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by Duvvuri Subbarao, Governor, Reserve Bank of India

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in 2010-11

*Monetary Policy Statement 2011-12**

Introduction

The Annual Policy for 2011-12 is set in conditions significantly different than they were a year ago. Last year's policy was made in an environment of incipient domestic recovery amidst uncertainty about the state of the global economy, a perception that was reinforced with the precipitation of the Greek sovereign debt crisis a few weeks later. While signs of inflation were visible, they were driven primarily by food. However, food price pressure spilling over into more generalised inflation was clearly a risk as the recovery consolidated and domestic resource utilisation rose to levels which stretched capacities. Throughout the year, the goal of monetary policy was to nurture the recovery in the face of persistent global uncertainty while trying to contain the spillover of supply-side inflation.

2. The trend of moderating inflation and consolidating growth in the second and third quarters of 2010-11 justified the calibrated policy approach of the Reserve Bank. However, the resurgence of inflation in the last quarter of 2010-11 was a matter of concern. Although the trigger was the sharp uptrend in international commodity prices, the fact that these were quickly passing through into the entire range of domestic manufactured goods indicated that pricing power is significant. In other words, demand has been strong enough to allow significant pass-through of input price increases. Significantly, this is happening even as there are visible signs of moderating growth, particularly in capital goods production and investment spending, suggesting that cumulative monetary actions are beginning to have an impact on demand.

3. Thus, three factors have shaped the outlook and monetary strategy for 2011-12. First, global commodity prices, which have surged in recent months, are likely to, at best, remain firm and may well increase further over the course of the year. Second, headline and core inflation have significantly overshot even the most pessimistic projections over the past few months. In terms of the likely trajectory of inflation over the year, the first suggests that high inflation will persist and may get worse. The second raises concerns about inflationary expectations becoming unhinged.

4. The third factor, countering these forces, is the likely moderation in demand, which should help reduce pricing power and the extent of pass-through of commodity prices. This cannot be ignored in the policy calculation. However, a significant factor influencing aggregate demand during the year will be the fiscal situation. While the budget estimates offered reassurance of a rollback, the critical assumption that petroleum and fertiliser subsidies would be capped is bound to be seriously tested at prevailing crude oil prices. Even though adjustment of administered retail prices may add to inflation in the short run, the Reserve Bank believes that this needs to be done as soon as possible. Otherwise, the consequent increase in the fiscal deficit will counter the moderating trend in aggregate demand.

5. The monetary policy trajectory that is being initiated in this Annual Statement is based on the following premise. Over the long run, high inflation is inimical to sustained growth as it harms investment by creating uncertainty. Current elevated rates of inflation pose significant risks to future growth. Bringing them down, therefore, even at the cost of some growth in the short-run, should take precedence.

6. Against this backdrop, this Statement sets out the Reserve Bank's assessment of the current macroeconomic situation and projections. It is organised in two parts. Part A covers Monetary Policy and is divided into four Sections. Section I provides an overview of global and domestic macroeconomic developments. Section II sets out the outlook and projections for growth, inflation and monetary aggregates. Section III explains the stance of monetary

* Announced by Dr. Duvvuri Subbarao, Governor, Reserve Bank of India on May 3, 2011 in Mumbai.

policy. Section IV specifies the monetary and liquidity measures, including the modified operating procedures in the light of the recommendations of the Working Group on Operating Procedure of Monetary Policy (Chairman: Shri Deepak Mohanty) and the feedback received thereon.

7. Part B covers Developmental and Regulatory Policies and is divided into six sections: Financial Stability (Section I), Interest Rate Policy (Section II), Financial Markets (Section III), Credit Delivery and Financial Inclusion (Section IV), Regulatory and Supervisory Measures for Commercial Banks (Section V) and Institutional Developments (Section VI).

8. Part A of this Statement should be read and understood together with the detailed review in *Macroeconomic and Monetary Developments* released yesterday by the Reserve Bank.

Part A. Monetary Policy

I. The State of the Economy Global Economy

9. The global economy during the first quater of 2011 continued with the momentum of late 2010. The global manufacturing purchasing managers' index (PMI) for February 2011 was close to a record high, while the global services PMI recorded its fastest pace of expansion in almost five years. Although these indices slipped somewhat in March 2011, they signalled continuing expansion. However, consumer confidence in major countries, which improved during January-February 2011, moderated in March 2011 on the back of higher oil prices.

10. GDP growth in the US, which was strong at 3.1 per cent (q-o-q seasonally adjusted annualised rate) in Q4 of 2010, slipped to 1.8 per cent reflecting a decline in government spending, deceleration in private consumption and increase in imports. Clearly, a number of weaknesses persist. The US housing market remains weak. More generally, unemployment rates continue to remain elevated in major advanced economies, *albeit* with some improvement in the US. Concerns about sovereign debt in the euro area have now been reinforced by developments in the US. Finally, and most importantly, commodity price increases have accelerated, engendering global inflationary fears and posing downside risks to growth.

11. The Brent crude price surged from an average of US$ 75 a barrel during May-September 2010 to US$ 123 a barrel by April 2011. The International Monetary Fund's (IMF) in its April 2011 World Economic Outlook (WEO) has assumed US$ 107 a barrel for the full year 2011. Initially, oil prices were buoyed by strong global demand and excessive liquidity. Since February 2011, oil prices have come under further pressure on account of apprehensions about supply disruptions due to political developments in the Middle East and North African (MENA) region. The demand for oil is expected to increase with the possibility of Japan substituting some of its shut-in nuclear power capacity with oil-based generation, combined with higher energy usage once reconstruction gets underway.

12. In the recent period, commodity prices have been under pressure due to strong demand from emerging market economies (EMEs) and the financialisation of commodity markets. Global consumption of most base metals is estimated to have reached new highs in 2010. According to the Food and Agriculture Organisation (FAO), international food prices rose by 37 per cent (y-o-y) in March 2011, reflecting both higher demand and weather related supply disruptions. The increase in global food prices was led by the prices of cereals (60 per cent), edible oils (49 per cent) and sugar (41 per cent).

13. Commodity prices are now exerting a direct impact on inflation in advanced economies, despite substantial negative output gaps. They have also accentuated inflationary pressures in EMEs, which were already experiencing strong revival in demand. While major EMEs have been tightening monetary policies for more than a year now, the European Central Bank has recently raised its policy rate - the first central bank to do so among the major advanced economies - after maintaining them at historically low levels for almost two years. Central banks in other advanced economies are also under pressure to withdraw monetary accommodation. The above trend poses appreciable downside risks to global economic activity.

Domestic Economy

14. The Indian economy is estimated to have grown by 8.6 per cent during 2010-11. Agricultural growth was above trend, following a good monsoon. The index of industrial production (IIP), which grew by 10.4 per cent during the first half of 2010-11, moderated subsequently, bringing down the overall growth for April-February 2010-11 to 7.8 per cent. The main contributor to this decline was a deceleration in the capital goods sector. However, other indicators, such as the manufacturing PMI, tax collections, corporate sales and earnings growth, credit off-take by industry (other than infrastructure) and export performance, suggested that economic activity was strong.

15. According to the Reserve Bank's Order Books, Inventories and Capacity Utilisation Survey (OBICUS), the order books of manufacturing companies grew by 7 per cent in October-December 2010 as against 9 per cent in the previous quarter indicating sustained demand *albeit* with some moderation. The Reserve Bank's forward looking Industrial Outlook Survey (IOS) shows a decline in the business expectations index for January-March 2011 after two quarters of increase.

16. Leading indicators of services sector suggest continuing growth momentum. Credit to the services sector grew by 24 per cent in 2010-11 as compared with 12.5 per cent in the previous year. Other indicators such as commercial vehicles production and foreign tourist arrivals also showed an acceleration. However, the services PMI for March 2011 showed some moderation as compared with the previous month.

17. Inflation was the primary macroeconomic concern throughout 2010-11. It was driven by a combination of factors, both structural and transitory. Based on drivers of inflation, the year 2010-11 can be broadly divided into three periods. In the first period from April to July 2010, the increase in wholesale price index (WPI) by 3.5 per cent was driven largely by food items and the fuel and power group, which together contributed more than 60 per cent of the increase in WPI. During the second period from August to November 2010, while WPI showed a lower increase of 1.8 per cent, more than 70 per cent of the increase was contributed by food and non-food primary articles and minerals. In the third period from December 2010 to March 2011, WPI increased sharply by 3.4 per cent, driven mainly by fuel and power group and non-food manufactured products, which together contributed over 80 per cent of the increase in WPI. Thus, the inflationary pressures, which emanated from food, clearly became generalised as the year progressed.

18. As food price inflation moderated, consumer price index (CPI) measures of inflation declined to 8.8-9.1 per cent in March 2011 from 13.3-15.0 per cent in April 2010. Over the same period, WPI inflation remained elevated reflecting increases in non-food primary articles prices and importantly, non-food manufactured product prices. This led to a broad convergence of WPI and CPI inflation by the end of 2010-11.

19. Broad money supply (M_3) growth at 15.9 per cent (year-on-year) during 2010-11 was lower than the Reserve Bank's indicative trajectory of 17 per cent due to slow deposit growth and acceleration in currency growth. The higher currency demand slowed the money multiplier. Consequently, M_3 growth slowed despite a significant increase in reserve money. This suggests that money supply growth was not a contributing factor to inflation.

20. Non-food credit growth, which had been trending upwards from the beginning of the year, reached an intra-year high of 24.2 per cent (year-on-year) in December 2010. It slowed down subsequently to 21.2 per cent by March 2011, which was marginally higher than the Reserve Bank's indicative projection of 20 per cent.

21. The Reserve Bank's estimates show that the total flow of financial resources from banks, domestic non-bank and external sources to the commercial sector during 2010-11, at ₹12,00,000 crore, was 12.3 per cent higher than that in the previous year. There was a decline in non-bank sources of funds in 2010-11 as compared with that in the previous year. The decline was particularly noticeable in foreign direct investment. However, this was more than offset by the higher flow of funds from the banking sector.

22. Data on sectoral deployment of bank credit show significant increases in credit flow to industry and services. Within industry, credit growth to infrastructure was robust. Credit flows improved in respect of metals, textiles, engineering, food processing, and gems and jewellery, among others. Within services, credit growth accelerated to commercial real estate and non-banking financial companies. Housing and vehicle loans recovered in 2010-11.

23. The Base Rate system replaced the Benchmark Prime Lending Rate (BPLR) system with effect from July 1, 2010. Major scheduled commercial banks (SCBs), constituting about 81 per cent of total banking business, raised their Base Rates by 50-165 basis points between October 2010 and March 2011. Base Rates of 64 major banks with a share of around 98 per cent in the total bank credit were in the range of 8.00-9.50 per cent (March 2011), reflecting greater convergence in Base Rates announced by major banks. The weighted average lending rate in the banking system was 10.5 per cent as at end-March 2010. Data from select banks indicate that the weighted average yield on advances, which is a proxy measure for effective lending rates, is projected to increase from 9.7 per cent in 2010-11 to 10.3 per cent in 2011-12. This suggests that the Base Rate system has improved the transmission from the policy rates to banks' lending rates.

24. After remaining in surplus for 18 months, liquidity conditions transited to a deficit mode towards end-May 2010. This was the consequence of a large build-up in government cash balances as a result of higher than expected proceeds from spectrum auctions. Beginning October 2010, liquidity conditions became even tighter. Both frictional factors such as the above-normal build up in government cash balances and structural factors such as high currency demand growth and credit growth outpacing deposit growth contributed to tight liquidity conditions. Although a systemic liquidity deficit was consistent with the anti-inflationary stance of monetary policy, the extent of tightness since October 2010 was outside the comfort level of (+)/(-) one per cent of net demand and time liabilities (NDTL) of SCBs.

25. The Reserve Bank initiated several measures to ease the liquidity situation. These were: (i) additional liquidity support under the liquidity adjustment facility (LAF) to SCBs up to one per cent of their NDTL by temporary waiver of penal interest for any shortfall in maintenance of statutory liquidity ratio (SLR) - for a brief period the limit was two per cent of NDTL, which was reduced to one per cent following the permanent reduction in the SLR;

(ii) reduction in the SLR by one per cent;

(iii) conducting open market operations; and (iv) conducting the second LAF (SLAF) on a daily basis.

26. Liquidity conditions have eased significantly in recent weeks, following a sharp reduction in government cash balances and moderation in the credit-deposit ratio of banks. Consequently, net liquidity injected by the Reserve Bank through its repo operations declined from a daily average of around ₹1,20,000 crore in December 2010 to around ₹81,000 crore in March 2011. The average daily net liquidity injected by the Reserve Bank fell sharply to ₹19,000 crore in April 2011 as government balances moved from positive to negative.

27. In order to facilitate better liquidity management, the Reserve Bank extended the two liquidity easing measures, *viz.*, additional liquidity support under the LAF to SCBs up to one per cent of their NDTL and the SLAF on a daily basis up to May 6, 2011.

28. Yields on government securities eased during the first quarter of 2010-11 in expectation of an improved fiscal position due to higher than anticipated revenues in spectrum auctions. Yields hardened thereafter till January 2011 on account of increase in inflation and consequent rate hike expectations as well as tight liquidity conditions. Yields, however, moderated in February and March 2011 on the back of improvement in liquidity conditions, lower than expected budgeted fiscal deficit and the projected market borrowing programme for the first half of 2011-12. Significantly, the stability of long-term yields, despite the current high rates of inflation, suggests that inflationary expectations remain anchored.

29. The Union Budget for 2011-12 has emphasised the Government's commitment to carry on the process of fiscal consolidation by budgeting a lower fiscal deficit (4.6 per cent of GDP in 2011-12 as compared with 5.1 per cent in 2010-11). The revenue deficit to GDP ratio is estimated to remain unchanged at 3.4 per cent in 2011-12.

30. During 2010-11, the rupee dollar exchange rate showed two-way movements in the range of ₹44.03-47.58 per US dollar. On an average basis, the 6-currency real effective exchange rate (REER) appreciated by 12.7 per cent in 2010-11, the 30-currency REER by 4.5 per cent and the 36-currency REER by 7.7 per cent.

31. The current account deficit (CAD) during April-December 2010 was US$ 38.9 billion, up from US$ 25.5 billion during the corresponding period of 2009. During the fourth quarter of 2010-11, exports grew at a robust pace of 46.6 per cent, while growth in imports decelerated to 22.8 per cent. Consequently, the CAD, which was 3.1 per cent during April-December 2010, is now estimated to moderate to around 2.5 per cent of GDP for 2010-11 as against 2.8 per cent during 2009-10.

32. Although net capital inflows increased significantly to US$ 52.7 billion during April-December 2010 (US$ 37.6 billion a year ago), the composition shifted towards volatile flows such as FII investments and trade credits. Net inflows under FDI were lower. As the CAD is expected to be significant in 2011-12, the sustainability of financing it becomes important.

II. Outlook and Projections

Global Outlook

Growth

33. The global recovery is expected to sustain in 2011, although growth will slow down marginally from its pace in 2010. According to the IMF WEO (April 2011), global growth is likely to moderate from 5.0 per cent in 2010 to 4.4 per cent in 2011. Growth is projected to decelerate in advanced economies due to waning of impact of fiscal stimulus, and high oil and other commodity prices. Growth in EMEs is also expected to decelerate on account of monetary tightening and rising commodity prices.

Inflation

34. The IMF WEO (April 2011) projects global CPI inflation to rise from 3.7 per cent in 2010 to 4.5 per cent in 2011. While advanced economies face inflationary pressures from high commodity prices, EMEs face pressures from both strong domestic demand and high commodity prices. CPI inflation in the advanced economies is projected to increase from 1.6 per cent in 2010 to 2.2 per cent in 2011, and in the EMEs from 6.2 per cent to 6.9 per cent.

Domestic Outlook

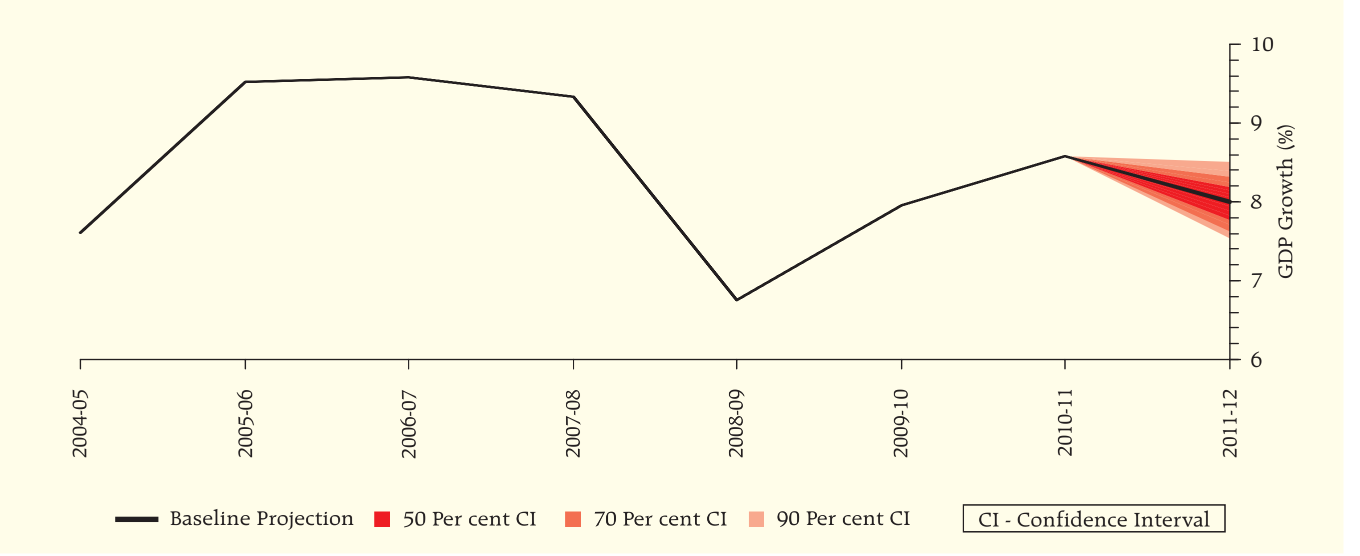
Growth

35. Real GDP growth for 2010-11 was estimated at 8.6 per cent. Signs of moderation, however, emerged in the second half of the year. Particularly significant were the slowdown in capital goods production and investment spending. Going forward, high oil and other commodity prices and the impact of the anti-inflationary monetary stance will weigh on growth. Most business confidence surveys conducted by various agencies show a decline in business confidence. The Reserve Bank's IOS conducted during March 2011, as mentioned earlier, indicates some moderation in business expectations for the quarter ended June 2011.

36. Growth is expected to moderate in 2011-12 from its pace in 2010-11. First, notwithstanding the preliminary indication of a normal monsoon by the India Meteorological Department (IMD) during 2011, agriculture growth is likely to revert to its trend growth from the higher base of last year. Second, the pace of industrial activity has been slowing mainly due to the impact of past monetary policy actions and high input prices. External demand too may slow if global recovery slackens.

37. Based on the assumption of a normal monsoon and crude oil prices averaging US$ 110 a barrel over 2011-12, the baseline projection of real GDP growth for 2011-12 for policy purposes is placed at around 8 per cent. The growth is projected to be in the range of 7.4 per cent and 8.5 per cent in 2011-12 with 90 per cent probability (Chart 1).

Chart 1: Projection of GDP Growth for 2010-12



Inflation

38. The Reserve Bank's forecasts systematically under-predicted year-end inflation during 2010-11. Even after a significant upward revision from 5.5 per cent to 7 per cent in the Third Quarter Policy Review in January 2011 and then to 8 per cent in the Mid-Quarter Review in March 2011, the forecasts remained below the provisional number of 9 per cent for March 2011. The analysis in the previous section reveals that the surge in headline inflation, despite an overall moderation in food inflation, was the combination of two factors: an unanticipated increase in oil and commodity prices, including the large upward revision in administered coal prices in March 2011, and demand pressures reflected in significant increase in inflation in non-food manufactured products.

39. Against this backdrop, several factors will play a role in the inflation outlook, going forward. First, there is a significant suppressed component of inflation as the increase in crude oil prices has not been passed on completely. The last increase in administered mineral oil prices was effected in June 2010 when the Indian basket of crude oil was US$ 74.3 per barrel. Subsequently, it increased to US$ 110.7 per barrel in March 2011. Similarly, administered electricity prices have not gone up even as input prices, particularly those of coal, have increased significantly. Hence, the timing of changes in administered prices as indicated above will have a significant influence on the inflation path.

40. Second, the outlook for crude oil prices in the near future is uncertain, given the geo-political situation in the MENA region. In any case, the likelihood of oil prices moderating significantly is low. The IMF WEO (April 2011) has assumed a baseline average crude oil price of US$ 107 per barrel for 2011 and US$ 108 per barrel for 2012.

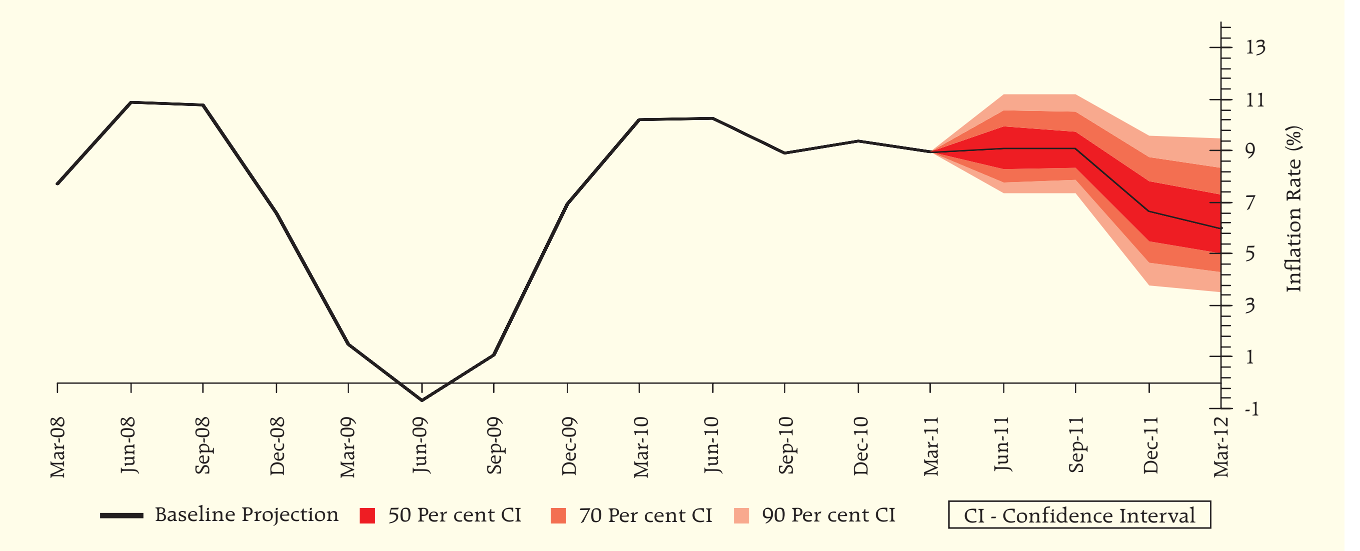
41. Third, incomplete pass-through of higher crude prices will have an impact on aggregate demand though higher subsidy expenditure, which is expansionary and can add to inflationary pressure.

42. Fourth, there have been sharp increases in the prices of several important industrial raw materials, such as minerals, fibres, especially cotton, rubber, besides coal and crude oil. In addition, there is also upward pressure on wages. The extent to which the increase in input prices translates into output prices will have an influence on the inflation path.

43. Fifth, while the south-west monsoon 2011 is expected to be normal, its impact on moderation in food inflation may be less than commensurate, given a strong structural component in food inflation and elevated global food price situation.

44. Sixth, even though demand pressures were evidently strong enough to induce the generalisation of commodity price increases in recent months, signs

Chart 2: Projection of WPI Inflation (Y-o-Y) for 2011-12



of moderation in growth suggest that this driver of inflation will ease in the coming months. The cumulative impact of monetary actions over the past 15 months will continue to be felt over the course of 2011-12, contributing to moderation in both growth and inflation rates.

45. Keeping in view the domestic demand-supply balance and the global trends in commodity prices and the likely demand scenario, the baseline projection for WPI inflation for March 2012 is placed at 6 per cent with an upward bias (Chart 2). Inflation is expected to remain at an elevated level in the first half of the year due to expected pass-through of increase in international petroleum product prices to domestic prices and continued pass-through of high input prices into manufactured products.

46. Notwithstanding the current inflation scenario, it is important to recognise that in the last decade, the average inflation rate, measured in terms of WPI and CPI, had moderated to around 5.5 per cent. More specifically, non-food manufacturing inflation, which the Reserve Bank uses as an indicator of demand pressures and is the most responsive to monetary actions, averaged 4.0 per cent over this period. A period of low inflation preceded the high-growth phase in 2003-08, which was in turn characterised by high investment-GDP and declining fiscal deficit-GDP ratios. Inflation remained moderate in the early part of the high-growth phase, but increased in the period immediately preceding the global financial crisis, reflecting the emergence of domestic bottlenecks.

47. Based on cross-country as well as domestic experience, the Reserve Bank is strongly of the view that controlling inflation is imperative to sustaining growth over the medium-term. This is a critical attribute of a favourable investment climate, on which growth sustainability depends. Fiscal consolidation will also contribute to improving the investment climate. Accordingly, the conduct of monetary policy will continue to condition and contain perceptions of inflation in the range of 4.0-4.5 per cent, with particular focus on the behaviour of the non-food manufacturing component. This will be in line with the medium-term objective of 3.0 per cent inflation consistent with India's broader integration into the global economy. The achievement of this objective will be helped by concerted policy actions and resource allocations to address domestic bottlenecks, particularly on the food and infrastructure fronts.

Monetary Aggregates

48. Keeping in view the need to balance the resource requirements of the private sector and the budgeted government borrowings, M_3 growth for 2011-12, for policy purposes, is placed at 16.0 per cent. Consistent with this, aggregate deposits of SCBs are projected to grow by 17.0 per cent. Growth in non-food credit of SCBs is projected at 19.0 per cent. These monetary

projections are consistent with the growth and inflation outlook. As always, the numbers are provided as indicative projections and not as targets.

Risk Factors

49. The indicative projections of growth and inflation for 2011-12 are subject to several risks as detailed below:

i) There are several downside risks to global growth at this stage such as (a) sovereign debt problem in the euro area periphery intensifying and spreading to the core; (b) high commodity prices, especially oil, impacting the global recovery; (c) abrupt rise in long-term interest rates in highly indebted advanced economies with implications for fiscal path; and (d) accentuation of inflationary pressures in EMEs. Should global recovery slacken significantly, it will impact the Indian economy through the trade, finance and confidence channels.

ii) Global commodity prices are a significant risk factor for both domestic growth and inflation. The future path of crude oil prices is uncertain. Brent crude crossed US$ 120 per barrel in April 2011. Metal prices, which witnessed some decline around mid-March 2011, reflecting the weakening of investor confidence due to the Japanese disaster, have resumed their upward trend.

iii) The budgeted fiscal deficit for 2011-12 gives some comfort on the demand front. However, achieving the fiscal consolidation targets for 2011-12 could be a challenge, given the subsidy burden arising out of high international prices, the effect of which has not been completely passed on. The Government, therefore, needs to focus on the quality of expenditure to sustain the fiscal consolidation process, which, in turn, will help contain aggregate demand.

iv) Food inflation, after remaining in double digits for more than two years, declined to a single digit rate in November 2010. However, despite normal monsoon in 2010, food price inflation did not show the usual moderation. Furthermore, vegetable prices also did not exhibit the usual seasonal pattern in 2010-11. This suggests that supply is not able to keep pace with the growing demand. Given the spike in international food prices even in significantly traded food items, imports do not provide an option to cushion domestic prices. Persistently high food prices are likely to exert sustained upward pressure on wages, thus transmitting through to wider cost pressure on prices.

v) If oil and commodity prices remain elevated, the CAD will remain significant. Financing of CAD is going to be a challenge as advanced countries begin exiting from their accommodative monetary policy stance. This could slow down capital inflows to EMEs, including India, as investors rebalance their portfolios.

III. The Policy Stance

50. The Reserve Bank began exiting from the crisis driven accommodative policy in October 2009. Since then, the cash reserve ratio (CRR) has been raised by 100 basis points. Policy rates have been raised eight times - the repo rate under the LAF by 200 basis points and the reverse repo rate by 250 basis points. The effective tightening in policy rates has been of 350 basis points as the liquidity in the system transited from a surplus to a deficit mode.

51. The monetary policy stance in 2010-11 was calibrated on the basis of the domestic growth-inflation dynamics amidst persistent global uncertainties. Against the backdrop of global and domestic macroeconomic conditions, outlook and risks, the policy stance for 2011-12 has been guided by the following major considerations.

52. First, notwithstanding some moderation in the second half of the year, inflation has persistently remained much above the comfort level of the Reserve Bank. The sharp increase in non-food manufactured product inflation towards the latter part of the year suggests strong underlying demand pressures, which are helping producers to pass through input price increases. The uncertainty in global commodity prices poses a major risk to domestic inflation as the significant increase in global crude prices that has already taken place, is yet to be passed through to domestic prices. The impact of monetary tightening

already undertaken by the Reserve Bank is still unfolding. However, considering the overall inflation scenario, there is a clear need to persist with the anti-inflationary stance.

53. Second, while the growth momentum remained relatively firm during 2010-11, signs of moderation emerged in the latter half of the year, particularly with respect to capital goods and investment activity. Growth is expected to decelerate from 8.6 per cent in 2010-11 to around 8 per cent in 2011-12, which should contribute to some easing of demand-side inflationary pressures, particularly in the second half, as the full impact of monetary tightening is realised. However, even as this trend unfolds, persistently high rates of inflation raise the risks of inflationary expectations becoming unhinged.

54. Against this backdrop, the stance of monetary policy of the Reserve Bank will be as follows:

- Maintain an interest rate environment that moderates inflation and anchors inflation expectations.
- Foster an environment of price stability that is conducive to sustaining growth in the medium-term coupled with financial stability.
- Manage liquidity to ensure that it remains broadly in balance, with neither a large surplus diluting monetary transmission nor a large deficit choking off fund flows.

IV. Monetary Measures

Report of the Working Group on Operating Procedure of Monetary Policy

55. Following the First Quarter Review of Monetary Policy for 2010-11 (July 2010), the Reserve Bank constituted a Working Group to Review the Operating Procedure of Monetary Policy in India (Chairman: Shri Deepak Mohanty). The Report of the Group was placed in public domain on March 15, 2011 for feedback and comments.

56. Based on the Group's recommendations and in the light of the feedback received, it has been decided to make the following changes in the extant operating procedures of monetary policy:

(i) The weighted average overnight call money rate will be the operating target of monetary policy of the Reserve Bank.

(ii) There will henceforth be only one independently varying policy rate and that will be the repo rate. The transition to a single independently varying policy rate is expected to more accurately signal the monetary policy stance.

(iii) The reverse repo rate will continue to be operative but it will be pegged at a fixed 100 basis points below the repo rate. Hence, it will no longer be an independent rate.

(iv) A new Marginal Standing Facility (MSF) will be instituted from which SCBs can borrow overnight up to one per cent of their respective NDTL. The rate of interest on amount accessed from this facility will be 100 basis points above the repo rate. A notification is being issued separately providing for a general waiver of default from SLR compliance, freeing banks from the obligation of seeking a specific waiver of default as is the case now. This facility is expected to contain volatility in the overnight inter-bank market.

(v) As per the above scheme, the revised corridor will have a fixed width of 200 basis points. The repo rate will be in the middle. The reverse repo rate will be 100 basis points below it and the MSF rate 100 basis points above it.

(vi) While the width of the corridor is fixed at 200 basis points, the Reserve Bank will have the flexibility to change the corridor, should monetary conditions so warrant.

57. The above changes in the operating framework other than at (iv) above will come into force with immediate effect. Change under (iv) will come into effect from the fortnight beginning May 7, 2011. Detailed guidelines in this regard are being issued separately.

58. On the basis of the policy stance as outlined in Section III, and changes in operating procedures as set out above, the Reserve Bank announces the following policy measures:

Repo Rate

59. It has been decided to:

- increase the repo rate under the liquidity adjustment facility (LAF) by 50 basis points from 6.75 per cent to 7.25 per cent with immediate effect.

Reverse Repo Rate

60. The reverse repo rate under the LAF, determined with a spread of 100 basis point below the repo rate, automatically adjusts to 6.25 per cent with immediate effect.

Marginal Standing Facility (MSF) Rate

61. The Marginal Standing Facility (MSF) rate, determined with a spread of 100 basis points above the repo rate, stands calibrated at 8.25 per cent. This rate will come into effect on operationalisation of the MSF.

Bank Rate

62. The Bank Rate has been retained at 6.0 per cent.

Cash Reserve Ratio

63. The cash reserve ratio (CRR) of scheduled banks has been retained at 6.0 per cent of their NDTL.

Savings Bank Deposit Interest Rate

64. As indicated in the Second Quarter Review of Monetary Policy 2010-11, the discussion paper delineating the pros and cons of deregulating the savings bank deposit interest rate was placed on the Reserve Bank's website on April 28, 2011 for feedback from the general public.

65. In the recent period, the spread between the savings deposit and term deposit rates has widened significantly. Therefore, pending a final decision on the issue of deregulation of savings bank deposit interest rate, it has been decided to :

- increase the savings bank deposit interest rate from the present 3.5 per cent to 4.0 per cent with immediate effect.

66. Detailed instructions in this regard to banks are being issued separately.

Expected Outcomes

67. The monetary policy actions in this review are expected to:

i) contain inflation by reining in demand side pressures, and anchor inflationary expectations; and

ii) sustain the growth in the medium-term by containing inflation.

Guidance

68. The Bank's baseline inflation projections, as indicated in Chart 2 (page 9), are that the inflation rate will remain close to the March 2011 level over the first half of 2011-12, before declining. These projections factor in an upward revision of petrol and diesel prices. While the persistence of inflation over the next few months has been incorporated in this policy, the Reserve Bank will continue to persevere with its anti-inflationary stance.

Mid-Quarter Review of Monetary Policy

69. The next mid-quarter review of Monetary Policy for 2011-12 will be announced through a press release on Thursday, June 16, 2011.

First Quarter Review of Monetary Policy 2011-12

70. The First Quarter Review of Monetary Policy for 2011-12 is scheduled for Tuesday, July 26, 2011.

Part B. Developmental and Regulatory Policies

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

72. The global financial crisis has exposed areas of vulnerability in the financial sector and policy initiatives are underway to strengthen financial stability. Some of the key issues that have arisen in the banking sector are inadequate loss-absorbing capital; insufficient liquidity buffers; excessive build-up of leverage; procyclicality of financial markets; focus on firm-specific supervision and neglect of

macro-prudential supervision of system-wide risks; moral hazard from too-big-to-fail institutions; weak governance practices; poor understanding of complex products; and shortcomings in risk management. With a view to addressing these issues, various international bodies, national supervisors and policymakers are engaged in instituting various reform measures at the global and at the national levels. The Reserve Bank has been playing an active role in various international fora, including G-20, Basel Committee on Banking Supervision (BCBS) and Financial Stability Board (FSB), which are engaged in setting standards and formulating policies for safeguarding the financial system.

73. The Reserve Bank has already indicated that it would implement the reform measures under Basel III framework, which are applicable to banks in India. Apart from reforms in the banking sector, the Reserve Bank has also been pursuing reforms in several other areas. It has been actively pursuing the development of various segments of the financial market. In the recent period, financial inclusion has also been recognised as a key objective of policy. In addition, greater emphasis is being placed on the quality of service rendered by banks to their customers. Information technology and payment and settlement services have a crucial role in ensuring not only efficient banking services but also in financial stability, financial inclusion and customer service. It has, therefore, been the endeavour of the Reserve Bank to promote the use of information technology in banks and provide secure and efficient payment and settlement services in the country.

I. Financial Stability

Financial Stability Report

74. It was announced in the Second Quarter Review of Monetary Policy of November 2010 that the Financial Stability Report (FSR) would be regularly published in June and December every year. Accordingly, the second FSR was released by the Reserve Bank in December 2010. The report brought out that the financial sector remained stress-free notwithstanding intermittent volatility, especially in the equity and foreign exchange markets. Financial institutions remained healthy. The stress testing on credit, market and liquidity risks indicated a reasonable degree of resilience of the banking sector in India. The report also pointed to some discernible soft spots such as volatile capital flows, stretched fiscal conditions, persisting inflationary pressure, deterioration in asset quality of banks, regulatory gaps in the non-banking financial sector, and underscored the need for setting up a robust macro-prudential framework for identification of systemic risks.

II. Interest Rate Policy

Base Rate

75. The Reserve Bank introduced the Base Rate System from July 2010, which replaced the benchmark prime lending rate (BPLR) system. Banks were given time till end-December 2010 to select the appropriate benchmark and other cost parameters for computing the Base Rate. Subsequently, some banks requested for extension of time. Accordingly, banks were permitted to change the benchmark and methodology used in the computation of their Base Rates for a further period of six months, *i.e.*, up to June 30, 2011.

III. Financial Markets

Financial Market Products

Interest Rate Futures

76. It was indicated in the Second Quarter Review of November 2010 that exchange traded interest rate futures (IRFs) on 5-year and 2-year notional coupon bearing central government securities and 91-day Treasury Bills would be introduced after taking into account the experiences of cash-settled IRF regimes in other countries. The IRF trading on 91-day Treasury Bills with cash settlement in Indian Rupees was permitted by the Reserve Bank in March 2011. The guidelines for 5-year and 2-year IRFs are being finalised in consultation with the Securities and Exchange Board of India (SEBI).

Introduction of Credit Default Swaps

77. It was announced in the Second Quarter Review of October 2009 to introduce plain vanilla over-the-counter (OTC) single-name credit default swap (CDS) for corporate bonds for resident entities, subject to appropriate safeguards. Consequently, an internal Working Group was constituted to finalise the

operational framework in consultation with market participants. The final report of the internal Working Group and draft guidelines on CDS were placed on the Reserve Bank's website in February 2011 for public comments. The guidelines are being finalised, based on feedback from the public, extensive consultations with the stakeholders and deliberations in the Technical Advisory Committee on Financial Markets. Accordingly, it is proposed:

- to issue the final guidelines on plain vanilla single-name CDS for corporate bonds for resident entities, after taking into consideration the feedback/suggestions received from market participants, by end-May 2011.

78. The product will be launched once the necessary market infrastructure is in place.

Review of Short Sale in Government Securities

79. Based on the recommendations of the Technical Group on the Central Government Securities Market, intra-day short selling in central government securities was permitted in February 2006. Subsequently, based on the feedback received, the period of short sale was extended to five days in January 2007. With a view to providing a fillip to the IRF market and the term repo market, it is proposed:

- to extend the period of short sale from the existing five days to a maximum period of three months.

Extension of DvP III Facility to Gilt Account Holders

80. Consequent upon the announcement made in the Mid-term Review of Monetary and Credit Policy for the year 2003-04, the settlement of transactions in government securities through Clearing Corporation of India Ltd. (CCIL) was switched over to delivery versus payment (DvP) III mode with effect from April 2, 2004. However, the DvP III mode of settlement was not extended to gilt account holders who maintained their balances with the custodian bank/primary dealer who, in turn, held these securities in its constituent subsidiary general ledger (CSGL) account with the Reserve Bank. With the stabilisation of the transaction and settlement infrastructure, it is now proposed:

- to extend DvP III facility to transactions by the gilt account holders (excluding transactions between the gilt account holders of the same custodian) so that the gilt account holders get the benefit of efficient use of funds and securities.

81. Detailed guidelines in this regard will be issued shortly.

Guidelines on Over-the-Counter Forex Derivatives

82. It was proposed in the Second Quarter Review of November 2010 to issue final guidelines on OTC foreign exchange derivatives by end-November 2010. Accordingly, comprehensive guidelines on OTC foreign exchange derivatives and overseas hedging of commodity price and freight risks were issued in December 2010. The important elements of the revised guidelines, which became effective February 1, 2011, are (i) allowing embedded cross currency option in the case of foreign currency-rupee swaps; and (ii) permitting use of cost reduction structures, both under the contracted exposures and past performance routes, subject to certain safeguards.

Cancellation and Rebooking under the Portfolio Investment Scheme by FIIs

83. Currently, foreign institutional investors (FIIs) are permitted to cancel and rebook 2 per cent of the market value of the portfolio as at the beginning of the financial year. In view of the large positions held by the FIIs and considering the increased depth of the Indian forex market to absorb the impact on the exchange rate, it is proposed:

- to allow FIIs to cancel and rebook up to 10 per cent of the market value of the portfolio as at the beginning of the financial year.

84. Detailed guidelines in this regard will be issued separately.

Facilitating Rupee Trade – Hedging Facilities for Non-resident Entities

85. The provisions under the Foreign Exchange Management Act (FEMA), 1999 do not permit non-residents to hedge their currency exposure with authorised dealer (AD) banks in India, in respect of

exports and imports invoiced in Indian Rupees. In order to facilitate greater use of Indian Rupee in trade transactions, it is proposed:

- that in respect of exports and imports invoiced in Indian Rupees, non-resident importers and exporters can hedge their currency risk with AD banks in India through their bankers having Rupee *vostro* accounts in India. The contracts would be on a deliverable basis.

86. The operational details will be finalised and notified in consultation with the stakeholders.

Financial Market Infrastructure

Committee for Review of Procedures relating to Facilities to Individuals – Residents/NRIs and PIOs

87. The Reserve Bank recognises the need for facilitating genuine foreign exchange transactions by individuals – residents/non-resident Indians (NRIs) and persons of Indian origin (PIOs) – under the current regulatory framework of FEMA. Keeping this in view, a Committee (Chairperson: Smt. K.J. Udeshi) comprising the representatives of various stakeholders has been set up. The Committee will identify areas for streamlining and simplifying the procedure so as to remove the operational impediments, and assess the level of efficiency in the functioning of authorised persons, including the infrastructure created by them. The Committee is expected to submit its report within three months.

IV. Credit Delivery and Financial Inclusion

Credit Flow to the Micro, Small and Medium Enterprises Sector

High Level Task Force on MSMEs

88. As indicated in the Second Quarter Review of November 2010, the Reserve Bank, based on the recommendations of the High Level Task Force on Micro, Small and Medium Enterprises (MSMEs), issued guidelines in June 2010, advising scheduled commercial banks that the allocation of 60 per cent of micro and small enterprises (MSEs) advances to the micro enterprises was to be achieved in stages, *viz.*, 50 per cent in the year 2010-11, 55 per cent in the year 2011-12 and 60 per cent in the year 2012-13. Further, banks were mandated to achieve a 10 per cent annual growth in the number of micro enterprise accounts and a 20 per cent year-on-year growth in credit to the MSE sector. The Reserve Bank is closely monitoring the achievement of targets by banks on a half-yearly basis, *i.e.*, March and September each year. A suitable format has been devised by the Reserve Bank to capture and monitor the achievement of the targets by banks and the same are regularly reviewed at the highest level. Banks, which lag behind in achieving the targets, have been mandated to submit an action plan to achieve the prescribed targets.

Rural Credit Institutions

Licensing of Co-operatives

89. In terms of the recommendations of the Committee on Financial Sector Assessment (Chairman: Dr. Rakesh Mohan and Co-Chairman: Shri Ashok Chawla) and as proposed in the Annual Policy Statement of April 2009, the work relating to licensing of unlicensed state and central co-operative banks in a non-disruptive manner, in consultation with National Bank for Agriculture and Rural Development (NABARD), was initiated. Subsequent to the issuance of revised guidelines on licensing of state co-operative banks (StCBs)/district central co-operative banks (DCCBs), 10 StCBs and 144 DCCBs were licensed, bringing down the number of unlicensed StCBs from 17 to 7 and unlicensed DCCBs from 296 to 152 as on March 31, 2011.

Revival of the Rural Co-operative Credit Structure

90. The Government of India, based on the recommendations of the Task Force on Revival of Rural Co-operative Credit Institutions (Chairman: Prof. A. Vaidyanathan) and in consultation with the State Governments, had approved a package for revival of the short-term rural co-operative credit structure. As envisaged in the package, 25 States have entered into memorandum of understanding (MoU) with the Government of India and NABARD and 20 States have amended their respective State Co-operative Societies Acts. As on February 28, 2011, an aggregate amount

of ₹8,460 crore was released by NABARD for recapitalisation of primary agricultural credit societies (PACS) in 16 States as the Government of India's share under the revival package.

Financial Inclusion through Grass-root Co-operatives

91. It was proposed in the Monetary Policy Statement of April 2010 to constitute a committee comprising representatives from the Reserve Bank, NABARD and a few State Governments to study the functioning of well-run PACS, large adivasi multi-purpose co-operative societies (LAMPS), farmers service societies (FSS) and thrift and credit co-operative societies set up under the parallel Self-Reliant Co-operative Societies Acts to gather information on their working and assess their potential to contribute to financial inclusion. The regional offices of the Reserve Bank have since given their inputs. Analysis, consolidation of data and preparation of State-wise reports are in progress and are expected to be completed by end-July 2011.

Malegam Committee Recommendations

92. In the wake of the Andhra Pradesh micro finance crisis in 2010, concerns were expressed by various stakeholders and the need was felt for more rigorous regulation of non-banking financial companies (NBFCs) functioning as micro finance institutions (MFIs). As indicated in the Second Quarter Review of November 2010, a Sub-Committee of the Central Board of the Reserve Bank (Chairman: Shri Y. H. Malegam) was constituted to study issues and concerns in the MFI sector. The Committee submitted its report in January 2011, which was placed in public domain. The Committee, *inter alia*, recommended (i) creation of a separate category of NBFC-MFIs; (ii) a margin cap and an interest rate cap on individual loans; (iii) transparency in interest charges; (iv) lending by not more than two MFIs to individual borrowers; (v) creation of one or more credit information bureaus; (vi) establishment of a proper system of grievance redressal procedure by MFIs; (vii) creation of one or more "social capital funds"; and (viii) continuation of categorisation of bank loans to MFIs, complying with the regulation laid down for NBFC-MFIs, under the priority sector. The recommendations of the Committee were discussed with all stakeholders, including the Government of India, select State Governments, major NBFCs working as MFIs, industry associations of MFIs working in the country, other smaller MFIs, and major banks. In the light of the feedback received, it has been decided:

- to accept the broad framework of regulations recommended by the Committee;
- that bank loans to all MFIs, including NBFCs working as MFIs on or after April 1, 2011, will be eligible for classification as priority sector loans under respective category of indirect finance only if the prescribed percentage of their total assets are in the nature of "qualifying assets" and they adhere to the "pricing of interest" guidelines to be issued in this regard;
- that a "qualifying asset'' is required to satisfy the criteria of (i) loan disbursed by an MFI to a borrower with a rural household annual income not exceeding ₹60,000 or urban and semi-urban household income not exceeding ₹1,20,000; (ii) loan amount not to exceed ₹35,000 in the first cycle and ₹50,000 in subsequent cycles; (iii) total indebtedness of the borrower not to exceed ₹50,000; (iv) tenure of loan not to be less than 24 months for loan amount in excess of ₹15,000 without prepayment penalty; (iv) loan to be extended without collateral; (v) aggregate amount of loan, given for income generation, not to be less than 75 per cent of the total loans given by the MFIs; and (vi) loan to be repayable by weekly, fortnightly or monthly instalments at the choice of the borrower;
- that banks should ensure a margin cap of 12 per cent and an interest rate cap of 26 per cent for their lending to be eligible to be classified as priority sector loans;
- that loans by MFIs can also be extended to individuals outside the self-help group (SHG)/ joint liability group (JLG) mechanism; and
- that bank loans to other NBFCs would not be reckoned as priority sector loans with effect from April 1, 2011.

93. Detailed guidelines in this regard will be issued separately.

Redefining the Priority Sector

94. The Malegam Committee recommended that the existing guidelines on bank lending to the priority sector be revisited. Requests were also received from various quarters in the recent past to relook at the definition of the priority sector, especially when bank finance was being routed through other agencies. It is, therefore, proposed:

- to appoint a committee to re-examine the existing classification and suggest revised guidelines with regard to priority sector lending classification.

Financial Inclusion Plan for Banks

95. As indicated in the Second Quarter Review of November 2010, all public and private sector banks were advised to put in place a Board approved three-year financial inclusion plans (FIPs) and submit them to the Reserve Bank by March 2010. These banks have since prepared and submitted their FIPs containing targets for March 2011, 2012 and 2013, to the Reserve Bank. These plans broadly include self-set targets in respect of rural brick and mortar branches opened; business correspondents (BCs) employed; coverage of unbanked villages with population above 2,000 as also other unbanked villages with population below 2,000 through branches/BCs/other modes; no-frill accounts opened including through BC-ICT; kisan credit cards (KCCs) and general credit cards (GCCs) issued; and other specific products designed by them to cater to the financially excluded segments.

96. The implementation of these plans is being closely monitored by the Reserve Bank on a quarterly basis. The analysis of progress reports of above plans received from all public and private sector banks shows that during the period April 2010 to March 2011, banks opened 5,214 new branches, deployed 25,403 BCs/customer service providers (CSPs) and provided banking services in 43,337 villages. Out of these, 525 villages were covered through rural brick and mortar branches, 42,506 villages through BCs and 306 villages through other modes such as ATMs and mobile vans. It is important to note that banks covered 24,066 villages with population above 2,000, in addition to covering 19,271 villages with population below 2,000.

Branch Authorisation Policy

97. Domestic scheduled commercial banks (excluding regional rural banks [RRBs]) were permitted in December 2009 to open branches in Tier 3 to Tier 6 centres (with population up to 49,999) without prior permission of the Reserve Bank. However, prior authorisation from the Reserve Bank was required for opening of branches in Tier 1 and Tier 2 centres which was granted based, *inter alia*, on the (i) number of branches opened in Tier 3 to Tier 6 centres under general permission;

(ii) branches proposed to be opened in under-banked districts in under-banked States; and (iii) bank's performance in areas of financial inclusion and customer service. It was observed that on an average scheduled commercial banks (SCBs) opened about

20 per cent of the total number of new branches in rural centres (Tier 5 and Tier 6) in the last two years.

98. There is a need to step up the opening of branches in rural areas so as to improve banking penetration and financial inclusion rapidly and meet the targets set out for providing banking services in villages with population over 2,000. The FIPs submitted by banks indicate that banks propose to use BCs in a big way to reach out to unbanked villages. Keeping in view the goal of bringing banking services to identified 72,800 villages by March 2012 and thereafter progressively to all villages over a period of time, there is a need for opening of more brick and mortar branches, besides the use of BCs. Accordingly, domestic SCBs are being mandated:

- to allocate at least 25 per cent of the total number of branches to be opened during a year to unbanked rural (Tier 5 and Tier 6) centres.

Urban Co-operative Banks

Licenses for Setting up new Urban Co-operative Banks

99. As announced in the Monetary Policy Statement of April 2010, an Expert Committee (Chairman: Shri Y. H. Malegam) was constituted in October 2010 with representations from all stakeholders for studying the

advisability of granting licenses for setting up new urban co-operative banks (UCBs) under Section 22 of the Banking Regulation Act, 1949 [as applicable to co-operative societies (AACS)]. The Committee will also look into the feasibility of an umbrella organisation for the UCB sector. The Committee is expected to submit its report by end-June 2011.

Financing of Self-Help Group/Joint Liability Group by UCBs

100. With a view to further expanding the outreach of UCBs and opening an additional channel for promoting financial inclusion, which would also help the UCBs in achieving the sub-target of lending to weaker sections, it is proposed:

- to permit UCBs to lend to SHGs/JLGs; and
- to keep lending to SHGs out of the norm on unsecured advances.

Exposure of UCBs to Housing, Real Estate and Commercial Real Estate

101. Pursuant to the announcements made in the Second Quarter Review of November 2010, UCBs were permitted to lend up to 10 per cent of their total assets to housing, real estate and commercial real estate and an additional 5 per cent of total assets for purchase and construction of dwelling units costing up to ₹10 lakh. Keeping in view the representations received from UCBs and their associations that they are finding it difficult to use the additional limit of 5 per cent of total assets due to the high cost of dwelling units, it is proposed:

- to permit UCBs to utilise the additional 5 per cent of their total assets permitted earlier, for housing loans up to ₹15 lakh.

Internet Banking Facility

102. With increasing expectation of customers of UCBs for better products and services on par with commercial banks, the opening up of internet banking channel to UCBs will enable them to retain their customer base. It is, therefore, proposed:

- to permit scheduled UCBs satisfying certain criteria to provide internet banking facility to their customers.

103. Detailed guidelines will be issued separately.

Membership of Negotiated Dealing System

104. Pursuant to the Second Quarter Review of November 2010, all licensed UCBs were allowed the facility of Indian Financial Network (INFINET) membership, current and subsidiary general ledger (SGL) accounts with the Reserve Bank and real time gross settlement (RTGS) membership to well managed and financially sound UCBs having a minimum net worth of ₹25 crore. In order to further enable UCBs to serve their customers better, it is now proposed:

- to permit well managed and financially sound UCBs to become members of the negotiated dealing system (NDS).

105. Detailed guidelines are being issued separately.

Customer Service

106. Pursuant to the announcement made in the Monetary Policy Statement of April 2010, a Committee on Customer Service (Chairman: Shri M. Damodaran) was constituted to look into banking services rendered to retail and small customers, including pensioners. Apart from formal meetings, the Committee members have conducted meetings with various stakeholders across the length and breadth of the country. The report is in the process of being finalised.

V. Regulatory and Supervisory Measures for Commercial Banks

Strengthening the Resilience of the Banking Sector

107. After the financial crisis, the BCBS has taken a number of initiatives with a view to improving the banking sector's ability to absorb shocks arising from financial and economic stress and to reduce the risk of spillover from the financial sector to the real economy. It may be recalled that the BCBS had issued certain enhancements to Basel II Framework, including amendments to the market risk framework in July 2009, which were implemented by the Reserve Bank with effect from March 31, 2010. In December 2010, the BCBS released a comprehensive package of further reforms which, together with the July 2009 enhancements, is known as the Basel III framework.

This reform package aims at (i) increasing the quality and quantity of the capital with greater emphasis on common equity; (ii) increasing the risk coverage; (iii) introducing a leverage ratio as a back stop to the risk-based capital ratio; and (iv) introducing capital conservation and counter-cyclical capital buffers to ensure build up of additional capital in good times, thereby protecting banks from the dangers of excessive credit growth. Besides, the Committee has also introduced liquidity ratios with a view to ensuring that banks maintain adequate liquidity buffers and reduce maturity mismatches.

108. The Reserve Bank would adhere to internationally agreed phase-in period (beginning January 1, 2013) for implementation of the Basel III framework. The Reserve Bank is studying the Basel III reform measures for preparing appropriate guidelines for implementation. It is taking steps to disseminate information on Basel III and help banks prepare for smooth implementation of the framework.

Implementation of Advanced Approaches under Basel II Framework

109. The Reserve Bank had announced timeline for implementation of advanced approaches for computation of regulatory capital under the Basel II framework in India in July 2009. The guidelines for the standardised approach (TSA)/alternate standardised approach (ASA) for operational risk were issued in March 2010 and those for internal models approach (IMA) for market risk in April 2010. Draft guidelines for advanced measurement approach (AMA) for operational risk were issued in January 2011 for public comments/feedback, and final guidelines were issued in April 2011. Guidelines for internal rating based (IRB) approach for credit risk are under preparation.

Enhancement of Rates of Provisioning for Non-Performing Assets

110. In pursuance of the announcement made in the Second Quarter Review of October 2009, banks were advised in December 2009 to achieve a provisioning coverage ratio (PCR) of 70 per cent for their non-performing advances by end-September 2010. This coverage ratio was intended to achieve a counter-cyclical objective by ensuring that banks build up a good cushion of provisions to protect them from any macroeconomic shock in future. In April 2011, banks were advised to segregate the surplus of provisions under the PCR *vis-a-vis* as required as per prudential norms as on September 30, 2010, into an account styled as "counter-cyclical buffer". While the "counter-cyclical buffer" so created would be available to banks for making specific provisions during economic downturns, there is a need for banks to make higher specific provisions also as part of the prudential provisioning framework. Accordingly, It is proposed to enhance the provisioning requirements on certain categories of non-performing advances and restructured advances as under:

- advances classified as "sub-standard" will attract a provision of 15 per cent as against the existing 10 per cent (the "unsecured exposures" classified as sub-standard assets will attract an additional provision of 10 per cent, *i.e.,* a total of 25 per cent as against the existing 20 per cent);
- the secured portion of advances which have remained in "doubtful" category up to one year will attract a provision of 25 per cent (as against the existing 20 per cent);
- the secured portion of advances which have remained in "doubtful" category for more than one year but upto 3 years will attract a provision of 40 per cent (as against the existing 30 per cent);
- restructured accounts classified as standard advances will attract a provision of 2 per cent in the first 2 years from the date of restructuring, or in cases of moratorium on payment of interest/principal after restructuring, for the period covering moratorium and 2 years thereafter (as against existing provision of 0.25-1.00 per cent, depending upon the category of advances); and
- restructured accounts classified as non-performing advances, when upgraded to standard category will attract a provision of 2 per cent in the first year from the date of upgradation (as against existing provision of

0.25-1.00 per cent, depending upon the category of advances).

111. Detailed guidelines in this regard will be issued separately.

Investments in Debt-oriented Mutual Funds

112. It has been observed that banks' investments in liquid schemes of debt oriented mutual funds (DoMFs) have grown manifold. The liquid schemes continue to rely heavily on institutional investors such as commercial banks whose redemption requirements are likely to be large and simultaneous. DoMFs, on the other hand, are large lenders in the over-night markets such as collateralised borrowing and lending obligation (CBLO) and market repo, where banks are large borrowers. DoMFs invest heavily in certificates of deposit (CDs) of banks. Such circular flow of funds between banks and DoMFs could lead to systemic risk in times of stress/liquidity crunch. Thus, banks could potentially face a large liquidity risk. It is, therefore, felt prudent to place certain limits on banks' investments in DoMFs. Accordingly, it is proposed:

- that the investment in liquid schemes of DoMFs by banks will be subject to a prudential cap of 10 per cent of their net worth as on March 31 of the previous year. However, with a view to ensuring a smooth transition, banks which are already having investments in DoMFs in excess of the 10 per cent limit, will be allowed to comply with this requirement in six months' time.

Presence of Foreign Banks in India

113. It was indicated in the Monetary Policy Statement of April 2010 that drawing lessons from the crisis, a discussion paper on the mode of presence of foreign banks through branch or wholly owned subsidiary (WOS) would be prepared by September 2010. Accordingly, a discussion paper on presence of foreign banks in India was placed on the Reserve Bank's website in January 2011 soliciting views/ comments from all stakeholders, including banks, non-banking financial institutions, and the public at large by March 7, 2011. The comprehensive guidelines on the mode of presence of foreign banks in India are being formulated, keeping in view the suggestions/comments on the discussion paper, received from all concerned.

Licensing of New Banks in the Private Sector

114. Following the announcement made by the Hon'ble Finance Minister in the Union Budget 2010-11 and as indicated in the Monetary Policy Statement of April 2010, the Reserve Bank released a discussion paper on licensing of new banks on its website in August 2010, seeking views/comments of banks, NBFCs, industrial houses, other institutions, and the public at large. The discussion paper reviewed the international and Indian experience on various issues and also indicated possible approaches with the pros and cons of each of the approaches. Detailed discussions were held with various associations of stakeholders from the industry, banks, NBFCs, and MFIs and some consultants in October, 2010. In addition, diverse comments, including relating to granting of banking license to industrial houses/ business houses have been received from a large number of respondents, which include parties interested in setting up new banks, industry associations, banks, academia, eminent personalities associated with banking and finance, and the members of the general public. Certain issues, which would require amendments to the Banking Regulation Act, 1949, have also been brought to the notice of the Government of India. A gist of comments on various issues received from important stakeholders and eminent people on the discussion paper was placed on the Reserve Bank's website in December 2010. All these comments have been examined and the draft guidelines on the entry of new banks are being finalised in consultation with the Government of India.

Compensation Practices

115. It was indicated in the Second Quarter Review of October 2009 that in line with the steps taken by the global community, particularly the initiatives taken by G-20 nations, the Reserve Bank would issue guidelines to private sector banks and foreign banks with regard to sound compensation policy. It was proposed to issue comprehensive guidelines based

on the FSB principles on sound compensation practices, which would cover, among others, effective governance of compensation, alignment of compensation with prudent risk-taking and disclosures for whole time directors/chief executive officers as well as risk takers of banks. Accordingly, draft guidelines on sound compensation policy were framed and placed on the Reserve Bank's website in July 2010 for public comments. A large number of comments/suggestions were received on the draft guidelines and it was proposed in the Second Quarter Review of Monetary Policy for 2010-11 to issue final guidelines on compensation practices by end-December 2010. However, in October 2010, the BCBS brought out a consultative paper titled 'Range of Methodologies for Risk and Performance Alignment of Remuneration', for public comments. As the paper provides guidance on important methodological issues, it has been decided to await the final version of this paper for formulating our guidelines. Accordingly, the implementation of the Reserve Bank guidelines on compensation policy has been deferred till 2012-13. This will also give sufficient time to banks to formulate their policies. Banks, in the meantime, should refer to the BCBS consultative paper on 'Range of Methodologies for Risk and Performance Alignment of Remuneration' of October 2010, and begin the preparatory work.

Convergence of Indian Accounting Standards with International Financial Reporting Standards

116. As indicated in the Second Quarter Review of November 2010, a Working Group (Chairman: Shri P. R. Ravi Mohan) was constituted in July 2010 to address the implementation issues and facilitate formulation of operational guidelines in the context of convergence of Indian Accounting Standards with the International Financial Reporting Standards (IFRSs). Six sub-groups, constituted under the aegis of this Working Group, are closely monitoring the developments at the international level, especially the progress made by the International Accounting Standard Board (IASB) in finalising the accounting standards relating to financial instruments, and fair value accounting, among others, and attempting to prepare operational guidelines within the framework of IFRS for the Indian banking sector. The Ministry of Corporate Affairs placed on its website 35 Indian Accounting Standards (IND AS), converged with IFRS in February 2011. It also stated that it would implement them in a phased manner after various issues, including tax related issues, were resolved with the concerned departments. The Reserve Bank is also endeavouring towards skill development at the level of banks and supervisors with a view to ensuring smooth and non-disruptive migration to the IFRS.

Amendments to the Banking Regulation Act, 1949

117. A comprehensive legislation for the amendment of the Banking Regulation Act, 1949 and the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 & 1980 was introduced in the Parliament in March 2011. The important amendments relating to the Banking Regulation Act include insertion of a new section to override the provisions of the Competition Act, 2002 and exempt the applicability of such provisions to amalgamations/reconstitutions/mergers/acquisitions, *etc.* of different categories of banks; removal of the restrictions on voting rights; enabling banking companies to issue preference shares subject to regulatory guidelines by the Reserve Bank; formation of a depositor education and awareness fund; facilitating consolidated supervision; and a provision for supersession of boards of directors by the Reserve Bank; and increase in the quantum of penalties. The proposals relating to the amendment of the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970 & 1980 include raising the authorised capital of nationalised banks; enabling them to raise capital through "rights issue" or by issue of bonus shares; and raising the restrictions on voting rights. These amendments will have implications for the regulation and supervision of various types of banks by the Reserve Bank.

Introduction of Bank Holding Company/Financial Holding Company Structure in India

118. In pursuance of the announcement made in the Monetary Policy Statement of April 2010, a Working

Group (Chairperson: Smt. Shyamala Gopinath) was constituted to examine the introduction of a holding company structure for banks and other financial entities together with the required legislative and regulatory framework. The Group is expected to submit its report by end-May 2011.

Information Technology and Related Issues: Enhancement to the Guidelines

119. A Working Group on Information Security, Electronic Banking Technology Risk Management and Cyber Frauds (Chairman: Shri G. Gopalakrishna) was set up by the Reserve Bank to strengthen the Reserve Bank's guidelines relating to the governance of IT information security measures, apart from enhancing independent assurance about the effectiveness of IT controls. The report, which was submitted by the Group in January 2011, covers various areas such as IT governance, information security (including electronic banking channels like internet banking, ATMs, cards), IT operations, IT services outsourcing, information system audit, cyber frauds, business continuity planning, customer education and legal issues. The report was placed on the Reserve Bank's website for public comments/feedback. Keeping in view the feedback/comments received, detailed guidelines are being issued to banks. While major recommendations of the Group are to be implemented by banks within a period of six months, other recommendations/guidelines are required to be implemented within a period of one year from the date of issue of the circular.

Supervisory Policies, Procedures and Processes: A Comprehensive Review

120. The operating environment with regard to supervision of banks has undergone significant changes with considerable increase in size, number and complexities of banks' businesses over the last decade. There have been extensive innovations in financial products, processes, strategies and risk management techniques at the institutional level. In the recent period, banks have also emerged as financial conglomerates in order to exploit economies of scale and scope. In view of the widening gap between growing supervisory responsibilities and available supervisory resources, it was considered expedient to conduct a review of the supervisory processes followed by the Reserve Bank. A High Level Steering Committee (Chairman: Dr. K. C. Chakrabarty) was set up by the Reserve Bank to review the existing supervisory processes in respect of commercial banks in India. The Committee, among others, will include a leading industry expert, one sitting and one retired chairman and managing director (CMD) of public sector banks as members. The Committee will lay down the terms of reference for review of the supervisory processes in the Reserve Bank and select one domestic or international agency for reviewing the supervisory processes and giving its recommendations for implementation.

VI. Institutional Developments Non-Banking Financial Companies

Review of the Existing Regulatory Framework for NBFCs

121. There has been significant transformation in the NBFC sector in India in the past few years and the sector has come to be recognised as a systemically important component of the financial system. The recent global financial crisis has highlighted the risks arising from the non-banking financial sector because of regulatory gaps, arbitrage and systemic inter-connectedness. A need was, therefore, felt to reflect on the broad principles that underpin the regulatory architecture for NBFCs, keeping in view the economic role and heterogeneity of this sector and the recent international experience. The Reserve Bank has constituted a Working Group (Chairperson: Smt. Usha Thorat) to examine a range of emerging issues pertaining to the regulation of the NBFC sector. The Group will also focus on the definition and classification of NBFCs, keeping in view the need for addressing regulatory gaps and regulatory arbitrage, maintaining standards of governance in the sector and adopting appropriate approach to NBFC supervision. The Committee is expected to submit its report by end-June 2011.

Setting up of Central Electronic Registry under the SARFAESI Act, 2002

122. The Government of India has set up a company, incorporated under section 25 of the Companies Act,

1956, as the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) to give effect to the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002. The objective of the central registry is to prevent frauds in loan cases involving multiple lending from different banks on the same immovable property. The registry became operational from March 2011 and its jurisdiction covers the whole of India.

Payment and Settlement Systems

Mobile Banking in India

123. Considering the importance of mobile phone channels for banking services, the Reserve Bank issued guidelines on mobile banking in October 2008. Since then a number of relaxations in the guidelines have been made. In all, 39 banks were granted approval for mobile banking, of which 34 banks have launched the mobile banking services. On an average, 6,80,000 transactions amounting to ₹61 crore in a month are settled through this channel.

124. Non-bank entities were permitted by the Reserve Bank to issue mobile-based semi-closed prepaid instruments in August 2009. To start with, these instruments were considered as a separate category and a cap of ₹5,000 was imposed on such prepaid instruments. Considering the potential of such mobile-based prepaid instruments for promoting non-cash based transactions and the interest evinced by non-bank entities in promoting these products, it is proposed:

- to treat mobile-based semi-closed prepaid instruments issued by non-banks on par with other semi-closed payment instruments and raise the limit from ₹5,000 to ₹50,000, subject to certain conditions.

125. Banks were permitted by the Reserve Bank in December 2009 to provide their customers the mobile-based transaction facility up to ₹1,000 without end-to-end encryption. Taking into consideration the feedback from banks for increasing the limits for such transactions, it is proposed:

- to enhance the limit of such transactions from ₹1,000 to ₹5,000.

Working Group for Card Present Transactions

126. Card present transactions [transactions at points of sale (PoS) and ATMs] constitute a major proportion of the card based transactions in the country. For increasing the confidence of customers in this channel, it is necessary to secure these transactions through implementation of additional security/ authentication in the short run and prevent counterfeiting of cards by migrating to chip-based and PIN-based cards in the long run. Considering the importance of this process, a Working Group comprising representatives from various stakeholders was constituted to recommend action plan for enabling additional authentication for transactions at PoS using existing cards in a cost effective manner and propose a timeframe for migrating the card infrastructure to enabling issuance and acceptance of chip-based and PIN-based cards. The Working Group is expected to submit its recommendations by end-May 2011.

Performance of National Electronic Funds Transfer System

127. All the refinements to the national electronic funds transfer (NEFT) have been well accepted by the stakeholders and the product is growing from strength to strength in terms of acceptability, reach and volumes handled. As at end-February 2011, around 75,000 branches of 100 banks participated in the NEFT system and the volume of transactions processed increased to 13.5 million in February 2011. Efforts have also been initiated to extend NEFT facility to the branches and customers of RRBs. A few banks have since successfully and seamlessly brought the RRBs sponsored by them under the NEFT ambit. Further, full assistance was provided to the Royal Monetary Authority of Bhutan; the electronic clearing service (ECS) and the NEFT were successfully replicated in Bhutan.

IT Vision Document for 2011-17

128. A High Level Committee (Chairman: Dr. K. C. Chakrabarty) was constituted by the Reserve Bank

to prepare an IT vision document for the period 2011-17, taking into account requirements and expectations of the banking system in general and those of the Reserve Bank, in particular. The report of the Committee was placed on the Reserve Bank's website in February 2011. The document contained a number of recommendations, including the Reserve Bank transforming itself into an information intensive knowledge organisation and commercial banks moving forward from their core banking solutions to enhanced use of IT in areas such as management information system (MIS), regulatory reporting, overall risk management, financial inclusion and customer relationship management. The recommendations related to both the Reserve Bank and commercial banks. The Reserve Bank has drawn a roadmap for implementation of the vision document over short-term (2 years), medium-term (2-4 years) and long-term (4 years and more). The Reserve Bank will, in association with the Indian Banks' Association (IBA), follow up on implementation of the recommendations by commercial banks.

Automated Data Flow from Banks

129. A Core Group consisting of experts from banks, the Reserve Bank, the Institute for Development and Research in Banking Technology (IDRBT) and the IBA was constituted for preparing an approach paper on automated data flow (a straight through process) from the core banking solution (CBS) or other IT systems of commercial banks to the Reserve Bank. It was indicated in the Second Quarter Review of November 2010 that the Core Group had finalised the approach paper and the timeline of the entire project would be determined in consultation with banks. It has been decided to implement the project in a phased manner taking into account the technology and process maturity of individual banks. Banks have been advised to submit a roadmap clearly indicating the returns which can be sourced directly from the banks' systems for submission to the Reserve Bank without manual intervention. It has also been decided to prescribe a quarterly monitoring format in which the banks will be advised to certify the list of returns which have been internally generated from the IT source systems without manual intervention. The Reserve Bank is in touch with the banks and the solution providers for implementing the recommendations over a period of two years.

Real Time Gross Settlement System

130. As indicated in the Monetary Policy Statement of April 2010, a Working Group was constituted for preparing an approach paper for implementing the next generation real time gross settlement (NG-RTGS) system. The Group has since submitted the approach paper, the suggestions of which have been taken as a basis for preparing the blueprint for the NG-RTGS system. First, the Reserve Bank has initiated steps to enhance the capacity of the hardware system in the short-term by rationalising the use of the resources during peak and non-peak periods. Second, the process for enhancing the capacity in the medium-term has already begun. Third, several new features are being envisaged in the NG-RTGS system such as advanced liquidity management facility; extensible mark up language (XML) based messaging system conforming to ISO 20022; and real time information and transaction monitoring and control system.

Currency Management

131. Banks were mandated to use note sorting machines in all their branches having average daily cash receipts of ₹1 crore and above by March 2010. As of now, 1,323 branches (other than currency chest branches) have been identified having average daily cash receipt of ₹1 crore and above. Banks have reported that note sorting machines have been installed and made operational in 1,012 branches. For the remaining branches, banks have made arrangements with the nearest currency chest branch/currency administration branch. It was also indicated in the Second Quarter Review of October 2009 that banks should use such machines in all their branches having average daily cash receipts between ₹50 lakh and ₹1 crore by March 2011. Banks have reported that they have identified 3,000 branches

with daily cash receipt between ₹50 lakh and ₹1 crore, out of which 413 branches have installed note sorting machines. Another 517 branches have put in place arrangements for processing of high denomination notes. Banks are expected to enhance their efforts to have note sorting machines in all such identified branches.

Second Quarter Review

132. The next review of the developmental and regulatory policies will be undertaken as part of the Second Quarter Review of Monetary Policy on October 25, 2011.

Mumbai
May 3, 2011

Macroeconomic and Monetary Developments in 2010-11

Overview

Monetary policy was tightened in a calibrated manner through 2010-11 with transmission improving distinctly in Q4 on the back of liquidity deficit. While growth reverted to its recent trend, inflation remained above trend on the back of supply-side shocks. In the event, policy response focused on containing the spillover of supply side inflation and anchoring inflation expectations. This was important as cost-push pressures were significant and pricing power prevailed amidst strong aggregate demand.

2. Core inflationary pressures were effectively contained in the earlier part of the year but new shocks emerged: first in terms of vegetable prices spiking up in November and December 2010 and then spiraling up of global fuel and non-fuel prices. These supply-side shocks coming in quick succession elevated the path of inflation, and in the process price pressures became broad-based in the later part of the year.

Global Economic Conditions

Recovery outpacing expectations but oil, Euro zone risks remain

3. Even as recovery remains multi-speed, growth in both advanced economies and emerging/developing economies outpaced initial expectations. This raises hope for sustained, though moderately paced global recovery during 2011, with risks emerging from high oil prices. The Indian economy continued to outperform most emerging markets during 2010-11 retaining its position as the second fastest growing economy, after China, amongst the G-20 countries. China and India contributed nearly a quarter of the incremental world output.

4. The IMF World Economic Outlook of April 2011 has left its global growth forecast unaltered from its January 2011 estimate of 4.4 per cent for 2011 and 4.5 per cent for 2012. It has, however, projected a 36 per cent rise in global crude oil prices in 2011 and noted the potential of oil prices to surprise further on the upside. This is a key downside risk to growth. Sovereign balance sheet risks in the Euro zone and dormant real estate markets have also been cited as downside risks to growth in advanced economies (AEs).

Inflation risks on the rise, and not just in the emerging markets

5. Global inflation risks have risen significantly over the last quarter, not just in emerging markets but also in advanced economies. The pressures for rate cycle turning even in advanced countries can no longer be ignored with ECB raising its policy rates by 25 bps on April 7, 2011. Inflation in several emerging markets, especially in Asia, is now running above trend. As a result, central banks of several emerging markets have significantly tightened monetary policy. Besides India, these include China, Brazil, Israel, Thailand and Korea.

6. Notwithstanding the monetary tightening, risks to inflation in most countries are skewed on the upside. These risks emanate from commodity prices across food, fuel, and other industrial inputs that have firmed up significantly over the year.

Indian Economy: Developments and Outlook

Output

Activity levels remain strong

7. GDP growth during 2010-11 reverted to the high growth trajectory. Growth had moderated in the preceding two years as the global economy slowed down as a result of global financial crisis. The growth during 2010-11 reflects a rebound in agriculture and sustained levels of activity in industry and services.

8. Overall growth indicators are mixed. Prospects for agriculture appear encouraging, given IMD's forecast of a normal monsoon and a good outturn of Rabi in 2010-11. Industrial growth, however, moderated in the second half largely reflecting the waning of base effects and contraction in capital goods output. The deceleration has, however, been exacerbated by few items with volatile output. Other indicators, such as the Purchasing Managers' Index (PMI), direct and indirect tax collections, merchandise exports and bank credit suggest that the growth momentum persists. Indicators on services sector activity also remain robust, not withstanding some deceleration in the government-spending related services. However, high energy and commodity prices may impact output and investment climate, and pose a threat to maintaining high growth at a time when the investment momentum may be slowing down.

Aggregate Demand

Aggregate demand robust even as government spending decelerates on fiscal consolidation

9. Aggregate demand accelerated further in 2010-11 even as rebalancing took place from government consumption spending to private consumption and investment. Momentum in overall demand conditions was reflected in indicators like corporate sales growth, improving capacity utilisation, higher employment and pricing power with the producers. However, aggregate investment moderated somewhat in Q3 of 2010-11. This slackening was also reflected in the contraction in capital goods output and weaker new project investment indicated by banks. This process needs to be reversed to bolster the potential growth of the economy.

10. Though revenue buoyancy was witnessed in 2010-11, there are risks to the deficit projections of 2011-12 as subsidies are likely to exceed the budgetary provisions, given sharply higher international commodity prices. The process of fiscal consolidation needs to be carried forward on both revenue and expenditures sides, with a sharper focus on the latter. Containment of subsidies by raising domestic prices of petroleum products and fertilizers should be a building block of this strategy.

External Sector

CAD risks moderate, but have not dissipated

11. Improvement in exports during 2010-11 facilitated moderation of the current account deficit (CAD). However, if oil and other commodity prices stay elevated, CAD may widen in 2011-12. This will necessitate higher external financing. The dominance of more volatile portfolio equity flows requires that CAD be contained within prudent limits, especially as the net international liabilities and the debt creating flows have risen. Overall, diversification in exports and robust invisible earnings are expected to bulwark in any events of capital flow reversals.

12. While global recovery remains on course, the size and direction of capital flows can be impacted by the pace of US recovery, the reconstruction in Japan and the balance sheet risks in the Euro zone.

Monetary and Liquidity Conditions

Tightening helps keep stable monetary conditions

13. As inflation stayed above the indicated projections during 2010-11, monetary policy was continually tightened through the year. Monetary and liquidity conditions responded to the policy measures, though with a lag.

14. Even as reserve money growth remained strong, money supply growth stayed below indicative trajectory. Lower growth in aggregate deposits and reduction in money multiplier emanating from higher currency demand led to this divergent trend. Credit expansion was above the indicative trajectory for the year, though it moderated towards the later part. Deposit growth which lagged behind the credit expansion, picked up in Q4 of 2010-11, responding to the rise interest rates. Liquidity conditions were tight for most part of the year with some easing towards the last quarter.

Financial Markets

Stronger monetary transmission impacts interest rates

15. Interest rates firmed up responding to monetary policy signals. Banks progressively passed on the increased costs in the form of higher lending rates. Monetary transmission was observed to be strong particularly in the Q4 of 2010-11.

16. Conditions in various financial markets remained orderly. Asset prices generally remained range bound. Equity markets witnessed good buying interest from

FIIs during July-November 2010 followed by some correction alongwith greater volatility. While price correction has not materialized, house price pressures remained moderate in Q3 of 2010-11.

Price Situation

Inflation persists with supply-side shocks and return of manufacturing inflation

17. Headline inflation exhibited strong persistence in 2010-11. It reflected both supply shocks and gradual generalisation of price pressures. The generalization was reflected in non-food manufacturing price pressures from December 2010 as producers were able to pass on cost increases amidst strong demand. Notwithstanding some moderation in food prices during Q4, hike in prices of a number of manufactured products following input cost pressures kept headline inflation firm and significantly above the medium-term trend. Inflation during 2011-12 is likely to moderate slowly but remain above the comfort level as the passthrough of international commodity prices is likely to continue.

Macroeconomic Outlook

Costly oil a risk to growth sustainability and inflation

18. High global crude oil and other commodity prices pose the biggest risk to India's growth and inflation. Persistently high inflation has kept inflation expectations elevated. Fresh pressures from commodity prices do make 2011-12 a challenging year for inflation management. Cross-country experience suggests that phases of high growth have generally been accompanied by low inflation. While growth risks are on the downside, emanating from high oil prices and some moderation in investment, GDP growth during 2011-12 is expected to stay close to the trend. However, the risks to inflation are on the upside and it may remain elevated for some more time despite the current anti-inflationary bias in the monetary stance.

I. Output

GDP growth, estimated at 8.6 per cent during 2010-11, reverted to its recent trend, aided by rebound in agricultural growth. Industrial growth moderated in the second half of the year reflecting the effect of higher base and some moderation in investment demand. The services sector maintained momentum in most of its segments. Buoyant overall agricultural performance and continued services sector growth momentum augur well for growth in 2011-12. However, risks to growth ahead arise from rising prices of oil and industrial raw materials, decelerating investment demand and high inflation.

Indian economy grew at around its trend rate in 2010-11

I.1 Real GDP growth in 2010-11 reverted to near trend growth rate, following two successive years of below trend growth (Chart I.1a). Non-agricultural GDP growth, however, was slightly below the trend (Chart I.1b). The main impetus to the growth in 2010-11 came from agriculture which benefited from a normal monsoon, while industry and services registered mild deceleration (Table I.1). This moderation was primarily during the second half of the year due to the waning of the favourable base effect as well as deceleration in Government-spending related services. Growth is expected to stay near its trend during 2011-12 with upside factors such as buoyant private consumption demand and improved external demand getting counter-balanced by likely adverse impact from high fuel and commodity prices and prevailing risks to global growth from the debt crisis in parts of the Euro zone. Demand conditions are discussed in Chapter II of this report.

Agriculture sector outlook remains strong

I.2 Agricultural production rebounded in 2010-11 after drought conditions in the preceding year caused a contraction. Foodgrain production reached a new record with both *Kharif* and *Rabi* crops turning out to be good. A satisfactory North-East monsoon following the normal South-West monsoon coupled with favourable sowing and reservoir positions improved the prospects for agricultural production during 2010-11. At 2 per cent and 21 per cent above their respective long period averages (LPA), this is the first time in the last ten years that both the South-West and the North-East monsoons surpassed their respective LPAs. There

Chart I.1: GDP Growth and Trend

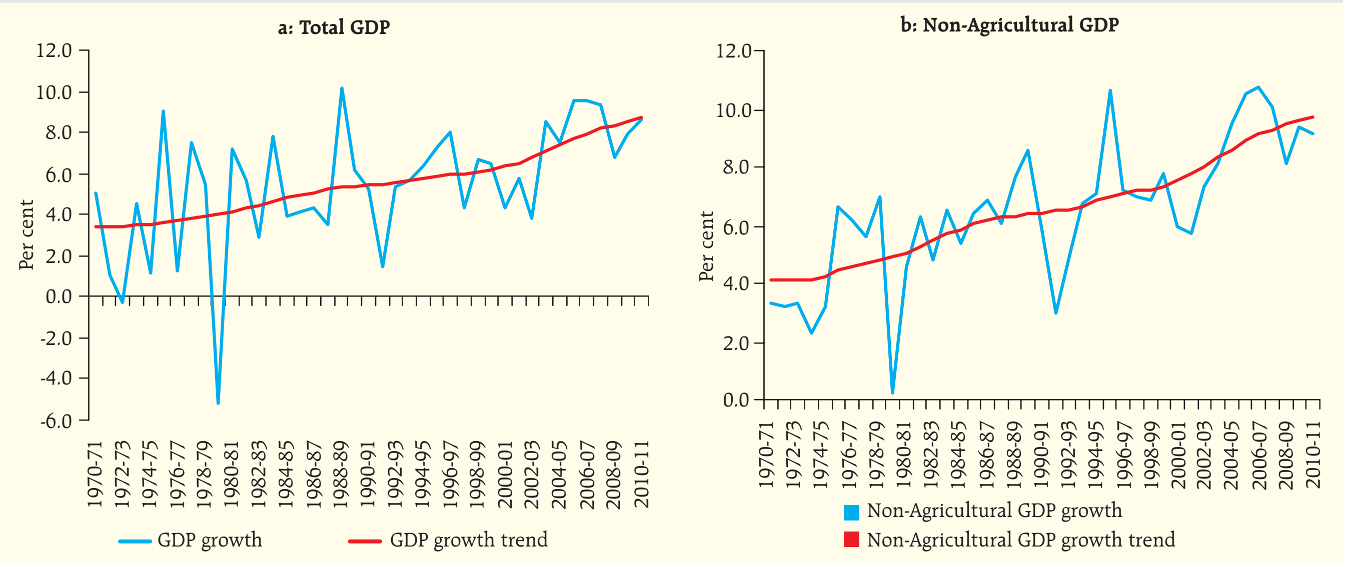


Table I.1 : Sectoral GDP Growth (Base: 2004-05)

(Per cent)

Item	2009-10*	2010-11#	2009-10 Q1	2009-10 Q2	2009-10 Q3	2010-11 Q1	2010-11 Q2	2010-11 Q3	2009-10 (Apr-Dec)	2010-11 (Apr-Dec)
1	2	3	4	5	6	7	8	9	10	11
1. Agriculture and allied activities	**0.4**	**5.4**	**1.8**	**1.2**	**-1.6**	**2.5**	**4.4**	**8.9**	**0.2**	**5.7**
2. Industry	**8.3**	**8.2**	**2.9**	**6.3**	**10.0**	**11.7**	**8.9**	**5.7**	**6.4**	**8.7**
2.1 Mining and quarrying	6.9	6.2	6.9	6.6	5.2	8.4	7.9	6.0	6.2	7.4
2.2 Manufacturing	8.8	8.8	2.0	6.1	11.4	13.0	9.8	5.6	6.5	9.4
2.3 Electricity, gas and water supply	6.4	5.1	6.2	7.5	4.5	6.2	3.4	6.4	6.1	5.3
3. Services	**9.7**	**9.4**	**8.5**	**10.8**	**9.2**	**9.4**	**9.6**	**8.7**	**9.5**	**9.3**
3.1 Construction	7.0	8.0	5.4	5.1	8.3	10.3	8.7	8.0	6.2	9.0
3.2 Trade, hotels, restaurants, transport and communication, *etc.*	9.7	11.0	5.5	8.2	10.8	11.0	12.1	9.4	8.2	10.8
3.3 Financing, insurance, real estate and business services	9.2	10.6	11.5	10.9	8.5	7.9	8.2	11.2	10.3	9.1
3.4 Community, social and personal services	11.8	5.7	13.0	19.4	7.6	7.8	7.4	4.8	13.2	6.6
4. GDP at factor cost (total 1 to 3)	**8.0**	**8.6**	**6.3**	**8.6**	**7.3**	**8.9**	**8.9**	**8.2**	**7.4**	**8.6**

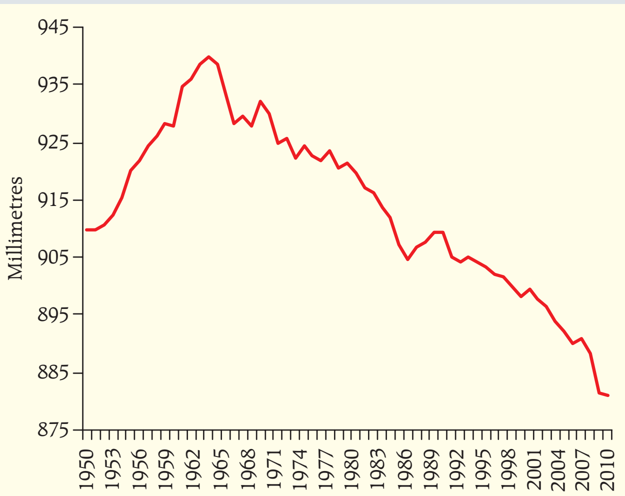
* : Quick Estimates. # : Advance Estimates.

Source: Central Statistics Office.

has, however, been a secular decline in the long-term average rainfall during June-September over the years (Chart I.2). This reflects deterioration in climatic conditions that may have long-run detrimental consequences for agricultural output in India.

I.3 Area sown under major *Rabi* crops, in particular, wheat and pulses, have surpassed their respective normal areas sown and levels achieved in 2009-10 by significant margins. *Rabi* sowing of all crops as on April 15, 2011 was 4 per cent higher than the level achieved during the previous year (Table I.2). The foodgrain production in 2010-11 is estimated to be the highest ever, surpassing the previous peak achieved in 2008-09. Significant increases in the outputs of key agricultural products would help in reducing the pressure on food prices. Agro-based industries could benefit from higher agricultural growth. Higher agricultural growth could also translate into better rural incomes which could help boost the demand for other sectors.

Chart I.2: Long Period Average of Rainfall during June to September



Note: 50-year moving average of rainfall.

Record wheat production requires focus on food management

I.4 With record wheat production witnessed in 2010-11, there is need for focussed attention on food management. This is essential for building optimal food stocks while averting the problem of plenty caused by bumper harvests. The total stock of foodgrains with the Food Corporation of India (FCI) and other Government agencies declined to 44.4 million tonnes on March 31, 2011 (60.9 million tonnes on June 30, 2010) partly reflecting the Government's policy of faster release of foodgrains to the market to ease food inflation (Chart I.3). The Government has fast-tracked the process of creating new storage capacity of 150 lakh metric tonnes through private entrepreneurs and

Table I.2: Agriculture Production and *Rabi* Area Sown

(Area in Million hectares; Production in Million tonnes)

Crop	Sowing			Production		
	Normal	2009-10	2010-11	Per cent of Normal 2010-11	Final 2009-10	3rd Advance Estimates 2010-11
1	2	3	4	5	6	7
Rice	4.26	4.43	4.45 (0.5)	104.5	89.09	94.11 (5.6)
Wheat	27.33	28.36	29.41 (3.7)	107.6	80.80	84.27 (4.3)
Total Coarse Cereals	6.32	6.58	6.19 (-6.0)	97.9	33.55	40.21 (19.9)
Total Cereals	**37.91**	**39.37**	**40.05 (1.7)**	**105.6**	**203.45**	**218.59 (7.4)**
Total Pulses	**12.02**	**14.30**	**15.75 (10.1)**	**131.0**	**14.66**	**17.29 (17.9)**
Total Foodgrains	**49.93**	**53.68**	**55.80 (4.0)**	**111.8**	**218.11**	**235.88 (8.1)**
Total Nine Oilseeds	**9.98**	**9.82**	**10.21 (3.9)**	**102.3**	**24.88**	**30.25 (21.6)**
Cotton #	-	-	-	-	**24.23**	**33.93**
Jute # #	-	-	-	-	**11.23**	**9.89**
Mesta # #	-	-	-	-	**0.59**	**0.59**
Sugarcane (Cane)	-	-	-	-	**292.3**	**340.55**
All Crops	**59.91**	**63.50**	**66.00 (4.0)**	**110.2**	-	-

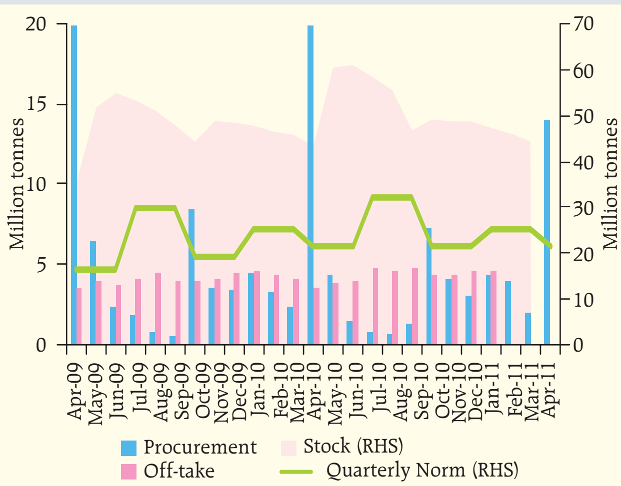
-: Nil/Not Available. #: Million bales of 170 kgs. each. # #: Million bales of 180 kgs. each.

Note: Figures in parentheses are percentage change over previous year.

Source: Ministry of Agriculture, Government of India.

warehousing corporations while making capital investment in modern storage capacity eligible for viability gap funding. Going forward, the challenge for food management and procurement will be to ensure that the volatility in food prices does not get amplified.

Chart I.3: Food Stock and its Determinants



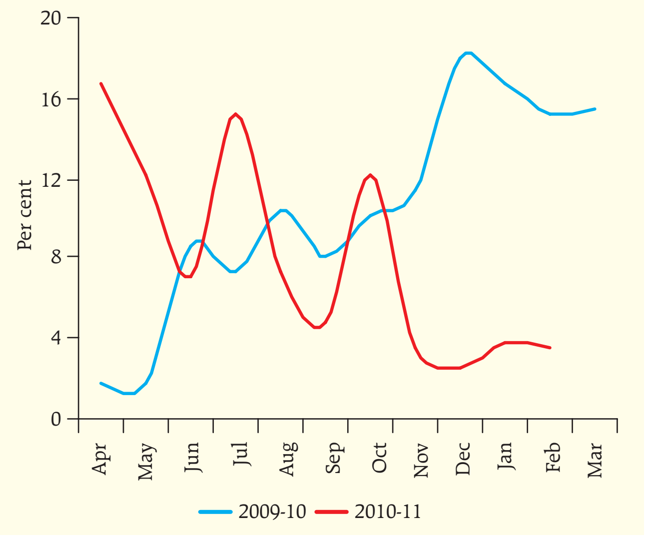
Note: 1. Data for off-take is up to January 2011 and stock up to March 2011.
2. Procurement and off-take data are monthly figures.
3. Procurement for April 2011 is as on April 25.

Industrial growth decelerates on account of high base effect and moderation in investment demand

I.5 During 2010-11 (data available up to February 2011), the industrial sector exhibited signs of slowdown as the IIP growth moderated with intermittent episodes of volatility mainly on account of the high base effect and sharp deceleration in capital and intermediate goods which could partly be attributed to the moderation in investment demand in Q3 of 2010-11 (Chart I.4).

I.6 The lower growth in IIP during April-February 2010-11 compared to the corresponding period of the previous year has been on account of the slowdown in growth of almost all the sectors except consumer goods (Table I.3). The contribution of intermediate and capital goods to the overall IIP growth declined, reflecting some moderation in investment demand. The continued high growth of consumer durables segment reflects higher private consumption demand.

Chart I.4: Growth in Index of Industrial Production (Y-o-Y)



Amidst slowdown, manufacturing activity spread more evenly now

I.7 One notable feature of the pattern of IIP growth is that the activity in manufacturing sector has become more evenly spread with fifteen out of seventeen industries recording positive growth during April-February 2010-11. Moreover, the contribution of the bottom twelve industries to the overall IIP growth has increased (Chart I.5).

Recent IIP slowdown exacerbated by volatile components

I.8 The recent IIP slowdown during the period November 2010 to February 2011 has been exacerbated by a few industries. If IIP growth is calculated after excluding the top 10 and the bottom 10 items that tend to disproportionately impact the overall IIP on account of wide volatility, the growth in February 2011 would be close to 8.8 per cent *vis-à-vis* 8.7 per cent in January 2011 and 11.2 per cent in February 2010. This suggests that the deceleration is not as pronounced as it may appear from the headline numbers. Nevertheless, the risk to industrial growth remains with deceleration in output of capital goods (Chart I.6).

Growth of core infrastructure sector remains moderate

I.9 The six core industries (26.6 per cent of total weight in IIP) registered marginally higher growth during April-February 2010-11 as compared with the same period in the previous year while the year-on-year growth indicates some moderation in recent months (Chart I.7). Acute shortage of coal from domestic sources seems to have had some adverse impact on electricity generation. Growth in crude oil

Table I.3: Index of Industrial Production: Sectoral and Use-Based Classification of Industries

(Per cent)

Industry Group	Weight in the IIP		Growth Rate		Weighted Contribution#		
		Apr-Mar	Apr-Feb		Apr-Mar	Apr-Feb	
		2009-10	2009-10	2010-11 P	2009-10	2009-10	2010-11 P
1	2	3	4	5	6	7	8
Sectoral							
Mining	10.5	9.9	9.6	6.5	6.0	6.1	5.3
Manufacturing	79.4	11.0	10.4	8.1	89.4	89.2	89.4
Electricity	10.2	6.0	5.8	5.4	4.6	4.6	5.3
Use-based							
Basic Goods	35.6	7.2	6.8	6.5	19.5	19.5	23.0
Capital Goods	9.3	19.2	19.0	8.7	29.4	27.4	17.4
Intermediate Goods	26.5	13.6	13.6	9.1	32.4	34.2	30.2
Consumer Goods (a+b)	28.7	6.2	5.9	7.5	18.7	18.8	29.3
a) Consumer Durables	5.4	24.6	23.8	21.8	17.9	18.2	24.0
b) Consumer Non-durables	23.3	0.4	0.3	1.9	0.9	0.7	5.3
General	**100.0**	**10.5**	**10.0**	**7.8**	**100.0**	**100.0**	**100.0**

: Figures may not add up to 100 due to rounding off. P : Provisional.

Source: Central Statistics Office.

Chart I.5: Growth Concentration in Manufacturing Sector

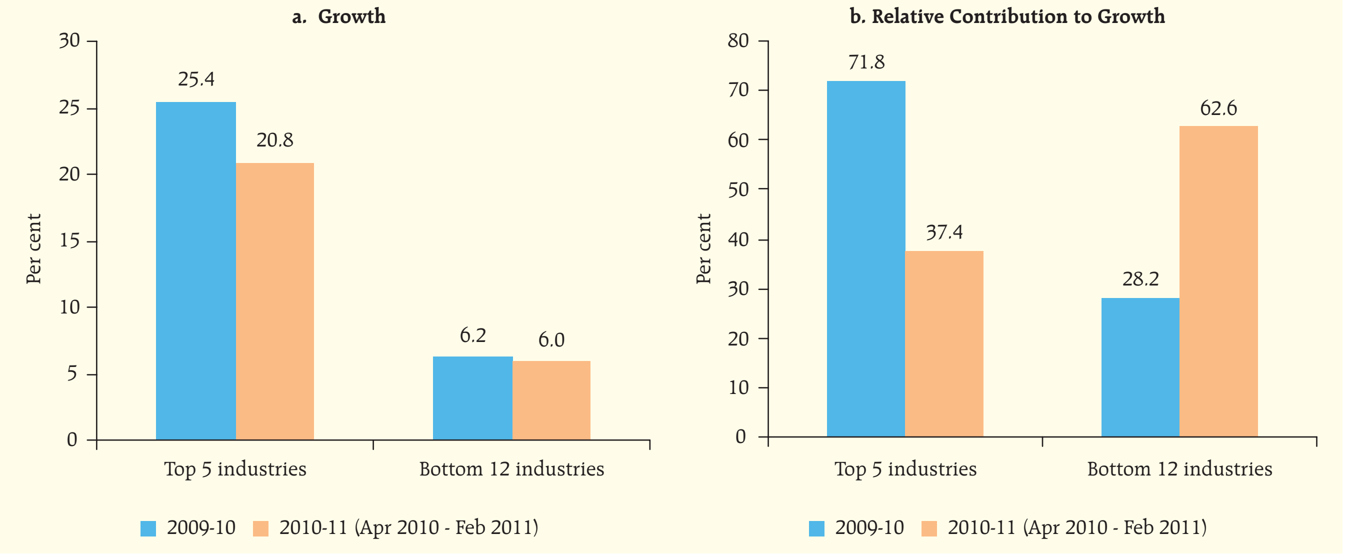
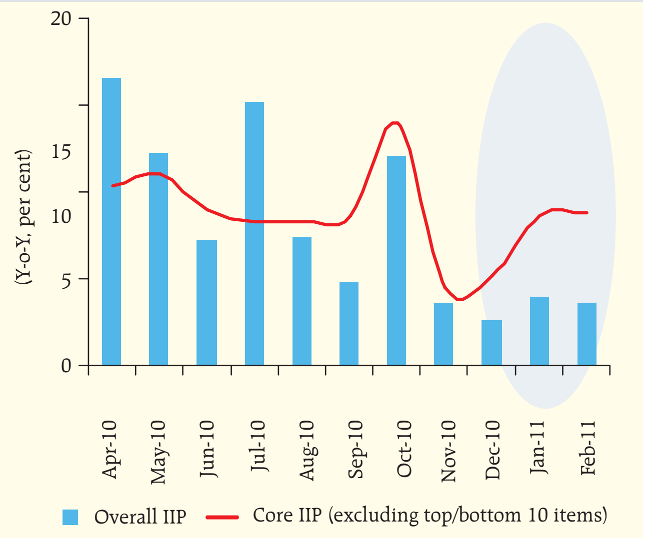


Chart I.6: Growth in IIP - Overall and Excluding Volatile Items



has been robust during the year partly due to base effect. Closer attention to investment in core infrastructure industries is necessary in view of likely energy deficits over the medium term.

High oil prices likely to affect near-term growth

I.10 Uncertainty in the Middle East and North Africa (MENA) adds to upward risk in international oil prices. Analysis in the Indian context indicates likely adverse impact of rising input cost on GDP. Sectors such as surface and air transport, synthetic fibre and chemicals, cotton textiles, paper products, rubber and plastic, cement and foodgrains have high input linkages with oil.

Capacity utilisation inching up

I.11 The evidence on capacity utilisation, order books and inventories provides a mixed picture on cyclical conditions in the industry. There has been some improvement in the overall capacity utilisation in Q3 of 2010-11 and order books improved during the quarter (Chart I.8). It still remains below the levels during the same period of the previous year. For the core industries, while capacity utilisation in petroleum refining and fertiliser remains stretched, that of cement and thermal power generation has eased in line with the production trend for these two industries.

Employment gaining traction supported by IT and automobiles industries

I.12 The ninth round of the series of "Quarterly Quick Employment Surveys" conducted by the Labour Bureau to assess the impact of the economic slowdown on employment in India for the quarter ended December 2010 indicates that the employment situation showed substantial improvement in major industries/groups led by the IT/BPO and the automobile industries (Table I.4).

Chart I.7: Growth in Infrastructure Industries

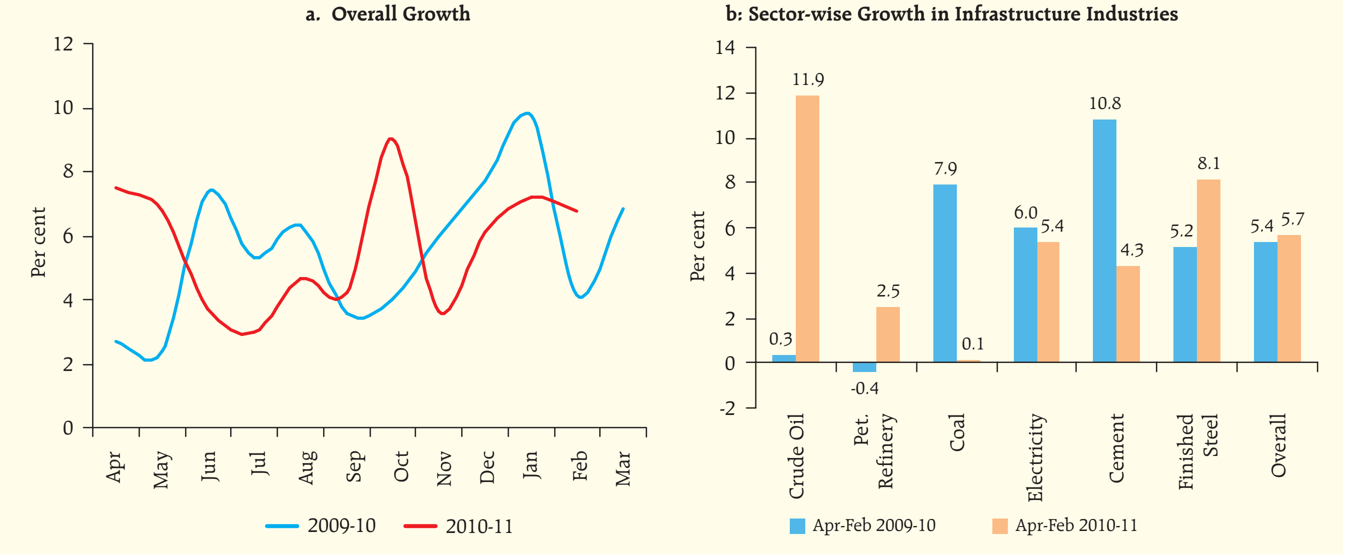
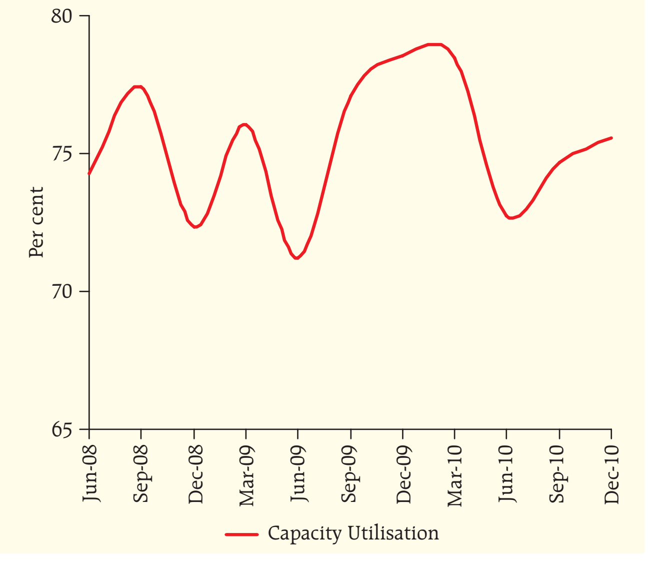


Chart I.8: Capacity Utilisation



Services sector exhibits sustained momentum

I.13 The services sector growth moderated during Q3 of 2010-11 led by deceleration across all sub-sectors except 'financing, insurance, real estate and business services'. The 'community, social and personal services' sub-sector decelerated sharply in 2010-11 so far, reflecting the resumption of the fiscal consolidation process. Nevertheless, the outlook for services sector remains positive with lead indicators of services sector such as tourist arrivals and cell phone connections recording robust growth as per the data available so far for 2010-11. Commercial vehicles production, air cargo and passengers handled at domestic and international terminals registered higher growth

Table I.4: Changes in Estimated Employment

(in Thousands)

Industry/Group	Mar 2010 over Dec 2009	Jun 2010 over Mar 2010	Sep 2010 over Jun 2010	Dec 2010 over Sep 2010	Dec 2010 over Dec 2009
1	2	3	4	5	6
1. Textiles including apparels	-119	-63	245	40	103
2. Leather	0	21	4	16	41
3. Metals	4	45	27	0	76
4. Automobiles	29	51	29	18	127
5. Gems and jewellery	24	4	4	-10	22
6. Transport	-2	-21	13	-1	-7
7. IT/BPO	129	129	108	141	507
8. Handloom/powerloom	-5	-3	6	3	1
Overall	**61**	**162**	**435**	**207**	**870**

Source: Ninth Quarterly Quick Employment Survey, October 2010-December 2010, Labour Bureau.

Table I.5: Indicators of Services Sector Activity

(Growth in Per cent)

Services Sector Indicators	2008-09	2009-10	Apr-Feb 2009-10	Apr-Feb 2010-11
1	2	3	4	5
Tourist arrivals#	-3.3	4.5	4.5	9.0
Commercial vehicles production#	-24	35.9	35.9	32.6
Cement	7.2	10.5	10.8	4.3
Steel	1.6	4.9	5.2	8.1
Railway revenue earning freight traffic	4.9	6.6	6.9	3.6
Cell phone connections	80.9	47.3	49.8	20.2
Cargo handled at major ports	2.2	5.7	5.5	1.1
Civil aviation				
Export cargo handled	3.4	10.4	10.4	14.7
Import cargo handled	-5.7	7.9	5.5	22.1
Passengers handled at international terminals	3.8	5.7	5.1	11.7
Passengers handled at domestic terminals	-12.1	14.5	14.1	15.7

#: Data pertain to April-March.

Source: Ministry of Tourism, Ministry of Statistics and Programme Implementation and SIAM.

indicating buoyant transport sector. Leading indicators of construction activity show a mixed trend with improvement in growth of steel production and deceleration in cement (Table I.5).

Growth momentum likely to sustain at close to trend

I.14 Current growth conditions suggest that the Indian economy is neither overheated, nor does it face a slack. Growth conditions have shown slight moderation of late, but GDP is still likely to grow close to trend in 2011-12. The India Meteorological Department (IMD) has predicted a normal monsoon in 2011. Following a record *Rabi* outturn, this can bolster agricultural growth further. Manufacturing is expected to sustain the momentum as reflected in the strong private consumption demand and improvement in external demand. PMI for March 2011 also suggests sustained expansion. Monsoon turning out to be less than normal is a potential downside risk. If recent increases in crude oil and industrial raw material prices persist, they could weaken the growth momentum amidst high inflation. Downside risks to growth also arise from higher cost of capital and any weakening of consumer confidence as the cost of leverage goes up.

II. Aggregate Demamd

Aggregate demand accelerated further in 2010-11. Private consumption and investment were the key drivers of growth in 2010-11, even though investment moderated somewhat in Q3. Government consumption expenditure has decelerated and this rebalancing should be maintained by focusing on fiscal consolidation. In this context, it is important to contain subsidies that are at risk of overshooting the budgetary provisions as global oil prices rise.*

Demand conditions remain supportive of growth

II.1 Aggregate expenditure, in real terms, accelerated in 2010-11 with private consumption as well as investment expenditure growing at a brisk pace (Table II.1). Going forward, private expenditure is likely to continue to be the main driver of growth, though some moderation can be expected in response to high inflation and demand-side policy measures. Government consumption expenditure has decelerated significantly in 2010-11 and this rebalancing could be maintained this year by staying on the path of fiscal consolidation. Investment expenditure is expected to remain moderate. Recovery in investment expenditure from the soft patch in Q3 of 2010-11 would depend on pick-up in execution of large infrastructure projects.

Saving rate driven up by public sector, investment rate by private corporates

II.2 Both saving and investment rates improved in 2009-10. Improvement in the overall saving rate has been led by the public sector while the investment rate has been boosted mainly by private corporate sector (Table II.2).

Key fiscal indicators budgeted to improve in 2011-12

II.3 The key fiscal indicators of the Central Government showed an improvement in 2010-11 (RE) attributable mainly to larger than expected proceeds from telecom spectrum auctions. The Government chose to utilise these excess receipts to increase

Table II.1 : Expenditure Side of GDP (2004-05 Prices)

(Per cent)

	2009-10 Q.E.	2010-11 A.E.	2009-10			2010-11			2009-10	2010-11
			Q 1	Q 2	Q 3	Q 1	Q 2	Q 3	Apr-Dec	Apr-Dec
1	2	3	4	5	6	7	8	9	10	11
					Growth Rate					
Real GDP at market prices	9.1	9.7	6.5	7.6	9.2	10.2	10.4	9.7	7.8	10.1
Total final consumption expenditure	8.7	7.3	9.3	12.2	7.4	7.4	8.9	6.9	9.5	7.7
(i) Private	7.3	8.2	7.3	8.5	7.0	7.0	8.6	9.0	7.6	8.3
(ii) Government	16.4	2.6	21.3	37.5	9.6	9.1	10.4	-3.0	20.5	4.7
Gross fixed capital formation	7.3	8.4	-0.4	0.3	8.7	25.7	17.8	6.0	2.9	16.1
Changes in stocks	90.8	7.1	78.9	86.1	95.4	6.4	8.2	4.0	86.8	6.1
Net Exports	10.2	-9.5	11.1	-21.4	14.8	6.2	13.8	-59.4	-0.4	-18.4
					Relative Share					
Total final consumption expenditure	70.1	68.5	73.1	71.4	73.6	71.3	70.4	71.7	72.7	71.1
(i) Private	58.5	57.6	61.8	60.2	60.4	60.1	59.2	60.1	60.8	59.8
(ii) Government	11.6	10.8	11.3	11.2	13.1	11.2	11.2	11.6	11.9	11.3
Gross fixed capital formation	32.0	31.6	30.4	31.9	30.9	34.6	34.1	29.8	31.1	32.7
Changes in stocks	3.5	3.5	3.5	3.6	3.5	3.4	3.6	3.3	3.5	3.4
Net Exports	-7.2	-6.0	-6.6	-7.2	-8.7	-6.4	-7.5	-3.2	-7.6	-5.6
Memo:										₹ Crore
Real GDP at Market Prices	48,69,317	53,42,571	11,12,505	11,37,893	12,55,103	12,25,551	12,56,776	13,76,242	35,05,500	38,58,568

Q.E.: Quick Estimates. A.E.: Advance Estimates.

Note: As only major items are included in the table, data will not add up to 100. **Source:** Central Statistics Office.

* Despite well-known limitations, expenditure side GDP data are being used as proxies for components of Aggregate Demand.

Table II.2: Gross Domestic Saving and Gross Domestic Capital Formation

(Per cent to GDP at current market prices)

Item	2007-08	2008-09	2009-10 QE
1	2	3	4
1. Gross Domestic Saving	36.9	32.2	33.7
1.1 Household Sector	22.5	23.8	23.5
Financial saving	11.7	10.8	11.8
Saving in physical assets	10.8	13.1	11.7
1.2 Private Corporate Sector	9.4	7.9	8.1
1.3 Public Sector	5.0	0.5	2.1
2. Gross Domestic Capital Formation*	38.1	34.5	36.5
2.1 Household Sector	10.8	13.1	11.7
2.2 Private Corporate Sector	17.3	11.5	13.2
2.3 Public Sector	8.9	9.5	9.2

* : Adjusted for errors and omissions. QE : Quick Estimates.

allocations for rural infrastructure, implementation of Right to Education Act, plan assistance to States and recapitalisation of public sector banks. The Budget intends to carry forward the process of fiscal consolidation in 2011-12 through reduction in expenditure growth. Recognising that the windfall benefit of one-off non-tax revenues of 2010-11 would not be available during 2011-12, the revenue deficit as a ratio to GDP is budgeted to remain unchanged. Nonetheless, the gross fiscal deficit (GFD) as ratio to GDP is budgeted to decline reflecting compression in capital expenditure in 2011-12 (Table II.3).

Fiscal consolidation process to continue but quality and pace matter

II.4 Over the medium term, the Government has envisaged a gradual reduction in key deficit indicators in consonance with its macroeconomic projections and conservative stance on revenue collections. However, key deficit indicators are likely to remain higher than the prescribed path of the Thirteenth Finance Commission and accordingly, the Government would not be able to achieve revenue balance by 2013-14. Although the Government focuses on reducing 'effective revenue deficit', which excludes capital grants to States, the headline revenue deficit, as a ratio to GFD, is expected to remain higher in 2011-12. This indicates that a larger portion of GFD would emanate from revenue deficit, reducing the availability of resources to undertake capital outlays.

Tax buoyancy helps though tax cut roll-back was partial

II.5 The Central Government is calibrating the roll-back of taxes/duties towards the pre-crisis levels recognising the emerging inflationary situation. The

Table II.3: Key Fiscal Indicators of the Central Government

(Per cent to GDP)

Year	Primary Deficit	Revenue Deficit	Gross Fiscal deficit
1	2	3	4
2009-10	3.1	5.2	6.4
2010-11 BE	1.9	4.0	5.5
2010-11 RE	2.0	3.4 (2.3)	5.1
2011-12 BE	1.6	3.4 (1.8)	4.6
13th FC	-	2.3	4.8
2012-13 (Rolling targets)			
MTFP	-	2.7 (1.1)	4.1
13th FC	-	1.2	4.2
2013-14 (Rolling targets)			
MTFP	-	2.1 (0.5)	3.5
13th FC	-	0.0	3.0

BE: Budget Estimates. RE: Revised Estimates.
MTFP: Medium Term Fiscal Policy Statement. 13th FC: Thirteenth Finance Commission.
Note: Figures for 'effective revenue deficit' are indicated in brackets.
Source: Union Budget 2011-12 and 13th FC.

Table II.4 : Central Government Finances

Item	Growth rate (per cent)			Per cent to GDP		
	2009-10	2010-11 (RE)	2011-12 (BE)	2009-10	2010-11 (RE)	2011-12 (BE)
1	2	3	4	5	6	7
1. Total Expenditure	15.9	18.7	3.4	15.6	15.4	14.0
2. Revenue Expenditure	14.9	15.6	4.1	13.9	13.4	12.2
3. Capital Expenditure	25.0	44.6	-1.4	1.7	2.1	1.8
4. Non-Developmental Expenditure	20.1	10.5	9.5	7.8	7.2	6.9
5. Development Expenditure	12.1	26.5	-0.9	8.1	8.5	7.4
4. Non-Plan Expenditure	18.5	13.9	-0.7	11.0	10.4	9.1
5. Plan Expenditure	10.2	30.2	11.8	4.6	5.0	4.9
6. Revenue Receipts	6.0	36.8	0.8	8.7	9.9	8.8
i) Tax Revenue (net)	3.0	23.5	17.9	7.0	7.2	7.4
ii) Non Tax Revenue	19.9	89.3	-43.0	1.8	2.8	1.4
7. Gross Tax Revenue	3.2	26.0	18.5	9.5	10.0	10.4
i) Direct Tax	13.1	18.1	19.4	5.8	5.7	5.9
ii) Indirect Tax	-9.0	38.0	17.3	3.8	4.3	4.5
Memo:						
Primary Deficit	41.9	-22.0	-9.6	3.1	2.0 (1.9)	1.6
Revenue Deficit	33.7	-20.4	13.9	5.2	3.4 (4.0)	3.4
Gross Fiscal Deficit	24.2	-4.2	2.9	6.4	5.1 (5.5)	4.6

Note: Figures in bracket are budget estimates for 2010-11 as per cent of GDP.
Source: Union Budget 2011-12.

growth in gross tax revenues, however, is budgeted to be lower for 2011-12 as compared with 2010-11 (Table II.4). By keeping the standard rates for excise duty and service tax unchanged, the Government intends to stay on course towards introduction of goods and services tax. With the implementation of direct tax code in 2012-13, the tax buoyancy is expected to improve and raise the gross tax-GDP ratio gradually to 11.3 per cent by 2013-14, though lower than its pre-crisis peak of 11.9 per cent in 2007-08.

Focus on quality of expenditure important in fiscal consolidation

II.6 Sharp moderation in revenue expenditure growth and marginal decline in budgeted capital expenditure are expected to contain expenditure growth this year. The fiscal consolidation strategy for 2011-12 is primarily expenditure driven, reflecting the impact of lower growth in expenditure on salary and pensions and subsidies. While controlling non-plan revenue expenditure growth is a positive feature, the compression in capital expenditure poses concerns regarding the quality of fiscal consolidation.

Capping of expenditure on subsidies is subject to upside risks

II.7 The Budget's lower projection of subsidies for 2011-12 is subject to the underlying assumption of no major variation in international fertiliser and petroleum prices during the entire span of 2011-12, which may not hold (Table II.5). There is an upside risk in the case of fertiliser subsidy as fertiliser input

Table II.5: Major Subsidies

(Amount in ₹ crore)

Items	2009-10		2010-11 RE		2011-12 BE	
	Amount	per cent to GDP	Amount	per cent to GDP	Amount	per cent to GDP
1	2	3	4	5	6	7
Total Subsidies	1,41,351	2.2	1,64,153	2.1	1,43,570	1.6
of which:						
i. Food	58,443	0.9	60,600	0.8	60,573	0.7
ii. Fertiliser	61,264	0.9	54,976	0.7	49,998	0.6
iii. Petroleum	14,951	0.2	38,386	0.5	23,640	0.3
iv. Interest subsidy	2,687	0.0	5,223	0.1	6,869	0.1
v. Others	4,006	0.1	4,968	0.1	2,490	0.0

Source: Union Budget 2011-12.

Table II.6: Corporate Sector-Financial Performance

Item	2009-10				2010-11		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
1	2	3	4	5	6	7	8
	(Growth rates in per cent)						
No. of Companies	2530	2531	2562	2565	2546	2586	2643
Sales	-0.9	0.1	22.5	29.1	24.2	18.7	17.6
Other Income*	50.2	6.0	7.4	10.3	-21.2	58.5	14.7
Expenditure	-4.4	-2.5	20.6	30.7	29.0	19.9	19.6
of which:							
Raw Material	-13.6	-4.0	34.2	44.0	37.8	21.6	19.9
Staff Cost	8.1	6.3	5.2	13.7	16.7	20.5	21.5
Power and Fuel	-13.2	-16.1	-5.1	10.7	15.3	12.1	17.3
Depreciation provision	21.5	20.7	21.6	20.1	19.9	16.8	13.6
Gross profits	5.8	10.9	60.0	36.7	8.2	10.3	11.0
Interest payments	3.7	-1.0	-12.3	-2.9	26.9	5.9	22.4
Profits after tax	5.5	12.0	99.3	44.0	2.4	10.8	10.3
	(Ratios in per cent)						
Change in stock# to Sales	0.6	2.3	0.8	1.1	2.9	1.0	1.5
Gross Profits to Sales	15.7	14.9	14.3	14.6	13.9	13.6	13.6
Profits After Tax to Sales	10.2	9.4	8.8	9.0	8.6	8.5	8.3
Interest to Sales	2.8	3.1	2.7	2.4	2.9	2.7	2.8
Interest to Gross Profits	18.0	20.5	19.1	16.6	21.1	19.9	20.6
Interest Coverage (Times)	5.6	4.9	5.2	6.0	4.7	5.0	4.9

* : Other income excludes extraordinary income/expenditure if reported explicitly

: For companies reporting this item explicitly.

Note: 1. Data pertain to listed non-government non-financial companies.

2. Growth rates are percentage changes in the level for the period under reference over the corresponding period of the previous year for common set of companies.

prices have increased. Fertiliser subsidies are likely to exceed budgetary provisions unless urea price is decontrolled or Nutrient-Based Fertiliser Subsidy scheme succeeds in effectively capping the total fertiliser subsidies. Further, the rising international oil prices may generate pressures on the fiscal situation in case there is a delay in the corresponding adjustment in domestic prices, leading to larger subsidy expenditure towards under-recoveries of downstream oil public sector units. Furthermore, the introduction of National Food Security Bill may also have additional expenditure implications.

Robust sales growth points to enduring demand conditions

II.8 Corporate sales growth remained robust during Q3 of 2010-11 and together with inventory movements signalled continued buoyancy in demand. However, profit margin came under pressure, on account of higher input and interest costs (Table II.6). All components of input costs *viz.*, expenses on raw materials, power & fuel and staff costs witnessed significant increase. Reflecting the tightening of monetary policy rates, interest payments have increased. Companies accumulated stocks as reflected in the rise in stock-in-trade to sales ratio. This may at the current juncture of cycle indicate that producers anticipate a pick-up in demand (Chart II.1). Early results for Q4 from a small sample of companies suggest that sales accelerated during the quarter.

Investment intentions of corporates moderate further in Q3 of 2010-11

II.9 Investment intentions of corporates witnessed a further slowdown in Q3 of 2010-11 after beginning to moderate from the previous quarter. Out of total costs of projects sanctioned in financial year 2010-11 (April-December), the largest share is envisaged to be invested in the power sector followed by the telecommunication sector and metal and metal products.

Demand conditions may soften a little, helping to rebalance growth

II.10 The pick-up in private spending in 2010-11 helped in sustaining growth recovery from the slowdown seen in the immediate aftermath of the global financial

Chart II.1: Sales Growth and Change in Stock-in-Trade to Sales Ratio (%)

crisis. This was essential as the recovery in the initial phases was driven by fiscal stimulus that resulted in large government spending. Nevertheless, the pick-up in private consumption and fiscal consolidation has enabled rebalancing of demand. Restraint on subsidies in the wake of high global oil prices, and maintenance of investment demand are critical for sustaining private demand.

III. The External Sector

Current account deficit (CAD) moderated in Q3 of 2010-11, reflecting significant acceleration in exports. While concerns on CAD in 2010-11 have receded, the spike in oil prices poses the risk of CAD widening in 2011-12. Capital flows are expected to improve financing the CAD comfortably. However, the dominance of portfolio equity flows and the decline in FDI raise concern over the stability of capital flows. While the earthquake in Japan is unlikely to significantly affect India, risk of further worsening of the geo-political situation in MENA and a possible turnaround in global interest rate cycle would have to be factored into macro-policies.

Concerns on CAD have receded, but have not dissipated

III.1 Current account deficit (CAD) that amounted to 3.7 per cent of GDP in H1 of 2010-11 moderated to 2.1 per cent of GDP in Q3 primarily reflecting pick up in exports. With this trend gaining further pace in Q4, the CAD for the full year may settle at around 2.5 per cent of GDP. However, the downward drift could reverse if the current spurt in global crude oil prices persists. With a larger CAD, any abrupt tightening of external financing could put pressure on the exchange rate, raise cost of capital and feed through into inflation. Developments in global economic and financial market conditions could impact the capital account, especially if the central banks in advanced economies (AEs) start withdrawing monetary accommodation. Such a withdrawal, however, is likely to raise global interest rates, reduce leveraged positions in global commodity markets and so help deflate global commodity prices.

Global recovery advances but sovereign balance sheets pose risk

III.2 The global economic recovery is broadly on track. However, uncertainty remains with significant sovereign and banking sector default risks prevailing in parts of Europe. Furthermore, the recovery continues to move at multi-speed characterised by large output gaps in AEs and closing or closed gaps in emerging market and developing economies (EMDEs). More significantly, unemployment rates have begun to fall in US and Germany. The risk of double dip recession has receded. Nevertheless, still-stagnant real estate markets, stubbornly high unemployment and possibility of contagion from weak sovereign balance sheets of peripheral European countries continue to present major concerns in the AEs. IMF, in April 2011, has projected the world real GDP growth to slow down modestly to 4.4 per cent in 2011 from 5 per cent in 2010 (Chart III.1a). The key downside risk to global growth relates to the potential for oil prices to surprise further on the upside because of supply disruptions. Among the AEs, there was a diverging trend in growth during the fourth quarter *vis-à-vis* the previous quarter (Chart III.1b).

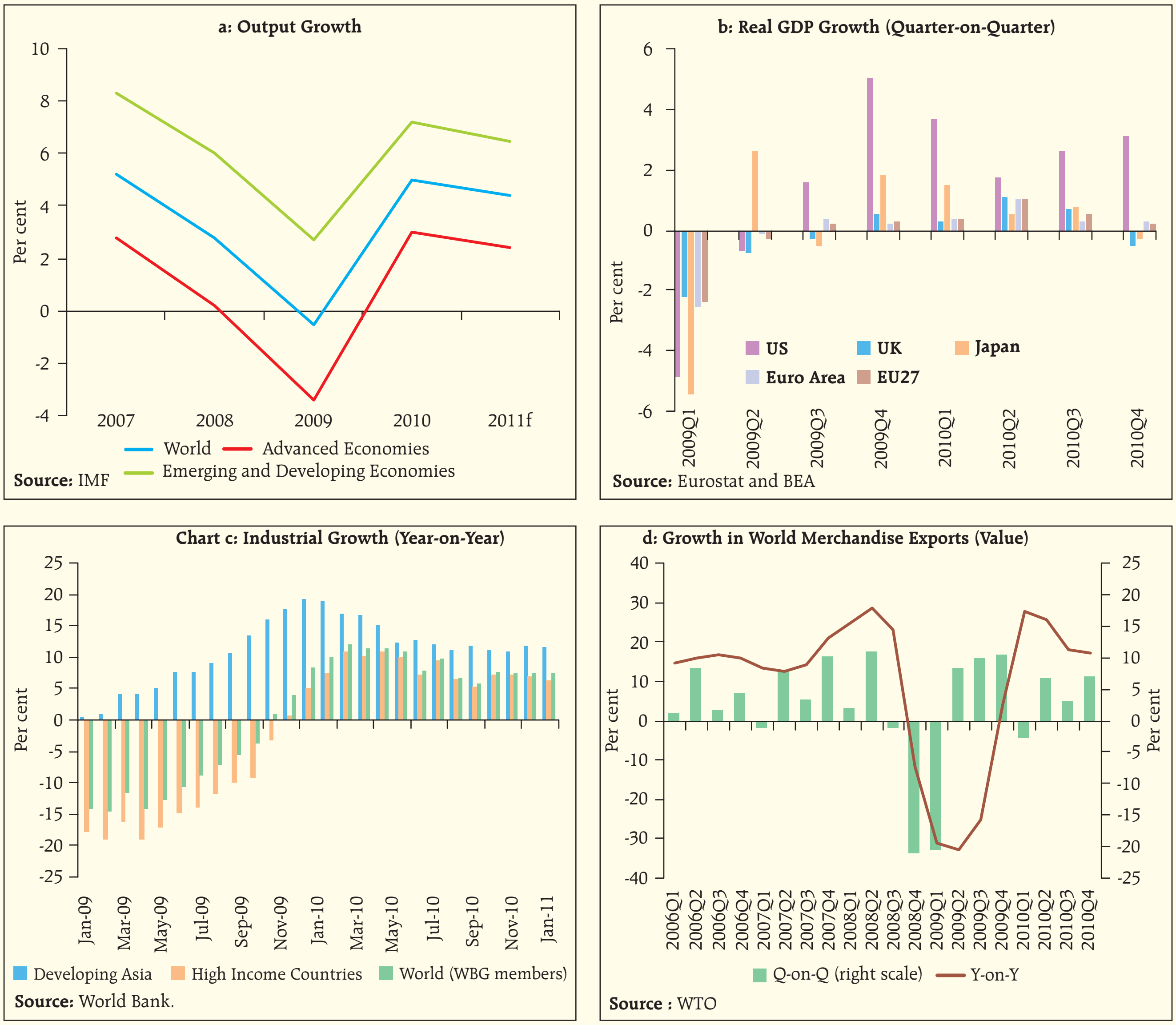
Outlook for capital flows to EMEs suggests risks from sudden reversals

III.3 While the capital flows to EMEs are likely to remain strong, they do run the risks of turning volatile, with possible episodes of sudden reversals. As strong capital flows in the first place were caused by the multi-speed recovery around the world and the consequent differential exit from accommodative monetary policy, the start of the exit in AEs can result in increased "home-bias" in investments and changes in portfolio allocations. US recovery and the need for massive reconstruction in Japan can bolster this trend. Net private capital flows to EMEs, according to the IIF, are estimated to increase by 6 per cent in 2011 to US $ 960 billion on top of an increase of 50 per cent during 2010 (IIF, January 2011). Net private financial flows to EMDEs, according to IMF's World Economic Outlook (April 2011), are projected at US $ 388 billion in 2011 as against US $ 470 billion in 2010.

World trade recovery continues, while industrial production regains speed after stagnation

III.4 World trade and industrial production slowed during the latter half of 2010, reflecting a global inventory cycle. Recent data show a mixed picture.

Chart III.1: Key Global Indicators

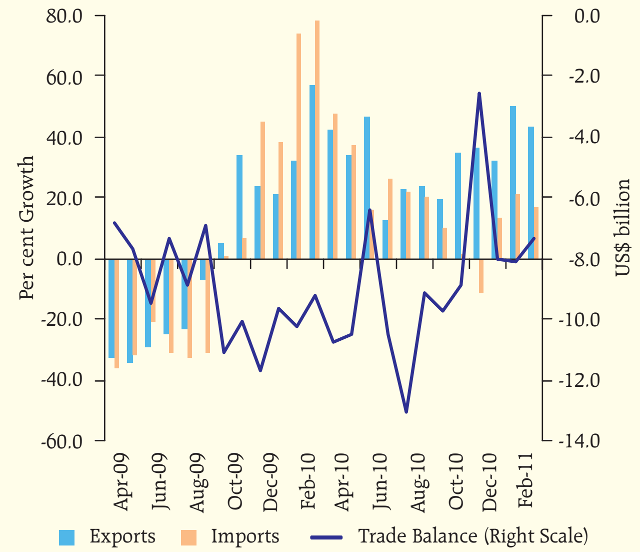


Industrial production had begun to regain speed at the start of the calendar year (Chart III.1c). However, both the manufacturing and the services Purchasing Managers' Index had dipped in March 2011 in the aftermath of earthquake in Japan, though the index values suggest continued expansion. Global trade is recovering with the value of world merchandise trade, led by Asia, accelerating perceptibly in the fourth quarter of 2010 compared to the same period of 2009 (Chart III.1d). In volume terms, world trade expanded by 12 per cent in 2010. World imports of EMDEs are back to pre-crisis trends, but those of advanced economies continue to lag. Japan's disaster is likely to have some impact on East Asian economies, which have strong trade and financial links with Japan, before a reconstruction-led recovery starts.

Diversification in India's exports augurs well for trade balance

III.5 The robust growth in India's exports reflects diversification of products from labour intensive manufactures to higher value-added products in engineering and petroleum sectors and to destinations across emerging markets and developing economies which led to moderation in trade deficit during 2010-11 (Charts III.2 and 3).

Chart III.2: India's Merchandise Trade



Impact of MENA unrest significant, that of Japan will be marginal

III.6 The ongoing political unrest in some of the Middle East and North African (MENA) countries and the natural disaster in Japan are not expected to directly affect India's trade position as these economies do not have a high share in India's international trade; there could, however, be significant indirect effects arising from the possible rise in oil prices and other commodity prices. Oil alone constitutes about one-third of India's total imports (Chart III.4 and Table III.1). Further, some transitory impact on investment flows and aid commitments from Japan may occur.

CAD moderation aided by net invisibles receipts too

III.7 Both the trade and invisible accounts contributed to the improvement in current account during Q3 of 2010-11. The higher invisibles surplus was mainly on account of an improvement in net services exports and private transfers (Table III.2). As a result, the CAD moderated from 3.7 per cent of GDP in H1 of 2010-11 to 3.1 per cent of GDP during April-December 2010 which was, however, higher than 2.6 per cent of GDP during April-December 2009.

III.8 Services exports recorded a strong growth during October-December 2010 over the corresponding quarter of the previous year led by travel, transportation, business, financial and software services. While net business services receipts gradually improved over the quarters, software exports rebounded strongly in Q3 of 2010-11. The robust growth in software exports could be attributed to the transformation in Indian information technology (IT) service offerings from application development and maintenance to provision of full services comprising testing, infrastructure, consulting and system integration as well as the benefits of geographical diversification. Investment income receipts declined

Chart III.3a: Composition of India's Exports

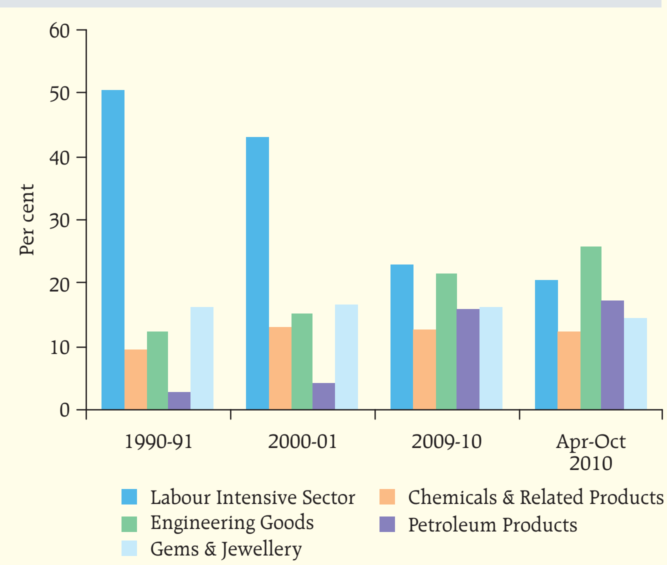


Chart III.3b: Destination of India's Exports

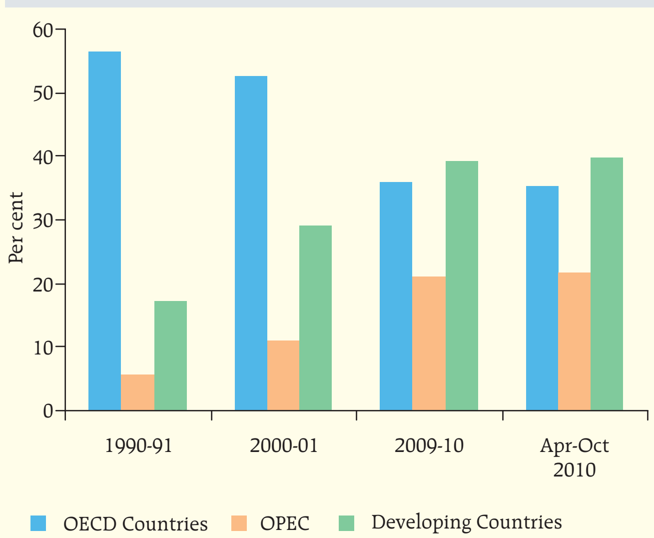


Chart III.4: India's POL Imports and International Crude Oil Prices

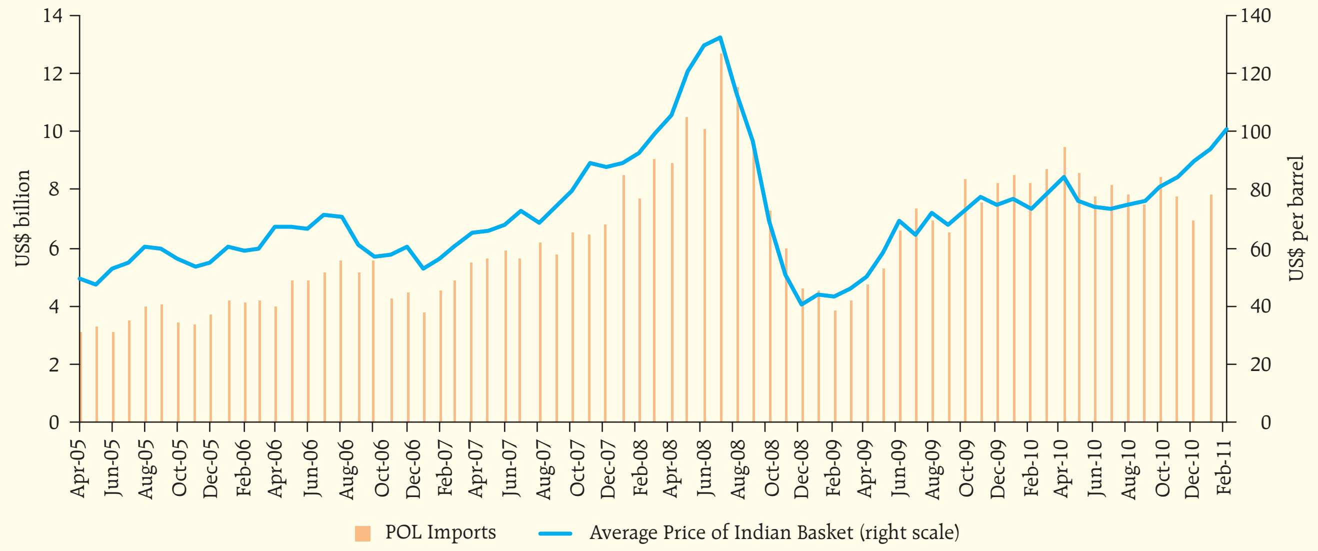


Table III.1: India's Merchandise Trade

(US$ billion)

Item	2009-10 (R)		2010-11 (P)*	
	Absolute	Growth (%)	Absolute	Growth (%)
1	2	3	4	5
Exports	178.2	-2.5	245.9	37.6
Oil	28.1	2.1	42.5	51.2
Non-oil	150.1	-3.2	203.5	35.5
Imports	287.4	-3.8	350.3	21.9
Oil	86.8	-7.4	88.2	12.4
Non-oil	200.6	-2.2	217.1	20.4
Trade Balance	**-109.2**	**-5.7**	**-104.4**	**-4.4**
Non-Oil Trade Balance	**-50.5**	**1.2**	**-41.8**	**-6.9**

* : For oil and non-oil imports and non-oil trade balance data pertain to April-February.

R : Revised. P : Provisional.

Source: DGCI&S.

significantly over the corresponding period of the previous year, mainly due to the persistence of lower interest rates abroad. Private transfer receipts continued to be robust during the year so far. On the other hand, invisibles payments in Q3 were also higher due to larger payments under almost all components of invisibles, particularly investment income and business services. Net invisibles balance improved significantly in Q3 of 2010-11 over the corresponding quarter of the preceding year (Table III.3).

Composition and volatility in capital flows remain a concern

III.9 Although the net capital flows in Q3 of 2010-11 remained broadly the same as in the corresponding

Table III.2: India's Balance of Payments

(US $ billion)

Item	2009-10	2009-10 (PR)				2010-11		
		Q1	Q2	Q3	Q4	Q1 (PR)	Q2 (PR)	Q3 (P)
1	2	3	4	5	6	7	8	9
1. Exports	182.2	39.2	43.4	47.2	52.5	55.3	51.8	66.0
2. Imports	300.6	65.4	73.0	78.1	84.1	88.0	89.6	97.5
3. Trade Balance (1-2)	-118.4	-26.3	-29.6	-30.9	-31.6	-32.8	-37.8	-31.6
4. Net Invisibles	80.0	22.1	20.4	18.7	18.8	20.3	21.0	21.9
5. Current Account Balance (3+4)	-38.4	-4.2	-9.2	-12.2	-12.8	-12.5	-16.8	-9.7
6. Gross Capital Inflows	345.7	77.8	96.0	81.6	90.3	95.3	112.6	174.2
7. Gross Capital Outflows	292.3	74.2	76.7	66.9	74.5	78.8	91.3	159.3
8. Net Capital Account (6-7)	53.4	3.7	19.3	14.6	15.8	16.6	21.3	14.9
9. Overall Balance (5+8)#	13.4	0.1	9.4	1.8	2.1	3.7	3.3	4.0

: Overall balance also includes errors and omissions apart from items 5 and 8.

PR : Partially Revised. P : Provisional.

Table III.3: Net Invisibles

(US $ billion)

Item	October-December		April-December	
	2009-10 (PR)	2010-11 (P)	2009-10 (PR)	2010-11 (P)
1	2	3	4	5
1. Services	8.2	12.2	27.3	34.2
Of which:				
Travel	1.1	1.5	1.8	2.8
Transportation	-0.4	-0.3	-0.3	-0.5
Software Services	12.9	14.7	34.2	39.9
Business Services	-2.1	-0.9	-4.9	-3.1
Financial Services	-0.4	-0.1	-0.5	-0.4
2. Transfers (Private)	12.8	13.4	39.5	39.5
3. Income	-2.5	-3.9	-5.8	-10.6
Investment Income	-2.2	-3.6	-5.2	-9.9
Compensation of Employees	-0.3	-0.3	-0.5	-0.8
Total (1+2+3)	**18.5**	**21.7**	**61.0**	**63.1**

PR: Partially Revised. P: Preliminary.

quarter of the preceding year, the composition and volatility of capital flows raised some concerns (Table III.4). For example, the FDI flows moderated. This was mainly on account of lower FDI inflows under services and 'construction, real estate and mining'. Though net FII flows were higher, they were volatile with several bouts of net outflows during the quarter.

III.10 Certain lead indicators of capital flows suggest that FDI inflows continued to be moderate during Q4 of 2010-11. FII flows also remained moderate being negative initially, but turned positive thereafter. ECB approvals increased on the back of strong domestic demand and interest rate differentials (Table III.5). Notwithstanding some easing of pressures with respect to financing of CAD, the moderation in equity inflows coupled with rising debt flows during 2010-11 so far poses risks to sustainability. Any unforeseen global developments may affect CAD and its financing and, therefore, warrant close monitoring of the evolving situation.

Table III.4: Net Capital Flows

(US $ billion)

Item	October-December		April-December	
	2009-10 (PR)	2010-11 (P)	2009-10 (PR)	2010-11 (P)
1	2	3	4	5
Net Capital flows	14.6	14.9	37.6	52.7
Of which:				
1. Foreign Direct Investment (FDI)	3.0	2.1	15.4	7.6
Inward FDI	7.2	5.3	27.0	18.0
Outward FDI	-4.2	-3.2	-11.6	-10.4
2. Portfolio Investment	5.7	6.3	23.6	30.1
Of which:				
FIIs	5.3	7.2	20.5	29.5
ADR/GDRs	0.5	0.2	3.2	1.8
3. External Assistance	0.8	1.2	1.9	4.2
4. External Commercial Borrowings	1.7	3.6	2.4	9.3
5. NRI Deposits	0.6	0.2	3.5	2.3
6. Short-term Trade Credit	3.2	1.5	3.1	8.5

PR: Partially Revised. P: Preliminary.

Table III.5: Capital Flows in 2010-11 so far

(US$ billion)

Component	Period	2009-10	2010-11
1	2	3	4
FDI to India	April-February	33.8	25.9
FIIs (net)	April-March	29.0	29.4
ADRs/GDRs	April-March	3.3	2.0
ECB Approvals	April-March	20.7	25.6
NRI Deposits (net)	April-March	2.9	3.2

FDI : Foreign Direct Investment.
FII : Foreign Institutional Investors.
ECB : External Commercial Borrowings.
ADR : American Depository Receipts.
GDR : Global Depository Receipts.
NRI : Non Resident Indians.

Higher absorption of capital inflows leaves modest reserve accretion

III.11 As net capital inflows were in excess of CAD, India's foreign exchange reserves increased modestly during Q3 of 2010-11. India's foreign exchange reserves stood at US$ 309.7 billion as on April 22, 2011. Net capital inflows, though relatively higher, were largely absorbed by higher CAD during April-December 2010 and did not complicate the monetary management.

Indicators of Real Effective Exchange Rate (REER) exhibit appreciation

III.12 The real effective exchange rate (REER) indices for 6-currency, 30-currency and 36-currency baskets exhibited appreciation of the Indian rupee during 2010-11. The 6-currency index showed maximum appreciation compared to other indices reflecting higher inflation differential with these countries (Table III.6). The REER appreciation may not have implications for external sector competitiveness as there are a host of other factors such as global recovery leading to a

Table III.6: Nominal and Real Effective Exchange Rates-Trade Based (Base: 2004-05=100)

(Per cent, appreciation+/depreciation-)

	Index April 15 2011P	Year-on-Year 2008-09	Variation 2009-10P	(Average) 2010-11P
1	2	3	4	5
36-REER	102.3	-9.9	-3.1	7.7
36-NEER	92.8	-10.9	-2.6	2.9
30-REER	93.7	-10.2	-4.6	4.5
30-NEER	94.7	-8.3	-2.2	1.0
6-REER	115.8*	-9.3	-0.01	12.7
6-NEER	90.8*	-13.6	-3.4	5.7
Rs/USD	44.5	-12.5	-3.1	4.1
Rs/USD (end-March)	44.7	-21.5	12.9	1.1

NEER : Nominal Effective Exchange Rate.
REER : Real Effective Exchange Rate.
P : Provisional.
* : Data pertain to March 2011.
Note : Rise in indices indicates appreciation of the rupee and vice versa.

pick-up in demand as well as diversification of the export basket and across destinations and various Government initiatives that have a bearing on the export performance.

External debt rises

III.13 External debt stock as at end-December 2010 showed an increase of around 14 per cent over the level of end-March 2010 reflecting increases in ECBs and short-term credit as well as valuation effects due to depreciation of the US dollar against other major currencies (Table III.7).

III.14 The debt sustainability indicators witnessed a modest deterioration at end-December 2010 on account of the continued dominance of debt creating flows (Table III.8).

Table III.7: India's External Debt

(US$ billion)

Item	External debt outstanding			Variation	
	End-March 2009	End-March 2010 (PR)	End-December 2010 (P)	December 2010 over March 2010 Amount	Per cent
1	2	3	4	5	6
1. Multilateral	39.5	42.9	47.6	4.7	11.0
2. Bilateral	20.6	22.6	25.2	2.6	11.5
3. IMF	1.0	6.0	6.1	0.1	1.7
4. Trade Credit	14.5	16.9	19.0	2.1	12.4
5. Commercial Borrowings	62.4	70.9	84.7	13.8	19.5
6. NRI Deposits	41.6	47.9	50.7	2.8	5.8
7. Rupee Debt	1.5	1.7	1.6	-0.1	-5.9
8. Long-Term Debt (1 to 7)	**181.2**	**208.8**	**234.9**	**26.1**	**12.5**
9. Short-Term Debt	**43.4**	**52.3**	**62.6**	**10.3**	**19.7**
Total Debt (8+9)	**224.6**	**261.2**	**297.5**	**36.3**	**13.9**

PR : Partially Revised. P : Provisional.
Source: Ministry of Finance, Government of India and Reserve Bank of India.

Table III.8: External Sector Vulnerability Indicators

(Per cent)

Indicator	End-December 2009	End-March 2010	End-September 2010	End-December 2010
1	2	3	4	5
1. Total Debt/GDP	-	18.0	-	-
2. Ratio of Short-term to Total Debt (Original Maturity)	18.0	20.0	20.9	21.0
3. Ratio of Short-term to Total Debt (Residual Maturity)	-	41.2	42.9	-
4. Ratio of Concessional Debt to Total Debt	17.7	16.8	16.0	15.6
5. Ratio of Reserves to Total Debt	112.8	106.8	101.4	99.9
6. Ratio of Short-term Debt to Reserves	15.7	18.8	20.6	21.1
7. Reserves Cover of Imports (in months)	12.4	11.1	10.3	9.9
8. Reserves Cover of Imports and Debt Service Payments (in months)	11.6	10.5	9.8	9.4
9. Debt Service Ratio (Debt Service Payments to Current Receipts)	5.1	5.5	3.8	3.9

Net international liabilities increase

III.15 Large increase in India's net international liabilities during the quarter, despite moderation in CAD, mainly reflected the valuation effects due to exchange rate movements (Chart III.5).

Chart III.5: International Investment Position

Oil prices and capital flow volatility to shape external balance

III.16 Hardening of international crude oil prices on the back of geo-political concerns pose risks to current account balance during 2011-12. Higher growth in software exports and robust transfer receipts may provide some cushion. Financing of the current account, however, may not be a problem as capital flows are likely to improve considering India's long-run growth prospects and policies supporting FDI, as also larger FII investments in debt markets. Nonetheless, the composition and volatility of capital flows could have implications for external sector vulnerability, warranting close monitoring.

IV. Monetary and Liquidity Conditions

Tight liquidity conditions prevailing during the third quarter of 2010-11 eased somewhat during the fourth quarter mainly on account of softening of both structural and frictional stress factors. The deficit liquidity conditions strengthened monetary transmission, which was reflected in higher deposit as well as lending rates of banks, and in turn improved deposit growth and induced slight moderation in credit growth. The anti-inflationary thrust of monetary policy, however, continued to remain non-disruptive of the growth momentum.

Monetary conditions remain consistent with the anti-inflationary bias

IV.1 During 2010-11, the monetary and liquidity conditions remained consistent with the anti-inflationary stance. The monetary policy stance of the Reserve Bank shifted to tightening mode since October 2009 in response to rising inflationary pressures. The calibrated policy actions so far have not been disruptive to growth. The Reserve Bank increased cash reserve ratio by 100 basis points (bps), reverse repo rate by 250 bps, and the repo rate by 200 bps since February 2010 so far. A shift from absorption mode to injection mode in the liquidity adjustment facility (LAF) implies effective rise in policy rates by 350 bps since February 2010 (Table IV.1).

IV.2 During 2010-11, the Reserve Bank articulated a net liquidity level of ±1 per cent of net demand and time liabilities (NDTL) of banks as ideal for effective monetary transmission. The persistence of deficit liquidity conditions in Q4 of 2010-11 helped in further strengthening the monetary policy transmission. However, inflation continues to remain at elevated levels. The Reserve Bank strove to maintain the difficult balance between ensuring sufficient liquidity for smooth functioning of markets on the one hand and sustaining the anti-inflationary monetary policy stance on the other.

Table IV.1: Movements in Key Policy Rates in India

(Per cent)

Effective since	Reverse Repo Rate	Repo Rate	Cash Reserve Ratio
1	2	3	4
October 11, 2008	6.00	9.00	6.50 (–2.50)
October 20, 2008	6.00	8.00 (–1.00)	6.50
October 25, 2008	6.00	8.00	6.00 (–0.50)
November 3, 2008	6.00	7.50 (–0.50)	6.00
November 8, 2008	6.00	7.50	5.50 (–0.50)
December 8, 2008	5.00 (-1.00)	6.50 (–1.00)	5.50
January 5, 2009	4.00 (-1.00)	5.50 (–1.00)	5.50
January 17, 2009	4.00	5.50	5.00 (–0.50)
March 4, 2009	3.50 (-0.50)	5.00 (-0.50)	5.00
April 21, 2009	3.25 (-0.25)	4.75 (-0.25)	5.00
February 13, 2010	3.25	4.75	5.50 (+0.50)
February 27, 2010	3.25	4.75	5.75 (+0.25)
March 19, 2010	3.50 (+0.25)	5.00 (+0.25)	5.75
April 20, 2010	3.75 (+0.25)	5.25 (+0.25)	5.75
April 24, 2010	3.75	5.25	6.00 (+0.25)
July 2, 2010	4.00 (+0.25)	5.50 (+0.25)	6.00
July 27, 2010	4.50 (+0.50)	5.75 (+0.25)	6.00
September 16, 2010	5.00 (+0.50)	6.00 (+0.25)	6.00
November 2, 2010	5.25 (+0.25)	6.25 (+0.25)	6.00
January 25, 2011	5.50 (+0.25)	6.50 (+0.25)	6.00
March 17, 2011	5.75 (+0.25)	6.75 (+0.25)	6.00

Note: 1. Reverse repo indicates absorption of liquidity and repo indicates injection of liquidity.
2. Figures in parentheses indicate change in policy rates in percentage points.

Liquidity conditions soften as structural and frictional liquidity drivers ease

IV.3 After a phase of significant tightness, both structural and frictional drivers of deficit liquidity conditions softened relatively during the fourth quarter of 2010-11 (Table IV.2). Liquidity conditions had switched to deficit mode since end-May 2010, due to large increase in government balances with the Reserve Bank (resulting from 3G/BWA auctions and the first installment of quarterly advance tax payments). The Reserve Bank initiated several policy measures to ease the liquidity pressure *viz.,* allowing SCBs to avail of additional liquidity support under the LAF and conducting second LAF (SLAF) on a daily basis.

Table IV.2: Liquidity Position

(₹ crore)

Outstanding as on Last Friday	LAF	MSS	Centre's Surplus@	Total
1	2	3	4	5=(2+3+4)
2009				
April	1,08,430	70,216	-40,412	1,38,234
May	1,10,685	39,890	-6,114	1,44,461
June	1,31,505	22,890	12,837	1,67,232
July	1,39,690	21,063	26,440	1,87,193
August	1,53,795	18,773	45,127	2,17,695
September	1,06,115	18,773	80,775	2,05,663
October	84,450	18,773	69,391	1,72,614
November	94,070	18,773	58,460	1,71,303
December	19,785	18,773	1,03,438	1,41,996
2010				
January	88,290	7,737	54,111	1,50,138
February	47,430	7,737	33,834	89,001
March*	990	2,737	18,182	21,909
April	35,720	2,737	-28,868	9,589
May	6,215	317	-7,531	-999
June	-74,795	317	76,431	1,953
July	1,775	0	16,688	18,463
August	11,815	0	20,054	31,869
September	-30,250	0	65,477	35,227
October	-1,17,660	0	86,459	-31,201
November	-1,03,090	0	93,425	-9,665
December	-1,13,415	0	1,44,437	31,022
2011				
January	-76,730	0	1,18,371	41,641
February	-72,005	0	77,397	5,392
March*	-1,06,005	0	16,416	-89,589
April 22	-16,405	0	-48,401	-64,806

@ : Excludes minimum cash balances with the Reserve Bank in case of surplus.

* : Data pertain to March 31.

Note: 1. Negative sign in column 2 indicates injection of liquidity through LAF.

2. Negative sign in column 4 indicates WMA /OD availed by the central government.

IV.4 Liquidity conditions eased in August 2010, mainly on account of large pre-scheduled public debt redemptions. After a brief period of surplus liquidity, the LAF again switched to deficit mode from the second week of September 2010 on account of quarterly advance tax payments. Structural factors like imbalances between deposit and credit growth coupled with high currency demand added to the pressure on liquidity. During the third quarter, the Reserve Bank undertook open market operation (OMO) purchases and other measures to ease the liquidity pressures.

IV.5 Liquidity conditions eased marginally during the last quarter of 2010-11 due to pick-up in government spending and staggered OMOs carried out by the Reserve Bank since mid-December (Table IV.3). During 2010-11, the Reserve Bank purchased government securities of around ₹67,000 crore under OMO auctions. Notwithstanding the quarterly advance tax payouts in mid-March 2011, which again contributed to temporary tightness, the liquidity deficit remained capped on account of higher government expenditure during the month.

Table IV.3: Reserve Bank's Liquidity Management Operations

(₹ crore)

Item	2009-10				2010-11			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	2	3	4	5	6	7	8	9
A. Drivers of Liquidity (1+2+3+4)	**-45,110**	**-44,513**	**-66,785**	**55,055**	**-1,05,124**	**26,981**	**-1,12,597**	**73,540**
1. RBI's net Purchase from Authorised Dealers	-15,874	2,523	436	910	816	751	5,991	0
2. Currency with the Public	-18,690	-9,020	-43,224	-31,109	-58,757	180	-42,613	-45,487
3. a. Centre's surplus balances with RBI	3,382	-67,938	-22,663	85,257	-58,249	10,953	-78,960	1,28,021
3. b. WMA and OD	0	0	0	0	0	0	0	0
4. Others (residual)	-13,928	29,922	-1,334	-3	-8,994	15,097	2,985	-8,994
B. Management of Liquidity (5+6+7+8)	**-21,674**	**62,376**	**89,870**	**1,618**	**67,255**	**-41,456**	**1,34,075**	**15,771**
5. Liquidity impact of LAF	-1,30,020	25,390	86,330	18,795	75,785	-44,545	83,165	-7,410
6. Liquidity impact of OMO* (net)	43,159	32,869	3,540	2,787	1,550	2,772	50,910	23,181
7. Liquidity impact of MSS	65,187	4,117	0	16,036	2,420	317	0	0
8. First round impact of CRR change	0	0	0	-36,000	-12,500	0	0	0
C. Bank Reserves # (A+B)	**-66,784**	**17,863**	**23,085**	**56,673**	**-37,869**	**-14,475**	**21,478**	**89,311**

(+) : Injection of liquidity into the banking system.

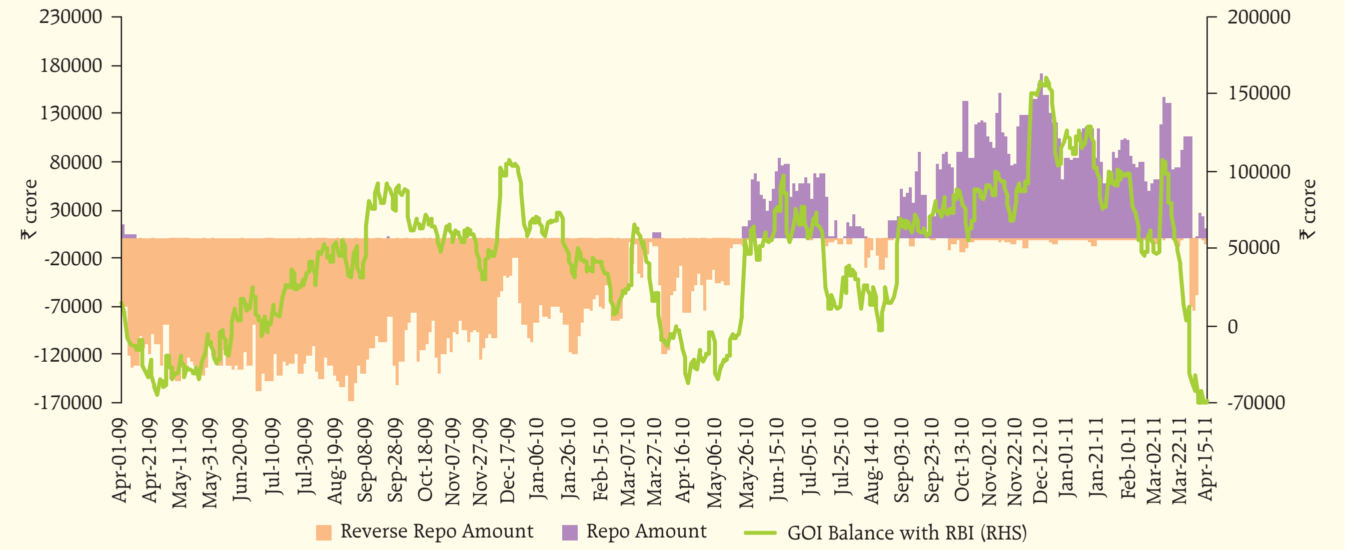
(-) : Absorption of liquidity from the banking system.

* : Includes oil bonds but excludes purchases of government securities on behalf of State Governments.

\# : Includes vault cash with banks and adjusted for first round liquidity impact due to CRR change.

Note: Data pertain to March 31 for Q4 and last Friday for all other quarters.

Chart IV.1: LAF Volumes and GoI Balances



IV.6 During first week of April 2011, the LAF was in reverse repo mode, partly reflecting increased government spending. However, since April 11, it has reverted to deficit mode.

IV.7 The monetary transmission is usually substantially more effective in a deficit liquidity situation than in a surplus liquidity situation. An empirical exercise carried out by the Working Group on Operating Procedures of Monetary Policy (Chairman: Shri Deepak Mohanty) suggests that under deficit liquidity conditions, money market rates respond immediately to policy shock.

IV.8 The recent episodes of large government surplus cash balances emerging as a major autonomous factor influencing the liquidity points towards a need for better cash management by the government (Chart IV.1). In this context, the above Working Group suggested a scheme of auctioning of government surplus cash balances at the discretion of the Reserve Bank to be put in place in consultation with the government.

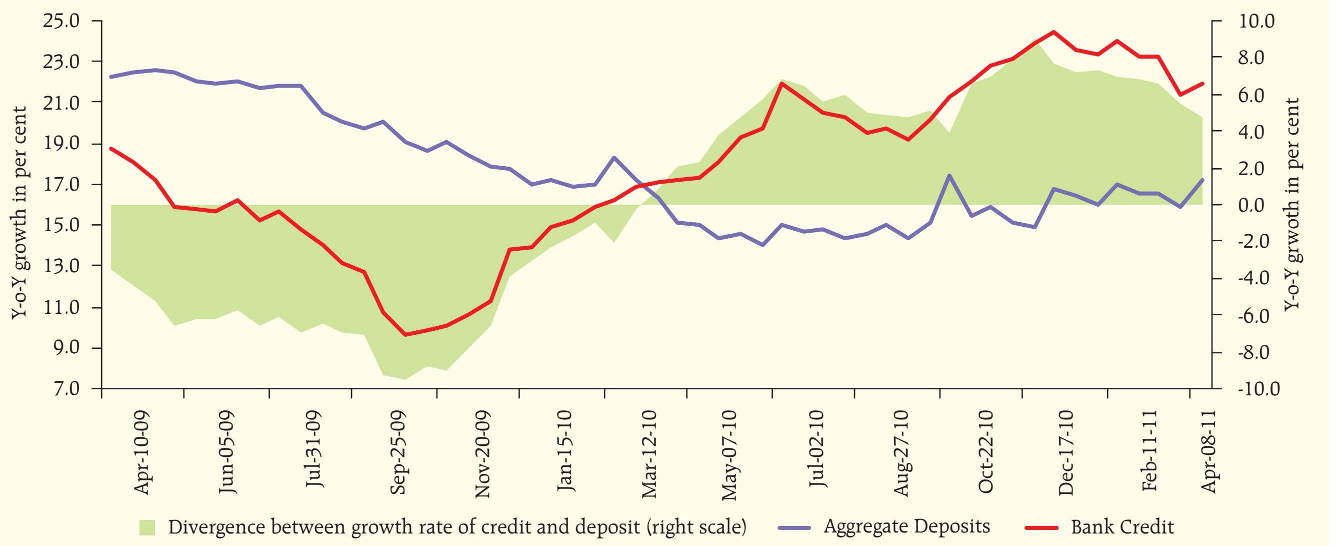
Structural drivers respond to policy signals amidst tight liquidity

IV.9 The monetary policy transmission was weak till May 2010 due to overhang of large surplus liquidity that had to be infused following the global financial crisis. The anti-inflationary policy actions of the Reserve Bank that operated through raising the policy rates contributed to keeping liquidity and monetary conditions in line with the policy objective. In a tight liquidity environment, it was expected that higher deposit rates would improve the growth of deposits while higher lending rates would moderate the demand for credit. During Q4 of 2010-11, effective transmission of monetary policy was reflected in higher deposit as well as lending rates of banks and higher issuances of bulk deposits by way of CDs. As a result, credit growth decelerated, while deposit growth accelerated, thereby narrowing the divergence between credit and deposit growth rates (Chart IV.2). The easing of liquidity conditions was reflected in the decline in the LAF injection.

Money supply growth remains below the indicative trajectory

IV.10 Even as reserve money growth remained strong, the money supply (M_3) growth during 2010-11 generally remained below the indicative trajectory set out in the Annual Policy Statement for 2010-11 (Table IV.4). This was due to lower growth in aggregate deposits and reduction in money multiplier emanating from higher currency demand.

Chart IV.2: Aggregate Deposits and Bank Credit



IV.11 Money supply growth is largely influenced by the trend in aggregate deposits, as these account for over 85 per cent of the money stock. During the first three quarters of 2010-11, term deposits appeared relatively unattractive as a store of value, in view of the modest rise in deposit rates relative to high inflationary expectations. During the last quarter of the year, however, as deposit rates were raised sharply, deposit mobilisation gathered momentum, which also helped in the pick-up in money supply growth. As a result of a sharper increase in deposit interest rates during the quarter as also the deceleration in industrial activity and the underperformance of equity market, a shift from low interest bearing demand deposits to more lucrative time deposits became evident (Chart IV.3).

Table IV.4: Monetary Indicators

(Y-o-Y growth in per cent)

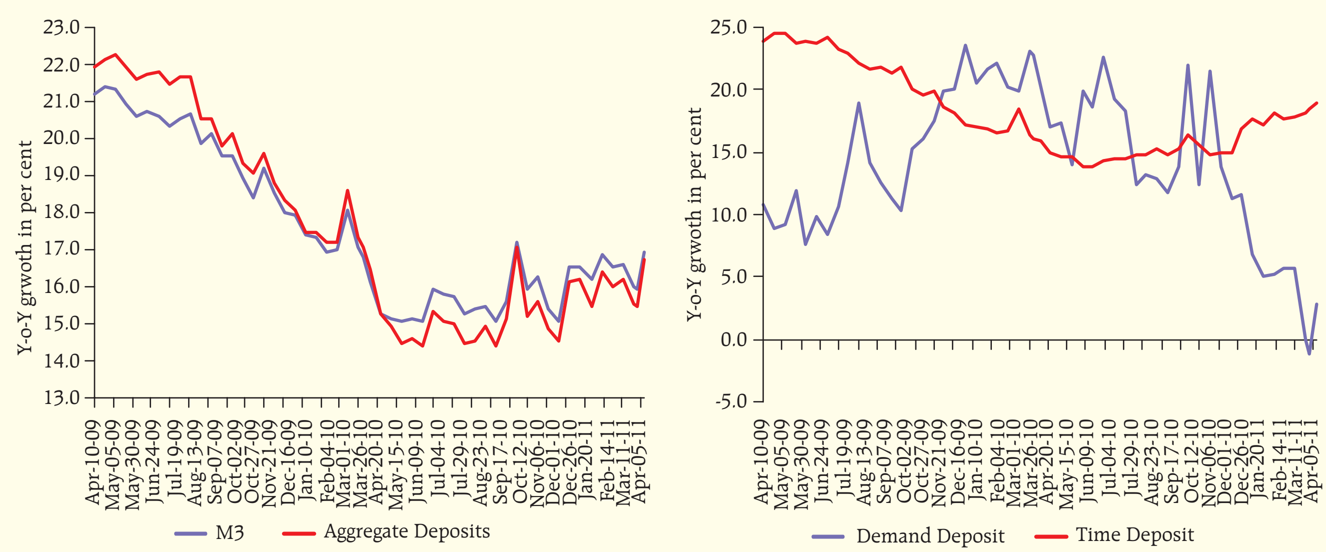
Item	2009-10	2010-11
1	2	3
Broad Money (M_3)	16.8	15.9
Narrow Money (M_1)	18.2	9.6
Main Components of M_3		
Currency with the Public	15.3	19.1
Aggregate Deposits	17.2	15.4
of which: Demand Deposits	22.0	-0.6
Time Deposits	16.4	18.2
Main Sources of M_3		
Net Bank Credit to the Government	30.7	18.2
Bank Credit to the Commercial Sector	15.8	20.6
Net Foreign Assets of the Banking Sector	-5.2	7.4
Reserve Money	17.0	19.1
Reserve Money adjusted for CRR changes	13.0	18.2
Scheduled Commercial Banks		
Non-food Credit	17.1	21.2
Aggregate Deposits	17.2	15.8

Note: 1. Data are provisional.
2. Data pertain to March 31, except for SCBs, which pertain to March 25 for 2010-11 and March 26 for 2009-10.

Strong currency demand aided tight liquidity and decline in money multiplier

IV.12 Stronger growth in demand for currency during 2010-11 contributed to both tightness in liquidity and subdued growth in broad money. The growth in currency demand, which generally remains below money supply growth, witnessed a spurt in 2010-11 partly reflecting stronger GDP growth and persistent high inflation. During the year 2010-11, the real elasticity of demand for currency remained close to unity, indicating the predominant role that inflation played in generating high currency demand (Chart IV.4). The rise in currency demand, coupled with deceleration in the growth of aggregate deposits resulted in a higher currency-deposit ratio, and hence, a decline in the money multiplier.

Chart IV.3: Money Supply and Deposits



Consequently, even with high base money growth, due mainly to injection of primary liquidity through repo and OMOs, the money supply growth remained lower than the indicative trajectory (Chart IV.5).

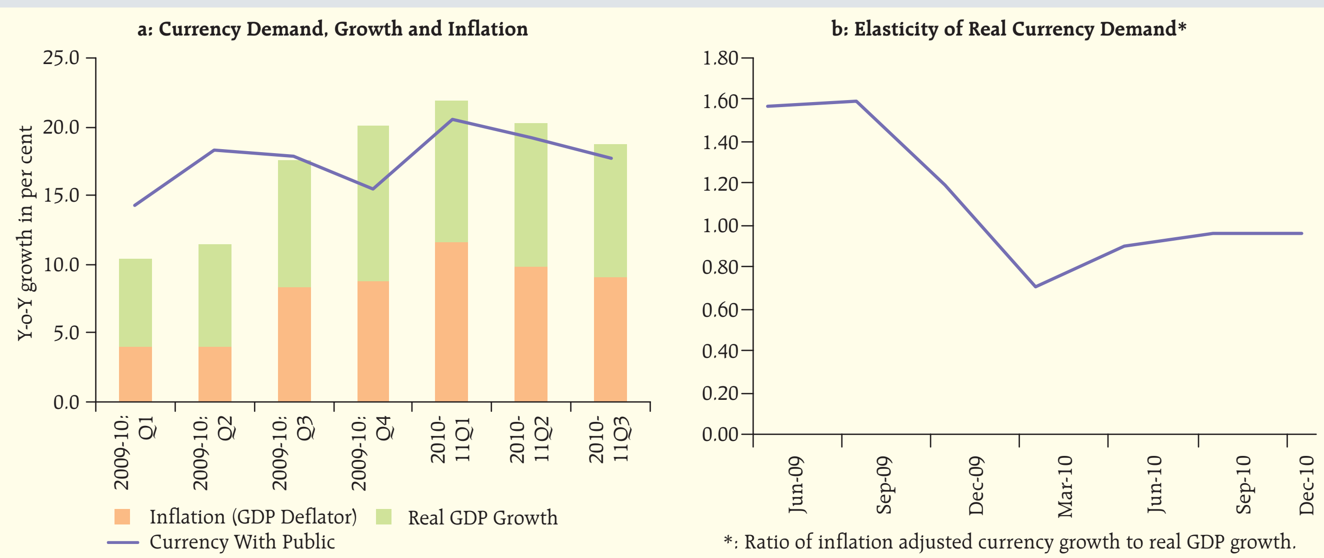
Income velocity of money recovers from the post-crisis dip

IV.13 There was a sharp fall in the velocity of money (M_3) during 2008-09 and 2009-10 reflecting post-global crisis uncertainties in the financial system. With consolidation of growth and normal financial conditions, the income velocity of money reverted to its long-term path, involving a pick-up in 2010-11 (Chart IV.6).

Credit growth remains above trajectory but has started moderating

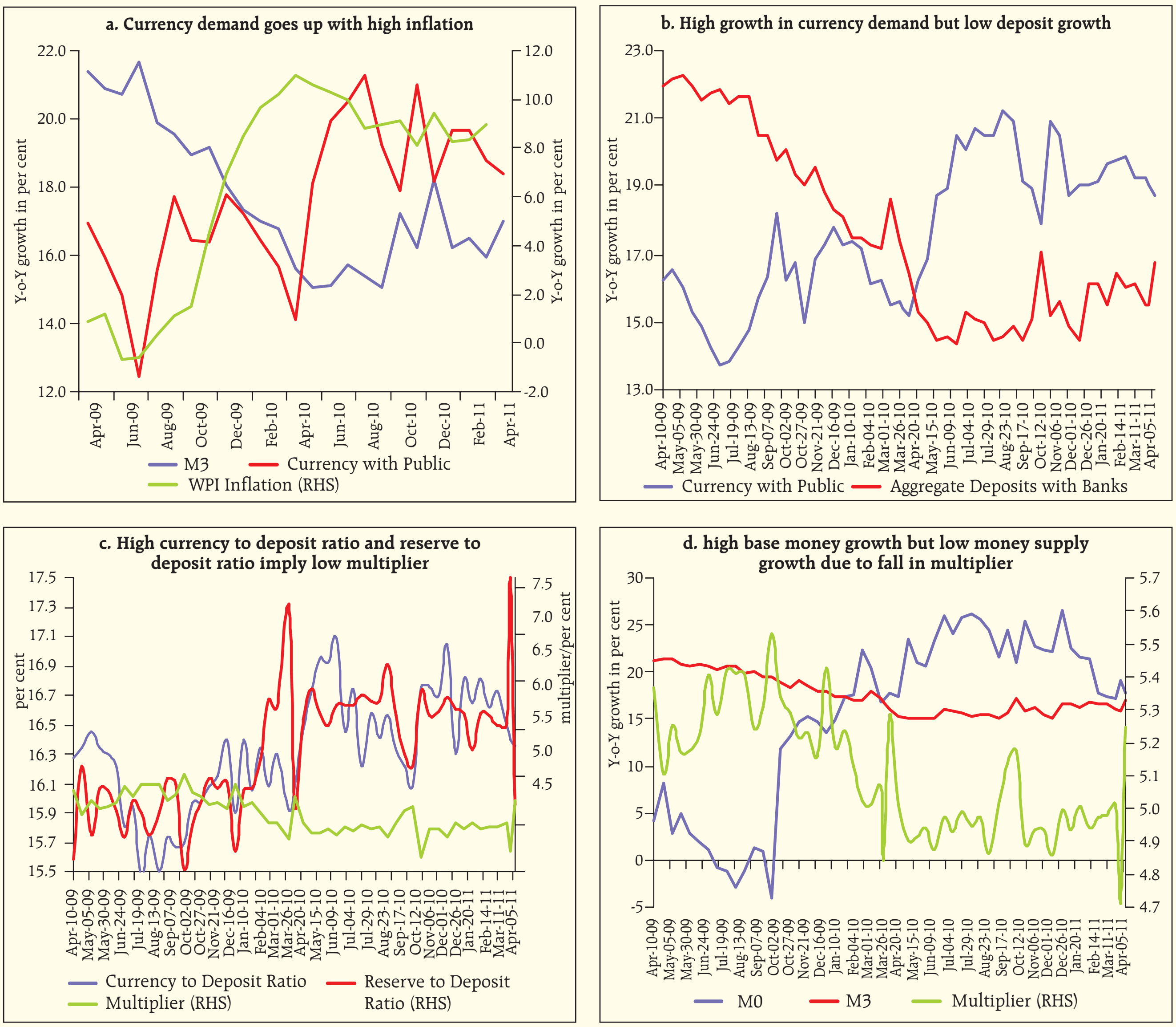
IV.14 Credit growth remained above the indicative trajectory, but with some moderation seen in the recent period. After witnessing an acceleration in non-food credit growth over the indicative trajectory of

Chart IV.4: Trend in Currency Demand



*: Ratio of inflation adjusted currency growth to real GDP growth.

Chart IV.5: Decline In Money Multiplier Constrains Money Supply Growth



20 per cent, there had been some moderation since the beginning of Q4 of 2010-11. In response to higher interest rates, the non-food credit growth decelerated and deposit growth accelerated. Consequently, the incremental credit-deposit ratio moderated (Chart IV.7).

IV.15 The moderation in credit growth on a y-o-y basis was especially evident in the case of public sector banks, even though the credit conditions generally remained supportive of economic activity (Table IV.5).

IV.16 The sectoral deployment of credit continued to remain broad-based, with high growth in flow of credit to services and personal loans (Table IV.6). Disaggregated analysis suggests that credit to the industrial sector continued to be led by credit to infrastructure, metal and metal products, textiles, engineering, food processing and gems and jewellery. The high growth in credit to infrastructure is especially noteworthy as it is on a high base. The bank credit to NBFCs also witnessed a sharp rise.

Chart IV.6: Quarterly Trends in Velocity of Money

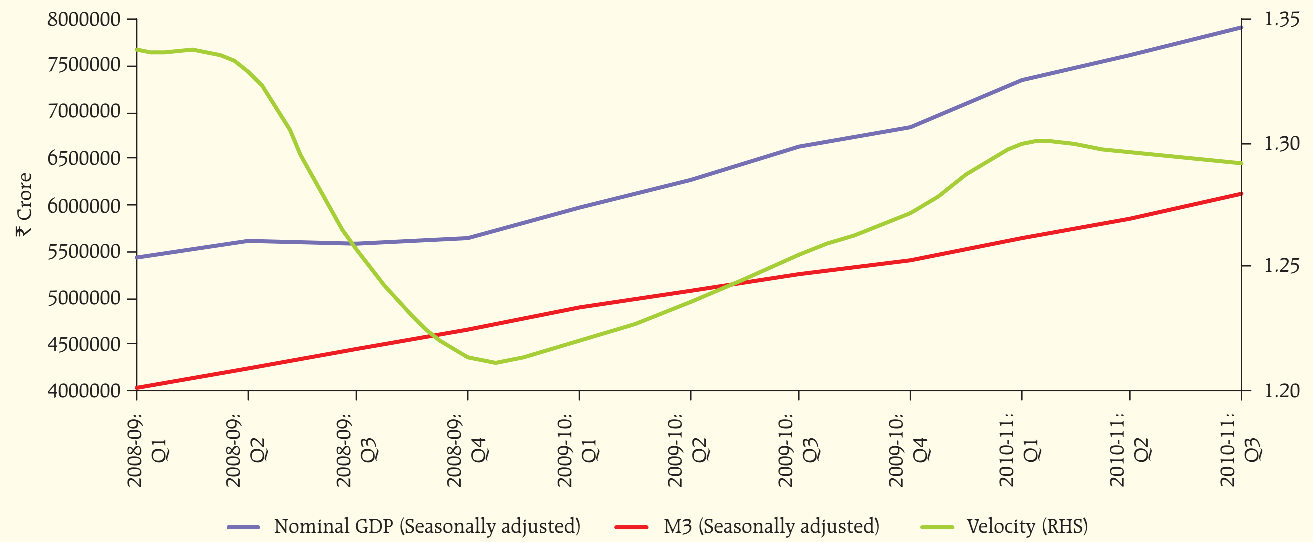


Chart IV.7: Credit Indicators

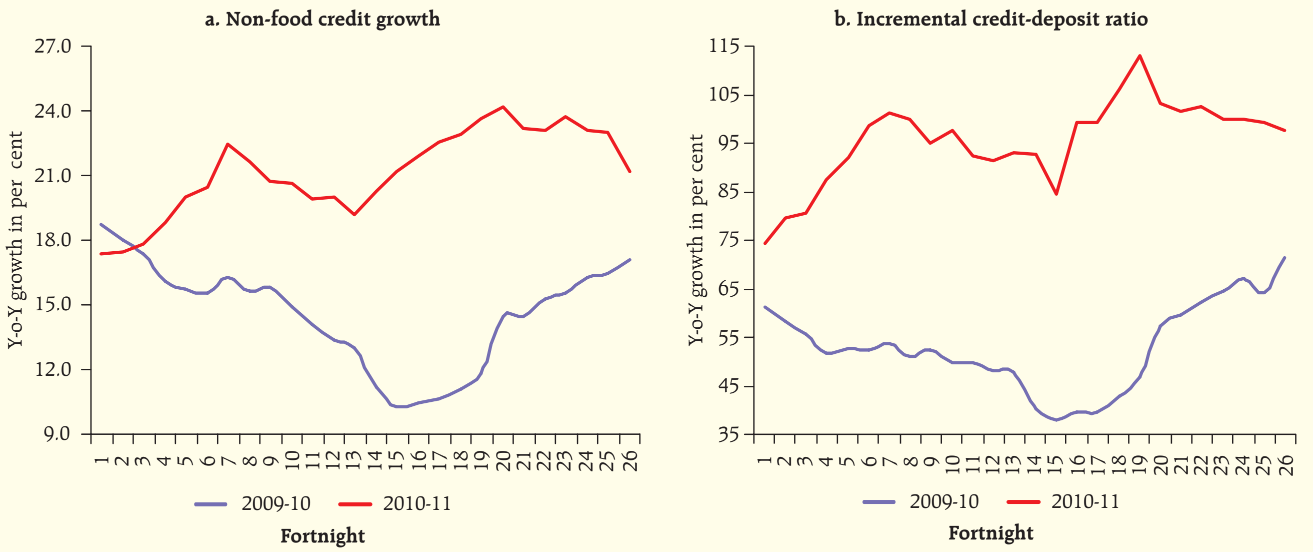


Table IV.5: Credit Flow from Scheduled Commercial Banks

(Amount in ₹ crore)

Bank Groups	Outstanding as on Mar 25, 2011	Year-on-Year Variation as on			
		Mar 26, 2010		Mar 25, 2011	
		Amount	Per cent	Amount	Per cent
1	2	3	4	5	6
1. Public Sector Banks	29,19,923	3,95,427	19.6	5,05,785	21.0
2. Foreign Banks	1,97,893	-2474	-1.5	31,032	18.6
3. Private Banks	7,28,029	61,212	11.7	1,43,325	24.5
4. All Scheduled Commercial Banks*	39,38,659	4,69,240	16.9	6,93,870	21.4

Note: 1. Data as on Mar 25, 2011 are provisional.
2. * Including Regional Rural Banks.

Table IV.6: Sectoral Deployment of Credit

(Per cent)

Sector	Q-o-Q Variation		Y-o-Y variation	
	Mar.26, 2010 over Dec. 18, 2009	Mar.25, 2011 over Dec. 17, 2010	Mar. 26, 2010 over Mar. 27, 2009	Mar. 25, 2011 over Mar. 26, 2010
1	2	3	4	5
Non-food credit	**10.4**	**8.1**	**16.8**	**20.6**
Agriculture and allied activities	**19.5**	**9.3**	**22.9**	**10.6**
Industry	**11.3**	**8.0**	**24.4**	**23.6**
of which, Infrastructure	11.8	8.3	40.7	38.6
Basic metal & metal products	8.5	8.7	26.5	28.8
Textiles,	9.0	11.1	18.2	19.2
Engineering	9.6	4.8	12.2	26.3
Food processing	18.0	15.0	22.1	29.3
Gems & Jewellery	5.9	8.6	11.3	24.2
Services	**9.8**	**8.9**	**12.5**	**23.9**
of which, tourism, hotels, restaurants	16.4	2.9	42.5	42.9
Professional services	2.6	7.1	-1.9	38.9
Commercial real estate	5.2	6.1	-0.3	21.4
NBFCs	10.2	22.9	14.8	54.8
Personal Loans	**3.4**	**6.8**	**4.1**	**17.0**
of which, consumer durables	5.2	12.4	1.3	22.4
Housing	2.5	4.1	7.7	15.0
Vehicle Loans	7.6	5.4	2.9	24.3

Note: Based on data collected from select SCBs that account for 95 per cent of the total non-food credit extended by all SCBs. These data are being disseminated every month from November 2010.

IV.17 Banks continued to be the major source of finance for the commercial sector. During 2010-11, funding from non-bank sources registered a marginal decline as compared to the previous year (Table IV.7). In the case of foreign sources of funding, external commercial borrowings /FCCBs have registered

Table IV.7: Flow of Financial Resources to the Commercial Sector

(₹ crore)

Item	April-March		
	2008-09	2009-10	2010-11
1	2	3	4
A. Adjusted Non-food Bank Credit (NFC)	**4,21,921**	**4,78,614**	**7,06,949**
i) Non-Food Credit	4,11,824	4,66,960	6,78,078
of which petroleum and fertilizer credit	31,159	10,014	-24,236
ii) Non-SLR Investment by SCBs	10,097	11,654	28,871
B. Flow from Non-banks (B1+B2)	**4,51,399**	**6,04,303**	**5,09,432**
B1. Domestic Sources	**2,58,132**	**3,80,733**	**3,08,619**
1. Public issues by non-financial entities	14,205	31,956	28,520
2. Gross private placements by non-financial entities	77,856	1,41,964	63,874 #
3. Net issuance of CPs subscribed to by non-banks	4,936	41,667	33,546 *
4. Net credit by housing finance companies	25,876	28,485	35,325 +
5. Total gross accommodation by the four RBI regulated AIFIs - NABARD, NHB, SIDBI & EXIM Bank	31,408	33,783	40,007
6. Systemically important non-deposit taking NBFCs (net of bank credit)	42,277	60,663	71,267 +
7. LIC's gross investment in corporate debt, infrastructure and social sector	61,574	42,215	36,080
B2. Foreign Sources	**1,93,267**	**2,23,570**	**2,00,813**
1. External Commercial Borrowings / FCCBs	30,948	15,674	59,545
2. ADR/GDR Issues excluding banks and financial institutions	4,788	15,124	9,441
3. Short-term credit from abroad	-13,288	34,878	38,854 #
4. FDI to India	1,70,819	1,57,894	92,973 +
C. Total Flow of Resources (A+B)	**8,73,320**	**10,82,917**	**12,16,381**
Memo Item:			
Net resource mobilisation by Mutual Funds through Debt (non-Gilt) Schemes	-32,168	96,578	-36,707

*: Up to March 15, 2011 +: Up to February 2011 #: April-December 2010

Note: FDI data for April-February include equity capital for April-February and reinvested earnings, other capital and equity capital for unincorporated bodies for April-December.

robust rise, partly reflecting the soft interest rate regime prevalent in most of the advanced economies. The decline in foreign direct investment (FDI) was substantially offset by the rise in ECBs/FCCBs.

Monetary policy to factor risks to growth from high inflation

IV.18 The Reserve Bank's anti-inflationary policy has been calibrated with a view to containing inflationary expectations, while being non-disruptive to the overall growth process. The deficit liquidity conditions helped in strengthening the monetary transmission further in Q4 of 2010-11 as reflected in higher deposit and lending rates, which helped in easing the structural stress on liquidity. The growth momentum has continued so far. However, inflation remains elevated, despite the 350 bps effective increase in policy rates. Risk to growth from sustained high inflation could condition the stance of the monetary policy in near-term. Since high inflation itself could disrupt growth, it is important for the monetary policy to ensure a low inflation environment as a pre-condition for sustained high growth.

V. Financial Markets

Monetary transmission strengthened during Q4 of 2010-11 with interest rates firming up gradually across the spectrum as liquidity remained in deficit mode. The policy transmission to deposit and lending rates is visible in the current base rate regime. Asset prices, including property prices, generally remained range bound. Equity markets experienced orderly correction in Q4 of 2010-11. The rupee exhibited two-way movements against the US dollar without any intervention or active capital account management. Going forward, the financial markets need to brace up to the geopolitical risks in MENA, default risks in the Euro zone and movements in cross-border capital flows.

Global portfolio rebalancing to impact domestic financial markets

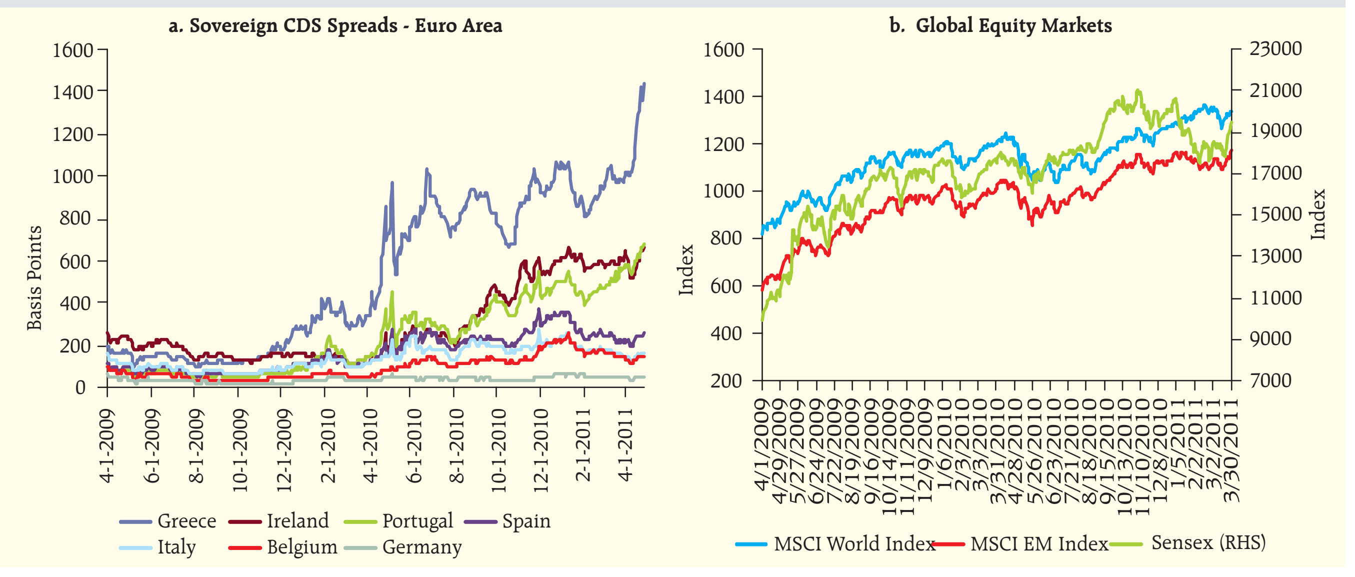
V.1 The year 2010-11 was marked by periods of volatility and tranquility in the Indian financial markets. With global uncertainties rising, volatility may aggravate further, partly from building up of speculative positions in global commodity markets. Portfolio choices are also governed by the geopolitical developments in the MENA region and availability of easy liquidity in certain advanced economies. An additional source of uncertainty for the global financial markets is the sovereign and banking sector default risks in parts of Europe (Chart V.1a) There could, however, be a rebalancing of investors' portfolio if economic recovery in major advanced economies gains traction and causes a quicker-than-anticipated withdrawal of monetary accommodation. With rise in global equity markets (Chart V.1b) there may be a shift in investors' preference away from the EME markets to those of the advanced economies, particularly the US.

V.2 While credit spreads shrank markedly during Q4 of 2010-11, bond yields in advanced economies firmed up reflecting the post-crisis rise in debt to GDP ratio as well as incipient signs of inflationary concerns. Apart from food prices, the rising expectations of increased crude oil prices following the geo-political risks in MENA raised inflationary expectations especially in EMEs. The initial reaction to the downside risks associated with the natural calamity hit Japanese economy has subsequently given rise to the expectations of boost in demand for its reconstruction.

Global uncertainties and anti-inflationary monetary policy stance impacting Indian markets, but orderly conditions prevail

V.3 Global uncertainties as well as domestic developments impacted Indian financial markets. The Indian markets, however, remained largely orderly,

Chart V.1: Indicators of Global Financial Market Developments



despite the challenges posed by persistent inflation and high current account deficit.

V.4 Call rate firmed up in step with the policy rates and remained above the upper bound of the LAF corridor for a major part of Q4 of 2010-11, due to frictions caused by skewed SLR holdings (Chart V.2a). While issuances and rates on certificates of deposits (CDs) continued to increase during the quarter reflecting banks' efforts to mobilise more funds, issuance of commercial paper (CP) moderated on account of the strong credit growth, even as the rates continued to be high reflecting general liquidity stress (Chart V.2b). The yield curve for government securities (G-sec) further flattened during Q4 in response to policy rate hike expectations and liquidity tightness.

V.5 The Indian rupee appreciated moderately against the US dollar. Stock markets remained volatile for the greater part of Q4, weighed by domestic and global concerns, but appreciated towards the close of the quarter on the back of strong foreign portfolio inflows. Returns in the Indian equity markets were relatively lower than most other EMEs (Table V.1). Prices in the housing market continued the rising trend during the third quarter of 2010-11.

Money market rates reflect liquidity conditions

V.6 The money market was generally orderly although liquidity conditions remained in deficit mode during the fourth quarter of 2010-11. Reflecting the high credit demand, high currency growth, and unspent surplus balance in the government account as also the hikes in policy rates by the Reserve Bank, the call rates mostly remained above the repo rate during Q4 (Chart V.2a, Table V.2). The rates in the collateralised segments also rose in line with the trend in the call money market.

V.7 Transaction volumes in the collateralised borrowing and lending obligation (CBLO) and market repo segments were higher during Q4 than Q3 of 2010-11 (Table V.3). The collateralised segment of the money market remained predominant, accounting for more than 80 per cent of the total volume of transactions during 2010-11.

V.8 With strong credit growth not matched by commensurate deposit growth, banks increasingly financed their advances by raising CDs at higher rates. During surplus liquidity situations, when the CP rates are lower than the Base Rates, corporates take greater recourse to the CPs. They, however, prefer bank financing, once the CP rates rise above the Base Rate. Leasing-finance and manufacturing companies continue to be the major issuers of CPs (Table V.4).

V.9 The primary yields on Treasury Bills (TBs) firmed up during Q4 of 2010-11 in line with the spike in short-term interest rates (Table V.5).

Table V.1: Stock Price Movements and PE Ratios in EMEs

(Per cent)

Stock Price Variations				P/E Ratios			
Item	End-March 2010@	End-March 2011@	End-March 2011*	Item	End-March 2010	End-Dec. 2010	End-March 2011
1	2	3	4	5	6	7	8
Indonesia (Jakarta Composite)	93.7	32.5	-0.7	Indonesia (Jakarta Composite)	13.6	20.9	18.5
Brazil (Bovespa)	72.0	-2.5	-1.0	Brazil (Bovespa)	16.4	13.9	11.6
Thailand (SET Composite)	82.6	32.9	1.4	Thailand (SET Composite)	12.4	15.2	14.0
India (BSE Sensex)	80.5	10.9	-5.2	India (BSE Sensex)	17.7	18.7	17.3
South Korea (KOSPI)	40.3	24.4	2.7	South Korea (KOSPI)	12.2	16.0	12.9
China (Shanghai Composite)	31.0	-5.8	4.3	China (Shanghai Composite)	23.1	16.1	16.6
Taiwan (Taiwan Index)	52.0	9.6	-3.2	Taiwan (Taiwan Index)	19.1	15.4	14.7
Russia (RTS)	128.0	30.0	15.5	Russia (RTS)	9.8	8.6	9.6
Malaysia (KLCI)	51.4	17.0	1.7	Malaysia (KLCI)	18.9	17.4	17.0
Singapore (Straits Times)	69.9	7.6	-2.6	Singapore (Straits Times)	13.4	11.3	10.9

@ : Year-on-year variation. * : End-March 2011 over End-December 2010.

Source: Bloomberg.

Table V.2: Rates in Domestic Financial Markets

	Money Market					Bond Market		Forex Market	Stock Market Indices	
	Call Rate* (Per cent)	Market Repo Rate (Non-LAF) (Per cent)	CBLO Rate (Per cent)	Commercial Paper WADR (Per cent)	Certificates of Deposit WAEIR (Per cent)	G-Sec 10-year yield (Per cent)	Corporate Bonds Yield - AAA 5-Yr bond (Per cent)	Exchange Rate (₹/US$)	CNX Nifty **	BSE Sensex **
1	2	3	4	5	6	7	8	9	10	11
Mar-10	3.51	3.32	3.15	6.29	6.07	7.94	8.61	45.50	5178	17303
Apr-10	3.49	3.04	2.95	5.37	5.56	8.01	8.37	44.50	5295	19679
May-10	3.83	3.79	3.67	6.85	5.17	7.56	8.15	45.81	5053	16845
Jun-10	5.16	5.29	5.21	6.82	6.37	7.59	8.21	46.57	5188	17300
Jul-10	5.54	5.37	5.25	6.93	6.69	7.69	8.27	46.84	5360	17848
Aug-10	5.17	5.12	5.01	7.32	7.17	7.93	8.52	46.57	5457	18177
Sep-10	5.50	5.35	5.24	7.82	7.34	7.96	8.52	46.06	5811	19353
Oct-10	6.39	5.96	5.88	12.15	7.67	7.68	8.58	44.41	6069	20250
Nov-10	6.81	6.42	6.14	12.22	8.16	8.03	8.64	45.02	6055	20126
Dec-10	6.67	6.27	6.20	10.10	9.15	8.03	8.89	45.16	5971	19228
Jan-11	6.54	6.21	6.20	8.81	9.42	8.15	9.05	45.39	5783	19289
Feb-11	6.69	6.45	6.43	9.05	10.04	8.12	9.25	45.44	5401	18037
Mar-11	7.15	6.56	6.46	10.40	9.96	8.00	9.23	44.99	5538	18457

*: Average of daily weighted call money rates. **: Average of daily closing indices.
WADR: Weighted Average Discount Rate. WAEIR: Weighted Average Effective Interest Rate.

V.10 Annualised volatility of one year interest rate swaps increased during Q4 of 2010-11 (Chart V.3). This may reflect market uncertainties on future short-term money market rates.

The yield curve responds to monetary actions and lower budgeted borrowings

V.11 Responding to the persistently high inflation and tightening liquidity conditions, G-sec yields, both in the primary and secondary markets, firmed up during January 2011, but moderated thereafter. A lower-than-expected fiscal deficit and market borrowing programme for the first half of 2011-12 improved market sentiments. Yields eased in March 2011 in response to announcement of auctioning of unutilised investment limits for FIIs for G-Sec and corporate debt. The flattening of yield curve despite inflationary pressures may have been aided by policy rate hikes and temporarily lower issuances (Chart V.4a).

Chart V.2: Movement in Money Market Rates and Turnover

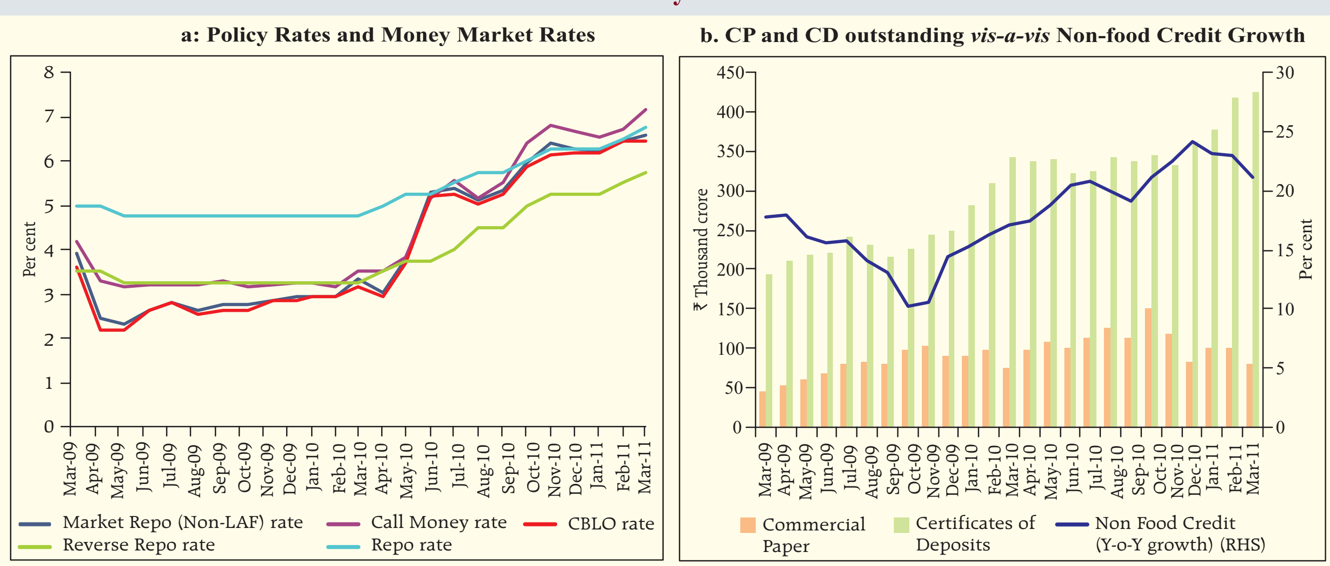


Table V.3: Average Daily Volumes in Domestic Financial Markets

(₹ crore)

	Money Market					Bond Market			Forex Market	Stock Market #
	LAF	Call Money	Market Repo	CBLO	Commercial Paper *	Certificates of Deposit*	G-Sec @	Corporate Bond	Inter-bank (US$ mn)	
1	2	3	4	5	6	7	8	9	10	11
Mar-10	37,640	8,812	19,150	60,006	75,506	3,41,054	6,221	1598	16,378	9,191
Apr-10	57,150	8,187	20,319	50,891	98,769	3,36,807	10,682	1671	18,411	9,262
May-10	32,798	8,393	17,610	42,274	1,09,039	3,40,343	18,774	1653	20,122	8,836
Jun-10	-47,347	7,129	9,481	31,113	99,792	3,21,589	14,523	1236	18,476	8,605
Jul-10	-46,653	9,477	12,011	29,102	1,12,704	3,24,810	10,105	1450	17,126	8,443
Aug-10	-1,048	7,958	15,553	45,181	1,26,549	3,41,616	12,488	1146	18,476	9,656
Sep-10	-24,155	8,606	15,927	53,223	1,12,003	3,37,322	11,582	1254	18,787	10,446
Oct-10	-61,658	8,920	14,401	43,831	1,49,620	3,43,353	10,355	1151	25,053	11,404
Nov-10	-99,311	8,865	9,967	32,961	1,17,793	3,32,982	7,645	922	22,092	11,190
Dec-10	-1,20,495	9,436	12,989	43,784	82,542	3,61,408	6,939	830	17,737	8,574
Jan-11	-92,933	7,758	11,546	44,815	1,01,752	3,77,640	7,025	912	20,054 P	8,430
Feb-11	-78,639	10,356	13,150	42,292	1,01,291	4,18,524	6,994	863	19,673 P	8,011
Mar-11	-80,963	11,278	15,134	43,201	80,305	4,24,740	8,144	1314	22,211 P	7,458

*: Outstanding position P:Provisional. #: Comprises volumes in BSE and NSE.

@: Average daily outright trading volume in Central Government dated securities.

Note: In col. 2 (-) ve indicates injection of liquidity while (+) ve indicates absorption of liquidity.

V.12 In the primary market, investors' sentiment remained positive, as reflected in the sustained bid-cover ratio, which stood in the range of 1.39-3.87 during the year and 1.69-3.25 during the fourth quarter. More long dated securities were issued to take advantage of the yield curve movements (Table V.6). The spreads on five-year corporate bonds over the corresponding government bond yield widened during the fourth quarter of 2010-11 on the back of tight liquidity conditions (Chart V.4b).

V.13 Interest Rate Futures (IRF) on 91-day TBs were permitted by the Reserve Bank in March 2011. These futures will be cash settled with the final settlement price based on the weighted average price/ yield obtained in the weekly auctions on the date of expiry of the contract. This is likely to enhance liquidity and also to provide more options for the financial markets to hedge interest rate risks through exchanges.

Table V.4: Major Issuers of Commercial Paper

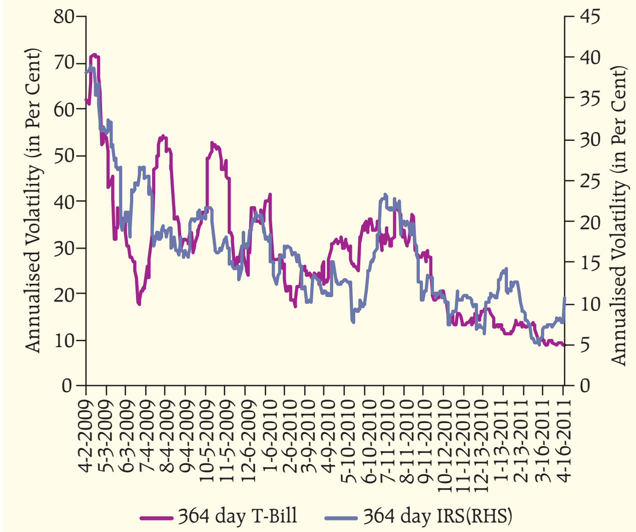
(₹ crore)

End of Period	Leasing and Finance		Manufacturing		Financial Institutions		Total
	Amount	Share (%)	Amount	Share(%)	Amount	Share(%)	Outstanding
1	2	3	4	5	6	7	8
Mar-09	27,183	62	12,738	29	4,250	9	44,171
Jun-09	34,437	50	23,454	34	10,830	16	68,721
Sep-09	31,648	40	31,509	40	16,071	20	79,228
Dec-09	36,027	40	42,443	47	11,835	13	90,305
Mar-10	39,477	52	22,344	30	13,685	18	75,506
Jun-10	42,572	43	43330	43	13,890	14	99,792
Aug-10	57,161	45	55,933	44	13,455	11	1,26,549
Sep-10	58,098	52	40,485	36	13,420	12	1,12,003
Oct-10	80,306	54	54,894	37	14,420	9	1,49,620
Nov-10	58,871	50	45,457	39	13,465	11	1,17,793
Dec-10	49,282	60	24,960	30	8,300	10	82,542
Jan-11	55,591	55	35,601	35	10,560	10	1,01,752
Feb-11	51,339	51	40,262	39	9,690	10	1,01,291
Mar-11	46,350	58	22,695	28	11,260	14	80,305

Table V.5: Treasury Bills in the Primary Market

Year/ Month	Notified Amount	Average Implicit Yield at Minimum Cut-off Price (Per cent)		
	(₹ crore)	91-day	182-day	364-day
1	2	3	4	5
2009-10	3,80,000	3.57	3.97	4.38
2010-11	3,03,000	6.04	6.47	6.66
Apr-10	36,000	4.14	4.64	5.07
May-10	36,000	4.39	4.76	4.92
Jun-10	12,000	5.29	5.31	5.41
Jul-10	16,000	5.51	5.86	5.88
Aug-10	33,000	6.15	6.41	6.48
Sep-10	13,000	6.11	6.41	6.59
Oct-10	26,500	6.57	6.82	6.97
Nov-10	24,000	6.82	7.15	7.14
Dec-10	19,000	7.14	7.29	7.37
Jan-11	21,000	7.17	7.37	7.55
Feb-11	29,500	7.15	7.51	7.68
Mar-11	37,000	7.23	7.49	7.61

Chart V.3: Volatility in Treasury Bill and Interest Rate Swap



Deposit and lending rates transmit the anti-inflationary policy stance

V.14 Stronger transmission is evident as banks continued to increase both the lending rates and deposit rates across maturity spectrums. Deposit rates have risen rapidly to accommodate fast rise in credit and to offset the tight liquidity environment during 2010-11. Scheduled commercial banks (SCBs) raised their deposit rates in the range of 25-500 basis points between end-March 2010 and end-March 2011 across maturities. The deposit rates for 1-3 years maturity increased by 50-125 basis points during the fourth quarter (Table V.7). Several banks reviewed and increased their base rates by 75-125 basis points between July 2010 and March 2011. Base rates of 64 major banks with a credit share of around 98 per cent ruled in the range of 8.0-9.5 per cent in March 2011, reflecting greater convergence since base rates became operational effective July 1, 2010.

Exchange rate remains orderly and flexible

V.15 The rupee remained stable during the fourth quarter of 2010-11, without any intervention or active

Chart V.4: Turnover and Yield in the Bond Market

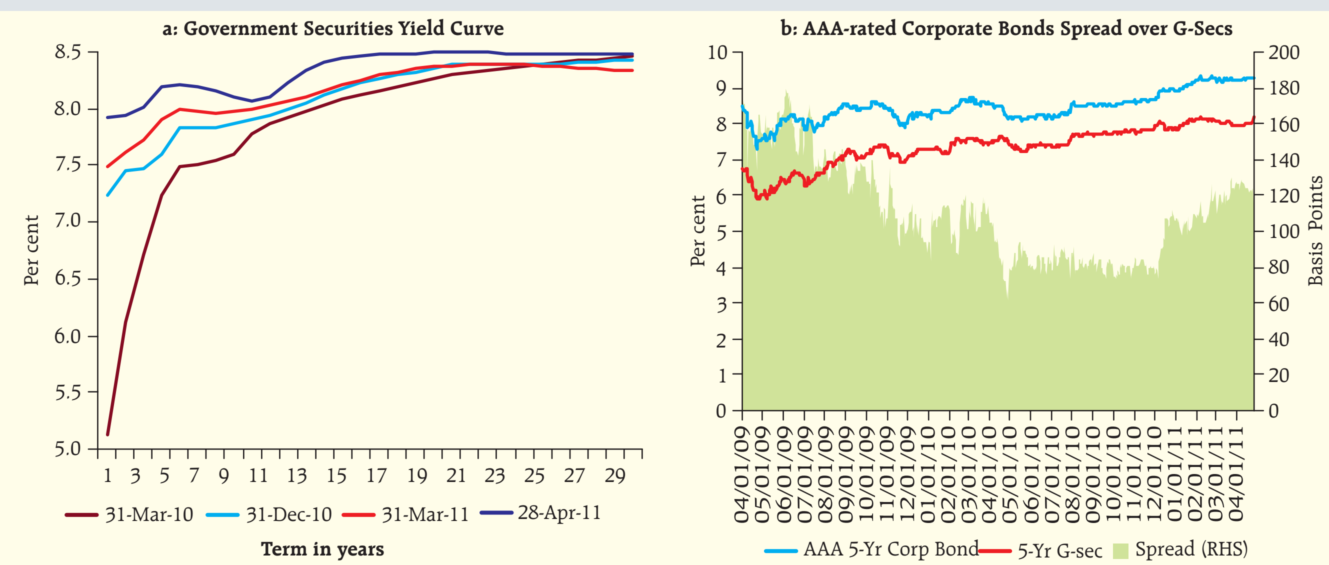


Table V.6: Issuances of Central and State Government Dated Securities

Item	2009-10	2010-11
1	2	3
Central Government		
Gross amount raised (₹crore)	4,51,000 *	4,37,000
Devolvement on Primary Dealers (₹crore)	7,219	5,772
Bid-cover ratio (Range)	1.4-4.3	1.4-3.9
Weighted average maturity (years)	11.2	11.6
Weighted average yield (per cent)	7.2	7.9
State Governments		
Gross amount raised (₹crore)	1,31,122	1,04,039
Cut-off yield (Per cent)	7.0-8.6	8.1-8.6
Weighted average yield (per cent)	8.1	8.4

* : Inclusive of MSS desequestering of `33,000 crore.

capital account management. It exhibited two-way movement against major international currencies except Euro. There was a modest appreciation against the US dollar since mid-February 2011 (Chart V.5a). While the turnover in inter-bank segment of the foreign exchange market remained volatile, the turnover in the merchant segment increased in Q4 of 2010-11.

V.16 Volumes in the exchange traded currency derivatives increased during Q4 of 2010-11 (Chart V.5b). The growth in volumes particularly for currency futures and options has been supported by retail participation and companies. In fact, the monthly trend of turnover in OTC forwards and swap involving rupee remained sluggish during this period. While turnover in the merchant segment decreased from USD 93 billion in October 2010 to USD 64 billion in March 2011 (up to March 25), the turnover in the inter-bank segment declined from USD 418 billion to USD 367 billion for the corresponding period.

Equity markets underperform, remain volatile

V.17 Reflecting several macroeconomic uncertainties, Indian equity markets underachieved and remained volatile during Q4 of 2010-11. Markets lost much of the valuation gains made during the last four months of 2010, when they outperformed most of the international markets. During Q4 of 2010-11, the BSE Sensex has been the worst performer amongst the major equity indices. Slowdown of net equity investment by the FIIs in India largely contributed to the decline (Chart V.6a). In terms of the coefficient of variation, the volatility of Sensex between end-December 2010 and end-March 2011 at 3.95 per cent is much higher than the 2.0 per cent of the MSCI emerging market index and 1.9 per cent of the MSCI world index. The equity derivatives segment had gone up substantially over the year and currently constitutes almost 90 per cent of the overall investments. FII investments accounted for 19.8 per cent of the total investments in derivatives (Chart V.6b)

V.18 The activity in the primary segment of the domestic capital market remained buoyant during the first three quarters of 2010-11, but moderated during Q4. However, resources raised through public issuances were higher during 2010-11 than the previous year (Table V.9). During the year, resource mobilisation by

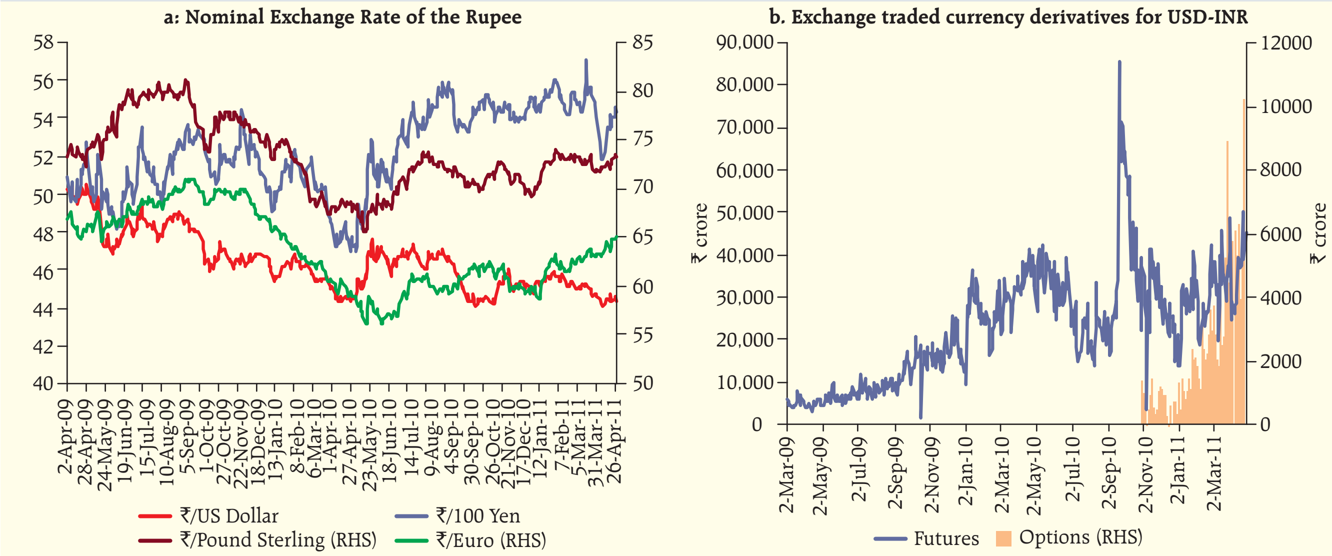
Table V.7: Deposit and Lending Rates of Banks

(Per cent)

	Sep-10	Dec-10	Mar-11
1	2	3	4
1. Domestic Deposit Rate (1-3 years tenor)			
a. Public Sector Banks	6.75-7.75	7.00-8.50	8.00-9.75
b. Private Sector Banks	6.50-8.25	7.25-9.00	7.75-10.10
c. Foreign Banks	3.00-8.00	3.50-8.50	3.50-9.10
2. Base Rate			
a. Public Sector Banks	7.50-8.25	7.60-9.00	8.25-9.50
b. Private Sector Banks	7.00-8.75	7.00-9.00	8.25-10.00
c. Foreign Banks	5.50-9.00	5.50-9.00	6.25-9.50
3. Median Lending Rate*			
a. Public Sector Banks	7.75-13.50	8.75-13.50	-
b. Private Sector Banks	8.00-15.00	8.25-14.50	-
c. Foreign Banks	7.25-13.00	8.00-14.50	-

* : Median range of interest rates at which at least 60 per cent of business has been contracted.

Chart V.5: Trends in Forex Market



mutual funds turned negative, owing to high volatility in the market, surfacing of risks in the real sector, lower retail investments possibly on account of higher returns on competing instruments (bank deposits in particular) and also due to lower corporate support to the MFs.

Asset price concerns remain as housing prices remain firm

V.19 Property prices continued to rise in most cities during Q3 of 2010-11, as reflected in the Reserve Bank's Quarterly House Price Index (HPI) based on data in respect of seven cities collected from the Department of Registration and Stamps (DRS) of the respective State Governments. However, the indices for Delhi and Chennai witnessed a decline during this period (Chart V.7).

Macro-factors may determine financial market movements ahead

V.20 Going forward, macroeconomic factors may dominate financial markets movements in 2011-12. Macro-risks are large and uncertainty abounds on how they might play out. Global commodity markets are witnessing firming up of prices. Even though several

Chart V.6: Movement in Stock Prices and Turnover

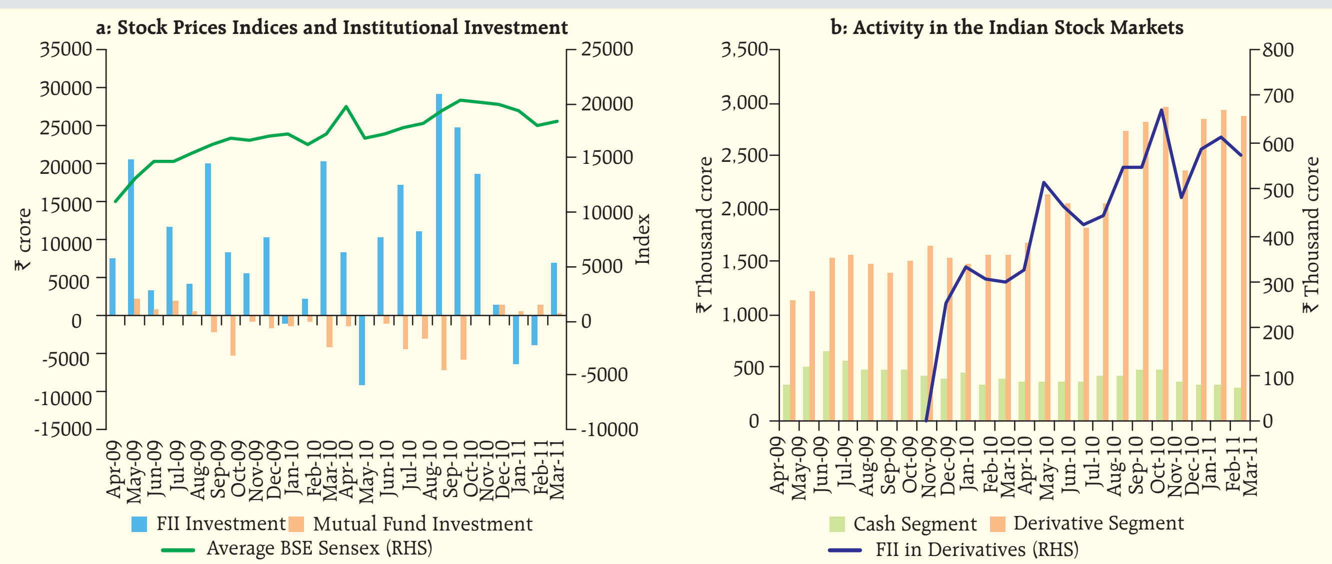


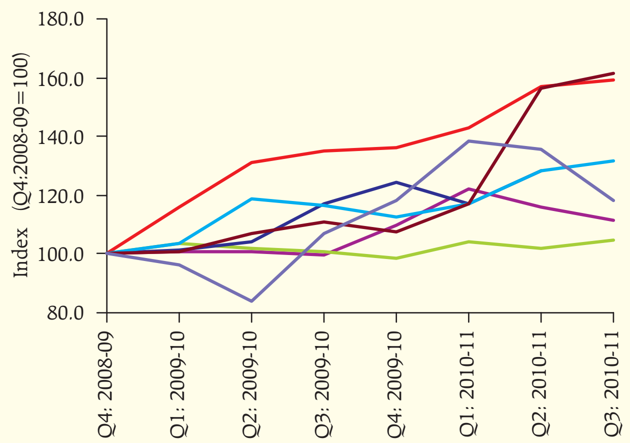
Table V.8: Key Stock Market Indicators

Indicator	BSE Sensex		NSE Nifty	
	2009-10	2010-11	2009-10	2010-11
1	2	3	4	5
1. BSE Sensex/S&PCNX Nifty				
(i) End-period	17527.77	19445.22	5249.1	5833.75
(ii) Average	15585.2	18605.18	4657.76	5583.54
2. Coefficient of Variation	11.88	6.32	11.33	6.4
3. Price-Earning Ratio @	21.32	21.15	22.33	22.14
4. Price-Book Value Ratio	3.9	3.7	3.7	3.7
5. Market Capitalisation to GDP Ratio (per cent)@	98.9	86.8	96.4	85.1

@: As at end-period.

Source: Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

Chart V.7: Trends in House Price Index



* Chennai index is Property Price Index containing both residential and commercial properties

hedge funds have booked profits in the global commodity markets in mid-March 2011 following the Japan earthquake, a fresh wave of speculation has arisen immediately after profit-booking as a result of MENA region event risk.

V.21 Domestic debt markets are likely to be conditioned by evolving fiscal and monetary policy considerations as well as possible hardening of global yields. However, the path of fiscal consolidation embarked upon by the Government could help to ease the pressure on long-term bond yields in the G-Sec market, if inflationary expectations are reined in. Sustained growth momentum could, however, continue to exert pressure on interest rates through high demand for credit. The risk of volatile portfolio flows impacting asset prices and exchange rate remains in the face of growing uncertainties in the global markets. The expected change in operating procedures could help improve the transmission of monetary policy on an enduring basis, enabling interest rate channel to work better.

Table V.9: Resource Mobilisation from Capital Market

(₹ crore)

Category	2008-09	2009-10	2010-11
1	2	3	4
A. Prospectus and Rights Issues*	14,671	32,607	37,620
1. Private Sector (a+b)	14,671	25,479	24,373
a) Financial	466	326	3,877
b) Non-financial	14,205	25,153	20,496
2. Public Sector	0	7,128	13,247
B. Euro Issues	4,788	15,967	9,441
C. Mutual Fund Mobilisation(net)@	-28,296	83,080	-49,406
1. Private Sector	-34,017	54,928	-19,215
2. Public Sector #	5,721	28,152	-30,191

* Excluding offer for sale. @: Net of redemptions. #: Including UTI Mutual fund.

Source: Mutual Fund data are sourced from SEBI and exclude funds mobilised under Fund of Funds Schemes.

VI. Price Situation

The pick-up in inflation in March 2011 was contrary to general expectations of a gradual softening, as conditioned by decelerating industrial growth as well as sustained anti-inflationary monetary actions. Inflation in 2011-12 is likely to moderate slowly but remain above comfort levels reflecting strong persistence. The transmission of rising international commodity prices and spillover from past food and some wage price inflation in some sectors has been visible in recent months. Despite moderating food inflation, headline inflation remained firm in Q4 of 2010-11 as generalised price pressures emerged with rising input costs feeding into manufactured products inflation. Risks to inflation in 2011-12 have amplified from an uncertain outlook on international commodity prices, incomplete pass-through to domestic prices and possibility of prices of food, fuel, minerals and metals staying firm. Policy interventions are necessary to address near-term and structural imbalances to bring down inflation on an enduring basis.

Inflation stays elevated, while underlying drivers change

VI.1 Inflation remained elevated during 2010-11 driven by both supply shocks as well as gradual generalisation of price pressures. Though food inflation moderated during Q4 of 2010-11, increase in prices of a number of manufactured products and freely priced fuel items kept headline inflation firm at above the comfort level. Growing uncertainties in international commodity markets, continuing pressure on global commodity prices from newer shocks like the geo political tensions in MENA region and supply disruptions in primary commodity producing countries suggest increasing risks to the expected moderation in inflation. These developments necessitated continuation of the anti-inflationary monetary policy stance to control inflation and anchor inflationary expectations.

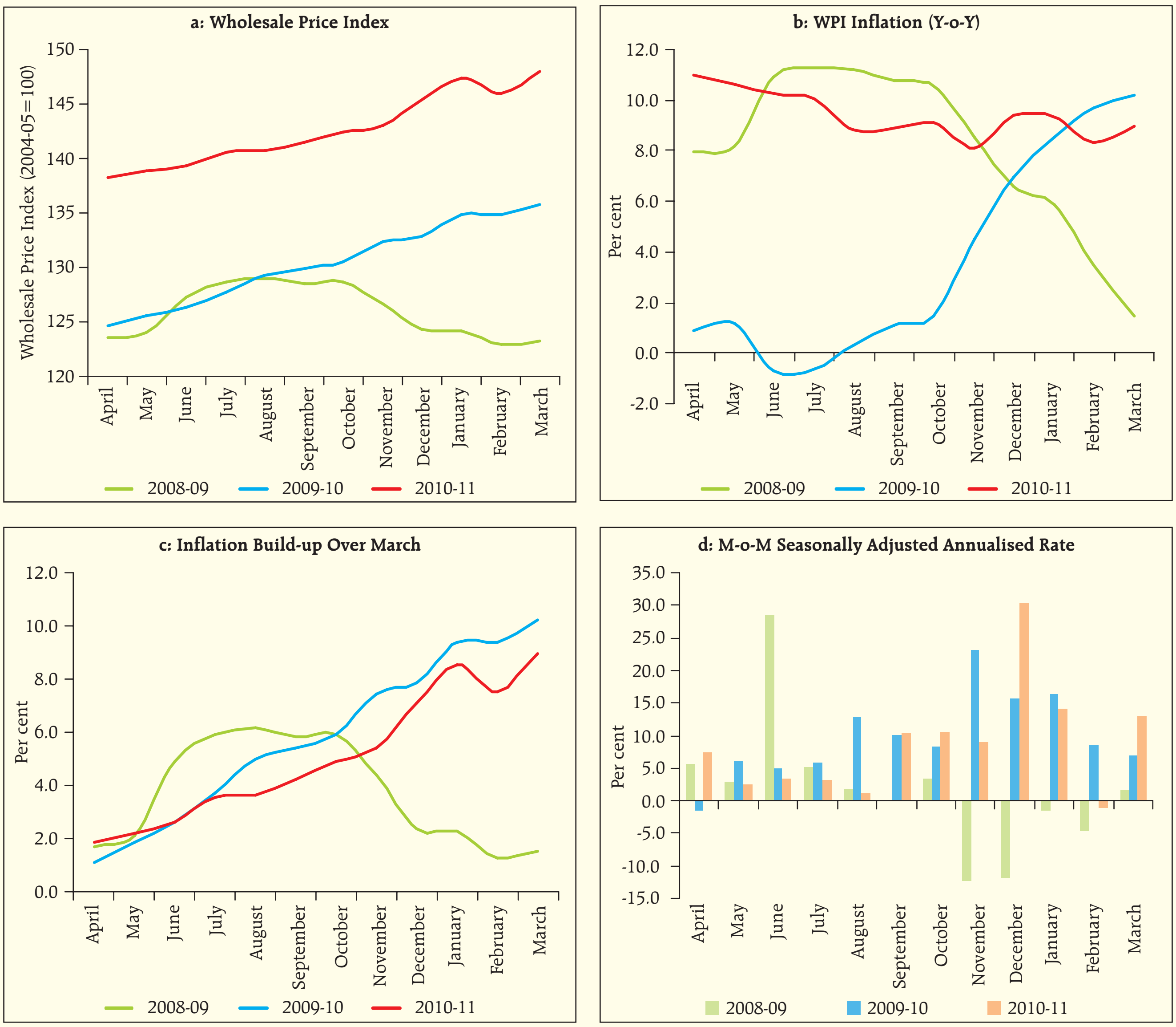
VI.2 One notable feature of inflation path during 2010-11 has been the repeated occurrence of a number of supply shocks which kept headline inflation stubbornly high. Subsequently, price pressures have passed through to other sectors in terms of significant increases in input prices. This was manifested in the secular increase in the Wholesale Price Index (WPI), prominently in the second half. The financial year build-up in inflation, however, has been lower than what was experienced during the previous year while month over month seasonally adjusted changes remained significantly positive indicating continued price pressures (Chart VI.1).

Return of global inflation adds to spillover risks

VI.3 The global inflation environment exhibited some turnaround in recent months as increase in commodity prices spilled over to headline inflation. Most inflation targeting countries currently have headline inflation above the target zone. In the case of advanced economies, core inflation remains subdued indicating absence of significant pressures from domestic demand. The rise in inflation, however, has been more pronounced in the EMEs. The higher share of food and fuel in total consumption basket explains a relatively larger influence of upward movement of international commodity prices on inflation in the EMEs.

VI.4 Most advanced economies continue to pursue accommodative monetary policies as core inflation remains subdued along with high unemployment levels and sluggish recovery in economic growth. However, as commodity price inflation feeds into inflation expectations and generalised inflation, advanced economies could face the policy challenge of containing inflation, even when recovery remains fragile. Even though the policy rates in most advanced economies remain very low, central banks have started to recognise the risks from commodity price spikes to inflation. The European Central Bank, on April 07,

Chart VI.1: Trends in Wholesale Price Inflation



2011, increased its policy rate by 25 basis points to 1.25 per cent after keeping it unchanged at historically low levels for almost two years (Table VI.1). Emerging market economies have continued with hikes in key policy rates as the balance of policy focus needed to be shifted towards controlling inflation. Given the recent increase in global commodity prices and its potential impact on generalised inflation going forward, EMEs are likely to persist with anti-inflationary monetary policy stance. Among the major EMEs, most central banks raised their key policy rates during the last quarter of 2010-11.

Risks from increase in global commodity prices to domestic inflation have increased significantly

VI.5 Global commodity prices have exhibited uptrend since mid-2010 fuelled by fresh concerns over supply prospects (Chart VI.2). Political tensions in the MENA region significantly impacted crude oil prices and average crude oil prices were at US$ 114.4 per barrel for UK Brent category and US$ 108.6 per barrel for Dubai Fateh category during March 2011. Accordingly, the Indian basket crude oil price averaged US$110.4 per barrel in March 2011 given the composition of the

Table VI.1: Global Inflation Indicators

(Per cent)

Country/ Region	Key Policy Rate	Policy Rate	(as on April 28, 2011)	Changes in Policy Rates (basis points)		CPI Inflation (y-o-y)	
				Sep, 15. 08 to Aug. 23, 09	Since Aug. 23, 09	Mar-10	Mar-11
1	2	3		4	5	6	7
Developed Economies							
Australia	Cash Rate	4.75	(Nov. 3, 2010)	(-) 400	175	2.9 ^	3.3 ^
Canada	Overnight Rate	1.00	(Sep. 8, 2010)	(-) 275	75	1.4	3.3
Euro area	Interest Rate on Main Refinancing Operations	1.25	(Apr 13, 2011)	(-) 325	25	1.6	2.7
Japan	Uncollateralised Overnight Call Rate	0.0 to 0.10	(Oct. 5, 2010)*	(-) 40	(-) 10	-1.1	0.0
UK	Official Bank Rate	0.50	(Mar. 5,2009)	(-) 450	0	3.4	4.0
US	Federal Funds Rate	0.0 to 0.25	(Dec.16,2008)*	(-) 200	0	2.3	2.7
Developing Economies							
Brazil	Selic Rate	12.00	(Apr.21, 2011)	(-) 500	325	5.2	6.3
India	Reverse Repo Rate	5.75	(Mar 17, 2011)	(-) 275	250	14.9	8.8
	Repo Rate	6.75	(Mar. 17, 2011)	(-) 425	200		
				(-400)	(100)		
China	Benchmark 1-year Deposit Rate	3.25	(Apr. 6, 2011)	(-) 189	100	2.4	5.4
	Benchmark 1-year Lending Rate	6.31	(Apr. 6, 2011)	(-) 216	100		
				(- 200)	(500)		
Indonesia	BI Rate	6.75	(Feb. 4, 2011)	(-) 275	25	3.4	6.7
Israel	Key Rate	3.00	(Apr. 1, 2011)	(-) 375	250	3.2	4.3
Korea	Base Rate	3.00	(Mar.10, 2011)	(-) 325	100	2.3	4.7
Philippines	Reverse Repo Rate	4.25	(Mar. 24, 2011)	(-) 200	25	4.4	4.3
	Repo Rate	6.25	(Mar. 24, 2011)	(-) 200	25		
Russia	Refinancing Rate	8.00	(Feb. 28, 2011)	(-) 25	(-) 275	6.5	9.4
South Africa	Repo Rate	5.50	(Nov. 19, 2010)	(-) 500	(-) 150	5.1	4.1
Thailand	1-day Repurchase Rate	2.75	(Apr. 20, 2011)	(-) 250	125	3.4	3.1

^ : Q4 of 2010-11   * : Change is worked out from the minimum point of target range.

Note: 1. For India, data on inflation pertain to CPI for Industrial Workers.
2. Figures in parentheses in column (3) indicate the effective dates when the policy rates were last revised.
3. Figures in parentheses in column (4 & 5) indicate the variation in the cash reserve ratio during the period.

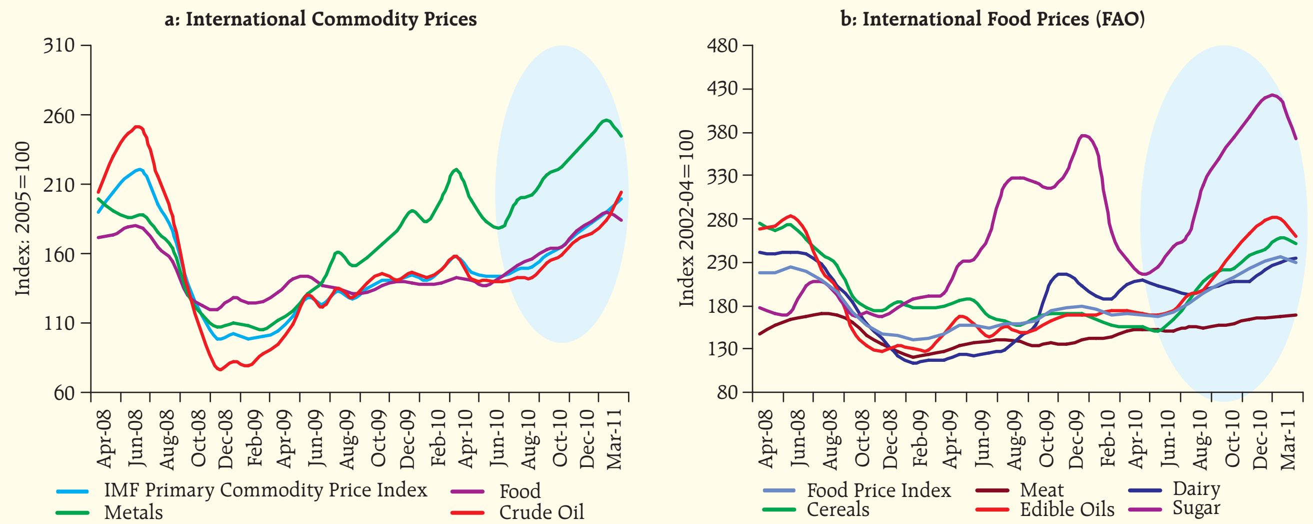
Source: Websites of respective central banks/statistical agencies.

Indian basket. Despite ample spare capacity with some OPEC member countries, crude oil prices are likely to remain at higher levels during 2011-12 as compared with 2010-11 given the political uncertainties and tight demand-supply balance.

VI.6 The FAO food price index, which in March 2011 recorded its historical peak since inception in 1990, showed some moderation in April 2011. However, the FAO, in its latest World Food Outlook, indicated that increasing diversion to cash crops could limit the production capacity of individual food crops to respond to high prices adequately to levels that could be sufficient to alleviate market tightness. Against this backdrop, the FAO has warned that "…consumers may have little choice but to pay higher prices for their food. With the pressure on world prices of most commodities not abating, the international community must remain vigilant against further supply shocks in 2011 and be prepared". Apart from oil and food, metals and other primary products have also exhibited considerable increase in prices.

VI.7 The earthquake in Japan in March 2011 led to a temporary decline in commodity prices reflecting fears of a slowdown in demand from Japan. However, prices have rebounded since then and are likely to witness further pressure, especially in the case of metals and

Chart VI.2: Trends in Global Commodity Prices



Source: IMF Primary Commodity Price Database and FAO Food Price Database.

industrial raw materials as reconstruction efforts could lead to increased demand.

Pass-through of global inflation has been divergent and incomplete

VI.8 The impact of changes in global commodity prices on domestic inflation is dependent on a number of factors. In the case of fuel, where India is highly import dependent, any increase in global prices has a significant impact on domestic inflation. In the case of food items, the magnitude of the spillover impact of rising global food prices has been minimal, especially in the case of cereals (Table VI.2). This is mostly because prices of most food items in India are predominantly affected by domestic supply conditions as well as government's pricing policy rather than global trends. However, increasing global prices rule out the possibility of using imports as a measure for food price control. In the case of primary input commodities like cotton and rubber, global price changes have been largely reflected in Indian prices too, adding cost pressure on manufactured products. Thus, global price increases have both direct and indirect impact on domestic inflation conditions.

Table VI. 2: Movement in International and Domestic Commodity Prices

Per cent

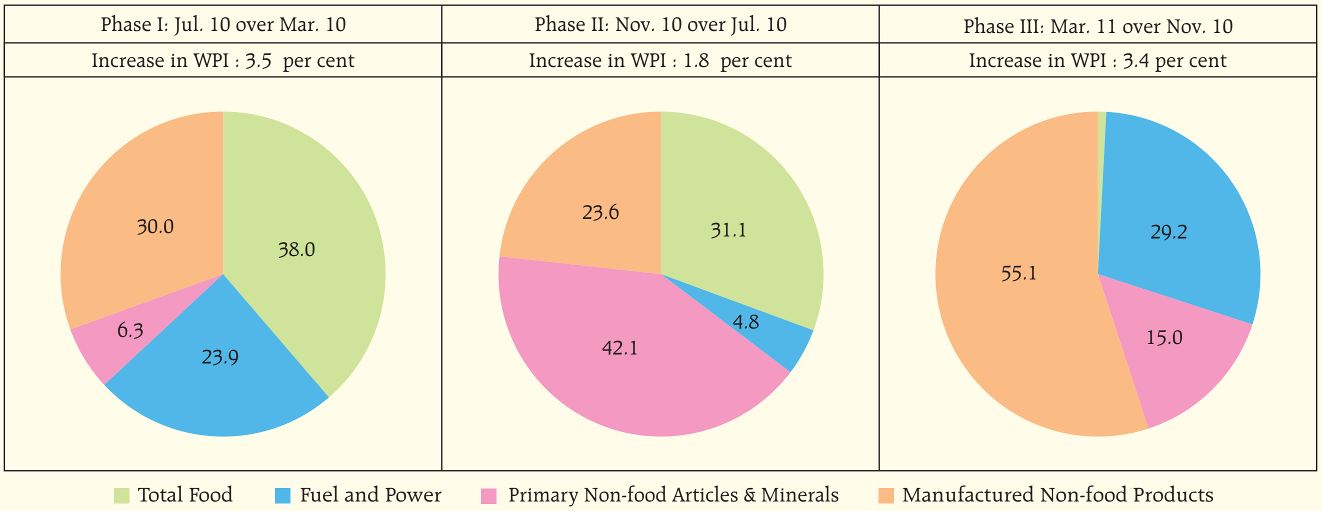
Item	Annual Variation March 2011		Mar-11 over Dec-10	
	International Prices	Domestic Prices (WPI)	International Prices	Domestic Prices (WPI)
1	2	3	4	5
Rice	-1.9	2.7	-7.4	-2.0
Wheat	65.7	0.8	3.3	0.5
Maize	82.7	25.5	16.0	11.8
Soyabean oil	42.8	19.1	-1.1	10.7
Sugar	40.6	-7.5	-6.2	-1.7
Cotton	167.6	98.1	36.7	34.4
Rubber	63.8	49.1	19.3	11.6
Coal	35.6	15.9	8.2	15.9
Petroleum	37.0	6.3	20.7	0.0
Iron ore	21.2	29.7	3.8	1.4
Fertilizers	28.4	9.4	-1.2	3.1
Aluminium	15.8	1.8	8.7	-0.8
Copper	27.3	0.3	3.9	1.0
Gold	27.9	33.4	2.4	1.3
Silver	109.6	68.9	22.4	14.2

Source: World Bank and Ministry of Commerce and Industry, GOI.

Sources of price pressures shift over three distinct phases

VI.9 The nature of the inflation during 2010-11, in terms of contribution of specific groups items in the WPI basket, changed over three phases (Chart VI.3). In the first phase (between March and July 2010), food group had the highest contribution to the increase in WPI. In the second phase (between July and November 2010), primary non-food articles, particularly fibres like raw cotton, raw jute and raw silk had the dominant contribution. The major source of price pressures in

Chart VI.3: Changing Weighted Contributions to Increase in WPI During 2010-11



Note: Pie Charts represent the weighted contribution (in per cent) of different sub-groups to increase in WPI.

the third phase (between November 2010 and March 2011) came from manufactured non-food products reflecting generalisation of inflation.

Food inflation declines but price levels remain firm reflecting structural imbalances

VI.10 The decline in primary food articles inflation on the expected lines with the arrival of fresh crops in the market and government interventions in the market has been one comfort factor during Q4 of 2010-11. The government has announced a number of measures in the Union Budget for 2011-12 to address the structural imbalances, especially in the case of protein-rich food items. These measures, however, could yield results only in the medium term.

VI.11 The decline in food inflation has not brought about significant decline in price levels as the prices are ruling at higher levels above the past trend, more so in the case of protein-rich items (Chart VI.4). These point towards weak supply response to both growing demand and increasing prices, leading to growing imbalances. Supply-augmenting measures as well as policies to create more efficient markets are critical to contain inflation at moderate levels. Such structural rigidities, unless addressed adequately, could lead to a situation of persistent high level of inflation which could constrain the efficacy of monetary policy.

Volatility in food prices has increased

VI.12 Along with increase in inflation in food articles in recent months, there has also been increase in volatility in food prices, especially in the case of vegetables, fruits and condiments and spices (Chart VI.5). Increased volatility in prices can influence inflation expectations adversely and also lead to inefficiencies in resource allocation as economic agents would find it difficult to distinguish between absolute and relative price changes. Also, the spike in vegetable prices during 2010-11 has been almost of the same

Chart VI.4: Trend in Primary Food Prices

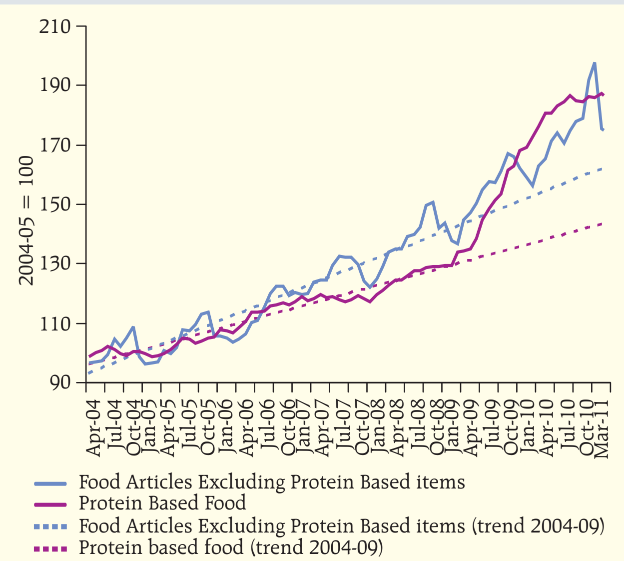
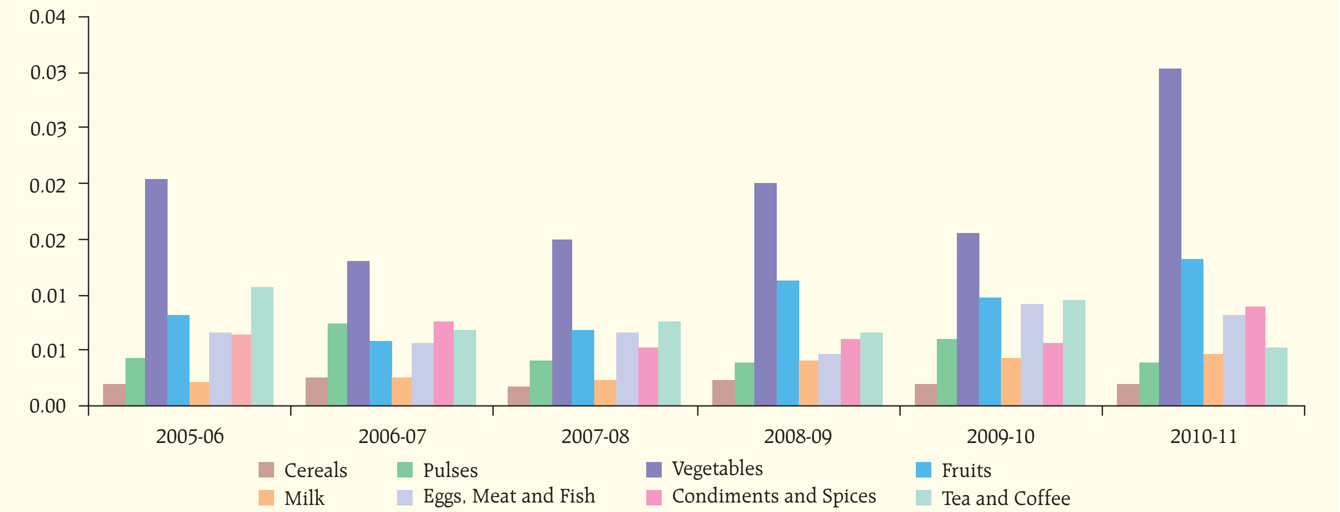


Chart VI.5: Volatility in Food Prices



Note: Volatility is measured as annual standard deviation of changes in log of price index (weekly).

magnitude as the previous shock of 1998-99 (Chart VI.6). However, the decline in prices following the spike has been lower during the current spike.

Partial pass-through of global fuel inflation increases medium-term risks

VI.13 Recent significant increases in international crude oil and coal prices have added further pressure on domestic inflation. In recent period, the full impact of increase in global oil price increases has been muted by the administered price intervention as the pass-through of increase in crude prices has been low in the items under administered prices (Chart VI.7). Empirical estimates show that every 10 per cent increase in global crude prices, if fully passed through to domestic prices, could have a direct impact of 1 percentage point increase in overall WPI inflation and the total impact could be about 2 percentage points over time as input cost increases translate to higher output prices across sectors.

VI.14 Administered price interventions could keep inflation low in the near-term, but with significant risks to medium-term inflation through the impact on higher

Chart VI.6: Vegetable Price Shocks

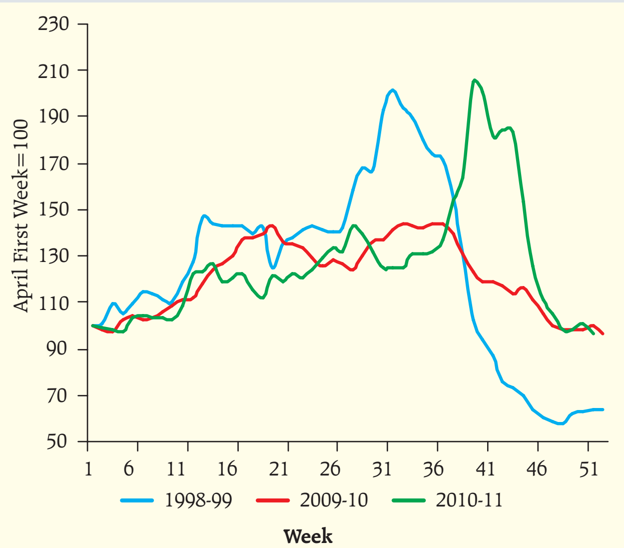
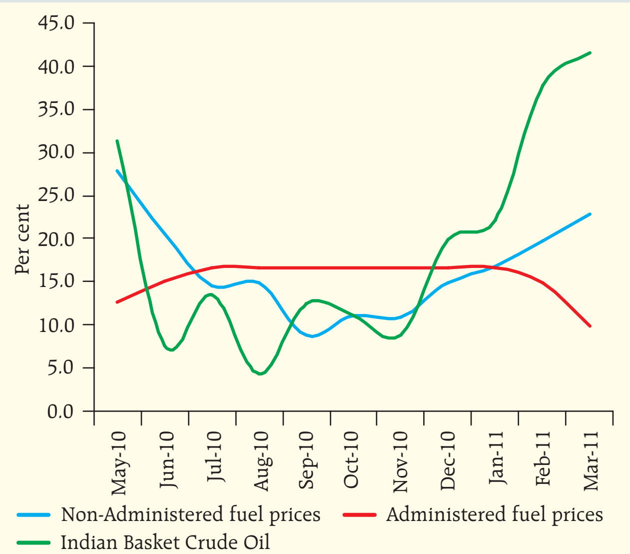


Chart VI.7: Global and Domestic Fuel Inflation (Y-o-Y)

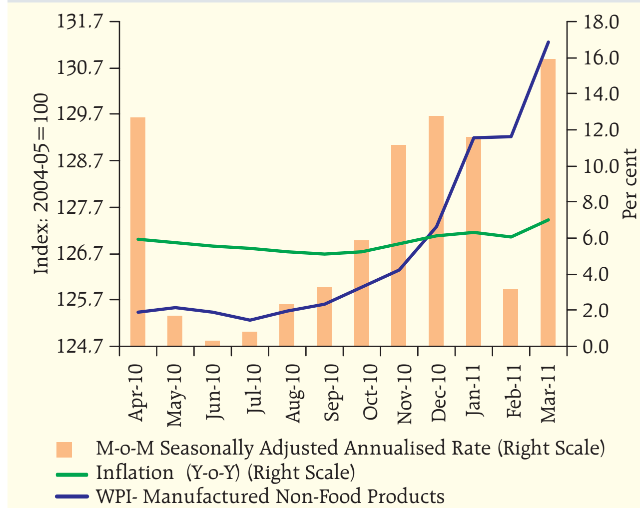


fiscal deficit apart from its impact on efficiency concerns. Even in the case of freely priced products, the pass-through remains incomplete. As against an increase of 42 per cent y-o-y in March 2011 in the Indian basket crude oil price, the domestic price of non-administered fuels increased by only 23 per cent. This indicates that prices could increase going forward as domestic inflation catch up with global trends. It is also important to make further progress in deregulation of fuel prices, particularly diesel. This would enable demand to adjust appropriately to price signals, reduce fiscal deficit and make the inflation number more representative of underlying inflation conditions.

Contribution of non-food manufactured products to overall inflation increased with rising input cost pressures

VI.15 The underlying contributors to inflation have changed in recent months. The non-food manufactured products group, broadly seen as an indicator of demand-side and generalised pressures on inflation, has contributed to much of the high inflation in recent months even as the contribution of food inflation declined (Chart VI. 8). Fuel group and non-food primary articles also continue to contribute significantly to overall inflation, pointing towards persisting and generalised inflationary pressures.

Chart VI.9: Manufactured Non-food Products: Index, Inflation and Month-over-Month Seasonally Adjusted Annualised Changes



VI.16 After exhibiting a near stable path up to the third quarter of 2010-11, manufactured non-food products inflation rose significantly in the last quarter with both the price index and month-over-month seasonally adjusted changes indicating significant build-up in price pressures (Chart VI.9). Currently, the y-o-y inflation in this group is at 7.0 per cent (March 2011), much above the medium term trend. The increasing price pressures in this category, is important consideration in the conduct of monetary policy. It indicates the spillover of supply shocks to generalised inflation through the input cost channel as well as the

Chart VI.8: Contribution to Overall Inflation- Major groups

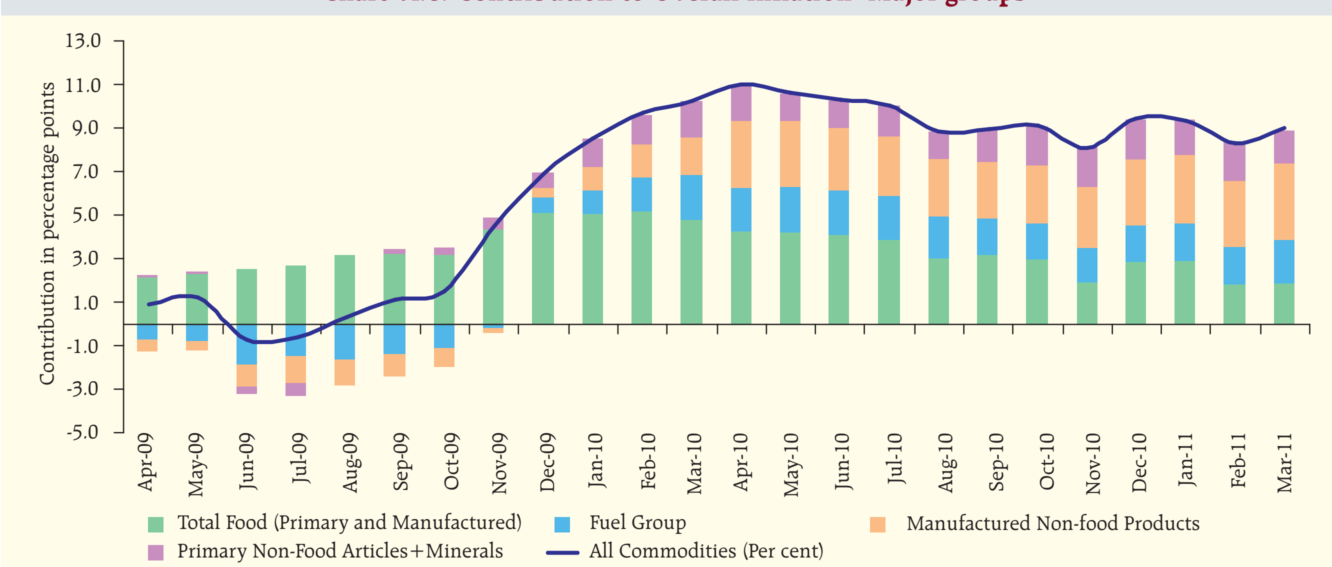
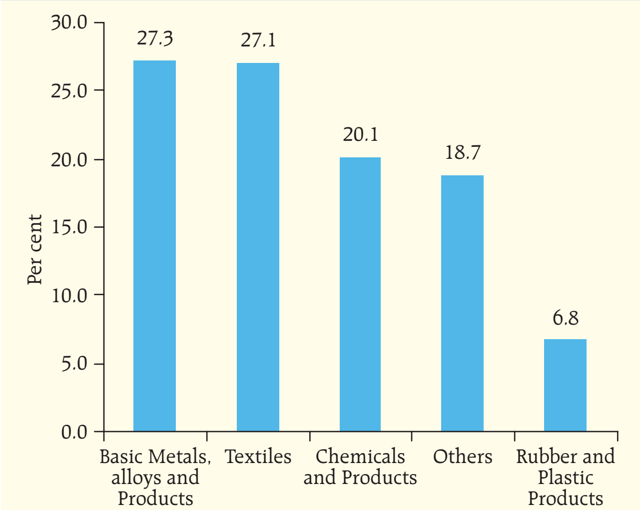


Chart VI.10: Weighted Contribution to Manufactured Non-food Products Price Rise (March 2011, Year-on-Year)



inflation expectations. It can also impact the core inflation through wage price spiral.

VI.17 The rise in non-food manufacturing prices reflects the presence of significant pricing power. In terms of the contribution to increase in non-food manufactured prices during 2010-11, about three fourth of the increase was driven by three major groups, *viz.*, textiles, chemicals and metals (Chart VI.10). Significant input cost pressures were visible in these groups as the global prices of cotton, petroleum products and metals had increased. The producers' ability to pass on these increases to output prices point towards prevalence of favourable demand conditions.

VI.18 During the last quarter of 2010-11, a number of product groups under the manufactured products group witnessed increase in prices (Table VI.3). As a result, the increase in price level during Q4 of 2010-11 was predominantly driven by non-food manufacturing, reflecting rise in input costs feeding into product prices.

VI.19 The divergence in inflation between major sub-groups in WPI continues to be large with primary articles and 'fuel and power' group exhibiting significantly high inflation as compared to manufactured products group (Chart VI.11.a). Manufactured products inflation, however, increased in recent months. Within the fuel group, coal prices increased significantly in March 2011, while increase in freely priced petroleum products prices led to higher inflation for mineral oils. Electricity price increases remained moderate during 2010-11 but given the increases in coal and mineral oils prices, electricity prices are likely to rise in the near-term. Among the major components, non-food primary articles inflation remained high driving input cost prices for manufactured products. Decline in food inflation has, however, been reflected in significant moderation in essential commodities inflation (Chart VI.11b).

Chart VI.11: Annual WPI Inflation

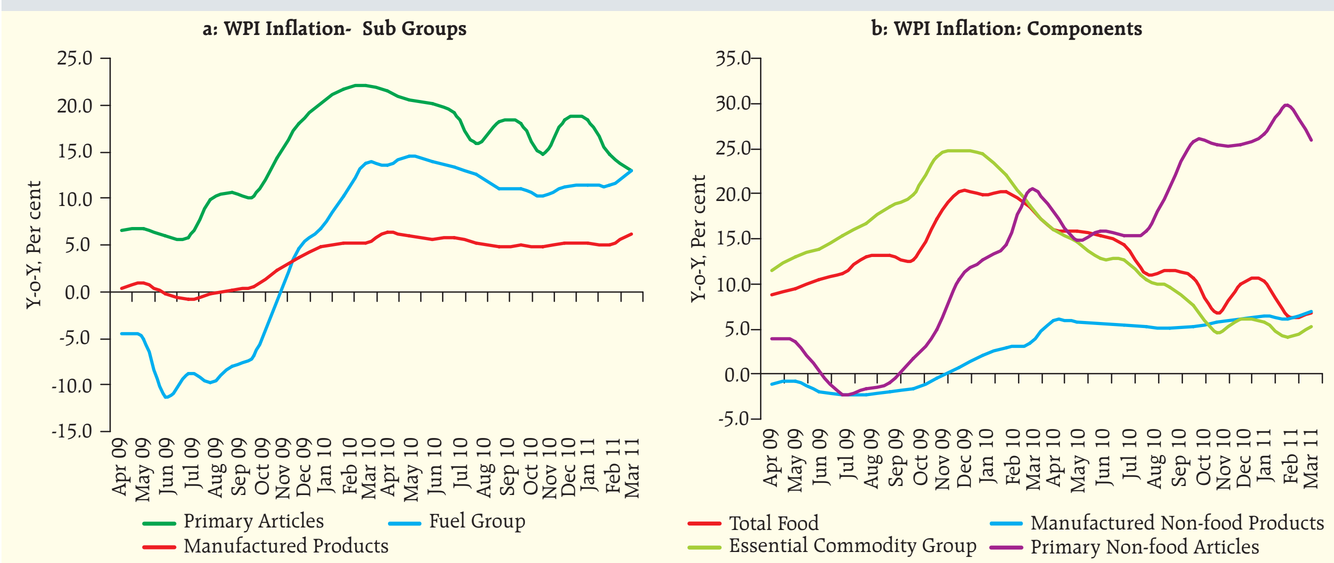


Table VI.3: Wholesale Price Inflation in India (2004-05=100)

Per cent

1	2	3	4	5	6	7	8
Commodity	Weight	(Year on Year, March)				Quarterly Variation (Mar-11 over Dec-10)	
		2009-10		2010-11		Change in	W.C.
		Inflation	W.C.	Inflation	W.C.	WPI	
1	2	3	4	5	6	7	8
All Commodities	100.0	10.2	100.0	9.0	100.0	1.8	100.0
1. Primary Articles	20.1	22.2	48.1	13.0	35.5	-2.4	-35.6
Food Articles	14.3	20.6	31.9	9.5	18.2	-5.4	-56.8
Non-Food Articles	4.3	20.4	8.6	25.9	13.6	7.5	21.6
Minerals	1.5	37.9	7.7	12.2	3.5	-0.5	-0.8
2. Fuel Group	14.9	13.8	20.1	12.9	22.1	5.3	45.9
i. Coal	2.1	7.9	2.0	15.9	4.4	15.9	20.9
ii. Mineral Oils	9.4	18.6	17.1	14.7	16.6	4.7	27.0
iii. Electricity	3.5	3.4	1.0	3.6	1.1	-1.3	-2.0
3. Manufactured Products	65.0	5.2	32.0	6.2	41.5	2.7	87.5
i. Food Products	10.0	15.1	14.7	2.4	2.8	0.6	3.5
ii. Beverages, Tobacco & Tobacco Products1.8	8.1	1.5	7.3	1.5	5.2	5.1	
iii. Textiles	7.3	9.1	5.4	15.6	10.5	6.9	23.4
iv. Wood & Wood Products	0.6	6.6	0.4	3.2	0.2	1.4	0.5
v. Paper & Paper Products	2.0	2.5	0.5	7.2	1.4	1.9	1.9
vi. Leather & Leather Products	0.8	2.5	0.2	-3.0	-0.3	-3.3	-1.3
vii. Rubber & Plastic Products	3.0	3.7	1.0	9.0	2.6	2.7	4.0
viii. Chemicals and Chemical Products	12.0	3.7	4.1	6.6	7.8	3.3	19.0
ix. Non-Metallic Mineral Products	2.6	3.2	0.9	3.2	1.0	2.8	3.9
x. Basic Metals, Alloys and Metal Products10.7	1.4	1.5	9.3	10.6	4.1	23.1	
xi. Machinery and Machine Tools	8.9	1.5	1.3	2.4	2.1	0.4	1.7
xii. Transport Equipment and Parts	5.2	1.2	0.6	3.3	1.7	1.8	4.2
Memo:							
Food Items (Composite)#	24.3	18.5	46.6	6.8	21.0	-3.3	-53.3
Food Items (Protein Based)$	6.4	28.7	19.5	7.5	6.7	-0.4	-2.0
Manufactured Non-food Products	55.0	3.3	17.2	7.0	38.8	3.1	84.0
WPI Excluding Food	75.7	7.4	53.4	9.8	79.0	3.8	153.3
WPI Excluding Fuel	85.1	9.6	79.9	8.3	77.9	1.1	54.1
Essential Commodities	14.4	18.6	28.3	5.2	9.8	-1.7	-15.8

W.C.: Weighted contribution to increase in WPI. #: Primary Food Articles + Manufactured Food Products.

$: Includes milk, 'eggs, meat and fish' and pulses.

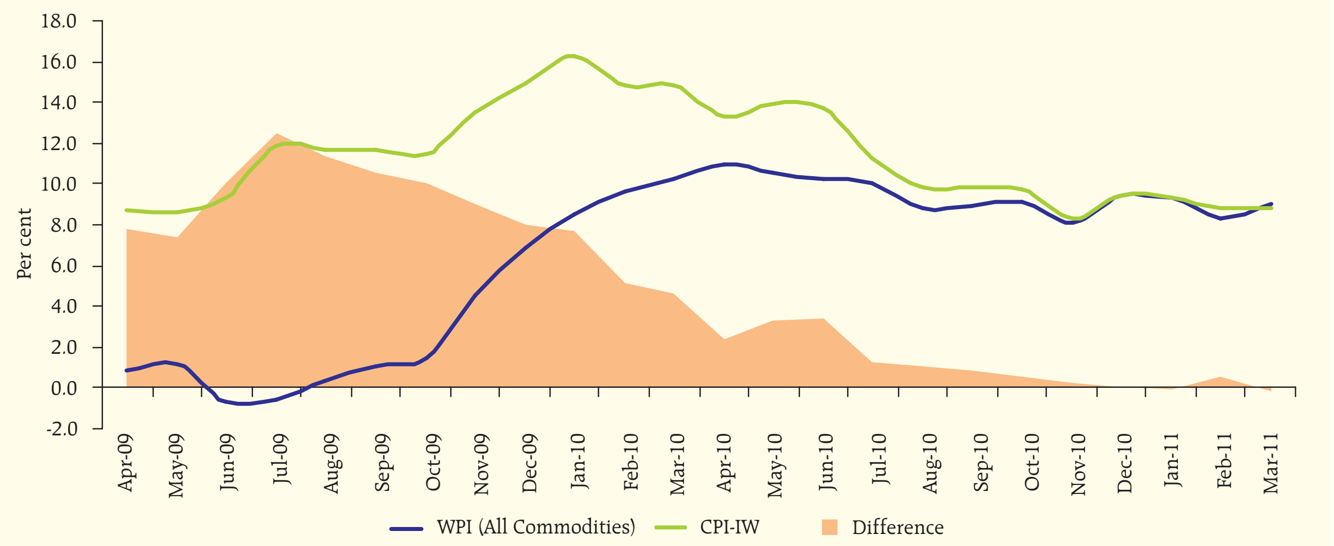
CPI and WPI inflation converge, but elevated levels point to generalised price pressures

VI.20 Inflation, as measured by various consumer price indices, moderated from the double digit levels, reaching single digit after more than a year, but still remain high. Various measures of inflation remained in the range of 8.8-9.1 per cent in March 2011. While the extent of divergence between WPI and CPI inflation narrowed significantly as food prices moderated, both remained elevated indicating generalisation of price pressures (Chart VI.12).

Inflation path remains sticky and risks abound

VI.21 With the likelihood of spillovers from past inflation and sustained impulses transmitting from rising global commodity prices, the inflation path for 2011-12 looks sticky, characterised by nominal rigidities. Nominal rigidities mean that nominal prices of goods and wages are temporarily rigid due to price-setting behaviour and may not decline immediately after a rise in inflation. Headline inflation could remain elevated in the first half of 2011-12 before declining

Chart VI.12: WPI and CPI Inflation (Y-o-Y)



gradually in the second half but remain above the Reserve Bank's comfort level.

VI.22 Even as food inflation moderated, it has not led price levels returning to the trend, suggesting that even if the transient shocks abate price pressures may remain. The measures of the Government announced in the Union Budget, in terms of supply augmentation in key protein rich items can only be expected to yield results in the medium term. The impact of global price spurts in the case of crude oil on domestic inflation has so far been partial on account of incomplete pass-through reflecting administrative price interventions. However, if global prices remain firm at high levels, such measures could lead to a significant fiscal burden and thereby feed into medium term inflation. Allowing further pass-through especially for coal, where global prices have increased significantly, and electricity, where input costs have escalated, while raising inflation in the near term will help in medium-term inflation management through the impact on both demand adjustment and a favourable impact on the fiscal position.

VI.23 The spillover of supply-side led inflation on to generalised inflation appears to have been faster in recent months through input cost escalation. Given the risk that high and persistent inflation in itself could jeopardize the growth momentum and inclusive growth, policy has to focus on anchoring inflationary expectations as well as limiting the second-round impact of supply shocks.

VII. Macroeconomic Outlook

While India's macroeconomic outlook for 2011-12 remains favourable, high oil prices pose the biggest risk to both growth and inflation. Forward-looking surveys indicate slight moderation in growth and business expectations. The pass-through from both fuel and non-fuel commodity prices remains as yet incomplete. As domestic prices adjust further to international commodity prices, inflation gap is likely to close only slowly. Persistent high inflation now poses risk to sustaining high growth.

Inflation risks significant, while growth risks emerge

VII.1 The baseline case is that the Indian economy may continue to grow at near its trend growth rate, while inflation may remain above comfort-levels. Risks to growth exist from persistence of current elevated crude oil prices as this can slow down the Indian economy. If global crude oil prices escalate further, growth could be significantly impacted given the inter-linkages amongst several macro-parameters and non-linearities coming into play. Inherent in these linkages is the likely adverse impact on growth from inflation staying high due to the energy price shock. Mitigating factors exist in form of strong private demand, prediction of normal monsoon, good pipeline investment and reduced energy intensity per unit of output, but some deceleration in growth can be anticipated. The forward looking surveys of various agencies as well as the Reserve Bank's industrial outlook survey also reflect some weakness. The professional forecasters and the inflation expectations surveys indicate that inflation expectations remain high.

Phillips curve relationship does not hold

VII.2 It is important to lower inflation as quickly and as decisively as possible because empirical evidence suggests that high growth on an average has coexisted with low inflation and that episodes of high inflation have typically been followed by slowdown in growth rates. The Phillips curve relationship suggesting trade-off between high growth (or low unemployment) and low inflation broke down with stagflation in the 'seventies and recent evidence suggests that while it may hold for very low levels of inflation, above a certain threshold, the Phillips curve is backward-bending or vertical. This implies that at high levels of inflation, growth could be lower coupled with higher unemployment. High inflation raises inflation expectations and causes wage inflation to rise, ultimately feeding on itself.

VII.3 Indeed, the more recent high growth phase of the Indian economy starting 2003-04 has been accompanied by low headline and core inflation. It shows that high growth does not warrant high inflation. The best way to catch up is to lower inflation differential with the other open economies so that sustainable growth is promoted by macroeconomic stability. Empirical analysis suggests that beyond a threshold level of inflation in the Indian economy, output gets sacrificed and inflation costs begin to rise sharply. These costs adversely affect the poor the most as relative prices move to their disadvantage. Balancing growth and inflation may be important in the short-run, but in the long-run, persistent inflation is a significant threat to growth.

Business expectations surveys generally exhibit moderation

VII.4 The more recent forward looking surveys conducted by various agencies indicate moderation in business expectations. Most notably, the NCAER and FICCI surveys have shown a substantial q-o-q decline indicating the possibility of a slowdown (Table VII.1).

VII.5 High and persistent inflation appears to be the single most influential factor affecting the business confidence adversely through various channels (the Dun and Bradstreet Survey and NCAER Survey). These channels include slackening consumer demand (CII Survey) and input cost inflation (FICCI Survey). Apart from inflation, other factors affecting the business confidence adversely include currency risks, global economic instability (the CII Survey) and geopolitical uncertainty in the MENA region which may

Table VII.1: Business Expectations Surveys

Period Index	NCAER-Business Confidence Index Apr. 2011	FICCI Overall Business Confidence Index Q3:2010-11	Dun & Bradstreet Business Optimism Index Q2: 2011	CII Business Confidence Index Jan.-Mar. 2011
1	2	3	4	5
Current level of the Index	145.3	63.8	183.3	66.7
Index as per previous survey	158.5	76.2	171.2	66.2
Index levels one year back	156.8	70.0	142.8	66.1
% change (q-on-q) sequential	-8.3	-16.3	7.1	0.8
% change (y-on-y)	-7.3	-8.9	28.4	0.9 *

*: Percentage change over October-March 2009-10 Survey.

have implications for the petroleum prices (NCAER Survey).

VII.6 The seasonally adjusted HSBC Markit Manufacturing Purchasing Managers' Index (PMI) remained unchanged in March 2011 from its February 2011 level and indicated sustained expansion of the Indian manufacturing sector at a pace that is above the long-run series average. The HSBC Markit Services PMI for India slowed in March 2011 from the seven-month high in February 2011 but still reflected a strong expansion.

The Industrial Outlook Survey shows moderation

VII.7 The 53rd round of the Industrial Outlook Survey of the Reserve Bank conducted during January-March 2011, based on a sample of 1,524 companies, showed moderation for the assessment quarter (January-March 2011) as well as for the expectations quarter (April-June 2011) (Table VII.2 and Chart VII.1). The Business Expectations Index (BEI) remains in growth terrain (*i.e.* above 100, which is the threshold that separates contraction from expansion). The survey shows that the Indian manufacturing sector is concerned about slowdown in overall demand conditions as rising input costs may result in higher selling prices. The profits margins may also come under pressure with rising input costs. The overall financial situation, working capital finance requirement and availability of finance deteriorated for both the assessment and expectation quarters, there is also a strong perception of increase in the cost of external finance. On employment

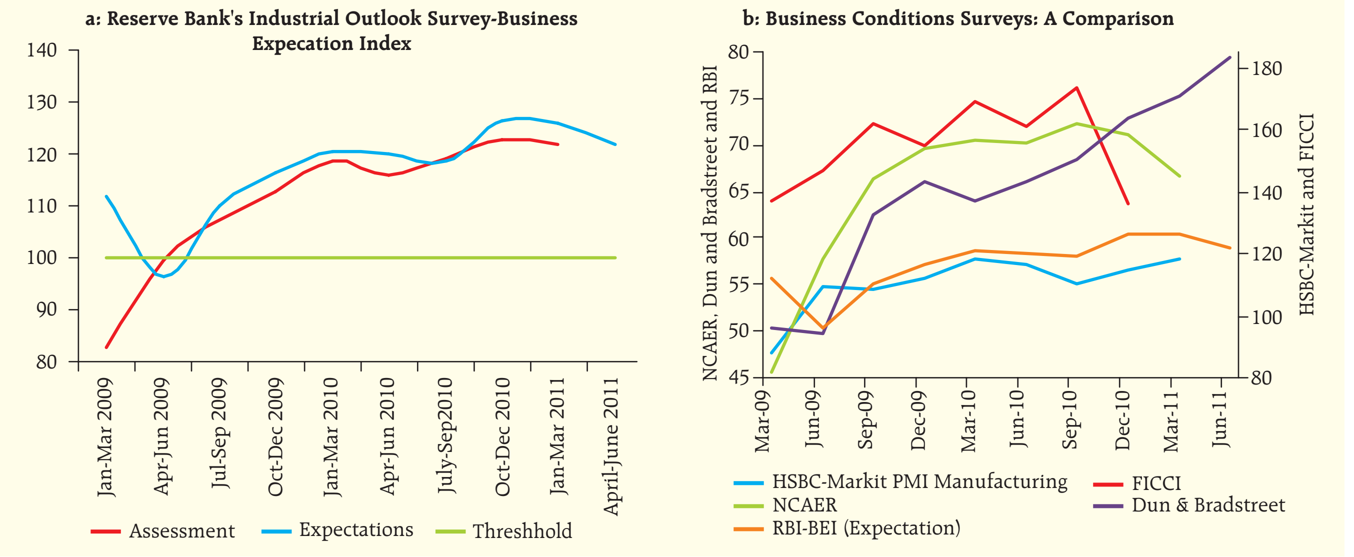
Table VII.2: Reserve Bank's Industrial Outlook Survey

Parameter	Optimistic Response	Net Response						
		July-September 2010		October-December 2010		January-March 2011		April-June 2011
		E	A	E	A	E	A	E
1	2	3	4	5	6	7	8	9
1. Overall Business Situation	Better	41.5	38.7	47.5	45.9	50.1	38.6	41.4
2. Overall Financial Situation	Better	34.1	30.6	39.6	37.1	41.1	27.1	33.4
3. Availability Of Finance	Improve	28.5	26.6	31.3	30.3	32.3	23.8	27.3
4. Cost Of External Finance	Decrease	-23.3	-28.3	-28.3	-33.9	-31.3	-42.5	-35.0
5. Production	Increase	40.2	40.0	49.1	43.9	48.6	41.4	40.0
6. Order Books	Increase	36.3	36.1	44.8	37.9	44.0	34.7	38.4
7. Level Of Capacity Utilization	Above Normal	5.8	3.1	7.2	5.6	9.5	4.9	4.4
8. Employment In The Company	Increase	16.8	18.7	21.0	19.4	20.6	18.7	17.4
9. Exports	Increase	20.7	20.0	26.1	21.2	26.3	18.9	24.0
10. Imports	Increase	21.7	22.0	22.2	20.9	21.3	19.9	18.9
11. Selling Price	Increase	15.2	13.8	17.0	20.2	18.6	26.5	23.7
12. Profit Margin	Increase	3.1	-2.5	9.2	-0.4	8.3	-4.3	3.8

Note: 1. 'Net response' is measured as the percentage share differential between the companies reporting 'optimistic' (positive) and 'pessimistic' (negative) responses; responses indicating status quo (no change) are not reckoned. Higher 'net response' indicates higher level of confidence and vice versa.

2. E: Expectations and A: Assessment.

Chart VII.1: Industrial Outlook Surveys



outlook, Indian manufacturers anticipate no change in the current situation.

Survey of Professional Forecasters[1] see weaker growth, firmer inflation

VII.8 The results of the fifteenth round of the Survey of Professional Forecasters conducted by the Reserve Bank in March 2011 show a downward revision in overall (median) GDP growth rate for 2011-12, mainly due to expectation of moderation in agricultural sector and industrial sector (Table VII.3). The inflation forecasts have been revised upwards.

VII.9 The growth outlook for 2011-12 looks positive though with some downside bias. The available projections for 2011-12 by various agencies give a mixed picture with some projecting a growth rate of 9 per cent while others within a range of 8.0 to 8.5 per cent, suggesting a moderation in the growth process (Table VII.4).

Downside risks to growth and upside risks to inflation have increased

VII.10 Going forward, policy trade-offs may arise as downside risks to growth and upside risks to inflation have increased. Threats to inflation from rising global commodity prices as well as domestic core inflationary pressures exist. Unless addressed, they have a potential to adversely impact the growth. Certain factors do provide support to the growth process. Improved *rabi* production that would be reflected in Q1 of 2011-12 and likely normal south-west monsoon as forecasted by IMD could boost rural demand. High top-line growth for firms indicates strong demand conditions. Continuation of fiscal consolidation process could provide support for private investment. Recent improvement in exports and decline in imports provides a good base for net external demand.

VII.11 However, external demand conditions can change ahead if commodity prices fuel import bill, while export demand gets impacted by lower demand from other oil-importing countries. At a time, when growth may decelerate from high base, risks to growth also stem from other factors. Global uncertainties can impinge upon recovery in the AEs and impact India's growth if the balance sheet risks in Euro zone precipitate. However, an offset would be available to India in such an event in the form of likely softer commodity prices. Though the IMD forecast suggests a normal south-west monsoon, the event risk of temporally deficient or spatially uneven rains exists. It constitutes a significant risk as food inflation has already been high for a long period and can add to generalised inflation. Spillover from food to manufacturing through higher input costs and wage

[1] Introduced by the Reserve Bank from the quarter ended September 2007. The forecasts reflect the views of external professional forecasters and not of the Reserve Bank.

Table VII.3: Median Forecasts of Select Macroeconomic Indicators by Professional Forecasters 2010-11 and 2011-12

	Actual 2009-10	Annual Forecasts						Quarterly Forecast									
		2010-11		2011-12		2010-11		2011-12							
						Q4		Q1		Q2		Q3		Q4	
		E	L	E	L	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 (in per cent)	8.0#	8.7	8.5	8.5	8.2	8.5	8.2	8.4	8.3	8.5	8.1	8.3	8.2	-	8.5
a. Agriculture & Allied Activities	0.4#	5.0	5.4	3.3	3.1	5.0	5.0	3.5	3.8	3.1	3.1	3.4	3.0	-	3.0
b. Industry	8.3#	9.0	8.1	8.7	8.2	7.3	6.2	7.6	7.0	8.1	8.0	8.8	8.7	-	8.5
c. Services	9.7#	9.6	9.5	9.5	9.6	9.6	9.8	9.5	9.8	9.5	9.3	9.6	9.5	-	9.7
2. Gross Domestic Saving (per cent of GDP at current market price)	33.7#	34.0	34.0	35.5	35.3	-	-	-	-	-	-	-	-	-	-
3. Gross Domestic Capital Formation (per cent of GDP at current market price)	36.5#	36.0	36.9	37.0	37.5	36.3	37.3	35.7	36.5	35.9	37.3	36.8	37.8	-	38.5
4. Corporate profit after tax (growth rate in percent)&	28.8	20.0	20.0	21.2	20.0	15.8	10.7	17.5	20.0	14.1	12.8	16.0	9.5	-	10.4
5. Inflation WPI (Avg.)	3.6	8.5	9.4*	6.6	7.5	6.6	8.9*	6.4	8.2	6.9	7.8	7.0	7.5	-	6.7
6. Exchange Rate (INR/1USD end period)	45.1	44.5	44.7*	43.5	44.5	44.5	44.7*	44.1	44.5	43.9	44.7	43.9	44.5	-	44.5
7. T-Bill 91 days Yield (per cent-end period)	4.4	6.8	7.3	6.9	7.5	-	-	-	-	-	-	-	-	-	-
8. 10-year Govt. Securities Yield (per cent-end period)	7.8	8.0	8.0	8.0	8.0	-	-	-	-	-	-	-	-	-	-
9. Export (growth rate in per cent)!	-3.6	18.0	28.7	17.8	17.2	-	-	-	-	-	-	-	-	-	-
10. Import (growth rate in per cent)!	-5.6	20.0	20.3	18.0	20.0	-	-	-	-	-	-	-	-	-	-
11. Trade Balance (US$ billion)	-108.2	-	-	-	-	-35.7	-26.1	-38.1	-36.0	-40.7	-39.1	-41.2	-38.5	-	-39.8

E: Previous Round Forecasts. L: Latest Round Forecasts. #: Quick Estimate P: Preliminary Value
-: Not Available. *: Actual &: BSE listed companies. !: US$ on BoP basis.

Note: The latest round refers to fifteenth round for the quarter ended March 2011, while previous round refers to fourteenth round for the quarter ended December 2010.

Source: Survey of Professional Forecasters, Fourth Quarter 2010-11.

spirals can occur in this case. This in turn could lower growth. Furthermore, some deceleration in investment has been seen in Q3 of 2010-11. If subsidies now overshoot the budgetary provision, it can crowd out private investment.

Table VII.4: Agencies' Projections for 2011-12

Agency	Latest Projection	
	Real GDP Growth (Per cent)	Month
1	2	3
Economic Advisory Council to the PM	9.0 (+/-0.25)	Feb-11
Finance Ministry	9.0 (+/-0.25)	Feb-11
IMF #	8.0	Apr-11
OECD	8.2	Nov-10
World Bank	9.0	Feb-11
ADB	8.2	Apr-11
NCAER	8.5	Apr-11

#: IMF's forecast of growth for calendar year 2011 is 8.2 per cent at market price.

VII.12 The persistence of inflation at elevated levels and the generalisation of inflationary pressures to manufacturing products continue to be the major policy concern. Going forward, several factors may exert further upward pressure on inflation. Apart from the imported inflation through global commodity prices, especially of oil, increases in global food prices need to be watched and agricultural policy, food management and trade policy need to be flexibly and speedily used to curb any food price pressures. Structural measures may also need to be reinforced as one is observing downward stickiness in food prices, especially in case of protein-rich items.

VII.13 As monetary policy addresses inflation, it is also vital that price rigidities do not build up. On the one hand, these rigidities would spill into medium-term inflation through larger fiscal deficits. On the other hand, suppressed inflation arising from price controls can eventually force discrete price changes that have deleterious impact on actual and expected inflation. As such, raising administered fuel and fertiliser prices is necessary. A quick deregulation of diesel prices can help provide fiscal space. This in turn would enable fiscal policy to turn counter-cyclical in case output growth slackens. On the other hand, monetary policy could act more effectively in containing inflationary spillovers from supply-side disturbances.

Persistence of inflation warrants continuation of anti-inflationary monetary policy stance for sustaining growth

VII.14 Effective increase in policy rate by 350 basis points since March 2010 has been substantial and has resulted in a significant strengthening of transmission in Q4 of 2010-11. However, inflation is likely to remain high in near term as it has become generalized. Also, commodity price pressures persist and the pass-through as yet is incomplete. While inflationary pressures have accentuated, downside risks to growth have also emerged. On the one-side, with investment showing signs of deceleration, macroeconomic challenges have increased. On the other side, the high inflation now poses risk to faster growth in future. Experience suggests that more rapid growth phases have been typically accompanied by low inflation.

VII.15 In this scenario, while growth risks remain, persistence of high inflation warrants continuation of anti-inflationary monetary stance to sustain the growth momentum over the medium term.

Speeches

The Global Economy and Framework*

Duvvuri Subbarao

Chairperson, Finance Ministers and colleague Governors,

1. After its very successful efforts at a co-ordinated response to the challenges emerging out of the recent unprecedented global financial crisis and safeguarding the process of economic recovery, the G-20 is now turning to the more challenging task of addressing structural imbalances in the global economy. India has had the privilege of co-chairing, together with Canada, the G-20 collective effort towards drawing up a Framework for Strong, Sustainable and Balanced Growth. The success of this initiative is critical for a durable global economic recovery and for better global economic and financial governance. Importantly, the success of this initiative is also critical for the credibility of the G-20 and its ability to forge a consensus in non-crisis situations.

2. At the Seoul Summit last November, the leaders of G-20 tasked us to formulate indicative guidelines for the identification of persistently large imbalances requiring corrective action, including their root causes and impediments to adjustment. Earlier this year at Paris, we decided to break up the exercise into an integrated two-step process. For the first step, while agreeing on a set of indicators, we resolved to firm up indicative guidelines against which each of these indicators will be assessed to identify persistently large imbalances by our next meeting in April. We now need to finalise these guidelines and move on to the second step of the exercise. Presumably, this would focus on root causes, impediments to adjustment and corrective policies and actions.

3. Having set the context, I would now like to make four comments.

4. First, the International Monetary Fund (IMF) is doing a commendable job in providing timely technical inputs for our exercise. Developing the indicative guidelines requires selection of reference values or norms for each indicator, as well as rules to guide the assessment of the indicators against the norms or reference value to determine if imbalances are large. This has been done using two different methodologies – structural and statistical. While the IMF's preference is for the structural approach because of its theoretical consistency, given the inherent fragility and contestability of econometric estimates that can deviate sharply from the observed data, the Framework Working Group has designed a method that combines these two approaches. The question we need to consider is whether there is consistency between the results of the statistical and structural approaches. If not, how do we deal with the divergences?

5. Second, in the first stage of the exercise, the criteria applied to the systemically important countries have been more stringent. The screening, however, has been largely mechanical though, based as it was mainly on deviations from the mean or median. There has been no analysis, however, to check whether such deviations indeed constitute large and systemic imbalances warranting corrective action. Such a mechanical approach, without the application of mind, can lead to anomalies. Let me give two illustrations of the type of potential anomalies using India as a case study.

6. Large deviations from the mean is the criterion adopted for screening in on the basis of private savings irrespective of whether the country concerned is running a current account deficit or a current account surplus, or its stage of economic development. If, for the sake of argument, such a country was running a current account deficit and adjusted its private savings downwards, it would need to expand its current account deficit and then get screened in by the external imbalance indicators. In India, for example, our growth has been driven by domestic savings. If because of the

*Intervention by Dr. Duvvuri Subbarao, Governor, Reserve Bank of India, G-20 Ministerial Meeting, April 15, 2011, Washington DC.

mutual assessment process (MAP), India was asked to reduce domestic savings, it will increase our dependence on foreign savings, actually adding to imbalances. This would indeed be paradoxical.

7. The second illustration is the treatment of public debt. Instead of deviations from the mean/median, what was attempted was deviations from asymmetric reference values for developed and developing countries, with higher thresholds for developed countries. These thresholds are based on historic averages rather than on current assessments of debt sustainability related to expected or projected growth rates. The adjustment period to stabilise the debt is also very backloaded. The year 2030 is long-term enough, and to paraphrase the immortal words of Lord Keynes, many of us here may well be dead. One reason why the fiscal balance in advanced countries is so important to the global economy is that by virtue of being reserve currency issuing countries their deficits have large spillover effects.

8. There are two issues here. First, there is no justification for using different debt-to-GDP ratios for advanced countries and emerging and developing countries (EMDCs). If we take a forward-looking view, it will be easily apparent that EMDCs will need to raise public debt to finance their development and, in relative terms, their public debt as a proportion of GDP will need to be higher than that of advanced countries. Second, the debt sustainability of countries should be evaluated not on some global norms, but with reference to individual country context. To what extent countries will be able to finance the servicing of their debt through higher growth should be built into the evaluation. Furthermore, the nature of debt has to be kept in view. For example, in India our public debt is predominantly domestic and, therefore India's potential to influence global systemic imbalances because of public debt is negligible, if not nil.

9. The third comment I want to make has to do with how we are interpreting the intent of our leaders which was to focus on persistently large imbalances. The question I would like to raise is whether we should dissipate our energies in the second step by looking at all large imbalances, or focus instead only on large, systemically important imbalances that have significant spillover effects. Is it so difficult to identify the latter through a simple statistical exercise such as country imbalances as a proportion of total imbalances or global GDP? This way we can focus our attention on the root causes of persistently large imbalances and impediments to their adjustment as mandated by our leaders?

10. That takes me to my fourth and final comment. A question has arisen whether the Framework exercise should be looking at only net imbalances of countries or also at intra-country or intra-regional imbalances, as appropriate. The critical question to my mind is not whether imbalances are internal or external, or gross or net, but whether the concerned imbalance generates, or has the potential to generate, significant external spillovers affecting the wider global economy.

11. In conclusion, let me say that an effective outcome is needed to provide a signal that the G-20 is not only serious in ensuring strong, sustainable and balanced growth for the world economy going forward, but that it is, and it intends to remain, an effective and relevant institution for addressing current structural problems in a fast-evolving global economy. Thank you.

Global Challenges, Global Solutions: Some Remarks*

Duvvuri Subbarao

1. Recent experience suggests that globalisation offers incredible opportunities but also poses immense challenges. If the years before the global financial crisis – the period of the so called 'Great Moderation' - demonstrated the benefits of globalisation, the devastating toll of the crisis showed its costs. Just as in the case of an economy, there are price-setters and price-takers, in the international economy too, there are economies which shape the forces of globalisation and those that have to shape their policies to adjust to those forces of globalisation. The post-crisis reform effort – whether here at the International Monetary Fund (IMF) or at the other global fora such as the Basel Committee on Banking Supervision (BCBS), Financial Stability Board (FSB), World Trade Organisation (WTO) – is all aimed at managing the forces of globalisation for maximising our collective welfare. For these reforms to be sustainable, it is important that they are even-handed as between those who shape the forces of globalisation and those who have to adjust to the forces of globalisation.

EMEs in the Global Context

2. Before I get to specific issues, let me make a brief comment on Emerging Market Economies (EMEs) in the global context. The shift in the global balance of power in favour of EMEs is by now a familiar story. It may be useful to put some numbers around that. Setting GDP at 100 in the base year of 2000, against the aggregate growth of 17 per cent in the decade 2000-10 of advanced economies, emerging market and developing countries (EMDCs) grew by 82 per cent and BRICs (Brazil, Russia, India, China) by a whopping 127 per cent. When we look at shares in global GDP, the share of advanced economies in the global GDP dropped from 80 per cent in the year 2000 to 67 per cent in 2010, with a mirror increase in the share of EMDCs.

*Lead intervention by Dr. Duvvuri Subbarao, Governor, Reserve Bank of India and Leader of the Indian Delegation, at the International Monetary and Financial Committee (IMFC), IMF, Washington D.C on April 16, 2011.

3. 2010 was a year of recovery, and EMEs powered this by contributing to nearly three quarters of global growth in 2010. EMEs were also the motive force behind the estimated expansion of world trade by 12 per cent last year, an impressive reversal from the shrinkage of 11 per cent in 2009.

4. These trends have an interesting implication for the decoupling hypothesis, which was intellectually fashionable before the crisis. As a matter of fact, the crisis failed to validate the decoupling hypothesis, as all EMEs were affected, admittedly to different extents. What the crisis, in fact, reinforced is that the economic prospects of advanced economies and EMEs are interlinked through trade, finance and confidence channels.

5. Let me now move on to specific issues. In the context of the theme of the session, I want to address five topics, which are all interconnected.

Global Rebalancing

6. First is the issue of global rebalancing**.** Global rebalancing will require deficit economies to save more and consume less, while depending more on external demand relative to domestic demand for sustaining growth. Surplus economies will need to mirror these efforts – save less and spend more, and shift from external to domestic demand. The problem we have is that while the adjustment by deficit and surplus economies has to be symmetric, the incentives they face are asymmetric. Managing rebalancing will require a shared understanding on conducting macroeconomic policies to minimise disruptions to macroeconomic stability. These adjustments have several components. Importantly, letting exchange rates remain aligned with economic fundamentals, and an agreement that currency interventions should not be resorted to as an instrument of trade policy should be central to a co-ordinated approach at a multilateral level.

Capital Flows

7. That takes me to the second facet of global imbalances – return of lumpy and volatile capital flows. Since capital flows have become such an emotive topic around the world in recent months, it is important to be mindful of a few realities. First, EMEs do need capital flows to augment their investible resources, but such flows should meet two criteria: they should be stable; and they should also be roughly equal to the economy's absorptive capacity. The second reality that we must remember is that capital flows are triggered by both pull and push factors. The pull factors are the promising growth prospects of EMEs, their declining trend rates of inflation, capital account liberalisation, and improved governance. Among the push factors are the easy monetary policies of advanced economies which create the capital that flows into the EMEs.

8. To the extent that lumpy and volatile flows are a spillover from policy choices of advanced economies, managing capital flows should not be treated as an exclusive problem of emerging market economies. How this burden is to be shared raises both intellectual and practical challenges. The intellectual challenge is to build a better understanding of the forces driving capital flows, what type of policy instruments, including capital controls, work and in what situations. The practical challenge is the need to reach a shared understanding on an organising framework for cross-border spillovers of domestic policies in capital-originating countries, and the gamut of policy responses by capital-receiving countries.

9. Managing capital flows involves two important things. First, we need to make a judgment on how important the externalities are. And, second, we need to make an objective assessment of what combinations of policies may be used to minimise their impact. Now that it is broadly accepted that there could be circumstances in which controls can be a legitimate component of the policy response to surges in capital flows, policymakers must have the flexibility, and discretion, to adopt macroeconomic, prudential and capital account management policies. Importantly, they should be able to do so without a sense of stigma attached to particular instruments.

Framework for the Adjustment Process

10. Let me now move on to the third issue which is the framework for the adjustment process to secure and preserve global financial stability. The adjustment process should ensure that individual actions of countries add up to a coherent path forward. I want to emphasise two aspects of this.

- First, the IMF's surveillance function is critical – it assumes a vital, pre-emptive role in preserving global and national stability. The forthcoming Triennial Surveillance Review provides an opportunity to take stock of the steps taken and to assess recent experience, including the adequacy of the legal framework for surveillance.
- Second, reserve accumulation has to be viewed in the context of economic growth and development. The insurance that reserves provide against sudden stops and reversals of capital flows far outweigh the opportunity costs of holding reserves. The experience of the crisis has amply demonstrated this. What constitutes an adequate level of reserves is a country-specific question, involving a judgment based on practical experience. Clearly, there can be no 'one-approach-fits all' to such assessments.

Global Reserve Currency

11. My fourth point relates to a global reserve currency. The recent crisis has brought home the complex challenges arising from the world having a single reserve currency. In the ongoing search for solutions, one option is to have a menu of alternative reserve currencies which fulfill the required criteria – full convertibility; the exchange rate determined by market fundamentals; a significant share in world trade; liquid, open and large financial markets in the currency-issuing country; and also the policy credibility to inspire the confidence of potential investors. There is a debate on whether the Special Drawing Rights (SDR) can be a reserve currency. For the SDR to take on this significant role, several prerequisites have to be in place, which are now well-known and need no elaboration here. At the present time, the SDR does not satisfy these conditions. Thus, we see the move to a multicurrency world as a gradual evolution.

Protectionism

12. The last issue I want to raise concerns is about protectionism. Recent international developments mark an 'ironic reversal' in the fears about globalisation. Previously, it was the EMEs which feared that integration into the world economy would lead to welfare loss at home. Those fears have now given way to apprehensions in advanced economies that globalisation means losing jobs to cheap labour abroad.

13. There is concern in some quarters that even as open protectionism has been resisted relatively well during the current crisis, covert protectionism has been on the rise. The short point is that in the years ahead, the pressures for protectionism will mount, and protectionism will also take new forms. Global welfare will be maximised when collectively we resist short-term pressures, and put our collective long-term interest ahead of individual short-term advantage.

Global Co-operation

14. Mr. Chairman, the thrust of all that I have said is that global challenges demand global solutions. The need for global co-operation in solving our most pressing problems of today is vital. The crisis has taught us that no country can be an island, and that economic and financial disruptions anywhere can cause ripples, if not waves, everywhere. The crisis also taught us that given the deepening integration of countries into the global economic and financial system, unco-ordinated responses will lead to worse outcomes for everyone. The global problems we are facing today are complex, and not amenable to easy solutions. Many of them require significant, and often painful adjustments at the national level; and in a world divided by nation-states, there is no natural constituency for the global economy. At the same time, the global crisis has shown that the global economy, as an entity, is more important than ever. The IMF is central to these reforms so that it continues to spearhead and weave together the fabric of international co-operation. This is in the common interest of all of us.

Statement at International Monetary and Financial Committee*

There have been significant developments in the global economy since we met in the fall of 2010. The International Monetary Fund (IMF) too has moved on several fronts under its mandate which has strengthened its position in a changing world. There are several key questions confronting us today: Is the recovery assured in the face of still turbulent financial conditions and upward pressures on commodity prices? How resilient is the international monetary system to future shocks? Will the ongoing reforms empower the IMF and make it more effective in anchoring global monetary and financial stability?

The Global Economy and Financial Markets

2. A variety of risks, including political and social turmoil in parts of the world combined with natural disasters, have made the global recovery vulnerable. Financial conditions have turned volatile and uncertain, with risks of adverse feedback loops into the global economy. Recurring sovereign debt fears have affected market confidence. In the crisis-affected economies, financial systems are yet to be fully repaired. While the sense of crisis has waned, new challenges have surfaced.

3. The global recovery may be jeopardised by a sustained rise in oil prices. Apart from the inflationary pressures confronting, particularly, the emerging and developing countries, there is the danger of a slowdown in the global economy unless oil prices moderate from current levels. Furthermore, since the summer of 2010, several natural calamities and consequent food supply constraints have collided with the post-crisis resurgence of demand. World food prices have surged considerably due to concerns about low future supplies because of bad weather and low inventories, raising concerns about food security. Speculative movements in commodity derivative markets are also causing volatility in prices.

Global Challenges and the Role of the IMF

4. The overarching problems confronting the international monetary system stem from weaknesses in detecting and communicating early warnings of impending crises and management of global liquidity. This calls for fundamental reform of the international monetary system. It is also important to evolve a mechanism to address the challenges of stemming volatile capital flows and to strengthen multilateral adjustment mechanisms to deal with imbalances and sources of instability.

IMF Surveillance

5. The surveillance function is critical to the IMF's overall mandate. By focusing on vulnerabilities and detecting the onset of crises, it assumes a vital, pre-emptive role in preserving global and national stability. Effective implementation at both multilateral and bilateral levels is the key to providing surveillance with incisiveness and traction. We believe that this can be achieved within the ambit of the existing provisions of the Articles of Agreement. If, however, there is a consensus that there are gaps in the legal mandate that hinder effective implementation, an amendment to the Articles is the optimal approach. Ensuring consistency and comprehensiveness across the various levels of surveillance is important, as is the candour and evenhandedness of the IMF – that systemic risks are pointed out irrespective of where they may originate. We need to stress that multilateral surveillance by the IMF should not lose sight of sovereign debt concerns of developed countries by adopting tighter screening criteria for developing countries that have actually seen fiscal improvement relative to the advanced economies.

*Statement by Dr. Duvvuri Subbarao, Governor, Reserve Bank of India on behalf of Mr. Pranab Mukherjee, Finance Minister of India and Member IMFC representing the constituency consisting of Bangladesh, Bhutan, India and Sri Lanka on April 16, 2011 in Washington D.C.

Managing Capital Flows

6. As the recovery of emerging and developing countries has gained momentum, capital flows have surged back to near pre-crisis levels. These flows have exhibited considerable volatility, imparting macroeconomic instability in the event of sudden stops and reversals, eroding competitiveness and complicating the setting of macroeconomic policies. Policy prescriptions with respect to capital flows should be even-handed. So far as lumpy and volatile flows are a spillover from policy choices of advanced economies, managing capital flows should not be treated as an exclusive problem of emerging market economies and the burden of adjustment should be shared. How this burden will be shared raises both intellectual and practical challenges.

7. As regards multilateral strategies to managing capital flows, it is difficult to follow an approach that seeks to establish, standardise, prioritise or restrict the range of policy responses of the member countries that are facing large surges in volatile capital inflows. Based on their experience, policymakers must have flexibility and discretion to adopt policies that they consider appropriate to mitigate risks through macroeconomic, prudential and capital account management policies without a sense of stigma attached to particular instruments. Given the state of knowledge on these issues, it will be premature to consider amending the Articles to either give the IMF jurisdiction over capital account policies of member countries or to impose an obligation on members on this count.

The IMF's Resources

8. We welcome the ratification of the April 2008 quota reforms. The next step in this process should be the speedy ratification and implementation of the 2010 quota and governance reforms. A comprehensive review of the quota formula should be completed by January 2013 to set the stage for the 15th General Review of Quotas by January 2014 which will carry forward the modest progress made so far in enhancing the representation of dynamic emerging and developing countries in the IMF to meaningfully reflect the changing global economic realities. We must make our best efforts to complete the 2010 reform before the 2012 Annual Meetings.

9. We welcome the expanded and amended New Arrangements to Borrow (NAB), which became effective from March 11, 2011. The activation of the NAB should be regarded as a bridge between current expectations and the availability of higher quota resources under the 14th General Review. Subsequently, NAB should be scaled down so as to preserve the quota-based character of the IMF as an institution that is accountable to its membership.

Reserve Adequacy

10. In our view, the insurance that reserves provide against sudden stops in growth due to capital drying up far outweigh the opportunity costs. Reserve accumulation by countries is an important part of the global safety net, particularly when the reserve accumulation takes place in the context of current account deficits.

11. Any assessment of reserve adequacy needs to be informed by underlying country-specific conditions, rigorous analytical and empirical foundations and judgments based on practical experience. There should be due consideration to macroeconomic and prudential frameworks and policies, as well as alternative forms of contingent financing, country insurance, and overall assets and liabilities that may not be easily captured in any formula for reserve adequacy. For emerging economies facing volatile surges of capital flows, consideration needs to go even beyond to a broad range of scenarios relating to potential drains on reserves, including a sudden stop of new financing, withdrawal of foreign portfolio investments, capital flight, and current account vulnerabilities. Further, the question of reserve adequacy cannot be resolved without addressing the broader issue of scarcity of safe reserve assets.

Currency Internationalisation and the Role of the SDR

12. In principle, it is desirable to develop a multi-currency system with several currencies operating as broad substitutes and reflecting changing economic weights and global realities. In this context, we note

that there have been recent efforts by the IMF to promote the use of Special Drawing Rights (SDR) as a potential reserve asset for the evolving international monetary system. For the SDR to take on this significant role, several pre-requisites have to be in place. The SDR has to be accepted as a liability of the IMF, has to be automatically acceptable as a medium of payment in cross-border transactions, be freely tradeable and its price has to be determined by forces of demand and supply. As the SDR does not satisfy these conditions, it cannot be a reserve currency in the international payment system. In principle, one needs a global central bank to issue SDRs which take the characteristic of unit of global payment and settlement system. Thus, we see the move to multicurrency world as a gradual evolution. Another dimension of this issue is to change the composition of the SDR basket. Going by the recent initiatives, if at all there is a move to alter the composition of the SDR basket, we could consider including currencies of those dynamically emerging market economies that satisfy the existing inclusion criteria: in particular, a fully convertible capital account and a market-determined exchange rate.

Developments in the Constituency

13. I now turn to developments in my constituency.

Bangladesh

14. Bangladesh is steadily moving towards a higher growth trajectory that is largely inclusive, environment-friendly and well-supported by continued high performance in the agriculture sector. External sector viability has benefited from export growth estimated at 30 per cent and the strength of inward remittances. Concerted efforts to address the shortage of power have improved the investment climate. However, inflation remains high, with pressures from global prices of fuel, food and fertilisers interacting with enhanced internal demand. Revenue mobilisation has risen by 28 per cent till February 2011 strengthening fiscal sustainability. The budget deficit is expected to remain below 4.5 per cent of GDP thereby aiding overall macroeconomic stability. As import demand picks up on the back of domestic demand, some strains could build on the balance of payments, although the level of foreign exchange reserves would remain sufficient at the level of over four months of imports. Accordingly, monetary policy is being tightened with the exchange rate being allowed to depreciate and cushion the balance of payments. Over the medium-term, the progressive removal of constraints on investment, domestic and foreign, particularly in the context of private and public sector partnerships in large infrastructure projects would enable Bangladesh to embark upon double-digit growth with stability.

Bhutan

15. Bhutan's growth momentum has been strong, underpinned by prudent and skillful macroeconomic management. Real GDP growth accelerated to nearly 8 per cent in 2009-10, helped by robust growth in hydropower, construction and services sectors. However, inflation reached 9 per cent at end-2010. The current account deficit has increased to about 13 per cent of GDP due to strong imports in the hydropower sector, but the overall balance of payments has remained in surplus due to sizeable grants and loans disbursements. The reserve position has improved and remains comfortable. Credit has grown rapidly, mainly driven by housing and construction sectors as well as personal loans. Bhutan's financial sector coped with the global financial crisis well and financial stability indicators are comfortable.

India

16. The Indian economy, on the back of improved agricultural output, strong private consumption, robust investment, and a pick-up in exports, has rebounded strongly with a GDP growth of 8.6 per cent in 2010-11. However, inflation has emerged as a major concern. Headline inflation has remained firm despite some moderation in food inflation as generalised price pressures have emerged with rising inputs costs feeding into manufactured products inflation. The hardening of global commodity prices, particularly oil prices have further accelerated inflation. A sequenced withdrawal of monetary accommodation is helping to contain inflationary pressures and anchor inflationary expectations, which remained at elevated levels for a

large part of 2010-11, largely driven by fuel and food prices. The calibrated fiscal consolidation that resumed in 2010-11 is being carried forward into the medium-term, thus alleviating some pressures on aggregate demand. The budgetary initiatives in 2011-12 indicate further progress towards it, while giving due importance to the objectives of removing structural constraints, promoting infrastructure investment and strengthening the earlier policy initiatives towards inclusive growth. However, a potential increase in the subsidies on petroleum products and fertilisers as a result of high crude prices could put pressure on expenditure. Managing capital flows so as to dampen potential threats to macroeconomic and financial stability is a continuous challenge. Despite some tightness in money markets, financial conditions have been orderly with a pick-up in credit growth, vibrant equity market activity and a stable foreign exchange market. Medium-term prospects continue to be positive. Downside risks emanate mainly from continuing uncertainty about energy and commodity prices which may vitiate the investment climate, posing a threat to the current growth trajectory. Notwithstanding the risks, the Indian economy is poised to sustain the growth momentum.

Sri Lanka

17. Emerging out of three decades of civil conflict and the downturn brought on by the global crisis, the economy of Sri Lanka has resumed strong growth in an environment of macroeconomic and financial stability. Real GDP grew by 8.0 per cent in 2010, establishing a higher growth path underpinned by the peaceful domestic environment, improved investor confidence, strengthening macroeconomic fundamentals and the gradual recovery of the global economy. Ebbing inflation and a benign inflation outlook has enabled the continuation of an accommodative monetary policy stance with moderation of interest rates in all market segments supporting economic activity. The recent floods have caused some damage to agricultural production which has spiked headline inflation in the past few months higher than expected earlier. However, core inflation declined and currently remains low at single digit level. An encouraging improvement in the overall fiscal situation was witnessed in 2010 with the recovery in government revenue supported by the expansion of economic activity, the containment of recurrent expenditure, as well as the addressing of certain persistent structural issues in the tax system. The budget deficit was contained within the target of 8.0 per cent of GDP in 2010, down from 9.9 per cent in 2009, and the commitment to fiscal consolidation will ensure further reduction of the budget deficit to 6.8 per cent in 2011 and to below 5 per cent in the medium-term. The external sector, which made a remarkable turnaround since the second quarter of 2009, has continued to improve. Both exports and imports recovered strongly, while increased earnings from the tourism industry and higher inward remittances offset the widening trade deficit, limiting the external current account deficit. Increased capital and financial flows resulted in the balance of payments (BOP) recording a surplus in 2010, strengthening external reserves of the country. Supported by the favourable macroeconomic environment and a sound regulatory and supervisory framework, the financial sector improved and systemic stability strengthened in 2010 as reflected in all prudential indicators. Banks' credit flows significantly recovered, profitability improved, capital adequacy further increased above the threshold and the ratio of non-performing loans declined, while provisions for loan-losses increased. Going forward, external shocks due to higher food and energy prices in the global market pose some risks to the balance of payments and inflation outlook.

Concluding Remarks

18. While the trough of the crisis definitely appears to be behind us and there are signs that the recovery is consolidating, new challenges facing the global economy render it vulnerable. We have to remain vigilant and be prepared to deal with all threats, old and new, as we repair and rebuild. The global problems we are facing today are complex and not amenable to easy solutions. Many of them require significant and often painful adjustments at the national level, and in a world divided by nation-states, there is no natural

constituency for the global economy. At the same time, the global crisis has shown that the global economy as an entity is more important than ever. Given the deepening integration of countries into the global economic and financial system, unco-ordinated responses will lead to worse outcomes for everyone. We should co-operate not only to firmly exit from the crisis, but also to ensure that in resolving this crisis, we do not sow the seeds of the next one. The IMF has to continue to weave together the fabric of international co-operation. This is in the common interest of all. We must ensure that the IMF is adequately prepared for this role so that it remains relevant, legitimate and effective.

Linking Entrepreneurship with Credit – The Role of Financial System*

K. C. Chakrabarty

Shri R.M. Malla, President- Entrepreneurship Development Institute of India (EDI), Members of the Governing Council, Director Dr. Dinesh Awasthi, invited dignitaries, faculty members, passing out students and their parents, members of the print and electronic media, ladies and gentlemen. It is, indeed, a pleasure to be here amongst graduating students and I am thankful to Shri Malla and the EDI for this opportunity, especially when it is an opportunity to return to my home state, Gujarat. A galaxy of speakers have addressed this forum in the past, this being the twelfth convocation. I am aware of my limitations to speak on an occasion such as this as I am neither an industry leader nor an academic. Nevertheless, I shall try to come up to your expectations.

2. Convocations are always special. They are special because they are simultaneously a conclusion and a commencement. Convocations logically conclude a formal learning exercise. They are hence a time for relief, a sense of fulfilment and a feeling of joy to the graduating students and to the faculty. They are, however, even more special, because they commence a lifelong informal learning as graduates step out into the University of the World – step out with dreams, hope and expectation into the *terra incognita* of life. In our days when we passed out, it was not a dream but a nightmare, because of the difficulty in getting employment. Now employment is available everywhere in the world. There are three types of employment. There are jobs with no work where one gets a salary without working. There are jobs where one can work for certain hours and get paid accordingly, and there are jobs where one can create and fulfil one's dreams, create employment for others, and that is self-employment or entrepreneurship. You belong to this class. It is a rare privilege to share this special day with the future businesses and social entrepreneurs of the country.

3. You pass out as alumni from a venerable institution. While the EDI commenced its capacity building initiatives in 1983, we must not forget that its genesis dates back to 1969. The late 1960s were a period when India undertook brave experiments to use credit as an instrument of development. In fact, entrepreneurship and credit are interrelated.The most important and perhaps the most significant amongst the public policy moves in this direction were the experiments to do away with guarantees and collateral and move from 'security-based lending' to 'purpose-based lending'. The entire development of entrepreneurship would not have been possible if this transition had not taken place.

4. The underlying thoughts in this policy intervention were that credit and finance were instruments of empowerment. By unfettering credit from security, those who were able and willing, creative and talented would not be constrained by lack of funds. The security for the funds lent would not be physical assets but the discounted value of cash flows that the enterprise would generate. This marked a decisive shift in methods of lending – it reoriented lending from a static to a dynamic concept. Moreover, it was centred around people – the living entrepreneur rather than on inanimate physical capital. My present organisation, Reserve Bank of India, plays a very significant role in this change.

5. Such a policy shift was rooted not only in equality of opportunity which is enshrined in the Indian constitution and the need to provide employment, but, most importantly, it was rooted in the belief that it is talent and not necessarily capital that can make the

*Address by Dr. K. C. Chakrabarty, Deputy Governor, Reserve Bank of India at the twelfth Convocation of Post Graduate Diploma in Business Entrepreneurship and Management and Post Graduate Diploma in Management of NGOs at EDI, Ahmedabad, on April 4, 2011. Assistance provided by Shri Bazil Shaikh and Smt. R. Kaushalya in preparation of this address is gratefully acknowledged.

difference; in the belief that resourcefulness and not merely resources matter. The key to India's development, thus, lay in unleashing the latent entrepreneurial potential of the country – the critical aim was to free those with talent and ideas from capital constraints. We had various problems but we were unleashed in the 1990s after a wait of 30 years.

6. Entrepreneurship and finance alone are not sufficient. Conducive conditions are needed for entrepreneurship to thrive. To create a nurturing ecosystem conducive to building business, a host of policy measures have been put in place by Central and State governments, the Reserve Bank, and other institutions. These include creating infrastructure – financial institutions to lend, institutions to assist with technical skills development, assistance with technological up-gradation, marketing, consulting, as well as capacity building in the form of entrepreneurship development programmes. I will be taking up some of these aspects which will be of help to you.

7. The purpose of capacity building was to draw out the latent talent and potential existing in society and provide the necessary guidance for it to flower when ideas meet with opportunity. It was hoped that entrepreneurship efforts would not only provide self-employment but the businesses would grow at a steady if not at a rapid pace. This would create further job-opportunities, spur growth and mitigate migration.

8. One of the early capacity building initiatives was the 'Technician Scheme' launched in 1969 by two state-level agencies of Gujarat which envisaged 100 per cent finance without collaterals. This initiative, over time, coalesced into the setting up of the EDI of India at Ahmedabad in 1983 as a joint effort of the IDBI, ICICI, IFCI and SBI. The EDI has since been spearheading entrepreneurship development efforts in India and, as an apex body, has played a critical role in India's economic development.

9. Today, it is heartening to see that the EDI is incubating talent not only for budding entrepreneurs who with their risk-taking abilities will change the economic landscape of the country, but also for those idealists with starry notions who wish to change the country and the world and make a difference to the existence of others through its course in NGO management.

10. While the strategic aims for stimulating entrepreneurship have changed over time, the core purpose of inducing dynamism in the economy remains constant. When the EDI was set up, it was hoped that entrepreneurship would stimulate India's economic growth and provide employment. The entrepreneurship initiatives of today are helping sustain India's growth trajectory. And, as I see you, the entrepreneurs of the Class of 2011, I trust that entrepreneurship of tomorrow will surely pitch India for a leadership position through innovations and ideas. The EDI, thus, has its hands full for the next two decades for generating a new quality of entrepreneurial capital. I will briefly dwell on a few questions.

Entrepreneurship: Does It Matter ?

11. First, *does entrepreneurship matter*? Schumpeter and, much later, Kirzner certainly thought it did. Indeed, economists often add entrepreneurship as the fourth factor of production to the traditional trinity of Land, Labour and Capital. They saw an entrepreneur as an innovator, risk-taker and arbitrageur who introduced new technology, competition and created new markets. More recently 'entrepreneurial capital' is a term that is increasingly being employed.

12. Empirical evidence on whether the level and rate of entrepreneurship are significant determinants of economic growth, productivity or employment, is mixed. However, the general consensus is that entrepreneurship matters not merely from its impact but also in the context of human development.

13. Entrepreneurship in India comes in four shades. First is entrepreneurship for survival. Typically, this involves promoting poverty alleviation and self-employment projects such as basic animal husbandry, petty business, *etc.* The finance vehicles for these are poverty alleviation schemes and, today, this form of entrepreneurship is the focus of micro-finance activities and banks in the rural areas.

14. Secondly, there is entrepreneurship that relies on internal business sense for local ventures. These

typically consist of employees with practical/technical skills striking out on their own such as producing ancillary items. These largely involve proven technologies and cater to established markets.

15. Thirdly, there is 'add-on' or 'lifestyle' entrepreneurship which consists of life-partners starting businesses on a part-time basis such as tailoring, catering, pickle-making, beauty parlours, day-care centres, *etc.* These are driven by various motives – most start with the need to augment domestic resources especially during times of job losses of partners. Others do it for non-monetary benefits associated with being their own bosses and setting their own schedules. At times, some of these activities succeed to an extent that they become primary activities.

16. Finally, there is entrepreneurship driven by ideas and innovation. Typically, these are start-ups that have a well-defined growth plan and exit strategy and rely for funding on venture capital or institutional finance. Typically, these involve new or relatively untried technologies and often untried promoters. These high-risk ventures, when they succeed, create breakthroughs and have the potential to create substantial wealth. The success stories are legendary and too many to enumerate. It is in this realm of break-through technologies and innovation, where India has lagged for 500 years while the Industrial Revolution took place in the West, that the future of Indian entrepreneurship lies if India is to fully tap its greatest resource – its talent pool. It is here that you will contribute by bringing in new ideas and utilising new technologies in the knowledge-based activities.

17. To sum up, entrepreneurship matters for both growth and for development. It matters not merely for employment generation, the development of backward regions, mitigating economic concentration, and for spurring innovation, but also to enhance the capabilities of society and enhance people's freedoms and choices. Looking ahead, it is the area of entrepreneurial innovation, specially in the knowledge industry that has the potential to pitch India into an economic leadership role, which then can make a difference to our development trajectory.

Entrepreneurship and Finance

18. *What then is the role of finance?* While the entrepreneur brings in ideas, techniques, innovations and passion which go to constitute entrepreneurial capital, it needs to be backed by command over a real resource. This is provided by finance. Finance, thus, enables entrepreneurship to become the fourth factor of production.

19. India has, in many ways, pioneered the concept of dovetailing credit into the country's development endeavours. The original purposes were poverty alleviation and employment generation. The policy interventions were premised on providing credit to draw out the entrepreneurial spirit. This, it was hoped, would enable large sections to lift themselves out of the vicious circle of poverty, create employment, spur growth, and contain rural to urban migration.

20. Policy measures include the concept of priority sector lending which, through affirmative action, helps channelise credit to small and medium industries; collateral-free lending for loans up to ₹10 lakh; guidelines for faster processing of loan applications by banks; allowing composite loans for working capital and term loans; specialised Micro, Small and Medium Enterprises (MSME) branch in most districts; adoption of the cluster-centric approach; guidelines to expedite payments to MSME suppliers; collective forums to resolve issues relating to MSMEs including State-Level Inter-Institutional Committees (SLIICs) amongst others.

21. Today, institutions such as SIDBI, NABARD, EXIM Bank, Housing Finance Institutions (HFIs), and State Finance Corporations, the various commercial banks as well as venture capital providers and Micro Finance Institutions are a part of the financial infrastructure for providing finance to small entrepreneurs and to spur entrepreneurship.

22. These financial institutions have played a critical role in India's quest to draw out entrepreneurship. First, they have been instrumental in making available consultancy and advisory services to entrepreneurs at a reasonable cost by setting up a network of Technical Consultancy Organisations (TCOs). Second, they have helped spread the entrepreneurial culture across the

country and to weaker sections of the society by providing financial assistance to first-generation entrepreneurs. Third, their contribution to capacity building through entrepreneurship development programmes (EDPs) which are a precondition for lending to prospective entrepreneurs has been notable. Finally, they implement a host of government programmes such as the Prime Minister's Employment Generation Programme (PMEGP). These programmes not only provide incentives and subsidies but also impart technical skills, hand-holding support and assistance.

Creating Conducive Ecosystems: Role of Government

23. Entrepreneurship and finance are not ends in themselves. They require a favourable ecosystem and here is where you have the role of government. Complementing finance, entrepreneurship needs a conducive ecosystem to thrive. *What is the support a budding entrepreneur can avail of?* First, the Central and state governments have created an extensive infrastructure at the Central, State and district levels to create an enabling ecosystem for entrepreneurship. The infrastructure ranges from providing technical consulting facilities and advisory services to incubating projects.

24. Many of these infrastructure initiatives go back a long way when a host of institutions were set up. Some of these were the Small Industries Development Organisation (SIDO) in 1954, the Small Industries Services Institutes now known as Micro, Small and Medium Enterprises Development Institutes (MSMEDIs), the District Industrial Centres (DICs), *etc.* These organisation had their own problems, but are now in a phase of reinventing themselves. For instance, SIDO is now an agency for advocacy, hand-holding and facilitation for the small industries sector providing a wide spectrum of services to the small industries sector.

25. Capacity building endeavours have been very considerable. These are organised not only by the national and state-level institutions such as the national entrepreneurship institutes at Ahmedabad, Noida, Hyderabad and Guwahati and MSMEDIs but also by various Industrial Training and Vocational Training institutes through specialised courses supported by the Ministry of Medium, Small and Micro Enterprises (MSME).

26. Another facet of Government policy has been to create a culture of entrepreneurship. This has been attempted by including entrepreneurship into the education curriculum. Entrepreneurship Development Cells (EDC) have been set up across the country. This was followed by the Science & Technology Entrepreneur's Park (STEP) programme co-ordinated by the National Science and Technology Entrepreneurship Development Board (NSTEDB). The major objective of STEP is to forge linkages among academic and R&D institutions on the one hand and the industry on the other.

27. A range of critical support services and needed facilities to nurture and support start-up entrepreneurs are provided by Technology Business Incubation (TBI) Mechanisms.

28. Finally, there are hand-holding schemes such as the Rajiv Gandhi Udyami Mitra Yojana (RGUMY) which provide hand-holding support and assistance to the potential first generation entrepreneurs, who have completed EDP or Vocational Training programmes.

29. *Can entrepreneurs be created?* This question is cast in the mould of the nature vs. nurture debate. There are no answers. However, ingrained in the idea of EDCs, the STEP programme and Technology Business Incubation and MSME initiatives is the idea that by creating the right and conducive ecosystem and by education and capacity building, entrepreneurship talent latent in society can be drawn out, and, perhaps, this conducive ecosystem can also create new entrepreneurs.

Inclusive Growth and Social Entrepreneurship

30. From the 1990s, India's growth rate has accelerated from the Hindu rate of growth of 3.5 per cent India has had much to celebrate over the past two decades on the economic front. It has become one of the world's fastest growing economies. Indian

companies have made their mark abroad and, indeed, many are transforming themselves into multinationals with a global presence. Most important, there is a new-found sense of confidence. Confidence reposed by the world in us and confidence by us in ourselves. There certainly is the feeling of 'Yes, we can!'. To sustain this momentum, it is important that the growth that we have seen is inclusive, people-centric and translates into overall development. It is important that this feeling and confidence permeates all sections of society and none are left out of the India growth story. Without this, we will not be able to sustain high growth.

31. While the growth story has been impressive, there are causes for concern on other dimensions. Issues of income distribution are important. We have a long way to go in addressing concerns of absolute poverty. In the context of human development, the country ranks 119 among 169 countries on the 2010 Human Development Index published annually by the United Nations Development Programme. We compare poorly on almost all indicators such as life expectancy, education and per capita income. We have issues of water, sanitation, power, infrastructure and environmental degradation. More importantly, there are issues of social and economic inequalities and multiple deprivations. All budding entrepreneurs have to face these challenges and find solutions.

32. With these concerns in view, Government of India has adopted the strategy of inclusive growth in the on-going Eleventh Five Year Plan. This entails triggering a series of development process that ensures broad-based improvement in the quality of life of the people, especially the poor, and the underprivileged. A number of schemes seek to address issues of livelihood and seek to act as social security nets. To make these schemes and policy interventions effective, it is important that the common person in general and beneficiaries in particular have access to the banking sector to receive and make payments on their own account. As inclusive growth is not possible without financial inclusion, 'financial inclusion' has become a major policy plank. The Reserve Bank vision is that everyone in the country should have access to financial products and services but our immediate objective is that every village with a population exceeding 2,000 (and subsequently all villages) should be covered either by a bank branch or through a business correspondent by 2012. The rationale behind this is that access to finance, along with fair and transparent products/services, is a source of empowerment and allows people to participate more effectively in the economic and social process. Our dream of inclusive growth will not be complete until we create millions of micro-entrepreneurs across the country.

33. In this context of inclusive development, the course in social entrepreneurship offered at the EDI assumes importance. While the term social entrepreneurship is new, the activity of building social capital is not. In the mid-19th century Raiffeisen innovated the credit unions and set in motion the co-operative movement; Vinobha Bhave led the Bhoodan Movement for pooling and redistributing land; closer to the present, social capital built by pioneers such as Ela Bhatt of SEWA, Kurien's Amul initiative or Mohammed Yunus's Gramin Bank have Charted new directions and have led the way.

34. India, today, is home to the largest number of NGOs in the world. A recent government study estimates the number of NGOs at 3.3 million. This is many times more than the number of primary schools and primary health centres in India. While we have the comfort of numbers, we do not have the comfort of commensurate results. We trust that some in our midst, who are stepping out to pursue a career in the social sector and become agents of social change, will not only fill in this deficit but will also pioneer new areas.

Of Profits and Ideals

35. While much of social capital creation has been driven by idealism and the non-profit sector, a view that is fast gaining ground is there is profit while serving the bottom of the pyramid – and that creating access to essential services and products for under-served communities – rural or urban, below or above the poverty line, can be profitable. In fact we believe that commerce for the poor is more profitable than commerce for the rich. Our young entrepreneurs should not forget this cardinal rule.

36. While the idea is both innovative and has proved effective, we here tread a difficult area. Business entrepreneurship is easy to handle. Its immediate

results are easily quantifiable in wealth created and jobs generated. Social entrepreneurship is more difficult. Their efficacy can be gauged by changes in society. Social change and the creation of social capital are certainly commendable activities. However, any advocacy for social change and the nature of social capital created is rooted in values and one has to exercise due care and caution in imposing the values of one society on another.

The Issue of Ethics

37. As you graduate from the EDI, *what is it that you should hold fast to*? First is the issue of values and ethics. The cries for values and ethics in business stem from what is alluded to as the 'crisis of confidence'. These concerns have exacerbated in the wake of unexpected corporate failures and high profile collapses both abroad and in India. I will not spend time on the global meltdown which is well known.

38. *What then are the qualities needed to make ethical decisions?* First, is the ability to recognise ethical issues; second, the ability to reason through the ethical consequences of decisions; third, the ability to deal with ambiguity; fourth, the ability to distinguish between ends and means; fifth, the courage to go by conviction rather than consequences; sixth and most important, cultivating the integrity to face ethical dilemmas that you will face in the course of your career head on and to resolve them. Here, we should remember that, as in sport, what is important is not winning, but playing a fair game. Playing a fair game, may lead to failures and lost battles, but will surely win you the war in the arena of life.

39. Schumpeter referred to the entrepreneur as '*Mann der Tat*' or a Man (person) of Action. The entrepreneur, he said, was someone who does not accept reality as it is. If there exists no demand for a good or service, the entrepreneur will create such a demand; s/he will make people want it. S/he acts decisively and does not feel the restrictions that block the actions of the other economic actors.

40. While you may strive to achieve the Schumpeterian ideal, I must caution that do whatever you have to do, bounded however, by ethical norms. These norms cannot be taught in a class-room; these will be learnt in the crucible of life. Pursue substance and not form. Remember, it is not compliance to set norms that matters, but what you feel deep down in your heart is fair and right; seeking, in Wallerstein's words, 'the good, the true and the beautiful'.

41. And now for the customary homilies. As you leave the portals of this institution, we trust you will be persons of action, with hopes, aspirations and dreams. Dream on, but take care not make dreams your master. Enjoy what you do and do it with passion. Ensure that the excitement, passion and romance in building a new organisation and creating something new is shared by all in your team. Take those you work with, along with you. Deal with failure as a guide and with triumph with humility. And most important, cultivate a sensitivity to the rights and vulnerabilities of others.

42. Where you are concerned, the EDI and the faculty have done their job. It is now for you to go out and find yourselves. Lastly, three pieces of advice, which I give to primary students and postgraduates alike, which you should remember is, first, 'be information literate', *i.e.* third generation literate. It is not enough to be a first generation literate, *i.e.* you know how to read and write, or to be second generation literate, *i.e.* to be computer literate, but to achieve information literacy. When transiting to a knowledge society and to be a successful entrepreneur, it is critical to be information literate. Second, you are passing out of EDI and have dreams. Many of you will be highly successful. But remember to 'avoid complacency' during good times. Downturn may come any time. Third, life is not easy; it is difficult, whether of an individual or an institution. Bad times may come, and sometimes, all bad things will come together. In such times, do not become desperate. Do not lose hope, but pray, 'wait and hope' because good times will return. I look forward to a challenging, prosperous, and enterprising career for all of you passing out today.

Sustainability of Economic Growth and Controlling Inflation: The Way Forward*

Subir Gokarn

It is my pleasure to speak at Federation of Indian Chambers of Commerce and Industry's (FICCI) National Executive Committee Meeting this year. As many observers have been highlighting, after a relatively long phase of benign, growth-friendly macroeconomic conditions, things have begun to look somewhat hostile on the macroeconomic front. The most significant manifestation of this is the acceleration of inflation, a trend that was visible even before the impact of the financial crisis was felt in late 2008, but which very quickly and strongly re-emerged as the economy began to recover in the second half of 2009-10. Despite significant actions on both policy rates and liquidity by the Reserve Bank, inflation remains high, giving rise to some very fundamental questions: is this high rate of inflation, previously believed to be unacceptable, now the new normal? Is it an unavoidable price to pay for sustaining the current growth trend? Or, will it actually work to undermine the sustainability of the current trend?

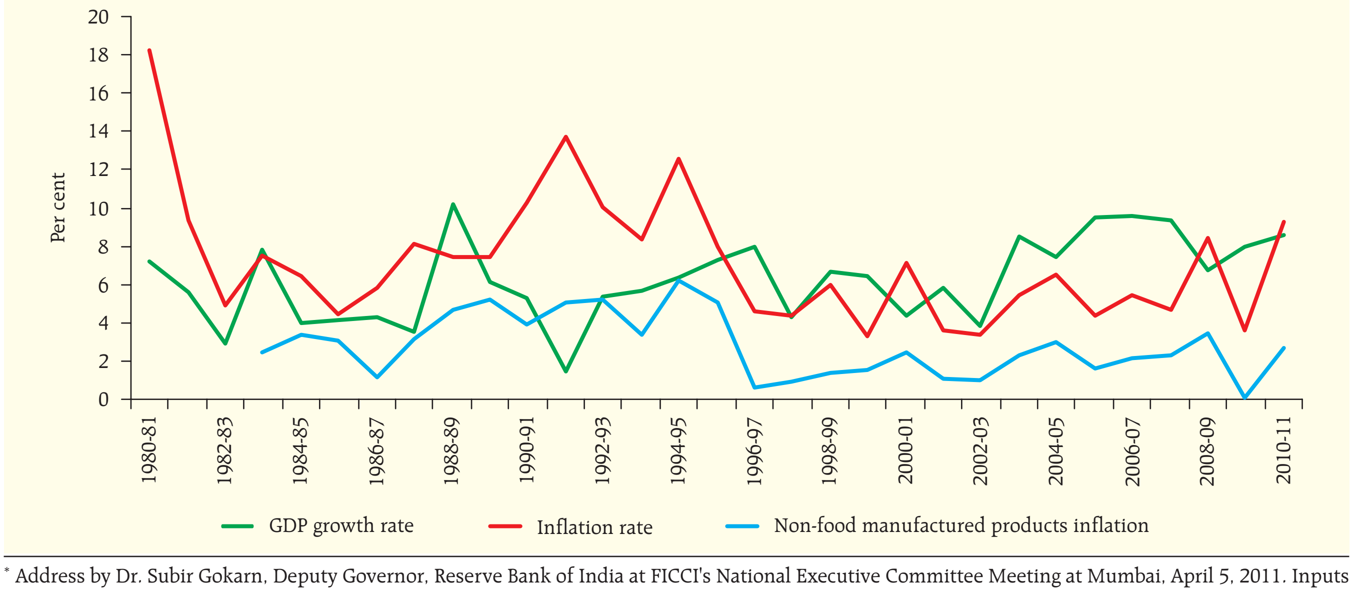
Before arriving at a firm policy position on this issue, we must examine all the risks associated with persistently high rates of inflation over relatively long periods of time. In this address, I propose to do three things:

1. Examine the growth-inflation dynamics in the Indian economy over the past couple of decades to see if any patterns can be discerned;
2. Examine the drivers of the recent trends in inflation and relate them to underlying growth drivers; and
3. Present some key issues and concerns that I believe should influence our policy thinking.

The Growth-Inflation Relationship in India: The Post-1991 Experience

Chart 1 displays the trajectories of growth and two indicators of inflation over the past two decades – the Wholesale Price Index (WPI), reflecting headline inflation and the Non-Food Manufacturing component of it. In our policy framework, we see the latter as one of the measures of 'core' inflation – that which is driven

Chart 1: Growth-Inflation Dynamics in India



* Address by Dr. Subir Gokarn, Deputy Governor, Reserve Bank of India at FICCI's National Executive Committee Meeting at Mumbai, April 5, 2011. Inputs from Bhupal Singh, Sitikantha Pattanaik and Mridul Saggar are gratefully acknowledged.

by demand-side pressures. A number of patterns emerge that might provide a useful backdrop to the discussion of what lies ahead.

First, we do see a striking contrast between the two episodes of high growth that the economy experienced after 1991. During the first episode, 1994-95 – 1996-97, both measures of inflation ran relatively high. In fact, growth began to accelerate in the midst of an already uncomfortable inflationary environment, reflected by both the headline and core measures. The proximity between the two suggested that demand pressures were predominant. In this scenario, the only way that inflation would come down would be through demand compression and that is indeed what happened. An anti-inflationary monetary stance combined with a shock to exports in the wake of the East Asian crisis and a bad monsoon achieved this. Over the next few years, both growth and inflation rates were relatively low.

The second high-growth episode began in 2003-04 and, with the exception of the slowdown during the crisis period, is still continuing. However, from the inflation perspective, this episode itself has two distinct segments. In the first few years, high growth was accompanied by low inflation, both headline and core. On the eve of the crisis period, both indicators increased significantly, suggesting the emergence of demand-side pressures. During the brief slowdown, both inflation indicators dropped sharply, but core fell far more than headline, indicating that supply-side pressures were now visible. The resurgence of inflation over the past year is the result of both demand and supply forces, as can be seen from sharp climb in both inflation indicators and the persistent gap between them.

One impression from the contrast between these two episodes is that growth in a low-inflation environment can be more robust and enduring. This is partly because monetary policy can afford to accommodate growth by keeping interest rates low. However, as we saw, even in the more recent episode, demand pressures were driving inflation up, which saw the monetary policy stance, which I shall discuss in somewhat more detail later, reverse course during that period. A second observation, relating to recent developments, is that, while supply-side pressures have clearly impacted headline inflation, the relatively brief and shallow slowdown in growth did not fully eliminate demand-side pressures from the system and these too have contributed to the recent behaviour of inflation.

For comparison purposes, I will briefly discuss the Chinese growth-inflation dynamics before coming back to a more detailed discussion of recent Indian patterns. Chart 2 depicts the growth rates achieved by the Chinese economy since its own liberalisation of the late 1970s and the behaviour of its Consumer Price Index over the period. Two episodes – one in the late

Chart 2: Growth-Inflation Dynamics in China

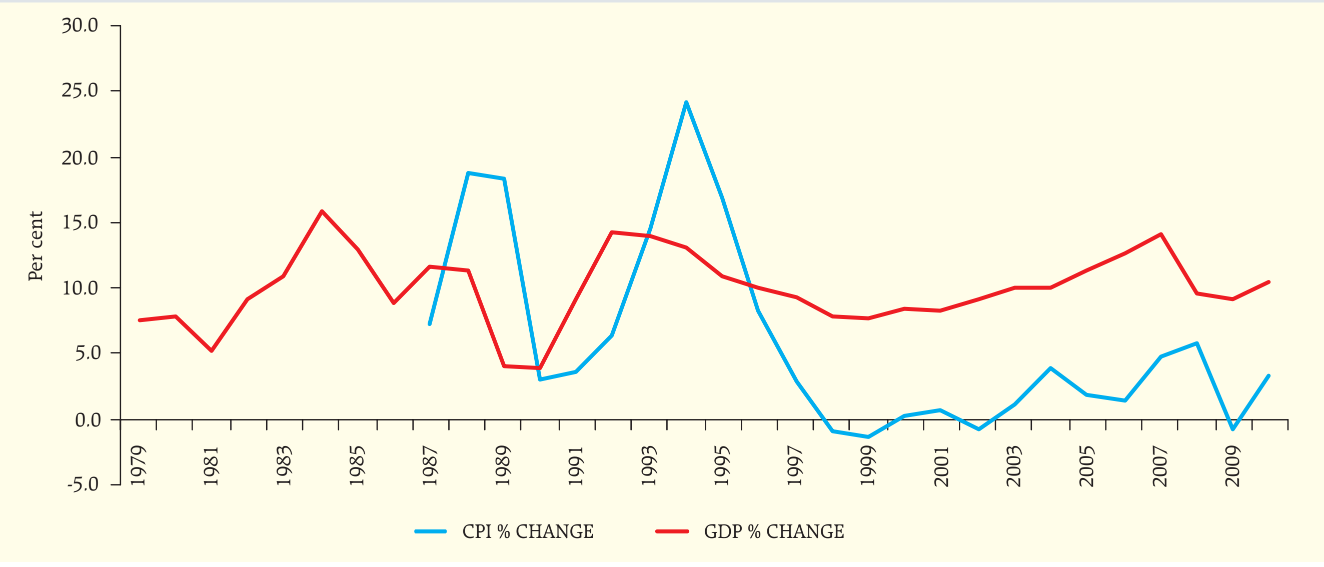
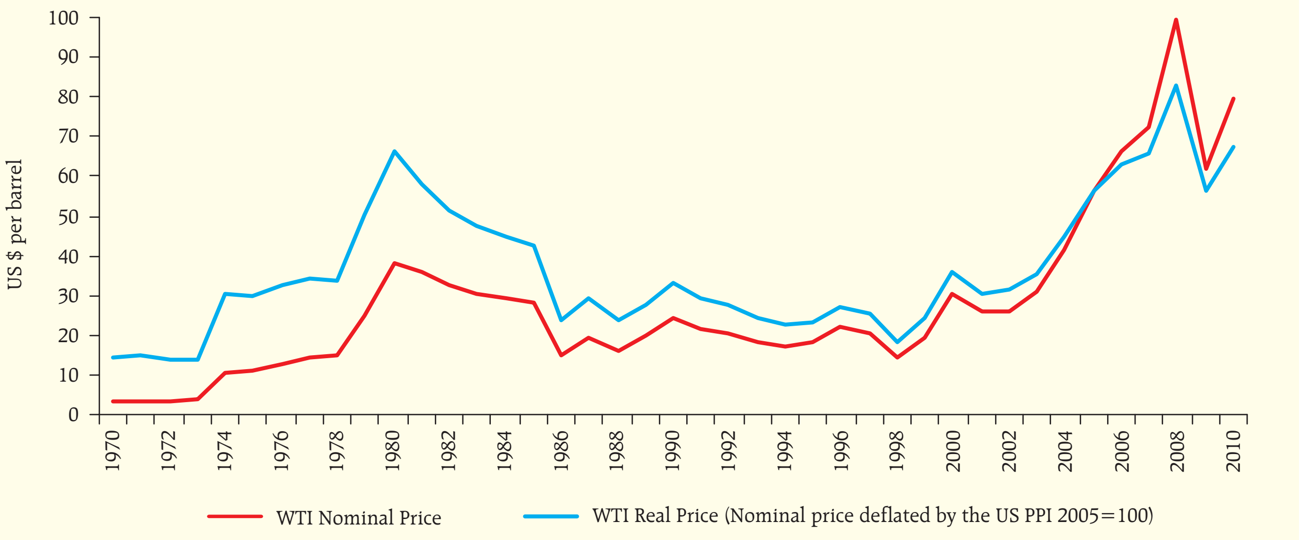


Chart 3: Real Oil Prices



1980s and one in the mid-1990s – stand out. In both, a sharp rise in the inflation rate was followed by a decline in the growth rate. This was quite pronounced in the first episode and somewhat moderate, though unmistakable in the second. After that, growth has sustained at a relatively fast pace accompanied by relatively low inflation. Immediately before the crisis period, both growth and inflation accelerated sharply, suggesting the build-up of demand-side pressures. However, the overall impression, over a somewhat longer period than for India is that sustained high growth is concomitant with relatively low inflation.

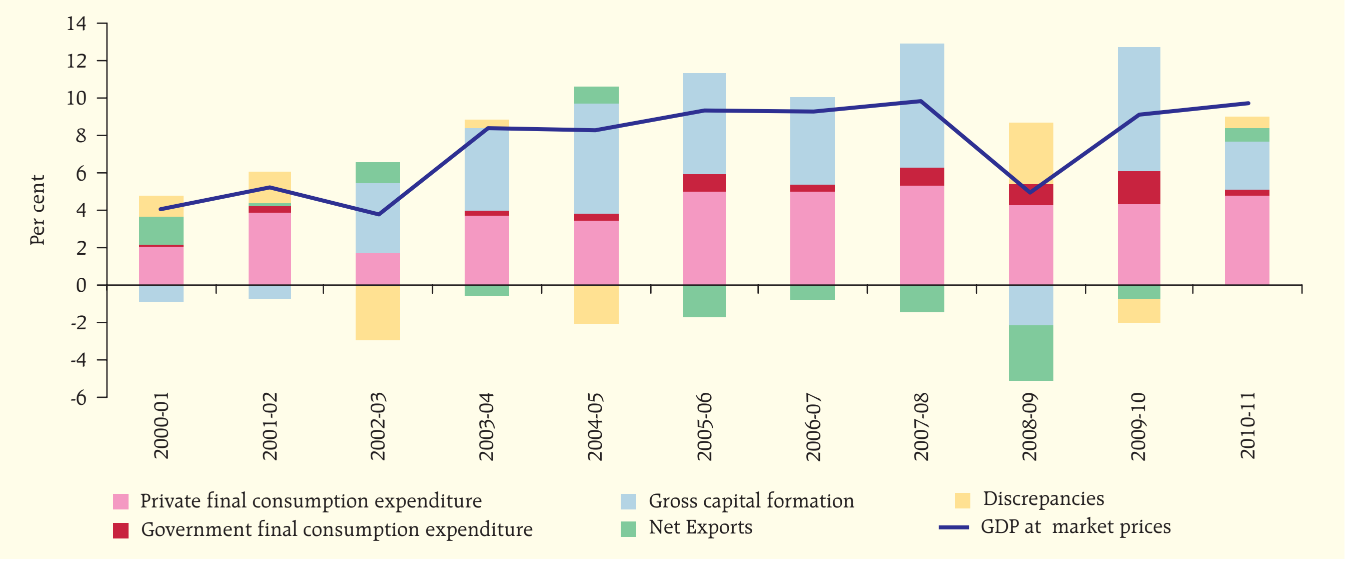
A final issue that I want to look at in this long-term perspective is the behaviour of West Texas Intermediate (WTI) crude oil prices. Chart 3 displays the trend of nominal prices as well as real prices, derived by deflating by the US Producer Price Index (PPI). During the period that we have been talking about, both moved in tandem. The 1990s were a benign period, with oil not exerting significant global inflationary pressure. In contrast, oil prices have risen persistently over the past decade, aggravating demand-driven inflationary pressures in the period before the crisis and continuing to do that after a brief respite.

Recent Inflation Dynamics

To provide a backdrop, let me first talk about some important characteristics of the recent episode of fast growth. Chart 4 displays the annual contribution to growth made by each of the components of aggregate demand. Private Consumption, the largest single component makes a steady contribution throughout the period, a factor influenced by its sheer size. But, the most significant feature of the period is the relatively large and sustained contribution of capital formation, or investment. The acceleration in growth seen since 2003-04 was preceded by a surge in investment spending, which then remained a very significant contributor to growth over the entire episode. It slumped during the crisis period, reflecting its high sensitivity to macroeconomic conditions, but recovered noticeably in the following year.

When we bring the inflation trajectory back into the picture, we might infer that the combination of fast growth and low inflation is actually very conducive to high investment spending. With reference to today's theme, this is obviously a relationship of great significance. Investment has the twin virtues of creating demand for goods and services in the present while simultaneously expanding the capacity to produce them in the future. It follows that a growth process that is more conducive to investment spending is more likely to be sustainable than one that is less conducive. The recent episode of fast growth in India suggests that low inflation is one factor that encourages investment spending. From this perspective, the reduction of the contribution of investment to growth in 2010-11 raises some concerns.

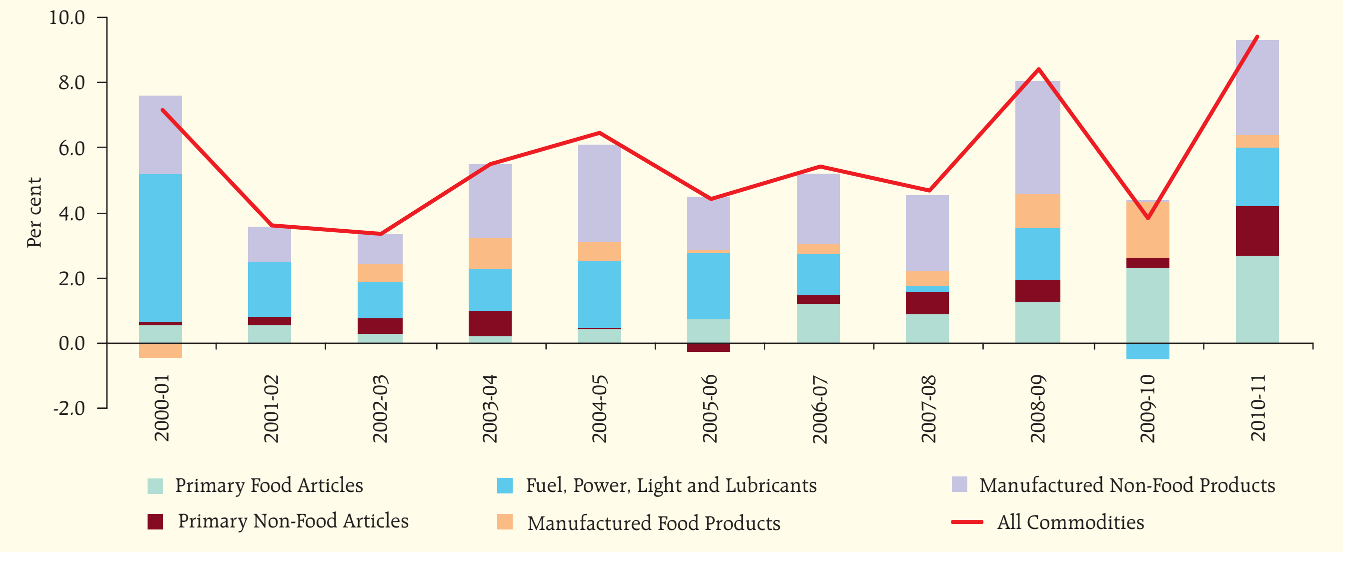
Chart 4: Drivers of Demand Growth



Let me now provide some perspectives on recent inflation dynamics in India. Chart 5 displays the relative contributions of different components of the WPI to aggregate inflation over the past decade. There are a number of significant patterns in the graph. First, food inflation may have grabbed the headlines in recent months, but the fact is that it has been steadily increasing its contribution to overall inflation for some time now. A combination of factors may have aggravated the situation in the recent past, but the impact of sustained high growth on food consumption patterns cannot be wished away. In the absence of a strong supply response, increasing demand will inevitably lead to higher prices, a trend that may be reinforced by a monsoon failure or other shocks. This is what we are seeing on the food front today.

Second, even though crude oil prices were increasing steadily over this period, the contribution of energy prices to inflation was variable. This was the result of a combination of differential rates of annual increases and restrictions on pass-through to domestic consumers. In fact, during the three-year period 2005-08, while aggregate inflation remained relatively steady, the relative contributions of food and energy

Chart 5: Drivers of Inflation



swapped positions. In a sense, incipient food inflation was being offset by the moderating contribution from oil.

Third, non-food manufacturing inflation, which, as I indicated earlier, we interpret as reflecting demand-side pressures, while contributing to inflation throughout the period, was fairly steady. However, in 2007-08, as overall inflation accelerated, so did this component. One explanation for this is that, with capacities being stretched, producers had significant pricing power. Consequently, the intensification of supply-side drivers, which is clearly visible in the graph that year, spilled over into a more generalised inflationary process. Of course, the picture changed dramatically during the crisis period, but it is striking that in 2010-11, the pattern is quite similar, with the added contribution from rising non-food primary articles. We do appear to be in a situation in which capacity constraints are helping convert supply-side pressures into generalised inflation. If, in fact, the contribution of investment spending to growth is declining, the constraints can only become more binding, further aggravating inflationary pressures if the growth momentum is kept going by other components of demand.

I will end this section with a brief discussion on the monetary and fiscal policy trajectories during this period. Chart 6 displays the movement of monetary policy instruments before, during and after the crisis period. In the first phase depicted on the graph, there was a steady reduction in policy rates, motivated by a moderating inflation scenario and the need to avoid slowdown in growth. This was presumably supportive of investment activity, which, as we saw earlier, was relatively buoyant during this period. In 2005-06, the cycle turned and there were steady increases in policy rates and the cash reserve ratio (CRR) in response to the acceleration in inflation that was displayed in the previous graph. It is important to point out that investment activity apparently did not change course even as interest rates were being increased. This suggests that it is not just the immediate interest rate scenario that influences investment decisions, actions taken to control inflation also help by providing reassurances about macroeconomic stability.

As the impact of the crisis was felt, there was a sharp reversal in all policy instruments, a movement consistent with the inflationary pattern during the year, as seen by the complete disappearance of non-food manufacturing inflation. As the economy recovered, bringing with it a rather quick resurgence of inflationary pressures, the monetary stance has responded. The pace of action has been influenced by a number of domestic and global factors; the primary motivation being to keep the recovery going, while preventing the spill-over of supply-side pressures into a more generalised inflationary process.

Chart 6: Monetary Policy Trajectory

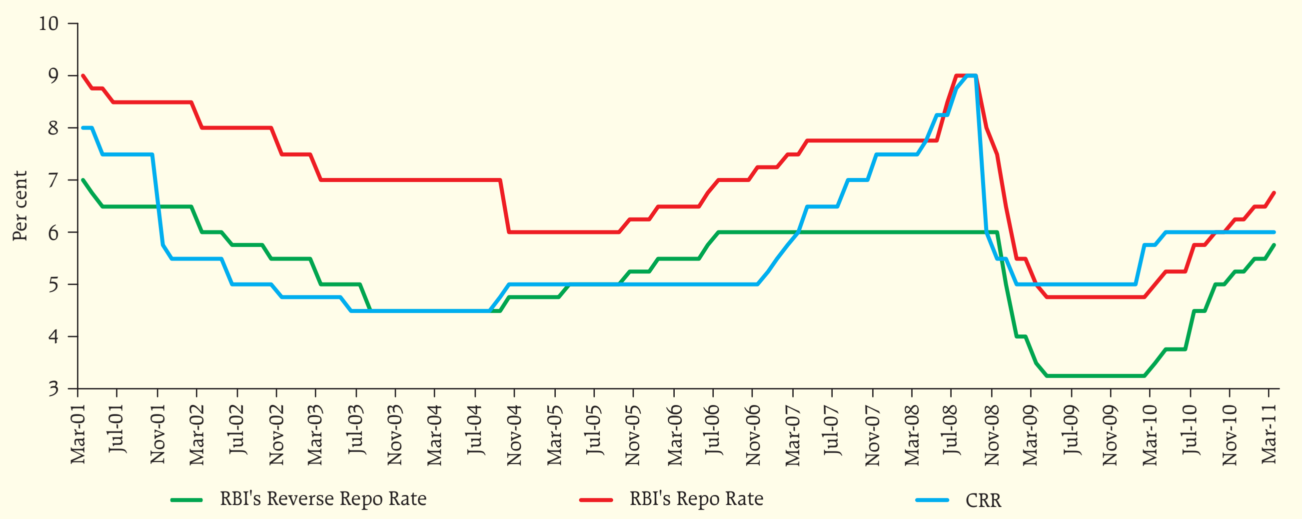


Chart 7: Combined Deficits of Central and State Governments

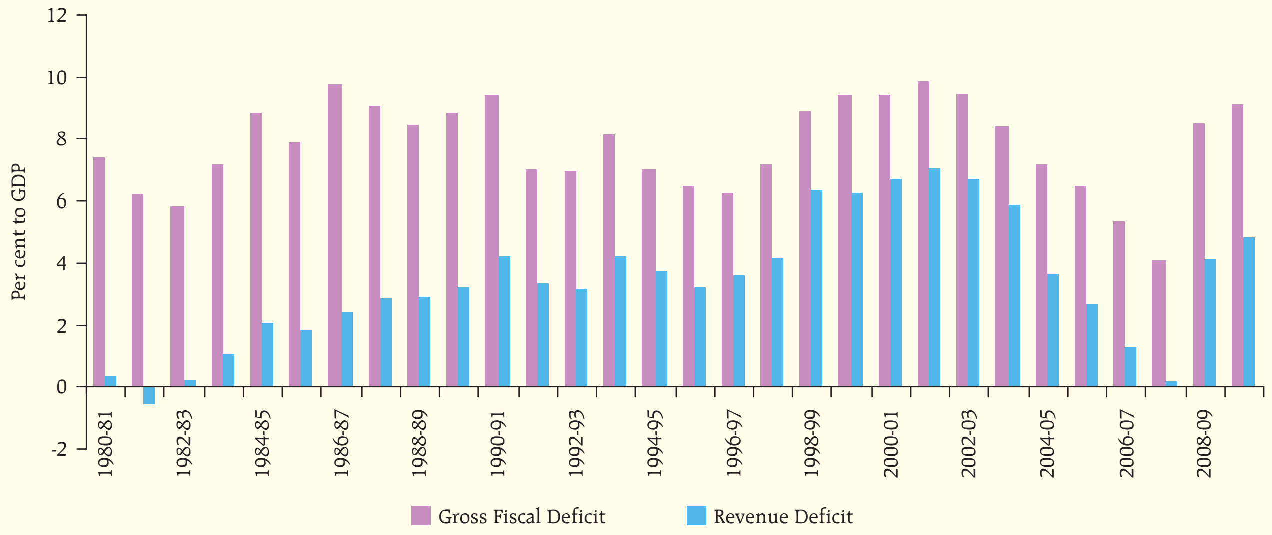


Chart 7 displays trends in the fiscal position, showing the combined revenue and fiscal deficits for the Centre and States. The main point that I would like to make from this picture is with reference to the fast growth episode of 2003-08. On the fiscal front, this period was characterised by a steady decline in the combined fiscal deficit, but, most importantly, a very sharp decline in the revenue deficit. What this meant was that not only was the government claiming relatively fewer resources, it was devoting a greater proportion of its spending to creating capital assets. In terms of the virtuous combination of high growth, low inflation and high investment that I have already characterised the episode by, these fiscal characteristics add another dimension to the understanding of conditions conducive to sustaining growth.

The Way Forward: Issues and Concerns

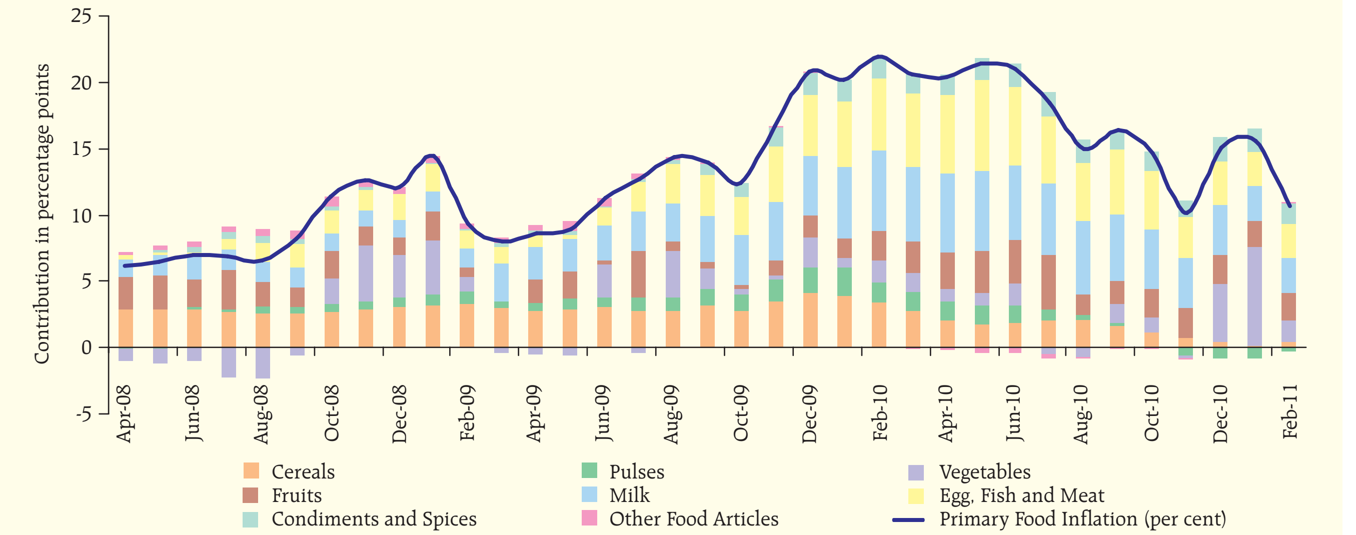
I would like to highlight three key messages from the preceding discussion as we look ahead at the challenges of sustaining growth while controlling inflation. First, from our own experience, low inflation and fiscal moderation, particularly on the revenue deficit, seem to be conducive to high investment rates and, consequently, to high and sustainable growth rates. Second, when growth is relatively rapid, supply-side inflationary pressures do spill over into more generalised inflation, presumably reflecting high pricing power of all producers, including workers. The implications of this for monetary policy are quite clear and direct: if there are signs of spill-over from supply-side to core, then a monetary response is warranted to prevent the process from spiralling out of control. Third, looking back at the previous high-growth episode, slower growth over a period of time will result in lower inflation, but we must recognise that both high inflation and slow growth have significant welfare costs. In essence, the challenge is to keep growth as high as possible without the risk of inflation spiralling out of control.

In this context, there are two bodies of evidence that have a bearing on policies intending to sustain growth while controlling inflation. First, analysis of a large sample of countries over long periods of time does not suggest that more rapid growth phases were accompanied by higher rates of inflation. There have, of course, been periods when inflation rates have been high, but these have typically been followed by a slowdown in growth rates, presumably as a result of monetary actions but, more fundamentally, because the prospect of macroeconomic instability may lead to lower rates of investment. In general, the evidence across a large set of countries bears out what we observed in India over the high growth episode in India immediately before the crisis period and also in China over the past decade. Faster growth seems to persist in an environment of low inflation.

Second, recent analytical work on the Phillips Curve, which represents the trade-off between growth (unemployment) and inflation suggests a break in the relationship between growth and inflation at some threshold rate of inflation (see Akerlof, *et al.*, 2000[1] and Palley, 2003[2], 2008[3]). If inflation is below that rate, the analysis suggests that there is a trade-off between growth and inflation; growth can be accelerated (unemployment can be reduced) with some concomitant increase in inflation. However, above that threshold, the relationship is reversed; higher rates of inflation are accompanied by slower growth (higher unemployment). The main reason for the existence of such a threshold rate of inflation is the speed and magnitude with which the inflation rate feeds into inflationary expectations. Below the threshold, workers and producers do not raise their wage and price demands very often because the impact of inflation is not too visible. By contrast, they respond very quickly above the threshold because they are worried that high inflation will rapidly erode their living standards or profitability. In short, when inflation is high, the behaviour of workers and producers increases the likelihood that it will increase further.

Putting the two together, one could argue that keeping inflation below the threshold at all times serves both the short-term objective of macroeconomic stability, or minimising the deviation of the growth rate from its sustainable trend, and the long-term objective of raising the trend by encouraging investment activity. Do we know what the threshold is for the Indian economy? The Report on Currency and Finance, an annual research publication of the Reserve Bank of India, examined this question in its 2000-01 issue and came to the conclusion that the 'growth-maximising rate of inflation' for the Indian economy was 5 per cent.[4] Of course, in a rapidly evolving environment, this number could well be different now; the average rate of inflation during the pre-crisis high growth episode was slightly below this number. But, even if it is different, it is unlikely to be significantly higher. The current rate of inflation does raise concerns about the risks of spiralling, as high inflation becomes increasingly entrenched into the wage and price setting behaviour of workers and producers. In turn, if this were to adversely impact investment activity, the growth

Chart 8: Recent Drivers of Food Inflation



[1] Akerlof, G.A., Dickens, W.T. and Perry, G.L. (2000), 'The Near-Rational Wage and Price Setting and the Long-Run Phillips Curve', *Brookings Paper on Economic Activity*, 1: 1-60.

[2] Palley, T.I. (2003), 'The Backward-Bending Phillips Curve and the Minimum Unemployment Rate of Inflation (MURI): Wage Adjustment with Opportunistic Firms', *The Manchester School of Economic and Social Studies*, 71(1): 35-50.

[3] Palley, T. I. (2008), 'The Backward-Bending Phillips Curves: A Simple Model', *Working Paper No. 168*, Political Economy Research Institute, University of Massachusetts, Amherst.

[4] Reserve Bank of India (2002), 'Growth, Inflation and the Conduct of Monetary Policy', *Report on Currency and Finance, 2000-01.*

momentum would inevitably slow down. In essence, the trade-off is more between inflation now and growth in the future.

Before I conclude, I would like to briefly address the very fundamental issue of food inflation. Chart 8 displays the relative contributions made by different food groups to overall food inflation. For much of the past several months, the dominant contributors to it have been pulses, milk, eggs, fish and meat and fruits. Cereals have made virtually no contribution, while vegetables, with the exception of the onion spike (other vegetables also) in late 2010, were not very significant contributors. To reiterate a point we have been making in both our policy statements and other communications: this pattern is the outcome of consumption baskets being diversified by an increasing number of households as they cross some income threshold. The increase in prices indicates that supply is just not keeping pace with demand. The only way to keep food prices in check is to produce more of what people want to consume. There are several initiatives in the Union Budget for 2011-12, which are based on this recognition. Now, the emphasis must be on implementing the schemes for quick increases in productivity and output of the items in question.

Concluding Remarks

I began by raising three questions: is this high rate of inflation, previously believed to be unacceptable, now the new normal? Is it an unavoidable price to pay for sustaining the current growth trend? Or, will it actually work to undermine the sustainability of the current trend?

Based on the preceding discussion, let me attempt a combined answer. Acceptance of a higher rate of inflation as the new normal – an inevitable consequence of rapid growth – will raise risks of accelerating inflation. In turn, this is likely to weaken incentives for investment, which will threaten the sustainability of growth. This is a vicious circle of high inflation, low investment and slowing growth.

The alternative is the kind of virtuous circle that the economy has already experienced during the five years preceding the crisis period. This was characterised by low inflation, high investment and fiscal consolidation, particularly on the revenue account, accompanying high growth as well as resilience during the crisis period. That is the configuration that we need to re-create to sustain growth.

Both monetary and fiscal policies have a role in achieving this configuration. The challenge for monetary policy is to prevent supply-side inflationary pressures from spilling over into more generalised inflation, both by managing expectations and by reining in demand. This needs to be done with minimal disruption to growth, particularly investment activity. The challenge for fiscal policy is to bring down the fiscal deficit, particularly on the revenue account. This needs to be done while ensuring both resource allocation and effective implementation of programmes dealing with critical supply constraints in food and elsewhere. Significantly, both sets of challenges have to be met amidst an uncertain global environment, both generally and with respect to oil prices.

I shall end with reference to the topic of today's address. The issue is not so much one of higher inflation for faster growth in the present. It is about the risks that higher inflation now poses for faster growth in the future. In other words, sustainability of growth over the long-term does require controlling inflation.

I thank the National Executive Committee of FICCI for inviting me to speak on this occasion and wish them success both for a successful event and a successful year ahead.

Articles

*Developments in India's Balance of Payments during Third Quarter (October-December) 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 third quarter (Q3), *i.e.*, October-December 2010 of the financial year 2010-11 along with the partially revised data for the first two quarters (Q1 & Q2), *i.e.*, April-June 2010 and July-September 2010 were released by the Reserve Bank on March 31, 2011. This article covers the analysis of major developments in India's BoP up to the third quarter of 2010-11.

The disaggregated data on invisibles for the (i) third quarter of 2010-11 (October-December 2010), (ii) the first two quarters of 2010-11, *viz.*, April-June 2010 and July-September 2010, and (iii) for the years 2007-08, 2008-09 and 2009-10 are also published as part of this article (Attachment I).

Major Highlights of BoP during October-December (Q3) of 2010-11

(i) On a BoP basis, exports recorded a growth of 39.8 per cent during Q3 of 2010-11 as compared with an increase of 19.6 per cent in the corresponding quarter of the preceding year. Imports also registered a growth of 24.9 per cent during Q3 of 2010-11 as compared with an increase of 4.9 per cent in the corresponding quarter of the preceding year.

(ii) With higher growth in exports relative to imports, the trade deficit in absolute terms at USD 31.6 billion continues to be almost of the same order as in the corresponding quarter of the preceding year.

(iii) Net services recorded a growth of 49.3 per cent resulting from strong growth in receipts of travel, transportation, software, business and financial services as against a decline of 46.0 per cent a year ago.

(iv) Private transfer receipts remained buoyant at USD 14.1 billion during the quarter.

(v) Consequently, net invisibles balance showed an increase of 17.0 per cent (as against a decline of 19.0 per cent a year ago).

(vi) The current account deficit (CAD) during Q3 of 2010-11 moderated to USD 9.7 billion as compared to the corresponding quarter of the preceding year mainly due to recovery in the invisibles surplus.

(vii) The capital account surplus increased marginally over the corresponding quarter of the previous year mainly due to higher net inflows under FII investments, external assistance, external commercial borrowings (ECBs) and banking capital.

(viii) With capital account surplus being higher than the current account deficit, there was a net accretion to foreign exchange reserves of USD 4.0 billion during the quarter (excluding valuation).

Major Highlights of BoP during April-December of 2010-11

(i) The current account deficit widened during April-December 2010 mainly due to higher trade deficit as compared to the corresponding period of the preceding year, despite improvement in net invisibles surplus. At this level, the CAD works out to 3.1 per cent of GDP during April-December 2010.

*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 India's Balance of Payments during the third quarter of 2010-11 (October-December 2010) and also incorporates revision in data for first quarter (April-June 2010) and second quarter (July-September 2010) of 2010-11.

(ii) Net capital inflows increased significantly driven by higher net inflows under FII investments, external assistance, short-term trade credit, ECBs and banking capital.

(iii) Although net capital inflows increased significantly, accretion to reserves during April-December 2010 was marginally lower mainly due to widening of the current account deficit.

1. Balance of Payments for October-December (Q3) of 2010-11

The developments in the major items of the BoP for the third quarter (Q3) of 2010-11 are set out below in Table 1.

Merchandise Trade

(i) India's exports growth continued to maintain its momentum during the third quarter of 2010-11. On a BoP basis, merchandise exports recorded a growth of 39.8 per cent, year-on-year, during Q3 of 2010-11 as compared with an increase of 19.6 per cent in the same quarter of the preceding year.

(ii) On a BoP basis, import payments registered a growth of 24.9 per cent in Q3 of 2010-11 as compared with an increase of 4.9 per cent during the corresponding period of preceding 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 (-)1.0 per cent and 12.3 per cent, respectively, during Q3 of 2010-11. Oil imports accounted for about 27.9 per cent of total imports during Q3 of 2010-11 (30.5 per cent in Q3 of 2009-10). The continuance of sizeable share of oil imports in total imports reflect rising crude oil prices apart from the quantum of oil imports (Chart 1).

Trade Deficit

(i) Higher growth in exports relative to imports led the trade deficit in absolute terms to stay at USD 31.6 billion, almost the same level as in the corresponding quarter of the preceding year (USD 30.9 billion) (Chart 2).

Invisibles

(i) Invisibles receipts (comprising services, current transfers and income) recorded a sharp growth of 33.8 per cent, year-on-year during Q3 of 2010-11 (as against a decline of 4.6 per cent in the same period of previous year) facilitated by services exports.

(ii) Services receipts recorded a growth of 55.7 per cent (as against a decline of 14.4 per cent a year ago) primarily contributed by travel, transportation as well as miscellaneous services such as software, business and financial services.

(iii) Software exports registered a growth of 17.1 per cent, same as in the corresponding period of preceding year, to USD 15.4 billion. Continuous robustness in software services exports reflect geographical diversification along with enhanced operational efficiencies.

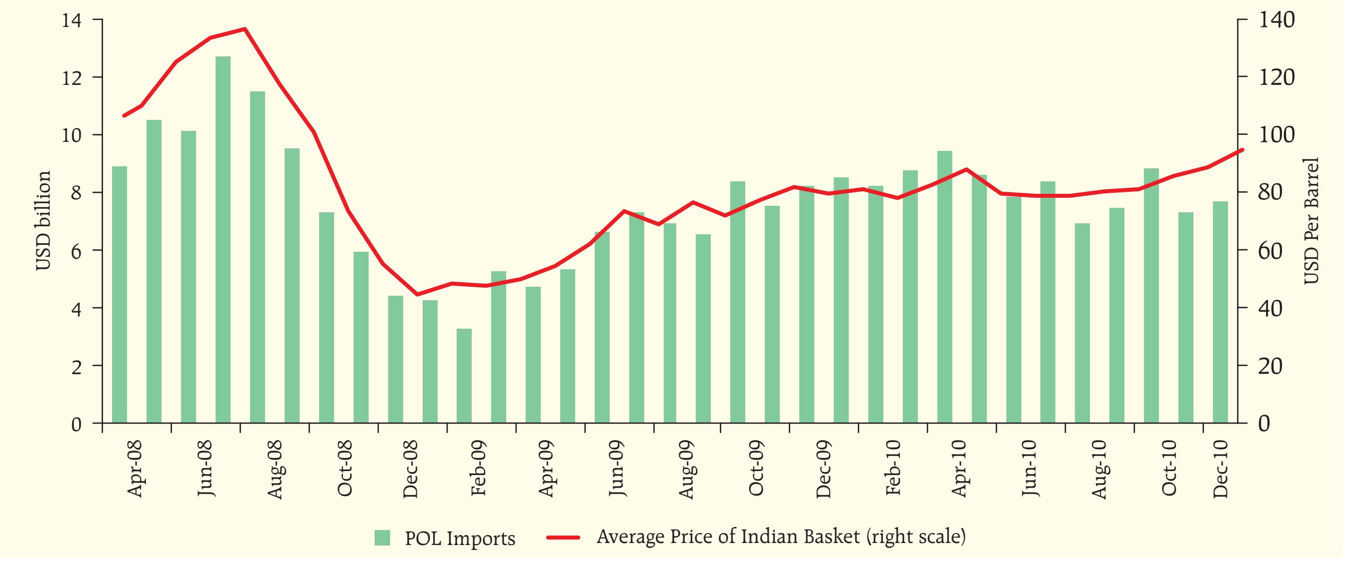
Table 1: Major Items of India's Balance of Payments

(USD billion)

Item	April-June		July-September		October-December	
	2009-10 (PR)	2010-11 (PR)	2009-10 (PR)	2010-11 (PR)	2009-10 (PR)	2010-11 (P)
	1	2	3	4	5	6
1. Exports	39.2	55.3	43.4	51.8	47.2	66.0
2. Imports	65.4	88.0	73.0	89.6	78.1	97.5
3. Trade Balance (1-2)	-26.3	-32.8	-29.6	-37.8	-30.9	-31.6
4. Invisibles, net	22.1	20.3	20.4	21.0	18.7	21.9
5. Current Account Balance (3+4)	-4.2	-12.5	-9.2	-16.8	-12.2	-9.7
6. Capital Account Balance*	4.3	16.2	18.6	20.1	14.0	13.7
7. Change in Reserves# (-Indicates increase;+ indicates decrease)	-0.1	-3.7	-9.4	-3.3	-1.8	-4.0

* Including errors and omissions. # On BoP basis (*i.e.*, excluding valuation). P: Preliminary. PR: Partially Revised.

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



(iv) Business services (mainly covering business and management consultancy, architectural and engineering services as well as maintenance of offices abroad) continued their trend of recovery witnessed since the last quarter of 2009-10. Business services receipts increased to USD 7.1 billion during Q3 of 2010-11 (USD 2.5 billion a year ago).

(v) Private transfer receipts, comprising mainly remittances from Indians working overseas, increased by 5.9 per cent (as compared with the growth of 24.1 per cent a year ago) to USD 14.1 billion during the quarter (Table 2 & Chart 3).

(vi) Investment income receipts declined by 24.1 per cent during the quarter (as compared with a decline of 20.5 per cent a year ago) reflecting the continuation of lower interest rates abroad.

(vii) Invisibles payments recorded a growth of 48.2 per cent (as compared with a growth of 12.7 per cent a year ago) largely due to higher payments under services and investment income. Services payments increased by 59.0 per cent during the quarter (as compared with a growth of 22.1 per cent a year ago) contributed by almost all components of services.

Chart 2: Quarterly Movements in Trade Balance

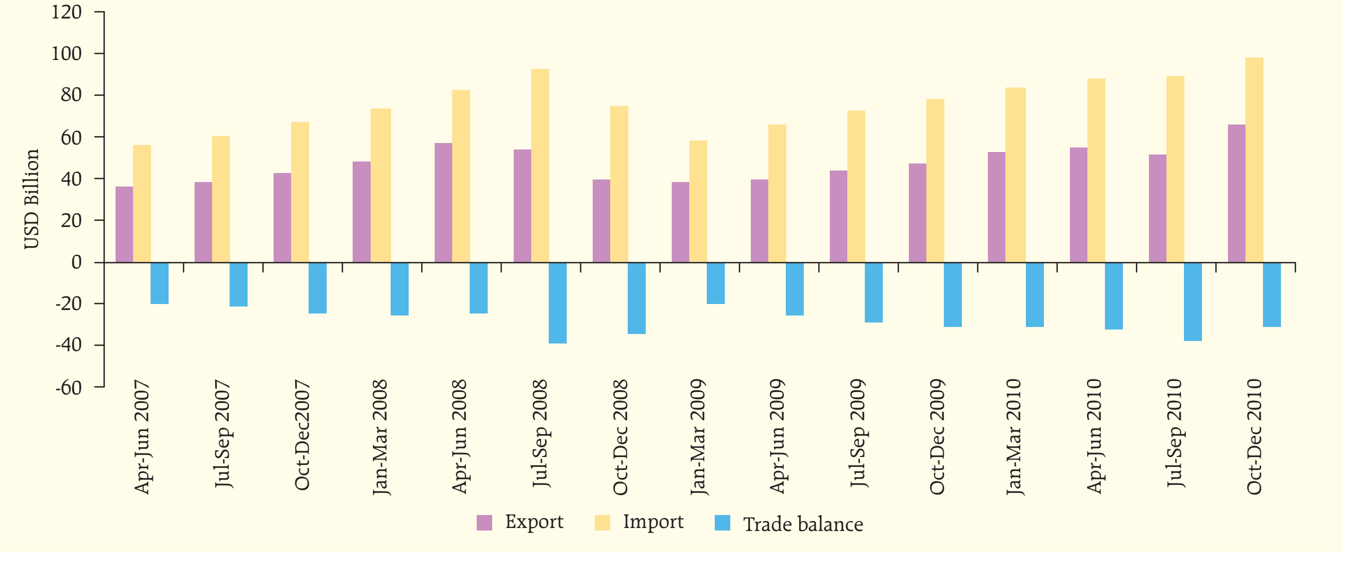


Table 2: Net Invisibles

(USD billion)

Item	April-June		July-September		October-December	
	2009-10 (PR)	2010-11 (PR)	2009-10 (PR)	2010-11 (PR)	2009-10 (PR)	2010-11 (P)
	1	2	3	4	5	6
A. Services (1 to 5)	11.4	10.0	7.7	12.1	8.2	12.2
1. Travel	0.3	0.6	0.4	0.6	1.1	1.5
2. Transportation	-0.3	0.0	0.3	-0.2	-0.4	-0.3
3. Insurance	0.1	0.1	0.0	0.1	0.1	0.1
4. GNIE	0.0	0.0	0.0	-0.1	-0.01	-0.04
5. Miscellaneous	11.4	9.3	6.9	11.7	7.3	10.9
of which:						
Software	10.6	12.4	10.8	12.8	12.9	14.7
Non-Software	0.8	-3.1	-3.9	-1.1	-5.6	-3.8
B. Transfers	12.9	13.0	13.8	13.0	13.0	13.6
Private	12.9	13.1	13.8	13.0	12.8	13.4
Official	-0.1	-0.1	0.1	0.0	0.3	0.1
C. Income	-2.2	-2.7	-1.1	-4.0	-2.5	-3.9
Investment Income	-2.1	-2.5	-0.9	-3.8	-2.2	-3.6
Compensation of Employees	-0.1	-0.3	-0.1	-0.2	-0.3	-0.3
Invisibles (A+B+C)	**22.1**	**20.3**	**20.4**	**21.0**	**18.7**	**21.9**

P: Preliminary. PR: Partially Revised.

(viii) Notwithstanding higher rate of growth in invisibles payments relative to receipts, net invisibles (invisibles receipts minus invisibles payments) increased by 17.0 per cent (as against a decline of 19.0 per cent a year ago) to USD 21.9 billion (Table 2).

Current Account Deficit

(i) Despite the higher trade deficit, the current account deficit moderated to USD 9.7 billion (from USD 12.2 billion a year ago) primarily due to strong recovery in invisibles surplus. (Chart 4).

Capital Account and Reserves

(i) Both gross capital inflows and outflows increased during Q3 of 2010-11 as compared with the corresponding period of the preceding year. The gross capital inflows to India amounted to USD 174.2 billion during Q3 of 2010-11 (USD 81.6 billion a year ago) largely on account of higher portfolio investment inflows, external assistance, external commercial borrowings, banking capital (draw down of assets abroad by commercial banks and NRI deposits) and short-term credit to India.

Chart 3: Key Components of Invisibles Receipts

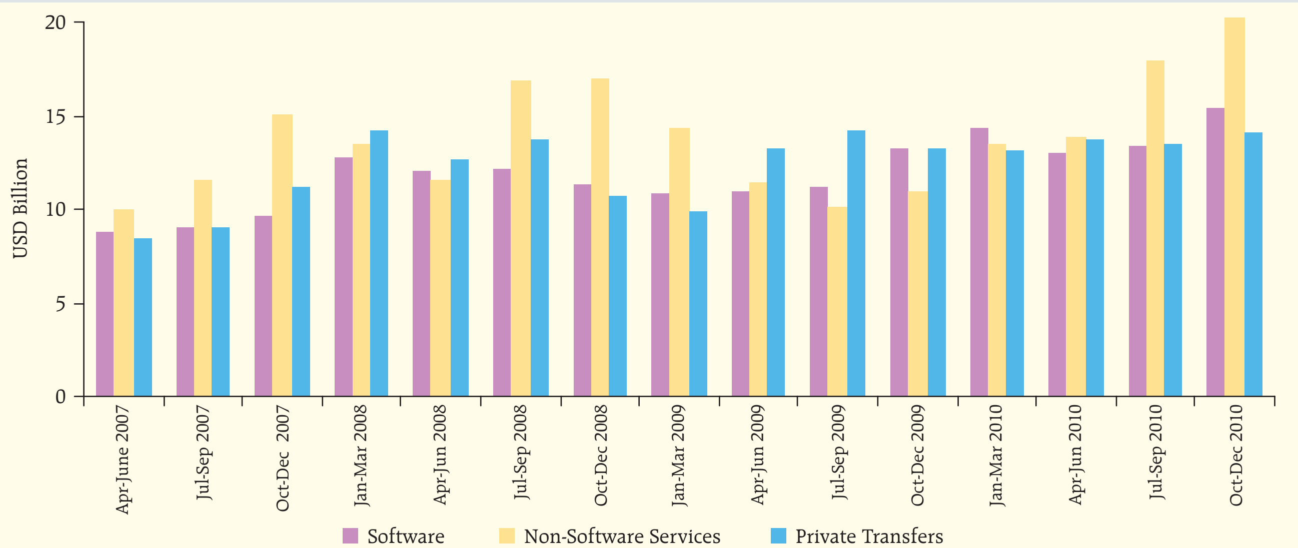
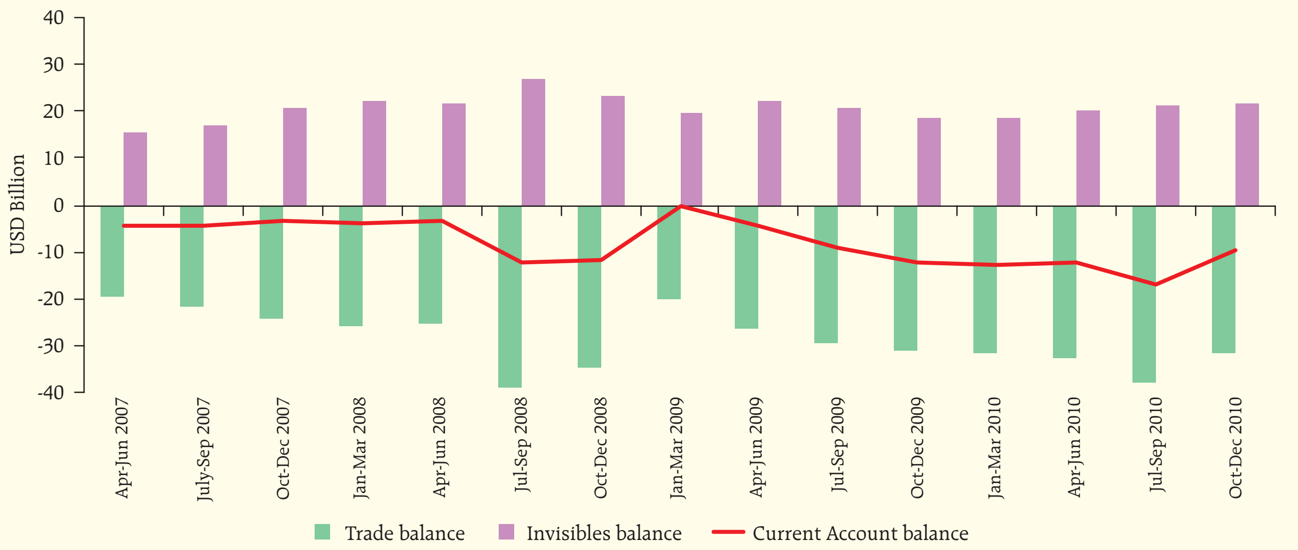


Chart 4: Movement in Current Account Balance



Higher gross capital outflows during the period at USD 159.3 billion (USD 66.9 billion a year ago) were led by outflows under FDI, FII investments and repayments under Short-Term credit to India.

(ii) Net capital flows were fractionally higher at USD 14.9 billion during Q3 of 2010-11 (USD 14.6 billion a year ago) as higher net inflows under FII investments, external assistance, ECBs and banking capital were offset by moderation in net inflows under short-term trade credits and foreign direct investment (Table 3).

(iii) The steep rise in gross flows with only moderate increase in net flows is essentially a reflection of enhanced volatility of capital flows during the period.

(iv) Net FDI flows (net inward FDI minus net outward FDI) moderated to USD 2.1 billion during Q3 of 2010-11 (USD 3.0 billion a year ago) mainly due to lower net inward FDI during the quarter.

(v) Net FII inflows increased to USD 7.2 billion during Q3 of 2010-11 as compared with USD 5.3 billion

Table 3: Net Capital Flows

(USD billion)

Item	April-June		July-September		October-December	
	2009-10 (PR)	2010-11 (PR)	2009-10 (PR)	2010-11 (PR)	2009-10 (PR)	2010-11 (P)
	1	2	3	4	5	6
1. Foreign Direct Investment	4.8	2.9	7.5	2.6	3.0	2.1
Inward FDI	8.9	6.0	10.9	6.7	7.2	5.3
Outward FDI	-4.1	-3.1	-3.4	-4.2	-4.2	-3.2
2. Portfolio Investment	8.3	4.6	9.7	19.2	5.7	6.3
Of which:						
FIIs	8.2	3.5	7.0	18.8	5.3	7.2
ADR/GDRs	0.0	1.1	2.7	0.5	0.5	0.2
3. External Assistance	0.3	2.5	0.7	0.6	0.8	1.2
4. External Commercial Borrowings	-0.5	2.2	1.2	3.4	1.7	3.6
5. NRI Deposits	1.8	1.1	1.0	1.0	0.6	0.2
6. Banking Capital excluding NRI Deposits	-5.2	2.9	3.4	-4.2	1.3	4.7
7. Short-term Trade Credit	-1.3	4.4	1.2	2.6	3.2	1.5
8. Rupee Debt Service	0.0	0.0	0.0	0.0	0.0	0.0
9. Other Capital	-4.6	-4.0	-5.4	-3.9	-1.7	-4.8
Total (1 to 9)	**3.7**	**16.6**	**19.3**	**21.3**	**14.6**	**14.9**

P: Preliminary. PR: Partially Revised.

in the corresponding quarter of the preceding year on the back of attractive returns in the Indian stock markets. Gross inflows and outflows under FII investments during the quarter almost trebled reflecting large oversubscriptions to Coal India IPO in October 2010 and repatriation thereafter.

(vi) Net ECBs were significantly higher at USD 3.6 billion during the quarter (as compared with USD 1.7 billion a year ago) reflecting apart from higher economic activities improvement in international financial markets and lower cost of funds abroad.

(vii) Banking capital recorded net inflows of USD 4.9 billion during the quarter as compared to USD 1.9 billion a year ago mainly due to larger drawdown of foreign assets of commercial banks.

(viii) Net inflows under short-term trade credit to India moderated to USD 1.5 billion during the quarter (as compared with a net inflow of USD 3.2 billion a year ago) compensated by rise in other inflows such as ECBs for financing imports to support domestic economic activity.

(ix) With capital account surplus being higher than the current account deficit, there was a net accretion to foreign exchange reserves of USD 4.0 billion during the quarter (USD 1.8 billion a year ago). In nominal terms (*i.e.*, including valuation changes), foreign exchange reserves increased by USD 4.5 billion during the quarter reflecting depreciation of US dollar against major international currencies during the quarter.

2. Balance of Payments for April-December of 2010-11

The BoP data for April-December 2010 have been compiled taking into account the partially revised data for Q1, Q2 and preliminary data for Q3 of 2010-11. 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 33.3 per cent in April-December 2010 (as against a decline of 13.8 per cent in the same period of the previous year).

(ii) Import payments, on a BoP basis, also registered a growth of 27.1 per cent during April-December 2010 as against a decline of 13.3 per cent in the corresponding period of the previous year.

(iii) Oil imports recorded an increase of 17.7 per cent during April-December 2010 (as against a decline of 24.0 per cent a year ago). In absolute terms, the oil imports accounted for 29.4 per cent of total imports during April-December 2010 (29.7 per cent in the corresponding period of the previous year).

(iv) According to the DGCI&S data at the disaggregated level available up to October 2010, the increase in merchandise exports has been mainly driven by petroleum, crude oil & products, engineering goods, gems and jewellery, and chemicals and related products. Growth in imports on the other hand has primarily been led by oil, pearls and semi precious stones.

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

(USD billion)

Item	April-March		April-December	
	2008-09 (R)	2009-10 (PR)	2009-10 (PR)	2010-11 (P)
	1	2	3	4
1. Exports	189.0	182.2	129.7	173.0
2. Imports	308.5	300.6	216.5	275.1
3. Trade Balance (1-2)	-119.5	-118.4	-86.8	-102.1
4. Invisibles, net	91.6	80.0	61.2	63.2
5. Current Account Balance (3+4)	-27.9	-38.4	-25.5	-38.9
6. Capital Account Balance*	7.8	51.8	36.8	50.0
7. Change in Reserves# (-Indicates increase;+ indicates decrease)	20.1	-13.4	-11.3	-11.0

* Including errors and omissions. # On BoP basis (*i.e.*, excluding valuation). R: Revised. P: Preliminary. PR: Partially Revised.

Trade Deficit

(i) On a BoP basis, the trade deficit widened to USD 102.1 billion during April-December 2010 (USD 86.8 billion during April-December 2009).

Invisibles

Invisibles Receipts

(i) Invisibles receipts recorded an increase of 20.9 per cent during April-December 2010 (as against a decline of 7.5 per cent a year ago) mainly due to broad based improvement in service exports (Table 5). Private transfers recorded a marginal rise over the preceding year. Receipts under investment income, however, declined by 36.1 per cent during April-December of 2010-11 due to continuance of lower interest rate regime abroad.

(ii) Software receipts at USD 41.8 billion during April-December 2010 showed an increase of 18.1 per cent as against a decline of 0.2 per cent a year ago.

(iii) Miscellaneous receipts, excluding software exports at USD 31.5 billion, during April-December 2010 more than doubled compared to that in the preceding year. This has essentially been on account of improved performance of business and financial services during the period (Table 6).

(iv) Improvements in business services exports could be observed across most of its sub components, *viz.*, 'trade related services', 'business and management consultancy services', 'architectural, engineering and other technical services' and 'services relating to maintenance of offices abroad' (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 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 increased marginally to USD 41.3 billion during April-December 2010 (USD 40.8 billion a year ago). Private transfer receipts constituted 13.0 per cent of current receipts during April-December 2010 (16.4 per cent a year ago).

Table 5: Invisibles Gross Receipts and Payments

(USD billion)

Item	Invisibles Receipts				Invisibles Payments			
	April-March		April-December		April-March		April-December	
	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
A. Services (1 to 5)	**106.0**	**95.8**	**67.9**	**95.9**	**52.0**	**60.0**	**40.7**	**61.7**
1. Travel	10.9	11.9	8.5	10.8	9.4	9.3	6.7	8.0
2. Transportation	11.3	11.2	8.1	10.1	12.8	11.9	8.4	10.6
3. Insurance	1.4	1.6	1.2	1.4	1.1	1.3	1.0	1.1
4. Govt. not included elsewhere	0.4	0.4	0.3	0.4	0.8	0.5	0.4	0.5
5. Miscellaneous	81.9	70.7	49.9	73.3	27.9	36.9	24.3	41.4
Of Which:								
Software	46.3	49.7	35.4	41.8	2.6	1.5	1.2	1.9
Non-Software	35.6	21.0	14.5	31.5	25.3	35.5	23.1	39.5
B. Transfers	**47.5**	**54.6**	**41.4**	**41.8**	**2.7**	**2.3**	**1.7**	**2.2**
Private	46.9	53.9	40.8	41.3	2.3	1.8	1.3	1.8
Official	0.6	0.7	0.6	0.5	0.4	0.5	0.3	0.5
C. Income	**14.3**	**13.0**	**10.3**	**6.9**	**21.4**	**21.1**	**16.1**	**17.6**
Investment Income	13.5	12.1	9.7	6.2	20.1	19.4	14.9	16.1
Compensation of Employees	0.8	0.9	0.7	0.8	1.3	1.7	1.2	1.5
Invisibles (A+B+C)	**167.8**	**163.4**	**119.7**	**144.7**	**76.2**	**83.4**	**58.4**	**81.5**

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

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

(USD billion)

Item	Receipts				Payments			
	April-March		April-December		April-March		April-December	
	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
1. Communication	2.3	1.2	1.0	1.2	1.1	1.4	1.0	0.8
2. Construction	1.0	0.6	0.5	0.4	0.9	1.0	0.7	0.7
3. Financial	4.4	3.7	2.6	4.9	3.0	4.6	3.1	5.3
4. News Agency	0.9	0.3	0.3	0.5	0.4	0.6	5.4	0.3
5. Royalties, Copyrights & License Fees	0.1	0.2	0.2	0.1	1.7	2.0	1.4	1.8
6. Business Services	18.6	11.4	7.6	17.8	15.3	18.0	12.5	20.9
7. Personal, Cultural, and Recreational	0.7	0.5	0.3	0.2	0.3	0.3	0.2	0.4
8. Others	7.6	3.0	2.0	5.6	2.6	7.5	-1.2	9.3
Total (1 to 8)	**35.6**	**21.0**	**14.5**	**31.5**	**25.3**	**35.5**	**23.1**	**39.5**

P: Preliminary. PR: Partially Revised.
Note: Details of Business Services (item 6) are given in Table 7.

(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-December 2010, the share of local withdrawals in total outflows from NRI deposits at 59.5 per cent has been lower compared to that in the preceding year (Table 8).

(vii) Under Private transfers, the inward remittances for family maintenance accounted for 48.7 per cent of the total private transfer receipts, while local withdrawals accounted for 47.7 per cent during April-December 2010 (Table 9).

(viii) Investment income receipts stood lower at USD 6.2 billion during April-December of 2010-11 as compared with USD 9.7 billion in the corresponding period last year (Table 10).

Invisibles Payments

(i) Invisibles payments recorded strong growth of 39.5 per cent during April-December 2010 (as compared with an increase of 1.5 per cent

Table 7: Details of Business Services

(USD billion)

Item	Receipts				Payments			
	April-March		April-December		April-March		April-December	
	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
1. Trade Related	2.1	1.7	1.0	4.2	1.7	1.8	1.3	1.4
2. Business & Management Consultancy	6.1	3.8	2.5	6.6	3.5	5.4	3.6	7.8
3. Architectural, Engineering, and other Technical Services	1.9	1.4	1.0	1.5	3.1	4.3	2.8	4.1
4. Maintenance of offices abroad	3.5	1.5	1.0	2.1	3.4	3.6	2.5	4.6
5. Others	5.0	3.0	2.1	3.5	3.6	2.9	2.3	3.0
Total (1 to 5)	**18.6**	**11.4**	**7.6**	**17.9**	**15.3**	**18.0**	**12.5**	**20.9**

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

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

(USD billion)

Year	Inflows	Outflows	Local Withdrawals
	1	2	3
2008-09 (R)	37.1	32.9	20.6
2009-10 (PR)	41.4	38.4	23.6
April-December 2009 (PR)	31.7	28.2	17.8
April-December 2010 (P)	35.5	33.1	19.7

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

a year ago) with rise in each of its components, *viz.*, services, private transfers and income.

(ii) Service Payments particularly on account of non-software miscellaneous components increased sharply during the period (Table 5). Financial and business services have witnessed a significant increase.

(iii) During April-December 2010, private transfer payments increased marginally to USD 1.8 billion (USD 1.3 billion a year ago).

(iv) Investment income payments, reflecting mainly the interest payments on commercial borrowings, external assistance, non-resident deposits, dividend & profits repatriated and reinvested earnings of the FDI enterprises operating in India, amounted to USD 16.1 billion during April-December 2010 (USD 14.9 billion a year ago) (Table 10).

Table 9: Details of Private Transfers to India

(USD 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
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-Dec 2009 (PR)	40.8	21.5	52.7	17.8	43.6
Apr-Dec 2010 (P)	41.3	20.1	48.7	19.7	47.7

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

Invisibles Balance

(i) Net invisibles surplus increased to USD 63.2 billion during April-December 2010 (USD 61.2 billion last year) largely due to higher net receipts in case of software, travel and non-software miscellaneous services. At this level, the invisibles surplus financed about 61.9 per cent of trade deficit during April-December 2010 as compared with 70.6 per cent during April-December 2009. Net software exports accounted for nearly two thirds of total net invisibles surplus during April-December 2010

Current Account Balance

(i) During April-December 2010, the current account deficit widened to USD 38.9 billion (USD 25.5 billion a year ago) due to higher trade deficit despite improvement in net invisibles surplus.

Table 10: Details of Receipts and Payments of Investment Income

(USD billion)

Item	April-March 2008-09 (R)	April-March 2009-10(PR)	April-December 2009-10 (PR)	April-December 2010-11 (P)
	1	2	3	4
A. Receipts	**13.5**	**12.1**	**9.7**	**6.2**
Of which:				
1. Reinvested Earnings on Indian Investment Abroad	1.1	1.1	0.8	0.8
2. Interest/discount Earnings on Foreign exchange reserves	10.5	5.9	4.8	3.1
B. Payments	**20.1**	**19.4**	**14.9**	**16.1**
Of which:				
1. Interest Payment on NRI deposits	1.5	1.6	1.2	1.3
2. Interest Payment on ECBs	2.7	2.4	1.9	1.9
3. Interest Payments on External Assistance	1.0	0.9	0.7	0.6
4. Dividends and Profits	3.2	3.8	3.1	3.8
5. Reinvested Earnings of FDI Companies in India	9.0	8.7	6.5	6.7
C. Net Investment Income (A-B)	**-6.6**	**-7.2**	**-5.2**	**-9.9**

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

Capital Account

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

(ii) In net terms, capital inflows increased significantly to USD 52.7 billion during April-December 2010 (USD 37.6 billion a year ago) driven by higher net inflows under FII investments, external assistance, short-term trade credits, ECBs and banking capital. These were partly offset by the moderation in net FDI inflows which amounted to USD 7.6 billion (USD 15.4 billion a year ago).

(iii) Moderation in net FDI inflows was on account of both moderation in gross FDI inflows as well as marginal rise in gross FDI outflows.

(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).

(v) Country-wise, investment routed through Mauritius remained the largest component of gross FDI inflows to India during April-December 2010 followed by Singapore and Netherlands (Table 13).

(vi) Increase in gross outward FDI flows during April-December 2010 was mainly due to higher outflows under other capital (inter-company borrowing).

(vii) In terms of sectors, there has been significant increase in outward FDI in the areas of services. The share of services accounted for the largest share in outward FDI at 45.5 per cent during April-December 2010 (Table 12).

(viii) Direction-wise (*i.e.* in terms of recipient countries), investment going to Mauritius constituted the largest component of gross outward FDI during April-December 2010, followed by Singapore and the USA reflecting the concessional and liberal policies of these countries (Table 13).

(ix) With lower gross inward FDI and rise in gross outward FDI, the net FDI to India stood considerably lower at USD 7.6 billion during April-December 2010 (USD 15.4 billion a year ago).

Table 11: Gross Capital Inflows and Outflows

(USD billion)

Item	Gross Inflows				Gross Outflows			
	April-March		April-December		April-March		April-December	
	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
1. Foreign Direct Investment	38.9	38.5	30.4	25.6	19.1	19.7	15.1	18.0
2. Portfolio Investment	128.7	160.2	118.8	205.1	142.7	127.8	95.1	175.0
Of which:								
FIIs	127.3	156.6	115.5	202.9	142.4	127.5	95.0	173.4
ADR/GDRs	1.2	3.3	3.2	1.8	–	–	–	–
3. External Assistance	5.2	5.9	4.1	6.4	2.8	3.0	2.3	2.2
4. External Commercial Borrowings	15.2	15.0	9.7	16.9	7.4	12.1	7.3	7.6
5. NRI Deposits	37.1	41.4	31.7	35.5	32.9	38.4	28.2	33.1
6. Banking Capital excluding NRI Deposits	28.1	20.1	15.6	31.4	35.6	21.0	16.1	28.0
7. Short-term Trade Credits	41.8	53.3	36.0	53.8	43.8	45.7	32.9	45.3
8. Rupee Debt Service	-	-	-	-	0.1	0.1	0.0	0.0
9. Other Capital	18.6	11.4	9.0	7.5	22.6	24.4	20.8	20.2
Total (1 to 9)	**313.6**	**345.7**	**255.4**	**382.1**	**306.9**	**292.3**	**217.8**	**329.4**

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

Table 12: Sector-wise FDI: Inflows and Outflows

(USD billion)

Industry	Inward FDI# April-March 2009-10	Inward FDI# April-December 2009-10	Inward FDI# April-December 2010-11	Industry	Outward FDI* April-March 2009-10	Outward FDI* April-December 2009-10	Outward FDI* April-December 2010-11
	1	2	3		4	5	6
Manufacturing	5.1	4.1	4.0	Manufacturing	4.7	4.0	3.5
Services@	7.5	6.3	4.2	Services@@	4.1	3.3	5.5
Construction, Real Estate & Mining	6.0	4.8	1.9	Construction	0.4	0.3	0.3
Others	3.9	3.0	2.3	Others	2.9	2.3	2.8
Total	**22.5**	**18.2**	**12.4**	**Total**	**12.1**	**9.9**	**12.1**

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

(x) Banking capital recorded higher net inflows at USD 5.7 billion during April-December 2010 (USD 3.0 billion a year ago) mainly due to drawdown of foreign assets and overseas borrowings by 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 higher net outflow of USD 12.7 billion during April-December 2010 as compared with a lower net outflow of USD 11.8 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-December 2010 was marginally lower as current account deficit has been significantly larger than that during April-December 2009. The accretion to foreign exchange reserves on BoP basis (*i.e.*, excluding valuation) was USD 11.0 billion during April-December 2010 (USD 11.3 billion a year ago) (Chart 5). Taking into account the valuation gains, foreign exchange reserves recorded an increase of USD 18.3 billion during April-December 2010 (as compared to an increase in reserves of USD 31.5 billion a year ago) (Annex A).

Table 13: Country-wise FDI: Inflows and Outflows

(USD billion)

Country	Inward FDI# April-March 2009-10	Inward FDI# April-December 2009-10	Inward FDI# April-December 2010-11	Country	Outward FDI* April-March 2009-10	Outward FDI* April-December 2009-10	Outward FDI* April-December 2010-11
	1	2	3		4	5	6
1. Mauritius	9.8	8.5	4.7	1. Mauritius	1.4	0.8	4.3
2. Singapore	2.2	1.6	1.3	2. Singapore	3.8	3.3	2.9
3. Netherlands	0.8	0.7	1.2	3. USA	0.8	0.5	1.0
4. USA	2.2	1.9	1.0	4. Netherlands	1.5	1.4	0.5
5. Japan	1.0	0.9	1.0	5. UK	0.3	0.3	0.2
6. UK	0.6	0.4	0.4	6. UAE	0.6	0.6	0.6
7. Cyprus	1.6	1.3	0.4	7. Cyprus	0.5	0.4	0.5
8. Hong Kong	0.1	0.1	0.2	8. Cayman Island	–	–	0.4
9. Others	4.2	2.8	2.2	9. Others	3.2	2.6	1.7
Total	**22.5**	**18.2**	**12.4**	**Total**	**12.1**	**9.9**	**12.1**

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.
\- Nil/Negligible.

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

(USD billion)

Item	April-March		April-December	
	2008-09 (R)	2009-10 (PR)	2009-10 (PR)	2010-11 (P)
	1	2	3	4
1 Lead and Lags in Exports	-14.6	-4.7	-3.1	-10.5
2 Net Funds Held Abroad	-0.3	-6.9	-5.8	-4.8
3 Advances Received Pending Issue of Shares under FDI	3.0	3.1	1.1	5.1
4 SDR Allocation	–	5.2	5.2	–
5 Other capital not included elsewhere (n.i.e) (Inclusive of derivatives and hedging, migrant transfers and other capital transfers)	8.0	-9.7	-9.2	-2.5
Total (1 to 5)	**-4.0**	**-13.0**	**-11.8**	**-12.7**

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

(ii) At the end of December 2010, the level of foreign exchange reserves stood at USD 297.3 billion.

Difference in DGCI&S and Balance of Payments Imports

(i) During April-December 2010, as per the records of the DGCI&S imports (based on customs) data and the BoP merchandise imports (based on banking channel data), the difference between the two datasets works out to about USD 28.4 billion (Table 15). The difference comes down to USD 24 billion if partially revised DGCI&S data are taken into account. The gap is expected to narrow down significantly when DGCI&S carries out final revision.

Table 15: DGCI&S and the BoP Import Data

(USD billion)

Item	April-March		Apr-Dec
	2008-09 R	2009-10 PR	2010-11 P
	1	2	3
1. BoP Imports	308.5	300.6	275.1
2. DGCI&S Imports	303.7	286.8	246.7
3. Difference (1-2)	4.8	13.8	28.4

To sum up, the key features of India's BoP that emerged during April-December 2010 were: (i) higher trade deficit (USD 102.1 billion) led by higher imports, (ii) higher net invisibles surplus (USD 63.2 billion) driven by higher services receipts, in particular software exports, (iii) higher current account deficit (USD 38.9 billion) due to

Chart 5: Variation in India's Foreign Exchange Reserves (BOP Basis)

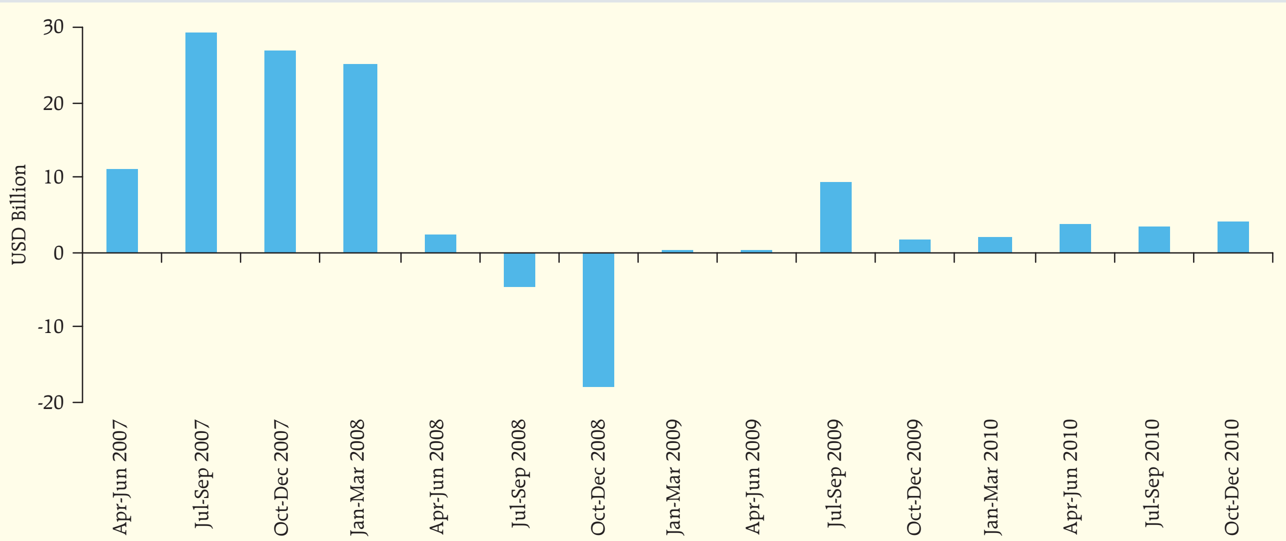


Table 16: Key Indicators of India's Balance of payments

Item	April-March		April-December	
	2008-09	2009-10	2009-10	2010-11
	1	2	3	4
Merchandise Trade				
1. Exports (USD on BoP basis) Growth Rate (%)	13.7	-3.6	-13.8	33.3
2. Imports (USD on BoP basis) Growth Rate (%)	19.8	-2.6	-13.3	27.1
3. Crude Oil Prices USD Per Barrel (Indian Basket)	82.7	69.6	67.5	79.6
4. Trade Balance (USD billion)	-119.5	-118.4	-86.8	-102.1
5. Exports/GDP (%)	15.6	13.2	13.3	13.9
6. Imports/GDP (%)	25.4	21.8	22.2	22.2
7. Trade Balance/GDP (%)	-9.8	-8.6	-8.9	-8.2
Invisibles				
8. Net Invisibles (USD billion)	91.6	80.0	61.2	63.2
9. Net Invisible Surplus/Trade Deficit (%)	76.6	67.6	70.6	61.9
10. Invisibles Receipts/Current Receipts (%)	47.0	47.3	48.0	45.5
11. Services Receipts/Current Receipts (%)	29.7	27.7	27.2	30.2
12. Private Transfer Receipts/Current Receipts (%)	13.1	15.6	16.4	13.0
13. Net Invisibles/GDP (%)	7.5	5.8	6.3	5.1
14. Private Transfer Receipts/GDP (%)	3.9	3.9	4.2	3.3
15. Software exports/GDP (%)	3.8	3.6	3.6	3.4
16. Services(net)/GDP (%)	4.4	2.6	2.8	2.8
Current Account				
17. Current Receipts (USD billion)	356.8	345.6	249.4	317.7
18. Current Payments (USD billion)	384.7	384.0	274.9	356.6
19. Current Account Balance (USD billion)	-27.9	-38.4	-25.5	-38.9
20. Current Account Balance/GDP (%)	-2.3	-2.8	-2.6	-3.1
Capital Account				
21. Gross Capital Inflows (USD billion)	313.6	345.7	255.4	382.1
22. Gross Capital Outflows (USD billion)	306.9	292.3	217.8	329.4
23. Net Capital Flows (USD billion)	6.8	53.4	37.6	52.7
24. Net FDI/Net Capital Flows (%)	292.8	35.2	40.9	14.4
25. Net Portfolio Investment/Net Capital Flows (%)	-207.3	60.7	62.9	57.1
26. Net ECBs/Net Capital Flows (%)	116.2	5.3	6.5	17.7
Openness Indicators				
27. Exports plus Imports of Goods/GDP (%)	41.0	35.0	35.5	36.1
28. Current Receipts plus Current Payments/GDP (%)	61.1	52.8	53.8	54.4
29. Net Capital Inflows/GDP (%)	0.6	3.9	3.9	4.3
30. Gross Capital Inflows plus Outflows/GDP (%)	51.1	46.2	48.5	57.4
31. Current Receipts plus Current Payments & Gross Capital Inflows & Outflows/GDP (%)	112.2	99.1	102.3	111.7
Reserves				
32. Import Cover of Reserves (in months)	9.8	11.1	12.4	9.9
33. Outstanding Reserves as at end period (USD billion)	252.0	279.1	283.5	297.3

higher trade deficit, (iv) large 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 USD 11.0 billion (as compared with an increase in reserves of USD 11.3 billion in April-December 2009) due to expansion of current account deficit. The details of key indicators are set out in Table 16.

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

During April-December 2010, there was an accretion to the foreign exchange reserves. The sources of variation in the foreign exchange reserves are set out in Table 1.

Table 1: Sources of Variation in Foreign Exchange Reserves

(USD billion)

Items	2009-10 April-December	2010-11 April-December
I. Current Account Balance	**-25.5**	**-38.9**
II. Capital Account (net) (a to f)	**36.8**	**50.0**
a. Foreign Investment (i+ii)	39.0	37.7
(i) Foreign Direct Investment	15.4	7.6
(ii) Portfolio Investment	23.6	30.1
Of which:		
FIIs	*20.5*	*29.5*
ADRs/GDRs	3.2	1.8
b. External Commercial Borrowings	2.4	9.3
c. Banking Capital	*3.0*	5.7
of which: NRI Deposits	3.5	2.3
d. Short-Term Trade Credit	3.1	8.5
e. External Assistance	1.9	4.2
f. Other Items in Capital Account*	-12.6	-15.4
III. Valuation Change	**20.2**	**7.3**
Total (I+II+III) @	**31.5**	**18.3**

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

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 (-).

On a balance of payments basis (*i.e.*, excluding valuation effects), the foreign exchange reserves increased by USD 11.0 billion during April-December 2010 as compared with an increase of USD 11.3 billion during April-December 2009. The foreign exchange reserves (including the valuation effects) increased by USD 18.3 billion during April-December 2010 as compared with an increase of USD 31.5 billion during April-December 2009 (Table 2).

Table 2: Comparative Position

(USD billion)

Items	2009-10 April-December	2010-11 April-December
1. Change in Foreign Exchange Reserves (Including Valuation Effects)	31.5	18.3
2. Valuation Effects (Gain (+)/Loss (-))	20.2	7.3
3. Change in Foreign Exchange Reserves on BoP basis (*i.e.*, Excluding Valuation Effects)	11.3	11.0
4. Percentage of increase/decline in Reserves explained by Valuation Gain/Loss	64.1	39.9

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

The valuation gains, reflecting the depreciation of the US dollar against major currencies, accounted for USD 7.3 billion during April-December 2010 as compared with valuation gains of USD 20.2 billion during April-December 2009. Accordingly, valuation gains accounted for 39.9 per cent of the total increase in foreign exchange reserves during April-December 2010.

Statement I: India's Overall Balance of Payments

(USD million)

Item	2006-07			2007-08		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
A. CURRENT ACCOUNT						
I. MERCHANDISE	**128,888**	**190,670**	**-61,782**	**166,162**	**257,629**	**-91,467**
II. INVISIBLES (a+b+c)	**114,558**	**62,341**	**52,217**	**148,875**	**73,144**	**75,731**
a) Services	73,780	44,311	29,469	90,342	51,490	38,853
i) Travel	9,123	6,684	2,439	11,349	9,258	2,091
ii) Transportation	7,974	8,068	-94	10,014	11,514	-1,500
iii) Insurance	1,195	642	553	1,639	1,044	595
iv) G.n.i.e.	253	403	-150	331	376	-45
v) Miscellaneous	55,235	28,514	26,721	67,010	29,298	37,712
of which						
Software Services	31,300	2,267	29,033	40,300	3,358	36,942
Business Services	14,544	15,866	-1,322	16,772	16,553	219
Financial Services	3,106	2,991	115	3,217	3,133	84
Communication Services	2,262	796	1,466	2,408	860	1,548
b) Transfers	31,470	1,391	30,079	44,261	2,316	41,945
i) Official	635	381	254	753	514	239
ii) Private	30,835	1,010	29,825	43,508	1,802	41,706
c) Income	9,308	16,639	-7,331	14,272	19,339	-5,068
i) Investment Income	8,926	15,688	-6,762	13,811	18,244	-4,433
ii) Compensation of Employees	382	951	-569	461	1,095	-635
Total Current Account (I+II)	**243,446**	**253,011**	**-9,565**	**315,037**	**330,774**	**-15,737**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**133,210**	**118,457**	**14,753**	**271,122**	**227,796**	**43,326**
a) Foreign Direct Investment (i+ii)	23,590	15,897	7,693	37,321	21,429	15,893
i) In India	22,826	87	22,739	34,844	116	34,728
Equity	16,481	87	16,394	26,865	108	26,757
Reinvested Earnings	5,828	–	5,828	7,679	–	7,679
Other Capital	517	–	517	300	8	292
ii. Abroad	764	15,810	-15,046	2,477	21,312	-18,835
Equity	764	13,368	-12,604	2,477	16,899	-14,422
Reinvested Earnings	–	1,076	-1,076	–	1,084	-1,084
Other Capital	–	1,366	-1,366	–	3,330	-3,330
b) Portfolio Investment	109,620	102,560	7,060	233,800	206,367	27,433
i) In India	109,534	102,530	7,004	233,564	206,294	27,270
of which						
FIIs	105,756	102,530	3,226	226,621	206,294	20,327
GDRs/ADRs	3,776	–	3,776	6,645	–	6,645
ii) Abroad	86	30	56	236	73	163
2. Loans (a+b+c)	**54,642**	**30,152**	**24,490**	**82,192**	**41,539**	**40,653**
a) External Assistance	3,767	1,992	1,775	4,241	2,126	2,114
i) By India	20	32	-12	23	28	-4
ii) To India	3,747	1,960	1,787	4,217	2,098	2,119
b) Commercial Borrowings	20,883	4,780	16,103	30,293	7,684	22,609
i) By India	626	966	-340	1,593	1,624	-31
ii) To India	20,257	3,814	16,443	28,700	6,060	22,640
c) Short-Term to India	29,992	23,380	6,612	47,658	31,729	15,930
i) Suppliers' Credit >180 days & Buyers' Credit	25,482	22,175	3,307	42,641	31,729	10,913
ii) Suppliers' Credit up to 180 days	4,510	1,205	3,305	5,017	-	5,017
3. Banking Capital (a+b)	**37,209**	**35,296**	**1,913**	**55,814**	**44,055**	**11,759**
a) Commercial Banks	36,799	35,218	1,581	55,735	43,623	12,112
i) Assets	14,466	17,960	-3,494	19,562	12,668	6,894
ii) Liabilities	22,333	17,258	5,075	36,173	30,955	5,217
of which: Non-Resident Deposits	19,914	15,593	4,321	29,400	29,222	179
b) Others	410	78	332	79	432	-353
4. Rupee Debt Service	**–**	**162**	**-162**	**–**	**122**	**-122**
5. Other Capital	**8,230**	**4,021**	**4,209**	**29,229**	**18,261**	**10,969**
Total Capital Account (1 to 5)	**233,291**	**188,088**	**45,203**	**438,357**	**331,772**	**106,585**
C. Errors & Omissions	**968**	**–**	**968**	**1,316**	**–**	**1,316**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**477,705**	**441,099**	**36,606**	**754,710**	**662,546**	**92,164**
E. Monetary Movements (i+ii)	**–**	**36,606**	**-36,606**	**–**	**92,164**	**-92,164**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase -/Decrease +)	–	36,606	-36,606	–	92,164	-92,164

P: Preliminary PR: Partially Revised

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

(USD million)

Item	2008-09			2009-10 PR		
	Credit	Debit	Net	Credit	Debit	Net
	7	8	9	10	11	12
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
of which						
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
of which						
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
of which: Non-Resident Deposits	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
of which: SDR Allocation	–	–	–	–	5,160	-5,160

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

(USD million)

Item	Apr-Jun 2008			Jul-Sep 2008		
	Credit	Debit	Net	Credit	Debit	Net
	13	14	15	16	17	18
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
of which						
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
of which						
FIIs	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
of which: 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	-2235	4,734	–	4,734

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

(USD million)

Item	Oct-Dec 2008			Jan-Mar 2009		
	Credit	Debit	Net	Credit	Debit	Net
	19	20	21	22	23	24
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
of which						
Software Services	11,274	580	10,694	10,825	455	10,370
Business Services	4,851	3,568	1,283	4,255	4,616	-361
Financial Services	1,112	740	372	1,028	633	395
Communication Services	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
Equity	4,117	29	4,088	6,352	63	6,289
Reinvested Earnings	2,258	–	2,258	2,258	–	2,258
Other Capital	526	–	526	52	–	52
ii. Abroad	210	6,373	-6,163	341	4,640	-4,299
Equity	210	5,020	-4,810	341	3,811	-3,470
Reinvested Earnings	–	271	-271	–	271	-271
Other Capital	–	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
of which						
FIIs	26,561	32,355	-5,794	18,560	21,169	-2,609
GDRs/ADRs	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	–	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
of which: Non-Resident Deposits	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 I: India's Overall Balance of Payments *(Contd.)*

(USD million)

Item	Apr-June 2009 PR			July-Sept 2009 PR		
	Credit	Debit	Net	Credit	Debit	Net
	25	26	27	28	29	30
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
of which						
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) i) In India	38,602	30,332	8,270	44,356	34,655	9,701
of which						
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
of which: 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
of which: SDR Allocation	–	–	–	–	5160	-5160

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

(USD million)

Item	Oct-Dec 2009 PR			Jan-Mar 2010 PR		
	Credit	Debit	Net	Credit	Debit	Net
	31	32	33	34	35	36
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
of which						
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
of which						
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
of which: Non-Resident Deposits	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	-2,141
of which: SDR Allocation	–	–	–	–	–	–

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

(USD million)

Item	Apr-June 2010 PR			July-Sept 2010 PR		
	Credit	Debit	Net	Credit	Debit	Net
	37	38	39	40	41	42
A. CURRENT ACCOUNT						
I. MERCHANDISE	**55,258**	**88,014**	**-32,756**	**51,793**	**89,577**	**-37,784**
II. INVISIBLES (a+b+c)	**43,529**	**23,242**	**20,287**	**47,011**	**26,016**	**20,995**
a) Services	26,920	16,925	9,995	31,384	19,322	12,062
i) Travel	2,949	2,330	619	3,379	2,779	600
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	20,324	11,008	9,316	24,161	12,428	11,733
of which						
Software Services	12,996	575	12,421	13,368	585	12,783
Business Services	4,819	5,912	-1,093	5,942	6,994	-1,052
Financial Services	1,228	1,404	-176	1,819	1,905	-86
Communication Services	325	241	84	417	266	151
b) Transfers	13,754	726	13,028	13,654	677	12,977
i) Official	59	141	-82	141	137	4
ii) Private	13,695	585	13,110	13,513	540	12,973
c) Income	2,855	5,591	-2,736	1,973	6,017	-4,044
i) Investment Income	2,628	5,099	-2,471	1,726	5,569	-3,843
ii) Compensation of Employees	227	492	-265	247	448	-201
Total Current Account (I+II)	**98,787**	**111,256**	**-12,469**	**98,804**	**115,593**	**-16,789**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**52,667**	**45,146**	**7,521**	**67,671**	**45,896**	**21,775**
a) Foreign Direct Investment (i+ii)	8,601	5,685	2,916	8,414	5,831	2,583
i. In India	8,307	2,302	6,005	7,836	1,097	6,739
Equity	5,991	2,278	3,713	5,452	1,034	4,418
Reinvested Earnings	2,234	–	2,234	2,234	–	2,234
Other Capital	82	24	58	150	63	87
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
of which						
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)	**23,552**	**14,465**	**9,087**	**26,571**	**19,990**	**6,581**
a) External Assistance	3,210	758	2,452	1,271	687	584
i) By India	19	25	-6	19	25	-6
ii) To India	3,191	733	2,458	1,252	662	590
b) Commercial Borrowings	4,430	2,201	2,229	5,947	2,502	3,445
i) By India	185	243	-58	297	556	-259
ii) To India	4,245	1,958	2,287	5,650	1,946	3,704
c) Short-Term to India	15,912	11,506	4,406	19,353	16,801	2,552
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	1,231	–	1,231	1,101	–	1,101
3. Banking Capital (a+b)	**16,745**	**12,742**	**4,003**	**16,992**	**20,155**	**-3,163**
a) Commercial Banks	16,743	12,718	4,025	16,992	19,551	-2,559
i) Assets	3,263	2,558	705	4,195	8,025	-3,830
ii) Liabilities	13,480	10,160	3,320	12,797	11,526	1,271
of which: Non-Resident Deposits	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**	**6,429**	**-4,045**	**1,372**	**5,261**	**-3,889**
Total Capital Account (1to5)	**95,348**	**78,798**	**16,550**	**112,606**	**91,303**	**21,303**
C. Errors & Omissions	**–**	**340**	**-340**	**–**	**1,225**	**-1,225**
D. Overall Balance (Total Current Account, Capital Account, and Errors & Omissions (A+B+C))	**194,135**	**190,394**	**3,741**	**211,410**	**208,121**	**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
Of which: SDR Allocation	–	–	–	–	–	–

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

(USD million)

Item	Oct-Dec 2010 P			Oct-Dec 2009 PR		
	Credit	Debit	Net	Credit	Debit	Net
	43	44	45	46	47	48
A. CURRENT ACCOUNT						
I. MERCHANDISE	**65,953**	**97,537**	**-31,584**	**47,170**	**78,097**	**-30,927**
II. INVISIBLES (a+b+c)	**54,135**	**32,233**	**21,902**	**40,472**	**21,748**	**18,724**
a) Services	37,616	25,427	12,189	24,159	15,993	8,166
i) Travel	4,429	2,881	1,548	3,440	2,312	1,128
ii) Transportation	3,713	3,984	-271	2,991	3,366	-375
iii) Insurance	507	403	104	408	305	103
iv) G.n.i.e.	150	195	-45	124	134	-10
v) Miscellaneous	28,817	17,964	10,853	17,196	9,876	7,320
of which						
Software Services	15,448	709	14,739	13,197	333	12,864
Business Services	7,085	8,007	-922	2,460	4,571	-2,111
Financial Services	1,853	1,961	-108	785	1,156	-371
Communication Services	424	304	120	259	381	-122
b) Transfers	14,422	844	13,578	13,677	638	13,039
i) Official	341	199	142	382	113	269
ii) Private	14,081	645	13,436	13,295	525	12,770
c) Income	2,097	5,962	-3,865	2,636	5,117	-2,481
i) Investment Income	1,811	5,387	-3,576	2,385	4,597	-2,212
ii) Compensation of Employees	286	575	-289	251	520	-269
Total Current Account (I+II)	**120,088**	**129,770**	**-9,682**	**87,642**	**99,845**	**-12,203**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**110,368**	**101,963**	**8,405**	**44689**	**35965**	**8724**
a) Foreign Direct Investment (i+ii)	8,573	6,466	2,107	8908	5869	3039
i) In India	7,489	2,200	5,289	8714	1469	7245
Equity	5,253	1,861	3,392	5959	1233	4726
Reinvested Earnings	2,234	–	2,234	2167	–	2167
Other Capital	2	339	-337	588	236	352
ii) Abroad	1,084	4,266	-3,182	194	4400	-4206
Equity	1,084	2,820	-1,736	194	3403	-3209
Reinvested Earnings	–	271	-271	–	271	-271
Other Capital	–	1,175	-1,175	–	726	-726
b) Portfolio Investment	101,795	95,497	6,298	35781	30096	5685
i) In India	101,656	94,265	7,391	35770	30041	5729
of which						
FIIs	101,423	94,265	7,158	35,295	30,041	5,254
GDRs/ADRs	233	–	233	475	–	475
ii) Abroad	139	1,232	-1,093	11	55	-44
2. Loans (a+b+c)	**26,958**	**20,620**	**6,338**	**20,103**	**14,398**	**5,705**
a) External Assistance	1,935	781	1,154	1,646	802	844
i) By India	19	25	-6	13	105	-92
ii) To India	1,916	756	1,160	1,633	697	936
b) Commercial Borrowings	6,496	2,847	3,649	4,550	2,842	1,708
i) By India	570	222	348	227	570	-343
ii) To India	5,926	2,625	3,301	4,323	2,272	2,051
c) Short-Term to India	18,527	16,992	1,535	13,907	10,754	3,153
i) Suppliers' Credit >180 days & Buyers' Credit	18,031	16,992	1,039	12,055	10,754	1,301
ii) Suppliers' Credit up to 180 days	496	–	496	1,852	–	1,852
3. Banking Capital (a+b)	**33,103**	**28,202**	**4,901**	**15,172**	**13,232**	**1,940**
a) Commercial Banks	33,016	28,202	4,814	14,578	13,165	1,413
i) Assets	19,992	15,240	4,752	3,067	1,874	1,193
ii) Liabilities	13,024	12,962	62	11,511	11,291	220
of which: Non-Resident Deposits	12,566	12,380	186	10,177	9,568	609
b) Others	87	–	87	594	67	527
4. Rupee Debt Service	–	–	–	–	–	–
5. Other Capital	**3,762**	**8,527**	**-4,765**	**1,597**	**3,338**	**-1,741**
Total Capital Account (1to5)	**174,191**	**159,312**	**14,879**	**81,561**	**66,933**	**14,628**
C. Errors & Omissions	**–**	**1,208**	**-1,208**	**–**	**658**	**-658**
D. Overall Balance (Total Current Account, Capital Account, and Errors & Omissions (A+B+C))	**294,279**	**290,290**	**3,989**	**169,203**	**167,436**	**1,767**
E. Monetary Movements (i+ii)	**–**	**3989**	**-3989**	**–**	**1,767**	**-1,767**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase -/Decrease +)	–	3989	-3989	–	1,767	-1,767
Of which: SDR Allocation	–	–	–	–	–	–

Statement I: India's Overall Balance of Payments *(Concld.)*

(USD million)

Item	Apr-Dec 2009-10 PR			Apr-Dec 2010-11 P		
	Credit	Debit	Net	Credit	Debit	Net
	49	50	51	52	53	54
A. CURRENT ACCOUNT						
I. MERCHANDISE	**129,739**	**216,516**	**-86,777**	**173,004**	**275,128**	**-102,124**
II. INVISIBLES (a+b+c)	**119,660**	**58,425**	**61,235**	**144,675**	**81,491**	**63,184**
a) Services	67,918	40,654	27,264	95,920	61,674	34,246
i) Travel	8,456	6,704	1,752	10,757	7,990	2,767
ii) Transportation	8,062	8,364	-302	10,133	10,642	-509
iii) Insurance	1,180	960	220	1,359	1,099	260
iv) G.n.i.e.	324	367	-43	369	543	-174
v) Miscellaneous	49,896	24,259	25,637	73,302	41,400	31,902
of which						
Software Services	35,408	1,162	34,246	41,812	1,869	39,943
Business Services	7,550	12,478	-4,928	17,846	20,913	-3,067
Financial Services	2,633	3,126	-493	4,900	5,270	-370
Communication Services	984	972	12	1,166	811	355
b) Transfers	41,407	1,676	39,731	41,830	2,247	39,583
i) Official	597	331	266	541	477	64
ii) Private	40,810	1,345	39,465	41,289	1,770	39,519
c) Income	10,335	16,095	-5,760	6,925	17,570	-10,645
i) Investment Income	9,652	14,882	-5,230	6,165	16,055	-9,890
ii) Compensation of Employees	683	1,213	-530	760	1,515	-755
Total Current Account (I+II)	**249,399**	**274,941**	**-25,542**	**317,679**	**356,619**	**-38,940**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**149,205**	**110,206**	**38,999**	**230,706**	**193,005**	**37,701**
a) Foreign Direct Investment (i+ii)	30,439	15,070	15,369	25,588	17,982	7,606
i) In India	30,025	3,027	26,998	23,632	5,599	18,033
Equity	21,796	2,730	19,066	16,696	5,173	11,523
Reinvested Earnings	6,501	–	6,501	6,702	–	6,702
Other Capital	1,728	297	1,431	234	426	-192
ii) Abroad	414	12,043	-11,629	1,956	12,383	-10,427
Equity	414	8,523	-8,109	1,956	7,331	-5,375
Reinvested Earnings	–	813	-813	–	813	-813
Other Capital	–	2,707	-2,707	–	4,239	-4,239
b) Portfolio Investment	118,766	95,136	23,630	205,118	175,023	30,095
i) In India	118,728	95,028	23,700	204,734	173,439	31,295
of which						
FIIs	115,547	95,028	20,519	202,895	173,439	29,456
GDRs/ADRs	3,182	–	3,182	1,839	–	1,839
ii) Abroad	38	108	-70	384	1,584	-1,200
2. Loans (a+b+c)	**49,843**	**42,436**	**7,407**	**77,081**	**55,075**	**22,006**
a) External Assistance	4,137	2,270	1,867	6,416	2,226	4,190
i) By India	39	315	-276	57	75	-18
ii) To India	4,098	1,955	2,143	6,359	2,151	4,208
b) Commercial Borrowings	9,745	7,309	2,436	16,873	7,550	9,323
i) By India	677	1,118	-441	1,052	1,021	31
ii) To India	9,068	6,191	2,877	15,821	6,529	9,292
c) Short-Term to India	35,961	32,857	3,104	53,792	45,299	8,493
i) Supplier's Credit >180days & Buyers' Credit	33,175	31,065	2,110	50,964	45,299	5,665
ii) Supplier's Credit up to180 days	2,786	1,792	994	2,828	–	2,828
3. Banking Capital (a+b)	**47,292**	**44,307**	**2,985**	**66,840**	**61,099**	**5,741**
a) Commercial Banks	46,698	43,858	2,840	66,751	60,471	6,280
i) Assets	13,566	10,550	3,016	27,450	25,823	1,627
ii) Liabilities	33,132	33,308	-176	39,301	34,648	4,653
of which: Non-Resident Deposits	31,691	28,217	3,474	35,490	33,141	2,349
b) Others	594	449	145	89	628	-539
4. Rupee Debt Service	–	**24**	**-24**	–	**17**	**-17**
5. Other Capital	**9,047**	**20,822**	**-11,775**	**7,518**	**20,217**	**-12,699**
Total Capital Account (1to5)	**255,387**	**217,795**	**37,592**	**382,145**	**329,413**	**52,732**
C. Errors & Omissions	–	**750**	**-750**	–	**2,773**	**-2,773**
D. Overall Balance (Total Current Account, Capital Account, and Errors & Omissions (A+B+C))	**504,786**	**493,486**	**11,300**	**699,824**	**688,805**	**11,019**
E. Monetary Movements (i+ii)	–	**11,300**	**-11,300**	–	**11,019**	**-11,019**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase -/Decrease +)	–	11,300	-11,300	–	11,019	-11,019
Of which: SDR allocation	–	–	–	–	–	–

Attachment I: Invisibles by Category

(US $ million)

Items	2007-08	2008-09	2009-10	April-June 2010-11 PR	July-Sept 2010-11 PR	Oct-Dec 2010-11P	Apr-Dec 2010-11 P
	1	2	3	4	5	6	7
I. Invisibles Receipts (A+B+C)	**148875**	**167819**	**163404**	**43529**	**47011**	**54135**	**144675**
A. Services	**90342**	**105963**	**95759**	**26920**	**31384**	**37616**	**95920**
1) Travel	11349	10894	11859	2949	3379	4429	10757
2) Transportation	10014	11310	11177	3143	3277	3713	10133
3) Insurance	1639	1422	1603	410	442	507	1359
4) GNIE	331	389	440	94	125	150	369
5) Miscellaneous	67010	81948	70680	20324	24161	28817	73302
of which:							
Software Services	40300	46300	49705	12996	13368	15448	41812
B. Transfers	**44261**	**47547**	**54623**	**13754**	**13654**	**14422**	**41830**
1) Official Transfers	753	645	723	59	141	341	541
2) Private Transfers	43508	46903	53900	13695	13513	14081	41289
C. Income	**14272**	**14309**	**13022**	**2855**	**1973**	**2097**	**6925**
1) Investment Income	13811	13483	12108	2628	1726	1811	6165
2) Compensation of Employees	461	825	914	227	247	286	760
II. Invisibles Payments (A+B+C)	**73144**	**76214**	**83413**	**23242**	**26016**	**32233**	**81491**
A. Services	**51490**	**52047**	**60033**	**16925**	**19322**	**25427**	**61674**
1) Travel	9258	9425	9342	2330	2779	2881	7990
2) Transportation	11514	12820	11934	3134	3524	3984	10642
3) Insurance	1044	1130	1286	310	386	403	1099
4) GNIE	376	793	526	143	205	195	543
5) Miscellaneous	29298	27878	36945	11008	12428	17964	41400
of which:							
Software Services	3358	2564	1469	575	585	709	1869
B. Transfers	**2316**	**2749**	**2318**	**726**	**677**	**844**	**2247**
1) Official Transfers	514	413	473	141	137	199	477
2) Private Transfers	1802	2336	1845	585	540	645	1770
C. Income	**19339**	**21418**	**21062**	**5591**	**6017**	**5962**	**17570**
1) Investment Income	18244	20109	19357	5099	5569	5387	16055
2) Compensation of Employees	1095	1309	1705	492	448	575	1515
Net Invisibles(I - II)	**75731**	**91605**	**79991**	**20287**	**20995**	**21902**	**63184**

Attachment IA: Invisibles Receipts by Category of Transactions

(US $ million)

Items	2007-08	2008-09	2009-10 PR	April-June 2010-11 PR	July-Sept 2010-11 PR	Oct-Dec 2010-11 P	Apr-Dec 2010-11 P
	1	2	3	4	5	6	7
I. Invisibles Receipts (A+B+C)	**148875**	**167819**	**163404**	**43529**	**47011**	**54135**	**144675**
A) SERVICES	**90342**	**105963**	**95759**	**26920**	**31384**	**37616**	**95920**
1) TRAVEL ACCOUNT							
Tourist Expenses in India	11349	10894	11859	2949	3379	4429	10757
TOTAL	**11349**	**10894**	**11859**	**2949**	**3379**	**4429**	**10757**
2) TRANSPORTATION ACCOUNT							
a) Sea Transport							
i) Surplus remitted by Indian companies operating abroad	507	578	610	133	185	178	496
ii) Operating expenses of foreign companies in India	773	1023	788	182	203	205	590
iii) Charter hire charges	207	193	139	28	35	27	90
b) Air Transport							
i) Surplus remitted by Indian companies operating abroad	690	448	420	138	122	122	382
ii) Operating expenses of foreign Companies in India	155	129	67	8	10	19	37
iii) Charter hire charges	42	19	12	0	7	7	14
c) Freight on exports	6921	7527	7967	2258	2318	2680	7256
d) Others	717	1394	1176	396	396	476	1268
TOTAL (a to d)	**10014**	**11310**	**11177**	**3143**	**3277**	**3713**	**10133**
3) INSURANCE ACCOUNT							
a) Insurance on export	964	1050	1040	295	303	350	948
b) Premium							
i) Life	98	56	46	20	7	10	37
ii) Non-life	132	77	102	25	25	43	93
iii) Reinsurance from foreign companies	185	81	217	29	29	37	95
c) Commission on Business received from foreign companies	125	54	25	7	8	7	22
d) Others	136	104	173	34	70	60	164
TOTAL (a to d)	**1639**	**1422**	**1603**	**410**	**442**	**507**	**1359**
4) Government Not Included Elsewhere							
a) Maintenance of foreign embassies and diplomatic missions in India	197	261	278	65	90	106	261
b) Maintenance of international and regional institution in India	134	128	162	29	35	44	108
TOTAL (a to b)	**331**	**389**	**440**	**94**	**125**	**150**	**369**
5) MISCELLANEOUS ACCOUNT							
a) Communication services	2408	2298	1229	325	417	424	1166
b) Construction services	764	986	588	122	173	128	423
c) Financial services	3217	4428	3736	1228	1819	1853	4900
d) Software services	40300	46300	49705	12996	13368	15448	41812
of which: IT Services	29400	33600	36285				
ITES-BPO	10900	12700	13420				
e) News agency services	503	878	321	82	108	322	512
f) Royalties, copyright and license fees	157	133	203	35	27	25	87
g) Business services (i to xii)$	16772	18605	11369	4819	5942	7085	17846
i) Merchanting services	417	1212	316	183	357	330	868
ii) Trade related services	2233	2126	1688	1226	1299	1639	4164
iii) Operational Leasing Services	476	471	423	175	127	300	602
iv) Legal services	702	786	609	124	122	74	320
v) Accounting/Auditing services	228	228	225	51	62	68	181
vi) Business Management & consultancy services	4433	6067	3777	1605	2279	2747	6631
vii) Advertising/trade fair	712	508	590	134	134	243	511
viii) Research & Development services	1335	1550	565	170	286	224	680
ix) Architectural Engineering & other technical services	3144	1873	1403	513	483	551	1547
x) Agricultural, Mining & on-site processing services	57	85	196	78	54	77	209
xi) Maintanence of offices abroad services	2861	3502	1507	535	725	825	2085
xii) Environmental services	174	197	72	25	15	9	49
h) Personal, Cultural & Recreational services	562	729	497	49	56	52	157
i) Refunds/rebates	270	291	512	9	209	132	350
j) Other services$$	2057	7300	2520	659	2040	3348	6047
TOTAL (a to j)	**67010**	**81948**	**70680**	**20324**	**24161**	**28817**	**73302**

Attachment IA: Invisibles Receipts by Category of Transactions *(Concld.)*

(US $ million)

Items	2007-08	2008-09	2009-10 PR	April-June 2010-11 PR	July-Sept 2010-11 PR	Oct-Dec 2010-11 P	Apr-Dec 2010-11 P
	1	2	3	4	5	6	7
B) TRANSFERS	**44261**	**47547**	**54623**	**13754**	**13654**	**14422**	**41830**
I) OFFICIAL TRANSFERS							
i) Donations received from Non-residents	67	58	67	25	18	22	65
ii) Grant under PL 480 II	28	7	4	0	0	0	0
iii) Grants from other Governments	658	579	652	34	123	319	476
TOTAL (i to iii)	**753**	**645**	**723**	**59**	**141**	**341**	**541**
II) PRIVATE TRANSFERS							
i) Inward remittance from Indian workers abroad for family maintenance *etc.*	21920	23886	28406	6900	5999	7227	20126
ii) Local withdrawals/redemptions from non-resident deposits	18919	20617	23552	6319	7052	6346	19717
iii) Gold and silver brought through passenger baggage	26	19	85	5	6	9	20
iv) Personal gifts/donations to charitable/ religious institutions in India.	2644	2381	1857	471	456	500	1427
TOTAL (i to iv)	**43508**	**46903**	**53900**	**13695**	**13513**	**14081**	**41289**
C) INCOME ACCOUNT	**14272**	**14309**	**13022**	**2855**	**1973**	**2097**	**6925**
I) Compensation of Employees							
Wages received by Indians working on foreign contracts	461	825	914	227	247	286	760
II) Investment Income							
i) Interest received on loans to non-residents	1467	951	4138	1313	112	159	1584
ii) Dividend/profit received by Indians on foreign investment	476	401	350	38	60	67	165
Of which:							
Dividend received by Indians on foreign investment	131	167	225	15	47	40	102
Profit received by Indians on foreign investment	345	234	125	23	13	27	63
iii) Reinvested Earnings	1084	1084	1084	271	271	271	813
iv) Interest received on debentures,FRNs,CPs, fixed deposits and funds held abroad by ADs out of foreign currency loans/export proceeds	106	83	57	18	3	14	35
v) Interest received on overdraft of VOSTRO accounts of foreign correspondents/branches by the ADs	227	228	17	4	3	1	8
vi) Payment of taxes by the non-residents/refund of taxes by foreign governments to Indians	322	253	553	41	62	384	487
vii) Interest/discount earnings etc. earnings on RBI investment	10124	10480	5900	939	1211	908	3058
viii) Interest/remuneration on SDR holdings	4	3	10	4	4	6	14
TOTAL (ito viii)	**13811**	**13483**	**12108**	**2628**	**1726**	**1811**	**6165**

Attachment IB: Invisibles Payments by Category of Transactions

(US $ million)

Items	2007-08	2008-09	2009-10 PR	April-June 2010-11 PR	July-Sept 2010-11 PR	Oct-Dec 2010-11 P	Apr-Dec 2010-11 P
	1	2	3	4	5	6	7
Invisibles Payments (A+B+C)	**73144**	**76214**	**83413**	**23242**	**26016**	**32233**	**81491**
A) SERVICES (1 to 5)	**51490**	**52047**	**60033**	**16926**	**19322**	**25427**	**61674**
1) TRAVEL ACCOUNT							
i) Business	3296	3463	3569	879	1038	1276	3193
ii) Health Related	18	25	29	41	6	7	54
iii) Education Related	2826	2258	2252	325	664	435	1424
iv) Basic Travel Quota (BTQ)	1967	2401	2336	802	669	714	2185
v) Pilgrimage	88	174	232	3	119	180	302
vi) Others	1063	1104	924	281	283	270	834
TOTAL (i to vi)	**9258**	**9425**	**9342**	**2330**	**2779**	**2881**	**7990**
2) TRANSPORTATION ACCOUNT							
a. Sea Transport							
i) Surplus remitted by Foreign companies operating in India	1663	1835	1208	313	472	483	1268
ii) Operating expenses of Indian companies abroad	901	1015	1671	211	221	301	733
iii) Charter hire charges	148	128	97	25	23	30	78
iv) Freight on Imports	2952	4062	3265	944	1115	1213	3272
v) Freight on Exports	779	1026	1018	330	218	239	787
vi) Remittance of passage booking abroad	4	7	6	1	6	2	9
b. Air Transport							
i) Surplus remitted by Foreign companies operating in India	2637	2375	2451	773	779	881	2433
ii) Operating expenses of Indian companies abroad	565	673	603	159	238	279	676
iii) Charter hire charges	513	387	510	139	88	194	421
iv) Freight on Imports	556	272	112	26	35	56	117
v) Freight on Exports	27	13	23	24	13	6	43
vi) Remittance of passage booking abroad	25	38	37	8	12	15	35
c. Others	743	988	933	181	304	285	770
TOTAL (a to c)	**11514**	**12820**	**11934**	**3134**	**3524**	**3984**	**10642**
3) INSURANCE ACCOUNT							
a. Premium							
i) Life	102	77	25	2	3	3	8
ii) Non-life	128	99	117	25	24	30	79
iii) Reinsurance	567	530	653	147	192	255	594
b. Commission on Business	27	43	58	20	16	16	52
c. Others	220	382	433	116	151	99	366
TOTAL (a to c)	**1044**	**1130**	**1286**	**310**	**386**	**403**	**1099**
4) Government Not Included Elsewhere							
a. Maintenance of Indian embassies and diplomatic missions abroad	272	648	358	99	133	107	339
b. Remittances by foreign embassies and missions in India	104	145	168	44	72	88	204
TOTAL (a to b)	**376**	**793**	**526**	**143**	**205**	**195**	**543**
5) MISCELLANEOUS ACCOUNT							
a) Communication services	860	1088	1355	241	266	304	811
b) Construction services	707	888	998	345	136	220	701
c) Financial services	3133	2959	4642	1404	1905	1961	5270
d) Software services	3358	2564	1468	575	585	709	1869
e) News agency services	506	385	639	75	68	113	256
f) Royalties, copyright and license fees	1037	1722	2017	566	560	696	1822
g) Business services (1 to 12)$	16553	15317	18049	5912	6994	8007	20913
i) Merchanting services	717	734	495	284	343	245	872
ii) Trade related services	2286	1651	1772	496	362	501	1359
iii) Operational Leasing Services	1166	1012	907	301	282	354	937
iv) Legal services	482	336	192	37	36	47	120
v) Accounting/Auditing services	69	132	178	17	126	89	232
vi) Business Management & consultancy services	3422	3465	5376	2172	2632	2948	7752
vii) Advertising/trade fair	1302	912	792	163	202	323	688
viii) Research & Development services	405	432	318	66	51	79	196
ix) Architectural, Engineering & other technical services	3091	3078	4252	1110	1366	1622	4098
x) Agricultural, Mining & on-site processing services	50	169	191	36	15	11	62
xi) Maintanence of offices abroad services	3555	3386	3573	1231	1577	1788	4596
xii) Environmental services	9	9	4	1	1	1	3
h) Personal, Cultural & Recreational services	211	322	260	71	105	228	404
i) Refunds/rebates	561	374	473	57	68	233	358
j) Other services$$	2372	2260	7043	1760	1742	5495	8997
TOTAL (a to j)	**29298**	**27878**	**36945**	**11008**	**12428**	**17964**	**41400**

Attachment IB: Invisibles Payments by Category of Transactions *(Concld.)*

(US $ million)

Items	2007-08	2008-09	2009-10 PR	April-June 2010-11 PR	July-Sept 2010-11 PR	Oct-Dec 2010-11 P	Apr-Dec 2010-11 P
	1	2	3	4	5	6	7
B) TRANSFERS	**2316**	**2749**	**2318**	**726**	**677**	**844**	**2247**
i) OFFICIAL TRANSFERS							
Grants/donations from official sector	514	413	473	141	137	199	477
TOTAL	**514**	**413**	**473**	**141**	**137**	**199**	**477**
ii) PRIVATE TRANSFERS							
i) Remittance by non-residents towards family maintenance and savings	1585	1931	1516	486	443	540	1469
ii) Personal gifts/donations to charitable/ religious institutions	216	405	329	99	97	105	301
Of which:							
Remittance towards personal gifts and donations	182	373	286	96	93	103	292
Remittance towards donations to religious and charitable institutions abroad	24	22	40	3	4	2	9
Remittance towards grants and donations to other governments and charitable institutions established by the governments	10	10	3	0	0	0	0
TOTAL (i to ii)	**1802**	**2336**	**1845**	**585**	**540**	**645**	**1770**
C) INCOME	**19339**	**21418**	**21062**	**5591**	**6017**	**5962**	**17570**
i) Compensation of Employees							
Payment of wages/salary to Non-residents working in India	1095	1309	1705	492	448	575	1515
TOTAL	**1095**	**1309**	**1705**	**492**	**448**	**575**	**1515**
ii) Investment Income							
i) Payment of interest on NRI deposits	1813	1547	1599	416	423	417	1256
ii) Payment of interest on loans from non-residents	5062	5265	4168	1065	1174	1277	3516
iii) Payment of dividend/profit to non-resident share holders	3226	3171	3809	1038	1446	1299	3783
Of which:							
Payment of dividend to non-resident share holders	2998	2893	3208	947	1352	1228	3527
Payment of profit to non-resident share holders	228	278	601	91	94	71	256
iv) Reinvested Earnings	7680	9032	8668	2234	2234	2234	6702
v) Payment of interest on debentures,FRNs, CPs fixed deposits, Government securities etc.	57	120	227	69	112	66	247
vi) Charges on SDRs	21	28	9	4	4	5	13
vii) Interest paid on overdraft on VOSTRO a/c Holders/ OD on NOSTRO a/c	238	510	656	232	102	23	357
viii) Payment of taxes by the Indians/refund of taxes by government to non-residents	148	436	221	41	74	67	182
TOTAL (I to viii)	**18244**	**20109**	**19357**	**5099**	**5569**	**5387**	**16055**

P: Preliminary. PR: Partially Revised.

Note: Annual data on invisibles in India's Balance of Payments for previous period was last published in the March 2010 issue of the RBI Bulletin. Quarterly data on invisibles are available from 2010-11.

Union Budget 2011-12: An Assessment*

The Union Budget 2011-12 was presented against the backdrop of a broad-based economic recovery and increasing concerns about food inflation. The Government seeks to undertake measures to improve agricultural supply response and does not opt for a complete roll-back of indirect tax rates to the pre-crisis levels. While this may impact fiscal correction during 2011-12, the Government proposes to carry forward the fiscal consolidation in the following two years by setting out a roadmap for phased reductions in both fiscal and revenue deficits. Nonetheless, the deficit targets set out under the Medium-Term Fiscal Policy Strategy remain higher than those prescribed by the Thirteenth Finance Commission. The Budget has given due importance to the objectives of removing structural constraints, promoting infrastructure investment and strengthening the earlier policy initiatives towards inclusive growth. The market borrowings of the Central Government are budgeted to be marginally higher than in 2010-11, which augur well from the point of view of market liquidity conditions during the year, provided the underlying macroeconomic projections of the Budget hold good.

The Union Budget 2011-12 was presented to the Parliament on February 28, 2011 against the backdrop of a swift and broad-based economic recovery. The partial roll-back of fiscal stimulus measures in 2010-11 paved the way for fiscal consolidation. However, the structural concerns on inflation management continue to engage the attention of the Government and have to be addressed through a sustained improvement in agricultural supply. Taking into account the demand side pressures, the Budget underlines the need for a stronger fiscal consolidation, which would also help to create resource space for private investment. Against this backdrop, the Budget proposes to carry forward the fiscal consolidation process during 2011-12 and in the following two years. Nonetheless, the deficit targets set out under the Medium-Term Fiscal Policy Strategy remain higher than those recommended by the Thirteenth Finance Commission (FC) to be achieved by 2013-14. Recognising that fiscal consolidation is conducive to macroeconomic management, the Central Government intends to introduce an amendment to the Fiscal Responsibility and Budget Management (FRBM) Act, 2003 during the course of 2011-12, which would lay down the fiscal roadmap for the next five years. This article makes an assessment of the Union Budget 2011-12. Section I sets out the macroeconomic framework of the Budget and the strategy being adopted to address emerging concerns on inflation. Section II focuses on an assessment of the envisaged progress towards fiscal correction and consolidation by the Central Government. The initiatives towards tax reforms as announced in the Union Budget are covered in Section III. Section IV sets out the major sectoral policy initiatives in the Budget, while Section V covers the impact of budget proposals on the financial markets. Section VI sets out the concluding observations.

I. Macroeconomic Framework

The macroeconomic framework underlying the Union Budget 2011-12 indicates favourable outlook in terms of real GDP growth (9 per cent), inflation scenario (5 per cent) and expected moderation in current account deficit. The budgetary initiatives in 2011-12 indicate further progress towards fiscal consolidation, while giving due importance to the objectives of removing structural constraints, promoting infrastructure investment and strengthening the earlier policy initiatives towards inclusive growth. There is also an emphasis on undertaking policy measures to address sector-specific constraints.

While the broad macroeconomic outlook for 2011-12 appears promising, the continuation of high food inflation emerges as an important area of concern for the Government. Notwithstanding progressive monetary tightening, prices of most food items continue to remain high, reflecting not only supply

* Prepared in the Fiscal Analysis Division of the Department of Economic and Policy Research. This article is based on the Union Budget 2011-12 presented to the Parliament on February 28, 2011. The article on Union Budget 2010-11 had appeared in May 2010 issue of the RBI Bulletin.

shortages but also bottlenecks in distribution and marketing systems. While the stronger fiscal consolidation process envisaged in the Union Budget for 2011-12 would help to combat inflationary pressures, the structural concerns on inflation management are proposed to be addressed through several schemes aimed at improving the agricultural supply response. Special budgetary allocations have been made to increase production of vegetables, palm oil, coarse cereals, animal-based protein products and fodder. In addition, policy measures have also been announced to improve storage/cold chain facilities and transport infrastructure for perishable agriculture products.

While the Budget has opted not to further roll back the indirect taxes to the higher levels prevailing before the crisis and retained the standard rates of central excise duty and service tax at 10 per cent, the tax rationalisation measures proposed in the Budget would have a differential impact on relative prices across sectors. For instance, the reduction in basic customs duty on raw materials (petcoke and gypsum) of cement industry could translate into lower input costs. However, some specific services, *e.g.*, services provided by air-conditioned restaurants, life insurance companies in the area of investment and some more legal services and domestic and international air travel could become expensive, following the imposition of service tax on these services in 2011-12.

While the supply-side measures may help to moderate the price rise, their impact in the short-run may be limited. Against the backdrop of persistent inflationary pressures in domestic markets and high international commodity prices, it would be a policy challenge to bring down the inflation to the projected rate of 5 per cent for 2011-12 from the current elevated levels.

Overall, the Budget for 2011-12 takes into account the short-run challenges and the medium-term objectives of sustaining a high growth trajectory, promoting inclusive development, bringing about an improvement in institutional and legal framework, and addressing issues relating to governance and public delivery systems. Accordingly, after factoring in medium-term inflation expectations, the Budget has projected nominal growth of GDP at market prices at 13.5 per cent for 2012-13 as well as for 2013-14.

II. Progress Towards Fiscal Correction and Consolidation

Centre reverts to fiscal consolidation path but key deficits likely to remain higher than the target of Thirteenth Finance Commission for 2013-14

The Government has re-emphasised its commitment to carry on the process of fiscal consolidation. The revised estimates (RE) for 2010-11 show that fiscal outcome is expected to improve, with the Centre recording lower than the budgeted level of revenue deficit on account of higher than anticipated revenues from 3G and broadband wireless access (BWA) spectrum auctions and sharp increase in tax collections. Notwithstanding a reduction in revenue deficit, fiscal deficit would increase marginally, in absolute terms, for 2010-11 reflecting the impact of lower receipts from disinvestments of public sector undertakings (PSUs) and utilisation of higher-than-expected non-debt receipts for financing of rural infrastructure, implementation of Right to Education Act and recapitalisation of public sector banks (Statement 1). Nonetheless, like revenue deficit, the Centre's fiscal deficit, as a ratio to GDP, would turn out to be lower than the budgeted level for 2010-11, reflecting higher than anticipated nominal growth in GDP (20.3 per cent as compared with 12.5 per cent in 2010-11BE) (Table 1). The fiscal correction in 2010-11 reflects the impact of more than anticipated one-off non-tax receipts and the upward revision in GDP. However, the sustainability of fiscal consolidation

Table 1: Select Fiscal Indicators

(Per cent of GDP)

Item	2010-11 (RE)	2011-12 (BE)	Rolling Targets 2012-13	Rolling Targets 2013-14
	1	2	3	4
Revenue Deficit	3.4 (4.0)	3.4	2.7	2.1
Effective Revenue Deficit#	*2.3 (3.5)*	*1.8*	*1.1*	*0.5*
Fiscal Deficit	5.1 (5.5)	4.6	4.1	3.5
Gross Tax Revenue	10.0 10.4	10.8	11.3	
Total Outstanding Liabilities@	45.3 44.2	43.1	41.5	

\# Excludes grants for creation of capital assets from the total revenue expenditure.

@ Adjusted to include internal debit at current exchange rate and excludes part of NSSF and total MSS liabilities.

Note: Figures in parentheses represent budget estimates.

process would depend primarily upon the effectiveness of Government's strategy in controlling the sizeable structural component of fiscal deficit (Chart 1). It is also important that the gains from the on-going recovery process are preserved for building counter-cyclical buffers that can be utilised for undertaking fiscal stimulus during economic downturns, as indicated in the Budget.

Revenue deficit in 2011-12 is budgeted to record an increase of 13.9 per cent as against a decline of 20.4 per cent in 2010-11. The revenue deficit-GDP ratio in 2011-12 is, however, expected to remain unchanged at its previous year's level of 3.4 per cent. Notwithstanding the robust tax buoyancy projected by the Central Government, the revenue receipts (RR) as a ratio to GDP (RR-GDP) are budgeted to decline in 2011-12, reflecting lower non-tax revenue receipts (*i.e.*, interest receipts, dividends and profits and other non-tax revenue receipts) in 2011-12. The Government has budgeted only a modest increase in revenue expenditure in 2011-12 (BE), while the ratio of revenue expenditure to GDP would decline (Table 2). Although the RD-GDP ratio is budgeted to remain unchanged, the Centre has envisaged a reduction in GFD-GDP ratio to 4.6 per cent in 2011-12 (BE). At this level, the GFD-GDP ratio in 2011-12 is lower than the Thirteenth FC's projected level but this improvement is on account of lower budgeted capital expenditure for the year.

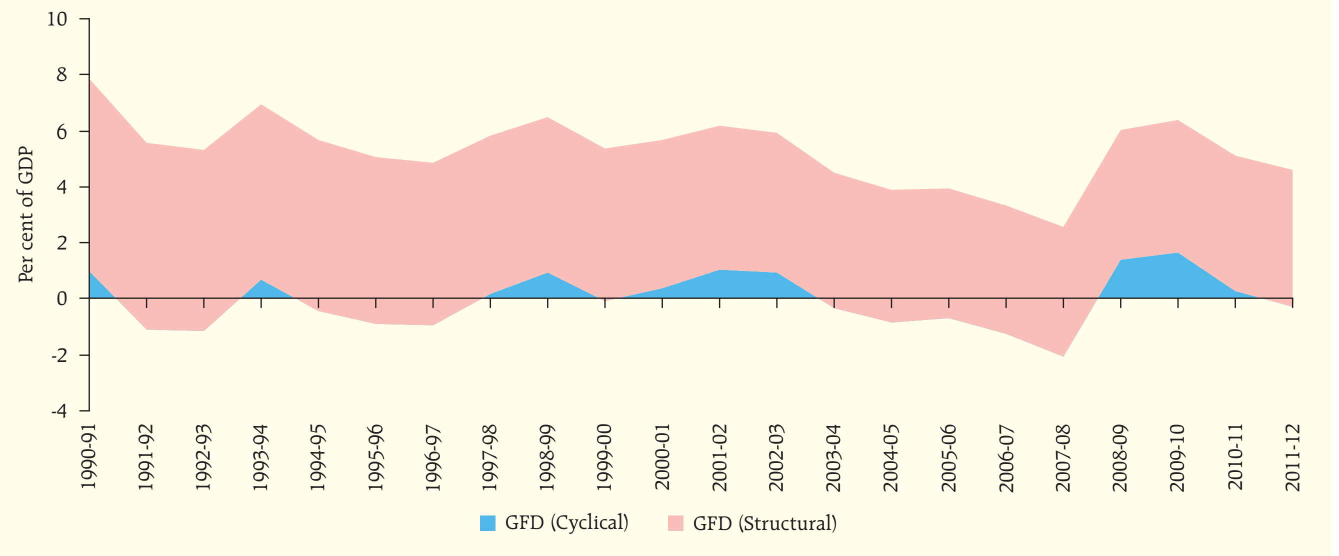
Table 2: Revenue Account: Central Government

(Per cent of GDP)

Item	2007-08	2008-09	2009-10	2010-11 (RE)	2011-12 (BE)
	1	2	3	4	5
Revenue Receipts	10.9	9.7	8.7	9.9	8.8
(i) Tax Revenue (Net)	8.8	7.9	7.0	7.2	7.4
(ii) Non-Tax Revenue	2.1	1.7	1.8	2.8	1.4
Revenue Expenditure	11.9	14.2	13.9	13.4	12.2
Revenue Deficit	1.1	4.5	5.2	3.4	3.4
Memo item:					
Effective Revenue Deficit	…	…	…	2.3	1.8

Moving forward, the Government envisages corrections in revenue and fiscal deficits under its rolling targets set out for 2012-13 and 2013-14. The rolling targets for 2013-14, however, remain higher than the roadmap prescribed by the Thirteenth FC attributed to lower non-debt capital receipts projected by the Central Government (Table 3).[1] In the context of higher than the prescribed path of revenue deficit, it is held that a significant portion of revenue expenditure is being used to provide grants to the States for creation of capital assets. Therefore, for the first time, the Budget has introduced a concept of 'effective revenue deficit' which excludes grants for creation of capital assets from the total revenue expenditure of the Central Government. Although the Central Government would not be able to achieve a revenue balance (*i.e.*, zero revenue deficit), as recommended by the Thirteenth FC, it intends to focus on reducing

Chart 1: Structural and Cyclical Components of Fiscal Deficit



[1] The Central Government projects non-debt capital receipts (disinvestment proceeds) at around 0.3 per cent of GDP as against the Thirteenth FC's projection of these receipts at 0.9 per cent of GDP.

Table 3: MTFP and Thirteenth FC Fiscal Roadmap: A Comparison

(Per cent of GDP)

Item	2010-11 (RE)	2011-12 (BE)	Rolling Targets	
			2012-13	2013-14
	1	2	3	4
RD (FC Path)	3.2	2.3	1.2	0.0
RD (MTFP)	3.4	3.4	2.7	2.1
GFD (FC Path)	5.7	4.8	4.2	3.0
GFD (MTFP)	5.1	4.6	4.1	3.5
Debt (FC Path)	53.9	52.5	50.5	47.5
Debt (MTFP)	45.3	44.2	43.1	41.5

MTFP: Medium-Term Fiscal Policy
FC: Finance Commission

'effective revenue deficit' in a gradual manner to 0.5 per cent of GDP by 2013-14. It may be noted that one of the guiding anchors of fiscal consolidation continues to be in terms of revenue deficit. Furthermore, in case adjustments are carried out on the revenue expenditure side as envisaged in the Budget, then similar adjustments may also be made on the revenue receipts side for one-off receipts, *e.g.*, non-tax receipts from telecom auctions as noted by the World Bank*.

Tax buoyancy continues

Buoyancy in tax revenues continues with the strengthening of growth momentum in the economy. Gross tax revenues in 2010-11(RE) surpassed the budgeted level, with all the major taxes, except corporation tax rebounding to their earlier levels (Statement 2). The Government seeks to restore tax buoyancy to the pre-crisis levels which is evident from the targeted rise in gross tax/GDP ratio to 10.4 per cent in 2011-12 from 10.0 per cent in 2010-11 (RE). The tax buoyancy, which had peaked during 2007-08 before a downward drift during the crisis years, is now gradually showing an improvement (Table 4). The tax-GDP ratio is projected to increase in 2011-12.

Non-tax revenues to be subdued

Reflecting the sharp rise in non-tax revenues on account of higher than expected receipts from 3G and BWA spectrum auctions, the revenue receipts exceeded the budgeted levels for 2010-11. In the absence of any such non-tax receipts in 2011-12 (BE), the budgeted non-tax revenue growth falls in line with its trend level. The disinvestment receipts are budgeted higher at

* World Bank (2010), India Economic Update, December.

Table 4: Tax Buoyancy*

(Per cent of GDP)

Item	2007-08	2008-09	2009-10	2010-11 RE	2011-12 BE
	1	2	3	4	5
Corporation Tax	2.1	0.9	0.8	1.0	1.5
Income Tax	2.4	0.1	0.6	0.6	1.1
Customs Duty	1.3	-0.3	-1.0	2.9	1.1
Union Excise Duty	0.3	-1.0	-0.3	1.6	1.4
Service Tax	2.3	1.6	-0.2	0.9	1.3
Gross Tax Revenue	1.6	0.2	0.2	1.3	1.3

* Calculated as ratios of tax receipts growth to nominal GDP growth.

₹40,000 crore in 2011-12. These proceeds would continue to be used for financing government expenditure in 2011-12 rather than being used for building up dedicated investment funds.

Some expenditure quality concerns still remain

Revenue expenditure growth in 2010-11(RE) remained higher than the budgeted growth for the year (Statement 1). Non-plan revenue expenditure turned out to be higher than the budgeted level in 2010-11. A sharp deceleration is budgeted in growth of revenue expenditure in 2011-12, particularly in non-plan component reflecting the impact of lower growth in salary and pensions and decline in expenditure on subsidies (Table 5).

The restraint on revenue expenditure growth is critical to ensure that the fiscal consolidation going forward is sustainable, and not excessively reliant on revenue augmentation. Moreover, it would create fiscal space for undertaking additional capital outlay, considered essential for infrastructure financing and to provide an enabling environment for sustained economic growth.

Budgeted lower non-plan expenditure is subject to upside risk in respect of subsidies

The Budget has envisaged a marginal decline in non-Plan expenditure in 2011-12. This is a positive development to the extent that this would arise on account of moderation in non-plan revenue expenditure in 2011-12, which is largely considered to be highly inflexible in the short run and non-developmental in nature (Chart 2A). Major factors that are expected to contribute to moderation in non-plan revenue expenditure in 2011-12 are lower growth in

Table 5: Major Items of Expenditure

(Amount in ₹ Crore)

Item	2009-10	2010-11 RE	2011-12 BE	Change (in per cent)	
				(4) over (3)	(5) over (4)
	1	2	3	4	5
Revenue Expenditure	9,11,809	10,53,677	10,97,162	15.6	4.1
Capital Expenditure	1,12,678	1,62,899	1,60,567	44.6	-1.4
***Of Which:* Capital outlay**	97,031	1,37,097	1,43,417	41.3	4.6
Total expenditure	10,24,487	12,16,576	1,257,729	18.7	3.4
Non-Plan					
1. Interest Payments	2,13,093	2,40,757	2,67,986	13.0	11.3
2. Grants to States	45,946	52,606	66,311	14.5	26.1
3. Interest Subsidies	2,687	5,223	6,869	94.4	31.5
4. Fertiliser Subsidy	61,264	54,976	49,998	-10.3	-9.1
5. Defence Services	1,41,781	1,51,582	1,64,415	6.9	8.5
Total Non-Plan Expenditure	**7,21,096**	**8,21,552**	**8,16,182**	**13.9**	**-0.7**
Plan					
1. Central Plan	2,18,901	2,98,612	3,35,521	36.4	12.4
2. Central Assistance for State and UTs	84,490	96,412	1,06,026	14.1	10.0
Total Plan Expenditure	**3,03,391**	**3,95,024**	**4,41,547**	**30.2**	**11.8**

salary and pensions and reduction in total expenditure on subsidies, attributable to decline in expenditure on fertilisers and petroleum products (Table 6). The budgeted subsidy expenditure, however, is subject to upward risks in the wake of likely introduction of National Food Security Bill which may have additional expenditure implications, when implemented. Although the Budget has assumed no major variation in international fertiliser and petroleum prices during 2011-12, the observed upward trend in international prices of crude oil and fertilisers, in case they persist, could pose an upside risk to expenditure on subsidies. Moving forward, assuming an annual growth of subsidies of 5 per cent over the medium-term, the Government has projected that expenditure on subsidies would decline to 1.3 per cent of GDP by 2013-14. However, the Government recognises that this would be subject to reworking with reforms in delivery mechanism.

Higher Plan outlays budgeted for 2011-12

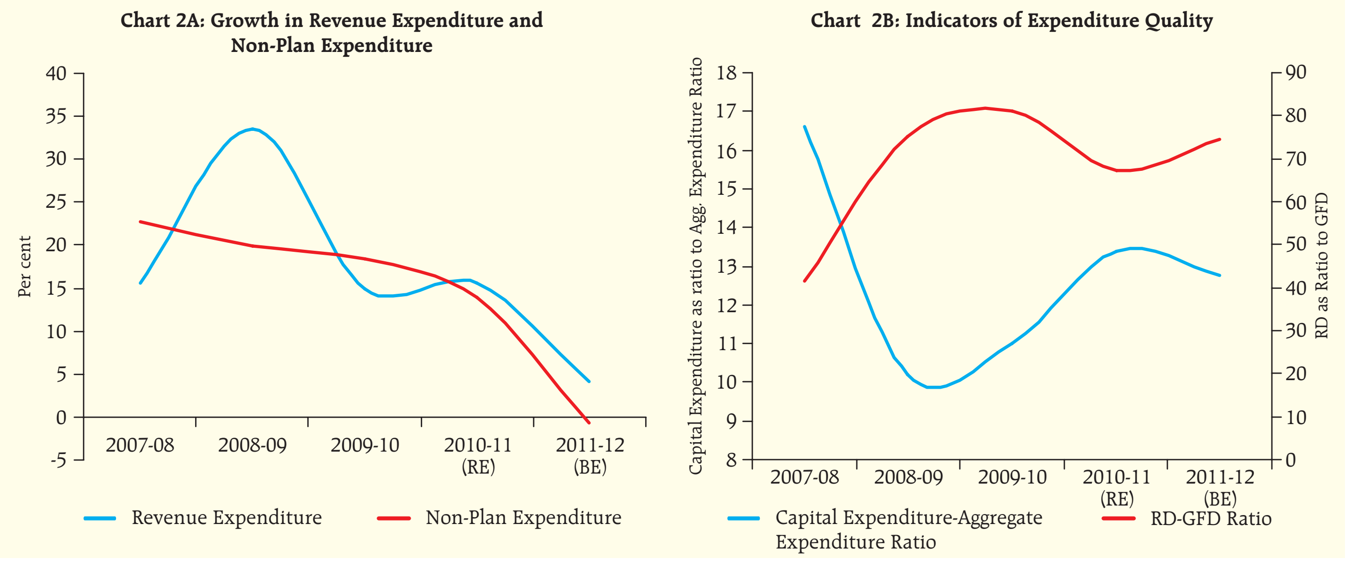
A notable feature is that the overall provision for plan expenditure would exceed the projected expenditure outlay in the Eleventh Five Year Plan in nominal terms for the first time. This increase in allocation calls for close monitoring of translation of these outlays into outcomes as emphasised in the Budget. During 2011-12, the central plan outlay is budgeted to increase by 18 per cent. There are also sharp increases in allocations particularly for energy, social development, communications and science, technology and environment (Statement 5).

Table 6: Major Subsidies

(Amount in ₹ crore)

Item	2009-10		2010-11 RE		2011-12 BE	
	Amount	per cent to GDP	Amount	per cent to GDP	Amount	per cent to GDP
	1	2	3	4	5	6
Total Subsidies	**1,41,351**	**2.2**	**1,64,153**	**2.1**	**1,43,570**	**1.6**
of which:						
i. Food	58,443	0.9	60,600	0.8	60,573	0.7
ii. Fertiliser	61,264	0.9	54,976	0.7	49,998	0.6
iii. Petroleum	14,951	0.2	38,386	0.5	23,640	0.3
iv. Interest subsidy	2,687	0.0	5,223	0.1	6,869	0.1
v. Others	4,006	0.1	4,968	0.1	2,490	0.0

Chart 2: Indicators of Expenditure Quality



As regards the agriculture sector, the Government envisages a greater role of private sector and the budgetary announcements are directed more towards attracting private investment in agriculture and agro-processing activities. Banks are also expected to play an important role, which is evident from a sharp increase in the target of credit flow to farmers to ₹4,75,000 crore in 2011-12 from ₹3,75,000 crore in 2010-11. The budgetary announcement to enhance additional interest subvention to 3 per cent for crop loans to farmers who repay their loans on time would reduce the effective rate of interest for such farmers to 4 per cent per annum.

Declining capital expenditure is a cause of concern

The capital expenditure, which had recorded a robust growth in 2009-10 and 2010-11, is budgeted to decline marginally in 2011-12 (Statement 3). The share of capital expenditure in total expenditure is, therefore, budgeted to be lower at 12.8 per cent during 2011-12 compared to 13.4 per cent during 2010-11 (RE). The ratio of revenue deficit to gross fiscal deficit, which is an important benchmark for assessment of the quality of fiscal consolidation, is expected to remain significantly higher in 2011-12 (BE). This indicates that a larger portion of GFD would emanate from revenue deficit, reducing the availability of resources to undertake capital outlays (Chart 2B). The capital expenditure estimates may have to be viewed in consonance with the sharp upward revision in grants for creation of capital assets to 1.2 per cent of GDP in 2010-11 (RE) (from 0.5 per cent in 2010-11 BE), which are budgeted to increase further to 1.6 per cent of GDP in 2011-12. The extent to which these grants help to create capital assets would depend upon their actual utilisation by the States, which can then potentially offset the impact of compression in capital expenditure on asset creation.

Market Borrowings of Government budgeted to show a marginal increase

Gross market borrowings (dated securities and 364 day treasury bills) at ₹4,69,738 crore during 2011-12 are budgeted to show an increase of 3.9 per cent, while net market borrowings are estimated to increase by 5.3 per cent to ₹3,53,128 crore (Statement 4). Inclusive of all short-term borrowings, the net market borrowings at ₹3,58,000 crore represent a nominal increase of 3.6 per cent over 2010-11 (RE). Fiscal deficit would continue to be largely financed by market borrowings during 2011-12 (Table 7).

Budgeted decline in outstanding debt needs to be interpreted in tandem with definitional details

Notwithstanding growth in Central government debt at an average rate of around 11.6 per cent during

Table 7: Financing Pattern of Gross Fiscal Deficit

(₹ crore)

Item	2010-11 BE	2010-11 RE	2011-12 BE
	1	2	3
Gross Fiscal Deficit	3,81,408 (100.0)	4,00,998 (100.0)	4,12,817 (100.0)
Financed by Net Market Borrowings	3,45,010 (90.5)	3,35,512 (83.7)	3,53,128 (85.5)
Small Savings (net)	13,256 (3.5)	17,781 (4.4)	24,182 (5.9)
External Assistance	22,464 (5.9)	22,264 (5.6)	14,500 (3.5)
State Provident Fund	7,000 (1.8)	10,000 (2.5)	10,000 (2.4)
NSSF	2,593 (0.7)	-224 -(0.1)	94 (0.0)
Reserve Funds	-10,288 -(2.7)	7,283 (1.8)	-13,282 -(3.2)
Deposit and Advances	2,704 (0.7)	14,679 (3.7)	3,222 (0.8)
Postal Insurance and Life Annuity Funds	3,198 (0.8)	3,000 (0.7)	2,500 (0.6)
Drawdown of Cash Balances	0 (0.0)	-15,000 -(3.7)	20,000 (4.8)
Others	-4,529 -(1.2)	5,703 (1.4)	-1,527 -(0.4)

Note: Figures in parenthesis represent percentages to GFD.

2007-08 to 2010-11 (RE), the debt-GDP ratio came down below 50 per cent by 2010-11, reflecting higher growth in nominal GDP (Statement 8). The Union Budget seeks to adjust those liabilities (such as component of National Small Savings Fund (NSSF) invested in State government securities and total market stabilisation scheme liabilities) not used for financing fiscal deficit from the headline measure for assessing the 'true' extent of the Central Government's liability. After these adjustments and with external debt at current exchange rates, the debt-GDP ratio is estimated to decline from 45.3 per cent in 2010-11 to 44.2 per cent in 2011-12 and further to 41.5 per cent by 2013-14 (see Table 1). Based on such an adjusted measure, the debt-GDP ratio would be below the Thirteenth FC's prescribed ratio of 47.5 per cent for 2013-14.

Resource transfers from Centre to States to increase further

Pursuant to the increase in States' share in central taxes (tax devolution) to 32 per cent and a number of specific purpose grants (recommended by the Thirteenth FC), tax devolution and grant to States have increased by 33.0 per cent and 13.8 per cent, respectively, in 2010-11 (RE). In 2011-12, gross transfers to the States as a ratio to GDP are budgeted to be higher. While tax devolution from the Centre and grants-in-aid, together, is budgeted substantially higher, loans from Centre to the States would decline in 2011-12 over 2010-11 (RE). Higher transfers from Centre to the States would facilitate greater decentralisation of expenditure responsibility at the State level (Table 8 and Statement 6).

III. Tax reforms to continue

The Budget has provided more clarity on the issue of implementation of goods and services tax (GST) and Direct Taxes Code (DTC). In line with the budgetary announcement, the Constitutional Amendment Bill for GST was subsequently introduced in the Parliament on March 22, 2011. Other initiatives proposed in the Budget include, among others, the establishment of a strong IT infrastructure. A major step in this direction is the setting up of GST Network, which has already shown significant progress. In order to equip states with the IT infrastructure, the National Securities Depository Limited (NSDL) has been selected as a technology partner for incubating the National Information Utility that will establish and operate the IT backbone for GST. NSDL is expected to set up (by June 2011) a Pilot portal in collaboration with 11 States prior to its roll-out across the country. On the direct taxes front, the DTC is proposed to be introduced effective from April 1, 2012.

Table 8: Gross and Net Transfers from Centre to States and UTs

(Amount in ₹ crore)

Item	2009-10	2010-11 (BE)	2010-11 (RE)	2011-12 (BE)
	1	2	3	4
1. States' Share in Central Taxes and Duties	1,64,832	2,08,997	2,19,303	2,63,458
2. Total Grants	1,42,964	1,56,900	1,62,748	1,92,628
3. Loans from Centre	7,907	7,252	10,498	9,105
4. Gross transfers (1 to 3)	3,15,703	3,73,149	3,92,549	4,65,191
5. Recovery of Loans and Advances	5,314	3,924	7,633	8,416
6. Net Transfers (4-5)	3,10,389	3,69,225	3,84,916	4,56,775
7. Gross Transfers / GDP	4.8	5.4	5.0	5.2
8. Net Transfers / GDP	4.7	5.3	4.9	5.1

Note: Ratio to GDP for 2010-11 (BE) is based on GDP estimate as implied in Union Budget 2010-11.
Source: Budget documents of Government of India, 2011-12.

IV. Major Policy Initiatives

Agricultural measures to address food inflationary pressures, enable self-sufficiency in critical crops and work towards long-term sustainability of agricultural development

Recognising persistent price increases in fruits and vegetables and protein-rich food items as key drivers of food inflation, the Government has announced specific policy measures aimed at removing production and distribution bottlenecks in these items in the short-term through enhanced allocations for various ongoing schemes. Over the medium-term, the Government intends to work towards bridging the emerging structural demand-supply mismatches in respect of food items, rich in animal protein and other nutrients, by promoting production of these items through National Mission for Protein Supplements (to be launched in 2011-12) and improving production and availability of fodder to promote milk production. The focus of policy initiatives is to improve supply response and enable self-sufficiency in pulses through increasing productivity and improving market linkages, promote oil palm plantation, establish efficient supply chains through vegetable cluster initiatives in urban centres, enhance rice productivity in Eastern India and promote higher production of *bajra, jowar, ragi* and other millets. In addition to building of retail capacity in fruits and vegetables through food parks, the policy announcements are directed towards encouraging private investments for augmenting storage capacity and cold storage projects for perishable food items. Over the long-term, the Government recognises the need to balance initiatives to maximise yields to meet growing food requirements with the imperatives of checking undue deterioration in soil health resulting from indiscriminate use of fertilisers and has accordingly emphasised the need to work towards promoting organic farming methods.

Policy initiatives in industry to promote competition, self-regulation and accountability to environment

In view of stagnating share of manufacturing in GDP, the Government intends to announce a National Manufacturing Policy which would bring down the compliance burden on the industry through self-regulation, make it globally competitive and work towards increasing the share of manufacturing to 25 per cent of GDP.

Infrastructure initiatives to increase fund availability and encourage adoption of PPPs

Recognising that infrastructure has been one of the major bottlenecks constraining the growth of the Indian economy, the Government has increased its allocation for this sector by 23.3 per cent over 2010-11, which accounts for 48.5 per cent of total plan expenditure. Furthermore, the Government has announced the issue of tax-free bonds by the Public Sector Undertakings involved in infrastructure development in railways, ports, housing and highways to raise ₹30,000 crore from the market during 2011-12. As was proposed in the Budget 2011-12, the FII limit for investment in long-term corporate bonds (with residual maturity of over five years) issued by the infrastructure sector has been raised to USD 25 billion to enhance availability of funds. Further, tax incentives have been extended to attract foreign funds for financing of infrastructure. The Government also intends to come up with a comprehensive policy for further developing PPP projects.

Initiatives on exports working towards improving process efficiencies and promoting mega clusters

The Government has been working towards improving efficiency of export processes by implementing suggestions of the Task Force on Transaction Cost and now intends to introduce a system of self-assessment of duty liabilities by importers and exporters. Furthermore, the Government intends to set up seven mega clusters in leather products during 2011-12 to increase exports and employment. The peak rate of customs duty has been held at its current level.

Inclusive development strategy to be carried forward by introducing Food Security Bill

The Government has been addressing its agenda for inclusive development in recent years through creation of legal entitlements for individual's right to work, information and education. With a view to ensure universal food security, the Government has proposed to introduce the National Food Security Bill in the Parliament during 2011-12. The allocation for various social sector schemes has been increased by 17 per cent during 2011-12, with their share at 36.4 per cent of total plan allocation.

Education and Skill Development initiatives to be continued

The Government has proposed to carry forward its implementation of free and compulsory education for children by revising existing operational norms and would also work towards implementing revised centrally sponsored scheme on vocationalisation of secondary education during 2011-12. Pre-matric scholarship scheme is proposed to be introduced for needy students belonging to scheduled castes and scheduled tribes.

A National Knowledge Network is proposed to be set up for linking 1,500 Institutes of Higher Learning and Research through an optical fibre backbone by March 2012. Furthermore, the Government has announced to provide grants to recognise excellence in universities and academic institutions. An additional allocation of ₹500 crore has been proposed for the National Skill Development Fund for imparting skill training.

Financial sector initiatives directed at legislative measures and for deepening and broadening of financial sector

The financial sector reform measures form an integral part of the Union Budget for 2011-12. The focus is primarily on legislative measures, for which a 'Financial Sector Legislative Reforms Commission' under Justice B. N. Srikrishna has been set up to rewrite and streamline the financial sector laws, rules and regulations. A number of legislative amendments were proposed to be tabled in Parliament in 2011-12, which include, among others, amendments in Banking Regulation Act (to facilitate entry of private banks), insurance laws and pension fund regulations. It may be noted that the Banking Laws (Amendment) Bill, 2011 has been tabled in the Parliament in March 2011.

To give boost to the housing sector, the existing scheme of interest subvention of 1 per cent on housing loans has been further liberalised and existing housing loan limit enhanced to ₹25 lakh for dwelling units under priority sector lending. The provision under 'Rural Housing Fund' has also been enhanced to ₹3,000 crore.

To support micro-finance initiatives, a dedicated fund for Micro-Finance Institutions (MFIs) is to be set up to enable these institutions maintain growth and achieve scale and efficiency in operations. The equity support to smaller MFIs would also be provided through creation of 'India Microfinance Equity Fund' of ₹100 crore with SIDBI. To empower women and promote their Self Help Groups (SHGs), a 'Women's SHG's Development Fund' would be set up with a corpus of ₹500 crore.

The Budget has also proposed to extend banking facilities to 20,000 unbanked villages under the *Swabhimaan scheme* during 2011-12.

The Government would raise its equity in NABARD by ₹3,000 crore in a phased manner to increase NABARD's paid-up capital to ₹5,000 crore.

V. Budget and Financial Markets

The Budget proposals have both direct as well as an indirect impact on the financial markets. As regards the direct impact, the proposal to liberalise portfolio equity investment through the SEBI-registered Mutual Funds would support the stock market if foreign investors show buying interest in Indian equity. As proposed in the Union Budget 2011-12, the FII limit for investment in long-term corporate bonds (with residual maturity of over five years) issued by the infrastructure sector has been enhanced to USD 25 billion which is likely to improve trading in the bond market in coming months. The debt investment by FIIs, however, still remains lower than the overall ceiling. In addition, the proposal to allow FIIs to invest in the unlisted companies with a lock-in period of three years may partly offset the impact of lower foreign direct investment. The creation of special vehicles in the form of notified infrastructure debt funds and exempting their income from tax as also lowering withholding tax rate on interest payment from 20 per cent to 5 per cent would also help to attract foreign funds with some easing effect on long-term bond yields.

Coming to the indirect impact, the commitment to the path of fiscal consolidation in a gradual manner would help to ease the pressure on long-term bond yields in the Government securities market, if inflationary expectations are contained. The proposal to set up a Financial Sector Legislative Reforms Commission as also other legislative proposals relating to financial sector reforms in 2011-12 have been viewed as positive developments by the financial markets.

VI. Conclusion

The Union Budget 2011-12 carries forward the fiscal consolidation process through a strategy of gradual exit from expansionary stance during 2008-09 and 2009-10. Recognising the higher than anticipated revenue receipts during 2010-11, the Budget for 2011-12 expects a moderation in revenue receipts growth and lower level of non-tax revenue receipts. Notwithstanding a sharp moderation in revenue expenditure growth, the revenue deficit to GDP ratio in 2011-12 is envisaged to remain at the previous year's level of 3.4 per cent. Given this, the lower estimate of fiscal deficit as a ratio of GDP at 4.6 per cent in 2011-12 is a reflection of the fiscal consolidation through compression in capital expenditure. The deficit indicators set under the MTFP strategy appear to be less ambitious as compared with the Thirteenth FC. The Government intends to amend the FRBM Act 2003 and set out a roadmap for fiscal consolidation process for the next five years. The fiscal consolidation in the medium-term would be contingent upon carrying forward the implementation of tax reforms and reduction in non-plan expenditure. Some of the policy initiatives, *viz.*, better targeting of subsidies, improving governance and ensuring better translation of outlays to outcomes are expected to improve the quality of fiscal consolidation in the medium-term.

In the short-term, the Government recognises the need to address the structural nature of inflationary pressures arising from high food prices and has announced various policy measures to improve the supply position of food items, showing persistent demand-supply imbalances. The envisaged fiscal consolidation process would also help to moderate the overall inflationary pressures and create a resource space for private investment.

The Union Budget 2011-12 also attaches importance to both physical and human capital formation from the point of view of achievement of high and sustainable growth.

The reform measures announced in the Budget for deepening and broadening of financial sector clearly underline the significance of legislative measures to strengthen the reform momentum. The major legislative reforms include amendments in Banking Regulation Act (to facilitate entry of private banks), insurance laws, pension fund regulations, the Recovery of Debts due to Banks and Financial Institutions (RDBFI) Act and Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act. In addition, the budgetary proposals relating to micro-finance institutions, inclusive growth, recapitalisation of public sector banks and RRBs are steps in the right direction.

The overall thrust of the Union Budget 2011-12, against the backdrop of macroeconomic environment and inflationary concerns and the medium-term growth and social priorities of the Government appears to be balanced, though the achievement of fiscal consolidation targets for 2011-12 could be challenging.

Statement 1: Budget at a Glance

(₹ Crore)

Items	2009-10 (Accounts)	2010-11 (Budget Estimates)	2010-11 (Revised Estimates)	2011-12 (Budget Estimates)
	1	2	3	4
1. Revenue Receipts (i+ii)	**5,72,811**	**6,82,212**	**7,83,833**	**7,89,892**
i) Tax Revenue (Net to Centre)	4,56,536	5,34,094	5,63,685	6,64,457
ii) Non-tax Revenue	1,16,275	1,48,118	2,20,148	1,25,435
of which:				
Interest Receipts	21,756	19,252	19,728	19,578
2. Capital Receipts	**4,51,676**	**4,26,537**	**4,32,743**	**4,67,837**
of which:				
i) Market Borrowings (Net)	3,94,371	3,45,010	3,35,512	3,53,128
ii) Recoveries of Loans	8,613	5,129	9,001	15,020
iii) Disinvestment of equity in PSUs	24,581	40,000	22,744	40,000
3. Total Receipts (1+2)	**10,24,487**	**11,08,749**	**12,16,576**	**12,57,729**
4. Revenue Expenditure (i + ii)	**9,11,809**	**9,58,724**	**10,53,677**	**10,97,162**
i) Non-Plan	6,57,925	6,43,599	7,26,749	7,33,558
ii) Plan	2,53,884	3,15,125	3,26,928	3,63,604
5. Capital Expenditure (i + ii)	**1,12,678**	**1,50,025**	**1,62,899**	**1,60,567**
i) Non-Plan	63,171	92,058	94,803	82,624
ii) Plan	49,507	57,967	68,096	77,943
6. Total Non-Plan Expenditure (4i + 5i)	**7,21,096**	**7,35,657**	**8,21,552**	**8,16,182**
of which:				
i) Interest Payments	2,13,093	2,48,664	2,40,757	2,67,986
ii) Defence	1,41,781	1,47,344	1,51,582	1,64,415
iii) Subsidies	1,41,351	1,16,224	1,64,153	1,43,570
7. Total Plan Expenditure (4ii + 5ii)	**3,03,391**	**3,73,092**	**3,95,024**	**4,41,547**
8. Total Expenditure (6+7=4+5)	**10,24,487**	**11,08,749**	**12,16,576**	**12,57,729**
9. Revenue Deficit (4-1)	**3,38,998**	**2,76,512**	**2,69,844**	**3,07,270**
	(5.2)	**(4.0)**	**(3.4)**	**(3.4)**
10. Gross Fiscal Deficit	**4,18,482**	**3,81,408**	**4,00,998**	**4,12,817**
(8-(1+2ii+2iii))	**(6.4)**	**(5.5)**	**(5.1)**	**(4.6)**
11. Gross Primary Deficit (10-6i)	**2,05,389**	**1,32,744**	**1,60,241**	**1,44,831**
	(3.1)	**(1.9)**	**(2.0)**	**(1.6)**

Notes: 1) Capital Receipts are net of repayments.
2) Market borrowings include dated securities and 364-day Treasury Bills.
3) Figures in the parentheses indicate percentage of GDP.

Source: Budget documents of Government of India, 2011-12.

Statement 1: Budget at a Glance *(Concld.)*

(₹ Crore)

	Variation					
	Col. 3 over Col. 2		Col. 3 over Col. 1		Col. 4 over Col. 3	
	Amount	Per cent	Amount	Per cent	Amount	Per cent
	5	6	7	8	9	10
1. Revenue Receipts (i+ii)	**1,01,621**	**14.9**	**2,11,022**	**36.8**	**6,059**	**0.8**
i) Tax Revenue (Net to Centre)	29,591	5.5	1,07,149	23.5	1,00,772	17.9
ii) Non-tax Revenue	72,030	48.6	1,03,873	89.3	-94,713	-43.0
of which:						
Interest Receipts	476	2.5	-2,028	-9.3	-150	-0.8
2. Capital Receipts	**6,206**	**1.5**	**-18,933**	**-4.2**	**35,094**	**8.1**
of which:						
i) Market Borrowings (Net)	-9,498	-2.8	-58,859	-14.9	17,616	5.3
ii) Recoveries of Loans	3,872	75.5	388	4.5	6,019	66.9
iii) Disinvestment of equity in PSUs	-17,256	-43.1	-1,837	-7.5	17,256	75.9
3. Total Receipts (1+2)	**1,07,827**	**9.7**	**1,92,089**	**18.7**	**41,153**	**3.4**
4. Revenue Expenditure (i + ii)	**94,953**	**9.9**	**1,41,868**	**15.6**	**43,485**	**4.1**
i) Non-Plan	83,150	12.9	68,824	10.5	6,809	0.9
ii) Plan	11,803	3.7	73,044	28.8	36,676	11.2
5. Capital Expenditure (i + ii)	**12,874**	**8.6**	**50,221**	**44.6**	**-2,332**	**-1.4**
i) Non-Plan	2,745	3.0	31,632	50.1	-12,179	-12.8
ii) Plan	10,129	17.5	18,589	37.5	9,847	14.5
6. Total Non-Plan Expenditure (4i + 5i)	**85,895**	**11.7**	**1,00,456**	**13.9**	**-5,370**	**-0.7**
of which:						
i) Interest Payments	-7,907	-3.2	27,664	13.0	27,229	11.3
ii) Defence	4,238	2.9	9,801	6.9	12,833	8.5
iii) Subsidies	47,929	41.2	22,802	16.1	-20,583	-12.5
7. Total Plan Expenditure (4ii + 5ii)	**21,932**	**5.9**	**91,633**	**30.2**	**46,523**	**11.8**
8. Total Expenditure (6+7=4+5)	**1,07,827**	**9.7**	**1,92,089**	**18.7**	**41,153**	**3.4**
9. Revenue Deficit (4-1)	**-6,668**	**-2.4**	**-69,154**	**-20.4**	**37,426**	**13.9**
10. Gross Fiscal Deficit (8-(1+2ii+2iii))	**19,590**	**5.1**	**-17,484**	**-4.2**	**11,819**	**2.9**
11. Gross Primary Deficit (10-6i)	**27,497**	**20.7**	**-45,148**	**-22.0**	**-15,410**	**-9.6**

Statement 2: Transactions on Revenue Account

(₹ Crore)

Items	2009-10 (Accounts)	2010-11 (Budget Estimates)	2010-11 (Revised Estimates)	2011-12 (Budget Estimates)
	1	2	3	4
I. Revenue Receipts (A+B)	**5,72,811**	**6,82,212**	**7,83,833**	**7,89,892**
A. Tax Revenue (Net to Centre)(a-b-c)	**4,56,536**	**5,34,094**	**5,63,685**	**6,64,457**
a) Gross Tax Revenue	**6,24,528**	**7,46,651**	**7,86,888**	**9,32,440**
of which:	**(9.5)**	**(10.8)**	**(10.0)**	**(10.4)**
1 Corporation Tax	2,44,725	3,01,331	2,96,377	3,59,990
2 Personal Income Tax	1,22,370	1,20,566	1,41,566	1,64,526
3 Customs Duty	83,324	1,15,000	1,31,800	1,51,700
4 Union Excise Duty	1,02,991	1,32,000	1,37,263	1,63,550
5 Service Tax	58,422	68,000	69,400	82,000
6 Securities Transaction Tax	7,394	7,500	7,500	7,500
7 Banking Cash Transaction Tax	247	–	–	–
8 Taxes of UTs (Net of Assignments to Local Bodies)	1,614	1,651	1,910	1,973
9 Fringe Benefit Tax	2,360	–	–	–
10 Other Taxes and Duties	1,081	603	1,072	1,201
b) States' Share	**1,64,832**	**2,08,997**	**2,19,303**	**2,63,458**
c) Surcharge transferred to NCCF#	**3,160**	**3,560**	**3,900**	**4,525**
B. Non-Tax Revenue	**1,16,275**	**1,48,118**	**2,20,148**	**1,25,435**
of which:				
1 Interest Receipts	21,756	19,252	19,728	19,578
2 Dividends and Profits	50,248	51,309	48,727	42,624
3 External Grants	3,141	2,060	2,756	2,173
4 Non-tax Receipts of UTs	1,218	925	1,143	1169
5 Other Non-Tax Revenue	39,912	74,572	1,47,794	59,891
II. Revenue Expenditure (A+B)	**9,11,809**	**9,58,724**	**10,53,677**	**10,97,162**
A. Non-Plan Expenditure	**6,57,925**	**6,43,599**	**7,26,749**	**7,33,558**
of which:				
1 Interest Payments	2,13,093	2,48,664	2,40,757	2,67,986
2 Defence Revenue Expenditure	90,669	87,344	90,749	95,216
3 Subsidies	1,41,351	1,16,224	1,64,153	1,43,570
4 Non-Plan Grants to States and UTs	45,946	46,001	52,606	66,311
B. Plan Expenditure (1+2)	**2,53,884**	**3,15,125**	**3,26,928**	**3,63,604**
1 Central Plan	1,78,802	2,30,881	2,42,034	2,68,287
2 Central Assistance for State and UT Plans	75,082	84,244	84,894	95,317
III. Revenue Deficit (-)/Surplus(+) [I-II]	**-3,38,998**	**-2,76,512**	**-2,69,844**	**-3,07,270**

#: NCCF: National Calamity Contingency Fund.
Note: Figures in the parentheses are gross tax revenue as percentage of GDP.
Source: Budget Documents of the Government of India, 2011-12.

Statement 2: Transactions on Revenue Account *(Concld.)*

(₹ Crore)

	Variation					
	Col. 3 over Col. 2		Col. 3 over Col. 1		Col. 4 over Col. 3	
	Amount	Per cent	Amount	Per cent	Amount	Per cent
	5	6	7	8	9	10
I. Revenue Receipts (A+B)	**1,01,621**	**14.9**	**2,11,022**	**36.8**	**6,059**	**0.8**
A. Tax Revenue (Net to Centre)(a-b-c)	**29,591**	**5.5**	**1,07,149**	**23.5**	**1,00,772**	**17.9**
a) Gross Tax Revenue	**40,237**	**5.4**	**1,62,360**	**26.0**	**1,45,552**	**18.5**
of which:						
1 Corporation Tax	-4,954	-1.6	51,652	21.1	63,613	21.5
2 Personal Income Tax	21,000	17.4	19,196	15.7	22,960	16.2
3 Customs Duty	16,800	14.6	48,476	58.2	19,900	15.1
4 Union Excise Duty	5,263	4.0	34,272	33.3	26,287	19.2
5 Service Tax	1,400	2.1	10,978	18.8	12,600	18.2
6 Securities Transaction Tax	–	–	106	1.4	–	–
7 Banking Cash Transaction Tax	–	–	-247	-100.0	–	–
8 Taxes of UTs (Net of Assignments to Local Bodies)	259	15.7	296	18.3	63	3.3
9 Fringe Benefit Tax	–	–	-2,360	-100.0	–	–
10 Other Taxes and Duties	469	77.8	-9	-0.8	129	12.0
b) States' Share	**10,306**	**4.9**	**54,471**	**33.0**	**44,155**	**20.1**
c) Surcharge transferred to NCCF#	**340**	**9.6**	**740**	**23.4**	**625**	**16.0**
B. Non-Tax Revenue	**72,030**	**48.6**	**1,03,873**	**89.3**	**-94,713**	**-43.0**
of which:						
1 Interest Receipts	476	2.5	-2,028	-9.3	-150	-0.8
2 Dividends and Profits	-2,582	-5.0	-1,521	-3.0	-6,103	-12.5
3 External Grants	696	33.8	-385	-12.3	-583	-21.2
4 Non-tax Receipts of UTs	218	23.6	-75	-6.2	26	2.3
5 Other Non-Tax Revenue	73,222	98.2	1,07,882	270.3	-87,903	-59.5
II. Revenue Expenditure (A+B)	**94,953**	**9.9**	**1,41,868**	**15.6**	**43,485**	**4.1**
A. Non-Plan Expenditure	**83,150**	**12.9**	**68,824**	**10.5**	**6,809**	**0.9**
of which:						
1 Interest Payments	-7,907	-3.2	27,664	13.0	27,229	11.3
2 Defence Revenue Expenditure	3,405	3.9	80	0.1	4,467	4.9
3 Subsidies	47,929	41.2	22,802	16.1	-20,583	-12.5
4 Non-Plan Grants to States and UTs	6,605	14.4	6,660	14.5	13,705	26.1
B. Plan Expenditure (1+2)	**11,803**	**3.7**	**73,044**	**28.8**	**36,676**	**11.2**
1 Central Plan	11,153	4.8	63,232	35.4	26,253	10.8
2 Central Assistance for State and UT Plans	650	0.8	9,812	13.1	10,423	12.3
III. Revenue Deficit (-)/Surplus(+) [I-II]	**6,668**	**-2.4**	**69,154**	**-20.4**	**-37,426**	**13.9**

Statement 3: Transactions on Capital Account

(₹ Crore)

Items	2009-10 (Accounts)	2010-11 (Budget Estimates)	2010-11 (Revised Estimates)	2011-12 (Budget Estimates)
	1	2	3	4
I. Capital Receipts (1 to 10)	**4,51,676**	**4,26,537**	**4,32,743**	**4,67,837**
1. Market Borrowings (Net)	3,94,371	3,45,010	3,35,512	3,53,128
2. Securities against Small Savings	13,256	13,256	17,781	24,182
3. State Provident Funds	16,056	7,000	10,000	10,000
4. Special Deposits	–	–	–	–
5. Reserve Funds and Deposits	-8,381	-7,584	21,962	-10,060
6. NSSF	11,472	2,593	-224	94
7. Recovery of Loans and Advances	8,613	5,129	9,001	15,020
8. Disinvestment of Equity Holding in Public Sector Enterprises	24,581	40,000	22,744	40,000
9. External Borrowings	11,038	22,464	22,264	14,500
10. Others	-19,330	-1,331	-6,297	20,973
II. Capital Expenditure (1+2)	**1,12,678**	**1,50,025**	**1,62,899**	**1,60,567**
1. Non-Plan Expenditure	63,171	92,058	94,803	82,624
of which:				
Defence Capital	51,112	60,000	60,833	69,199
2. Plan Expenditure (i+ii)	49,507	57,967	68,096	77,943
i) Central Plan	40,099	49,719	56,578	67,234
ii) Central Assistance for State and UT Plans	9,408	8,248	11,518	10,709
III. Capital Surplus(+)/Deficit(-) [I-II]	**+3,38,998**	**+2,76,512**	**+2,69,844**	**+3,07,270**

\- Not Available

Note: 1) Capital Receipts are net of repayments.

2) Market borrowings include dated securities and 364-day Treasury Bills.

Source: Budget documents of Government of India, 2011-12.

Statement 3: Transactions on Capital Account *(Concld.)*

(₹ Crore)

	Variation					
	Col. 3 over Col. 2		Col. 3 over Col. 1		Col. 4 over Col. 3	
	Amount	Per cent	Amount	Per cent	Amount	Per cent
	5	6	7	8	9	10
I. Capital Receipts (1 to 10)	**6,206**	**1.5**	**-18,933**	**-4.2**	**35,094**	**8.1**
1. Market Borrowings (Net)	-9,498	-2.8	-58,859	-14.9	17,616	5.3
2. Securities against Small Savings	4,525	34.1	4,525	34.1	6,401	36.0
3. State Provident Funds	3,000	42.9	-6,056	-37.7	–	–
4. Special Deposits	–	–	–	–	–	–
5. Reserve Funds and Deposits	29,546	-389.6	30,343	-362.0	-32,022	-145.8
6. NSSF	-2,817	-108.6	-11,696	-102.0	318	-142.0
7. Recovery of Loans and Advances	3,872	75.5	388	4.5	6,019	66.9
8. Disinvestment of Equity Holding in Public Sector Enterprise	-17,256	-43.1	-1,837	-7.5	17,256	75.9
9. External Borrowings	-200	-0.9	11,226	101.7	-7,764	-34.9
10. Others	-4,966	373.1	13,033	-67.4	27,270	-433.1
II. Capital Expenditure (1+2)	**12,874**	**8.6**	**50,221**	**44.6**	**-2,332**	**-1.4**
1. Non Plan Expenditure	2,745	3.0	31,632	50.1	-12,179	-12.8
of which:						
Defence Capital	833	1.4	9,721	19.0	8,366	13.8
2. Plan Expenditure (i+ii)	10,129	17.5	18,589	37.5	9,847	14.5
i) Central Plan	6,859	13.8	16,479	41.1	10,656	18.8
ii) Central Assistance for State and UT Plans	3,270	39.6	2,110	22.4	-809	-7.0
III. Capital Surplus(+)/Deficit(-) [I-II]	**-6,668**	**-2.4**	**-69,154**	**-20.4**	**37,426**	**13.9**

Statement 4: Financing of Gross Fiscal Deficit of the Central Government

(₹ crore)

Year	Internal Finance				External Finance	Total Finance/ Gross Fiscal Deficit (4+5)
	Market Borrowings #	Other Borrowings @	Drawdown of Cash Balances *	Total (1+2+3)		
	1	2	3	4	5	6
1990-91	8,001	22,103	11,347	41,451	3,181	**44,632**
	(17.9)	(49.5)	(25.4)	(92.9)	(7.1)	**(100.0)**
1991-92	7,510	16,539	6,855	30,904	5,421	**36,325**
	(20.7)	(45.5)	(18.9)	(85.1)	(14.9)	**(100.0)**
1992-93	3,676	18,866	12,312	34,854	5,319	**40,173**
	(9.2)	(47.0)	(30.6)	(86.8)	(13.2)	**(100.0)**
1993-94	28,928	15,295	10,960	55,183	5,074	**60,257**
	(48.0)	(25.4)	(18.2)	(91.6)	(8.4)	**(100.0)**
1994-95	20,326	32,834	961	54,121	3,582	**57,703**
	(35.2)	(56.9)	(1.7)	(93.8)	(6.2)	**(100.0)**
1995-96	34,001	16,117	9,807	59,925	318	**60,243**
	(56.4)	(26.8)	(16.3)	(99.5)	(0.5)	**(100.0)**
1996-97	19,093	31,469	13,184	63,746	2,987	**66,733**
	(28.6)	(47.2)	(19.8)	(95.5)	(4.5)	**(100.0)**
1997-98	32,499	56,257	-910	87,846	1,091	**88,937**
	(36.5)	(63.3)	-(1.0)	(98.8)	(1.2)	**(100.0)**
1998-99	68,988	42,650	-209	1,11,429	1,920	**1,13,349**
	(60.9)	(37.6)	-(0.2)	(98.3)	(1.7)	**(100.0)**
1999-2000	62,076	40,597	864	1,03,537	1,180	**1,04,717**
	(59.3)	(38.8)	(0.8)	(98.9)	(1.1)	**(100.0)**
2000-01	73,431	39,077	-1,197	1,11,311	7,505	**1,18,816**
	(61.8)	(32.9)	-(1.0)	(93.7)	(6.3)	**(100.0)**
2001-02	90,812	46,038	-1,496	1,35,354	5,601	**1,40,955**
	(64.4)	(32.7)	-(1.1)	(96.0)	(4.0)	**(100.0)**
2002-03	1,04,126	50,997	1,883	1,57,006	-11,934	**1,45,072**
	(71.8)	(35.2)	(1.3)	(108.2)	-(8.2)	**(100.0)**
2003-04	88,870	51,833	-3,942	1,36,761	-13,488	**1,23,273**
	(72.1)	(42.0)	-(3.2)	(110.9)	-(10.9)	**(100.0)**
2004-05	50,940 &	61,562	-1,461	1,11,041	14,753	**1,25,794**
	(40.5)	(48.9)	-(1.2)	(88.3)	(11.7)	**(100.0)**
2005-06	1,06,241 &	53,610	-20,888	1,38,963	7,472	**1,46,435**
	(72.6)	(36.6)	-(14.3)	(94.9)	(5.1)	**(100.0)**
2006-07	1,14,801 &	14,782	4,518	1,34,101	8,472	**1,42,573**
	(80.5)	(10.4)	(3.2)	(94.1)	(5.9)	**(100.0)**
2007-08	1,30,600 &	14,168	-27,171	1,17,597	9,315	**1,26,912**
	(102.9)	(11.2)	-(21.4)	(92.7)	(7.3)	**(100.0)**
2008-09	2,46,975 &	35,168	43,834	3,25,977	11,015	**3,36,992**
	(73.3)	(10.4)	(13.0)	(96.7)	(3.3)	**(100.0)**
2009-10	3,94,371 &	14,460	-1,387	4,07,444	11,038	**4,18,482**
	(94.2)	(3.5)	-(0.3)	(97.4)	(2.6)	**(100.0)**
2010-11 (RE)	3,35,512 &	58,222	-15,000	3,78,734	22,264	**4,00,998**
	(83.7)	(14.5)	-(3.7)	(94.4)	(5.6)	**(100.0)**
2011-12 (BE)	3,53,128 &	25,189	20,000	3,98,317	1,4,500	**4,12,817**
	(85.5)	(6.1)	(4.8)	(96.5)	(3.5)	**(100.0)**

RE: Revised Estimates. BE: Budget Estimates.

\# Includes dated securities and 364-day Treasury Bills.

@ Other borrowings include small savings, state provident funds, special deposits, reserve funds, etc. For the years 1999-2000 to 2001-02, small savings and public provident fund are represented by National Small Savings Fund (NSSF)'s investment in Central Government special securities and hence form part of Centre's internal debt.

* Prior to 1997-98, represents variations in 91-day Treasury Bills issued net of changes in cash balances with the Reserve Bank.

& Exclusive of amount raised under Market Stabilisation Scheme.

Note: Figures in parentheses represent percentages to total finance (gross fiscal deficit).

Source: Central Government Budget Documents.

Statement 5: Central Plan Outlay by Heads of Development

(₹ crore)

Items	2010-11 (Budget Estimates)	2010-11 (Revised Estimates)	2011-12 (Budget Estimates)	Variation: Col. 2 over Col. 1 Amount	Per cent	Col. 3 over Col. 2 Amount	Per cent
	1	2	3	4	5	6	7
1. Agriculture	12,308 (2.3)	14,362 (2.9)	14,744 (2.5)	2,054	16.7	382	2.7
2. Rural Development*	55,190 (10.5)	55,438 (11.0)	55,288 (9.3)	248	0.4	-150	-0.3
3. Irrigation and Flood Control	526 (0.1)	413 (0.1)	565 (0.1)	-113	-21.5	152	36.8
4. Energy *of which:*	1,46,579 (27.9)	1,26,225 (25.1)	1,55,495 (26.2)	-20,354	-13.9	29,270	23.2
a) Power	66,097 (12.6)	50,236 (10.0)	72,754 (12.3)	-15,861	-24.0	22,518	44.8
b) Petroleum	66,807 (12.7)	66,558 (13.3)	73,216 (12.4)	-249	-0.4	6,658	10.0
5. Industry and Minerals	39,019 (7.4)	38,852 (7.7)	45,214 (7.6)	-167	-0.4	6,362	16.4
6. Transport**	1,01,997 (19.4)	98,727 (19.7)	1,16,861 (19.7)	-3,270	-3.2	18,134	18.4
7. Communications	18,529 (3.5)	12,169 (2.4)	20,256 (3.4)	-6,360	-34.3	8,087	66.5
8. Science, Technology and Environment	13,677 (2.6)	12,652 (2.5)	16,186 (2.7)	-1,025	-7.5	3,534	27.9
9. Social Services#	1,27,570 (24.3)	1,27,157 (25.3)	1,44,816 (24.4)	-413	-0.3	17,659	13.9
10. Others	9,089 (1.7)	16,255 (3.2)	23,032 (3.9)	7,166	78.8	6,777	41.7
Total (1 to 10)	**5,24,484 (100.0)**	**5,02,250 (100.0)**	**5,92,457 (100.0)**	**-22,234**	**-4.2**	**90,207**	**18.0**
To be financed by:							
1. Budgetary Support	2,80,600 (53.5)	2,98,612 (59.5)	3,35,521 (56.6)	18,012	6.4	36,909	12.4
2. Internal and Extra-budgetary Resources (IEBR) of Public Enterprises, etc.	2,43,884 (46.5)	2,03,638 (40.5)	2,56,936 (43.4)	-40,246	-16.5	53,298	26.2

* Net of recovery of short-term loans and advances.

Source: Budget documents of Government of India, 2011-12.

Statement 6: Resources Transferred to States and Union Territory Governments

(₹ crore)

Items	2009-10 (Actuals)	2010-11 (Budget Estimates)	2010-11 (Revised Estimates)	2011-12 (Budget Estimates)	Variation					
					Col. 3 over Col. 2		Col. 3 over Col. 1		Col. 4 over Col. 3	
					Amount	Per cent	Amount	Per cent	Amount	Per cent
	1	2	3	4	5	6	7	8	9	10
A. States' Share in Central Taxes and Duties	**1,64,832**	**2,08,997**	**2,19,303**	**2,63,458**	**10,306**	**4.9**	**54,471**	**33.0**	**44,155**	**20.1**
B. Total Grants (i+ii)	**1,42,964**	**1,56,900**	**1,62,748**	**1,92,628**	**5,848**	**3.7**	**19,784**	**13.8**	**29,880**	**18.4**
i) Plan	97,018	1,10,899	1,10,142	1,26,317	-757	-0.7	13,124	13.5	16,175	14.7
ii) Non-Plan	45,946	46,001	52,606	66,311	6,605	14.4	6,660	14.5	13,705	26.1
C. Total Non-Plan Loans	**83**	**89**	**85**	**85**	**-4**	**-4.5**	**2**	**2.4**	**0**	-
D. Plan Loans (i+ii)	**7,824**	**7,163**	**10,413**	**9,020**	**3,250**	**45.4**	**2,589**	**33.1**	**-1,393**	**-13.4**
i) Central Assistance for States & Union Territory Plans	7,824	7,163	10,413	9,000	3,250	45.4	2,589	33.1	-1,413	-13.6
ii) Assistance for Central & Centrally Sponsored Plan Schemes	0	0	0	20	0	-	0	-	20	-
E. Gross Transfers (A to D)	**3,15,703**	**3,73,149**	**3,92,549**	**4,65,191**	**19,400**	**5.2**	**76,846**	**24.3**	**72,642**	**18.5**
F. Recovery of Loans & Advances	**5,314**	**3,924**	**7,633**	**8,416**	**3,709**	**94.5**	**2,319**	**43.6**	**783**	**10.3**
G. Net Resources transferred to States & UT Governments (E-F)	**3,10,389**	**3,69,225**	**3,84,916**	**4,56,775**	**15,691**	**4.2**	**74,527**	**24.0**	**71,859**	**18.7**

Source: Budget documents of Government of India, 2011-12.

Statement 7: Interest payments by the Central Government

(₹ crore)

Item	1990-91 (Accounts)	2001-2002 (Accounts)	2002-2003 (Accounts)	2003-2004 (Accounts)	2004-05 (Accounts)	2005-06 (Accounts)
	1	2	3	4	5	6
I. Interest Payments on Internal Debt	**9,814**	**66,035**	**75,176**	**82,620**	**86,380**	**85,533**
of which:						
i) On Market Loans*	6,366	55,024	62,559	68,765	69,852	66,500
ii) On Treasury Bills**	3,392	6,453	6,151	3,542	2,165	3,990
iii) On Marketable securities issued in conversion of special securities	–	2,399	3,067	6,263	7,753	7,066
II. Interest on External debt	**1,834**	**4,285**	**4,252**	**3,139**	**2,808**	**3,173**
III. Interest on Small Savings Deposits, Certificates and PPF @	**4,128**	**22,471**	**23,379**	**20,503**	**18,950**	**18,029**
IV. Interest on State Provident Funds	**885**	**3,794**	**3,913**	**3,733**	**4,425**	**4,950**
V. Interest on Special Deposits of Non-Government Provident Funds, etc.	**3,876**	**14,259**	**13,625**	**13,161**	**12,892**	**12,874**
VI. Interest on Reserve Funds	**112**	**129**	**229**	**352**	**541**	**717**
VII. Interest on Other Obligations	**325**	**567**	**1,214**	**1,400**	**1,592**	**1,345**
VIII. Others #	**524**	**2,633**	**3,099**	**7,286**	**3,370**	**3,411**
Total Interest Payments (I to VIII)	**21,498**	**1,14,173**	**1,24,887**	**1,32,194**	**1,30,958**	**1,30,032**

.. Not available/applicable.
* Represents dated securities.
** Also includes special securities issued to RBI in conversion of Treasury Bills.
@ Since 1999-2000, these payments form part of internal debt.
\# Includes, *inter alia*, interest on insurance and pension funds, bonus on field deposits and interest on other deposits and accounts.

Note: 1) The data are taken from Finance Accounts and Expenditure Budget volume 2 and the aggregate figures for interest payments may not tally for some years with the data produced elsewhere.
2) Since 1999-2000, interest on small savings represents interest on Central Government Special securities issued to the NSSF.

Source: Budget documents of the Government of India.

Statement 7: Interest payments by the Central Government *(Concld.)*

(₹ crore)

Item	2006-07 (Accounts)	2007-08 (Accounts)	2008-09 (Accounts)	2009-10 (Accounts)	2010-11 (Revised Estimates)	2011-12 (Budget Estimates)
	1	2	3	4	5	6
I. Interest Payments on Internal Debt	**1,07,294**	**1,46,801**	**1,64,164**	**1,53,000**	**1,78,989**	**2,02,542**
of which:						
i) On Market Loans*	84,146	96,215	1,10,393	1,34,176	1,55,163	1,75,290
ii) On Treasury Bills**	5,740	7,701	11,010	9,594	13,344	16,396
iii) On Marketable securities issued in conversion of special securities	5,715	6,198	5,533	5,286	4,856	4,856
II. Interest on External debt	**3,867**	**3,928**	**4,195**	**3,629**	**3,151**	**3,572**
III. Interest on Small Savings Deposits, Certificates and PPF @	**18,106**	**17,301**	**17,058**	**16,897**	**18,250**	**20,190**
IV. Interest on State Provident Funds	**5,044**	**5,190**	**5,776**	**6,649**	**7,161**	**7,950**
V. Interest on Special Deposits of Non-Government Provident Funds etc.	**12,448**	**12,235**	**11,093**	**9,544**	**9,355**	**9,078**
VI. Interest on Reserve Funds	**883**	**1,225**	**1,225**	**614**	**173**	**121**
VII. Interest on Other Obligations	**2,451**	**5,750**	**8,846**	**15,164**	**15,662**	**15,697**
VIII. Others #	**179**	**-21,400**	**-20,153**	**7,596**	**8,016**	**8,836**
Total Interest Payments (I to VIII)	**1,50,272**	**1,71,030**	**1,92,204**	**2,13,093**	**2,40,757**	**2,67,986**

Statement 8: Outstanding Liabilities of Central Government

(₹ crore)

Year (End-March)	Internal Debt	*Of which:* Market Loans	Small Savings, & Provident Funds	Other Accounts +	Reserve Fund and Deposits ++	Total Domestic Liabilities (1+3+4+5)	External Liabilities*	Total Liabilities (6+7)
	1	2	3	4	5	6	7	8
1990-91	154,004	70,520	61,771	45,336	21,922	283,033	31,525	314,558
	(27.0)	(12.4)	(10.8)	(8.0)	(3.8)	(49.7)	(5.5)	(55.2)
1991-92	172,750	78,023	69,682	51,818	23,464	317,714	36,948	354,662
	(26.4)	(11.9)	(10.6)	(7.9)	(3.6)	(48.5)	(5.6)	(54.2)
1992-93	199,100	81,693	77,005	59,797	23,753	359,655	42,269	401,924
	(26.5)	(10.9)	(10.2)	(7.9)	(3.2)	(47.8)	(5.6)	(53.4)
1993-94	245,712	110,611	87,877	72,477	24,556	430,622	47,345	477,967
	(28.4)	(12.8)	(10.1)	(8.4)	(2.8)	(49.7)	(5.5)	(55.2)
1994-95	266,467	130,908	106,435	85,787	28,993	487,682	50,929	538,611
	(26.2)	(12.9)	(10.5)	(8.4)	(2.9)	(48.0)	(5.0)	(53.0)
1995-96	307,869	163,986	121,425	92,010	33,680	554,984	51,249	606,233
	(25.8)	(13.8)	(10.2)	(7.7)	(2.8)	(46.6)	(4.3)	(50.9)
1996-97	344,476	184,100	138,955	100,088	37,919	621,437	54,239	675,676
	(25.0)	(13.4)	(10.1)	(7.3)	(2.8)	(45.1)	(3.9)	(49.0)
1997-98	388,998	216,598	167,780	124,087	42,097	722,962	55,332	778,294
	(25.5)	(14.2)	(11.0)	(8.1)	(2.8)	(47.3)	(3.6)	(51.0)
1998-99	459,696	285,585	206,458	126,802	41,595	834,552	57,254	891,806
	(26.3)	(16.3)	(11.8)	(7.2)	(2.4)	(47.7)	(3.3)	(50.9)
1999-2000	714,254 #	355,862	66,406 #	134,425	47,508	962,592	58,437	1,021,029
	(36.6)	(18.2)	(3.4)	(6.9)	(2.4)	(49.3)	(3.0)	(52.3)
2000-01	803,698	428,793	96,344	144,020	58,535	1,102,597	65,945	1,168,542
	(38.2)	(20.4)	(4.6)	(6.9)	(2.8)	(52.4)	(3.1)	(55.6)
2001-02	913,061	516,517	144,511	164,157	73,133	1,294,862	71,546	1,366,408
	(40.1)	(22.7)	(6.3)	(7.2)	(3.2)	(56.8)	(3.1)	(60.0)
2002-03	1,020,689	619,105	226,400	172,374	80,126	1,499,589	59,612	1,559,201
	(41.6)	(25.2)	(9.2)	(7.0)	(3.3)	(61.1)	(2.4)	(63.5)
2003-04	1,141,706	707,965	288,378	168,094	92,376	1,690,554	46,124	1,736,678
	(41.4)	(25.7)	(10.5)	(6.1)	(3.4)	(61.4)	(1.7)	(63.0)
2004-05	1,275,971 &	758,995	390,477	174,107	92,989	1,933,544	60,878	1,994,422
	(39.4)	(23.4)	(12.0)	(5.4)	(2.9)	(59.6)	(1.9)	(61.5)
2005-06	1,389,758 &	862,370	479,761	186,921	109,462	2,165,902	94,243	2,260,145
	(37.6)	(23.4)	(13.0)	(5.1)	(3.0)	(58.7)	(2.6)	(61.2)
2006-07	1,544,975 &	972,801	539,450	220,160	131,295	2,435,880	102,716	2,538,596
	(36.0)	(22.7)	(12.6)	(5.1)	(3.1)	(56.7)	(2.4)	(59.1)
2007-08	1,808,359 &	1,092,468	553,620	236,373	127,043	2,725,395	112,031	2,837,426
	(36.3)	(21.9)	(11.1)	(4.7)	(2.5)	(54.7)	(2.2)	(56.9)
2008-09	2,028,549 &	1,326,094	553,518	325,383	128,682	3,036,132	123,046	3,159,178
	(36.3)	(23.8)	(9.9)	(5.8)	(2.3)	(54.4)	(2.2)	(56.6)
2009-10	2,349,148 &	1,746,623	581,033	334,128	119,453	3,383,762	134,083	3,517,845
	(35.9)	(26.7)	(8.9)	(5.1)	(1.8)	(51.7)	(2.0)	(53.7)
2010-11 (RE)	2,703,844 &	2,082,036	590,809	338,690	141,415	3,774,758	156,347	3,931,105
	(34.3)	(26.4)	(7.5)	(4.3)	(1.8)	(47.9)	(2.0)	(49.9)
2011-12 (BE)	3,110,618 &	2,425,036	600,903	338,966	131,355	4,181,842	170,847	4,352,689
	(34.6)	(27.0)	(6.7)	(3.8)	(1.5)	(46.6)	(1.9)	(48.5)

RE: Revised Estimates BE: Budget Estimates

\+ Include mainly Postal Insurance and Life Annuity Fund, borrowings under Compulsory Deposits and Income Tax Annuity Deposits, Special Deposits of non-Government Provident Funds.

++ Include Depreciation Reserve Fund of Railways, Dept. of Posts and Dept. of Telecommunications, Deposits of Local Funds, Departmental and Judicial Deposits, Civil Deposits, etc.

* At historical exchange rate.

\# The sharp increase in internal debt and corresponding decline in small savings and provident funds in 1999-2000 is due to conversion of other liabilities (small savings, deposits and public provident funds) amounting to ₹1,80,273 crore into Central Government securities. Since 1999-2000, Small Savings represent liabilities under National Small Savings fund (NSSF) excluding NSSF investment in the Central Government's Special Securities.

& Include amount raised under Market Stabilisation Scheme.

Note: Figures in parentheses are percentages to GDP.

Source: Budget Documents of the Government of India.

Statement 9: Key Fiscal Indicators

(₹ crore)

Items	2002-03 (Accounts)	2003-04 (Accounts)	2004-05 (Accounts)	2005-06 (Accounts)	2006-07 (Accounts)	2007-08 (Accounts)
	1	2	3	4	5	6
1. Gross Fiscal Deficit	1,45,072	1,23,273	1,25,794	1,46,435	1,42,573	1,26,912
	(5.9)	(4.5)	(3.9)	(4.0)	(3.3)	(2.5)
2. Revenue Deficit	1,07,879	98,261	78,338	92,300	80,222	52,569
	(4.4)	(3.6)	(2.4)	(2.5)	(1.9)	(1.1)
3. Net RBI Credit to Centre	-28,399	-76,065	-60,177	5,160	-3,027	-1,16,772
	-(1.2)	-(2.8)	-(1.9)	(0.1)	-(0.1)	-(2.3)
4. Gross Primary Deficit	27,268	-815	-1,140	13,805	-7,699	-44,118
	(1.1)	(0.0)	(0.0)	(0.4)	-(0.2)	-(0.9)
5. Subsidies	43,533	44,323	45,957	47,522	57,125	70,926
of which:	(1.8)	(1.6)	(1.4)	(1.3)	(1.3)	(1.4)
i) Food	24,176	25,181	25,798	23,077	24,014	31,328
	(1.0)	(0.9)	(0.8)	(0.6)	(0.6)	(0.6)
ii) Fertiliser	11,015	11,847	15,879	18,460	26,222	32,490
	(0.4)	(0.4)	(0.5)	(0.5)	(0.6)	(0.7)
iii) Petroleum	5,225	6,351	2,956	2,683	2,699	2,820
	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)
6. Defence Expenditure	55,662	60,066	75,856	80,549	85,510	91,681
	(2.3)	(2.2)	(2.3)	(2.2)	(2.0)	(1.8)
7. Interest Payments	1,17,804	1,24,088	1,26,934	1,32,630	1,50,272	1,71,030
	(4.8)	(4.5)	(3.9)	(3.6)	(3.5)	(3.4)
8. Total Non-Plan Expenditure	3,01,778	3,48,923	3,65,960	3,65,100	4,13,527	5,07,589
	(12.3)	(12.7)	(11.3)	(9.9)	(9.6)	(10.2)
9. Budgetary Support to Public	15,232	15,982	17,005	17,362	20,635	19,636
Enterprises *	(0.6)	(0.6)	(0.5)	(0.5)	(0.5)	(0.4)
10. Interest Receipts	37,622	38,538	32,387	22,032	22,524	21,060
	(1.5)	(1.4)	(1.0)	(0.6)	(0.5)	(0.4)
11. Interest Payments as per cent of revenue receipts	51.0	47.0	41.5	38.2	34.6	31.6
12. Revenue Deficit as per cent of Gross Fiscal Deficit	74.4	79.7	62.3	63.0	56.3	41.4
13. Net RBI Credit to Centre as per cent of Gross Fiscal Deficit	-19.6	-61.7	-47.8	3.5	-2.1	-92.0

.. Not available / applicable.

* Figures relate to revised estimates for years prior to 2008-09.

Note: Figures in parentheses are per cent to GDP. Ratio to GDP for 2010-11 (BE) is based on GDP estimate as implied in Union Budget 2010-11.

Source: Budget documents of the Government of India.

Statement 9: Key Fiscal Indicators *(Concld.)*

(₹ crore)

Items	2008-09 (Accounts)	2009-10 (Accounts)	2010-11 (Budget Estimates)	2010-11 (Revised Estimates)	2011-12 (Budget Estimates)
	7	8	9	10	11
1. Gross Fiscal Deficit	3,36,992	4,18,482	3,81,408	4,00,998	4,12,817
	(6.0)	(6.4)	(5.5)	(5.1)	(4.6)
2. Revenue Deficit	2,53,539	3,38,998	2,76,512	2,69,844	3,07,270
	(4.5)	(5.2)	(4.0)	(3.4)	(3.4)
3. Net RBI Credit to Centre	1,76,397	1,49,820	..	..	..
	(3.2)	(2.3)	..	..	..
4. Gross Primary Deficit	1,44,788	2,05,389	1,32,744	1,60,241	1,44,831
	(2.6)	(3.1)	(1.9)	(2.0)	(1.6)
5. Subsidies	1,29,708	1,41,351	1,16,224	1,64,153	1,43,570
of which:	(2.3)	(2.2)	(1.7)	(2.1)	(1.6)
i) Food	43,751	58,443	55,578	60,600	60,573
	(0.8)	(0.9)	(0.8)	(0.8)	(0.7)
ii) Fertiliser	76,603	61,264	49,981	54,976	49,998
	(1.4)	(0.9)	(0.7)	(0.7)	(0.6)
iii) Petroleum	2,852	14,951	3,108	38,386	23,640
	(0.1)	(0.2)	(0.0)	(0.5)	(0.3)
6. Defence Expenditure	1,14,223	1,41,781	1,47,344	1,51,582	1,64,415
	(2.0)	(2.2)	(2.1)	(1.9)	(1.8)
7. Interest Payments	1,92,204	2,13,093	2,48,664	2,40,757	2,67,986
	(3.4)	(3.3)	(3.6)	(3.1)	(3.0)
8. Total Non-Plan Expenditure	6,08,721	7,21,096	7,35,657	8,21,552	8,16,182
	(10.9)	(11.0)	(10.6)	(10.4)	(9.1)
9. Budgetary Support to Public	23,553	32,320	34,750	37,776	40,125
Enterprises*	(0.4)	(0.5)	(0.5)	(0.5)	(0.4)
10. Interest Receipts	20,717	21,756	19,252	19,728	19,578
	(0.4)	(0.3)	(0.3)	(0.3)	(0.2)
11. Interest Payments as per cent of revenue receipts	35.6	37.2	36.4	30.7	33.9
12. Revenue Deficit as per cent of Gross Fiscal Deficit	75.2	81.0	72.5	67.3	74.4
13. Net RBI Credit to Centre as per cent of Gross Fiscal Deficit	52.3	35.8	..	..	..

*Railway Budget 2011-12: An Assessment**

The Railway Budget 2011-12 has proposed various business-oriented policy measures to expand railway network, keeping in view the need to enhance capacity while also promoting setting up of rail-based industries and creating employment opportunities. The overall approach of this Budget 2011-12 has been to balance economic imperatives with social inclusion objective. It continues to accord greater priority to safety and security by putting in place a reward system for the States. The emphasis on enhanced connectivity of underdeveloped regions is desirable to support the objective of inclusive development of Indian economy. Among other initiatives, the Budget proposes to introduce a system of e-procurement and e-auction to ensure transparency and economy and has declared 2011-12 as the Year of Green Energy. Persisting high operating ratio and lower return raise a cause of concern for long-term commercial viability of Indian Railways. In this context, the Budget's emphasis on growth along with efficient functioning of Indian Railways is a step in the right direction. Taking note of resource constraints, a number of projects are proposed to be undertaken under Public Private Partnership (PPP) mode like wagon manufacturing units, etc. The financial performance indicators such as operating ratio, net surplus and return on capital have been estimated to improve during 2011-12 but would remain lower than the levels attained in 1997-98. The budget projects a higher net surplus during 2011-12 on the basis of anticipated increase in passenger and freight earnings despite no change in fares.

The overall approach of the Railway Budget 2011-12, presented to the Parliament on February 25, 2011, has been to balance economic imperatives with social inclusion objective. This article sets out key features of the Railway Budget.

Financial Performance

An analysis of 2010-11 revised estimates shows that the surplus of the Railways has turned out to be higher than budgeted despite a fall in net revenue. This reflected lower dividend payout. The total receipts have turned out to be lower reflecting lower receipts on account of subsidy from general revenues. Notwithstanding the losses on account of disruption of train movement and ban on export of iron ore, the gross traffic receipts turned out to be marginally higher than the budget estimates during 2010-11 (Statement 1).

The surplus of Railways is budgeted to increase by 28.1 per cent during 2011-12, reflecting higher earnings from both passenger travel and freight traffic. The growth in passenger earnings is budgeted to be even higher than the average for 2007-2010 despite no revision in the fares, anticipating increased earnings from new train services and additional railway tracks (Table 1).

Total working expenses for 2011-12 are budgeted to increase sharply, reflecting higher ordinary working expenses and enhanced appropriations to pension and depreciation reserve funds (Chart 1 and Statement 1). The working expenses are envisaged to increase across the board, including on traffic operations, staff welfare and amenities, repairs and maintenance and fuel

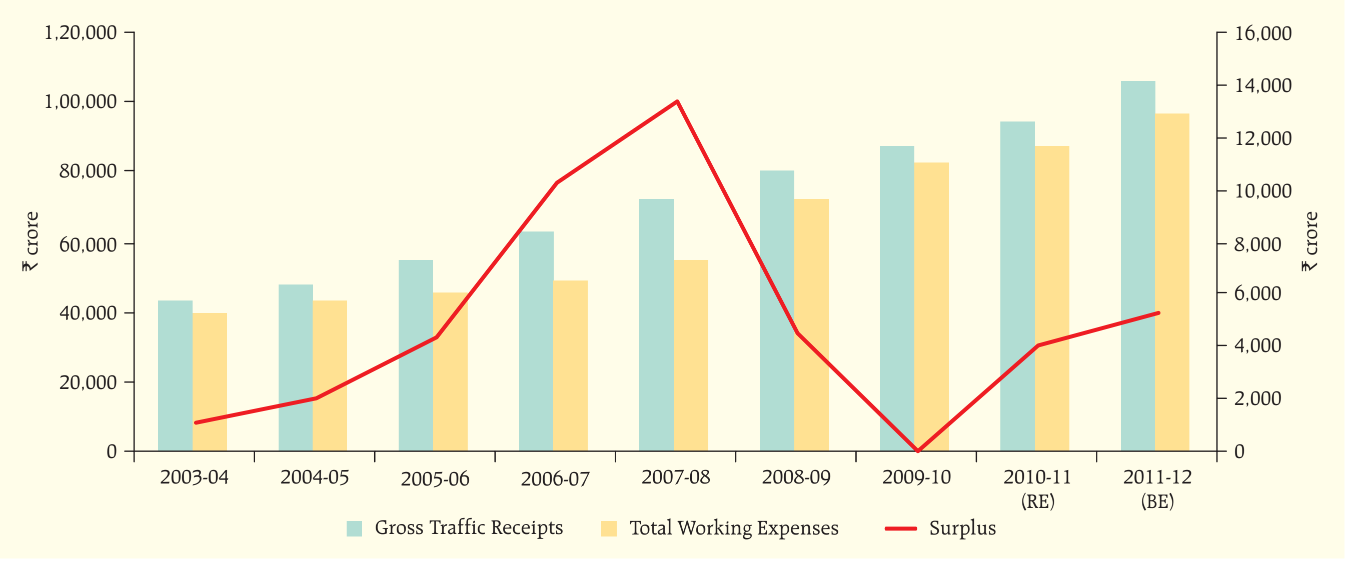
Table 1: Financial Indicators at a Glance (Growth Rates)

(Per cent)

Items	2007-08 to 2009-10 (Avg)	2010-11 (RE)	2011-12 (BE)
	1	2	3
I. Total Receipts	11.3	8.9	12.6
of which			
a) Passenger earnings	10.9	11.2	16.6
b) Freight earnings	11.9	6.8	9.8
II. Total Expenditure	18.8	5.3	10.5
of which			
a) Net Ordinary Working Expenses	21.1	1.8	9.9
b) Appropriations to Funds	14.6	12.6	12.9
III. Net Revenue (I-II)	-20.9	62.7	32.9
Memo (Ratios)			
i) Operating Ratio	87.2	92.1	91.1
ii) Ratio of Net Revenue to Capital-at-Charge and Investment from Capital Fund	11.3	6.3	7.6

* Prepared in the Fiscal Analysis Division of the Department of Economic and Policy Research. This article is based on the Railway Budget 2011-12 presented to the Parliament on February 25, 2011.

Chart 1: Railway's Revenue, Expenditure and Surplus



expenses (Statement 2). The dividend payout is budgeted to be higher in 2011-12.

The operating ratio (total working expenses to total earnings ratio) is budgeted to improve in 2011-12. However, this remains higher than the level achieved in 2007-08 (Statement 5). The deterioration in operating ratio in recent years has been largely on account of the impact of Sixth Pay Commission recommendations and reduction in loading of iron ore for export, along with no major revision in passengers fares.

The return on capital (*i.e.*, ratio of net revenue to Capital-at-Charge and Investment from Capital Fund) is budgeted to improve to 7.6 per cent in 2011-12 from 6.3 per cent in 2010-11, though it remains much lower than the return achieved during 2007-08 (Table 2).

Table 2: Major Financial Ratios

(Per cent)

Items	Operating Ratio	Net Railway Revenue as percentage of Capital-at-Charge
	1	2
2003-04	92.1	8.0
2004-05	91.0	8.9
2005-06	83.7	15.4
2006-07	78.7	19.0
2007-08	75.9	20.7
2008-09	90.5	8.8
2009-10	95.3	4.5
2010-11 RE	92.1	6.3
2011-12 BE	91.1	7.6

Plan Outlay

The budgeted plan outlay at ₹57,630 crore in 2011-12 is the highest ever plan investment by the Railways, showing an increase of 42.9 per cent over 2010-11 (RE). More than half of the plan outlay (₹31,279 crore) is proposed to be allocated for expansion of railway network, doubling and gauge conversion and acquisition of rolling stock (Statement 3). The financing pattern shows that only a quarter of the plan outlay is budgeted to be financed through internal resources, as against 30.3 per cent in 2010-11(44.8 per cent on an average during 2007-2010). Gross budgetary support for 2011-12 is estimated to finance 34.7 per cent of the plan outlay (45.2 per cent in 2010-11). On the other hand, market borrowings have emerged as a major source of finance for the plan outlay, with its share increasing to 35.7 per cent from 24.5 per cent in 2010-11. This also includes an additional amount of ₹10,000 crore to be raised by Indian Railways Finance Corporation through issuances of tax-free bonds and to be used for financing of select capacity enhancement works. The external sources of financing such as Public Private Partnership (PPP), Wagon Investment Scheme, *etc.* would account for around 3 per cent of total plan investment.

Investment Initiatives

The Railways have proposed business-oriented policies to expand railway network, keeping in view the need to enhance capacity while also promoting setting up of rail-based industries and creating employment opportunities. Taking note of resource constraints, a number of projects are proposed to be undertaken under PPP mode like wagon manufacturing units, *etc.* (Annex).

Overall Assessment

The financial performance of the Railways as per the revised estimates appears to be better than the Budget estimates for 2010-11 despite fall in net revenues. This reflected a lower than the budgeted dividend payouts in 2010-11. The Budget projects a higher surplus during 2011-12 on the basis of anticipated increase in passenger and freight earnings despite no change in fares. This reflects a continued growth in passenger and freight traffic on account of augmented capacity, new lines and additional trains (Statement 4).

The operating ratio is budgeted to be lower in 2011-12. The ratio, however, remains higher than the levels achieved during 2007-08 largely reflecting the impact of pay revision and stagnant fare structure. The return on capital, *albeit* budgeted higher, for 2011-12, shows a deterioration from the level of 2007-08. Persisting high operating ratio and lower return raise a cause of concern for long-term commercial viability of Indian Railways. In this context, the Budget's emphasis on growth along with efficient functioning of Indian Railways is a step in the right direction. Several business-oriented policies announced in the Budget would increase employment opportunities and increase investment. Indian Railways continues to accord greater priority to safety and security by putting in place a reward system for the States. The emphasis on enhanced connectivity of underdeveloped regions is desirable to support the objective of inclusive development of Indian economy.

Annex: Major Policy Initiatives of Railway Budget 2011-12

New Services

- Introduction of 137 new trains and of AC double-decker services on two routes, extension of 33 trains and increase in frequency of 22 trains.
- Suburban services to be augmented in Mumbai, Chennai, Kolkata, Delhi and Secunderabad regions.

Modernisation and setting up of Factories

- Setting up of a bridge factory in J&K and a state-of-the-art Institute for Tunnel and Bridge Engineering at Jammu.
- Establishing a metro coach factory at Singur, Diesel Locomotive Centre in Manipur and Centre of Excellence in Software at Darjeeling; setting up two more wagon units under JV/PPP mode at Kolar, Alappuzha, Kerala and Buniadpur.
- Setting up a manufacturing industry for the indigenous production of large on-track machines at Uluberia as a joint venture.
- Setting up a 'Rail Industrial Park' at Jellingham and at New Bongaigaon and a 700 MW gas-based power plant at Thakurli.
- Setting up more mechanised laundries in a number of places for improving the quality of linen in trains.

Vision 2020

- Under the Vision 2020, which provides a definite roadmap for infrastructure, over 700 Km of new railway lines is expected to be added during 2010-11 and 1,000 kms to be added in 2011-12.

Gauge Conversion and Doubling

- New gauge conversion works in 6 routes and doubling works in 28 routes to be undertaken in 2011-12.

Railway Electrification

- Completion of about 1,000 route-km of electrification during 2011-12 in three sections.

Sukhi Griha Scheme

- Providing 10,000 dwelling units to people living near railway tracks through *Sukhi Griha Scheme*.

Rail connectivity

- All the State capitals of northeast regions (except Sikkim) to be connected by rail network in the next seven years.

Safety and Security

- Extension of 'Anti-Collision Devices' to Eastern, East Coast, East Central and South Eastern Railways.
- States, which ensure trouble-free running of trains for the whole year, to be rewarded by giving two new trains and two projects as a special package.

Other measures

- Collaboration with Universities for development of new designs for rail steel bridges, *etc.*
- Introduction of e-procurement and e-auction to ensure transparency and economy.
- 2011-12 declared as the 'Year of Green Energy'.
- Improvement in passenger amenities through a number of schemes like, 'Go-India' smart card, facilities for physically challenged customers at stations, provision of internet access on Howrah-Rajdhani Express as a pilot project and introduction of a new Super AC class of travel.
- Mega recruitment drives to fill up vacancies in Railways.
- Concession facilities offered to press correspondents to be increased from once in a year to twice a year. Concessions for senior citizens, both men and women, also increased.
- Rail tourism to be promoted through partnership with Ministry of Tourism.

Statement 1: Financial Results of Railways

(₹ crore)

Items	2009-10 (Actuals)	2010-11 (Budget Estimates)	2010-11 (Revised Estimates)	2011-12 (Budget Estimates)
	1	2	3	4
1. Gross Traffic Receipts (a to e)	**86,964**	**94,765**	**94,840**	**1,06,239**
(a) Passenger Earnings	23,488	26,126	26,126	30,456
(b) Freight (Goods) Earnings	58,502	62,489	62,489	68,620
(c) Sundry Other Earnings	2,880	3,171	3,530	4,060
(d) Other Coaching	2,235	2,778	2,596	2,903
(e) Suspense	-141	200	98	200
2. Total Miscellaneous Receipts (a to d)	**2,265**	**2,957**	**2,311**	**3,154**
a) Interest on Fund Balances	0	0	0	0
b) Receipts from Safety Surcharge on Passenger Fares	0	0	0	0
c) Subsidy from General Revenues towards dividend relief & other concessions	2,156	2,830	2,191	3,023
d) Other Miscellaneous Receipts	109	127	120	132
3. Total Receipts (1+2)	**89,229**	**97,722**	**97,151**	**1,09,393**
4. Ordinary Working Expenses	65,810	65,000	67,000	73,650
5. Appropriation to Pension Fund	14,918	14,500	14,500	15,800
6. Appropriation to Depreciation Reserve Fund	2,187	7,600	5,700	7,000
7. Total Working Expenses {4+5+6}	**82,915**	**87,100**	**87,200**	**96,450**
8. Total Miscellaneous Expenditure	**770**	**840**	**929**	**950**
a) Appropriation to Special Railway Safety Fund	0	0	0	0
b) O.L.W.R. (Open Line Works Revenue)	41	60	59	60
c) Other Miscellaneous Expenditure	729	780	870	890
9. Total Expenditure (7+8)	**83,685**	**87,940**	**88,129**	**97,400**
10. Net Revenue (3-9)	**5,544**	**9,782**	**9,022**	**11,993**
11. a) Dividend Payable to General Revenue	5,543	6,608	4,917	6,735
b) Payment of Deferred Dividend	0	0	0	0
c) Total Dividend Payment (a+b)	5,543	6,608	4,917	6,735
12. Surplus [10-11(c)]	**1**	**3,174**	**4,105**	**5,258**
13. Appropriation to Development Fund	1	2,800	2,358	2,400
14. Appropriation to Capital Fund	0	373	1,747	2,858
15. Appropriation to Railway Safety Fund	0	0	0	0
16. Appropriation to Special Railway Safety Fund	0	0	0	0
17. Operating Ratio (%)	**95.3**	**92.3**	**92.1**	**91.1**
18. Ratio of Net Revenue to Capital-at-Charge and Investment from Capital Fund (%)	**4.5**	**6.9**	**6.3**	**7.6**

Source: Explanatory Memorandum on the Railway Budget, 2011-12.

Statement 1: Financial Results of Railways *(Concld)*

(₹ crore)

Items	Variations					
	Col. 3 over Col. 2		Col. 3 over Col. 1		Col. 4 over Col. 3	
	Amount	Per cent	Amount	Per cent	Amount	Per cent
	5	6	7	8	9	10
1. Gross Traffic Receipts (a to e)	**75**	**0.1**	**7,876**	**9.1**	**11,399**	**12.0**
(a) Passenger Earnings	0	0.0	2,638	11.2	4,330	16.6
(b) Freight (Goods) Earnings	0	0.0	3,987	6.8	6,131	9.8
(c) Sundry Other Earnings	359	11.3	650	22.6	530	15.0
(d) Other Coaching	-182	-6.6	361	16.2	307	11.8
(e) Suspense	-102	-51.0	239	-169.5	102	104.1
2. Total Miscellaneous Receipts (a to d)	**-646**	**-21.8**	**46**	**2.0**	**843**	**36.5**
a) Interest on Fund Balances	0	–	0	–	0	–
b) Receipts from Safety Surcharge on Passenger Fares	0	–	0	–	0	–
c) Subsidy from General Revenues towards dividend relief & other concessions	-639	-22.6	35	1.6	832	38.0
d) Other Miscellaneous Receipts	-7	-5.5	11	10.1	12	10.0
3. Total Receipts (1+2)	**-571**	**-0.6**	**7,922**	**8.9**	**12,242**	**12.6**
4. Ordinary Working Expenses	2,000	3.1	1,190	1.8	6,650	9.9
5. Appropriation to Pension Fund	0	0.0	-418	-2.8	1,300	9.0
6. Appropriation to Depreciation Reserve Fund	-1,900	-25.0	3,513	160.6	1,300	22.8
7. Total Working Expenses {4+5+6}	**100**	**0.1**	**4,285**	**5.2**	**9,250**	**10.6**
8. Total Miscellaneous Expenditure	**89**	**10.6**	**159**	**20.6**	**21**	**2.3**
a) Appropriation to Special Railway Safety Fund	0	–	0	–	0	–
b) O.L.W.R. (Open Line Works Revenue)	-1	-1.7	18	43.9	1	1.7
c) Other Miscellaneous Expenditure	90	11.5	141	19.3	20	2.3
9. Total Expenditure (7+8)	**189**	**0.2**	**4,444**	**5.3**	**9,271**	**10.5**
10 Net Revenue (3-9)	**-760**	**-7.8**	**3,478**	**62.7**	**2,971**	**32.9**
11. a) Dividend Payable to General Revenue	-1,691	-25.6	-626	-11.3	1,818	37.0
b) Payment of Deferred Dividend	0	-	0	–	0	–
c) Total Dividend Payment (a+b)	-1,691	-25.6	-626	-11.3	1,818	37.0
12. Surplus [10-11(c)]	**931**	**29.3**	**4,104**	–	**1,153**	**28.1**
13. Appropriation to Development Fund	-442	-15.8	2,357	–	42	1.8
14. Appropriation to Capital Fund	1,374	368.4	1,747	–	1,111	63.6
15. Appropriation to Railway Safety Fund	0	–	0	–	0	–
16. Appropriation to Special Railway Safety Fund	0	–	0	–	0	–
17. Operating Ratio (%)	**0**	**-0.2**	**-3**	**-3.4**	**-1**	**-1.1**
18. Ratio of Net Revenue to Capital-at-Charge and Investment from Capital Fund (%)	**-1**	**-8.7**	**2**	**40.0**	**1**	**20.6**

Statement 2: Ordinary Working Expenses of Railways

(₹ crore)

Items	2009-10 (Actuals)	2010-11 (Budget Estimates)	2010-11 (Revised Estimates)	2011-12 (Budget Estimates)	Variation					
					Col. 3 over Col. 2		Col. 3 over Col. 1		Col. 4 over Col. 3	
					Amount	Per cent	Amount	Per cent	Amount	Per cent
	1	2	3	4	5	6	7	8	9	10
Net Ordinary Working Expenses (a to h)	**65,810** (100.0)	**65,000** (100.0)	**67,000** (100.0)	**73,650** (100.0)	**2,000**	**3.1**	**1,190**	**1.8**	**6,650**	**9.9**
a) General Superintendence and Services	4,522 (6.9)	4,151 (6.4)	4,408 (6.6)	4,947 (6.7)	257	6.2	-114	-2.5	539	12.2
b) Repairs and Maintenance	22,809 (34.7)	21,831 (33.6)	22,041 (32.9)	24,437 (33.2)	210	1.0	-768	-3.4	2,396	10.9
c) Operating Expenses (Traffic)	11,603 (17.6)	11,303 (17.4)	11,749 (17.5)	12,997 (17.6)	446	3.9	146	1.3	1,248	10.6
d) Operating Expenses (Fuel)	14,555 (22.1)	15,721 (24.2)	16,232 (24.2)	17,226 (23.4)	511	3.3	1,677	11.5	994	6.1
e) Operating Expenses (Rolling Stock and Equipment)	5,817 (8.8)	5,462 (8.4)	5,609 (8.4)	6,301 (8.6)	147	2.7	-208	-3.6	692	12.3
f) Staff Welfare and Amenities	3,354 (5.1)	3,313 (5.1)	3,577 (5.3)	3,914 (5.3)	264	8.0	223	6.6	337	9.4
g) Suspense	-77.7 (-0.1)	-156.1 (-0.2)	-90.7 (-0.1)	-102.7 (-0.1)	65	-41.9	-13	16.7	-12	13.2
h) Others*	3,228 (4.9)	3,375 (5.2)	3,475 (5.2)	3,931 (5.3)	100	3.0	247	7.7	456	13.1

* Includes miscellaneous working expenses, Provident Fund, Pension and Other Retirement Benefits.

Note: Figures in brackets represent percentage to total.

Source: Explanatory Memorandum on the Railway Budget, 2011-12.

Statement 3: Developmental Expenditure of Railways

(₹ crore)

Items	2009-10 (Actuals)	2010-11 (Budget Estimates)	2010-11 (Revised Estimates)	2011-12 (Budget Estimates)	Variation: Col. 3 over Col. 2 Amount	Col. 3 over Col. 2 Per cent	Col. 3 over Col. 1 Amount	Col. 3 over Col. 1 Per cent	Col. 4 over Col. 3 Amount	Col. 4 over Col. 3 Per cent
	1	2	3	4	5	6	7	8	9	10
Total @	**39,672**	**41,426**	**40,315**	**57,630**	**-1,111**	**-2.7**	**643**	**1.6**	**17,315**	**42.9**
of which										
a) Track Renewals	4,106	5,000	4,605	4,964	-395	-7.9	499	12.2	359	7.8
	(10.3)	(12.1)	(11.4)	(8.6)						
b) Rolling Stock	13,161	13,140	13,088	14,120	-52	-0.4	-73	-0.6	1,032	7.9
	(33.2)	(31.7)	(32.5)	(24.5)						
c) Electrification Projects	714	601	657	978	56	9.3	-57	-8.0	321	48.9
	(1.8)	(1.5)	(1.6)	(1.7)						
d) Workshop including Production Units	1,257	1,479	1,628	1,657	149	10.1	371	29.5	29	1.8
	(3.2)	(3.6)	(4.0)	(2.9)						
e) New Lines	3,644	4,388	4,991	8,434	603	13.7	1,347	37.0	3,443	69.0
	(9.2)	(10.6)	(12.4)	(14.6)						
f) Lines Doubling	2,401	1,818	2,205	5,418	387	21.3	-196	-8.2	3,213	145.7
	(6.1)	(4.4)	(5.5)	(9.4)						
g) Traffic Facilities	1,105	1,240	780	1,032	-460	-37.1	-325	-29.4	252	32.3
	(2.8)	(3.0)	(1.9)	(1.8)						
h) Signalling and Telecommunication works	1,056	1,124	915	1,102	-209	-18.6	-141	-13.4	187	20.4
	(2.7)	(2.7)	(2.3)	(1.9)						

@ Actuals 2009-10 exclude ₹9,387.79 Crore (₹9,017.79 Crore Raised by indian Railways Finance Corporation (IRFC) for financing Railway Plan ₹370 Crore raised by Rail Vikas Nigam Limited for investment in various Railway Projects and ₹372 Crore under Wagon Investment Scheme (WIS). It includes ₹297 Crore as loan given to Konkan Railway Corporation (KRC). It also includes ₹1018.65 Crore as separate additional grant under Capital (₹542.27 Crore for New Lines and ₹476.38 Crore for Gauge Conversion Plan-heads) aimed at progressing execution of certain projects under these plan-heads identified as National projects.

Budget Estimates 2010-11 excludes market borrowing of ₹9,120 Crore etc.

Revised Estimates 2010-11 excludes market borrowing of ₹8,975 Crore etc.

Budget Estimates 2011-12 excludes market borrowing of ₹20,594 Crore etc.

Note: Figures in brackets represent percentages to total.

Source: Explanatory Memorandum on the Railway Budget, 2011-12 and Part I of Railway Minister's Budget Speech.

Statement 4: Freight and Passenger Traffic of Railways

(₹ crore)

Items	2009-10 (Actuals)	2010-11 (Budget Estimates)	2010-11 (Revised Estimates)	2011-12 (Budget Estimates)	Variation					
					Col. 3 over Col. 2		Col. 3 over Col. 1		Col. 4 over Col. 3	
					Amount	Per cent	Amount	Per cent	Amount	Per cent
	1	2	3	4	5	6	7	8	9	10
I. Freight Traffic (Million Tonnes)										
1. Coal	396	426	425	468	-1	-0.2	29	7.3	43	10.1
	(44.6)	(45.1)	(46.0)	(47.1)						
2. Raw Materials to Steel Plants	12	12	13	13	1	8.3	1	8.3	0	–
	(1.4)	(1.3)	(1.4)	(1.3)						
3. Pig Iron and Finished Steel for Steel Plants	32	33	32	35	-1	-3.0	0	–	3	9.4
	(3.6)	(3.5)	(3.5)	(3.5)						
4. Iron ore for Exports	133	143	115	115	-28	-19.6	-18	-13.5	0	–
	(15.0)	(15.1)	(12.4)	(11.6)						
5. Cement	93	99	99	106	0	–	6	6.5	7	7.1
	(10.5)	(10.5)	(10.7)	(10.7)						
6. Food Grains	39	34	43	45	9	26.5	4	10.3	2	4.7
	(4.4)	(3.6)	(4.7)	(4.5)						
7. Fertilisers	44	48	48	50	0	–	4	9.1	2	4.2
	(5.0)	(5.1)	(5.2)	(5.0)						
8. Others	139	149	149	161	0	–	10	7.2	12	8.1
	(15.7)	(15.8)	(16.1)	(16.2)						
Total (1 to 8)	**888**	**944**	**924**	**993**	**-20**	**-2.1**	**36**	**4.1**	**69**	**7.5**
II. No. of Passengers (in Millions)										
1. Suburban*	4,012	4,050	4,225	4,449	175	4.3	213	5.3	224	5.3
	(54.3)	(52.1)	(54.0)	(53.8)						
2. Non-Suburban	3,370	3,723	3,606	3,823	-117	-3.1	236	7.0	217	6.0
	(45.7)	(47.9)	(46.0)	(46.2)						
Total (1 + 2)	**7,382**	**7,773**	**7,831**	**8,272**	**58**	**0.7**	**449**	**6.1**	**441**	**5.6**

* Includes passengers on Metro Railway, Kolkata.

Note: Figures in brackets represent percentages to total.

Source: Explanatory Memorandum on the Railway Budget, 2011-12.

Statement 5: Indian Railways – Selected Performance Indicators (A Statistical Profile)

(₹ crore)

Items	Unit	1990-91	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03
	1	2	3	4	5	6	7	8
1. Capital-at-Charge & investment from Capital Fund *	₹ Crore	16,126	33,846	36,829	39,772	43,052	47,147	51,099
2. Route Kilometres - Total	Kilometres	62,367	62,495	62,809	62,759	63,028	63,140	63,122
Of which:								
Electrified	Kilometres	9,968	13,490	13,765	14,261	14,856	15,994	16,272
3. Number of Stations		7,100	6,929	6,896	6,867	6,843	6,856	6,906
4. Employees (As on 31 March)	Thousands	1,652	1,579	1,578	1,577	1,545	1,511	1,472
5. Wage Bill	₹ Crore	5,166	14,141	15,611	16,289	18,841	19,037	19,915
6. Number of Passengers Originating	Millions	3,858	4,348	4,411	4,585	4,833	5,093	4,971
7. Passenger Kilometres	Millions	2,95,644	3,79,897	4,03,884	4,30,666	4,57,022	4,93,488	5,15,044
8. Average Lead of Passenger Traffic	Kilometres	77	87	92	94	95	97	104
9. Average Rate per Passenger Kilometre	Paise	11	20	21	22	23	23	24
10. Originating Revenue - Earning Freight Traffic	Million Tonnes	318	429	421	456	474	493	519
11. Revenue-Earning Freight Traffic - Net Tonne Kilometres	Millions	2,35,785	2,84,249	2,81,513	3,05,201	3,12,371	3,33,228	3,53,194
12. Average Lead of Revenue - Earning Freight Traffic	Kilometres	711	644	644	644	626	644	656
13. Average Rate Per Tonne Kilometre	Paise	35	69	70	71	74	74	74
14. Revenue-Gross Receipts**	₹ Crore	12,452	29,134	30,234	33,856	36,011	39,358	42,741
15. Operating Ratio	Per cent	92.0	90.9	93.3	93.3	98.3	96.0	92.3
16. Surplus(+)/Deficit(-)	₹ Crore	176	1,535	399	846	764	1,000	1,115

* Capital-at-charge excludes Capital Outlay on Metropolitan Transport Projects and Circular Railway (Eastern Railway) and disinvestments.

** Includes Total Miscellaneous Receipts.

Note: 1. Capital-at-charge means capital contributed by General Revenues for investment in Railways.

2. Operating Ratio means ratio of total working expenses to gross traffic receipts.

Source: 1. Indian Railways Year Books.

2. Indian Railways Annual Report and Accounts.

Statement 5: Indian Railways – Selected Performance Indicators (A Statistical Profile) *(Concld.)*

(₹ crore)

Items	Unit	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
	1	2	10	11	12	13	14	15
1. Capital-at-Charge & investment from Capital Fund *	₹ Crore	56,062	59,347	65,878	76,031	88,521	1,04,301	1,23,001
2. Route Kilometres - Total	Kilometres	63,221	63,465	63,332	63,327	63,273	64,015	63,974
Of which:								
Electrified	Kilometres	16,776	17,495	17,907	17,786	18,274	18,559	18,927
3. Number of Stations		7,031	7,146	6,974	6,909	7,025	7,030	7,083
4. Employees (As on 31 March)	Thousands	1,442	1,424	1,412	1,398	1,394	1,386	1,362
5. Wage Bill	₹ Crore	20,929	22,553	23,920	24,159	25,892	39,993	51,237
6. Number of Passengers Originating	Millions	5,112	5,378	5,725	6,219	6,524	6,920	7,246
7. Passenger Kilometres	Millions	5,41,208	5,75,702	6,15,614	6,94,764	7,69,956	8,38,032	9,03,465
8. Average Lead of Passenger Traffic	Kilometres	106	107	108	112	118	121	125
9. Average Rate per Passenger Kilometre	Paise	25	24	25	25	26	26	26
10. Originating Revenue - Earning Freight Traffic	Million Tonnes	557	602	667	728	794	833	888
11. Revenue-Earning Freight Traffic - Net Tonne Kilometres	Millions	3,81,241	4,07,398	4,39,596	4,80,993	5,21,371	5,51,448	6,00,548
12. Average Lead of Revenue - Earning Freight Traffic	Kilometres	661	657	647	649	651	660	674
13. Average Rate Per Tonne Kilometre	Paise	72	75	81	85	89	94	95
14. Revenue-Gross Receipts**	₹ Crore	44,911	49,047	56,316	64,786	73,277	81,659	89,229
15. Operating Ratio	Per cent	92.1	91.0	83.7	78.7	75.9	90.5	95.3
16. Surplus(+)/Deficit(-)	₹ Crore	1,091	2,074	4,338	10,206	13,431	4,457	1

Finances of State Governments – 2010-11: Highlights*

The State governments presented their budgets for 2010-11 against the backdrop of a strengthening recovery and the resultant improvement in growth prospects for the Indian economy. Reflecting these positive developments, growth in own tax revenues of States was budgeted to be higher in 2010-11 than in 2009-10 (RE). In addition, the States also expect a larger devolution from the Centre in the form of share in Central taxes during 2010-11. Having undertaken massive expansion in aggregate expenditures in the previous two years in the wake of the overall macroeconomic slowdown and implementation of recommendations of the Sixth Central/State(s) Pay Commission, the States budgeted only a modest rise in their aggregate expenditures during 2010-11. All these factors augur well for the resumption of the fiscal consolidation process at the level of the States in 2010-11. The emerging pattern of expenditure showed that as a ratio to Gross State Domestic Product (GSDP), development expenditure, capital outlay and social sector expenditure were budgeted to be lower in many States, raising concerns about the quality of fiscal adjustment being undertaken at the State level. Despite the extra expenditure obligations emanating from the implementation of revised pay structures and fiscal stimulus measures, States' debt-GDP ratio at 25.0 per cent in 2009-10 (RE) was well below the level of 30.8 per cent recommended by the Twelfth Finance Commission. In 2010-11 (BE), the aggregate debt-GDP ratio of States was likely to decline further, reflecting higher growth in nominal GDP than that in outstanding debt.

This article presents the highlights of the State Governments' budgets for 2010-11. A detailed analysis is presented in 'State Finances: A Study of Budgets of 2010-11' that was released in March 2011[1].

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[1] The publication 'State Finances: A Study of Budgets of 2010-11' is available on the Reserve Bank's website (www.rbi.org.in).

The global crisis affected output and employment across the world. To support aggregate demand, the major advanced and emerging market economies resorted to expansionary fiscal and monetary policies. While expansionary fiscal policy played an important role in the process of global economic recovery, fiscal sustainability has since assumed significance. In India, with the unprecedented global developments in the second half of 2008-09, the Central as well as State governments adopted an expansionary fiscal stance to counter the effects of the global crisis on the Indian economy. Although only a few State governments announced expenditure-led fiscal stimulus packages, these policy measures had a discernible impact on the consolidated revenue receipts and aggregate expenditures of State governments in 2008-09 and 2009-10. Consequently, there was a marked deterioration in the major fiscal indicators of the States.

With the Indian economy showing faster recovery from the second half of 2009-10, reverting to the path of fiscal consolidation has become an immediate priority of both the Central and State governments. Recognising the need for fiscal consolidation, the Thirteenth Finance Commission (FC) has set out a roadmap for fiscal correction and consolidation in the medium-term, both for the Centre and State governments. The budgets of the State governments for 2010-11 reflected their commitment to resuming the process of fiscal consolidation. Importantly, with the enactment of the Fiscal Responsibility and Budget Management (FRBM) Acts in West Bengal and Sikkim, all the States are expected to follow a rule-based fiscal policy, *albeit* under the amended FRBM Acts as suggested by the Thirteenth FC.

The State governments presented their budgets for 2010-11 against the backdrop of a strengthening recovery and the resultant improvement in growth prospects for the Indian economy. Reflecting these positive developments, growth in own tax revenues of States was budgeted to be higher in 2010-11 than in 2009-10 (RE). In addition, the States also expected a larger devolution from the Centre in the form of share in Central taxes during 2010-11. Having undertaken massive expansion in aggregate expenditures in the previous two years in the wake of the overall macroeconomic slowdown and implementation of recommendations of the Sixth Central/State(s) Pay Commission (CPC/SPCs), the States budgeted only a modest rise in their aggregate expenditures during 2010-11. All these factors augur well for the resumption of the fiscal consolidation process at the level of the States in 2010-11.

The issues and perspectives are presented hereunder followed by the policy initiatives of State Governments, the Government of India, and of the Reserve Bank of India, an analysis and assessment of the consolidated budgetary position of the State Governments for the year 2008-09 (Accounts), 2009-10 (Revised Estimates) and 2010-11 (Budget Estimates). As a special theme, a brief on analysis of 'Finance Commissions in India: An Assessment' is provided at the end.

Issues and Perspectives

The period from 2004-05 to 2007-08 was marked by significant improvement in the consolidated position of State finances. The Twelfth FC put in place an incentive system, encouraging States to implement their own Fiscal Responsibility Legislations (FRLs) to enable them to be eligible for conditional debt restructuring and interest relief. However, the economic slowdown following the knock-on effect of the global financial crisis and the accompanying moderation in the pace of revenue growth adversely affected State finances in 2008-09 and 2009-10. After having implemented the expansionary fiscal policy to address the slowdown in the previous two years, the challenge before the State governments is to revert to the fiscal consolidation path from 2010-11 onwards. While an immediate challenge is to revert to the rule-based fiscal consolidation following the roadmap outlined by the Thirteenth FC, there is a need to calibrate the exit from the expansionary fiscal stance in a manner so that its adverse impact on growth is minimised. Another issue gaining importance from the viewpoint of State finances is the uncertainty regarding the implementation of the goods and services tax (GST) due to lack of consensus on certain issues between the Centre and the States. Given the uncertain revenue implications of the proposed introduction of GST, it is important for the States to undertake a careful management of their finances in the next few years. In the medium-term, improvement in the quality of States' expenditure management along with a move towards fiscal transparency and adoption/ strengthening of fiscal rules needs attention.

Policy Initiatives

Macroeconomic developments during 2008-09 and 2009-10 necessitated the use of expansionary fiscal policy at the State level. The policy emphasis was on the generation of employment and tax exemptions/ reductions to boost growth prospects. In fact, a few States undertook dedicated fiscal stimulus packages aimed at higher expenditure and tax concessions. However, foreseeing better growth prospects, States presented their budgets for 2010-11 with a focus on tax-enhancing measures, while measures such as exemption/reduction in the rates of value added tax (VAT) and excise duties on certain goods were also announced to tackle the price rise in essential commodities. On the expenditure side, higher allocations were proposed for various Plan schemes (both Centrally sponsored schemes and State Plan schemes), particularly in education, health, transportation, housing and employment generation besides increasing expenditure on food security and strengthening the public distribution system (PDS). The creation of infrastructure such as roads and bridges and healthcare services as public-private partnerships (PPP) was proposed by some States. Institutional measures such as establishment/augmentation of the Guarantee Redemption Fund (GRF) and the appointment of committees/commissions to oversee fiscal parameters in the context of fiscal reforms and budget management were expected to be taken up by some States in 2010-11. This section briefly discusses policy initiatives and schemes that have been proposed by the State governments, the Government of India and the Reserve Bank that impinge on State finances.

State Governments

The broad thrust of policy proposals announced in State budgets for 2010-11 was to revert to the path of fiscal consolidation suggested by the Thirteenth FC, against the backdrop of improvement in the prevailing macroeconomic conditions and the need for steady growth.

On the revenue side, the policy measures were broadly targeted to augment tax revenues. The major tax policy initiatives include: (i) an increase in the rate of value added tax (VAT) on specific commodities such as tobacco and allied products (Arunachal Pradesh and Karnataka), (ii) the imposition of VAT on items such as compressed natural gas for use in the transport sector, *Rassi, Ban & Newar,* bio-inputs like fertilisers, micro-nutrients and plant growth promoters, kerosene stoves, lanterns and petromax and their spares, embroidery and *zari* items, motion picture distribution, and plastic/ glass scrap which were earlier exempted (NCT Delhi), (iii) increase in VAT rate on certain items such as diesel, *desi* ghee, plastic household items, plastic and tin containers including barrels, fertilisers, pesticides, weedicides, insecticides, herbicides, rodenticides and plant growth regulators, wood, timber, plywood and laminated boards, fittings for doors and windows, and furniture (NCT Delhi), and (iv) levy of surcharge on VAT (Haryana). Besides these, a few States have announced an increase in the VAT rate from 4 per cent to 5 per cent as decided by the Empowered Committee of State Finance Ministers. Apart from increasing the VAT rate, States also announced tax rationalisation measures, such as rationalising the excise duty structure (Goa and Assam), revising the Passenger Goods Taxation Act (Assam and Meghalaya), revising the entry tax rate to make it consistent with the VAT rate (Bihar), rationalising/revising the motor vehicle tax (Assam, Kerala, Manipur, Maharashtra and Mizoram), amending the VAT Act and e-services for luxury and profession tax (Maharashtra), rationalising stamp duties (Manipur) and amending/revising the Entertainment Tax Act (Orissa). Keeping in view the sharp rise in the prices of essential commodities, most States proposed exempting or reducing the VAT on certain foodgrains and goods for daily use.

Several States announced rationalisation of the stamp duty structure through measures such as reduced stamp duty rates (Karnataka, Kerala, Punjab and Uttarakhand), concession in rates (Jammu and Kashmir), exemption from stamp duty on specific transactions (Chhattisgarh and Kerala) and e- Stamping for specific purposes (Bihar). Apart from the introduction of new schemes for taxes on trades and e-Payments, e-Returns were proposed to be made compulsory in some States (Bihar). On the non-tax front, revenue enhancing measures announced by States included: (i) rationalisation of the licence fee for retail sale of liquor (Goa and Meghalaya), (ii) recruitment of *talatis* as a separate cadre in the revenue department to carry out revenue work such as collecting land revenue (Gujarat), (iii) disinvestment of the State PSUs (Jammu and Kashmir and Karnataka), (iv) sale of land and imposition of toll on vehicles of more than 16 tonnes weight (Karnataka), and (v) rationalisation of power tariffs and forest royalties (Manipur).

Apart from announcing tax exemption/reduction on certain items, various States proposed special allocation of resources during 2010-11 to contain rising food prices. Besides higher expenditure on food security, expenditure on socio-economic services particularly education, medical and public health, family welfare, irrigation, roads and bridges and rural development, emerged as a priority area of expenditure allocation during 2010-11, although growth in expenditure in some of these sectors was budgeted to be lower.

The policy initiatives relating to agriculture and allied activities have assumed significance in an environment of high food inflation. Himachal Pradesh, Karnataka, Maharashtra, Meghalaya, Orissa and West Bengal announced policy measures to enhance irrigation potential in order to increase agricultural productivity. The Government of West Bengal proposed that multipurpose cold storages and chain arrangements be established to ensure a fair price to farmers for their produce. To assist farmers, the State governments of Assam and Maharashtra announced that they would provide an interest subsidy on agricultural loans, while Nagaland will provide high-yielding seeds and agricultural equipment to farmers. With a view to achieve self-sufficiency in foodgrain production, the Tripura government chalked out an action plan targeting higher foodgrain production in the State.

State governments attempted to promote industrial growth and industrialisation by providing the necessary infrastructure facilities and other incentives to industries within their regions. Towards this end, the major policy initiatives included the setting up of micro-level enterprises in every village (Assam), a Margin Money Grant scheme for assistance to entrepreneurs belonging to Scheduled Castes (SCs) and Scheduled Tribes (STs) (Chhattisgarh), a Venture Capital Fund and a Viability Gap Fund to raise capital (Goa), the Exclusive Entrepreneurs Development Programme for women to set up small and micro-enterprises and new emporiums called *Haat-cum-shilpgram* to sell handicraft items (Goa), road networks linking ports, special economic zones (SEZs) and Special Investment Regions (Gujarat), facilitating marketing campaigns of handicrafts during the Commonwealth Games (Jammu and Kashmir), and improving infrastructure facilities to encourage the establishment of small and medium industries in every district (Karnataka). The Maharashtra government envisaged a policy for the golden quadrilateral of Mumbai-Pune-Nashik-Aurangabad as a focal point of agro-industries and industrial development. In order to enhance the competitiveness of industries, the State governments of Bihar, Chhattisgarh and Madhya Pradesh announced exemption/reduction of entry tax on raw inputs/outputs used by industries.

The development of the social sector, particularly education, health, housing, social security, women empowerment and the welfare of SCs and STs, was emphasised by many States while presenting their budgets for 2010-11. The policy measures announced in State budgets also aimed to promote financial inclusion/banking services in States. These measures include: (i) an interest subsidy of 3 per cent for bank loans extended to self-help groups (SHGs) to increase the reach of cheaper credit to SHGs by banks (Arunachal Pradesh), (ii) strengthening Primary Agriculture Co-operatives and District Co-operative Banks as per the recommendations of the Vaidyanathan Committee (Gujarat and Karnataka), (iii) banking services at least one day in a week through branchless banking, and business correspondents and primary agricultural co-operative credit societies in villages with population up to 2,000 (Bihar) and (iv) enhancing the flow of credit to marginal farmers, especially BPL families, and providing seed capital (Meghalaya). The government of Nagaland proposed to extend the necessary assistance to set up banks in unbanked areas, while Uttarakhand proposed to establish 'mini-banks' in 428 villages during 2010-11. Rajasthan proposed to strengthen the co-operative movement through the Aggregate Co-operative Development Scheme.

The development of infrastructure and other services through Public Private Partnership (PPP) were another priority area in terms of States' policy initiatives in 2010-11. This was sought to be achieved through (i) constructing bridges and citizen service centres to provide value added services to rural citizens (Andhra Pradesh), (ii) setting up an Infrastructure Development Fund (Goa), (iii) setting up an Infrastructure Development Board for financing, implementation, maintenance and operation of PPP projects (Haryana), (iv) transmission and distribution of energy and the construction of expressways (Uttar Pradesh), (v) setting up hospitals (NCT Delhi), and (vi) improving tertiary-level healthcare (Haryana).

The institutional measures adopted by State governments such as Fiscal Responsibility Legislations (FRLs), Value Added Tax (VAT), New Pension Schemes (NPS), setting up of a Consolidated Sinking Fund (CSF) and a Guarantee Redemption Fund (GRF) have helped them consolidate their finances in the past decade. The progress so far has been quite encouraging as all States have implemented VAT and also enacted FRLs. In fact, one of the major developments during 2010-11 has been the enactment of the Fiscal Responsibility and Budget Management (FRBM) Acts by the State governments of West Bengal and Sikkim, which is expected to facilitate restructuring of finances in these States, particularly in West Bengal that has chronic revenue deficits.

Government of India

Under the National e-Governance Programme, the Government of India approved a scheme to computerise State treasuries at an overall cost of ₹626 crore (with Central assistance of ₹482 crore). The scheme, to be implemented in about three years beginning in 2010-11, would support States and UTs to fill the existing gap in their treasury computerisation, upgrading, expansion and interface requirements, apart from supporting basic computerisation. It would make the budgeting process more efficient, improve cash flow management, promote real time reconciliation of accounts, strengthen the management information system, improve accuracy and timeliness in preparing accounts and bring about transparency and efficiency in the public delivery system in States and Union Territories. In this context, the detailed guidelines were communicated to all States and UTs to enable them to prepare their proposals. Two committees, *viz.*, the Empowered Committee (EC) and the Programme Steering Committee, were constituted to implement the scheme.

The Central government announced steps towards management of food security in the country in consultation with State Chief Ministers to control food inflation in the economy. While the Direct Tax Code is to be introduced from April 1, 2012 the GST would be implemented once consensus on certain issues is achieved and the institutional setup is ready for its implementation. The government has already tabled the Constitutional Amendment Bill for GST in the Parliament on March 22, 2011. Acting on the assessment and recommendations of the Thirteenth FC, the Government of India appointed a committee to review the structure of the National Small Savings Fund (NSSF) and a Committee on revenue-deficit States to suggest ways to eliminate the revenue deficit (Kerala, Punjab and West Bengal).

Recognising that the Ladakh region of Jammu and Kashmir faces an extremely harsh climate and suffers from energy deficiency, the Government of India has proposed to set up solar, small hydro and micro-power projects. The Government of India announced a grant to the Government of Tamil Nadu towards the cost of installing a zero liquid discharge system at the effluent treatment plant in Tirupur to sustain hosiery industry without undermining the environment. A Special Golden Jubilee package was announced for Goa to preserve the natural resources of the State by restoring Goa's beaches, which are prone to erosion, and increasing its green cover through sustainable forestry. Apart from increased plan allocation for school education in 2010-11, States were provided resources for elementary education under the Thirteenth FC grants for 2010-11. In order to encourage State Governments to create a slum-free India, the Union budget 2010-11 proposed to increase support to the States under *Rajiv Awas Yojana* in 2010-11. To encourage people in the unorganised sector to voluntarily save for their retirement and to lower the cost of operating the NPS for such subscribers, the Government of India announced its contribution of ₹1,000 per year to each NPS account to be opened during 2010-11. This initiative, *Swalamban*, would be available for people joining NPS with a minimum contribution of ₹1,000 and a maximum contribution of ₹12,000 per annum during 2010-11. Accordingly, an amount of ₹100 crore was allocated for the year 2010-11. A Mission Mode Project to computerise commercial taxes in States has been approved with an outlay of ₹1,113 crore, of which the Centre's share is ₹800 crore; the project will lay the foundation for the launch of GST.

Reserve Bank of India

In January 2011, the Reserve Bank entered into a Supplementary Agreement under Section 21A of the Reserve Bank of India Act, 1934 with the Government of Jammu and Kashmir. Under the agreement, the Reserve Bank shall carry out the general banking business of the Government of Jammu and Kashmir and act as the sole agent for investment of Government's funds *w.e.f.* April 1, 2011. On the recommendation of the State Government, the Reserve Bank has entered into an agreement with Jammu and Kashmir Bank Ltd., whereby Jammu and Kashmir Bank would act as an agent of the Reserve Bank for conduct of general banking business of the State Government.

Consolidated Fiscal Position of the State Governments

Accounts: 2008-09

The fiscal position of the States deteriorated somewhat in 2008-09 as revenue receipts were impacted by the overall macroeconomic slowdown, and revenue expenditure obligations grew with the implementation of the Sixth Central Pay Commission (CPC)/State Pay Commissions (SPCs) during the year. The fiscal outcome for 2008-09 at the consolidated level, however, turned out to be better than anticipated when the revised estimates were translated into accounts. Accordingly, the consolidated surplus in the revenue account was higher while fiscal deficit was lower in the accounts position relative to the revised estimates for the year. As a ratio of GDP, the consolidated revenue surplus improved marginally, from 0.19 per cent in 2008-09 (RE) to 0.23 per cent in 2008-09 (Accounts). The improvement in the revenue account reflected a sharper reduction in revenue expenditure than the shortfall recorded in revenue receipts in the accounts *vis-à-vis* the revised estimates for the year.

The reduction in revenue expenditure occurred particularly in the development component, which declined sharply in 2008-09 (Accounts) over 2008-09 (RE). The decline was seen across major categories of development revenue expenditures, *viz.*, 'education, sports and art and culture', 'medical and public health' and 'rural development'. Non-development revenue expenditure was also lower and contributed more than one-fourth of the decline in revenue expenditure in 2008-09 (Accounts) over 2008-09 (RE). Within non-development revenue expenditure, committed expenditure comprising administrative services, pension and interest payments declined by 4.1 per cent in 2008-09 (Accounts) over 2008-09 (RE).

The revenue receipts in 2008-09 (Accounts) turned out to be lower than the revised estimates, due to a decline in transfers from the Centre and own tax revenues of States. Grants from the Centre as well as the States' share in Central taxes declined in 2008-09 (Accounts) over 2008-09 (RE), thereby contributing around 85.3 per cent to the total decline in revenue receipts. Reflecting the impact of moderation in overall economic activity in the Indian economy, States' own tax revenue (OTR) collections in 2008-09 (Accounts) also fell short of the revised estimates.

This was, however, partly compensated by an increase in States' own non-tax revenue receipts (ONTR) in 2008-09 (Accounts) over 2008-09 (RE). The marginal improvement in revenue account was reflected in a decline in the Gross Fiscal Deficit to GDP (GFD-GDP) ratio, from 2.6 per cent in 2008-09 (RE) to 2.4 per cent in 2008-09 (Accounts). The decline in capital outlay to the extent of 9.3 per cent over the revised estimates led to a further decline in the GFD-GDP ratio. Consequently, the consolidated GFD of the States declined in 2008-09 (Accounts) as compared with 2008-09 (RE). Reflecting the decline in GFD, the States were able to compress the primary deficit in 2008-09 (Accounts) over 2008-09 (RE) (Table 1).

Revised Estimates 2009-10

The deterioration in State finances persisted in 2009-10 as a few State governments, perceiving a further slowdown, announced dedicated fiscal stimulus measures including higher spending on infrastructure, while some other States announced tax exemptions and a reduction in their own tax rates to boost economic activities. The consolidated revenue deficit, therefore, re-emerged in 2009-10 after a gap of three years and GFD was higher in the revised estimates compared with budget estimates. The deterioration in the revenue account occurred as the marginal increase in total revenue receipts was more than offset by a surge in revenue expenditures of the States in 2009-10 (RE) over 2009-10 (BE). The revenue deficit as a ratio to GDP (RD-GDP) at 0.7 per cent in 2009-10 (RE) was marginally higher than 0.5 per cent in 2009-10 (BE).

According to the revised estimates of 2009-10, States' tax receipts declined over the budget estimates of that year, reflecting a perceptible fall in States' share in Central taxes and a marginal decline in States' OTR. The sharp fall in the Centre's gross tax revenues in the wake of the economic slowdown led to lower than budgeted transfers under the States' share in Central taxes in 2009-10 (RE). States' OTR also recorded a marginal decline as revenue collections from stamp and registration fees, professional tax and land revenue fell short of their budgeted levels. States' non-tax revenues, however, rose, particularly on account of a sharp rise in the ONTR component, while grants-in-aid from the Centre increased moderately in 2009-10 (RE) over 2009-10 (BE). The improvement in the ONTR of States over

Table 1: Variation in Major Items – 2008-09 (Accounts) over 2008-09 (RE)

(Amount in ₹ crore)

Item	2008-09 (RE)	2008-09 (Accounts)	Variation		Share in variation* (Per cent)
			Amount	Per cent	
	1	2	3	4	5
I. Revenue Receipts (i+ii)	**7,37,865**	**6,94,657**	**-43,208**	**-5.9**	**100.0**
(i) Tax Revenue (a+b)	5,03,878	4,82,983	-20,895	-4.1	48.4
(a) Own Tax Revenue	3,30,405	3,21,930	-8,475	-2.6	19.6
of which: Sales Tax	2,02,610	1,98,327	-4,283	-2.1	9.9
(b) Share in Central Taxes	1,73,473	1,61,052	-12,421	-7.2	28.7
(ii) Non-Tax Revenue	2,33,987	2,11,675	-22,312	-9.5	51.6
(a) States' Own Non-Tax Revenue	79,614	81,751	2,137	2.7	-4.9
(b) Grants from Centre	1,54,373	1,29,923	-24,450	-15.8	56.6
II. Revenue Expenditure	**7,27,165**	**6,81,985**	**-45,180**	**-6.2**	**100.0**
of which:					
(i) Development Expenditure	4,45,889	4,14,452	-31,437	-7.1	69.6
of which:					
Education, Sports, Art and Culture	1,29,706	1,21,276	-8,430	-6.5	18.7
Transport and Communication	19,975	19,776	-200	-1.0	0.4
Power	36,715	37,337	622	1.7	-1.4
Relief on account of Natural Calamities	10,076	8,326	-1,750	-17.4	3.9
Rural Development	30,040	26,550	-3,489	-11.6	7.7
(ii) Non-Development Expenditure	2,60,899	2,49,016	-11,883	-4.6	26.3
of which:					
Administrative Services	57,144	52,431	-4,713	-8.2	10.4
Pension	66,938	65,440	-1,498	-2.2	3.3
Interest Payments	1,06,220	1,02,955	-3,265	-3.1	7.2
III. Capital Receipts	**1,86,201**	**1,96,634**	**10,433**	**5.6**	**100.0**
of which:					
Non-Debt Capital Receipts	5,314	266	-5,048	-95.0	-48.4
IV. Capital Expenditure	**2,13,259**	**2,00,347**	**-12,912**	**-6.1**	**100.0**
of which:					
Capital Outlay	1,57,254	1,42,628	-14,626	-9.3	113.3
of which:					
Capital Outlay on Irrigation and Flood Control	48,727	43,692	-5,035	-10.3	39.0
Capital Outlay on Energy	18,728	17,141	-1,587	-8.5	12.3
Capital Outlay on Transport	29,614	27,604	-2,010	-6.8	15.6
Memo Item:					
Revenue Deficit	-10,701	-12,672	-1,971	18.4	
Gross Fiscal Deficit	1,46,349	1,34,589	-11,760	-8.0	
Primary Deficit	40,128	31,634	-8,494	-21.2	

RE: Revised Estimates. * Denotes percentage share in relevant total.

Note: 1. Negative (-) sign in deficit indicators indicates surplus.
2. Capital receipts include public accounts on a net basis while capital expenditure excludes public accounts.

Source: Budget Documents of the State Governments.

the budgeted levels reflected higher collections from education, sports, art & culture; power; irrigation and interest receipts. Consequently, as the fall in tax receipts was entirely compensated by a rise in their non-tax revenue receipts, States recorded marginally higher than budgeted revenue receipts during 2009-10 (RE) (Table 2).

The increase in revenue expenditures of States in 2009-10 (RE) over 2009-10 (BE) was attributable entirely to an increase in development expenditure pertaining to education, sports and art & culture; relief on account of natural calamities; power; irrigation and transport & communications. The States were able to contain their non-development expenditure mainly in respect of committed expenditure (by ₹3,613 crore) in 2009-10 (RE) over the budget estimates. As per 2009-10 (RE), expenditures on administrative services and interest payments were lower than their respective budget estimates. However, expenditure on

Table 2: Variation in Major Items – 2009-10 (RE) over 2009-10 (BE)

(Amount in ₹ crore)

Item	2009-10 (BE)	2009-10 (RE)	Variation		Share in variation* (Per cent)
			Amount	Per cent	
	1	2	3	4	5
I. Revenue Receipts (i+ii)	**8,04,943**	**8,07,388**	**2,445**	**0.3**	**100.0**
(i) Tax Revenue (a+b)	5,52,243	5,31,004	-21,239	-3.8	-868.7
(a) Own Tax Revenue	3,66,523	3,65,527	-995	-0.3	-40.7
of which: Sales Tax	2,25,009	2,25,227	218	0.1	8.9
(b) Share in Central Taxes	1,85,720	1,65,477	-20,243	-10.9	-827.9
(ii) Non-Tax Revenue	2,52,701	2,76,384	23,684	9.4	968.7
(a) States' Own Non-Tax Revenue	84,017	97,178	13,161	15.7	538.3
(b) Grants from Centre	1,68,683	1,79,206	10,523	6.2	430.4
II. Revenue Expenditure	**8,37,238**	**8,54,051**	**16,813**	**2.0**	**100.0**
of which:					
(i) Development Expenditure	4,92,443	5,15,929	23,486	4.8	139.7
of which:					
Education, Sports, Art and Culture	1,54,781	1,61,519	6,738	4.4	40.1
Transport and Communication	20,227	22,519	2,292	11.3	13.6
Power	32,020	34,248	2,228	7.0	13.3
Relief on account of Natural Calamities	5,540	10,378	4,838	87.3	28.8
Rural Development	43,147	29,640	-13,507	-31.3	-80.3
(ii) Non-Development Expenditure	3,21,907	3,16,504	-5,403	-1.7	-32.1
of which:					
Administrative Services	74,389	71,249	-3,140	-4.2	-18.7
Pension	87,220	87,271	51	0.1	0.3
Interest Payments	1,16,427	1,15,904	-524	-0.4	-3.1
III. Capital Receipts	**2,25,014**	**2,37,355**	**12,341**	**5.5**	**100.0**
of which:					
Non-Debt Capital Receipts	2,216	361	-1,855	-83.7	-15.0
IV. Capital Expenditure	**2,18,540**	**2,26,580**	**8,041**	**3.7**	**100.0**
of which:					
Capital Outlay	1,60,247	1,60,407	160	0.1	2.0
of which:					
Capital Outlay on Urban Development	2502	2833	331	13.2	4.1
Capital Outlay on Irrigation and Flood Control	45905	47346	1,440	3.1	17.9
Capital Outlay on Energy	15478	17713	2,236	14.4	27.8
Capital Outlay on Transport	28,859	32,062	3,203	11.1	39.8
Capital Outlay on Energy	16,690	18,728	2,038	12.2	25.4
Memo Item:					
Revenue Deficit	32,295	46,663	14,368	44.5	
Gross Fiscal Deficit	1,99,510	2,16,101	16,591	8.3	
Primary Deficit	83,083	1,00,197	17,115	20.6	

BE: Budget Estimates. RE: Revised Estimates. * Denotes percentage share in relevant total.
Note: See Notes to Table 1.
Source: Budget Documents of the State Governments.

administrative services was higher in 2009-10 (RE) over 2008-09 (Accounts), reflecting the impact of the increase in wages and salaries on account of the implementation of the Sixth CPC/SPCs during the year.

In view of the overall macroeconomic slowdown, the Central Government had allowed States to increase the limit of fiscal deficit to 4.0 per cent of GSDP during 2009-10. Thus, the States were allowed to raise additional market borrowings to the extent of 0.5 per cent of GSDP in 2009-10. This additional fiscal space was to be utilised for undertaking capital investments. While capital outlay and net lending of State governments remained close to their budgeted levels, the increase in GFD-GDP ratio from 3.0 per cent in 2009-10 (BE) to 3.3 per cent in 2009-10 (RE) was mainly due to an increase in revenue deficit over the budget estimate (Table 2 and Appendix Table 1).

Budget Estimates 2010-11

The deterioration in State finances during 2008-09 and 2009-10 resulting from countercyclical fiscal stimulus measures, a cyclical slowdown in growth of tax revenues mirroring the economic scenario (particularly in 2008-09) and the implementation of the Sixth CPC/SPCs led to a considerable departure from the targets envisaged under the FRLs of States during these two years. However, given the robust growth outlook for 2010-11, the States' fiscal position was expected to improve. The commitment of the States towards reverting to the fiscal consolidation path was evident from the budget estimates of key fiscal indicators for 2010-11 (Appendix Table 2).

The consolidated revenue account of the State governments was budgeted to improve, with the revenue deficit placed lower at 0.3 per cent of GDP in 2010-11 (BE) as against 0.7 per cent in 2009-10 (RE). The improvement in the revenue account during 2010-11 (BE) reflects growth in revenue receipts, outstripping that in revenue expenditure. Revenue receipts were budgeted to show an increase mainly on account of higher growth in own tax revenues and States' share in Central taxes in 2010-11 (BE) (Table 3).

Table 3: Variation in Major Items – 2010-11 (BE) over 2009-10 (RE)

(Amount in ₹ crore)

Item	2009-10 (RE)	2010-11 (BE)	Variation		Share in variation* (Per cent)
			Amount	Per cent	
	1	2	3	4	5
I. Revenue Receipts (i+ii)	**8,07,388**	**9,13,038**	**1,05,650**	**13.1**	**100.0**
(i) Tax Revenue (a+b)	5,31,004	6,27,147	96,143	18.1	91.0
(a) Own Tax Revenue	3,65,527	4,26,682	61,154	16.7	57.9
of which: Sales Tax	2,25,227	2,64,848	39,621	17.6	37.5
(b) Share in Central Taxes	1,65,477	2,00,466	34,989	21.1	33.1
(ii) Non-Tax Revenue	2,76,384	2,85,891	9,506	3.4	9.0
(a) States' Own Non-Tax Revenue	97,178	1,02,609	5,431	5.6	5.1
(b) Grants from Centre	1,79,206	1,83,282	4,075	2.3	3.9
II. Revenue Expenditure	**8,54,051**	**9,37,408**	**83,357**	**9.8**	**100.0**
of which:					
(i) Development Expenditure	5,15,929	5,59,713	43,785	8.5	52.5
of which:					
Education, Sports, Art and Culture	1,61,519	1,84,751	23,232	14.4	27.9
Transport and Communication	22,519	20,816	-1,702	-7.6	-2.0
Power	34,248	33,305	-942	-2.8	-1.1
Relief on account of Natural Calamities	10,378	5,323	-5,055	-48.7	-6.1
Rural Development	29,640	33,499	3,860	13.0	4.6
(ii) Non-Development Expenditure	3,16,504	3,51,476	34,972	11.0	42.0
of which:					
Administrative Services	71,249	83,187	11,938	16.8	14.3
Pension	87,271	95,018	7,747	8.9	9.3
Interest Payments	1,15,904	1,28,656	12,752	11.0	15.3
III. Capital Receipts	**2,37,355**	**2,42,860**	**5,505**	**2.3**	**100.0**
of which:					
Non-Debt Capital Receipts	361	3,155	2,794	774.3	50.8
IV. Capital Expenditure	**2,26,580**	**2,37,176**	**10,596**	**4.7**	**100.0**
of which:					
Capital Outlay	1,60,407	1,66,703	6,296	3.9	59.4
of which:					
Capital Outlay on Irrigation and Flood Control	47,346	49,265	1,919	4.1	18.1
Capital Outlay on Energy	17,713	14,531	-3,182	-18.0	-30.0
Capital Outlay on Transport	32,062	32,419	357	1.1	3.4
Memo Item:					
Revenue Deficit	46,663	24,370	-22,293	-47.8	
Gross Fiscal Deficit	2,16,101	1,98,539	-17,562	-8.1	
Primary Deficit	1,00,197	69,883	-30,314	-30.3	

RE: Revised Estimates. BE: Budget Estimates. * Denotes percentage share in relevant total.

Note: See Notes to Table 1.

Source: Budget Documents of the State Governments.

The decline in the revenue deficit-GDP ratio in 2010-11 (BE) along with lower capital outlay as a ratio to GDP was expected to contain the GFD at 2.5 per cent of GDP in 2010-11 (BE) compared with 3.3 per cent in 2009-10 (RE).

With the revenue deficit being budgeted to decline, a notable positive feature emerging from State finances was that capital outlay would account for a higher proportion of GFD in 2010-11 (BE) compared with 2009-10 (RE) (Statement 1). It may be noted that from 2006-07 to 2008-09, States' capital outlay was higher than GFD, indicating that not only entire borrowings but a portion of revenue receipts was also spent on capital outlays. If most States are able to achieve a revenue balance or surplus by 2011-12 as envisaged by the Thirteenth FC, it would again restore the capital outlay-GFD ratio to 100 per cent or above and, thereby, help enhance the long-term growth potential of States.

States appeared to be reasonably optimistic regarding growth prospects, as evident from the higher budget estimates of both OTR and tax devolution from the Centre during 2010-11. While the economic slowdown had moderated States' OTR in 2008-09 and 2009-10 (RE), its impact on statutory transfer of tax revenues from the Centre to the States was more perceptible. In 2010-11(BE), States' OTR and share in Central taxes were budgeted to increase significantly as compared with 2009-10 (RE). The increase in States' share in Central taxes is in line with the expected buoyancy in gross tax revenues of the Centre. In contrast, growth in the consolidated non-tax revenue receipts of States was expected to decelerate during 2010-11 (BE) with the lower growth budgeted for grants from the Centre to the States and States' ONTR as compared with 2009-10 (RE).

Revenue receipts as a ratio to GDP (RR-GDP) were budgeted to decline from 12.3 per cent in 2009-10 (RE) to 11.6 per cent in 2010-11(BE). Even though higher tax buoyancy was anticipated at the Central level and a rise in the share of States in the net proceeds of shareable central taxes has been recommended by the Thirteenth FC, transfer through tax devolution from the Centre to States as a ratio to GDP in 2010-11 was expected to remain stable at the previous year's level. With declining grants and stable non-tax revenue (as ratio to GDP), the overall current transfers to States are budgeted to decline by 0.4 percentage points of GDP in 2010-11 (BE). On the States' own revenue collection front, the ratio of their OTR to GDP was budgeted to decline from 5.6 per cent in 2009-10 (RE) to 5.4 per cent in 2010-11 (BE). Nevertheless, States expected higher collections from all major taxes, *viz.,* VAT, stamp duty and registration fees, State excise duty and property tax. States' ONTR-GDP ratio was budgeted to remain marginally lower in 2010-11, mainly due to a decline in interest receipts and non-tax revenue from the power sector of State governments. As noted by the Thirteenth FC, the current level of recovery on loans advanced by the States is extremely poor (Appendix Table 3).

Growth in the consolidated revenue expenditure of State governments was budgeted to decelerate significantly in 2010-11 (BE) as compared with 2009-10 (RE) mainly due to lower growth expected in development revenue expenditure (both social and economic services). All major categories of social services expenditure, *viz.,* education, sports, art & culture, medical and public health, family welfare, social security & welfare, welfare of SC/ST & other backward classes and urban development, were expected to show lower growth in 2010-11 (BE). In economic services, the States' expenditure on food storage & warehousing, co-operation, special area programmes, power and transport & communications sectors was budgeted to decline (in absolute terms) in 2010-11. In contrast, growth in revenue expenditure on rural development was placed marginally higher than in the previous year. Non-development revenue expenditure, contributing 37.5 per cent of total revenue expenditure, was budgeted to show a lower growth in 2010-11 mainly on account of lower interest outgo on loans from the Centre and only a modest rise in other major components of committed expenditure, *viz.,* pensions, administrative services. Accordingly, committed expenditure as a ratio to revenue receipts was expected to decline marginally to 33.6 per cent in 2010-11 (BE) (Appendix Table 5 and 6).

At a consolidated level, States budgeted a lower growth in capital receipts for 2010-11 (BE) as compared with 2009-10 (RE), mainly on account of lower recovery of loans and advances and special securities issued to the National Small Savings Fund (NSSF). However, loans from the Centre were budgeted to increase during the same period. Similarly, States budgeted a moderate increase of 5.8 per cent in market borrowings (gross) to be raised in 2010-11 [an increase of 18.3 per cent in 2009-10 (RE) over 2008-09]. In 2009-10 (RE), small savings and provident fund collections (net) had increased significantly by 55.3 per cent, partly reflecting the impact of arrears received by State government employees. However, only a moderate decline of 7.7 per cent was expected in small savings and provident funds (net) in 2010-11 (BE). As regards the composition of capital receipts, the States' increasing dependence on market borrowings was evident in 2010-11 as well. While loans from the Centre (gross) were budgeted to account for 6.4 per cent in 2010-11 as against 5.4 per cent in 2009-10 (RE), the share of NSSF in capital receipts was budgeted to decline marginally in 2010-11 (BE) (Appendix Table 7).

While announcing their budgets, many State governments had proposed to undertake higher capital expenditure in 2009-10. In 2010-11 (BE), the level of capital expenditure was expected to record only a modest growth as compared with 2009-10 (RE). While States budgeted lower growth in capital outlay for development activities (1.6 per cent as against 12.0 per cent in 2009-10), the same for non-development activities was expected to be much higher at 58.0 per cent as against 25.5 per cent in 2009-10 (RE), although it accounted for merely 6.3 per cent in capital outlay. Similarly, loans and advances by the State governments were budgeted to decline by 14.5 per cent in 2010-11. In short, lower resource availability for development activities, as evident from the pattern of capital expenditure in 2010-11 (BE), raises concerns about the quality of fiscal adjustment being undertaken by the States.

A trend analysis shows that the composition of transfers from the Centre to States largely depends on the macroeconomic situation in the Indian economy. Based on the cyclical behaviour of tax devolutions and grants-in-aid, it is found that the former moves positively with GDP while the latter is associated negatively. Such a trend was observed during 2008-09 and 2009-10 (RE) when tax devolution from the Centre was substantially lower (in terms of growth as well as a ratio to GDP) than during the upswing period, which to some extent was compensated through higher grants from the Centre. With growth recovery in 2010-11 (BE), States expected to receive higher resources through tax devolution (in absolute terms) while their dependence on grants was expected to diminish (in terms of GDP). Gross transfers from the Centre (*i.e.,* shareable taxes, grants-in-aid and loans from the Centre) were budgeted to decline from 5.5 per cent of GDP in 2009-10 (RE) to 5.1 per cent in 2010-11 (BE) mainly due to expected decline in grants as a ratio to GDP (Appendix Table 4).

Given the development needs of States, it is important to examine the trends in development as well as social sector expenditure of States. The pattern of aggregate expenditure of States in 2010-11 (BE) showed a decline in the share of development expenditure in total expenditure following a sharp decline in the share of development capital outlay, particularly in the case of economic services, *viz.*, food storage and warehousing, co-operation and power projects. States' loans and advances for development purposes were also budgeted to decline in absolute terms in 2010-11 with a corresponding decline in their share in total development expenditure. A major portion of development expenditure continued to be expended through the revenue account of States (Appendix Table 5).

A gradual rise in the share of social sector expenditure in the aggregate expenditure of States was evident in recent years, which, however, was expected to rise marginally in 2010-11 (BE). The ratio of social sector expenditure to GDP (SSE-GDP) was, however, likely to decline in 2010-11 (BE) as compared with 2009-10 (RE). Notwithstanding a decline in SSE-GDP ratio in 2010-11 (BE), education, sports, art & culture, medical and public health continued to be priority areas for State governments.

The consolidated revenue deficit, which re-emerged at the State level in 2009-10 (RE) after a gap of three years, contributed around one-fifth of the GFD. Since the revenue deficit was budgeted to decline in 2010-11 (BE), its share in GFD would also decline accordingly. Capital outlay would continue to be the dominant component in States' GFD in 2010-11 (BE). With the phasing out of loans from the Centre as recommended by the Twelfth FC and a decline in collections under NSSF, market borrowings have become a major source of financing the GFD in recent years. A similar trend was observed in 2010-11 (BE), as a major portion of the GFD would be met through market borrowings, followed by small savings and provident funds.

Outstanding Liabilities and Market Borrowings of State Governments

An inter-temporal comparison shows that the consolidated outstanding liabilities of States as a ratio to GDP steadily increased from 1997-98 to 2003-04. With the debt relief mechanism prescribed by the Twelfth FC, which incentivised adherence to a rule-based fiscal regime, the States were able to contain the magnitude of outstanding liabilities to 26.6 per cent of GDP by 2007-08. The declining trend in the debt-GDP ratio persisted from 2008-09 to 2010-11. The additional expenditure obligations emanating from revised pay structures and expansionary fiscal policy measures announced by a number of State governments led to higher levels of debt in 2008-09 and 2009-10, which grew by 10.7 per cent and 11.4 per cent in 2008-09 and 2009-10, respectively, compared with an increase of only 7.0 per cent in 2007-08. In spite of higher levels of outstanding debt in 2008-09 and 2009-10 (RE), the aggregate debt-GDP ratios of States recorded a decline during the same period. Importantly, the aggregate debt-GDP ratio at 25.0 per cent in 2009-10 (RE) was well below the level of 30.8 per cent recommended by the Twelfth FC. In 2010-11 (BE), the outstanding debt-GDP ratio of the States was likely to decline further to 23.1 per cent. States were allowed to raise additional market borrowings to the extent of 0.5 per cent of GSDP each in 2008-09 and 2009-10 which were to be utilised for undertaking capital investment. Accordingly, the GFD-GSDP target was relaxed from 3.0 per cent to 3.5 per cent in 2008-09 and further to 4.0 per cent in 2009-10. States seem to have resorted to this additional provision of borrowings in 2008-09 with incremental market borrowings at the consolidated level relative to GDP turning out to be higher at 0.8 per cent. Although the incremental market borrowing-GDP ratio at the consolidated level declined slightly during 2009-10, the incremental market borrowings were higher in absolute terms. Notwithstanding the increase in market borrowings in 2008-09 and 2009-10, the consolidated debt-GDP ratios of State governments declined as the share of other debt components fell and nominal economic growth turned out to be higher than that in outstanding debt (Appendix Table 8 and Statement 2).

The composition of States' outstanding liabilities has witnessed a noticeable change in recent years. With the increasing emphasis on financing GFD through market borrowings, its share in outstanding liabilities of State governments has increased gradually, while the dependence on loans from the Centre declined sharply from 1999-2000 onwards. In 2009-10 (RE), market borrowings emerged as a dominant component with a share of 31.5 per cent in total outstanding liabilities of the State governments, which was expected to further increase to 35.6 per cent in 2010-11 (BE). In contrast, the share of the special securities issued to National Small Savings Fund (NSSF) has declined persistently since end-March 2008. The Special securities issued to NSSF expected to account for around one-fourth of the total outstanding liabilities as at end-March 2011. The share of high-cost debt instruments, *i.e.*, public account items like 'small savings' and 'State provident fund' in total outstanding liabilities has remained in the range of 12.1-12.3 per cent since 2005-06. Considering the burden arising as a result of the high effective rate of interest on NSSF loans taken by States till 2006-07, the Thirteenth FC has recommended interest relief on these NSSF loans, with a precondition relating to the enactment of the FRL.

As already mentioned, there has been greater reliance on market borrowings by State governments to meet their resource requirements. This was evident during 2008-09 and 2009-10 when States had to undertake counter-cyclical measures in the wake of the impact of the global economic downturn on domestic economic activity. The higher amount of market borrowings raised during this period was facilitated by additional provisions allowed by the Centre (Table 4). As a result, the outstanding stock of State Development Loans (SDLs) recorded an increase of 34.6 per cent and 28.6 per cent in 2008-09 and 2009-10, respectively, compared with an increase of 23.0 per cent in 2007-08. The interest rate profile of outstanding stock of SDLs shows that the share of high-cost market loans (interest rate over 10 per cent) declined further during 2009-10. The share of outstanding stock of SDLs with interest rates of 10 per cent and above declined sharply from 10.1 per cent as at end-March 2009 to 4.7 per cent as at end-March 2010. However, the share of outstanding SDLs with interest rates ranging between 8-10 per cent increased from 34.4 per cent at end-March 2009 to 44.8 per cent at end-March 2010, which indicates that incremental debt was raised at somewhat higher cost in 2009-10.

Keeping in view the surplus cash position of the State governments, the WMA limits of State governments have been left unchanged since 2006-07. Accordingly, the aggregate normal WMA limit for States

Table 4: Market Borrowings of State Governments

(₹ crore)

Item	2008-09	2009-10	2010-11*
	1	2	3
1. Net Allocation	51,719	1,02,258	1,42,157
2. Additional Allocation	62,990	2,679	5,842
3. Repayments	14,371	16,238	15,641
4. Gross Allocation (1+2+3)@	1,29,080	1,18,189	1,63,640
5. Total Amount Raised	1,18,138	1,31,122	1,03,910
6. Net Amount Raised (5-3)	1,03,767	1,14,884	88,269
Memo item:			
(i) Coupon/Cut-off Yield Range (%)	5.80-9.90	7.04-8.58	8.05-8.58
(ii) Weighted Average Interest Rate (%)	7.87	8.11	8.39
(iii) Average Maturity (in years)	10	10	10

* upto March 23, 2011.

@ Gross allocation for 2009-10 exclude Andhra Pradesh, Jharkhand and Maharashtra.

Note: (i) Data are inclusive of Puducherry.

(ii) Data on market borrowings as per RBI records may differ from that reported in the budget documents of the State Governments.

Source: Reserve Bank records.

for 2009-10 was ₹9,925 crore and the limit had been retained for 2010-11. The rate of interest on normal and special WMA and OD continue to be linked to the repo rate. Most State governments have accumulated sizeable cash surpluses in recent years, which reflected, *inter alia*, the fiscal consolidation process undertaken since 2005-06. The temporary setback to fiscal consolidation in the wake of the global crisis, however, did not impact the surplus cash position of the States, as the liquidity pressures remained confined to a few State governments. The position in respect of outstanding WMA/OD remained relatively comfortable during 2009-10. Although the dependence of most of the States on WMA/OD remained moderate in 2010-11, two chronic revenue-deficit States, *viz.*, West Bengal and Punjab, depended heavily on WMA/OD to meet their temporary resource gaps in the months of October and November 2010.

Since the middle of 2004-05, most States have tended to accumulate sizeable cash surpluses. Despite expenditure pressures on account of pay revisions and fiscal stimulus measures undertaken in 2008-09 and 2009-10, most States continued to accumulate surplus cash balances which they invested in 14-day Intermediate and Auction Treasury Bills (ITBs and ATBs), although temporary dips were observed in some months. Monthly data shows that a major portion of cash surpluses is carried forward by the State governments into the next year. As on March 18, 2011 the investment in 14-day ITBs by the State governments stood at ₹1,20,318 crore, which has significant implications for monetary policy. Importantly, since mid-June 2010, States' investments in ATBs have shown substantial increases, reflecting its positive return differential over ITBs.

Special Theme – Finance Commissions in India: An Assessment

In December 2009, the Thirteenth FC submitted its Report recommending (i) a rise in the share of net proceeds of shareable taxes from 30.5 per cent (Twelfth FC) to 32 per cent for the award period of 2010-11 to 2014-15, and (ii) a rise in the indicative ceiling on all revenue account transfers to the States from 38.0 per cent to 39.5 per cent of the Centre's gross revenue receipts. In addition, the Thirteenth FC also, *inter alia*, recommended a revised fiscal map for the Centre and the States. In order to assess the evolving role of Finance Commissions in the context of Centre-State finances, the topic on 'Finance Commissions in India: An Assessment' was chosen as a special theme.

Examining the role of various FCs, it was observed that apart from the constitutional tasks of deciding the proportion of tax revenue to be shared with the States and the principles governing the grants-in-aid of the revenues of the States, the scope of the FCs has broadened over time as they were assigned several other issues on government finances, particularly those relating to augmentation of State Consolidation Funds to supplementing the resources of local bodies and debt-related issues. The approach of successive FCs, however, varied as they addressed concerns raised by States from time to time regarding the composition of the divisible pool of Central taxes and *inter se* distribution criteria. Recent constitutional changes have simplified the sharing arrangement of the divisible pool of Central taxes by clubbing all shareable Central taxes and excise duties. While determining the formula for horizontal distribution of *inter se* shares of States, various FCs attempted to correct the differentials in revenue capacity and cost disability factors inherent in the economies of States, and foster fiscal efficiency at the State level. However, differences have been noticed in selection, definition and weight of variables that have been used by FCs to prescribe the devolution formula for Central taxes. More recently, the Thirteenth FC has placed greater emphasis on fiscal capacity distance and fiscal discipline, which is expected to facilitate greater convergence among the States. In the context of grants, there has been some shift from a gap-filling approach to a normative assessment of resource requirements and expenditure. The pattern of transfers through the FC channel showed that the share in Central taxes has persistently been the predominant component of revenue sharing since the First FC.

Using the framework provided by Rangarajan and Srivastava (2008)[2] to separate the vertical, horizontal and residual components of per capita FC transfers to the States, an attempt was made to assess the degree of equalisation achieved across the States since the Tenth FC. It was found that equalisation component of transfers was highest in the case of Eleventh FC as the gap between recommended and benchmark transfers was minimum.

[2] Rangarajan, C. and D. K. Srivastava (2008), ''Reforming India's fiscal transfer system: resolving vertical and horizontal imbalances'', *Madras School of Economics Working Paper 31/2008*.

Appendix Table 1: Major Deficit Indicators of State Governments

(Amount in ₹ crore)

Year	Gross Fiscal Deficit	Revenue Deficit	Conventional Deficit	Primary Deficit	Net RBI Credit to States
	1	2	3	4	5
1990-91	18,787	5,309	-72	10,132	420
	(3.3)	(0.9)	(-0.0)	(1.8)	(0.1)
1991-92	18,900	5,651	156	7,956	-340
	(2.9)	(0.9)	(0.0)	(1.2)	(-0.1)
1992-93	20,891	5,114	-1,829	7,681	176
	(2.8)	(0.7)	(-0.2)	(1.0)	(0.0)
1993-94	20,364	3,872	363	4,564	591
	(2.4)	(0.4)	(0.0)	(0.5)	(0.1)
1994-95	27,308	6,706	-4,346	7,895	48
	(2.7)	(0.7)	(-0.4)	(0.8)	(0.0)
1995-96	30,870	8,620	-2,680	9,031	16
	(2.6)	(0.7)	(-0.2)	(0.8)	(0.0)
1996-97	36,561	16,878	7,202	11,175	898
	(2.7)	(1.2)	(0.5)	(0.8)	(0.1)
1997-98	43,474	17,492	-1,803	13,675	1,543
	(2.8)	(1.1)	(-0.1)	(0.9)	(0.1)
1998-99	73,295	44,462	3,268	37,854	5,579
	(4.2)	(2.5)	(0.2)	(2.2)	(0.3)
1999-00	90,099	54,548	3,125	45,458	1,312
	(4.6)	(2.8)	(0.2)	(2.3)	(0.1)
2000-01	87,923	55,316	-2,379	36,937	-1,092
	(4.2)	(2.6)	(-0.1)	(1.8)	(-0.1)
2001-02	94,260	60,398	3,545	32,665	3,451
	(4.1)	(2.7)	(0.2)	(1.4)	(0.2)
2002-03	99,726	57,179	-4,291	30,699	-3,100
	(4.1)	(2.3)	(-0.2)	(1.3)	(-0.1)
2003-04	1,20,631	63,407	-526	40,235	293
	(4.4)	(2.3)	(-0.0)	(1.5)	(0.0)
2004-05	1,07,774	39,158	-10,232	21,353	-2,705
	(3.3)	(1.2)	(-0.3)	(0.7)	(-0.1)
2005-06	90,084	7,013	-33,947	6,060	2,425
	(2.4)	(0.2)	(-0.9)	(0.2)	(0.1)
2006-07	77,508	-24,857	-16,324	-15,672	640
	(1.8)	(-0.6)	(-0.4)	(-0.4)	(0.0)
2007-08	75,455	-42,943	-13,410	-24,376	1,140
	(1.5)	(-0.9)	(-0.3)	(-0.5)	(0.0)
2008-09	1,34,589	-12,672	-8,959	31,634	-1,609
	(2.4)	(-0.2)	(-0.2)	(0.6)	(-0.0)
2009-10 (BE)	1,99,510	32,295	25,821	83,083	–
	(3.0)	(0.5)	(0.4)	(1.3)	–
2009-10 (RE)	2,16,101	46,663	35,889	1,00,197	186
	(3.3)	(0.7)	(0.5)	(1.5)	(0.0)
2010-11 (BE)	1,98,539	24,370	18,687	69,883	–
	(2.5)	(0.3)	(0.2)	(0.9)	–

RE: Revised Estimates. BE: Budget Estimates. '–' Not Available.

Note: 1. Negative (-) sign indicates surplus in deficit indicators.

2. Conventional deficit represents the difference between aggregate disbursements and aggregate receipts. Aggregate receipts include: (i) revenue receipts; (ii) capital receipts excluding Ways and Means Advances and Overdraft from RBI, and (iii) net receipts under Public Account excluding withdrawals from Cash Balance Investment Account and deposit with RBI. Aggregate disbursements include: (i) revenue expenditure and (ii) capital disbursements excluding repayments of Ways and Means Advances and Overdraft from RBI.
3. Revenue deficit is the difference between revenue expenditure and revenue receipts.
4. Gross fiscal deficit is aggregate disbursements (net of debt repayments) less revenue receipts, non-debt capital receipts and recovery of loans and advances.
5. Primary deficit is gross fiscal deficit less interest payments.
6. Figures in brackets are as percentage to GDP.
7. Figures in respect of Jammu and Kashmir from 1990-91 to 2008-09 and for Jharkhand from 2001-02 to 2008-09 relate to Revised Estimates.
8. The net RBI credit to State Governments refers to variations in loans and advances given to them by the RBI net of their incremental deposits with the RBI.

Source: Budget Documents of the State Governments and the Reserve Bank records.

Appendix Table 2: Consolidated Budgetary Position at a Glance

(Amount in ₹ crore)

Item	2008-09 (Accounts)	2009-10 (Budget Estimates)	2009-10 (Revised Estimates)	2010-11 (Budget Estimates)	Variation					
					Col.3 over Col.1		Col.3 over Col.2		Col.4 over Col.3	
					Amount	Per cent	Amount	Per cent	Amount	Per cent
	1	2	3	4	5	6	7	8	9	10
I. Revenue Account										
A. Receipts	6,94,657	8,04,943	8,07,388	9,13,038	1,12,731	16.2	2,445	0.3	1,05,650	13.1
B. Expenditure	6,81,985	8,37,238	8,54,051	9,37,408	1,72,066	25.2	16,813	2.0	83,357	9.8
C. Surplus(+)/Deficit(-) (IA-IB)	12,672	-32,295	-46,663	-24,370						
II. Capital Account*										
A. Receipts	1,96,634	2,25,014	2,37,355	2,42,860	40,721	20.7	12,341	5.5	5,505	2.3
B. Disbursements	2,00,347	2,18,540	2,26,580	2,37,176	26,233	13.1	8,041	3.7	10,596	4.7
C. Surplus(+)/Deficit(-) (IIA-IIB)	-3,713	6,475	10,774	5,683						
III. Aggregate Receipts	**8,91,292**	**10,29,957**	**10,44,743**	**11,55,898**	**1,53,451**	**17.2**	**14,786**	**1.4**	**1,11,155**	**10.6**
IV. Aggregate Disbursements	**8,82,333**	**10,55,778**	**10,80,632**	**11,74,584**	**1,98,299**	**22.5**	**24,854**	**2.4**	**93,953**	**8.7**
V. Overall Surplus(+)/Deficit(-) (III-IV)	**8,959**	**-25,821**	**-35,889**	**-18,687**						
VI. Financing of Overall Surplus (+)/ Deficit (-) [V=VI(A+B+C)]										
A. Increase (+)/Decrease (-) in Cash Balances (Net)	-15,802	-15,499	-19,446	-11,639						
B. Additions to (+)/Withdrawals from (-) Cash Balance Investment Account (Net)	24,458	-8,751	-16,255	-7,074						
C. Repayment of (+)/Increase in (-) Ways and Means Advances and Overdrafts from RBI (Net)	302	-1,570	-189	26						

* Excluding (i) WMA from RBI, (ii) Purchase/Sale of Securities from Cash Balance Investment Account, and (iii) Deposit with RBI. Capital receipts include Public Accounts on a net basis while Capital Expenditure are given exclusive of Public Accounts.

Note: 1. Figures for 2008-09 (Accounts) in respect of Jammu and Kashmir and Jharkhand relate to Revised Estimates.
2. Also see Notes to Appendices.

Source : Budget Documents of the State Governments.

Appendix Table 3: Revenue Receipts

(Amount in ₹ crore)

Item	2008-09 (Accounts)	2009-10 (Budget Estimates)	2009-10 (Revised Estimates)	2010-11 (Budget Estimates)	Variation					
					Col.3 over Col.1		Col.3 over Col.2		Col.4 over Col.3	
					Amount	Per cent	Amount	Per cent	Amount	Per cent
	1	2	3	4	5	6	7	8	9	10
Total Revenue (I+II)	**6,94,657**	**8,04,943**	**8,07,388**	**9,13,038**	**1,12,731**	**16.2**	**2,445**	**0.3**	**1,05,650**	**13.1**
I. Tax Revenue (A+B)	**4,82,983**	**5,52,243**	**5,31,004**	**6,27,147**	**48,021**	**9.9**	**-21,239**	**-3.8**	**96,144**	**18.1**
A. Revenue from States' Taxes (i to iii)	**3,21,930**	**3,66,523**	**3,65,527**	**4,26,682**	**43,597**	**13.5**	**-995**	**-0.3**	**61,154**	**16.7**
(i) Taxes on Income (a+b)	3,554	3,804	3,678	3,977	124	3.5	-126	-3.3	299	8.1
(a) Agricultural Income Tax	43	34	73	81	29	68.2	39	116.3	9	12.0
(b) Tax on Professions, Trades, Callings and Employment	3,511	3,771	3,605	3,895	94	2.7	-165	-4.4	290	8.0
(ii) Taxes on Property and Capital Transactions (a to c)	41,383	48,218	44,459	52,746	3,076	7.4	-3,759	-7.8	8,287	18.6
(a) Stamps and Registration Fees	36,066	42,937	39,230	46,039	3,164	8.8	-3,707	-8.6	6,809	17.4
(b) Land Revenue	4,834	4,780	4,588	5,943	-246	-5.1	-192	-4.0	1,355	29.5
(c) Urban Immovable Property Tax	482	500	641	764	159	32.9	140	28.0	123	19.3
(iii) Taxes on Commodities and Services (a to g)	2,76,994	3,14,501	3,17,390	3,69,959	40,397	14.6	2,889	0.9	52,569	16.6
(a) Sales Tax*	1,98,327	2,25,009	2,25,227	2,64,848	26,900	13.6	218	0.1	39,621	17.6
(b) State Excise Duties	40,990	45,961	47,729	55,478	6,739	16.4	1,768	3.8	7,749	16.2
(c) Taxes on Vehicles	16,446	18,695	18,758	21,561	2,311	14.1	63	0.3	2,803	14.9
(d) Taxes on Passengers and Goods	8,541	9,552	9,281	10,641	740	8.7	-271	-2.8	1,360	14.7
(e) Electricity Duties	9,530	11,745	12,908	13,524	3,378	35.4	1,163	9.9	616	4.8
(f) Entertainment tax	981	885	912	1,199	-69	-7.1	27	3.1	287	31.4
(g) Other taxes and duties	2,178	2,654	2,575	2,709	397	18.2	-79	-3.0	134	5.2
B. Share in Central Taxes	**1,61,052**	**1,85,720**	**1,65,477**	**2,00,466**	**4,424**	**2.7**	**-20,243**	**-10.9**	**34,989**	**21.1**
II. Non-tax Revenue (C + D)	**2,11,675**	**2,52,700**	**2,76,384**	**2,85,891**	**64,710**	**30.6**	**23,684**	**9.4**	**9,506**	**3.4**
C. Grants from the Centre	**1,29,923**	**1,68,683**	**1,79,206**	**1,83,282**	**49,283**	**37.9**	**10,523**	**6.2**	**4,075**	**2.3**
D. States' Own Non-Tax Revenue (a to f)	**81,751**	**84,017**	**97,178**	**1,02,609**	**15,427**	**18.9**	**13,161**	**15.7**	**5,431**	**5.6**
(a) Interest Receipts	16,356	13,010	16,812	16,356	456	2.8	3,802	29.2	-456	-2.7
(b) Dividends and Profits	833	497	488	758	-345	-41.4	-9	-1.8	270	55.3
(c) General Services	22,279	26,706	30,296	27,601	8,017	36.0	3,590	13.4	-2,695	-8.9
of which:										
State Lotteries	5,089	5,863	5,769	6,559	680	13.4	-94	-1.6	790	13.7
(d) Social Services	7,726	7,055	8,493	11,387	767	9.9	1,439	20.4	2,893	34.1
(e) Economic Services	34,555	36,749	40,183	46,507	5,627	16.3	3,433	9.3	6,325	15.7
(f) Fiscal Services	2	0	906	0	904	0.0	906	0.0	-906	-100.0

* Comprises General Sales Tax/VAT, Central Sales Tax, Sales Tax on Motor Spirit and Purchase Tax on Sugarcane, *etc.*
'–' Negligible/Nil/Abnormal growth due to low base.
Note: Figures for 2008-09 (Accounts) in respect of Jammu and Kashmir and Jharkhand relate to Revised Estimates.
Source: Budget Documents of the State Governments.

Appendix Table 4: Devolution and Transfer of Resources from the Centre

(Amount in ₹ crore)

Item	2008-09 (Accounts)	2009-10 (Budget Estimates)	2009-10 (Revised Estimates)	2010-11 (Budget Estimates)	Variation					
					Col.3 over Col.1		Col.3 over Col.2		Col.4 over Col.3	
					Amount	Per cent	Amount	Per cent	Amount	Per cent
	1	2	3	4	5	6	7	8	9	10
I. States' Share in Central Taxes	**1,61,052**	**1,85,720**	**1,65,477**	**2,00,466**	**4,424**	**2.7**	**-20,243**	**-10.9**	**34,989**	**21.1**
II. Grants from the Centre (1 to 5)	**1,29,923**	**1,68,683**	**1,79,206**	**1,83,282**	**49,283**	**37.9**	**10,523**	**6.2**	**4,075**	**2.3**
1. State Plan Schemes	63,480	82,807	81,600	92,384	18,119	28.5	-1,208	-1.5	10,784	13.2
2. Central Plan Schemes	2,657	6,889	6,459	7,120	3,802	143.1	-430	-6.2	661	10.2
3. Centrally Sponsored Schemes	25,889	35,956	41,036	45,141	15,147	58.5	5,081	14.1	4,104	10.0
4. NEC/Special Plan Schemes	520	927	972	996	453	87.1	46	4.9	24	2.5
5. Non-Plan Grants (a to c)	37,378	42,105	49,139	37,641	11,762	31.5	7,034	16.7	-11,499	-23.4
a) Statutory Grants	20,478	16,642	18,799	17,948	-1,679	-8.2	2,157	13.0	-851	-4.5
b) Grants for Natural Calamities	2,914	2,866	3,695	3,179	780	26.8	829	28.9	-516	-14.0
c) Non-Plan Non-Statutory Grants	13,985	22,597	26,646	16,515	12,661	90.5	4,049	17.9	-10,131	-38.0
III. Gross Loans from the Centre (i+ii)	**7,005**	**17,209**	**12,783**	**15,445**	**5,779**	**82.5**	**-4,426**	**-25.7**	**2,662**	**20.8**
i) Plan Loans	6,998	16,802	12,412	15,065	5,414	77.4	-4,391	-26.1	2,653	21.4
ii) Non-Plan Loans*	7	407	372	380	365	–	-35	-8.7	9	2.4
IV. Gross Transfer (I+II+III)	**2,97,980**	**3,71,613**	**3,57,466**	**3,99,192**	**59,486**	**20.0**	**-14,146**	**-3.8**	**41,726**	**11.7**
V. Repayment of Loans and Interest Payments Liabilities (a+b)	**18,856**	**20,592**	**19,282**	**19,359**	**425**	**2.3**	**-1,310**	**-6.4**	**77**	**0.4**
a) Repayment of Loans to the Centre	7,766	7,993	7,925	8,476	159	2.0	-68	-0.9	551	7.0
b) Interest Payments on the Loans from the Centre	11,090	12,599	11,357	10,883	267	2.4	-1,242	-9.9	-474	-4.2
VI. Net Transfer of Resources from the Centre (IV-V)	**2,79,124**	**3,51,021**	**3,38,184**	**3,79,833**	**59,060**	**21.2**	**-12,837**	**-3.7**	**41,649**	**12.3**

* Include Ways and Means Advances from the Centre. NEC: North Eastern Council. '-' Abnormal growth due to low base.

Note: Figures for 2008-09 (Accounts) in respect of Jammu and Kashmir and Jharkhand relate to Revised Estimates.

Source: Budget Documents of the State Governments.

Appendix Table 5: Development Expenditure – Major Heads

(Amount in ₹ crore)

Item	2008-09 (Accounts)	2009-10 (Budget Estimates)	2009-10 (Revised Estimates)	2010-11 (Budget Estimates)	Percentage Variation Col.3 over Col.1	Col.3 over Col.2	Col.4 over Col.3
	1	2	3	4	5	6	7
I. Development Expenditure (Revenue and Capital) (A + B)	**5,51,789**	**6,45,969**	**6,69,696**	**7,15,925**	**21.4**	**3.7**	**6.9**
A. Social Services (1 to 11)	**2,84,437**	**3,44,108**	**3,71,474**	**4,06,137**	**30.6**	**8.0**	**9.3**
	(50.2)	**(52.2)**	**(54.1)**	**(55.6)**			
1. Education, Sports, Art and Culture	1,25,871	1,59,164	1,66,751	1,90,442	32.5	4.8	14.2
2. Medical and Public Health and Family Welfare	34,353	43,848	45,493	50,297	32.4	3.8	10.6
3. Water Supply and Sanitation	21,612	22,961	22,149	20,597	2.5	-3.5	-7.0
4. Housing	7,095	7,046	9,177	10,528	29.3	30.2	14.7
5. Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes	20,488	22,015	25,261	28,442	23.3	14.7	12.6
6. Labour and Labour welfare	2,839	3,586	3,842	4,497	35.3	7.1	17.1
7. Social Security and Welfare	26,027	32,556	36,482	39,549	40.2	12.1	8.4
8. Nutrition	8,475	13,784	14,578	15,129	72.0	5.8	3.8
9. Relief on account of Natural Calamities	8,326	5,540	10,378	5,323	24.6	87.3	-48.7
10. Urban development	25,922	30,205	33,558	36,811	29.5	11.1	9.7
11. Others*	3,428	3,403	3,807	4,523	11.0	11.9	18.8
B. Economic Services (1 to 9)	**2,67,353**	**3,01,861**	**2,98,222**	**3,09,787**	**11.5**	**-1.2**	**3.9**
	(47.1)	**(45.8)**	**(43.4)**	**(42.4)**			
1. Agriculture and Allied Activities	47,380	47,533	52,039	51,684	9.8	9.5	-0.7
2. Rural Development	32,382	61,558	37,538	43,325	15.9	-39.0	15.4
3. Special Area Programmes	3,765	4,752	5,769	6,695	53.2	21.4	16.0
4. Irrigation and Flood Control	61,080	68,294	71,696	78,119	17.4	5.0	9.0
5. Energy	54,659	47,701	52,143	48,152	-4.6	9.3	-7.7
6. Industry and Minerals	7,605	8,823	9,755	11,108	28.3	10.6	13.9
7. Transport and Communications	47,404	49,129	54,624	53,349	15.2	11.2	-2.3
8. Science, Technology and Environment	456	576	596	819	30.5	3.4	37.6
9. General Economic Services	12,622	13,495	14,063	16,536	11.4	4.2	17.6
II. Loans and Advances by State Governments for Development Purposes (A+B)	**15,299**	**13,106**	**16,841**	**14,307**	**10.1**	**28.5**	**-15.0**
A. Social Services (1 to 7)	**6,394**	**5,839**	**5,771**	**7,046**	**-9.8**	**-1.2**	**22.1**
	(1.1)	**(0.9)**	**(0.8)**	**(1.0)**			
1. Education, Sports, Art and Culture	14	15	12	7	-11.5	-16.9	-44.3
2. Medical and Public Health	146	67	97	118	-33.6	46.0	21.7
3. Family Welfare	1	–	–	1	-48.5	–	64.1
4. Water Supply and Sanitation	849	1,858	1,683	2,097	98.1	-9.4	24.6
5. Housing	3,320	608	818	1,152	-75.4	34.5	40.9
6. Government Servants (Housing)	588	779	777	864	32.0	-0.3	11.3
7. Others @	1,475	2,511	2,383	2,807	61.5	-5.1	17.8
B. Economic Services (1 to 10)	**8,904**	**7,267**	**11,070**	**7,260**	**24.3**	**52.3**	**-34.4**
	(1.6)	**(1.1)**	**(1.6)**	**(1.0)**			
1. Crop Husbandry	188	63	90	36	-51.9	44.6	-60.3
2. Soil and Water Conservation	6	–	–	–	-100.0	–	–
3. Food Storage and Warehousing	1,524	1,280	1,980	827	29.9	54.7	-58.2
4. Co-operation	744	352	823	328	10.6	133.5	-60.2
5. Major and Medium Irrigation, etc.	1	4	–	–	–	-100.0	–
6. Power Projects	4,131	3,778	6,020	4,136	45.7	59.3	-31.3
7. Village and Small Industries	104	86	130	103	25.8	51.5	-20.7
8. Other Industries and Minerals	715	474	303	791	-57.7	-36.2	161.5
9. Rural Development	4	81	16	81	281.3	-80.1	405.2
10. Others+	1,488	1,149	1,708	957	14.8	48.7	-44.0
III. Total Development Expenditure (I + II)	**5,67,088**	**6,59,074**	**6,86,537**	**7,30,231**	**21.1**	**4.2**	**6.4**
	(100.0)	**(100.0)**	**(100.0)**	**(100.0)**			

'–' Nil/Negligible. * Include expenditure on information and publicity.

@ Include urban development, social security and welfare, *etc.*

\+ Include forest, fisheries, animal husbandry, road and water transport services, *etc.*

Note: 1. Figures in brackets are percentage to total development expenditure.

2. Figures for 2008-09 (Accounts) in respect of Jammu and Kashmir and Jharkhand relate to Revised Estimates.

Source: Budget Documents of the State Governments.

Appendix Table 6: Non-Development Expenditure – Major Heads

(Amount in ₹ crore)

Item	2008-09 (Accounts)	2009-10 (Budget Estimates)	2009-10 (Revised Estimates)	2010-11 (Budget Estimates)	Percentage Variation		
					Col.3 over Col.1	Col.3 over Col.2	Col.4 over Col.3
	1	2	3	4	5	6	7
I. Non-Development Expenditure (General Services) on Revenue Account (i to vi)	**2,49,016**	**3,21,907**	**3,16,504**	**3,51,476**	**27.1**	**-1.7**	**11.0**
i. Organs of State	6,491	9,215	9,730	9,510	49.9	5.6	-2.3
ii. Fiscal Services	10,064	12,868	13,696	15,005	36.1	6.4	9.6
iii. Interest Payments and Servicing of Debt (1+2)	1,09,393	1,25,078	1,24,756	1,40,460	14.0	-0.3	12.6
1. Appropriation for reduction or avoidance of Debt	6,439	8,651	8,852	11,805	37.5	2.3	33.4
2. Interest Payments	1,02,955	1,16,427	1,15,904	1,28,656	12.6	-0.4	11.0
iv. Administrative Services (1 to 5)	52,431	74,389	71,249	83,187	35.9	-4.2	16.8
1. Secretariat - General Services	2,785	6,640	6,262	6,952	124.9	-5.7	11.0
2. District Administration	5,457	7,274	7,517	8,205	37.7	3.3	9.2
3. Police	32,471	39,592	40,812	47,038	25.7	3.1	15.3
4. Public Works	5,053	6,734	7,218	7,148	42.9	7.2	-1.0
5. Others *	6,666	14,149	9,441	13,843	41.6	-33.3	46.6
v. Pension	65,440	87,220	87,271	95,018	33.4	0.1	8.9
vi. Miscellaneous General Services	5,196	13,137	9,802	8,294	88.6	-25.4	-15.4
II. Non-Development Expenditure on Capital Account (1+2)	**5,965**	**7,408**	**7,153**	**11,016**	**19.9**	**-3.4**	**54.0**
1. Non-Developmental (General Services)	5,291	6,721	6,640	10,492	25.5	-1.2	58.0
2. Loans for Non-Development Purposes (a+b)	674	687	513	524	-23.9	-25.3	2.1
a) Government Servants (other than housing)	368	461	435	441	18.3	-5.5	1.4
b) Miscellaneous	306	226	78	83	-74.5	-65.5	6.1
III. Total Non-Development Expenditure (I + II)	**2,54,981**	**3,29,315**	**3,23,657**	**3,62,492**	**26.9**	**-1.7**	**12.0**
IV. III as percentage of Aggregate Receipts	**28.6**	**32.0**	**31.0**	**31.4**			
V. III as percentage of Aggregate Disbursements	**28.9**	**31.2**	**30.0**	**30.9**			

* Include expenditure on Public Service Commission, Treasury and Administration, Jails, *etc.*

Note: Figures for 2008-09 (Accounts) in respect of Jammu and Kashmir and Jharkhand relate to Revised Estimates.

Source: Budget Documents of the State Governments.

Appendix Table 7: Capital Receipts

(Amount in ₹ crore)

Item	2008-09 (Accounts)	2009-10 (Budget Estimates)	2009-10 (Revised Estimates)	2010-11 (Budget Estimates)	Variation					
					Col.3 over Col.1		Col.3 over Col.2		Col.4 over Col.3	
					Amount	Per cent	Amount	Per cent	Amount	Per cent
	1	2	3	4	5	6	7	8	9	10
Total Capital Receipts (1 to 10)	**1,96,634**	**2,25,014**	**2,37,355**	**2,42,860**	**40,721**	**20.7**	**12,341**	**5.5**	**5,505**	**2.3**
1. Internal Debt *	1,42,951	1,66,820	1,86,621	1,93,072	43,670	30.5	19,801	11.9	6,450	3.5
of which:										
(i) Market Loans (Gross)	1,18,492	1,29,670	1,40,171	1,48,356	21,678	18.3	10,501	8.1	8,186	5.8
(ii) Special Securities issued to NSSF@	8,520	18,957	28,968	25,911	20,448	240.0	10,012	52.8	-3,057	-10.6
2. Loans from the Centre@	7,005	17,209	12,783	15,445	5,779	82.5	-4,426	-25.7	2,662	20.8
3. Recovery of Loans and Advances	11,072	4,609	7,963	4,210	-3,108	-28.1	3,354	72.8	-3,753	-47.1
4. Small Savings, Provident Funds, *etc.* (net)	15,641	21,617	24,289	22,426	8,648	55.3	2,672	12.4	-1,863	-7.7
5. Contingency Fund (net)	781	200	702	185	-79	-10.1	502	250.9	-517	-73.6
6. Reserve Funds (net)**	7,542	2,554	-7,208	3,739	-14,750	-195.6	-9,762	-382.3	10,947	-151.9
7. Deposits and Advances (net)***	4,594	9,354	6,236	3,566	1,642	35.7	-3,118	-33.3	-2,670	-42.8
8. Appropriation to Contingency Fund (net)	-495	–	-200	–	295	-59.6	-200	–	200	-100.0
9. Remittances (net)	-1,522	3	325	8,865	1,847	-121.4	323	–	8,540	–
10. Others #	9,066	2,649	5,843	-8,649	-3,223	-35.5	3,194	120.6	-14,492	-248.0

'–' Nil/Negligible/Abnormal growth due to low base.

* Includes market loans, special securities issued to NSSF, land compensation bonds, cash credits and loans from State Bank of India and other banks (net) as also loans from National Rural Credit (Long-term Operations) Fund of the NABARD, National Co-operative Development Corporation, Life Insurance Corporation of India, Khadi and Village Industries Commission, etc. but excludes Ways and Means Advances and Overdrafts from the Reserve Bank of India.

@ With the change in the system of accounting with effect from 1999-2000, States' share in small savings which was included earlier under loans from the Centre is included under internal debt and shown as special securities issued to NSSF of the Central Government.

** Reserve funds (net) includes reserve funds bearing interest (like the depreciation reserve funds of Government Commercial Undertakings) as well as those not bearing interest (like sinking funds, famine relief fund and roads and bridges funds).

*** Deposits and advances (net) include deposits bearing interest (like deposits of local funds) as well as those not bearing interest (like defence and postal deposits and civil advances).

Includes Suspense and Miscellaneous (net) and Inter-State Settlement (net) and Miscellaneous Capital Receipts.

Note: 1. Figures for 2008-09 (Accounts) in respect of Jammu and Kashmir and Jharkhand relate to Revised Estimates.
2. Capital receipts include Public Accounts on a net basis.

Source: Budget Documents of the State Governments.

Appendix Table 8: Composition of Outstanding Liabilities of State Governments

(As at end-March)

(₹ crore)

Year	Market Loans	Power Bonds	Compensation and Other Bonds	NSSF	WMA from RBI	Loans from LIC	Loans from GIC	Loans from NABARD	Loans from SBI and Other banks	Loans from NCDC
	1	2	3	4	5	6	7	8	9	10
1991	15,652	–	60	–	1,050	718	241	278	303	630
1992	19,008	–	64	–	1,288	775	267	151	604	812
1993	22,480	–	72	–	1,073	894	295	25	733	885
1994	26,119	–	79	–	1,306	1,044	380	-85	807	893
1995	31,200	–	77	–	608	1,135	421	-79	943	1,071
1996	37,088	–	76	–	1,894	1,257	501	288	1,175	1,101
1997	43,602	–	74	–	2,557	1,418	–	821	1,183	1,108
1998	50,847	–	77	–	630	1,684	–	2,038	1,396	1,107
1999	61,477	–	66	–	4,858	2,203	–	3,147	2,057	1,204
2000	75,427	–	65	25,251	7,328	3,102	–	4,372	3,177	1,345
2001	86,767	–	62	56,352	6,559	4,216	–	6,501	4,390	1,439
2002	1,04,027	–	59	90,226	9,419	5,085	–	8,969	7,139	1,622
2003	1,33,066	–	63	1,39,193	2,512	6,621	–	11,546	7,896	1,611
2004	1,79,917	28,984	82	1,98,454	3,375	8,967	1,008	11,285	8,222	3,071
2005	2,13,480	29,883	83	2,82,200	1,498	11,994	990	8,226	9,486	1,577
2006	2,28,925	31,581	82	3,65,933	407	12,609	989	11,654	9,680	1,195
2007	2,42,777	26,051	82	4,25,309	299	12,197	971	15,622	9,176	1,118
2008	2,98,508	23,143	80	4,30,879	255	11,534	927	20,867	9,295	1,175
2009	4,01,924	21,691	80	4,31,915	372	10,842	905	27,429	9,099	1,189
2010 (RE)	5,15,785	18,784	79	4,55,015	561	10,160	905	36,687	8,480	1,464
2011 (BE)	6,48,426	15,877	80	4,67,091	535	9,556	905	46,153	7,808	1,422

Year	Loans from Other Institutions	Loans from Banks and FIs	Total Internal Debt	Loans and Advances from Centre	Provident Funds *etc.*	Reserve Fund	Deposit and Advances (Net Balances)	Contigency Fund	Total Outstanding Liabilities
	11	12 = sum (6 to11)	13 =sum (1 to 5)+12	14	15	16	17	18	19 = sum (13 to 18)
1991	343	2,513	19,274	73,521	16,861	4,734	12,769	995	**1,28,155**
1992	301	2,910	23,270	82,979	19,790	5,519	14,502	969	**1,47,030**
1993	396	3,228	26,853	91,626	23,515	6,698	18,911	762	**1,68,365**
1994	391	3,429	30,933	1,01,122	27,972	8,180	19,009	658	**1,87,875**
1995	509	3,999	35,885	1,15,238	32,894	9,013	22,963	489	**2,16,483**
1996	517	4,838	43,895	1,29,264	38,216	10,577	26,654	929	**2,49,535**
1997	575	5,106	51,338	1,46,168	44,095	12,350	31,436	511	**2,85,898**
1998	1,510	7,734	59,289	1,68,656	50,843	14,498	36,609	921	**3,30,816**
1999	2,178	10,789	77,190	1,99,007	63,256	17,320	42,357	445	**3,99,576**
2000	5,114	17,110	1,25,181	2,30,331	80,523	19,769	52,193	1,533	**5,09,529**
2001	12,667	29,213	1,78,953	2,38,655	93,629	22,868	59,328	714	**5,94,147**
2002	18,078	40,894	2,44,625	2,49,551	1,03,815	27,389	64,325	1,042	**6,90,747**
2003	23,524	51,198	3,26,032	2,49,179	1,13,678	32,188	65,036	314	**7,86,427**
2004	33,407	65,960	4,76,772	1,92,981	1,21,841	42,217	69,116	246	**9,03,174**
2005	35,648	67,921	5,95,064	1,60,045	1,30,828	52,311	75,290	527	**10,14,067**
2006	35,718	71,845	6,98,773	1,57,004	1,40,806	63,120	86,691	1,322	**11,47,717**
2007	30,253	69,338	7,63,855	1,46,653	1,49,920	78,761	1,01,068	1,319	**12,41,576**
2008	27,640	71,438	8,24,304	1,45,098	1,61,972	78,265	1,16,591	2,073	**13,28,302**
2009	28,315	77,780	9,33,762	1,43,870	1,77,434	83,927	1,28,350	2,853	**14,70,195**
2010 (RE)	25,243	82,940	10,73,163	1,48,729	2,01,723	76,719	1,34,586	3,554	**16,38,474**
2011 (BE)	20,108	85,951	12,17,959	1,55,698	2,24,149	80,458	1,38,152	3,739	**18,20,155**

RE: Revised Estimates. BE: Budget Estimates. '–' Not applicable/Not available/Negligible.

Note :
1. From 1997 to 2003, 'Loans from Other Institutions' also includes 'Other Loans' and 'Loans from GIC'. From 2004, 'Loans from Other Institutions' includes 'Other Loans'.
2. As detailed break-up of Discharge of Internal Debt for Arunachal Pradesh and Jammu and Kashmir [2008-09, 2009-10 (RE) and 2010-11 (BE)] and Manipur [2008-09, 2009-10 (RE)] were not available, the same has been included under 'Loans from Other Institutions'.
3. Power bonds due for repayment on April 1, 2010 were paid on March 31, 2010 since April 1, 2010 was declared as public holiday under Negotiable Instrument Act at Mumbai to facilitate yearly closing of accounts of banks and, hence, have been shown as outstanding as at-end March 2010.

Source :
1. Combined Finance and Revenue Accounts of the Union and State Governments in India, CAG.
2. Ministry of Finance, Government of India.
3. Reserve Bank Records.
4. Budget Documents of the State Governments.
5. Finance Accounts of the Union Government, CGA, Government of India.

Statement 1: Major Fiscal Indicators

(Per cent)

State	Revenue Deficit/ Gross Fiscal Deficit			Capital Outlay/ Gross Fiscal Deficit			Net Lending/ Gross Fiscal Deficit		
	2008-09 (Accounts)	2009-10 (RE)	2010-11 (BE)	2008-09 (Accounts)	2009-10 (RE)	2010-11 (BE)	2008-09 (Accounts)	2009-10 (RE)	2010-11 (BE)
	1	2	3	4	5	6	7	8	9
I. Non-Special Category									
1. Andhra Pradesh	-8.1	-20.6	-27.3	83.6	112.1	110.4	24.5	8.5	16.9
2. Bihar	-178.3	-1.8	-142.7	256.7	97.3	227.1	21.5	4.5	15.6
3. Chhattisgarh	-182.1	5.1	-27.0	286.4	95.9	127.9	-4.2	-1.0	-0.9
4. Goa	-12.6	18.3	–	110.3	80.1	99.6	2.3	1.6	0.5
5. Gujarat	0.6	34.5	29.7	97.9	64.1	67.9	1.7	1.4	2.4
6. Haryana	31.8	43.8	44.7	68.6	47.5	39.9	-0.3	8.9	15.6
7. Jharkhand	-16.7	-146.6	-527.2	104.1	210.4	568.0	12.7	36.1	59.1
8. Karnataka	-18.7	-4.8	-5.2	113.0	96.9	121.3	7.7	8.2	12.7
9. Kerala	58.5	60.9	42.5	26.7	29.0	48.5	14.9	10.2	9.1
10. Madhya Pradesh	-91.6	-80.5	-19.7	151.4	122.6	100.3	40.8	57.9	19.5
11. Maharashtra	-39.8	41.2	31.5	134.8	55.4	67.0	5.1	3.4	1.5
12. Orissa	-1023.8	28.0	17.9	1,131.4	76.9	80.2	-7.6	-4.9	1.9
13. Punjab	57.6	63.3	62.1	42.7	55.0	39.7	-0.4	-18.3	-1.9
14. Rajasthan	11.9	40.3	13.0	84.6	55.8	87.8	3.6	3.9	-0.8
15. Tamil Nadu	-17.0	39.0	20.9	106.5	66.9	75.7	10.5	-6.0	3.3
16. Uttar Pradesh	-9.1	-8.3	-2.4	108.9	105.7	100.9	0.1	2.7	1.6
17. West Bengal	108.5	83.9	73.7	27.3	14.3	24.2	-35.8	1.8	2.1
Total I	**-0.6**	**25.6**	**16.2**	**97.2**	**69.8**	**79.7**	**3.6**	**4.6**	**5.7**
II. Special Category									
1. Arunachal Pradesh	-297.9	-853.4	-1557.7	390.5	951.1	1,657.0	7.4	2.2	0.8
2. Assam	272.5	52.8	64.0	-168.7	46.7	35.5	-3.8	0.4	0.5
3. Himachal Pradesh	5.7	6.8	20.7	91.3	92.1	72.2	3.0	1.2	7.1
4. Jammu and Kashmir	-144.7	-200.0	-265.0	243.1	297.1	361.0	1.5	3.0	4.0
5. Manipur	-576.5	-475.8	-467.5	676.3	574.2	625.9	0.2	1.6	5.2
6. Meghalaya	-29.4	-35.5	-88.2	122.0	132.1	184.3	7.3	3.4	3.8
7. Mizoram	-360.0	-66.5	-816.4	467.9	167.8	928.4	-7.9	-1.3	-12.0
8. Nagaland	-150.1	-45.0	-334.3	250.4	142.9	433.5	-0.3	2.1	0.8
9. Sikkim	-161.4	-184.1	-147.6	261.4	272.6	246.7	-0.1	11.5	0.9
10. Tripura	-351.0	-12.0	-80.2	445.5	110.7	177.9	5.5	1.3	2.2
11. Uttarakhand	-13.0	28.7	-9.3	109.3	73.8	114.8	3.7	5.2	3.1
Total II	**- 170.1**	**-12.3**	**-27.7**	**266.0**	**111.6**	**127.3**	**4.2**	**1.9**	**2.3**
All States (I+II)	**-9.4**	**21.6**	**12.3**	**106.0**	**74.2**	**84.0**	**3.6**	**4.3**	**5.3**
Memo item:									
1. NCT Delhi	-162.5	-188.8	-221.1	141.5	137.1	155.6	121.0	151.6	165.6
2. Puducherry	30.2	51.3	25.4	70.4	53.2	74.8	-0.6	-0.4	-0.3

(Contd.)

Statement 1: Major Fiscal Indicators *(Contd.)*

(Per cent)

State	Non-Development Expenditure/ Aggregate Disbursement			Interest Payment/Revenue Expenditure			State's Own Tax Revenue/ Revenue Expenditure		
	2008-09 (Accounts)	2009-10 (RE)	2010-11 (BE)	2008-09 (Accounts)	2009-10 (RE)	2010-11 (BE)	2008-09 (Accounts)	2009-10 (RE)	2010-11 (BE)
	10	11	12	13	14	15	16	17	18
I. Non-Special Category									
1. Andhra Pradesh	23.3	22.8	25.7	13.0	12.1	11.7	53.9	53.9	54.0
2. Bihar	28.9	29.0	29.5	13.2	11.1	11.1	21.6	21.6	26.2
3. Chhattisgarh	20.9	18.5	20.4	7.8	5.9	6.1	47.8	35.7	38.2
4. Goa	27.3	27.6	30.5	14.9	12.5	12.9	49.4	42.0	44.3
5. Gujarat	26.0	28.0	29.3	20.4	18.0	18.3	60.8	55.1	56.1
6. Haryana	24.0	24.6	26.4	11.4	11.1	13.7	56.8	52.7	57.8
7. Jharkhand	28.0	29.3	27.5	13.8	13.0	12.9	32.8	32.3	36.1
8. Karnataka	23.6	23.1	24.2	10.9	11.4	11.9	66.4	64.0	68.2
9. Kerala	39.1	38.7	36.8	16.5	17.0	16.6	56.7	56.9	60.0
10. Madhya Pradesh	25.7	24.1	26.9	14.2	12.6	12.1	46.1	45.9	44.6
11. Maharashtra	27.5	27.4	30.5	16.2	13.9	15.2	68.7	55.0	61.0
12. Orissa	27.1	31.5	32.1	13.6	12.3	12.2	37.7	30.5	31.9
13. Punjab	49.5	46.4	45.6	20.0	18.2	17.3	45.4	46.8	48.8
14. Rajasthan	29.8	30.7	31.9	18.1	16.5	17.0	43.6	40.4	43.7
15. Tamil Nadu	27.8	28.8	29.8	11.1	11.3	11.5	62.9	59.7	62.3
16. Uttar Pradesh	29.3	33.8	35.3	15.0	12.8	12.1	37.7	36.7	38.1
17. West Bengal	34.3	39.7	36.0	23.4	21.2	21.9	27.9	27.1	31.3
Total I	**28.6**	**29.7**	**30.7**	**15.3**	**13.9**	**14.1**	**49.8**	**46.0**	**48.9**
II. Special Category									
1. Arunachal Pradesh	19.3	21.1	32.1	7.5	6.3	8.2	4.7	3.1	4.3
2. Assam	30.9	35.4	27.3	11.2	7.2	7.4	29.1	14.5	15.4
3. Himachal Pradesh	31.9	32.0	34.8	20.1	18.5	18.5	23.8	24.4	24.4
4. Jammu and Kashmir	33.0	34.0	35.9	12.9	13.4	12.9	21.6	20.4	20.1
5. Manipur	26.1	25.5	29.6	12.0	10.4	8.9	6.5	6.4	7.1
6. Meghalaya	28.9	24.6	25.0	7.9	6.9	6.6	13.8	11.2	11.4
7. Mizoram	28.9	27.3	30.4	9.8	8.7	8.4	4.1	3.9	4.1
8. Nagaland	37.9	34.6	36.2	10.9	10.5	9.4	5.4	4.4	4.7
9. Sikkim	48.2	44.1	40.3	6.2	5.9	6.4	8.0	6.5	6.9
10. Tripura	33.9	32.6	39.7	12.6	10.4	10.8	14.1	11.8	14.1
11. Uttarakhand	30.1	28.4	28.6	14.1	12.5	13.2	36.3	29.2	33.5
Total II	**31.5**	**32.2**	**31.8**	**12.8**	**10.6**	**10.7**	**21.6**	**16.5**	**17.5**
All States (I+II)	**28.9**	**30.0**	**30.9**	**15.1**	**13.6**	**13.7**	**47.2**	**42.8**	**45.5**
Memo item:									
1. NCT Delhi	23.2	24.7	24.3	21.4	18.0	18.1	103.6	90.8	104.7
2. Puducherry	24.2	24.0	16.5	10.1	8.7	8.4	28.2	27.4	37.7

Statement 1: Major Fiscal Indicators *(Concld.)*

(Per cent)

State	State's Own Non Tax Revenue/ Revenue Expenditure			Gross Transfers/Aggregate Disbursement		
	2008-09 (Accounts)	2009-10 (RE)	2010-11 (BE)	2008-09 (Accounts)	2009-10 (RE)	2010-11 (BE)
	19	20	21	22	23	24
I. Non-Special Category						
1. Andhra Pradesh	15.7	18.7	18.0	25.0	24.8	27.1
2. Bihar	4.0	2.6	3.0	69.4	60.9	68.4
3. Chhattisgarh	16.0	18.3	22.0	39.9	37.5	35.2
4. Goa	36.1	33.3	31.3	13.3	16.8	18.4
5. Gujarat	13.2	10.5	11.5	19.7	20.6	19.2
6. Haryana	15.8	11.8	12.5	13.7	18.2	14.7
7. Jharkhand	14.2	17.5	18.9	42.8	49.6	49.4
8. Karnataka	7.6	5.4	5.3	24.2	25.5	22.9
9. Kerala	5.5	5.8	6.6	23.7	24.2	22.5
10. Madhya Pradesh	11.3	16.5	10.3	44.4	40.6	41.4
11. Maharashtra	12.9	7.0	9.8	20.0	21.9	19.0
12. Orissa	15.0	10.0	9.7	52.3	48.5	48.2
13. Punjab	23.5	21.2	19.9	14.1	16.3	15.7
14. Rajasthan	11.3	12.4	11.4	34.8	31.3	34.9
15. Tamil Nadu	10.7	7.4	6.2	24.6	21.5	23.1
16. Uttar Pradesh	8.9	15.8	13.5	41.0	38.1	39.5
17. West Bengal	9.6	5.1	5.5	29.4	27.2	32.6
Total I	**11.8**	**11.3**	**11.1**	**30.8**	**30.1**	**30.7**
II. Special Category						
1. Arunachal Pradesh	26.9	38.7	11.5	69.0	63.6	66.0
2. Assam	16.0	9.7	8.6	66.9	48.7	50.9
3. Himachal Pradesh	18.6	16.7	14.7	42.6	44.7	45.6
4. Jammu and Kashmir	9.1	8.6	7.5	64.0	67.6	69.9
5. Manipur	9.7	9.8	11.3	78.4	81.7	77.9
6. Meghalaya	8.4	6.7	6.4	64.7	69.2	74.7
7. Mizoram	6.9	4.8	5.7	83.9	77.0	83.8
8. Nagaland	6.2	4.0	3.8	77.2	70.8	84.1
9. Sikkim	52.6	46.4	41.7	43.0	50.6	52.3
10. Tripura	4.8	3.3	4.0	77.3	61.1	69.7
11. Uttarakhand	8.3	11.8	9.3	45.1	38.4	47.9
Total II	**13.9**	**12.2**	**9.8**	**61.3**	**55.8**	**60.1**
All States (I+II)	**12.0**	**11.4**	**10.9**	**33.8**	**33.1**	**34.0**
Memo item:						
1. NCT Delhi	19.6	23.8	27.2	9.2	17.8	8.2
2. Puducherry	24.5	20.4	28.2	40.5	36.6	24.1

RE: Revised Estimates. BE: Budget Estimates. '–': Nil/Negligible/Not applicable.

Note: 1. Negative (-) sign indicates surplus in deficit indicators.

2. Figures for Jammu and Kashmir and Jharkhand for the year 2008-09 (Accounts) relate to Revised Estimates.

Source: Budget Documents of the State Governments.

Statement 2: Total Outstanding Liabilities of State Governments (As at end-March)

(As at end-March)

(₹ crore)

State	1991	1992	1993	1994	1995	1996	1997
	1	2	3	4	5	6	7
I. Non-Special Category							
1. Andhra Pradesh	8,150	9,454	11,063	12,940	15,224	17,778	20,201
2. Bihar	10,633	11,777	13,551	14,752	16,701	18,695	20,752
3. Chhattisgarh	–	–	–	–	–	–	–
4. Goa	903	967	1,049	1,115	1,183	1,275	1,402
5. Gujarat	8,076	9,361	10,502	11,467	12,999	14,889	17,006
6. Haryana	3,076	3,471	3,899	4,424	5,036	6,171	7,004
7. Jharkhand	–	–	–	–	–	–	–
8. Karnataka	5,898	6,271	7,160	8,815	9,952	11,074	12,739
9. Kerala	4,983	5,833	6,682	7,595	9,280	10,719	12,314
10. Madhya Pradesh	7,777	8,803	11,442	10,792	12,165	13,891	15,948
11. Maharashtra	12,878	15,279	16,911	18,787	21,979	26,379	30,602
12. Orissa	5,156	6,065	6,792	7,689	8,914	10,295	11,996
13. Punjab	7,071	8,131	9,524	10,874	12,454	14,040	15,618
14. Rajasthan	6,580	7,647	8,654	10,038	11,866	14,137	16,742
15. Tamil Nadu	7,044	8,341	10,206	11,616	13,541	15,134	17,257
16. Uttar Pradesh	19,760	22,978	26,366	29,693	34,263	38,998	45,630
17. West Bengal	8,857	10,135	11,281	12,926	15,128	17,716	21,114
II. Special Category							
1. Arunachal Pradesh	280	287	262	281	319	397	480
2. Assam	4,341	4,658	4,670	4,675	5,228	6,326	6,402
3. Himachal Pradesh	1,329	1,492	1,833	1,996	2,556	3,267	3,661
4. Jammu and Kashmir	3,358	3,808	4,014	4,510	4,448	4,628	5,294
5. Manipur	390	503	531	564	607	676	721
6. Meghalaya	218	245	301	381	450	490	475
7. Mizoram	330	314	322	378	444	538	574
8. Nagaland	409	476	520	586	624	781	753
9. Sikkim	142	162	199	222	263	292	228
10. Tripura	517	573	631	759	856	948	986
11. Uttarakhand	–	–	–	–	–	–	–
All States	**1,28,155**	**1,47,030**	**1,68,365**	**1,87,875**	**2,16,483**	**2,49,535**	**2,85,898**
Memo item:							
1. NCT Delhi	–	–	–	117	627	1,354	**2,205**
2. Puducherry	–	–	–	–	–	–	**–**

Statement 2: Total Outstanding Liabilities of State Governments (As at end-March) *(Contd.)*

(As at end-March)

(₹ crore)

State	1998	1999	2000	2001	2002	2003	2004
	8	9	10	11	12	13	14
I. Non-Special Category							
1. Andhra Pradesh	23,313	28,301	34,829	41,809	48,637	56,030	65,251
2. Bihar	23,584	27,109	32,866	29,942	34,135	38,254	39,999
3. Chhattisgarh	–	–	–	6,967	8,121	9,592	10,825
4. Goa	1,568	1,936	2,510	2,822	3,746	3,503	3,885
5. Gujarat	20,419	25,068	34,190	42,781	47,919	55,175	62,307
6. Haryana	8,110	10,250	13,810	14,650	17,726	19,948	22,450
7. Jharkhand	–	–	–	8,448	9,979	11,887	10,036
8. Karnataka	14,697	17,455	21,045	25,301	31,337	36,020	39,959
9. Kerala	14,469	17,333	22,214	26,259	29,536	34,312	39,151
10. Madhya Pradesh	17,975	21,957	25,933	22,127	26,043	29,882	37,967
11. Maharashtra	37,052	44,264	58,813	67,601	78,541	89,952	1,06,838
12. Orissa	13,636	16,281	20,614	24,220	28,161	30,869	33,850
13. Punjab	17,904	21,823	26,610	30,763	35,730	40,125	42,819
14. Rajasthan	19,229	24,136	31,684	35,541	41,634	47,534	53,109
15. Tamil Nadu	19,512	23,189	29,568	34,541	39,069	44,471	51,759
16. Uttar Pradesh	52,428	62,103	77,934	83,098	95,822	1,05,126	1,24,063
17. West Bengal	25,173	32,192	44,042	54,929	66,396	78,325	89,472
II. Special Category							
1. Arunachal Pradesh	477	566	735	739	790	966	1,736
2. Assam	6,469	6,765	8,666	10,227	11,988	13,099	15,688
3. Himachal Pradesh	4,298	6,383	7,840	8,705	10,055	12,228	14,379
4. Jammu and Kashmir	5,736	6,429	7,739	9,101	9,624	10,528	14,728
5. Manipur	1,040	1,328	1,614	1,870	1,870	1,890	2,444
6. Meghalaya	658	862	1,117	1,388	1,528	1,820	2,123
7. Mizoram	771	842	1,178	1,375	1,713	1,967	2,606
8. Nagaland	876	1,063	1,389	1,604	1,884	2,385	2,389
9. Sikkim	260	415	593	852	929	989	1,010
10. Tripura	1,163	1,525	1,993	2,384	2,817	3,278	4,057
11. Uttarakhand	–	–	–	4,106	5,018	6,274	8,273
All States	**3,30,816**	**3,99,576**	**5,09,529**	**5,94,148**	**6,90,747**	**7,86,427**	**9,03,174**
Memo item:							
1. NCT Delhi	3,081	3,788	6,348	7,924	9,777	12,494	14,149
2. Puducherry	–	–	–	–	–	–	1,310

Statement 2: Total Outstanding Liabilities of State Governments (As at end-March) *(Concld.)*

(As at end-March)

(₹ crore)

State	2005	2006	2007	2008	2009	2010 (RE)	2011 (BE)
	15	16	17	18	19	20	21
I. Non-Special Category							
1. Andhra Pradesh	75,418	83,282	90,456	99,875	1,10,054	1,23,668	1,36,666
2. Bihar	43,183	47,290	49,846	52,807	55,782	61,570	66,514
3. Chhattisgarh	12,133	13,190	14,042	14,647	15,029	16,406	19,036
4. Goa	4,417	5,126	5,841	6,642	7,150	8,012	8,627
5. Gujarat	71,334	83,024	90,956	1,00,328	1,09,862	1,22,130	1,36,552
6. Haryana	24,900	26,979	29,308	29,911	33,495	39,747	46,526
7. Jharkhand	13,090	16,924	19,049	21,342	24,024	27,891	29,867
8. Karnataka	44,345	49,587	58,079	60,555	65,219	72,577	82,337
9. Kerala	43,695	47,883	52,318	58,503	67,008	73,514	81,742
10. Madhya Pradesh	44,586	49,647	52,731	54,909	60,312	66,842	74,574
11. Maharashtra	1,24,554	1,46,228	1,60,741	1,62,013	1,86,674	2,09,089	2,36,526
12. Orissa	36,982	40,724	42,938	42,975	43,901	46,232	50,937
13. Punjab	47,071	51,140	51,009	55,794	61,529	67,656	73,794
14. Rajasthan	59,968	66,239	71,173	77,166	84,235	90,420	98,881
15. Tamil Nadu	55,968	63,848	68,561	73,887	86,154	96,853	1,09,381
16. Uttar Pradesh	1,36,273	1,54,061	1,67,776	1,79,741	1,92,767	2,13,747	2,34,581
17. West Bengal	97,342	1,14,419	1,24,153	1,36,422	1,50,434	1,75,450	1,98,195
II. Special Category							
1. Arunachal Pradesh	2,069	2,412	2,371	2,837	5,926	6,092	4,724
2. Assam	17,043	18,401	19,490	20,192	22,800	24,660	27,385
3. Himachal Pradesh	16,483	17,390	18,142	19,482	21,900	23,535	25,534
4. Jammu and Kashmir	15,877	18,427	19,673	22,102	25,077	26,847	28,501
5. Manipur	3,239	4,062	4,185	4,529	4,883	5,203	5,379
6. Meghalaya	2,410	2,610	2,819	3,218	3,700	4,091	4,550
7. Mizoram	2,922	3,154	3,354	3,951	4,147	4,655	4,688
8. Nagaland	2,638	3,006	3,225	3,577	4,185	4,561	4,843
9. Sikkim	1,150	1,289	1,409	1,705	2,018	2,371	2,731
10. Tripura	4,853	5,358	4,625	4,542	4,710	5,388	5,931
11. Uttarakhand	10,123	12,017	13,308	14,650	17,223	19,270	21,154
All States	**10,14,067**	**11,47,717**	**12,41,576**	**13,28,302**	**14,70,195**	**16,38,474**	**18,20,155**
Memo item:							
1. NCT Delhi	15,836	21,567	25,569	25,339	25,382	26,544	26,744
2. Puducherry	1,549	1,818	2,169	2,923	3,325	3,898	3,938

RE: Revised Estimates. BE: Budget Estimates. '–' Not available/Not applicable.

Note: 1. From 1997 to 2003, 'Loans from Other Institutions' also includes 'Other Loans' and 'Loans from GIC'. From 2004, 'Loans from Other Institutions' includes 'Other Loans'.

2. As detailed break-up of Discharge of Internal Debt for Arunachal Pradesh and Jammu and Kashmir [2008-09, 2009-10 (RE) and 2010-11 (BE)] and Manipur [2008-09, 2009-10 (RE)] were not available, the same has been included under 'Loans from Other Institutions'.

3. Power bonds due for repayment on April 1, 2010 were paid on March 31, 2010 since April 1, 2010 was declared as public holiday under Negotiable Instrument Act at Mumbai to facilitate yearly closing of accounts of banks and, hence, have been shown as outstanding as at-end March 2010.

Source: 1. Combined Finance and Revenue Accounts of the Union and State Governments in India, CAG.

2. Ministry of Finance, Government of India.

3. Reserve Bank Records.

4. Budget Documents of the State Governments.

5. Finance Accounts of the Union Government, CGA, Government of India.

*Survey of India's Foreign Liabilities and Assets for the Mutual Fund Companies (2006-2009)**

This article presents an overview of the foreign assets and liabilities of the mutual fund companies (MFs) in India based on the Foreign Liabilities & Assets Survey (FLAS) conducted by the Reserve Bank with March 2006 to March 2009 as the reference period. The results cover the responses of 40 MFs for March 2009 which opened/acquired foreign assets or liabilities and 31 of these companies were common during the entire survey period. The noticeable increase in foreign assets and foreign liabilities of MFs during this period is analysed in detail and country-wise classification of the foreign assets and liabilities has also been made. Foreign liabilities were over seven times their foreign assets in March 2009 even as both recorded substantial growth. The rapid growth in balance sheets of MFs was arrested during the global financial crisis year of 2008-09 when most parameters moderated or declined. The increasing trend in their reinvested earnings was also arrested during the crisis year. The overseas portfolio assets of the MFs were solely in terms of investment in equity securities.

Section I

Introduction

The Reserve Bank conducts the annual *Foreign Liabilities and Assets Survey* (FLAS) among Indian resident companies to collect information on their cross-border liabilities and assets, which is used as an input for compilation of Balance of Payments (BoP) statistics and International Investment Position (IIP) of India. Foreign liabilities and assets arise on account of foreign direct investment (FDI), portfolio investment, other investments, which include trade credit, loan, *etc.* This information was earlier collected on census basis generally once in five years and the first such census was conducted with end-June 1948 as the reference period. Since 1997, FLAS is being conducted on a yearly basis. This information gives the extent to which an economy can withstand unexpected shocks in capital flows and also shows the level of international investors' confidence in the economy.

This article has been prepared on the basis of the FLAS data relating to mutual funds (MFs) and asset management companies (AMCs) associated with MFs for the reference period 2006 to 2009. Section II and III discuss the foreign liabilities and assets of MFs and AMCs, respectively. Section IV highlights the results of the co-ordinated portfolio investment survey (CPIS), which covers the portfolio assets in terms of equity and debt securities held abroad by MFs. Section V covers the reinvested earnings of the AMCs and conclusions are presented in Section VI.

Scope & Coverage

The information on foreign liabilities and assets analysed here has been collected under Schedule 1 (for information on the stock of external assets and liabilities of AMCs) and Schedule 4 (for information regarding MF units issued to non-residents, unpaid dividend, redemption of units issued to non-residents and MFs' overseas investment) of the FLAS. Format of both the schedules are given in Annex I. In terms of coverage, 34 MFs reported under FLAS for March 2006 and March 2007 which rose to 36 for March 2008 and further to 40 for March 2009. Of these, 31 companies were common in all the four years. As all the 40 MFs in the survey-frame for March 2009 responded (list in Annex II), it was a complete enumeration.

Developments in the Mutual Fund Sector

A mutual fund is a professionally managed collective investment scheme that pools money from multiple investors and invests typically in instruments such as, stocks, bonds, short-term money market instruments, other mutual funds, other securities, and/

*Prepared in the External Liabilities and Assets Statistics Division of the Department of Statistics and Information Management (DSIM). The previous study with reference period 2003-2005 was published in August 2006 issue of the RBI Bulletin.

or commodities such as precious metals. The investors are issued units in proportion to their investment. MFs trade (buy and sell) instruments in accordance with their investment objective and the income earned through these investments and the capital appreciation realised are shared by its unit-holders in proportion to the number of units held by them.

MFs in India are a significant source of investment in both government and corporate securities market. The foundation of the MF industry in India dates back to 1963 when Unit Trust of India (UTI) introduced mutual fund. Over the period, a number of players entered the market including private and foreign companies. Banks, too, have established mutual funds. As a part of the opening up of the financial sector, permission was given to private sector funds, including foreign fund management companies (most of them entering through joint ventures with Indian promoters), to enter the MF industry in 1993. All MFs are required to be established as trusts under the Indian Trusts Act, 1882 and the Securities and Exchange Board of India (SEBI) regulates their functioning. Mutual funds dealing exclusively with money market instruments are required to be registered with the Reserve Bank.

The aggregate ceiling for overseas investment by mutual funds registered with SEBI was enhanced from USD 4 billion to USD 5 billion in September 2007 which was further raised to USD 7 billion in April 2008. The actual fund management activity of an MF is generally conducted by a separate AMC. At present, Indian AMCs which launch off-shore funds abroad have to obtain SEBI's approval for such schemes. The minimum net worth of an AMC or its affiliate must be ₹50 million to act as a manager in any other fund.

Section II

Mutual Fund Companies: Foreign Liabilities & Assets

In India, MFs are allowed to issue the units of different schemes to non-residents which leads to creation of foreign liabilities on them. Foreign liabilities of MFs comprise two broad components: (i) issue of units to non-residents which can be classified further based on face value as well as market value and (ii) other foreign liabilities arising out of unpaid income/dividend to non-residents, sale proceeds waiting repatriation, *etc.* Major part of the foreign liabilities of MFs is attributed to the former whereas the latter constitutes only its meager portion. In addition to investment in MF units abroad and investment in foreign equity and debt instruments, foreign assets of MFs include balances held abroad, dividend receivable from abroad, *etc.*, which are classified as 'Other Foreign Assets' in the survey schedule.

During the reference period 2006-09, there was significant increase in both foreign assets acquired and foreign liabilities created by MFs and the ratio of foreign assets of the MFs to their foreign liabilities increased from 3.2 per cent at March 2006 to 14.0 per cent in March 2009 (Table 1). In particular, during 2007-08, foreign assets of MFs increased sharply from ₹614 crore to ₹4,244 crore, mainly on account of significant enhancement in the aggregate ceiling for overseas investment by MFs registered with SEBI during this period. Thereafter, the assets declined by 9.7 per cent to ₹3,832 crore in March 2009 reflecting the impact of global economic slowdown and meltdown in the stock markets.

Foreign liabilities of MFs (sum of 'units issued to non-residents' and 'other foreign liabilities') which increased gradually from ₹8,522 crore in March 2006 to ₹10,499 crore as at end-March 2007, rose sharply to

Chart 1: Foreign Assets & Liabilities of Mutual fund Companies as at end-March

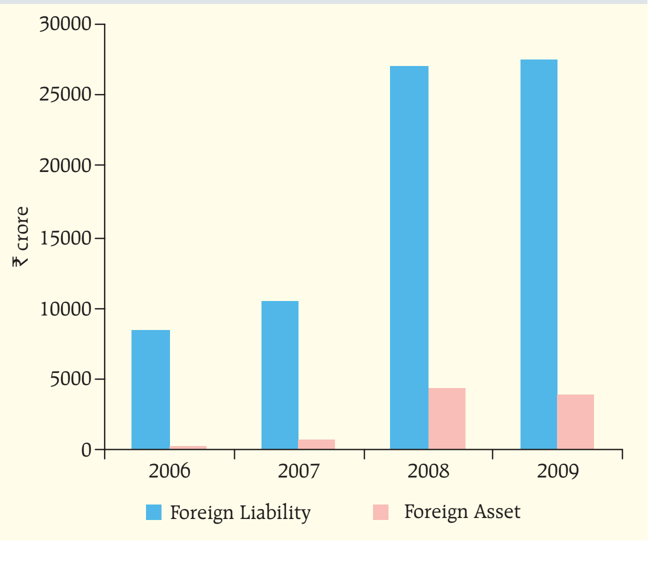


Table 1: Mutual Fund Companies – Foreign Liabilities and Assets

(₹ crore)

Mutual Fund Company	End-March				Variation					
					Absolute			Per cent		
	2006	2007	2008	2009	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
	1	2	3	4	5	6	7	8	9	10
Foreign Liability*	8,522	10,499	27,128	27,446	1,977	16,629	317	23.2	158.4	1.2
Foreign Asset	269	614	4,244	3,832	345	3,629	-412	128.0	590.8	-9.7

* Based on Face Value

₹27,128 crore in March 2008 and thereafter remained flat at ₹27,446 crore in March 2009 in the global crisis year.

The Chart 1 shows the trend in foreign liabilities and assets of MFs during the reference period.

Non-resident Holding

Foreign liabilities of MFs on account of mutual fund units issued to non-residents (which constitute nearly 99.9 per cent of their total foreign liabilities) have been classified according to both face value and market value. Such liabilities increased more than three-fold during the reference period both on face value as well as market value. However, while the rise in liabilities based on face value was steady (₹8,517 crore in March 2006 to ₹27,413 crore in March 2009), the liabilities based on market value were much more volatile due to swings in secondary market prices and increased from ₹13,877 crore in March 2006 to ₹41,106 crore in March 2008 before declining to ₹33,934 crore by March 2009 (Table 2).

Country-wise Distribution of Units Issued to Non-residents

(i) Based on Face Value: A country-wise distribution of the foreign liabilities of the MFs, based on face value of units issued to non-residents, shows that the share of United Arab Emirates (UAE) which rose from 18.4 per cent to 26.0 per cent during 2006-07, declined to 16.4 per cent in March 2008 and further to 9.2 per cent in March 2009 (Table 3). However, UAE continued to hold a substantial share of the total liabilities throughout the reference period. The share of foreign liabilities to Kuwait which remained around 0.2-0.3 per cent of the total foreign liabilities during 2006-2008, increased to 5.2 per cent by March 2009 followed by USA (2.1 per cent), United Kingdom (1.5 per cent) and Hong Kong (1.5 per cent). Hong Kong showed an increase in the share of foreign liabilities during 2008-09 while Mauritius recorded a decline in share during the year. The category 'Others' include the responses in which the country-details were either not given or the contribution was very small. In most of the cases of NRI investment, Indian addresses were given which were also included under this category. As such, the share of 'Others' was as high as three-fourths in the total foreign liabilities.

(ii) Based on Market Value: The country-wise classification of foreign liabilities on account of units issued to non-residents indicates that, as per market value also, UAE held major share of the foreign liabilities during the survey period. Foreign liability to Kuwait increased from 0.2 per cent in March 2008 to

Table 2: Mutual Fund Companies – Non-Resident Holding

(₹ crore)

Non-resident holding	End-March				Variation					
					Absolute			Per cent		
	2006	2007	2008	2009	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
	1	2	3	4	5	6	7	8	9	10
Face value of units	8,517	10,490	27,114	27,413	1,973	16,624	299	23.2	158.5	1.1
Market value of units	13,877	18,220	41,106	33,934	4,342	22,886	-7,172	31.3	125.6	-17.4
Other foreign liabilities	5	9	15	32	4	6	17	84.5	58.8	122.0

Table 3: Mutual Fund Companies – Country-wise Foreign Liabilities (at face value)

(per cent)

Country	End-March			
	2006	2007	2008	2009
	1	2	3	4
United Arab Emirates	18.4	26.0	16.4	9.2
Kuwait	0.2	0.2	0.3	5.2
USA	2.4	3.0	2.2	2.1
United Kingdom	1.7	1.7	1.9	1.5
HongKong	0.5	0.3	0.4	1.5
Singapore	0.4	0.9	1.0	1.0
Mauritius	0.4	0.5	2.4	1.0
Canada	0.2	0.2	0.5	0.5
Japan	0.1	0.1	0.1	0.4
Others*	75.7	67.3	74.8	77.5
Total#	100.0	100.0	100.0	100.0

* Includes cases where the investing country was not specified, or Indian address was give or country-wise contribution was very small.
\# Total may not tally due to rounding off.

4.2 per cent in March 2009 whereas foreign liability to Mauritius declined from 3.1 per cent to 1.7 per cent during this period. The share of foreign liability to Canada increased sharply from 0.2 per cent in March 2007 to 4.2 per cent in March 2008 and then declined to 3.1 per cent in March 2009. The category 'Others' has the same meaning as in the above case of liabilities based on face value. Here too, the share of others was about three-fourths of the total foreign liabilities (Table 4).

Table 4: Mutual Fund Companies – Country-wise Foreign Liabilities at Market Value

(per cent)

Country	End-March			
	2006	2007	2008	2009
	1	2	3	4
United Arab Emirates	13.0	16.4	12.2	12.2
Kuwait	0.2	0.1	0.2	4.2
Canada	0.3	0.2	4.2	3.1
USA	2.2	2.5	2.4	2.0
Mauritius	0.4	0.3	3.1	1.7
United Kingdom	1.7	1.4	1.7	1.4
Hong Kong	0.4	0.2	0.4	1.3
Singapore	0.5	0.6	0.8	0.9
Oman	0.8	0.7	0.8	0.6
Others*	80.5	77.5	74.3	72.4
Total#	100.0	100.0	100.0	100.0

* Includes cases where the investing country was not specified or where the country-wise contribution was very small.
\# Total may not tally due to rounding off.

Section III

Asset Management Companies – Foreign Liabilities and Assets

Asset management refers to professional management of investments that guides gaining of assets (stocks, bonds, gold, real estate), their use and disposal, and management of any costs and risks associated with the assets, in order to maximise the return on assets and make most of the assets' potential throughout their life. An Asset Management Company (AMC) is a firm that invests pooled funds of retail investors in various assets in line with the stated investment objectives. AMCs undertake the fund management activity of MFs. Against a fee, AMCs provide more diversification, liquidity, and professional management consulting service than is normally available to individual investors. They collect money from investors by way of floating various schemes and attempt to achieve portfolio diversification by investing in such securities that are not highly correlated with each other.

There were 40 AMCs associated with the MFs, which responded to the survey for 2008-09. Consistent with increased financial market activity during the period, foreign liabilities of AMCs increased rapidly during 2006-2008 (68.9 per cent in 2006-2007 and 93.4 per cent in 2007-2008) and even a relatively lower growth of 25.5 per cent during the crisis year of 2008-09 remained substantial. In sum, foreign liabilities

Chart 2: Foreign Liabilities & Assets of AMCs as at end-March

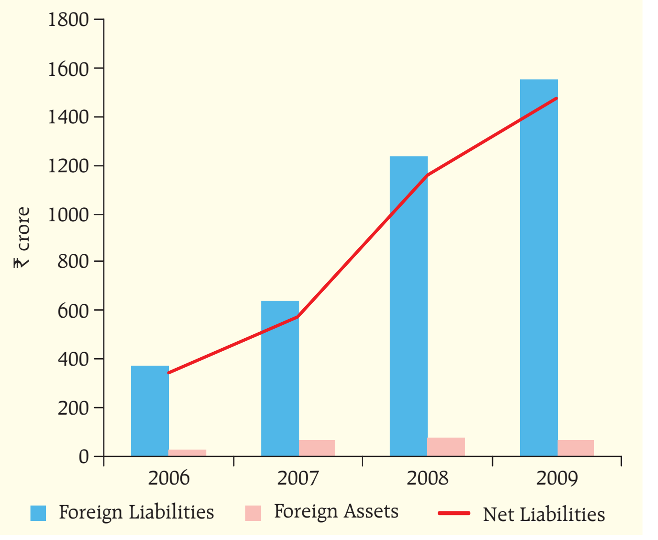


Table 5: Asset Management Companies – Foreign Liabilities and Assets

(₹ crore)

Item	End-March				Variation					
					Absolute			Per cent		
	2006	2007	2008	2009	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
	1	2	3	4	5	6	7	8	9	10
Foreign Liabilities	378	638	1,234	1,548	260	596	314	68.9	93.4	25.5
Foreign Assets	31	63	73	70	31	10	-3	100.5	16.9	-4.7
Net Liabilities	346	575	1,160	1,478	229	585	318	66.1	101.7	27.4

of AMCs increased from ₹378 crore in March 2006 to ₹1,548 crore in March 2009 (Table 5).

Foreign assets held by AMCs more than doubled from ₹31 crore in March 2006 to ₹73 crore in March 2008 after which they declined marginally to ₹70 crore in March 2009. Due to the large surge in foreign liabilities of AMCs, their net liabilities also increased significantly during 2006-2009. In the crisis year, they increased by 27.4 per cent from ₹1,160 crore in March 2008 to ₹1,478 crore in March 2009.

(a) Country-wise Foreign Liabilities

Mauritius accounted for the major share in total foreign liabilities of the AMCs during 2006-2009. Foreign liabilities to China which was nearly flat at ₹22.8 crore during 2006-2008 recorded a spurt to ₹211.0 crore by March 2009 whereas the share of USA in foreign liabilities increased consistently in absolute terms. In March 2009, the share of Mauritius (48.5 per cent), China (13.6 per cent), Korea (13.1 per cent)

Table 6: Asset Management Companies – Country-wise Distribution of Foreign Liabilities

(₹ crore)

Country	End-March				Variation					
					Absolute			Per cent		
	2006	2007	2008	2009	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
	1	2	3	4	5	6	7	8	9	10
Mauritius	200.0 (53.0)	385.2 (60.4)	711.1 (57.7)	750.6 (48.5)	185.2	325.9	39.5	92.6	84.6	5.5
China	22.8 (6.0)	22.8 (3.6)	22.8 (1.8)	211.0 (13.6)	0.0	0.0	188.2	0.0	0.0	826.5
South Korea	0.0 **	0.0 **	203.2 (16.5)	203.2 (13.1)	0.0	203.2	0.0	**	**	0.0
Netherlands	0.0 **	0.0 **	99.9 (8.1)	120.7 (7.8)	0.0	99.9	20.9	**	**	20.9
Singapore	0.0 **	22.6 (3.5)	42.3 (3.4)	118.9 (7.7)	22.6	19.7	76.6	**	87.3	181.2
USA	22.5 (6.0)	47.1 (7.4)	61.0 (4.9)	73.6 (4.8)	24.6	14.0	12.5	109.1	29.7	20.5
France	18.5 (4.9)	18.5 (2.9)	26.2 (2.1)	26.2 (1.7)	0.0	7.7	0.0	0.0	41.4	0.0
United Kingdom	35.8 (9.5)	35.6 (5.6)	44.1 (3.6)	18.7 (1.2)	-0.2	8.4	-25.4	-0.5	23.7	-57.6
Italy	0.0 **	0.0 **	0.0 **	15.0 (1.0)	0.0	0.0	15.0	**	**	**
Canada	9.0 (2.4)	9.0 (1.4)	9.5 (0.8)	9.5 (0.6)	0.0	0.5	0.0	0.0	5.7	0.0
Others	69.0 (18.3)	97.2 (15.2)	13.5 (1.1)	0.7 (0.0)	28.2	-83.7	-12.8	40.9	-86.1	-94.9
Total	377.6	637.9	1,233.5	1,547.9	260.3	595.6	314.4	68.9	93.4	25.5

Figures in bracket indicate percentage share to total; ** Indicates nil figure and USA (4.8 per cent) were high. South Korea and Netherlands accounted for foreign liabilities from 2008 onwards. The category 'Others' includes cases where country of the investor was not given or where individual country-wise contribution was very small (Table 6).

(b) Country-wise Foreign Assets

The foreign assets of the Asset Management Companies (AMCs) were mainly held in Guernsey, an island near France, in all the four consecutive years from 2006 to 2009. In March 2009, it accounted for 52.9 per cent of the total foreign assets, followed by Mauritius and Singapore accounting for 30.1 per cent and 10.0 per cent, respectively. The share of Mauritius in the foreign assets rapidly increased from 3.8 percent at end-March 2006 to 30.1 per cent at end-March 2009. The share of foreign assets in United Kingdom, Japan and Canada in total foreign assets gradually declined during the survey period (Table 7).

Section IV

Co-ordinated Portfolio Investment Survey

Along with the data on the foreign liabilities and assets of Indian resident companies, FLAS also captures information under Co-ordinated Portfolio Investment Survey (CPIS) on their holdings of portfolio investment assets in the form of equity, long-term and short-term debt at end-December. Total portfolio assets of MFs held abroad, which remained entirely in equity and no investment in debt securitie, increased from ₹942 crore in December 2006 to ₹3,839 crore in December 2007 and remained around that level in December 2008. Luxembourg, which had no share in total portfolio assets of MFs in 2006, got a lion's share in its subsequent surge and accounted for 59.4 per cent (₹2,275.8 crore) of the total portfolio assets in December 2008. Switzerland and Cayman Islands, which accounted for a portion of assets after 2007 held 6.7 per cent and 3.6 per cent of total assets, respectively, in December 2008. The assets held in the United States

Table 7: Asset Management Companies – Country-wise Distribution of Foreign Assets

(₹crore)

Country	End March				Variation					
					Absolute			Per cent		
	2006	2007	2008	2009	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
	1	2	3	4	5	6	7	8	9	10
Guernsey	19.5 (62.4)	36.9 (59.0)	36.9 (50.5)	36.9 (52.9)	17.4	0.0	0.0	89.6	0.0	0.0
Mauritius	1.2 (3.8)	5.1 (8.2)	11.6 (15.9)	21.0 (30.1)	3.9	6.5	9.4	333.3	127.2	80.7
Singapore	0.5 (1.7)	5.8 (9.3)	6.8 (9.3)	7.0 (10.0)	5.3	1.0	0.2	968.2	16.7	3.0
United Kingdom	0.6 (2.0)	5.6 (9.0)	5.1 (7.0)	2.2 (3.1)	5.0	-0.5	-2.9	812.9	-8.9	-57.4
China	0.2 (0.7)	0.1 (0.2)	0.2 (0.3)	1.2 (1.7)	-0.1	0.1	0.9	-36.8	92.8	364.9
USA	1.5 (4.7)	2.8 (4.5)	1.2 (1.7)	0.8 (1.1)	1.4	-1.6	-0.4	93.2	-56.9	-36.4
Sri Lanka	0.3 (0.8)	0.2 (0.3)	0.2 (0.3)	0.2 (0.2)	0.0	0.0	-0.1	-16.7	9.4	-28.8
Canada	0.8 (2.5)	0.5 (0.7)	0.0 **	0.0 **	-0.3	-0.5	0.0	-40.1	-100.0	**
Japan	6.2 (19.8)	5.2 (8.2)	5.0 (6.9)	0.0 **	-1.0	-0.2	-5.0	-16.7	-2.9	-100.0
Others	0.5 (1.6)	0.4 (0.6)	6.0 (8.2)	0.6 (0.9)	-0.1	5.7	-5.4	-29.4	1,573.2	-90.1
Total	31.2	62.6	73.1	69.7	31.4	10.5	-3.4	100.5	16.9	-4.7

Figures in parentheses are percentage share to total. ** Nil or negligible denominator.

increased to ₹394 crore in December 2008 from ₹67 crore as at December 2006. Wherever destination country was not reported or the country-wise contribution was very small, the destination was clubbed under the category 'Others' and such assets had nearly 7.1 per cent share in total portfolio assets of MFs held abroad in December 2008 (Table 8).

Section V

Reinvested Earnings of AMCs

Reinvested earning is the foreign direct investor's share in resident company's retained earnings, which is the difference (positive or negative) between a company's net profit/loss and its distributed dividends. Reinvested earnings are included in the BoP within the double-entry book-keeping principle by (a) including it in the financial accounts as part of FDI to reflect the direct investor's increased investment in the foreign subsidiary, associates or branch and (b) recording as a investment income payments in the current account, representing the direct investor's income on equity investment.

Reinvested earnings of the AMCs sharply increased from ₹51.5 crore in 2006-07 to ₹166.6 crore in 2007-08 reflecting the increased profits earning by the AMCs during this period. Subsequently, with decline in corporate profitability during the global crisis period, reinvested earnings declined marginally to ₹160.2 crore in 2008-09 (Table 9).

Table 9: Reinvested Earnings of Asset Management Companies

(₹crore)

	2006-07	2007-08	2008-09
	1	2	3
Reinvested Earnings	51.5	166.6	160.2

Section VI

Conclusion

The foreign assets and liabilities of the mutual fund and asset management companies have increased substantially during 2006-09. Apart from y-o-y increase in the stock of foreign assets and liabilities of the 31 common companies, which have responded in all the four years from 2006 to 2009, an increase in number of MFs has also led to an increase in the overall foreign asset and liability position of the Indian Mutual Funds industry. The foreign liabilities of MFs companies are largely on account of issue of mutual fund units to non-residents. Since most of the responses from MFs did not include the country of the foreign investor and Indian address was given for NRI investors, about three-fourths of the foreign liabilities were classified under the category 'Others', while classifying the foreign liabilities as per country of investor. Among the remaining, UAE accounted for the major share of liabilities. The foreign liabilities increased at a fast pace reflecting the increasing interest of foreign investors in the Indian economy. The foreign liabilities of the mutual fund companies were seven times the

Table 8: Mutual Fund Companies – Portfolio Assets held Abroad

ECountry	End-Dec									Variation			
										Absolute		Per cent	
	2006			2007			2008			2006-07	2007-08	2006-07	2007-08
	Equity	Debt	Total	Equity	Debt	Total	Equity	Debt	Total				
	1	2	3	4	5	6	7	8	9	10	11	12	13
Luxembourg	0	0	0	2,568.3	0	2,568.3	2,275.8	0	2,275.8	2,568.3	-292.5	**	-11.4
United States	67.4	0	67.4	160.1	0	160.1	394.0	0	394.0	92.7	234.0	137.5	146.3
Switzerland	0.0	0	0.0	0.0	0	0.0	257.3	0	257.3	0.0	257.3	**	**
Hong Kong	37.9	0	37.9	130.3	0	130.3	209.8	0	209.8	92.4	79.5	243.8	61.0
Ireland	412.2	0	412.2	363.2	0	363.2	160.9	0	160.9	-49.0	-202.3	-11.9	-55.7
Cayman Islands	0.0	0	0.0	0.0	0	0.0	137.7	0	137.7	0.0	137.7	0.0	**
South Korea	98.8	0	98.8	213.1	0	213.1	123.9	0	123.9	114.3	-89.1	115.7	-41.9
Others	325.7	0	325.7	403.5	0	403.5	271.8	0	271.8	77.9	-131.7	23.9	-32.6
Total	941.9	0	941.9	3,838.5	0	3,838.5	3,831.3	0	3,831.3	2,896.6	-7.2	307.5	-0.2

** Nil or negligible denominator.

foreign assets held by them. High surge in profitability of the Indian corporate sector led to three-fold increase in the reinvested earnings of AMCs during 2007-08.

After liberalisation of the policies on overseas investment by MFs, their foreign assets increased sharply and portfolio assets constituted a major portion of such assets. Within portfolio investment, the assets were solely on account of overseas mutual fund units and equity investment and no MF had invested in debt securities abroad. Tightening of liquidity conditions due to the global financial crisis led to a decline in the portfolio assets of the mutual fund companies during December 2007 to December 2008.

Annex I

CONFIDENTIAL

RESERVE BANK OF INDIA

Department of Statistics and Information Management

SURVEY OF INDIA'S FOREIGN LIABILITIES AND ASSETS, 2008 & 2009

SCHEDULE 4

(To be filled in by Asset Management Company/Mutual Fund Company as applicable)

Please read the **instructions** carefully before filling-in this schedule.

Identification Particulars

For RBI use
Company Code

1. Name and full postal address ______________________________
____
____
____
____
2. Account Closing Date : ______________________________
3. Contact Person : ______________ Designation : ______________
4. Telephone No. ______________ Fax No. : ______________
5. e-mail: ______________________________
6. If any change in Company Name then please specify the old and new company name:
Old Company Name ______________ New Company Name ______________
Effective date ______________

Note: Please use additional sheet(s) using the same format if any Block is not sufficient to report all your data.

Block 1: Foreign Liabilities and Assets

Item Code	Item		Amounts in lakh of Rupees	
			End-March 2008	End-March 2009
100	Units issued to & outstanding in the name of non-residents (please furnish details in Block 2)	Total face value of units		
		Total face value of Non-resident holdings		
		Total face value of Unit Premium Reserves		
		Total Market value of units		
		Total Market value of Non-resident holdings		
		Total Market value of Unit Premium Reserves		
200	Total Other Foreign Liabilities (please furnish details in Block 3)			
300	Total Foreign Assets (please furnish details in Block 4)			

Annex I

Block 2: Units Issued to and Outstanding in the name of Non-Residents

(Amount in lakh of Rupees)

	Country of residence of unit holder		Face value as on March 31, 2008		Market value as on March 31, 2008	
Sr. No.	Description	For RBI use	Face value of non-resident	Unit Premium Reserve holding	Market value of non-resident holdings	Unit Premium Reserve

(Amount in lakh of Rupees)

	Country of residence of unit holder		Face value as on March 31, 2009		Market value as on March 31, 2009	
Sr. No.	Description	For RBI use	Face value of non-resident	Unit Premium Reserve holding	Market value of non-resident holdings	Unit Premium Reserve

Note : (1) For the purpose of valuation, market value should relate to

i) The mid-value of the stock market buy and sell closing rates on the reference dates (31/03/2008 & 2009) in case, stock markets were closed on the reference dates, rates prevailing on the previous working day should be used.

ii) In case the market value is not available, net asset value per instrument on the reference dates should be used.

(2) All Schemes where non-residents (individuals, companies and associates) are eligible to participate should be covered. It is not necessary to give scheme-wise figures. Aggregate for all such schemes should only be reported.

Block 3: Other Foreign Liabilities

(Please indicate here foreign liabilities arising out of Mutual Fund, unpaid income distribution to non-residents, sale proceeds awaiting repatriation etc.)

		Country of residence of creditor		Currency of denomination		As on March 31, 2008		As on March 31, 2009	
Sr. No.	Description of the liability	Description	For RBI use	Description	For RBI use	Amount in foreign currency (in actuals)	Amount in Rupees lakh	Amount in foreign currency (in actuals)	Amount in Rupees lakh
1	2	3	4	5	6	7	8	9	10

BLOCK 4: Foreign Assets

		Country of residence location of debtor		Currency of denomination		Amount as on March 31, 2008		Amount as on March 31, 2009	
Sr. No.	Description of the assets	Description	For RBI use	Description	For RBI use	Amount in foreign currency (in actuals)	Amount in Rupees lakh	Amount in foreign currency (in actuals)	Amount in Rupees lakh
1	2	3	4	5	6	7	8	9	10

Certificate

We hereby certify that all the figures and facts furnished in this schedule reflect the accurate position of the company and are reported after understanding all the items of all the blocks of the schedule.

Place :

Signature of the authorised person

Date :

Seal/Stamp of the Company

Annex I

RESERVE BANK OF INDIA

(Department of Statistics and Information Management, Mumbai)

SURVEY ON INDIA'S FOREIGN LIABILITIES AND ASSETS, 2008-09: SCHEDULE 1

Please read the instructions carefully before filling-in this Schedule

Identification Particulars

1. Name and Address of the Indian Company ______________________

For RBI use
COMPANY CODE

City: ____________ Pin: ____________

State: ____________

2. Name of the CONTACT PERSON : ____________ DESIGNATION: ____________

STD code: ________ Tel. ________ Fax: ________ email: ________

3. Account closing date: (dd/mm/yy) ________ Web Site (if any): ________

4. If any change in Company Name then please specify the old and new Company Name:

Old Company Name ____________ New Company Name ____________

Effective date ____________

5. Nature of Business: Please tick (✓) the appropriate group of activity to which your principal line of business pertains and also mention, if possible, the NIC code in the bracket.

1. Power ( )		4. Electrical & Electronics ( )		7. Non-financial services ( )		10. Financial Services ( )	
2. Telecom ( )		5. Hotels & Tourism ( )		8. Metallurgical Industry & Mining ( )		11 Food Processing Industry ( )	
3. Transportation ( )		6. Petroleum & Natural Gas ( )		9. Chemicals (other than fertilisers) ( )		12 Others (Specify) ( )	

6. State the main product(s), produced or distributed or main service (s) rendered.

Product/Service	Percent share in total sales	For RBI use (Industry Code)
____________	____________	

7. Name of the State(s) where major portion of investments have taken place.

8. Whether your company has investment outside India [please tick (✓)] Yes [ ] No [ ]

Annex I

Block 1A: Total Paid-up Capital of Indian Company

Item	March 2008		March 2009	
	Number of Shares	Amount in lakh of Rupees	Number of Shares	Amount in lakh of Rupees
1.0 Total Paid up Capital [(i) + (ii)]				
(i) Ordinary/Equity Share				
(ii) Preference Share [(a)+(b)]				
(a) participating				
(b) Non-participating				
Non-Resident Holdings (Equity)				
2.0 Non-resident Equity Holdings (2.1+2.2+2.3+2.4)				
of which held by 2.1. Foreign Collaborators/Promoters				
2.2 NRIs/OCBs				
2.3 FIIs				
2.4 Other non-residents				

Block 1B: Free Reserves & Surplus and Retained Profit

Item	Amount in lakh of Rupees at the end of	
	March 2008	March 2009
3.1 Free Reserves & Surplus as at the end of		
3.2 Profit after tax during the year ending		
3.3 Dividend Declared during the year ending (excluding tax on dividend)		
3.4 Retained Profit/loss (3.2 -3.3)		

FOREIGN LIABILITIES

Block 2A: Foreign Direct Investment in India (Directly by Direct Investor)

[Please furnish here the outstanding investments of those **non-resident investors (Direct Investors)** who were holding **10 per cent or more** ordinary shares of **your company** on the reporting date]. ***If this block is Non-NIL then please give the Name & Addresses of your subsidiary in India, if any,*** in **BLOCK 8**.

Name of the non-resident Company/ Individual	Type of Capital	Country of non-resident investor	Amount in lakh of Rupees at the end of	
			March 2008	March 2009
	1.0 Equity Capital (1.2-1.1)			
	1.1 Claims on Direct Investor			
	1.2 Liabilities to Direct Investor			
	2.0 Other Capital(2.2-2.1)			
	2.1 Claims on Direct Investor			
	2.2 Liabilities to Direct Investor			
	3.0 Disinvestments in India during the year			

Note: (i) If investor is a company, then country is the country of incorporation.

(ii) Please use different sheet using same Format to report different non-resident company/individual.

Annex I

Block 2B: Foreign Direct Investment in India [Indirect Investment by Direct Investor (DI)]

In case, if your company has direct investor, as mentioned in Block 2A, then please furnish the investment made by the overseas **subsidiary(ies)/associate(s)/branch(es) of your DI abroad in your company** even if its share in **your company** is **less than 10%**.

Name of the non-resident Company/ Individual	Type of Capital	Country of non-resident investor	Amount in lakh of Rupees at the end of	
			March 2008	March 2009
	1.0 Equity Capital (1.2-1.1)			
	1.1 Claims on Direct Investor			
	1.2 Liabilities to Direct Investor			
	2.0 Other Capital (2.2-2.1)			
	2.1 Claims on Direct Investor			
	2.2 Liabilities to Direct Investor			
	3.0 Disinvestments in India during the year			

Note: (i) If investor is a company, then country is the country of incorporation.

(ii) Please use different sheet using same Format to report different non-resident company/individual.

Portfolio and Other Liabilities to Non-residents

Block 3A: Portfolio Investment

Please furnish here the outstanding investments by non-resident investors who were **holding less than 10% of ordinary shares** of your company on the reporting date.

Portfolio Investment	Country of non-resident investor	Amount in lakh of Rupees at the end of	
		March 2008	March 2009
1.0 Equity Securities			
2.0 Debt Securities(2.0 = 2.1+2.2)			
2.1 Bonds and Notes (maturity more than 1 year)			
2.2 Money Market Instruments (maturity upto1 year)			
3.0 Disinvestments in India during the year			

Note: Data pertaining to each type of investment are to be reported consolidating the information country-wise. If more countries are involved to report the data for the particular type(s) of investment, it should be reported in the same format using additional sheets separately for each country.

Block 3B: Financial Derivatives

Please furnish here the outstanding foreign liabilities on account of financial derivatives.

Financial Derivatives	Country of non-resident investor	Amount in lakh of Rupees at the end of	
		March 2008	March 2009
Financial Derivatives			

Note: If more countries are involved to report the data for the particular type(s) of investment, it should be reported in the same format using additional sheets separately for each country.

Annex I

Block 3C: Other Investments:
This is a residual category that includes all financial outstanding not considered as direct investment or portfolio investment.

Other Investment		Country of non-resident investor	Amount in lakh of Rupees at the end of	
			March 2008	March 2009
4.0	**Trade Credit (4.0 = 4.1+4.2)**			
4.1	Short-Term (4.1= 4.1.1+4.1.2)			
4.1.1.	Up to 6 Months			
4.1.2.	6 Months to 1 Year			
4.2.	Long-Term			
5.0	**Loans (5.0 = 5.1+5.2)**	As the details of the loans availed by your company are collected through Authorised Dealers separately by RBI in ECB returns these details need not be filled in.		
5.1	Short-Term			
5.2	Long-Term			
6.0	**Other Liabilities (6.0 = 6.1+6.2)**			
6.1	Short-Term (Up to 1 yr.)			
6.2	Long-Term			

Note: (1) Data pertaining to each type of investment are to be reported consolidating the information country-wise. If more countries are involved to report the data for the particular type(s) of investment, it should be reported in the same format using additional sheets separately for each country.

FOREIGN ASSETS

Please use the **exchange rate as at end-March/end-December** (as applicable) of reporting year while reporting the **foreign assets in ₹ lakh**.

Block 4: Direct Investment Abroad
[Please furnish here your outstanding investments in direct investment enterprises **(DIEs)**, i.e. the non-resident enterprises in each of which **your company** held **10 per cent or more** shares of that non-resident enterprise on the reporting date]. ***If this block is Non-NIL, then please furnish the information*** in **BLOCK 6**.

Name of the non-resident DIE	Type of Capital	Country of non-resident enterprise	Amount in lakh of Rupees at the end of	
			March 2008	March 2009
	1.0 Equity Capital (1.1-1.2)			
	1.1 Claim on DIE			
	1.2 Liabilities to DIE			
	2.0 Other Capital (2.1-2.2)			
	2.1 Claim on DIE			
	2.2 Liabilities to DIE			
	3.0 Disinvestments Abroad during the year			

Note: Please use separate sheet using same Format to report separate DIE.

Annex I

Portfolio and Other Assets Abroad

Block 5A: Portfolio Investment Abroad

Please furnish here the outstanding investments in non-resident enterprises in each of which **you are holding less than 10% of ordinary shares** of that non-resident company on the reporting date.

Portfolio Investment	Country of non-resident enterprise	Amount in lakh of Rupees at the end of		
		March 2008	December 2008*	March 2009
1.0 Equity Securities				
2.0 Debt Securities (2.0=2.1+2.2)				
2.1 Bonds and Notes (maturity more than 1 year)				
2.2 Money Market Instruments (maturity upto 1 yr)				
3.0 Disinvestments Abroad during the year				

*** The figures as on December 2008 are required for the Co-ordinated Portfolio Investment Survey.**

Note: (1) Data pertaining to each type of investment are to be reported consolidating the information country-wise. If more countries are involved to report the data for the particular type(s) of investment, it should be reported in the same format using additional sheets separately for each country.

Block 5B: Financial Derivatives

Please furnish here the outstanding foreign assets on account of financial derivatives.

Financial Derivatives	Country of non-resident enterprise	Amount in lakh of Rupees at the end of	
		March 2008	March 2009
Financial Derivatives			

Block 5C: Other Investment:

This is a residual category that includes all financial outstanding not considered as direct investment or portfolio investment

Other Investment	Country of non-resident enterprise	Amount in lakh of Rupees at the end of	
		March 2008	March 2009
4.0 Trade Credit (4.0=4.1+4.2)			
4.1 Short-Term (4.1=4.1.1+4.1.2)			
4.1.1. Up to 6 Months			
4.1.2. 6 Months to 1 Year			
4.2 Long-Term			
5.0 Loans (5.0=5.1+5.2)			
5.1 Short-Term (Up to 1 year)			
5.2 Long-Term			
6.0 Other Assets (6.0=6.1+6.2)			
6.1 Currency & Deposits			
6.2 Others			

Note: (1) Data pertaining to each type of investment are to be reported consolidating the information country-wise. If more countries are involved to report the data for the particular type(s) of investment, it should be reported in the same format using additional sheets separately for each country.

Annex I

Block 6: Equity Capital, Free Reserves & Surplus of Direct Investment Enterprise Abroad

[Please report here the total equity, the equity held by **your company** and the total free reserves & surplus of those non-resident enterprises in each of which **your company held 10 per cent or more** shares on the reporting date]. ***If this block is Non-NIL then please furnish the information*** in **BLOCK 4**.

Name of the DIE	Item	Currency	Amount in Foreign Currency at the end of (in actuals)	
			March 2008	March 2009
	1	2	3	4
	1. Total Equity of DIE			
	2. Equity of DIE held by you			
	3. Free Reserves & Surplus of DIE			
	4. Dividend Received by you			
	5. Amount of your Profit retained by DIE			

Note: (1) If your company is a Direct Investor in more than one DIE, the data should be provided in the same format in respect of each such DIE using additional sheets.

(2) All the amounts to be reported in Cols. 4 & 5 should be given in actual and in the currency mentioned in Col. 3.

Block 7: Contingent Foreign Liabilities

[Please report here the relevant details about the contingent foreign liabilities of your company]

Description of Contingent Liability@	Country$	Currency#	Amount in Foreign Currency at the end of (in actuals)	
			March 2008	March 2009
	1	2	3	4

@ If **your company** has extended a guarantee to a loan taken by non-resident party (may be your subsidiary abroad), such guarantees are part of your contingent foreign liabilities.
Under Col.1, 'Loan Guarantee' needs to be mentioned (refer the definition of contingent liabilities).

$ Country should relate to the country of location of the non-resident creditor involved in the transaction. To illustrate, as mentioned above, if the contingent foreign liability is in connection with guarantees on loans, the country of location of the non-resident creditor to whom such guarantees are given, needs to be reported in Col. 2.

Currency of denomination of the contingent foreign liability should be mentioned in Col. 3.

Note: All the amounts to be reported in Cols. 4 & 5 should be given in actual and in the currency mentioned in Col. 3.

Annex I

BLOCK 8: Name(s) & Address(es) of your subsidiary in India

Sr. Nos.	Name of Subsidiary in India*	Your Equity holding in subsidiary (%)	Address	Retained profit of your subsidiary in India (Amount in lakh of Rupees)

*** Please furnish the Balance Sheet of your subsidiary in India.**

Certificate

We hereby certify that all the facts and figures furnished in this schedule reflect the accurate position of the company and are reported after understanding all the items of all the blocks of the schedule.

Place :

Signature and Name of the Authorised person

Date :

Seal/Stamp of the Company

Anne1x II

List of mutual fund companies which responded to FLAS in 2008-09

1. AIG Global Asset Management Company (India) Pvt Ltd.
2. Alliance Capital Asset Management India Pvt Ltd.
3. Baroda Pioneer Asset Management Company Ltd.
4. Benchmark Asset Management Co. Pvt Ltd.
5. Bharti Axa Trustee Services Pvt Ltd.
6. Birla Sun Life Asset Management Co. Ltd.
7. Canara Robeco Asset Management Co Ltd.
8. DBS Cholamandalam Asset Management Company Ltd.
9. Deutsche Asset Mgmt(India) Pvt. Ltd.
10. DSP Blackrock Mutual Fund
11. Edelweiss Asset Management Ltd.
12. Escorts Asset Management Ltd.
13. FIL Fund Management Pvt Ltd.
14. Fortis Investment Management India Pvt Ltd.
15. Franklin Templeton Asset Mgmt. (I) Pvt. Ltd.
16. HDFC Asset Mgmt. Co. Ltd.
17. HSBC Asset Management (I) Private Limited
18. ICICI Prudential Asset Mgmt. Co. Ltd.
19. IDFC Asset Management Company Pvt Ltd.
20. ING Investment Mgmt(India)Pvt. Ltd.
21. LIC Mutual Fund Asset Management Company Ltd.
22. JM Financial Asset Management Pvt. Ltd.
23. JP Morgan Asset Management India Pvt Ltd.
24. KJMC Asset Management Company Ltd.
25. Kotak Mahindra Asset Mgmt. Co. Ltd.
26. MIRAE Asset Global Investment Management (India) Pvt Ltd.
27. Morgan Stanley Investment Mgmt Pvt. Ltd.
28. Principal Pnb Asset Management Company Private Ltd.
29. Quantum Asset Management Co Private Ltd.
30. Reliance Capital Asset Mgmt. Ltd.
31. Religare Aegon Asset Management Company Ltd.
32. Religare Asset Management Company Pvt Ltd.
33. Sahara Asset Management Co. Pvt. Ltd.
34. SBI Funds Management Private Ltd.
35. Shinsei Asset Mgt India Pvt Ltd.
36. Shriram Asset Management Co. Ltd.
37. Sundaram BNP Paribas Asset Management Company Ltd.
38. Tata Asset Management Ltd.
39. Taurus Asset Management Co. Ltd.
40. UTI Asset Management Co. Pvt. Ltd.

Survey of Small Borrowal Accounts: 2008*

The Survey of Small Borrowal Accounts for the year ended March 31, 2008 is the seventh in the series and was conducted to obtain a profile of small borrowal accounts (accounts each with credit limit of ₹2 lakh or less) for which account-wise details are not collected through the Basic Statistical Returns (BSR) system. These accounts constitute about 88 per cent of all borrowal accounts, even though in terms of outstanding credit, their share is less than 14 per cent. The survey covered 52.6 per cent of over 9.4 crore small borrowal accounts and 47.5 per cent of the outstanding credit of ₹3,29,396 crore to small borrowers. Agriculture and Personal Loans dominated the small borrowal accounts. About 40 per cent of the agricultural loans were disbursed through Kisan Credit Cards and about 60 per cent of agricultural loans were charged interest at the rate of 6 to 10 per cent annually. While presenting the broad structure of these accounts, separate profile of accounts of the women borrowers are also presented.

Highlights

1. According to BSR data, for various years, small borrowal accounts form around 90 per cent of all borrowal accounts whereas their share in outstanding bank credit is generally lower than 20 per cent.

2. Personal loans dominated the occupation categories of small borrowal accounts with shares of 38.7 per cent and 38.5 per cent in terms of number and amount outstanding, respectively, followed by 'Agriculture' with shares of 37.6 per cent and 38.2 per cent in terms of number and amount outstanding, respectively. The share of number of agricultural loans increased marginally from that in March 2006 while the same for personal loans declined.

3. A large portion of small borrowal accounts was sanctioned in Rural areas with 33.1 per cent share in terms of number and 31.5 per cent in terms of the amount outstanding. This was followed by Metropolitan areas with shares of 32.6 per cent and 25.3 per cent, respectively, in terms of number of accounts and amount outstanding. Though the share of small borrowal accounts in Rural areas declined between March 2006 and March 2008, its share in amount outstanding had risen.

4. Among various Bank groups, Nationalised Banks had maximum small borrowal accounts with share of 32.3 per cent in number and 40.2 per cent in amount outstanding. This was followed by Other Scheduled Commercial Banks which accounted for 24.7 per cent and 17.2 per cent in total number of small borrowal accounts and amount outstanding, respectively. The share of Other Scheduled Commercial Banks substantially increased between 2006 and 2008.

5. The distribution of small borrowal accounts as per size of credit limit was skewed. 48.3 per cent of the small borrowal accounts were with credit limit up to ₹25,000 but accounted for only 15.5 per cent of the total amount outstanding. The small borrowal accounts each with credit limit above ₹1 lakh formed just 11.4 per cent of all borrowal accounts but accounted for 36.3 per cent of the total amount outstanding.

6. Term loans dominated the type of loan accounts with shares of 40.7 per cent and 47.3 per cent in terms of number and outstanding amount, respectively. This was followed by Demand loans constituting 17.2 per cent and 15.4 per cent of number of small borrowal accounts and outstanding amount, respectively. It was observed that 16.0 per cent of the loans were extended through Kisan Credit Cards *(Production & Investment)*, which accounted for 17.7 per cent of the total outstanding amount. About 42.0 per cent of the

* Prepared by Division of Enterprise Surveys, (erstwhile part of Survey Division) Department of Statistics and Information Management. The previous article on the subject 'Survey of Small Borrowal Accounts: March 2006' appeared in June 2008 issue of Reserve Bank of India Bulletin.

Agricultural loans was issued through Kisan Credit Cards *(Production & Investment)* accounting for a share of 45.6 per cent of the outstanding amount. The share of Term loans in terms of number increased between March 2006 and March 2008 but its share in amount outstanding declined.

7. Most of the small borrowal accounts were Standard Assets and they constituted 89.5 per cent of all the small borrowal accounts and 92.0 per cent in terms of amount outstanding. Thus, only 10.5 per cent of all the accounts were found to be non-performing assets (NPA).

8. The majority of small borrowal accounts were held by Individuals with share of 91.7 per cent in total small borrowal accounts and 90.5 per cent in the amount outstanding. Among individuals, majority of the accounts belonged to male members. The female borrowers formed only 15.1 per cent and 13.9 per cent of total number of small borrowal accounts and amount outstanding, respectively.

9. The small borrowal accounts sanctioned under various loan schemes, *viz.*, Integrated Rural Development Programme (IRDP), Prime Minister's Rojgar Yojna [including Self-Employment scheme for Educated Unemployed Youth (SEEUY)], Swarnajayanti Gram Swarozgar Yojana (SGSY) and Loans for agriculture under Special Agriculture Credit Plan (SACP) formed just 7.5 per cent of the total small borrowal accounts and accounted for about 7.8 per cent of the amount outstanding. The loan accounts not covered under any scheme formed about 55.2 per cent of total small borrowal accounts, accounting for 45.1 per cent of the amount outstanding. The share of loans under Integrated Rural Development Programme (IRDP) declined between March 2006 and March 2008.

10. A large number of the small borrowal accounts (29.5 per cent) were charged interest rates in the range of '6 to 10 per cent' accounting for 31.0 per cent share of the amount outstanding. About 60.6 per cent of the Agricultural loans were priced at an annual rate of interest between '6 and 10 per cent' and their share was 58.1 per cent in the outstanding amount. About two-fifths of the Housing loans (38.7 per cent) were charged between '6 and 10 per cent' per annum with 38.1 per cent share in the amount outstanding.

11. Among various social groups, only 3.3 per cent and 1.7 per cent of the small borrowal accounts belonged to Scheduled Castes (including neo-Buddhists) and Scheduled Tribes, respectively. The corresponding shares in total amount outstanding stood at 2.4 per cent and 1.2 per cent, respectively.

12. Among the major states, Maharashtra accounted for the largest share of 24.0 per cent of small borrowal accounts followed by Tamil Nadu (13.9 per cent) and Andhra Pradesh (11.6 per cent). Even, in terms of amount outstanding, the highest share was owned by Maharashtra at 15.0 per cent followed by Tamil Nadu (13.6 per cent) and Andhra Pradesh (11.6 per cent).

I. Introduction

In the present system of Basic Statistical Returns (BSR) from Scheduled Commercial Banks (SCBs) in India, data on various aspects of borrowal accounts are collected through BSR-1 return which constitutes two parts, *viz.*, Part A and Part B. While the detailed account-wise information on borrowal accounts, each with credit limit above ₹2 lakh are collected in Part A, broad occupation group-wise consolidated data relating to accounts each with credit limit of ₹2 lakh or less (mentioned as small borrowal accounts here) are collected in Part B. Small borrowal accounts are predominant in number, comprising 88.0 per cent of all accounts, though their share in amount outstanding was relatively low at 13.6 per cent of the total outstanding credit as at the end of March 31, 2008.

In view of the increased attention accorded to the weaker segments of the society in recent years, it was felt that disaggregated data on the small borrowal accounts would be beneficial. Therefore, a sample Survey of Small Borrowal Accounts is being conducted by the Reserve Bank of India. The main objective of the survey is to obtain the profile of small borrowal accounts and the structural pattern of these accounts according to important characteristics such as the size of outstanding credit, occupation, category and social group of the borrower, type of account, type of loan scheme, rate of interest charged, *etc.* The present survey was conducted with reference period as end-March 2008. Details of small borrowal accounts in respect of all the branches of Scheduled Commercial Banks (excluding Regional Rural Banks), maintaining centralised database at their Head Office, are collected using a simple schedule, whereas, similar data were collected from the selected sample branches of Regional Rural Banks. After detailed scrutiny of the data, the data in respect 39,097 of branches were found suitable for processing and the estimates are generated based on this data. The sample covers 52.6 per cent of the total small borrowal accounts and 47.5 per cent of total amount outstanding in these accounts. The details of the sample design and estimation procedure are given in Annex I. A copy of the schedule is given in Annex II.

This article presents the salient features of small borrowal accounts as on March 31, 2008, based on the results emerging from the survey and it is organised into four sections. A broad profile of the small borrowal accounts from March 1975 onwards is presented in Section II. Section III deals with the salient features of small borrowal accounts according to important classificatory characteristics, *viz.*, occupation, population group, bank group, size of credit limit, amount outstanding, type of loan account, asset classification, type of organisation, loan scheme, rate of interest, social group, *etc.* Classification of small borrowal accounts as per population group, bank group, size of credit limit, type of account, asset classification, type of organisation and rate of interest for various occupation categories are given in statements 1 to 7. The interest cost differential between small and large borrowal accounts across the major occupation groups is reported in Section IV. Section V presents the comparative results of this survey with those of the past round of the survey (Survey of Small Borrowal Accounts, March 2006).

II. Profile of Small Borrowal Accounts, 1975-2008

According to BSR data on banking statistics over the last three decades from 1975 to 2008, small borrowal accounts are predominant in number, accounting for over 87 per cent of all borrowal accounts even though the cut-off credit limit for classification of small borrowal accounts has been revised upwards

Chart 1: Small Borrowal Accounts, 1975-2008

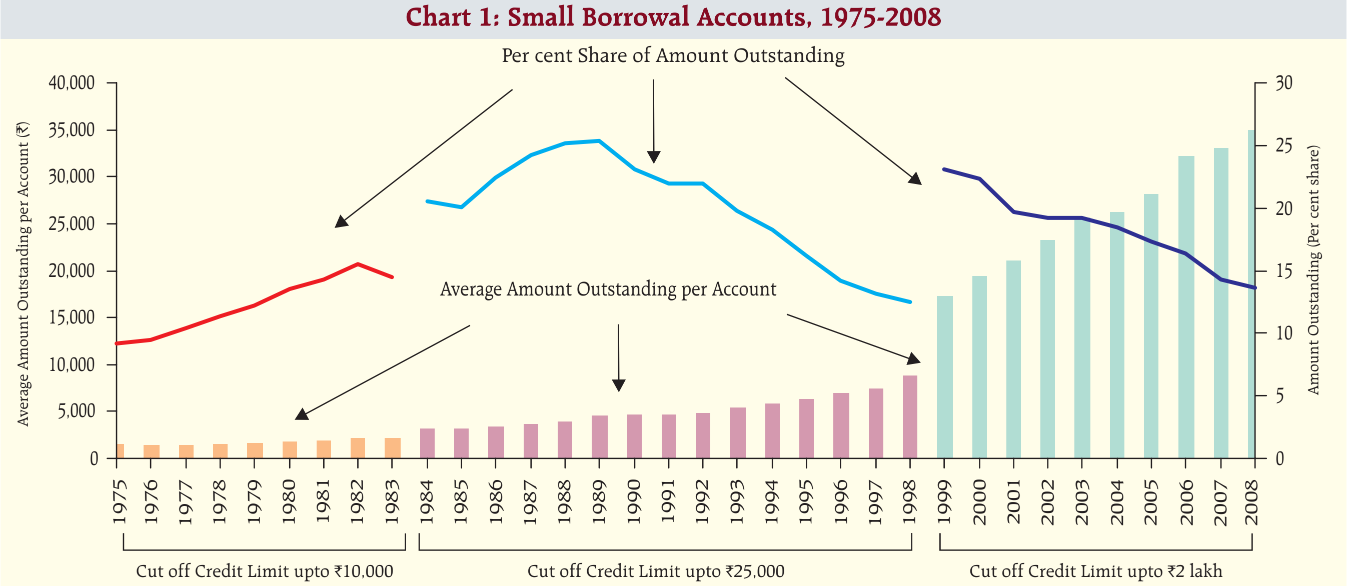


Table 1: Profile of Small Borrowal Accounts, 1975 to 2008

At the end of	Cut-off Limit for Small Borrowal Account (₹)	Small Borrowal Accounts			All Accounts			Per cent Share of Small Borrowal Accounts in All Accounts	
		No. of Accounts (Thousands)	Amount Outstanding (₹ Crore)	Average Amount Outstanding per Account (₹)	No. of Accounts (Thousands)	Amount Outstanding (₹ Crore)	Average Amount Outstanding per Account (₹)	No. of Accounts	Amount Outstanding
	1	2	3	4	5	6	7	8	9
June 1975	**10,000**	**5607**	**831**	**1,482**	**6180**	**9,011**	**14,581**	**90.7**	**9.2**
June 1976	10,000	7674	1,110	1,447	8317	11,678	14,041	92.3	9.5
June 1977	10,000	10016	1,393	1,391	10750	13,457	12,518	93.2	10.4
June 1978	10,000	12137	1,816	1,496	13007	15,961	12,271	93.4	11.4
June 1979	10,000	14336	2,336	1,630	15383	19,163	12,457	93.2	12.2
June 1980	10,000	16832	2,886	1,714	18034	21,312	11,817	93.4	13.5
June 1981	10,000	19307	3,553	1,840	20747	24,875	11,990	93.1	14.3
June 1982	10,000	21877	4,582	2,094	23516	29,590	12,583	93.0	15.5
June 1983	10,000	23682	5,089	2,149	25563	35,020	13,700	92.6	14.5
June 1984	**25,000**	**28211**	**8,897**	**3,154**	**29537**	**43,326**	**14,668**	**95.5**	**20.5**
June 1985	25,000	32137	10,028	3,120	33611	49,995	14,874	95.6	20.1
June 1986	25,000	37143	12,615	3,396	38789	56,182	14,484	95.8	22.4
June 1987	25,000	41620	15,444	3,711	43436	63,727	14,672	95.8	24.2
June 1988	25,000	45886	17,954	3,913	47981	71,285	14,857	95.6	25.2
June 1989	25,000	49717	22,330	4,491	52113	88,027	16,892	95.4	25.4
Mar. 1990	25,000	51180	24,147	4,718	53851	1,04,312	19,370	95.0	23.1
Mar. 1991	25,000	58784	27,323	4,648	61947	1,24,203	20,050	94.9	22.0
Mar. 1992	25,000	62548	29,945	4,788	65861	1,36,706	20,757	95.0	22.0
Mar. 1993	25,000	58521	32,091	5,484	62116	1,62,467	26,155	94.2	19.8
Mar. 1994	25,000	55810	32,188	5,767	59651	1,75,891	29,487	93.6	18.3
Mar. 1995	25,000	53915	34,060	6,317	58097	2,10,939	36,308	92.8	16.2
Mar. 1996	25,000	51905	36,253	6,985	56672	2,54,692	44,941	91.6	14.2
Mar. 1997	25,000	50094	37,446	7,475	55618	2,84,373	51,130	90.1	13.2
Mar. 1998	25,000	46828	41,095	8,776	53584	3,29,944	61,575	87.4	12.5
Mar. 1999	**2,00,000**	**50997**	**88,282**	**17,311**	**52305**	**3,82,425**	**73,114**	**97.5**	**23.1**
Mar. 2000	2,00,000	52856	1,02,745	19,439	54370	4,60,081	84,620	97.2	22.3
Mar. 2001	2,00,000	50456	1,06,294	21,067	52364	5,38,434	1,02,825	96.4	19.7
Mar. 2002	2,00,000	54130	1,25,649	23,212	56388	6,55,993	1,16,336	96.0	19.2
Mar. 2003	2,00,000	56527	1,45,057	25,662	59491	7,55,969	1,27,073	95.0	19.2
Mar. 2004	2,00,000	61900	1,62,700	26,284	66390	8,80,312	1,32,597	93.2	18.5
Mar. 2005	2,00,000	71106	1,99,880	28,110	77151	11,52,468	1,49,378	92.2	17.3
Mar. 2006	2,00,000	77122	2,48,498	32,221	85435	15,13,842	1,77,192	90.3	16.4
Mar. 2007	2,00,000	84347	2,78,895	33,065	94442	19,47,100	2,06,169	89.3	14.3
Mar. 2008	2,00,000	94132	3,29,396	34,993	106990	24,17,006	2,25,909	88.0	13.6

twice during this period. The cut-off point of the credit limit, which was set at ₹10,000 at the time of inception in 1972, has been revised upwards to ₹25,000 from June 1984 and ₹2 lakh effective from March 1999 (effective from March 2002 in the case of Regional Rural Banks).

The share of small borrowal accounts (each with credit limit ₹10,000) in all accounts rose from 90.7 per cent in June 1975 to 92.6 per cent by June 1983 in terms of number, while their share in total outstanding credit registered a rise from 9.2 per cent to 14.5 per cent during the same period (Chart 1, Table 1). The average amount outstanding per small borrowal account, on the other hand, increased from ₹1,482 to ₹2,149 during the same period. The cut-off credit limit was raised to ₹25,000 for the first time in June 1984. The share of small borrowal accounts in terms of number of accounts remained almost stable at around 95 per cent during the period June 1984 to March 1992 and the subsequent period witnessed a steady fall in the share from 94.2 per cent in 1993 to 87.4 per cent in 1998. From March 1999, the cut-off point of credit limit for small borrowal accounts was raised to ₹2 lakh. The share of number of small borrowal accounts in all accounts ascended to 97.5 per cent by March 1999 and steadily declined to 88.0 per cent in March 2008. Similarly, the share of these accounts in amount outstanding at 23.1 per cent at the end of March 1999 started slumping and stood at 13.6 per cent at the end of March 2008. However, the average amount outstanding per small borrowal account in absolute terms showed a continuous upward trend from ₹17,311 in March 1999 to ₹34,993 in March 2008.

III. Distribution of Small Borrowal Accounts According to Important Classificatory Characteristics

The salient features of the small borrowal accounts according to important classificatory characteristics, *viz.*, occupation group, population group, bank group, size of credit limit, type of account, asset classification, type of organization, *etc.* are presented below. Details of such classification for major occupational groups are also discussed in this section (Refer to statements 1 to 7 respectively).

III.1 Occupation Group

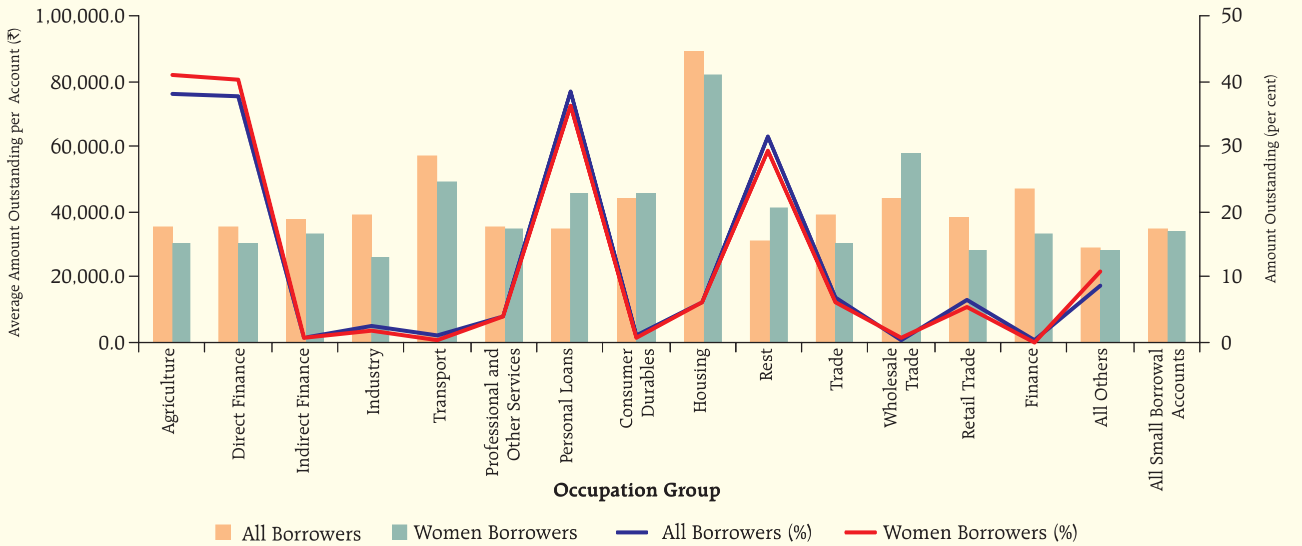
Personal loans dominated the occupation categories with a share of 38.7 per cent in terms of number of accounts (Table 2, Chart 2). This was followed by Agriculture with share of 37.6 per cent. Similar trend is observed in terms of amount outstanding. The share in terms of amount outstanding was the highest for Personal loans (38.5 per cent) which were followed by Agricultural loans (38.2 per cent). The shares of other occupation groups were found to be very low. The average amount outstanding per account was the highest for Housing loans (₹89, 216) and it was followed by Transport and Other Support Services (₹57,235).

Table 2: Distribution of Small Borrowal Accounts by Occupation as on March 31, 2008

Occupation	Percent Share				Average Amount Outstanding per Account (₹)	
	Number of Accounts		Amount Outstanding			
	All Borrowers	Women Borrowers	All Borrowers	Women Borrowers	All Borrowers	Women Borrowers
	1	2	3	4	5	6
1. Agriculture	37.6	46.3	38.2	40.9	35,568	30,197
Direct Finance	37.0	45.6	37.6	40.2	35,533	30,149
Indirect Finance	0.6	0.8	0.6	0.7	37,951	33,132
2. Industry	2.3	2.1	2.6	1.6	39,286	26,373
3. Transport and Other Support Services	0.6	0.2	0.9	0.3	57,325	49,377
4. Professional and Other Services	4.1	3.8	4.1	3.9	35,147	35,099
5. Personal Loans	38.7	27.4	38.5	36.2	34,817	45,309
Consumer Durables	0.7	0.6	0.9	0.8	44,363	45,559
Housing	2.4	2.5	6.1	6.1	89,216	81,894
Rest	35.5	24.3	31.4	29.4	30,934	41,479
6. Trade	6.2	7.0	6.9	6.2	38,774	30,116
Wholesale Trade	0.3	0.5	0.4	0.8	44,366	57,851
Retail Trade	5.9	6.5	6.5	5.4	38,511	28,149
7. Finance	0.2	0.2	0.3	0.2	46,857	33,690
8. All Others	10.4	13.0	8.5	10.7	28,832	28,233
All Small Borrowal Accounts	**100.0 (94,132)**	**100.0 (11,326)**	**100.0 (3,29,396)**	**100.0 (38,765)**	**34,993**	**34,226**

Note: The figures in brackets relate to the number of accounts in thousands and amount outstanding in ₹ crore.

Chart 2: Small Borrowal Accounts by Occupation Group



It is observed that the number of small loans extended to women were also mainly for Agricultural purpose (46.3 per cent) and as Personal loans (27.4 per cent). The average amount outstanding per account to women borrowers was similar to those for all small borrowers.

III.2 Population Group

The maximum number of small borrowal accounts was sanctioned in Rural areas followed by Metropolitan cities with shares of 33.1 per cent and 32.6 per cent, respectively (Table 3, Chart 3). The shares in terms of amount outstanding were 31.5 and 25.3, respectively, for Rural and Metropolitan areas. However, the average amount outstanding per account was the highest at ₹50,609 in Urban areas and was lowest at ₹27,179 in Metropolitan areas.

In case of women borrowers, the share of Rural areas was the highest at 40.6 per cent in terms of numbers and 33.9 per cent in terms of amount outstanding. However, the share of women borrowers in Metropolitan in terms of number of accounts and amount outstanding were the lowest at 13.4 per cent and 15.5 per cent, respectively.

III.3 Bank Group

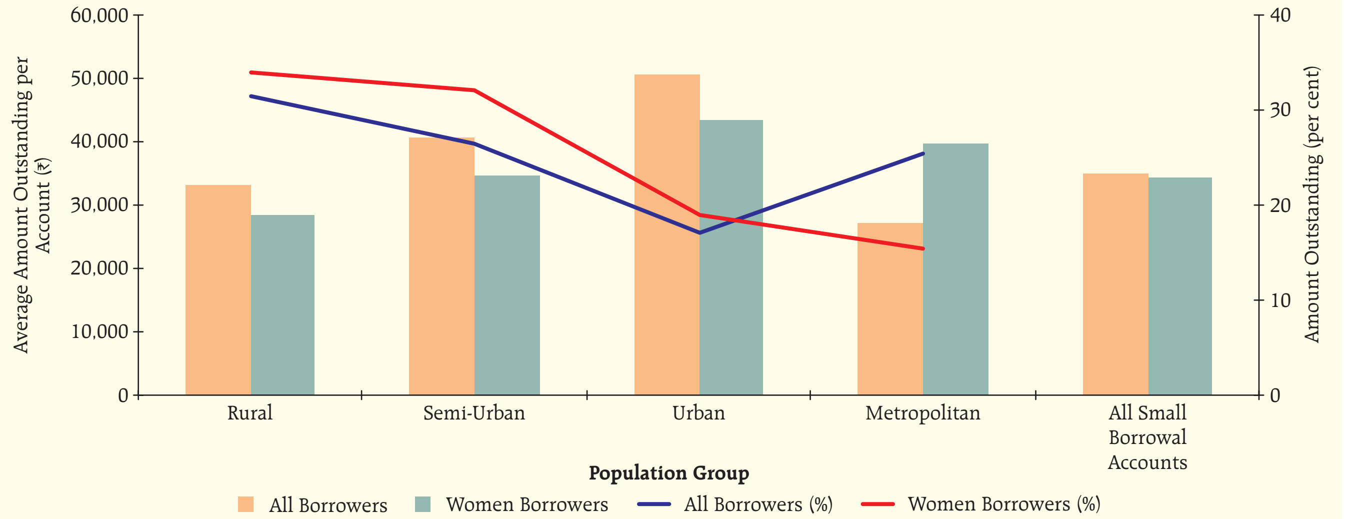
Among different bank groups, Nationalised Banks contributed to the highest shares of small borrowal accounts in terms of number of (32.3 per cent) as well as outstanding amount

Table 3: Distribution of Small Borrowal Accounts by Population Group as on March 31, 2008

Population Group	Percent Share				Average Amount Outstanding per Account (₹)	
	Number of Accounts		Amount Outstanding			
	All Borrowers	Women Borrowers	All Borrowers	Women Borrowers	All Borrowers	Women Borrowers
	1	2	3	4	5	6
1. Rural	33.1	40.6	31.5	33.9	33,271	28,550
2. Semi-Urban	22.9	31.5	26.5	32.0	40,609	34,812
3. Urban	11.8	15.0	17.1	19.0	50,609	43,497
4. Metropolitan	32.6	13.4	25.3	15.5	27,179	39,585
All Small Borrowal Accounts	**100.0**	**100.0**	**100.0**	**100.0**	**34,993**	**34,226**
	(94,132)	**(11,326)**	**(3,29,396)**	**(38,765)**		

Note: The figures in brackets relate to the number of accounts in thousands and amount outstanding in ₹ crore.

Chart 3: Small Borrowal Accounts by Population Group



(40.2 per cent) (Table 4, Chart 4). On the other hand, the share of Foreign Banks in terms of number of small accounts and outstanding amount was the lowest at 8.3 per cent and 5.1 per cent, respectively. The average

Table 4: Distribution of Small Borrowal Accounts by Bank Group as on March 31, 2008

Bank Group	Percent Share				Average Amount Outstanding per Account (₹)	
	Number of Accounts		Amount Outstanding			
	All Borrowers	Women Borrowers	All Borrowers	Women Borrowers	All Borrowers	Women Borrowers
	1	2	3	4	5	6
1. SBI & its Associates	18.4	2.8	24.2	27.9	46,069	41,349
2. Nationalised Banks	32.3	39.0	40.2	42.1	43,440	36,918
4. Foreign Banks	8.3	2.5	5.1	1.9	21,440	25,283
5. Regional Rural Banks	16.7	23.5	13.9	17.5	29,005	25,470
6. Other Scheduled Commercial Banks	24.7	12.3	17.2	11.0	24,383	30,725
All Small Borrowal Accounts	**100.0**	**100.0**	**100.0**	**100.0**	**34,993**	**34,226**
	(94,132)	**(11,326)**	**(3,29,396)**	**(38,765)**		

Note: The figures in brackets relate to the number of accounts in thousands and amount outstanding in ₹ crore.

Chart 4: Small Borrowal Accounts by Bank Group

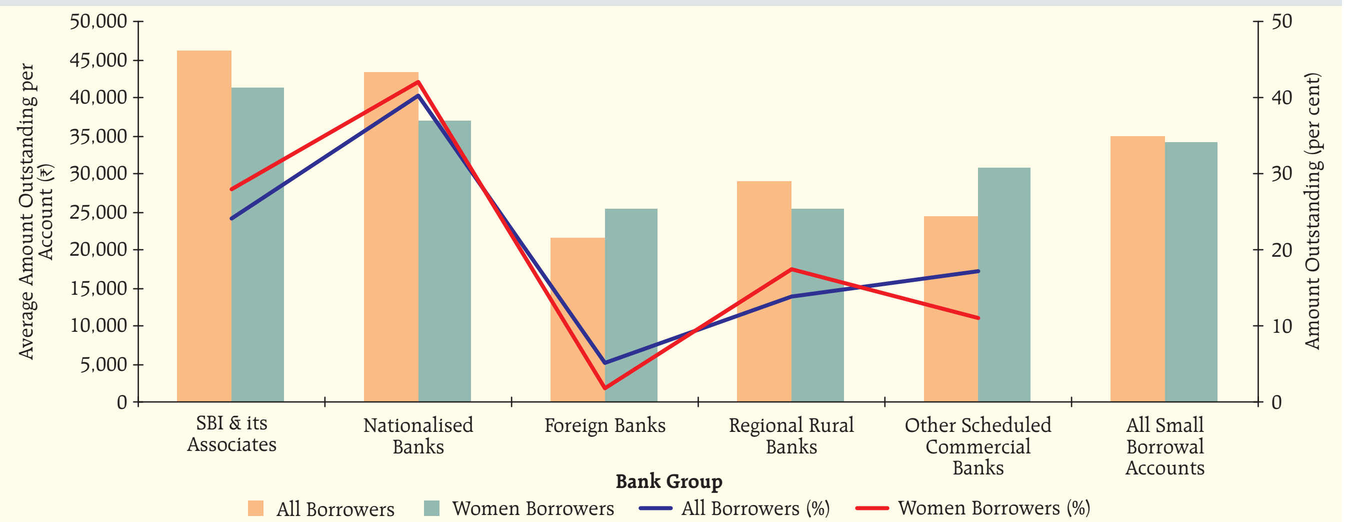


Table 5: Distribution of Small Borrowal Accounts by Credit Limit as on March 31, 2008

Size of Credit Limit (in Rupees)	Percent Share				Average Amount Outstanding per Account (₹)	
	Number of Accounts		Amount Outstanding			
	All Borrowers	Women Borrowers	All Borrowers	Women Borrowers	All Borrowers	Women Borrowers
	1	2	3	4	5	6
1. Up to 2,500	13.3	12.5	1.5	1.4	3,914	3,947
2. 2,500 - 5,000	3.3	5.6	0.4	0.9	4,643	5,656
3. 5,000 - 10,000	7.5	11.4	1.9	3.2	8,636	9,450
4. 10,000 - 15,000	7.2	9.3	2.6	4.0	12,948	14,599
5. 15,000 - 25,000	17.1	19.4	9.1	11.6	18,620	20,558
Up to 25,000	48.3	58.1	15.5	21.1	11,226	12,426
6. 25,000 - 50,000	24.6	21.5	22.1	23.3	31,474	37,078
7. 50,000 - 75,000	7.7	6.2	10.4	10.5	47,439	57,349
8. 75,000 - 1,00,000	8.0	6.1	15.6	14.3	68,375	80,135
9. 1,00,000 - 1,50,000	6.1	4.4	16.2	14.7	92,409	1,13,433
10. 1,50,000 - 2,00,000	5.3	3.6	20.1	16.1	1,34,187	1,53,227
All Small Borrowal Accounts	**100.0**	**100.0**	**100.0**	**100.0**	**34,993**	**34,226**
	(94,132)	**(11,326)**	**(3,29,396)**	**(38,765)**		

Note: The figures in brackets relate to the number of accounts in thousands and amount outstanding in ₹ crore.

amount outstanding per account was relatively higher for SBI and its Associates and the Nationalised Banks.

III.4 Size of Credit Limit

The distribution of small borrowal accounts as per size of credit limit was skewed. 48.3 per cent of the small borrowal accounts with credit limit up to ₹25,000 each accounted for only 15.5 per cent of the amount outstanding (Chart 5, Table 5). Another 24.6 per cent of accounts were in the credit limit range of ₹25,000-50,000 and these had 22.1 per cent share in the amount outstanding. At the other extreme, accounts in the credit limit range of ₹1.5 lakh to ₹2 lakh contributed only 5.3 per cent in terms of number but accounted for 20.1 per cent of the outstanding amount. For women borrowers, the share of loan accounts with credit limit up to ₹25,000 each was even higher.

Chart 5: Small Borrowal Accounts by Size of Credit Limit

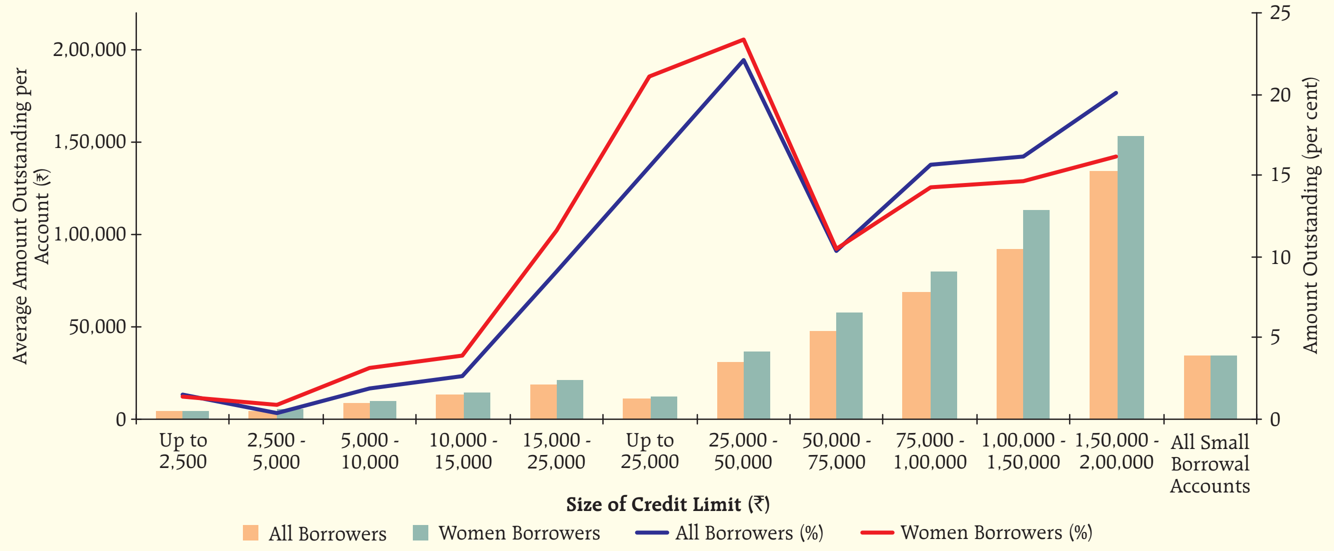


Table 6: Distribution of Small Borrowal Accounts by Amount Outstanding as on March 31, 2008

Size of Amount Outstanding (in Rupees)	Percent Share				Average Amount Outstanding per Account (₹)	
	Number of Accounts		Amount Outstanding			
	All Borrowers	Women Borrowers	All Borrowers	Women Borrowers	All Borrowers	Women Borrowers
	1	2	3	4	5	6
1. Up to 2,500	20.7	16.7	0.4	0.4	639	842
2. 2,500 - 5,000	4.8	6.3	0.7	0.9	5,032	5,103
3. 5,000 - 10,000	9.1	12.3	2.3	3.3	8,725	9,216
4. 10,000 - 15,000	8.6	11.3	3.4	4.8	13,754	14,478
5. 15,000 - 25,000	14.3	15.9	8.7	10.6	21,397	22,801
Up to 25,000	57.6	62.5	15.5	20.0	9,402	10,967
6. 25,000 - 50,000	19.7	18.8	20.8	21.9	36,876	39,973
7. 50,000 - 75,000	8.9	8.1	15.3	15.3	60,139	64,418
8. 75,000 - 1,00,000	5.1	4.1	12.5	11.7	85,140	97,581
9. 1,00,000 - 1,50,000	5.4	4.1	18.0	16.0	1,16,611	1,33,880
10. 1,50,000 - 2,00,000	2.7	2.0	13.3	11.3	1,75,457	1,97,674
11. Above 2,00,000	0.6	0.5	4.7	3.8	2,60,521	2,69,164
All Small Borrowal Accounts	**100.0** (94,132)	**100.0** (11,326)	**100.0** (3,29,396)	**100.0** (38,765)	**34,993**	**34,226**

Note: The figures in brackets relate to the number of accounts in thousands and amount outstanding in ₹ crore.

Among the various occupational categories, Agricultural Loans had higher share of 56.8 per cent of accounts with credit limit up to ₹25,000 (Statement 3).

For housing loans, only 17.2 per cent of the accounts had credit limit up to ₹25,000 each whereas about 44.1 per cent of the housing loan accounts were with credit limit between ₹1 lakh and ₹2 lakh and they accounted for 70.7 per cent of the amount outstanding.

III.5 Size of Outstanding amount

Similar trend was noticed in the case of outstanding amount of small borrowing. Accounts with outstanding amount up to ₹25,000, constituted 57.6 per cent of the total number of such accounts but only 15.5 per cent of the total outstanding amount (Table 6, Chart 6). On the other hand, accounts with outstanding amount of ₹1.5 lakh to ₹2 lakh each constituted 2.7 per cent and 13.3

Chart 6: Small Borrowal Accounts by Size of Amount Outstanding

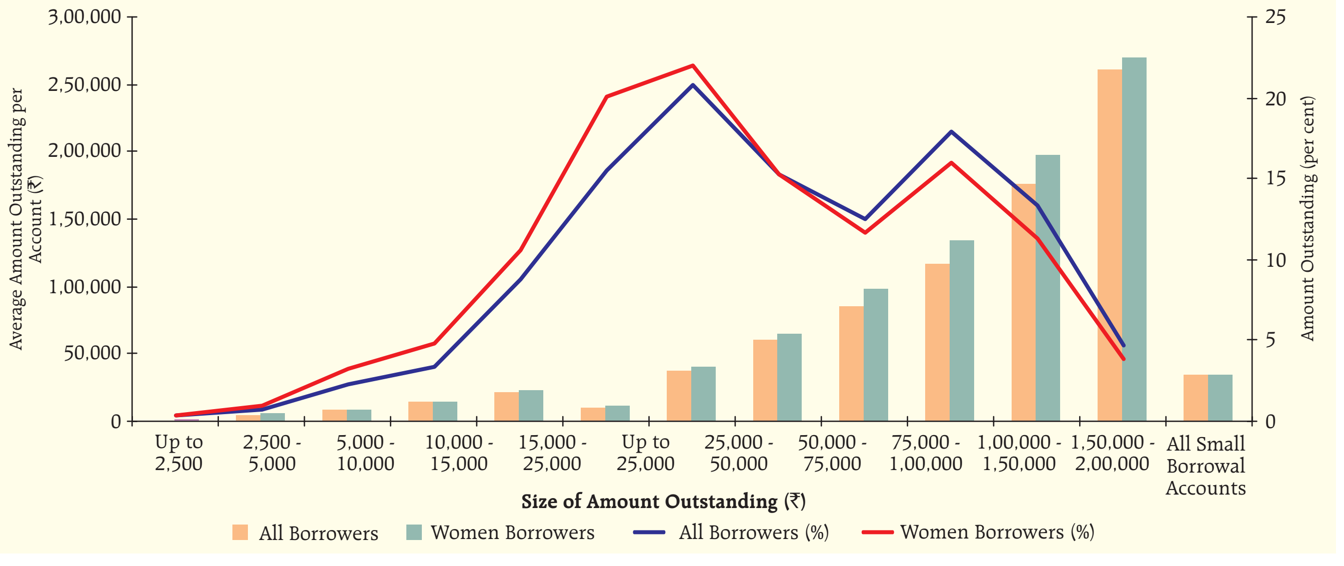


Table 7: Distribution of Small Borrowal Accounts by Type of Account as on March 31, 2008

Type of Account	Percent Share				Average Amount Outstanding per Account (₹)	
	Number of Accounts		Amount Outstanding			
	All Borrowers	Women Borrowers	All Borrowers	Women Borrowers	All Borrowers	Women Borrowers
	1	2	3	4	5	6
1. Kisan Credit Card	16.0	14.3	17.7	14.4	38,536	34,465
2. Cash Credit	4.9	3.6	6.2	3.4	44,719	32,325
3. Overdraft	6.2	5.5	4.7	3.4	26,682	21,171
4. Demand Loan	17.2	29.1	15.4	24.5	31,373	28,863
5. Credit Cards	10.2	1.8	3.7	1.2	12,743	22,862
6. Term Loan	40.7	39.0	47.3	46.5	40,631	40,845
Medium-Term Loans	20.5	16.2	18.7	17.0	31,982	35,847
Long-Term Loans	20.2	22.7	28.6	29.5	49,377	44,409
7. Others	4.7	6.8	5.0	6.6	36,680	33,372
All Small Borrowal Accounts	**100.0**	**100.0**	**100.0**	**100.0**	**34,993**	**34,226**
	(94,132)	**(11,326)**	**(3,29,396)**	**(38,765)**		

Note: The figures in brackets relate to the number of accounts in thousands and amount outstanding in ₹ crore.

per cent of the total by number and amount respectively.

III.6 Type of Loan Account

Term loans dominated the types of loan accounts with shares of 40.7 per cent and 47.3 per cent in terms of number and outstanding amount, respectively (Table 7, Chart 7). This was followed by Demand loans constituting 17.2 per cent of the total small borrowal accounts and 15.4 per cent of the total outstanding amount. It was observed that, 16.0 per cent of the loans were extended through Kisan Credit Cards (KCC) and in terms of amount outstanding its share is at 17.7 per cent. The average amount outstanding was the highest at ₹44,719 for Cash Credit and was lowest at ₹12,743 for Credit Cards. The average amount outstanding for loans through KCC was ₹38,536.

In case of women borrowers, the type of loan accounts follow similar pattern. It is, however, to be noticed that the share of borrowings through Credit

Chart 7: Small Borrowal Accounts by Type of Account

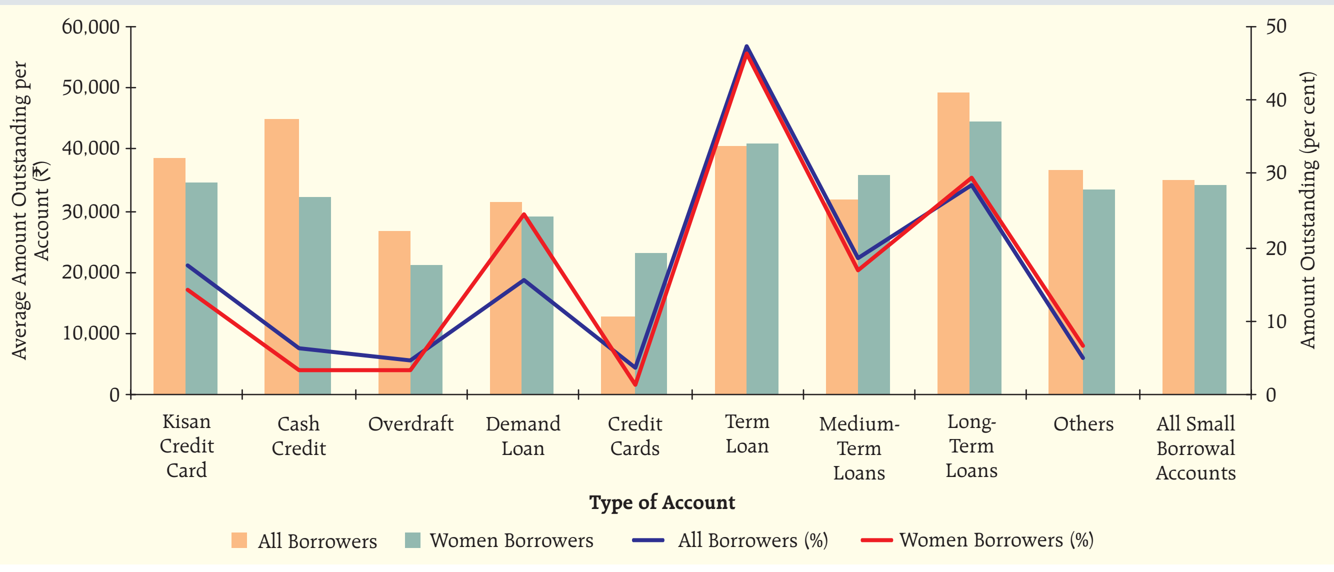


Table 8: Distribution of Small Borrowal Accounts by Asset Classification as on March 31, 2008

Asset Classification	Percent Share				Average Amount Outstanding per Account (₹)	
	Number of Accounts		Amount Outstanding			
	All Borrowers	Women Borrowers	All Borrowers	Women Borrowers	All Borrowers	Women Borrowers
	1	2	3	4	5	6
1. Standard Assets	89.5	90.7	92.0	93.9	35,979	35,408
2. Sub-standard Assets	4.1	2.8	3.9	2.6	32,880	32,494
3. Doubtful Assets	4.6	4.2	3.2	2.4	24,747	20,049
4. Loss Assets	1.8	2.3	0.9	1.0	17,301	15,471
All Small Borrowal Accounts	**100.0**	**100.0**	**100.0**	**100.0**	**34,993**	**34,226**
	(94,132)	**(11,326)**	**(3,29,396)**	**(38,765)**		

Note: The figures in brackets relate to the number of accounts in thousands and amount outstanding in ₹ crore.

Card was much lower for women borrowers, both in terms of number of accounts (1.8 per cent) and amount outstanding (1.2 per cent).

About 42.0 per cent of the Agricultural loans were issued through KCC *(Production & Investment)* accounting for a share of 45.6 per cent of the amount outstanding (Statement 4). Term loans (medium-term and long-term) were next which formed 23.5 per cent of the number of accounts with a share of 23.4 per cent in the amount outstanding.

About 24.3 per cent of the Personal loans were Personal Credit Card loans. However, a predominant portion (92.2 per cent) of the Housing loans included therein was in the form of Term loans.

III.7 Asset Classification

Most of the small borrowal accounts were Standard Assets and these constituted 89.5 per cent in terms of number and 92.0 per cent in terms of amount outstanding (Table 8, Chart 8). Thus, only 10.5 per cent of the accounts were found to be non-performing assets (NPAs); accounting for 8.0 per cent of the amount outstanding in respect of all small borrowal accounts.

The share of Standard Assets in terms of number of accounts among different major occupation groups varied from 94.5 per cent for Housing loans to 68.7 per cent for Retail Trade (Statement 5). In terms of amount outstanding, the share varied from 97.5 per cent for loans to Other

Chart 8: Small Borrowal Accounts by Asset Classification

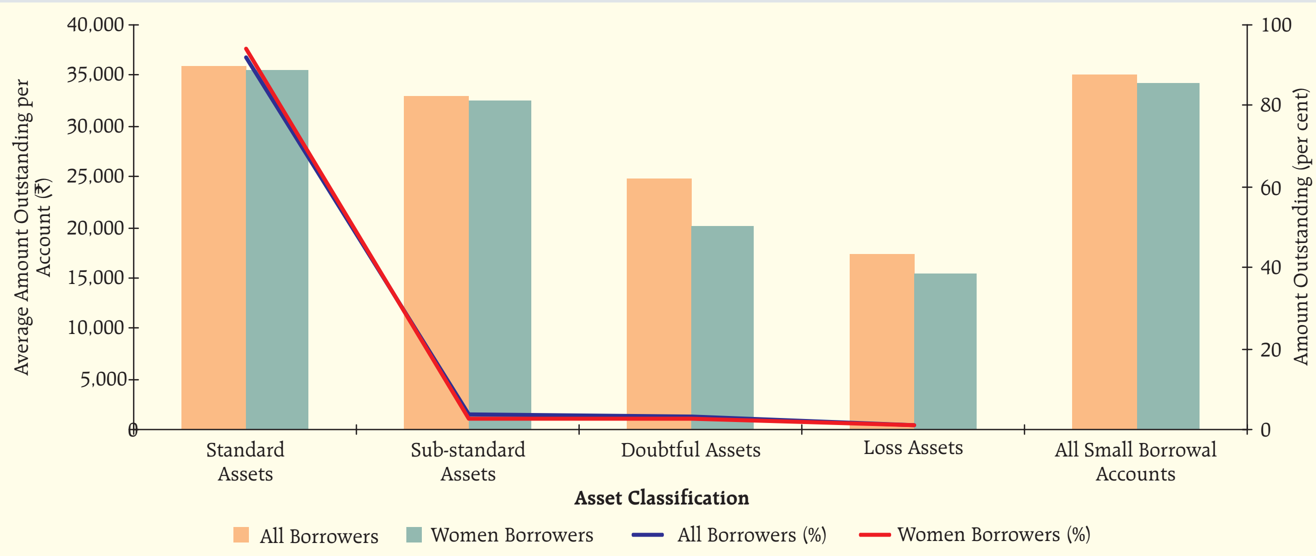


Table 9: Distribution of Small Borrowal Accounts by Type of Organisation as on March 31, 2008

Type of Organisation	Percent Share of All Small Borrowers		Average Amount Outstanding per Account (₹)
	Number of Accounts	Amount Outstanding	
	1	2	3
1. Individuals	91.7	90.5	34,559
Male	76.5	76.7	35,052
Female	15.1	13.9	32,069
2. Public Sector	4.0	3.3	28,756
3. Co-operative Sector	-	-	55,818
4. Private Corporate Sector	0.5	0.3	23,374
5. Household Sector - Others	2.7	4.5	57,398
6. Others	1.1	1.3	42,195
All Small Borrowal Accounts	**100.0 (94,132)**	**100.0 (3,29,396)**	**34,993**

Note: The figures in brackets relate to the number of accounts in thousands and amount outstanding in ₹ crore.

Financial Intermediaries to a lower level of 78.8 per cent for Retail Trade. In case of Trade, 14.7 per cent of accounts and 9.8 per cent of amount outstanding were classified as 'Doubtful Assets'. For Industry, 14.1 per cent of accounts and 8.6 per cent of amount outstanding were classified as 'Doubtful Assets'.

III.8 Type of Organisation

The survey results revealed that 91.7 per cent of all small borrowal accounts, in terms of number, were held by Individuals which accounted for 90.5 per cent of the amount outstanding (Table 9, Chart 9). Women borrowers constituted 15.1 per cent in number and 13.9 per cent in terms of amount outstanding of the total small borrowal accounts. Even though the share of small loans to Co-operative Sector is negligible, the average amount outstanding per account is very high (₹55,818). The share of Self-Help Groups and Micro - Finance Organizations (Others) and at 1.1 per cent in terms of number and at 1.3 per cent in terms of amount outstanding. The average amount outstanding was lowest at ₹28,756 for Public Sector Organisations.

III.9 Loan Scheme

The small borrowal accounts, sanctioned under various major loans schemes, *viz.*, Integrated Rural Development Programme (IRDP), Prime Minister's Rojgar Yojana [including Self-Employment scheme for Educated Unemployed Youth (SEEUY)], Swarnajayanti Gram Swarozgar Yojana (SGSY) and Loans for agriculture under Special Agriculture Credit Plan (SACP) formed just 7.5 per cent of the total small borrowal accounts and accounted for about 7.8 per cent of the total outstanding credit

Chart 9: Small Borrowal Accounts by Type of Organisation

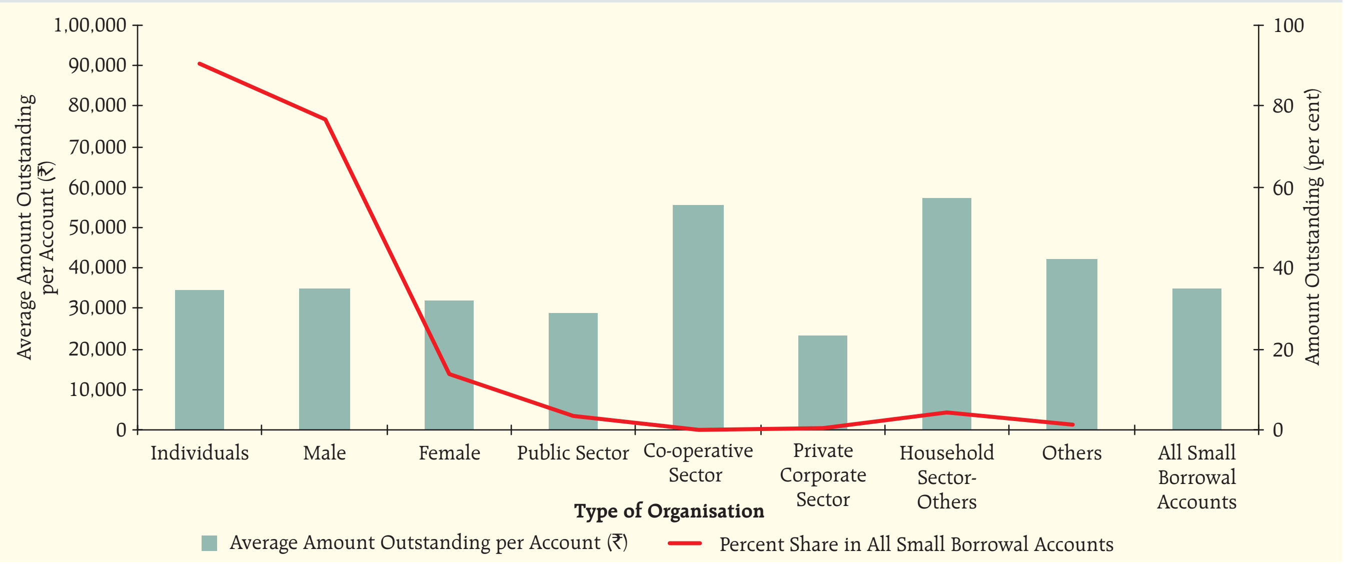


Table 10: Distribution of Small Borrowal Accounts by Loan Scheme as on March 31, 2008

Loan Scheme	Percent Share				Average Amount Outstanding per Account (₹)	
	Number of Accounts		Amount Outstanding			
	All Borrowers	Women Borrowers	All Borrowers	Women Borrowers	All Borrowers	Women Borrowers
	1	2	3	4	5	6
1. Integrated Rural Development Programme (IRDP)	1.3	1.9	0.8	1.1	23,607	20,113
2. Prime Minister's Rojgar Yojana (including SEEUY)	1.4	1.5	2.1	2.1	53,000	48,531
3. Swarnajayanti Gram Swarozgar Yojana (SGSY)	1.8	2.8	1.0	1.5	19,663	19,061
4. Loans for agriculture under Special Agriculture Credit Plan (SACP)	3.1	3.4	3.9	3.7	44,337	37,495
5. All Others Schemes	37.3	39.8	47.1	45.4	44,212	39,057
6. Loans not covered under any scheme	55.2	50.6	45.1	46.1	28,563	31,146
All Small Borrowal Accounts	**100.0**	**100.0**	**100.0**	**100.0**	**34,993**	**34,226**
	(94,132)	**(11,326)**	**(3,29,396)**	**(38,765)**		

Note: The figures in brackets relate to the number of accounts in thousands and amount outstanding in ₹ crore.

(Table 10, Chart 10). Loans disbursed under all other schemes contributed to 37.3 per cent of the total small borrowal accounts and 47.1 per cent of the total amount outstanding. The loan accounts not covered under any scheme formed about 55.2 per cent of total small borrowal accounts, accounting for 45.1 per cent of the amount outstanding. The average amount outstanding per account was maximum at ₹53,000 under SEEUY scheme and was minimum at ₹19,663 under SGSY scheme.

III.10 Rate of Interest

A large number of the small borrowal accounts (29.5 per cent) were charged interest rates in the range of '6 to 10 per cent' accounting for 31.0 per cent share in amount outstanding (Table 11, Chart 11). Another 18.3 per cent small borrowal accounts were changed interest rate in the range of '10 to 12 per cent'. On the other hand, 14.6 per cent of small borrowers were charged interest rates above 20 per cent, which may be partly due to penal rates on NPAs.

Chart 10: Small Borrowal Accounts by Loan Scheme

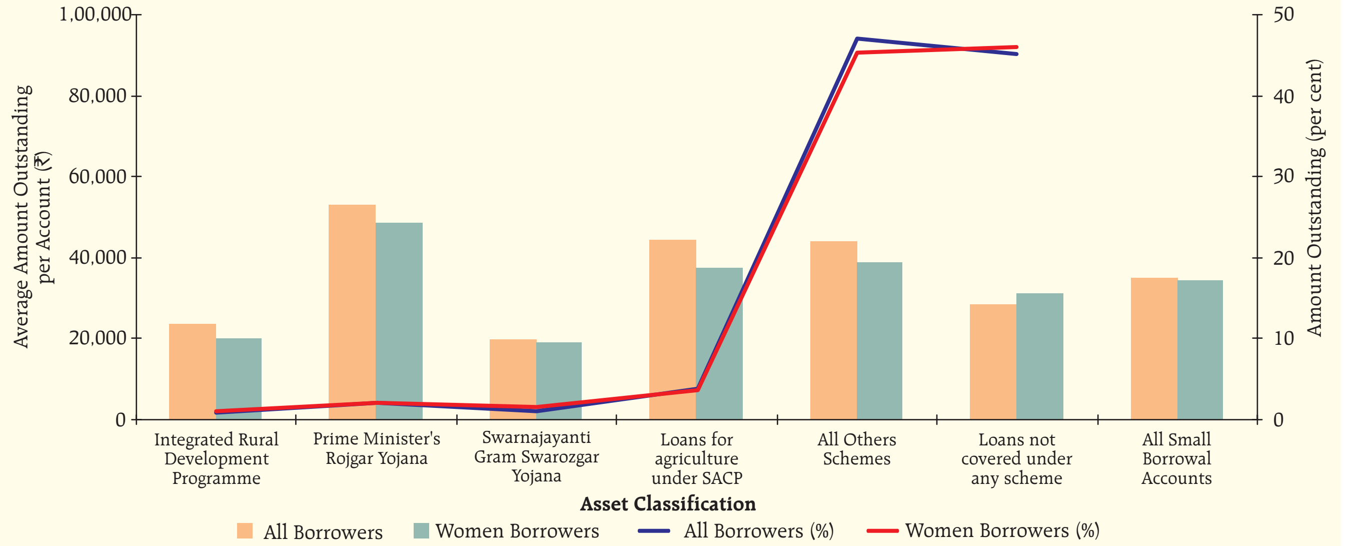


Table 11: Distribution of Small Borrowal Accounts by Rate of Interest as on March 31, 2008

Interest Rate Range (Per cent per annum)	Percent Share				Average Amount Outstanding per Account (₹)	
	Number of Accounts		Amount Outstanding			
	All Borrowers	Women Borrowers	All Borrowers	Women Borrowers	All Borrowers	Women Borrowers
	1	2	3	4	5	6
1. Less than 6	8.2	4.6	3.7	2.1	15,536	15,883
2. 6-10	29.5	37.5	31.0	34.6	36,836	31,566
3. 10-12	18.3	23.5	23.4	27.5	44,767	40,059
4. 12-13	11.3	15.1	14.8	16.3	45,610	37,031
5. 13-14	5.7	6.9	7.1	7.2	43,339	35,384
6. 14-15	3.9	4.1	4.5	4.7	40,896	39,879
7. 15-16	1.9	1.4	2.2	1.8	40,682	44,624
8. 16-18	2.9	1.1	2.6	1.5	31,146	47,627
9. 18-20	3.6	1.4	2.9	1.3	28,127	30,813
10. 20 and above	14.6	4.5	7.8	3.0	18,744	22,904
All Small Borrowal Accounts	**100.0**	**100.0**	**100.0**	**100.0**	**34,993**	**34,226**
	(94,132)	**(11,326)**	**(3,29,396)**	**(38,765)**		

Note: The figures in brackets relate to the number of accounts in thousands and amount outstanding in ₹ crore.

60.6 per cent of the Agricultural Loans were priced at an annual rate of interest between '6 and 10 per cent' and their share was 58.1 per cent in the outstanding amount (Statement 7). About one-fourth (24.1 per cent) of the accounts in Agricultural sector were priced in the interest rate range of '10-12 per cent' with 24.8 per cent share in the amount outstanding. In case of Industry, 25.5 per cent of the accounts belonged to the interest rate range '10-12 per cent' with 28.5 per cent share in the amount outstanding. About two-fifths of the Housing loans (38.7 per cent) were charged between '6 and 10 per cent' per annum with 38.1 per cent share in the amount outstanding. 37.9 per cent of the Housing loans belonged to the interest rate range '10-12 per cent' which accounted for 43.4 per cent share of the amount outstanding.

Chart 11: Small Borrowal Accounts by Interest Rate Range

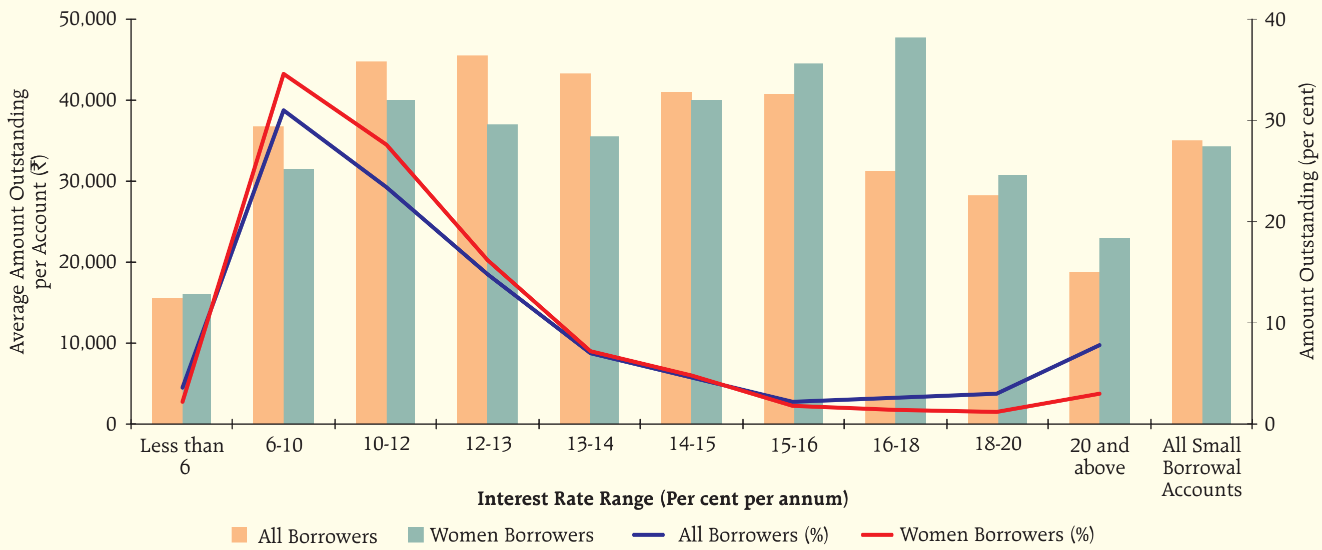


Table 12: Distribution of Small Borrowal Accounts by Social Group as on March 31, 2008

Social Group	Percent Share				Average Amount Outstanding per Account (₹)	
	Number of Accounts		Amount Outstanding			
	All Borrowers	Women Borrowers	All Borrowers	Women Borrowers	All Borrowers	Women Borrowers
	1	2	3	4	5	6
1. Scheduled Tribes	1.7	2.5	1.2	1.5	25,299	20,600
2. Scheduled Castes (including neo-Buddhists)	3.3	6.4	2.4	3.8	25,560	20,452
3. Other Backward Castes	8.0	11.8	8.0	11.3	35,269	32,661
4. General	74.0	78.8	74.3	82.6	35,121	35,861
5. All Others	13.0	0.4	14.1	0.8	37,762	-
All Small Borrowal Accounts	**100.0 (94,132)**	**100.0 (11,326)**	**100.0 (3,29,396)**	**100.0 (38,765)**	**34,993**	**34,225**

Note: The figures in brackets relate to the number of accounts in thousands and amount outstanding in ₹ crore.

III.11 Social Group

3.3 per cent of the small borrowal accounts belonged to 'Scheduled Castes' (including neo-Buddhists) while those of 'Scheduled Tribes' had a share of 1.7 per cent. The corresponding shares in total amount outstanding stood at 2.4 per cent and 1.2 per cent (Table 12, Chart 12). About 8.0 per cent of the borrowal accounts belonged to 'Other Backward Castes' which accounted for 8.0 per cent of the total amount outstanding.

In the case of small borrowal accounts of women, a similar trend was observed. The average amount outstanding for women accounts were comparatively lower that those of all accounts in most of the social groups.

III.12 Major States

Maharashtra accounted for the largest share of 24.0 per cent of small borrowal accounts, followed by Tamil Nadu (13.9 per cent) and Andhra Pradesh (11.6 per cent). In terms of amount outstanding, the highest share was owned by Maharashtra (15.0 per cent) followed by Tamil Nadu (13.6 per cent) and Andhra Pradesh (11.6 per cent) (Table 13, Chart 13).

The share of small borrowal accounts in total number of borrowal accounts was also the highest

Chart 12: Small Borrowal Accounts by Social Group

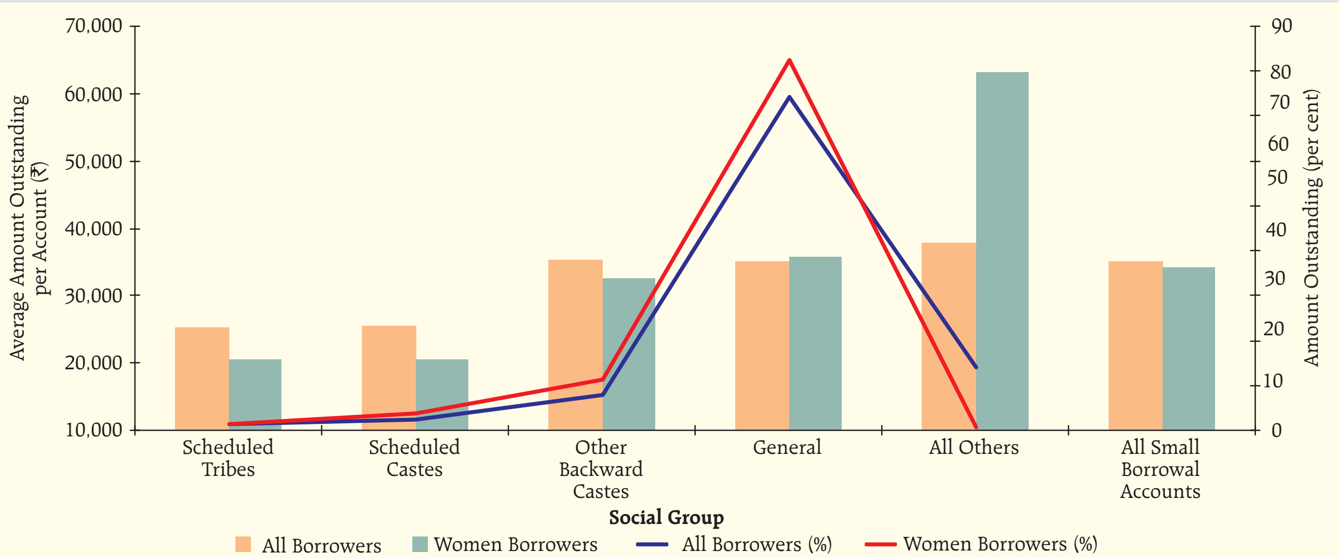
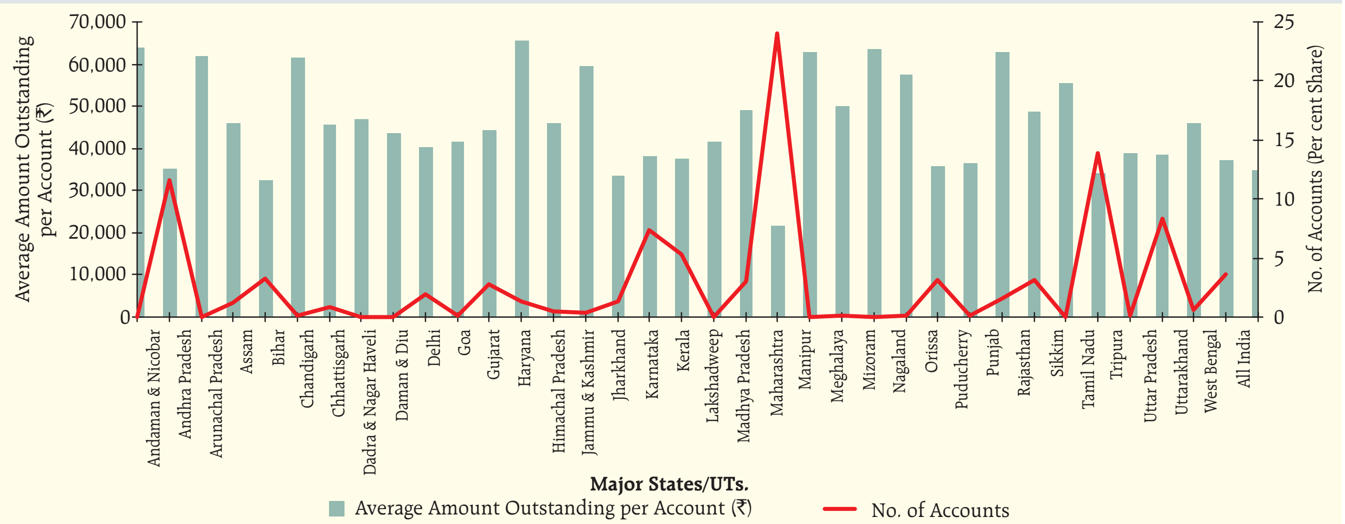


Table 13: State-wise Number of Accounts and Amount Outstanding pertaining to Small and All Borrowal Accounts as on March 31, 2008

Major States/UTs	Small Borrowal Accounts					All Accounts					Per cent share of Small Borrowal Accounts in All Accounts	
				(Per cent Share)					(Per cent Share)			
	No. of Accounts (in 000's)	Amount Outstanding (₹ Crore)	Average Amount Outstanding per Account (₹)	Number of Accounts	Amount Outstanding	No. of Accounts (in 000's)	Amount Outstanding (₹ Crore)	Average Amount Outstanding per Account (₹)	Number of Accounts	Amount Outstanding	No. of Accounts	Amount Outstanding
	1	2	3	4	5	6	7	8	9	10	11	12
Andaman & Nicobar	15	95	63,981	0.02	0.03	26	850	3,32,914	0.02	0.04	58.2	11.2
Andhra Pradesh	10,947	38,334	35,018	11.63	11.64	11,871	1,73,679	1,46,308	11.10	7.19	92.2	22.1
Arunachal Pradesh	43	265	62,007	0.05	0.08	57	1,486	2,60,005	0.05	0.06	74.7	17.8
Assam	1,131	5,194	45,919	1.20	1.58	1,270	15,470	1,21,836	1.19	0.64	89.1	33.6
Bihar	3,040	9,886	32,525	3.23	3.00	3,335	30,549	91,610	3.12	1.26	91.2	32.4
Chandigarh	122	752	61,461	0.13	0.23	210	22,292	10,59,941	0.20	0.92	58.2	3.4
Chhattisgarh	813	3,713	45,684	0.86	1.13	971	20,459	2,10,740	0.91	0.85	83.7	18.1
Dadra & Nagar Haveli	2	11	46,981	-	-	5	762	16,57,354	-	0.03	51.6	1.5
Daman & Diu	4	15	43,505	-	-	5	639	11,89,847	0.01	0.03	66.1	2.4
Delhi	1,794	7,206	40,174	1.91	2.19	2,513	2,75,757	10,97,476	2.35	11.41	71.4	2.6
Goa	157	651	41,474	0.17	0.20	208	6,224	2,99,386	0.19	0.26	75.5	10.5
Gujarat	2,629	11,609	44,151	2.79	3.52	3,502	1,47,282	4,20,599	3.27	6.09	75.1	7.9
Haryana	1,198	7,877	65,754	1.27	2.39	1,542	50,038	3,24,503	1.44	2.07	77.7	15.7
Himachal Pradesh	407	1,873	46,032	0.43	0.57	473	9,852	2,08,321	0.44	0.41	86.0	19.0
Jammu & Kashmir	391	2,319	59,383	0.41	0.70	663	14,143	2,13,463	0.62	0.59	58.9	16.4
Jharkhand	1,291	4,341	33,629	1.37	1.32	1,419	17,383	1,22,510	1.33	0.72	91.0	25.0
Karnataka	6,944	26,463	38,111	7.38	8.03	8,048	1,97,630	2,45,554	7.52	8.18	86.3	13.4
Kerala	5,053	19,002	37,609	5.37	5.77	5,743	72,945	1,27,007	5.37	3.02	88.0	26.1
Lakshadweep	1	2	41,606	-	-	4	49	1,14,003	-	-	13.9	5.1
Madhya Pradesh	2,818	13,841	49,118	2.99	4.20	3,306	53,654	1,62,310	3.09	2.22	85.2	25.8
Maharashtra	22,575	49,238	21,811	23.98	14.95	24,127	6,30,910	2,61,492	22.55	26.10	93.6	7.8
Manipur	55	343	62,768	0.06	0.10	76	897	1,17,873	0.07	0.04	71.9	38.3
Meghalaya	90	450	50,171	0.10	0.14	129	1,854	1,43,484	0.12	0.08	69.4	24.3
Mizoram	24	155	63,560	0.03	0.05	59	901	1,53,721	0.05	0.04	41.7	17.2
Nagaland	75	429	57,405	0.08	0.13	88	1,116	1,27,260	0.08	0.05	85.2	38.4
Orissa	2,933	10,529	35,895	3.12	3.20	3,183	33,624	1,05,639	2.97	1.39	92.2	31.3
Puducherry	168	614	36,491	0.18	0.19	187	2,329	1,24,275	0.18	0.10	89.8	26.4
Punjab	1,463	9,211	62,952	1.55	2.80	2,117	76,202	3,59,962	1.98	3.15	69.1	12.1
Rajasthan	2,910	14,158	48,658	3.09	4.30	3,504	72,819	2,07,805	3.28	3.01	83.0	19.4
Sikkim	29	163	55,473	0.03	0.05	41	1,132	2,77,363	0.04	0.05	72.1	14.4
Tamil Nadu	13,061	44,673	34,204	13.87	13.56	14,392	2,32,374	1,61,459	13.45	9.61	90.8	19.2
Tripura	118	459	39,003	0.12	0.14	301	1,708	56,806	0.28	0.07	39.1	26.9
Uttar Pradesh	7,815	30,090	38,501	8.30	9.13	8,825	1,12,902	1,27,940	8.25	4.67	88.6	26.7
Uttarakhand	584	2,693	46,121	0.62	0.82	689	11,585	1,68,191	0.64	0.48	84.8	23.2
West Bengal	3,436	12,742	37,088	3.65	3.87	4,104	1,25,512	3,05,862	3.84	5.19	83.7	10.2
All India	94,132	3,29,396	34,993	100.0	100.0	1,06,990	24,17,007	2,25,909	100.0	100.00	88.0	13.6

Chart 13: Small Borrowal Accounts by States/UTs



for Maharashtra (93.6 per cent), followed by Andhra Pradesh and Orissa at 92.2 per cent each. This ratio was the least for Lakshadweep at 13.9 per cent. In terms of amount outstanding it was highest at 38.4 per cent in Nagaland, followed by Manipur (38.3 per cent) and Assam (33.6 per cent). However, this share was very low in Dadra & Nagar Haveli (1.5 per cent), Daman & Diu (2.4 per cent) and Delhi (2.6 per cent). The average amount outstanding per account was maximum in Haryana (₹65,754) as against the all-India average of ₹34,993. It was followed by Andaman & Nicobar Islands (₹63,981) and Mizoram (₹63,560). The average amount outstanding per account was the lowest in Maharashtra (₹21,811).

IV. Interest Cost of Small Borrowal Accounts by Occupation

In view of the importance accorded to interest charged on small borrowal accounts, an attempt was made to compare the interest cost of such accounts with those of large borrowal accounts (each with credit limit over ₹2 lakh) for major occupation groups. The interest cost in each category was worked out as a weighted average, using the amount outstanding in different interest rate ranges as the weights.

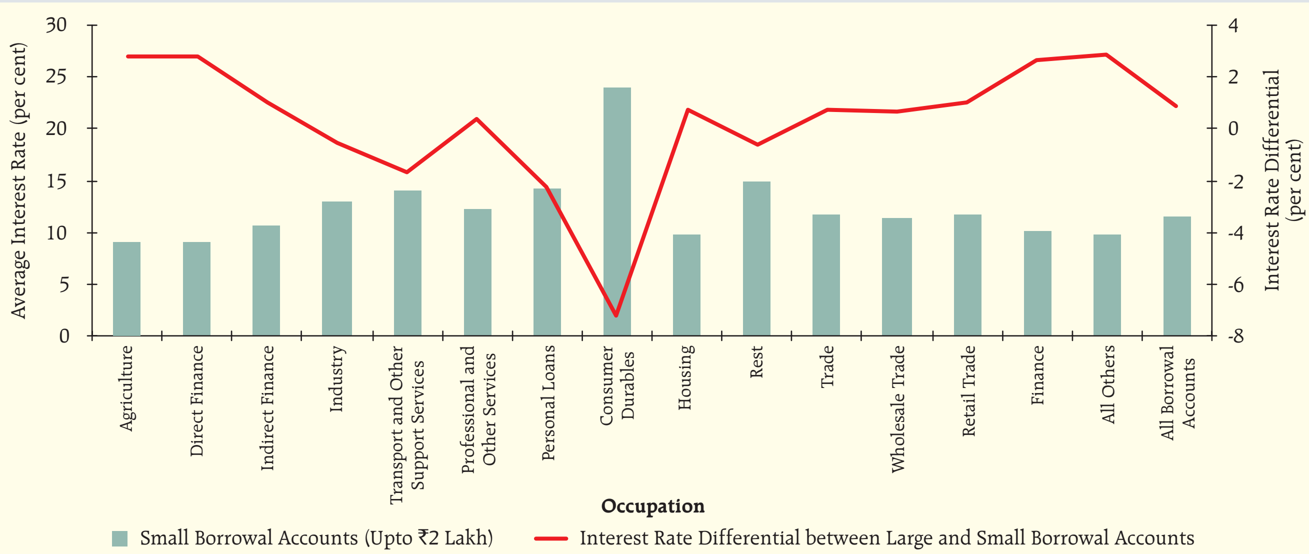
Table 14: Average Interest Cost according to Small and Large borrowal Accounts, March 2008

Occupation	Average Interest Rate (per cent)		
	Small Borrowal Accounts (Up to ₹2 Lakh)	Large Borrowal Accounts (Above ₹2 Lakh)	Interest Rate Differential [(3)-(2)]
	1	2	3
1. Agriculture	9.0	11.8	2.8
Direct Finance	9.0	11.8	2.8
Indirect Finance	10.7	11.7	1.0
2. Industry	13.0	12.4	-0.6
3. Transport and Other Support Services	14.0	12.3	-1.7
4. Professional and Other Services	12.2	12.6	0.4
5. Personal Loans	14.2	12.0	-2.3
Consumer Durables	23.9	16.7	-7.2
Housing	9.8	10.5	0.7
Rest	14.9	14.3	-0.6
6. Trade	11.7	12.5	0.8
Wholesale Trade	11.4	12.1	0.7
Retail Trade	11.8	12.8	1.0
7. Finance	10.1	12.7	2.6
8. All Others	9.8	12.6	2.8
All Borrowal Accounts	11.5	12.3	0.9

The average rate of interest on small borrowal accounts at 11.5 per cent was marginally lower than that on large borrowal accounts (12.3 per cent) at the end of March 2008 (Table 14, Chart 14).

The average cost of borrowing in respect of small borrowal accounts in the Agricultural sector was the minimum at 9.0 per cent. For Industry,

Chart 14: Average Interest Cost according to Occupation on Small and Large Borrowal Accounts



Transport Services, Professional and Other Services and Personal loans in general, the same varied in the range of 12.2 per cent to 14.2 per cent. The highest interest rate at 23.9 per cent was for Consumer Durables within Personal loans category.

The interest rate differential, in absolute terms, between large and small borrowal accounts was minimum in case of Professional and Other Services and maximum in case of Consumer Durables.

V. Comparison March 2008 Survey Results with March 2006 Survey Results

In this section, the results of the current survey round (March 2008) are compared with those of the previous survey round of March 2006 in terms of some important classificatory characteristics.

V.1 Occupation Group

It is observed that the shares of various occupations groups has remained almost similar in terms of number as well as amount outstanding during the both the survey rounds. The share of agriculture loan increased marginally from 36.1 per cent in March 2006 to 37.6 per cent in March 2008 while in terms of amount outstanding it increased from 31.1 per cent in March 2006 to 38.2 per cent in March 2008 (Table 15, Chart 15). The share of small borrowal accounts for Industry declined from 3.4 per cent to 2.3 per cent and from 4.0 per cent to 2.6 per cent in terms of amount outstanding.

The share of Personal Loans declined from 40.6 per cent to 38.7 per cent in terms of number. The average amount outstanding per loan account increased for most of the occupation groups.

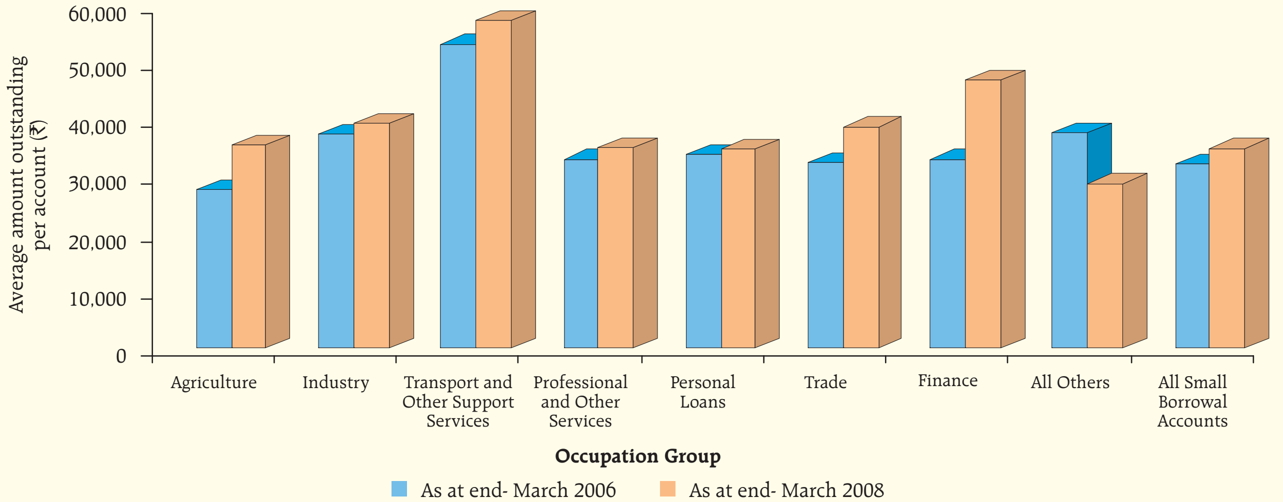
V.2 Population Group

The share of small borrowal accounts in Rural areas declined from 35.8 per cent to 33.1 per cent during the period between March 2006 and March 2008 (Table 16, Chart 16). However, the share in amount outstanding of Rural accounts had risen

Table 15: Distribution of Small Borrowal Accounts by Occupation Group as at end-March 2006 and 2008

Occupation Group	Per cent Share				Average Amount Outstanding per Account (₹)		
	Number of Accounts		Amount Outstanding				
	As at end-March 2006	As at end-March 2008	As at end-March 2006	As at end-March 2008	As at end-March 2006	As at end-March 2008	Per cent (+) / (-) in 2008 over 2006
	1	2	3	4	5	6	7
1. Agriculture	36.1	37.6	31.1	38.2	27,723	35,568	28.3
Direct Finance	35.4	37.0	30.5	37.6	27,746	35,533	28.1
Indirect Finance	0.7	0.6	0.6	0.6	26,594	37,951	42.7
2. Industry	3.4	2.3	4.0	2.6	37,465	39,286	4.9
3. Transport and Other Support Services	0.6	0.6	1.0	0.9	53,192	57,325	7.8
4. Professional and Other Services	1.6	4.1	1.7	4.1	33,093	35,147	6.2
5. Personal Loans	40.6	38.7	42.8	38.5	33,970	34,817	2.5
Consumer Durables	1.9	0.7	2.5	0.9	42,985	44,363	3.2
Housing	2.7	2.4	7.9	6.1	93,048	89,216	-4.1
Rest	36.0	35.5	32.4	31.4	29,010	30,934	6.6
6. Trade	7.0	6.2	7.0	6.9	32,505	38,774	19.3
Wholesale Trade	0.4	0.3	0.6	0.4	53,488	44,366	-17.1
Retail Trade	6.6	5.9	6.4	6.5	31,318	38,511	23.0
7. Finance	0.1	0.2	0.1	0.3	33,074	46,857	41.7
8. All Others	10.6	10.4	12.4	8.5	37,654	28,832	-23.4
All Small Borrowal Accounts	**100.0 (77,122)**	**100.0 (94,132)**	**100.0 (2,48,498)**	**100.0 (3,29,396)**	**32,221**	**34,993**	**8.6**

Chart 15: Average Amount Outstanding per account by Occupation Group as at end-March 2006 and 2008



from 30.5 per cent to 31.5 per cent. In metropolitan areas, the share of number of accounts increased from 24.6 per cent to 32.6 per cent and the amount outstanding increased from 23.1 to 25.3 per cent.

Table 16: Distribution of Small Borrowal Accounts by Population Group as at end-March 2006 and 2008

Population Group	Per cent Share				Average Amount Outstanding per Account (₹)		
	Number of Accounts		Amount Outstanding				
	As at end-March 2006	As at end-March 2008	As at end-March 2006	As at end-March 2008	As at end-March 2006	As at end-March 2008	Per cent (+) / (-) in 2008 over 2006
	1	2	3	4	5	6	7
Rural	35.8	33.1	30.5	31.5	27,481	33270.6	21.1
Semi-Urban	25.7	22.9	27.1	26.5	34,045	40608.8	19.3
Urban	14.0	11.8	19.2	17.1	44,299	50608.9	14.2
Metropolitan	24.6	32.6	23.1	25.3	30,340	27179.4	-10.4
All Small Borrowal Accounts	**100.0 (77,122)**	**100.0 (94,132)**	**100.0 (2,48,498)**	**100.0 (3,29,396)**	**32,221**	**34,993**	**8.6**

Note : The figures in brackets relate to the number of accounts in thousands and amount outstanding in ₹ crore.
(+) Increase (-) Decrease

Chart 16: Average Amount Outstanding per account by Population Group as at end-March 2006 and 2008

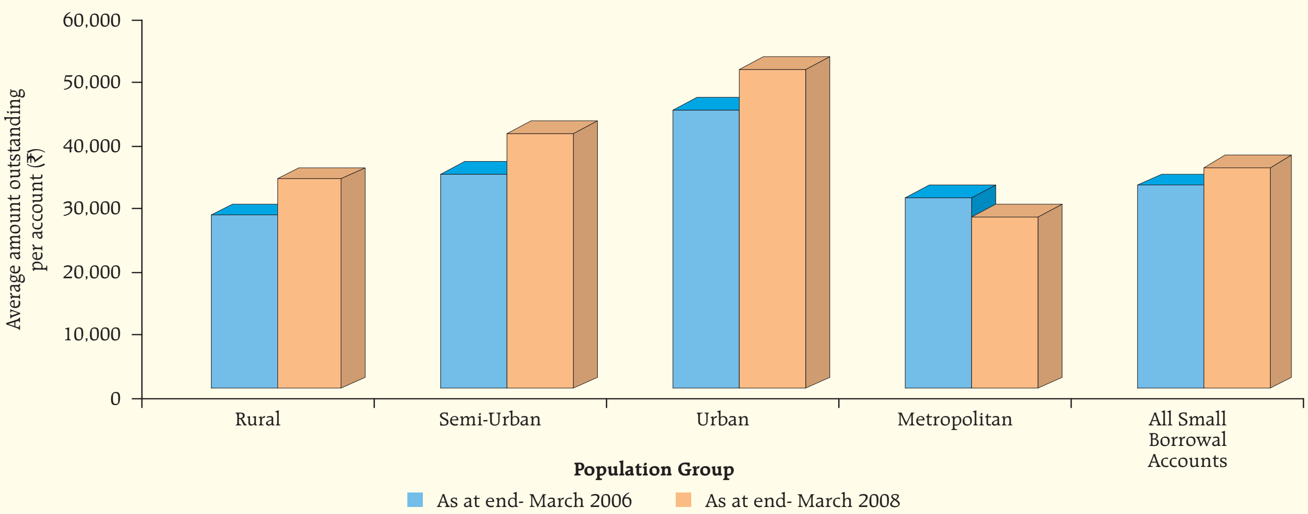


Table 17: Distribution of Small Borrowal Accounts by Bank Group as at end-March 2006 and 2008

Bank Group	Per cent Share				Average Amount Outstanding per Account (₹)		
	Number of Accounts		Amount Outstanding				
	As at end-March 2006	As at end-March 2008	As at end-March 2006	As at end-March 2008	As at end-March 2006	As at end-March 2008	Per cent (+) / (-) in 2008 over 2006
	1	2	3	4	5	6	7
SBI & its Associates	21.6	18.4	25.4	24.2	37,855	46,069	21.7
Nationalised Banks	36.9	32.3	43.9	40.2	38,325	43,440	13.3
Regional Rural Banks	17.1	8.3	12.1	5.1	22,859	21,440	-6.2
Foreign Banks	11.8	16.7	4.6	13.9	12,707	29,005	128.3
Other Scheduled Commercial Banks	12.5	24.7	13.9	17.2	35,617	24,383	-31.5
All Small Borrowal Accounts	**100.0 (77,122)**	**100.0 (94,132)**	**100.0 (2,48,498)**	**100.0 (3,29,396)**	**32,221**	**34,993**	**8.6**

Note : The figures in brackets relate to the number of accounts in thousands and amount outstanding in ₹ crore.
(+) Increase (-) Decrease

V.3 Bank Group

Among various bank groups, Other Scheduled Commercial Banks had shown large increase in lending to small borrowers as their share in terms of number of accounts (24.7 per cent from 12.5 per cent) and amount outstanding (17.2 per cent from 13.9 per cent) increased between 2006 and 2008 (Table17, Chart 17). The share of Foreign Banks recorded substantial increase, particularly with regard to amount outstanding. For Other bank groups, including the Regional Rural Banks, the share in terms of number of accounts and amount outstanding declined.

V.4 Type of Account

The share of small borrowal accounts under Term Loans, which dominated all types of accounts, increased from 39.3 per cent in March 2006 to 40.7 per cent in March 2008 but their share in amount outstanding declined from 52.2 per cent to 47.3 per cent during the same period (Table 18, Chart 18). The share of number of accounts and amount

Chart 17: Average Amount Outstanding per account by Bank Group as at end-March 2006 and 2008

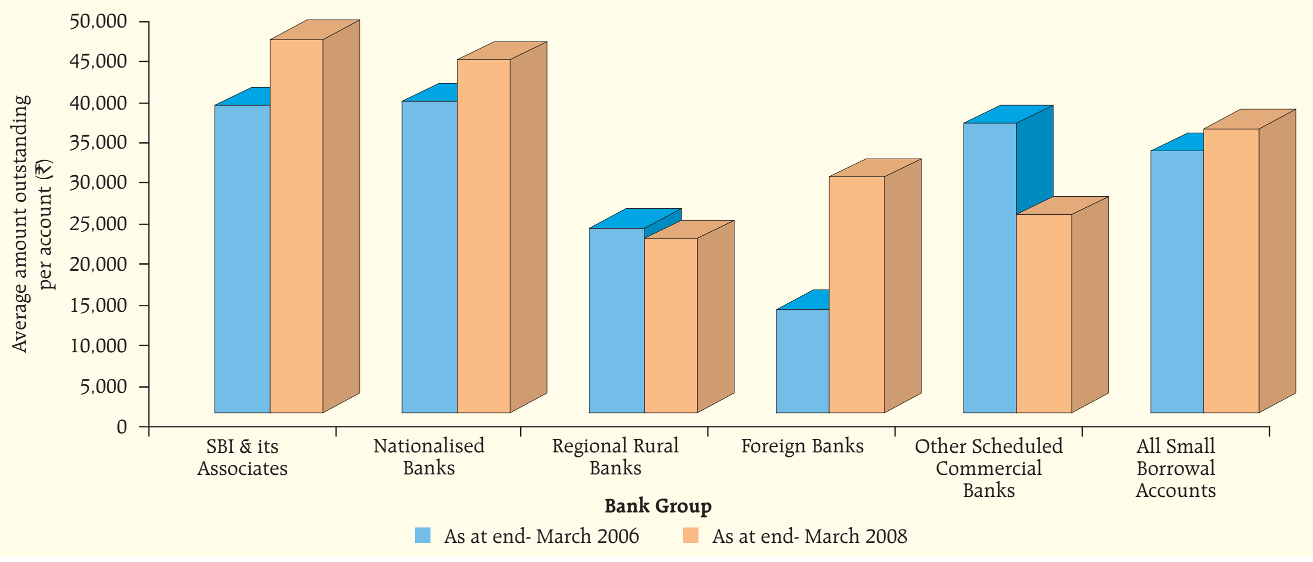
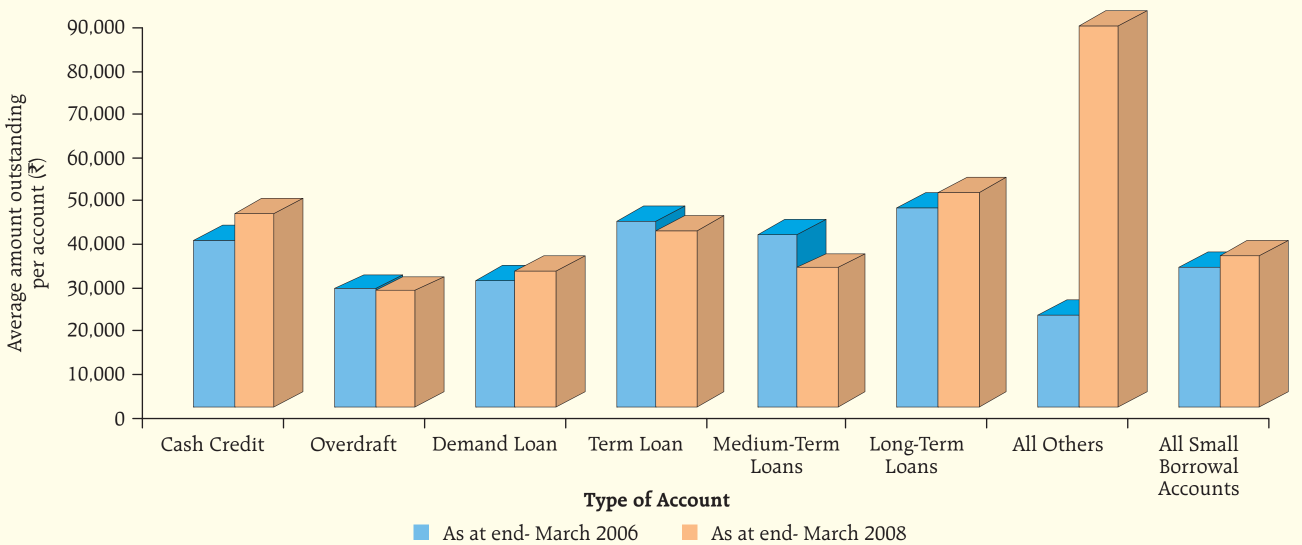


Table 18: Distribution of Small Borrowal Accounts by Type of Account as at end-March 2006 and 2008

Type of Account	Per cent Share				Average Amount Outstanding per Account (₹)		
	Number of Accounts		Amount Outstanding				
	As at end-March 2006	As at end-March 2008	As at end-March 2006	As at end-March 2008	As at end-March 2006	As at end-March 2008	Per cent (+) / (-) in 2008 over 2006
	1	2	3	4	5	6	7
Cash Credit	5.0	4.9	5.9	6.2	38,342	44,719	16.6
Overdraft	6.6	6.2	5.6	4.7	27,124	26,682	-1.6
Demand Loan	16.8	17.2	15.2	15.4	28,994	31,373	8.2
Term Loan	39.3	40.7	52.2	47.3	42,778	40,631	-5.0
Medium-Term Loans	19.3	20.5	23.8	18.7	39,675	31,982	-19.4
Long-Term Loans	20.0	20.2	28.4	28.6	45,769	49,377	7.9
All Others@	32.2	31.0	21.1@	26.4	21,134	87,960	316.2
All Small Borrowal Accounts	**100.0 (77,122)**	**100.0 (94,132)**	**100.0 (2,48,498)**	**100.0 (3,29,396)**	**32,221**	**34,993**	**8.6**

Note: The figures in brackets relate to the number of accounts in thousands and amount outstanding in ₹ crore.

Chart 18: Average Amount Outstanding per account by Type of Account as at end-March 2006 and 2008



outstanding under Demand Loan had shown a marginal rise.

V.5 Asset Classification

The shares of Standard Assets, in terms of number of accounts increased marginally from 89.0 per cent in 2006 to 89.5 per cent in 2008, while in terms of amount outstanding it decreased from 92.5 per cent in 2006 to 92.0 per cent in 2008 (Table 19, Chart 19). On the other hand, the shares of Doubtful and Loss Assets declined both in terms of number and amount outstanding.

V.6 Type of Organisation

The share of number of small borrowal accounts disbursed to Individuals declined marginally between 2006 and 2008 (Table 20, Chart 20). It is noticed that the share of Male borrowers under Individual Category had gone up, whereas, that availed by Female has come down.

V.7 Loan Scheme

The share of number of accounts under Integrated Rural Development Programme (IRDP) declined from 3.8 per cent in March 2006 to 1.3 per

Table 19: Distribution of Small Borrowal Accounts by Asset Classification as at end-March 2006 and 2008

Asset Classification	Per cent Share				Average Amount Outstanding per Account (₹)		
	Number of Accounts		Amount Outstanding				
	As at end-March 2006	As at end-March 2008	As at end-March 2006	As at end-March 2008	As at end-March 2006	As at end-March 2008	Per cent (+) / (-) in 2008 over 2006
	1	2	3	4	5	6	7
Standard Assets	89.0	89.5	92.5	92.0	33,518	35,979	7.3
Sub-standard Assets	2.3	4.1	2.3	3.9	31,580	32,880	4.1
Doubtful Assets	5.7	4.6	3.9	3.2	22,017	24,747	12.4
Loss Assets	3.0	1.8	1.3	0.9	13,729	17,301	26.0
All Small Borrowal Accounts	**100.0 (77,122)**	**100.0 (94,132)**	**100.0 (2,48,498)**	**100.0 (3,29,396)**	**32,221**	**34,993**	**8.6**

Note: The figures in brackets relate to the number of accounts in thousands and amount outstanding in ₹ crore.
(+) Increase (-) Decrease

Chart 19: Average Amount Outstanding per account by Asset Classification as at end-March 2006 and 2008

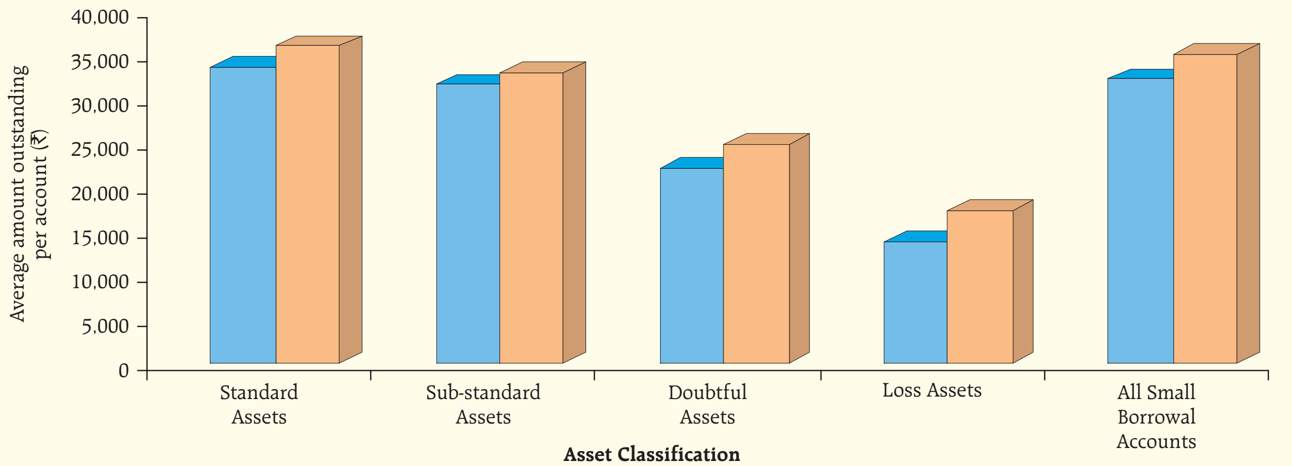


Table 20: Distribution of Small Borrowal Accounts by Type of Organization as at end-March 2006 and 2008

Type of Organization	Per cent Share				Average Amount Outstanding per Account (₹)		
	Number of Accounts		Amount Outstanding				
	As at end-March 2006	As at end-March 2008	As at end-March 2006	As at end-March 2008	As at end-March 2006	As at end-March 2008	Per cent (+) / (-) in 2008 over 2006
	1	2	3	4	5	6	7
Individuals	92.1	91.7	88.7	90.5	31013	34559	11.4
Male	75.6	76.5	74.8	76.7	31856	35052	10.0
Female	16.5	15.1	13.9	13.9	27145	32069	18.1
Public Sector	1.7	4.0	1.3	3.3	24851	28756	15.7
Co-operative Sector	0.1	0.0	0.1	0.0	42311	55818	31.9
Private Corporate Sector	1.0	0.5	1.4	0.3	47449	23374	-50.7
Household Sector-Others	4.2	2.7	7.5	4.5	57565	57398	-0.3
Others	1.0	1.1	1.0	1.3	34590	42195	22.0
All Small Borrowal Accounts	**100.0 (77,122)**	**100.0 (94,132)**	**100.0 (2,48,498)**	**100.0 (3,29,396)**	**32,221**	**34,993**	**8.6**

Note: The figures in brackets relate to the number of accounts in thousands and amount outstanding in ₹ crore.
(+) Increase (-) Decrease

Chart 20: Average Amount Outstanding per account by Type of Organisation as at end-March 2006 and 2008

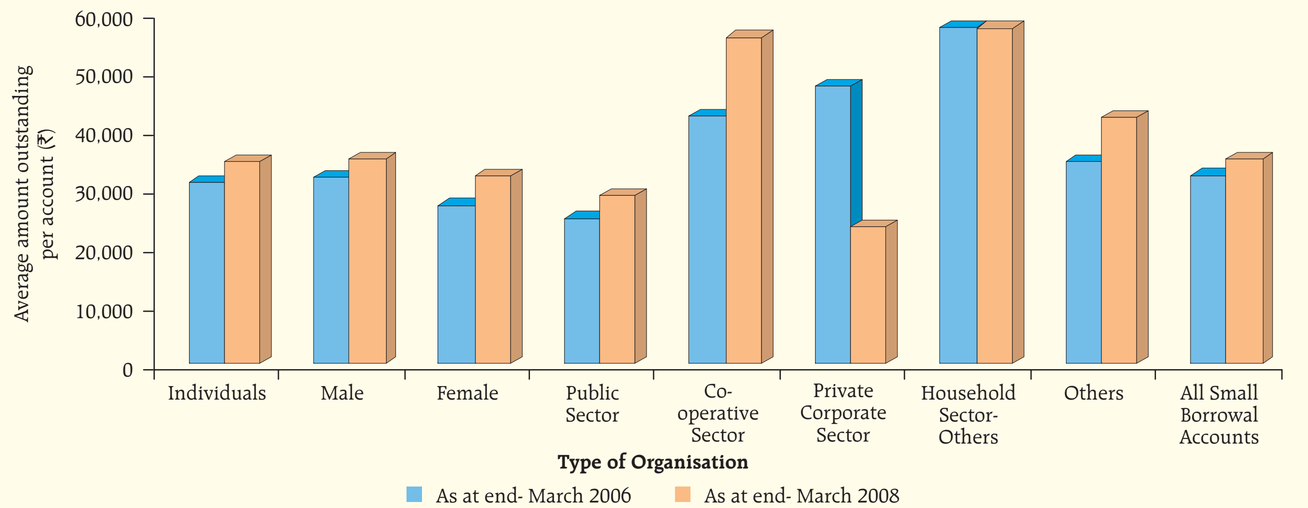
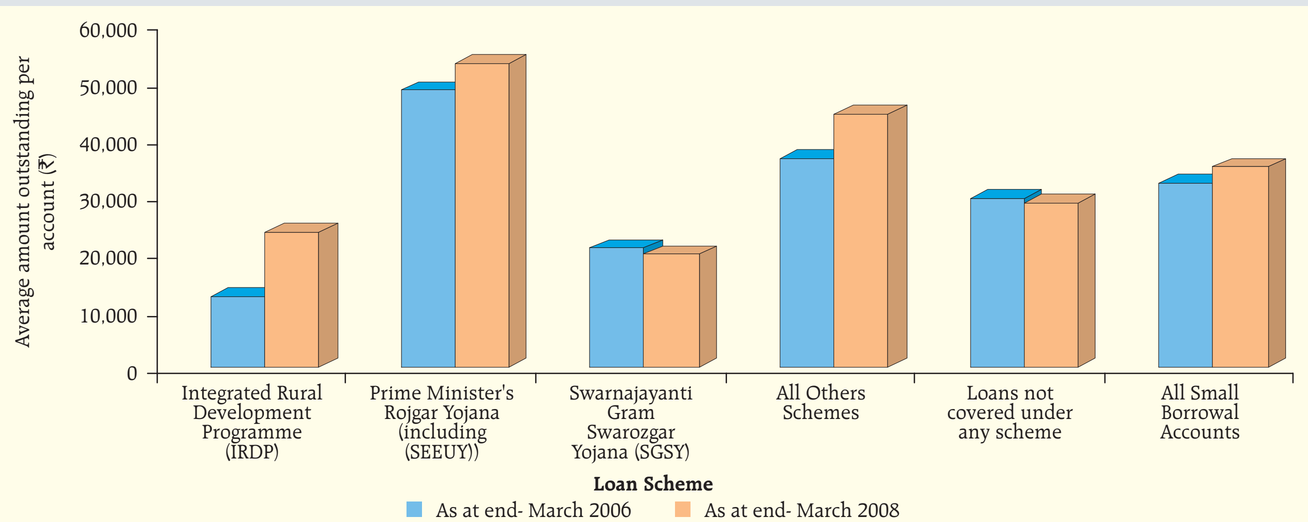


Table 21: Distribution of Small Borrowal Accounts by Loan Scheme as at end-March 2006 and 2008

Loan Scheme	Per cent Share				Average Amount Outstanding per Account (₹)		
	Number of Accounts		Amount Outstanding				
	As at end-March 2006	As at end-March 2008	As at end-March 2006	As at end-March 2008	As at end-March 2006	As at end-March 2008	Per cent (+) / (-) in 2008 over 2006
	1	2	3	4	5	6	7
Integrated Rural Development Programme (IRDP)	3.8	1.3	1.5	0.8	12,284	23607	92.2
Prime Minister's Rojgar Yojana (including (SEEUY))	2.5	1.4	3.8	2.1	48,381	53000	9.5
Swarnajayanti Gram Swarozgar Yojana (SGSY)	2.2	1.8	1.4	1.0	20,748	19663	-5.2
All Others Schemes	45.3	40.4	51.3	51.0	36,456	44222	21.3
Loans not covered under any scheme	46.2	55.2	42.1	45.1	29,377	28563	-2.8
All Small Borrowal Accounts	**100.0 (77,122)**	**100.0 (94,132**	**100.0 (2,48,498)**	**100.0 (3,29,396)**	**32,221**	**34,993**	**8.6**

Chart 21: Average Amount Outstanding per account by Loan Scheme as at end-March 2006 and 2008



cent in March 2008 and their share in amount outstanding also declined from 1.5 per cent to 0.8 per cent (Table 21, Chart 21). Similar trend was observed in case of loan accounts sanctioned under Prime Minister's Rojgar Yojana and Swarnajayanti Gram Swarozgar Yojana (SGSY) schemes. In case of all other schemes which constituted 40.4 per cent of all loan accounts in 2008, there was a significant decline in the percentage share in terms of number of accounts. The percentage share of 'Loans not covered under any schemes' had gone up.

The average amount outstanding per account for loans disbursed under IRDP increased by 92.2 per cent in 2008 from 2006. In case of 'Prime Minister's Rojgar Yojana' and 'All Other Schemes' the average amount outstanding per account increased by 9.5 per cent and 21.3 per cent, respectively in the same period. However, for 'Swarnajayanti Gram Swarozgar Yojana (SGSY)' and 'Loans not covered under any schemes', the average amount outstanding per account had declined by 5.2 and 2.8 per cent, respectively.

Personal loans and Agriculture loans dominated the small borrowal accounts. Large portion of these accounts was sanctioned in Rural areas. Nationalized Banks extended maximum number of small borrowal accounts. However, the share of Other Scheduled Commercial Banks substantially increased between 2006 and 2008. About 50 per cent of the small borrowal accounts with credit limit up to ₹25,000. In terms of type of loan accounts, the Term loans dominated the small borrowal accounts. Most of these accounts were classified as Standard Assets and only 10.5 per cent were found to be Non Performing Assets. The majority of small borrowal accounts were held by Individuals and large number of these accounts was charged interest rates in the range of '6 to 10 per cent'. The small borrowal accounts, sanctioned under various loan schemes formed less than 10 per cent of the total small borrowal accounts.

Statement 1: Occupation and Population Group-wise percentage Distribution of Number of Accounts and Amount Outstanding pertaining to Small Borrowal Accounts as on March 31,2008

Occupation	Rural			Semi-Urban			Urban		
	Percent share			Percent share			Percent share		
	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)
	1	2	3	4	5	6	7	8	9
1. Agriculture	**62.0**	**56.0**	**31,548**	**30.7**	**33.6**	**38,142**	**5.9**	**9.3**	**54,998**
Direct Finance	62.0	56.1	31,510	30.8	33.6	38,070	5.9	9.3	54,726
Indirect Finance	61.0	52.8	34,016	29.8	32.6	42,895	6.6	11.8	70,733
2. Industry	**30.3**	**19.9**	**29,643**	**14.6**	**13.3**	**41,011**	**8.3**	**10.6**	**57,757**
3. Transport and Other Support Services	**22.5**	**22.1**	**52,008**	**16.6**	**18.5**	**58,901**	**25.5**	**31.7**	**65,948**
4. Professional and Other Services	**14.6**	**11.6**	**31,440**	**18.3**	**15.6**	**33,807**	**9.8**	**12.1**	**49,249**
5. Personal Loans	**14.9**	**16.5**	**40,776**	**16.1**	**21.5**	**49,162**	**13.1**	**23.5**	**65,880**
Consumer Durables	20.2	10.5	30,785	22.2	12.9	34,449	20.8	13.9	39,601
Housing	26.7	20.3	71,241	26.1	23.8	85,446	26.8	31.6	1,10,529
Rest	14.1	16.0	37,657	15.4	21.3	45,910	12.2	22.4	60,849
6. Trade	**47.0**	**38.2**	**32,991**	**27.8**	**27.2**	**39,781**	**15.0**	**20.4**	**55,174**
Wholesale Trade	56.5	45.5	37,445	23.9	24.5	47,595	12.6	20.5	75,916
Retail Trade	46.7	38.0	32,853	27.9	27.3	39,609	15.1	20.4	54,730
7. Finance	**33.2**	**27.4**	**35,810**	**20.2**	**20.0**	**42,966**	**10.2**	**11.6**	**49,121**
8. All Others	**9.7**	**12.1**	**29,541**	**22.6**	**31.2**	**32,543**	**23.2**	**18.6**	**18,848**
All Small Borrowal Accounts	**33.0**	**31.3**	**33,271**	**22.8**	**26.4**	**40,609**	**11.8**	**17.0**	**50,609**

Statement 1: Occupation and Population Group-wise percentage Distribution of Number of Accounts and Amount Outstanding pertaining to Small Borrowal Accounts as on March 31,2008 *(Concld.)*

Occupation	Metro			Total		
	Percent share			Percent share		
	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)
	10	11	12	13	14	15
1. Agriculture	**1.3**	**1.0**	**26,873**	**100.0**	**100.0**	**35,568.3**
Direct Finance	1.3	1.0	26,409	100.0	100.0	35,532.6
Indirect Finance	2.7	2.8	41,424	100.0	100.0	37,950.8
2. Industry	**46.8**	**56.2**	**54,224**	**100.0**	**100.0**	**39,285.9**
3. Transport and Other Support Services	**35.4**	**27.8**	**41,629**	**100.0**	**100.0**	**57,325.4**
4. Professional and Other Services	**57.3**	**60.6**	**41,940**	**100.0**	**100.0**	**35,147.4**
5. Personal Loans	**55.9**	**38.5**	**25,322**	**100.0**	**100.0**	**34,817.5**
Consumer Durables	36.9	62.8	1,00,819	100.0	100.0	44,362.6
Housing	20.3	24.3	1,12,251	100.0	100.0	89,216.2
Rest	58.2	40.3	22,961	100.0	100.0	30,933.6
6. Trade	**10.2**	**14.2**	**56,503**	**100.0**	**100.0**	**38,773.5**
Wholesale Trade	7.1	9.5	62,816	100.0	100.0	44,365.8
Retail Trade	10.3	14.4	56,391	100.0	100.0	38,510.6
7. Finance	**36.4**	**41.0**	**48,868**	**100.0**	**100.0**	**46,857.0**
8. All Others	**44.5**	**38.1**	**20,216**	**100.0**	**100.0**	**28,832.5**
All Small Borrowal Accounts	**32.5**	**25.2**	**27,179**	**100.0**	**100.0**	**34,992.9**

Statement 2: Occupation and Bank Group-wise percentage Distribution of Number of Accounts and Amount Outstanding pertaining to Small Borrowal Accounts as on March 31,2008

Occupation	State Bank of India and ITS Associates			Nationalised Banks			Foreign Banks		
	Percent share			Percent share			Percent share		
	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)
	1	2	3	4	5	6	7	8	9
1. Agriculture	**21.5**	**23.6**	**39,935**	**46.6**	**51.1**	**39,866**	**0.0**	**0.0**	**28,276**
Direct Finance	21.5	23.5	39,807	46.8	51.2	39,804	0.0	0.0	28,276
Indirect Finance	20.4	26.8	48,564	38.5	46.6	44,734	0.0	0.0	-
2. Industry	**12.1**	**13.1**	**47,277**	**41.0**	**37.4**	**39,884**	**0.3**	**0.2**	**26,080**
3. Transport and Other Support Services	**10.6**	**15.7**	**77,410**	**44.3**	**48.5**	**57,008**	**0.0**	**0.0**	**9,357**
4. Professional and Other Services	**3.5**	**4.2**	**46,414**	**27.1**	**32.2**	**45,525**	**5.3**	**4.4**	**32,369**
5. Personal Loans	**18.8**	**29.5**	**53,707**	**18.3**	**28.1**	**52,777**	**20.2**	**12.1**	**20,587**
Consumer Durables	6.7	5.7	39,854	43.0	26.2	28,869	0.0	0.0	-
Housing	27.6	27.4	87,625	51.7	54.3	92,668	1.1	0.6	47,164
Rest	18.5	30.6	50,487	15.6	23.2	45,418	21.8	14.7	20,498
6. Trade	**16.6**	**18.2**	**43,229**	**51.9**	**54.9**	**41,821**	**4.9**	**4.6**	**37,181**
Wholesale Trade	1.9	2.3	52,913	44.1	53.3	52,540	0.4	0.1	14,989
Retail Trade	17.3	19.0	43,181	52.3	55.0	41,410	5.1	4.8	37,255
7. Finance	**7.5**	**9.5**	**54,165**	**51.4**	**53.8**	**44,571**	**0.2**	**0.1**	**30,320**
8. All Others	**13.2**	**21.4**	**42,732**	**19.1**	**31.6**	**43,533**	**0.2**	**0.1**	**7,873**
All Small Borrowal Accounts	**18.3**	**24.0**	**46,069**	**32.2**	**40.0**	**43,440**	**8.3**	**5.1**	**21,440**

Statement 2: Occupation and Bank Group-wise percentage Distribution of Number of Accounts and Amount Outstanding pertaining to Small Borrowal Accounts as on March 31,2008 *(Concld.)*

Occupation	Regional rural banks			Other scheduled commercial banks			Total		
	Percent share			Percent share			Percent share		
	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)
	10	11	12	13	14	15	16	17	18
1. Agriculture	**27.6**	**21.2**	**27,989**	**4.4**	**4.1**	**34,586**	**100.0**	**100.0**	**35,568.3**
Direct Finance	27.5	21.2	28,126	4.3	4.1	34,534	100.0	100.0	35,532.6
Indirect Finance	32.5	18.1	20,580	8.6	8.5	36,255	100.0	100.0	37,950.8
2. Industry	**12.0**	**6.4**	**23,363**	**34.5**	**42.9**	**54,276**	**100.0**	**100.0**	**39,285.9**
3. Transport and Other Support Services	**15.2**	**11.1**	**38,026**	**29.8**	**24.7**	**43,104**	**100.0**	**100.0**	**57,325.4**
4. Professional and Other Services	**16.5**	**7.9**	**18,384**	**47.6**	**51.3**	**41,367**	**100.0**	**100.0**	**35,147.4**
5. Personal Loans	**5.8**	**6.7**	**39,186**	**36.9**	**23.6**	**21,951**	**100.0**	**100.0**	**34,817.5**
Consumer Durables	32.8	28.1	40,576	17.4	40.0	1,08,665	100.0	100.0	44,362.6
Housing	13.4	9.2	60,841	6.1	8.5	1,22,358	100.0	100.0	89,216.2
Rest	4.8	5.5	35,057	39.3	26.0	20,163	100.0	100.0	30,933.6
6. Trade	**21.5**	**15.5**	**28,508**	**5.1**	**6.9**	**52,787**	**100.0**	**100.0**	**38,773.5**
Wholesale Trade	50.9	39.4	33,673	2.8	4.9	75,709	100.0	100.0	44,365.8
Retail Trade	20.2	14.3	27,915	5.2	7.0	52,231	100.0	100.0	38,510.6
7. Finance	**26.3**	**20.6**	**33,438**	**14.7**	**15.9**	**46,171**	**100.0**	**100.0**	**46,857.0**
8. All Others	**15.1**	**15.1**	**26,320**	**52.4**	**31.8**	**16,005**	**100.0**	**100.0**	**28,832.5**
All Small Borrowal Accounts	**16.7**	**13.8**	**29,005**	**24.6**	**17.1**	**24,383**	**100.0**	**100.0**	**34,992.9**

Statement 3: Occupation and Size of credit limit-wise percentage Distribution of Number of Accounts and Amount Outstanding pertaining to Small Borrowal Accounts as on March 31,2008

Occupation	Up to 2500			2500 - 5000			5000 - 10000		
	Percent share			Percent share			Percent share		
	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)
	1	2	3	4	5	6	7	8	9
1. Agriculture	**6.7**	**0.9**	**4,618.6**	**4.6**	**0.6**	**4,921.4**	**11.4**	**2.9**	**9,043.9**
Direct Finance	6.6	0.9	4,672.1	4.6	0.6	4,912.4	11.4	2.9	9,042.8
Indirect Finance	9.9	0.6	2,252.9	6.2	0.9	5,361.3	10.3	2.5	9,124.2
2. Industry	**9.5**	**1.2**	**4,924.4**	**5.0**	**0.5**	**3,601.2**	**7.5**	**1.3**	**6,680.9**
3. Transport and Other Support Services	**25.0**	**0.4**	**857.1**	**3.4**	**0.2**	**2,526.5**	**4.4**	**0.5**	**6,806.4**
4. Professional and Other Services	**7.9**	**1.0**	**4,404.7**	**4.0**	**0.5**	**4,409.6**	**7.3**	**1.6**	**7,545.8**
5. Personal Loans	**14.0**	**0.5**	**1,268.5**	**1.9**	**0.2**	**3,845.1**	**4.2**	**0.9**	**7,642.3**
Consumer Durables	6.0	0.5	3,940.2	2.8	0.3	4,739.7	7.4	2.9	17,440.6
Housing	8.5	0.3	3,100.0	0.8	0.1	6,273.2	1.8	0.2	11,273.0
Rest	14.6	0.6	1,173.3	1.9	0.2	3,751.5	4.3	1.0	7,190.2
6. Trade	**11.6**	**0.5**	**1,790.5**	**3.5**	**0.4**	**4,411.5**	**7.5**	**1.7**	**8,715.6**
Wholesale Trade	4.1	1.3	14,241.0	5.7	0.9	6,831.5	10.2	2.0	8,755.7
Retail Trade	12.0	0.5	1,589.8	3.4	0.4	4,216.9	7.4	1.7	8,713.0
7. Finance	**16.0**	**0.1**	**416.2**	**0.9**	**0.1**	**3,873.9**	**2.9**	**0.5**	**8,872.3**
8. All Others	**38.2**	**10.0**	**7,525.3**	**3.1**	**0.6**	**5,716.8**	**5.9**	**1.9**	**9,538.2**
All Small Borrowal Accounts	**13.3**	**1.5**	**3,913.7**	**3.3**	**0.4**	**4,643.3**	**7.5**	**1.9**	**8,636.2**

Statement 3: Occupation and Size of credit limit-wise percentage Distribution of Number of Accounts and Amount Outstanding pertaining to Small Borrowal Accounts as on March 31,2008 *(Contd.)*

Occupation	10000 - 15000			15000 - 25000			25000 - 50000		
	Percent share			Percent share			Percent share		
	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)
	10	11	12	13	14	15	16	17	18
1. Agriculture	**10.8**	**4.2**	**13,950.2**	**23.3**	**13.7**	**20,885.3**	**25.3**	**27.0**	**38,072.6**
Direct Finance	10.8	4.3	13,959.4	23.3	13.7	20,913.5	25.3	27.2	38,091.3
Indirect Finance	9.0	3.1	13,209.6	22.9	11.5	18,978.9	19.2	18.5	36,434.7
2. Industry	**4.9**	**1.3**	**10,712.4**	**16.6**	**6.8**	**15,998.4**	**27.6**	**19.6**	**27,981.3**
3. Transport and Other Support Services	**2.2**	**0.5**	**11,999.5**	**6.1**	**1.8**	**16,752.0**	**9.5**	**6.2**	**37,743.9**
4. Professional and Other Services	**5.3**	**1.4**	**9,508.5**	**15.0**	**6.2**	**14,625.4**	**28.8**	**20.7**	**25,242.6**
5. Personal Loans	**5.0**	**1.6**	**10,894.5**	**12.2**	**5.3**	**15,020.1**	**24.8**	**17.9**	**25,159.3**
Consumer Durables	7.8	5.3	30,366.4	17.8	12.9	32,187.3	34.4	32.2	41,537.1
Housing	1.3	0.3	17,777.6	5.3	1.4	24,180.3	13.9	6.1	39,065.5
Rest	5.2	1.7	10,161.6	12.6	5.8	14,251.0	25.4	19.8	24,179.2
6. Trade	**5.6**	**2.0**	**13,894.1**	**22.7**	**10.9**	**18,542.5**	**22.6**	**21.8**	**37,471.4**
Wholesale Trade	6.4	1.8	12,903.7	27.6	11.2	17,947.8	21.4	18.9	39,197.1
Retail Trade	5.6	2.0	13,947.1	22.5	10.9	18,576.8	22.7	22.0	37,394.8
7. Finance	**2.8**	**0.7**	**12,687.2**	**13.3**	**4.8**	**16,896.7**	**25.0**	**17.9**	**33,561.7**
8. All Others	**4.6**	**2.3**	**14,123.9**	**10.8**	**7.3**	**19,395.2**	**21.3**	**22.9**	**30,925.5**
All Small Borrowal Accounts	**7.2**	**2.6**	**12,948.3**	**17.1**	**9.1**	**18,619.7**	**24.6**	**22.1**	**31,474.3**

Statement 3: Occupation and Size of credit limit-wise percentage Distribution of Number of Accounts and Amount Outstanding pertaining to Small Borrowal Accounts as on March 31,2008 *(Contd.)*

Occupation	50000 - 75000			75000 - 100000			100000 - 150000		
	Percent share			Percent share			Percent share		
	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)
	19	20	21	22	23	24	25	26	27
1. Agriculture	**5.8**	**10.0**	**61,316.3**	**5.7**	**14.1**	**87,553.8**	**3.6**	**12.7**	**1,25,647.5**
Direct Finance	5.8	10.0	61,317.3	5.7	14.1	87,644.3	3.6	12.6	1,25,636.4
Indirect Finance	5.7	9.2	61,250.4	6.9	15.0	82,553.5	5.0	16.7	1,26,172.2
2. Industry	**6.6**	**8.9**	**53,397.1**	**9.6**	**18.3**	**74,693.4**	**5.8**	**15.8**	**1,07,069.2**
3. Transport and Other Support Services	**9.7**	**10.6**	**62,262.0**	**18.6**	**28.4**	**87,385.5**	**11.7**	**25.1**	**1,22,807.9**
4. Professional and Other Services	**6.7**	**9.3**	**48,824.8**	**9.0**	**16.6**	**65,206.2**	**8.1**	**17.7**	**76,904.1**
5. Personal Loans	10.6	11.2	36,660.0	10.5	16.3	54,244.1	9.4	20.8	77,429.1
Consumer Durables	9.0	13.1	64,080.7	9.1	16.3	79,879.1	3.3	8.7	1,16,916.6
Housing	8.7	6.5	66,629.8	15.6	14.4	82,311.2	20.0	27.3	1,21,862.3
Rest	10.8	12.0	34,535.5	10.2	16.7	50,848.7	8.8	19.9	70,264.3
6. Trade	**6.8**	**10.9**	**62,594.0**	**9.4**	**19.3**	**79,690.7**	**4.3**	**11.0**	**98,154.2**
Wholesale Trade	4.0	5.5	61,776.6	8.0	15.4	85,167.2	5.3	14.8	1,23,352.0
Retail Trade	6.9	11.2	62,616.1	9.5	19.6	79,472.2	4.3	10.8	96,681.3
7. Finance	**8.3**	**9.6**	**53,944.0**	**11.6**	**18.2**	**73,345.9**	**10.6**	**23.2**	**1,02,876.5**
8. All Others	**4.6**	**9.3**	**59,129.3**	**4.7**	**13.4**	**82,777.8**	**3.3**	**13.4**	**1,17,847.2**
All Small Borrowal Accounts	**7.7**	**10.4**	**47,438.5**	**8.0**	**15.6**	**68,375.3**	**6.1**	**16.2**	**92,409.1**

Statement 3: Occupation and Size of credit limit-wise percentage Distribution of Number of Accounts and Amount Outstanding pertaining to Small Borrowal Accounts as on March 31,2008 *(Concld.)*

Occupation	150000 - 200000			Total		
	Percent share			Percent share		
	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)
	28	29	30	31	32	33
1. Agriculture	**2.9**	**13.9**	**1,69,760.6**	**100.0**	**100.0**	**35,568.35**
Direct Finance	2.9	13.7	1,69,668.7	100.0	100.0	35,532.58
Indirect Finance	4.9	22.2	1,73,387.6	100.0	100.0	37,950.82
2. Industry	**6.9**	**26.4**	**1,49,164.3**	**100.0**	**100.0**	**39,285.85**
3. Transport and Other Support Services	**9.3**	**26.4**	**1,62,732.3**	**100.0**	**100.0**	**57,325.35**
4. Professional and Other Services	**8.0**	**25.0**	**1,09,780.0**	**100.0**	**100.0**	**35,147.37**
5. Personal Loans	**7.4**	**25.3**	**1,18,745.6**	**100.0**	**100.0**	**34,817.47**
Consumer Durables	2.3	7.7	1,48,421.1	100.0	100.0	44,362.61
Housing	24.1	43.5	1,60,865.9	100.0	100.0	89,216.15
Rest	6.4	22.3	1,07,765.5	100.0	100.0	30,933.61
6. Trade	**5.9**	**21.4**	**1,40,543.1**	**100.0**	**100.0**	**38,773.53**
Wholesale Trade	7.3	28.1	1,71,485.9	100.0	100.0	44,365.82
Retail Trade	5.8	21.0	1,38,730.7	100.0	100.0	38,510.57
7. Finance	**8.6**	**24.8**	**1,34,447.3**	**100.0**	**100.0**	**46,857.01**
8. All Others	**3.5**	**18.8**	**1,54,069.9**	**100.0**	**100.0**	**28,832.47**
All Small Borrowal Accounts	**5.3**	**20.1**	**1,34,186.9**	**100.0**	**100.0**	**34,992.89**

Statement 4: Occupation and Type of Account-wise percentage Distribution of Number of Accounts and Amount Outstanding pertaining to Small Borrowal Accounts as on March 31,2008

Occupation	Cash credit			Overdraft			Demand Loan		
	Percent share			Percent share			Percent share		
	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)
	1	2	3	4	5	6	7	8	9
1. Agriculture	**7.9**	**8.4**	**37,983.6**	**0.5**	**0.8**	**56,823.6**	**20.3**	**16.5**	**28,986.5**
Direct Finance	7.8	8.3	37,781.3	0.5	0.8	55,798.5	20.3	16.5	28,876.6
Indirect Finance	11.8	14.6	46,883.6	1.5	3.2	79,681.5	21.8	20.5	35,805.3
2. Industry	**8.9**	**14.7**	**64,896.0**	**3.5**	**3.5**	**38,952.3**	**4.6**	**3.2**	**27,034.9**
3. Transport and Other Support Services	**1.2**	**1.6**	**76,294.1**	**0.6**	**0.9**	**82,917.1**	**3.9**	**3.1**	**45,377.1**
4. Professional and Other Services	**4.2**	**5.4**	**44,856.7**	**2.5**	**3.0**	**42,252.7**	**6.8**	**6.5**	**33,330.6**
5. Personal Loans	**0.4**	**0.6**	**44,080.3**	**5.8**	**6.5**	**39,249.1**	**17.7**	**16.5**	**32,411.1**
Consumer Durables	0.6	0.7	55,691.1	1.3	1.2	40,686.9	16.0	14.3	39,578.6
Housing	0.2	0.2	82,499.6	0.6	0.6	80,819.3	3.3	2.4	64,358.4
Rest	0.5	0.6	42,618.8	6.2	7.9	38,956.4	18.7	19.3	31,905.0
6. Trade	**15.3**	**23.4**	**59,173.4**	**2.3**	**4.5**	**74,548.1**	**4.5**	**4.7**	**40,490.3**
Wholesale Trade	17.4	29.8	75,976.4	4.9	7.4	66,453.4	6.1	5.1	36,947.1
Retail Trade	15.2	23.0	58,269.4	2.2	4.3	75,391.4	4.4	4.7	40,721.6
7. Finance	**5.2**	**3.7**	**32,854.2**	**3.4**	**2.9**	**39,997.1**	**6.6**	**3.8**	**27,156.4**
8. All Others	**3.7**	**6.5**	**50,146.8**	**33.3**	**16.1**	**13,974.0**	**19.7**	**24.2**	**35,396.3**
All Small Borrowal Accounts	**4.9**	**6.2**	**44,719.4**	**6.2**	**4.7**	**26,682.2**	**17.2**	**15.4**	**31,372.9**

Statement 4: Occupation and Type of Account-wise percentage Distribution of Number of Accounts and Amount Outstanding pertaining to Small Borrowal Accounts as on March 31,2008 *(Contd.)*

Occupation	Personal Credit Cards			General Credit Cards			Kisan Credit Cards – Production		
	Percent share			Percent share			Percent share		
	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)
	10	11	12	13	14	15	16	17	18
1. Agriculture	**0.1**	**0.1**	**33,047.6**	**0.1**	**0.1**	**19,896.6**	**41.1**	**44.5**	**38,539.4**
Direct Finance	0.1	0.1	33,051.4	0.1	0.0	18,835.6	41.7	45.2	38,529.3
Indirect Finance	0.0	0.0	18,775.1	0.7	0.5	29,756.6	2.9	3.7	48,226.1
2. Industry	**0.0**	**0.0**	**35,918.3**	**0.1**	**0.0**	**2,618.3**	**0.3**	**0.3**	**34,587.7**
3. Transport and Other Support Services	**0.0**	**0.0**	**#DIV/0!**	**0.0**	**0.0**	**24,210.5**	**0.0**	**0.0**	**68,832.8**
4. Professional and Other Services	**0.1**	**0.0**	**20,398.1**	**0.1**	**0.0**	**8377.7**	**0.3**	**0.1**	**10,879.8**
5. Personal Loans	**24.3**	**7.4**	**10,550.8**	**0.7**	**1.0**	**46,042.6**	**0.1**	**0.1**	**32,718.7**
Consumer Durables	0.1	0.1	46,570.8	12.3	28.2	1,02,016.1	1.2	0.4	13,663.4
Housing	0.0	0.0	29,087.4	0.0	0.0	29,255.9	0.0	0.0	18,059.9
Rest	26.4	9.0	10,548.9	0.5	0.3	19,567.1	0.1	0.1	39,056.1
6. Trade	**0.1**	**0.0**	**18,304.6**	**0.4**	**0.3**	**24,128.9**	**0.2**	**0.2**	**44,341.3**
Wholesale Trade	1.0	0.4	16,369.9	0.3	0.2	33,952.2	3.1	3.2	45,013.5
Retail Trade	0.0	0.0	22,961.6	0.5	0.3	23,875.7	0.0	0.0	42,116.2
7. Finance	**0.0**	**0.0**	**#DIV/0!**	**0.0**	**0.0**	**14,058.3**	**2.9**	**3.6**	**57,966.9**
8. All Others	**0.1**	**0.1**	**19,539.7**	**0.0**	**0.0**	**45,430.1**	**1.5**	**1.9**	**36,348.5**
All Small Borrowal Accounts	**9.4**	**2.9**	**10,648.1**	**0.4**	**0.4**	**40,923.8**	**15.7**	**17.2**	**38,491.5**

Statement 4: Occupation and Type of Account-wise percentage Distribution of Number of Accounts and Amount Outstanding pertaining to Small Borrowal Accounts as on March 31,2008 *(Contd.)*

Occupation	Kisan Credit Cards – Investment			Other Credit Cards			Medium Term Loans		
	Percent share			Percent share			Percent share		
	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)
	19	20	21	22	23	24	25	26	27
1. Agriculture	**0.9**	**1.1**	**40,749.2**	**0.7**	**0.7**	**37,231.0**	**9.9**	**9.2**	**33,148.8**
Direct Finance	0.9	1.0	38,577.2	0.6	0.7	37,376.8	9.7	9.1	33,271.4
Indirect Finance	3.8	7.5	75,586.4	1.1	0.9	31,426.2	21.0	16.2	29,375.0
2. Industry	**0.0**	**0.0**	**34,867.6**	**0.6**	**0.7**	**41,729.7**	**38.0**	**31.0**	**32,115.4**
3. Transport and Other Support Services	**0.1**	**0.0**	**25,502.6**	**0.1**	**0.1**	**39,814.1**	**40.0**	**40.0**	**57,271.3**
4. Professional and Other Services	**0.0**	**0.0**	**28,952.0**	**0.4**	**0.4**	**32,286.1**	**51.9**	**37.8**	**25,630.5**
5. Personal Loans	**0.0**	**0.0**	**30,895.8**	**0.1**	**0.1**	**21,766.2**	**25.1**	**23.1**	**32,057.0**
Consumer Durables	0.0	0.0	#DIV/0!	0.0	0.0	68,441.1	31.0	25.1	35,945.7
Housing	0.0	0.0	36.2	0.0	0.0	57,339.0	11.7	9.6	73,619.6
Rest	0.0	0.0	31,356.7	0.1	0.1	20,802.6	25.9	25.7	30,690.9
6. Trade	**0.0**	**0.0**	**34,552.2**	**1.1**	**1.2**	**39,700.4**	**20.3**	**16.2**	**31,016.8**
Wholesale Trade	0.0	0.0	2,29,451.1	0.2	0.4	81,473.8	19.4	17.9	41,045.5
Retail Trade	0.0	0.0	33,504.1	1.2	1.2	39,338.1	20.3	16.1	30,566.7
7. Finance	**0.0**	**0.0**	**31,388.6**	**1.2**	**0.2**	**7,905.9**	**39.4**	**47.6**	**56,535.2**
8. All Others	**0.0**	**0.0**	**28,483.7**	**0.4**	**0.4**	**29,119.3**	**23.9**	**27.2**	**32,740.9**
All Small Borrowal Accounts	**0.4**	**0.4**	**40,456.9**	**0.4**	**0.4**	**35,395.1**	**20.5**	**18.7**	**31,982.5**

Statement 4: Occupation and Type of Account-wise percentage Distribution of Number of Accounts and Amount Outstanding pertaining to Small Borrowal Accounts as on March 31,2008 *(Concld.)*

Occupation	Long-Term Loans			Others			Total		
	Percent share			Percent share			Percent share		
	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)
	28	29	30	31	32	33	34	35	36
1. Agriculture	**13.6**	**14.2**	**37,052.2**	**5.0**	**4.4**	**31,744.6**	**100.0**	**100.0**	**35,568.3**
Direct Finance	13.4	14.0	37,111.1	4.9	4.4	31,626.8	100.0	100.0	35,532.6
Indirect Finance	25.5	23.5	34,981.5	10.1	9.4	35,548.6	100.0	100.0	37,950.8
2. Industry	**38.3**	**39.9**	**40,989.7**	**5.7**	**6.7**	**45,973.7**	**100.0**	**100.0**	**39,285.9**
3. Transport and Other Support Services	**45.9**	**43.5**	**54,319.0**	**8.1**	**10.8**	**75,925.6**	**100.0**	**100.0**	**57,325.4**
4. Professional and Other Services	**28.2**	**41.4**	**51,670.6**	**5.5**	**5.3**	**34,135.2**	**100.0**	**100.0**	**35,147.4**
5. Personal Loans	23.4	41.7	62,140.2	2.4	3.2	45,621.3	100.0	100.0	34,817.5
Consumer Durables	29.8	26.2	39,024.3	7.8	3.8	21,738.0	100.0	100.0	44,362.6
Housing	80.5	83.6	92,705.5	3.7	3.6	86,807.3	100.0	100.0	89,216.2
Rest	19.3	33.9	54,272.2	2.2	3.1	42,697.6	100.0	100.0	30,933.6
6. Trade	**48.7**	**42.3**	**33,673.0**	**7.0**	**7.3**	**39,899.9**	**100.0**	**100.0**	**38,773.5**
Wholesale Trade	24.3	17.6	32,141.0	23.3	18.1	34,453.1	100.0	100.0	44,365.8
Retail Trade	49.8	43.6	33,708.0	6.3	6.7	40,849.3	100.0	100.0	38,510.6
7. Finance	**30.8**	**28.0**	**42,638.7**	**10.5**	**10.3**	**45,739.7**	**100.0**	**100.0**	**46,857.0**
8. All Others	**6.8**	**11.3**	**47,971.5**	**10.4**	**12.2**	**33,690.3**	**100.0**	**100.0**	**28,832.5**
All Small Borrowal Accounts	**20.2**	**28.6**	**49,377.4**	**4.7**	**5.0**	**36,680.1**	**100.0**	**100.0**	**34,992.9**

Statement 5: Occupation and Asset Classification-wise percentage Distribution of Number of Accounts and Amount Outstanding pertaining to Small Borrowal Accounts as on March 31,2008

Occupation	Standard Assets			Sub-standard Assets			Doubtful Assets		
	Percent share			Percent share			Percent share		
	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)
	1	2	3	4	5	6	7	8	9
1. Agriculture	**92.5**	**95.1**	**36,566.5**	**2.2**	**2.2**	**34,179**	**3.8**	**2.3**	**21,376.4**
Direct Finance	92.6	95.2	36,515.0	2.2	2.1	34,254	3.8	2.3	21,357.8
Indirect Finance	86.2	91.4	40,252.7	3.9	3.2	31,368	7.2	4.2	22,023.7
2. Industry	**72.9**	**82.1**	**44,253.7**	**6.9**	**7.2**	**40,862**	**14.1**	**8.6**	**23,926.3**
3. Transport and Other Support Services	**79.5**	**88.0**	**63,448.8**	**4.2**	**4.1**	**55,261**	**11.7**	**6.5**	**31,902.3**
4. Professional and Other Services	**81.7**	**85.6**	**36,839.2**	**7.1**	**6.7**	**32,950**	**8.5**	**6.1**	**25,118.8**
5. Personal Loans	**91.8**	**92.6**	**35,155.5**	**4.1**	**4.0**	**33,821**	**3.2**	**2.5**	**27,415.1**
Consumer Durables	79.7	87.7	48,793.1	5.8	4.1	31,189	10.7	5.1	21,037.2
Housing	94.5	95.5	90,243.0	2.0	1.7	75,430	2.9	2.4	73,192.1
Rest	91.8	92.2	31,070.2	4.2	4.4	32,551	3.1	2.5	24,962.4
6. Trade	**69.1**	**79.3**	**44,481.9**	**8.1**	**8.0**	**38,040**	**14.7**	**9.8**	**25,687.3**
Wholesale Trade	77.2	87.3	50,192.4	2.5	2.6	45,150	16.4	8.4	22,613.5
Retail Trade	68.7	78.8	44,180.2	8.4	8.3	37,940	14.6	9.8	25,849.3
7. Finance	**92.0**	**97.5**	**49,660.2**	**1.9**	**1.1**	**26,668**	**3.9**	**0.9**	**10,491.8**
8. All Others	**89.2**	**91.5**	**29,570.4**	**7.0**	**5.6**	**23,215**	**2.2**	**2.1**	**26,844.4**
All Small Borrowal Accounts	**89.5**	**92.0**	**35,979.0**	**4.1**	**3.9**	**32,880**	**4.6**	**3.2**	**24,746.8**

Statement 5: Occupation and Asset Classification-wise percentage Distribution of Number of Accounts and Amount Outstanding pertaining to Small Borrowal Accounts as on March 31,2008 *(Concld.)*

Occupation	Loss Assets			Total		
	Percent share			Percent share		
	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)
	10	11	12	13	14	15
1. Agriculture	**1.4**	**0.4**	**11,110**	**100.0**	**100.0**	**35,568**
Direct Finance	1.4	0.4	10,967	100.0	100.0	35,533
Indirect Finance	2.6	1.1	16,183	100.0	100.0	37,951
2. Industry	**6.1**	**2.1**	**13,661**	**100.0**	**100.0**	**39,286**
3. Transport and Other Support Services	**4.6**	**1.4**	**17,841**	**100.0**	**100.0**	**57,325**
4. Professional and Other Services	**2.6**	**1.6**	**21,226**	**100.0**	**100.0**	**35,147**
5. Personal Loans	**1.0**	**0.9**	**31,396**	**100.0**	**100.0**	**34,817**
Consumer Durables	3.7	3.1	37,197	100.0	100.0	44,363
Housing	0.7	0.4	54,271	100.0	100.0	89,216
Rest	0.9	0.9	29,796	100.0	100.0	30,934
6. Trade	**8.1**	**3.0**	**14,462**	**100.0**	**100.0**	**38,774**
Wholesale Trade	3.9	1.7	19,969	100.0	100.0	44,366
Retail Trade	8.2	3.1	14,340	100.0	100.0	38,511
7. Finance	**2.2**	**0.6**	**11,952**	**100.0**	**100.0**	**46,857**
8. All Others	**1.6**	**0.8**	**14,618**	**100.0**	**100.0**	**28,832**
All Small Borrowal Accounts	**1.8**	**0.9**	**17,301**	**100.0**	**100.0**	**34,993**

Statement 6: Occupation and Type of Organisation-wise percentage Distribution of Number of Accounts and Amount Outstanding pertaining to Small Borrowal Accounts as on March 31,2008 *(Contd.)*

Occupation	Public Sector			Co-operative Sector			Private Corporate Sector		
	Percent share			Percent share			Percent share		
	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)
	1	2	3	4	5	6	7	8	9
1. Agriculture	**7.4**	**6.0**	**28,859**	**0.0**	**0.1**	**54,443**	**0.0**	**0.1**	**88,975**
Direct Finance	7.5	6.1	28,947	0.0	0.1	60,602	0.0	0.1	90,806
Indirect Finance	6.0	3.4	21,549	0.4	0.2	18,515	0.1	0.2	54,022
2. Industry	**3.5**	**2.2**	**25,349**	**0.0**	**0.0**	**68,980**	**1.9**	**1.8**	**36,376**
3. Transport and Other Support Services	**3.7**	**1.5**	**23,088**	**0.0**	**0.0**	**63,607**	**0.6**	**0.6**	**58,571**
4. Professional and Other Services	**6.0**	**3.0**	**17,779**	**0.0**	**0.1**	**68,433**	**0.2**	**0.4**	**70,251**
5. Personal Loans	**0.8**	**0.9**	**40,757**	**0.0**	**0.0**	**64,573**	**0.0**	**0.1**	**59,435**
Consumer Durables	5.0	3.9	35,115	0.0	0.0	111,445	0.1	0.4	1,43,419
Housing	1.7	1.5	76,596	0.0	0.0	56,889	0.0	0.0	67,845
Rest	0.6	0.7	35,064	0.0	0.0	64,073	0.0	0.1	54,964
6. Trade	**4.5**	**3.1**	**26,754**	**0.0**	**0.0**	**49,352**	**0.2**	**0.4**	**78,082**
Wholesale Trade	16.4	13.8	37,359	0.0	0.1	89,434	1.1	1.7	67,609
Retail Trade	3.9	2.5	24,649	0.0	0.0	47,991	0.2	0.3	81,417
7. Finance	**0.7**	**0.8**	**50,176**	**0.2**	**0.3**	**68,242**	**3.1**	**0.7**	**10,165**
8. All Others	**2.6**	**2.5**	**27,531**	**0.0**	**0.1**	**46,674**	**3.3**	**1.5**	**13,271**
All Small Borrowal Accounts	**4.0**	**3.3**	**28,756**	**0.0**	**0.0**	**55,818**	**0.5**	**0.3**	**23,374**

Statement 6: Occupation and Type of Organisation-wise percentage Distribution of Number of Accounts and Amount Outstanding pertaining to Small Borrowal Accounts as on March 31,2008 *(Contd.)*

Occupation	Male			Female		
	Percent share			Percent share		
	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)
	10	11	12	13	14	15
1. Agriculture	**74.5**	**77.5**	**36,980**	**15.4**	**13.0**	**30,128**
Direct Finance	74.6	77.6	36,958	15.4	13.0	30,069
Indirect Finance	68.9	70.0	38,597	16.3	14.5	33,884
2. Industry	**72.3**	**70.1**	**38,108**	**13.6**	**10.9**	**31,496**
3. Transport and Other Support Services	**82.7**	**75.6**	**52,375**	**4.4**	**4.3**	**57,018**
4. Professional and Other Services	**65.5**	**68.4**	**36,683**	**13.8**	**14.5**	**36,822**
5. Personal Loans	**82.2**	**80.3**	**34,023**	**15.0**	**14.8**	**34,262**
Consumer Durables	82.2	76.4	41,248	12.1	18.4	67,432
Housing	81.0	82.8	91,204	15.9	14.9	83,272
Rest	82.2	79.9	30,060	15.0	14.6	30,174
6. Trade	**68.2**	**64.3**	**36,577**	**14.8**	**11.7**	**30,792**
Wholesale Trade	60.5	49.9	36,590	13.0	17.2	58,587
Retail Trade	68.6	65.1	36,576	14.8	11.4	29,647
7. Finance	**33.3**	**27.5**	**38,639**	**10.4**	**8.0**	**35,924**
8. All Others	**73.7**	**74.4**	**29,083**	**16.5**	**17.2**	**29,996**
All Small Borrowal Accounts	**76.5**	**76.7**	**35,052**	**15.1**	**13.9**	**32,069**

Statement 6: Occupation and Type of Organisation-wise percentage Distribution of Number of Accounts and Amount Outstanding pertaining to Small Borrowal Accounts as on March 31,2008 *(Concld.)*

Occupation	Others			Total		
	Percent share			Percent share		
	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)	No. of Accounts	Amount outstanding	Average Amount outstanding per Account (₹)
	16	17	18	19	20	21
1. Agriculture	**2.5**	**3.2**	**45,585**	**100.0**	**100.0**	**35,568**
Direct Finance	2.4	3.1	45,194	100.0	100.0	35,533
Indirect Finance	8.3	11.6	53,305	100.0	100.0	37,951
2. Industry	**8.7**	**14.9**	**67,275**	**100.0**	**100.0**	**39,286**
3. Transport and Other Support Services	**8.6**	**18.0**	**1,19,496**	**100.0**	**100.0**	**57,325**
4. Professional and Other Services	**14.4**	**13.6**	**33,222**	**100.0**	**100.0**	**35,147**
5. Personal Loans	**2.0**	**3.9**	**68,610**	**100.0**	**100.0**	**34,817**
Consumer Durables	0.6	0.9	61,919	100.0	100.0	44,363
Housing	1.3	0.8	56,454	100.0	100.0	89,216
Rest	2.1	4.6	69,177	100.0	100.0	30,934
6. Trade	**12.3**	**20.4**	**64,105**	**100.0**	**100.0**	**38,774**
Wholesale Trade	8.9	17.3	86,368	100.0	100.0	44,366
Retail Trade	12.5	20.6	63,361	100.0	100.0	38,511
7. Finance	**52.2**	**62.8**	**56,341**	**100.0**	**100.0**	**46,857**
8. All Others	**3.8**	**4.4**	**33,096**	**100.0**	**100.0**	**28,832**
All Small Borrowal Accounts	**3.8**	**5.8**	**53,066**	**100.0**	**100.0**	**34,993**

Annex I

Sample Design and Estimation Procedure

Sample Design

A stratified sampling design is used to select the sample of bank branches. All the small borrowal accounts of a selected bank branch are included in the sample. Many Scheduled Commercial Banks (excluding Regional Rural Banks) are maintaining centralised account-wise database for all their bank's branches at their head office. These banks are requested to provide account-wise data on small borrowal accounts for all their bank's branches as per requirement in soft copy. Those banks which are not maintaining centralized database for all their branches, a suitable stratified sample design is used to select the sample of branches. It is ensured that sufficient numbers of branches will be there in almost all the strata formed by using State/ Union Territory, Population Group and Bank Group to provide the estimates of required parameters at the desired level.

The selection of sample branches is done for all branches of Regional Rural Banks (RRBs). The frame for selection of RRB branches is prepared based on a list of branches as at end of March 2007. These branches are grouped into strata formed by using State and Population Group depending upon the location of the branch. A ten per cent sample of RRB branches, viz., 1351 RRB branches, are selected from each stratum independently by the method of linear systematic sampling. The selected RRB branches are asked to submit account-wise data for the required characters for all small borrowal accounts, which are maintained by the branches as on March 31, 2008.

Estimation Procedure

Notations

Let

p, p' denotes the subscript for the classificatory character (p or p' =1,2,…)

q, q' denotes the subscript for the class of classificatory character (q or q' =1,2,...)

i denotes the subscript for State/Union Territory (i=1,2,….,35)

j denotes the superscript for Population Group (j=1,2,3,4)

k denotes the subscript for Bank Group (k=1,2,3,4,5)

r denotes the subscript for bank branch

s denotes the subscript for small borrowal account

N denotes the total number of bank branches in the population

n denotes the number of responded bank branches for the survey in the sample

M denotes the number of small borrowal accounts in the population

A denotes the amount outstanding pertaining to small borrowal accounts in the population

c denotes the variable which takes only two values 1 and 0 (1 for the presence of the class of classificatory character and 0 otherwise).

The expression for the ratio estimator used to estimate the total number of small borrowal accounts in (ijk)th stratum for the qth class of pth classificatory character and q'th class of p'th classificatory character (p≠p'), denoted by $\hat{M}_{ijkpqp'q'}$, is given by

$$\hat{M}_{ijkpqp'q'} = \frac{M_{ijk}}{\hat{M}_{ijk}}\left[\frac{N_{ijk}}{n_{ijk}}\sum_{r=1}^{n_{ijk}}\sum_{s=1}^{M_{ijkr}} c_{ijkrspqp'q'}\right] \quad \ldots\ldots\ldots\ldots(1)$$

$$\text{Where } \hat{M}_{ijk} = \frac{N_{ijk}}{n_{ijk}}\sum_{r=1}^{n_{ijkr}} M_{ijkr} \quad \ldots\ldots\ldots\ldots(2)$$

The expression for the ratio estimator used to estimate the total amount outstanding pertaining to small borrowal accounts in the (ijk)th stratum for the qth class of pth classificatory character and q' th class of p' th characteristic (p≠p'), denoted by $\hat{A}_{ijkpqp'q'}$, is given by

$$\hat{A}_{ijkpqp'q'} = \frac{A_{ijk}}{\hat{A}_{ijk}}\left[\frac{N_{ijk}}{n_{ijk}}\sum_{r=1}^{n_{ijk}}\sum_{s=1}^{M_{ijkr}} a_{ijkrspqp'q'}\, c_{ijkrspqp'q'}\right] \quad \ldots\ldots\ldots\ldots(3)$$

$$\text{Where } \hat{A}_{ijk} = \frac{N_{ijk}}{n_{ijk}}\sum_{r=1}^{n_{ijkr}} A_{ijkr} \quad \ldots\ldots\ldots\ldots(4)$$

The estimates for a State/UT or a population group or a bank group or any combination thereof are obtained by adding the stratum level estimates. These estimates are further adjusted for non-reporting strata.

Annex II

RESERVE BANK OF INDIA
DEPARTMENT OF STATISTICS AND INFORMATION MANAGEMENT
SURVEY OF SMALL BORROWAL ACCOUNTS – MARCH 31, 2008

Schedule

INSTRUCTIONS FOR FILLING IN THE SCHEDULE

In the present system of Basic Statistical Returns (BSR) on banking statistics, data on various aspects of the borrowal accounts are collected through BSR-1 return, comprising two parts (Part A and Part B). While detailed account-wise data on borrowal accounts each with a credit limit above ₹2 lakh are collected in Part-A, the data in respect of accounts with credit limit ₹2 lakh or less (referred to as small borrowal accounts for the purpose of this survey) are collected broad occupation group-wise through Part-B of the return. The main objective of this survey is to obtain a profile and the structural pattern of these accounts according to important characteristics, such as the size of outstanding credit, occupation of the borrower and type of loan scheme etc. with the help of a sample. Department of Statistics and Information Management (DSIM), Reserve Bank of India conducts periodically this Survey of Small Borrowal Accounts. The last such survey was conducted with March 31, 2006 as the reference date.

The schedule consists of two blocks. Block-1 is pertaining to identification particulars of the branch, whereas Block-2 collects account-wise information pertaining to **all small borrowal accounts** maintained by the **all branches** as on March 31, 2008. **The data need to be submitted in electronic form as per enclosed data input record design/ ASCII file structure, either through CD or through e-mail at helpsurveydesacs@rbi.org.in** The data in compact disk (CD) may please be forwarded to:

The Director,
Survey Division,
Department of Statistical Analysis and Computer Services,
Reserve Bank of India,
C-8, 2nd floor, Bandra-Kurla Complex,
Post Box No. 8128,
Bandra (East), Mumbai 400 051
(TeleFax No.: 022-2657 1555,
Telephone No.: 022-2657 2197 (Direct), 022-2657 8100/ 8300/8500/8700 Ext.- 7235, 7279).

GENERAL INSTRUCTIONS

1. Uniform Branch Code Part-I and Part-II allotted to it by th e DSIM (then DESACS) should be clearly indicated in the space provided in the schedule.
2. Continuous serial number (started from 1) should be entered in Column-1 [Sample Sr. No.] for each small borrowal account for each Uniform Branch Code Part-I.
3. The Account Number for each of the accounts should be recorded in Column-2. This information may be useful for referring back to the account (by the branch) in case of any inconsistency observed in the data.
4. The Credit Limit and the Amount Outstanding in Rupees are to be recorded in Columns 3 and 4 respectively. **The amount should be recorded after rounding off to the nearest Rupee and Paise should not be recorded. Decimal point, slashes/strokes, comma etc., should not be used while reporting the figures.**
5. The Rate of Interest is to be reported in Column-6 in percent per annum with 4 digit field with leading/ trailing zeros wherever required e.g. 6.0=> 0600, 16.5=>1650, 5.25=>0525, 21.0=>2100 etc.
6. Occupation code will be recorded in Column-7. These codes will correspond to the occupation codes as given in BSR-1B. For ready reference these broad occupation codes adopted for BSR-1B are given in Annexure I (for details and explanation of these codes, please refer to Guidelines/Instructions provided in the **Handbook of Instructions, BSR-1 and 2, Seventh Edition and applicable for March 2008**).
7. Codes for Fixed/Floating Rate of Interest, Type of Account, Asset Classification, Secured/Unsecured Loan Scheme, Organisation, Loan Scheme, Category of Borrower and Social Group should be recorded in Columns 5, 8, 9, 10, 11, 12, 13 and 14 respectively, as per the code list provided in Annexure II.
8. **For the relationship among Occupation, Type of Account, Organisation and Category of Borrower, please refer to Chapter VI of Handbook of Instructions, BSR-1 and 2, Seventh Edition, March 2008. (For ready reference a copy attached Annexure III may be referred).**
9. **Please ensure that all the codes are correctly reported against each borrowal account.**

Annex II

DEPARTMENT OF STATISTICS AND INFORMATION MANANAGEMENT

SURVEY OF SMALL BORROWAL ACCOUNTS – MARCH 31, 2008

Schedule

Block 1: Identification Particulars of the Branch

1. Name of the Bank ______________________________
2. Name and Address of the Bank Branch ______________________________

____

____

____

3. Telephone No. ______________________________
4. Fax No. ______________________________
5. E-mail address(es) ______________________________
6. Uniform Branch Code:

Part-I						

Part-II						

7. Number of Small Borrowal Accounts (each with credit limit up to ₹2 Lakh) and Amount Outstanding of such accounts as on March 31, 2008 should be reported in the following table.

Description of Item	Number of Small Borrowal Accounts	Amount Outstanding (in ₹ Thousand)
Total as reported under BSR-1B, 2008 by the branch		

8. Total number of sheets used (including this sheet) ______________

For the use of RBI:

1. Branch Sample Code ______________________________
2. Date of Receipt ______________________________
3. Date of Scrutiny ______________________________
4. Date of Data entry ______________________________
5. Date of Data Verification ______________________________

Annex II

Block 2: Particulars of Small Borrowal Accounts as on March 31, 2008

Uniform Branch Code	
Part-I	**Part-II**

Sr. No.	Account Number	Credit Limit (Rupees)	Amount Out-standing (Rupees)	Fixed/ Floating Rate of Interest Code	Rate of Interest	Occu-pation Code	Type of Account Code	Asset Classifi-cation Code	Secured/ Unsec-ured Loan Code	Organ-isation Code	Loan Scheme Code	Category of Borrower Code	Social Group Code
1	2	3	4	5	6	7	8	9	10	11	12	13	14

Note: Please assign the respective codes as given in the instructions.

Signature of the Bank Official ....

Date: ....

अनुसूची I / Annexure I

(i) व्यवसाय कूट/Occupation Code	
कृषि और उससे संबंधित कार्यकालाप/Agriculture and Allied Activities	
बागान फसलनों को छोडकर खाद्यान्नों और नकदी फसलों की खेती के लिये /Cultivation of food and cash crops excluding plantation crops	
1. अनाज/Cereals	101
2. दाल/Pulses	102
3. गन्ना/Sugarcane	103
4. रुई/Cotton	104
5. अन्य सभी खाद्यान्न और नकदी फसलें /All other food and cash crops	109
6. बागान फसलों की खेती/Cultivation of Plantation Crops	110
7. कृषि के लिए अन्य प्रकार के प्रत्यक्ष वित्त/Other direct finance to agriculture	120
कृषि से संबद्ध कार्यकलाप/Activities allied to agriculture	
8. दुग्धव्यवसाय/Dairying	131
9. मुर्गी पालन/Poultry farming	132
10. मत्स्य पालन/Fishing	133
11. कृषि संबंधित अन्य कार्यकलाप/Other activities allied to agriculture	139
12. कृषि हेतु अप्रत्यक्ष वित्त/Indirect finance to agriculture	199
खद्यान्न निर्माण तथा संस्करण/Food Manufacturing and Processing	
13. चावल मिलें, आटा मिले औरा दाल मिलें/Rice Mills, Flour and Dal Mills	201
14. खाद्य तेल और वनस्पती/Edible oils and Vanaspati	202
15. चाय/Tea	203
16. अन्य खाद्य निर्माण और अभिसंकरण/Other food manufacturing and processing	209
वस्त्र/Textiles	
17. सूती वस्त्र/Cotton textile	211
18. जूट और प्राकृतिक धागों के वस्त्र/Jute and natural fibre textile	212
19. हथकरघा वस्त्र और खादी/Handloom textile and Khadi	213
20. अन्य वस्त्र/Other textile	219
21. चमड़ा तथा चमड़े के उत्पाद/Leather & leather products	220
22. लकड़ी और लकड़ी के उत्पाद/Wood & Wood Products	230
23. रबड़, प्लास्टिक और उनके उत्पाद/Rubber, Plastic & their products	240
24. कांच और कांच की सामग्री/Glass & Glass Ware	250
25. रत्न और आभूषण/Gems & Jewellery	260
26. कागज़ तथा कागज़ के उत्पाद/Paper and Paper Products	270
27. मुद्रण, प्रकाशन और उससे संबंधित कार्यकलाप/Printing, Publishing & allied activities	280
उद्योग/Industry	
रसायन और रासायिक वस्तुओं के उत्पाद /Chemical & Chemical Products	
28. उर्वरक/Fertilizers	291
29. दवाइयाँ और औषधियाँ/Drugs and Pharmaceuticals	292
30. अन्य रसायन और रासायनिक उत्पाद/Other Chemicals & Chemical Products	299
31. सीमेंट और सीमेंट के उत्पाद/Cement & Cement Products	300
32. धातु और धातु के उत्पाद/Metals and metal products	310

अनुसूची I (समाप्त)/Annexure I *(Concld.)*

(i) व्यवसाय कूट/Occupation Code (concltd.)	
अभियांत्रिकी/Engineering	
33. सामान्य अभियांत्रिकी मशिनरी और वस्तुएं/General Engineering Machinery & Goods	321
34. बिजली चालित मशीनें और वस्तुएं/Electrical Machinery & Goods	322
35. इलेक्ट्रानिक मशीनें और वस्तुएं/Electronic Machinery & Goods	323
36. वाहन, वाहनों के पुजों और परिवहन उापकरण/Vehicles, Vehicle parts & Transport equipments	330
37. अन्य उद्योग (जो दूसरी जगह शामिल नहीं है)/Other industries (not included elsewhere)	340
38. निर्माण/Construction	400
व्यापार/Trade	
39. थोक व्यापार/Wholesale Trade	510
40. फुटकर व्यापर/Wholesale Trade	520
41. परिवहन और अन्य संबंद्ध सेवाएं/Transport and other support services	600
व्यावसायिक और अन्य सेवाएं /Professional and other services	
42. व्यावसायिक सेवाएं/Professional services	711
43. पर्यटन,होटल,रेस्टारेंट/Tourism, Hotels & Restaurants	712
44. आमोद-प्रमोद सेवाएं/Recreation services	713
45. मरम्मत और अनुरक्षण सेवाएं (पूंजीगत वस्तुओंके अलावा)/Repairs & maintenance services (except capital goods)	714
46. अन्य सेवाएं/Other services	719
47. वित्तीय मध्यस्थता/Financial Intermediation	800
व्यक्तिगत तथा अपभोग ऋण: स्टाफ/Personal loans and consumption loans: Staff	
48. स्टाफ आवास ऋण: व्यक्ति, समिती द्वारा /Staff housing loans: Individual, Through Society	861
49. स्टाफ वाहन ऋण: दुपहिया वाहन सहित मोटर वाहनोंकी खरीद (स्टाफ को दिए गए)/ Staff Vehicle Loans: Purchase of motor vehicles including two-wheelers (given to staff)	862
50. टिकाऊ उपभोक्ता वस्तुओंकी खरीद (स्टाफ को दिये गये)/Purchase of consumable durables (given to staff)	863
51. स्टाफ शिक्षा ऋण (स्टाफ को दिए गए-स्वयं/बच्चे)/Staff Education Loans (given to staff-self/wards)	864
52. स्टाफ क्रेडिट कार्ड (स्टाफ को दिए गए)/Staff Credit Cards (given to staff)	868
53. अन्य स्टाफ ऋण (स्टाफ को दिए गए)/ Other Staff loans (given to staff)	869
व्यक्तिगत तथा उपभोग ऋण: स्टाफ सदस्योंको छोड़कर / Personal loans and consumption loans: Other than Staff	
54. आवास ऋण (स्टाफ सदस्यों को छोड़कर)/Housing loans (other than staff)	871
55. दुपहिया वाहनसहित मोटर वाहनों की खरीद (स्टाफ सदस्यों को छोड़कर)/Purchase of motor vehicles including two wheelers (other than staff)	872
56. टिकाऊ उपभोक्ता वस्तुओंकी खरीद (स्टाफ सदस्यों को छोडकर)/Purchase of consumable durables (other than staff)	873
57. शिक्षा ऋण (स्टाफ सदस्यों को छोडकर)/Education Loans (other than staff)	874
58. निवेश ऋण/Investment Loans	875
59. सामान्य क्रेडिट कार्ड/General Credit Cards	877
60. व्यक्तिगत क्रेडिट कार्ड/Personal Credit Cards	878
61. अन्य व्यक्तिगत ऋण (स्टाफ सदस्यों को छोडकर)/Other personal loans (other than staff)	879
62. अन्य सभी-अवर्गीकृत ऋण सहित/All others including unclassified loans	890

अनुसूची II / Annexure II

(ii) स्थिर/अस्थिर व्याज दर से ऋण कूट स्थिर व्याज दरसे ऋण - 1 अस्थिर व्याज दरसे ऋण - 2	**(ii) Fixed/Floating Rate of Interest Code** Fixed rate of interest - 1 Floating rate of interest - 2
(iii) खातों का प्रकार कूट नकदी ऋण -10 ओवर ड्राफट - 20 माँग ऋण - 30 व्यक्तिगत क्रेडिट कार्ड - 31 सामान्य क्रेडिट कार्ड - 32 किसान क्रेडिट कार्ड - उत्पादन ऋण - 33 किसान क्रेडिट कार्ड - निवेश ऋण - 34 अन्य क्रेडिट कार्ड - 35 मीयादी ऋण - मीयादी ऋणों तथा किस्ती ऋणों की मंजूरी तक प्रदान किये गये अंतरिम नकदी ऋणों सहित : (1) मध्यवधि मीयादी ऋण (अर्थात एक वर्ष से अधिक और 3 वर्ष -सहित की कालावधि के ऋण और अग्रिम) - 41 (2) दीर्घावधि मीयादी ऋण (अर्थात 3 वर्ष से अधिक के ऋण और अग्रिम) - 42 अन्य - 99	**(iii) Type of Account Code** Cash credit - 10 Overdraft - 20 Demand Loan - 30 Personal Credit Cards - 31 General Credit Cards - 32 Kisan Credit Card - Production loan - 33 Kisan Credit Card - Investment Loan ॐ34 Other Credit Card - 35 Term Loan - (including interim cash credit pending sanction of term loans and instalment credit): (1) Medium Term Loan (i.e. loans and advances granted for a period above 1 year and up to and inclusive of 3 years) - 41 (2) Long-Term Loans (i.e. loans and advances granted for a period above 3 years) - 42 Others - 99
(iv) आस्तियों का वर्गीकरण कूट मानक आस्तियाँ - 1 उप- मानक आस्तियाँ - 2 संदिग्ध आस्तियाँ - 3 हानि आस्तियाँ - 4	**(iv) Asset Classification Code** Standard Assets -1 Sub-standard Assets - 2 Doubtful Assets - 3 Loss Assets - 4
(v) जमानती/बेजमानती ऋण कूट जमानती ऋण - 1 बेजमानती ऋण - 2	**(v) Secured/Un-Secured Loan Code** Secured - 1 Un-Secured - 2
(vi) संगठन कूट सार्वजनिक क्षेत्र - 10 सहकारी क्षेत्र - 20 निजी कंपनी क्षेत्र - 30 **घरेलु क्षेत्र - व्यक्तिगत (एकल या संयुक्त)** महिला - 41 पुरुष - 42 **घरेलु क्षेत्र - अन्य** स्वामित्व प्रतिष्ठान - 51 संयुक्त परिवार संघ - 52 भागीदारी फर्म - 53 स्वावलम्बी समूह - 54 गैर सरकारी संगठन, क्लब, ट्रस्ट एवं समूह - 55 **व्यष्टि वित्त (माइक्रो फ़ाइनैंस) संस्थाएं** स्वाबलम्बी समूह - प्रत्यक्ष - महिला - 61 स्वाबलम्बी समूह - प्रत्यक्ष - अन्य - 62 स्वाबलम्बी समूह - गैर सरकारी संगठन से - महिला - 63 स्वाबलम्बी समूह - गैर सरकारी संगठन से - अन्य - 64 स्वयं सहायता समूह - एमएफ़आइ के माध्यम से - महिलाएं - 65 स्वयं सहायता समूह - एमएफ़आइ के माध्यम से - अन्य - 66 दूसरी माइक्रो फ़ाइनैंस संस्थाएं जो स्वयं सहायता समूहों के प्रमोशन के कार्य में नहीं हैं - 69	**(vi) Organisation Code** Public Sector - 10 Co-operative Sector - 20 Private Corporate Sector - 30 **Household Sector - Individual (Singly/Jointly)** Male - 41 Female - 42 **Household Sectors - Others** Proprietary concerns - 51 Joint families - 52 Partnership firms - 53 Joint Liability Groups - 54 NGOs, Trusts and Groups - 55 **Micro Finance Institutions** Self-Help Group - Direct - Women - 61 Self-Help Group - Direct - Others - 62 Self-Help Group - Through NGOs - Women - 63 Self-Help Group - Through NGOs - Others - 64 Self-Help Group - Through MFIs - Women - 65 Self-Help Group - Through MFIs - Others - 66 Other MFIs not engaged in promotion of SHGs - 69

अनुसूची II / Annexure II *(Contd.)*

(vii) ऋण योजना कूट

एकीकृत ग्रामीण विकास कार्यक्रम (एग्राविका) - 01
प्रधानमंत्री रोजगार योजना (रिबेयुस्वयो सहित) - 02
विभेदक ब्याज दर योजना (विब्यादयो) - 03
शहरी व्यष्टि उद्यम योजना (शानिस्वका सहित) - 04
प्रधानमंत्री एकीकृत शहरी गरीबी उन्मूलन कार्यक्रम (प्रएशगउका) - 05
स्वर्ण जयंती ग्राम स्वरोज़गार योजना (स्वग्रस्वयो) - 06
स्वर्ण जयंती शहरी रोज़गार योजना (स्वग्रस्वयो) - 07
ग्रामीण शिम्पकारों को संशोधित उपकरण देना (ग्रान्सिंउदे) - 08
गंगा कल्याण योजना (गंकयो) - 09
लक्ष कूप योजना (लकूयो) - 10
स्व-रोज़गार हेतु ग्रामीण युवकों की प्रशिक्षण योजना (सरोग्रयुप्रयो) - 11
ग्रामीण क्षेत्रों में महिलाओं एवं बच्चों का विकास (ग्रामबवि) - 12
जवाहर रोज़गार योजना (जरोयो) - 13
नेहरु रोज़गार योजना (नरोयो) - 14
गरीबों के लिए शहरी मूलभूत सेवाएँ (गशमूसे) - 15
सफाईवालों की मुक्ती और पुर्नवास की योजना (समुपुयो) - 16
शहरी स्व-रोज़!गार कार्यक्रम (श्स्वरोक) - 17
शहरी क्षेत्रों में महिलाओं एवं बच्चों का विकास (शामबवि) - 18
विशेष ऋषीय ऋण योजना (विऋऋयो) के अंतर्गत ऋषी के लिए दिया गया ऋण - 19
अन्य योजनायें - 20

(vii) Loan Scheme Code

Integrated Rural Development Programme (RDP) - 01
Prime Minster's Rojgar Yojna (including SEEUY) - 02
Differential Rate of Interest Scheme (DR) - 03
Scheme of Urban Micro Enterprises (SUME) (including SEPUP) - 04
Prime Ministers Integrated Urban Poverty Eradication Programme (PMIUPEP) - 05
Swarnajayanti Granm Swarozgar Yojana (SSGSY) - 06
Swarnajayanti Shahari Rozgar Yojana (SJSRY) - 07
Supply of Improved Tool Kits to Rural Artisans (SITRA) - 08
Ganga Kalyan Yojana (GKY) - 09
Million Well Scheme (MWS) - 10
Training of Rural Youth for Self Employment (TRYSEM) - 11
Development of Women and Children in Rural Areas (DSWCRA) - 12
Jawahar Rozgar Yojana (JRY) - 13
Nehru Rozgar Yojana (NRY) - 14
Urban Basic Services for the Poor (UBSP) -15
Scheme for Liberation and Rehabilitation of Scavengers (SLRS) - 16
Urban Self Employment Programme (USEP) - 17
Development of Women and Children in Urban Areas (DWVUA) - 18
Loans of agriculture under Special Agricultural Credit Plan (SACP) - 19
Others Scheme - 20
Loans not covered under any scheme - 21

(viii) उधारकर्ता श्रेणी कोड

विनिर्माण (मॅन्युफ़ैक्चरिंग) उद्यम (उद्योग)
व्यष्टि (विनिर्माण) उद्यम
बुनकर-हथकरघा (हैंडलूम)-01
बुनकर-बिजलीकरघा (पावरलूम) - 02
ग्रामीण कारीगर/शिल्पकार - 03
ग्राम/कुटीर उद्योग (सिवाय उनके जो खादी तथा ग्रामोद्योग बोर्ड/खाद्यी तथा ग्रामोद्योग आयोग (केवीआइसी/केपहआइबी) द्वारा प्रमोट किए गए हैं)-04
अत्यंत लघु उद्योग - 05
लघु (विनिर्माण) उद्यम - 11
मझोले (विनिर्माण) उद्यम - 12
बड़े (विनिर्माण) उद्यम - 19
खादी तथा ग्रामोद्योग क्षेत्र - 29

व्यवसाय व्यापार और सेवा उद्यम
व्यष्टि (माइक्रो) (सेवा)उद्यम - 31
छोटे (सेवा) उद्यम - 32
मझोले (सेवा) उद्यम - 33
बड़े (सेवा) उद्यम - 39

किसान (कृषि और संबद्ध कार्यकलाप)
छोटे किसान - 41
सीमांत किसान - 42
खेतिहर मजदूर - 43
काश्तकार किसान//बंटाईदार/ अलिखित पट्टेदार - 44

(viii) Category of Borrower Code

Manufacturing Enterprises (Industries)
Micro (Manufacturing) Enterprises
Weavers - Handloom - 01
Weavers - Powerloom - 02
Rural Artisans/Craftsman - 03
Village/Cottage Industries (except promoted by KVIC/KVIB) - 04
Tiny Industries - 05
Small (Manufacturing) Enterprises -11
Medium (Manufacturing) Enterprises - 12
Large (Manufacturing) Enterprises - 19
Khadi and Village Industries Sector - 29

Business/Trade and Service Enterprises
Micro (Service) Enterprises - 31
Small (Service) Enterprises - 32
Medium (Service) Enterprises - 33
Large (Service) Enterprises - 39

Farmers (Agriculture and allied activities)
Small Farmers - 41
Marginal Farmers - 42
Agricultural Labourers - 43
Tenant Farmers/Sharecroppers/Oral lessees - 44

अनुसूची II / Annexure II *(Concld.)*

अन्य किसान (मंझोले और बड़े) - 45 कृषि और संबद्ध कार्यकलाप करने वाले अन्य उधारकर्ता - 49 अन्य सभी - 99	Other Farmers (Medium & Large) - 45 Other borrowers engaged in agriculture and allied activities - 49 All Others - 99
(ix) **सामाजिक वर्ग कूट** अनुसूचित जनजाति - 1 अनुसूचित जाति (नव बौधो सहित) -2 अन्य पिछड़ा जाति - 3 सामान्य - 4	(ix) **Social Group Code** Scheduled Tribe - 1 Scheduled Caste (including neo Buddhists)-2 Other Backward Caste - 3 General - 4

Annexure II

DEPARTMENT OF STATISTICS AND INFORMATION MANANAGEMENT

SURVEY OF SMALL BORROWAL ACCOUNTS – MARCH 31, 2008

ASCII File Structure/Layout

Input Record Design for Block 1

Field No.	Field Description	Field Size	Field Position	Type of Data
1	Job Code (= SBA2008)	7	1-7	AN
2	Uniform Branch Code – Part I	7	8-14	AN
3	Filler -1 (= space)	1	15	AN
4	Uniform Branch Code – Part II	7	16-22	AN
5	Filler -1 (= space)	1	23	AN
6	Total Number of Accounts	6	24-29	N
7	Total Amount Outstanding (in ₹ Thousand)	8	30-37	N

Notes: 1. The length of a record of Block 1 is 37 characters.
2. For a given Uniform Branch Code-Part I one account per record should be entered.
3. Total Number of Small borrowal Accounts and Total Amount Outstanding (in Rupees Thousand) as on March 31, 2008 reported under filed 6 and 7 must tally with the data reported under BSR-1B, March 2008 and these figures should be entered right justified with leading zeroes wherever required.

Input Record Design for Block 2

Field No.	Field Description	Field Size	Field Position	Type of Data
1	Job Code (= SBA2008)	7	1-7	AN
2	Filler -1 (= space)	1	8	AN
3	Uniform Branch Code – Part I	7	9-15	AN
4	Filler -1 (= space)	1	16	AN
5	Serial Number	8	17-24	N
6	Account Number	25	25-49	AN
7	Credit Limit (Rupees)	6	50-55	N
8	Amount Outstanding (Rupees)	8	56-63	N
9	Fixed/Floating Rate of Interest Code	1	64	AN
10	Rate of Interest	4	65-68	AN
11	Occupation Code	3	69-71	AN
12	Type of Account Code	2	72-73	AN
13	Asset Classification Code	1	74	AN
14	Secured/Un-Secured Loan Code	1	75	AN
15	Organisation Code	2	76-77	AN
16	Loan Scheme Code	2	78-79	AN
17	Category of Borrower Code	2	80-81	AN
18	Social Group Code	1	82	AN

N- Numeric AN- Alphanumeric

Notes: 1. The length of a record of Block 2 is 82 characters.
2. For a given Uniform Branch Code-Part I one account per record should be entered.
3. Serial Number, Credit Limit and Amount Outstanding should be entered right justified with leading zeroes wherever required.
4. All Alphanumeric fields to be entered with leading zeros wherever required (e.g. Code No. "011" should *not* be entered as "11." or ".11" or "11". The entire two/three digit including the leading zero should be entered).
5. The Rate of Interest should be entered as 4 digit alphanumeric field with leading/trailing zeros wherever required e.g. 6.0=> 0600, 16.5=>1650, 5.25=>0525, 21=>2100 etc.
6. Codes for Occupation, Fixed/Floating Rate of Interest, Type of Account, Asset Classification, Secured/Un-Secured Loan, Organisation, Loan Scheme, Category of Borrower and Social Group should be recorded as per the code list provided in Annexure I and II.
7. For the relationship among Occupation, Type of Account, Organisation and Category of Borrower, please refer to Chapter VI of Handbook of Instructions, BSR-1 and 2, Seventh Edition, March 2008. (For ready reference a copy attached Annexure III may be referred).

Other Items

Press Releases

Regulatory and Other Measures

Foreign Exchange Developments

Press Releases*

April 2011

RBI Introduces Working Paper Series

April 1, 2011

The Reserve Bank of India today released two Working Papers on its website. These are:

Working Paper 1: An Empirical Analysis of the Relationship between Currency Futures and Exchange Rates Volatility in India by Somnath Sharma; and Working Paper 2: The Implications of Renminbi Revaluation on India's Trade – A Study by S. Arunachalaramanan and Ramesh Golait

The Reserve Bank of India has decided to introduce a 'RBI Working Paper Series' (RBI - WP) to provide a platform to the Reserve Bank Staff for presenting their research studies as well as to receive feedback from informed researchers.

One of the hallmarks of research in central banks is to sense the relevant developments and emerging challenges and provide quality research inputs for policy making. To be able to do this, the research studies should be on subjects linked with the goals and objectives of the central bank and should be conducted in a scientific way. With proactive and strategic role of the central bank staff, the research inputs could serve as necessary tools for scientific policy-making and efficient functioning of the central bank. The initiative to publish the Working Papers comes in the wake of encouraging the Reserve Bank staff to contribute towards such efforts.

The views expressed in all the research publications of the Reserve Bank, including the RBI Working Papers Series, do not necessarily reflect the views of the Reserve Bank and as such should not be reported as representing the views of the Reserve Bank of India.

Feedback, if any, on the papers could be addressed to the respective authors of the RBI Working Paper Series.

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* Important Press Releases during April 2011.

Government of India repurchased the Fertiliser Bonds Issued to Various Fertiliser Companies

April 1, 2011

The Governments of India have repurchased the Fertilizer Bonds issued to various Fertilizer Companies amounting ₹5762.98 crore (face value) in the first tranche held on March 31, 2011. The security-wise details of the repurchase are given as under:

Security	Face Value (₹ Crore)
6.20% Fertiliser Companies GOI Special Security 2022	1,772.85
6.65% Fertiliser Companies GOI Special Security 2023	2,072.22
7.00% Fertiliser Companies GOI Special Security 2022	1,896.41
7.95% Fertiliser Companies GOI Special Security 2026	16.50
8.30% Fertiliser Companies GOI Special Security 2023	5.00
Total	**5,762.98**

———————

Opening of Rural Planning and Credit Department at RBI, Panaji Office

April 1, 2011

Rural Planning and Credit Department has started functioning from today at the Reserve Bank of India office, Panaji. The Department, among other things, undertake financial inclusion and financial literacy initiatives as also look after implementation and monitoring of the Lead Bank Scheme. Its functional jurisdiction will cover the State of Goa. The address and contact details of the department are:

The General Manager & Officer-in-Charge

Reserve Bank of India

Rural Planning and Credit Department

3A/3B, Third Floor, Sesa Ghor
Patto, Panaji-403001
Tel No.0832 2438656
Fax No.0832 2438657

The Reserve Bank of India started functioning in Goa in 1983 when Goa was still a Union Territory. It catered to the foreign exchange needs of the people and institutions in the Union Territory of Goa.

Reserve Bank of India Penalises The Jamnagar People's Co-operative Bank Ltd., Jamnagar

April 4, 2011

The Reserve Bank of India, in exercise of powers vested in it under the provisions of Section 47A (1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS), imposed a monetary penalty of ₹1.00 lakh (Rupees one lakh only) on The Jamnagar Peoples Co-operative Bank Ltd., Jamnagar. The penalty was imposed for violation of the Reserve Bank instructions in respect of reporting of cash transactions above ₹10 lakh to FIU-IND, New Delhi.

The Reserve Bank had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering facts of the case, the bank's reply and also personal submissions in the matter, the Reserve Bank concluded that the violation was substantiated and warranted imposition of penalty.

RBI Never asks for Your Bank Account Details

April 5, 2011

It has come to the notice of the Reserve Bank of India that mail has been sent in its name 'inviting bank customers to update their bank account details against online phishing'.

The Reserve Bank has clarified that it has NOT sent any such email.

It has further clarified that the Reserve Bank or banks never issue communication asking for bank account details for any purpose. The Reserve Bank has appealed to members of public not to respond to such mails and not to share their bank account details with anyone for any purpose.

Reserve Bank of India Penalises The Mehsana Urban Co-operative Bank Ltd., Mehsana (Gujarat)

April 5, 2011

The Reserve Bank of India, in exercise of powers vested in it under the provisions of Section 47A (1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS), imposed a monetary penalty of ₹5.00 lakh (Rupees five lakh only) on The Mehsana Urban Co-operative Bank Ltd., Mehsana (Gujarat) The penalty was imposed for violation of Reserve Bank instructions on membership of co-operative societies, conduct of non-banking business, use of work "Bank" in the name of another institution and share linking norms.

The Reserve Bank had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case, the bank's reply and also personal submissions in the matter, the Reserve Bank concluded that the violation was substantiated and warranted imposition of penalty.

Reserve Bank of India Penalises The Waghodia Urban Co-operative Bank Ltd., District Vadodara

April 7, 2011

The Reserve Bank of India, in exercise of powers vested in it under the provisions of Section 47A (1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS), imposed a monetary penalty of ₹1.00 lakh (Rupees one lakh only) on The Waghodia Urban Co-operative Bank Limited, District Vadodara. The penalty was imposed for violation of Reserve Bank of India directives/guidelines by not adhering to Anti-Money Laundering (AML) guidelines.

The Reserve Bank had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case, the bank's reply and also personal submissions in the matter, the Reserve Bank came to the conclusion that the violations were substantiated and warranted imposition of penalty.

Reserve Bank of India Penalises Navsarjan Industrial Co-operative Bank Ltd., Amkleshwar

April 7, 2011

The Reserve Bank of India, in exercise of powers vested in it under the provisions of Section 47A (1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS), imposed a monetary penalty of ₹1.00 lakh (Rupees one lakh only) on Navsarjan Industrial Co-operative Bank Ltd., Ankleshwar. The penalty was imposed for not adhering to Anti-Money Laundering (AML) guidelines.

The Reserve Bank had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case, the bank's reply and also personal submissions in the matter, the Reserve Bank came to the conclusion that the violations were substantiated and warranted imposition of penalty.

Reserve Bank of India Penalises Shree Bharat Co-operative Bank Ltd., Vadodara

April 7, 2011

The Reserve Bank of India, in exercise of powers vested in it under the provisions of Section 47A (1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS), imposed a monetary penalty of ₹1 lakh (Rupees one lakh only) on Shree Bharat Co-operative Bank Ltd., Vadodara. The penalty was imposed for violation of Reserve Bank of India directives/guidelines by not adhering to Anti-Money Laundering (AML) guidelines, regarding submission of reports for cash transactions above ₹10 lakh.

The Reserve Bank had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case, the bank's reply and also personal submissions in the matter, the Reserve Bank came to the conclusion that the violations were substantiated and warranted imposition of penalty.

RBI Revokes the Authorisation Granted to Kaizen Automation Private Ltd; Mumbai for Issuance of Prepaid Cards known as 'Go Mumbai' cards

April 7, 2011

In exercise of the powers conferred under Section 8 of the Payment and Settlement Systems Act, 2007, the Reserve Bank of India has revoked the Authorisation granted to Kaizen Automation Private Limited, B-601-602, Citi Point, Andheri, Kurla Road, J. B. Nagar, Near Kohinoor Continental, Andheri (East), Mumbai-400059 for issuance and operation of prepaid cards known as 'Go Mumbai' cards, with immediate effect.

RBI Extends Liquidity Management Measures

April 8, 2011

On the basis of an assessment of the current liquidity situation, it has been decided to extend the following liquidity management measures, currently set to expire on April 8, 2011, as follows:

- The additional liquidity support to scheduled commercial banks under the LAF to the extent of up to one per cent of their net demand and time liabilities (NDTL) is now extended up to May 6, 2011. For any shortfall in maintenance of the statutory liquidity ratio (SLR) arising out of availment of this facility, banks may seek waiver of penal interest on a fortnightly basis purely as an ad hoc, temporarymeasure.
- The second LAF (SLAF) will be conducted on a daily basis up to May 6, 2011.

These facilities will be reviewed once a view is taken on the recommendations of Report of the Working Group on Operating Procedure of Monetary Policy (Chairman: Shri Deepak Mohanty).

Reserve Bank of India Penalises Shree Savli Nagrik Sahakari Bank Ltd., District Vadodara

April 8, 2011

The Reserve Bank of India, in exercise of powers vested in it under the provisions of Section 47A (1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS), imposed a monetary penalty of ₹1.00 lakh (Rupees one lakh only) on Shree Savli Nagrik Sahakari Bank Ltd., District Vadodara. The penalty was imposed for not adhering to Reserve Bank of India instructions/ guidelines on Anti-Money Laundering (AML) guidelines.

The Reserve Bank had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case, the bank's reply and also personal submissions in the matter, the Reserve Bank came to the conclusion that the violations were substantiated and warranted imposition of penalty.

Shree Mahalaxmi Mercantile Cooperative Bank Limited, Dabhoi, Dist. Vadodara, Gujarat – Penalised

April 11, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹1.00 lakh (Rupees one lakh only) on Shree Mahalaxmi Mercantile Co-operative Bank Limited, Dabhoi, Dist. Vadodara, Gujarat, in exercise of powers vested in it under the provisions of Section 47(A)(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS) for violation of operational instructions by sanctioning fresh loans and advances.

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case and the bank's reply and also personal submissions in the matter, the Reserve Bank came to the conclusion that the violations were substantiated and warranted imposition of the penalty.

The Rander People's Cooperative Bank Limited, Rander, Dist. Surat, Gujarat – Penalised

April 11, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹1.00 lakh (Rupees one lakh only) on The Rander People's Co-operative Bank Limited, Rander, Dist. Surat, Gujarat, in exercise of powers vested in it under the provisions of Section 47(A)(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS) for certain violation of Reserve Bank of India instructions by non-adherence to Anti Money Laundering (AML) guidelines in regard to submission of reports of cash transactions above ₹10.00 lakh to Financial Intelligence Unit-India (FIU-IND), New Delhi.

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case and the bank's reply and also personal submissions in the matter, the Reserve Bank came to the conclusion that the violations were substantiated and warranted imposition of the penalty.

Underwriting Auctions for Government Securities

April 11, 2011

The Government of India have announced the sale (reissue) of '7.59 per cent Government Stock 2016' for a notified amount of ₹4,000 crore (nominal), '8.08 per cent Government Stock 2022' for a notified amount of ₹5,000 crore (nominal) and '8.26 per cent Government Stock 2027' for a notified amount of ₹3,000 crore (nominal) through auctions to be held on April 15, 2011. The underwriting auctions for the captioned securities will be conducted on April 13, 2011 (Wednesday).

As per revised scheme of underwriting, dated November 14, 2007, the amounts of Minimum Underwriting Commitment (MUC) and the minimum bidding commitment under Additional Competitive Underwriting (ACU) for the underwriting auctions, per Primary Dealer, are as under:

(₹ in crore)			
Nomenclature of the Security	**Notified Amount**	**MUC amount per Primary Dealer**	**Minimum bidding commitment per PD under ACU auction**
7.59 per cent GS 2016	4,000	100	100
8.08 per cent GS 2022	5,000	125	125
8.26 per cent GS 2027	3,000	75	75

The underwriting auctions will be conducted using multiple price based auction method. Primary Dealers (PDs) may submit their bids for ACU auctions electronically through Negotiated Dealing System (NDS) between 10.30 a.m. and 12.30 p.m. on April 13, 2011 (Wednesday).

The underwriting commission will be credited to the current account of the respective PDs at the RBI, Fort, Mumbai on the date of issue of securities.

The Ankola Urban Cooperative Bank Limited, Ankola, Dist. Uttara Kannada – Penalised

April 13, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹2.00 lakh (Rupees two lakh only) on The Ankola Urban Co-operative Bank Limited, Ankola, Dist. Uttara Kannada, Karnataka in exercise of powers vested in it under the provisions of Section 47(A)(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS) for violation of the provisions of Section 36(1)(a) of the Banking Regulation Act, 1949 (AACS) relating to sanctioning of unsecured advances in violation of the operational instructions issued to the bank.

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case and the bank's reply and also personal submissions in the matter, the Reserve Bank came to the conclusion that the violations were substantiated and warranted imposition of the penalty.

The Kushtagi Pattana Sahakara Bank Niyanit, Kushtagi, Dist. Koppal – Penalised

April 13, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹5.00 lakh (Rupees five lakh only) on The Kushtagi Pattana Sahakara Bank Niyanit, Kushtagi, Dist. Koppal, Karnataka in exercise of powers vested in it under the provisions of Section 47(A)(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 as applicable to Co-operative Societies (AACS) for violation of the provisions of Section 36(1)(a) of the Banking Regulation Act, 1949 (AACS) relating to granting/renewing of loans, acceptance of fresh deposits and allowing withdrawal of deposits exceeding ₹1,000/- in violation of the directions issued on the bank under Section 35A of the Banking Regulation Act, 1949 (AACS).

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case and the bank's reply and also personal submissions in the matter, the Reserve Bank came to the conclusion that the violations were substantiated and warranted imposition of the penalty.

The Salal Sarvoday Nagarik Sahakari Bank Limited, Salal, Dist. Sabarkantha, Gujarat – Penalised

April 13, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹2.00 lakh (Rupees two lakh only) on The Salal Sarvoday Nagrik Sahakari Bank Limited, Salal, Dist. Sabarkantha, Gujarat, in exercise of powers vested in it under the provisions of Section 47(A)(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS) for violation of Reserve Bank of India instructions on submission of reports of cash transactions above ₹10.00 lakh to Financial Intelligence Unit-India (FIU-IND), New Delhi under Anti Money Laundering (AML) guidelines.

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case and the bank's reply and also personal submissions in the matter, the Reserve Bank came to the conclusion that the violations were substantiated and warranted imposition of the penalty.

Goldman Sachs authorised to undertake Primary Dealer Business

April 15, 2011

The Reserve Bank of India has authorised Goldman Sachs (India) Capital Markets Private Limited to undertake Primary Dealer business with effect from Monday, April 18, 2011.

The Botad People's Co-operative Bank Limited, Botad, Dist. Bhavnagar, Gujarat – Penalised

April 15, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹1.00 lakh (Rupees one lakh only) on The Botad People's Co-operative Bank Limited, Botad, Dist. Bhavnagar, Gujarat, in exercise of powers vested in it under the provisions of Section 47(A)(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS) for violations of Reserve Bank of India instructions in respect of reporting of cash transactions above ₹10.00 lakh to Financial Intelligence Unit-India (FIU-IND), New Delhi, non compliance of Know Your Customers (KYC) norms and persistence of irregularities pointed in previous inspection report.

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case and the bank's reply and also personal submissions in the matter, the Reserve Bank came to the conclusion that the violations were substantiated and warranted imposition of the penalty.

The Suvikas People's Co-operative Bank Ltd., Ahmedabad – Penalised

April 15, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹1.00 lakh (Rupees one lakh only) on The Suvikas Co-operative Bank Ltd., Ahmedabad, Gujarat in exercise of powers vested in it under the provisions of Section 47(A)(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS) for violation of Reserve Bank of India instructions on Know Your Customers (KYC).

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case, bank's reply and personal submissions in the matter, the Reserve Bank came to the conclusion that the violations were substantiated and warranted imposition of the penalty.

Shri Vinayak Sahakari Bank Ltd., Ahmedabad – Penalised

April 15, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹5.00 lakh (Rupees five lakh only) on Shri Vinayak Sahakari Bank Ltd., Ahmedabad, Gujarat in exercise of powers vested in it under the provisions of Section 47(A)(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS) for violation of Reserve Bank of India instructions on unsecured advances, Know Your Customers (KYC) norms and Anti-Money Laundering (AML) guidelines, shortage in cash balances, opening of benami accounts and violation of Dos' and Donts' prescribed for board of directors.

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case, bank's reply and personal submissions in the matter, the Reserve Bank came to the conclusion that the violations were substantiated and warranted imposition of the penalty.

The Siddhi Co-operative Bank Ltd., Ahmedabad – Penalised

April 15, 2011

The Reserve Bank of India, imposed a monetary penalty of ₹5.00 lakh (Rupees five lakh only) on The Siddhi Co-operative Bank Ltd., Ahmedabad. The penalty was imposed for violation of RBI instructions/ directions on Know Your Customer (KYC) / Anti Money Laundering (AML) and for submitting improper compliance of the observations made in its last inspection report.

The Reserve Bank had issued a show cause notice to The Siddhi Co-operative Bank Ltd. The bank submitted a written reply in response to the Show Cause notice and after considering facts of the case, the bank's reply and personal submissions in the matter, the Reserve Bank concluded that the violations were substantiated and warranted imposition of penalty.

The Reserve Bank has imposed the penalty in exercise of powers vested in it under the provisions of Section 47 A(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS).

Foreign Exchange for You: RBI Reaches out to Kolkata Public through Exhibition

April 18, 2011

Central banks closely look at foreign exchange flows not only to maintain financial stability but also to ensure hassle-free foreign exchange transactions for trade and individuals. This was the message given by Smt. Shyamala Gopinath, Deputy Governor, Reserve Bank of India. She was inaugurating 'Foreign Exchange For You' – a two-day outreach programme of the Reserve Bank of India on Foreign Exchange being held at the National Library, Kolkata. The foreign exchange regulations have been simplified a great deal over the last several years. There is, however, still an apprehension in the public mind about availability of foreign exchange. The objective of the exhibition is to demystify the subject of foreign exchange and to assure the public that foreign exchange is available to them for all genuine purposes.

The exhibition is open to public between 10.00 a.m. to 6.00 p.m. at the National Library on April 18 and 19, 2011. A few public and private sector banks as well as full-fledged money changers have put their stalls exhibiting foreign exchange facilities available to members of public. A special desk to answer public queries on fictitious offers of foreign exchange is also set up by the Reserve Bank.

Exporters, importers, trade bodies, bankers participated in the interface with the Reserve Bank Deputy Governor, Smt. Gopinath held in the morning today. Students from a few colleges also visited the exhibition and participated in the interface and got clarifications on questions relating to foreign exchange directly from Senior Officials of the Reserve Bank and the banks. The students particularly enjoyed taking the quiz and playing the games based on foreign exchange information gathered through the exhibits displayed at the exhibition.

The Reserve Bank has been conducting such outreach programmes in various parts of the country. The outreach programme includes an exhibition of foreign exchange facilities made available to trade and individuals over the past several years. Interface with the Top Executives of the Reserve Bank of India is a highlight of such outreach programmes.

Dwarakadas Mantri Nagari Sahakari Bank Ltd., Beed, Dist. Beed – Penalised

April 19, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹5.00 lakh (Rupees five lakh only) on Dwarakadas Mantri Nagari Sahakari Bank Ltd., Beed, Dist. Beed in exercise of powers vested in it under the provisions of Section 47(A)(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS) for violating Reserve Bank of India directives/instructions relating to 'Loans/Advances to Directors/their relatives/ concerns in which they are interested'.

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case, bank's reply and personal submissions in the matter, the Reserve Bank came to the conclusion that the violations were substantiated and warranted imposition of the penalty.

IDBI Bank Limited Authorised as Primary Dealer

April 19, 2011

IDBI Bank Limited has been authorised to undertake Primary Dealer business in Government securities market with effect from Wednesday, April 20, 2011 and, concomitantly, the authorisation given to IDBI Gilts Limited as Primary Dealer stands withdrawn.

Reserve Bank Cancels the Licence of Shri Balaji Co-operative Bank Ltd., Nashik (Maharashtra)

April 21, 2011

In view of the fact that Shri Balaji Co-operative Bank Ltd, Nashik, Maharashtra had ceased to be solvent, all efforts to revive it in close consultation with the Government of Maharashtra had failed and the depositors were being inconvenienced by continued uncertainty, the Reserve Bank of India delivered the order cancelling its licence to the bank before commencement of business on April 7, 2011. The Registrar of Co-operative Societies, Maharashtra has also been requested to issue an order for winding up the bank and appoint a liquidator for the bank. It may be highlighted that on liquidation, every depositor is entitled to repayment of his/her deposits up to a monetary ceiling of ₹1,00,000/- (Rupees One lakh only) from the Deposit Insurance and Credit Guarantee Corporation (DICGC) under usual terms and conditions.

The bank was granted a licence by Reserve Bank on October 14, 1996 to commence banking business. The statutory inspection of the bank with reference to its financial position as on March 31, 2009 assessed the CRAR at (-) 3.0 per cent, negative networth of (-) ₹2.84 lakh and erosion in deposits to the extent of 1.6 per cent. Gross and Net NPAs were 91.5 per cent and 81.5 per cent of Gross and Net Advances respectively on that date. The bank was also advised on January 22, 2010 to step up its recovery efforts and submit a concrete proposal for merger latest by March 31, 2010.

The bank's financial position deteriorated sharply with reference to its financial position as on March 31, 2010 wiping off not only owned funds of the bank but also eroding deposits to the extent of 31.4 per cent. The CRAR of the bank was (-) 88.5 per cent as against the prescribed minimum of 9 per cent. The bank had also defaulted in maintaining of CRR and SLR. Inspite of giving sufficient time and opportunity, the bank had not been able to improve its financials or submit any concrete proposal for merger.

Due to its precarious financial position, the bank was placed under directions under Section 35 A of the Banking Regulation Act, 1949 (AACS) vide Directive UBD CO BSD-I No. D-19/12.22.378/2010-11 dated October 18, 2010.

Serious deficiencies as mentioned above revealed that the affairs of the bank were being conducted in a manner detrimental to the interests of the depositors. The bank did not comply with the provisions of Sections 11(1), 18, 22(3)(a) & (b) and 24 of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies). The bank had also not taken any initiative towards recovery of NPAs.

In view of the aforesaid serious deficiencies/ irregularities and the deteriorating financial position of the bank, it was issued a notice on December 03, 2010 to show cause (SCN) as to why the licence granted to the bank on October 14, 1996 to conduct banking business should not be cancelled. The bank submitted its reply to the SCN vide its letter dated December 30, 2010. The reply to the SCN was considered and examined but not found satisfactory. Further, no concrete proposal was received from the bank for merger.

Therefore, Reserve Bank of India took the extreme measure of cancelling licence of the bank in the interest of bank's depositors. With the cancellation of licence and commencement of liquidation proceedings, the process of paying the depositors of the Shri Balaji Co-operative Bank Ltd, Nashik, Maharashtra will be set in motion subject to the terms and conditions of the Deposit Insurance Scheme.

Consequent to the cancellation of its licence, Shri Balaji Co-operative Bank Ltd, Nashik, Maharashtra is prohibited from carrying on 'banking business' as defined in Section 5(b) of the Banking Regulation Act, 1949 (AACS) including acceptance and repayment of deposits.

For any clarifications, depositors may approach Smt. K.S. Jyotsna, Deputy General Manager, Urban Banks Department, Mumbai Regional Office, Reserve Bank of India, Mumbai, whose contact details are as below:

Postal Address: Urban Banks Department, Mumbai Regional Office, Reserve Bank of India, 2nd Floor, Garment House, Dr. A.B. Road, Worli, Mumbai - 400 018. Telephone Number: (022) 24824203, 24939930, Fax Number: (022) 24935495 Email.

WMA Limits for Government of India fixed for the Financial Year 2011-12

April 22, 2011

It has been decided in consultation with the Government of India that the limits for Ways and Means Advances (WMA) for the financial year 2011-12 would be:

₹30,000 crore for April 01, 2011 to April 20, 2011
₹45,000 crore for April 21, 2011 to June 30, 2011
₹30,000 crore for July 01, 2011 to September 30, 2011
₹10,000 crore for October 01, 2011 to March 31, 2012

The Reserve Bank may trigger fresh floatation of market loans when the Government of India utilises 75 per cent of the WMA limit.

The Reserve Bank would retain the flexibility to revise the limits at any time, in consultation with the Government of India, taking into consideration the prevailing circumstances.

The interest rate on WMA/overdraft will be:

a) Ways and Means Advances: Repo Rate

b) Overdraft: Two percent above the Repo Rate

The minimum balance required to be maintained by the Government of India with the Reserve Bank of India will not be less than ₹100 crore on Fridays, on the date of closure of Government of India's financial year and on June 30, *i.e.*, closure of the annual accounts of the Reserve Bank of India and not less than ₹10 crore on other days.

As per the provisions of the agreement dated March 26, 1997 between the Government of India and the Reserve Bank of India, overdrafts beyond ten consecutive working days will not be allowed.

Independence Co-operative Bank Ltd., Nasik – Penalised

April 25, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹1.00 lakh (Rupees one lakh only) on Independence Co-operative Bank Ltd., 6, 1st Floor, Memon Chamber's, Tilak Path, Nasik - 422 001 in exercise of powers vested in it under the provisions of Section 47(A)(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS) for violation of Reserve Bank of India directive on Directors related loans.

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. Based on the reply the Reserve Bank of India After considering the facts of the case, bank's reply and personal submissions in the matter, the Reserve Bank came to the conclusion that the violations were substantiated and warranted imposition of the penalty.Ajit PrasadAssistant General ManagerPress Release : 2010-2011/1547

The Bhuj Mercantile Co-operative Bank Ltd., Bhuj, Dist. Kutch – Penalised

April 25, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹5.00 lakh (Rupees five lakh only) on The Bhuj Co-operative Bank Ltd., Bhuj, Dist. Kutch. The penalty was imposed for various violations of RBI instructions relating to Know Yours Customer (KYC) norms, Anti-Money Laundering (AML) guidelines, temporary overdrafts (TOD) and use of the bank's name without the word 'Co-operative'.

The Reserve Bank had issued a show cause notice to The Bhuj Co-operative Bank Ltd., Bhuj, Dist. Kutch. The bank submitted a written reply in response to the Show Cause notice and after considering facts of the case, the bank's reply and personal submissions in the matter, the Reserve Bank concluded that the violations were substantiated and warranted imposition of penalty.

The Reserve Bank has imposed the penalty in exercise of powers vested in it under the provisions of Section 47 A(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS).

RBI imposes Penalty on 19 Commercial Banks for Non-compliance of its instructions on Derivatives

April 26, 2011

The Reserve Bank of India has imposed penalties on 19 commercial banks, as detailed below, in exercise of the powers vested with it under the provisions of Section 47A(1)(b) read with Section 46(4)(i) of the Banking Regulation Act, 1949.

The penalties have been imposed on these banks for contravention of various instructions issued by the Reserve Bank in respect of derivatives, such as, failure to carry out due diligence in regard to suitability of products, selling derivative products to users not having risk management policies and not verifying the underlying/adequacy of underlying and eligible limits under past performance route.

The Reserve Bank had issued Show Cause Notices to these banks. In response to this, the banks submitted their written replies. On a careful examination of the banks' written replies and the oral submissions made during the personal hearings, the Reserve Bank found that the violations were established and the penalties were thus imposed.

Sl. No.	Name of banks	Penalty (₹ in Lakh)
1	Axis Bank Ltd	15.00
2	Barclays Bank PLC	15.00
3	HDFC Bank Ltd	15.00
4	ICICI Bank Ltd	15.00
5	Kotak Mahindra Bank Limited	15.00
6	Yes Bank Ltd	15.00
7	BNP Paribas	10.00
8	Citi Bank NA	10.00
9	Credit Agricole - CIB	10.00
10	Development Credit Bank Ltd.	10.00
11	ING Vysya Bank Ltd	10.00
12	Royal Bank of Scotland	10.00
13	Standard Chartered Bank	10.00
14	State Bank of India	10.00
15	Bank of America NA	5.00
16	DBS Bank Ltd.	5.00
17	Deutsche Bank AG	5.00
18	Hongkong and Shanghai Banking Corporation Ltd.	5.00
19	JP Morgan Chase Bank NA	5.00

RBI Releases Discussion Paper on Deregulation of Savings Bank Deposit Rate

April 28, 2011

As indicated in the Second Quarter Review of Monetary Policy 2010-11 on November 2, 2010, the Reserve Bank of India has today released on its website a Discussion Paper on 'Deregulation of Savings Bank Deposit Interest Rate'. In the light of pros and cons of deregulation of savings deposit interest rate as set out in the Discussion Paper, the Reserve Bank has sought feedback from the general public on the following issues:

1. Should savings deposit interest rate be deregulated at this point of time?

2. Should savings deposit interest rate be deregulated completely or in a phased manner, subject to a minimum floor for some time?

3. How can the concerns with regard to savers (senior citizens, pensioners, small savers, particularly in rural and semi-urban areas) be addressed in case savings deposit interest rate is deregulated?

4. How serious are concerns relating to a possible intense competition amongst banks and asset-liability mismatches if savings deposit interest rate is deregulated?

5. Should higher interest rate be paid on savings deposits without a cheque book facility?

Suggestions and comments may please be sent by May 20, 2011 to the Adviser-in-Charge, Reserve Bank of India, Monetary Policy Department, Central Office, 24th floor, Central Office Building, Mumbai-400001 or by email.

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Manipal Co-operative Bank Ltd., Manipal, Karnataka – Penalised

April 29, 2011

The Reserve Bank of India has imposed a monetary penalty of ₹5.00 lakh (Rupees five lakh only) on Manipal Co-operative Bank Ltd., Manipal, Karnataka in exercise of powers vested in it under the provisions of Section 47(A)(1)(b) read with Section 46(4) of the Banking Regulation Act, 1949 (AACS) for violating Reserve Bank of India directives/instructions by granting loans for real estate purpose exceeding the single party exposure limit of 15 per cent of its capital funds as on September 30, 2009 and real estate exposure limit of 15 per cent of its deposits as on March 31, 2009.

The Reserve Bank of India had issued a show cause notice to the bank, in response to which the bank submitted a written reply. After considering the facts of the case, bank's reply and personal submissions in the matter, the Reserve Bank came to the conclusion that the violations were substantiated and warranted imposition of the penalty.

Regulatory and Other Measures

April 2011

RBI/2010-11/462 DNBS(PD)CC.No 215/03.10.42/2010-11 dated April 5, 2011

Operation of Deposit Account with NBFCs and Money Mules

All Non Banking Financial Companies/
Residuary Non Banking Companies

With a view to preventing NBFCs from being used, intentionally or unintentionally, by criminal elements for money laundering or terrorist financing activities, Reserve Bank of India has issued guidelines on Know Your Customer (KYC) norms/Anti-Money Laundering (AML) standards/Prevention of Money Laundering Act, 2002 that are consolidated in the Master Circular DNBS (PD) CC No 184/03.10.42 / 2010-11 dated July 01, 2010.

2. It has been brought to our notice that 'Money mules' can be used to launder the proceeds of fraud schemes (e.g., phishing and identity theft) by criminals who gain illegal access to deposit accounts by recruiting third parties to act as 'money mules.' In some cases these third parties may be innocent while in others they may be having complicity with the criminals.

3. In a money mule transaction, an individual with a deposit account in a bank/NBFC is recruited to receive cheque deposits or wire transfers and then transfer these funds to accounts held on behalf of another person or to other individuals, minus a certain commission payment. Money mules may be recruited by a variety of methods, including spam e-mails, advertisements on genuine recruitment web sites, social networking sites, instant messaging and advertisements in newspapers. When caught, these money mules often have their deposit and loan accounts suspended, causing inconvenience and potential financial loss, apart from facing likely legal action for being part of a fraud. Many a times the address and contact details of such mules are found to be fake or not up to date, making it difficult for enforcement agencies to locate the account holder.

4. The operations of such mule accounts can be minimized if NBFCs follow the guidelines contained in the Master Circular on Know Your Customer (KYC) norms/Anti-Money Laundering (AML) standards/ Combating of Financing of Terrorism (CFT)/Obligation of banks under PMLA, 2002. NBFCs are, therefore, advised to strictly adhere to the guidelines on KYC/ AML/CFT issued from time to time and to those relating to periodical updation of customer identification data after the account is opened and also to monitoring of transactions in order to protect themselves and their customers from misuse by such fraudsters.

5. NBFCs are also advised to ensure that their accounts in banks are not used for the purpose of money laundering in the manner specified above.

RBI/2010-11/467 Ref. DBOD.No.Ret.BC. 84 /12.02.001/ 2010-11 dated April 8, 2011

Section 24 of Banking Regulation Act, 1949 – Shortfall in Maintenance of Statutory Liquidity Ratio (SLR) – Additional Liquidity Support under Liquidity Adjustment Facility (LAF)

All Scheduled Commercial Banks

Please refer to our circular DBOD. No. Ret. BC.76/ 12.02.001/2010-11 dated January 25, 2011 wherein it was advised that Scheduled Commercial Banks (SCBs) may avail of additional liquidity support under the Liquidity Adjustment Facility (LAF) to the extent of up to one per cent of their Net Demand and Time Liabilities (NDTL) up to April 8, 2011. For any shortfall in maintenance of the SLR arising out of availment of this facility, banks may seek waiver of penal interest purely as an ad hoc, temporary measure.

2. As set out in the Press Release issued by the Reserve Bank of India on April 8, 2011, the additional

liquidity support to SCBs under LAF to the extent of up to one per cent of their NDTL, which was set to expire on April 8, 2011, has now been extended up to May 6, 2011. For any shortfall in maintenance of the SLR arising out of availment of this facility, banks may seek waiver of penal interest purely as an ad hoc, temporary measure. The liquidity support availed under this facility would, however, need to be reported on a daily basis.

RBI/2010-11/473 RPCD.CO.RRB.BC.No.59 /03.05.34 / 2010-11 dated April 11, 2011

Investment in SLR Securities by Regional Rural Banks (RRBs)

The Chairman
All Regional Rural Banks/Sponsor Banks

Please refer to our circular RPCD.RRB.BC.No.68/ 03.05.34/2008-09 dated April 9, 2010 on the captioned subject.

2. On a review of the issue it has been decided that the exemption granted to RRBs up to financial year 2009-10 from 'mark to market' norms in respect of their investment in SLR securities be extended by for three years i.e. for the financial years 2010-11, 2011-12 and 2012-13. Accordingly, RRBs will have the freedom to classify their entire investment portfolio of SLR securities under 'Held to Maturity' for the financial years 2010-11, 2011-12 and 2012-13 with valuation on book value basis and amortization of premium, if any, over the remaining life of securities.

RBI/2010-11/474 RPCD.CO.RRB.BC No. 59/03.05.72/ 2010-11 dated April 11, 2011

Compounding of Interest on Agriculture Loans

The Chairman
All Regional Rural Banks
The Chairman & Managing Director
All Sponsor Banks

Please refer to the instructions contained at para. 5. in RBI Master circular RPCD. CO. Plan. BC. No. 10/ 04.09.01/2010-11 dated July 1, 2010 on Lending to Priority Sector, addressed to Scheduled Commercial Banks, together with the instructions contained in para. 2 of RPCD circular RRB. BC. No. 96/ 03.05.34/ 2001-02 dated May 27, 2002, read with para. 2 of the circular RRB. BC. No. 105/ 03.05.34/ 2001-02 dated June 11, 2002 addressed to the RRBs, on the captioned subject.

2. A recent study undertaken by Regional Offices of NABARD and RBI in select States has revealed that compounding of interest on quarterly/ half-yearly basis, and not as per cropping/harvesting cycle/s on agricultural loans, was prevalent in some RRBs. In certain cases, NABARD has also observed that RRBs have been using the software package developed by their sponsor banks, which has no provision for segregating interest from principal before applying the interest for the next period. Wherever manual accounting was involved, the compounding was observed in a few cases attributed to human error.

3. It is, therefore, imperative that sponsor banks/ RRBs develop/modify the software package to ensure that the process of compounding of interest on agricultural loans falls in line with the extant instructions on the subject issued to them. Also, RRBs should re-examine the relevant cases and arrange to re-credit the excess interest wrongly charged in the accounts, under advice to our respective Regional Offices and to NABARD.

RBI/2010-11/476 DPSS.CO.OSD. No. 2374/06.11.001/ 2010-2011 dated April 15, 2011

Submission of system audit reports

To all Authorised Payment System Operators & Entities

Please refer to our earlier circulars DPSS.AD.No./ 1206/02.27.005/2009-2010 dated December 7, 2009 and DPSS.1444/ 06.11.001/ 2010-2011 dated December 27, 2010 on the captioned subject.

In partial modification of the instructions contained therein, it is advised that the system audit may be conducted by a Certified Information Systems Auditor (CISA) and registered with Information Systems Audit and Control Association (ISACA) or by a holder of a Diploma in Information System Audit (DISA) qualification of the Institute of Chartered Accountants of India (ICAI).

RBI/2010-11/477 DBOD.Dir.BC.No. 85 /04.02.001/2010-11 dated April 18, 2011

Liquidation of Post-Shipment Rupee Export Credit

All Scheduled Commercial Banks
(excluding RRBs)

Please refer to paragraph 2.3 of our Master Circular on Rupee / Foreign Currency Export Credit and Customer Service to Exporters DBOD.No.Dir.(Exp). BC.06/ 04.02.002/2010-11 dated July 01, 2010 wherein banks were advised that Post-shipment credit is to be liquidated by the proceeds of export bills received from abroad in respect of goods exported/ services rendered. Further, subject to mutual agreement between the exporter and the banker it can also be repaid/prepaid out of balances in Exchange Earners Foreign Currency (EEFC) Account as also from proceeds of any other unfinanced (collection) bills.

2. It has now been decided that in order to reduce the cost to exporters (*i.e.* interest cost on overdue export bills), exporters with overdue export bills may also extinguish their overdue post shipment rupee export credit from their rupee resources. However, the corresponding GR form will remain outstanding and the amount will be shown outstanding in XOS statement. The exporter's liability for realisation would continue till the export bill is realised.

RBI/2010-11/481 RPCD.SME & NFS. BC. No. 62/06.11.01/ 2010-11 dated April 21, 2011

Scheme of 1% Interest Subvention on Housing loans upto ₹10 lakh – Guidelinesg

The Chairman/Managing Director/
Chief Executive Officer
All Scheduled Commercial Banks
(excluding Regional Rural Banks)

Please refer to our circulars RPCD.SME & NFS.BC.No.16/06.11.01/2010-11 dated August 9, 2010 and RPCD.SME & NFS.BC.No.52/06.11.01/2010-11 dated February 8, 2011 on the captioned subject.

2. In para 43 of the Union Budget Speech of 2011-12, it has been proposed to liberalise the existing scheme of interest subvention of 1 per cent on housing loans by extending it to housing loan upto ₹15 lakh where the cost of the house does not exceed ₹25 lakh from the present limit of ₹10 lakh and ₹20 lakh respectively.

3. You are therefore advised to issue necessary instructions to your Controlling Offices and Branch Offices to ensure that these guidelines are implemented immediately. The other terms and conditions of the housing subvention scheme remain unchanged.

RBI /2010-11/484 DBOD.Leg. No.BC. 86/09.08.011 / 2010-11 dated April 21, 2011

Setting up of Central Electronic Registry under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002

All Scheduled Commercial Banks/
Financial Institutions
(Excluding RRBs)

Pursuant to the announcement made by the Finance Minister in the budget speech for 2011-12, Government of India, Ministry of Finance notified the establishment of the Central Registry. The objective of setting up of Central Registry is to prevent frauds in loan cases involving multiple lending from different banks on the same immovable property. This Registry has become operational on March 31, 2011. The Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI), a Government Company licensed under section 25 of the Companies Act 1956 has been incorporated for the purpose of operating and maintaining the Central Registry under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act).

2. It may be noted that initially transactions relating to securitization and reconstruction of financial assets

and those relating to mortgage by deposit of title deeds to secure any loan or advances granted by banks and financial institutions, as defined under the SARFAESI Act, are to be registered in the Central Registry. The records maintained by the Central Registry will be available for search by any lender or any other person desirous of dealing with the property. Availability of such records would prevent frauds involving multiple lending against the security of same property as well as fraudulent sale of property without disclosing the security interest over such property. It may be noted that under the provisions of Section 23 of the SARFAESI Act , particulars of any charge creating security interest over property is required to be filed with the Registry within 30 days from the date of creation.

3. A copy of the Securitisation and Reconstuction of Financial Assets and Enforcement of Security Interest (Central Registry) Rules, 2011 along with a copy of Notification dated March 31, 2011 issued by the Government in this regard, is enclosed for necessary action at your end.

RBI/2010-11/485 DBOD.No.BP.BC. 87/21.04.048/2010-11 dated April 21, 2011

Provisioning Coverage Ratio (PCR) for Advances

The Chairman and Managing Director/
Chief Executive Officer
All Scheduled Commercial Banks
(Excluding RRBs)

Please refer to the circular DBOD.No.BP.BC.64/ 21.04.048/2009-10 dated December 1, 2009, in terms of which a Provisioning Coverage Ratio (PCR) of 70 percent of gross NPAs was prescribed, as a macro-prudential measure, with a view to augmenting provisioning buffer in a counter-cyclical manner when the banks were making good profits.

2. Majority of the banks have since achieved the PCR of 70 percent and have been representing to RBI whether the prescribed PCR is required to be maintained on an ongoing basis.

3. The matter has been examined by us and till such time RBI introduces a more comprehensive methodology of countercyclical provisioning taking into account the international standards as are being currently developed by Basel Committee on Banking Supervision (BCBS) and other provisioning norms, banks are advised that :

i. the PCR of 70 percent may be with reference to the gross NPA position in banks as on September 30, 2010;

ii. the surplus of the provision under PCR vis-a-vis as required as per prudential norms should be segregated into an account styled as 'countercyclical provisioning buffer', computation of which may be undertaken as per the annexed format; and

iii. this buffer will be allowed to be used by banks for making specific provisions for NPAs during periods of system wide downturn, with the prior approval of RBI.

4. Some of the banks that had been granted extension of time beyond the stipulated date i.e. September 30, 2010 for achieving the PCR of 70 percent on their request, should calculate the required provisions for 70 percent PCR as on September 30, 2010 and compute the shortfall therefrom. This shortfall should be built up at the earliest and these banks should reassess the further time required beyond March 31, 2011, if any, to build up the buffer and seek approval from RBI.

5. As hitherto, the PCR should be disclosed in the Notes to Accounts to the Balance Sheet.

RBI/2010-11/488 DBOD.No.BP.BC. 88 /21.06.014/2010-11 dated April 27, 2011

Implementation of the Advanced Measurement Approach (AMA) for Calculation of Capital Charge for Operational Risk

The Chairman and Managing Directors/
Chief Executive Officers of All Commercial Banks
(Excluding Regional Rural Banks and Local Area Banks)

Please refer to our circular DBOD.No.BP.BC.23/ 21.06.001/2009-10 dated July 7, 2009, inter alia advising banks that they can apply for migrating to Advanced

Measurement Approach (AMA) for calculation of capital charge for Operational Risk from April 1, 2012 onwards.

2. The Basel II Framework presents three methods for calculating operational risk capital charge in a continuum of increasing sophistication and risk sensitivity:

i. the Basic Indicator Approach (BIA);

ii. the Standardised Approach (TSA)/ Alternative Standardised Approach (ASA); and

iii. Advanced Measurement Approaches (AMA).

3. The guidelines for calculating operational risk capital charge for BIA and TSA/ASA have been issued separately. The guidelines on AMA for computing capital charge for operational risk are annexed. The various aspects of the guidance vis-a-vis the form in which they find place in Basel II Framework, have been elaborated upon in order to provide a comprehensive background to important concepts used in measurement and management of operational risk.

4. This guidance is in addition to that contained in 'Guidance Note on Management of Operational Risk' issued by RBI vide its circular DBOD.No.BP.BC.39/ 21.04.118/2004-05 dated October 14, 2005 and wherever there is conflict between the two, the guidance contained in this circular would prevail.

5. Banks intending to migrate to AMA for computing capital charge for operational risk are advised to assess their preparedness with reference to these guidelines. As and when they are ready for introduction of AMA, they may first give Reserve Bank of India (RBI) (Chief General Manager-in-Charge, Reserve Bank of India, Department of Banking Operations & Development, Central Office, 12th Floor, Shahid Bhagat Singh Road, Mumbai - 400001), a notice of intention. RBI will first make a preliminary assessment of the bank's risk management system and its modeling process. If the result of this preliminary assessment is satisfactory, RBI will allow the bank to make a formal application for migrating to AMA. RBI will then perform a detailed analysis of the bank's risk management system and proposed model prior to according approval.

6. It may be reiterated that banks would have the discretion to adopt AMA, while continuing with simpler approaches for computation of capital for credit and market risks. Further, a bank following BIA can switch over to the AMA directly. However, as banks are aware, all the qualitative requirements relating to operational risk management applicable to TSA form part of the qualitative requirements for AMA. Therefore, a bank may also consider moving to TSA first so that the work done in the implementation of TSA could be used to meet part of the requirements for AMA as and when the bank considers switching over to that approach.

RBI/2010-11/491 A.P. (DIR Series) Circular No. 54 dated April 29, 2011

Issue of Irrevocable Payment Commitment (IPCs) to Stock Exchanges on behalf of Mutual Funds (MFs) and Foreign Institutional Investors (FIIs)

All Category – I Authorised Dealer banks

Attention of Authorised Dealer Category – I (AD Category-I) banks is invited to Regulation 5(2) and Schedule 2 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 notified vide Notification No. FEMA 20/2000-RB dated May 3, 2000, as amended from time to time, in terms of which Foreign Institutional Investors (FIIs) registered with SEBI may purchase shares or convertible debentures of an Indian company under the Portfolio Investment Scheme (PIS). Further, attention of AD Category – I banks is also invited to the Foreign Exchange Management (Guarantee) Regulations, notified vide Notification No. FEMA 8/ 2000-RB dated May 3, 2000, as amended from time to time, in terms of which, no fund based / non-fund based facilities are permitted to the FIIs.

2. It has now been decided to allow custodian banks to issue Irrevocable Payment Commitments (IPCs) in favour of the Stock Exchanges / Clearing Corporations of the Stock Exchanges, on behalf of their FII clients for purchase of shares under the PIS. Issue of IPCs should be in accordance with the Reserve Bank

regulations on banks' exposure to the capital market issued by the Reserve Bank from time to time. Further, AD Category – I banks may also comply with the instructions issued by our Department of Banking Operations and Development (DBOD) vide circular no. DBOD Dir. BC.46/13.03.00/2010-11 dated September 30, 2010.

3. Necessary amendments to the Foreign Exchange Management (Guarantee) Regulations, 2000, notified vide Notification No. FEMA 8/2000-RB dated May 3, 2000 will be issued separately.

4. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

5. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

RBI/2010-11/493 A.P. (DIR Series) Circular No. 56 dated April 29, 2011

Foreign Exchange Management Act, 1999- Advance Remittance for Import of Goods – Liberalisation

All Authorised Dealers in Foreign Exchange

Attention of Authorised Dealer Category – I (AD Category-I) banks is invited to A. P. (DIR Series) Circular No.106 dated June 19, 2003, A. P. (DIR Series) Circular No.15 dated September 17, 2003 and A.P. (DIR Series) Circular No.09 dated August 21, 2008 in terms of which AD Category – I banks are required to obtain an unconditional, irrevocable standby Letter of Credit (LC) or a guarantee from an international bank of repute situated outside India or a guarantee of an AD Category – I bank in India, if such a guarantee is issued against the counter guarantee of an international bank of repute situated outside India, for an advance remittance exceeding USD 100,000 or its equivalent.

2. With a view to liberalising the procedure, it has been decided to enhance the aforesaid limit of USD 100,000 to USD 200,000 or its equivalent, with immediate effect for importers (other than a Public Sector Company or a Department/Undertaking of Central/State Governments where the requirement of bank guarantee is to be specifically waived by the Ministry of Finance, Government of India for advance remittances exceeding USD 100,000 or its equivalent).

3. All the other instructions including the facility to waive the requirement of the standby LC/ bank guarantee for advance remittance up to USD 5,000,000 or its equivalent, where the AD Category – I bank is satisfied about the track record and bonafides of the importer based on their internal Board approved policy, contained in A.P. (DIR Series) Circular No. 09 dated August 21, 2008, shall remain unchanged.

4. Authorised Dealers may bring the contents of this circular to the notice of their constituents and customers concerned.

5. The directions contained in this circular have been issued under Section 10(4) and Section 11 (1) of the Foreign Exchange Management Act 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

RBI/2010-11/494 DBS.CO.ITC.BC.No. 6/31.02.008/2010-11 dated April 29, 2011

Working Group on Information Security, Electronic Banking, Technology Risk Management and Cyber Frauds- Implementation of recommendations

The Chairman/Chief Executives of

All Scheduled Commercial Banks (excluding RRBs)

As you are aware, following the announcement in the April 2010 Monetary Policy Statement, the Working Group on Information Security, Electronic Banking, Technology Risk Management and Cyber Frauds was constituted, under the Chairmanship of Shri G. Gopalakrishna, Executive Director, RBI. The Group examined various issues arising out of the use of Information Technology in banks and made its recommendations in nine broad areas. These areas are IT Governance, Information Security, IS Audit, IT Operations, IT Services Outsourcing, Cyber Fraud, Business Continuity Planning, Customer Awareness programmes and Legal aspects. The report was placed on the RBI website on January 21, 2011. Subsequently, on

February 1, 2011, views/comments of all stake-holders and the public at large on the Report were invited. After taking into account various responses, final guidelines in the respective areas as mentioned above are now being issued to banks for implementation. The guidelines are enclosed herewith for implementation by banks.

(b) The guidelines are not 'one-size-fits-all' and the implementation of these recommendations need to be risk based and commensurate with the nature and scope of activities engaged by banks and the technology environment prevalent in the bank and the support rendered by technology to the business processes. Banks with extensive leverage of technology to support business processes would be expected to implement all the stipulations outlined in the circular. For example, banks which do not offer transactional facilities in internet banking would not be required to implement specific measures for transactional internet banking facility outlined in the guidelines. Further, various instructions in 'IT operations' chapter like detailed configuration management practices may not be necessary for banks that do not develop or maintain critical applications internally, though such practices may be expected from the external vendor providing such services.

(c) The Group had endeavored to generate self-contained and comprehensive guidelines. This has resulted in reiteration of certain guidelines already prescribed by RBI, for example, in certain areas relating to information security, outsourcing, BCP and IS Audit. However, there are certain guidelines like the checklist for computer audit prescribed in the year 2002 which on the whole cannot be ignored since the nature of coverage is different. In the event of a direct conflict with an earlier guideline, the new guideline would be the basis for implementation by banks. Else, the relevant guidelines prescribed earlier would be an adjunct to the present guidelines issued herewith. It would be the endeavor of RBI to develop the enclosed guidelines as a Master Circular incorporating relevant old and new circulars on related subject areas in due course. In the event of any further clarifications in the matter, banks may approach RBI for further guidance.

(d) The Group's report was largely technology neutral except in exceptional circumstances where a specific technology/methodology may be suggested due to legal reasons or for enhanced security or for illustrative purpose. It is clarified that except where legally required, banks may consider any other equivalent/better and robust technology/methodology based on new developments after carrying out a diligent evaluation exercise.

(e) Banks may have already implemented or implementing some or many of the requirements indicated in the circular. In order to provide focused project oriented approach towards implementation of guidelines, banks would be required to conduct a formal gap analysis between their current status and stipulations as laid out in the circular and put in place a time-bound action plan to address the gap and comply with the guidelines. However, banks need to ensure implementation of basic organizational framework and put in place policies and procedures which do not require extensive budgetary support, infrastructural or technology changes, by October 31, 2011. The rest of the guidelines need to be implemented within period of one year unless a longer time-frame is indicated in the circular. There are also a few provisions which are recommendatory in nature, implementations of which are left to the discretion of banks.

(f) Given the fact the guidelines are fundamentally expected to enhance safety, security, efficiency in banking processes leading to benefits for banks and their customers, the progress in implementation of recommendations may be monitored by the top management on an ongoing basis and a review of the implementation status may be put up to the Board at quarterly intervals. Banks may also incorporate in their Annual Report from 2011-12 onwards broadly the measures taken in respect of various subject areas indicated in these guidelines.

(g) The measures suggested for implementation cannot be static. Banks need to pro-actively create/fine-tune/modify their policies, procedures and technologies based on new developments and emerging concerns.

(h) Reserve Bank of India would review the progress in implementation of the guidelines in its Quarterly Discussions with banks and would examine comprehensively the efficacy of implementation of the guidelines commensurate with nature and scope of operations of individual banks from the next AFI cycle (for the period 2011-12) onwards.

Annex

Format for Computing Countercyclical Provisioning Buffer

Amount in ₹ in Crores

Computing Countercyclical Provisioning Buffer as on September 30, 2010

1	2	3	4	5	6	7	8
		Gross NPA @ Plus Technical/ Prudential Write-off*	**Specific Provisions for NPAs held/ required**	**Provisions for diminution in fair value of the restructured accounts calssified as NPAs**	**Technical write-off**	**Total (4+5+6)**	**Ratio of (7) to (3)**
1.	Sub-Standard Advances						
2.	Doubtful Advances (a+b+c)						
	a < 1 year						
	b 1-3 Years						
	c >3 years						
3.	Advances classified as Loss Assets						
4.	**Total**						
5.	Floating Provisions for Advances (only to the extent they are not used as Tier II Capital)						
6.	DICGC / ECGC claims received and held pending adjustment						
7.	Part payment received and kept in Suspense Account or any other similar account						
8.	**Total**(Sum of column 7 of Row 4+ Row 5 + Row 6+ Row 7)						
9.	**Provision Coverage Ratio**{(Row 8/Total of Column 3 of Row 4)*100}						
10.	If PCR < 70%, shortfall in provisioning to achieve PCR of 70% (70% of Column 3 of Row 4 – Row 8)						
11.a	**Countercyclical Provisioning Buffer, if bank has achieved PCR of 70% -** Floating Provisions for advances to the extent not used as Tier II capital (Row 5)						
11.b	**Countercyclical Provisioning Buffer, if bank has not achieved PCR of 70% -** Floating Provisions for advances to the extent not used as Tier II capital (Row 5) + Shortfall in provisioning to achieve PCR of 70%, if any (Row 10) which needs to be built up at the earliest.						

Foreign Exchange Developments

April 2011

1. Acquisition of Credit Card/Debit Card Transactions in India by Overseas Banks - Payments for Airline Tickets

Airline companies incorporated outside India are permitted to repatriate the surplus arising from sale of air tickets through their agents in India after payment of the local expenses and applicable taxes in India.

In certain cases where the payment for the tickets are made by the residents using credit /debit card, Card Companies have been providing arrangements to the foreign airlines operating in India to select the country and currency of their choice, in respect of transactions arising from the sale of the air tickets in India in Indian Rupees (INR). In such transactions, the overseas bank as the acquiring bank receives the funds from Card Issuing Company in its Vostro account maintained with an Authorised Dealer bank in India or in its foreign currency account maintained abroad and makes the payment in foreign currency overseas to the foreign airline.

It is clarified that the practice adopted by foreign airlines, as mentioned above, is not in conformity with the extant provisions of the Foreign Exchange Management Act, 1999 and they should discontinue the practice of using overseas banks for settlement of INR transactions on account of sale of air tickets in India, immediately.

[A.P. (DIR Series) Circular No. 48
dated April 05, 2011]

2. Know Your Customer (KYC) norms/Anti-Money Laundering (AML) Standards/ Combating the Financing of Terrorism (CFT)/Obligation of Authorised Persons under Prevention of Money Laundering Act, (PMLA), 2002, as Amended by Prevention of Money Laundering (Amendment) Act, 2009- Money Changing Activities

Financial Action Task Force (FATF) Statement dated October 22, 2010, divides the strategic AML/CFT deficient jurisdictions into two groups as under:

a. Jurisdictions subject to FATF call on its members and other jurisdictions to apply countermeasures to protect the international financial system from the ongoing and substantial money laundering and terrorist financing (ML/FT) risks emanating from the jurisdiction : Iran

b. Jurisdictions with strategic AML/CFT deficiencies that have not committed to an action plan developed with the FATF to address key deficiencies as of October 2010. The FATF calls on its members to consider the risks arising from the deficiencies associated with each jurisdiction: Democratic People's Republic of Korea (DPRK).

Authorised Persons have been advised to take into account risks arising from the deficiencies in AML/CFT regime of these countries, while entering into business relationships and transactions with persons (including legal persons and other financial institutions) from or in these countries/ jurisdictions.

[A.P. (DIR Series) Circular No. 49
dated April 06, 2011]

3. Know Your Customer (KYC) Norms/Anti-Money Laundering (AML) Standards/ Combating the Financing of Terrorism (CFT)/Obligation of Authorised Persons under Prevention of Money Laundering Act, (PMLA), 2002, as Amended by Prevention of Money Laundering (Amendment) Act, 2009- Cross Border Inward Remittance Under Money Transfer Service Scheme

Financial Action Task Force (FATF) has issued a further statement on October 22, 2010 dividing the Strategic AML/CFT deficient jurisdiction into 2 groups and all Authorised Persons (Indian Agents) have been advised to take into account risks arising from the deficiencies in AML/CFT regime of these countries, while entering into business relationships and transactions with persons (including legal persons and other financial institutions) from or in these countries/ jurisdictions.

[A.P. (DIR Series) Circular No. 50
dated April 06, 2011]

4. Anti-Money Laundering (AML) Standards/ Combating the Financing of Terrorism (CFT) Standards – Money Changing Activities

Athorised Persons, have been informed that Financial Action Task Force (FATF) has issued a further statement on October 22, 2010 calling upon jurisdictions listed in the statement to complete the implementation of their action plan within the given time frame. The FATF has called upon its members to consider the information given in the statement. Authorised Persons are accordingly advised to consider the information contained in the said statement.

[A.P. (DIR Series) Circular No. 51
dated April 06, 2011]

5. Anti-Money Laundering (AML) standards/Combating the Financing of Terrorism (CFT) Standards – Cross Border Inward Remittance Under Money Transfer Service Scheme

Athorised Persons, who are Indian Agents under Money Transfer Service Scheme have been informed that Financial Action Task Force (FATF) has issued a further statement on October 22, 2010 calling upon jurisdictions listed in the statement to complete the implementation of their action plan within the given time frame. The FATF has called upon its members to consider the information given in the statement. Authorised Persons are accordingly advised to consider the information contained in the said statement.

[A.P. (DIR Series) Circular No. 52
dated April 08, 2011]

6. Overseas Forex Trading Through Electronic/Internet Trading Portals

In terms of Regulation 4 of Foreign Exchange Management (Foreign Exchange Derivative Contract) Regulations, 2000 (Notification FEMA.25/2000-RB dated May 03, 2000), as amended from time to time, a person resident in India may enter into a foreign exchange derivative contract in accordance with the provisions contained in Schedule I to hedge an exposure to risk in respect of a transaction permissible under the Foreign Exchange Management Act (FEMA), 1999 or rules or regulations or directions or orders made or issued thereunder. Further, in terms of Regulation 5 A, ibid, a person resident in India may enter into currency futures or currency options on a stock exchange recognized under section 4 of the Securities Contract (Regulation) Act, 1956, to hedge an exposure to risk or otherwise, subject to such terms and conditions as may be set forth in the directions issued by the Reserve Bank of India from time to time. In terms of A.P. (DIR Series) Circular No. 32 dated December 28, 2010, a derivative transaction is only permitted based on the presence of an underlying price risk exposure for which purchase and/or sale of foreign exchange is permitted under FEMA, 1999. Further, remittances under the Liberalised Remittance Scheme are allowed only in respect of permissible capital or current account transactions or a combination of both. All other transactions, which are otherwise not permissible under FEMA, 1999, including the transactions in the nature of remittance for margins or margin calls to overseas exchanges/overseas counterparty, are not allowed under the Scheme.

Keeping in view that overseas foreign exchange trading has been introduced on a number of internet / electronic trading portals and advertising to lure the residents with offers of guaranteed high returns based on such forex trading and soliciting some initial investment amount in Indian Rupees. Some companies have reportedly engaged agents who personally contact people to undertake forex trading/ investment schemes and entice them with promises of disproportionate/ exorbitant returns. Most of the forex trading through these portals are done on a margining basis with huge leverage or on an investment basis, where the returns are based on forex trading. The public is being asked to make the margin payments for such online forex trading transactions through credit cards/deposits in various accounts maintained with banks in India. It is also observed that accounts are being opened in the name of individuals or proprietary concerns at different bank branches for collecting the margin money, investment money, etc.

The AD Category-I banks have been advised to exercise due caution and be extra vigilant in respect of above transactions.

[A.P. (DIR Series) Circular No. 53
dated April 08, 2011]

7. Issue of Irrevocable Payment Commitment (IPCs) to Stock Exchanges on behalf of Mutual Funds (MFs) and Foreign Institutional Investors (FIIs)

In terms of Notification No.FEMA.20/2000-RB dated May 3, 2000, as amended from time to time, Foreign Institutional Investors (FIIs) registered with SEBI may purchase shares or convertible debentures of an Indian company under the Portfolio Investment Scheme (PIS), subject to the condition that no fund based/non-fund based facilities are permitted to the FIIs (Notification No.FEMA.8/2000-RB dated May 03, 2000).

It has been decided to allow custodian banks to issue Irrevocable Payment Commitments (IPCs) in favour of the Stock Exchanges/Clearing Corporations of the Stock Exchanges, on behalf of their FII clients for purchase of shares under the PIS. Issue of IPCs should be in accordance with the Reserve Bank regulations on banks' exposure to the capital market issued by the Reserve Bank from time to time. Further, AD Category – I banks have to comply with the instructions issued by our Department of Banking Operations and Development (DBOD) vide circular no. DBOD Dir. BC.46/13.03.00/2010-11 dated September 30, 2010.

[A.P. (DIR Series) Circular No. 54
dated April 29, 2011]

8. Foreign investments in India by SEBI registered FIIs in other securities

In terms of Notification No.FEMA.20/2000-RB dated May 3, 2000, as amended from time to time, SEBI registered Foreign Institutional Investor (FII) may purchase, on repatriation basis, listed non-convertible debentures/bonds issued by an Indian company, subject to such terms and conditions mentioned therein and limits as prescribed for the same by the RBI & the SEBI from time to time. The present limits for such investments is USD 15 billion for FII investment in corporate debt with an additional limit of USD 5 billion for FII investment in bonds with a residual maturity of over five years, issued by Indian companies which are in the infrastructure sector, where 'infrastructure' is defined in terms of the extant guidelines on External Commercial Borrowings (ECB).

It has now been decided, in consultation with the Government, to enhance the FII investment limit in listed non-convertible debentures/bonds, with a residual maturity of five years and above, and issued by Indian companies in the infrastructure sector, where 'infrastructure' is defined in terms of the extant ECB guidelines, by an additional limit of USD 20 billion taking existing limit from USD 5 billion to USD 25 billion (with this the total limit available to FIIs for investment in listed non convertible debentures/bonds would be USD 40 billion with a sub limit of USD 25 billion for investment in listed non-convertible debentures/bonds issued by corporates in the infrastructure sector). Further, such investment by FIIs in listed non-convertible debentures/bonds would have a minimum lock-in period of three years. However, FIIs are allowed to trade amongst themselves during the lock-in period. It has also been decided to allow SEBI registered FIIs to invest in unlisted non-convertible debentures/bonds issued by corporates in the infrastructure sector.

[A.P. (DIR Series) Circular No. 55
dated April 29, 2011]

9. Foreign Exchange Management Act, 1999-Advance Remittance for Import of Goods – Liberalisation

AD Category – I banks are required to obtain an unconditional, irrevocable standby Letter of Credit (LC) or a guarantee from an international bank of repute situated outside India or a guarantee of an AD Category – I bank in India, if such a guarantee is issued against the counter guarantee of an international bank of repute situated outside India, for an advance remittance exceeding USD 100,000 or its equivalent.

With a view to liberalising the procedure, it has been decided to enhance the aforesaid limit of USD 100,000 to USD 200,000 or its equivalent, with immediate effect for importers (other than a Public Sector Company or a Department/Undertaking of Central/State Governments where the requirement of bank guarantee is to be specifically waived by the Ministry of Finance, Government of India for advance remittances exceeding USD 100,000 or its equivalent).

[A.P. (DIR Series) Circular No. 56 dated April 29, 2011]

Current Statistics

Contents

Notes: (1) The coverage of data will be expanded from time to time to include new statistical information as and when it becomes available.

(2) Some of the figures included in the tables are provisional and may be revised in later issues. Each issue contains all the revisions made upto the date of publication of the Bulletin.

(3) The following symbols have been used throughout this Section:

.. = Figure is not available.

- = Figure is nil or negligible.

P = Provisional.

(4) Where necessary, each figure has been rounded off to the nearest final digit. For this reason, there may be, in some tables, a slight discrepancy between the sum of the constituent items and the total.

(5) A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different basis and are not strictly comparable. In each case, a suitable footnote is added.

(6) For definitions of important items, sources of data, coverage, scope, method of compilation, etc. a reference may be made to the Explanatory Notes, issued as a supplement to the October 1978 issue of the Bulletin.

(7) 1 Lakh = 1.00.000. 1 Million = 10 lakh. 1 Crore = 10 Million.

General

No. 1: Selected Economic Indicators

Item	Unit / Base	1990-91	2008-09	2009-10	2010-11	2011 Jan.	2011 Feb.	2011 Mar.
	1	2	3	4	5	6	7	8
Output								
1. Gross Domestic Product at Factor Cost (at 2004-05 prices)	₹ crore	10,83,572 **	41,62,509	44,93,743(Q.E.)	48,79,232 (A.E.)			
2. Index number of Agricultural Production (All crops)	Triennium ended 1993-94=100	148.4	161.2	150.4	..			
a. Foodgrains Production	Million tonnes	176.4	234.5	218.1	235.9 £			
3. General Index of Industrial Production (1)	1993-94=100	212.6 *	286.1	316.2	..	360.0 (p)	342.9 (P)	
Money and Banking								
Reserve Bank of India (2)								
4. Notes in Circulation	₹ crore	53,784	6,81,058	7,90,223	9,42,107	9,12,514	9,28,784	9,42,107
5. Rupee Securities (3)	"	86,035	1,21,962	1,76,755	3,21,758	3,36,982	3,26,376	3,21,758
6. Loans and Discount	"	19,900	21,562	3,822	6,294	5,243	4,895	6,294
(a) Scheduled Commercial Banks (4)	"	8,169	11,728	42	5,031	4,374	3,352	5,031
(b) Scheduled State Co-operative Banks (4)	"	38	–	–	30	50	30	30
(c) Bills Purchased and Discounted (internal)	"	–	–	–	–	–	–	–
Scheduled Commercial Banks								
7. Aggregate Deposits (5)	₹ crore	1,92,541	38,34,110	44,92,826	52,04,703 (P)	49,87,416	50,87,994	52,04,703 (P)
8. Bank Credit (5)	"	1,16,301	27,75,549	32,44,788	39,38,659 (P)	37,37,677	38,13,016	39,38,659 (P)
9. Investment in Govt. Securities (5)	"	49,998	11,55,786	13,78,395	14,95,467 (P)	14,78,583	14,82,319	14,95,467 (P)
10. Cheque Clearances (6)	₹ thousand crore	1,703	6,020	4,528 (P)	4,235 (P)	322 (P)	324 (P)	416 (P)
11. Money Stock Measures (7)								
(a) M_1	₹ crore	92,892	12,59,707	14,89,301	16,31,645	15,63,683	15,86,410	16,36,637
(b) M_3	"	2,65,828	47,94,812	56,02,731	64,91,756	62,52,909	63,63,562	64,96,747
Cash Reserve Ratio and Interest Rates								
12. Cash Reserve Ratio (2), (14)	Per cent	15.00	5.00	5.75	6.00	6.00	6.00	6.00
13. Bank Rate	Per cent Per annum	10.00	6.00	6.00	6.00	6.00	6.00	6.00
14. Inter-bank Call Money Rate (Mumbai) (8)	"	4.00-70.00	2.50-5.75	2.25-5.75	5.70-10.0	5.15-7.05	5.50-7.15	5.70-10.0
15. Deposit Rate (9)								
(a) 30 days and 1 year	"	8.00 (11)	} 3.25-8.00	1.50-6.50	2.50-8.00	2.50-7.75	2.50-8.00	2.50-8.00
(b) 1 year and above	"	9.00-11.00	8.00-8.50	6.00-7.50	8.25-9.50	8.00-8.75	8.25-9.50	8.25-9.50

Q.E. : Quick Estimate. A.E.: Advance Estimate

** Data for 1990-91 corresponds to 1999-2000 base. R: Revised.

* Base : 1980-81 = 100. + Base Triennium ending 1981-82=100 and from 2002-03 new base (Triennium ending 1993-94=100)

^ Base : 2001 = 100 from January 2006 onwards.

^ ^ CPI (UNME) are Linked All - India Index from the April 2008 onwards. As per the Press Release of Central Statistics Office, all-India linked Consumer Price Index for Urban Non-Manual Employees (UNME) has been discontinued with effect from January 2011. Therefore, these data will not be updated henceforth.

£ Third Advance Estimates of production of Foodgrains for 2010-11.

Also see 'Notes on Tables'.

No. 1: Selected Economic Indicators *(Concld.)*

Item	Unit / Base	1990-91	2008-09	2009-10	2010-11	2011		
						Jan.	Feb.	Mar.
	1	2	3	4	5	6	7	8
16. Base Rate (10)	"		11.50-12.50	11.00-12.00	8.25-9.50	8.00-9.00	8.25-9.50	8.25-9.50
17. Yield on 7.40% Loan 2012	"		7.26	6.08				
Government Securities Market (2)								
18. Govt. of India 91-day Treasury Bills (Total outstandings)	₹ crore		75,549	71,503	70,345	63,813	64,591	70,345
Price Indices								
19. Wholesale Prices (11)	2004-05=100							
(a) All Commodities	"	182.7 +	125.9	130.4	..	147.4	146.0 (P)	148.0 (P)
(b) Primary Articles	"	184.9 +	137.5	154.9	..	195.3	187.8 (P)	187.4 (P)
(c) Fuel and Power	"	175.8 +	135.0	132.1	..	151.3	152.3 (P)	158.2 (P)
(d) Manufactured Products	"	182.8 +	120.2	122.4	..	131.7	131.6 (P)	133.4 (P)
(e) Foodgrains (Cereals + Pulses)	"	179.2 +	145.3	166.4	..	176.4	176.1 (P)	176.2 (P)
(f) Edible Oils	"	223.3 +	121.6	114.4	..	127.2	127.6 (P)	128.3 (P)
(g) Sugar, Khandsari & Gur	"	152.3 +	106.8	161.9	..	166.6	162.4 (P)	163.4 (P)
(h) Raw Cotton	"	145.5 +	141.2	138.6	..	236.6	263.4 (P)	295.1 (P)
20. Consumer Prices (All-India) (1)								
(a) Industrial Workers ^	2001=100	193	145	163	180	188	185	185
(b) Urban Non-Manual Employees ^ ^	1984-85=100	161	561	634	..	"	"	"
(c) Agricultural Labourers	July 1986-June 1987=100	"	462	530	..	589	584	585
Foreign Trade								
21. Value of Imports	U.S. $ Million	24,073	298,834	288,373	350,695	28,587 (P)	31,701 (P)	34,743 (P)
22. Value of Exports	"	18,145	182,799	178,751	245,868	20,605 (P)	23,597 (P)	29,135 (P)
23. Balance of Trade	"	–5,927	–116,034	–109,621	–104,827	–7,982 (P)	–8,104 (P)	–5,608 (P)
24. Foreign Exchange Reserves (12)								
(a) Foreign Currency Assets	U.S. $ Million	2,236	241,426	254,685	274,330	269,893	271,988	274,330
(b) Gold	"	3,496	9,577	17,986	22,972	21,924	22,143	22,972
(c) SDRs	"	102	1	5,006	4,569	5,150	5,187	4,569
Employment Exchange Statistics (13)								
25. Number of Registrations	Thousand	6,541	..	..	..	..	..	..
26. Number of Applicants								
(a) Placed in Employment	"	265	..	..	..	..	..	..
(b) On live Register (12)	"	34,632	..	..	..	..	..	..

Note : Data for 2007-08 Employment Exchange Statistics are End-Decemeber 2007.

Money and Banking

No. 2: Reserve Bank of India

(₹ crore)

Last Friday / Friday	1990-91	2009-10	2010-11	2010			2011							
				Apr.	Nov.	Dec.	Jan.	Feb.	Mar	Apr. 1	Apr. 8	Apr. 15	Apr. 22	Apr. 29
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Issue Department Liabilities														
Notes in Circulation	53,784	7,90,223	9,42,107	8,20,203	8,89,288	8,94,599	9,12,514	9,28,784	9,42,107	9,33,728	9,52,690	9,68,398	9,70,209	9,68,947
Notes held in Banking Department	23	16	17	16	16	16	8	17	17	13	14	14	19	16
Total Liabilities (Total Notes Issued) or Assets	**53,807**	**7,90,239**	**9,42,124**	**8,20,219**	**8,89,304**	**8,94,615**	**9,12,522**	**9,28,801**	**9,42,124**	**9,33,741**	**9,52,704**	**9,68,411**	**9,70,227**	**9,68,963**
Assets														
Gold Coin and Bullion	6,654	43,411	52,422	43,166	50,571	52,760	52,760	52,787	52,422	53,748	53,748	53,748	53,748	55,325
Foreign Securities	200	7,45,491	8,88,420	7,75,847	8,37,579	8,40,622	8,58,634	8,74,792	8,88,420	8,78,715	8,97,698	9,13,428	9,15,270	9,12,465
Rupee Coin (1)	29	291	236	160	107	187	82	175	236	231	211	189	163	127
Government of India Rupee Securities	46,924	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046
Banking Department Liabilities Deposits	**38,542**	**3,18,934**	**3,56,534**	**3,46,884**	**3,87,340**	**4,38,169**	**3,99,600**	**3,74,424**	**3,56,534**	**4,40,242**	**3,06,737**	**3,86,341**	**3,72,877**	**3,85,090**
Central Government	61	3,933	6,293	1,189	43,525	94,537	68,471	27,498	6,293	100	100	100	100	100
Market Stabilisation Scheme	–	2,737	–	2,737	–	–	–	–	–	–	–	–	–	–
State Governments	33	41	41	461	41	41	41	41	41	42	42	399	819	42
Scheduled Commercial Banks	33,484	2,81,390	3,19,163	3,11,761	3,10,878	3,12,868	2,90,630	3,15,978	3,19,163	4,06,551	2,77,039	3,55,262	3,39,991	3,52,788
Scheduled State Co-operative Banks	244	3,917	3,494	4,311	3,858	3,675	3,454	3,569	3,494	4,082	3,465	3,836	3,834	3,949
Non-Scheduled State Co-operative Banks	13	77	86	74	70	76	61	59	86	65	81	64	70	66
Other Banks	88	13,120	15,198	14,236	15,169	14,640	14,875	14,963	15,198	16,708	15,445	16,000	15,989	16,229
Others	4,619	13,719	12,260	12,116	13,799	12,330	22,068	12,316	12,260	12,694	10,564	10,679	12,074	11,915
Other Liabilities (2)	28,342	3,16,642	3,61,350	2,98,355	3,52,601	3,39,002	3,70,701	3,68,895	3,61,350	3,68,811	3,58,129	3,70,984	3,73,525	3,93,535
Total Liabilities or Assets	**66,884**	**6,35,577**	**7,17,885**	**6,45,239**	**7,39,941**	**7,77,171**	**7,70,301**	**7,43,319**	**7,17,885**	**8,09,053**	**6,64,866**	**7,57,325**	**7,46,403**	**7,78,625**

See 'Notes on Tables.'

No. 2: Reserve Bank of India *(Concld.)*

(₹ crore)

Last Friday / Friday	1990-91	2009-10	2010-11	2010			2011							
				Apr.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr. 1	Apr. 8	Apr. 15	Apr. 22	Apr. 29
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Assets														
Notes and Coins	23	17	17	16	16	16	8	17	17	13	14	14	19	16
Balances held Abroad (3)	4,008	4,01,429	3,34,547	3,57,276	3,76,633	3,60,370	3,73,991	3,57,543	3,34,547	3,50,151	3,26,101	3,22,325	3,22,124	3,40,111
Loans and Advances														
Central Government	–	–	–	28,868	–	–	–	–	–	–	37,038	50,607	48,401	35,399
State Governments (4)	916	558	729	1,073	1,242	–	750	1,199	729	610	1,787	2,919	1,394	1,615
Scheduled Commercial Banks	8,169	42	5,031	–	4,582	4,976	4,374	3,352	5,031	5,115	1,065	1,873	1,105	2,115
Scheduled State Co-op.Banks	38	–	30	–	30	60	50	30	30	–	30	30	30	30
Industrial Dev. Bank of India	3,705	–	–	–	–	–	–	–	–	–	–	–	–	–
NABARD	3,328	–	–	–	–	–	–	–	–	–	–	–	–	–
EXIM Bank	745	–	–	–	–	–	–	–	–	–	–	–	–	–
Others	1,615	3,222	504	28	367	368	69	314	504	908	25	293	69	339
Bills Purchased and Discounted														
Internal	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Government Treasury Bills	1,384	–	–	–	–	–	–	–	–	–	–	–	–	–
Investments	40,286	1,78,663	3,22,242	2,05,638	3,07,192	3,58,823	3,37,469	3,26,862	3,22,242	3,96,153	2,39,699	3,23,036	3,16,726	3,41,094
Other Assets (5)	2,666	51,646	54,784	52,340	49,879	52,559	53,590	54,002	54,784	56,102	59,107	56,228	56,533	57,904
	(-)	(39,434)	(47,619)	(39,211)	(45,938)	(47,926)	(47,926)	(47,951)	(47,619)	(48,824)	(48,824)	(48,824)	(48,824)	(50,257)

No. 3: All Scheduled Banks - Business in India

(₹ crore)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2009-10	2010-11(P)	2010					2011		
				Mar.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. (P)
	1	2	3	4	5	6	7	8	9	10	11
Number of Reporting Banks	299	232	232	232	232	232	232	232	232	232	232
Liabilities to the Banking System (1)	**6,673**	**1,05,729**	**1,11,248**	**1,05,729**	**1,00,551**	**1,04,358**	**94,188**	**1,09,232**	**1,01,776**	**1,07,185**	**1,11,248**
Demand and Time Deposits from Banks (2)	5,598	67,371	74,440	67,371	69,339	67,603	65,537	72,193	69,757	73,572	74,440
Borrowings from Banks (3)	998	32,376	29,671	32,376	22,408	29,649	21,591	27,962	25,056	26,506	29,671
Other Demand and Time Liabilities (4)	77	5,983	7,138	5,983	8,804	7,106	7,061	9,076	6,963	7,107	7,138
Liabilities to Others (1)	**2,13,125**	**50,76,365**	**58,33,730**	**50,76,365**	**53,12,314**	**55,95,776**	**54,06,828**	**55,85,424**	**55,90,284**	**56,94,429**	**58,33,730**
Aggregate Deposits (5)	**1,99,643**	**46,35,225**	**53,51,795**	**46,35,225**	**48,55,659**	**51,11,128**	**49,38,902**	**51,31,115**	**51,32,602**	**52,33,080**	**53,51,795**
Demand	34,823	6,60,446	6,53,814	6,60,446	6,34,153	7,55,709	6,08,998	6,60,487	6,05,493	6,18,437	6,53,814
Time (5)	1,64,820	39,74,778	46,97,981	39,74,778	42,21,506	43,55,418	43,29,904	44,70,629	45,27,110	46,14,643	46,97,981
Borrowings (6)	645	1,06,191	1,33,615	1,06,191	1,20,954	1,10,885	1,38,684	1,19,511	1,25,774	1,25,647	1,33,615
Other Demand and Time Liabilities (4)	12,838	3,34,950	3,48,320	3,34,950	3,35,701	3,73,763	3,29,242	3,34,798	3,31,907	3,35,702	3,48,320
Borrowings from Reserve Bank (7)	**3,483**	**42**	**5,105**	**42**	**2,346**	**5,642**	**4,653**	**5,078**	**4,468**	**3,426**	**5,105**
Against Usance Bills / Promissory Notes	–	–	–	–	–	–	–	–	–	–	–
Others (8)	3,483	42	5,105	42	2,346	5,642	4,653	5,078	4,468	3,426	5,105
Cash in Hand and Balances with Reserve Bank	**25,995**	**3,16,120**	**3,58,766**	**3,16,120**	**3,31,248**	**3,90,774**	**3,52,287**	**3,55,942**	**3,32,135**	**3,56,633**	**3,58,766**
Cash in Hand	1,847	26,296	30,923	26,296	30,891	32,102	32,001	34,298	32,905	31,984	30,923
Balances with Reserve Bank (9)	24,147	2,89,824	3,27,844	2,89,824	3,00,357	3,58,672	3,20,286	3,21,644	2,99,231	3,24,649	3,27,844

See "Notes on Tables"

No. 3: All Scheduled Banks - Business in India *(Concld.)*

(₹ crore)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2009-10	2010-11(P)	2010					2011		
				Mar.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. (P)
	1	2	3	4	5	6	7	8	9	10	11
Assets with the Banking System	**6,848**	**1,66,945**	**1,69,672**	**1,66,945**	**1,43,645**	**1,49,039**	**1,34,828**	**1,53,303**	**1,39,208**	**1,53,023**	**1,69,672**
Balances with Other Banks	3,347	70,372	61,614	70,372	55,661	54,116	52,348	61,349	54,887	57,976	61,614
In Current Account	1,926	14,853	11,140	14,853	10,772	10,926	10,032	12,433	10,580	10,485	11,140
In Other Accounts	1,421	55,520	50,474	55,520	44,889	43,191	42,316	48,916	44,306	47,490	50,474
Money at Call and Short Notice	2,201	33,135	26,785	33,135	24,756	29,593	21,881	27,046	24,643	27,243	26,785
Advances to Banks (10)	902	10,149	11,937	10,149	4,826	4,829	4,511	7,915	6,367	6,865	11,937
Other Assets	398	53,289	69,336	53,289	58,403	60,501	56,088	56,993	53,312	60,940	69,336
Investment	**76,831**	**14,37,770**	**15,49,225**	**14,37,770**	**15,26,932**	**15,06,219**	**15,17,685**	**14,98,396**	**15,32,831**	**15,36,357**	**15,49,225**
Government Securities (11)	51,086	14,28,470	15,43,431	14,28,470	15,20,095	14,99,756	15,11,496	14,92,497	15,27,274	15,30,770	15,43,431
Other Approved Securities	25,746	9,300	5,795	9,300	6,837	6,462	6,188	5,898	5,557	5,586	5,795
Bank Credit	**1,25,575**	**33,37,548**	**40,57,546**	**33,37,548**	**35,28,024**	**36,31,931**	**36,74,709**	**38,75,670**	**38,50,203**	**39,28,155**	**40,57,546**
Loans, Cash-credits and Overdrafts	1,14,982	32,12,787	39,07,299	32,12,787	34,02,086	35,05,120	35,44,052	37,36,221	37,12,403	37,84,891	39,07,299
Inland Bills-Purchased	3,532	12,686	14,016	12,686	11,356	11,383	11,618	14,326	13,489	13,598	14,016
Inland Bills-Discounted	2,409	63,322	80,867	63,322	63,479	66,596	69,145	71,007	69,884	73,758	80,867
Foreign Bills-Purchased	2,788	16,205	18,682	16,205	17,167	17,340	17,483	19,035	18,426	18,689	18,682
Foreign Bills-Discounted	1,864	32,548	36,683	32,548	33,937	31,492	32,412	35,081	36,001	37,220	36,683
Cash-Deposit Ratio	13.0	6.8	6.7	6.8	6.8	7.6	7.1	6.9	6.5	6.8	6.7
Investment-Deposit Ratio	38.5	31.0	28.9	31.0	31.4	29.5	30.7	29.2	29.9	29.4	28.9
Credit-Deposit Ratio	62.9	72.0	75.8	72.0	72.7	71.1	74.4	75.5	75.0	75.1	75.8

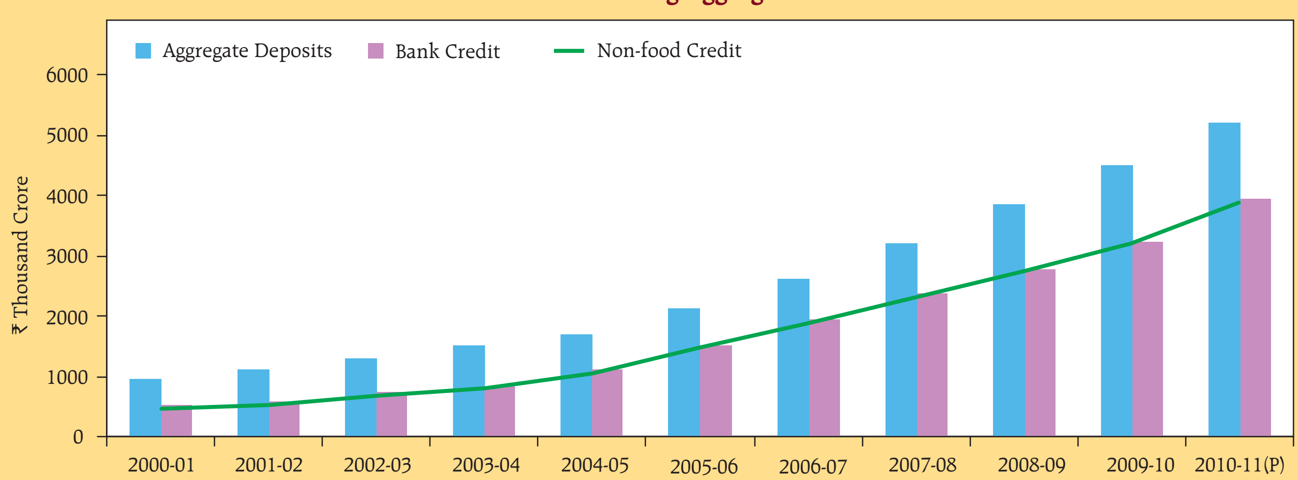
No. 4: All Scheduled Commercial Banks – Business in India

(₹ crore)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2009-10	2010-11(P)	2010					2011		
				Mar.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. (P)
	1	2	3	4	5	6	7	8	9	10	11
Number of Reporting Banks	271	163	163	163	163	163	163	163	163	163	163
Liabilities to the Banking System (1)	**6,486**	**1,03,267**	**1,08,389**	**1,03,267**	**97,573**	**1,01,433**	**91,315**	**1,06,292**	**98,923**	**1,04,266**	**1,08,389**
Demand and Time Deposits from Banks **(2)**, **(12)**	5,443	64,931	71,688	64,931	66,537	64,852	62,785	69,484	67,048	70,844	71,688
Borrowings from Banks (3)	967	32,358	29,567	32,358	22,238	29,494	21,479	27,737	24,917	26,319	29,567
Other Demand and Time Liabilities (4)	76	5,978	7,133	5,978	8,798	7,087	7,051	9,071	6,958	7,103	7,133
Liabilities to Others (1)	**2,05,600**	**49,26,524**	**56,78,720**	**49,26,524**	**51,61,718**	**54,43,324**	**52,54,189**	**54,31,877**	**54,36,989**	**55,41,395**	**56,78,720**
Aggregate Deposits (5)	**1,92,541**	**44,92,826**	**52,04,703**	**44,92,826**	**47,11,275**	**49,67,022**	**47,94,376**	**49,85,789**	**49,87,416**	**50,87,994**	**52,04,703**
Demand	33,192	6,45,610	6,39,022	6,45,610	6,16,131	7,40,869	5,94,503	6,44,435	5,90,823	6,04,050	6,39,022
Time (5)	1,59,349	38,47,216	45,65,681	38,47,216	40,95,144	42,26,153	41,99,874	43,41,354	43,96,593	44,83,944	45,65,681
Borrowings (6)	470	1,04,278	1,31,665	1,04,278	1,19,955	1,07,973	1,35,867	1,16,893	1,23,496	1,23,562	1,31,665
Other Demand and Time Liabilities (4), (13)	12,589	3,29,420	3,42,352	3,29,420	3,30,488	3,68,329	3,23,946	3,29,194	3,26,076	3,29,839	3,42,352
Borrowings from Reserve Bank (7)	**3,468**	**42**	**5,031**	**42**	**2,316**	**5,576**	**4,582**	**4,976**	**4,374**	**3,352**	**5,031**
Against Usance Bills/ Promissory Notes	–	–	–	–	–	–	–	–	–	–	–
Others	3,468	42	5,031	42	2,316	5,576	4,582	4,976	4,374	3,352	5,031

See 'Notes on Tables'.

Select Banking Aggregates



No. 4: All Scheduled Commercial Banks – Business In India *(Concld.)*

(₹ crore)

Last Reporting Friday (in case of March)/ Last Friday	1990-91	2009-10	2010-11(P)	2010					2011		
				Mar.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar. (P)
	1	2	3	4	5	6	7	8	9	10	11
Cash in Hand and Balances with Reserve Bank	**25,665**	**3,06,968**	**3,49,323**	**3,06,968**	**3,21,818**	**3,80,258**	**3,41,974**	**3,46,398**	**3,22,690**	**3,47,184**	**3,49,323**
Cash in Hand	1,804	25,578	30,160	25,578	30,053	31,098	31,097	33,529	32,060	31,206	30,160
Balances with Reserve Bank (9)	23,861	2,81,390	3,19,163	2,81,390	2,91,765	3,49,160	3,10,878	3,12,868	2,90,630	3,15,978	3,19,163
Assets with the Banking System	**5,582**	**1,34,444**	**1,47,960**	**1,34,444**	**1,20,459**	**1,26,622**	**1,12,760**	**1,29,780**	**1,16,206**	**1,31,053**	**1,47,960**
Balances with Other Banks	2,846	62,421	54,882	62,421	47,899	46,586	44,831	53,210	47,375	50,851	54,882
In Current Account	1,793	13,210	9,725	13,210	9,289	9,528	8,538	10,554	8,912	9,027	9,725
In Other Accounts	1,053	49,211	45,158	49,211	38,611	37,057	36,292	42,656	38,463	41,824	45,158
Money at Call and Short Notice	1,445	17,668	16,348	17,668	14,206	18,986	11,481	17,162	14,044	17,139	16,348
Advances to Banks (10)	902	9,892	11,591	9,892	4,562	4,551	4,190	7,581	6,044	6,559	11,591
Other Assets	388	44,463	65,139	44,463	53,792	56,499	52,258	51,827	48,743	56,504	65,139
Investment	**75,065**	**13,84,752**	**15,00,039**	**13,84,752**	**14,74,206**	**14,54,782**	**14,66,633**	**14,48,479**	**14,82,914**	**14,86,674**	**15,00,039**
Government Securities (11)	49,998	13,78,395	14,95,467	13,78,395	14,68,847	14,49,780	14,61,791	14,43,817	14,78,583	14,82,319	14,95,467
Other Approved Securities	25,067	6,358	4,572	6,358	5,359	5,001	4,842	4,662	4,330	4,355	4,572
Bank credit (14)	**1,16,301**	**32,44,788**	**39,38,659**	**32,44,788**	**34,25,228**	**35,26,665**	**35,68,380**	**37,65,372**	**37,37,677**	**38,13,016**	**39,38,659**
	(4,506)	**(48,489)**	**(64,283)**	**(48,489)**	**(50,232)**	**(50,683)**	**(59,125)**	**(65,948)**	**(61,182)**	**(65,292)**	**(64,283)**
Loans,Cash-Credits and Overdrafts	1,05,982	31,22,158	37,90,471	31,22,158	33,01,772	34,02,201	34,39,906	36,28,045	36,01,874	36,71,752	37,90,471
Inland Bills-Purchased	3,375	12,014	13,494	12,014	10,209	10,416	10,872	13,684	12,560	13,062	13,494
Inland Bills-Discounted	2,336	62,218	79,721	62,218	62,444	65,534	68,078	69,848	69,107	72,653	79,721
Foreign Bills-Purchased	2,758	16,132	18,606	16,132	17,096	17,284	17,386	18,963	18,389	18,609	18,606
Foreign Bills-Discounted	1,851	32,266	36,368	32,266	33,707	31,231	32,138	34,832	35,747	36,939	36,368
Cash-Deposit Ratio	13.3	6.8	6.7	6.8	6.8	7.7	7.1	6.9	6.5	6.8	6.7
Investment- Deposit Ratio	39.0	30.8	28.8	30.8	31.3	29.3	30.6	29.1	29.7	29.2	28.8
Credit-Deposit Ratio	60.4	72.2	75.7	72.2	72.7	71.0	74.4	75.5	74.9	74.9	75.7

No. 5: Scheduled Commercial Banks' Investments

(₹ crore)

Outstanding as on	SLR Securities	Commercial Paper	Shares issued by			Bonds / Debentures issued by			Instruments issued by	
			PSUs	Private Corporate Sector	Others	PSUs	Private Corporate Sector	Others	Mutual funds	Financial instituations
	1	2	3	4	5	6	7	8	9	10
March 19, 2004	6,77,588	3,835	1,565	7,400	41	49,720	27,966	5,232	11,930	32,988
March 18, 2005	7,39,154	3,944	1,886	10,289	44	46,939	31,994	6,980	12,744	31,557
March 31, 2006	7,17,454	4,837	2,627	10,502	41	33,018	29,550	15,153	10,410	29,203
March 30, 2007	7,91,516	9,038	2,129	16,225	74	29,232	27,641	17,787	11,761	26,568
March 28, 2008	9,71,715	13,270	3,025	23,389	294	27,935	28,700	29,230	18,824	25,942
March 27, 2009	11,66,410	20,001	2,769	25,060	407	25,456	33,131	31,073	37,035	32,585
March 26, 2010	13,84,752	25,188	4,625	25,481	86	22,710	40,067	30,902	52,887	32,597
March 25, 2011	15,00,039	12,624	8,981	32,371	429	26,858	66,109	44,403	47,638	31,385
March 12, 2010	13,88,424	21,799	4,069	25,782	88	23,228	39,563	31,827	1,08,990	31,244
March 26, 2010	13,84,752	25,188	4,625	25,481	86	22,710	40,067	30,902	52,887	32,597
April 9, 2010	14,64,987	19,600	5,318	27,192	87	21,768	36,773	31,569	112,415	30,804
April 23, 2010	14,39,858	17,158	5,351	27,870	83	21,034	37,342	30,936	105,758	28,928
May 7, 2010	14,30,211	16,419	7,150	26,145	80	22,449	41,293	33,680	114,481	25,971
May 21, 2010	14,47,258	16,856	7,148	27,189	29	21,469	42,144	34,511	109,207	25,662
June 4, 2010	14,39,722	26,926	7,113	27,146	29	22,071	42,081	40,315	47,853	26,247
June 18, 2010	14,15,850	27,125	6,950	26,943	304	21,865	44,495	38,339	35,181	27,115
July 2, 2010	14,33,331	27,502	6,804	26,839	443	21,169	45,858	37,410	20,752	27,379
July 16, 2010	14,41,573	27,830	6,954	27,394	327	23,273	45,968	32,906	26,209	28,227
July 30, 2010	14,54,604	31,152	7,030	27,383	375	22,589	48,009	33,698	36,787	26,615
August 13, 2010	14,53,904	35,079	7,164	27,486	651	22,908	48,796	34,579	40,830	26,464
August 27, 2010	14,77,883	38,297	7,227	27,480	4,226	23,091	49,874	39,376	61,818	27,223
September 10, 2010	14,59,910	40,158	7,218	27,435	375	23,048	49,482	39,050	85,271	27,942
September 24, 2010	14,74,206	43,990	7,100	27,019	374	21,937	50,611	35,222	30,436	28,215
October 8, 2010	14,77,093	42,676	6,894	26,979	376	22,115	52,092	31,618	60,404	28,789
October 22, 2010	15,03,713	40,760	7,125	27,157	375	25,493	50,663	37,825	49,521	28,908
November 5, 2010	14,88,232	39,341	7,727	27,371	378	25,038	53,614	32,042	29,201	28,408
November 19, 2010	14,76,412	40,741	7,721	27,181	384	23,820	53,278	29,481	45,803	28,515
December 3, 2010	14,83,582	35,712	8,121	27,339	384	23,762	54,507	31,477	39,587	28,933
December 17, 2010	14,45,544	32,715	8,252	27,244	407	23,764	54,470	31,375	24,175	29,141
December 31, 2010	14,48,479	35,920	8,235	27,240	414	24,254	58,369	33,887	13,412	29,777
January 14, 2011	14,61,735	29,830	8,448	27,846	413	23,527	57,863	31,078	70,958	29,590
January 28, 2011	14,82,914	30,148	8,453	28,155	414	23,847	60,164	29,808	75,516	29,473
February 11, 2011	14,72,076	32,370	8,422	28,505	416	23,763	62,241	29,743	94,842	28,901
February 25, 2011	14,86,674	30,326	8,435	28,576	418	24,009	62,706	33,437	85,755	29,507
March 11, 2011	14,95,242	13,442	8,385	28,676	426	24,667	63,209	39,442	1,05,650	28,740
March 25, 2011	15,00,039	12,624	8,981	32,371	429	26,858	66,109	44,403	47,638	31,385

Note : Data on Investments are based on Statutory Section 42(2) Returns.
Final upto : February 25, 2011

No. 6: State Co-operative Banks - Maintaining Accounts with the Reserve Bank of India

(₹ crore)

Last Reporting Friday (in case of March)/Last Friday/ Reporting Friday	1990-91	2008-09	2009-10	2009 Dec.	2010 Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.3	Dec.17	Dec.31
	1	2	3	4	5	6	7	8	9	10	11	12	13
Number of Reporting Banks	28	31	31	31	31	31	31	31	31	31	31	31	31
Demand and Time Liabilities													
Aggregate Deposits (1)	**2,152**	**22,588**	**26,896**	**25,962**	**26,917**	**28,023**	**27,757**	**28,085**	**28,295**	**28,235**	**28,344**	**28,395**	**28,044**
Demand Liabilities	**1,831**	**8,051**	**9,746**	**7,995**	**9,651**	**10,368**	**9,890**	**9,710**	**9,926**	**9,764**	**10,022**	**10,249**	**10,692**
Deposits													
Inter-Bank	718	1,936	2,021	1,404	1,487	1,438	1,457	1,370	1,385	1,253	1,336	1,391	1,557
Others	794	4,058	4,887	4,473	5,421	5,832	5,740	5,892	5,780	5,847	5,957	5,942	5,862
Borrowings from Banks	181	367	905	532	806	804	830	647	687	786	787	900	1,244
Others	139	1,689	1,933	1,586	1,936	2,293	1,862	1,801	2,074	1,878	1,942	2,015	2,030
Time Liabilities	**3,963**	**59,625**	**71,485**	**70,256**	**70,953**	**70,478**	**69,242**	**68,478**	**66,994**	**66,505**	**66,334**	**65,955**	**65,593**
Deposits													
Inter-Bank	2,545	40,589	48,489	48,298	48,747	47,625	46,657	45,755	43,933	43,551	43,367	42,964	42,802
Others	1,359	18,530	22,010	21,490	21,496	22,191	22,017	22,193	22,515	22,388	22,387	22,453	22,183
Borrowings from Banks	–	7	205	8	205	155	63	5	5	9	9	16	41
Others	59	500	780	460	505	507	504	525	540	556	570	522	568
Borrowing from Reserve Bank	**15**	–	–	–	–	–	–	–	–	–	–	–	–
Borrowings from the State Bank and / or a Notified bank (2) and State Government	**1,861**	**11,879**	**13,505**	**9,823**	**12,685**	**13,551**	**12,965**	**13,365**	**14,286**	**14,190**	**14,525**	**14,800**	**14,960**
Demand	116	3,057	3,687	2,507	3,701	3,974	4,093	4,263	4,499	4,260	4,513	4,564	4,762
Time	1,745	8,822	9,817	7,317	8,984	9,577	8,873	9,101	9,786	9,929	10,012	10,236	10,198
Assets													
Cash in Hand and Balances with Reserve Bank	**334**	**3,387**	**4,140**	**3,780**	**4,464**	**4,225**	**4,179**	**3,961**	**4,087**	**4,108**	**3,759**	**4,022**	**3,920**
Cash in Hand	24	149	151	147	154	173	163	178	162	182	181	163	172
Balance with Reserve Bank	310	3,238	3,988	3,633	4,310	4,052	4,017	3,784	3,924	3,926	3,578	3,859	3,748
Balances with Other Banks in Current Account	93	554	683	460	568	571	496	465	453	540	574	553	583
Investments in Government Securities (3)	1,058	18,432	24,896	23,847	25,893	25,952	25,555	26,049	25,953	25,784	25,340	25,112	24,884
Money at Call and Short Notice	498	15,801	19,010	16,444	16,126	15,776	14,668	14,662	14,499	14,806	15,352	14,166	14,300
Bank Credit (4)	**2,553**	**18,501**	**19,449**	**20,070**	**21,574**	**22,070**	**22,095**	**21,947**	**21,447**	**21,234**	**21,222**	**21,483**	**21,478**
Advances													
Loans, Cash-Credits and Overdrafts	2,528	18,490	19,436	20,060	21,560	22,057	22,081	21,935	21,433	21,218	21,206	21,470	21,463
Due from Banks (5)	5,560	27,239	28,288	27,409	28,741	30,820	31,771	32,808	34,542	34,730	34,625	35,592	36,662
Bills Purchased and Discounted	25	10	13	10	14	14	14	11	14	16	16	13	16
Cash - Deposit Ratio	15.5	15.0	15.4	14.6	16.6	15.1	15.1	14.1	14.4	14.5	13.3	14.2	14.0
Investment - Deposit Ratio	49.2	81.6	92.6	91.9	96.2	92.6	92.1	92.7	91.7	91.3	89.4	88.4	88.7
Credit - Deposit Ratio	118.6	81.9	72.3	77.3	80.2	78.8	79.6	78.1	75.8	75.2	74.9	75.7	76.6

See 'Notes on Tables'.

No. 7: Reserve Bank's Standing Facilities to Scheduled Commercial Banks

(₹ crore)

As on last reporting Friday of	Export Credit Refinance (1)		General Refinance (2)		Special Liquidity Support (3)		Total Refinance (4)	
	Limit	Outstanding	Limit	Outstanding	Limit	Outstanding	Limit	Outstanding
	1	2	3	4	5	6	7	8
1996-97	6,654.40	559.97	–	–			6,654.40	559.97
1997-98	2,402.96	394.52	1,115.02	0.11			3,517.98	394.63
1998-99	7,269.27	2,616.57	1,115.02	19.23	3,235.02	258.00	11,619.31	2,893.80
March 1999	7,269.27	2,616.57	1,115.02	19.23	3,235.02	258.00	11,619.31	2,893.80
April 1999	8,638.29	5,164.76	1,115.02	56.31	–	–	9,753.31	5,221.07

As on Last Reporting Friday of	Export Credit Refinance (1)						Others @						Total Standing Facility	
	Normal *		Back Stop **		Total ***		Normal *		Back Stop **		Total			
	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing	Limit	Out-standing
	1	2	3	4	5 =(1+3)	6 =(2+4)	7	8	9	10	11 =(7+9)	12 =(8+10)	13 =(5+11)	14 =(6+12)
2001-02	6,060.29	3,144.11	3,025.60	49.83	9,085.89	3,193.94	837.62	422.35	218.70	–	1,056.27	422.35	10,142.16	3,616.29
2002-03	2,524.13	61.51	2,524.13	23.00	5,048.26	84.51	399.66	–	–	–	399.66	–	5,447.92	84.51
2003-04	1,553.25	–	3,111.17	–	4,664.42	–	399.66	–	–	–	399.66	–	5,064.08	–
2004-05	–	–	–	–	4,912.13	50.00	399.66	–	–	–	399.66	–	5,311.79	50.00
2005-06	–	–	–	–	6,050.63	1,567.68	–	–	–	–	–	–	6,050.63	1,567.68
2006-07	–	–	–	–	8,110.33	4,984.94	–	–	–	–	–	–	8,110.33	4,984.94
2007-08	–	–	–	–	9,103.46	2,825.00	–	–	–	–	–	–	9,103.46	2,825.00
2008-09	–	–	–	–	34,951.79	3,106.62	–	–	–	–	–	–	34,951.79	3,106.62
2009-10	–	–	–	–	9,072.20	42.00	–	–	–	–	–	–	9,072.20	42.00
Mar. 2008	–	–	–	–	9,103.46	2,825.00	–	–	–	–	–	–	9,103.46	2,825.00
Jun. 2008	–	–	–	–	9,052.03	1,132.14	–	–	–	–	–	–	9,052.03	1,132.14
Oct. 2008	–	–	–	–	9,653.48	91.00	–	–	–	–	–	–	9,653.48	91.00
Nov. 2008	–	–	–	–	34,740.28	2,697.63	–	–	–	–	–	–	34,740.28	2,697.63
Dec. 2008	–	–	–	–	35,991.95	5,330.51	–	–	–	–	–	–	35,991.95	5,330.51
Jan. 2009	–	–	–	–	37,367.21	1,037.00	–	–	–	–	–	–	37,367.00	1,037.00
Feb. 2009	–	–	–	–	35,173.13	1,531.59	–	–	–	–	–	–	35,173.13	1,531.59
Mar. 2009	–	–	–	–	34,951.79	3,106.62	–	–	–	–	–	–	34,951.79	3,106.62
Apr. 2009	–	–	–	–	36,432.22	1,322.35	–	–	–	–	–	–	36,432.22	1,322.35
May 2009	–	–	–	–	34,542.21	715.18	–	–	–	–	–	–	34,542.21	715.18
Jun. 2009	–	–	–	–	33,195.57	1,800.00	–	–	–	–	–	–	33,195.57	1,800.00
Jul. 2009	–	–	–	–	33,293.12	–	–	–	–	–	–	–	33,293.12	–
Aug. 2009	–	–	–	–	31,855.00	–	–	–	–	–	–	–	31,855.00	–
Sep. 2009	–	–	–	–	31,996.53	–	–	–	–	–	–	–	31,996.53	–
Oct. 2009	–	–	–	–	32,534.90	–	–	–	–	–	–	–	32,534.90	–
Nov. 2009	–	–	–	–	9,321.95	–	–	–	–	–	–	–	9,321.95	–
Dec. 2009	–	–	–	–	9,055.76	–	–	–	–	–	–	–	9,055.76	–
Jan. 2010	–	–	–	–	9,221.13	–	–	–	–	–	–	–	9,221.13	–
Feb. 2010	–	–	–	–	8,839.29	240.00	–	–	–	–	–	–	8,839.29	240.00
Mar. 2010	–	–	–	–	9,072.20	42.00	–	–	–	–	–	–	9,072.20	42.00
Apr. 2010	–	–	–	–	9,937.67	–	–	–	–	–	–	–	9,937.67	–
May 2010	–	–	–	–	9,663.93	–	–	–	–	–	–	–	9,663.93	–
Jun. 2010	–	–	–	–	9,080.69	1,869.68	–	–	–	–	–	–	9,080.69	1,869.68
Jul. 2010	–	–	–	–	8,875.62	2,042.00	–	–	–	–	–	–	8,875.62	2,042.00
Aug. 2010	–	–	–	–	8,675.16	895.00	–	–	–	–	–	–	8,675.16	895.00
Sep. 2010	–	–	–	–	8,803.42	2,316.00	–	–	–	–	–	–	8,803.42	2,316.00
Oct. 2010	–	–	–	–	8,637.30	4,124.00	–	–	–	–	–	–	8,637.30	4,124.00
Nov. 2010	–	–	–	–	9,008.49	4,482.00	–	–	–	–	–	–	9,008.49	4,482.00
Dec. 2010	–	–	–	–	9,497.77	5,017.00	–	–	–	–	–	–	9,497.77	5,017.00
Jan. 2011	–	–	–	–	10,127.00	4,418.00	–	–	–	–	–	–	10,127.00	4,418.00
Feb. 2011	–	–	–	–	10,042.00	3,396.00	–	–	–	–	–	–	10,042.00	3,396.00

@ Others include Collateralised Lending Facility (CLF) (withdrawn Completely effective from October 5,2002)/Additional CLF (withdrawn effective from June 5, 2000), etc.

* Normal Limit =1/2 of total limit effective from November 16, 2002 ; 1/3 rd of total limit effective from December 27, 2003.

** Back-Stop Limit = 1/2 of total limit effective from November 16, 2002 ; 2/3 rd of total limit effective from December 27, 2003.

*** Total limits under Normal facility and Back-stop facility merged into single facility effective from March 29,2004.

Also see 'Notes on Tables'.

No. 8: Cheque Clearing Data

(Number in Lakh and Amount in ₹ crore)

Month/Year	Total		Total MICR* Centres		Total Non-MICR** Centres		Total of RBI Centres		RBI Centres***					
									Ahmedabad		Bangalore		Bhopal	
	1=(2+3)		2=(4+22)		3		4		5		6		7	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2001-02	9,015.0	1,25,75,254.0	5,377.0	1,09,47,391.0	3,638.0	16,27,863.0	5,377.0	1,09,47,391.0	414.0	2,07,524.0	445.0	2,69,346.0	–	–
2002-03	10,139.0	1,34,24,313.0	5,980.0	1,09,78,762.0	4,159.0	24,45,551.0	5,980.0	1,09,78,762.0	434.0	2,25,060.0	485.0	3,07,577.0	–	–
2003-04	10,228.0	1,15,95,960.0	6,241.0	91,78,751.0	3,987.0	24,17,209.0	6,241.0	91,78,751.0	473.0	2,80,649.0	547.0	3,75,885.0	–	–
2004-05	11,668.5	1,04,58,894.9	9,414.6	93,56,252.2	2,253.9	11,02,642.7	7,384.8	84,93,320.7	525.5	3,52,696.6	601.6	4,77,810.1	59.3	47,188.1
2005-06	12,867.6	1,13,29,133.5	10,318.4	94,74,370.8	2,549.2	18,54,762.8	7,942.4	81,94,976.7	603.7	4,06,598.7	656.1	4,98,344.5	71.9	32,181.0
2006-07	13,672.8	1,20,42,425.7	11,441.0	1,04,35,436.1	2,231.8	16,06,989.5	8,309.9	85,99,494.3	594.4	4,29,955.8	702.5	5,58,675.6	71.7	52,224.6
2007-08	14,605.6	1,33,96,065.9	12,229.6	1,15,28,690.2	2,376.0	18,67,375.7	8,775.9	94,51,748.3	647.3	5,06,759.2	734.5	6,32,327.8	77.4	62,651.9
2008-09	13,973.9	1,24,69,134.9	11,638.2	1,04,08,242.0	2,335.7	20,60,892.9	8,347.2	82,97,385.3	570.3	4,77,112.7	687.6	5,46,017.8	74.5	70,837.6
2009-10	13,802.7	1,04,09,941.5	11,497.1	85,31,516.9	2,305.7	18,78,424.7	8,126.9	65,22,135.0	588.3	4,52,170.4	661.9	4,57,973.1	71.1	65,326.2
2010-11 (P)	13,862.7	1,01,33,733.9	11,550.6	83,01,218.3	2,312.1	18,32,515.5	8,140.8	61,95,774.8	619.4	4,10,097.8	663.5	4,74,135.3	71.4	63,460.6
2009-10 (P)														
April	1,108.9	9,37,769.0	922.5	7,78,434.1	186.5	1,59,335.0	657.2	6,08,919.0	44.6	36,015.6	54.8	42,179.6	5.6	5,131.8
May	1,102.3	8,51,448.4	910.9	6,92,706.9	191.4	1,58,741.5	643.2	5,32,225.1	46.2	35,614.5	54.4	35,229.2	5.5	4,726.4
June	1,122.4	8,58,216.7	935.1	7,24,654.8	187.3	1,33,561.9	662.1	5,56,784.7	46.1	36,102.4	54.0	39,237.0	5.5	5,774.7
July	1,200.9	9,00,803.8	1,002.7	7,60,467.7	198.2	1,40,336.1	711.4	5,89,480.4	50.1	35,569.2	59.2	42,623.4	6.4	5,355.0
August	1,115.1	8,11,856.3	927.7	6,86,446.9	187.5	1,25,409.3	671.3	5,45,345.9	49.8	35,295.9	54.7	37,459.0	6.4	5,355.0
September	1,091.7	8,22,903.8	914.3	6,86,109.6	177.4	1,36,794.2	634.1	5,27,335.8	47.4	36,866.3	50.8	35,811.8	5.6	5,507.3
October	1,250.5	9,16,009.3	1,044.5	7,63,886.0	206.0	1,52,123.3	730.2	5,88,533.1	54.1	38,656.5	59.6	41,451.9	6.8	6,210.9
November	1,092.1	7,43,478.1	903.3	6,03,578.3	188.8	1,39,899.8	643.5	4,55,116.9	45.7	23,802.2	51.5	32,738.6	5.8	4,326.0
December	1,177.2	8,33,489.5	976.5	6,78,375.9	200.8	1,55,113.5	687.7	5,09,715.8	49.6	38,898.2	56.5	37,100.2	5.3	5,218.4
January	1,124.7	8,00,047.0	937.6	6,57,045.0	187.1	1,43,002.0	660.5	4,81,833.9	47.0	38,402.9	53.2	35,191.4	5.8	5,224.1
February	1,076.3	7,77,185.4	903.3	6,27,412.5	173.1	1,49,772.9	635.9	4,70,122.4	48.0	41,152.3	49.6	33,121.9	5.3	4,572.8
March	1,340.5	11,56,734.2	1,118.8	8,72,399.1	221.7	2,84,335.1	789.8	6,56,722.0	59.6	55,794.2	63.5	45,829.3	7.0	7,924.0
20010-11														
April (P)	1,175.3	8,59,982.7	970.9	7,04,089.1	204.4	1,55,893.6	681.8	5,26,360.6	51.4	33,501.5	56.9	41,679.3	6.1	4,874.9
May (P)	1,110.5	8,21,772.7	919.8	6,72,732.2	190.7	1,49,040.5	648.5	5,00,302.6	47.2	30,193.2	56.1	35,361.5	5.5	4,711.5
June (P)	1,104.4	8,35,896.5	914.7	6,92,640.5	189.7	1,43,256.0	650.1	5,24,954.7	47.7	30,320.1	55.5	37,180.6	5.7	5,950.5
July (P)	1,187.5	8,10,268.7	996.6	6,73,800.9	190.8	1,36,467.7	701.0	5,02,033.3	50.8	31,052.1	57.0	38,879.4	6.3	5,764.3
August (P)	1,164.4	8,11,607.0	973.1	6,63,801.5	191.3	1,47,805.5	683.6	4,97,097.0	52.1	31,489.0	55.5	39,435.3	6.1	4,633.0
September (P)	1,084.6	7,75,861.9	906.9	6,25,642.4	177.7	1,50,219.5	638.2	4,67,211.2	48.0	29,792.0	52.3	37,412.0	5.6	5,247.7
October (P)	1,244.4	9,07,747.9	1,049.9	7,63,899.2	194.5	1,43,848.7	732.1	5,75,348.3	62.0	41,367.5	56.4	40,045.1	6.1	5,081.9
November (P)	1,104.1	8,09,569.2	921.8	6,53,956.9	182.2	1,55,612.3	648.3	4,78,042.9	47.7	31,600.6	51.8	35,880.6	5.6	5,111.5
December (P)	1,194.3	8,74,636.6	1,001.6	7,28,143.4	192.7	1,46,493.2	703.5	5,45,259.1	55.0	38,079.0	56.7	40,528.4	5.9	5,667.7
January (P)	1,105.0	8,11,365.9	921.7	6,47,635.4	183.3	1,63,730.5	656.6	4,78,805.0	48.6	33,441.6	52.5	38,587.0	6.0	5,066.1
February (P)	1,080.9	7,97,845.5	901.1	6,42,994.2	179.8	1,54,851.3	637.3	4,76,373.5	48.2	33,893.4	51.8	37,981.2	6.0	4,486.1
March (P)	1,307.3	10,17,179.3	1,072.4	8,31,882.5	234.9	1,85,296.8	759.7	6,23,986.5	60.9	45,367.7	61.2	51,164.9	6.5	6,865.4
Total (upto March 2011)	**13,862.7**	**1,01,33,733.9**	**11,550.6**	**83,01,218.3**	**2,312.1**	**18,32,515.5**	**8,140.8**	**61,95,774.8**	**619.4**	**4,10,097.8**	**663.5**	**4,74,135.3**	**71.4**	**63,460.6**

* MICR - Magnetic Ink Character Recognition - automated CPC (Cheque Processing Centers)

** Non MICR Clearing done at the clearing houses where MICR Cheque Processing Centres have not been set up. The processing is done either using Magnetic Media Based Clearing System (MMBCS) or is done manually.

*** RBI Centres (MICR) refers to all centres where RBI is the manager of Clearing House.

No. 8: Cheque Clearing Data *(Contd.)*

(Number in Lakh and Amount in ₹ crore)

Month/Year	RBI Centres***													
	Bhubaneswar		Chandigarh		Chennai		Guwahati		Hyderabad		Jammu $$		Jaipur	
	8		9		10		11		12		13		14	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2001-02	27.0	21,625.0	–	–	522.0	5,00,872.0	30.0	19,592.0	305.0	1,82,764.0	–	–	123.0	54,432.0
2002-03	33.0	26,349.0	–	–	557.0	5,52,913.0	34.0	22,436.0	337.0	2,15,035.0	–	–	130.0	58,202.0
2003-04	37.0	37,136.0	–	–	602.0	6,12,158.0	37.0	27,840.0	369.0	2,75,503.0	–	–	148.0	70,122.0
2004-05	41.8	47,252.7	112.8	1,11,091.8	735.1	7,59,883.1	42.4	32,713.9	390.2	3,01,678.8	–	–	168.0	89,086.6
2005-06	48.6	53,649.7	123.8	1,27,037.9	813.2	6,55,277.9	48.2	39,660.5	416.8	3,63,317.1	–	–	187.4	1,13,452.5
2006-07	56.2	64,833.9	140.7	1,98,205.1	803.5	6,92,201.6	55.1	49,100.5	438.9	3,95,911.4	–	–	197.8	1,37,784.8
2007-08	60.0	80,993.5	141.4	1,61,218.5	854.1	7,78,853.6	59.5	55,169.2	454.6	4,52,498.8	–	–	219.3	1,62,021.8
2008-09	57.9	88,061.5	131.8	1,45,451.1	832.0	8,01,963.7	59.7	62,085.7	447.8	4,34,737.4	–	–	197.6	1,50,889.6
2009-10	58.6	62,721.5	133.7	1,40,965.9	790.2	6,31,101.1	63.6	58,772.8	414.9	3,51,392.3	11.9	7,967.6	199.9	1,31,192.6
2010-11 (P)	58.1	63,624.8	134.2	1,54,550.3	790.4	5,49,887.1	61.3	55,724.7	408.1	3,32,863.5	29.4	19,200.2	210.0	1,38,519.3
2009-10 (P)														
April	4.5	5,308.6	11.5	14,123.3	64.1	63,050.0	4.6	5,704.3	34.6	32,461.9	–	–	16.0	11,286.1
May	4.5	4,607.0	10.5	12,097.6	61.7	54,521.9	5.1	5,035.9	33.6	27,842.7	–	–	15.4	10,283.0
June	4.3	5,330.6	10.3	11,231.1	65.7	54,603.2	5.1	4,790.2	34.7	30,336.9	–	–	15.6	10,714.8
July	5.4	5,258.2	11.4	10,576.6	71.7	60,060.5	5.2	4,962.7	37.3	33,317.0	–	–	17.3	10,421.8
August	5.0	4,682.1	10.5	10,176.4	66.7	51,118.9	5.3	4,342.2	33.3	27,933.7	–	–	16.8	10,087.0
September	4.8	4,586.5	10.4	10,176.9	61.7	52,474.5	5.0	4,745.2	30.6	26,893.9	–	–	15.7	10,052.8
October	5.5	5,285.1	12.3	13,388.3	71.6	57,171.6	5.9	4,641.1	38.9	31,921.1	–	–	18.5	12,215.8
November	4.5	4,966.9	10.4	12,375.3	61.2	52,212.9	5.1	3,922.2	32.8	27,181.2	2.3	1,414.6	14.9	9,023.7
December	5.1	5,298.1	11.8	12,174.4	66.0	53,928.2	5.8	4,682.9	35.1	27,209.9	2.3	1,532.4	16.9	11,074.3
January	4.6	5,099.1	10.3	10,357.5	61.0	41,672.9	5.0	4,514.7	33.3	28,.450.4	2.3	1,711.1	16.6	10,976.5
February	4.7	5,548.9	11.5	10,276.7	62.3	39,576.6	5.3	4,728.8	31.6	24,444.0	2.1	1,375.3	16.4	11,066.3
March	5.7	6,750.5	12.9	14,011.7	76.5	50,709.9	6.2	6,702.7	39.3	33,399.6	2.8	1,934.2	19.8	13,990.5
20010-11														
April (P)	5.0	4,858.8	11.4	13,908.4	65.7	47,080.2	4.9	4,749.8	31.0	27,119.3	2.5	1,924.4	17.3	11,253.3
May (P)	4.5	4,334.4	10.6	12,848.8	62.7	41,454.9	5.2	4,100.8	33.9	25,660.3	2.4	1,772.1	16.7	10,489.5
June (P)	4.5	4,805.4	10.7	10,731.6	65.3	44,002.3	5.0	4,532.1	33.6	27,384.6	2.4	1,438.5	15.9	10,981.1
July (P)	5.2	5,737.6	12.1	21,184.4	70.6	47,035.7	5.1	5,058.3	35.8	30,315.1	2.4	1,619.8	17.9	11,508.4
August (P)	5.0	4,817.7	11.3	10,250.3	69.0	46,678.3	5.3	4,106.8	34.5	26,879.9	2.5	1,381.8	17.0	10,161.9
September (P)	4.7	5,572.2	10.7	10,666.4	63.1	44,434.8	4.8	4,480.5	31.6	23,836.4	2.4	1,298.0	16.6	10,771.9
October (P)	4.9	4,818.2	12.0	13,523.6	68.8	47,590.7	5.2	4,483.3	37.5	29,959.3	2.7	1,729.4	20.0	12,815.7
November (P)	4.7	4,788.1	10.6	13,117.5	63.4	43,404.1	4.9	4,072.4	33.8	26,615.1	2.4	1,406.2	17.0	11,588.7
December (P)	4.9	5,871.0	11.5	12,553.4	66.4	47,729.6	5.3	4,999.1	35.8	28,806.9	2.5	1,580.9	18.7	12,717.5
January (P)	4.6	5,680.0	10.4	11,061.0	61.0	42,461.5	4.6	4,196.5	32.0	26,935.8	2.3	1,888.0	16.5	10,727.5
February (P)	4.6	4,879.7	10.3	11,676.5	62.2	45,846.5	4.9	4,521.4	30.3	24,290.4	2.3	1,365.1	16.4	10,994.7
March (P)	5.6	7,461.5	12.6	13,028.4	72.2	52,168.5	6.1	6,423.8	38.2	35,060.3	2.7	1,796.0	19.9	14,509.3
Total (upto March 2011)	**58.1**	**63,624.8**	**134.2**	**1,54,550.3**	**790.4**	**5,49,887.1**	**61.3**	**55,724.7**	**408.1**	**3,32,863.5**	**29.4**	**19,200.2**	**210.0**	**1,38,519.3**

$$ The settlement of MICR clearing is being done in the books of Reserve Bank of India effective November 2009.

No. 8: Cheque Clearing Data *(Contd.)*

(Number in Lakh and Amount in ₹ crore)

Month/Year	RBI Centres***													
	Kanpur		Kolkata		Mumbai		Nagpur		New Delhi $		Patna		Thiruvananthapuram	
	15		16		17		18		19		20		21	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2001-02	67.0	32,369.0	523.0	3,73,131.0	1,679.0	82,17,816.0	102.0	41,151.0	1,079.0	9,90,315.0	27.0	17,421.0	34.0	19,032.0
2002-03	73.0	34,532.0	531.0	4,19,164.0	2,019.0	76,94,748.0	109.0	46,924.0	1,164.0	13,19,625.0	37.0	19,506.0	37.0	36,691.0
2003-04	78.0	41,397.0	470.0	4,65,308.0	2,162.0	55,11,293.0	120.0	56,330.0	1,107.0	13,54,677.0	50.0	26,739.0	41.0	43,714.0
2004-05	87.1	47,225.8	599.9	5,60,659.9	2,304.1	37,53,670.3	124.4	63,495.1	1,479.3	17,73,610.1	65.0	30,861.7	48.2	44,396.1
2005-06	92.7	55,328.7	642.4	6,58,639.7	2,391.9	33,42,829.4	134.8	75,772.3	1,597.2	16,97,583.2	59.2	36,819.8	54.6	38,484.0
2006-07	96.9	64,396.1	684.2	6,82,358.0	2,518.3	33,19,090.1	145.6	92,546.6	1,690.9	17,73,548.3	56.8	47,968.8	56.2	40,693.0
2007-08	100.0	69,885.1	730.5	7,78,304.3	2,651.6	36,85,407.3	151.3	1,06,351.7	1,775.7	18,00,975.6	62.6	61,006.5	56.0	57,323.4
2008-09	92.8	72,692.4	692.3	7,53,067.8	2,512.7	27,99,764.9	146.2	1,06,246.5	1,726.9	16,64,709.4	62.0	67,977.2	55.0	55,769.9
2009-10	89.6	68,011.3	678.9	6,58,229.3	2,482.2	19,39,326.9	141.2	90,252.2	1,624.6	12,98,999.7	63.2	64,423.6	53.0	43,308.5
2010-11 (P)	84.6	56,449.0	674.8	5,39,310.7	2,472.0	17,06,911.9	143.9	88,330.5	1,604.4	14,39,115.6	61.5	66,582.1	53.8	37,011.6
2009-10 (P)														
April	6.9	6,478.5	54.6	59,580.7	198.3	1,86,379.5	11.6	8,391.5	136.2	1,22,837.9	4.9	5,936.5	4.2	4,053.4
May	7.7	6,668.5	51.6	48,641.7	194.5	1,64,609.0	11.3	7,241.1	132.1	1,07,565.6	4.7	4,388.7	4.2	3,152.3
June	7.2	6,535.7	55.4	52,890.9	206.2	1,70,059.4	11.3	7,770.9	131.3	1,11,993.3	5.0	5,250.5	4.5	4,163.0
July	7.7	6,830.0	57.8	56,100.5	214.5	1,86,871.2	12.2	8,357.6	144.9	1,13,810.1	5.5	5,342.2	4.7	4,024.2
August	7.6	5,121.6	56.9	51,771.9	205.3	1,86,392.4	11.1	7,152.2	132.1	99,454.4	5.1	4,767.8	4.7	4,235.3
September	6.8	4,925.8	52.8	51,425.9	196.1	1,73,285.5	10.9	7,388.9	126.5	95,083.7	5.2	4,974.1	3.7	3,136.7
October	8.5	5,581.8	59.8	52,062.5	218.5	1,91,283.4	12.7	8,241.8	147.3	1,11,068.6	5.4	5,569.0	4.9	3,783.8
November	7.9	4,852.1	54.0	48,556.8	200.3	1,21,056.0	11.2	6,931.4	126.3	93,648.1	5.2	5,285.5	4.2	2,823.5
December	7.3	5,241.5	57.8	54,578.4	209.5	1,33,465.1	12.4	7,347.7	136.3	1,03,186.1	5.6	5,317.6	4.4	3,462.4
January	7.0	5,376.2	53.4	49,815.1	206.6	1,29,988.0	11.7	6,679.7	133.0	1,00,010.2	5.2	4,849.8	4.3	3,514.4
February	6.6	4,506.2	55.4	51,799.3	192.5	1,25,510.0	10.9	6,396.7	124.4	98,259.2	5.4	5,091.5	3.9	2,696.2
March	8.2	5,893.6	69.4	81,005.7	239.9	1,70,427.3	13.9	8,352.6	154.1	1,42,082.5	6.0	7,650.5	5.1	4,263.3
20010-11														
April (P)	7.3	5,051.5	54.2	45,697.8	209.4	1,48,993.5	12.2	8,382.8	136.6	1,16,625.4	5.4	6,970.5	4.4	3,689.2
May (P)	6.9	4,833.7	56.1	44,235.1	188.7	1,28,278.5	11.2	6,806.6	131.3	1,37,038.3	5.0	5,579.9	4.5	2,603.3
June (P)	6.7	4,708.7	52.4	40,798.1	197.0	1,27,945.8	11.4	7,524.0	127.3	1,57,570.6	4.7	5,990.6	4.5	3,090.0
July (P)	7.8	4,777.5	57.4	42,641.5	206.8	1,30,380.8	12.4	7,880.2	143.5	1,09,930.9	5.1	5,246.1	4.8	3,021.1
August (P)	7.3	4,626.2	58.7	43,293.0	207.4	1,35,918.4	11.6	6,721.9	131.2	1,19,876.4	5.1	4,054.7	4.4	2,772.3
September (P)	6.7	4,619.6	54.8	41,612.6	191.6	1,31,096.9	11.0	6,531.7	125.0	1,01,796.3	5.1	5,246.4	4.3	2,795.9
October (P)	7.4	4,664.9	56.7	42,724.2	229.4	1,94,540.1	13.3	7,447.0	139.6	1,16,420.3	5.5	4,944.7	4.7	3,192.5
November (P)	6.5	4,348.5	56.0	41,733.1	197.5	1,35,819.9	11.5	6,500.8	125.9	1,04,244.8	4.6	4,951.1	4.5	2,859.9
December (P)	7.1	4,665.8	58.4	54,963.4	214.7	1,50,280.8	12.4	7,196.0	138.0	1,20,089.9	5.6	6,446.6	4.5	3,083.0
January (P)	6.5	4,441.9	53.9	43,297.3	204.2	1,32,568.0	11.6	7,228.6	132.4	1,03,515.9	4.9	4,566.5	4.4	3,142.0
February (P)	6.6	4,286.7	52.6	42,439.4	193.7	1,29,970.6	11.4	6,896.2	127.2	1,05,488.0	5.0	4,697.6	3.9	2,660.1
March (P)	7.7	5,423.9	63.5	55,875.0	231.8	1,61,118.7	13.9	9,214.8	146.3	1,46,518.8	5.7	7,887.3	4.8	4,102.2
Total (upto March 2011)	**84.6**	**56,449.0**	**674.8**	**5,39,310.7**	**2,472.0**	**17,06,911.9**	**143.9**	**88,330.5**	**1,604.4**	**14,39,115.6**	**61.5**	**66,582.1**	**53.8**	**37,011.6**

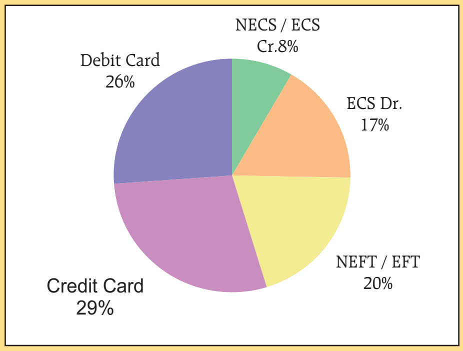
$ Cheque Truncation System (CTS) implemented at NCR since February 2008 and complete cheque clearing volume has been migrated to CTS from july 2009.

No. 8: Cheque Clearing Data *(Contd.)*

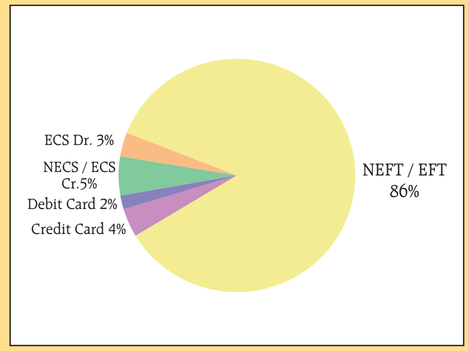
(Number in Lakh and Amount in ₹ crore)

Month/Year	Other MICR Centres	
	22	
	Number	Amount
2001-02	–	–
2002-03	–	–
2003-04	–	–
2004-05	2,029.8	8,62,931.5
2005-06	2,375.9	12,79,394.1
2006-07	3,131.1	18,35,941.8
2007-08	3,453.7	20,76,941.9
2008-09	3,291.0	21,10,856.7
2009-10	3,370.2	20,09,381.9
2010-11 (P)	3,409.8	21,05,443.6
2009-10 (P)		
April	265.3	1,69,515.0
May	267.7	1,60,481.8
June	273.0	1,67,870.2
July	291.3	1,70,987.3
August	256.4	1,41,101.1
September	280.3	1,58,773.9
October	314.3	1,75,352.9
November	259.8	1,48,461.4
December	288.8	1,68,660.1
January	277.1	1,75,211.1
February	267.3	1,57,290.1
March	329.0	2,15,677.1
20010-11		
April (P)	289.1	1,77,728.6
May (P)	271.3	1,72,429.6
June (P)	264.6	1,67,685.8
July (P)	295.6	1,71,767.6
August (P)	289.5	1,66,704.5
September (P)	268.6	1,58,431.2
October (P)	317.8	1,88,550.9
November (P)	273.5	1,75,913.9
December (P)	298.1	1,82,884.3
January (P)	265.1	1,68,830.4
February (P)	263.8	1,66,620.7
March (P)	312.7	2,07,896.0
Total (upto March 2011)	**3,409.8**	**21,05,443.6**

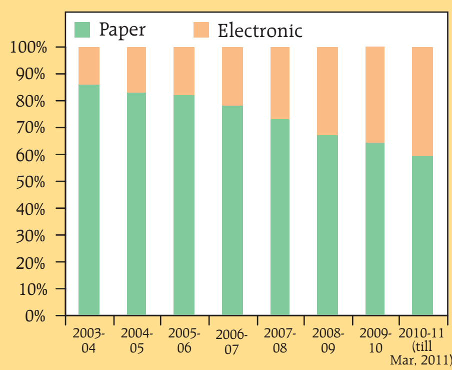
Retail Electronic Transactions- Volume in March, 2011



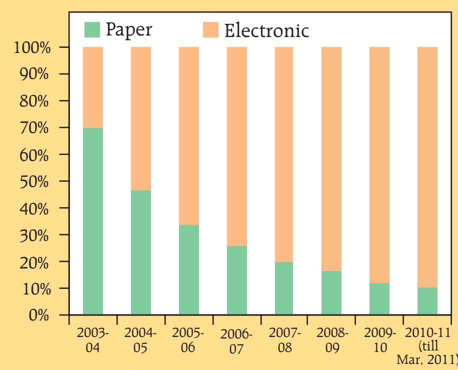
Retail Electronic Transactions- Value in March, 2011



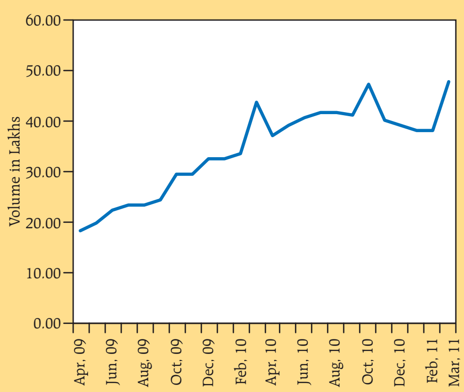
Representation of Electronic Transactions Volume in Total



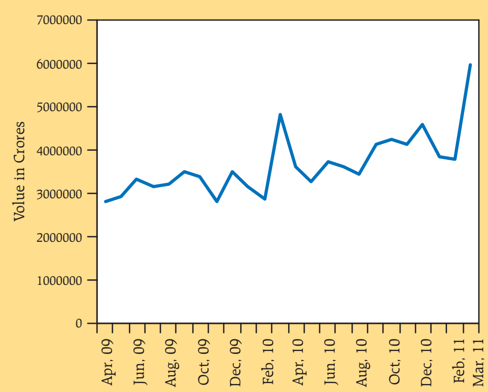
Representation of Electronic Transaction Value in Total



Growth in RTGS Volume



Growth in RTGS Value



No. 9A: Retail Electronic Payment Systems

(Number in Lakh and Amount in ₹ crore)

Month/Year	Total Electronic Payments		Electronic Clearing Services (ECS)				National Electronic Funds Transfer (NEFT/EFT)		Card Payments#					
			NECS/ECS (Credit)		ECS (Debit)				Credit			Debit*		
	1=(2+3+4+5+6)		2		3		4		5			6		
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number of Out-standing Cards**	Number	Amount	Number of Out-standing Cards**	Number	Amount
2003-04	1,669.44	52,142.78	203.15	10,228.00	78.74	2,253.58	8.19	17,124.81	–	1,001.79	17,662.72	–	377.57	4,873.67
2004-05	2,289.04	1,08,749.83	400.51	20,179.81	153.00	2,921.24	25.49	54,601.38	–	1,294.72	25,686.36	–	415.32	5,361.04
2005-06	2,850.13	1,46,382.68	442.16	32,324.35	359.58	12,986.50	30.67	61,288.22	173.27	1,560.86	33,886.47	497.63	456.86	5,897.14
2006-07	3,787.09	2,35,693.12	690.19	83,273.09	752.02	25,440.79	47.76	77,446.31	231.23	1,695.36	41,361.31	749.76	601.77	8,171.63
2007-08	5,353.09	10,41,991.93	783.65	7,82,222.30	1,271.20	48,937.20	133.15	1,40,326.48	275.47	2,282.03	57,984.73	1,024.37	883.06	12,521.22
2008-09	6,678.24	5,00,321.79	883.94	97,486.58	1,600.55	66,975.89	321.61	2,51,956.38	246.99	2,595.61	65,355.80	1,374.31	1,276.54	18,547.14
2009-10	7,181.62	6,84,886.20	981.33	1,17,612.60	1,492.81	69,523.87	663.38	4,09,507.47	183.31	2,342.42	61,824.15	1,819.72	1,701.68	26,418.11
2010-11 (P)	9,085.96	13,08,688.16	1,173.00	1,81,685.79	1,567.39	73,645.78	1,323.44	9,39,149.03	180.39	2,651.45	75,515.68	2,278.16	2,370.69	38,691.88
2009-10														
April	505.71	55,380.45	38.20	11,134.18	122.17	5,807.17	39.42	31,728.54	243.67	185.44	4,932.37	1,405.51	120.47	1,778.20
May	520.52	42,635.99	51.19	6,665.42	121.27	5,792.75	38.94	23,474.15	240.54	182.04	4,815.94	1,430.33	127.08	1,887.71
June	550.17	51,609.91	60.72	8,668.65	127.46	5,750.13	45.04	30,513.06	228.44	191.02	4,863.35	1,463.92	125.93	1,814.71
July	637.01	63,785.64	115.45	12,797.93	126.22	5,671.51	50.97	38,261.03	222.56	202.11	4,957.33	1,512.59	142.27	2,097.84
August	633.43	57,344.37	118.95	15,037.64	117.64	5,714.31	52.22	29,400.62	219.49	196.68	4,858.34	1,550.99	147.94	2,333.46
September	607.92	54,091.91	114.20	11,420.36	116.13	6,069.78	49.49	29,582.34	213.08	191.25	4,905.47	1,590.17	136.86	2,113.96
October	673.66	67,922.96	134.34	10,983.93	130.98	5,051.28	59.48	43,654.55	211.18	204.65	5,660.93	1,628.09	144.22	2,572.28
November	589.37	48,798.49	75.89	7,311.27	122.19	5,815.54	55.82	28,151.66	208.41	194.16	5,263.15	1,658.30	141.32	2,256.87
December	607.09	57,128.01	58.27	7,385.70	126.52	6,035.36	63.07	35,766.61	206.45	204.84	5,506.55	1,705.68	154.39	2,433.80
January	613.65	59,993.14	65.14	7,733.98	125.68	5,895.96	61.95	38,446.69	204.39	202.63	5,425.51	1,741.27	158.25	2,491.00
February	582.12	58,440.82	78.08	9,051.96	111.90	5,623.81	64.22	36,630.78	201.63	181.15	4,923.11	1,779.80	146.78	2,211.16
March	660.97	67,754.52	70.91	9,421.60	144.66	6,296.26	82.77	43,897.45	183.31	206.45	5,712.09	1,819.72	156.18	2,427.12
Total (upto March 2010)	**7,181.62**	**6,84,886.20**	**981.33**	**1,17,612.60**	**1,492.81**	**69,523.87**	**663.38**	**4,09,507.47**	**183.31**	**2,342.42**	**61,824.15**	**1,819.72**	**1,701.68**	**26,418.11**
20010-11														
April	639.14	84,186.80	78.66	12,819.03	127.39	5,873.66	74.84	57,512.21	192.88	198.27	5,473.58	1,847.91	159.97	2,508.32
May	657.89	80,562.98	65.72	10,061.09	126.22	5,740.50	77.42	55,867.16	190.24	209.50	5,935.54	1,882.49	179.03	2,958.70
June	671.84	79,686.57	89.20	12,912.23	128.24	6,190.89	84.20	52,447.21	189.44	201.97	5,538.75	1,919.12	168.23	2,597.49
July	753.97	1,05,467.21	122.40	23,792.09	129.59	5,902.97	94.63	67,051.68	189.27	218.98	5,817.46	1,956.99	188.37	2,903.02
August	789.95	91,954.89	133.93	14,941.75	126.39	5,790.79	98.04	61,641.84	188.54	226.08	6,259.42	2,000.92	205.52	3,321.09
September	734.19	88,570.02	107.92	12,789.98	126.66	5,960.05	98.36	60,986.94	184.26	210.87	5,847.83	2,038.33	190.37	2,985.23
October (P)	860.08	1,22,464.90	167.05	25,351.57	132.77	8,935.07	116.27	77,703.52	182.17	229.07	6,760.37	2,081.36	214.92	3,714.37
November (P)	779.82	1,11,583.48	91.27	17,488.40	131.80	6,089.97	117.51	77,361.09	181.88	230.44	6,921.56	2,118.77	208.80	3,722.47
December (P)	795.56	1,32,100.39	77.48	21,706.55	134.64	6,221.64	134.62	93,720.04	181.02	234.91	6,846.28	2,160.39	213.91	3,605.89
January (P)	793.16	1,19,787.66	67.32	9,146.45	133.08	6,105.56	129.61	93,888.32	181.36	240.83	6,934.65	2,182.09	222.32	3,712.67
February (P)	792.00	1,16,244.12	103.71	11,166.54	132.02	4,971.88	134.34	90,588.35	181.33	216.47	6,212.92	2,223.69	205.46	3,304.43
March (P)	818.37	1,76,079.13	68.35	9,510.10	138.60	5,862.81	163.59	1,50,380.68	180.39	234.05	6,967.33	2,278.16	213.79	3,358.21
Total (upto March 2011)	**9,085.96**	**13,08,688.16**	**1,173.00**	**1,81,685.79**	**1,567.39**	**73,645.78**	**1,323.44**	**9,39,149.03**	**180.39**	**2,651.45**	**75,515.68**	**2,278.16**	**2,370.69**	**38,691.88**

\# Card Payments figures pertain only to Point of Sale (POS) transactions.

* Debit Cards figures for 2003-04 and 2004-05 are estimated based on 2005-06 figures.

** Cards issued by banks (excluding those withdrawn/blocked).

No.9B : Large Value Clearing and Settlement Systems

(Number in Lakh and Amount in ₹ crore)

Year / Period	Real Time Gross Settlement System									
	Total		Customer remittance		Inter-Bank remittance		Inter-bank clearing settlement**		Total Inter-bank	
	1=(2+3+4)		2		3		4		5=(3+4)	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
2003-04	0.001	1,965.49	–	–	0.001	1,965.49	–	–	0.001	1,965.49
2004-05	4.60	40,66,184.00	0.68	2,49,662.00	3.92	38,16,522.00	–	–	3.92	38,16,522.00
2005-06	17.67	1,15,40,836.25	7.13	25,70,212.29	10.54	89,70,623.96	–	–	10.54	89,70,623.96
2006-07	38.80	2,46,19,179.99	24.82	71,67,807.91	13.94	1,13,13,346.69	0.04	61,38,025.39	13.98	1,74,51,372.08
2007-08	58.54	4,82,94,558.97	41.46	1,61,00,172.88	16.94	1,12,18,157.41	0.14	2,09,76,228.68	17.08	3,21,94,386.10
2008-09	133.84	6,11,39,912.44	112.34	2,00,04,107.80	21.32	1,22,75,773.49	0.19	2,88,60,031.15	21.50	4,11,35,804.65
2009-10	332.53	10,11,69,930.98	304.40	2,95,16,777.47	28.01	99,36,581.54	0.12	6,17,16,571.98	28.13	7,16,53,153.52
2010-11	492.70	9,41,03,933.92	457.28	3,61,86,292.82	35.32	1,23,00,941.44	0.10	4,56,16,699.65	35.42	5,79,17,641.10
2009-10										
April	18.15	74,83,009.75	16.20	18,82,570.44	1.94	9,38,518.59	0.014	46,61,920.71	1.95	56,00,439.31
May	19.81	93,67,548.14	17.72	20,05,120.69	2.07	9,26,922.08	0.017	64,35,505.38	2.09	73,62,427.46
June	22.32	1,00,45,166.89	20.10	24,14,892.93	2.20	9,32,255.88	0.017	66,98,018.08	2.22	76,30,273.96
July	23.48	99,66,068.81	21.24	23,61,696.14	2.23	8,17,679.51	0.015	67,86,693.16	2.25	76,04,372.67
August	23.24	92,48,113.39	21.13	24,51,621.30	2.10	7,44,363.88	0.008	60,52,128.20	2.11	67,96,492.08
September	24.34	92,58,141.64	22.18	26,39,052.07	2.16	8,39,448.23	0.008	57,79,641.34	2.16	66,19,089.57
October	29.26	84,49,696.31	26.79	26,11,319.99	2.46	7,62,282.04	0.007	50,76,094.28	2.46	58,38,376.33
November	29.40	77,80,524.10	27.03	21,22,556.52	2.36	6,72,712.97	0.007	49,85,254.61	2.37	56,57,967.58
December	32.76	76,68,126.33	30.27	26,98,071.73	2.48	7,76,396.36	0.007	41,93,658.24	2.49	49,70,054.60
January	32.56	73,34,900.73	30.06	23,91,646.42	2.49	7,62,906.61	0.006	41,80,347.70	2.50	49,43,254.31
February	33.57	69,00,931.55	31.10	22,09,498.00	2.46	6,75,175.29	0.006	40,16,258.25	2.47	46,91,433.54
March	43.65	76,67,703.33	40.58	37,28,731.22	3.07	10,87,920.10	0.008	28,51,052.01	3.08	39,38,972.11
Total (upto March 2010)	**332.53**	**10,11,69,930.98**	**304.40**	**2,95,16,777.47**	**28.01**	**99,36,581.54**	**0.12**	**6,17,16,571.98**	**28.13**	**7,16,53,153.52**
20010-11										
April	37.35	70,71,981.51	34.66	28,02,542.10	2.68	8,39,052.16	0.007	34,30,387.25	2.68	42,69,439.41
May	39.31	56,77,873.95	36.54	24,80,707.11	2.76	7,94,852.15	0.008	24,02,314.70	2.77	31,97,166.84
June	40.87	68,40,564.36	37.97	28,72,284.41	2.88	8,61,089.86	0.009	31,07,190.09	2.89	39,68,279.96
July	41.55	67,16,065.89	38.64	26,64,682.44	2.90	9,72,517.76	0.009	30,78,865.70	2.91	40,51,383.45
August	41.95	50,39,022.01	39.04	25,56,679.28	2.90	9,02,025.37	0.008	15,80,317.35	2.91	24,82,342.72
September	41.04	65,60,843.48	38.26	30,70,013.19	2.77	10,43,680.22	0.008	24,47,150.08	2.78	34,90,830.30
October	47.14	82,84,251.68	44.11	31,02,982.43	3.03	11,57,512.58	0.009	40,23,756.67	3.04	51,81,269.25
November	40.13	95,11,157.31	37.24	30,06,349.76	2.88	11,34,152.92	0.008	53,70,654.64	2.89	65,04,807.55
December	39.00	1,11,05,132.10	35.97	34,50,012.25	3.02	11,52,562.35	0.009	65,02,557.49	3.03	76,55,119.84
January	38.33	86,67,668.49	35.33	28,60,861.47	2.99	9,62,993.09	0.009	48,43,813.93	3.00	58,06,807.02
February	38.07	77,63,501.05	35.16	28,32,225.44	2.90	9,75,863.18	0.008	39,55,412.43	2.91	49,31,275.61
March	47.96	1,08,65,872.08	44.34	44,86,952.95	3.61	15,04,639.81	0.009	48,74,279.32	3.62	63,78,919.13
Total (upto March 2011)	**492.70**	**9,41,03,933.92**	**457.28**	**3,61,86,292.82**	**35.32**	**1,23,00,941.44**	**0.10**	**4,56,16,699.65**	**35.42**	**5,79,17,641.10**

* Inter-bank Clearing Settlement pertains to the MNSB batches. MNSB settlement in RTGS started from 12 August, 2006.

** The MNSB Settlement relates to the settlement of NECS, ECS, EFT, NEFT, REPO, Outright, FOREX, CBLO and Cheque Clearing at Mumbai.

No.9B: Large Value Clearing and Settlement Systems

(Number in Lakh and Amount in ₹ crore)

Year / Period	CCIL Operated Systems							
	Government Securities Settlement				Forex Settlement		CBLO Settlement	
	Outright		Repo					
	6		7		8		9	
	Number of Trades	Amount	Number of Trades	Amount	Number of Trades	Amount	Number of Trades	Amount
2003-04	2.44	15,75,133.00	0.21	9,43,189.00	3.31	23,18,530.80	0.03	76,850.70
2004-05	1.61	11,34,222.08	0.24	15,57,906.55	4.66	40,42,434.86	0.29	9,76,757.10
2005-06	1.25	8,64,751.40	0.25	16,94,508.70	4.90	52,39,673.90	0.68	29,53,133.90
2006-07	1.37	10,21,535.70	0.30	25,56,501.50	6.06	80,23,078.00	0.86	47,32,271.30
2007-08	1.89	16,53,851.30	0.27	39,48,750.70	7.57	1,27,26,831.90	1.13	81,10,828.60
2008-09	2.46	21,60,233.30	0.24	40,94,285.90	8.38	1,69,37,488.60	1.19	88,24,784.30
2009-10	3.17	29,13,890.40	0.29	60,72,827.50	8.84	1,42,11,486.10	1.42	1,55,41,378.40
2010-11	3.33	28,70,953.00	0.50	40,99,283.00	11.50	1,91,60,153.00	1.45	1,22,59,744.00
2009-10								
April	0.30	2,84,512.00	0.02	4,10,899.00	0.59	12,26,979.40	0.09	8,79,157.70
May	0.27	2,59,204.90	0.03	5,38,787.60	0.72	13,15,408.80	0.11	11,64,123.10
June	0.27	2,49,716.30	0.03	5,64,048.70	0.74	12,61,790.90	0.12	13,92,384.30
July	0.35	3,04,702.70	0.03	5,26,596.50	0.78	11,98,562.10	0.12	12,09,014.80
August	0.19	1,70,488.90	0.02	5,59,288.90	0.66	10,21,144.80	0.12	13,70,383.70
September	0.29	2,82,081.60	0.03	6,43,526.40	0.68	10,77,227.40	0.12	14,34,930.10
October	0.25	2,36,007.80	0.02	5,39,220.20	0.75	10,58,821.70	0.12	13,41,205.60
November	0.33	3,00,251.80	0.02	5,18,161.90	0.79	10,35,551.10	0.12	12,62,123.40
December	0.27	2,45,506.40	0.02	5,12,490.30	0.75	11,42,151.90	0.13	13,83,446.70
January	0.25	2,34,273.00	0.02	3,64,133.00	0.80	12,04,118.00	0.11	12,64,283.00
February	0.21	1,81,384.00	0.02	4,36,071.00	0.79	12,75,948.00	0.12	14,00,191.00
March	0.19	1,65,761.00	0.02	4,59,604.00	0.80	13,93,782.00	0.14	14,40,135.00
Total (upto March 2010)	**3.17**	**29,13,890.40**	**0.29**	**60,72,827.50**	**8.84**	**1,42,11,486.10**	**1.42**	**1,55,41,378.40**
20010-11								
April	0.27	2,69,331.00	0.02	4,67,332.00	0.88	14,02,692.00	0.12	11,70,497.00
May	0.46	4,18,093.00	0.02	4,22,637.00	0.95	14,51,519.00	0.11	10,14,579.00
June	0.39	3,48,132.00	0.02	2,46,496.00	1.06	16,32,882.00	0.12	8,08,928.00
July	0.25	2,31,917.00	0.02	3,12,297.00	0.92	14,44,247.00	0.11	7,56,653.00
August	0.31	2,82,295.00	0.02	3,88,768.00	0.89	16,16,675.00	0.14	11,29,515.00
September	0.29	2,50,498.00	0.02	3,64,877.00	0.91	15,10,707.00	0.13	12,24,126.00
October	0.26	2,29,363.00	0.03	3,61,513.00	1.11	19,01,976.00	0.14	10,95,768.00
November	0.21	1,67,619.00	0.02	2,39,118.00	0.97	19,37,062.00	0.11	7,91,067.00
December	0.21	1,65,897.00	0.03	3,24,815.00	0.98	15,59,756.00	0.13	10,94,591.00
January	0.19	1,49,941.00	0.02	2,88,528.00	1.01	15,06,888.00	0.12	11,20,387.00
February	0.21	1,54,623.00	0.02	2,89,418.00	0.85	14,32,915.00	0.10	9,30,417.00
March	0.28	2,03,244.00	0.25	3,93,484.00	0.96	17,62,834.00	0.12	11,23,216.00
Total (upto March 2011)	**3.33**	**28,70,953.00**	**0.50**	**40,99,283.00**	**11.50**	**1,91,60,153.00**	**1.45**	**1,22,59,744.00**

No. 10: Money Stock Measures

(₹ crore)

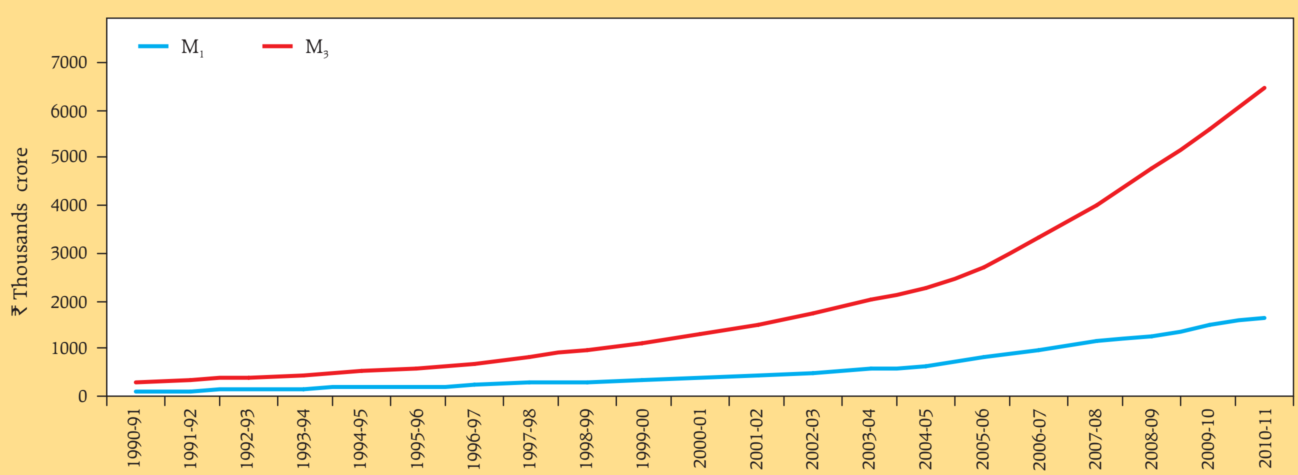
March 31/ reporting Fridays of the month/last reporting Friday of the month	Currency with the public					Deposit Money of the Public			M_1 (5+8)	Post Office Saving Bank Deposits	M_2 (9+10)	Time Deposits with Banks	M_3 (9+12)	Total Post Office Deposits	M_4 (13+14)
	Notes in Circulation(1)	Circulation of Rupee Coins (2)	Circulation of Small Coins (2)	Cash on Hand with Banks	Total (1+2+3-4)	Demand Deposits with Banks	'Other' Deposits with Reserve Bank (3)	Total (6+7)							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2008-2009	6,81,099	8,487	1,567	25,703	6,65,450	5,88,688	5,570	5,94,258	**12,59,707**	5,041	**12,64,748**	35,35,105	**47,94,812**	25,969	**48,20,781**
2009-2010	7,88,279	9,702	1,568	32,056	7,67,492	7,17,970	3,839	7,21,809	**14,89,301**	5,041	**14,94,342**	41,13,430	**56,02,731**	25,969	**56,28,700**
2010-2011	9,36,935	11,018	1,568	35,351	9,14,170	7,13,735	3,740	7,17,475	**16,31,645**	5,041	**16,36,686**	48,60,111	**64,91,756**	25,969	**65,17,725**
March 12, 2010	7,90,584	9,600	1,568	28,821	7,72,930	6,35,624	3,555	6,39,180	**14,12,110**	5,041	**14,17,151**	41,04,725	**55,16,836**	25,969	**55,42,805**
March 26, 2010	7,90,223	9,702	1,568	30,278	7,71,215	7,13,902	5,587	7,19,489	**14,90,704**	5,041	**14,95,745**	41,11,291	**56,01,995**	25,969	**56,27,964**
November 2010	8,96,975	10,686	1,568	37,449	8,71,780	7,10,337	3,561	7,13,899	**15,85,679**	5,041	**15,90,720**	45,04,577	**60,90,256**	25,969	**61,16,225**
December 2010	8,94,599	10,806	1,568	38,289	8,68,683	7,19,120	3,598	7,22,718	**15,91,401**	5,041	**15,96,442**	46,33,728	**62,25,129**	25,969	**62,51,098**
January 2011	9,12,514	10,911	1,568	36,806	8,88,186	6,62,136	13,361	6,75,497	**15,63,683**	5,041	**15,68,724**	46,89,225	**62,52,909**	25,969	**62,78,878**
February 2011	9,28,784	11,018	1,568	35,516	9,05,854	6,76,940	3,615	6,80,556	**15,86,410**	5,041	**15,91,451**	47,77,153	**63,63,562**	25,969	**63,89,531**
March 11, 2011	9,42,936	11,018	1,568	33,757	9,21,764	6,71,928	4,490	6,76,418	**15,98,182**	5,041	**16,03,223**	48,35,001	**64,33,183**	25,969	**64,59,152**
March 25, 2011	9,42,107	11,018	1,568	35,351	9,19,342	7,13,735	3,559	7,17,295	**16,36,637**	5,041	**16,41,678**	48,60,111	**64,96,747**	25,969	**65,22,716**

Note : Monetary aggregates as at end-March incorporate data on i) scheduled commercial banks as on last reporting Friday and ii) the Reserve Bank of India pertaining to the last working day of the fiscal year.

Data are Provisional.

Also see Notes on Tables.

Money Stock Measures



No. 11: Sources of Money Stock (M_3)

(₹ crore)

Source	Outstandings as on March 31/reporting Fridays of the month/last reporting Friday of the month				
	2008-09	2009-10	2010-11	March 12, 2010	March 26, 2010
	1	2	3	4	5
1. Net Bank Credit to Government (A+B)	**12,77,333**	**16,69,186**	**19,72,422**	**16,22,814**	**16,29,166**
A. RBI's net credit to Government (i-ii)	61,580	2,11,586	3,95,436	1,62,603	1,70,892
(i) Claims on Government (a+b)	1,59,166	2,22,719	3,95,578	1,65,482	1,77,603
(a) Central Government	1,57,488	2,22,673	3,94,135	1,64,441	1,77,046
(b) State Governments	1,678	46	1,442	1,041	558
(ii) Government deposits with RBI (a+b)	97,586	11,134	142	2,879	6,711
(a) Central Government	95,727	11,092	100	2,838	6,670
(b) State Governments	1,859	41	41	41	41
B. Other Banks' Credit to Government	12,15,753	14,57,600	15,76,986	14,60,211	14,58,274
2. Bank Credit to Commercial Sector(A+B)	**30,14,893**	**34,91,409**	**42,10,535**	**33,81,924**	**34,94,478**
A. RBI's credit to commercial sector	13,820	1,328	2,164	5,775	4,522
B. Other banks' credit to commercial sector (i+ii+iii)	30,01,073	34,90,081	42,08,371	33,76,149	34,89,956
(i) Bank credit by commercial banks	27,75,549	32,44,788	39,38,659	31,29,849	32,44,788
(ii) Bank credit by co-operative banks	2,10,893	2,34,630	2,62,121	2,36,089	2,34,633
(iii) Investments by commercial and co-operative banks in other securities	14,631	10,663	7,591	10,212	10,535
3. Net Foreign Exchange Assets of Banking Sector (A+B)	**13,52,184**	**12,81,469**	**13,75,762**	**12,87,486**	**12,79,472**
A. RBI's net foreign exchange assets (i-ii)	12,80,116	12,31,949	13,28,553	12,44,396	12,29,952
(i) Gross foreign assets	12,80,133	12,31,966	13,28,571	12,44,413	12,29,969
(ii) Foreign liabilities	17	17	17	17	17
B. Other banks' net foreign exchange assets	72,068	49,520	47,209	43,090	49,520
4. Government's Currency Liabilities to the Public	**10,054**	**11,270**	**12,586**	**11,168**	**11,270**
5. Banking Sector's net Non-monetary Liabilities Other than Time Deposits (A+B)	**8,59,652**	**8,50,602**	**10,79,549**	**7,86,555**	**8,12,390**
A. Net non-monetary liabilities of RBI	3,87,930	3,01,615	3,67,128	3,23,697	3,11,094
B. Net non-monetary liabilities of other banks(residual)	4,71,723	5,48,987	7,12,421	4,62,858	5,01,295
M_3 (1+2+3+4-5)	**47,94,812**	**56,02,731**	**64,91,756**	**55,16,836**	**56,01,995**

No. 11: Sources of Money Stock (M_3) *(Concld.)*

(₹ crore)

Source	Outstandings as on March 31/reporting Fridays of the month/last reporting Friday of the month					
	November 2010	December 2010	January 2011	February 2011	March 11, 2011	March 25, 2011
	6	7	8	9	10	11
1. Net Bank Credit to Government (A+B)	**18,19,050**	**17,95,269**	**18,33,124**	**18,60,569**	**18,81,883**	**18,93,375**
A. RBI's net credit to Government (i-ii)	2,59,513	2,63,952	2,69,302	3,00,211	3,13,073	3,16,389
(i) Claims on Government (a+b)	2,96,105	3,58,531	3,37,814	3,27,750	3,13,214	3,22,723
(a) Central Government	2,94,645	3,58,531	3,37,064	3,26,551	3,11,464	3,21,994
(b) State Governments	1,460	0	750	1,199	1,750	729
(ii) Government deposits with RBI (a+b)	36,591	94,579	68,512	27,539	141	6,334
(a) Central Government	36,550	94,537	68,471	27,498	100	6,293
(b) State Governments	41	41	41	41	41	41
B. Other Banks' Credit to Government	15,59,537	15,31,317	15,63,823	15,60,358	15,68,811	15,76,986
2. Bank Credit to Commercial Sector(A+B)	**38,36,783**	**40,47,661**	**40,06,033**	**40,82,243**	**41,26,534**	**42,10,131**
A. RBI's credit to commercial sector	1,572	1,626	1,325	1,570	1,570	1,760
B. Other banks' credit to commercial sector (i+ii+iii)	38,35,210	40,46,036	40,04,707	40,80,672	41,24,963	42,08,371
(i) Bank credit by commercial banks	35,59,896	37,65,372	37,37,677	38,13,016	38,56,066	39,38,659
(ii) Bank credit by co-operative banks	2,66,521	2,73,037	2,59,537	2,60,242	2,61,428	2,62,121
(iii) Investments by commercial and co-operative banks in other securities	8,793	7,627	7,494	7,414	7,468	7,591
3. Net Foreign Exchange Assets of Banking Sector (A+B)	**13,79,320**	**13,49,074**	**13,80,716**	**13,80,477**	**13,79,248**	**13,70,410**
A. RBI's net foreign exchange assets (i-ii)	13,15,909	13,01,865	13,33,507	13,33,268	13,32,039	13,23,201
(i) Gross foreign assets	13,15,926	13,01,883	13,33,524	13,33,286	13,32,056	13,23,219
(ii) Foreign liabilities	17	17	17	17	17	17
B. Other banks' net foreign exchange assets	63,411	47,209	47,209	47,209	47,209	47,209
4. Government's Currency Liabilities to the Public	**12,254**	**12,373**	**12,479**	**12,586**	**12,586**	**12,586**
5. Banking Sector's net Non-monetary Liabilities Other than Time Deposits (A+B)	**9,57,150**	**9,79,249**	**9,79,442**	**9,72,313**	**9,67,067**	**9,89,754**
A. Net non-monetary liabilities of RBI	3,61,860	3,43,064	3,73,707	3,71,508	3,71,001	3,62,849
B. Net non-monetary liabilities of other banks(residual)	5,95,290	6,36,185	6,05,736	6,00,805	5,96,066	6,26,906
M_3 (1+2+3+4-5)	**60,90,256**	**62,25,129**	**62,52,909**	**63,63,562**	**64,33,183**	**64,96,747**

Notes : 1. Monetary aggregates as at end-March incorporate data on i) scheduled commercial banks as on last reporting friday and ii) the Reserve Bank of India pertaining to the last working day of the fiscal year.
2. Net Foreign Exchange Assets of the RBI includes investment in foreign currency denominated bonds issued by IIFC(UK) since March 20,2009.
3. Government Balances as on March 31, 2011 are before closure of accounts.
4. Data are provisional.

Also see 'Notes on Tables'.

No. 11A: Commercial Bank Survey

(₹ crore)

Item		Outstanding as on				
		Mar. 27, 2009	Mar. 12, 2010	Mar. 26, 2010	Mar. 11, 2011	Mar. 25, 2011
		1	2	3	4	5
Components						
C.I	**Aggregate Deposits of Residents (C.I.1+C.I.2)**	**37,66,842**	**43,43,929**	**44,27,824**	**50,69,984**	**51,34,646**
C.I.1	Demand Deposits	5,23,085	5,69,555	6,45,610	5,98,978	6,39,022
C.I.2	Time Deposits of Residents (C.I.2.1+C.I.2.2)	32,43,757	37,74,374	37,82,214	44,71,005	44,95,625
C.I.2.1	Short-term Time Deposits	14,59,691	16,98,468	17,01,996	20,11,952	20,23,031
C.I.2.1.1	Certificates of Deposits (CDs)	1,98,931	3,42,969	3,43,103	4,36,274	4,30,289
C.I.2.2	Long-term Time Deposits	17,84,067	20,75,906	20,80,218	24,59,053	24,72,594
C.II	**Call/Term Funding from Financial Institutions**	**1,13,936**	**1,04,382**	**1,04,278**	**1,29,244**	**1,31,665**
Sources						
S.I	**Domestic Credit (S.I.1+S.I.2)**	**41,51,147**	**48,08,508**	**48,66,593**	**56,61,412**	**57,05,665**
S.I.1	Credit to the Government	11,55,786	13,82,060	13,78,395	14,90,834	14,95,467
S.I.2	Credit to the Commercial Sector (S.I.2.1+S.I.2.2+S.I.2.3+S.I.2.4)	29,95,361	34,26,448	34,88,198	41,70,578	42,10,198
S.I.2.1	Bank Credit	27,75,549	31,29,849	32,44,788	38,56,066	39,38,659
S.I.2.1.1	Non-food Credit	27,29,338	30,80,447	31,96,299	37,89,994	38,74,376
S.I.2.2	Net Credit to Primary Dealers	1,671	3,647	2,509	2,115	819
S.I.2.3	Investments in Other Approved Securities	10,624	6,364	6,358	4,408	4,572
S.I.2.4	Other Investments (in non-SLR Securities)	2,07,517	2,86,588	2,34,543	3,07,988	2,66,148
S.II	**Net Foreign Currency Assets of Commercial Banks (S.II.1-S.II.2-S.II.3)**	**-53,359**	**-66,949**	**-56,073**	**-68,885**	**-62,065**
S.II.1	Foreign Currency Assets	55,312	34,767	44,165	54,402	61,413
S.II.2	Non-resident Foreign Currency Repatriable Fixed Deposits	67,268	65,341	65,002	70,386	70,056
S.II.3	Overseas Foreign Currency Borrowings	41,404	36,375	35,237	52,902	53,421
S.III	**Net Bank Reserves (S.III.1+S.III.2-S.III.3)**	**2,46,748**	**3,02,721**	**3,06,926**	**3,38,810**	**3,44,291**
S.III.1	Balances with the RBI	2,38,195	2,77,982	2,81,390	3,13,358	3,19,163
S.III.2	Cash in Hand	20,281	24,834	25,578	29,481	30,160
S.III.3	Loans and Advances from the RBI	11,728	95	42	4,029	5,031
S.IV	**Capital Account**	**3,32,444**	**3,91,301**	**3,90,373**	**4,49,388**	**4,51,711**
S.V.	**Other items (net) (S.I+S.II+S.III-S.IV-C.I-C.II)**	**1,31,313**	**2,04,667**	**1,94,971**	**2,82,721**	**2,69,869**
S.V.1	Other Demand & Time Liabilities (net of S.II.3)	2,66,116	2,97,649	2,94,184	2,81,826	2,88,931
S.V.2	Net Inter-Bank Liabilities (other than to PDs)	-20,785	-18,729	-28,668	-28,273	-38,752

Note : Data are provisional.

No. 11B: Monetary Survey

(₹ crore)

Item		Outstanding as on						
		Mar 31 2009	Mar 12 2010	Mar 26 2010	Mar 31 2010	Mar 11 2011	Mar 25 2011	Mar 31 2011
		1	2	3	4	5	6	7
Monetary Aggregates								
M_1 (C.I+C.II.1+C.III)		12,57,598	14,02,482	14,89,963	14,80,962	15,89,072	16,27,454	16,22,464
NM_2 (M_1+C.II.2.1)		28,00,491	31,86,115	32,79,322	32,74,046	36,96,510	37,45,681	37,40,691
NM_3 (NM_2+C.II.2.2+C.IV = S.I+S.II+S.III-S.IV-S.V)		**48,00,185**	**54,70,494**	**55,70,593**	**55,69,871**	**64,01,511**	**64,66,290**	**64,61,300**
Components								
C.I	**Currency with the Public**	**6,65,553**	**7,73,005**	**7,70,381**	**7,67,897**	**9,22,122**	**9,20,039**	**9,14,867**
C.II	**Aggregate Deposits of Residents** (C.II.1+C.II.2)	**40,15,126**	**45,89,552**	**46,90,347**	**46,93,857**	**53,45,656**	**54,11,027**	**54,11,028**
C.II.1	Demand Deposits	5,86,475	6,25,921	7,13,995	7,09,226	6,62,461	7,03,856	7,03,857
C.II.2	Time Deposits of Residents (C.II.2.1+C.II.2.2)	34,28,650	39,63,630	39,76,352	39,84,631	46,83,195	47,07,171	47,07,171
C.II.2.1	Short-term Time Deposits	15,42,893	17,83,634	17,89,358	17,93,084	21,07,438	21,18,227	21,18,227
C.II.2.1.1	Certificates of Deposits (CDs)	1,98,931	3,42,969	3,43,103	3,43,103	4,36,274	4,30,289	4,30,289
C.II.2.2	Long-term Time Deposits	18,85,758	21,79,997	21,86,994	21,91,547	25,75,757	25,88,944	25,88,944
C.III	**'Other' Deposits with RBI**	**5,570**	**3,555**	**5,587**	**3,839**	**4,490**	**3,559**	**3,740**
C.IV	**Call/Term Funding from Financial Institutions**	**1,13,936**	**1,04,382**	**1,04,278**	**1,04,278**	**1,29,244**	**1,31,665**	**1,31,665**
Sources								
S.I	**Domestic Credit (S.I.1+S.I.2)**	**44,71,009**	**52,36,586**	**53,03,750**	**53,41,966**	**62,47,099**	**62,95,434**	**63,74,885**
S.I.1	Net Bank Credit to the Government s(S.I.1.1+S.I.1.2)	12,68,549	16,01,379	16,06,382	16,49,165	18,60,753	18,70,506	19,49,553
S.I.1.1	Net RBI credit to the Government	61,580	1,62,603	1,70,892	2,11,586	3,13,073	3,16,389	3,95,436
S.I.1.2	Credit to the Government by the Banking System	12,06,969	14,38,776	14,35,490	14,37,579	15,47,680	15,54,117	15,54,117
S.I.2	Bank Credit to the Commercial Sector (S.I.2.1+S.I.2.2)	32,02,460	36,35,208	36,97,368	36,92,801	43,86,346	44,24,928	44,25,332
S.I.2.1	RBI Credit to the Commercial Sector	13,820	5,775	4,522	1,328	1,570	1,760	2,164
S.I.2.2	Credit to the Commercial Sector by the Banking System	31,88,640	36,29,433	36,92,846	36,91,473	43,84,776	44,23,168	44,23,168
S.I.2.2.1	Other Investments (Non-SLR Securities)	2,16,479	2,95,551	2,43,506	2,43,506	3,16,950	2,75,110	2,75,110
S.II	**Government's Currency Liabilities to the Public**	**10,054**	**11,168**	**11,270**	**11,270**	**12,586**	**12,586**	**12,586**
S.III	**Net Foreign Exchange Assets of the Banking Sector (S.III.1+S.III.2)**	**12,26,757**	**11,77,446**	**11,73,879**	**11,75,875**	**12,63,154**	**12,61,137**	**12,66,489**
S.III.1	Net Foreign Exchange Assets of the RBI	12,80,116	12,44,396	12,29,952	12,31,949	13,32,039	13,23,201	13,28,553
S.III.2	Net Foreign Currency Assets of the Banking System	-53,359	-66,949	-56,073	-56,073	-68,885	-62,065	-62,065
S.IV	**Capital Account**	**7,16,693**	**7,19,722**	**7,02,199**	**7,02,199**	**8,18,449**	**8,10,468**	**8,15,380**
S.V	**Other items (net)**	**1,90,943**	**2,34,984**	**2,16,105**	**2,57,041**	**3,02,878**	**2,92,397**	**3,77,279**

Note: 1. Data are provisional.
2. Monetary Aggregates as at end-march incorporate data on i) scheduled commercial banks as on Last Reporting Friday and ii) the Reserve Bank of India pertaining to the last working day of the fiscal year.
3. Government Balances as on March 31, 2011 are before closure of accounts.

No. 11C: Reserve Bank of India Survey

(₹ crore)

Item		Outstanding as on						
		Mar. 31, 2009	Mar. 12, 2010	Mar. 26, 2010	Mar. 31, 2010	Mar. 11, 2011	Mar. 25, 2011	Mar. 31, 2011
		1	2	3	4	5	6	7
Components								
C.I	Currency in Circulation	6,91,153	8,01,752	8,01,493	7,99,549	9,55,521	9,54,693	9,49,521
C.II	Bankers' Deposits with the RBI	2,91,275	2,95,032	2,98,504	3,52,299	3,32,358	3,37,941	4,23,509
C.II.1	Scheduled Commercial Banks	2,77,462	2,77,982	2,81,390	3,33,936	3,13,358	3,19,163	4,02,656
C.III	'Other' Deposits with the RBI	5,570	3,555	5,587	3,839	4,490	3,559	3,740
C.IV	**Reserve Money (C.I+C.II+C.III = S.I + S.II + S.III - S.IV - S.V)**	**9,87,998**	**11,00,339**	**11,05,584**	**11,55,686**	**12,92,369**	**12,96,193**	**13,76,770**
Sources								
S.I	**RBI's Domestic Credit (S.I.1+S.I.2+S.I.3)**	**85,757**	**1,68,473**	**1,75,456**	**2,14,083**	**3,18,746**	**3,23,254**	**4,02,759**
S.I.1	Net RBI credit to the Government (S.I.1.1+S.I.1.2)	61,580	1,62,603	1,70,892	2,11,586	3,13,073	3,16,389	3,95,436
S.I.1.1	Net RBI credit to the Central Government (S.I.1.1.1+S.I.1.1.2+S.I.1.1.3+S.I.1.1.4-S.I.1.1.5)	61,761	1,61,603	1,70,376	2,11,581	3,11,364	3,15,701	3,94,035
S.I.1.1.1	Loans and Advances to the Central Government	–	–	–	–	–	–	–
S.I.1.1.2	Investments in Treasury Bills	–	–	–	–	–	–	–
S.I.1.1.3	Investments in dated Government Securities	1,57,389	1,64,299	1,76,755	2,22,404	3,11,344	3,21,758	3,93,901
S.I.1.1.3.1	Central Government Securities	1,56,343	1,63,252	1,75,709	2,21,357	3,10,298	3,20,711	3,92,855
S.I.1.1.4	Rupee Coins	99	142	291	270	119	236	234
S.I.1.1.5	Deposits of the Central Government	95,727	2,838	6,670	11,092	100	6,293	100
S.I.1.2	Net RBI credit to State Governments	-181	1,000	516	5	1,709	687	1,401
S.I.2	RBI's Claims on Banks	10,357	95	42	1,169	4,103	5,105	5,159
S.I.2.1	Loans and Advances to Scheduled Commercial Banks	10,164	95	42	1,169	4,029	5,031	5,115
S.I.3	RBI's Credit to Commercial Sector	13,820	5,775	4,522	1,328	1,570	1,760	2,164
S.I.3.1	Loans and Advances to Primary Dealers	750	–	–	–	245	435	839
S.I.3.2	Loans and Advances to NABARD	–	–	–	–	–	–	–
S.II	**Government's Currency Liabilities to the Public**	**10,054**	**11,168**	**11,270**	**11,270**	**12,586**	**12,586**	**12,586**
S.III	**Net Foreign Exchange Assets of the RBI**	**12,80,116**	**12,44,396**	**12,29,952**	**12,31,949**	**13,32,039**	**13,23,201**	**13,28,553**
S.III.1	Gold	48,793	82,845	82,845	81,188	1,00,041	1,00,041	1,02,572
S.III.2	Foreign Currency Assets	12,31,340	11,61,568	11,47,125	11,50,778	12,32,015	12,23,178	12,25,999
S.IV	**Capital Account**	**3,60,078**	**3,04,251**	**2,87,656**	**2,87,656**	**3,44,890**	**3,34,586**	**3,39,498**
S.V	**Other Items (net)**	**27,852**	**19,446**	**23,438**	**13,959**	**26,111**	**28,262**	**27,630**

Note : 1. Data are provisional.

2. Government Balances as on March 31, 2011 are before closure of accounts.

No. 11D: Liquidity Aggregates (Outstanding Amounts)

(₹ crore)

Month/Year	NM3	Postal Deposits	L_1	Liabilities of Financial Institutions				L_2	Public Deposits with NBFCs	L_3
				Term Money Borrowings	CDs	Term Deposits	Total			
	1	2	**3=(1+2)**	4	5	6	7=(4+5+6)	**8=(3+7)**	9	**10=(8+9)**
2008-09										
Apr-08	40,60,194	1,14,497	**41,74,691**	2,656	31	245	2,932	**41,77,623**		
May-08	41,10,950	1,15,131	**42,26,081**	2,656	31	245	2,932	**42,29,013**		
June-08	41,28,575	1,15,471	**42,44,046**	2,656	31	245	2,932	**42,46,978**	24,647	**42,71,625**
July-08	41,65,104	1,15,714	**42,80,818**	2,656	31	245	2,932	**42,83,750**		
Aug-08	42,47,373	1,15,507	**43,62,880**	2,656	31	245	2,932	**43,65,812**		
Sept-08	43,02,978	1,15,451	**44,18,429**	2,656	31	245	2,932	**44,21,361**	24,647	**44,46,008**
Oct-08	43,78,543	1,15,441	**44,93,984**	2,656	31	245	2,932	**44,96,916**		
Nov-08	44,14,019	1,15,157	**45,29,176**	2,656	31	245	2,932	**45,32,108**		
Dec-08	44,63,076	1,14,988	**45,78,064**	2,656	31	245	2,932	**45,80,996**	24,647	**46,05,643**
Jan-09	45,87,579	1,13,965	**47,01,544**	2,656	31	245	2,932	**47,04,476**		
Feb-09	46,70,399	1,13,471	**47,83,870**	2,656	31	245	2,932	**47,86,802**		
Mar-09	48,00,185	1,14,076	**49,14,261**	2,656	31	245	2,932	**49,17,193**	24,647	**49,41,840**
2009-10										
Apr-09	48,92,417	1,13,894	**50,06,311**	2,656	31	245	2,932	**50,09,243**		
May-09	49,44,748	1,14,140	**50,58,888**	2,656	31	245	2,932	**50,61,820**		
Jun-09	49,37,552	1,14,429	**50,51,981**	2,656	31	245	2,932	**50,54,913**	24,647	**50,79,560**
July-09	50,28,951	1,14,309	**51,43,260**	2,656	31	245	2,932	**51,46,192**		
Aug-09	50,59,462	1,14,199	**51,73,661**	2,656	31	245	2,932	**51,76,593**		
Sept-09	50,88,962	1,14,543	**52,03,505**	2,656	31	245	2,932	**52,06,437**	24,647	**52,31,084**
Oct-09	51,54,644	1,14,434	**52,69,078**	2,656	31	245	2,932	**52,72,010**		
NOV-9	51,98,226	1,14,556	**53,12,782**	2,656	31	245	2,932	**53,15,714**		
Dec-09	52,26,631	1,15,434	**53,42,065**	2,656	31	245	2,932	**53,44,997**	24,647	**53,69,644**
Jan-10	53,31,487	1,14,972	**54,46,459**	2,656	31	245	2,932	**54,49,391**		
Feb-10	54,11,046	1,15,077	**55,26,123**	2,656	31	245	2,932	**55,29,055**		
Mar-10	55,69,871	1,16,893	**56,86,764**	2,656	31	245	2,932	**56,89,696**	24,647	**57,14,343**
2010-11										
Apr-10	56,30,921	1,17,511	**57,48,432**	2,656	31	245	2,932	**57,51,364**		
May-10	56,71,558	1,18,114	**57,89,672**	2,656	31	245	2,932	**57,92,604**		
June-10	56,85,773	1,18,813	**58,04,586**	2,656	31	245	2,932	**58,07,518**	24,647	**58,32,165**
July-10	58,22,761	1,19,482	**59,42,243**	2,656	31	245	2,932	**59,45,175**		
Aug-10	58,30,148	1,20,177	**59,50,325**	2,656	31	245	2,932	**59,53,257**		
Sept-10	58,63,640	1,20,407	**59,84,047**	2,656	31	245	2,932	**59,86,979**	24,647	**60,11,626**
Oct-10	60,40,349	1,20,579	**61,60,928**	2,656	31	245	2,932	**61,63,860**		
Nov-10	60,44,220	1,20,921	**61,65,141**	2,656	31	245	2,932	**61,68,073**		
Dec-10	61,81,157	1,21,006	**63,02,163**	2,656	31	245	2,932	**63,05,095**	24,647	**63,29,742**
Jan-11	62,14,783	1,19,905	**63,34,688**	2,656	31	245	2,932	**63,37,620**		
Feb-11	63,26,890	1,18,876	**64,45,766**	2,656	31	245	2,932	**64,48,698**		
Mar-11	64,61,300	1,18,876	**65,80,176**	2,656	31	245	2,932	**65,83,108**	24,647	**66,07,755**

CDs: Certificates of Deposit; L_1, L_2 and L_3: Liquidity Aggregates; NBFCs: Non-Banking Financial Companies

Notes :

1. Postal Deposits comprise post office savings bank deposits, post office time deposits, post office recurring deposits, other deposits and post office cumulative time deposits.
2. Financial Institutions (FIs), here, comprise IFCI, EXIM Bank, IIBI, SIDBI, NABARD, NHB, TFCI and IDFC. Since October 2004, data on FI's do not include that of IDBI reflecting its conversion into a banking entity.
3. Since July 2001, the term money borrowings of the FIs comprise borrowings from corporate and others.
4. Since August 2002,Term Deposits include CP and Others.
5. Estimates of public deposits are generated on the basis of returns received from all NBFCs with public deposits of Rs. 20 crore and more as had been recommended by the Working Group.
6. While L1 and L2 are compiled on a monthly basis, L3 is compiled on a quarterly basis.
7. Data are provisional. Wherever data are not available, the estimates for the last available month have been repeated.

No. 12: Reserve Money and its Components

(₹ crore)

Outstandings as on March 31/each Friday/ last reportingFriday of the month			Currency in Circulation		'Other' Deposits with RBI	Bankers' Deposits with RBI	Reserve Money (1+3+4)
			Total	o / w cash with banks			
			1	2	3	4	5
2008-2009			6,91,153	25,703	5,570	2,91,275	9,87,998
2009-2010			7,99,549	32,056	3,839	3,52,299	11,55,686
2010-2011			9,49,521	35,351	3,740	4,23,509	13,76,770
March	5,	2010	7,94,623	–	3,659	2,79,400	10,77,682
March	12,	2010	8,01,752	28,821	3,555	2,95,032	11,00,339
March	19,	2010	8,02,382	–	4,284	2,99,410	11,06,076
March	26,	2010	8,01,493	30,278	5,587	2,98,504	11,05,584
November		2010	9,09,229	37,449	3,561	3,19,110	12,31,900
December		2010	9,06,972	38,289	3,598	3,31,260	12,41,831
January		2011	9,24,992	36,806	13,361	3,09,020	12,47,373
February		2011	9,41,370	35,516	3,615	3,34,568	12,79,554
March	4,	2011	9,46,256	–	3,159	3,40,890	12,90,306
March	11,	2011	9,55,521	33,757	4,490	3,32,358	12,92,369
March	18,	2011	9,57,648	–	3,241	3,59,309	13,20,197
March	25,	2011	9,54,693	35,351	3,559	3,37,941	12,96,193

See 'Notes on Table'.

Note : Data are provisional.

No. 13: Sources of Reserve Money

(₹ crore)

Outstanding as on March 31/each Friday/ last reporting Friday of the month	Reserve Bank's claims on				Net foreign exchange Assets of RBI (3)	Government's Currency Liabilitues to the public	Net Non-Monetary liabilities of RBI (3)	Reserve Money (1+2+3+4 +5+6-7)
	Government (net)(1)	Commercial & Co-operative banks	National Bank for Agriculture and Rural Development	Commercial sector(2)				
	1	2	3	4	5	6	7	8
2008-2009	61,580	10,357	–	13,820	12,80,116	10,054	3,87,930	9,87,998
2009-2010	2,11,586	1,169	–	1,328	12,31,949	11,270	3,01,615	11,55,686
2010-2011	3,95,436	5,159	–	2,164	13,28,553	12,586	3,67,128	13,76,770
March 5, 2010	1,39,319	95	–	4,666	12,47,112	11,168	3,24,677	10,77,682
March 12, 2010	1,62,603	95	–	5,775	12,44,396	11,168	3,23,697	11,00,339
March 19, 2010	1,71,672	35	–	5,337	12,38,451	11,168	3,20,587	11,06,076
March 26, 2010	1,70,892	42	–	4,522	12,29,952	11,270	3,11,094	11,05,584
November 2010	2,59,513	4,513	–	1,572	13,15,909	12,254	3,61,860	12,31,900
December 2010	2,63,952	5,078	–	1,626	13,01,865	12,373	3,43,064	12,41,831
January 2011	2,69,302	4,468	–	1,325	13,33,507	12,479	3,73,707	12,47,373
February 2011	3,00,211	3,426	–	1,570	13,33,268	12,586	3,71,508	12,79,554
March 4, 2011	3,09,525	4,455	–	1,570	13,29,215	12,586	3,67,046	12,90,306
March 11, 2011	3,13,073	4,103	–	1,570	13,32,039	12,586	3,71,001	12,92,369
March 18, 2011	3,42,212	7,312	–	1,570	13,35,387	12,586	3,78,871	13,20,197
March 25, 2011	3,16,389	5,105	–	1,760	13,23,201	12,586	3,62,849	12,96,193

See ' Notes on Tables'

Note: 1. Net Foreign Exchange Assets of the RBI includes investments in foreign currency denominated bonds issued by IIFC(UK) since March 20, 2009.
2. Government Balances as on March 31, 2011 are before closure of accounts.
3. Data are Provisional.

No. 14: Daily Call Money Rates

As on			Range of Rates		Weighted Average Rates	
			Borrowings	Lendings	Borrowings	Lendings
			1	2	3	4
March	1,	2011	5.00 – 7.00	5.00 – 7.00	6.95	6.95
March	2,	2011	5.00 – 7.00	5.00 – 7.00	6.95	6.95
March	3,	2011	4.50 – 7.00	4.50 – 7.00	6.86	6.86
March	4,	2011	5.25 – 7.00	5.25 – 7.00	6.89	6.89
March	5,	2011	5.10 – 6.80	5.10 – 6.80	6.39	6.39
March	7,	2011	4.50 – 7.00	4.50 – 7.00	6.86	6.86
March	8,	2011	5.00 – 7.00	5.00 – 7.00	6.86	6.86
March	9,	2011	5.20 – 7.00	5.20 – 7.00	6.84	6.84
March	10,	2011	5.50 – 6.95	5.50 – 6.95	6.79	6.79
March	11,	2011	5.50 – 6.95	5.50 – 6.95	6.81	6.81
March	12,	2011	5.50 – 7.00	5.50 – 7.00	6.93	6.93
March	14,	2011	5.25 – 7.00	5.25 – 7.00	6.88	6.88
March	15,	2011	4.00 – 7.50	4.00 – 7.50	6.92	6.92
March	16,	2011	5.50 – 7.25	5.50 – 7.25	7.08	7.08
March	17,	2011	3.75 – 7.90	3.75 – 7.90	7.34	7.34
March	18,	2011	5.70 – 7.65	5.70 – 7.65	7.46	7.46
March	19,	2011	6.00 – 7.70	6.00 – 7.70	6.98	6.98
March	21,	2011	5.00 – 7.75	5.00 – 7.75	7.55	7.55
March	22,	2011	5.25 – 7.85	5.25 – 7.85	7.60	7.60
March	23,	2011	5.00 – 8.50	5.00 – 8.50	7.64	7.64
March	24,	2011	4.10 – 8.50	4.10 – 8.50	7.60	7.60
March	25,	2011	5.70 – 10.00	5.70 – 10.00	7.65	7.65
March	26,	2011	5.60 – 7.75	5.60 – 7.75	7.41	7.41
March	28,	2011	5.25 – 7.60	5.25 – 7.60	7.42	7.42
March	29,	2011	5.25 – 10.00	5.25 – 10.00	7.24	7.24
March	30,	2011	5.00 – 7.30	5.00 – 7.30	7.16	7.16
March	31,	2011	5.70 – 10.00	5.70 – 10.00	8.99	8.99
April	2,	2011	4.00 – 6.80	4.00 – 6.80	6.72	6.72
April	4,	2011	4.00 – 6.80	4.00 – 6.80	6.72	6.72
April	5,	2011	4.10 – 7.10	4.10 – 7.10	6.78	6.78
April	6,	2011	3.70 – 6.25	3.70 – 6.25	5.96	5.96
April	7,	2011	2.85 – 6.05	2.85 – 6.05	5.88	5.88
April	8,	2011	3.70 – 6.75	3.70 – 6.75	5.86	5.86
April	9,	2011	4.90 – 7.00	4.90 – 7.00	6.63	6.63
April	11,	2011	5.00 – 7.00	5.00 – 7.00	6.69	6.69
April	12,	2011	5.00 – 7.00	5.00 – 7.00	6.69	6.69
April	13,	2011	3.75 – 7.00	3.75 – 7.00	6.82	6.82
April	14,	2011	3.75 – 7.00	3.75 – 7.00	6.82	6.82
April	15,	2011	3.75 – 6.90	3.75 – 6.90	6.82	6.82

No. 15: Average Daily Turnover in Call Money Market

(₹ crore)

Fortnight ended			Average Daily Call Money Turnover				Total
			Banks		Primary Dealers		
			Borrowings	Lendings	Borrowings	Lendings	
			1	2	3	4	5
January	1,	2010	7,261	7,971	713	4	**15,948**
January	15,	2010	5,243	6,016	777	3	**12,038**
January	29,	2010	6,332	7,291	961	2	**14,586**
February	12,	2010	4,642	5,431	790	–	**10,864**
February	26,	2010	5,921	6,671	766	17	**13,376**
March	12,	2010	7,698	8,587	889	–	**17,174**
March	26,	2010	9,109	9,883	774	–	**19,765**
April	9,	2010	6,178	6,968	796	6	**13,949**
April	23,	2010	7,637	8,379	767	25	**16,808**
May	7,	2010	8,014	9,457	1,447	4	**18,921**
May	21,	2010	7,915	8,981	1,066	–	**17,962**
June	4,	2010	6,129	7,002	872	–	**14,003**
June	18,	2010	5,556	6,236	682	2	**12,475**
July	2,	2010	7,622	8,124	521	18	**16,285**
July	16,	2010	8,744	9,301	557	–	**18,603**
July	30,	2010	9,468	10,131	663	–	**20,263**
August	13,	2010	6,134	7,298	1,164	–	**14,596**
August	27,	2010	7,531	8,675	1,144	–	**17,351**
September	10,	2010	6,704	7,818	1,114	–	**15,637**
September	24,	2010	7,900	9,107	1,207	–	**18,214**
October	8,	2010	8,129	9,380	1,258	7	**18,774**
October	22,	2010	7,021	8,004	983	–	**16,008**
November	5,	2010	7,681	8,822	1,144	4	**17,651**
November	19,	2010	9,113	9,879	766	–	**19,758**
December	3,	2010	6,950	7,692	742	–	**15,385**
December	17,	2010	7,174	8,344	1,172	2	**16,691**
December	31,	2010	9,909	10,852	943	–	**21,704**
January	14,	2011	7,336	8,270	934	–	**16,540**
January	28,	2011	7,156	7,843	690	4	**15,692**
February	11,	2011	7,865	8,372	506	–	**16,743**
February	25,	2011	11,304	11,814	510	–	**23,628**
March	11,	2011	10,104	10,390	286	–	**20,779**
March	25,	2011	11,185	11,421	243	7	**22,857**
April	8,	2011	11,215	11,565	350	–	**23,129**

Notes : 1. Data are provisional.

2. Since August 6, 2005 eligible participants are Banks and Primary Dealers.

No. 16: Issue of Certificates of Deposit by Scheduled Commercial Banks

(Amount in ₹ crore)

Fortnight ended		Total Amount Outstanding	Range of Discount Rate (per cent) @	Fortnight ended		Total Amount Outstanding	Range of Discount Rate (per cent) @	Fortnight ended		Total Amount Outstanding	Range of Discount Rate (per cent) @
		1	2			1	2			1	2
2008-09				**2009-10**				**2010-11**			
April	11	1,49,986	8.00–9.72	April	10	1,98,497	5.90–11.50	April	9	3,41,830	4.35–8.95
	25	1,50,865	7.70–9.96		24	2,10,954	3.90–11.50		23	3,36,807	4.15–6.90
May	9	1,53,410	7.75–10.20	May	8	2,11,370	3.75–6.20	May	7	3,40,757	4.22–7.01
	23	1,56,780	8.00–10.20		22	2,18,437	3.65–7.60		21	3,40,343	4.24–6.30
June	6	1,59,696	8.60–10.20	June	5	2,18,079	3.90–6.60	June	4	3,37,006	4.73–7.50
	20	1,63,143	8.62–9.79		19	2,21,491	3.60–8.00		18	3,21,589	5.75–7.50
July	4	1,64,557	8.30–10.60	July	3	2,28,638	3.34–8.25	July	2	3,42,362	5.92–7.05
	18	1,64,892	8.92–10.95		17	2,35,715	3.34–8.00		16	3,27,720	6.05–7.19
					31	2,40,395	3.55–8.00		30	3,24,810	6.25–7.50
August	1	1,63,546	8.92–11.05								
	15	1,66,996	8.92–11.11	August	14	2,30,198	3.75–8.00	August	13	3,27,582	6.25–7.90
	29	1,71,966	10.00–11.57		28	2,32,522	3.60–8.00		27	3,41,616	6.41–8.00
September	12	1,78,280	8.92–12.00	September	11	2,26,756	3.70–6.21	September	10	3,48,203	6.41–8.06
	26	1,75,522	8.92–12.35		25	2,16,691	3.75–6.51		24	3,37,322	6.41–8.25
October	10	1,74,975	8.92–21.00	October	9	2,25,781	3.70–6.05	October	8	3,44,158	6.36–8.26
	24	1,58,562	8.80–12.90		23	2,27,227	3.74–6.41		22	3,43,353	6.41–8.30
November	7	1,54,172	8.92–11.50	November	6	2,35,859	3.55–7.00	November	5	3,32,126	6.41–8.80
	21	1,51,493	8.80–11.75		20	2,45,101	3.15–7.00		19	3,32,982	6.41–8.75
December	5	1,50,779	8.50–11.00	December	4	2,43,584	3.50–6.50	December	3	3,33,109	7.80–9.08
	19	1,51,214	7.00–11.50		18	2,48,440	3.60–6.75		17	3,28,566	8.25–9.75
									31	3,61,408	8.57–9.80
January	2	1,52,901	7.00–11.50	January	1	2,64,246	3.75–6.75				
	16	1,62,883	6.10–11.50		15	2,64,698	3.38–6.61	January	14	3,71,881	7.18–9.82
	30	1,64,979	5.25–11.50		29	2,82,284	3.09–6.51		28	3,77,640	7.35–9.90
February	13	1,74,088	5.40–11.50	February	12	2,78,388	3.35–6.76	February	11	4,07,862	8.15–10.15
	27	1,75,057	5.40–11.50		26	3,09,390	3.24–8.25		25	4,18,524	9.72–10.60
March	13	1,67,320	5.45–11.50	March	12	3,39,279	4.00–7.36	March	11	4,30,971	7.65–10.72
	27	1,92,867	6.00–11.50		26	3,41,054	4.52–7.12		25	4,24,740	9.00–10.60

@ Effective discount rate range per annum.

No. 17: Issue of Commercial Paper* By Companies

(Amount in ₹ crore)

Fortnight ended		Total Amount Outstanding	Rate of Interest (per cent) @	Fortnight ended		Total Amount Outstanding	Rate of Interest (per cent) @	Fortnight ended		Total Amount Outstanding	Rate of Interest (per cent) @
		1	2			1	2			1	2
2008-09				**2009-10**				**2010-11**			
April	15	35,793.55	7.74–10.25	April	15	46,550.90	6.00–12.50	April	15	83,165.00	3.85–8.40
	30	37,583.55	7.35–10.10		30	52,880.90	3.30–10.25		30	98,769.10	3.97–9.40
May	15	41,005.55	7.15–10.75	May	15	57,844.90	2.83–9.90	May	15	1,00,364.00	3.85–8.45
	31	42,031.55	7.70–10.50		31	60,739.90	3.32–9.00		31	1,09,039.00	4.50–9.45
June	15	45,982.80	8.25–11.60	June	15	67,238.75	3.50–9.15	June	15	1,06,580.00	4.75–8.65
	30	46,847.30	9.00–12.25		30	68,720.55	3.20–12.00		30	99,792.00	6.00–8.50
July	15	48,342.30	9.50–12.25	July	15	77,559.58	3.04–8.85	July	15	1,07,755.00	6.02–8.75
	31	51,569.30	9.60–12.00		31	79,582.05	3.25–8.90		31	1,12,704.00	6.10–9.00
August	15	52,830.55	9.54–12.50	August	15	77,352.05	3.43–9.20	August	15	1,27,271.00	4.65–9.10
	31	55,035.55	10.20–14.75		31	83,025.90	3.05–9.35		31	1,26,549.00	4.40–9.60
September	15	54,181.95	10.25–14.25	September	15	88,161.00	3.20–9.05	September	15	1,23,225.00	5.40–9.25
	30	52,037.60	11.40–13.95		30	79,228.10	3.90–8.35		30	1,12,003.00	6.65–9.90
October	15	49,359.00	11.90–17.75	October	15	91,930.00	2.98–9.00	October	15	1,32,093.00	6.50–10.00
	31	48,442.00	11.55–16.90		31	98,835.00	3.07–7.90		31	1,49,619.60	7.00–18.00
November	15	45,382.10	11.50–15.50	November	15	1,03,315.00	3.00–8.85	November	15	1,23,108.00	6.30–13.00
	30	44,487.10	9.00–15.50		30	1,03,915.00	2.85–8.40		30	1,17,793.00	6.32–18.00
December	15	40,166.00	10.40–16.00	December	15	1,06,676.50	3.00–9.25	December	15	1,02,156.00	8.00–16.00
	31	38,055.00	8.96–14.00		31	90,305.00	3.72–10.00		31	82,542.00	8.00–12.10
January	15	48,802.60	7.75–14.00	January	15	92,363.00	3.15–7.55	January	15	98,913.00	6.60–11.95
	31	51,668.00	6.75–13.00		31	91,564.00	3.35–7.50		31	1,01,752.00	6.94–12.50
February	15	53,614.60	5.25–12.50	February	15	96,152.00	3.30–8.00	February	15	1,03,726.00	6.30–12.30
	28	52,559.60	5.80–11.75		28	97,000.00	3.20–8.50		28	1,01,291.00	6.32–13.05
March	15	49,952.75	7.50–12.50	March	15	91,025.00	4.00–8.90	March	15	96,487.00	7.20–13.50
	31	44,171.25	6.40–12.50		31	76,056.00	5.30–9.00		31	80,305.00	7.93–15.00

* Issued at face value by companies.

@ Typical effective discount rate range per annum on issues during the fortnight.

Government Accounts

No. 18: Union Government Accounts at a Glance

(Amount in ₹ crore)

Item	Financial Year	April-February			
	2010-11 (Revised Estimates)	2009-10 (Actuals)	2010-11 (Actuals)	Percentage to Revised Estimates	
				2009-10	2010-11
	1	2	3	4	5
1. Revenue Receipts	**7,83,833**	**4,58,732**	**6,70,366**	**79.5**	**85.5**
2. Tax Revenue (Net)	5,63,685	3,58,641	4,60,624	77.1	81.7
3. Non-Tax Revenue	2,20,148	1,00,091	2,09,742	89.2	95.3
4. Capital Receipts	**4,32,743**	**3,99,573**	**3,08,339**	**89.9**	**71.3**
5. Recovery of Loans	9,001	5,886	10,506	138.4	116.7
6. Other Receipts	22,744	12,786	22,745	49.3	100.0
7. Borrowings and Other Liabilities	4,00,998	3,80,901	2,75,088	92.0	68.6
8. Total Receipts (1+4)	**12,16,576**	**8,58,305**	**9,78,705**	**84.0**	**80.4**
9. Non-Plan Expenditure	**8,21,552**	**6,01,198**	**6,68,140**	**85.1**	**81.3**
10. On Revenue Account	7,26,749	5,57,414	6,07,814	86.8	83.6
(i) Interest Payments	2,40,757	1,77,257	2,01,169	80.8	83.6
11. On Capital Account	94,803	43,784	60,326	68.0	63.6
12. Plan Expenditure	**3,95,024**	**257,107**	**3,10,565**	**81.6**	**78.6**
13. On Revenue Account	3,26,928	2,17,191	2,63,259	82.1	80.5
14. On Capital Account	68,096	39,916	47,306	78.6	69.5
15. Total Expenditure (9+12)	**12,16,576**	**8,58,305**	**9,78,705**	**84.0**	**80.4**
16. Revenue Expenditure (10+13)	10,53,677	7,74,605	8,71,073	85.5	82.7
17. Capital Expenditure (11+14)	1,62,899	83,700	1,07,632	72.7	66.1
18. Revenue Deficit (16-1)	**2,69,844**	**3,15,873**	**2,00,707**	**96.0**	**74.4**
19. Fiscal Deficit {15-(1+5+6)}	**4,00,998**	**3,80,901**	**2,75,088**	**92.0**	**68.6**
20. Gross Primary Deficit [19-10(i)]	**1,60,241**	**2,03,644**	**73,919**	**104.7**	**46.1**

Notes : 1. Financial year runs from "April to March".
2. Actuals are unaudited figures.

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

Government Securities Market

No. 19: Government of India : 91 Day Treasury Bills (Outstanding at Face Value)

(₹ crore)

March 31/ Last Friday/ Friday	Reserve Bank of India			Banks		State Governments		Others		Foreign Central Banks	
	Tap*		Auction	Tap*	Auction	Tap*	Auction	Tap*	Auction	Tap*	Auction
	Re-discounted	Ad hocs									
	1	2	3	4	5	6	7	8	9	10	11
Mar. 31, 2000	–	–	288	–	557	–	–	–	455	–	220
Mar. 31, 2001	–	–	67	–	868	–	–	–	153	–	630
Mar. 31, 2002	–	–	154	–	2,292	–	450	–	360	–	1,301
Mar. 31, 2003	–	–	–	–	6,427	–	800	–	780	–	700
Mar. 31, 2004	–	–	–	–	3,948	–	600	–	1,452	–	39
Mar. 31, 2005	–	–	–	–	21,176	–	1,755	–	4,829	–	32
Mar. 31, 2006	–	–	–	–	5,943	–	9,762	–	576	–	37
Mar. 31, 2007	–	–	–	–	12,684	–	24,250	–	6,743	–	5
Mar. 31, 2008	–	–	–	–	6,057	–	23,825	–	10,075	–	–
Mar. 31, 2009	–	–	–	–	49,914	–	544	–	25,092	–	–
Mar. 31, 2010	–	–	–	–	30,875	–	–	–	40,628	–	–
Jan. 2009	–	–	–	–	40,741	–	10,446	–	25,261	–	–
Feb. 2009	–	–	–	–	43,910	–	7,020	–	25,094	–	–
Mar. 2009	–	–	–	–	49,914	–	544	–	25,092	–	–
Apr. 2009	–	–	–	–	44,190	–	5,544	–	30,814	–	–
May 2009	–	–	–	–	39,653	–	5,000	–	35,347	–	–
Jun. 2009	–	–	–	–	38,979	–	5,000	–	36,021	–	–
Jul. 2009	–	–	–	–	25,841	–	–	–	50,309	–	350
Aug. 2009	–	–	–	–	26,840	–	–	–	49,185	–	475
Sep. 2009	–	–	–	–	37,133	–	–	–	38,892	–	475
Oct. 2009	–	–	–	–	25,250	–	–	–	46,925	–	325
Nov. 2009	–	–	–	–	21,635	–	–	–	49,825	–	40
Dec. 2009	–	–	–	–	27,154	–	–	–	44,306	–	40
Jan. 2010	–	–	–	–	25,428	–	–	–	46,074	–	–
Feb. 2010	–	–	–	–	25,292	–	–	–	46,211	–	–
Mar. 2010	–	–	–	–	30,875	–	–	–	40,628	–	–
Apr. 2010	–	–	–	–	25,089	–	–	–	46,412	–	–
May 2010	–	–	–	–	31,219	–	–	–	46,231	–	50
Jun. 2010	–	–	–	–	28,558	–	1,000	–	37,392	–	50
Jul. 2010	–	–	–	–	20,920	–	3,854	–	25,080	–	–
Aug. 2010	–	–	–	–	15,352	–	9,279	–	30,648	–	–
Sep. 2010	–	–	–	–	17,626	–	10,279	–	28,374	–	–
Oct, 2010	–	–	–	–	22,118	–	11,334	–	31,882	–	–
Nov. 2010	–	–	–	–	17,443	–	12,359	–	24,557	–	–
Dec. 2010	–	–	–	–	15,633	–	16,859	–	30,367	–	–
Jan. 2011	–	–	–	–	15,326	–	17,811	–	30,676	–	–
Feb. 2011	–	–	–	–	17,212	–	14,586	–	32,794	–	–
Week Ended											
Mar. 4, 2011	–	–	–	–	18,257	–	15,085	–	32,749	–	–
Mar. 11, 2011	–	–	–	–	19,693	–	15,086	–	32,312	–	–
Mar. 18, 2011	–	–	–	–	20,755	–	12,586	–	34,252	–	–
Mar. 25, 2011	–	–	–	–	23,560	–	11,586	–	34,446	–	–

* : The rate of discount is 4.60 per cent –per annum.

No. 20: Auctions of 91-day Government of India Treasury Bills

(Amount in ₹ crore)

Date of Auction		Date of Issue	Notified Amount	Bids Received			Bids Accepted			Devol-vement on PDs/ SDs*	Total Issue (7+8+9)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)	Amount Out-standing as on the Date of Issue (Face Value)
				Number	Total Face Value		Number	Total Face Value						
					Compe-titive	Non-Compe-titive		Compe-titive	Non-Compe-titive					
		1	2	3	4	5	6	7	8	9	10	11	12	13
2009-10														
Mar.	3	Mar. 5	4,500	75	7,740.25	–	52	4,500.00	–	–	4,500.00	98.96	4.2153	71,503.00
Mar.	10	Mar. 12	5,000	59	7,682.86	–	51	5,000.00	–	–	5,000.00	98.93	4.3382	71,503.00
Mar.	17	Mar. 19	5,000	85	15,754.65	–	44	5,000.00	–	–	5,000.00	98.91	4.4202	71,503.00
Mar.	23	Mar. 26	5,000	96	17,770.10	–	37	5,000.00	–	–	5,000.00	98.91	4.4202	71,503.00
Mar.	30	Mar. 31	2,000	53	4,910.50	–	16	2,000.00	–	–	2,000.00	98.92	4.3792	71,503.00
2010-11														
Apr.	4	Apr. 9	7,000	128	27,842.20	–	41	7,000.00	–	–	7,000.00	99.02	3.9697	71,503.00
Apr.	13	Apr. 16	7,000	95	15,857.41	–	71	7,000.00	–	–	7,000.00	98.95	4.2562	71,503.00
Apr.	21	Apr. 23	7,000	116	21,965.97	–	29	7,000.00	–	–	7,000.00	98.97	4.1743	71,501.00
Apr.	28	Apr. 30	7,000	95	21,054.50	–	67	7,000.00	–	–	7,000.00	98.97	4.1743	71,500.50
May	5	May 7	7,000	103	26,195.70	–	67	7,000.00	–	–	7,000.00	98.98	4.1334	71,500.50
May	12	May 14	7,000	89	18,195.72	–	47	7,000.00	–	–	7,000.00	98.97	4.1743	73,500.50
May	19	May 21	7,000	73	15,336.95	–	44	7,000.00	–	–	7,000.00	98.96	4.2153	75,500.50
May	26	May 28	7,000	92	11,380.75	–	72	7,000.00	–	–	7,000.00	98.76	5.0361	77,500.00
Jun.	2	Jun. 4	2,000	92	8,243.50	–	36	2,000.00	–	–	2,000.00	98.72	5.2006	75,000.00
Jun.	9	Jun. 11	2,000	68	4,931.00	–	29	2,000.00	–	–	2,000.00	98.71	5.2418	72,000.00
Jun.	16	Jun. 18	2,000	66	6,441.50	500.00	35	2,000.00	500.00	–	2,500.00	98.68	5.3653	69,500.00
Jun.	23	Jun. 25	2,000	79	8,671.30	500.00	40	2,000.00	500.00	–	2,500.00	98.68	5.3653	67,000.00
Jun.	30	Jul. 2	2,000	68	7,854.20	500.00	8	2,000.00	500.00	–	2,500.00	98.70	5.2830	67,500.00
Jul.	7	Jul. 9	2,000	81	8,361.25	500.00	24	2,000.00	500.00	–	2,500.00	98.68	5.3653	63,000.00
Jul.	14	Jul. 16	2,000	63	5,500.43	500.00	31	2,000.00	500.00	–	2,500.00	98.67	5.4065	58,500.00
Jul.	21	Jul. 23	2,000	81	5,521.00	500.00	50	2,000.00	500.00	–	2,500.00	98.59	5.7364	54,000.00
Jul.	28	Jul. 30	2,000	92	9,511.00	854.10	7	2,000.00	854.10	–	2,854.10	98.59	5.7364	49,854.10
Aug.	4	Aug. 6	7,000	111	15,563.50	2,875.00	77	7,000.00	2,875.00	–	9,875.00	98.53	5.9841	52,729.10
Aug.	11	Aug. 13	7,000	122	12,872.17	550.00	91	7,000.00	550.00	–	7,550.00	98.49	6.1495	53,279.10
Aug.	18	Aug. 20	7,000	99	13,208.75	1,000.00	67	7,000.00	1,000.00	–	8,000.00	98.46	6.2735	54,279.10
Aug.	25	Aug. 27	7,000	97	18,257.70	1,000.00	38	7,000.00	1,000.00	–	8,000.00	98.48	6.1908	55,279.10

No. 20: Auctions of 91-day Government of India Treasury Bills *(Concld.)*

(Amount in ₹ crore)

Date of Auction	Date of Issue	Notified Amount	Bids Received			Bids Accepted			Devol-vement on PDs/SDs*	Total Issue (7+8+9)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)	Amount Out-standing as on the Date of Issue (Face Value)
			Number	Total Face Value		Number	Total Face Value						
				Compe-titive	Non-Compe-titive		Compe-titive	Non-Compe-titive					
	1	2	3	4	5	6	7	8	9	10	11	12	13
2010-11													
Sep. 1	Sep. 3	2,000	77	6,431.00	500.00	32	2,000.00	500.00	–	2,500.00	98.51	6.0668	55,779.10
Sep. 8	Sep. 9	2,000	74	6,030.60	500.00	29	2,000.00	500.00	–	2,500.00	98.52	6.0254	56,279.10
Sep. 15	Sep. 17	2,000	72	5,501.10	500.00	43	2,000.00	500.00	–	2,500.00	98.49	6.1495	56,279.10
Sep. 22	Sep. 24	2,000	62	5,834.30	500.00	34	2,000.00	500.00	–	2,500.00	98.48	6.1908	56,279.10
Sep. 29	Oct. 1	2,000	68	7,301.50	1,500.00	27	2,000.00	1,500.00	–	3,500.00	98.46	6.2735	57,279.10
Oct. 6	Oct. 8	4,000	64	7,411.00	500.00	45	4,000.00	500.00	–	4,500.00	98.43	6.3977	59,279.10
Oct. 13	Oct. 15	4,000	76	8,334.53	500.00	44	4,000.00	500.00	–	4,500.00	98.39	6.5634	61,279.10
Oct. 20	Oct. 22	4,000	77	10,767.00	800.00	30	4,000.00	800.00	–	4,800.00	98.34	6.7706	63,579.10
Oct. 27	Oct. 29	4,000	79	9,272.00	609.09	46	4,000.00	609.09	–	4,609.09	98.32	6.8536	65,334.09
Nov. 3	Nov. 4	4,000	89	10,242.10	1,375.00	49	4,000.00	1,375.00	–	5,375.00	98.34	6.7706	60,834.09
Nov. 10	Nov. 12	4,000	86	11,396.62	3,075.00	40	4,000.00	3,075.00	–	7,075.00	98.32	6.8536	60,359.09
Nov. 16	Nov. 19	4,000	88	14,575.35	500.00	16	4,000.00	500.00	–	4,500.00	98.33	6.8121	56,859.09
Nov. 24	Nov. 26	4,000	82	9,447.55	1,500.00	46	4,000.00	1,500.00	–	5,500.00	98.32	6.8536	54,359.09
Dec. 1	Dec. 3	4,000	68	8,240.60	500.00	42	4,000.00	500.00	–	4,500.00	98.30	6.9366	56,359.09
Dec. 8	Dec. 10	4,000	72	7,137.35	500.00	57	4,000.00	500.00	–	4,500.00	98.23	7.2274	58,359.09
Dec. 15	Dec. 16	2,000	91	7,406.25	3,000.00	44	2,000.00	3,000.00	–	5,000.00	98.24	7.1858	60,859.09
Dec. 22	Dec. 24	2,000	78	7,507.30	1,000.00	24	2,000.00	1,000.00	–	3,000.00	98.24	7.1858	61,359.09
Dec. 29	Dec. 31	2,000	57	5,693.00	3,000.00	25	2,000.00	3,000.00	–	5,000.00	98.24	7.1858	62,859.09
Jan. 5	Jan. 7	4,000	85	10,007.55	500.00	40	4,000.00	500.00	–	4,500.00	98.26	7.1027	62,859.09
Jan. 12	Jan. 14	4,000	87	10,940.38	500.00	37	4,000.00	500.00	–	4,500.00	98.25	7.1443	62,859.09
Jan. 19	Jan. 21	4,000	87	12,823.25	502.00	55	4,000.00	502.00	–	4,502.00	98.24	7.1858	62,561.09
Jan. 25	Jan. 28	4,000	83	13,513.50	1,860.90	22	4,000.00	1,860.90	–	5,860.90	98.23	7.2274	63,812.90
Feb. 2	Feb. 4	5,000	108	17,440.20	2,125.00	25	5,000.00	2,125.00	–	7,125.00	98.24	7.1858	65,562.90
Feb. 9	Feb. 11	5,000	101	17,412.67	600.00	49	5,000.00	600.00	–	5,600.00	98.25	7.1443	64,087.90
Feb. 15	Feb. 18	5,000	77	12,620.95	500.00	37	5,000.00	500.00	–	5,500.00	98.25	7.1443	65,087.90
Feb. 23	Feb. 25	5,000	85	13,844.85	3.50	47	5,000.00	3.50	–	5,003.50	98.25	7.1443	64,591.40
Mar. 1	Mar. 4	5,000	70	10,928.10	1,000.00	39	5,000.00	1,000.00	–	6,000.00	98.25	7.1443	66,091.40
Mar. 9	Mar. 11	5,000	76	10,908.41	500.00	44	5,000.00	500.00	–	5,500.00	98.25	7.1443	67,091.40
Mar. 16	Mar. 18	5,000	84	10,231.10	501.10	57	5,000.00	501.10	–	5,501.10	98.23	7.2274	67,592.50
Mar. 23	Mar. 25	5,000	98	10,382.58	–	75	5,000.00	–	–	5,000.00	98.21	7.3105	69,592.50
Mar. 30	Mar. 31	5,000	83	10,972.50	752.25	58	5,000.00	752.25	–	5,752.25	98.21	7.3105	70,344.75

* Effective from auction dated May 14, 1999, devolvement amount would be on RBI only.

Note : Outstanding amount is net of redemption during the week.

No. 20A: Auctions of Government of India Cash Management Bills

(Amount in ₹ crore)

Date of Auction	Date of Issue	Date of Maturity	Notified Amount	Bids Received			Bids Accepted			Total Issue (8+9)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)	Amount Outstanding as on the Date of Issue (Face Value)
				Number	Total Face Value		Number	Total Face Value					
					Competitive	Non-Competitive		Competitive	Non-Competitive				
	1	2	3	4	5	6	7	8	9	10	11	12	13
2010-11													
May 11	May 12	June 16	6.000	74	27,405.00	–	41	6,000.00	–	6,000.00	99.63	3.8729	6,000.00
May 18	May 19	June 16	6,000	57	27,927.00	–	26	6,000.00	–	6,000.00	99.70	3.9225	12,000.00

No. 21: Auctions of 182-day Government of India Treasury Bills

(Amount in ₹ crore)

Date of Auction	Date of Issue	Notified Amount	Bids Received			Bids Accepted			Devolvement on PDs	Total Issue (7+8+9)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)	Amount Outstanding as on the Date of Issue (Face Value)
			Number	Total Face Value		Number	Total Face Value						
				Competitive	Non-Competitive		Competitive	Non-Competitive					
	1	2	3	4	5	6	7	8	9	10	11	12	13
2009-10													
Nov. 11	Nov. 13	2,000	89	9,050.50	–	11	2,000.00	–	–	2,000.00	98.13	3.8217	20,500.00
Nov. 25	Nov. 27	2,000	92	5,295.00	–	51	2,000.00	–	–	2,000.00	98.17	3.7385	20,500.00
Dec. 9	Dec. 11	1,000	57	3,410.00	–	51	1,000.00	–	–	1,000.00	98.13	3.8217	21,000.00
Dec 23	Dec. 24	1,000	44	2,560.00	–	29	1,000.00	–	–	1,000.00	97.88	4.3437	21,500.00
Jan. 6	Jan. 8	1,500	74	5,896.50	–	9	1,500.00	–	–	1,500.00	98.01	4.0720	21,500.00
Jan. 20	Jan. 22	1,500	68	4,888.22	–	27	1,500.00	–	–	1,500.00	97.95	4.1973	21,500.00
Feb. 3	Feb. 5	1,500	52	2,775.00	–	38	1,500.00	–	–	1,500.00	97.81	4.4904	21,500.00
Feb. 17	Feb. 19	1,500	79	4,745.12	–	32	1,500.00	–	–	1,500.00	97.78	4.5533	21,500.00
Mar. 3	Mar. 5	1,500	64	3,942.71	–	38	1,500.00	–	–	1,500.00	97.71	4.7002	21,500.00
Mar. 17	Mar. 19	3,000	114	15,690.00	–	8	3,000.00	–	–	3,000.00	97.72	4.6792	21,500.00
Mar. 30	Mar. 31	1,000	34	2,670.00	–	5	1,000.00	–	–	1,000.00	97.75	4.6162	21,500.00
2010-11													
Apr. 13	Apr. 16	2,000	47	3,220.45	–	35	2,000.00	–	–	2,000.00	97.70	4.7212	21,500.00
Apr. 28	Apr. 30	2,000	68	10,035.00	–	11	2,000.00	–	–	2,000.00	97.78	4.5533	21,500.00
May 12	May 14	2,000	52	5,700.00	–	23	2,000.00	–	–	2,000.00	97.78	4.5533	21,500.00
May 26	May 28	2,000	54	5,570.00	–	15	2,000.00	–	–	2,000.00	97.58	4.9737	21,500.00
Jun. 9	Jun. 11	1,000	47	3,580.55	–	14	1,000.00	–	–	1,000.00	97.45	5.2478	21,500.00
Jun. 23	Jun. 25	1,000	41	3,460.00	–	2	1,000.00	–	–	1,000.00	97.39	5.3746	21,500.00
Jul. 7	Jul. 9	1,500	42	2,746.50	300.00	30	1,500.00	300.00	–	1,800.00	97.20	5.7771	21,800.00
Jul. 21	Jul. 23	1,500	53	4,561.00	–	29	1,500.00	–	–	1,500.00	97.12	5.9471	21,800.00
Aug. 4	Aug. 6	1,500	40	2,898.00	–	30	1,500.00	–	–	1,500.00	96.93	6.3519	21,800.00
Aug. 18	Aug. 20	1,500	56	3,755.20	500.00	23	1,500.00	500.00	–	2,000.00	96.88	6.4587	22,300.00
Sep. 1	Sep. 3	1,500	58	4,335.50	–	27	1,500.00	–	–	1,500.00	96.92	6.3732	22,300.00
Sep. 15	Sep. 17	1,500	47	3,740.50	–	19	1,500.00	–	–	1,500.00	96.89	6.4373	20,800.00
Sep. 29	Oct. 1	1,500	52	4,715.00	–	2	1,500.00	–	–	1,500.00	96.83	6.5655	21,300.00
Oct. 13	Oct. 15	2,000	46	3,434.05	–	21	1,000.00	–	–	1,000.00	96.71	6.8225	20,300.00
Oct. 27	Oct. 29	2,000	55	5,372.00	–	28	2,000.00	–	–	2,000.00	96.60	7.0587	20,300.00
Nov. 10	Nov. 12	2,000	67	5,020.00	500.00	37	2,000.00	500.00	–	2,500.00	96.55	7.1662	20,800.00
Nov. 24	Nov. 26	2,000	61	4,350.00	–	36	2,000.00	–	–	2,000.00	96.52	7.2308	20,800.00
Dec. 8	Dec. 10	1,000	45	4,705.00	–	11	1,000.00	–	–	1,000.00	96.49	7.2954	20,800.00
Dec. 22	Dec. 24	1,000	33	2,885.00	–	9	1,000.00	–	–	1,000.00	96.47	7.3384	20,800.00
Jan. 5	Jan. 7	1,500	50	5,331.50	–	14	1,500.00	–	–	1,500.00	96.49	7.2954	20,500.00
Jan. 19	Jan. 21	1,500	53	3,504.00	0.50	27	1,500.00	0.50	–	1,500.50	96.42	7.4462	20,500.50
Feb. 2	Feb. 4	1,500	67	5,782.00	–	26	1,500.00	–	–	1,500.00	96.40	7.4894	20,501.00
Feb. 15	Feb. 18	2,000	71	6,370.00	–	29	2,000.00	–	–	2,000.00	96.38	7.5326	20,501.00
Mar. 1	Mar. 4	2,000	53	6,893.00	–	16	2,000.00	–	–	2,000.00	96.39	7.5110	21,000.50
Mar. 16	Mar. 18	2,000	70	10,035.57	0.05	13	2,000.00	–	–	2,000.00	96.41	7.4678	21,500.55
Mar. 30	Mar. 31	2,000	56	8,739.25	–	20	2,000.00	–	–	2,000.00	96.40	7.4894	22,000.55

Notes : 1. Outstanding amount is net of redemption during the week.

2. The presentation of implicit yield at cut-off price has been changed from actual /364-day count convention to actual / 365-day count convention from auction dated April 6, 2005.

3. The auctions of 182-day Treasury Bills (TBs) which were discontinued effective May 14, 2001 have been reintroduced from April 6, 2005 onwards.

No. 22: Auctions of 364-day Government of India Treasury Bills

(Amount in ₹ crore)

Date of Auction	Date of Issue	Notified Amount	Bids Received Number	Bids Received Total Face Value Competitive	Bids Received Total Face Value Non-Competitive	Bids Accepted Number	Bids Accepted Total Face Value Competitive	Bids Accepted Total Face Value Non-Competitive	Devolvement on PDs/SDs*	Total Issue (7+8+9)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)	Amount Outstanding as on the Date of Issue (Face Value)
	1	2	3	4	5	6	7	8	9	10	11	12	13
2009-10													
Mar. 10	Mar. 12	3,000	101	9,135.00	113.85	36	3,000.00	113.85	–	3,113.85	95.14	5.1223	41,520.99
Mar. 23	Mar. 26	3,000	101	11,726.00	–	27	3,000.00	–	–	3,000.00	95.12	5.1445	41,497.14
2010-11													
Apr. 7	Apr. 9	2,000	67	5,410.00	25.20	34	2,000.00	25.20	–	2,025.20	95.20	5.0559	42,522.34
Apr. 21	Apr. 23	2,000	88	8,060.00	–	17	2,000.00	–	–	2,000.00	95.17	5.0891	43,522.34
May 5	May 7	2,000	122	11,140.00	–	8	2,000.00	–	–	2,000.00	95.33	4.9122	44,522.34
May 19	May 21	2,000	55	5,250.00	–	12	2,000.00	–	–	2,000.00	95.31	4.9343	45,522.34
Jun. 2	Jun. 4	1,000	48	4,725.00	–	13	1,000.00	–	–	1,000.00	95.05	5.2221	45,522.34
Jun. 16	Jun. 18	1,000	50	1,930.25	157.00	36	1,000.00	157.00	–	1,157.00	94.71	5.6008	45,679.34
Jun. 30	Jul. 2	1,000	41	2,065.00	194.00	23	1,000.00	194.00	–	1,194.00	94.67	5.6456	45,873.34
Jul. 14	Jul. 16	1,000	61	5,460.00	–	14	1,000.00	–	–	1,000.00	94.63	5.6903	45,613.92
Jul. 28	Jul. 30	1,000	43	3,050.00	–	26	1,000.00	–	–	1,000.00	94.09	6.2985	45,613.92
Aug. 11	Aug. 13	1,000	49	3,370.00	16.80	5	1,000.00	16.80	–	1,016.80	93.98	6.4232	45,588.35
Aug. 25	Aug. 27	1,000	45	2,445.00	46.30	23	1,000.00	46.30	–	1,046.30	93.88	6.5369	45,634.65
Sep. 8	Sep. 9	1,000	45	3,775.00	–	14	1,000.00	–	–	1,000.00	93.93	6.4800	42,634.65
Sep. 22	Sep. 24	1,000	38	2,371.17	–	18	1,000.00	–	–	1,000.00	93.74	6.6964	42,601.35
Oct. 6	Oct. 8	2,000	57	4,531.00	42.30	33	2,000.00	42.30	–	2,042.30	93.60	6.8564	42,643.65
Oct. 20	Oct. 22	2,000	59	5,309.50	–	33	2,000.00	–	–	2,000.00	93.40	7.0858	42,643.65
Nov. 3	Nov. 4	2,000	58	5,871.00	–	24	2,000.00	–	–	2,000.00	93.41	7.0743	42,609.85
Nov. 16	Nov. 19	2,000	64	5,140.00	–	19	2,000.00	–	–	2,000.00	93.30	7.2009	42,609.85
Dec. 1	Dec. 3	1,000	45	5,080.30	–	8	1,000.00	–	–	1,000.00	93.24	7.2700	42,609.85
Dec. 15	Dec. 16	1,000	52	4,772.00	–	12	1,000.00	–	–	1,000.00	93.18	7.3393	42,609.85
Dec. 29	Dec. 31	1,000	40	2,968.50	–	24	1,000.00	–	–	1,000.00	93.05	7.4896	42,609.85
Jan. 12	Jan. 14	1,000	48	3,968.50	–	8	1,000.00	–	–	1,000.00	93.04	7.5012	42,609.85
Jan. 25	Jan. 28	1,000	33	3,560.00	–	6	1,000.00	–	–	1,000.00	92.96	7.5940	42,609.85
Feb. 9	Feb. 11	3,000	83	8,596.00	–	42	3,000.00	–	–	3,000.00	92.89	7.6752	42,595.45
Feb. 23	Feb. 25	3,000	77	7,977.00	–	33	3,000.00	–	–	3,000.00	92.89	7.6752	42,595.45
Mar. 9	Mar. 11	3,000	88	11,561.75	–	25	3,000.00	–	–	3,000.00	92.97	7.5824	42,481.60
Mar. 23	Mar. 25	3,000	94	10,703.15	–	20	3,000.00	–	–	3,000.00	92.92	7.6404	42,481.60

* Effective from auction dated May 19, 1999, devolvement would be on RBI only.

Note : 1. Outstanding amount is net of redemption during the week.

2. The presentation of implicit yield at cut-off price has been changed from actual/364-day count convention to actual/365-day count convention from auction dated October 27, 2004.

3. Effective from auction dated June 2, 1999 the non-competitive bidders were allowed to participate. Outstanding amount is net of redemption during the week.

No. 23: Turnover in Government Securities Market (Face Value) at Mumbai @

(₹ crore)

Week / Month +	Govt. of India Dated Securities	State Govt. Securities	Treasury Bills				RBI*
			Cash Management Bills	91 Day	182 Day	364 Day	
	1	2	3	4	5	6	7
2007-08							
April	1,29,393.26	3,090.88	–	9,866.80	2,869.22	5,782.54	333.23
May	1,14,658.96	2,481.32	–	7,160.10	1,498.68	3,183.70	680.35
June	2,20,172.02	2,078.77	–	29,236.33	7,998.44	10,091.95	266.57
July	3,83,106.46	1,906.39	–	19,820.37	3,291.27	22,143.25	715.20
August	2,41,706.99	2,514.20	–	11,899.43	6,877.99	13,643.66	482.50
September	1,74,533.46	1,201.42	–	5,521.11	8,768.86	10,539.40	428.36
October	1,45,814.85	1,714.00	–	22,191.32	13,299.05	20,733.58	531.41
November	1,73,573.07	3,058.32	–	8,788.56	6,219.26	14,338.14	193.03
December	2,12,467.87	2,344.34	–	5,998.32	2,498.72	13,450.44	5,372.60
January	5,54,272.55	4,412.28	–	5,581.92	6,000.66	21,903.31	5,344.63
February	4,34,802.32	4,730.56	–	2,810.06	4,485.10	11,915.60	2,998.80
March	1,72,568.68	1,962.38	–	2,892.25	2,054.68	8,168.54	3,429.97
2008-09							
April	1,63,277.17	2,403.36	–	8,859.66	2,530.12	8,201.96	1,590.93
May	3,18,354.85	11,798.94	–	11,537.89	2,526.64	4,653.10	350.87
June	1,95,337.16	1,445.24	–	10,065.13	1,546.76	4,919.92	13,982.55
July	1,44,355.59	4,278.14	–	4,681.45	2,666.96	7,285.49	7,236.53
August	2,67,462.66	1,453.34	–	14,490.32	2,031.75	6,843.56	8,110.26
September	2,98,155.18	658.34	–	16,333.94	2,676.00	5,348.22	2,680.46
October	2,81,273.77	3,210.06	–	12,052.81	2,694.73	6,280.86	1,264.93
November	3,52,322.10	2,854.11	–	20,603.48	3,193.06	11,987.06	883.69
December	6,07,851.56	8,459.43	–	28,399.05	2,698.80	8,698.45	9,436.27
January	6,95,344.05	5,979.19	–	28,907.53	3,098.29	12,589.53	5,833.07
February	3,31,881.02	3,012.96	–	39,519.13	5,003.80	8,568.70	6,254.99
March	2,73,558.86	24,942.96	–	29,000.26	4,899.04	9,781.90	54,278.76
2009-2010							
April	4,39,334.81	13,969.46	–	49,924.92	8,997.86	17,185.16	22,578.72
May	5,44,075.82	19,920.06	–	49,034.98	6,473.99	10,832.37	17,388.35
June	3,89,434.91	8,234.85	–	33,481.31	4,614.14	13,476.32	6,859.93
July	5,97,737.07	11,736.36	–	54,879.39	6,226.76	9,033.52	10,426.58
August	2,80,993.15	13,700.45	–	24,210.32	6,638.70	7,161.74	14,030.00
September	4,98,808.92	10,488.85	–	37,849.04	6,224.68	9,621.84	14,769.46
October	4,15,134.87	8,468.81	–	64,368.86	10,016.73	16,962.75	3,913.79
November	5,04,784.77	12,239.23	–	39,211.18	7,837.40	14,610.40	1,373.25
December	4,13,982.37	12,248.37	–	41,767.78	4,453.32	2,318.84	818.10
January	4,38,066.63	17,305.43	–	70,223.12	6,776.76	10,363.70	2,232.39
February	2,97,462.88	14,467.02	–	39,539.74	5,383.48	10,081.08	617.13
March	2,23,961.35	10,087.94	–	40,413.06	3,808.22	6,218.50	587.34
2010-2011							
April	4,68,156.79	18,838.06	–	93,888.38	13,452.04	17,217.64	2,909.05
May	6,97,267.04	8,562.98	6,175.42	38,201.67	8,032.70	9,342.30	2,004.23
June	5,92,459.67	9,367.58	5,287.08	29,810.61	8,983.82	12,100.36	248.50
July	5,11,224.67	7,463.25	–	33,921.16	15,238.43	12,333.02	3,871.33
August	4,65,033.57	4,818.08	–	28,939.56	5,641.52	5,547.70	1,276.52
September	4,54,824.47	8,020.26	–	31,201.78	3,689.16	7,424.13	796.17
October	5,25,973.95	5,645.52	–	28,457.54	3,387.48	8,879.22	1,236.55
November	2,78,748.84	5,676.52	–	19,058.18	5,400.76	6,513.44	8,727.84
December	3,37,042.88	4,832.40	–	17,526.82	4,989.82	7,046.66	42,128.64
January	2,63,023.34	7,579.32	–	32,106.06	4,469.14	5,900.90	19,092.41
February	2,84,767.04	7,282.88	–	25,934.50	3,485.84	4,376.34	8,556.20
WEEK ENDED							
March 4, 2011	75,962.59	1,724.44	–	5,795.76	1,041.14	2,734.76	516.08
March 11, 2011	92,333.40	2,211.10	–	7,364.82	2,663.18	2,295.44	–
March 18, 2011	80,440.35	2,700.76	–	5,501.30	1,076.00	2,362.16	–
March 25, 2011	58,086.25	1,930.66	–	6,401.04	2,060.90	2,441.52	157.91

@ Based on SGL outright transactions in government securities in secondary market at Mumbai. It excludes repo transactions.
+ Turnover upto the last Friday of the month over the last Friday of preceding month.
* RBI's sales and purchases include transactions in other offices and transactions on behalf of the State Governments and others. It excludes transactions relating to the Government of India and the Welfare Commissioner, Bhopal.

No. 24: Repo/Reverse Repo Auctions under Liquidity Adjustment Facility

(Amount in ₹ crore)

LAF Date	Repo/ Reverse Repo Period (Day(s))	REPO (INJECTION)					REVERSE REPO (ABSORPTION)					Net Injection (+)/ Absorption(-) of liquidity [(5) – (10)]	Outstanding Amount @
		Bids Received		Bids Accepted		Cut-off	Bids Received		Bids Accepted		Cut-off		
		Number	Amount	Number	Amount	Rate(%)	Number	Amount	Number	Amount	Rate(%)		
	1	2	3	4	5	6	7	8	9	10	11	12	13
Mar. 1, 2011	2	31	50,530	31	50,530	6.50	1	500	1	500	5.50	50,030	
Mar. 1, 2011 $	2	22	28,845	22	28,845	6.50	1	95	1	95	5.50	28,750	-78,780
Mar. 3, 2011	1	31	41,250	31	41,250	6.50	–	–	–	–	–	41,250	
Mar. 3, 2011 $	1	11	18,055	11	18,055	6.50	2	1,465	2	1,465	5.50	16,590	-57,840
Mar. 4, 2011	3	27	31,835	27	31,835	6.50	–	–	–	–	–	31,835	
Mar. 4, 2011 $	3	18	18,345	18	18,345	6.50	1	580	1	580	5.50	17,765	-49,600
Mar. 7, 2011	1	28	33,720	28	33,720	6.50	–	–	–	–	–	33,720	
Mar. 7, 2011 $	1	17	15,050	17	15,050	6.50	2	705	2	705	5.50	14,345	-48,065
Mar. 8, 2011	1	25	27,395	25	27,395	6.50	–	-	–	–	–	27,395	
Mar. 8, 2011 $	1	19	29,070	19	29,070	6.50	2	925	2	925	5.50	28,145	-55,540
Mar. 9, 2011	1	25	27,505	25	27,505	6.50	–	–	–	–	–	27,505	
Mar. 9, 2011 $	1	27	28,820	27	28,820	6.50	2	780	2	780	5.50	28,040	-55,545
Mar. 10, 2011	1	22	25,620	22	25,620	6.50	–	–	–	–	–	25,620	
Mar. 10, 2011 $	1	29	34,505	29	34,505	6.50	2	535	2	535	5.50	33,970	-59,590
Mar. 11, 2011	3	33	35,735	33	35,735	6.50	–	–	–	–	–	35,735	
Mar. 11, 2011 $	3	28	26,430	28	26,430	6.50	14	6,445	14	6,445	5.50	19,985	-55,720
Mar. 14, 2011	1	37	69,745	37	69,745	6.50	–	–	–	–	–	69,745	
Mar. 14, 2011 $	1	24	24,740	24	24,740	6.50	1	235	1	235	5.50	24,505	-94,250
Mar. 15, 2011	1	42	77,190	42	77,190	6.50	–	–	–	–	–	77,190	
Mar. 15, 2011 $	1	28	40,365	28	40,365	6.50	1	230	1	230	5.50	40,135	-1,17,325
Mar. 16, 2011	1	42	78,865	42	78,865	6.50	–	–	–	–	–	78,865	
Mar. 16, 2011 $	1	32	54,740	32	54,740	6.50	1	400	1	400	5.50	54,340	-1,33,205
Mar. 17, 2011	1	60	1,45,990	60	1,45,990	6.50	–	–	–	–	–	145,990	
Mar. 17, 2011 $	1	2	630	2	630	6.75	3	1,255	3	1,255	5.75	–625	-1,45,365
Mar. 18, 2011	3	43	87,095	43	87,095	6.75	–	–	–	–	–	87,095	
Mar. 18, 2011 $	3	34	53,375	34	53,375	6.75	2	300	2	300	5.75	53,075	-1,40,170
Mar. 21, 2011	1	38	55,400	38	55,400	6.75	–	–	–	–	–	55,400	
Mar. 21, 2011 $	1	27	23,490	27	23,490	6.75	1	55	1	55	5.75	23,435	-78,835
Mar. 22, 2011	1	32	43,270	32	43,270	6.75	–	–	–	–	–	43,270	
Mar. 22, 2011 $	1	28	29,170	28	29,170	6.75	3	260	3	260	5.75	28,910	-72,180
Mar. 23, 2011	1	30	35,270	30	35,270	6.75	–	–	–	–	–	35,270	
Mar. 23, 2011 $	1	28	35,920	28	35,920	6.75	3	355	3	355	5.75	35,565	-70,835
Mar. 24, 2011	1	34	31,490	34	31,490	6.75	–	–	–	–	–	31,490	
Mar. 24, 2011 $	1	24	25,120	24	25,120	6.75	7	1,350	7	1,350	5.75	23,770	-55,260
Mar. 25, 2011	3	27	32,685	27	32,685	6.75	–	–	–	–	–	32,685	
Mar. 25, 2011 $	3	36	41,460	36	41,460	6.75	15	6,560	15	6,560	5.75	34,900	-67,585
Mar. 28, 2011	1	40	56,900	40	56,900	6.75	–	–	–	–	–	56,900	
Mar. 28, 2011 $	1	26	30,945	26	30,945	6.75	4	665	4	665	5.75	30,280	-87,180
Mar. 29, 2011	1	39	55,805	39	55,805	6.75	–	–	–	–	–	55,805	
Mar. 29, 2011 $	1	29	35,140	29	35,140	6.75	1	610	1	610	5.75	34,530	-90,335
Mar. 30, 2011	1	37	44,845	37	44,845	6.75	1	100	1	100	5.75	44,745	
Mar. 30, 2011 $	1	31	42,120	31	42,120	6.75	3	1,150	3	1,150	5.75	40,970	-85,715
Mar. 31, 2011	5	33	46,960	33	46,960	6.75	–	–	–	–	–	46,960	
Mar. 31, 2011 $	5	40	59,485	40	59,485	6.75	1	440	1	440	5.75	59,045	-1,06,005

$ Second LAF.

@ Net of Repo. '–' No bid was received in the auction.

Note : 1. The second LAF is being conducted on Reporting Fridays with effect from May 8, 2009. As a part of liquidity easing measures. SLAF on daily basis is temporarily being conducted till May 6, 2011.

2. The Special Flexed Rate Repo and Forex Swap facilities for banks have been discontinued with effect from October 27, 2009.

No. 25: Open Market Operations of Reserve Bank of India*

(₹ crore)

Year / Month	Government of India Dated Securities – Face Value					Treasury bills				
	Purchase		Sale		Net purchase (+)/net sale (-)	Purchase		Sale		Net purchase (+)/net sale (-)
	Market	State Government and others	Market	State Government and others		Market	State Government and others	Market	State Government and others	
	1	2	3	4	5	6	7	8	9	10
2007-08										
April	10.00	–	–	332.24	–322.24	–	–	–	–	–
May	–	–	–	742.80	–742.80	–	–	–	–	–
June	–	–	–	254.86	–254.86	–	–	–	–	–
July	25.00	–	–	656.74	–631.74	–	–	–	–	–
August	–	–	–	456.28	–456.28	–	–	–	–	–
September	15.00	–	–	413.35	–398.35	–	–	–	–	–
October	–	–	–	539.93	–539.93	–	–	–	–	–
November	–	–	–	184.51	–184.51	–	–	–	–	–
December	5,485.00	–	–	167.44	5,317.56	–	–	–	–	–
January	2,535.00	–	–	2,577.82	–42.82	–	–	–	–	–
February	2,660.00	–	–	290.27	2,369.73	–	–	–	–	–
March	2,780.00	–	–	970.93	1,809.07	–	–	–	–	–
2008-09										
April	745.58	–	–	861.19	–115.61	–	–	–	–	–
May	127.50	–	–	216.63	–89.13	–	–	–	–	–
June	15,238.80	–	–	310.18	14,928.62	–	–	–	–	–
July	5,218.50	–	–	701.20	4,517.30	–	–	–	–	–
August	4,338.00	–	–	4,446.59	–108.59	–	–	–	–	–
September	922.17	–	–	930.92	–8.75	–	–	–	–	–
October	627.75	–	–	530.30	97.46	–	–	–	–	–
November	757.20	–	–	127.51	629.69	–	–	–	–	–
December	11,901.38	–	–	295.74	11,605.64	–	–	–	–	–
January	2,568.00	–	–	504.21	2,063.79	–	–	–	–	–
February	6,027.80	–	–	236.59	5,791.22	–	–	–	–	–
March	56,007.66	–	–	770.98	55,236.68	–	–	–	–	–
2009-10										
April	21,130.00	–	–	747.03	20,382.97	–	–	–	–	–
May	15,374.40	–	–	207.91	15,166.49	–	–	–	–	–
June	6,765.60	–	–	315.25	6,450.35	–	–	–	–	–
July	7,724.37	–	–	2,479.71	5,244.66	–	–	–	–	–
August	13,462.09	–	–	982.68	12,479.41	–	–	–	–	–
September	14,111.64	–	–	243.85	13,867.79	–	–	–	–	–
October	2,497.90	–	–	1,415.89	1,082.01	–	–	–	–	–
November	777.70	–	–	601.74	175.96	–	–	–	–	–
December	920.00	–	–	284.85	635.15	–	–	–	–	–
January	1,194.09	–	–	1,200.78	–6.70	–	–	–	–	–
February	306.48	–	–	310.65	–4.17	–	–	–	–	–
March	1,135.52	–	–	1,141.02	–5.50	–	–	–	–	–
2010-11										
April	614.75	–	–	605.09	9.66	–	–	–	–	–
May	1,022.29	–	–	1,010.96	11.33	–	–	–	–	–
June	253.29	–	–	266.44	–13.15	–	–	–	–	–
July	1,777.31	–	–	1,793.77	–16.46	–	–	–	–	–
August	697.94	–	–	705.96	-8.02	–	–	–	–	–
September	483.44	–	–	477.76	5.68	–	–	–	–	–
October	471.58	–	–	481.10	–9.52	–	–	–	–	–
November	8,541.37	–	–	186.42	8,354.95	–	–	–	–	–
December	41,755.87	–	–	364.35	41,391.52	–	–	–	–	–
January	18,301.13	–	–	791.27	17,509.86	–	–	–	–	–
February	4,354.12	–	–	4,349.32	4.80	–	–	–	–	–
March	525.96 +	–	–	542.31	-16.35	–	–	–	–	–

* RBI's sales, purchases include transactions in other offices and transactions on behalf of the State Governments and Others.

* Excluding transactions of RBI with the Government of India and the Welfare Commissioner, Bhopal.

\+ Includes purchase of Oil Marketing Companies Government of India Special Bonds (Oil Bonds) of ₹ NIL (face value) under Special Market Operations (SMOs).

No. 26 A: Secondary Market Outright Transactions in Government Dated Securities (Face Value)

(Amount in ₹ crore)

Week ended	Government of India Dated Securities — Maturing in the year										State Govt. Securities
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-19	2019-20	2020-21	Beyond 2021	
	1	2	3	4	5	6	7	8	9	10	11
I March 4, 2011											
a. Amount	–	500.00	190.00	95.53	11.32	2,715.08	2,501.17	20.30	688.00	31,259.89	862.22
b. YTM *											
Min.	–	7.3187	7.4134	7.6367	8.0323	7.9366	7.9696	8.1331	7.9218	8.0289	8.3900
Max.	–	7.4500	7.5714	7.7175	8.0351	8.0694	8.4925	8.1408	8.1243	8.5776	8.5216
II March 11, 2011											
a. Amount	–	874.00	371.73	414.70	57.46	3,278.73	3,091.76	283.10	892.60	36,902.62	1,105.55
b. YTM *											
Min.	–	7.3589	7.4418	7.6292	8.0323	7.7842	7.9578	7.7716	7.8987	8.0181	7.3620
Max.	–	7.4501	7.6469	8.0737	8.1500	7.9995	8.4562	8.1890	8.1416	8.4793	8.5071
III March 18, 2011											
a. Amount	–	343.01	423.15	44.55	50.02	1,766.76	2,877.54	824.15	995.20	32,895.80	1,350.38
b. YTM *											
Min.	–	7.3071	7.4344	7.6541	7.9541	7.8559	7.8551	7.7754	7.8991	8.0101	7.8000
Max.	–	7.4500	7.7000	7.6541	7.9600	8.2464	7.9983	8.1003	8.1031	8.4894	8.4775
IV March 25, 2011											
a. Amount	–	56.50	191.54	258.09	25.76	602.16	1,558.85	631.07	713.41	25,005.75	965.33
b. YTM *											
Min.	–	7.6751	7.4838	7.6541	7.9700	7.9190	7.9231	7.7913	7.9701	8.0278	8.3155
Max.	–	7.7075	7.6397	7.6915	7.9700	7.9609	8.0904	8.1500	8.1042	8.4200	8.4652

* Minimum and maximum YTMs (% PA) indicative have been given excluding transactions of non-standard lot size (less than ₹5 Crore).

No. 26 B: Secondary Market Outright Transactions in Treasury Bills

(Amount in ₹ crore, YTM in per cent per annum)

Week ended	Treasury Bills Residual Maturity in Days			
	up to 14 days	15 - 91 days	92 - 182 days	183 - 364 days
	1	2	3	4
I March 4, 2011				
a. Amount	721.00	2,247.38	515.57	1,301.89
b. YTM *				
Min.	6.5312	6.3418	7.2000	7.5000
Max.	6.7496	7.1443	7.5110	7.6975
II March 11, 2011				
a. Amount	1,098.79	3,443.62	1,001.59	617.72
b. YTM *				
Min.	6.5000	6.1016	7.1199	7.4701
Max.	7.5500	7.1500	7.5110	7.5824
III March 18, 2011				
a. Amount	190.00	2,826.65	320.00	1,133.08
b. YTM *				
Min.	6.2729	6.3926	7.3000	7.3000
Max.	7.0093	7.2500	7.4680	7.5971
IV March 25, 2011				
a. Amount	881.56	3,245.86	483.56	840.76
b. YTM *				
Min.	6.2748	6.7713	7.2000	7.5600
Max.	7.2481	7.3105	7.3499	7.6288

* Minimum and maximum YTMs (% PA) indicative have been given excluding transactions of non-standard lot size (less than ₹5 Crore).

No. 26 C: Month-end Yield to Maturity of SGL Transactions in Central Government Dated Securities for Various Residual Maturities

(Per cent)

Term to Maturity (in years)	2010									2011		
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
	1	2	3	4	5	6	7	8	9	10	11	12
1	5.0253	5.2199	5.4713	6.3008	6.4900	6.6385	6.7671	7.2301	7.3877	7.5435	7.4488	7.4927
2	5.9062	5.7731	6.2598	6.8782	6.8853	7.0402	7.2745	7.4181	7.5645	7.8908	7.6298	7.5488
3	6.3955	6.4002	6.6774	7.0627	7.1341	7.2261	7.3436	7.6060	7.7414	8.0996	7.8139	7.6787
4	6.8631	6.8003	6.9854	7.3425	7.4327	7.4889	7.6892	7.7940	7.8852	8.1104	7.9980	7.8747
5	7.2820	7.2405	7.2768	7.5427	7.7054	7.7148	7.8347	7.9149	7.8519	8.1212	8.0602	7.9287
6	7.4902	7.5074	7.5758	7.7089	7.8787	7.8157	7.8741	7.9574	7.8502	8.1320	8.0694	7.9465
7	7.6367	7.6095	7.5953	7.7858	7.9584	7.7901	7.9908	7.9542	7.8644	8.1679	8.0929	7.9574
8	7.7957	7.5834	7.5770	7.7908	7.9547	7.8083	8.0429	7.9848	7.8852	8.1670	8.1187	7.9681
9	7.9548	7.5447	7.5588	7.7903	7.9509	7.8265	8.0949	8.0256	7.9060	8.1496	8.1095	7.9787
10	7.7766	7.5206	7.5758	7.8286	7.9863	7.8963	8.1179	8.0498	7.9534	8.1505	8.0983	8.0223
11	7.8811	7.6701	7.7798	7.9884	8.1020	7.9875	8.1105	8.0615	8.0147	8.1577	8.1338	8.0692
12	7.9846	7.8272	7.9335	8.0996	8.0404	7.9813	8.1105	8.0845	8.0744	8.1756	8.1897	8.1168
13	8.0536	8.0028	8.0031	8.1532	8.0915	8.1548	8.1731	8.1550	8.1318	8.2127	8.2613	8.1649
14	8.1226	8.0855	8.0727	8.2069	8.1579	8.3208	8.2356	8.2255	8.1892	8.2498	8.3329	8.2130
15	8.1916	8.0946	8.1423	8.2605	8.2244	8.3011	8.2982	8.2960	8.2466	8.2869	8.4045	8.2610
16	8.2605	8.1038	8.1919	8.3142	8.2909	8.2813	8.3607	8.3665	8.3040	8.3240	8.4761	8.3091
17	8.3295	8.1129	8.1822	8.3075	8.3523	8.2665	8.4094	8.4117	8.3424	8.3612	8.5095	8.3266
18	8.3562	8.1285	8.1968	8.3113	8.3557	8.2777	8.4146	8.4052	8.3537	8.3983	8.5134	8.3285
19	8.3683	8.1453	8.2137	8.3155	8.3591	8.2889	8.4198	8.3986	8.3651	8.4354	8.5173	8.3305
20	8.3805	8.1621	8.2307	8.3197	8.3625	8.3002	8.4250	8.3920	8.3764	8.4725	8.5212	8.3324
21	8.3926	8.1186	8.2476	8.3239	8.3659	8.3114	8.4302	8.3855	8.3877	8.5096	8.5251	8.3343
22	8.4048	8.2209	8.2309	8.3398	8.3694	8.3219	8.4349	8.3845	8.3981	8.5164	8.5284	8.3363
23	–	8.2089	8.1581	8.2960	8.3728	8.3284	8.4383	8.3950	8.4066	8.5220	8.5318	8.3382
24	–	8.1736	8.0854	8.2517	8.3760	8.3349	8.4417	8.4054	8.4152	8.5276	8.5351	8.3402
25	–	8.1384	8.0126	8.2634	8.3765	8.3413	8.4450	8.4159	8.4237	8.5333	8.5384	8.3421
26	–	8.1031	–	8.2768	8.3769	8.3439	8.4484	8.4263	8.4322	8.5389	8.5418	8.3456
27	–	8.0678	–	8.2901	8.3773	8.3376	8.4518	8.4368	8.4408	8.5445	8.5451	8.3493
28	–	–	–	8.3034	8.3777	8.3313	8.4551	8.4472	8.4493	8.5501	8.5485	8.3531
29	–	–	–	8.3167	8.3782	8.3250	8.4585	8.4577	8.4579	8.5557	8.5518	8.3568
30	–	–	–	8.3300	8.3786	8.3187	8.4619	8.4681	8.4664	8.5613	8.5551	8.3606

No. 26 D: Secondary Market Repo Transactions # (Other than with RBI)

(Amount in ₹ crore)

Week ended		Govt. Of India Dated Securities	State Govt. Securities	Cash Management Bills	91 Day Treasury Bills	182 Day Treasury Bills	364 Day Treasury Bills
		1	2	3	4	5	6
I	**March 4, 2011**						
	Amount	62,991	163	–	7,907	1,950	3,114
	Repo Rate Min.	2.00	6.48	–	6.35	6.45	5.00
	Repo Rate Max.	8.40	6.51	–	6.55	6.55	7.05
	Repo Period Min.	1	1	–	1	1	1
	Repo Period Max.	22	3	–	3	3	3
II	**March 11, 2011**						
	Amount	1,16,229	192	–	12,339	2,753	3,284
	Repo Rate Min.	3.75	5.30	–	6.30	3.75	4.75
	Repo Rate Max.	8.00	6.48	–	6.55	6.50	6.55
	Repo Period Min.	1	1	–	1	1	1
	Repo Period Max.	17	3	–	3	3	3
III	**March 18, 2011**						
	Amount	57,913	139	–	9,423	595	1,304
	Repo Rate Min.	4.00	6.48	–	6.50	6.55	6.45
	Repo Rate Max.	7.65	6.51	–	6.82	6.85	6.85
	Repo Period Min.	1	1	–	1	1	1
	Repo Period Max.	14	1	–	3	3	3
IV	**March 25, 2011**						
	Amount	67,926	87	–	1,4920	2,485	4,222
	Repo Rate Min.	1.00	6.70	–	1.75	6.15	5.10
	Repo Rate Max.	8.40	6.74	–	6.85	6.90	6.85
	Repo Period Min.	1	1	–	1	1	1
	Repo Period Max.	15	1	–	3	3	3

Represent the First Leg of Transactions.

Note : Repo rate in per cent per annum and repo period in days.

No. 27: Month-end Secondary Market Yield on Government of India Securities

(Per cent)

Coupon	Date of Maturity			Yield (Semi-annual) as on					
				Mar. 31, 2009 (Year-end)	Mar. 31, 2010 (Year-end)	Dec. 31, 2010	Jan. 31, 2011	Feb. 28, 2011	Mar. 31, 2011
			1	2	3	4	5	6	7
6.72 *	Jul.	18,	2012	4.76	4.36	6.54	7.28	7.18	7.31
6.57	Feb.	24,	2011	5.54	5.06	6.97	7.00	–	–
8.00	Apr.	27,	2011	5.60	5.30	6.91	7.12	7.06	7.17
10.95	May	30,	2011	5.67	5.36	6.97	7.18	7.11	7.23
9.39	Jul.	2,	2011	5.74	5.18	7.32	7.25	7.16	7.29
11.50	Aug.	5,	2011	5.80	5.27	7.02	7.31	7.21	7.34
FRB	Aug.	8,	2011	8.40	4.22	7.31	7.03	7.98	7.56
12.00	Oct.	21,	2011	5.96	5.47	7.32	7.39	7.29	7.47
11.50	Nov.	24,	2011	6.03	5.68	7.43	7.43	7.31	7.50
6.85	Apr.	5,	2012	6.32	6.19	7.53	7.48	7.48	7.50
7.40	May	3,	2012	6.14	6.17	7.47	7.49	7.41	7.44
10.25	Jun.	1,	2012	6.34	6.34	7.59	7.52	7.46	7.49
11.03	Jul.	18,	2012	6.37	6.30	7.61	7.55	7.49	7.51
9.40	Sep.	11,	2012	6.42	6.49	7.61	7.59	7.52	7.53
FRB	Nov.	10,	2012	6.34	4.79	7.25	6.74	7.67	7.26
9.00	May	24,	2013	6.59	6.51	7.56	7.71	7.60	7.54
9.81	May	30,	2013	6.59	6.71	7.56	7.71	7.60	7.54
12.40	Aug.	20,	2013	7.29	6.79	7.58	7.74	7.64	7.56
7.27	Sep.	3,	2013	6.59	6.74	7.47	7.74	7.65	7.57
FRB	Sep.	10,	2013	8.63	4.54	6.63	6.48	7.17	6.74
5.32	Feb.	16,	2014	6.74	7.04	7.61	7.90	7.76	7.74
6.72	Feb.	24,	2014	6.73	7.23	7.70	7.90	7.77	7.74
7.37	Apr.	16,	2014	6.74	7.14	7.77	7.93	7.80	7.77
6.07	May	15,	2014	–	7.22	7.77	7.95	7.82	7.79
FRB	May	20,	2014	7.36	4.01	5.14	4.98	5.64	5.12
10.00	May	30,	2014	6.75	7.33	7.87	7.95	7.82	7.79
7.32	Oct.	20,	2014	–	7.25	7.75	7.97	7.90	7.87
10.50	Oct.	29,	2014	6.82	7.39	7.82	8.04	7.90	7.87
7.56	Nov.	3,	2014	6.72	7.17	7.85	8.05	7.91	7.88
11.83	Nov.	12,	2014	6.81	7.50	7.88	8.04	7.90	7.87
10.47	Feb.	12,	2015	6.87	7.82	7.81	8.08	7.97	7.84
10.79	May	19,	2015	6.92	7.67	7.89	8.12	8.00	7.89
11.50	May	21,	2015	6.91	7.67	7.97	8.12	7.99	7.88
6.49	Jun.	8,	2015	–	7.51	7.99	8.15	8.02	7.91
7.17	Jun.	14,	2015	–	–	7.85	8.13	8.01	7.90
FRB	Jul.	2,	2015	7.56	4.08	5.23	5.45	6.24	5.71
11.43	Aug.	7,	2015	6.95	7.60	8.03	8.15	8.01	7.91
FRB	Aug.	10,	2015	8.80	3.98	6.02	5.90	6.66	6.26
7.38	Sep.	3,	2015	6.83	7.49	7.96	8.18	8.04	7.94
9.85	Oct.	16,	2015	7.00	7.65	7.97	8.18	8.04	7.94
7.59	Apr.	12,	2016	7.12	7.43	7.92	8.18	8.07	7.99
10.71	Apr.	19,	2016	7.08	7.63	7.93	8.16	8.05	7.98
FRB	May	7,	2016	6.74	3.97	5.13	4.92	5.73	5.15
5.59	Jun.	4,	2016	7.17	7.72	7.93	8.20	8.08	8.01
12.30	Jul.	2,	2016	7.08	7.73	7.95	8.16	8.05	7.98
7.02	Aug.	17,	2016	–	7.60	7.94	8.18	8.08	8.00

No. 27: Month-end Secondary Market Yield on Government of India Securities *(Concld.)*

(Per cent)

Coupon	Date of Maturity			Yield (Semi-annual) as on					
				Mar. 31, 2009 (Year-end)	Mar. 31, 2010 (Year-end)	Dec. 31, 2010	Jan. 31, 2011	Feb. 28, 2011	Mar. 31, 2011
			1	2	3	4	5	6	7
8.07	Jan.	15,	2017	7.10	7.57	7.92	8.17	8.05	7.97
7.49	Apr.	16,	2017	7.19	7.43	7.84	8.14	8.04	7.96
FRB	Jul.	2,	2017	6.22	4.65	5.06	6.99	7.94	7.42
7.99	Jul.	9,	2017	7.21	7.72	7.82	8.14	8.03	7.95
7.46	Aug.	28,	2017	7.19	7.49	7.81	8.15	8.04	7.97
6.25	Jan.	2,	2018	7.05	7.82	8.07	8.15	8.05	7.95
8.24	Apr.	22,	2018	6.99	7.60	8.07	8.13	8.04	7.94
10.45	Apr.	30,	2018	6.97	7.75	8.10	8.13	8.03	7.94
5.69	Sep.	25,	2018	7.01	7.83	8.12	8.14	8.03	7.95
12.60	Nov.	23,	2018	6.98	7.78	8.14	8.12	8.02	7.93
5.64	Jan.	2,	2019	7.07	7.88	8.13	8.13	8.06	8.02
6.05	Feb.	2,	2019	7.01	7.29	8.15	8.13	8.05	8.02
6.05	Jun.	12,	2019	7.05	7.90	8.16	8.13	8.05	8.02
6.90	Jul.	13,	2019	–	7.82	8.15	8.13	8.05	8.02
10.03	Aug.	9,	2019	7.05	7.90	8.16	8.12	8.04	8.02
6.35	Jan.	2,	2020	7.15	7.85	8.16	8.22	8.01	7.99
10.70	Apr.	22,	2020	7.16	7.92	8.17	8.15	8.01	7.98
7.80	May	3,	2020	–	–	7.91	8.14	8.01	7.98
FRB	Dec.	21,	2020	–	4.62	8.34	8.13	8.10	8.04
11.60	Dec.	27,	2020	7.26	7.94	8.18	8.16	8.02	8.01
7.94	May	24,	2021	7.49	7.94	8.19	8.15	8.04	8.06
10.25	May	30,	2021	7.35	8.17	8.22	8.15	8.04	8.05
8.20	Feb.	15,	2022	7.63	8.10	8.11	8.17	8.06	8.10
8.35	May	14,	2022	7.69	8.18	8.23	8.17	8.07	8.09
8.08	Aug.	2,	2022	7.60	8.19	8.05	8.19	8.11	8.08
5.87	Aug.	28,	2022	7.69	8.14	8.28	8.19	8.11	8.12
8.13	Sep.	21,	2022	7.63	8.05	8.03	8.17	8.09	8.09
6.30	Apr.	9,	2023	7.70	8.16	8.29	8.22	8.15	8.16
6.17	Jun.	12,	2023	7.71	8.17	8.31	8.24	8.16	8.17
7.35	Jun.	22,	2024	–	8.03	8.32	8.30	8.24	8.21
5.97	Sep.	25,	2025	7.73	8.34	8.48	8.41	8.36	8.29
10.18	Sep.	11,	2026	7.74	8.37	8.49	8.42	8.37	8.28
8.24	Feb.	15,	2027	7.75	8.25	8.49	8.49	8.45	8.33
8.26	Aug.	2,	2027	7.88	8.27	8.33	8.52	8.47	8.33
8.28	Sep.	21,	2027	7.88	8.40	8.51	8.52	8.48	8.35
6.01	Mar.	25,	2028	7.93	8.47	8.51	8.59	8.56	8.40
6.13	Jun.	4,	2028	7.92	8.46	8.54	8.60	8.56	8.40
8.28	Feb.	15,	2032	7.81	8.30	8.49	8.64	8.59	8.39
8.32	Aug.	2,	2032	7.83	8.41	8.48	8.64	8.59	8.40
7.95	Aug.	28,	2032	7.81	8.32	8.38	8.65	8.60	8.41
8.33	Sep.	21,	2032	7.82	8.41	8.49	8.64	8.60	8.40
7.50	Aug.	10,	2034	7.78	8.27	8.50	8.65	8.61	8.41
7.40	Sep.	9,	2035	7.78	8.24	8.52	8.64	8.60	8.41
8.33	Jun.	7,	2036	7.85	8.30	8.53	8.61	8.58	8.39
6.83	Jan.	19,	2039	7.77	8.28	8.53	8.58	8.55	8.38
8.30	Jul.	2,	2040	–	–	8.43	8.55	8.52	8.36

FRB: Floating Rate Bond

* 6.72% GS 2012 with call/ put option on coupon dates.

Source : Fixed Income Money Market and Derivatives Association of India (FIMMDA).

Production

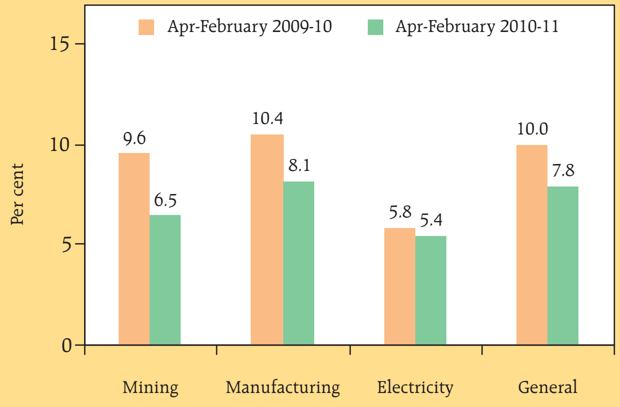
No. 28: Group - Wise Index Number of Industrial Production

(Base : 1993-94=100)

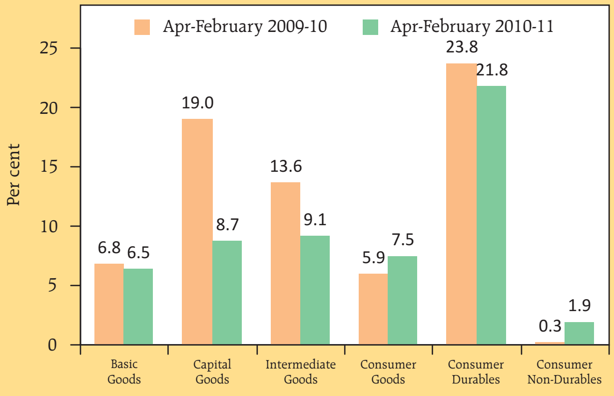
Sr. No.	Industry	Weight	Annual			Cumulative		Monthly	
			2007-08	2008-09	2009-10 P	April - February		February	
						2009-10	2010-11 P	2010	2011 P
		1	2	3	4	5	6	7	8
	General Index	**100.00**	**277.1**	**286.1**	**316.2**	**311.0**	**335.3**	**331.1**	**342.9**
I.	**Sectoral Classification**								
1	Mining and Quarrying	10.47	171.6	176.0	193.4	189.5	201.8	203.3	204.5
2	Manufacturing	79.36	298.6	308.6	342.5	336.7	364.1	361.1	373.9
3	Electricity	10.17	217.7	223.7	237.2	235.0	247.8	228.3	243.7
II.	**Use-Based Classification**								
1	Basic Goods	35.57	223.6	229.7	246.2	243.3	259.1	245.5	260.1
2	Capital Goods	9.26	423.0	457.7	553.5	526.0	571.8	666.5	544.1
3	Intermediate Goods	26.51	274.9	269.9	306.7	303.9	331.7	301.8	327.1
4	Consumer Goods	28.66	298.3	315.5	335.2	332.0	356.9	356.0	395.5
4(a)	Consumer Durables	5.36	389.7	408.1	508.5	500.1	609.0	548.1	676.3
4(b)	Consumer Non-Durables	23.30	277.2	294.2	295.3	293.3	298.8	311.8	330.9

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

Sectoral Growth of Industrial Production



Growth in IIP: Use-based Classification



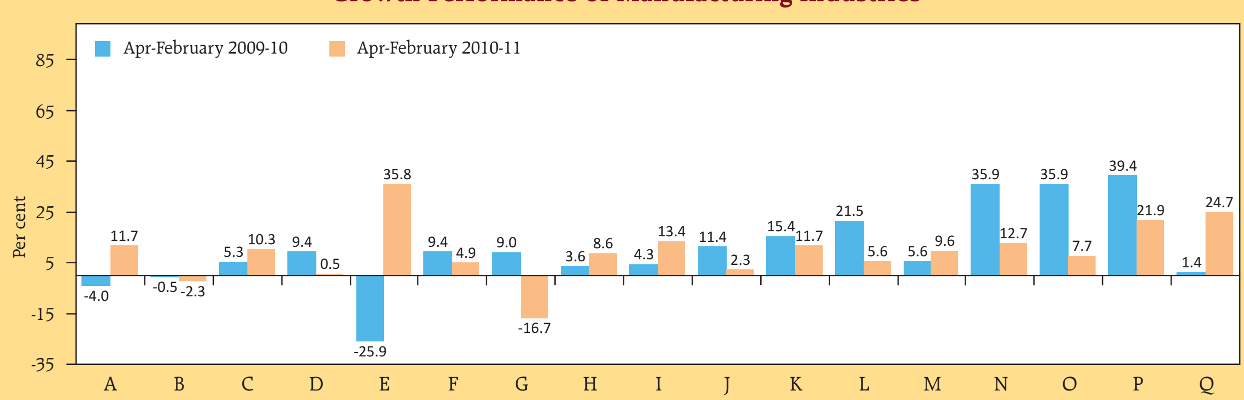
No. 29: IIP - Seventeen Major Industry Groups of Manufacturing Sector

(Base: 1993-94=100)

Industry Group	Industry	Weight	Annual			Cumulative		Monthly	
			2007-08	2008-09	2009-10 P	April - February		February	
						2009-10	2010-11 P	2010	2011 P
		1	2	3	4	5	6	7	8
	Manufacturing Index	**79.36**	**298.6**	**308.6**	**342.5**	**336.7**	**364.1**	**361.1**	**373.9**
20-21	Food Products	9.08	198.2	178.9	176.2	171.9	192.0	249.8	283.5
22	Beverages, Tobacco and Related Products	2.38	498.0	578.5	577.1	573.8	560.6	564.8	568.3
23	Cotton Textiles	5.52	164.0	160.9	169.7	169.1	186.6	168.3	178.7
24	Wool, Silk and Man-made Fibre Textiles	2.26	281.2	281.2	304.1	304.9	306.5	278.3	288.0
25	Jute and Other Vegetable Fibre Textiles (Except Cotton)	0.59	120.7	108.6	82.1	79.6	108.1	41.5	100.8
26	Textile Products (Including Wearing Apparel)	2.54	295.5	312.5	338.9	337.5	353.9	327.2	361.0
27	Wood and Wood Products, Furniture and Fixtures	2.70	127.9	115.6	126.8	125.5	104.5	110.9	64.0
28	Paper and Paper Products and Printing, Publishing and Allied Industries	2.65	255.3	260.0	270.2	267.6	290.7	261.9	284.6
29	Leather and Leather & Fur Products	1.14	167.8	156.3	162.1	165.2	187.4	162.2	190.4
30	Chemicals and Chemical Products (Except Products Of Petroleum and Coal)	14.00	313.4	326.3	361.0	360.9	369.1	341.9	353.1
31	Rubber, Plastic, Petroleum and Coal Products	5.73	246.4	242.6	279.9	276.1	308.5	283.7	333.2
32	Non-metallic Mineral Products	4.40	323.2	327.0	373.8	392.1	414.2	405.3	410.1
33	Basic Metal and Alloy Industries	7.45	312.7	325.1	346.3	342.0	374.8	342.7	377.9
34	Metal Products and Parts, Except Machinery and Equipment	2.81	172.9	165.9	213.9	224.4	252.9	279.3	305.4
35-36	Machinery and Equipment Other Than Transport Equipment	9.57	394.4	429.1	554.1	570.6	614.7	699.5	582.2
37	Transport Equipment and Parts	3.98	378.4	387.9	519.8	528.8	644.7	584.0	722.4
38	Other Manufacturing Industries	2.56	357.4	358.9	382.6	363.4	453.1	351.7	473.5

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

Growth Performance of Manufacturing Industries



A Food Products
B Beverages, Tobacco and Related Products
C Cotton Textiles
D Wool, Silk and Man-made Fibre Textiles
E Jute and Other Vegetable Fibre Textiles (Except Cotton)
F Textile Products (Including Wearing Apparel)
F Wood and Wood Products, Furniture & Fixtures
G Paper and Paper Products and Printing, Publishing and HAllied Industries
I Leather and Leather & Fur Products
J Chemicals and Chemical Products (Except Products Of Petroleum & Coal)
K Rubber, Plastic, Petroleum and Coal Products
L Non-metallic Mineral Products
M Basic Metal and Alloy Industries
N Metal Products and Parts (Except Machinery and Equipment)
O Machinery and Equipment Other Than Transport Equipment
P Transport Equipment and Parts
Q Other Manufacturing Industries

Capital Market

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

(Amount in ₹ crore)

Security & Type of Issue	2008-09 (April-March)		2009-10 (April-March)		April-January 2010		April-January 2011	
	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount
	1	2	3	4	5	6	7	8
1) Equity Shares (a+b)	45	14,670.6	67	25,298.7	44	15,222.0	58	22,236.6
	(39)	(13,022.0)	(64)	(20,759.4)	(43)	(13,597.1)	(56)	(17,827.8)
a) Prospectus	25	2,673.3	39	17,160.1	26	12,269.9	46	19,259.1
	(24)	(1,966.5)	(38)	(13,203.7)	(26)	(11,049.2)	(45)	(15,064.8)
b) Rights	20	11,997.3	28	8,138.6	18	2,952.1	12	2,977.5
	(15)	(11,055.5)	(26)	(7,555.7)	(17)	(2,547.9)	(11)	(2,763.0)
2) Preference Shares (a+b)	–	–	–	–	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	–	–	–	–	–	–	–	–
3) Debentures (a+b)	–	–	1	180.0	1	180.0	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	–	–	1	180.0	1	180.0	–	–
of which:								
I) Convertible (a+b)	–	–	1	180.0	1	180.0	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	-	-	1	180.0	1	180.0	–	–
II) Non-Convertible (a+b)	–	–	–	–	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	–	–	–	–	–	–	–	–
4) Bonds (a+b)	–	–	–	–	–	–	–	–
a) Prospectus	–	–	–	–	–	–	–	–
b) Rights	–	–	–	–	–	–	–	–
5) TOTAL (1+2+3+4)	**45**	**14,670.6**	**68**	**25,478.7**	**45**	**15,402.0**	**58**	**22,236.6**
a) Prospectus	25	2,673.3	39	17,160.1	26	12,269.9	46	19,259.1
b) Rights	20	11,997.3	29	8,318.6	19	3,132.1	12	2,977.5

Note : Figures in brackets indicate data in respect of premium on capital issues which are included in respective totals.

Source : Data are compiled from prospectus/circulars/advertisements issued by companies, replies given by the companies to the Reserve Bank's questionnaire, information received from SEBI, stock exchanges, press reports, etc.

Also see 'Notes on Tables'.

No. 31: Index Numbers of Ordinary Share Prices

Year \ Month		BSE Sensitive Index (Base: 1978-79=100)			BSE - 100 (Base: 1983-84=100)			S&P CNX Nifty (Base: Nov 3,1995=1000)		
		Average	High	Low	Average	High	Low	Average	High	Low
		1	2	3	4	5	6	7	8	9
2005-06		8280.08	11307.04	6134.86	4393.54	5904.17	3310.14	2513.44	3418.95	1902.50
2006-07		12277.33	14652.09	8929.44	6242.73	7413.22	4535.00	3572.44	4224.25	2632.80
2007-08		16568.89	20873.33	12455.37	8691.47	11509.96	6287.69	4896.60	6287.85	3633.60
2008-09		12365.55	17600.12	8160.40	6433.13	9348.64	4160.43	3731.03	5228.20	2524.20
2009-10		15585.21	17711.35	9901.99	8187.25	9419.46	5028.39	4657.77	5302.85	3060.35
2010-11		18605.18	21004.96	16022.48	9840.17	11141.18	8539.58	5583.54	6312.45	4806.75
March	2010	17302.72	17711.35	16772.56	9183.03	9368.31	8926.16	5178.15	5302.85	5017.00
April	2010	17678.64	17970.02	17380.08	9391.39	9529.43	9229.47	5294.76	5374.65	5203.65
May	2010	16844.54	17386.08	16022.48	8988.47	9304.40	8539.58	5052.97	5222.75	4806.75
June	2010	17299.75	17876.55	16572.03	9215.65	9480.25	8851.90	5187.78	5353.30	4970.20
July	2010	17847.83	18130.98	17441.44	9528.31	9670.34	9323.76	5359.75	5449.10	5235.90
August	2010	18176.86	18454.94	17971.12	9719.18	9874.06	9627.72	5457.24	5543.50	5402.40
September	2010	19352.86	20117.38	18205.87	10315.38	10674.30	9759.42	5811.48	6035.65	5471.85
October	2010	20249.75	20687.88	19872.15	10784.16	11005.42	10592.97	6096.11	6233.90	5982.10
November	2010	20126.35	21004.96	19136.61	10672.24	11141.18	10054.36	6055.33	6312.45	5751.95
December	2010	19927.59	20509.09	19242.36	10418.43	10675.02	10060.67	5971.32	6134.50	5766.50
January	2011	19288.54	20561.05	18327.76	10061.75	10715.23	9569.01	5782.71	6157.60	5505.90
February	2011	18036.62	18506.82	17463.04	9382.24	9633.57	9068.47	5400.92	5546.45	5225.80
March	2011	18456.85	19445.22	17839.05	9606.17	10095.74	9326.74	5538.42	5833.75	5364.75

Sources : 1. Bombay Stock Exchange Ltd.
2. National Stock Exchange of India Ltd.

No. 32: Volume in Corporate Debt Traded at NSE*

(₹ crore)

Week / Month / Year (April-March)			Volume
			1
2005 - 06			**10,619.36**
2006 - 07			**6,639.78**
2007 - 08			**8,576.11**
2008 - 09			**11,934.44**
2009 - 10			**54,476.53**
2010 - 11			**45,058.75**
2009 - 2010			
April		2009	4,178.12
May		2009	2,703.44
June		2009	2,168.95
July		2009	3,876.68
August		2009	4,388.71
September		2009	4,405.57
October		2009	4,938.30
November		2009	7,432.69
December		2009	2,260.34
January		2010	7,583.90
February		2010	3,420.74
March		2010	7,119.09
2010 - 2011			
April		2010	6,334.81
May		2010	6,016.03
June		2010	4,065.18
July		2010	2,265.40
August		2010	4,314.17
September		2010	3,263.18
October		2010	4,118.61
November		2010	2,380.64
December		2010	2,382.48
January		2011	2,578.71
February		2011	2,513.80
March		2011	4,825.74
Week ended			
Febbruary	04,	2011	934.54
Febbruary	11,	2011	464.61
Febbruary	18,	2011	403.37
Febbruary	25,	2011	783.78
March	04,	2011	278.05
March	11,	2011	703.90
March	18,	2011	484.21
March	25,	2011	3,069.74

* Relates to the Wholesale Debt Market (WDM) segment (Excluding trade in commercial papers)

Source : National Stock Exchange of India Ltd.

No. 33: Assistance Sanctioned and Disbursed by All - India Financial Institutions

(₹ crore)

	April-September		April-March	
	2003-04	2004-05	2002-03	2003-04
	1	2	3	4
Sanctions				
All-India Development Banks	**9,831.9**	**12,860.0**	**22,318.1**	**23,444.3**
1. IDBI	2,860.2	6,314.4	5,898.2	5,630.8
2. IFCI	132.1	–	2,005.8	1,451.9
3. SIDBI	2,607.9	2,991.8	10,903.7	8,223.7
4. IIBI	1,392.8	0.9	1,206.4	2,411.9
5. IDFC	2,838.9	3,552.9	2,304.0	5,726.0
Investment Institutions	**13,025.1**	**7,805.5**	**5,666.5**	**29,479.2**
6. LIC	12,291.1	7,135.3	4,341.5	27,748.0
7. GIC	324.3	93.0	369.3	674.0
8. National Ins. Co. Ltd.	115.6	87.3	200.0	373.0
9. New India Ass. Co Ltd.	84.1	179.3	138.0	199.1
10. Oriental Ins. Co. Ltd.	93.3	28.2	123.9	134.8
11. United India Ins. Co. Ltd.	116.7	282.4	493.8	350.3
Total	**22,857.0**	**20,665.5**	**27,984.6**	**52,923.5**
Disbursements				
All India Development Banks	5,750.2	5,027.1	17,225.2	14,056.6
1. IDBI	637.2	2,085.1	6,614.9	4,409.1
2. IFCI	176.3	43.8	1,779.9	279.0
3. SIDBI	1,742.2	1,358.3	6,789.5	4,412.7
4. IIBI	1,216.5	7.6	1,091.9	2,251.8
5. IDFC	978.0	1,532.3	949.0	2,704.0
Investment Institutions	4,615.6	5,421.3	7,487.6	17,400.2
6. LIC	3,829.2	4,871.0	6,205.7	15,781.6
7. GIC	328.4	108.0	328.4	657.7
8. National Ins. Co. Ltd.	118.4	17.3	177.6	224.4
9. New India Ass. Co Ltd.	85.6	115.2	78.0	195.6
10. Oriental Ins. Co. Ltd.	135.0	27.4	241.5	187.1
11. United India Ins. Co. Ltd.	119.0	282.4	456.4	353.8
Total	**10,365.8**	**10,448.4**	**24,712.8**	**31,456.8**

Note : Data are provisional. Monthly data are not adjusted for inter-institutional flows.

Source : Industrial Development Bank of India.

Prices

No. 34: Monthly Average Price of Gold and Silver in Mumbai

Month / Year		Standard Gold (₹ per 10 grams)	Silver (₹ per kilogram)
		1	2
2000-01		4,474	7,868
2001-02		4,579	7,447
2002-03		5,332	7,991
2003-04		5,719	8,722
2004-05		6,145	10,681
2005-06		6,901	11,829
2006-07		9,240	19,057
2007-08		9,996	19,427
2008-09		12,905	21,272
2009-10		15,755	25,417
2010-11		19,238	37,315
April	2009	14,501	21,336
May	2009	14,610	22,553
June	2009	14,620	23,069
July	2009	14,749	22,334
August	2009	14,996	23,646
September	2009	15,723	26,323
October	2009	15,864	27,360
November	2009	17,040	28,225
December	2009	17,138	28,345
January	2010	16,684	28,165
February	2010	16,535	25,677
March	2010	16,603	27,048
April	2010	16,679	28,027
May	2010	17,997	29,330
June	2010	18,741	29,821
July	2010	18,300	29,387
August	2010	18,490	29,677
September	2010	19,087	32,592
October	2010	19,493	36,020
November	2010	20,174	41,293
December	2010	20,496	45,346
January	2011	20,212	44,852
February	2011	20,345	47,110
March	2011	20,842	54,330
April	2011	21,374	62,741

Source : Bombay Bullion Association Ltd.
Also see 'Notes on Tables'.

No. 35: Consumer Price Index Numbers for Industrial Workers – All-India and Selected Centres

(Base : 2001 = 100)

Centre	New Linking Factor (1)	1990-91 @	2009-10	2010-11	2010				2011		
					Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
	1	2	3	4	5	6	7	8	9	10	11
All India (2)	**4.63**	**193**	**163**	**180**	**179**	**181**	**182**	**185**	**188**	**185**	**185**
Ahmedabad	4.62	196	157	175	176	178	180	183	183	177	177
Alwaye (Ernakulam)	4.52	176	156	171	170	171	172	175	179	179	179
Asansol	4.37	189	178	199	200	201	202	206	207	203	203
Bangalore	4.51	183	171	185	185	184	183	186	196	187	188
Bhavnagar	4.76	198	154	178	179	181	181	184	187	182	181
Bhopal	4.83	196	168	190	188	188	192	193	204	199	198
Chandigarh	5.26	189	161	180	182	182	182	182	192	190	189
Chennai	4.95	189	153	163	162	162	165	169	172	167	163
Coimbatore	4.49	178	156	168	166	168	173	176	180	173	171
Delhi	5.60	201	152	166	169	168	168	169	173	170	169
Faridabad	4.79	187	167	186	187	188	187	188	193	189	190
Guwahati	4.80	195	147	158	159	159	161	163	163	162	162
Howrah	5.42	212	159	173	175	176	176	178	177	175	176
Hyderabad	4.79	182	156	167	166	167	168	170	172	170	169
Jaipur	4.25	190	165	183	183	185	184	186	190	188	188
Jamshedpur	4.23	187	165	189	185	186	192	194	205	205	203
Kolkata	5.12	203	161	176	176	177	177	180	180	178	178
Ludhiana	4.12	193	165	177	181	179	179	178	182	178	178
Madurai	4.51	192	152	165	163	163	166	170	172	169	168
Monghyr-Jamalpur	4.30	189	169	185	185	189	188	190	190	192	193
Mumbai	5.18	201	163	178	178	181	182	184	187	183	183
Mundakayam	4.37	184	162	179	177	178	182	184	189	186	186
Nagpur	4.68	201	183	207	210	210	209	214	217	212	210
Puducherry	4.88	204	167	174	172	173	176	182	182	179	177
Rourkela	4.03	179	172	192	190	191	196	198	201	199	197
Kanpur	4.50	195	166	187	187	188	189	189	195	194	195
Solapur	4.73	197	166	182	181	183	182	188	189	190	193
Srinagar	5.62	184	149	162	161	162	162	165	166	164	170

@ Base 1982=100.

Note : New series of Consumer Price Index for Industrial Workers with base 2001 = 100 was released in January 2006 by Labour Bureau, Shimla. Linking Factors between old and new series as published by the Labour Bureau are reproduced in column 2.

For (1) and (2) See 'Notes on Tables'.

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

No. 36: Consumer Price Index Numbers for Urban Non-manual Employees – All-India and Selected Centres

(Base : 1984 – 85 = 100)

Centre	1990-91	2006-07	2007-08	2007				2008			
				Mar.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
	1	2	3	4	5	6	7	8	9	10	11
All India (1)	**161**	**486**	**515**	**498**	**516**	**520**	**519**	**518**	**520**	**523**	**528**
Mumbai	154	478	504	490	502	506	508	510	509	510	513
Delhi	156	499	521	508	522	528	523	523	525	529	532
Kolkata	164	439	476	449	481	486	480	479	479	482	484
Chennai	168	569	605	585	606	607	609	607	610	611	618
Hyderabad	164	526	560	541	558	561	565	564	564	568	574
Bangalore	161	513	546	527	545	544	547	551	559	563	566
Lucknow	158	465	484	471	488	487	482	480	480	486	492
Ahmedabad	153	426	449	435	450	454	453	454	452	453	459
Jaipur	165	477	515	491	517	519	521	519	527	532	545
Patna	167	451	484	466	490	494	495	492	496	496	501
Srinagar	150	475	513	496	511	517	515	513	524	528	538
Thiruvananthapuram	152	507	535	512	528	530	535	542	548	552	555
Cuttack	154	479	507	492	507	511	512	510	510	509	510
Bhopal	166	458	482	461	481	488	490	488	490	493	502
Chandigarh	176	637	665	649	672	672	669	666	668	671	678
Shillong	179	499	565	528	566	571	572	571	580	582	584
Shimla	163	490	511	506	517	519	511	508	507	508	513
Jammu	161	480	511	492	512	514	512	507	515	523	533
Amritsar	152	402	423	412	431	433	425	422	423	427	431
Kozhikode (Calicut)	150	447	465	452	462	464	469	469	473	475	483
Kanpur	165	450	481	462	490	489	483	479	478	483	489
Indore	170	485	507	490	513	515	510	507	510	516	526
Pune	162	509	547	517	546	549	555	555	554	560	563
Jabalpur	164	437	467	452	473	476	473	471	467	471	478
Jodhpur	168	465	487	476	490	492	489	490	489	492	501

Linked All-India Consumer Price Index Number for Urban Non-Manual Employees (UNME)

(Base : 1984 – 85 = 100)

	2009	2010			
	Dec.	Sep.	Oct.	Nov.	Dec.
	1	2	3	4	5
General Index	657	701	705	710	719

Note : 1. The CPI (UNME) for base 1984-85 = 100 has been discontinued due to outdated base year with effect from April 2008 onwards. Linked all-India CPI (UNME) number are available for meeting the requirement of users.

2. As per the Press Release of Central Statistics Office, all-India linked Consumer Price Index for Urban Non-Manual Employees (UNME) has been discontinued with effect from January 2011. Therefore, this Table will not be updated henceforth.

See 'Notes on Tables'.

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

No. 37: Consumer Price Index Numbers for Agricultural / Rural Labourers

A : Consumer Price Index Numbers for Agricultural Labourers

(Base : July 1986 - June 1987 = 100)

State	1990-91(1)	Linking Factor (2)	2008-09	2009-10	2010				2011		
					Mar.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
	1	2	3	4	5	6	7	8	9	10	11
All India	**830**	**5.89**	**462**	**530**	**536**	**566**	**570**	**581**	**589**	**584**	**585**
Andhra Pradesh	657	4.84	484	552	554	584	589	604	619	608	611
Assam	854	(3)	451	520	520	577	583	586	585	581	584
Bihar	858	6.22	446	500	510	526	534	538	541	540	539
Gujarat	742	5.34	459	538	541	574	574	596	600	586	582
Haryana		(5)	498	588	608	641	638	642	654	648	648
Himachal Pradesh		(5)	406	455	457	492	486	486	492	480	482
Jammu & Kashmir	843	5.98	453	524	541	551	561	575	587	582	580
Karnataka	807	5.81	458	535	535	575	579	595	609	614	616
Kerala	939	6.56	454	496	506	549	550	564	576	577	575
Madhya Pradesh	862	6.04	459	525	532	562	565	569	582	578	576
Maharashtra	801	5.85	475	562	566	593	604	624	633	627	627
Manipur		(5)	407	455	458	515	522	530	534	535	538
Meghalaya		(5)	484	540	532	569	573	579	574	577	579
Orissa	830	6.05	438	495	496	540	547	556	553	541	535
Punjab	930	(4)	501	586	601	619	622	624	634	625	627
Rajasthan	885	6.15	490	573	586	593	593	604	616	614	617
Tamil Nadu	784	5.67	455	514	517	542	546	566	579	578	583
Tripura		(5)	433	466	466	510	514	523	530	525	526
Uttar Pradesh	960	6.60	469	535	540	559	563	565	573	572	576
West Bengal	842	5.73	432	504	521	567	562	567	569	560	559

See 'Notes on Tables'.

No. 37: Consumer Price Index Numbers for Agricultural / Rural Labourers

B : Consumer Price Index Numbers for Rural Labourers

(Base : July 1986 - June 1987 = 100)

State	1995-96(7)	2008-09	2009-10	2010					2011		
				Mar.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
	1	2	3	4	5	6	7	8	9	10	11
All India	**240**	**462**	**529**	**536**	**562**	**565**	**569**	**580**	**588**	**584**	**584**
Andhra Pradesh	244	482	550	552	579	581	586	600	615	604	606
Assam	243	454	524	524	572	580	587	589	588	584	588
Bihar	223	447	500	509	517	526	534	538	541	540	539
Gujarat	241	460	538	541	574	573	573	595	598	586	581
Haryana	237	495	583	603	631	636	634	637	648	642	643
Himachal Pradesh	221	420	474	478	506	512	504	504	510	496	500
Jammu & Kashmir	225	451	521	538	543	549	558	570	583	577	575
Karnataka	250	459	534	535	568	574	577	594	608	613	614
Kerala	260	456	502	512	548	553	554	566	578	579	577
Madhya Pradesh	239	463	532	539	566	568	572	576	588	585	583
Maharashtra	247	470	557	562	585	589	599	619	628	621	622
Manipur	245	407	456	459	509	516	523	533	537	537	541
Meghalaya	250	481	535	529	559	565	569	575	571	574	576
Orissa	236	439	496	496	529	540	546	556	553	541	535
Punjab	247	501	585	600	616	617	620	621	631	623	624
Rajasthan	239	486	567	580	584	586	586	596	608	606	609
Tamil Nadu	244	452	509	512	538	536	540	559	573	572	577
Tripura	219	429	462	462	491	509	512	522	529	524	524
Uttar Pradesh	231	469	532	537	558	556	560	562	570	569	572
West Bengal	232	435	506	523	561	570	565	570	573	563	563

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

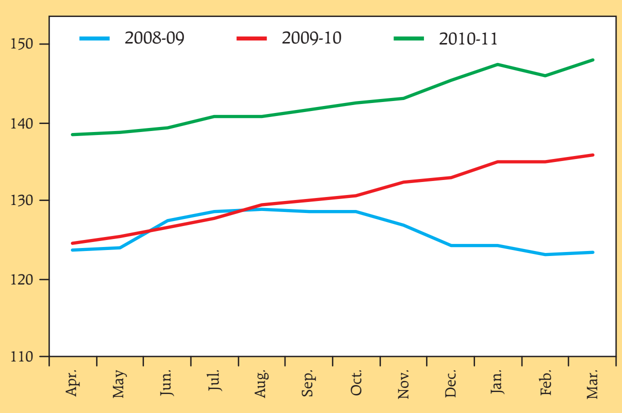
No. 38: Index Numbers of Wholesale Prices in India - by Groups and Sub-Groups

(Base: 2004-05=100)

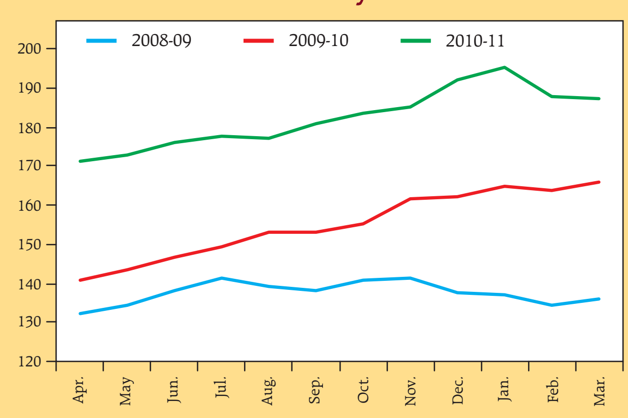
Commodities / Major Groups / Groups / Sub-Groups	Weight	2005-06	2008-09	2009-10	2010				2011		
		April-March			Mar.	Oct.	Nov.	Dec.	Jan.	Feb. (P)	Mar. (P)
	1	2	3	4	5	6	7	8	9	10	11
ALL COMMODITIES	**100.000**	**104.4**	**125.9**	**130.4**	**135.8**	**142.4**	**143.1**	**145.4**	**147.4**	**146.0**	**148.0**
I. PRIMARY ARTICLES	**20.118**	**104.3**	**137.5**	**154.9**	**165.9**	**183.4**	**185.3**	**192.0**	**195.3**	**187.8**	**187.4**
(A) Food articles	**14.337**	**105.4**	**134.8**	**155.4**	**163.6**	**180.9**	**181.4**	**189.4**	**192.4**	**180.8**	**179.1**
a. Food Grains											
(Cereals+Pulses)	4.090	107.3	145.3	166.4	172.2	173.4	174.4	175.2	176.4	176.1	176.2
a1. Cereals	3.373	106.0	143.1	161.2	166.5	169.0	171.7	172.6	173.5	172.4	173.1
a2. Pulses	0.717	113.3	155.8	190.8	198.9	194.1	187.2	187.2	189.9	193.7	190.6
b. Fruits & Vegetables	3.843	108.0	134.9	147.8	139.5	175.1	174.2	196.1	206.6	164.2	163.5
b1. Vegetables	1.736	113.7	141.9	161.8	132.0	193.9	189.2	240.5	261.1	160.7	144.1
b2. Fruits	2.107	103.3	129.1	136.2	145.6	159.7	161.8	159.5	161.8	167.2	179.4
c. Milk	3.238	101.0	123.2	146.4	167.2	177.2	177.9	178.7	179.3	179.5	176.9
d. Eggs, Meat & Fish	2.414	106.3	125.4	151.5	172.1	192.2	192.9	196.2	193.2	195.8	195.5
e. Condiments & Spices	0.569	94.5	151.2	182.7	204.9	245.5	250.3	279.2	284.6	268.1	247.8
f. Other Food Articles	0.183	107.8	175.0	196.2	171.6	184.9	187.9	186.7	186.7	186.8	184.9
(B) Non-Food Articles	**4.258**	**96.7**	**129.2**	**136.2**	**150.3**	**166.1**	**170.8**	**176.0**	**181.8**	**185.1**	**189.2**
a. Fibres	0.877	96.4	137.9	140.0	151.1	193.5	205.4	220.1	234.1	256.1	277.8
b. Oil Seeds	1.781	90.4	131.2	135.0	136.2	140.1	138.6	141.9	144.9	149.8	150.3
c. Other Non-Food Articles	1.386	103.9	117.5	128.7	168.1	175.7	179.6	180.5	185.3	189.1	191.8
d. Flowers	0.213	103.8	152.3	179.2	148.6	209.1	240.2	250.2	252.4	162.6	130.9
(C) Minerals	**1.524**	**115.2**	**186.5**	**202.9**	**231.6**	**255.0**	**263.2**	**261.3**	**260.0**	**261.0**	**259.9**
a. Metallic Minerals	0.489	127.9	266.2	258.3	315.8	381.5	394.4	380.0	376.1	379.2	375.9
b. Other Minerals	0.135	104.8	144.2	146.0	143.2	157.6	162.8	161.2	160.8	161.1	160.8
c. Crude Petroleum	0.900	109.8	149.7	181.4	199.2	200.9	207.1	211.8	211.8	211.8	211.8
II. FUEL & POWER	**14.910**	**113.6**	**135.0**	**132.1**	**140.1**	**148.1**	**148.6**	**150.2**	**151.3**	**152.3**	**158.2**
a. Coal	2.094	117.6	151.3	156.5	163.0	163.0	163.0	163.0	163.1	163.0	188.9
b. Mineral Oils	9.364	116.7	141.8	135.8	146.6	157.3	158.1	160.7	163.0	164.6	168.2
c. Electricity	3.452	102.6	106.4	107.4	108.6	114.0	114.0	114.0	112.5	112.5	112.5

See 'Notes on Tables'.

Monthly Movement of the Index of WPI-All Commodities



Monthly Movement in the Index of WPI- Primary Articles

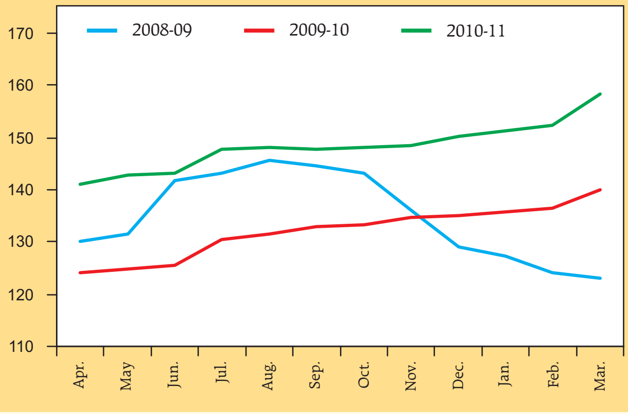


No. 38: Index Numbers of Wholesale Prices in India - by Groups and Sub-Groups *(Contd.)*

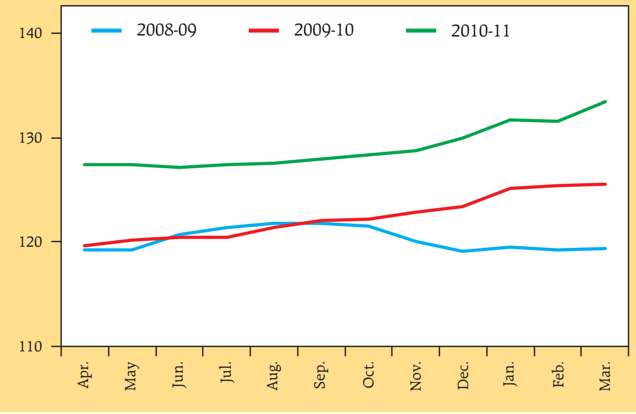
(Base: 2004-05=100)

Commodities / Major Groups / Groups / Sub-Groups	Weight	2005-06	2008-09	2009-10	2010				2011		
		April-March			Mar.	Oct.	Nov.	Dec.	Jan.	Feb. (P)	Mar. (P)
	1	2	3	4	5	6	7	8	9	10	11
III. MANUFACTURED PRODUCTS	**64.972**	**102.3**	**120.2**	**122.4**	**125.6**	**128.3**	**128.8**	**129.9**	**131.7**	**131.6**	**133.4**
(A) Food Products	**9.974**	**101.2**	**119.9**	**136.1**	**141.7**	**141.0**	**142.2**	**144.2**	**145.3**	**144.6**	**145.1**
a. Dairy Products	0.568	99.5	122.9	138.8	149.2	150.6	150.0	151.4	153.2	152.4	155.3
b. Canning, Preserving & Processing of Food	0.358	101.7	106.3	121.1	124.6	127.1	128.4	130.4	128.2	130.2	126.1
c. Grain Mill Products	1.340	104.8	130.1	138.0	148.3	146.1	146.4	146.4	149.1	149.6	149.6
d. Bakery Products	0.444	101.3	109.9	116.3	121.6	126.3	126.3	126.3	126.9	126.6	126.8
e. Sugar, Khandsari & Gur	2.089	108.8	106.8	161.9	177.8	157.7	161.9	166.5	166.6	162.4	163.4
f. Edible Oils	3.043	94.1	121.6	114.4	114.0	119.9	121.0	122.4	127.2	127.6	128.3
g. Oil Cakes	0.494	97.7	145.1	167.3	166.6	172.3	173.2	184.8	171.8	171.9	172.5
h. Tea & Coffee Proccessing	0.711	99.4	125.1	144.8	140.7	160.2	158.8	155.7	147.3	145.7	140.6
i. Manufacture Of Salt	0.048	104.4	172.4	170.2	173.4	172.3	172.3	172.3	172.3	172.3	172.3
j. Other Food Products	0.879	106.5	117.4	134.8	139.5	139.0	139.1	139.8	145.2	145.0	149.3
(B) Beverages, Tobacco & Tobacco Products	**1.762**	**104.7**	**128.3**	**136.2**	**142.0**	**144.5**	**144.5**	**144.9**	**150.6**	**150.5**	**152.4**
a. Wine Industries	0.385	105.8	114.0	116.3	116.3	117.9	117.8	117.8	117.7	117.3	118.0
b. Malt Liquor	0.153	108.8	130.1	150.5	150.4	167.1	167.1	167.1	167.8	169.8	165.1
c. Soft Drinks & Carbonated Water	0.241	111.5	132.3	135.1	141.6	143.2	143.2	143.4	142.8	145.4	144.3
d. Manufacture of Bidi, Cigarettes, Tobacco & Zarda	0.983	101.9	132.7	142.0	150.9	151.6	151.7	152.4	162.6	161.7	165.9
(C) Textiles	**7.326**	**98.9**	**103.2**	**106.7**	**111.9**	**117.1**	**118.7**	**121.1**	**124.8**	**123.7**	**129.4**
a. Cotton Textiles	2.605	97.1	102.7	108.8	116.2	124.1	127.2	131.7	138.7	136.8	148.1
a1. Cotton Yarn	1.377	95.2	102.7	110.6	122.5	134.3	139.8	147.9	155.5	153.5	168.3
a2. Cotton Fabric	1.228	99.2	102.6	106.8	109.0	112.7	113.1	113.6	119.8	118.1	125.5
b. Man Made Textiles	2.206	98.4	102.0	102.9	108.4	111.5	113.0	114.3	117.4	117.4	120.7
b1. Man Made Fibre	1.672	97.7	100.2	101.9	108.4	111.7	113.8	115.3	118.9	119.1	122.9
b2. Man Made Fabric	0.533	100.5	107.6	105.8	108.4	110.9	110.7	111.0	112.8	112.1	113.9
c. Woollen Textiles	0.294	102.2	108.3	109.4	110.1	118.1	119.6	121.1	123.6	123.3	127.0
d. Jute Hemp & Mesta Textiles	0.261	111.6	116.6	145.8	157.2	160.7	162.2	167.7	180.2	170.6	180.3
e. Other Misc. Textiles	1.960	99.9	102.6	102.6	104.4	107.9	107.9	108.4	107.4	107.0	107.8

Monthly Movement of the Index of WPI-Fuel & Power



Monthly Movement in the Index of WPI-Manufactured Products



No. 38: Index Numbers of Wholesale Prices in India - by Groups and Sub-Groups *(Contd.)*

(Base: 2004-05=100)

Commodities / Major Groups / Groups / Sub-Groups	Weight	2005-06	2008-09	2009-10	2010				2011		
		April-March			Mar.	Oct.	Nov.	Dec.	Jan.	Feb. (P)	Mar. (P)
	1	2	3	4	5	6	7	8	9	10	11
(D) Wood & Wood Products	**0.587**	**105.7**	**130.7**	**143.3**	**146.4**	**148.7**	**148.8**	**149.0**	**150.3**	**149.6**	**151.1**
a. Timber/Wooden Planks	0.181	103.0	120.5	127.2	128.0	133.6	134.1	134.6	132.2	135.2	132.8
b. Processed Wood	0.128	105.3	127.9	141.0	146.9	152.1	152.1	152.1	156.4	155.5	165.5
c. Plywood & Fibre Board	0.241	108.4	142.4	160.2	163.9	162.8	162.7	163.0	165.1	162.0	162.0
d. Others	0.038	103.2	114.8	120.2	120.4	119.4	119.5	117.3	121.1	119.3	119.5
(E) Paper & Paper Products	**2.034**	**103.6**	**116.3**	**118.9**	**119.5**	**125.6**	**125.8**	**125.7**	**126.6**	**126.8**	**128.1**
a. Paper & Pulp	1.019	103.2	117.1	117.2	119.3	125.0	125.3	125.1	126.8	126.7	128.7
b. Manufacture of boards	0.550	101.6	113.7	117.7	115.8	123.1	123.0	122.2	123.1	123.7	123.2
c. Printing & Publishing	0.465	107.0	117.6	123.8	124.6	130.1	130.1	131.1	130.3	130.8	132.3
(F) Leather & Leather Products	**0.835**	**104.3**	**122.3**	**128.4**	**127.4**	**128.2**	**127.8**	**127.8**	**123.2**	**123.9**	**123.6**
a. Leathers	0.223	99.8	120.0	123.0	121.3	123.0	123.1	123.4	110.2	111.3	111.9
b. Leather Footwear	0.409	107.8	124.1	134.7	135.0	136.0	135.2	135.2	134.4	134.7	132.7
c. Other Leather Products	0.203	102.1	121.4	121.4	119.0	118.4	118.2	118.0	114.9	116.1	117.9
(G) Rubber & Plastic Products	**2.987**	**101.9**	**117.3**	**118.2**	**120.3**	**125.0**	**126.7**	**127.6**	**130.0**	**129.7**	**131.1**
a. Tyres & Tubes	0.541	103.2	125.9	130.1	135.2	145.3	148.7	150.2	153.7	153.7	154.9
a1. Tyres	0.488	103.1	125.1	129.2	134.4	144.5	148.3	149.8	153.6	153.6	154.8
a2. Tubes	0.053	104.3	132.9	138.2	142.6	152.8	152.9	153.8	154.3	154.7	155.4
b. Plastic Products	1.861	101.1	113.8	113.4	114.3	118.2	119.8	120.5	122.5	121.8	123.0
c. Rubber Products	0.584	103.2	120.7	122.4	125.8	127.6	128.3	128.9	131.8	132.5	134.8
(H) Chemicals & Chemical Products	**12.018**	**103.8**	**118.1**	**117.8**	**120.4**	**123.0**	**123.3**	**124.2**	**125.9**	**126.3**	**128.3**
a. Basic Inorganic Chemicals	1.187	106.4	126.2	125.0	125.1	125.8	125.5	126.8	127.4	127.9	128.4
b. Basic Organic Chemicals	1.952	103.6	118.0	115.7	121.1	122.5	123.2	124.8	126.9	127.7	130.8
c. Fertilizers & Pesticides	3.145	102.2	107.4	108.5	110.1	115.9	116.2	116.1	117.0	118.0	119.0
c1. Fertilizers	2.661	102.2	106.8	108.2	109.8	116.3	116.6	116.5	117.8	118.8	120.1
c2. Pesticides	0.483	102.2	110.5	110.6	111.8	113.7	114.0	113.9	112.9	113.3	112.8
d. Paints, Varnishes & Lacquers	0.529	104.3	117.6	117.5	122.2	123.2	123.2	123.3	121.2	122.2	123.1
e. Dyestuffs & Indigo	0.563	102.3	115.5	111.9	112.4	117.7	116.4	116.6	118.1	117.3	118.7
f. Drugs & Medicines	0.456	101.3	111.4	112.7	113.0	114.8	114.8	116.8	116.7	116.7	116.4
g. Perfumes, Cosmetics, Toiletries *etc.*	1.130	104.5	129.2	134.8	136.8	137.6	137.9	137.7	140.4	138.9	141.9
h. Turpentine, Plastic Chemicals	0.586	109.6	116.9	117.4	120.6	122.6	123.9	123.6	124.8	124.8	127.8
i. Polymers Including Synthetic Rubber	0.970	103.0	119.6	116.3	121.3	121.0	121.8	123.7	126.5	127.6	129.3
j. Petrochemical Intermediates	0.869	105.1	133.5	127.7	130.5	132.6	133.7	138.1	144.6	145.4	151.2
k. Matches, Explosives & other Chemicals	0.629	102.7	121.6	123.8	127.4	128.5	128.7	128.7	129.2	128.7	130.0

No. 38: Index Numbers of Wholesale Prices in India - by Groups and Sub-Groups *(Concld.)*

(Base: 2004-05=100)

Commodities / Major Groups / Groups / Sub-Groups	Weight	2005-06	2008-09	2009-10	2010				2011		
		April-March			Mar.	Oct.	Nov.	Dec.	Jan.	Feb. (P)	Mar. (P)
	1	2	3	4	5	6	7	8	9	10	11
(I) Non-Metallic Mineral Products	**2.556**	**103.4**	**131.7**	**140.9**	**143.0**	**145.0**	**143.8**	**143.6**	**144.2**	**145.1**	**147.6**
a. Structural Clay Products	0.658	105.0	126.9	136.7	140.3	141.2	141.2	141.8	143.5	141.2	144.7
b. Glass, Earthenware, Chinaware & their Products	0.256	104.2	114.3	118.1	119.2	120.3	120.2	120.2	121.2	120.2	121.2
c. Cement & Lime	1.386	102.3	138.6	149.0	151.2	151.4	148.4	148.1	148.3	151.7	154.2
d. Cement, Slate & Graphite Products	0.256	104.3	123.5	129.9	129.5	145.4	148.8	146.6	146.4	144.7	146.2
(J) Basic Metals, Alloys & Metal Products	**10.748**	**101.4**	**137.0**	**125.6**	**128.9**	**134.3**	**134.0**	**135.3**	**137.8**	**138.8**	**140.9**
a. Ferrous Metals	8.064	100.1	135.3	123.1	126.1	132.0	131.7	133.0	135.9	136.9	139.2
a1. Iron & Semis	1.563	97.9	136.9	119.0	123.8	125.5	125.0	126.0	133.8	133.3	136.3
a2. Steel: Long	1.630	100.9	144.4	128.4	129.2	135.5	135.3	135.7	141.9	145.2	149.3
a3. Steel: Flat	2.611	99.0	130.1	118.3	122.5	133.6	133.4	135.8	136.8	137.0	140.6
a4. Steel: Pipes & Tubes	0.314	97.8	123.2	115.0	113.5	116.1	116.4	118.3	119.6	121.0	123.3
a5. Stainless Steel & alloys	0.938	106.2	138.8	137.9	140.7	143.9	143.7	143.6	140.4	143.5	139.3
a6. Castings & Forgings	0.871	103.8	128.8	121.7	120.0	122.6	121.9	124.0	124.5	124.9	125.6
a7. Ferro alloys	0.137	79.9	150.2	126.8	151.2	146.6	146.6	146.6	148.6	148.3	147.1
b. Non-Ferrous Metals	1.004	111.9	150.6	145.8	151.7	153.0	152.8	153.5	153.6	153.8	154.6
b1. Aluminium	0.489	108.3	127.2	121.4	123.9	126.4	126.8	127.1	125.0	124.8	126.1
b2. Other Non-Ferrous Metals	0.515	115.2	172.8	169.0	178.1	178.2	177.6	178.5	180.8	181.3	181.7
c. Metal Products	1.680	106.6	143.4	150.5	153.9	169.7	171.8	173.4	173.9	173.8	176.8
(K) Machinery & Machine Tools	**8.931**	**103.6**	**117.4**	**118.0**	**119.5**	**121.0**	**121.2**	**121.9**	**122.3**	**122.0**	**122.4**
a. Agricultural Machinery & Implements	0.139	106.4	120.4	123.2	137.3	133.7	133.7	133.7	133.2	133.3	131.2
b. Industrial Machinery	1.838	108.2	129.3	130.9	135.6	138.7	138.8	139.4	139.9	139.7	140.4
c. Construction Machinery	0.045	106.4	127.4	130.5	133.0	131.8	131.8	131.8	132.6	132.1	133.6
d. Machine Tools	0.367	105.8	116.0	120.4	120.5	139.6	138.8	132.4	140.4	136.2	142.6
e. Air Conditioner & Refrigerators	0.429	96.8	102.1	111.2	111.3	111.4	111.4	111.4	110.6	111.4	108.8
f. Non-Electrical Machinery	1.026	104.6	111.4	115.1	118.6	118.0	118.2	118.0	118.5	118.3	119.4
g. Electrical Machinery, Equipment & Batteries	2.343	103.1	123.6	122.1	122.5	123.3	123.3	123.7	125.1	124.8	125.2
h. Electrical Accessories, Wires, Cables *etc.*	1.063	108.4	134.9	132.6	131.9	132.1	132.5	139.2	135.0	134.2	135.1
i. Electrical Apparatus & Appliances	0.337	103.0	107.1	108.1	108.7	109.7	111.3	112.8	113.3	114.3	113.0
j. Electronics Items	0.961	94.9	87.8	86.2	84.9	84.6	84.8	84.7	84.5	84.9	84.0
k. IT Hardware	0.267	93.7	87.8	86.6	86.9	87.0	87.0	87.0	87.5	87.0	87.6
l. Communication Equipments	0.118	96.3	95.8	95.7	95.0	91.9	91.9	91.9	91.9	91.9	92.2
(L) Transport, Equipment & Parts	**5.213**	**102.7**	**113.3**	**116.8**	**118.1**	**119.6**	**119.7**	**119.9**	**121.5**	**120.9**	**122.0**
a. Automotives	4.231	102.2	111.9	115.9	117.6	119.3	119.4	119.6	121.1	120.4	121.1
b. Auto Parts	0.804	103.8	118.0	118.6	119.0	119.0	119.1	119.5	121.4	121.5	123.7
c. Other Transport Equipments	0.178	109.1	127.1	130.4	126.8	128.4	128.4	128.5	130.0	130.1	135.3

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

Trade and Balance of Payments

No. 39(A): Foreign Trade (Annual and Monthly)

(₹ crore)

Year / Month	Exports			Imports			Trade Balance		
	Aggregate	Oil	Non-oil	Aggregate	Oil	Non-oil	Aggregate	Oil	Non-oil
	1	2	3	4	5	6	7	8	9
2003-04	2,93,367	16,397	2,76,969	3,59,108	94,520	2,64,588	-65,741	-78,123	12,382
2004-05	3,75,340	31,404	3,43,935	5,01,065	1,34,094	3,66,971	-1,25,725	-1,02,690	-23,035
2005-06	4,56,418	51,533	4,04,885	6,60,409	1,94,640	4,65,769	-2,03,991	-1,43,107	-60,884
2006-07	5,71,779	84,520	4,87,259	8,40,506	2,58,572	5,81,935	-2,68,727	-1,74,052	-94,675
2007-08	6,55,864	1,14,192	5,41,672	10,12,312	3,20,655	6,91,657	-3,56,448	-2,06,463	-1,49,985
2008-09	8,40,755	1,23,398	7,17,357	13,74,436	4,19,968	9,54,468	-5,33,680	-2,96,570	-2,37,111
2009-10	8,45,534	1,32,899	7,12,635	13,63,736	4,11,649	9,52,086	-5,18,202	-2,78,750	-2,39,452
2010-11	11,18,823	..	..	15,96,869	..	..	-4,78,047	..	..
2008-09									
April	73,883	11,376	62,507	121,335	35,742	85,593	-47,453	-24,366	-23,087
May	78,717	11,498	67,220	124,031	44,211	79,820	-45,314	-32,713	-12,601
June	82,133	15,361	66,772	123,967	43,332	80,635	-41,834	-27,971	-13,863
July	81,523	16,083	65,439	135,477	54,299	81,178	-53,955	-38,215	-15,739
August	76,254	13,972	62,281	143,940	49,467	94,474	-67,686	-35,494	-32,192
September	71,941	11,635	60,306	141,865	43,483	98,382	-69,925	-31,848	-38,077
October	68,754	10,335	58,420	125,868	35,445	90,423	-57,114	-25,111	-32,003
November	54,699	6,403	48,296	115,091	29,174	85,917	-60,391	-22,771	-37,621
December	65,015	6,382	58,633	94,625	22,277	72,347	-29,609	-15,895	-13,714
January	62,844	6,633	56,212	89,015	22,091	66,924	-26,171	-15,458	-10,712
February	58,822	5,919	52,904	74,198	19,059	55,139	-15,376	-13,141	-2,235
March	66,169	7,801	58,368	85,022	21,387	63,636	-18,854	-13,586	-5,268
2009-10 R									
April	62,456	7,592	54,863	96,823	23,729	73,095	-34,368	-16,136	-18,231
May	59,776	7,281	52,495	97,243	25,757	71,486	-37,467	-18,476	-18,991
June	64,999	6,773	58,227	110,137	31,539	78,598	-45,138	-24,767	-20,371
July	69,524	8,768	60,756	105,312	35,604	69,708	-35,788	-26,835	-8,952
August	65,670	10,199	55,470	108,506	33,525	74,981	-42,836	-23,325	-19,511
September	70,838	11,655	59,184	104,275	31,708	72,567	-33,437	-20,054	-13,383
October	69,175	12,799	56,376	121,175	39,195	81,980	-52,000	-26,396	-25,604
November	69,537	13,709	55,828	116,402	35,160	81,242	-46,864	-21,450	-25,414
December	76,907	14,372	62,535	131,733	38,453	93,280	-54,826	-24,081	-30,746
January	71,500	11,409	60,091	116,127	39,126	77,001	-44,627	-27,717	-16,910
February	73,002	10,909	62,093	121,212	38,113	83,099	-48,210	-27,204	-21,006
March	92,149	16,972	75,177	134,792	39,680	95,112	-42,643	-22,708	-19,935
2010-11 P									
April	78,903	12,462	66,441	1,27,036	42,070	84,967	-48,133	-29,608	-18,525
May	75,643	11,835	63,808	1,25,649	39,266	86,383	-50,005	-27,430	-22,575
June	92,812	15,569	77,243	1,24,936	36,464	88,473	-32,124	-20,894	-11,230
July	75,585	13,708	61,876	1,28,061	39,125	88,936	-52,476	-25,417	-27,059
August	77,538	14,106	63,432	1,27,622	33,329	94,293	-50,084	-19,222	-30,862
September	82,860	13,777	69,083	1,19,267	37,008	82,259	-36,407	-23,231	-13,176
October	78,524	15,183	63,341	1,27,195	35,766	91,430	-48,672	-20,583	-28,089
November	90,778	14,112	76,665	1,14,108	33,446	80,662	-23,330	-19,334	-3,996
December	1,15,566	17,524	98,042	1,27,142	38,117	89,026	-11,576	-20,592	9,016
January	93,534	..	..	1,29,764	35,645	94,119	-36,230	..	..
February	1,07,215	..	..	1,44,037	37,345	1,06,692	-36,822	..	..
March	1,31,082	..	..	1,56,314	..	..	-25,232	..	..

P : Provisional. R : Revised. .. : Not Available. **Source :** DGCI & S and Ministry of Commerce & Industry.

Note : Monthly data may not add up to the annual data on account of revision in monthly figures.

Also see 'Notes on Tables'.

No. 39(B): Foreign Trade (Annual and Monthly)

(US $ Million)

Year / Month	Exports			Imports			Trade Balance		
	Aggregate	Oil	Non-oil	Aggregate	Oil	Non-oil	Aggregate	Oil	Non-oil
	1	2	3	4	5	6	7	8	9
2003-04	63,843	3,568	60,274	78,149	20,569	57,580	-14,307	-17,001	2,694
2004-05	83,536	6,989	76,547	111,517	29,844	81,673	-27,981	-22,855	-5,127
2005-06	103,091	11,640	91,451	149,166	43,963	105,203	-46,075	-32,323	-13,752
2006-07	126,414	18,635	107,779	185,735	56,945	128,790	-59,321	-38,311	-21,011
2007-08	162,904	28,363	134,541	251,439	79,645	171,795	-88,535	-51,281	-37,254
2008-09	182,799	27,547	155,253	298,834	93,672	205,162	-116,034	-66,125	-49,910
2009-10	178,751	28,012	150,739	288,373	87,136	201,237	-109,621	-59,124	-50,498
2010-11	245,868	..	..	350,695	101,689	249,006	-104,827	..	..
2008-09									
April	18,460	2,842	15,618	30,317	8,931	21,386	-11,857	-6,088	-5,768
May	18,687	2,729	15,957	29,444	10,495	18,948	-10,757	-7,766	-2,991
June	19,181	3,587	15,594	28,951	10,120	18,831	-9,770	-6,532	-3,237
July	19,030	3,754	15,276	31,625	12,675	18,950	-12,595	-8,921	-3,674
August	17,759	3,254	14,505	33,523	11,521	22,003	-15,764	-8,266	-7,497
September	15,789	2,554	13,236	31,136	9,543	21,592	-15,347	-6,990	-8,357
October	14,131	2,124	12,007	25,869	7,285	18,584	-11,738	-5,161	-6,577
November	11,163	1,307	9,856	23,488	5,954	17,534	-12,325	-4,647	-7,678
December	13,368	1,312	12,056	19,456	4,581	14,876	-6,088	-3,268	-2,820
January	12,869	1,358	11,511	18,228	4,524	13,704	-5,359	-3,165	-2,194
February	11,941	1,201	10,739	15,062	3,869	11,193	-3,121	-2,668	-454
March	12,916	1,523	11,394	16,597	4,175	12,422	-3,680	-2,652	-1,028
2009-10 R									
April	12,476	1,517	10,959	19,341	4,740	14,601	-6,865	-3,223	-3,642
May	12,316	1,500	10,816	20,036	5,307	14,729	-7,720	-3,807	-3,913
June	13,606	1,418	12,189	23,055	6,602	16,453	-9,449	-5,184	-4,264
July	14,341	1,809	12,533	21,723	7,344	14,379	-7,382	-5,536	-1,847
August	13,586	2,110	11,476	22,449	6,936	15,513	-8,862	-4,826	-4,037
September	14,624	2,406	12,218	21,527	6,546	14,981	-6,903	-4,140	-2,763
October	14,806	2,739	12,067	25,936	8,389	17,547	-11,130	-5,650	-5,480
November	14,933	2,944	11,989	24,996	7,550	17,446	-10,064	-4,606	-5,457
December	16,493	3,082	13,411	28,251	8,247	20,005	-11,758	-5,164	-6,594
January	15,557	2,482	13,075	25,267	8,513	16,754	-9,710	-6,031	-3,679
February	15,758	2,355	13,403	26,164	8,240	17,924	-10,406	-5,885	-4,521
March	20,254	3,730	16,524	29,627	8,722	20,905	-9,373	-4,991	-4,382
2010-11 P									
April	17,731	2,801	14,931	28,548	9,454	19,094	-10,817	-6,653	-4,163
May	16,512	2,583	13,928	27,427	8,571	18,856	-10,915	-5,988	-4,928
June	19,931	3,343	16,587	26,829	7,830	18,999	-6,899	-4,487	-2,412
July	16,138	2,927	13,211	27,342	8,353	18,988	-11,204	-5,427	-5,777
August	16,651	3,029	13,621	27,406	7,157	20,249	-10,755	-4,128	-6,627
September	17,989	2,991	14,998	25,893	8,035	17,858	-7,904	-5,044	-2,860
October	17,681	3,419	14,263	28,641	8,053	20,587	-10,959	-4,635	-6,325
November	20,165	3,135	17,030	25,347	7,429	17,918	-5,182	-4,295	-888
December	25,592	3,881	21,712	28,156	8,441	19,715	-2,564	-4,560	1,997
January	20,605	..	..	28,587	7,852	20,735	-7,982	..	..
February	23,597	..	..	31,701	8,219	23,482	-8,104	..	..
March	29,135	..	..	34,743	9,439	25,304	-5,608	..	..

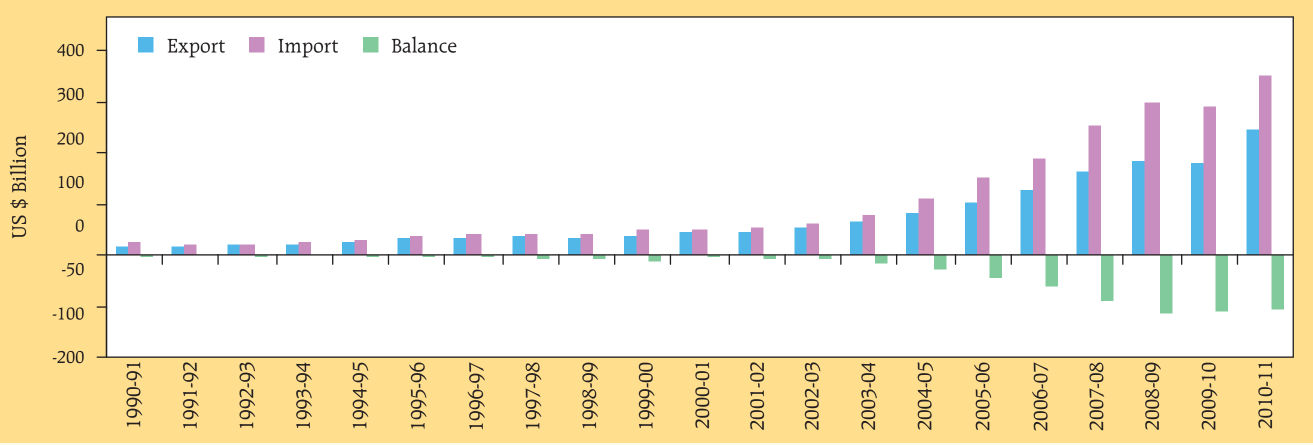
P : Provisional. R : Revised. .. : Not Available. **Source :** DGCI & S and Ministry of Commerce & Industry.

Notes : 1) Data conversion has been done using period average exchange rates.

2) Monthly data may not add up to the annual data on account of revision in monthly figures.

Also see 'Notes on Tables'.

Foreign Trade



No. 40: India's Overall Balance of Payments

(₹ crore)

Item	2006-07			2007-08		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
A. CURRENT ACCOUNT						
I. MERCHANDISE	**5,82,871**	**8,62,833**	**-2,79,962**	**6,68,008**	**10,35,672**	**-3,67,664**
II. INVISIBLES (a+b+c)	**5,17,146**	**2,81,567**	**2,35,579**	**5,98,088**	**2,93,902**	**3,04,185**
a) Services	3,33,093	2,00,029	1,33,064	3,63,042	2,06,798	1,56,244
i) Travel	41,127	30,249	10,878	45,526	37,191	8,335
ii) Transportation	36,049	36,504	-455	40,199	46,278	-6,079
iii) Insurance	5,403	2,903	2,500	6,586	4,192	2,393
iv) G.n.i.e.	1,143	1,825	-682	1,331	1,518	-186
v) Miscellaneous	2,49,371	1,28,548	1,20,823	2,69,400	1,17,618	1,51,781
of which						
Software Services	1,41,356	10,212	1,31,144	1,62,020	13,494	1,48,526
Business Services	65,738	71,500	-5,762	67,430	66,469	961
Financial Services	14,010	13,460	550	12,917	12,560	357
Communication Services	10,227	3,589	6,638	9,682	3,462	6,220
b) Transfers	1,42,037	6,288	1,35,749	1,77,745	9,293	1,68,452
i) Official	2,864	1,723	1,141	3,024	2,073	951
ii) Private	1,39,173	4,565	1,34,608	1,74,721	7,220	1,67,501
c) Income	42,016	75,250	-33,234	57,300	77,811	-20,511
i) Investment Income	40,297	70,955	-30,658	55,451	73,410	-17,959
ii) Compensation of Employees	1,719	4,295	-2,576	1,849	4,402	-2,552
Total Current Account (I+II)	**11,00,017**	**11,44,400**	**-44,383**	**12,66,096**	**13,29,575**	**-63,479**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**6,00,951**	**5,34,160**	**66,791**	**10,86,530**	**9,12,135**	**1,74,395**
a) Foreign Direct Investment (i+ii)	1,06,464	71,554	34,910	1,49,902	86,125	63,776
i. In India	1,03,037	385	1,02,652	1,39,885	465	1,39,420
Equity	74,354	385	73,969	1,07,749	434	1,07,315
Reinvested Earnings	26,371	–	26,371	30,916	–	30,916
Other Capital	2,312	–	2,312	1,220	31	1,189
ii. Abroad	3,427	71,169	-67,742	10,017	85,660	-75,644
Equity	3,427	60,138	-56,711	10,017	67,956	-57,939
Reinvested Earnings	–	4,868	-4,868	–	4,365	-4,365
Other Capital	–	6,163	-6,163	–	13,340	-13,340
b) Portfolio Investment	4,94,487	4,62,606	31,881	9,36,628	8,26,009	1,10,619
i) In India	4,94,102	4,62,472	31,630	9,35,683	8,25,715	1,09,968
of which						
FIIs	4,77,132	4,62,472	14,660	9,07,936	8,25,715	82,221
ADR/GDRs	16,961	–	16,961	26,556	–	26,556
ii) Abroad	385	134	251	945	294	651
2. Loans (a+b+c)	**2,46,525**	**1,36,091**	**1,10,434**	**3,30,331**	**1,66,840**	**1,63,491**
a) External Assistance	16,978	9,005	7,973	17,019	8,553	8,466
i) By India	90	144	-54	94	112	-18
ii) To India	16,888	8,861	8,027	16,925	8,441	8,484
b) Commercial Borrowings	93,932	21,567	72,365	1,21,942	30,855	91,086
i) By India	2,837	4,361	-1,524	6,412	6,538	-126
ii) To India	91,095	17,206	73,889	1,15,529	24,317	91,212
c) Short Term to India	1,35,615	1,05,519	30,096	191,370	1,27,432	63,939
i) Suppliers' Credit >180 days & Buyers' Credit	1,15,125	1,00,196	14,929	1,71,184	1,27,432	43,752
ii) Suppliers' Credit up to 180 days	20,490	5,323	15,167	20,187	-	20,187
3. Banking Capital (a+b)	**1,67,494**	**1,59,017**	**8,477**	**2,23,979**	**1,76,824**	**47,155**
a) Commercial Banks	1,65,656	1,58,660	6,996	2,23,664	1,75,113	48,551
i) Assets	64,972	80,726	-15,754	78,366	50,734	27,632
ii) Liabilities	1,00,684	77,934	22,750	1,45,298	1,24,379	20,919
of which: Non-Resident Deposits	89,950	70,376	19,574	1,18,077	1,17,372	705
b) Others	1,838	357	1,481	315	1,712	-1,397
4. Rupee Debt Service	**–**	**725**	**-725**	**–**	**492**	**-492**
5. Other Capital	**36,797**	**18,101**	**18,696**	**1,17,094**	**73,716**	**43,377**
Total Capital Account (1 to 5)	**10,51,767**	**8,48,094**	**2,03,673**	**17,57,933**	**13,30,007**	**4,27,926**
C. Errors & Omissions	**4,344**	**–**	**4,344**	**5,241**	**–**	**5,241**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**21,56,128**	**19,92,494**	**1,63,634**	**30,29,270**	**26,59,582**	**3,69,689**
E. Monetary Movements (i+ii)	**–**	**1,63,634**	**-1,63,634**	**–**	**3,69,689**	**-3,69,689**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	1,63,634	-1,63,634	–	3,69,689	-3,69,689
of which SDR allocation	–	–	–	–	–	–

P: Preliminary PR: Partially Revised

No. 40: India's Overall Balance of Payments *(Contd.)*

(₹ crore)

Item	2008-09 Credit	2008-09 Debit	2008-09 Net	2009-10 PR Credit	2009-10 PR Debit	2009-10 PR Net
	7	8	9	10	11	12
A. CURRENT ACCOUNT						
I. MERCHANDISE	**8,57,960**	**14,05,412**	**-5,47,452**	**8,62,333**	**14,23,079**	**-5,60,746**
II. INVISIBLES (a+b+c)	**7,70,429**	**3,50,608**	**4,19,821**	**7,74,512**	**3,94,392**	**3,80,120**
a) Services	4,88,010	2,39,604	2,48,406	4,53,246	2,83,403	1,69,843
i) Travel	50,226	43,336	6,890	56,045	44,240	11,805
ii) Transportation	52,073	58,531	-6,458	52,902	56,398	-3,496
iii) Insurance	6,531	5,230	1,301	7,598	6,102	1,496
iv) G.n.i.e.	1,771	3,777	-2,006	2,083	2,487	-404
v) Miscellaneous	3,77,409	1,28,730	2,48,679	3,34,618	1,74,176	1,60,442
of which						
Software Services	2,12,242	11,608	2,00,634	2,35,161	6,992	2,28,169
Business Services	85,544	70,922	14,622	53,749	85,312	-31,563
Financial Services	20,425	13,569	6,856	17,716	21,927	-4,211
Communication Services	10,525	5,027	5,498	5,858	6,407	-549
b) Transfers	2,16,906	12,568	2,04,338	2,59,244	10,967	2,48,277
i) Official	3,029	1,900	1,129	3,403	2,239	1,164
ii) Private	2,13,877	10,668	2,03,209	2,55,841	8,728	2,47,113
c) Income	65,513	98,436	-32,923	62,022	1,00,022	-38,000
i) Investment Income	61,723	92,418	-30,695	57,689	91,969	-34,280
ii) Compensation of Employees	3,790	6,018	-2,228	4,333	8,053	-3,720
Total Current Account (I+II)	**16,28,389**	**17,56,020**	**-1,27,631**	**16,36,845**	**18,17,471**	**-1,80,626**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**7,55,703**	**7,33,018**	**22,685**	**9,43,447**	**6,99,806**	**2,43,641**
a) Foreign Direct Investment (i+ii)	1,76,679	88,945	87,734	1,83,186	93,511	89,675
i. In India	1,71,592	773	1,70,819	1,79,723	21,829	1,57,894
Equity	1,26,394	773	1,25,621	1,29,326	19,977	1,09,349
Reinvested Earnings	41,541	–	41,541	41,125	–	41,125
Other Capital	3,657	–	3,657	9,272	1,852	7,420
ii. Abroad	5,087	88,172	-83,085	3,463	71,682	-68,219
Equity	5,087	68,976	-63,889	3,463	47,794	-44,331
Reinvested Earnings	–	4,986	-4,986	–	5,143	-5,143
Other Capital	–	14,210	-14,210	–	18,745	-18,745
b) Portfolio Investment	5,79,024	6,44,073	-65,049	7,60,261	6,06,295	1,53,966
i) In India	5,78,344	6,42,544	-64,200	7,59,004	6,05,119	1,53,885
of which						
FIIs	5,73,451	6,42,548	-69,097	7,43,016	6,05,119	1,37,897
ADR/GDRs	4,890	–	4,890	15,994	–	15,994
ii) Abroad	680	1,529	-849	1,257	1,176	81
2. Loans (a+b+c)	**2,85,412**	**2,50,612**	**34,800**	**3,49,720**	**2,88,047**	**61,673**
a) External Assistance	24,435	12,877	11,558	27,863	14,251	13,612
i) By India	332	1,913	-1,581	247	1,992	-1,745
ii) To India	24,103	10,964	13,139	27,616	12,259	15,357
b) Commercial Borrowings	70,846	34,316	36,530	70,371	57,188	13,183
i) By India	9,225	3,643	5,582	4,610	7,101	-2,491
ii) To India	61,621	30,673	30,948	65,761	50,087	15,674
c) Short Term to India	1,90,131	2,03,419	-13,288	2,51,486	2,16,608	34,878
i) Suppliers' Credit > 180 days & Buyers' Credit	1,77,843	1,77,675	168	2,29,568	2,07,865	21,703
ii) Suppliers' Credit up to 180 days	12,288	25,744	-13,456	21,918	8,743	13,175
3. Banking Capital (a+b)	**2,95,408**	**3,14,613**	**-19,205**	**2,92,105**	**2,82,261**	**9,844**
a) Commercial Banks	2,94,843	3,11,869	-17,026	2,89,280	2,80,091	9,189
i) Assets	1,14,753	1,30,576	-15,823	81,517	72,633	8,884
ii) Liabilities	1,80,090	1,81,293	-1,203	2,07,763	2,07,458	305
of which: Non-Resident Deposits	1,71,047	1,50,617	20,430	1,96,435	1,82,181	14,254
b) Others	565	2,744	-2,179	2,825	2,170	655
4. Rupee Debt Service	**–**	**471**	**-471**	**–**	**452**	**-452**
5. Other Capital	**85,467**	**97,258**	**-11,791**	**54,300**	**1,16,874**	**-62,574**
Total Capital Account (1 to 5)	**14,21,990**	**13,95,972**	**26,018**	**16,39,572**	**13,87,440**	**2,52,132**
C. Errors & Omissions	**4,498**	**–**	**4,498**	**–**	**7,269**	**-7,269**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**30,54,877**	**31,51,992**	**-97,115**	**32,76,417**	**32,12,180**	**64,237**
E. Monetary Movements (i+ii)	**97,115**	**–**	**97,115**	**–**	**64,237**	**-64,237**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	97,115	–	97,115	–	64,237	-64,237
of which SDR allocation	–	–	–	–	24,983	-24,983

No. 40: India's Overall Balance of Payments *(Contd.)*

(₹ crore)

Item	Apr-Jun 2008			Jul-Sep 2008		
	Credit	Debit	Net	Credit	Debit	Net
	13	14	15	16	17	18
A. CURRENT ACCOUNT						
I. MERCHANDISE	**2,39,332**	**3,44,307**	**-1,04,975**	**2,34,792**	**4,06,064**	**-1,71,272**
II. INVISIBLES (a+b+c)	**1,66,564**	**75,754**	**90,810**	**2,05,410**	**87,832**	**1,17,578**
a) Services	98,374	51,420	46,954	1,26,967	59,214	67,753
i) Travel	10,431	9,012	1,419	12,196	11,868	328
ii) Transportation	10,894	13,863	-2,969	13,314	16,421	-3,107
iii) Insurance	1,457	946	511	1,652	1,340	312
iv) G.n.i.e.	541	460	81	355	418	-63
v) Miscellaneous	75,051	27,139	47,912	99,450	29,167	70,283
of which						
Software Services	50,324	3,514	46,810	53,061	2,999	50,062
Business Services	17,025	13,403	3,622	23,685	17,144	6,541
Financial Services	2,563	2,583	-20	7,323	4,229	3,094
Communication Services	2,125	944	1,181	3,239	1,298	1,941
b) Transfers	53,307	2,725	50,582	60,297	3,637	56,660
i) Official	616	447	169	222	424	-202
ii) Private	52,691	2,278	50,413	60,075	3,213	56,862
c) Income	14,883	21,609	-6,726	18,146	24,981	-6,835
i) Investment Income	14,239	20,241	-6,002	16,878	23,532	-6,654
ii) Compensation of Employees	644	1,368	-724	1,268	1,449	-181
Total Current Account (I+II)	**4,05,896**	**4,20,061**	**-14,165**	**4,40,202**	**4,93,896**	**-53,694**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**2,23,581**	**2,02,797**	**20,784**	**2,30,063**	**2,11,242**	**18,821**
a) Foreign Direct Investment (i+ii)	53,760	15,452	38,308	43,428	18,867	24,561
i. In India	52,778	89	52,689	42,046	229	41,817
Equity	42,689	89	42,600	32,012	229	31,783
Reinvested Earnings	9,406	–	9,406	9,885	–	9,885
Other Capital	683	–	683	149	–	149
ii. Abroad	982	15,363	-14,381	1,382	18,638	-17,256
Equity	982	11,085	-10,103	1,382	14,443	-13,061
Reinvested Earnings	–	1,129	-1,129	–	1,187	-1,187
Other Capital	–	3,149	-3,149	–	3,008	-3,008
b) Portfolio Investment	1,69,821	1,87,345	-17,524	1,86,635	1,92,375	-5,740
i) In India	1,69,728	1,87,129	-17,401	1,86,579	1,92,277	-5,698
of which						
FIIs	1,65,566	1,87,131	-21,565	1,85,984	1,92,276	-6,292
ADR/GDRs	4,161	–	4,161	595	–	595
ii) Abroad	93	216	-123	56	98	-42
2. Loans (a+b+c)	**66,239**	**40,424**	**25,815**	**71,382**	**60,148**	**11,234**
a) External Assistance	3,920	2,728	1,192	4,912	2,946	1,966
i) By India	75	433	-358	79	455	-376
ii) To India	3,845	2,295	1,550	4,833	2,491	2,342
b) Commercial Borrowings	11,473	5,292	6,181	15,645	8,139	7,506
i) By India	1,680	793	887	2,327	605	1,722
ii) To India	9,793	4,499	5,294	13,318	7,534	5,784
c) Short Term to India	50,846	32,404	18,442	50,825	49,063	1,762
i) Suppliers' Credit >180 days & Buyers' Credit	38,558	32,404	6,154	50,825	42,754	8,071
ii) Suppliers' Credit up to 180 days	12,288	–	12,288	–	6,309	-6,309
3. Banking Capital (a+b)	**91,588**	**80,359**	**11,229**	**71,626**	**61,666**	**9,960**
a) Commercial Banks	91,588	79,728	11,860	71,626	61,655	9,971
i) Assets	47,726	43,876	3,850	28,879	22,564	6,315
ii) Liabilities	43,862	35,852	8,010	42,747	39,091	3,656
of which : Non-Resident Deposits	37,898	34,509	3,389	40,172	39,040	1,132
b) Others	–	631	-631	–	11	-11
4. Rupee Debt Service	**–**	**123**	**-123**	**–**	**12**	**-12**
5. Other Capital	**19,178**	**54,215**	**-35,037**	**21,391**	**33,631**	**-12,240**
Total Capital Account (1 to 5)	**4,00,586**	**3,77,918**	**22,668**	**3,94,462**	**3,66,699**	**27,763**
C. Errors & Omissions	**807**	**–**	**807**	**5,206**	**–**	**5,206**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**8,07,289**	**7,97,979**	**9,310**	**8,39,870**	**8,60,595**	**-20,725**
E. Monetary Movements (i+ii)	**–**	**9,310**	**-9,310**	**20,725**	**–**	**20,725**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	9,310	-9,310	20,725	–	20,725

No. 40: India's Overall Balance of Payments *(Contd.)*

(₹ crore)

Item	Oct-Dec 2008			Jan-Mar 2009		
	Credit	Debit	Net	Credit	Debit	Net
	19	20	21	22	23	24
A. CURRENT ACCOUNT						
I. MERCHANDISE	**1,92,300**	**3,62,934**	**-1,70,634**	**1,91,536**	**2,92,107**	**-1,00,571**
II. INVISIBLES (a+b+c)	**2,06,832**	**94,080**	**1,12,752**	**1,91,623**	**92,942**	**98,681**
a) Services	1,37,643	63,874	73,769	1,25,026	65,096	59,930
i) Travel	14,260	9,487	4,773	13,339	12,969	370
ii) Transportation	13,351	15,806	-2,455	14,514	12,441	2,073
iii) Insurance	1,692	1,305	387	1,730	1,639	91
iv) G.n.i.e.	471	1,134	-663	404	1,765	-1,361
v) Miscellaneous	1,07,869	36,142	71,727	95,039	36,282	58,757
of which						
Software Services	54,975	2,828	52,147	53,882	2,267	51,615
Business Services	23,655	17,397	6,258	21,179	22,978	-1,799
Financial Services	5,422	3,607	1,815	5,117	3,150	1,967
Communication Services	2,667	1,252	1,415	2,494	1,533	961
b) Transfers	53,625	4,122	49,503	49,677	2,084	47,593
i) Official	1,390	477	913	801	552	249
ii) Private	52,235	3,645	48,590	48,876	1,532	47,344
c) Income	15,564	26,084	-10,520	16,920	25,762	-8,842
i) Investment Income	14,628	24,435	-9,807	15,978	24,210	-8,232
ii) Compensation of Employees	936	1,649	-713	942	1,552	-610
Total Current Account (I+II)	**3,99,132**	**4,57,014**	**-57,882**	**3,83,159**	**3,85,049**	**-1,890**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**1,64,376**	**1,89,299**	**-24,923**	**1,37,683**	**1,29,680**	**8,003**
a) Foreign Direct Investment (i+ii)	34,679	31,217	3,462	44,812	23,409	21,403
i. In India	33,653	141	33,512	43,115	314	42,801
Equity	20,076	141	19,935	31,617	314	31,303
Reinvested Earnings	11,011	–	11,011	11,239	–	11,239
Other Capital	2,566	–	2,566	259	–	259
ii. Abroad	1,026	31,076	-30,050	1,697	23,095	-21,398
Equity	1,026	24,479	-23,453	1,697	18,969	-17,272
Reinvested Earnings	–	1,321	-1,321	–	1,349	-1,349
Other Capital	–	5,276	-5,276	–	2,777	-2,777
b) Portfolio Investment	1,29,697	1,58,082	-28,385	92,871	1,06,271	-13,400
i) In India	1,29,554	1,57,773	-28,219	92,483	1,05,365	-12,882
of which						
FIIs	1,29,520	1,57,773	-28,253	92,381	1,05,368	-12,987
ADR/GDRs	34	–	34	100	–	100
ii) Abroad	143	309	-166	388	906	-518
2. Loans (a+b+c)	**77,059**	**75,185**	**1,874**	**70,732**	**74,855**	**-4,123**
a) External Assistance	8,251	3,699	4,552	7,352	3,504	3,848
i) By India	88	507	-419	90	518	-428
ii) To India	8,163	3,192	4,971	7,262	2,986	4,276
b) Commercial Borrowings	26,310	8,406	17,904	17,418	12,479	4,939
i) By India	3,230	721	2,509	1,988	1,524	464
ii) To India	23,080	7,685	15,395	15,430	10,955	4,475
c) Short Term to India	42,498	63,080	-20,582	45,962	58,872	-12,910
i) Suppliers' Credit >180 days & Buyers' Credit	42,498	50,504	-8,006	45,962	52,013	-6,051
ii) Suppliers' Credit up to 180 days	–	12,576	-12,576	–	6,859	-6,859
3. Banking Capital (a+b)	**72,315**	**96,483**	**-24,168**	**59,879**	**76,105**	**-16,226**
a) Commercial Banks	72,303	94,381	-22,078	59,326	76,105	-16,779
i) Assets	25,317	36,772	-11,455	12,831	27,364	-14,533
ii) Liabilities	46,986	57,609	-10,623	46,495	48,741	-2,246
of which : Non-Resident Deposits	46,532	41,453	5,079	46,445	35,615	10,830
b) Others	12	2,102	-2,090	553	–	553
4. Rupee Debt Service	**–**	**–**	**–**	**–**	**336**	**-336**
5. Other Capital	**24,406**	**3,379**	**21,027**	**20,492**	**6,033**	**14,459**
Total Capital Account (1 to 5)	**3,38,156**	**3,64,346**	**-26,190**	**2,88,786**	**2,87,009**	**1,777**
C. Errors & Omissions	**–**	**3,121**	**-3,121**	**1,606**	**–**	**1,606**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**7,37,288**	**8,24,481**	**-87,193**	**6,73,551**	**6,72,058**	**1,493**
E. Monetary Movements (i+ii)	**87,193**	**–**	**87,193**	**–**	**1,493**	**-1,493**
i) I.M.F.	–	–	-	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	87,193	–	87,193	–	1,493	-1,493

No. 40: India's Overall Balance of Payments *(Contd.)*

(₹ crore)

Item	Apr-June 2009 PR			July-Sept 2009 PR		
	Credit	Debit	Net	Credit	Debit	Net
	25	26	27	28	29	30
A. CURRENT ACCOUNT						
I. MERCHANDISE	**1,91,086**	**3,19,245**	**-1,28,159**	**2,10,146**	**3,53,374**	**-1,43,228**
II. INVISIBLES (a+b+c)	**1,88,744**	**80,907**	**1,07,837**	**1,96,100**	**97,290**	**98,810**
a) Services	1,09,243	53,454	55,789	1,03,458	66,356	37,102
i) Travel	11,207	9,929	1,278	13,165	11,412	1,753
ii) Transportation	12,202	13,549	-1,347	12,443	10,754	1,689
iii) Insurance	1,893	1,532	361	1,859	1,651	208
iv) G.n.i.e.	488	503	-15	484	629	-145
v) Miscellaneous	83,453	27,941	55,512	75,507	41,910	33,597
of which						
Software Services	53,687	1,908	51,779	54,261	2,121	52,140
Business Services	12,617	16,076	-3,459	12,124	22,330	-10,206
Financial Services	5,445	4,074	1,371	3,544	5,495	-1951
Communication Services	2,039	1,356	683	1,486	1,515	-29
b) Transfers	65,108	2,293	62,815	69,648	2,750	66,898
i) Official	229	537	-308	813	523	290
ii) Private	64,879	1,756	63,123	68,835	2,227	66,608
c) Income	14,393	25,160	-10,767	22,994	28,184	-5,190
i) Investment Income	13,285	23,448	-10,163	22,001	26,528	-4,527
ii) Compensation of Employees	1,108	1,712	-604	993	1,656	-663
Total Current Account (I+II)	**3,79,830**	**4,00,152**	**-20,322**	**4,06,246**	**4,50,664**	**-44,418**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**2,36,997**	**1,73,108**	**63,889**	**2,70,846**	**1,87,666**	**83,180**
a) Foreign Direct Investment (i+ii)	48,550	25,000	23,550	56,067	19,740	36,327
i. In India	47,940	4,518	43,422	55,607	3,060	52,547
Equity	35,567	4,391	31,176	41,382	2,891	38,491
Reinvested Earnings	10,573	–	10,573	10,492	–	10,492
Other Capital	1,800	127	1,673	3,733	169	3,564
ii. Abroad	610	20,482	-19,872	460	16,680	-16,220
Equity	610	14,554	-13,944	460	10,347	-9,887
Reinvested Earnings	–	1,322	-1,322	–	1,312	-1,312
Other Capital	–	4,606	-4,606	–	5,021	-5,021
b) Portfolio Investment	1,88,447	1,48,108	40,339	2,14,779	1,67,926	46,853
i) In India	1,88,335	1,47,986	40,349	2,14,760	1,67,790	46,970
of which						
FIIs	1,88,125	1,47,986	40,139	2,01,867	1,67,790	34,077
GDRs/ADRs	210	–	210	12,898	–	12,898
ii) Abroad	112	122	-10	19	136	-117
2. Loans (a+b+c)	**63,972**	**70,954**	**-6,982**	**80,508**	**65,339**	**15,169**
a) External Assistance	4,947	3,552	1,395	7,151	3,583	3,568
i) By India	63	512	-449	63	508	-445
ii) To India	4,884	3,040	1,844	7,088	3,075	4,013
b) Commercial Borrowings	9,621	11,871	-2,250	15,605	9,848	5,757
i) By India	1,190	1,625	-435	997	1,041	-44
ii) To India	8,431	10,246	-1,815	14,608	8,807	5,801
c) Short Term to India	49,404	55,531	-6,127	57,752	51,908	5,844
i) Suppliers' Credit >180 days & Buyers' Credit	49,404	46,788	2,616	53,230	51,908	1,322
ii) Suppliers' Credit up to 180 days	–	8,743	-8,743	4,522	–	4,522
3. Banking Capital (a+b)	**75,998**	**92,421**	**-16,423**	**80,097**	**58,739**	**21,358**
a) Commercial Banks	75,998	91,255	-15,257	80,097	58,047	22,050
i) Assets	21,311	33,889	-12,578	29,685	8,376	21,309
ii) Liabilities	54,687	57,366	-2,679	50,412	49,671	741
of which : Non-Resident Deposits	54,507	45,637	8,870	50,073	45,004	5,069
b) Others	–	1,166	-1,166	–	692	-692
4. Rupee Debt Service	**–**	**112**	**-112**	**–**	**5**	**-5**
5. Other Capital	**2,693**	**25,219**	**-22,526**	**33,398**	**59,626**	**-26,228**
Total Capital Account (1 to 5)	**3,79,660**	**3,61,814**	**17,846**	**4,64,849**	**3,71,375**	**93,474**
C. Errors & Omissions	**3,037**	**–**	**3,037**	**–**	**3,456**	**-3,456**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**7,62,527**	**7,61,966**	**561**	**8,71,095**	**8,25,495**	**45,600**
E. Monetary Movements (i+ii)	**–**	**561**	**-561**	**–**	**45,600**	**-45,600**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	561	-561	–	45,600	-45,600
Of which: SDR Allocation	–	–	–	–	24,983	-24,983

No. 40: India's Overall Balance of Payments *(Contd.)*

(₹ crore)

Item	Oct-Dec 2009 PR			Jan-Mar 2010 PR		
	Credit	Debit	Net	Credit	Debit	Net
	31	32	33	34	35	36
A. CURRENT ACCOUNT						
I. MERCHANDISE	**2,19,997**	**3,64,237**	**-1,44,240**	**2,41,104**	**3,86,223**	**-1,45,119**
II. INVISIBLES (a+b+c)	**1,88,759**	**1,01,431**	**87,328**	**2,00,909**	**1,14,764**	**86,145**
a) Services	1,12,676	74,590	38,086	1,27,869	89,003	38,866
i) Travel	16,044	10,783	5,261	15,629	12,116	3,513
ii) Transportation	13,950	15,699	-1,749	14,307	16,396	-2,089
iii) Insurance	1,903	1,422	481	1,943	1,497	446
iv) G.n.i.e.	578	625	-47	533	730	-197
v) Miscellaneous	80,201	46,061	34,140	95,457	58,264	37,193
of which						
Software Services	61,550	1,553	59,997	65,663	1,410	64,253
Business Services	11,473	21319	-9,846	17,535	25,587	-8,052
Financial Services	3,661	5,391	-1,730	5,066	6,967	-1,901
Communication Services	1,208	1,777	-569	1,125	1,759	-634
b) Transfers	63,789	2,976	60,813	60,699	2,948	57,751
i) Official	1,782	527	1,255	579	652	-73
ii) Private	62,007	2,449	59,558	60,120	2,296	57,824
c) Income	12,294	23,865	-11,571	12,341	22,813	-10,472
i) Investment Income	11,123	21,440	-10,317	11,280	20,553	-9,273
ii) Compensation of Employees	1,171	2,425	-1,254	1,061	2,260	-1,199
Total Current Account (I+II)	**4,08,756**	**4,65,668**	**-56,912**	**4,42,014**	**5,00,986**	**-58,972**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**2,08,425**	**1,67,739**	**40,686**	**2,27,179**	**1,71,293**	**55,886**
a) Foreign Direct Investment (i+ii)	41,546	27,373	14,173	37,023	21,398	15,625
i. In India	40,641	6,852	33,789	35,535	7,399	28,136
Equity	27,792	5,751	22,041	24,585	6,944	17,641
Reinvested Earnings	10,107	–	10,107	9,953	–	9,953
Other Capital	2,742	1,101	1,641	997	455	542
ii. Abroad	905	20,521	-19,616	1,488	13,999	-12,511
Equity	905	15,871	-14,966	1,488	7,022	-5,534
Reinvested Earnings	–	1,264	-1,264	–	1,245	-1,245
Other Capital	–	3,386	-3,386	–	5,732	-5,732
b) Portfolio Investment	1,66,879	1,40,366	26,513	1,90,156	1,49,895	40,261
i) In India	1,66,828	1,40,109	26,719	1,89,081	1,49,234	39,847
of which						
FIIs	1,64,613	1,40,109	24,504	1,88,411	1,49,234	39,177
GDRs/ADRs	2,215	–	2,215	671	–	671
ii) Abroad	51	257	-206	1,075	661	414
2. Loans (a+b+c)	**93,759**	**67,151**	**26,608**	**1,11,480**	**84,603**	**26,877**
a) External Assistance	7,677	3,741	3,936	8,087	3,375	4,712
i) By India	61	490	-429	60	482	-422
ii) To India	7,616	3,251	4,365	8,028	2,893	5,135
b) Commercial Borrowings	21,221	13,254	7,967	23,924	22,215	1,709
i) By India	1,059	2,658	-1,599	1,364	1,777	-413
ii) To India	20,162	10,596	9,566	22,560	20,438	2,122
c) Short Term to India	64,861	50,156	14,705	79,469	59,013	20,456
i) Suppliers' Credit >180 days & Buyers' Credit	56,223	50,156	6,067	70,711	59,013	11,698
ii) Suppliers' Credit up to 180 days	8,638	–	8,638	8,758	–	8,758
3. Banking Capital (a+b)	**70,760**	**61,712**	**9,048**	**65,250**	**69,390**	**-4,140**
a) Commercial Banks	67,990	61,400	6,590	65,195	69,390	-4,195
i) Assets	14,304	8,740	5,564	16,217	21,628	-5,411
ii) Liabilities	53,686	52,660	1,026	48,978	47,761	1,217
of which : Non-Resident Deposits	47,465	44,624	2,841	44,390	46,916	-2,526
b) Others	2,770	312	2,458	55	–	55
4. Rupee Debt Service	**–**	**–**	**–**	**–**	**335**	**-335**
5. Other Capital	**7,448**	**15,568**	**-8,120**	**10,761**	**16,461**	**-5,700**
Total Capital Account (1 to 5)	**3,80,392**	**3,12,170**	**68,222**	**4,14,670**	**3,42,083**	**72,587**
C. Errors & Omissions	**–**	**3,067**	**-3,067**	**–**	**3,782**	**-3,782**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**7,89,148**	**7,80,905**	**8,243**	**8,56,684**	**8,46,851**	**9,833**
E. Monetary Movements (i+ii)	**–**	**8,243**	**-8,243**	**–**	**9,833**	**-9,833**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	8,243	-8,243	–	9,833	-9,833
Of which: SDR Allocation	–	–	–	–	–	–

No. 40: India's Overall Balance of Payments *(Contd.)*

(₹ crore)

Item	Apr-June 2010 PR			July-Sept 2010 PR		
	Credit	Debit	Net	Credit	Debit	Net
	37	38	39	40	41	42
A. CURRENT ACCOUNT						
I. MERCHANDISE	**2,52,120**	**4,01,573**	**-1,49,453**	**2,40,780**	**4,16,434**	**-1,75,654**
II. INVISIBLES (a+b+c)	**1,98,606**	**1,06,043**	**92,563**	**2,18,548**	**1,20,945**	**97,603**
a) Services	1,22,825	77,221	45,604	1,45,901	89,825	56,076
i) Travel	13,455	10,631	2,824	15,709	12,919	2,790
ii) Transportation	14,340	14,299	41	15,234	16,383	-1,149
iii) Insurance	1,871	1,414	457	2,055	1,794	261
iv) G.n.i.e.	429	652	-223	581	953	-372
v) Miscellaneous	92,730	50,225	42,505	1,12,322	57,776	54,546
of which						
Software Services	59,296	2,623	56,673	62,146	2,720	59,426
Business Services	21,987	26,974	-4,987	27,624	32,514	-4,890
Financial Services	5,603	6,406	-803	8,456	8,856	-400
Communication Services	1,483	1,100	383	1,939	1,237	702
b) Transfers	62,754	3,312	59,442	63,475	3,147	60,328
i) Official	269	643	-374	655	637	18
ii) Private	62,485	2,669	59,816	62,820	2,510	60,310
c) Income	13,027	25,510	-12,483	9,172	27,973	-18,801
i) Investment Income	11,991	23,265	-11,274	8,024	25,890	-17,866
ii) Compensation of Employees	1,036	2,245	-1,209	1,148	2,083	-935
Total Current Account (I+II)	**4,50,726**	**5,07,616**	**-56,890**	**4,59,328**	**5,37,379**	**-78,051**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**2,40,299**	**2,05,983**	**34,316**	**3,14,595**	**2,13,366**	**1,01,229**
a) Foreign Direct Investment (i+ii)	39,243	25,939	13,304	39,116	27,108	12,008
i) In India	37,902	10,504	27,398	36,429	5,100	31,329
Equity	27,335	10,394	16,941	25,346	4,807	20,539
Reinvested Earnings	10,193	–	10,193	10,386	–	10,386
Other Capital	374	110	264	697	293	404
ii) Abroad	1,341	15,435	-14,094	2,687	22,008	-19,321
Equity	1,341	9,171	-7,830	2,687	11,627	-8,940
Reinvested Earnings	–	1,236	-1,236	–	1,260	-1,260
Other Capital	–	5,028	-5,028	–	9,121	-9,121
b) Portfolio Investment	2,01,056	1,80,044	21,012	2,75,479	1,86,258	89,221
i) In India	2,00,627	1,79,401	21,226	2,74,777	1,85,277	89,500
of which						
FIIs	1,95,544	1,79,401	16,143	2,72,490	1,85,277	87,213
GDRs/ADRs	5,083	–	5,083	2,287	–	2,287
ii) Abroad	429	643	-214	702	981	-279
2. Loans (a+b+c)	**1,07,459**	**65,998**	**41,461**	**1,23,525**	**92,932**	**30,593**
a) External Assistance	14,646	3,458	11,188	5,908	3,194	2,714
i) By India	87	114	-27	88	116	-28
ii) To India	14,559	3,344	11,215	5,820	3,078	2,742
b) Commercial Borrowings	20,212	10,043	10,169	27,647	11,632	16,015
i) By India	844	1,109	-265	1,381	2,585	-1,204
ii) To India	19,368	8,934	10,434	26,266	9,047	17,219
c) Short Term to India	72,601	52,497	20,104	89,970	78,106	11,864
i) Suppliers' Credit >180 days & Buyers' Credit	66,984	52,497	14,487	84,852	78,106	6,746
ii) Suppliers' Credit up to180 days	5,617	–	5,617	5,118	–	5,118
3. Banking Capital (a+b)	**76,401**	**58,137**	**18,264**	**78,994**	**93,698**	**-14,704**
a) Commercial Banks	76,392	58,027	18,365	78,994	90,890	-11,896
i) Assets	14,888	11,671	3,217	19,502	37,307	-17,805
ii) Liabilities	61,504	46,356	15,148	59,492	53,583	5,909
of which : Non-Resident Deposits	51,338	46,233	5,105	54,262	49,408	4,854
b) Others	**9**	**110**	**-101**	**–**	**2,808**	**-2,808**
4. Rupee Debt Service	**–**	**73**	**-73**	**–**	**5**	**-5**
5. Other Capital	**10,877**	**29,333**	**-18,456**	**6,378**	**24,458**	**-18,080**
Total Capital Account (1to5)	**4,35,036**	**3,59,524**	**75,512**	**5,23,492**	**4,24,459**	**99,033**
C. Errors & Omissions	**–**	**1,553**	**-1,553**	**–**	**5,692**	**-5,692**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**8,85,762**	**8,68,693**	**17,069**	**9,82,820**	**9,67,530**	**15,290**
E. Monetary Movements (i+ii)	**–**	**17,069**	**-17,069**	**–**	**15,290**	**-15,290**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	17,069	-17,069	–	15,290	-15,290
Of which: SDR Allocation	–	–	–	–	–	–

No. 40: India's Overall Balance of Payments *(Contd.)*

(₹ crore)

Item	Oct-Dec 2010 P			Oct-Dec 2009 PR		
	Credit	Debit	Net	Credit	Debit	Net
	43	44	45	46	47	48
A. CURRENT ACCOUNT						
I. MERCHANDISE	**2,95,878**	**4,37,570**	**-1,41,692**	**2,19,997**	**3,64,237**	**-1,44,240**
II. INVISIBLES (a+b+c)	**2,42,860**	**1,44,604**	**98,256**	**1,88,759**	**1,01,431**	**87,328**
a) Services	1,68,753	1,14,070	54,683	1,12,676	74,590	38,086
i) Travel	19,869	12,925	6,944	16,044	10,783	5,261
ii) Transportation	16,657	17,873	-1,216	13,950	15,699	-1,749
iii) Insurance	2,274	1,808	466	1,903	1,422	481
iv) G.n.i.e.	673	875	-202	578	625	-47
v) Miscellaneous	1,29,279	80,590	48,689	80,201	46,061	34,140
of which						
Software Services	69,303	3,181	66,122	61,550	1,553	59,997
Business Services	31,785	35,921	-4,136	11,473	21,319	-9,846
Financial Services	8,313	8,797	-484	3,661	5,391	-1,730
Communication Services	1,902	1,364	538	1,208	1,777	-569
b) Transfers	64,700	3,787	60,913	63,789	2,976	60,813
i) Official	1,530	893	637	1,782	527	1,255
ii) Private	63,170	2,894	60,276	62,007	2,449	59,558
c) Income	9,407	26,747	-17,340	12,294	23,865	-11,571
i) Investment Income	8,124	24,167	-16,043	11,123	21,440	-10,317
ii) Compensation of Employees	1,283	2,580	-1,297	1,171	2,425	-1,254
Total Current Account (I+II)	**5,38,738**	**5,82,174**	**-43,436**	**4,08,756**	**4,65,668**	**-56,912**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**4,95,132**	**4,57,426**	**37,706**	**2,08,425**	**1,67,739**	**40,686**
a) Foreign Direct Investment (i+ii)	38,460	29,008	9,452	41,546	27,373	14,173
i) In India	33,597	9,870	23,727	40,641	6,852	33,789
Equity	23,566	8,349	15,217	27,792	5,751	22,041
Reinvested Earnings	10,022	–	10,022	10,107	–	10,107
Other Capital	9	1,521	-1,512	2,742	1,101	1,641
ii) Abroad	4,863	19,138	-14,275	905	20,521	-19,616
Equity	4,863	12,651	-7,788	905	15,871	-14,966
Reinvested Earnings	–	1,216	-1,216	–	1,264	-1,264
Other Capital	–	5,271	-5,271	–	3,386	-3,386
b) Portfolio Investment	4,56,672	4,28,418	28,254	1,66,879	1,40,366	26,513
i) In India	4,56,048	4,22,891	33,157	1,66,828	1,40,109	26,719
of which						
FIIs	4,55,003	4,22,891	32,112	1,64,613	1,40,109	24,504
GDRs/ADRs	1,045	–	1,045	2,215	–	2,215
ii) Abroad	624	5,527	-4,903	51	257	-206
2. Loans (a+b+c)	**1,20,938**	**92,505**	**28,433**	**93,759**	**67,151**	**26,608**
a) External Assistance	8,681	3,504	5,177	7,677	3,741	3,936
i) By India	85	112	-27	61	490	-429
ii) To India	8,596	3,392	5,204	7,616	3,251	4,365
b) Commercial Borrowings	29,142	12,772	16,370	21,221	13,254	7,967
i) By India	2,557	996	1,561	1,059	2,658	-1,599
ii) To India	26,585	11,776	14,809	20,162	10,596	9,566
c) Short Term to India	83,115	76,229	6,886	64,861	50,156	14,705
i) Suppliers' Credit >180 days & Buyers' Credit	80,890	76,229	4,661	56,223	50,156	6,067
ii) Suppliers' Credit up to180 days	2,225	–	2,225	8,638	–	8,638
3. Banking Capital (a+b)	**1,48,506**	**1,26,520**	**21,986**	**70,760**	**61,712**	**9,048**
a) Commercial Banks	1,48,116	1,26,520	21,596	67,990	61,400	6,590
i) Assets	89,688	68,370	21,318	14,304	8,740	5,564
ii) Liabilities	58,428	58,150	278	53,686	52,660	1,026
of which : Non-Resident Deposits	56,373	55,539	834	47,465	44,624	2,841
b) Others	**390**	**–**	**390**	**2,770**	**312**	**2,458**
4. Rupee Debt Service	–	–	–	–	–	–
5. Other Capital	**16,877**	**38,254**	**-21,377**	**7,448**	**15,568**	**-8,120**
Total Capital Account (1to5)	**7,81,453**	**7,14,705**	**66,748**	**3,80,392**	**3,12,170**	**68,222**
C. Errors & Omissions	**–**	**5,417**	**-5,417**	**–**	**3,067**	**-3,067**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**13,20,191**	**13,02,296**	**17,895**	**7,89,148**	**7,80,905**	**8,243**
E. Monetary Movements (i+ii)	**–**	**17,895**	**-17895**	**–**	**8,243**	**-8,243**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	17,895	-17,895	–	8,243	-8,243
Of which: SDR Allocation	–	–	–	–	–	–

No. 40: India's Overall Balance of Payments *(Concld.)*

(₹ crore)

Item	Apr-Dec 2009-10 PR			Apr-Dec 2010-11 P		
	Credit	Debit	Net	Credit	Debit	Net
	49	50	51	52	53	54
A. CURRENT ACCOUNT						
I. MERCHANDISE	**6,21,229**	**10,36,856**	**-4,15,627**	**7,88,778**	**12,55,577**	**-4,66,799**
II. INVISIBLES (a+b+c)	**5,73,603**	**2,79,628**	**2,93,975**	**6,60,013**	**3,71,593**	**2,88,420**
a) Services	3,25,377	1,94,400	1,30,977	4,37,478	2,81,117	1,56,361
i) Travel	40,416	32,124	8,292	49,033	36,475	12,558
ii) Transportation	38,595	40,002	-1,407	46,231	48,555	-2,324
iii) Insurance	5,655	4,605	1,050	6,200	5,016	1,184
iv) G.n.i.e.	1,550	1,757	-207	1,683	2,480	-797
v) Miscellaneous	2,39,161	1,15,912	1,23,249	3,34,331	1,88,591	1,45,740
of which						
Software Services	1,69,498	5,582	1,63,916	1,90,745	8,524	1,82,221
Business Services	36,214	59,725	-23,511	81,396	95,409	-14,013
Financial Services	12,650	14,960	-2,310	22,372	24,059	-1,687
Communication Services	4,733	4,648	85	5,324	3,701	1,623
b) Transfers	1,98,545	8,019	1,90,526	1,90,929	10,246	1,80,683
i) Official	2,824	1,587	1,237	2,454	2,173	281
ii) Private	1,95,721	6,432	1,89,289	1,88,475	8,073	1,80,402
c) Income	49,681	77,209	-27,528	31,606	80,230	-48,624
i) Investment Income	46,409	71,416	-25,007	28,139	73,322	-45,183
ii) Compensation of Employees	3,272	5,793	-2,521	3,467	6,908	-3,441
Total Current Account (I+II)	**11,94,832**	**13,16,484**	**-1,21,652**	**14,48,792**	**16,27,169**	**-1,78,377**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**7,16,268**	**5,28,513**	**1,87,755**	**10,50,026**	**8,76,775**	**1,73,251**
a) Foreign Direct Investment (i+ii)	1,46,163	72,113	74,050	1,16,819	82,055	34,764
i) In India	1,44,188	14,430	1,29,758	1,07,928	25,474	82,454
Equity	1,04,741	13,033	91,708	76,247	23,550	52,697
Reinvested Earnings	31,172	–	31,172	30,601	–	30,601
Other Capital	8,275	1,397	6,878	1,080	1,924	-844
ii) Abroad	1,975	57,683	-55,708	8,891	56,581	-47,690
Equity	1,975	40,772	-38,797	8,891	33,449	-24,558
Reinvested Earnings	–	3,898	-3,898	–	3,712	-3,712
Other Capital	–	13,013	-13,013	–	19,420	-19,420
b) Portfolio Investment	5,70,105	4,56,400	1,13,705	9,33,207	7,94,720	1,38,487
i) In India	5,69,923	4,55,885	1,14,038	9,31,452	7,87,569	1,43,883
of which						
FIIs	5,54,605	4,55,885	98,720	9,23,037	7,87,569	1,35,468
GDRs/ADRs	15,323	–	15,323	8,415	–	8,415
ii) Abroad	182	515	-333	1,755	7,151	-5,396
2. Loans (a+b+c)	**2,38,239**	**2,03,444**	**34,795**	**3,51,922**	**2,51,435**	**1,00,487**
a) External Assistance	19,775	10,876	8,899	29,235	10,156	19,079
i) By India	187	1,510	-1,323	260	342	-82
ii) To India	19,588	9,366	10,222	28,975	9,814	19,161
b) Commercial Borrowings	46,447	34,973	11,474	77,001	34,447	42,554
i) By India	3,246	5,324	-2,078	4,782	4,690	92
ii) To India	43,201	29,649	13,552	72,219	29,757	42,462
c) Short Term to India	1,72,017	1,57,595	14,422	2,45,686	2,06,832	38,854
i) Suppliers' Credit >180 days & Buyers Credit	1,58,857	1,48,852	10,005	2,32,726	2,06,832	25,894
ii) Suppliers' Credit up to180 days	13,160	8,743	4,417	12,960	–	12,960
3. Banking Capital (a+b)	**2,26,855**	**2,12,872**	**13,983**	**3,03,901**	**2,78,355**	**25,546**
a) Commercial Banks	2,24,085	2,10,702	13,383	3,03,502	2,75,437	28,065
i) Assets	65,300	51,005	14,295	1,24,078	1,17,348	6,730
ii) Liabilities	1,58,785	1,59,697	-912	1,79,424	1,58,089	21,335
of which: Non-Resident Deposits	1,52,045	1,35,265	16,780	1,61,973	1,51,180	10,793
b) Others	2,770	2,170	600	399	2,918	-2,519
4. Rupee Debt Service	**–**	**117**	**-117**	**–**	**78**	**-78**
5. Other Capital	**43,539**	**1,00,413**	**-56,874**	**34,132**	**92,045**	**-57,913**
Total Capital Account (1to5)	**12,24,901**	**10,45,359**	**1,79,542**	**17,39,981**	**14,98,688**	**2,41,293**
C. Errors & Omissions	**–**	**3,488**	**-3,488**	**–**	**12,662**	**-12,662**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**24,19,733**	**23,65,331**	**54,402**	**31,88,773**	**31,38,519**	**50,254**
E. Monetary Movements (i+ii)	**–**	**54,402**	**-54,402**	**–**	**50,254**	**-50,254**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	54,402	-54,402	–	50,254	-50,254
of which: SDR allocation	–	24,983	-24,983	–	–	–

No. 41: India's Overall Balance of Payments

(US$ million)

Item	2006-07			2007-08		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
A. CURRENT ACCOUNT						
I. MERCHANDISE	**128,888**	**190,670**	**-61,782**	**166,162**	**257,629**	**-91,467**
II. INVISIBLES (a+b+c)	**114,558**	**62,341**	**52,217**	**148,875**	**73,144**	**75,731**
a) Services	73,780	44,311	29,469	90,342	51,490	38,853
i) Travel	9,123	6,684	2,439	11,349	9,258	2,091
ii) Transportation	7,974	8,068	-94	10,014	11,514	-1,500
iii) Insurance	1,195	642	553	1,639	1,044	595
iv) G.n.i.e.	253	403	-150	331	376	-45
v) Miscellaneous	55,235	28,514	26,721	67,010	29,298	37,712
of which						
Software Services	31,300	2,267	29,033	40,300	3,358	36,942
Business Services	14,544	15,866	-1,322	16,772	16,553	219
Financial Services	3,106	2,991	115	3,217	3,133	84
Communication Services	2,262	796	1,466	2,408	860	1,548
b) Transfers	31,470	1,391	30,079	44,261	2,316	41,945
i) Official	635	381	254	753	514	239
ii) Private	30,835	1,010	29,825	43,508	1,802	41,706
c) Income	9,308	16,639	-7,331	14,272	19,339	-5,068
i) Investment Income	8,926	15,688	-6,762	13,811	18,244	-4,433
ii) Compensation of Employees	382	951	-569	461	1,095	-635
Total Current Account (I+II)	**243,446**	**253,011**	**-9,565**	**315,037**	**330,774**	**-15,737**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**133,210**	**118,457**	**14,753**	**271,122**	**227,796**	**43,326**
a) Foreign Direct Investment (i+ii)	23,590	15,897	7,693	37,321	21,429	15,893
i) In India	22,826	87	22,739	34,844	116	34,728
Equity	16,481	87	16,394	26,865	108	26,757
Reinvested Earnings	5,828	–	5,828	7,679	–	7,679
Other Capital	517	–	517	300	8	292
ii. Abroad	764	15,810	-15,046	2,477	21,312	-18,835
Equity	764	13,368	-12,604	2,477	16,899	-14,422
Reinvested Earnings	–	1,076	-1,076	–	1,084	-1,084
Other Capital	–	1,366	-1,366	–	3,330	-3,330
b) Portfolio Investment	109,620	102,560	7,060	233,800	206,367	27,433
i) In India	109,534	102,530	7,004	233,564	206,294	27,270
of which						
FIIs	105,756	102,530	3,226	226,621	206,294	20,327
GDRs/ADRs	3,776	–	3,776	6,645	–	6,645
ii) Abroad	86	30	56	236	73	163
2. Loans (a+b+c)	**54,642**	**30,152**	**24,490**	**82,192**	**41,539**	**40,653**
a) External Assistance	3,767	1,992	1,775	4,241	2,126	2,114
i) By India	20	32	-12	23	28	-4
ii) To India	3,747	1,960	1,787	4,217	2,098	2,119
b) Commercial Borrowings	20,883	4,780	16,103	30,293	7,684	22,609
i) By India	626	966	-340	1,593	1,624	-31
ii) To India	20,257	3,814	16,443	28,700	6,060	22,640
c) Short Term to India	29,992	23,380	6,612	47,658	31,729	15,930
i) Suppliers' Credit >180 days & Buyers' Credit	25,482	22,175	3,307	42,641	31,729	10,913
ii) Suppliers' Credit up to 180 days	4,510	1,205	3,305	5,017	-	5,017
3. Banking Capital (a+b)	**37,209**	**35,296**	**1,913**	**55,814**	**44,055**	**11,759**
a) Commercial Banks	36,799	35,218	1,581	55,735	43,623	12,112
i) Assets	14,466	17,960	-3,494	19,562	12,668	6,894
ii) Liabilities	22,333	17,258	5,075	36,173	30,955	5,217
of which: Non-Resident Deposits	19,914	15,593	4,321	29,400	29,222	179
b) Others	410	78	332	79	432	-353
4. Rupee Debt Service	**–**	**162**	**-162**	**–**	**122**	**-122**
5. Other Capital	**8,230**	**4,021**	**4,209**	**29,229**	**18,261**	**10,969**
Total Capital Account (1 to 5)	**233,291**	**188,088**	**45,203**	**438,357**	**331,772**	**106,585**
C. Errors & Omissions	**968**	**–**	**968**	**1,316**	**–**	**1,316**
D. Overall Balance (Total Current Account, Capital Account and Errors & Omissions (A+B+C))	**477,705**	**441,099**	**36,606**	**754,710**	**662,546**	**92,164**
E. Monetary Movements (i+ii)	**–**	**36,606**	**-36,606**	**–**	**92,164**	**-92,164**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	36,606	-36,606	–	92,164	-92,164

P: Preliminary PR: Partially Revised

No. 41: India's Overall Balance of Payments *(Contd.)*

(US$ million)

Item	2008-09			2009-10 PR		
	Credit	Debit	Net	Credit	Debit	Net
	7	8	9	10	11	12
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
of which						
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
of which						
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
of which: Non-Resident Deposits	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
of which : SDR Allocation	–	–	–	–	5,160	-5,160

No. 41: India's Overall Balance of Payments *(Contd.)*

(US$ million)

Item	Apr-Jun 2008 Credit	Apr-Jun 2008 Debit	Apr-Jun 2008 Net	Jul-Sep 2008 Credit	Jul-Sep 2008 Debit	Jul-Sep 2008 Net
	13	14	15	16	17	18
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
of which						
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
of which						
FIIs	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
of which : 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	-2235	4,734	–	4,734

No. 41: India's Overall Balance of Payments *(Contd.)*

(US$ million)

Item	Oct-Dec 2008			Jan-Mar 2009		
	Credit	Debit	Net	Credit	Debit	Net
1	19	20	21	22	23	24
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
of which						
Software Services	11,274	580	10,694	10,825	455	10,370
Business Services	4,851	3,568	1,283	4,255	4,616	-361
Financial Services	1,112	740	372	1,028	633	395
Communication Services	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
Equity	4,117	29	4,088	6,352	63	6,289
Reinvested Earnings	2,258	–	2,258	2,258	–	2,258
Other Capital	526	–	526	52	–	52
ii. Abroad	210	6,373	-6,163	341	4,640	-4,299
Equity	210	5,020	-4,810	341	3,811	-3,470
Reinvested Earnings	–	271	-271	–	271	-271
Other Capital	–	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
of which						
FIIs	26,561	32,355	-5,794	18,560	21,169	-2,609
GDRs/ADRs	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	–	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
of which : Non-Resident Deposits	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

No. 41: India's Overall Balance of Payments *(Contd.)*

(US$ million)

Item	Apr-June 2009 PR			July-Sept 2009 PR		
	Credit	Debit	Net	Credit	Debit	Net
	25	26	27	28	29	30
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
of which						
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) i) In India	38,602	30,332	8,270	44,356	34,655	9,701
of which						
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
of which : 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
of which: SDR Allocation	–	–	–	–	5160	-5160

No. 41: India's Overall Balance of Payments *(Contd.)*

(US$ million)

Item	Oct-Dec 2009 PR			Jan-Mar 2010 PR		
	Credit	Debit	Net	Credit	Debit	Net
	31	32	33	34	35	36
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
of which						
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
of which						
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
of which : Non-Resident Deposits	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	-2,141
of which: SDR Allocation	–	–	–	–	–	–

No. 41: India's Overall Balance of Payments *(Contd.)*

(US$ million)

Item	Apr-June 2010 PR			July-Sept 2010 PR		
	Credit	Debit	Net	Credit	Debit	Net
	37	38	39	40	41	42
A. CURRENT ACCOUNT						
I. MERCHANDISE	**55,258**	**88,014**	**-32,756**	**51,793**	**89,577**	**-37,784**
II. INVISIBLES (a+b+c)	**43,529**	**23,242**	**20,287**	**47,011**	**26,016**	**20,995**
a) Services	26,920	16,925	9,995	31,384	19,322	12,062
i) Travel	2,949	2,330	619	3,379	2,779	600
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	20,324	11,008	9,316	24,161	12,428	11,733
of which						
Software Services	12,996	575	12,421	13,368	585	12,783
Business Services	4,819	5,912	-1,093	5,942	6,994	-1,052
Financial Services	1,228	1,404	-176	1,819	1,905	-86
Communication Services	325	241	84	417	266	151
b) Transfers	13,754	726	13,028	13,654	677	12,977
i) Official	59	141	-82	141	137	4
ii) Private	13,695	585	13,110	13,513	540	12,973
c) Income	2,855	5,591	-2,736	1,973	6,017	-4,044
i) Investment Income	2,628	5,099	-2,471	1,726	5,569	-3,843
ii) Compensation of Employees	227	492	-265	247	448	-201
Total Current Account (I+II)	**98,787**	**111,256**	**-12,469**	**98,804**	**115,593**	**-16,789**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**52,667**	**45,146**	**7,521**	**67,671**	**45,896**	**21,775**
a) Foreign Direct Investment (i+ii)	8,601	5,685	2,916	8,414	5,831	2,583
i. In India	8,307	2,302	6,005	7,836	1,097	6,739
Equity	5,991	2,278	3,713	5,452	1,034	4,418
Reinvested Earnings	2,234	–	2,234	2,234	–	2,234
Other Capital	82	24	58	150	63	87
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
of which						
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)	**23,552**	**14,465**	**9,087**	**26,571**	**19,990**	**6,581**
a) External Assistance	3,210	758	2,452	1,271	687	584
i) By India	19	25	-6	19	25	-6
ii) To India	3,191	733	2,458	1,252	662	590
b) Commercial Borrowings	4,430	2,201	2,229	5,947	2,502	3,445
i) By India	185	243	-58	297	556	-259
ii) To India	4,245	1,958	2,287	5,650	1,946	3,704
c) Short Term to India	15,912	11,506	4,406	19,353	16,801	2,552
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	1,231	–	1,231	1,101	–	1,101
3. Banking Capital (a+b)	**16,745**	**12,742**	**4,003**	**16,992**	**20,155**	**-3,163**
a) Commercial Banks	16,743	12,718	4,025	16,992	19,551	-2,559
i) Assets	3,263	2,558	705	4,195	8,025	-3,830
ii) Liabilities	13,480	10,160	3,320	12,797	11,526	1,271
of which : Non-Resident Deposits	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**	**6,429**	**-4,045**	**1,372**	**5,261**	**-3,889**
Total Capital Account (1to5)	**95,348**	**78,798**	**16,550**	**112,606**	**91,303**	**21,303**
C. Errors & Omissions	**–**	**340**	**-340**	**–**	**1,225**	**-1,225**
D. Overall Balance (Total Current Account, Capital Account, and Errors & Omissions (A+B+C))	**194,135**	**190,394**	**3,741**	**211,410**	**208,121**	**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
Of which: SDR Allocation	–	–	–	–	–	–

No. 41: India's Overall Balance of Payments *(Contd.)*

(US$ million)

Item	Oct-Dec 2010 P			Oct-Dec 2009 PR		
	Credit	Debit	Net	Credit	Debit	Net
	43	44	45	46	47	48
A. CURRENT ACCOUNT						
I. MERCHANDISE	**65,953**	**97,537**	**-31,584**	**47,170**	**78,097**	**-30,927**
II. INVISIBLES (a+b+c)	**54,135**	**32,233**	**21,902**	**40,472**	**21,748**	**18,724**
a) Services	37,616	25,427	12,189	24,159	15,993	8,166
i) Travel	4,429	2,881	1,548	3,440	2,312	1,128
ii) Transportation	3,713	3,984	-271	2,991	3,366	-375
iii) Insurance	507	403	104	408	305	103
iv) G.n.i.e.	150	195	-45	124	134	-10
v) Miscellaneous	28,817	17,964	10,853	17,196	9,876	7,320
of which						
Software Services	15,448	709	14,739	13,197	333	12,864
Business Services	7,085	8,007	-922	2,460	4,571	-2,111
Financial Services	1,853	1,961	-108	785	1,156	-371
Communication Services	424	304	120	259	381	-122
b) Transfers	14,422	844	13,578	13,677	638	13,039
i) Official	341	199	142	382	113	269
ii) Private	14,081	645	13,436	13,295	525	12,770
c) Income	2,097	5,962	-3,865	2,636	5,117	-2,481
i) Investment Income	1,811	5,387	-3,576	2,385	4,597	-2,212
ii) Compensation of Employees	286	575	-289	251	520	-269
Total Current Account (I+II)	**120,088**	**129,770**	**-9,682**	**87,642**	**99,845**	**-12,203**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**110,368**	**101,963**	**8,405**	**44689**	**35965**	**8724**
a) Foreign Direct Investment (i+ii)	8,573	6,466	2,107	8908	5869	3039
i) In India	7,489	2,200	5,289	8714	1469	7245
Equity	5,253	1,861	3,392	5959	1233	4726
Reinvested Earnings	2,234	–	2,234	2167	–	2167
Other Capital	2	339	-337	588	236	352
ii) Abroad	1,084	4,266	-3,182	194	4400	-4206
Equity	1,084	2,820	-1,736	194	3403	-3209
Reinvested Earnings	–	271	-271	–	271	-271
Other Capital	–	1,175	-1,175	–	726	-726
b) Portfolio Investment	101,795	95,497	6,298	35781	30096	5685
i) In India	101,656	94,265	7,391	35770	30041	5729
of which						
FIIs	101,423	94,265	7,158	35,295	30,041	5,254
GDRs/ADRs	233	–	233	475	–	475
ii) Abroad	139	1,232	-1,093	11	55	-44
2. Loans (a+b+c)	**26,958**	**20,620**	**6,338**	**20,103**	**14,398**	**5,705**
a) External Assistance	1,935	781	1,154	1,646	802	844
i) By India	19	25	-6	13	105	-92
ii) To India	1,916	756	1,160	1,633	697	936
b) Commercial Borrowings	6,496	2,847	3,649	4,550	2,842	1,708
i) By India	570	222	348	227	570	-343
ii) To India	5,926	2,625	3,301	4,323	2,272	2,051
c) Short Term to India	18,527	16,992	1,535	13,907	10,754	3,153
i) Suppliers' Credit >180 days & Buyers' Credit	18,031	16,992	1,039	12,055	10,754	1,301
ii) Suppliers' Credit up to 180 days	496	–	496	1,852	–	1,852
3. Banking Capital (a+b)	**33,103**	**28,202**	**4,901**	**15,172**	**13,232**	**1,940**
a) Commercial Banks	33,016	28,202	4,814	14,578	13,165	1,413
i) Assets	19,992	15,240	4,752	3,067	1,874	1,193
ii) Liabilities	13,024	12,962	62	11,511	11,291	220
of which : Non-Resident Deposits	12,566	12,380	186	10,177	9,568	609
b) Others	87	–	87	594	67	527
4. Rupee Debt Service	–	–	–	–	–	–
5. Other Capital	**3,762**	**8,527**	**-4,765**	**1,597**	**3,338**	**-1,741**
Total Capital Account (1to5)	**174,191**	**159,312**	**14,879**	**81,561**	**66,933**	**14,628**
C. Errors & Omissions	**–**	**1,208**	**-1,208**	–	**658**	**-658**
D. Overall Balance (Total Current Account, Capital Account, and Errors & Omissions (A+B+C))	**294,279**	**290,290**	**3,989**	**169,203**	**167,436**	**1,767**
E. Monetary Movements (i+ii)	**–**	**3989**	**-3989**	**–**	**1,767**	**-1,767**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	3989	-3989	–	1,767	-1,767
Of which: SDR Allocation	–	–	–	–	–	–

No. 41: India's Overall Balance of Payments *(Concld.)*

(US$ million)

Item	Apr-Dec 2009-10 PR			Apr-Dec 2010-11 P		
	Credit	Debit	Net	Credit	Debit	Net
	49	50	51	52	53	54
A. CURRENT ACCOUNT						
I. MERCHANDISE	**129,739**	**216,516**	**-86,777**	**173,004**	**275,128**	**-102,124**
II. INVISIBLES (a+b+c)	**119,660**	**58,425**	**61,235**	**144,675**	**81,491**	**63,184**
a) Services	67,918	40,654	27,264	95,920	61,674	34,246
i) Travel	8,456	6,704	1,752	10,757	7,990	2,767
ii) Transportation	8,062	8,364	-302	10,133	10,642	-509
iii) Insurance	1,180	960	220	1,359	1,099	260
iv) G.n.i.e.	324	367	-43	369	543	-174
v) Miscellaneous	49,896	24,259	25,637	73,302	41,400	31,902
of which						
Software Services	35,408	1,162	34,246	41,812	1,869	39,943
Business Services	7,550	12,478	-4,928	17,846	20,913	-3,067
Financial Services	2,633	3,126	-493	4,900	5,270	-370
Communication Services	984	972	12	1,166	811	355
b) Transfers	41,407	1,676	39,731	41,830	2,247	39,583
i) Official	597	331	266	541	477	64
ii) Private	40,810	1,345	39,465	41,289	1,770	39,519
c) Income	10,335	16,095	-5,760	6,925	17,570	-10,645
i) Investment Income	9,652	14,882	-5,230	6,165	16,055	-9,890
ii) Compensation of Employees	683	1,213	-530	760	1,515	-755
Total Current Account (I+II)	**249,399**	**274,941**	**-25,542**	**317,679**	**356,619**	**-38,940**
B. CAPITAL ACCOUNT						
1. Foreign Investment (a+b)	**149,205**	**110,206**	**38,999**	**230,706**	**193,005**	**37,701**
a) Foreign Direct Investment (i+ii)	30,439	15,070	15,369	25,588	17,982	7,606
i) In India	30,025	3,027	26,998	23,632	5,599	18,033
Equity	21,796	2,730	19,066	16,696	5,173	11,523
Reinvested Earnings	6,501	–	6,501	6,702	–	6,702
Other Capital	1,728	297	1,431	234	426	-192
ii) Abroad	414	12,043	-11,629	1,956	12,383	-10,427
Equity	414	8,523	-8,109	1,956	7,331	-5,375
Reinvested Earnings	–	813	-813	–	813	-813
Other Capital	–	2,707	-2,707	–	4,239	-4,239
b) Portfolio Investment	118,766	95,136	23,630	205,118	175,023	30,095
i) In India	118,728	95,028	23,700	204,734	173,439	31,295
of which						
FIIs	115,547	95,028	20,519	202,895	173,439	29,456
GDRs/ADRs	3,182	–	3,182	1,839	–	1,839
ii) Abroad	38	108	-70	384	1,584	-1,200
2. Loans (a+b+c)	**49,843**	**42,436**	**7,407**	**77,081**	**55,075**	**22,006**
a) External Assistance	4,137	2,270	1,867	6,416	2,226	4,190
i) By India	39	315	-276	57	75	-18
ii) To India	4,098	1,955	2,143	6,359	2,151	4,208
b) Commercial Borrowings	9,745	7,309	2,436	16,873	7,550	9,323
i) By India	677	1,118	-441	1,052	1,021	31
ii) To India	9,068	6,191	2,877	15,821	6,529	9,292
c) Short Term to India	35,961	32,857	3,104	53,792	45,299	8,493
i) Supplier's Credit >180days & Buyers' Credit	33,175	31,065	2,110	50,964	45,299	5,665
ii) Supplier's Credit up to180 days	2,786	1,792	994	2,828	–	2,828
3. Banking Capital (a+b)	**47,292**	**44,307**	**2,985**	**66,840**	**61,099**	**5,741**
a) Commercial Banks	46,698	43,858	2,840	66,751	60,471	6,280
i) Assets	13,566	10,550	3,016	27,450	25,823	1,627
ii) Liabilities	33,132	33,308	-176	39,301	34,648	4,653
of which: Non-Resident Deposits	31,691	28,217	3,474	35,490	33,141	2,349
b) Others	594	449	145	89	628	-539
4. Rupee Debt Service	**–**	**24**	**-24**	**–**	**17**	**-17**
5. Other Capital	**9,047**	**20,822**	**-11,775**	**7,518**	**20,217**	**-12,699**
Total Capital Account (1to5)	**255,387**	**217,795**	**37,592**	**382,145**	**329,413**	**52,732**
C. Errors & Omissions	**–**	**750**	**-750**	**–**	**2,773**	**-2,773**
D. Overall Balance (Total Current Account, Capital Account, and Errors & Omissions (A+B+C))	**504,786**	**493,486**	**11,300**	**699,824**	**688,805**	**11,019**
E. Monetary Movements (i+ii)	**–**	**11,300**	**-11,300**	**–**	**11,019**	**-11,019**
i) I.M.F.	–	–	–	–	–	–
ii) Foreign Exchange Reserves (Increase - / Decrease +)	–	11,300	-11,300	–	11,019	-11,019
Of which: SDR allocation	–	–	–	–	–	–

No. 42: Foreign Exchange Reserves

End of	Foreign Currency Assets*		Gold #		SDRs ##			Reserve Tranche Position in IMF		Total	
	₹ crore	In millions of US $	₹ crore	In millions of US $	In millions of SDRs	₹ crore	In millions of US $	₹ crore	In millions of US $	**₹ crore**	**In millions of US $**
	1	2	3	4	5	6	7	8	9	10= (1+3+6+8)	11= (2+4+7+9)
2005-06	6,47,327	145,108	25,674	5,755	2	12	3	3,374	756	6,76,387	151,622
2006-07	8,36,597	191,924	29,573	6,784	1	8	2	2,044	469	8,68,222	199,179
2007-08	11,96,023	299,230	40,124	10,039	11	74	18	1,744	436	12,37,965	309,723
2008-09	12,30,066	241,426	48,793	9,577	1	6	1	5,000	981	12,83,865	251,985
2009-10	11,49,650	254,685	81,188	17,986	3,297	22,596	5,006	6,231	1,380	12,59,665	279,057
2010-11	12,24,883	274,330	1,02,572	22,972	2,882	20,401	4,569	13,158	2,947	13,61,013	304,818
2008-09											
April	12,30,896	304,225	38,141	9,427	11	74	18	1,961	485	12,71,072	314,155
May	12,98,464	304,875	39,190	9,202	7	47	11	2,242	526	13,39,943	314,614
June	12,98,552	302,340	39,548	9,208	7	48	11	2,269	528	13,40,417	312,087
July	12,57,357	295,918	41,366	9,735	7	47	11	2,177	512	13,00,947	306,176
August	12,52,904	286,117	38,064	8,692	2	16	4	2,173	496	12,93,157	295,309
September	13,01,645	277,300	40,205	8,565	2	17	4	2,194	467	13,44,061	286,336
October	12,01,920	244,045	41,281	8,382	6	43	9	2,200	447	12,45,444	252,883
November	11,91,016	238,968	39,177	7,861	2	13	3	4,254	854	12,34,460	247,686
December	11,94,790	246,603	41,110	8,485	2	13	3	4,248	877	12,40,161	255,968
January	11,71,060	238,894	43,549	8,884	2	15	3	4,068	830	12,18,692	248,611
February	12,11,002	238,715	49,440	9,746	1	6	1	4,141	816	12,64,589	249,278
March	12,30,066	241,426	48,793	9,577	1	6	1	5,000	981	12,83,865	251,985
2009-10											
April	12,12,747	241,487	46,357	9,231	1	6	1	4,938	983	12,64,048	251,702
May	11,89,136	251,456	45,417	9,604	-	2	1	5,886	1,245	12,40,441	262,306
June	12,16,345	254,093	46,914	9,800	-	2	1	5,974	1,248	12,69,235	265,142
July	12,55,197	260,631	46,576	9,671	-	3	1	6,444	1,338	13,08,220	271,641
August	12,76,976	261,247	48,041	9,828	3,083	23,597	4,828	6,595	1,349	13,55,209	277,252
September	12,70,049	264,373	49,556	10,316	3,297	25,096	5,224	6,557	1,365	13,51,258	281,278
October	12,52,740	266,768	50,718	10,800	3,297	24,618	5,242	7,426	1,581	13,35,502	284,391
November	12,23,313	263,191	84,508	18,182	3,297	24,676	5,309	6,806	1,464	13,39,303	288,146
December	12,07,065	258,583	85,387	18,292	3,297	24,128	5,169	6,655	1,426	13,23,235	283,470
January	11,88,753	256,362	83,724	18,056	3,297	23,762	5,124	6,554	1,413	13,02,793	280,955
February	11,74,202	253,991	82,845	17,920	3,297	23,360	5,053	6,441	1,393	12,86,848	278,357
March	11,49,650	254,685	81,188	17,986	3,297	22,596	5,006	6,231	1,380	12,59,665	279,057
2010-11											
April	11,32,211	254,773	82,377	18,537	3,297	22,142	4,982	5,961	1,341	12,42,691	279,633
May	11,51,731	247,951	90,220	19,423	3,297	22,580	4,861	6,079	1,309	12,70,610	273,544
June	11,63,266	249,628	92,704	19,894	3,297	22,719	4,875	6,118	1,313	12,84,807	275,710
July	12,01,227	258,551	89,564	19,278	3,297	23,257	5,006	6,263	1,348	13,20,311	284,183
August	12,06,317	256,227	94,199	20,008	3,297	23,420	4,974	9,098	1,932	13,33,033	283,142
September	11,91,418	265,231	92,157	20,516	3,297	23,046	5,130	8,953	1,993	13,15,574	292,870
October	11,98,542	269,093	96,510	21,668	3,297	23,080	5,182	8,966	2,013	13,27,098	297,956
November	12,12,145	263,281	1,01,857	22,124	3,297	23,161	5,031	8,997	1,954	13,46,160	292,389
December	12,00,077	267,814	1,00,686	22,470	3,297	22,753	5,078	8,838	1,972	13,32,354	297,334
January	12,40,156	269,893	1,00,739	21,924	3,297	23,663	5,150	10,378	2,259	13,74,936	299,224
February	12,28,841	271,988	1,00,041	22,143	3,298	23,436	5,187	10,277	2,275	13,62,594	301,592
March	12,24,883	274,330	1,02,572	22,972	2,882	20,401	4,569	13,158	2,947	13,61,013	304,818
March 4, 2011	12,28,067	272,964	1,00,041	22,143	3,298	23,414	5,204	10,267	2,282	13,61,789	302,593
March 11, 2011	12,30,885	272,259	1,00,041	22,143	3,298	23,368	5,169	10,247	2,267	13,64,541	301,838
March 18, 2011	12,34,236	273,727	1,00,041	22,143	3,298	23,577	5,229	10,854	2,407	13,68,708	303,506
March 25, 2011	12,22,062	273,698	1,00,041	22,143	3,298	23,362	5,232	10,755	2,409	13,56,220	303,482
April 1, 2011	12,27,960	275,019	1,02,572	22,972	2,882	20,344	4,556	13,121	2,939	13,63,997	305,486
April 8, 2011	12,22,907	277,681	1,02,572	22,972	2,882	20,214	4,590	13,037	2,960	13,58,730	308,203

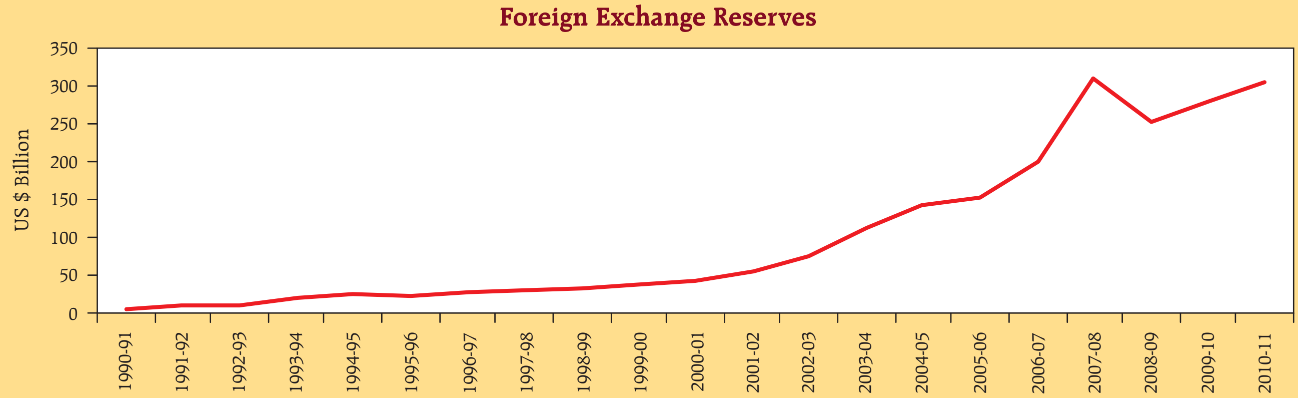
-Negligible See 'Notes on Tables'

* FCA excludes US $ 250.00 millon (as also its equivalent value in Indian Rupee) invested in foreign currency denominated bonds issued by IIFC (UK) since March 20, 2009.

\# Includes Rs. 31,463 crore (US$ 6,699 million) reflecting the purchase of 200 metric tonnes of gold from IMF on November 3, 2009.

\#\# Includes SDRs 3,082.5 million allocated under general allocation and SDRs 214.6 million allocated under special allocation by the IMF done on August 28, 2009 and September 9, 2009, respectively.

Foreign Exchange Reserves



No. 43: NRI Deposits- Outstanding and Inflows (+) /Outflows (-) @

(As at end - March) (US$ Million)

SCHEME	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011(P)
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1. FCNR(A) *	7,051	4,255	2,306	1	–	–	–	–	–	–	–	–	–	–	–	–	–
2. FCNR(B) **	3,063	5,720	7,496	8,467	7,835	8,172	9,076	9,673	10,199	10,961	11,452	13,064	15,129	14,168	13,211	14,258	15,597
3. NR(E)RA	4,556	3,916	4,983	5,637	6,045	6,758	7,147	8,449	14,923	20,559	21,291	22,070	24,495	26,716	23,570	26,251	26,331
4. NR(NR)RD +	2,486	3,542	5,604	6,262	6,618	6,754	6,849	7,052	3,407	1,746	232	–	–	–	–	–	–
5. NRO	–	–	–	–	–	–	–	–	–	–	–	1,148	1,616	2,788	4,773	7,381	9,703
Total	**17,156**	**17,433**	**20,389**	**20,367**	**20,498**	**21,684**	**23,072**	**25,174**	**28,529**	**33,266**	**32,975**	**36,282**	**41,240**	**43,672**	**41,554**	**47,890**	**51,631**

(US$ million)

SCHEME	2009-10 End Month											
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
	1	2	3	4	5	6	7	8	9	10	11	12
1. FCNR(B) **	13,384	14,017	14,014	14,156	14,053	14,188	14,625	14,698	14,665	14,534	14,358	14,258
2. NR(E)RA	23,935	25,418	24,952	25,369	24,931	25,434	25,715	26,079	25,905	25,769	25,836	26,251
3. NRO	5,063	5,613	5,613	5,971	6,003	6,350	6,652	6,962	6,920	7,063	7,153	7,381
Total	**42,382**	**45,048**	**44,579**	**45,496**	**44,987**	**45,972**	**46,992**	**47,739**	**47,490**	**47,366**	**47,347**	**47,890**

(US$ million)

SCHEME	2010-11 (P) End Month											
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct	Nov.	Dec.	Jan.	Feb.	Mar
	1	2	3	4	5	6	7	8	9	10	11	12
1. FCNR(B) **	14,466	14,159	14,369	14,697	14,665	15,012	15,327	15,072	15,100	15,256	15,394	15,597
2. NR(E)RA	26,686	26,031	26,067	26,595	26,124	26,579	26,803	26,132	26,562	25,912	26,009	26,331
3. NRO	7,724	7,643	7,672	7,829	7,895	8,316	8,827	8,632	9,010	9,046	9,336	9,703
Total	**48,876**	**47,833**	**48,108**	**49,121**	**48,684**	**49,907**	**50,957**	**49,836**	**50,672**	**50,214**	**50,739**	**51,631**

Inflow (+) /Outflow (-) During the Month (US$ million)

SCHEME	2009-10												
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.- Mar.
	1	2	3	4	5	6	7	8	9	10	11	12	13
1. FCNR(B)	173	633	-3	142	-103	135	437	73	-33	-131	-176	-100	1,047
	-(140)	-(151)	(124)	-(235)	-(291)	(29)	-(809)	(39)	(202)	(45)	(133)	(97)	-(957)
2. NR(E)RA	67	128	187	234	-68	38	-270	-31	44	-286	-11	-103	-71
	-(71)	(462)	(160)	-(39)	-(205)	(527)	(645)	(124)	-(220)	-(192)	(607)	(710)	(2,508)
3. NRO	229	257	146	316	120	233	166	207	16	104	68	84	1,946
	(204)	(148)	(77)	(163)	(128)	(182)	(302)	(445)	(314)	(246)	-(98)	(627)	(2,738)
Total	**469**	**1,018**	**330**	**692**	**-51**	**406**	**333**	**249**	**27**	**-313**	**-119**	**-119**	**2,922**
	-(7)	(459)	(361)	-(111)	-(368)	(738)	(138)	(608)	(296)	(99)	(642)	(1,434)	(4,289)

Inflow (+) /Outflow (-) During the Month (US$ million)

SCHEME	2010-11 (P)												
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan	Feb	Mar	Apr.- Mar.
	1	2	3	4	5	6	7	8	9	10	11	12	13
1. FCNR(B)	207	-307	210	329	-33	347	316	-256	29	156	138	203	1,339
	(173)	(633)	-(3)	(142)	-(103)	(135)	(437)	(73)	-(33)	-(131)	-(176)	-(100)	(1047)
2. NR(E)RA	-85	558	39	468	-234	-300	-381	41	-120	-105	-123	-85	-327
	(67)	(128)	(187)	(234)	-(68)	(38)	-(270)	-(31)	(44)	-(286)	-(11)	-(103)	-(71)
3. NRO	197	272	29	139	138	189	322	41	194	223	212	219	2,175
	(229)	(257)	(146)	(316)	(120)	(233)	(166)	(207)	(16)	(104)	(68)	(84)	(1946)
Total	**319**	**523**	**278**	**936**	**-129**	**236**	**257**	**-174**	**103**	**274**	**227**	**337**	**3,187**
	(469)	(1,018)	(330)	(692)	-(51)	(406)	(333)	(249)	(27)	-(313)	-(119)	-(119)	(2,922)

Note:
1. FCNR(A) : Foreign Currency Non-Resident (Accounts).
2. FCNR(B) : Foreign Currency Non-Resident (Banks).
3. NR(E) RA : Non-Resident(External) Rupee Accounts.
4. NR(NR)RD : Non-Resident(Non-Repatriable) Rupee Deposits
5. NRO Non-Resident Ordinary Rupee Account
6. Figures in the brackets represent inflows(+) outflows (-) during the corresponding month/period of the previous year
7. Flows derived from the month-end balances may not be consistent with the data provided under monthly total 'outflows/inflows' as exchange rates used in two sets of data are different.

P: Provisional –: Not Available
@ All figures are inclusive of accrued interest
* Withdrawn effective August 1994
** Introduced in May 1993.
\+ Introduced in June 1992 and discontinued w.e.f. April 2002

No. 44: Foreign Investment Inflows

(US$ million)

Item	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10(P)	2010-11(P)
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
A. Direct Investment (I+II+III)	**2,144**	**2,821**	**3,557**	**2,462**	**2,155**	**4,029**	**6,130**	**5,035**	**4,322**	**6,051**	**8,961**	**22,826**	**34,835**	**37,838**	**37,763**	**27,024**
I. Equity (a+b+c+d+e)	2,144	2,821	3,557	2,462	2,155	2,400	4,095	2,764	2,229	3,778	5,975	16,481	26,864	28,031	27,149	20,087
a. Government (SIA/FIPB)	1,249	1,922	2,754	1,821	1,410	1,456	2,221	919	928	1,062	1,126	2,156	2,298	4,699	3,471	1,945
b. RBI	169	135	202	179	171	454	767	739	534	1,258	2,233	7,151	17,127	17,998	18,990	12,994
c. NRI	715	639	241	62	84	67	35	–	–	–	–	–	–	–	–	–
d. Acquisition of shares *	11	125	360	400	490	362	881	916	735	930	2,181	6,278	5,148	4,632	3,148	4,491
e. Equity capital of unincorporated bodies #	..	..	..	..	..	61	191	190	32	528	435	896	2,291	702	1,540	657
II. Reinvested earnings +	..	..	..	..	..	1,350	1,645	1,833	1,460	1,904	2,760	5,828	7,679	9,030	8,669	6,703
III. Other capital ++	..	..	..	..	..	279	390	438	633	369	226	517	292	777	1,945	234
B. Portfolio Investment (a+b+c)	**2,748**	**3,312**	**1,828**	**-61**	**3,026**	**2,760**	**2,021**	**979**	**11,377**	**9,315**	**12,492**	**7,003**	**27,271**	**-13,855**	**32,376**	**31,471**
a. GDRs/ADRs # #	683	1,366	645	270	768	831	477	600	459	613	2,552	3,776	6,645	1,162	3328	2,049
b. FIIs **	2,009	1,926	979	-390	2,135	1,847	1,505	377	10,918	8,686	9,926	3,225	20,328	-15,017	29,048	29,422
c. Offshore funds and others	56	20	204	59	123	82	39	2	–	16	14	2	298	–	–	–
Total (A+B)	**4,892**	**6,133**	**5,385**	**2,401**	**5,181**	**6,789**	**8,151**	**6,014**	**15,699**	**15,366**	**21,453**	**29,829**	**62,106**	**23,983**	**70,139**	**58,495**

(US$ million)

Item	2009-10 (P)												
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.- Mar.
	1	2	3	4	5	6	7	8	9	10	11	12	13
A. Direct Investment (I+II+III)	**2,339**	**2,095**	**2,471**	**3,476**	**3,174**	**1,512**	**2,332**	**1,700**	**1,542**	**2,042**	**1,717**	**1,209**	**37,763**
I. Equity (a+b+c+d)	2,339	2,095	2,471	3,476	3,174	1,512	2,332	1,700	1,542	2,042	1,717	1,209	27,149
a. Government (SIA/FIPB)	931	101	85	248	643	111	302	179	51	588	93	139	3,471
b. RBI	1,150	1,916	2,337	1,757	2,477	1,355	1,726	1,367	1,233	1,292	1,364	1,016	18,990
c. Acquisition of shares *	258	78	49	1,471	54	46	304	154	258	162	260	54	3,148
d. Equity capital of unincorporated bodies #	..	..	..	..	..	..	..	..	..	..	..	..	1,540
II. Reinvested earnings +	..	..	..	..	..	..	..	..	..	..	..	..	8,669
III. Other capital ++	..	..	..	..	..	..	..	..	..	..	..	..	1,945
B. Portfolio Investment (a+b+c)	**2,278**	**5,639**	**353**	**3,032**	**1,574**	**5,095**	**2,922**	**1,274**	**1,533**	**3,139**	**230**	**5,306**	**32,376**
a. GDRs/ADRs # #	33	–	10	965	1,603	96	-	381	94	46	-	100	3,328
b. FIIs **	2,245	5,639	343	2,067	-29	4,999	2,922	893	1,439	3,093	230	5,206	29,048
c. Offshore funds and others	–	–	–	–	–	–	–	–	–	–	–	–	–
Total (A+B)	**4,617**	**7,734**	**2,824**	**6,508**	**4,748**	**6,607**	**5,254**	**2,974**	**3,075**	**5,181**	**1,947**	**6,515**	**70,139**

(US$ million)

Item	2010-11 (P)												
	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.-Mar.
	1	2	3	4	5	6	7	8	9	10	11	12	13
A. Direct Investment (I+II+III)	**2,179**	**2,213**	**1,380**	**1,785**	**1,330**	**2,118**	**1,392**	**1,628**	**2,014**	**1,042**	**1,274**	**1,075**	**27,024**
I. Equity (a+b+c+d)	2,179	2,213	1,380	1,785	1,330	2,118	1,392	1,628	2,014	1,042	1,274	1,075	20,087
a. Government (SIA/FIPB)	440	555	159	49	151	61	146	43	118	32	79	112	1,945
b. RBI	1,361	1,274	914	1,387	998	565	1,204	1,247	1,732	788	876	648	12,994
c. Acquisition of shares *	378	384	307	349	181	1,492	42	338	164	222	319	315	4,491
d. Equity capital of unincorporated bodies #	..	..	..	..	..	..	..	..	..	..	..	..	657
II. Reinvested earnings +	..	..	..	..	..	..	..	..	..	..	..	..	6,703
III. Other capital ++	..	..	..	..	..	..	..	..	..	..	..	..	234
B. Portfolio Investment (a+b+c)	**3,315**	**88**	**1,250**	**9,114**	**-440**	**10,577**	**28,704**	**-19,811**	**-1,502**	**1,691**	**-1,600**	**85**	**31,471**
a. GDRs/ADRs # #	156	579	379	364	–	128	74	110	49	116	–	94	2,049
b. FIIs **	3,159	-491	871	8,750	-440	10,449	28,630	-19,921	-1,551	1,575	-1,600	-9	29,422
c Offshore funds and others	–	–	–	–	–	–	–	–	–	–	–	–	–
Total (A+B)	**5,494**	**2,301**	**2,630**	**10,899**	**890**	**12,695**	**30,096**	**-18,183**	**512**	**2,733**	**-326**	**1,160**	**58,495**

* Relates to acquisition of shares of Indian companies by non-residents under Section 6 of FEMA, 1999. Data on such acquisitions have been included as part of FDI since January 1996.

** Represents inflow of funds (net) by Foreign Institutional Investors (FIIs).

\# Figures for equity capital of unincorporated bodies for 2009-10 are estimates.

\# # Represents the amount raised by Indian Corporates through Global Depository Receipts (GDRs) and American Depository Receipts (ADRs).

\+ Data for 2009-10 are estimated as average of previous two years.

++ Data pertain to inter company debt transactions of FDI entities.

Notes : 1. Data for equity capital of unincorporated bodies, reinvested earnings and other capital in the column of the monthly table, pertain to April-December 2010. Which are included in the last column (cumulative FDI).As a result the monthly total of FDI may not match with the cumulative FDI given in the last column.

2. Data on FDI have been revised since 2000-01 with expanded coverage to approach international best practices.
3. These data, therefore, are not comparable with FDI data for previous years.Also see 'Notes on Tables 'of Table No 40 & 41.
4. Monthly data on components of FDI as per expanded coverage are not available.

Table 44 A: Outward Remittances under the Liberalised Remittance Scheme for Resident Individuals

(US $ million)

Purpose	2004–05	2005–06	2006–07	2007–08	2008–09	2009–10
	1	2	3	4	5	6
1. Deposit	9.1	23.2	19.7	24.0	30.4	37.4
2. Purchase of immovable property	0.5	1.9	8.5	39.5	55.9	47.6
3. Investment in equity/debt	–	–	20.7	144.7	151.4	206.5
4. Gift	–	–	7.4	70.3	133.0	159.9
5. Donations	–	–	0.1	1.6	1.4	5.3
6. Travel	–	–	–	–	–	17.4
7. Maintenance of close relatives	–	–	–	–	–	170.9
8. Medical Treatment	–	–	–	–	–	18.3
9. Studies Abroad	–	–	–	–	–	217.8
10. Others**	–	–	16.4	160.4	436.0	101.8
Total (1 to 10)	**9.6**	**25.0**	**72.8**	**440.5**	**808.1**	**983.0**

(US $ million)

Purpose	2009-10											
	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March
	1	2	3	4	5	6	7	8	9	10	11	12
1. Deposit	2.3	2.8	3.2	1.9	1.7	3.0	2.7	2.0	3.6	1.9	3.3	9.0
2. Purchase of immovable property	4.2	3.8	3.4	2.5	4.7	3.7	2.9	2.9	3.6	3.2	2.1	10.6
3. Investment in equity/debt	12.6	12.2	14.8	10.7	15.4	12.6	20.2	12.8	16.6	10.4	16.0	52.2
4. Gift	13.6	11.7	13.7	13.0	11.2	11.5	12.6	11.7	12.3	11.9	14.7	22.0
5. Donations	0.1	0.2	0.6	0.1	0.2	0.4	2.3	0.2	0.1	0.6	0.2	0.3
6. Travel	1.4	1.5	1.1	2.5	1.2	2.3	1.8	1.8	0.6	0.8	0.8	1.6
7. Maintenance of close relatives	10.5	10.0	8.8	9.7	13.3	10.8	19.5	16.5	17.6	15.9	13.4	24.9
8. Medical Treatment	1.3	2.3	2.4	2.3	1.6	1.9	1.6	1.4	1.0	0.9	0.7	0.9
9. Studies Abroad	6.1	6.8	89.3	12.7	21.0	18.5	7.7	11.0	10.6	13.9	11.2	9.0
10. Others **	6.0	6.4	7.6	9.5	8.5	7.5	6.2	5.5	6.7	10.2	8.5	19.2
Total (1 to 10)	**58.1**	**57.7**	**145.0**	**64.9**	**78.8**	**72.2**	**77.5**	**65.8**	**72.7**	**69.7**	**70.9**	**149.7**

(US$ million)

Purpose	2010-11										
	April	May	June	July	August	September	October	November	December	January	February
	1	2	3	4	5	6	7	8	9	10	11
1. Deposit	3.6	2.5	2.3	1.5	1.3	0.8	2.9	1.7	1.6	1.1	2.5
2. Purchase of immovable property	7.5	5.8	5.9	4.4	4.6	4.6	6.8	5.0	4.0	4.4	4.5
3. Investment in equity/debt	22.2	21.6	18.2	17.6	17.5	15.6	24.8	15.3	16.9	19.4	26.5
4. Gift	24.5	16.6	16.5	15.1	19.2	15.8	23.1	23.1	29.3	15.1	15.0
5. Donations	0.5	0.1	0.2	0.1	0.4	–	0.3	0.3	0.1	0.2	0.3
6. Travel	1.6	1.5	1.2	2.2	2.6	1.3	1.3	1.2	1.1	0.7	0.8
7. Maintenance of close relatives	61.1	19.7	15.1	14.7	20.7	14.5	18.9	12.1	40.4	9.6	9.1
8. Medical Treatment	0.8	0.6	0.7	0.7	0.5	0.4	0.3	0.6	0.6	0.04	0.3
9. Studies Abroad	7.7	9.6	6.9	13.0	18.6	23.9	12.6	10.4	11.7	13.1	10.4
10. Others **	11.7	12.2	10.1	7.6	9.5	7.3	8.3	12.0	14.0	10.1	7.9
Total (1 to 10)	**141.2**	**90.2**	**77.1**	**76.9**	**94.7**	**84.2**	**99.3**	**81.7**	**119.7**	**73.7**	**77.3**

\- Not available

** Include items such as subscription to journals, maintenance of investment abroad, student loan repayments, credit card payments etc. (till 2008-09 also includes education, travel, maintenance of close relatives and medical treatment).

Notes : (i) The data from 2004 to 2007 are on calendar basis.

(ii) Under Liberalised Remittance Scheme (LRS), currently, the residents are permitted to remit up to an amount of US $ 2,00,000 per financial year (April-March) for any permitted current or capital account transactions or a combination of both with effect from September 26, 2007. The LRS Scheme was introduced in February 2004 to facilitate resident individuals to freely remit up to US $ 25,000 per calendar year, which was enhanced to US $ 50,000 per financial year in December 2006; to US $ 1,00,000 per financial year in May 2007; and to US $ 2, 00,000 per financial year in September 2007.

No. 45: Daily Foreign Exchange Spot Rates

(₹ per Unit of Foreign Currency)

Date	RBI's Reference Rate ₹ Per Foreign Currency		FEDAI Indicative Rates							
			US Dollar		Pound Sterling		Euro		One Hundred Japanese Yen	
	US Dollar	Euro	Buying	Selling	Buying	Selling	Buying	Selling	Buying	Selling
	1	2	3	4	5	6	7	8	9	10
March 1, 2011	45.1200	62.3200	45.1100	45.1200	73.3850	73.4150	62.3100	62.3325	54.9050	54.9300
March 2, 2011 +										
March 3, 2011	44.9600	62.3300	44.9500	44.9600	73.3500	73.3825	62.3225	62.3450	54.9050	54.9425
March 4, 2011	44.9900	62.8000	44.9900	45.0000	73.2350	73.2700	62.8050	62.8300	54.6450	54.6650
March 7, 2011	45.1300	63.0600	45.1300	45.1400	73.3550	73.3925	63.0500	63.0775	54.8300	54.8750
March 8, 2011	45.0300	62.9400	45.0250	45.0350	72.9625	72.9875	62.9225	62.9450	54.6550	54.7000
March 9, 2011	45.0200	62.5400	45.0200	45.0300	72.7025	72.7275	62.5425	62.5650	54.3125	54.3375
March 10, 2011	45.1100	62.5600	45.1050	45.1150	72.8850	72.9250	62.5475	62.5700	54.4350	54.4550
March 11, 2011	45.2100	62.4300	45.2100	45.2200	72.5575	72.5925	62.4300	62.4575	54.3325	54.3775
March 14, 2011	45.1500	62.9500	45.1550	45.1650	72.5875	72.6200	62.9375	62.9725	54.9875	55.0250
March 15, 2011	45.2700	63.0800	45.2550	45.2650	72.9025	72.9400	63.0550	63.0825	55.3100	55.3500
March 16, 2011	45.1800	63.1300	45.1850	45.1950	72.6025	72.6275	63.1325	63.1550	55.9025	55.9475
March 17, 2011	45.2400	63.0000	45.2350	45.2450	72.5575	72.5875	62.9900	63.0125	57.1225	57.1625
March 18, 2011	45.0900	63.4300	45.0850	45.0950	72.8075	72.8375	63.4125	63.4475	55.1625	55.2025
March 21, 2011	45.0500	63.8100	45.0500	45.0600	73.0300	73.0700	63.7900	63.8275	55.6525	55.6775
March 22, 2011	44.9700	63.9800	44.9650	44.9750	73.3300	73.3625	63.9625	64.0000	55.5675	55.6150
March 23, 2011	44.9600	63.6800	44.9500	44.9600	73.5300	73.5625	63.6725	63.7050	55.5750	55.6100
March 24, 2011	44.7700	63.0600	44.7700	44.7800	72.6625	72.6925	63.0550	63.0850	55.2650	55.3050
March 25, 2011	44.6500	63.2800	44.6550	44.6650	71.9350	71.9600	63.2850	63.3075	55.1375	55.1825
March 28, 2011	44.7800	62.9600	44.7750	44.7850	71.6275	71.6600	62.9350	62.9600	54.8050	54.8375
March 29, 2011	44.6700	63.0900	44.6800	44.6900	71.6300	71.6650	63.0825	63.1200	54.7075	54.7400
March 30, 2011	44.7700	63.0200	44.7600	44.7700	71.6750	71.7125	62.9900	63.0100	53.9925	54.0300
March 31, 2011	44.6500	63.2400	44.6400	44.6500	71.9050	71.9275	63.2225	63.2475	54.0050	54.0300

+ Market closed.
FEDAI: Foreign Exchange Dealers' Association of India.
Note: Euro Reference rate was announced by RBI with effect from January 1, 2002.
Source: FEDAI for FEDAI rates.

No. 46: Sale/Purchase of U.S. Dollar by the Reserve Bank of India

Month		Foreign Currency (US $ million)			₹ equivalent at contract rate (₹ crore)	Cumulative (over end-April 2009)		Outstanding Net Forward Sales (–)/ Purchase (+) at the end of month (US $ million)
		Purchase (+)	Sale (–)	Net (+/–)		(US $ million)	(₹ crore)	
		1	2	3	4	5	6	7
2009-10								
April	2009	204.00	2,691.00	(–) 2,487.00	(–) 12,063.87	(–) 2,487.00	(–) 12,063.87	(–) 1,071.00
May	2009	923.00	2,360.00	(–) 1,437.00	(–) 6,902.22	(–) 3,924.00	(–) 18,966.09	131.00
June	2009	1,279.00	235.00	1,044.00	4,974.19	(–) 2,880.00	(–) 13,991.90	745.00
July	2009	570.00	625.00	(–) 55.00	(–) 217.19	(–) 2,935.00	(–) 14,209.09	800.00
August	2009	415.00	234.00	181.00	837.52	(–) 2,754.00	(–) 13,371.57	619.00
September	2009	260.00	180.00	80.00	377.37	(–) 2,674.00	(–) 12,994.20	539.00
October	2009	125.00	50.00	75.00	372.04	(–) 2,599.00	(–) 12,622.16	435.00
November	2009	234.00	270.00	(–) 36.00	(–) 102.18	(–) 2,635.00	(–) 12,724.34	500.00
December	2009	205.00	230.00	(–) 25.00	(–) 69.87	(–) 2,660.00	(–) 12,794.21	525.00
January	2010	25.00	25.00	–	2.77	(–) 2,660.00	(–) 12,791.44	525.00
February	2010	300.00	300.00	–	19.77	(–) 2,660.00	(–) 12,771.67	525.00
March	2010	525.00	370.00	155.00	766.50	(–) 2,505.00	(–) 12,005.17	370.00

Month		Foreign Currency (US $ million)			₹ equivalent at contract rate (₹ crore)	Cumulative (over end-April 2010)		Outstanding Net Forward Sales (–)/ Purchase (+) at the end of month (US $ million)
		Purchase (+)	Sale (–)	Net (+/–)		(US $ million)	(₹ crore)	
		1	2	3	4	5	6	7
2010-11								
April	2010	–	–	–	–	–	–	370.00
May	2010	–	–	–	–	–	–	370.00
June	2010	370.00	260.00	110.00	491.73	110.00	491.73	260.00
July	2010	–	–	–	–	110.00	491.73	260.00
August	2010	–	–	–	–	110.00	491.73	260.00
September	2010	260.00	–	260.00	1,215.75	370.00	1,707.48	0.00
October	2010	450.00	–	450.00	2,001.59	820.00	3,709.06	450.00
November	2010	1,370.00	500.00	870.00	3,848.70	1,690.00	7,557.77	0.00
December	2010	–	–	–	–	1,690.00	7,557.77	0.00
January	2011	–	–	–	–	1,690.00	7,557.77	0.00
February	2011	–	–	–	–	1,690.00	7,557.77	0.00
March	2011	–	–	–	–	1,690.00	7,557.77	0.00

(+) Implies Purchase including purchase leg under swaps and outright forwards.

(–) Implies Sales including sale leg under swaps and outright forwards.

Note : This table is based on value dates.

No. 47: Turnover in Foreign Exchange Market

(US$ Million)

Position Date	Merchant						Inter-bank					
	FCY / INR			FCY / FCY			FCY/INR			FCY/FCY		
	Spot	Forward	Forward Cancellation	Spot	Forward	Forward Cancellation	Spot	Swap	Forward	Spot	Swap	Forward
	1	2	3	4	5	6	7	8	9	10	11	12
Purchases												
Mar. 1, 2011	3,185	2,458	929	148	620	301	7,163	7,869	2,234	2,554	1,457	243
Mar. 2, 2011	95	32	30	1	11	7	103	62	50	245	94	54
Mar. 3, 2011	4,093	1,692	1,295	239	907	513	7,180	7,704	2,087	2,929	1,968	330
Mar. 4, 2011	3,188	1,482	452	214	970	602	5,778	7,249	1,696	2,178	1,788	261
Mar. 7, 2011	3,442	1,568	508	160	970	460	6,293	8,303	1,898	2,592	1,857	217
Mar. 8, 2011	2,949	2,207	606	163	579	398	7,419	7,747	1,923	3,449	1,604	326
Mar. 9, 2011	4,687	946	680	114	642	426	6,230	6,542	1,543	2,495	1,334	242
Mar. 10, 2011	3,027	1,252	477	400	1,118	740	6,521	8,080	1,400	3,345	2,053	489
Mar. 11, 2011	3,896	1,645	968	222	1,411	792	7,830	9,246	2,101	3,892	1,621	309
Mar. 14, 2011	3,377	1,495	474	324	1,436	1,020	6,101	7,990	1,780	4,297	1,772	355
Mar. 15, 2011	3,011	1,928	820	177	951	646	8,369	8,280	1,485	3,255	1,510	272
Mar. 16, 2011	3,561	1,125	974	234	838	540	7,128	8,950	1,935	3,634	1,319	295
Mar. 17, 2011	2,773	1,448	779	174	1,109	651	7,427	10,957	1,628	3,857	2,078	475
Mar. 18, 2011	4,200	1,333	1,574	138	1,049	694	7,811	9,985	2,652	3,224	1,510	543
Mar. 21, 2011	3,247	1,076	658	222	849	595	5,971	6,932	1,674	2,267	1,892	257
Mar. 22, 2011	2,473	1,195	359	210	536	345	5,701	8,243	1,547	2,465	1,386	167
Mar. 23, 2011	3,509	1,435	791	131	355	290	8,135	8,741	2,373	3,133	1,847	303
Mar. 24, 2011	3,032	1,567	697	286	573	402	9,077	8,998	1,987	2,758	2,485	362
Mar. 25, 2011	3,631	1,429	2,181	272	753	629	6,032	8,670	2,563	2,762	1,452	280
Mar. 28, 2011	4,176	1,567	855	527	1,035	1,076	6,666	8,787	2,200	3,080	1,839	816
Mar. 29, 2011	6,271	2,036	3,629	433	515	479	13,552	11,977	2,045	2,998	2,697	393
Mar. 30, 2011	4,565	2,081	1,367	422	267	171	6,574	10,377	2,270	2,107	2,206	446
Mar. 31, 2011	5,174	2,445	1,593	400	382	315	9,176	11,159	2,783	1,701	2,306	475
Sales												
Mar. 1, 2011	3,329	2,344	899	153	621	259	7,858	8,351	2,338	2,535	1,603	222
Mar. 2, 2011	66	30	21	1	16	8	115	67	41	248	93	57
Mar. 3, 2011	3,664	2,788	954	286	884	393	7,437	7,429	2,059	2,959	2,188	340
Mar. 4, 2011	2,883	1,141	818	198	985	584	6,395	7,135	1,613	2,170	1,942	251
Mar. 7, 2011	3,240	1,183	1,083	231	944	482	6,067	7,813	1,880	2,555	2,035	247
Mar. 8, 2011	2,733	1,193	1,240	164	572	391	7,266	6,947	1,888	3,491	1,597	361
Mar. 9, 2011	2,833	1,493	1,661	159	615	424	5,606	6,228	1,773	2,443	1,434	218
Mar. 10, 2011	2,916	1,295	490	376	1,093	802	6,423	7,615	1,457	3,391	2,156	560
Mar. 11, 2011	3,060	2,419	605	282	1,449	892	7,793	8,783	2,221	3,926	1,655	414
Mar. 14, 2011	3,200	1,864	432	340	1,406	964	6,138	7,437	2,097	3,279	1,804	342
Mar. 15, 2011	2,499	2,244	593	184	986	698	7,780	8,322	1,749	3,163	1,432	300
Mar. 16, 2011	3,552	1,659	604	235	855	493	7,635	8,538	1,617	3,583	1,268	316
Mar. 17, 2011	3,207	1,869	551	235	1,064	644	7,567	10,827	1,248	3,785	1,909	519
Mar. 18, 2011	3,112	3,867	464	196	1,034	692	7,394	10,291	3,015	3,210	1,461	551
Mar. 21, 2011	3,313	1,680	598	234	831	571	6,360	8,015	1,818	2,043	1,833	253
Mar. 22, 2011	2,564	1,515	391	276	510	332	5,847	9,238	1,502	2,374	1,330	152
Mar. 23, 2011	2,998	2,175	959	156	350	288	8,473	9,205	2,088	3,134	1,804	355
Mar. 24, 2011	2,559	2,583	729	566	546	435	9,738	8,698	1,775	2,852	2,443	482
Mar. 25, 2011	2,794	2,912	826	230	747	634	6,168	6,775	2,437	2,680	1,431	257
Mar. 28, 2011	3,708	2,029	797	628	1,048	1,161	7,112	8,019	1,966	3,043	2,279	873
Mar. 29, 2011	4,910	3,791	3,086	518	508	436	10,896	11,359	2,720	3,120	2,680	400
Mar. 30, 2011	4,068	1,590	1,509	465	272	119	7,410	10,407	1,978	2,164	2,173	418
Mar. 31, 2011	4,618	3,130	1,974	318	368	309	9,715	11,247	3,210	1,716	2,349	470

INR : Indian Rupee FCY : Foreign Currency

Note: Data relate to sales and purchases of foreign exchange on account of merchant and inter-bank transactions. Data are provisional.

No. 48: Indices of Real Effective Exchange Rate (REER) and Nominal Effective Exchange Rate (NEER) of the Indian Rupee

(36-Currency Export and Trade Based Weights)

(Base: 2004-05=100)

Year	Trade Based Weights		Export Based Weights	
	REER	NEER	REER	NEER
	1	2	3	4
2004-05	100.00	100.00	100.00	100.00
2005-06	103.10	102.24	102.74	102.20
2006-07	101.29	97.63	101.05	98.00
2007-08	108.52	104.75	108.57	105.62
2008-09	97.80	93.34	97.77	94.00
2009-10 (P)	94.74	90.94	95.28	91.42
2010-11 (P)	102.04	93.56	103.27	94.75

Year		Trade Based Weights		Export Based Weights	
		REER	NEER	REER	NEER
		1	2	3	4
2009-10 (P)	April	90.62	89.65	90.93	89.90
	May	91.89	90.59	92.36	90.96
	June	92.70	91.04	93.11	91.37
	July	92.03	89.59	92.38	89.86
	August	92.50	89.33	92.85	89.60
	September	91.72	88.35	92.16	88.73
	October	94.33	90.66	94.87	91.20
	November	95.66	90.67	96.17	91.20
	December	96.19	91.10	96.79	91.66
	January	99.11	92.63	99.82	93.30
	February	99.10	93.08	99.90	93.81
	March	101.08	94.56	102.03	95.47
2010-11 (P)	April	103.78	96.35	104.77	97.30
	May	102.95	95.55	103.88	96.42
	June	102.30	94.66	103.26	95.54
	July	99.98	92.03	101.63	93.49
	August	99.57	92.02	100.66	92.99
	September	100.75	92.87	101.93	93.98
	October	102.66	94.51	103.87	95.70
	November	101.67	93.34	102.88	94.53
	December	103.52	93.82	104.93	95.21
	January	102.65	92.72	104.04	94.13
	February	101.78	92.32	103.16	93.72
	March	102.88	92.54	104.28	94.01

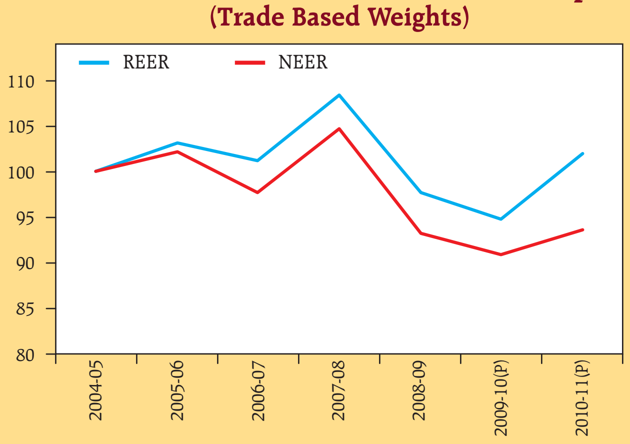
P : Provisional

Note : 1) For 'Note on Methodology' please see December 2005 issue of this Bulletin.

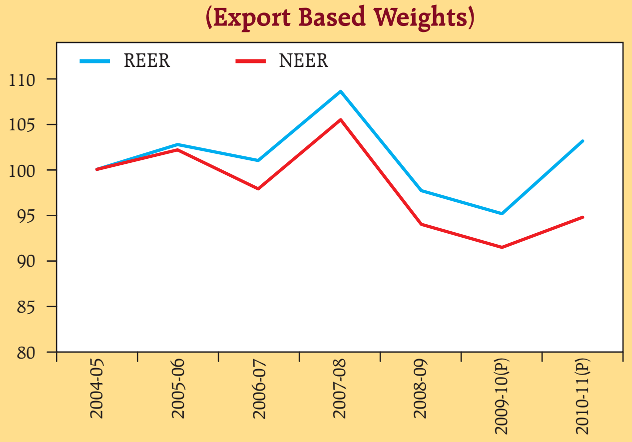
2) The Base year is changed from 1993-94 to 2004-05.

3) In this revision Denmark and Myanmar have been replaced by Taiwan and Vietnam in the list of countries covered under the index.

Indices of REER and NEER of the Indian Rupee (Trade Based Weights)



Indices of REER and NEER of the Indian Rupee (Export Based Weights)



No. 49: Indices of Real Effective Exchange Rate (REER) and Nominal Effective Exchange Rate (NEER) of the Indian Rupee

(6-Currency Trade Based Weights)

Year/Month		Base: 2004-05 (April-March) =100		Base: 2008-09 (April-March) =100	
		NEER	REER	NEER	REER
		1	2	3	4
2004-05		100.00	100.00	110.62	97.76
2005-06		103.04	105.17	113.95	102.78
2006-07		98.09	104.30	108.48	101.93
2007-08		104.62	112.76	115.70	110.20
2008-09		90.42	102.32	100.00	100.00
2009-10		87.36	102.30	96.61	99.97
2010-11		92.36	115.44	102.15	112.81
2008-09	April	99.35	110.58	109.87	108.07
	May	94.86	105.92	104.90	103.51
	June	93.26	105.77	103.14	103.37
	July	92.49	105.29	102.28	102.90
	August	94.33	108.24	104.32	105.78
	September	90.35	103.67	99.92	101.32
	October	86.86	99.98	96.06	97.71
	November	88.08	100.80	97.41	98.51
	December	86.83	98.30	96.02	96.06
	January	87.00	97.86	96.22	95.63
	February	87.66	97.58	96.95	95.37
	March	84.00	93.90	92.90	91.77
2009-10	April	85.61	96.48	94.67	94.29
	May	86.78	98.82	95.98	96.57
	June	86.98	99.00	96.20	96.75
	July	85.49	98.16	94.54	95.93
	August	85.30	99.19	94.33	96.93
	September	84.45	98.76	93.39	96.52
	October	86.94	101.84	96.15	99.52
	November	86.82	103.15	96.01	100.81
	December	87.49	104.29	96.75	101.92
	January	89.58	107.69	99.07	105.24
	February	90.34	108.36	99.91	105.90
	March	92.52	111.81	102.33	109.27
2010-11	April	95.04	116.39	105.11	113.75
	May	94.60	116.59	104.63	113.94
	June	93.87	115.65	103.82	113.03
	July	91.30	113.07	100.97	110.50
	August	91.23	113.11	100.90	110.54
	September	91.72	114.36	101.43	111.76
	October	92.66	115.63	102.48	113.01
	November	91.85	114.95	101.58	112.34
	December	92.82	117.90	102.65	115.23
	January	91.81	117.34	101.53	114.67
	February	90.70	114.37	100.31	111.77
	March	90.77	115.87	100.39	113.23

All Figures are Provisional.

Notes: 1. Rise in indices indicate appreciation of rupee and vice versa.

2. For "Note on Methodology" on the indices presented here, please see December 2005 issue of this Bulletin.

3. Base year 2008-09 is a moving one, which gets updated every year.

Notes on Tables

Table No. 1

(1) Annual data are averages of the months.

(2) Figures relate to last Friday of the month/year.

(3) Total of Rupee Securities held in Issue and Banking Departments.

(4) Relates to loans and advances only.

(5) Figures relate to the last Friday/last reporting Friday (in case of March).

(6) Total for Mumbai, Chennai, Kolkata and New Delhi only.

(7) Figures relate to last reporting Friday/March 31.

(8) Rates presented as low/high for the period indicated. The source of data prior to April 2000 issue of the Bulletin has been DFHI. The data from April 2000 issue of the Bulletin are not strictly comparable with that pertaining to earlier periods due to wider coverage of Call Market business.

(9) Relating to major banks.

(10) Base Rate relates to five major banks since July 1, 2010. Earlier figures relate to Benchmark Prime Lending Rate (BPLR).

(11) Annual data are averages of the months.

(12) Figures relate to the end of the month/year.

(13) Data relate to January – December.

(14) Cash Reserve Ratio of Scheduled Commercial Banks (excluding Regional Rural Banks).

Table No. 2

The gold reserves of Issue Department were valued at ₹84.39 per 10 grams up to October 16, 1990 and from October 17, 1990 they are valued close to international market prices.

(1) Includes Government of India one rupee notes issued from July 1940.

(2) Includes (i) Paid-up Capital of ₹5 crore (ii) Reserve Fund of ₹6,500 crore (iii) National Industrial Credit (Long-Term Operations): Fund of ₹16 crore and (iv) National Housing Credit (Long-Term Operations) Fund of ₹190 crore from the week ended November 30, 2007.

(3) Includes cash, short-term securities and fixed deposits. This also includes investment in foreign currency denominated bonds issued by IIFC(UK) since March 20, 2009.

(4) Includes temporary overdrafts to State Governments.

(5) Figures in bracket indicate the value of gold held under other assets.

Table Nos. 3 & 4

The expression 'Banking System' or 'Banks' means (a) State Bank of India and its associates (b) Nationalised Banks (c) Banking companies as defined in clause 'C' of Section 5 of the Banking Regulation Act, 1949 (d) Co-operative banks (as far as scheduled co-operative banks are concerned) (e) Regional Rural Banks and (f) any other financial institution notified by the Central Government in this regard.

(1) Excludes borrowings of any scheduled state co-operative bank from the State Government and any Reserve Fund deposit required to be maintained with such bank by any co-operative society within the area of operation of such bank.

(2) Deposits of co-operative banks with scheduled state co-operative banks are excluded from this item but are included under 'Aggregate deposits'.

(3) Excludes borrowings of regional rural banks from their sponsor banks.

(4) Wherever it has not been possible to provide the data against the item 'Other demand and time liabilities'

under 'Liabilities to the Banking System' separately, the same has been included in the item 'Other demand and time liabilities' under 'Liabilities to others'.

(5) Data reflect redemption of India Millennium Deposits (IMDs) on December 29, 2005.

(6) Other than from the Reserve Bank of India, NABARD and Export-Import Bank of India.

(7) Figures relating to scheduled banks' borrowings in India are those shown in the statement of affairs of the Reserve Bank of India. Borrowings against usance bills and/or promissory notes are under section 17(4) of the Reserve Bank of India Act, 1934.

(8) Includes borrowings by scheduled state co-operative banks under Section 17(4AA) of the Reserve Bank of India Act, 1934.

(9) As per the Statement of Affairs of the Reserve Bank of India.

(10) Advances granted by scheduled state co-operative banks to co-operative banks are excluded from this item but included under 'Loans, cash-credits and overdrafts'.

(11) At book value; it includes treasury bills and treasury receipts, treasury savings certificates and postal obligations.

(12) Includes participation certificates (PCs) issued by scheduled commercial banks to other banks and financial institutions.

(13) Includes participation certificates (PCs) issued by scheduled commercial banks to others.

(14) Figures in brackets relate to advances of scheduled commercial banks for financing food procurement operations.

Table No. 6

(1) Total of demand and time deposits from 'Others'.

(2) Includes borrowings from the Industrial Development Bank of India and National Bank for Agriculture and Rural Development.

(3) At book value; includes treasury bills and treasury receipts, treasury savings certificates and postal obligations.

(4) Total of 'Loans, cash credits and overdrafts' and 'Bills purchased and discounted'.

(5) Includes advances of scheduled state co-operative banks to central co-operative banks and primary co-operative banks.

Table No. 7

With a view to enable the banks to meet any unanticipated additional demand for liquidity in the context of the century date change, a 'Special Liquidity Support' (SLS) facility was made available to all scheduled commercial banks (excluding RRBs) for a temporary period from December 1, 1999 to January 31, 2000.

(1) With effect from April 13,1996, banks are provided export credit refinance against their rupee export credit and post-shipment export credit denominated in U.S. Dollars taken together.

(2) General Refinance Facility was replaced by Collateralised Lending Facility (CLF)/Additional Collateralised Facility (ACLF) effective April 21, 1999. ACLF was withdrawn with the introduction of Liquidity Adjustment Facility (LAF), effective June 5, 2000. CLF was withdrawn completely effective October 5, 2002.

(3) Special Liquidity Support Facility which was introduced effective September 17, 1998 was available upto March 31, 1999.

(4) Post-shipment credit denominated in US dollars (PSCFC) scheme was withdrawn effective February 8, 1996 and the refinance facility thereagainst was withdrawn effective April 13, 1996. The scheme of government securities refinance was terminated effective July 6, 1996.

Table No. 8

(a) The data includes cheque clearing for both i.e. clearing houses managed by Reserve Bank of India and clearing houses managed by other banks. Paper based inter-bank clearing has been discontinued at all the centres since June, 2005.

The other MICR Centres are Agra, Allahabad, Amritsar, Aurangabad, Baroda, Belgaum, Bhavnagar, Bhilwara, Calicut, Coimbatore, Cuttak, Dehradun, Ernakulum, Erode, Gorakhpur, Gwalior, Hubli, Indore, Jabalpur, Jalandhar, Jamshedpur, Jammu, Jamnagar, Jodhpur, Kolhapur, Kozhikode, Kota, Lucknow, Ludhiana, Madurai, Mangalore, Mysore, Nasik, Panaji, Pondicherry, Pune, Raipur, Rajkot, Ranchi, Salem, Sholapur, Surat, Thiruchirapalli, Tirupur, Thrissur, Tirunelveli, Udaipur, Varanasi, Vijayawada and Vishakhapatnam.

(b) Graphs: The graphs 3 and 4 on Paper and Electronic payments - the Electronic Payment System data include Retail Electronic Payment Systems, RTGS (customer and inter-bank) and CCIL operated systems.

(c) Non MICR Data pertains to the Clearing Houses managed by 10 banks namely SBI, SBBJ, SB Indore, PNB, SBT, SBP, SBH, SBM, Jammu and Kashmir Bank and United Bank of India.

(d) The other MICR Centres includes 50 centres managed by 12 PSBs namely Andhra Bank, Bank of Baroda, Bank of India, Canara Bank, Corporation Bank, Oriental Bank of Commerce, Punjab National Bank, State Bank of India, State Bank of Indore, State Bank of Travancore, State Bank of Hyderabad and Union Bank of India.

Table No. 9A

The data pertains to retail electronic payment.

Table No. 9B

The data pertains to Large Value Payment Systems. The figures for CCIL, insofar as the operations pertain to selected services, are taken from the CCIL published data.

Table No. 10

(a) For details of money stock measures according to the revised series, reference may be made to January 1977 issue of this Bulletin (pages 70-134).

(b) Banks include commercial and co-operative banks.

(c) Financial year data relate to March 31, except scheduled commercial banks' data which relate to the last reporting Friday of March. For details, see the note on page S 963 of October 1991 issue of this Bulletin.

(d) Scheduled commercial banks' time deposits reflect redemption of Resurgent India Bonds (RIBs), since October 1, 2003 and of India Millennium Deposits (IMDs) since December 29, 2005.

(e) Data are provisional.

(1) Net of return of about ₹43 crore of Indian notes from Pakistan upto April 1985.

(2) Estimated : ten-rupee commemorative coins issued since October 1969, two-rupee coins issued since November 1982 and five-rupee coins issued since November 1985 are included under rupee coins.

(3) Exclude balances held in IMF Account No.1, Reserve Bank of India Employees' Provident Fund, Pension Fund, Gratuity and Superannuation Fund and Co-operative Guarantee Fund, the amount collected under the Additional Emoluments (Compulsory Deposit) Act, 1974 and the Compulsory Deposit Scheme (Income-Tax Payers') Act.

(f) Revised in line with the new accounting standards and consistent with the Methodology of Compilation (June 1998). The revision is in respect of pension and provident funds with commercial banks which are classified as other demand and time liabilities and includes those banks which have reported such changes so far.

Table Nos. 11 & 13

(a) On the establishment of National Bank for Agriculture and Rural Development (NABARD), on July 12, 1982, certain assets and liabilities of the Reserve Bank were transferred to NABARD, necessitating some reclassification of aggregates in the sources of money stock from that date.

(b) Please see item (c) of notes to Table 10.

(c) Data are provisional.

(1) Includes special securities and also includes ₹751.64 crore (equivalent of SDRs 211.95 million) incurred on account of Reserve Assets subscription to the IMF towards the quota increase effective December 11, 1992.

(2) Represents investments in bonds/shares of financial institutions, loans to them and holdings of internal bills purchased and discounted. Excludes since the establishment of NABARD, its refinance to banks.

(3) Inclusive of appreciation in the value of gold following its revaluation close to international market price effective October 17, 1990. Such appreciation has a corresponding effect on Reserve Bank's net non-monetary liabilities.

Table No. 11A

The conceptual basis of the compilation of the Commercial Bank Survey are available in the report of the Working Group on Money Supply: Analytics and Methodology of Compilation (Chairman: Dr. Y.V. Reddy), RBI Bulletin, July 1998, which recommended changes in the reporting system of commercial banks and the article entitled "New Monetary Aggregates: An Introduction", RBI Bulletin, October 1999.

(1) Time Deposits of Residents : These do not reckon non-residents' foreign currency repatriable fixed deposits (such as FCNR(B) deposits, Resurgent India Bonds (RIBs) and India Millennium Deposits (IMDs)) based on the residency criterion and exclude banks' pension and provident funds because they are in the nature of other liabilities and are included under 'other demand and time liabilities'.

(2) Short-term Time Deposits : Refers to contractual maturity of time deposits of up to and including one year. This is presently estimated at 45.0 per cent of total domestic time deposits.

(3) Domestic Credit : It includes investments of banks in non-SLR securities, comprising commercial paper, shares and bonds issued by the public sector undertakings, private sector and public financial institutions and net lending to primary dealers in the call/term money market, apart from investment in government and other approved securities and conventional bank credit (by way of loans, cash credit, overdrafts and bills purchased and discounted).

(4) Net Foreign Currency Assets of Commercial Banks : Represent their gross foreign currency assets netted for foreign currency liabilities to non-residents.

(5) Capital Account : It consists of paid-up capital and reserves.

(6) Other Items (net) : It is the residual balancing the components and sources of the Commercial Banking Survey and includes scheduled commercial banks' other demand and time liabilities, net branch adjustments, net inter-bank liabilities etc.

Table No. 11B

The conceptual basis of the compilation of new monetary aggregates are available in the report of the Working Group on Money Supply: Analytics and Methodology of Compilation (Chairman: Dr. Y.V. Reddy), RBI Bulletin, July 1998. A link series between the old and present monetary series has been published in the article entitled "New Monetary Aggregates: An Introduction", RBI Bulletin, October 1999.

(1) NM_2 and NM_3: Based on the residency concept and hence does not directly reckon non-resident foreign currency repatriable fixed deposits in the form of FCNR(B) deposits, Resurgent India Bonds (RIBs) and India Millennium Deposits (IMDs).

(2) NM_2 This includes M_1 and residents' short-term time deposits (including and up to the contractual maturity of one year) with commercial banks.

(3) Domestic Credit : Consistent with the new definition of bank credit which includes investments of banks in non-SLR securities, comprising of commercial paper, shares and bonds issued by the public sector undertakings, private sector and public financial institutions and net lending to primary dealers in the call/term money market. The RBI's loans and advances to NABARD would be included in the RBI credit to commercial sector. Other components such as credit to Government, investments in other approved securities and conventional bank credit remain unchanged.

(4) Net Foreign Assets of The Banking Sector : It comprises the RBI's net foreign assets and scheduled commercial banks' net foreign currency assets (refer to note 4 of Table 11A).

(5) Capital Account : It consists of paid-up capital and reserves.

(6) Other Items (net) of the Banking System : It is the residual balancing the components and sources of money stock, representing other demand and time liabilities *etc.* of the banking system.

Table No. 11C

The conceptual basis of the compilation of the Reserve Bank Survey is given in the report of the Working Group on Money Supply: Analytics and Methodology of Compilation (Chairman: Dr. Y.V. Reddy), RBI Bulletin, July 1998 and the article "New Monetary Aggregates: An Introduction", RBI Bulletin, October 1999. The components of reserve money (to be referred as M_0) remain unchanged. On the sources side, the RBI's refinance to the National Bank for Agriculture and Rural Development (NABARD), which was hitherto part of RBI's claims on banks has been classified as part of RBI credit to commercial sector. The Reserve Bank's net non-monetary liabilities are classified into capital account (comprising capital and reserves) and other items (net).

Table No. 12

Please see item (c) of notes to Table 10.

Table No. 26C

(a) Month-end yields for different integer valued residual maturities are estimated using interpolation technique on weighted average yields of select indicative securities derived from SGL transactions data on government securities observed during a select month-end day. Yield corresponding to each transaction in a security is calculated from the following Yield to Maturity (YTM) and price relationship.

$$P + bpi = \sum_{i=1}^{n} \frac{c/v}{(1+{}^{y}/_{v})^{vt_i}} + \frac{F}{(1+{}^{y}/_{v})^{vt_n}}$$

Where,

P = price of the bond

bpi = broken period interest

c = annual coupon payment

y = yield to maturity

v = number of coupon payments in a year

n = number of coupon payments till maturity

F = Redemption payment of the bond

t_i = time period in year till i^{th} coupon payment

(b) The weighted average yield corresponding to each traded security on that particular day is calculated from the yields of all transactions on that security using amount (Face Value) traded as the weights.

(c) Broken period (number of days) is based on day count convention of 30 days a month and 360 days a year.

Table Nos. 28 & 29

Table 28 presents Index Numbers of Industrial Production (Sectoral and Use-based Classification). Due to revision of the indices of the mining sector and also the deletion of four items, *viz.*, radio receivers, photosensitised paper, chassis (assembly) for HCVs (bus, truck) and engines from the item–basket of the manufacturing sector, the IIP data have been revised from 1994-95 onwards. This has also resulted in the change in redistribution of weights in use-based classification of IIP. Table 29 contains data on manufacturing sector at two digit level of 17 groups along with general index and sectoral indices, *viz.*, Mining and Quarrying, Manufacturing and Electricity.

Table No. 30

(a) Figures exclude data on private placement and offer for sale but include amounts raised by private financial institutions.

(b) Equity shares exclude bonus shares.

(c) Preference shares include cumulative convertible preference shares and equi-preference shares.

(d) Debentures include bonds.

(e) Convertible debentures include partly convertible debentures.

(f) Non-convertible debentures include secured premium notes and secured deep discount bonds.

(g) Figures in brackets indicate data in respect of premium on capital issues which are included in respective totals.

Table No. 34

The ban on forward trading in gold and silver, effective November 14, 1962 and January 10, 1963, has been lifted with effect from April 1, 2003.

(1) In case Friday is a holiday, prices relate to the preceding working day.

Table No. 35

Annual data relate to average of the months April to March.

(1) The new series of index numbers with base 2001=100 was introduced from January 2006 and with that the compilation of the index numbers with the base year 1982 was discontinued. The linking factor can be used to work out the index numbers with the base year 2001 for data from January 2006 onwards.

(2) Based on indices relating to 78 centres.

Table No. 36

Annual data relate to average of the months April to March. The new series of index numbers with base 1984-85=100 was introduced from November 1987.

(1) Based on indices relating to 59 centres.

As per the Press Release of Central Statistics Office, all-India linked Consumer Price Index for Urban Non-Manual Employees (UNME) has been discontinued with effect from January 2011. Therefore, this Table will not be updated henceforth.

Table No. 37

Annual data relate to the average of the months July to June.

(1) With respect to base: July 1960-June 1961=100.

(2) The new series of index numbers with base : July 1986 to June 1987 = 100 was introduced from November 1995 and with that the compilation of index numbers with base : July 1960 to June 1961 was discontinued. The linking factor given in this column can be used to work out the index numbers with old base (i.e., 1960-61 = 100) for November 1995 and subsequent months.

(3) In the case of Assam, the old series (i.e., with base 1960-61 = 100) was being compiled for the composite region viz. Assam, Manipur, Meghalaya and Tripura while the index of the new series (i.e., with base 1986-87 = 100) has been compiled for each of the constituent States separately. The index for Assam region on old base can be estimated from the corresponding indices of the new series as under :

$I^{A}_{O}= 5.89 [(0.8126 X I^{A}_{N}) + (0.0491 X I^{Ma}_{N}) +(0.0645 X I^{Me}_{N}) + (0.0738 X I^{T}_{N})]$

where I_O and I_N represent the index numbers for old and new series, respectively, and superscripts A, Ma, Me and T indicate Assam, Manipur, Meghalaya and Tripura, respectively.

(4) Similarly, in the case of Punjab, where the old series (*i.e.*, with base 1960-61 = 100) was being compiled for the composite region, *viz.*, Punjab, Haryana and Himachal Pradesh, the index for the Punjab region on old base can be estimated as under :

$I^{P}_{O}= 6.36 [(0.6123 X I^{P}_{N}) + (0.3677 X I^{Ha}_{N}) + (0.0200 X I^{Hi}_{N})]$

where I_O and I_N represent the index numbers for old and new series, respectively, and superscripts P, Ha and Hi indicate Punjab, Haryana and Himachal Pradesh, respectively.

(5) Indices for the State compiled for the first time from November, 1995.

(6) Consumer Price Index for Rural Labourers (including agricultural labourers) are compiled from November 1995 only.

(7) Average of 8 months (November 1995 - June 1996).

Table Nos. 38

The new series of index numbers with base 2004-05=100 was introduced in September 2010 and was first published in the October 2010 issue of the Bulletin. An article giving the details regarding the scope and coverage of new series is published in October 2010 issue of the Bulletin. As per the press release dated October 19, 2009 of the Cabinet Committee of Economic Affairs (CCEA), Government of India, the weekly release of WPI will cover only the 'Primary Articles' and the 'Fuel, Power, Light & Lubricants' groups. Now on, the WPI for 'All commodities' and 'Manufactured Products' will be released only on a monthly basis.

Table No. 39

(a) The foreign trade data relate to total sea, air and land trade, on private and government accounts. Exports are on f.o.b. basis and imports are on c.i.f. basis. Exports include re-exports of foreign merchandise previously imported to India and imports relate to foreign merchandise whether intended for home consumption, bonding or re-exportation. Direct transit trade, transshipment trade, passengers baggage, ship's stores, defence goods and transactions in treasure i.e. gold and current coins and notes, diplomatic goods, "proscribed substances" under Atomic Energy Act, 1962, are excluded from the trade data, while indirect transit trade, transactions in silver (other than current coins) and in notes and coins not yet in circulation or withdrawn from circulation are included.

Table Nos. 40 & 41

(1) Data up to 1980-81 are final, subsequent data are preliminary actuals.

(2) Interest accrued during the year and credited to NRI deposits has been treated as notional outflow under invisible payments and added as reinvestment in NRI deposits under Banking Capital – NRD.

(3) The item "Non-monetary Gold Movement" has been deleted from Invisibles in conformity with the IMF Manual on BOP (5 th edition) from May 1993 onwards; these entries have been included under merchandise.

(4) Since 1990-91 the value of defence related imports are recorded under imports (merchandise debit) with credits financing such imports shown under "Loans (External commercial Borrowings to India)" in the capital account. Interest payments on defence debt owed to the General Currency Area (GCA) are recorded under Investment Income debit and principal repayments under debit to "Loans (External commercial Borrowings to India)". In the case of the Rupee Payment Area (RPA), interest payment on and principal repayment of debt is clubbed together and shown separately under the item "Rupee Debt Service" in the capital account. This is in line with the recommendations of the High Level Committee on Balance of Payments (Chairman : Dr. C. Rangarajan).

(5) In accordance with the provisions of IMF's Balance of Payments Manual (5th Edition), gold purchased from the Government of India by the RBI has been excluded from the BOP statistics. Data from the earlier years have, therefore, been amended by making suitable adjustments in "Other Capital Receipts" and "Foreign Exchange Reserves". Similarly, item "SDR Allocation" has been deleted from the table.

(6) In accordance with the recommendations of the Report of the Technical Group on Reconciling of Balance of Payments and DGCI & S Data on Merchandise Trade, data on gold and silver brought in by the Indians returning from abroad have been included under import payments with contra entry under Private Transfer Receipts since 1992-93.

(7) In accordance with the IMF's Balance of Payments Manual (5th edition), 'compensation of employees' has been shown under head, "income" with effect from 1997-98; earlier, 'compensation of employees' was recorded under the head "Services – miscellaneous".

(8) Since April 1998, the sales and purchases of foreign currency by the Full Fledged Money Changers (FFMC) are included under "travel" in services.

(9) Exchange Rates : Foreign currency transactions have been converted into rupees at the par/central rates up to June 1972 and on the basis of average of the Bank's spot buying and selling rates for sterling and the monthly averages of cross rates of non-sterling currencies based on London market thereafter. Effective March 1993, conversion is made by crossing average spot buying and selling rate for US dollar in the forex market and the monthly averages of cross rates of non-dollar currencies based on the London market.

Explanatory Notes

Balance of payments is a statistical statement that systematically summarises, for a specific time period, the economic transactions of an economy with the rest of the world.

Merchandise credit relate to export of goods while ***merchandise debit*** represent import of goods.

Travel covers expenditure incurred by non-resident travellers during their stay in the country and expenditure incurred by resident travellers abroad.

Transportation covers receipts and payments on account of international transportation services. ***Insurance*** comprises receipts and payments relating to all types of insurance services as well as reinsurance.

Government not included elsewhere (G.n.i.e.) relates to receipts and payments on government account not included elsewhere as well as receipts and payments on account of maintenance of embassies and diplomatic missions and offices of international institutions.

Miscellaneous covers receipts and payments in respect of all other services such as communication services, construction services, software services, technical know-how, royalties etc.

Transfers (official, private) represent receipts and payments without a quid pro quo.

Investment Income transactions are in the form of interest, dividend, profit and others for servicing of capital transactions. Investment income receipts comprise interest received on loans to non-residents, dividend/profit received by Indians on foreign investment, reinvested earnings of Indian FDI companies abroad, interest received on debentures, floating rate notes (FRNs), Commercial Papers (CPs), fixed deposits and funds held abroad by ADs out of foreign currency loans/export proceeds, payment of taxes by nonresidents/ refunds of taxes by foreign governments, interest/discount earnings on RBI investment etc. Investment income payments comprise payment of interest on non-resident deposits, payment of interest on loans from non-residents, payment of dividend/profit to non-resident share holders, reinvested earnings of the FDI companies, payment of interest on debentures, FRNs, CPs, fixed deposits, Government securities, charges on Special Drawing Rights (SDRs) etc.

Foreign investment has two components, namely, foreign direct investment and portfolio investment.

Foreign direct investment (FDI) to and by India up to 1999-2000 comprise mainly equity capital. In line with international best practices, the coverage of FDI has been expanded since 2000-01 to include, besides equity capital reinvested earnings (retained earnings of FDI companies) and 'other direct capital' (intercorporate debt transactions between related entities). Data on equity capital include equity of unincorporated entities (mainly foreign bank branches in India and Indian bank branches operating abroad) besides equity of incorporated bodies. Data on reinvested earnings for the latest year are estimated as average of the previous two years as these data are available with a time lag of one year. In view of the above revision, FDI data are not comparable with similar data for the previous years. In terms of standard practice of BoP compilation, the above revision of FDI data would not affect India's overall BoP position as the accretion to the foreign exchange reserves would not undergo any change. The composition of BoP, however, would undergo changes. These changes relate to investment income, external commercial borrowings and errors and omissions. In case of reinvested earnings, there would be a contra entry (debit) of equal magnitude under investment income in the current account. 'Other Capital' reported as part of FDI inflow has been carved out from the figure reported under external commercial borrowings by the same amount. 'Other Capital' by Indian companies abroad and equity capital of unincorporated entities have been adjusted against the errors and omissions for 2000-01 and 2001-02.

Portfolio investment mainly includes FIIs' investment, funds raised through ADRs/GDRs by Indian companies and through offshore funds. Data on investment abroad, hitherto reported, have been split into equity capital and portfolio investment since 2000-01.

External assistance by India denotes aid extended by India to other foreign Governments under various agreements and repayment of such loans. External Assistance to India denotes multilateral and bilateral loans received under the agreements between Government of India and other Governments/International institutions and repayments of such loans by India, except loan repayment to erstwhile "Rupee area" countries that are covered under the Rupee Debt Service.

Commercial borrowings covers all medium/long term loans. Commercial Borrowings by India denote loans extended by the Export Import Bank of India (EXIM bank) to various countries and repayment of such loans. Commercial Borrowings to India denote drawals/repayment of loans including buyers' credit, suppliers' credit, floating rate notes (FRNs), commercial paper (CP), bonds, foreign currency convertible bonds (FCCBs) issued abroad by the Indian corporate etc. It also includes India Development Bonds (IDBs), Resurgent India Bonds (RIBs), India Millennium Deposits (IMDs).

Short term loans denotes drawals in respect of loans, utilized and repayments with a maturity of less than one year.

Banking capital comprises of three components : a) foreign assets of commercial banks (ADs), b) foreign liabilities of commercial banks (ADs), and c) others. 'Foreign assets' of commercial banks consist of (i) foreign currency holdings, and (ii) rupee overdrafts to non-resident banks. 'Foreign liabilities' of commercial banks consists of (i) Non-resident deposits, which comprises receipt and redemption of various nonresident deposit schemes, and (ii) liabilities other than non-resident deposits which comprises rupee and foreign currency liabilities to non-resident banks and official and semi-official institutions. 'Others' under banking capital include movement in balances of foreign central banks and international institutions like IBRD, IDA, ADB, IFC, IFAD etc. maintained with RBI as well as movement in balances held abroad by the embassies of India in London and Tokyo.

Rupee debt service includes principal repayments on account of civilian and non-civilian debt in respect of Rupee Payment Area (RPA) and interest payment thereof.

Other capital comprises mainly the leads and lags in export receipts (difference between the custom data and the banking channel data). Besides this, other items included are funds held abroad, India's subscription to international institutions, quota payments to IMF, remittances towards recouping the losses of branches/subsidiaries and residual item of other capital transactions not included elsewhere.

Movement in reserves comprises changes in the foreign currency assets held by the RBI and SDR balances held by the Government of India. These are recorded after excluding changes on account of valuation. Valuation changes arise because foreign currency assets are expressed in US dollar terms and they include the effect of appreciation/depreciation of non-US currencies (such as Euro, Sterling, Yen) held in reserves.

Table No. 42

1. Gold is valued at average London market price during the month.
2. Conversion of SDRs into US dollars is done at exchange rates released by the International Monetary Fund (IMF).
3. Conversion of foreign currency assets into US dollars is done at week-end (for week-end figures) and month-end (for month-end figures) New York closing exchange rates.
4. Foreign exchange holdings are converted into rupees at rupee-US dollar RBI Holding rates.
5. Reserve Tranche Position (RTP) in IMF has been included in foreign exchange reserves from April 2, 2004 to match the international best practices. Foreign exchange reserves figures have accordingly been revised for 2002-03 and 2003-04 to include RTP position in the IMF.

Table No. 49

The 5-country indices of REER/NEER were replaced with new 6-currency indices in December 2005. The RBI Bulletin December 2005 carried a detailed article on the rationale and methodology for the replacement. A revision has now been undertaken in the construction of the 6-currency REER indices. This revision was necessitated by a sudden spurt in Chinese inflation indices during April-May, 2006. It may be mentioned that Chinese inflation indices are not readily available in the public domain. The National Bureau of Statistics provides only point-to-point inflation rates on a monthly basis in the public domain. In view of this, inflation indices were constructed taking into account the inflation rates with 1993-94 as the base year. It may be further mentioned that the period from January 1993 to December 1995 was marked by continuous double digit inflation rates in China. This lent an upward bias to the Chinese inflation indices (base: 1993-94=100) leading to a sharp fall in the value of 6-currency REER in April 2006. In order to remove the distortion in REER on account of sudden spurt in Chinese inflation numbers, a new series of Chinese inflation indices has been constructed taking 1990 as the base year (a year with much less volatility in inflation rates). Subsequently, the base year of the new series of Chinese inflation indices has been changed from 1990 to 1993-94 through splicing to facilitate the construction of the 6-currency REER (base 1993-94=100).

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2) The Reserve Bank of India History 1935-1981 (3 Volumes) is available at leading book stores in India.

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				150 **		
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				150 **		
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				90 **		
				120 *		
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				250 *		
				190 **		
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	ix) March 1998 - Vol. 27		1999	220 *	70	
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	(a) CD-ROM			180	55 ☐	
				220 *	20 *	
	xviii) March 2006 - Vol. 35 (Print Version)		2007	280	60 ☐	
				320 *	25 *	
	xix) March 2007 - Vol. 36 (Print Version)		2008	280	60 ☐	
				320 *	25 *	
	xx) March 2008 - Vol. 37 (Print Version)		2009	300	60 ☐	
				340 *	25 *	

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	Title of the Publication	Department	Year of publication	Price (₹)	Price US $	Weight in gms. & RBP Charges of Single copy in ₹
	1	2	3	4	5	6
2.	Basic Statistical Return 1 & 2	DSIM				
	i) Handbook of Instructions (English)		1996	20 * £		
	ii) Handbook of Instructions (Hindi)		1996	20 * £		
	iii) Basic Statistical Returns 1 and 2 Handbook of Instructions		2002	35 *		
3.	i) Form A-1 (Revised)		1996	2 £		13
	ii) Form A-2 (Revised)		1996	3 £		38
	iii) BSR-1 A forms (1 pad contains 25 sheets)		1996	14 £		200 19
	iv) BSR-1 B forms (1 pad contains 25 sheets) (Revised)		1996	14 £		
	v) BSR-2 forms (1 pad contains 25 Sheets) (Revised)		1996	14 £		200 19
	(The Regional Rural Banks from Western region may please contact DESACS, RBI, B.K. Complex, Bandra (E), Mumbai 400 051 for BSR-1A, BSR-1B & BSR-2 forms.)					
4.	Banking Statistics Basic Statistical Returns 1 & 2	DSIM	2004	420	59 □	
	Vol. 1 to 31, 1972 to 2002 DISC 1 & 2			475 *	27 *	
5.	Banking Statistics-Summary Tables,	DSIM				
	i) March 1995		1997	25 *		
	ii) March 1996		1998	25 *		
	iii) March 1997		1999	25 *		
	iv) March 1998		1999	25 *		
	v) March 1999		2000	25 *		
	vi) March 2000		2001	25 *		
6.	Banking Statistics - Quarterly Handout #	DSIM				
	i) 1990 (4 Issues)		1990	40 * £		
	ii) March 1991		1991	10 * £		
	iii) June 1991		1991	12 * £		
	iv) September 1991		1991	15 * £		
	v) December 1991		1991	12 * £		
	vi) 1992 (3 Issues)		1992	75 *		
	vii) 1993 (4 Issues)		1993	120 *		
	viii) 1994 (4 Issues)		1994	120 *		
	ix) 1995 (4 Issues)		1995	120 *		
	x) 1996 (4 Issues)		1996	120 *		
	xi) 1997 (4 Issues)		1997	100 *		
	xii) 1998 (4 Issues)		1998	100 *		
	xiii) 1999 (4 Issues)		1999	100 *		
	xiv) 2000 (4 Issues)		2000	100 *		
	xv) 2001 (4 Issues)		2001	100 *		
	xvi) 2002 (4 Issues)		2002	100 *		
	xvii) 2003 (4 Issues)		2003	100 *		
	xviii) 2004 (4 Issues)		2004	140 *		
	xix) 2005 (4 Issues)		2005	140 *		
	xx) 2006 (4 Issues)		2006	140 *		
	xxi) 2007 (4 Issues)		2007	140 *		
	xxii) 2008 (4 Issues)		2008	140 *		
	xxiii) 2009 (4 Issues)		2009	240 *		
	Name changed w.e.f. Sept. 2003 issue as Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks.					
	xxiii) 2009 (4 Issues)		2009	240 *		
7.	Banking Statistics - Bank Credit	DSIM				
	i) June 1987		1989	20 * £		
	ii) December 1987 - June 1988		1989	40 * £		
	iii) December 1988		1989	20 * £		
	iv) June 1989		1989	25 * £		
8.	Banking Statistics 1972-95	DSIM	1998	120 *		
9.	Branch Banking Statistics - Vol. 1 March 1999	DSIM	1999	130 *	40	

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	1		2	3	4	5	6
10.	Branch Banking Statistics - Vol. 2 March 2001		DSIM	2001	130 * 50 **	40	
11.	Branch Banking Statistics - Vol. 3 March 2002 (On CD-ROM)		DSIM	2003	300 *	40	
12.	Branch Banking Statistics - Vol. 3 March 2002		DSIM	2003	185 *	40	
13.	Statistical Tables Relating to Banks in India		DSIM				
	i) 1988-89			1993	106 £ 123 *	12	
	ii) 1990-91			1999	130 180 *	 50	
	iii) 1992-93			1998	135 £ 200 *	50	
	iv) 1994-95			1997	125 185 *	45	
	v) 1995-96			1998	125 185 *	45	
	vi) 1996-97			1999	130 180 *	50	
	vii) 1997-98			1999	130 180 *	50	
	viii) 1998-99			1999	130 180 *	50	
	ix) 1999-00			2000	175 225 *	50	
	x) 2000-01	(a) Print version		2001	150 200 *	50	
		(b) CD-ROM		2001	150 225 *	50	
	xi) 2001-02	(a) Print version		2002	150 200 *	50	
		(b) CD-ROM		2002	100 150 *	 50	
	xii) 2002-03	(a) Print version		2003	200 250 *	50 *	
		(b) CD-ROM		2003	200 250 *	50 *	
	xiii) 2003-04	(a) Print version		2004	230 280 *	25 ☐ 15 *	
		(b) CD-ROM		2004	175 225 *	25 ☐ 15 *	
	xiv) 2004-05	(a) Print version		2005	190 240 *	55 ☐ 20*	
		(b) CD-ROM			200 250 *	55 ☐ 20*	
	xv) 2005-06	(a) Print version		2006	250 300 *	55 ☐ 20*	
		(b) CD-ROM			200 250 *	55 ☐ 20*	
	xvi) 2006-07	(a) Print version		2007	180 230 *	55 ☐ 20*	
		(b) CD-ROM			150 200 *	55 ☐ 20*	
	xvii) 2007-08	(a) Print version		2008	200 250 *	80 ☐ 20*	
		(b) CD-ROM			225 250 *	15 ☐ 45*	
	xviii) 2008-09	(a) Print version		2009	200 250 *	80 ☐ 20*	
		(b) CD-ROM			225 250 *	45 ☐ 15*	

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	1	2	3	4	5	6
14.	Selected Banking Indicators, 1947-1997 (Print Version)	DSIM	1998	45 £	15 105 *	
	(a) CD -ROM		1998	50		
15.	Selected Banking Indicators 1981 to 2002	do	2003	320 460 *	75	
16.	Selected Banking Indicators 1981 to 2002 (On CD-ROM)	do	2003	250 300 *	75	
17.	Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks 1981-2003 (on CD-ROM)	do	2004	185 240 *	55 □ 20 *	
18.	Annual Accounts of Scheduled Commercial Banks (Including Regional Rural Banks) 1989-90 to 2000-01 (on CD-ROM)	do	2002	200 250 *	50	
19.	Annual Accounts of Scheduled Commercial Bank (Including Regional Rural Banks 1979-2004) CD-Rom		2004	85 £ 135	25	
20.	Directory of Commercial Bank Offices in India Vol. 1-0 December 2000 (on CD-ROM)	do	2000	500 * £	100	
21.	Directory of Commercial Bank offices in India Vol. 2 September 2003 (On CD-ROM)	do	2003	200 * £	40 *	
22.	All-India Debt and Investment Survey 1981-82	do				
	i) Assets and liabilities of households as on 30th June 1981		1987	75 85 * 60 **	15	
	ii) Statistical tables relating to capital expenditure and capital formation of households during the year ended 30th June 1982		1987	125 £ 135 * 100 **	25	
	iii) Statistical tables relating to cash borrowings and repayments of households during July 1981 to June 1982 and cash dues outstanding as on 30th June 1982		1990	100 £ 110 * 80 **	32	
23.	A Profile of Banks					
	i) 2004-05	DSIM	2005	100 130 *	20 *	
	ii) 2005-06		2006	90 120 *	55 □ 20 *	
	iii) 2006-07		2007	90 120 *	55 □ 20 *	
	iv) 2007-08		2008	40 70 *	5 * 45 □	
	v) 2008-09		2009	60 90 *	5 * 45 □	
C.	**Public/Private Limited Companies**					
1.	Selected Financial Statistics Public Ltd. Companies 1974-75 to 1999-2000 (Selected Industries) on CD-ROM	DSIM	2001	350 *	70	
2.	Selected Financial Statistics Public Ltd. Companies 1974-75 to 1999-2000 (Selected Industries)	do				
	1974-75 To 1982-1983 Vol.I		2001	700 *	140	1700
	1982-83 To 1990-1991 Vol.II		2001			1500
	1990-91 To 1999-2000 Vol.III		2001			2000
	(₹ 700 for three volums)					
3.	Selected financial and other ratios-public limited companies	do				
	1980-81 to 1987-88 Vol.I		1990	45 £	15	
	Vol.II		1990	60 £	20	
	1988-89 to 1990-91 (Part I)		1996	90 £	50	
4.	Selected financial & other ratios-private limited companies 1988-89 to 1990-91 (Part II)	do	1996	80	45	

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	1	2	3	4	5		6
5.	Private Corporate Business Sector in India Selected Financial Statistics from 1950-51 to 1997-98 (All-Industries) (Print Version)	DSIM	2000	300 *	60 *		
	(a) CD-ROM			500 *	100 *		
D.	**Reports of Committees/Working Groups**						
1.	Study group on deployment of resources by State and Central co-operative banks (Hate committee report)	UBD	1982	25 * £			
2.	Capital formation and savings in India 1950-51 to 1979-80 Report of the working group on savings (Raj committee report)	DEPR	1982	18 £		400	21
3.	Report of the working group to consider feasibility of introducing MICR/ OCR technology for cheque processing (Damle committee report)	DBOD	1983	7 £ (Amt. rounded off)		200	19
4.	Report of the committee to review the working of the monetary system (Sukhamoy Chakravarty committee report)	DEPR	1985	35 £ 25 **	10		
5.	Report of the committee to consider final accounts of banks (Ghosh committee report)	DBOD	1985	56 £		500	22
6.	Report of the committee on agricultural productivity in Eastern India	DEPR					
	(Sen Committee Report) Vol. I		1985	70 * £	15		
	(Hard Bound) Vol. II		1985	85 * £	20		
7.	Report of the working group on the money market (Vaghul committee report)	MPD	1987	15 *			
8.	Report of the committee to review the working of credit authorisation scheme (Marathe committee report)	IECD (Old)	1988	10 *	10		
9.	Co-ordination between term lending institutions and commercial banks (Bucher committee report)	do	1988	10 *	1		
10.	Report of the working group to review the system of cash credit (Chore committee report)	do	1988	12 * £			
11.	Report of the study group to frame guidelines for follow-up of bank credit (Tandon committee report)	do	1988	16 * £			
12.	Report of the study group for examining introduction of factoring services in India (Kalyansundaram committee report)	do	1989	30 *			
13.	Report of the committee on computerization in banks (Rangarajan committee report)	DSIM	1989	40 £		500	22
14.	Report of the Committee on Financial System (Narasimham Committee Report)	DBOD	1991 (Reprint)	60 £		170	19
15.	Report of the working group on financial companies (Shah committee report)	DFC	1992	30 £		300	20
16.	Report of the task force on money market mutual funds (Basu committee report)	MPD	1992	10 * £	5		
17.	Report of the committee on the licensing of new urban co-operative banks (Marathe committee report) (Hindi Edition)	UBD	1992	40		400	21
18.	Report of the committee to examine the legal and other difficulties faced by banks and financial institutions in rehabilitation of sick industrial undertakings and suggestremedial measures including changes in the law (Tiwari committee report)	IECD (Old)	1993 (Reprint)	90 £		500	22
19.	Report of the committee on structure of export credit (Sundaram committee report) (English & Hindi Edition)	do	1993	36	25	200	19
20.	Report of the committee to review the system of lending under consortium arrangement (Shetty committee report)	do	1993	50 £			
21.	Report of the committee to examine the adequacy of institutional credit to the SSI sector & related aspects (Nayak committee report)	RPCD	1993 (Reprint)	55	9	300	20
22.	Review of the agricultural credit system in India (Khusro committee report)	do	1993 (Reprint)	270 £ 315 *	80		
23.	Report of the committee to enquire into securities transactions of banks and financial institutions (Jankiraman committee report)	DOC	1994	85 £ 100 *			
24.	Committee on technology issues relating to payments system, cheque clearing and securities settlement in the banking industry (Saraf committee report) (Hindi Edition)	DIT	1994	50 *£	20		

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25.	Report of the committee to study the problems of sick/weak units in leather industry and to suggest measures to overcome them (Balsubramanian committee report)	IECD (Old)	1994	69 £			
26.	Report of the working group for examining the schemes and incentives available to NRIs for investment in India (Sodhani Committee Report)	FED	1995	50 *£	10		
27.	Report of the expert group for designing a supervisory framework for non-banking financial companies (Khanna Committee Report)	DBOD	1996	35		307	21
28.	Report of the committee for proposing legislation on electronic funds transfer and other electronic payments (Shere Committee Report)	DIT	1996	150	15	333	21
29.	Report of the Committee on Capital Account Convertibility (Tarapore Committee Report)	DEIO	1997	100 *	35		
30.	Money Supply : Analystics and Methodology of Compilation- Report of the working group (Reddy Committee Report)	DEPR	1998	35 £	20		
31.	Report of the high level Committee on agricultural credit through commercial banks(Gupta Committee Report)	RPCD	1998	30 £		200	19
32.	Report of the high level Committee on credit to SSI (Kapur Committee Report)	do	1998	50 £	10	277	20
33.	Report of the Technical Committee on external debt (Nair Committee Report)	DEPR	1998	20 *£	15		
34.	Report of the Committee on Banking Sector Reforms (Narasimham Committee Report)	DBOD	1998	32		244	20
35.	Report of the Working Group on Euro (Subramanyam Committee Report)	DEIO	1998	100 £	30		
36.	Report of the Committee on Hedging through International Commodity Exchange (Gupta Committee Report)	FED	1998	100 *	50		
37.	Report of the Committee on Tecnnology Upgradation in the Banking Sector (Vasudevan Committee Report)	DIT	1999	100 *	25		
38.	Report of the High Power Committee on Urban Co-operative Banks (Madhava Rao Committee Report)	UBD	1999	80		490	22
39.	Report of the Advisory Group on Payment and Settlement System Part (I) June 2000	MPD	2000	40 * 30 **	15		
40.	Report of the Advisory Group on Payment and Settlement System (Part II)	do	2000	20 * 15 **	10		
41.	Report of the Advisory Group on Payment and Settlement System (Part III)	do	2001	20 * 15 **	10		
42.	Report of the Advisory Group on "Transparency in Monetary and Financial Policies".	do	2001	45 * 35 **	20		
43.	Report of the Advisory Group on Corporate Governance	do	2001	40 * 30 **	15		
44.	Report of the Advisory Group on Fiscal Transperency	do	2001	30 * 20 **	 15		
45.	Report of the Advisory Group on Data Dissemination	do	2001	35 * 25 **	20		
46.	Report of the Advisory Group on Banking Supervision	do	2001	90 * 60 **	40		
47.	Report of the Advisory Group on Securities Market Regulation	do	2001	25 * 20 **	10		
48.	Report of the Advisory group on Bankruptcy Laws (Volume-I & II)	do	2001	90 * 75 **	45		
49 .	Report of the Advisory Group on Insurance Regulation	do	2001	35 * 25 **	20		
50	Report of the Advisory group on Accounting & Auditing	do	2001	40 *	20		
51.	Report of the Technical Group on Market Integrity	do	2002	65 * 50 **	20		
52	Standing Committee on International Financial Standards and Codes on CD-ROM	do	2002	200 * 150 **	60		

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	1	2	3	4	5	6	
53.	Report of the Standing Committee on International Financial Standards and Codes	MPD	2002	65 * 50 **	20		
54.	The Standing Advisory Committee for Urban Co-operative Banks	UBD					
	i) First meeting		1983	5		200	19
	ii) Second meeting		1984	6 £		200	19
	iii) Third meeting		1985	6		200	19
	iv) Fourth meeting		1985	9		300	20
	v) Fifth meeting		1986	9 £		200	19
	vi) Sixth meeting		1988	12 £		200	19
	vii) Seventh meeting		1989	12		200	19
	viii) Eighth meeting		1990	21		300	20
	ix) Ninth meeting (Bilingual edition)		1992	24		200	19
	x) Tenth meeting		1994	95		300	20
	xi) Eleventh meeting		1995	90		300	20
	xii) Twelfth meeting		1996	52		100	18
E.	**Manuals**						
1.	Manual for urban co-operative banks	UBD	1984	15 £		400	21
2.	Manual on costing exercise in commercial banks	MSD	1987	5 £		200	19
3.	Manual on costing exercises in private sector and urban banks (Reprint)	do	1989	27 £		200	19
4.	RBI-Exchange Control Manual- (Reprint of 1993 edition) (Vol.I & II) (updated upto July, 1998)	FED	1998	400 £		2200	39
	i) RBI - Exchange Control Manual on floppy Disc - size 3.5 (Upadated upto June, 1999)		1999	400 £			
	ii) RBI - Exchange Control Manual - on C.D. Rom (updated upto 31st May, 2000)		1999	400 £			
F.	**Compendium of Circulars**						
1.	i) Compendium of A.D. (M.A. Series) circulars No. 1	FED	1997	75 £			
	ii) Compendium of A.D. (M.A. Series) circulars No. 2		1998	120 £			
	iii) Compendium of A.D. (M.A. Series) circulars No. 3		1999	200			
2.	A. D. (M.A. Series) Circular No. 11 Foreign Exchange Management Act 1999	do	2000	185		900	26
3.	MPD Circulars						
	i) August 1970 to December 1981 - Vol. I	MPD	1989	75 *			
	ii) January 1982 to March 1989 - Vol.II		1989	75 *			
	iii) April 1989 to April 1995 Vol.III		1996	200		1530	33
4.	i) Circulars on Monetary and Credit Policy Vol. 4 (From May 1995 to April 1997)		2002	165 * 130 **	50		
	ii) Circular on Monetary and Credit Policy Vol. No. 5 (From May 1997 to March 1999)		2002	235 422 * 372 ** 185 ***	70		
	iii) Circulars on Monetary and Credit Policy Vol. No. 6. Part I & II (from April 1999 to March 2003) (English & Hindi)						
	a) Print Version (A set of four books)		2003	900 1300 * 1100 ** 700 ***	170		
	b) CD-ROM			400 * 300 **	80		
	iv) Circulars on Monetary and Credit Policy Vol. No. 7 (from April 2003 to March 2004) (English & Hindi)						
	a) Print Version		2004	250 275 * 200 **	25 □ 20 *		
	b) CD-ROM			180 200 * 140 **	5 □ 12 *		

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	v) Circulars on Monetary and Credit Policy Vol. No. 8	MPD	2005				
	(from April 2004 to March 2005)			375	30 *		
	(a) Print Version (Billingual)			400 *			
				280 **			
	(b) CD-ROM			180	15 *		
				200 *			
				140 **			
	vi) Compendium of MPD Circulars - Vol. No. 9		2006	480	35 *		
	(April 2005 - March 2006) (Billingual)			500 *			
				375 **			
	vii) Circulars on Monetary Policy Vol. No. 10		2007	600	40		
	(April 2006 to March 2007) Billingual			620 *			
				450 **			
	viii) Circulars on Monetary Policy Vol. No. 11 (CD-ROM)		2008	210	8 *		
	(April 2007 to March 2008)			230 *			
				160 ***			
				180 **			
	ix) Circulars on Monetary and Credit Policy Vol. No. 12 (CD-ROM)		2009	335	9 *		
	(from April 2008 to March 2009)			355 *	43 □		
				275 ***			
				255 **			
5.	IECD circulars	IECD (Old)					
	i) July 1978 to June 1986 bilingual (Vol.I & II)		1993	250	10	2114	39
	ii) 1986-89		1990	70		1325	31
	iii) 1989-94 (Vol. I&II)		1995	250 £		2295	40
	iv) 1994-95		1995	80		700	24
	v) 1995-96		1996	55		380	21
	vi) 1996-97		1997	65		445	22
6.	Rural Planning and Credit Department (RPCD) Circulars (Bilingual edition)	RPCD					
	i) July 1994 to June 1995 (Vol. X)		1998	180			
				200 *			
	ii) July 1995 to June 1996 (Vol. XI)			180 £			
				200 *			
	iii) July 1996 to June 1997 (Vol. XII)		1999	180			
				200 *			
	iv) July 1997 to June 1998 (Vol. XIII)		1999	180			
				200 *			
	v) July 1998 to June 1999 (Vol. XIV)		2000	180			
				200 *			
	vii) July 1999 to June 2000 (Vo. XV)		2001	210			
				240 *			
7.	Compendium of Circulars on Small Scale Industries	do	2000	120	25		
				150 *			
8.	RPCD Circular (on CD-ROM) (1st July 1982 to 31 March 2004)	do	2004	120			
				150 *			
9.	RPCD Circulars on Small Scale Industries (upto 30-09-2004)	do	2004	120			
	on CD-ROM			150 *			
10.	Compendium of Circulars on Small Scale Industries	do	2004	140			
	(January 2000 - March 2004)			170 *			
11.	UBD circulars	UBD					
	i) June 1985		1986	115		274	20
	ii) 1985-1992 (Vol.I & II)		1995	250		3195	49
	iii) 1992-1994		1995	165		1792	35
	iv) 1995-96		1997	55		735	25

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	1	2	3	4	5	6	
12.	i) Compendium of Instructions/Guidelines issued by RBI for Primary Co-operative Banks (July 1996-December 1997)	UBD	2000	85 £		742	25
	ii) Compendium of Instructions/Guidelines issued by RBI for Primary Co-operative Banks (January 1998-December 1999)		2003	100 £		1032	68
	iii) Compendium of Instructions/Guidelines issued by RBI for Primary Co-operative Banks (January 2000-December 2001)		2003	120 £		1300	68
G.	**Memorandum**						
1.	Memorandum of Exchange Control Manual, 1993 containing detailed procedural instructions	FED					
	a) Relating to general insurance in India (GIM)		1994	20		70	19
	b) Relating to channeling transactions through Asian Clearing Union (ACM)		1996	20		70	19
	c) Relating to co-operative/commercial banks (other than authorised dealers) authorised to maintain non-resident rupee accounts (ABM)		1994	20 £			
	d) Memorandum of Instructions to full-fledged money changers (FLM)		1999	30 £		110	19
	e) Memorandum of Instructions to restricted money changers (RLM)		1999	30 £		90	18
	f) Memorandum of Instruction on project & service exports (PEM)		1997	40 £		280	20
2.	Memorandum of Exchange Control Regulations Relating to general insurance in India (GIM)	do	2002	30			26
3.	Memorandum of instructions to Authorised Money Changers (AMC)	do	2002	30			
4.	Memorandum of Procedure for channelling transaction through Asian Clearing Union (ACU) Memorandum ACM	do	2003	30			21
5.	Memorandum of Instructions on Project and Service Exports (PEM)	do	2003	40			
H.	**Reserve Bank of India Occasional Papers (Quarterly)**	DEPR	–				
	i) 1987 to 1989 (Yearly four issues)			30 * @ £	10 @		
	ii) 1990 to 1995 (Yearly four issues)			35 * @ £	25 @		
	iii) 1996 (Yearly four issues)			35 * @	25 @		
	iv) 1997 (Three issues)			35 * @	25 @		
	v) (Combined issue June-September, 1997)			70 * @	50 @		
	vi) 1998 (Yearly four issues)			40 * @	25 @		
	vii) 1999 (Yearly 3 issues)			50 * @	30 @		
	viii) 2000 (Yearly 2 issues) Summer - Vol. 21 No. 1			80 * @	45 @		
	ix) (Monsoon & Winter Combined Issue) - Vol. 21 No. 2 & 3			80 * @	45 @		
	x) 2001 Vol. 22 Nos. 1, 2 & 3 (Combined Issue)			80 * @	45 @		
	xi) 2003 Vol. 24 Nos. 1 & 2 (Summer & Monsoon Combined Issue)			80 * @ £	45 * @		
	xii) 2003 Vol. 24 No. 3 (Winter)			80 * @	45 * @		
	xiii) 2004 Vol. 25 No. 1, 2 & 3 (Summer, Monsoon & Winter Combined Issue)			80 * @ £	45 * @		
	xiv) 2006 Vol. 27 No.1 and 2 (Summer and Monsoon Combined Issue)			80 * @	45 * @		
	xv) 2006 Vol. 27 No. 3 (Winter)			80 * @	45 * @		
	xvi) 2007 Vol. 28 (Yearly Three Issues)			80 * @ £	45 * @		
	xvii) 2008 Vol. 29 (Yearly Three Issues)			80 * @ £	45 * @		
	xviii) 2009 Vol. 30 (Yearly Three Issues)			80 * @	45 * @		
I.	**Others Important Publications**						
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Editor

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– Editor

RBI provides Web based Access to its Database on Indian Economy

The Reserve Bank of India has released a number of long time series data on several aspects of Indian economy covering key macro economic aggregates to the public in user-friendly manner through dynamic web based application.

Objective : The Database on Indian Economy is built for the convenience of researchers, analysts and other users. It is created to provide the public with an access to the published data series, with additional details on some series as available in the Reserve Bank of India's enterprise wide data warehouse.

Coverage : Data available on published time series, can be accessed through a completely browser based software include data on:

- financial sector,
- real sector,
- financial market,
- external sector,
- public finance and
- corporate finance

Features :

- All the data series are accompanied with data definitions, i.e. metadata, which allow the user to view the definitions/concepts of the underlying variables;
- The data definitions provides search feature;
- Extract data through standard reports which allows the users to select and view the preformatted reports or
- Dynamic 'data query', which enables user to define list of data series and allows the user to choose the time period for data extraction.
- Data files can be downloaded in the form of CSV / pdf format.

Access : The data can be accessed from the home page of the RBI website (www.rbi.org.in) through the static headline 'Database on Indian Economy' List of data series available on the site is available on the homepage of the site, i.e. Database on Indian Economy.

This list will be proggressively enlarged on the basis of feedback received and availability of relevant data series in the RBI data warehouse. Feedback may please be sent to dbiehelpdesk@rbi.org.in or through the feedback option on the home page of the website.

– Editor

India's Financial Sector – An Assessment

A comprehensive assessment of India's financial sector by the **Committee on Financial Sector Assessment (CFSA)**, constituted by the Government of India and the Reserve Bank of India, evaluating financial sector stability and development, identifying gaps in compliance with various international financial standards and codes, and suggesting corrective policy measures. The Report contains six volumes. Volume III – VI contain independent reports by the four Advisory Panels assisting the CFSA as follows:

- **Financial Stability Assessment and Stress Testing**, covering macro-prudential analysis, stability assessment and stress-testing of the financial sector **(Volume III).**
- **Financial Regulation and Supervision**, covering assessment of standards pertaining to banking regulation and supervision, securities market regulation and insurance regulation **(Volume IV).**
- **Institutions and Market Structure**, covering assessment of financial infrastructure including legal, regulatory and liquidity management aspects and standards regarding accounting and auditing, corporate governance, payment and settlement systems and effective insolvency and creditor rights systems **(Volume V).**
- **Transparency Standards**, covering assessments of standards regarding transparency in monetary and financial policies, fiscal transparency and data dissemination **(Volume VI).**

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Perspectives on Central Banking: Governors Speak

2009-10 marks the Platinum Jubilee of the Reserve Bank of India. On this occasion, the Reserve Bank has brought out a book entitled ***Perspectives on Central Banking: Governors Speak***, which is a compendium of landmark speeches by its Governors.

The compendium provides a glimpse into the ideas, issues and concerns that shaped the institution over the years. The array of themes covered in the speeches - monetary policy, external sector management, issues in the financial sector and the real economy, regulation and supervision of banks, poverty and financial inclusion and the policy challenges in a globalised environment - is a reflection of the broad mandate of the Reserve Bank and its enduring concern for the larger public good.

The book is available on sale at all the Sales & Dissemination counters of the Reserve Bank all over India and also at Sales Section, Division of Reports and knowledge Dissemination, Department of Economic and Policy Research, Reserve Bank of India, Amar Building (First Floor), P. M. Road, Fort, Mumbai - 400 001 (Contact Number: 022 - 2260 3000 Extn.: 4002). M/s Jain Book Agency, C-9, Connaught Place, New Delhi - 110 001 and their dealer network are the official distributors, Ph.: 011 2341 6390 upto 94, Fax: 011 4151 3850, website: www.jba.in, email: sales@jba.in.