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CONTENTS

MONETARY POLICY STATEMENT 2024-25 (JUNE 5-7)

Governor's Statement

*Governor's Statement**

Shaktikanta Das

In the recent years, the world has gone through one crisis after another; and the pattern continues. Even against this backdrop, the Indian economy exhibits strong fundamentals, together with financial stability and positive growth momentum. Nevertheless, we need to remain vigilant in an unsettled global environment. The new realities brought about by technological advancements; supply chain realignments; trade and financial fragmentation; and climate change pose opportunities as well as challenges. In this milieu, India looks ready to embark upon a new era of transformation aided by a favourable demography[1], improving productivity and technology, and a conducive policy environment. The confluence of these factors brightens the prospects of sustained high growth in India in the years ahead.[2]

As the Reserve Bank approaches its centenary year, RBI@100, it will gear up even more to remain future-ready for India's fast growing economy. It will take steps to enhance India's global footprint. For our journey during the next decade, we have drawn up strategies consisting of policy actions towards positioning the Reserve Bank as a model central bank of the global south. The agenda for the run-up to RBI@100 is documented in the Annex to this statement. I urge the keen observers of the Indian economy and financial system to take a close look at these action plans. This is not a static document as we are living in a dynamic world. Our endeavour will be to continually update it as may be required.

Decisions and Deliberations of the Monetary Policy Committee (MPC)

The Monetary Policy Committee (MPC) met on 5th, 6th and 7th June 2024. After a detailed assessment of the evolving macroeconomic and financial developments and the outlook, it decided by a 4 to 2 majority to keep the policy repo rate unchanged at 6.50 per cent. Consequently, the standing deposit facility (SDF) rate remains at 6.25 per cent and the marginal standing facility (MSF) rate and the Bank Rate at 6.75 per cent. The MPC also decided by a majority of 4 out of 6 members to remain focused on withdrawal of accommodation to ensure that inflation progressively aligns to the target, while supporting growth.

I shall now briefly set out the rationale for these decisions. The inflation-growth balance is moving favourably. Growth is holding firm. Inflation continues to moderate, mainly driven by the core component[3] which reached its lowest level in the current series in April 2024.[4] The deflation in fuel prices is ongoing.[5] Food inflation, however, remains elevated.[6]

While the MPC took note of the disinflation achieved so far without hurting growth, it remains vigilant to any upside risks to inflation, particularly from food inflation, which could possibly derail the path of disinflation. Hence, monetary policy must continue to remain disinflationary and be resolute in its commitment to aligning inflation to the target

* Governor's Statement - June 7, 2024.

[1] Among the top 5 economies of the world, India has a relatively younger population with a median age of 28 years in 2021 as compared with 38 for the US and China, 40 for the UK, 45 for Germany and 48 for Japan.

[2] The balance sheets of the corporate and banking sectors in India have been fortified and remain well capitalised to support our economic expansion. India has become the new engine of global growth and is playing a larger role on the world stage. India's contribution to global growth increased from an average of around 7.0 per cent in the first decade of the 2000s to 11.6 per cent in the following decade of 2010-11 to 2019-20 and currently stands at 18.5 per cent in 2023-24.

[3] CPI excluding food and fuel.

[4] Core inflation at 3.2 per cent (year-on-year) in April 2024 was the lowest in the current CPI series (2012=100).

[5] Deflation in fuel which started from September 2023 at (-) 0.1 per cent has since then deepened to (-) 4.2 per cent in April 2024.

[6] Food inflation was at 7.9 per cent in April 2024 and averaged 7.0 per cent in FY 2023-24.

of 4.0 per cent on a durable basis. Sustained price stability would set strong foundations for a period of high growth. Accordingly, the MPC decided to keep the policy repo rate unchanged at 6.50 per cent in this meeting. The MPC also decided to remain focused on withdrawal of accommodation to ensure anchoring of inflation expectations and fuller policy transmission[7].

Assessment of Growth and Inflation

Global Growth

Global growth is sustaining its momentum in 2024 and is likely to remain resilient, supported by rebound in global trade.[8] Inflation is easing, but the final leg of this disinflation journey may be tough. Central banks remain steadfast and data-dependent in their fight against inflation. Market expectations regarding the timing and pace of interest rate cuts are also changing with incoming data and central bank communication.[9] US dollar and sovereign bond yields remain range bound. While gold prices have surged on safe haven demand, equity markets have gained in both advanced and emerging market economies since the last MPC meeting.

Domestic Growth

The provisional estimates released by the National Statistical Office (NSO) placed India's real gross domestic product (GDP) growth at 8.2 per cent in 2023-24.[10] During 2024-25 so far, domestic economic activity has maintained resilience. Manufacturing activity continues to gain ground on the back of strengthening domestic demand. The eight core industries posted healthy growth in April 2024. Purchasing managers' index (PMI) in manufacturing continued to exhibit strength in May 2024 and is the highest globally.[11] Services sector maintained buoyancy as evident from available high frequency indicators.[12] PMI services stood strong at 60.2 in May 2024 indicating continued and robust expansion in activity.

Private consumption, the mainstay of aggregate demand, is recovering, with steady discretionary spending in urban areas[13]. Revival in rural demand is getting a fillip from improving farm sector activity.[14] Investment activity continues to gain traction,[15] on the back of ongoing expansion in non-

[7] In response to the increase of 250 basis points (bps) in the policy repo rate, the weighted average lending rate (WALR) on fresh rupee loans rose by 204 bps while that on outstanding loans rose by 111 bps (May 2022 – April 2024). During the same period, the weighted average domestic term deposit rates (WADTDRs) on fresh deposits and outstanding deposits rose by 245 bps and 188 bps, respectively.

[8] According to the World Economic Outlook (WEO) of the IMF (April 2024), world trade growth (goods and services) is projected to increase from 0.3 per cent in 2023 to 3.0 per cent in 2024 and further to 3.3 per cent in 2025. The World Trade Organisation (WTO) in its Global Trade Outlook and Statistics (April 2024) projected the world merchandise trade volume, which contracted by 1.2 per cent in 2023, to grow by 2.6 per cent in 2024 and 3.3 per cent in 2025.

[9] Some central banks from advanced economies like Switzerland, Sweden, Canada and Euro Area have begun their rate easing cycle during 2024. On the other hand, market expectations of rate cut by the US Fed, which was higher earlier, have moderated subsequently.

[10] Real GDP expanded by 7.8 per cent in Q4:2023-24. Private consumption and gross fixed capital formation (GFCF) grew by 4.0 per cent and 6.5 per cent, respectively, in Q4:2023-24. For the full year 2023-24, private investment and GFCF expanded by 4.0 per cent and 9.0 per cent, respectively. On the supply side, gross value added (GVA) expanded by 6.3 per cent in Q4:2023-24. Manufacturing rose by 8.9 per cent and services registered growth of 7.0 per cent in Q4. For 2023-24, GVA expanded by 7.2 per cent. Manufacturing and services sector grew by 9.9 per cent and 7.9 per cent, respectively.

[11] Eight Core industries expanded by 6.2 per cent in April 2024 and PMI manufacturing at 57.5 remained strong in May driven by robust new orders.

[12] E-way bills and toll collections increased by 14.5 per cent and 3.6 per cent, respectively, in April/May 2024. GST revenues rose by 10.0 per cent in May. Domestic air cargo and international air cargo posted a healthy growth of 27.6 per cent and 26.4 per cent, respectively, in May. Petroleum consumption rose y-o-y by 6.1 per cent in April.

[13] Retail sales of passenger vehicles increased by 7.7 per cent in April-May. Domestic air passengers rose by 4.6 per cent during this period, on the back of capacity constraints and a high base of 19.0 per cent growth a year ago.

[14] Retail two-wheeler sales expanded by 16.3 per cent in April-May. The demand under Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) declined by 14.3 per cent in May 2024, reflecting continued improvement in farm sector employment. Contraction in tractor sales moderated to 3.0 per cent in April from 22.9 per cent in Q4:2023-24. Rural FMCG volume growth which was lagging the urban demand has picked up since Q2:2023-24 and overtook it in Q4:2023-24.

[15] Construction sector activity posted a robust growth of 8.7 per cent in Q4:2023-24. Steel consumption expanded by 11.3 per cent in May and cement production rose by 0.6 per cent in April. Production of capital goods increased by 6.1 per cent in March 2024, while imports of capital goods rose by 3.2 per cent in April. The government-led infrastructural development, continued support under the Production Linked Incentive Scheme and other make-in-India initiatives are supporting public investments.

food bank credit.[16] Merchandise exports expanded in April with improving global demand. Non-oil non-gold imports entered positive territory.[17] Services exports and imports rebounded and posted a strong growth in April 2024.[18]

Looking ahead, the forecast of above normal south-west monsoon by the India Meteorological Department (IMD)[19] is expected to boost *kharif* production and replenish the reservoir levels.[20] Strengthening agricultural sector activity is expected to boost rural consumption. On the other hand, sustained buoyancy in services activity should continue to support urban consumption. The healthy balance sheets of banks and corporates; government's continued thrust on capex; high capacity utilisation;[21] and business optimism augur well for investment activity. External demand should get a fillip from improving prospects of global trade. Taking all these factors into consideration, real GDP growth for 2024-25 is projected at 7.2 per cent with Q1 at 7.3 per cent; Q2 at 7.2 per cent; Q3 at 7.3 per cent; and Q4 at 7.2 per cent. The risks are evenly balanced.

Inflation

CPI headline inflation softened further during March-April, though persisting food inflation pressures offset the gains of disinflation in core and deflation in the fuel groups.[22] Despite some moderation, pulses and vegetables inflation remained firmly in double digits. Vegetable prices are experiencing a summer uptick following a shallow winter season correction.[23] The deflationary trend in fuel was driven primarily by the LPG price cuts in early March.[24] Core inflation softened for the 11th consecutive month since June 2023.[25] Services inflation moderated to a historic low and goods inflation remained contained.[26]

The exceptionally hot summer season and low reservoir levels may put stress on the summer crop of vegetables and fruits. The *rabi* arrivals of pulses and vegetables need to be carefully monitored.[27] Global food prices have started inching up.[28] Prices of

[16] Non-food bank credit expanded by 15.8 per cent y-o-y as on May 17, 2024. Bank credit to food processing, textiles, chemicals, base metal and engineering goods increased y-o-y by 17.9 per cent, 8.3 per cent, 13.4 per cent, 11.9 per cent and 9.5 per cent, respectively, in April 2024. Among infrastructure sectors, bank credit expanded by 3.0 per cent, 7.0 per cent and 7.1 per cent, respectively, in power, roads, and telecommunication during April 2024.

[17] India's merchandise exports expanded by 1.1 per cent (y-o-y) to $35.0 billion, and imports registered an expansion of 10.3 per cent to $54.1 billion in April 2024. Merchandise trade deficit stood at US$ 19.1 billion in April 2024 as compared with US$ 14.4 billion in April 2023.

[18] Services exports and imports grew by 17.7 per cent and 19.1 per cent, respectively, in April 2024.

[19] The India Meteorological Department (IMD) released the updated Long-Range Forecast for 2024 Southwest Monsoon (SWM) seasonal rainfall (June to September) on May 27. The SWM season rainfall (June-September) will likely be above normal this year at 106 per cent of the long-period average (LPA) with a lower model error of ±4 per cent than previously anticipated in April 2024.

[20] At the all-India level, the water storage level in 150 major reservoirs stood at 22 per cent of total capacity as of June 6, 2024.

[21] Early results suggest that capacity utilisation in manufacturing rose to 76.5 per cent in Q4:2023-24 from 74.7 per cent in the preceding quarter, reaching well above the long-term average of 73.8 per cent.

[22] Headline CPI inflation moderated to 4.8 per cent in April 2024 from 4.9 per cent in March and 5.1 per cent in February. CPI food inflation, however, edged up to 7.9 per cent in April from 7.7 per cent in March. Deflation in CPI fuel further deepened to (-) 4.2 per cent in April from (-) 3.4 per cent in March. CPI inflation excluding food and fuel (core inflation) moderated further to 3.2 per cent in April from 3.3 per cent in March and 3.4 per cent in February.

[23] The decline in vegetable prices during winter season was around (-) 9 per cent during 2023-24 (after a price build-up of around 41 per cent), compared to around (-) 25 per cent last year (after a price build-up of around 19 per cent). The average winter correction during November-December to March, between 2020-21 to 2022-23, has been around (-) 28 per cent, while average summer price build-up for these years has been around 29 per cent.

[24] The reduction in Liquified Petroleum Gas (LPG) prices for households by ₹100 per cylinder, effective March 9, 2024, resulted in CPI LPG, on a year-on-year basis, to decline from (-) 13.3 per cent in February to (-) 24.9 per cent in April 2024.

[25] Core inflation sequentially moderated from 5.2 per cent in May 2023 to 4.2 per cent in October 2023 and further to 3.2 per cent in April 2024, registering a decline of about 2 percentage points.

[26] Core CPI services inflation moderated to a historic low to 2.8 per cent in April (in the 2012=100 series) from 3.0 per cent in March and 3.1 per cent in February. Core goods inflation was at 3.6 per cent in April as against 3.5 per cent in March and 3.6 per cent in February.

[27] In pulses, in addition to price pressures in *kharif* tur, high frequency data from Department of Consumer Affairs (DoCA) also point to price pressures in *rabi* gram. In vegetables, potato price since mid-April is also showing a sharp uptick.

[28] Food and Agriculture Organisation (FAO) food price index, after declining from May 2023 to February 2024, registered month over month increases of 1.1 per cent and 0.7 per cent during March and April 2024, respectively. In May 2024, the World Bank food price index registered a month-over-month increase of 1.3 per cent.

industrial metals have registered double digit growth in the current calendar year so far.[29] These trends, if sustained, could accentuate the recent uptick in input cost conditions for firms.[30]

On the other hand, the forecast of above normal monsoon bodes well for the *kharif* season. Wheat procurement has surpassed last year's level. The buffer stocks of wheat and rice are well above the norms.[31] These developments could bring respite to food inflation pressures, particularly in cereals and pulses. The outlook on crude oil prices remains uncertain due to geo-political tensions. Assuming a normal monsoon, CPI inflation for 2024-25 is projected at 4.5 per cent with Q1 at 4.9 per cent; Q2 at 3.8 per cent; Q3 at 4.6 per cent; and Q4 at 4.5 per cent. The risks are evenly balanced.

What do these Inflation and Growth Conditions mean for Monetary Policy?

The developments relating to growth and inflation are unfolding as per our expectations. When the projected GDP growth of 7.2 per cent for 2024-25 materialises, it will be the fourth consecutive year with growth at or above 7 per cent. Headline CPI continues to be on a disinflationary trajectory. Monetary policy has played an important role in this process. This is evident from the decline in headline inflation by 2.3 percentage points between Q1: 2022-23 and Q4 of 2023-24.[32] Supply side developments and government measures also contributed to this moderation of headline inflation. Repeated food price shocks, however, slowed down the overall disinflation process.[33]

According to our projections, the second quarter of 2024-25 is likely to see some correction in headline inflation, but this is likely to be one-off on account of favourable base effects and may reverse in the third quarter.[34] At the current juncture, the uncertainties related to the food price outlook warrant close monitoring, especially their spillover risks to headline inflation.[35] In parallel, the behaviour of the core component also needs to be watched carefully. We need a descent of inflation to the 4 per cent target on a durable basis, while supporting growth.

There is a view that in matters of monetary policy, the Reserve Bank is guided by the principle of 'follow the Fed'.[36] I would like to unambiguously state that while we do keep a watch on whether clouds are building up or clearing out in the distant horizon, we play the game according to the local weather and pitch conditions. In other words, while we do consider the impact of monetary policy in advanced economies on Indian markets, our actions are primarily determined by domestic growth-inflation conditions and the outlook.

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[29] As per the World Bank, aluminium, copper, nickel, lead and zinc prices increased in the range of 10 to 21 per cent in 2024 so far (up to May 2024).

[30] As per the PMI data for May 2024, the increase in manufacturing sector input cost was the highest in last 21 months. Services sector also continued to record sharp increase in input costs in May 2024.

[31] As of May 16, 2024, the buffer stocks of rice and wheat stood at 501.6 lakh tonnes (3.7 times the norm) and 291.7 lakh tonnes (3.9 times the norm), respectively.

[32] Headline inflation declined from the recent peak of 7.3 per cent in Q1: 2022-23 to 5.0 per cent in Q4 of 2023-24.

[33] The continuing transmission of the increase in the policy repo rate (by 250 bps between May 2022 and February 2023) along with easing of supply side shocks contributed to the decline in inflation by 2.3 percentage points between Q1:2022-23 to Q4:2023-24. The sustained softening in core inflation reflects the transmission of the disinflationary monetary policy stance to underlying inflation trends in addition to the receding of adverse cost-push factors. Improving demand conditions and rural wages, on the other hand, exerted some upward pressure. Since Q2 of 2023-24, due to the occurrence of multiple food price shocks, the contribution of supply-side shocks to headline inflation, though easing, remained positive, slowing down the pace of disinflation (updated from Monetary Policy Report, April 2024).

[34] The momentum (month-over-month change in prices) last year during Q2:2023-24 was strong at 3.4 per cent resulting in high year-on-year inflation of 6.4 per cent during the same period. As a result, this year in Q2:2024-25 there is a favourable base effect of 3.4 per cent, aiding lower year-on-year projected inflation of 3.8 per cent.

[35] Food and beverages constitute 45.9 per cent of the CPI basket.

[36] Whether most central banks react to US Fed decisions either for controlling inflation or preventing capital outflows has been debated extensively [For further details, see Huertas, Gonzalo (2022). "Why Follow the Fed? Monetary Policy in Times of U.S. Tightening", IMF working paper series, Volume 2022, Issue 243, December].

Liquidity and Financial Market Conditions

During the current financial year so far, system liquidity transited from surplus to deficit conditions, and back to surplus in early June.[37] In consonance with the commitment made in the April policy statement of remaining nimble and flexible in liquidity management and in view of the shifting liquidity dynamics, the Reserve Bank mopped up surplus liquidity through variable rate reverse repo (VRRR) auctions during the first half of April, while injecting liquidity through variable rate repo (VRR) operations in the later part of April and in May.[38] In the first week of June, VRRR auctions have been conducted.[39] Banks' recourse to the marginal standing facility (MSF) under the liquidity adjustment facility (LAF) remained low during 2024-25 so far.[40]

Mirroring the liquidity dynamics, the weighted average call rate (WACR), on an average, remained close to the middle of the corridor.[41] Across the term money market segment, the yields on certificates of deposit (CDs), commercial papers (CPs) issued by non-banking financial companies (NBFCs) and 3-month treasury bills (T-bills) also eased.[42] In the credit market, monetary transmission remains ongoing.[43]

As you would be aware, the Central Board of the Reserve Bank decided to transfer ₹2.11 lakh crore as surplus to the Central Government for the accounting year 2023-24. As the economy remains robust and resilient, the Board decided to utilise this opportunity to increase the risk provisioning under the contingent reserve buffer (CRB) to 6.5 per cent of the Reserve Bank's balance sheet for 2023-24 from 6.0 per cent in 2022-23.[44] This would further strengthen the Reserve Bank's balance sheet. Prudence is at the core of our standard operating procedure.

The Indian rupee (INR) moved in a narrow range with low volatility during 2024-25 so far (up to June 5), despite trading under pressure amidst foreign portfolio investment (FPI) outflows.[45] The relative stability of the INR bears testimony to India's sound and resilient economic fundamentals, macroeconomic and financial stability, and improvement in the external outlook.

Looking ahead, the Reserve Bank will continue to be nimble and flexible in its liquidity management through main and fine-tuning operations in both

[37] System liquidity, as measured by the net position under the liquidity adjustment facility (net LAF) was, on an average, in surplus of about ₹1.1 lakh crore during April 1-19 but turned into deficit of about ₹1.22 lakh crore during April 20 - May 31, 2024. While higher government spending at the beginning of April eased liquidity, build-up of government cash balances because of advance tax payments and goods and services tax (GST) related outflows, commencement of government borrowing programme and higher currency outgo exerted pressure on liquidity in the latter half of April and May. Surplus liquidity averaged ₹0.35 lakh crore during June 2-5, 2024.

[38] During April 1-19, one main and 7 fine-tuning VRRR auctions (1 to 3 days maturity) absorbed surplus liquidity cumulatively amounting to ₹2.3 lakh crore, while 4 main and 13 fine-tuning VRR operations (1 to 7 days maturity) injected liquidity to the extent ₹12.0 lakh crore during the remaining part of April and in May 2024. On May 6, however, one overnight VRRR auction was conducted, which mopped up ₹0.26 lakh crore.

[39] Two VRRR auctions of 3 days maturity each were conducted on June 4 which absorbed ₹0.44 lakh crore.

[40] Average borrowings under the MSF at ₹8,928 crore during April - June (up to June 5) was lower than ₹23,861 crore during February - March 2024.

[41] The weighted average call rate (WACR) remained within the corridor of marginal standing facility (MSF) rate at 6.75 per cent and the standing deposit facility (SDF) at 6.25 per cent. The WACR averaged 6.57 per cent during April – June (up to June 5) as against 6.61 per cent during February – March. Rates in the collateralised segment – the triparty and market repo rates – although relatively softer, moved in tandem with the WACR.

[42] Average yields on CDs, CPs and T-bills moderated from 7.76 per cent, 8.34 per cent and 6.96 per cent, respectively, in February-March to 7.34 per cent, 7.75 per cent and 6.90 per cent, respectively, during April-June (up to June 5).

[43] See footnote number 7.

[44] This is based on the Economic Capital Framework (ECF) adopted by the Reserve Bank in August 2019 as per recommendations of the Expert Committee to Review the extant Economic Capital Framework of the Reserve Bank of India (Chairman: Dr. Bimal Jalan).

[45] The Indian rupee (INR) remained stable against the US dollar on a financial year basis (up to June 5) as compared to the depreciation witnessed by emerging market peers like Mexican peso, Brazilian real, Philippine peso, Argentine peso, Indonesian rupiah, Vietnamese dong, Thailand baht, Chinese yuan, Turkish lira and South Africa rand. Also, the coefficient of variation (CV) of the INR was 1.6 per cent, 1.2 per cent, 2.7 per cent, 0.6 per cent and 0.1 per cent for the years 2020-21, 2021-22, 2022-23, 2023-24 and 2024-25 (up to June 5), respectively. During 2023-24 and 2024-25 (up to June 5), the INR was the least volatile (in terms of CV) of various peer EME currencies including Chinese yuan, Thailand baht, Malaysian ringgit, Vietnamese dong, Indonesian rupiah and Philippine peso.

repo and reverse repo. We will deploy an appropriate mix of instruments to modulate both frictional and durable liquidity so as to ensure that money market interest rates evolve in an orderly manner which preserves financial stability. As our actions over the recent period have shown, the Reserve Bank stands committed to maintain stability and orderliness in all segments of financial markets and institutions regulated by it.

Financial Stability

The annual financial results for 2023-24 indicate that the banking system remained sound and resilient, backed by improvement in asset quality, enhanced provisioning for bad loans, sustained capital adequacy and rise in profitability.[46] The non-banking financial companies (NBFCs) also displayed strong financials in line with the banking sector. Notably, the gross non-performing assets (GNPAs) of scheduled commercial banks (SCBs) and NBFCs are below 3 per cent of total advances as at end of March 2024.[47] It is important that the Regulated Entities (REs) should continue to improve their governance standards, risk management practices and compliance culture across the organisation.

In November last year, we had flagged certain concerns on excessive growth in the unsecured retail loans and over-reliance of NBFCs on bank funding. Recent data suggests that there is some moderation in these loans and advances.[48] We are closely monitoring the incoming data to ascertain if further measures are necessary. The Boards and top management of REs should ensure that risk limits and exposures for each line of business are kept well within their respective risk appetite framework. The persisting gap between credit and deposit growth rates warrants a rethink by the Boards of banks to re-strategise their business plans. A prudent balance between assets and liabilities has to be maintained.

Customer protection remains on top of the Reserve Bank's priorities. In general, we have observed that guidelines on Key Facts Statement (KFS)[49] are followed, but a few REs still charge fees, *etc.* that are not specified or disclosed in the Key Facts Statement (KFS). It has also been observed in some micro finance institutions and NBFCs that the interest rates on small value loans are high and appear to be usurious. The regulatory freedom enjoyed by the REs in respect of interest rates and charges should be used judiciously to ensure fair and transparent pricing of products and services. The Reserve Bank continues its constructive engagements with such financial entities to safeguard the interest of customers and ensure overall financial stability.

External Sector

With lower trade deficit, robust services export growth[50] and strong remittances, the current account

[46] Provisional data relating to scheduled commercial banks (SCBs) for March 2024 suggest that their GNPA ratio dipped to 2.8 per cent. At the same time, the net non-performing assets ratio of SCBs declined to 0.6 per cent, the lowest ever, indicating adequate loan loss provisioning by the banking system. The provision coverage ratio (PCR) (without write-off adjusted) of SCBs rose to 76.5 per cent at end March 2024 as compared with 75.0per cent a year earlier. SCBs stressed asset ratio *i.e.*, gross non-performing asset (GNPA) ratio plus restructured advances ratio, was at 3.6 per cent, the lowest level since March 2008. Capital to risk-weighted asset ratio of SCBs at 17.4 per cent remained well above the regulatory requirement. Their headline profitability indicators, *viz.*, return on asset (RoA) and return on equity (RoE) were 1.1 per cent and 12.3 per cent, respectively, at end March 2024. The LCR of SCBs remained comfortable at 130.3 per cent, much above the minimum stipulation of 100 per cent.

[47] As per provisional data, the GNPA ratios of Banks and NBFCs stood at 2.8 per cent and 2.5 per cent, respectively, as at end March 2024.

[48] The Reserve Bank increased risk weights on unsecured consumer credit and bank credit to NBFCs on November 16, 2023 to pre-empt build up of any potential risk in these segments. Consequently, credit growth in unsecured personal loans such as 'credit card outstanding' declined from 34.2 per cent in November 2023 to 23.0 per cent in April 2024, while bank credit growth to NBFCs declined from 18.5 per cent in November 2023 to 14.4 per cent in April 2024.

[49] Key Facts Statement contains key facts of a loan agreement, in simple and easier to understand language, and is provided to the borrower in a standardised format. It includes a computation sheet of annual percentage rate (APR) and the amortisation schedule of the loan over the loan tenor. All third-party charges recovered from the borrower on actual basis also form part of the APR and disclosed separately.

[50] As per provisional figures, India's services exports grew by 4.2 per cent in Q4:2023-24, while services imports contracted by 0.1 per cent during the same period. Net services exports grew by 9.3 per cent during Q4:2023-24.

deficit is expected to have moderated in Q4:2023-24.[51] Services exports were predominantly driven by software exports, other business services and travel exports. The phenomenal rise of global capability centres (GCC) in India has provided a significant boost to India's software and business services exports.[52] India – with an expected 15.2 per cent share in world remittances in 2024 – continues to be the largest recipient of remittances globally. Overall, the current account deficit for 2024-25 is expected to remain well within its sustainable level.

On the external financing side, foreign portfolio investment (FPI) flows surged in 2023-24 with net FPI inflows at US$ 41.6 billion. Since the beginning of 2024-25, however, foreign portfolio investors have turned net sellers in the domestic market with net outflows of US$ 5.0 billion (till June 5). In 2023, India retained its position as the most attractive destination for greenfield foreign direct investment (FDI) in Asia Pacific.[53] Gross FDI remained robust in 2023-24, but net FDI moderated.[54] External commercial borrowings (ECBs) and non-resident deposits recorded higher net inflows as compared with the previous year.[55] The amount of ECB agreements also grew markedly during the year.[56]

Touching a new milestone, India's foreign exchange reserves reached a historical high of US$ 651.5 billion as on May 31, 2024. India's external sector remains resilient and the key external vulnerability indicators continue to improve.[57] Overall, we remain confident of meeting our external financing requirements comfortably.

Additional Measures

I shall now announce certain additional measures.

Review of Limit of Bulk Deposits in Banks

On a review of the bulk deposit limit, it is proposed to revise the definition of bulk deposits as 'Single Rupee term deposit of ₹3 crore and above' for SCBs (excluding RRBs) and SFBs. Further, it is also proposed to define the bulk deposit limit for Local Area Banks as 'Single Rupee term deposits of ₹1 crore and above', as applicable in case of RRBs.

Rationalisation of Guidelines for Export and Import of Goods and Services under Foreign Exchange Management Act (FEMA), 1999

In view of the changing dynamics of international trade and in line with the progressive liberalisation of foreign exchange regulations, it is proposed to rationalise the extant FEMA guidelines on export and import of goods and services. This will further promote ease of doing business and provide greater operational flexibility to Authorized Dealer banks. Draft guidelines will be issued shortly for stakeholder feedback.

Setting up a Digital Payments Intelligence Platform

The Reserve Bank has taken a number of measures over the years to deepen digital payments while ensuring their safety and security. These measures

[51] The data on India's balance of payments for Q4:2023-34 will be released later this month.

[52] As per NASSCOM, the number of GCCs in India is expected to reach 1,900 by 2024-25 from around 1,580 in 2022-23.

[53] India attracted investment pledges of around US $ 84 billion across 1,006 FDI projects in 2023, accounting for 18.6 per cent of the total amount allocated to the region and 24.4 per cent of the number of projects announced for Asia Pacific (Source:"The fDi Report 2024: Global Greenfield Investment Trends", Financial Times).

[54] Gross foreign direct investment (FDI) was US$ 71.0 billion in 2023-24, broadly similar to US$ 71.4 billion a year ago. Net FDI moderated to US$ 10.6 billion in 2023-24 from US$ 28.0 billion a year ago owing to higher repatriation. Repatriation stood at US$ 44.4 billion in 2023-24 as compared with US$ 29.3 billion in 2022-23. Net outward FDI increased to US$16.0 billion in 2023-24 as compared with US$ 14.0 billion a year ago.

[55] External commercial borrowings to India witnessed a turnaround with net inflows of US$ 3.5 billion during 2023-24 as against net outflows of US$ 4.1 billion a year ago. Non-resident deposits recorded a higher net inflow of US$ 14.7 billion in 2023-24 than US$ 9.0 billion a year ago.

[56] The number of ECB agreements stood at 1,221 during 2023-24 as compared with 1,102 in 2022-23.

[57] India's CAD/GDP ratio moderated to 1.2 per cent in April-December 2023 from 2.6 per cent during April-December 2022. India's external debt/GDP ratio fell from 19.0 per cent at end-March 2023 to 18.7 per cent at end-December 2023. The net International Investment position to GDP ratio improved from (-) 11.3 per cent to (-) 10.8 per cent during the same period.

have boosted consumer confidence. Growing instances of digital payment frauds, however, highlight the need for a system-wide approach to prevent and mitigate such frauds. It is, therefore, proposed to establish a Digital Payments Intelligence Platform for network level intelligence and real-time data sharing across the digital payments' ecosystem. To take this initiative forward, the Reserve Bank has constituted a committee to examine various aspects of setting up the Platform.

Inclusion of Recurring Payments with Auto-Replenishment Facility under the e-mandate Framework

The adoption of e-mandates for recurring payment transactions has been increasing. It is now proposed to include payments, such as replenishment of balances in Fastag, National Common Mobility Card (NCMC), *etc.* which are recurring in nature but without any fixed periodicity, in the e-mandate framework. This will enable customers to automatically replenish the balances in Fastag, NCMC, *etc.* if the balance goes below the threshold limit set by them. This will enhance convenience in making travel / mobility related payments.

Introduction of Auto-Replenishment of UPI Lite Wallet – Inclusion under the e-mandate Framework

UPI Lite was introduced in September 2022 to enable small value payments in a quick and seamless manner through an on-device wallet. To encourage wider adoption of UPI Lite, it is now proposed to bring it under the e-mandate framework by introducing a facility for customers to automatically replenish their UPI Lite wallets if the balance goes below the threshold limit set by them. This will further enhance the ease of making small value digital payments.

HARBINGER 2024 – Innovation for Transformation

The Reserve Bank has taken several pioneering initiatives in recent years to encourage innovation in the fintech sector. One such key initiative is the global hackathon: 'HaRBInger - Innovation for Transformation'. The first two editions of the hackathon were completed in the year 2022 and 2023, respectively. The third edition of the global hackathon, "HaRBInger 2024" with two themes, namely 'Zero Financial Frauds' and 'Being Divyang Friendly' will be launched shortly.

Conclusion

At the Reserve Bank, our job demands poise, patience and perseverance. India's recent economic progress, continued momentum in economic activity and the overall promising prospects validate our approach to policymaking. At the moment, the Indian economy is at an inflection point in its path towards greater transformational changes that will bring about more stability and growth.

On inflation, we are on the right track, but there is still work to be done. Globally, there are concerns that the last mile of disinflation might be protracted and arduous amidst continuing geopolitical conflicts, supply disruptions and commodity price volatility. In India, with growth holding firm, monetary policy has greater elbow room to pursue price stability to ensure that inflation aligns to the target on a durable basis. In its current setting, monetary policy remains squarely focused on price stability to effectively anchor inflation expectations and provide the required foundation for sustained growth over a period of time. The words of Mahatma Gandhi resonate here and I quote, "if we are sure of our path ….., we should go on striving for it incessantly and uninterruptedly."[58]

Thank you. Namaskar.

[58] The Bombay Chronicle, 7-12-1944.

Annex

Aspirational Goals for RBI@100 in a Multi-Year Time Frame

1. **Monetary Policy and Liquidity Management**
   - Positioning the Reserve Bank as Leader of the Global South
   - Review of Monetary Policy Framework to address:
     - Balancing price stability and economic growth from an Emerging Market Economy (EME) perspective;
     - Refinements in monetary policy communication; and
     - Spillovers to EMEs from private and public debt overhang in systemically important economies.
2. **Globalisation of India's Financial Sector**
   - Financial Sector Reforms related to:
     - Expanding banking domestically in consonance with national growth;
     - Positioning 3-5 Indian banks among top 100 global banks in terms of size and operations;
     - Deepening and modernisation of financial markets/institutions/infrastructure; and
     - Supporting International Financial Services Centres Authority (IFSCA) to make GIFT City a leading international financial centre.
3. **Making Reserve Bank's Supervision a Global Model**
   - Risk Focused Supervision:
     - Supervisory culture for effective risk discovery; and
     - Ensuring an appropriate compliance culture at Supervised Entities (SEs).
   - Building 'Through the Cycle' Risk Assessment Framework by continuous Horizon Scanning and Holistic Risk Assessment;
   - Customer-centric supervision: Improving the conduct of SEs to protect and promote customers' interests through appropriate supervisory focus;
   - Effective Corrective Actions: Focus on prudent supervisory judgement and assessing supervisory effectiveness; and
   - Creating a Data Analytics Universe.
4. **Deepening and Universalisation of Digital Payment Systems – Domestically and Globally**
   - Internationalisation of India's Payment Systems – UPI/RTGS/NEFT;
   - Participation in Payment Systems Linkage Projects across countries – bilateral & multilateral;
   - Increasing the domestic usage of digital payments – Har Payment Digital; and
   - Phased implementation of Central Bank Digital Currency (e - Rupee).
5. **Deepening Financial Inclusion**
   - Focusing on Accessibility, Availability and Quality of financial services to all sections of the society.
6. **Expanding Credit Availability**
   - Strengthen data collection;
   - Comprehensive Credit Information Repository (CCIR) for supporting credit needs and monitoring;
   - Unified Loan Interface (ULI); and
   - Review of priority sector guidelines to proactively address emerging needs.
7. **Capital Account Liberalisation and Internationalisation of the Indian Rupee (INR)**
   - Enabling availability of INR to non-residents for facilitating cross-border transactions in INR;

- Enhancing accessibility of INR accounts to Persons Resident Outside India (PROIs);
- Adopting a calibrated approach towards interest-bearing Non-Resident Deposits; and
- Promoting Indian Multi-national Corporations (MNCs) and Indian global brands through overseas investments.

8. Dealing with Climate Change

- Regulatory/Supervisory framework for addressing challenges arising from climate change;
- Finalising guidance for Regulated Entities (REs) to stress test their asset portfolio to assess impact of climate change;
- Macro stress testing the impact of climate change on REs from a financial stability perspective;
- Strengthening payment systems' resilience to climate risks;
- Developing climate risk disclosure norms for REs;
- Providing inputs to government for finalising taxonomy on climate risks; and
- Publishing a risk management framework for managing climate-related financial risks.

9. Adoption of Artificial Intelligence/Machine Learning (AI/ML) in the Reserve Bank

- Articulation of an AI Policy for the Bank.
- Use of AI / ML in:
  - Leveraging RegTech/SupTech for effective supervision;
  - Management of Cyber Risk; and
  - Forecasting, Nowcasting and Surveys.

10. Financial Sector Cloud Infrastructure

- Indian Financial Cloud: Establish a cost-effective cloud facility for the financial sector to enhance the security, integrity and privacy of financial sector data while facilitating scalability and business continuity; and
- Internal AI Cloud: Develop an enterprise-wide platform with AI/ML capabilities to enhance operational efficiency, productivity, data analytics, risk management, decision making and customer experience.

11. Transformational Shifts in Data Collection, Processing and Storage

- Developing Data Mesh with REs;
- Cloud Quantum Computing Services for Analytics; and
- Geo-tagging for supporting high frequency data analysis.

12. Safeguarding Users Against Payment Frauds

- Widening and deepening consumer awareness;
- Making payment systems more safe and secure; and
- Identifying and implementing solutions for proactive prevention and quick redressal of frauds.

13. Developing a Secure Global Financial Messaging Hub

- Exporting financial networks and messaging systems as alternative platforms.

14. Making Reserve Bank's Human Resources and Infrastructure Future Ready.

MONETARY POLICY STATEMENT 2024-25 (JUNE 5-7)

Resolution of the Monetary Policy Committee (MPC)
June 5 to 7, 2024

Monetary Policy Statement, 2024-25 Resolution of the Monetary Policy Committee (MPC) *

On the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) at its meeting today (June 7, 2024) decided to:

- Keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6.50 per cent.

Consequently, the standing deposit facility (SDF) rate remains unchanged at 6.25 per cent and the marginal standing facility (MSF) rate and the Bank Rate at 6.75 per cent.

- The MPC also decided to remain focused on withdrawal of accommodation to ensure that inflation progressively aligns to the target, while supporting growth.

These decisions are in consonance with the objective of achieving the medium-term target for consumer price index (CPI) inflation of 4 per cent within a band of +/- 2 per cent, while supporting growth.

Assessment and Outlook

Global economic activity is rebalancing and is expected to grow at a stable pace in 2024. Inflation has been moderating unevenly, with services inflation staying elevated and slowing progress towards targets. Uncertainty on the pace and timing of policy pivots by central banks is keeping financial markets volatile. Equity markets have touched new highs in both advanced and emerging market economies. Non-energy commodity prices have firmed up, while the US dollar and bond yields are exhibiting two-way movement with spillovers to emerging market currencies. Gold prices have surged to record highs on safe haven demand.

According to the provisional estimates released by the National Statistical Office (NSO) on May 31, 2024, real gross domestic product (GDP) growth in Q4:2023-24 stood at 7.8 per cent as against 8.6 per cent in Q3. Real GDP growth for 2023-24 was placed at 8.2 per cent. On the supply side, real gross value added (GVA) rose by 6.3 per cent in Q4:2023-24. Real GVA recorded a growth of 7.2 per cent in 2023-24.

Going forward, high frequency indicators of domestic activity are showing resilience in 2024-25. The south-west monsoon is expected to be above normal, which augurs well for agriculture and rural demand. Coupled with sustained momentum in manufacturing and services activity, this should enable a revival in private consumption. Investment activity is likely to remain on track, with high capacity utilisation, healthy balance sheets of banks and corporates, government's continued thrust on infrastructure spending, and optimism in business sentiments. Improving world trade prospects could support external demand. Headwinds from geopolitical tensions, volatility in international commodity prices, and geoeconomic fragmentation, however, pose risks to the outlook. Taking all these factors into consideration, real GDP growth for 2024-25 is projected at 7.2 per cent with Q1 at 7.3 per cent; Q2 at 7.2 per cent; Q3 at 7.3 per cent; and Q4 at 7.2 per cent (Chart 1). The risks are evenly balanced.

Headline inflation has seen sequential moderation since February 2024, *albeit* in a narrow range from 5.1 per cent in February to 4.8 per cent in April 2024. Food inflation, however, remains elevated due to persistence of inflation pressures in vegetables, pulses, cereals, and spices. Deflation in fuel prices deepened during March-April, reflecting

* Released on June 7, 2024.

Chart 1: Quarterly Projection of Real GDP Growth (y-o-y)

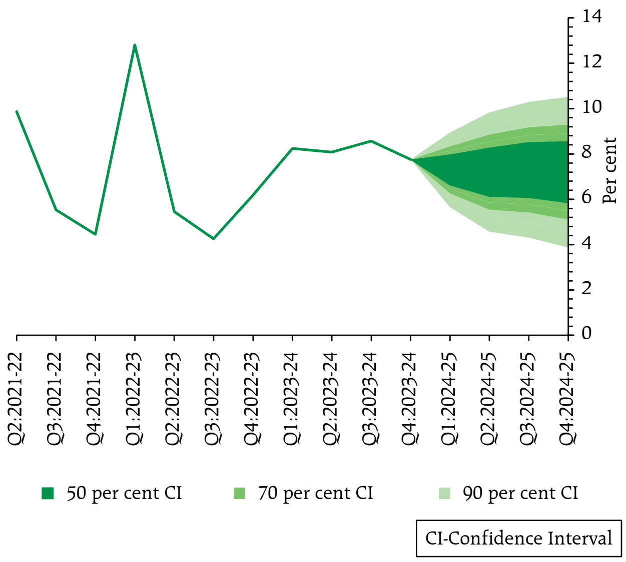
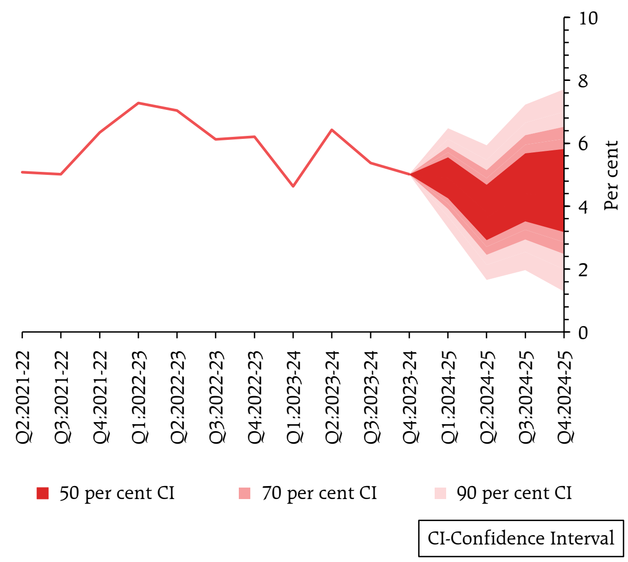


Chart 2: Quarterly Projection of CPI Inflation (y-o-y)



the cut in liquified petroleum gas (LPG) prices. Core (CPI excluding food and fuel) inflation eased further to 3.2 per cent in April, the lowest in the current CPI series, with core services inflation also falling to historic lows.

Looking ahead, overlapping shocks engendered by rising incidence of adverse climate events impart considerable uncertainty to the food inflation trajectory. Market arrivals of key *rabi* crops, particularly pulses and vegetables, need to be closely monitored in view of the recent sharp upturn in prices. Normal monsoon, however, could lead to softening of food inflation pressures over the course of the year. Pressure from input costs have started to edge up and early results from enterprises surveyed by the Reserve Bank expect selling prices to remain firm. Volatility in crude oil prices and financial markets along with firming up of non-energy commodity prices pose upside risks to inflation. Taking into account these factors, CPI inflation for 2024-25 is projected at 4.5 per cent with Q1 at 4.9 per cent; Q2 at 3.8 per cent; Q3 at 4.6 per cent; and Q4 at 4.5 per cent (Chart 2). The risks are evenly balanced.

The MPC noted that the domestic growth-inflation balance has moved favourably since its last meeting in April 2024. Economic activity remains resilient supported by domestic demand. Investment demand is gaining more ground and private consumption is exhibiting signs of revival. Although headline inflation is gradually easing, driven by softening in its core component, the path of disinflation is interrupted by volatile and elevated food inflation due to adverse weather events. Inflation is expected to temporarily fall below the target during Q2:2024-25 due to favourable base effect, before reversing subsequently. For the final descent of inflation to the target and its anchoring, monetary policy has to be watchful of spillovers from food price pressures to core inflation and inflation expectations. The MPC will remain resolute in its commitment to aligning inflation to the 4 per cent target on a durable basis. Accordingly, the MPC decided to keep the policy repo rate unchanged at 6.50 per cent in this meeting. The MPC reiterates the need to continue with the disinflationary stance, until a durable alignment of the headline CPI inflation with the target is achieved. Enduring price stability sets strong foundations for a sustained period of high growth. Hence, the MPC also decided to remain focused on withdrawal of accommodation to ensure that inflation progressively aligns to the target, while supporting growth.

Dr. Shashanka Bhide, Dr. Rajiv Ranjan, Dr. Michael Debabrata Patra and Shri Shaktikanta Das voted to keep the policy repo rate unchanged at 6.50 per cent. Dr. Ashima Goyal and Prof. Jayanth R. Varma voted to reduce the policy repo rate by 25 basis points.

Dr. Shashanka Bhide, Dr. Rajiv Ranjan, Dr. Michael Debabrata Patra and Shri Shaktikanta Das voted to remain focused on withdrawal of accommodation to ensure that inflation progressively aligns to the target, while supporting growth. Dr. Ashima Goyal and Prof. Jayanth R. Varma voted for a change in stance to neutral.

The minutes of the MPC's meeting will be published on June 21, 2024.

The next meeting of the MPC is scheduled during August 6 to 8, 2024.

MONETARY POLICY STATEMENT 2024-25 (JUNE 5-7)

Statement on Developmental and Regulatory Policies

Statement on Developmental and Regulatory Policies

This Statement sets out various developmental and regulatory policy measures relating to (i) Regulations; and (ii) Payment Systems and FinTech.

I. Regulations

1. Review of limit of Bulk Deposits for Scheduled Commercial Banks (excluding RRBs), Small Finance Banks and Local Area Banks

Banks have discretion to offer differential rate of interest on the bulk deposits as per their requirements and Asset-Liability Management (ALM) projections. The bulk deposits limit was enhanced in the year 2019 for Scheduled Commercial Banks (SCBs) (excluding Regional Rural Banks) and Small Finance Banks (SFBs) as 'Single Rupee term deposits of ₹2 crore and above'. On a review, it is proposed to revise the definition of bulk deposits as 'Single Rupee term deposits of ₹3 crore and above' for SCBs (excluding RRBs) and SFBs. Further, it is also proposed to define the bulk deposit limit for Local Area Banks as 'Single Rupee term deposits of ₹1 crore and above' as applicable in case of RRBs. Necessary guidelines will be issued shortly.

2. Rationalisation of Export and Import regulations under Foreign Exchange Management Act (FEMA), 1999

Keeping in view the progressive liberalisation under FEMA 1999 and to impart greater operational flexibility to Authorized Dealer banks, Reserve Bank has decided to rationalise existing guidelines on export and import of goods and services in line with the changing dynamics of cross-border trade transactions globally. The proposed rationalisation aims to simplifying operational procedures thereby promoting ease of doing business for all the stakeholders. The draft regulations and directions would be placed on the Bank's website by end June 2024, for feedback from all the stakeholders before finalising the same.

II. Payment Systems and Fintech

3. Setting up a Digital Payments Intelligence Platform

The Reserve Bank, over the years, has undertaken a number of measures for the safety and security of digital payments to maintain public confidence in digital payment systems. Sustaining such confidence would require minimising incidence of frauds. Many frauds occur by influencing unsuspecting victims to make the payment or share credentials. While the payment ecosystem (banks, NPCI, card networks, payment aggregators, and payment apps) take various measures on an ongoing basis to protect customers from such frauds, there is a need for network-level intelligence and real-time data sharing across payment systems.

It is, therefore, proposed to set up a Digital Payments Intelligence Platform which will harness advanced technologies to mitigate payment fraud risks. To take this initiative forward, the Reserve Bank has constituted a committee (Chairman: Shri A.P. Hota, former MD & CEO, NPCI) to examine various aspects of setting up a digital public infrastructure for Digital Payments Intelligence Platform. The Committee is expected to give its recommendations within two months.

4. Inclusion of recurring payments for Fastag, National Common Mobility Card (NCMC), *etc.* with auto-replenishment facility under the e-mandate framework

(i) The Framework for processing of e-Mandate for recurring transactions, issued by RBI on January 10, 2020 currently enables recurring payments with fixed periodicity such as daily, weekly, monthly, *etc.* It is now proposed to include payments, such as replenishment of balances in Fastag, NCMC, *etc.* which are recurring in nature but without any fixed periodicity, into the e-mandate framework. These categories of payments are made as and when needed and, therefore, their replenishment is not time specific or amount specific. Under the e-mandate framework, it is proposed to introduce an automatic replenishment facility for such payments. The automatic replenishment will be triggered when the balance in Fastag or NCMC falls below a threshold amount set by the customer.

(ii) The current e-mandate framework requires a pre-debit notification at least a 24-hours before the actual debit from customer's account. It is proposed to exempt this requirement for payments made from customer's account for automatic replenishment of balances in Fastag, NCMC, *etc.* under the e-mandate framework.

Necessary guidelines in respect of the above proposals will be issued shortly.

5. Introducing auto-replenishment of UPI Lite wallet – Inclusion under the e-mandate framework

The UPI Lite facility currently allows a customer to load his UPI Lite wallet upto ₹2000/- and make payments upto ₹500/- from the wallet. In order to enable the customers to use the UPI Lite seamlessly, and based on the feedback received from various stakeholders, it is proposed to bring UPI Lite within the ambit of the e-mandate framework by introducing an auto-replenishment facility for loading the UPI Lite wallet by the customer, if the balance goes below a threshold amount set by him/her. Since the funds remain with the customer (funds move from his/her account to wallet), the requirement of additional authentication or pre-debit notification is proposed to be dispensed with. Related guidelines in respect of the above proposal will be issued shortly.

6. RBI Hackathon HARBINGER 2024 – Innovation for Transformation

RBI has been continuously working towards ensuring trust, safety, security and inclusivity in the financial system focusing on inclusive access and minimisation of frauds. Technology has opened up effective possibilities of identifying and preventing financial frauds as well as widening the reach of financial services, thereby ensuring equitable access to financial products and services.

The Bank has been encouraging innovation in identified focus areas through its annual Hackathons. The third edition of our global hackathon, "HaRBInger 2024 – Innovation for Transformation" will be launched with two overarching themes *viz.*, 'Zero Financial Frauds' and 'Being Divyang Friendly'. Solutions aimed at enhancing safety and security of digital transactions with focus on detecting, preventing and combating financial frauds, as also prioritising inclusivity for persons with physical disabilities, will be invited as part of HaRBInger 2024. Further details in this regard shall be released shortly.

SPEECHES

*New Vistas in Deposit Insurance in India**

Michael Debabrata Patra

Good morning to you all!

I am deeply honoured to participate in the 79th meeting of the Executive Council (EXCO) of the International Association of Deposit Insurers (IADI). At the outset, I would like to express my profound appreciation for the IADI as a global standard-setter as well as an international forum for the cross-fertilisation of information and country experiences on practices and techniques relating to deposit insurance. The IADI is contributing significantly to building effective deposit insurance systems across the world, thereby strengthening public confidence in the banking system and ensuring financial stability.

Before I begin my talk, I am happy to inform you that the Deposit Insurance and Credit Guarantee Corporation (DICGC) of India, in collaboration with the IADI and the Asia Pacific Regional Committee (APRC), would be hosting an international conference with 'Evolving Financial Landscape: Emerging issues for deposit insurance and the importance of crisis preparedness' as its theme during August 12 to 14, 2024 in Jaipur in the western state of Rajasthan in India. Jaipur is a world heritage city and is also known as the pink city due to the dominant colour scheme of its buildings. On behalf of the DICGC, I extend our invitation to the conference to all members of IADI. We look forward to welcoming you to India and to Jaipur soon.

In the recent period, India has been in the forefront of designing and implementing a pro-active deposit insurance (DI) framework that shields small depositors of banks from financial distress on account of bank runs or failures. Accordingly, the theme of my address is the recent set of policy initiatives undertaken in India for designing a strong safety net for depositors. The subject assumes considerable importance and topicality in the context of the bank failures in some jurisdictions in March 2023 that have posed new challenges for the conduct of monetary policy as well as for prudential regulation and supervision. The swift and decisive responses of deposit insurers (DIs) and regulators to quell the turbulence and contain contagion are redefining the landscape for resolution and deposit insurance in the pursuit of financial stability.

II. Deposit Insurance in India in a Cross-Country Setting

Let me begin by providing a brief historical context for the establishment of the DICGC. The idea of deposit insurance was shaped by intermittent bank failures between 1948 and 1960. A Deposit Insurance Act was promulgated by Parliament in 1961 to set up the Deposit Insurance Corporation (DIC), a wholly owned subsidiary of the Reserve Bank of India (RBI), the country's central bank. It was merged with the Credit Guarantee Corporation of India and renamed as the Deposit Insurance and Credit Guarantee Corporation (DICGC) on July 15, 1978 with the mandate of "insurance of deposits and guaranteeing of credit facilities and for other matters connected therewith or incidental thereto".

III. Mandate

From its very inception, therefore, the Corporation was envisaged as a paybox plus[1] institution. The

* Keynote Address delivered by Michael Debabrata Patra, Deputy Governor, Reserve Bank of India (RBI) at the 79th Executive Committee Meeting of the International Association of Deposit Insures (IADI) on June 14, 2024 at Rome, Italy. Valuable comments received from Anup Kumar, Arun Vishnu Kumar, Aparna Bhatt Dwivedi, and editorial help from Vineet Kumar Srivastava are gratefully acknowledged.

[1] Additional responsibilities in resolution beyond reimbursement such as contributing to financing, operationalising, and/or decision-making in resolution.

credit guarantee function was discontinued in April 2003 and deposit insurance became and remains the principal function of the Corporation. The resolution function resides with the RBI as the regulator of the financial sector. Currently, the paybox plus mandate is restricted to the provision of financial support in case of the mergers. More recently, however, this mandate has been strengthened with amendments to the DICGC Act in August 2021 which provides for up-front payouts within stipulated timelines. This provision is unique among deposit insurers. The Corporation is now liable to make payment to depositors of a bank facing solvency stress up to the deposit insurance limit within 90 days of the bank being placed under regulatory directions that restrict it from discharging its liabilities, *i.e.*, even before liquidation and amalgamation. The insured bank has to submit the depositors list within 45 days. The Corporation has to get the genuineness and authenticity of the claims verified within 30 days and pay the depositors who have submitted their willingness to receive the same within the next 15 days. In case the RBI finds it expedient to bring a scheme of amalgamation/compromise or arrangement/reconstruction, the liability of the Corporation will get extended by a further period of 90 days.

Globally too, the mandates of DIs have expanded significantly, with the share of paybox[2] entities shrinking. By 2023, it was down to 17 per cent. Increasingly, DIs have been vested with additional responsibilities, including for financing and resolution, in recognition of their crucial role as participants in the national financial safety net. Consequently, the share of DIs with paybox plus mandate has risen to 48 per cent (a rise of 11 basis points in ten years), especially among advanced economies. The shares of loss minimisers[3] and risk minimisers[4] have remained broadly unchanged.

IV. Coverage

It may be apposite at this juncture to set out some stylised facts about deposit insurance coverage in India and how they compare with the global experience as recently profiled by the IADI[5]. In India, deposit insurance is mandatory for all banks, including foreign banks. Currently, 1,997 banks are covered, comprising 140 commercial banks and 1,857 cooperative banks, which are small financial institutions owned and controlled by their members and are community-focused in their operations. According to the IADI's latest deposit insurance survey[6], this is the largest number of deposit-taking institutions covered by deposit insurance in the world, second only to the US. The current insurance coverage limit is INR 500,000 (approximately US$ 6000) per depositor in a bank. Expressed as a multiple of nominal GDP per capita, this works out to 2.9 times as against the global median of 3.3, but it compares favourably with medians for paybox and risk minimiser DIs. On a by-account basis, the coverage ratio in India at 97.9 per cent is in line with the global median and a little below the latter – 44.2 per cent as against 47 per cent globally – in terms of value of deposits.

V. Funding

Funding for deposit insurance in India is in line with the global central tendency under which 96 per cent of DIs are funded by levying premiums on

2 Limited to premium levying and reimbursing depositors.

3 Deposit Insurers actively engage in a selection from a range of least-cost resolution strategies.

4 Deposit Insurers have comprehensive risk minimisation functions that include risk assessment and management, a full suite of early intervention and resolution powers, and in some cases prudential oversight responsibilities.

5 IADI: "Deposit Insurance in 2024 – Global Trend and Key Issues", IADI, April 2024.

6 Global Survey on Deposit Insurance and Financial Safety Net Frameworks, IADI, 2022.

member institutions (64 per cent of pre-tax accretion to the fund). In addition, about 35 per cent of the accretion to the deposit insurance fund (DIF) came from investment income in fiscal 2022-2023. Unlike the growing practice worldwide of nearly half of deposit insurers levying differential premiums incorporating additional risk measures – up from 30 per cent in 2010 – a flat rate premium of 0.12 per cent per annum is levied in India which has been revised from time to time, keeping in view the adequacy of the Corporation's DIF. The size of the fund, measured by its ratio to insured deposits, at 2.02 per cent is comparable with the global median. The Corporation has targeted the achievement of a ratio of 2.5 per cent by March 2028.

VI. Reimbursement

Reimbursement of insured depositors is the core responsibility of a DI, with the IADI promoting a period of "within 7 days" as its Core Principle 15. There has been a significant improvement globally in the speed of reimbursement, although meeting the Core Principle has remained a challenge over the last decade. The global average period for reimbursement to depositors has reduced from 28 to 14 days[7]. Currently, the DICGC's reimbursement takes about a month on an average. Factors that usually impede fast reimbursement include data quality issues, identification of insured depositors and depositors lacking an alternative bank account.

VII. New Vistas for Deposit Insurance in India

The March 2023 banking turmoil and its aftermath prompted policy makers to refocus on design features of deposit insurance processes. In India, this has led to prioritising risk management, especially during adverse market conditions, while benchmarking to best international practices. This involves revamping risk management and internal control systems, including contingency planning and crisis management frameworks, in alignment with the IADI's 2020 Guidance Paper on "Risk Management and Internal Control System of Deposit Insurers (DIs)". In the context of the DICGC's portfolio valued at US$ 24.5 billion, treasury operations are being reinforced with asset-liability management tools, real time monitoring of liquidity and concentration ratios, and periodic value-at-risk and scenario analyses at various confidence levels. A dedicated market risk reserve has also been created. Some risk management measures like market borrowing, liquidity support from central bank/government, *etc.*, may necessitate changes in statutory provisions.

Simultaneously, public awareness campaigns are being refashioned and stepped up. Driven by a Board approved communication policy, public awareness about deposit insurance is being nurtured through continuous dissemination of deposit insurance related information. All insured banks are required to display the DICGC Logo and QR code linked with the DICGC's website on their own websites and internet banking portals. The Corporation has also registered on a hyper-local social platform which facilitates sharing of specific information on claim payments. Messages are also relayed by structured mobile phone text. The website itself is being overhauled to make it more customer-friendly in terms of search capability, information architecture, improved user interface/ experience, content strategy and user engagement, a progressive Web App and the like.

Digital transformation of all operations is underway with a focus on data management, process optimisation, business analytics and cyber security with best-in-class market technologies. Straight through processing without manual intervention and seamless integration of various modules are on the anvil alongside use of application programming

[7] The proportion of DIs starting reimbursement within seven days doubled to around 60 per cent, with 70 per cent of European and Americas DIs commencing pay-outs within seven days followed by almost 50 per cent of African DIs and 40 per cent of Asian DIs.

interfaces (APIs), and artificial intelligence. A standalone single customer view application (SCVA) will reduce time lags in the submission of claims. An in-house recovery dashboard enables tracking compliances, and authentication of asset details and payments by liquidators.

VIII. Conclusion

Looking ahead, the evolution of the deposit insurance function is likely to confront more complex challenges amidst heightened uncertainty. For instance, climate change is emerging as an overarching risk to the global economy and financial systems. According to the IADI's surveys, 60 per cent of DIs have formalised Environmental, Social, and Governance (ESG) policies and some are members of the Network for Greening the Financial System (NGFS). This is what is keeping us awake in India – framing a comprehensive ESG policy incorporating elements of climate sustainability, investment in sovereign green bonds, measuring the impact of climate change on default risk and contingency planning for climate related extreme events via actuarial analysis. We are exploring appropriate coverage for green deposits, climate risk based differential premiums and ex ante funding needs for climate sustainability. These new challenges will inevitably require effective coordination and information sharing between DIs and other national safety net participants as well as with those in other jurisdictions. Forums like this one will be the incubators of global coordination. The time to act is now.

Thank You.

Building Trust through Governance: The Backbone of Stressed Assets Reconstruction *

M. Rajeshwar Rao

Deputy Governor Shri Swaminathan, Executive Directors, Chairmen of the Board and ACB of ARCs, MDs & CEOs of ARCs, my colleagues from RBI, ladies and gentlemen,

I am happy to be amidst you today to talk about the crucial topic of governance in ARCs. But before I address the issue of governance, let me briefly discuss the importance of credit risk management and the critical role envisaged for ARCs – both in terms of legislative intent and regulatory expectations, in India's financial landscape.

Role of ARCs in the Stressed Asset Management

We all know that books of our financial institutions are largely susceptible to credit risk as loans and advances constitute a large proportion of the asset portfolio. The credit risk weighted assets (credit RWAs), in fact, constitute around 80 per cent of total RWAs of the banking system. Therefore, any prudential regulation to safeguard the stability of financial system must remain alive to the credit risk in the books of financial entities, banks and non-banks alike.

The credit life cycle involves four distinct stages. These include the stage of sourcing of credit proposal; appraisal and underwriting; disbursal and monitoring; and, finally repayment which then starts off the next iteration of the credit cycle. If, however, for some reason, the borrower does not pay the dues on time and a loan does not enter the fourth stage, there could be a problem. ARCs have been institutionalised to play a crucial role at this juncture. They are the institutions to enable loan originators to focus on their core function of lending by taking over stressed financial assets. The ARC framework is also designed to help borrowers revive their businesses, if possible. This in some ways is also intended to preserve the productive asset generated out of the loan.

Reconstructing distressed assets is by no means an easy task. ARCs are expected to step in, armed with expertise in recovery and reconstruction of ailing assets, and help reduce the level of non-performing assets in the banking system by taking possession of the secured asset of the borrower.

However, efficacy of all such endeavours hinges upon the bedrock of governance. So, in today's address, let me dwell a bit on evolving regulatory framework for ARCs and why there is a need for robust governance structures for their transparent and effective functioning.

Regulatory Framework for ARCs

There are a few basic issues which regulations should seek to address for ARCs:

- First, ARCs should have sufficient resources to undertake asset reconstruction business.
- Second, the transactions have to be conducted in a transparent manner and on arm's length basis.
- Third, the manner in which ARCs can resolve an asset needs to be clearly laid down.

All our regulations are built to address the concerns around these issues.

On the first issue of having adequate resources, let me emphasize that since the ARCs are in the business of asset reconstruction, they are expected to have both – resources and the required skin in the

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game. To ensure that they have strong and sufficient resource base, the requirements of net owned funds (NOF) was increased from Rs. 100 crore to Rs. 300 crore[1]. Similarly, to ensure skin in the game, ARCs have been mandated to invest[2] some amount in each class of SRs issued by them under each scheme on an ongoing basis, *i.e.*, till the redemption.

On the second issue of transparency several regulatory requirements have been put in place. For example, the directions on Transfer of Loan Exposures (MD-TLE) provide for the checks in terms of price discovery of exposures, valuation of security receipts and transparent disclosure when assets are transferred by lenders to ARCs. In addition, taking over standard accounts from ARCs is subjected to specific conditions to avoid any transactions with malicious intent. Further, sharing of surplus from recovery of transferred exposures between the ARC and the lender is required to be made on a realisable basis.

Similarly, with a view to improve transparency, the revised framework has introduced a gamut of measures, including - (i) disclosures regarding the track record of returns generated for the security receipt (SR) holders in the offer document; (ii) increase in the disclosure period for the past performance of ARCs from 3 years to 5 years; and, (ii) disclosure of assumptions and rationale behind ratings of SRs to SR holders. These measures are expected to facilitate investments from a broader set of qualified buyers (QBs), address information asymmetry between the ARCs and SR holders, foster healthy competition among ARCs and nudge ARCs to focus on resolution of assets to achieve better returns for investors.

Third is the issue of resolution of the acquired assets. There is a regulatory framework in place, under the provisions of SARFAESI Act, which enables ARCs to undertake resolution. However, there are concerns around activities in this process chiefly relating to the ARC route becoming a vehicle for entry of the 'tainted' promoters, who in the first place were responsible for the default of the underlying entity. This aspect has become particularly relevant since the introduction of Section 29A in the Insolvency and Bankruptcy Code (IBC), which was specifically meant to keep out such promoters. However, often, entities meet this requirement by merely obtaining a declaration signed by the perspective buyer without undertaking any independent verification.

While the current regulations largely aim to address the three issues mentioned above, there are certain other areas which are engaging regulatory attention. One pertains to operational flexibility for debt aggregation. For instance, under extant guidelines, an ARC can acquire financial assets from another ARC but effectively the existing SR holders have to exit when the underlying financial assets are sold by one ARC to another ARC. In this context, there have been suggestions that a change in the trustee/ manager role from one ARC to another should be allowed, without necessarily extinguishing the SRs.

Moreover, for debt aggregation and better value realization, there is a demand that even the equity pertaining to the distressed company should be allowed to be sold by the lenders to ARCs along with debt. Further, in cases where ARCs are permitted to acquire equity and by extension ownership/ control of the borrower entities through various channels[3] such as IBC or conversion of debt into equity, they should be allowed operational freedom to take decisions, including sale/lease of business.

[1] Ref: DoR.SIG.FIN.REC.75/26.03.001/2022-23 dated October 11, 2022 (https://rbi.org.in/Scripts/NotificationUser.aspx?Id=12399)

[2] ARCs shall, by transferring funds, invest in the SRs at a minimum of either 15% of the transferors' investment in the SRs or 2.5% of the total SRs issued, whichever is higher, of each class of SRs issued by them under each scheme on an ongoing basis till the redemption of all the SRs issued under such scheme.

[3] At present, ARCs are permitted to convert part of their own debt into equity of a borrower entity and when acting as resolution applicants under IBC, they can acquire equity of the borrower entity

We are examining these issues and are in touch with the industry to firm up our views.

Role of Governance

But there is a key area which is a point of concern for us as regulators, namely the governance in ARCs.

Sound and robust governance provides a strong foundation for the ARCs to build a robust business model. Governance, in this context, transcends mere regulatory compliance; it embodies a philosophy of accountability, transparency, and ethical conduct. In case of distressed assets, where conflicts of interest looms large and fiduciary duties are tested, effective governance can serve to develop confidence in the processes adopted by the ARCs.

Sound governance can also act as both a shield and a sword. It shields the stakeholders from conflicts of interest, ensuring that the decisions are guided by prudence and sound business sense. At the same time, it wields the sword of transparency and accountability by holding decision makers accountable for their actions and fostering a culture of ethical leadership.

To build a strong bedrock of governance, following conditions are critical:

i. A diverse and independent Board with effective oversight.

ii. A robust risk management framework for identifying, assessing, and mitigating risks inherent in the portfolio of distressed assets.

iii. Transparency regarding disclosure of information about the operations and decision-making processes and accounting practices.

iv. Effective safeguards and robust policies to identify, disclose, and manage conflicts of interest in a fair and transparent manner.

v. A comprehensive code of conduct that outlines ethical principles, professional integrity, and accountability.

Sound governance in ARCs, therefore, requires a multifaceted approach that encompasses all the above elements. The onus in this regard lies largely with the Boards of the ARCs and the top functionaries who will have to develop a strong and robust institutional culture based on these principles. Without robust governance mechanisms, it would be a challenging task for ARCs to instil confidence in their operations and decision-making processes.

ARCs also need to be conscious of their conduct vis-à-vis the distressed borrowers. Even a single incident of misconduct can potentially snowball into a controversy which the sector should guard against. While we acknowledge the rights of the ARCs to recover overdue loans, they or their recovery agents should not resort to harassment of borrowers. A comprehensive fair practice code (FPC) for ARCs has been put in place which requires ARCs to follow transparent and non-discriminatory practices. This becomes that much more critical at present juncture when the share of retail loans in the financial assets acquired by the ARCs has increased (from 9%, as of March 31, 2020 to 16% as of March 31, 2023).

Way forward

As you are aware, the regulatory framework of ARCs was comprehensively reviewed by a Committee constituted by the Reserve Bank (Chair: Shri Sudarshan Sen). Based on these recommendations we have issued a set of revised instructions in October 2022 and they have also been subsequently incorporated in the comprehensive Master Directions on ARCs issued on April 24, 2024. These instructions are aimed at having a robust governance system in place. With a view to enable this and in order to enhance Board oversight, it has been stipulated that ARCs need to appoint an independent director as the Chair of the Board, and at least half of the directors in any Board meeting should be independent directors. ARCs are also required to constitute two committees of the Board *viz.*, Audit Committee and Nomination and Remuneration Committee which are expected to enhance the efficacy of the Board and improve its focus on specific areas.

However, what we observe is that not all ARCs have implemented the revised guidelines on composition and functioning of the Board. I would take this opportunity to urge all ARCs to implement these guidelines in right spirit. Also, failure to meet regulatory guidelines and wilful violations would invite strict supervisory and enforcement action, if warranted.

Apart from the revision of ARC guidelines, the Reserve Bank has been undertaking several steps to create a vibrant market for credit risk transfer. The revised guidelines on transfer of loan exposures and securitisation of standard assets, credit default swaps (CDS) and formation of a secondary market loan association (SLMA) are some of the recent measures taken by the Reserve Bank towards this end.

The thrust of RBI regulations going forward is on developing a market for distressed assets by considering the inclusion of additional stakeholders with strong fundamentals and possessing expertise in resolution. This intention is reflected in the discussion paper on the Securitisation of Stressed Assets Framework. This is expected to increase competition among buyers of distressed assets, giving competitive advantage to the entities with superior resolution and recovery mechanisms capable of achieving optimal outcomes. Given their first mover advantage in this space, I feel ARCs are better placed to capitalize on this focus area and they should endeavour to explore options around this business segment in right earnest.

Concluding thoughts

To conclude, let me reiterate the fact that RBI regulations are intended to promote the integrity and effectiveness of the sector. As the leaders of the ARC sector, it should be your endeavour to ensure that the sector remains focused on course charted through legislative and regulatory intent and should ensure that any negative perception about the functioning and governance standards of the ARCs is dispelled.

To achieve that, it is important that ARCs have strong governance frameworks, robust internal controls, well developed risk management function, and strong compliance culture. As a regulator, our efforts would be to smoothen the operational difficulties and support the growth of the ecosystem for faster and efficient resolution of stressed assets. I am hopeful that ARCs would play the lead role in this process.

Thank you.

*Setting the Right Tone from the Top**

Swaminathan J.

Deputy Governor Shri Rao, Chairpersons, members of the Board and CEOs of ARCs, my colleagues from RBI and ladies and gentlemen. A very good morning to all of you.

I am pleased to address you today at the inaugural conference of the Directors on the Boards of the ARCs organised by the Reserve Bank of India. The theme *'Governance in ARCs – Towards Effective Resolutions'* holds significant importance to the Reserve Bank. As you may be aware, the RBI has been engaging with its supervised entities regularly over matters of governance and assurance conveying the importance of strong corporate governance as well as the need to remain vigilant to ensure the continued stability of the financial sector.

ARCs enjoy a special place in the financial eco system by being the special purpose vehicles set up to help lighten the banking system from the high value NPAs and release the management bandwidth to the lenders for continuing with their normal banking activities. ARCs are also the specialised agencies for maximising recovery and reconstruction efforts. Today's conference for the Chairpersons, Directors and Chief Executive Officers of ARCs is also a recognition of the important role of ARCs in the banking ecosystem.

A perusal of the score card of ARCs during the last two decades[1] throws up a mixed bag. There seem to be more missed opportunities and less than optimal performance by ARCs in fulfilling the principal mandates under the SARFAESI Act[2]. I would therefore like to take this opportunity to highlight certain key aspects, where I believe ARCs can deliver superior outcomes that could be beneficial to all concerned.

Tone from the top

Establishing the right tone from the top is crucial in fostering a culture of integrity and ethical conduct throughout an organization. This is where the Chairperson, Board of Directors and the Chief Executives can lead by example of doing the right thing, not only in their words but also through their actions.

When leaders prioritize ethical behaviour and compliance with laws and regulations, it permeates throughout the entire organization, guiding employees to make decisions aligned with these principles. This tone from the top builds trust with stakeholders, enhances the organization's reputation, mitigates risks, and ultimately contributes to long-term success.

Some ARCs, while enjoying the full benefits of the special position granted to them under the Act and the regulations, have been found to be using innovative ways to structure transactions in a manner to circumvent regulations.

During the course of our onsite examinations, we have come across instances where ARCs have been used or allowed themselves to be used, if I may say so, as a conduit to evergreen distressed assets. In many cases, there is a lack of transparency and consistency in the issuance and periodical valuation of Security Receipts (SRs). The practices surrounding levy of management fee leaves much to be desired.

It is also observed that a few entities find new ways of achieving their designs once a particular practice has been called out as a violation or deviation. Wherever it had come to our notice, we had directed the entities to arrange for remediation including

* Speech by Shri Swaminathan J, Deputy Governor, Reserve Bank of India - May 17, 2024 - at the Conference of Asset Reconstruction Companies (ARCs) held in Mumbai.

[1] Asset Reconstruction Company (India) Limited was the first ARC to be set up in 2002. As at March 31, 2024 there were 27 ARCs registered with the Reserve Bank of India.

[2] Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

setting aside capital charge on gains thereon but only a responsible conduct by the supervised entities themselves can bring the required efficiency to the system. In extreme cases, it may call for regulatory or supervisory actions which of course we would like to use only as a last resort.

With regulations shifting towards a more principles-based approach, supervision is required to focus more on the substance of transactions rather than their legal form. This means that supervisors, instead of relying on the technical compliance presented by the management, may have to scrutinise the economic purpose and the underlying unstated intent behind the transactions.

Very often we get representations to our observations stating this is industry practice or clarifications are pending from the RBI. Sometimes there are incorrect or intelligent interpretations of the circulars. These are not acceptable excuses for failing to do the right thing. Therefore, I would urge you all to adopt a regulation plus approach where you not only comply with the letter of the regulation but also its spirit.

Robust governance led by the Board is a pre-requisite to ensuring that ARCs fulfil their intended mandate. Towards this objective, I would like to share with you a few thoughts on the effective functioning of the board.

Effective functioning of the Board

Effective functioning of the board requires several elements including competent leadership, committed directors with diverse expertise, independence, clarity in roles and responsibilities and diligence.

The Chairperson of the Board is the guardian of governance acting as a lynchpin between the Board, the management, and the shareholders. A good chairperson facilitates constructive discussions, encourages diverse perspectives, and guides the board towards consensus on critical matters. However, it has been observed that in some ARCs, there were long vacancies in the post of chairperson along with instances of chair of the Audit Committee (ACB) also chairing the Board meetings as well as a non-independent Director chairing the Board meetings, contrary to the extant framework. These things only go to show that the governance has not been receiving the required attention.

Diverse expertise coupled with independence is necessary for a competent board. A board equipped with independent directors with varied backgrounds, skills and experience allows for richer discussions leading to informed decision making. While non-independent directors may take care of certain interests, independent directors bring an unbiased perspective and play a key role in safeguarding from conflicts of interest. However, we have come across instances where there were not enough independent directors on the Board or a sufficient number of independent directors did not attend board meetings.

Clarity of roles and responsibilities between the Board and Management is essential in ensuring the smooth functioning of the organisation and avoiding dysfunction. While the Board is intended to give a strategic perspective and exercise broad oversight over the management, the executive management is responsible for running the day-to-day operations. The MD & CEO is expected to function under the overall supervision, direction and guidance of the Board and at the same time, maintain independence in performance of his or her duties. It is also important that the sub-committees such as the Audit Committee, Nomination and Remuneration Committee, *etc.* are duly constituted and function in accordance with the statutory and regulatory requirements.

Prior preparation and diligence by board members is a *sine qua non* for effective governance and decision making by the Board. I would urge Board members to insist on receiving the agenda papers well in advance and thoroughly reviewing them. Rather than merely going through summaries or presentations made by the management, I would request directors to meticulously review RBI supervisory letters and inspection reports, external audit reports as well as the reports provided by the internal assurance functions as they would provide valuable insights into the management's performance.

Business Model of ARCs

The ARC framework was intended to allow loan originators to focus on their core function of lending by removing the sticky stressed assets from their books. It also envisioned the revival of businesses through resolution of viable and productive assets.

A review of the data indicates that one-time settlements and rescheduling of debt are the predominant measures of reconstruction employed by ARCs. Arguably, these measures could have been taken by the lenders themselves. We have also come across instances where ARCs have warehoused the stressed assets, while the originator has continued to remain responsible for the collection as well as custody of the security provided by the borrower. ARCs may like to introspect whether they would like them to be a warehousing agency for a fee, which is certainly not in consonance with the underlying intent of the framework.

Independence of assurance functions

Boards should accord due importance to assurance functions, namely, risk management, compliance and internal audit. These functions play a critical role in identifying and mitigating risks, ensuring compliance with laws and regulations as well as safeguarding the organization's reputation. Boards should ensure that heads of assurance functions are positioned appropriately within the organizational hierarchy and granted direct access to the Board. Dual-hatting, or combining assurance responsibilities with operational or management duties, undermines the independence and objectivity of assurance functions by creating conflicts of interest. Therefore, any dual hatting of assurance functions, should be avoided.

During the course of our onsite examinations, it was observed that there is very little appreciation of these requirements. The assurance functions are manned by junior level personnel and at times even left vacant! There is very little training and exposure to industry best standards. Consequently, they are often not able to stand up to senior management or report to the Board.

Another area that is receiving closer scrutiny and attention of supervisors is the process followed for disposal of assets. At times, the proposals are not even placed before the independent advisory committee, contrary to regulatory instructions. Assets are sold to group entities without following the arms length principle and without subjecting them to scrutiny under related party transactions. Another surprising behaviour is the *'Swiss challenge'*, which often goes unchallenged! This has become a routine affair giving rise to a suspicion that there may be some implicit understanding among the various participants. It will not be out of place if I mention here that such happenings are necessitating the supervisors to lift the veil and examine the transactions more closely.

Conclusion

In conclusion, I would like to emphasise that the ARCs' potential for resolving stressed assets within the system can only be realised with sound governance and adherence to ethical practices by a responsible ownership and a professional management.

The Boards of ARCs should ensure that they do the right thing without needing the regulator to point it out to them. With strong governance, ARCs can not only recover but also revive businesses and rejuvenate the financial system, benefiting both the community and the institution.

I sincerely hope that the outcomes of this conference will not only benefit the participants but will also positively impact on the broader economic ecosystem. Thank you.

ARTICLES

*State of the Economy**

Global growth was resilient in the first quarter of 2024. Many central banks have pivoted towards a less restrictive monetary policy stance in response to the fall in inflation in their economies. In India, high-frequency indicators suggest the real GDP growth in Q1:2024-25 is broadly maintaining the pace it achieved in the preceding quarter. The prospects for agriculture are brightening with the early landfall of the southwest monsoon. Headline inflation is gradually easing, driven by sustained softening of its core component, although the path of disinflation is interrupted by volatile and elevated food prices.

Introduction

In 1915, the poet Robert Frost wrote about two roads diverging in a yellow wood and not being able to travel both.[1] A century and a decade later, a "Frost" inflection moment has arrived, riding on the tides of monetary policy with profound implications for the global economy as it ripples across asset and currency markets. For the first time in almost five years, the European Central Bank (ECB) joined Canada, Switzerland and Sweden among advanced economies (AEs) – the Bank of England is expected to follow soon - and Brazil, Mexico, Chile, Hungary and the Czech Republic among emerging market economies (EMEs) to lower its policy rates by a quarter point and begin the reversal of a historic series of rate increases. In response to a more than 2.5 percentage points fall in inflation, 'dialing back' has begun, but "what is uncertain is the speed of travel and the time it will take"[2]. The ECB cautioned that it was not pre-committing to a particular rate path and that further moves would depend on the data that are received. Europe faces the same stickiness in wages and prices of services as the US – in fact, both headline and core inflation in the euro zone ticked up in May. Euro area headline inflation is likely to stay above the target well into 2025, going by the ECB's own forecasts. Yet growth has largely stalled since late 2022, barring the slender improvement in the first quarter of 2024, in spite of job creation and wage growth remaining strong on both sides of the Atlantic. Against that backdrop, the ECB's action appears pragmatic and precautionary as it weighs the balance of risks in the shifting dynamics of inflation in forward-looking indicators *versus* the impact of the high costs of credit on economic activity.

This action sets the stage for a variance from the US Fed, which is not expected to follow suit for months. Although core inflation eased in the US in its April and May readings, the consumer remains the key protagonist in the 'no landing' narrative that continues to mark the underlying resilience of economic activity. Yet, signs of a slowing down are taking hold in spite of the Fed delaying arrival at the rate-cutting party. The key evidence is weak personal consumption expenditure in April. Retail sales also flattened in that month. According to the San Francisco Fed, households burned through the last of their US $ 2.1 trillion of pandemic era excess saving in March, pushing them more and more to rely on credit cards. Consequently, accounts are becoming delinquent at a pace last seen in 2011. People who took out loans to buy cars are falling back on repayments, forcing them to sell their vehicles[3]. Although non-farm payrolls for May

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[1] Frost, Robert, "The Road Not Taken" in A Group of Poems, Atlantic Monthly, 1915, August.

[2] Press Conference, Monetary Policy Statement, European Central Bank, June 6, 2024.

[3] The Economist, June 8-14, 2024.

surprised on the upside, job openings have also fallen to pre-pandemic levels and concerns are mounting that this is a precursor to lost jobs[4]. As households' balance sheets weaken, the key circuit breaker has to be the resumption of the decline in inflation and a renewed rise in disposable incomes. The downward revision in the GDP for the first quarter of 2024 and the tumbling of the manufacturing purchasing managers index into negative territory for the second consecutive month in May have added to concerns that the lagged effects of tightening monetary policy are taking effect. Shrill cries are being heard among Wall Street economists that the Fed should begin easing before things go further south.

Financial markets are clearly reflecting the divergence. Bond yields climbed to new highs even as stock indices faltered as risk-off sentiment spread. Even low-rated bonds have been swept up in the rally. As market expectations of interest rates embedded in swap curves diverge, so do financial conditions on either side of the Atlantic, although transatlantic currency movements are likely to be small. Carry trades have gained traction to exploit interest rate differences across currency markets. In the carry trade heartland – emerging markets – there has been a strong comeback, especially where interest rates are high and central banks speak cautiously. The Institute of International Finance (IIF) has predicted that capital flows to emerging markets may rise by a third to US $ 903 billion in 2024 if global growth holds up. In the east, the Japanese yen has slid towards 34-year lows, with interventions having only a fleeting effect. Market pressures are mounting to weaken the renminbi so as to reflect the gap in bond yield differentials with the US in spite of tight daily fixings by the People's bank of China. In a development that will cast a shadow on commodity markets in which metal prices are already on the rise, OPEC plus members agreed to extend deep cuts in oil production to the end of 2025 to shore up prices amidst weak global demand and increased supply from other parts of the world. This would keep more than 3 million barrels a day of crude off the market until the end of next year. Eight members, including Saudi Arabia, Russia, Iraq and the UAE would unwind some voluntary cuts from October.

It is no surprise, therefore, that the United Nations drew attention in early June 2024 to the veneer of resilience masking both short-term risks and structural vulnerabilities in the global economy as it braces for the lagged effects of past monetary policy tightening[5]. In its view, underlying price pressures are still elevated in many countries. A further escalation of conflicts risks disrupting energy markets and renewing inflationary pressures worldwide. The prolonged period of high borrowing costs and tight credit conditions present strong headwinds to the world economy already saddled with high levels of debt and starved of investment — including for fighting climate change and making meaningful progress towards the sustainable development goals (SDGs). Meanwhile, geopolitical fragmentation is a growing risk to global trade and industrial production.

Labour market conditions are expected by the UN to deteriorate in many developing economies. The firming up of food prices from the second half of 2023 is becoming a significant driver of food insecurity more recently in the developing world, worsening living conditions. An estimated 238 million people experienced acute food insecurity in 2023 alongside the aggravation of poverty, especially in low-income countries facing a decline in official development assistance (ODA). A further reduction in ODA in conjunction with the weakening trend of global investment will risk reversing the hard-earned development gains over several decades gone by.

4 Speech by Mr Christopher J Waller, Member of the Board of Governors of the Federal Reserve System, at the Economic Club of New York, New York City, 27 March 2024.

5 World Economic Situation and Prospects, United Nations, June 2024.

Shifts in supply chains are posing threats to exports from developing economies, although the revival in international tourism strikes a positive note. For this group of countries, dealing with balance of payments concerns and debt sustainability risks will be the challenge of 2024. They will need a broad range of tools, including capital flow management, macroprudential policies and exchange rate management to minimize adverse spillover risks from the divergence that is manifesting itself across shores of the Atlantic. Building buffers is accordingly assuming priority, especially as fiscal space is shrinking amidst higher interest rates and tighter liquidity. The structural challenge is to somehow scale up climate finance to US $ 150 trillion by 2050 for energy transition alone, with US $ 5.3 trillion required annually to transform the global energy sector alone, according to the UN. Overall, it believes that while the world economy avoided the worst-case scenario of a recession in 2023, a protracted period of low growth looms large.

In India, real GDP growth surged in 2023-24 to its highest rate since 2016-17, barring the post-COVID rebound in 2021-22, and stunned all projections. There is increasing evidence that in the post-pandemic years, a trend upshift is taking shape, which is shifting India's growth trajectory from the 2003-19 average of 7 per cent to the 2021-24 average of 8 per cent or even more, powered by domestic drivers. More recent indicators suggest that private consumption is resuming its role as the main driver of demand and is getting broad-based to include rural consumers. The fast moving consumer goods sector is gearing up for a strong turnaround on expectations of pick-up in public welfare spending. A drop in walk-in clientele is being compensated for by e-commerce platforms, especially in heatwave conditions. Investment has maintained steady growth; some moderation in the more recent period could be on account of transitory uncertainty weighing on investment decisions but this too shall pass. A strong revival in private investment has to become the most important factor driving growth in the years to come, especially as public finances consolidate. Government consumption spending picked up modestly towards the close of 2023-24, reflecting the sustained focus on capital expenditure which is a positive for the medium-term prospects of the economy and investor sentiment.

In a pleasant surprise, net exports have improved their contribution to GDP, especially high-end manufacturing. India has begun to move downstream and engage in exports of finished goods through a rise in the share of pure backward global value chain (GVC) participation, incentivized by export-linked schemes. The services sector is also witnessing a compositional change. GVC participation in services has shown a gradual maturing from low value-added business process outsourcing services to high value-added services such as those provided by global capability centres (GCCs) that have evolved from cost-saving entities to hubs for innovation and high-value activities and are spreading to tier-II cities. Increasingly, the focus is likely to shift to export of services and the leveraging of skilled workforces. India's hospitality industry is seeking to expand the frontiers of tourism in the country. India has the largest tourism and travel sector in south Asia. An ambitious target of adding US $ 1 trillion to GDP through tourism has been set for 2047 by making India a major tourist destination.

On the production side, manufacturing has led the expansion in gross value added (GVA), with construction keeping pace. For both, the near-term prospects look bright. In fact, in the case of the latter, India's commercial realty landscape in satellite and tier-II cities is undergoing a significant transformation fueled by infrastructure development in the form of road networks and metro connectivity, strategic urban planning and relatively lower cost of living. Services maintained expansion at pre-pandemic trend rates, and were led by finance, insurance, real estate and business services. Although agriculture and allied activities remained muted, there is considerable optimism about a better performance in 2024-25.

The India Meteorological Department (IMD) got it right – the southwest monsoon set in over Kerala two days ahead of its normal arrival. The timely arrival of monsoon rains bodes well for *kharif* sowing and for the replenishment of reservoirs, which makes the foodgrains target of 340 million tonnes for the 2024-25 crop year (July –June) appear achievable. *El Nino* conditions, associated with deficient rainfall are likely to turn ENSO neutral during the early part of the monsoon season. The neutral Indian Ocean Dipole (IOD) conditions that prevail currently will turn positive during the monsoon as predicted by climate model forecasts and bring generous rainfall.

This will also allay the effects of the severe heat wave that prevailed across northwest, central and eastern parts of the country prior to the onset of the monsoon, with temperatures soaring to 50 degrees celsius and even above in the north. Scientists warn that extreme summer heat has become a public health hazard. India is particularly vulnerable to losing labour productivity due to heatwaves as a large section of its workforce is engaged in outdoor work at this time of the year, as in agriculture, construction and mining. It is estimated that every degree of rise in temperature above 27 degrees celsius lowers labour productivity by 2-4 per cent. These effects are more pronounced in the northern part of the country than in the coastal peninsula. India loses around a quarter of its physical labour supply on very hot days. Added to output effects, this spills over into inflation and to investments in construction and logistics.

In the context of promoting resilience to climate change, the recent milestone achieved by India is noteworthy – it added over 10 giga watts of solar capacity in the first quarter of 2024, marking the highest quarterly installation to date. This represents a close to 400 per cent year-on-year (y-o-y) increase. There is a substantial pipeline of large-scale projects for 2024, positioning India to be among the top three solar markets globally, with streamlined auctions and attractive tariffs revitalising the drive. In sync with these developments, greater focus on putting in place transmission infrastructure and mechanism for faster land acquisition become necessary. India has substantial investment opportunities totalling US $ 500 billion by 2030 in the clean energy value chain, including renewables, green hydrogen, electric vehicles and infrastructure transition.

As discussed in Section III, a nowcast of economic activity *i.e.*, based on more current high frequency indicators, suggests the real GDP growth in Q1:2024-25 is broadly maintaining the pace it achieved in the preceding quarter. There is, however, a structural break in the formation of GDP since the pandemic. First quarter GDP has tended to record some loss of momentum relative to other quarters since the onset of the pandemic. Hence, some moderation in speed relative to the growth of 7.8 per cent in Q4:2023-24 can be expected in the actual outturn when the National Statistical Office (NSO) releases its estimate in the end of August. A silver lining for the trajectory of GDP in 2024-25 is halting descent of headline inflation in its May 2024 reading. The fifth consecutive month of decline, *albeit* grudging, opens up space for aggregate demand to benefit from price/ cost reductions. The fact that the ongoing disinflation is being driven by the softening of the core component of consumer price index (CPI) inflation to a new low validates the stance of monetary policy. As long as food price pressures persist, however, the goal of aligning inflation with its target remains a work in progress.

Set against this backdrop, the remainder of the article is structured into four sections. Section II covers the rapidly evolving developments in the global economy. An assessment of domestic macroeconomic conditions is set out in Section III. Section IV encapsulates financial conditions in India, while the last Section sets out concluding remarks.

II. Global Setting

Global economic activity exhibited resilience as reflected in an increasing number of central banks pivoting towards a less restrictive monetary policy stance. In its latest Global Economic Prospects (GEP), the World Bank revised upwards the global growth projection by 20 basis points (bps) to 3.1 per cent in 2024, reflecting expansions of trade and investment (Table II.1). Growth in AEs is projected at 1.5 per cent in 2024, while the emerging-market and developing economies (EMDEs) are expected to grow by 4.0 per cent. Global growth in 2025 is forecasted to be at 3.2 per cent. Even as inflation started to exhibit signs of sustained moderation, growth in major economies, including the UK and euro area, turned positive in Q1:2024. Our model-based nowcast, augmented with the latest high frequency data points to a positive but moderating global growth momentum during Q2:2024 (Chart II.1).

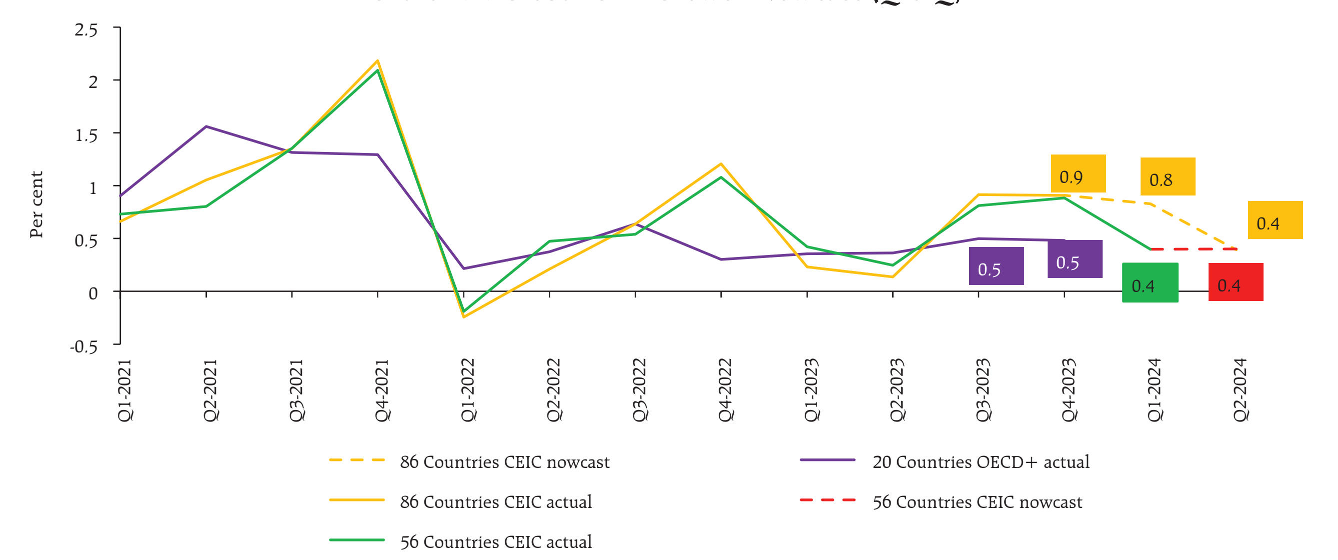
Table II.1: GDP Growth Projections – Select AEs and EMEs

(Per cent)

	2024		2025	
Month of Projection → / Region/Country ↓	January 2024	June 2024	January 2024	June 2024
World*	2.9	3.1	3.1	3.2
Advanced Economies				
US	1.6	2.5	1.7	1.8
Euro area	0.7	0.7	1.6	1.4
Japan	0.9	0.7	0.8	1.0
Emerging Market Economies				
Brazil	1.5	2.0	2.2	2.2
Russia	1.3	2.9	0.9	1.4
India#	6.4	6.6	6.5	6.7
China	4.5	4.8	4.3	4.1
South Africa	1.3	1.2	1.5	1.3

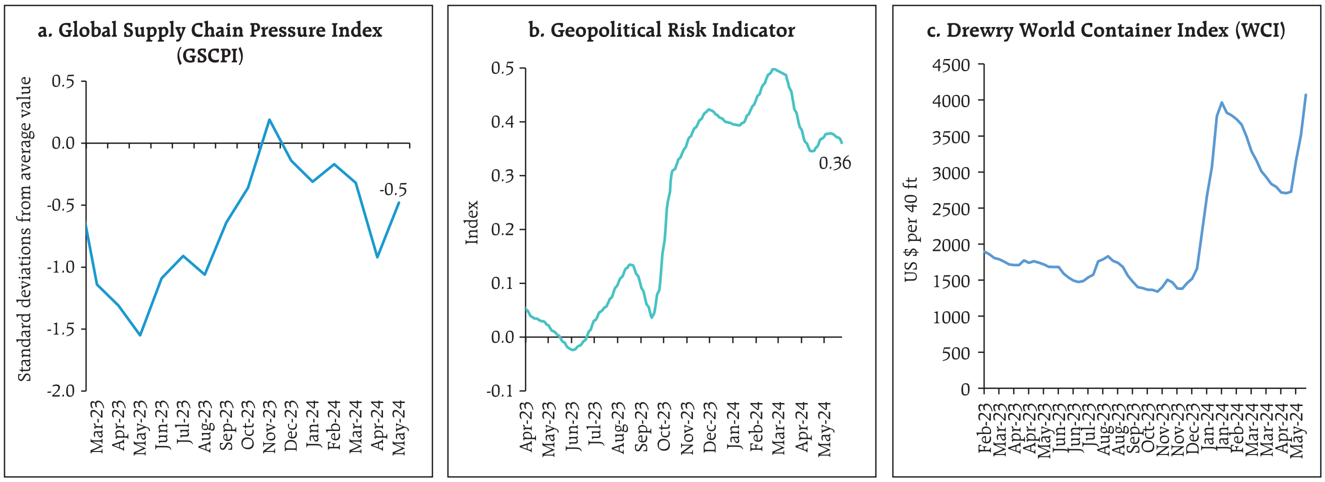
Note: *: PPP weighted. #: Data is on a fiscal year basis.
Source: World Bank.

Chart II.1: Global GDP Growth Nowcast (Q-o-Q)



Sources: CEIC; OECD; and RBI staff estimates.

Chart II.2: Trends in Global Supply Chain Pressures and Geopolitical Risks



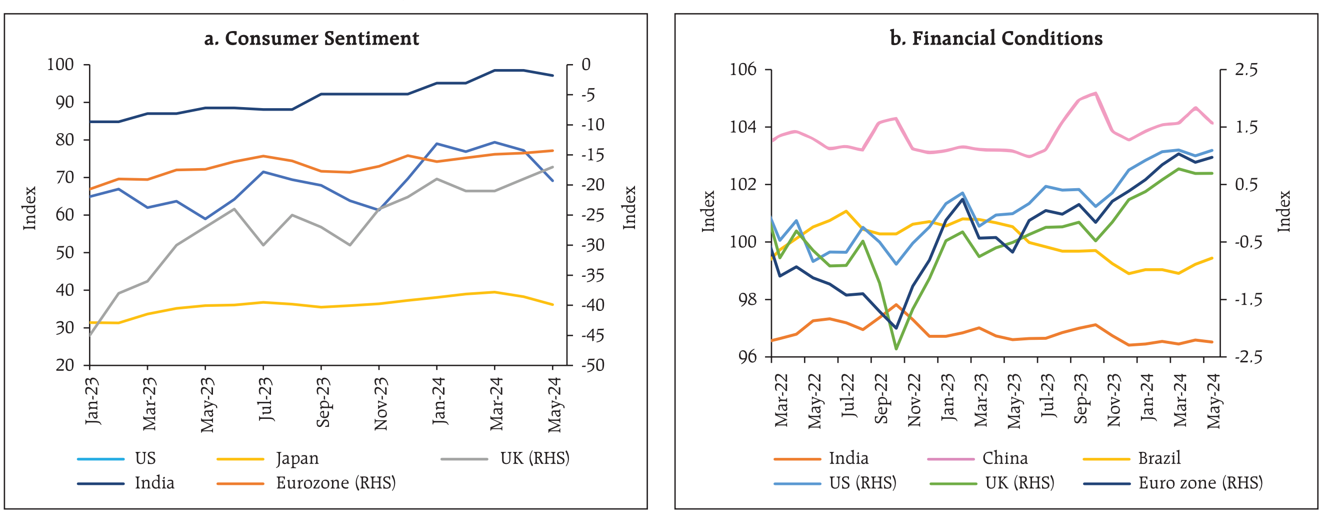
Notes: 1. GSCPI reflects data on transportation costs and manufacturing indicators.
2. The WCI assessed weekly by Drewry reports actual spot container freight rates for major east west trade routes. The composite represents a weighted average of the 8 shipping routes by volume and is reported in USD per 40-foot container.

Sources: Federal Reserve Bank of New York; BlackRock Investment Institute, May 2024; and Bloomberg.

The global supply chain pressures index (GSCPI) recorded an uptick in May 2024 after declining for two consecutive months (Chart II.2a). Geopolitical tensions eased marginally, although the geopolitical risk indicator remained significantly higher than its level recorded a year ago (Chart II.2b). Logistics disruptions led to hardening of shipping costs in the second half of May 2024, imparting upside bias to import costs (Chart II.2c).

Consumer sentiments remained pessimistic and fell in the US to their lowest level in five months on account of a rise in the unemployment rate, slow income growth, high interest rates and the still uncertain inflation outlook (Chart II.3a). Financial conditions continued to remain tight across advanced and emerging economies during May 2024, except in Brazil and India (Chart II.3b).

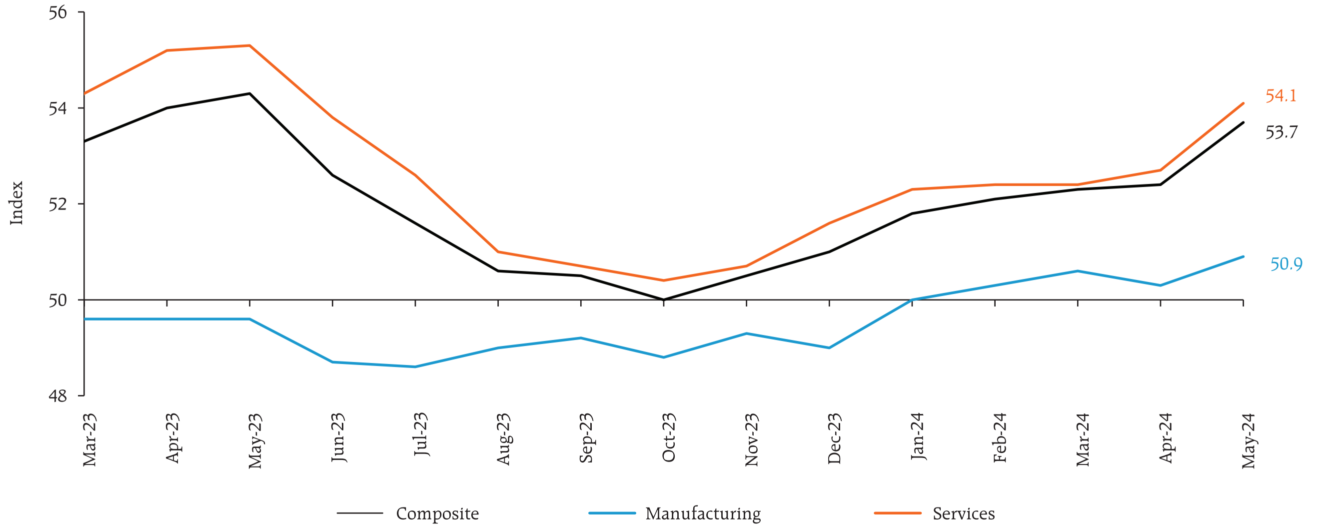
Chart II.3: Consumer Sentiment and Financial Conditions



Notes: 1. Japan: A score above 50 indicates consumer optimism, below 50 shows lack of consumer confidence and 50 indicates neutrality.
2. Eurozone and UK: -100 indicates extreme lack of confidence, 0 denotes neutrality while 100 indicates extreme confidence.
3. India and US: Higher the index value, higher is the consumer confidence.

Source: Bloomberg.

Chart II.4: Global PMI

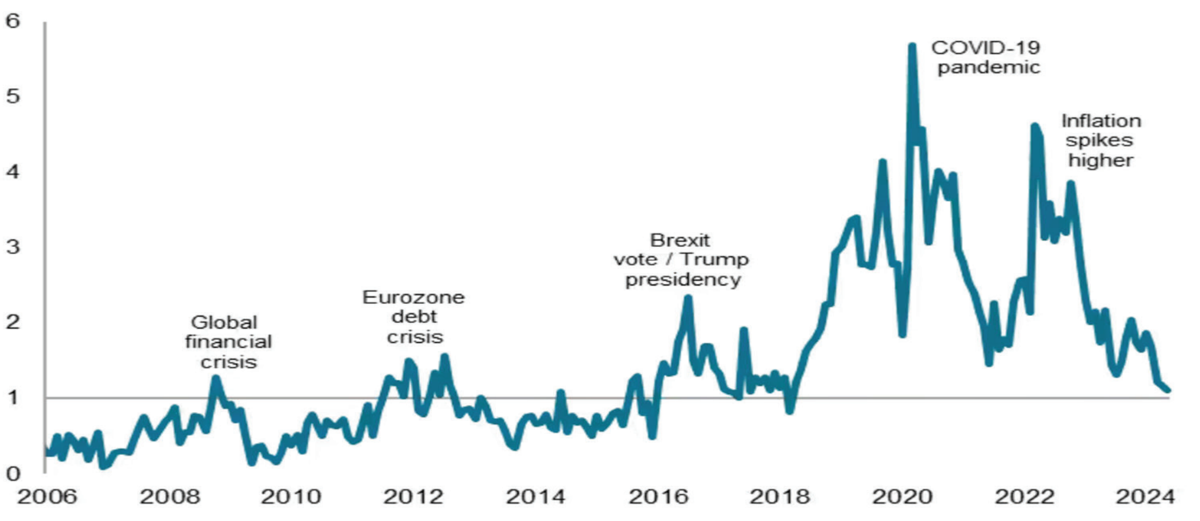


Note: A level of 50 corresponds to no change in activity and a reading above 50 denotes expansion and *vice versa*.
Source: S&P Global.

The global composite purchasing managers index (PMI) witnessed a sequential uptick for the seventh successive month, rising to a 12-month high in May 2024. The global manufacturing PMI edged up to a 22-month high in May, remaining above the neutral mark for the fourth successive month as output and new orders expanded at a quicker pace (Chart II.4). The services PMI remained above its manufacturing counterpart and accelerated to a 12-month high in May. The overall improvement in business conditions also reflects a decline in the uncertainty tracker faced by corporates to its lowest level since March 2018 (Chart II.5).

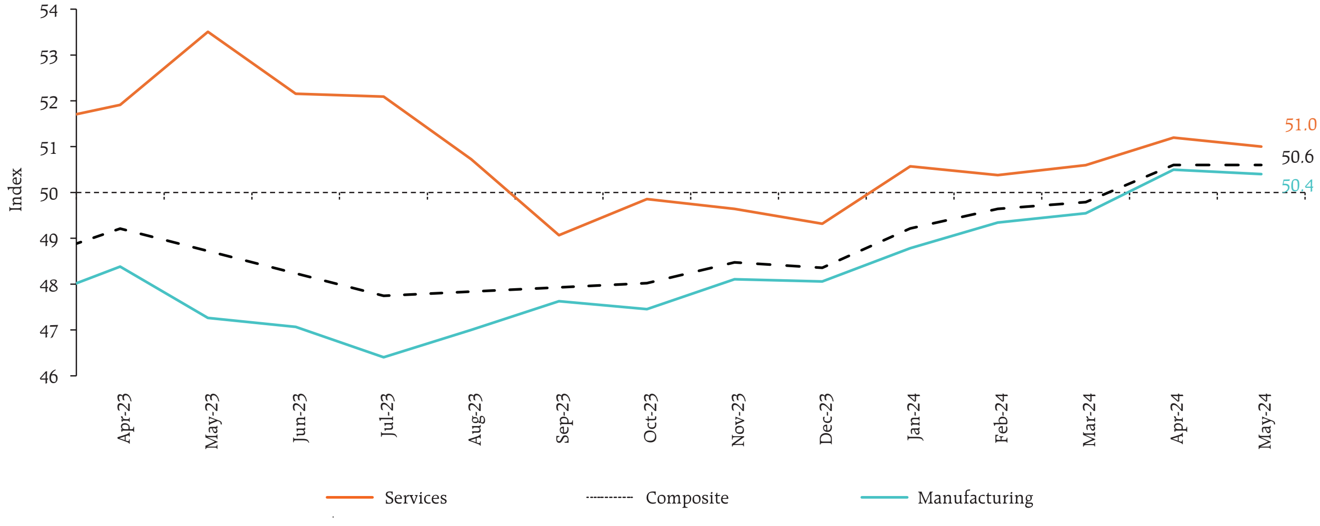
The composite PMI for export orders remained in expansionary territory in May 2024, although both manufacturing and services export orders moderated slightly on a sequential basis (Chart II.6).

Chart II.5: Global PMI Comment Tracker: Corporate Uncertainty



Notes: 1. Data compiled in June 2024. Mentions of the word "uncertainty" have dropped globally to the lowest since March 2018.
2. Index based on 1 = long-run average.
Source: S&P Global PMI Comment Tracker dataset.

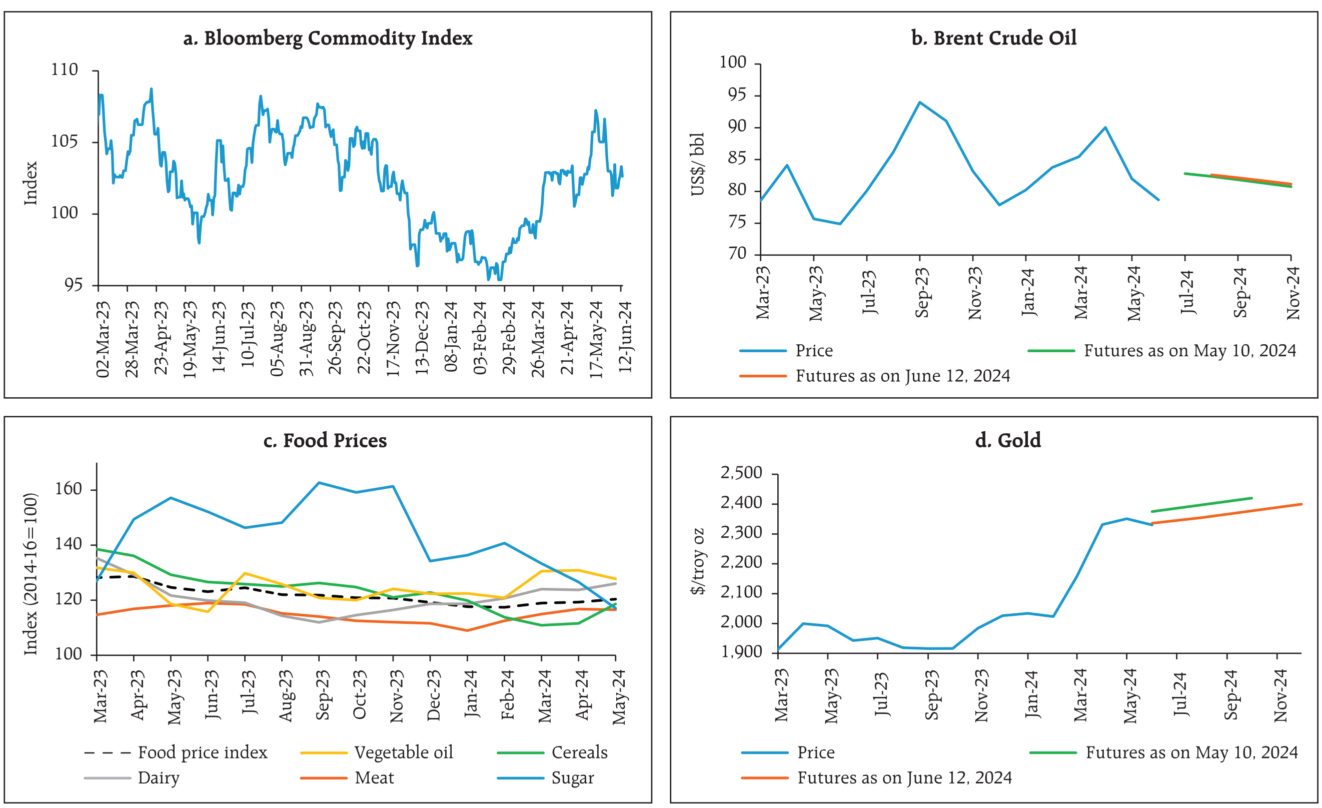
Chart II.6: Global PMI: Export Orders



Note: A level of 50 corresponds to no change in activity and a reading above 50 denotes expansion and vice versa.
Source: S&P Global.

Global commodity prices remained volatile in May and early June. The Bloomberg Commodity Price Index recorded an increase of 5.5 per cent during May 1-20 but corrected towards end-May and early June to erase most of its gains (Chart II.7a). The biggest fall was in the case of oil prices, with

Chart II.7: Commodity and Food Prices

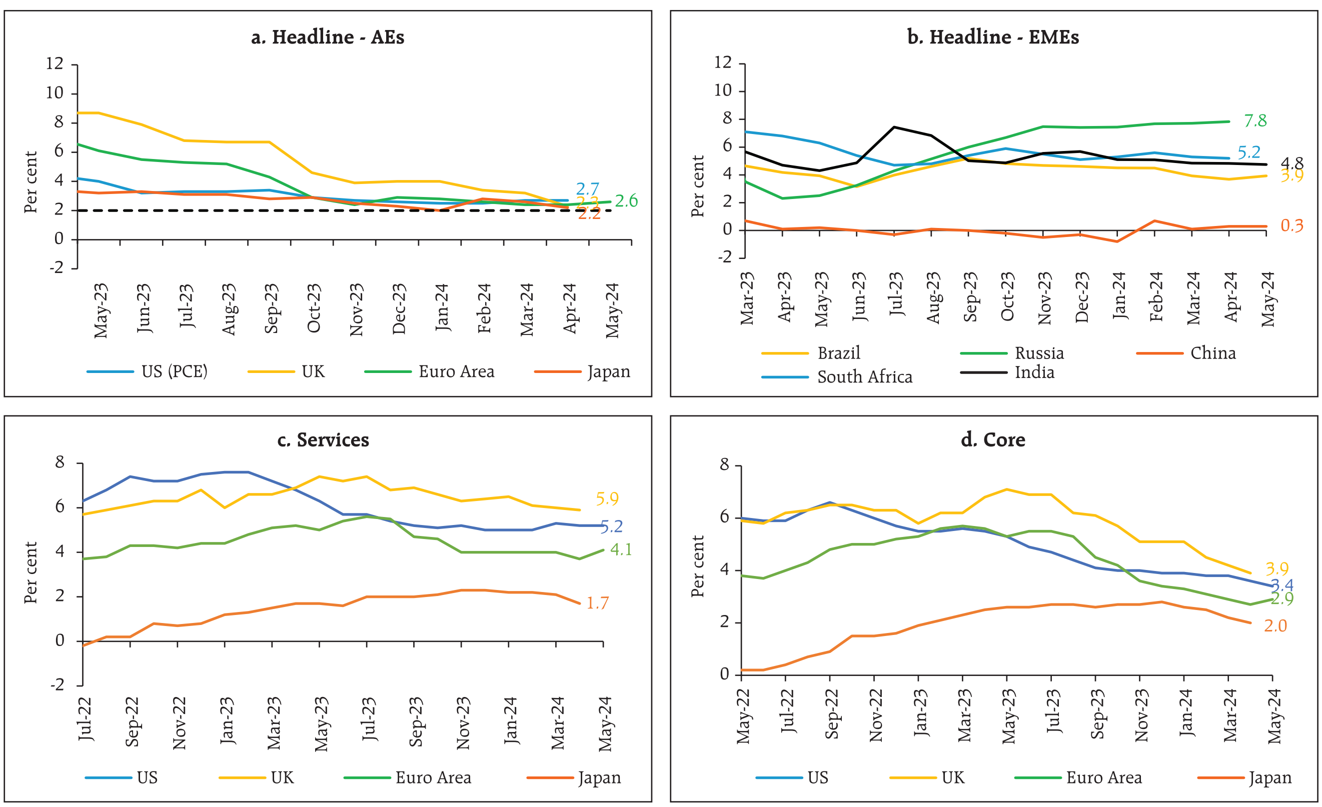


Sources: Bloomberg; World Bank Pink Sheet; and FAO.

Brent oil prices declining by 8.9 per cent (m-o-m) in May. Oil prices continued to moderate in early June after the meeting of OPEC+[6]. Brent oil prices at US$ 79.6 as on June 10, 2024 indicated that the market priced in the unwinding of "voluntary" cuts starting October (Chart II.7b). The Food and Agriculture Organization's (FAO's) food price index rose by 0.9 per cent (m-o-m) in May 2024, primarily driven by increase in the prices of cereals (6.3 per cent) but partially offset by a fall in sugar prices (-7.5 per cent). The index, however, stood 3.4 per cent below its corresponding value a year ago, due to decline in sugar and cereals prices on a y-o-y basis (Chart II.7c). Helped by weakness in the US dollar and treasury yields, gold prices reached their all-time high levels in May, but corrected subsequently (Chart II.7d).

Major economies continue to experience disinflation *albeit* at a tardy pace. The World Bank GEP projected global inflation to moderate to 3.5 per cent in 2024, and further to 2.9 per cent in 2025. In the US, CPI inflation moderated to 3.3 per cent in May from 3.4 per cent in April, while the headline personal consumption expenditure (PCE) inflation remained unchanged at 2.7 per cent in April. As per flash estimates, euro area inflation edged up to 2.6 per cent in May from 2.4 per cent in April. Inflation in Japan (CPI excluding fresh food) eased to 2.2 per cent in April, while in UK it softened to 2.3 per cent in April (Chart II.8a). Among EMEs, Brazil experienced an increase in inflation in May, while it remained steady in China. Inflation moderated in South Africa in April, whereas it inched up in Russia (Chart II.8b).

Chart II.8: Inflation - AEs and EMEs



Sources: Bloomberg; and OECD.

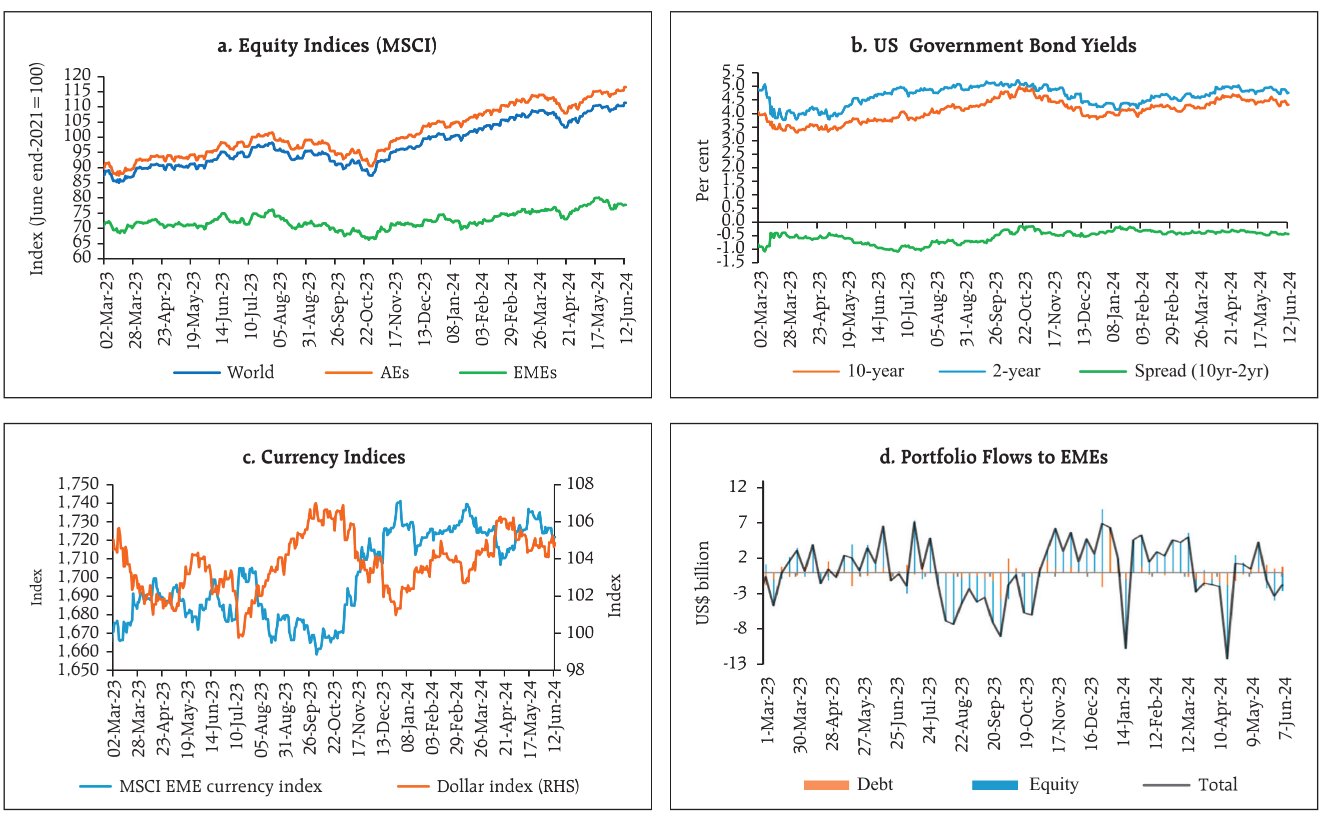
6 OPEC+ in its latest meeting in June 2024 announced extension of its deep cuts in oil production to the end of 2025 to support prices, which are being adversely affected by weak demand and increased supply from other parts of the world. Eight members, however, agreed to begin unwinding some "voluntary" cuts from October 2024.

Core and services inflation remained higher than headline inflation across major AEs barring Japan (Chart II.8c and II.8d).

Global equity markets rallied in May, with the Morgan Stanley Capital International (MSCI) world index rising by 3.8 per cent amid somewhat easing geopolitical tensions and optimism on imminent rate cuts in the US following other AEs (Chart II.9a). The markets continued to gain through early June pricing in cooler than expected US inflation data and the US Fed policy announcement. Equity markets in EMEs, however, witnessed corrections in the last week of May over political developments across geographies, but they partly recouped in early June. The US government securities (G-secs) yields – both 10-year and 2-year – softened by 18 bps and 16 bps, respectively, in May as financial markets accounted for the release of PCE inflation data on expected lines (Chart II.9b). The yields, however, exhibited volatility in June tracking incoming data. In the currency markets, the US dollar lost some strength after being lifted by stronger than expected non-farm payrolls in May, due to increased bets over the rate cuts by the Fed. The MSCI currency index for EMEs witnessed some moderation in the second half of May, exacerbated by increased capital outflows from the EMEs, mainly in the equity segment (Chart II.9c and II.9d).

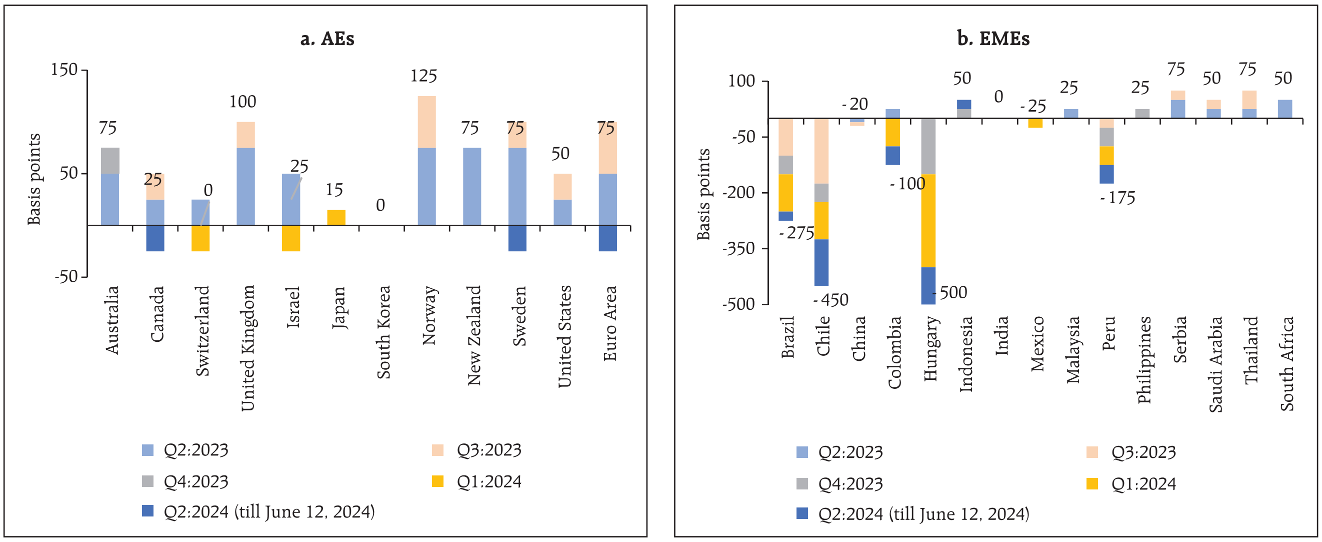
Select AEs and EMEs reduced their benchmark rates in their latest meetings as indications of a durable disinflation started to emerge. The Governing Council of the ECB decided to lower the three key interest rates by 25 bps each in its June meeting as the outlook for inflation improved markedly since

Chart II.9: Global Financial Markets



Sources: Bloomberg; and IIF.

Chart II.10: Changes in Policy Rates



Source: Bloomberg.

September 2023. Canada cut its policy rate by 25 bps in June to boost growth as inflation receded, reiterating that monetary policy need not be overly restrictive. The Czech Republic and Sweden also lowered their policy rates by 50 bps and 25 bps, respectively, in their May meetings (Chart II.10a). The US Federal Reserve, on the other hand, maintained the federal funds rate steady at 5.25-5.50 per cent in its June meeting. Amongst EME central banks, Chile and Hungary cut their benchmark rates by 50 bps each in their May meetings, while Brazil and Peru reduced the policy rates by 25 bps each in their May meetings (Chart II.10b). Most other central banks retained their restrictive policy stances in the pending last mile of disinflation.

III. Domestic Developments

The Indian economy turned in a solid macroeconomic performance in the face of geopolitical headwinds and the build-up of supply chain pressures (Chart III.1a). The May 2024 round of the urban consumer confidence survey points towards sustained optimism even though perceptions on the current situation recorded a sequential moderation (Chart III.1b). According to the economic activity index (EAI), GDP growth in Q1:2024-25 is likely to remain close to 7.4 per cent (Chart III.1c and Chart III.1d).

Projections from the in-house dynamic stochastic general equilibrium (DSGE) model suggest that GDP growth may reach 7.6 per cent (y-o-y) and headline CPI inflation may moderate to 4.4 per cent (y-o-y) during 2024-25 (Table III.1 and Chart III.2).[7] During

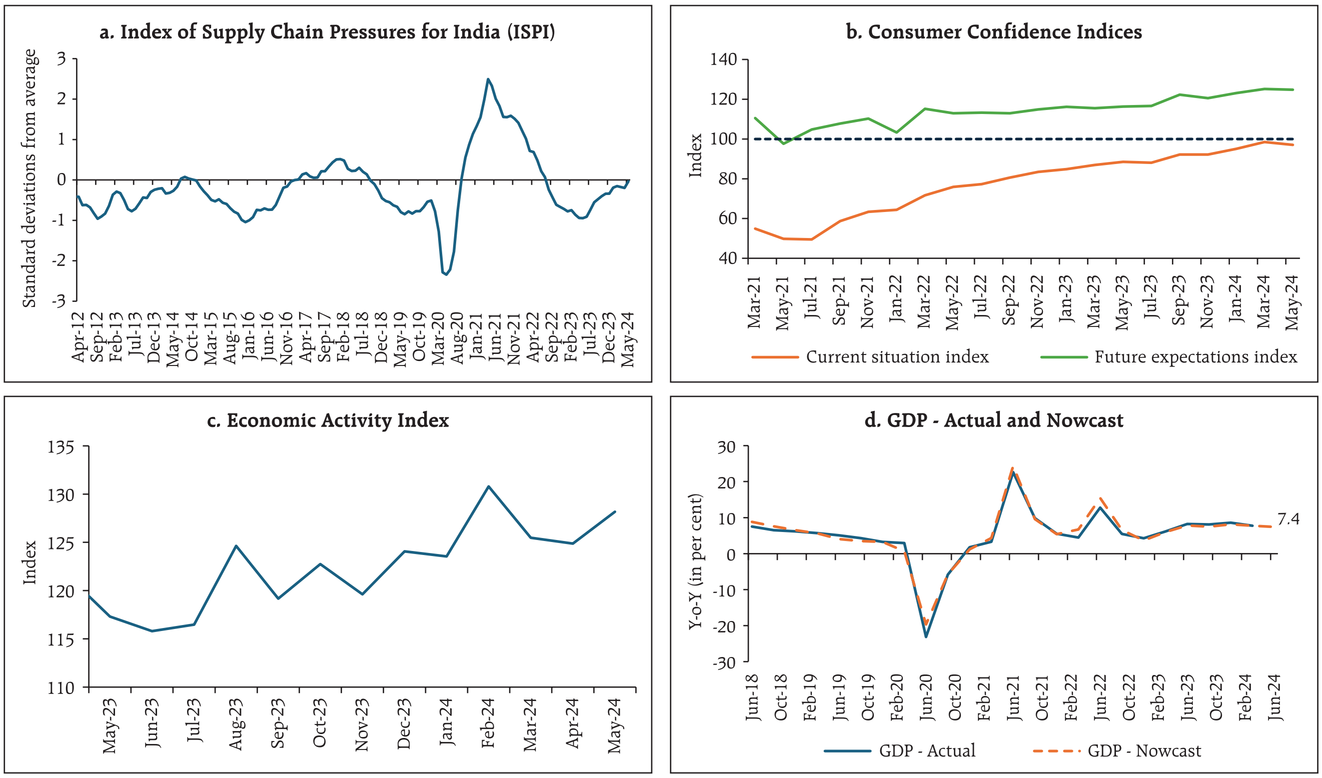
Table III.1: Baseline Projections

(y-o-y in per cent)

Periods	GDP Growth	CPI Inflation
Q2: 2024-25	7.4	4.5
Q3: 2024-25	8.4	4.3
Q4: 2024-25	6.8	4.0
FY 2024-25	**7.6**	**4.4**
Q1: 2025-26	6.5	3.9
Q2: 2025-26	6.5	4.0
Q3: 2025-26	6.4	4.0
Q4: 2025-26	6.3	4.1
FY 2025-26	**6.4**	**4.0**

[7] The baseline projections are estimated under the assumptions that the global GDP growth and CPI inflation for 2024-25 and 2025-26 will be as per the IMF WEO, April 2024 update; and policy repo rate and US Fed funds rate will remain at 6.5 per cent and 5.5 per cent, respectively, for the current and next financial year.

Chart III.1: Economic Activity and GDP Growth Nowcast



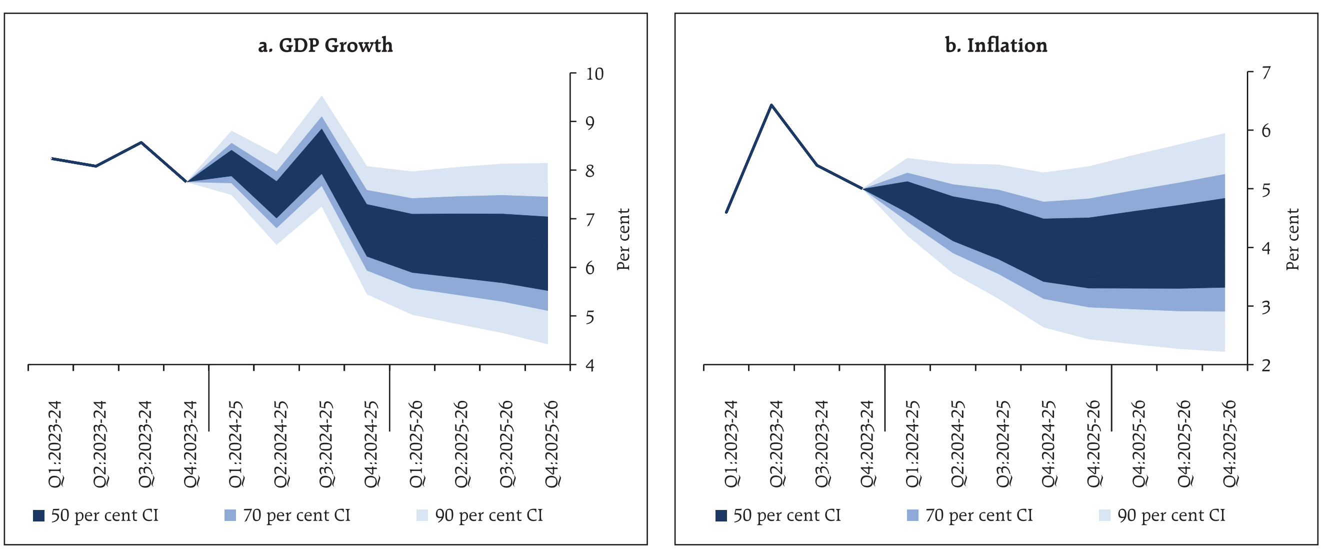
Note: The economic activity index (EAI) was constructed by extracting the common trend underlying twenty seven high frequency indicators of economic activity using a Dynamic Factor Model. EAI was scaled to 100 in February 2020 and 0 in April 2020, the worst affected month due to mobility restrictions.
Sources: NSO; and RBI staff estimates.

2025-26, GDP is projected to grow at 6.4 per cent while headline CPI inflation may moderate further to 4 per cent.

Aggregate Demand

According to the provisional estimates (PE) of national income released on May 31, 2024 India's

Chart III.2: GDP Growth and CPI Inflation Fan Chart



Source: RBI staff estimates.

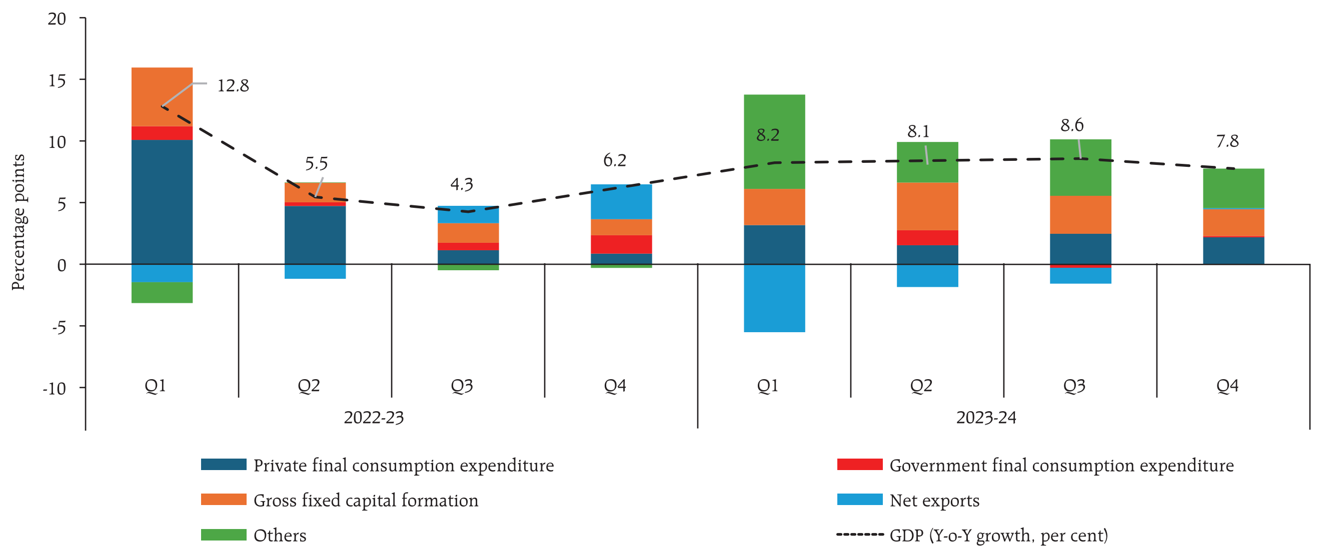
real gross domestic product (GDP) registered a growth of 8.2 per cent for 2023-24 as compared with 7 per cent a year ago. GDP growth has been revised upwards by 0.6 percentage points from the second advance estimates (SAE). The higher revised growth is primarily due to an upward revision in the growth of private final consumption expenditure (PFCE) and exports. Government final consumption expenditure (GFCE) and gross fixed capital formation (GFCF), however, have been revised downwards in the PE as compared with the SAE.

Turning to the quarterly growth trajectory, the Indian economy expanded at 7.8 per cent in Q4:2023-24 as compared with 8.6 per cent in Q3:2023-24. GDP growth in Q4:2023-24 is estimated to be higher by 190 bps than the implicit growth rate of 5.9 per cent in the SAE (Chart III.3). PFCE growth remained resilient at 4.0 per cent during Q4:2023-24 after accelerating in Q3. GFCE grew marginally at 0.9 per cent in Q4:2023-24 following a contraction in the previous quarter. With construction activity moderating in Q4:2023-24, fixed investment growth decelerated to 6.5per cent from 9.7 per cent in the preceding quarter. Exports and imports grew robustly at 8.1 per cent and 8.3 per cent, respectively. This led to net exports contributing positively to GDP growth in Q4:2023-24 after remaining in contraction in the preceding three quarters.

High frequency indicators point towards sustained momentum in domestic demand conditions during Q1:2024-25. E-way bills grew by 17 per cent (y-o-y) in May 2024, with sequential growth in both inter- and intra-state E-way (Chart III.4a). Toll collections increased by 8.7 per cent (y-o-y) in May 2024 (Chart III.4b).

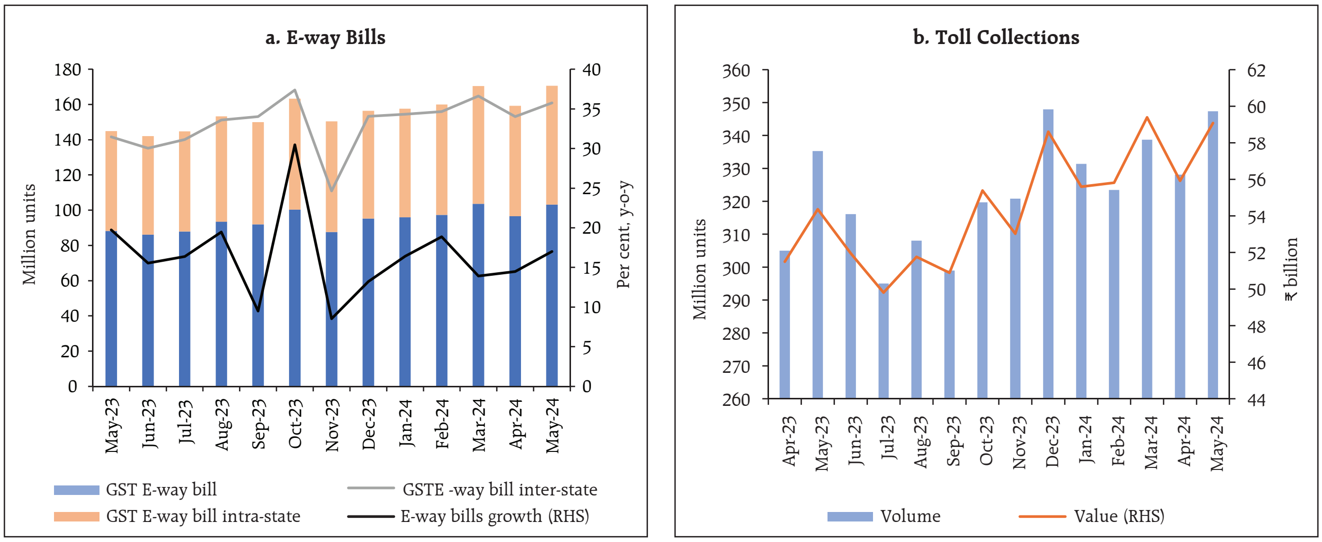
Automobile sales recorded a growth of 9.3 per cent (y-o-y) in May 2024, led by passenger vehicles segment as well as two-and-three wheelers, even as growth for entry level vehicles continued to remain weak (Chart III.5a). Domestic tractor sales increased to a seven-month high in May 2024 as the timely arrival of the southwest monsoon (SWM) and the onset of the *kharif* season sowing buoyed farmer sentiments (Chart III.5b). Vehicle registrations moderated in May 2024, mainly in the non-transport vehicles segment

Chart III.3: Weighted Contribution to GDP Growth



Source: RBI staff estimates.

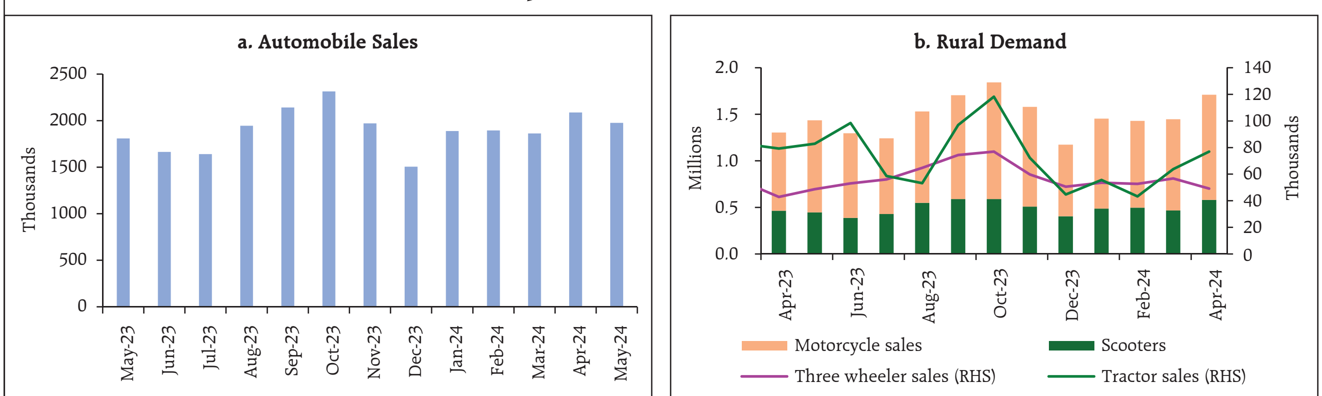
Chart III.4: E-way Bills and Toll Collections



Sources: GSTN; and RBI.

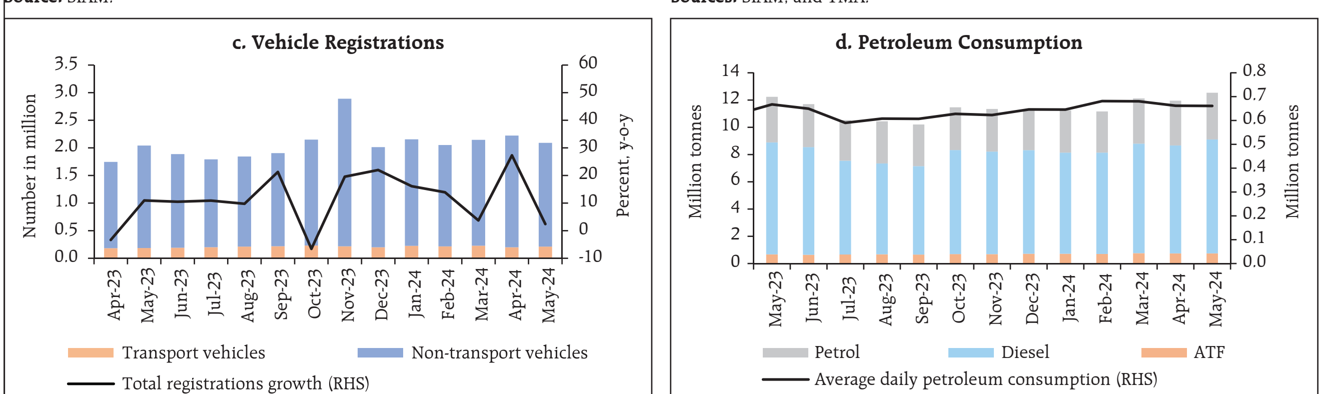
as extreme heat reduced walk-ins and registrations (Chart III.5c). Within petroleum consumption, sales of diesel, used mainly in commercial vehicles including trucks, and motor spirit (petrol), recorded a series high (beginning April 1998) indicating strong transport activity (Chart III.5d).

Chart III.5: Automobile Sector Indicators



Source: SIAM.

Sources: SIAM; and TMA.



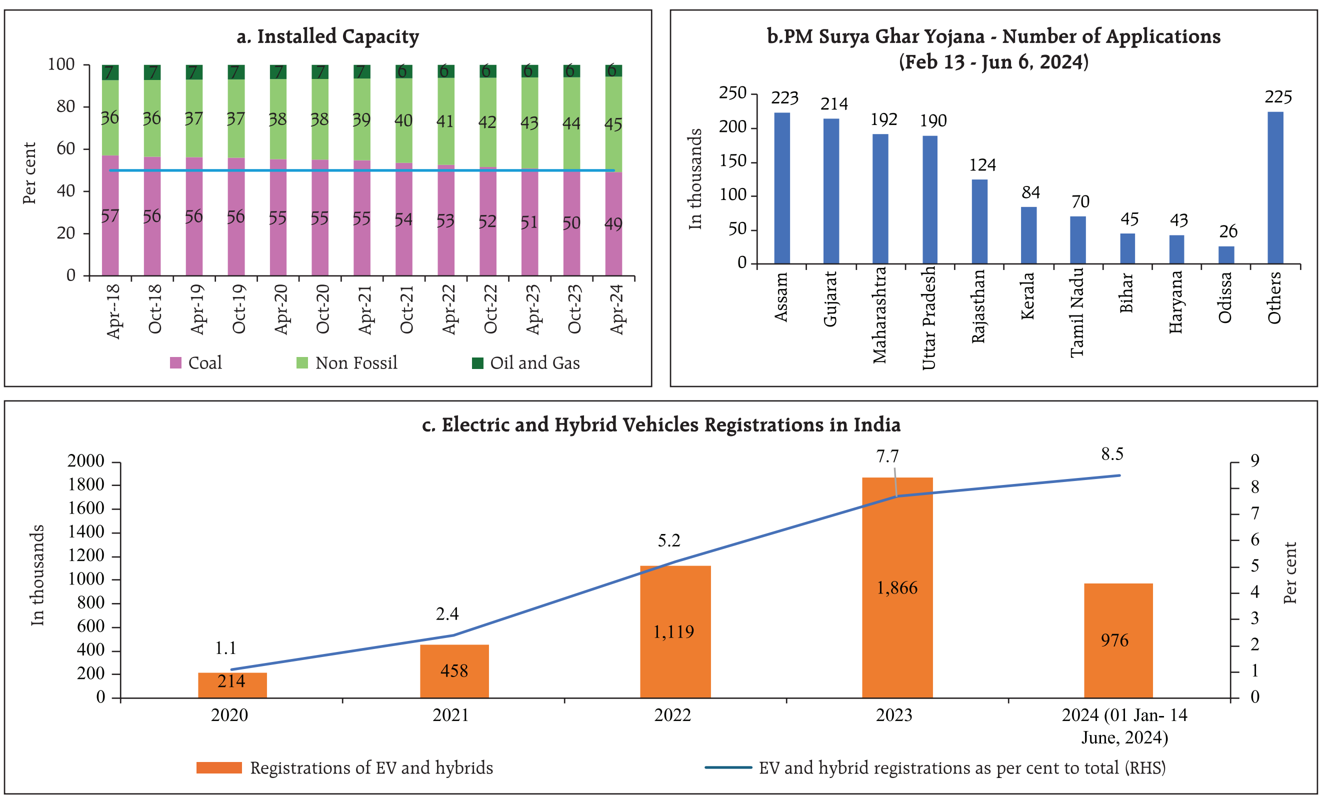
Source: SIAM.

Sources: SIAM; and TMA.

Renewable energy accounted for 71 per cent of total power generation capacity added in 2023-24. This surge in renewables pulled the share of coal and lignite below 50 per cent of India's total installed capacity in April 2024 (Chart III.6a). Some recent initiatives towards clean energy augur well for India's climate action performance going forward. Bids for 47.5 GW of renewable energy were issued in 2023-24, three times the amount typically added annually in the last three years.[8] In the rooftop solar segment, around 14.3 lakh applications were received under PM Surya Ghar Yojana (PMSGY) scheme till June 06, 2024[9] to provide further boost to renewables' capacity addition (Chart III.6b). Under the National Green Hydrogen Mission, the government has allocated tenders to incentivise the production of 4.12 lakh tonnes of green hydrogen annually. Additionally, tenders have been issued to develop an electrolyser manufacturing capacity of 1,500 MW per year to bolster India's hydrogen generation capacity. Public preferences for clean transportation showed healthy momentum as evident from growth in EV and hybrid registrations in 2024 (1 Jan - 14 June), driven by two and three-wheeler segments. Total EV registrations are likely to surpass 1 million by the end of June 2024, almost equivalent to the entire year number for 2022 (Chart III.6c).

As per the data from the Centre for Monitoring Indian Economy (CMIE), the all-India unemployment rate (UR) declined to a 20-month low of 7 per cent, driven by lower UR in rural areas (Chart III.7a). The labour participation rate (LPR) recorded a marginal

Chart III.6: Green Transition

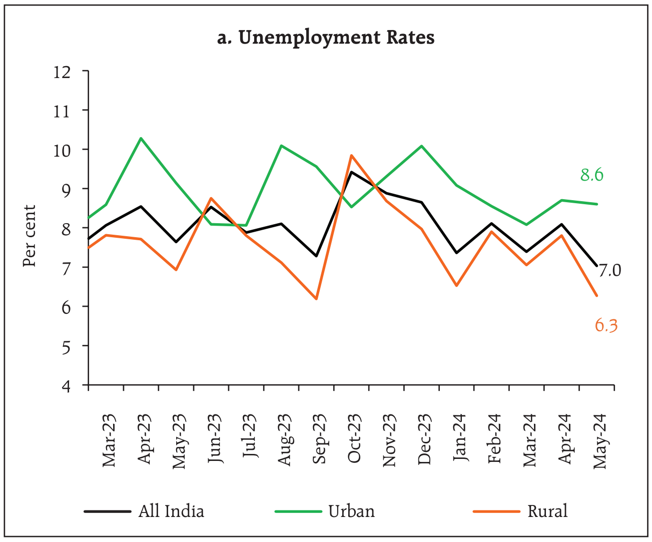


Note: Non-Fossil installed capacity include Bio Power, Hydro, Nuclear, Solar and Wind.
Sources: Government of India; NITI Aayog Dashboard; and VAAHAN Dashboard.

8 Council on Energy, Environment and Water, 2024.

9 PMSGY was introduced by the Union government in the interim Budget, February 1, 2024, and applications began on February 13, 2024.

Chart III.7: Labour Market Conditions



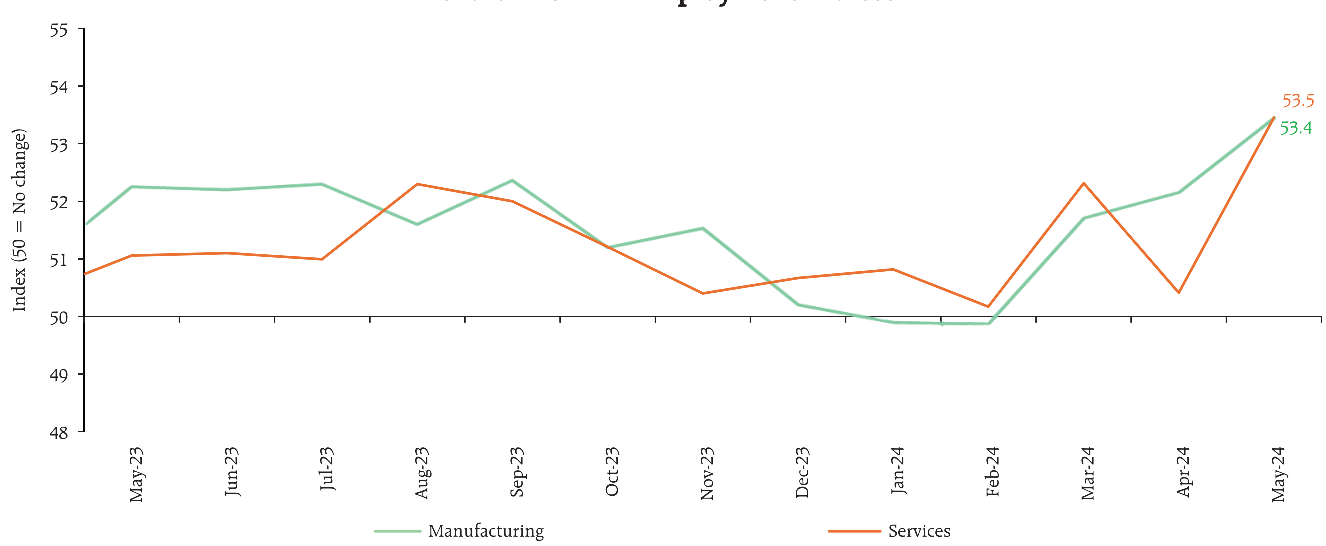
Source: CMIE.

decline while the employment rate (ER) increased *vis-à-vis* the preceding month, leading to the lower unemployment rate (Chart III.7b).

In May 2024, organised manufacturing employment recorded the fastest expansion in 18 months, driven by new orders and favourable demand expectations as captured by the PMI employment outlook. Services job creation expanded to its strongest since August 2022, led by robust increase in new business segment (Chart III.8).

The household work demand under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) witnessed an increase of 26.4 per cent (m-o-m) in May, reflecting the seasonal pattern in agricultural production (Chart III.9). MGNREGA employment, however, declined by 14.3 per cent on a y-o-y basis in May 2024.

Chart III.8: PMI Employment Indices



Note: A PMI value above 50 indicates expansion.
Source: S&P Global.

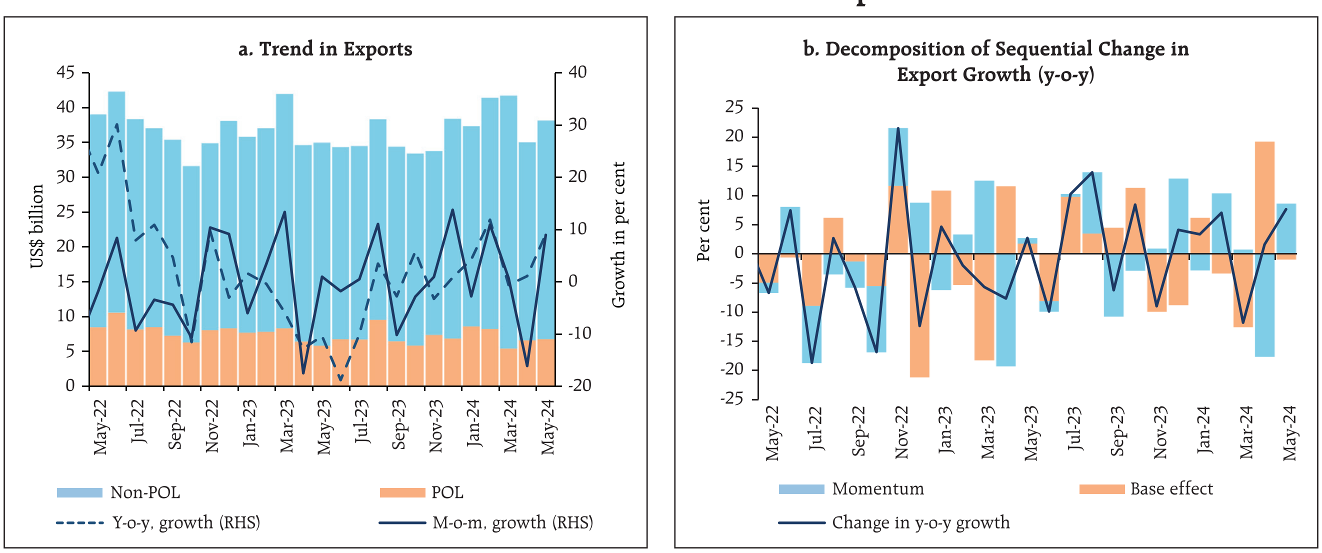
Chart III.9: Monthly Work Demand Pattern of MGNREGA

Source: Ministry of Rural Development.

India's merchandise exports at US$ 38.1 billion grew by 9.1 per cent (y-o-y) in May 2024, which was higher than the growth of 1.1 per cent in April (Chart III.10). Merchandise exports registered a broad-based expansion as 20 out of 30 major commodities (accounting for 80.8 per cent of the export basket) registered expansion on a y-o-y basis. Petroleum products, engineering goods, electronic goods, drugs and pharmaceuticals, and readymade garments supported export growth, while spices, other cereals, gems and jewellery, oil meals and marine products dragged it down in May (Chart III.11).

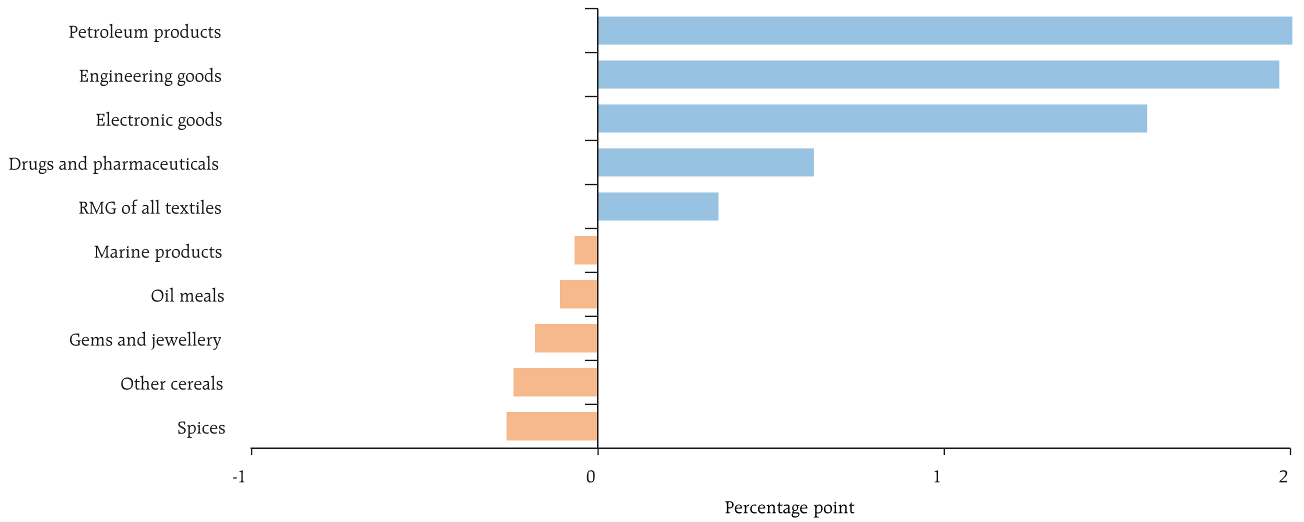
Merchandise imports at US$ 61.9 billion expanded by 7.7 per cent (y-o-y) in May, driven by a positive momentum (Chart III.12). Among the 30

Chart III.10 : India's Merchandise Exports



Note: POL- Petroleum, oil and lubricants.
Sources: PIB; DGCI&S; and RBI staff estimates.

Chart III.11: India's Merchandise Exports – Relative Contribution
(May 2024 over May 2023)



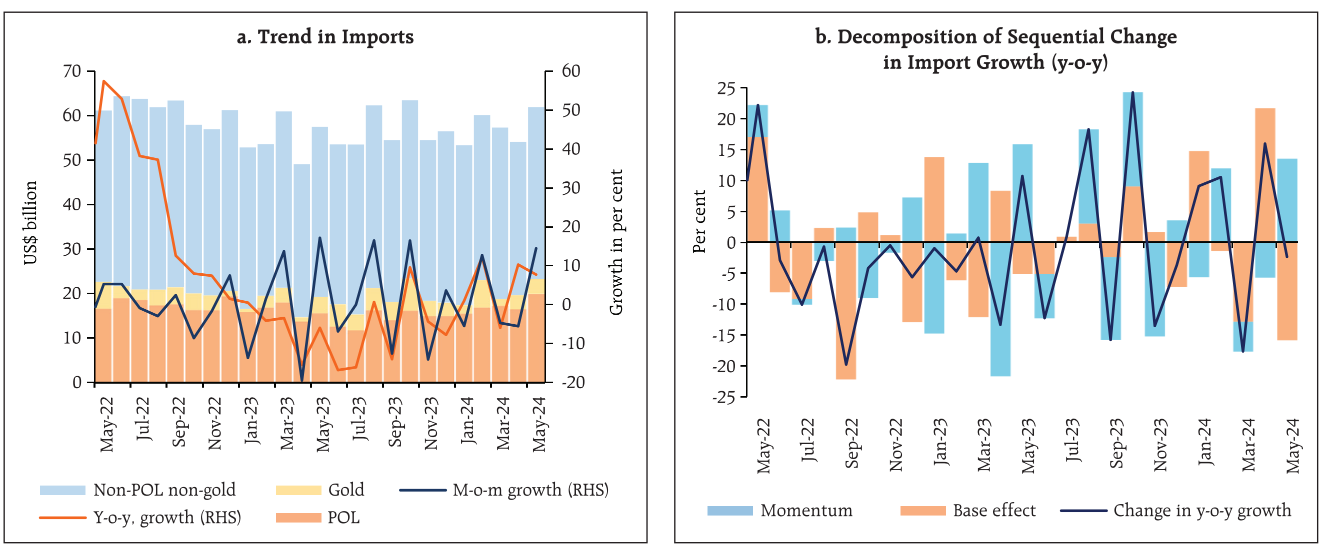
Sources: PIB; and RBI staff estimates.

major commodities, 16 commodities (accounting for 69.6 per cent of the import basket) registered growth on a y-o-y basis.

Petroleum, crude and products, transport equipment, electronic goods, vegetable oils and pulses contributed to import growth, while coal, gold, fertilisers, iron and steel, and chemical material and products were the main drags in May (Chart III.13).

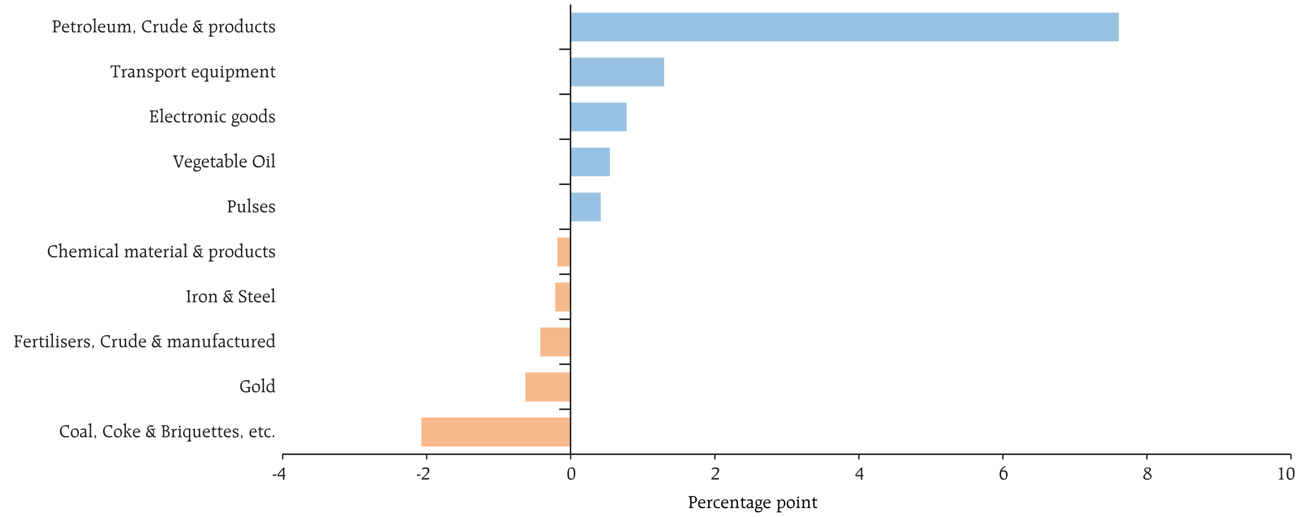
The merchandise trade deficit widened to a 7-month high of US$ 23.8 billion in May 2024, up from US$ 19.1 billion a month ago. The oil deficit

Chart III.12: India's Merchandise Imports



Sources: PIB; DGCI&S; and RBI staff estimates.

Chart III.13: India's Merchandise Imports – Relative Contribution
(May 2024 over May 2023)

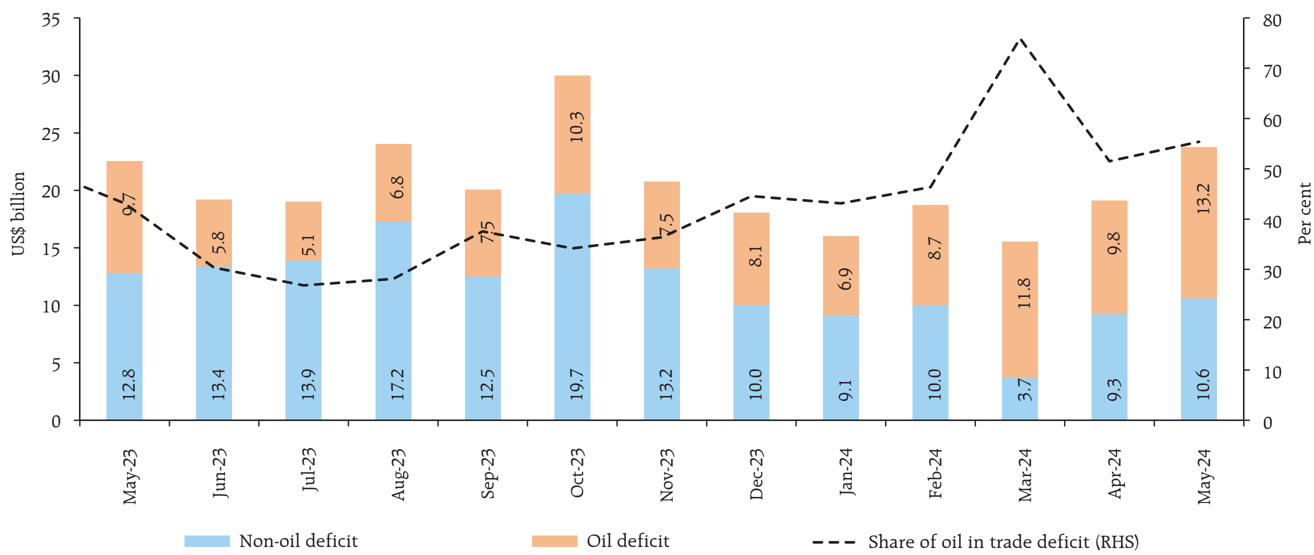


Sources: PIB; and RBI staff estimates.

reached an all-time high of US$ 13.2 billion in May, with its share in the total deficit rising to 55.4 per cent (Chart III.14). Petroleum products were the largest source of the trade deficit in 2024-25 so far (April-May), followed by electronic goods (Chart III.15).

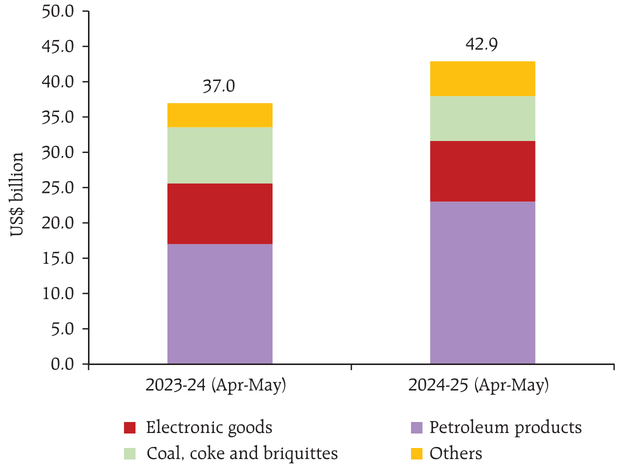
In April 2024, services exports increased by 17.7 per cent (y-o-y) to US$ 30.3 billion, while services imports rose by 19.1 per cent (y-o-y) to US$ 16.6 billion (Chart III.16). As a result, net services export earnings grew at 15.9 per cent (y-o-y) to US$ 13.7 billion in April 2024.

Chart III.14: Decomposition of India's Merchandise Trade Deficit



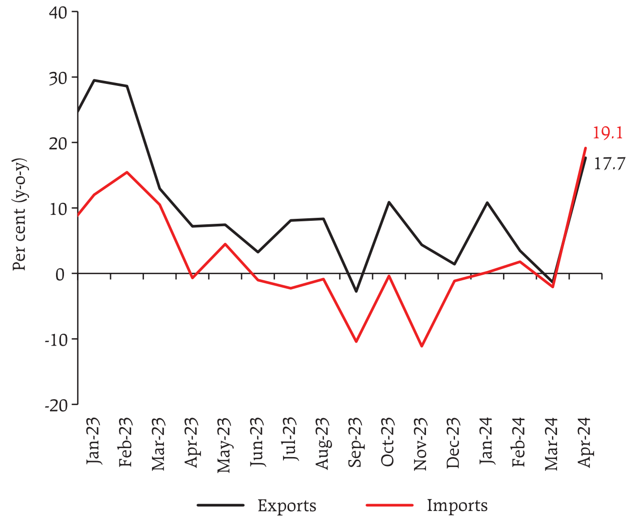
Sources: PIB; and DGCI&S.

Chart III.15: Commodity-wise Merchandise Trade Deficit



Note: Coal, coke and briquettes exports in May 2024 are assumed to be at the same level as in April.
Sources: PIB; DGCI&S; and RBI staff estimates.

Chart III.16: Services Exports and Imports: Growth Rates



Source: RBI.

The key deficit indicators, *viz.*, gross fiscal deficit (GFD), revenue deficit (RD) and primary deficit (PD) of the Union Government showed an improvement in 2023-24 as per the provisional accounts (PA) *vis-à-vis* the revised estimates (RE). This improvement was brought about by broad-based growth in revenue receipts and a slowdown in the growth of revenue expenditure in PA over RE of 2023-24 (Table III.2). Additionally, the upward revision in GDP as per the provisional estimates (PE) *vis-à-vis* the second advance estimates (SAE) for 2023-24 also contributed towards the improvement in the GFD-GDP ratio in

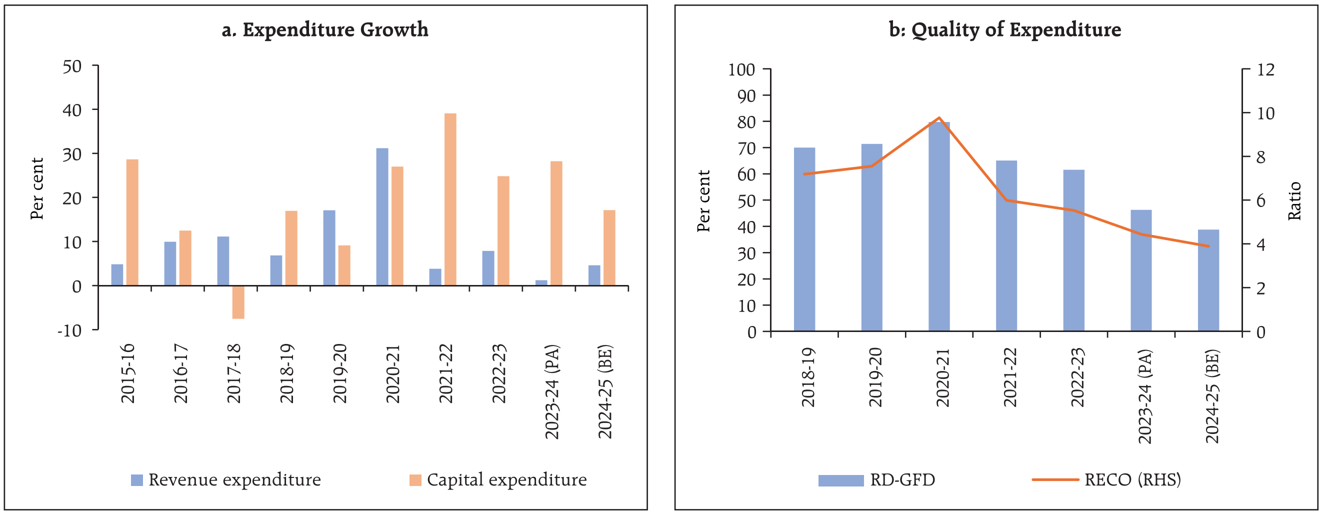
Table III.2: Key Indicators of the Union Government (as a per cent of GDP)

	2022-23	2023-24			2024-25
	Actuals	BE	RE	PA	BE
1	2	3	4	5	6
1. Fiscal Deficit	6.45	5.92	5.90	5.60	5.14
2. Revenue Deficit	3.97	2.88	2.86	2.59	1.99
3. Primary Deficit	3.00	2.34	2.31	2.00	1.51
4. Gross Tax Revenue	11.33	11.14	11.70	11.73	11.69
5. Non-Tax Revenue	1.06	1.00	1.28	1.36	1.22
6. Revenue Expenditure	12.81	11.61	12.05	11.83	11.15
7. Capital Expenditure	2.75	3.32	3.23	3.21	3.39
(i) Capital Outlay	*2.32*	*2.77*	*2.75*	*2.67*	*2.87*

Notes: 1. GDP used for 2023-24(BE) and 2024-25(BE) is as per Union Budget 2023-24 and 2024-25, respectively.
2. For 2023-24 (RE) the GDP is as per Second Advance Estimates (SAE) released by NSO on February 29, 2024. For 2023-24 (PA) the GDP used is the Provisional Estimates (PE) released by NSO on May 31, 2024.

Sources: Union Budget Documents; and Controller General of Accounts (CGA).

Chart III.17: Government Expenditure (April-March)



Note: Growth rate of 2024-25 (BE) is taken over 2023-24 (PA).
Source: Controller General of Accounts (CGA).

Note: RD-GFD: Revenue deficit to gross fiscal deficit ratio; RECO: Revenue expenditure to capital outlay ratio.
Source: CGA.

2023-24 (PA). Accordingly, the GFD was placed at 5.6 per cent of GDP in 2023-24 (PA) as against 5.9 per cent of GDP as per the 2023-24 (RE).

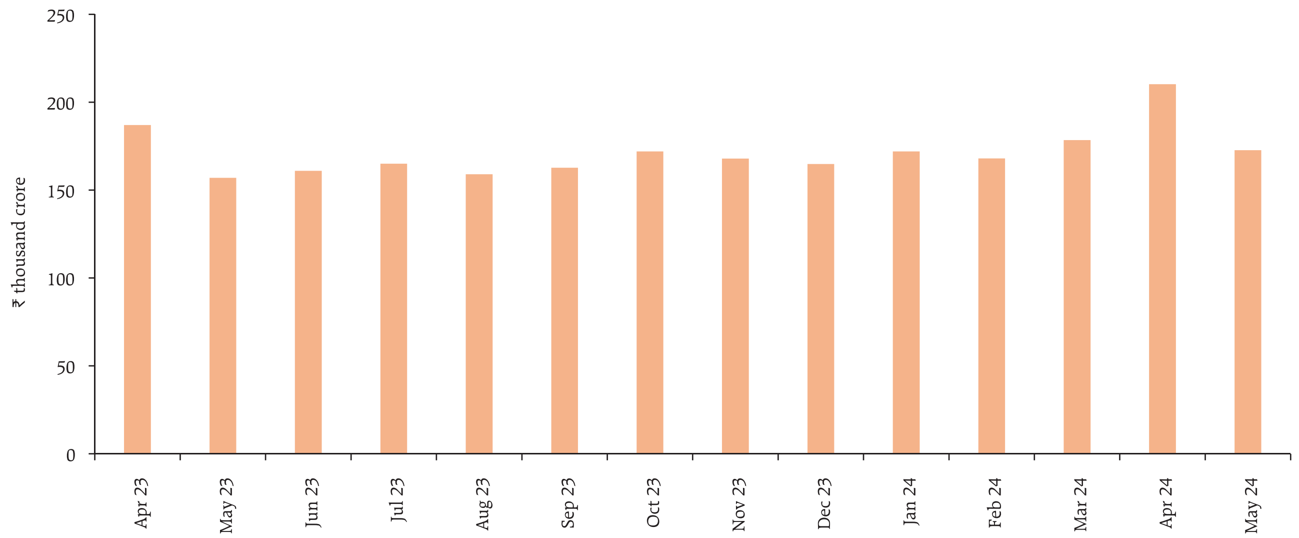
On the expenditure side, the y-o-y growth of the total expenditure slowed down to 5.9 per cent in 2023-24 (PA). While revenue expenditure growth was restricted to 1.2 per cent, the thrust on capital expenditure continued (Chart III.17a). Capital outlay (*viz.*, capital expenditure *less* loans and advances) continued to record steady improvement, underscoring the Government's emphasis on strengthening medium to long term growth. Consequently, the ratio of revenue expenditure to capital outlay (RECO) and RD-GFD have been trending down, which serve as indicators of improvement in the quality of Government expenditure (Chart III.17b). Similarly, on the receipts front, the revenue receipts witnessed a y-o-y growth of 14.5 per cent in 2023-24 (PA), led by healthy growth in net tax revenue and non-tax revenue at 10.9 per cent and 40.8 per cent, respectively.

During April 2024, the major deficit indicators such as GFD, RD and PD as per cent of their respective budget estimates recorded an increase over the corresponding month of the previous year. On the receipts side, gross tax revenue was higher than a year ago, with direct taxes and indirect taxes growing by 14.1 per cent and 20.3 per cent, respectively. Similarly, non-debt capital receipts and non-tax revenue recorded a y-o-y expansion of 62.1 per cent and 149.1 per cent, respectively. Conversely, total expenditure growth during April 2024 was higher than in the previous year, attributable to a growth in revenue expenditure and capital expenditure by 43.7 per cent and 26.5 per cent, respectively.

The gross GST collection (Centre *plus* States) grew by 9.96 per cent (y-o-y) to ₹1.73 lakh crore in May 2024, mainly driven by a robust increase in the domestic transactions. Attributable to a consistently strong performance, the gross GST collection during April-May 2024-25 (₹3.83 lakh crore) posted a growth of 11.3 per cent over the corresponding period of 2023-24 (Chart III.18).

As per the PA, the consolidated GFD of States and UTs was 3.0 per cent of GDP in 2023-24, aligning with the fiscal responsibility legislation limit. It, however, increased marginally from a year ago, primarily driven by higher capital expenditure. Within revenue

Chart III.18: Monthly GST Revenue



Source: Press Information Bureau.

receipts, lower grants from the Union government on account of cessation of GST compensation and the tapering of finance commission grants outweighed increase in tax and non-tax revenues. On the other hand, States' revenue expenditure declined in 2023-24 (PA), while capital expenditure rose to 2.9 per cent (y-o-y) of GDP, aided by the 'Scheme for Special Assistance to States for Capital Investment'. The States' combined GFD-GSDP ratio for 2024-25 is budgeted at 3.0 per cent, unchanged from the level in 2023-24 (PA) [Table III.3].

Rising capital expenditure and lower revenue spending have improved the quality of the States' expenditure over the past few years, as reflected in lower revenue expenditure to capital outlay (RECO) ratio and higher share of capital outlay in total expenditure (COTE) [Chart III.19].

Table III.3: States' Key Fiscal Indicators

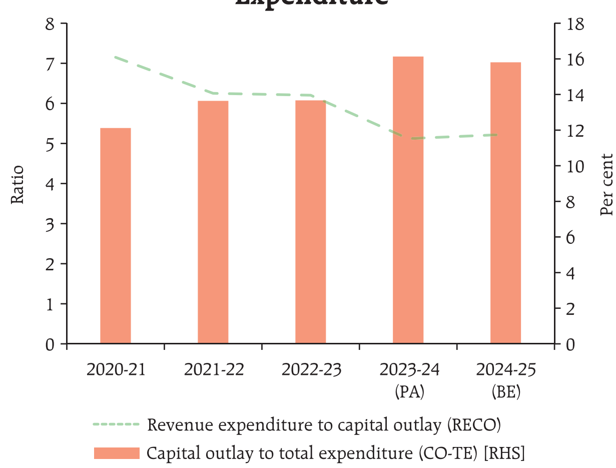
(Per cent of GDP/GSDP)

Indicator	2022-23	2023-24			2024-25
	Actuals	BE	RE	PA	BE
Revenue Receipts	13.6	14.3	13.8	13.4	13.5
Tax Revenue	10.1	10.4	10.4	10.4	10.5
Non-Tax Revenue	1.0	1.2	1.1	1.1	1.1
Grants	2.5	2.7	2.3	1.9	1.9
Revenue Expenditure	13.8	14.4	14.3	13.6	13.7
Capital Expenditure	2.5	3.2	3.0	2.9	2.9
Of which:					
Capital Outlay	2.2	2.9	2.7	2.6	2.6
Revenue Deficit	0.2	0.1	0.5	0.2	0.2
Gross Fiscal Deficit	2.7	3.1	3.3	3.0	3.0
Primary Deficit	1.0	1.4	1.6	1.4	1.3

Note: Data for 2022-23, 2023-24 (BE) and 2023-24(PA) pertain to 31 States/UTs and for 2023- 24 (RE) and 2024-25 (BE) pertain to 27 States/UTs. Data for 2023-24 (RE) and 2024-25(BE) is taken as a per cent of GSDP.

Sources: Budget documents of the States; and Comptroller and Auditor General of India.

Chart III.19: Indicators of States' Quality of Expenditure



Note: Data for 2023-24(PA) pertain to 31 States/UTs and for 2024-25 (BE) pertains to 27 States/UTs.

Sources: Budget documents of the States; and Comptroller and Auditor General of India.

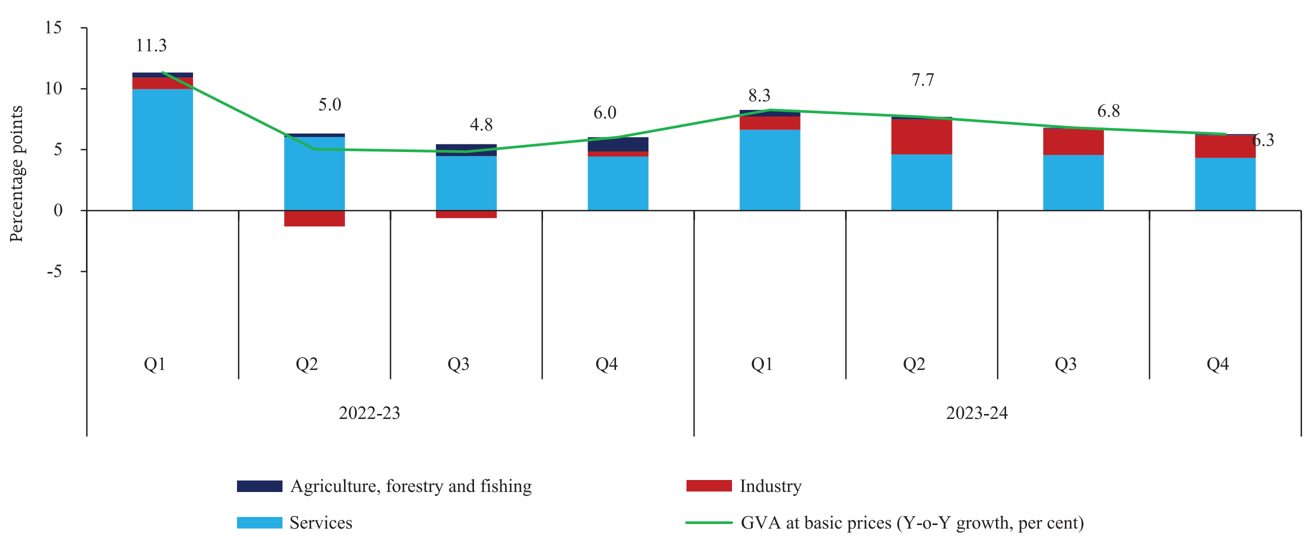
Aggregate Supply

Aggregate supply, measured by GVA at basic prices, expanded by 7.2 per cent in 2023-24 as per the PE, as compared with a growth of 6.7 per cent in the preceding year. GVA growth was revised upwards by 30 bps from 6.9 per cent in the SAE.

In Q4:2023-24, real GVA growth stood at 6.3 per cent, substantially higher than the implicit growth rate of 5.4 per cent in the SAE. However, it shed momentum on the back of deceleration in the industrial and the services sectors (Chart III.20). Agriculture exhibited a modest pick-up in growth to 0.6 per cent from 0.4 per cent in Q3:2023-24. Manufacturing GVA growth moderated, owing to inching up of input costs which dented profitability of listed manufacturing companies. The real GVA growth of the unorganised manufacturing sector, however, entered positive territory after remaining in contraction during the previous three quarters. While growth of the mining and quarrying sectors slowed sequentially, it remained stronger than in Q4:2022-23 supported by robust production of coal and natural gas. Growth in electricity, gas, water supply, and other utility services remained resilient at 7.7 per cent. The services sector grew by 7.0 per cent, with financial, real estate and professional services recording an acceleration over the previous quarter, backed by upbeat credit and deposit growth and an improvement in the performance of information technology (IT) companies. Public administration, defence, and other services (PADO) recorded an expansion due to an uptick in government expenditure and a recovery in other services. Construction activity continued to expand, *albeit* with some moderation. However, the growth in trade, hotels, transport, communication, and services related to broadcasting moderated both on a sequential and y-o-y basis.

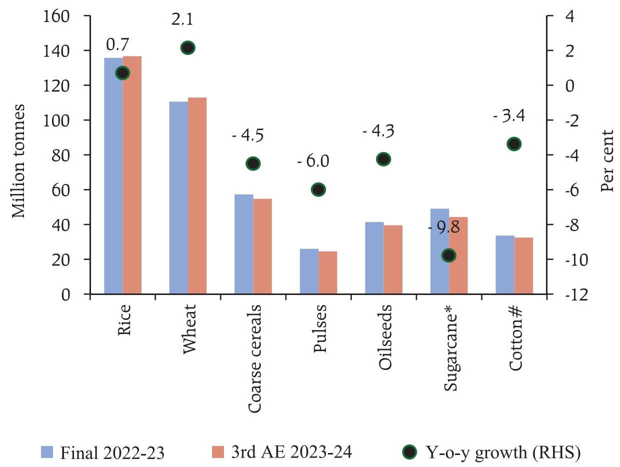
The third advance estimates (AE) of agricultural crop production placed foodgrains output during 2023-24 at 328.9 million tonnes, marginally lower (-0.3 per cent) than the final estimates of 2022-23 (Chart III.21). This positively reflects upon the increased resilience of foodgrains production to weather conditions despite a below normal and

Chart III.20:Weighted Contribution to GVA Growth



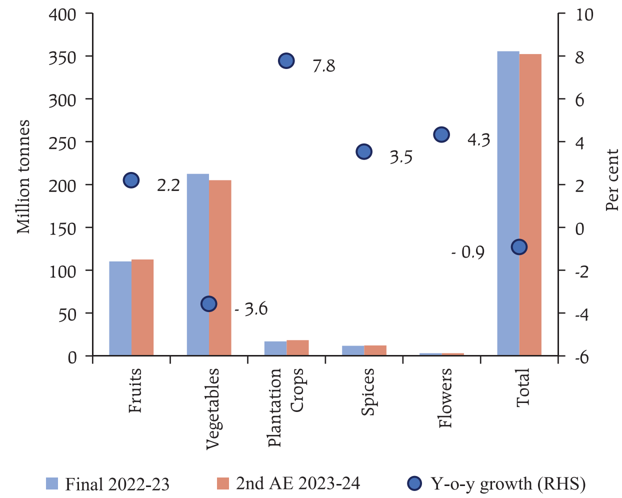
Sources: NSO; and RBI staff estimates.

Chart III.21: Agriculture Crops Production 2023-24 (3rd AE)



Notes: *Sugarcane production is in ten million tonnes.
#: Million bales of 170 kg each.
Source: Ministry of Agriculture and Farmers' Welfare.

Chart III.22: Horticulture Crops Production 2023-24 (2nd AE)



Source: Ministry of Agriculture and Farmers' Welfare.

erratic monsoon in the *El Nino* year. While production of wheat and rice increased, it was offset by a decline in the production of pulses and coarse cereals. The production of pulses was 6 per cent lower than in the previous year, mainly attributable to a decline in area under the crop. Commercial crops recorded a fall in production across all crops, notably sugarcane, which declined by 9.8 per cent in 2023-24 from a record production in the previous year. Oilseeds production also declined by 4.3 per cent, mainly contributed by a fall in the production of soybean (-12.9 per cent).

Horticulture crops recorded a decline in production in 2023-24 for the first time since 2002-03. As per the 2nd AE, the production of horticultural crops during 2023-24 is estimated to have declined by 0.9 per cent compared to the final estimates of 2022-23, led by lower production of onion (-19.8 per cent) and potato (-5.6 per cent) [Chart III.22]. Production of fruits, on the other hand, increased by 2.2 per cent over 2022-23. The overall yield of the horticulture crops declined by 1.6 per cent in 2023-24 over 2022-23, whereas the overall area is estimated to have increased by 0.7 per cent.

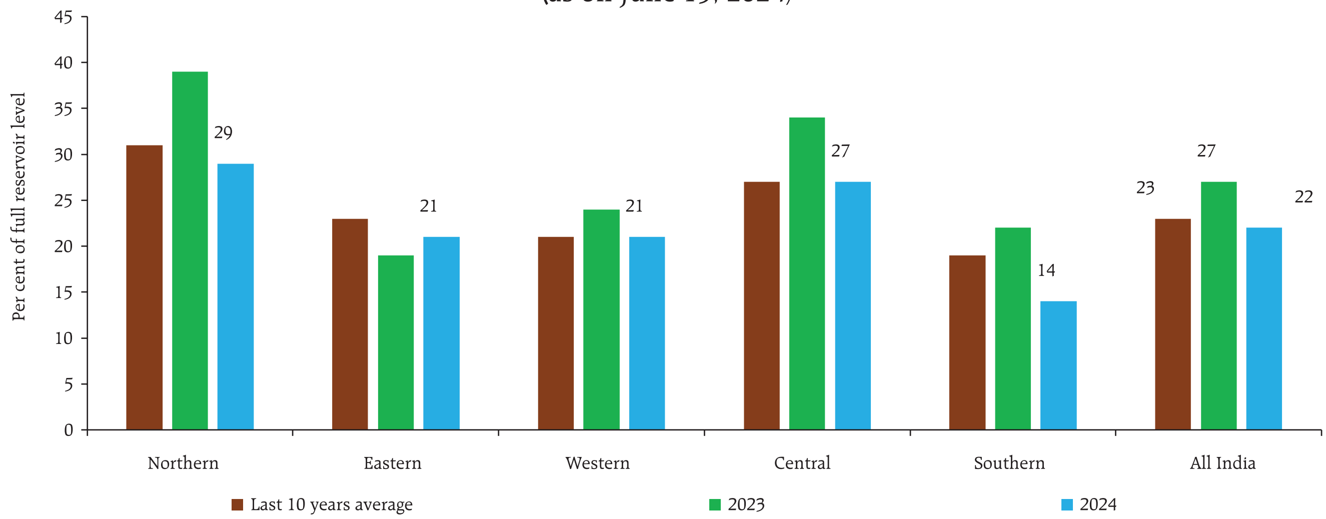
The IMD, has forecasted above normal SWM with 61 per cent probability for the rainfall to be above normal,[10] for the first time in the last eight years. The IMD also expects rain-favouring *La Niña* conditions and positive Indian Ocean Dipole (IOD) conditions to develop during the monsoon season. The spatial distribution of rainfall suggests that rainfall is most likely to be above normal over central India and the southern peninsula, normal over northwest and below normal over northeast India. The rainfall over the monsoon core zone (MCZ), consisting of most of the rainfed agriculture areas in the country, is expected to be above normal.

The forecast of above normal SWM is expected to augur well for the upcoming *kharif* sowing. As of June 15, 2024, the SWM has already entered central India and the cumulative rainfall (since June 01, 2024) stood at 16 per cent below the long period average (LPA) as against 51 per cent below LPA during the corresponding period of the previous year.

[10] According to the IMD's updated long-range forecast (LRF) released on May 27, 2024 for the southwest monsoon (SWM), rainfall remained unchanged at 106 per cent of the LPA from the previous LRF but with higher precision (model error of +/- 4 per cent).

Chart III.23: Reservoir Level

(as on June 15, 2024)



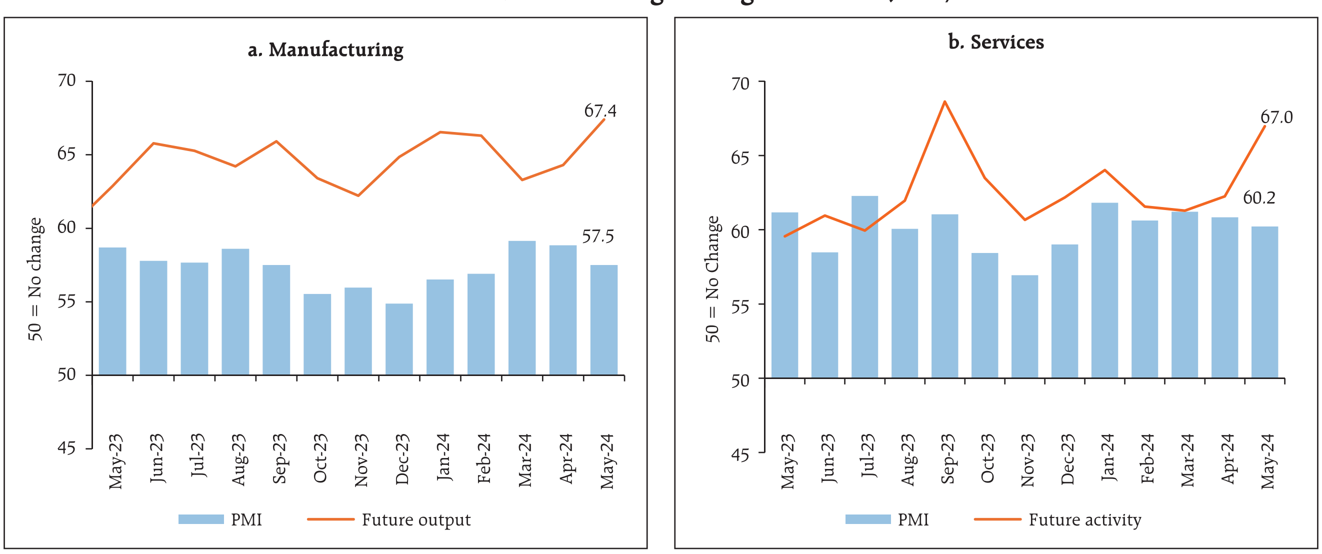
Source: Central Water Commission.

The reservoir levels continue to be below the decadal average. The water storage level in major reservoirs in the country stood at 22 per cent of total reservoir capacity (Chart III.23).

Despite a sequential moderation, the headline PMI for manufacturing remained in expansion in May 2024 (Chart III.24a). Future output expanded to among its highest level in nearly nine-and-a-half years, reaching 67.4 in May on favourable demand conditions and innovation. The PMI for services also continued to expand *albeit* at a slower pace, driven by growth in new business. (Chart III.24b).

Indicators of freight transport accelerated in May 2024. Cargo traffic at major ports increased by

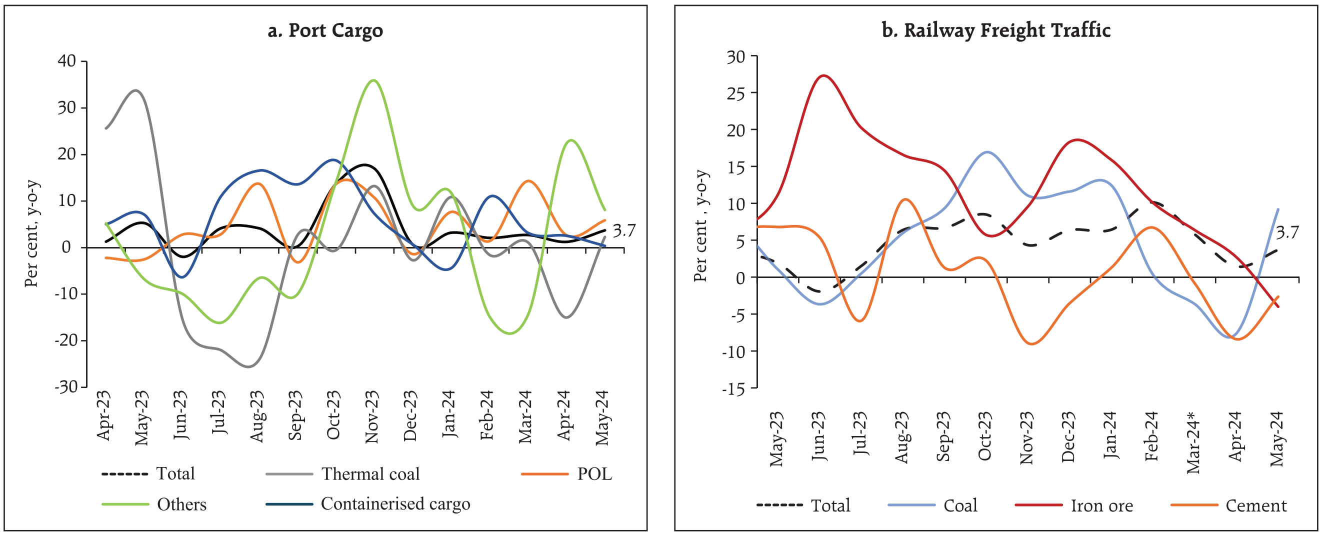
Chart III.24: Purchasing Managers' Index (PMI)



Note: A level of 50 corresponds to no change in activity and a reading above 50 denotes expansion and vice versa.

Source: S&P Global.

Chart III.25: Port Cargo and Railway Freight Traffic



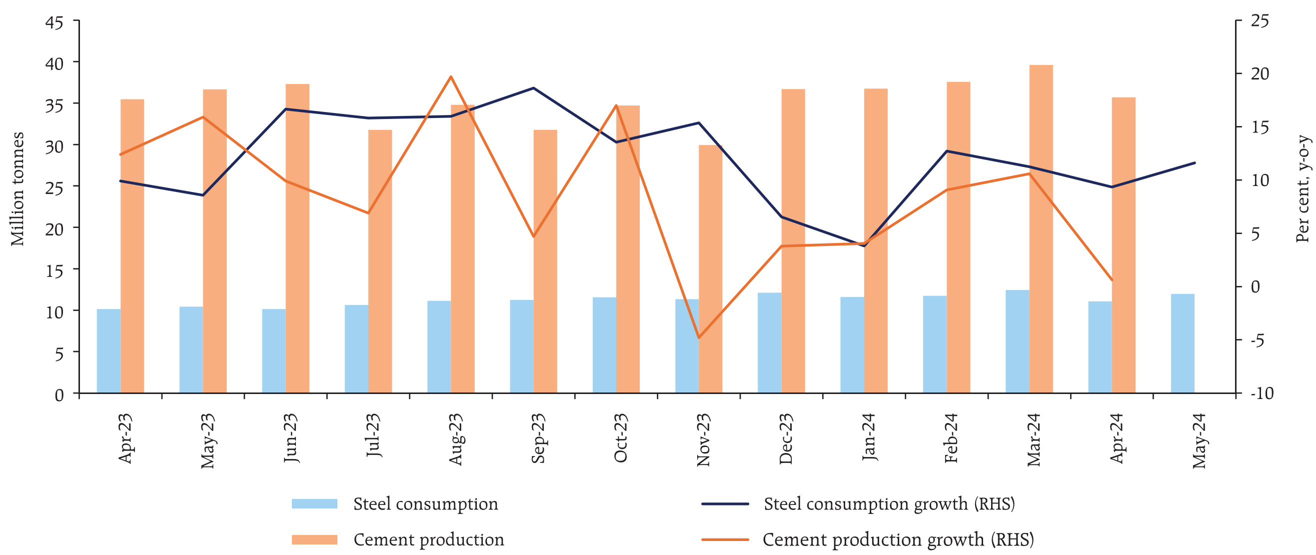
Note: * Data for railway freight in March 2024 is interpolated as average of numbers in February and April 2024.
Source: Indian Ports Association; Ministry of Railways.

3.7 per cent led by cargoes of coal and petroleum, oil and lubricants (POL) [Chart III.25a]. Railway freight traffic also increased led by a surge in coal traffic (Chart III.25b).

The construction sector emitted mixed signals, with steel consumption posting 11.6 per cent growth in May 2024, while cement production growth remained muted at 0.6 per cent in April 2024 (Chart III.26).

Available high frequency indicators for the services sector recorded expansion in May 2024 indicating sustained momentum in economic activity (Table III.4).

Chart III.26: Steel Consumption and Cement Production



Sources: Joint Plant Committee; and Office of the Economic Adviser, Ministry of Commerce and Industry.

Table III.4: High Frequency Indicators- Services

(y-o-y, per cent)

Sector	Indicator	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24
Urban demand	Passenger Vehicles Sales	3.1	17.3	4.3	3.2	13.9	5.7	8.9	1.2	4.0
Rural demand	Two-Wheeler Sales	0.8	20.1	31.3	16.0	26.2	30.0	15.3	30.8	10.1
	Three-Wheeler Sales	47.0	42.1	30.8	30.6	9.5	4.6	4.3	14.5	14.7
	Tractor Sales	-14.7	-4.3	6.4	-19.8	-15.3	-33.0	-23.1	-3.0	0.0
Trade, hotels, transport, communication	Commercial Vehicles Sales	6.9			3.2			-3.8		
	Railway Freight Traffic	6.7	8.5	4.3	6.4	6.4	10.1		1.5	3.7
	Port Cargo Traffic	0.3	13.8	16.9	0.6	3.2	-1.4	2.7	1.3	3.7
	Domestic Air Cargo Traffic*	-4.5	10.6	9.0	8.7	10.0	7.6	8.7	0.3	8.1
	International Air Cargo Traffic*	2.7	15.0	4.9	12.2	19.3	25.7	22.5	16.2	19.0
	Domestic Air Passenger Traffic *	19.3	10.7	8.7	8.1	5.0	2.2	4.7	3.8	5.3
	International Air Passenger Traffic *	19.6	17.5	19.8	18.1	17.0	15.2	15.0	16.8	14.9
	GST E-way Bills (Total)	9.5	30.5	8.5	13.2	16.4	18.9	13.9	14.5	17.0
	GST E-way Bills (Intra State)	12.4	30.0	22.7	14.2	17.9	21.1	15.8	17.3	18.9
	GST E-way Bills (Inter State)	4.9	31.2	-16.2	11.4	13.8	15.0	10.7	9.6	13.6
	Hotel occupancy rate@	61.0	62.5	63.0	70.0	66.6	72.5	64.4	62.3	
	Average revenue per room	18.3	14.8	15.9	12.8	11.0	4.1	6.7	4.8	
	Tourist Arrivals	17.5	19.8	16.8	7.8	10.4	15.8	8.0	7.7	
Construction	Steel Consumption	18.6	13.6	15.4	6.5	3.8	12.7	11.2	9.3	11.6
	Cement Production	4.7	17.0	-4.8	3.8	4.0	9.1	10.6	0.6	
PMI Index#	Services	61.0	58.4	56.9	59.0	61.8	60.6	61.2	60.8	60.2

<< Contraction ------------------------------------ Expansion >>

Note: #: Data in levels. *: May 2024 data are based on the monthly average of daily figures. @: Data in rate, not in y-o-y rate of growth. The heat-map is constructed for each indicator for the period July-2021 till date.

Sources: SIAM; Ministry of Railways; Tractor and Mechanization Association; Indian Ports Association; Office of Economic Adviser; GSTN; Airports Authority of India; HVS Anarock; Ministry of Tourism; Joint Plant Committee; and IHS Markit.

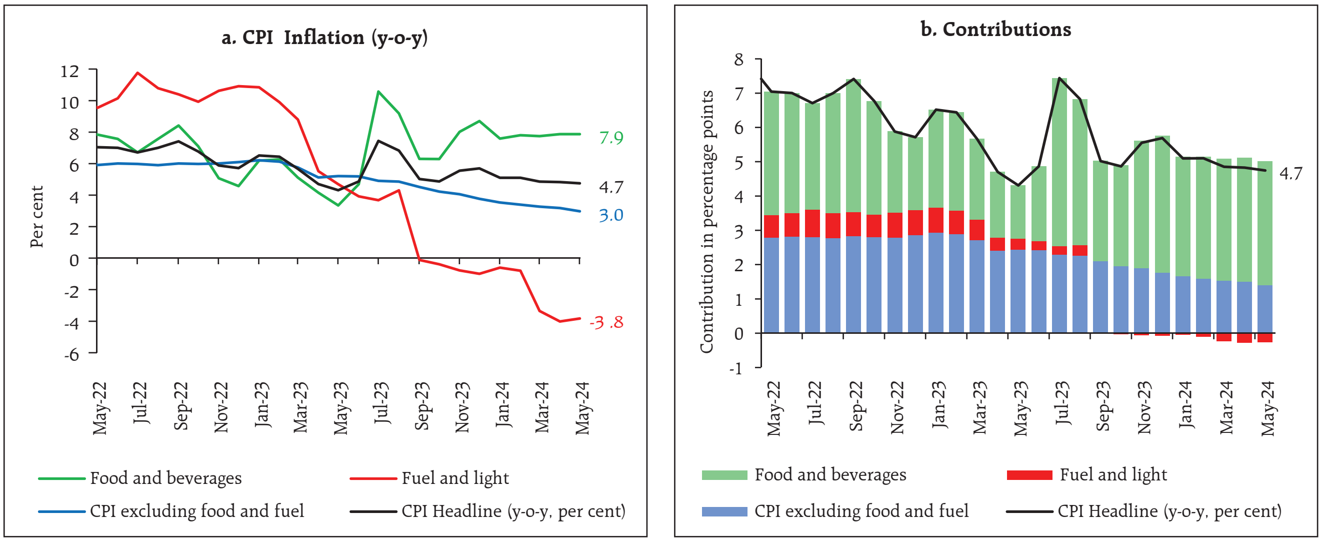
Inflation

Headline inflation, as measured by y-o-y changes in the all-India CPI[11], softened to 4.7 per cent in May 2024 – the lowest in the last 12 months – from 4.8 per cent in April (Chart III.27). This 8 bps softening in inflation came from a favourable base effect of 56 bps more than offsetting a positive momentum of 48 bps on account of an m-o-m increase of 68 bps in food, 80 bps in fuel and 24 bps in the core group (*i.e.*, excluding food and fuel).

Food inflation (y-o-y) remained unchanged at 7.9 per cent in May. In terms of sub-groups, inflation edged up in respect of cereals, egg, fruits and pulses while meat and fish, milk, sugar, spices, non-alcoholic beverages and prepared meals witnessed a moderation in inflation. Vegetable prices recorded a double digit y-o-y inflation for the seventh consecutive month. Edible oils remained in deflation, *albeit* at a slower rate than a month ago (Chart III.28).

[11] As per the provisional data released by the NSO on June 12, 2024.

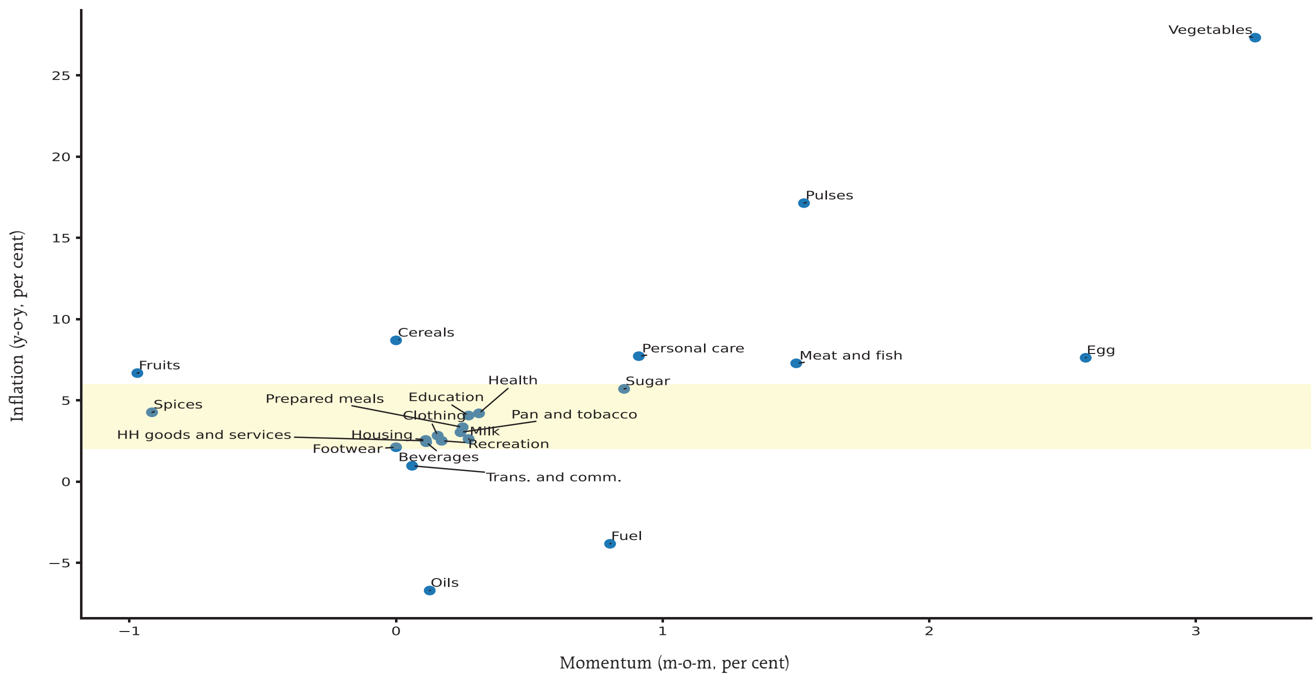
Chart III.27: Trends and Drivers of CPI Inflation



Sources: NSO; and RBI staff estimates.

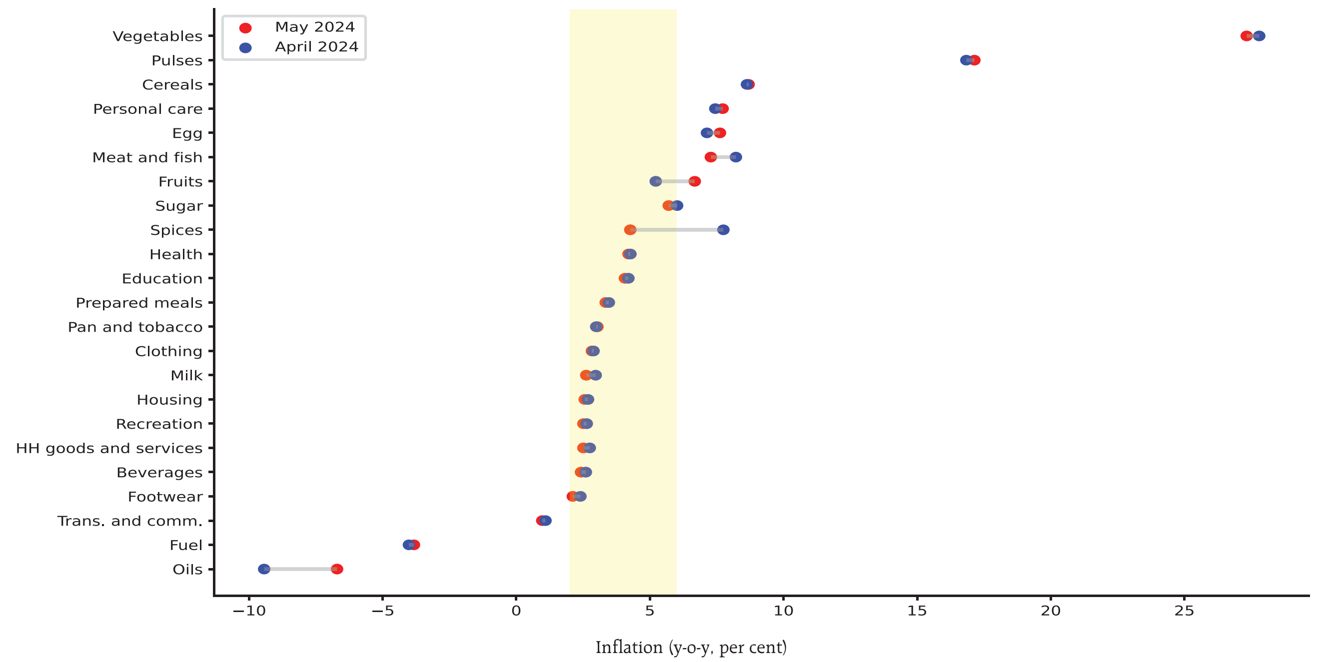
Fuel deflation narrowed to (-)3.8 per cent in May from (-)4.0 per cent in April, mainly due to an increase in inflation in kerosene prices under the public distribution system (PDS). Inflation in terms of electricity prices remained elevated in double digits while LPG prices continued to record double digit deflation.

Chart III.28: Annual Inflation (y-o-y) and Momentum (m-o-m) across Sub-groups



Sources: NSO; and RBI staff estimates

Chart III.29: Annual Inflation across Sub-groups
(May 2024 *versus* April 2024)



Sources: NSO; and RBI staff estimates.

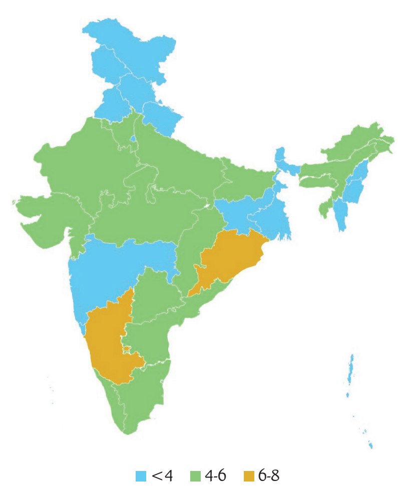
Core inflation eased further to 3.0 per cent in May from 3.2 per cent in April, the lowest in the current CPI (2012=100) series, with 7 out of 9 sub-groups registered a softening. Inflation in pan, tobacco and intoxicants remained unchanged while that in personal care and effects recorded a marginal increase (Chart III.29).

In terms of regional distribution, rural inflation at 5.3 per cent was higher than urban inflation (4.2 per cent) in May 2024. Majority of the states faced inflation less than 6 per cent (Chart III.30).

High frequency food price data for June so far (up to 12th) show that cereal prices recorded increases, mainly in respect of rice and wheat. Pulses prices registered a broad-based increase and edible oil prices also picked up due to rising mustard oil prices. Amongst key vegetables, tomato, onion and potato prices recorded further increases in June (Chart III.31).

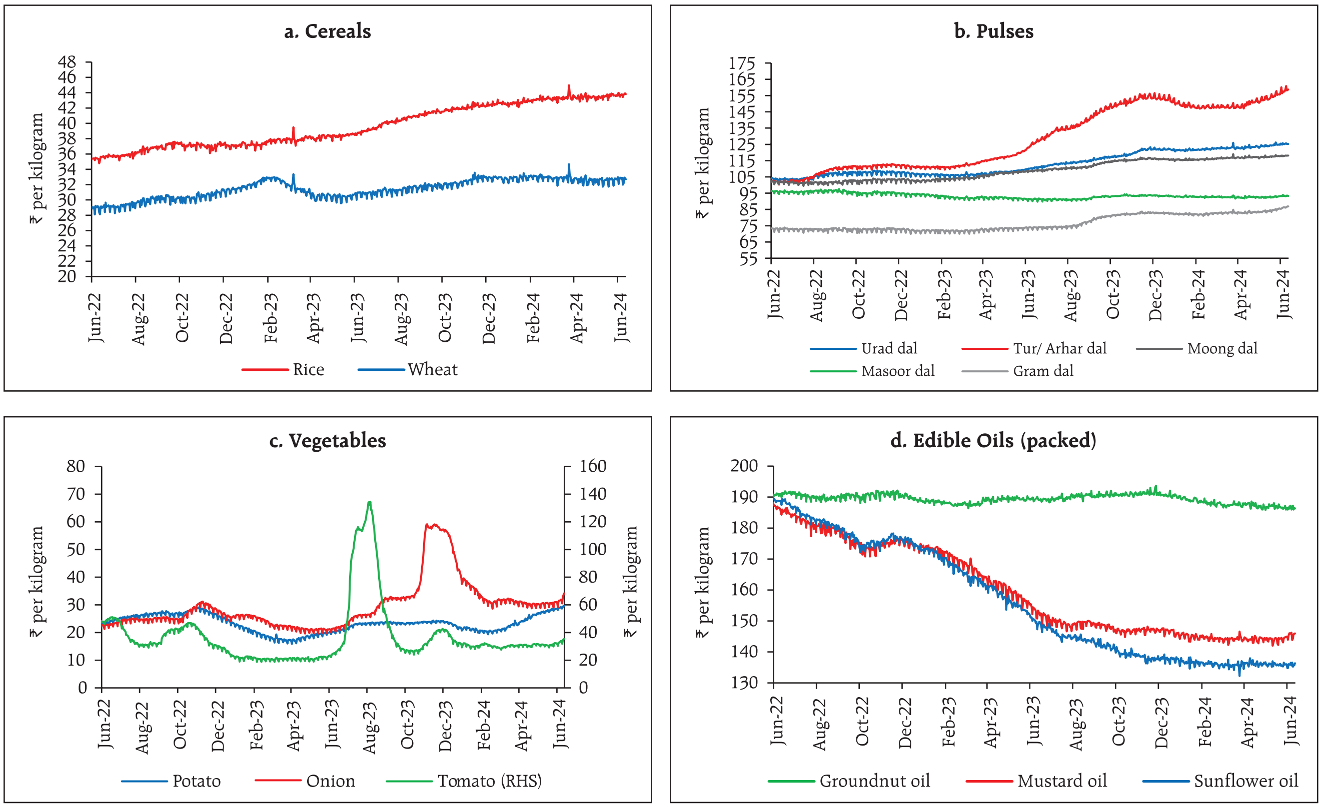
Retail selling prices of petrol and diesel in the four major metros remained steady in June so far (up to 12th). While kerosene prices registered a decline in line with moderation in international prices, LPG prices were kept unchanged (Table III.5).

Chart III.30: Spatial Distribution of Inflation: May 2024 (CPI-Combined, y-o-y, per cent)



Note: Map is for illustrative purposes only.
Sources: NSO; and RBI staff estimates.

Chart III.31: DCA Essential Commodity Prices



Sources: Department of Consumer Affairs, GoI; and RBI staff estimates.

The PMIs for May 2024 indicated an uptick in input costs across manufacturing and service sector firms. Output prices also picked up pace in both manufacturing and services (Chart III.32).

During Q4:2023-24, the all-India house price index (HPI)[12] increased by 4.1 per cent (y-o-y), up from 3.8 per cent in the previous quarter, but lower than 4.6 per cent recorded a year ago (Chart III.33).

In the May 2024 round of the Reserve Bank's inflation expectations survey of households (IESH), their current inflation perceptions moderated by 10 bps to 8.0 per cent. Their three-months and one-year

Table III.5: Petroleum Products Prices

Item	Unit	Domestic Prices			Month-over-month (per cent)	
		Jun-23	May-24	Jun-24^	May-24	Jun-24^
Petrol	₹/litre	102.92	100.91	100.91	0.0	0.0
Diesel	₹/litre	92.72	90.72	90.72	0.0	0.0
Kerosene (subsidised)	₹/litre	44.12	50.03	46.61	0.9	-6.0
LPG (non-subsidised)	₹/cylinder	1113.25	813.25	813.25	0.0	0.0

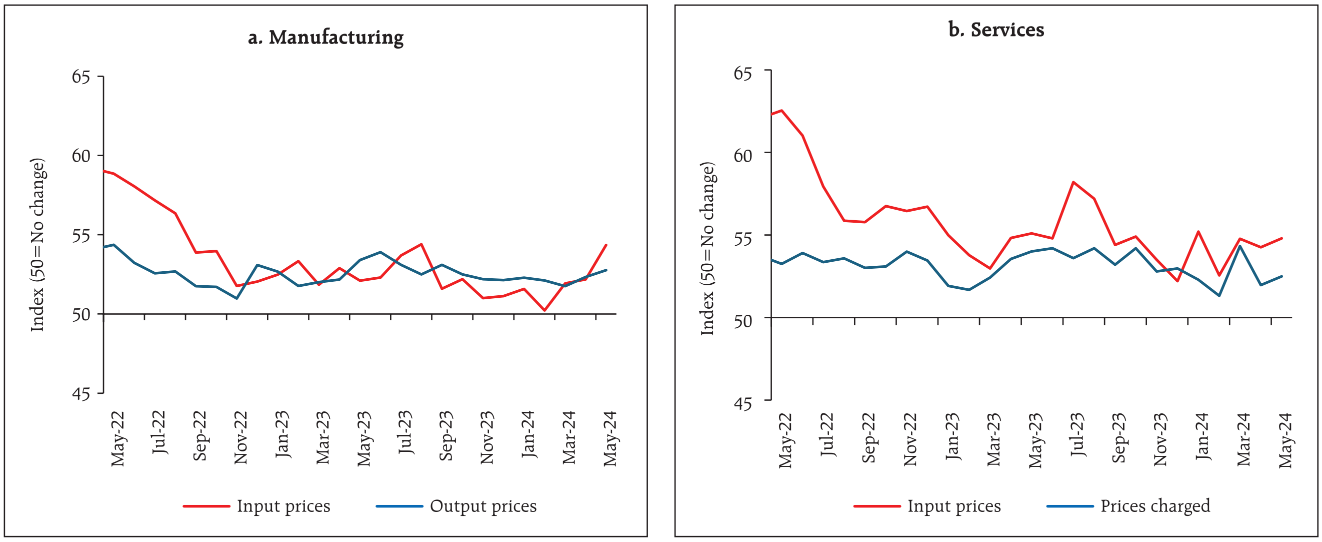
^: For the period June 1-12, 2024.

Note: Other than kerosene, prices represent the average Indian Oil Corporation Limited (IOCL) prices in four major metros (Delhi, Kolkata, Mumbai and Chennai). For kerosene, prices denote the average of the subsidised prices in Kolkata, Mumbai and Chennai.

Sources: IOCL; Petroleum Planning and Analysis Cell (PPAC); and RBI staff estimates.

[12] House price index (base: 2010-11=100) is compiled based on transaction-level data received from the registration authorities in ten major cities (viz., Ahmedabad, Bengaluru, Chennai, Delhi, Jaipur, Kanpur, Kochi, Kolkata, Lucknow, and Mumbai).

Chart III.32: PMI: Input and Output Prices



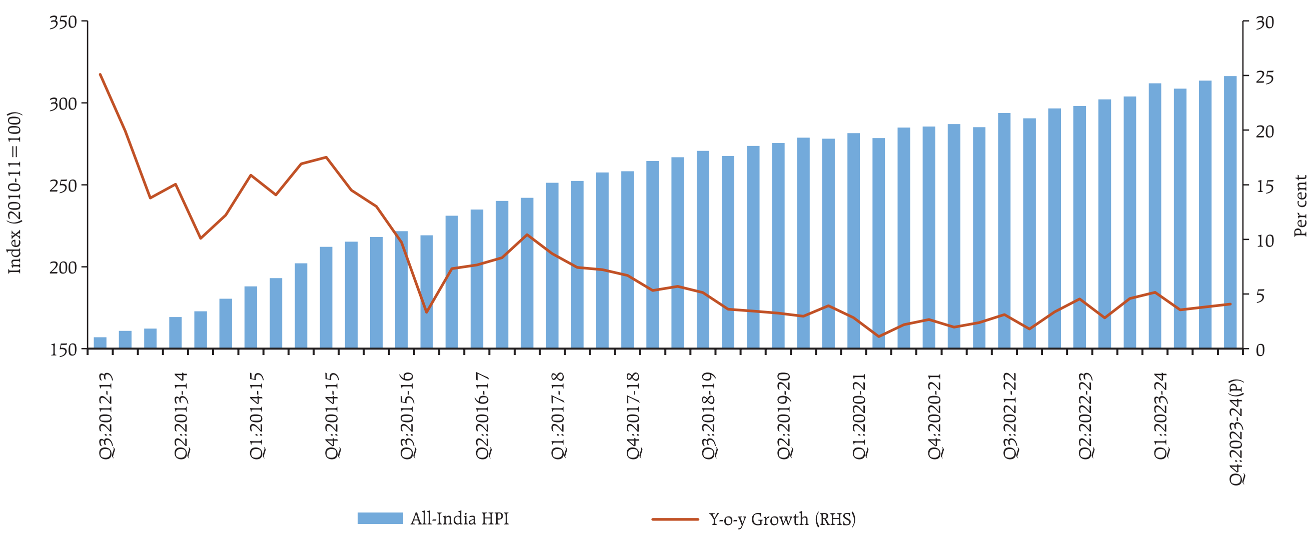
Source: S&P Global.

ahead inflation expectations, however, increased by 20 bps and 10 bps, respectively (Chart III.34).

IV. Financial Conditions

System liquidity remained in deficit during late April and May on account of the build-up in government cash balances due to advance tax payments and goods and services tax (GST) related outflows, sluggish government spending and higher currency outgo. It turned surplus from June 2, 2024 with the usual drawdown in government cash balances at the month end. Reflecting these shifts, the average daily net injection under the liquidity adjustment facility (LAF) averaged ₹0.76 lakh crore during May 16 to June 12, 2024 as against average daily net injection of ₹0.80 lakh crore during April 16 – May 15, 2024 (Chart IV.1). The Reserve Bank

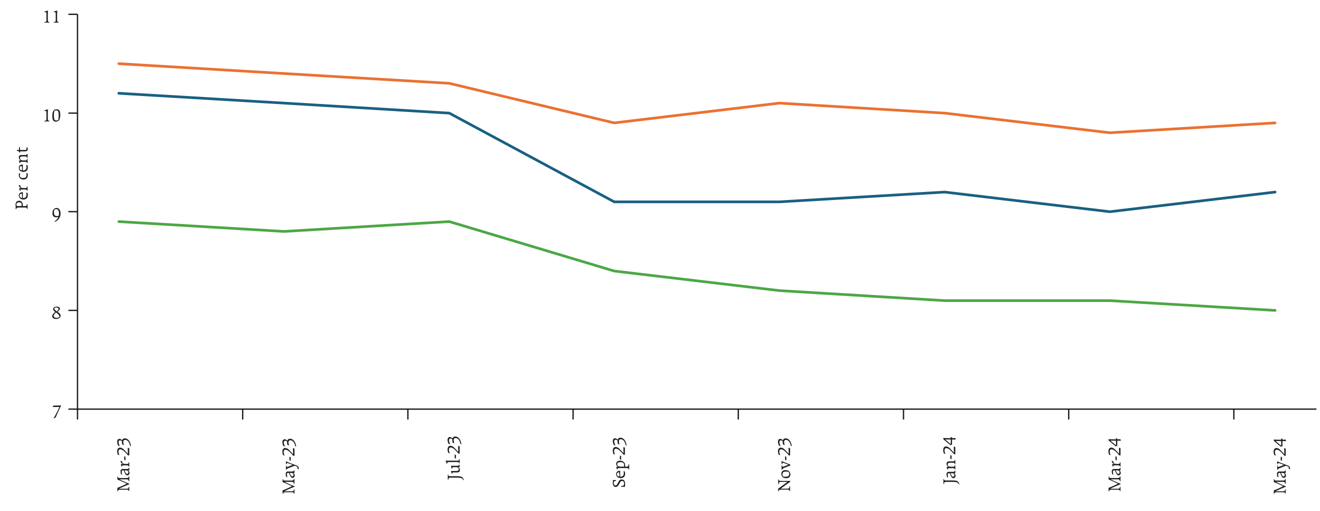
Chart III.33: Movement of House Price Index



Note: P: Data are provisional.

Sources: House price data from registration authorities of State governments; and RBI.

Chart III.34: Households' Median Inflation Expectations

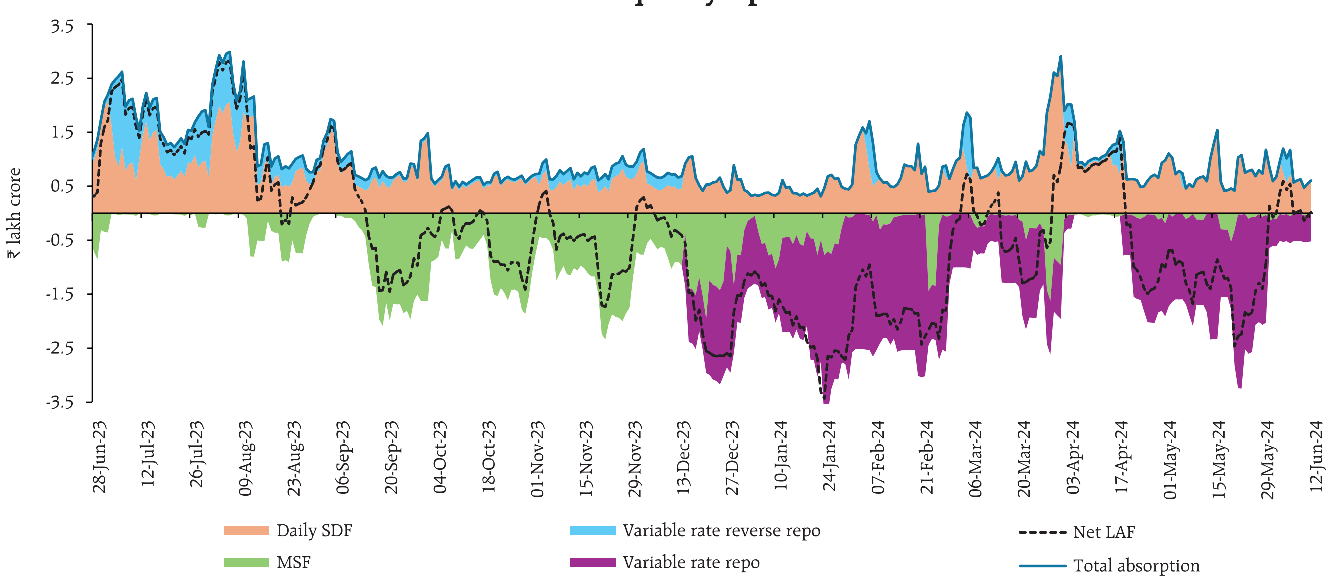


Source: IESH, RBI.

injected liquidity into the banking system during May 16 to June 12, 2024 through two main variable rate repo (VRR) operations and four fine-tuning VRR operations of 2 to 4 days maturity, cumulatively amounting to ₹5.72 lakh crore. The demand for funds was robust as reflected in the high bid-cover ratios in main and fine-tuning VRR operations. As liquidity conditions turned into surplus in early June, the Reserve Bank conducted two variable rate reverse repo (VRRR) auctions of 3 days maturity each on June 4, 2024 cumulatively absorbing ₹0.44 lakh crore.

Borrowings under the marginal standing facility (MSF) increased to a daily average of ₹10,001 crore during May 16 to June 12, 2024 amidst tight liquidity conditions as compared with ₹5,850 crore during April 16 to May 15, 2024. Of the average total absorption at ₹0.77 lakh crore during May 16

Chart IV.1: Liquidity Operations



Source: RBI.

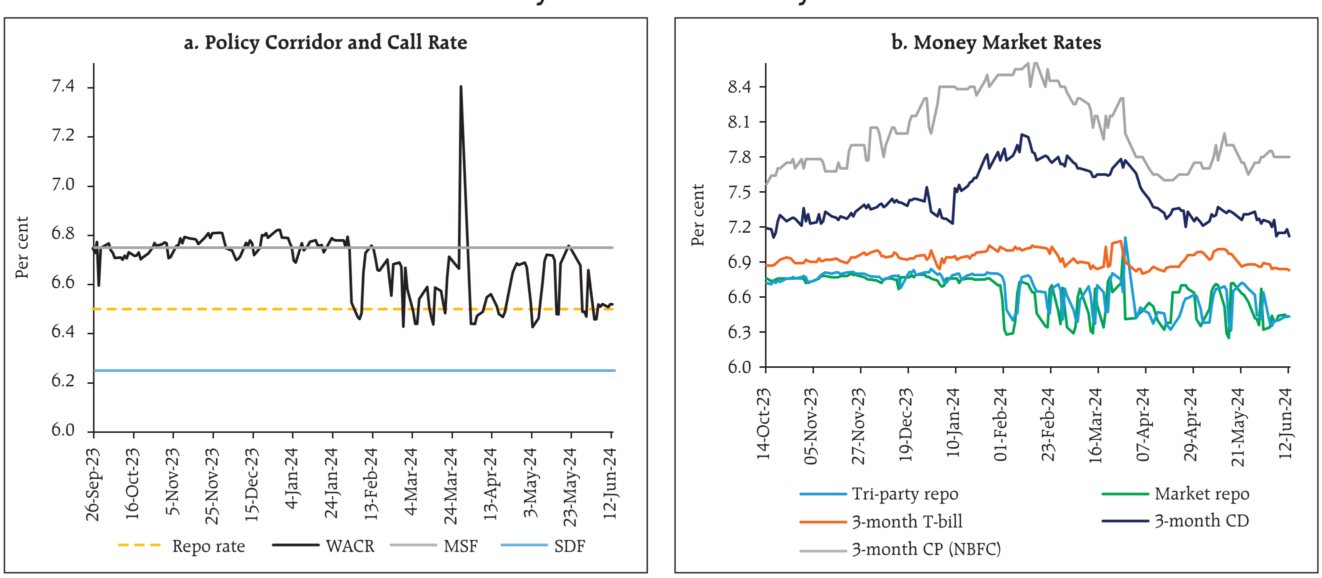
to June 12, 2024, the placement of funds under the standing deposit facility (SDF) constituted 94 per cent as compared with 92 per cent of the average total absorption during April 16 to May 15, 2024. The remaining amount was mopped up through fine-tuning VRRR operations conducted on June 4, 2024.

Reflecting the liquidity dynamics, the weighted average call rate (WACR) – the operating target of monetary policy – broadly remained within the LAF corridor and averaged 6.57 per cent during May 16 to June 12, 2024 almost the same as during April 16 - May 15, 2024 (Chart IV.2a). In the last week of May and early June, liquidity conditions eased which softened the WACR considerably except on May 31 on account of banks borrowing heavily for cash reserve ratio (CRR) maintenance at the beginning of the reserve maintenance cycle. Rates in the collateralised segment – the triparty and market repo – moved in tandem with the WACR. On an average basis, the triparty repo traded 2 basis point (bps) below the policy rate and the market repo rate traded at the policy repo rate during May 16 to June 12, 2024 (Chart IV.2b).

Across the term money market segment, yields on 3-month treasury bills (T-bills) and rates on certificates of deposit (CDs) eased while rates on commercial paper (CP) for non-banking financial companies (NBFCs) hardened during May 16 to June 12, 2024. The yield on the 3-month T-bill softened in response to the announcement of reduced supply of shorter-dated T-bills for Q1:2024-25 on May 17, 2024. Reflecting this, the average risk premia in the money market (3-month CP *minus* 91-day T-bill) increased to 92 bps during May 16 – June 12, 2024 from 79 bps during April 16 – May 15, 2024. Financial conditions, however, remained congenial, with the term spread (10 year G-sec *minus* 91 day T-bills) narrowing to 14 bps from 18 bps during April 16 - May 15, 2024.

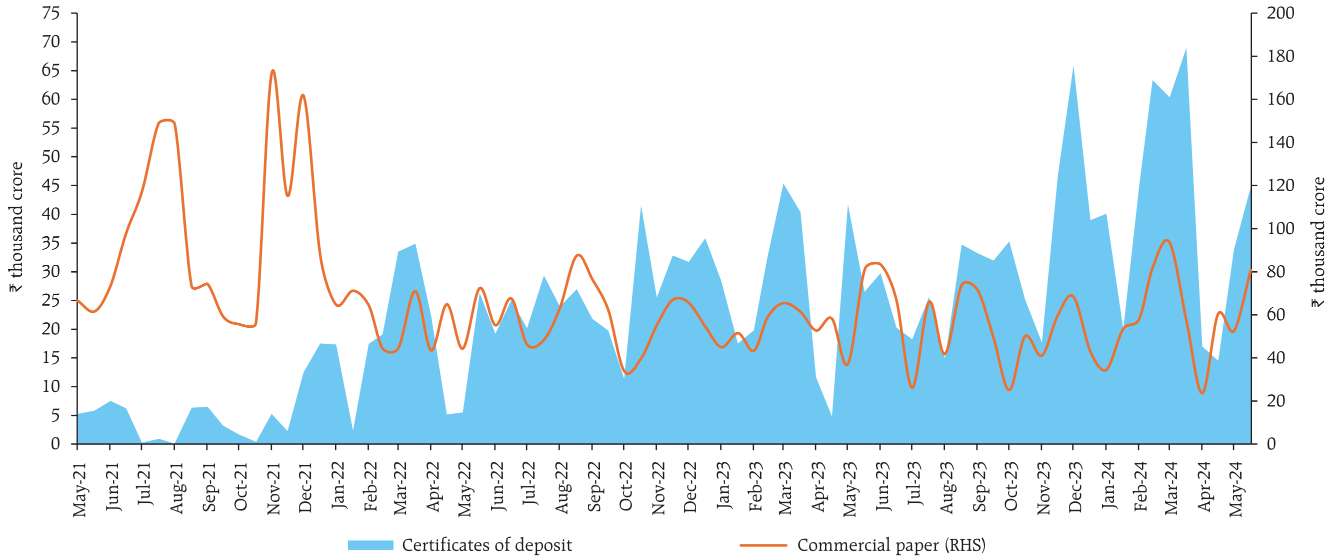
In the primary market, fund mobilisation through issuances of CDs gained momentum in May, following a slack in April. Banks issued CDs worth ₹1.25 lakh crore during 2024-25 (up to May 31), higher than ₹0.95 lakh crore in the corresponding period of the previous year (Chart IV.3). On the other hand, issuances of CPs at ₹2.18 lakh crore during 2024-25 (up to May 31) stood lower than ₹2.29 lakh crore in the corresponding period of the previous year.

Chart IV.2: Policy Corridor and Money Market Rates



Sources: RBI; CCIL; and Bloomberg.

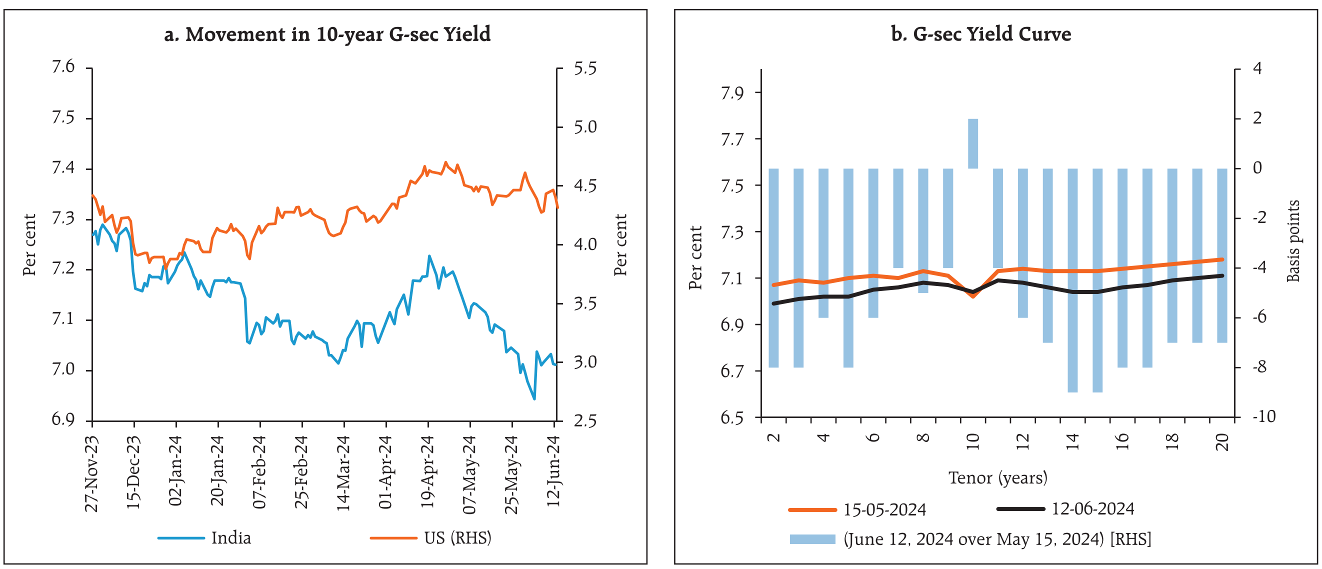
Chart IV.3: Certificates of Deposit (CDs) and Commercial Paper (CP) - Fortnightly Issuances



Source: RBI.

The yield on the 10-year Indian benchmark (7.10 GS 2034) G-sec softened to 7.01 per cent on June 12 from 7.03 per cent on May 15 due to a decline in crude oil prices, larger-than-expected dividend transfer by the Reserve Bank for 2023-24[13] giving additional fiscal space to the government, positive sentiment on the inclusion of Indian G-sec in global bond indices in June and a stable rupee. The benchmark 10-year bond yield eased further on India's sovereign rating outlook upgrade by S&P Global Ratings for to 'positive' from 'stable' (Chart IV.4a). Yields softened across the term structure, barring around the 10-year maturity (Chart IV.4b).

Chart IV.4: Developments in the G-sec Market



Sources: Bloomberg; CCIL; and RBI staff estimates.

[13] On May 22, the Central Board of the Reserve Bank decided to transfer ₹2.11 lakh crore as surplus to the Central Government for the accounting year 2023-24. To further strengthen the Reserve Bank's balance sheet, the risk provisioning under the contingent reserve buffer (CRB) for 2023-24 was increased to 6.50 per cent of the balance sheet from 6.0 per cent in 2022-23.

The Government of India announced five buyback auctions for an aggregate amount of ₹2.3 lakh crore during May and early June 2024. The buyback offers were announced in the backdrop of the government's improved cash position and with an aim to retire some of its debt ahead of schedule in a bid to proactively manage debt. The response, however, to the buyback offers has been tepid. The Reserve Bank of India accepted offers aggregating ₹0.3 lakh crore against the notified amount of ₹2.3 lakh crore. Buybacks are part of an active debt consolidation strategy that have a liquidity impact but should not be construed as liquidity management operations.

Corporate bond yields softened while risk premia hardened across diverse maturity profiles and ratings during May 16 to June 12, 2024 (Table IV.1). The yield on 5-year AAA rated corporate bond softened, tracking the movement in the 5-year G-Sec yield.

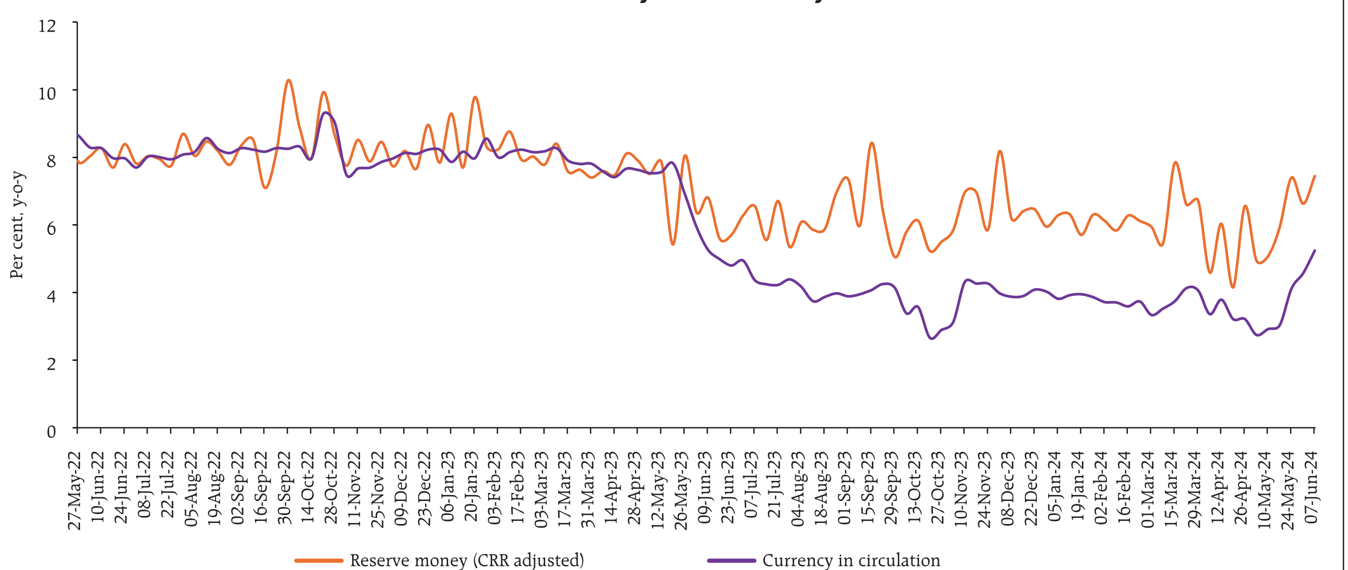
Reserve money (RM), excluding the first-round impact of change in the CRR, recorded a growth of 7.5 per cent (y-o-y) as on June 7, 2024 (6.8 per cent a year ago) [Chart IV.5]. The growth in currency in circulation (CiC), the largest component of RM, increased to 5.2 per cent (y-o-y) as on June 7, 2024 from 3.0 per cent on May 17, 2024, on account of the base effect of the withdrawal of ₹2000 banknotes[14] – 97.82 per cent has been returned to the banking system mostly in the form of deposits (as on May 31, 2024).

Table IV.1: Financial Markets - Rates and Spread

Instrument	Interest Rates (per cent)			Spread (bps) (Over Corresponding Risk-free Rate)		
	Apr 16, 2024 – May 15, 2024	May 16, 2024 – June 12, 2024	Variation	Apr 16, 2024 – May 15, 2024	May 16, 2024 – June 12, 2024	Variation
1	2	3	(4 = 3-2)	5	6	(7 = 6-5)
Corporate Bonds						
(i) AAA (1-year)	7.82	7.86	4	65	72	7
(ii) AAA (3-year)	7.99	7.91	-8	71	75	4
(iii) AAA (5-year)	7.91	7.82	-9	61	65	4
(iv) AA (3-year)	8.59	8.56	-3	131	139	8
(v) BBB- (3-year)	12.17	12.16	-1	489	499	10

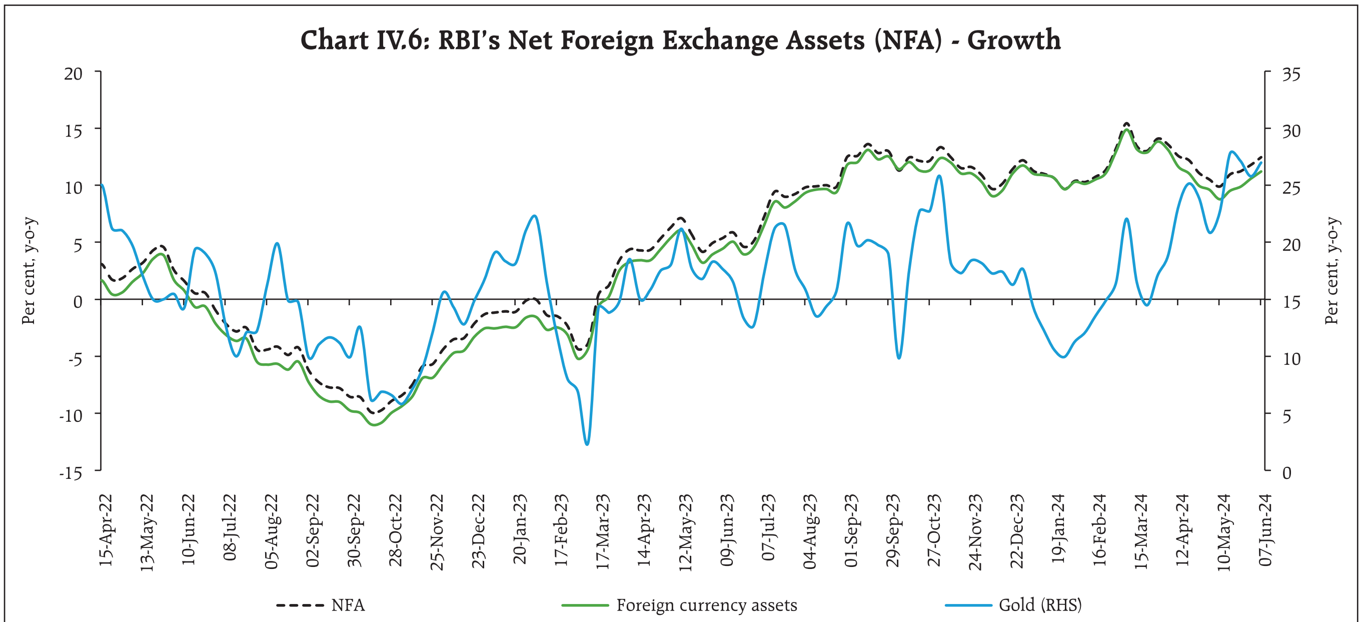
Note: Yields and spreads are computed as averages for the respective periods.
Sources: FIMMDA; and Bloomberg.

Chart IV.5: Reserve Money and Currency in Circulation



Source: RBI.

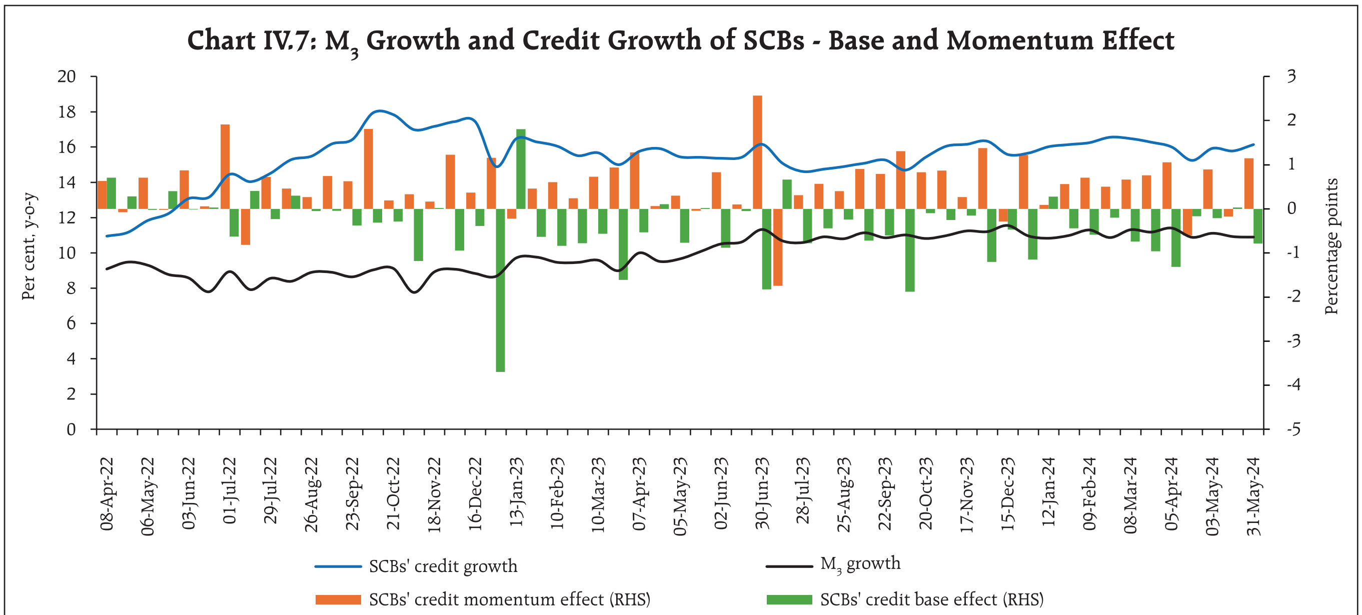
[14] Announced on May 19, 2023.



Sources: Bloomberg; CCIL; and RBI staff estimates.

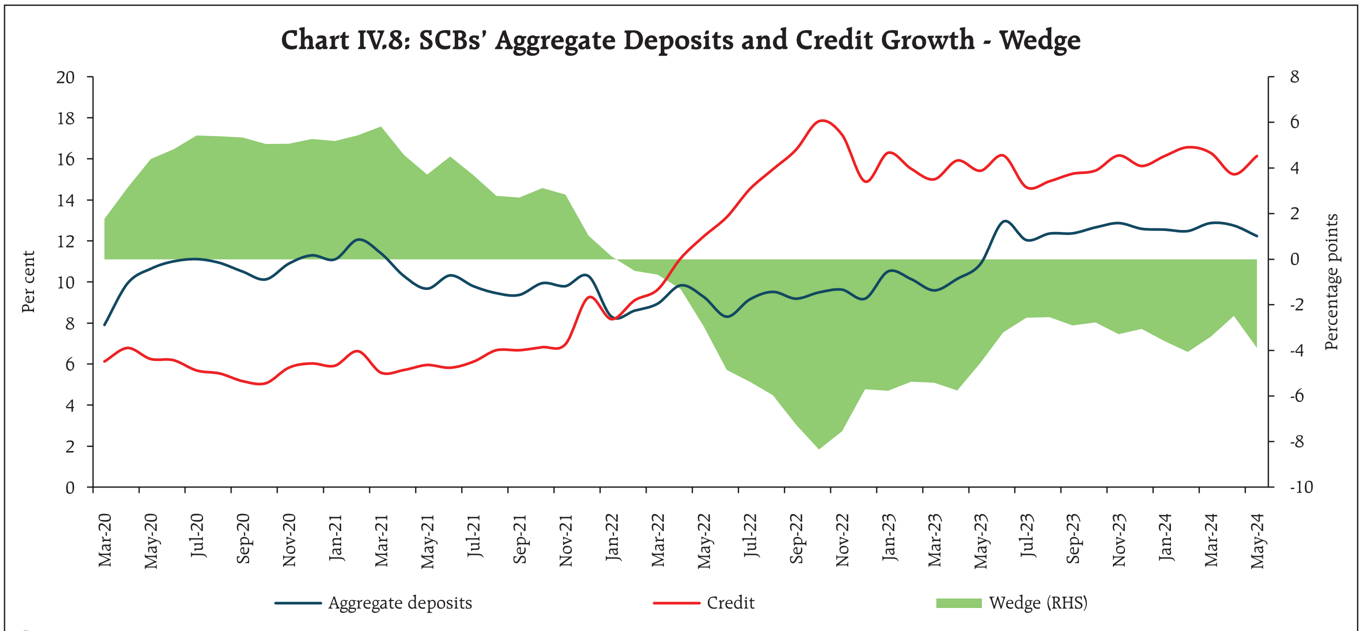
On the sources side (assets), RM comprises net domestic assets (NDA) and net foreign assets (NFA) of the Reserve Bank. While the growth in foreign currency assets (accounting for more than 90 per cent of NFA) which had been declining since March 2024, inched up during May 2024; gold, the other major component of NFA, has registered double digit growth since February 2024 (Chart IV.6).

Money supply (M_3) rose by 10.9 per cent (y-o-y) as on May 31, 2024 (10.5 per cent a year ago).[15] Aggregate deposits with banks, the largest component of M_3, increased by 11.7 per cent (11.2 per cent a year ago). Scheduled commercial banks' (SCBs') credit growth stood at 16.1 per cent as on May 31, 2024 (15.4 per cent a year ago) [Chart IV.7].



Sources: Bloomberg; CCIL; and RBI staff estimates.

15 Excluding the impact of the merger of a non-bank with a bank (with effect from July 1, 2023).



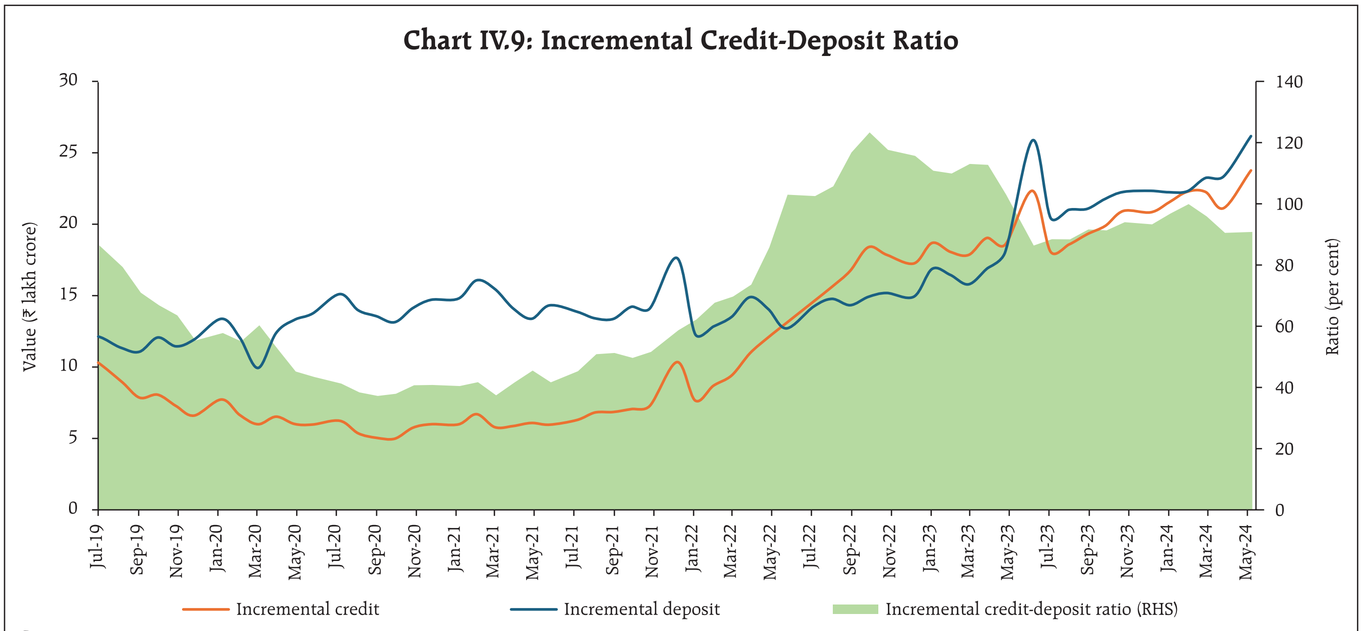
Source: RBI.

SCBs' deposit growth (excluding the impact of the merger), which recorded an increase in the wake of withdrawal of ₹2000 banknotes, remained in double digits in May 2024 (Chart IV.8).

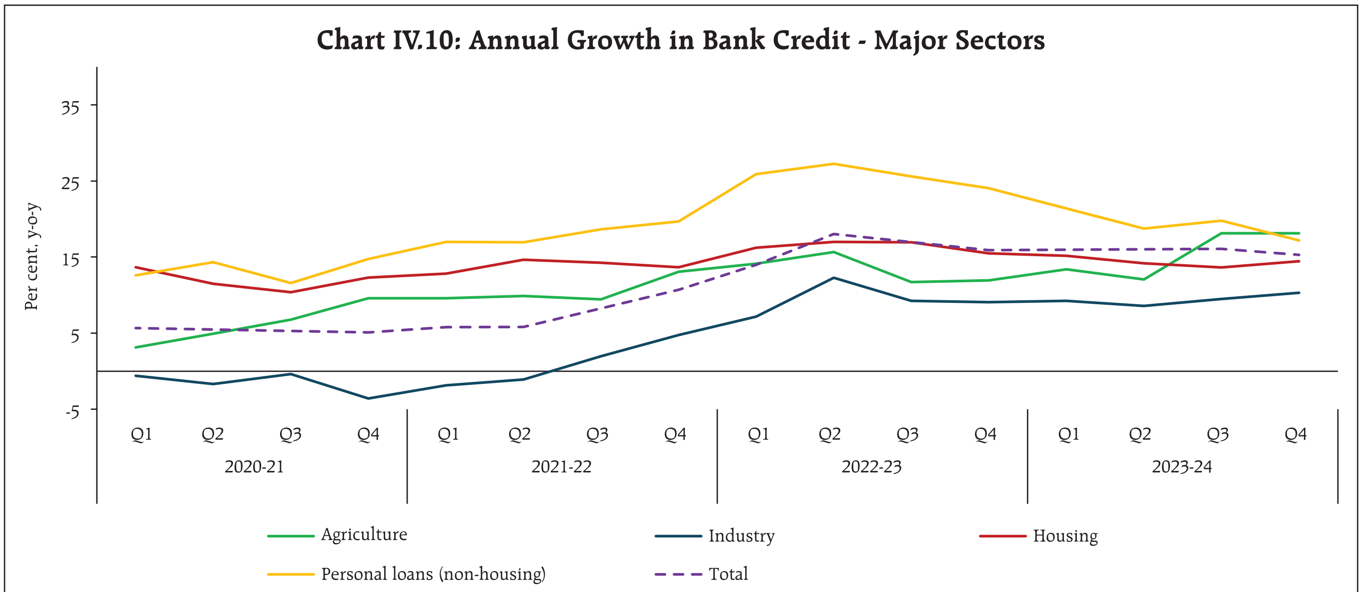
As on May 31, 2024 the system level incremental credit-deposit ratio stood at 90.8 per cent (Chart IV.9).

With the statutory requirements for CRR and statutory liquidity ratio (SLR) at 4.5 per cent and 18.0 per cent, respectively, around 77 per cent of deposits were available with the banking system for credit expansion as on May 31, 2024. The deposit base was supplemented by CDs issuances.

In Q4:2023-24, bank credit to the agricultural sector recorded the strongest y-o-y expansion since the pandemic. Robust credit growth was witnessed for industry during the past seven quarters, coupled



Source: RBI.

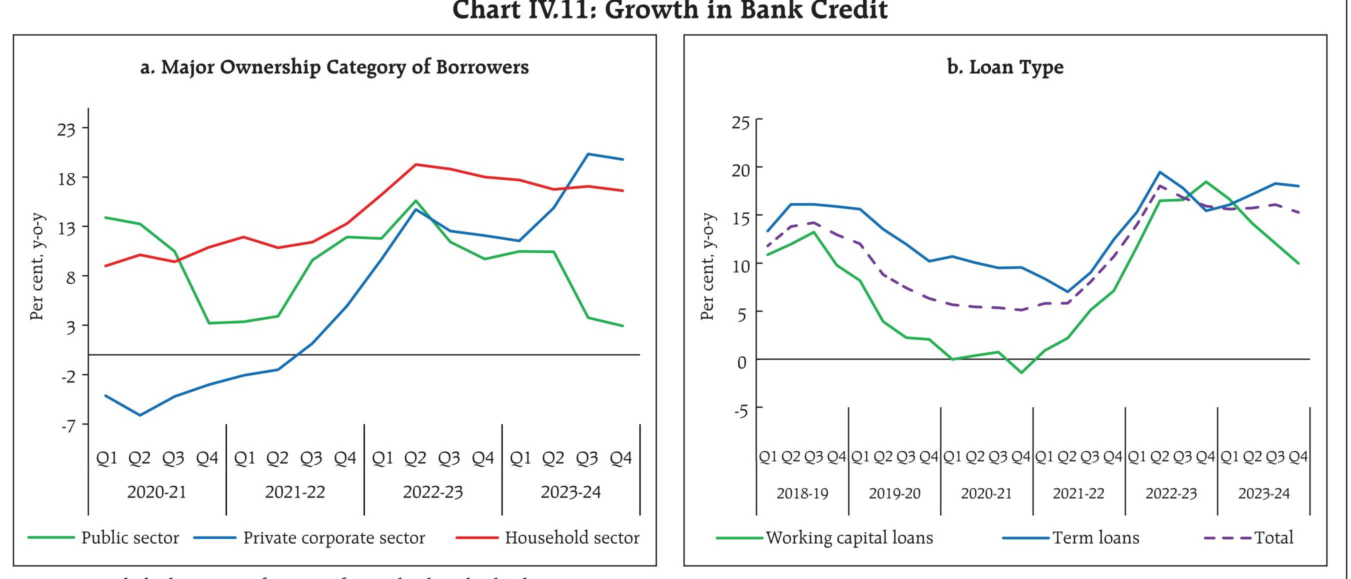


Note: Data exclude the impact of merger of a non-bank with a bank.
Source: RBI.

with continued double digit bank credit growth in housing and non-housing personal loan segments. (Chart IV.10).

Private corporate sector credit growth remained buoyant in H2:2023-24, possibly pointing towards capacity augmentation by the private sector (Chart IV.11a). Working capital loans have been decelerating since Q2:2022-23, indicating effective management of cash flows by the private corporates (Chart IV.11b).

In response to the cumulative 250 bps hike in the policy repo rate since May 2022, banks have revised their repo-linked external benchmark-based lending rates (EBLRs) upward by the same magnitude. The 1-year median marginal cost of



Note: Data exclude the impact of merger of a non-bank with a bank.
Source: RBI.

Table IV.2: Transmission to Banks' Deposit and Lending

(Variation in basis points)

Period	Repo Rate	Term Deposit Rates		Lending Rates			
		WADTDR - Fresh Deposits	WADTDR-Outstanding Deposits	EBLR	1-Yr. MCLR (Median)	WALR - Fresh Rupee Loans	WALR-Outstanding Rupee Loans
Easing Phase Feb 2019 to Mar 2022	-250	-259	-188	-250	-155	-232	-150
Tightening Period May 2022 to Apr 2024	+250	245	188	250*	175*	204	111

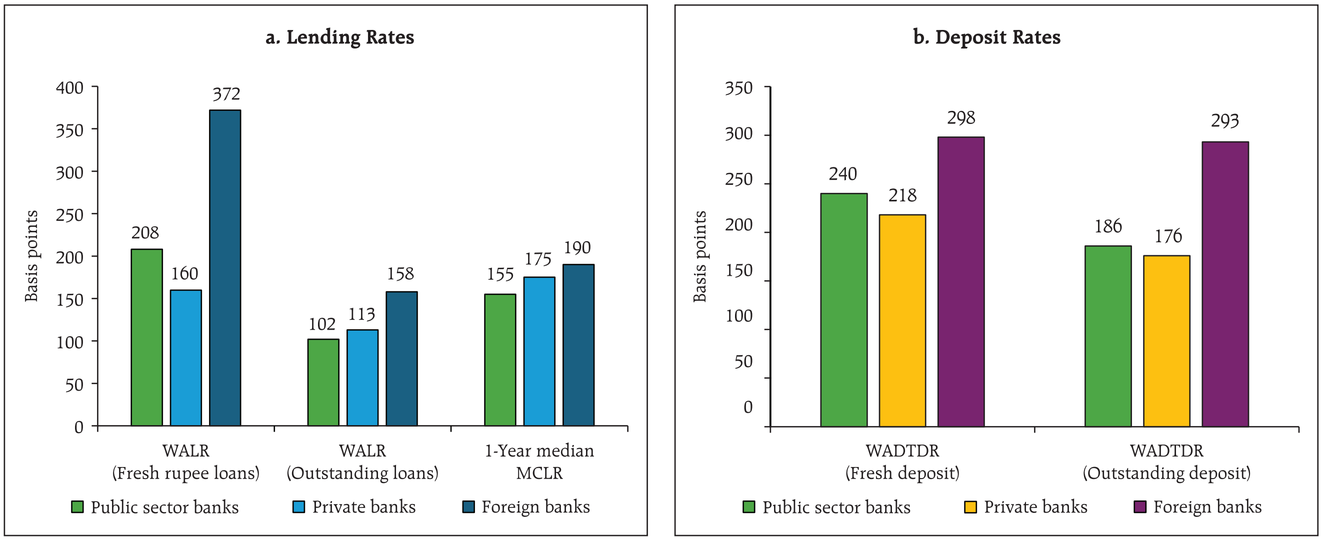
Note: Data on EBLR pertain to 32 domestic banks.
*: Data on EBLR and MCLR pertain to May 2024.
WALR: Weighted Average Lending Rate. WADTDR: Weighted Average Domestic Term Deposit Rate;
MCLR: Marginal Cost of Funds-based Lending Rate; EBLR: External Benchmark based Lending Rate.
Source: RBI.

funds-based lending rate (MCLR) increased by 175 bps during May 2022 to May 2024. Consequently, the weighted average lending rate (WALR) on fresh rupee and outstanding rupee loans increased by 204 bps and 111 bps, respectively, during May 2022 to April 2024. The weighted average domestic term deposit rate (WADTDR) on fresh deposits and outstanding deposits increased by 245 bps and 188 bps, respectively, during the same period (Table IV.2).

The pass-through to WALR on fresh rupee loans and WADTDR on fresh deposits was higher for public sector banks than private banks, while transmission to WALR on outstanding loans was higher for private banks (Chart IV.12).

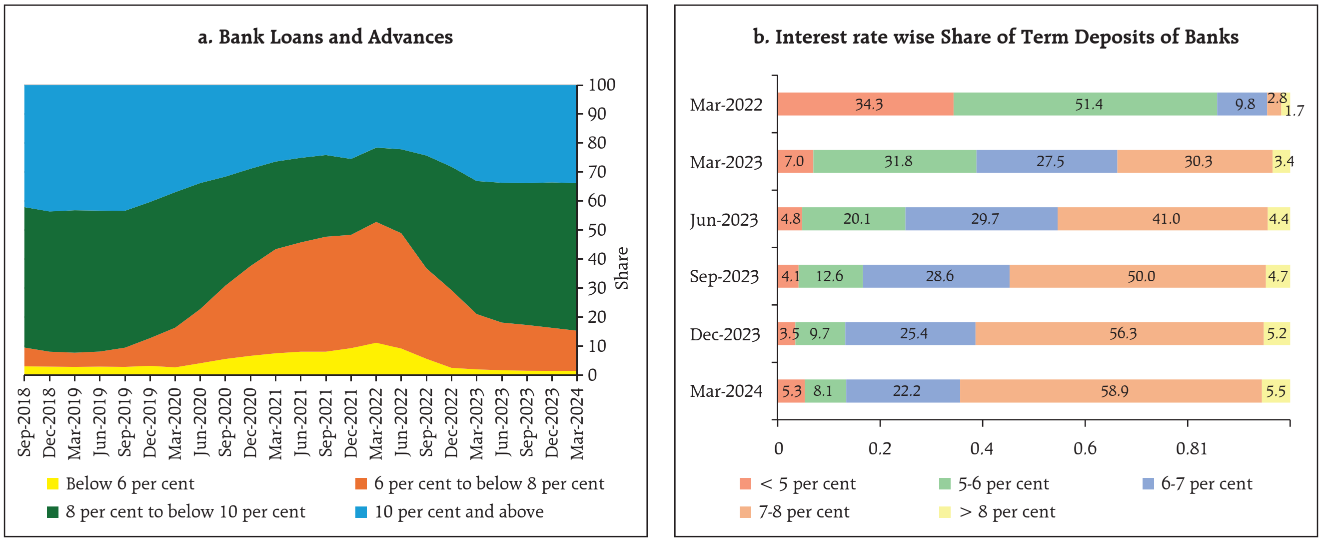
Reflecting transmission of policy rates to lending and deposit rates, the share of bank loans and deposits bearing higher interest rates has steadily increased between March 2022 and March 2024 (Chart IV.13). Also, there was some moderation in growth of savings deposits *vis-à-vis* other forms of deposits (Chart IV.14).

Chart IV.12: Transmission across Bank-groups (May 2022 to April 2024)



Note: Data on 1-year MCLR are up to May 2024.
Source: RBI.

Chart IV.13: Distribution of Bank Loans and Deposits by Interest Rates

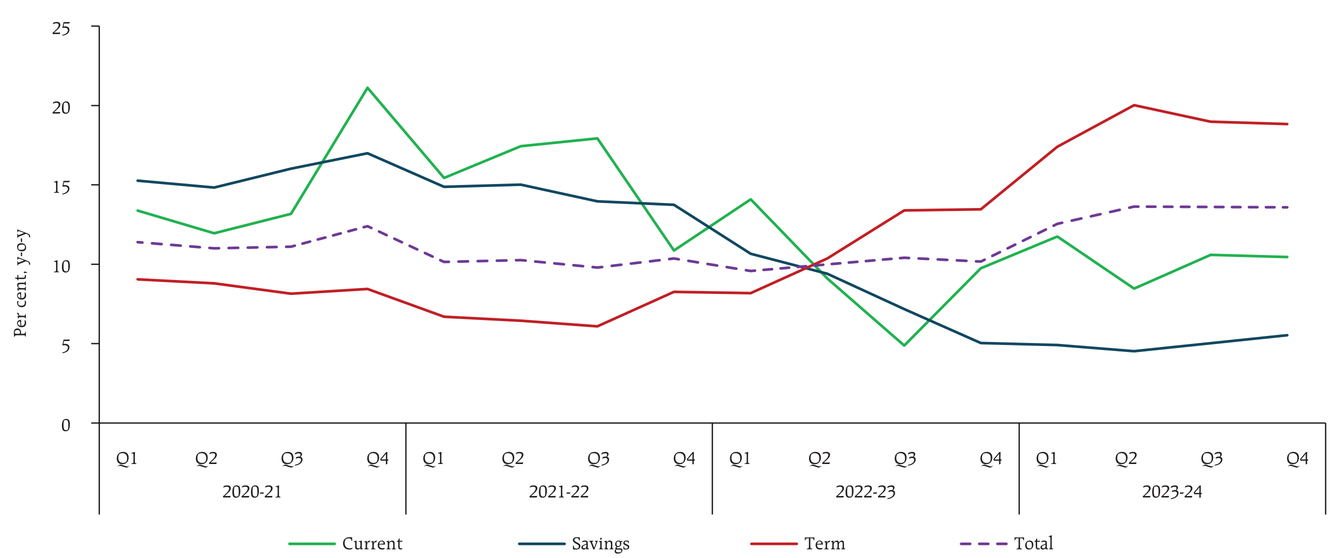


Note: Data exclude the impact of merger of a non-bank with a bank.
Source: RBI.

Corporate leverage in manufacturing companies, as reflected in their debt-to-equity ratio[16], continued to fall as companies capitalised their higher profits (Chart IV.15a). Even as the share of fixed assets in total assets remained broadly stable, outstanding fixed assets rose by 7.9 per cent (y-o-y) during H2:2023-24 (Chart IV.15b). Retained earnings continued to be a major source of funds for capital expenditure and for other non-current investments (Chart IV.15c and IV.15d).

During May-June 2024 so far, Indian equity markets exhibited sharp oscillations. After registering losses in the first half of May 2024, markets advanced

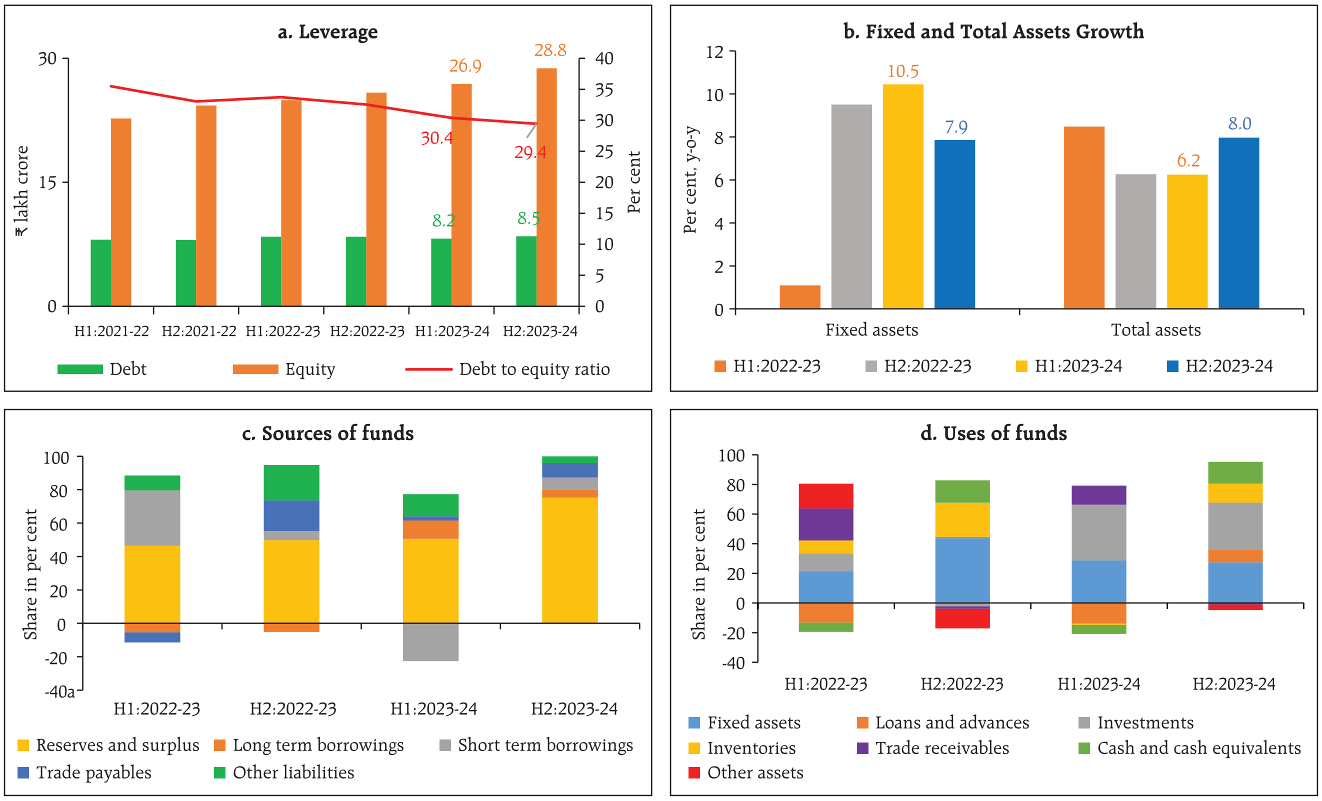
Chart IV.14: Annual Growth in Aggregate Deposits - Type of Deposits



Source: RBI.

[16] Based on abridged balance sheet of 1,526 listed private manufacturing companies during H2:2023-24.

Chart IV.15: Funding Position of Manufacturing Companies

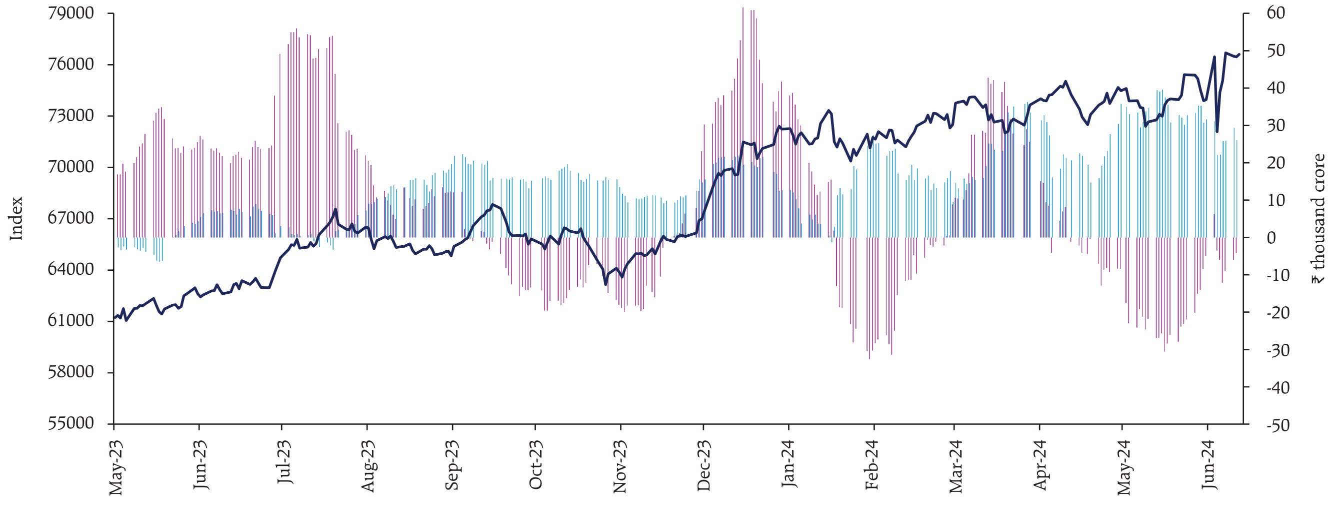


Sources: Capitaline; and RBI staff estimates.

following the record dividend transfer by the Reserve Bank. Market capitalisation of Indian listed companies surpassed US$ 5 trillion for the first time. Thereafter, markets declined in the last week of May 2024 amidst weak global cues but began June 2024 on a positive note, scaling fresh peaks following the exit polls and better-than-expected Q4:2023-24 domestic GDP data. Markets, however, registered a sharp decline following the announcement of the outcome of Lok Sabha elections but recovered subsequently amidst growing expectations of policy stability as the new Government took charge (Chart IV.16). Overall, the benchmark BSE Sensex increased by 3.4 per cent since end-April 2024 to close at 76,693 on June 14, 2024. Market volatility in India, as captured by VIX, more than doubled to 26.8 on June 4, 2024 but eased subsequently to 12.82 on June 14, 2024. Mutual funds made net purchases of ₹60,048 crore in May-June 2024 so far as against net sales by foreign portfolio investors (FPIs) of ₹33,272 crore.

Gross inward foreign direct investment (FDI) remained strong at US$ 7.3 billion in April 2024 (US$ 7.4 billion a year ago) [Chart IV.17a]. Manufacturing, financial services, business services, electricity and other energy, and computer services sectors accounted for more than 80 per cent of the FDI equity flows. Among the major source countries were Singapore, Mauritius, Cyprus, the US and the Netherlands, contributing more than 80 per cent of the flows. Net FDI (net inward FDI minus net outward FDI) improved to US$ 4.0 billion in April 2024 from US$ 2.8 billion a year ago, due to moderation in repatriation and outward FDI by India.

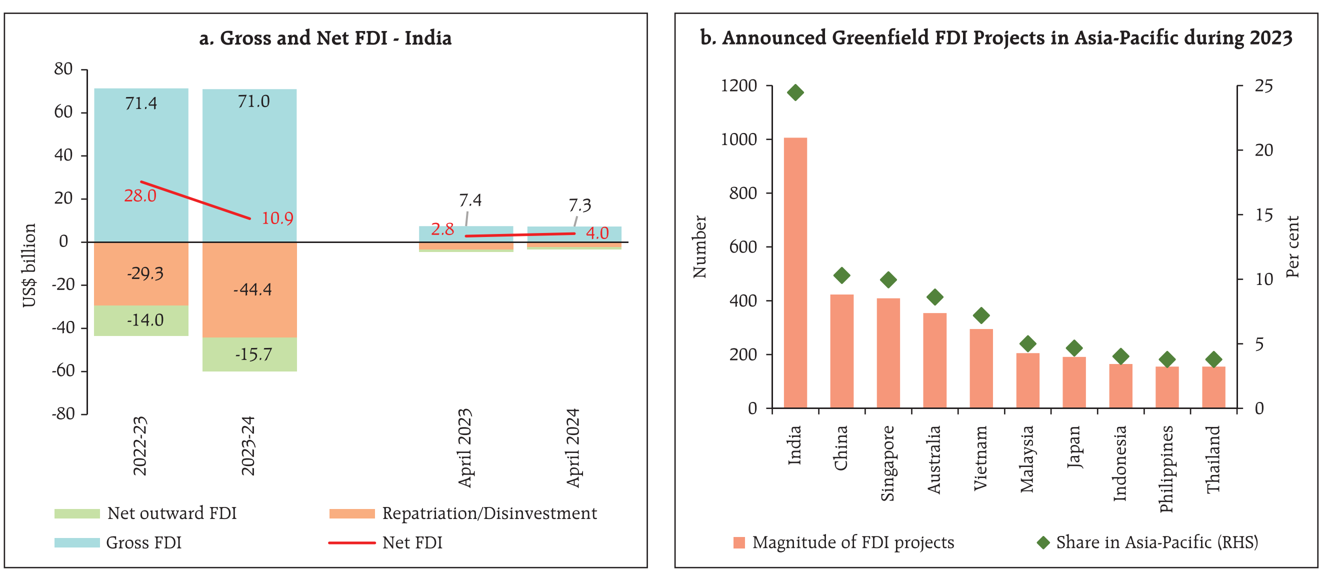
Chart IV.16: BSE Sensex and Institutional Flows



Note: FPI and MF flows are represented on 15-days rolling sum basis.
Source: Bloomberg.

Global FDI flows are undergoing a structural shift, reshaped by forces of geopolitics, digitisation and green energy transition. As per fDi Intelligence[17], around 16,427 greenfield FDI projects worth US$ 1.3 trillion were announced globally in 2023. India maintained its position as an attractive destination country within Asia-Pacific (APAC) in terms of the magnitude of FDI projects (a share of 24 per cent in APAC) and FDI capital investments (a share of 19 per cent in APAC) [Chart IV.17b]. Among industries, capital intensive sectors like renewables, batteries, communications and semiconductors dominated the FDI landscape in 2023.

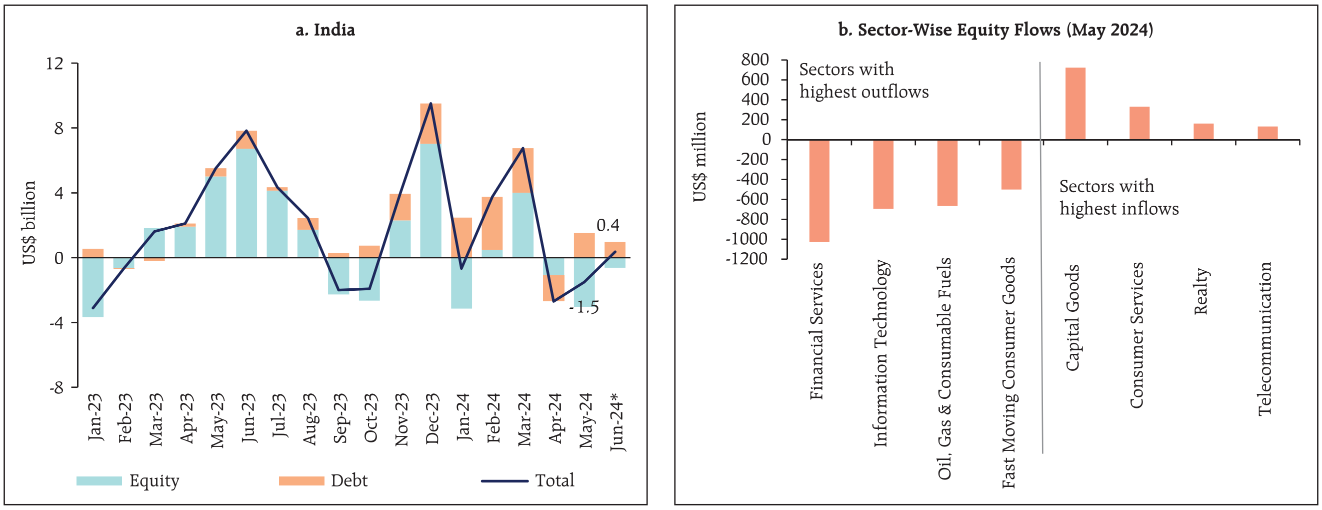
Chart IV.17: Foreign Direct Investment Flows



Sources: RBI; fDi Intelligence; and RBI staff estimates.

17 A specialist division from the Financial Times that provides a comprehensive offering of services related to foreign direct investment.

Chart IV.18: Net Portfolio Investments



Notes: 1. Debt includes investments under the voluntary retention route and hybrid instruments.
2. *: Data up to June 13, 2024.
Source: National Securities Depository Limited (NSDL).

Foreign portfolio investments (FPI) in India remained negative for two consecutive months in May 2024. Net FPI outflows amounted to US$ 1.5 billion in May 2024, led by the equity segment (Chart IV.18a). Equities recorded net outflows of US$ 3.0 billion, in line with most EMEs. With net inflows of US$ 1.5 billion, however, the debt segment maintained its positive trajectory evident since April 2023, barring the month of April 2024. Within equities, financial services, information technology (IT), and oil, gas and consumable fuels recorded the highest outflows, while capital goods, consumer services and realty sectors received the highest inflows during May 2024 (Chart IV.18b). FPI flows turned positive with net inflows of US$ 0.4 billion in June 2024 (up to June 13).

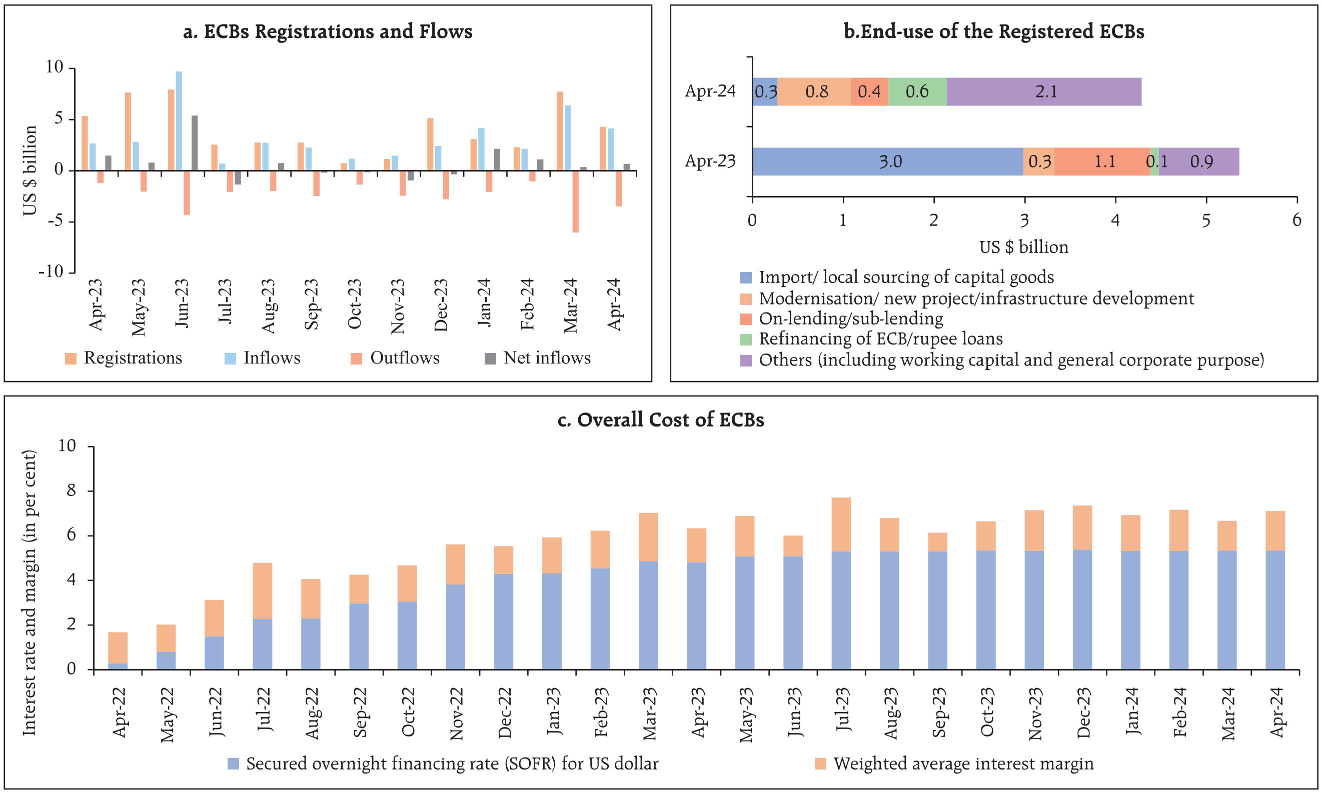
External commercial borrowings (ECB) registrations slowed to US$ 4.3 billion during April 2024 (US$ 7.7 billion in March 2024 and US$ 5.4 billion in April 2023). After adjusting for principal repayments of US$ 3.5 billion, net ECB inflows remained positive for the fourth successive month (Chart IV.19a). ECBs raised in April 2024 were largely intended for working capital needs (Chart IV.19b). They also had wider weighted average interest margins (Chart IV.19c).

India's foreign exchange reserves rose to an all-time high of US$ 655.8 billion on June 7, 2024 equivalent of around 11 months of imports projected for 2024-25 and more than 100 per cent of total external debt outstanding at end-December 2023 (Chart IV.20a). Among major foreign exchange holding countries, India added highest reserves worth US$ 33.4 billion, marking an increase of 5.4 per cent during the calendar year 2024 (Chart IV.20b).

The Indian rupee (INR) remained one of the least volatile major currencies and appreciated modestly by 0.02 per cent (m-o-m) *vis-à-vis* the US dollar in May 2024 (Chart IV.21).

The INR appreciated by 1.2 per cent (m-o-m) in May 2024 in terms of the 40-currency real effective exchange rate (REER), supported by positive relative price differentials and the appreciation of the INR in nominal effective terms (Chart IV.22).

Chart IV.19: External Commercial Borrowings

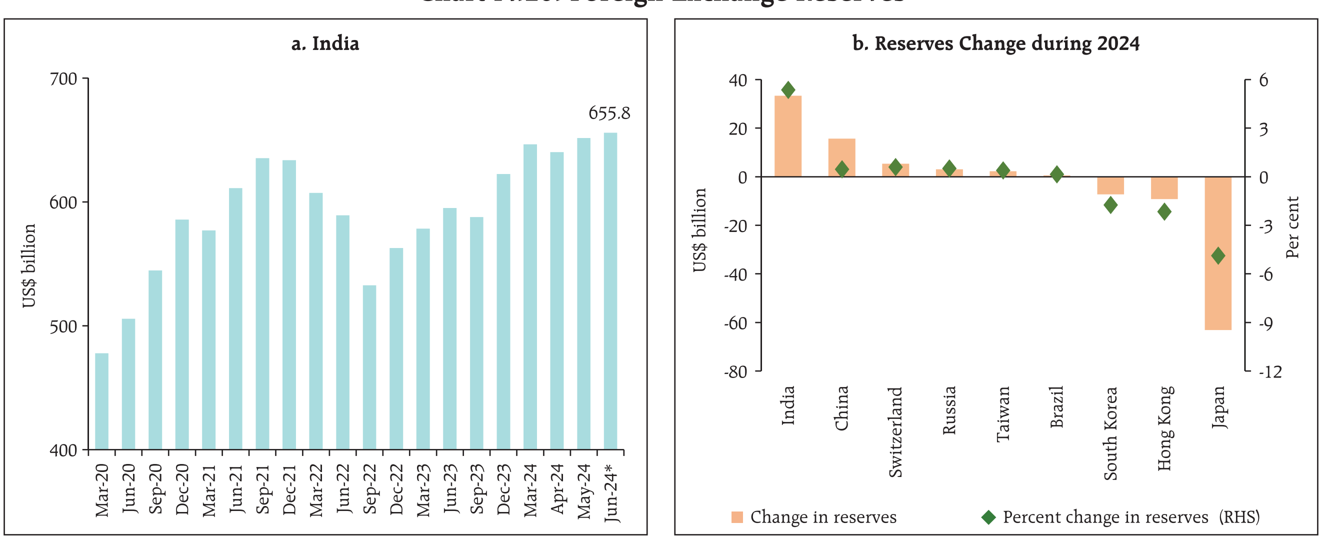


Source: Form ECB, RBI.

Payment Systems

Digital payment system indicators across all the major categories sustained growth (y-o-y) in May 2024, mostly led by the retail segment, including the Unified Payments Interface (UPI), the Bharat Bill Payment System (BBPS) and the National Electronic

Chart IV.20: Foreign Exchange Reserves

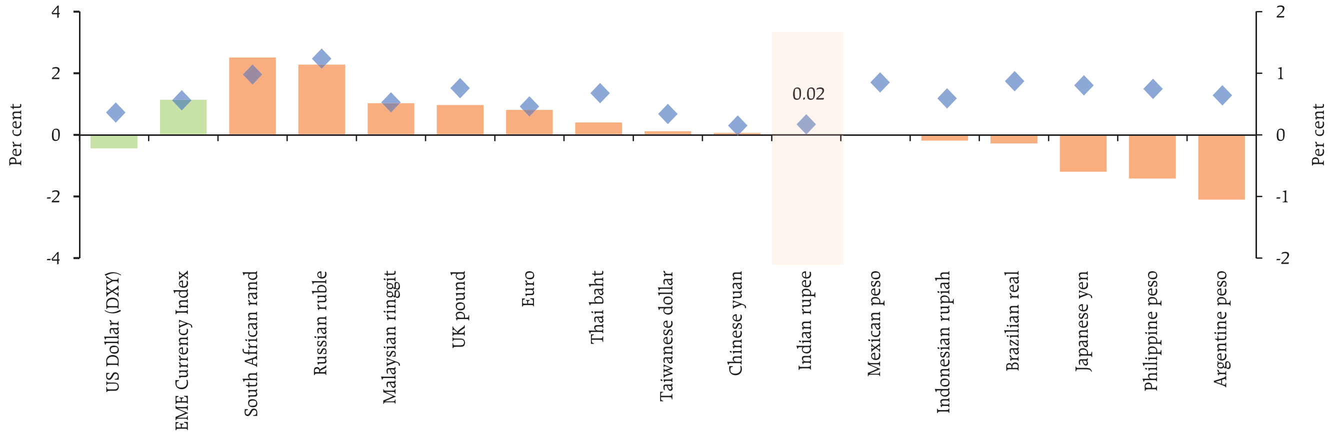


Notes: 1. *: Data for June 7, 2024.

2. Data for India and Russia is for June 7, 2024, end-April for Switzerland and Hong Kong, and end-May for the remaining countries.

Sources: RBI; and respective central bank websites.

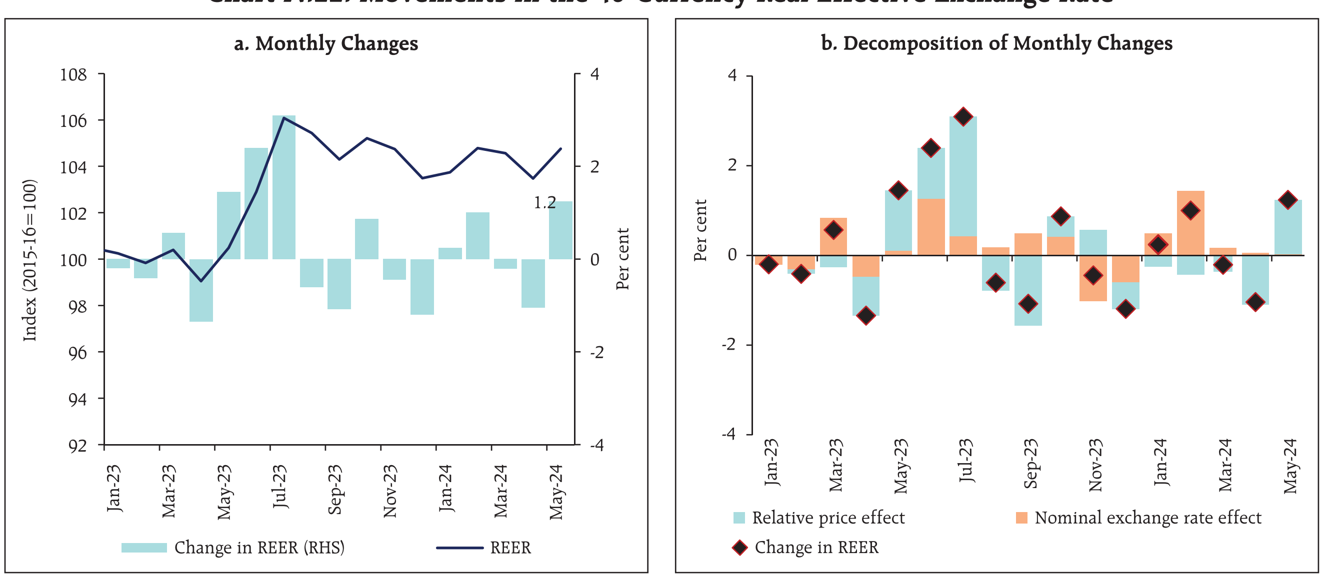
Chart IV.21: Movements of the Indian Rupee and Major Currencies against the US Dollar
(May 2024 over April 2024)



Note: US dollar (DXY) measures the movements of the US dollar against a basket of major currencies (Euro, Japanese yen, British pound, Canadian dollar, Swedish krona, Swiss franc).
Sources: FBIL; Thomson Reuters; and RBI staff estimates.

Funds Transfer (NEFT) [Table IV.3]. The UPI processed a record 14.04 billion transactions in May 2024 as the platform's reach continued to extend into the rural economy. The BBPS expanded strongly in transactions during May 2024 with the nearing of the timeline, *i.e.*, June 30, 2024[18] to integrate with the API (Application Programming Interface) 1.1 enhancement to enable billers of certain new categories as well as enhance the bill payment experience for customers in the existing and new categories (e-challan, bulk electricity payment, corporate credit cards, *etc.*). Additionally, the BBPS recorded a pick up (y-o-y) in ticket size in May 2024, reflecting significant progress in its scope, reach and utility. Among other modes, the NEFT

Chart IV.22: Movements in the 40-Currency Real Effective Exchange Rate



Source: RBI.

[18] BBPS Circular. May 31, 2024.

Table IV.3: Growth in Select Payment Systems

(y-o-y in per cent)

Payment System Indicators	Transaction Volume				Transaction Value			
	Apr-23	Apr-24	May-23	**May-24**	Apr-23	Apr-24	May-23	**May-24**
RTGS	3.2	16.9	12.6	**13.3**	7.0	21.5	15.2	**17.9**
NEFT	29.1	45.9	28.4	**52.5**	10.5	13.4	18.8	**14.3**
UPI	58.7	50.1	58.3	**49.1**	43.9	38.8	43.2	**37.3**
IMPS	5.1	11.0	3.5	**11.2**	17.2	13.7	16.6	**14.9**
NACH	-3.7	50.5	-14.3	**12.7**	18.4	23.7	19.5	**20.7**
NETC	14.9	7.6	17.4	**3.7**	22.1	8.6	24.3	**8.7**
BBPS	33.5	45.1	28.4	**47.8**	51.2	107.5	44.8	**114.8**

Note: RTGS: Real Time Gross Settlement, **NEFT:** National Electronic Funds Transfer, **UPI:** Unified Payments Interface, **IMPS:** Immediate Payment Service, **NACH:** National Automated Clearing House, **NETC:** National Electronic Toll Collection, **BBPS**: Bharat Bill Payment System.
Source: RBI.

expanded at a faster rate (y-o-y), while the National Electronic Toll Collection's (NETC) growth slowed in May 2024 in terms of volume.

Based on the latest available data for April 2024, there was an increase (y-o-y) in the number of credit cards (18.5 per cent), point of sale (PoS) terminals deployed (12.8 per cent), Bharat quick-response (QR) codes (11.5 per cent) and UPI QR codes (22.5 per cent), thereby advancing digitalisation. To further improve the digital infrastructure, the Reserve Bank introduced three significant initiatives[19]: the PRAVAAH portal, the Retail Direct Mobile App, and the FinTech and EmTech repositories. The PRAVAAH portal seeks to facilitate online applications for various regulatory approvals in an efficient manner; the Retail Direct Mobile App would offer retail investors a convenient and easy way to access the retail direct platform for trading G-Secs; and finally, the Fintech and EmTech repositories would gather data on the Indian FinTech Sector and adoption of emerging technologies (like artificial intelligence, machine learning, cloud computing, *etc.*) by regulated entities, respectively, to help design appropriate policy approaches.

In an effort towards maintaining a balance between optimising benefits of FinTech and minimising idiosyncratic risks they pose to the financial system, the Reserve Bank encouraged self-regulation in the FinTech sector and released the 'Framework for Recognising Self-Regulatory Organisation(s) for FinTech Sector' (SRO-FT framework) on May 30, 2024.[20] The framework outlines the characteristics and process for recognising SRO-FT(s) and their broad functions, governance standards, eligibility criteria and expectations.

In the statement on developmental and regulatory policies[21] dated June 7, the Reserve Bank proposed setting up a Digital Payments Intelligence Platform to mitigate payment fraud risks; inclusion of recurring payments (without any fixed periodicity), for *e.g.*, replenishment of balances in FASTag, the National Common Mobility Card (NCMC), and UPI Lite wallet with auto-replenishment facility under the e-mandate framework to enhance the ease of digital payments. The Reserve Bank also announced the launch of global hackathon "HaRBInger 2024 – Innovation for Transformation" - with two themes *viz.*, 'Zero Financial Frauds' and 'Being Divyang Friendly' to enhance safety and security

[19] RBI Press Release. May 28, 2024.

[20] RBI Press Release. May 30, 2024.

[21] RBI Press Release. June 7, 2024.

of digital transactions and prioritise inclusivity for persons with physical disabilities. With regard to strengthening the global digital infrastructure, the National Payments Corporation of India's (NPCI) wholly owned subsidiary, NPCI International Payments Ltd. (NIPL), announced partnership[22] with the Central Reserve Bank of Peru (BCRP) to enable the deployment of a UPI-like real-time payments system in Peru, making it the first country in South America to adopt the globally recognised UPI technology.

V. Conclusion

Amidst these global and domestic developments, the monetary policy committee (MPC) of the Reserve Bank met during June 5-7, 2024 in its second bi-monthly meeting for the year 2024-25. It voted to keep the policy repo rate unchanged at 6.50 per cent and reiterated its stance of remaining focused on withdrawal of accommodation to ensure that inflation progressively aligns to the target, while supporting growth.

In the committee's assessment, domestic economic activity is resilient. High frequency indicators of activity reflect a sustained momentum in manufacturing and services. The prospects for agriculture are brightening with the expectations of an above-normal SWM and the actual landfall ahead of its schedule. This should augur well for spurring rural demand and, in turn, support private consumption. The MPC also expected investment activity to be bolstered by strong balance sheets of banks and corporates, the policy emphasis on infrastructure spending, and rising business optimism. Notwithstanding risks from geopolitical tensions, volatility in international commodity prices, and geoeconomic fragmentation, the MPC expected real GDP to rise by 7.2 per cent in 2024-25, over and above the growth rate of 8.2 per cent achieved in the year gone by. Headline inflation was projected to ease from 5.4 per cent in 2023-24 to 4.5 per cent in 2024-25, with evenly balanced risks from the rising incidence of adverse climate events, pressures from input costs and volatility in crude prices and financial markets on the one hand, and the benign effects of the monsoon on food prices on the other.

In the view of the MPC, although headline inflation is gradually easing, driven by softening in its core component, the path of disinflation is interrupted by volatile and elevated food inflation which may cause it to reverse after a temporary fall below the target during the second quarter of 2024-25. Consequently, a resolute commitment to a durable alignment of headline inflation with the target will warrant careful monitoring of spillovers from food price pressures to core inflation and inflation expectations. This necessitates a continuation of the disinflationary stance as in the words of Shri Shaktikanta Das, Governor, RBI, "*...there is still work to be done. ...monetary policy remains squarely focused on price stability to effectively anchor inflation expectations and provide the required foundation for sustained growth over a period of time*".

[22] NPCI Press Release. June 5, 2024.

Financial Stocks and Flow of Funds of the Indian Economy 2021-22

by Suraj S, Ishu Thakur and Mousumi Priyadarshini ^

Sectoral financial trends during 2021-22 were shaped by the rebound in the domestic economy. India's financial resource balance returned to the deficit territory from the transient net lender status in the preceding year which was, in turn, due to the pandemic-induced surge in household financial savings. Households and financial corporations remained as surplus sectors accommodating the deficits of general government and private non-financial corporations. Financial assets and liabilities of depository corporations, excluding the central bank, recorded the highest growth since 2013-14, driven by the banking sector. Amidst volatile global financial markets, growth of financial assets and liabilities of external sector moderated for the second year in 2021-22.

Introduction

The Indian economy rebounded in 2021-22 registering a growth of 9.7 per cent as against a 5.8 per cent contraction in 2020-21 in the aftermath of the Covid-19 outbreak. The recovery in domestic demand was supported by the pent-up demand which benefitted from the drawdown of precautionary savings, and congenial financial conditions engendered by prudent monetary, regulatory and fiscal measures (RBI, 2022). This article presents underlying trends in the financial stocks and flows (FSF) during 2021-22 across the institutional sectors of the Indian economy on a from-whom-to-whom (FWTW) basis. The analysis of financial flows provides insights into real economic activities and interconnections across sectors by tracking the sources and uses of funds alongside evolving macroeconomic trends.

The FSF presentation adheres to the framework of financial accounts and institutional sectors[1] as defined in the System of National Accounts (SNA) 2008. The non-consolidated detailed statements, based on the annual compilation cycle, are also being released as part of India's G20 Data Gaps Initiative (DGI) commitment. Emphasising the significance of inter-sectoral relationships, the upcoming System of National Accounts (SNA) 2025 plans to feature a dedicated chapter on FWTW dimension of the sequence of accounts, providing an analytical tool to assess macroeconomic dynamics[2]. The compilation and availability of institutional and instrument-wise statistics are the most significant prerequisites for assessing the balance sheet of the economy and interconnectedness across sectors.

With recovery in domestic demand, the economy returned to its net borrower status at (-) 0.8 per cent of the gross domestic product (GDP) in 2021-22, majorly on account of reduction in net resource flows from other depository corporations (ODCs) and other financial corporations (OFCs)[3] and lower funding from households and private non-financial corporations. The ODCs experienced the highest growth in financial assets and liabilities since 2013-14. Deposits with ODCs grew robustly while credit growth was boosted by pent-up consumption demand. Resilient capital

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[1] The institutional sectors include: (i) financial corporations (FCs); (ii) non-financial corporations (NFCs); (iii) general government (GG); (iv) households (HH) including non-profit institutions serving households (NPISHs). Rest of the world (RoW) is considered as a *de facto* sector because it only shows transactions of the domestic economy *vis-a-vis* non-residents and does not account for all the economic activities taking place abroad.

[2] As per the annotated outlines prepared for the 2025 SNA chapters, from-whom-to-whom tables and related financial analysis form chapter 37.

[3] ODCs include scheduled commercial banks (SCBs), regional rural banks (RRBs), co -operative banks, non-banking financial companies (NBFCs) - deposit taking, housing finance Companies (HFCs) - deposit taking, while OFCs include insurance corporations, pension and provident funds, mutual funds, NBFCs-non deposit taking, HFCs - non deposit taking, all India financial institutions (AIFIs), state finance corporations (SFCs) and state industrial development corporations (SIDCs).

markets and strong retail participation contributed positively to the growth of assets under management (AUM) and net resource mobilisation of mutual funds, while insurance sector recorded a double-digit growth during the year.

Sales and profits of the non-financial corporations (NFCs) improved during 2021-22, though the net financial wealth of the sector moderated. With recovery in consumption demand and gradual reduction in precautionary savings, household resource balance moderated to 7.5 per cent of GDP during 2021-22 from 11.9 per cent during 2020-21. As regards the external sector, foreign direct investment (FDI) flows and external commercial borrowings (ECBs) contributed to the accretion in foreign exchange reserves by USD 63.5 billion (RBI, 2022).

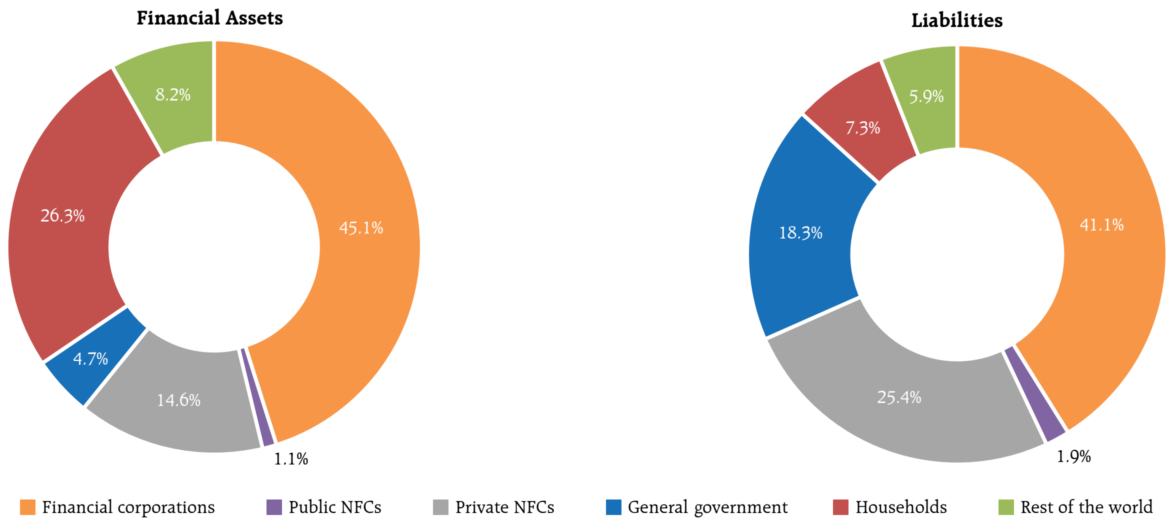
The remaining part of the article is broadly structured as follows. Section II illustrates the sectoral and instrument-wise financial flows in the economy during the year under review. An assessment of the sectoral financial resource balance is presented in Section III. Section IV delves deeper into the financial trends observed for various institutional sectors. Section V concludes the article.

II. Financial Flows: Sector and Instrument-Wise

As per the sectoral balance sheets, HH and FCs remained as surplus sectors accommodating the deficits of the general government (GG) and private non-financial corporation (PvNFCs) [Chart 1]. HH with the highest net financial wealth, contributed 26.3 per cent to total financial assets as at end-March 2022. The share of GG, the largest net borrower, in total outstanding liabilities rose to 18.3 per cent from 18.0 per cent in 2020-21. PvNFCs recorded moderation both in financial assets and liabilities in 2021-22.

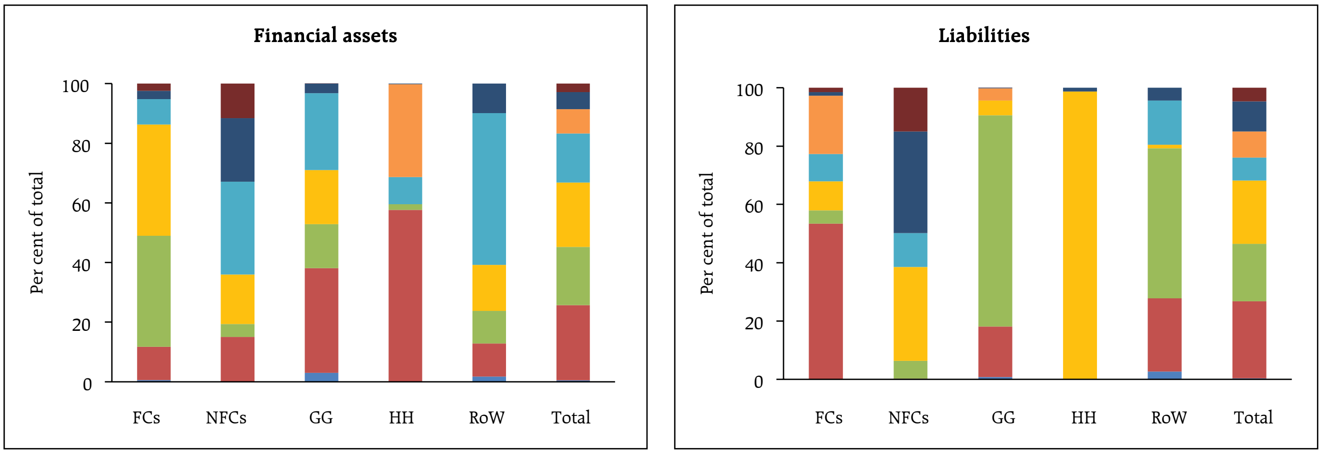
Currency and deposits represented nearly a quarter of total assets and liabilities as at end-March 2022. Debt securities and loans and advances accounted for almost three-fourths of the total financial assets of FCs, while currency and deposits remained their major sources of funds. The liabilities of HH are mostly in the form of loans and borrowings, while their financial assets are mainly in the form of currency and deposits. Financial assets of RoW were majorly held as equity and investment funds, while among liabilities, debt securities continued to dominate, subscribed mostly by the central bank (Chart 2).

Chart 1: Institutional Composition of Financial Assets and Liabilities
(as at end-March 2022)



Source: RBI staff estimates.

Chart 2: Instrument Holding as at end-March 2022

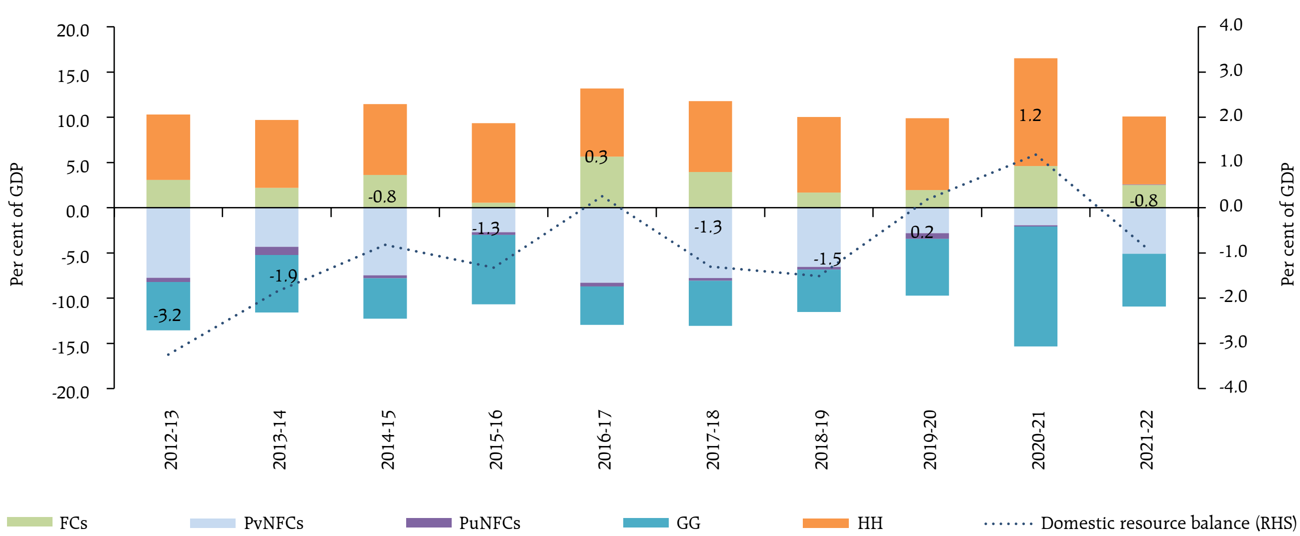


Source: RBI staff estimates.

III. Financial Resource Balance

Sectoral financial resource balance helps to identify the movement of funds between surplus and deficit sectors. In the Indian context, it is primarily from (i) private savings of households and financial corporations, and (ii) foreign sources (mirrored in the current account deficit [CAD]), bridging the requirements of GG and NFCs. With the recovery in economic activity during 2021-22 and the ebbing of the pandemic-induced restrictions on mobility and contact-intensive services, India's financial resource balance returned to the negative trajectory at (-) 0.8 per cent of the GDP, in contrast to the preceding year, when a surge in household financial savings turned the economy into a net lender (Chart 3).

Chart 3: Financial Resource Balance



Source: RBI staff estimates.

Table 1: Sectoral Net Financial Wealth

(Per cent of GDP at current market prices)

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
1. FCs	**27.8**	**28.4**	**28.3**	**28.9**	**28.1**	**30.2**	**31.7**	**31.4**	**33.5**	**37.9**	**34.8**
2. NFCs	**-17.1**	**-20.8**	**-21.6**	**-26.7**	**-26.1**	**-30.2**	**-35.1**	**-37.6**	**-38.3**	**-34.9**	**-35.3**
2.1 PuNFCs	-1.2	-1.4	-2.0	-2.0	-2.2	-2.3	-2.2	-2.3	-2.7	-3.0	-2.4
2.2 PvNFCs	-15.9	-19.4	-19.6	-24.7	-23.8	-27.9	-32.8	-35.4	-35.7	-31.9	-32.9
3. GG	**-50.0**	**-49.2**	**-49.9**	**-49.5**	**-52.5**	**-51.2**	**-51.1**	**-50.9**	**-54.1**	**-68.0**	**-63.1**
4. HH	**74.6**	**72.9**	**73.1**	**75.5**	**77.0**	**78.4**	**80.0**	**81.5**	**82.8**	**100.0**	**93.5**
5. Total (1+2+3+4)	**35.3**	**31.3**	**30.0**	**28.2**	**26.6**	**27.2**	**25.5**	**24.4**	**23.8**	**34.9**	**29.8**
6. RoW	**21.7**	**24.0**	**24.3**	**23.9**	**23.1**	**21.4**	**20.8**	**21.0**	**19.6**	**19.0**	**17.2**

Source: RBI staff estimates.

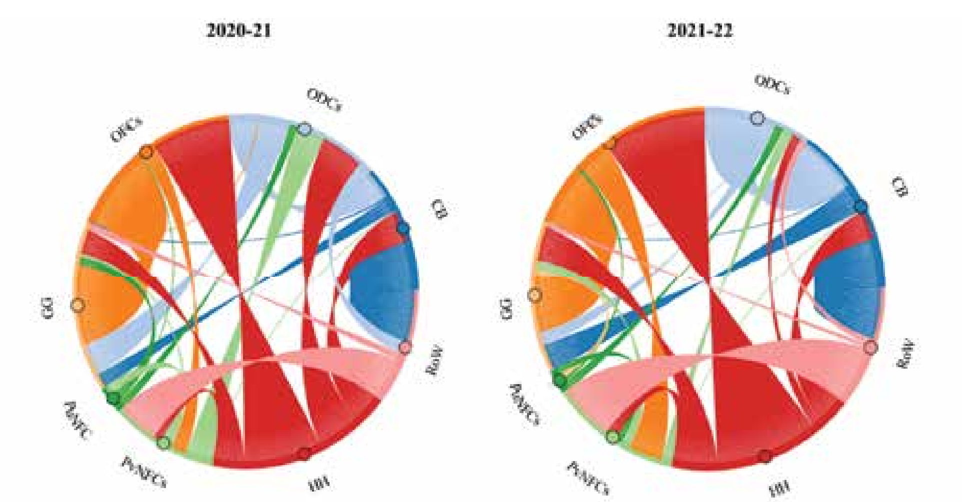
Net financial wealth[4] (NFW) of all the domestic sectors at 29.8 per cent of GDP as at end-March 2022 was above its pre-pandemic level of 23.8 per cent in 2019-20 as well as 2018-19 (Table 1). Sector-wise, net financial wealth of all the domestic sectors, except GG and PuNFCs, fell during 2021-22 from the pandemic-led temporary jump seen in 2020-21.

IV. Sectoral Financial Linkages

Sectoral financial linkages capture interactions and interdependence of the various economic sectors. The directions of linkages of net flows (uses *minus* sources) during 2021-22 were broadly similar to those of the previous year as depicted in chord diagram (Chart 4). However, a shift in the weight in HH linkages with other sectors was visible during 2021-22. Net flows from HH to ODCs dropped in 2021-22 on account of revival of credit demand with the post pandemic normalisation of the economy.

Net flows from ODCs to the central bank increased during 2021-22 reflecting policy measures

Chart 4: Cross-Sector Flows



Note: Chords represent the inter-sectoral flows, and length of an arc represents involvement of the institutional sector in terms of the relative share of flows in total economy.
Source: RBI staff estimates.

[4] NFW is the difference between stock of total financial assets and total liabilities (excluding equity and investment fund shares).

by the Reserve Bank to absorb excess liquidity. These included the restoration of the cash reserve requirement (CRR) to its pre-pandemic level of 4.0 per cent of net demand and time liabilities (NDTL) in two phases of 0.5 percentage point each, effective the fortnights beginning March 27, 2021, and May 22, 2021. By end-March 2022, variable rate reverse repo (VRRR) auctions of varying maturities absorbed 70 per cent of the liquidity overhang (RBI, 2022). HH and PvNFCs provided relatively more funds to GG during 2021-22. In contrast to the previous year, PuNFCs turned net receiver of funds from GG during 2021-22 on account of capital infusion in the public sector. Sector-wise details are discussed in the following sub-sections.

IV.1 Financial Corporations

IV.1.1 Central Bank

Globally, rising inflationary pressures and their persistence during 2021-22 compelled central banks to withdraw policy support extended during the pandemic, which was reflected in a reduction in their balance sheet size (as per cent to GDP) [Chart 5].

Growth in financial assets of the RBI decelerated to 8.4 per cent during 2021-22 from 15.3 per cent in the previous year. Financial assets and liabilities of RBI moderated to 26.2 per cent of GDP (from 28.7 per cent in 2020-21) and to 20.8 per cent (22.5 per cent in 2020-21), respectively. Resultantly, the NFW fell to 5.4 per cent in 2021-22 from 6.3 per cent in 2020-21.

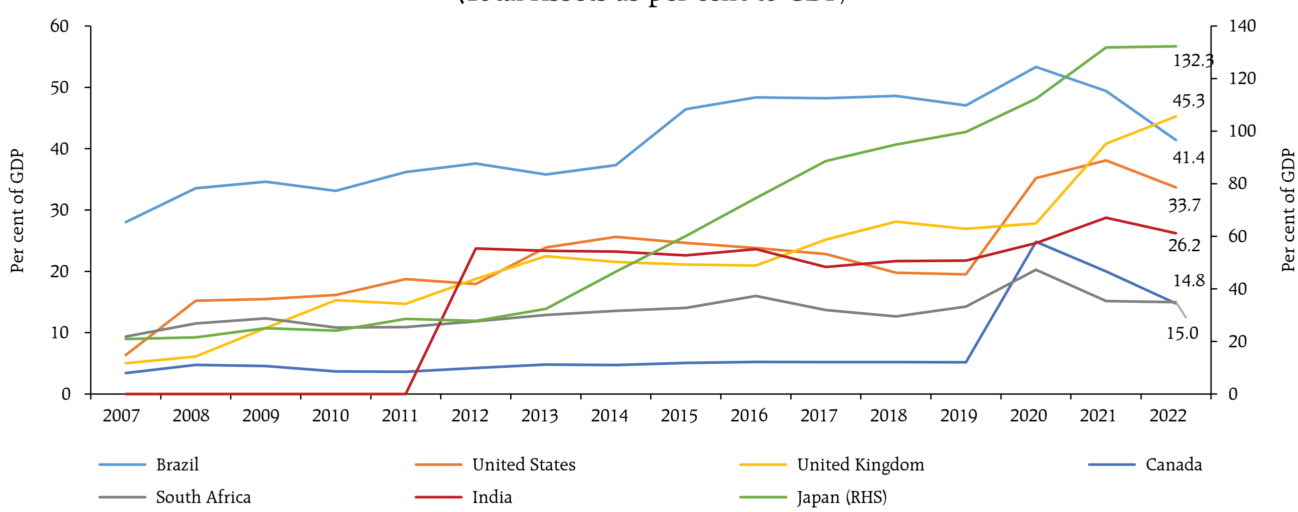
The increase in RBI's financial assets in 2021-22 remained broad-based, with expansion in foreign investments, domestic investments, gold and loans and advances (RBI, 2022) [Chart 6].

Currency, the major liability for the RBI, increased by 9.9 per cent, while deposit liability increased by 16.1 per cent in 2021-22 on account of the rise in bank deposits along with the earlier noted normalisation of CRR. The category 'others', which include surplus payable to the central government, reduced in 2021-22[5] as compared to the previous year (Chart 7).

IV.1.2 Other Depository Corporations

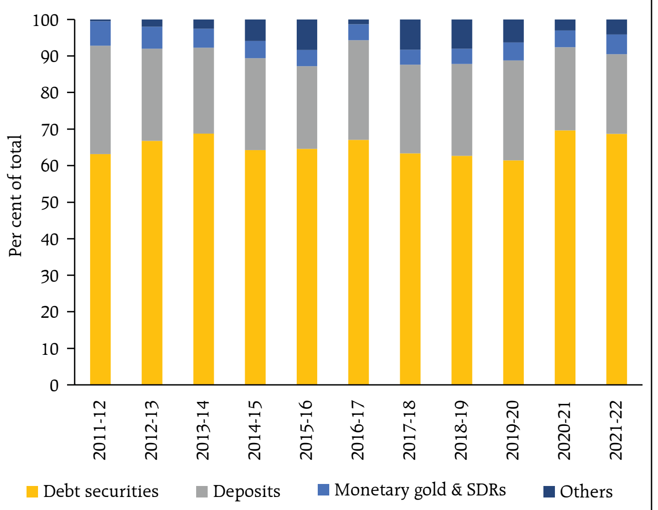
The balance sheet of ODCs witnessed an accelerated expansion during 2021-22 with financial assets increasing by 9.8 per cent and liabilities by 10.0

Chart 5: Central Bank Balance Sheets
(Total Assets as per cent to GDP)

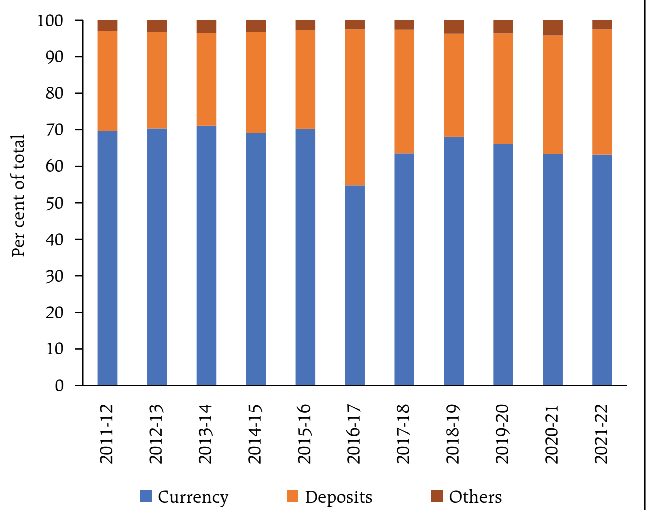


Note: Data for India, Japan and South Africa pertain to financial years; data for the United Kingdom are as on February 28.
Sources: Central Banks; NSO; and World Bank.

[5] The Reserve Bank's surplus payable to the central government for the year 2021-22 was ₹30,307 crore as compared with ₹99,122 for the previous year.



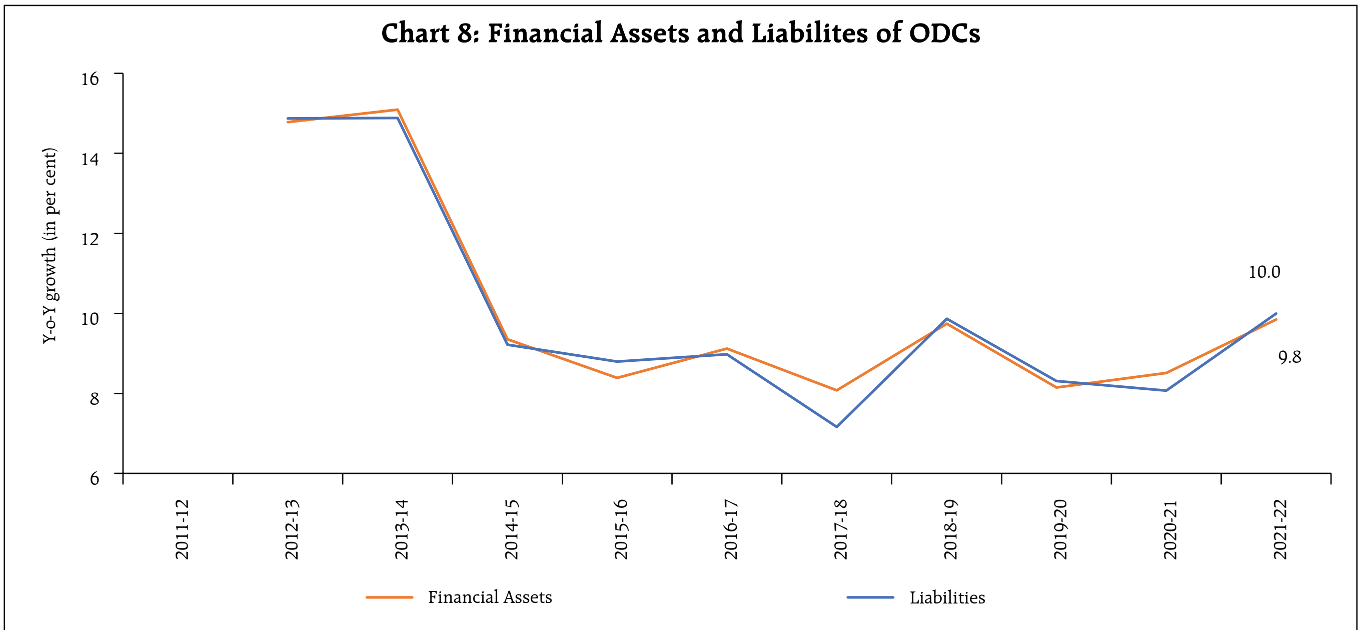
Note: Others comprises currency, equity and investment funds, loans and borrowings, insurance, pension and provident funds, and other accounts receivable.
Source: RBI staff estimates.



Note: Others comprises equity and investment funds, debt securities, loans and borrowings, insurance, pension and provident funds, and other accounts payable.
Source: RBI staff estimates.

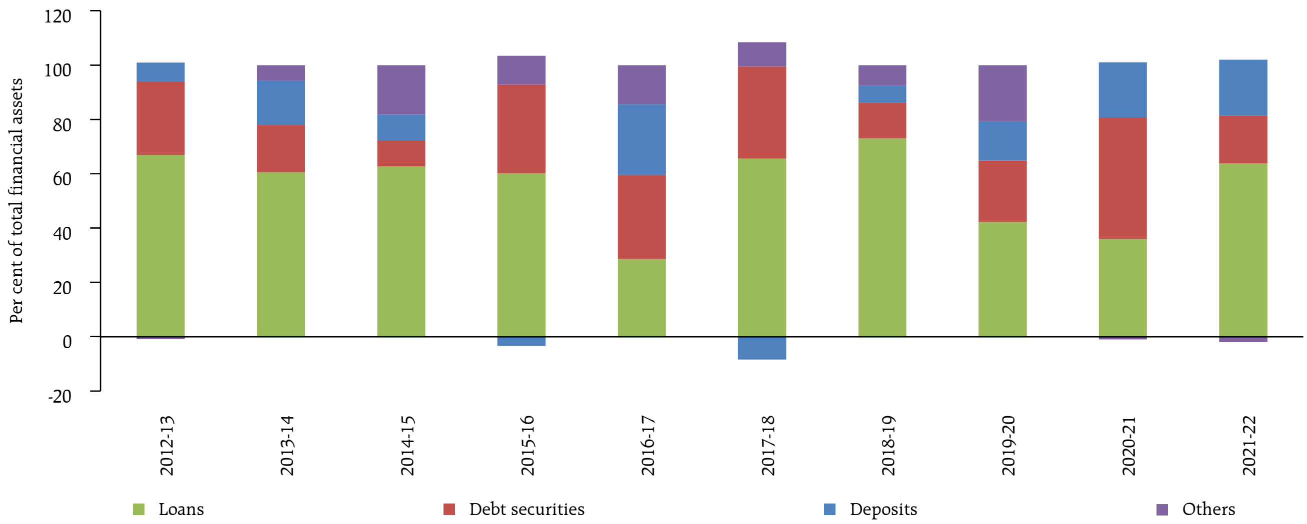
per cent as economic activity picked up post-pandemic (Chart 8).

Deposits accounted for around 80.9 per cent of the total sources of funds for ODCs as at end-March 2022. Growth of deposits moderated in 2021-22, as households ran down excess pandemic-induced financial savings accumulated during 2020-21. On the asset side, credit offtake acceleration was led by services and retail loans during 2021-22. ODCs deployed more of their funds to meet the loan requirements of the private sector in 2021-22 in contrast to purchases of government securities during 2020-21 (Chart 9).



Sources: RBI staff estimates.

Chart 9: Instrument-wise Flow of Financial Assets of ODCs



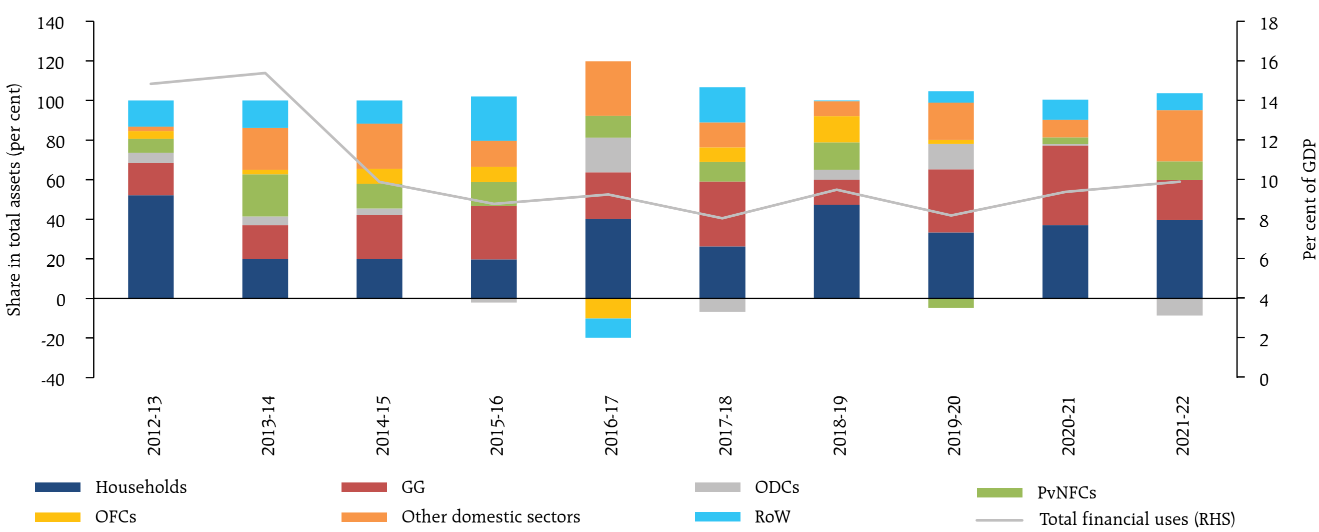
Note: Others comprises equity and investments funds, currency, insurance, pension and provident funds and other accounts receivables *etc.*
Source: RBI staff estimates.

Asset creation by ODCs was more concentrated towards the household sector in 2021-22 as compared to general government in the previous year (Chart 10).

IV.1.3 Other Financial Corporations[6]

Assets under management (AUM) as well as net resource mobilisation of the mutual funds (MFs) grew by 19.5 per cent and 14.9 per cent, respectively, during 2021-22, buoyed by resilient capital markets and robust retail participation with preference towards non-money market funds. The financial reach of MFs deepened accounting for 17.7 per cent of the total financial assets of the OFCs as at end-March 2022

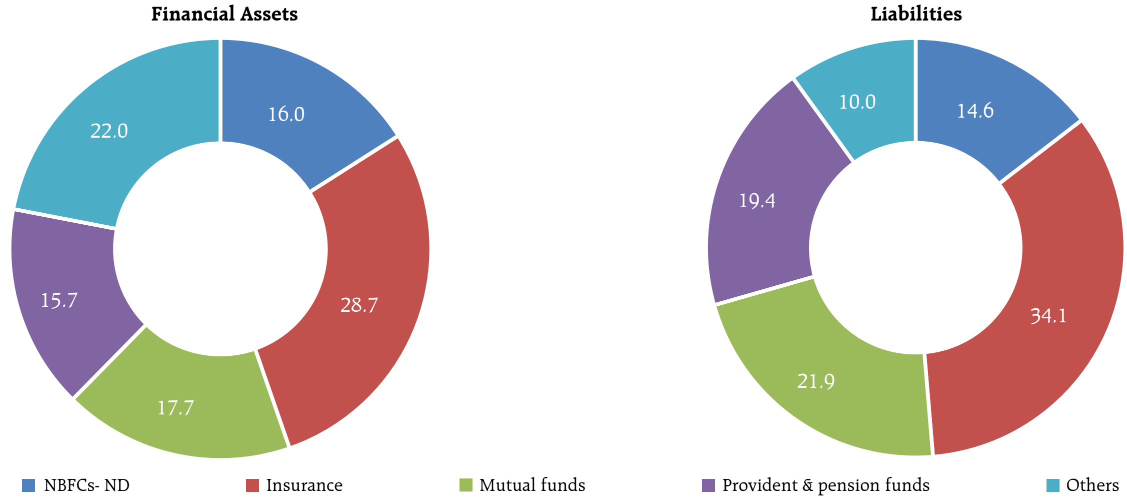
Chart 10: Sector-wise Flow of Financial Assets of ODCs



Note: Other domestic sectors in the chart include central bank, PuNFCs and others not elsewhere classified.
Source: RBI staff estimates.

[6] FSF compilation for 2021-22 also includes the fifth All India Financial Institution (AIFI) *i.e.*, National Bank for Financial Infrastructure and Development (NaBFID), incorporated in April 2021.

Chart 11: Composition of OFCs
(as at end-March 2022)

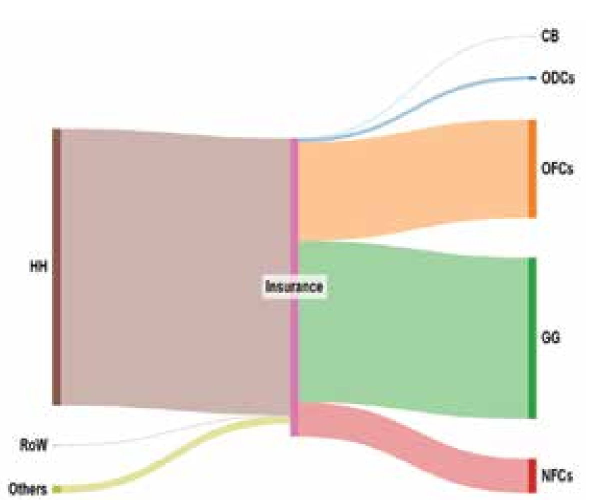


Note: Others include AIFIs, SFCs, SIDCs and HFCs-ND.
Source: RBI staff estimates.

as compared with 11.1 per cent as at end-March 2012 (Chart 11).

The insurance sector accounted for 28.7 per cent of total financial assets of OFCs as at end-March 2022. This sector plays a significant role in mobilising long-term capital, mainly from HH for lending to other sectors for infrastructure and related developments of the economy (Chart 12).

Chart 12: Insurance Sector Linkages



Note: Sankey chart is based on total outstanding sources and uses of funds to and from the insurance sector as at end-March 2022.
Source: RBI staff estimates.

After clocking strong growth in the pandemic year[7], the insurance sector maintained momentum during 2021-22, as financial assets and liabilities grew by 12.4 per cent each, with life insurance growing at a slightly higher pace. Heightened risk awareness post-pandemic contributed to increase in insurance density to US$ 91 in 2021-22 from US$ 78 in the previous year, while insurance penetration remained unchanged at 4.2 per cent[8] (Chart 13).

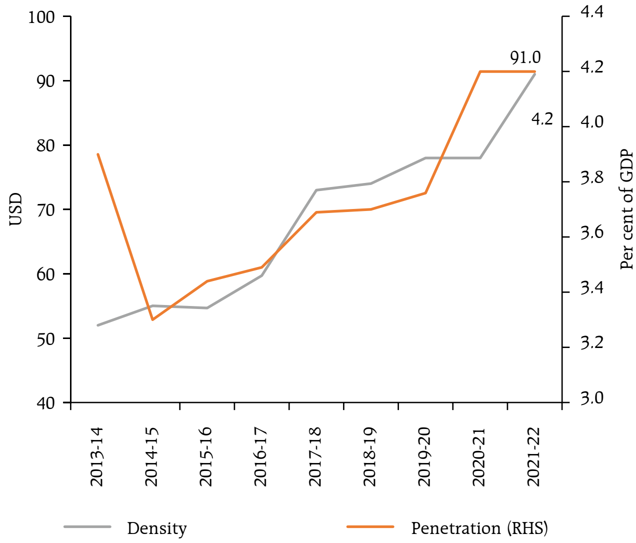
India is the 10th largest insurance market in the world with 1.9 per cent share in global insurance premium. India was one of the fastest growing markets in terms of premium paid in 2022 (Chart 14) [Swiss Re, 2023a].

Pension and provident funds' balance sheet grew by 18.1 per cent in 2021-22 on top of 18.9 per cent increase in the previous year. Though equity investments by the pension and provident

[7] Financial assets and liabilities of insurance sector grew by 21.7 per cent and 21.3 per cent during 2020-21, respectively.

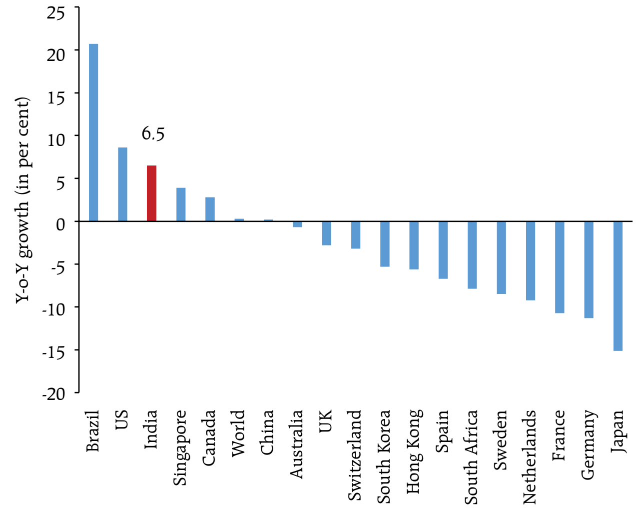
[8] Insurance density refers to the ratio of total insurance premiums (both life and non-life) to the total population, measuring the average insurance premium paid per person. Penetration measures the total insurance premiums as a percentage of GDP in the country.

Chart 13: Insurance Sector Performance



Source: Swiss Re (2023b).

Chart 14: Total Premium Volumes (2022 over 2021)



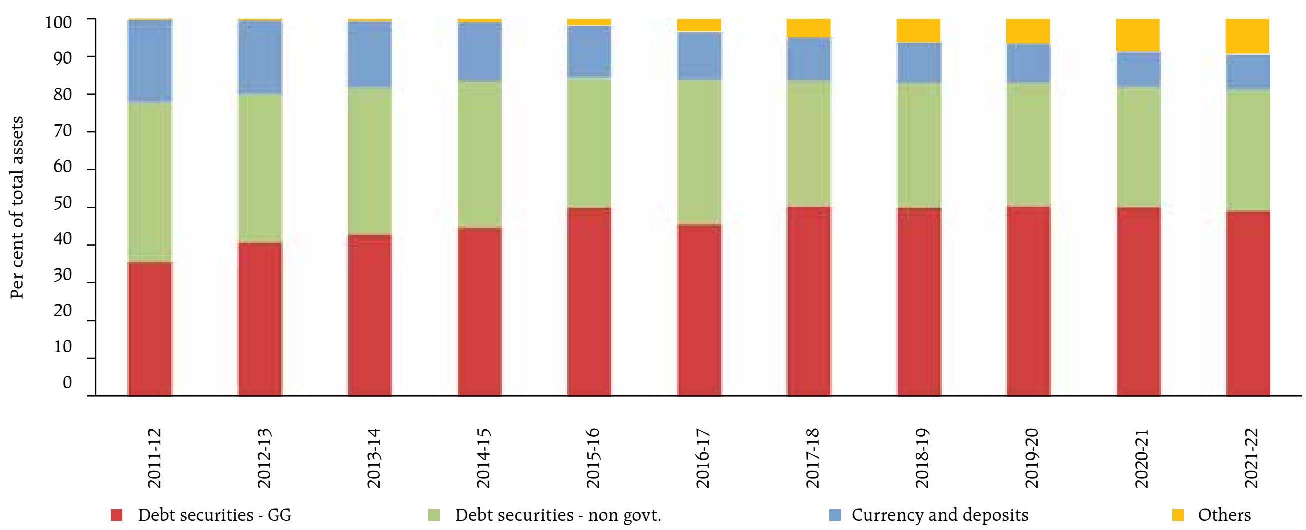
Source: Swiss Re (2022).

funds have gained traction recently, government securities remained the preferred investment avenue, reaching almost half of the total financial assets, and 60.3 per cent of total debt securities of the pension and provident funds as at end-March 2022 (Chart 15).

IV.2 Non-Financial Corporations

The performance of NFCs improved during 2021-22, as benefitting from the economy moving towards normalcy. Notwithstanding the rise in expenses, growth in both before and after-tax profits of the private non-government non-financial (NGNF) sector accelerated[9]. The NFW of NFCs, after improving in

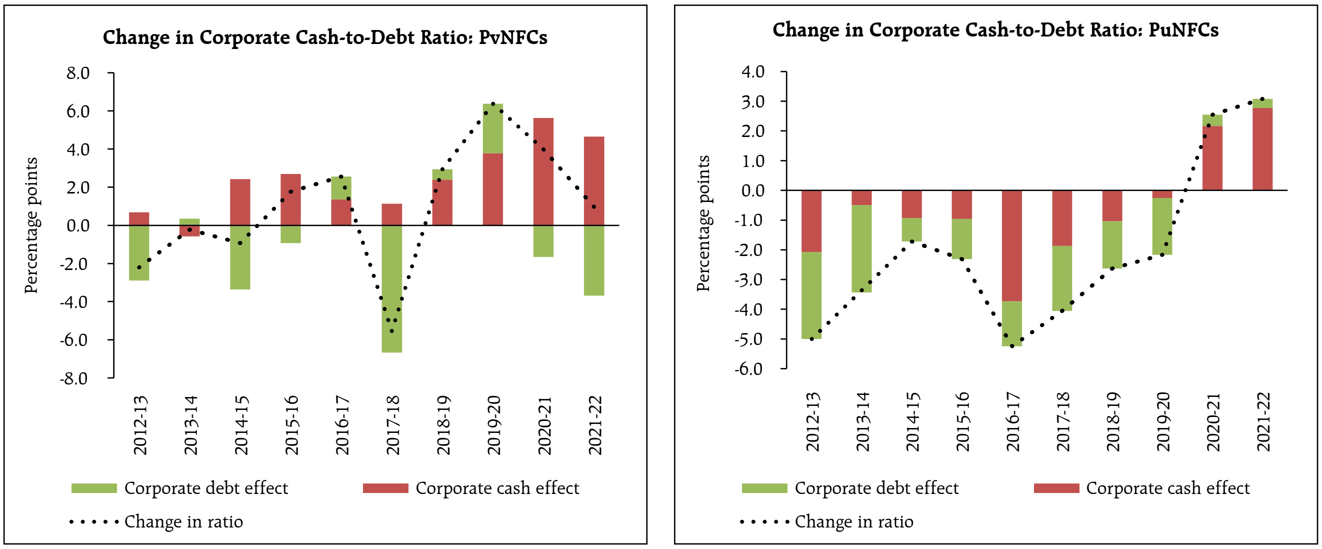
Chart 15: Provident and Pension Funds



Note: Others include loans and equity and investment funds.
Source: RBI staff estimates.

[9] Finances of Non-Government Non-Financial Private and Public Limited Companies, 2021-22, Reserve Bank of India.

Chart 16: Trends in Corporate Cash and Debt[10]



Sources: RBI staff estimates.

2020-21, however, declined marginally in 2021-22 on account of acceleration in the growth of net fixed assets (non-financial).

With sales increasing, the capital formation requirement (in terms of the net fixed assets) of NGNF companies also increased during 2021-22. Corporate cash-to-debt ratio[11] increased further in 2021-22 on account of cash accumulation, with larger increment for PuNFCs (Chart 16).

IV.3 General Government

In line with the fiscal glide path envisioned by the Government of India (GoI), the fiscal deficit of the central government moderated to 6.8 per cent of GDP in 2021-22 from 9.2 per cent in the previous year. The consolidated gross fiscal deficit of states also fell to 2.8 per cent of GDP from 4.1 per cent in the preceding year due to higher revenue receipts with pick-up in economic activity post-pandemic (GoI 2022, RBI 2023). Accordingly, the financial resource gap of GG fell to 5.9 per cent of GDP and the government debt reduced to 86.8 per cent of GDP from 92.5 per cent in 2020-21 (Chart 17).

Loans to OFCs and state governments as well as equity holdings make up the bulk of the central government's assets. Equity investments of central government in statutory corporations (excluding FCI) and joint stock companies increased by 13.6 per cent during 2021-22. Out of the total commitment of infusing fresh equity of ₹5,000 crore in a phased manner, the central government injected ₹2,500 crore of equity capital and ₹5 crore capital into the Food Corporation of India (FCI) for godown constructions during 2021-22. India received an allocation of SDR 12.57 billion from the International Monetary Fund (IMF) in 2021-22, raising the SDR holdings of the central government along with a corresponding increase in liability towards the rest of the world.[12] Debt securities issued by central government, contributing 76.4 per

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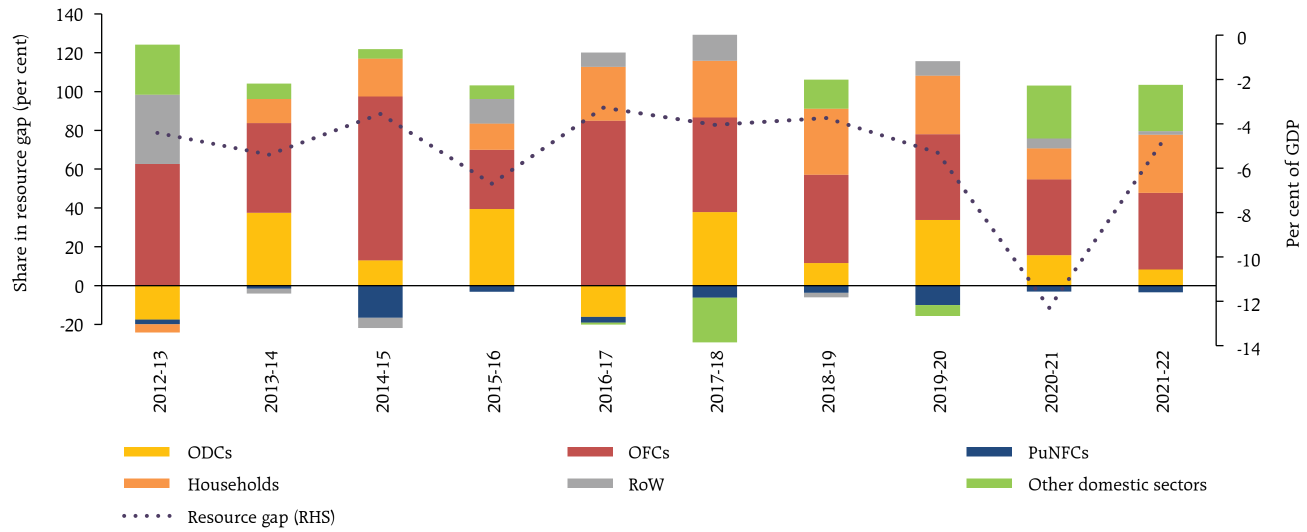
[10] Change in C/D ratio between t and $t+T$ can be decomposed into a change in the level of corporate cash, *i.e.*, corporate cash effect $\frac{Cash_{t+T} - Cash_t}{Debt^d_{t+T}}$ and a change in the corporate debt growth *i.e.*, a corporate debt effect (–) $\frac{Debt^d_{t+T} - Debt^d_t}{Debt^d_t} \times \frac{Cash_t}{Debt^d_{t+T}}$.

[11] Corporate cash includes 'currency and deposits' and 'debt securities' on the asset side reflecting the preference of corporates for holding liquid and safe assets. Debt comprises 'debt securities' and 'loans and borrowing'.

[12] As per the System of National Accounts 2008, SDRs issued by the IMF are treated as an asset of the country holding the SDR and a claim on the participants in the scheme collectively.

Chart 17: Financial Resource Gap of General Government



Note: Rest of the sectors include central Bank, GG, PvNFCs and others not elsewhere classified.
Source: RBI staff estimates.

cent of total liabilities as of March 2022, rose by 11.3 per cent over the previous year.

IV.4 Households (including NPISHs)

The pandemic witnessed build-up of excess stock of financial savings[13] by households at around 4.1 per cent of GDP as at end-March 2021 (RBI, 2024). With the release of pent-up demand, growth in financial assets dropped to 11.1 per cent in 2021-22 from 16.6 per cent in the previous year. Liabilities in the form of loans from the financial sector also picked-up, increasing by 11.2 per cent in 2021-22 as compared with an increase of 10.6 per cent in the previous year. With deceleration in the growth of financial assets on the one hand and the sustained increase in liabilities, the household resource balance moderated to 7.5 per cent of GDP during 2021-22 from 11.9 per cent in the previous year. Consequently, the NFW of households moderated to 93.5 per cent of GDP as at end-March 2022 from 100.0 per cent a year ago, but still well above the pre-pandemic NFW of 82.8 per cent in 2019-20. While ODCs remained the primary source of finance, lending from OFCs, notably NBFCs and HFCs, nearly doubled. Household debt declined to 38.5 per cent of GDP as at end-March 2022 from 41.2 per cent a year ago, reflecting nominal GDP growth effect as net credit effect remained almost stable (Chart 18)[14].

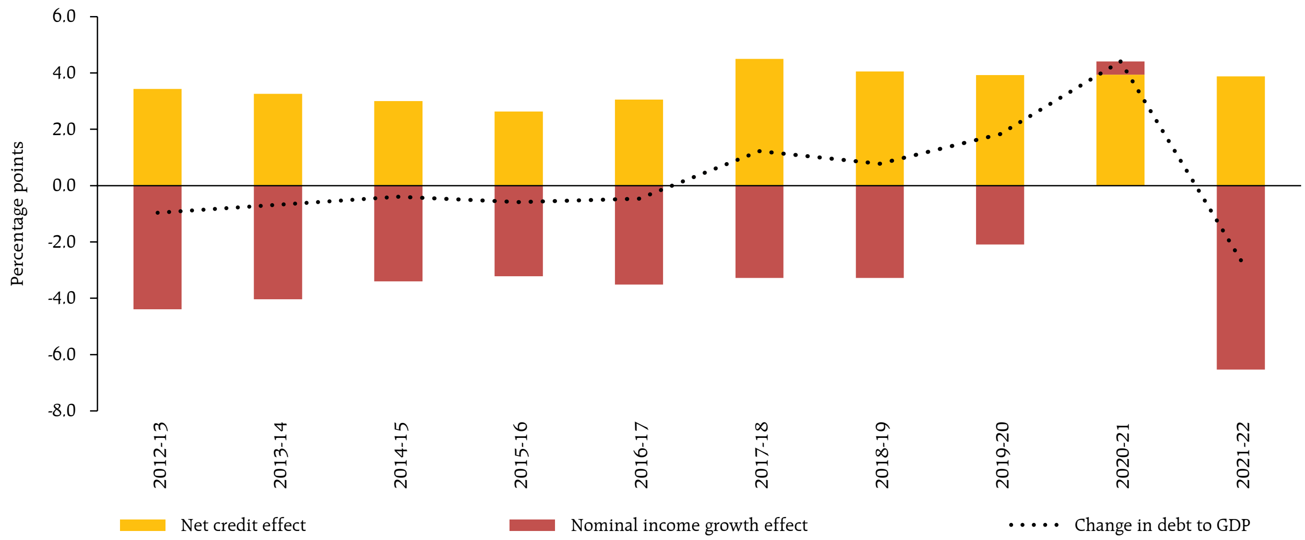
In terms of financial instruments, while currency holdings and deposits saw a moderate increase in 2021-22, household investments in mutual funds and small saving schemes witnessed significant growth, reflecting increased retail participation in the capital markets and other instruments for higher returns. Consequently, the flow of financial investments of households - referred to as gross financial savings - remained near the pre-COVID average[15] at 11.4 per cent of GDP.

[13] Flow of excess savings (savings rate minus trend savings rate) is accumulated to arrive at the stock of savings. Stock begins accumulating from 0 at t=-1, where t=0 is the first period of low growth due to COVID-19. Excess savings are calculated as deviation from the predicted savings rate using a Hamilton trend.

[14] Change in debt-to-income ratio between t and $t+T$ can be decomposed into a change in the level of debt, *i.e.*, net credit effect $\frac{Debt_{t+T} - Debt_t}{Y^d_{t+T}}$ and a change in the nominal income growth, *i.e.*, a nominal income growth effect (-) $\frac{Y^d_{t+T} - Y^d_t}{Y^d_t} \times \frac{Debt_t}{Y^d_{t+T}}$.

[15] The average gross financial savings of households from 2012-13 to 2019-20 was 11.3 per cent of GDP.

Chart 18: Decomposition of Change in Debt-to-GDP Ratio



Source: RBI staff estimates.

IV.5 Rest of the World

In 2021-22, India returned to being a net borrower from RoW, with a modest current account deficit of 1.2 per cent of GDP. This was financed by net FDI and external commercial borrowings (ECBs), even as FPI flows witnessed reversals from the equity segment, especially in the second half of the year amidst global uncertainties. With overall capital flows in excess of current account deficit, there was an increase of USD 63.5 billion (excluding valuation changes) in foreign exchange reserves (RBI, 2022). Growth in liabilities of the RoW decelerated for the second consecutive year in 2021-22 (Chart 19).

Chart 19: Financial Assets and Liabilities of ROW

Source: RBI staff estimates.

IV.6 Sector and Instrument-wise Heat Maps

A snapshot of sectoral contribution to the total increase in financial assets and liabilities of the domestic sector is presented in tables 2 and 3, respectively. Financial assets of the domestic sector increased by 10.1 per cent during 2021-22, wherein HH made the largest contribution, followed by OFCs and ODCs. Instrument-wise, deposits contributed most to the increase, followed by loans and advances and debt securities. The increase in deposits was recorded across all the sectors with the maximum contribution by HH. Loans and advances were the second major contributor to the total domestic assets led by ODCs and OFCs. Equity investments saw a rise among OFCs, general government, and households. Furthermore, households as the sole contributor to assets of insurance, pension and provident fund witnessed an increase of 13.3 per cent during the year amidst Covid-19 uncertainties (Table 2).

On the liability side, OFCs, ODCs and GG were the major drivers of the overall increase. Instrument-wise, loans and borrowing remained dominant, followed by deposits and debt securities. While loans and borrowings by the NFCs and households expanded in 2021-22, deposits held mainly with ODCs, GG and central bank increased during the year. Further, issuance of debt securities by general government and NFCs increased, but the same contracted by 5.9 per cent over the previous year in case of ODCs (Table 3).

Table 2: Heat Map - Financial Assets 2021-22

(Y-o-Y growth in per cent)

Assets	Central Bank	ODCs	OFCs	NFCs	GG	HH	Instrument-wise share of domestic sector assets	RoW
Monetary Gold and SDRs	28.9 (0.7)	-	-	-	374.7 (1.4)	-	71.2 (2.1)	318.5 (16.5)
Currency	..	..	29.8 (0.1)	..	..	10.2 (2.7)	9.9 (2.8)	-
Deposits	4.0 (0.5)	20.4 (4.8)	9.4 (1.4)	14.8 (3.6)	15.0 (2.6)	8.3 (11.6)	10.6 (24.4)	3.2 (4.1)
Debt Securities	6.9 (2.7)	6.9 (4.1)	14.2 (11.5)	23.9 (1.5)	8.2 (0.6)	16.2 (0.8)	10.7 (21.3)	9.5 (11.6)
Loans and Advances	54.1 (0.7)	11.0 (14.9)	8.8 (3.8)	3.0 (0.9)	15.8 (1.4)	-	9.9 (21.7)	6.7 (11.7)
Equity and Investment Fund	-	-10.1 (-0.2)	20.5 (7.4)	-8.8 (-5.6)	13.4 (1.7)	20.3 (4.8)	5.9 (8.1)	5.8 (33.6)
Insurance, Pension & provident fund	-	..	-	..	-	13.3 (11.4)	13.2 (11.4)	-
Other Accounts Receivable	20.6 (0.1)	-3.2 (-0.1)	19.0 (1.7)	13.9 (4.8)	-15.2 (-0.3)	3.2 (..)	12.1 (6.2)	22.9 (22.4)
Others	-	-1.1 (-0.1)	6.9 (0.1)	10.3 (2.0)	..	-	6.2 (2.0)	-
Domestic Sectoral Share	8.4 (4.8)	9.8 (23.4)	14.0 (26.0)	4.1 (7.3)	15.0 (7.3)	11.1 (31.2)	10.1 (100)	9.0 (100)

Notes: 1. Green and red colours indicate increase and decrease in assets, respectively.
2. Higher contributions to the changes in value for assets are represented by higher colour concentration.
3. Figures in the parenthesis show instrument-wise contribution to total change in assets of the domestic economy.
4. Figures in the parenthesis of RoW show instrument-wise contribution of total change in assets of RoW.
5. "-" indicates Nil. & ".." indicates Negligible.

Source: RBI staff estimates.

Table 3: Heat Map – Liabilities 2021-22

(Y-o-Y growth in per cent)

Assets	Central Bank	ODCs	OFCs	NFCs	GG	HH	Instrument-wise share of domestic sector assets	RoW
Monetary Gold and SDRs	-	-	-	-	318.5 (1.4)	-	318.5 (1.4)	288.3 (22.6)
Currency	9.9 (2.9)	-	-	-	-	-	9.9 (2.9)	-
Deposits	16.1 (2.4)	9.6 (17.4)	5.8 (0.2)	28.1 (0.1)	13.7 (4.4)	-	10.6 (24.5)	3.7 (10)
Debt Securities	-	-5.9 (-0.3)	3.6 (0.6)	12.2 (2.1)	11.0 (15.1)	-	10.0 (17.5)	7.0 (37.2)
Loans and Borrowings	-	12.8 (3.2)	18.5 (2.9)	10.4 (9.5)	5.6 (0.6)	11.1 (9.2)	11.3 (25.4)	-18.9 (-3.1)
Equity and Investment Fund	-	11.5 (0.3)	19.6 (6.8)	-5.8 (-2.2)	-	-	6.4 (4.9)	10.2 (15.6)
Insurance, Pension & provident fund	13.3 (0.1)	..	14.3 (11.7)	-	2.3 (0.2)	-	13.2 (11.9)	-
Other Accounts Payable	-61.5 (-0.7)	14.1 (0.5)	40.6 (0.3)	7.8 (7.8)	21.1 (0.1)	16.5 (0.2)	7.6 (8.2)	58.5 (17.7)
Others	-	20.9 (1.1)	12.2 (0.1)	4.9 (2.2)	17.0 (..)	-	6.7 (3.4)	-
Domestic Sectoral Share	10.1 (4.6)	10.0 (22.2)	14.7 (22.5)	6.7 (19.6)	11.5 (21.7)	11.2 (9.4)	10.1 (100)	9.9 (100)

Notes: 1. Red and green colours indicate increase and decrease in liabilities, respectively.
2. Higher contribution to the changes in value for liabilities are represented by higher colour concentration.
3. Figures in the parenthesis shows instrument-wise contribution to total change in liabilities of the domestic economy.
4. Figures in the parenthesis of RoW shows instrument-wise contribution of total change in liabilities of RoW.
5. "-" indicates Nil. & ".." indicates Negligible.

Source: RBI staff estimates.

V. Conclusion

The sectoral analysis of financial stocks and flows (FSF) during 2021-22 indicates that households and financial corporations remained the surplus sectors accommodating the deficit of the general government and private non-financial corporations. As uses of funds outweighed sources across sectors, except general government (GG), net financial wealth of the domestic sector moderated to 29.8 percent of GDP at end-March 2022 relative to the previous year; however, it was well above the pre-pandemic position (23.8 per cent in 2019-20). The increase in corporate cash-to-debt ratio of NFCs and improvements in profitability provides headroom to the corporates for capital expenditure and capacity expansion. The net financial wealth (NFW) of households at 93.5 per cent of GDP as at end-March 2022, although lower than the preceding year, exceeded the pre-pandemic NFW of 82.8 per cent in 2019-20.

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India's Deposit Insurance @60: Retrospect and Prospect

*by Ashutosh Raravikar, Avijit Joarder and Anup Kumar^*

Deposit insurance is crucial for financial stability and protection of depositors. India's deposit insurance system has reached a milestone with completion of sixty years of its existence. This article provides an overview of global developments in the field, narrates the evolution of the Indian deposit insurance system, spells out its achievements and suggests an agenda in fulfilment of further goals during its onward journey.

Introduction

Deposit insurance system is vital for protection of depositors and financial stability through preserving their confidence in the financial system. The second oldest deposit insurance system in the world after the US and a pioneer in the field, the deposit insurance in India completed sixty years of its existence in 2022. This article reviews and analyses this voyage and also provides lessons for its next phase. Section II provides an overview of the existing deposit insurance system across the world. Section III outlines the evolution of deposit insurance in India, enumerates recent initiatives and makes suggestions to attain significant goalposts. In Section IV, an empirical exercise is carried out to make estimates of DICGC's Reserve Ratio in near future in the context of adequacy of funds to meet future payment obligations. Section V sets out concluding observations.

^ Ashutosh Raravikar is from Department of Economic and Policy Research, Reserve Bank of India (RBI), Avijit Joarder is from Department of Statistics and Information Management, RBI and Anup Kumar is from Deposit Insurance and Credit Guarantee Corporation (DICGC). Insightful suggestions from G. V. Nadhanael are gratefully acknowledged. Inputs from N. Arun Vishnu Kumar and support from J. S. Moses, Bhaskar Birajdar and Kishan Ambekar are thankfully acknowledged. The views expressed are those of the authors and do not represent the views of the RBI and DICGC.

II. Overview of Global Systems

The spread and coverage of deposit insurance has gradually expanded across the world especially since the global financial crisis. A well-designed deposit insurance system strengthens the incentives for depositors, borrowers, regulators and owners of banking system. As per the latest data available from International Association of Deposit Insurers (IADI), the deposit insurance explicitly exists in 148 jurisdictions across the world and under consideration in 25 others as of May 2024 as compared with only 12 in 1974. IADI, an international forum for all deposit insurers, gathers expertise and knowledge in the field and shares it among members. It is also involved in research and capacity building. It has issued the Core Principles for Effective Deposit Insurance Systems for quality assessment of systems and identify gaps in terms of fulfilment of their public policy objectives.

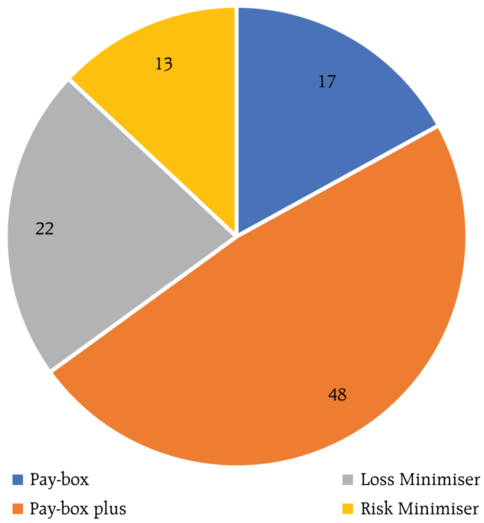
II.1 Features at a Glance

At present, the mandate of one-fourth of deposit insurers in the world is pay-box, while 48 per cent have pay-box plus mandate thereby having additional responsibilities like resolution (IADI, 2024).[1] Over one-third entities are either loss minimisers or risk minimisers (Chart 1). Since 2011, the share of institutions with pay-box mandate has generally reduced, while there has been a rise in the number of pay-box plus insurers. Expansion in mandates reflects increasing responsibilities of deposit insurers in resolution process going beyond reimbursement, such as funding and decision making in resolution (IADI, 2023 and 2024). The regional variance in mandates continues. The toolkit for resolution has increased.

The accurate and swift pay-out of deposits is important. As per IADI Core Principles, the reimbursement should take place within seven

[1] Mandates comprise of pay-box (reimbursement of insured deposits), pay-box plus (extra functions like resolution), loss minimiser (selection of least cost resolution strategy) and risk minimiser (wide range of risk minimisation responsibilities).

Chart 1: Deposit Insurance Systems Across World in 2023: Mandate-wise Shares (in per cent)



Source: IADI, 2024.

working days. There has been an improvement in reimbursement practices across the world. The speed of pay-out has been steadily rising. The proportion of deposit insurers who begin pay-out within seven days has increased from 30 per cent in 2013 to 60 per cent in 2023 (IADI, 2024). The financing for deposit insurance is based on *ex ante* principle, *i.e.*, before occurrence of failure of banks, in majority (96 per cent) of the surveyed deposit insurers. Moreover, there has been a steady move towards risk based premium system, as about 50 per cent of the insurers across the world charge differential premiums as of 2023, up from 30 per cent in 2010.

The size of deposit insurance fund varies widely among regions. Africa has some of the largest funds while Europe has the lowest. The size of funds is set among regions as per adequacy levels which are different as per mandates and probabilities of default by member banks. As a world median, deposit insurers hold about 80 per cent of funds of their target fund levels. Globally, the coverage of depositors (both by depositor and by account basis) has been quite high during the last decade. Regarding the share of the value of fully covered deposits, the global coverage ratio declined during the decade from 50 per cent in 2014 to 47 per cent in 2023 (IADI, 2024). It was strong in high-income jurisdictions and low in upper middle -income and lower middle-income jurisdictions.

II.2 Main Issues Pertaining to Deposit Insurance: A Global Perspective

At present, the deposit insurers across the world face the following issues. First, the post COVID macroeconomic environment is marked by geopolitical risks, inflation, economic downturn, rise in debt levels and bank crises around the globe. The coverage limits may have to be revisited by deposit insurers in the light of these developments. Second, deposit insurers' involvement and role in bank resolution is increasing. They need to acquire expertise in this expanding role. Third, there are rapid advancements in fintech and resultant digitisation in financial products and services. Though these have created opportunities for raising efficiency and financial inclusion, there are also challenges for banks in their operations due to various issues such as cybersecurity and lack of adequate public awareness. Banks may also face the risk of sudden withdrawal of large amounts of deposits through online mode from rapidly spreading rumours on social media about the banks. Such factors have changed their risk profiles. The Central Bank Digital Currencies (CBDCs) will create a new landscape. The deposit insurers will have to gauge the impact of these developments and factor them in their policies. Fourth, climate change can adversely affect deposit insurers through various channels such as risks of bank defaults and cost of resolution. Deposit insurers are now adopting a broader environment, social and governance (ESG) framework. The share of deposit insuring institutions having a formal ESG policy stood at 40 per cent in 2022 and it is expected to grow to 77 per cent in 2024 (IADI, 2023). Fifth, the IADI's 2014 standard on Core Principles for Effective Deposit Insurance Systems is being reviewed and expected to get updated soon. Sixth, in the light of recent bank failures, the interaction between deposit insurers and bank resolution authorities needs further improvement. Seventh, in view of both opportunities and risks arising from digitalisation, the deposit insurers need to technologically equip themselves and pay attention to data governance and cybersecurity. Finally, the cross-border economic interactions, rising interconnectedness of financial flows and borderless digital transactions are increasingly the matters of concern for deposit insurers, as these affect their pay-out and resolution activities. Hence deposit insurers and other financial safety net participants need to work in synergy.

III. Deposit Insurance: The Indian Experience

III.1 Institutional Journey

A need for protecting the depositors was felt after the failures and crises in the banking system. In 1938 the biggest bank in Travancore – Travancore National and Quilon Bank collapsed. Interim legislative measures were taken to address the situation. Subsequently in 1946 and 1948 there was a banking crisis in Bengal. A series of such crises emphasised the need for introduction of deposit insurance system. The Rural Banking Enquiry Committee backed the idea in 1950. The collapse of Laxmi Bank and Palai Central Bank in 1960 put the last straw and triggered the introduction of the system. Through the Deposit Insurance Act, 1961, the Deposit Insurance Corporation (DIC) was set up. It began operations since January 1, 1962.

The objectives of deposit insurance were protection of small depositors through preserving their savings, avoiding panic withdrawals, increasing the trust in the banking system and contributing to financial stability. In the beginning, the functioning commercial banks were given deposit insurance cover. There were 287 insured registered banks to start with. By 1967 the number decreased to 100 due to the Reserve Bank's (India's central bank) policy of consolidation in the banking sector through mergers of weak banks for maintaining systemic stability. In 1968 the deposit insurance was extended to cooperative banks. Accordingly, DICGC was required to register "eligible cooperative banks" (DICGC, 2023).[2]

Credit Guarantee Scheme was commenced by the central government in 1960 for providing guarantee cover to banks and other institutions for their lending to small scale industries. This was intended to meet the credit needs of the weaker sections of society. The administration of the scheme was given to the Reserve Bank as a designated Credit Guarantee Organisation (CGO). A public limited company Credit Guarantee Corporation of India Ltd. (CGCI) was promoted by the Reserve Bank in January 1971.

DIC and CGCI were merged and a new entity Deposit Insurance and Credit Guarantee Corporation (DICGC), wholly owned by the Reserve Bank of India, was formed in July 1978 through the amended Act termed as DICGC Act, 1961. This was done to integrate the functions of deposit insurance and credit guarantee. Thereafter, credit guarantee assumed the focus due to nationalisation of major banks. In 1981, the government cancelled its credit guarantee scheme and DICGC started providing credit guarantee cover also to small scale industries. In 1989, the guarantees were extended to the whole priority sector lending. After the introduction of financial sector reforms in the 1990s, the credit guarantees were reduced and again the deposit insurance turned as the core function of DICGC. The journey of deposit insurance system in India since inception till date is depicted in Tables 1-2 and Chart 2.

[2] An eligible co-operative bank means a co-operative bank (whether it is a State co-operative bank, a Central co-operative bank or a Primary co-operative bank) in a State which has passed the enabling legislation amending its Co-operative Societies Act, requiring the State Government to vest power in the Reserve Bank to order the Registrar of Co-operative Societies of a State to wind up a co-operative bank or to supersede its Committee of Management and to require the Registrar not to take any action for winding up, amalgamation or reconstruction of a co-operative bank without prior sanction in writing from the Reserve Bank of India.

Table 1: Deposit Insurance Limit in India

(₹; in Rupees)

Effective From	Insurance Limit
February 4, 2020	5,00,000
May 1, 1993	1,00,000
July 1, 1980	30,000
January 1, 1976	20,000
April 1, 1970	10,000
January 1, 1968	5,000
January 1, 1962	1,500

Source: DICGC.

Table 2: Deposit Insurance Premium Rates Per Deposit of ₹ 100

(₹; in Rupees)

Effective Date	Premium Rate
April 1, 2020	0.12
April 1, 2005	0.10
April 1, 2004	0.08
July 1, 1993	0.05
October 1, 1971	0.04
January 1, 1962	0.05

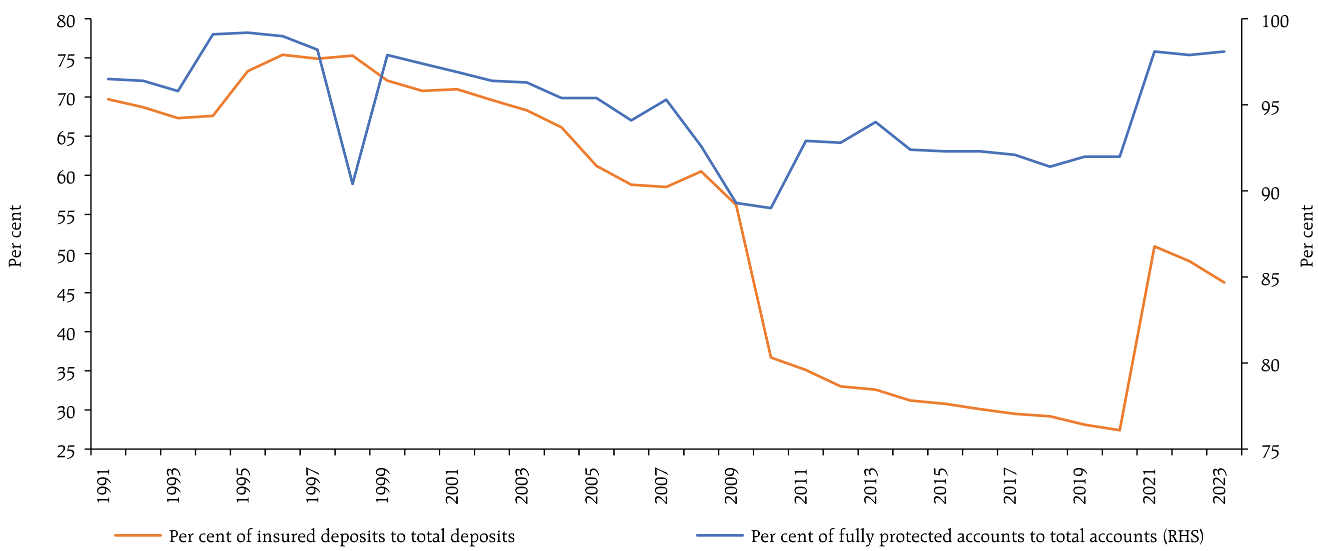
Source: DICGC.

III.2 Snapshot of the Present System

DICGC is presently a pay-box plus system. It makes payment of claims to depositors of banks which are liquidated or placed under all-inclusive directions with restriction on deposit withdrawal. In addition, it also provides funding in matters of approved mergers of weak banks with strong ones. Its functions are governed by DICGC Act, 1961 and DICGC General Regulations, 1961. Its authorised capital is ₹50 crore which is completely subscribed by the Reserve Bank. The institutional coverage for deposits under deposit insurance includes all commercial banks, regional rural banks, payments banks, small finance banks, local area banks and cooperative banks licensed by the Reserve Bank. The insurance cover is mandatory for all banks. Insurance coverage includes all types of deposits except deposits received from foreign government, central and state governments, other banks and those received outside the country. Insurance cover of up to ₹5 lakh is per depositor per bank in same right and same capacity after setting off the loans availed against the deposits.

The premium is paid by banks, and the deposit account holders do not have to pay any premium.

Chart 2: Deposit Coverage in India



Source: DICGC.

DICGC can cancel the registration of an insured bank if the bank defaults in payment of premium for three consecutive half-year periods.[3] The Deposit Insurance Fund (DIF) is mainly financed by receipt of insurance premia, and it is used for settlement of claims. The General Fund is utilised for meeting the day-to-day expenses. Inter-fund transfer is allowed in case of shortfall. The claims are settled from the Deposit Insurance Fund in DICGC which is built up through excess of its income comprising of premium, interest and recovery over expenditure (mainly claim settlement). A summary of parameters of deposit insurance as at end March 2023 is given in Annex A.

III.3 Recent Initiatives and Road Ahead

DICGC has been working with a mission "To contribute to financial stability by securing public confidence in the banking system through provision of deposit insurance, particularly for the benefit of the small depositors" (DICGC, 2023). Its vision is "To be recognised as one of the most efficient and effective deposit insurance providers, responsive to the needs of its stakeholders" (DICGC, 2023). The journey so far has been fruitful. A number of initiatives have been taken recently by DICGC and the process needs to be continued for attainment of further goals and completion of agendas. The recent initiatives and suggestions for the way forward are given below.

First, the deposit insurance cover per depositor was raised from ₹1 lakh to ₹5 lakh with effect from February 4, 2020. With this, as at end March 2023 about 98 per cent of total number of accounts in banking system are protected and about 46 per cent of the assessable deposits are insured.[4] This provides higher protection to depositors in banks, increasing the level of trust and strengthening financial stability. As per the essential criteria of IADI's 8th Core Principle titled 'Coverage' which states that "The level and scope of coverage are reviewed periodically (*e.g.* at least every five years) to ensure that it meets the public policy objectives of the deposit insurance system"[5], there may be an arrangement for periodic review to check the deposit insurance cover. Moreover, there prevails a practice of a differentiated or targeted coverage system in different jurisdictions of world such as Ghana, Ecuador, Jamaica, Japan *etc.* (IADI, 2021).[6] This involves different coverage levels for different products, institutions *etc.* Introduction of such system in India may be explored along with its implications for deposit insurance fund. This would be beneficial especially for vulnerable sections. Also, in the light of the evolving innovations such as digital products and e-money, the parameters and definitions of insurance coverage may be recalibrated (Patra, 2022).

Second, the timeline has been fixed for pay-out of the claims to depositors of AID banks. Due to the amendment to DICGC Act, 1961 effective September 1, 2021, the DICGC is empowered to pay the insured deposits to depositors of banks which are under the Reserve Bank's all-inclusive directions (AIDs) within 90 days from the date the directions are imposed.[7] There is a big leap in settlement of claims by DICGC after the amendment of the DICGC Act. This was on account of payment to depositors of 22 banks under AID and increase in deposit insurance cover. The settlement of claims under the three streams (banks under AIDs, liquidated banks and financial assistance to Unity Small Finance Bank for making payments to

[3] DICGC Annual Report for the Year ended March 31, 2023.

[4] DICGC Annual Report for the Year ended March 31, 2023.

[5] International Association of Deposit Insurers. (2014). IADI Core Principles for Effective Deposit Insurance Systems.

[6] International Association of Deposit Insurers. (2021). *Deposit Insurance Coverage Level and Scope.*

[7] The Deposit Insurance and Credit Guarantee Corporation Act, 1961 was amended as per the notification on August 13, 2021. The amendments came into force from September 1, 2021. A key amendment to the Act mandates that interim insurance payment to depositors is to be completed within 90 days from the date of imposition of AID by the Reserve Bank. The insured bank has to submit claims after imposition of such restriction within 45 days, and the Corporation has to get the claims verified within 30 days and pay the depositors within the next 15 days. In case the Reserve Bank finds it expedient to bring a scheme of amalgamation/compromise or arrangement/ reconstruction, the liability of the Corporation will get extended by a further period of 90 days.

depositors of PMC Bank) amounted to ₹8,517 crore in 2021-22 which was way above the total claim settlement of ₹5,763 crore during the period since inception of DICGC till 2020-21.[8] It may be noted that as per Section 18A (2) of DICGC Act, 1961 (as amended up to August 2021), "A list showing the outstanding deposits of each depositor of the insured bank, as on the date on which the direction, prohibition, order or scheme referred to in sub-section (1) takes effect, shall be furnished by such insured bank within forty-five days of such date of effect". DICGC Act does not have provision for extending the statutory timelines. There were some instances of non-submission of depositors claim list by some banks within the statutory timeline of 45 days, which constrained DICGC from making pay-outs to eligible depositors of such banks.[9] The time period between receipt of claims from the liquidator and their settlement has been reduced by DICGC. Besides, DICGC has taken measures for facilitating the submission of depositors' list by banks within a given timeframe to enable timely pay-out of claims to depositors. In future, the time taken from deregistration of a bank and settlement of claims could be further reduced as per global best practices. The direct payment to depositors instead of routing these through agency banks can expedite the process. Various ways to enhance the effectiveness of pay-out to depositors of AID banks may be explored.

Third, DICGC has established a robust process of premium collection from member banks. As of now, there is compliance without any default. To ensure discipline in premium payment, the penal interest at Bank Rate plus 8 per cent is charged for default in payment of premium. Moreover, in tune with the revised insurance coverage, the rate of premium has been revised slightly upwards. In addition to raising the Corporation's income, it would also enable higher participation of member banks in risk coverage by DICGC. In future, a framework of risk-based insurance premium could be considered to encourage appropriate risk management by banks and discourage excessive risk taking thereby avoiding the moral hazard issue. The framework needs to be simple and easy to implement. It may be mentioned that the IADI's Core Principles encourage the deposit insurers to levy differential premia on members banks on basis of their risk profiles. A half of the IADI members have so far implemented the risk based premium system.

Fourth, the operational indicators of DICGC reflect the commendable achievements of India's deposit insurance system. The deposit insurance fund stands at a robust level enabled by steady increase in premium inflow and return on investments, despite the high amount of claim settlements and income tax payments. Going forward, arrangements for access to emergency liquidity funding may be explored, as the *ex-ante* funds may get depleted during sustained stress in financial sector. A formal framework for the purpose may comprise of public (such as central bank), private (such as market funding) and international organisations (IADI, 2024). Such arrangements existing in some countries may be studied.

Fifth, the modern digital technology has been harnessed for claim settlement through Aadhar Enabled Payment System. Moreover, the communication with depositors was increased through messaging service. Going ahead, the upgradation of digital infrastructure for protection of data, use of cloud systems for its storage and modernisation of physical infrastructure along with digital mode of payments, robotic processes, chatbots, use of artificial intelligence and machine learning, and business intelligence would enhance the efficiency of operations and benefit the depositors. Moreover, the equipment of human resources in terms of knowledge, expertise, skills and capacity development to keep pace with the dynamic global developments in the field would be a *sine qua non*.

[8] Patra, M. D. (2022). *Deposit Insurance in India – Journey; Milestones; Challenges.* Keynote Address in Annual Conference of Deposit Insurance and Credit Guarantee Corporation.

[9] Reserve Bank of India Annual Report 2022-23.

Sixth, DICGC initiated an internal assessment regarding compliance with Core Principles for Effective Deposit Insurance issued by IADI and Basel Committee on Banking Supervision (BCBS) and prepared an action plan for alignment of its processes with them.[10] In this context, it would be relevant to mention that DICGC Chairman, in his keynote address of Annual Conference (2022) of DICGC stated that attaining complete alignment with the Core Principles released by IADI would be desirable.

Seventh, initiatives were taken to increase the awareness among depositors about deposit insurance and DICGC's activities. Going ahead, an awareness among the public about deposit insurance and DICGC's activities through financial education campaigns would be precious in this mission. Basic awareness of the deposit insurance scheme is much essential. Assessment of depositor awareness may be done through surveys across various segments of population and geographical regions to identify gaps, which in turn, can be addressed through the focused measures including the existing popular social media channels. A suitable communication strategy can be framed in this regard.

Finally, the treasury management operations focussed on strengthening risk management practices and prudent investments policy. This ensured maintaining adequate liquidity of portfolio while reducing interest rate risk and imparted robustness and efficiency to treasury operations. Going ahead, a proactive approach in reading market signals and effective investment strategy for portfolio would be beneficial (Patra, 2022). The cash inflows are certain, fixed and predictable. However, the outflows are uncertain and when they arise, they are bound by commitments of time and amounts. Liquidation of financial instruments involve liquidity and interest rate risk causing loss to treasury and eroding the fund position. These risks can be managed through buying floating rate instruments during expected rising interest rate scenario and fixed rate instruments when interest rates are expected to decline. The strategy of raising the portfolio duration in declining interest scenario and reducing it during rising interest rate expectations could be considered.

[10] DICGC Annual Report for the Year ended March 31, 2023.

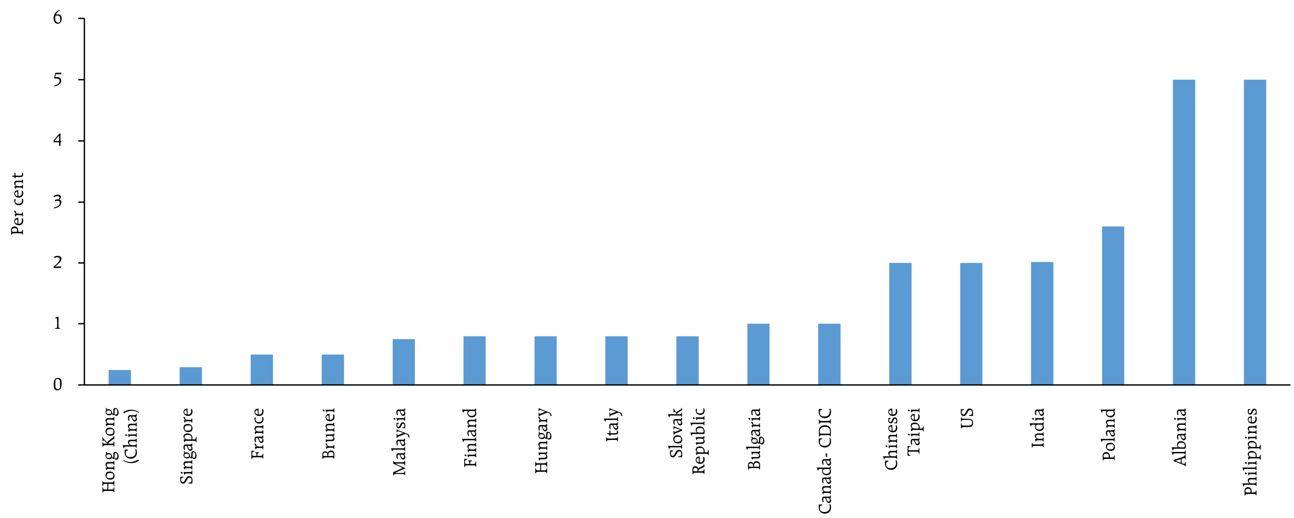
IV. Empirical Analysis: Targeting the Reserve Ratio

A deposit insurer needs to have sufficient magnitude of resources to meet the payment obligations as needed. For this purpose, globally the institutions try to attain their fund target or reserve ratio in tune with the 9th Core Principle of IADI which states that "The deposit insurer should have readily available funds and all funding mechanisms necessary to ensure prompt reimbursement of depositors' claims, including assured liquidity funding arrangements".[11] Many of the deposit insurance agencies have set it by law or regulations or governing bodies. The target is set by them as a proportion of a base such as insured/covered/insurable/eligible/total deposits/deposits and borrowings/fixed amount. The fund target of some major jurisdictions set in terms of percentage of insured deposits (DICGC also calculates Reserve Ratio with same formula) ranges between 0.25 per cent to 5 per cent (Chart 3). DICGC's present Reserve Ratio is closer to the average and median reserve ratios of the other countries (IADI and DICGC, 2023).

As maintaining sufficiency of the funds is required for future payment obligations, an empirical exercise has been done in this section with estimates for DICGC's Reserve Ratio for the near future. The targeting and periodic monitoring of Reserve Ratio avoids the need for large and sudden changes in the rates of premium. The estimates of reserve ratios may be carried out based on data pertaining to banks under AID, historic data on failure of banks, and scenario analysis with assumption of failure of a few mid-sized banks. The target ratio can be attained on the basis of expected income from premium, investments and

[11] International Association of Deposit Insurers. (2014). *IADI Core Principles for Effective Deposit Insurance Systems.*

Chart 3: Fund Target (Reserve Ratio) of Jurisdictions



Notes: 1. Malaysia has a range, hence its average is taken for the graph.
2. For India the actual figure for 2022-23 is given.

Sources: IADI; and DICGC.

recovery on one hand and estimated claims and taxes on the other hand. The estimates of claims can be made in the light of the revised insurance cover of up to ₹5 lakh, the existing health of insured banks and the worst-case stress scenario with application of stress test. In view of the recent bank failures around the globe, the macroeconomic factors may be included in the stress test.

The size of deposit insurance fund (DIF) and the resultant Reserve Ratio (RR) is based on a set of parameters in terms of inflow of funds – premium income, investment income and recovery; and outflow of funds – claims pay-out and income tax expenditure.

DIF = {(Premium + Investment Income + Recovery – Claims) – Income Tax}

RR = DIF/Insured Deposits

In this context, regression lines have been fitted to visualise the journey of the Reserve Ratio during the next few years. Using data from 1998-99 to 2022-23, Ordinary Least Squares (OLS) regression is estimated for the relationship between independent (year) variable and logarithm of dependent variables *viz.*, premium income (log_pr_inc), investment income (log_inv_inc) and insured deposits (log_id) distinctly. Moreover, as premium rates and insurance coverage amount have changed recently, coefficients are also estimated on revised (adjusted) premium income (l_a_pr_inc) and adjusted insured deposit (log_a_id). The revised premium income and adjusted insured deposits are calculated based on ratio estimates. Thus, the estimates of the coefficient of regression equations were made both on actual basis (Annex C 1: with actual premium rates and insurance cover till 2022-23) and on adjusted basis (Annex C 2: through application of present premium rates and insurance cover to the data of previous years also) and in both cases the future value of all variables including deposit insurance fund and Reserve Ratio was calculated using fitted regression equations. Since claims settlement and recovery data do not show any specific pattern during the period of data analysis, the twenty-five years' average information is taken for future estimation of DIF. The summary estimates of Reserve Ratios are given in Table 3. It shows that future rising Reserve Ratios are more quickly achievable by the estimates based on adjusted data. The regression results are given in Annex B on actual and adjusted basis. In both the scenarios, the Reserve Ratio is projected to show a steady rise.

Table 3: Reserve Ratio Estimates

Reserve Ratio (in per cent)	Achievable by (Based on Actual data)	Achievable by (Based on Adjusted data)
2.50	2024-25	2026-27
3.00	2026-27	2028-29
3.50	2029-30	2030-31
4.00	2031-32	2032-33

Note: Estimates made are subject to assumptions that in between there would be no change in the premium rate and coverage amount.

V. Conclusion

Deposit insurance is crucial for financial stability and protection of depositors. Deposit insurance system has been adopted by many jurisdictions in the world. There has been a steady expansion in their mandates, reduction in the timespan of pay-outs, move towards risk-based premium and stability in the level of insurance coverage. The main issues facing them are the revision in coverage limits, involvement in bank resolution, challenges from fintech developments and climate change. The Indian deposit insurance system which completed its six decades of existence has evolved over the years and come a long way. Its achievements include enhanced coverage limit, speedy settlement of claims, revisions in premium, robust deposit insurance fund, prudent treasury management, significant compliance to IADI Core Principles and initiatives for depositor awareness. Looking ahead, the agenda may comprise of further alignment with Core Principles, targeting and increasing the Reserve Ratio, proactive treasury management, upgradation of digital infrastructure, alignment with developments in fintech, readiness to cope with black swan events and expansion in public awareness. Our empirical estimates show that the Reserve Ratio is expected to increase steadily in the near future. All these would go a long way in taking the deposit insurance system to further heights in tune with attaining its objectives.

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Annex A

Table A1: India's Deposit Insurance at a Glance

(As at end March 2023)

Sr. No.	Feature	Value
1	Total number of Accounts (number in crore)	300.10
2	Fully Protected Accounts (number in crore)	294.45
3	Percentage of 2 to 1	98.12
4	Assessable Deposits (in ₹ crore)	1,81,14,550
5	Insured Deposits (in ₹ crore)	83,89,470
6	Percentage of Insured Deposits to Assessable Deposits	46.31
7	Deposit Insurance Fund (in ₹ crore)	1,69,602
8	Total Registered Banks (Number)	2,026
9	Claims Paid since Inception (in ₹ crore) - Commercial Banks	296
10	Claims Paid since Inception (in ₹ crore) - Cooperative Banks	10,504
11	Total claims paid since Inception (in ₹ crore)	10,800

Note: Amounts are rounded off.
Source: DICGC Annual Report 2022-23.

Annex B

I. Estimation of Reserve Ratio of DICGC (Actual)

Table B1: Regression – Logarithm of Premium Income over the Years

log_pr_inc	Coef.	Std. Err.	t	P>|t|	[95% Confidence Interval]	
year	0.0002035	7.54e-06	26.99	0.000	0.0001879	0.0002191
_cons	– 6.712601	0.3070283	– 21.86	0.000	– 7.347738	– 6.077465

Number of observations	=	25
F(1, 23)	=	728.69
Prob > F	=	0.0000
R-squared	=	0.9694
Adj R-squared	=	0.9681
Root MSE	=	0.0993

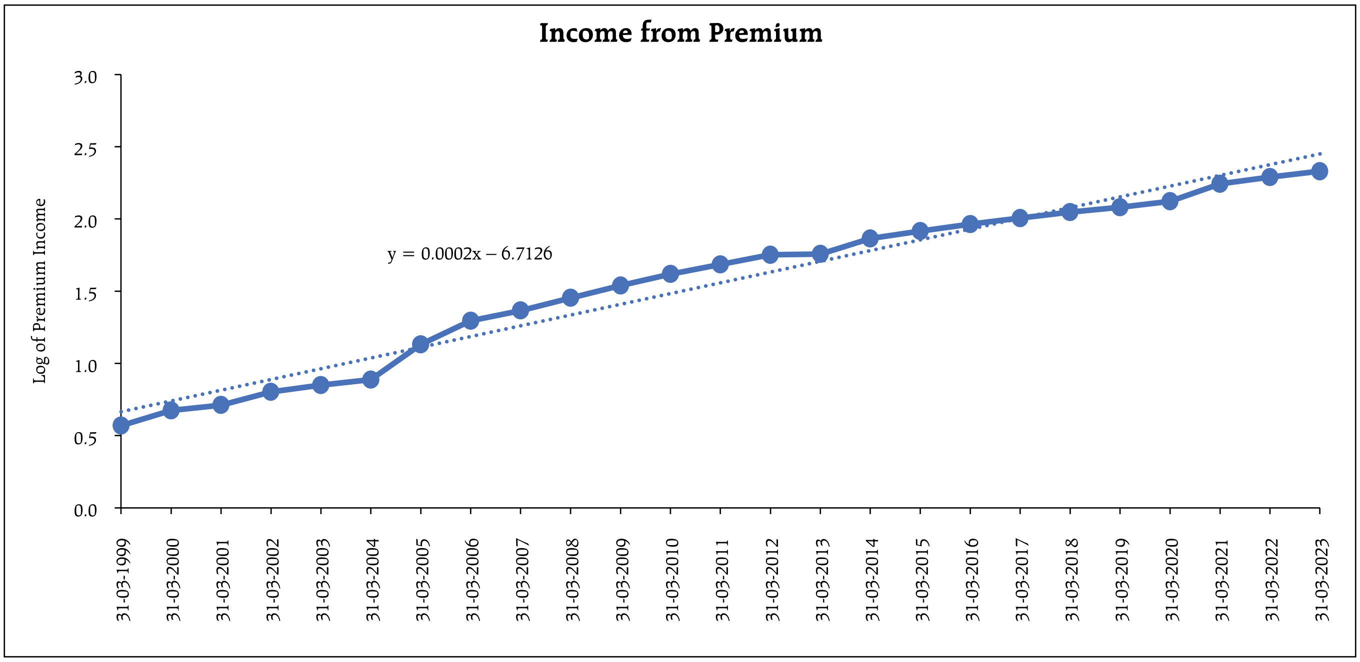


Table B2: Regression – Logarithm of Investment Income over the Years

log_inv_inc	Coef.	Std. Err.	t	P>|t|	[95% Confidence Interval]	
year	0.0001793	3.25e-06	55.18	0.000	0.0001725	0.000186
_cons	– 5.969486	0.1322878	– 45.12	0.000	– 6.243144	– 5.695827
Number of observations =	25					
F(1, 23) =	3044.44					
Prob > F =	0.0000					
R-squared =	0.9925					
Adj R-squared =	0.9922					
Root MSE =	0.04278					

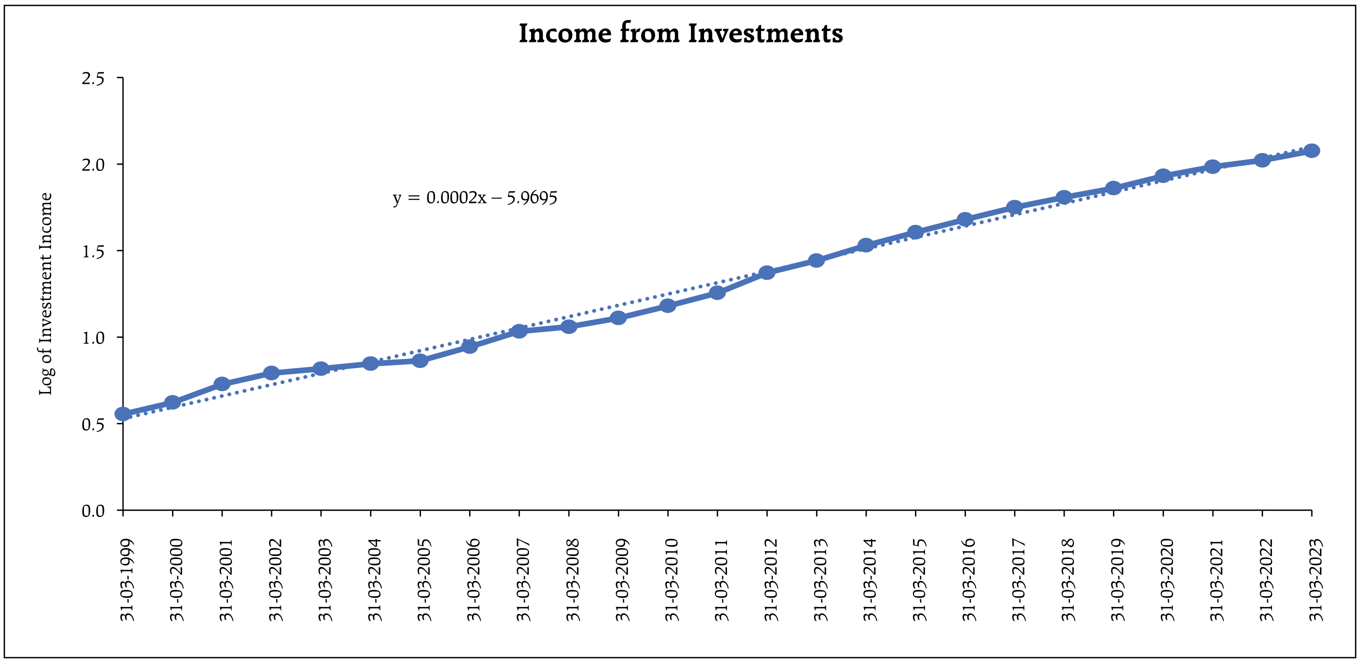
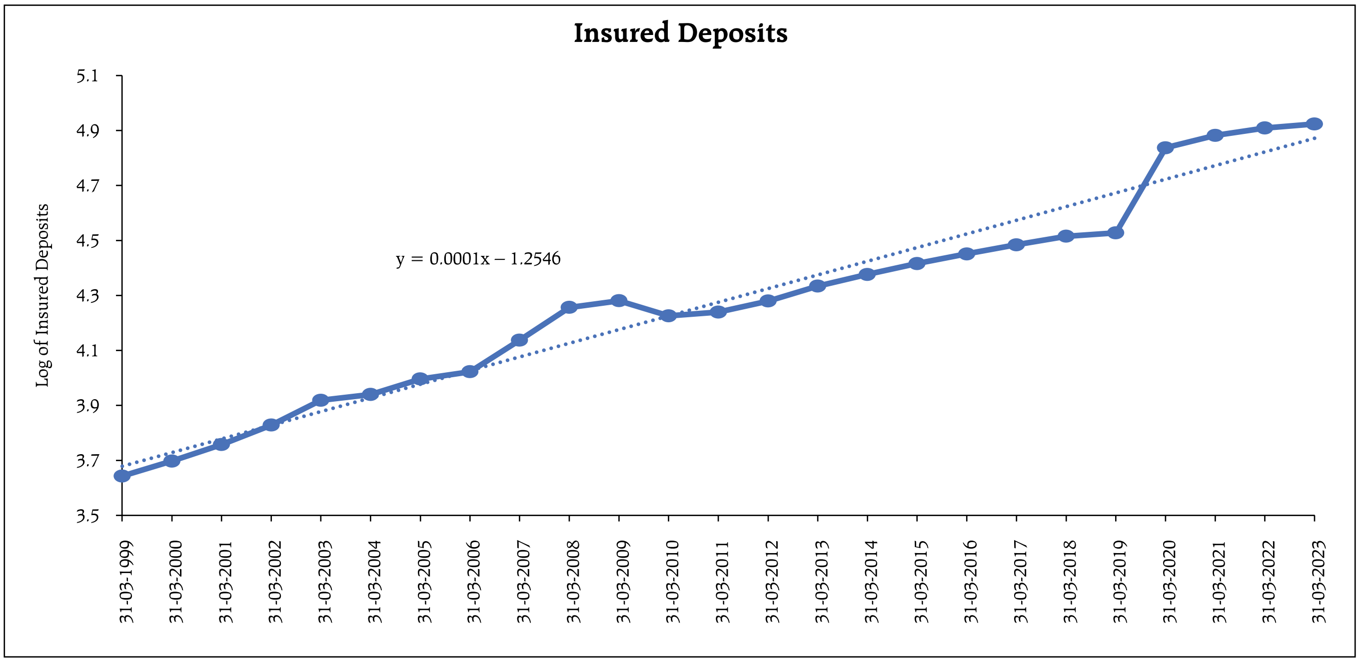


Table B3: Regression – Logarithm of Insured Deposits over the Years

log_id	Coef.	Std. Err.	t	P>|t|	[95% Confidence Interval]	
year	0.0001361	5.68e-06	23.97	0.000	0.0001243	0.0001478
_cons	– 1.254561	0.2311733	– 5.43	0.000	– 1.73278	– 0.7763431

Number of observations	=	25
F(1, 23)	=	574.60
Prob > F	=	0.0000
R-squared	=	0.9615
Adj R-squared	=	0.9598
Root MSE	=	0.07477



II. Estimation of Reserve Ratio of DICGC (Adjusted)

Table B4: Regression – Logarithm of Adjusted Premium Income over the Years

l_a_pr_inc	Coef.	Std. Err.	t	P>|t|	[95% Confidence Interval]	
year	0.000198	8.38e-06	23.64	0.000	0.0001807	0.0002154
_cons	– 6.419318	0.3411014	– 18.82	0.000	– 7.12494	– 5.713696

Number of observations	=	25
F(1, 23)	=	558.89
Prob > F	=	0.0000
R-squared	=	0.9605
Adj R-squared	=	0.9588
Root MSE	=	0.11032

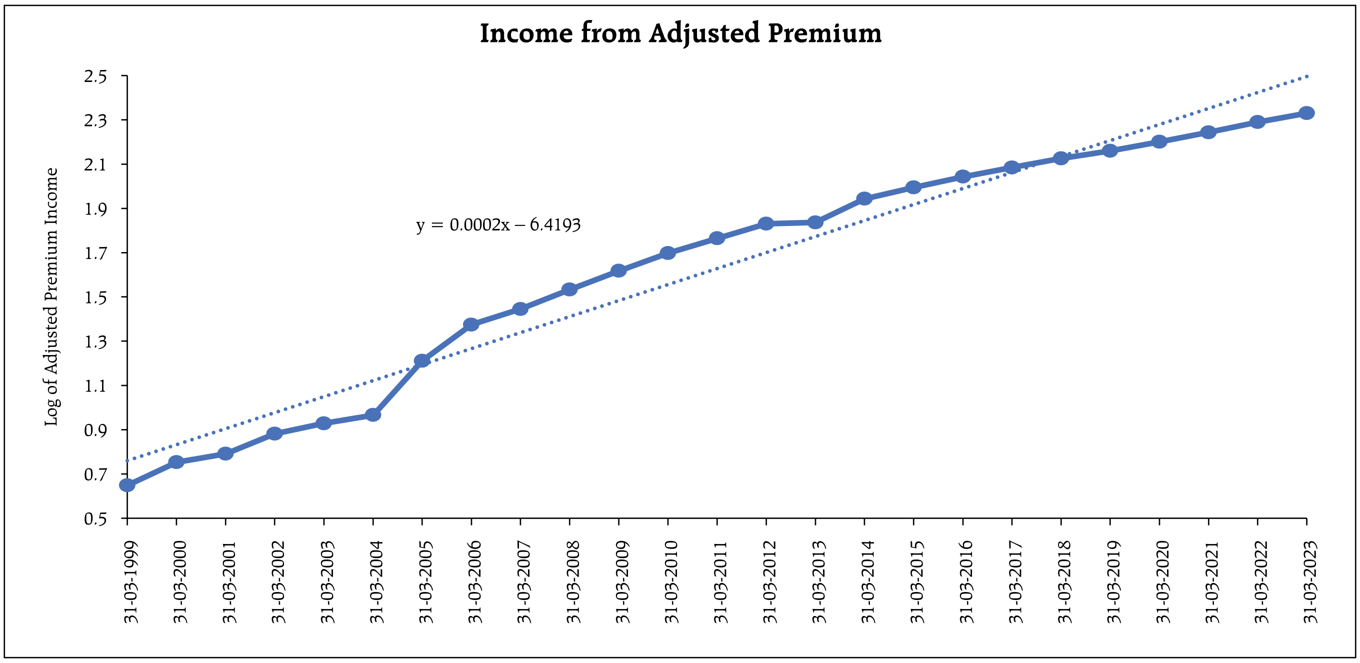
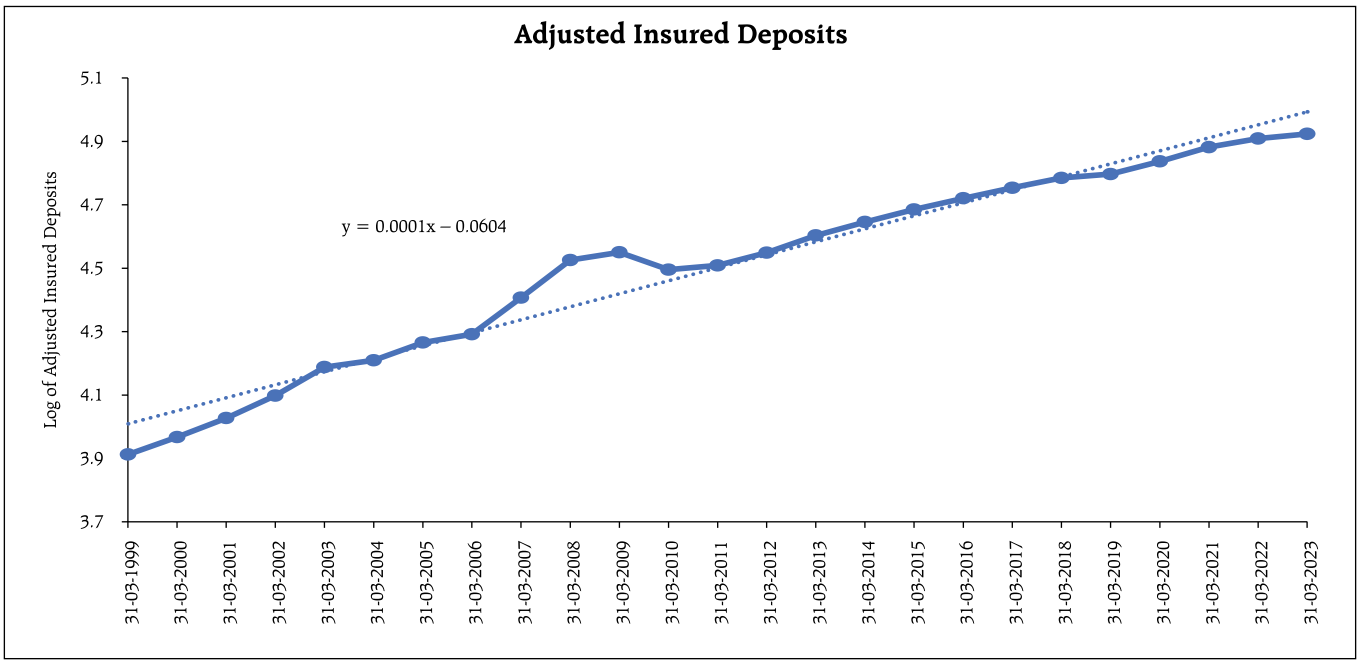


Table B5: Regression – Logarithm of Adjusted Insured Deposits over the Years

log_a_id	Coef.	Std. Err.	t	P>|t|	[95% Confidence Interval]	
year	0.0001123	4.43e-06	25.35	0.000	0.0001031	0.0001214
_cons	– 0.0603885	0.1803558	– 0.33	0.741	– 0.433483	0.3127059

Number of observations	=	25
F(1, 23)	=	642.46
Prob > F	=	0.0000
R-squared	=	0.9654
Adj R-squared	=	0.9639
Root MSE	=	0.05833



(Data Sources: DICGC Annual Reports and Handbook of Statistics on Indian economy, RBI).

Annex C

Table C1: Reserve Ratio Estimates for DICGC (Actual)

(Amounts in ₹ billion)

Year (End March)	Premium Income	Income on Investment	Income before Tax Deduction	Deposit Insurance Fund	Insured Deposits	Reserve Ratio (DIF/Insured Deposits) (%)
1	2	3	4	5	6	7
1998-99	3.71	3.58	7.16	31.07	4,396.09	0.71
1999-2000	4.72	4.18	8.75	33.10	4,985.58	0.66
2000-01	5.15	5.34	10.12	37.06	5,724.34	0.65
2001-02	6.35	6.19	8.39	42.50	6,740.51	0.63
2002-03	7.07	6.56	11.76	55.14	8,288.85	0.67
2003-04	7.71	7.01	12.91	59.08	8,709.40	0.68
2004-05	13.55	7.28	16.43	78.17	9,913.65	0.79
2005-06	19.74	8.79	22.87	91.03	10,529.88	0.86
2006-07	23.21	10.79	28.55	109.78	13,725.97	0.80
2007-08	28.44	11.45	38.28	133.62	18,050.81	0.74
2008-09	34.53	12.89	45.13	161.56	19,089.51	0.85
2009-10	41.55	15.13	50.13	201.52	16,823.97	1.20
2010-11	48.44	18.01	62.66	247.04	17,358.00	1.42
2011-12	56.40	23.53	77.05	300.93	19,043.00	1.58
2012-13	57.18	27.68	82.86	361.20	21,583.65	1.67
2013-14	73.13	33.90	106.00	406.17	23,791.52	1.71
2014-15	82.29	40.32	119.39	504.53	26,067.94	1.94
2015-16	92.00	47.83	139.35	602.54	28,264.00	2.13
2016-17	101.22	56.19	156.85	701.55	30,509.00	2.30
2017-18	111.28	64.18	175.03	814.32	32,753.00	2.49
2018-19	120.43	72.45	192.51	937.51	33,700.00	2.78
2019-20	132.34	85.32	216.95	1,103.84	68,715.00	1.61
2020-21	175.17	96.50	266.43	1,299.04	76,212.58	1.70
2021-22	194.91	104.96	218.93	1,468.43	81,104.31	1.81
2022-23	213.81	119.08	325.76	1,696.03	83,894.70	2.02
2023-24	333.15	147.06	474.48	2,051.08	83,546.68	2.46
2024-25	395.29	170.98	560.54	2,470.54	93,671.12	2.64
2025-26	469.02	198.79	662.08	2,965.97	1,05,022.46	2.82
2026-27	556.50	231.12	781.90	3,551.07	1,17,749.40	3.02
2027-28	660.62	268.82	923.71	4,242.28	1,32,060.00	3.21
2028-29	783.84	312.54	1,090.65	5,058.42	1,48,063.43	3.42
2029-30	930.05	363.37	1,287.69	6,022.00	1,66,006.20	3.63
2030-31	1,103.52	422.47	1,520.27	7,159.61	1,86,123.32	3.85
2031-32	1,309.97	491.38	1,795.63	8,503.29	2,08,743.71	4.07

Source: DICGC Annual Report, various issues (except for figures in shaded area which are the estimates).

Table C2: Reserve Ratio Estimates for DICGC (Adjusted)

(Amounts in ₹ billion)

Year	Premium Income	Income on Investment	Income before Tax Deduction	Deposit Insurance Fund	Insured Deposits	Reserve Ratio (DIF/Insured Deposits) (%)
1	2	3	4	5	6	7
1998-99	4.45	3.58	7.90	31.07	8172.87	0.38
1999-2000	5.66	4.18	9.69	33.10	9268.80	0.36
2000-01	6.18	5.34	11.15	37.06	10642.25	0.35
2001-02	7.61	6.19	9.66	42.50	12531.43	0.34
2002-03	8.48	6.56	13.17	55.14	15409.98	0.36
2003-04	9.25	7.01	14.45	59.08	16191.84	0.36
2004-05	16.26	7.28	19.14	78.17	18430.68	0.42
2005-06	23.68	8.79	26.82	91.03	19576.33	0.47
2006-07	27.85	10.79	33.19	109.78	25518.25	0.43
2007-08	34.13	11.45	43.97	133.62	33558.65	0.40
2008-09	41.44	12.89	52.04	161.56	35489.72	0.46
2009-10	49.86	15.13	58.44	201.52	31277.81	0.64
2010-11	58.13	18.01	72.35	247.04	32270.64	0.77
2011-12	67.68	23.53	88.33	300.93	35403.26	0.85
2012-13	68.62	27.68	94.30	361.20	40126.63	0.90
2013-14	87.75	33.90	120.62	406.17	44231.33	0.92
2014-15	98.74	40.32	135.85	504.53	48463.47	1.04
2015-16	110.39	47.83	157.75	602.54	52546.22	1.15
2016-17	121.47	56.19	177.09	701.55	56719.95	1.24
2017-18	133.54	64.18	197.28	814.32	60891.82	1.34
2018-19	144.52	72.45	216.60	937.51	62652.40	1.50
2019-20	158.81	85.32	243.42	1103.84	68715.00	1.61
2020-21	175.17	96.50	266.43	1299.04	76212.58	1.70
2021-22	194.91	104.96	218.93	1468.43	81104.31	1.81
2022-23	213.81	119.08	325.76	1696.03	83894.70	2.02
2023-24	368.40	147.06	509.74	2077.46	108645.09	1.91
2024-25	435.10	170.98	600.35	2526.71	119398.70	2.12
2025-26	513.88	198.79	706.94	3055.71	131216.70	2.33
2026-27	606.92	231.12	832.31	3678.53	144204.43	2.55
2027-28	717.13	268.82	980.22	4412.03	158518.66	2.78
2028-29	846.97	312.54	1153.78	5275.40	174208.72	3.03
2029-30	1000.31	363.37	1357.96	6291.56	191451.78	3.29
2030-31	1181.42	422.47	1598.17	7487.47	210401.53	3.56
2031-32	1395.96	491.38	1881.62	8895.49	231286.72	3.85
2032-33	1648.71	571.30	2214.28	10552.43	254179.31	4.15

Notes: 1. Premium income amounts up to 2019-20 are on adjusted basis and 2020-21 onwards on actual basis.

2. Insured deposit amounts up to 2018-19 are on adjusted basis and 2019-20 onwards on actual basis.

Source: DICGC Annual Report, various issues (except for adjusted figures and for figures in shaded area which are estimates).

CURRENT STATISTICS

Contents

Notes: .. = Not available.

– = Nil/Negligible.

P = Preliminary/Provisional. PR = Partially Revised.

No. 1: Select Economic Indicators

Item	2023-24	2022-23		2023-24	
		Q3	Q4	Q3	Q4
	1	2	3	4	5
1 Real Sector (% Change)					
1.1 GVA at Basic Prices	7.2	4.8	6.0	6.8	6.3
1.1.1 Agriculture	1.4	5.2	7.6	0.4	0.6
1.1.2 Industry	9.3	-2.8	1.7	10.8	8.3
1.1.3 Services	7.9	7.5	7.3	7.5	7.0
1.1a Final Consumption Expenditure	3.8	2.4	3.5	3.1	3.4
1.1b Gross Fixed Capital Formation	9.0	5.0	3.8	9.7	6.5
	2023-24	**2023**		**2024**	
		Mar.	**Apr.**	**Mar.**	**Apr.**
	1	2	3	4	5
1.2 Index of Industrial Production	5.9	1.9	4.6	5.4	5.0
2 Money and Banking (% Change)					
2.1 Scheduled Commercial Banks					
2.1.1 Deposits	12.9	9.6	10.1	12.9	12.0
	(13.5)			(13.5)	(12.6)
2.1.2 Credit #	16.3	15.0	15.7	16.3	15.5
	(20.2)			(20.2)	(19.2)
2.1.2.1 Non-food Credit #	16.3	15.4	15.9	16.3	15.5
	(20.2)			(20.2)	(19.2)
2.1.3 Investment in Govt. Securities	11.1	14.5	13.1	11.1	10.7
	(12.8)			(12.8)	(12.3)
2.2 Money Stock Measures					
2.2.1 Reserve Money (M0)	5.6	7.8	10.2	5.6	5.8
2.2.2 Broad Money (M3)	11.1	9.0	9.5	11.1	10.9
				(11.6)	(11.4)
3 Ratios (%)					
3.1 Cash Reserve Ratio	4.50	4.50	4.50	4.50	4.50
3.2 Statutory Liquidity Ratio	18.00	18.00	18.00	18.00	18.00
3.3 Cash-Deposit Ratio	5.0	5.0	5.3	5.0	5.4
	(5.0)			(5.0)	(5.3)
3.4 Credit-Deposit Ratio	78.1	75.8	75.1	78.1	77.4
	(80.3)			(80.3)	(79.5)
3.5 Incremental Credit-Deposit Ratio #	95.8	113.0	46.5	95.8	37.4
	(113.4)			(113.4)	(34.4)
3.6 Investment-Deposit Ratio	29.5	30.0	29.5	29.5	29.2
	(29.8)			(29.8)	(29.5)
3.7 Incremental Investment-Deposit Ratio	25.8	43.5	10.0	25.8	8.1
	(28.4)			(28.4)	(6.9)
4 Interest Rates (%)					
4.1 Policy Repo Rate	6.50	6.50	6.50	6.50	6.50
4.2 Fixed Reverse Repo Rate	3.35	3.35	3.35	3.35	3.35
4.3 Standing Deposit Facility (SDF) Rate *	6.25	6.25	6.25	6.25	6.25
4.4 Marginal Standing Facility (MSF) Rate	6.75	6.75	6.75	6.75	6.75
4.5 Bank Rate	6.75	6.75	6.75	6.75	6.75
4.6 Base Rate	9.10/10.25	8.65/10.10	8.75/10.10	9.10/10.25	9.10/10.25
4.7 MCLR (Overnight)	8.00/8.60	7.50/8.50	7.90/8.50	8.00/8.60	8.00/8.60
4.8 Term Deposit Rate >1 Year	6.50/7.25	6.00/7.25	6.00/7.25	6.50/7.25	6.00/7.25
4.9 Savings Deposit Rate	2.70/3.00	2.70/3.00	2.70/3.00	2.70/3.00	2.70/3.00
4.10 Call Money Rate (Weighted Average)	6.85	6.78	6.70	6.85	6.65
4.11 91-Day Treasury Bill (Primary) Yield	-	-	6.82	7.01	6.92
4.12 182-Day Treasury Bill (Primary) Yield	7.28	7.28	6.97	7.14	7.04
4.13 364-Day Treasury Bill (Primary) Yield	7.31	7.31	7.00	7.08	7.07
4.14 10-Year G-Sec Par Yield (FBIL)	7.31	7.31	7.12	7.07	7.16
5 Reference Rate and Forward Premia					
5.1 INR-US$ Spot Rate (Rs. Per Foreign Currency)	83.37	82.22	81.78	83.37	83.34
5.2 INR-Euro Spot Rate (Rs. Per Foreign Currency)	90.22	89.61	90.08	90.22	89.43
5.3 Forward Premia of US$ 1-month (%)	1.00	2.41	1.73	1.00	1.16
3-month (%)	1.11	2.19	1.82	1.11	1.26
6-month (%)	1.31	2.31	1.98	1.31	1.37
6 Inflation (%)					
6.1 All India Consumer Price Index	5.4	5.7	4.7	4.9	4.8
6.2 Consumer Price Index for Industrial Workers	5.19	5.8	5.1	4.2	3.9
6.3 Wholesale Price Index	-0.7	1.4	-0.8	0.3	1.3
6.3.1 Primary Articles	3.5	2.5	1.9	4.6	5.0
6.3.2 Fuel and Power	-4.5	8.7	1.0	-2.7	1.4
6.3.3 Manufactured Products	-1.7	-0.7	-2.3	-0.8	-0.4
7 Foreign Trade (% Change)					
7.1 Imports	-5.7	-3.4	-15.5	-6.0	10.3
7.2 Exports	-3.1	-5.9	-12.8	-0.6	1.1

Note : Financial Benchmark India Pvt. Ltd. (FBIL) has commenced publication of the G-Sec benchmarks with effect from March 31, 2018 as per RBI circularFMRD.DIRD. 7/14.03.025/2017-18 dated March 31, 2018. FBIL has started dissemination of reference rates w.e.f. July 10, 2018.

#: Bank credit growth and related ratios for all fortnights from December 3, 2021 to November 18, 2022 are adjusted for past reporting errors by select scheduled commercial banks (SCBs). Figures in parentheses include the impact of merger of a non-bank with a bank.

*: As per Press Release No. 2022-2023/41 dated April 08, 2022.

Reserve Bank of India

No. 2: RBI - Liabilities and Assets *

(₹ Crore)

Item	As on the Last Friday/ Friday						
	2023-24	2023	2024				
		May.	May. 03	May. 10	May. 17	May. 24	May. 31
	1	2	3	4	5	6	7
1 Issue Department							
1.1 Liabilities							
1.1.1 Notes in Circulation	3482333	3411505	3537744	3556902	3550506	3550201	3537514
1.1.2 Notes held in Banking Department	11	13	11	12	13	12	14
1.1/1.2 Total Liabilities (Total Notes Issued) or Assets	**3482344**	**3411518**	**3537755**	**3556914**	**3550518**	**3550212**	**3537528**
1.2 Assets							
1.2.1 Gold	162996	140154	170215	173093	176598	174598	174725
1.2.2 Foreign Securities	3318885	3270961	3367103	3383440	3373587	3375328	3362365
1.2.3 Rupee Coin	463	403	437	381	334	286	437
1.2.4 Government of India Rupee Securities	-	-	-	-	-	-	-
2 Banking Department							
2.1 Liabilities							
2.1.1 Deposits	1782333	1345292	1597478	1576293	1572735	1874358	1733922
2.1.1.1 Central Government	101	101	100	101	101	100	101
2.1.1.2 Market Stabilisation Scheme	-		-	-	-	-	-
2.1.1.3 State Governments	42	42	42	42	42	42	42
2.1.1.4 Scheduled Commercial Banks	1008618	852191	961717	945241	950567	987620	951109
2.1.1.5 Scheduled State Co-operative Banks	10092	7875	8810	8406	8450	8474	8555
2.1.1.6 Non-Scheduled State Co-operative Banks	6412	4446	5634	5547	5569	5404	5224
2.1.1.7 Other Banks	48725	46810	49388	49084	48974	49207	49246
2.1.1.8 Others	545400	366958	436583	430151	420024	693724	589411
2.1.1.9 Financial Institution Outside India	162944	66869	135204	137721	139007	129786	130234
2.1.2 Other Liabilities	1804747	1510520	1770333	1799957	1832284	1590603	1612560
2.1/2.2 Total Liabilities or Assets	**3587080**	**2855811**	**3367811**	**3376250**	**3405019**	**3464961**	**3346482**
2.2 Assets							
2.2.1 Notes and Coins	11	13	11	12	13	12	14
2.2.2 Balances Held Abroad	1480408	1057486	1379684	1378927	1407738	1379500	1456002
2.2.3 Loans and Advances							
2.2.3.1 Central Government	-	0	-	-	-	-	-
2.2.3.2 State Governments	2300	13742	19755	11584	17624	18822	10723
2.2.3.3 Scheduled Commercial Banks	266021	67278	171359	176586	161708	258379	71305
2.2.3.4 Scheduled State Co-op.Banks	-	-	-	-	-	-	-
2.2.3.5 Industrial Dev. Bank of India	-	-	-	-	-	-	-
2.2.3.6 NABARD	-	0	-	-	-	-	-
2.2.3.7 EXIM Bank	-	-	-	-	-	-	-
2.2.3.8 Others	12398	2361	9210	9162	9311	9311	9311
2.2.3.9 Financial Institution Outside India	162650	66150	134119	137746	138967	129791	129564
2.2.4 Bills Purchased and Discounted							
2.2.4.1 Internal	-	-	-	-	-	-	-
2.2.4.2 Government Treasury Bills	-	-	-	-	-	-	-
2.2.5 Investments	1365425	1413426	1360027	1361907	1363252	1365808	1365532
2.2.6 Other Assets	297868	235356	293645	300327	306406	303338	304031
2.2.6.1 Gold	272028	230602	287687	294125	300079	296681	296897

* Data are provisional.

No. 3: Liquidity Operations by RBI

(₹ Crore)

Date	Liquidity Adjustment Facility						Standing Liquidity Facilities	OMO (Outright)		Net Injection (+)/ Absorption (-) (1+3+5+7+9-2-4-6-8)
	Repo	Reverse Repo	Variable Rate Repo	Variable Rate Reverse Repo	MSF	SDF		Sale	Purchase	
	1	2	3	4	5	6	7	8	9	10
Apr. 1, 2024	-	-	-	-	71731	262898	-	-	-	-191167
Apr. 2, 2024	-	-	-	53430	11277	136349	-	-	-	-178502
Apr. 3, 2024	-	-	-	24380	3675	124366	-611	-	-	-145682
Apr. 4, 2024	-	-	-	37855	3532	85108	615	-	-	-118816
Apr. 5, 2024	-	-	-	5511	3417	162191	-	-	-	-164285
Apr. 6, 2024	-	-	-	-	2075	82451	-	-	-	-80376
Apr. 7, 2024	-	-	-	-	912	51345	-	-	-	-50433
Apr. 8, 2024	-	-	-	-	5259	83144	-	-	-	-77885
Apr. 9, 2024	-	-	-	-	4389	83146	-	-	-	-78757
Apr. 10, 2024	-	-	-	-	3990	94390	-	-	-	-90400
Apr. 11, 2024	-	-	-	-	660	69655	-	-	-	-68995
Apr. 12, 2024	-	-	-	-	2535	94097	-	-	-	-91562
Apr. 13, 2024	-	-	-	-	219	68366	-	-	-	-68147
Apr. 14, 2024	-	-	-	-	328	71007	-	-	-	-70679
Apr. 15, 2024	-	-	-	-	3198	113069	-	-	-	-109871
Apr. 16, 2024	-	-	-	32576	5496	88236	63	-	-	-115253
Apr. 17, 2024	-	-	-	-	4806	70186	-	-	-	-65380
Apr. 18, 2024	-	-	-	75027	5866	71836	-655	-	-	-141652
Apr. 19, 2024	-	-	75001	-	3238	132490	-	-	-	-54251
Apr. 20, 2024	-	-	-	-	1707	55192	-	-	-	-53485
Apr. 21, 2024	-	-	-	-	1565	43866	-	-	-	-42301
Apr. 22, 2024	-	-	75002	-	4904	63075	-994	-	-	15837
Apr. 23, 2024	-	-	-	-	8924	60535	-217	-	-	-51828
Apr. 24, 2024	-	-	-	-	10546	48385	1644	-	-	-36195
Apr. 25, 2024	-	-	50008	-	6986	49844	-	-	-	7150
Apr. 26, 2024	-	-	25001	-	2190	60009	-	-	-	-32818
Apr. 27, 2024	-	-	-	-	2162	48576	-	-	-	-46414
Apr. 28, 2024	-	-	-	-	2743	45726	-	-	-	-42983
Apr. 29, 2024	-	-	97000	-	11771	65523	-	-	-	43248
Apr. 30, 2024	-	-	-	-	8541	92871	-867	-	-	-85197

No. 4: Sale/ Purchase of U.S. Dollar by the RBI

i) Operations in onshore / offshore OTC segment

Item	2023-24	2023	2024	
		Apr.	Mar.	Apr.
	1	2	3	4
1 Net Purchase/ Sale of Foreign Currency (US $ Million) (1.1-1.2)	41271	7704	13249	-3647
1.1 Purchase (+)	194296	8404	14841	8006
1.2 Sale (–)	153025	700	1592	11653
2 ₹ equivalent at contract rate (₹ Crores)	339528	63333	110023	-30488
3 Cumulative (over end-March) (US $ Million)	41271	7704	41271	-3647
(₹ Crore)	339528	63333	339528	-30488
4 Outstanding Net Forward Sales (-)/ Purchase (+) at the end of month (US $ Million)	-541	19932	-541	-16257

ii) Operations in currency futures segment

Item	2023-24	2023	2024	
		Apr.	Mar.	Apr.
	1	2	3	4
1 Net Purchase/ Sale of Foreign Currency (US $ Million) (1.1-1.2)	0	0	0	0
1.1 Purchase (+)	7930	0	0	1519
1.2 Sale (–)	7930	0	0	1519
2 Outstanding Net Currency Futures Sales (-)/ Purchase (+) at the end of month (US $ Million)	-1080	0	-1080	-2424

No. 4 A : Maturity Breakdown (by Residual Maturity) of Outstanding Forwards of RBI (US $ Million)

Item	As on April 30 , 2024		
	Long (+)	Short (-)	Net (1-2)
	1	2	3
1. Upto 1 month	2075	17450	-15375
2. More than 1 month and upto 3 months	1478	2360	-882
3. More than 3 months and upto 1 year	0	0	0
4. More than 1 year	0	0	0
Total (1+2+3+4)	**3553**	**19810**	**-16257**

No. 5: RBI's Standing Facilities

(₹ Crore)

Item	As on the Last Reporting Friday							
	2023-24	2023		2024				
		May. 19	Dec. 29	Jan. 26	Feb. 23	Mar. 22	Apr. 19	May. 31
	1	2	3	4	5	6	7	8
1 MSF	49906	3326	134232	32611	144270	49906	3238	14601
2 Export Credit Refinance for Scheduled Banks								
2.1 Limit	-	-	-	-	-	-	-	-
2.2 Outstanding	-	-	-	-	-	-	-	-
3 Liquidity Facility for PDs								
3.1 Limit	9900	4900	4900	4900	9900	9900	9900	9900
3.2 Outstanding	9810	3800	3167	3174	9066	9810	8770	9311
4 Others								
4.1 Limit	76000	76000	76000	76000	76000	76000	76000	76000
4.2 Outstanding	-	-	-	-	-	-	-	-
5 Total Outstanding (1+2.2+3.2+4.2)	59716	7126	137399	35785	153336	59716	12008	23912

Money and Banking

No. 6: Money Stock Measures

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fridays of the month/ reporting Fridays				
	2023-24	2023	2024		
		Apr. 21	Mar. 22	Apr. 05	Apr. 19
	1	2	3	4	5
1 Currency with the Public (1.1 + 1.2 + 1.3 – 1.4)	3410042	3346486	3418663	3430534	3454023
1.1 Notes in Circulation	3477795	3425056	3486650	3497999	3532885
1.2 Circulation of Rupee Coin	32689	29542	32455	32689	32689
1.3 Circulation of Small Coins	743	743	743	743	743
1.4 Cash on Hand with Banks	101419	108917	101411	101136	112545
2 Deposit Money of the Public	2681424	2350074	2671710	2824732	2691844
2.1 Demand Deposits with Banks	2586888	2281765	2586888	2738311	2605492
2.2 'Other' Deposits with Reserve Bank	94536	68309	84822	86420	86352
3 M1 (1 + 2)	**6091466**	**5696560**	**6090373**	**6255266**	**6145867**
4 Post Office Saving Bank Deposits	200257	200257	200257	200257	200257
5 M2 (3 + 4)	**6291723**	**5896817**	**6290630**	**6455523**	**6346124**
6 Time Deposits with Banks	18739918	16986639	18739918	19121642	19006540
	(18848160)		(18848160)	(19230426)	(19112522)
7 M3 (3 + 6)	24831384	22683199	24830291	25376908	25152406
	(24939627)		(24938533)	(25485692)	(25258389)
8 Total Post Office Deposits	1113230	1113230	1113230	1113230	1113230
9 M4 (7 + 8)	25944614	23796429	25943521	26490138	26265636
	(26052857)		(26051763)	(26598922)	(26371619)

Figures in parentheses include the impact of merger of a non-bank with a bank.

No. 7 : Sources of Money Stock (M_3)

(₹ Crore)

Sources	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2023-24	2023	2024		
		Apr. 21	Mar. 22	Apr. 05	Apr. 19
	1	2	3	4	5
1 Net Bank Credit to Government	**7512016**	**7165547**	**7313197**	**7647355**	**7589043**
1 Net Bank Credit to Government (Including Merger)	(7603571)		(7404752)	(7735216)	(7676346)
1.1 RBI's net credit to Government (1.1.1–1.1.2)	1193213	1420099	994394	1273550	1221629
1.1.1 Claims on Government	1370428	1420242	1374532	1379248	1372757
1.1.1.1 Central Government	1363828	1417096	1361281	1361868	1355261
1.1.1.2 State Governments	6600	3146	13251	17380	17496
1.1.2 Government deposits with RBI	177215	143	380138	105698	151128
1.1.2.1 Central Government	177172	101	380096	105655	151086
1.1.2.2 State Governments	42	43	42	42	42
1.2 Other Banks' Credit to Government	6318803	5745447	6318803	6373804	6367414
1.2 Other Banks Credit to Government (Including Merger)	(6410358)		(6410358)	(6461666)	(6454717)
2 Bank Credit to Commercial Sector	**16672145**	**14611581**	**16669610**	**16829748**	**16730588**
2 Bank Credit to Commercial Sector (Including Merger)	(17202832)		(17200297)	(17354004)	(17251406)
2.1 RBI's credit to commercial sector	14406	21792	11871	11424	10804
2.2 Other banks' credit to commercial sector	16657739	14589789	16657739	16818324	16719783
2.2 Other banks credit to commercial sector (Including Merger)	(17188425)		(17188425)	(17342580)	(17240602)
2.2.1 Bank credit by commercial banks	15901477	13859447	15901477	16068783	15972175
2.2.1 Bank credit by commercial banks (Including Merger)	(16432164)		(16432164)	(16593040)	(16492993)
2.2.2 Bank credit by co-operative banks	738194	713417	738194	731055	729036
2.2.3 Investments by commercial and co-operative banks in other securities	18068	16925	18068	18486	18573
2.2.3 Investments by commercial and co-operative banks in other securities (Including Merger)	(18068)		(18068)	(18486)	(18573)
3 Net Foreign Exchange Assets of Banking Sector (3.1 + 3.2)	**5540381**	**4953473**	**5505919**	**5549788**	**5493640**
3.1 RBIs net foreign exchange assets (3.1.1 - 3.1.2)	5240824	4629063	5206362	5250231	5194083
3.1.1 Gross foreign assets	5241083	4629323	5206621	5250490	5194342
3.1.2 Foreign liabilities	259	260	259	259	259
3.2 Other banks' net foreign exchange assets	299557	324410	299557	299557	299557
4 Government's Currency Liabilities to the Public	**33432**	**30285**	**33198**	**33432**	**33432**
5 Banking Sector's Net Non-monetary Liabilities	**4694295**	**4077687**	**4691633**	**4683415**	**4694295**
5 Banking Sectors Net Non-monetary Liabilities (Including Merger)	(5440588)		(5205633)	(5186748)	(5196435)
5.1 Net non-monetary liabilities of RBI	1789875	1614462	1774674	1797672	1752732
5.2 Net non-monetary liabilities of other banks (residual)	3136714	2463225	2916959	2885742	2941564
5.2 Net non-monetary liabilities of other banks (residual) (Including Merger)	(3650713)		(3430959)	(3389076)	(3443703)
M_3(1+2+3+4–5)	**24831384**	**22683199**	**24830291**	**25376908**	**25152406**
M3 (1+2+3+4-5) (Including Merger)	(24939627)		(24938533)	(25485692)	(25258389)

Figures in parentheses include the impact of merger of a non-bank with bank.

No. 8: Monetary Survey

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2023-24	2023	2024		
		Apr. 21	Mar. 22	Apr. 05	Apr. 19
	1	2	3	4	5
Monetary Aggregates					
NM_1 (1.1+1.2.1+1.3)	6091466	5696560	6090373	6255266	6145867
NM_2 (NM_1 + 1.2.2.1)	14424621	13265557	14423528	14758081	14596898
NM2 (NM1 + 1.2.2.1) (Including Merger)	14473330		(14472237)	(14807034)	(14644590)
NM_3 (NM_2 +1.2.2.2 + 1.4 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	25384097	22975070	25383004	25925209	25701274
NM3 (NM2 + 1.2.2.2 + 1.4 = 2.1 + 2.2 + 2.3 - 2.4 - 2.5) (Including Merger)	25492339		(25491246)	(26033994)	(25807257)
1 Components					
1.1 Currency with the Public	3410042	3346486	3418663	3430534	3454023
1.2 Aggregate Deposits of Residents	21105010	19101759	21105010	21633455	21385561
1.2 Aggregate Deposits of Residents (Including Merger)	21213252		(21213252)	(21742240)	(21491543)
1.2.1 Demand Deposits	2586888	2281765	2586888	2738311	2605492
1.2.2 Time Deposits of Residents	18518121	16819994	18518121	18895144	18780070
1.2.2 Time Deposits of Residents (Including Merger)	18626364		(18626364)	(19003928)	(18886052)
1.2.2.1 Short-term Time Deposits	8333155	7568997	8333155	8502815	8451031
1.2.2.1 Short-term Time Deposits (Including Merger)	8381864		(8381864)	(8551768)	(8498723)
1.2.2.1.1 Certificates of Deposits (CDs)	369399	302212	369399	361205	370047
1.2.2.2 Long-term Time Deposits	10184967	9250997	10184967	10392329	10329038
1.2.2.2 Long-term Time Deposits (Including Merger)	10244500		(10244500)	(10452161)	(10387328)
1.3 'Other' Deposits with RBI	94536	68309	84822	86420	86352
1.4 Call/Term Funding from Financial Institutions	774509	458516	774509	774800	775338
2 Sources					
2.1 Domestic Credit	25295986	22866890	25094632	25568174	25414817
2.1 Domestic Credit (Including Merger)	25918227		(25716874)	(26180292)	(26022939)
2.1.1 Net Bank Credit to the Government	7512016	7165547	7313197	7647355	7589043
2.1.1 Net Bank Credit to the Government (Including Merger)	7603571		(7404752)	(7735216)	(7676346)
2.1.1.1 Net RBI credit to the Government	1193213	1420099	994394	1273550	1221629
2.1.1.2 Credit to the Government by the Banking System	6318803	5745447	6318803	6373804	6367414
2.1.1.2 Credit to the Government by the Banking System (Including Merger)	6410358		(6410358)	(6461666)	(6454717)
2.1.2 Bank Credit to the Commercial Sector	17783970	15701344	17781435	17920820	17825774
2.1.2 Bank Credit to the Commercial Sector (Including Merger)	18314656		(18312122)	(18445076)	(18346592)
2.1.2.1 RBI Credit to the Commercial Sector	14406	21792	11871	11424	10804
2.1.2.2 Credit to the Commercial Sector by the Banking System	17769564	15679552	17769564	17909396	17814970
2.1.2.2 Credit to the Commercial Sector by the Banking System (Including Merger)	18300250		(18300250)	(18433652)	(18335788)
2.1.2.2.1 Other Investments (Non-SLR Securities)	1089184	1072327	1089184	1072205	1079540
2.2 Government's Currency Liabilities to the Public	33432	30285	33198	33432	33432
2.3 Net Foreign Exchange Assets of the Banking Sector	5110820	4739590	5076358	5196261	5106667
2.3.1 Net Foreign Exchange Assets of the RBI	5240824	4629063	5206362	5250231	5194083
2.3.2 Net Foreign Currency Assets of the Banking System	-130004	110527	-130004	-53970	-87416
2.4 Capital Account	3912897	3573174	4013348	4072898	4058263
2.5 Other items (net)	1657243	1088521	1321836	1303093	1297518

Figures in parentheses include the impact of merger of a non-bank with a bank.

No. 9: Liquidity Aggregates

(₹ Crore)

Aggregates	2023-24	2023	2024		
		Apr.	Feb.	Mar.	Apr.
	1	2	3	4	5
1 NM_3	**25383004**	**22975070**	**25057783**	**25383004**	**25701274**
	(25491246)		(25170570)	(25491246)	(25807257)
2 Postal Deposits	702174	670615	702174	702174	702174
3 L_1 (1 + 2)	**26085178**	**23645685**	**25759957**	**26085178**	**26403448**
	(26193420)		(25872744)	(26193420)	(26509431)
4 Liabilities of Financial Institutions	85150	69591	62974	85150	78167
4.1 Term Money Borrowings	2375	1811	678	2375	1858
4.2 Certificates of Deposit	70245	57985	50143	70245	63595
4.3 Term Deposits	12531	9795	12152	12531	12713
5 L_2 (3 + 4)	**26170328**	**23715277**	**25822931**	**26170328**	**26481615**
	(26278570)		(25935718)	(26278570)	(26587597)
6 Public Deposits with Non-Banking Financial Companies	91373	..	..	91373	..
7 L_3 (5 + 6)	**26261701**	**..**	**..**	**26261701**	**..**

Note : 1. Figures in the columns might not add up to the total due to rounding off of numbers.
2. Figures in parentheses include the impact of merger of a non-bank with a bank.

No. 10: Reserve Bank of India Survey

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2023-24	2023	2024		
		Apr. 21	Mar. 22	Apr. 5	Apr. 19
	1	2	3	4	5
1 Components					
1.1 Currency in Circulation	3511461	3455403	3520074	3531670	3566568
1.2 Bankers' Deposits with the RBI	1025449	897580	993822	995691	1007174
1.2.1 Scheduled Commercial Banks	956011	838212	931483	932312	944236
1.3 'Other' Deposits with the RBI	94536	68309	84822	86420	86352
Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	4631446	4421292	4598718	4613781	4660094
2 Sources					
2.1 RBI's Domestic Credit	1147066	1376406	1133832	1127790	1185311
2.1.1 Net RBI credit to the Government	1193213	1420099	994394	1273550	1221629
2.1.1.1 Net RBI credit to the Central Government (2.1.1.1.1 + 2.1.1.1.2 + 2.1.1.1.3 + 2.1.1.1.4 – 2.1.1.1.5)	1186655	1416995	981186	1256213	1204176
2.1.1.1.1 Loans and Advances to the Central Government	-	3145	-	-	-
2.1.1.1.2 Investments in Treasury Bills	-	-	-	-	-
2.1.1.1.3 Investments in dated Government Securities	1363369	1413577	1360996	1361444	1354918
2.1.1.1.3.1 Central Government Securities	1363369	1413577	1360996	1361444	1354918
2.1.1.1.4 Rupee Coins	459	374	285	424	343
2.1.1.1.5 Deposits of the Central Government	177172	101	380096	105655	151086
2.1.1.2 Net RBI credit to State Governments	6557	3104	13209	17338	17454
2.1.2 RBI's Claims on Banks	-60553	-65486	127566	-157184	-47122
2.1.2.1 Loans and Advances to Scheduled Commercial Banks	-60553	-65486	127566	-157184	-47122
2.1.3 RBI's Credit to Commercial Sector	14406	21792	11871	11424	10804
2.1.3.1 Loans and Advances to Primary Dealers	9358	3719	9810	9361	8770
2.1.3.2 Loans and Advances to NABARD	-	-	-	-	-
2.2 Government's Currency Liabilities to the Public	33432	30285	33198	33432	33432
2.3 Net Foreign Exchange Assets of the RBI	5240824	4629063	5206362	5250231	5194083
2.3.1 Gold	439319	378926	429410	454381	474181
2.3.2 Foreign Currency Assets	4801522	4250154	4776970	4795868	4719919
2.4 Capital Account	1589134	1562091	1689585	1710861	1697208
2.5 Other Items (net)	200741	52371	85089	86811	55523

No. 11: Reserve Money - Components and Sources

(₹ Crore)

Item	2023-24	Outstanding as on March 31/last Fridays of the month/Fridays					
		2023	2024				
		Apr. 28	Mar. 29	Apr. 5	Apr. 12	Apr. 19	Apr. 26
	1	2	3	4	5	6	7
Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 + 2.4 + 2.5 – 2.6)	4631446	4474080	4682348	4613781	4688438	4660094	4734241
1 Components							
1.1 Currency in Circulation	3511461	3455282	3515765	3531670	3568546	3566568	3566523
1.2 Bankers' Deposits with RBI	1025449	951088	1073846	995691	1032564	1007174	1081463
1.3 'Other' Deposits with RBI	94536	67710	92737	86420	87328	86352	86255
2 Sources							
2.1 Net Reserve Bank Credit to Government	1193213	1425449	1134602	1273550	1279943	1221629	1115036
2.2 Reserve Bank Credit to Banks	-60553	-54322	49882	-157184	-89935	-47122	149292
2.3 Reserve Bank Credit to Commercial Sector	14406	22000	14457	11424	11387	10804	11266
2.4 Net Foreign Exchange Assets of RBI	5240824	4651213	5233764	5250231	5215000	5194083	5166474
2.5 Government's Currency Liabilities to the Public	33432	30482	33432	33432	33432	33432	33632
2.6 Net Non- Monetary Liabilities of RBI	1789875	1600742	1783789	1797672	1761389	1752732	1741460

No. 12: Commercial Bank Survey

(₹ Crore)

Item	Outstanding as on last reporting Fridays of the month/ reporting Fridays of the month				
	2023-24	2023	2024		
		Apr. 21	Mar. 22	Apr. 5	Apr. 19
	1	2	3	4	5
1 Components					
1.1 Aggregate Deposits of Residents	20145188	18145164	20145188	20664514	20419604
	(20253430)		(20253430)	(20773299)	(20525586)
1.1.1 Demand Deposits	2443853	2139017	2443853	2592645	2460709
1.1.2 Time Deposits of Residents	17701334	16006147	17701334	18071869	17958895
	(17809577)		(17809577)	(18180653)	(18064878)
1.1.2.1 Short-term Time Deposits	7965600	7202766	7965600	8132341	8081503
1.1.2.1.1 Certificates of Deposits (CDs)	369399	302212	369399	361205	370047
1.1.2.2 Long-term Time Deposits	9735734	8803381	9735734	9939528	9877392
1.2 Call/Term Funding from Financial Institutions	774509	458516	774509	774800	775338
2 Sources					
2.1 Domestic Credit	23019606	20385996	23019606	23219238	23119569
	(23641847)		(23641847)	(23831356)	(23727691)
2.1.1 Credit to the Government	6014054	5444679	6014054	6066951	6059797
	(6105609)		(6105609)	(6154812)	(6147101)
2.1.2 Credit to the Commercial Sector	17005551	14941317	17005551	17152287	17059772
	(17536238)		(17536238)	(17676544)	(17580590)
2.1.2.1 Bank Credit	15901477	13859447	15901477	16068783	15972175
	(16432164)		(16432164)	(16593040)	(16492993)
2.1.2.1.1 Non-food Credit	15878397	13838155	15878397	16047575	15954085
	(16409083)		(16409083)	(16571832)	(16474903)
2.1.2.2 Net Credit to Primary Dealers	22904	17699	22904	19130	15910
2.1.2.3 Investments in Other Approved Securities	949	807	949	1131	1110
2.1.2.4 Other Investments (in non-SLR Securities)	1080222	1063364	1080222	1063242	1070577
2.2 Net Foreign Currency Assets of Commercial Banks (2.2.1-2.2.2-2.2.3)	-130004	110527	-130004	-53970	-87416
2.2.1 Foreign Currency Assets	241661	357932	241661	321544	288100
2.2.2 Non-resident Foreign Currency Repatriable Fixed Deposits	221796	166645	221796	226498	226470
2.2.3 Overseas Foreign Currency Borrowings	149868	80759	149868	149016	149045
2.3 Net Bank Reserves (2.3.1+2.3.2-2.3.3)	893350	1000993	893350	1178739	1091658
2.3.1 Balances with the RBI	931483	838212	931483	932312	944236
2.3.2 Cash in Hand	89433	97295	89433	89243	100300
2.3.3 Loans and Advances from the RBI	127566	-65486	127566	-157184	-47122
2.4 Capital Account	2299592	1986913	2299592	2337866	2336884
2.5 Other items (net) (2.1+2.2+2.3-2.4-1.1-1.2)	563663	906922	563663	566826	591985
2.5.1 Other Demand and Time Liabilities (net of 2.2.3)	787560	658681	787560	746441	748126
2.5.2 Net Inter-Bank Liabilities (other than to PDs)	201214	29466	201214	186925	196427

Figures in parentheses include the impact of merger of a non-bank with a bank.

No. 13: Scheduled Commercial Banks' Investments

(₹ Crore)

Item	As on March 22, 2024	2023	2024		
		Apr. 21	Mar. 22	Apr. 05	Apr. 19
	1	2	3	4	5
1 SLR Securities	6106558	5445485	6106558	6155943	6148210
	(6015003)		(6015003)	(6068082)	(6060907)
2 Other Government Securities (Non-SLR)	177136	181087	177136	165556	165538
3 Commercial Paper	61175	61928	61175	59561	48063
4 Shares issued by					
4.1 PSUs	8475	9737	8475	13084	12846
4.2 Private Corporate Sector	77722	71624	77722	89787	88529
4.3 Others	5624	4379	5624	7373	7378
5 Bonds/Debentures issued by					
5.1 PSUs	103070	86727	103070	95622	115258
5.2 Private Corporate Sector	287596	306067	287596	277244	249878
5.3 Others	124690	100601	124690	117667	127120
6 Instruments issued by					
6.1 Mutual funds	62499	58641	62499	64059	80163
6.2 Financial institutions	172340	182573	172340	173289	175804

Note: Data against column Nos.(1), (2) & (3) are Final and for column Nos. (4) & (5) data are Provisional.

1. Data since July 14, 2023 include the impact of the merger of a non-bank with a bank.
2. Figures in parentheses exclude the impact of the merger.

No. 14: Business in India - All Scheduled Banks and All Scheduled Commercial Banks

(₹ Crore)

Item	As on the Last Reporting Friday (in case of March)/ Last Friday							
	All Scheduled Banks				All Scheduled Commercial Banks			
	2023-24	2023	2024		2023-24	2023	2024	
		Apr.	Mar.	Apr.		Apr.	Mar.	Apr.
	1	2	3	4	5	6	7	8
Number of Reporting Banks	210	211	210	209	137	136	137	136
1 Liabilities to the Banking System	**554117**	**346011**	**554117**	**541798**	**549351**	**342636**	**549351**	**537356**
1.1 Demand and Time Deposits from Banks	298452	246563	298452	296469	294471	244088	294471	292303
1.2 Borrowings from Banks	182566	39616	182566	170567	182429	39367	182429	170542
1.3 Other Demand and Time Liabilities	73100	59832	73100	74763	72452	59181	72452	74511
2 Liabilities to Others	**22664868**	**20211404**	**22664868**	**22917167**	**22190597**	**19747136**	**22190597**	**22440586**
2.1 Aggregate Deposits	20932067	18928963	20932067	21264500	20475226	18482933	20475226	20804308
	(20823825)		(20823825)	(21160342)	(20366984)		(20366984)	(20700150)
2.1.1 Demand	2492916	2306829	2492916	2530787	2443853	2257697	2443853	2480773
2.1.2 Time	18439151	16622134	18439151	18733713	18031373	16225236	18031373	18323535
2.2 Borrowings	782260	470367	782260	789091	777942	465363	777942	784526
2.3 Other Demand and Time Liabilities	950541	812074	950541	863576	937428	798841	937428	851751
3 Borrowings from Reserve Bank	**222716**	**73004**	**222716**	**209301**	**222716**	**73004**	**222716**	**209301**
3.1 Against Usance Bills /Promissory Notes	-	-	-	-	-	-	-	-
3.2 Others	222716	73004	222716	209301	222716	73004	222716	209301
4 Cash in Hand and Balances with Reserve Bank	1043272	1002109	1043272	1131230	1020916	980478	1020916	1108501
4.1 Cash in Hand	91886	92263	91886	93172	89433	90055	89433	90784
4.2 Balances with Reserve Bank	951386	909846	951386	1038058	931483	890423	931483	1017716
5 Assets with the Banking System	**455057**	**405522**	**455057**	**437398**	**374474**	**338073**	**374474**	**363001**
5.1 Balances with Other Banks	246384	241266	246384	243873	198327	199558	198327	193978
5.1.1 In Current Account	12010	17154	12010	11821	8971	13123	8971	9388
5.1.2 In Other Accounts	234373	224112	234373	232052	189357	186435	189357	184590
5.2 Money at Call and Short Notice	39614	47269	39614	32878	12355	28233	12355	13390
5.3 Advances to Banks	51325	42830	51325	48078	48368	39612	48368	45925
5.4 Other Assets	117734	74157	117734	112568	115424	70670	115424	109708
6 Investment	**6256962**	**5605397**	**6256962**	**6281825**	**6106558**	**5458940**	**6106558**	**6129440**
	(6165407)		(6165407)	(6194500)	(6015003)		(6015003)	(6042115)
6.1 Government Securities	6249319	5599381	6249319	6274271	6105610	5458213	6105610	6128369
6.2 Other Approved Securities	7643	6016	7643	7553	949	727	949	1070
7 Bank Credit	**16866336**	**14286638**	**16866336**	**16981317**	**16432164**	**13879284**	**16432164**	**16545337**
	(16335650)		(16335650)	(16461976)	(15901477)		(15901477)	(16025997)
7a Food Credit	75472	79502	75472	81990	23081	27669	23081	28213
7.1 Loans, Cash-credits and Overdrafts	16565348	14024236	16565348	16662777	16134303	13619986	16134303	16230106
7.2 Inland Bills-Purchased	60471	42626	60471	65609	60467	42614	60467	64286
7.3 Inland Bills-Discounted	199761	170157	199761	212417	197358	167732	197358	211116
7.4 Foreign Bills-Purchased	16662	19345	16662	19194	16412	19136	16412	18965
7.5 Foreign Bills-Discounted	24094	30274	24094	21320	23624	29816	23624	20865

Note: Data in column Nos. (4) & (8) are Provisional
1. Data since July 2023 include the impact of the merger of a non-bank with a bank.
2. Figures in parentheses exclude the impact of the merger.

No. 15: Deployment of Gross Bank Credit by Major Sectors

(₹ Crore)

Sector	Outstanding as on				Growth(%)	
	Mar. 22, 2024	2023	2024		Financial year so far	Y-o-Y
		Apr. 21	Mar. 22	Apr. 19	2024-25	2024
	1	2	3	4	%	%
I. Bank Credit (II + III)	**16434662**	**13859447**	**16434662**	**16494283**	**0.4**	**19.0**
			(15903976)	(15973464)	(0.4)	(15.3)
II. Food Credit	**23081**	**21292**	**23081**	**18090**	**-21.6**	**-15.0**
III. Non-food Credit	**16411581**	**13838155**	**16411581**	**16476192**	**0.4**	**19.1**
			(15880895)	(15955374)	(0.5)	(15.3)
1. Agriculture & Allied Activities	**2071329**	**1765618**	**2071329**	**2114030**	**2.1**	**19.7**
2. Industry (Micro and Small, Medium and Large)	**3653544**	**3404576**	**3653544**	**3657055**	**0.1**	**7.4**
			(3636225)	(3640411)	(0.1)	(6.9)
2.1 Micro and Small	726315	634011	726315	732953	0.9	15.6
2.2 Medium	303998	273173	303998	309427	1.8	13.3
2.3 Large	2623231	2497392	2623231	2614675	-0.3	4.7
3. Services	**4588489**	**3774658**	**4588489**	**4593618**	**0.1**	**21.7**
			(4489033)	(4499129)	(0.2)	(19.2)
3.1 Transport Operators	230229	196487	230229	235007	2.1	19.6
3.2 Computer Software	25981	24962	25981	24886	-4.2	-0.3
3.3 Tourism, Hotels & Restaurants	77592	69804	77592	77214	-0.5	10.6
3.4 Shipping	7070	6724	7070	6887	-2.6	2.4
3.5 Aviation	43248	29525	43248	44998	4.0	52.4
3.6 Professional Services	168388	140493	168388	174656	3.7	24.3
3.7 Trade	1026678	889104	1026678	1023222	-0.3	15.1
3.7.1. Wholesale Trade[1]	539068	461976	539068	537600	-0.3	16.4
3.7.2 Retail Trade	487610	427128	487610	485622	-0.4	13.7
3.8 Commercial Real Estate	447313	329740	447313	446269	-0.2	35.3
			(395747)	(396695)	(0.2)	(20.3)
3.9 Non-Banking Financial Companies (NBFCs)[2] of which,	1548002	1356674	1548002	1554703	0.4	14.6
3.9.1 Housing Finance Companies (HFCs)	325626	317522	325626	330115	1.4	4.0
3.9.2 Public Financial Institutions (PFIs)	226963	177773	226963	232074	2.3	30.5
3.10 Other Services[3]	1013988	731146	1013988	1005776	-0.8	37.6
			(980211)	(972517)	(-0.8)	(33.0)
4. Personal Loans	**5334210**	**4219768**	**5334210**	**5362859**	**0.5**	**27.1**
			(4920441)	(4953242)	(0.7)	(17.4)
4.1 Consumer Durables	23713	21237	23713	23577	-0.6	11.0
4.2 Housing	2721616	2004953	2721616	2744147	0.8	36.9
			(2332901)	(2359123)	(1.1)	(17.7)
4.3 Advances against Fixed Deposits	125239	113093	125239	121868	-2.7	7.8
4.4 Advances to Individuals against share & bonds	8498	7194	8498	8472	-0.3	17.8
4.5 Credit Card Outstanding	257016	211151	257016	259641	1.0	23.0
4.6 Education	119380	97002	119380	119125	-0.2	22.8
4.7 Vehicle Loans	589251	508193	589251	594034	0.8	16.9
4.8 Loan against gold jewellery	102562	90649	102562	101552	-1.0	12.0
4.9 Other Personal Loans	1386933	1166296	1386933	1390443	0.3	19.2
			(1362113)	(1366014)	(0.3)	(17.1)
5. Priority Sector (Memo)	-					
(i) Agriculture & Allied Activities[4]	2081856	1718496	2081856	2060244	-1.0	19.9
(ii) Micro & Small Enterprises[5]	1974191	1656134	1974191	1964032	-0.5	18.6
(iii) Medium Enterprises[6]	490703	428417	490703	498958	1.7	16.5
(iv) Housing	755222	625294	755222	753576	-0.2	20.5
			(660572)	(659843)	(-0.1)	(5.5)
(v) Education Loans	62235	59296	62235	61027	-1.9	2.9
(vi) Renewable Energy	5991	4628	5991	5712	-4.7	23.4
(vii) Social Infrastructure	2613	2493	2613	2619	0.2	5.0
(viii) Export Credit	12855	18667	12855	13433	4.5	-28.0
(ix) Others	61336	53030	61336	75152	22.5	41.7
(x) Weaker Sections including net PSLC- SF/MF	1647778	1382359	1647778	1605821	-2.5	16.2

Notes:
(1) Data are provisional. Bank credit, Food credit and Non-food credit data are based on Section-42 return, which covers all scheduled commercial banks (SCBs), while sectoral non-food credit data are based on sector-wise and industry-wise bank credit (SIBC) return, which covers select banks accounting for about 95 per cent of total nonfood credit extended by all SCBs, pertaining to the last reporting Friday of the month.
(2) Data since July 28, 2023 include the impact of the merger of a non-bank with a bank. Figures in parentheses exclude the impact of the merger.
1 Wholesale trade includes food procurement credit outside the food credit consortium.
2 NBFCs include HFCs, PFIs, Microfinance Institutions (MFIs), NBFCs engaged in gold loan and others.
3 “Other Services” include Mutual Fund (MFs), Banking and Finance other than NBFCs and MFs and other services which are not indicated elsewhere under services.
4 “Agriculture and Allied Activities” under the priority sector also include priority sector lending certificates (PSLCs).
5 “Micro and Small Enterprises” under the priority sector include credit to micro and small enterprises in industry and services sectors and also include PSLCs.
6 “Medium Enterprises” under the priority sector include credit to medium enterprises in industry and services sectors.

No. 16: Industry-wise Deployment of Gross Bank Credit

(₹ Crore)

Industry	Outstanding as on				Growth(%)	
	Mar. 22, 2024	2023	2024		Financial year so far	Y-o-Y
		Apr. 21	Mar. 22	Apr. 19	2024-25	2024
	1	2	3	4	%	%
2 Industries (2.1 to 2.19)	3653544	3404576	3653544	3657055	0.1	7.4
			(3636225)	(3640411)	(0.1)	(6.9)
2.1 Mining & Quarrying (incl. Coal)	54195	61845	54195	55346	2.1	-10.5
2.2 Food Processing	208910	178749	208910	210772	0.9	17.9
2.2.1 Sugar	26384	23506	26384	27897	5.7	18.7
2.2.2 Edible Oils & Vanaspati	19718	18500	19718	20167	2.3	9.0
2.2.3 Tea	5695	5268	5695	5724	0.5	8.7
2.2.4 Others	157112	131476	157112	156984	-0.1	19.4
2.3 Beverage & Tobacco	31144	24687	31144	31600	1.5	28.0
2.4 Textiles	256162	234705	256162	254191	-0.8	8.3
2.4.1 Cotton Textiles	99222	91792	99222	97413	-1.8	6.1
2.4.2 Jute Textiles	4282	3811	4282	4273	-0.2	12.1
2.4.3 Man-Made Textiles	45157	39264	45157	44328	-1.8	12.9
2.4.4 Other Textiles	107502	99839	107502	108177	0.6	8.4
2.5 Leather & Leather Products	12597	12034	12597	12509	-0.7	3.9
2.6 Wood & Wood Products	23862	21198	23862	23878	0.1	12.6
2.7 Paper & Paper Products	46439	43965	46439	46285	-0.3	5.3
2.8 Petroleum, Coal Products & Nuclear Fuels	132361	144663	132361	133975	1.2	-7.4
2.9 Chemicals & Chemical Products	249377	222273	249377	251983	1.0	13.4
2.9.1 Fertiliser	37572	36117	37572	36875	-1.9	2.1
2.9.2 Drugs & Pharmaceuticals	81048	70282	81048	81954	1.1	16.6
2.9.3 Petro Chemicals	23157	21212	23157	25666	10.8	21.0
2.9.4 Others	107600	94662	107600	107488	-0.1	13.6
2.10 Rubber, Plastic & their Products	90499	84003	90499	89023	-1.6	6.0
2.11 Glass & Glassware	12091	9328	12091	12206	1.0	30.9
2.12 Cement & Cement Products	59768	57926	59768	58103	-2.8	0.3
2.13 Basic Metal & Metal Product	384479	341187	384479	381651	-0.7	11.9
2.13.1 Iron & Steel	273821	226643	273821	269958	-1.4	19.1
2.13.2 Other Metal & Metal Product	110658	114544	110658	111693	0.9	-2.5
2.14 All Engineering	196707	180029	196707	197169	0.2	9.5
2.14.1 Electronics	43196	42501	43196	44317	2.6	4.3
2.14.2 Others	153512	137528	153512	152852	-0.4	11.1
2.15 Vehicles, Vehicle Parts & Transport Equipment	113205	104311	113205	111490	-1.5	6.9
2.16 Gems & Jewellery	84940	79127	84940	83579	-1.6	5.6
2.17 Construction	133620	123086	133620	131472	-1.6	6.8
2.18 Infrastructure	1304166	1260916	1304166	1322372	1.4	4.9
2.18.1 Power	644051	628608	644051	647368	0.5	3.0
2.18.2 Telecommunications	138195	128206	138195	137370	-0.6	7.1
2.18.3 Roads	318090	309290	318090	331089	4.1	7.0
2.18.4 Airports	7280	7915	7280	7443	2.2	-6.0
2.18.5 Ports	6681	7427	6681	6342	-5.1	-14.6
2.18.6 Railways	13063	10786	13063	13138	0.6	21.8
2.18.7 Other Infrastructure	176806	168684	176806	179622	1.6	6.5
2.19 Other Industries	259023	220544	259023	249452	-3.7	13.1

Note: (1) Data since July 28, 2023 include the impact of the merger of a non-bank with a bank. Figures in parentheses exclude the impact of the merger.

No. 17: State Co-operative Banks Maintaining Accounts with the Reserve Bank of India

(₹ Crore)

Item	Last Reporting Friday (in case of March)/Last Friday/ Reporting Friday								
	2022-23	2023	2024						
		Mar. 24	Jan. 12	Jan. 26	Feb. 09	Feb. 23	Mar. 08	Mar. 22	Mar. 29
	1	2	3	4	5	6	7	8	9
Number of Reporting Banks	33	33	33	33	33	33	33	33	33
1 Aggregate Deposits (2.1.1.2+2.2.1.2)	**144701.9**	**136275.2**	**134214.5**	**135053.7**	**136218.5**	**132042.0**	**133671.4**	**137649.9**	**138788.9**
2 Demand and Time Liabilities									
2.1 Demand Liabilities	**30241.2**	**27393.9**	**27904.6**	**28067.3**	**28673.3**	**27356.3**	**29378.9**	**28442.9**	**30226.7**
2.1.1 Deposits									
2.1.1.1 Inter-Bank	6893.3	5882.5	7563.8	7628.0	7658.3	7498.1	7823.5	7854.4	9101.3
2.1.1.2 Others	18195.4	15407.1	14503.8	14877.1	15190.9	14122.7	15294.8	14769.1	15000.4
2.1.2 Borrowings from Banks	0.0			99.9			655.0		130.0
2.1.3 Other Demand Liabilities	5152.4	6104.3	5837.0	5462.2	5824.2	5735.6	5605.6	5819.4	5995.0
2.2 Time Liabilities	**194129.9**	**180973.3**	**180822.3**	**181797.1**	**181359.8**	**178609.9**	**180631.5**	**191843.2**	**198141.8**
2.2.1 Deposits									
2.2.1.1 Inter-Bank	65875.0	58092.5	57552.2	58233.2	57471.9	57905.0	59140.7	66034.5	72308.4
2.2.1.2 Others	126506.5	120868.1	119710.7	120176.6	121027.6	117919.3	118376.6	122880.8	123788.5
2.2.2 Borrowings from Banks	845.8	1079.8	2226.8	2181.3	1663.3	1582.3	1862.5	1535.4	673.6
2.2.3 Other Time Liabilities	902.6	932.8	1332.7	1206.0	1197.0	1203.2	1251.7	1392.5	1371.3
3 Borrowing from Reserve Bank	0.0			100.0	100.0	135.0	135.0	100.0	
4 Borrowings from a notified bank / Government	84382.5	81020.8	89231.9	90881.7	86104.5	86889.8	86640.9	90240.5	95914.5
4.1 Demand	20545.9	17932.3	22757.9	23859.7	22534.7	22632.6	21291.8	24187.7	27317.7
4.2 Time	63836.7	63088.6	66474.0	67022.0	63569.8	64257.3	65349.1	66052.8	68596.8
5 Cash in Hand and Balances with Reserve Bank	**12386.8**	**11111.3**	**11130.5**	**11043.1**	**11768.1**	**11568.9**	**12032.2**	**13922.4**	**16263.7**
5.1 Cash in Hand	1540.1	913.6	849.4	742.4	959.4	758.7	748.3	808.9	960.0
5.2 Balance with Reserve Bank	10846.7	10197.7	10281.1	10300.8	10808.7	10810.2	11283.9	13113.5	15303.7
6 Balances with Other Banks in Current Account	**3500.7**	**1637.1**	**1664.1**	**1446.5**	**2358.8**	**1819.0**	**1739.7**	**1793.1**	**2088.1**
7 Investments in Government Securities	**80906.4**	**71681.6**	**73993.2**	**73701.6**	**73713.3**	**74035.2**	**74120.7**	**74662.6**	**77700.5**
8 Money at Call and Short Notice	**34771.6**	**27431.3**	**25458.4**	**27662.3**	**23670.5**	**24428.3**	**26467.0**	**33159.5**	**34355.3**
9 Bank Credit (10.1+11)	**124978.1**	**123758.3**	**133172.6**	**132726.7**	**132893.5**	**133623.3**	**139496.2**	**132560.6**	**135141.9**
10 Advances									
10.1 Loans, Cash-Credits and Overdrafts	**124928.2**	**123721.3**	**133056.3**	**132569.3**	**132735.7**	**133448.3**	**139327.4**	**132372.0**	**134936.8**
10.2 Due from Banks	131095.9	127305.7	136147.1	136927.3	135069.3	137852.4	130707.1	138216.3	142185.2
11 Bills Purchased and Discounted	49.9	37.0	116.4	157.5	157.8	175.0	168.8	188.6	205.1

Prices and Production

No. 18: Consumer Price Index (Base: 2012=100)

Group/Sub group	2023-24			Rural			Urban			Combined		
	Rural	Urban	Combined	May.23	Apr.24	May.24 (P)	May.23	Apr.24	May.24 (P)	May.23	Apr.24	May.24 (P)
	1	2	3	4	5	6	7	8	9	10	11	12
1 Food and beverages	**185.9**	**192.7**	**188.4**	**176.8**	**189.5**	**190.6**	**183.1**	**196.1**	**197.6**	**179.1**	**191.9**	**193.2**
1.1 Cereals and products	181.4	181.7	181.5	173.2	188.8	188.7	174.7	188.9	189.0	173.7	188.8	188.8
1.2 Meat and fish	213.0	221.3	215.9	211.5	223.1	226.5	219.4	232.8	236.3	214.3	226.5	229.9
1.3 Egg	185.4	189.5	187.0	171.0	180.2	184.9	176.7	184.2	188.9	173.2	181.7	186.4
1.4 Milk and products	181.4	181.5	181.4	179.6	183.6	184.1	179.4	184.0	184.3	179.5	183.7	184.2
1.5 Oils and fats	165.3	158.7	162.9	173.3	160.4	160.5	164.4	154.9	155.2	170.0	158.4	158.6
1.6 Fruits	172.1	179.9	175.7	169.0	182.8	180.6	175.8	188.6	187.3	172.2	185.5	183.7
1.7 Vegetables	183.9	229.9	199.5	148.7	184.9	190.7	185.0	225.4	232.8	161.0	198.6	205.0
1.8 Pulses and products	192.2	196.5	193.7	174.9	200.7	203.7	176.9	206.2	209.7	175.6	202.6	205.7
1.9 Sugar and confectionery	126.2	128.1	126.9	121.9	127.8	128.9	124.2	130.2	131.3	122.7	128.6	129.7
1.10 Spices	238.0	228.4	234.8	221.0	231.8	229.2	211.9	224.7	223.6	218.0	229.4	227.3
1.11 Non-alcoholic beverages	180.7	168.2	175.5	178.7	182.3	182.4	165.9	170.5	170.8	173.4	177.4	177.6
1.12 Prepared meals, snacks, sweets	193.3	200.9	196.8	191.1	196.1	196.6	197.7	204.9	205.5	194.2	200.2	200.7
2 Pan, tobacco and intoxicants	**202.0**	**207.1**	**203.3**	**199.9**	**204.9**	**205.5**	**204.2**	**211.2**	**211.6**	**201.0**	**206.6**	**207.1**
3 Clothing and footwear	**192.9**	**181.5**	**188.4**	**190.8**	**195.5**	**195.7**	**179.3**	**184.2**	**184.7**	**186.2**	**191.0**	**191.3**
3.1 Clothing	193.5	183.5	189.6	191.2	196.2	196.5	181.3	186.3	186.7	187.3	192.3	192.6
3.2 Footwear	189.4	170.2	181.4	187.9	191.1	191.0	168.1	172.8	173.0	179.7	183.5	183.5
4 Housing	--	**176.7**	**176.7**	--	--	--	**175.6**	**179.9**	**180.1**	**175.6**	**179.9**	**180.1**
5 Fuel and light	**183.0**	**178.9**	**181.4**	**182.5**	**179.5**	**180.1**	**183.4**	**166.0**	**168.7**	**182.8**	**174.4**	**175.8**
6 Miscellaneous	**181.7**	**173.7**	**177.8**	**179.5**	**185.4**	**185.9**	**171.6**	**176.8**	**177.3**	**175.7**	**181.2**	**181.7**
6.1 Household goods and services	181.5	171.8	176.9	179.8	183.8	183.9	170.1	174.4	174.8	175.2	179.4	179.6
6.2 Health	190.8	185.2	188.7	187.8	194.9	195.6	182.2	189.6	190.1	185.7	192.9	193.5
6.3 Transport and communication	171.1	161.4	166.0	169.7	171.8	171.8	160.4	161.4	161.5	164.8	166.3	166.4
6.4 Recreation and amusement	175.8	171.1	173.2	173.8	178.1	178.5	169.2	173.0	173.2	171.2	175.2	175.5
6.5 Education	184.0	179.1	181.1	180.3	186.7	186.9	174.8	181.8	182.4	177.1	183.8	184.3
6.6 Personal care and effects	186.3	187.4	186.8	184.9	197.0	198.7	185.6	198.8	200.6	185.2	197.7	199.5
General Index (All Groups)	**185.6**	**182.4**	**184.1**	**179.8**	**188.5**	**189.3**	**178.2**	**184.7**	**185.6**	**179.1**	**186.7**	**187.6**

Source: National Statistical Office, Ministry of Statistics and Programme Implementation, Government of India.
P: Provisional

No. 19: Other Consumer Price Indices

Item	Base Year	Linking Factor	2023-24	2023	2024	
				Apr.	Mar.	Apr.
	1	2	3	3	4	5
1 Consumer Price Index for Industrial Workers	2016	2.88	137.9	134.2	138.9	139.4
2 Consumer Price Index for Agricultural Labourers	1986-87	5.89	1229	1180	1259	1263
3 Consumer Price Index for Rural Labourers	1986-87	-	1240	1192	1270	1275

Source: Labour Bureau, Ministry of Labour and Employment, Government of India.

No. 20: Monthly Average Price of Gold and Silver in Mumbai

Item	2023-24	2023	2024	
		Apr.	Mar.	Apr.
	1	2	3	4
1 Standard Gold (₹ per 10 grams)	60624	60145	65229	71353
2 Silver (₹ per kilogram)	72243	74386	73109	80778

Source: India Bullion & Jewellers Association Ltd., Mumbai for Gold and Silver prices in Mumbai.

No. 21: Wholesale Price Index

(Base: 2011-12 = 100)

Commodities	Weight	2023-24	2023	2024		
			May.	Mar.	Apr.(P)	May.(P)
	1	2	3	4	5	6
1 ALL COMMODITIES	**100.000**	**151.5**	**149.4**	**151.4**	**153.0**	**153.3**
1.1 PRIMARY ARTICLES	**22.618**	**183.0**	**175.1**	**183.2**	**186.7**	**187.7**
1.1.1 FOOD ARTICLES	**15.256**	**191.3**	**181.3**	**191.4**	**196.2**	**199.1**
1.1.1.1 Food Grains (Cereals+Pulses)	3.462	193.8	183.2	202.3	202.4	204.1
1.1.1.2 Fruits & Vegetables	3.475	210.1	184.2	197.2	214.0	220.5
1.1.1.3 Milk	4.440	180.2	177.3	184.2	184.3	183.7
1.1.1.4 Eggs, Meat & Fish	2.402	172.1	177.2	168.9	172.6	178.4
1.1.1.5 Condiments & Spices	0.529	235.4	203.5	233.5	228.5	236.8
1.1.1.6 Other Food Articles	0.948	189.4	180.8	198.8	206.4	205.9
1.1.2 NON-FOOD ARTICLES	**4.119**	**162.4**	**162.8**	**160.0**	**158.3**	**156.3**
1.1.2.1 Fibres	0.839	168.2	175.3	165.0	164.2	159.9
1.1.2.2 Oil Seeds	1.115	185.0	188.8	178.7	179.5	179.4
1.1.2.3 Other non-food Articles	1.960	134.9	133.5	133.7	131.1	130.9
1.1.2.4 Floriculture	0.204	279.7	250.3	291.0	279.3	260.7
1.1.3 MINERALS	**0.833**	**218.0**	**214.8**	**221.6**	**221.6**	**224.0**
1.1.3.1 Metallic Minerals	0.648	203.9	203.9	212.6	212.6	214.4
1.1.3.2 Other Minerals	0.185	267.1	252.9	253.2	253.2	257.9
1.1.4 CRUDE PETROLEUM & NATURAL GAS	**2.410**	**153.6**	**142.9**	**157.1**	**162.7**	**156.9**
1.2 FUEL & POWER	**13.152**	**152.3**	**148.6**	**152.1**	**154.8**	**150.6**
1.2.1 COAL	**2.138**	**136.4**	**134.2**	**135.8**	**135.8**	**135.8**
1.2.1.1 Coking Coal	0.647	143.4	143.4	143.4	143.4	143.4
1.2.1.2 Non-Coking Coal	1.401	124.8	119.8	125.8	125.8	125.8
1.2.1.3 Lignite	0.090	267.6	292.1	236.0	236.0	236.0
1.2.2 MINERAL OILS	**7.950**	**159.0**	**156.4**	**159.4**	**159.5**	**159.5**
1.2.3 ELECTRICITY	**3.064**	**146.1**	**138.4**	**144.6**	**156.0**	**137.8**
1.3 MANUFACTURED PRODUCTS	**64.231**	**140.2**	**140.6**	**140.1**	**140.8**	**141.7**
1.3.1 MANUFACTURE OF FOOD PRODUCTS	**9.122**	**160.5**	**158.9**	**162.1**	**162.5**	**163.2**
1.3.1.1 Processing and Preserving of meat	0.134	145.2	146.2	151.3	151.4	153.6
1.3.1.2 Processing and Preserving of fish, Crustaceans, Molluscs and products thereof	0.204	142.9	138.7	149.6	145.9	143.3
1.3.1.3 Processing and Preserving of fruit and Vegetables	0.138	130.4	129.6	130.2	132.3	132.2
1.3.1.4 Vegetable and Animal oils and Fats	2.643	144.9	149.7	145.7	147.6	147.4
1.3.1.5 Dairy products	1.165	179.2	178.0	178.8	178.8	179.3
1.3.1.6 Grain mill products	2.010	175.6	166.7	182.7	181.3	182.6
1.3.1.7 Starches and Starch products	0.110	157.1	154.3	166.2	163.9	162.8
1.3.1.8 Bakery products	0.215	165.4	164.0	165.8	166.1	165.9
1.3.1.9 Sugar, Molasses & honey	1.163	134.6	130.1	136.7	137.5	139.5
1.3.1.10 Cocoa, Chocolate and Sugar confectionery	0.175	139.9	138.1	142.4	142.7	145.5
1.3.1.11 Macaroni, Noodles, Couscous and Similar farinaceous products	0.026	149.9	148.3	148.8	151.7	147.0
1.3.1.12 Tea & Coffee products	0.371	176.2	182.8	161.9	165.5	168.1
1.3.1.13 Processed condiments & salt	0.163	192.1	183.8	195.5	195.9	192.0
1.3.1.14 Processed ready to eat food	0.024	146.3	143.8	146.9	147.2	149.1
1.3.1.15 Health supplements	0.225	179.1	180.0	174.9	174.1	179.2
1.3.1.16 Prepared animal feeds	0.356	208.3	204.3	203.9	203.8	204.3
1.3.2 MANUFACTURE OF BEVERAGES	**0.909**	**131.5**	**130.6**	**132.5**	**133.0**	**133.4**
1.3.2.1 Wines & spirits	0.408	133.3	132.1	134.1	134.6	134.5
1.3.2.2 Malt liquors and Malt	0.225	135.6	134.5	136.6	136.3	137.8
1.3.2.3 Soft drinks; Production of mineral waters and Other bottled waters	0.275	125.5	125.2	126.7	127.7	128.1
1.3.3 MANUFACTURE OF TOBACCO PRODUCTS	**0.514**	**173.5**	**171.4**	**176.3**	**177.5**	**175.4**
1.3.3.1 Tobacco products	0.514	173.5	171.4	176.3	177.5	175.4

No. 21: Wholesale Price Index (Contd.)

(Base: 2011-12 = 100)

Commodities	Weight	2023-24	2023	2024		
			May.	Mar.	Apr.(P)	May.(P)
	1	2	3	4	5	6
1.3.4 MANUFACTURE OF TEXTILES	**4.881**	**134.6**	**135.9**	**134.3**	**135.5**	**135.9**
1.3.4.1 Preparation and Spinning of textile fibres	2.582	120.1	121.5	119.8	121.4	122.0
1.3.4.2 Weaving & Finishing of textiles	1.509	157.5	159.1	156.3	156.6	157.1
1.3.4.3 Knitted and Crocheted fabrics	0.193	120.0	121.3	120.6	123.1	123.2
1.3.4.4 Made-up textile articles, Except apparel	0.299	156.5	154.7	158.7	160.1	159.5
1.3.4.5 Cordage, Rope, Twine and Netting	0.098	139.2	140.2	137.6	138.3	138.9
1.3.4.6 Other textiles	0.201	129.5	130.3	131.6	131.2	131.9
1.3.5 MANUFACTURE OF WEARING APPAREL	**0.814**	**150.8**	**150.0**	**151.5**	**153.0**	**152.5**
1.3.5.1 Manufacture of Wearing Apparel (woven), Except fur Apparel	0.593	148.7	148.4	148.7	150.1	150.0
1.3.5.2 Knitted and Crocheted apparel	0.221	156.5	154.4	159.0	160.6	159.3
1.3.6 MANUFACTURE OF LEATHER AND RELATED PRODUCTS	**0.535**	**124.1**	**123.5**	**123.7**	**123.0**	**123.9**
1.3.6.1 Tanning and Dressing of leather; Dressing and Dyeing of fur	0.142	107.3	107.8	104.8	102.9	104.2
1.3.6.2 Luggage, HandbAgs, Saddlery and Harness	0.075	140.9	139.3	140.7	141.0	141.0
1.3.6.3 Footwear	0.318	127.7	126.8	128.1	127.7	128.6
1.3.7 MANUFACTURE OF WOOD AND PRODUCTS OF WOOD AND CORK	**0.772**	**146.6**	**145.0**	**149.1**	**149.4**	**149.3**
1.3.7.1 Saw milling and Planing of wood	0.124	137.9	137.9	139.4	139.8	139.5
1.3.7.2 Veneer sheets; Manufacture of plywood, Laminboard, Particle board and Other panels and Boards	0.493	146.1	143.5	149.0	149.5	149.2
1.3.7.3 Builder's carpentry and Joinery	0.036	206.4	206.2	214.1	214.3	215.3
1.3.7.4 Wooden containers	0.119	139.8	140.4	140.0	139.9	140.3
1.3.8 MANUFACTURE OF PAPER AND PAPER PRODUCTS	**1.113**	**140.4**	**146.0**	**138.0**	**137.0**	**138.9**
1.3.8.1 Pulp, Paper and Paperboard	0.493	147.7	154.2	144.5	144.2	145.0
1.3.8.2 Corrugated paper and Paperboard and Containers of paper and Paperboard	0.314	140.9	140.4	143.4	143.1	144.3
1.3.8.3 Other articles of paper and Paperboard	0.306	128.1	138.6	121.8	119.1	123.5
1.3.9 PRINTING AND REPRODUCTION OF RECORDED MEDIA	**0.676**	**182.2**	**176.6**	**184.6**	**183.8**	**185.6**
1.3.9.1 Printing	0.676	182.2	176.6	184.6	183.8	185.6
1.3.10 MANUFACTURE OF CHEMICALS AND CHEMICAL PRODUCTS	**6.465**	**136.9**	**139.6**	**135.6**	**136.0**	**135.8**
1.3.10.1 Basic chemicals	1.433	139.9	145.4	136.5	136.7	137.3
1.3.10.2 Fertilizers and Nitrogen compounds	1.485	142.8	144.5	142.6	143.4	143.4
1.3.10.3 Plastic and Synthetic rubber in primary form	1.001	132.3	135.4	132.4	132.5	131.9
1.3.10.4 Pesticides and Other agrochemical products	0.454	132.8	135.8	130.5	129.9	127.9
1.3.10.5 Paints, Varnishes and Similar coatings, Printing ink and Mastics	0.491	143.8	143.6	141.0	141.5	140.4
1.3.10.6 Soap and Detergents, Cleaning and Polishing preparations, Perfumes and Toilet preparations	0.612	139.8	141.0	138.0	139.2	138.7
1.3.10.7 Other chemical products	0.692	134.4	136.5	134.5	134.4	134.5
1.3.10.8 Man-made fibres	0.296	103.6	105.8	103.6	104.9	104.9
1.3.11 MANUFACTURE OF PHARMACEUTICALS, MEDICINAL CHEMICAL AND BOTANICAL PRODUCTS	**1.993**	**142.9**	**142.9**	**143.4**	**143.9**	**144.6**
1.3.11.1 Pharmaceuticals, Medicinal chemical and Botanical products	1.993	142.9	142.9	143.4	143.9	144.6
1.3.12 MANUFACTURE OF RUBBER AND PLASTICS PRODUCTS	**2.299**	**127.5**	**127.6**	**128.2**	**128.3**	**128.2**
1.3.12.1 Rubber Tyres and Tubes; Retreading and Rebuilding of Rubber Tyres	0.609	113.8	114.3	113.8	114.0	113.3
1.3.12.2 Other Rubber Products	0.272	107.3	107.3	108.6	109.1	109.1
1.3.12.3 Plastics products	1.418	137.3	137.2	138.2	138.1	138.3
1.3.13 MANUFACTURE OF OTHER NON-METALLIC MINERAL PRODUCTS	**3.202**	**134.7**	**134.7**	**133.1**	**132.8**	**132.2**
1.3.13.1 Glass and Glass products	0.295	163.8	163.5	163.9	164.2	163.8
1.3.13.2 Refractory products	0.223	119.7	120.2	119.7	119.0	119.2
1.3.13.3 Clay Building Materials	0.121	124.1	129.5	119.9	120.7	120.2
1.3.13.4 Other Porcelain and Ceramic Products	0.222	122.3	120.9	124.4	124.5	124.8
1.3.13.5 Cement, Lime and Plaster	1.645	137.4	137.3	134.3	133.6	132.6

No. 21: Wholesale Price Index (Contd.)

(Base: 2011-12 = 100)

Commodities	Weight	2023-24	2023	2024		
			May.	Mar.	Apr.(P)	May.(P)
	1	2	3	4	5	6
1.3.13.6 Articles of Concrete, Cement and Plaster	0.292	137.7	137.5	137.2	139.3	139.3
1.3.13.7 Cutting, Shaping and Finishing of Stone	0.234	130.2	126.7	131.7	131.3	131.4
1.3.13.8 Other Non-Metallic Mineral Products	0.169	102.4	105.3	100.9	99.2	97.0
1.3.14 MANUFACTURE OF BASIC METALS	**9.646**	**141.0**	**143.6**	**138.7**	**140.0**	**144.1**
1.3.14.1 Inputs into steel making	1.411	140.2	147.7	134.6	135.9	142.4
1.3.14.2 Metallic Iron	0.653	153.6	157.6	147.4	149.4	154.5
1.3.14.3 Mild Steel - Semi Finished Steel	1.274	119.9	122.4	117.0	117.8	120.1
1.3.14.4 Mild Steel -Long Products	1.081	141.3	144.4	138.9	141.9	144.5
1.3.14.5 Mild Steel - Flat products	1.144	143.5	147.7	138.7	137.9	140.6
1.3.14.6 Alloy steel other than Stainless Steel- Shapes	0.067	137.6	142.5	134.3	137.9	142.2
1.3.14.7 Stainless Steel - Semi Finished	0.924	136.4	141.8	131.1	131.0	140.6
1.3.14.8 Pipes & tubes	0.205	169.6	170.3	169.8	167.6	166.6
1.3.14.9 Non-ferrous metals incl. precious metals	1.693	144.7	146.0	146.4	150.4	156.5
1.3.14.10 Castings	0.925	140.8	133.6	146.1	145.7	143.9
1.3.14.11 Forgings of steel	0.271	173.4	173.5	170.8	171.2	173.1
1.3.15 MANUFACTURE OF FABRICATED METAL PRODUCTS, EXCEPT MACHINERY AND EQUIPMENT	**3.155**	**138.6**	**139.7**	**136.2**	**137.0**	**136.3**
1.3.15.1 Structural Metal Products	1.031	132.3	133.0	130.6	130.7	131.2
1.3.15.2 Tanks, Reservoirs and Containers of Metal	0.660	157.6	161.3	155.3	153.4	152.9
1.3.15.3 Steam generators, Except Central Heating Hot Water Boilers	0.145	106.2	108.1	106.0	106.0	109.4
1.3.15.4 Forging, Pressing, Stamping and Roll-Forming of Metal; Powder Metallurgy	0.383	141.6	139.2	136.8	138.4	133.1
1.3.15.5 Cutlery, Hand Tools and General Hardware	0.208	108.4	108.8	101.5	110.0	102.0
1.3.15.6 Other Fabricated Metal Products	0.728	143.8	144.9	142.3	144.4	145.6
1.3.16 MANUFACTURE OF COMPUTER, ELECTRONIC AND OPTICAL PRODUCTS	**2.009**	**119.2**	**118.3**	**120.4**	**120.6**	**122.0**
1.3.16.1 Electronic Components	0.402	115.0	114.1	115.5	115.9	117.3
1.3.16.2 Computers and Peripheral Equipment	0.336	135.3	135.1	135.3	135.3	135.3
1.3.16.3 Communication Equipment	0.310	136.0	131.0	139.5	139.2	146.3
1.3.16.4 Consumer Electronics	0.641	103.5	104.9	103.7	103.9	103.3
1.3.16.5 Measuring, Testing, Navigating and Control equipment	0.181	113.4	111.7	118.2	118.5	119.8
1.3.16.6 Watches and Clocks	0.076	157.2	153.7	159.9	160.0	163.8
1.3.16.7 Irradiation, Electromedical and Electrotherapeutic equipment	0.055	108.4	106.4	108.4	109.2	109.4
1.3.16.8 Optical instruments and Photographic equipment	0.008	103.8	103.6	105.2	105.2	104.1
1.3.17 MANUFACTURE OF ELECTRICAL EQUIPMENT	**2.930**	**131.4**	**130.5**	**131.9**	**132.4**	**133.4**
1.3.17.1 Electric motors, Generators, Transformers and Electricity distribution and Control apparatus	1.298	130.2	128.3	130.6	131.2	131.5
1.3.17.2 Batteries and Accumulators	0.236	137.8	136.1	140.4	139.8	140.8
1.3.17.3 Fibre optic cables for data transmission or live transmission of images	0.133	123.4	123.0	121.2	120.1	118.0
1.3.17.4 Other electronic and Electric wires and Cables	0.428	146.1	146.4	146.9	148.9	153.9
1.3.17.5 Wiring devices, Electric lighting & display equipment	0.263	116.8	116.8	117.6	117.6	118.9
1.3.17.6 Domestic appliances	0.366	133.8	134.0	133.3	133.3	131.9
1.3.17.7 Other electrical equipment	0.206	120.9	121.2	121.8	121.6	124.8
1.3.18 MANUFACTURE OF MACHINERY AND EQUIPMENT	**4.789**	**129.0**	**128.5**	**129.9**	**130.5**	**130.9**
1.3.18.1 Engines and Turbines, Except aircraft, Vehicle and Two wheeler engines	0.638	129.0	127.9	130.6	130.5	131.3
1.3.18.2 Fluid power equipment	0.162	131.9	132.4	132.3	133.2	133.4
1.3.18.3 Other pumps, Compressors, Taps and Valves	0.552	117.4	118.0	117.7	117.5	117.7
1.3.18.4 Bearings, Gears, Gearing and Driving elements	0.340	127.7	126.7	129.6	129.0	128.6
1.3.18.5 Ovens, Furnaces and Furnace burners	0.008	83.7	81.6	85.3	86.2	85.2
1.3.18.6 Lifting and Handling equipment	0.285	128.6	127.6	129.9	130.1	129.9

No. 21: Wholesale Price Index (Concld.)

(Base: 2011-12 = 100)

Commodities	Weight	2023-24	2023	2024		
			May.	Mar.	Apr.(P)	May.(P)
	1	2	3	4	5	6
1.3.18.7 Office machinery and Equipment	0.006	130.2	130.2	130.2	130.2	130.2
1.3.18.8 Other general-purpose machinery	0.437	145.2	146.1	144.6	147.1	151.5
1.3.18.9 Agricultural and Forestry machinery	0.833	142.5	141.0	143.9	146.3	145.2
1.3.18.10 Metal-forming machinery and Machine tools	0.224	122.5	122.2	122.4	122.4	122.4
1.3.18.11 Machinery for mining, Quarrying and Construction	0.371	88.6	87.2	89.3	89.4	89.7
1.3.18.12 Machinery for food, Beverage and Tobacco processing	0.228	124.4	124.8	124.4	124.6	125.3
1.3.18.13 Machinery for textile, Apparel and Leather production	0.192	137.1	136.6	137.7	137.5	137.3
1.3.18.14 Other special-purpose machinery	0.468	144.6	144.4	146.4	145.3	146.3
1.3.18.15 Renewable electricity generating equipment	0.046	70.8	71.5	69.7	70.1	70.0
1.3.19 MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS	**4.969**	**128.3**	**128.1**	**129.9**	**129.5**	**129.7**
1.3.19.1 Motor vehicles	2.600	128.5	127.5	130.6	130.2	130.4
1.3.19.2 Parts and Accessories for motor vehicles	2.368	128.2	128.8	129.0	128.6	128.9
1.3.20 MANUFACTURE OF OTHER TRANSPORT EQUIPMENT	**1.648**	**143.1**	**142.0**	**143.6**	**144.4**	**143.9**
1.3.20.1 Building of ships and Floating structures	0.117	163.7	163.6	163.7	177.9	177.9
1.3.20.2 Railway locomotives and Rolling stock	0.110	107.4	104.8	108.5	108.2	108.3
1.3.20.3 Motor cycles	1.302	144.7	143.6	145.3	145.1	144.6
1.3.20.4 Bicycles and Invalid carriages	0.117	137.9	137.1	137.6	136.6	136.0
1.3.20.5 Other transport equipment	0.002	159.2	158.0	158.5	161.3	163.6
1.3.21 MANUFACTURE OF FURNITURE	**0.727**	**159.8**	**160.0**	**158.4**	**158.8**	**158.8**
1.3.21.1 Furniture	0.727	159.8	160.0	158.4	158.8	158.8
1.3.22 OTHER MANUFACTURING	**1.064**	**158.2**	**157.9**	**164.1**	**175.1**	**178.2**
1.3.22.1 Jewellery and Related articles	0.996	157.9	157.6	164.3	176.1	179.4
1.3.22.2 Musical instruments	0.001	187.0	187.7	192.0	186.6	199.3
1.3.22.3 Sports goods	0.012	155.2	155.7	154.5	158.3	159.2
1.3.22.4 Games and Toys	0.005	159.6	158.9	160.0	161.2	161.4
1.3.22.5 Medical and Dental instruments and Supplies	0.049	163.1	163.6	161.2	160.2	159.1
2 FOOD INDEX	**24.378**	**179.7**	**172.9**	**180.4**	**183.6**	**185.7**

Source: Office of the Economic Adviser, Ministry of Commerce and Industry, Government of India.

No. 22: Index of Industrial Production (Base:2011-12=100)

Industry	Weight	2022-23	2023-24	March		April	
				2023	2024	2023	2024
	1	2	3	4	5	6	7
General Index	100.00	138.5	146.7	151.7	159.9	140.7	147.7
1 Sectoral Classification							
1.1 Mining	14.37	119.9	128.9	154.2	156.2	122.6	130.8
1.2 Manufacturing	77.63	137.1	144.6	147.5	156.0	138.8	144.2
1.3 Electricity	7.99	185.2	198.3	188.0	204.2	192.3	212.0
2 Use-Based Classification							
2.1 Primary Goods	34.05	139.2	147.7	158.3	163.1	142.2	152.2
2.2 Capital Goods	8.22	100.3	106.5	123.0	131.1	92.4	95.3
2.3 Intermediate Goods	17.22	149.4	157.2	159.4	168.2	152	156.9
2.4 Infrastructure/ Construction Goods	12.34	160.7	176.3	181.7	195.2	169.8	183.3
2.5 Consumer Durables	12.84	114.5	118.6	118.6	129.9	108.1	118.7
2.6 Consumer Non-Durables	15.33	147.7	153.7	147.5	155.3	154.7	151.0

Source : Central Statistics Office, Ministry of Statistics and Programme Implementation, Government of India.

Government Accounts and Treasury Bills

No. 23: Union Government Accounts at a Glance

(₹ Crore)

Item	2024-25			2023-24		
	Budget Estimates	April 2024		Provisional Accounts	Revised Estimates	Provisional Accounts as per cent to Revised Estimates
		Actuals	Percent to Budget Estimates			
	1	2	3	4	5	6
1 Revenue Receipts	**3001275**	**212293**	**7.1**	**2728412**	**2699713**	**101.1**
1.1 Tax Revenue (Net)	2601574	184998	7.1	2326524	2323918	100.1
1.2 Non-Tax Revenue	399701	27295	6.8	401888	375795	106.9
2 Non Debt Capital Receipt	**79000**	**1041**	**1.3**	**60460**	**56000**	**108.0**
2.1 Recovery of Loans	29000	1041	3.6	27338	26000	105.1
2.2 Other Receipts	50000	0	0.0	33122	30000	110.4
3 Total Receipts (excluding borrowings) (1+2)	**3080275**	**213334**	**6.9**	**2788872**	**2755713**	**101.2**
4 Revenue Expenditure of which :	3654657	324235	8.9	3494036	3540239	98.7
4.1 Interest Payments	1190440	128263	10.8	1063871	1055427	100.8
5 Capital Expenditure	1111111	99235	8.9	948506	950246	99.8
6 Total Expenditure (4+5)	**4765768**	**423470**	**8.9**	**4442542**	**4490486**	**98.9**
7 Revenue Deficit (4-1)	**653383**	**111942**	**17.1**	**765624**	**840527**	**91.1**
8 Fiscal Deficit (6-3)	**1685494**	**210136**	**12.5**	**1653670**	**1734773**	**95.3**
9 Gross Primary Deficit (8-4.1)	**495054**	**81873**	**16.5**	**589799**	**679346**	**86.8**

Source: Controller General of Accounts, Ministry of Finance, Government of India and Union Budget 2024-25.

No. 24: Treasury Bills – Ownership Pattern

(₹ Crore)

Item	2023-24	2023	2024					
		Apr. 28	Mar. 22	Mar. 29	Apr. 5	Apr. 12	Apr. 19	Apr. 26
	1	2	3	4	5	6	7	8
1 91-day								
1.1 Banks	18054	14273	10155	18054	13463	11712	10503	8989
1.2 Primary Dealers	22676	25288	18396	22676	15886	13578	18087	22711
1.3 State Governments	5701	15339	14376	5701	12522	31127	31470	31670
1.4 Others	88670	92012	97848	88670	104051	112110	112810	114700
2 182-day								
2.1 Banks	84913	71005	73225	84913	80566	80544	73690	77964
2.2 Primary Dealers	87779	120906	90960	87779	86663	85609	83276	78906
2.3 State Governments	4070	14658	5220	4070	3646	6310	6534	7406
2.4 Others	102311	108830	103819	102311	106775	106851	115038	114134
3 364-day								
3.1 Banks	91819	105465	86148	91819	86252	86877	86580	91933
3.2 Primary Dealers	159085	138309	170813	159085	164755	164322	164226	160059
3.3 State Governments	41487	47496	41542	41487	41550	41554	41629	37488
3.4 Others	165095	154695	164039	165095	164993	164801	165194	164008
4 14-day Intermediate								
4.1 Banks								
4.2 Primary Dealers								
4.3 State Governments	318736	167840	239401	318736	218068	214197	205743	223837
4.4 Others	442	696	1317	442	1600	427	2295	537
Total Treasury Bills (Excluding 14 day Intermediate T Bills) #	871662	908276	876542	871662	881122	905395	909037	909968

14D intermediate T-Bills are non-marketable unlike 91D, 182D and 364D T-Bills. These bills are 'intermediate' by nature as these are liquidated to replenish shortfall in the daily minimum cash balances of State Governments.

Note: Primary Dealers (PDs) include banks undertaking PD business.

No. 25: Auctions of Treasury Bills

(Amount in ₹ Crore)

Date of Auction	Notified Amount	Bids Received			Bids Accepted			Total Issue (6+7)	Cutoff Price (₹)	Implicit Yield at Cut-off Price (per cent)
		Number	Total Face Value		Number	Total Face Value				
			Competitive	Non-Competitive		Competitive	Non-Competitive			
	1	2	3	4	5	6	7	8	9	10
91-day Treasury Bills										
2023-24										
Mar. 27	10000	54	14001	558	45	9967	558	10525	98.28	7.0101
2024-25										
Apr. 3	12000	76	25781	9539	51	11961	9539	21500	98.31	6.8768
Apr. 10	12000	98	30063	20972	55	11939	20972	32910	98.32	6.8702
Apr. 18	12000	102	25874	2553	66	11947	2553	14500	98.31	6.8752
Apr. 24	12000	118	26922	1236	85	11964	1236	13200	98.30	6.9200
182-day Treasury Bills										
2023-24										
Mar. 27	15000	135	34324	19	74	14981	19	15000	96.56	7.1447
2024-25										
Apr. 3	7000	121	22617	36	34	6964	36	7000	96.62	7.0187
Apr. 10	7000	103	18422	2696	51	6968	2696	9664	96.61	7.0297
Apr. 18	7000	129	24942	1763	54	6960	1763	8724	96.61	7.0301
Apr. 24	7000	124	24017	897	35	6975	897	7872	96.61	7.0350
364-day Treasury Bills										
2023-24										
Mar. 27	9000	126	37189	23	21	8984	23	9007	93.41	7.0787
2024-25										
Apr. 3	8000	98	17625	238	73	7975	238	8213	93.44	7.0447
Apr. 10	8000	121	23400	39	75	7965	39	8004	93.43	7.0490
Apr. 18	8000	139	24112	115	58	7960	115	8075	93.42	7.0582
Apr. 24	8000	143	23187	185	78	7974	185	8159	93.41	7.0697

Financial Markets

No. 26: Daily Call Money Rates

(Per cent per annum)

As on	Range of Rates	Weighted Average Rates
	Borrowings/ Lendings	Borrowings/ Lendings
	1	2
April 02 ,2024	5.00-6.60	6.44
April 03 ,2024	5.10-6.55	6.44
April 04 ,2024	5.10-6.55	6.44
April 05 ,2024	5.10-6.60	6.47
April 06 ,2024	5.50-6.24	6.12
April 08 ,2024	5.10-6.60	6.49
April 10 ,2024	5.00-6.75	6.55
April 12 ,2024	5.00-6.75	6.56
April 15 ,2024	5.00-6.70	6.51
April 16 ,2024	5.00-6.60	6.48
April 18 ,2024	5.10-6.60	6.47
April 19 ,2024	5.00-6.65	6.49
April 20 ,2024	5.40-6.24	6.16
April 22 ,2024	5.10-6.80	6.61
April 23 ,2024	5.10-6.78	6.65
April 24 ,2024	5.10-6.80	6.67
April 25 ,2024	5.10-6.85	6.69
April 26 ,2024	5.10-6.87	6.68
April 29 ,2024	5.10-6.80	6.69
April 30 ,2024	5.40-6.80	6.67
May 02 ,2024	5.10-6.65	6.52
May 03 ,2024	5.40-6.50	6.43
May 04 ,2024	5.50-6.50	6.16
May 06 ,2024	5.40-6.75	6.46
May 07 ,2024	5.80-6.66	6.54
May 08 ,2024	5.40-6.80	6.61
May 09 ,2024	5.40-6.90	6.69
May 10 ,2024	5.40-6.85	6.72
May 13 ,2024	5.50-6.90	6.72
May 14 ,2024	5.10-6.85	6.70
May 15 ,2024	5.40-6.55	6.48

Note: Includes Notice Money.

No. 27: Certificates of Deposit

Item	2023	2024			
	Apr. 21	Mar. 8	Mar. 22	Apr. 5	Apr. 19
	1	2	3	4	5
1 Amount Outstanding (₹ Crore)	300404.89	379574.59	375812.94	361574.13	372841.80
1.1 Issued during the fortnight (₹ Crore)	11657.30	60381.38	68973.11	14662.24	16991.88
2 Rate of Interest (per cent)	6.90-7.79	7.11-8.15	7.06-8.16	7.13-8.02	6.95-7.83

No. 28: Commercial Paper

Item	2023	2024			
	Apr. 30	Mar. 15	Mar. 31	Apr. 15	Apr. 30
	1	2	3	4	5
1 Amount Outstanding (₹ Crore)	421736.55	406182.50	388559.20	397251.00	411533.60
1.1 Reported during the fortnight (₹ Crore)	58226.95	93685.95	57334.10	23663.00	60407.45
2 Rate of Interest (per cent)	6.75-13.84	7.09-13.92	7.07-14.20	6.90-13.85	6.89-12.59

No. 29: Average Daily Turnover in Select Financial Markets

(₹ Crore)

Item	2023-24	2023	2024					
		Apr. 28	Mar. 22	Mar. 29	Apr. 5	Apr. 12	Apr. 19	Apr. 26
	1	2	3	4	5	6	7	8
1 Call Money	17761	16349	19460	18683	15444	20179	16675	18120
2 Notice Money	2550	4787	1451	5553	5701	621	5231	655
3 Term Money	871	670	1352	1042	1810	884	1521	969
4 Triparty Repo	601363	615665	556798	634402	602875	572712	745111	628164
5 Market Repo	574534	759202	579484	661720	619031	567845	715487	570483
6 Repo in Corporate Bond	1817	612	3460	2612	8085	3216	3449	3178
7 Forex (US $ million)	95115	106579	136534	1652770	110741	108426	150278	120418
8 Govt. of India Dated Securities	90992	143286	84092	90054	60761	59043	102557	73593
9 State Govt. Securities	6102	9866	14235	15232	5039	2107	4070	4343
10 Treasury Bills								
10.1 91-Day	5378	3125	6989	13965	9541	8840	5415	4848
10.2 182-Day	6079	5049	5233	9470	8266	5425	9659	6214
10.3 364-Day	4307	4241	4223	2929	4292	2735	3378	4593
10.4 Cash Management Bills			0	0	0	0	0	0
11 Total Govt. Securities (8+9+10)	112858	165566	114771	131649	87899	78151	125079	93592
11.1 RBI	492	632	482	342	138	3570	423	16

No. 30: New Capital Issues by Non-Government Public Limited Companies

(Amount in ₹ Crore)

Security & Type of Issue	2023-24		2023-24 (Apr.)		2024-25 (Apr.) *		Apr. 2023		Apr. 2024 *	
	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount
	1	2	3	4	5	6	7	8	9	10
1 Equity Shares	**339**	**80942**	**14**	**1981**	**35**	**25371**	**14**	**1981**	**35**	**25371**
1A Premium	328	76319	13	1900	34	8734	13	1900	34	8734
1.1 Public	272	65832	10	1110	27	23727	10	1110	27	23727
1.1.1 Premium	272	62791	10	1064	27	7237	10	1064	27	7237
1.2 Rights	67	15110	4	871	8	1643	4	871	8	1643
1.2.1 Premium	56	13527	3	836	7	1497	3	836	7	1497
2 Preference Shares	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Public	-	-	-	-	-	-	-	-	-	-
2.2 Rights	-	-	-	-	-	-	-	-	-	-
3 Bonds & Debentures	**44**	**16342**	**7**	**2036**	**4**	**687**	**7**	**2036**	**4**	**687**
3.1 Convertible	-	-	-	-	-	-	-	-	-	-
3.1.1 Public	-	-	-	-	-	-	-	-	-	-
3.1.2 Rights	-	-	-	-	-	-	-	-	-	-
3.2 Non-Convertible	44	16342	7	2036	4	687	7	2036	4	687
3.2.1 Public	44	16342	7	2036	4	687	7	2036	4	687
3.2.2 Rights	-	-	-	-	-	-	-	-	-	-
4 Total (1+2+3)	**383**	**97284**	**21**	**4017**	**39**	**26057**	**21**	**4017**	**39**	**26057**
4.1 Public	316	82174	17	3146	31	24414	17	3146	31	24414
4.2 Rights	67	15110	4	871	8	1643	4	871	8	1643

Note : 1. Since April 2020, monthly data on equity issues is compiled on the basis of their listing date.
2. Figures in the columns might not add up to the total due to rounding off numbers.

Source : Securities and Exchange Board of India.

* : Data is Provisional

External Sector

No. 31: Foreign Trade

Item	Unit	2023-24	2023		2024			
			Apr.	Dec.	Jan.	Feb.	Mar.	Apr.
		1	2	3	4	5	6	7
1 Exports	₹ Crore	3619292	283943	319716	310242	343518	346249	291789
	US $ Million	437113	34618	38391	37324	41406	41718	34984
1.1 Oil	₹ Crore	696850	52662	57369	71607	68163	44950	55167
	US $ Million	84157	6421	6889	8615	8216	5416	6614
1.2 Non-oil	₹ Crore	2922442	231281	262347	238635	275356	301299	236622
	US $ Million	352956	28198	31502	28709	33190	36302	28370
2 Imports	₹ Crore	5592877	402362	470097	443420	498718	475374	451189
	US $ Million	675430	49056	56449	53346	60113	57276	54096
2.1 Oil	₹ Crore	1487581	112318	124423	129050	140134	142994	137306
	US $ Million	179618	13694	14941	15526	16891	17229	16462
2.2 Non-oil	₹ Crore	4105296	290045	345674	314370	358584	332380	313883
	US $ Million	495812	35362	41508	37821	43222	40047	37633
3 Trade Balance	₹ Crore	-1973585	-118419	-150382	-133179	-155200	-129125	-159400
	US $ Million	-238317	-14438	-18058	-16022	-18707	-15558	-19111
3.1 Oil	₹ Crore	-790731	-59656	-67054	-57443	-71972	-98044	-82139
	US $ Million	-95461	-7273	-8052	-6911	-8675	-11813	-9848
3.2 Non-oil	₹ Crore	-1182854	-58763	-83328	-75735	-83229	-31081	-77261
	US $ Million	-142856	-7164	-10006	-9111	-10032	-3745	-9263

Source: DGCI&S and Ministry of Commerce & Industry.

No. 32: Foreign Exchange Reserves

Item	Unit	2023	2024					
		Jun. 02	Apr. 26	May. 03	May. 10	May. 17	May. 24	May. 31
		1	2	3	4	5	6	7
1 Total Reserves	**₹ Crore**	**4897289**	**5317256**	**5353240**	**5378914**	**5406444**	**5373798**	**5438138**
	US $ Million	**595067**	**637922**	**641590**	**644151**	**648700**	**646673**	**651510**
1.1 Foreign Currency Assets	₹ Crore	4330529	4665274	4707216	4723388	4742224	4715859	4779242
	US $ Million	526201	559701	564161	565648	569009	567499	572564
1.2 Gold	₹ Crore	374926	462881	457902	467218	476676	471279	471621
	US $ Million	45557	55533	54880	55952	57195	56713	56501
	Volume (Metric Tonnes)	797.44	827.69	828.63	831.43	831.43	831.43	831.43
1.3 SDRs	SDRs Million	13674	13694	13694	13694	13699	13699	13699
	₹ Crore	149664	150439	150611	150774	151419	150703	151235
	US $ Million	18186	18048	18051	18056	18168	18135	18118
1.4 Reserve Tranche Position in IMF	₹ Crore	42170	38661	37512	37534	36125	35958	36039
	US $ Million	5123	4639	4499	4495	4327	4326	4326

* Difference, if any, is due to rounding off.
Note: Exclude investment in foreign currency denominated bonds issued by IIFC (UK), SDRs transferred by Government of India to RBI and foreign currency received under SAARC and ACU currency swap arrangements. Foreign currency assets in US dollar take into account appreciation/depreciation of non-US currencies (such as Euro, Sterling, Yen and Australian Dollar) held in reserves. Foreign exchange holdings are converted into rupees at rupee-US dollar RBI holding rates.

No. 33: Non-Resident Deposits

(US $ Million)

Scheme	Outstanding				Flows	
	2023-24	2023	2024		2023-24	2024-25
		Apr.	Mar.	Apr. (P)	Apr.	Apr.(P)
	1	2	3	4	5	6
1 NRI Deposits	**151879**	**139355**	**151879**	**153009**	**-157**	**1078**
1.1 FCNR(B)	25733	19687	25733	26216	324	483
1.2 NR(E)RA	98624	95978	98624	99229	-346	564
1.3 NRO	27522	23690	27522	27564	-134	31

P: Provisional.

No. 34: Foreign Investment Inflows

(US $ Million)

Item	2023-24	2023-24	2024-25 (P)	2023	2024 (P)	
		Apr.	Apr.	Apr.	Mar.	Apr.
	1	2	3	4	5	6
1.1 Net Foreign Direct Investment (1.1.1-1.1.2)	**10887**	**2824**	**3961**	**2824**	**-3657**	**3961**
1.1.1 Direct Investment to India (1.1.1.1-1.1.1.2)	**26550**	**3923**	**4893**	**3923**	**-143**	**4893**
1.1.1.1 Gross Inflows/Gross Investments	**70954**	**7399**	**7282**	**7399**	**5957**	**7282**
1.1.1.1.1 Equity	45860	5212	5017	5212	3883	5017
1.1.1.1.1.1 Government (SIA/FIPB)	585	25	11	25	64	11
1.1.1.1.1.2 RBI	31826	4625	4733	4625	3107	4733
1.1.1.1.1.3 Acquisition of shares	12013	455	167	455	571	167
1.1.1.1.1.4 Equity capital of unincorporated bodies	1437	107	107	107	140	107
1.1.1.1.2 Reinvested earnings	19533	1527	1527	1527	1659	1527
1.1.1.1.3 Other capital	5561	661	738	661	416	738
1.1.1.2 Repatriation/Disinvestment	**44404**	**3476**	**2389**	**3476**	**6100**	**2389**
1.1.1.2.1 Equity	41267	3117	2235	3117	5992	2235
1.1.1.2.2 Other capital	3137	359	154	359	108	154
1.1.2 Foreign Direct Investment by India (1.1.2.1+1.1.2.2+1.1.2.3-1.1.2.4)	**15662**	**1099**	**932**	**1099**	**3514**	**932**
1.1.2.1 Equity capital	8766	753	443	753	2070	443
1.1.2.2 Reinvested Earnings	5138	448	448	448	368	448
1.1.2.3 Other Capital	5383	394	500	394	1305	500
1.1.2.4 Repatriation/Disinvestment	3624	496	459	496	229	459
1.2 Net Portfolio Investment (1.2.1+1.2.2+1.2.3-1.2.4)	**42218**	**2095**	**-2663**	**2095**	**6662**	**-2663**
1.2.1 GDRs/ADRs	-	-	-	-	-	-
1.2.2 FIIs	42880	2215	-2691	2215	6746	-2691
1.2.3 Offshore funds and others	-	-	-	-	-	-
1.2.4 Portfolio investment by India	662	119	-29	119	84	-29
1 Foreign Investment Inflows	**53105**	**4919**	**1298**	**4919**	**3005**	**1298**

P: Provisional

No. 35: Outward Remittances under the Liberalised Remittance Scheme (LRS) for Resident Individuals

(US $ Million)

Item	2023-24	2023	2024		
		Apr.	Feb.	Mar.	Apr.
	1	2	3	4	5
1 Outward Remittances under the LRS	**31735.74**	**2332.08**	**2013.28**	**2302.36**	**2285.77**
1.1 Deposit	916.45	103.47	36.70	107.77	72.67
1.2 Purchase of immovable property	242.51	22.87	15.38	26.08	23.19
1.3 Investment in equity/debt	1510.89	82.19	135.40	224.70	98.94
1.4 Gift	3580.27	339.79	233.91	318.66	311.16
1.5 Donations	11.31	0.94	0.84	1.11	1.70
1.6 Travel	17006.27	1099.85	1053.64	1002.41	1144.31
1.7 Maintenance of close relatives	4611.53	449.38	266.39	394.13	391.69
1.8 Medical Treatment	79.62	4.22	7.25	8.17	10.38
1.9 Studies Abroad	3478.65	209.76	246.82	197.02	208.02
1.10 Others	298.24	19.60	16.96	22.31	23.70

No. 36: Indices of Nominal Effective Exchange Rate (NEER) and Real Effective Exchange Rate (REER) of the Indian Rupee

Item	2022-23	2023-24	2023	2024	
			May	Apr	May
	1	2	3	4	5
40-Currency Basket (Base: 2015-16=100)					
1 Trade-Weighted					
1.1 NEER	91.27	90.76	89.21	92.19	92.22
1.2 REER	102.86	103.73	100.49	103.47	104.76
2 Export-Weighted					
2.1 NEER	93.03	93.13	91.58	94.58	94.67
2.2 REER	101.12	101.23	98.45	100.41	101.62
6-Currency Basket (Trade-weighted)					
1 Base : 2015-16 =100					
1.1 NEER	85.93	83.65	83.25	83.78	83.66
1.2 REER	101.80	101.79	99.21	102.12	102.37
2 Base : 2021-22 =100					
2.1 NEER	98.72	96.10	95.64	96.25	96.12
2.2 REER	99.69	99.68	97.15	100.00	100.25

No. 37: External Commercial Borrowings (ECBs) – Registrations

(Amount in US $ Million)

Item	2023-24	2023	2024	
		Apr.	Mar.	Apr.
	1	2	3	4
1 Automatic Route				
1.1 Number	1188	102	123	100
1.2 Amount	29461	1561	5762	3891
2 Approval Route				
2.1 Number	33	4	8	1
2.2 Amount	19748	3799	1972	394
3 Total (1+2)				
3.1 Number	1221	106	131	101
3.2 Amount	49209	5360	7734	4285
4 Weighted Average Maturity (in years)	5.60	5.40	6.10	5.00
5 Interest Rate (per cent)				
5.1 Weighted Average Margin over alternative reference rate (ARR) for Floating Rate Loans@	1.66	0.92	1.73	1.32
5.2 Interest rate range for Fixed Rate Loans	0.00-27.00	0.00-11.50	0.00-10.63	0.00-10.50
Borrower Category				
I. Corporate Manufacturing	15836	413	1730	410
II. Corporate-Infrastructure	15916	3516	2116	1814
a.) Transport	1505	3	0	43
b.) Energy	3513	205	706	380
c.) Water and Sanitation	33	0	0	0
d.) Communication	6309	2799	0	0
e.) Social and Commercial Infrastructure	115	0	20	46
f.) Exploration,Mining and Refinery	2480	500	105	550
g.) Other Sub-Sectors	1961	9	1285	795
III. Corporate Service-Sector	1526	90	205	18
IV. Other Entities	1728	0	851	0
a.) units in SEZ	1	0	1	0
b.) SIDBI	0	0	0	0
c.) Exim Bank	1727	0	850	0
V. Banks	0	0	0	0
VI. Financial Institution (Other than NBFC)	20	0	0	0
VII. NBFCs	13361	1327	2704	1875
a). NBFC- IFC/AFC	7734	1059	1145	411
b). NBFC-MFI	531	18	103	28
c). NBFC-Others	5096	250	1456	1436
VIII. Non-Government Organization (NGO)	0	0	0	0
IX. Micro Finance Institution (MFI)	0	0	0	0
X. Others	822	14	128	168

Note: Based on applications for ECB/Foreign Currency Convertible Bonds (FCCBs) which have been allotted loan registration number during the period.
@ With effect from July 01, 2023, the benchmark rate is changed to Alternative Reference Rate (ARR)

No. 38: India's Overall Balance of Payments

(US$ Million)

Item	Oct-Dec 2022			Oct-Dec 2023 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
Overall Balance Of Payments (1+2+3)	**403847**	**392778**	**11069**	**451389**	**445391**	**5998**
1 Current Account (1.1+ 1.2)	**227509**	**244341**	**-16832**	**235949**	**246468**	**-10519**
1.1 Merchandise	**105603**	**176940**	**-71337**	**106656**	**178259**	**-71603**
1.2 Invisibles (1.2.1+1.2.2+1.2.3)	**121906**	**67401**	**54505**	**129293**	**68209**	**61084**
1.2.1 Services	83421	44708	38713	87787	42767	45020
1.2.1.1 Travel	8123	6910	1213	9850	7487	2363
1.2.1.2 Transportation	8758	9409	-652	6951	6457	494
1.2.1.3 Insurance	783	797	-13	811	856	-46
1.2.1.4 G.n.i.e.	185	282	-97	182	280	-98
1.2.1.5 Miscellaneous	65572	27310	38262	69993	27688	42306
1.2.1.5.1 Software Services	37599	4058	33541	41041	4774	36267
1.2.1.5.2 Business Services	21198	15125	6073	22647	14067	8581
1.2.1.5.3 Financial Services	1949	1292	657	2491	956	1535
1.2.1.5.4 Communication Services	842	329	514	701	397	303
1.2.2 Transfers	30867	2400	28467	31539	2237	29302
1.2.2.1 Official	58	232	-174	94	230	-135
1.2.2.2 Private	30809	2168	28641	31445	2007	29438
1.2.3 Income	7618	20293	-12675	9967	23205	-13238
1.2.3.1 Investment Income	5902	19426	-13525	7957	22329	-14372
1.2.3.2 Compensation of Employees	1716	867	850	2010	876	1134
2 Capital Account (2.1+2.2+2.3+2.4+2.5)	**176339**	**147451**	**28887**	**215440**	**198081**	**17358**
2.1 Foreign Investment (2.1.1+2.1.2)	**95269**	**88629**	**6641**	**144372**	**128184**	**16189**
2.1.1 Foreign Direct Investment	17018	14988	2030	18896	14719	4176
2.1.1.1 In India	16124	8796	7327	18330	9947	8382
2.1.1.1.1 Equity	10246	7932	2314	11912	8773	3139
2.1.1.1.2 Reinvested Earnings	5066	0	5066	5196		5196
2.1.1.1.3 Other Capital	811	865	-53	1222	1175	47
2.1.1.2 Abroad	895	6192	-5297	566	4772	-4206
2.1.1.2.1 Equity	895	3612	-2717	566	2271	-1705
2.1.1.2.2 Reinvested Earnings	0	1103	-1103	0	1345	-1345
2.1.1.2.3 Other Capital	0	1477	-1477	0	1156	-1156
2.1.2 Portfolio Investment	78251	73641	4611	125477	113465	12012
2.1.2.1 In India	77433	72916	4517	124485	112814	11671
2.1.2.1.1 FIIs	77433	72916	4517	124485	112814	11671
2.1.2.1.1.1 Equity	71477	65940	5537	108785	102117	6668
2.1.2.1.1.2 Debt	5956	6976	-1020	15701	10697	5003
2.1.2.1.2 ADR/GDRs	0	0	0	0	0	
2.1.2.2 Abroad	818	724	93	991	651	341
2.2 Loans (2.2.1+2.2.2+2.2.3)	**25543**	**24995**	**547**	**24641**	**28119**	**-3478**
2.2.1 External Assistance	3088	1584	1504	4605	1401	3204
2.2.1.1 By India	8	22	-14	9	48	-40
2.2.1.2 To India	3080	1562	1518	4596	1353	3244
2.2.2 Commercial Borrowings	4710	7119	-2409	6575	10995	-4420
2.2.2.1 By India	439	316	123	2712	4503	-1791
2.2.2.2 To India	4272	6803	-2531	3863	6492	-2629
2.2.3 Short Term to India	17744	16292	1452	13461	15723	-2262
2.2.3.1 Buyers' credit & Suppliers' Credit >180 days	17744	15437	2307	12535	15723	-3188
2.2.3.2 Suppliers' Credit up to 180 days	0	855	-855	926	0	926
2.3 Banking Capital (2.3.1+2.3.2)	**36230**	**21795**	**14435**	**40849**	**24492**	**16358**
2.3.1 Commercial Banks	36230	21649	14580	40654	24492	16162
2.3.1.1 Assets	18145	6135	12009	16550	5276	11274
2.3.1.2 Liabilities	18085	15514	2571	24103	19215	4888
2.3.1.2.1 Non-Resident Deposits	16928	14359	2569	22381	18461	3921
2.3.2 Others	0	145	-145	196	0	196
2.4 Rupee Debt Service	**0**	**1**	**-1**		**2**	**-2**
2.5 Other Capital	**19297**	**12033**	**7265**	**5577**	**17286**	**-11709**
3 Errors & Omissions	**0**	**986**	**-986**	**0**	**841**	**-841**
4 Monetary Movements (4.1+ 4.2)	**0**	**11069**	**-11069**		**5998**	**-5998**
4.1 I.M.F.	0	0	0	0	0	
4.2 Foreign Exchange Reserves (Increase - / Decrease +)	0	11069	-11069	0	5998	-5998

Note: P: Preliminary.

No. 39: India's Overall Balance of Payments

(₹ Crore)

Item	Oct-Dec 2022			Oct-Dec 2023 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
Overall Balance Of Payments (1+2+3)	**3319825**	**3228834**	**90992**	**3758748**	**3708801**	**49947**
1 Current Account (1.1+ 1.2)	**1870236**	**2008604**	**-138368**	**1964766**	**2052357**	**-87591**
1.1 Merchandise	**868107**	**1454536**	**-586429**	**888131**	**1484372**	**-596242**
1.2 Invisibles (1.2.1+1.2.2+1.2.3)	**1002128**	**554068**	**448061**	**1076635**	**567985**	**508651**
1.2.1 Services	685765	367522	318243	731006	356123	374883
1.2.1.1 Travel	66776	56807	9970	82022	62341	19681
1.2.1.2 Transportation	71992	77348	-5356	57885	53767	4117
1.2.1.3 Insurance	6438	6548	-110	6750	7130	-380
1.2.1.4 G.n.i.e.	1520	2317	-797	1512	2328	-816
1.2.1.5 Miscellaneous	539038	224502	314536	582837	230556	352281
1.2.1.5.1 Software Services	309080	33356	275723	341751	39756	301995
1.2.1.5.2 Business Services	174257	124338	49919	188585	117135	71450
1.2.1.5.3 Financial Services	16021	10624	5397	20739	7958	12781
1.2.1.5.4 Communication Services	6924	2701	4223	5834	3309	2524
1.2.2 Transfers	253741	19726	234014	262631	18628	244002
1.2.2.1 Official	478	1907	-1429	785	1913	-1127
1.2.2.2 Private	253262	17819	235443	261845	16716	245130
1.2.3 Income	62623	166820	-104197	82999	193233	-110235
1.2.3.1 Investment Income	48514	159694	-111180	66258	185935	-119678
1.2.3.2 Compensation of Employees	14109	7126	6984	16741	7298	9443
2 Capital Account (2.1+2.2+2.3+2.4+2.5)	**1449590**	**1212123**	**237467**	**1793982**	**1649438**	**144544**
2.1 Foreign Investment (2.1.1+2.1.2)	**783160**	**728570**	**54589**	**1202200**	**1067396**	**134804**
2.1.1 Foreign Direct Investment	139897	123209	16688	157346	122568	34778
2.1.1.1 In India	132544	72310	60233	152632	82832	69800
2.1.1.1.1 Equity	84224	65203	19021	99189	73050	26139
2.1.1.1.2 Reinvested Earnings	41648	0	41648	43269	0	43269
2.1.1.1.3 Other Capital	6671	7107	-436	10175	9783	392
2.1.1.2 Abroad	7353	50898	-43545	4713	39735	-35022
2.1.1.2.1 Equity	7353	29691	-22337	4713	18909	-14196
2.1.1.2.2 Reinvested Earnings	0	9067	-9067	0	11199	-11199
2.1.1.2.3 Other Capital	0	12141	-12141	0	9628	-9628
2.1.2 Portfolio Investment	643263	605362	37901	1044854	944828	100026
2.1.2.1 In India	636539	599406	37133	1036599	939411	97188
2.1.2.1.1 FIIs	636539	599406	37133	1036599	939411	97188
2.1.2.1.1.1 Equity	587580	542060	45520	905860	850336	55523
2.1.2.1.1.2 Debt	48959	57346	-8387	130739	89075	41664
2.1.2.1.2 ADR/GDRs	0	0	0	0	0	0
2.1.2.2 Abroad	6723	5955	768	8255	5417	2838
2.2 Loans (2.2.1+2.2.2+2.2.3)	**209972**	**205473**	**4499**	**205189**	**234148**	**-28959**
2.2.1 External Assistance	25384	13021	12363	38345	11667	26679
2.2.1.1 By India	63	180	-117	72	404	-331
2.2.1.2 To India	25321	12841	12480	38273	11263	27010
2.2.2 Commercial Borrowings	38722	58523	-19800	54752	91553	-36802
2.2.2.1 By India	3608	2599	1010	22583	37494	-14911
2.2.2.2 To India	35114	55924	-20810	32168	54059	-21891
2.2.3 Short Term to India	145866	133929	11937	112092	130928	-18836
2.2.3.1 Buyers' credit & Suppliers' Credit >180 days	145866	126902	18964	104379	130928	-26549
2.2.3.2 Suppliers' Credit up to 180 days	0	7027	-7027	7714	0	7714
2.3 Banking Capital (2.3.1+2.3.2)	**297825**	**179162**	**118663**	**340156**	**203943**	**136212**
2.3.1 Commercial Banks	297825	177967	119858	338525	203943	134582
2.3.1.1 Assets	149160	50436	98724	137815	43936	93879
2.3.1.2 Liabilities	148665	127531	21135	200710	160008	40702
2.3.1.2.1 Non-Resident Deposits	139159	118040	21119	186372	153723	32648
2.3.2 Others	0	1195	-1195	1630	0	1630
2.4 Rupee Debt Service	**0**	**4**	**-4**	**0**	**13**	**-13**
2.5 Other Capital	**158633**	**98914**	**59719**	**46437**	**143939**	**-97501**
3 Errors & Omissions	**0**	**8107**	**-8107**	**0**	**7005**	**-7005**
4 Monetary Movements (4.1+ 4.2)	**0**	**90992**	**-90992**	**0**	**49947**	**-49947**
4.1 I.M.F.	0	0	0	0	0	0
4.2 Foreign Exchange Reserves (Increase - / Decrease +)	0	90992	-90992	0	49947	-49947

Note: P: Preliminary.

No. 40: Standard Presentation of BoP in India as per BPM6

(US$ Million)

Item	Oct-Dec 2022			Oct-Dec 2023 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	**227504**	**244321**	**-16817**	**235942**	**246446**	**-10504**
1.A Goods and Services (1.A.a+1.A.b)	**189024**	**221648**	**-32624**	**194443**	**221026**	**-26583**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**105603**	**176940**	**-71337**	**106656**	**178259**	**-71603**
1.A.a.1 General merchandise on a BOP basis	105241	168818	-63577	106124	164558	-58434
1.A.a.2 Net exports of goods under merchanting	362	0	362	532	0	532
1.A.a.3 Nonmonetary gold	0	8123	-8123		13701	-13701
1.A.b Services (1.A.b.1 to 1.A.b.13)	**83421**	**44708**	**38713**	**87787**	**42767**	**45020**
1.A.b.1 Manufacturing services on physical inputs owned by others	553	108	446	330	20	310
1.A.b.2 Maintenance and repair services n.i.e.	55	255	-200	49	297	-248
1.A.b.3 Transport	8758	9409	-652	6951	6457	494
1.A.b.4 Travel	8123	6910	1213	9850	7487	2363
1.A.b.5 Construction	1129	573	556	1097	624	473
1.A.b.6 Insurance and pension services	783	797	-13	811	856	-46
1.A.b.7 Financial services	1949	1292	657	2491	956	1535
1.A.b.8 Charges for the use of intellectual property n.i.e.	318	3435	-3116	434	4633	-4199
1.A.b.9 Telecommunications, computer, and information services	38538	4590	33947	41837	5400	36437
1.A.b.10 Other business services	21198	15125	6073	22647	14067	8581
1.A.b.11 Personal, cultural, and recreational services	997	1155	-158	1006	1464	-459
1.A.b.12 Government goods and services n.i.e.	185	282	-97	182	280	-98
1.A.b.13 Others n.i.e.	835	776	59	103	228	-124
1.B Primary Income (1.B.1 to 1.B.3)	**7618**	**20293**	**-12675**	**9967**	**23205**	**-13238**
1.B.1 Compensation of employees	1716	867	850	2010	876	1134
1.B.2 Investment income	3769	18983	-15214	6456	22009	-15553
1.B.2.1 Direct investment	1808	11460	-9653	2003	13776	-11773
1.B.2.2 Portfolio investment	69	2853	-2784	51	1911	-1860
1.B.2.3 Other investment	146	4570	-4423	557	6098	-5541
1.B.2.4 Reserve assets	1746	101	1645	3845	224	3621
1.B.3 Other primary income	2132	443	1689	1501	320	1181
1.C Secondary Income (1.C.1+1.C.2)	**30862**	**2379**	**28483**	**31532**	**2215**	**29317**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	30809	2168	28641	31445	2007	29438
1.C.1.1 Personal transfers (Current transfers between resident and/non-resident households)	29973	1548	28425	30589	1430	29160
1.C.1.2 Other current transfers	836	619	216	856	578	278
1.C.2 General government	53	212	-158	87	208	-120
2 Capital Account (2.1+2.2)	**127**	**188**	**-62**	**191**	**280**	**-89**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	23	37	-14	36	86	-50
2.2 Capital transfers	104	151	-47	155	194	-38
3 Financial Account (3.1 to 3.5)	**176217**	**158352**	**17864**	**215256**	**203822**	**11434**
3.1 Direct Investment (3.1A+3.1B)	**17018**	**14988**	**2030**	**18896**	**14719**	**4176**
3.1.A Direct Investment in India	16124	8796	7327	18330	9947	8382
3.1.A.1 Equity and investment fund shares	15312	7932	7380	17108	8773	8335
3.1.A.1.1 Equity other than reinvestment of earnings	10246	7932	2314	11912	8773	3139
3.1.A.1.2 Reinvestment of earnings	5066	0	5066	5196		5196
3.1.A.2 Debt instruments	811	865	-53	1222	1175	47
3.1.A.2.1 Direct investor in direct investment enterprises	811	865	-53	1222	1175	47
3.1.B Direct Investment by India	895	6192	-5297	566	4772	-4206
3.1.B.1 Equity and investment fund shares	895	4715	-3820	566	3616	-3050
3.1.B.1.1 Equity other than reinvestment of earnings	895	3612	-2717	566	2271	-1705
3.1.B.1.2 Reinvestment of earnings	0	1103	-1103		1345	-1345
3.1.B.2 Debt instruments	0	1477	-1477	0	1156	-1156
3.1.B.2.1 Direct investor in direct investment enterprises	0	1477	-1477		1156	-1156
3.2 Portfolio Investment	**78251**	**73641**	**4611**	**125477**	**113465**	**12012**
3.2.A Portfolio Investment in India	77433	72916	4517	124485	112814	11671
3.2.1 Equity and investment fund shares	71477	65940	5537	108785	102117	6668
3.2.2 Debt securities	5956	6976	-1020	15701	10697	5003
3.2.B Portfolio Investment by India	818	724	93	991	651	341
3.3 Financial derivatives (other than reserves) and employee stock options	**5509**	**5955**	**-446**	**5776**	**7904**	**-2128**
3.4 Other investment	**75439**	**52700**	**22739**	**65108**	**61737**	**3371**
3.4.1 Other equity (ADRs/GDRs)	0	0	0	0	0	0
3.4.2 Currency and deposits	16928	14505	2424	22577	18461	4117
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	0	145	-145	196	0	196
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	16928	14359	2569	22381	18461	3921
3.4.2.3 General government	0	0	0			0
3.4.2.4 Other sectors	0	0	0			0
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	27100	15993	11107	29452	18427	11026
3.4.3.A Loans to India	26653	15655	10998	26731	13876	12856
3.4.3.B Loans by India	447	338	109	2721	4551	-1830
3.4.4 Insurance, pension, and standardized guarantee schemes	30	38	-8	37	158	-121
3.4.5 Trade credit and advances	17744	16292	1452	13461	15723	-2262
3.4.6 Other accounts receivable/payable - other	13636	5872	7764	-420	8968	-9388
3.4.7 Special drawing rights	0	0	0			0
3.5 Reserve assets	**0**	**11069**	**-11069**	**0**	**5998**	**-5998**
3.5.1 Monetary gold	0	0	0			0
3.5.2 Special drawing rights n.a.	0	0	0			0
3.5.3 Reserve position in the IMF n.a.	0	0	0			0
3.5.4 Other reserve assets (Foreign Currency Assets)	0	11069	-11069	0	5998	-5998
4 Total assets/liabilities	**176217**	**158352**	**17864**	**215256**	**203822**	**11434**
4.1 Equity and investment fund shares	94041	85304	8737	133262	123217	10045
4.2 Debt instruments	68539	56107	12432	82413	65638	16775
4.3 Other financial assets and liabilities	13636	16941	-3305	-420	14966	-15386
5 Net errors and omissions	**0**	**986**	**-986**	**0**	**841**	**-841**

Note: P: Preliminary.

No. 41: Standard Presentation of BoP in India as per BPM6

(₹ Crore)

Item	Oct-Dec 2022			Oct-Dec 2023 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	**1870195**	**2008436**	**-138241**	**1964708**	**2052173**	**-87465**
1.A Goods and Services (1.A.a+1.A.b)	**1553872**	**1822058**	**-268186**	**1619137**	**1840496**	**-221359**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**868107**	**1454536**	**-586429**	**888131**	**1484372**	**-596242**
1.A.a.1 General merchandise on a BOP basis	865134	1387765	-522631	883699	1370284	-486584
1.A.a.2 Net exports of goods under merchanting	2973	0	2973	4432	0	4432
1.A.a.3 Nonmonetary gold	0	66771	-66771	0	114089	-114089
1.A.b Services (1.A.b.1 to 1.A.b.13)	**685765**	**367522**	**318243**	**731006**	**356123**	**374883**
1.A.b.1 Manufacturing services on physical inputs owned by others	4547	885	3663	2746	163	2583
1.A.b.2 Maintenance and repair services n.i.e.	451	2097	-1646	407	2474	-2067
1.A.b.3 Transport	71992	77348	-5356	57885	53767	4117
1.A.b.4 Travel	66776	56807	9970	82022	62341	19681
1.A.b.5 Construction	9284	4710	4575	9139	5196	3942
1.A.b.6 Insurance and pension services	6438	6548	-110	6750	7130	-380
1.A.b.7 Financial services	16021	10624	5397	20739	7958	12781
1.A.b.8 Charges for the use of intellectual property n.i.e.	2616	28234	-25618	3611	38576	-34965
1.A.b.9 Telecommunications, computer, and information services	316797	37734	279063	348376	44964	303412
1.A.b.10 Other business services	174257	124338	49919	188585	117135	71450
1.A.b.11 Personal, cultural, and recreational services	8199	9498	-1299	8373	12194	-3820
1.A.b.12 Government goods and services n.i.e.	1520	2317	-797	1512	2328	-816
1.A.b.13 Others n.i.e.	6865	6382	483	861	1896	-1035
1.B Primary Income (1.B.1 to 1.B.3)	**62623**	**166820**	**-104197**	**82999**	**193233**	**-110235**
1.B.1 Compensation of employees	14109	7126	6984	16741	7298	9443
1.B.2 Investment income	30987	156053	-125066	53759	183272	-129513
1.B.2.1 Direct investment	14860	94208	-79349	16677	114713	-98036
1.B.2.2 Portfolio investment	569	23452	-22883	425	15915	-15490
1.B.2.3 Other investment	1203	37564	-36362	4636	50778	-46142
1.B.2.4 Reserve assets	14355	829	13527	32021	1866	30155
1.B.3 Other primary income	17527	3641	13886	12499	2663	9836
1.C Secondary Income (1.C.1+1.C.2)	**253700**	**19559**	**234141**	**262572**	**18444**	**244128**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	253262	17819	235443	261845	16716	245130
1.C.1.1 Personal transfers (Current transfers between resident and/non-resident households)	246394	12727	233667	254718	11904	242814
1.C.1.2 Other current transfers	6868	5092	1776	7127	4811	2316
1.C.2 General government	438	1740	-1302	727	1728	-1001
2 Capital Account (2.1+2.2)	**1043**	**1549**	**-506**	**1590**	**2328**	**-739**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	190	307	-117	296	715	-419
2.2 Capital transfers	852	1242	-390	1293	1613	-320
3 Financial Account (3.1 to 3.5)	**1448587**	**1301733**	**146854**	**1792450**	**1697241**	**95209**
3.1 Direct Investment (3.1A+3.1B)	**139897**	**123209**	**16688**	**157346**	**122568**	**34778**
3.1.A Direct Investment in India	132544	72310	60233	152632	82832	69800
3.1.A.1 Equity and investment fund shares	125873	65203	60669	142458	73050	69408
3.1.A.1.1 Equity other than reinvestment of earnings	84224	65203	19021	99189	73050	26139
3.1.A.1.2 Reinvestment of earnings	41648	0	41648	43269	0	43269
3.1.A.2 Debt instruments	6671	7107	-436	10175	9783	392
3.1.A.2.1 Direct investor in direct investment enterprises	6671	7107	-436	10175	9783	392
3.1.B Direct Investment by India	7353	50898	-43545	4713	39735	-35022
3.1.B.1 Equity and investment fund shares	7353	38758	-31404	4713	30108	-25395
3.1.B.1.1 Equity other than reinvestment of earnings	7353	29691	-22337	4713	18909	-14196
3.1.B.1.2 Reinvestment of earnings	0	9067	-9067	0	11199	-11199
3.1.B.2 Debt instruments	0	12141	-12141	0	9628	-9628
3.1.B.2.1 Direct investor in direct investment enterprises	0	12141	-12141	0	9628	-9628
3.2 Portfolio Investment	**643263**	**605362**	**37901**	**1044854**	**944828**	**100026**
3.2.A Portfolio Investment in India	636539	599406	37133	1036599	939411	97188
3.2.1 Equity and investment fund shares	587580	542060	45520	905860	850336	55523
3.2.2 Debt securities	48959	57346	-8387	130739	89075	41664
3.2.B Portfolio Investment by India	6723	5955	768	8255	5417	2838
3.3 Financial derivatives (other than reserves) and employee stock options	**45283**	**48951**	**-3668**	**48093**	**65814**	**-17720**
3.4 Other investment	**620145**	**433220**	**186924**	**542157**	**514085**	**28073**
3.4.1 Other equity (ADRs/GDRs)	0	0	0	0	0	0
3.4.2 Currency and deposits	139159	119235	19924	188002	153723	34279
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	0	1195	-1195	1630	0	1630
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	139159	118040	21119	186372	153723	32648
3.4.2.3 General government	0	0	0	0	0	0
3.4.2.4 Other sectors	0	0	0	0	0	0
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	222772	131471	91301	245251	153440	91811
3.4.3.A Loans to India	219101	128692	90409	222595	115543	107052
3.4.3.B Loans by India	3671	2779	893	22656	37898	-15242
3.4.4 Insurance, pension, and standardized guarantee schemes	250	315	-65	306	1315	-1009
3.4.5 Trade credit and advances	145866	133929	11937	112092	130928	-18836
3.4.6 Other accounts receivable/payable - other	112098	48271	63827	-3493	74679	-78172
3.4.7 Special drawing rights	0	0	0	0	0	0
3.5 Reserve assets	**0**	**90992**	**-90992**	**0**	**49947**	**-49947**
3.5.1 Monetary gold	0	0	0	0	0	0
3.5.2 Special drawing rights n.a.	0	0	0	0	0	0
3.5.3 Reserve position in the IMF n.a.	0	0	0	0	0	0
3.5.4 Other reserve assets (Foreign Currency Assets)	0	90992	-90992	0	49947	-49947
4 Total assets/liabilities	**1448587**	**1301733**	**146854**	**1792450**	**1697241**	**95209**
4.1 Equity and investment fund shares	773062	701242	71820	1109685	1026039	83646
4.2 Debt instruments	563427	461228	102199	686259	546576	139683
4.3 Other financial assets and liabilities	112098	139263	-27165	-3493	124626	-128119
5 Net errors and omissions	**0**	**8107**	**-8107**	**0**	**7005**	**-7005**

Note: P: Preliminary.

No. 42: India's International Investment Position

(US$ Million)

Item	As on Financial Year/Quarter End							
	2022-23		2022		2023			
			Dec.		Sep.		Dec.	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	1	2	3	4	5	6	7	8
1. Direct investment Abroad/in India	225592	523318	222628	510703	231750	528612	235956	536930
1.1 Equity Capital*	142071	493896	140072	482123	145817	497690	148866	505691
1.2 Other Capital	83521	29422	82556	28581	85933	30921	87090	31239
2. Portfolio investment	10966	243561	10890	244229	11664	259422	11323	269153
2.1 Equity	4958	138958	8624	140469	7939	154634	8461	161206
2.2 Debt	6008	104602	2266	103759	3726	104788	2862	107947
3. Other investment	87717	503353	79507	494051	101948	527594	103989	537985
3.1 Trade credit	27507	124304	26063	124591	30854	124735	31715	122459
3.2 Loan	10714	202586	8628	196764	9739	208935	16288	215019
3.3 Currency and Deposits	30526	141133	27093	136132	43364	146166	37997	149326
3.4 Other Assets/Liabilities	18970	35330	17723	36564	17991	47758	17989	51181
4. Reserves	578449		562721		587714		622452	
5. Total Assets/ Liabilities	902725	1270232	875745	1248983	933076	1315628	973720	1344068
6. Net IIP (Assets - Liabilities)	-367507		-373238		-382553		-370348	

Note: * Equity capital includes share of investment funds and reinvested earnings.

Payment and Settlement Systems

No.43: Payment System Indicators

PART I - Payment System Indicators - Payment & Settlement System Statistics

System	Volume (Lakh)				Value (₹ Crore)			
	FY 2023-24	2023	2024		FY 2023-24	2023	2024	
		Apr.	Mar.	Apr.		Apr.	Mar.	Apr.
	1	-2	-1	0	5	2	3	4
A. Settlement Systems								
Financial Market Infrastructures (FMIs)								
1 CCIL Operated Systems (1.1 to 1.3)	43.04	3.21	3.48	3.53	259206893	20115131	21627756	22115118
1.1 Govt. Securities Clearing (1.1.1 to 1.1.3)	16.80	1.32	1.14	1.25	170464587	13093142	13374679	14132535
1.1.1 Outright	9.51	0.79	0.60	0.68	13463848	1158660	981057	1023439
1.1.2 Repo	4.94	0.36	0.35	0.38	76718788	6633808	6226720	6510577
1.1.3 Tri-party Repo	2.35	0.17	0.19	0.19	80281951	5300674	6166902	6598519
1.2 Forex Clearing	24.92	1.79	2.27	2.17	80984671	6450151	7795104	7343662
1.3 Rupee Derivatives @	1.31	0.09	0.07	0.11	7757636	571838	457973	638922
B. Payment Systems								
I Financial Market Infrastructures (FMIs)	-	-	-	-	-	-	-	-
1 Credit Transfers - RTGS (1.1 to 1.2)	2700.16	201.57	278.47	235.59	170886670	11876806	18128366	14433296
1.1 Customer Transactions	2686.04	200.44	277.25	234.46	152406168	10452024	16588625	12800746
1.2 Interbank Transactions	14.12	1.13	1.22	1.12	18480503	1424781	1539741	1632550
II Retail								
2 Credit Transfers - Retail (2.1 to 2.6)	1486106.89	100492.45	152969.08	149083.29	67542859	4834441	7152557	5845989
2.1 AePS (Fund Transfers) @	3.92	0.36	0.34	0.29	261	25	22	19
2.2 APBS $	25888.17	1066.77	3014.53	2535.32	390743	19744	44707	36959
2.3 IMPS	60053.35	4957.93	5806.36	5503.65	6495652	521050	634706	592279
2.4 NACH Cr $	16227.27	1009.42	1808.71	964.06	1525104	117079	173928	121718
2.5 NEFT	72639.50	4825.37	7939.10	7040.03	39136014	2761038	4320840	3130549
2.6 UPI @	1311294.68	88632.60	134400.04	133039.94	19995086	1415505	1978353	1964465
2.6.1 of which USSD @	26.19	1.64	1.78	1.52	352	19	20	18
3 Debit Transfers and Direct Debits (3.1 to 3.3)	18249.53	1398.58	1661.00	1644.10	1687658	120185	165047	159006
3.1 BHIM Aadhaar Pay @	193.59	16.09	22.68	20.50	6112	604	584	563
3.2 NACH Dr $	16426.49	1242.93	1492.00	1494.37	1678769	119338	164223	158223
3.3 NETC (linked to bank account) @	1629.45	139.56	146.32	129.23	2777	243	240	220
4 Card Payments (4.1 to 4.2)	58469.79	4887.94	5034.13	4960.12	2423563	187396	209208	200409
4.1 Credit Cards (4.1.1 to 4.1.2)	35610.15	2592.55	3439.38	3441.51	1831134	132769	164459	156498
4.1.1 PoS based $	18614.08	1408.20	1800.04	1843.36	651911	51624	60378	61982
4.1.2 Others $	16996.08	1184.35	1639.34	1598.15	1179223	81144	104081	94516
4.2 Debit Cards (4.2.1 to 4.2.1)	22859.64	2295.38	1594.75	1518.61	592429	54627	44749	43911
4.2.1 PoS based $	16477.95	1633.96	1163.77	1126.33	393589	37647	29309	30022
4.2.2 Others $	6381.69	661.43	430.98	392.28	198840	16980	15440	13889
5 Prepaid Payment Instruments (5.1 to 5.2)	78775.40	6442.16	5804.85	5288.79	283048	22634	18200	14964
5.1 Wallets	63256.69	5153.28	4489.88	3993.29	234353	18901	13741	10507
5.2 Cards (5.2.1 to 5.2.2)	15518.71	1288.88	1314.97	1295.49	48695	3733	4459	4457
5.2.1 PoS based $	8429.87	676.69	699.02	695.13	11247	1079	964	962
5.2.2 Others $	7088.84	612.19	615.95	600.37	37447	2653	3495	3495
6 Paper-based Instruments (6.1 to 6.2)	6632.10	554.06	585.31	525.73	7212333	639281	688745	667829
6.1 CTS (NPCI Managed)	6632.10	554.06	585.31	525.73	7212333	639281	688745	667829
6.2 Others	0.00	–	–	–	–	–	–	–
Total - Retail Payments (2+3+4+5+6)	1648233.71	113775.18	166054.37	161502.02	79149461	5803936	8233757	6888198
Total Payments (1+2+3+4+5+6)	1650933.88	113976.75	166332.85	161737.61	250036131	17680742	26362123	21321494
Total Digital Payments (1+2+3+4+5)	1644301.78	113422.69	165747.54	161211.88	242823799	17041461	25673378	20653665

PART II - Payment Modes and Channels

System	Volume (Lakh)				Value (₹ Crore)			
	FY 2023-24	2023	2024		FY 2023-24	2023	2024	
		Apr.	Mar.	Apr.		Apr.	Mar.	Apr.
	1	2	3	4	5	6	7	8
A. Other Payment Channels								
1 Mobile Payments (mobile app based) (1.1 to 1.2)	1252599.21	83357.17	128625.58	128494.90	30687088	2154813	3131961	2993588
1.1 Intra-bank $	83000.56	5789.55	8771.04	8743.81	5676805	402248	602816	566077
1.2 Inter-bank $	1169598.65	77567.62	119854.54	119751.09	25010283	1752564	2529145	2427511
2 Internet Payments (Netbanking / Internet Browser Based) @ (2.1 to 2.2)	45034.98	3406.05	4250.54	3756.42	102117736	7036658	10374045	8806290
2.1 Intra-bank @	12033.28	855.07	1142.99	964.52	53247042	3713764	5235835	4498614
2.2 Inter-bank @	33001.71	2550.98	3107.55	2791.90	48870694	3322894	5138210	4307676
B. ATMs								
3 Cash Withdrawal at ATMs $ (3.1 to 3.3)	66440.72	5707.20	5563.96	5240.40	3259388	282873	278271	265905
3.1 Using Credit Cards $	95.80	7.49	8.83	9.07	4648	357	446	458
3.2 Using Debit Cards $	66001.01	5667.31	5528.63	5207.60	3241538	281248	276714	264457
3.3 Using Pre-paid Cards $	343.90	32.40	26.50	23.73	13202	1269	1111	990
4 Cash Withdrawal at PoS $ (4.1 to 4.2)	15.18	2.11	0.53	0.52	148	21	5	5
4.1 Using Debit Cards $	15.06	2.09	0.51	0.50	147	21	5	5
4.2 Using Pre-paid Cards $	0.12	0.02	0.02	0.02	1	0	0	0
5 Cash Withrawal at Micro ATMs @	11754.95	998.82	1059.56	919.05	314003	28954	27303	24502
5.1 AePS @	11754.95	998.82	1059.56	919.05	314003	28954	27303	24502

PART III - Payment Infrastructures (Lakh)

System	As on March 2024	2023	2024	
		Apr.	Mar.	Apr.
	1	2	3	4
Payment System Infrastructures				
1 Number of Cards (1.1 to 1.2)	10667.22	10535.25	10667.22	10719.55
1.1 Credit Cards	1018.03	865.13	1018.03	1025.40
1.2 Debit Cards	9649.19	9670.12	9649.19	9694.15
2 Number of PPIs @ (2.1 to 2.2)	16743.63	16585.84	16743.63	14716.82
2.1 Wallets @	13381.80	13338.66	13381.80	11294.83
2.2 Cards @	3361.82	3247.17	3361.82	3421.99
3 Number of ATMs (3.1 to 3.2)	2.58	2.55	2.58	2.57
3.1 Bank owned ATMs $	2.23	2.19	2.23	2.23
3.2 White Label ATMs $	0.35	0.36	0.35	0.35
4 Number of Micro ATMs @	17.55	14.28	17.55	17.37
5 Number of PoS Terminals	89.03	78.37	89.03	88.39
6 Bharat QR @	62.50	54.36	62.50	60.59
7 UPI QR *	3462.03	2609.08	3462.03	3195.01

@: New inclusion w.e.f. November 2019
#: Data reported by Co-operative Banks, LABs and RRBs included with effect from December 2021.
$: Inclusion separately initiated from November 2019 - would have been part of other items hitherto.
*: New inclusion w.e.f. September 2020; Includes only static UPI QR Code
Note : 1. Data is provisional.
1. ECS (Debit and Credit) has been merged with NACH with effect from January 31, 2020.
2. The data from November 2019 onwards for card payments (Debit/Credit cards) and Prepaid Payment Instruments (PPIs) may not be comparable with earlier months/ periods, as more granular data is being published along with revision in data definitions.
3. Only domestic financial transactions are considered. The new format captures e-commerce transactions; transactions using FASTags, digital bill payments and card-to-card transfer through ATMs, etc.. Also, failed transactions, chargebacks, reversals, expired cards/ wallets, are excluded.
Part I-A. Settlement systems
1.1.3: Tri- party Repo under the securities segment has been operationalised from November 05, 2018.
Part I-B. Payments systems
4.1.2: 'Others' includes e-commerce transactions and digital bill payments through ATMs, etc.
4.2.2: 'Others' includes e-commerce transactions, card to card transfers and digital bill payments through ATMs, etc.
5: Available from December 2010.
5.1: includes purchase of goods and services and fund transfer through wallets.
5.2.2: includes usage of PPI Cards for online transactions and other transactions.
6.1: Pertain to three grids – Mumbai, New Delhi and Chennai.
6.2: 'Others' comprises of Non-MICR transactions which pertains to clearing houses managed by 21 banks.
Part II-A. Other payment channels
1: Mobile Payments –
4. Include transactions done through mobile apps of banks and UPI apps.
5. The data from July 2017 includes only individual payments and corporate payments initiated, processed, and authorised using mobile device. Other corporate payments which are not initiated, processed, and authorised using mobile device are excluded.
2: Internet Payments – includes only e-commerce transactions through 'netbanking' and any financial transaction using internet banking website of the bank.
Part II-B. ATMs
3.3 and 4.2: only relates to transactions using bank issued PPIs.
Part III. Payment systems infrastructure
3: Includes ATMs deployed by Scheduled Commercial Banks (SCBs) and White Label ATM Operators (WLAOs). WLAs are included from April 2014 onwards.

Occasional Series

No. 44: Small Savings

(₹ Crore)

Scheme		2022-23	2022	2023		
			Nov.	Sep.	Oct.	Nov.
		1	2	3	4	5
1 Small Savings	**Receipts**	**173993**	**9057**	**17908**	**12669**	**14108**
	Outstanding	**1636935**	**1565352**	**1747246**	**1759706**	**1773591**
1.1 Total Deposits	**Receipts**	**125209**	**6204**	**13376**	**8731**	**10115**
	Outstanding	**1137451**	**1088482**	**1216325**	**1225055**	**1235170**
1.1.1 Post Office Saving Bank Deposits	Receipts	20680	-393	2879	-160	548
	Outstanding	209112	196053	211296	211136	211685
1.1.2 Sukanya Samriddhi Yojna	Receipts	29003	1597	1672	1594	1667
	Outstanding	87787	71773	99427	101021	102688
1.1.3 National Saving Scheme, 1987	Receipts	-244	-20	0	0	0
	Outstanding	0	1680	0	0	0
1.1.4 National Saving Scheme, 1992	Receipts	-20	-2	0	0	0
	Outstanding	0	-198	0	0	0
1.1.5 Monthly Income Scheme	Receipts	6492	275	2073	1614	1676
	Outstanding	242313	240946	258381	259995	261670
1.1.6 Senior Citizen Scheme 2004	Receipts	17971	1256	2643	2382	2266
	Outstanding	137304	131908	162188	164570	166836
1.1.7 Post Office Time Deposits	Receipts	29155	1547	1849	1762	1973
	Outstanding	280436	273732	291826	293588	295561
1.1.7.1 1 year Time Deposits	Outstanding	125951	124073	131305	132337	133476
1.1.7.2 2 year Time Deposits	Outstanding	9497	8686	10640	10842	11049
1.1.7.3 3 year Time Deposits	Outstanding	7543	6913	8255	8317	8388
1.1.7.4 5 year Time Deposits	Outstanding	137445	134060	141626	142092	142648
1.1.8 Post Office Recurring Deposits	Receipts	21552	1941	2284	1561	2000
	Outstanding	178422	172491	191314	192875	194875
1.1.9 Post Office Cumulative Time Deposits	Receipts	0	0	0	0	0
	Outstanding	0	-19	0	0	0
1.1.10 Other Deposits	Receipts	288	0	-24	-23	-23
	Outstanding	1745	22	1553	1530	1507
1.1.11 PM Care for children	Receipts	332	3	0	1	8
	Outstanding	332	94	340	340	348
1.2 Saving Certificates	**Receipts**	**33965**	**2564**	**4343**	**3756**	**3767**
	Outstanding	**366317**	**356308**	**396508**	**400056**	**403601**
1.2.1 National Savings Certificate VIII issue	Receipts	10793	627	1176	1074	1060
	Outstanding	165836	162779	173807	174881	175941
1.2.2 Indira Vikas Patras	Receipts	0	0	0	0	0
	Outstanding	0	142	0	0	0
1.2.3 Kisan Vikas Patras	Receipts	-1892	-165	0	0	0
	Outstanding	0	-9466	0	0	0
1.2.4 Kisan Vikas Patras - 2014	Receipts	25064	2102	1853	1419	1536
	Outstanding	199624	191756	211987	213406	214941
1.2.5 National Saving Certificate VI issue	Receipts	0	0	0	0	0
	Outstanding	0	-22	0	0	0
1.2.6 National Saving Certificate VII issue	Receipts	0	0	0	0	0
	Outstanding	0	-44	0	0	0
1.2.7 M.S. Certificates	Receipts		0	1314	1263	1171
	Outstanding		0	11454	12717	13888
1.2.8 Other Certificates	Outstanding	857	11163	-740	-948	-1169
1.3 Public Provident Fund	**Receipts**	**14819**	**289**	**189**	**182**	**226**
	Outstanding	**133167**	**120562**	**134413**	**134595**	**134820**

Note : Data on receipts from April 2017 are net receipts, i.e., gross receipt minus gross payment.
Source: Accountant General, Post and Telegraphs.

No. 45 : Ownership Pattern of Central and State Governments Securities

(Per cent)

Central Government Dated Securities

Category	2023				2024
	Mar.	Jun.	Sep.	Dec.	Mar.
	1	2	3	4	5
(A) Total (in ₹. Crore)	**9645776**	**9898751**	**10383607**	**10538792**	**10740389**
1 Commercial Banks	36.61	36.58	37.96	37.55	37.66
2 Co-operative Banks	1.64	1.56	1.52	1.49	1.47
3 Non-Bank PDs	0.49	0.73	0.66	0.67	0.66
4 Insurance Companies	25.97	26.21	26.05	26.16	25.98
5 Mutual Funds	2.81	2.69	3.02	3.03	2.90
6 Provident Funds	4.71	4.59	4.42	4.57	4.47
7 Pension Funds	3.98	4.18	4.32	4.44	4.52
8 Financial Institutions	0.98	1.20	0.54	0.55	0.55
9 Corporates	1.62	1.22	1.21	1.33	1.35
10 Foreign Portfolio Investors	1.36	1.59	1.61	1.92	2.34
11 RBI	14.26	13.78	13.06	12.54	12.31
12 Others	5.57	5.67	5.64	5.74	5.79
12.1 State Governments	2.03	2.03	2.04	2.07	2.04

State Governments Securities

Category	2023				2024
	Mar.	Jun.	Sep.	Dec.	Mar.
	1	2	3	4	5
(B) Total (in ₹. Crore)	**4929079**	**5050874**	**5161642**	**5338587**	**5646219**
1 Commercial Banks	33.91	34.13	33.87	33.90	34.14
2 Co-operative Banks	3.64	3.68	3.60	3.53	3.39
3 Non-Bank PDs	0.62	0.50	0.61	0.63	0.60
4 Insurance Companies	26.80	26.73	26.97	26.64	26.14
5 Mutual Funds	1.94	2.08	1.86	2.00	2.09
6 Provident Funds	21.29	21.19	21.70	22.00	22.35
7 Pension Funds	4.81	4.84	4.82	4.56	4.76
8 Financial Institutions	1.84	1.82	1.65	1.63	1.59
9 Corporates	2.00	1.92	1.87	2.03	2.02
10 Foreign Portfolio Investors	0.02	0.02	0.02	0.03	0.07
11 RBI	0.72	0.70	0.69	0.66	0.63
12 Others	2.42	2.39	2.34	2.37	2.20
12.1 State Governments	0.27	0.27	0.27	0.27	0.25

Treasury Bills

Category	2023				2024
	Mar.	Jun.	Sep.	Dec.	Mar.
	1	2	3	4	5
(C) Total (in ₹. Crore)	**823313**	**1012301**	**925317**	**849151**	**871662**
1 Commercial Banks	53.92	47.64	56.35	57.18	58.53
2 Co-operative Banks	1.29	1.20	1.20	1.28	1.67
3 Non-Bank PDs	2.85	1.99	0.54	1.70	1.66
4 Insurance Companies	6.11	4.93	5.26	5.50	5.06
5 Mutual Funds	15.30	17.04	12.74	11.21	11.89
6 Provident Funds	0.10	1.46	1.52	0.08	0.15
7 Pension Funds	0.07	0.01	0.01	0.00	0.01
8 Financial Institutions	3.72	7.96	4.10	5.34	7.16
9 Corporates	4.99	4.42	4.00	4.58	4.50
10 Foreign Portfolio Investors	0.40	0.12	0.10	0.07	0.01
11 RBI	0.00	0.00	0.00	0.00	0.00
12 Others	11.25	13.23	14.17	13.06	9.36
12.1 State Governments	7.16	10.33	11.36	9.26	5.88

Note: (-) represents nil or negligible
The Table format is revised since Monthly Bulletin for the month of June 2023.
State Government Securities include special bonds issued under Ujwal DISCOM Assurance Yojana (UDAY).
Bank PDs are clubbed under Commercial Banks. However, they form a small fraction of total outstanding securities.
The category ‘Others’ comprises State Governments, DICGC, PSUs, Trusts, Foreign Central Banks, HUF/Individuals etc.
Data since September 2023 includes the impact of the merger of a non-bank with a bank.

No. 46: Combined Receipts and Disbursements of the Central and State Governments

(₹ Crore)

Item	2018-19	2019-20	2020-21	2021-22	2022-23 RE	2023-24 BE
	1	2	3	4	5	6
1 Total Disbursements	**5040747**	**5410887**	**6353359**	**7098451**	**8376972**	**9045119**
1.1 Developmental	2882758	3074492	3823423	4189146	5073367	5426440
1.1.1 Revenue	2224367	2446605	3150221	3255207	3838714	3836447
1.1.2 Capital	596774	588233	550358	861777	1146013	1471534
1.1.3 Loans	61617	39654	122844	72163	88639	118460
1.2 Non-Developmental	2078276	2253027	2442941	2810388	3188699	3490946
1.2.1 Revenue	1965907	2109629	2271637	2602750	2988556	3277722
1.2.1.1 Interest Payments	894520	955801	1060602	1226672	1403183	1589435
1.2.2 Capital	111029	141457	169155	175519	196688	208268
1.2.3 Loans	1340	1941	2148	32119	3455	4957
1.3 Others	79713	83368	86995	98916	114906	127733
2 Total Receipts	**5023352**	**5734166**	**6397162**	**7156342**	**8258187**	**9149787**
2.1 Revenue Receipts	3797731	3851563	3688030	4823821	5706246	6337126
2.1.1 Tax Receipts	3278947	3231582	3193390	4160414	4837048	5477428
2.1.1.1 Taxes on commodities and services	2030050	2012578	2076013	2626553	2967610	3372525
2.1.1.2 Taxes on Income and Property	1246083	1216203	1114805	1530636	1865298	2100430
2.1.1.3 Taxes of Union Territories (Without Legislature)	2814	2800	2572	3225	4140	4473
2.1.2 Non-Tax Receipts	518783	619981	494640	663407	869198	859698
2.1.2.1 Interest Receipts	36273	31137	33448	35250	37974	45199
2.2 Non-debt Capital Receipts	140287	110094	64994	44077	88273	119373
2.2.1 Recovery of Loans & Advances	44667	59515	16951	27665	25661	34501
2.2.2 Disinvestment proceeds	95621	50578	48044	16412	62611	84872
3 Gross Fiscal Deficit [1 - (2.1 + 2.2)]	**1102729**	**1449230**	**2600335**	**2230553**	**2582453**	**2588620**
3A Sources of Financing: Institution-wise						
3A.1 Domestic Financing	1097210	1440548	2530155	2194406	2558579	2566503
3A.1.1 Net Bank Credit to Government	387091	571872	890012	627255	687904	...
3A.1.1.1 Net RBI Credit to Government	325987	190241	107493	350911	529	...
3A.1.2 Non-Bank Credit to Government	710119	868676	1640143	1567151	1870675	...
3A.2 External Financing	5519	8682	70180	36147	23874	22118
3B Sources of Financing: Instrument-wise						
3B.1 Domestic Financing	1097210	1440548	2530155	2194406	2558579	2566503
3B.1.1 Market Borrowings (net)	795845	971378	1696012	1213169	1776747	1902862
3B.1.2 Small Savings (net)	88961	209232	458801	526693	403838	441189
3B.1.3 State Provident Funds (net)	51004	38280	41273	28100	36454	37114
3B.1.4 Reserve Funds	-18298	10411	4545	42153	3524	24429
3B.1.5 Deposits and Advances	66289	-14227	25682	42203	82485	58404
3B.1.6 Cash Balances	17395	-323279	-43802	-57891	118784	-104667
3B.1.7 Others	96014	548753	347643	399980	136748	207172
3B.2 External Financing	5519	8682	70180	36147	23874	22118
4 Total Disbursements as per cent of GDP	*26.7*	*26.9*	*32.0*	*30.1*	*31.1*	*30.0*
5 Total Receipts as per cent of GDP	*26.6*	*28.5*	*32.2*	*30.3*	*30.6*	*30.3*
6 Revenue Receipts as per cent of GDP	*20.1*	*19.2*	*18.6*	*20.4*	*21.2*	*21.0*
7 Tax Receipts as per cent of GDP	*17.3*	*16.1*	*16.1*	*17.6*	*17.9*	*18.2*
8 Gross Fiscal Deficit as per cent of GDP	*5.8*	*7.2*	*13.1*	*9.5*	*9.6*	*8.6*

… : Not available; RE: Revised Estimates; BE: Budget Estimates
Source : Budget Documents of Central and State Governments.
Note: GDP data is based on 2011-12 base. GDP for 2023-24 is from Union Budget 2023-24.
Data pertains to all States and Union Territories.
1 & 2: Data are net of repayments of the Central Government (including repayments to the NSSF) and State Governments.
1.3: Represents compensation and assignments by States to local bodies and Panchayati Raj institutions.
2: Data are net of variation in cash balances of the Central and State Governments and includes borrowing receipts of the Central and State Governments.
3A.1.1: Data as per RBI records.
3B.1.1: Borrowings through dated securities.
3B.1.2: Represent net investment in Central and State Governments' special securities by the National Small Savings Fund (NSSF).
This data may vary from previous publications due to adjustments across components with availability of new data.
3B.1.6: Include Ways and Means Advances by the Centre to the State Governments.
3B.1.7: Include Treasury Bills, loans from financial institutions, insurance and pension funds, remittances, cash balance investment account.

No. 47: Financial Accommodation Availed by State Governments under various Facilities

(₹ Crore)

Sr. No	State/Union Territory	During April-2024					
		Special Drawing Facility (SDF)		Ways and Means Advances (WMA)		Overdraft (OD)	
		Average amount availed	Number of days availed	Average amount availed	Number of days availed	Average amount availed	Number of days availed
	1	2	3	4	5	6	7
1	Andhra Pradesh	922.46	30	1627.12	26	1009.45	10
2	Arunachal Pradesh	-	-	-	-	-	-
3	Assam	281.73	1	-	-	-	-
4	Bihar	-	-	-	-	-	-
5	Chhattisgarh	-	-	-	-	-	-
6	Goa	-	-	-	-	-	-
7	Gujarat	-	-	-	-	-	-
8	Haryana	469.99	11	221.54	4	-	-
9	Himachal Pradesh	-	-	-	-	-	-
10	Jammu & Kashmir UT	-	-	751.78	28	529.19	5
11	Jharkhand	-	-	-	-	-	-
12	Karnataka	-	-	-	-	-	-
13	Kerala	303.79	16	511.94	13	-	-
14	Madhya Pradesh	-	-	-	-	-	-
15	Maharashtra	-	-	-	-	-	-
16	Manipur	15.41	15	155.74	15	126.43	7
17	Meghalaya	125.25	23	201.78	9	79.98	8
18	Mizoram	-	-	-	-	-	-
19	Nagaland	-	-	-	-	-	-
20	Odisha	-	-	-	-	-	-
21	Puducherry	-	-	-	-	-	-
22	Punjab	2087.67	30	935.58	23	497.69	14
23	Rajasthan	5023.82	29	-	-	-	-
24	Tamil Nadu	-	-	-	-	-	-
25	Telangana	938.68	29	1089.04	23	1385.05	8
26	Tripura	-	-	-	-	-	-
27	Uttar Pradesh	-	-	-	-	-	-
28	Uttarakhand	415.75	14	162.05	8	-	-
29	West Bengal	-	-	-	-	-	-

Notes: 1. SDF is availed by State Governments against the collateral of Consolidated Sinking Fund (CSF), Guarantee Redemption Fund (GRF) & Auction Treasury Bills (ATBs) balances and other investments in government securities.
2. WMA is advance by Reserve Bank of India to State Governments for meeting temporary cash mismatches.
3. OD is advanced to State Governments beyond their WMA limits.
4. Average Availed is the total accommodation (SDF/WMA/OD) availed divided by number of days for which accommodation was extended during the month.
5.- : Nil.

Source: Reserve Bank of India.

No. 48: Investments by State Governments

(₹ Crore)

Sr. No	State/Union Territory	As on end of April 2024			
		Consolidated Sinking Fund (CSF)	Guarantee Redemption Fund (GRF)	Government Securities	Auction Treasury Bills (ATBs)
	1	2	3	4	5
1	Andhra Pradesh	10938	1077	0	0
2	Arunachal Pradesh	2507	6	0	500
3	Assam	6191	86	0	0
4	Bihar	10299	-	0	200
5	Chhattisgarh	7340	15	1	3861
6	Goa	992	432	0	0
7	Gujarat	12575	631	0	8000
8	Haryana	2207	1612	0	0
9	Himachal Pradesh	-	-	0	0
10	Jammu & Kashmir UT	-	-	0	0
11	Jharkhand	2272	-	0	750
12	Karnataka	17271	521	0	43484
13	Kerala	2938	-	0	0
14	Madhya Pradesh	-	1205	0	0
15	Maharashtra	65993	1651	0	0
16	Manipur	65	133	0	0
17	Meghalaya	1204	103	0	0
18	Mizoram	434	60	0	0
19	Nagaland	1689	44	0	0
20	Odisha	17169	1935	111	4730
21	Puducherry	549	-	0	1500
22	Punjab	8663	0	0	0
23	Rajasthan	-	-	129	9250
24	Tamil Nadu	3241	-	0	3964
25	Telangana	7464	1634	0	0
26	Tripura	1156	25	0	325
27	Uttarakhand	4744	200	0	0
28	Uttar Pradesh	7699	-	89	0
29	West Bengal	12268	928	239	0
	Total	**207866**	**12296**	**568**	**76564**

Notes: 1. CSF and GRF are reserve funds maintained by some State Governments with the Reserve Bank of India.
2. ATBs include Treasury bills of 91 days, 182 days and 364 days invested by State Governments in the primary market.
3. - : Not Applicable (not a member of the scheme).

No. 49: Market Borrowings of State Governments

(₹ Crore)

Sr. No.	State	2022-23		2023-24		2023-24				2024-25		Total amount raised, so far in 2024-25	
						February		March		April			
		Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross	Net
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	Andhra Pradesh	57478	45814	68400	55330	6900	5388	-	-1750	7000	4834	7000	4834
2	Arunachal Pradesh	559	389	902	672	-	-80	232	182	-	-96	-	-96
3	Assam	17100	16105	18500	16000	1500	1500	2500	1000	1000	1000	1000	1000
4	Bihar	36800	27467	47612	29910	8000	6000	3612	2488	-	-	-	-
5	Chhattisgarh	2000	-2287	32000	26213	10000	9000	10000	8913	-	-	-	-
6	Goa	1350	500	2550	1560	-	-100	250	160	-	-100	-	-100
7	Gujarat	43000	28300	30500	11947	4000	1576	-	-1500	-	-	-	-
8	Haryana	45158	28638	47500	28364	3000	1000	8500	3350	1000	1000	1000	1000
9	Himachal Pradesh	14000	11941	8072	5856	-	-589	1772	1772	1000	450	1000	450
10	Jammu & Kashmir UT	8473	5969	16337	13904	2630	2630	1204	810	-	-300	-	-300
11	Jharkhand	4000	-155	1000	-2505	-	-700	-	-1055	-	-	-	-
12	Karnataka	36000	26000	81000	63003	10000	8805	21000	21000	-	-	-	-
13	Kerala	30839	15620	42438	26638	-	-2500	13608	12008	1000	-1000	1000	-1000
14	Madhya Pradesh	40158	26849	38500	26264	13000	13000	-	-5236	-	-	-	-
15	Maharashtra	72000	42815	110000	79738	11000	9166	30000	30000	10000	8900	10000	8900
16	Manipur	1422	1147	1426	1076	-	-	326	176	-	-	-	-
17	Meghalaya	1753	1356	1364	912	-	-	-	-93	100	100	100	100
18	Mizoram	1315	1129	901	641	80	30	81	81	-	-20	-	-20
19	Nagaland	1854	1199	2551	2016	400	300	400	355	-	-135	-	-135
20	Odisha	0	-7500	0	-4658	-	-720	-	-	-	-500	-	-500
21	Puducherry	1200	698	1100	475	400	400	500	500	-	-	-	-
22	Punjab	45500	33660	42386	29517	1899	1299	-	-1686	5500	3800	5500	3800
23	Rajasthan	46057	30110	73624	49718	6000	5326	14575	8625	-	-1000	-	-1000
24	Sikkim	1414	1320	1916	1701	-	-	485	450	-	-	-	-
25	Tamil Nadu	87000	65722	113001	75970	4000	2600	22000	18369	5000	1000	5000	1000
26	Telangana	40150	30922	49618	39385	3000	1919	7718	5575	4000	3166	4000	3166
27	Tripura	0	-645	0	-550	-	-150	-	-200	-	-	-	-
28	Uttar Pradesh	55612	41797	97650	85335	8450	8450	34500	31472	-	-2000	-	-2000
29	Uttarakhand	3200	1450	6300	3800	1000	-	2500	1500	900	900	900	900
30	West Bengal	63000	42500	69910	48910	11000	9000	17000	16000	-	-1800	-	-1800
	Grand Total	758392	518829	1007058	717140	106259	82550	192763	153267	36500	18199	36500	18199

- : Nil.
Note: The State of J&K has ceased to exist constitutionally from October 31, 2019 and the liabilities of the State continue to remain as liabilities of the new UT of
Jammu and Kashmir.
Source: Reserve Bank of India.

No. 50 (a): Flow of Financial Assets and Liabilities of Households - Instrument-wise

(Amount in ₹ Crore)

Item	2020-21				
	Q1	Q2	Q3	Q4	Annual
Net Financial Assets (I-II)	**583412.7**	**554437.6**	**463583.5**	**679174.4**	**2280608.2**
Per cent of GDP	*15.0*	*11.7*	*8.5*	*11.8*	*11.5*
I. Financial Assets	**788786.3**	**592945.3**	**633317.9**	**1047276.1**	**3062325.6**
Per cent of GDP	*20.3*	*12.5*	*11.6*	*18.2*	*15.4*
of which:					
1.Total Deposits (a+b)	**297412.4**	**278631.7**	**158172.2**	**506213.3**	**1240429.7**
(a) Bank Deposits	**281191.3**	**264565.3**	**147096.0**	**507719.3**	**1200571.8**
i. Commercial Banks	279010.5	262033.7	143558.6	462689.8	1147292.5
ii. Co-operative Banks	2180.8	2531.6	3537.3	45029.5	53279.3
(b) Non-Bank Deposits	**16221.1**	**14066.4**	**11076.3**	**-1506.0**	**39857.9**
of which:					
Other Financial Institutions (i+ii)	**11040.9**	**8886.2**	**5896.0**	**-6686.2**	**19137.0**
i. Non-Banking Financial Companies	1441.0	3763.0	3514.8	3521.2	12240.0
ii. Housing Finance Companies	9599.9	5123.2	2381.3	-10207.3	6897.0
2. Life Insurance Funds	**124387.9**	**143462.2**	**157535.1**	**142216.5**	**567601.8**
3. Provident and Pension Funds (including PPF)	**114496.3**	**107087.9**	**105344.6**	**175769.3**	**502698.2**
4. Currency	**202432.7**	**21286.9**	**91456.0**	**66800.5**	**381976.1**
5. Investments	**6249.8**	**-12956.4**	**67659.3**	**63624.0**	**124576.7**
of which:					
(a) Mutual Funds	-16021.0	-28837.7	57675.4	51267.0	64083.8
(b) Equity	18599.4	8291.5	5307.1	6333.3	38531.2
6. Small Savings (excluding PPF)	**42751.6**	**54377.4**	**52095.1**	**91597.0**	**240821.1**
II. Financial Liabilities	**205373.6**	**38507.7**	**169734.4**	**368101.7**	**781717.4**
Per cent of GDP	*5.3*	*0.8*	*3.1*	*6.4*	*3.9*
Loans/Borrowings					
1. Financial Corporations (a+b)	**205490.3**	**38624.3**	**169851.0**	**368219.1**	**782184.7**
(a) Banking Sector	**211058.8**	**13213.0**	**139622.0**	**276579.8**	**640473.6**
of which:					
i. Commercial Banks	211259.3	13213.8	140514.3	240050.4	605037.9
(b) Other Financial Institutions	**-5568.6**	**25411.3**	**30229.0**	**91639.4**	**141711.1**
i. Non-Banking Financial Companies	-15450.4	21627.1	15921.2	64881.1	86979.0
ii. Housing Finance Companies	10516.6	2875.1	13048.5	25336.1	51776.2
iii. Insurance Corporations	-634.8	909.2	1259.3	1422.2	2955.9
2. Non-Financial Corporations (Private Corporate Business)	**33.8**	**33.8**	**33.8**	**33.0**	**134.4**
3. General Government	**-150.4**	**-150.4**	**-150.4**	**-150.4**	**-601.7**

No. 50 (a): Flow of Financial Assets and Liabilities of Households - Instrument-wise (Contd.)

(Amount in ₹ Crore)

Item	2021-22				
	Q1	Q2	Q3	Q4	Annual
Net Financial Assets (I-II)	**370115.8**	**334234.9**	**489774.4**	**503089.0**	**1696155.6**
Per cent of GDP	*7.2*	*6.0*	*7.9*	*7.7*	*7.2*
I. Financial Assets	**364661.7**	**527896.1**	**818355.4**	**887657.3**	**2597511.9**
Per cent of GDP	*7.1*	*9.4*	*13.1*	*13.6*	*11.1*
of which:					
1.Total Deposits (a+b)	**-82726.1**	**204033.6**	**426977.3**	**277625.7**	**824852.1**
(a) Bank Deposits	**-106428.9**	**197105.1**	**422392.9**	**264882.9**	**777952.1**
i. Commercial Banks	-107940.7	195441.8	418267.0	262326.1	768094.3
ii. Co-operative Banks	1511.8	1663.4	4125.9	2556.8	9857.8
(b) Non-Bank Deposits	**23702.8**	**6928.5**	**4584.5**	**12742.8**	**46900.0**
of which:					
Other Financial Institutions (i+ii)	**16950.0**	**170.7**	**-2178.3**	**5960.0**	**20902.3**
i. Non-Banking Financial Companies	4972.6	-765.5	73.3	4211.8	8492.2
ii. Housing Finance Companies	11977.3	936.2	-2251.6	1748.2	12410.1
2. Life Insurance Funds	**114711.5**	**127449.8**	**103248.6**	**121541.6**	**466951.5**
3. Provident and Pension Funds (including PPF)	**127624.0**	**115463.1**	**98146.0**	**221372.4**	**562605.5**
4. Currency	**128660.2**	**-68631.2**	**62793.3**	**146845.0**	**269667.4**
5. Investments	**24929.6**	**82305.4**	**69760.9**	**50972.1**	**227967.9**
of which:					
(a) Mutual Funds	14573.0	63151.3	37912.2	44963.7	160600.1
(b) Equity	4502.5	13218.5	27808.2	3084.1	48613.3
6. Small Savings (excluding PPF)	**50405.2**	**66218.1**	**56372.0**	**68243.2**	**241238.4**
II. Financial Liabilities	**-5454.1**	**193661.2**	**328581.0**	**384568.3**	**901356.3**
Per cent of GDP	*-0.1*	*3.5*	*5.3*	*5.9*	*3.8*
Loans/Borrowings					
1. Financial Corporations (a+b)	**-5562.3**	**193553.0**	**328472.8**	**384460.1**	**900923.7**
(a) Banking Sector	**21436.5**	**138722.6**	**267950.7**	**348360.4**	**776470.2**
of which:					
i. Commercial Banks	26978.6	140268.7	265271.5	337009.8	769528.5
(b) Other Financial Institutions	**-26998.8**	**54830.4**	**60522.2**	**36099.7**	**124453.5**
i. Non-Banking Financial Companies	-34757.9	28876.8	29476.5	-2163.2	21432.2
ii. Housing Finance Companies	7132.0	24403.8	29494.8	37436.2	98466.8
iii. Insurance Corporations	627.1	1549.8	1550.9	826.7	4554.5
2. Non-Financial Corporations (Private Corporate Business)	**33.8**	**33.8**	**33.8**	**33.8**	**135.1**
3. General Government	**74.4**	**74.4**	**74.4**	**74.4**	**297.4**

No. 50 (a): Flow of Financial Assets and Liabilities of Households - Instrument-wise (Concld.)

(Amount in ₹ Crore)

Item	2022-23				
	Q1	Q2	Q3	Q4	Annual
Net Financial Assets (I-II)	**297770.4**	**293705.1**	**279460.1**	**505937.8**	**1376873.5**
Per cent of GDP	*4.6*	*4.5*	*4.0*	*7.0*	*5.1*
I. Financial Assets	**586920.5**	**646714.8**	**750856.7**	**974558.5**	**2959050.5**
Per cent of GDP	*9.0*	*9.8*	*10.8*	*13.6*	*10.9*
of which:					
1.Total Deposits (a+b)	**183072.0**	**315216.2**	**276593.9**	**324746.6**	**1099628.6**
(a) Bank Deposits	**163162.9**	**299545.0**	**256363.7**	**307491.6**	**1026563.1**
i. Commercial Banks	158613.3	300565.0	248459.8	284968.0	992606.2
ii. Co-operative Banks	4549.6	-1020.1	7903.8	22523.6	33956.9
(b) Non-Bank Deposits	**19909.1**	**15671.3**	**20230.2**	**17255.0**	**73065.5**
of which:					
Other Financial Institutions (i+ii)	**6314.4**	**2076.7**	**6635.6**	**3660.4**	**18687.1**
i. Non-Banking Financial Companies	4040.2	3267.2	1800.9	5372.2	14480.5
ii. Housing Finance Companies	2274.2	-1190.5	4834.7	-1711.8	4206.6
2. Life Insurance Funds	**73669.9**	**152049.5**	**167894.1**	**141206.6**	**534820.1**
3. Provident and Pension Funds (including PPF)	**155604.2**	**132126.0**	**140204.4**	**235093.2**	**663027.7**
4. Currency	**66438.9**	**-54579.3**	**76760.1**	**148990.2**	**237609.8**
5. Investments	**51603.2**	**48630.6**	**49879.2**	**64168.5**	**214281.5**
of which:					
(a) Mutual Funds	35443.5	44484.0	40205.9	58954.5	179087.8
(b) Equity	13560.9	1378.2	6434.1	1664.9	23038.1
6. Small Savings (excluding PPF)	**54375.1**	**51114.5**	**37367.7**	**58196.2**	**201053.5**
II. Financial Liabilities	**289150.0**	**353009.7**	**471396.5**	**468620.7**	**1582177.0**
Per cent of GDP	*4.4*	*5.4*	*6.8*	*6.5*	*5.8*
Loans/Borrowings					
1. Financial Corporations (a+b)	**289141.6**	**353001.2**	**471388.1**	**468612.3**	**1582143.3**
(a) Banking Sector	**234845.3**	**263782.5**	**368167.4**	**349555.0**	**1216350.1**
of which:					
i. Commercial Banks	230283.8	261265.3	365304.6	331292.5	1188146.3
(b) Other Financial Institutions	**54296.3**	**89218.8**	**103220.8**	**119057.3**	**365793.1**
i. Non-Banking Financial Companies	29281.6	54439.6	75878.8	80295.9	239895.9
ii. Housing Finance Companies	22336.7	33031.2	24903.3	36745.8	117017.0
iii. Insurance Corporations	2678.0	1747.9	2438.7	2015.6	8880.3
2. Non-Financial Corporations (Private Corporate Business)	**33.7**	**33.7**	**33.7**	**33.7**	**135.0**
3. General Government	**-25.3**	**-25.3**	**-25.3**	**-25.3**	**-101.3**

Notes :1. Net Financial Savings of households refer to the net financial assets, which are measured as difference of financial asset and liabilities flows.
2. Preliminary estimates for 2022-23 and revised estimates for 2020-21 and 2021-22.
3. The preliminary estimates for 2022-23 will undergo revision with the release of first revised estimates of national income, consumption expenditure, savings, and capital formation, 2022-23 by the NSO.
4. Non-bank deposits apart from other financial institutions, comprises state power utilities, co-operative non credit societies etc.
5. Figures in the columns may not add up to the total due to rounding off.

No. 50 (b): Stocks of Financial Assets and Liabilities of Households- Select Indicators

(Amount in ₹ Crore)

Item	Jun-2020	Sep-2020	Dec-2020	Mar-2021
Financial Assets (a+b+c+d+e+f+g+h)	**20405824.2**	**21066027.8**	**21906338.5**	**22874301.5**
Per cent of GDP	*107.2*	*111.5*	*114.0*	*115.4*
(a) Bank Deposits (i+ii)	**9977865.6**	**10242430.9**	**10389526.9**	**10897246.1**
i. Commercial Banks	9192702.5	9454736.2	9598294.8	10060984.6
ii. Co-operative Banks	785163.1	787694.7	791232.1	836261.6
(b) Non-Bank Deposits				
of which:				
Other Financial Institutions	**180857.4**	**189743.6**	**195639.6**	**188953.5**
i. Non-Banking Financial Companies	51463.0	55226.1	58740.8	62262.0
ii. Housing Finance Companies	129394.4	134517.6	136898.8	126691.5
(c) Life Insurance Funds	**4102000.7**	**4274424.9**	**4551882.0**	**4752932.3**
(d) Currency	**2434693.7**	**2455980.6**	**2547436.6**	**2614237.0**
(e) Mutual funds	**1343752.0**	**1443784.4**	**1648999.0**	**1730461.0**
(f) Public Provident Fund (PPF)	**663478.0**	**671884.3**	**678997.2**	**742189.5**
(g) Pension Funds	**464705.0**	**494930.0**	**548913.0**	**578025.0**
(h) Small Savings (excluding PPF)	**1238471.7**	**1292849.1**	**1344944.2**	**1370257.1**
Financial Liabilities (a+b)	**7190710.8**	**7229335.1**	**7399186.1**	**7767405.3**
Per cent of GDP	*37.8*	*38.3*	*38.5*	*39.2*
Loans/Borrowings				
(a) Banking Sector	**5728735.3**	**5741948.3**	**5881570.2**	**6158150.0**
of which:				
i. Commercial Banks	5226482.2	5239696.0	5380210.4	5620260.7
ii. Co-operative Banks	500870.2	500865.3	499968.8	536494.1
(b) Other Financial Institutions	**1461975.5**	**1487386.9**	**1517615.9**	**1609255.3**
of which:				
i. Non-Banking Financial Companies	687643.6	709270.7	725191.9	790073.0
ii. Housing Finance Companies	673118.3	675993.4	689041.8	714377.9
iii. Insurance Corporations	101213.7	102122.8	103382.2	104804.4

No. 50 (b): Stocks of Financial Assets and Liabilities of Households- Select Indicators (Contd.)

(Amount in ₹ Crore)

Item	Jun-2021	Sep-2021	Dec-2021	Mar-2022
Financial Assets (a+b+c+d+e+f+g+h)	**23318920.4**	**23991428.3**	**24700622.2**	**25435684.2**
Per cent of GDP	*110.7*	*109.3*	*108.7*	*108.4*
(a) Bank Deposits (i+ii)	**10790817.3**	**10987922.4**	**11410315.3**	**11675198.2**
i. Commercial Banks	9953043.9	10148485.7	10566752.7	10829078.8
ii. Co-operative Banks	837773.4	839436.7	843562.6	846119.4
(b) Non-Bank Deposits				
of which:				
Other Financial Institutions	**205903.4**	**206074.1**	**203895.8**	**209855.7**
i. Non-Banking Financial Companies	67234.6	66469.1	66542.3	70754.2
ii. Housing Finance Companies	138668.8	139605.0	137353.4	139101.6
(c) Life Insurance Funds	**4929725.2**	**5142278.8**	**5213527.2**	**5357350.2**
(d) Currency	**2742897.3**	**2674266.1**	**2737059.4**	**2883904.4**
(e) Mutual funds	**1855000.1**	**2064363.5**	**2126112.0**	**2152140.5**
(f) Public Provident Fund (PPF)	**757397.8**	**762264.0**	**767287.3**	**834147.6**
(g) Pension Funds	**616517.0**	**667379.0**	**699173.0**	**736592.0**
(h) Small Savings (excluding PPF)	**1420662.3**	**1486880.4**	**1543252.3**	**1586495.5**
Financial Liabilities (a+b)	**7755119.8**	**7868215.0**	**8256715.7**	**8668329.0**
Per cent of GDP	*36.8*	*35.9*	*36.3*	*36.9*
Loans/Borrowings				
(a) Banking Sector	**6172863.3**	**6231128.1**	**6559106.7**	**6934620.2**
of which:				
i. Commercial Banks	5640516.1	5700327.0	6025626.4	6389789.3
ii. Co-operative Banks	530937.1	529376.2	532040.6	543376.3
(b) Other Financial Institutions	**1582256.5**	**1637086.9**	**1697609.1**	**1733708.8**
of which:				
i. Non-Banking Financial Companies	755315.1	784191.9	813668.4	811505.2
ii. Housing Finance Companies	721510.0	745913.7	775408.5	812844.7
iii. Insurance Corporations	105431.4	106981.2	108532.1	109358.8

No. 50 (b): Stocks of Financial Assets and Liabilities of Households- Select Indicators (Concld.)

(Amount in ₹ Crore)

Item	Jun-2022	Sep-2022	Dec-2022	Mar-2023
Financial Assets (a+b+c+d+e+f+g+h)	**25689017.4**	**26240728.5**	**27208717.9**	**28083947.0**
Per cent of GDP	*103.2*	*101.5*	*102.4*	*103.1*
(a) Bank Deposits (i+ii)	**11911196.2**	**11956360.9**	**12421907.5**	**12701761.3**
i. Commercial Banks	11060527.2	11106712.0	11564354.7	11821685.0
ii. Co-operative Banks	850669.0	849648.9	857552.8	880076.4
(b) Non-Bank Deposits				
of which:				
Other Financial Institutions	**216170.2**	**218246.9**	**224882.5**	**228542.9**
i. Non-Banking Financial Companies	74794.4	78061.6	79862.5	85234.7
ii. Housing Finance Companies	141375.8	140185.3	145020.0	143308.2
(c) Life Insurance Funds	**5325967.3**	**5559681.9**	**5786592.6**	**6038630.4**
(d) Currency	**2950343.2**	**2895763.9**	**2972524.0**	**3121514.2**
(e) Mutual funds	**2048097.3**	**2260209.7**	**2355315.8**	**2367792.5**
(f) Public Provident Fund (PPF)	**851913.4**	**858591.1**	**864730.6**	**939814.6**
(g) Pension Funds	**744459.2**	**799889.0**	**853412.0**	**898342.0**
(h) Small Savings (excluding PPF)	**1640870.6**	**1691985.1**	**1729352.9**	**1787549.1**
Financial Liabilities (a+b)	**8957470.6**	**9310471.8**	**9781859.9**	**10253472.2**
Per cent of GDP	*36.0*	*36.0*	*36.8*	*37.6*
Loans/Borrowings				
(a) Banking Sector	**7169465.5**	**7433248.0**	**7801415.3**	**8153970.3**
of which:				
i. Commercial Banks	6620073.1	6881338.5	7246643.0	7580935.6
ii. Co-operative Banks	547894.8	550354.8	553201.4	571339.8
(b) Other Financial Institutions	**1788005.1**	**1877223.8**	**1980444.6**	**2099501.9**
of which:				
i. Non-Banking Financial Companies	840786.9	895226.5	971105.3	1051401.1
ii. Housing Finance Companies	835181.3	868212.5	893115.8	929861.7
iii. Insurance Corporations	112036.9	113784.8	116223.5	118239.1

Note : 1. Data as ratios to GDP have been calculated based on the Provisional Estimates of National Income 2022-23, released by NSO on May 31, 2023.
2. Pension funds comprises funds with the National Pension Scheme.
3. Outstanding deposits with Small Savings are sourced from the Controller General of Accounts, Government of India.
4. Non-bank deposits apart from other financial institutions, comprises state power utilities, co-operative non credit societies etc. Data for outstanding deposits are available only for other financial institutions.
5. Figures in the columns may not add up to the total due to rounding off.

Explanatory Notes to the Current Statistics

Table No. 1

1.2& 6: Annual data are average of months.

3.5 & 3.7: Relate to ratios of increments over financial year so far.

4.1 to 4.4, 4.8,4.9 &5: Relate to the last friday of the month/financial year.

4.5, 4.6 & 4.7: Relate to five major banks on the last Friday of the month/financial year.

4.10 to 4.12: Relate to the last auction day of the month/financial year.

4.13: Relate to last day of the month/ financial year

7.1&7.2: Relate to Foreign trade in US Dollar.

Table No. 2

2.1.2: Include paid-up capital, reserve fund and Long-Term Operations Funds.

2.2.2: Include cash, fixed deposits and short-term securities/bonds, e.g., issued by IIFC (UK).

Table No. 4

Maturity-wise position of outstanding forward contracts is available at http://nsdp.rbi.org.in under ''Reserves Template''.

Table No. 5

Special refinance facility to Others, *i.e.* to the EXIM Bank, is closed since March 31, 2013.

Table No. 6

For scheduled banks, March-end data pertain to the last reporting Friday.

2.2: Exclude balances held in IMF Account No.1, RBI employees' provident fund, pension fund, gratuity and superannuation fund.

Table Nos. 7 & 11

3.1 in Table 7 and 2.4 in Table 11: Include foreign currency denominated bonds issued by IIFC (UK).

Table No. 8

NM_2 and NM_3 do not include FCNR (B) deposits.

2.4: Consist of paid-up capital and reserves.

2.5: includes other demand and time liabilities of the banking system.

Table No. 9

Financial institutions comprise EXIM Bank, SIDBI, NABARD and NHB.

L_1 and L_2 are compiled monthly and L_3 quarterly.

Wherever data are not available, the last available data have been repeated.

Table No. 13

Data against column Nos. (1), (2) & (3) are Final and for column Nos. (4) & (5) data are Provisional.

Table No. 14

Data in column Nos. (4) & (8) are Provisional.

Table No. 17

2.1.1: Exclude reserve fund maintained by co-operative societies with State Co-operative Banks

2.1.2: Exclude borrowings from RBI, SBI, IDBI, NABARD, notified banks and State Governments.

4: Include borrowings from IDBI and NABARD.

Table No. 24

Primary Dealers (PDs) include banks undertaking PD business.

Table No. 30

Exclude private placement and offer for sale.

1: Exclude bonus shares.

2: Include cumulative convertible preference shares and equi-preference shares.

Table No. 32

Exclude investment in foreign currency denominated bonds issued by IIFC (UK), SDRs transferred by Government of India to RBI and foreign currency received under SAARC and ACU currency swap arrangements. Foreign currency assets in US dollar take into account appreciation/depreciation of non-US currencies (such as Euro, Sterling, Yen and Australian Dollar) held in reserves. Foreign exchange holdings are converted into rupees at rupee-US dollar RBI holding rates.

Table No. 34

1.1.1.1.2 & 1.1.1.1.1.4: Estimates.

1.1.1.2: Estimates for latest months.

'Other capital' pertains to debt transactions between parent and subsidiaries/branches of FDI enterprises.

Data may not tally with the BoP data due to lag in reporting.

Table No. 35

1.10: Include items such as subscription to journals, maintenance of investment abroad, student loan repayments and credit card payments.

Table No. 36

Increase in indices indicates appreciation of rupee and *vice versa.* For 6-Currency index, base year 2021-22 is a moving one, which gets updated every year. REER figures are based on Consumer Price Index (combined). The details on methodology used for compilation of NEER/REER indices are available in December 2005, April 2014 and January 2021 issues of the RBI Bulletin.

Table No. 37

Based on applications for ECB/Foreign Currency Convertible Bonds (FCCBs) which have been allotted loan registration number during the period.

Table Nos. 38, 39, 40 & 41

Explanatory notes on these tables are available in December issue of RBI Bulletin, 2012.

Table No. 43

Part I-A. Settlement systems

1.1.3: Tri- party Repo under the securities segment has been operationalised from November 05, 2018.

Part I-B. Payments systems

4.1.2: 'Others' includes e-commerce transactions and digital bill payments through ATMs, *etc.*

4.2.2: 'Others' includes e-commerce transactions, card to card transfers and digital bill payments through ATMs, *etc.*

5: Available from December 2010.

5.1: includes purchase of goods and services and fund transfer through wallets.

5.2.2: includes usage of PPI Cards for online transactions and other transactions.

6.1: Pertain to three grids – Mumbai, New Delhi and Chennai.

6.2: 'Others' comprises of Non-MICR transactions which pertains to clearing houses managed by 21 banks.

Part II-A. Other payment channels

1: Mobile Payments –
- o Include transactions done through mobile apps of banks and UPI apps.
- o The data from July 2017 includes only individual payments and corporate payments initiated, processed, and authorised using mobile device. Other corporate payments which are not initiated, processed, and authorised using mobile device are excluded.

2: Internet Payments – includes only e-commerce transactions through 'netbanking' and any financial transaction using internet banking website of the bank.

Part II-B. ATMs

3.3 and 4.2: only relates to transactions using bank issued PPIs.

Part III. Payment systems infrastructure

3: Includes ATMs deployed by Scheduled Commercial Banks (SCBs) and White Label ATM Operators (WLAOs). WLAs are included from April 2014 onwards.

Table No. 45

(-) represents nil or negligible

The table format is revised since June 2023 issue of the bulletin.

State Government Securities include special bonds issued under Ujjwal DISCOM Assurance Yojana (UDAY).

Bank PDs are clubbed under Commercial Banks. However, they form very small fraction of total outstanding securities.

The category 'Others' comprises State Governments, DICGC, PSUs, Trusts, Foreign Central Banks, HUF/ Individuals *etc.*

Data since September 2023 includes the impact of the merger of a non-bank with a bank.

Table No. 46

GDP data is based on 2011-12 base. GDP for 2023-24 is from Union Budget 2023-24.

Data pertains to all States and Union Territories.

1 & 2: Data are net of repayments of the Central Government (including repayments to the NSSF) and State Governments.

1.3: Represents compensation and assignments by States to local bodies and Panchayati Raj institutions.

2: Data are net of variation in cash balances of the Central and State Governments and includes borrowing receipts of the Central and State Governments.

3A.1.1: Data as per RBI records.

3B.1.1: Borrowings through dated securities.

3B.1.2: Represent net investment in Central and State Governments' special securities by the National Small Savings Fund (NSSF).

This data may vary from previous publications due to adjustments across components with availability of new data.

3B.1.6: Include Ways and Means Advances by the Centre to the State Governments.

3B.1.7: Include Treasury Bills, loans from financial institutions, insurance and pension funds, remittances, cash balance investment account.

Table No. 47

SDF is availed by State Governments against the collateral of Consolidated Sinking Fund (CSF), Guarantee Redemption Fund (GRF) & Auction Treasury Bills (ATBs) balances and other investments in government securities.

WMA is advance by Reserve Bank of India to State Governments for meeting temporary cash mismatches.

OD is advanced to State Governments beyond their WMA limits.

Average amount Availed is the total accommodation (SDF/WMA/OD) availed divided by number of days for which accommodation was extended during the month.

- : Nil.

Table No. 48

CSF and GRF are reserve funds maintained by some State Governments with the Reserve Bank of India.

ATBs include Treasury bills of 91 days, 182 days and 364 days invested by State Governments in the primary market.

--: Not Applicable (not a member of the scheme).

The concepts and methodologies for Current Statistics are available in Comprehensive Guide for Current Statistics of the RBI Monthly Bulletin **(https://rbi.org.in/Scripts/PublicationsView.aspx?id=17618)**

Time series data of 'Current Statistics' is available at https://dbie.rbi.org.in.

Detailed explanatory notes are available in the relevant press releases issued by RBI and other publications/releases of the Bank such as **Handbook of Statistics on the Indian Economy**.

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2. Handbook of Statistics on the Indian States 2022-23	₹550 (Normal) ₹600 (inclusive of postage)	US$ 24 (inclusive of air mail courier charges)
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5. Report on Currency and Finance 2022-23	₹575 per copy (over the counter) ₹625 per copy (inclusive of postal charges)	US$ 22 per copy (inclusive of air mail courier charges)
6. Reserve Bank of India Occasional Papers Vol. 44, No. 1, 2023	₹200 per copy (over the counter) ₹250 per copy (inclusive of postal charges)	US$ 18 per copy (inclusive of air mail courier charges)
7. Finances of Panchayati Raj Institutions	₹300 per copy (over the counter) ₹350 per copy (inclusive of postal charges)	US$ 16 per copy (inclusive of air mail courier charges)
8. Report on Trend and Progress of Banking in India 2022-23	Issued as Supplement to RBI Bulletin January, 2024	
9. Financial Stability Report, December 2023	Issued as Supplement to RBI Bulletin January, 2024	
10. Monetary Policy Report - April 2024	Included in RBI Bulletin April 2024	
11. Banking Glossary (English-Hindi)	₹100 per copy (over the counter) ₹150 per copy (inclusive of postal charges)	

Notes

1. Many of the above publications are available at the RBI website (www.rbi.org.in).
2. Time Series data are available at the Database on Indian Economy (http://dbie.rbi.org.in).
3. The Reserve Bank of India History 1935-2008 (5 Volumes) are available at leading book stores in India.

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