

## ABSTRACT

*There are strong reasons to measure poverty and inequality. Timely estimation of poverty and inequality helps to identify the poor for apt policy intervention, to monitor projects and policies and to evaluate the institutions whose goal is poverty eradication. Various committees appointed by the Government of India (GoI) have estimated poverty but have faced serious criticism leaving open the search for a defensible methodology. This paper introduces an alternative approach to estimate poverty and inequality as proposed by World Bank. Using the unit-level data from the NSSO 68<sup>th</sup> Round survey, we estimate Poverty Headcount rate, Poverty Gap measure, Squared Poverty Gap to measure poverty and Gini coefficient to gauge inequality. Our results indicate that, the North-Eastern and the Eastern region are the poorest regions in India whereas highest level of inequality is found in the Southern region of India. Based on our estimates, we make crucial suggestions to inform policymaking aimed at poverty alleviation in India.*

**Keywords:** *Poverty, Inequality, NSSO, Consumption Regression, India*

**JEL Codes:** *O12, I32, C01, C02*