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SPEECHES

NIBM Golden Jubilee Celebrations
Hon'ble President Shri Ram Nath Kovind

Banking Landscape in the 21st Century
Shaktikanta Das

NIBM Golden Jubilee Celebrations*

- Governor of Maharashtra, Shri Bhagat Singh Koshyari
- Governor, Reserve Bank of India, Shri Shaktikanta Das
- Director, National Institute of Bank Management, Doctor K. L. Dhingra
- Members of Governing Board, Students, Faculty and other Staff members
- Distinguished Guests
- Ladies and Gentlemen

It gives me immense pleasure to be here with all of you on the occasion of the Golden Jubilee celebrations of the National Institute of Bank Management (NIBM). Fifty years of service to the nation is a matter of pride. I offer my hearty congratulations to everybody associated with the Institute on this occasion.

It was the great foresight of Reserve Bank of India and banks to have set up the National Institute of Bank Management for capacity building. It was founded as an autonomous apex institution for research, training, education and consultancy in bank management. It has been living up to its mandate. I gather that since inception more than 1.1 lakh bankers have been trained here. NIBM campus has also hosted nearly 9,000 international students. The Institute has thus contributed immensely to the building of India's 'soft power' abroad. During my visits abroad as President, I am glad to see youngsters from India as well as those educated or trained in India making an impact.

Ladies and gentlemen,

Banks are fulcrum of our economic system. Their efficiency in this role has earned trust and respect of people. Our Constitution promised economic justice for all citizens. Banks were considered the crucial vehicle to deliver this Constitutional commitment. On this occasion, I commend banks in India for charting out a mandate well beyond their traditional role as a financial intermediary. They have been an integral part of the State's efforts to reach out to every section of our population.

Over the years, banks have played a sterling role in fuelling India's economic growth. At the time of Independence, the banking sector faced many challenges including lack of presence and instability. For a nascent Republic, these were major hurdles in creating economic opportunities for its citizens. But the progress made by the banking sector since then can be viewed with sense of satisfaction. Today the number of bank branches opened in a year is comparable to the total number of branches we had at the time of Independence. Banks have made their presence felt in most of the villages of India. Regulatory oversight of the Reserve Bank of India has also brought greater stability to banking operations. I have learnt that recently role of Reserve Bank of India as regulator has been enhanced. We trust that this will deter malpractices and make our financial systems more credible.

For a very long period after independence, a large number of people, particularly the poor, had no access to banking. Efforts made by Banks under "Pradhan Mantri Jan Dhan Yojana" have significantly changed this position. One can say that never before in history have so many been brought into the fold of the formal financial system. As the scheme progressed, nearly 35 crore bank accounts have been opened. This number is larger than the population of all countries except ours and China's.

* Address by the Hon'ble President of India, Shri Ram Nath Kovind at the Golden Jubilee Celebrations of the National Institute of Bank Management, Pune, February 12, 2020.

I heartily commend the efforts of all individuals in the banking sector in making it possible. I would also urge them not to leave any citizen behind. It need not be emphasised to a banker that this is also the best way of gaining 'market depth' and 'de-risking operations'.

Through financial inclusion, we have taken rapid strides in covering the unbanked sectors of our population. The challenge before us is now to deeply involve those included. I would urge all of you to think of financial products which meet the needs of those at the bottom of the ladder. I have noted that NIBM has good research facilities. These need to be used for creation of financial products for the poorer sections of the population. Progress of the country depends on the contribution of the collective economic strength of the poor. Self-help group movements, led by women, have shown benefits one can reap by investing in the poor.

Deep involvement of those at the bottom of ladder requires display of empathy and compassion by Bankers. This needs greater engagement on part of banks with our underprivileged population and attitudinal change towards them. Our banks have done a commendable job in changing banking from an elitist pursuit to a service available to common man. Millions of lives have been touched through direct transfer of funds under various welfare schemes to bank account of poor and needy. I have learnt that these funds amount to almost 9.2 lakh crore rupees. This is indeed very reassuring and we can raise our bar of expectations.

Women, all of you will agree, have greater financial acumen. I note with satisfaction that the gender gap in ownership of accounts is coming down rapidly. This takes us a few steps closer to our Constitutional goal of economic as well as social justice. I request banks to take proactive measures to bring greater gender parity in ownership of financial assets. As part of social responsibility, banks can adopt certain geographical areas for increasing financial awareness among women. NIBM may consider designing toolkits, which banks can use.

I had the opportunity to meet many 'Divyang' persons during my visits to different parts of India. My Interaction with them revealed their tremendous potential, when provided an enabling environment. Divyang are more than 2 per cent of our population and we have to make every effort to fully integrate them in the financial mainstream. I gather that Reserve Bank of India has issued detailed guidelines regarding easy access of banking facilities to 'Divyangajan'. I will urge Reserve Bank of India to proactively take all measures to improve access of financial services to our 'Divyang sisters and brothers'.

Ladies and gentlemen,

India has become one of the largest economies in the world. Banks have been a constant part of India's growth saga. As India aims to become a 5-trillion-dollar economy, the banking sector has to start preparing for the next big leap. This mainly involves "banking with the unbanked" and "securing the unsecured". In this pursuit, I urge NIBM to take responsibility of creating a pool of trained human resource, which is skilled to serve banking institutions of global standards.

India's future journey will be greatly helped if banks exhibit deeper reach and become more efficient. Given the growing size of our economy, we should aim to have more than just one name in the world's top 100 banks.

Our future roadmap will also have to consider our 'demographic dividend'. Banks have a significant role to play in ensuring that this advantage is suitably leveraged. Schemes such as MUDRA and Stand-Up India are channelling funds to aspirational entrepreneurs. I will request all bankers to keep a keen eye and not let a good idea die for lack of funding.

Banks have been at the forefront of adopting technology. Innovations such as faster settlement systems, internet banking and payment banks have made banking much easier for a customer. Global admiration which indigenously developed United Payment Interface has drawn is a tribute to leadership provided by Reserve Bank of India and all Indians can be proud of this. I am certain that banks are keenly looking at new emerging technologies to maintain high standards. I trust Reserve Bank of India is also providing necessary guidance, as well as addressing the issue of proper safeguards in adoption of technology.

Ladies and gentlemen,

After independence banks were also considered part of a social contract of ensuring growth with equity. Considering importance of banks in the economic system of the country, Banking Regulation Act was implemented in 1949. Founding fathers of our Nation were very conscious of the role banks have to play as holders of public trust. I will exhort all bankers to judge their actions by this touchstone given to us. As custodian of public money, banks have significant fiduciary responsibility in the economy. They have to take all possible prudential measures to ensure that trust is not betrayed in any manner. Recent proposal to enhance Deposit Insurance Coverage from ₹1 lakh to ₹5 lakh is a positive step in the direction of assuring savers.

From small beginning, banks have become multicultural organisations. Banks, therefore, stand for the values of plurality enshrined in our Constitution. It is important that we continue to pursue equality and diversity both within the banks as well as in extending our services to the society.

It is heartening to note that the NIBM has come to be widely recognised as a centre of learning and excellence in India and abroad. I gather that NIBM is developing manpower to meet evolving requirements of our Banking sector. I congratulate Governor, Reserve Bank of India, current and past directors, faculty and staff of the Institute for this achievement and look forward to their greater dedication and contribution towards supporting the banking industry.

I wish students and faculty of NIBM all success in their future endeavours and many glorious years ahead.

Thank you
Jai Hind!

*Banking Landscape in the 21st Century**

Shaktikanta Das

It is indeed a matter of great pleasure for me to be here today in the Annual Banking Conclave of the Mint. I am told that this is the 13th edition of Conclave in what has become a prestigious annual event attracting the best and brightest minds of the finance and banking industry. This Conclave provides an important platform to all stakeholders in India's financial and banking sector for assessing where we stand today and preparing ourselves for where we want to reach tomorrow.

Several issues facing the Indian banking sector have occupied the attention of policy makers in the last few years. Being a regulator and supervisor of banks, the Reserve Bank stands committed to ensuring a sound and robust banking system in the country. Emergence of new business models and new technology and its application in banking and finance have thrown up new opportunities. With the aim of taking a deeper look at India's banking sector in the context of these new developments, the topic that I have chosen for my talk today is 'Banking Landscape in the 21st Century'.

Finance and banking have emerged as engines of global economic growth. It is argued, and in my opinion rightly so, that technology has played a pivotal role in the proliferation of financial services[1]. Cheques, wire transfers, ATMs and credit cards were important innovations of such nature. Fast forward to more recent times, it seems that we are already witnessing yet another paradigm shift in banking on the back of a technological revolution that promises better customer experience, risk management and returns to shareholders[2]. Given this environment, it becomes extremely important to understand what it entails for the banking sector and how we can prepare ourselves for the times ahead. Against this background, let me now begin with discussing trends in global banking and then I shall dwell on some recent trends in Indian banking, new dimensions of banking and way forward.

I. Global Banking: Emerging Regulatory Trends

The global financial crisis represents a watershed for the banking sector. It exposed the inherent vulnerabilities of an otherwise formidable international financial system. The crisis paved the way for an overhaul of the regulatory framework, long lasting changes to the economic and financial environment, and shifts in the competitive landscape of financial services industry.

International standard setting bodies like the Basel Committee on Banking Supervision (BCBS) and the Financial Stability Board (FSB) were prompt in addressing the shortcomings of the pre-crisis regulatory framework. Consequently, many regulatory norms including leverage, liquidity and capital adequacy were reviewed as part of the Basel-III reforms aimed at making the global financial system more resilient. To address liquidity risk, new instruments such as the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) were introduced, supplemented by large exposures framework capping large and risky exposures. Aimed at addressing the "Too Big to Fail (TBTF)" problem, the FSB phased in the Total Loss Absorbing Capacity (TLAC) for the Global Systemically Important Banks (G-SIBs) to rebuild their capital buffers. Various jurisdictions also adopted other key reforms initiated by the FSB, such as sound resolution

* Shri Shaktikanta Das, Governor, Reserve Bank of India, speech delivered at the Mint's Annual Banking Conclave on February 24, 2020.

1 Arner, D. W., Barberis, J., & Buckley, R. P. (2015). The Evolution of Fintech: A New Post-crisis Paradigm. Georgetown Journal of International Law, 47, 1271.

2 Gupta, A., & Xia, C. (2018). 'A Paradigm Shift in Banking: Unfolding Asia's FinTech Adventures'. Banking and Finance Issues in Emerging Markets (International Symposia in Economic Theory and Econometrics, Volume 25).

regimes for financial institutions and effective supervision of compensation practices. Regarding non-bank financial intermediation (NBFI), the FSB has been conducting annual monitoring exercises since 2011. Broadly, it has been observed that, several aspects of NBFI which contributed to the financial crisis have considerably declined.

Given the initiatives taken by the international bodies, policy makers across jurisdictions have been fortifying their regulatory frameworks. These policies are expected to pay back in the medium to long run by enhancing the soundness and resilience of the global banking system. More recently, with the global growth slowdown that began in 2018, credit growth, being procyclical, has decelerated across major economies. This, in turn, has adversely affected bank profitability. Despite distinct improvement in asset quality, structural weaknesses like continued overreliance on investment in government securities in the Euro area and wholesale funding in many advanced economies remain. Nevertheless, capital position of banks has improved consistently in major advanced and emerging market economies on the back of various regulatory reforms introduced after the global financial crisis.

II. Indian Scenario

At the Reserve Bank of India, we have largely complied with Basel standards in terms of countercyclical capital buffer (CCCB); capital requirements for central counter-parties (CCPs); leverage ratio framework; Liquidity Coverage Ratio(LCR); Net Stable Funding Ratio (NSFR); Domestic-Systemically Important Banks (D-SIBs) requirements; and a supervisory framework for measuring and controlling large exposures. On the resolution front, some progress has been made in terms of the notification issued by the Central Government under section 227 of the Insolvency and Bankruptcy Code (IBC). We may, however, expect to have an integrated framework for resolution of financial firms operating in India in the near future. The implementation of this reform is of particular importance for having a resilient financial system in India.

In terms of recent progress, the Indian banking sector is slowly turning around on the back of improvements in asset quality with enhanced resolutions through the IBC. Despite the recent decline in impaired assets and a significant improvement in provisioning, profitability of the banking sector remains fragile. Capital position of banks has, however, improved on account of recapitalisation of public sector banks by the Government and capital raising efforts by private sector banks. Nevertheless, the sector continues to encounter challenges from events like those around the telecom sector.

Consequently, the overhang of non-performing assets (NPAs) remains relatively high which is weighing on credit growth. Also, in view of subdued profitability and deleveraging by certain corporates, risk-averse banks have shifted their focus away from large infrastructure and industrial loans towards retail loans. This diversification strategy, while helpful as a risk mitigation tool, has its own limitations. Further, sector specific pockets of stress need policy attention. At the same time, proper due diligence and risk pricing in lending is of prime importance so that the health of the banking sector is not compromised while ensuring adequate flow of credit to productive sectors of the economy.

The banking stability indicator, as reported in the Reserve Bank's Financial Stability Report of December 2019[3], shows an improvement. Timely mitigation measures like faster resolution, better recovery, *etc.,* need to be continued to bring down the gross non-performing assets (GNPA) ratios of all scheduled commercial banks (SCBs). While lower rate of credit growth limits the size of the denominator for measuring GNPA, risks arising out of global and domestic economic conditions and geo-political developments persist.

[3] *https://www.rbi.org.in/Scripts/PublicationReportDetails.aspx?UrlPage=&ID=946*

III. New Dimensions of Banking

Emerging Structure of Banking

While global banking system is still in the process of addressing the gaps exposed by global financial crisis, new issues have surfaced and challenged the very core of the traditional banking business. Globally, banks are facing increasing competition from non-traditional players, which are taking advantage of digital innovation. Banking structures across the globe are adapting to these new impulses.

Numerous FinTech startups have formed, spanning the banking and financial services industry. They have entered the payments and remittance space in the sphere of peer-to-peer lending, crowd-funding, trade finance, insurance, account aggregation and wealth management. Through collaboration with FinTech players, several banks are applying a hybrid model where mobile services interact with banking services.

Banks are not only facing competition from Fintech companies but also from large technology companies (BigTechs) which are entering into financial services industry in a big way. Building on the advantages of the reinforcing nature of their data-network activities, some BigTechs are venturing into payments, money management, insurance and lending activities. At present, financial services are only a small part of their business globally. But given their size and reach, their entry into financial services has the potential to bring about rapid transformation of the financial sector landscape. It may, of course, bring many potential benefits. Using big data, BigTechs can assess the riskiness of borrowers, reducing the need for collateral[4]. Hence, their low-cost structure business can easily be scaled up to provide basic financial services to the unbanked population.

These developments pose a challenge to banks as well as banking regulators. Banks have to imbibe these new technology and business practices to remain competitive. Banking regulators, on the other hand, have to focus on achieving a balance between promoting innovation and applying a measured/ proportional supervisory and regulatory framework. All these mean that the future of banking will not be a continuation of the past. We would see a very different banking sector, in terms of structure and business model, in the coming years.

So, what would be a possible scenario in India? Distinct segments of banking institutions may emerge in the coming years. The first segment may consist of large Indian banks with domestic and international presence. This process will be augmented by the merger of Public Sector Banks (PSBs). The second segment is likely to comprise several mid-sized banking institutions including niche banks with economy-wide presence. The third segment may encompass smaller private sector banks, small finance banks, regional rural banks and co-operative banks, which may specifically cater to the credit requirements of small borrowers in the unorganised sector in rural/ local areas. The fourth segment may consist of digital players who may act as service providers directly to customers or through banks by acting as their agents or associates. The reoriented banking system will of course be characterised by a continuum of banks. The banking space would also include both traditional players with strong customer base and new technology led players.

In the context of the emerging scenario, a properly worked out consolidation of public sector banks can generate synergies in allocation of workforce and branches as well as streamlining of operations to meet the future challenges. The focus has to be on ushering in significant improvements in efficiency and rationalisation of scarce capital to meet the capital adequacy requirements. Investments in technology and skill building has to be stepped up. Bigger and agile banks may be able to reposition themselves with better branding exercises, backed by improved technology, skills and business models.

[4] Bank for International Settlements (2019), 'Annual Economic Report', June.

Ultimately, the strength of a banking system depends on the strength of its corporate governance that fosters a robust and ethics-driven compliance culture. In this context, the Reserve Bank has been issuing instructions on corporate governance. For example, the compensation guidelines for whole time directors, Chief Executive Officers (CEOs) and material risk takers of banks have also been substantially modified. Large-scale divergences and frauds observed across banks raises questions on the role and effective utilisation of internal control systems within banks to identify areas of emerging risks. The Reserve Bank has issued the revised guidelines on the concurrent audit system in banks, drawing from the recommendations of the Expert Committee under Shri Y.H. Malegam. The guidelines are aimed at strengthening the internal control functions enjoining greater responsibility on the audit committees of the Boards while providing them greater leeway. Besides, Reserve Bank would also issue draft guidelines on corporate governance in banks, as indicated in our Annual Report and reiterated in the Report on Trends and Progress of Banking in India 2018-19 published in August 2019 and December 2019, respectively.

Digital Disruptions

Besides structural changes, digital disruptions will continue to transform the banking sector. Initiatives undertaken by the Government, the Reserve Bank and the industry have led to a radical shift towards ubiquitous digitization, which has provided an impetus to adoption of technology. There is a unique confluence of several positives like demographic dividend, Jan Dhan-Aadhar-Mobile (JAM) trinity, *etc.*, that would further support rapid digitisation of financial services in India.

With inroads into their traditional businesses, banks are expanding into newer areas such as insurance, asset management, brokerage and other services. It is heartening to note that the mindset of banks is changing and they no longer view FinTech firms as disruptive. This change in approach has provided the financial services sector a sense of security. There is evidence that Fintech companies are acting as enablers in the banking ecosystem. Banks are relying on a number of strategies to embrace technological innovation; ranging from investing in FinTech companies and founding their own FinTech subsidiaries, to collaborating with Fintech companies. Banks and non-banks are partnering to offer the combination of trust and innovation to the Indian consumer. This "best of both worlds" approach has resulted in tremendous growth in the number of digital payments, which is expected to continue. These strategies can effectively ensure that banks retain market share, as customers increasingly value more efficient and cost-effective services.

In the light of these developments, conventional banking is making way for next-generation banking with a focus on digitisation and modernisation. The need for brick and mortar branches is being reviewed continuously as digitisation has literally brought banking to one's fingertips, obviating the need to physically visit a bank branch for most of the banking services.

The movement towards digital payments has also been facilitated by introduction of fast payment systems, such as Immediate Payment Service (IMPS) and Unified Payment Interface (UPI), which provide immediate credit to beneficiaries and are available round the clock. The extent of digital penetration can be gauged from the fact that, each day on an average, the payment systems in India process more than 10 crore transactions of nearly ₹ 6 lakh crore. Today, digital payments account for around 97 per cent of daily payment system transactions in terms of volume. This has been made possible with an accelerated growth of over 50 per cent in the volume of digital payment transactions in the last five years.

The Reserve Bank has recently started operating its retail payment system, *viz.*, National Electronic Funds Transfer (NEFT) on a 24x7 basis. This is a game changer and places India among very few countries which provide this facility. The Bank for International Settlements (BIS), in a recently published paper, has indicated that the UPI framework of India can become an international model to facilitate quick and seamless payments not only within countries but even across countries. There is considerable interest at International fora to understand and learn from our experience in furthering digital payments and we are very glad to share and collaborate. The National Payments Corporation of India (NPCI) has also decided to set up a subsidiary to focus on taking the UPI model to other countries which will help enhance global outreach of India's payment systems. With a view to encourage competition and further innovation in the retail payments space, we have also placed on our website a draft framework of a pan-India New Umbrella Entity (NUE) for retail payment systems for public comments.

Strengthening Regulation and Supervision

In the context of ever expanding dimensions of the banking sector in the 21st century, we need to be aware of the extensive regulatory and supervisory reforms essential for ensuring stability and inclusiveness of the banking sector. It has been RBI's endeavor to constantly improve the efficacy of its supervisory and regulatory functions, so that the resilience of the regulated financial entities can be enhanced. A number of steps have been taken in the recent past in this regard. In particular, we have reorganised the supervisory and the regulatory departments of the Reserve Bank with the aim to improve coordination and allocate resources more optimally. From a supervisory perspective, this will augment the identification of systemic and idiosyncratic risks which will help us build synergy between off-site and on-site supervision teams.

We are also following a calibrated supervisory approach to bring in required modularity and scalability, to better focus on risky practices and institutions and to deploy an appropriate range of tools and technology to achieve our supervisory objectives. We are focusing on a sharper and more forward-looking off-site surveillance framework as an aid to our on-site supervision. A Sup-tech initiative is being implemented as a part of the integrated compliance management and tracking system. This will facilitate transparent and efficient monitoring of all pending compliances of supervised entities through a web-based interface, automate the inspection planning process and cyber incident reporting, and ensure seamless collection of data. Thematic studies will be undertaken across banks and other financial sector entities. New elements of supervision will also be introduced from time to time. The proposed Research and Policy Division and Risk Specialists Division will assist in this process.

Appropriately recognising the systemic importance of non-banking financial companies (NBFCs) and their inter-linkages with the financial system, the Reserve Bank has taken necessary steps to ameliorate the concerns relating to their asset quality and liquidity. The amendment to the Reserve Bank of India Act 1934, effective August 1, 2019, has further empowered the Reserve Bank to constructively intervene in the operations of NBFCs. The asset-liability management (ALM) position and other relevant aspects of top 50 NBFCs are being closely monitored, which covers all NBFCs with asset size above ₹5000 crores. The ALM of top 51-100 NBFCs is also being examined by the respective regional offices of the Reserve Bank.

In addition to the four pillars of supervision *viz.* on-site inspection, off-site surveillance, market intelligence and reports of Statutory Auditors (SAs), a fifth pillar of supervision in the form of periodic interaction with all the stakeholders – including statutory auditors, credit rating agencies, credit information companies, mutual funds and banks having large exposures to NBFCs – has been instituted to have a clearer understanding of the emerging risks and developments in the sector so that critical information is available, whenever required.

As regards the co-operative banking segment, we have developed a robust stress-testing framework for urban cooperative banks (UCBs). It also acts as an early warning system for co-operative banks with the purpose of timely identification of weak banks for appropriate action. This is a shift from reactive to pro-active supervisory approach, intended to ensure surveillance of vulnerabilities in UCBs on an ongoing basis. Moreover, as on December 31, 2019, more than 90 per cent of these banks are now on Core Banking Solution (CBS), although efforts are still required to standardize the solutions and have robust set of internal controls implemented in the CBS for improved outcomes. The CAMELS (Capital, Asset Quality, Management, Earnings, Liquidity and Systems and Control) supervisory rating methodology for UCBs has also been comprehensively revised. We have also taken steps to bring UCBs under the CRILC reporting framework and issued draft guidelines on exposure norms to mitigate credit concentration risk and enhancement in Priority Sector lending targets to further financial inclusion. To improve governance, we have issued guidelines on constitution of Board of Management (BOM) for UCBs with deposit size of ₹100 crores and above while making it voluntary for adoption by other smaller UCBs. Further, in order to have appropriate regulatory powers for RBI in respect of co-operative banks, almost on par with those over banking companies, certain amendments in the Banking Regulation Act, 1949 have been proposed.

IV. Way Forward

The changing landscape of the banking industry will unfold in the backdrop of a strong regulatory and supervisory regime with increased intensity and tech-enabled supervision of banks. The challenge before banks is to make the best use of technology and innovation to bring down intermediation costs while protecting their bottom lines. Further, Artificial Intelligence (AI), Machine Learning (ML) and Big Data are becoming central to financial services innovation. They can also help in fraud detection and in identifying better ways of monitoring use of funds by borrowers, track suspicious transactions, etc. by processing large datasets.

One of the challenges for policy makers, especially in countries like India, is to ensure that new innovations in banking sector serve the customer by reducing the cost of financial services and enhancing the range and access to products in a manner that is safe. Advanced analytics and real-time monitoring of emerging cybersecurity risks will be critical in detecting potential threats and enabling pre-emptive action.

As the Indian banking sector is propelled forward to a higher orbit, banks would have to strive hard to remain relevant in the changed economic environment by reworking their business strategies, designing products with the customer in mind and focusing on improving the efficiency of their services. The possibilities are enormous. We should be seized of the issues and act in time.

ARTICLES

Monetary Policy Transmission in India –
Recent Trends and Impediments

Food Processing Industry in India:
Challenges and Potential

*Monetary Policy Transmission in India – Recent Trends and Impediments**

This article examines monetary policy transmission to various segments of the financial system in India with a special emphasis on banks' deposit and lending interest rates during the current easing cycle so far, i.e., since February 2019. While transmission to money market and long-term rates has been swift and almost complete, the transmission to deposit and lending interest rates has been muted. A key factor impeding quick and adequate transmission to banks' lending rates has been long maturity profile of bank deposits at fixed interest rates. Even otherwise, banks are slow in adjusting their deposit interest rates. Under the external benchmark system introduced effective October 1, 2019 for select categories of loans, transmission to banks' lending rates will no longer be contingent upon adjustment in deposit interest rates. Instead, changes in lending rates will induce changes in deposit interest rates.

Introduction

Monetary transmission is the process through which monetary policy impulses in the form of policy rate changes by a central bank are transmitted to the entire spectrum of interest rates such as money market rates, bond yields, bank deposit and lending rates and asset prices such as stock prices and house prices. Various economic agents such as households, firms and the government respond to these interest rate changes by adjusting their spending behaviour. This alters aggregate demand and by aligning it with aggregate supply conditions, the broader macroeconomic policy objectives such as price stability and sustainable growth of the economy are achieved.

In a country like India where the banking system constitutes a predominant segment of the financial system, efficient transmission to banks' deposit and lending interest rates is the key to achieving the ultimate objectives of monetary policy. However, transmission to banks' lending rates in India is impeded by a variety of factors, the most important being the long maturity profile of deposits at fixed interest rates.

This article assesses monetary transmission to various segments of the financial system during the current easing cycle (February 2019 – January 2020) with a special focus on banks' deposit and lending interest rates. During this period, the policy repo rate was cut cumulatively by 135 basis points (bps) and the monetary policy stance was changed from calibrated tightening to neutral in February 2019 and then to accommodative in June 2019.

The study is organised in six sections. While Section II briefly outlines the monetary policy transmission to money and bond market yields, Section III assesses the transmission to deposit and lending rates of commercial banks. Section IV delineates the impediments to monetary transmission in India. Section V describes briefly the advantages of an external benchmark linked pricing of loans *vis-à-vis* an internal benchmark. Section VI sums up the main findings and sets out some final reflections.

II. Transmission to the Money and Bond Markets

Monetary transmission has been full and reasonably swift across various money market segments and the private corporate bond market during the current easing cycle so far. For example, the transmission of policy rate changes to the weighted average call rate (WACR) was instantaneous. The transmission to other overnight money market segments – triparty repo rate and market repo rate – moved in step with call money rates. Interest rates in

* This article is prepared by Arghya Kusum Mitra and Sadhan Kumar Chattopadhyay of Monetary Policy Department. The views expressed in the article are those of the authors and not of the institution they represent. The authors acknowledge the inputs provided by Joice John and Krishna M. Kushawaha. Help provided by Avnish Kumar, Sulabha Nadgouda, Sunil B. Sawant and Nilesh Dalal in compilation of data is gratefully acknowledged.

the secondary market on short-term money market instruments such as 3-month certificates of deposit (CDs), 3-month commercial papers (CPs) and 91-day Treasury bills (T-Bills) moved in sync with the policy rate. Overall, as against the cumulative reduction of 135 bps in the policy rate during February 6, 2019 - January 31, 2020, the 3-month yield on T-Bills declined by 144 bps. Similarly, the 3-month CD rate declined by 167 bps, while yield on 3-month CPs issued by non-banking finance companies (NBFCs) and non-NBFCs declined by 190 bps and 140 bps, respectively. Transmission to the government securities market, however, was partial with the 5-year and 10-year G-sec yields declining by 74 bps and 76 bps, respectively. Over the entire easing cycle, the spread between the corporate bond yield and the policy repo rate remained broadly stable, reflecting complete transmission from the policy repo rate to corporate bond yields.

While transmission of policy rate changes to overnight segment was relatively smooth, instantaneous and almost full, transmission to longer-term money market rates and bond market yields was at times impacted by market imperfections as also several other idiosyncratic factors such as changing perceptions of credit risk, the evolving fiscal situation and changes in oil prices. For instance, rating downgrades of CPs issued by select NBFCs impacted the transmission to the CP market during June-July 2019. Likewise, transmission to CDs was impeded from time to time by balance sheet concerns faced by some banks. Between February and mid-September 2019 (the fortnight ended September 13, 2019), credit growth outpaced deposit growth, which exerted upward pressure on CD rates. Similarly, softening of yields on long-term bonds during the first half of 2019 was aided by a decline in oil prices and lower expectations of inflation. During mid-July till September, long-term yields were influenced by concerns over fiscal slippage arising from anticipation of a stimulus and domestic/geo-political tensions. Unconventional monetary policy measures announced on February 6, 2020, such as introduction of longer term repos of 1-year and 3-year maturities resulted in a lowering of bond yields.

Using daily secondary market data, it is observed that the correlation coefficients between the policy repo rate on the one hand and overnight rates, *viz.*, WACR, market repo rate and triparty repo rate on the other ranged between 0.90 to 0.98 (Table 1). The correlation coefficients of the policy rate and other

Table 1: Money Market Rates and G-Sec and Corporate Bonds Yields – Correlation Matrix

(February 2019 – January 2020)

Instrument	Policy Repo Rate	WACR	Market Repo	Tri Party Repo	3M T- Bill	3 M CD	3M CP-NBFC	5 Yr. G Sec	5Yr AAA Corporate bond	10Yr G Sec	10Yr AAA Corporate bond
Policy Repo Rate	1.00	0.98	0.90	0.96	0.87	0.98	0.95	0.87	0.95	0.88	0.89
WACR		1.00	0.89	0.96	0.86	0.97	0.94	0.86	0.96	0.89	0.89
Market Repo			1.00	0.90	0.72	0.88	0.86	0.72	0.84	0.76	0.78
Tri Party Repo				1.00	0.83	0.96	0.92	0.83	0.92	0.84	0.86
3M T Bill					1.00	0.90	0.86	1.00	0.92	0.95	0.92
3 M CD						1.00	0.97	0.90	0.97	0.90	0.90
3M CP NBFC							1.00	0.86	0.94	0.86	0.86
5Yr G Sec								1.00	0.92	0.95	0.92
5 Yr AAA Corporate bond									1.00	0.93	0.95
10Yr G Sec										1.00	0.95
10Yr AAA Corporate bond											0.97

M: Month, Yr : Year.
Source: RBI, Bloomberg, authors' calculations.

money market rates, *viz.*, 3-month CP, CD and T-bills were also quite high (0.87 to 0.98). The correlation coefficient between the policy repo rate and 5-year G-Sec yield was 0.87, while that between the policy repo rate and 5-year corporate bond yield was 0.95. Further, the correlation coefficients for 10-year G-Sec and 10-year corporate bond yields were found to be 0.88 and 0.89, respectively, during the period. The correlation coefficients of money and bond market rates with the policy rate were statistically significant.

A regression analysis based on weekly data for the period February 2019 – January 2020 suggests a co-movement between the policy rate and the market rates. However, standard deviations of the error term were also found to be significant, suggesting that factors other than the policy rate also had a bearing on transmission (Table 2). Because of this, correlation coefficients of the policy rate and market rates, especially, those at the longer end, were found to be lower than unity (Table 1).

Table 2: Monetary Policy Transmission: Regression Analysis

Dependent Variable (Y)	Coefficient of Repo Rate (X)	Standard Deviation of Error (ε)
WACR	0.982*	0.166*
Triparty Repo	0.956*	0.269*
Market Repo	0.958*	0.307*
3 Month T-Bill	1.002*	0.237*
3 Month CD	1.087*	0.430*
CP-3 Months NBFC	1.159*	0.399*
5-Year G-Sec	1.172*	0.213*
5-Year AAA Corporate Bond	1.353*	0.170*
10-Year G-Sec	1.208*	0.217*
10-Year AAA Corporate Bond	1.419*	0.259*

Regression equation is $Y = BX + \varepsilon$, where X is the policy repo rate and Y is the interest rate on money/bond market variable.
*: Statistically significant at 1 per cent.

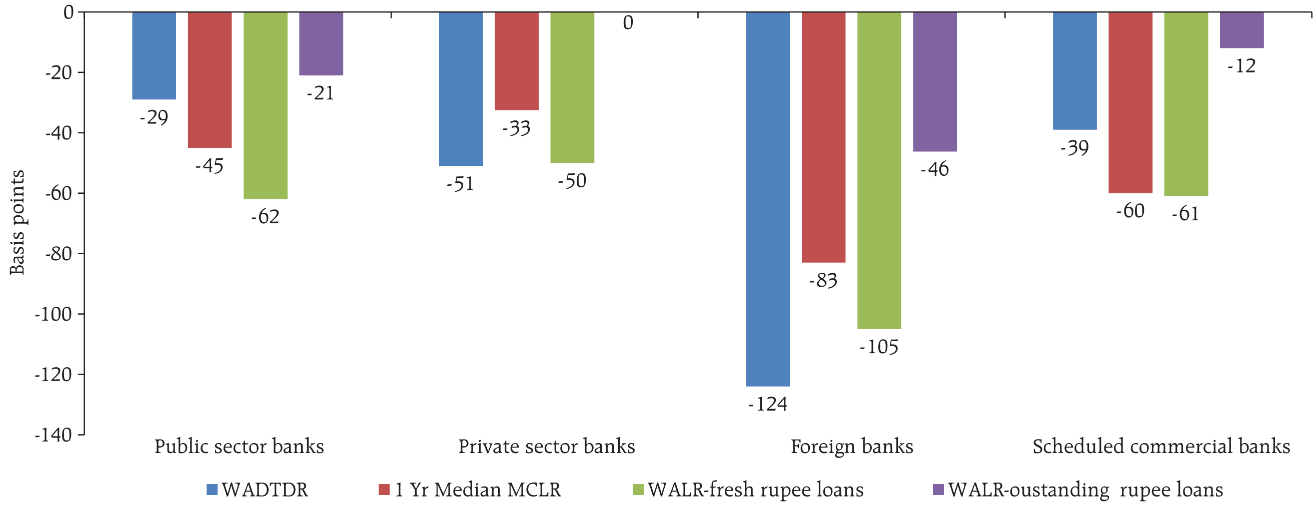
III. Transmission to Deposit and Lending Interest Rates

In response to the cumulative reduction in the policy repo rate by 135 bps since February 2019, most banks have reduced their term deposit rates; some banks also reduced their saving deposit interest rates. The decline in the weighted average domestic term deposit rate (WADTDR) on outstanding deposits was muted till September 2019. However, following the introduction of linking new floating rate loans to retail and micro and small enterprises (MSEs) to an external benchmark, effective October 1, 2019, the WADTDR declined sharply by 32 bps during October 2019 – January 2020 as against the decline of just 7 bps over the previous eight months. Overall, the WADTDR declined by 39 bps between February 2019 and January 2020. The weighted average lending rate (WALR) on fresh rupee loans declined by 61 bps, while that on outstanding rupee loans declined by 12 bps during February 2019 - January 2020.

At the bank group level, the transmission to deposit and lending interest rates has been uneven, reflecting idiosyncratic factors. In the case of WADTDR, the largest decline was observed in the case of foreign banks (124 bps), followed by private sector banks (51 bps) and public sector banks (29 bps). In the case of fresh rupee loans, the largest decline in the WALR was observed in respect of foreign banks (105 bps), followed by public sector banks (62 bps) and private sector banks (50 bps). In the case of outstanding rupee loans, the largest decline was noticed in the case of foreign banks (46 bps) (Chart 1).

At a disaggregated level, 74 banks reduced their 1-year marginal cost of funds-based lending rates (MCLRs), while five banks raised their 1-year MCLRs. While 18 public sector banks and 17 private sector banks reduced MCLRs, three private sector banks increased their 1-year MCLRs (Chart 2).

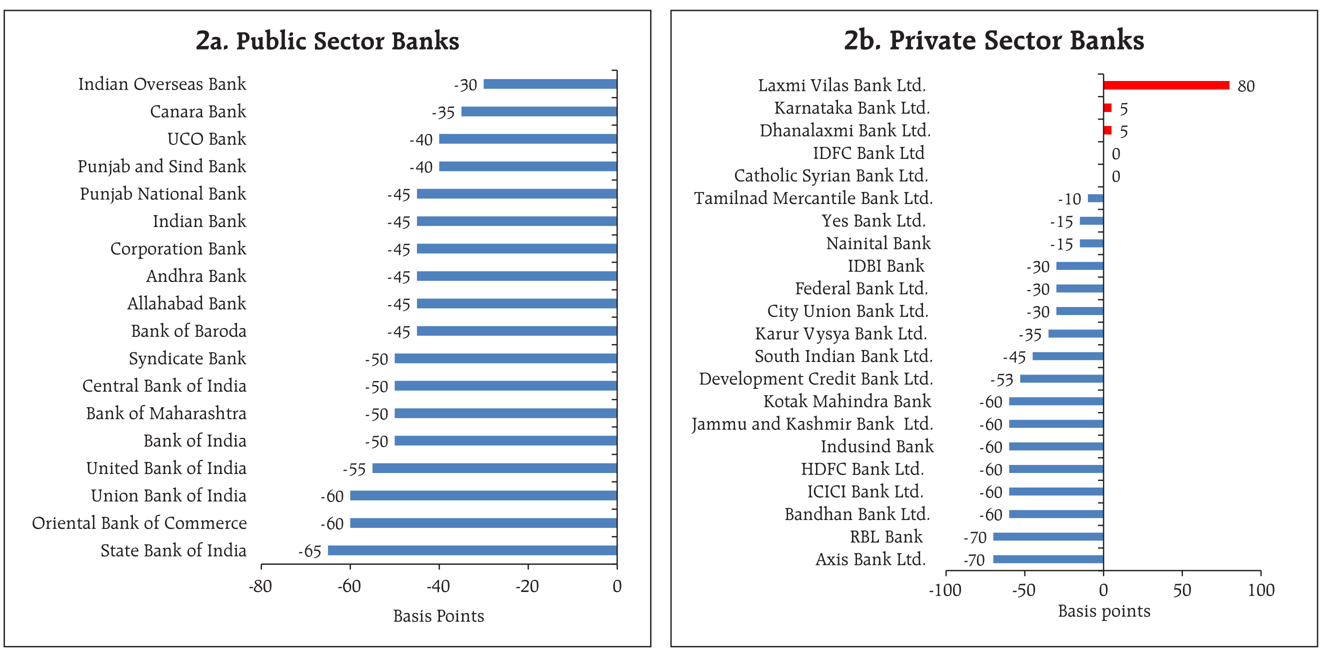
Chart 1: Monetary Transmission - Bank Group-wise
(February 2019 - January 2020)



Source: RBI.

The median WALR charged by private sector banks was higher than that of public sector banks due to their higher 1- year median MCLR as also the higher spreads charged by them over MCLR (Chart 3)[1]. Higher MCLR reflects higher cost of funds, while higher spreads reflect divergent loan portfolios and quality of loan portfolio. Overall, transmission to bank lending rates, particularly on outstanding rupee loans, has

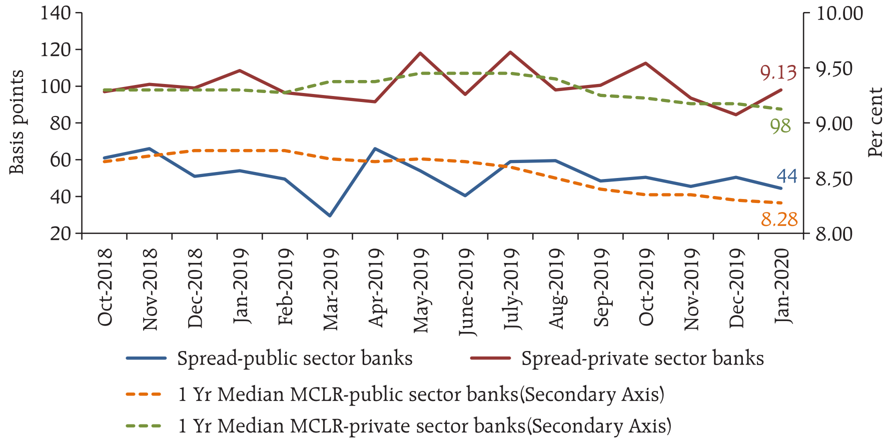
Chart 2: Monetary Transmission to Marginal Cost of Funds-based Lending Rate
(February 2019 – January 2020)



Source: RBI.

[1] Spread is defined as WALR on fresh rupee loans over 1-year MCLR.

Chart 3: Median Spread - WALR (Fresh loans) over 1-Year MCLR



January 2020	Public Sector Banks	Private Sector Banks
Median MCLR (%)	8.28	9.13
Median Spread over MCLR (bps)	44	98
Median WALR (%)	8.63	9.77

Notes: (i) Since the size of the balance sheet of foreign banks is small, spreads in respect of these banks are not shown.
(ii) Median spread of the bank group is arrived at from the spread (difference between WALR and 1-year MCLR) of each bank within the group.

Source: RBI.

been inadequate despite some improvement in the more recent period.

IV. Monetary Policy Transmission to Bank Deposit and Lending Interest Rates - Impediments

Monetary transmission to bank lending interest rates is impacted by several factors: both endogenous, which are under the control of the banking system; and exogenous, which are not within the control of the banking system, as detailed below.

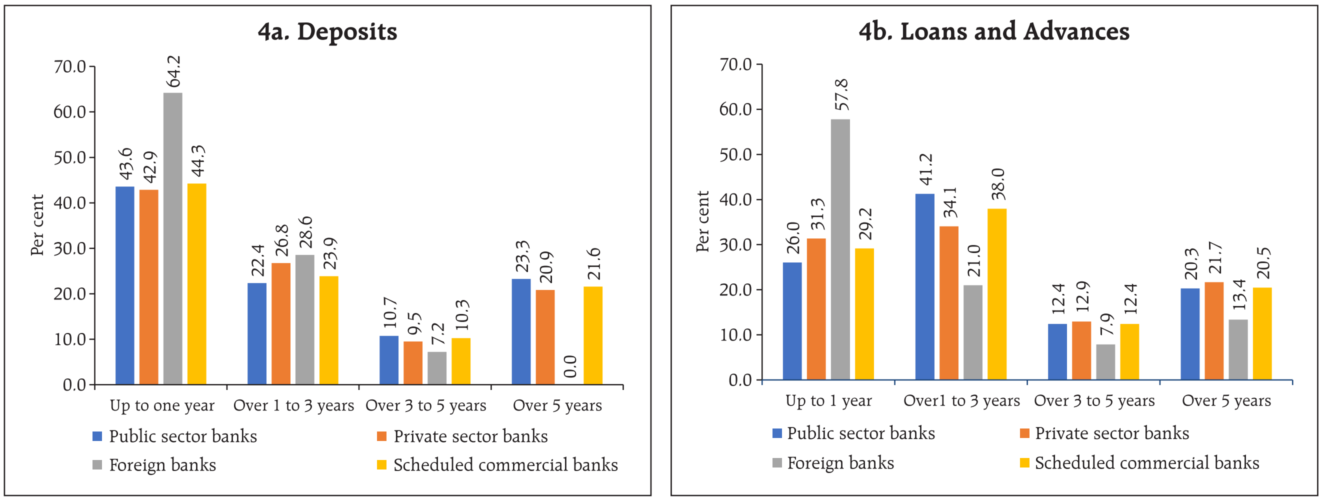
IV.1 Long Maturity Profile of Deposits at Fixed Interest Rates

The MCLR system is primarily based on the cost of funds - equity and borrowings (deposits and other borrowings) of banks.[2] Since retail deposits comprise the bulk of the funds of banks, transmission to banks' MCLR is inextricably linked to movements in the cost of such deposits. The banks' cost of funds, however, is inflexible for two reasons: (i) long maturity profile of banks' deposits; and (ii) fixed interest rates on such deposits. As at end-March 2019, the latest period for which data are available, more than half of the deposits of commercial banks were in the maturity bucket of 'one year and above' and over 20 per cent were in the maturity bucket of 'five years and above' (Chart 4a).[3] Long maturity profile of deposits in itself does not impede monetary transmission provided interest rates on such deposits move in line with the policy rate. However, almost all bank deposits are at fixed interest rates. This makes banks' outstanding liability profile insensitive to changes in the policy rate. The transmission, in particular, is impeded more during the easing cycle than during the tightening cycle. In the tightening cycle when interest rates rise, depositors have the option to prematurely terminate their deposits and redeploy them at higher interest rates. Banks also have the incentive to raise their lending rates even before an increase in their deposit interest rates, as the demand for credit is strong. During the easing cycle, on the other hand, banks have to wait until old deposits contracted at higher interest rates mature and are renewed at lower rates, which delays the process of transmission to lending rates.

[2] The other components of MCLR are negative carry on cash reserve ratio (CRR), operating cost and the tenor premium.

[3] The maturity profile of deposits and loans is not expected to change significantly, especially in the short run.

Chart 4: Maturity Profile of Deposits and Loans - March 2019



Source: Statistical Tables Relating to Banks in India, RBI, 2019.

As the economy transits from a tightening cycle to an easing cycle, deposits contracted at high interest rates during the peak of the tightening cycle keep the average cost of deposits elevated in the initial months of the easing cycle. This is more so in the case of public sector and private sector banks as they hold more than 20 per cent of their deposits with maturity of five years and above, unlike foreign banks, which hold a negligible share of their deposits with maturity of five years and above.

Unlike deposits, which are at fixed rates, most of loans (over 75 per cent) are at floating rates (Table 3). The maturity profile of loans and advances extended by public sector and private sector banks is skewed towards longer-term loans (one year and more), while that of foreign banks towards shorter tenor (up to one year) (Chart 4b). Loans at floating rates, by design, are expected to facilitate monetary transmission. However, transmission to lending rates, despite loans being at floating rates, is impeded due to long maturity profile of deposits at fixed interest rates.

The median interest rates on fresh term deposits (card rates) declined cumulatively by 31 bps during the current easing cycle (up to January 2020). Now the question is why banks are slow in adjusting their deposit interest rates. Under the MCLR system, banks are required to apply any change in the card deposit rate on new deposits in the computation of the MCLR. The tenor of MCLR is typically one year, while the weighted average maturity of deposits of

Table 3: Shares of Fixed and Floating Interest Rate Loans – Bank Group-wise

(Percentage share)

Bank Group	Fixed rate Loans				Floating rate loans			
	Mar-17	Mar-18	Mar-19	Dec-19	Mar-17	Mar-18	Mar-19	Dec-19
Public Sector Banks (14)	15.5	13.8	13.9	14.9	84.5	86.2	86.1	85.1
Private Sector Banks (13)	37.0	37.1	39.1	39.9	63.0	62.9	60.9	60.1
Foreign Banks (23)	33.3	33.2	32.7	31.9	66.7	66.8	67.3	68.1
Scheduled Commercial Banks (50)	23.2	21.8	22.9	24.0	76.8	78.2	77.1	76.0

Note: Figures in parentheses refer to the number of banks.
Source: Information collected from banks.

domestic banks is around two years. In view of this mismatch in the average tenor of MCLR and deposits, any reduction in MCLR by banks consequent to the application of lower card rates will have to be passed on to almost all borrowers with floating rate loans at the most within one year, whereas interest rates will be reset only on 50 per cent of term deposits in a year (given the average maturity of two years[4]). That is, interest rates on floating rate loans are reset faster than those on term deposits. Hence, banks are reluctant to make large changes in their deposit interest rates. If banks make large changes in their deposit interest rates, they will have to take a hit on their net interest margins (NIMs). This is because while the benefit of say, 25 bps rate cut will be passed on to almost all floating rate loans within a year, banks will have to wait for two years for effecting similar reduction on their outstanding deposits. Banks can apply new card rates to existing deposits only when they mature and become due for renewal. It is then that banks' cost of funds declines significantly, which is then transmitted to lending rates but in the process the transmission is delayed.

IV.2 *Rigidity in Saving Deposit Interest Rate*[5]

Although the Reserve Bank deregulated interest rates on saving bank deposits effective October 25, 2011, most banks kept their saving deposit interest rate unchanged at 4.0 per cent for almost six long years, though policy rates were changed in both directions during this period. Illustratively, as at end-September 2013, only 18 banks - 7 private sector banks and 11 foreign banks - with a market share of just 5.3 per cent in aggregate deposits – changed their saving deposit interest rate post deregulation. Private sector banks raised their saving deposit rates in the range of 150-200 bps for balances up to ₹ 1 lakh and 50-400 bps for balances above ₹ 1 lakh (Table 4). The market share of these banks in saving bank deposits increased by 0.57 percentage point to 3.5 per cent by end-September 2013. However, not a single public sector bank changed its saving deposit rate between October 25, 2011 and July 30, 2017.

Table 4: Domestic Banks which changed Saving Deposit Rates (as at end-Sept 2013)

(Per cent per annum)

Bank	Rate of Interest on Saving Accounts		
	For Balance up to ₹ 1 lakh	For Balance above ₹ 1 lakh	
		Min	Max
1. IndusInd Bank	5.50	6.00	6.00
2. Jammu & Kashmir Bank Ltd	4.00	4.00	4.50
3. Karnataka Bank	4.00	4.00	4.50
4. Kotak Mahindra Bank	5.50	6.00	6.00
5. RBL Bank	5.50	5.50	8.00
6. Tamilnad Mercantile Bank	4.00	4.00	5.00
7. Yes Bank	6.00	7.00	8.00
Range	**4.00-6.00**	**4.00-7.00**	**4.50-8.00**

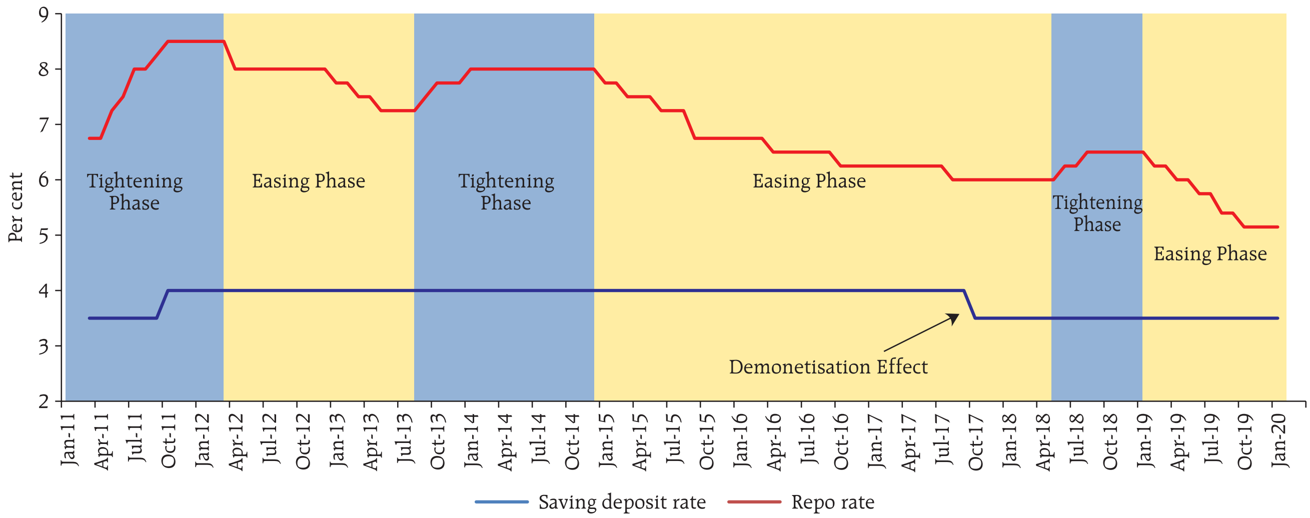
Source: RBI.

Following demonetisation in November 2016, there was a large influx of surplus liquidity resulting in a rise in the share of saving deposits in aggregate deposits from 26.0 per cent in October 2016 to 31.7 per cent by August 2018. This encouraged most public sector and private sector banks – led by the State Bank of India on July 31, 2017 – to reduce their saving deposit rate (for deposits up to ₹ 1 lakh) to 3.5 per cent (Chart 5). However, this reduction in the saving deposit interest rate was unrelated to monetary policy and instead entirely reflected the impact of demonetisation. Most of the rise in the share of saving deposits in aggregate deposits post-demonetisation has been sustained as the share of saving deposits in aggregate deposits has by and large remained stable - declining only modestly to 31.4 per cent by January 2020.

4 It does not mean that all deposits will mature in two years – banks issue term deposits ranging from 7 days to 10-year maturity with an average maturity of deposits of two years.

5 Unless otherwise stated, the discussion in this section relates to saving deposit interest rate for deposits up to ₹1 lakh.

Chart 5: Median Saving Deposit Rates* and Repo Rate - Domestic Banks



*: For deposits up to ₹1 lakh
Source: RBI.

It is intriguing that the median saving deposit rate has remained rigid during the entire post-deregulation period, barring the one-off change in the saving deposit rate post-demonetisation.[6] The rigidity in interest rate on saving accounts since its deregulation in October 2011 has significantly impeded transmission to the MCLR and to lending rates by keeping the average (as also marginal) cost of funds high during the easing phase and low during the tightening phase. Even if a bank fully transmits, say, a 25 bps cut in the policy repo rate to its term deposit rates, but does not change its saving deposit interest rate, its MCLR will decline only by 14 bps. This is based on the assumption that saving deposits constitute 30 per cent of total borrowings (deposits and other borrowings), which, in turn constitute 92 per cent of funds (borrowings and equity). The actual impact may sightly vary depending on the composition of liabilities. Hence, if banks do not change interest rates on saving deposits in tune with the policy rate, the transmission to lending rates would always remain incomplete.

IV.3 *Legacy of Base Rate Loans*

Rigidities observed with the transmission under the base rate system were intended to be addressed through the MCLR system for new loans, effective April 1, 2016. In the absence of any sunset clause, however, quite a sizeable portion of floating rate rupee loans has remained linked to the base rate even after more than three years of introduction of the MCLR system (Table 5)[7]. Although borrowers are permitted to switchover their base rate linked loans to MCLR linked loans at mutually convenient terms, the switchover to MCLR regime has been slow because: (i) banks do not widely publicise the option to shift to MCLR linked loans; (ii) banks can charge a fee for facilitating the shift; and (iii) there is no reduction in the interest rate immediately following the shift as existing customers are required to pay a higher spread than the new customers even though all other factors that go into the pricing of credit (risk profile, maturity and loan type) are fixed. For all these reasons, customers are either ignorant of the option or are discouraged from shifting to MCLR linked loans (RBI, 2017).

[6] During 2019-20 so far (up to end-January 2020), 10 public sector banks and three private sector banks had reduced their saving deposit rate (up to ₹1 lakh) by 25 bps to 3.25 per cent. The median saving deposit rate of deposits up to ₹ 1 lakh has declined to 3.25 per cent for public sector banks, while for private sector banks, it remained unchanged at 3.50 per cent.

[7] As we saw in Table 5, floating rate loans comprise 76 per cent of the credit portfolio of banks.

Table 5: Floating Rate Rupee Loans of SCBs

(Percentage share in total)

Bank Group	BPLR				Base Rate				MCLR				External Benchmark			
	Mar-17	Mar-18	Mar-19	Dec-19	Mar-17	Mar-18	Mar-19	Dec-19	Mar-17	Mar-18	Mar-19	Dec-19	Mar-17	Mar-18	Mar-19	Dec-19
Public Sector (14)	2.3	1.5	1.0	0.9	50.2	26.5	16.8	13.6	47.1	71.4	81.8	83.1	0.4	0.5	0.3	2.4
Private Sector (13)	1.4	0.6	0.4	0.3	48.5	19.2	10.6	7.6	49.4	76.7	85.0	81.2	0.7	3.4	4.1	10.9
Foreign (23)	1.1	0.7	0.4	0.3	24.1	12.5	5.8	4.4	61.2	59.1	61.6	51.8	13.6	27.8	32.2	43.6
SCBs (50)	2.0	1.3	0.8	0.7	49.4	24.4	14.9	11.8	48.0	72.7	82.4	82.1	0.6	1.7	1.8	5.4

Note: Figures in parentheses refer to the number of banks.
Source: Information collected from banks.

The parallel operation of the MCLR and the base rate systems since April 2016 has adversely impacted the transmission in respect of outstanding loans linked to the base rate (see also Box 1). This is because unlike the median MCLR, the median base rate has remained relatively rigid during the easing and tightening phases of monetary policy (RBI, 2017). The median WALR on outstanding rupee loans linked to the MCLR declined by 47 bps in the case of public sector banks and 36 bps points in the case of private sector banks in the easing phase of monetary policy during 2017-18. However, during the same period, the median WALR on loans linked to the base rate increased paradoxically for both public sector and private sector banks. During the tightening phase of 2018-19, while expectedly, there was an increase in the median WALR on loans linked to MCLR, the median WALR linked to base rate surprisingly declined for private sector banks (Table 6).

Thus, a sizeable proportion of loans at the base rate combined with the slow pace of changes in interest rates on such loans has impaired transmission to interest rates on outstanding rupee loans.

IV.4 Periodicity of Interest Rate Reset under the MCLR System

Another factor which delays transmission to the outstanding rupee loans is the long periodicity of interest rate reset on floating rate loans. Information collected by the Reserve Bank shows that as much as 75.8 per cent of floating rate MCLR loans are linked to MCLR of 1 year and above (Table 7). Only 15.8 per cent of floating rate loan portfolio linked to MCLR are for tenor up to 3 months. Loans linked to the 1-year MCLR are reset annually.

The long interest rate reset clause combined with higher interest rates on base rate/Bencchmark Prime Lending Rate (BPLR) loans *vis-á-vis* MCLR-based rates (as alluded to earlier) has created a wedge between

Table 6: Median WALR on Outstanding Rupee Loans Linked to the Base Rate and MCLR

Bank Group	WALR on o/s loans linked to MCLR (Per cent)				WALR on o/s loans linked to Base Rate (Per cent)			
	Mar-17	Mar-18	Mar-19	Dec-19	Mar-17	Mar-18	Mar-19	Dec-19
(1)	(6)	(7)	(8)	(9)	(2)	(3)	(4)	(5)
Public Sector Banks (14)	10.05	9.58	9.78	9.65	11.33	11.41	11.42	11.08
Private Sector Banks (13)	10.36	10.00	10.28	10.17	11.13	11.54	11.42	11.65

Note: Figures in parentheses refer to the number of banks.
Source: Information collected from banks.

Table 7: Share of Floating Rate Loans Linked to MCLR – Tenor-wise (May 2019)

(Per cent)

Bank Group	Over-night	1-Month	3-Month	6-Month	1-Year	More than 1 Year
Public Sector Banks (11)	2.0	6.2	4.5	3.2	83.6	0.5
Private Sector Banks (14)	0.1	1.8	15.2	12.8	65.9	4.1
Foreign Banks (28)	14.0	13.3	26.7	16.3	14.3	15.4
Scheduled Commercial Banks (53)	**1.3**	**4.1**	**10.4**	**8.4**	**73.1**	**2.7**

Note: Figures in parentheses refer to the number of banks.
Source: Information collected from banks.

Box I: Transmission to Fresh Rupee Loans and Outstanding Rupee Loans – A Disconnect Explained

In the current easing phase, transmission to WALR on fresh rupee loans has improved in recent months. However, transmission to outstanding rupee loans remains muted as WALR on outstanding rupee loans has decreased only by 12 bps (February 2019 – January 2020) as against the decline of 61 bps in the case of fresh rupee loans. This could be explained by two factors: (i) the long reset periodicity of existing loans; and (ii) legacy loans at the base rate/BPLR. While both these factors have been alluded to in the main text, their impact on outstanding rupee loans is illustrated below.

The Reserve Bank had raised the policy rate by 50 bps during June - August 2018 before reducing from February 2019 onwards. Illustratively, in response to the increase in the policy rate, public sector banks raised their deposit interest rates, which fed into their MCLRs, increasing from 8.45 per cent in May 2018 to 8.75 per cent in January 2019 (Table 1). Thereafter, with the beginning of the easing cycle, banks began to reduce their deposit rates slowly. With this, the MCLR began to glide downwards from March 2019. Despite this, MCLR during February to July 2019 was higher than the same period a year ago. As a result, borrowers of public sector banks, who had availed, say 10-year floating rate housing loans (benchmarked to the 1-year MCLR with an annual reset periodicity) during February-July 2018 at the then prevailing MCLR, saw their cost of borrowing rising when the interest rates on loans got reset after a year, *i.e.*, during February-July 2019, assuming the spread (over the MCLR) remained unchanged. Therefore, while the WALR on fresh rupee loans started declining from March 2019 following the reduction in the MCLR from the peak level reached during December 2018 – February 2019, the WALR on outstanding rupee loans continued to rise till July 2019, *i.e.*, even after six months the easing cycle began.

As alluded to in the main text, base rate loans have a sizeable share in the outstanding loan portfolio of banks even after the introduction of MCLR system (11.8 per cent as at end-December 2019). As the base rate did not change in sync with MCLR during the easing phase from April 2016 to March 2018, the cost of borrowings on loans linked to base rate was higher than that of loans linked to MCLR by 1.83 percentage points in the case of public sector banks and 1.54 percentage points in the case of private sector banks in March 2018. The median base rate has also not changed in the current easing cycle even as the median MCLR has declined by 60 bps. Reflecting the decline in MCLR, while the WALR on fresh rupee loans has declined, the component of base rate loans has remained elevated, impeding the fall in WALR on outstanding rupee loans.

Table 1: 1-year Median MCLR of Public Sector Banks

(Per cent)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
I. 2018	8.35	8.35	8.40	8.45	8.45	8.50	8.55	8.60	8.65	8.65	8.70	8.75
II. 2019	8.75	8.75	8.68	8.65	8.68	8.65	8.60	8.50	8.40	8.35	8.35	8.30
(II) – (I)	0.40	0.40	0.28	0.20	0.23	0.15	0.05	-0.10	-0.25	-0.30	-0.35	-0.45

Source: RBI.

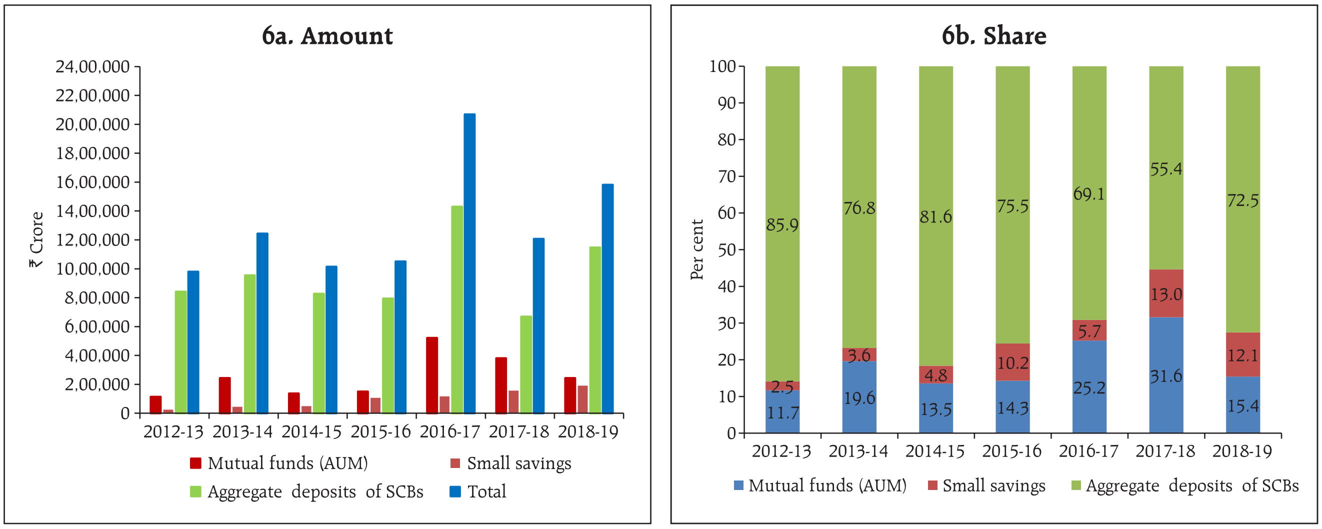
transmission to fresh rupee loans and outstanding rupee loans (Box I).

IV.5 Competitive Pressures - Mutual Funds and Small Savings Schemes

The banking sector is the main segment which intermediates financial savings (Chart 6a). In recent years, however, the significance of mutual funds (MFs) and small saving has risen relative to bank deposits.

During last seven years (2012-13 to 2018-19), resources raised by mutual funds grew at an annual average rate of 22.6 per cent – almost double the rate at which deposits of commercial banks grew. As a result, in incremental terms, the share of MFs in total resources mobilised by banks, small saving and MFs increased sharply from 11.7 per cent in 2012-13 to 31.6 per cent in 2017-18, before declining to 15.4

Chart 6: Aggregate Bank Deposits, Assets under management of Mutual Funds and Small Savings -Incremental Accretions



Source: (1) Handbook of Statistics on Indian Securities Market 2018, SEBI.
(2) www.indiabudget.gov.in
(3) Handbook of Statistics on Indian Economy, RBI.
(4) www.amfiindia.com

per cent in 2018-19 while the share of small savings too increased sharply from 2.5 per cent in 2012-13 to 12.1 per cent in 2018-19 (Chart 6b). The returns on small saving schemes, *viz.*, 5-year time deposit, public provident fund (PPF), national savings certificate and senior citizens' savings scheme, as well as debt and equity mutual funds receive favourable tax treatment *vis-à-vis* bank time deposits.

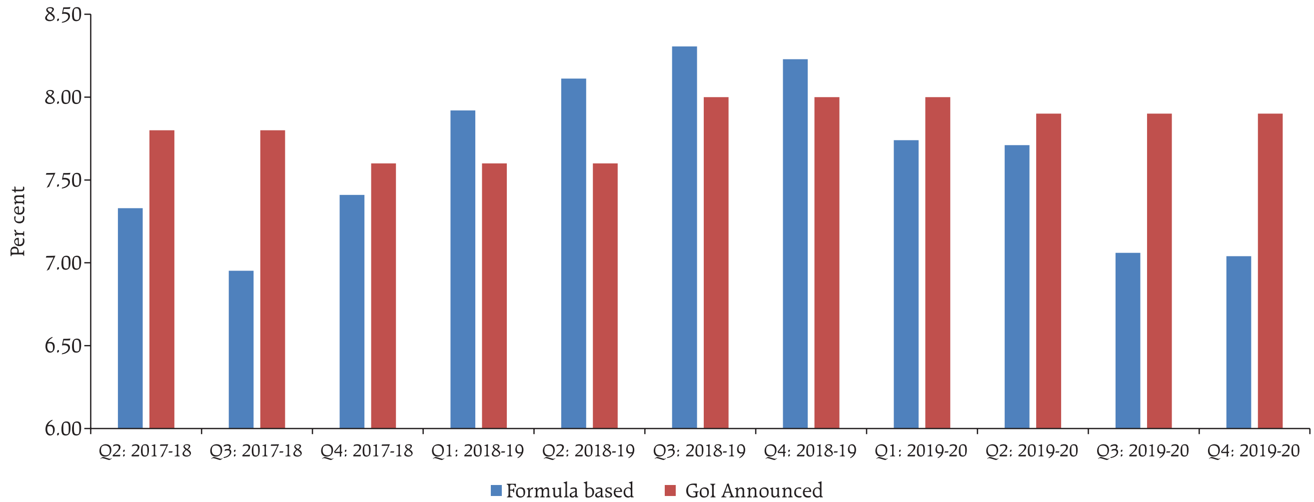
Interest rates on small saving are administered by the government and are linked to secondary market yields on G-secs of comparable maturities. Interest rates are set with a lag on a quarterly basis since April 2016. Typically, it is observed that during the easing cycles of monetary policy – Q2:2017-18 to Q4:2017-18 and Q1:2019-20 to Q4:2019-20, small saving rates were higher than the formula-based rates (Chart 7). On the other hand, during the tightening phase (Q1:2018-19 to Q3:2018-19), the opposite was true. This means that the nominal administered rates are not adjusted in line with the movement of G-sec yields that respond to the change in the policy rate.

For instance, small saving rates on various schemes were higher by 18-61 bps for Q2:2019-20. The government left small saving rates unchanged for Q3 and Q4 even as G-sec yields declined during the respective reference periods of June-August and September-November 2019. Currently, the administered interest rates on small saving schemes are higher by 81-160 bps as compared with the formula-based rates (Table 8).

It has been argued[8] that in the absence of social security system in our country and the fact that many senior citizens depend on deposit earnings, deposit rates cannot fall beyond a threshold floor level. This raises two issues.

[8] Financial Express, December 21, 2019 "*Banks cannot go beyond a threshold to cut deposit rates as India lacks social security net*", Observations made by Shri Rajnish Kumar, Chairman, SBI at the 92nd FICCI Annual Convention held at New Delhi on December 21, 2019. https://www.financialexpress.com/industry/banking-finance/banks-cannot-go-beyond-a-threshold-to-cut-deposit-rates-as-india-lacks-social-security-net-sbi-chairman/1800774/

Chart 7: Public Provident Fund (PPF)



Source: Government of India, authors' calculations.

First, as investment slows down during growth slowdown, interest rates also need to decline to raise investment. Interest rates, thus, provide a mechanism to equilibrate saving and investment. Also, during an easing cycle, interest rates need to decline given low inflation rate to keep real interest rates at an appropriate level. Any artificial threshold for interest rate would clog the mechanism for equilibrating saving and investment and could also lead to higher real interest rates in the system. It may be recalled

Table 8: Interest Rates on Small Savings Instruments - Q4: 2019-20

Small Savings Scheme	Maturity (years)	Spread (Percentage point)	Average G-sec yield (%) of corresponding maturity (September 2019 to November 2019)	Formula based rate of interest (%) (applicable for January to March 2020)	Government Announced Rate of interest (%) in Q4	Difference between Government announced rate and the formula-based rate (basis points)
(1)	(2)	(3)	(4)	(5) = (3) + (4)	(6)	(7) = (6)-(5)
Savings Deposit	-	-	-	-	4.00	-
Public Provident Fund	15	0.25	6.79	7.04	7.90	86
Term Deposits						
1 Year	1	0	5.30	5.30	6.90	160
2 Year	2	0	5.57	5.57	6.90	133
3 Year	3	0	5.85	5.85	6.90	105
5 Year	5	0.25	6.40	6.65	7.70	104
Post Office Recurring Deposit Account	5	0	5.85	5.85	7.20	135
Post Office Monthly Income Scheme	5	0.25	6.37	6.62	7.60	98
Kisan Vikas Patra	113 Months	0	6.79	6.79	7.60	81
NSC VIII issue	5	0.25	6.56	6.81	7.90	109
Senior Citizens Saving Scheme	5	1.00	6.40	7.40	8.60	119
Sukanya Samriddhi Account Scheme	21	0.75	6.79	7.54	8.40	86

Source: Government of India, Bloomberg, authors' calculations.

that about twenty years ago, interest rates were very high in double digits, which have now declined to a single digit. After the global financial crisis, many central banks reduced the policy interest rates to zero and some in Europe also took them even to negative territory, which was inconceivable in the past. In line with the policy rate, deposit interest rates also declined to near zero level in Europe. This suggests that there cannot be any threshold for interest rates, which is a function of saving and investment.

Second, it is important to protect interests of pensioners/senior citizens, especially in our society which lacks a robust social security system. In this context, it is also important to recognize that interest rates have cycles. Central banks raise interest rates when the economy is overheating, *i.e.,* when aggregate demand is above the potential output (positive output gap) and *vice versa.* The underlying rationale is to steer aggregate demand towards its potential level. Overall, however, as the economy goes through cycles, the benefits/losses are broadly evened out to borrowers and depositors.

IV.6 Asset Quality of Banks

A healthy bank with low default risk in its loan portfolio will be able to pass on interest rate changes by the central bank symmetrically to its deposits and loans. On the other hand, a bank faced with a high level of non-performing assets (NPA) – prospective or realised – is likely to build up provisions by loading credit risk premia on its performing loans, thereby pushing up the lending rates (John, *et al.* 2016). In the process, notwithstanding lower funding costs in response to the policy rate cut by the central bank, banks may not reduce their lending rates or may reduce them only partly, thereby impeding monetary transmission.

Sound health of the banking system is critical for effective monetary transmission, especially in a bank-dominated financial system such as India. A study (John, *et al.* 2016) in the Indian context suggested that deterioration in asset quality was positively associated with NIMs only in the period Q1:2010-11 to Q1:2015-16 (sub period I). On the other hand, deterioration in asset quality was negatively associated with NIM in the period Q2:2015-16 to Q1:2017-18 (sub-period II). Significantly, NPAs/stressed assets were at a low level in the sub-period I than the sub-period II. This suggests that at a relatively low level of NPAs, banks were able to pass on the burden of deterioration in asset quality on to their lending rates and protect NIMs. In the sub-period II, however, when there was a sharp deterioration in asset quality as reflected in a high level of NPAs, NIMs came under pressure as banks were not able to sufficiently increase their spreads in a competitive market to compensate for credit risk. Instead, banks became risk averse and reduced their loan exposures, which impacted monetary transmission through the bank lending channel. The above findings at the aggregate level were also corroborated at the bank-group-wise level. NIMs of public sector banks, which had large NPAs/stressed assets, were negatively impacted. The deterioration in asset quality and losses incurred by public sector banks appeared to have hampered effective monetary transmission through credit supply. On the other hand, NIMs of private sector and foreign banks were not negatively impacted as both these groups had relatively low level of NPAs/stressed assets during the period under study.

V. External Benchmarking of Lending Rates

In pursuance of the recommendations of an Internal Study Group (Chairman: Janak Raj), the Reserve Bank mandated all scheduled commercial banks (excluding regional rural banks) to link all new floating rate personal or retail loans and floating rate loans to micro and small enterprises (MSEs) to the policy repo rate or 3-month T-bill rate or 6-month T-bill rate or any other benchmark market interest rate published by Financial Benchmarks India Private Ltd. (FBIL), effective October 1, 2019. Banks have complete freedom to fix the spread over the external benchmark for new borrowers at the time

Table 9: External Benchmarks of Commercial Banks – January 2020

Bank Group	Policy Repo Rate	CD	OIS	MIBOR	3-months T-Bill	Sector-specific benchmark (other than repo)
Public Sector Banks (18)	17	-	-	-	-	1
Private Sector Banks (22)	17	1	-	-	-	4
Foreign Banks (16) @	4	-	1	4	2	-
Commercial banks (56) @	**38**	**1**	**1**	**4**	**2**	**5**

*: Others include MIBOR, OIS, 10 Year Govt. Securities, CD Rates.
@ 5 banks do not have any exposure to retail loans and MSE loans segments.
Note: Figures in parentheses refer to the number of banks.
Source: Information collected by the RBI from banks.

of origination of the loan. However, once the spread is fixed, banks shall be allowed to change the spread only under condition of a substantial change in the borrower's credit assessment as agreed upon in the loan contract resulting in a change in the credit risk premium. Further, other components of spread could be altered once in three years.

Following its introduction on October 1, 2019, information collected from banks suggests that most banks, *i.e.,* 38 of the 56 banks have adopted the Reserve Bank's policy repo rate as the external benchmark for floating rate loans to the retail and MSE sectors; these include 34 banks in the public and private sectors (Table 9). Thirteen banks have linked their loans to various other rates published by FBIL such as MIBOR, OIS, 3-month T-Bill rate, CD Rates and 10 Year G-sec yield. Some banks such as the State Bank of India, have voluntarily linked their floating rate loans to the medium scale enterprises to the policy rate.[9]

A comparison among the sectors, where banks have linked their floating rate loans to the repo rate, reveals that the median spread was the highest for

[9] Effective April 1, 2020, all banks would be required to link their lending rates to medium enterprises to an external benchmark.

Table 10: Loans linked to External Benchmark - Median Spread over Policy Repo Rate (January 2020)

(Percentage points)

Bank Group	Personal Loan				Micro and Small Enterprises
	Housing	Vehicle	Education	Other Personal Loans	
Public Sector Banks (18)	3.3	4.8	4.2	6.7	5.8
Private Sector Banks (22)	5.2	6.0	6.6	7.0	6.6
Domestic Banks (40)	3.9	4.9	4.7	6.8	6.1

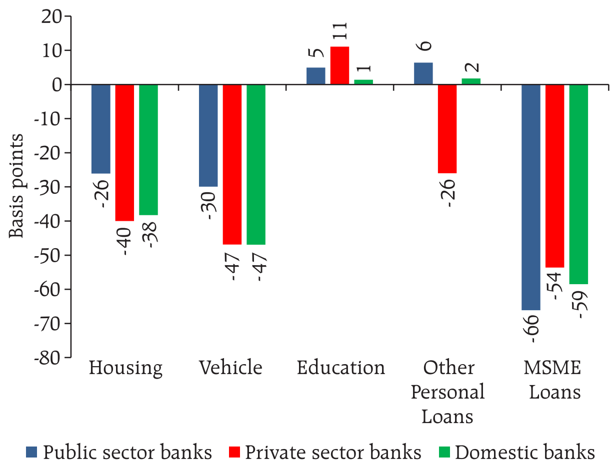
Source: Information collected by the RBI from banks.

other personal loans, which are mainly unsecured loans, followed by the MSE sector (Table 10). The median spread was the lowest in the case of housing loans, which are typically collateralised. Among the bank-groups, the median spread charged by public sector banks for different categories of loans was lower than that by private sector banks.

There are early indications of an improvement in transmission to fresh rupee loans sanctioned in respect of sectors where new floating rate loans have been linked to the external benchmark. The WALRs charged by domestic (public and private sector) banks on fresh rupee loans sanctioned for housing sectors declined by 38 bps and that on vehicle loans by 47 bps during October 2019 - January 2020. The WALR of domestic banks in respect of loans to micro, small and medium enterprises (MSMEs) also declined by 59 bps in January (Chart 8). However, the WALR in respect of loans to the education sector increased marginally by 1 bp in January.

The external benchmark framework will quicken transmission to lending rates (i) as any change in the benchmark rate will lead to a change in lending rates for new borrowers; (ii) for existing borrowers, banks would need to reset interest rates at least once in three months as against typically one year in the case of loans linked to the MCLR; and (iii) by constraining banks from adjusting their spreads arbitrarily for existing borrowers. Under the MCLR

Chart 8: Variation in Weighted Average Lending Rate of Personal and MSME Loans (October 2019 - January 2020)



Source: RBI.

system, transmission to lending rates is indirect and is contingent upon changes in deposit interest rates. However, under the external benchmark system, transmission to lending rates will no longer be contingent upon deposit interest rates. As and when the Monetary Policy Committee changes the policy repo rate, lending interest rates will change, at the most within a quarter. Banks will then need to adjust their deposit rates to protect their NIMs.

VI. Concluding Observations and Some Final Reflections

The success of monetary policy critically hinges on the effective transmission to the entire spectrum of interest rates in the system. The speed and magnitude of monetary transmission varies across various financial market segments – money, bond and credit markets.

The analysis of monetary transmission in the Indian context in the recent period suggests that monetary transmission was full and reasonably swift across various money market segments and the private corporate bond market. However, the transmission to bank deposit and lending rates has been delayed and partial for a variety of reasons.

The root cause of the delayed and inadequate transmission has been rigidity in banks' deposit interest rates. Banks hold long-term deposits at fixed interest rates, which do not move in line with the change in the policy rate. Even when banks reduce deposit interest rates in line with the policy rate, the impact of such reduction is felt immediately only on fresh deposits. As a result, banks are unable to reduce lending rates on existing loans, especially in an easing monetary policy cycle. Banks, therefore, wait for the bulk of outstanding deposits to mature and renew them at reduced rates before transmitting the rate reduction to lending rates on past loans. For this reason, it is almost always the case that the transmission to lending rates on outstanding loans lags transmission to outstanding term deposit rates during the easing cycle. As banks will try to protect their NIMs,[10] the rigidity in deposit interest rates gets transmitted to their lending interest rates. During the easing cycle, the higher small saving rates *vis-à-vis* term deposit rates of banks also constrain banks from lowering their deposit interest rates. However, long-term deposits at fixed interest rates and the rigidity in small saving rates imparting rigidity to bank term deposit rates explain only a part of the story. That banks have hardly changed their saving deposit rates suggests that banks prefer not to use interest rates as an instrument for altering their cost of funds in line with the monetary policy cycle. It is intriguing that the same saving deposit interest rate was retained by public sector banks and most private sector banks during the tightening and easing phases. The median saving deposit rate remained unchanged at 4 per cent during October 2011-September 2017, which cannot be consistent with the peak policy rate of 8.5 per cent during the tightening cycle and low policy rate of 6.0 per cent during the easing cycle. The median saving deposit interest rate declined to 3.5 per cent towards the end of 2017 and has remained unchanged

[10] Banks that can improve their efficiency in financial intermediation can also charge lower NIMs without a dent on profitability.

thereafter. During this period, the peak policy rate was 6.5 per cent and trough at 5.15 per cent .

It is also important to bear in mind that if deposit interest rates do not adjust in line with the policy rate, the recovery is likely to be slow and deposit rates are likely to remain lower than normal/neutral levels for a prolonged period than if interest rates move in line with the policy rate.

Transmission to banks' lending interest rates should ideally follow changes in deposit interest rates, provided deposit interest rates respond swiftly to policy rate changes. In a situation where deposit interest rates are sticky and the interest rates swap market is not well developed to facilitate hedging of interest rate risk on a large scale, transmission to lending rates is bound to be impaired, unless banks are ready to take a hit on their NIMs. Assuming banks would always protect their NIMs, an effective transmission to lending interest rates would require flexibility in deposit interest rates. Under the MCLR system, the transmission from the policy rate to lending rates runs through deposit rates. However, rigidity in deposit interest rates hampers effective monetary transmission to lending rates. This, however, will change under the external benchmark system, as the transmission will no longer be contingent on changes in deposit interest rates by banks. The transmission to lending rates will be direct and almost one to one with respect to the change in the benchmark rate (typically, the policy rate). As banks are expected to protect their NIMs, they would then bring necessary adjustments in their deposit interest rates. Even for outstanding floating rate loans linked to an external benchmark, banks will have to pass on the changes in the benchmark rate to existing borrowers after a quarter as the reset periodicity has also been reduced from annual to quarterly. The external benchmark system is transparent, which can be easily monitored by borrowers. It is expected to ensure quick and almost one to one monetary transmission.

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*Food Processing Industry in India: Challenges and Potential**

India is a major producer of several agricultural/food items in the world but only less than 10 per cent of that is processed. Demand for processed food items is set to increase in India in the coming years providing opportunities for greater value addition, lower wastages and alternative employment opportunities. Analysis of corporate data shows that food processing firms have been profitable, but the value addition component needs to increase significantly.

Introduction

India has made vast progress overtime in providing food security for its people and has become largely self-reliant in agriculture. Accordingly, the policy focus has shifted from attaining self-sufficiency to generating higher and stable income for the farming population. Food processing industry (FPI) is one area which has the potential to add value to farm output, create alternate employment opportunities, improve exports and strengthen the domestic supply chain. India, with about 11.2 per cent of total arable land in the world, is ranked first in the production of milk, pulses and jute, second in fruits and vegetables and third in cereals (Government of India, 2019). It is also the sixth largest food and grocery market in the world (Law, *et al.,* 2019).

In 2017-18, the food processing industry accounted for 7.9 per cent of manufacturing GVA and 9.5 per cent in agricultural value added. It is also a major employment provider, contributing to 11.4 per cent of organised manufacturing employment. Recognising the immense potential of FPI in promoting inclusive growth, it has been identified as one of the key thrust areas under the 'Make in India' Programme. This article examines the scope for higher growth in this sector in the medium run, notwithstanding the challenges.

Limited availability of granular data, particularly at sectoral level has been a major impediment to robust analytical research on the subject. This article tries to present information available from multiple sources at one place. For overall analysis, National Account Statistics is used. Sectoral analysis is based on data sourced from the Annual Survey of Industries (ASI), which captured 65.7 per cent of value added generated in the sector in 2016-17. For data on trade, the World Integrated Trade Solution (WITS) database is used. International Standard Industrial Classification is used to make industry level comparison with trade data. For the analysis of financial parameters, we have used data from annual company finance studies by the Reserve Bank of India.

Set against this context, this article is divided into five sections. Section II provides a global perspective on the food processing sector. Section III elaborates the current status of FPI in India and presents inferences drawn on the basis of relevant statistical analysis. Government initiatives for harnessing the potential of the sector are discussed in Section IV. Section V sums up the paper.

II. Evolution and Cross-Country Experience

Food processing is defined as transforming agricultural products into food that are in consumable form or transforming one food item into another by adding value to it (Government of India, 2019). Based on physical properties of the final product, the Ministry of Food Processing Industries categorises food processing under two sub-categories, *viz.,* (i) manufactured processes, whereby the original physical properties of the product undergo a change through a process [involving employees, power, machines or money] and the transformed product is edible and has a commercial value and (ii) other value-

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added processes where the product does not undergo any manufacturing process, but gains significant value addition like increased shelf life, shelled and ready for consumption, *etc.* Depending on the type and extent of value addition, it is categorised as primary and secondary processing. Primary processing relates to conversion of raw commodity to one that is fit for consumption. It involves steps such as drying, threshing, cleaning, grading, sorting, packing, *etc.* Secondary processing involves creation of value added products like bread, wine, sausages, *etc.* The large scale commercial production of ready to eat food items has brought in another category to food processing, *viz.*, tertiary processing (Government of India, 2019).

The importance of processed food items in the consumer basket has increased globally over time. With higher income, urbanisation, demographic shifts, improved transportation and changed consumer perceptions regarding quality and safety, food consumption patterns have changed over the years (Regmi, 2001; and Wilkinson & Rocha, 2008). Further, advertising through mass media/social media is also found to have led to higher demand-led food processing industry (FPI) growth in India, Malaysia, China, Philippines and Thailand (Regmi and Gehlhar, 2005). Global retail sales of processed food items were more than three times higher than sales of fresh food in 2002 (Regmi and Gehlhar, 2005). In the case of India, overall per capita sales of packaged and processed foods nearly doubled from USD 31.3 in 2012 to USD 57.7 in 2018 (Law *et al.,* 2019). Table 1 shows the evolution of food industry in the different parts of the world .

Estimates reveal that 30 per cent of food in China is processed as against 60-80 per cent in western countries (Liu, Taylor and Zhang, 2007). In the case of fruits and vegetables, KPMG (2007) reported that 65.0 per cent of total output in USA is processed, 78.0 per cent in the Philippines and 23.0 per cent in China. Similarly, overall processing of agricultural produce is around 30.0 per cent in Thailand, 70.0 per cent in Brazil, 78 .0 per cent in the Philippines and 80.0 per cent in Malaysia. As per the same report, processing level in India is very low at 2.2 per cent for fruits and vegetables, 35.0 per cent for milk, 21.0 per cent for meat and 6.0 per cent for poultry products. In 2010-11, share of raw food entering the processing channel has been estimated at 6.8 per cent in 2010-11 (Ghosh, 2014).

Table 1: Evolution of Global Food Demand

Demand for food products→				
Diet, functional and organic foods				North America, Japan, Western Europe and Australia
Convenience foods, snacks and prepared meals			Eastern Europe	
Dairy, meat, fresh fruits, fruit juices, beverages		India, China and Latin America		
Carbohydrate staples	Africa (Sub Saharan)			
Indicators	**Surviving**	**Mass Market**	**Convenience food service snacking and quality hygiene**	**High technology**

Industrial Development→

Source: Ministry of Food Processing industries (MOFPI), GoI.

The FPI in developing countries is at nascent stage as compared to the developed countries (Table 2). India's share of FPI in manufacturing value added is low even among developing countries.

As per the Food and Agriculture Organisation (FAO) data, items processed from crops accounted for more than half of total production of processed items in 2014 and its share has increased from 52.6 per cent in 1990 to 58.4 per cent in 2014[1]. Meat products at the second place accounted for 26.0 per cent of total

[1] FAO does not provide information on marine products and hence the share given is excluding fish and fish products.

Table 2: Share of Manufacturing of Processed Food, Beverage and Tobacco Products in Manufacturing GVA and Total GVA

Country	Financial year	GVA	Manufacturing
India	2017*	1.7	9.7
Indonesia	2018	7.5	35.5
Australia	2018	1.5	26.0
New Zealand	2013	4.6	34.3
Canada	2018	1.8	17.1
USA	2018	1.3	11.4
Denmark	2018	1.5	10.7
France	2018	2.2	16.2
Switzerland	2011	2.2	11.4

*: April-March 2017-18
Source: CEIC Database and Authors' Calculation.

processed food production, followed by milk products. Beer from barley and sugar accounted for nearly half of total production of crop based processed items, while skimmed milk was the major item in the processed milk group.

International trade in processed food items also showed a similar pattern with products from crops accounting for a major share followed by meat and meat products, and fish and fish products in 2018 (Chart 1).

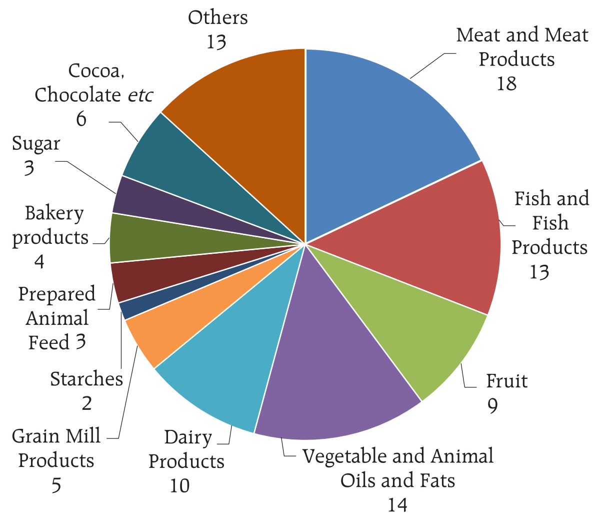
The share of processed food in world exports in value terms has remained stable over the years. In 2018, it accounted for 6.5 per cent of total world processed exports and 5.7 per cent of total world exports. Exports of processed food mirrored agriculture exports, though registered higher growth than the latter resulting in higher value realisation (Chart 2). In 2018, export of processed food items were 1.6 times higher than that of total agricultural exports.

With the increasing importance of processed food in consumers' food basket, quality standards have also emerged as an important factor with new regulations. The food system is being regulated through a mix of private-public standards which provide the basis of competitive strategies while also proving to be entry barriers (Wilkinson & Rocha, 2008; and World Trade Organisation, 2012). The implementation of quality standards has been an issue of contention between developed and developing countries.

III. Food Processing Industry in India

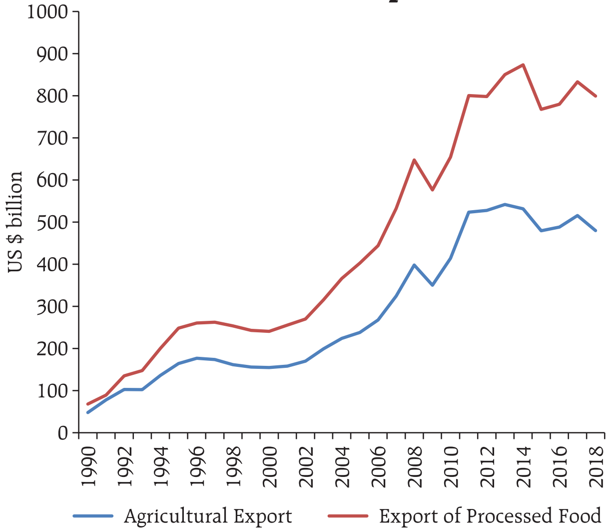
The food processing industry in India is at a nascent stage, accounting for less than 10 per cent of total food in India (Government of India, 2016). It is

Chart 1: Pattern of Processed Food Trade (average percentage share 2016-18)



Source: Calculations based on WITS Data.

Chart 2: Agricultural Exports *vis-à-vis* Processed Food Exports



Source: Calculations based on WITS Data.

Table 3: Wastages in Key Horticulture and Cereal Crops

(As percentage of production)

	As per CIPHET Report 2010	As per CIPHET Report 2015
Cereals	3.9 – 6.0	4.65 – 5.99
Pulses	4.3 – 6.1	6.36 – 8.41
Oil seeds	2.8 – 10.1	3.08 – 9.96
Fruits & Vegetables	5.8 – 18.0	4.58 – 15.88
Milk	0.8	0.92
Fisheries (Inland)	6.9	5.23
Fisheries (Marine)	2.9	10.52
Meat	2.3	2.71
Poultry	3.7	6.74
Horticultural Crops		
Guava	18.0	15.9
Mango	12.7	9.2
Apple	12.3	10.4
Grapes	8.3	8.6
Papaya	7.4	6.7
Banana	6.6	7.8
Cereal Crops		
Wheat	6.0	4.9
Paddy	5.2	5.5
Bajra	4.8	5.2
Maize	4.1	4.7

Source: Ministry of Food Processing Industries (MOFPI), GoI.

expected that improvement in food processing would reduce wastages in agricultural produce. At present food wastages are very high. According to the report of Central Institute of Post-Harvest Engineering and Technology (CIPHET), wastages in major crops, in general, remained at high level during 2010-2015 (Table 3).

The FPI accounts for a prominent place among sectors in terms of share in employment in the manufacturing sector and because of its labour-intensive nature it has higher multiplier effect on the overall economy. As per ASI data, FPI has emerged as the highest employment provider among the industry groups[2]. However, its share in manufacturing and total GVA declined reflecting slower growth compared with other sectors of the economy (Table 4). The exports of

Table 4: Status of Food Processing Sector

(Per cent)

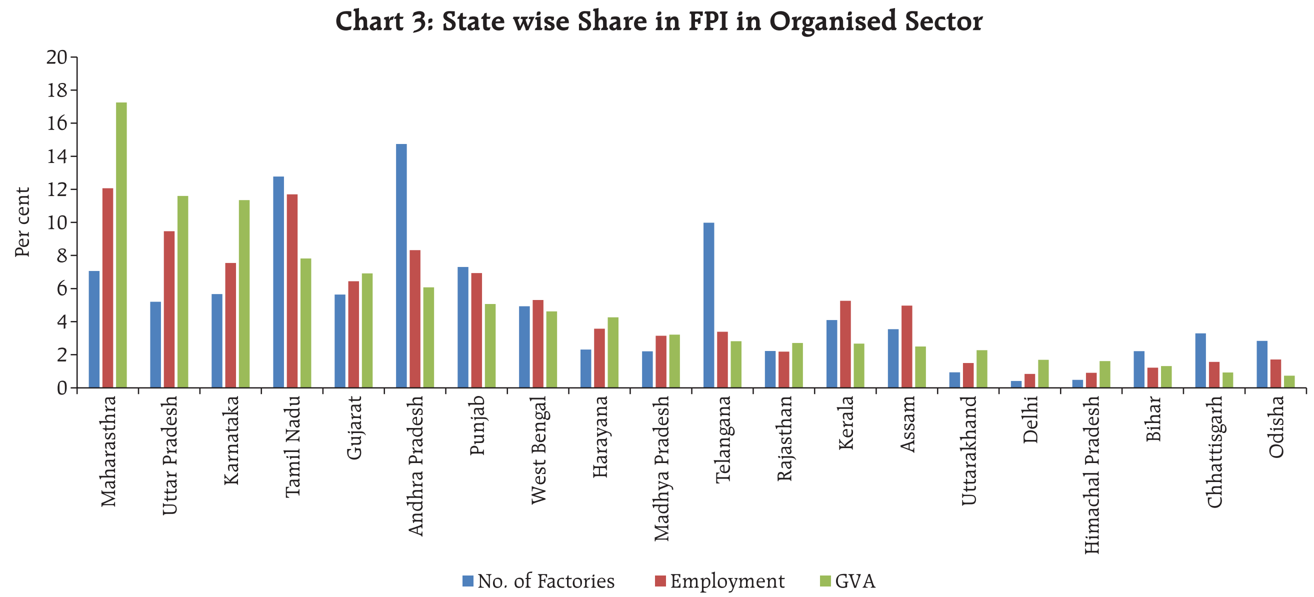
Indicators	1990-91	2000-01	2010-11	2016-17	2017-18
Share in Total Value Added	1.5	1.5	1.3	1.4	1.4
Share in Manufacturing Value Added	9.4	9.4	7.4	7.7	7.9
Share in Manufacturing Employment	13.2	15.4	12.1	11.4	11.4
Share in Total Manufacturing Exports	5.1	5.4	2.9	4.4	4.5
As Proportion to Agricultural Value Added	4.1	5.6	7.2	9.2	9.5
As Proportion to Agricultural and Allied Exports	56.0	97.2	70.8	91.4	101.0

Source: Authors' calculations based on National Accounts Statistics, World Integrated Trade Solution and Annual Survey of Industries data.

processed food in proportion to exports of raw food, on the other hand, has significantly increased during this period.

There is no common data set available for comparing FPI units in organised and unorganised sectors. However, a comparison can be made using ASI data, which provide information on the organised sector and National Sample Survey Organisation's Unincorporated Non-Agricultural Enterprises Survey data provide information on the unorganised sector. A comparison of these two data sets for 2016-17 and 2015-16, respectively, showed abysmally low percentage of FPI enterprises in organised sector, even though the organised sector accounts for more than 80 per cent of gross value added in overall FPI. As per ASI data, there were 39,748 food processing enterprises in the organised sector in 2016-17 while the number of unincorporated enterprises as per NSSO data stood at 24,59,929 in 2015-16. Nearly half of organised enterprises were in three states - Andhra Pradesh, Tamil Nadu and Telangana - while Uttar Pradesh and West Bengal had the highest number of unincorporated food processing units. In terms of employment also, the unorganised sector dominates. As per ASI 2017-18, total number of persons engaged in registered food processing entities was 17.7 lakhs

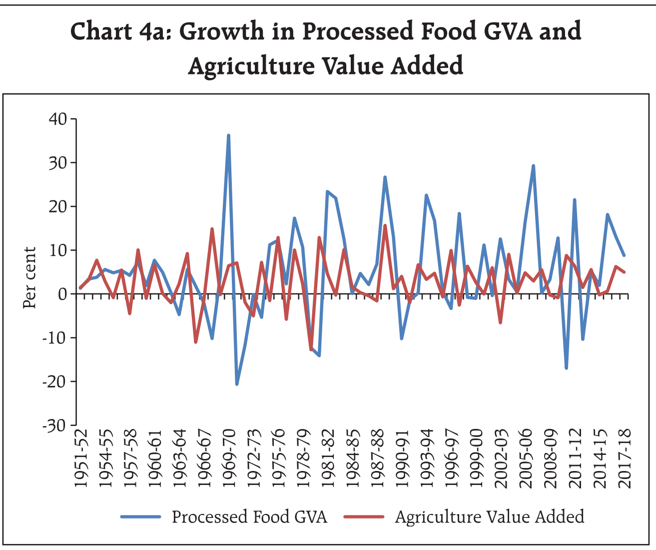
[2] Textiles when combined with wearing apparel, however, becomes the highest employer within organised manufacturing sector with a share of 20 per cent.

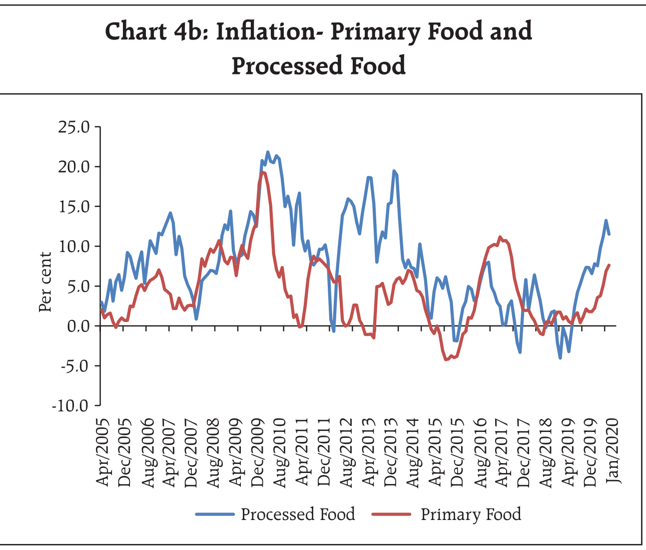


Source: ASI, 2016-17

accounting for 11.4 per cent of total employment generated in the registered manufacturing sector. The unorganised food processing sector, in turn, provided employment to 51.1 lakh workers in 2015-16 (as per the NSSO 73rd Round) constituting 14.2 per cent of employment in the unregistered manufacturing sector. In terms of value generated in the organised sector, three states, Maharashtra (17.3 per cent), Uttar Pradesh (11.6 per cent) and Karnataka (11.3 per cent) together contributed around 40 per cent (Chart 3).

Annual growth in processed food GVA has been more volatile than agricultural GVA (Chart 4a). Inflation measured in terms of the year-on-year changes in Wholesale Price Index shows co-movement in processed food inflation and primary food inflation, though, in the recent period, former has remained higher than later (Chart 4b). The coefficient of variation of processed food inflation was higher than that of primary food inflation during the period April 2005 to January 2020.





Source: MOSPI and Office of Economic Adviser, GOI.

Table 5: Status of Food Processing Industry in India (Average of 2000-01 to 2016-17)

(Per cent)

Item	Value added to output	Share in output	Share in employment	Share in exports
Manufacture of macaroni, noodles, couscous and similar farinaceous products	35.9	0.2	0.3	0.1
Manufacture of prepared meals and dishes	30.1	0.4	0.6	-
Manufacture of cocoa, chocolate and sugar confectionery	25.5	1.5	1.8	0.6
Processing and preserving of fruits and vegetables	20.9	1.5	3.3	3.7
Manufacture of bakery products	18.9	2.8	4.6	1.0
Manufacture of other food products *n.e.c.**	16.6	9.8	28.4	5.1
Manufacture of sugar	16.1	14.1	18.1	6.4
Manufacture of starches and starch products	16.0	1	1.4	0.6
Processing and Preserving of meat	12.7	1.7	1.2	13.1
Manufacture of dairy products	9.9	13.1	7.4	1.6
Manufacture of prepared animal feeds	9.8	3.9	2.3	0.5
Processing and preserving of fish	9.1	2.8	2.8	22.8
Manufacture of grain mill products	7.4	22.8	21.0	26.2
Manufacture of vegetable and animal oils &fats	5.7	24.6	6.7	17.2
Total	**10.7**	**100**	**100**	**100.0**

- : Not available.
* : Not elsewhere classified.
Source: Authors calculations based on Annual Survey of Industries data and WITS.

The value-added content in the FPI sector when compared with output is low (in 2016-17 at 10.2 per cent). The share of high value-added items like ready to eat items in total output of the sector is very low (Table 5). Grain mill products have emerged as the major export item in India's processed food products in recent years. Among the various food products exported, processed fish and meat products had the highest per unit value.

The analysis so far shows that the FPI has huge untapped potential as except for milk, meat and fish, the extent of processing in the other agri-food commodities remains low at less than 10 per cent. The overall share of processed food in total produce was 10 per cent in 2017-18. The Government has set the target for raising the share of processed food to 25 per cent of the total agricultural produce by 2025.

FDI in Food Processing

The food processing sector was opened to 100 per cent foreign direct investment in 2016 under the automatic route. Further, in 2017, 100 per cent FDI under the Government route for retail trading, including through e-commerce, is permitted in respect of food products manufactured and/or produced in India. While the flow of FDI to this sector has increased over the years, its share was still low at less than 2 per cent in 2018-19 (Table 6).

Over the years, India has been able to attract investment from food and beverages companies like Nestle, Cargill, McCain, Mondelez, Pepsi, Coco cola *etc.*, and also from retail trade companies like Amazon, Walmart, *etc.* (Government of India, 2017). In 2018, Mondolez International invested US$15 million in India for research after investing US $190 million in a green field project in Andhra Pradesh. Similarly,

Table 6: FDI Inflows in Indian Food Processing Industry (US $ million)

Year	FDI to India	FDI in food processing	Share of FPI in FDI inflows (%)
2010-11	29,029	189	0.6
2011-12	32,952	170	0.5
2012-13	26,953	401	1.5
2013-14	30,763	3,983	12.9
2014-15	35,283	516	1.5
2015-16	44,907	506	1.1
2016-17	42,215	727	1.7
2017-18	39,431	905	2.3
2018-19	43,302	628	1.5

Source: Annual Report, Ministry of Food Processing Industries and Database on the Indian Economy.

Cargill, agro-food company based in USA invested in various supply chain nodes like cold storage facility in Karnataka and aqua feed project in Andhra Pradesh. Further, Amazon and Walmart's entry into Indian food retail sector is expected to bring in more investment in this sector.

External Trade

The food processing Industry in India is largely domestic oriented, with exports accounting for only 12 per cent of its total output. Nevertheless, it is a net foreign exchange earner with a positive trade balance in recent years (Chart 5). Globally, India ranks first in the export of processed and preserved fish and fish products, grain mill products and fourth in the export of sugar. However, even in these products, only about one fourth of the product is exported reflecting high proportion of consumption in the domestic economy.

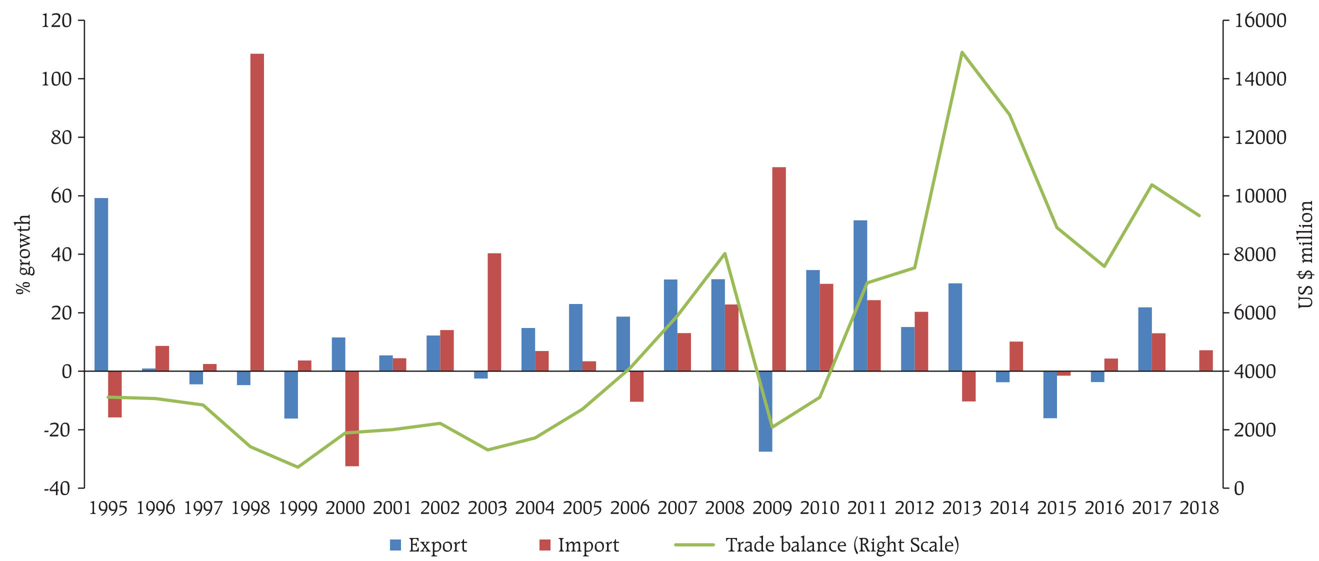
In terms of destination of exports, traditionally the US and the EU were the major markets for India. However, of late Vietnam has overtaken the US and the EU as the major importer of manufactured food products from India mainly due to its increasing import of meat and fish products from India. Nevertheless, the US and EU continue to be prominent destinations for export of fish products and processed fruits and vegetables.

To identify the major sectors in which India has comparative advantage in the food processing sector, a revealed comparative advantage (RCA) analysis in line with Balassa (1965) index is calculated.

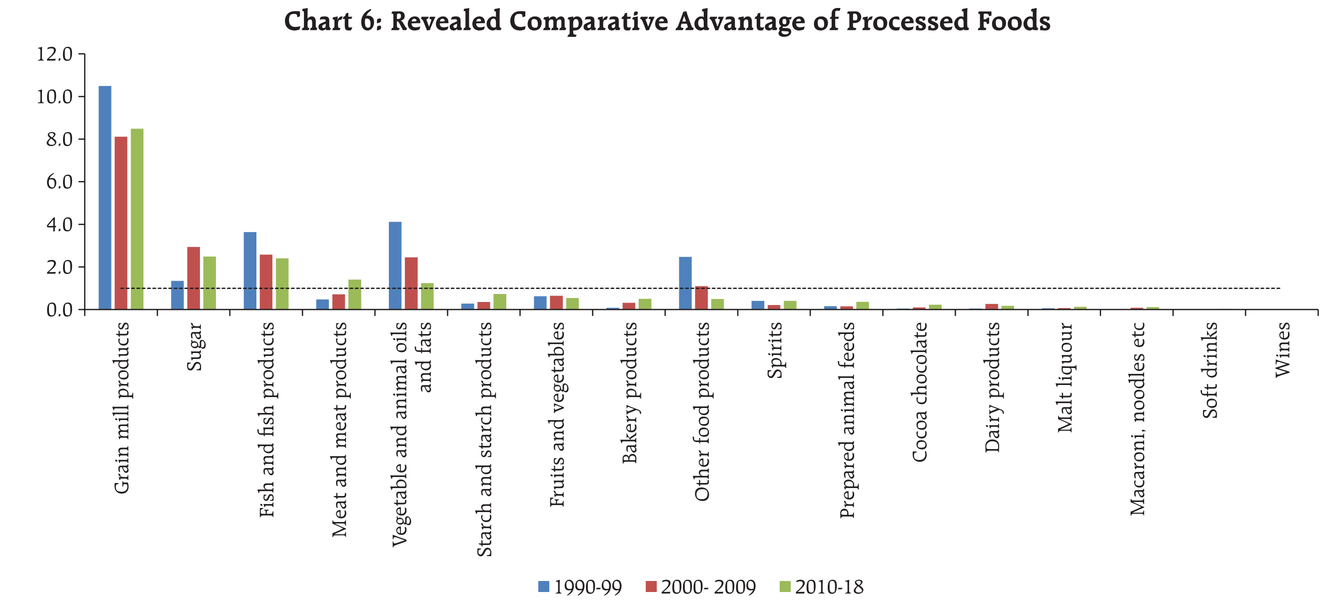
$$RCA_{ij} = \left(\frac{X_{ij}}{X_{it}}\right) / \left(\frac{X_{wj}}{X_{wt}}\right)$$

Where X_{ij} and X_{it} are the value of country i's export of product j and its total exports while X_{wj} and X_{wt} refer to the world's export of product j and total world exports, respectively. A value higher than unity implies that country *i* has revealed comparative advantage in that product and *vice versa*. Out of the total 17 sub-groups of processed food, India has revealed comparative advantage in 5 products, with grain mill products having the highest score (Chart 6). India ranked first in the export of grain mill products in 2018 and accounted for 18 per cent of total world exports. In case of vegetable and animal oils and fats, the RCA has come down over the years, though the decadal average still stood at 1.2. Further, strong domestic demand has made India a net importer of

Chart 5: India's trade in Processed Food Products



Source: WITS



Source: Authors' Calculations based on WITS Data.

vegetable oils for which the RCA has come down to less than unity since 2015. On the other hand, India's competitiveness has improved over the years in case of meat and meat products.

Apart from price competitiveness, quality standards also affect the exportability of a product. With consumers becoming quality conscious, demand for these products are on the rise across the world but restrictive trade practices have also increased. Countries are increasingly using sanitary and phytosanitary (SPS) measures since the mid-1990s, with consumers demanding high food safety and health standards (World Trade Organisation, 2012). Increasingly, the quality standards under Sanitary and Phytosanitary Measures of the World Trade Organisation are used by developed countries in restricting imports from developing countries (Arathi, Kumar, Negi & Singh, 2012; Kumar, 2016; and Goyal, Mukherjee & Kapoor, 2017).

While there are globally accepted quality standards such as the Codex Alimentarius standards, individual countries, as per WTO norms, have the right to set and implement food safety and health standards, provided they are based on scientific justification and are implemented to protect human, animal or plant life. Many developed countries have relatively stringent health standards than the internationally accepted ones with a view to protect their nations against possible health hazards from imports from developing countries (Goyal, Mukherjee and Kapoor, 2017).

Corporate Data Analysis

To understand the strength and weakness of the food processing sector relative to other sub sectors within the non-financial corporate sector, their financial accounts data are analysed. The relevance of such an analysis is supported by the fact that more than 80 per cent of output and value added in the FPI sector is generated from the organised sector. Further, in terms of ownership structure, firms are divided as public limited and private limited firms. Key aggregated performance indicators for food processing firms are compared with those of all non-government and non-financial firms (Annex I, Table A1).

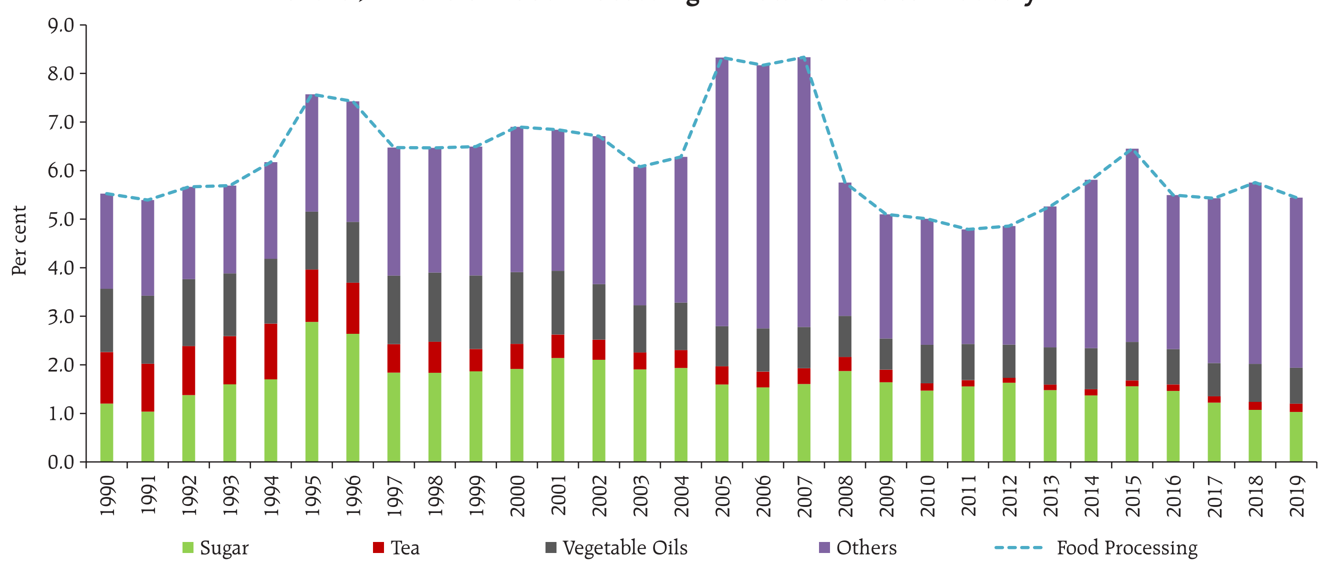
It can be observed that annual growth numbers for key parameters, *viz.*, sales, profit before tax (PBT), gross value added and gross fixed assets, of FPI have been volatile. Private limited firms have displayed higher growth volatility as compared with public limited firms. This indicates that smaller firms face higher uncertainty. Nominal sales growth of public limited firms declined significantly after 2013-14 while that of private limited firms remained stable. Unlike sales growth, profit and GVA growth of FPI firms, however, remained buoyant, indicating that probably these firms would have benefitted from softening of global commodity prices after 2013-14.

The average leverage of FPI firms, measured as debt to equity ratio, has increased significantly after 2012-13, specifically for private limited firms, possibly a sign of financial distress in medium and small enterprises. The ratio of exports to sales and the ratio of GVA to gross fixed assets of FPI firms are found to be generally lower than those for the overall non-financial corporate sector (Annex I, Table A2). This is a sign of weaker participation of the Indian FPI sector in the global value chains and their lower ability to make higher value addition to overall sectoral output. This is also not surprising as majority of FPI firms are involved in primary or secondary processing activity and largely cater to domestic demand. It may be added that the ratio of sales to assets, *i.e.*, the asset turnover ratio [a measure of efficient exploitation of physical investment by firms] of FPI firms is significantly higher than that for the overall industry, which, nevertheless is more an indication of lower value addition in the sector than greater efficiency.

Credit

Ensuring availability of adequate credit to the food processing industries is given utmost importance by the Reserve Bank of India. Accordingly, the Reserve Bank has accorded priority sector status to food processing industry. Loans to food and agro-based processing units and cold chain have been classified under agricultural activities for priority sector lending. Loans for food and agro-processing up to an aggregate sanctioned limit of ₹100 crore per borrower from the banking system is considered as priority sector. Apart from this, credit for developing agricultural infrastructure is also categorised under priority sector lending. Accordingly, loans provided for construction of storage facilities (warehouse, market yards, godowns and silos), including cold storage units / cold storage chains designed to store agricultural produce/

Chart 7: Share of Food Processing in Total Credit to Industry



Source: Handbook of Statistics on the Indian Economy, RBI.

products comes under the priority sector lending, as also loans to MSMEs involved in food processing.

The share of the food processing sector in total credit to industry has moved in a narrow range, at less than 10 per cent since 1990 which is consistent with the share of FPI in manufacturing GVA (Chart 7).

To examine the importance of credit in promoting investment and output in the food processing sector, we attempt a panel data analysis using ASI industry level data. ASI is the principal source of industrial statistics in India which provides industry wise annual data on major characteristics at various levels based on National Industrial Classification (NIC). In the present study, ASI data till level (4 digit) have been considered, which provide sufficient information regarding the major sub sectors of the food processing industries. The data are annual and correspond to the period 1993-94 to 2015-16.

ASI provides industry level data on output, fixed investment, profit and credit outstanding. This provides an opportunity to assess, the impact of credit on gross output and capital expenditure controlling for urbanisation. Capital expenditure is taken as the one period difference in fixed investment. Panel unit root test reveals the variables to be I (1) (Table 7).

Panel co-integration using Westerlund (2007) test is run for the following two equations separately to examine the effect of credit on output and capital expenditure:

$$\text{Grossoutput}_{it} = \gamma_i + \beta\text{Loanoutstanding}_{it} + \varepsilon_{it}$$
$$\text{Capital expenditure}_{it} = \gamma_i + \beta\text{Loanoutstanding}_{it} + \varepsilon_{it}$$

Table 7: Result of Im-Pesaran-Shin Panel Unit-root Test

Variable	Number of panels	Level	First difference
Gross output	11	3.33	-8.35***
Loan outstanding	11	1.04	-9.89***
Capital expenditure	11	3.75	-8.41***

*** : p<0.01.

Table 8: Variance Ratio of Panel Co-integration using Westerlund Test with All Panels Co-integrated (for 11 Industries)

H0: No co-integration	
H1: All panels are co-integrated	
Gross output	**Capital expenditure**
-2.41***	-2.94***

*** : p<0.01.

The null hypothesis is that there exists no cointegration between the variables. The results validated the presence of long run relation between the variables (Table 8).

To address endogeneity among the variables, Arellano and Bond (1991) Generalised Method of Moments is used for estimating long run relationship. The results showed credit has positive relationship with gross output, and capex growth, (Table 9). A one unit increase in credit will result in 17 per cent improvement in gross output and 22 per cent improvement in capital expenditure. This shows that a policy towards channelising credit can be beneficial for overall improvement of food processing sector.

Table 9: Estimation of Long-run Relationship

Variables	Log of gross output	Log of capital expenditure
Log of gross output[-1]	0.825** (0.058)	
Log of capital expenditure[-1]		0.723* (0.096)
Log of loan outstanding	0.173** (0.050)	0.224* (0.095)
Constant	0.518 (0.207)	0.398 (0.297)
Observations	223	226
Number of sectors	11	11
Wald chi2 (2)	10704***	862.6***
Sargan test of over-identifying restrictions chi2(172)	197.75*	246.16***

Cluster robust standard errors in parentheses.
*** : p<0.01; ** : p<0.05; and * : p<0.1.

IV. Government Initiatives

Recognising the role that FPI can play in promoting employment and income in the rural sector, the Government of India has identified it as a priority sector under the 'Make in India' Programme. FPI offers an opportunity to reduce dependence on agriculture in the rural areas as the main employment generating sector. Various initiatives have been taken by the Government to promote this sector considering the challenges faced by the sector. The Ministry of Food Processing Industries has identified six key challenges faced by the food processing industry: (i) gaps in supply chain infrastructure (*i.e.*, lack of primary processing, storage and distribution facilities); (ii) inadequate link between production and processing; (iii) seasonality of operations and low capacity utilisations; (iv) institutional gaps in supply chain, *viz.*, dependence on APMC markets, *etc.;* (v) inadequate focus on quality and safety standards; and (vi) lack of product development and innovation (Government of India, 2018). Accordingly, the focus has been to smoothen the supply chain by creating infrastructure, promoting exports, improving quality standards, expanding supply of formal credit, particularly to small and medium enterprises, and broadening skilled labour pool in the economy. Specifics of key policies are outlined in Annex II.

V. Summing up

Though India is a major producer and exporter of agricultural produce at raw material stage, only less than 10 per cent of them are processed and traded. One major reason for this is the large consumer base domestically and having preference for fresh produce over processed food. Slow pace of urbanisation and low labour force participation of women have resulted in the preference for fresh foods at the All-India level. Empirical literature suggests that as more women enter the workforce, consumption of processed food increases (Wang, *et al.*, 2015). India has the potential to emerge as a major exporter of processed food by adhering to the quality standards. The Government initiatives for strengthening quality standards can provide impetus to the sector.

An analysis of corporate data showed that profitability of food processing firms has been either higher or comparable with the levels of other firms. However, the value-added component in food processing firms was found to be lower than other firms operating in the industrial sector. The econometric analysis on credit reveals the importance of credit for growth in this sector. Relative to the share of the food processing sector in industrial GVA, sectoral credit data suggest adequate availability of credit for the sector.

With the bourgeoning urban and young population, demand for processed food items is set to increase in the coming years. The food processing industry in India needs to gear up to meet the demand by investing in necessary infrastructure. The industry requires a steady flow of raw materials from the producers/farmers meeting specific quality standards and at stable prices. Farmer producer organisations, by bringing together small farmers and agricultural entrepreneurs, can enhance the opportunity to build more stable supply chain. Besides ensuring steady flow of income to the farmers, greater linkages with industry could also reduce wastages, particularly in perishables.

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Annex I

Table A1: Growth rate of select items of food processing companies (Per cent)

Financial year	Food processing firms					Overall non-financial firms				
	Number of Firms	Sales	Profit before tax	Gross value added	Gross fixed assets	Number of Firms	Sales	Profit before tax	Gross value added	Gross fixed assets
Public Limited firms										
2010-11	173	26.5	-7.5	6.3	10.7	3,041	21.2	11.3	15.4	15.5
2011-12	162	25.4	9.0	6.8	11.4	3,041	19.0	-4.7	6.4	11.1
2012-13	291	13.6	9.1	13.3	8.9	3,014	10.5	3.8	10.6	12.6
2013-14	676	13.7	5.2	11.9	10.5	4,388	10.6	4.7	10.4	15.1
2014-15	821	7.3	27.6	13.0	-0.7	16,923	4.8	15.9	12.8	5.8
2015-16	1,108	3.0	75.0	-2.2	5.2	19,602	0.7	9.5	8.7	7.5
2016-17	779	6.9	18.4	25.8	2.5	24,612	5.4	10.3	9.4	8.1
2017-18	779	9.9	42.5	52.1	8.4	16,130	10.1	7.7	7.1	5.5
Private Limited firms										
2010-11	95	20.5	31.2	33.9	18.2	1,741	17.9	-14.8	13.3	10.4
2011-12	63	23.5	70.2	27.1	13.9	1,628	24.1	-0.3	19.4	14.7
2012-13	5,610	23.5	30.0	24.7	23.9	2,55,426	13.3	14.6	16.3	21
2013-14	5,436	8.3	-8.8	9.8	10.4	2,37,398	8.7	19.9	20.1	12
2014-15	6,931	10.2	9.3	14.6	-1.1	2,92,308	13.2	18.0	18.1	4.3
2015-16	9,988	10.6	57.0	22.3	25.6	4,06,739	5.9	16	15.1	17.2
2016-17	5,946	45.3	140.8	58.9	22.4	2,45,333	9.1	17.3	15.3	6.2
2017-18	5,946	-15.9	-51.1	-17.3	-6.8	2,45,333	10.6	18.7	14.7	10.7

Source: Database on the Indian Economy, RBI.

Table A2: Key financial ratios of food processing firms (per cent)

Financial year	Food processing firms				Overall non financial firms			
	Debt to equity	Sales to gross fixed assets	Exports to sales	Gross value added to gross fixed assets	Debt to equity	Sales to gross fixed assets	Exports to sales	Gross value added to gross fixed assets
Public Limited Firms								
2010-11	56.8	210.8	10.8	30.7	42.0	148.7	18.6	35.6
2011-12	34.3	311.1	12.9	30.4	39.1	204.6	11.2	50.5
2012-13	39.1	256.3	10.5	32.7	42.9	152.0	20.6	32.1
2013-14	42.3	248.1	9.7	27.7	43.7	139.0	18.4	30.5
2014-15	56.2	–	4.0	33.5	46.9	115.1	14.2	26.4
2015-16	47.2	–	3.2	35.0	52.6	112.1	15.2	23.9
2016-17	40.7	–	2.9	29.7	45.9	106.2	10.7	23.7
2017-18	37.4	–	1.8	42.9	43.2	109.5	8.9	23.8
Private Limited firms								
2010-11	26.8	466.4	9.1	42.2	33.1	213.7	10.0	50.3
2011-12	15.5	413.1	4.3	42.0	39.1	204.6	11.2	50.5
2012-13	12.2	431.0	11.6	43.9	40.6	208.1	10.6	50.8
2013-14	39.9	349.5	5.3	28.2	47.2	242.0	5.6	36.8
2014-15	41.8	340.0	3.7	30.2	49.5	234.2	6.3	37.2
2015-16	57.2	–	3.6	34.0	59.4	282.1	2.9	44.8
2016-17	65.7	–	2.6	39.7	56.0	292.6	2.3	45.2
2017-18	56.3	–	3.9	30.9	56.6	298.4	2.1	47.8

– : Not available.

Source: Database on the Indian Economy, RBI.

Annex II
Government Initiatives for Development of FPI in India

Infrastructure: To address small size of enterprises involved in food processing, the Government promotes a cluster approach which brings together farmers and entrepreneurs through well-equipped supply chains and aims at development of modern infrastructure and common facilities to set up food processing units. Under the scheme, each agro-processing cluster will have two basic components, *i.e.,* Basic Enabling Infrastructure (roads, water supply, power supply, drainage, effluent treatment plan, *etc.*), and Core Infrastructure/ Common facilities (warehouses, cold storages, individual quick freezing, tetra pack, sorting, grading, *etc.*) and at least 5 food processing units with a minimum investment of ₹25 crore (Government of India, 2017). Implementation of Mega Food Parks (MFP) scheme in 2008, Modern Terminal Markets (MTM) and bulk storage facilities as well as modernisation of markets, quality control laboratories are some of the efforts in this regard.

Further, financial support and fiscal incentives are given for creation of common supply chain infrastructure, like cold chain, dry storage, packaging, logistics, back and front-end infrastructure, expansion of processing capacities, *etc.* to reduce cost of investment, enhance viability and ensure higher conformity to regulatory standards. Under project imports, all goods relating to food processing are charged a uniform customs duty of 5 per cent irrespective of their tariff classification.

Standardisation of Food Safety Norms: Due to legacy issues and infrastructural challenges, the Indian states have different levels of implementation of food quality standards and procedures. Over time, awareness about food quality and safety standards have increased due to the growing middle-class population, globalisation and health awareness, *etc.* For uniform implementation of food quality standards, Food Safety and Standards Authority of India (FSSAI) launched "One Nation, One Food Law" initiative.

Availability of credit: To boost credit disbursement at affordable rates to the food processing sector, a special fund of ₹ 2000 crore has been set up in National Bank for Agriculture and Rural Development (NABARD). Under this, loans are extended up to 95 per cent of the project cost for setting up, modernisation and expansion of food processing units and development of infrastructure in designated food parks.

Human Resource and Skill Development: The Government has taken up the initiative to develop sector specific skills of the workers with support from the National Institute of Food Technology, Entrepreneurship and Management (NIFTEM) and the Indian Institute of Food Processing Technology (IIFPT). In 2017, merging seven major schemes under one umbrella scheme, *i.e.*, the *Pradhan Mantri Kisaan Sampada Yojana*, has been implemented. This is expected to boost efficiency of infrastructure investment as well as of farmers.

CURRENT STATISTICS

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Reserve Bank of India

Money and Banking

Prices and Production

Government Accounts and Treasury Bills

Financial Markets

External Sector

Payment and Settlement Systems

Occasional Series

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

No. 1: Select Economic Indicators

Item	2018-19	2018-19 Q2	2018-19 Q3	2019-20 Q2	2019-20 Q3
	1	2	3	4	5
1 Real Sector (% Change)					
1.1 GVA at Basic Prices	6.0	6.1	5.6	4.8	4.5
1.1.1 Agriculture	2.4	2.5	2.0	3.1	3.5
1.1.2 Industry	4.5	4.7	4.4	0.1	0.1
1.1.3 Services	7.5	7.2	7.3	6.8	6.4
1.1a Final Consumption Expenditure	7.6	9.1	7.0	7.0	6.7
1.1b Gross Fixed Capital Formation	9.8	11.5	11.4	-4.1	-5.2
	2018-19	**2018 Dec.**	**2019 Jan.**	**2019 Dec.**	**2020 Jan.**
	1	2	3	4	5
1.2 Index of Industrial Production	3.8	2.5	1.6	-0.3	-
2 Money and Banking (% Change)					
2.1 Scheduled Commercial Banks					
2.1.1 Deposits	10.0	8.9	9.6	9.7	9.9
2.1.2 Credit	13.3	13.9	14.8	7.0	7.2
2.1.2.1 Non-food Credit	13.4	13.8	14.7	6.9	7.1
2.1.3 Investment in Govt. Securities	1.9	-0.5	-0.1	12.9	11.2
2.2 Money Stock Measures					
2.2.1 Reserve Money (M0)	14.5	17.0	16.2	10.2	12.3
2.2.2 Broad Money (M3)	10.5	10.2	10.4	10.4	11.2
3 Ratios (%)					
3.1 Cash Reserve Ratio	4.00	4.00	4.00	4.00	4.00
3.2 Statutory Liquidity Ratio	19.25	19.50	19.25	18.50	18.25
3.3 Cash-Deposit Ratio	5.1	5.1	4.7	4.8	4.7
3.4 Credit-Deposit Ratio	77.7	78.2	78.0	76.2	75.8
3.5 Incremental Credit-Deposit Ratio	99.9	139.2	127.7	39.0	44.4
3.6 Investment-Deposit Ratio	26.9	27.9	27.9	28.7	28.0
3.7 Incremental Investment-Deposit Ratio	5.4	1.1	4.4	74.1	46.9
4 Interest Rates (%)					
4.1 Policy Repo Rate	6.25	6.50	6.50	5.15	5.15
4.2 Reverse Repo Rate	6.00	6.25	6.25	4.90	4.90
4.3 Marginal Standing Facility (MSF) Rate	6.50	6.75	6.75	5.40	5.40
4.4 Bank Rate	6.50	6.75	6.75	5.40	5.40
4.5 Base Rate	8.95/9.40	8.95/9.45	8.95/9.45	8.45/9.40	8.45/9.40
4.6 MCLR (Overnight)	8.05/8.55	8.15/8.55	8.15/8.55	7.65/8.00	7.50/7.95
4.7 Term Deposit Rate >1 Year	6.25/7.50	6.25/7.50	6.25/7.50	6.20/6.40	6.10/6.40
4.8 Savings Deposit Rate	3.50/4.00	3.50/4.00	3.50/4.00	3.25/3.50	3.25/3.50
4.9 Call Money Rate (Weighted Average)	6.35	6.57	6.43	5.11	4.94
4.10 91-Day Treasury Bill (Primary) Yield	6.31	6.65	6.56	5.03	5.13
4.11 182-Day Treasury Bill (Primary) Yield	6.35	6.84	6.69	5.22	5.24
4.12 364-Day Treasury Bill (Primary) Yield	6.39	6.94	6.78	5.30	5.29
4.13 10-Year G-Sec Par Yield (FBIL)	7.34	7.41	7.30	6.74	6.86
5 Reference Rate and Forward Premia					
5.1 INR-US$ Spot Rate (Rs. Per Foreign Currency)	69.17	69.98	71.11	71.22	71.51
5.2 INR-Euro Spot Rate (Rs. Per Foreign Currency)	77.70	80.18	80.50	79.19	78.82
5.3 Forward Premia of US$ 1-month (%)	6.07	4.37	4.05	3.96	3.52
3-month (%)	4.80	3.97	4.22	3.90	4.25
6-month (%)	4.16	4.09	4.11	4.38	4.21
6 Inflation (%)					
6.1 All India Consumer Price Index	3.4	2.1	2.0	7.4	7.6
6.2 Consumer Price Index for Industrial Workers	5.4	5.2	6.6	9.6	7.5
6.3 Wholesale Price Index	4.3	3.5	2.8	2.6	3.1
6.3.1 Primary Articles	2.7	1.4	3.0	11.5	10.0
6.3.2 Fuel and Power	11.5	7.6	1.8	-1.5	3.4
6.3.3 Manufactured Products	3.7	3.6	2.8	-0.3	0.3
7 Foreign Trade (% Change)					
7.1 Imports	10.4	0.7	1.9	-8.8	-0.7
7.2 Exports	8.7	1.8	3.9	-1.6	-1.7

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

Reserve Bank of India

No. 2: RBI - Liabilities and Assets *

(₹ Crore)

Item	As on the Last Friday/ Friday						
	2018-19	2019	2020				
		Feb.	Jan. 31	Feb. 7	Feb. 14	Feb. 21	Feb. 28
	1	2	3	4	5	6	7
1 Issue Department							
1.1 Liabilities							
1.1.1 Notes in Circulation	2113764	2081582	2284695	2311245	2320416	2331422	2321924
1.1.2 Notes held in Banking Department	11	11	11	10	11	10	13
1.1/1.2 Total Liabilities (Total Notes Issued) or Assets	**2113775**	**2081593**	**2284706**	**2311255**	**2320427**	**2331432**	**2321937**
1.2 Assets							
1.2.1 Gold Coin and Bullion	79481	77604	95254	94435	95087	97184	100833
1.2.2 Foreign Securities	2033559	2003208	2188733	2216111	2224640	2233361	2220225
1.2.3 Rupee Coin	735	781	719	709	700	887	879
1.2.4 Government of India Rupee Securities	–	–	–	–	–	–	–
2 Banking Department							
2.1 Liabilities							
2.1.1 Deposits	806012	653452	994030	952353	947454	945774	990618
2.1.1.1 Central Government	101	101	101	100	101	100	100
2.1.1.2 Market Stabilisation Scheme	–	–	–	–	–	–	–
2.1.1.3 State Governments	43	42	42	42	42	42	42
2.1.1.4 Scheduled Commercial Banks	565707	503336	550704	531170	556182	544151	550033
2.1.1.5 Scheduled State Co-operative Banks	4197	3547	6841	6826	6798	6765	6739
2.1.1.6 Non-Scheduled State Co-operative Banks	3494	2420	3002	3033	3139	3125	3132
2.1.1.7 Other Banks	32036	28801	31707	32048	31605	32289	31600
2.1.1.8 Others	199734	114483	400909	377649	347327	357760	398150
2.1.1.9 Financial Institution Outside India	700	722	724	1485	2260	1542	822
2.1.2 Other Liabilities	1087686	1158897	1161436	1156768	1156313	1166858	1219283
2.1/2.2 Total Liabilities or Assets	**1893698**	**1812349**	**2155466**	**2109121**	**2103767**	**2112632**	**2209901**
2.2 Assets							
2.2.1 Notes and Coins	11	11	11	10	11	10	13
2.2.2 Balances held Abroad	646640	675711	955641	944139	954795	953600	1022250
2.2.3 Loans and Advances							
2.2.3.1 Central Government	–	–	73545	23324	6817	–	5081
2.2.3.2 State Governments	10	547	1210	9927	8401	1227	2882
2.2.3.3 Scheduled Commercial Banks	180688	147395	16915	19795	15446	37209	54186
2.2.3.4 Scheduled State Co-op.Banks	–	–	–	–	–	–	–
2.2.3.5 Industrial Dev. Bank of India	–	–	–	–	–	–	–
2.2.3.6 NABARD	–	–	–	–	–	–	–
2.2.3.7 EXIM Bank	–	–	–	–	–	–	–
2.2.3.8 Others	13463	4504	4416	4416	2146	2463	1815
2.2.3.9 Financial Institution Outside India	700	722	724	5055	11544	10875	10336
2.2.4 Bills Purchased and Discounted							
2.2.4.1 Internal	–	–	–	–	–	–	–
2.2.4.2 Government Treasury Bills	–	–	–	–	–	–	–
2.2.5 Investments	923080	886736	983670	983703	983736	983770	983803
2.2.6 Other Assets	129106	96723	119334	118752	120871	123478	129535
2.2.6.1 Gold	87169	84101	111665	111107	112784	115272	120566

* Data are provisional

No. 3: Liquidity Operations by RBI

(₹ Crore)

Date	Liquidity Adjustment Facility				MSF	Standing Liquidity Facilities	Market Stabilisation Scheme	OMO (Outright)		Net Injection (+)/ Absorption (-) (1+3+5+6+9-2-4-7-8)
	Repo	Reverse Repo	Variable Rate Repo	Variable Rate Reverse Repo				Sale	Purchase	
	1	2	3	4	5	6	7	8	9	10
Jan. 1, 2020	3169	41214	-	290674	3430	–	-	-	-	-325289
Jan. 2, 2020	3054	33722	-	414014	4225	–	-	-	-	-440457
Jan. 3, 2020	2694	41498	-	388002	4685	–	-	-	-	-422121
Jan. 4, 2020	1930	7197	-	-	2259	–	-	-	-	-3008
Jan. 5, 2020	-	16	-	-	-	–	-	-	-	-16
Jan. 6, 2020	2640	23120	-	351658	3710	-	-	-	-	-368428
Jan. 7, 2020	2905	19173	12000	331711	5165	–	-	10000	10000	-330814
Jan. 8, 2020	2715	20142	-	294516	3833	-212	-	-	-	-308322
Jan. 9, 2020	2835	15052	-	283892	2548	–	-	-	-	-293561
Jan. 10, 2020	2849	22877	-	264080	3091	–	-	-	-	-281017
Jan. 11, 2020	-	795	-	-	-	–	-	-	-	-795
Jan. 12, 2020	-	289	-	-	250	–	-	-	-	-39
Jan. 13, 2020	2909	22783	-	240516	4080	-56	-	-	-	-256366
Jan. 14, 2020	2794	21571	1000	210008	3075	56	-	-	-	-224654
Jan. 15, 2020	2864	22191	-	200049	3430	–	-	-	-	-215946
Jan. 16, 2020	2769	34628	-	246789	6450	–	-	-	-	-272198
Jan. 17, 2020	2939	37992	2100	210838	5989	–	-	-	-	-237802
Jan. 18, 2020	9290	3352	-	-	5123	–	-	-	-	11061
Jan. 19, 2020	-	15	-	-	–	–	-	-	-	-15
Jan. 20, 2020	3366	23153	-	190023	3916	–	-	-	-	-205894
Jan. 21, 2020	3214	21533	5000	165014	3400	–	-	-	-	-174933
Jan. 22, 2020	2959	44423	-	141544	2250	–	-	-	-	-180758
Jan. 23, 2020	3074	53686	-	130032	3800	185	-	-	-	-176659
Jan. 24, 2020	2844	62831	4000	142827	2915	-82	-	2950	10000	-188931
Jan. 25, 2020	-	50	-	-	200	–	-	-	-	150
Jan. 26, 2020	-	950	-	-	100	–	-	-	-	-850
Jan. 27, 2020	2894	76496	-	130027	3325	82	-	-	-	-200222
Jan. 28, 2020	2449	84372	3175	138930	2052	284	-	-	-	-215342
Jan. 29, 2020	2544	72664	-	125029	2450	-426	-	-	-	-193125
Jan. 30, 2020	2974	59773	-	155018	1785	426	-	-	-	-209606
Jan. 31, 2020	2944	52333	2000	179394	2340	–	-	-	-	-224443

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

i) Operations in onshore / offshore OTC segment

Item	2018-19	2019		2020
		Jan.	Dec.	Jan.
	1	2	3	4
1 Net Purchase/ Sale of Foreign Currency (US $ Million) (1.1–1.2)	-15377	293	4360	10266
1.1 Purchase (+)	40804	1025	5374	11486
1.2 Sale (–)	56181	732	1014	1220
2 ₹ equivalent at contract rate (₹ Crores)	-111946	1763	30894	72793
3 Cumulative (over end-March) (US $ Million)	-15377	-25610	29741	40007
(₹ Crores)	-111945	-182314	205303	278096
4 Outstanding Net Forward Sales (–)/ Purchase (+) at the end of month (US $ Million)	-13774	-3032	-1875	-1215

ii) Operations in currency futures segment

Item	2018-19	2019		2020
		Jan.	Dec.	Jan.
	1	2	3	4
1 Net Purchase/ Sale of Foreign Currency (US $ Million) (1.1–1.2)	0	0	0	0
1.1 Purchase (+)	13935	75	1690	400
1.2 Sale (–)	13935	75	1690	400
2 Outstanding Net Currency Futures Sales (–)/ Purchase (+) at the end of month (US $ Million)	0	0	400	0

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

Item	As on January 31, 2020		
	Long (+)	Short (-)	Net (1-2)
	1	2	3
1. Upto 1 month	3010	1460	1550
2. More than 1 month and upto 3 months	1384	0	1384
3. More than 3 months and upto 1 year	7576	1705	5871
4. More than 1 year	0	10020	-10020
Total (1+2+3+4)	**11970**	**13185**	**-1215**

No. 5: RBI's Standing Facilities

(₹ Crore)

Item	As on the Last Reporting Friday							
	2018-19	2019					2020	
		Feb. 15	Sep. 27	Oct. 25	Nov. 22	Dec. 20	Jan. 31	Feb. 28
	1	2	3	4	5	6	7	8
1 MSF	12882	1085	48	4373	3231	3856	2340	4130
2 Export Credit Refinance for Scheduled Banks								
2.1 Limit	–	-	–	-	-	-	-	-
2.2 Outstanding	–	-	–	-	-	-	-	-
3 Liquidity Facility for PDs								
3.1 Limit	2800	2800	2800	2800	2800	2800	2800	2800
3.2 Outstanding	2678	1794	2372	1884	1604	1615	1872	1815
4 Others								
4.1 Limit	–	-	–	-	-	-	-	-
4.2 Outstanding	–	-	–	-	-	-	-	-
5 Total Outstanding (1+2.2+3.2+4.2)	15560	2879	2420	6257	4835	5471	4212	5945

Money and Banking

No. 6: Money Stock Measures

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2018-19	2019		2020	
		Jan. 18	Dec. 20	Jan. 17	Jan. 31
	1	2	3	4	5
1 Currency with the Public (1.1 + 1.2 + 1.3 – 1.4)	2052209	1986735	2180612	2215516	2218775
1.1 Notes in Circulation	2110883	2039260	2245888	2278414	2284695
1.2 Circulation of Rupee Coin	25144	25055	25435	25495	25537
1.3 Circulation of Small Coins	743	743	743	743	743
1.4 Cash on Hand with Banks	84561	78324	91454	89137	92199
2 Deposit Money of the Public	1658254	1355836	1507735	1486313	1588103
2.1 Demand Deposits with Banks	1626512	1329986	1473756	1453120	1554247
2.2 'Other' Deposits with Reserve Bank	31742	25850	33979	33194	33856
3 M_1 (1 + 2)	**3710464**	**3342571**	**3688348**	**3701829**	**3806879**
4 Post Office Saving Bank Deposits	140599	132503	141786	141786	141786
5 M_2 (3 + 4)	**3851063**	**3475074**	**3830134**	**3843615**	**3948665**
6 Time Deposits with Banks	11721603	11416213	12370541	12515775	12611745
7 M_3 (3 + 6)	**15432067**	**14758783**	**16058889**	**16217604**	**16418624**
8 Total Post Office Deposits	367287	352915	409246	409246	409246
9 M_4 (7 + 8)	**15799354**	**15111698**	**16468135**	**16626850**	**16827870**

No. 7: Sources of Money Stock (M_3)

(₹ Crore)

Sources	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2018-19	2019		2020	
		Jan. 18	Dec. 20	Jan. 17	Jan. 31
	1	2	3	4	5
1 Net Bank Credit to Government	**4388490**	**4432878**	**4918791**	**4999887**	**5014594**
1.1 RBI's net credit to Government (1.1.1–1.1.2)	801951	864060	979921	1070018	1057037
1.1.1 Claims on Government	929686	864203	1002864	1070160	1057180
1.1.1.1 Central Government	928166	858560	1001608	1062661	1055970
1.1.1.2 State Governments	1520	5643	1256	7499	1210
1.1.2 Government deposits with RBI	127735	143	22943	142	143
1.1.2.1 Central Government	127693	101	22901	100	101
1.1.2.2 State Governments	42	42	42	42	42
1.2 Other Banks' Credit to Government	3586539	3568818	3938870	3929869	3957557
2 Bank Credit to Commercial Sector	**10382719**	**9928857**	**10597315**	**10665549**	**10756819**
2.1 RBI's credit to commercial sector	15363	8278	6702	6236	6380
2.2 Other banks' credit to commercial sector	10367356	9920579	10590613	10659313	10750439
2.2.1 Bank credit by commercial banks	9771722	9332555	9945118	10003643	10105180
2.2.2 Bank credit by co-operative banks	585931	579208	625750	637257	632356
2.2.3 Investments by commercial and co-operative banks in other securities	9703	8817	19746	18413	12903
3 Net Foreign Exchange Assets of Banking Sector (3.1 + 3.2)	**3070841**	**2944995**	**3440836**	**3489569**	**3569071**
3.1 RBI's net foreign exchange assets (3.1.1–3.1.2)	2848587	2815725	3222839	3271573	3351074
3.1.1 Gross foreign assets	2848800	2815947	3223060	3271791	3351293
3.1.2 Foreign liabilities	213	222	221	218	219
3.2 Other banks' net foreign exchange assets	222254	129271	217997	217997	217997
4 Government's Currency Liabilities to the Public	**25887**	**25798**	**26178**	**26238**	**26280**
5 Banking Sector's Net Non-monetary Liabilities	**2435870**	**2573745**	**2924232**	**2963640**	**2948140**
5.1 Net non-monetary liabilities of RBI	1058795	1127593	1123096	1137921	1158386
5.2 Net non-monetary liabilities of other banks (residual)	1377075	1446152	1801136	1825719	1789754
M_3 (1+2+3+4–5)	**15432067**	**14758783**	**16058889**	**16217604**	**16418624**

No. 8: Monetary Survey

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2018-19	2019		2020	
		Jan. 18	Dec. 20	Jan. 17	Jan. 31
	1	2	3	4	5
Monetary Aggregates					
NM_1 (1.1 + 1.2.1+1.3)	3710464	3342571	3688348	3701829	3806879
NM_2 (NM_1+ 1.2.2.1)	8911512	8410235	9176532	9255823	9402185
NM_3 (NM_2 + 1.2.2.2 + 1.4 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	15646602	14965655	16203315	16354801	16552195
1 Components					
1.1 Currency with the Public	2052209	1986735	2180612	2215516	2218775
1.2 Aggregate Deposits of Residents	13184397	12591463	13669723	13795330	13988261
1.2.1 Demand Deposits	1626512	1329986	1473756	1453120	1554247
1.2.2 Time Deposits of Residents	11557885	11261477	12195966	12342210	12434014
1.2.2.1 Short-term Time Deposits	5201048	5067665	5488185	5553995	5595306
1.2.2.1.1 Certificates of Deposit (CDs)	284993	206310	156633	177185	176959
1.2.2.2 Long-term Time Deposits	6356837	6193812	6707782	6788216	6838708
1.3 ‘Other’ Deposits with RBI	31742	25850	33979	33194	33856
1.4 Call/Term Funding from Financial Institutions	378254	361607	319001	310762	311303
2 Sources					
2.1 Domestic Credit	15659336	15236703	16396664	16555291	16647197
2.1.1 Net Bank Credit to the Government	4388490	4432878	4918791	4999887	5014594
2.1.1.1 Net RBI credit to the Government	801951	864060	979921	1070018	1057037
2.1.1.2 Credit to the Government by the Banking System	3586539	3568818	3938870	3929869	3957557
2.1.2 Bank Credit to the Commercial Sector	11270846	10803825	11477872	11555404	11632603
2.1.2.1 RBI Credit to the Commercial Sector	15363	8278	6702	6236	6380
2.1.2.2 Credit to the Commercial Sector by the Banking System	11255483	10795547	11471170	11549168	11626223
2.1.2.2.1 Other Investments (Non-SLR Securities)	879849	863488	871958	879445	865080
2.2 Government’s Currency Liabilities to the Public	25887	25798	26178	26238	26280
2.3 Net Foreign Exchange Assets of the Banking Sector	2801726	2685862	3207853	3236032	3307262
2.3.1 Net Foreign Exchange Assets of the RBI	2848587	2815725	3222839	3271573	3351074
2.3.2 Net Foreign Currency Assets of the Banking System	-46861	-129863	-14986	-35541	-43812
2.4 Capital Account	2346743	2365983	2465133	2497233	2497037
2.5 Other items (net)	493605	616725	962246	965527	931507

No. 9: Liquidity Aggregates

(₹ Crore)

Aggregates	2018-19	2019			2020
		Jan.	Nov.	Dec.	Jan.
	1	2	3	4	5
1 NM_3	**15646602**	**14965655**	**16087659**	**16203315**	**16552195**
2 Postal Deposits	367287	352915	401165	409246	409246
3 L_1 (1 + 2)	**16013889**	**15318570**	**16488824**	**16612561**	**16961441**
4 Liabilities of Financial Institutions	2932	2932	56839	54287	56400
4.1 Term Money Borrowings	2656	2656	3262	3078	2976
4.2 Certificates of Deposit	31	31	49162	46887	49631
4.3 Term Deposits	245	245	4415	4322	3793
5 L_2 (3 + 4)	**16016821**	**15321502**	**16545663**	**16666848**	**17017841**
6 Public Deposits with Non-Banking Financial Companies	31905	..	..	31905	..
7 L_3 (5 + 6)	**16048726**	..	..	**16698753**	..

Note : Since November 2019, updated data on liabilities of financial institutions have been incorporated in this table , and hence, are not comparable with past data

No. 10: Reserve Bank of India Survey

(₹ Crore)

Item	Outstanding as on March 31/last reporting Fridays of the month/reporting Fridays				
	2018-19	2019		2020	
		Jan. 18	Dec. 20	Jan. 17	Jan. 31
	1	2	3	4	5
1 Components					
1.1 Currency in Circulation	2136770	2065058	2272066	2304652	2310975
1.2 Bankers' Deposits with the RBI	601969	535479	603702	588344	592254
1.2.1 Scheduled Commercial Banks	558496	501646	562488	547082	550704
1.3 'Other' Deposits with the RBI	31742	25850	33979	33194	33856
Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 – 2.4 – 2.5)	2770481	2626387	2909747	2926190	2937085
2 Sources					
2.1 RBI's Domestic Credit	954802	912457	783826	766300	718117
2.1.1 Net RBI credit to the Government	801951	864060	979921	1070018	1057037
2.1.1.1 Net RBI credit to the Central Government (2.1.1.1.1 + 2.1.1.1.2 + 2.1.1.1.3 + 2.1.1.1.4 – 2.1.1.1.5)	800473	858459	978707	1062561	1055869
2.1.1.1.1 Loans and Advances to the Central Government	–	17106	–	87735	73545
2.1.1.1.2 Investments in Treasury Bills	–	–	–	–	–
2.1.1.1.3 Investments in dated Government Securities	927427	840646	1000832	974192	981706
2.1.1.1.3.1 Central Government Securities	927427	840646	1000832	974192	981706
2.1.1.1.4 Rupee Coins	739	808	776	734	719
2.1.1.1.5 Deposits of the Central Government	127693	101	22901	100	101
2.1.1.2 Net RBI credit to State Governments	1478	5601	1214	7457	1168
2.1.2 RBI's Claims on Banks	137488	40119	-202797	-309954	-345300
2.1.2.1 Loans and Advances to Scheduled Commercial Banks	137488	40119	-202797	-309954	-345300
2.1.3 RBI's Credit to Commercial Sector	15363	8278	6702	6236	6380
2.1.3.1 Loans and Advances to Primary Dealers	2678	1704	1615	1403	1872
2.1.3.2 Loans and Advances to NABARD	–	–	–	–	–
2.2 Government's Currency Liabilities to the Public	25887	25798	26178	26238	26280
2.3 Net Foreign Exchange Assets of the RBI	2848587	2815725	3222839	3271573	3351074
2.3.1 Gold	159585	152458	192925	203054	206919
2.3.2 Foreign Currency Assets	2689019	2663284	3029931	3068536	3144172
2.4 Capital Account	970265	1043200	992085	1002238	1010660
2.5 Other Items (net)	88530	84393	131011	135683	147726

No. 11: Reserve Money - Components and Sources

(₹ Crore)

Item	Outstanding as on March 31/ last Fridays of the month/ Fridays						
	2018-19	2019	2020				
		Feb. 1	Jan. 3	Jan. 10	Jan. 17	Jan. 24	Jan. 31
	1	2	3	4	5	6	7
Reserve Money (1.1 + 1.2 + 1.3 = 2.1 + 2.2 + 2.3 + 2.4 + 2.5 – 2.6)	2770481	2621174	2886419	2911258	2926190	2923115	2937085
1 Components							
1.1 Currency in Circulation	2136770	2061400	2268909	2297761	2304652	2307200	2310975
1.2 Bankers' Deposits with RBI	601969	533237	583847	580497	588344	581959	592254
1.3 'Other' Deposits with RBI	31742	26537	33663	33000	33194	33956	33856
2 Sources							
2.1 Net Reserve Bank Credit to Government	801951	898829	1135209	1068159	1070018	1009271	1057037
2.2 Reserve Bank Credit to Banks	137488	-8280	-411335	-321794	-309954	-284126	-345300
2.3 Reserve Bank Credit to Commercial Sector	15363	8278	6273	6211	6236	6014	6380
2.4 Net Foreign Exchange Assets of RBI	2848587	2846051	3298419	3259844	3271573	3315932	3351074
2.5 Government's Currency Liabilities to the Public	25887	25823	26238	26238	26238	26238	26280
2.6 Net Non- Monetary Liabilities of RBI	1058795	1149527	1168385	1127400	1137921	1150214	1158386

No. 12: Commercial Bank Survey

(₹ Crore)

Item	Outstanding as on last reporting Fridays of the month/ reporting Fridays of the month				
	2018-19	2019		2020	
		Jan. 18	Dec. 20	Jan. 17	Jan. 31
	1	2	3	4	5
1 Components					
1.1 Aggregate Deposits of Residents	12410053	11831239	12830205	12953030	13146270
1.1.1 Demand Deposits	1511287	1216819	1354601	1333983	1436076
1.1.2 Time Deposits of Residents	10898766	10614420	11475605	11619047	11710195
1.1.2.1 Short-term Time Deposits	4904445	4776489	5164022	5228571	5269588
1.1.2.1.1 Certificates of Deposits (CDs)	284993	206310	156633	177185	176959
1.1.2.2 Long-term Time Deposits	5994321	5837931	6311583	6390476	6440607
1.2 Call/Term Funding from Financial Institutions	378254	361607	319001	310762	311303
2 Sources					
2.1 Domestic Credit	14032206	13562254	14540311	14598493	14707970
2.1.1 Credit to the Government	3379001	3361983	3712006	3703340	3730741
2.1.2 Credit to the Commercial Sector	10653205	10200271	10828305	10895153	10977229
2.1.2.1 Bank Credit	9771722	9332555	9945118	10003643	10105180
2.1.2.1.1 Non-food Credit	9730112	9261606	9859975	9921541	10026280
2.1.2.2 Net Credit to Primary Dealers	8542	11743	8862	10674	10967
2.1.2.3 Investments in Other Approved Securities	2055	1448	11330	10354	4965
2.1.2.4 Other Investments (in non-SLR Securities)	870886	854526	862996	870482	856117
2.2 Net Foreign Currency Assets of Commercial Banks (2.2.1–2.2.2–2.2.3)	-46861	-129863	-14986	-35541	-43812
2.2.1 Foreign Currency Assets	262383	159027	278216	248971	242206
2.2.2 Non-resident Foreign Currency Repatriable Fixed Deposits	163719	154735	174575	173565	177731
2.2.3 Overseas Foreign Currency Borrowings	145526	134154	118628	110947	108287
2.3 Net Bank Reserves (2.3.1+2.3.2–2.3.3)	538104	530155	846390	935872	977850
2.3.1 Balances with the RBI	565707	501646	562488	547082	550704
2.3.2 Cash in Hand	74877	68628	81105	78836	81846
2.3.3 Loans and Advances from the RBI	102480	40119	-202797	-309954	-345300
2.4 Capital Account	1352307	1298612	1448878	1470825	1462206
2.5 Other items (net) (2.1+2.2+2.3–2.4–1.1–1.2)	382835	471089	773631	764207	722229
2.5.1 Other Demand and Time Liabilities (net of 2.2.3)	398120	355680	441282	404883	435464
2.5.2 Net Inter-Bank Liabilities (other than to PDs)	-47846	-50275	47417	50776	54049

No. 13: Scheduled Commercial Banks' Investments

(₹ Crore)

Item	As on March 29, 2019	2019		2020	
		Jan. 18	Dec. 20	Jan. 17	Jan. 31
	1	2	3	4	5
1 SLR Securities	3381056	3363431	3724228	3713695	3735706
2 Commercial Paper	90362	95517	94864	94900	94533
3 Shares issued by					
3.1 PSUs	11535	11682	11593	12194	12172
3.2 Private Corporate Sector	69592	70839	66237	67117	70181
3.3 Others	6379	6438	5515	5561	5558
4 Bonds/Debentures issued by					
4.1 PSUs	134819	137959	125665	145052	128910
4.2 Private Corporate Sector	268783	232105	235604	235028	230803
4.3 Others	170047	143494	197796	184689	191035
5 Instruments issued by					
5.1 Mutual funds	20988	64680	45966	44642	42478
5.2 Financial institutions	98382	91762	79261	80928	79815

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

(₹ Crore)

Item	As on the Last Reporting Friday (in case of March)/ Last Friday							
	All Scheduled Banks				All Scheduled Commercial Banks			
	2018-19	2019		2020	2018-19	2019		2020
		Jan.	Dec.	Jan.		Jan.	Dec.	Jan.
	1	2	3	4	5	6	7	8
Number of Reporting Banks	222	222	219	219	147	148	142	142
1 Liabilities to the Banking System	**276350**	**249877**	**272087**	**279961**	**271426**	**245414**	**267210**	**274771**
1.1 Demand and Time Deposits from Banks	181651	163087	196871	199874	176828	158763	192175	194935
1.2 Borrowings from Banks	79487	74720	62874	66916	79459	74662	62839	66868
1.3 Other Demand and Time Liabilities	15212	12070	12341	13172	15139	11989	12196	12968
2 Liabilities to Others	**13835976**	**13166822**	**14354171**	**14598326**	**13495672**	**12845016**	**13939154**	**14179055**
2.1 Aggregate Deposits	12901579	12302330	13474498	13726611	12573772	11994510	13076253	13324001
2.1.1 Demand	1542554	1249258	1424297	1468719	1511287	1221131	1390204	1436076
2.1.2 Time	11359025	11053072	12050201	12257891	11062484	10773379	11686049	11887926
2.2 Borrowings	381864	371471	331782	315590	378254	366798	327452	311303
2.3 Other Demand and Time Liabilities	552533	493021	547891	556126	543646	483708	535449	543751
3 Borrowings from Reserve Bank	**180688**	**99949**	**30427**	**16915**	**180688**	**99949**	**30427**	**16915**
3.1 Against Usance Bills /Promissory Notes	–	–	–	–	–	–	–	–
3.2 Others	180688	99949	30427	16915	180688	99949	30427	16915
4 Cash in Hand and Balances with Reserve Bank	657555	577763	646500	650929	640584	563952	628399	632550
4.1 Cash in Hand	76554	72427	89265	84192	74877	70838	86982	81846
4.2 Balances with Reserve Bank	581001	505336	557235	566737	565707	493114	541417	550704
5 Assets with the Banking System	**372670**	**345272**	**291147**	**290083**	**327814**	**305148**	**231299**	**231689**
5.1 Balances with Other Banks	245880	234563	178108	177911	223048	213921	151715	151438
5.1.1 In Current Account	17216	14852	18565	24106	13329	12578	16197	21442
5.1.2 In Other Accounts	228663	219712	159543	153805	209719	201342	135518	129997
5.2 Money at Call and Short Notice	47047	39896	37935	37079	32252	24806	17203	20180
5.3 Advances to Banks	32950	32247	34044	32315	29635	31469	28279	24959
5.4 Other Assets	46793	38565	41060	42777	42879	34952	34102	35111
6 Investment	**3475607**	**3436915**	**3880225**	**3849826**	**3381056**	**3343608**	**3765269**	**3735706**
6.1 Government Securities	3467845	3430050	3859887	3838863	3379001	3342298	3751590	3730741
6.2 Other Approved Securities	7762	6865	20338	10963	2055	1311	13678	4965
7 Bank Credit	**10047125**	**9628393**	**10287168**	**10431338**	**9771722**	**9351201**	**9967797**	**10105180**
7a Food Credit	64636	91818	112463	108222	41610	68791	85433	78899
7.1 Loans, Cash-credits and Overdrafts	9792287	9401364	10072725	10214129	9521994	9128803	9756870	9891381
7.2 Inland Bills-Purchased	27641	22458	25082	25518	26223	21114	24406	24595
7.3 Inland Bills-Discounted	160984	144459	132488	136627	158296	141968	130664	135171
7.4 Foreign Bills-Purchased	24914	23017	24282	22922	24588	22775	23872	22422
7.5 Foreign Bills-Discounted	41299	37095	32591	32142	40622	36541	31985	31611

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

(₹ Crore)

Item	Outstanding as on				Growth (%)	
	Mar. 29, 2019	2019		2020	Financial year so far	Y-o-Y
		Jan. 18	Dec. 20	Jan. 31	2019-20	2020
	1	2	3	4	5	6
1 Gross Bank Credit	**8674893**	**8274989**	**8822209**	**8978800**	**3.5**	**8.5**
1.1 Food Credit	**41474**	**70700**	**84863**	**78664**	**89.7**	**11.3**
1.2 Non-food Credit	**8633419**	**8204289**	**8737346**	**8900136**	**3.1**	**8.5**
1.2.1 Agriculture & Allied Activities	**1111300**	**1083159**	**1139092**	**1153386**	**3.8**	**6.5**
1.2.2 Industry	**2885778**	**2750038**	**2794372**	**2817525**	**–2.4**	**2.5**
1.2.2.1 Micro & Small	375505	371022	365398	373050	–0.7	0.5
1.2.2.2 Medium	106395	103951	107166	106813	0.4	2.8
1.2.2.3 Large	2403878	2275065	2321808	2337662	–2.8	2.8
1.2.3 Services	**2415609**	**2234030**	**2370600**	**2431975**	**0.7**	**8.9**
1.2.3.1 Transport Operators	138524	133198	140438	141293	2.0	6.1
1.2.3.2 Computer Software	18535	18858	18597	18775	1.3	-0.4
1.2.3.3 Tourism, Hotels & Restaurants	39005	38682	44745	45394	16.4	17.4
1.2.3.4 Shipping	7748	7501	6548	6682	–13.8	-10.9
1.2.3.5 Professional Services	171517	169261	172553	172686	0.7	2.0
1.2.3.6 Trade	528158	495938	513987	519547	–1.6	4.8
1.2.3.6.1 Wholesale Trade	250528	218556	228558	237341	–5.3	8.6
1.2.3.6.2 Retail Trade	277630	277381	285429	282206	1.6	1.7
1.2.3.7 Commercial Real Estate	202291	198112	219585	227266	12.3	14.7
1.2.3.8 Non-Banking Financial Companies (NBFCs)	641208	557602	728561	737198	15.0	32.2
1.2.3.9 Other Services	668623	614880	525586	563134	–15.8	-8.4
1.2.4 Personal Loans	**2220732**	**2137063**	**2433282**	**2497250**	**12.5**	**16.9**
1.2.4.1 Consumer Durables	6299	4568	5450	6453	2.4	41.3
1.2.4.2 Housing	1160111	1120792	1289637	1316481	13.5	17.5
1.2.4.3 Advances against Fixed Deposits	82873	68721	64441	67240	–18.9	-2.2
1.2.4.4 Advances to Individuals against share & bond	6265	5841	5072	5185	–17.2	-11.2
1.2.4.5 Credit Card Outstanding	88262	84237	105905	110864	25.6	31.6
1.2.4.6 Education	67988	69175	66895	67038	–1.4	-3.1
1.2.4.7 Vehicle Loans	202154	200582	213601	220240	8.9	9.8
1.2.4.8 Other Personal Loans	606780	583147	682281	703749	16.0	20.7
1.2A Priority Sector	**2739021**	**2664619**	**2787852**	**2772197**	**1.2**	**4.0**
1.2A.1 Agriculture & Allied Activities	1104988	1076840	1133239	1142576	3.4	6.1
1.2A.2 Micro & Small Enterprises	1067175	1018050	1061953	1100615	3.1	8.1
1.2A.2.1 Manufacturing	375505	371022	365398	373050	–0.7	0.5
1.2A.2.2 Services	691670	647028	696555	727566	5.2	12.4
1.2A.3 Housing	432703	428701	456989	461089	6.6	7.6
1.2A.4 Micro-Credit	24101	23521	35104	36176	50.1	53.8
1.2A.5 Education Loans	53950	56584	53215	53101	–1.6	-6.2
1.2A.6 State-Sponsored Orgs. for SC/ST	397	383	395	413	4.0	7.8
1.2A.7 Weaker Sections	662628	608556	711799	715057	7.9	17.5
1.2A.8 Export Credit	15566	17519	15152	13503	–13.3	-22.9

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

(₹ Crore)

Industry	Outstanding as on				Growth (%)	
	Mar. 29, 2019	2019		2020	Financial year so far	Y-o-Y
		Jan. 18	Dec. 20	Jan. 31	2019-20	2020
	1	2	3	4	5	6
1 Industry	**2885778**	**2750038**	**2794372**	**2817525**	**–2.4**	**2.5**
1.1 Mining & Quarrying (incl. Coal)	**41752**	**41734**	**42741**	**41886**	**0.3**	**0.4**
1.2 Food Processing	**157058**	**150627**	**145578**	**150279**	**–4.3**	**–0.2**
1.2.1 Sugar	29705	26559	24541	26288	–11.5	–1.0
1.2.2 Edible Oils & Vanaspati	21343	21585	20071	20745	–2.8	–3.9
1.2.3 Tea	4966	5091	5458	5438	9.5	6.8
1.2.4 Others	101044	97392	95508	97808	–3.2	0.4
1.3 Beverage & Tobacco	**14662**	**14574**	**15034**	**14991**	**2.2**	**2.9**
1.4 Textiles	**203549**	**198336**	**189152**	**190108**	**–6.6**	**–4.1**
1.4.1 Cotton Textiles	97726	96258	85688	87850	–10.1	–8.7
1.4.2 Jute Textiles	2119	2144	2215	2198	3.7	2.5
1.4.3 Man-Made Textiles	26748	24378	26170	26017	–2.7	6.7
1.4.4 Other Textiles	76956	75556	75079	74043	–3.8	–2.0
1.5 Leather & Leather Products	**11071**	**10954**	**10949**	**10882**	**–1.7**	**–0.7**
1.6 Wood & Wood Products	**11968**	**11694**	**12067**	**12205**	**2.0**	**4.4**
1.7 Paper & Paper Products	**30319**	**30024**	**30697**	**31085**	**2.5**	**3.5**
1.8 Petroleum, Coal Products & Nuclear Fuels	**63136**	**57130**	**53536**	**55622**	**–11.9**	**–2.6**
1.9 Chemicals & Chemical Products	**191484**	**179380**	**177427**	**183048**	**–4.4**	**2.0**
1.9.1 Fertiliser	40043	27453	34375	34535	–13.8	25.8
1.9.2 Drugs & Pharmaceuticals	50500	51154	49839	52072	3.1	1.8
1.9.3 Petro Chemicals	46717	47990	39154	40697	–12.9	–15.2
1.9.4 Others	54224	52783	54059	55744	2.8	5.6
1.10 Rubber, Plastic & their Products	**45803**	**45283**	**49164**	**49254**	**7.5**	**8.8**
1.11 Glass & Glassware	**9887**	**9915**	**8784**	**8678**	**–12.2**	**–12.5**
1.12 Cement & Cement Products	**55683**	**55359**	**58502**	**57715**	**3.6**	**4.3**
1.13 Basic Metal & Metal Product	**371564**	**369449**	**337587**	**335104**	**–9.8**	**–9.3**
1.13.1 Iron & Steel	282878	283306	254848	252173	–10.9	–11.0
1.13.2 Other Metal & Metal Product	88686	86143	82739	82931	–6.5	–3.7
1.14 All Engineering	**168621**	**161122**	**158648**	**157586**	**–6.5**	**–2.2**
1.14.1 Electronics	37856	37580	33145	33594	–11.3	–10.6
1.14.2 Others	130765	123542	125503	123992	–5.2	0.4
1.15 Vehicles, Vehicle Parts & Transport Equipment	**79859**	**80171**	**82840**	**79793**	**–0.1**	**–0.5**
1.16 Gems & Jewellery	**72014**	**68111**	**60452**	**59841**	**–16.9**	**–12.1**
1.17 Construction	**99473**	**95081**	**102579**	**105113**	**5.7**	**10.6**
1.18 Infrastructure	**1055921**	**986836**	**1029417**	**1036852**	**–1.8**	**5.1**
1.18.1 Power	568966	554164	562025	559305	–1.7	0.9
1.18.2 Telecommunications	115585	92792	134310	136080	17.7	46.7
1.18.3 Roads	186852	188236	186870	192232	2.9	2.1
1.18.4 Other Infrastructure	184518	151644	146212	149235	–19.1	–1.6
1.19 Other Industries	**201954**	**184258**	**229218**	**237483**	**17.6**	**28.9**

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

(₹ Crore)

Item	Last Reporting Friday (in case of March)/Last Friday/ Reporting Friday								
	2018-19	2018	2019						
		Dec, 28	Oct, 25	Nov, 08	Nov, 22	Nov, 29	Dec, 06	Dec, 20	Dec, 27
	1	2	3	4	5	6	7	8	9
Number of Reporting Banks	32	31	31	29	30	30	30	30	30
1 Aggregate Deposits (2.1.1.2+2.2.1.2)	**62003.4**	**55352.2**	**63533.5**	**62705.3**	**64039.0**	**65921.6**	**122809.6**	**123291.7**	**123179.7**
2 Demand and Time Liabilities									
2.1 Demand Liabilities	**18241.3**	**17271.8**	**18303.6**	**17776.6**	**18086.2**	**18502.7**	**23045.1**	**24293.2**	**23483.5**
2.1.1 Deposits									
2.1.1.1 Inter-Bank	5842.3	5018.4	5177.4	4984.9	5157.7	5353.2	4226.5	3973.9	4316.8
2.1.1.2 Others	9,808.6	9042.9	9675.2	9232.9	9891.0	9997.5	12582.4	13224.2	13180.2
2.1.2 Borrowings from Banks	0.0	249.9	20.0	0.0	20.0	0.0	0.0	25.0	0.0
2.1.3 Other Demand Liabilities	2590.5	2960.5	3431.1	3558.8	3017.5	3152.0	6236.2	7070.1	5986.4
2.2 Time Liabilities	**98531.4**	**86247.2**	**109253.5**	**109411.3**	**110399.6**	**113574.2**	**160651.0**	**162694.5**	**162534.0**
2.2.1 Deposits									
2.2.1.1 Inter-Bank	45655.9	39261.5	54502.9	55098.0	55354.5	56770.2	48880.0	51079.3	50938.9
2.2.1.2 Others	52194.8	46309.3	53858.3	53472.4	54148.0	55924.1	110227.2	110067.5	109999.5
2.2.2 Borrowings from Banks	0.0	0.6	0.0	5.0	0.0	0.0	632.9	673.0	743.7
2.2.3 Other Time Liabilities	680.7	675.8	892.2	835.9	897.1	879.8	910.8	874.7	851.9
3 Borrowing from Reserve Bank	0.0	0.0	0.0	35.0	0.0	0.0	0.0	0.0	0.0
4 Borrowings from a notified bank / Government	50375.4	51603.9	45401.3	43499.4	42985.4	46581.3	46786.6	47670.2	48445.0
4.1 Demand	16826.7	16912.1	12636.9	12842.2	12591.5	13300.6	14149.6	14121.3	14382.0
4.2 Time	33548.7	34691.9	32764.4	30657.2	30393.9	33280.7	32636.9	33548.9	34063.0
5 Cash in Hand and Balances with Reserve Bank	**5721.0**	**4594.7**	**6018.5**	**5213.4**	**5418.8**	**6014.5**	**6813.0**	**9236.7**	**8941.9**
5.1 Cash in Hand	319.1	302.1	297.0	300.1	311.1	307.9	856.6	770.4	712.5
5.2 Balance with Reserve Bank	5401.9	4292.6	5721.5	4913.3	5107.7	5706.7	5956.3	8466.3	8229.5
6 Balances with Other Banks in Current Account	**1543.2**	**1279.2**	**726.5**	**740.1**	**974.0**	**716.0**	**1185.1**	**814.3**	**677.7**
7 Investments in Government Securities	**30885.3**	**30914.9**	**32366.1**	**33174.3**	**33051.2**	**32995.3**	**48688.4**	**49795.3**	**49891.9**
8 Money at Call and Short Notice	**16190.2**	**23287.6**	**18737.1**	**17643.3**	**17282.6**	**20094.5**	**22024.8**	**23287.8**	**25021.1**
9 Bank Credit (10.1+11)	**60089.8**	**56179.2**	**62836.7**	**61915.1**	**74721.2**	**63337.3**	**98678.5**	**98692.2**	**100148.6**
10 Advances									
10.1 Loans, Cash-Credits and Overdrafts	**60086.2**	**56176.2**	**62835.0**	**61914.6**	**74720.6**	**63336.8**	**98678.0**	**98691.7**	**100148.1**
10.2 Due from Banks	82610.9	81784.8	78322.8	77988.3	78925.3	80806.6	77427.8	77825.3	77214.1
11 Bills Purchased and Discounted	3.7	3.1	1.7	0.6	0.6	0.6	0.6	0.6	0.6

Prices and Production

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

Group/Sub group	2018-19			Rural			Urban			Combined		
	Rural	Urban	Combined	Jan. 19	Dec. 19	Jan. 20	Jan. 19	Dec. 19	Jan. 20	Jan. 19	Dec. 19	Jan. 20
	1	2	3	4	5	6	7	8	9	10	11	12
1 Food and beverages	**139.5**	**138.4**	**139.1**	**137.4**	**154.3**	**153.1**	**137.3**	**156.3**	**154.5**	**137.4**	**155.0**	**153.6**
1.1 Cereals and products	137.7	137.2	137.5	136.6	142.8	143.7	138.3	144.9	145.6	137.1	143.5	144.3
1.2 Meat and fish	149.5	147.5	148.8	152.5	165.3	167.2	149.4	164.5	167.5	151.4	165.0	167.3
1.3 Egg	137.3	137.3	137.3	138.2	149.5	153.5	143.5	153.7	156.9	140.2	151.1	154.8
1.4 Milk and products	142.7	141.3	142.2	142.4	148.7	150.5	141.7	147.5	149.3	142.1	148.3	150.1
1.5 Oils and fats	124.0	117.6	121.6	123.9	127.5	132.0	118.1	122.7	126.3	121.8	125.7	129.9
1.6 Fruits	146.8	143.4	145.2	135.5	144.3	142.2	135.2	147.2	144.4	135.4	145.7	143.2
1.7 Vegetables	141.4	142.1	141.6	131.7	209.5	191.7	130.5	231.5	207.9	131.3	217.0	197.2
1.8 Pulses and products	124.1	115.3	121.1	121.3	138.8	141.0	118.2	137.2	139.1	120.3	138.3	140.4
1.9 Sugar and confectionery	111.9	110.8	111.5	108.4	113.6	113.8	110.4	114.7	114.8	109.1	114.0	114.1
1.10 Spices	138.8	140.7	139.4	138.9	149.1	151.6	140.4	148.0	149.5	139.4	148.7	150.9
1.11 Non-alcoholic beverages	134.9	127.5	131.8	137.0	139.3	139.7	128.1	130.8	131.1	133.3	135.8	136.1
1.12 Prepared meals, snacks, sweets	155.3	151.3	153.4	155.8	158.3	158.7	153.2	157.7	158.5	154.6	158.0	158.6
2 Pan, tobacco and intoxicants	**159.4**	**162.9**	**160.4**	**162.7**	**167.8**	**168.5**	**164.7**	**170.4**	**170.8**	**163.2**	**168.5**	**169.1**
3 Clothing and footwear	**150.3**	**139.3**	**145.9**	**149.9**	**151.9**	**152.1**	**141.1**	**144.6**	**144.9**	**146.4**	**149.0**	**149.2**
3.1 Clothing	151.2	141.0	147.2	150.6	152.6	152.9	143.0	146.8	147.0	147.6	150.3	150.6
3.2 Footwear	145.2	129.5	138.7	145.1	147.3	147.4	130.4	132.8	133.2	139.0	141.3	141.5
4 Housing	**--**	**145.6**	**145.6**	**--**	**--**	**--**	**147.7**	**152.8**	**153.9**	**147.7**	**152.8**	**153.9**
5 Fuel and light	**147.0**	**129.3**	**140.3**	**146.2**	**149.9**	**150.4**	**128.6**	**133.6**	**135.1**	**139.5**	**143.7**	**144.6**
6 Miscellaneous	**138.6**	**131.1**	**134.9**	**141.7**	**147.1**	**148.1**	**131.8**	**137.7**	**138.4**	**136.9**	**142.5**	**143.4**
6.1 Household goods and services	145.9	134.8	140.6	150.1	151.2	151.7	136.3	139.8	140.1	143.6	145.8	146.2
6.2 Health	143.5	135.5	140.5	149.6	154.8	155.7	137.8	143.2	143.8	145.1	150.4	151.2
6.3 Transport and communication	128.5	120.3	124.2	128.6	135.0	136.2	118.6	125.2	126.0	123.3	129.8	130.8
6.4 Recreation and amusement	140.4	130.3	134.7	142.9	149.5	150.0	131.9	136.8	137.2	136.7	142.3	142.8
6.5 Education	149.4	144.5	146.5	155.2	161.1	161.7	146.6	151.9	152.1	150.2	155.7	156.1
6.6 Personal care and effects	132.6	129.9	131.5	133.5	140.6	142.5	131.7	140.2	142.1	132.8	140.4	142.3
General Index (All Groups)	**141.3**	**137.7**	**139.6**	**141.0**	**152.3**	**151.9**	**138.0**	**148.3**	**148.2**	**139.6**	**150.4**	**150.2**

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

No. 19: Other Consumer Price Indices

Item	Base Year	Linking Factor	2018-19	2019		2020
				Jan.	Dec.	Jan.
	1	2	3	4	5	6
1 Consumer Price Index for Industrial Workers	2001	4.63	300	307	330	330
2 Consumer Price Index for Agricultural Labourers	1986-87	5.89	907	915	1014	1016
3 Consumer Price Index for Rural Labourers	1986-87	–	915	923	1019	1021

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

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

Item	2018-19	2019		2020
		Jan.	Dec.	Jan.
	1	2	3	4
1 Standard Gold (₹ per 10 grams)	31193	32230	38092	39984
2 Silver (₹ per kilogram)	38404	39100	44576	46498

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

No. 21: Wholesale Price Index

(Base: 2011-12 = 100)

Commodities	Weight	2018-19	2019			2020
			Jan	Nov.	Dec. (P)	Jan. (P)
	1	2	3	4	5	6
1 ALL COMMODITIES	**100.000**	**119.8**	**119.2**	**122.3**	**122.8**	**122.9**
1.1 PRIMARY ARTICLES	**22.618**	**134.2**	**133.8**	**147.2**	**148.8**	**147.2**
1.1.1 FOOD ARTICLES	**15.256**	**143.7**	**144.2**	**162.6**	**162.5**	**160.8**
1.1.1.1 Food Grains (Cereals+Pulses)	3.462	146.7	151.8	162.5	163.4	164.9
1.1.1.2 Fruits & Vegetables	3.475	147.3	140.5	199.5	196.6	183.6
1.1.1.3 Milk	4.440	143.1	143.4	146.6	147.5	148.7
1.1.1.4 Eggs,Meat & Fish	2.402	138.0	142.6	148.7	148.8	152.2
1.1.1.5 Condiments & Spices	0.529	129.6	129.1	153.0	154.1	156.9
1.1.1.6 Other Food Articles	0.948	144.4	146.1	142.2	143.5	143.5
1.1.2 NON-FOOD ARTICLES	**4.119**	**123.1**	**123.4**	**127.0**	**134.0**	**132.1**
1.1.2.1 Fibres	0.839	127.0	127.2	123.5	123.7	124.3
1.1.2.2 Oil Seeds	1.115	140.5	144.1	149.6	152.9	157.1
1.1.2.3 Other non-food Articles	1.960	107.3	102.9	104.1	105.4	105.8
1.1.2.4 Floriculture	0.204	164.1	191.4	238.5	348.3	280.7
1.1.3 MINERALS	**0.833**	**136.5**	**136.7**	**142.6**	**153.6**	**142.6**
1.1.3.1 Metallic Minerals	0.648	123.0	123.4	133.0	147.3	133.0
1.1.3.2 Other Minerals	0.185	183.5	183.3	176.4	176.0	176.4
1.1.4 CRUDE PETROLEUM & NATURAL GAS	**2.410**	**92.4**	**84.7**	**86.0**	**86.0**	**88.3**
1.2 FUEL & POWER	**13.152**	**104.1**	**99.3**	**101.3**	**101.3**	**102.7**
1.2.1 COAL	**2.138**	**123.3**	**123.6**	**126.5**	**126.5**	**126.5**
1.2.1.1 Coking Coal	0.647	132.9	133.9	141.9	141.9	141.9
1.2.1.2 Non-Coking Coal	1.401	119.0	119.0	119.0	119.0	119.0
1.2.1.3 Lignite	0.090	120.3	120.0	131.1	131.1	131.1
1.2.2 MINERAL OILS	**7.950**	**96.7**	**88.4**	**91.1**	**91.2**	**93.5**
1.2.3 ELECTRICITY	**3.064**	**109.6**	**110.7**	**110.0**	**110.0**	**110.0**
1.3 MANUFACTURED PRODUCTS	**64.231**	**117.9**	**118.1**	**117.8**	**118.0**	**118.5**
1.3.1 MANUFACTURE OF FOOD PRODUCTS	**9.122**	**128.6**	**128.4**	**135.4**	**136.6**	**138.2**
1.3.1.1 Processing and Preserving of meat	0.134	136.7	135.3	137.6	135.0	135.9
1.3.1.2 Processing and Preserving of fish, Crustaceans, Molluscs and products thereof	0.204	132.1	135.7	137.9	136.6	134.3
1.3.1.3 Processing and Preserving of fruit and Vegetables	0.138	114.3	112.4	114.9	115.0	114.9
1.3.1.4 Vegetable and Animal oils and Fats	2.643	117.6	114.8	119.4	124.9	131.1
1.3.1.5 Dairy products	1.165	136.2	134.6	147.6	149.1	151.2
1.3.1.6 Grain mill products	2.010	141.6	144.4	148.1	147.6	146.6
1.3.1.7 Starches and Starch products	0.110	116.6	124.7	135.1	136.3	134.2
1.3.1.8 Bakery products	0.215	129.3	130.0	133.9	134.4	135.7
1.3.1.9 Sugar, Molasses & honey	1.163	111.2	111.4	119.5	119.1	119.8
1.3.1.10 Cocoa, Chocolate and Sugar confectionery	0.175	126.7	127.7	126.8	128.0	126.1
1.3.1.11 Macaroni, Noodles, Couscous and Similar farinaceous products	0.026	134.5	136.4	132.6	123.4	131.7
1.3.1.12 Tea & Coffee products	0.371	137.7	131.1	142.8	138.4	130.1
1.3.1.13 Processed condiments & salt	0.163	122.2	124.9	137.1	134.8	135.9
1.3.1.14 Processed ready to eat food	0.024	127.0	128.4	128.3	127.8	129.6
1.3.1.15 Health supplements	0.225	143.6	148.2	163.9	165.2	164.5
1.3.1.16 Prepared animal feeds	0.356	157.5	159.1	178.2	175.2	174.6
1.3.2 MANUFACTURE OF BEVERAGES	**0.909**	**120.7**	**121.9**	**123.7**	**123.4**	**124.0**
1.3.2.1 Wines & spirits	0.408	113.8	115.3	118.4	118.3	118.5
1.3.2.2 Malt liquors and Malt	0.225	120.5	121.6	125.1	125.1	125.7
1.3.2.3 Soft drinks; Production of mineral waters and Other bottled waters	0.275	131.2	131.9	130.5	129.5	131.0
1.3.3 MANUFACTURE OF TOBACCO PRODUCTS	**0.514**	**150.4**	**150.7**	**153.0**	**152.9**	**151.0**
1.3.3.1 Tobacco products	0.514	150.4	150.7	153.0	152.9	151.0

No. 21: Wholesale Price Index (Contd.)

(Base: 2011-12 = 100)

Commodities		Weight	2018-19	2019			2020
				Jan	Nov.	Dec. (P)	Jan. (P)
1.3.4	**MANUFACTURE OF TEXTILES**	**4.881**	**117.9**	**119.0**	**116.5**	**116.9**	**116.4**
1.3.4.1	Preparation and Spinning of textile fibres	2.582	110.6	111.3	105.2	106.2	105.6
1.3.4.2	Weaving & Finishing of textiles	1.509	127.3	128.4	130.2	129.8	129.5
1.3.4.3	Knitted and Crocheted fabrics	0.193	112.9	112.8	114.7	114.6	114.7
1.3.4.4	Made-up textile articles, Except apparel	0.299	130.3	134.5	134.8	135.0	135.1
1.3.4.5	Cordage, Rope, Twine and Netting	0.098	138.7	140.2	146.0	146.5	147.2
1.3.4.6	Other textiles	0.201	118.3	119.4	117.9	116.8	116.0
1.3.5	**MANUFACTURE OF WEARING APPAREL**	**0.814**	**138.8**	**138.3**	**138.6**	**139.1**	**138.0**
1.3.5.1	Manufacture of Wearing Apparel (woven), Except fur Apparel	0.593	139.4	139.3	139.6	140.1	138.6
1.3.5.2	Knitted and Crocheted apparel	0.221	137.0	135.7	136.1	136.6	136.4
1.3.6	**MANUFACTURE OF LEATHER AND RELATED PRODUCTS**	**0.535**	**121.8**	**121.3**	**119.2**	**118.9**	**118.3**
1.3.6.1	Tanning and Dressing of leather; Dressing and Dyeing of fur	0.142	111.0	107.7	106.0	104.4	103.0
1.3.6.2	Luggage, HandbAgs, Saddlery and Harness	0.075	134.7	135.7	136.3	136.4	137.1
1.3.6.3	Footwear	0.318	123.5	124.0	121.1	121.2	120.7
1.3.7	**MANUFACTURE OF WOOD AND PRODUCTS OF WOOD AND CORK**	**0.772**	**133.5**	**134.2**	**133.1**	**133.1**	**133.1**
1.3.7.1	Saw milling and Planing of wood	0.124	124.5	125.5	121.0	120.5	119.8
1.3.7.2	Veneer sheets; Manufacture of plywood, Laminboard, Particle board and Other panels and Boards	0.493	136.3	137.2	135.8	135.2	136.2
1.3.7.3	Builder's carpentry and Joinery	0.036	158.7	157.0	176.3	177.8	178.0
1.3.7.4	Wooden containers	0.119	124.1	124.0	121.6	123.7	120.7
1.3.8	**MANUFACTURE OF PAPER AND PAPER PRODUCTS**	**1.113**	**123.3**	**124.9**	**119.7**	**119.5**	**119.1**
1.3.8.1	Pulp, Paper and Paperboard	0.493	129.3	131.5	122.6	123.0	122.6
1.3.8.2	Corrugated paper and Paperboard and Containers of paper and Paperboard	0.314	116.5	117.9	114.0	112.9	112.7
1.3.8.3	Other articles of paper and Paperboard	0.306	120.6	121.3	120.8	120.6	119.9
1.3.9	**PRINTING AND REPRODUCTION OF RECORDED MEDIA**	**0.676**	**146.6**	**145.4**	**151.7**	**150.3**	**151.5**
1.3.9.1	Printing	0.676	146.6	145.4	151.7	150.3	151.5
1.3.10	**MANUFACTURE OF CHEMICALS AND CHEMICAL PRODUCTS**	**6.465**	**119.1**	**119.6**	**116.5**	**116.2**	**116.3**
1.3.10.1	Basic chemicals	1.433	125.0	125.5	117.0	116.8	116.8
1.3.10.2	Fertilizers and Nitrogen compounds	1.485	121.1	122.7	123.4	123.8	123.2
1.3.10.3	Plastic and Synthetic rubber in primary form	1.001	117.6	115.7	110.8	109.0	110.8
1.3.10.4	Pesticides and Other agrochemical products	0.454	120.2	122.5	122.9	121.4	121.5
1.3.10.5	Paints, Varnishes and Similar coatings, Printing ink and Mastics	0.491	112.7	113.9	114.0	114.0	114.3
1.3.10.6	Soap and Detergents, Cleaning and Polishing preparations, Perfumes and Toilet preparations	0.612	116.8	118.8	117.8	118.6	119.1
1.3.10.7	Other chemical products	0.692	116.6	116.4	114.0	113.7	113.1
1.3.10.8	Man-made fibres	0.296	104.0	102.3	96.6	96.2	95.6
1.3.11	**MANUFACTURE OF PHARMACEUTICALS, MEDICINAL CHEMICAL AND BOTANICAL PRODUCTS**	**1.993**	**123.5**	**126.1**	**127.5**	**127.9**	**127.8**
1.3.11.1	Pharmaceuticals, Medicinal chemical and Botanical products	1.993	123.5	126.1	127.5	127.9	127.8
1.3.12	**MANUFACTURE OF RUBBER AND PLASTICS PRODUCTS**	**2.299**	**109.6**	**110.1**	**107.7**	**108.3**	**107.9**
1.3.12.1	Rubber Tyres and Tubes; Retreading and Rebuilding of Rubber Tyres	0.609	98.9	100.1	97.8	98.4	98.7
1.3.12.2	Other Rubber Products	0.272	91.7	92.8	94.1	93.9	93.8
1.3.12.3	Plastics products	1.418	117.6	117.7	114.5	115.2	114.6
1.3.13	**MANUFACTURE OF OTHER NON-METALLIC MINERAL PRODUCTS**	**3.202**	**115.9**	**116.3**	**115.7**	**115.8**	**115.5**
1.3.13.1	Glass and Glass products	0.295	121.4	124.5	121.2	125.3	126.0
1.3.13.2	Refractory products	0.223	111.1	112.3	108.5	106.9	107.6
1.3.13.3	Clay Building Materials	0.121	98.0	98.8	103.3	105.6	102.1
1.3.13.4	Other Porcelain and Ceramic Products	0.222	112.7	112.3	112.5	113.3	114.8
1.3.13.5	Cement, Lime and Plaster	1.645	114.3	115.2	118.5	118.3	117.8

No. 21: Wholesale Price Index (Contd.)

(Base: 2011-12 = 100)

Commodities	Weight	2018-19	2019			2020
			Jan	Nov.	Dec. (P)	Jan. (P)
1.3.13.6 Articles of Concrete, Cement and Plaster	0.292	121.5	122.5	122.1	122.5	122.7
1.3.13.7 Cutting, Shaping and Finishing of Stone	0.234	118.8	118.9	119.1	119.0	118.5
1.3.13.8 Other Non-Metallic Mineral Products	0.169	130.4	122.2	84.9	80.6	78.1
1.3.14 MANUFACTURE OF BASIC METALS	**9.646**	**112.2**	**110.1**	**103.4**	**103.5**	**105.8**
1.3.14.1 Inputs into steel making	1.411	113.0	108.8	96.0	96.5	102.1
1.3.14.2 Metallic Iron	0.653	117.8	115.5	101.8	102.8	107.8
1.3.14.3 Mild Steel - Semi Finished Steel	1.274	99.5	97.9	93.2	93.6	96.0
1.3.14.4 Mild Steel -Long Products	1.081	110.2	109.5	101.9	103.1	104.3
1.3.14.5 Mild Steel - Flat products	1.144	119.6	115.6	102.2	103.4	106.5
1.3.14.6 Alloy steel other than Stainless Steel- Shapes	0.067	111.7	109.3	99.5	97.8	100.0
1.3.14.7 Stainless Steel - Semi Finished	0.924	112.7	107.4	99.4	98.7	98.6
1.3.14.8 Pipes & tubes	0.205	126.6	127.8	123.7	123.4	126.4
1.3.14.9 Non-ferrous metals incl. precious metals	1.693	112.2	109.6	106.7	106.3	107.0
1.3.14.10 Castings	0.925	109.8	110.3	112.6	111.4	113.4
1.3.14.11 Forgings of steel	0.271	126.8	137.5	151.4	149.7	147.1
1.3.15 MANUFACTURE OF FABRICATED METAL PRODUCTS, EXCEPT MACHINERY AND EQUIPMENT	**3.155**	**115.1**	**116.4**	**115.7**	**115.6**	**115.4**
1.3.15.1 Structural Metal Products	1.031	112.8	114.2	113.5	113.5	113.6
1.3.15.2 Tanks, Reservoirs and Containers of Metal	0.660	127.3	127.6	125.6	124.9	124.2
1.3.15.3 Steam generators, Except Central Heating Hot Water Boilers	0.145	105.9	104.8	106.3	106.3	106.3
1.3.15.4 Forging, Pressing, Stamping and Roll-Forming of Metal; Powder Metallurgy	0.383	96.3	98.7	101.4	100.3	99.3
1.3.15.5 Cutlery, Hand Tools and General Hardware	0.208	99.7	99.6	100.3	100.0	100.6
1.3.15.6 Other Fabricated Metal Products	0.728	123.1	125.7	123.5	124.3	124.4
1.3.16 MANUFACTURE OF COMPUTER, ELECTRONIC AND OPTICAL PRODUCTS	**2.009**	**111.8**	**111.5**	**109.7**	**110.0**	**109.7**
1.3.16.1 Electronic Components	0.402	100.9	99.5	97.8	97.6	97.7
1.3.16.2 Computers and Peripheral Equipment	0.336	132.5	135.0	135.0	135.0	135.0
1.3.16.3 Communication Equipment	0.310	116.7	116.5	118.8	118.9	116.8
1.3.16.4 Consumer Electronics	0.641	103.8	103.8	95.3	96.7	96.9
1.3.16.5 Measuring, Testing, Navigating and Control equipment	0.181	109.1	105.3	113.5	113.5	111.9
1.3.16.6 Watches and Clocks	0.076	137.9	135.6	139.7	139.7	140.5
1.3.16.7 Irradiation, Electromedical and Electrotherapeutic equipment	0.055	103.2	104.4	103.1	101.4	101.4
1.3.16.8 Optical instruments and Photographic equipment	0.008	108.7	107.3	109.4	111.0	112.0
1.3.17 MANUFACTURE OF ELECTRICAL EQUIPMENT	**2.930**	**111.7**	**112.1**	**112.1**	**110.6**	**110.8**
1.3.17.1 Electric motors, Generators, Transformers and Electricity distribution and Control apparatus	1.298	107.7	108.2	111.2	108.1	108.4
1.3.17.2 Batteries and Accumulators	0.236	117.7	117.3	117.9	115.8	116.7
1.3.17.3 Fibre optic cables for data transmission or live transmission of images	0.133	126.1	128.8	104.1	108.1	108.0
1.3.17.4 Other electronic and Electric wires and Cables	0.428	111.2	111.4	109.5	110.0	110.2
1.3.17.5 Wiring devices, Electric lighting & display equipment	0.263	108.6	108.5	111.7	110.4	111.3
1.3.17.6 Domestic appliances	0.366	121.6	120.9	120.3	120.3	118.3
1.3.17.7 Other electrical equipment	0.206	108.6	110.1	107.3	106.9	108.1
1.3.18 MANUFACTURE OF MACHINERY AND EQUIPMENT	**4.789**	**111.3**	**111.8**	**112.8**	**113.0**	**113.0**
1.3.18.1 Engines and Turbines, Except aircraft, Vehicle and Two wheeler engines	0.638	103.0	103.8	104.2	105.0	105.2
1.3.18.2 Fluid power equipment	0.162	118.2	118.6	120.0	120.1	120.1
1.3.18.3 Other pumps, Compressors, Taps and Valves	0.552	108.9	109.5	111.0	111.1	111.5
1.3.18.4 Bearings, Gears, Gearing and Driving elements	0.340	111.2	109.1	107.4	109.1	108.0
1.3.18.5 Ovens, Furnaces and Furnace burners	0.008	78.2	78.0	80.4	80.6	80.9
1.3.18.6 Lifting and Handling equipment	0.285	110.4	112.3	111.9	112.0	111.7

No. 21: Wholesale Price Index (Concld.)

(Base: 2011-12 = 100)

Commodities	Weight	2018-19	2019			2020
			Jan	Nov.	Dec. (P)	Jan. (P)
1.3.18.7 Office machinery and Equipment	0.006	130.2	130.2	130.2	130.2	130.2
1.3.18.8 Other general-purpose machinery	0.437	129.6	129.1	130.4	130.5	128.4
1.3.18.9 Agricultural and Forestry machinery	0.833	116.9	118.7	120.9	121.1	121.1
1.3.18.10 Metal-forming machinery and Machine tools	0.224	101.8	103.6	107.9	109.0	108.2
1.3.18.11 Machinery for mining, Quarrying and Construction	0.371	75.7	75.7	75.4	74.3	75.2
1.3.18.12 Machinery for food, Beverage and Tobacco processing	0.228	124.7	126.9	123.6	124.2	126.3
1.3.18.13 Machinery for textile, Apparel and Leather production	0.192	119.9	119.1	119.9	117.2	119.3
1.3.18.14 Other special-purpose machinery	0.468	123.8	122.8	126.7	127.0	126.7
1.3.18.15 Renewable electricity generating equipment	0.046	67.3	67.0	65.6	65.4	65.4
1.3.19 MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS	**4.969**	**112.8**	**113.3**	**115.0**	**114.9**	**115.1**
1.3.19.1 Motor vehicles	2.600	113.3	113.6	115.2	115.0	115.0
1.3.19.2 Parts and Accessories for motor vehicles	2.368	112.2	113.0	114.8	114.8	115.3
1.3.20 MANUFACTURE OF OTHER TRANSPORT EQUIPMENT	**1.648**	**111.7**	**112.9**	**118.4**	**118.4**	**118.7**
1.3.20.1 Building of ships and Floating structures	0.117	158.8	158.8	158.8	158.8	158.8
1.3.20.2 Railway locomotives and Rolling stock	0.110	104.7	105.8	106.6	106.6	106.6
1.3.20.3 Motor cycles	1.302	106.6	107.9	114.7	114.7	115.2
1.3.20.4 Bicycles and Invalid carriages	0.117	127.8	129.3	130.5	130.5	128.2
1.3.20.5 Other transport equipment	0.002	123.5	125.0	126.9	127.0	127.4
1.3.21 MANUFACTURE OF FURNITURE	**0.727**	**127.3**	**130.9**	**129.2**	**129.9**	**129.7**
1.3.21.1 Furniture	0.727	127.3	130.9	129.2	129.9	129.7
1.3.22 OTHER MANUFACTURING	**1.064**	**107.0**	**106.9**	**113.5**	**114.1**	**113.1**
1.3.22.1 Jewellery and Related articles	0.996	103.9	103.7	110.6	111.3	110.3
1.3.22.2 Musical instruments	0.001	174.1	172.1	175.9	172.7	177.2
1.3.22.3 Sports goods	0.012	127.4	129.4	130.9	131.4	131.7
1.3.22.4 Games and Toys	0.005	132.2	135.1	137.0	138.7	134.6
1.3.22.5 Medical and Dental instruments and Supplies	0.049	159.2	160.8	162.5	162.5	162.9
2 FOOD INDEX	**24.378**	**138.1**	**138.3**	**152.4**	**152.8**	**152.3**

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

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

Industry	Weight	2017-18	2018-19	April-December		December	
				2018-19	2019-20	2018	2019
	1	2	3	4	5	6	7
General Index	100.00	125.3	130.1	128.4	129.1	133.9	133.5
1 Sectoral Classification							
1.1 Mining	14.37	104.9	107.9	103.4	104.0	114.4	120.6
1.2 Manufacturing	77.63	126.6	131.5	129.8	130.5	135.8	134.2
1.3 Electricity	7.99	149.2	156.9	159.3	160.5	150.4	150.2
2 Use-Based Classification							
2.1 Primary Goods	34.05	121.8	126.1	124.6	125.0	126.6	129.4
2.2 Capital Goods	8.22	105.6	108.4	107.5	94.3	114.7	93.8
2.3 Intermediate Goods	17.22	125.1	126.2	123.8	138.9	129.9	146.1
2.4 Infrastructure/ Construction Goods	12.34	132.0	141.7	139.6	135.9	146.1	142.3
2.5 Consumer Durables	12.84	123.6	130.4	131.0	122.4	124.2	115.9
2.6 Consumer Non-Durables	15.33	139.9	145.5	141.8	145.8	163.4	157.3

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

Government Accounts and Treasury Bills

No. 23: Union Government Accounts at a Glance

(Amount in ₹ Crore)

Item	Financial Year	April - January			
	2019-20 (Revised Estimates)	2019-20 (Actuals)	2018-19 (Actuals)	Percentage to Revised Estimates	
				2019-20	2018-19
	1	2	3	4	5
1 Revenue Receipts	**1850101**	**1250120**	**1181414**	**67.6**	**68.3**
1.1 Tax Revenue (Net)	1504587	998037	1019288	66.3	68.7
1.2 Non-Tax Revenue	345514	252083	162126	73.0	66.1
2 Non-Debt Capital Receipt	**81605**	**32737**	**49323**	**40.1**	**52.9**
2.1 Recovery of Loans	16605	14386	13717	86.6	104.3
2.2 Other Receipts	65000	18351	35606	28.2	44.5
3 Total Receipts (excluding borrowings) (1+2)	**1931706**	**1282857**	**1230737**	**66.4**	**67.5**
4 Revenue Expenditure	2349645	2000595	1771851	85.1	82.8
4.1 Interest Payments	625105	471916	463325	75.5	78.9
5 Capital Expenditure	348907	267734	229731	76.7	72.6
6 Total Expenditure (4+5)	**2698552**	**2268329**	**2001582**	**84.1**	**81.5**
7 Revenue Deficit (4-1)	**499544**	**750475**	**590437**	**150.2**	**143.7**
8 Fiscal Deficit (6-3)	**766846**	**985472**	**770845**	**128.5**	**121.5**
9 Gross Primary Deficit (8-4.1)	**141741**	**513556**	**307520**	**362.3**	**656.7**

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

No. 24: Treasury Bills – Ownership Pattern

(₹ Crore)

Item	2018-19	2019		2020				
		Feb. 1	Dec. 27	Jan. 3	Jan. 10	Jan. 17	Jan. 24	Jan. 31
	1	2	3	4	5	6	7	8
1 91-day								
1.1 Banks	18521	30528	15629	11330	7855	8772	6106	7116
1.2 Primary Dealers	17878	9216	13566	10958	11914	13023	12681	12593
1.3 State Governments	26999	57436	55446	54866	54611	50561	46206	40201
1.4 Others	27747	48665	105392	106699	104899	98308	96286	90368
2 182-day								
2.1 Banks	31953	44314	69389	70625	71989	74700	73785	73542
2.2 Primary Dealers	38738	37319	26616	24601	25705	24126	26534	27297
2.3 State Governments	28036	34544	6945	6991	7097	7097	7151	7155
2.4 Others	18567	16266	19404	21279	19808	19658	19176	19654
3 364-day								
3.1 Banks	48811	47272	58261	57378	56795	55509	55090	55279
3.2 Primary Dealers	74170	76024	58889	53306	52679	51853	53981	55714
3.3 State Governments	18892	8392	21790	21790	22318	22368	22369	22369
3.4 Others	62393	64826	55247	63153	64726	67573	66858	65783
4 14-day Intermediate								
4.1 Banks								
4.2 Primary Dealers								
4.3 State Governments	165605	145239	140863	95935	72317	76374	138311	141449
4.4 Others	252	327	372	1081	273	369	464	382
Total Treasury Bills (Excluding 14 day Intermediate T Bills) #	412704	474803	506574	502976	500395	493547	486223	477071

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

No. 25: Auctions of Treasury Bills

(Amount in ₹ Crore)

Date of Auction	Notified Amount	Bids Received			Bids Accepted			Total Issue (6+7)	Cut-off Price	Implicit Yield at Cut-off Price (per cent)
		Number	Total Face Value		Number	Total Face Value				
			Competitive	Non-Competitive		Competitive	Non-Competitive			
	1	2	3	4	5	6	7	8	9	10
91-day Treasury Bills										
2019-20										
Jan. 1	4000	61	26845	1007	5	3993	1007	5000	98.78	4.9386
Jan. 8	4000	54	13213	507	24	3993	507	4500	98.76	5.0525
Jan. 15	4000	55	14425	1814	24	3986	1814	5800	98.74	5.1381
Jan. 22	4000	65	18620	2007	16	3993	2007	6000	98.74	5.1167
Jan. 29	4000	61	11114	7	27	3993	7	4000	98.74	5.1266
182-day Treasury Bills										
2019-20										
Jan. 1	6000	64	22541	658	23	5999	658	6657	97.46	5.2204
Jan. 8	6000	86	26513	17	24	5983	17	6000	97.47	5.2098
Jan. 15	6000	82	20351	10	34	5990	10	6000	97.46	5.2267
Jan. 22	6000	75	19993	30	43	5970	30	6000	97.46	5.2267
Jan. 29	6000	82	16002	7	61	5993	7	6000	97.45	5.2396
364-day Treasury Bills										
2019-20										
Jan. 1	3000	63	11164	2	24	2998	2	3000	94.98	5.2998
Jan. 8	3000	80	13151	381	16	2999	381	3380	94.99	5.2871
Jan. 15	3000	70	13585	0	11	3000	0	3000	94.98	5.2998
Jan. 22	3000	75	13351	5	32	2995	5	3000	94.99	5.2887
Jan. 29	3000	67	9308	0	35	3000	0	3000	94.99	5.2890

Financial Markets

No. 26: Daily Call Money Rates

(Per cent per annum)

As on		Range of Rates	Weighted Average Rates
		Borrowings/ Lendings	Borrowings/ Lendings
		1	2
January	1, 2020	3.60-5.25	5.12
January	2, 2020	3.00-5.25	5.01
January	3, 2020	2.75-5.25	4.89
January	4, 2020	4.15-5.15	4.69
January	6, 2020	2.75-5.25	4.89
January	7, 2020	3.00-5.25	4.92
January	8, 2020	3.40-5.25	4.91
January	9, 2020	3.50-5.25	4.96
January	10, 2020	3.60-5.25	4.98
January	13, 2020	3.60-5.25	4.97
January	14, 2020	3.60-5.25	4.97
January	15, 2020	3.60-5.25	4.94
January	16, 2020	3.60-5.25	4.95
January	17, 2020	3.50-5.25	5.00
January	18, 2020	4.25-5.20	4.77
January	20, 2020	3.60-5.25	4.96
January	21, 2020	3.60-5.25	4.94
January	22, 2020	3.60-5.25	4.96
January	23, 2020	3.60-5.25	4.97
January	24, 2020	3.50-5.45	4.96
January	27, 2020	3.70-5.25	4.92
January	28, 2020	3.70-5.25	4.94
January	29, 2020	3.70-5.25	4.95
January	30, 2020	3.70-5.25	4.92
January	31, 2020	3.50-5.25	4.96
February	1, 2020	4.25-5.25	4.90
February	3, 2020	3.70-5.25	4.93
February	4, 2020	3.70-5.25	4.98
February	5, 2020	3.70-5.40	4.93
February	6, 2020	3.70-5.25	4.99
February	7, 2020	3.60-5.25	5.03
February	10, 2020	3.70-5.30	5.02
February	11, 2020	3.70-5.25	5.00
February	12, 2020	3.70-5.25	4.92
February	13, 2020	3.70-5.25	4.95
February	14, 2020	3.50-5.25	5.01
February	15, 2020	4.25-5.05	4.81

Note: Includes Notice Money.

No. 27: Certificates of Deposit

Item	2019		2020		
	Jan. 18	Dec. 20	Jan. 3	Jan. 17	Jan. 31
	1	2	3	4	5
1 Amount Outstanding (₹ Crore)	190078.58	160669.00	178432.00	181344.00	181309.00
1.1 Issued during the fortnight (₹ Crore)	15103.27	13837.13	27207.97	7692.49	16507.91
2 Rate of Interest (per cent)	6.75-9.00	4.97-5.84	4.93-6.76	5.10-6.86	5.20-7.50

No. 28: Commercial Paper

Item	2019			2020	
	Jan. 31	Dec. 15	Dec. 31	Jan. 15	Jan. 31
	1	2	3	4	5
1 Amount Outstanding (₹ Crore)	528741.20	457213.55	414906.30	434895.30	421988.85
1.1 Reported during the fortnight (₹ Crore)	107391.55	97114.00	83567.75	37801.80	72673.75
2 Rate of Interest (per cent)	6.54-12.62	4.88-12.65	4.99-13.18	4.75-14.29	5.12-13.05

No. 29: Average Daily Turnover in Select Financial Markets

(₹ Crore)

Item	2018-19	2019		2020				
		Jan. 25	Dec. 27	Jan. 3	Jan. 10	Jan. 17	Jan. 24	Jan. 31
	1	2	3	4	5	6	7	8
1 Call Money	31280	40765	27553	22786	17015	12535	16270	14691
2 Notice Money	4930	765	238	3834	677	7873	805	8821
3 Term Money	740	245	939	694	511	750	511	964
4 CBLO/TRIPARTY REPO	213010	261298	339731	411821	339237	372094	325737	362137
5 Market Repo	200970	153261	230092	299793	216533	266469	201848	249932
6 Repo in Corporate Bond		3500	1528	1822	1177	918	1554	3235
7 Forex (US $ million)	67793	50189	66546	55052	59430	60802	56489	72057
8 Govt. of India Dated Securities	65800	61568	70654	64434	80793	64069	61839	60694
9 State Govt. Securities	4320	4047	5891	5203	7929	2674	4644	4535
10 Treasury Bills								
10.1 91-Day	3380	1794	6094	6227	1204	3860	2059	2049
10.2 182-Day	1450	2406	1577	2200	741	804	1267	1705
10.3 364-Day	1620	1815	1019	3953	1264	556	1018	597
10.4 Cash Management Bills	1400			12812	8074	7784	3206	2179
11 Total Govt. Securities (8+9+10)	77970	71629	85234	94829	100005	79747	74033	71760
11.1 RBI	–	2764	4670	4739	4989	507	2594	37

Note : Collateralised Borrowing and Lending Obligation (CBLO) segment of the money market has been discontinued and replaced with Triparty Repo with effect from November 05, 2018.

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

(Amount in ₹ Crore)

Security & Type of Issue	2018-19		2018-19 (Apr.-Jan.)		2019-20 (Apr.-Jan.) *		Jan. 2019		Jan. 2020 *	
	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount	No. of Issues	Amount
	1	2	3	4	5	6	7	8	9	10
1 Equity Shares	**129**	**16754**	**114**	**16550**	**63**	**64522**	**8**	**2030**	**7**	**3486**
1A Premium	124	16085	111	15927	61	42878	7	1912	6	3467
1.1 Public	119	14605	106	14452	51	9836	6	1776	6	56
1.1.1 Premium	115	14123	104	14005	49	9414	6	1698	5	42
1.2 Rights	10	2149	8	2098	12	54685	2	255	1	3430
1.2.1 Premium	9	1962	7	1922	12	33463	1	214	1	3425
2 Preference Shares	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2.1 Public	–	–	–	–	–	–	–	–	–	–
2.2 Rights	–	–	–	–	–	–	–	–	–	–
3 Bonds & Debentures	**25**	**36680**	**20**	**32557**	**27**	**11746**	**5**	**3992**	**–**	**–**
3.1 Convertible	–	–	–	–	–	–	–	–	–	–
3.1.1 Public	–	–	–	–	–	–	–	–	–	–
3.1.2 Rights	–	–	–	–	–	–	–	–	–	–
3.2 Non-Convertible	25	36680	20	32557	27	11746	5	3992	–	–
3.2.1 Public	25	36680	20	32557	27	11746	5	3992	–	–
3.2.2 Rights	–	–	–	–	–	–	–	–	–	–
4 Total(1+2+3)	**154**	**53433**	**134**	**49107**	**90**	**76267**	**13**	**6022**	**7**	**3486**
4.1 Public	144	51284	126	47010	78	21582	11	5768	6	56
4.2 Rights	10	2149	8	2098	12	54685	2	255	1	3430

Note : Since April 2018, monthly data is compiled on the basis of closing date of issues as against the earlier practice of compilation on the basis of opening date.

Source : Securities and Exchange Board of India.

* : Data is Provisional

External Sector

No. 31: Foreign Trade

Item	Unit	2018-19	2019					2020
			Jan.	Sep.	Oct.	Nov.	Dec.	Jan.
		1	2	3	4	5	6	7
1 Exports	₹ Crore	2307726	186801	186148	187074	185417	194747	185204
	US $ Million	330078	26409	26095	26334	25950	27355	25970
1.1 Oil	₹ Crore	325929	22705	24718	25192	29286	27731	23555
	US $ Million	46554	3210	3465	3546	4099	3895	3303
1.2 Non-oil	₹ Crore	1981797	164096	161430	161882	156130	167016	161649
	US $ Million	283525	23199	22630	22788	21851	23460	22667
2 Imports	₹ Crore	3594675	293225	268450	264581	272250	274866	293419
	US $ Million	514078	41455	37633	37244	38103	38609	41145
2.1 Oil	₹ Crore	986275	79597	64373	68763	79087	76136	92503
	US $ Million	140921	11253	9024	9680	11069	10694	12971
2.2 Non-oil	₹ Crore	2608400	213629	204078	195818	193163	198731	200916
	US $ Million	373158	30202	28609	27565	27034	27915	28173
3 Trade Balance	₹ Crore	-1286948	-106424	-82303	-77507	-86833	-80119	-108215
	US $ Million	-184000	-15046	-11538	-10910	-12153	-11254	-15174
3.1 Oil	₹ Crore	-660346	-56892	-39655	-43571	-49800	-48404	-68948
	US $ Million	-94367	-8043	-5559	-6133	-6970	-6799	-9668
3.2 Non-oil	₹ Crore	-626602	-49532	-42648	-33936	-37033	-31715	-39267
	US $ Million	-89633	-7003	-5979	-4777	-5183	-4455	-5506

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

No. 32: Foreign Exchange Reserves

Item	Unit	2019	2020					
		Feb. 15	Jan. 10	Jan. 17	Jan. 24	Jan. 31	Feb. 7	Feb. 14
		1	2	3	4	5	6	7
1 Total Reserves	**₹ Crore**	**2837250**	**3272431**	**3285560**	**3328631**	**3363145**	**3378130**	**3398212**
	US $ Million	**398273**	**461214**	**462157**	**466693**	**471300**	**473001**	**476092**
1.1 Foreign Currency Assets	₹ Crore	2643930	3033747	3045938	3087772	3120106	3136686	3154503
	US $ Million	371070	427582	428449	432919	437248	439186	441949
1.2 Gold	₹ Crore	161700	202156	203054	204812	206920	205541	207871
	US $ Million	22764	28492	28562	28715	28997	28779	29123
1.3 SDRs	SDRs Million	1049	1046	1046	1046	1046	1046	1045
	₹ Crore	10370	10235	10277	10290	10267	10259	10207
	US $ Million	1455	1442	1446	1443	1439	1436	1430
1.4 Reserve Tranche Position in IMF	₹ Crore	21250	26294	26291	25757	25852	25644	25631
	US $ Million	2983	3697	3701	3615	3615	3599	3590

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

No. 33: NRI Deposits

(US$ Million)

Scheme	Outstanding				Flows	
	2018-19	2019		2020	2018-19	2019-20
		Jan.	Dec.	Jan.	Apr.-Jan.	Apr.-Jan.
	1	2	3	4	5	6
1 NRI Deposits	**130423**	**125204**	**133138**	**133471**	**8080**	**6636**
1.1 FCNR(B)	23170	21413	24018	24408	-613	1238
1.2 NR(E)RA	92017	89054	92889	92838	6842	3886
1.3 NRO	15236	14737	16230	16225	1850	1512

No. 34: Foreign Investment Inflows

(US$ Million)

Item	2018-19	2018-19	2019-20	2019		2020
		Apr.-Jan.	Apr.-Jan.	Jan.	Dec.	Jan.
	1	2	3	4	5	6
1.1 Net Foreign Direct Investment (1.1.1–1.1.2)	**30712**	**27974**	**34109**	**3682**	**3882**	**5668**
1.1.1 Direct Investment to India (1.1.1.1–1. 1.1.2)	**43302**	**37559**	**43960**	**4047**	**5065**	**6742**
1.1.1.1 Gross Inflows/Gross Investments	**62001**	**52477**	**60022**	**5937**	**6817**	**8494**
1.1.1.1.1 Equity	45055	38467	42905	4470	4717	5631
1.1.1.1.1.1 Government (SIA/FIPB)	2429	2130	3051	97	45	24
1.1.1.1.1.2 RBI	36315	31297	33212	3477	3646	4751
1.1.1.1.1.3 Acquisition of shares	5622	4474	6076	834	967	795
1.1.1.1.1.4 Equity capital of unincorporated bodies	689	566	566	61	58	61
1.1.1.1.2 Reinvested earnings	13672	11239	11170	1217	1150	1217
1.1.1.1.3 Other capital	3274	2772	5946	251	950	1646
1.1.1.2 Repatriation/Disinvestment	**18699**	**14918**	**16062**	**1890**	**1752**	**1752**
1.1.1.2.1 Equity	18452	14695	15893	1879	1748	1748
1.1.1.2.2 Other capital	247	224	169	12	4	4
1.1.2 Foreign Direct Investment by India (1.1.2.1+1.1.2.2+1.1.2.3–1.1.2.4)	**12590**	**9586**	**9851**	**365**	**1183**	**1074**
1.1.2.1 Equity capital	7201	5777	5355	259	413	810
1.1.2.2 Reinvested Earnings	3032	2527	2571	253	253	253
1.1.2.3 Other Capital	5202	3331	3923	252	729	223
1.1.2.4 Repatriation/Disinvestment	2845	2050	1998	398	212	212
1.2 Net Portfolio Investment (1.2.1+1.2.2+1.2.3–1.2.4)	**-618**	**-10416**	**12432**	**-362**	**10**	**-227**
1.2.1 GDRs/ADRs	1820	1820	–	–	–	–
1.2.2 FIIs	-2225	-13378	12650	316	109	-127
1.2.3 Offshore funds and others	–	–	–	–	–	–
1.2.4 Portfolio investment by India	213	-1142	217	678	100	100
1 Foreign Investment Inflows	**30094**	**17558**	**46541**	**3320**	**3892**	**5441**

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

(US$ Million)

Item	2018-19	2019			2020
		Jan.	Nov.	Dec.	Jan.
	1	2	3	4	5
1 Outward Remittances under the LRS	**13787.58**	**1336.42**	**1482.00**	**1563.72**	**1804.50**
1.1 Deposit	455.94	29.64	39.42	42.38	55.94
1.2 Purchase of immovable property	84.53	4.85	7.14	4.85	6.67
1.3 Investment in equity/debt	422.90	26.85	73.99	27.57	26.20
1.4 Gift	1370.24	106.06	153.02	150.90	158.44
1.5 Donations	8.67	0.57	0.48	0.89	1.10
1.6 Travel	4803.81	506.06	522.28	620.32	712.56
1.7 Maintenance of close relatives	2800.88	242.83	262.96	276.74	310.83
1.8 Medical Treatment	28.59	2.98	3.04	2.68	2.59
1.9 Studies Abroad	3569.87	400.34	400.98	420.45	510.26
1.10 Others	242.15	16.23	18.69	16.93	19.90

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

Item	2017-18	2018-19	2019	2020	
			February	January	February
	1	2	3	4	5
36-Currency Export and Trade Based Weights (Base: 2004-05=100)					
1 Trade-Based Weights					
1.1 NEER	76.94	72.64	71.64	72.26	72.73
1.2 REER	119.71	114.01	112.07	118.69	119.47
2 Export-Based Weights					
2.1 NEER	78.89	74.18	73.19	73.72	74.09
2.2 REER	121.94	116.32	114.43	121.42	122.04
6-Currency Trade Based Weights					
1 Base: 2004-05 (April-March) =100					
1.1 NEER	67.91	63.07	62.29	62.98	63.37
1.2 REER	129.19	121.70	119.72	126.72	127.18
2 Base: 2017-18 (April-March) =100					
2.1 NEER	100.00	92.88	91.73	92.74	93.32
2.2 REER	100.00	94.20	92.67	98.09	98.45

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

(Amount in US$ Million)

Item	2018-19	2019		2020
		Jan.	Dec.	Jan.
	1	2	3	4
1 Automatic Route				
1.1 Number	999	76	109	110
1.2 Amount	28387	2267	1257	5869
2 Approval Route				
2.1 Number	21	1	4	4
2.2 Amount	13537	150	840	2532
3 Total (1+2)				
3.1 Number	1020	77	113	114
3.2 Amount	41924	2417	2097	8401
4 Weighted Average Maturity (in years)	5.20	4.70	4.70	7.10
5 Interest Rate (per cent)				
5.1 Weighted Average Margin over 6-month LIBOR or reference rate for Floating Rate Loans	1.20	1.19	1.41	1.24
5.2 Interest rate range for Fixed Rate Loans	0.00-15.00	0.00-11.00	0.00-25.00	0.00-11.10

No. 38: India's Overall Balance of Payments

(US $ Million)

Item	Jul-Sep 2018			Jul-Sep 2019 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
Overall Balance of Payments(1+2+3)	**290140**	**292008**	**-1868**	**301536**	**296418**	**5118**
1 CURRENT ACCOUNT (1.1+ 1.2)	**160019**	**179073**	**-19054**	**161210**	**167487**	**-6276**
1.1 MERCHANDISE	**83399**	**133436**	**-50037**	**80014**	**118097**	**-38083**
1.2 INVISIBLES (1.2.1+1.2.2+1.2.3)	**76620**	**45637**	**30984**	**81196**	**49390**	**31806**
1.2.1 Services	50094	29839	20256	52380	31937	20443
1.2.1.1 Travel	7038	5813	1225	7643	6031	1611
1.2.1.2 Transportation	4641	5086	-446	5183	6009	-826
1.2.1.3 Insurance	646	396	250	603	354	249
1.2.1.4 G.n.i.e.	140	261	-122	169	298	-128
1.2.1.5 Miscellaneous	37629	18282	19348	38782	19245	19537
1.2.1.5.1 Software Services	20757	1472	19286	23247	2182	21064
1.2.1.5.2 Business Services	9408	9690	-282	10878	11211	-333
1.2.1.5.3 Financial Services	1311	1132	180	1239	594	645
1.2.1.5.4 Communication Services	606	278	328	635	354	281
1.2.2 Transfers	20891	1560	19331	21986	1999	19986
1.2.2.1 Official	35	215	-180	50	251	-202
1.2.2.2 Private	20856	1346	19511	21936	1748	20188
1.2.3 Income	5635	14238	-8603	6831	15454	-8623
1.2.3.1 Investment Income	4560	13646	-9086	5426	14791	-9364
1.2.3.2 Compensation of Employees	1074	592	482	1404	663	741
2 CAPITAL ACCOUNT (2.1+2.2+2.3+2.4+2.5)	**129539**	**112935**	**16604**	**140326**	**128273**	**12053**
2.1 Foreign Investment (2.1.1+2.1.2)	**77035**	**69423**	**7612**	**85399**	**75487**	**9913**
2.1.1 Foreign Direct Investment	14827	7417	7410	15298	7862	7436
2.1.1.1 In India	14076	4055	10021	14523	4482	10041
2.1.1.1.1 Equity	10081	3894	6187	9935	4446	5489
2.1.1.1.2 Reinvested Earnings	3344		3344	3310		3310
2.1.1.1.3 Other Capital	652	161	490	1279	37	1242
2.1.1.2 Abroad	751	3361	-2610	775	3380	-2605
2.1.1.2.1 Equity	751	1376	-625	775	1478	-703
2.1.1.2.2 Reinvested Earnings	0	758	-758	0	780	-780
2.1.1.2.3 Other Capital	0	1228	-1228	0	1122	-1122
2.1.2 Portfolio Investment	62208	62006	202	70101	67625	2476
2.1.2.1 In India	61036	61616	-580	68312	66307	2005
2.1.2.1.1 FIIs	59216	61616	-2400	68312	66307	2005
2.1.2.1.1.1 Equity	50860	52179	-1319	48252	51608	-3355
2.1.2.1.1.2 Debt	8356	9436	-1081	20059	14699	5361
2.1.2.1.2 ADR/GDRs	1820	0	1820	0	0	0
2.1.2.2 Abroad	1173	391	782	1789	1318	471
2.2 Loans (2.2.1+2.2.2+2.2.3)	**23578**	**16652**	**6926**	**21567**	**18396**	**3171**
2.2.1 External Assistance	1216	1264	-48	1805	1362	443
2.2.1.1 By India	12	30	-18	5	24	-19
2.2.1.2 To India	1204	1234	-30	1800	1338	462
2.2.2 Commercial Borrowings	8951	6766	2185	9030	5656	3374
2.2.2.1 By India	1515	1349	166	1287	1082	205
2.2.2.2 To India	7436	5417	2019	7743	4574	3169
2.2.3 Short Term to India	13411	8622	4789	10731	11378	-646
2.2.3.1 Buyers' credit & Suppliers' Credit >180 days	7392	8622	-1230	10731	10940	-209
2.2.3.2 Suppliers' Credit up to 180 days	6019	0	6019	0	437	-437
2.3 Banking Capital (2.3.1+2.3.2)	**21194**	**20672**	**522**	**23881**	**25699**	**-1818**
2.3.1 Commercial Banks	21194	20670	524	23881	25364	-1483
2.3.1.1 Assets	5370	5638	-268	9914	10148	-235
2.3.1.2 Liabilities	15823	15031	792	13967	15216	-1249
2.3.1.2.1 Non-Resident Deposits	15402	12075	3326	13458	11178	2280
2.3.2 Others	0	2	-2	0	335	-335
2.4 Rupee Debt Service	0	1	-1	0	2	-2
2.5 Other Capital	7732	6187	1545	9479	8689	790
3 Errors & Omissions	**582**		**582**		**658**	**-658**
4 Monetary Movements (4.1+ 4.2)	**1868**	0	**1868**	0	**5118**	**-5118**
4.1 I.M.F.	0	0	0			
4.2 Foreign Exchange Reserves (Increase - / Decrease +)	1868	0	1868		5118	-5118

Note : P : Preliminary

No. 39: India's Overall Balance of Payments

(₹ Crore)

Item	Jul-Sep 2018			Jul-Sep 2019 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
Overall Balance of Payments(1+2+3)	**2035381**	**2048484**	**-13103**	**2123697**	**2087648**	**36049**
1 CURRENT ACCOUNT (1.1+ 1.2)	**1122561**	**1256224**	**-133664**	**1135391**	**1179595**	**-44204**
1.1 MERCHANDISE	**585056**	**936075**	**-351019**	**563533**	**831746**	**-268213**
1.2 INVISIBLES (1.2.1+1.2.2+1.2.3)	**537505**	**320150**	**217355**	**571858**	**347850**	**224009**
1.2.1 Services	351421	209324	142097	368905	224927	143978
1.2.1.1 Travel	49373	40780	8593	53826	42478	11348
1.2.1.2 Transportation	32556	35682	-3126	36504	42320	-5817
1.2.1.3 Insurance	4534	2780	1755	4245	2494	1751
1.2.1.4 G.n.i.e.	981	1834	-853	1193	2096	-904
1.2.1.5 Miscellaneous	263977	128249	135728	273138	135539	137599
1.2.1.5.1 Software Services	145615	10323	135292	163725	15370	148355
1.2.1.5.2 Business Services	65998	67978	-1981	76611	78960	-2348
1.2.1.5.3 Financial Services	9200	7939	1261	8729	4187	4543
1.2.1.5.4 Communication Services	4252	1951	2302	4475	2494	1981
1.2.2 Transfers	146556	10945	135611	154844	14081	140763
1.2.2.1 Official	246	1506	-1260	349	1768	-1419
1.2.2.2 Private	146310	9439	136871	154495	12313	142182
1.2.3 Income	39528	99881	-60353	48109	108842	-60733
1.2.3.1 Investment Income	31992	95729	-63736	38218	104171	-65953
1.2.3.2 Compensation of Employees	7535	4152	3383	9891	4671	5220
2 CAPITAL ACCOUNT (2.1+2.2+2.3+2.4+2.5)	**908738**	**792260**	**116478**	**988305**	**903419**	**84886**
2.1 Foreign Investment (2.1.1+2.1.2)	540417	487014	53403	601461	531648	69814
2.1.1 Foreign Direct Investment	104014	52029	51985	107745	55373	52372
2.1.1.1 In India	98746	28449	70297	102287	31568	70719
2.1.1.1.1 Equity	70719	27316	43403	69970	31310	38661
2.1.1.1.2 Reinvested Earnings	23456	0	23456	23309	0	23309
2.1.1.1.3 Other Capital	4570	1132	3438	9007	258	8749
2.1.1.2 Abroad	5268	23581	-18313	5458	23805	-18346
2.1.1.2.1 Equity	5268	9650	-4382	5458	10409	-4950
2.1.1.2.2 Reinvested Earnings	0	5318	-5318	0	5496	-5496
2.1.1.2.3 Other Capital	0	8613	-8613	0	7900	-7900
2.1.2 Portfolio Investment	436403	434985	1418	493716	476275	17441
2.1.2.1 In India	428177	432244	-4067	481114	466993	14122
2.1.2.1.1 FIIs	415410	432244	-16834	481114	466993	14122
2.1.2.1.1.1 Equity	356793	366047	-9253	339837	363469	-23632
2.1.2.1.1.2 Debt	58616	66197	-7581	141277	103523	37754
2.1.2.1.2 ADR/GDRs	12768	0	12768	0	0	0
2.1.2.2 Abroad	8226	2741	5485	12602	9283	3320
2.2 Loans (2.2.1+2.2.2+2.2.3)	**165403**	**116817**	**48586**	**151892**	**129560**	**22332**
2.2.1 External Assistance	8528	8864	-336	12711	9592	3120
2.2.1.1 By India	81	209	-128	36	169	-132
2.2.1.2 To India	8447	8655	-208	12675	9423	3252
2.2.2 Commercial Borrowings	62796	47467	15329	63600	39837	23764
2.2.2.1 By India	10627	9465	1162	9066	7623	1444
2.2.2.2 To India	52168	38001	14167	54534	32214	22320
2.2.3 Short Term to India	94079	60487	33592	75580	80132	-4551
2.2.3.1 Buyers' credit & Suppliers' Credit >180 days	51855	60487	-8632	75580	77050	-1470
2.2.3.2 Suppliers' Credit up to 180 days	42224	0	42224	0	3081	-3081
2.3 Banking Capital (2.3.1+2.3.2)	**148677**	**145018**	**3659**	**168191**	**180998**	**-12807**
2.3.1 Commercial Banks	148677	145002	3675	168191	178639	-10448
2.3.1.1 Assets	37674	39555	-1881	69820	71474	-1654
2.3.1.2 Liabilities	111003	105447	5556	98370	107165	-8794
2.3.1.2.1 Non-Resident Deposits	108045	84711	23334	94785	78728	16056
2.3.2 Others	0	16	0	0	2359	-2359
2.4 Rupee Debt Service	0	9	-9	0	15	-15
2.5 Other Capital	54241	43401	10840	66761	61198	5563
3 Errors & Omissions	**4083**	0	**4083**	0	**4633**	**-4633**
4 Monetary Movements (4.1+ 4.2)	**13103**	0	**13103**	0	**36049**	**-36049**
4.1 I.M.F.	0	0	0			
4.2 Foreign Exchange Reserves (Increase - / Decrease +)	13103	0	13103	0	36049	-36049

Note : P: Preliminary

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

(US $ Million)

Item	Jul-Sep 2018			Jul-Sep 2019 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	**160019**	**179051**	**-19033**	**161208**	**167462**	**-6254**
1.A Goods and Services (1.A.a+1.A.b)	**133493**	**163275**	**-29781**	**132394**	**150033**	**-17640**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**83399**	**133436**	**-50037**	**80014**	**118097**	**-38083**
1.A.a.1 General merchandise on a BOP basis	83400	124239	-40839	79356	113743	-34388
1.A.a.2 Net exports of goods under merchanting	-1	0	-1	658	0	658
1.A.a.3 Nonmonetary gold		9197	-9197		4353	-4353
1.A.b Services (1.A.b.1 to 1.A.b.13)	**50094**	**29839**	**20256**	**52380**	**31937**	**20443**
1.A.b.1 Manufacturing services on physical inputs owned by others	58	8	50	58	33	25
1.A.b.2 Maintenance and repair services n.i.e.	43	259	-216	44	253	-208
1.A.b.3 Transport	4641	5086	-446	5183	6009	-826
1.A.b.4 Travel	7038	5813	1225	7643	6031	1611
1.A.b.5 Construction	766	635	131	677	714	-37
1.A.b.6 Insurance and pension services	646	396	250	603	354	249
1.A.b.7 Financial services	1311	1132	180	1239	594	645
1.A.b.8 Charges for the use of intellectual property n.i.e.	162	1942	-1780	248	1776	-1528
1.A.b.9 Telecommunications, computer, and information services	21428	1869	19559	23947	2654	21293
1.A.b.10 Other business services	9408	9690	-282	10878	11211	-333
1.A.b.11 Personal, cultural, and recreational services	447	774	-328	551	923	-372
1.A.b.12 Government goods and services n.i.e.	140	261	-122	169	298	-128
1.A.b.13 Others n.i.e.	4007	1972	2035	1139	1085	54
1.B Primary Income (1.B.1 to 1.B.3)	**5635**	**14238**	**-8603**	**6831**	**15454**	**-8623**
1.B.1 Compensation of employees	1074	592	482	1404	663	741
1.B.2 Investment income	3486	13340	-9854	4372	14576	-10204
1.B.2.1 Direct investment	1788	6108	-4320	1756	6902	-5146
1.B.2.2 Portfolio investment	53	3525	-3471	54	3760	-3706
1.B.2.3 Other investment	135	3694	-3559	602	3899	-3297
1.B.2.4 Reserve assets	1508	13	1495	1960	15	1945
1.B.3 Other primary income	1075	306	769	1055	215	840
1.C Secondary Income (1.C.1+1.C.2)	**20891**	**1539**	**19352**	**21984**	**1975**	**20009**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	20856	1346	19511	21936	1748	20188
1.C.1.1 Personal transfers (Current transfers between resident and/	20224	991	19233	21291	1336	19955
1.C.1.2 Other current transfers	633	354	278	645	412	233
1.C.2 General government	35	193	-159	48	227	-179
2 Capital Account (2.1+2.2)	**75**	**96**	**-21**	**90**	**186**	**-97**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	2	4	-2	9	93	-84
2.2 Capital transfers	72	92	-19	81	93	-12
3 Financial Account (3.1 to 3.5)	**131333**	**112861**	**18472**	**140238**	**133230**	**7008**
3.1 Direct Investment (3.1A+3.1B)	**14827**	**7417**	**7410**	**15298**	**7862**	**7436**
3.1.A Direct Investment in India	14076	4055	10021	14523	4482	10041
3.1.A.1 Equity and investment fund shares	13425	3894	9531	13244	4446	8799
3.1.A.1.1 Equity other than reinvestment of earnings	10081	3894	6187	9935	4446	5489
3.1.A.1.2 Reinvestment of earnings	3344		3344	3310		3310
3.1.A.2 Debt instruments	652	161	490	1279	37	1242
3.1.A.2.1 Direct investor in direct investment enterprises	652	161	490	1279	37	1242
3.1.B Direct Investment by India	751	3361	-2610	775	3380	-2605
3.1.B.1 Equity and investment fund shares	751	2134	-1383	775	2258	-1483
3.1.B.1.1 Equity other than reinvestment of earnings	751	1376	-625	775	1478	-703
3.1.B.1.2 Reinvestment of earnings		758	-758		780	-780
3.1.B.2 Debt instruments	0	1228	-1228	0	1122	-1122
3.1.B.2.1 Direct investor in direct investment enterprises		1228	-1228		1122	-1122
3.2 Portfolio Investment	**60388**	**62006**	**-1618**	**70101**	**67625**	**2476**
3.2.A Portfolio Investment in India	59216	61616	-2400	68312	66307	2005
3.2.1 Equity and investment fund shares	50860	52179	-1319	48252	51608	-3355
3.2.2 Debt securities	8356	9436	-1081	20059	14699	5361
3.2.B Portfolio Investment by India	1173	391	782	1789	1318	471
3.3 Financial derivatives (other than reserves) and employee stock options	**5623**	**4344**	**1278**	**7395**	**7138**	**257**
3.4 Other investment	**48627**	**39093**	**9534**	**47444**	**45487**	**1957**
3.4.1 Other equity (ADRs/GDRs)	1820	0	1820	0	0	0
3.4.2 Currency and deposits	15402	12078	3324	13458	11513	1945
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	0	2	-2	0	335	-335
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	15402	12075	3326	13458	11178	2280
3.4.2.3 General government						
3.4.2.4 Other sectors						
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	15959	16624	-665	21258	21204	54
3.4.3.A Loans to India	14433	15245	-812	19965	20098	-132
3.4.3.B Loans by India	1527	1379	147	1292	1106	186
3.4.4 Insurance, pension, and standardized guarantee schemes	36	142	-106	54	71	-17
3.4.5 Trade credit and advances	13411	8622	4789	10731	11378	-646
3.4.6 Other accounts receivable/payable - other	1999	1626	373	1942	1321	621
3.4.7 Special drawing rights				0	0	0
3.5 Reserve assets	**1868**	0	**1868**	0	**5118**	**-5118**
3.5.1 Monetary gold						
3.5.2 Special drawing rights n.a.						
3.5.3 Reserve position in the IMF n.a.						
3.5.4 Other reserve assets (Foreign Currency Assets)	1868	0	1868	0	5118	-5118
4 Total assets/liabilities	**131333**	**112861**	**18472**	**140238**	**133230**	**7008**
4.1 Equity and investment fund shares	71867	63085	8782	71511	66838	4672
4.2 Debt instruments	53779	48150	5629	66786	59952	6833
4.3 Other financial assets and liabilities	5687	1626	4060	1942	6439	-4498
5 Net errors and omissions	**582**		**582**	0	**658**	**-658**

Note : P : Preliminary

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

(₹ Crore)

Item	Jul-Sep 2018			Jul-Sep 2019 (P)		
	Credit	Debit	Net	Credit	Debit	Net
	1	2	3	4	5	6
1 Current Account (1.A+1.B+1.C)	**1122558**	**1256075**	**-133518**	**1135379**	**1179423**	**-44044**
1.A Goods and Services (1.A.a+1.A.b)	**936477**	**1145399**	**-208922**	**932438**	**1056673**	**-124234**
1.A.a Goods (1.A.a.1 to 1.A.a.3)	**585056**	**936075**	**-351019**	**563533**	**831746**	**-268213**
1.A.a.1 General merchandise on a BOP basis	585065	871555	-286490	558895	801084	-242189
1.A.a.2 Net exports of goods under merchanting	-10	0	-10	4638	0	4638
1.A.a.3 Nonmonetary gold	0	64520	-64520	0	30661	-30661
1.A.b Services (1.A.b.1 to 1.A.b.13)	**351421**	**209324**	**142097**	**368905**	**224927**	**143978**
1.A.b.1 Manufacturing services on physical inputs owned by others	408	56	351	408	235	173
1.A.b.2 Maintenance and repair services n.i.e.	305	1818	-1513	310	1779	-1468
1.A.b.3 Transport	32556	35682	-3126	36504	42320	-5817
1.A.b.4 Travel	49373	40780	8593	53826	42478	11348
1.A.b.5 Construction	5373	4456	917	4770	5031	-261
1.A.b.6 Insurance and pension services	4534	2780	1755	4245	2494	1751
1.A.b.7 Financial services	9200	7939	1261	8729	4187	4543
1.A.b.8 Charges for the use of intellectual property n.i.e.	1137	13626	-12489	1749	12511	-10762
1.A.b.9 Telecommunications, computer, and information services	150318	13109	137210	168656	18693	149963
1.A.b.10 Other business services	65998	67978	-1981	76611	78960	-2348
1.A.b.11 Personal, cultural, and recreational services	3133	5433	-2300	3882	6503	-2621
1.A.b.12 Government goods and services n.i.e.	981	1834	-853	1193	2096	-904
1.A.b.13 Others n.i.e.	28107	13834	14273	8021	7641	380
1.B Primary Income (1.B.1 to 1.B.3)	**39528**	**99881**	**-60353**	**48109**	**108842**	**-60733**
1.B.1 Compensation of employees	7535	4152	3383	9891	4671	5220
1.B.2 Investment income	24452	93582	-69130	30790	102655	-71866
1.B.2.1 Direct investment	12545	42849	-30304	12365	48608	-36243
1.B.2.2 Portfolio investment	375	24727	-24352	380	26481	-26100
1.B.2.3 Other investment	950	25914	-24964	4241	27463	-23223
1.B.2.4 Reserve assets	10581	92	10489	13803	103	13700
1.B.3 Other primary income	7540	2147	5394	7428	1515	5913
1.C Secondary Income (1.C.1+1.C.2)	**146553**	**10796**	**135757**	**154831**	**13908**	**140923**
1.C.1 Financial corporations, nonfinancial corporations, households, and NPISHs	146310	9439	136871	154495	12313	142182
1.C.1.1 Personal transfers (Current transfers between resident and/	141872	6953	134920	149953	9410	140544
1.C.1.2 Other current transfers	4438	2486	1951	4542	2903	1639
1.C.2 General government	243	1357	-1113	336	1596	-1260
2 Capital Account (2.1+2.2)	**523**	**672**	**-150**	**632**	**1312**	**-680**
2.1 Gross acquisitions (DR.)/disposals (CR.) of non-produced nonfinancial assets	14	28	-14	63	656	-593
2.2 Capital transfers	509	644	-135	569	656	-87
3 Financial Account (3.1 to 3.5)	**921321**	**791737**	**129585**	**987686**	**938328**	**49358**
3.1 Direct Investment (3.1A+3.1B)	**104014**	**52029**	**51985**	**107745**	**55373**	**52372**
3.1.A Direct Investment in India	98746	28449	70297	102287	31568	70719
3.1.A.1 Equity and investment fund shares	94175	27316	66859	93280	31310	61970
3.1.A.1.1 Equity other than reinvestment of earnings	70719	27316	43403	69970	31310	38661
3.1.A.1.2 Reinvestment of earnings	23456	0	23456	23309	0	23309
3.1.A.2 Debt instruments	4570	1132	3438	9007	258	8749
3.1.A.2.1 Direct investor in direct investment enterprises	4570	1132	3438	9007	258	8749
3.1.B Direct Investment by India	5268	23581	-18313	5458	23805	-18346
3.1.B.1 Equity and investment fund shares	5268	14968	-9700	5458	15904	-10446
3.1.B.1.1 Equity other than reinvestment of earnings	5268	9650	-4382	5458	10409	-4950
3.1.B.1.2 Reinvestment of earnings	0	5318	-5318	0	5496	-5496
3.1.B.2 Debt instruments	0	8613	-8613	0	7900	-7900
3.1.B.2.1 Direct investor in direct investment enterprises	0	8613	-8613	0	7900	-7900
3.2 Portfolio Investment	**423635**	**434985**	**-11350**	**493716**	**476275**	**17441**
3.2.A Portfolio Investment in India	415410	432244	-16834	481114	466993	14122
3.2.1 Equity and investment fund shares	356793	366047	-9253	339837	363469	-23632
3.2.2 Debt securities	58616	66197	-7581	141277	103523	37754
3.2.B Portfolio Investment by India	8226	2741	5485	12602	9283	3320
3.3 Financial derivatives (other than reserves) and employee stock options	**39443**	**30477**	**8966**	**52083**	**50270**	**1813**
3.4 Other investment	**341126**	**274245**	**66881**	**334142**	**320362**	**13780**
3.4.1 Other equity (ADRs/GDRs)	12768	0	12768	0	0	0
3.4.2 Currency and deposits	108045	84728	23317	94785	81087	13697
3.4.2.1 Central bank (Rupee Debt Movements; NRG)	0	16	-16	0	2359	-2359
3.4.2.2 Deposit-taking corporations, except the central bank (NRI Deposits)	108045	84711	23334	94785	78728	16056
3.4.2.3 General government	0	0	0	0	0	0
3.4.2.4 Other sectors	0	0	0	0	0	0
3.4.3 Loans (External Assistance, ECBs and Banking Capital)	111956	116621	-4665	149718	149339	379
3.4.3.A Loans to India	101248	106947	-5699	140615	141548	-932
3.4.3.B Loans by India	10709	9675	1034	9103	7791	1311
3.4.4 Insurance, pension, and standardized guarantee schemes	253	999	-746	383	501	-117
3.4.5 Trade credit and advances	94079	60487	33592	75580	80132	-4551
3.4.6 Other accounts receivable/payable - other	14024	11410	2614	13676	9303	4373
3.4.7 Special drawing rights	0	0	0	0	0	0
3.5 Reserve assets	**13103**	**0**	**13103**	**0**	**36049**	**-36049**
3.5.1 Monetary gold				0	0	0
3.5.2 Special drawing rights n.a.				0	0	0
3.5.3 Reserve position in the IMF n.a.				0	0	0
3.5.4 Other reserve assets (Foreign Currency Assets)	13103	0	13103	0	36049	-36049
4 Total assets/liabilities	**921321**	**791737**	**129585**	**987686**	**938328**	**49358**
4.1 Equity and investment fund shares	504159	442549	61611	503643	470736	32907
4.2 Debt instruments	377267	337778	39489	470367	422240	48127
4.3 Other financial assets and liabilities	39895	11410	28485	13676	45352	-31676
5 Net errors and omissions	**4083**	**0**	**4083**	**0**	**4633**	**-4633**

Note : P: Preliminary

No. 42: International Investment Position

(US$ Million)

Item	As on Financial Year /Quarter End							
	2018-19		2018		2019			
			Sep.		Jun.		Sep.	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	1	2	3	4	5	6	7	8
1 Direct Investment Abroad/in India	169964	399234	163537	362031	173017	417292	175622	416476
1.1 Equity Capital and Reinvested Earnings	111122	382105	107925	346220	112890	399381	114373	398164
1.2 Other Capital	58841	17129	55613	15811	60127	17911	61249	18312
2 Portfolio Investment	4699	260313	2641	237895	5012	267073	4541	259993
2.1 Equity	590	147479	1804	135249	1806	151162	2344	144039
2.2 Debt	4109	112834	837	102645	3206	115912	2197	115953
3 Other Investment	54538	419279	41541	395576	54511	429560	55904	430051
3.1 Trade Credit	924	105191	904	104340	2140	107224	1707	106581
3.2 Loan	9884	168112	7084	157613	9765	173962	7895	174988
3.3 Currency and Deposits	25158	130644	16628	122137	24169	133846	27563	133105
3.4 Other Assets/Liabilities	18574	15332	16925	11486	18437	14529	18739	15378
4 Reserves	412871		400525		429837		433707	
5 Total Assets/ Liabilities	642072	1078827	608244	995501	662378	1113926	669775	1106520
6 IIP (Assets - Liabilities)		-436755		-387257		-451548		-436745

Payment and Settlement Systems

No.43: Payment System Indicators

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

System	Volume (Lakh)				Value (₹ Crore)			
	FY 2018-19	2019		2020	FY 2018-19	2019		2020
		Jan.	Dec.	Jan.		Jan.	Dec.	Jan.
	1	2	3	4	5	6	7	8
A. Settlement Systems								
Financial Market Infrastructures (FMIs)								
1 CCIL Operated Systems (1.1 to 1.3)	–	–	2.83	3.01	–	–	12196681	12826782
1.1 Govt. Securities Clearing (1.1.1 to 1.1.3)	–	–	1.04	1.09	–	–	8085475	8442926
1.1.1 Outright	–	–	0.61	0.66	–	–	853262	957188
1.1.2 Repo	–	–	0.21	0.21	–	–	2950776	2999019
1.1.3 Tri-party Repo	–	–	0.21	0.22	–	–	4281437	4486719
1.2 Forex Clearing	–	–	1.75	1.88	–	–	3831685	4083916
1.3 Rupee Derivatives @	–	–	0.04	0.05	–	–	279520	299940
B. Payment Systems								
I Financial Market Infrastructures (FMIs)	–	–	–	–	–	–	–	–
1 Credit Transfers - RTGS (1.1 to 1.2)	–	–	136.02	137.29	–	–	10316937	9880821
1.1 Customer Transactions	–	–	133.82	135.09	–	–	8847761	8558049
1.2 Interbank Transactions	–	–	2.20	2.20	–	–	1469176	1322772
II Retail								
2 Credit Transfers - Retail (2.1 to 2.7)	–	–	20029.92	21194.27	–	–	2440803	2454422
2.1 AePS (Fund Transfers) @	–	–	0.84	0.76	–	–	35	37
2.2 APBS $	–	–	1369.14	1511.41	–	–	6000	9427
2.3 ECS Cr	–	–	0.10	0.09	–	–	53	43
2.4 IMPS	–	–	2564.67	2595.26	–	–	210934	216811
2.5 NACH Cr $	–	–	674.26	1431.01	–	–	79028	82398
2.6 NEFT	–	–	2336.88	2605.55	–	–	1942231	1929464
2.7 UPI @	–	–	13084.02	13050.19	–	–	202521	216243
2.7.1 of which USSD @	–	–	0.80	0.78	–	–	14	14
3 Debit Transfers and Direct Debits (3.1 to 3.4)	–	–	790.71	812.33	–	–	72455	73506
3.1 BHIM Aadhaar Pay @	–	–	7.37	9.36	–	–	112	141
3.2 ECS Dr	–	–	0.00	0.00	–	–	–	–
3.3 NACH Dr $	–	–	769.31	777.36	–	–	72306	73316
3.4 NETC (linked to bank account) @	–	–	14.02	25.61	–	–	37	49
4 Card Payments (4.1 to 4.2)	–	–	6615.52	6654.46	–	–	149688	151147
4.1 Credit Cards (4.1.1 to 4.1.2)	–	–	2036.64	2017.27	–	–	65736	66573
4.1.1 PoS based $	–	–	1181.09	1160.35	–	–	35157	35124
4.1.2 Others $	–	–	855.55	856.92	–	–	30579	31449
4.2 Debit Cards (4.2.1 to 4.2.1)	–	–	4578.88	4637.19	–	–	83953	84575
4.2.1 PoS based $	–	–	2634.18	2587.38	–	–	39740	38907
4.2.2 Others $	–	–	1944.70	2049.81	–	–	44213	45667
5 Prepaid Payment Instruments (5.1 to 5.2)	–	–	5073.44	5237.05	–	–	18922	18286
5.1 Wallets	–	–	3652.64	3876.23	–	–	15835	15408
5.2 Cards (5.2.1 to 5.2.2)	–	–	1420.80	1360.82	–	–	3088	2878
5.2.1 PoS based $	–	–	121.90	128.35	–	–	1012	997
5.2.2 Others $	–	–	1298.91	1232.47	–	–	2076	1880
6 Paper-based Instruments (6.1 to 6.2)	–	–	865.46	887.16	–	–	646583	660249
6.1 CTS (NPCI Managed)	–	–	864.44	886.38	–	–	645573	659590
6.2 Others	–	–	1.02	0.78	–	–	1010	658
Total - Retail Payments (2+3+4+5+6)	–	–	33375.05	34785.26	–	–	3328451	3357610
Total Payments (1+2+3+4+5+6)	–	–	33511.06	34922.55	–	–	13645388	13238431
Total Digital Payments (1+2+3+4+5)	–	–	32645.60	34035.39	–	–	12998805	12578182

PART II - Payment Modes and Channels

System	Volume (Lakh)				Value (₹ Crore)			
	FY 2018-19	2019		2020	FY 2018-19	2019		2020
		Jan.	Dec.	Jan.		Jan.	Dec.	Jan.
	1	2	3	4	5	6	7	8
A. Other Payment Channels								
1 Mobile Payments (mobile app based) (1.1 to 1.2)	–	–	14322.15	14402.70	–	–	493342	521368
1.1 Intra-bank $	–	–	1280.66	1304.45	–	–	101679	107648
1.2 Inter-bank $	–	–	13041.49	13098.24	–	–	391663	413720
2 Internet Payments (Netbanking / Internet Browser Based) @ (2.1 to 2.2)	–	–	2734.52	2747.49	–	–	3034061	3155249
2.1 Intra-bank @	–	–	626.24	612.05	–	–	1438218	1641369
2.2 Inter-bank @	–	–	2108.29	2135.43	–	–	1595843	1513879
B. ATMs								
3 Cash Withdrawal at ATMs $ (3.1 to 3.3)	–	–	6518.97	6568.95	–	–	293087	298514
3.1 Using Credit Cards $	–	–	8.91	8.53	–	–	422	399
3.2 Using Debit Cards $	–	–	6481.81	6531.99	–	–	291704	297116
3.3 Using Pre-paid Cards $	–	–	28.25	28.43	–	–	961	999
4 Cash Withdrawal at PoS $ (4.1 to 4.2)	–	–	78.52	102.47	–	–	148	177
4.1 Using Debit Cards $	–	–	71.47	92.41	–	–	134	163
4.2 Using Pre-paid Cards $	–	–	7.05	10.06	–	–	14	14
5 Cash Withrawal at Micro ATMs @	–	–	326.35	400.77	–	–	9163	11109
5.1 AePS @	–	–	326.35	400.77	–	–	9163	11109

PART III - Payment Infrastructures (Lakh)

System	FY 2018-19	2019		2020
		Jan.	Dec.	Jan.
	1	2	3	4
Payment System Infrastructures				
1 Number of Cards (1.1 to 1.2)	–	–	8606.57	8728.47
1.1 Credit Cards	–	–	553.33	561.20
1.2 Debit Cards	–	–	8053.24	8167.26
2 Number of PPIs @ (2.1 to 2.2)	–	–	17625.43	17574.74
2.1 Wallets @	–	–	16615.68	16575.31
2.2 Cards @	–	–	1009.75	999.43
3 Number of ATMs (3.1 to 3.2)	–	–	2.32	2.33
3.1 Bank owned ATMs $	–	–	2.10	2.10
3.2 White Label ATMs $	–	–	0.22	0.23
4 Number of Micro ATMs @	–	–	2.42	2.56
5 Number of PoS Terminals	–	–	49.88	49.47
6 Bharat QR @	–	–	17.13	17.79

@: New inclusion w.e.f. November 2019
$: Inclusion separately initiated from November 2019 - would have been part of other items hitherto.

Note : 1. Data is provisional.
2. The data for November 2019 for card payments (Debit/Credit cards) and Prepaid Payment Instruments (PPIs) may not be comparable with earlier months/ periods, as more granular data is being published along with revision in data definitions.
3. Only domestic financial transactions are considered. The new format captures e-commerce transactions; transactions using FASTags; digtal bill payments and card-to-card transfer through ATMs, etc.. Also, failed transactions, chargebacks, reversals, expired cards/ wallets, are excluded.

Occasional Series

No. 44: Small Savings

(₹ Crore)

Scheme		2018-19	2018	2019		
			Nov.	Sep.	Oct.	Nov.
		1	2	3	4	5
1 Small Savings	**Receipts**	**115714**	**8671**	**-432**	**9717**	**14106**
	Outstanding	**918459**	**870336**	**974938**	**985145**	**999208**
1.1 Total Deposits	**Receipts**	**91108**	**7262**	**-2412**	**7874**	**10876**
	Outstanding	**618418**	**584853**	**662945**	**670819**	**681695**
1.1.1 Post Office Saving Bank Deposits	Receipts	31037	1650	-9655	1704	1881
	Outstanding	140247	127270	143422	145126	147007
1.1.2 MGNREG	Receipts					
	Outstanding					
1.1.3 National Saving Scheme, 1987	Receipts	-31	38	-19	-12	80
	Outstanding	3107	2947	2947	2935	3015
1.1.4 National Saving Scheme, 1992	Receipts	53	-2	-2	-5	823
	Outstanding	10	-11	-9	-14	809
1.1.5 Monthly Income Scheme	Receipts	10967	938	1246	1086	1584
	Outstanding	192658	188723	199037	200123	201707
1.1.6 Senior Citizen Scheme 2004	Receipts	13990	1197	1521	1408	1706
	Outstanding	55708	50840	64280	65688	67394
1.1.7 Post Office Time Deposits	Receipts	25000	2089	3229	2606	3625
	Outstanding	124292	114411	142095	144701	148326
1.1.7.1 1 year Time Deposits	Outstanding	71534	66578	81128	82377	84270
1.1.7.2 2 year Time Deposits	Outstanding	5910	5478	6451	6531	6637
1.1.7.3 3 year Time Deposits	Outstanding	6901	6792	7155	7193	7262
1.1.7.4 5 year Time Deposits	Outstanding	39947	35563	47361	48600	50157
1.1.8 Post Office Recurring Deposits	Receipts	10081	1352	1268	1087	1177
	Outstanding	102401	100689	111177	112264	113441
1.1.9 Post Office Cumulative Time Deposits	Receipts	11	0	0	0	0
	Outstanding	-26	-37	-25	-25	-25
1.1.10 Other Deposits	Receipts	0	0	0	0	0
	Outstanding	21	21	21	21	21
1.2 Saving Certificates	**Receipts**	**16067**	**1223**	**2230**	**1634**	**2580**
	Outstanding	**221517**	**214368**	**232925**	**235049**	**237586**
1.2.1 National Savings Certificate VIII issue	Receipts	11318	962	1304	905	1717
	Outstanding	98492	91250	105156	106061	107778
1.2.2 Indira Vikas Patras	Receipts	334	0	-53	-1	0
	Outstanding	263	283	-288	-289	-289
1.2.3 Kisan Vikas Patras	Receipts	-18678	-1669	-1135	-822	-1090
	Outstanding	19303	26391	9665	8843	7753
1.2.4 Kisan Vikas Patras - 2014	Receipts	23018	1915	2120	1552	1953
	Outstanding	93630	84895	107743	109295	111248
1.2.5 National Saving Certificate VI issue	Receipts	93	15	-6	0	0
	Outstanding	2	-81	-179	-179	-179
1.2.6 National Saving Certificate VII issue	Receipts	-18	0	0	0	0
	Outstanding	-80	-81	-82	-82	-82
1.2.7 Other Certificates	Outstanding	9907	11711	10910	11400	11357
1.3 Public Provident Fund	**Receipts**	**8539**	**186**	**-250**	**209**	**650**
	Outstanding	**78524**	**71115**	**79068**	**79277**	**79927**

Source: Accountant General, Post and Telegraphs.

Note : Data on receipts fron April 2017 are net receipts, *i.e.*, gross receipt minus gross payment.

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

(Per cent)

Central Government Dated Securities					
Category	2018	2019			
	Dec.	Mar.	Jun.	Sep.	Dec.
	1	2	3	4	5
(A) Total (in ₹. Crore)	**5758103**	**5921026**	**6072243**	**6314426**	**6512659**
1 Commercial Banks	40.51	40.28	39.05	39.66	39.05
2 Non-Bank PDs	0.33	0.31	0.36	0.42	0.39
3 Insurance Companies	24.57	24.34	24.88	24.86	24.90
4 Mutual Funds	0.64	0.35	0.64	0.77	1.53
5 Co-operative Banks	2.38	2.29	2.17	2.01	1.97
6 Financial Institutions	1.01	1.05	1.05	1.15	1.14
7 Corporates	1.05	0.97	0.99	0.92	0.84
8 Foreign Portfolio Investors	3.60	3.22	3.27	3.31	3.33
9 Provident Funds	5.54	5.47	5.35	4.87	4.93
10 RBI	13.81	15.27	15.67	14.99	14.72
11. Others	6.55	6.46	6.57	7.05	7.23
11.1 State Governments	1.97	2.00	2.02	1.99	1.97

State Governments Securities					
Category	2018	2019			
	Dec.	Mar.	Jun.	Sep.	Dec.
	1	2	3	4	5
(B) Total (in ₹. Crore)	**2669393**	**2777229**	**2826935**	**2905169**	**3047353**
1 Commercial Banks	34.00	33.87	32.57	32.53	32.46
2 Non-Bank PDs	0.60	0.58	0.81	0.72	0.64
3 Insurance Companies	33.90	33.04	33.94	33.39	32.50
4 Mutual Funds	1.23	1.20	1.24	1.12	1.20
5 Co-operative Banks	4.67	4.55	4.65	4.24	4.16
6 Financial Institutions	0.37	0.42	0.44	0.33	0.31
7 Corporates	0.22	0.29	0.32	0.28	0.31
8 Foreign Portfolio Investors	0.09	0.09	0.08	0.05	0.04
9 Provident Funds	21.29	22.15	21.88	22.36	23.66
10 RBI	0.00	0.00	0.00	0.00	0.00
11. Others	3.64	3.81	4.08	4.98	4.73
11.1 State Governments	0.07	0.11	0.14	0.16	0.17

Treasury Bills					
Category	2018	2019			
	Dec.	Mar.	Jun.	Sep.	Dec.
	1	2	3	4	5
(C) Total (in ₹. Crore)	**529826**	**412704**	**524618**	**538041**	**514588**
1 Commercial Banks	53.76	57.56	53.60	50.81	45.19
2 Non-Bank PDs	2.06	2.68	1.85	1.92	2.07
3 Insurance Companies	4.74	6.61	5.13	5.55	5.76
4 Mutual Funds	5.65	2.78	13.00	14.08	20.42
5 Co-operative Banks	1.21	2.48	2.54	2.55	2.07
6 Financial Institutions	1.88	2.49	2.14	1.82	2.12
7 Corporates	1.86	2.23	1.67	1.57	1.66
8 Foreign Portfolio Investors	0.00	0.00	0.00	0.00	0.00
9 Provident Funds	0.02	0.08	0.07	0.01	0.01
10 RBI	0.00	0.00	0.00	0.00	0.00
11. Others	28.81	23.10	19.99	21.70	20.70
11.1 State Governments	24.04	17.91	15.59	17.91	16.36

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

(₹ Crore)

Item	2014-15	2015-16	2016-17	2017-18	2018-19 RE	2019-20 BE
	1	2	3	4	5	6
1 Total Disbursements	**3285210**	**3760611**	**4265969**	**4515946**	**5516932**	**6071777**
1.1 Developmental	1872062	2201287	2537905	2635110	3344948	3660857
1.1.1 Revenue	1483018	1668250	1878417	2029044	2543965	2830634
1.1.2 Capital	332262	412069	501213	519356	694352	732102
1.1.3 Loans	56782	120968	158275	86710	106630	98121
1.2 Non-Developmental	1366769	1510810	1672646	1812455	2089516	2315637
1.2.1 Revenue	1269520	1379727	1555239	1741432	2002766	2204742
1.2.1.1 Interest Payments	584542	648091	724448	814757	901783	1009776
1.2.2 Capital	94687	127306	115775	69370	85375	109030
1.2.3 Loans	2563	3777	1632	1654	1375	1865
1.3 Others	46379	48514	55417	68381	82469	95284
2 Total Receipts	**3189737**	**3778049**	**4288432**	**4528422**	**5364245**	**6003162**
2.1 Revenue Receipts	2387693	2748374	3132201	3376416	4205473	4653758
2.1.1 Tax Receipts	2020728	2297101	2622145	2978134	3512454	3910428
2.1.1.1 Taxes on commodities and services	1212348	1440952	1652377	1853859	2186529	2399337
2.1.1.2 Taxes on Income and Property	805176	852271	965622	1121189	1323113	1506912
2.1.1.3 Taxes of Union Territories (Without Legislature)	3204	3878	4146	3086	2812	4179
2.1.2 Non-Tax Receipts	366965	451272	510056	398282	693019	743330
2.1.2.1 Interest Receipts	39622	35779	33220	34224	36739	33619
2.2 Non-debt Capital Receipts	60955	59827	69063	142433	136636	170056
2.2.1 Recovery of Loans & Advances	22072	16561	20942	42213	56398	63131
2.2.2 Disinvestment proceeds	38883	43266	48122	100219	80238	106926
3 Gross Fiscal Deficit [1 - (2.1 + 2.2)]	**836563**	**952410**	**1064704**	**997097**	**1174823**	**1247962**
3A Sources of Financing: Institution-wise						
3A.1 Domestic Financing	823630	939662	1046708	989167	1179716	1250914
3A.1.1 Net Bank Credit to Government	-37476	231090	617123	144792	386389	...
3A.1.1.1 Net RBI Credit to Government	-334185	60472	195816	-144847	325987	...
3A.1.2 Non-Bank Credit to Government	861106	708572	429585	844375	793327	-----
3A.2 External Financing	12933	12748	17997	7931	-4893	-2952
3B Sources of Financing: Instrument-wise						
3B.1 Domestic Financing	823630	939662	1046708	989167	1179716	1250914
3B.1.1 Market Borrowings (net)	664058	673298	689821	794856	831554	959294
3B.1.2 Small Savings (net)	-56580	-78515	-105038	-163222	-217165	-208528
3B.1.3 State Provident Funds (net)	34339	35261	45688	42351	42703	42482
3B.1.4 Reserve Funds	5109	-3322	-6436	18423	-14577	-871
3B.1.5 Deposits and Advances	27545	13470	17792	25138	16011	13706
3B.1.6 Cash Balances	95474	-17438	-22463	-12476	152688	68615
3B.1.7 Others	53684	316908	427343	284095	368504	376216
3B.2 External Financing	12933	12748	17997	7931	-4893	-2952
4 Total Disbursements as per cent of GDP	*26.3*	*27.3*	*27.8*	*26.4*	*29.0*	*28.8*
5 Total Receipts as per cent of GDP	*25.6*	*27.4*	*27.9*	*26.5*	*28.2*	*28.5*
6 Revenue Receipts as per cent of GDP	*19.2*	*20.0*	*20.4*	*19.8*	*22.1*	*22.1*
7 Tax Receipts as per cent of GDP	*16.2*	*16.7*	*17.1*	*17.4*	*18.5*	*18.5*
8 Gross Fiscal Deficit as per cent of GDP	*6.7*	*6.9*	*6.9*	*5.8*	*6.2*	*5.9*

…: Not available. RE: Revised Estimates; BE: Budget Estimates

Source : Budget Documents of Central and State Governments.

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

(₹ Crore)

Sr. No	State/Union Territory	During January-2020					
		Special Drawing Facility (SDF)		Ways and Means Advances (WMA)		Overdraft (OD)	
		Average amount availed	Number of days availed	Average amount availed	Number of days availed	Average amount availed	Number of days availed
	1	2	3	4	5	6	7
1	Andhra Pradesh	1562	31	1013	20	1614	7
2	Arunachal Pradesh	-	-	-	-	-	-
3	Assam	-	-	-	-	-	-
4	Bihar	-	-	-	-	-	-
5	Chhattisgarh	-	-	-	-	-	-
6	Goa	-	-	-	-	-	-
7	Gujarat	-	-	-	-	-	-
8	Haryana	-	-	-	-	-	-
9	Himachal Pradesh	-	-	133	2	-	-
10	Jammu & Kashmir	-	-	665	29	307	13
11	Jharkhand	-	-	-	-	-	-
12	Karnataka	-	-	-	-	-	-
13	Kerala	292	24	753	18	266	4
14	Madhya Pradesh	-	-	-	-	-	-
15	Maharashtra	-	-	-	-	-	-
16	Manipur	9	2	-	-	-	-
17	Meghalaya	-	-	-	-	-	-
18	Mizoram	-	-	-	-	-	-
19	Nagaland	231	30	-	-	-	-
20	Odisha	-	-	-	-	-	-
21	Puducherry	-	-	-	-	-	-
22	Punjab	226	22	767	20	234	14
23	Rajasthan	-	-	-	-	-	-
24	Tamil Nadu	-	-	-	-	-	-
25	Telangana	903	13	-	-	-	-
26	Tripura	-	-	-	-	-	-
27	Uttar Pradesh	-	-	-	-	-	-
28	Uttarakhand	358	1	-	-	-	-
29	West Bengal	-	-	-	-	-	-

Source: Reserve Bank of India.

No. 48: Investments by State Governments

(₹ Crore)

Sr. No	State/Union Territory	As on end of January 2020			
		Consolidated Sinking Fund (CSF)	Guarantee Redemption Fund (GRF)	Government Securities	Auction Treasury Bills (ATBs)
	1	2	3	4	5
1	Andhra Pradesh	7905	778	--	0
2	Arunachal Pradesh	1261	1	--	0
3	Assam	4185	50	--	3000
4	Bihar	7570	--	--	0
5	Chhattisgarh	4225	--	1	5500
6	Goa	568	285	--	0
7	Gujarat	13036	459	--	0
8	Haryana	1991	1146	--	0
9	Himachal Pradesh	--	--	--	0
10	Jammu & Kashmir	--	--	--	0
11	Jharkhand	--	--	--	0
12	Karnataka	4047	--	--	11500
13	Kerala	2050	--	--	0
14	Madhya Pradesh	--	874	--	0
15	Maharashtra	39310	408	--	15000
16	Manipur	361	96	--	0
17	Meghalaya	585	29	9	0
18	Mizoram	526	38	--	0
19	Nagaland	1566	32	--	0
20	Odisha	12792	1391	81	23395
21	Puducherry	305	--	--	898
22	Punjab	230	--	8	0
23	Rajasthan	--	--	129	1800
24	Tamil Nadu	6329	--	40	8632
25	Telangana	5405	1174	--	0
26	Tripura	315	5	--	0
27	Uttar Pradesh	--	--	180	0
28	Uttarakhand	3008	76	--	0
29	West Bengal	10527	507	214	0
	Total	**128098**	**7346**	**661**	**69725**

No. 49: Market Borrowings of State Governments

(₹ Crore)

Sr. No.	State	2017-18		2018-19		2019-20						Total amount raised, so far in 2019-20	
						November		December		January			
		Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross Amount Raised	Net Amount Raised	Gross	Net
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	Andhra Pradesh	22800	18922	30200	23824	4206	4206	513	222	5000	4708	33967	26385
2	Arunachal Pradesh	888	703	719	693	-	-	-	-	-	-79	472	393
3	Assam	7760	6797	10595	8089	2000	2000	1900	1900	1500	1500	9100	9100
4	Bihar	10000	8908	14300	10903	-	-600	-	-607	4000	4000	18642	15642
5	Chhattisgarh	8100	8100	12900	12900	-	-700	2000	2000	2000	2000	6000	5300
6	Goa	1800	1400	2350	1850	200	200	300	200	381	381	2081	1581
7	Gujarat	24000	15785	36971	27457	1000	1000	2500	1500	8000	6500	30900	21400
8	Haryana	16640	15840	21265	17970	-	-	2000	1000	2500	2500	19001	16101
9	Himachal Pradesh	4600	2551	4210	2108	-	-	-	-900	1500	1200	3500	2300
10	Jammu & Kashmir	6200	3974	6684	4927	800	800	309	309	600	600	5592	5053
11	Jharkhand	6000	4807	5509	4023	-	-	500	500	-	-	2000	156
12	Karnataka	22098	17348	39600	31383	8200	6200	7700	7700	7000	7000	36100	31350
13	Kerala	20500	16203	19500	14784	1000	324	-	-500	920	920	15602	11626
14	Madhya Pradesh	15000	13125	20496	14971	1000	1000	2000	440	3000	1447	12000	7327
15	Maharashtra	45000	36480	20869	3117	-	-	3000	3000	6000	5000	31500	20500
16	Manipur	525	278	970	667	-	-	-	-	-	-	803	614
17	Meghalaya	1116	920	1122	863	-	-	295	295	-	-50	745	471
18	Mizoram	424	277	0	-123	-	-	92	92	-	-	450	349
19	Nagaland	1135	766	822	355	150	61	250	150	-	-	650	201
20	Odisha	8438	8438	5500	4500	1000	1000	-	-	500	500	4500	4500
21	Puducherry	825	488	825	475	200	200	200	-300	100	100	700	200
22	Punjab	17470	13349	22115	17053	1900	880	2035	1570	2800	2600	22655	13770
23	Rajasthan	24914	16777	33178	20186	1750	750	1000	-	3750	2750	30082	20000
24	Sikkim	995	745	1088	795	-	-	-	-	142	142	593	593
25	Tamil Nadu	40965	36023	43125	32278	8700	6700	8000	6000	8000	6000	53390	42190
26	Telangana	24600	21828	26740	22183	3000	3000	1324	1116	3000	2792	26124	20706
27	Tripura	1137	1137	1543	1387	615	615	-	-100	400	400	2080	1830
28	Uttar Pradesh	41600	37178	46000	33307	3000	1694	5500	3922	7500	7500	42000	30140
29	Uttarakhand	6660	5830	6300	5289	-	-	750	750	-	-	2350	1750
30	West Bengal	36911	25304	42828	30431	6500	4169	5000	4000	6000	6000	39010	23700
	Grand Total	419100	340281	478323	348643	45221	33499	47168	34258	74593	66411	452588	335228

- : Nil.

Source : Reserve Bank of India.

Explanatory Notes to the Current Statistics

Table No. 1
1.2& 6: Annual data are average of months.
3.5 & 3.7: Relate to ratios of increments over financial year so far.
4.1 to 4.4, 4.8,4.9 &5: Relate to the last friday of the month/financial year.
4.5, 4.6 & 4.7: Relate to five major banks on the last Friday of the month/financial year.
4.10 to 4.12: Relate to the last auction day of the month/financial year.
4.13: Relate to last day of the month/ financial year
7.1&7.2: Relate to Foreign trade in US Dollar.

Table No. 2
2.1.2: Include paid-up capital, reserve fund and Long-Term Operations Funds.
2.2.2: Include cash, fixed deposits and short-term securities/bonds, e.g., issued by IIFC (UK).

Table No. 4
Maturity-wise position of outstanding forward contracts is available at http://nsdp.rbi.org.in under ''Reserves Template''.

Table No. 5
Special refinance facility to Others, i.e. to the EXIM Bank, is closed since March 31, 2013.

Table No. 6
For scheduled banks, March-end data pertain to the last reporting Friday.
2.2: Exclude balances held in IMF Account No.1, RBI employees' provident fund, pension fund, gratuity and superannuation fund.

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

Table No. 8
NM_2 and NM_3 do not include FCNR (B) deposits.
2.4: Consist of paid-up capital and reserves.
2.5: includes other demand and time liabilities of the banking system.

Table No. 9
Financial institutions comprise EXIM Bank, SIDBI, NABARD and NHB.
L_1 and L_2 are compiled monthly and L_3 quarterly.
Wherever data are not available, the last available data have been repeated.

Table No. 13
Data against column Nos. (1), (2) & (3) are Final (including RRBs) and for column Nos. (4) & (5) data are Provisional (excluding RRBs)

Table No. 14
Data in column Nos. (4) & (8) are Provisional.

Table No. 15 & 16

Data are provisional and relate to select 41 scheduled commercial banks, accounting for about 90 per cent of total non-food credit extended by all scheduled commercial banks (excludes ING Vysya which has been merged with Kotak Mahindra since April 2015).

Export credit under priority sector relates to foreign banks only.

Micro & small under item 2.1 includes credit to micro & small industries in manufacturing sector.

Micro & small enterprises under item 5.2 includes credit to micro & small enterprises in manufacturing as well as services sector.

Priority Sector is as per old definition and does not conform to FIDD Circular FIDD.CO.Plan.BC.54/04.09.01/2014-15 dated April 23, 2015.

Table No. 17

2.1.1: Exclude reserve fund maintained by co-operative societies with State Co-operative Banks
2.1.2: Exclude borrowings from RBI, SBI, IDBI, NABARD, notified banks and State Governments.
4: Include borrowings from IDBI and NABARD.

Table No. 24

Primary Dealers (PDs) include banks undertaking PD business.

Table No. 30

Exclude private placement and offer for sale.
1: Exclude bonus shares.
2: Include cumulative convertible preference shares and equi-preference shares.

Table No. 32

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

Table No. 34

1.1.1.1.2 & 1.1.1.1.1.4: Estimates.
1.1.1.2: Estimates for latest months.
'Other capital' pertains to debt transactions between parent and subsidiaries/branches of FDI enterprises.
Data may not tally with the BoP data due to lag in reporting.

Table No. 35

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

Table No. 36

Increase in indices indicates appreciation of rupee and vice versa. For 6-Currency index, base year 2016-17 is a moving one, which gets updated every year. REER figures are based on Consumer Price Index (combined). Methodological details are available in December 2005 and April 2014 issues of the Bulletin.

Table No. 37

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

Table Nos. 38, 39, 40 & 41

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

Table No. 43

Part I-A. Settlement systems

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

Part I-B. Payments systems

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

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

5: Available from December 2010.

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

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

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

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

Part II-A. Other payment channels

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

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

Part II-B. ATMs

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

Part III. Payment systems infrastructure

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

Table No. 45

(-): represents nil or negligible

The revised table format since June 2016, incorporates the ownership pattern of State Governments Securities and Treasury Bills along with the Central Government Securities.

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

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

The category 'Others' comprises State Governments, Pension Funds, PSUs, Trusts, HUF/Individuals *etc.*

Table No. 46

GDP data is based on 2011-12 base. GDP data from 2018-19 pertains to the Provisional Estimates of National Income released by Central Statistics Office on 31st May 2019. GDP for 2019-20 is from Union Budget 2019-20.

Data for 2017-18 onwards also includes NCT of Delhi and Puducherry.

Total receipts and total expenditure exclude National Calamity Contingency Fund expenditure.

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

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

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

3A.1.1: Data as per RBI records.

3B.1.1: Includes borrowings through dated securities.

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

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

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

Table No. 47

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

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

OD is advanced to State Governments beyond their WMA limits.

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

- : Nil.

Table No. 48

CSF and GRF are reserve funds maintained by some State Governments with the Reserve Bank of India.

ATBs include Treasury bills of 91 days, 182 days and 364 days invested by State Governments in the primary market.

--: Not Applicable (not a member of the scheme).

The concepts and methodologies for Current Statistics are available in Comprehensive Guide for Current Statistics of the RBI Monthly Bulletin **(https://rbi.org.in/Scripts/PublicationsView.aspx?id=17618)**

Time series data of 'Current Statistics' is available at https://dbie.rbi.org.in.

Detailed explanatory notes are available in the relevant press releases issued by RBI and other publications/releases of the Bank such as **Handbook of Statistics on the Indian Economy**.

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12. Perspectives on Central Banking Governors Speak (1935-2010) Platinum Jubilee	₹1400 per copy (over the counter)	US$ 50 per copy (inclusive of air mail courier charges)

Notes

1. Many of the above publications are available at the RBI website (www.rbi.org.in).
2. Time Series data are available at the Database on Indian Economy (http://dbie.rbi.org.in).
3. The Reserve Bank of India History 1935-1997 (4 Volumes), Challenges to Central Banking in the Context of Financial Crisis and the Regional Economy of India: Growth and Finance are available at leading book stores in India.

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