

Developments in India's Balance of Payments during Second Quarter (July-September) of 2010-11: Trade, Invisibles and Capital Account*

The data on India's Balance of Payments (BoP) are compiled and published by the Reserve Bank on a quarterly basis with a lag of one quarter. Accordingly, the preliminary data on India's BoP for the Second Quarter (Q2), *i.e.*, July-September 2010 of the financial year 2010-11 along with the partially revised data for the first quarter (Q1), *i.e.*, April-June 2010 and revised data for 2008-09 and 2009-10 were released by the Reserve Bank on December 31, 2010.

As per the revision policy, the data on India's BoP for the previous two years are revised only once in a year when the data for the July-September quarter are published at end-December (*i.e.*, December 31). Accordingly, the data for the financial years 2008-09 and 2009-10 have been revised now. The data for 2008-09 are now final and is frozen, except under extraordinary circumstances in the event of methodological changes in respect of data collection and compilation procedures and/or significant changes indicated by data sources that could cause structural shift in the data series. The data for the financial year 2009-10 are now partially revised. This will be finalised and frozen in December 2011. Data revisions for the previous quarters of the same financial year are also undertaken while compiling data for the current quarter. Accordingly, the revision of the data on BoP for the first quarter of 2010-11 has been undertaken.

The Working Group on Balance of Payments Manual for India (Chairman: Shri Deepak Mohanty) had recommended that the break-up of invisibles be published on a quarterly basis. Accordingly, to begin with the disaggregated data on invisibles for the second

quarter (July-September 2010) is being published as part of this article. Similar details for the preceding quarter (April-June 2010) are also disseminated for comparison purpose (Attachment I). With a view to augment information on trade in banking services, RBI conducts an annual survey on 'International Trade in Banking Services', the details of which are published in the RBI Bulletin and can be accessed at http://www.rbi.org.in/scripts/BS_ViewBulletin.aspx?Id=11609.

The developments in India's BoP for 2010-11 (April-September) are presented here below.

Major Highlights of BoP during July-September (Q2) of 2010-11

- (i) On a BoP basis, exports recorded a growth of 25.0 per cent, year-on-year, during Q2 of 2010-11 as against a decline of 19.1 per cent during the corresponding quarter of 2009-10.
- (ii) Similarly, on a BoP basis, imports registered a growth of 22.8 per cent, year-on-year, during the quarter as against a decline of 21.3 per cent during same quarter last year.
- (iii) Despite higher growth in exports relative to imports, in absolute terms, the trade deficit widened to US\$ 35.4 billion during July-September 2010 as compared to US\$ 29.6 billion during the corresponding quarter of last year.
- (iv) Services receipts recorded a growth of 39.6 per cent, on a year-on-year basis, led by travel, transportation, software, business and financial services. During the corresponding quarter of last year, services receipts had declined by 26.3 per cent.
- (v) Services payments increased by 40.7 per cent to US\$ 19.3 billion during the quarter from US\$ 13.7 billion in the corresponding quarter of last year.
- (vi) Private transfer receipts declined by 5.0 per cent to US\$ 13.5 billion during the quarter.

* Prepared in the Division of International Trade and Finance, Department of Economic and Policy Research, Reserve Bank of India. This article sets out the developments in the India's Balance of Payments during the second quarter of 2010-11 (July-September 2010) and also incorporates revision in data for 2008-09, 2009-10 and first quarter (April-June 2010) of 2010-11.

- (vii) Consequently, net invisibles receipts declined by 3.9 per cent to US\$ 19.6 billion.
- (viii) The higher trade deficit combined with the lower invisibles surplus resulted in the widening of the current account deficit.
- (ix) The capital account surplus increased over the corresponding quarter of last year, mainly due to portfolio investments, short-term credit and external commercial borrowings (ECBs). Net inflows under FDI witnessed significant moderation during the second quarter compared to the corresponding quarter of last year.
- (x) With net capital account receipts being higher than the current account deficit, the overall balance was in surplus at US\$ 3.3 billion, which resulted in a net accretion to foreign exchange reserves of equivalent amount during the Q2 of 2010-11.

Major Highlights of BoP during April-September (H1) of 2010-11

- (i) During April-September 2010, the current account deficit widened reflecting higher trade deficit combined with lower net invisibles surplus.
- (ii) While net foreign investments were largely of the similar order as last year, net capital inflows increased significantly mainly due to short-term trade credit and ECBs.
- (iii) Despite a significant increase in net capital inflows, accretion to reserves during April-September 2010 was relatively lower mainly due to more than doubling of the current account deficit over April-September 2009.

1. Balance of Payments for July-September (Q2) of 2010-11

The major items of the BoP for the second quarter (Q2) of 2010-11 are set out below in Table 1.

Merchandise Trade

- (i) After witnessing a turnaround in October 2009, India's exports growth maintained their momentum during the second quarter of 2010-11 despite the fading out of the base effect. On a BoP basis, India's merchandise exports recorded

Table 1 : Major Items of India's Balance of Payments

(US\$ billion)				
Item	April-June		July-September	
	2009-10 (PR)	2010-11 (PR)	2009-10 (PR)	2010-11 (P)
1	2	3	4	5
1. Exports	39.2	56.3	43.4	54.3
2. Imports	65.4	87.8	73.0	89.6
3. Trade Balance (1-2)	-26.3	-31.6	-29.6	-35.4
4. Invisibles, net	22.1	19.4	20.4	19.6
5. Current Account Balance (3+4)	-4.2	-12.1	-9.2	-15.8
6. Capital Account Balance*	4.3	15.9	18.6	19.0
7. Change in Reserves#	-0.1	-3.7	-9.4	-3.3
(-Indicates increase; + indicates decrease)				

* Including errors and omissions.

On BoP basis (*i.e.*, excluding valuation).

P: Preliminary. PR: Partially Revised.

Note: Difference in totalling is due to rounding off.

a growth of 25.0 per cent, year-on-year, during Q2 of 2010-11 as against a decline of 19.1 per cent in the same quarter last year.

- (ii) Since October 2009, imports have also registered strong growth through the second quarter of 2010-11. On a BoP basis, imports payments registered a growth of 22.8 per cent in Q2 of 2010-11 as against a decline of 21.3 per cent in the corresponding period of last year.
- (iii) According to the data released by the Directorate General of Commercial Intelligence and Statistics (DGCI&S), oil imports and non-oil imports recorded growth of 9.3 per cent and 25.6 per cent, respectively, during Q2 of 2010-11. Oil imports accounted for about 28.8 per cent of total imports during Q2 of 2010-11 (31.7 per cent in Q2 of 2009-10). The higher oil imports mainly reflected rising crude oil prices along with growth in quantity of oil imports (Chart 1).

Trade Deficit

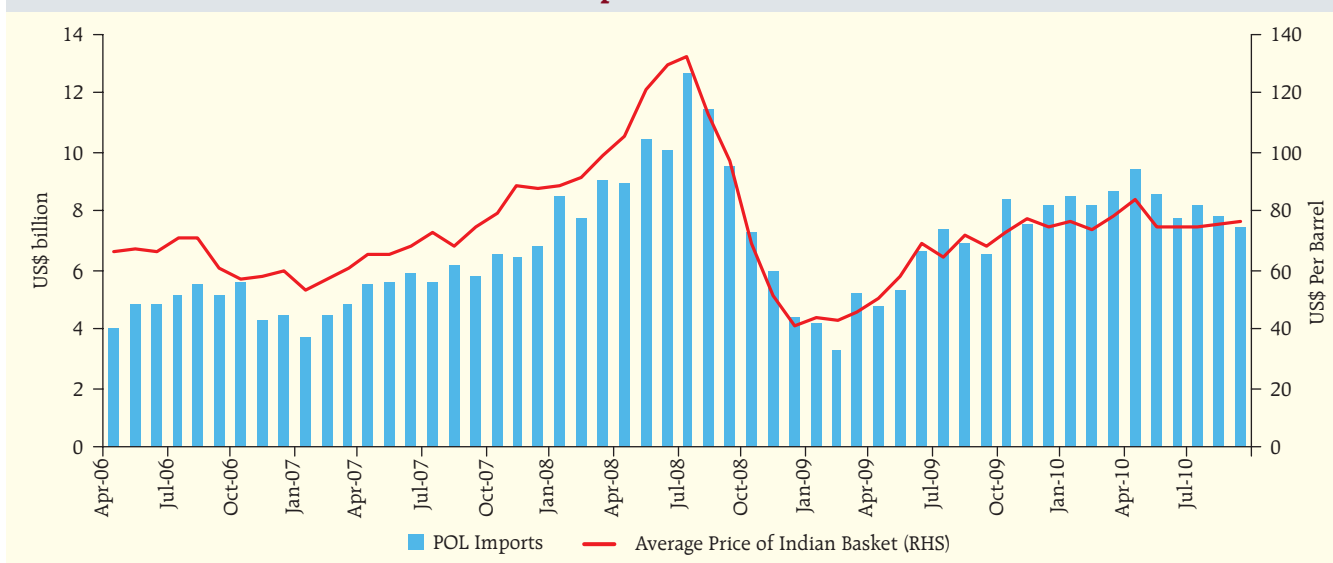
- (i) Notwithstanding higher growth in exports relative to imports, on a BoP basis, the trade deficit in absolute terms was higher at US\$ 35.4 billion in Q2 of 2010-11 as compared with US\$ 29.6 billion during Q2 of 2009-10 (Chart 2).

Invisibles

- (i) Invisibles receipts (comprising services, current transfers and income) recorded a growth of 12.2

*Developments in India's Balance of Payments during
Second Quarter (July-September) of 2010-11*

Chart 1: India's POL Imports and International Crude Prices



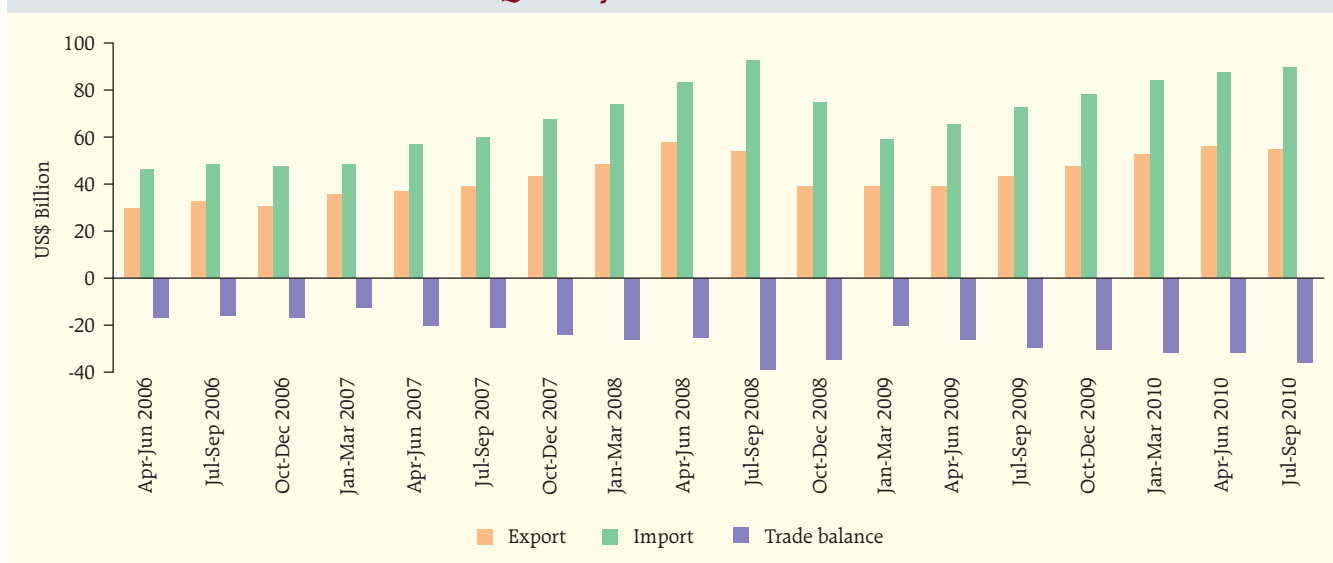
per cent, year-on-year, during Q2 of 2010-11 (as against a decline of 13.7 per cent in Q2 of 2009-10) mainly led by services exports. Almost all items of services registered growth during the quarter, while receipts under income and private transfers witnessed some moderation.

- (ii) Services exports registered a growth of 39.6 per cent (as against a decline of 26.3 per cent a year ago) led by travel and transportation as well as miscellaneous services such as software, business and financial services.

- (iii) Software exports registered a growth of 14.3 per cent (as against a decline of 7.5 per cent a year ago) to US\$ 12.8 billion. Software services exports continued to be robust reflecting geographical diversification along with enhanced operational efficiencies. According to NASSCOM estimates (February 2010), the software exports are expected to grow by about 13-15 per cent to about US\$ 56-57 billion during 2010-11.

- (iv) Net business services (mainly covering business and management consultancy, architectural and

Chart 2: Quarterly Movements in Trade Balance



engineering services as well as maintenance of offices abroad) recorded lower net outflows mainly on account of robust recovery in receipts. Continuing the trend of recovery witnessed since the last quarter of 2009-10, business services receipts increased to US\$ 5.9 billion during Q2 of 2010-11 (US\$ 2.5 billion a year ago).

- (v) Private transfer receipts, comprising mainly remittances from Indians working overseas, declined by 5.0 per cent (as compared with the growth of 3.6 per cent a year ago) to US\$ 13.5 billion during the quarter (Chart 3).
- (vi) Investment income receipts declined significantly by 62.0 per cent during the quarter (as against an increase of 17.9 per cent a year ago) mainly due to persistence of lower interest rates abroad.
- (vii) Invisibles payments recorded a growth of 28.5 per cent (as against a marginal increase a year ago) mainly due to higher payments under travel, transportation, business and financial services.
- (viii) As growth in invisibles payments was higher than the growth in receipts, net invisibles (invisibles receipts minus invisibles payments) recorded a moderate decline of 3.9 per cent to US\$ 19.6 billion during the quarter (US\$ 20.4 billion during Q2 of 2009-10) (Table 2).

Table 2: Net Invisibles

(US\$ billion)				
Item	April-June		July-September	
	2009-10 (PR)	2010-11 (PR)	2009-10 (PR)	2010-11 (P)
1	2	3	4	5
A. Services (1 to 5)	11.4	9.0	7.7	10.5
1. Travel	0.3	0.6	0.4	0.6
2. Transportation	-0.3	0.0	0.3	-0.2
3. Insurance	0.1	0.1	0.0	0.1
4. GNIE	0.0	0.0	0.0	-0.1
5. Miscellaneous	11.4	8.3	6.9	10.2
<i>of which:</i>				
Software	10.6	12.1	10.8	12.2
Non-Software	0.8	-3.8	-3.8	-2.0
B. Transfers	12.9	13.1	13.8	13.0
Private	12.9	13.1	13.8	13.0
Official	-0.1	-0.1	0.1	0.0
C. Income	-2.2	-2.6	-1.1	-3.9
Investment Income	-2.1	-2.3	-0.9	-3.7
Compensation of Employees	-0.1	-0.3	-0.1	-0.2
Invisibles (A+B+C)	22.1	19.4	20.4	19.6

P: Preliminary. PR: Partially Revised.

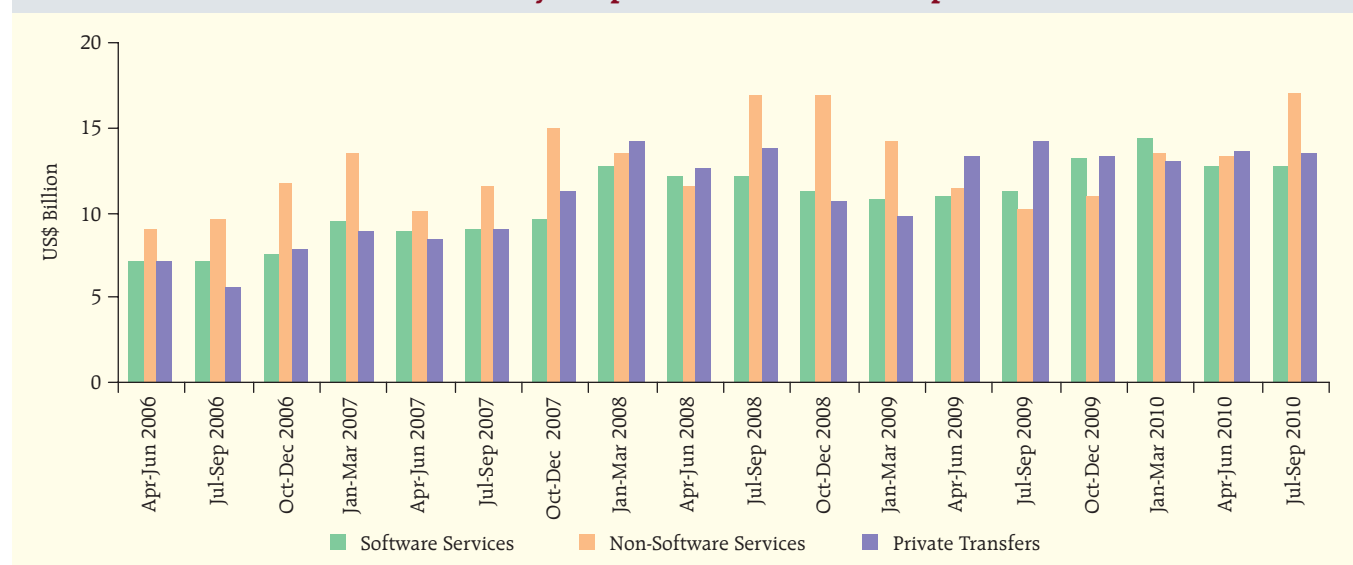
Current Account Deficit

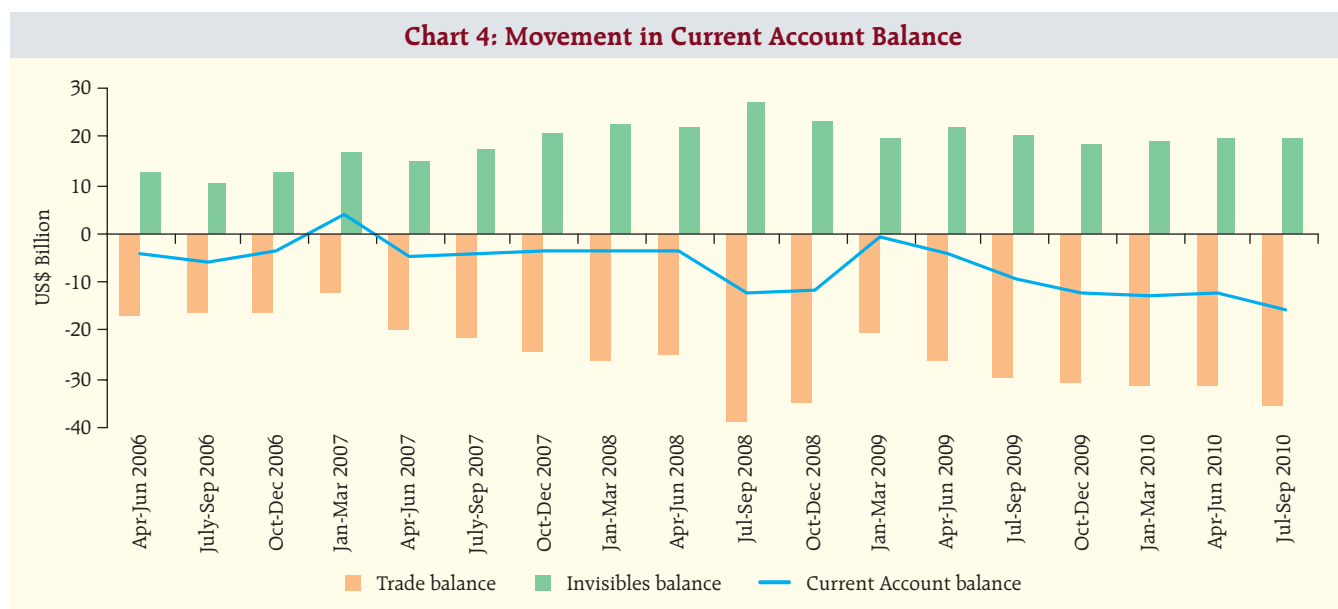
- (i) The lower size of invisibles surplus coupled with a higher trade deficit resulted in an increase in current account deficit to US\$ 15.8 billion during the Q2 of 2010-11 (US\$ 9.2 billion a year ago) (Chart 4).

Capital Account and Reserves

- (i) Both gross capital inflows and outflows increased during Q2 of 2010-11 as compared with the

Chart 3: Key Components of Invisibles Receipts





corresponding period of last year. The gross capital inflows to India amounted to US\$ 112.8 billion during Q2 of 2010-11 (US\$ 96.0 billion a year ago) mainly on account of higher portfolio investment inflows, external commercial borrowings and short-term credit to India. Higher gross capital outflows during the period at US\$ 92.3 billion (US\$ 76.7 billion a year ago) was led by outflows under FII investments, repayments under short-term credit to India and build-up of assets abroad by commercial banks.

- (ii) Net capital flows were marginally higher at US\$ 20.5 billion during Q2 of 2010-11 (US\$ 19.3 billion a year ago) mainly reflecting larger net inflows under FII investments along with steady inflows under short-term credit and ECBs (Table 3).
- (iii) Net FDI flows (net inward FDI minus net outward FDI) moderated to a mere US\$ 2.5 billion during the quarter (almost a third of the level in Q2 of 2009-10) mainly due to lower net inward FDI during the quarter.
- (iv) Net inflows under portfolio investment almost doubled to US\$ 19.2 billion during the quarter (US\$ 9.7 billion during the same quarter last year), mainly due to large inflows under FIIs on the back of attractive returns in the Indian stock markets.

- (v) Short-term trade credit to India recorded net inflows of US\$ 2.6 billion during the quarter (as compared with a net inflow of US\$ 1.2 billion last year) in line with increase in imports associated with strong domestic economic activity.
- (vi) Net ECBs were significantly higher at US\$ 3.7 billion during the quarter (as compared with US\$ 1.2 billion last year) reflecting improvement in international financial markets and lower cost

Table 3: Net Capital Flows

Item	(US\$ billion)			
	April-June		July-September	
	2009-10 (PR)	2010-11 (PR)	2009-10 (PR)	2010-11 (P)
1	2	3	4	5
1. Foreign Direct Investment	4.8	2.8	7.5	2.5
Inward FDI	8.9	5.9	10.9	6.7
Outward FDI	-4.1	-3.1	-3.4	-4.2
2. Portfolio Investment	8.3	4.6	9.7	19.2
Of which:				
FIIs	8.2	3.5	7.0	18.8
ADR/GDRs	0.0	1.1	2.7	0.5
3. External Assistance	0.3	2.4	0.7	0.6
4. External Commercial Borrowings	-0.5	2.3	1.2	3.7
5. NRI Deposits	1.8	1.1	1.0	1.0
6. Banking Capital excluding NRI Deposits	-5.2	2.9	3.4	-4.2
7. Short-term Trade Credits	-1.3	4.2	1.2	2.6
8. Rupee Debt Service	0.0	0.0	0.0	0.0
9. Other Capital	-4.6	-4.1	-5.4	-4.9
Total (1 to 9)	3.7	16.2	19.3	20.5

P: Preliminary. PR: Partially Revised.

of funds. Banking capital recorded net outflows of US\$ 3.2 billion during the quarter (as against net inflows of US\$ 4.4 billion last year) mainly due to build-up of foreign assets of commercial banks.

- (vii) Despite higher net capital inflows, increase in foreign exchange reserves on BoP basis (*i.e.*, excluding valuation) was lower at US\$ 3.3 billion during Q2 of 2010-11 (as compared with accretion of US\$ 9.4 billion during Q2 of 2009-10) due to larger current account deficit. In nominal terms (*i.e.*, including valuation changes), foreign exchange reserves increased by US\$ 17.2 billion during the quarter reflecting depreciation of US dollar against major international currencies during the quarter.

2. Balance of Payments for April–September (H1) of 2010-11

As alluded to earlier, taking into account the partially revised data for Q1 and preliminary data for Q2, the BoP data for the first half of the financial year 2010-11 (April-September) have been compiled. While the detailed data are set out in Statement I in standard format of BoP presentation, the major items are presented in Table 4.

Merchandise Trade

- (i) On a BoP basis, India's merchandise exports recorded a growth of 33.8 per cent in April-

September 2010 (as against a decline of 25.7 per cent in the same period of the previous year).

- (ii) Import payments, on a BoP basis, also registered a growth of 28.2 per cent during April-September 2010 as against a decline of 21.1 per cent in the corresponding period of the previous year.
- (iii) According to the DGCI&S data at the disaggregated level, the increase in merchandise exports during April-September 2010 has been mainly driven by petroleum, crude oil & products, engineering goods, gems and jewellery, and chemicals and related products. Growth in imports has primarily been led by oil, and pearls and semi-precious stones. Oil imports recorded an increase of 29.7 per cent during April-September 2010 (as against a decline of 40.8 per cent a year ago). In absolute terms, oil imports accounted for 30.1 per cent of total imports during April-September 2010 (29.2 per cent in the corresponding period of the previous year).

Trade Deficit

- (i) On BoP basis, the merchandise trade deficit widened to US\$ 66.9 billion during April-September 2010 (US\$ 55.9 billion during April-September 2009). It was mainly due to significant increase in imports in line with robust domestic economic performance.

Invisibles

Invisibles Receipts

- (i) Invisibles receipts recorded an increase of 11.1 per cent during April-September 2010 (as against the decline of 8.9 per cent a year ago) mainly due to the higher receipts under almost all components of services (Table 5). However, receipts under private transfers and investment income declined by 1.1 per cent and 40.1 per cent, respectively, during the first half of 2010-11.
- (ii) Software receipts at US\$ 25.5 billion during April-September 2010 recorded an increase of 14.7 per cent as against a decline of 8.2 per cent a year ago.

Table 4: Major Items of India's Balance of Payments

(US\$ billion)

Item	April-March		April-September	
	2008-09 (R)	2009-10 (PR)	2009-10 (PR)	2010-11 (P)
1	2	3	4	5
1. Exports	189.0	182.2	82.6	110.5
2. Imports	308.5	300.6	138.4	177.5
3. Trade Balance (1-2)	-119.5	-118.4	-55.9	-66.9
4. Invisibles, net	91.6	80.0	42.5	39.1
5. Current Account Balance (3+4)	-27.9	-38.4	-13.3	-27.9
6. Capital Account Balance*	7.8	51.8	22.9	34.9
7. Change in Reserves# (-Indicates increase; +indicates decrease)	20.1	-13.4	-9.5	-7.0

* Including errors and omissions.

On BoP basis (*i.e.*, excluding valuation).

P Preliminary. PR Partially Revised. R Revised.

Table 5: Invisibles Gross Receipts and Payments

(US\$ billion)

Item	Invisibles Receipts				Invisibles Payments			
	April-March		April-September		April-March		April-September	
	2008-09 (R)	2009-10 (PR)	2009-10 (PR)	2010-11 (P)	2008-09 (R)	2009-10 (PR)	2009-10 (PR)	2010-11 (P)
1	2	3	4	5	6	7	8	9
A. Services (1 to 5)	106.0	95.8	43.8	55.7	52.0	60.0	24.7	36.2
1. Travel	10.9	11.9	5.0	6.3	9.4	9.3	4.4	5.1
2. Transportation	11.3	11.2	5.1	6.4	12.8	11.9	5.0	6.7
3. Insurance	1.4	1.6	0.8	0.9	1.1	1.3	0.7	0.7
4. GNIE	0.4	0.4	0.2	0.2	0.8	0.5	0.2	0.3
5. Miscellaneous	81.9	70.7	32.7	41.9	27.9	36.9	14.4	23.5
<i>Of Which:</i>								
<i>Software</i>	46.3	49.7	22.2	25.5	2.6	1.5	0.8	1.2
<i>Non-Software</i>	35.6	21.0	10.5	16.5	25.3	35.5	13.6	22.3
B. Transfers	47.5	54.6	27.7	27.4	2.7	2.3	1.0	1.4
<i>Private</i>	46.9	53.9	27.5	27.2	2.3	1.8	0.8	1.1
<i>Official</i>	0.6	0.7	0.2	0.2	0.4	0.5	0.2	0.2
C. Income	14.3	13.0	7.7	4.8	21.4	21.1	11.0	11.3
<i>Investment Income</i>	13.5	12.1	7.3	4.4	20.1	19.4	10.3	10.4
<i>Compensation of Employees</i>	0.8	0.9	0.4	0.5	1.3	1.7	0.7	0.9
Invisibles (A+B+C)	167.8	163.4	79.2	88.0	76.2	83.4	36.7	48.9

P: Preliminary. PR: Partially Revised. R: Revised.

(iii) Miscellaneous receipts, excluding software exports, increased by 56.9 per cent to US\$ 16.5 billion during April-September 2010 (US\$ 10.5 billion a year ago) mainly due to business and financial services (Table 6). The details of these data are presented in the Attachment I.

(iv) The key components of the business services receipts and payments were mainly the trade-related services, business and management

consultancy services, architectural, engineering and other technical services and services relating to maintenance of offices abroad. Under business services, receipts were higher in almost all components during the first half of 2010-11 (Table 7).

(v) Private transfers are mainly in the form of (a) Inward remittances from Indian workers abroad for family maintenance, (b) Local withdrawal from

Table 6: Break-up of Non-Software Miscellaneous Receipts and Payments

(US\$ billion)

Item	Receipts				Payments			
	April-March		April-September		April-March		April-September	
	2008-09 (R)	2009-10 (PR)	2009-10 (PR)	2010-11 (P)	2008-09 (R)	2009-10 (PR)	2009-10 (PR)	2010-11 (P)
1	2	3	4	5	6	7	8	9
1. Communication	2.3	1.2	0.7	0.7	1.1	1.4	0.6	0.5
2. Construction	1.0	0.6	0.3	0.3	0.9	1.0	0.5	0.5
3. Financial	4.4	3.7	1.8	3.0	3.0	4.6	2.0	3.3
4. News Agency	0.9	0.4	0.2	0.2	0.4	0.6	0.2	0.1
5. Royalties, Copyrights & License Fees	0.1	0.2	0.1	0.01	1.7	2.0	0.8	1.1
6. Business Services	18.6	11.4	5.1	10.8	15.3	18.0	7.9	12.9
7. Personal, Cultural, and Recreational	0.7	0.5	0.2	0.1	0.3	0.3	0.1	0.2
8. Others	7.6	3.0	2.0	1.3	2.6	7.5	1.4	3.7
Total (1 to 8)	35.6	21.0	10.5	16.5	25.3	35.5	13.6	22.3

P: Preliminary; PR: Partially Revised; R: Revised.

Note: Details of Business Services (item 6) are given in Table 7.

Table 7: Details of Business Services

Item	(US\$ billion)							
	Receipts				Payments			
	April-March		April-September		April-March		April-September	
	2008-09 (R)	2009-10 (PR)	2009-10 (PR)	2010-11 (P)	2008-09 (R)	2009-10 (PR)	2009-10 (PR)	2010-11 (P)
1	2	3	4	5	6	7	8	9
1. Trade Related	2.1	1.7	0.7	2.5	1.7	1.8	0.9	0.9
2. Business & Management Consultancy	6.1	3.8	1.8	3.9	3.5	5.4	2.3	4.8
3. Architectural, Engineering, and other Technical Services	1.9	1.4	0.7	1.0	3.1	4.3	1.7	2.5
4. Maintenance of offices abroad	3.5	1.5	0.7	1.3	3.4	3.6	1.6	2.8
5. Others	5.0	3.0	1.3	2.1	3.6	2.9	1.4	1.9
Total (1 to 5)	18.6	11.4	5.1	10.8	15.3	18.0	7.9	12.9

P: Preliminary. PR: Partially Revised. R: Revised.

Non-Resident Indian Rupee deposits, (c) Gold and silver brought through passenger baggage, and (d) Personal gifts/donations to charitable/religious institutions. Private transfer receipts have declined marginally to US\$ 27.2 billion during April-September 2010 (US\$ 27.5 billion a year ago). Private transfer receipts constituted 13.7 per cent of current receipts during April-September 2010 (17.0 per cent a year ago).

- (vi) NRI deposits, when withdrawn domestically, form part of private transfers because once withdrawn for local use these become unilateral transfers and do not have any *quid pro quo*. During April-September 2010, the share of local withdrawals in total outflows from NRI deposits at 64.4 per cent (63.4 per cent a year ago) constituted another major portion of private transfers (Table 8).
- (vii) Under Private transfers, the inward remittances for family maintenance accounted for 47.4 per cent of the total private transfer receipts, while

local withdrawals accounted for 49.1 per cent during April-September 2010 (Table 9).

- (viii) Investment income receipts stood lower at US\$ 4.4 billion during the first half of 2010-11 as compared with US\$ 7.3 billion in the corresponding period last year.

Invisibles Payments

- (i) Invisibles payments recorded strong growth of 33.4 per cent during April-September 2010 (as against a decline of 4.1 per cent a year ago) mainly on account of increase in payments under categories of services like travel, transportation, business and financial services.
- (ii) Investment income payments, reflecting mainly the interest payments on commercial borrowings, external assistance, non-resident deposits, and reinvested earnings of the FDI enterprises operating in India, amounted to US\$ 10.4 billion during April-September 2010 (Table 10).

Invisibles Balance

- (i) Net invisibles surplus stood lower at US\$ 39.1 billion during April-September 2010 (US\$ 42.5 billion a year ago) essentially due to higher invisibles payments under almost all major categories of services and decline in gross investment income receipts by about US\$ 3 billion. At this level, the invisibles surplus financed about 58.3 per cent of trade deficit during

Table 8: Inflows and Outflows from NRI Deposits
and Local Withdrawals

(US\$ billion)			
Year	Inflows	Outflows	Local Withdrawals
1	2	3	4
2008-09 (R)	37.1	32.9	20.6
2009-10 (PR)	41.4	38.4	23.6
April-Sept 2009 (PR)	21.5	18.6	11.8
April-Sept 2010 (P)	22.9	20.8	13.4

P: Preliminary. PR: Partially Revised. R: Revised.

Table 9: Details of Private Transfers to India

(US\$ billion)					
Year	Total Private Transfers	Of Which:			
		Inward remittances for family maintenance		Local withdrawals/redemptions from NRI Deposits	
		Amount	Percentage Share in Total	Amount	Percentage Share in Total
1	2	3	4	5	6
2008-09 (R)	46.9	23.9	50.9	20.6	44.0
2009-10 (PR)	53.9	28.4	52.7	23.6	43.7
Apr-Sep 2009 (PR)	27.5	14.7	53.3	11.8	43.0
Apr-Sep 2010 (P)	27.2	12.9	47.4	13.4	49.1

P: Preliminary. PR: Partially Revised. R: Revised.

April-September 2010 as compared with 76.1 per cent during April-September 2009.

Current Account Balance

- (i) The higher trade deficit combined with lower net invisibles surplus resulted in the widening of the current account deficit to US\$ 27.9 billion during April-September 2010 (US\$ 13.3 billion last year).

Capital Account

- (i) Both gross capital inflows and outflows were higher during April-September 2010 (Table 11). Gross capital inflows were driven by higher inflows under FIIs, external assistance, ECBs and short-term credit. On the other hand, gross capital outflows were led by higher outflows under FIIs, FDI and short-term credit.

- (ii) Net capital flows, however, increased significantly to US\$ 36.7 billion during April-September 2010 (US\$ 23.0 billion a year ago) mainly due to larger FII inflows, short-term trade credits and ECBs. These were partly offset by the moderation in net FDI inflows to India which amounted to US\$ 12.6 billion (US\$ 19.8 billion a year ago).

- (iii) Moderation in net FDI inflows was mainly due to significant moderation in gross FDI inflows to India to US\$ 16.0 billion during April-September 2010 (US\$ 21.3 billion a year ago).

- (iv) Sector-wise, the deceleration in gross FDI to India (*i.e.*, inward FDI) was mainly on account of lower FDI inflows under services and construction, real estate and mining (Table 12).

Table 10: Details of Receipts and Payments of Investment Income

(US\$ billion)				
Item	April-March		April-September	
	2008-09 (R)	2009-10 (PR)	2009-10 (PR)	2010-11 (P)
1	2	3	4	5
A. Receipts	13.5	12.1	7.3	4.4
<i>Of which:</i>				
1. Reinvested Earnings on Indian Investment Abroad	1.1	1.1	0.5	0.5
2. Interest/discount Earnings on Foreign Exchange Reserves	10.5	5.9	3.9	2.2
B. Payments	20.1	19.4	10.3	10.4
<i>Of which:</i>				
1. Interest Payment on NRI deposits	1.5	1.6	0.8	0.8
2. Interest Payment on ECBs	2.7	2.4	1.3	1.2
3. Interest Payments on External Assistance	1.0	0.9	0.4	0.4
4. Dividends and Profits	3.2	3.8	2.2	2.5
5. Reinvested Earnings of FDI Companies in India	9.0	8.7	4.3	4.2
C. Net Investment Income (A-B)	-6.6	-7.2	-3.0	-6.1

P: Preliminary. PR: Partially Revised. R: Revised.

Table 11: Gross Capital Inflows and Outflows

(US\$ billion)								
Item	Gross Inflows				Gross Outflows			
	April-March		April-September		April-March		April-September	
	2008-09 (R)	2009-10 (PR)	2009-10 (PR)	2010-11 (P)	2008-09 (R)	2009-10 (PR)	2009-10 (PR)	2010-11 (P)
1	2	3	4	5	6	7	8	9
1. Foreign Direct Investment	38.9	38.5	21.5	16.9	19.1	19.7	9.2	11.5
2. Portfolio Investment	128.7	160.2	83.0	103.3	142.7	127.8	65.0	79.5
<i>Of which:</i>								
<i>FIIIs</i>	127.3	156.6	80.3	101.5	142.4	127.5	65.0	79.2
<i>ADR/GDRs</i>	1.2	3.3	2.7	1.6	-	-	-	-
3. External Assistance	5.2	5.9	2.5	4.4	2.8	3.0	1.5	1.4
4. External Commercial Borrowings	15.2	15.0	5.2	10.6	7.4	12.1	4.5	4.7
5. NRI Deposits	37.1	41.4	21.5	22.9	32.9	38.4	18.6	20.8
6. Banking Capital Excluding NRI Deposits	28.1	20.1	10.6	10.8	35.6	21.0	12.4	12.1
7. Short-term Trade Credit	41.8	53.3	22.1	35.1	43.8	45.7	22.1	28.3
8. Rupee Debt Service	-	-	-	-	0.1	0.1	0.02	0.02
9. Other Capital	18.6	11.4	7.5	3.8	22.6	24.4	17.5	12.8
Total (1 to 9)	313.6	345.7	173.8	207.8	306.9	292.3	150.9	171.1

P: Preliminary PR: Partially Revised. R: Revised.

- (v) Country-wise, investment routed through Mauritius remained the largest component of gross FDI inflows to India during the first half of 2010-11 followed by Singapore and the Netherlands (Table 13).
- (vi) Net outward FDI by India decreased marginally to US\$ 7.2 billion during April-September 2010 mainly due to higher repatriation of FDI by India.
- (vii) Sector-wise, the increase in outward FDI was mainly in the areas of services. Nonetheless, manufacturing accounted for a significant share in outward FDI at 34.8 per cent during April-September 2010 (Table 12).
- (viii) Direction-wise (*i.e.*, in terms of recipient countries), investment going to Singapore constituted the largest component of gross outward FDI during first half of 2010-11, followed by Mauritius and the USA reflecting the concessional and liberal policies of these countries (Table 13).
- (ix) With slower gross inward FDI and rise in gross outward FDI, the net FDI (*i.e.*, net inward FDI minus net outward FDI) to India stood significantly lower at US\$ 5.3 billion during April-September 2010 (US\$ 12.3 billion a year ago).

Table 12: Sector-wise FDI – Inflows and Outflows

(US\$ billion)							
Industry	Inward FDI#				Outward FDI*		
	April-March 2009-10	April-September			April-March 2009-10	April-September	
		2009-10	2010-11			2009-10	2010-11
1	2	3	4	5	6	7	8
Manufacturing	5.1	2.8	2.2	Manufacturing	4.4	2.8	2.3
Services@	7.5	5.1	2.7	Services@@	3.2	2.1	2.8
Construction, Real Estate & Mining	6.0	3.1	1.3	Construction	0.7	0.4	0.2
Others	3.9	2.1	1.7	Others	2.0	0.9	1.3
Total	22.5	13.1	7.9	Total	10.3	6.2	6.6

Includes equity FDI through SIA/FIPB and RBI routes only and, hence, are not comparable with data in other tables.

* Includes equity (except that of individuals and banks), loans and guarantee invoked, and, hence, are not comparable with data in other tables.

@ Include communication, financial, business, computer and miscellaneous services.

@@ Include 'financial, insurance, real estate & business services', 'community, social & personal services' and 'transportation, storage & communication services'.

Table 13: Country-wise FDI – Inflows and Outflows

(US\$ billion)							
	Inward FDI#				Outward FDI*		
	April- March 2009-10	April-September			April- March 2009-10	April-September	
		2009-10	2010-11			2009-10	2010-11
1	2	3	4	5	6	7	8
1. Mauritius	9.8	6.3	2.9	1. Mauritius	1.3	0.6	1.8
2. Singapore	2.2	1.1	1.1	2. Singapore	3.7	2.7	2.0
3. Netherlands	0.8	0.6	0.7	3. USA	0.7	0.4	0.7
4. USA	2.2	1.5	0.6	4. Netherlands	0.7	0.3	0.3
5. Japan	1.0	0.7	0.4	5. Switzerland	0.1	0.1	0.2
6. UK	0.6	0.3	0.3	6. UAE	0.5	0.3	0.5
7. Cyprus	1.6	0.8	0.2	7. British Virgin Islands	0.5	0.5	0.2
8. Hong Kong	0.1	0.1	0.1	8. Cyprus	0.4	0.3	0.2
9. Others	4.2	1.9	1.6	9. Others	2.4	1.0	0.7
Total	22.5	13.3	7.9	Total	10.3	6.2	6.6

Includes equity FDI through SIA/FIPB and RBI routes only and, hence, are not comparable with data in other tables.

* Includes equity (except that of individuals and banks), loans and guarantee invoked, and, hence, are not comparable with data in other tables.

- (x) Banking capital recorded lower net inflows at US\$ 0.8 billion during April-September 2010 (US\$ 1.0 billion a year ago) mainly due to higher build-up of foreign assets of commercial banks.
- (xi) 'Other capital' that includes leads and lags in exports, SDR allocation, net funds held abroad, advances received pending issue of shares under FDI and other capital not included elsewhere (n.i.e) recorded a lower net outflow of US\$ 9.0 billion during April-September 2010 as compared with a higher net outflow of US\$ 10.0 billion during the corresponding period of previous year (Table 14).

Reserve Variation

- (i) Notwithstanding significant increase in net capital inflows, accretion to reserves during April-September 2010 was lower as current account

deficit has been more than double of that during April-September 2009. The accretion in foreign exchange reserves on BoP basis (*i.e.*, excluding valuation) was US\$ 7.0 billion during April-September 2010 (US\$ 9.5 billion a year ago) (Chart 5). Taking into account the valuation gain, foreign exchange reserves recorded an increase of US\$ 13.8 billion during April-September 2010 (as against a decline in reserves of US\$ 29.3 billion a year ago) (Annex A).

- (ii) At the end of September 2010, outstanding foreign exchange reserves stood at US\$ 292.9 billion.

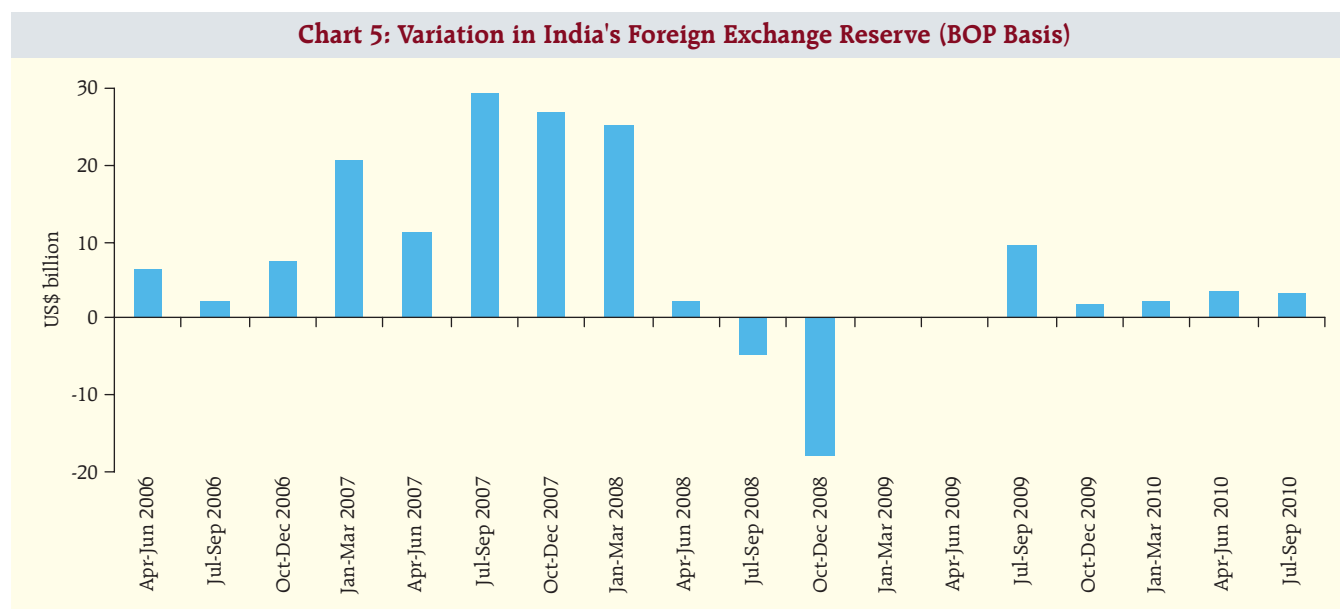
Difference in DGCI&S and Balance of Payments Imports

- (i) During April-September 2010, as per the records of the DGCI&S imports (based on Customs data)

Table 14: Details of 'Other Capital' (Net)

(US\$ billion)				
Item	April-March		April-September	
	2008-09 (R)	2009-10 (PR)	2009-10 (PR)	2010-11 (P)
1	2	3	4	5
1 Lead and Lags in Exports	-14.6	-4.7	-2.4	-6.6
2 Net Funds Held Abroad	-0.3	-6.9	-5.0	-3.6
3 Advances Received Pending Issue of Shares under FDI	3.0	3.1	0.1	2.0
4 SDR Allocation	-	5.2	5.2	-
5 Other capital not included elsewhere (n.i.e) (<i>Inclusive of derivatives and hedging, migrant transfers and other capital transfers</i>)	8.0	-9.7	-7.9	-0.8
Total (1 to 5)	-4.0	-13.0	-10.0	-9.0

P: Preliminary. PR: Partially Revised. R: Revised. —: Nil/NA.



and the BoP merchandise imports (based on banking channel data), the difference between the two data sets works out to about US\$ 11.0 billion (Table 15).

To sum up, the key features of India's BoP that emerged during April-September 2010 were: (i) higher

trade deficit (US\$ 66.9 billion) led by higher import bills, (ii) lower net invisibles surplus (US\$ 39.1 billion) led by lower investment income receipts and higher services payments, (iii) higher current account deficit (US\$ 27.9 billion) due to higher trade deficit coupled with lower net invisibles surplus, (iv) higher net capital inflows driven by large inflows under FII investments along with steady inflows under short-term credit and ECBs, and (v) lower increase in reserves on BoP basis (*i.e.* excluding valuation) of US\$ 7.0 billion (as compared with an increase in reserves of US\$ 9.5 billion in April-September 2009) due to more than doubling of current account deficit. The details of key indicators are set out in Table 16.

Table 15: DGCI&S and the BoP Import Data

(US\$ billion)

Item	April-March		Apr-Sept 2010-11 P
	2008-09 R	2009-10 PR	
1	2	3	4
1. BoP Imports	308.5	300.6	177.5
2. DGCI&S Imports	303.7	286.8	166.5
3. Difference (1-2)	4.8	13.8	11.0

P: Preliminary. PR: Partially Revised. R: Revised.

Table 16: Key Indicators of India's Balance of Payments

Item	April-March		April-September	
	2008-09	2009-10	2009-10	2010-11
1	2	3	4	5
Merchandise Trade				
1. Exports (US\$ on BoP basis) Growth Rate (%)	13.7	-3.6	-25.7	33.8
2. Imports(US\$ on BoP basis) Growth Rate (%)	19.8	-2.6	-21.1	28.2
3. Crude Oil Prices US\$ Per Barrel (Indian Basket)	82.7	69.6	63.6	76.7
4. Trade Balance (US\$ billion)	-119.5	-118.4	-55.9	-66.9
5. Exports/GDP (%)	15.6	13.2	13.9	14.5
6. Imports/GDP (%)	25.4	21.8	23.4	23.2
7. Trade Balance/GDP (%)	-9.8	-8.6	-9.4	-8.8
Invisibles				
8. Net Invisibles (US\$ billion)	91.6	80.0	42.5	39.1
9. Net Invisible Surplus/Trade Deficit (%)	-76.6	-67.6	-76.1	-58.3
10. Invisibles Receipts/Current Receipts (%)	47.0	47.3	49.0	44.3
11. Services Receipts/Current Receipts (%)	29.7	27.7	27.1	28.1
12. Private Transfers Receipts/Current Receipts (%)	13.1	15.6	17.0	13.7
13. Net Invisibles/GDP (%)	7.5	5.8	7.2	5.1
14. Private Transfers Receipts/GDP (%)	3.9	3.9	4.6	3.6
15. Software exports/GDP (%)	3.8	3.6	3.7	3.3
16. Services(net)/GDP (%)	4.4	2.6	3.2	2.6
Current Account				
17. Current Receipts (US\$ billion)	356.8	345.6	161.8	198.5
18. Current Payments (US\$ billion)	384.7	384.0	175.1	226.4
19. Current Account Balance (US\$ billion)	-27.9	-38.4	-13.3	-27.9
20. Current Account Balance/GDP (%)	-2.3	-2.8	-2.3	-3.7
Capital Account				
21. Gross Capital Inflows (US\$ billion)	313.6	345.7	173.8	207.8
22. Gross Capital Outflows (US\$ billion)	306.9	292.3	150.9	171.1
23. Net Capital Flows (US\$ billion)	6.8	53.4	23.0	36.7
24. Net FDI/Net Capital Flows (%)	292.8	35.2	53.7	14.6
25. Net Portfolio Investment/Net Capital Flows (%)	-207.3	60.7	78.1	64.9
26. Net ECBs/Net Capital Flows (%)	116.2	5.3	3.2	16.3
Openness Indicators				
27. Exports plus Imports of Goods/GDP (%)	41.0	35.0	37.3	37.7
28. Current Receipts plus Current Payments/GDP (%)	61.1	52.8	56.8	55.6
29. Net Capital Inflows/GDP (%)	0.6	3.9	3.9	4.8
30. Gross Capital Inflows plus Outflows/GDP (%)	51.1	46.2	54.8	49.6
31. Current Receipts plus Current Payments & Gross Capital Inflows & Outflows/GDP (%)	112.2	99.1	111.6	105.3
Reserves				
32. Import Cover of Reserves (in months)	9.8	11.1	12.4	10.3
33. Outstanding Reserves as at end period (US\$ billion)	252.0	279.1	281.3	292.9

Annex A:
Sources of Variation in Foreign Exchange Reserves: April-September 2010

During April-September 2010, there was an accretion to the foreign exchange reserves in BoP terms (*i.e.*, excluding valuation effects). The sources of variation in the foreign exchange reserves are set out in Table 1.

Table 1: Sources of Variation in Foreign Exchange Reserves
(US \$ billion)

Items	2009-10	2010-11
	April-September	April-September
I. Current Account Balance	-13.3	-27.9
II. Capital Account (net) (a to f)	22.8	34.9
a. Foreign Investment (i+ii)	30.3	29.1
(i) Foreign Direct Investment	12.3	5.3
(ii) Portfolio Investment	17.9	23.8
Of which:		
FIIs	15.3	22.3
ADRs/GDRs	2.7	1.6
b. External Commercial Borrowings	0.7	6.0
c. Banking Capital	1.0	0.8
of which: NRI Deposits	2.9	2.2
d. Short-Term Trade Credit	-0.05	6.7
e. External Assistance	1.0	3.0
f. Other Items in Capital Account*	-10.2	-10.7
III. Valuation Change	19.8	6.8
Total (I+II+III) @	29.3	13.8

Note: *: (i) 'Other items in capital account' apart from 'Errors and Omissions' also include SDR allocations, leads and lags in exports, funds held abroad, advances received pending issue of shares under FDI and transactions of capital receipts not included elsewhere.

(ii) Increase in reserves (+)/Decrease in reserves (-).

@: Difference, if any, is due to rounding off.

On a balance of payments basis (*i.e.*, excluding valuation effects), the foreign exchange reserves increased by US\$ 7.0 billion during April-September 2010 as against an increase of US\$ 9.5 billion during April-September 2009. The foreign exchange reserves (including the valuation effects) increased by US\$ 13.8 billion during April-September 2010 as compared with an increase of US\$ 29.3 billion during April-September 2009 (Table 2).

Table 2: Comparative Position

Items	2009-10	2010-11
	April-September	April-September
1 Change in Foreign Exchange Reserves (Including Valuation Effects)	29.3	13.8
2 Valuation Effects (Gain (+)/Loss (-))	19.8	6.8
3 Change in Foreign Exchange Reserves on BoP basis (<i>i.e.</i> , Excluding Valuation Effects)	9.5	7.0
4 Percentage of increase/decline in Reserves explained by Valuation Gain/Loss	67.7	49.3

Note: Increase in reserves (+)/Decrease in reserves (-).

The valuation gains, reflecting the depreciation of the US dollar against major currencies, accounted for US\$ 6.8 billion during April-September 2010 as compared with valuation gains of US\$ 19.8 billion during April-September 2009. Accordingly, valuation gains accounted for 49.3 per cent of the total increase in foreign exchange reserves during April-September 2010.

Developments in India's Balance of Payments during
Second Quarter (July-September) of 2010-11

Statement 1: India's Overall Balance of Payments

(US\$ million)

Item	2008-09			2009-10 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	2	3	4	5	6	7
A. CURRENT ACCOUNT						
I. MERCHANDISE	189,001	308,521	-119,520	182,235	300,609	-118,374
II. INVISIBLES (a+b+c)	167,819	76,214	91,605	163,404	83,413	79,991
a) Services	105,963	52,047	53,916	95,759	60,033	35,726
i) Travel	10,894	9,425	1,469	11,859	9,342	2,517
ii) Transportation	11,310	12,820	-1,509	11,177	11,934	-757
iii) Insurance	1,422	1,130	292	1,603	1,286	317
iv) G.n.i.e.	389	793	-404	440	526	-86
v) Miscellaneous	81,948	27,878	54,070	70,680	36,945	33,735
<i>of which</i>						
Software Services	46,300	2,564	43,736	49,705	1,469	48,236
Business Services	18,603	15,317	3,286	11,368	18,049	-6,681
Financial Services	4,428	2,958	1,470	3,736	4,643	-907
Communication Services	2,298	1,087	1,211	1,229	1,355	-126
b) Transfers	47,547	2,749	44,798	54,623	2,318	52,305
i) Official	645	413	232	723	473	250
ii) Private	46,903	2,336	44,567	53,900	1,845	52,055
c) Income	14,309	21,418	-7,110	13,022	21,062	-8,040
i) Investment Income	13,483	20,109	-6,626	12,108	19,357	-7,249
ii) Compensation of Employees	825	1,309	-484	914	1,705	-791
Total Current Account (I+II)	356,820	384,735	-27,915	345,639	384,022	-38,383
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	167,594	161,809	5,785	198,669	147,502	51,167
a) Foreign Direct Investment (i+ii)	38,940	19,124	19,816	38,500	19,729	18,771
i) In India	37,837	166	37,672	37,762	4,638	33,124
Equity	28,029	166	27,863	27,149	4,242	22,907
Reinvested Earnings	9,032	-	9,032	8,668	-	8,668
Other Capital	776	-	776	1,945	396	1,549
ii. Abroad	1,103	18,958	-17,855	738	15,091	-14,353
Equity	1,103	14,791	-13,688	738	10,052	-9,314
Reinvested Earnings	-	1,084	-1,084	-	1,084	-1,084
Other Capital	-	3,083	-3,083	-	3,955	-3,955
b) Portfolio Investment	128,654	142,685	-14,031	160,169	127,773	32,396
i) In India	128,511	142,365	-13,854	159,897	127,521	32,376
<i>of which</i>						
FIIs	127,349	142,366	-15,017	156,570	127,521	29,049
GDRs/ADRs	1,162	-	1,162	3,328	-	3,328
ii) Abroad	142	319	-177	272	252	20
2. Loans (a+b+c)	62,219	53,901	8,318	74,116	60,857	13,259
a) External Assistance	5,232	2,791	2,441	5,898	3,005	2,893
i) By India	72	416	-344	52	420	-368
ii) To India	5,160	2,375	2,785	5,846	2,585	3,261
b) Commercial Borrowings	15,223	7,361	7,862	14,954	12,146	2,808
i) By India	1,997	783	1,214	974	1,505	-531
ii) To India	13,226	6,578	6,648	13,980	10,641	3,339
c) Short Term to India	41,765	43,750	-1,985	53,264	45,706	7,558
i) Suppliers' Credit > 180 days & Buyers' Credit	38,815	38,352	463	48,571	43,914	4,657
ii) Suppliers' Credit up to 180 days	2,950	5,398	-2,448	4,693	1,792	2,901
3. Banking Capital (a+b)	65,207	68,453	-3,246	61,499	59,415	2,084
a) Commercial Banks	65,094	67,868	-2,774	60,893	58,966	1,927
i) Assets	25,823	28,725	-2,902	17,097	15,259	1,838
ii) Liabilities	39,270	39,142	128	43,796	43,707	89
<i>of which: Non-Resident Deposits</i>	37,147	32,858	4,290	41,356	38,432	2,924
b) Others	113	585	-472	606	449	157
4. Rupee Debt Service	-	100	-100	-	97	-97
5. Other Capital	18,612	22,602	-3,990	11,390	24,406	-13,016
Total Capital Account (1 to 5)	313,632	306,864	6,768	345,674	292,277	53,397
C. Errors & Omissions	1,067	-	1,067	-	1,573	-1,573
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	671,519	691,599	-20,080	691,313	677,872	13,441
E. Monetary Movements (i+ii)	20,080	-	20,080	-	13,441	-13,441
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase - / Decrease +)	20,080	-	20,080	-	13,441	-13,441
<i>of which : SDR Allocation</i>	-	-	-	-	5,160	-5,160

PR : Partially Revised.

Statement 1: India's Overall Balance of Payments (Contd.)

(US\$ million)

Item	Apr-Jun 2008			Jul-Sep 2008		
	Credit	Debit	Net	Credit	Debit	Net
1	8	9	10	11	12	13
A. CURRENT ACCOUNT						
I. MERCHANDISE	57,454	82,655	-25,201	53,630	92,752	-39,121
II. INVISIBLES (a+b+c)	39,986	18,186	21,800	46,919	20,062	26,857
a) Services	23,616	12,344	11,272	29,001	13,525	15,476
i) Travel	2,504	2,164	341	2,786	2,711	75
ii) Transportation	2,615	3,328	-713	3,041	3,751	-710
iii) Insurance	350	227	123	377	306	71
iv) G.n.i.e.	130	110	19	81	95	-14
v) Miscellaneous	18,017	6,515	11,502	22,716	6,662	16,054
<i>of which</i>						
Software Services	12,081	844	11,237	12,120	685	11,435
Business Services	4,087	3,217	870	5,410	3,916	1,494
Financial Services	615	620	-5	1,673	966	707
Communication Services	510	227	284	740	296	444
b) Transfers	12,797	654	12,143	13,773	831	12,942
i) Official	148	107	40	51	97	-46
ii) Private	12,649	547	12,102	13,722	734	12,988
c) Income	3,573	5,187	-1,615	4,145	5,706	-1,561
i) Investment Income	3,418	4,859	-1,441	3,855	5,375	-1,520
ii) Compensation of Employees	155	328	-174	290	331	-41
Total Current Account (I+II)	97,440	100,841	-3,400	100,550	112,814	-12,264
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	53,674	48,684	4,989	52,550	48,251	4,299
a) Foreign Direct Investment (i+ii)	12,906	3,710	9,196	9,920	4,309	5,610
i) In India	12,670	21	12,649	9,604	52	9,552
Equity	10,248	21	10,227	7,312	52	7,260
Reinvested Earnings	2,258	-	2,258	2,258	-	2,258
Other Capital	164	-	164	34	-	34
ii) Abroad	236	3,688	-3,452	316	4,257	-3,941
Equity	236	2,661	-2,425	316	3,299	-2,983
Reinvested Earnings	-	271	-271	-	271	-271
Other Capital	-	756	-756	-	687	-687
b) Portfolio Investment	40,768	44,975	-4,207	42,630	43,942	-1,311
i) In India	40,745	44,923	-4,177	42,618	43,919	-1,302
<i>of which</i>						
FII's	39,746	44,923	-5,177	42,482	43,919	-1,437
GDRs/ADRs	999	-	999	136	-	136
ii) Abroad	22	52	-29	13	22	-10
2. Loans (a+b+c)	15,901	9,704	6,197	16,305	13,739	2,566
a) External Assistance	941	655	286	1,122	673	449
i) By India	18	104	-86	18	104	-86
ii) To India	923	551	372	1,104	569	535
b) Commercial Borrowings	2,754	1,270	1,484	3,574	1,859	1,714
i) By India	403	190	213	532	138	393
ii) To India	2,351	1,080	1,271	3,042	1,721	1,321
c) Short Term to India	12,206	7,779	4,427	11,609	11,207	402
i) Suppliers' Credit > 180 days & Buyers' Credit	9,256	7,779	1,477	11,609	9,766	1,843
ii) Suppliers' Credit up to 180 days	2,950	-	2,950	-	1,441	-1,441
3. Banking Capital (a+b)	21,987	19,291	2,696	16,360	14,086	2,275
a) Commercial Banks	21,987	19,140	2,847	16,360	14,083	2,277
i) Assets	11,457	10,533	924	6,596	5,154	1,442
ii) Liabilities	10,530	8,607	1,923	9,764	8,929	835
<i>of which</i> : Non-Resident Deposits	9,098	8,284	814	9,176	8,917	259
b) Others	-	151	-151	-	3	-3
4. Rupee Debt Service	-	30	-30	-	3	-3
5. Other Capital	4,604	13,015	-8,411	4,886	7,682	-2,796
Total Capital Account (1 to 5)	96,166	90,724	5,442	90,101	83,760	6,341
C. Errors & Omissions	194	-	194	1,189	-	1,189
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	193,800	191,565	2,235	191,840	196,574	-4,734
E. Monetary Movements (i+ii)	-	2,235	-2,235	4,734	-	4,734
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase - / Decrease +)	-	2,235	-2,235	4,734	-	4,734

*Developments in India's Balance of Payments during
Second Quarter (July-September) of 2010-11*

Statement 1: India's Overall Balance of Payments (Contd.)

(US\$ million)

Item	Oct-Dec 2008			Jan-Mar 2009		
	Credit	Debit	Net	Credit	Debit	Net
1	14	15	16	17	18	19
A. CURRENT ACCOUNT						
I. MERCHANDISE	39,436	74,428	-34,992	38,481	58,686	-20,205
II. INVISIBLES (a+b+c)	42,416	19,294	23,122	38,498	18,673	19,825
a) Services	28,227	13,099	15,128	25,119	13,078	12,040
i) Travel	2,924	1,946	979	2,680	2,606	74
ii) Transportation	2,738	3,241	-503	2,916	2,499	416
iii) Insurance	347	268	79	348	329	18
iv) G.n.i.e.	97	233	-136	81	355	-273
v) Miscellaneous	22,121	7,412	14,709	19,094	7,289	11,805
<i>of which</i>						
<i>Software Services</i>	11,274	580	10,694	10,825	455	10,370
<i>Business Services</i>	4,851	3,568	1,283	4,255	4,616	-361
<i>Financial Services</i>	1,112	740	372	1,028	633	395
<i>Communication Services</i>	547	257	290	501	308	193
b) Transfers	10,997	845	10,151	9,980	419	9,562
i) Official	285	98	187	161	111	50
ii) Private	10,712	748	9,964	9,820	308	9,512
c) Income	3,192	5,349	-2,157	3,399	5,176	-1,777
i) Investment Income	3,000	5,011	-2,011	3,210	4,864	-1,654
ii) Compensation of Employees	192	338	-146	189	312	-123
Total Current Account (I+II)	81,851	93,722	-11,870	76,979	77,359	-380
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	33,709	38,820	-5,111	27,661	26,053	1,608
a) Foreign Direct Investment (i+ii)	7,112	6,402	710	9,003	4,703	4,300
i) In India	6,901	29	6,872	8,662	63	8,599
<i>Equity</i>	4,117	29	4,088	6,352	63	6,289
<i>Reinvested Earnings</i>	2,258	-	2,258	2,258	-	2,258
<i>Other Capital</i>	526	-	526	52	-	52
ii) Abroad	210	6,373	-6,163	341	4,640	-4,299
<i>Equity</i>	210	5,020	-4,810	341	3,811	-3,470
<i>Reinvested Earnings</i>	-	271	-271	-	271	-271
<i>Other Capital</i>	-	1,082	-1,082	-	558	-558
b) Portfolio Investment	26,597	32,418	-5,821	18,658	21,350	-2,692
i) In India	26,568	32,355	-5,787	18,580	21,169	-2,588
<i>of which</i>						
<i>FIIIs</i>	26,561	32,355	-5,794	18,560	21,169	-2,609
<i>GDRs/ADRs</i>	7	-	7	20	-	20
ii) Abroad	29	63	-34	78	182	-104
2. Loans (a+b+c)	15,803	15,419	384	14,210	15,039	-829
a) External Assistance	1,692	759	933	1,477	704	773
i) By India	18	104	-86	18	104	-86
ii) To India	1,674	655	1,019	1,459	600	859
b) Commercial Borrowings	5,395	1,724	3,671	3,499	2,507	992
i) By India	662	148	514	399	306	93
ii) To India	4,733	1,576	3,157	3,100	2,201	899
c) Short Term to India	8,715	12,936	-4,221	9,234	11,828	-2,594
i) Suppliers' Credit > 180 days & Buyers' Credit	8,715	10,357	-1,642	9,234	10,450	-1,216
ii) Suppliers' Credit up to 180 days	-	2,579	-2,579	0	1,378	-1,378
3. Banking Capital (a+b)	14,830	19,786	-4,956	12,030	15,290	-3,260
a) Commercial Banks	14,827	19,355	-4,528	11,919	15,290	-3,371
i) Assets	5,192	7,541	-2,349	2,578	5,498	-2,920
ii) Liabilities	9,636	11,814	-2,178	9,341	9,792	-451
<i>of which: Non-Resident Deposits</i>	9,543	8,501	1,042	9,331	7,155	2,176
b) Others	2	431	-429	111	-	111
4. Rupee Debt Service	-	-	-	-	68	-68
5. Other Capital	5,005	693	4,312	4,117	1,212	2,905
Total Capital Account (1 to 5)	69,346	74,718	-5,372	58,019	57,662	357
C. Errors & Omissions	-	639	-639	323	-	323
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	151,197	169,079	-17,881	135,321	135,021	300
E. Monetary Movements (i+ii)	17,881	-	17,881	-	300	-300
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase - / Decrease +)	17,881	-	17,881	-	300	-300

Statement 1: India's Overall Balance of Payments (Contd.)

(US\$ million)

Item	Apr-June 2009 PR			July-Sept 2009 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	20	21	22	23	24	25
A. CURRENT ACCOUNT						
I. MERCHANDISE	39,166	65,434	-26,268	43,403	72,985	-29,582
II. INVISIBLES (a+b+c)	38,686	16,583	22,103	40,502	20,094	20,408
a) Services	22,391	10,956	11,435	21,368	13,705	7,663
i) Travel	2,297	2,035	262	2,719	2,357	362
ii) Transportation	2,501	2,777	-276	2,570	2,221	349
iii) Insurance	388	314	74	384	341	43
iv) G.n.i.e.	100	103	-3	100	130	-30
v) Miscellaneous	17,105	5,727	11,378	15,595	8,656	6,939
<i>of which</i>						
Software Services	11,004	391	10,613	11,207	438	10,769
Business Services	2,586	3,295	-709	2,504	4,612	-2,108
Financial Services	1,116	835	281	732	1,135	-403
Communication Services	418	278	140	307	313	-6
b) Transfers	13,345	470	12,875	14,385	568	13,817
i) Official	47	110	-63	168	108	60
ii) Private	13,298	360	12,938	14,217	460	13,757
c) Income	2,950	5,157	-2,207	4,749	5,821	-1,072
i) Investment Income	2,723	4,806	-2,083	4,544	5,479	-935
ii) Compensation of Employees	227	351	-124	205	342	-137
Total Current Account (I+II)	77,852	82,017	-4,165	83,905	93,079	-9,174
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	48,576	35,481	13,095	55,940	38,760	17,180
a) Foreign Direct Investment (i+ii)	9,951	5,124	4,827	11,580	4,077	7,503
i) In India	9,826	926	8,900	11,485	632	10,853
Equity	7,290	900	6,390	8,547	597	7,950
Reinvested Earnings	2,167	-	2,167	2,167	-	2,167
Other Capital	369	26	343	771	35	736
ii. Abroad	125	4,198	-4,073	95	3,445	-3,350
Equity	125	2,983	-2,858	95	2,137	-2,042
Reinvested Earnings	-	271	-271	-	271	-271
Other Capital	-	944	-944	-	1,037	-1,037
b) Portfolio Investment	38,625	30,357	8,268	44,360	34,683	9,677
i) In India	38,602	30,332	8,270	44,356	34,655	9,701
<i>of which</i>						
FIIs	38,559	30,332	8,227	41,693	34,655	7,038
GDRs/ADRs	43	-	43	2,664	-	2,664
ii) Abroad	23	25	-2	4	28	-24
2. Loans (a+b+c)	13,112	14,543	-1,431	16,628	13,495	3,133
a) External Assistance	1,014	728	286	1,477	740	737
i) By India	13	105	-92	13	105	-92
ii) To India	1,001	623	378	1,464	635	829
b) Commercial Borrowings	1,972	2,433	-461	3,223	2,034	1,189
i) By India	244	333	-89	206	215	-9
ii) To India	1,728	2,100	-372	3,017	1,819	1,198
c) Short Term to India	10,126	11,382	-1,256	11,928	10,721	1,207
i) Suppliers' Credit > 180 days & Buyers' Credit	10,126	9,590	536	10,994	10,721	273
ii) Suppliers' Credit up to 180 days	-	1,792	-1,792	934	-	934
3. Banking Capital (a+b)	15,577	18,943	-3,366	16,543	12,132	4,411
a) Commercial Banks	15,577	18,704	-3,127	16,543	11,989	4,554
i) Assets	4,368	6,946	-2,578	6,131	1,730	4,401
ii) Liabilities	11,209	11,758	-549	10,412	10,259	153
<i>of which</i> : Non-Resident Deposits	11,172	9,354	1,818	10,342	9,295	1,047
b) Others	-	239	-239	-	143	-143
4. Rupee Debt Service	-	23	-23	-	1	-1
5. Other Capital	552	5,169	-4,617	6,898	12,315	-5,417
Total Capital Account (1 to 5)	77,817	74,159	3,658	96,009	76,703	19,306
C. Errors & Omissions	622	-	622	-	714	-714
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	156,291	156,176	115	179,914	170,496	9,418
E. Monetary Movements (i+ii)	-	115	-115	-	9,418	-9,418
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase - / Decrease +)	-	115	-115	-	9,418	-9,418
<i>of which</i> : SDR Allocation	-	-	-	-	5160	-5160

Statement 1: India's Overall Balance of Payments (Contd.)

(US\$ million)

Item	Oct-Dec 2009 PR			Jan-Mar 2010 PR		
	Credit	Debit	Net	Credit	Debit	Net
1	26	27	28	29	30	31
A. CURRENT ACCOUNT						
I. MERCHANDISE	47,170	78,097	-30,927	52,496	84,093	-31,597
II. INVISIBLES (a+b+c)	40,472	21,748	18,724	43,744	24,988	18,756
a) Services	24,159	15,993	8,166	27,841	19,379	8,462
i) Travel	3,440	2,312	1,128	3,403	2,638	765
ii) Transportation	2,991	3,366	-375	3,115	3,570	-455
iii) Insurance	408	305	103	423	326	97
iv) G.n.i.e.	124	134	-10	116	159	-43
v) Miscellaneous	17,196	9,876	7,320	20,784	12,686	8,098
<i>of which</i>						
Software Services	13,197	333	12,864	14,297	307	13,990
Business Services	2,460	4,571	-2,111	3,818	5,571	-1,753
Financial Services	785	1,156	-371	1,103	1,517	-414
Communication Services	259	381	-122	245	383	-138
b) Transfers	13,677	638	13,039	13,216	642	12,574
i) Official	382	113	269	126	142	-16
ii) Private	13,295	525	12,770	13,090	500	12,590
c) Income	2,636	5,117	-2,481	2,687	4,967	-2,280
i) Investment Income	2,385	4,597	-2,212	2,456	4,475	-2,019
ii) Compensation of Employees	251	520	-269	231	492	-261
Total Current Account (I+II)	87,642	99,845	-12,203	96,240	109,081	-12,841
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	44,689	35,965	8,724	49,464	37,296	12,168
a) Foreign Direct Investment (i+ii)	8,908	5,869	3,039	8,061	4,659	3,402
i) In India	8,714	1,469	7,245	7,737	1,611	6,126
Equity	5,959	1,233	4,726	5,353	1,512	3,841
Reinvested Earnings	2,167	-	2,167	2,167	-	2,167
Other Capital	588	236	352	217	99	118
ii. Abroad	194	4,400	-4,206	324	3,048	-2,724
Equity	194	3,403	-3,209	324	1,529	-1,205
Reinvested Earnings	-	271	-271	-	271	-271
Other Capital	-	726	-726	-	1,248	-1,248
b) Portfolio Investment	35,781	30,096	5,685	41,403	32,637	8,766
i) In India	35,770	30,041	5,729	41,169	32,493	8,676
<i>of which</i>						
FIIs	35,295	30,041	5,254	41,023	32,493	8,530
GDRs/ADRs	475	-	475	146	-	146
ii) Abroad	11	55	-44	234	144	90
2. Loans (a+b+c)	20,103	14,398	5,705	24,273	18,421	5,852
a) External Assistance	1,646	802	844	1,761	735	1,026
i) By India	13	105	-92	13	105	-92
ii) To India	1,633	697	936	1,748	630	1,118
b) Commercial Borrowings	4,550	2,842	1,708	5,209	4,837	372
i) By India	227	570	-343	297	387	-90
ii) To India	4,323	2,272	2,051	4,912	4,450	462
c) Short Term to India	13,907	10,754	3,153	17,303	12,849	4,454
i) Suppliers' Credit > 180 days & Buyers' Credit	12,055	10,754	1,301	15,396	12,849	2,547
ii) Suppliers' Credit up to 180 days	1,852	-	1,852	1,907	-	1,907
3. Banking Capital (a+b)	15,172	13,232	1,940	14,207	15,109	-902
a) Commercial Banks	14,578	13,165	1,413	14,195	15,109	-914
i) Assets	3,067	1,874	1,193	3,531	4,709	-1,178
ii) Liabilities	11,511	11,291	220	10,664	10,399	265
<i>of which: Non-Resident Deposits</i>	10,177	9,568	609	9,665	10,215	-550
b) Others	594	67	527	12	-	12
4. Rupee Debt Service	-	-	-	-	73	-73
5. Other Capital	1,597	3,338	-1,741	2,343	3,584	-1,241
Total Capital Account (1 to 5)	81,561	66,933	14,628	90,287	74,483	15,804
C. Errors & Omissions	-	658	-658	-	822	-822
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	169,203	167,436	1,767	186,527	184,386	2,141
E. Monetary Movements (i+ii)	-	1767	-1767	-	2,141	-2,141
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase - / Decrease +)	-	1767	-1767	-	-	-2,141
<i>of which: SDR Allocation</i>	-	-	-	-	-	-

Statement 1: India's Overall Balance of Payments (Contd.)

(US\$ million)

Item	Apr-June 2010 PR			Jul-Sep 2010 P		
	Credit	Debit	Net	Credit	Debit	Net
1	32	33	34	35	36	37
A. CURRENT ACCOUNT						
I. MERCHANDISE	56,253	87,809	-31,556	54,265	89,648	-35,383
II. INVISIBLES (a+b+c)	42,533	23,097	19,436	45,449	25,827	19,622
a) Services	25,924	16,956	8,968	29,822	19,280	10,542
i) Travel	2,950	2,319	631	3,378	2,759	619
ii) Transportation	3,143	3,134	9	3,277	3,524	-247
iii) Insurance	410	310	100	442	386	56
iv) G.n.i.e.	94	143	-49	125	205	-80
v) Miscellaneous	19,327	11,050	8,277	22,600	12,406	10,194
<i>of which</i>						
Software Services	12,655	575	12,080	12,814	585	12,229
Business Services	4,819	5,902	-1,083	5,942	6,977	-1,035
Financial Services	1,228	1,404	-176	1,819	1,905	-86
Communication Services	325	241	84	417	266	151
b) Transfers	13,754	700	13,054	13,654	651	13,003
i) Official	59	115	-56	141	111	30
ii) Private	13,695	585	13,110	13,513	540	12,973
c) Income	2,855	5,441	-2,586	1,973	5,896	-3,923
i) Investment Income	2,628	4,954	-2,326	1,726	5,456	-3,730
ii) Compensation of Employees	227	487	-260	247	440	-193
Total Current Account (I+II)	98,786	110,906	-12,120	99,714	115,475	-15,761
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	52,564	45,146	7,418	67,615	45,896	21,719
a) Foreign Direct Investment (i+ii)	8,498	5,685	2,813	8,358	5,831	2,527
i) In India	8,204	2,302	5,902	7,780	1,097	6,683
Equity	5,991	2,278	3,713	5,452	1,034	4,418
Reinvested Earnings	2,119	-	2,119	2,119	-	2,119
Other Capital	94	24	70	209	63	146
ii. Abroad	294	3,383	-3,089	578	4,734	-4,156
Equity	294	2,010	-1,716	578	2,501	-1,923
Reinvested Earnings	-	271	-271	-	271	-271
Other Capital	-	1,102	-1,102	-	1,962	-1,962
b) Portfolio Investment	44,066	39,461	4,605	59,257	40,065	19,192
i) In India	43,972	39,320	4,652	59,106	39,854	19,252
<i>of which</i>						
FIIs	42,858	39,320	3,538	58,614	39,854	18,760
GDRs/ADRs	1,114	-	1,114	492	-	492
ii) Abroad	94	141	-47	151	211	-60
2. Loans (a+b+c)	23,299	14,431	8,868	26,811	19,963	6,848
a) External Assistance	3,172	748	2,424	1,251	682	569
i) By India	14	20	-6	14	20	-6
ii) To India	3,158	728	2,430	1,237	662	575
b) Commercial Borrowings	4,435	2,177	2,258	6,196	2,480	3,716
i) By India	185	243	-58	297	556	-259
ii) To India	4,250	1,934	2,316	5,899	1,924	3,975
c) Short Term to India	15,692	11,506	4,186	19,364	16,801	2,563
i) Suppliers' Credit > 180 days & Buyers' Credit	14,681	11,506	3,175	18,252	16,801	1,451
ii) Suppliers' Credit up to 180 days	1,011	-	1,011	1,112	-	1,112
3. Banking Capital (a+b)	16,745	12,742	4,003	16,990	20,159	-3,169
a) Commercial Banks	16,743	12,718	4,025	16,990	19,555	-2,565
i) Assets	3,263	2,558	705	4,193	8,029	-3,836
ii) Liabilities	13,480	10,160	3,320	12,797	11,526	1,271
<i>of which: Non-Resident Deposits</i>	11,252	10,133	1,119	11,672	10,628	1,044
b) Others	2	24	-22	-	604	-604
4. Rupee Debt Service	-	16	-16	-	1	-1
5. Other Capital	2,384	6,462	-4,078	1,372	6,303	-4,931
B. Total Capital Account (1 to 5)	94,992	78,797	16,195	112,788	92,322	20,466
C. Errors & Omissions	-	334	-334	-	1,416	-1,416
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	193,778	190,037	3,741	212,502	209,213	3,289
E. Monetary Movements (i+ii)	-	3,741	-3,741	-	3,289	-3,289
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase - / Decrease +)	-	3,741	-3,741	-	3,289	-3,289
<i>of which: SDR Allocation</i>	-	-	-	-	-	-

*Developments in India's Balance of Payments during
Second Quarter (July-September) of 2010-11*

Statement 1: India's Overall Balance of Payments (Concl'd.)

(US\$ million)

Item	Apr-Sep 2009 PR			Apr-Sep 2010 P		
	Credit	Debit	Net	Credit	Debit	Net
1	38	39	40	41	42	43
A. CURRENT ACCOUNT						
I. MERCHANDISE	82,569	138,419	-55,850	110,518	177,457	-66,939
II. INVISIBLES (a+b+c)	79,188	36,677	42,511	87,982	48,924	39,058
a) Services	43,759	24,661	19,098	55,746	36,236	19,510
i) Travel	5,016	4,392	624	6,328	5,078	1,250
ii) Transportation	5,071	4,998	73	6,420	6,658	-238
iii) Insurance	772	655	117	852	696	156
iv) G.n.i.e.	200	233	-33	219	348	-129
v) Miscellaneous	32,700	14,383	18,317	41,927	23,456	18,471
<i>of which</i>						
<i>Software Services</i>	22,211	829	21,382	25,469	1,160	24,309
<i>Business Services</i>	5,090	7,907	-2,817	10,761	12,879	-2,118
<i>Financial Services</i>	1,848	1,970	-122	3,047	3,309	-262
<i>Communication Services</i>	725	591	134	742	507	235
b) Transfers	27,730	1,038	26,692	27,408	1,351	26,057
i) Official	215	218	-3	200	226	-26
ii) Private	27,515	820	26,695	27,208	1,125	26,083
c) Income	7,699	10,978	-3,279	4,828	11,337	-6,509
i) Investment Income	7,267	10,285	-3,018	4,354	10,410	-6,056
ii) Compensation of Employees	432	693	-261	474	927	-453
Total Current Account (I+II)	161,757	175,096	-13,339	198,500	226,381	-27,881
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	104,516	74,241	30,275	120,179	91,042	29,137
a) Foreign Direct Investment (i+ii)	21,531	9,201	12,330	16,856	11,516	5,340
i. In India	21,311	1,558	19,753	15,984	3,399	12,585
<i>Equity</i>	15,837	1,497	14,340	11,443	3,312	8,131
<i>Reinvested Earnings</i>	4,334	-	4,334	4,238	-	4,238
<i>Other Capital</i>	1,140	61	1,079	303	87	216
ii. Abroad	220	7,643	-7,423	872	8,117	-7,245
<i>Equity</i>	220	5,120	-4,900	872	4,511	-3,639
<i>Reinvested Earnings</i>	-	542	-542	-	542	-542
<i>Other Capital</i>	-	1,981	-1,981	-	3,064	-3,064
b) Portfolio Investment	82,985	65,040	17,945	103,323	79,526	23,797
i) In India	82,958	64,987	17,971	103,078	79,174	23,904
<i>of which</i>						
<i>FII's</i>	80,252	64,987	15,265	101,472	79,174	22,298
<i>GDRs/ADRs</i>	2,707	-	2,707	1,606	-	1,606
ii) Abroad	27	53	-26	245	352	-107
2. Loans (a+b+c)	29,740	28,038	1,702	50,110	34,394	15,716
a) External Assistance	2,491	1,468	1,023	4,423	1,430	2,993
i) By India	26	210	-184	28	40	-12
ii) To India	2,465	1,258	1,207	4,395	1,390	3,005
b) Commercial Borrowings	5,195	4,467	728	10,631	4,657	5,974
i) By India	450	548	-98	482	799	-317
ii) To India	4,745	3,919	826	10,149	3,858	6,291
c) Short Term to India	22,054	22,103	-49	35,056	28,307	6,749
i) Suppliers' Credit > 180 days & Buyers' Credit	21,120	20,311	809	32,933	28,307	4,626
ii) Suppliers' Credit up to 180 days	934	1,792	-858	2,123	-	2,123
3. Banking Capital (a+b)	32,120	31,075	1,045	33,735	32,901	834
a) Commercial Banks	32,120	30,693	1,427	33,733	32,273	1,460
i) Assets	10,499	8,676	1,823	7,456	10,587	-3,131
ii) Liabilities	21,621	22,017	-396	26,277	21,686	4,591
<i>of which: Non-Resident Deposits</i>	21,514	18,649	2,865	22,924	20,761	2,163
b) Others	-	382	-382	2	628	-626
4. Rupee Debt Service	-	24	-24	-	17	-17
5. Other Capital	7,450	17,484	-10,034	3,756	12,765	-9,009
B. Total Capital Account (1 to 5)	173,826	150,862	22,964	207,780	171,119	36,661
C. Errors & Omissions	-	92	-92	-	1,750	-1,750
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	335,583	326,050	9,533	406,280	399,250	7,030
E. Monetary Movements (i+ii)	-	9,533	-9,533	-	7,030	-7,030
i) I.M.F.	-	-	-	-	-	-
ii) Foreign Exchange Reserves (Increase - / Decrease +)	-	9,533	-9,533	-	7,030	-7,030
<i>of which: SDR Allocation</i>	-	5,160	-5,160	-	-	-

Attachment I: Invisibles Receipts by Category of Transactions

(US\$ million)

Item	April-June 2010-11 PR	July-Sept 2010-11 P	April-September 2010-11 P
1	2	3	4
I. Invisibles Receipts (A+B+C)	42,533	45,449	87,982
A) SERVICES (1 to 5)	25,924	29,822	55,746
1) TRAVEL ACCOUNT			
Tourist Expenses in India	2,950	3,378	6,328
TOTAL	2,950	3,378	6,328
2) TRANSPORTATION ACCOUNT			
a) Sea Transport			
i) Surplus remitted by Indian companies operating abroad	133	185	318
ii) Operating expenses of foreign companies in India	182	203	385
iii) Charter hire charges	28	35	63
b) Air Transport			
i) Surplus remitted by Indian companies operating abroad	138	122	260
ii) Operating expenses of foreign Companies in India	8	10	18
iii) Charter hire charges	0	7	7
c) Freight on exports	2,258	2,318	4,576
d) Others	396	397	793
TOTAL (a to d)	3,143	3,277	6,420
3) INSURANCE ACCOUNT			
a) Insurance on export	295	303	598
b) Premium			
i) Life	20	7	27
ii) Non-life	25	25	50
iii) Reinsurance from foreign companies	29	29	58
c) Commission on Business received from foreign companies	7	8	15
d) Others	34	70	104
TOTAL (a to d)	410	442	852
4) Government Not Included Elsewhere			
a) Maintenance of foreign embassies and diplomatic missions in India	65	90	155
b) Maintenance of international and regional institutions in India	29	35	64
TOTAL (a to b)	94	125	219
5) MISCELLANEOUS ACCOUNT			
a) Communication services	325	417	742
b) Construction services	122	173	295
c) Financial services	1,228	1,819	3,047
d) Software services	12,655	12,814	25,469
e) News agency services	82	108	190
f) Royalties, copyright and license fees	35	27	62
g) Business services (i to xii)	4,819	5,942	10,761
i) Merchanting services	183	358	541
ii) Trade related services	1,226	1,299	2,525
iii) Operational Leasing services	175	127	302
iv) Legal services	124	122	246
v) Accounting/Auditing services	51	62	113
vi) Business Management & Consultancy services	1,605	2,279	3,884
vii) Advertising/trade fairs	134	134	268
viii) Research & Development services	170	286	456
ix) Architectural, Engineering & other technical services	513	483	996
x) Agricultural, Mining & on-site processing services	78	54	132
xi) Maintenance of offices abroad services	535	725	1,260
xii) Environmental services	25	14	39
h) Personal, Cultural & Recreational services	49	56	105
i) Refunds/rebates	9	209	218
j) Other services	3	1,035	1,038
TOTAL (a to j)	19,327	22,600	41,927

*Developments in India's Balance of Payments during
Second Quarter (July-September) of 2010-11*

Attachment I: Invisibles Receipts by Category of Transactions (Concl'd.)

(US\$ million)

Item	April-June 2010-11 PR	July-Sept 2010-11 P	April-September 2010-11 P
1	2	3	4
B) TRANSFERS (1 + 2)	13,754	13,654	27,408
1) OFFICIAL TRANSFERS			
i) Donations received from Non- residents	25	18	43
ii) Grant under PL 480 II	0	0	0
iii) Grants from other Governments	34	123	157
TOTAL (i to iii)	59	141	200
2) PRIVATE TRANSFERS			
i) Inward remittance from Indian workers abroad for family maintenance etc.	6,900	5,999	12,899
ii) Local withdrawals/redemptions from non-resident deposits	6,319	7,052	13,371
iii) Gold and silver brought through passenger baggage	5	6	11
iv) Personal gifts/donations to charitable/religious institutions in India.	471	456	927
TOTAL (i to iv)	13,695	13,513	27,208
C) INCOME ACCOUNT (1 + 2)	2,855	1,973	4,828
1) Compensation of Employees			
Wages received by Indians working on foreign contracts	227	247	474
TOTAL	227	247	474
2) Investment Income			
i) Interest received on loans to non-residents	1,313	112	1,425
ii) Dividend/profit received by Indians on foreign investment	38	60	98
<i>Of which:</i>			
<i>Dividend received by Indians on foreign investment</i>	15	47	62
<i>Profit received by Indians on foreign investment</i>	23	13	36
iii) Reinvested Earnings	271	271	542
iv) Interest received on debentures, FRNs, CPs, fixed deposits and funds held abroad by ADs out of foreign currency loans/export proceeds	18	3	21
v) Interest received on overdraft of VOSTRO accounts of foreign correspondents/branches by the ADs	4	3	7
vi) Payment of taxes by the non-residents/refund of taxes by foreign governments to Indians	41	62	103
vii) Interest/discount earnings on RBI investment	939	1,211	2,150
viii) Interest/remuneration on SDR holdings	4	4	8
TOTAL (i to viii)	2,628	1,726	4,354

Attachment I: Invisibles Payments by Category of Transactions

(US\$ million)

Item	April-June 2010-11 PR	July-Sept 2010-11 P	April-September 2010-11 P
1	2	3	4
Invisibles Payments (A+B+C)	23,097	25,827	48,924
A) SERVICES (1 to 5)	16,956	19,280	36,236
1) TRAVEL ACCOUNT			
i) Business	867	1,019	1,886
ii) Health Related	41	6	47
iii) Education Related	325	664	989
iv) Basic travel quota (BTQ)	802	669	1,471
v) Pilgrimage	3	119	122
vi) Others	281	282	563
TOTAL (i to vi)	2,319	2,759	5,078
2) TRANSPORTATION ACCOUNT			
a. Sea Transport			
i) Surplus remitted by Foreign companies operating in India	313	472	785
ii) Operating expenses of Indian companies abroad	211	221	432
iii) Charter hire charges	25	23	48
iv) Freight on imports	944	1,115	2,059
v) Freight on Exports	302	218	520
vi) Remittance of passage booking abroad	1	6	7
b. Air Transport			
i) Surplus remitted by Foreign companies operating in India	773	779	1,552
ii) Operating expenses of Indian companies abroad	159	238	397
iii) Charter hire charges	139	88	227
iv) Freight on imports	26	35	61
v) Freight on Exports	22	13	35
vi) Remittance of passage booking abroad	8	12	20
c. Others	211	304	515
TOTAL (a to c)	3,134	3,524	6,658
3) INSURANCE ACCOUNT			
a. Premium			
i) Life	2	3	5
ii) Non-life	25	24	49
iii) Reinsurance	147	192	339
b. Commission on Business	20	16	36
c. Others	116	151	267
TOTAL (a to c)	310	386	696
4) Government Not Included Elsewhere			
a. Maintenance of Indian embassies and diplomatic missions abroad	99	133	232
b. Remittances by foreign embassies and missions in India	44	72	116
TOTAL (a to b)	143	205	348
5) MISCELLANEOUS ACCOUNT			
a) Communication services	241	266	507
b) Construction services	345	136	481
c) Financial services	1,404	1,905	3,309
d) Software services	575	585	1,160
e) News agency services	75	68	143
f) Royalties, copyright and license fees	566	560	1,126
g) Business services (i to xii)	5,902	6,977	12,879
i) Merchanting services	284	343	627
ii) Trade related services	496	362	858
iii) Operational Leasing services	301	282	583
iv) Legal services	37	36	73
v) Accounting/Auditing services	17	126	143
vi) Business Management & Consultancy services	2,172	2,632	4,804
vii) Advertising/trade fair	163	202	365
viii) Research & Development services	66	51	117
ix) Architectural, Engineering & other technical services	1,110	1,366	2,476
x) Agricultural, Mining & on-site processing services	35	16	51
xi) Maintenance of offices abroad services	1,221	1,560	2,781
xii) Environmental services	1	1	2
h) Personal, Cultural & Recreational services	71	105	176
i) Refunds/rebates	57	68	125
j) Other services	1,814	1,736	3,550
TOTAL (a to j)	11,050	12,406	23,456

*Developments in India's Balance of Payments during
Second Quarter (July-September) of 2010-11*

Attachment I: Invisibles Payments by Category of Transactions (Concl'd.)

(US\$ million)			
Item	April-June 2010-11 PR	July-Sept 2010-11 P	April-September 2010-11 P
1	2	3	4
B) TRANSFERS	700	651	1,351
1) OFFICIAL TRANSFERS (1 + 2)			
Grants/donations from official sector	115	111	226
TOTAL	115	111	226
2) PRIVATE TRANSFERS			
i) Remittance by non-residents towards family maintenance and savings	486	443	929
ii) Personal gifts/donations to charitable/religious institutions <i>Of which:</i>	99	97	196
Remittance towards personal gifts and donations	3	3	6
Remittance towards donations to religious and charitable institutions abroad	0	0	0
Remittance towards grants and donations to other governments and charitable institutions established by the governments	0	0	0
TOTAL (i to ii)	585	540	1,125
C) INCOME (1 + 2)	5,441	5,896	11,337
1) Compensation of Employees			
Payment of wages/salary to Non-residents working in India	487	440	927
TOTAL	487	440	927
2) Investment Income			
i) Payment of interest on NRI deposits	416	423	839
ii) Payment of interest on loans from non-residents	1,035	1,174	2,209
iii) Payment of dividend/profit to non-resident share holders <i>Of which:</i>	1,038	1,446	2,484
Payment of dividend to non-resident share holders	947	1,352	2,299
Payment of profit to non-resident share holders	91	94	185
iv) Reinvested Earnings	2,119	2,119	4,238
v) Payment of interest on debentures, FRNs, CPs fixed deposits, Government securities etc.	69	112	181
vi) Charges on SDRs	4	4	8
vii) Interest paid on overdraft on VOSTRO a/c Holders/ Overdraft on NOSTRO a/c	232	102	334
viii) Payment of taxes by the Indians/refund of taxes by government to non-residents	41	76	117
TOTAL (i to viii)	4,954	5,456	10,410

P: Preliminary. PR: Partially Revised.