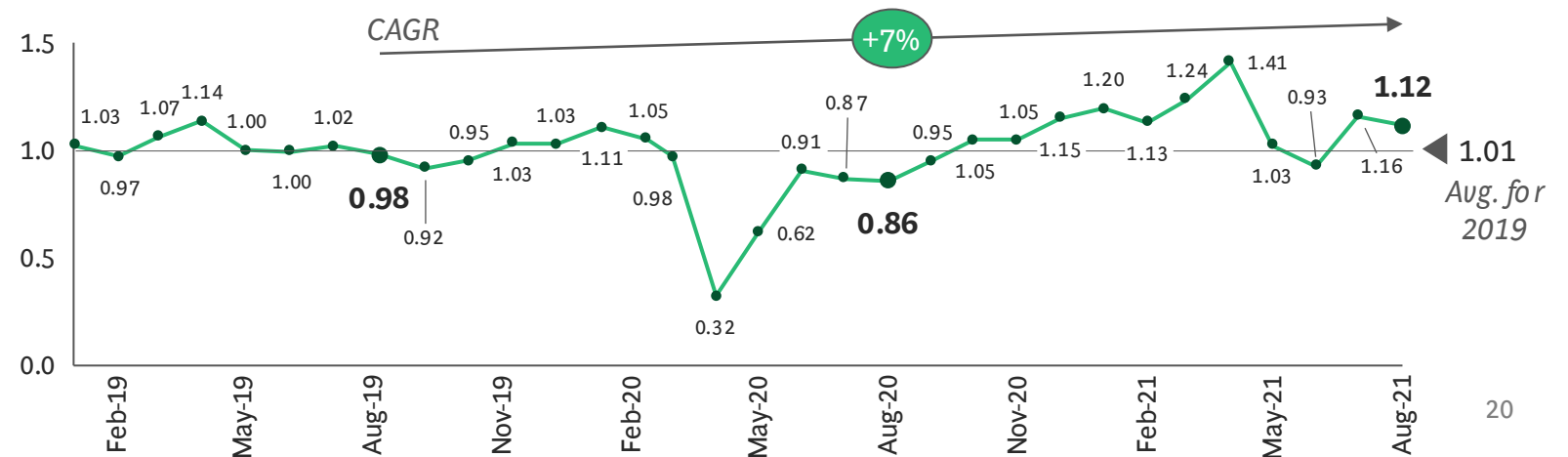
Central Govt. Revenue & Expenditure (INR Tn)

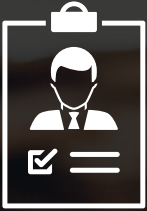
(based on data from Controller General of Accounts, Ministry of Finance)



Total GST Collections¹ (INR Tn)

(based on data from GST Council)

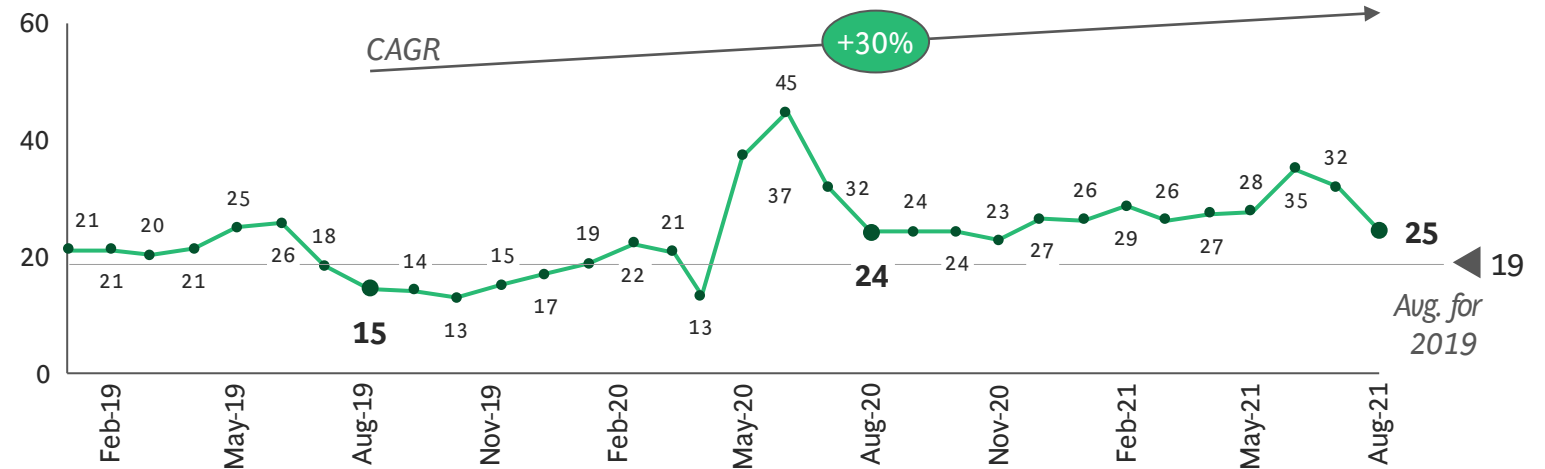




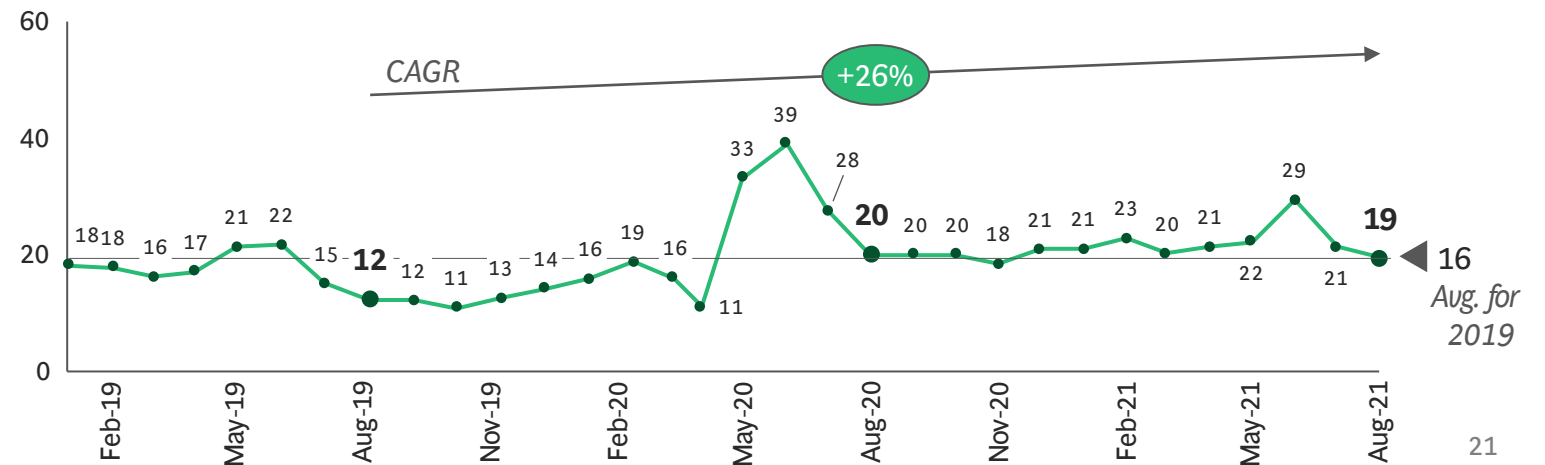
Both MGNREGA work demand & employment provided fell for the second consecutive month in Aug'21, however remained above 2019 levels

MGNREGA refers to Mahatma Gandhi National Rural Employment Guarantee Act
Source: Ministry of Labor & Employment, Ministry of Rural Development, The Indian Express, Outlook India, LiveMint, BCG analysis

MGNREGA Work Demand (households, in Mn)



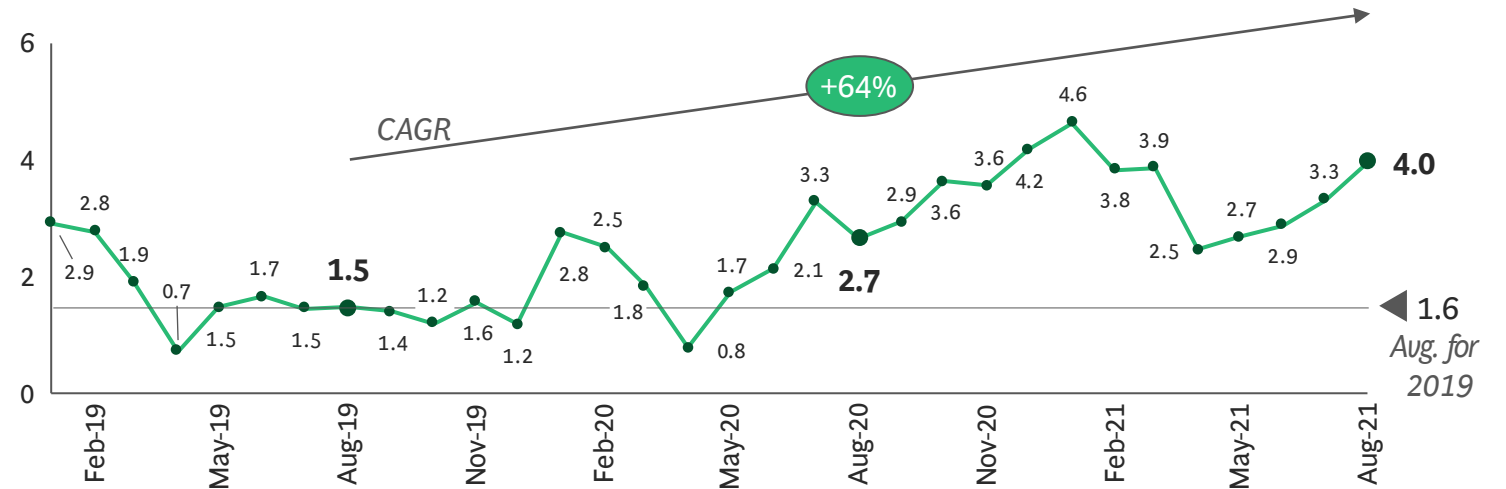
MGNREGA Employment Provided (households, in Mn)



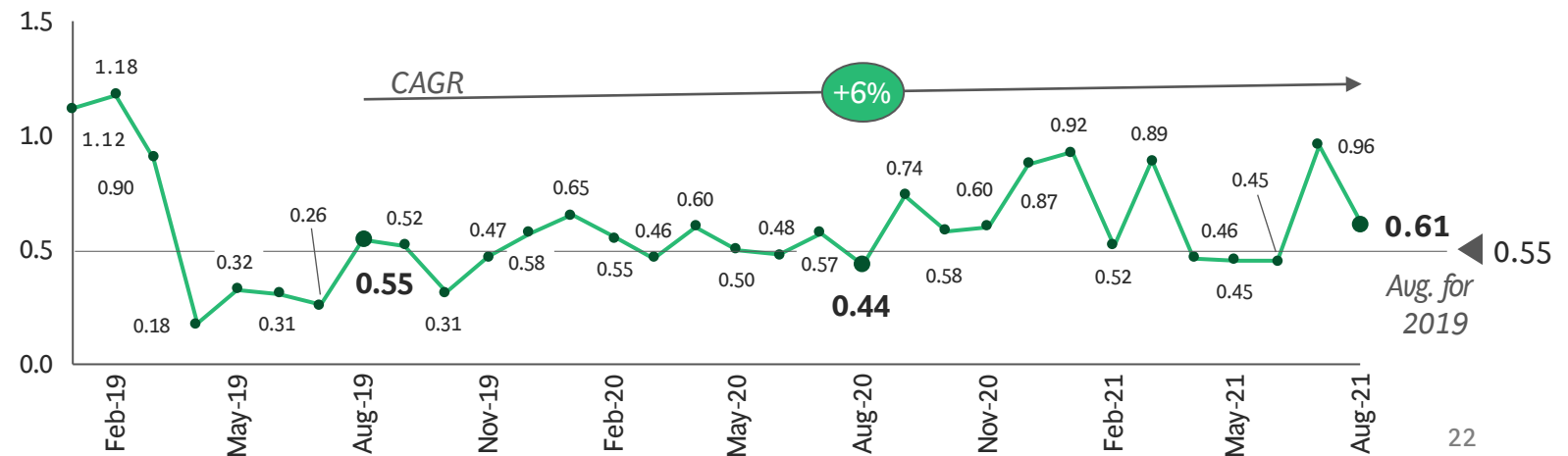


Count of Govt. tenders grew, while value of Govt. tenders plunged sharply in Aug'21 vs. Jun'21-Jul'21 levels

Count of tenders announced by central and state govts (K)



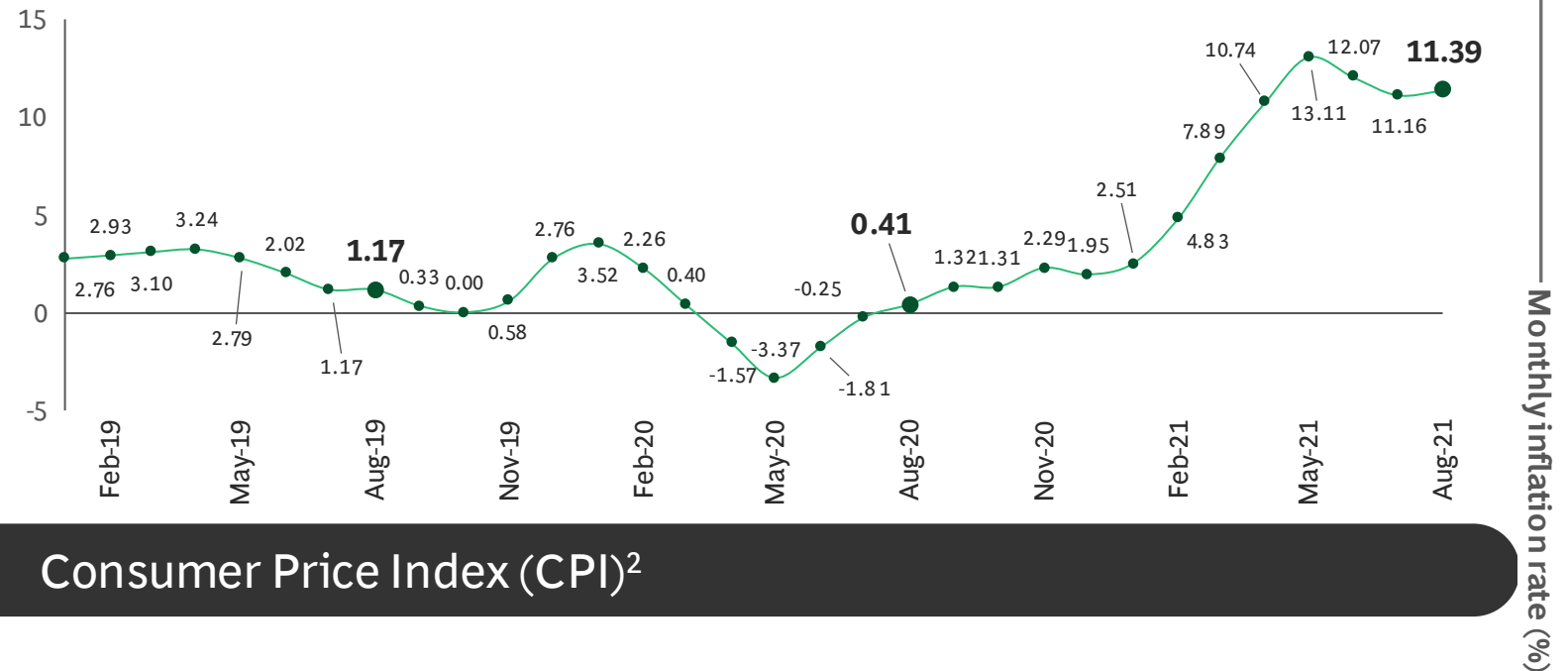
Value of tenders announced by central and state govts (INR Tn)



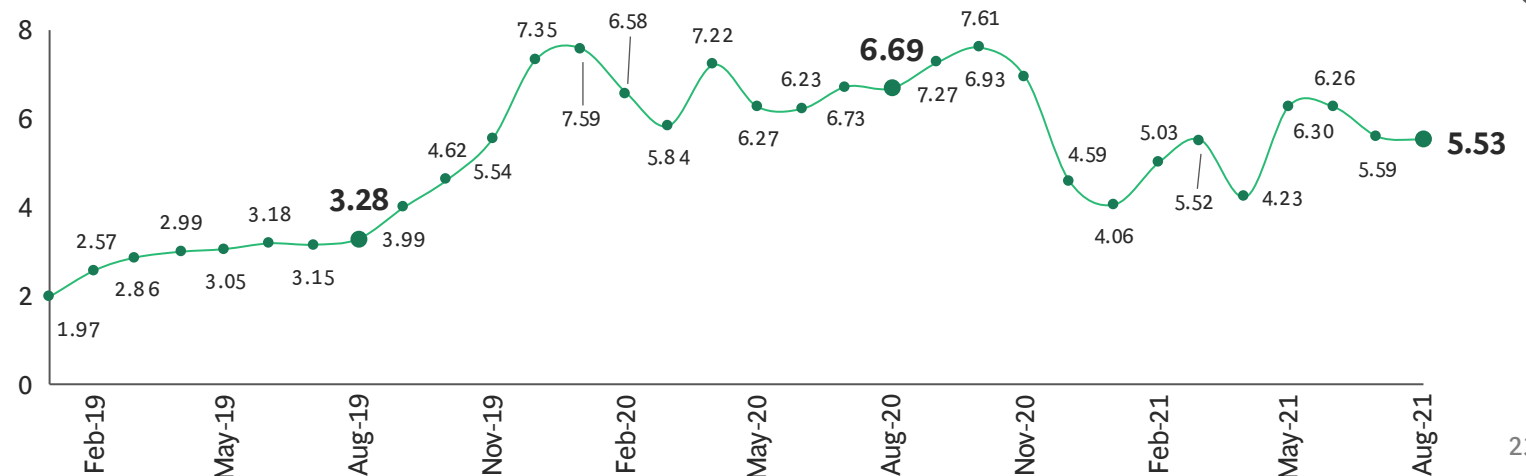


CPI softened to a 4-month low in Aug'21, while WPI spiked vs. Jul'21, remaining in double digits

Wholesale Price Index (WPI)¹

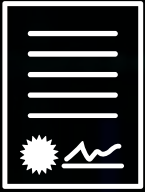


Consumer Price Index (CPI)²



1. WPI measures and tracks the changes in the price of goods in the stages before the retail level – that is, goods that are sold in bulk and traded between entities or businesses instead of consumers. It is calculated as YoY increase in prices of the commodities
2. CPI is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care. It is calculated as YoY increase in prices of the commodities

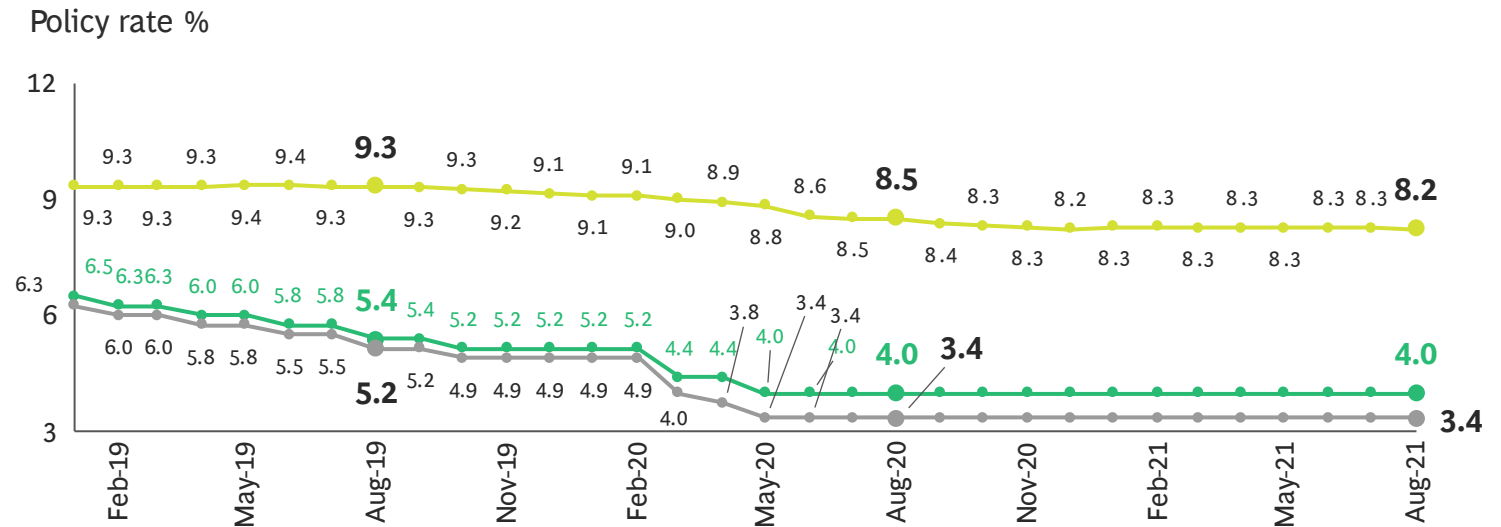
Source: MOSPI, CMIE, BCG Analysis



Repo and reverse repo rate remained unchanged from the previous months in Aug'21

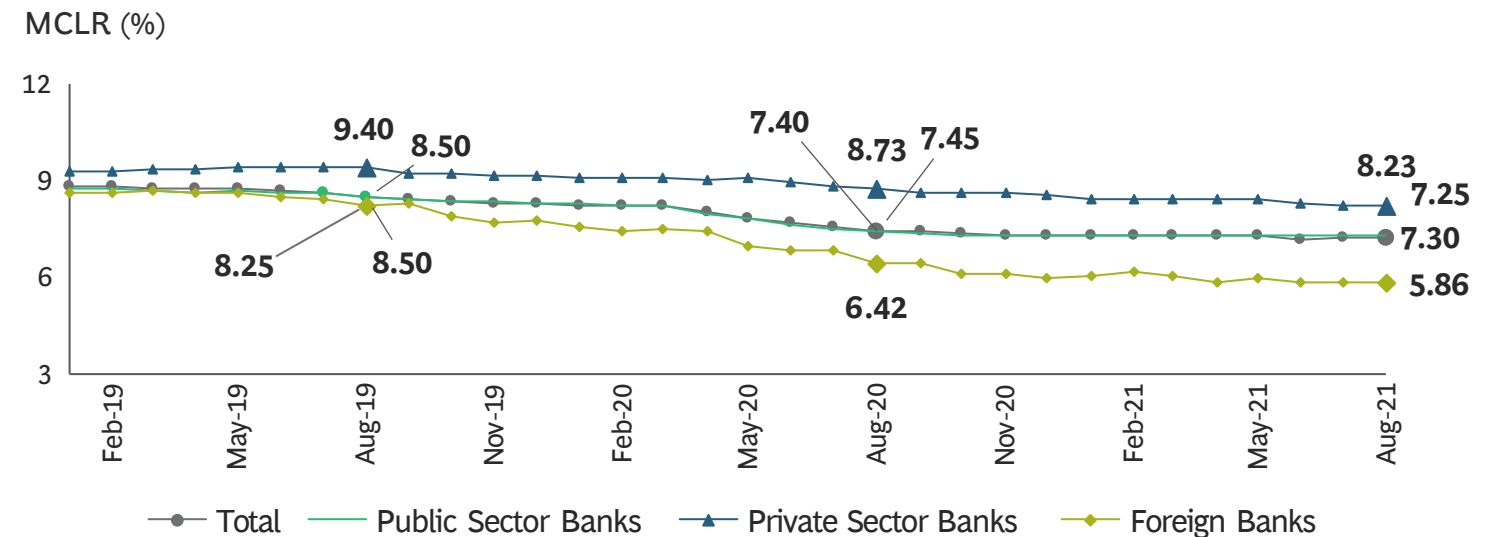
MCLR remained near Jul'21 levels in Aug'21

Reserve bank's policy rates (%)



MCLR¹ of scheduled commercial banks

(Median rate on one-year borrowings, in %)



1. MCLR: Minimum interest rate at which scheduled commercial banks can lend to customers (based on incremental cost of funds). 2. Base Rate: Minimum rate set by the Reserve Bank of India below which banks are not allowed to lend to its customers 3. Repo Rate: Interest rate at which the RBI lends short term funds to licensed commercial banks 4. Reverse Repo Rate: Interest rate which the RBI borrows money from commercial banks.

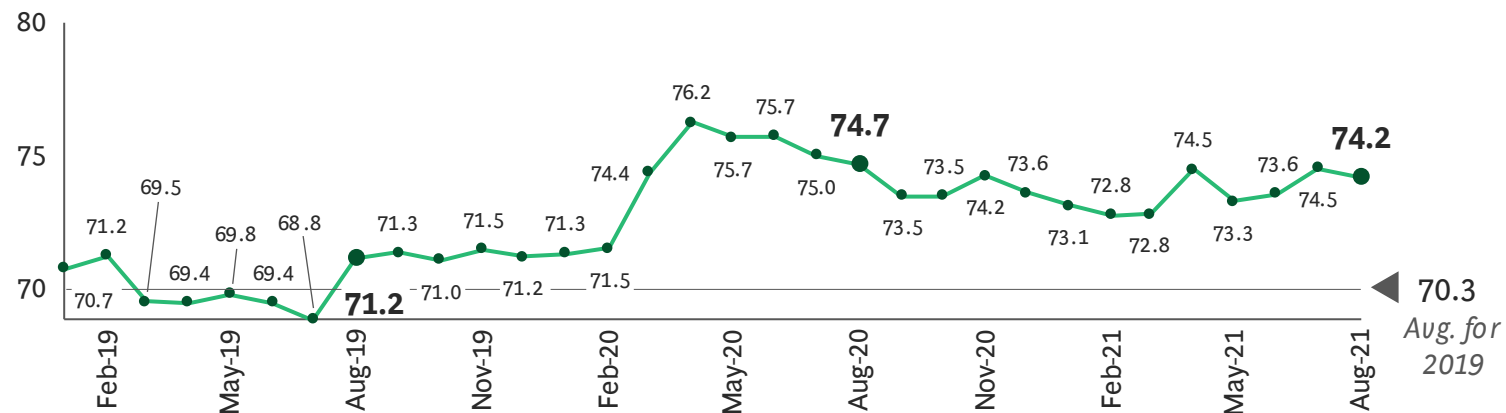
Source: CMIE, RBI DBIE



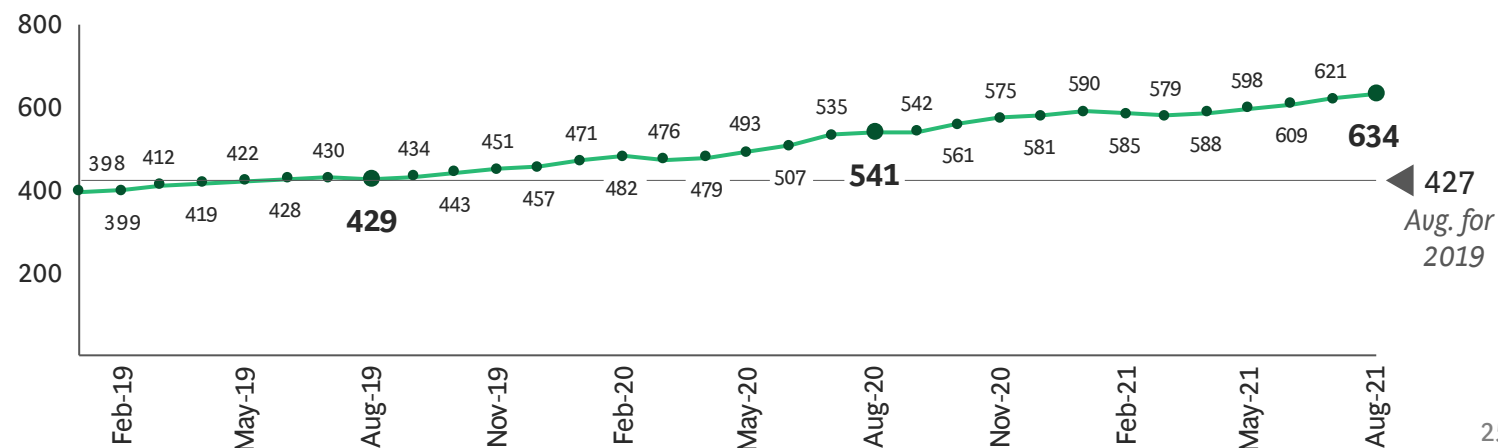
INR remained range bound at ~74/dollar in Aug'21

Forex reserves surged to an all time high of USD 634 Bn in Aug'21

Monthly Exchange Rate (INR/USD)



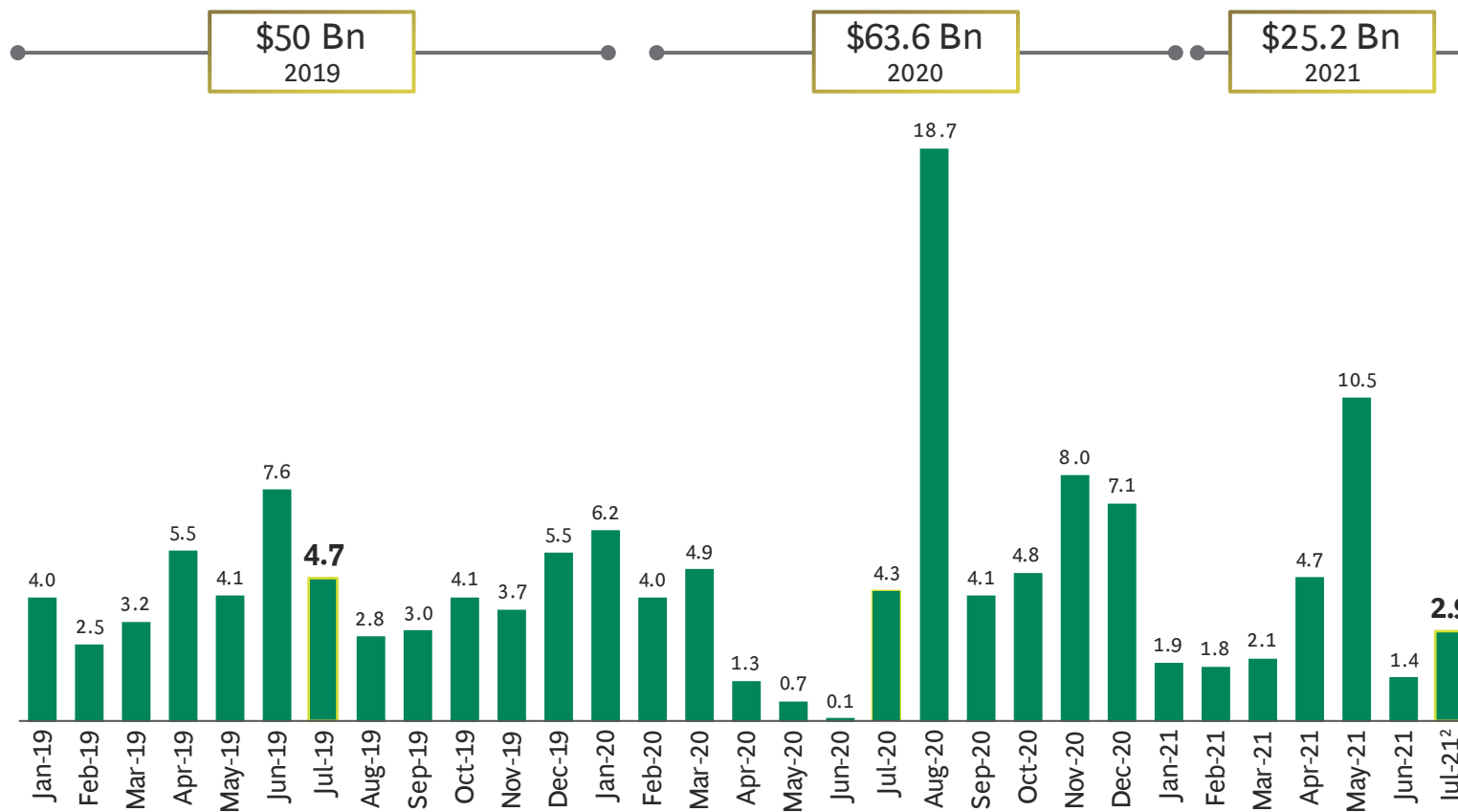
Forex reserves (\$ Bn)





FDI inflows rose vs. Jun'21, though remained below Jul'19 & Jul'20 levels

Foreign Direct Investments¹ (\$ Bn)



1. Denotes total inward FDI to India; 2. Jul'21 figures are provisional

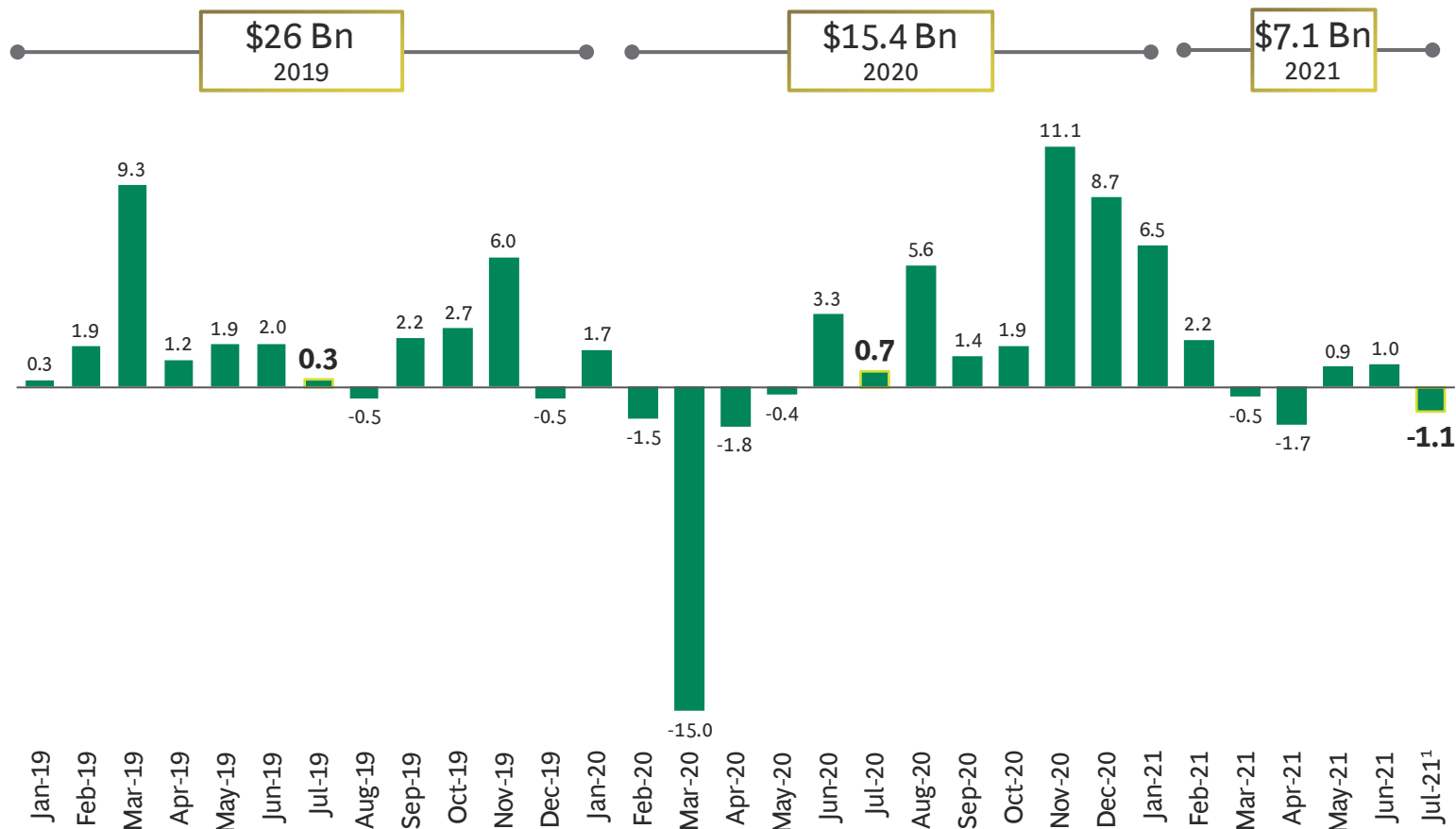
Note: Past period data may vary from the previous versions of the Economic Monitor owing to restating of previous years' data by the CMIE/reporting agencies
Source: CMIE

xx Annual (Calendar Year) FDI Inflows



Foreign Institutional Investments entered the negative territory, falling below Jul'19 & Jul'20 levels

Foreign Institutional Investments (\$ Bn)

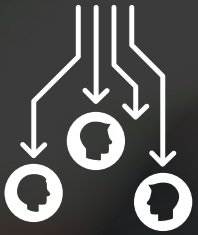


1. Jul'21 figures are provisional

Source: CMIE

Note: Past period data may vary from the previous versions of the Economic Monitor owing to restating of previous years' data by the CMIE/reporting agencies

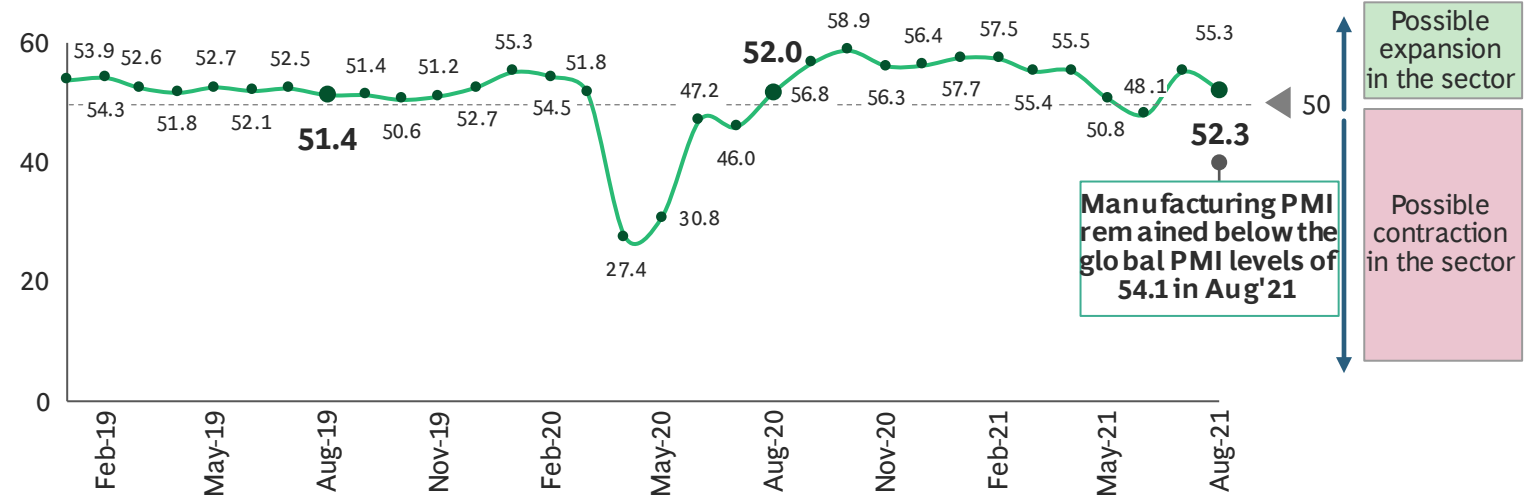
xx Annual (Calendar Year) FIIs



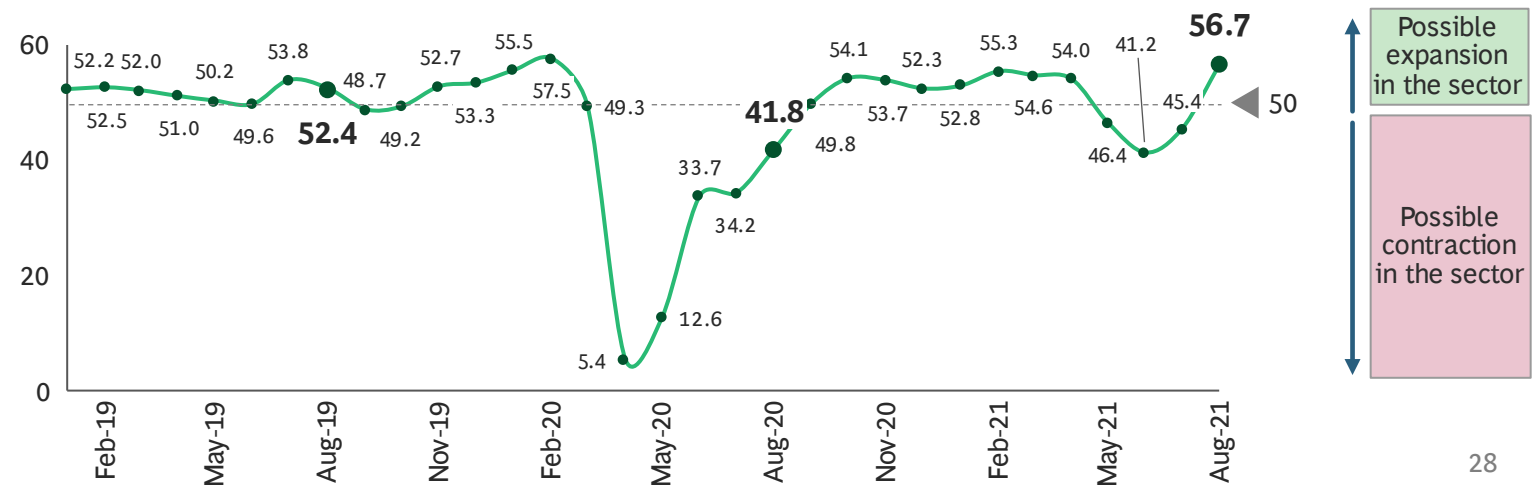
Manufacturing PMI dipped in Aug'21 vs. Jul'21; Services PMI expanded beyond the 50-point mark after 3 months in Aug'21

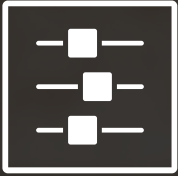
Note: The Purchasing Managers Index (PMI) is a measure of the prevailing direction of economic trends in manufacturing and services sectors. The PMI is based on a monthly survey of supply chain managers across 19 industries, covering both upstream and downstream activity. Value >50 indicates possible expansion in the sector, and value <50 indicates recession.
Source: IHS Markit, CMIE, Analyst Reports, BCG analysis

Manufacturing PMI



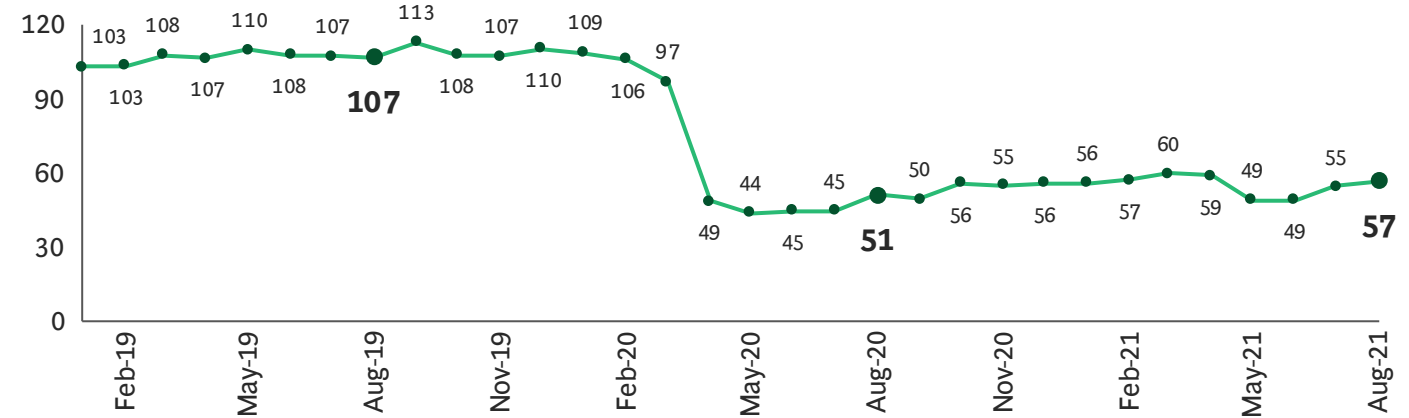
Services PMI



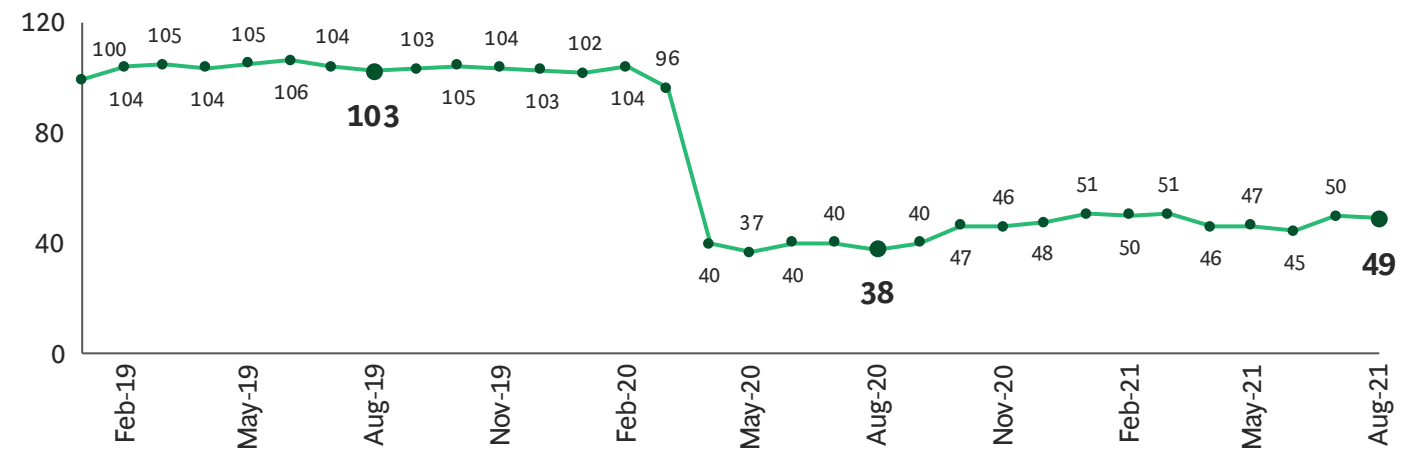


Both rural & urban consumer sentiment remained below pre-COVID levels in Aug'21

Rural Consumer Sentiment Index

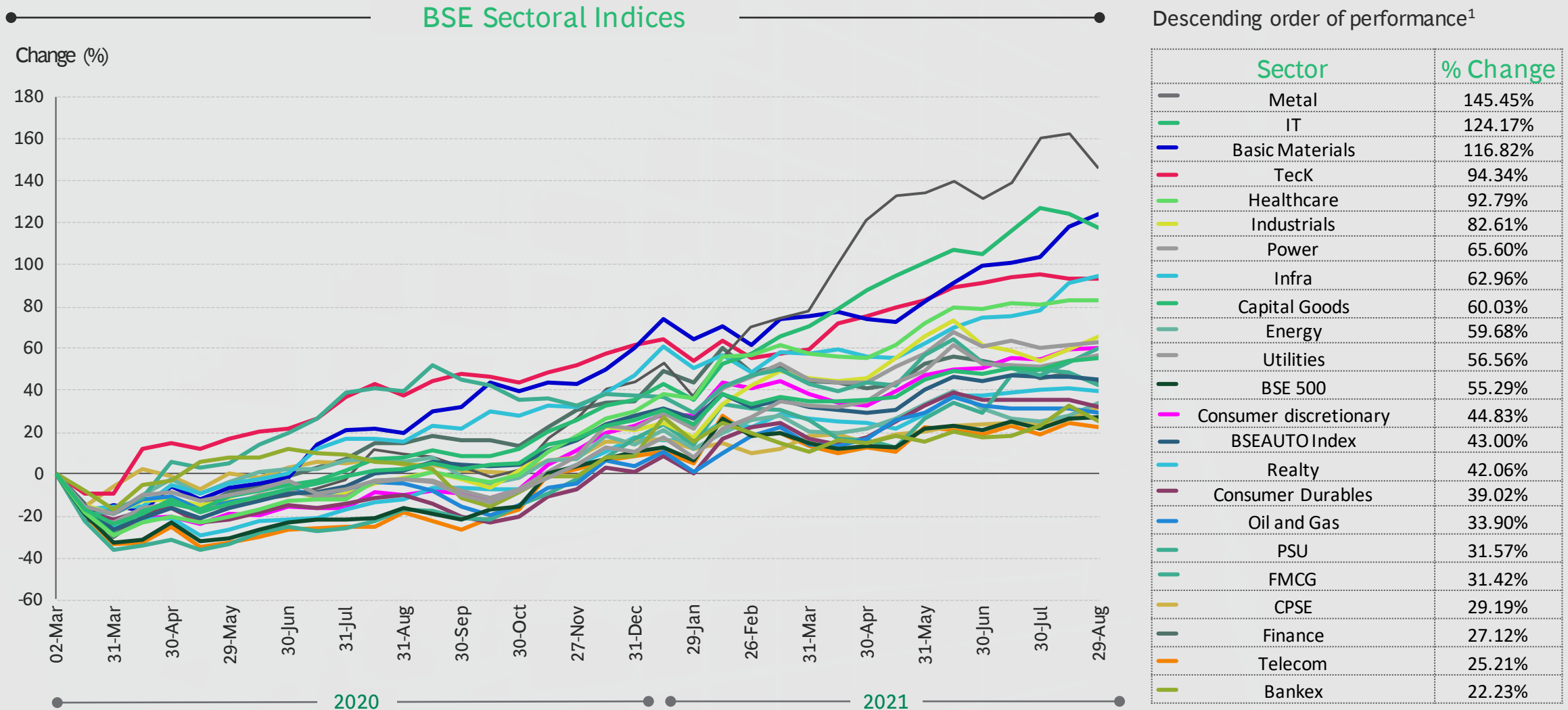


Urban Consumer Sentiment Index



Source: CMIE Consumer Pyramids Survey
 Sample Size: 1.74L households in 90 cities and 969 villages surveyed over 4 months
 Methodology:
 Longitudinal survey: Same set of households surveyed in batches over time
 Scoring based on 5 questions:
 1. Perception of current well-being
 2. Expectations of future well-being
 3. Perceptions of current economic conditions of the country
 4. Perceptions of prospective economic conditions of the country
 5. Household's propensity to spend on consumer durables

BSE sectoral indices trended upwards across all sectors in Aug'21 vs. Aug'20



1. Growth rate vs. 02-Mar-20 2. The S&P BSE TEcK index comprises constituents of the S&P BSE 500 that are classified as members of the media & publishing, information technology and telecommunications sector 3. CPSE- Central Public Sector Enterprises; Source: BSE, Bloomberg, BCG analysis



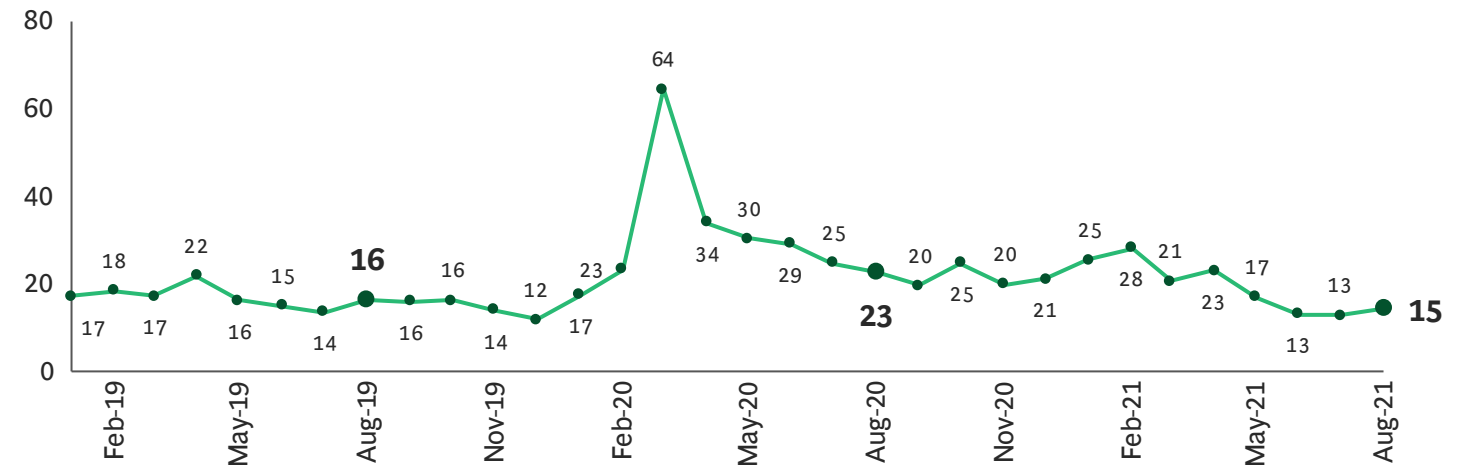
Volatility marginally increased in Aug'21 vs. Jun-Jul'21

Mutual fund AUM witnessed significant improvement in Aug'21 vs. Jul'21 & Aug'19 levels

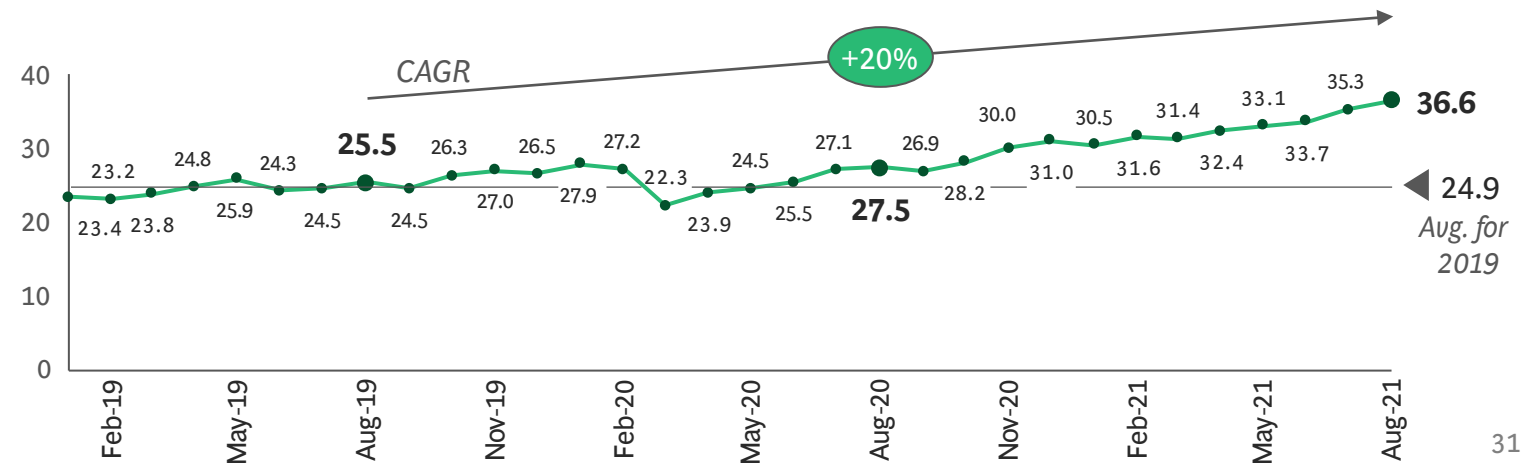
1. Volatility Index is a measure of market's expectation of volatility over the near term; India VIX is a volatility index based on the NIFTY50 Index Option prices providing the expected market volatility over the next 30 calendar days—figures represented are as of end of every month shown
2. Mutual funds Assets Under Management (AUM) represented as recorded at end of every month shown
3. Mutual Funds AUM include investments from individuals (50.5%) & institutions (49.5%); institutions include domestic and foreign institutions and banks

Source: BSE, NSE, AMFI, BCG analysis

India Volatility Index (VIX)¹



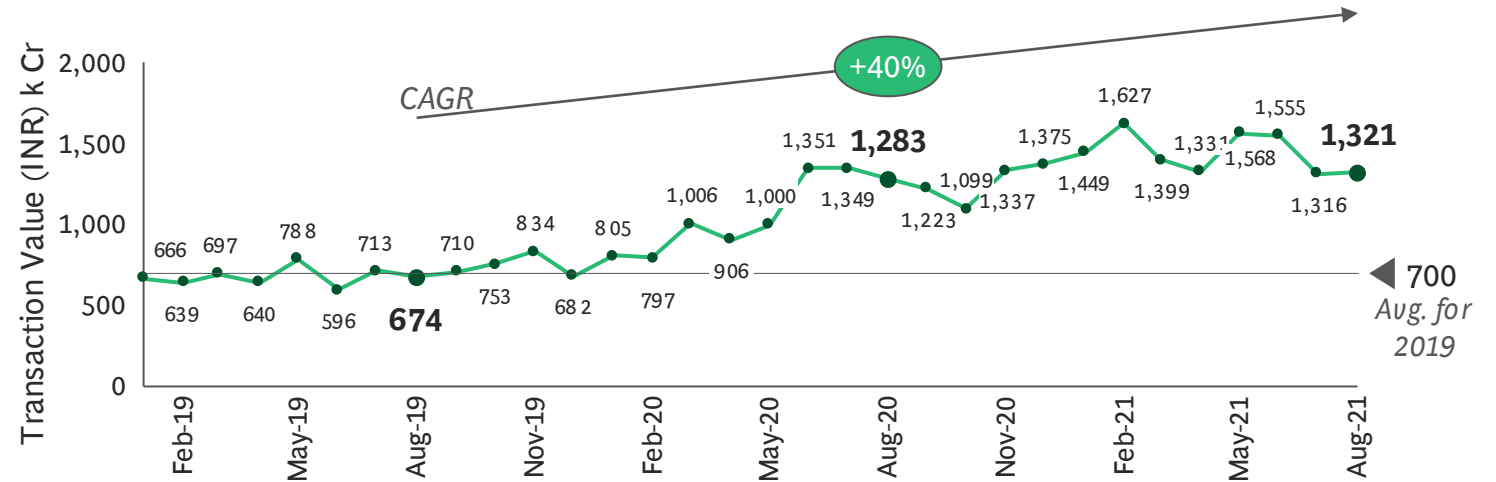
Mutual Funds AUM² (INR L Cr)



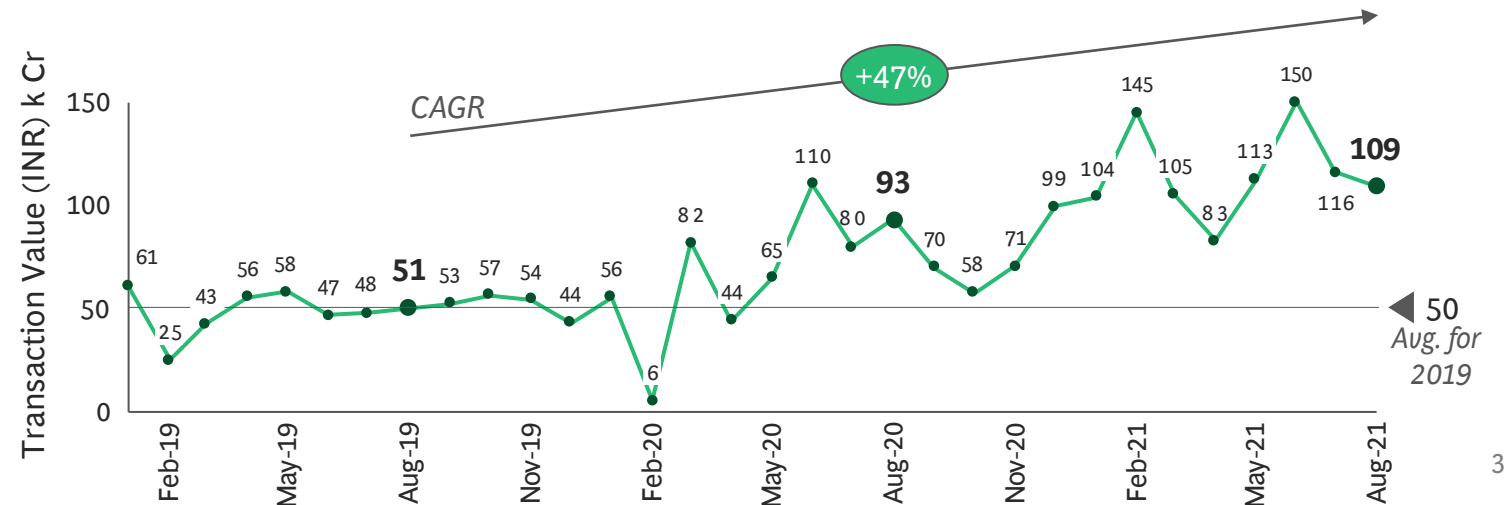


Both NSE & BSE transactions marginally dropped in Aug'21 vs. Jul'21

NSE Transactions (INR k Cr)



BSE Transactions (INR k Cr)





1

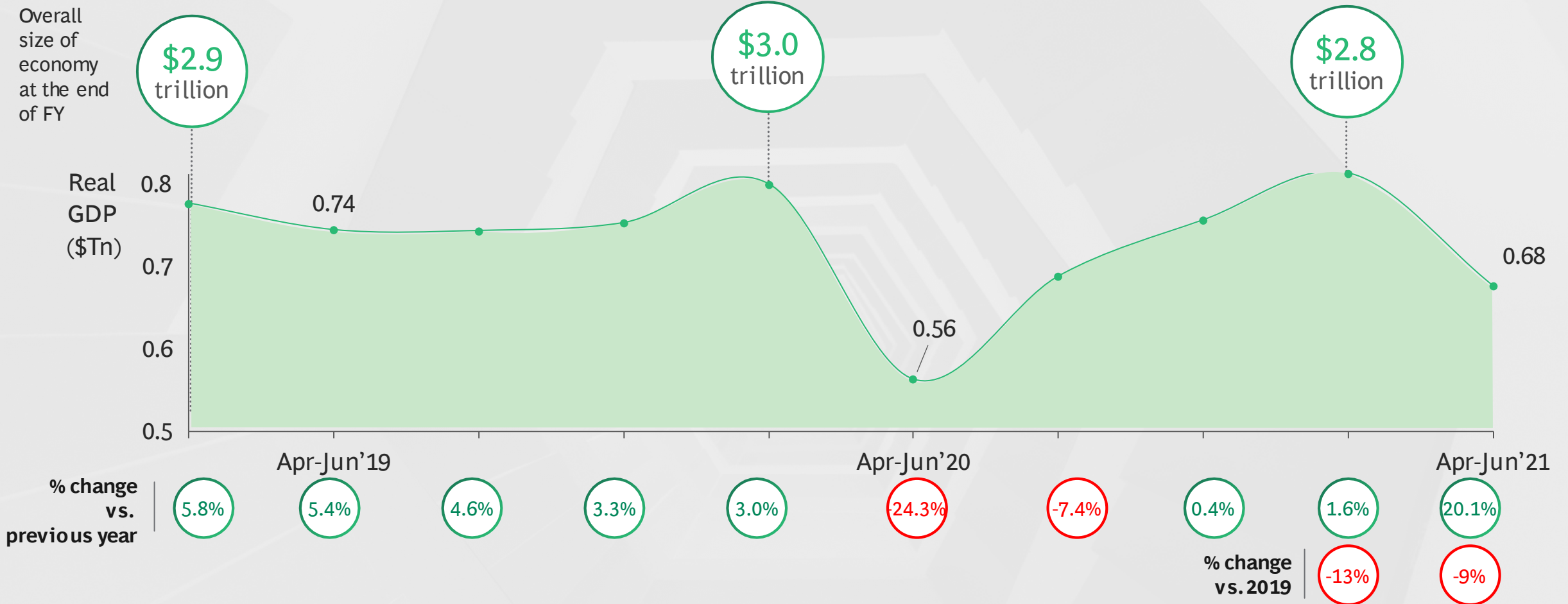
Economic Indicators

2

GDP Deep-Dive

Real GDP accelerated by 20% YoY in Apr-Jun'21 on a low base, however contracted by 9% vs. Apr-Jun'19 levels

GDP
DEEP-DIVE



Note: Real GDP at 2011-12 base prices, converted from INR using 2011-12 exchange rates (Rs. 47.95); The numbers would differ from estimates from World Bank, IMF, etc. due to difference in the base year (2011-12 has been used as the base year)
Source: CMIE, BCG Analysis

Govt. consumption fell, while private consumption, investments & net exports improved in Apr-Jun'21 vs. Apr-Jun'20 levels

GDP
DEEP-DIVE

Quarterly growth % change YoY		Y GDP	=	C Pvt. Consumption	+	G Govt. Consumption	+	I Gross Investment	+	X Exports	-	M Im ports
Apr-Jun 2020		-24.4%		-26.2%		12.7%		-47.7%		-22.0%		-41.0%
Jul-Sep 2020		-7.4%		-11.2%		-23.5		-8.0%		-2.0%		-18.0%
Oct-Dec 2020		0.5%		-2.8%		-1.0%		3.0%		-3.5%		-5.0%
Jan-Mar 2021		1.6%		2.7%		28.3%		13.8%		8.8%		12.3%
% change vs. Apr-Jun'20	Apr-Jun 2021	20.1%		19.3%		-4.8%		56.7%		39.1%		60.2%
% change vs. Apr-Jun'19	Apr-Jun 2021 ¹	-9.2%		-12.0%		7.4%		-18.1%		8.7%		-5.3%

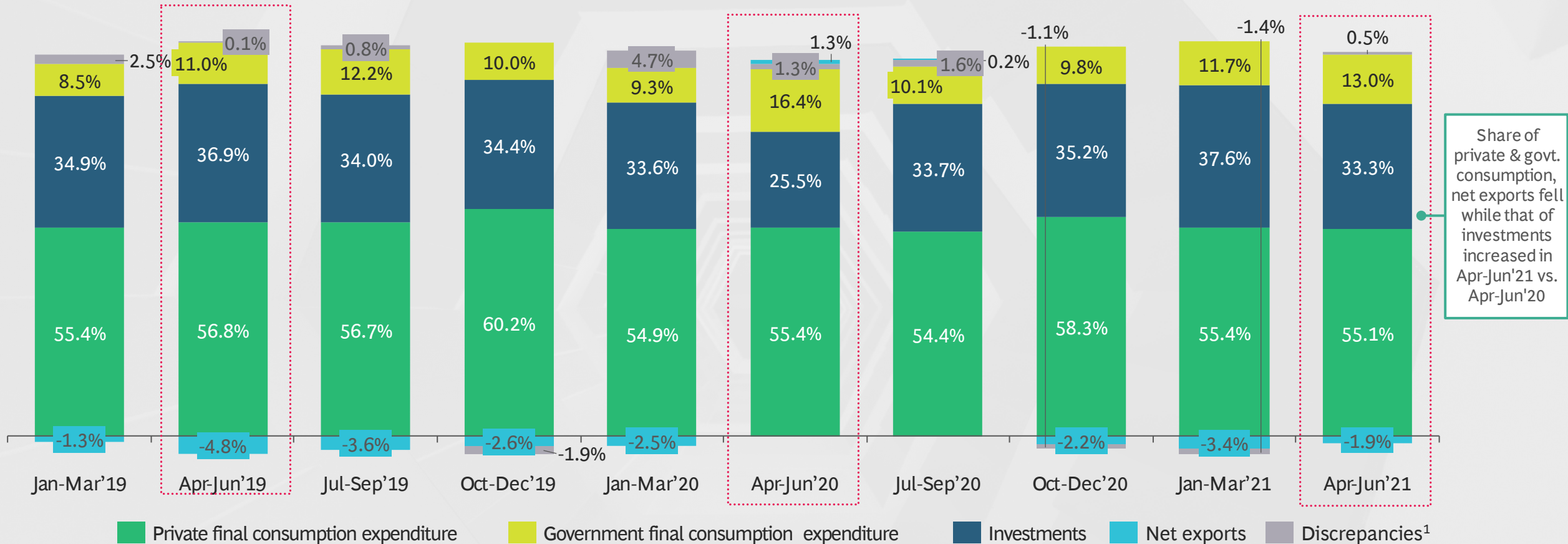
Source: CMIE, BCG Analysis

1. Represents absolute growth rate between Apr-Jun'21 and Apr-Jun'19

Note: Highlighted circles represents growth (green) or decline (yellow) compared to the previous year quarter (Apr-Jun'21 vs Apr-Jun'20)

Share of pvt. consumption & investments in GDP fell while that of Govt. consumption increased in Apr-Jun'21 vs. Apr-Jun'19

GDP
DEEP-DIVE

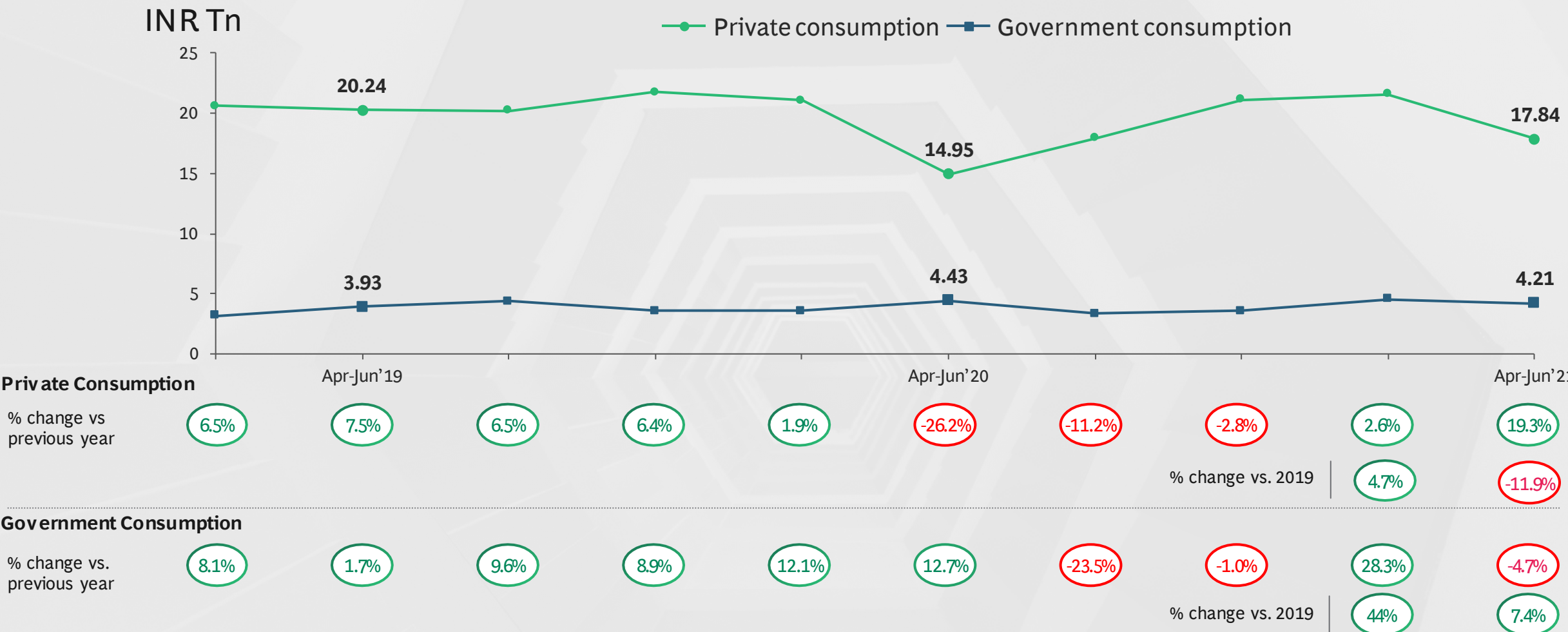


1. Statistical Discrepancy: taking the GDP from the production approach as the control total, gives the measure of the overall difference between the production approach and the expenditure approach followed for estimation.

Note: This composition is basis Real GDP

Source: CMIE, BCG Analysis, MOSPI

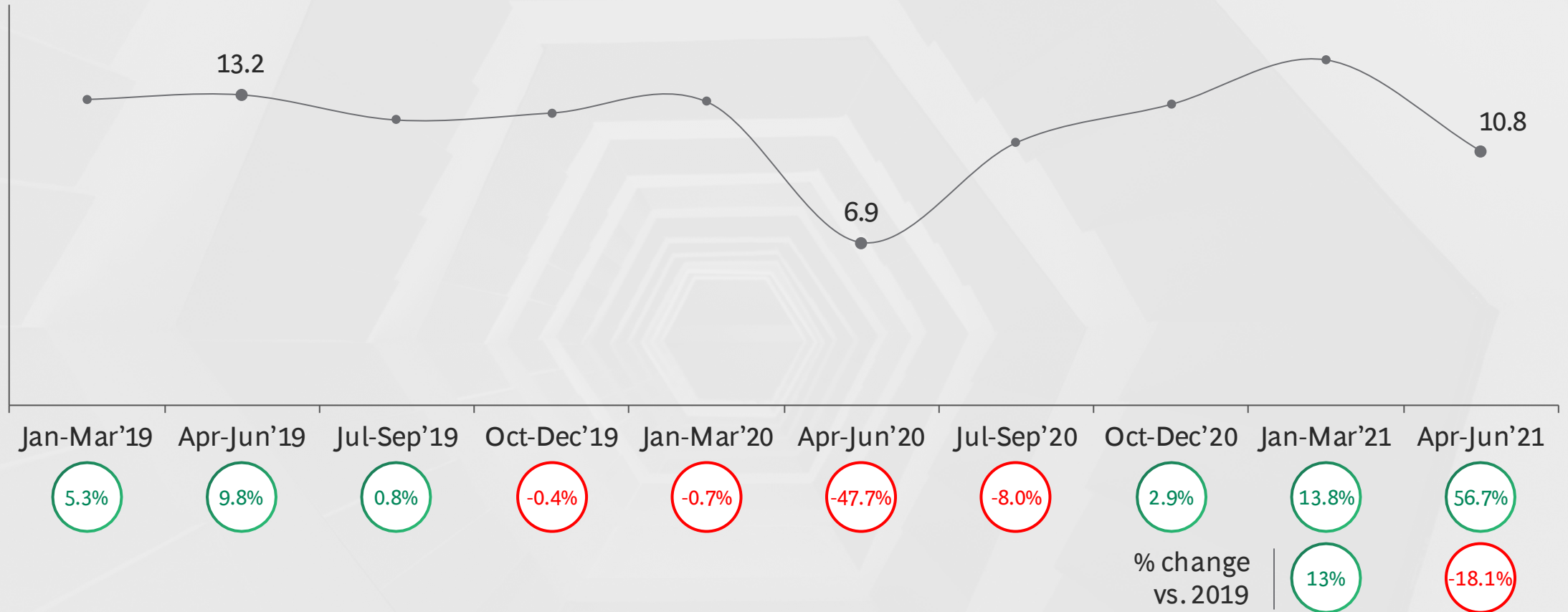
Pvt. consumption grew while Govt. consumption fell vs. Apr-Jun'20; Govt. consumption grew while pvt. consumption fell vs. Apr-Jun'19 in Apr-Jun'21



Gross capital formation recorded double digit YoY growth for the second consecutive quarter, although fell by 18% in Apr-Jun'21 vs. Apr-Jun'19

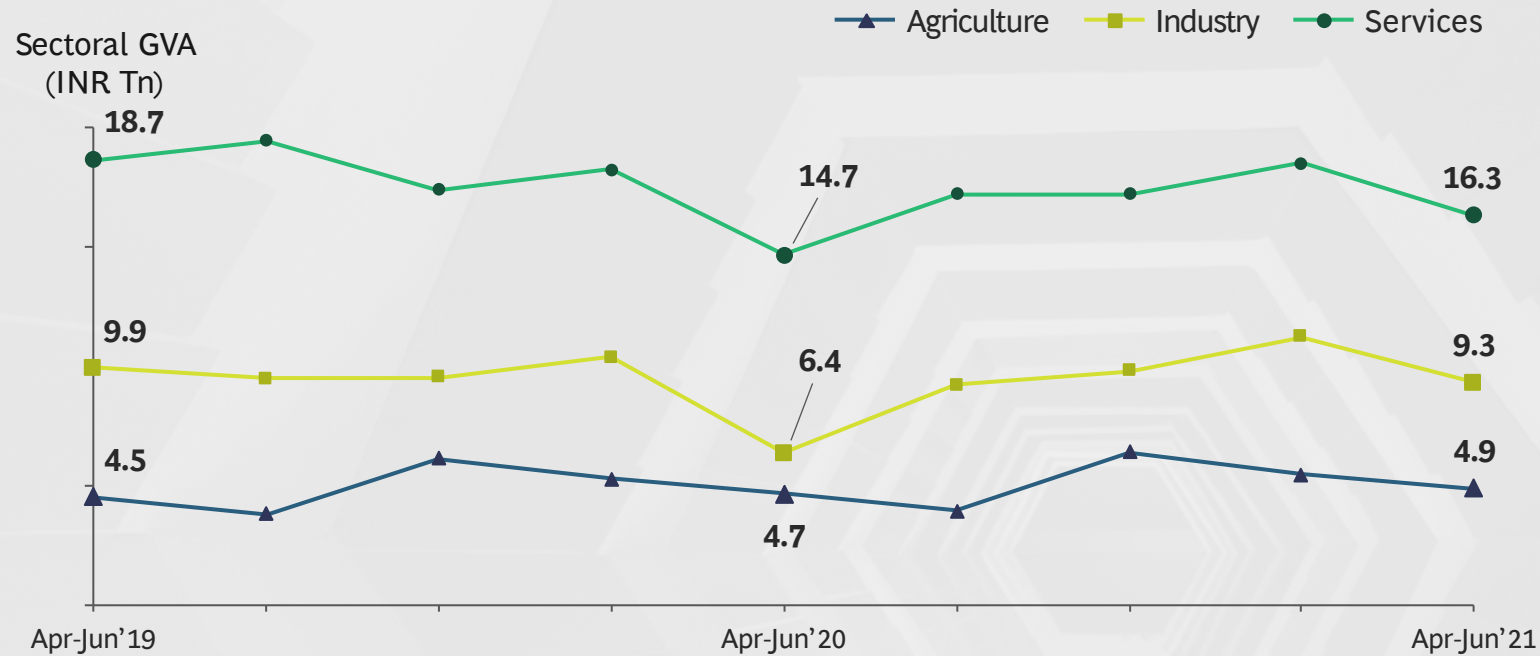
GDP
DEEP-DIVE

Gross Capital Formation (INR Tn)



Industry & services improved in Apr-Jun'21 vs. Apr-Jun'20 levels however fell vs. '19 levels; Agriculture grew vs. both Apr-Jun'19 & '20 levels

GDP
DEEP-DIVE



Both industry & services contracted in Apr-Jun'21 vs. Apr-Jun'19

% change vs. Apr-Jun'19

8.2%
Agriculture

-6.2%
Industry

-12.5%
Services

Share in Industry GVA

100%

16.0%

30.5%

53.6%

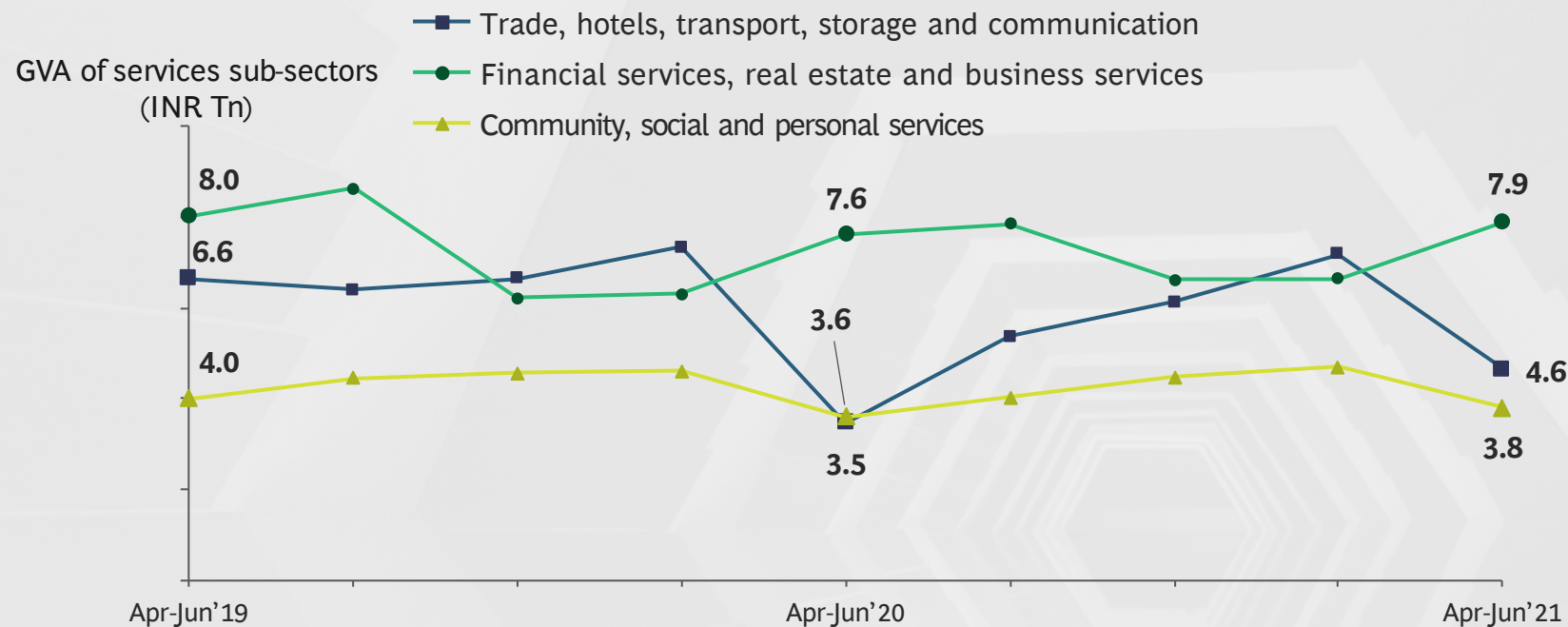
Apr-Jun'21



YoY%									
Agriculture	3.3%	3.5%	3.4%	6.8%	3.5%	3.1%	4.5%	3.1%	4.5%
Industry	1.7%	-1.8%	-2.6%	-2.2%	-35.8%	-3.0%	2.9%	7.9%	46.2%
Services	7.2%	8.2%	7.0%	6.4%	-21.5%	-11.4%	-1.2%	1.5%	11.4%

Growth in services sub-sectors spiked in Apr-Jun'21 vs. Apr-Jun'20, however fell sharply vs. Apr-Jun'19 levels (especially trade & hospitality)

GDP
DEEP-DIVE



YoY%									
Trade	6.2%	6.8%	7%	5.7%	-48%	-16.1%	-7.9%	-2.3%	34.3%
Financial Services	8.8%	8.9%	5.53%	4.8%	-5.04%	-9.1%	6.7%	5.4%	3.7%
Community	5.6%	8.8%	8.9%	9.6%	-10.2%	-9.2%	-2.2%	2.3%	5.8%

All sub-sectors shrank in Apr-Jun'21 vs. Apr-Jun'19

% change vs. Apr-Jun'19

-5.0%
Community, social and personal services

-1.5%
Financial services, real estate and business services

-30.2%
Trade, hotels, transport, storage and communication

Share in Industry GVA

100%

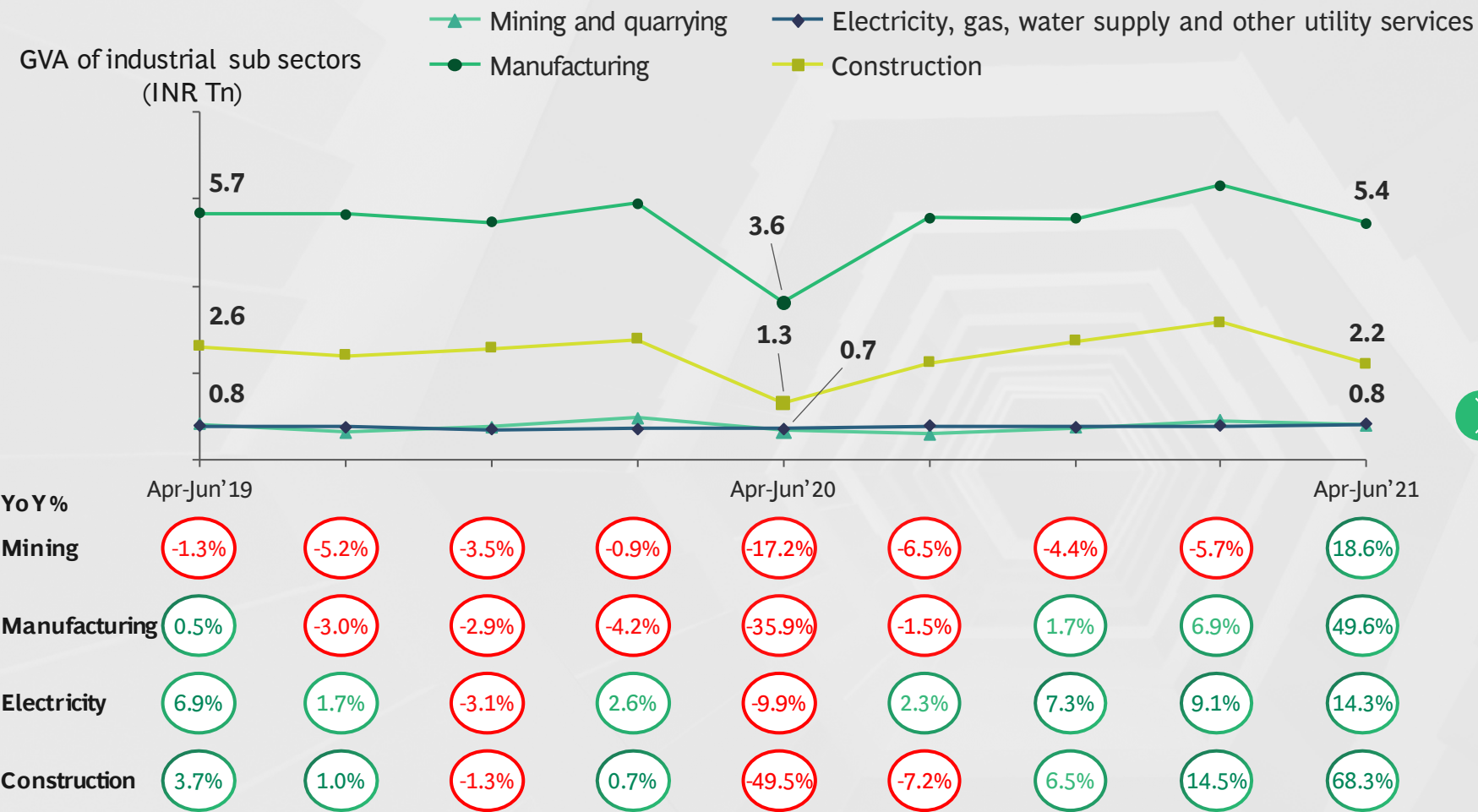
23.2%

28.4%

48.4%

Apr-Jun'21

Industrial sub-sectors grew in Apr-Jun'21 vs. Apr-Jun'20, albeit remained significantly below Apr-Jun'19 (except utility services)



Most subsectors shrank in Apr-Jun'21 vs. Apr-Jun'19

% change vs. Apr-Jun'19

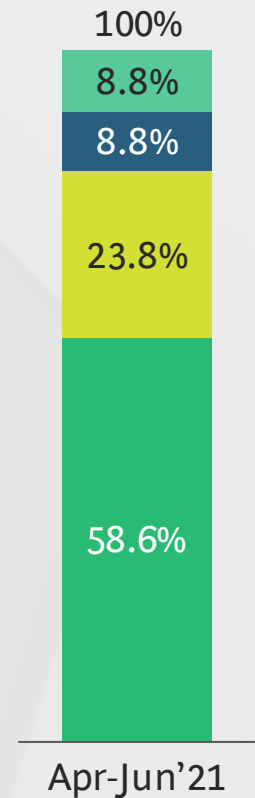
3.0%
Electricity, gas, water supply and other utility services

-1.8%
Mining and quarrying

-15.0%
Construction

-4.2%
Manufacturing

Share in Industry GVA

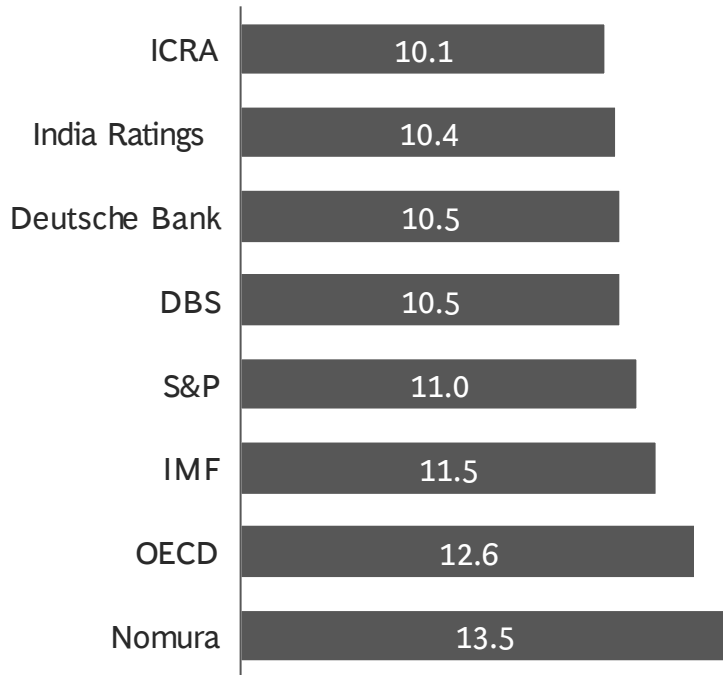


India's FY22 GDP forecasted to grow within the range 8.3% to 10.5% YoY; Projections witnessed upward as well as downward revisions in Jul-Sep'21

7

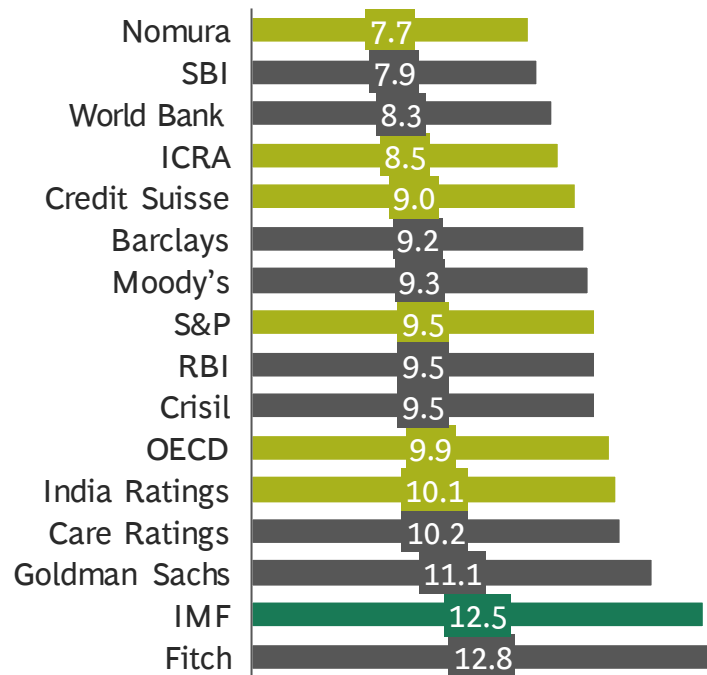
India GDP growth forecast for FY22 (YoY,%)

Jan-Mar'21



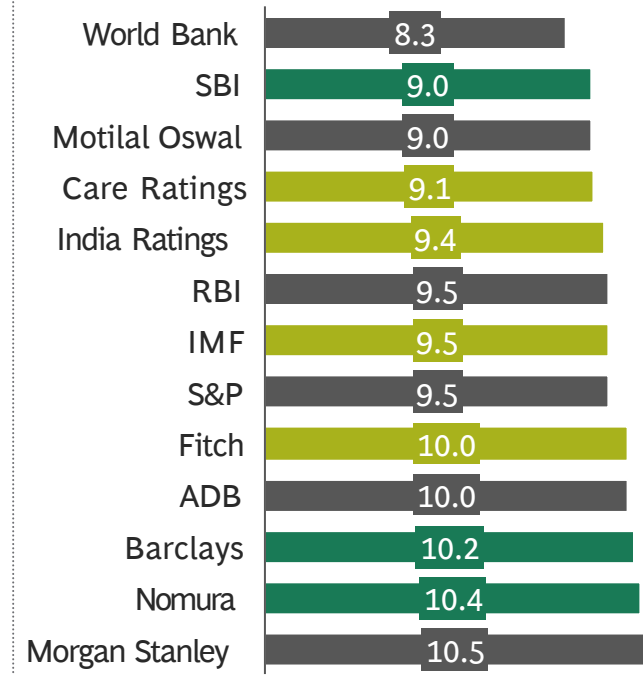
10.1% to 13.5%

Apr-Jun'21



7.7% to 12.8%

Jul-Sep'21



8.3% to 10.5%

Data as of 20 Sep; Estimates likely to be revised further

No change
 Downward revision
 Upward revision

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