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# MONETARY POLICY STATEMENT FOR 2014-15

First Bi-monthly Monetary Policy Statement, 2014-15  
Press Statement by the Governor

First Bi-monthly Monetary Policy Statement, 2014-15  
By Dr. Raghuram G. Rajan, Governor

Macroeconomic and Monetary Developments 2014-15  
(An Update)



## *First Bi-monthly Monetary Policy Statement, 2014-15*

### *Press Statement by the Governor*

"Good morning and welcome to the Reserve Bank.

On the basis of an assessment of the current and evolving macroeconomic situation, we have decided today to keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 8.0 per cent. We have also decided to increase the liquidity provided under 7-day and 14-day term repos from 0.5 per cent of net demand and time liabilities (NDTL) of the banking system to 0.75 per cent, and decrease the liquidity provided under overnight repos under the LAF from 0.5 per cent of bank-wise NDTL to 0.25 per cent with immediate effect.

Let me turn to the rationale. Real GDP growth is projected to pick up from a little below 5 per cent in 2013-14 to a range of 5 to 6 per cent in 2014-15 *albeit* with downside risks to the central estimate of 5.5 per cent. Easing of domestic supply bottlenecks and progress on the implementation of stalled projects already cleared should contribute to growth, as will stronger anticipated export growth as the world economy picks up.

For the year as a whole, the CAD is expected to be about 2.0 per cent of GDP. Sustained inflows, augmented by repayments by public sector oil marketing companies of their foreign currency obligations to the Reserve Bank during March, have led to an increase in reserves.

Looking ahead, vegetable prices have entered their seasonal trough and further softening is unlikely. There are also risks to our central forecast of 8 per cent CPI inflation by January 2015. These include a less-than-normal monsoon due to possible *el nino* effects; uncertainty on the setting of minimum support prices for agricultural commodities and the setting of other administered prices, especially of fuel, fertilizer and

electricity; the outlook for fiscal policy; geo-political developments and their impact on international commodity prices. There will also be a downward statistical pull on CPI inflation later this year, due to base effects from high inflation during June-November 2013. It is critical to look through any transient effects, including these base effects, which could temporarily soften or harden headline inflation during 2014.

Our policy stance is firmly focused on keeping the economy on a disinflationary glide path that is intended to hit 8 per cent CPI inflation by January 2015 and 6 per cent by January 2016. At the current juncture, it is appropriate to hold the policy rate, while allowing the rate increases undertaken during September 2013 through January 2014 to work their way through the economy. Furthermore, if inflation continues along the intended glide path, further policy tightening in the near term is not anticipated at this juncture.

In pursuance of the Dr. Urjit R. Patel Committee's recommendation to de-emphasise overnight "guaranteed-access" windows for liquidity management and progressively conduct liquidity management through term repos, we have decided to further reduce access to overnight repos under the LAF while compensating fully with a commensurate expansion of the market's access to term repos from the Reserve Bank. The primary objective is to improve the transmission of policy impulses across the interest rate spectrum.

#### **Developmental and Regulatory Policies**

We have set out a five-pillar framework to guide the developmental and regulatory policies of the Reserve Bank. I invite you all to go through Part B of the Policy Statement which lays out the developmental and regulatory measures, the progress made and some new initiatives that are being undertaken. Let me highlight a few.

- Some recommendations of Dr. Urjit R. Patel Committee report have been implemented

including adoption of the new CPI (combined) as the key measure of inflation, explicit recognition of the glide path for disinflation, transition to a bi-monthly monetary policy cycle, progressive reduction in access to overnight liquidity under the LAF at the fixed repo rate and a corresponding increase in access to liquidity through term repos, and introduction of longer tenor term repos as well as, going forward, term reverse repos.

- Following on the recommendations of the High Level Advisory Committee chaired by Dr. Bimal Jalan, and after consulting the Election Commission, the RBI will announce in-principle approval for new bank licenses. Immediately after, and using the learning from the licensing exercise as well as building on its previously-released discussion paper on banking structure, the Reserve Bank will work to giving licenses more regularly, that is virtually "on-tap". It will also set out categories of differentiated bank licenses that will allow a wider pool of entrants into banking.

#### Turning to markets

- To expand investor demand for Inflation Indexed Bonds, design changes improving their attractiveness to the general public are being worked out.
- In order to expand the market for corporate bonds, banks will be allowed to offer partial credit enhancements to them.
- The feasibility of limited re-repo/re-hypothecation of "repoed" government securities is being explored.

As regards foreign investors, the Reserve Bank welcomes them and will continue to work to ease entry costs while reducing risk for investors and the volatility of flows. Towards this end

- Modalities allowing Foreign Portfolio Investors to hedge their currency risks through exchange

traded currency futures are being worked out in consultation with SEBI.

- FPIs will be allowed to hedge their coupon receipts falling due during next 12 months.
- KYC norms are being simplified for Foreign Portfolio Investors.
- To encourage longer-term flows and reduce volatility, FPI investments in G-Secs will henceforth be permitted only in dated securities of maturity one year and above, and existing investment in T-bills will be allowed to taper off on maturity/sale. Any investment limits vacated at the shorter end will be available at longer maturities, so overall FPI limits will not be diminished.

Turning to inclusion and customer protection,

- To enlarge the Banking Correspondent (BC) base, the inclusion of new entities, as well as a relaxation of existing distance restrictions, is being considered.

A number of measures to protect consumers are being envisaged. For example,

- Banks should not levy penal charges for non-maintenance of minimum balance in ordinary savings bank account and inoperative accounts, but instead curtail the services accorded those accounts until the balance is restored.

Finally, to tackle distress in the system

- The comprehensive framework to help banks reduce their NPAs even while putting distressed projects back on track will be effective from today. We will monitor progress and make any needed adjustments to ensure it operates smoothly.

Finally, I hope the only thing that was surprising about monetary policy today was the lack of surprise. I am glad financial markets and analysts have started understanding what we are doing. Thank you for your attention".



## *First Bi-monthly Monetary Policy Statement, 2014-15 By Dr. Raghuram G. Rajan, Governor*

### **Monetary and Liquidity Measures**

On the basis of an assessment of the current and evolving macroeconomic situation, it has been decided to:

- keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 8.0 per cent;
- keep the cash reserve ratio (CRR) of scheduled banks unchanged at 4.0 per cent of net demand and time liability (NDTL); and
- increase the liquidity provided under 7-day and 14-day term repos from 0.5 per cent of NDTL of the banking system to 0.75 per cent, and decrease the liquidity provided under overnight repos under the LAF from 0.5 per cent of bank-wise NDTL to 0.25 per cent with immediate effect.

Consequently, the reverse repo rate under the LAF will remain unchanged at 7.0 per cent, and the marginal standing facility (MSF) rate and the Bank Rate at 9.0 per cent.

### **Assessment**

Since the Third Quarter Review of January 2014, global activity appears to have moderated on slower growth in the US, the UK and Japan, continuing sluggishness in the Euro area and a subdued pick-up in emerging and developing economies, restrained by the uncertain external demand environment as well as by localised cyclical and structural constraints. For a number of emerging markets, further tightening of external financing conditions and renewed volatility of capital flows are the biggest risks to their outlook. Going forward, global growth is likely to strengthen in

the rest of the year, with risks tilted to the downside.

Domestically, real GDP growth continued to be modest in Q3 of 2013-14, with some strengthening of activity in services such as trade, hotels, transport and communication, and financing, real estate and business services. Despite some positive movement in more recent data, industrial activity continues to be a drag on the economy, with retrenchment in both consumption and investment demand reflected in the contraction of output of consumer durables as well as capital goods. In the quarters ahead, the boost provided by robust agricultural production in 2013 may wane. Moreover, the outlook for the 2014 south-west monsoon appears uncertain. Sluggishness in industrial activity, exports and several categories of services underlines the need to revitalise productivity and competitiveness.

Retail inflation measured by the consumer price index (CPI) moderated for the third month in succession in February 2014, driven lower by the sharp disinflation in food prices, although prices of fruits, milk and products have started to firm up. Excluding food and fuel, however, retail inflation remained sticky at around 8 per cent. This suggests that some demand pressures are still at play.

The merchandise trade deficit was 22 per cent lower in April-February 2013-14 than its level a year ago, due to the large decline in non-oil imports. The steady narrowing of the trade deficit over the year has shrunk the current account deficit (CAD) to 0.9 per cent of GDP in Q3 of 2013-14. For the year as a whole, the CAD is expected to be about 2.0 per cent of GDP. Most recently, however, export growth has slowed, partly because of slowdown in demand in partner countries as well as a softening of prices of exports of petroleum products and gems and jewellery (offset by a reduction in the prices of oil and gold imports). Whether the export slowdown persists as global growth picks up once again remains to be seen. In February, there was a turnaround in portfolio flows as investors

largely priced in the effects of taper by the US Fed and responded to economic and geo-political developments in emerging markets with re-allocations. With sustained inflows in the form of portfolio flows, foreign direct investment (FDI) and external commercial borrowings, external financing conditions turned comfortable. Inflows, augmented by repayments by public sector oil marketing companies of their foreign currency obligations to the Reserve Bank during March, have led to an increase in reserves.

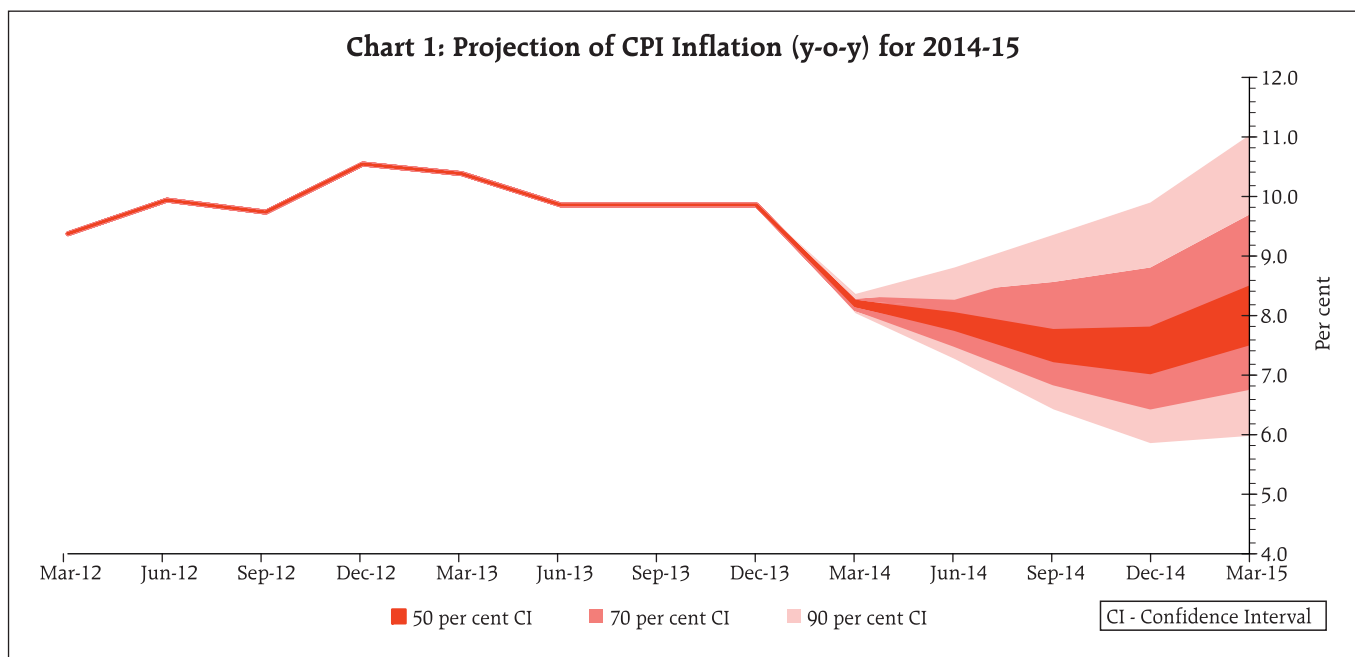
Turning to liquidity, envisaging pressures from large currency demand and tax outflows from mid-March, a 21-day term repo of ₹500 billion was conducted on March 14 and 7-day term repo auctions of ₹100 billion on March 19 and 26, in addition to the regular 14-day term repo of ₹400 billion on March 21. A 5-day term repo for a notified amount of ₹200 billion was conducted on March 28 to facilitate non-disruptive banking operations during the annual closing of accounts. Access to the MSF on March 29 and 31 (holidays) was also allowed for this purpose. The Reserve Bank will continue to monitor the liquidity conditions and actively manage liquidity to ensure adequate flow of credit to the productive sectors.

**Policy Stance and Rationale**

Since December 2013, the sharper than expected disinflation in vegetable prices has enabled a sizable fall in headline inflation. Looking ahead, vegetable prices have entered their seasonal trough and further softening is unlikely. Meanwhile, CPI inflation excluding food and fuel has remained flat.

There are risks to the central forecast of 8 per cent CPI inflation by January 2015 stemming from a less-than-normal monsoon due to possible *el nino* effects; uncertainty on the setting of minimum support prices for agricultural commodities and the setting of other administered prices, especially of fuel, fertiliser and electricity; the outlook for fiscal policy; geo-political developments and their impact on international commodity prices. There will also be a downward statistical pull on CPI inflation exerted by base effects of high inflation during June-November 2013. It is critical to look through any transient effects, including these base effects, which could temporarily soften headline inflation during 2014 (Chart 1).

The Reserve Bank’s policy stance will be firmly focussed on keeping the economy on a disinflationary

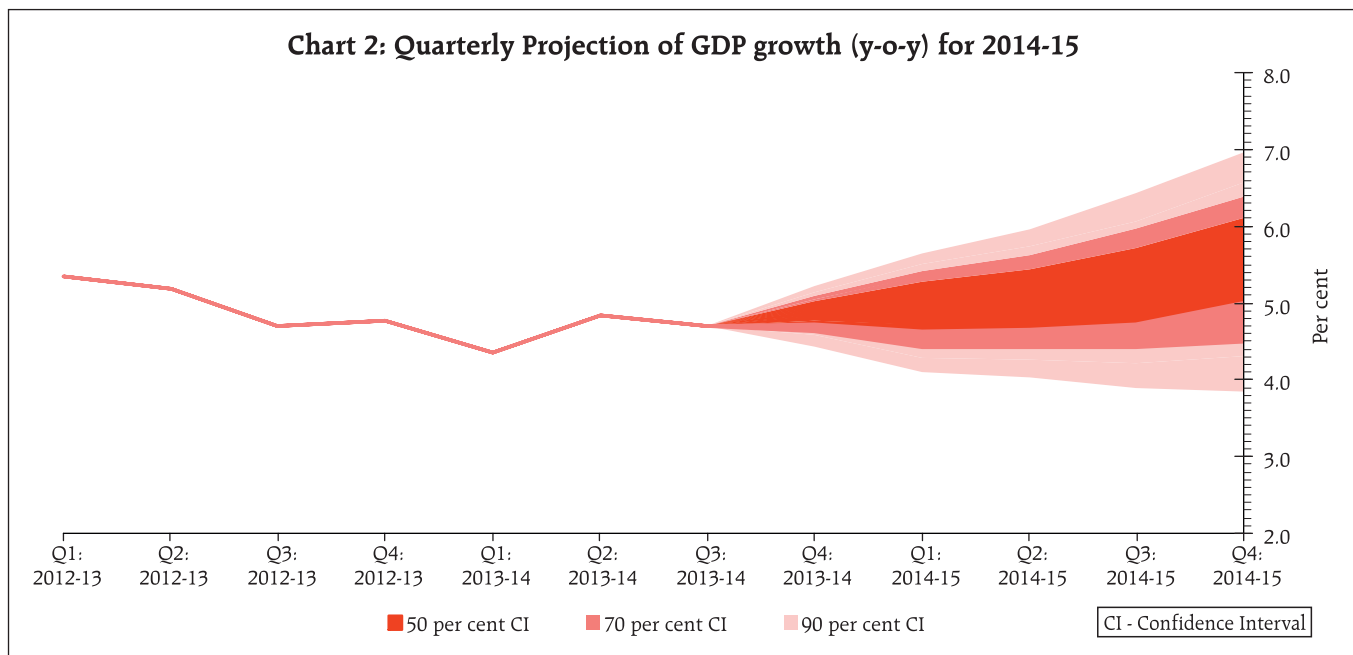


glide path that is intended to hit 8 per cent CPI inflation by January 2015 and 6 per cent by January 2016. At the current juncture, it is appropriate to hold the policy rate, while allowing the rate increases undertaken during September 2013-January 2014 to work their way through the economy. Furthermore, if inflation continues along the intended glide path, further policy tightening in the near term is not anticipated at this juncture.

Contingent upon the desired inflation outcome, real GDP growth is projected to pick up from a little below 5 per cent in 2013-14 to a range of 5 to 6 per cent in 2014-15 *albeit* with downside risks to the central estimate of 5.5 per cent (Chart 2). Lead indicators do not point to any sustained revival in industry and services as yet, and the outlook for the agricultural sector is contingent upon the timely arrival and spread of the monsoon. Easing of domestic supply bottlenecks and progress on the implementation of stalled projects already cleared should brighten up the growth outlook, as would stronger anticipated export growth as the world economy picks up.

In pursuance of the Dr. Urjit R. Patel Committee's recommendation to de-emphasise overnight "guaranteed-access" windows for liquidity management and progressively conduct liquidity management through term repos, the Reserve Bank has decided to further reduce access to overnight repos under the LAF while compensating fully with a commensurate expansion of the market's access to term repos from the Reserve Bank. The primary objective is to improve the transmission of policy impulses across the interest rate spectrum. The term repo has evolved as a useful indicator of underlying liquidity conditions. It also allows market participants to hold liquidity for a longer period, thereby providing the impetus for engaging in term transactions in the market, evolving market-based benchmarks for pricing various financial products and also improving efficiency in cash/treasury management.

Liquidity conditions have tightened in March, partly on account of year-end 'window dressing' by banks, though an extraordinary infusion of liquidity by the Reserve Bank has mitigated the tightness. The Reserve Bank will propose measures to reduce such practices.



The second bi-monthly monetary policy statement is scheduled on Tuesday, June 3, 2014.

### **Part B: Developmental and Regulatory Policies**

This part of the Statement reviews the progress on various developmental and regulatory policy measures announced by the Reserve Bank in recent policy statements and also sets out new measures.

In the Second Quarter Review of Monetary Policy 2013-14 announced in October 2013, the Reserve Bank set out a five-pillar framework to guide its developmental and regulatory measures. Noteworthy progress has since been made in implementing measures within this framework.

Some of the recommendations of the Expert Committee to Revise and Strengthen the Monetary Policy Framework (Chairman: Dr. Urjit R. Patel) have been implemented including adoption of the new CPI (combined) as the key measure of inflation, explicit recognition of the glide path for disinflation, transition to a bi-monthly monetary policy cycle, progressive reduction in access to overnight liquidity under the LAF at the fixed repo rate and corresponding increase in access to liquidity through term repos, and introduction of longer tenor term repos.

On strengthening banking structure, which is the second pillar, the High Level Advisory Committee (Chairman: Dr. Bimal Jalan) has recently submitted its recommendations to the Reserve Bank on the licensing of new banks. The Reserve Bank will announce in-principle approval for new licences after consulting with the Election Commission. Immediately afterwards, the Reserve Bank will start working on the framework for on-tap licensing as well as differentiated bank licences, building on the Discussion Paper on "Banking Structure in India – The Way Forward" placed on the Reserve Bank's website in August 2013 and using the learning from the recent

licensing process. The intent is to expand the variety and efficiency of players in the banking system while maintaining financial stability. The Reserve Bank will also be open to banking mergers, provided competition and stability are not compromised.

Progress has been made on a number of regulatory and supervisory measures. Based on the comments/feedback received on the draft framework for dealing with domestic systemically important banks (D-SIBs), the final framework is proposed to be issued by end-May 2014. As the liquidity coverage ratio (LCR) stipulated by the Basel Committee becomes a standard with effect from January 1, 2015 it is proposed to issue guidelines relating to Basel III LCR and Liquidity Risk Monitoring tools by end-May 2014. Updated guidelines on stress testing, drawing from Basel Committee on Banking Supervision (BCBS) principles and subsequent global developments, were issued in December 2013. Capital and provisioning requirements on banks' advances to corporates with unhedged foreign currency exposures were specified in January 2014. The draft report of the Internal Working Group (Chairman: Shri B. Mahapatra), which was constituted to operationalise the countercyclical capital buffer framework in India, was placed on the Reserve Bank's website for comments in December 2013. On the basis of the recommendations of the Committee on Comprehensive Financial Services for Small Businesses and Low Income Households (Chairman: Dr. Nachiket Mor) to encourage banks to actively manage their exposures to various sectors, including priority sectors, it is proposed to prescribe certain additional disclosure requirements in the financial statements by end-June 2014.

Following industry-wide concerns about asset quality and the consequential impact on the performance/profitability of banks, the Reserve Bank has extended the transitional period for full

implementation of Basel III Capital Regulations in India up to March 31, 2019, instead of as on March 31, 2018. This will also align full implementation of Basel III in India closer to the internationally agreed date of January 1, 2019.

The Reserve Bank has moved over to risk-based supervision (RBS) for scheduled commercial banks (SCBs), starting with banks that were more prepared. Based on the experience gained from the completion of Phase I and the feedback received on the RBS framework from banks, the framework is being fine-tuned. Banks are also being advised to assess their risk management architecture, practices, related processes and management information systems (MIS) to facilitate their switch over to RBS in Phase II.

As regards the third pillar on the broadening and deepening of financial markets, Inflation Indexed National Saving Securities (IINSSs) for retail investors were issued in December 2013. To expand investor demand, certain design changes are required. Some such as an increase in the limit for individual investors and trusts have been implemented. Others such as tradability (and consequently, the benefit of indexation for capital gains tax) and issuance of securities with regular coupon flows are being contemplated. Cash settled single bond 10 year Interest Rate Futures (IRFs) were introduced by stock exchanges in January 2014. The Reserve Bank will shortly issue guidelines that would allow banks to offer partial credit enhancements to corporate bonds. As recommended by the Working Group on Enhancing Liquidity in the Government Securities and Interest Rate Derivatives Markets (Chairman: Shri R. Gandhi), the Reserve Bank proposes to introduce a market making scheme for primary dealers (PDs) by allocating specific securities to PDs and ensuring continuous availability of prices, with a suitable framework for assessing the performance of PDs. It will also examine the possibility of limited

re-repo/re-hypothecation of "repoed" government securities, subject to appropriate risk control measures.

The Committee on Financial Benchmarks (Chairman: Shri P. Vijaya Bhaskar) submitted its report in February 2014. The Committee has recommended several measures/principles to be adopted in respect of major Indian rupee interest rate and foreign exchange benchmarks to strengthen their quality, the methodology by which they are set and the governance framework. Banks and PDs are being advised to strengthen their governance frameworks on benchmark submissions, subject to the supervisory review of the Reserve Bank. Other recommendations will be implemented in consultation with the Fixed Income, Money Market and Derivatives Association (FIMMDA) and Foreign Exchange Dealers Association of India (FEDAI).

The Reserve Bank will continue to work to ease entry while reducing risk to foreign investors from the volatility of flows. The modalities for allowing FIIs to hedge their currency risk by using exchange traded currency futures in the domestic exchanges are being finalised in consultation with the Securities and Exchange Board of India (SEBI). In order to enhance hedging facilities for foreign investors in debt instruments, it is proposed to allow them to hedge the coupon receipts falling due during the next 12 months. Rebooking of cancelled contracts in case of contracted exposures has been fully restored. It is further proposed to allow all resident individuals, firms and companies with actual foreign exchange exposures to book foreign exchange derivative contracts up to US\$ 250,000 on declaration, subject to certain conditions.

Revised regulations under Foreign Exchange Management Act (FEMA) for a simplified foreign

portfolio investor (FPI) regime have been notified in March 2014. The Reserve Bank also proposes to simplify the know-your-customer (KYC) procedures for opening bank accounts by FPIs. The Reserve Bank has also been rationalising and expanding limits for FPI investments in debt markets. To encourage longer maturity flows, investment limits in Treasury Bills were capped at US\$ 5.5 billion in April 2013, even while the limit for long-term investors was increased by US\$ 5 billion in June 2013. As a further step towards encouraging longer-term flows, investments by FPIs in G-Secs shall henceforth be permitted only in dated securities of residual maturity of one year and above, and existing investment in Treasury Bills will be allowed to taper off on maturity/sale. The overall limit for FPI investment in G-Secs will, however, remain unchanged at US\$ 30 billion, so the investment limits vacated at the shorter end will be available at longer maturities. As regards foreign direct investment (FDI), it has been decided to withdraw all the existing guidelines relating to valuation in case of any acquisition/sale of shares and accordingly, such transactions will henceforth be based on acceptable market practices. Operating guidelines will be notified separately.

A comprehensive IT-based system namely, Export Data Processing and Monitoring System (EDPMS) for effective monitoring, easier tracking and reconciliation of export transactions was launched in February 2014. The data will be shared among the stakeholders/agencies involved, and will allow more timely and detailed information on exports as well as prevention of export-related fraud.

On financial inclusion, the fourth pillar, the recommendations of the Mor Committee on accelerating the flow of credit to those at the bottom of the pyramid and enlargement of catchment area of

the Business Correspondents (BCs), including through possible inclusion of new entities as BCs, are under examination. To overcome the challenge of cash management of BCs which is impeding the scaling up of the BC model, the Reserve Bank will collate best practices and issue a fresh set of guidelines to commercial banks.

The Reserve Bank has released a concept paper on Trade Receivables and Credit Exchange for micro, small and medium enterprises (MSMEs) in March 2014 on its website for public feedback. The model outlined in the paper envisages a credit exchange with both primary and secondary market segments that will help address problems faced by the MSME segment on delayed payments and dependency on their corporate buyers. After receiving feedback, the Reserve Bank will work towards implementation.

With a view to ensuring fair and transparent credit pricing and to give a fillip to the flow of credit to micro and small enterprises (MSEs) borrowers, it would be desirable for SCBs to provide differential interest rates for MSEs and other borrowers whose loans are covered under the credit guarantee scheme. SCBs are encouraged to undertake a review of their loan policy governing extension of credit facilities to the MSE sector and should consider using Board approved credit scoring models in their evaluation of the loan proposals of MSE borrowers.

Measures have been taken to expand banking services to the financially excluded sections of society with the appropriate application of technology. The GIRO Advisory Group (GAG) has recommended a tiered structure approach for a centralised bill payment system that will enable inter-operability *viz.*, (a) Bharat Bill Payment System (BBPS) and (b) Bharat Bill Payment Operating Units (BBPOUs). The recommendations of the GAG report are under

examination. A Technical Committee (Chairman: Shri B. Sambamurthy) set up to examine the challenges being faced by banks in taking mobile banking forward for achieving financial inclusion submitted its report in January 2014. This was placed in the public domain for feedback. The recommendations of the Committee will be examined closely, and plans for the way forward will be discussed with stakeholders.

Consumer protection is an integral aspect of financial inclusion. The Reserve Bank proposes to frame comprehensive consumer protection regulations based on domestic experience and global best practices. In the interest of their consumers, banks should consider allowing their borrowers the possibility of prepaying floating rate term loans without any penalty. Banks should also not take undue advantage of customer difficulty or inattention. Instead of levying penal charges for non-maintenance of minimum balance in ordinary savings bank accounts, banks should limit services available on such accounts to those available to Basic Savings Bank Deposit Accounts and restore the services when the balances improve to the minimum required level. Banks should not levy penal charges for non-maintenance of minimum balances in any inoperative account. Banks should also limit the liability of customers in electronic banking transactions in cases where banks are not able to prove customer negligence.

Under the fifth pillar, on improving the system's ability to deal with corporate distress and financial institution distress by strengthening real and financial restructuring as well as debt recovery, the Reserve Bank issued a framework for revitalising distressed assets in the economy in January 2014. The framework lays down guidelines for early recognition of financial distress, steps for prompt resolution and fair recovery for lenders. It envisages centralised reporting and

dissemination of information on large credits, early formation of lenders' forums and incentives for lenders and borrowers to agree on resolution and disincentives for both in the event of failure to act in a timely way. Improvements in the current restructuring process such as an independent evaluation of large value restructuring with a focus on viability and fair sharing of gains and losses between promoters and creditors have been mandated. Finally, a more liberal regulatory treatment of distressed asset sales, particularly to asset reconstruction companies, has been provided. The framework will be fully effective from today.

Following the announcement in the Second Quarter Review of October 30, 2013, a Working Group (Chairmen: Dr. Arvind Mayaram and Shri Anand Sinha) on a Resolution Regime for Financial Institutions was constituted, which submitted its report in January 2014. The Group has, *inter alia*, recommended the setting up of a single Financial Resolution Authority (FRA), an early supervisory intervention mechanism in the form of prompt corrective action (PCA) framework for all financial institutions and a separate comprehensive legal framework providing necessary powers and tools for orderly resolution of all financial institutions irrespective of ownership. The Group's report will be disseminated for comments.

An overhaul of the extant regulatory framework for non-banking financial companies (NBFCs) is underway to align it with several important developments which have taken place in the financial sector. It is, therefore, proposed to keep in abeyance, subject to certain exceptions, issue of Certificate of Registration (CoR) for conducting NBFC business, except in the public interest, till an appropriate regulatory framework is put in place for the NBFC sector. Detailed notification will be issued separately.

Going forward, this five-pillar approach will continue to guide the design and calibration of developmental measures. With competition in the banking sector set to increase, financial markets will play a complementary role, allowing banks to trade their long term assets and match the maturity profile of assets and liabilities. Simultaneously, the Reserve Bank will strive to increase the reach of financial

services to everyone, however remote or small, by using technology, new products, and new entities to link people up to the formal financial system. Priority sector lending will become an effective vehicle to promote greater financial access. Concomitantly, the Reserve Bank will take steps for early recognition and resolution of distress with a focus on putting real assets back to work in their best use.



# *Macroeconomic and Monetary Developments 2014-15*

## *(An Update)*

### I. MACROECONOMIC REVIEW

I.1 A detailed assessment of macroeconomic and monetary developments was released along with the monetary policy statement of January 28, 2014. This economic review provides an update taking into account the subsequent data releases.

#### **Global Economy**

***Recovery is on track in 2014, though tightening financial conditions and the divergence in inflation pose risks***

I.2 Since the January 2014 monetary policy statement, global growth outlook remains broadly unchanged though weaker initial data to some extent cloud optimism. Global economic activity had strengthened in H2 of 2013. On the current reckoning, global growth is likely to be in the vicinity of 3½ per cent in 2014, about ½ a percentage point higher than in 2013. The expansion in global output is expected to be led by advanced economies (AEs), especially the US. However, downside risks to growth trajectory arise from ongoing tapering of quantitative easing (QE) in the US, continuing deflation concerns and weak balance sheets in the euro area and, inflationary pressures in the emerging market and developing economies (EMDEs). Weakening growth and financial fragilities in China that have arisen from rapid credit in recent years pose a large risk to global trade and growth.

I.3 Growth also picked up in the EMDEs during H2 of 2013, but the momentum looks weaker than in the AEs and it faces new risks. Improved EMDE growth emanated largely from external demand on the back of currency depreciation in these countries. Going forward, drag on its sustainability may emerge from tightening monetary and financial conditions that can

intensify further in case of a faster-than-anticipated withdrawal of monetary accommodation by the AEs. Recent sovereign rating downgrade for Brazil and downward revision in rating outlook for Russia has also added to the growth risks for EMDEs.

I.4 Global inflation remains benign with activity levels staying below potential in the AEs as well as in some large EMDEs and a softer bias for global commodity prices continuing into 2014. However, inflation in many EMDEs remains high, though actions in tightening monetary policy and slack in output are expected to help generate some disinflationary momentum. The divergent trends in inflation between AEs and EMDEs pose an added risk to global growth.

I.5 After the unexpected shock from the May 2013 tapering indication by the US Fed, global financial markets have weathered the initial dose of actual tapering of the quantitative easing (QE) quite well. However, the global interest rate cycle has just begun to turn. Moreover, a large part of the withdrawal of monetary accommodation by AEs remains to play out. Consequently, capital flows to EMDEs could remain volatile, even if they do not retrench. Also, with corporate leverage rising in many EMDEs, capital flow volatility could translate into liquidity shocks impacting asset prices.

#### **The Indian Economy**

***The Indian economy is set on a disinflationary path, but more efforts may be needed to secure recovery***

I.6 While the global environment remains challenging, policy action in India has rebuilt buffers to cushion it against possible spillovers. These buffers effectively bulwarked the Indian economy against the two recent occasions of spillovers to EMDEs — the first, when the US Fed started the withdrawal of its large scale asset purchase programme and the second, which followed escalation of the Ukraine crisis. On both these occasions, Indian markets were less volatile than most of its emerging market peers. With the narrowing of the twin deficits – both current account and fiscal – as well as the replenishment of foreign exchange reserves,

adjustment of the rupee exchange rate, and more importantly, setting in motion disinflationary impulses, the risks of near-term macro instability have diminished. However, this in itself constitutes only a necessary, but not a sufficient, condition for ensuring economic recovery. Much more efforts in terms of removing structural impediments, building business confidence and creating fiscal space to support investments will be needed to secure growth.

1.7 Annual average CPI inflation has touched double digits or stayed just below for the last six years. This has had a debilitating effect on macro-financial stability through several channels and has resulted in a rise in inflation expectations and contributed to financial disintermediation, lower financial and overall savings, a wider current account gap and a weaker currency. A weaker currency was an inevitable outcome given the large inflation differential with not just the AEs, but also EMDEs. High inflation also had adverse consequences for growth. With the benefit of hindsight, it appears that the monetary policy tightening cycle started somewhat late in March 2010 and was blunted by a series of supply-side disruptions that raised inflation expectations and resulted in its persistence. Also, the withdrawal of the fiscal stimulus following the global financial crisis was delayed considerably longer than necessary and may have contributed to structural increases in wage inflation through inadequately targeted subsidies and safety net programmes.

1.8 Since H2 of 2012-13, demand management through monetary and fiscal policies has been brought in better sync with each other with deficit targets being largely met. Monetary policy had effectively raised operational policy rates by 525 basis points (bps) during March 2010 to October 2011. Thereafter, pausing till April 2012, the Reserve Bank cut policy rates by 75 bps during April 2012 and May 2013 for supporting growth. Delayed fiscal adjustment materialised only in H2 of 2012-13, by which time the current account deficit (CAD) had widened considerably. The easing course of monetary policy was disrupted by 'tapering' fears in

May 2013 that caused capital outflows and exchange rate pressures amid unsustainable CAD, as also renewed inflationary pressures on the back of the rupee depreciation and a vegetable price shock. The Reserve Bank resorted to exceptional policy measures for further tightening the monetary policy. As a first line of defence, short-term interest rates were raised by increasing the marginal standing facility (MSF) rate by 200 bps and curtailing liquidity available under the liquidity adjustment facility (LAF) since July 2013. As orderly conditions were restored in the currency market by September 2013, the Reserve Bank quickly moved to normalise the exceptional liquidity and monetary measures by lowering the MSF rate by 150 bps in three steps. However, with a view to containing inflation that was once again rising, the policy repo rate was hiked by 75 bps in three steps.

1.9 Recent tightening, especially the last round of hike in January 2014, was aimed at containing the second round effects of the food price pressures felt during June-November 2013. Since then, inflation expectations have somewhat moderated and the temporary relative price shock from higher vegetable prices has substantially corrected along with a seasonal fall in these prices, without further escalation in ex-food and fuel CPI inflation. While headline CPI inflation receded over the last three months from 11.2 per cent in November 2013 to 8.1 per cent in February 2014, the persistence of ex-food and fuel CPI inflation at around 8 per cent for the last 20 months poses difficult challenges to monetary policy.

1.10 Against this background there are three important considerations for the monetary policy ahead. First, the disinflationary process is already underway with the headline inflation trending down in line with the glide path envisaged by the Urjit Patel Committee, though inflation stays well above comfort levels. Second, growth concerns remain significant with GDP growth staying sub-5 per cent for seven successive quarters and index of industrial production (IIP) growth stagnating for two successive years. Third, though a negative output gap has prevailed for long,

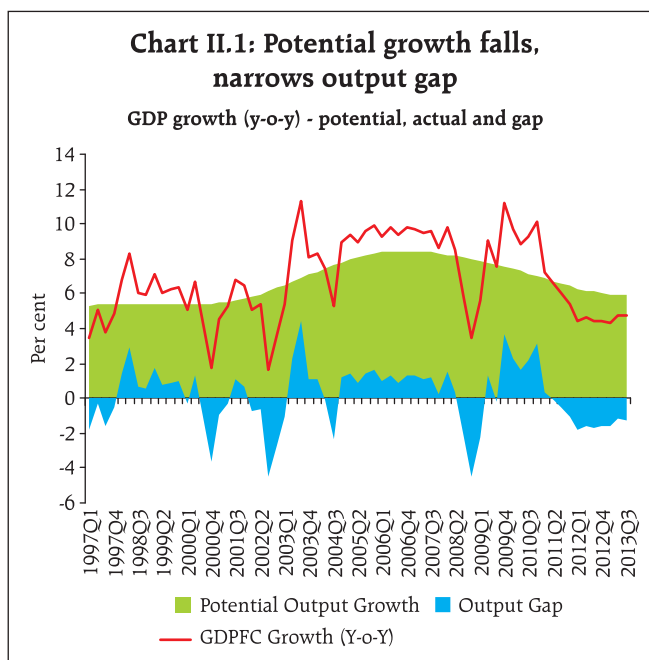
there is clear evidence that potential growth has fallen considerably with high inflation and low growth. This means that monetary policy needs to be conscious of the impact of supply-side constraints on long-run growth, recognising that the negative output gap may be minimal at this stage.

## II. OUTPUT AND DEMAND

### *Growth stays low, structural constraints affect potential output*

II.1 Growth in the Indian economy had been shifting down from 9.6 per cent in Q4 of 2010-11. It troughed around 4.4 per cent for three quarters from Q3 of 2012-13 to Q1 of 2013-14. Since then there are signs of growth bottoming out with marginal improvement recorded during Q2 and Q3 of 2013-14 to 4.8 and 4.7 per cent respectively. However, this improvement has been feeble and clear signs of recovery are yet to emerge, even as the economy seems to be gearing for a modest recovery during 2014-15.

II.2 The downward spiral in growth caused in large part by structural factors that impeded investment activity had a profound effect on India's potential growth. On the basis of a simple Hodrick-Prescott (HP) filter on quarterly output levels, India's potential growth appears to have dropped from 8-8.5 per cent during the period Q2:2005-06 to Q3:2008-09 to around 6 per cent during the period Q2:2012-13 to Q3:2013-14 (Chart II.1). The wide range of estimates using alternative techniques, on balance, suggests that currently the potential growth may be even somewhat lower than 6.0 per cent. Decline in financial savings, sluggish growth in fixed capital formation over successive quarters, persistently high inflation and low business confidence contributed to the decline in potential growth, particularly in the absence of adequate structural policy measures to lower inflation on a durable basis through improved supply responses and to facilitate implementation of large investment projects. Estimates of potential output are subject to considerable uncertainties given that they are sensitive to choice of methodologies, the time period used for



estimation and end-period growth rates and have to be interpreted with judgment. On current reckoning, the economy seems to be running a negative output gap of about one percentage point, though the error bands around this estimate are wide .

### *Agriculture sector witnessed record production*

II.3 The satisfactory monsoon and the absence of extreme climatic events until lately augur well for agricultural production and rural demand. Adequate replenishment of soil moisture and reservoirs significantly boosted crop production during 2013-14. As per the second advance estimates, the production of rice, wheat, pulses, oilseeds and cotton during 2013-14 have been estimated to be the highest ever. However, preliminary reports suggest that the unseasonal rains accompanied by hailstorm, and frost during early March 2014 in various parts of the country has adversely affected *rabi* crops like wheat, mustard seeds, onions and jowar. The possible effects of *El Nino* on the monsoon also add an additional element of uncertainty for future harvests. In this backdrop, the ability to meet increased food demand in the context of the implementation of the National Food Security Act, in the face of tightening farm labour markets and rising input costs remains a challenge.

***Industrial growth stagnating***

II.4 The Index of Industrial Production (IIP) showed no increase during April-January 2013-14, compared with 1.0 per cent growth in the corresponding period of the previous year. This stagnation in growth over two years reflects subdued investment and consumption demand. This has resulted in contraction in production of capital goods and consumer durables in the current year. Output of basic metals, fabricated metal products, machinery and equipment, motor vehicles, food products, gems and jewellery and communication equipment recorded a decline. Growth of core industries, which provide key inputs to the industrial sector, remained sluggish at 2.4 per cent during April-January 2013-14 compared to a growth of 6.9 per in the corresponding period a year ago. This sluggishness, in part, reflects contraction in natural gas and crude oil production and slow growth in all other infrastructure industries, except electricity.

***Capacity utilisation remained range bound***

II.5 Capacity utilisation (CU), as measured by the 24<sup>th</sup> round of the Order Books, Inventories and Capacity Utilisation Survey (OBICUS) of the Reserve Bank, remained largely flat in Q3 of 2013-14 (<http://www.rbi.org.in/OBICUS24>). This is also reflected in the detrended IIP. Although the current level of CU is lower than that in the corresponding period of the previous year, new orders witnessed substantial growth on both q-o-q as well as y-o-y basis. Finished goods inventory to sales ratio also declined in Q3 of 2013-14 over the previous quarter.

***Lead indicators of services sector indicate an uptick***

II.6 The developments in lead indicators of the services sector activity signal improvement in most segments except cement production and in commercial vehicle sales. Weak consumer confidence has impacted the sale of passenger cars, commercial vehicles and three wheelers. The reduction in excise duty on passenger vehicles and two wheelers in the interim budget for 2014-15, is expected to provide some boost to this sector.

***Employment scenario showing signs of gradual recuperation***

II.7 As per the labour bureau survey, employment generation in eight key sectors that was moderating since January 2012 showed some improvement in July-September 2013 *vis-a-vis* the previous quarter. Some of the private data sources of employment in the organised sector have also registered uptick in hiring since Q2 of 2013-14. The IT-BPO sector contributed to this improvement along with other sectors such as textiles, telecom, pharmaceuticals as well as travel/tourism.

***Aggregate demand continued to moderate in Q3 of 2013-14, even as net exports remained buoyant<sup>1</sup>***

II.8 In contrast to the pick-up in GDP growth at factor cost, the GDP growth at market prices during Q3 of 2013-14 moderated, reflecting lower mobilisation of net indirect taxes. Component-wise, both private and government final consumption expenditure continued to decelerate while fixed investment contracted in Q3. The weighted contribution of net exports to overall growth continued to remain the highest amongst all the components of GDP's expenditure side.

***Efforts to address infrastructure bottlenecks have yielded modest revival so far***

II.9 By the end of January 2014, the Cabinet Committee on Investment (CCI) and the Project Monitoring Group (PMG) had together undertaken resolution of impediments for 296 projects with an estimated project cost of ₹6.6 trillion. As at end-March 2014 around 284 projects worth ₹15.6 trillion are under the consideration of PMG for which issues are yet to be resolved. Official data indicates that there has been a slight decline in the total number of delayed central sector infra-projects. However, 15-20 per cent of these projects, mostly in roads, power and petroleum, have reported additional delays, for which the dates of

<sup>1</sup> Despite the well known limitations, expenditure-side GDP data are being used as proxies for components of aggregate demand.

completion have been extended further. Also, there has been an increase in the number of projects without date of commissioning, mostly in roads reflecting the growing uncertainty about their completion. This suggests that it may take some more time before these clearances result in investment cycle turnaround.

### **Corporate investment intentions improved in Q3**

II.10 Corporate investment intentions improved in Q3 of 2013-14 compared to that in the previous quarter as 179 new large projects with an envisaged cost of ₹791 billion received financial assistance during the quarter, compared with 116 projects with an envisaged cost of ₹ 321 billion in Q2. This improvement was observed mainly in power and cement industries (Chart II.2).

### **Aggregate sales growth (y-o-y) of large companies decelerated in Q3**

II.11 Aggregate sales growth of a sample of 2,378 common companies decelerated to 5.1 per cent (y-o-y) in Q3 of 2013-14 after an upturn to 7.6 per cent in Q2 from 3.3 per cent in the preceding quarter. The deceleration was observed across the manufacturing and services sector, including the IT sector. However, due to lower growth in expenditure relative to sales,

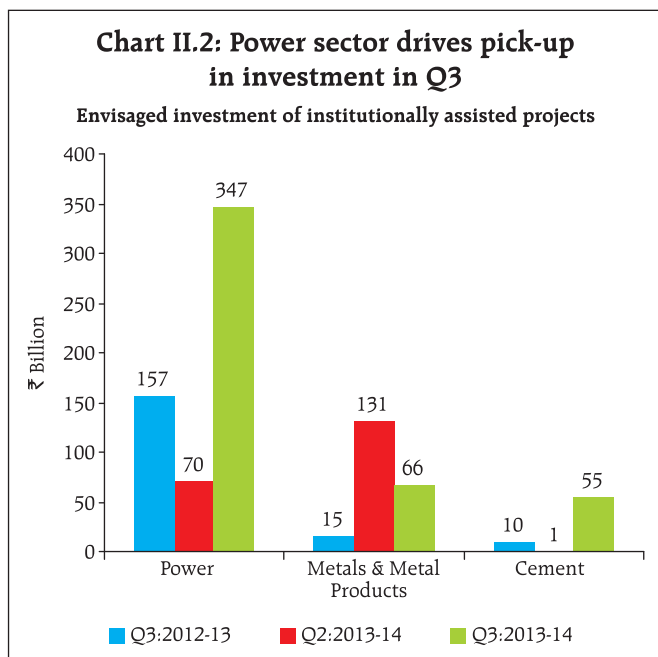
operating profits turned around with a positive growth of 6.5 per cent in Q3 against contraction observed in the previous quarter. Profit margins have also improved.

### **While fiscal targets were met in 2013-14 (RE), the quality of fiscal adjustment needs improvement**

II.12 All key deficits, with the exception of effective revenue deficit, have turned out to be lower in 2013-14 revised estimates (RE) than the budget estimates (BE) in absolute terms. In terms of GDP, while the revenue deficit of 3.3 per cent remained unchanged from the BE, gross fiscal deficit (GFD) and primary deficit (PD) were lower by 0.2 percentage points each, at 4.6 per cent and 1.3 per cent respectively. During 2014-15, the gross fiscal deficit-GDP ratio is budgeted to decline by 0.5 percentage points to 4.1 per cent, which will be in line with the stipulated minimum reduction under the amended FRBM rules.

II.13 In 2013-14 (RE), gross tax revenues recorded a shortfall of around 6.2 per cent over the budgeted level, mainly on account of lower collections under indirect taxes which were affected by the industrial slowdown, deceleration in service sector growth and lower imports. Non-tax revenues, on the other hand, exceeded budgetary targets primarily on account of higher dividend receipts, some of them being *ad hoc* in nature, from various public sector enterprises and public sector banks. Non-debt capital receipts during 2013-14 (RE) fell short of budgetary targets, reflecting lower than expected receipts from disinvestment.

II.14 The shortfall in achieving the budgeted receipts under tax revenue and disinvestment proceeds was more than offset by a sharp cutback in plan expenditure, particularly on the revenue account. Non-plan expenditure stayed marginally higher than the BE, with the overshooting curtailed by a cut in non-plan spending under the fiscal austerity drive that offset a large part of the sharp increase in expenditure on major subsidies. However, while fiscal consolidation was evident in 2013-14 (RE), improvement in its quality is needed.

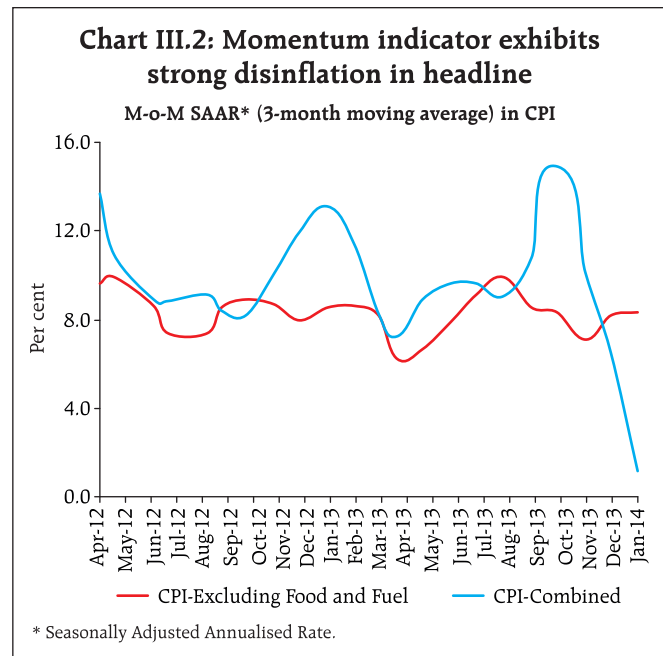
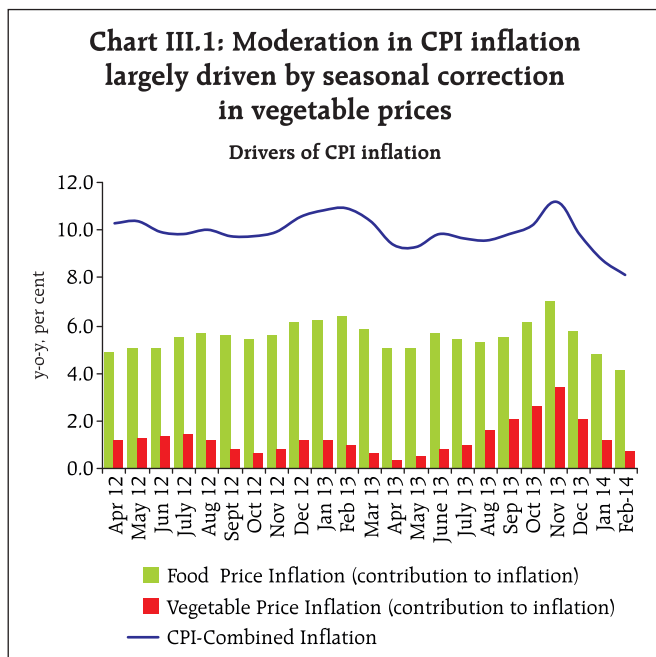


II.15 A more prudent fiscal regime based on accrual accounting may go a long way in improving fiscal transparency. Also, considering that one-off increases in non-tax revenues such as spectrum auctions are unlikely to sustain and the subsidy often tends to overshoot budgetary provisions, further curtailment of subsidies through appropriate price adjustments and better targeting of major subsidies is necessary to improve the quality of fiscal consolidation. There is also a need to cost out growing entitlements, since the full cost of a programme is rarely seen in the initial years.

**III. INFLATION**

***Food price corrections moderate inflationary pressures***

III.1 CPI inflation declined to 8.1 per cent in February 2014 (a 25-month low) from 11.2 per cent in November 2013, mainly due to declining vegetable prices during this three-month period (Chart III.1). Apart from vegetables, CPI inflation in 'cereals and products' posted a significant decline at 9.9 per cent in February 2014 from 12 per cent in November 2013. However, the pace of decline may come off as vegetable prices appear to have run their course of seasonal correction.



III.2 Food and beverages group, which has an overall weight of 47.6 per cent in CPI-Combined, had contributed significantly to overall CPI inflation during April 2012 to December 2013. Inflation in this segment stayed in double digits during this period before declining markedly from 14.7 per cent in November 2013 to 8.6 per cent in February 2014 mainly due to 34.2 per cent fall in the vegetable price index and 3.1 per cent decline in the price of sugar. The y-o-y inflation also eased marginally for transport and communication and housing sub-groups during February 2014, though the index increased on a month-over-month basis. The disinflation momentum was strong in the case of headline CPI while CPI excluding food and fuel remained sticky. This is evident from the trends in month-over-month seasonally adjusted annualised rates (M-o-M SAAR) (Chart III.2).

III.3 Both the build-up of inflation during April to November 2013 and the subsequent fall in inflation during December 2013 to February 2014 was driven by food prices (Table III.1). Apart from vegetables, prices also moderated in the case of sugar and edible oils. Global sugar and edible oil prices have been declining

**Table III.1: Build-up and easing of price pressures during 2013-14: two phases**

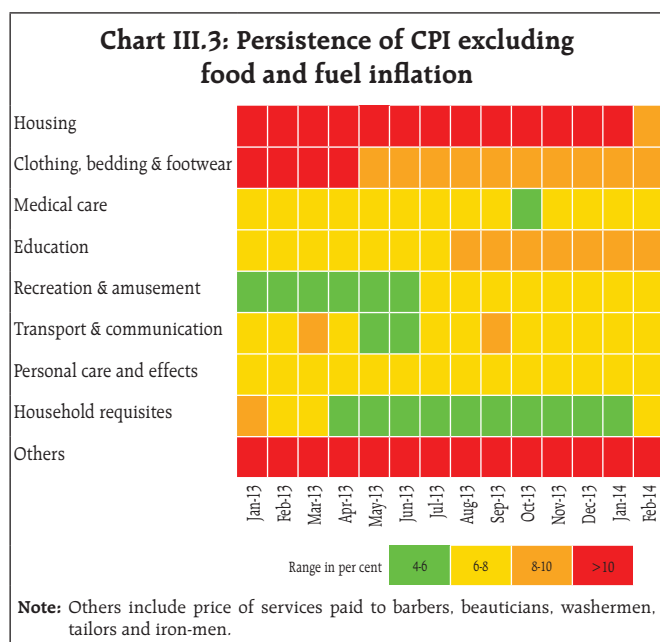
(Per cent)

Groups	Apr-Nov 2013	Dec 13 - Feb 2014	Apr 13 - Feb 2014
1	2	3	4
<b>Food, beverages and tobacco</b>	<b>13.0</b>	<b>-4.1</b>	<b>8.4</b>
Fuel and light	5.5	0.7	6.2
Housing	6.8	2.1	9.1
Clothing, bedding and footwear	6.6	2.1	8.7
Miscellaneous	5.1	1.3	6.5
<b>Overall CPI</b>	<b>9.3</b>	<b>-1.4</b>	<b>7.8</b>

in recent months, but for a marginal pick-up in February 2014, which provided some comfort.

**Wage price spiral pushed up inflation in the services segment**

III.4 CPI inflation, excluding food and fuel, remained high and persistent at 8.0 per cent in February 2014 as compared with 8.1 per cent in January 2014. The persistence was on account of pressures from housing, transport and communication and services led components such as medical care, education and stationery, household requisites and others (Chart III.3). High inflation with respect to CPI services reflected the

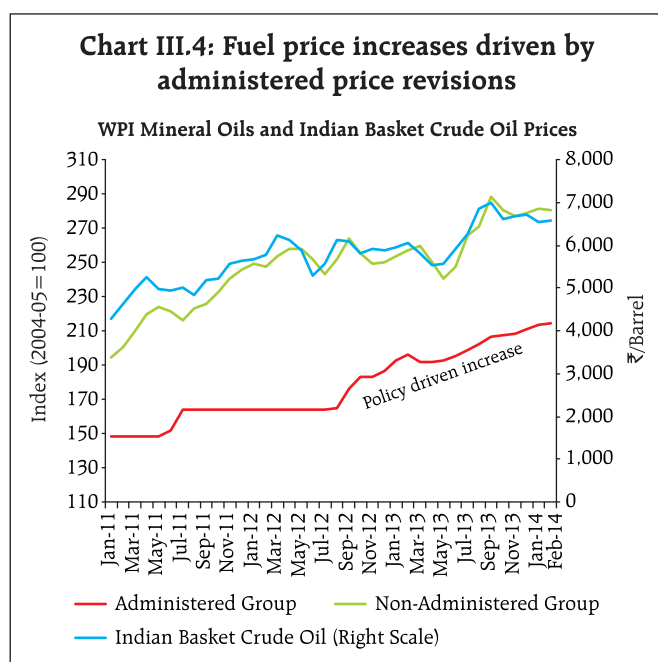


role of wage pressures and other second round effects. The disaggregated CPI data also suggest that most of the items grew in a band of 6-8 per cent, while the 'others' sub-category, which includes charges paid to barbers, beauticians, washer-men, tailors and iron-men, grew at more than 10 per cent. Inflation in the housing sub-group declined marginally below 10 per cent in February 2014 for the first time after the inflation numbers based on the new CPI became available from January 2012.

**WPI inflation moderates significantly, but fuel inflation remains high**

III.5 Inflation as per the Wholesale Price Index (WPI) also recorded a significant fall to 4.7 per cent in February 2014 from 7.5 per cent in November 2013. While disinflationary impulses were led by food prices, non-food manufactured products inflation edged up a bit to 3.1 per cent in February 2014 after ranging between 2.2-2.6 per cent during May-September 2013. This was mainly due to cost push pressures from exchange rate pass-through during July-September and upward price revisions in paper and paper products, chemical and chemical products and basic metals and alloys.

III.6 Suppressed inflation in the energy segment has been substantially passed through by now, though some more adjustment will be necessary in 2014-15 especially in diesel, gas and electricity that can still keep fuel inflation high. Despite moderate pressures from movements in global crude oil prices, WPI inflation in the fuel group continued to be high on account of staggered administered price revisions in the fuel segment (Chart III.4). In the longer run, however, the full pass through of the fuel price to the consumer may as well result in lower inflation as demand is not artificially supported. The release of suppressed inflation also provided some respite to the under-recoveries of oil marketing companies (OMCs). Despite this, the OMCs are currently (effective March 16, 2014) incurring a daily under-recovery of ₹4 billion on the sale of diesel, PDS kerosene and domestic LPG.



***Headline inflation has moderated in recent months, but upside risks remain in 2014-15***

III.7 Pressures to CPI inflation in the recent past emanated from high and volatile food prices, which showed correction along with seasonal moderation in January-February 2014. The latest data from the Price Monitoring Cell of the Department of Consumer Affairs indicate that the seasonal correction has more or less played out. The Reserve Bank's regional price monitoring information also suggests some uptick in prices of vegetable and fruits, especially in the wholesale market. Going forward, inflation may moderate in the context of relatively stable crude oil and range-bound global commodity prices next year. On the other hand, food inflation will depend on the onset and spatial and temporal distribution of the south-west monsoon. The timing and magnitude of revisions in administered prices, particularly electricity and coal, will also affect the trajectory of inflation in 2014-15. However, in the excluding food and fuel segment, retail inflation has been sticky at around 8 per cent. The course of the CPI inflation will hinge on the strength of disinflationary impulses from policy actions, extent of the negative output gap and movements in food prices.

**IV. EXTERNAL SECTOR**

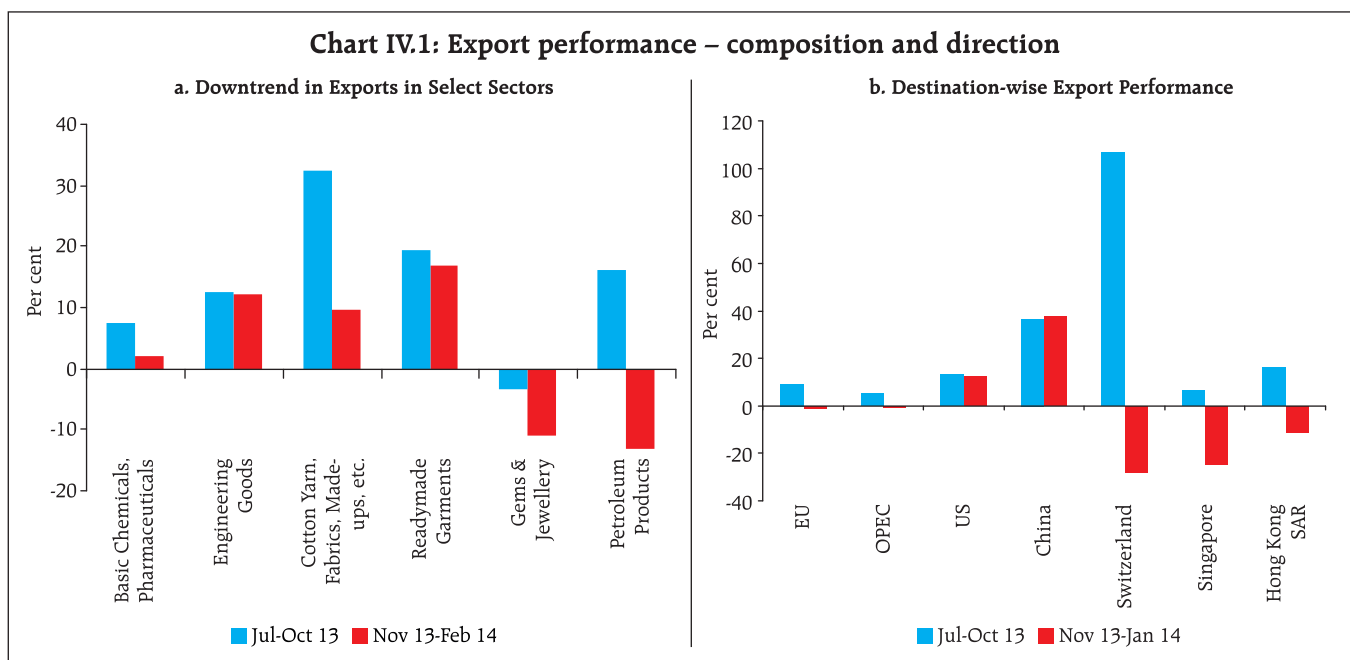
***CAD improves, driven mainly by declining imports***

IV.1 External sector risks have been decidedly lowered, allowing monetary policy to focus on its core job of lowering inflation and supporting growth subject to disinflation. The narrowing of the CAD in 2013-14 followed a lower trade deficit due to higher exports as well as moderation in imports.

IV.2 With a gradual recovery in key partner economies, India's exports began to improve in July 2013; this was also helped by a depreciation of the rupee. However, export growth momentum recorded during July-October could not sustain thereafter. Export growth began to decelerate in November 2013 and eventually turned negative in February 2014. Slowdown in exports in recent months can be attributed to certain sector specific issues and global factors. For instance, 7.1 per cent decline in exports of gems and jewellery during 2013-14 (April-February) could be largely reflective of the price effect (estimated at (-)4.2 per cent) mainly emanating from an 20.1 per cent y-o-y drop in gold prices. Fall in exports of petroleum products are largely attributed to lower gross refining margins in 2013-14 compared with previous year, even though refining margins improved somewhat in Q4 of 2013-14. Destination-wise, while export demand from economies like the US and China was broadly intact during November 2013 to January 2014, a significant decline was evident in exports to EU economies, Switzerland, the OPEC region, Singapore and Hong Kong SAR (Chart IV.1). Going forward, with a likely improvement in global growth prospects, export growth is likely to recover in 2014-15.

IV.3 Imports continued to contract for the ninth successive month, with a sixth straight month of double digit decline. The decline in imports was primarily due to sharp moderation in gold imports since July 2013. India's import bill for POL also remained largely contained reflecting broadly stable international crude





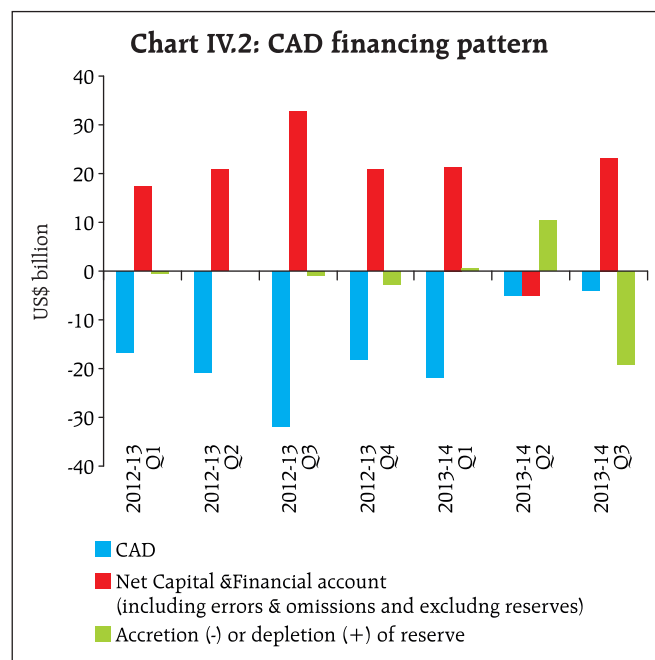
oil prices (average Indian basket) and only a marginal increase in the quantum of oil imports. Although the decline in imports bodes well from the perspective of a CAD decline, the lowering of CAD on this account may not sustain with the expected revival of domestic aggregate demand.

IV.4 Overall, India's trade deficit at US\$ 128 billion during April-February 2013-14 was about 29 per cent lower than that of US\$ 180 billion during April-February 2012-13. The CAD-GDP ratio in Q3 of 2013-14 narrowed to 0.9 per cent from 6.5 per cent in Q3 of 2012-13 and 1.2 per cent of GDP in Q2 of 2013-14. CAD in 2013-14 is expected to be around 2 per cent of GDP. With revival of capital flows and lower CAD, concerns about the financing of latter have eased during H2 of 2013-14 (Chart IV.2).

***Surge in capital inflows led to accretion of reserves; the rupee has moved in a narrow range since end-November 2013***

IV.5 Various measures undertaken by the Reserve Bank since September 2013 augured well for the resumption of capital inflows in subsequent months. The Reserve Bank's swap windows for banks'

mobilisation of fresh FCNR(B) deposits and overseas borrowing helped to build up reserves during September-November 2013. With the revival of portfolio flows since December 2013, India's forex reserves reached US\$ 298.6 billion as on March 21, 2014, an accretion of US\$ 23.1 billion over end-August 2013.



IV.6 With a lower CAD and build-up of foreign exchange reserves, the downward pressure on the currency and the volatility in the Indian rupee began to subside. The rupee has also moved in a narrow range of ₹60.10 to ₹62.99 per US dollar since end-November 2013 (up to March 28, 2014). In fact, during this period the rupee fared better than most of other emerging market currencies. With higher reserves and lower imports, the import cover as at end-December 2013 improved to 7.3 months from 6.6 months as at end-September 2013.

IV.7 In terms of real exchange rates, the 6-currency and 36-currency trade weighted REER as on March 21, 2014 showed a depreciation of 8.2 per cent and 5.9 per cent, respectively over March 2013. However, the 6-currency and 36-currency trade weighted REER, computed on the basis of new CPI index, show a lower depreciation of 7.3 per cent and 3.6 per cent, respectively.

**External sector risks mitigated, but structural adjustments needed for export competitiveness**

IV.8 India's external sector at this juncture is more resilient compared to the post – May 22, 2013 period. A sharp decline in CAD in Q2 and Q3 helped in mitigating external sector vulnerabilities. Further, the increase in foreign exchange reserves has enhanced India's capacity to withstand spillovers from the global economy. In order to ensure that the CAD stays within sustainable level over the medium term, policy efforts should continue to focus on addressing sector specific issues affecting export performance, reducing the savings-investment imbalance by lowering inflation expectations to support private savings in financial assets rather than gold, and structural reforms including fiscal consolidation. Notwithstanding the favourable developments so far, the unanticipated pace of tapering and the political risk surrounding the April-May 2014 general elections call for careful monitoring and appropriate policy measures.

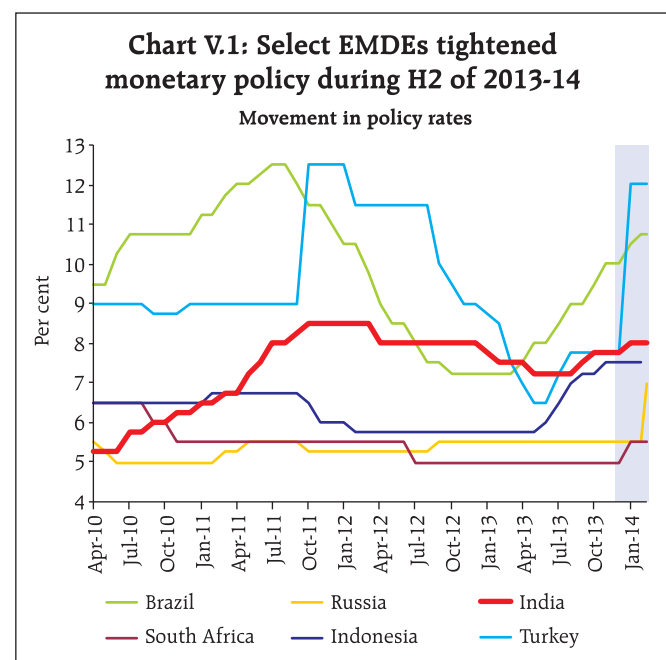
**V. MONETARY AND FINANCIAL CONDITIONS**

**A 25 bps hike in policy rate undertaken in January to secure economy on disinflationary path**

V.1 The Reserve Bank in its Third Quarter Review of Monetary Policy on January 28, 2014, hiked the repo rate by 25 bps to 8 per cent on account of upside risks to inflation, to anchor inflation expectation and to contain second round effects (Chart V.1). The move was intended to set the economy securely on the disinflationary path as recommended by the Urjit Patel Committee.

**End-March pressures keep liquidity tight; RBI announces additional term repos**

V.2 Frictional pressures arising from elevated central government cash balances with the Reserve Bank and a rise in currency in circulation contributed to tight liquidity conditions in the first half of February 2014. However, on the back of significant drawdown in the government's cash balances post the 'Vote on Account' presentation on February 17, 2014, and the injection of additional liquidity through term repos, the strains on liquidity eased.



V.3 This was reflected in the under utilisation of the limit under the overnight LAF and reduced borrowings under MSF. The daily recourse to LAF (including term repo and MSF) declined from around ₹1.3 trillion in mid-February to ₹0.9 trillion in early March 2014. Narrowing of the wedge between credit and deposit growth also contributed to a reduction in the liquidity deficit. To manage evolving liquidity pressures, the Reserve Bank injected liquidity of about ₹95 billion through OMO outright purchase auction during Q4 of 2013-14, in addition to providing liquidity through overnight repo, MSF and term repos.

V.4 However, liquidity conditions tightened from mid-March 2014 on the back of advance tax outflows. In order to address the anticipated tightening in liquidity conditions and with a view to providing flexibility to the banking system in its liquidity management towards end-March, the Reserve Bank announced term repos of various tenors in March 2014. Besides, it extended the MSF facility on March 29 and 31, 2014, both being holidays, to facilitate annual closing of accounts.

V.5 During 2013-14, net liquidity to the tune of about ₹520 billion has been injected through outright OMOs, besides an average daily net liquidity injection of ₹906 billion through LAF, MSF and term repos and ₹294 billion through export credit refinance (ECR). During Q4, an average ₹1.1 trillion has been injected on a daily basis *via* LAF, MSF and term repos and ₹397 billion through ECR.

***Pick-up in currency and domestic assets support growth in monetary indicators***

V.6 In line with the domestic liquidity situation, reserve money increased by ₹313 billion in Q4 of 2013-14 driven by currency in circulation on the components side and net domestic assets, in particular net credit to the centre, on the sources side. Money supply growth ( $M_3$ ) has averaged 14.5 per cent (y-o-y) in Q4 (up to March 7, 2014), the same as in Q3. The pick-up in deposit mobilisation, led by a spike in FCNR(B) deposits in Q3, has since moderated to average 15 per cent

(y-o-y). On the sources side, the credit off-take decelerated to average 14 per cent (y-o-y), thereby narrowing the wedge between credit and deposit growth.

***Credit off-take to industries moderates***

V.7 Deployment of credit to industries moderated in 2013-14, even as credit to agriculture and allied activities, services and personal loans picked up. Within industries, sectors such as food processing, construction, leather, rubber, glass and paper witnessed a pick-up during April-February 2014.

***Deposit and lending rates remain sticky***

V.8 Due to exchange market pressures, the Reserve Bank took exceptional measures in Q2 of 2013-14. Consequently, both deposit and lending rates firmed up by September 2013. With the ebbing of pressures on exchange rate, the Reserve Bank rolled back exceptional measures in a calibrated manner and, therefore, lending rates softened a bit in H2 of 2013-14. On balance, while lending rates were by and large sticky during the year, the median deposit rate of SCBs rose by 35 bps over the year, although it remained almost unchanged in the second half (Table V.1).

V.9 The factors impeding the pace of smooth monetary policy transmission to the credit market include rigidities in repricing for fixed deposits, size of government borrowings, level of NPAs, high inflation and the significant presence of informal finance. In the presence of such structural rigidities in the credit market, the transmission of policy measures, particularly to the deposit and lending rates of banks, was relatively less pronounced as compared to money market rates.

***Volatility contained in domestic financial markets amid renewed global spillovers***

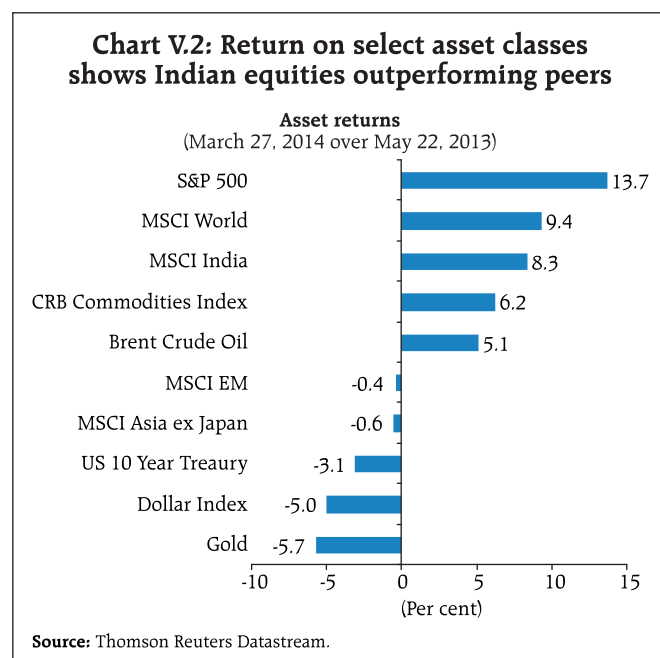
V.10 Following a period of relative calm, the start of calendar year 2014 witnessed a brief spell of moderate global financial market stress due to the escalation of conflict in Ukraine in February 2014. The announcement by the Fed of tapering by US\$10 billion in January 2014

**Table V.1: Deposit and lending rates of SCBs (excluding RRBs)**

(Per cent)					
Items	Mar-13	June-13	Sep-13	Dec-13	Mar-14*
1	2	3	4	5	6
<b>1. Domestic Deposit Rate (All tenor - Average)</b>	<b>7.27</b>	<b>7.33</b>	<b>7.81</b>	<b>7.72</b>	<b>7.71</b>
i) Public sector banks	7.63	7.50	7.77	7.76	7.82
ii) Private sector banks	7.35	7.37	7.72	7.62	7.67
iii) Foreign banks	6.87	7.13	7.93	7.76	7.65
<b>Median Deposit Rates of SCBs (All tenors)</b>	<b>7.42</b>	<b>7.48</b>	<b>7.78</b>	<b>7.75</b>	<b>7.77</b>
<b>2. Base Rate</b>					
i) Public sector banks	9.70-10.25	9.70-10.25	9.80-10.25	9.95-10.25	10.00-10.50
ii) Private sector banks	9.60-11.25	9.60-11.25	9.80-11.50	10.00-11.50	10.00-11.50
iii) Foreign banks	7.20-14.50	7.20-14.00	7.50-14.00	7.50-14.25	7.50-14.50
<b>Median Base Rate of SCBs</b>	<b>10.20</b>	<b>10.20</b>	<b>10.25</b>	<b>10.25</b>	<b>10.25</b>
<b>3. Weighted Average Lending Rate (WALR)</b>					
i) Outstanding Rupee Loans	12.27	12.20	12.31	12.25	12.25 #
ii) Fresh Rupee Loans Sanctioned	11.53	11.46	12.03	11.72	11.69 #

\*: Data pertain to March 25, 2014. #: Data on WALR pertain to February 2014.  
Note: Data on WALR are provisional.

over and above a similar announcement in December witnessed renewed financial volatilities in most EMDEs. The US Fed again decided to taper its asset purchases by US\$ 10 billion beginning April 2014 and signalled an earlier-than-expected start of the policy rate hike cycle, leading to bond yields hardening in the US. In the current environment, equities have become the preferred investment choice, as the low global rates have promoted a renewed search for yields (Chart V.2).

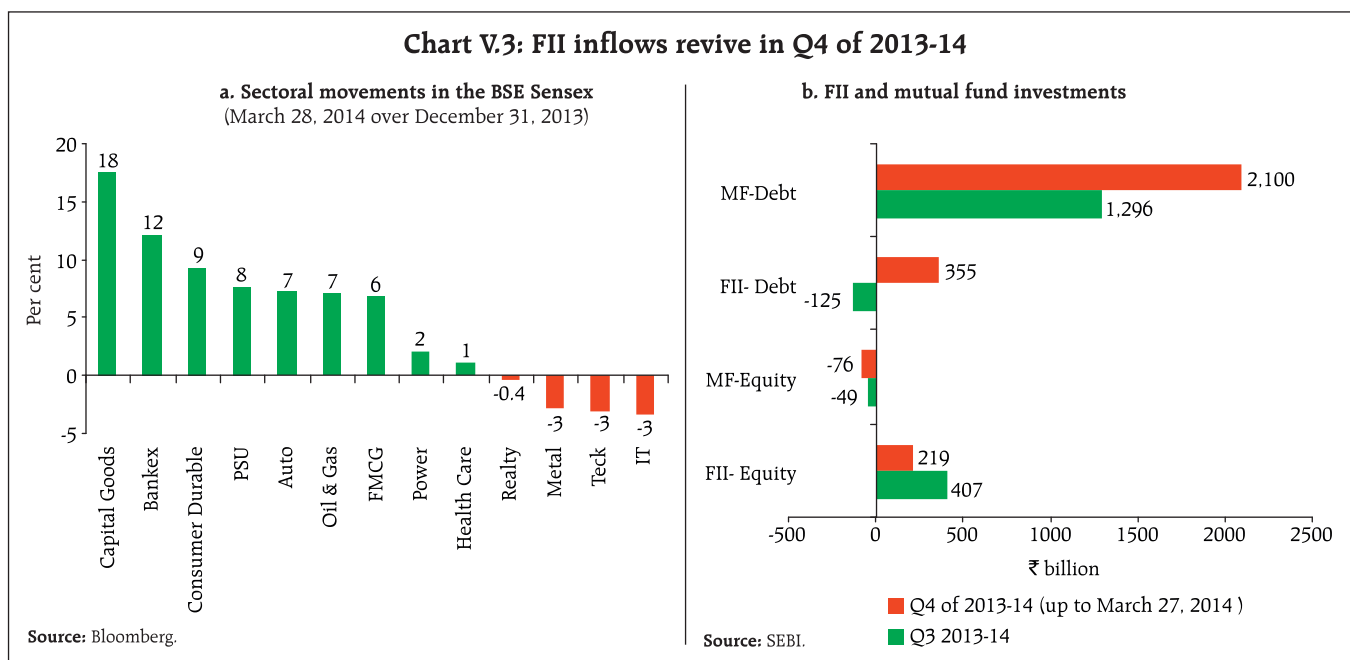


V.11 India was able to withstand the bouts of spillovers much better than its peers in 2014 so far, having utilised the interim period to build buffers. Large debt inflows have occurred in 2014 so far with FII net investments in debt segment aggregating US\$5.8 billion (till March 27). In recent weeks, equity flows have also picked up. Net FII investments in the equity segment aggregated US\$3.2 billion during March so far, taking the total in 2014 so far to US\$3.6 billion (till March 27).

#### ***Equity market stages a recovery, yields stay firm***

V.12 Driven by expectations of a stable electoral outcome and a multitude of positives, including lower trade deficit numbers, lower inflation, an enthusiastic response to the telecom auction, incentives to certain sectors in the interim budget and a lower reported CAD, equity markets witnessed a modest rally with the BSE Sensex and NSE recording increases of about 6 per cent each during Q4 of 2013-14. Large equity inflows into India in recent weeks provided a boost to the rally (Chart V.3). However, primary capital markets continue to remain subdued.

V.13 During Q4, G-sec yields witnessed two-way movements. The yields remained soft at the beginning

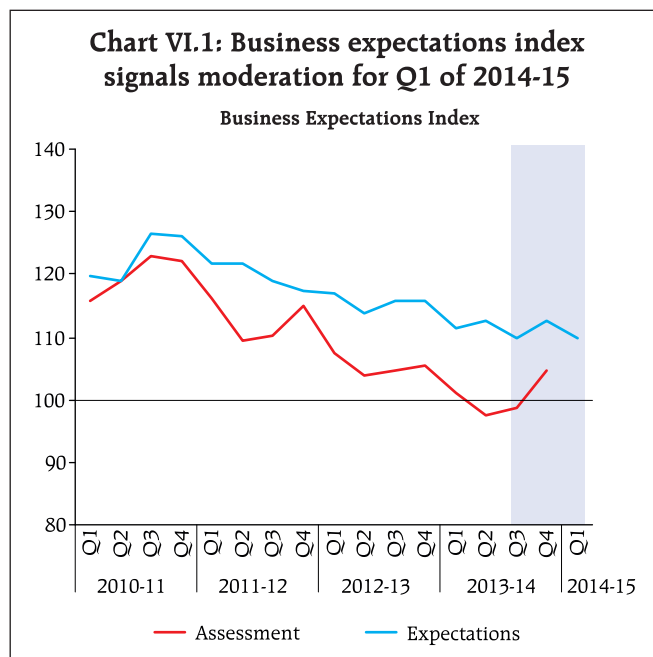
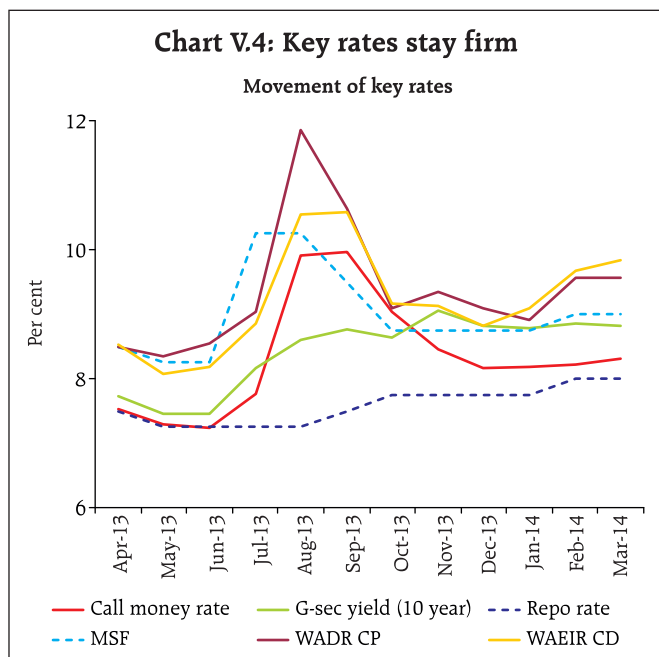


of the quarter in anticipation of lower inflation numbers for December 2013. The policy rate hike in January 2014 resulted in hardening of yields. The yields remained capped after the primary auction deferred earlier was cancelled. The softer inflation numbers for January and February also supported the softening bias. The 10-year benchmark G-sec yield closed at 8.80 per cent at end-March 2014, marginally lower than at end-December 2013 (Chart V.4).

## VI. OUTLOOK

**Industrial Outlook Survey, after indicating improved confidence for Q4 of 2013-14, signal moderation for Q1 of 2014-15**

VI.1 Various surveys conducted around January 2014 had indicated that business confidence improved significantly for Q4 of 2013-14. The Reserve Bank's 65<sup>th</sup> round of Industrial Outlook Survey (<http://www.rbi>).



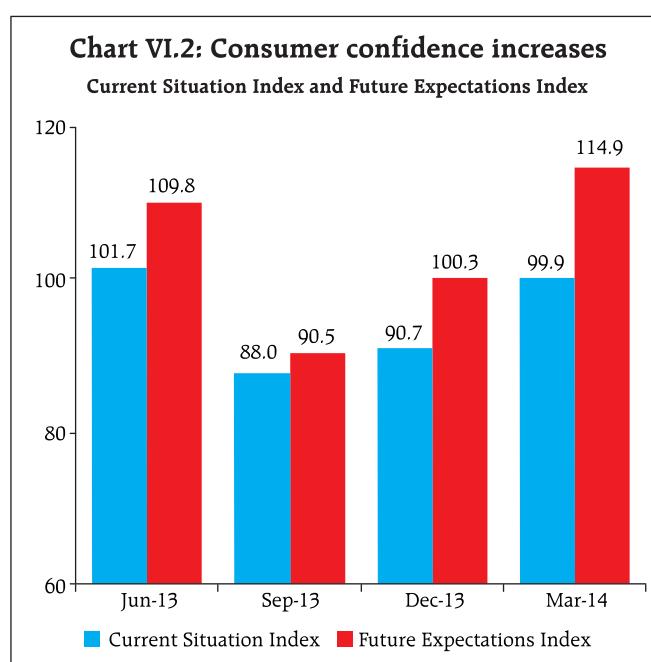
org.in/IOS65) conducted during February-March 2014 reaffirmed that in terms of assessment, the Business Expectations Index improved in Q4 of 2013-14 as compared to the previous quarter. However, based on expectations, it moderated marginally for Q1 of 2014-15 (Chart VI.1).

**Consumer Confidence Index shows sign of improvement**

VI.2 The Reserve Bank's 16<sup>th</sup> round of the Consumer Confidence Survey (<http://www.rbi.org.in/CCS16>) conducted in February-March 2014 showed an improvement in consumer confidence as indicated by the Current Situation Index (CSI) and Future Expectations Index (FEI) (Chart VI.2).

**Professional forecasters anticipate modest recovery in 2014-15, inflation expected to go down<sup>2</sup>**

VI.3 The Reserve Bank's 27<sup>th</sup> round of the Survey of Professional Forecasters outside the Reserve Bank (<http://www.rbi.org.in/SPF27>) showed that a modest recovery in 2014-15 is expected with growth at around 5.5 per cent. The expected CPI inflation for 2014-15 has been revised downwards to 8.0 per cent from 8.5 per cent in the previous round of the survey. Their forecast for CAD in 2014-15 is also now significantly lower at 2.4 per cent of GDP (Table VI.1).



**Perceptible decline in households' inflation expectations**

VI.4 The latest round (*i.e.* January-March 2014) of Inflation Expectations Survey of Households (IESH Round 35) (<http://www.rbi.org.in/IESH35>) indicates that the perception of three-month ahead and one-year ahead median inflation expectations of households moved down as compared with the previous quarter.

**Table VI.1: Growth expected to be higher in 2014-15**

*Median Forecasts of Select Macroeconomic Indicators by Professional Forecasters 2013-14 and 2014-15*

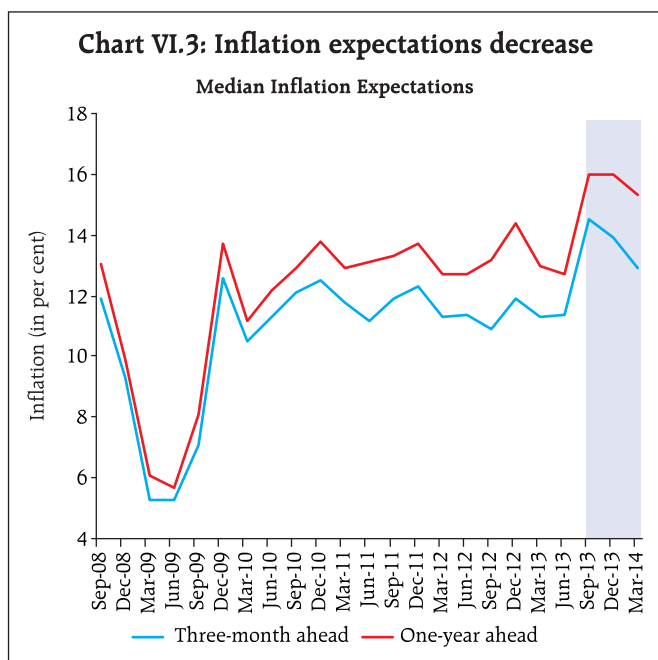
	Actual 2012-13	Annual forecasts				Quarterly Forecast									
		2013-14		2014-15		2013-14		2014-15							
		E	L	E	L	Q4		Q1		Q2		Q3		Q4	
						E	L	E	L	E	L	E	L	E	L
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1. Real GDP growth rate at factor cost (%)	4.5	4.8	4.7	5.6	5.5	5.2	4.9	5.3	5.0	5.6	5.3	5.6	5.7	-	5.9
a. Agriculture and Allied Activities	1.4	4.1	4.0	2.9	3.0	4.8	4.8	3.4	3.1	3.0	3.0	3.0	3.3	-	3.0
b. Industry	0.9	1.5	0.6	3.6	3.5	2.0	1.0	3.0	2.0	3.2	2.0	3.7	3.5	-	3.9
c. Services	6.2	6.2	6.5	7.0	6.9	6.3	6.2	6.5	7.0	6.8	6.8	7.2	7.2	-	7.4
2. Gross Domestic Saving (% of GDP at current market price)	30.1	30.5	30.4	31.0	31.0	-	-	-	-	-	-	-	-	-	-
3. Average WPI-Inflation	7.4	6.4	6.0	6.0	5.8	6.6	5.2	6.8	5.8	6.0	4.6	5.5	4.9	-	6.0
4. Average CPI-Combined Inflation	10.2	9.9	9.5	8.5	8.0	9.7	8.3	9.5	8.2	8.9	7.6	8.0	7.3	-	8.4
5. Exchange Rate (₹/ US\$ end period)	54.4	-	-	-	-	-	-	61.5	61.0	61.5	61.0	61.0	60.0	-	59.8
6. Current Account Deficit (% of GDP)	4.8	2.7	2.0	2.8	2.4	-	-	-	-	-	-	-	-	-	-
7. Central Government Fiscal Deficit (% of GDP)	4.9	5.0	4.6	4.7	4.3	-	-	-	-	-	-	-	-	-	-

E: Previous Round Projection. L: Latest Round Projection. - : Not Available.

Note: The latest round refers to 27<sup>th</sup> Round.

Source: Survey of Professional Forecasters, 27<sup>th</sup> Round.

<sup>2</sup> The forecasts reflect the views of professional forecasters and not that of the Reserve Bank.



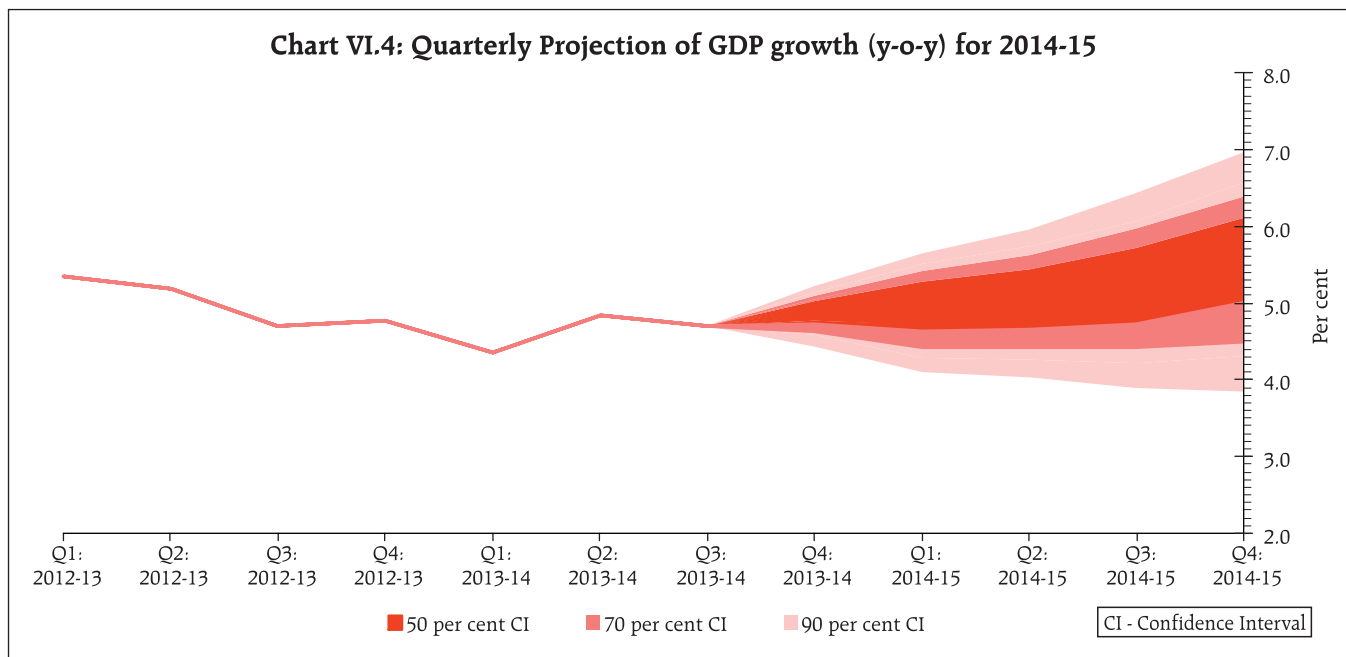
The qualitative responses indicate that the proportion of respondents expecting price rise by 'more than current rate' has also decreased for both three-month ahead and one-year ahead period as compared with the previous quarter (Chart VI.3).

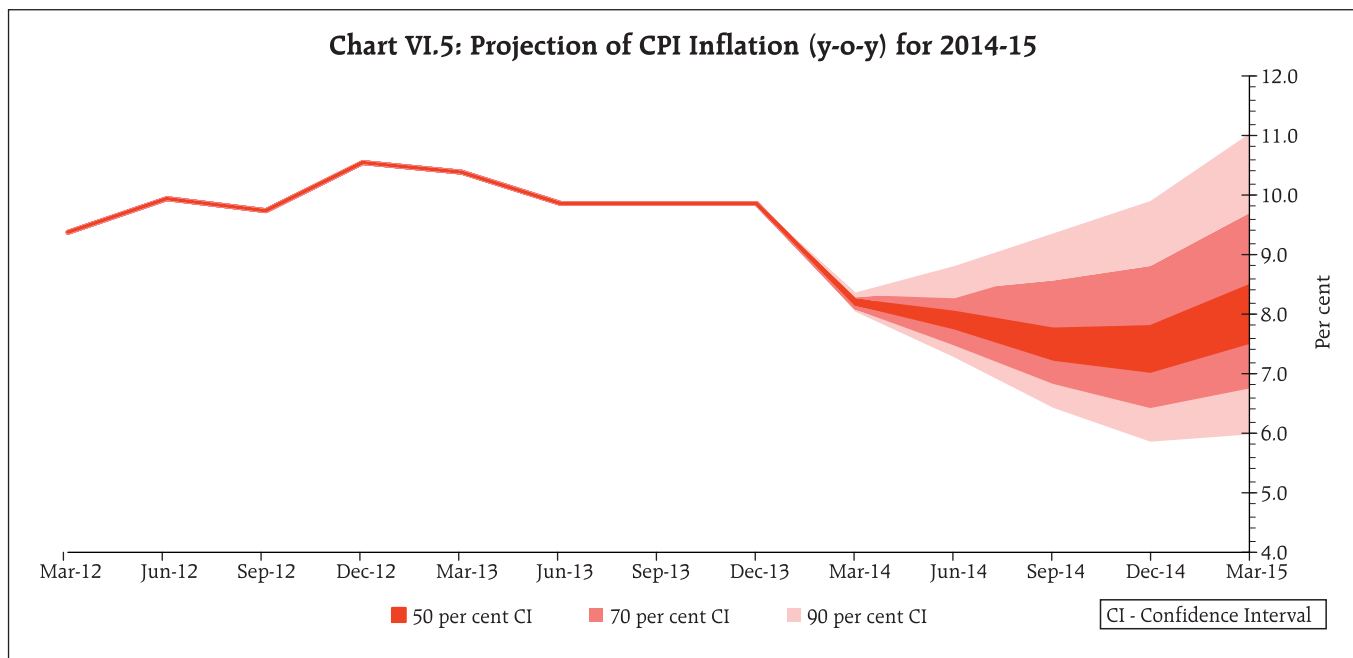
**Modest recovery likely to shape in 2014-15**

VI.5 The outlook for the Indian economy has improved over the past two months with cautiously

positive business sentiments, improved consumer confidence, expectations of a modest recovery in growth and decline in inflation expectations. The challenge for maintaining disinflationary momentum over the medium term, however, remains. GDP growth at 4.7 per cent in Q3 of 2013-14, was slightly higher than that in the corresponding quarter of the previous year, but it has not been enough to suggest that the advanced estimates of 4.9 per cent during 2013-14 could be realised. The economy will now have to record a 5.5 per cent growth in Q4 to realise that growth, which on current assessment looks difficult.

VI.6 A moderate recovery is likely to set in 2014-15 broadly in line with the Reserve Bank's indicated projections in January 2014. However, data revisions for previous quarters and the consequent changes in base effects impart uncertainty to the growth trajectory ahead. The pace of recovery, nevertheless, is likely to be modest (Chart VI.4). The recovery is likely to be supported by investment activity picking up due to part resolution of stalled projects and improved business and consumer confidence. Manufacturing PMI, for the month of February 2014, touched a year's high on the back of higher output and new orders. The rural demand base is likely to shore up demand following record agricultural output. In addition, external demand is expected to improve further during





2014-15 stemming from encouraging prospects for global growth, notwithstanding some recent loss in export growth momentum.

VI.7 Downside risks to growth have increased marginally since January 2014 taking into account the continued weak performance of industry and increase in risks to agriculture from the *El Nino* phenomenon, though the actual outcome on the monsoon depends on several other weather parameters. Tighter global financial and monetary conditions, in addition to continued fiscal adjustment in some countries can also drag recovery. More importantly, if electoral outcomes fail to provide a stable government, the downside risks to growth could accentuate. To a large part, the recovery remains contingent on improvements in the investment climate.

***Disinflation proceeding on anticipated trajectory***

VI.8 Weak demand conditions kept global commodity price indices, for most of the primary commodities, well contained during 2013. In the baseline scenario, commodity prices are unlikely to increase significantly during 2014. The demand pressures are expected to remain muted against the backdrop of an expected gradual recovery in the advanced and emerging market economies and improved supplies. In the current scenario, global food and metal prices are likely to moderate. Brent crude oil spot prices averaged around

US\$ 108/barrel (bbl) during Q4 of 2013-14. As per the US Energy Information Administration (EIA), the Brent crude oil price is projected to average at US\$ 105/bbl and US\$ 101/bbl in 2014 and 2015 respectively, thus imparting a mild softening bias.

VI.9 Going forward, while the global commodity price scenario provides some comfort, the pace of deceleration in inflation may decline from what has been witnessed in recent months. This is because of the seasonal correction in vegetable prices likely having played itself out and supply-side responses remaining weak. In addition, significant month-to-month changes in base effect have a propensity to distort the underlying inflationary trajectory ahead. After some rise in the near months, headline inflation is expected to trend down aided by favourable base effects. It may bottom out in Q3 of 2014-15 before large adverse base effects and expected improved activity take inflation back to around the current levels (Chart VI.5).

VI.10 Risks to inflation are more on the upside. They largely emanate from any adverse outcome on the monsoon, resurfacing of geopolitical risks that could lift commodity prices, sharper-than-anticipated tapering that could lead to exchange rate pass-through pressures and return of pricing power as the output gap narrows.



# SPEECH

Transforming Credit Information into Action:  
Issues and Challenges



## *Transforming Credit Information into Action: Issues and Challenges\**

***K. C. Chakrabarty***

Shri M. V. Nair, Chairman, CIBIL; Shri R. V. Verma, CMD, National Housing Bank; Shri M. V. Tanksale, Chief Executive, Indian Banks' Association; Shri Rajiv Sabharwal, Executive Director, ICICI Bank; Shri Arun Thukral, Managing Director, CIBIL; Shri Satish Pillai, Chief Operating Officer, CIBIL; delegates to the Conference; friends from the media fraternity; ladies and gentlemen! It is a pleasure for me to be present here this morning to deliver the keynote address at the Sixth Annual Credit Information Conference organized by CIBIL. It is heartening to note that CIBIL has completed 10 years of successful operations of its Consumer Bureau in India. While I congratulate the entire team of CIBIL on this occasion, I must also sound a word of caution amidst the euphoria that this occasion brings in. It is a time for CIBIL and indeed for all the credit information companies in the country to introspect and reflect on what the industry has achieved over the last decade and whither to from here? The spurt in the stressed assets in the banking system has put a spotlight on the effectiveness of the Credit Information Companies in the country. With huge increase in the data/information availability, could they have sounded a timely warning about the impending deterioration in the quality of assets in the banking system?

2. As the pioneer of the credit information services in the country and as the most dominant player in the industry, CIBIL has a very critical role in how industry

responds to the current challenges and adapts itself to remain relevant. In the financial services industry, the dominant player has to be much more resilient, much more responsive and much more restrained than others. These are the qualities you must develop. CIBIL has a tremendous responsibility, a responsibility to not only propagate the usage of credit information by the lenders but, at the same time, of ensuring that the consumers see merits in maintaining a clean credit history. I observe that the theme of the Conference "Transforming Credit Information into action: powering growth through data, analytics and decisioning" is very topical as it reflects a vision of taking the industry forward. In my address today, I would outline the essential pre-requisites of a good credit information system and how this information can be used for improving the efficiency of the credit delivery system in the country. I would also share my perspectives on some of the issues and challenges facing this sector and the regulatory / supervisory measures taken by the RBI in this area. However, before I get into those issues, let me begin by giving a brief historical perspective of the functioning of Credit Information Companies in India.

### **Historical Perspective**

3. With a view to facilitating the distribution of credit to all sectors of the economy, the RBI observed a need for establishing a Credit Information Bureau for the collection of credit information relating to borrowers from lending institutions and for the provision of such information to the financial system. Accordingly, a Working Group (Chairman: N. H. Siddiqui) was set up in 1999 to explore the possibilities of setting up a Credit Information Bureau in India. The Group, in its report of November 1999, affirmed the urgent need for establishment of a credit bureau and accordingly, Credit Information Bureau (India) Ltd. (CIBIL) was incorporated in August 2000. CIBIL launched its credit bureau operations in April 2004 and its commercial bureau operations in May 2006.

\* Keynote address delivered by Dr. K. C. Chakrabarty, Deputy Governor, Reserve Bank of India at the Sixth Annual Credit Information Conference in Mumbai on March 20, 2014. Assistance provided by Shri Rajesh Jai Kanth and Ms. Jayanthi N. in preparation of this address is gratefully acknowledged.

Following enactment of the Credit Information Companies (Regulation) Act (CICRA) in 2005, three other Credit Information Companies (CICs) have also been set up.

4. At the level of a regulator, credit registries can play a pivotal role in providing insights that can drive effective policy changes. They can also provide important inputs for the banking supervisors in monitoring systemic risks. A further use at a regulatory level may be to analyze appropriate capital and provisioning strategies for banks and, in particular, to assess whether current capital and provisioning regulations match up to actual risks. For the CICs/credit registries to be effective, the integrity and completeness of data is one of the essential pre-requisites. However, as I alluded to a little bit earlier, even after more than 10 years of their existence, the credit information companies/bureaus have not been able to penetrate the market in a meaningful way. There are a whole host of issues which have impeded the growth and acceptance of the CICs in India with quality of data submitted by the lenders, multiplicity of CICs, use of alternate data and consumer protection being the major ones. With a view to overcome these issues and challenges, the RBI had set up a Committee (Chairman: Shri Aditya Puri, MD, HDFC Bank Limited) to examine the above issues and to also recommend a data format for furnishing of credit information to CICs by Credit Institutions. The Committee was also mandated to suggest best practices for the guidance of Credit Institutions in respect of usage of credit information as a part of their credit appraisal process. The final report of the Committee is awaited.

#### **Information into Action: The essential pre-requisites**

5. Let me now turn to the theme of the Conference "Information into action." What do you need for putting 'information into action'? In the context of the Conference, this essentially means that available credit information has to be extensively used for drawing

inferences for making lending decisions. Some of you might know that I have been a student of statistics; hence, I would use an analogy from that discipline to explain under what conditions can the information be used for decision making. In statistics, if any sample data is to be used to draw some inference about the population parameters, the estimates should satisfy four basic characteristics. These are "unbiasedness", "consistency", "efficiency" and "sufficiency". Similarly, if the credit information has to be used for facilitating effective lending decisions, the information should also satisfy the above four important characteristics. Let me explain them one by one.

- a. *Unbiasedness*: When I say that the information should be unbiased, it basically means that the information gathered should not be biased in favour or against a consumer, lender or a borrower. The CIC should not say that an inaccurate rating was arrived due to wrong data provided by a bank. The onus is on the CICs to ensure that the data that they gather is error – free and they are able to give unbiased information to their customers.
- b. *Consistency*: The credit worthiness of a borrower should be consistent and accurate. If one CIC rates a borrower as good and the other one rates him bad, this means that the credit information system is not consistent. Likewise, the rating of a borrower should not vary from one loan product to the other.
- c. *Efficiency*: An efficient information system should ensure that the CICs are able to provide reliable, accurate and unbiased information at the least possible cost.
- d. *Sufficiency*: The credit information system can be considered sufficient if it contains all required credit and payment related information about the borrower and no other CIC can give any additional material information on the credit history of that particular borrower.

### **Completeness of information**

6. While I agree that at this stage we may not be close to meeting the four essential constituents of a robust information system, I would like to emphasize that unless we strive to meet them, we would not be able to transform information into action. A very important consideration for meaningful transformation of credit information into action is the completeness of data. Around 90% of our population has never borrowed from the formal financial system and hence does not have any credit history. Under the circumstances, they are quite likely to be denied credit by the lending institutions. How the completeness of data can be achieved in such cases? I will return to this aspect in a little while.

### **Quality of Data**

7. A central strand of completeness of information is the quality of data. The efficiency and effectiveness of a credit bureau is largely dependent on the quality of data collected in its database. The RBI has issued guidelines for submission of timely, accurate and error free data to the bureau. However, our observation is that the data furnished by banks to CICs in many instances continue to be incomplete / inaccurate. As we all know, the quality of the product can only be as good or as bad as the inputs. The data containing junk values, incorrect information and incomplete identifier fields fed by the lenders to the CICs would only lead to half-baked outputs and eventually contribute to creating information asymmetries between borrowers and lenders. While, I understand that the quality of data held by microfinance institutions about their borrowers is comparatively better, the quality and consistency of data of the banking system is not very reliable and hence, poses significant challenges to the effectiveness of credit information system. The CICs in India are trying to address the issue by taking recourse to proven best practices and supporting technology to ensure that the credit information

rendered by them are accurate, complete and updated. They have also started undertaking quality checks while receiving and uploading of members' data while returning the records rejected during the validation process back to the members along with reasons thereof, for correction and re-submission.

8. It is heartening to note that the results of efforts taken by CICs to clean the data have been positive as reflected in the improving 'hit rate' of the CICs. I understand that even in developed economies like the US, where credit bureaus have been in existence for over a century and where there are well evolved identification and verification systems, the bureau hit rate has been around 85%. So, while the hit rate of around 75% in the case of Indian CICs in the face of significant roadblocks like lack of unique identifiers and geographic and cultural diversities can be considered good, there definitely is scope for further improvement.

### **Alternate data sources**

9. Let me now come to another strand of completeness. As I mentioned a little while back, a sizeable number of individuals/small business owners may not have a prior credit history. So, how the completeness of data can be ensured in such cases? Certain World Bank studies have indicated that inclusion of reporting of non-financial payment data (alternative data) proves extremely beneficial for making lending decisions, specifically for the segment not having access to credit. The financially excluded consumers who have a positive payment record in non-financial obligations, can have access to affordable credit. CICs have requested the RBI to permit them to collaborate with sectors like Telecom, Utility and Trade credit for inclusion of their data in the credit bureau database. They have stated that inclusion of these data sources in the bureaus database will not only benefit financial sector but also be useful for the Telecom, Utility and Trade credit sector. The Committee on

Comprehensive Financial Services for Small Business and Low Income Households (Dr. Nachiket Mor, Chairman, December 2013) has suggested inter alia, the need to develop a robust legal and regulatory framework around customer data generated in various transactions (credit and payments, digital and off-line), with the objective of customer ownership of their own transactions data and its use, among others, for signaling credit-worthiness. In this regard, the Committee has recommended that the RBI should constitute a Working Group comprising of TRAI, CERC, and Credit Information Companies to develop a framework for sharing of data between telecom companies, electrical utilities, and credit bureaus. The suggestions/recommendations of the Committee are being presently examined by the RBI.

#### **Single v/s Multiple CICs**

10. There is a view that the existence of multiple credit bureaus in an economy ensures competition and creates a cost advantage for the users. However, where consumers as well as financial institutions do not have complete understanding of the benefits of bureaus, this could lead to disaster. Due to the functioning of multiple bureaus, only a fragmented view of the borrower can be obtained and a holistic financial picture may be hard to achieve. It has been suggested in several quarters that in an environment where such infrastructure does not exist at all, the initial impetus may have to come from the Government/regulator. In such a model, initially there could be a single CIC; and later on, a model with multiple players could evolve to avoid a monopolistic environment. In addition, besides setting up the bureaus, the government/regulator may also need to work towards education and awareness of both, the financial institutions as also the consumers.

11. In India, while setting up of CIBIL heralded the beginning of the credit information system about a decade ago, the Credit Information Companies

(Regulation) Act, 2005 (CICRA) provided for an increase in the total number of CICs which may be granted the certificate of registration for carrying on such business. Thus, with the realisation that competition will bring better technology and efficiency in the system, three other companies were issued 'in-principle' approval to set up CICs in April 2009.

12. With at least 3 years of multi-CIC environment behind us, the problems of data fragmentation are coming to the fore. CICs collect credit information from banks and financial institutions, Non Banking Financial Companies, Housing Finance Companies, Micro Finance Institutions, credit card companies, etc. today. In terms of Section 15 of CICRA, every credit institution has to become a member of at least one CIC. Since four CICs are functional, there is the consequent issue of data existing in silos. As of now, when enquiry is made with one CIC about a certain borrower or prospective borrower, only the information that has been provided to the CIC by its own members would be available at that CIC. The information from the credit institutions from whom the borrower may have availed a credit facility but who are not members of that particular CIC, may not be included in the credit information report provided by it. This is another challenge with regard to the completeness of data.

#### **Data on Commercial Accounts**

13. The database in the CICs has been primarily used in the retail segment, especially while approving credit cards, personal loans, home loans and auto loans. Anecdotal evidence shows that a major chunk of this has been accounted for by the private banks and foreign banks with the public sector banks only recently starting to use them in a significant way. In the commercial segment, the use of the bureaus has not been to the same extent. SMEs are a big growth driver of any economy, accounting for a majority of jobs and exports. Inadequate credit flow has been one of the factors constraining the growth of the SME

sector. One of the reasons for banks' reluctance to lend to this group is the unavailability of reliable information for banks to assess the creditworthiness of SME units. There is a significant role for the CICs in building an information base on SMEs and assisting banks in their credit decision making. This will facilitate the free flow of credit to SMEs and would provide an impetus to overall economic growth. The CICs would progressively need to enlarge their information database by bringing more sectors under their fold.

14. As I mentioned earlier, the Committee headed by Shri Aditya Puri is also looking into the issue of low usage of credit information by member institutions. We understand that some of the banks have complained about the high cost of obtaining a report as one of the considerations for low usage of credit information. On the contrary, the CICs are of the view that prices would come down with increased usage. In this context, the Committee has felt that workshops for creating awareness about Credit Information Reports (CIRs) and their use in credit appraisal by lenders would be more meaningful and these could be held regularly, in association with industry-level bodies like IBA or MFIN.

### **Unique Identifiers**

15. A study in August 2005 on "The Evolution of Credit bureaus in Asia-Pacific" had recognised that there are challenges relating to data quality and consumer identification issues that CICs in India (at that point only CIBIL was in existence) will need to overcome. Sadly, these challenges continue to plague the system. As banks in India have inadequate electronic data capture systems and inadequate networking facilities, problems encountered in data-collection may be magnified multi-fold. Notwithstanding the massive numbers of unique identities generated by the UIDAI, the country as a whole does not have a single official national identification registry for uniquely identifying an individual. On our part as banking supervisors, despite our continuous

persuasion, the Indian banks have not been able to assign a unique identification number of their customers. CICs have tried to work around this problem by sometimes using the Ration Card number, Voters Id, PAN and Aadhaar number or a combination of these. However, the results have much scope for improvement since mix-up of credit information results in customer grievance.

### **Customer Grievance Redressal Mechanism**

16. The Credit Reporting Knowledge guide recognises that "a challenge to data accuracy and validation is the lack of uniform identification schemes. Issuing national unique identity numbers is usually within the prerogative of the government. Adopting an identification system at the initial phases of establishing a credit reporting system would be ideal, but is not always realistic." In such a scenario, both Credit Institutions and CICs must have customer friendly policies in place. Credit institutions should ensure that the records submitted to CICs are updated regularly. Customer grievance redressal should be given top priority especially in respect of complaints relating to updation/alteration of credit information. CICs, at their end, should have a structured and systemic process for redressing grievances. They should abide by the period stipulated under the CICRA in respect of updation, alteration of credit information, resolution of disputes etc.

### **Summing up**

17. I quite agree that there are significant hurdles to achieving completeness of information in terms of meeting the four fundamental criteria of unbiasedness, consistency, efficiency and sufficiency that I mentioned in the beginning. Some of the deficiencies of completeness of data/information can be overcome through use of better analytical tools by the CICs. In this regard, CIBIL could leverage upon its association with global leaders like TransUnion for providing much better solutions to their member institutions. A robust

customer redressal system would also go a long way in improving the quality of information, by making the lenders aware about the importance of providing accurate data. The CICs need to be sensitive to the grievances of the customers and provide redressal in a timely manner. This would not only improve the quality of data but also lend credence to the utility of the credit information system in the country.

18. Notwithstanding the data quality and completeness issues, the lending institution should start using these information into their decision making process as unless the institutions use the data/information from the CICs in their decision making process and for pricing of their loan products, the completeness of information cannot be expected to improve.

#### **Sharing of information and the individual's privacy rights / sharing of personal information**

19. Having dwelt upon the essential pre-requisites for transformation of information into action let me highlight the issues of protecting the individuals' privacy rights insofar as CICs business is concerned. As per FSLRC report, personal information means any information that relates to a person or permits the inference of a person's identity. This includes demographic information such as the person's name and contact information; biometric information; and transactional information about holdings and dealings in financial products and services. The draft Code provides for the following protections for personal information:

- A prohibition on collection of personal information beyond what is required for providing the relevant financial service.
- A requirement to maintain confidentiality of personal information, unless the consumer has consented to the disclosure or it is otherwise permitted by law.

- An obligation to maintain accurate, up-to-date and complete personal information, and to allow consumers reasonable access to their personal information.
- Powers given to the regulator to specify additional requirements, exempt some financial service providers from application of this protection and establish mechanisms to ensure that consumers can access their personal information

20. The activities of credit bureaus are regulated almost everywhere so as to prevent violation of privacy and civil liberties. Privacy laws effect a wide range of issues that affect the individual, viz., limits on access to credit information by specified users (i.e. credit institutions and other entities allowed to use such information), setting time limits for how long such information can be maintained at the CICs, and the right to access, check and correct one's own credit information.

21. In India, the various provisions of CICRA cover the regulation of credit information business and also include responsibilities of the bureaus, rights and obligations of the credit institutions and safeguarding privacy rights of the individual. We can understand credit information about an individual at the CICs as a reflection of how he or she behaves with relation to his lender/s. If he/she is a good borrower, there is a record of such repayments; else a record of defaults is built up. This is akin to reputational collateral which is used by CICs to provide a picture of the individual to a prospective lender. In some cases, existing lenders themselves may like to review their portfolio to evaluate the functioning of such individual borrowers post disbursement of credits and also determine if the payment-performances have taken a turn for the worse. It may be emphasised here that the credit information report which is built up from such stored credit information does not by itself say whether the borrower or the prospective borrower is a good credit



risk or bad credit risk. It only provides lenders with the data which allows them to take the decision themselves, depending on their risk-reward trade-off and their internal policies. This gives them the comfort of taking an informed decision based on the credit information available within the system.

22. It is not uncommon for questions such as "Why should my information be passed around in the system?" to be raised, even today in our context. The provisions of CICRA seek to strike a balance between the dual objective of putting in place an efficient system of sharing of credit information in the larger interest of financial system on one hand, and maintaining the privacy of such information, on the other. As part of their customer education and awareness efforts, the CICs should be able to effectively communicate the benefits of lower interest rates that the consumers may derive if they are perceived as 'good borrowers'.

#### **Recent Regulatory / Supervisory Measures**

Let me now turn my attention to few of the recent regulatory/supervisory measures we have initiated in this area.

##### **(i) Central Repository of Information on Large Credits (CRILC)**

23. As you all know, Dr. Raghuram Rajan on assuming charge as Governor, the RBI announced that the RBI proposed to collect credit data and examine large common exposures across banks which will enable the creation of a central repository on large credits, which may be shared with the banks. This is expected to enable banks themselves to be aware of building leverage and common exposures. The **CRILC** is expected to act as a repository of large credits containing system-wide exposure of individuals and entities having exposure (both fund and non-fund based) of more than ₹50 million. Thus, the basic purpose of CRILC is to collect, store and disseminate large credit data to banks. The underlying objective of the creation of the CRILC

is to tackle the menace of rising NPAs in the Indian banking system. I would like to urge the banks and the CICs to also put in place a system to collect credit data of exposures which are even below ₹50 million, so that they could have reliable information about all the borrowers in the financial system.

##### **(ii) Investment in Credit Information Companies**

24. The RBI has issued a revised directive on November 29, 2013, allowing higher FDI limits to entities which have an established track record of running a Credit Information Bureau in a well regulated environment. This regulatory measure is aimed not only at bringing in the much needed foreign equity support but also to keep intact competition in this sector. As a result of this measure, the foreign partners of the CICs are taking steps to increase their equity stakes in the CICs and thereby continue to bring in foreign technology support to this long gestation capital intensive industry.

#### **Conclusion**

25. Before I conclude, let me revisit the reasons for why the credit information bureaus including CIBIL, have not received the level of success they would have expected, even after a decade of their existence. In essence, the two users of the credit information, the lending institutions as well the consumers are still wary of the outputs generated by the CICs. While on the one hand, the lenders do not see compelling reasons to subscribe to the CIC reports for want of appropriate information or analytics, the consumers on the other hand are still sceptical about the authenticity of the CIRs. There have been numerous complaints about the CICs handing out incorrect reports to the consumers who have to then run from pillar to post to get these corrected. The grievance redressal system in this area, in fact, needs a thorough overhaul. Thus, going forward, the challenge for the CICs and indeed, for CIBIL, which has a virtual

monopoly over this business is to address the twin concerns that I have mentioned. The purpose of having CICs in the system would be best served when the credit needs of deserving people are met in a timely manner and at a reasonable cost.

26. I am sure that the Conference would throw up some 'actionable' ideas which would go a long way in not only spreading awareness about the credit information system in the country but also improving it. I once again congratulate CIBIL for reaching a significant milestone in their journey and thank them

for inviting me to be a part of this Conference. I wish you all a very fruitful deliberation ahead.

Thank you!

**References:**

1. The Evolution of Credit Bureaus in Asia-Pacific- Dr. Rita Chakravarti and Beng-Hai Chea (August 2005)
2. Role and Effects of Credit Information Sharing- - Tulli Jappelli and Marco Pagano ( April 2005)
3. Credit Reporting Knowledge Guide, International Finance Corporation (2012)

## ARTICLES

India's Foreign Trade: April-December 2013

North-East Monsoon 2013: An Overview  
(October - December, 2013)

Position of Order Books, Inventories and Capacity  
Utilisation for the Quarters October 2012 to  
September 2013

Composition and Ownership Pattern of Deposits with  
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Real Effective Exchange Rate based on CPI as  
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## India's Foreign Trade: April-December 2013\*

India's trade performance improved during April-December 2013 as compared with the April-December 2012. Modest pick-up in some trade partner economies and depreciation of the rupee helped India's exports to grow in Q2 and Q3 of 2013-14. Imports also moderated since June 2013, largely driven by non-oil imports. This led to a significant correction in India's trade balance in April-December 2013. Lower merchandise trade deficit augured well for minimising external sector vulnerabilities. Although India's export performance is largely contingent on the pace of economic activity in major trade partner economies, moderation in export growth in November and December 2013 raises concern about its sustainability. Further, revival in domestic investment cycle and trends in international prices of key import commodities (e.g., crude oil and gold) would be pertinent for India's import demand. In short, the trend in India's trade balance would continue to depend on a confluence of both domestic and global factors.

### I. India's Merchandise Trade

#### Exports (April-December 2013)

Although the 2013-14 began with subdued export trends, renewed global demand and rupee depreciation seem to have benefitted India's exports in subsequent months. On cumulative basis, exports improved during April-December 2013, although the pace of export growth was largely uneven. After declining in Q1, exports recovered in Q2 and continued to grow in Q3 *albeit* at slower pace. On cumulative basis, export performance was broad-based across all major sectors and amongst all major export destinations. On a cumulative basis, exports grew by 5.5 per cent to US\$ 229.3 billion during April-

\* Prepared in the Division of International Trade and Finance, Department of Economic and Policy Research. The previous issue of the article was published in the Reserve Bank Bulletin, January 2014.

Table 1: India's Merchandise Trade

(US\$ billion)

Items	April-December	
	2012-13 R	2013-14 P
<b>Exports</b>	<b>217.4</b>	<b>229.3</b>
	(-4.0)	(5.5)
<i>Of which:</i> Oil	44.8	47.0
	(5.7)	(5.0)
Non-oil	172.7	182.3
	(-6.3)	(5.6)
Gold	4.7	4.4
	(-6.0)	(-6.4)
Non-Oil Non-Gold	168.0	177.9
	(-6.3)	(5.9)
<b>Imports</b>	<b>364.2</b>	<b>340.5</b>
	(0.1)	(-6.5)
<i>Of which:</i> Oil	121.8	125.2
	(9.8)	(2.7)
Non-oil	242.4	215.4
	(-4.1)	(-11.2)
Gold	38.0	23.4
	(-9.0)	(-38.5)
Non-Oil Non-Gold	204.4	192.0
	(-3.2)	(-6.1)
<b>Trade Deficit</b>	<b>-146.8</b>	<b>-111.3</b>
<i>Of which:</i> Oil	-77.1	-78.2
Non-oil	-69.7	-31.9
Non-Oil Non-Gold	-36.4	-14.1

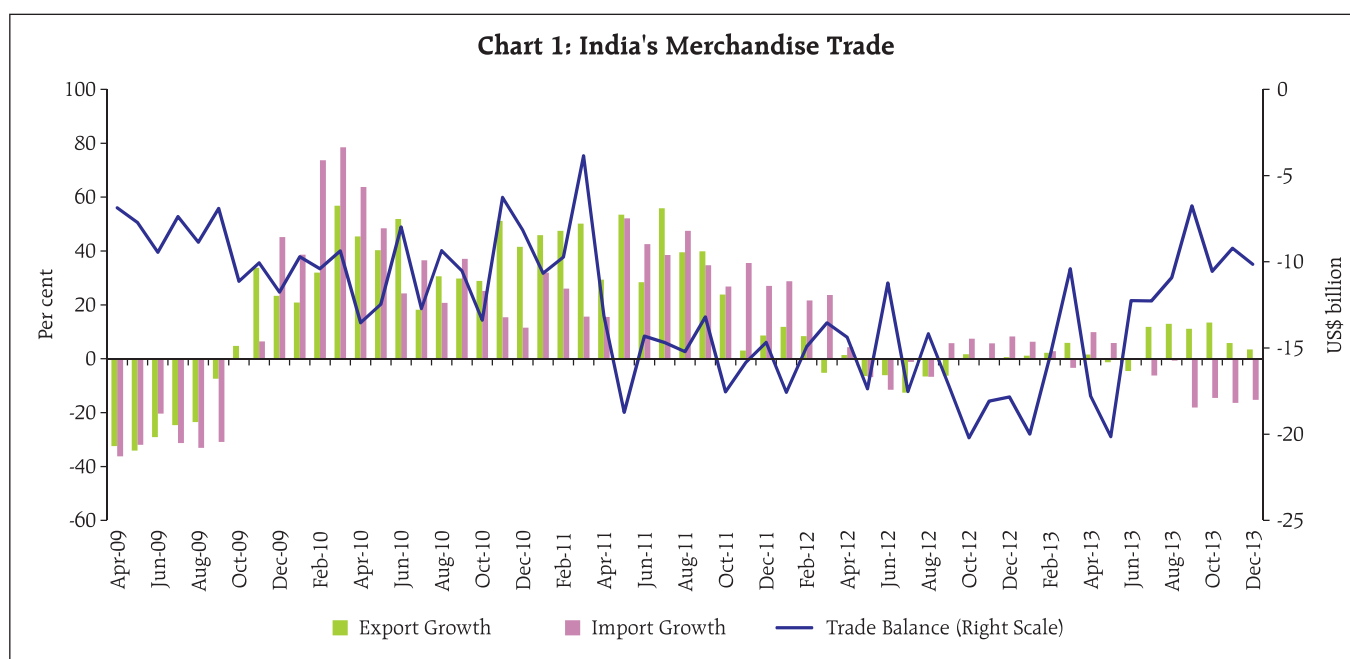
R: Revised; P: Priliminary ; Figures in brackets represent growth

Source: DGCI&S

December of 2013 as against a decline of 4 per cent at US\$ 217.4 billion during April-December 2012 (Table 1) (Chart 1). With moderation in export growth recorded since November 2013, attainment of export target set for 2013-14 (US\$ 325 billion) may be difficult and at best exports may be modestly higher than the previous year's level.

#### Commodity-wise and Destination-wise Exports (April - December 2013)

Disaggregated commodity-wise data show that the rise in total exports during April-December of 2013 can be primarily attributed to the turnaround in the exports of manufactured goods. Among other categories, exports of petroleum products grew at a moderate pace than in the corresponding period of 2012 while growth in exports of agricultural goods moderated despite a rise in exports of principal



primary commodities like rice, oilmeal and marine products (Table 2).

Notwithstanding a lower growth in agricultural and allied products, exports of primary products registered higher growth primarily on account of higher exports of ores and minerals. However, iron ore sector continues to face supply side constraints

in major iron producer states like Orissa, Karnataka and Goa. In Karnataka, the annual production of iron ore continues to remain capped at 30 million tonnes and exports are banned, although the mining ban has been lifted in April 2013. Moderation in exports of agriculture and allied products was mainly led by either a moderation or decline in exports of major commodities, viz., tea, coffee, wheat, spices and

**Table 2: India's Exports of Principal Commodities**

(Per cent)

Commodity Group	Percentage Share				Relative Weighted Variation	
	2011-12	2012-13	2012-13	2013-14	2012-13	2013-14
			April-December		April-December	
<b>I. Primary Products</b>	15.0	15.5	15.1	15.3	0.6	1.0
Agriculture and Allied Products	12.2	13.6	13.2	13.5	1.5	1.0
Ores and Minerals	2.8	1.9	1.9	1.8	-0.9	0.0
<b>II. Manufactured Goods</b>	60.6	60.9	61.2	60.7	-1.8	2.9
Leather and Manufactures	1.6	1.6	1.7	1.8	0.0	0.3
Chemicals and Related Products	12.1	13.0	13.1	13.3	0.6	0.9
Engineering Goods	22.2	21.8	22.0	22.0	-1.1	1.2
Textiles and Textile Products	9.2	9.1	9.0	9.9	-0.5	1.4
Gems and Jewellery	14.7	14.4	14.4	12.7	-0.8	-1.0
<b>III. Petroleum Products</b>	18.3	20.3	20.6	20.5	1.1	1.0
<b>IV. Others</b>	6.1	3.3	3.1	3.5	-3.9	0.6
<b>Total Exports</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>-4.0</b>	<b>5.5</b>

Source: Compiled from DGCIS data.

sugar & molasses. There was, however, a significant growth in exports of rice, cashew, cotton raw, oil meal and marine products during April-December 2013 as against a decline during April-December 2012. Increase in rice exports was on account of higher shipments of basmati rice to Iran which was unable to procure foodgrains from other countries in the presence of US sanctions against Iran. Similarly, exports of oil meals grew due to higher demand from countries like South Korea, Iran and Europe.

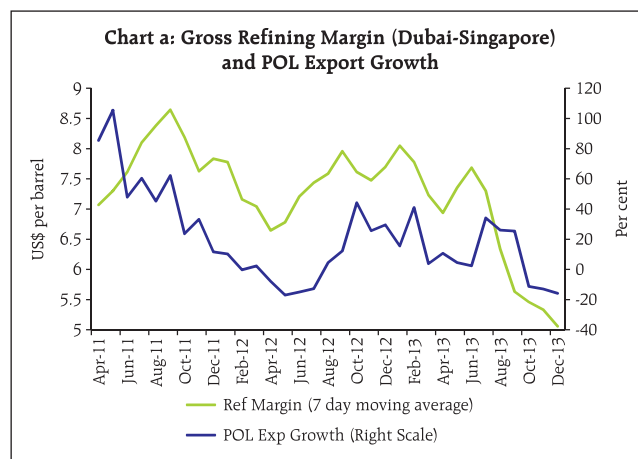
Within the manufacturing sector, export growth in almost all the major product groups, viz., 'leather & manufacture', 'chemicals & related products', 'textile & textile products' and 'handicrafts' turned positive during April-December 2013 as against a decline during April-December 2012. The recovery was more prominent in exports of 'transport equipments' and 'iron & steel' which registered a growth of 11.4 per cent and 30.9 per cent, respectively during April-December 2013 owing to renewed demand from select advanced economies, particularly, US and EU. Decline

in exports of 'gems & jewellery', however, continued during April-December 2013. Fall in value of exports of gems and jewellery could partly be on account of softening of global prices of precious metals (e.g., gold) which are used as basic input in gems and jewellery sector. It may be noted that gold prices declined by 20 per cent during April-December 2013 (y-o-y). Sharp rise in 'textile & textile products', by about 16 per cent during April-December 2013 as against a decline of 5.1 per cent during April-December 2012, can be attributed primarily to the growth in exports of readymade garments, cotton yarn and manmade fibre. Export revival in garment sector is mainly attributed to recovery in the US and the European Union markets, efforts towards tapping opportunities in non-traditional markets, rupee depreciation and orders flowing to India because of higher production cost in China (Business Line, December 15, 2013). Although, on cumulative basis, export growth was higher in April-December 2013, a few export sectors have witnessed slowdown in recent months (Box 1).

**Box 1: Recent Slowdown in Exports from Select Sectors**

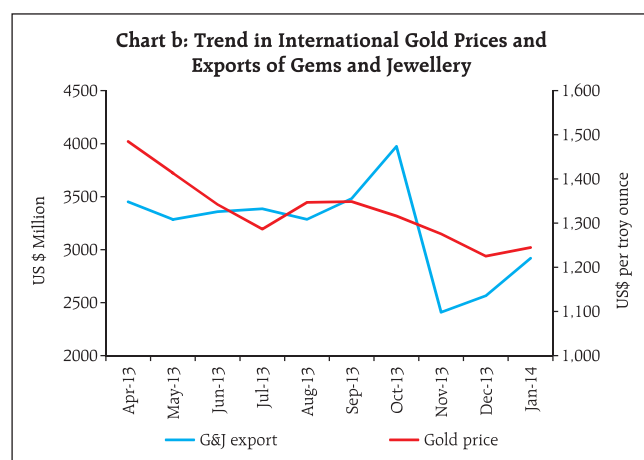
India's exports have shown improvement during April-December 2013. However, during November and December 2013, exports from certain major sectors including petroleum products, gems and jewellery and drugs and pharmaceutical became subdued. Slowdown in exports from these sectors could be attributed to both domestic and global factors. Besides temporary shutdown in some petroleum refineries for maintenance, declining gross refining margins, a common proxy for trends in profitability seem to have weighed on India's exports of petroleum products (Chart a). Gross refinery margins (e.g., Singapore GRM, a benchmark for all Asian refiners) have remained weak owing to wide gap between demand and supply of petroleum products as well as narrowing of light-heavy crude differential in recent months. Gems and jewellery sector, accounting for nearly 13 per cent of India's merchandise exports, recorded a decline of 6.9 per cent in exports during April-December 2013. Decline

in exports of gems and jewellery sector reflects *inter alia* significant softening of international prices of precious metals like gold and silver during April-December 2013



(Contd...)

(Concl.)



(Chart b) and sluggish demand in key markets such as the United Arab Emirates (UAE), the US and Europe.

Another sector that has seen lower exports in some recent months is drugs and pharmaceuticals. Sluggishness in drugs and pharma exports could *inter alia* be on account of growing concerns abroad on safety standards including in the US. Importantly, India is the second largest supplier of drug to the United States, supplying about 40 percent of generic and over-the-counter drugs. Another factor that seems to have impacted India's exports from this sector is increasing competition from China, particularly in the segment of contract manufacturing, in recent period.

Broad based export growth was also reflected in the improved export performance across major export destinations. Among the major trade partners, exports to the US, Belgium, Italy, Germany, the UK, Japan, Iran, China, Hong Kong, Malaysia, exhibited a considerable rise during April-December of 2013 (Table 3). Exports to UAE, South Korea, Netherlands and Latin American countries, however, witnessed a decline during April-

December of 2013. The US continues to be the major export destination for India with a share of 12.8 per cent of India's exports, followed by UAE accounting for 9.8 per cent, China (4.8 per cent) and Singapore (4.5 per cent).

Pick-up in exports to the major trade partners seems to have been supported by growth recovery in these economies in recent quarters (Table 4). Going forward, the pace of economic activity in these economies would be pertinent for sustained rise in India's exports as income elasticity of India's exports is generally considered to be high.

**Table 3: India's Exports to Principal Regions**

(Percentage Shares)

Region/Country	2011-12	2012-13	2013-14	
			2013-13	2013-14
			April-December	
<b>I. OECD Countries</b>	<b>33.8</b>	<b>34.2</b>	<b>34.6</b>	<b>35.0</b>
EU	17.2	16.8	16.8	16.5
North America	12.0	12.7	13.0	13.4
Of which: US	11.4	12.0	12.3	12.8
Asia and Oceania	3.0	3.0	3.0	3.1
Other OECD Countries	1.6	1.8	1.8	2.0
<b>II. OPEC</b>	<b>19.0</b>	<b>20.9</b>	<b>21.0</b>	<b>19.3</b>
<b>III. Eastern Europe</b>	<b>1.1</b>	<b>1.3</b>	1.3	1.2
<b>IV. Developing Countries</b>	<b>40.8</b>	<b>41.6</b>	<b>41.5</b>	<b>41.5</b>
Asia	29.7	28.7	28.3	29.2
SAARC	4.4	4.9	5.0	5.2
Other Asian Developing Countries	25.3	23.6	23.3	23.9
People's Republic of China	6.0	4.5	4.5	4.8
Africa	6.7	8.1	8.1	8.4
Latin America	4.4	4.9	5.1	3.9
<b>V. Others / Unspecified</b>	<b>5.4</b>	<b>2.0</b>	1.6	3.0
<b>Total Exports</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Compiled from DGCIS&S data.

**Table 4: Growth Performance of Major Trade Partner Economies**

(Per cent)

Period/ Country	2011	2012	2013 Q1	2013 Q2	2013 Q3	2013 Q4
Japan	-0.6	2.0	-0.1	1.3	2.4	2.7
Euro area	1.4	-0.6	-1.2	-0.6	-0.4	0.5
United States	1.8	2.8	1.3	1.6	2.0	2.5
China	9.3	7.7	7.7	7.5	7.8	7.7
Hong Kong	4.9	1.5	2.9	3.2	2.9	3.0
Singapore	5.2	1.3	0.3	4.4	5.8	5.5
Korea	3.7	2.0	1.5	2.3	3.3	4.0
Indonesia	6.5	6.2	6.1	5.8	5.6	5.7
Malaysia	5.1	5.6	4.1	4.4	5.0	5.1
Brazil	2.7	0.9	1.7	3.3	2.2	1.9
South Africa	3.5	2.5	1.8	1.9	1.8	2.0

Source: OECD, IMF, and The Economist.



Rise in exports to EU, North America and Developing Asia was reflected in the increase in their relative contribution during April-December 2013 which, however, turned negative, in case of OPEC, Eastern Europe and Latin America (Table 5).

### Imports (April-December 2013)

Moderation in merchandise imports which began in June 2013 intensified further in Q3 of 2013-14. On cumulative basis, India's merchandise imports recorded a decline of 6.5 per cent in April-December 2013 at US\$ 340.5 billion as compared with a marginal increase of 0.1 per cent at US\$ 364.2 billion in April-December 2012 (Table 1). In India, measures aimed at curbing gold imports, as well as weaker domestic demand, helped reducing merchandise imports during the period.

### Commodity-wise and Destination-wise Imports (April-December 2013)

Commodity-wise, the import decline during April-December of 2013-14 could be attributed to lower imports of gold & silver, capital goods, iron & steel, coal and fertilisers. Growth in POL imports sharply decelerated to 2.7 per cent in April-December 2013 as compared with 9.8 per cent in April-December 2012. Moderation in import growth of POL products

**Table 5: Region-wise Relative Weighted Variation in India's Export Growth**

Region/country	(Per cent)		
	2011-12	2012-13	2013-14
	<b>April-December</b>		
EU	4.9	-1.4	0.5
North America	4.7	0.6	1.2
Other OECD	1.3	0.3	0.6
OPEC	3.4	1.7	-0.6
Eastern Europe	0.3	0.2	-0.1
Developing Asia	9.1	-1.9	2.4
<i>Of which:</i>			
People's Republic of China	0.7	-1.5	0.5
Africa	1.9	1.2	0.8
Latin America	1.7	0.4	-1.0
Others	2.4	-5.1	1.7
<b>Total Exports</b>	<b>29.6</b>	<b>-4.0</b>	<b>5.5</b>

Source: Compiled from DGCI&S data.

**Table 6: Trends in crude oil prices**

(US\$/barrel)

Period	Dubai	Brent	WTI*	Indian Basket**
1	2	3	4	5
2005-06	53.4	58.0	59.9	55.7
2006-07	60.9	64.4	64.7	62.5
2007-08	77.3	82.3	82.3	79.2
2008-09	82.1	84.7	85.8	83.6
2009-10	69.6	69.8	70.6	69.8
2010-11	84.2	86.7	83.2	85.1
2011-12	110.0	114.4	97.3	111.9
2012-13	106.9	110.5	92.0	108.0
2013-14 H1	103.5	106.6	100.0	104.4
2013-14 Q3	106.7	109.4	97.4	107.6

\* West Texas Intermediate

\*\* the composition of Indian Basket of Crude represents Average of Oman & Dubai for sour grades and Brent (Dated) for sweet grade in the ratio of 68.2: 31.8 for 2012-13.

Sources: International Monetary Fund, International Financial Statistics.; World Gem data & commodity: Ministry of Petroleum and Natural Gas, Government of India.

largely reflects fall in international crude oil prices by 2 per cent and a marginal increase in quantum of POL imports during April-December 2013 (y-o-y) (Table 6).

Consequent on various gold import measures undertaken during the year, downward trend in gold imports began in July 2013. On cumulative basis, imports of gold and silver contracted by 33.9 per cent (only gold by 38 per cent) during April-December 2013, accounting for nearly 53 per cent of total decline in merchandise imports. Among other components, decline in imports of capital goods pronounced further in April-December 2013 indicating slower domestic investment activity. In contrast, imports of export related items (particularly pearl, precious and semi-precious stone), witnessed a growth of 9.7 per cent in April-December 2013 as against a decline of 16.1 per cent in April-December 2012 (Table 7).

Destination-wise data reveal that decline in India's imports were mainly from trade partner countries, viz., the EU, the US, Japan, China, Switzerland, the UAE, South Korea, Iran and Malaysia. In contrast, imports from the UK, Saudi Arabia, Kuwait recorded an increase over the corresponding period (Table 8).

**Table 7: Imports of Principal Commodities**

(Per cent)

Commodity/Group	Percentage Share				Relative Weighted variation	
	2011-12	2012-13	2012-13	2013-14	2012-13	2013-14
	April-December					
1. Petroleum, Crude and Products	31.7	33.4	33.4	36.8	3.0	0.9
2. Capital Goods	20.3	19.3	19.5	18.4	-0.8	-2.2
3. Gold and Silver	12.5	11.3	10.7	7.6	-1.8	-3.6
4. Organic and Inorganic Chemicals	3.9	3.9	4.0	4.5	0.1	0.2
5. Coal, Coke and Briquettes, etc.	3.6	3.5	3.6	3.6	-0.1	-0.3
6. Fertilisers	2.4	1.9	2.1	1.7	-0.5	-0.6
7. Metalliferrous Ores, Metal Scrap, etc.	2.7	3.1	2.9	3.0	0.1	-0.2
8. Iron and Steel	2.5	2.2	2.3	1.7	-0.2	-0.6
9. Pearls, Precious and Semi-Precious Stones	5.7	4.6	4.3	5.3	-1.8	0.7
10. Others	14.8	16.8	17.1	17.4	2.1	-0.8
<b>Total Imports</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>0.1</b>	<b>-6.5</b>

Source: Compiled from DGCI&amp;S data.

In terms of share, China, despite a fall in imports, continued to be the main import source for India accounting for 11.4 per cent of total merchandise imports during April-December 2013. With a sharp fall in imports from UAE, Saudi Arabia replaced it as the second largest source country for imports, followed by the UAE, the US and Iraq. Region-wise, while the respective share of OPEC and developing Asian region (excluding OPEC and Japan) in India's merchandise imports increased, that of the OECD group of economies declined.

### Trade Deficit

With recovery in exports and fall in imports especially in Q2 and Q3 of 2013-14, India's trade deficit stood at US\$ 111.3 billion during April-December 2013, almost 24 per cent lower than that in the corresponding period of 2012-13. While exchange rate adjustments and recovery in global demand may have facilitated exports, moderation in imports was primarily led by a sharp decline in imports of gold,

**Table 8: Shares of Groups/Countries in India's Imports**

(Percentage Shares)

Region/Country	2011-12	2012-13	April-December	
			2012-13	2013-14
<b>I. OECD Countries</b>	<b>30.2</b>	<b>28.8</b>	<b>28.8</b>	<b>25.5</b>
EU	11.9	10.6	10.8	10.8
France	0.9	0.9	1.0	0.7
Germany	3.3	2.9	2.9	2.7
UK	1.6	1.3	1.3	1.4
North America	5.6	5.7	5.9	5.6
US	5.0	5.1	5.3	4.9
Asia and Oceania	5.7	5.3	5.4	4.6
Other OECD Countries	7.0	7.1	6.6	4.5
<b>II. OPEC</b>	<b>35.5</b>	<b>38.3</b>	<b>38.3</b>	<b>39.9</b>
<b>III. Eastern Europe</b>	<b>1.7</b>	<b>1.6</b>	<b>1.7</b>	<b>1.7</b>
<b>IV. Developing Countries</b>	<b>32.3</b>	<b>30.8</b>	<b>30.9</b>	<b>32.1</b>
Asia	25.9	23.5	23.9	24.9
SAARC	0.5	0.5	0.6	0.5
Other Asian Developing Countries	25.3	23.0	23.3	24.4
of which:				
People's Republic of China	11.8	10.7	10.9	11.4
Africa	4.0	3.9	3.8	3.4
Latin America	2.4	3.4	3.1	3.8
<b>V. Others / Unspecified</b>	<b>0.3</b>	<b>0.5</b>	<b>0.4</b>	<b>0.9</b>
<b>Total Imports</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

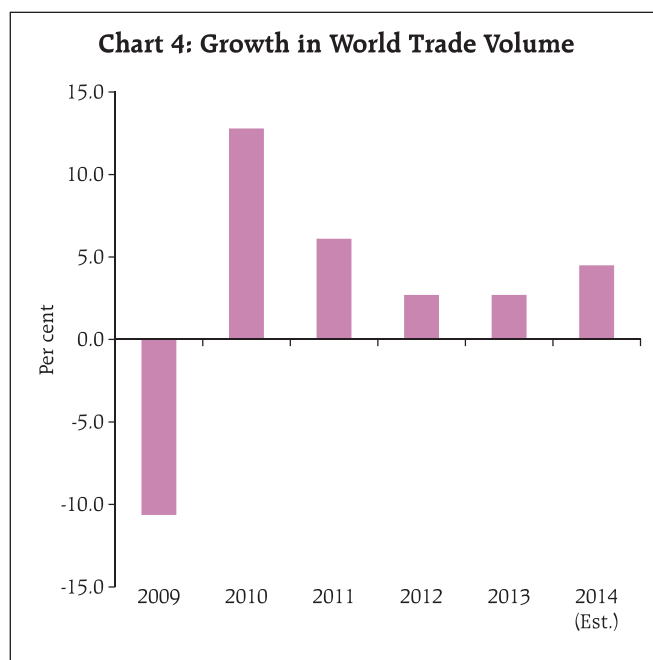
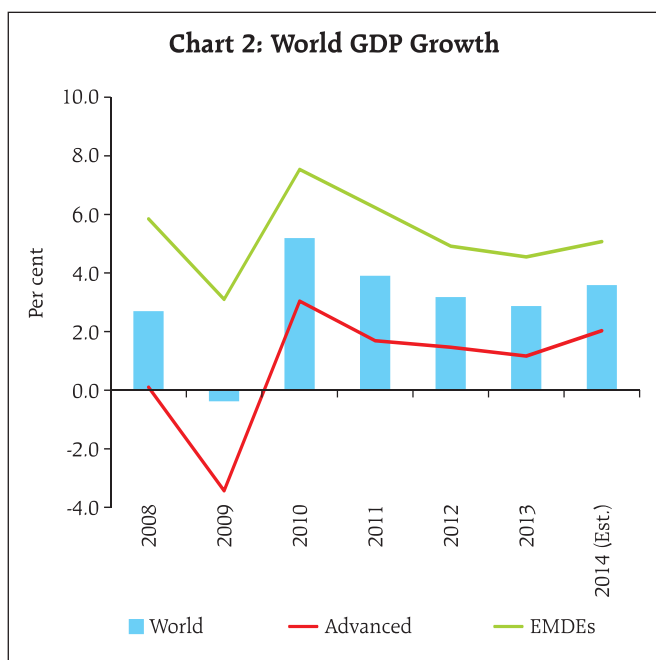
Source: Compiled from DGCI&amp;S data.

consequent upon the various measures undertaken by the Government and the Reserve Bank of India.

### II. Global Trade

Global economic growth remained slow and uneven in 2013 *albeit* a moderate expansion was witnessed in the second half of 2013, largely supported by select advanced economies. Accordingly, the growth in volume of world trade remained almost stagnant in 2013. According to CPB Trade Monitor (December 2013)<sup>1</sup>, pace of trade activities varied across countries in 2013. While contraction in imports of advanced economies persisted in 2013, trade activity within emerging economies gathered momentum (Chart 3). However, global economic prospects seem better in 2014 as pick-up in growth momentum is projected for many advanced economies and emerging

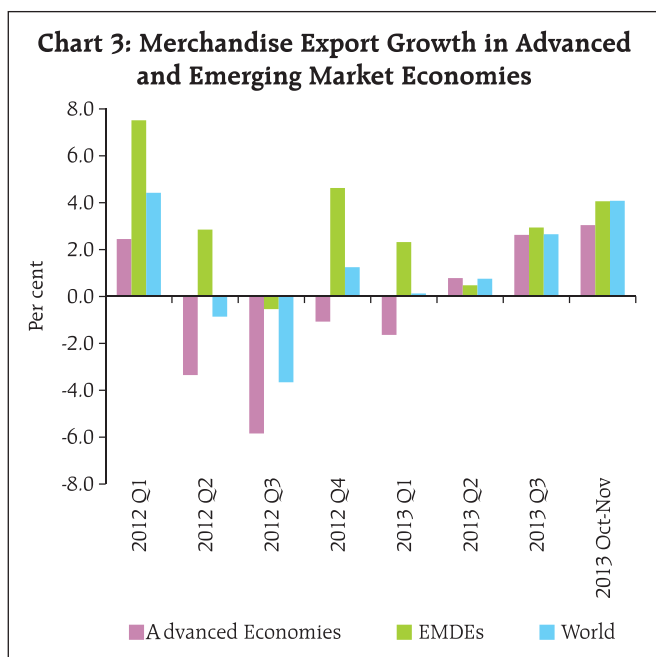
<sup>1</sup> Released by CPB Netherlands Bureau for Economic Policy Analysis in February 2014.



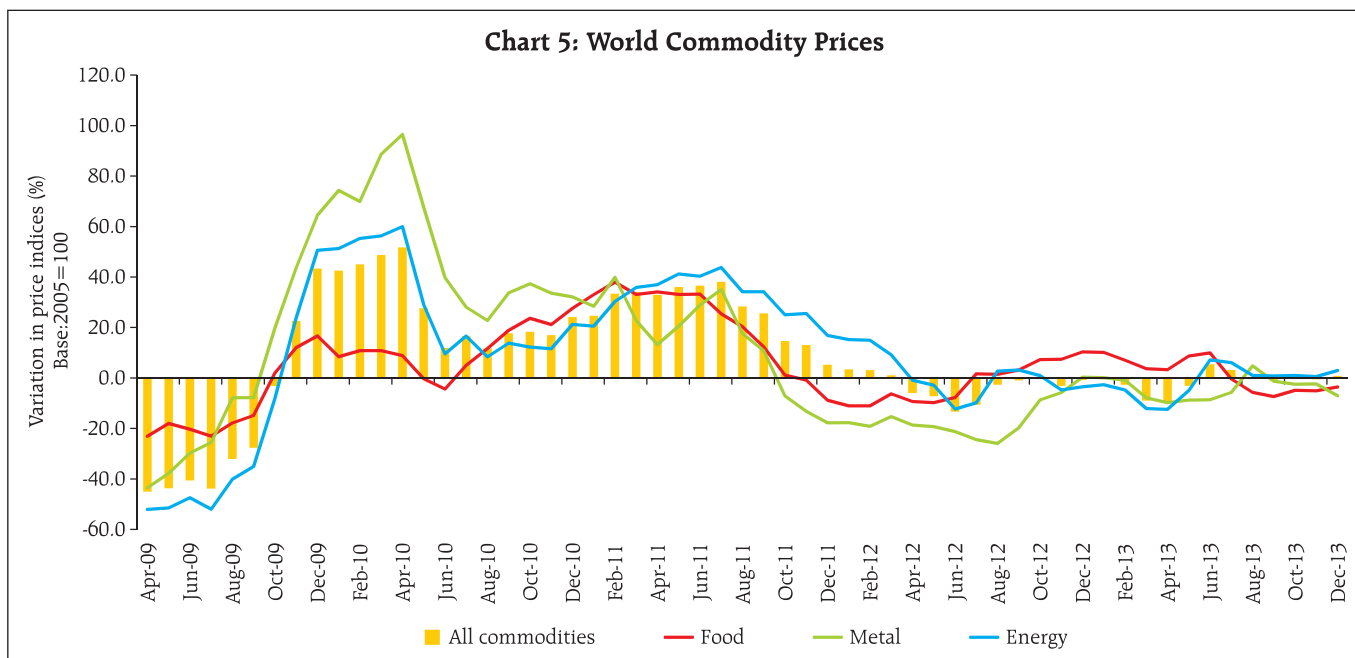
market economies may also recover at a modest pace (Chart 2). According to the IMF (January 2014), the world trade volume is projected to grow by 4.5 per cent in 2014 as compared with 2.7 per cent in 2013 (Chart 4).

With the exception of energy, all the key commodity price indices declined significantly in 2013. International oil prices have fluctuated in a

narrow range in 2013 and largely determined by geopolitical concerns in middle-east countries and rapid expansion of unconventional oil production in the US. However, going forward, there may be downside risks for international oil prices coming from moderate growth in major oil consumer countries and substitution between oil and gas in the medium to long run scenario. These downside risks, however, may be offset supply constraints due to geo-political concerns in gulf area (Chart 5).



Metal prices have remained moderate in recent quarters mainly reflecting subdued demand growth and strong supply response supported by high investment in earlier years in expectation of high metal prices. However, going forward, trend in metal prices will be largely determined by growth scenario in countries like China which accounts for almost 45 percent of global metal consumption. Fall in prices of precious metals in 2013 also reflects demand turning subdued due to changing perceptions of global risk and inflation, given gold's considered as a "safe-haven" asset. With on-going tapering of bond purchases by the US Federal Reserve and lower demand for gold in major gold importing countries like India, the prices of precious metal may remain subject to downward



pressure. A significant fall in food prices reflects the free-fall of maize and rice prices by 36 per cent and 25 per cent, respectively during March to December 2013 aided by a continually improving supply prospects. As normal weather conditions are anticipated in major food producer countries, easy supply may keep international food prices low.

### III. Outlook

Global economic environment has improved and world trade volume has picked up since H2 of 2013 which has benefitted India's exports in recent period. However, recovery in advanced and major emerging market economies needs to become more durable to ensure sustainable demand for India's export which recorded somewhat moderate growth in Q3 of 2013-14 as compared with the preceding quarter. At this pace of export growth, attainment of export target of US\$ 325 billion during 2013-14 may be difficult. Notwithstanding some moderation in export growth in Q3 *vis-à-vis* Q2, India's merchandise trade deficit remained stable at US\$ 29.9 billion in Q3, aided by significant contraction in demand for non-oil import, particularly gold and capital goods. Fall in capital

goods in Q3 of 2013-14 reflects persistence of subdued investment climate in the domestic economy. If export decline in major export sectors, *viz.*, petroleum products and gems & jewellery, prolongs and is not offset by concomitant fall in imports, it may not augur well for India's trade deficit. Importantly, the lower trade deficit has helped narrowing India's current account deficit within sustainable limits in recent quarters. Going forward, export growth would not only largely depend on pace of economic activity in India's major trade partner economies, it would also depend on how major issues constraining India's export prospects are addressed. Further, trend in import would be contingent on how fast domestic investment cycle revives as it would have implications for import demand. Besides, the international prices of key import commodities like crude oil would also be critical for India's overall trade balance.

Detailed information on monthly commodity-wise and country-wise data on merchandise exports and imports for 2012-13 and April-December 2013 can be accessed at [http://www.rbi.org.in/scripts/BS\\_PressReleaseDisplay.aspx](http://www.rbi.org.in/scripts/BS_PressReleaseDisplay.aspx).

## North-East Monsoon 2013: An Overview (October - December 2013) \*

The year 2013-14 has been exceptionally favourable for agricultural growth in terms of climatic conditions. The North-East monsoon during October-December 2013 was 18 per cent above its long period average (LPA) compared with 21 per cent below LPA same period last year. So was the South-West monsoon during June-September 2013 which was 6 per cent above LPA as against 8 per cent below LPA same period last year. The confluence of these favourable factors along with seamless inter-seasonal transition of rainfall and adequate replenishment of soil moisture and reservoirs have significantly boosted the production of crops. This was evident in the satisfactory progress of sowing. Consequently, as per the second advance estimates, the production of rice, wheat, pulses, oilseeds and cotton during 2013-14 have been estimated to be the highest ever. This augurs well for the anticipated higher off-take of rice and wheat under the National Food Security Act 2013 as well as for bridging the demand-supply gaps of pulses and oilseeds in which the country has not as yet achieved self-sufficiency.

### Introduction

North-East monsoon, also called the post monsoon rainfall which occurs during October-December constitutes around 10 per cent of the total rainfall in the country in a year. The other three rainy seasons, namely, South-West monsoon during June-September, pre-monsoon rainfall during March-May and winter rainfall during January-February account for around 75-80 per cent, 11 per cent and 3 per cent of all rainfall in the country every year.

Though source to around 10 per cent of all rainfall in the country, North-East monsoon is an important determinant of *rabi* crops. This is because *rabi* sowing coincides with the North-East monsoon which occurs

during October-December. *Rabi* foodgrains in the past ten years constituted around 49 per cent of total foodgrains production with *rabi* pulses constituting around 65 per cent of total pulses production. The performance of the North-East monsoon during October-December 2013 is being reviewed in this article.

### An Overview: North-East Monsoon 2013

Compared with the previous year when the North-East monsoon was 21 per cent below LPA, rainfall during October-December 2013 was 18 per cent above LPA and was much more evenly distributed which augurs well for *rabi* crops 2013-14. *Rabi* crops in 2013-14, particularly wheat, pulses and oilseeds (second advance estimates) are expected to perform very well (Table 1).

### Cumulative Rainfall

The all-India cumulative rainfall of 149.5 mm during October-December 2013 was 18 per cent higher than its LPA of 127.2 mm and much higher than the cumulative rainfall of 100.6 mm during the same period last year. However, rainfall during the period over the core region (South Peninsula consisting of five sub-divisions, namely, Tamil Nadu, Coastal

**Table 1: Production of *rabi* crops in recent years and years of deficit North-East Monsoon**

Years	Deviations in North-East monsoon (per cent)	Growth in <i>rabi</i> foodgrains (per cent)	Growth in wheat (per cent)	(Per cent)	
				Growth in <i>rabi</i> pulses (per cent)	Growth in <i>rabi</i> oilseeds (per cent)
1	2	3	4	5	6
2013-14@	18	4.5	2.2	8.8	8.0
2012-13	-21	0.8	-1.4	12.7	11.5
2011-12	-48	3.6	9.2	-0.9	-13.7
2008-09	-31	5.9	2.7	18.2	9.6
2007-08	-32	2.9	3.6	-11.1	-12.0
2006-07	-21	8.1	9.3	10.3	-8.3
2004-05	-11	-1.2	-4.9	-3.8	19.9
2002-03	-33	-13.1	-9.6	-18.2	-21.2

\* Prepared in the Development Studies Division, Department of Economic and Policy Research, Reserve Bank of India.

@: Second Advance Estimates.

Source: IMD and Ministry of Agriculture, GoI.

**Table 2: Cumulative Rainfall: Monthly – All India**  
(in mm)

Months	2013			2012
	Actual	Normal	Deviation (%)	Deviation (%)
1	2	3	4	5
October	129.5	80.6	61 (E)	-28 (D)
November	14.1	29.7	-53 (D)	11 (N)
December	6.3	16.8	-63 (S)	-44 (D)
Northeast Monsoon	149.5	127.2	18 (N)	-21 (D)

Source: IMD.

Andhra Pradesh, Rayalaseema, Kerala and south interior Karnataka) was 14 per cent below LPA. The, core region, in general, receives around 30 per cent of its total annual rainfall during October-December and within this region, Tamil Nadu, receives about 48 per cent of its annual rainfall during the season.

**Temporal Distribution**

*Monthly*

The North-East monsoon commenced over the South Peninsula on October 21, 2013 simultaneously after the withdrawal of South-West monsoon. For the season as a whole, rainfall during the period was above LPA. This was mainly due to substantially above normal rainfall at 161 per cent of LPA during October 2013. Rainfall remained subdued during the succeeding months to as low as 47 per cent and 38

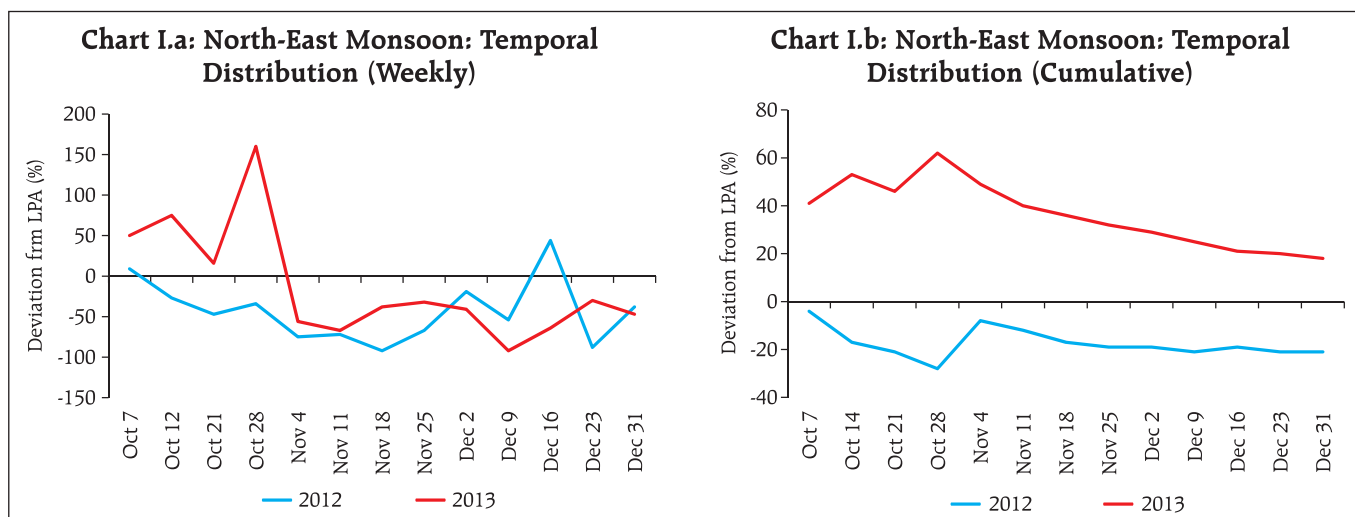
per cent, respectively, of LPA during November and December (Table 2). As regard the core region, rainfall for the season as a whole was 86 per cent of LPA, the monthly rainfall for the region being 109 per cent, 65 per cent and 45 per cent, respectively of LPA during October, November and December.

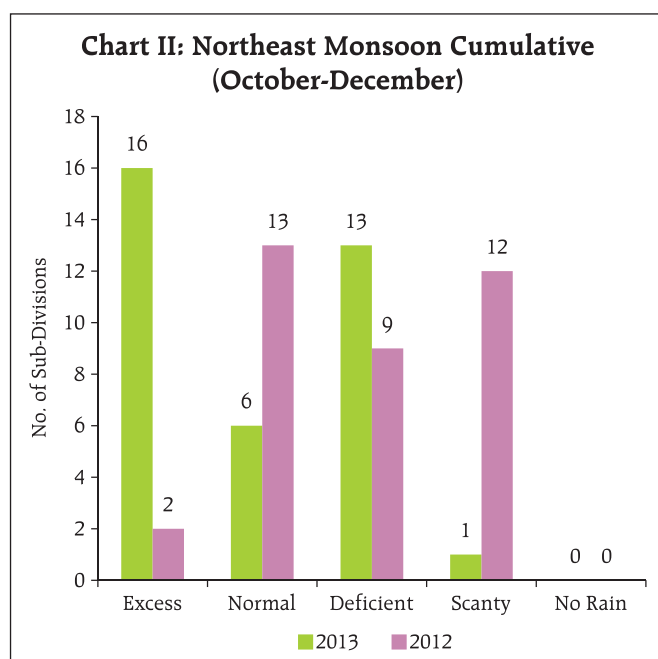
*Weekly*

At all-India level, on a weekly basis, rainfall was above normal till end-October 2013. Afterward, the weekly rainfall remained below LPA till end of the season (Chart I.a). However, heavy rainfall during October 2013 (161 per cent of LPA) has kept the cumulative weekly rainfall for the season above LPA (Chart I.b).

**Spatial Distribution**

During the season, out of 36 meteorological sub-divisions, 16 sub-divisions received excess rainfall, 6 received normal rainfall, 13 received deficient rainfall. Remaining one sub-division (Uttarakhand) received scanty rainfall (Char II). Amongst the sub-divisions in the core region, Coastal Andhra Pradesh received excess rainfall and Kerala received normal rainfall. Many sub-divisions of the Central and Eastern region of the country received excess rainfall, namely, Gangetic West Bengal, Odisha, Jharkhand, Bihar, East Madhya Pradesh, Chhattisgarh and Telangana. However, some sub-divisions of peninsula, namely,





Rayalaseema, Tamil Nadu & Puducherry and South-Interior Karnataka, and extreme Northern/North Eastern region received deficient/scanty rainfall (Table 3 and Statement I).

Since 2002, there were seven years when North-East rainfall was below LPA with the most severe shortfall being during 2011 (Table 4).

**Table 3: Distribution of sub-divisions according to category of rainfall 2013**

Category of Rainfall	Sub-Division
1	2
Excess	Coastal Andhra Pradesh, Telangana, Andaman & Nicobar Islands, Gangetic West Bengal, Orissa, Jharkhand, Bihar, East Uttar Pradesh, West Uttar Pradesh, West Madhya Pradesh, East Madhya Pradesh, Saurashtra & Kutch, Chattisgarh, Gujrat region, Daman, Dadra & Nagar Haveli and West Rajasthan, Vidarbha
Normal	Sub-Himalayan West Bengal and Sikkim, East Rajasthan, Konkan & Goa, Coastal Karnataka, Kerala, Marathwada
Deficient	Haryana, Chandigarh and Delhi, Punjab, Himachal Pradesh, Arunachal Pradesh, Assam & Meghalaya, Nagaland, Manipur, Mizoram & Tripura, Jammu & Kashmir, South Interior Karnataka, and Lakshyadweep, Madhya Maharashtra, Rayalaseema, Tamil Nadu & Puducherry, North Interior Karnataka
Scanty	Uttarakhand
No Rain	Nil

**Table 4: North-East Monsoon: Cumulative Rainfall**

Year	Cumulative Rainfall: Above (+)/ Below (-) Normal (per cent)	Rainfall			
		Excess	Normal	Deficient	Scanty/ No Rain
		Number of Sub-Divisions (Total=36)			
1	2	3	4	5	6
2002	-33	3	7	12	14
2003	8	9	9	6	12
2004	-11	8	10	17	1
2005	10	11	6	5	14
2006	-21	3	6	14	13
2007	-32	2	7	9	18
2008	-31	2	4	15	15
2009	8	13	10	9	4
2010	21	18	7	10	1
2011	-48	1	6	5	24
2012	-21	2	13	9	12
2013	18	16	6	13	1

Source: India Meteorological Department.

*District wise*

District-wise, out of 627 meteorological districts for which data are available, 63 per cent of the meteorological districts received excess/normal rainfall and the remaining 37 per cent received deficient/scanty/no rainfall during the season (Statement II). The corresponding figures for the previous year were 31 per cent and 69 per cent, respectively.

**Reservoir Status**

The Central Water Commission monitors total live water storage in 85 major reservoirs of the country, having full reservoir level of 155.046 billion cubic meters (BCM). Satisfactory South-West monsoon during 2013 has replenished these reservoirs to levels much above the previous year. Normal post monsoon rainfall during October-December further replenished these reservoirs. Live to total capacity in these reservoirs at end-September 2013 was 86 per cent as against 75 per cent the previous year. At end-December 2013, the live to total capacity in these reservoirs was 68 per cent as against 59 per cent a year ago (Table 5). As on March 20, 2014 total live storage in these 85 reservoirs was 44 per cent of the full reservoir level (FRL) as compared with 35 per cent a year ago.

**Table 5: Reservoir Status**

Status	30-Sep				31-Dec			
	2010	2011	2012	2013	2010	2011	2012	2013
1	2	3	4	5	6	7	8	9
Total Live Storage (BCM)	114.5	131.5	115.5	133.5	104.7	94.4	91.4	105.2
Percentage of Live Capacity at FRL	75.0	87.0	75.0	86.0	69.0	62.0	59.0	68.0

**Note:** BCM – Billion Cubic Meters; FRL – Full Reservoir Level

**Source:** Central Water Commission.

### Progress of Rabi Sowing

As expected, satisfactory rainfall during the season has helped *rabi* sowing. Available information showed that as on March 7, 2014 area sown under all *rabi* crops was 5.5 per cent higher than that in the previous year and around 7.4 per cent above the normal. Area under wheat and pulses, the two important *rabi* crops has also surpassed the levels of sowing attained last year (Table 6).

### Estimates of Agricultural Production: 2013-14

Foodgrains production of 263.2 million tonnes during 2013-14 has been estimated to be 2.4 per cent higher than the final estimates of 2012-13. This by far is the highest production recorded for foodgrains which has come about in the back drop of record production of rice, wheat and pulses. Production of oilseeds (33 million tonnes) and cotton (35.6 million bales) were also the highest ever recorded (Table 7).

**Table 6: Rabi Sowing – 2013-14**

(Million hectares)

Crop Name	Normal as of date	07-Mar		Percentage change Over 2013	per cent of Normal
		2014	2013		
1	2	3	4	5	6
<b>Foodgrains</b>	<b>53.3</b>	<b>58.0</b>	<b>54.7</b>	<b>6.0</b>	<b>108.8</b>
Wheat	29.1	31.5	29.8	5.7	108.2
Rice	3.4	4.1	3.4	20.6	120.6
Coarse Cereals	6.3	6.1	6.2	-1.6	96.8
Pulses	14.6	16.2	15.3	5.9	111.0
Oilseed	9.1	9.1	8.9	2.2	100.0
<b>All-Crops</b>	<b>62.5</b>	<b>67.1</b>	<b>63.6</b>	<b>5.5</b>	<b>107.4</b>

### Conclusion

Agriculture has emerged driver of growth during 2013-14 due both to normal North-East and South-West monsoon. The confluence of these factors together with well distributed precipitation has significantly improved the production of both *kharif* and *rabi* crops. Record production of rice and wheat augur well for the implementation of the National Food Security Act 2013 and through greater open market availability help rein cereal prices. Record production of pulses and oilseeds are expected to reduce the demand-supply gaps and ease price pressures as the country is not yet self-sufficient in the production of these two crops.

**Table 7: Agricultural Production 2013-14**

(Million tonnes)

Crop	2012-13		2013-14	Percentage Change of 2 <sup>nd</sup> AE 2013-14	
	2 <sup>nd</sup> AE	Final Estimates	2 <sup>nd</sup> AE	Over 2 <sup>nd</sup> AE 2012-13	Over Final 2012-13
1	2	3	4	5	6
<b>Foodgrains</b>	<b>250.1</b>	<b>257.1</b>	<b>263.2</b>	<b>5.2</b>	<b>2.4</b>
Rice	101.8	105.2	106.2	4.3	0.9
Wheat	92.3	93.5	95.6	3.6	2.2
Coarse Cereals	38.5	40.0	41.6	8.2	4.0
Pulses	17.6	18.3	19.8	12.3	7.8
Oilseeds	29.5	30.9	33.0	11.8	6.6
Cotton#	33.8	34.2	35.6	5.3	4.0
Jute & Mesta##	11.1	10.9	11.3	1.9	3.4
Sugarcane (Cane)	334.5	341.2	345.9	3.4	1.4

#: Million bales of 170 kgs. each

##: Million bales of 180 kgs. each

**Source:** Ministry of Agriculture, GoI.



Statement I: Basic Rainfall Data (Cumulative)								
Sub-Divisions	Rainfall for the period from October 1 to December 31, 2013				Rainfall for the period from October 1 to December 31, 2012			
	Actual (mm)	Normal (mm)	% deviation from Normal		Actual (mm)	Normal (mm)	% deviation from Normal	
1 Andaman & Nicobar Islands	902.4	695.9	30	E	665.2	695.9	-4	N
2 Arunachal Pradesh	189.9	267.2	-29	D	224.4	267.2	-16	N
3 Assam & Meghalaya	122.8	195.0	-37	D	181.3	195.0	-7	N
4 Nagaland, Manipur, Mizoram & Tripura	127.7	243.0	-47	D	181.2	243.0	-25	D
5 Sub-Himalayan West Bengal and Sikkim	219.4	185.3	18	N	148.6	185.3	-20	D
6 Gangetic West Bengal	358.4	160.1	124	E	134.0	160.1	-16	N
7 Orissa	392.8	144.1	173	E	147.6	144.1	2	N
8 Jharkhand	281.1	91.6	207	E	81.3	91.6	-11	N
9 Bihar	197.5	77.5	155	E	44.4	77.5	-43	D
10 East Uttar Pradesh	98.8	60.4	64	E	2.5	60.4	-96	S
11 West Uttar Pradesh	70.4	54.4	29	E	3.9	54.4	-93	S
12 Uttarakhand	36.2	89.6	-60	S	32.6	89.6	-64	S
13 Haryana, Chandigarh & Delhi	14.8	29.4	-50	D	7.6	29.4	-74	S
14 Punjab	28.9	41.0	-30	D	11.3	41.1	-73	S
15 Himachal Pradesh	61.6	108.2	-43	D	41.4	108.2	-62	S
16 Jammu & Kashmir	96.4	131.8	-27	D	95.0	131.8	-28	D
17 West Rajasthan	11.6	9.5	22	E	3.2	9.6	-67	S
18 East Rajasthan	32.4	27.6	17	N	0.3	27.6	-99	S
19 West Madhya Pradesh	67.7	53.1	27	E	3.6	53.1	-93	S
20 East Madhya Pradesh	123.4	57.8	114	E	20.8	57.8	-64	S
21 Gujarat Region, Daman, Dadra & Nagar Haveli	60.0	34.9	72	E	4.6	34.9	-87	S
22 Saurashtra & Kutch	34.7	29.0	20	E	3.6	29.0	-87	S
23 Konkan and Goa	158.8	148.6	7	N	175.5	148.6	18	N
24 Madhya Maharashtra	62.8	107.8	-42	D	95.1	107.8	-12	N
25 Marathwada	112.7	101.6	11	N	72.2	101.6	-29	D
26 Vidarbha	133.7	81.8	64	E	42.8	81.8	-48	D
27 Chhattisgarh	175.0	76.9	128	E	65.3	76.9	-15	N
28 Coastal Andhra Pradesh	455.0	327.4	39	E	435.2	327.4	33	E
29 Telangana	251.0	119.3	110	E	145.1	119.3	22	E
30 Rayalaseema	165.5	219.2	-25	D	215.1	219.2	-2	N
31 Tamil Nadu & Puducherry	293.4	438.2	-33	D	367.7	438.2	-16	N
32 Coastal Karnataka	278.8	262.8	6	N	219.9	262.8	-16	N
33 North Interior Karnataka	105.1	145.3	-28	D	139.2	145.3	-4	N
34 South Interior Karnataka	131.0	209.6	-38	D	161.8	209.6	-23	D
35 Kerala	431.8	480.7	-10	N	312.3	480.7	-35	D
36 Lakshadweep	177.3	333.6	-47	D	167.3	333.6	-50	D
<b>E : Excess, i.e., +20% or more</b>			16				2	
<b>N : Normal, i.e., +19% to -19%</b>			6				13	
<b>D : Deficient, i.e., -20% to -59%</b>			13				9	
<b>S : Scanty, i.e., -60% or less</b>			1				12	
<b>NR : No rain, i.e., -100%</b>			0				0	
<b>TOTAL</b>			<b>36</b>				<b>36</b>	

Source: India Meteorological Department.

Statement II: State-wise Distribution of No. of Districts with Excess, Normal, Deficient, Scanty and No Rainfall								
S. No.	States	October 1, 2013 to December 31, 2013						
		E	N	D	S	NR	ND	TOTAL
1	A & N Islands (UT)	1	1	1	0	0	0	3
2	Arunachal Pradesh	0	4	8	1	0	3	16
3	Assam	0	13	11	3	0	0	27
4	Meghalaya	0	1	3	3	0	0	7
5	Nagaland	0	2	5	0	0	4	11
6	Manipur	0	0	4	3	0	2	9
7	Mizoram	1	0	2	5	0	1	9
8	Tripura	0	0	4	0	0	0	4
9	Sikkim	1	2	1	0	0	0	4
10	West Bengal	17	2	0	0	0	0	19
11	Orissa	29	1	0	0	0	0	30
12	Jharkhand	24	0	0	0	0	0	24
13	Bihar	37	1	0	0	0	0	38
14	Uttar Pradesh	39	12	18	2	0	0	71
15	Uttarakhand	0	1	6	6	0	0	13
16	Haryana	2	1	7	10	1	0	21
17	Chandigarh (UT)	0	0	1	0	0	0	1
18	Delhi	7	1	0	0	1	0	9
19	Punjab	3	3	7	7	0	0	20
20	Himachal Pradesh	2	2	6	2	0	0	12
21	Jammu & Kashmir	2	4	10	3	1	2	22
22	Rajasthan	12	10	10	1	0	0	33
23	Madhya Pradesh	34	7	9	0	0	0	50
24	Gujarat	17	5	4	0	0	0	26
25	Dadra & Daman (UTs)	2	0	0	0	0	0	2
26	Diu (UT)	1	0	0	0	0	0	1
27	Goa	0	2	0	0	0	0	2
28	Maharashtra	17	9	6	3	0	0	35
29	Chhattisgarh	18	0	0	0	0	0	18
30	Andhra Pradesh	17	3	3	0	0	0	23
31	Tamil Nadu	0	5	27	0	0	0	32
32	Puducherry (UT)	0	0	2	0	0	2	4
33	Karnataka	0	10	18	2	0	0	30
34	Kerala	0	9	5	0	0	0	14
35	Lakshadweep (UT)	0	0	1	0	0	0	1
<b>Total</b>		<b>283</b>	<b>111</b>	<b>179</b>	<b>51</b>	<b>3</b>	<b>14</b>	<b>641</b>

E: Excess N: Normal D: Deficient

S: Scanty NR: No Rain ND: No Data

Source: India Meteorological Department.

# *Position of Order Books, Inventories and Capacity Utilisation for the Quarters October 2012 to September 2013\**

*This annual article, second in the series, presents the findings of Order Books, Inventories and Capacity Utilisation Survey (OBICUS) conducted during October 2012 to September 2013 (covering 20<sup>th</sup> to 23<sup>rd</sup> rounds of the survey). In the first three quarters between October 2012 and June 2013, all the parameters viz., new orders growth, level of CU and finished goods (FG) inventory to sales ratio reflected a weaker condition as compared to the corresponding position a year ago. In the following July-September 2013 quarter, some turnaround was observed in all the above parameters. This was corroborated in the improved sales position of the private manufacturing sector during the quarter.*

## **I. Introduction:**

The Reserve Bank of India tracks several macroeconomic variables to assess the aggregate demand-supply position in the economy and formulates its monetary policy stance accordingly. Data on sales and profit margin of the manufacturing sector, an important segment of the economy, are available as part of the disclosures of such companies. However, information relating to order books, level of capacity utilisation and finished goods' inventory level, which are also reflective of incipient demand conditions, are generally not disclosed by most of the companies. To bridge this data gap, the Reserve Bank has been conducting Order Books, Inventories and Capacity Utilisation Survey (OBICUS) of Indian manufacturing companies on a quarterly basis since 2008. Results of the survey are now regularly disseminated on the RBI website.

\* Prepared in the Division of Enterprise Surveys of Department of Statistics and Information Management, Reserve Bank of India, which is based on the findings of 20<sup>th</sup> to 23<sup>rd</sup> round of OBICUS survey.

In the absence of a comprehensive Business Register in Indian context, the sample for OBICUS is purposive and the companies are selected so as to get a good size-mix of industries. The survey schedule is canvassed among a fixed panel of 2,500 manufacturing companies sector which is common in many business tendency surveys. However, responding to the survey is voluntary and it has not been possible to obtain responses from all the companies and in all the quarters. The information collected in the survey includes quantitative data on new orders received during the reference quarter, backlog orders at the beginning of the quarter, pending orders at the end of the quarter, total inventories with breakup of work-in-progress (WiP) and finished goods (FG) inventories at the end of the quarter and item-wise production in terms of quantity and value during the quarter *vis-à-vis* the installed capacity from the targeted group. The level of capacity utilization (CU) is estimated from the above data.

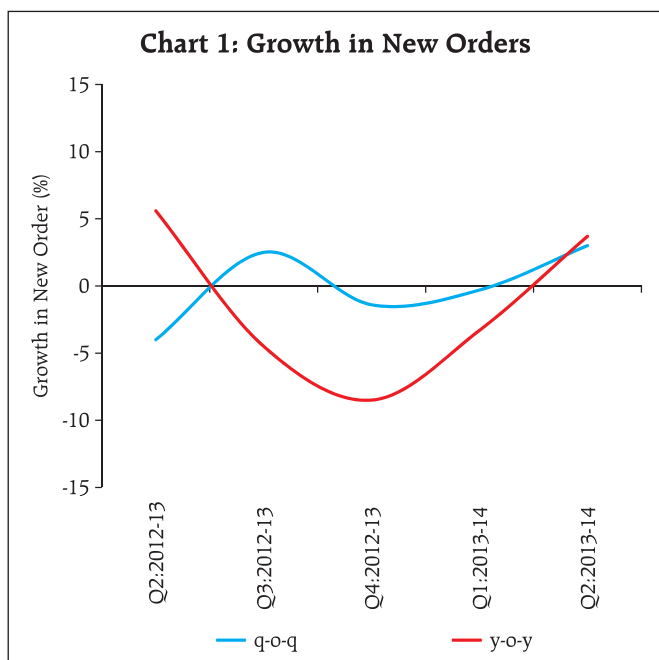
In this article, position of order books, inventories and capacity utilisation of Indian manufacturing industry during October 2012 to September 2013 is based on the data obtained in the latest round (Round 23) of the survey, which pertains to the survey quarter Q2:2013-14<sup>1</sup>. However, data for the same quarter from previous survey rounds are also presented to gauge the robustness of the analysis (Section III). The related data tables are presented in Annex.

## **II. Findings of Survey**

### **II.1 Order Books Growth**

Average value of new orders of sample companies was lower in Q3:2012-13 as compared with the position in Q3:2011-12 but was marginally higher than that in Q2:2012-13. For the next two quarters, new orders

<sup>1</sup> The first annual article on the subject covering the period October 2011 to September 2012 was published in March 2013 Bulletin. Prior to the annual series, Reserve Bank used to publish results of the survey on a quarterly basis. The first quarterly article was published in December 2011. In a change in methodology, apart from the latest quarter data, this article presents revised data for the earlier four quarters rather than twelve quarters, as given in the earlier article. The survey results are based on the replies of the respondents and are not necessarily shared by the Reserve Bank of India.

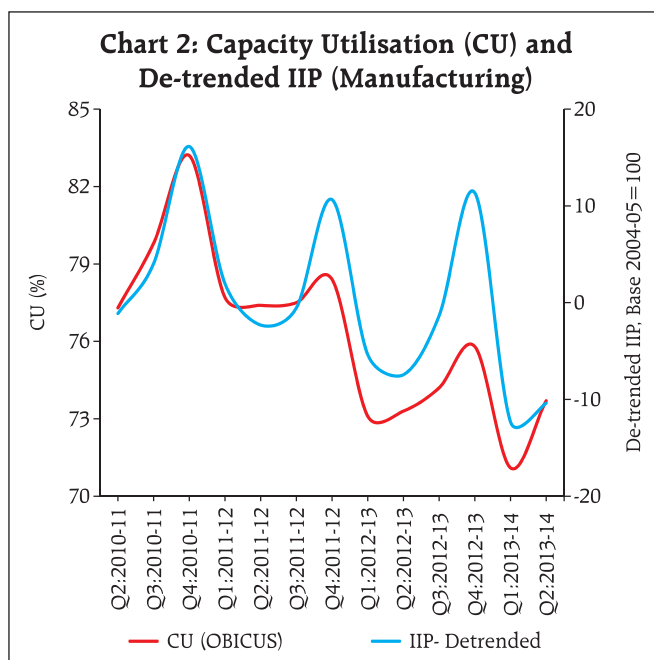


contracted both on year-on-year (y-o-y) and quarter-on-quarter (q-o-q) basis. However, the position turned around in Q2: 2013-14 when new orders grew both on y-o-y and q-o-q basis (Chart 1, Table 1).

### II.2 Capacity Utilisation

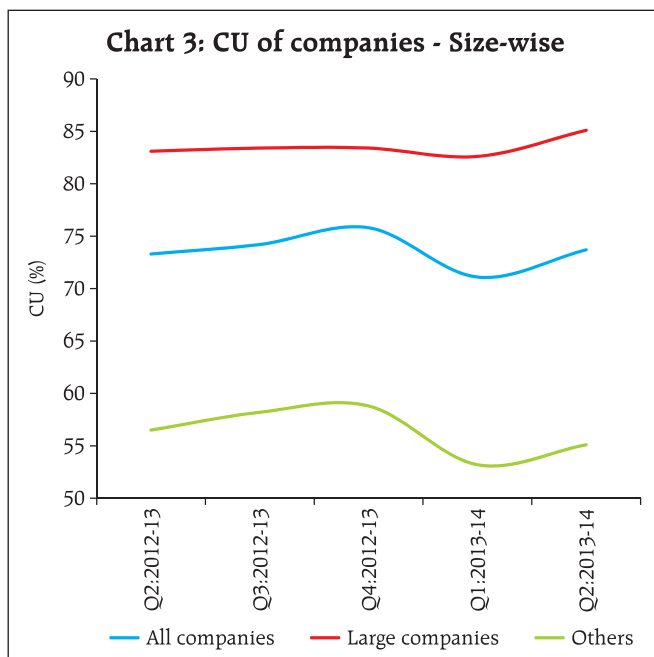
Capacity utilization level in the Indian manufacturing industry moved in a lower trajectory since 2012-13. During Q3:2012-13 to Q1:2013-14, CU at the aggregate level was lower when compared with the position in the corresponding quarter a year ago. But, reflecting seasonal trend, CU recorded a high in Q4:2012-13 and a low in Q1:2013-14. CU picked up in the second quarter of 2013-14 and at 73.7 per cent, it was marginally higher than the level observed in the same quarter of the previous year (*i.e.*, Q2:2012-13). The movements in CU remained broadly in line with the movements in the de-trended IIP for manufacturing sector (Chart 2, Table 2).

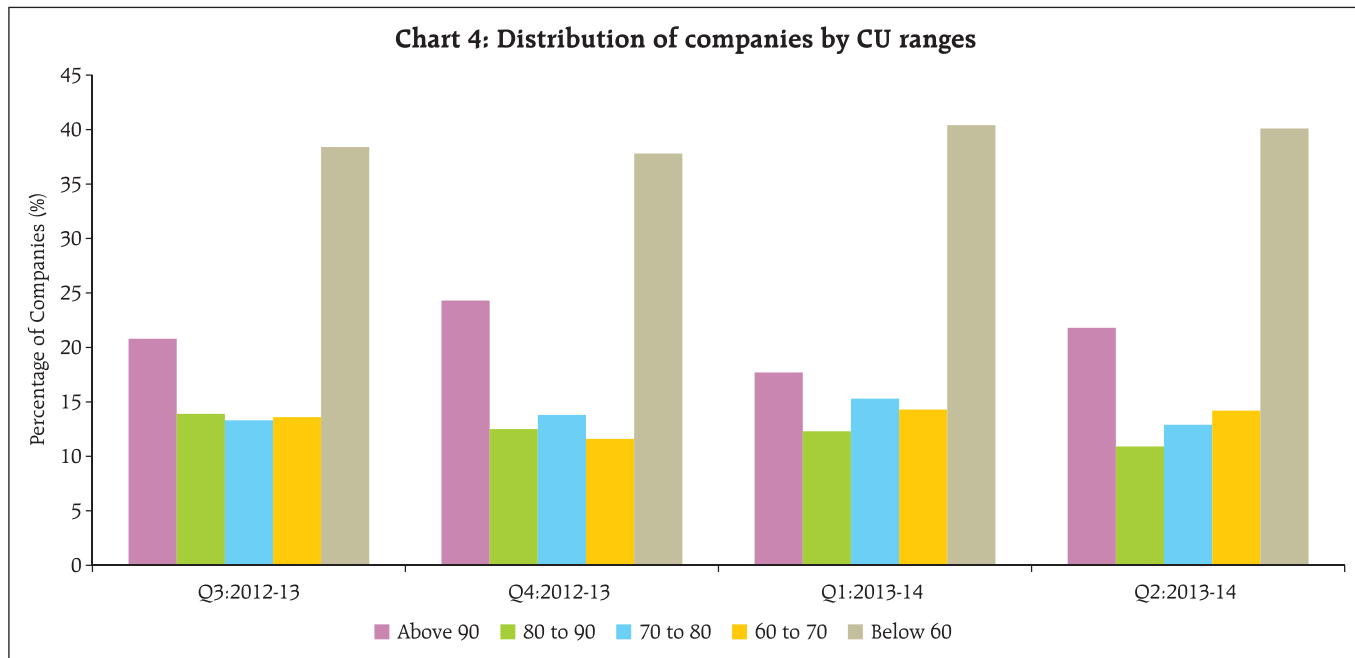
A further disaggregated size-wise analysis of data indicates that CU levels continued to be higher for larger companies in all the quarters. Taking top 10 companies from each industry-group (based on value of production in the latest survey round), it is observed that CU level for these group was higher by 25-30 percentage points



than CU level of remaining companies (Chart 3, Table 2).

Distribution of companies across various CU ranges indicated that a large proportion of sample companies operated with CU below 60 per cent and their share rose marginally in the first half of 2013-14. On the other hand, around 20 per cent of respondent companies had CU levels of more than 90 per cent and





the share reached a maximum in Q4:2012-13 (Chart 4, Table 3).

### II.3 Inventory to Sales Ratio

During the period under reference, the average raw material (RM) inventory to sales ratio peaked at 30.6 per cent in Q3:2012-13 and declined thereafter to 26.3 per cent in Q2:2013-14. As compared to the levels in the same quarter a year ago, RM inventory to sales

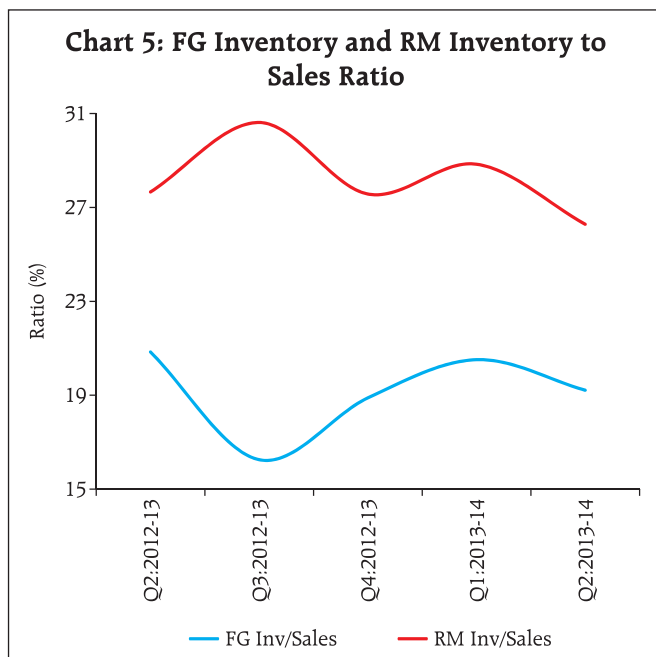
ratio was slightly higher in all the quarters except in Q2:2013-14. On the other hand, FG inventory to sales ratio was at the lowest level in Q3:2012-13 and rose gradually in the next two quarters. Following the trend in other parameters, FG inventory to sales ratio also dipped in Q2:2013-14 (Chart 5, Table 4).

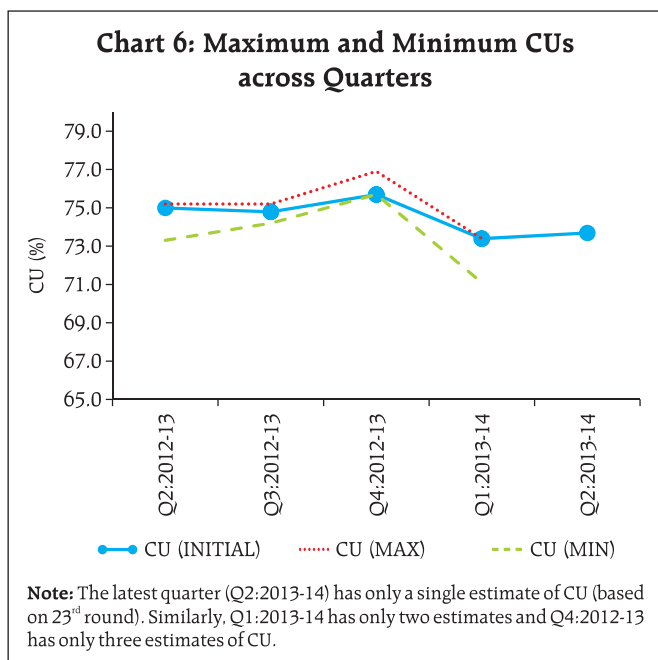
### III. Validation of results of different rounds of Surveys (Round 20 to Round 23):

The estimated survey parameters undergo some changes from one round to another due to changes in the constituent sample of companies. However, the above changes may not pose any problem as long as the trend observed earlier is retained. It may also be mentioned that the direction of changes in the key parameters have more relevance rather than their absolute values for the decision makers.

New orders growth (y-o-y) in Q3:2012-13 to Q1:2013-14 reported in rounds 20 to 23 moved in a reasonable range and its direction remained similar (Table 5). It was, however, observed that new order growth for Q2:2012-13 varied considerably among different rounds, due to inclusion/exclusion of a few big companies.

Movements of CU also remained consistent across the survey rounds. Chart 6 exhibits the minimum and





maximum values of CU for a given quarter, as estimated through different rounds of survey along with its initial estimate (derived in the survey quarter itself). It can be observed that the estimates of CU in round 23 have generally tended to be lower (Table 6).

Estimates of FG inventory to sales ratio for a particular quarter remained quite range bound in different rounds of the survey, except that results of round 23 were relatively higher (Table 7). Overall, it is observed that there were some variations in the key parameters due to change in the constituent set of companies but the broad trend remained similar.

**IV. Concluding Observation**

Demand conditions in the Indian manufacturing sector during October 2012 to September 2013 remained weak as assessed through new orders growth, level of CU and FG inventory to sales ratio in the quarterly OBICUS conducted by the Reserve Bank. This is in line with lower economic growth at the aggregate level since 2012-13. For the three quarters between October 2012 and June 2013, all the above parameters were weaker than the corresponding position a year ago. However, some turnaround was observed in the July-September 2013 quarter. This was also corroborated in the results of non-government non-financial listed companies in the manufacturing sector as their sales growth (y-o-y) improved in Q2 of 2013-14 after successive deceleration since Q3 of 2011-12.

Annex - Data Tables

**Table 1: Order Books (Q2: 2012-13 to Q2: 2013-14) – Based on Round 23**

Quarter	Amount in ₹ Billion			Q-o-Q growth ( per cent)			Y-o-Y growth ( per cent)		
	Avg Backlog order (484)	Avg New Order book (484)	Avg Pending order (484)	Avg Backlog order	Avg New Order book	Avg Pending order	Avg Backlog order	Avg New Order book	Avg Pending order
Q2:2012-13	1.56	1.14	1.55	3.8	-4.0	-0.7	12.3	5.6	11.0
Q3:2012-13	1.55	1.16	1.53	-0.7	2.5	-0.9	11.2	-4.5	2.2
Q4:2012-13	1.53	1.15	1.42	-1.2	-1.4	-7.5	1.9	-8.5	-5.9
Q1:2013-14	1.41	1.14	1.45	-7.5	-0.3	2.0	-5.7	-3.3	-7.1
Q2:2013-14	1.45	1.18	1.49	2.2	3.0	2.8	-7.1	3.7	-3.9

Figures in brackets are number of companies reporting order books.

**Table 2: Capacity Utilisation & Index of Industrial Production (Manufacturing) (Base: 2004-05=100) – Based on Round 23**

Quarter	IIP –Mfg (Qtly avg Base 2004-05)	De-trended Qtly IIP-Mfg	CU	CU of large Companies	CU of residual Companies
Q2:2012-13	175.9	-7.4	73.3	83.1	56.5
Q3:2012-13	183.3	-1.3	74.2	83.4	58.2
Q4:2012-13	197.2	11.3	75.8	83.4	58.8
Q1:2013-14	174.8	-12.3	71.1	82.6	53.2
Q2:2013-14	177.9	-10.4	73.7	85.1	55.1

**Table 3: Variation in CU across companies – Based on Round 23**

CU Range per cent	Per cent of Total Respondent Companies in				
	Q2:2012-13	Q3:2012-13	Q4:2012-13	Q1:2013-14	Q2:2013-14
Above 90	21.8	20.8	24.3	17.7	21.8
80 to 90	13.6	13.9	12.5	12.3	10.9
70 to 80	14.1	13.3	13.8	15.3	12.9
60 to 70	13.6	13.6	11.6	14.3	14.2
Below 60	37.0	38.4	37.8	40.4	40.1

**Table 4: Average Sales and Inventories and their ratios (Q2: 2012-13 to Q2: 2013-14) – Based on Round 23**

Quarter	Amount in ₹ Billion					Ratio ( per cent)		
	Avg Sales (979)	Avg Total Inv (979)	Avg FG Inv (979)	Avg WiP Inv (979)	Avg RM Inv	Total Inv/Sales	FG Inv/Sales	RM Inv/Sales
Q2:2012-13	4.10	2.36	0.85	0.37	1.13	57.5	20.8	27.7
Q3:2012-13	4.32	2.39	0.70	0.37	1.32	55.3	16.3	30.6
Q4:2012-13	4.31	2.36	0.81	0.35	1.19	54.7	18.9	27.6
Q1:2013-14	4.05	2.39	0.83	0.39	1.17	59.0	20.5	28.8
Q2:2013-14	4.59	2.51	0.88	0.43	1.21	54.8	19.2	26.3

FG: Finished Goods. WiP: Work in Progress RM: Raw Material  
Figures in brackets are number of companies reporting inventory.

**Table 5: Order Books Y-o-Y growth – Round 20 to 23**

Quarter	Round-20 (504)	Round-21 (436)	Round-22 (451)	Round-23 (484)
Q3:2011-12	9.6			
Q4:2011-12	7.5	7.3		
Q1:2012-13	15.2	23.7	22.1	
Q2:2012-13	0.0	0.7	7.8	5.6
Q3:2012-13	-2.4	-0.2	1.1	-4.5
Q4:2012-13		-5.3	-2.6	-8.5
Q1:2013-14			-3.9	-3.3
Q2:2013-14				3.7

Figures in brackets are number of companies reporting order books.

**Table 6: CU level – Round 20 to 23**

Quarter	Round-20	Round-21	Round-22	Round-23
Q3:2011-12	77.5			
Q4:2011-12	79.3	78.4		
Q1:2012-13	73.2	73.2	73.1	
Q2:2012-13	75.0	75.2	74.8	73.3
Q3:2012-13	74.8	74.4	75.2	74.2
Q4:2012-13		75.7	76.9	75.8
Q1:2013-14			73.4	71.1
Q2:2013-14				73.7

**Table 7: Finished Goods Inventory to Sales – Round 20 to 23**

Quarter	Round-20	Round-21	Round-22	Round-23
Q3:2011-12	19.5			
Q4:2011-12	16.8	15.7		
Q1:2012-13	18.5	18.1	17.9	
Q2:2012-13	20.4	20.3	20.1	20.8
Q3:2012-13	15.7	15.6	15.6	16.3
Q4:2012-13		18.1	17.8	18.9
Q1:2013-14			19.6	20.5
Q2:2013-14				19.2



## *Composition and Ownership Pattern of Deposits with Scheduled Commercial Banks: March 2013\**

*This article presents an analysis of pattern in composition and ownership of outstanding deposits with scheduled commercial banks (including regional rural banks) during 2006-2013. For this purpose, the data on ownership pattern of deposits as estimated from sample survey for the period from 2006-10 is used along with the census survey data as collected for end-March 2012 and 2013<sup>1</sup>. The analysis brings out broad trends across type of deposit accounts, institutional sectors, population groups and bank groups over the period.*

### **Highlights**

- Total deposits grew by 11.5 per cent in March 2013. It started decelerating continuously from a high growth of 24.9 per cent in March 2007. However, the share of term deposits reflects a rising trend over the period. As on March 2013, current, savings and term deposits comprised 9.9 per cent, 25.7 per cent and 64.5 per cent, respectively in the total deposits in March 2013.
- Households with 59.6 per cent share in total deposits was the largest contributor in total deposits as on March 31, 2013, followed by government and private corporate sector contributing 13.9 per cent and 12.4 per cent, respectively.
- Metropolitan branches followed by urban and semi-urban branches continued to lead deposit generation by SCBs mainly in the form of term deposits. Whereas, savings deposits dominated in rural branches followed by term deposits.
- Bank group-wise, public sector banks accounted for the largest share (74.3 per cent) in total deposits in March 2013 followed by private sector banks (18.8 per cent). Foreign and regional rural banks comprised comparatively smaller shares of 4 per cent and 2.9 per cent respectively in total deposits.

### **Introduction**

The statistics on ownership pattern of deposits are compiled from the branch level data reported by the scheduled commercial banks (SCBs) through Basic Statistical Return (BSR)-4. It captures the data on ownership of outstanding deposits as on March 31, classified according to type of deposit accounts namely, current, savings and term deposits as per different institutional categories of depositors (*i.e.*, Household, Government, Private Corporate (Non-Financial, Financial and Foreign). These data also help to analyse the trends across population groups and major bank groups (public sector banks, private sector banks and foreign banks).

2. Since March 2012, the survey is being carried out on a census basis and the results are found to be in agreement with previous estimated trends since 2006. The branch-wise data on outstanding aggregate deposits are also validated against the similar data reported in the quarterly BSR-7 for March 31, 2013.

3. This article presents a brief review of the trends and pattern in type of deposit accounts (current, savings and term deposits). Ownership pattern of deposits by broad institutional sectors has been analysed followed by the section on the pattern of deposits according to population groups. Subsequently, bank-group wise analysis on preference of various institutional

\* Prepared in the Bank Branch Statistics Division of the Department of Statistics and Information Management, Reserve Bank of India.

<sup>1</sup> More detailed data for March 2013 is available in the Reserve Bank website 'URL: <http://www.rbi.org.in/>'. Previous findings from BSR-4 survey on Composition and Ownership Pattern of Deposits with scheduled commercial bank were published in various issues of Reserve Bank of India Bulletin; the latest was published in the June 2013 issue.

depositors is discussed. A brief on state-wise pattern in bank deposits as on March 31, 2013 is also described.

### **Composition of Bank Deposits by Type of Deposits**

4. Term deposits remained largest constituent with increasing share in total deposits. Composition of total deposits<sup>2</sup> held with the scheduled commercial banks as on March 2013 indicates that the term deposits constituted around two-thirds share in total deposits, followed by savings deposits at around one-fourth share (Chart 1).

5. The share of savings deposits, which declined from 26.4 per cent in 2006 to 23.7 per cent in 2007 remained almost constant at around 25.5 per cent in the recent period. There was a moderate growth in the share of term deposits over the period. The share of current account balances declined from 2008 onwards, portraying somewhat economic environment in the country.

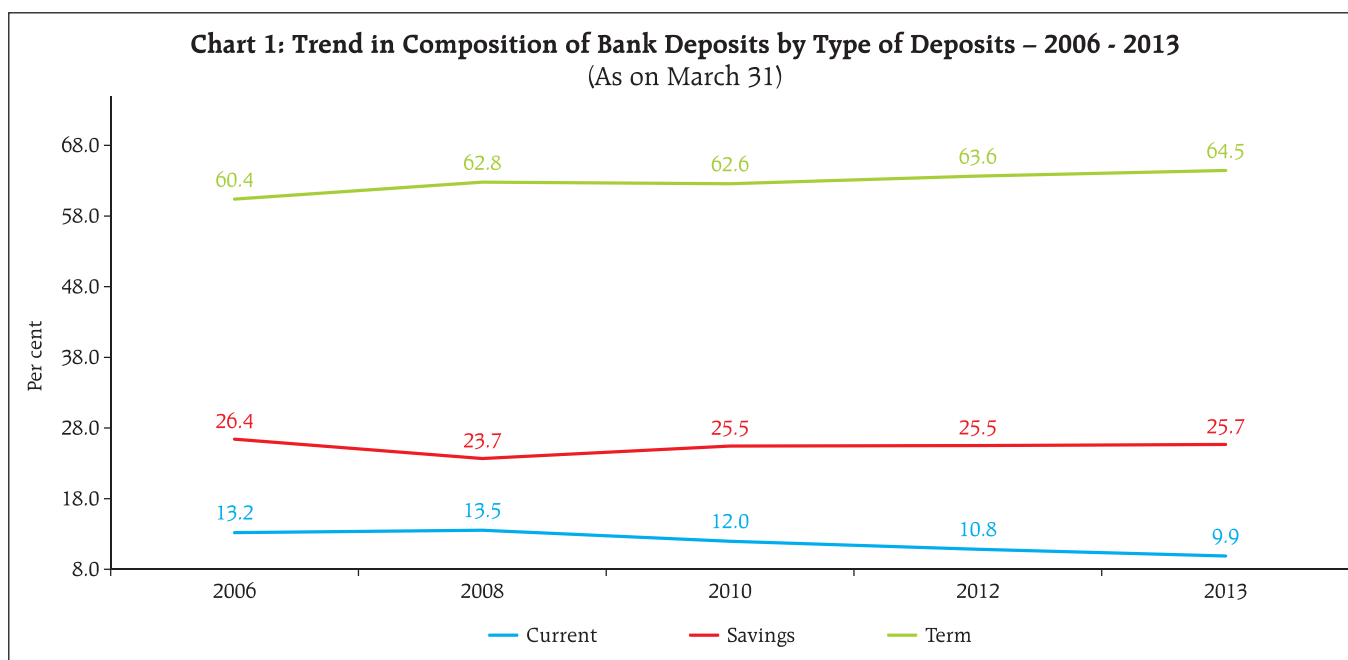
6. Though, the total deposits along with its components increased steadily during the period under

review, the growth in total deposits decelerated 2008 onwards (Table 1). The deceleration in total deposits spread across all types of deposits accounts may be attributed to the deceleration in income growth. The growth and composition of deposits appear to have a correspondence with the prevailing term deposit rates. The growth in current deposits appears to be in sync with the growth in Index of industrial production.

### **Ownership pattern of deposits by broad institutional sectors**

7. Composition of deposits according to institutional ownership reflected dominance of households over the entire period, which contributed 59.6 per cent share in total deposits as on March 2013 (Chart 2). Share of government and non-financial private corporate sectors followed next constituting 13.9 per cent and 12.4 per cent share in total deposits, respectively. The shares of financial as well as foreign sector increased to 10.0 per cent and 4.1 per cent respectively, as on March 2013.

8. During the period of 2012-13, the increase of 1.5 per cent in the household sector's share was mainly on



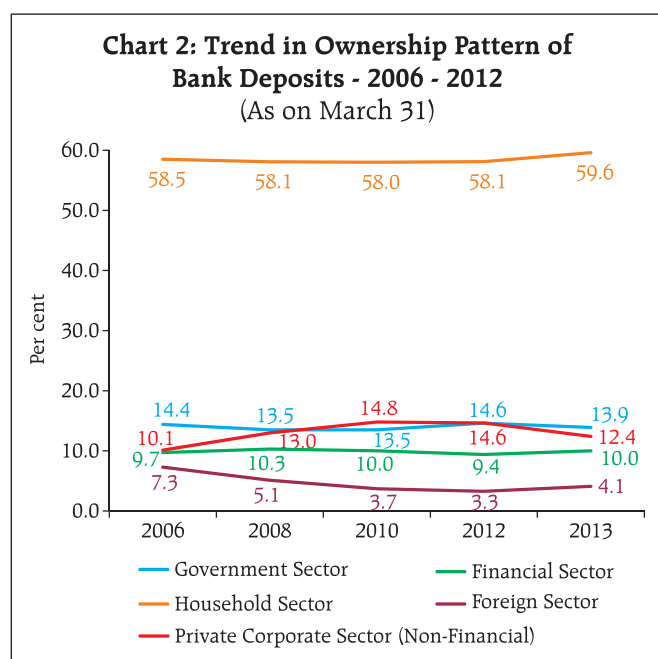
<sup>2</sup> Includes inter-bank deposits.

**Table 1: Trends in Deposits According to Type of Account**

(Amount outstanding in ₹ billion and growth in per cent)

Account Type/As on March 31	2006	2007	2008	2009	2010	2012 <sup>3</sup>	2013
Current deposits	2,851 (27.5)	3,357 (17.8)	4,492 (33.8)	4,865 (8.3)	5,788 (19.0)	6,950 (9.6)	7,060 (1.6)
Savings deposits	5,710 (20.9)	6,709 (17.5)	7,858 (17.1)	9,396 (19.6)	12,312 (31.0)	16,356 (15.3)	18,344 (12.2)
Term deposits	13,049 (19.7)	16,933 (29.8)	20,836 (23.0)	26,136 (25.4)	30,263 (15.8)	40,803 (16.1)	46,063 (12.9)
Total deposits <sup>(**)</sup>	21,610 (21.0)	26,999 (24.9)	33,186 (22.9)	40,397 (21.7)	48,364 (19.7)	64,110 (15.1)	71,466 (11.5)
<b>Memo items (in %):</b>							
Term (>1 Yr.) Deposit Rate <sup>4</sup>	6.00-7.00	7.50-9.00	8.25-9.00	7.75-8.75	6.00-7.50	8.50-9.25	7.50-9.00
Growth in Nominal GDP <sup>5</sup>	13.9	16.3	16.1	12.9	15.1	17.7	11.7
Growth in IIP	8.6	12.9	15.5	2.5	5.3	5.5	1.1

**Note:** 1. Deposits include inter-bank deposits.  
2. Figures in brackets represent the annual growth rates.



account of higher growth in deposits of individuals (including Hindu Undivided Families-HUFs) (Table 2). Within households, individuals (including Hindu Undivided Families-HUFs) comprised largest share ranging 77-80 per cent of total household deposits. Proprietary and partnership firms (4.7-6.3 per cent) and trusts and associations (3.5-4.6 per cent) were other constituents of households' deposits during the period 2006-2013. (For detailed data, refer RBI website (<http://www.rbi.org.in/>)). Under the individual, deposits of farmers increased by 48.8 per cent during 2012-13, possibly on account of excess liquidity due to acceleration in minimum support price for most of the food and non food products during this period.

9. The deceleration in Government as well as non-financial private corporate sectors deposits was mainly on account of decline in deposits of corporate, possibly on account of lower business sentiments reflected by deceleration in industrial production and nominal GDP during 2012-13.

10. The institutional ownership composition of various types of deposits indicates that the households which is the largest holder of total deposits outstanding

<sup>3</sup> March 2011 estimates based on stratified sampling method were not in alignment with the previous year estimates as also the latest census data for March 2012 and hence, not considered in the present study. The growth rates for 2012 for all the items are therefore calculated as compounded annual growth rates over 2010.

<sup>4</sup> The term deposit rates for major banks (Source: Weekly Statistical Supplement, RBI).

<sup>5</sup> GDP at current market prices.

**Table 2: Total Deposits by Major Institutional Sectors**

(Amounts in ₹ billion and growth in per cent)

Major Institutional Sectors	Mar-06	Mar-07	Mar-08	Mar-09	Mar-10	Mar-12	Mar-13
I. Government Sector	3,120 (19.6)	3,907 (25.2)	4,478 (14.6)	5,652 (26.2)	6,551 (15.9)	9,361 (19.5)	9,912 (5.9)
<i>Of which, Central &amp; State Governments</i>	1,032 (16.2)	1,301 (26.1)	1,786 (37.3)	2,354 (31.9)	3,068 (30.3)	4,565 (22.0)	5,329 (16.7)
Public Sector Corporations	1,035 (23.2)	1,238 (19.6)	1,314 (6.2)	1,879 (43.0)	1,879 (0.0)	3,017 (26.7)	2,726 (-9.6)
II. Private Corporate Sector (Non-Financial)	2,181 (41.0)	3,035 (39.1)	4,322 (42.4)	5,867 (35.7)	7,137 (21.6)	9,384 (14.7)	8,875 (-5.4)
<i>Of which, Non-Financial Companies</i>	1,836 (78.9)	2,478 (35.0)	3,293 (32.9)	4,862 (47.7)	5,191 (6.8)	6,210 (9.4)	6,237 (0.4)
III. Financial Sector	2,098 (51.5)	2,825 (34.6)	3,429 (21.4)	3,580 (4.4)	4,820 (34.7)	6,019 (11.7)	7,150 (18.8)
<i>Of which, Banks</i>	776 (77.6)	1,123 (44.7)	1,191 (6.1)	1,578 (32.5)	2,348 (48.8)	2,652 (6.3)	2,939 (10.8)
Other Financial Institutions	922 (39.1)	1,181 (28.1)	1,306 (10.6)	1,085 (-16.9)	1,346 (24.0)	1,548 (7.2)	1,662 (7.4)
Other Financial Companies	400 (40.4)	521 (30.2)	932 (79.0)	916 (-1.7)	1,127 (23.0)	1,819 (27.1)	2,549 (40.1)
IV. Household Sector	12,644 (16.7)	15,497 (22.6)	19,280 (24.4)	23,552 (22.2)	28,049 (19.1)	37,249 (15.2)	42,568 (14.3)
<i>Of which, Individuals (including Hindu undivided Families)</i>	10,139 (17.3)	12,018 (18.5)	14,954 (24.4)	18,732 (25.3)	21,843 (16.6)	28,660 (14.5)	33,314 (16.2)
<i>Of which, Farmers</i>	1,523 (16.9)	1,724 (13.2)	1,772 (2.8)	1,758 (-0.8)	2,118 (20.5)	2,000 (-2.8)	2,977 (48.8)
V. Foreign Sector	1,567 (5.7)	1,736 (10.8)	1,677 (-3.4)	1,747 (4.2)	1,807 (3.4)	2,097 (7.7)	2,960 (41.2)
<b>Total Deposits</b>	<b>21,610</b> <b>(21.0)</b>	<b>26,999</b> <b>(24.9)</b>	<b>33,186</b> <b>(22.9)</b>	<b>40,397</b> <b>(21.7)</b>	<b>48,364</b> <b>(19.7)</b>	<b>64,110</b> <b>(15.1)</b>	<b>71,466</b> <b>(11.5)</b>

**Note:** Figures in brackets represent the annual growth rates. The estimates for March 2011 could not be used as they were not in alignment with the census data for March 2012. The growth rates for 2012 are the compounded annual growth rates (CAGR) over 2010.

with SCBs, also held the largest shares across the three types of deposits, *viz.*, current, savings and term deposits during 2012-13 (Table 3). More than 80 per cent of savings deposits, more than 50 per cent of term deposits and more than 40 per cent of current deposits

are held by households. As regards current deposits, the non-financial private corporate sector was the second largest contributor followed by the Government sector during 2012-13. The share of non-financial private corporate, household and foreign sectors in

**Table 3: Institutional Ownership of Various Types of Deposits**

(Per cent)

Type of Deposits Sectors/Year (as on March 31)	Current		Savings		Term		Total	
	2012	2013	2012	2013	2012	2013	2012	2013
I. Government Sector	16.2	17.0	10.7	9.8	15.9	15.0	14.6	13.9
II. Private Corporate Sector (Non-Financial)	29.7	28.8	1.7	1.0	17.3	14.4	14.6	12.4
III. Financial Sector	10.7	11.8	0.5	0.4	12.7	13.5	9.4	10.0
IV. Household Sector	41.5	40.8	82.8	84.8	51.0	52.4	58.1	59.6
V. Foreign Sector	1.9	1.6	4.2	4.0	3.1	4.6	3.3	4.1
<b>Total Deposits</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Table 4: Composition of Deposits by Various Institutional Sectors**

(Per cent)

Year (As on March 31)	Deposit Type/ Sector	Government Sector	Private Corporate Sector (Non-Financial)	Financial Sector	Household Sector	Foreign Sector	Total
2006	Current	12.9	29.2	19.7	10.2	6.5	13.2
	Savings	11.8	1.3	2.8	39.0	20.2	26.4
	Term	75.3	69.4	77.4	50.7	73.3	60.4
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
2008	Current	14.8	25.8	21.4	9.5	9.2	13.5
	Savings	14.0	0.8	1.2	34.8	26.5	23.7
	Term	71.2	73.4	77.5	55.7	64.3	62.8
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
2010	Current	14.1	26.8	9.6	8.5	6.5	12.0
	Savings	16.1	1.0	1.0	37.4	36.2	25.5
	Term	69.8	72.2	89.4	54.2	57.3	62.6
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
2012	Current	12.1	22.0	12.3	7.8	6.1	10.8
	Savings	18.7	3.0	1.4	36.3	33.0	25.5
	Term	69.2	75.0	86.2	55.9	60.8	63.6
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
2013	Current	12.1	22.9	11.7	6.8	3.8	9.9
	Savings	18.1	2.2	1.1	36.5	24.5	25.7
	Term	69.8	74.9	87.2	56.7	71.7	64.5
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

total current deposits declined during 2012-13 mainly in favour of financial and government sectors.

11. Term deposits constituted major part of total deposits for all institutional sectors over the period 2006-2013. Savings deposits were the second major constituent in all sectors barring non-financial private corporate and financial sectors, wherein current deposits were significant as compared to savings deposits (Table 4).

### Ownership Pattern of Deposits across Population Groups<sup>6</sup>

12. Distribution of total deposits across population groups wherein bank branches were located indicated that metropolitan branches contributed maximum in total deposits (54-58 per cent during 2006-2013) followed by urban (20-22 per cent), semi-urban (13-14 per cent) and rural (8-11 per cent) branches (Table 5). The share of rural branches in total deposits, which

declined during 2006-2009, had started recovering thereafter. Further, deceleration in total deposits during 2012-13 had been mainly on account of deceleration in deposits raised by metropolitan branches.

13. Term deposits remained dominant across metropolitan, urban and semi-urban population groups followed by savings deposits during 2012-13 (Chart 3). However, in respect of deposits raised by rural branches, savings deposits constituted largest share, followed by term deposits.

14. Institutional sector composition revealed dominance of households sector in all population groups. Within households, individuals (including Hindu Undivided Families - HUFs) constituted largest share across all the population groups. This sub-group accounted for more than 75 per cent of household deposits in rural and more than 60 per cent in semi-urban centres, however, its share was comparatively lower at around 46 per cent in metropolitan areas. (For detailed data, refer RBI website (<http://www.rbi.org.in/>)).

<sup>6</sup> The population group classification of banked centres is based on Census 2001.

**Table 5: Distribution of Deposits Across Population Groups**

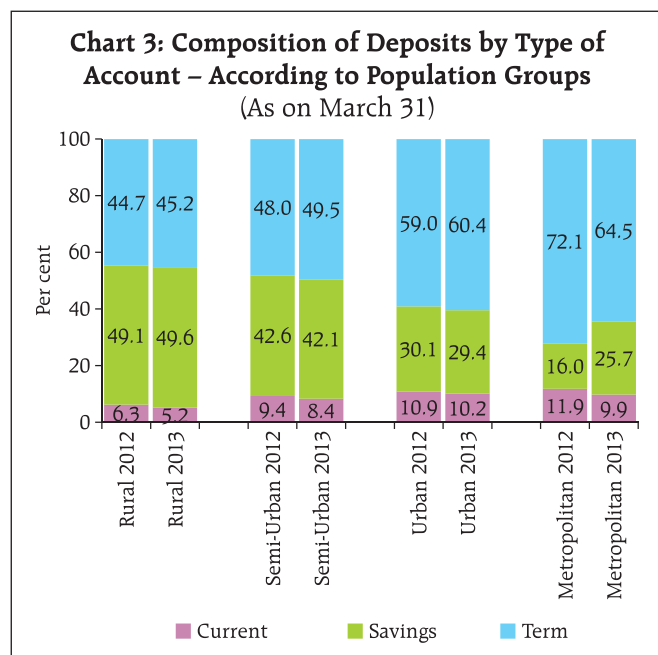
(Amounts in ₹ billion: growth rate and share in per cent)

Population Group/Year (as on March 31)		2006	2007	2008	2009	2010	2012	2013
Rural	<b>Amount</b>	2,332	2,585	3,010	3,151	4,270	5,780	6,757
	(Growth Rate)	(9.7)	(10.9)	(16.4)	(4.7)	(35.5)	(16.3)	(16.9)
	{Share}	{10.8}	{9.6}	{9.1}	{7.8}	{8.8}	{9.0}	{9.5}
Semi-urban	<b>Amount</b>	3,076	3,653	4,328	5,488	6,307	8,664	10,132
	(Growth Rate)	(2.1)	(18.8)	(18.5)	(26.8)	(14.9)	(17.2)	(16.9)
	{Share}	{14.2}	{13.5}	{13.0}	{13.6}	{13.0}	{13.5}	{14.2}
Urban	<b>Amount</b>	4,573	5,526	6,829	8,926	9,833	13,248	15,388
	(Growth Rate)	(19.9)	(20.8)	(23.6)	(30.7)	(10.2)	(16.1)	(16.2)
	{Share}	{21.2}	{20.5}	{20.6}	{22.1}	{20.3}	{20.7}	{21.5}
Metropolitan	<b>Amount</b>	11,630	15,235	19,020	22,832	27,954	36,417	39,189
	(Growth Rate)	(30.6)	(31.0)	(24.8)	(20.0)	(22.4)	(14.1)	(7.6)
	{Share}	{53.8}	{56.4}	{57.3}	{56.5}	{57.8}	{56.8}	{54.8}
All India	<b>Amount</b>	21,610	26,999	33,186	40,397	48,364	64,110	71,466
	(Growth Rate)	(21.0)	(24.9)	(22.9)	(21.7)	(19.7)	(15.1)	(11.5)
	{Share}	{100.0}	{100.0}	{100.0}	{100.0}	{100.0}	{100.0}	{100.0}

Note: The growth rates for 2012 are the compounded annual growth rates (CAGR) over 2010.

### Ownership Pattern of Deposits According to Bank Groups

15. Bank group wise, public sector banks (comprising SBI & its Associates and Nationalised Banks including IDBI Bank) comprised the largest share in total deposits, which had increased from 70.1 per cent as on March 31, 2007 to 74.3 per cent in March 2013



(Table 6). Domestic private sector banks comprised 3.6-4.7 times of the deposits held by foreign banks during 2006-2013. The Regional Rural Banks' share in total deposits was the lowest at around 3 per cent during 2007-13.

16. Distribution according to type of deposits in March 2013 was similar to earlier years. In 2013, SBI and its associates, nationalised banks and private sector banks followed the same pattern, where the term deposits had the largest share followed by savings deposits (Chart 4). In the case of foreign banks, term deposits constituted more than half of the total deposits followed by current deposits (more than one-fourth). In the case of RRBs, savings deposits accounted for more than half of the total deposits followed by term deposits (around two-fifth).

17. Institutional ownership of deposits as on March 31, 2013 indicated that the households accounted for the highest share in total deposits in all bank groups barring foreign Banks, in whose case non-financial private corporate sector held the largest deposits followed by household and foreign sectors deposits (Table 7).

**Table 6: Bank Group wise Distribution of Total Deposits**

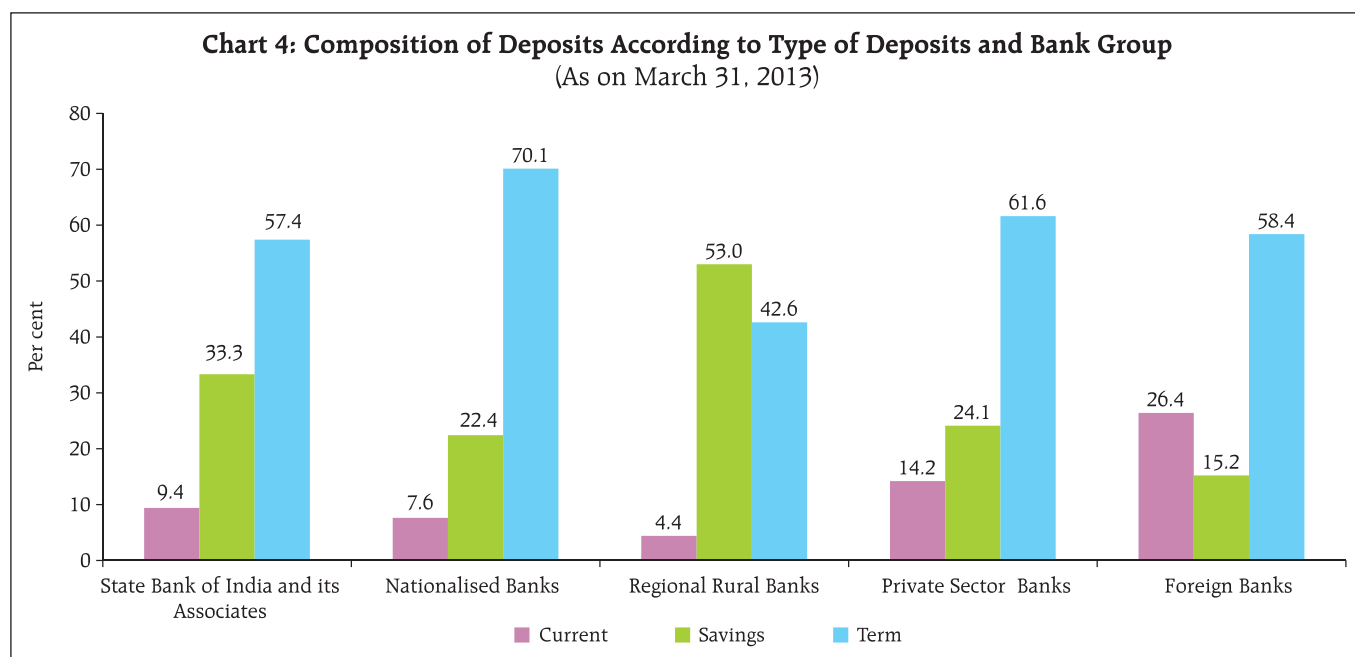
(Amounts in ₹ billion: growth rate and share in per cent)

Bank Group/Year (as on March 31)		2006	2007	2008	2009	2010	2012	2013
State Bank of India and its Associates	Amount	5,044	6,071	7,513	10,020	10,531	13,598	15,562
	Growth Rate	(17.5)	(20.3)	(23.8)	(33.4)	(5.1)	(13.6)	(14.4)
	Share	{23.3}	{22.5}	{22.6}	{24.8}	{21.8}	{21.2}	{21.8}
Nationalised Banks	Amount	10,355	12,843	15,845	19,116	25,406	34,233	37,540
	Growth Rate	(18.2)	(24.0)	(23.4)	(20.6)	(32.9)	(16.1)	(9.7)
	Share	{47.9}	{47.6}	{47.7}	{47.3}	{52.5}	{53.4}	{52.5}
Regional Rural Banks	Amount	764	817	961	1186	1474	1839	2064
	Growth Rate	(24.6)	(7.0)	(17.6)	(23.5)	(24.2)	(11.7)	(12.2)
	Share	{3.5}	{3.0}	{2.9}	{2.9}	{3.0}	{2.9}	{2.9}
Private Sector Banks	Amount	4,284	5,725	6,960	8,167	8,550	11,650	13,465
	Growth Rate	(26.9)	(33.6)	(21.6)	(17.3)	(4.7)	(16.7)	(15.6)
	Share	{19.8}	{21.2}	{21.0}	{20.2}	{17.7}	{18.2}	{18.8}
Foreign Banks	Amount	1,163	1,543	1,908	1907	2,403	2,780	2,836
	Growth Rate	(43.2)	(32.7)	(23.7)	(0.0)	(26.0)	(7.6)	(2.0)
	Share	{5.4}	{5.7}	{5.7}	{4.7}	{5.0}	{4.3}	{4.0}
All Scheduled Commercial Banks	Amount	21,610	26,999	33,186	40,397	48,364	64,110	71,466
	Growth Rate	(21.0)	(24.9)	(22.9)	(21.7)	(19.7)	(15.1)	(11.5)
	Share	{100.0}	{100.0}	{100.0}	{100.0}	{100.0}	{100.0}	{100.0}

**Note:** Other scheduled commercial banks include old as well as new private sector banks. The growth rates for 2012 are compounded annual growth rates (CAGR) over 2010.

18. Selection of bank groups by various institutional players appeared to be based on flexibilities required for their business as well as the customer oriented business strategies of banks. Around 90 per cent of the

Government deposits were with public sector banks. More than 40 per cent deposits by non-financial private corporate sector were concentrated in foreign and private sector bank groups. Most of the household



**Table 7: Bank Group Wise Pattern of Ownership Of Deposits – March 31, 2013**

(Amounts in ₹ billion; share in per cent)

Sector/Bank Group	SBI & Its Associates	Nationalised Banks	RRBs	Private Sector Banks	Foreign Banks	Total
I. Government Sector	2,206 (14.2)	6,708 (17.9)	128 (6.2)	751 (5.6)	120 (4.2)	9,913 (13.9)
II. Private Corporate Sector (Non-Financial)	1,894 (12.2)	3,050 (8.1)	18 (0.9)	2,736 (20.3)	1,178 (41.5)	8,875 (12.4)
III. Financial Sector	538 (3.5)	4,347 (11.6)	20 (1.0)	1,928 (14.3)	317 (11.2)	7,150 (10.0)
IV. Household Sector	10,261 (65.9)	22,686 (60.4)	1,891 (91.6)	6,943 (51.6)	787 (27.8)	42,568 (59.6)
V. Foreign Sector	662 (4.3)	749 (2.0)	7 (0.3)	1,108 (8.2)	434 (15.3)	2,960 (4.1)
<b>Total Deposits</b>	<b>15,562</b> <b>(100.0)</b>	<b>37,540</b> <b>(100.0)</b>	<b>2,064</b> <b>(100.0)</b>	<b>13,465</b> <b>(100.0)</b>	<b>2,836</b> <b>(100.0)</b>	<b>71,466</b> <b>(100.0)</b>

**Note:** Figures in parentheses represents share.

deposits, specially individuals (largest constituent of household sector) were with public sector banks, possibly on account of comparatively bigger branch network of these banks.

### **Institutional Ownership of Deposits According to States / Union Territories<sup>7</sup>**

19. The composition according to ownership deposits as at end March 2013 across different States/Union Territories (UTs) shows the dominance of households' savings in bank deposits with different degrees of variations. The overall household share in total deposits in the Central Region was the highest at 73.3 per cent with the corresponding States/UT's share varying in the range from 60 to 78 per cent, followed by the North Eastern States at 68.7 per cent (with the constituents' share being ranged between 63 to 71 per cent), the Eastern Region at 68.2 per cent (59 to 75 per cent) and the Southern Region at 64.4 per cent (64 to 77 per cent). The share of households in total deposits was lower in the Northern Region at 60.4 per cent (45 to 84 per cent) and in Western Regions at 46.2 per cent (40 to 74 per cent), the variations being wider due to very low shares of Delhi (45 per cent) and Maharashtra (40 per cent),

respectively. In respect of four States/UTs, the share of household in total deposits was below all-India level. Besides Maharashtra and Delhi, these States/UTs include Chandigarh (58.2 per cent) and Odisha (59.2 per cent). The contribution of households in total deposits was above 75 per cent in six States/UTs, namely Himachal Pradesh, Punjab, Rajasthan, Uttar Pradesh, Dadra & Nagar Haveli and Lakshadweep.

20. In 15 States/UTs, the share of Government entities in total deposits was less than the all-India level. These include all States/UTs of Western and Southern regions barring Lakshadweep. The share of non-financial private corporate sector in total deposits in 6 states namely, Maharashtra, Delhi, Uttarakhand, Andhra Pradesh, Karnataka, and Tamil Nadu was higher than the all-India level. Of the total deposits by non-financial private corporates, 80.5 per cent were concentrated in 6 states, namely, Maharashtra (37.1 per cent), Delhi (15.5 per cent), Karnataka (8.6 per cent), Tamil Nadu (7.3 per cent), Andhra Pradesh (7.6 per cent) and West Bengal (4.4 per cent). The 'Foreign' sector deposits accounted for 18.6 per cent, 16.1 per cent and 16.1 per cent of total deposits raised by banks in Kerala, Daman & Diu and Goa, respectively. Of the total foreign sector deposits raised by SCBs in all-India, Maharashtra constituted 33.7 per cent followed by Kerala (14.9 per cent), Delhi (7.8 per cent) and Gujarat (7.4 per cent).

<sup>7</sup> More detailed data for March 2013 is available in the Reserve Bank website 'URL: <http://www.rbi.org.in/>'..



## *Real Effective Exchange Rate based on CPI as Price Index for India\**

Effective exchange rates are summary indicators of movements in the exchange rates of home currency against a basket of currencies of trade partner countries and are considered to be an indicator of international competitiveness. Till now, in case of India, the Reserve Bank was providing the REER index (6 and 36 currencies) using the wholesale price index (WPI) for India and consumer price indices (CPI) for partner countries. However, with the availability of all India CPI index for India, the Reserve Bank has now decided to compute and provide data on REER using new CPI for India. In this context, this article briefly discusses the methodology along with the rationale for computing the CPI based REER and also provides yearly and monthly time series data for both CPI and WPI based REER indices (both 6 and 36 currency basket based on trade as well export weights) since 2004-05.

### *REER based on CPI as Price Index for India*

At present, the trade/export weighted REER is computed using inflation differential based on the WPI for India and CPI for partner countries. Earlier there was no single consumer price index that could better capture nation-wide actual changes in retail prices at aggregate level. With the launch of new CPI index, measuring changes in prices of goods and services consumed by rural and urban households, it is possible to compute CPI based REER index for India. The CPI based index of REER is most frequently used indicator of competitiveness across countries. Thus, REER index constructed using a CPI for both India and trade partner countries would ensure a higher degree of comparability of former's international competitiveness *vis-à-vis* trading partner countries. Further, since October 2013, the RBI has started providing indicative projections of

inflation in terms of the broader CPI-Combined. Thus, with greater focus on CPI inflation as primary objective of domestic monetary policy, it is pertinent to have an alternative index of REER based on CPI. The methodology used for computation of CPI-based REER is provided in Annex 1.

To make the CPI based REER consistent and comparable with extant REER (based on WPI for India), the base year is chosen to be 2004-05. Although the new series of Consumer Price Index-Combined (CPI-C) (Base: 2010=100) is available on a monthly basis from January-2011, a back-casted series, using CPI-IW since January 2001, is provided in the *Report of the Expert Committee to Revise and Strengthen the Monetary Policy Framework* (Chairman: Dr. Urjit Patel) released by the Reserve Bank in January 2014.<sup>1</sup> The same series has been used to compute the CPI based REER index since 2004-05 both on monthly and yearly basis. For comparison, the annual series on CPI based REER (using both trade and export weights) is provided along with WPI based REER in Table 1 and 2.

**Table 1: CPI and WPI Based Index of REER (Trade Weighted)**

	36-Currency REER		6-Currency REER	
	(2004-05=100)		(2004-05=100)	
	CPI-based REER	WPI-based REER	CPI-based REER	WPI-based REER
2004-05	100.0	100.0	100.0	100.0
2005-06	102.4	103.1	104.4	105.2
2006-07	100.8	101.2	103.8	104.3
2007-08	109.2	108.5	113.4	112.8
2008-09	99.7	98.1	103.9	102.3
2009-10	103.9	95.7	110.7	102.0
2010-11	112.7	103.9	124.5	114.9
2011-12	110.3	101.4	121.2	111.5
2012-13	105.6	94.6	117.1	104.9
2013-14 P	103.3	89.5	112.4	97.5

P: Provisional

\* Prepared in the Division of International Trade and Finance, Department of Economic and Policy Research, Reserve Bank of India.

<sup>1</sup> Available at [http://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/ECOMRF210114\\_F.pdf](http://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/ECOMRF210114_F.pdf)

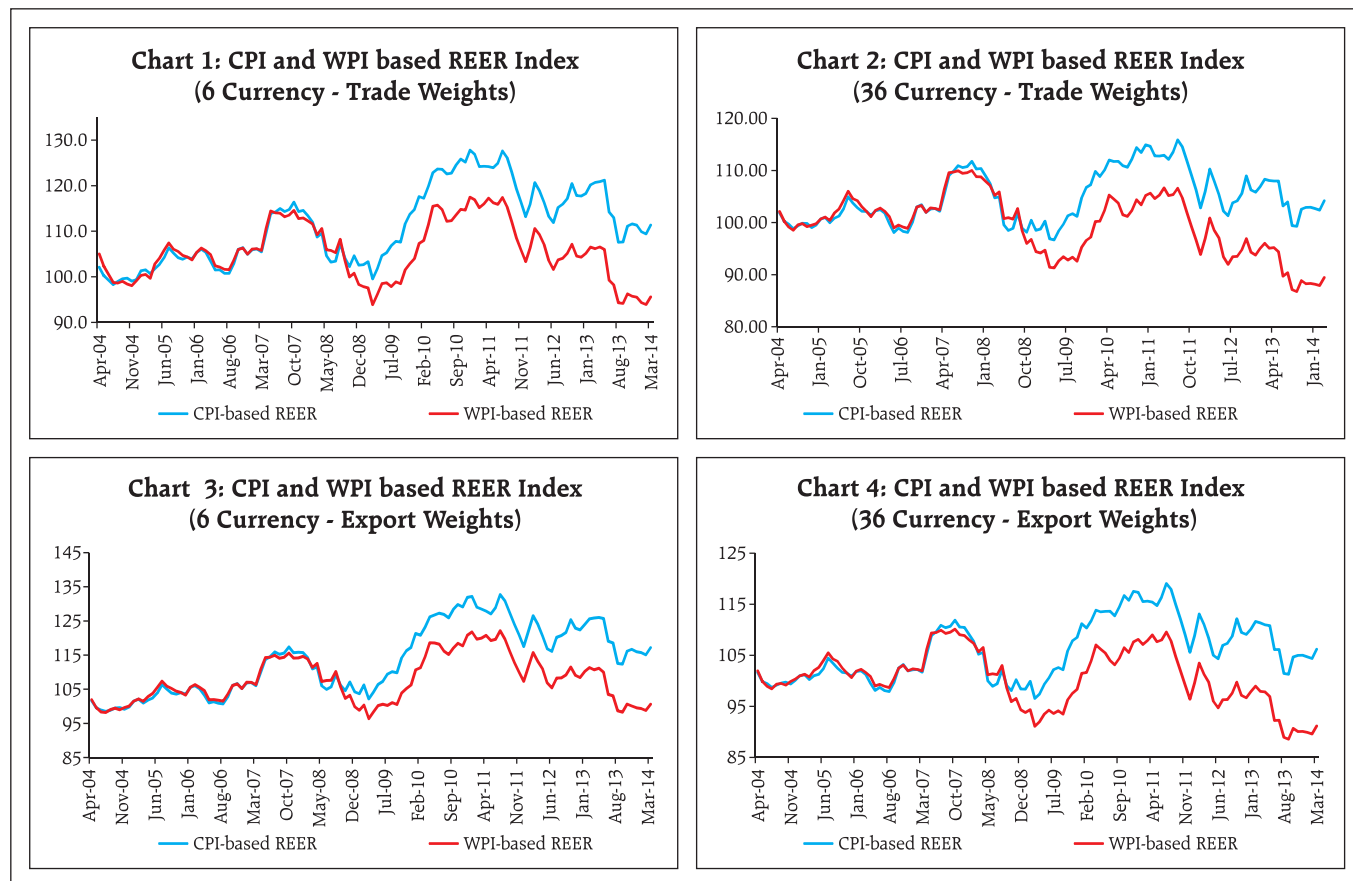
**Table 2: CPI and WPI Based Index of REER (Export Weighted)**

	36-currency REER		6-currency REER	
	(2004-05=100)		(2004-05=100)	
	CPI-based REER	WPI-based REER	CPI-based REER	WPI-based REER
2004-05	100.0	100.0	100.0	100.0
2005-06	102.0	102.7	104.3	105.0
2006-07	100.5	100.9	104.0	104.5
2007-08	109.2	108.6	114.6	113.9
2008-09	99.7	98.2	106.0	104.3
2009-10	105.0	96.7	113.4	104.4
2010-11	115.0	106.1	128.5	118.5
2011-12	113.2	104.1	125.8	115.7
2012-13	108.7	97.4	121.8	109.2
2013-14 P	105.6	91.5	117.6	102.0

P: Provisional

After moving broadly in tandem till 2008-09, the WPI-based 6/36 currency REER and CPI-based 6/36 currency REER have shown divergent trend since 2009-10 (Tables 1 & 2 and Charts 1 to 4). This reflects widening differential between WPI and CPI inflation

in recent years. Monthly series on both CPI and WPI based REER Index (both trade and export weighted) is provided in Annex 2 and 3. The new CPI back-casted series adjusted for 2004-05 as base year is also provided in Annex 4.



### Annex 1 The Methodology

Nominal effective exchange rate is calculated as geometric weighted averages of bilateral exchange rates of domestic currency in terms of foreign currency. The real exchange rate can be defined as the weighted average of bilateral nominal exchange rates that have been adjusted for relative price levels. Specifically, the NEER can be calculated as follows:

$$NEER = \prod_{i=1}^n (e/e_i)^{w_i}$$

The REER is the weighted average of NEER adjusted by the ratio of domestic price to foreign prices. Specifically,

$$REER = \prod_{i=1}^n [(e/e_i) (P/P_i)]^{w_i}$$

Where  $e$  represents the exchange rate of Indian rupee against a numeraire, *i.e.*, the IMF's Special Drawing Rights (SDRs) in indexed form and  $e_i$  is exchange rate of foreign currency 'i' against the numeraire (SDR per currency i) in indexed form. Similarly,  $P$  and  $P_i$  represent price index of home country and price index for trade partner country i, respectively while  $n$  implies number of countries/currencies (other than home country) covered under NEER and REER index. As set out in the methodology, the REER has four parameters/variables pertaining to country/currency coverage ( $n$ ), relative prices ( $P/P_i$ ), weights ( $w_i$ ) and exchange rates ( $e/e_i$ ).

As in the case of existing REER indices, the Special Drawing Right (SDR) is used as the numeraire currency in the construction of CPI based REER indices since the exchange value of the SDR is determined by a weighted average of a basket of major currencies (*i.e.*, the U.S. dollar, Euro, Japanese yen, and pound sterling), which would offset fluctuations in individual currencies. The exchange rate of a currency is expressed as the number of units of numeraire (SDRs) per ith currency. A rise in 'e' or 'e/e<sub>i</sub>', thus represents an appreciation of rupee relative to the currency i and *vice versa*, where  $e$  represents exchange rate of Indian rupee against the numeraire, SDR in indexed form and  $e_i$  represents exchange rate of foreign currency 'i' against the numeraire (SDRs) in indexed form.

As in the case of 6 and 36 currency WPI based REER index, the 6 and 36 currency CPI based REER index also uses a 3-year moving average trade weights with a view to suitably reflect the dynamically changing pattern of India's foreign trade with its major trading partner countries. In order to calculate the weights, the geometric average of India's bilateral trade (exports plus imports) with countries/regions represented by the 6 currencies/ 36 currencies during the preceding three years has been taken. This has then been normalised to arrive at the requisite weights ( $w_i$ ). The normalised weights (both trade and export weights) for the 6 and 36-currencies, respectively for the year 2013-14 are provided in Table a and b, respectively.

**Table a: 6-currency Normalised Weights for 2013-14**

(Per cent)

Country	Trade Weights	Export Weights
China	26.56	14.06
Hong Kong	8.35	10.61
Euro	31.09	34.21
Japan	6.65	5.29
UK	5.79	7.35
USA	21.56	28.48

**Table b: 36-currency Normalised Weights for 2013-14**

(Per cent)

Country	Trade Weights	Export Weights	Country	Trade Weights	Export Weights
Argentina	0.25	0.20	Philippines	0.24	0.43
Australia	2.36	0.91	Qatar	1.89	0.25
Bangladesh	0.73	1.68	Russia	0.97	0.80
Brazil	1.51	2.18	Saudi Arabia	5.51	2.68
Canada	0.69	0.75	Singapore	3.37	5.49
Taiwan	1.18	1.19	South Africa	2.08	1.92
Egypt	0.75	1.01	Sri Lanka	0.74	1.65
Indonesia	3.02	2.47	Sweden	0.40	0.30
Iran	2.38	1.14	Switzerland	4.80	0.40
Israel	0.95	1.48	Thailand	1.28	1.23
Kenya	0.45	1.12	Turkey	0.69	1.42
Korea	2.65	1.74	UAE	11.44	14.84
Kuwait	2.52	0.56	China	10.84	6.56
Malaysia	2.07	1.72	Hong Kong	3.41	4.95
Mexico	0.58	0.53	Euro	12.69	15.97
Vietnam	0.81	1.43	Japan	2.72	2.47
Nigeria	2.49	1.05	UK	2.36	3.43
Pakistan	0.36	0.75	USA	8.80	13.30

<b>Annex 2: CPI and WPI based Index of REER (Monthly Series) (Contd.)</b>									
	<b>36-currency REER (Trade Weights)</b>		<b>6-currency REER (Trade Weights)</b>			<b>36-currency REER (Trade Weights)</b>		<b>6-currency REER (Trade Weights)</b>	
	<b>(2004-05=100)</b>		<b>(2004-05=100)</b>			<b>(2004-05=100)</b>		<b>(2004-05=100)</b>	
	<b>CPI-based REER</b>	<b>WPI-based REER</b>	<b>CPI-based REER</b>	<b>WPI-based REER</b>		<b>CPI-based REER</b>	<b>WPI-based REER</b>	<b>CPI-based REER</b>	<b>WPI-based REER</b>
Apr-04	101.85	102.14	102.11	105.03	Jan-07	102.61	102.81	105.91	106.12
May-04	100.26	100.28	100.23	102.29	Feb-07	102.69	102.71	106.15	106.16
Jun-04	99.69	99.14	99.25	100.52	Mar-07	102.16	102.45	105.48	105.78
Jul-04	98.81	98.52	98.28	98.77	Apr-07	105.54	106.42	109.70	110.62
Aug-04	99.38	99.57	99.01	98.61	May-07	109.05	109.57	113.92	114.46
Sep-04	99.86	99.80	99.57	99.02	Jun-07	109.85	109.70	114.21	114.05
Oct-04	99.84	99.23	99.72	98.42	Jul-07	110.93	109.95	114.97	113.95
Nov-04	99.03	99.51	99.06	98.07	Aug-07	110.57	109.45	114.31	113.15
Dec-04	99.53	99.77	99.37	99.12	Sep-07	110.74	109.57	114.77	113.55
Jan-05	100.71	100.70	101.31	100.30	Oct-07	111.75	110.00	116.38	114.56
Feb-05	100.98	101.07	101.55	100.53	Nov-07	110.30	108.80	114.32	112.77
Mar-05	99.95	100.44	100.70	99.69	Dec-07	110.37	108.78	114.57	112.92
Apr-05	100.85	101.87	101.79	102.82	Jan-08	109.00	107.94	113.39	112.29
May-05	101.27	102.61	102.73	104.09	Feb-08	107.48	107.11	112.00	111.61
Jun-05	102.67	104.27	104.21	105.84	Mar-08	104.77	105.22	108.74	109.21
Jul-05	104.97	106.01	106.38	107.43	Apr-08	104.94	105.89	109.59	110.58
Aug-05	103.77	104.59	105.24	106.07	May-08	99.57	100.75	104.68	105.92
Sep-05	102.84	104.19	104.20	105.57	Jun-08	98.49	100.94	103.21	105.77
Oct-05	102.19	103.02	103.87	104.71	Jul-08	98.90	100.67	103.44	105.29
Nov-05	102.15	102.14	104.37	104.36	Aug-08	101.86	102.69	107.36	108.24
Dec-05	101.37	101.12	103.96	103.70	Sep-08	98.92	98.49	104.13	103.67
Jan-06	102.26	102.35	105.29	105.38	Oct-08	98.16	96.00	102.23	99.98
Feb-06	102.49	102.78	106.03	106.33	Nov-08	100.44	96.78	104.62	100.80
Mar-06	101.79	102.17	105.33	105.73	Dec-08	98.53	94.44	102.55	98.30
Apr-06	99.79	101.14	103.48	104.87	Jan-09	98.76	94.15	102.65	97.86
May-06	98.10	98.98	101.51	102.42	Feb-09	100.27	94.70	103.33	97.58
Jun-06	98.94	99.53	101.53	102.14	Mar-09	96.90	91.42	99.53	93.90
Jul-06	98.29	99.14	100.77	101.64	Apr-09	96.67	91.29	101.79	96.12
Aug-06	98.11	98.90	100.78	101.59	May-09	98.41	92.64	104.65	98.51
Sep-06	99.98	100.73	102.81	103.58	Jun-09	99.69	93.45	105.30	98.71
Oct-06	103.01	102.98	106.04	106.01	Jul-09	101.33	92.81	106.83	97.84
Nov-06	103.42	103.29	106.43	106.30	Aug-09	101.73	93.35	107.78	98.90
Dec-06	101.96	101.97	104.96	104.97	Sep-09	101.20	92.60	107.63	98.48

<b>Annex 2: CPI and WPI based Index of REER (Monthly Series) (Concl.d.)</b>									
	<b>36-currency REER (Trade Weights)</b>		<b>6-currency REER (Trade Weights)</b>			<b>36-currency REER (Trade Weights)</b>		<b>6-currency REER (Trade Weights)</b>	
	<b>(2004-05=100)</b>		<b>(2004-05=100)</b>			<b>(2004-05=100)</b>		<b>(2004-05=100)</b>	
	<b>CPI-based REER</b>	<b>WPI-based REER</b>	<b>CPI-based REER</b>	<b>WPI-based REER</b>		<b>CPI-based REER</b>	<b>WPI-based REER</b>	<b>CPI-based REER</b>	<b>WPI-based REER</b>
Oct-09	104.75	95.27	111.63	101.53	Jan-12	105.98	96.97	115.91	106.39
Nov-09	106.76	96.58	113.71	102.86	Feb-12	110.28	100.88	120.66	110.58
Dec-09	107.28	97.21	114.76	103.99	Mar-12	107.95	98.47	118.88	109.26
Jan-10	109.82	100.21	117.62	107.33	Apr-12	105.41	97.04	116.33	107.09
Feb-10	108.85	100.26	117.24	107.98	May-12	102.19	93.43	113.27	103.56
Mar-10	110.07	102.34	119.85	111.43	Jun-12	101.30	91.98	111.90	101.60
Apr-10	112.00	105.28	122.86	115.49	Jul-12	103.79	93.46	115.20	103.73
May-10	111.72	104.54	123.66	115.72	Aug-12	104.18	93.51	115.94	104.06
Jun-10	111.75	103.75	123.57	114.72	Sep-12	105.59	94.77	117.17	105.17
Jul-10	110.92	101.50	122.56	112.16	Oct-12	108.97	96.93	120.47	107.16
Aug-10	110.62	101.20	122.75	112.30	Nov-12	106.25	94.30	117.82	104.57
Sep-10	112.20	102.33	124.54	113.57	Dec-12	105.83	93.77	117.71	104.30
Oct-10	114.40	104.38	125.82	114.80	Jan-13	106.89	95.03	118.29	105.16
Nov-10	113.45	103.42	125.15	114.64	Feb-13	108.33	96.04	120.18	106.54
Dec-10	114.91	105.22	127.78	117.48	Mar-13	108.08	95.07	120.72	106.19
Jan-11	114.65	105.65	126.89	116.92	Apr-13	107.99	95.21	120.87	106.57
Feb-11	112.81	104.62	124.18	115.16	May-13	107.98	94.42	121.20	106.01
Mar-11	112.78	105.27	124.26	115.98	Jun-13	103.20	89.69	114.22	99.27
Apr-11	112.94	106.65	124.19	117.27	Jul-13	103.97	90.39	112.99	98.23
May-11	112.13	105.20	123.92	116.26	Aug-13	99.40	87.11	107.56	94.31
Jun-11	113.56	105.36	124.91	115.89	Sep-13	99.27	86.76	107.64	94.16
Jul-11	115.87	106.61	127.60	117.40	Oct-13	102.56	88.87	111.11	96.28
Aug-11	114.57	104.75	126.14	115.34	Nov-13	102.90	88.27	111.61	95.74
Sep-11	111.81	101.90	122.96	112.07	Dec-13	102.93	88.32	111.34	95.54
Oct-11	109.11	99.25	119.29	108.51	Jan-14	102.69	88.16	109.88	94.33
Nov-11	106.26	96.65	116.40	105.87	Feb-14	102.40	87.91	109.41	93.93
Dec-11	102.81	93.87	113.19	103.33	Mar-14	104.20	89.46	111.37	95.61

**Note:** Monthly data for 2013-14 are provisional.

<b>Annex 3: CPI and WPI based Index of REER (Monthly Series) (Contd.)</b>									
	<b>36-currency REER (Export Weights)</b>		<b>6-currency REER (Export Weights)</b>			<b>36-currency REER (Export Weights)</b>		<b>6-currency REER (Export Weights)</b>	
	<b>(2004-05=100)</b>		<b>(2004-05=100)</b>			<b>(2004-05=100)</b>		<b>(2004-05=100)</b>	
	<b>CPI-based REER</b>	<b>WPI-based REER</b>	<b>CPI-based REER</b>	<b>WPI-based REER</b>		<b>CPI-based REER</b>	<b>WPI-based REER</b>	<b>CPI-based REER</b>	<b>WPI-based REER</b>
Apr-04	101.66	101.95	101.65	101.95	Jan-07	102.16	102.36	106.87	107.08
May-04	99.85	99.88	99.56	99.58	Feb-07	102.21	102.23	106.98	106.99
Jun-04	99.45	98.91	98.87	98.33	Mar-07	101.70	101.98	106.05	106.34
Jul-04	98.72	98.43	98.46	98.17	Apr-07	105.35	106.23	109.93	110.85
Aug-04	99.14	99.33	98.85	99.04	May-07	108.86	109.38	113.71	114.26
Sep-04	99.55	99.49	99.50	99.44	Jun-07	109.62	109.46	114.51	114.35
Oct-04	99.74	99.14	99.59	98.99	Jul-07	110.88	109.89	115.93	114.90
Nov-04	99.37	99.85	99.15	99.63	Aug-07	110.41	109.29	115.23	114.07
Dec-04	100.10	100.35	99.78	100.03	Sep-07	110.70	109.53	115.59	114.36
Jan-05	100.99	100.98	101.51	101.49	Oct-07	111.88	110.13	117.39	115.56
Feb-05	101.19	101.27	102.08	102.17	Nov-07	110.54	109.04	115.66	114.10
Mar-05	100.25	100.73	100.96	101.45	Dec-07	110.46	108.87	115.83	114.17
Apr-05	100.99	102.01	101.79	102.82	Jan-08	109.10	108.04	115.75	114.63
May-05	101.29	102.63	102.40	103.75	Feb-08	107.70	107.33	114.28	113.89
Jun-05	102.37	103.97	103.90	105.52	Mar-08	105.21	105.66	110.94	111.41
Jul-05	104.44	105.47	106.33	107.38	Apr-08	105.56	106.52	111.57	112.57
Aug-05	103.47	104.29	105.06	105.88	May-08	100.00	101.18	105.99	107.25
Sep-05	102.47	103.82	103.87	105.23	Jun-08	98.92	101.37	104.95	107.55
Oct-05	101.66	102.50	103.60	104.44	Jul-08	99.44	101.22	105.70	107.59
Nov-05	101.52	101.51	104.03	104.02	Aug-08	102.16	102.99	109.29	110.18
Dec-05	100.86	100.62	103.51	103.26	Sep-08	99.08	98.64	106.17	105.70
Jan-06	101.81	101.90	105.51	105.60	Oct-08	98.09	95.93	104.60	102.29
Feb-06	101.97	102.25	106.06	106.36	Nov-08	100.20	96.54	107.11	103.20
Mar-06	101.25	101.63	105.13	105.52	Dec-08	98.39	94.31	104.21	99.89
Apr-06	99.50	100.84	103.22	104.61	Jan-09	98.36	93.77	103.66	98.82
May-06	98.10	98.99	100.99	101.89	Feb-09	99.91	94.36	106.23	100.32
Jun-06	98.71	99.30	101.33	101.94	Mar-09	96.54	91.08	102.15	96.37
Jul-06	98.08	98.93	100.90	101.77	Apr-09	97.38	91.96	104.12	98.32
Aug-06	97.90	98.69	100.70	101.50	May-09	99.30	93.48	106.41	100.17
Sep-06	99.59	100.33	102.74	103.51	Jun-09	100.55	94.26	107.33	100.61
Oct-06	102.51	102.47	106.12	106.08	Jul-09	102.17	93.58	109.43	100.22
Nov-06	103.19	103.07	106.66	106.53	Aug-09	102.59	94.15	110.12	101.06
Dec-06	101.95	101.96	105.18	105.19	Sep-09	102.16	93.48	109.83	100.50

<b>Annex 3: CPI and WPI based Index of REER (Monthly Series) (Concl'd.)</b>									
	<b>36-currency REER (Export Weights)</b>		<b>6-currency REER (Export Weights)</b>			<b>36-currency REER (Export Weights)</b>		<b>6-currency REER (Export Weights)</b>	
	<b>(2004-05=100)</b>		<b>(2004-05=100)</b>			<b>(2004-05=100)</b>		<b>(2004-05=100)</b>	
	<b>CPI-based REER</b>	<b>WPI-based REER</b>	<b>CPI-based REER</b>	<b>WPI-based REER</b>		<b>CPI-based REER</b>	<b>WPI-based REER</b>	<b>CPI-based REER</b>	<b>WPI-based REER</b>
Oct-09	105.85	96.28	114.18	103.85	Jan-12	108.83	99.57	122.08	111.70
Nov-09	107.85	97.56	116.29	105.20	Feb-12	113.12	103.48	126.52	115.73
Dec-09	108.50	98.32	117.22	106.22	Mar-12	111.04	101.29	124.04	113.15
Jan-10	111.18	101.45	121.31	110.70	Apr-12	108.35	99.75	120.58	111.00
Feb-10	110.34	101.62	120.84	111.29	May-12	105.01	96.01	116.86	106.84
Mar-10	111.75	103.90	123.18	114.53	Jun-12	104.31	94.71	116.06	105.38
Apr-10	113.84	107.02	126.17	118.61	Jul-12	106.95	96.31	120.21	108.25
May-10	113.51	106.21	126.72	118.57	Aug-12	107.34	96.34	120.71	108.34
Jun-10	113.59	105.46	127.30	118.18	Sep-12	108.70	97.56	121.63	109.17
Jul-10	113.63	103.98	126.95	116.18	Oct-12	112.15	99.76	125.36	111.51
Aug-10	112.73	103.13	125.90	115.18	Nov-12	109.46	97.15	122.90	109.07
Sep-10	114.49	104.41	128.33	117.03	Dec-12	109.09	96.67	122.38	108.44
Oct-10	116.71	106.49	129.82	118.45	Jan-13	110.13	97.91	124.01	110.25
Nov-10	115.78	105.54	129.10	117.69	Feb-13	111.63	98.97	125.60	111.35
Dec-10	117.53	107.62	131.93	120.81	Mar-13	111.34	97.94	125.85	110.70
Jan-11	117.34	108.13	132.18	121.80	Apr-13	110.97	97.84	126.04	111.13
Feb-11	115.52	107.12	129.06	119.68	May-13	110.82	96.91	125.72	109.97
Mar-11	115.60	107.90	128.51	119.95	Jun-13	106.11	92.22	119.06	103.47
Apr-11	115.44	109.01	127.87	120.75	Jul-13	106.15	92.29	118.55	103.06
May-11	114.74	107.65	127.09	119.24	Aug-13	101.43	88.91	112.57	98.70
Jun-11	116.41	108.01	128.90	119.60	Sep-13	101.28	88.54	112.35	98.28
Jul-11	119.07	109.56	132.72	122.12	Oct-13	104.66	90.68	116.14	100.63
Aug-11	117.92	107.82	130.85	119.64	Nov-13	104.97	90.04	116.69	100.10
Sep-11	114.96	104.77	127.49	116.19	Dec-13	105.00	90.10	115.99	99.53
Oct-11	112.07	101.94	124.02	112.81	Jan-14	104.74	89.92	115.72	99.34
Nov-11	109.04	99.18	120.94	110.00	Feb-14	104.38	89.61	115.07	98.79
Dec-11	105.57	96.38	117.51	107.28	Mar-14	106.21	91.18	117.22	100.63

**Note:** Monthly data for 2013-14 are provisional.

<b>Annex 4: New Consumer Price Index (Base 2004-05=100)</b>										
	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
April	97.2	101.8	106.2	113.4	122.4	132.0	147.1	161.1	177.6	194.3
May	98.0	101.2	107.5	114.1	122.5	133.3	148.3	162.4	179.3	196.0
June	98.7	101.3	109.0	115.0	124.2	134.8	150.2	165.0	181.4	199.3
July	99.5	103.0	109.7	116.6	126.3	139.5	153.6	167.6	184.1	201.9
August	100.4	103.3	110.4	117.1	127.9	140.9	153.8	169.4	186.4	204.1
September	100.6	103.4	111.2	117.2	129.1	142.0	155.2	171.4	188.1	206.6
October	101.3	104.3	112.5	118.1	131.5	143.5	156.1	172.6	189.4	208.5
November	101.0	105.4	112.5	118.3	131.5	146.4	157.0	173.1	190.2	211.6
December	100.3	105.0	112.1	118.3	129.7	146.7	158.8	172.3	190.5	209.3
January	101.0	105.1	112.1	118.5	130.3	147.7	160.6	172.9	191.6	208.4
February	101.0	105.1	112.4	119.2	130.1	146.4	159.7	173.8	192.8	
March	101.0	105.1	112.4	120.9	130.6	146.1	160.2	175.2	193.4	

**Note:** Based on back-casted series provided in Report of the Expert Committee to Revise and Strengthen the Monetary Policy Framework, January 2014.



# CURRENT STATISTICS

Select Economic Indicators

Reserve Bank of India

Money and Banking

Prices and Production

Government Accounts and Treasury Bills

Financial Markets

External Sector

Payment and Settlement Systems



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**Notes:** .. = Not available.  
 – = Nil/Negligible.  
 P = Preliminary/Provisional. PR = Partially Revised.

## No. 1: Select Economic Indicators

Item	2012-13	2012-13		2013-14	
		Q1	Q2	Q1	Q2
	1	2	3	4	5
<b>1 Real Sector (% Change)</b>					
1.1 GDP	5.0	5.4	5.2	4.4	4.8
1.1.1 Agriculture	1.9	2.9	1.7	2.7	4.6
1.1.2 Industry	1.2	-0.2	0.5	-0.9	1.6
1.1.3 Services	6.8	7.6	7.1	6.2	5.8
1.1a Final Consumption Expenditure	3.9	4.7	4.0	3.0	1.7
1.1b Gross Fixed Capital Formation	1.7	-2.2	1.1	-1.2	2.6
	<b>2012-13</b>	<b>2013</b>		<b>2014</b>	
		<b>Jan</b>	<b>Feb</b>	<b>Jan</b>	<b>Feb</b>
	1	2	3	4	5
1.2 Index of Industrial Production	1.2	2.5	0.6	0.1	..
<b>2 Money and Banking (% Change)</b>					
2.1 Scheduled Commercial Banks					
2.1.1 Deposits	14.2	13.1	12.8	15.7	17.1
2.1.2 Credit	14.1	16.0	16.3	14.7	16.0
2.1.2.1 Non-food Credit	14.0	15.8	16.1	14.9	16.4
2.1.3 Investment in Govt. Securities	15.4	16.2	12.6	12.8	14.3
2.2 Money Stock Measures					
2.2.1 Reserve Money (M0)	6.0	4.2	7.5	9.0	10.5
2.2.2 Broad Money (M3)	13.5	13.0	12.7	14.5	14.5
<b>3 Ratios (%)</b>					
3.1 Cash Reserve Ratio	4.00	4.25	4.00	4.00	4.00
3.2 Statutory Liquidity Ratio	23.0	23.0	23.0	23.0	23.0
3.3 Cash-Deposit Ratio	4.8	5.5	5.2	4.9	4.9
3.4 Credit-Deposit Ratio	77.9	77.4	78.1	76.7	77.4
3.5 Incremental Credit-Deposit Ratio	77.1	70.9	78.6	66.4	73.4
3.6 Investment-Deposit Ratio	29.7	30.1	29.9	29.4	29.2
3.7 Incremental Investment-Deposit Ratio	31.9	36.8	34.6	26.4	25.5
<b>4 Interest Rates (%)</b>					
4.1 Policy Repo Rate	7.50	7.75	7.75	8.00	8.00
4.2 Reverse Repo Rate	6.50	6.75	6.75	7.00	7.00
4.3 Marginal Standing Facility (MSF) Rate	8.50	8.75	8.75	9.00	9.00
4.4 Bank Rate	8.50	8.75	8.75	9.00	9.00
4.5 Base Rate	9.70/10.25	9.75/10.50	9.70/10.50	10.00/10.25	10.00/10.25
4.6 Term Deposit Rate >1 Year	7.50/9.00	8.50/9.00	7.50/9.00	8.00/9.10	8.00/9.10
4.7 Savings Deposit Rate	4.00	4.00	4.00	4.00	4.00
4.8 Call Money Rate (Weighted Average)	8.30	7.82	7.85	8.11	7.93
4.9 91-Day Treasury Bill (Primary) Yield	8.19	7.94	8.10	8.90	9.15
4.10 182-Day Treasury Bill (Primary) Yield	8.01	7.94	8.03	8.95	9.10
4.11 364-Day Treasury Bill (Primary) Yield	7.79	7.84	7.90	8.67	8.67
4.12 10-Year Government Securities Yield	7.95	7.91	7.87	8.81	8.86
<b>5 RBI Reference Rate and Forward Premia</b>					
5.1 INR-US\$ Spot Rate (₹ Per Foreign Currency)	54.39	53.29	53.77	62.48	62.07
5.2 INR-Euro Spot Rate (₹ Per Foreign Currency)	69.54	72.23	70.68	84.60	85.03
5.3 Forward Premia of US\$ 1-month (%)	7.72	6.76	8.26	8.07	9.47
3-month (%)	7.57	7.58	7.96	8.58	9.09
6-month (%)	7.28	7.09	7.40	8.26	8.64
<b>6 Inflation (%)</b>					
6.1 Wholesale Price Index	7.4	7.3	7.3	5.1	4.7
6.1.1 Primary Articles	9.8	11.4	10.5	6.8	6.3
6.1.2 Fuel and Power	10.6	9.3	10.6	10.0	8.8
6.1.3 Manufactured Products	5.4	5.0	4.8	2.8	2.8
6.2 All India Consumer Price Index	10.21	10.8	10.9	8.8	8.1
6.3 Consumer Price Index for Industrial Workers	10.43	11.6	12.1	7.2	6.7
<b>7 Foreign Trade (% Change)</b>					
7.1 Imports	0.5	4.2	2.8	-18.8	-17.1
7.2 Exports	-2.1	1.6	2.3	2.4	-3.7

## Reserve Bank of India

## No. 2: RBI - Liabilities and Assets

(₹ Billion)

Item	As on the Last Friday/ Friday						
	2013-14	2013	2014				
		Mar.	Feb. 28	Mar. 7	Mar. 14	Mar. 21	Mar. 28
	1	2	3	4	5	6	7
<b>1 Issue Department</b>							
<b>1.1 Liabilities</b>							
1.1.1 Notes in Circulation	12,835.11	11,772.18	12,712.01	12,824.87	12,903.19	12,903.49	12,835.11
1.1.2 Notes held in Banking Department	0.17	0.08	0.13	0.11	0.10	0.13	0.17
<b>1.1/1.2 Total Liabilities (Total Notes Issued) or Assets</b>	<b>12,835.28</b>	<b>11,772.26</b>	<b>12,712.15</b>	<b>12,824.98</b>	<b>12,903.30</b>	<b>12,903.63</b>	<b>12,835.28</b>
<b>1.2 Assets</b>							
1.2.1 Gold Coin and Bullion	682.33	740.85	682.33	682.33	682.33	682.33	682.33
1.2.2 Foreign Securities	12,141.07	11,019.02	12,018.35	12,129.55	12,208.31	12,209.00	12,141.07
1.2.3 Rupee Coin	1.41	1.92	1.00	2.64	2.19	1.83	1.41
1.2.4 Government of India Rupee Securities	10.46	10.46	10.46	10.46	10.46	10.46	10.46
<b>2 Banking Department</b>							
<b>2.1 Liabilities</b>							
2.1.1 Deposits	4,721.36	4,577.50	3,653.62	3,569.36	4,112.21	4,144.57	4,721.36
2.1.1.1 Central Government	534.25	817.59	1.01	1.00	65.73	621.04	534.25
2.1.1.2 Market Stabilisation Scheme	–	–	–	–	–	–	–
2.1.1.3 State Governments	0.42	0.42	0.43	0.42	0.42	0.42	0.42
2.1.1.4 Scheduled Commercial Banks	3,805.71	3,424.24	3,302.54	3,216.77	3,689.89	3,163.44	3,805.71
2.1.1.5 Scheduled State Co-operative Banks	39.04	41.29	33.59	33.58	35.43	33.55	39.04
2.1.1.6 Non-Scheduled State Co-operative Banks	5.50	2.37	4.04	4.48	4.56	4.50	5.50
2.1.1.7 Other Banks	174.92	152.48	159.48	160.25	160.64	160.87	174.92
2.1.1.8 Others	161.52	139.10	152.53	152.86	155.54	160.74	161.52
2.1.2 Other Liabilities	8,567.95	6,959.83	9,014.59	8,782.93	8,937.19	8,760.00	8,567.95
<b>2.1/2.2 Total Liabilities or Assets</b>	<b>13,289.32</b>	<b>11,537.33</b>	<b>12,668.21</b>	<b>12,352.29</b>	<b>13,049.39</b>	<b>12,904.57</b>	<b>13,289.32</b>
<b>2.2 Assets</b>							
2.2.1 Notes and Coins	0.17	0.08	0.13	0.11	0.11	0.14	0.17
2.2.2 Balances held Abroad	4,588.34	3,161.94	4,604.90	4,281.95	4,459.67	4,427.96	4,588.34
2.2.3 Loans and Advances							
2.2.3.1 Central Government	–	–	–	–	–	–	–
2.2.3.2 State Governments	14.88	3.70	3.14	–	1.60	10.34	14.88
2.2.3.3 Scheduled Commercial Banks	421.78	418.66	358.74	311.04	281.05	416.13	421.78
2.2.3.4 Scheduled State Co-op.Banks	–	–	–	–	–	–	–
2.2.3.5 Industrial Dev. Bank of India	–	–	–	–	–	–	–
2.2.3.6 NABARD	–	–	–	–	–	–	–
2.2.3.7 EXIM Bank	–	–	–	–	–	–	–
2.2.3.8 Others	77.15	19.00	67.51	65.53	66.96	74.15	77.15
2.2.4 Bills Purchased and Discounted							
2.2.4.1 Internal	–	–	–	–	–	–	–
2.2.4.2 Government Treasury Bills	–	–	–	–	–	–	–
2.2.5 Investments	7,387.75	7,185.00	6,799.14	6,874.95	7,418.32	7,174.71	7,387.75
2.2.6 Other Assets	799.25	748.93	834.64	818.71	821.67	801.13	799.25
2.2.6.1 Gold	619.82	672.98	619.82	619.82	619.82	619.82	619.82

**No. 3: Liquidity Operations by RBI**

(₹ Billion)

Date	Liquidity Adjustment Facility			MSF	Standing Liquidity Facilities	OMO (Outright)		Net Injection (+)/ Absorption (-) (1+3+4+5+7-2-6)
	Repo	Reverse Repo	Term Repo			Sale	Purchase	
	1	2	3			4	5	
Feb. 3, 2014	315.65	36.36	-	16.15	-12.25	-	-	283.19
Feb. 4, 2014	292.59	40.69	-	3.95	-68.10	-	-	187.75
Feb. 5, 2014	209.47	10.38	-	7.75	12.30	-	-	219.14
Feb. 6, 2014	275.57	41.95	-	1.00	101.62	-	-	336.24
Feb. 7, 2014	349.74	14.10	390.01	116.38	-18.42	-	-	823.61
Feb. 10, 2014	350.37	7.70	-	263.50	89.73	-	-	695.90
Feb. 11, 2014	373.87	22.75	-	180.15	0.08	-	-	531.35
Feb. 12, 2014	406.67	1.35	100.02	154.20	12.84	-	-	672.38
Feb. 13, 2014	391.67	4.55	-	186.49	7.68	-	-	581.29
Feb. 14, 2014	407.02	1.59	200.04	13.20	-55.00	-	-	563.67
Feb. 17, 2014	383.07	28.42	-	1.50	-17.95	-	-	338.20
Feb. 18, 2014	337.04	2.19	300.04	43.40	0.77	-	-	679.06
Feb. 20, 2014	278.83	117.13	-	0.93	-76.06	-	-	86.57
Feb. 21, 2014	282.28	30.05	390.07	56.00	31.89	-	-	730.19
Feb. 24, 2014	238.12	38.54	-	0.46	-40.65	-	-	159.39
Feb. 25, 2014	233.91	48.40	-	0.10	-19.09	-	-	166.52
Feb. 26, 2014	290.57	30.75	-	14.35	-7.48	-	-	266.69
Feb. 28, 2014	221.59	62.73	-	65.45	21.45	-	-	245.76

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

Item	2012-13	2013	2014	
		Feb.	Jan.	Feb.
	1	2	3	4
1 Net Purchase/ Sale of Foreign Currency (US\$ Million) (1.1-1.2)	-2,601.00	-280.00	-1,929.00	-530.00
1.1 Purchase (+)	13,648.00	3,021	375	-
1.2 Sale (-)	16,249.00	3,301.00	2,304.00	530.00
2 ₹ equivalent at contract rate ( ₹ Billion)	-153.16	-19.69	-116.76	-30.68
3 Cumulative (over end-March 2013) (US \$ Million)	-2,601.00	-3,421.00	1,740.00	1,210.00
( ₹ Billion)	-153.16	-193.27	113.93	83.26
4 Outstanding Net Forward Sales (-)/ Purchase (+) at the end of month (US\$ Million)	-11,006.00	-12,110.00	-31,848.00	-31,318.00

## No. 5: RBI's Standing Facilities

(₹ Billion)

Item	As on the Last Reporting Friday							
	2013-14	2013					2014	
		Feb. 22	Sep. 20	Oct. 18	Nov. 29	Dec. 27	Jan. 24	Feb. 21
	1	2	3	4	5	6	7	8
1 MSF	–	–	756.8	434.2	86.5	385.4	105.6	56.0
2 Export Credit Refinance for Scheduled Banks								
2.1 Limit	568.0	407.2	422.3	436.8	472.3	488.1	533.7	542.8
2.2 Outstanding	410.4	197.6	349.4	364.5	371.5	418.1	297.9	400.2
3 Liquidity Facility for PDs								
3.1 Limit	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0
3.2 Outstanding	22.2	6.1	24.6	25.0	25.7	23.6	25.5	15.7
4 Others								
4.1 Limit	–	50.0	–	–	–	–	–	–
4.2 Outstanding	–	–	–	–	–	–	–	–
5 Total Outstanding (1+2.2+3.2+4.2)	432.6	203.7	1130.8	823.7	483.7	827.1	428.9	471.9

## Money and Banking

## No. 6: Money Stock Measures

(₹ Billion)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2012-13	2013	2014		
			Feb. 22	Jan. 24	Feb. 7
	1	2	3	4	5
1 Currency with the Public (1.1 + 1.2 + 1.3 – 1.4)	11,447.4	11,257.5	12,271.3	12,370.1	12,390.5
1.1 Notes in Circulation	11,756.4	11,634.1	12,621.5	12,707.6	12,747.7
1.2 Circulation of Rupee Coin	146.0	143.9	158.2	158.2	158.2
1.3 Circulation of Small Coins	7.4	7.4	7.4	7.4	7.4
1.4 Cash on Hand with Banks	462.3	527.9	515.7	503.0	522.8
2 Deposit Money of the Public	7,502.0	7,165.2	7,856.8	7,743.6	7,815.9
2.1 Demand Deposits with Banks	7,469.6	7,150.1	7,834.1	7,732.1	7,803.2
2.2 'Other' Deposits with Reserve Bank	32.4	15.1	22.8	11.5	12.7
3 M <sub>1</sub> (1 + 2)	18,949.4	18,422.7	20,128.1	20,113.7	20,206.4
4 Post Office Saving Bank Deposits	50.4	50.4	50.4	50.4	51.4
5 M <sub>2</sub> (3 + 4)	18,999.8	18,473.1	20,178.6	20,164.1	20,257.8
6 Time Deposits with Banks	64,870.9	63,318.2	72,808.1	73,375.7	73,379.4
7 M <sub>3</sub> (3 + 6)	83,820.2	81,740.8	92,936.2	93,489.3	93,585.8
8 Total Post Office Deposits	259.7	259.7	259.7	259.7	260.7
9 M <sub>4</sub> (7 + 8)	84,079.9	82,000.5	93,195.9	93,749.0	93,846.5



No. 7: Sources of Money Stock (M<sub>3</sub>)

(₹ Billion)

Sources	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2012-13	2013	2014		
		Feb. 22	Jan. 24	Feb. 7	Feb. 21
	1	2	3	4	5
<b>1 Net Bank Credit to Government</b>	<b>27,072.1</b>	<b>26,694.6</b>	<b>29,967.0</b>	<b>30,121.2</b>	<b>30,210.9</b>
1.1 RBI's net credit to Government (1.1.1-1.1.2)	5,905.8	5,930.8	6,601.4	6,569.4	6,589.5
1.1.1 Claims on Government	6,581.4	6,685.6	6,819.9	6,824.4	6,830.4
1.1.1.1 Central Government	6,580.2	6,678.8	6,809.2	6,817.9	6,825.9
1.1.1.2 State Governments	1.2	6.8	10.7	6.4	4.5
1.1.2 Government deposits with RBI	675.6	754.8	218.5	255.0	240.9
1.1.2.1 Central Government	675.2	754.4	218.0	254.5	240.5
1.1.2.2 State Governments	0.4	0.4	0.4	0.4	0.4
1.2 Other Banks' Credit to Government	21,166.3	20,763.9	23,365.5	23,551.8	23,621.4
<b>2 Bank Credit to Commercial Sector</b>	<b>56,646.6</b>	<b>55,298.1</b>	<b>62,157.1</b>	<b>62,757.7</b>	<b>62,861.8</b>
2.1 RBI's credit to commercial sector	30.6	19.3	81.3	83.3	78.8
2.2 Other banks' credit to commercial sector	56,616.1	55,278.8	62,075.8	62,674.5	62,783.0
2.2.1 Bank credit by commercial banks	52,604.6	51,272.6	57,928.3	58,521.3	58,617.4
2.2.2 Bank credit by co-operative banks	3,968.7	3,955.5	4,110.9	4,117.2	4,127.4
2.2.3 Investments by commercial and co-operative banks in other securities	42.8	50.6	36.6	35.9	38.2
<b>3 Net Foreign Exchange Assets of Banking Sector (3.1 + 3.2)</b>	<b>16,366.6</b>	<b>15,944.6</b>	<b>18,732.1</b>	<b>18,788.8</b>	<b>18,812.2</b>
3.1 RBI's net foreign exchange assets (3.1.1-3.1.2)	15,580.6	15,533.8	17,821.9	17,878.6	17,902.0
3.1.1 Gross foreign assets	15,580.8	15,535.1	17,822.3	17,878.9	17,902.3
3.1.2 Foreign liabilities	0.2	1.3	0.4	0.4	0.4
3.2 Other banks' net foreign exchange assets	786.0	410.8	910.2	910.2	910.2
<b>4 Government's Currency Liabilities to the Public</b>	<b>153.4</b>	<b>151.3</b>	<b>165.6</b>	<b>165.6</b>	<b>165.6</b>
<b>5 Banking Sector's Net Non-monetary Liabilities</b>	<b>16,418.5</b>	<b>16,347.8</b>	<b>18,085.4</b>	<b>18,344.0</b>	<b>18,464.7</b>
5.1 Net non-monetary liabilities of RBI	6,925.0	6,958.2	8,733.5	8,873.4	8,900.0
5.2 Net non-monetary liabilities of other banks (residual)	9,493.4	9,389.6	9,351.9	9,470.6	9,564.6
<b>M<sub>3</sub> (1+2+3+4-5)</b>	<b>83,820.2</b>	<b>81,740.8</b>	<b>92,936.2</b>	<b>93,489.3</b>	<b>93,585.8</b>

## No. 8: Monetary Survey

(₹ Billion)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2012-13	2013		2014	
		Feb. 22	Jan. 24	Feb. 7	Feb. 21
	1	2	3	4	5
<b>Monetary Aggregates</b>					
NM <sub>1</sub> (1.1 + 1.2.1+1.3)	18,834.7	18,310.6	20,024.3	20,009.8	20,097.9
NM <sub>2</sub> (NM <sub>1</sub> + 1.2.2.1)	46,970.6	45,767.1	50,906.0	51,115.9	51,213.1
NM <sub>3</sub> (NM <sub>2</sub> + 1.2.2.2 + 1.4 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	83,575.6	81,456.8	90,997.8	91,447.6	91,500.5
<b>1 Components</b>					
1.1 Currency with the Public	11,461.0	11,270.7	12,285.8	12,384.6	12,405.5
1.2 Aggregate Deposits of Residents	69,865.6	68,039.3	76,341.7	76,738.3	76,824.6
1.2.1 Demand Deposits	7,341.3	7,024.8	7,715.7	7,613.7	7,679.8
1.2.2 Time Deposits of Residents	62,524.3	61,014.6	68,626.0	69,124.6	69,144.8
1.2.2.1 Short-term Time Deposits	28,135.9	27,456.5	30,881.7	31,106.1	31,115.1
1.2.2.1.1 Certificates of Deposit (CDs)	3,831.4	3,019.6	3,325.0	3,688.8	3,315.3
1.2.2.2 Long-term Time Deposits	34,388.4	33,558.0	37,744.3	38,018.5	38,029.6
1.3 'Other' Deposits with RBI	32.4	15.1	22.8	11.5	12.7
1.4 Call/Term Funding from Financial Institutions	2,216.6	2,131.7	2,347.5	2,313.2	2,257.8
<b>2 Sources</b>					
2.1 Domestic Credit	85,823.3	83,951.6	94,549.5	95,299.3	95,387.0
2.1.1 Net Bank Credit to the Government	26,579.4	26,206.6	29,408.0	29,562.2	29,638.1
2.1.1.1 Net RBI credit to the Government	5,905.8	5,930.8	6,601.4	6,569.4	6,589.5
2.1.1.2 Credit to the Government by the Banking System	20,673.6	20,275.8	22,806.5	22,992.8	23,048.6
2.1.2 Bank Credit to the Commercial Sector	59,243.9	57,745.0	65,141.6	65,737.1	65,748.9
2.1.2.1 RBI Credit to the Commercial Sector	30.6	19.3	81.3	83.3	78.8
2.1.2.2 Credit to the Commercial Sector by the Banking System	59,213.4	57,725.7	65,060.3	65,653.8	65,670.0
2.1.2.2.1 Other Investments (Non-SLR Securities)	3,674.6	3,521.8	4,103.1	4,102.5	4,056.3
2.2 Government's Currency Liabilities to the Public	153.4	151.3	165.6	165.6	165.6
2.3 Net Foreign Exchange Assets of the Banking Sector	14,775.0	14,379.6	15,649.8	15,598.1	15,779.3
2.3.1 Net Foreign Exchange Assets of the RBI	15,580.6	15,533.8	17,821.9	17,878.6	17,902.0
2.3.2 Net Foreign Currency Assets of the Banking System	-805.6	-1,154.2	-2,172.1	-2,280.5	-2,122.7
2.4 Capital Account	12,869.4	12,964.8	15,855.8	15,953.7	15,943.6
2.5 Other items (net)	4,306.7	4,060.9	3,511.2	3,661.6	3,887.7

## No. 9: Liquidity Aggregates

(₹ Billion)

Aggregates	2012-13	2013		2014	
		Feb.	Dec.	Jan.	Feb.
	1	2	3	4	5
<b>1 NM<sub>3</sub></b>	<b>83,575.6</b>	<b>81,456.8</b>	<b>90,445.6</b>	<b>90,997.8</b>	<b>91,500.5</b>
2 Postal Deposits	1,388.4	1,379.1	1,526.9	1,539.9	1,539.9
<b>3 L<sub>1</sub> (1 + 2)</b>	<b>84,964.0</b>	<b>82,835.9</b>	<b>91,972.5</b>	<b>92,537.7</b>	<b>93,040.5</b>
4 Liabilities of Financial Institutions	29.3	29.3	29.3	29.3	29.3
4.1 Term Money Borrowings	26.6	26.6	26.6	26.6	26.6
4.2 Certificates of Deposit	0.3	0.3	0.3	0.3	0.3
4.3 Term Deposits	2.5	2.5	2.5	2.5	2.5
<b>5 L<sub>2</sub> (3 + 4)</b>	<b>84,993.4</b>	<b>82,865.2</b>	<b>92,001.8</b>	<b>92,567.1</b>	<b>93,069.8</b>
6 Public Deposits with Non-Banking Financial Companies	106.0	..	106.0	..	..
<b>7 L<sub>3</sub> (5 + 6)</b>	<b>85,099.3</b>	<b>..</b>	<b>92,107.8</b>	<b>..</b>	<b>..</b>

## No. 10: Reserve Bank of India Survey

(₹ Billion)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2012-13	2013	2014		
		Feb. 22	Jan. 24	Feb. 7	Feb. 21
	1	2	3	4	5
<b>1 Components</b>					
1.1 Currency in Circulation	11,909.8	11,785.4	12,787.0	12,873.1	12,913.3
1.2 Bankers' Deposits with the RBI	3,206.7	3,131.5	3,427.0	3,347.4	3,316.8
1.2.1 Scheduled Commercial Banks	3,018.9	2,963.5	3,233.3	3,151.9	3,120.0
1.3 'Other' Deposits with the RBI	32.4	15.1	22.8	11.5	12.7
Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 - 2.4 - 2.5)	15,148.9	14,931.9	16,236.8	16,232.0	16,242.8
<b>2 Sources</b>					
2.1 RBI's Domestic Credit	6,339.9	6,205.1	6,982.8	7,061.2	7,075.3
2.1.1 Net RBI credit to the Government	5,905.8	5,930.8	6,601.4	6,569.4	6,589.5
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)	5,905.0	5,924.4	6,591.2	6,563.4	6,585.4
2.1.1.1.1 Loans and Advances to the Central Government	-	-	-	-	-
2.1.1.1.2 Investments in Treasury Bills	-	-	-	-	-
2.1.1.1.3 Investments in dated Government Securities	6,578.3	6,676.8	6,808.3	6,816.0	6,824.6
2.1.1.1.3.1 Central Government Securities	6,567.8	6,666.3	6,797.8	6,805.5	6,814.1
2.1.1.1.4 Rupee Coins	1.9	2.0	0.9	2.0	1.4
2.1.1.1.5 Deposits of the Central Government	675.2	754.4	218.0	254.5	240.5
2.1.1.2 Net RBI credit to State Governments	0.8	6.4	10.3	6.0	4.1
2.1.2 RBI's Claims on Banks	403.5	255.0	300.1	408.5	406.9
2.1.2.1 Loans and Advances to Scheduled Commercial Banks	403.4	253.7	298.0	406.4	405.0
2.1.3 RBI's Credit to Commercial Sector	30.6	19.3	81.3	83.3	78.8
2.1.3.1 Loans and Advances to Primary Dealers	17.4	6.1	25.5	20.1	25.5
2.1.3.2 Loans and Advances to NABARD	-	-	-	-	-
2.2 Government's Currency Liabilities to the Public	153.4	151.3	165.6	165.6	165.6
2.3 Net Foreign Exchange Assets of the RBI	15,580.6	15,533.8	17,821.9	17,878.6	17,902.0
2.3.1 Gold	1,397.4	1,437.5	1,220.9	1,254.3	1,254.3
2.3.2 Foreign Currency Assets	14,183.4	14,096.5	16,601.2	16,624.5	16,647.9
2.4 Capital Account	6,364.9	6,461.3	8,444.8	8,444.8	8,444.8
2.5 Other Items (net)	560.1	496.9	288.7	428.5	455.2

## No. 11: Reserve Money - Components and Sources

(₹ Billion)

Item	Outstanding as on March 31/ last Fridays of the month/ Fridays						
	2012-13	2013	2014				
		Feb. 22	Jan. 31	Feb. 7	Feb. 14	Feb. 21	Feb. 28
	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)	15,148.9	14,931.9	16,108.1	16,232.0	16,316.3	16,242.8	16,389.1
<b>1 Components</b>							
1.1 Currency in Circulation	11,909.8	11,785.4	12,712.0	12,873.1	12,956.3	12,913.3	12,877.6
1.2 Bankers' Deposits with RBI	3,206.7	3,131.5	3,385.7	3,347.4	3,349.5	3,316.8	3,499.7
1.3 'Other' Deposits with RBI	32.4	15.1	10.4	11.5	10.6	12.7	11.9
<b>2 Sources</b>							
2.1 Net Reserve Bank Credit to Government	5,905.8	5,930.8	6,442.7	6,569.4	6,600.6	6,589.5	6,796.3
2.2 Reserve Bank Credit to Banks	403.5	255.0	388.7	408.5	459.3	406.9	360.6
2.3 Reserve Bank Credit to Commercial Sector	30.6	19.3	89.0	83.3	87.9	78.8	78.6
2.4 Net Foreign Exchange Assets of RBI	15,580.6	15,533.8	17,842.7	17,878.6	17,956.4	17,902.0	17,927.9
2.5 Government's Currency Liabilities to the Public	153.4	151.3	165.6	165.6	165.6	165.6	165.6
2.6 Net Non- Monetary Liabilities of RBI	6,925.0	6,958.2	8,820.5	8,873.4	8,953.3	8,900.0	8,939.8

## No. 12: Commercial Bank Survey

(₹ Billion)

Item	Outstanding as on last reporting Fridays of the month/ reporting Fridays of the month				
	2012-13	2013	2014		
		Feb. 22	Jan. 24	Feb. 7	Feb. 21
	1	2	3	4	5
<b>1 Components</b>					
1.1 Aggregate Deposits of Residents	66,677.8	64,841.5	72,966.0	73,361.9	73,514.4
1.1.1 Demand Deposits	6,623.0	6,305.0	6,958.0	6,855.1	6,925.7
1.1.2 Time Deposits of Residents	60,054.8	58,536.5	66,008.0	66,506.8	66,588.6
1.1.2.1 Short-term Time Deposits	27,024.7	26,341.4	29,703.6	29,928.1	29,964.9
1.1.2.1.1 Certificates of Deposits (CDs)	3,835.3	3,019.6	3,325.0	3,688.8	3,315.3
1.1.2.2 Long-term Time Deposit	33,030.1	32,195.1	36,304.4	36,578.8	36,623.7
1.2 Call/Term Funding from Financial Institutions	2,216.6	2,131.7	2,347.5	2,313.2	2,257.8
<b>2 Sources</b>					
2.1 Domestic Credit	76,376.1	74,384.8	84,161.1	84,935.7	85,070.5
2.1.1 Credit to the Government	20,036.5	19,625.8	22,159.5	22,347.0	22,420.4
2.1.2 Credit to the Commercial Sector	56,339.6	54,759.0	62,001.6	62,588.7	62,650.1
2.1.2.1 Bank Credit	52,604.6	51,272.6	57,928.3	58,521.3	58,617.4
2.1.2.1.1 Non-food Credit	51,640.4	50,203.4	56,810.5	57,414.3	57,551.7
2.1.2.2 Net Credit to Primary Dealers	59.0	33.6	40.3	35.9	45.2
2.1.2.3 Investments in Other Approved Securities	24.5	20.6	19.5	18.7	21.0
2.1.2.4 Other Investments (in non-SLR Securities)	3,651.5	3,432.1	4,013.5	4,012.8	3,966.6
2.2 Net Foreign Currency Assets of Commercial Banks (2.2.1–2.2.2–2.2.3)	-782.2	-1,154.2	-2,172.1	-2,280.5	-2,122.7
2.2.1 Foreign Currency Assets	919.6	563.8	1,335.1	1,281.5	1,367.8
2.2.2 Non-resident Foreign Currency Repatriable Fixed Deposits	826.8	809.9	2,559.8	2,628.8	2,537.4
2.2.3 Overseas Foreign Currency Borrowings	875.0	908.2	947.4	933.2	953.2
2.3 Net Bank Reserves (2.3.1+2.3.2–2.3.3)	3,011.7	3,177.6	3,385.7	3,182.4	3,170.7
2.3.1 Balances with the RBI	2,822.7	2,963.5	3,233.3	3,151.9	3,120.0
2.3.2 Cash in Hand	404.9	467.8	450.4	436.9	455.7
2.3.3 Loans and Advances from the RBI	215.9	253.7	298.0	406.4	405.0
2.4 Capital Account	6,374.2	6,261.8	7,169.3	7,267.2	7,257.1
2.5 Other items (net) (2.1+2.2+2.3–2.4–1.1–1.2)	3,337.0	3,173.1	2,891.9	2,895.3	3,089.2
2.5.1 Other Demand and Time Liabilities (net of 2.2.3)	3,241.3	3,079.9	3,110.2	3,305.7	3,428.1
2.5.2 Net Inter-Bank Liabilities (other than to PDs)	-809.8	-508.9	-643.9	-717.2	-688.1

## No. 13: Scheduled Commercial Banks' Investments

(₹ Billion)

Item	As on March 22, 2013	2013	2014		
		Feb. 22	Jan. 24	Feb. 7	Feb. 21
	1	2	3	4	5
1 SLR Securities	20,061.0	19,646.4	22,107.9	22,365.7	22,441.4
2 Commercial Paper	324.3	270.4	158.0	146.6	147.3
3 Shares issued by					
3.1 PSUs	86.8	87.4	84.2	88.9	88.5
3.2 Private Corporate Sector	338.0	331.7	331.2	334.3	334.7
3.3 Others	8.7	11.4	8.6	9.8	11.2
4 Bonds/Debentures issued by					
4.1 PSUs	460.5	384.5	737.7	751.1	750.4
4.2 Private Corporate Sector	1,026.2	971.2	1,166.4	1,135.8	1,139.6
4.3 Others	480.8	422.9	468.6	469.3	439.5
5 Instruments issued by					
5.1 Mutual funds	436.7	504.4	537.6	502.9	466.7
5.2 Financial institutions	489.5	448.1	577.6	574.3	588.5

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

(₹ Billion)

Item	As on the Last Reporting Friday (in case of March)/ Last Friday									
	All Scheduled Banks				All Scheduled Commercial Banks					
	2012-13	2013		2014		2012-13	2013		2014	
		Feb.	Jan.	Feb.	Feb.		Feb.	Jan.	Feb.	
1	2	3	4	5	6	7	8			
Number of Reporting Banks	218	220	213	213	151	153	146	146		
1 Liabilities to the Banking System	1,368.2	1,338.2	1,076.8	1,104.7	1,331.0	1,301.1	1,033.9	1,059.4		
1.1 Demand and Time Deposits from Banks	879.3	820.6	748.9	758.9	846.5	789.4	708.5	717.2		
1.2 Borrowings from Banks	398.0	425.3	260.6	273.1	393.6	419.8	258.2	269.5		
1.3 Other Demand and Time Liabilities	90.9	92.3	67.3	72.7	90.9	91.9	67.2	72.7		
2 Liabilities to Others	75,818.5	73,743.9	85,033.1	84,876.6	73,837.5	71,771.1	82,837.4	82,690.8		
2.1 Aggregate Deposits	69,420.0	67,553.8	77,934.2	78,155.4	67,504.5	65,651.4	75,843.9	76,051.7		
2.1.1 Demand	6,783.3	6,464.4	7,193.1	7,091.7	6,623.0	6,305.0	7,027.7	6,925.7		
2.1.2 Time	62,636.7	61,089.4	70,741.1	71,063.6	60,881.5	59,346.4	68,816.2	69,126.0		
2.2 Borrowings	2,227.2	2,143.7	2,586.9	2,272.9	2,216.6	2,131.7	2,562.0	2,257.8		
2.3 Other Demand and Time Liabilities	4,171.3	4,046.3	4,512.0	4,448.3	4,116.3	3,988.0	4,431.5	4,381.3		
3 Borrowings from Reserve Bank	217.2	255.0	388.7	406.9	215.9	253.7	386.5	405.0		
3.1 Against Usance Bills /Promissory Notes	—	—	—	—	—	—	—	—		
3.2 Others	217.2	255.0	388.7	406.9	215.9	253.7	386.5	405.0		
4 Cash in Hand and Balances with Reserve Bank	3,320.9	3,520.2	3,758.0	3,681.8	3,227.6	3,431.3	3,652.3	3,575.7		
4.1 Cash in Hand	414.8	478.5	473.6	467.4	404.9	467.8	462.7	455.7		
4.2 Balances with Reserve Bank	2,906.1	3,041.7	3,284.4	3,214.4	2,822.7	2,963.5	3,189.6	3,120.1		
5 Assets with the Banking System	2,448.3	2,082.8	2,051.8	2,152.6	2,199.5	1,842.3	1,711.7	1,792.6		
5.1 Balances with Other Banks	1,051.5	893.5	1,068.3	1,176.0	960.8	801.9	956.7	1,053.0		
5.1.1 In Current Account	127.6	125.4	124.6	113.4	111.9	109.4	105.0	95.0		
5.1.2 In Other Accounts	923.9	768.1	943.7	1,062.6	848.9	692.4	851.6	958.0		
5.2 Money at Call and Short Notice	397.6	402.4	361.7	360.1	296.0	304.6	215.3	203.2		
5.3 Advances to Banks	136.1	94.6	137.3	139.9	126.9	89.4	131.8	134.5		
5.4 Other Assets	863.0	692.3	484.6	476.5	815.8	646.5	408.0	401.8		
6 Investment	20,660.3	20,246.7	22,956.6	23,096.6	20,061.0	19,646.4	22,297.2	22,441.4		
6.1 Government Securities	20,633.5	20,223.9	22,937.0	23,072.8	20,036.5	19,625.8	22,280.5	22,420.4		
6.2 Other Approved Securities	26.7	22.9	19.6	23.8	24.5	20.6	16.7	21.0		
7 Bank Credit	54,281.4	52,919.0	60,270.8	60,432.9	52,604.6	51,272.6	58,454.6	58,617.4		
7a Food Credit	1,045.6	1,150.6	1,237.6	1,176.1	964.2	1,069.2	1,127.2	1,065.7		
7.1 Loans, Cash-credits and Overdrafts	52,244.1	50,981.5	58,096.7	58,217.3	50,591.7	49,358.9	56,306.8	56,428.1		
7.2 Inland Bills-Purchased	253.1	239.8	392.1	385.3	248.6	233.9	389.4	382.3		
7.3 Inland Bills-Discounted	1,109.9	1,054.2	1,056.7	1,088.9	1,094.5	1,040.7	1,040.2	1,072.4		
7.4 Foreign Bills-Purchased	216.6	204.5	253.0	263.2	214.9	202.8	249.3	259.7		
7.5 Foreign Bills-Discounted	457.7	439.0	472.3	478.2	454.7	436.3	468.8	474.9		

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

(₹ Billion)

Item	Outstanding as on				Growth (%)	
	Mar. 22, 2013	2013	2014		Financial year so far	Y-o-Y
			Feb. 22	Jan. 24		
	1	2	3	4	5	6
<b>1 Gross Bank Credit</b>	<b>49,642</b>	<b>48,228</b>	<b>54,471</b>	<b>55,193</b>	<b>11.2</b>	<b>14.4</b>
<b>1.1 Food Credit</b>	<b>946</b>	<b>975</b>	<b>1,032</b>	<b>990</b>	<b>4.6</b>	<b>1.5</b>
<b>1.2 Non-food Credit</b>	<b>48,696</b>	<b>47,253</b>	<b>53,439</b>	<b>54,203</b>	<b>11.3</b>	<b>14.7</b>
<b>1.2.1 Agriculture &amp; Allied Activities</b>	<b>5,899</b>	<b>5,756</b>	<b>6,475</b>	<b>6,511</b>	<b>10.4</b>	<b>13.1</b>
<b>1.2.2 Industry</b>	<b>22,302</b>	<b>21,773</b>	<b>24,285</b>	<b>24,648</b>	<b>10.5</b>	<b>13.2</b>
1.2.2.1 Micro & Small	2,843	2,721	3,302	3,404	19.7	25.1
1.2.2.2 Medium	1,247	1,256	1,263	1,275	2.2	1.5
1.2.2.3 Large	18,211	17,797	19,719	19,970	9.7	12.2
<b>1.2.3 Services</b>	<b>11,519</b>	<b>11,004</b>	<b>12,589</b>	<b>12,884</b>	<b>11.9</b>	<b>17.1</b>
1.2.3.1 Transport Operators	796	776	875	885	11.1	14.0
1.2.3.2 Computer Software	169	167	177	175	3.6	5.2
1.2.3.3 Tourism, Hotels & Restaurants	354	350	391	392	10.7	12.2
1.2.3.4 Shipping	82	79	91	94	14.4	18.5
1.2.3.5 Professional Services	564	540	689	693	22.9	28.3
1.2.3.6 Trade	2,760	2,690	3,049	3,151	14.2	17.1
1.2.3.6.1 Wholesale Trade	1,501	1,497	1,589	1,665	10.9	11.3
1.2.3.6.2 Retail Trade	1,259	1,194	1,459	1,486	18.0	24.4
1.2.3.7 Commercial Real Estate	1,261	1,250	1,466	1,470	16.6	17.6
1.2.3.8 Non-Banking Financial Companies (NBFCs)	2,603	2,458	2,812	2,819	8.3	14.7
1.2.3.9 Other Services	2,930	2,693	3,038	3,205	9.4	19.0
<b>1.2.4 Personal Loans</b>	<b>8,976</b>	<b>8,720</b>	<b>10,091</b>	<b>10,159</b>	<b>13.2</b>	<b>16.5</b>
1.2.4.1 Consumer Durables	84	81	110	124	47.7	52.7
1.2.4.2 Housing	4,567	4,485	5,243	5,291	15.9	18.0
1.2.4.3 Advances against Fixed Deposits	611	554	587	569	-6.9	2.6
1.2.4.4 Advances to Individuals against share & bonds	31	31	35	36	17.2	16.3
1.2.4.5 Credit Card Outstanding	249	255	253	254	1.9	-0.4
1.2.4.6 Education	550	550	599	602	9.5	9.4
1.2.4.7 Vehicle Loans	1,111	1,082	1,274	1,285	15.7	18.7
1.2.4.8 Other Personal Loans	1,774	1,681	1,990	1,999	12.7	18.9
<b>1.2A Priority Sector</b>	<b>15,398</b>	<b>15,067</b>	<b>17,666</b>	<b>18,073</b>	<b>17.4</b>	<b>20.0</b>
1.2A.1 Agriculture & Allied Activities	5,899	5,756	6,475	6,511	10.4	13.1
1.2A.2 Micro & Small Enterprises	5,623	5,482	6,718	6,933	23.3	26.5
1.2A.2.1 Manufacturing	2,843	2,721	3,302	3,725	31.0	36.9
1.2A.2.2 Services	2,779	2,761	3,416	3,497	25.8	26.7
1.2A.3 Housing	2,672	2,634	2,975	2,985	11.7	13.3
1.2A.4 Micro-Credit	165	155	175	175	6.0	13.1
1.2A.5 Education Loans	526	526	570	571	8.6	8.6
1.2A.6 State-Sponsored Orgs. for SC/ST	1	1	1	1	16.9	22.9
1.2A.7 Weaker Sections	2,734	2,676	3,530	3,580	31.0	33.8
1.2A.8 Export Credit	422	443	419	434	2.8	-2.0

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

₹ Billion)

Industry	Outstanding as on				Growth (%)	
	Mar. 22, 2013	2013	2014		Financial year so far	Y-o-Y
		Feb. 22	Jan. 24	Feb. 21	2013-14	2014
	1	2	3	4	5	6
<b>1 Industry</b>	<b>22,302</b>	<b>21,773</b>	<b>24,285</b>	<b>24,648</b>	<b>10.5</b>	<b>13.2</b>
<b>1.1 Mining &amp; Quarrying (incl. Coal)</b>	<b>346</b>	<b>336</b>	<b>359</b>	<b>357</b>	<b>2.9</b>	<b>6.1</b>
<b>1.2 Food Processing</b>	<b>1,174</b>	<b>1,129</b>	<b>1,398</b>	<b>1,454</b>	<b>23.9</b>	<b>28.8</b>
1.2.1 Sugar	330	307	316	337	2.3	9.8
1.2.2 Edible Oils & Vanaspati	171	164	207	211	23.9	28.6
1.2.3 Tea	26	27	30	31	21.1	17.3
1.2.4 Others	648	631	844	874	35.0	38.6
<b>1.3 Beverage &amp; Tobacco</b>	<b>165</b>	<b>162</b>	<b>168</b>	<b>173</b>	<b>4.9</b>	<b>6.9</b>
<b>1.4 Textiles</b>	<b>1,835</b>	<b>1,779</b>	<b>1,964</b>	<b>2,000</b>	<b>9.0</b>	<b>12.5</b>
1.4.1 Cotton Textiles	925	893	963	988	6.8	10.6
1.4.2 Jute Textiles	22	21	20	20	-9.9	-6.8
1.4.3 Man-Made Textiles	189	185	210	214	13.1	15.3
1.4.4 Other Textiles	699	679	771	779	11.4	14.8
<b>1.5 Leather &amp; Leather Products</b>	<b>87</b>	<b>83</b>	<b>99</b>	<b>100</b>	<b>15.5</b>	<b>21.3</b>
<b>1.6 Wood &amp; Wood Products</b>	<b>77</b>	<b>75</b>	<b>92</b>	<b>92</b>	<b>19.7</b>	<b>22.4</b>
<b>1.7 Paper &amp; Paper Products</b>	<b>283</b>	<b>275</b>	<b>326</b>	<b>329</b>	<b>16.3</b>	<b>19.5</b>
<b>1.8 Petroleum, Coal Products &amp; Nuclear Fuels</b>	<b>643</b>	<b>582</b>	<b>580</b>	<b>571</b>	<b>-11.3</b>	<b>-2.0</b>
<b>1.9 Chemicals &amp; Chemical Products</b>	<b>1,592</b>	<b>1,463</b>	<b>1,542</b>	<b>1,571</b>	<b>-1.4</b>	<b>7.4</b>
1.9.1 Fertiliser	269	226	265	268	-0.2	18.9
1.9.2 Drugs & Pharmaceuticals	495	478	487	491	-0.9	2.7
1.9.3 Petro Chemicals	441	388	352	363	-17.7	-6.4
1.9.4 Others	387	371	438	448	15.9	20.7
<b>1.10 Rubber, Plastic &amp; their Products</b>	<b>312</b>	<b>305</b>	<b>364</b>	<b>364</b>	<b>16.8</b>	<b>19.4</b>
<b>1.11 Glass &amp; Glassware</b>	<b>74</b>	<b>71</b>	<b>87</b>	<b>87</b>	<b>16.8</b>	<b>22.2</b>
<b>1.12 Cement &amp; Cement Products</b>	<b>459</b>	<b>455</b>	<b>522</b>	<b>529</b>	<b>15.4</b>	<b>16.3</b>
<b>1.13 Basic Metal &amp; Metal Product</b>	<b>3,141</b>	<b>3,076</b>	<b>3,479</b>	<b>3,532</b>	<b>12.5</b>	<b>14.8</b>
1.13.1 Iron & Steel	2,366	2,319	2,598	2,630	11.1	13.4
1.13.2 Other Metal & Metal Product	775	757	881	903	16.4	19.2
<b>1.14 All Engineering</b>	<b>1,284</b>	<b>1,249</b>	<b>1,397</b>	<b>1,418</b>	<b>10.4</b>	<b>13.6</b>
1.14.1 Electronics	334	329	343	349	4.4	6.1
1.14.2 Others	950	919	1,053	1,069	12.5	16.3
<b>1.15 Vehicles, Vehicle Parts &amp; Transport Equipment</b>	<b>589</b>	<b>593</b>	<b>667</b>	<b>673</b>	<b>14.4</b>	<b>13.6</b>
<b>1.16 Gems &amp; Jewellery</b>	<b>611</b>	<b>592</b>	<b>693</b>	<b>697</b>	<b>14.0</b>	<b>17.8</b>
<b>1.17 Construction</b>	<b>522</b>	<b>535</b>	<b>611</b>	<b>608</b>	<b>16.6</b>	<b>13.7</b>
<b>1.18 Infrastructure</b>	<b>7,297</b>	<b>7,329</b>	<b>8,162</b>	<b>8,286</b>	<b>13.5</b>	<b>13.1</b>
1.18.1 Power	4,158	4,147	4,758	4,847	16.6	16.9
1.18.2 Telecommunications	878	925	876	871	-0.7	-5.8
1.18.3 Roads	1,313	1,326	1,531	1,551	18.1	17.0
1.18.4 Other Infrastructure	948	932	996	1,016	7.2	9.1
<b>1.19 Other Industries</b>	<b>1,810</b>	<b>1,685</b>	<b>1,777</b>	<b>1,807</b>	<b>-0.1</b>	<b>7.2</b>

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

(₹ Billion)

Item	Last Reporting Friday (in case of March)/Last Friday/ Reporting Friday					
	2012-13	2012	2013			
		Nov. 30	Oct. 25	Nov. 1	Nov. 15	Nov. 29
	1	2	3	4	5	6
Number of Reporting Banks	31	31	31	31	31	31
1 Aggregate Deposits (2.1.1.2+2.2.1.2)	356.5	335.8	362.1	361.1	365.4	367.6
2 Demand and Time Liabilities						
2.1 Demand Liabilities	127.2	121.7	129.3	128.4	129.2	129.7
2.1.1 Deposits						
2.1.1.1 Inter-Bank	25.0	19.9	17.3	16.8	18.3	17.2
2.1.1.2 Others	70.1	70.5	73.6	72.8	74.5	74.0
2.1.2 Borrowings from Banks	10.2	10.1	13.5	12.9	12.7	12.4
2.1.3 Other Demand Liabilities	21.8	21.2	25.0	25.9	23.7	26.1
2.2 Time Liabilities	802.5	747.5	826.0	825.3	826.4	829.0
2.2.1 Deposits						
2.2.1.1 Inter-Bank	507.0	474.4	528.5	527.5	525.8	525.9
2.2.1.2 Others	286.4	265.3	288.5	288.3	290.8	293.6
2.2.2 Borrowings from Banks	0.5	–	0.2	–	–	–
2.2.3 Other Time Liabilities	8.6	7.8	8.7	9.5	9.8	9.4
3 Borrowing from Reserve Bank	–	0.1	–	–	–	–
4 Borrowings from a notified bank / State Government	319.3	300.2	378.5	378.8	377.6	379.1
4.1 Demand	132.1	124.2	148.9	149.4	147.9	151.6
4.2 Time	187.2	176.0	229.6	229.4	229.7	227.5
5 Cash in Hand and Balances with Reserve Bank	44.2	34.7	35.5	36.2	36.5	34.9
5.1 Cash in Hand	2.1	2.2	2.3	2.0	2.4	2.2
5.2 Balance with Reserve Bank	42.1	32.5	33.2	34.2	34.1	32.7
6 Balances with Other Banks in Current Account	7.0	5.2	7.3	7.1	7.4	6.4
7 Investments in Government Securities	269.3	258.8	285.1	281.4	280.8	282.7
8 Money at Call and Short Notice	156.2	137.9	159.7	139.9	176.6	177.8
9 Bank Credit (10.1+11)	365.0	328.7	368.3	367.1	365.5	363.6
10 Advances						
10.1 Loans, Cash-Credits and Overdrafts	364.9	328.6	368.2	367.0	365.4	363.5
10.2 Due from Banks	570.8	557.4	655.5	657.2	648.2	645.4
11 Bills Purchased and Discounted	0.1	0.1	0.1	0.1	0.1	0.1



# Prices and Production

**No. 18: Consumer Price Index (Base: 2010=100)**

Group/Sub group	2012-13			Rural			Urban			Combined		
	Rural	Urban	Combined	Feb. 13	Jan. 14	Feb. 14	Feb. 13	Jan. 14	Feb. 14	Feb. 13	Jan. 14	Feb. 14
	1	2	3	4	5	6	7	8	9	10	11	12
<b>1 Food, beverages and tobacco</b>	<b>125.0</b>	<b>124.3</b>	<b>124.8</b>	<b>128.7</b>	<b>141.3</b>	<b>140.6</b>	<b>128.5</b>	<b>137.8</b>	<b>137.7</b>	<b>128.6</b>	<b>140.2</b>	<b>139.7</b>
1.1 Cereals and products	117.8	115.2	117.1	124.8	137.1	137.8	125.1	134.7	135.7	124.9	136.5	137.3
1.2 Pulses and products	112.1	113.6	112.6	115.4	119.8	120.1	114.5	116.3	116.7	115.1	118.7	119.1
1.3 Oils and fats	138.5	145.6	140.8	143.3	145.4	145.2	147.9	140.1	138.8	144.8	143.7	143.1
1.4 Egg, fish and meat	128.8	128.8	128.8	134.9	147.4	148.4	138.6	151.8	151.3	136.2	148.9	149.4
1.5 Milk and products	132.6	128.0	130.9	135.9	148.3	149.3	130.8	143.5	145.4	134.0	146.5	147.9
1.6 Condiments and spices	126.1	121.9	124.9	128.5	137.7	138.1	124.6	137.4	138.4	127.4	137.6	138.2
1.7 Vegetables	129.8	121.7	127.2	124.1	155.9	145.2	116.8	133.6	125.4	121.8	148.9	138.9
1.8 Fruits	137.4	135.9	136.7	139.7	163.0	163.9	134.4	149.7	152.7	137.4	157.3	159.1
1.9 Sugar etc	108.9	109.3	109.0	111.8	108.1	107.2	110.0	101.8	100.1	111.3	106.3	105.2
1.10 Non-alcoholic beverages	124.5	124.2	124.4	128.5	137.8	138.6	130.0	139.3	140.2	129.1	138.4	139.3
1.11 Prepared meals etc	124.1	125.2	124.6	128.0	138.7	139.3	131.0	141.3	142.2	129.5	140.0	140.7
1.12 Pan, tobacco and intoxicants	132.2	133.4	132.6	135.6	147.2	147.5	138.0	151.5	152.7	136.3	148.4	148.9
<b>2 Fuel and light</b>	<b>127.4</b>	<b>124.8</b>	<b>126.4</b>	<b>131.2</b>	<b>139.8</b>	<b>139.8</b>	<b>129.2</b>	<b>136.1</b>	<b>136.2</b>	<b>130.4</b>	<b>138.4</b>	<b>138.4</b>
<b>3 Housing</b>	--	<b>121.0</b>	<b>121.0</b>	--	--	--	<b>125.5</b>	<b>137.2</b>	<b>137.9</b>	<b>125.5</b>	<b>137.2</b>	<b>137.9</b>
<b>4 Clothing, bedding and footwear</b>	<b>131.6</b>	<b>132.5</b>	<b>131.9</b>	<b>136.4</b>	<b>148.9</b>	<b>149.8</b>	<b>137.3</b>	<b>147.8</b>	<b>148.4</b>	<b>136.7</b>	<b>148.5</b>	<b>149.3</b>
4.1 Clothing and bedding	132.1	133.8	132.7	137.0	149.7	150.6	138.7	149.7	150.4	137.6	149.7	150.5
4.2 Footwear	128.5	125.0	127.2	132.5	144.2	145.1	128.8	136.5	137.0	131.2	141.4	142.2
<b>5 Miscellaneous</b>	<b>120.7</b>	<b>116.8</b>	<b>118.9</b>	<b>123.5</b>	<b>131.9</b>	<b>132.3</b>	<b>120.0</b>	<b>127.3</b>	<b>127.9</b>	<b>121.9</b>	<b>129.8</b>	<b>130.3</b>
5.1 Medical care	116.6	115.2	116.2	119.1	126.9	127.4	118.4	124.6	125.3	118.9	126.1	126.7
5.2 Education, stationery etc	117.2	116.5	116.8	119.6	128.9	129.3	119.1	129.1	129.5	119.3	129.0	129.4
5.3 Recreation and amusement	114.4	106.6	109.7	116.6	123.8	124.0	108.8	115.2	115.4	111.9	118.6	118.8
5.4 Transport and communication	122.0	117.4	119.4	125.6	133.9	134.1	120.8	127.7	128.2	122.9	130.4	130.8
5.5 Personal care and effects	117.9	115.0	116.7	120.8	129.2	129.5	117.7	123.5	124.2	119.5	126.9	127.3
5.6 Household requisites	127.9	119.8	124.6	130.2	137.4	138.0	123.1	129.9	130.9	127.3	134.4	135.1
5.7 Others	131.5	132.6	131.9	135.9	151.0	152.0	139.4	152.7	153.7	137.3	151.7	152.7
<b>General Index (All Groups)</b>	<b>124.5</b>	<b>121.8</b>	<b>123.3</b>	<b>128.1</b>	<b>139.2</b>	<b>139.0</b>	<b>125.8</b>	<b>135.0</b>	<b>135.3</b>	<b>127.1</b>	<b>137.4</b>	<b>137.4</b>

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

**No. 19: Other Consumer Price Indices**

Item	Base Year	Linking Factor	2012-13	2013		2014	
				Feb.	Jan.	Jan.	Feb.
	1	2	3	4	5	6	6
1 Consumer Price Index for Industrial Workers	2001	4.63	215	223	237	238	238
2 Consumer Price Index for Agricultural Labourers	1986-87	5.89	672	700	757	757	757
3 Consumer Price Index for Rural Labourers	1986-87	-	673	701	759	759	759

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

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

Item	2012-13	2013		2014	
		Feb.	Jan.	Jan.	Feb.
	1	2	3	4	
1 Standard Gold (₹ per 10 grams)	30,164	29,963	29,582	30,211	
2 Silver (₹ per kilogram)	57,602	57,311	45,121	46,383	

Source: Business Standard/Business Line/The Economic Times, Mumbai for Gold and Silver prices in Mumbai.

**No. 21: Wholesale Price Index**

(Base: 2004-05 = 100)

Commodities	Weight	2012-13	2013		2014	
			Feb.	Dec.	Jan. (P)	Feb. (P)
			1	2	3	4
<b>I ALL COMMODITIES</b>	<b>100.000</b>	<b>167.6</b>	<b>170.9</b>	<b>179.6</b>	<b>178.9</b>	<b>178.9</b>
<b>1.1 PRIMARY ARTICLES</b>	<b>20.118</b>	<b>220.0</b>	<b>224.4</b>	<b>243.7</b>	<b>238.9</b>	<b>238.6</b>
<b>1.1.1 Food articles</b>	<b>14.337</b>	<b>211.8</b>	<b>215.4</b>	<b>240.2</b>	<b>233.6</b>	<b>232.9</b>
1.1.1.1 Food Grains	4.090	207.1	216.0	230.1	229.9	230.1
1.1.1.1.1 Cereals	3.373	199.9	211.4	230.2	229.9	230.6
1.1.1.1.2 Pulses	0.717	241.3	237.7	229.4	229.4	227.9
1.1.1.2 Fruits & Vegetables	3.843	198.4	190.0	237.0	210.2	203.6
1.1.1.2.1 Vegetables	1.736	210.1	193.0	282.2	222.7	200.7
1.1.1.2.2 Fruits	2.107	188.8	187.5	199.8	200.0	206.1
1.1.1.3 Milk	3.238	208.1	210.6	225.3	225.7	228.4
1.1.1.4 Eggs, Meat & Fish	2.414	244.5	258.9	279.2	281.9	284.0
1.1.1.5 Condiments & Spices	0.569	209.5	220.1	263.3	265.8	265.6
1.1.1.6 Other Food Articles	0.183	242.2	235.0	213.7	213.5	212.2
<b>1.1.2 Non-Food Articles</b>	<b>4.258</b>	<b>201.9</b>	<b>206.8</b>	<b>215.7</b>	<b>216.0</b>	<b>217.4</b>
1.1.2.1 Fibres	0.877	208.3	207.6	235.9	244.8	248.3
1.1.2.2 Oil Seeds	1.781	198.0	204.3	203.5	203.1	203.7
1.1.2.3 Other Non-Food Articles	1.386	211.1	210.3	214.9	214.8	215.9
1.1.2.4 Flowers	0.213	148.5	202.4	238.2	213.0	214.8
<b>1.1.3 Minerals</b>	<b>1.524</b>	<b>346.9</b>	<b>357.8</b>	<b>354.6</b>	<b>352.9</b>	<b>352.1</b>
1.1.3.1 Metallic Minerals	0.489	439.0	447.0	387.3	379.5	386.5
1.1.3.2 Other Minerals	0.135	204.7	217.4	211.9	211.3	211.6
1.1.3.3 Crude Petroleum	0.900	318.2	330.3	358.2	359.6	354.4
<b>1.2 FUEL &amp; POWER</b>	<b>14.910</b>	<b>186.5</b>	<b>195.5</b>	<b>211.1</b>	<b>212.8</b>	<b>212.6</b>
1.2.1 Coal	2.094	208.6	210.3	191.5	191.5	189.8
1.2.2 Mineral Oils	9.364	202.5	215.6	232.8	235.3	235.6
1.2.3 Electricity	3.452	129.8	132.4	163.8	164.7	163.8
<b>1.3 MANUFACTURED PRODUCTS</b>	<b>64.972</b>	<b>147.1</b>	<b>148.6</b>	<b>152.5</b>	<b>152.6</b>	<b>152.7</b>
<b>1.3.1 Food Products</b>	<b>9.974</b>	<b>163.5</b>	<b>166.7</b>	<b>169.8</b>	<b>169.1</b>	<b>168.2</b>
1.3.1.1 Dairy Products	0.568	176.1	176.1	183.2	183.9	185.7
1.3.1.2 Canning, Preserving & Processing of Food	0.358	144.0	145.6	168.3	174.0	175.8
1.3.1.3 Grain Mill Products	1.340	156.0	167.0	171.7	170.6	170.4
1.3.1.4 Bakery Products	0.444	130.0	130.1	141.9	138.8	142.2
1.3.1.5 Sugar, Khandsari & Gur	2.089	185.7	186.8	182.2	179.8	177.0
1.3.1.6 Edible Oils	3.043	148.1	149.1	148.3	146.7	146.6
1.3.1.7 Oil Cakes	0.494	210.8	211.9	219.5	219.4	218.0
1.3.1.8 Tea & Coffee Processing	0.711	163.3	170.1	180.5	187.3	177.8
1.3.1.9 Manufacture of Salt	0.048	182.2	182.4	191.1	185.0	185.8
1.3.1.10 Other Food Products	0.879	164.6	170.8	180.2	179.0	180.8
<b>1.3.2 Beverages, Tobacco &amp; Tobacco Products</b>	<b>1.762</b>	<b>175.3</b>	<b>178.5</b>	<b>186.4</b>	<b>188.1</b>	<b>187.6</b>
1.3.2.1 Wine Industries	0.385	124.8	125.8	129.6	130.1	129.0
1.3.2.2 Malt Liquor	0.153	171.5	170.1	170.5	170.5	170.1
1.3.2.3 Soft Drinks & Carbonated Water	0.241	152.8	157.4	162.7	163.7	162.8
1.3.2.4 Manufacture of Bidi, Cigarettes, Tobacco & Zarda	0.983	201.3	205.7	216.9	219.5	219.5
<b>1.3.3 Textiles</b>	<b>7.326</b>	<b>131.4</b>	<b>132.8</b>	<b>140.3</b>	<b>140.9</b>	<b>140.4</b>
1.3.3.1 Cotton Textiles	2.605	146.2	147.8	159.1	157.9	159.5
1.3.3.1.1 Cotton Yarn	1.377	157.2	159.4	175.3	173.9	176.3
1.3.3.1.2 Cotton Fabric	1.228	133.9	134.7	140.9	139.9	140.7
1.3.3.2 Man-Made Textiles	2.206	124.1	127.8	133.6	133.1	134.3
1.3.3.2.1 Man-Made Fibre	1.672	124.0	127.9	133.4	132.8	134.0
1.3.3.2.2 Man-Made Fabric	0.533	124.3	127.7	134.4	134.2	135.2
1.3.3.3 Woollen Textiles	0.294	142.6	146.7	157.4	157.9	158.1
1.3.3.4 Jute, Hemp & Mesta Textiles	0.261	177.8	180.4	185.1	185.4	185.2
1.3.3.5 Other Misc. Textiles	1.960	111.9	110.0	114.3	118.5	113.2
<b>1.3.4 Wood &amp; Wood Products</b>	<b>0.587</b>	<b>171.0</b>	<b>173.4</b>	<b>179.6</b>	<b>179.0</b>	<b>182.1</b>
1.3.4.1 Timber/Wooden Planks	0.181	140.5	141.8	145.9	146.0	148.1
1.3.4.2 Processed Wood	0.128	178.9	180.5	186.5	186.5	185.8
1.3.4.3 Plywood & Fibre Board	0.241	193.6	197.5	205.1	204.4	210.1
1.3.4.4 Others	0.038	146.1	147.3	155.8	150.8	154.8

**No. 21: Wholesale Price Index (Concl.)**

(Base: 2004-05 = 100)

Commodities	Weight	2012-13	2013		2014	
			Feb.	Dec.	Jan. (P)	Feb. (P)
	1	2	3	4	5	6
<b>1.3.5 Paper &amp; Paper Products</b>	<b>2.034</b>	<b>136.6</b>	<b>139.4</b>	<b>145.1</b>	<b>144.7</b>	<b>146.2</b>
1.3.5.1 Paper & Pulp	1.019	135.8	137.9	143.9	142.9	144.6
1.3.5.2 Manufacture of boards	0.550	128.2	129.9	131.8	131.7	132.4
1.3.5.3 Printing & Publishing	0.465	148.2	153.9	163.6	163.9	166.2
<b>1.3.6 Leather &amp; Leather Products</b>	<b>0.835</b>	<b>134.2</b>	<b>134.1</b>	<b>145.1</b>	<b>144.3</b>	<b>145.3</b>
1.3.6.1 Leathers	0.223	112.2	112.1	116.7	114.6	116.0
1.3.6.2 Leather Footwear	0.409	149.8	149.0	160.9	161.9	160.4
1.3.6.3 Other Leather Products	0.203	126.9	128.1	144.3	141.8	147.3
<b>1.3.7 Rubber &amp; Plastic Products</b>	<b>2.987</b>	<b>137.5</b>	<b>139.3</b>	<b>148.1</b>	<b>148.3</b>	<b>148.4</b>
1.3.7.1 Tyres & Tubes	0.541	163.1	162.9	176.7	176.6	176.6
1.3.7.1.1 Tyres	0.488	162.9	162.8	176.7	176.6	176.6
1.3.7.1.2 Tubes	0.053	165.1	165.1	176.3	176.4	176.9
1.3.7.2 Plastic Products	1.861	127.0	129.6	138.3	138.6	138.8
1.3.7.3 Rubber Products	0.584	147.4	148.3	153.1	153.0	152.7
<b>1.3.8 Chemicals &amp; Chemical Products</b>	<b>12.018</b>	<b>143.6</b>	<b>145.8</b>	<b>149.9</b>	<b>150.0</b>	<b>150.8</b>
1.3.8.1 Basic Inorganic Chemicals	1.187	147.8	149.3	150.5	150.7	151.2
1.3.8.2 Basic Organic Chemicals	1.952	140.3	142.3	151.4	152.7	153.8
1.3.8.3 Fertilisers & Pesticides	3.145	144.7	148.0	148.7	148.7	148.8
1.3.8.3.1 Fertilisers	2.661	149.0	152.5	152.6	152.6	152.7
1.3.8.3.2 Pesticides	0.483	121.2	122.9	127.5	127.2	127.2
1.3.8.4 Paints, Varnishes & Lacquers	0.529	143.6	144.4	148.4	148.3	148.9
1.3.8.5 Dyestuffs & Indigo	0.563	126.9	127.4	133.9	130.9	135.0
1.3.8.6 Drugs & Medicines	0.456	124.2	125.3	127.4	127.0	127.3
1.3.8.7 Perfumes, Cosmetics, Toiletries etc.	1.130	151.9	152.9	158.3	158.4	159.6
1.3.8.8 Turpentine, Plastic Chemicals	0.586	140.0	141.9	147.3	147.7	148.5
1.3.8.9 Polymers including Synthetic Rubber	0.970	135.3	136.9	141.4	142.4	142.6
1.3.8.10 Petrochemical Intermediates	0.869	164.2	167.6	172.6	172.6	172.4
1.3.8.11 Matches, Explosives & other Chemicals	0.629	142.6	144.8	150.5	149.9	152.3
<b>1.3.9 Non-Metallic Mineral Products</b>	<b>2.556</b>	<b>163.3</b>	<b>165.6</b>	<b>165.5</b>	<b>165.6</b>	<b>166.5</b>
1.3.9.1 Structural Clay Products	0.658	164.7	167.8	180.5	178.0	180.3
1.3.9.2 Glass, Earthenware, Chinaware & their Products	0.256	130.8	131.5	132.6	133.2	132.8
1.3.9.3 Cement & Lime	1.386	168.6	169.9	164.7	164.0	164.9
1.3.9.4 Cement, Slate & Graphite Products	0.256	163.2	171.0	174.5	174.1	173.6
<b>1.3.10 Basic Metals, Alloys &amp; Metal Products</b>	<b>10.748</b>	<b>166.1</b>	<b>165.1</b>	<b>165.1</b>	<b>165.9</b>	<b>166.6</b>
1.3.10.1 Ferrous Metals	8.064	156.3	154.6	154.9	155.8	156.3
1.3.10.1.1 Iron & Semis	1.563	161.6	154.8	153.1	153.9	156.3
1.3.10.1.2 Steel: Long	1.630	169.7	167.0	165.1	165.8	166.6
1.3.10.1.3 Steel: Flat	2.611	154.2	153.6	154.3	155.6	155.2
1.3.10.1.4 Steel: Pipes & Tubes	0.314	128.0	128.1	132.0	131.9	132.1
1.3.10.1.5 Stainless Steel & alloys	0.938	156.8	158.6	161.4	160.8	162.5
1.3.10.1.6 Castings & Forgings	0.871	138.9	139.8	142.1	144.3	142.8
1.3.10.1.7 Ferro alloys	0.137	151.7	151.1	156.3	157.8	156.4
1.3.10.2 Non-Ferrous Metals	1.004	160.9	161.9	164.6	164.7	165.4
1.3.10.2.1 Aluminium	0.489	134.1	135.5	138.9	138.8	139.2
1.3.10.2.2 Other Non-Ferrous Metals	0.515	186.4	187.0	189.0	189.4	190.3
1.3.10.3 Metal Products	1.680	216.0	217.0	214.3	215.2	216.5
<b>1.3.11 Machinery &amp; Machine Tools</b>	<b>8.931</b>	<b>128.4</b>	<b>129.3</b>	<b>132.6</b>	<b>132.5</b>	<b>132.4</b>
1.3.11.1 Agricultural Machinery & Implements	0.139	137.0	137.4	144.5	144.1	144.4
1.3.11.2 Industrial Machinery	1.838	146.2	147.4	150.9	151.0	151.1
1.3.11.3 Construction Machinery	0.045	135.7	136.5	136.9	136.9	136.9
1.3.11.4 Machine Tools	0.367	154.4	157.6	163.2	162.5	160.5
1.3.11.5 Air Conditioner & Refrigerators	0.429	112.5	113.6	115.6	115.6	117.4
1.3.11.6 Non-Electrical Machinery	1.026	122.9	123.5	124.3	124.3	124.4
1.3.11.7 Electrical Machinery, Equipment & Batteries	2.343	133.0	133.8	137.8	137.8	137.1
1.3.11.8 Electrical Accessories, Wires, Cables etc.	1.063	143.4	144.5	151.6	151.5	151.5
1.3.11.9 Electrical Apparatus & Appliances	0.337	117.4	117.0	117.0	117.0	117.7
1.3.11.10 Electronics Items	0.961	86.7	87.4	88.7	88.7	88.7
1.3.11.11 IT Hardware	0.267	89.2	89.2	88.5	88.5	88.5
1.3.11.12 Communication Equipments	0.118	94.1	93.7	95.9	95.9	95.9
<b>1.3.12 Transport, Equipment &amp; Parts</b>	<b>5.213</b>	<b>129.8</b>	<b>132.0</b>	<b>135.9</b>	<b>135.8</b>	<b>135.5</b>
1.3.12.1 Automotives	4.231	129.0	131.5	135.6	135.5	135.0
1.3.12.2 Auto Parts	0.804	130.2	131.1	134.2	134.3	134.6
1.3.12.3 Other Transport Equipments	0.178	147.3	149.8	151.8	151.3	151.7

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

**No. 22: Index of Industrial Production (Base:2004-05=100)**

Industry	Weight	2011-12	2012-13	April-January		January	
				2012-13	2013-14	2013	2014
	1	2	3	4	5	6	7
<b>General Index</b>	<b>100.00</b>	<b>170.3</b>	<b>172.2</b>	<b>169.6</b>	<b>169.6</b>	<b>182.0</b>	<b>182.2</b>
<b>1 Sectoral Classification</b>							
1.1 Mining and Quarrying	14.16	128.5	125.5	123.5	121.7	135.5	136.5
1.2 Manufacturing	75.53	181.0	183.3	180.1	179.3	193.6	192.3
1.3 Electricity	10.32	149.3	155.2	155.8	164.7	160.7	171.1
<b>2 Use-Based Classification</b>							
2.1 Basic Goods	45.68	150.0	153.6	152.5	154.5	162.7	164.2
2.2 Capital Goods	8.83	267.8	251.6	239.1	237.1	250.5	239.9
2.3 Intermediate Goods	15.69	144.4	146.7	145.8	150.2	151.7	156.9
2.4 Consumer Goods	29.81	186.1	190.6	187.9	182.9	207.2	206.0
2.4.1 Consumer Durables	8.46	295.1	301.1	301.2	263.7	285.4	261.6
2.4.2 Consumer Non-Durables	21.35	142.9	146.9	142.9	150.9	176.2	184.0

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**

(Amount in ₹ Billion)

Item	Financial Year		April-February		
	2013-14 (Revised Estimates)	2012-13 (Actuals)	2013-14 (Actuals)	Percentage to Revised Estimates	
				2012-13	2013-14
	1	2	3	4	5
1 Revenue Receipts	10,292.5	6,788.3	7,836.0	77.9	76.1
1.1 Tax Revenue (Net)	8,360.3	5,719.3	6,271.3	77.1	75.0
1.2 Non-Tax Revenue	1,932.3	1,069.0	1,564.6	82.4	81.0
2 Capital Receipts	5,611.8	5,407.1	6,161.6	96.7	109.8
2.1 Recovery of Loans	108.0	105.6	105.8	75.0	97.9
2.2 Other Receipts	258.4	228.0	62.9	95.0	24.3
2.3 Borrowings and Other Liabilities	5,245.4	5,073.6	5,993.0	97.4	114.3
3 Total Receipts (1+2)	15,904.3	12,195.4	13,997.6	85.2	88.0
4 Non-Plan Expenditure	11,149.0	8,665.2	9,908.2	86.5	88.9
4.1 On Revenue Account	10,276.9	7,871.5	8,996.0	85.6	87.5
4.1.1 Interest Payments	3,800.7	2,638.5	3,218.4	83.3	84.7
4.2 On Capital Account	872.1	793.7	912.2	96.9	104.6
5 Plan Expenditure	4,755.3	3,530.2	4,089.3	82.3	86.0
5.1 On Revenue Account	3,718.5	2,877.9	3,183.7	83.8	85.6
5.2 On Capital Account	1,036.8	652.3	905.6	76.0	87.3
6 Total Expenditure (4+5)	15,904.4	12,195.4	13,997.6	85.2	88.0
7 Revenue Expenditure (4.1+5.1)	13,995.4	10,749.4	12,179.7	85.1	87.0
8 Capital Expenditure (4.2+5.2)	1,909.0	1,446.0	1,817.8	86.2	95.2
9 Revenue Deficit (7-1)	3,702.9	3,961.1	4,343.8	101.2	117.3
10 Fiscal Deficit {6-(1+2.1+2.2)}	5,245.4	5,073.6	5,993.0	97.4	114.3
11 Gross Primary Deficit [10-4.1.1]	1,444.7	2,435.1	2,774.6	119.2	192.1

Source: Controller General of Accounts, Ministry of Finance, Government of India.

## No. 24: Treasury Bills – Ownership Pattern

(₹ Billion)

Item	2013-14	2013		2014				
		Mar. 1	Jan. 24	Jan. 31	Feb. 7	Feb. 14	Feb. 21	Feb. 28
	1	2	3	4	5	6	7	8
<b>1 14-day</b>								
1.1 Banks	–	–	–	–	–	–	–	–
1.2 Primary Dealers	–	–	–	–	–	–	–	–
1.3 State Governments	1,101.8	1,254.5	685.9	809.6	687.0	722.4	866.4	889.8
1.4 Others	6.6	4.1	4.0	7.5	6.1	4.2	6.2	5.3
<b>2 91-day</b>								
2.1 Banks	286.0	326.5	214.4	242.9	194.8	210.3	192.9	208.1
2.2 Primary Dealers	286.9	219.9	248.3	225.7	247.6	269.8	302.9	310.1
2.3 State Governments	381.9	424.8	725.9	693.9	703.9	683.9	618.9	613.9
2.4 Others	300.3	161.3	302.4	276.1	312.5	286.7	282.1	269.8
<b>3 182-day</b>								
3.1 Banks	270.0	244.5	244.9	264.9	227.8	244.4	200.6	240.3
3.2 Primary Dealers	255.3	169.5	270.1	257.1	249.5	259.5	285.6	289.1
3.3 State Governments	74.1	2.4	10.8	10.8	10.8	10.8	10.8	6.8
3.4 Others	164.6	228.0	154.5	126.9	171.6	155.0	172.6	139.4
<b>4 364-day</b>								
4.1 Banks	356.1	314.8	284.2	278.2	290.6	325.7	272.3	299.4
4.2 Primary Dealers	480.7	548.9	588.7	603.5	548.4	559.5	563.8	608.8
4.3 State Governments	6.9	3.8	7.0	7.0	7.0	7.0	7.0	7.0
4.4 Others	523.6	417.3	448.2	439.1	491.8	445.7	503.5	431.5
<b>5 Total</b>	<b>4,494.7</b>	<b>4,320.2</b>	<b>4,189.3</b>	<b>4,243.4</b>	<b>4,149.4</b>	<b>4,184.9</b>	<b>4,285.7</b>	<b>4,319.2</b>

## No. 25: Auctions of Treasury Bills

(Amount in ₹ Billion)

Date of Auction	Notified Amount	Bids Received				Bids Accepted				Total Issue (6+7)	Cut-off 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			
<b>91-day Treasury Bills</b>												
2013-14												
Jan. 29	40	85	97.81	33.56	57	40.00	33.56	73.56	97.83	8.8969		
Feb. 5	70	82	144.61	45.12	59	70.00	45.12	115.12	97.81	8.9807		
Feb. 12	70	80	143.37	9.03	58	70.00	9.03	79.03	97.78	9.1066		
Feb. 18	70	73	125.23	4.00	58	70.00	4.00	74.00	97.78	9.1066		
Feb. 26	70	90	133.47	107.64	76	70.00	107.64	177.64	97.77	9.1485		
<b>182-day Treasury Bills</b>												
2013-14												
Jan. 29	30	80	126.37	–	31	30.00	–	30.00	95.73	8.9454		
Feb. 12	60	108	194.43	–	39	60.00	–	60.00	95.67	9.0768		
Feb. 26	60	104	200.79	0.02	55	60.00	0.02	60.02	95.66	9.0987		
<b>364-day Treasury Bills</b>												
2013-14												
Jan. 8	30	89	135.90	–	29	30.00	–	30.00	91.98	8.7432		
Jan. 22	30	107	166.22	0.02	28	30.00	0.02	30.02	92.04	8.6722		
Feb. 5	60	156	285.80	–	36	60.00	–	60.00	91.79	8.9689		
Feb. 18	60	170	258.05	–	42	60.00	–	60.00	91.76	9.0046		

## 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	
February	1, 2014	5.00-8.00	6.69	
February	3, 2014	6.50-8.25	7.93	
February	4, 2014	6.25-8.15	7.77	
February	5, 2014	6.00-8.50	8.02	
February	6, 2014	6.25-8.50	8.02	
February	7, 2014	6.25-8.75	8.05	
February	8, 2014	5.50-8.75	7.51	
February	10, 2014	6.60-9.25	8.97	
February	11, 2014	6.60-9.20	8.96	
February	12, 2014	6.60-9.25	8.80	
February	13, 2014	6.60-9.20	8.99	
February	14, 2014	6.60-9.10	8.91	
February	15, 2014	5.50-8.90	7.40	
February	17, 2014	6.60-8.95	8.34	
February	18, 2014	6.25-9.00	8.29	
February	20, 2014	6.00-9.00	7.92	
February	21, 2014	6.00-8.25	7.93	
February	22, 2014	5.00-8.25	7.47	
February	24, 2014	6.00-8.10	7.87	
February	25, 2014	6.00-8.05	7.88	
February	26, 2014	6.00-8.20	7.98	
February	28, 2014	6.00-8.25	8.01	
March	1, 2014	1.00-8.15	7.51	
March	3, 2014	6.00-8.10	7.78	
March	4, 2014	6.00-8.15	7.76	
March	5, 2014	6.00-9.00	8.00	
March	6, 2014	6.00-8.10	7.83	
March	7, 2014	6.00-8.50	8.03	
March	8, 2014	6.00-8.50	7.97	
March	10, 2014	6.00-8.60	7.97	
March	11, 2014	6.00-8.35	8.05	
March	12, 2014	6.00-8.60	8.12	
March	13, 2014	6.00-9.50	8.08	
March	14, 2014	1.25-9.25	8.62	
March	15, 2014	5.00-9.50	8.24	

**No. 27: Certificates of Deposit**

Item	2013		2014		
	Feb. 22	Jan. 10	Jan. 24	Feb. 7	Feb. 21
	1	2	3	4	5
1 Amount Outstanding (₹ Billion)	3,010.9	3,326.8	3,328.8	3,296.9	3,303.8
1.1 Issued during the fortnight (₹ Billion)	246.8	216.9	338.8	357.0	286.1
2 Rate of Interest (per cent)	7.95-9.90	8.38-9.35	8.40-9.72	8.41-9.75	8.58-10.06

**No. 28: Commercial Paper**

Item	2013		2014		
	Feb. 28	Jan. 15	Jan. 31	Feb. 15	Feb. 28
	1	2	3	4	5
1 Amount Outstanding (₹ Billion)	1,923.4	1,721.0	1,641.7	1,767.1	1,646.0
1.1 Reported during the fortnight (₹ Billion)	263.1	392.1	290.7	351.3	292.0
2 Rate of Interest (per cent)	8.02-13.96	8.33-12.52	7.99-12.50	8.33-12.70	7.84-13.06

**No. 29: Average Daily Turnover in Select Financial Markets**

(₹ Billion)

Item	2012-13	2013		2014				
		Mar. 1	Jan. 24	Jan. 31	Feb. 7	Feb. 14	Feb. 21	Feb. 28
	1	2	3	4	5	6	7	8
1 Call Money	250.1	278.5	286.4	218.8	188.0	181.2	174.1	213.0
2 Notice Money	73.2	67.9	90.0	64.9	50.3	53.7	76.8	100.8
3 Term Money	9.4	22.9	3.9	4.7	4.0	5.5	5.5	4.3
4 CBLO	832.7	946.0	930.2	1,117.9	988.9	920.4	984.4	1,385.8
5 Market Repo	747.8	966.4	1,065.6	745.8	994.0	709.8	1,130.3	856.5
6 Repo in Corporate Bond	0.1	–	–	–	0.1	–	–	–
7 Forex (US \$ million)	51,021	60,988	44,837	56,252	45,853	41,454	45,092	58,419
8 Govt. of India Dated Securities	491.3	811.3	853.5	526.9	779.1	491.8	531.6	379.4
9 State Govt. Securities	10.0	9.2	14.5	12.6	6.6	18.6	10.3	16.4
10 Treasury Bills								
10.1 91-Day	20.7	14.3	23.5	35.5	29.8	29.1	29.1	14.5
10.2 182-Day	9.3	3.8	9.8	18.8	23.1	17.4	4.1	11.7
10.3 364-Day	17.2	11.6	19.2	17.3	41.1	16.4	25.1	19.0
10.4 Cash Management Bills	–	–	–	–	–	–	–	–
11 Total Govt. Securities (8+9+10)	548.5	850.1	920.5	611.1	879.8	573.3	600.1	441.0
11.1 RBI	7.3	0.4	19.0	–	0.8	0.1	0.9	3.4

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

(Amount in ₹ Billion)

Security & Type of Issue	2012-13		2012-13 (Apr.-Feb.)		2013-14 (Apr.-Feb.)		Feb. 2013		Feb. 2014	
	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	48	138.8	37	128.1	46	36.9	5	8.3	8	2.8
1A Premium	44	120.9	34	117.0	40	33.1	5	8.1	7	2.6
1.1 Prospectus	32	49.4	24	45.9	33	12.1	4	0.9	6	0.4
1.1.1 Premium	30	46.0	22	42.9	29	10.7	4	0.7	5	0.2
1.2 Rights	16	89.4	13	82.3	13	24.7	1	7.4	2	2.4
1.2.1 Premium	14	74.9	12	74.1	11	22.4	1	7.4	2	2.4
2 Preference Shares	–	–	–	–	–	–	–	–	–	–
2.1 Prospectus	–	–	–	–	–	–	–	–	–	–
2.2 Rights	–	–	–	–	–	–	–	–	–	–
3 Debentures	6	22.2	6	22.2	12	50.4	–	–	–	–
3.1 Convertible	–	–	–	–	–	–	–	–	–	–
3.1.1 Prospectus	–	–	–	–	–	–	–	–	–	–
3.1.2 Rights	–	–	–	–	–	–	–	–	–	–
3.2 Non-Convertible	6	22.2	6	22.2	12	50.4	–	–	–	–
3.2.1 Prospectus	6	22.2	6	22.2	12	50.4	–	–	–	–
3.2.2 Rights	–	–	–	–	–	–	–	–	–	–
4 Bonds	–	–	–	–	–	–	–	–	–	–
4.1 Prospectus	–	–	–	–	–	–	–	–	–	–
4.2 Rights	–	–	–	–	–	–	–	–	–	–
5 Total (1+2+3+4)	54	161.0	43	150.3	58	87.2	5	8.3	8	2.8
5.1 Prospectus	38	71.6	30	68.1	45	62.5	4	0.9	6	0.4
5.2 Rights	16	89.4	13	82.3	13	24.7	1	7.4	2	2.4

**Source:** Based on prospectus/advertisements issued by companies, replies to Reserve Bank's questionnaire and information received from SEBI, stock exchanges, press reports, etc.



## External Sector

## No. 31: Foreign Trade

Item	Unit	2012-13	2013				2014	
			Feb.	Oct.	Nov.	Dec.	Jan.	Feb.
		1	2	3	4	5	6	7
1 Exports	₹ Billion	16,343.2	1,434.1	1,680.9	1,493.3	1,611.5	1,639.1	1,598.6
	US \$ Million	300,400.7	26,668.8	27,279.9	23,842.3	26,028.9	26,404.5	25,688.9
1.1 Oil	₹ Billion	3,307.9	271.8	338.8	296.7	292.6	280.2	..
	US \$ Million	60,859.8	5,053.8	5,498.5	4,737.4	4,726.5	4,514.6	..
1.2 Non-oil	₹ Billion	13,035.3	1,162.3	1,342.1	1,196.6	1,318.8	1,358.8	..
	US \$ Million	239,540.9	21,615.0	21,781.4	19,104.9	21,302.4	21,889.9	..
2 Imports	₹ Billion	26,691.6	2,193.5	2,336.2	2,100.9	2,257.3	2,257.1	2,104.5
	US \$ Million	490,736.7	40,792.0	37,915.0	33,543.8	36,460.9	36,359.6	33,819.1
2.1 Oil	₹ Billion	8,918.7	816.0	942.0	812.9	862.1	818.5	852.3
	US \$ Million	164,040.6	14,134.3	15,289.0	12,979.0	13,924.2	13,186.2	13,691.2
2.2 Non-oil	₹ Billion	17,772.9	1,377.5	1,394.1	1,288.0	1,395.3	1,438.5	1,252.2
	US \$ Million	326,696.1	26,657.7	22,626.0	20,564.8	22,536.6	23,173.3	20,128.0
3 Trade Balance	₹ Billion	-10,348.4	-759.5	-655.3	-607.6	-645.8	-618.0	-505.9
	US \$ Million	-190,336.0	-14,123.2	-10,635.0	-9,701.4	-10,432.0	-9,955.0	-8,130.2
3.1 Oil	₹ Billion	-5,610.8	-544.3	-603.3	-516.2	-569.4	-538.3	..
	US \$ Million	-103,180.8	-9,080.5	-9,790.5	-8,241.6	-9,197.7	-8,671.6	..
3.2 Non-oil	₹ Billion	-4,737.6	-215.2	-52.0	-91.4	-76.4	-79.7	..
	US \$ Million	-87,155.2	-5,042.7	-844.5	-1,459.8	-1,234.3	-1,283.4	..

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

## No. 32: Foreign Exchange Reserves

Item	Unit	2013	2014					
		Mar. 22	Feb. 14	Feb. 21	Feb. 28	Mar. 7	Mar. 14	Mar. 21
		1	2	3	4	5	6	7
<b>1 Total Reserves</b>	<b>₹ Billion</b>	<b>15,925</b>	<b>18,300</b>	<b>18,245</b>	<b>18,272</b>	<b>18,041</b>	<b>18,300</b>	<b>18,252</b>
	<b>US \$ Million</b>	<b>293,367</b>	<b>293,789</b>	<b>293,406</b>	<b>294,360</b>	<b>295,449</b>	<b>297,287</b>	<b>298,636</b>
1.1 Foreign Currency Assets	₹ Billion	14,150	16,643	16,589	16,567	16,342	16,598	16,568
	US \$ Million	260,415	267,247	266,868	266,902	267,972	269,814	271,394
1.2 Gold	₹ Billion	1,414	1,254	1,254	1,302	1,302	1,302	1,302
	US \$ Million	26,292	20,076	20,076	20,978	20,978	20,978	20,978
1.3 SDRs	SDRs Million	2,887	2,887	2,887	2,887	2,887	2,887	2,887
	₹ Billion	236	278	277	277	273	276	272
1.4 Reserve Tranche Position in IMF	US \$ Million	4,342	4,459	4,456	4,469	4,481	4,479	4,462
	₹ Billion	126	125	125	125	123	124	110
	US \$ Million	2,317	2,007	2,006	2,012	2,017	2,016	1,801

## No. 33: NRI Deposits

(US\$ Million)

Scheme	Outstanding				Flows	
	2012-13	2013	2014		2012-13	2013-14
		Feb.	Jan.	Feb.	Apr.-Feb.	Apr.-Feb.
	1	2	3	4	5	6
<b>1 NRI Deposits</b>	<b>70,823</b>	<b>69,201</b>	<b>99,430</b>	<b>99,831</b>	<b>13,260</b>	<b>36,436</b>
1.1 FCNR(B)	15,188	14,808	40,685	40,775	-160	25,587
1.2 NR(E)RA	45,924	44,634	50,116	50,405	15,140	10,710
1.3 NRO	9,710	9,759	8,629	8,650	-1,720	139

## No. 34: Foreign Investment Inflows

(US\$ Million)

Item	2012-13	2012-13	2013-14	2013	2014	
		Apr.-Feb.	Apr.-Feb.	Feb.	Jan.	Feb.
	1	2	3	4	5	6
<b>1.1 Net Foreign Direct Investment (1.1.1–1.1.2)</b>	<b>19,819</b>	<b>18,997</b>	<b>20,864</b>	<b>2,210</b>	<b>436</b>	<b>–83</b>
<b>1.1.1 Direct Investment to India (1.1.1.1–1.1.2)</b>	<b>26,953</b>	<b>24,863</b>	<b>26,925</b>	<b>2,360</b>	<b>3,263</b>	<b>2,679</b>
<b>1.1.1.1 Gross Inflows/Gross Investments</b>	<b>34,298</b>	<b>31,578</b>	<b>31,731</b>	<b>2,991</b>	<b>3,606</b>	<b>3,022</b>
1.1.1.1.1 Equity	22,884	21,268	21,658	1,886	2,281	2,109
1.1.1.1.1.1 Government (SIA/FIPB)	2,319	2,306	1,173	84	66	52
1.1.1.1.1.2 RBI	15,967	14,959	11,610	1,381	1,516	1,365
1.1.1.1.1.3 Acquisition of shares	3,539	3,036	7,983	330	607	601
1.1.1.1.1.4 Equity capital of unincorporated bodies	1,059	968	892	91	92	92
1.1.1.1.2 Reinvested earnings	9,880	8,969	8,205	911	842	842
1.1.1.1.3 Other capital	1,534	1,340	1,868	194	483	71
<b>1.1.1.2 Repatriation/Disinvestment</b>	<b>7,345</b>	<b>6,714</b>	<b>4,806</b>	<b>631</b>	<b>343</b>	<b>343</b>
1.1.1.2.1 Equity	6,853	6,234	4,318	619	308	308
1.1.1.2.2 Other capital	493	481	488	12	35	35
<b>1.1.2 Foreign Direct Investment by India (1.1.2.1+1.1.2.2+1.1.2.3–1.1.2.4)</b>	<b>7,134</b>	<b>5,866</b>	<b>6,062</b>	<b>150</b>	<b>2,827</b>	<b>2,762</b>
1.1.2.1 Equity capital	7,101	5,682	9,164	370	3,009	2,943
1.1.2.2 Reinvested Earnings	1,189	1,090	1,068	99	99	99
1.1.2.3 Other Capital	4,331	4,051	2,749	212	131	133
1.1.2.4 Repatriation/Disinvestment	5,488	4,957	6,919	531	412	412
<b>1.2 Net Portfolio Investment (1.2.1+1.2.2+1.2.3–1.2.4)</b>	<b>26,891</b>	<b>25,721</b>	<b>–372</b>	<b>4,101</b>	<b>2,585</b>	<b>1,478</b>
1.2.1 GDRs/ADRs	187	187	20	–	–	–
1.2.2 FIIs	27,582	26,337	–386	4,176	2,616	1,509
1.2.3 Offshore funds and others	–	–	–	–	–	–
1.2.4 Portfolio investment by India	878	803	6	75	30	30
<b>1 Foreign Investment Inflows</b>	<b>46,710</b>	<b>44,717</b>	<b>20,491</b>	<b>6,311</b>	<b>3,022</b>	<b>1,395</b>

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

(US\$ Million)

Item	2012-13	2013			2014
		Jan.	Nov.	Dec.	Jan.
	1	2	3	4	5
<b>1 Outward Remittances under the LRS</b>	<b>1,206.4</b>	<b>98.9</b>	<b>59.4</b>	<b>75.2</b>	<b>105.9</b>
1.1 Deposit	20.1	2.8	1.2	1.9	1.4
1.2 Purchase of immovable property	77.7	6.9	0.3	0.5	1.3
1.3 Investment in equity/debt	236.9	13.5	2.9	11.2	7.3
1.4 Gift	261.6	22.6	9.8	19.7	22.6
1.5 Donations	4.5	0.2	–	0.2	0.1
1.6 Travel	44.8	4.8	0.2	0.8	1.0
1.7 Maintenance of close relatives	226.6	20.8	34.5	9.4	9.8
1.8 Medical Treatment	4.9	0.4	0.2	0.3	0.7
1.9 Studies Abroad	124.7	15.4	5.1	18.1	22.0
1.10 Others	204.1	11.5	5.2	13.0	39.8

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

Item	2011-12	2012-13	2013	2014	
			March	February	March
	1	2	3	4	5
<b>36-Currency Export and Trade Based Weights (Base: 2004-05=100)</b>					
1 Trade-Based Weights					
1.1 NEER	87.38	78.32	78.70	70.84	72.09
1.2 REER	101.38	94.61	95.07	87.91	89.46
2 Export-Based Weights					
2.1 NEER	89.13	80.05	80.39	71.87	73.13
2.2 REER	104.05	97.42	97.94	89.61	91.18
<b>6-Currency Trade Based Weights</b>					
1 Base: 2004-05 (April-March) =100					
1.1 NEER	84.44	75.54	76.01	64.90	66.27
1.2 REER	111.51	104.93	106.19	93.93	95.61
2 Base: 2012-13 (April-March) =100					
2.1 NEER	111.77	100.00	100.61	85.91	87.71
2.2 REER	106.25	100.00	101.17	89.49	91.10

Note: CPI-based data are available in the article, 'Real Effective Exchange Rate based on CPI as Price Index for India'.

**No. 37: External Commercial Borrowings (ECBs)**

(Amount in US\$ Million)

Item	2012-13	2013	2014	
		Feb.	Jan.	Feb.
	1	2	3	4
1 Automatic Route				
1.1 Number	825	58	44	27
1.2 Amount	18,395	1,082	1,276	662
2 Approval Route				
2.1 Number	92	8	11	18
2.2 Amount	13,651	1,261	517	3,641
3 Total (1+2)				
3.1 Number	917	66	55	45
3.2 Amount	32,046	2,343	1,793	4,303
4 Weighted Average Maturity (in years)	6.27	13.50	6.35	4.32
5 Interest Rate (per cent)				
5.1 Weighted Average Margin over 6-month LIBOR or reference rate for Floating Rate Loans	2.73	2.68	2.23	1.70
5.2 Interest rate range for Fixed Rate Loans	0.00-12.44	1.31-5.88	0.00-9.50	0.00-9.25

## No. 38: India's Overall Balance of Payments

(US \$ Million)

Item	Oct-Dec 2012 (PR)			Oct-Dec 2013 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
<b>Overall Balance of Payments(1+2+3)</b>	<b>251,313</b>	<b>250,532</b>	<b>781</b>	<b>266,988</b>	<b>247,885</b>	<b>19,103</b>
<b>1 CURRENT ACCOUNT (1.1+ 1.2)</b>	<b>130,741</b>	<b>162,511</b>	<b>-31,770</b>	<b>138,057</b>	<b>142,154</b>	<b>-4,097</b>
<b>1.1 MERCHANDISE</b>	<b>74,236</b>	<b>132,613</b>	<b>-58,378</b>	<b>79,795</b>	<b>112,947</b>	<b>-33,152</b>
<b>1.2 INVISIBLES (1.2.1+1.2.2+1.2.3)</b>	<b>56,505</b>	<b>29,898</b>	<b>26,608</b>	<b>58,262</b>	<b>29,207</b>	<b>29,054</b>
1.2.1 Services	37,063	20,417	16,646	37,643	19,523	18,120
1.2.1.1 Travel	5,050	3,010	2,039	5,091	2,748	2,343
1.2.1.2 Transportation	4,350	3,570	780	4,114	3,421	693
1.2.1.3 Insurance	530	552	-21	487	290	197
1.2.1.4 G.n.i.e.	140	153	-13	104	171	-67
1.2.1.5 Miscellaneous	26,993	13,132	13,860	27,847	12,893	14,953
1.2.1.5.1 Software Services	16,466	565	15,901	17,475	654	16,821
1.2.1.5.2 Business Services	7,135	7,906	-770	6,905	6,720	186
1.2.1.5.3 Financial Services	1,195	898	298	1,708	1,277	432
1.2.1.5.4 Communication Services	358	250	108	516	219	297
1.2.2 Transfers	16,778	1,017	15,762	17,649	1,269	16,380
1.2.2.1 Official	287	196	92	401	229	172
1.2.2.2 Private	16,491	821	15,670	17,247	1,040	16,208
1.2.3 Income	2,664	8,464	-5,800	2,970	8,416	-5,446
1.2.3.1 Investment Income	1,898	7,896	-5,998	2,150	7,763	-5,613
1.2.3.2 Compensation of Employees	766	568	198	820	653	167
<b>2 CAPITAL ACCOUNT (2.1+2.2+2.3+2.4+2.5)</b>	<b>119,491</b>	<b>88,021</b>	<b>31,470</b>	<b>128,931</b>	<b>105,146</b>	<b>23,785</b>
<b>2.1 Foreign Investment (2.1.1+2.1.2)</b>	<b>52,399</b>	<b>40,512</b>	<b>11,887</b>	<b>54,564</b>	<b>46,108</b>	<b>8,456</b>
2.1.1 Foreign Direct Investment	8,659	6,554	2,106	9,689	3,623	6,066
2.1.1.1 In India	7,064	2,720	4,344	7,188	1,410	5,778
2.1.1.1.1 Equity	4,373	2,624	1,749	4,224	1,324	2,900
2.1.1.1.2 Reinvested Earnings	2,590	-	2,590	2,374	-	2,374
2.1.1.1.3 Other Capital	101	96	5	590	86	504
2.1.1.2 Abroad	1,595	3,834	-2,238	2,501	2,213	288
2.1.1.2.1 Equity	1,595	2,123	-528	2,501	1,292	1,209
2.1.1.2.2 Reinvested Earnings	-	297	-297	-	297	-297
2.1.1.2.3 Other Capital	-	1,413	-1,413	-	624	-624
2.1.2 Portfolio Investment	43,740	33,959	9,781	44,875	42,485	2,390
2.1.2.1 In India	43,297	33,444	9,853	44,777	42,243	2,534
2.1.2.1.1 FIIs	43,289	33,444	9,845	44,777	42,243	2,534
2.1.2.1.1.1 Equity	33,735	25,617	8,118	36,278	30,057	6,221
2.1.2.1.1.2 Debt	9,554	7,827	1,727	8,498	12,186	-3,688
2.1.2.1.2 ADR/GDRs	8	-	8	-	-	-
2.1.2.2 Abroad	443	515	-72	98	242	-144
<b>2.2 Loans (2.2.1+2.2.2+2.2.3)</b>	<b>41,217</b>	<b>30,423</b>	<b>10,795</b>	<b>31,440</b>	<b>28,430</b>	<b>3,010</b>
2.2.1 External Assistance	1,340	996	343	1,044	1,085	-41
2.2.1.1 By India	13	84	-72	11	62	-51
2.2.1.2 To India	1,327	912	415	1,033	1,023	10
2.2.2 Commercial Borrowings	7,336	4,563	2,773	7,551	3,340	4,211
2.2.2.1 By India	409	498	-89	234	90	144
2.2.2.2 To India	6,927	4,065	2,862	7,317	3,250	4,067
2.2.3 Short Term to India	32,541	24,863	7,678	22,846	24,005	-1,159
2.2.3.1 Suppliers' Credit > 180 days & Buyers' Credit	30,872	24,863	6,009	22,846	23,255	-409
2.2.3.2 Suppliers' Credit up to 180 days	1,669	-	1,669	-	750	-750
<b>2.3 Banking Capital (2.3.1+2.3.2)</b>	<b>20,245</b>	<b>15,001</b>	<b>5,243</b>	<b>38,288</b>	<b>22,530</b>	<b>15,758</b>
2.3.1 Commercial Banks	20,245	14,964	5,281	38,100	22,530	15,570
2.3.1.1 Assets	2,688	1,540	1,148	3,191	7,811	-4,620
2.3.1.2 Liabilities	17,557	13,424	4,133	34,909	14,719	20,190
2.3.1.2.1 Non-Resident Deposits	15,505	12,853	2,651	33,025	11,577	21,448
2.3.2 Others	-	37	-37	188	-	188
<b>2.4 Rupee Debt Service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.5 Other Capital</b>	<b>5,630</b>	<b>2,085</b>	<b>3,545</b>	<b>4,638</b>	<b>8,077</b>	<b>-3,439</b>
<b>3 Errors &amp; Omissions</b>	<b>1,081</b>	<b>-</b>	<b>1,081</b>	<b>-</b>	<b>585</b>	<b>-585</b>
<b>4 Monetary Movements (4.1+ 4.2)</b>	<b>-</b>	<b>781</b>	<b>-781</b>	<b>-</b>	<b>19,103</b>	<b>-19,103</b>
4.1 I.M.F.	-	-	-	-	-	-
4.2 Foreign Exchange Reserves (Increase - / Decrease +)	-	781	-781	-	19,103	-19,103

## No. 39: India's Overall Balance of Payments

(₹ Billion)

Item	Oct-Dec 2012 (PR)			Oct-Dec 2013 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
<b>Overall Balance of Payments(1+2+3)</b>	<b>13,608</b>	<b>13,566</b>	<b>42</b>	<b>16,567</b>	<b>15,382</b>	<b>1,185</b>
<b>1 CURRENT ACCOUNT (1.1+ 1.2)</b>	<b>7,080</b>	<b>8,800</b>	<b>-1,720</b>	<b>8,567</b>	<b>8,821</b>	<b>-254</b>
<b>1.1 MERCHANDISE</b>	<b>4,020</b>	<b>7,181</b>	<b>-3,161</b>	<b>4,951</b>	<b>7,009</b>	<b>-2,057</b>
<b>1.2 INVISIBLES (1.2.1+1.2.2+1.2.3)</b>	<b>3,060</b>	<b>1,619</b>	<b>1,441</b>	<b>3,615</b>	<b>1,812</b>	<b>1,803</b>
1.2.1 Services	2,007	1,106	901	2,336	1,211	1,124
1.2.1.1 Travel	273	163	110	316	171	145
1.2.1.2 Transportation	236	193	42	255	212	43
1.2.1.3 Insurance	29	30	-1	30	18	12
1.2.1.4 G.n.i.e.	8	8	-1	6	11	-4
1.2.1.5 Miscellaneous	1,462	711	751	1,728	800	928
1.2.1.5.1 Software Services	892	31	861	1,084	41	1,044
1.2.1.5.2 Business Services	386	428	-42	428	417	12
1.2.1.5.3 Financial Services	65	49	16	106	79	27
1.2.1.5.4 Communication Services	19	14	6	32	14	18
1.2.2 Transfers	909	55	853	1,095	79	1,016
1.2.2.1 Official	16	11	5	25	14	11
1.2.2.2 Private	893	44	849	1,070	65	1,006
1.2.3 Income	144	458	-314	184	522	-338
1.2.3.1 Investment Income	103	428	-325	133	482	-348
1.2.3.2 Compensation of Employees	41	31	11	51	41	10
<b>2 CAPITAL ACCOUNT (2.1+2.2+2.3+2.4+2.5)</b>	<b>6,470</b>	<b>4,766</b>	<b>1,704</b>	<b>8,001</b>	<b>6,525</b>	<b>1,476</b>
2.1 Foreign Investment (2.1.1+2.1.2)	2,837	2,194	644	3,386	2,861	525
2.1.1 Foreign Direct Investment	469	355	114	601	225	376
2.1.1.1 In India	383	147	235	446	88	359
2.1.1.1.1 Equity	237	142	95	262	82	180
2.1.1.1.2 Reinvested Earnings	140	-	140	147	-	147
2.1.1.1.3 Other Capital	5	5	-	37	5	31
2.1.1.2 Abroad	86	208	-121	155	137	18
2.1.1.2.1 Equity	86	115	-29	155	80	75
2.1.1.2.2 Reinvested Earnings	-	16	-16	-	18	-18
2.1.1.2.3 Other Capital	-	77	-77	-	39	-39
2.1.2 Portfolio Investment	2,368	1,839	530	2,785	2,636	148
2.1.2.1 In India	2,345	1,811	534	2,779	2,621	157
2.1.2.1.1 FII's	2,344	1,811	533	2,779	2,621	157
2.1.2.1.1.1 Equity	1,827	1,387	440	2,251	1,865	386
2.1.2.1.1.2 Debt	517	424	94	527	756	-229
2.1.2.1.2 ADR/GDRs	-	-	-	-	-	-
2.1.2.2 Abroad	24	28	-4	6	15	-9
<b>2.2 Loans (2.2.1+2.2.2+2.2.3)</b>	<b>2,232</b>	<b>1,647</b>	<b>585</b>	<b>1,951</b>	<b>1,764</b>	<b>187</b>
2.2.1 External Assistance	73	54	19	65	67	-3
2.2.1.1 By India	1	5	-4	1	4	-3
2.2.1.2 To India	72	49	22	64	63	1
2.2.2 Commercial Borrowings	397	247	150	469	207	261
2.2.2.1 By India	22	27	-5	15	6	9
2.2.2.2 To India	375	220	155	454	202	252
2.2.3 Short Term to India	1,762	1,346	416	1,418	1,490	-72
2.2.3.1 Suppliers' Credit > 180 days & Buyers' Credit	1,672	1,346	325	1,418	1,443	-25
2.2.3.2 Suppliers' Credit up to 180 days	90	-	90	-	47	-47
<b>2.3 Banking Capital (2.3.1+2.3.2)</b>	<b>1,096</b>	<b>812</b>	<b>284</b>	<b>2,376</b>	<b>1,398</b>	<b>978</b>
2.3.1 Commercial Banks	1,096	810	286	2,364	1,398	966
2.3.1.1 Assets	146	83	62	198	485	-287
2.3.1.2 Liabilities	951	727	224	2,166	913	1,253
2.3.1.2.1 Non-Resident Deposits	840	696	144	2,049	718	1,331
2.3.2 Others	-	2	-2	12	-	12
<b>2.4 Rupee Debt Service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.5 Other Capital</b>	<b>305</b>	<b>113</b>	<b>192</b>	<b>288</b>	<b>501</b>	<b>-213</b>
<b>3 Errors &amp; Omissions</b>	<b>59</b>	<b>-</b>	<b>59</b>	<b>-</b>	<b>36</b>	<b>-36</b>
<b>4 Monetary Movements (4.1+ 4.2)</b>	<b>-</b>	<b>42</b>	<b>-42</b>	<b>-</b>	<b>1,185</b>	<b>-1,185</b>
4.1 I.M.F.	-	-	-	-	-	-
4.2 Foreign Exchange Reserves (Increase - / Decrease +)	-	42	-42	-	1,185	-1,185

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

(US \$ Million)

Item	Oct-Dec 2012 (PR)			Oct-Dec 2013 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
<b>1 Current Account (1.A+1.B+1.C)</b>	<b>130,476</b>	<b>162,333</b>	<b>-31,857</b>	<b>137,707</b>	<b>141,930</b>	<b>-4,223</b>
<b>1.A Goods and Services (1.A.a+1.A.b)</b>	<b>111,298</b>	<b>153,031</b>	<b>-41,732</b>	<b>117,438</b>	<b>132,469</b>	<b>-15,032</b>
<b>1.A.a Goods (1.A.a.1 to 1.A.a.3)</b>	<b>74,236</b>	<b>132,613</b>	<b>-58,378</b>	<b>79,795</b>	<b>112,947</b>	<b>-33,152</b>
1.A.a.1 General merchandise on a BOP basis	72,032	113,675	-41,643	79,214	109,812	-30,597
1.A.a.2 Net exports of goods under merchandising	2,204	1,154	1,049	580	-	580
1.A.a.3 Nonmonetary gold	-	17,784	-17,784	-	3,135	-3,135
<b>1.A.b Services (1.A.b.1 to 1.A.b.13)</b>	<b>37,063</b>	<b>20,418</b>	<b>16,645</b>	<b>37,643</b>	<b>19,523</b>	<b>18,120</b>
1.A.b.1 Manufacturing services on physical inputs owned by others	28	10	18	18	5	13
1.A.b.2 Maintenance and repair services n.i.e.	33	78	-45	30	63	-33
1.A.b.3 Transport	4,350	3,570	780	4,114	3,421	693
1.A.b.4 Travel	5,050	3,010	2,039	5,091	2,748	2,343
1.A.b.5 Construction	252	264	-12	299	320	-21
1.A.b.6 Insurance and pension services	530	552	-21	487	290	197
1.A.b.7 Financial services	1,195	898	298	1,708	1,277	432
1.A.b.8 Charges for the use of intellectual property n.i.e.	71	1,084	-1,012	179	1,024	-845
1.A.b.9 Telecommunications, computer, and information services	16,928	930	15,997	18,035	932	17,102
1.A.b.10 Other business services	7,135	7,906	-770	6,905	6,720	186
1.A.b.11 Personal, cultural, and recreational services	238	141	97	301	193	109
1.A.b.12 Government goods and services n.i.e.	140	153	-13	104	171	-67
1.A.b.13 Others n.i.e.	1,112	1,822	-710	371	2,360	-1,989
<b>1.B Primary Income (1.B.1 to 1.B.3)</b>	<b>2,664</b>	<b>8,464</b>	<b>-5,800</b>	<b>2,970</b>	<b>8,416</b>	<b>-5,446</b>
1.B.1 Compensation of employees	766	568	198	820	653	167
1.B.2 Investment income	1,568	7,800	-6,232	1,819	7,711	-5,892
1.B.2.1 Direct investment	592	4,070	-3,478	824	3,469	-2,645
1.B.2.2 Portfolio investment	73	1,056	-983	90	1,190	-1,100
1.B.2.3 Other investment	102	2,674	-2,571	130	3,052	-2,922
1.B.2.4 Reserve assets	801	-	800	775	-	775
1.B.3 Other primary income	330	96	234	331	52	279
<b>1.C Secondary Income (1.C.1+1.C.2)</b>	<b>16,513</b>	<b>838</b>	<b>15,675</b>	<b>17,299</b>	<b>1,045</b>	<b>16,254</b>
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	16,491	821	15,670	17,247	1,040	16,208
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	15,827	741	15,087	16,713	986	15,728
1.C.1.2 Other current transfers	663	80	583	534	54	480
1.C.2 General government	22	17	5	52	6	47
<b>2 Capital Account (2.1+2.2)</b>	<b>669</b>	<b>648</b>	<b>22</b>	<b>406</b>	<b>297</b>	<b>110</b>
2.1 Gross acquisitions (DR.) / disposals (CR.) of non-produced nonfinancial assets	12	59	-46	41	35	6
2.2 Capital transfers	657	589	68	365	261	103
<b>3 Financial Account (3.1 to 3.5)</b>	<b>119,565</b>	<b>88,811</b>	<b>30,754</b>	<b>128,909</b>	<b>124,211</b>	<b>4,699</b>
<b>3.1 Direct Investment (3.1.A+3.1.B)</b>	<b>8,659</b>	<b>6,554</b>	<b>2,106</b>	<b>9,689</b>	<b>6,623</b>	<b>6,066</b>
3.1.A Direct Investment in India	7,064	2,720	4,344	7,188	1,410	5,778
3.1.A.1 Equity and investment fund shares	6,963	2,624	4,339	6,598	1,324	5,274
3.1.A.1.1 Equity other than reinvestment of earnings	4,373	2,624	1,749	4,224	1,324	2,900
3.1.A.1.2 Reinvestment of earnings	2,590	-	2,590	2,374	-	2,374
3.1.A.2 Debt instruments	101	96	5	590	86	504
3.1.A.2.1 Direct investor in direct investment enterprises	101	96	5	590	86	504
3.1.B Direct Investment by India	1,595	3,834	-2,238	2,501	2,213	288
3.1.B.1 Equity and investment fund shares	1,595	2,421	-825	2,501	1,589	912
3.1.B.1.1 Equity other than reinvestment of earnings	1,595	2,123	-528	2,501	1,292	1,209
3.1.B.1.2 Reinvestment of earnings	-	297	-297	-	297	-297
3.1.B.2 Debt instruments	-	1,413	-1,413	-	624	-624
3.1.B.2.1 Direct investor in direct investment enterprises	-	1,413	-1,413	-	624	-624
<b>3.2 Portfolio Investment</b>	<b>43,732</b>	<b>33,959</b>	<b>9,773</b>	<b>44,875</b>	<b>42,485</b>	<b>2,390</b>
3.2.A Portfolio Investment in India	43,289	33,444	9,845	44,777	42,243	2,534
3.2.1 Equity and investment fund shares	33,735	25,617	8,118	36,278	30,057	6,221
3.2.2 Debt securities	9,554	7,827	1,727	8,498	12,186	-3,688
3.2.B Portfolio Investment by India	443	515	-72	98	242	-144
<b>3.3 Financial derivatives (other than reserves) and employee stock options</b>	<b>840</b>	<b>1,200</b>	<b>-360</b>	<b>2,286</b>	<b>1,498</b>	<b>788</b>
<b>3.4 Other investment</b>	<b>66,325</b>	<b>46,309</b>	<b>20,016</b>	<b>72,059</b>	<b>57,502</b>	<b>14,557</b>
3.4.1 Other equity (ADRs/GDRs)	8	-	8	-	-	-
3.4.2 Currency and deposits	15,505	12,891	2,614	33,213	11,577	21,636
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	-	37	-37	188	-	188
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	15,505	12,853	2,651	33,025	11,577	21,448
3.4.2.3 General government	-	-	-	-	-	-
3.4.2.4 Other sectors	-	-	-	-	-	-
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	13,416	7,670	5,746	13,670	15,378	-1,708
3.4.3.A Loans to India	12,994	7,088	5,906	13,425	15,226	-1,801
3.4.3.B Loans by India	422	582	-160	245	152	93
3.4.4 Insurance, pension, and standardized guarantee schemes	8	8	-	13	181	-168
3.4.5 Trade credit and advances	32,541	24,863	7,678	22,846	24,005	-1,159
3.4.6 Other accounts receivable/payable - other	4,855	885	3,970	2,317	6,361	-4,043
3.4.7 Special drawing rights	-	-	-	-	-	-
<b>3.5 Reserve assets</b>	<b>-</b>	<b>781</b>	<b>-781</b>	<b>-</b>	<b>19,103</b>	<b>-19,103</b>
3.5.1 Monetary gold	-	-	-	-	-	-
3.5.2 Special drawing rights n.a.	-	-	-	-	-	-
3.5.3 Reserve position in the IMF n.a.	-	-	-	-	-	-
3.5.4 Other reserve assets (Foreign Currency Assets)	-	781	-781	-	19,103	-19,103
<b>4 Total assets/liabilities</b>	<b>119,565</b>	<b>88,811</b>	<b>30,754</b>	<b>128,909</b>	<b>124,211</b>	<b>4,699</b>
3.0.1 Equity and investment fund shares	43,585	32,385	11,200	47,775	34,891	12,884
3.0.2 Debt instruments	71,118	54,760	16,358	78,817	63,856	14,961
3.0.3 Other financial assets and liabilities	4,863	1,666	3,197	2,317	25,463	-23,146
<b>5 Net errors and omissions</b>	<b>-</b>	<b>-</b>	<b>1,081</b>	<b>-</b>	<b>-</b>	<b>-585</b>

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

(₹ Billion)

Item	Oct-Dec 2012 (PR)			Oct-Dec 2013 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
<b>1 Current Account (1.A+1.B+1.C)</b>	<b>7,065</b>	<b>8,790</b>	<b>-1,725</b>	<b>8,545</b>	<b>8,807</b>	<b>-262</b>
<b>1.A Goods and Services (1.A.a+1.A.b)</b>	<b>6,027</b>	<b>8,286</b>	<b>-2,260</b>	<b>7,287</b>	<b>8,220</b>	<b>-933</b>
<b>1.A.a Goods (1.A.a.1 to 1.A.a.3)</b>	<b>4,020</b>	<b>7,181</b>	<b>-3,161</b>	<b>4,951</b>	<b>7,009</b>	<b>-2,057</b>
1.A.a.1 General merchandise on a BOP basis	3,900	6,155	-2,255	4,915	6,814	-1,899
1.A.a.2 Net exports of goods under merchandising	119	63	57	36	-	36
1.A.a.3 Nonmonetary gold	-	963	-963	-	195	-195
<b>1.A.b Services (1.A.b.1 to 1.A.b.13)</b>	<b>2,007</b>	<b>1,106</b>	<b>901</b>	<b>2,336</b>	<b>1,211</b>	<b>1,124</b>
1.A.b.1 Manufacturing services on physical inputs owned by others	2	1	1	1	-	1
1.A.b.2 Maintenance and repair services n.i.e.	2	4	-2	2	4	-2
1.A.b.3 Transport	236	193	42	255	212	43
1.A.b.4 Travel	273	163	110	316	171	145
1.A.b.5 Construction	14	14	-1	19	20	-1
1.A.b.6 Insurance and pension services	29	30	-1	30	18	12
1.A.b.7 Financial services	65	49	16	106	79	27
1.A.b.8 Charges for the use of intellectual property n.i.e.	4	59	-55	11	64	-52
1.A.b.9 Telecommunications, computer, and information services	917	50	866	1,119	58	1,061
1.A.b.10 Other business services	386	428	-42	428	417	12
1.A.b.11 Personal, cultural, and recreational services	13	8	5	19	12	7
1.A.b.12 Government goods and services n.i.e.	8	8	-1	6	11	-4
1.A.b.13 Others n.i.e.	60	99	-38	23	146	-123
<b>1.B Primary Income (1.B.1 to 1.B.3)</b>	<b>144</b>	<b>458</b>	<b>-314</b>	<b>184</b>	<b>522</b>	<b>-338</b>
1.B.1 Compensation of employees	41	31	11	51	41	10
1.B.2 Investment income	85	422	-337	113	478	-366
1.B.2.1 Direct investment	32	220	-188	51	215	-164
1.B.2.2 Portfolio investment	4	57	-53	6	74	-68
1.B.2.3 Other investment	6	145	-139	8	189	-181
1.B.2.4 Reserve assets	43	-	43	48	-	48
1.B.3 Other primary income	18	5	13	21	3	17
<b>1.C Secondary Income (1.C.1+1.C.2)</b>	<b>894</b>	<b>45</b>	<b>849</b>	<b>1,073</b>	<b>65</b>	<b>1,009</b>
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	893	44	849	1,070	65	1,006
1.C.1.1 Personal transfers (Current transfers between resident and/ non-resident households)	857	40	817	1,037	61	976
1.C.1.2 Other current transfers	36	4	32	33	3	30
1.C.2 General government	1	1	-	3	-	3
<b>2 Capital Account (2.1+2.2)</b>	<b>36</b>	<b>35</b>	<b>1</b>	<b>25</b>	<b>18</b>	<b>7</b>
2.1 Gross acquisitions (DR./)disposals (CR.) of non-produced nonfinancial assets	1	3	-3	3	2	-
2.2 Capital transfers	36	32	4	23	16	6
<b>3 Financial Account (3.1 to 3.5)</b>	<b>6,474</b>	<b>4,809</b>	<b>1,665</b>	<b>7,999</b>	<b>7,708</b>	<b>292</b>
<b>3.1 Direct Investment (3.1A+3.1B)</b>	<b>469</b>	<b>355</b>	<b>114</b>	<b>601</b>	<b>225</b>	<b>376</b>
3.1.A Direct Investment in India	383	147	235	446	88	359
3.1.A.1 Equity and investment fund shares	377	142	235	409	82	327
3.1.A.1.1 Equity other than reinvestment of earnings	237	142	95	262	82	180
3.1.A.1.2 Reinvestment of earnings	140	-	140	147	-	147
3.1.A.2 Debt instruments	5	5	-	37	5	31
3.1.A.2.1 Direct investor in direct investment enterprises	5	5	-	37	5	31
3.1.B Direct Investment by India	86	208	-121	155	137	18
3.1.B.1 Equity and investment fund shares	86	131	-45	155	99	57
3.1.B.1.1 Equity other than reinvestment of earnings	86	115	-29	155	80	75
3.1.B.1.2 Reinvestment of earnings	-	16	-16	-	18	-18
3.1.B.2 Debt instruments	-	77	-77	-	39	-39
3.1.B.2.1 Direct investor in direct investment enterprises	-	77	-77	-	39	-39
<b>3.2 Portfolio Investment</b>	<b>2,368</b>	<b>1,839</b>	<b>529</b>	<b>2,785</b>	<b>2,636</b>	<b>148</b>
3.2.A Portfolio Investment in India	2,344	1,811	533	2,779	2,621	157
3.2.1 Equity and investment fund shares	1,827	1,387	440	2,251	1,865	386
3.2.2 Debt securities	517	424	94	527	756	-229
3.2.B Portfolio Investment by India	24	28	-4	6	15	-9
<b>3.3 Financial derivatives (other than reserves) and employee stock options</b>	<b>45</b>	<b>65</b>	<b>-19</b>	<b>142</b>	<b>93</b>	<b>49</b>
<b>3.4 Other investment</b>	<b>3,591</b>	<b>2,508</b>	<b>1,084</b>	<b>4,471</b>	<b>3,568</b>	<b>903</b>
3.4.1 Other equity (ADRs/GDRs)	-	-	-	-	-	-
3.4.2 Currency and deposits	840	698	142	2,061	718	1,343
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	-	2	-2	12	-	12
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	840	696	144	2,049	718	1,331
3.4.2.3 General government	-	-	-	-	-	-
3.4.2.4 Other sectors	-	-	-	-	-	-
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	726	415	311	848	954	-106
3.4.3.A Loans to India	704	384	320	833	945	-112
3.4.3.B Loans by India	23	32	-9	15	9	6
3.4.4 Insurance, pension, and standardized guarantee schemes	-	-	-	1	11	-10
3.4.5 Trade credit and advances	1,762	1,346	416	1,418	1,490	-72
3.4.6 Other accounts receivable/payable - other	263	48	215	144	395	-251
3.4.7 Special drawing rights	-	-	-	-	-	-
<b>3.5 Reserve assets</b>	<b>-</b>	<b>42</b>	<b>-42</b>	<b>-</b>	<b>1,185</b>	<b>-1,185</b>
3.5.1 Monetary gold	-	-	-	-	-	-
3.5.2 Special drawing rights n.a.	-	-	-	-	-	-
3.5.3 Reserve position in the IMF n.a.	-	-	-	-	-	-
3.5.4 Other reserve assets (Foreign Currency Assets)	-	42	-42	-	1,185	-1,185
<b>4 Total assets/liabilities</b>	<b>6,474</b>	<b>4,809</b>	<b>1,665</b>	<b>7,999</b>	<b>7,708</b>	<b>292</b>
3.0.1 Equity and investment fund shares	2,360	1,754	606	2,965	2,165	799
3.0.2 Debt instruments	3,851	2,965	886	4,891	3,962	928
3.0.3 Other financial assets and liabilities	263	90	173	144	1,580	-1,436
<b>5 Net errors and omissions</b>	<b>-</b>	<b>-</b>	<b>59</b>	<b>-</b>	<b>-</b>	<b>-36</b>

**No. 42: International Investment Position**

(US\$ Million)

Item	As on Financial Year /Quarter End							
	2012-13		2012		2013			
			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	119,510	233,659	118,072	224,988	120,126	218,129	119,838	226,748
1.1 Equity Capital and Reinvested Earnings	84,850	223,143	84,081	215,009	83,645	207,396	82,733	215,631
1.2 Other Capital	34,660	10,517	33,991	9,979	36,481	10,733	37,105	11,117
2 Portfolio Investment	1,375	196,767	1,521	185,768	1,315	171,598	1,315	177,220
2.1 Equity	1,261	139,460	1,440	128,932	1,179	124,343	1,179	132,348
2.2 Debt	114	57,307	81	56,836	136	47,255	136	44,873
3 Other Investment	34,822	339,517	28,677	329,825	38,021	346,517	43,849	372,125
3.1 Trade Credit	3,921	88,980	5,671	84,600	8,192	89,557	10,859	88,361
3.2 Loan	4,917	166,937	3,524	165,477	5,716	168,683	5,553	171,858
3.3 Currency and Deposits	13,058	71,003	6,888	67,758	10,775	75,216	13,867	98,772
3.4 Other Assets/Liabilities	12,926	12,597	12,592	11,990	13,338	13,061	13,570	13,134
4 Reserves	292,046	–	295,638	–	277,233	–	293,878	–
5 Total Assets/ Liabilities	447,753	769,943	443,907	740,582	436,695	736,243	458,879	776,093
<b>6 IIP (Assets - Liabilities)</b>		–322,190		–296,674		–299,549		–317,214



# Payment and Settlement Systems

## No. 43: Payment System Indicators

System	Volume (Million)				Value (₹ Billion)			
	2012-13	2013	2014		2012-13	2013	2014	
		Dec.	Jan.	Feb.		Dec.	Jan.	Feb.
	1	2	3	4	5	6	7	8
<b>1 RTGS</b>	<b>68.52</b>	<b>7.02</b>	<b>7.13</b>	<b>6.65</b>	<b>1,026,350.05</b>	<b>78,175.06</b>	<b>76,978.21</b>	<b>64,943.06</b>
1.1 Customer Transactions	63.99	6.65	6.74	6.31	512,997.84	50,502.73	48,899.46	42,259.36
1.2 Interbank Transactions	4.52	0.37	0.38	0.34	163,843.20	13,347.65	13,022.37	10,608.55
1.3 Interbank Clearing	0.009	0.001	0.001	0.001	349,509.02	14,324.68	15,056.38	12,075.15
<b>2 CCIL Operated Systems</b>	<b>2.26</b>	<b>0.17</b>	<b>0.23</b>	<b>0.18</b>	<b>501,598.49</b>	<b>47,819.00</b>	<b>33,022.54</b>	<b>42,524.90</b>
2.1 CBLO	0.16	0.02	0.02	0.01	120,480.39	13,935.55	14,459.91	11,653.44
2.2 Govt. Securities Clearing	0.70	0.04	0.09	0.06	119,947.98	9,443.67	14,539.69	10,650.13
2.2.1 Outright	0.66	0.04	0.09	0.06	65,920.33	4,287.45	8,435.78	5,610.83
2.2.2 Repo	0.041	0.003	0.004	0.003	54,027.65	5,156.22	6,103.91	5,039.30
2.3 Forex Clearing	1.40	0.12	0.13	0.11	261,170.12	24,439.78	4,022.94	20,221.33
<b>3 Paper Clearing</b>	<b>1,313.48</b>	<b>100.25</b>	<b>104.14</b>	<b>93.89</b>	<b>99,982.25</b>	<b>8,196.93</b>	<b>7,670.84</b>	<b>6,901.06</b>
3.1 Cheque Truncation System (CTS)	275.04	58.81	66.76	65.28	21,779.52	4,398.91	4,991.89	4,704.40
3.2 MICR Clearing	823.31	23.82	20.58	12.27	57,503.97	2,402.09	1,371.23	878.19
3.2.1 RBI Centres	496.81	9.95	5.62	3.76	36,045.97	720.55	386.83	275.54
3.2.2 Other Centres	326.50	13.86	14.96	8.51	21,458.00	1,681.54	984.40	602.65
3.3 Non-MICR Clearing	215.31	17.63	16.80	16.35	20,898.28	1,395.93	1,307.73	1,318.47
<b>4 Retail Electronic Clearing</b>	<b>694.07</b>	<b>88.65</b>	<b>95.41</b>	<b>93.00</b>	<b>31,881.14</b>	<b>4,292.49</b>	<b>4,168.44</b>	<b>3,959.35</b>
4.1 ECS DR	176.53	16.15	16.55	15.61	1,083.10	108.56	113.41	112.79
4.2 ECS CR (includes NECS)	122.18	10.21	10.91	11.01	1,771.28	242.95	170.30	175.96
4.3 EFT/NEFT	394.13	60.36	65.91	64.15	29,022.42	3,929.28	3,871.54	3,656.05
4.4 Immediate Payment Service (IMPS)	1.23	1.93	2.03	2.23	4.33	11.70	13.20	14.56
<b>5 Cards</b>	<b>6,398.35</b>	<b>626.12</b>	<b>638.12</b>	<b>591.49</b>	<b>18,637.36</b>	<b>1,910.98</b>	<b>1,906.77</b>	<b>1,778.47</b>
5.1 Credit Cards	399.13	45.91	45.90	41.06	1,243.93	136.57	143.13	128.33
5.1.1 Usage at ATMs	2.52	0.27	0.27	0.25	14.42	1.51	1.51	1.40
5.1.2 Usage at POS	396.61	45.64	45.62	40.81	1,229.51	135.07	141.62	126.93
5.2 Debit Cards	5,999.21	580.21	592.22	550.43	17,393.44	1,774.40	1,763.65	1,650.14
5.2.1 Usage at ATMs	5,530.16	527.92	538.39	501.53	16,650.08	1,692.47	1,678.67	1,575.79
5.2.2 Usage at POS	469.05	52.29	53.83	48.90	743.36	81.94	84.98	74.35
<b>6 Prepaid Payment Instruments (PPIs)</b>	<b>66.94</b>	<b>10.78</b>	<b>13.02</b>	<b>13.61</b>	<b>79.22</b>	<b>7.17</b>	<b>6.83</b>	<b>7.06</b>
6.1 m-Wallet	32.70	8.58	10.83	11.49	10.01	2.48	2.31	2.73
6.2 PPI Cards	33.76	2.16	2.15	2.08	49.62	2.54	2.57	2.70
6.3 Paper Vouchers	0.48	0.05	0.04	0.04	19.60	2.15	1.95	1.63
<b>7 Mobile Banking</b>	<b>53.30</b>	<b>8.89</b>	<b>9.52</b>	<b>8.86</b>	<b>59.90</b>	<b>22.61</b>	<b>26.25</b>	<b>26.36</b>
<b>8 Cards Outstanding</b>	<b>350.75</b>	<b>391.22</b>	<b>399.32</b>	<b>405.63</b>	—	—	—	—
8.1 Credit Card	19.55	18.71	19.00	19.05	—	—	—	—
8.2 Debit Card	331.20	372.51	380.33	386.58	—	—	—	—
<b>9 Number of ATMs (in actuals)</b>	<b>114014</b>	<b>141515</b>	<b>145858</b>	<b>150008</b>	—	—	—	—
<b>10 Number of POS (in actuals)</b>	<b>854290</b>	<b>1025710</b>	<b>1034161</b>	<b>1035623</b>	—	—	—	—
<b>11 Grand Total (1.1+1.2+2+3+4+5+6)</b>	<b>8,543.60</b>	<b>833.00</b>	<b>858.05</b>	<b>798.82</b>	<b>1,329,019.50</b>	<b>126,076.95</b>	<b>108,697.26</b>	<b>108,038.75</b>

### **Explanatory Notes to the Current Statistics**

#### **Table No. 1**

1.2 & 6: Annual data are averages of months.

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

4.1 to 4.4, 4.8, 4.12 & 5: Relate to the last day 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.

4.9 to 4.11: Relate to the last auction day of the month/financial year.

#### **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<sub>2</sub> and NM<sub>3</sub> 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<sub>1</sub> and L<sub>2</sub> are compiled monthly and L<sub>3</sub> quarterly.

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

#### **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) and foreign currency received under SAARC SWAP arrangement. Foreign currency assets in US dollar take into account appreciation/depreciation of non-US currencies (such as Euro, Sterling and Yen) 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 & 1.1.1.1.4: 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 2010-11 is a moving one, which gets updated every year. Methodological details are available in December 2005 issue of the 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**

1.3: Pertain to multilateral net settlement batches.

3.1: Pertain to two centres - New Delhi and Chennai.

3.3: Pertain to clearing houses managed by 21 banks.

6: Available from December 2010.

7: Include IMPS transactions.

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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Name of Publication	Price	
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23. Banking Paribhashik Kosh (English-Hindi) 2010	₹75 per copy (over the counter) ₹97 per copy (including postal charges)	–
24. Banking Glossary (2012)	₹80 (normal) (postage extra)	

### Notes

1. Many of the above publications are available at the RBI website ([www.rbi.org.in](http://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 1935-1981 (3 Volumes), Challenges to Central Banking in the Context of Financial Crisis and the Regional Economy of India: Growth and Finance are available at leading book stores in India.

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